



# **1<sup>st</sup> Half of Fiscal 2017 Financial Results**

October 30, 2017

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President and CEO



- 1. 1<sup>st</sup> Half FY2017 Financial Results**
- 2. FY2017 Financial Forecasts**
- 3. Shareholder Return**

# **1. 1<sup>st</sup> Half FY2017 Financial Results**

# Summary of 1H FY2017: Growth in Sales by New Products

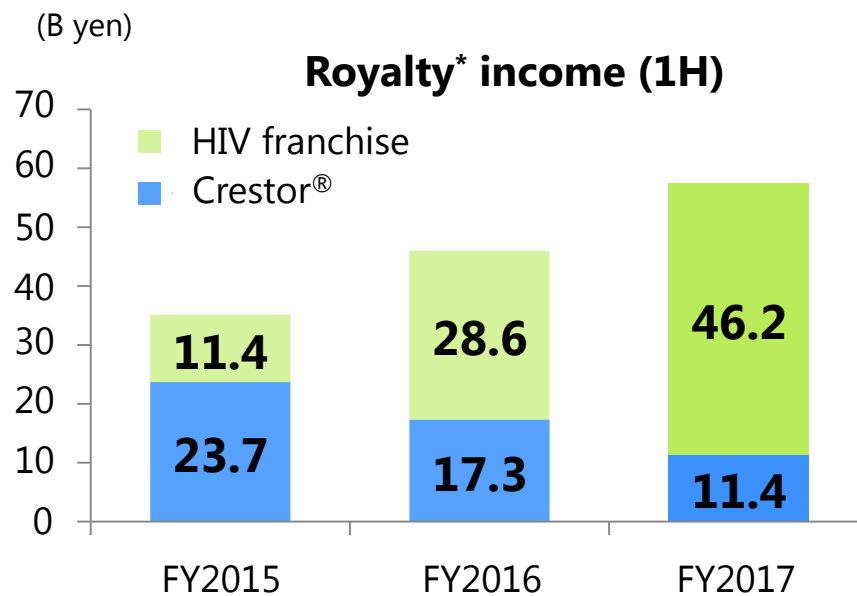
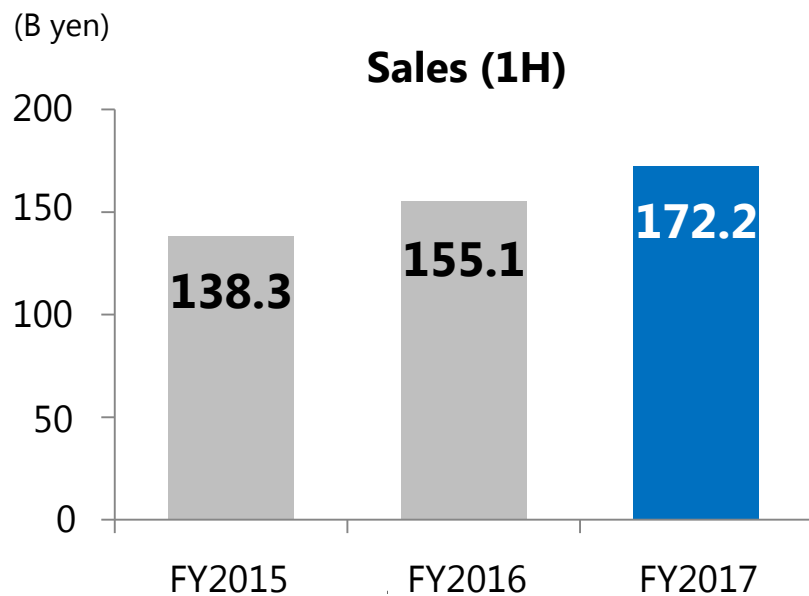


◆ Net Sales : **172.2 B yen** <sup>vs 1H FY2016</sup> (+11.0%)

**3 consecutive years  
growth in sales**

◆ Royalty\* income : **57.6 B yen** <sup>vs 1H FY2016</sup> (+25.2%)

**(Target significantly exceeded due to HIV franchise sales expansion)**



# Summary of 1H FY2017: All Categories of Profit Reached Record Highs



◆ Operating income: **55.8 B yen** (+25.9%) vs 1H FY2016

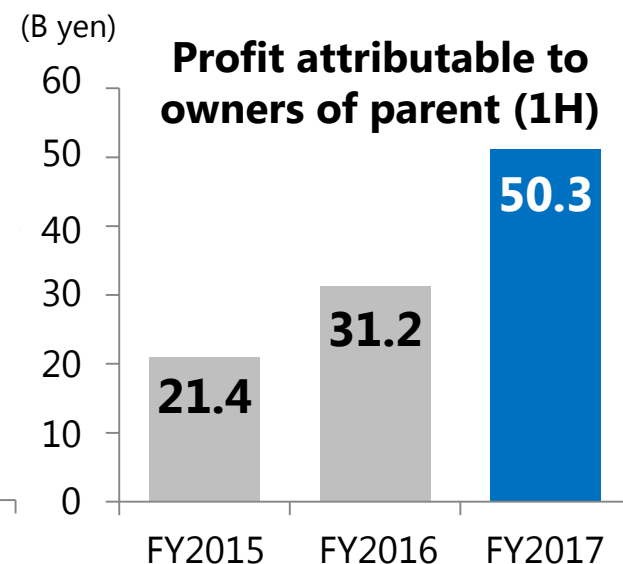
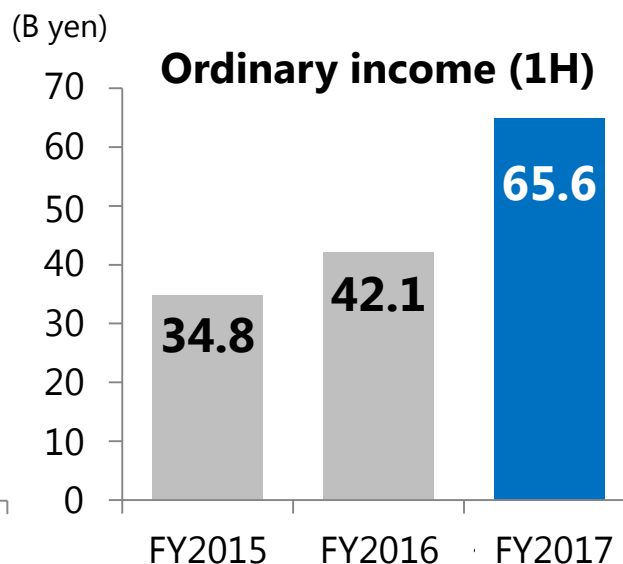
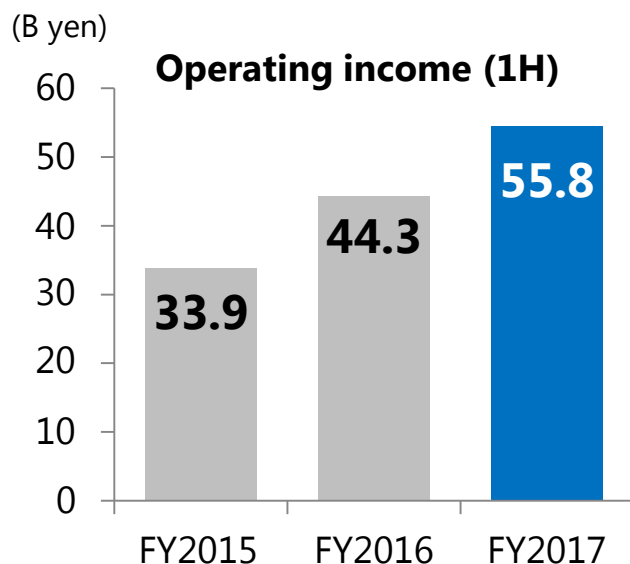
**Record-high levels  
for 3 consecutive  
years**

◆ Ordinary income: **65.6 B yen** (+55.6%) vs 1H FY2016

**Record-high levels  
for 6 consecutive  
years**

◆ Profit attributable to owners of parent: **50.3 B yen** (+61.3%) vs 1H FY2016

**Record-high levels  
for 3 consecutive  
years**



# Financial Results (Consolidated)



(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results	Progress vs 1H Forecasts (%)	1H Results	Change (%)	Change (B yen)
Sales	340.0	162.5	172.2	106.0	155.1	11.0	17.1
Operating income	112.5	46.0	55.8	121.2	44.3	25.9	11.5
Ordinary income	123.5	51.5	65.6	127.4	42.1	55.6	23.4
Profit attributable to owners of parent	92.0	38.5	50.3	130.7	31.2	61.3	19.1

Exchange Rate (average)	FY2017 Forecasts	FY2017 1H Results
USD (\$) – JPY (¥)	110.0	111.06
GBP (£) – JPY (¥)	140.0	143.59
EUR (€) – JPY (¥)	120.0	126.34

# Statements of Income (Consolidated)



(Unit: B yen)

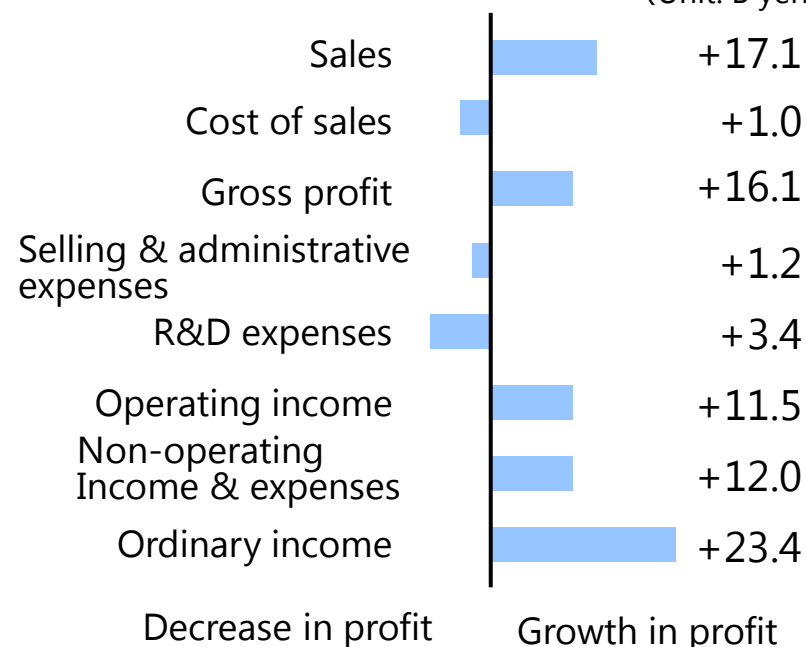
	FY2017			Progress vs 1H Forecasts (%)	FY2016	Y on Y	
	Full year Forecasts	1H Forecasts**	1H Results		1H Results	Change (%)	Change (B yen)
<b>Sales</b>	<b>340.0</b>	<b>162.5</b>	<b>172.2</b>	106.0	155.1	11.0	17.1
(Royalty* income)	<b>125.0</b>	<b>56.4</b>	<b>57.6</b>	102.1	46.0	25.2	11.6
	22.5 [35.6]	24.9 [38.2]	23.0 [34.6]		25.0 [35.5]		
<b>Cost of sales</b>	<b>76.5</b>	<b>40.5</b>	<b>39.7</b>	98.0	38.7	2.5	1.0
<b>Gross profit</b>	<b>263.5</b>	<b>122.0</b>	<b>132.5</b>	108.6	116.4	13.8	16.1
	44.4	46.8	44.6		46.5		
<b>SG&amp;A expenses</b>	<b>151.0</b>	<b>76.0</b>	<b>76.7</b>	101.0	72.1	6.4	4.6
Selling & administrative expenses	29.1 <b>99.0</b>	29.8 <b>48.5</b>	27.1 <b>46.6</b>	96.2	29.3 45.4	2.6	1.2
	15.3	16.9	17.5		17.2		
R&D expenses	<b>52.0</b>	<b>27.5</b>	<b>30.1</b>	109.5	26.7	12.9	3.4
	33.1	28.3	32.4		28.6		
<b>Operating income</b>	<b>112.5</b>	<b>46.0</b>	<b>55.8</b>	121.2	44.3	25.9	11.5
<b>Non-operating income &amp; expenses</b>	P11.0	P5.5	P9.8	178.8	L2.1	-	12.0
	36.3	31.7	38.1		27.2		
<b>Ordinary income</b>	<b>123.5</b>	<b>51.5</b>	<b>65.6</b>	127.4	42.1	55.6	23.4

# Y on Y Comparison and Main Variation Factors (Statements of Income)

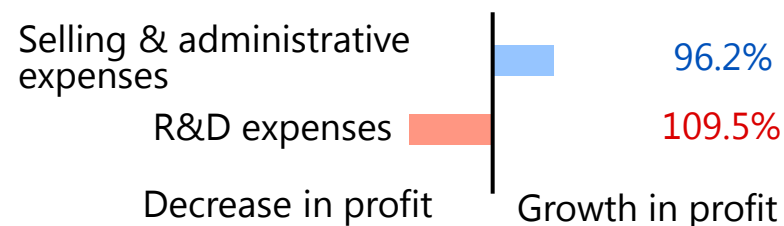


## Y on Y comparison

(Unit: B yen)



## Progress vs 1H Forecasts\*\*



## Main Variation Factors (Y on Y)

- Sales
  - Strong sales growth of strategic products
  - Increase of royalty income of HIV franchise from ViiV
  - Received payments\* from Roche regarding S-033188
- SG&A expenses :
  - Selling & administrative expenses : +1.2 B yen
    - › Advance investment for new products
  - R&D expenses : +3.4 B yen
    - › Investment for global development of S-033188
- Non-operating income & expenses
  - Received dividend: Global sales growth of HIV franchise and dividend payment in accordance with the revised contract with ViiV

## Main Variation Factors (vs 1H Forecasts\*\*)

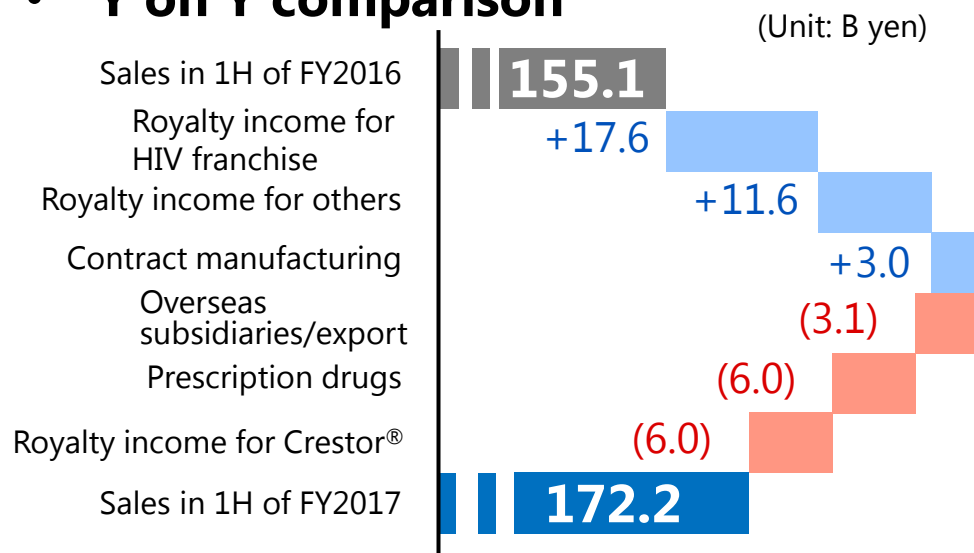
- Cost of sales
  - Cost of sales ratio
    - › Improved by 1.9%: Increase in royalty income
  - Cost of sales ratio excluding royalty income\*\*\*
    - › Improved by 3.6%: Received payments\* from Roche regarding S-033188
- SG&A expenses: Total cost management
  - Selling & administrative expenses : (1.9) B yen
  - R&D expenses : +2.6 B yen
    - › Investment for global development of S-033188



# Y on Y Comparison and Main Variation Factors (Sales by Segments)

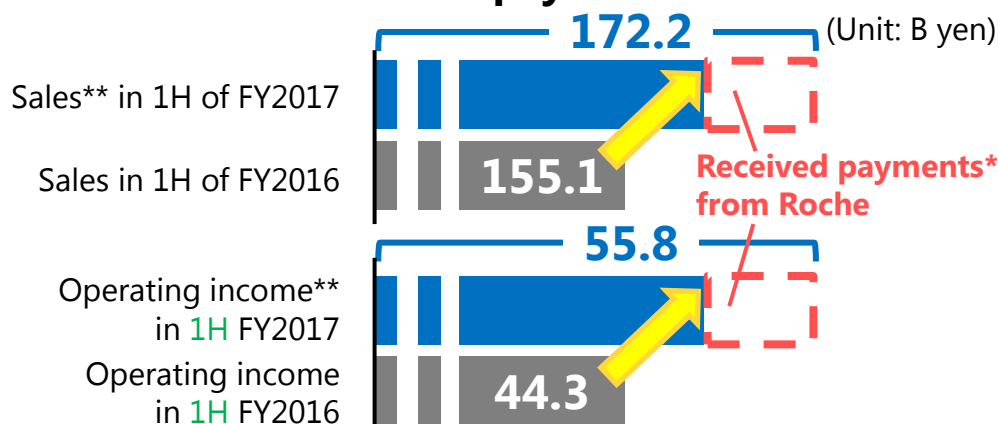


## Y on Y comparison



## Y on Y comparison

### – Effect of received payments\* from Roche –



## Main Variation Factors

(Y on Y change: + 17.1 B yen, +11.0 %)

- Prescription drugs
  - Sales growth of strategic products
  - Decrease sales due to transfer of marketing rights of long-listed drugs
- Overseas subsidiaries/export
  - Decrease in royalty for authorized generic in the US
- Contract manufacturing
  - Increase in API for dolutegravir
- Royalty income
  - Global sales growth of HIV franchise
  - Received payments\* from Roche regarding S-033188 (ca. 10.0 billion yen)

## In case of excluding received payments\* from Roche

- Sales and Operating income excluding received payments\* from Roche
  - Achieved increase in sales and profits vs. 1H FY2016



## Negotiated with Roche after obtaining positive results of OwH\* study

Revised the original financial scheme to a new one, with a milestone structure that includes payments both for development progression events and for obtaining successful results

More stable financial scheme for both companies which comprehensively takes into consideration the impacts to the fiscal period of each company

- **In this 1H, Shionogi received the first payment (ca. 10.0 B yen) from Roche ahead of schedule**

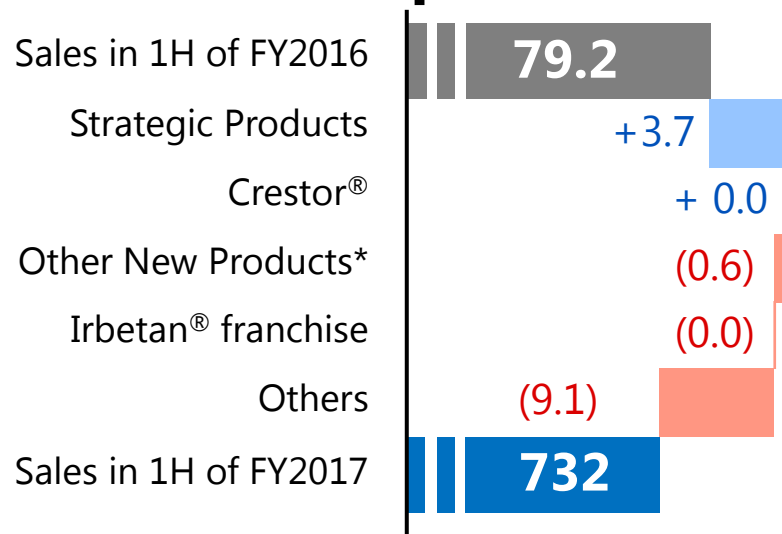


**Maximizing the value of S-033188 globally through a stronger collaboration with Roche**

# Y on Y Comparison and Main Variation Factors (Sales of Prescription Drugs in Japan)



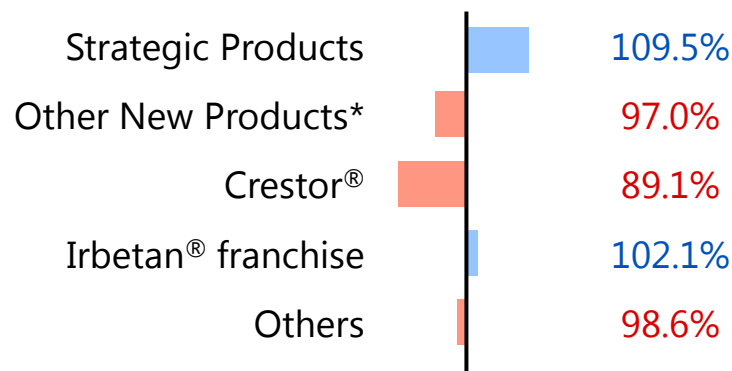
## • Y on Y comparison (Unit: B yen)



### Main Variation Factors (Y on Y change: (6.0) B yen, (7.6)%)

- Strategic Products
  - Cymbalta®: Sales growth mainly in the pain area
  - Smooth launch of new products such as Intuniv® and Symproic®
    - › Intuniv®: Already achieved the sales forecast for full year
- Others
  - Decreased sales due to transfer of marketing rights of long-listed drugs

## • Progress vs. 1H forecast\*\*



### Main Variation Factors (Y on Y change: (2.0) B yen, (2.7)%)

- Strategic Products
  - Cymbalta®: Exceeded the sales forecast for 1H
  - Intuniv®: Already achieved the sales forecast for full year
  - Symproic®: Exceeded the sales forecast for 1H
- Crestor®
  - Uptake of the authorized generic of Crestor® earlier than expected

## 2. FY2017 Financial Forecasts

# Upward Revision of FY2017 Financial Forecasts (Consolidated)



(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
Sales	340.0	345.0	5.0	338.9	1.8	6.1
Operating income	112.5	113.5	1.0	108.2	4.9	5.3
Ordinary income	123.5	132.0	8.5	123.0	7.3	9.0
Profit attributable to owners of parent	92.0	101.0	9.0	83.9	20.4	17.1

- Upward revisions for all categories of income and profit
- First time for Shionogi to exceed the profit attributable to owners of parent of 100.0 billion yen

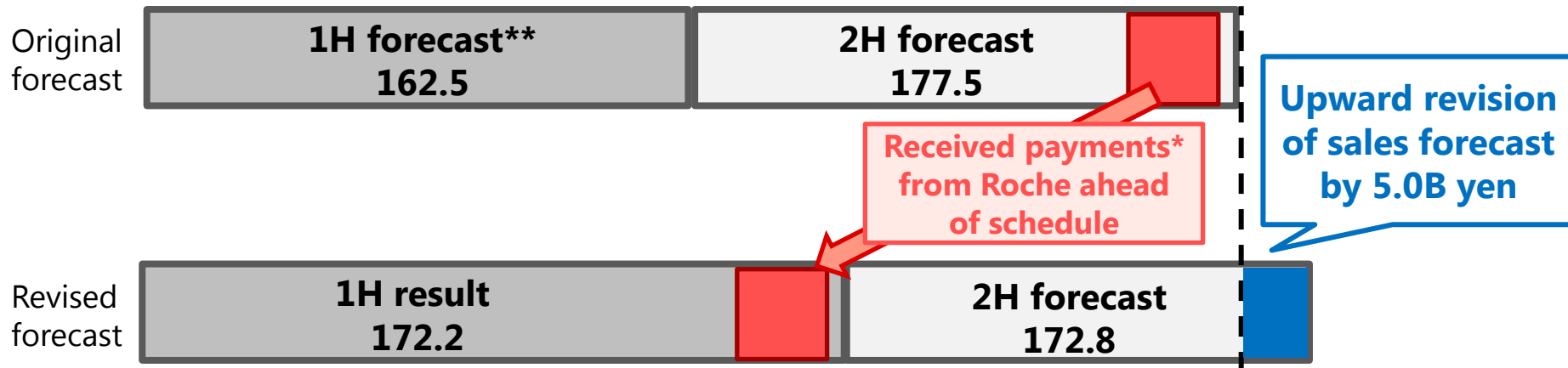
Exchange Rate (average)	FY2017 Forecasts	FY2016 Results
USD (\$) – JPY (¥)	110.0	108.39
GBP (£) – JPY (¥)	140.0	141.62
EUR (€) – JPY (¥)	120.0	118.80

# 1H Results and Revised Full Year Forecasts of FY2017

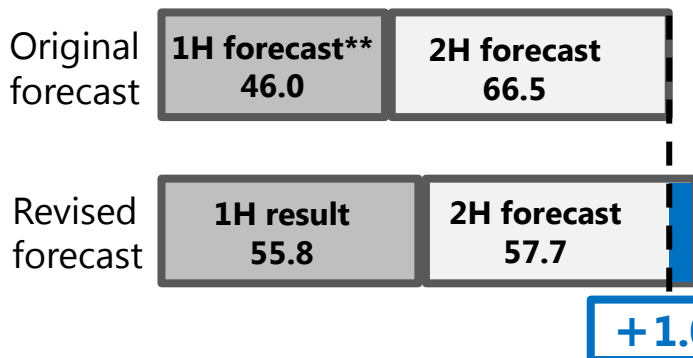


## • Sales (340.0→345.0)

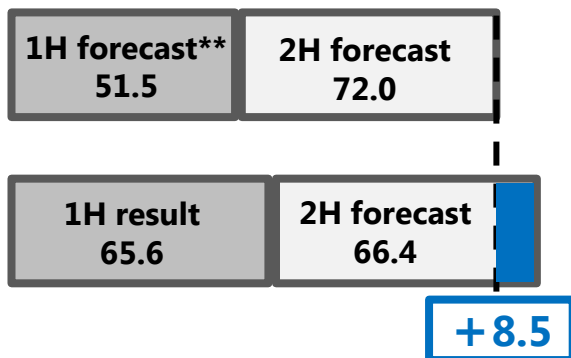
(Unit: B yen)



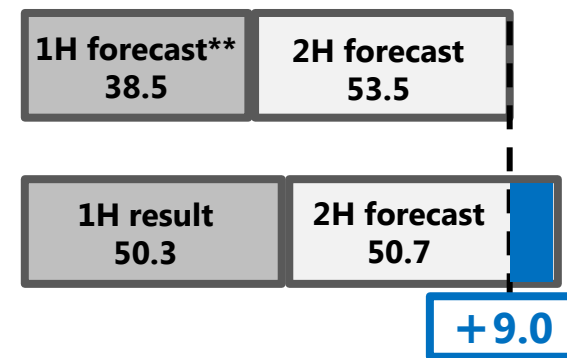
## • Operating income (112.5→113.5)



## • Ordinary income (123.5→132.0)



## • Profit attributable to owners of parent (92.0→101.0)



# Revision of Statement of Income (Consolidated)



(Unit: B yen)

	FY2017			FY2016 Full year Results	Y on Y	
	Original Forecast	Revised Forecast	Change		Change (%)	Change (B yen)
<b>Sales</b>	<b>340.0</b>	<b>345.0</b>	<b>5.0</b>	338.9	1.8	6.1
(Royalty* income)	<b>125.0</b>	<b>125.8</b>	<b>0.8</b>	106.3	18.3	19.5
	22.5 [35.6]	22.2 [34.9]		23.0 [33.4]		
<b>Cost of sales</b>	<b>76.5</b>	<b>76.5</b>	-	77.8	(1.6)	(1.3)
<b>Gross profit</b>	<b>263.5</b>	<b>268.5</b>	<b>5.0</b>	261.1	2.8	7.4
<b>SG&amp;A expenses</b>	44.4	44.9		45.1		
	<b>151.0</b>	<b>155.0</b>	<b>4.0</b>	152.9	1.4	2.1
Selling & administrative expenses	29.1	29.0		27.5		
	<b>99.0</b>	<b>100.0</b>	<b>1.0</b>	93.0	7.5	7.0
R&D expenses	15.3	15.9		17.7		
	<b>52.0</b>	<b>55.0</b>	<b>3.0</b>	59.9	(8.2)	(4.9)
<b>Operating income</b>	33.1	32.9		31.9		
	<b>112.5</b>	<b>113.5</b>	<b>1.0</b>	108.2	4.9	5.3
<b>Non-operating income &amp; expenses</b>	P11.0	P18.5	7.5	P14.9	24.6	3.6
<b>Ordinary income</b>	36.3	38.3		36.3		
	<b>123.5</b>	<b>132.0</b>	<b>8.5</b>	123.0	7.3	9.0

## Main reasons

1. Selling & administrative expenses +1.0 B yen: Increase of expenses regarding C & O and SI
2. R&D expenses +3.0 B yen: Increase of expenses in the global Phase III study of S-033188
3. Increased dividend from ViiV +7.5 B yen: Global sales growth of HIV franchise

# Revision of Sales by Segments (Consolidated)



(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
<b>Prescription drugs</b>	<b>143.9</b>	<b>144.1</b>	<b>0.2</b>	158.0	(8.8)	(13.9)
<b>Overseas</b>	<b>25.4</b>	<b>25.5</b>	<b>0.1</b>	29.2	(12.7)	(3.7)
Shionogi Inc.	<b>12.0</b>	<b>11.2</b>	<b>(0.8)</b>	17.9	(37.3)	(6.7)
Osphena <sup>®</sup>	<b>4.6</b>	<b>3.9</b>	<b>(0.7)</b>	4.7	(17.8)	(0.8)
<b>Contract manufacturing</b>	<b>15.3</b>	<b>15.4</b>	<b>0.1</b>	12.1	27.0	3.3
<b>OTC and quasi-drugs</b>	<b>7.5</b>	<b>7.0</b>	<b>(0.5)</b>	6.8	3.1	0.2
<b>Royalty income</b>	<b>145.0</b>	<b>150.3</b>	<b>5.3</b>	115.7	30.0	34.7
Royalty income for the sales of HIV franchise and Crestor <sup>®</sup>	<b>125.0</b>	<b>125.8</b>	<b>0.8</b>	106.3	18.3	19.5
HIV franchise	<b>103.0</b>	<b>103.3</b>	<b>0.3</b>	73.3	40.9	30.0
Crestor <sup>®</sup>	<b>22.0</b>	<b>22.5</b>	<b>0.5</b>	33.0	(31.8)	(10.5)
<b>Others</b>	<b>2.9</b>	<b>2.7</b>	<b>(0.2)</b>	17.1	(84.4)	(14.4)
<b>Total</b>	<b>340.0</b>	<b>345.0</b>	<b>5.0</b>	<b>338.9</b>	<b>1.8</b>	<b>6.1</b>



# Revision of Sales of Prescription Drugs in Japan



(Unit: B yen)

	FY2017			FY2016		Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)	
Cymbalta®	25.3	26.0	0.6	19.0	36.5	6.9	
Intuniv®	0.62	2.0	1.4	-	-	2.0	
Symproic®	0.38	0.60	0.22	-	-	0.6	
Total of Strategic products	26.3	28.6	2.3	19.0	50.3	9.6	
Actair®	0.13	0.13	(0.0)	0.08	66.7	0.1	
Mulpleta®	0.17	0.17	0.0	0.13	32.2	0.0	
Pirespa®	6.0	6.0	(0.0)	5.8	2.0	0.1	
OxyContin® franchise	8.9	8.9	0.0	9.7	(8.1)	(0.8)	
Rapiacta®	2.8	2.8	0.0	2.9	(3.2)	(0.1)	
Brightpoc® Flu	0.93	0.92	(0.0)	1.0	(6.6)	(0.1)	
Glashvista®	0.69	0.31	(0.4)	0.55	(43.9)	(0.2)	
Total of New Products	45.8	47.7	1.9	39.1	22.0	8.6	
Crestor®	36.4	34.4	(2.0)	43.1	(20.2)	(8.7)	
Irbetan® franchise	14.8	14.8	0.0	15.3	(3.1)	(0.5)	
Others	46.9	47.2	0.3	60.5	(22.0)	(13.3)	
Prescription drugs	143.9	144.1	0.2	158.0	(8.8)	(13.9)	

# Sales of Prescription Drugs in Japan (Revised)



## Main variation factors in sales of prescription drugs in Japan

New drugs	1H Results	2H Revised Forecast	Full year Revised Forecast
Growth of new drugs including Cymbalta®	+3.1	+5.5	+8.6
Launch of generics for Crestor® and Irbetan®	(0.0)	△9.2	△9.2
Long-listed drugs, etc.	1H Results	2H Revised Forecast	Full year Revised Forecast
Decreased sales of long-listed drugs including Flomox® Decreased stockpiling of Rapiacta®	△5.3	△3.1	△8.4
Transferring the marketing rights for 24 long-listed drugs	△3.8	△1.2	△4.9
Prescription drugs	△6.0	△7.9	△13.9

(Unit: B yen)

- **Decreased sales of Crestor® and Irbetan® due to the launch of generic drugs will be compensated for by the growth of new drugs including Cymbalta®, Intuniv®, Symproic®, etc.**
- **Continue to focus on new drugs, not depending on the long-listed drugs**

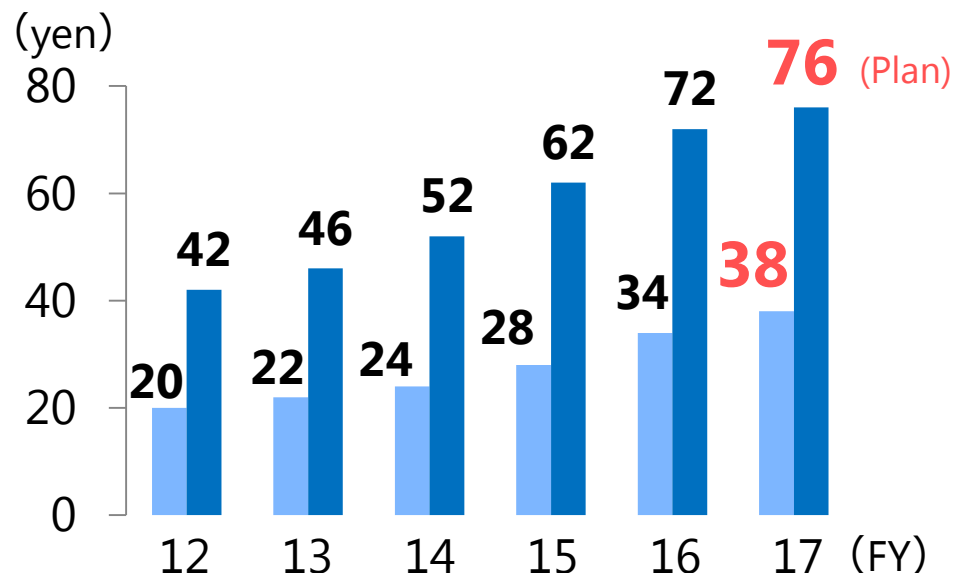
# 3. Shareholder Return

# Dividend Forecasts



	Dividend per share			DOE	ROE
	half-year	year-end	annual		
FY2016	34.00	38.00	72.00	4.5%	16.3%
<b>FY2017</b>	<b>38.00</b>	(Plan) <b>38.00</b>	(Plan) <b>76.00</b>	(Estimate) <b>4.3%</b>	(Estimate) <b>17.8%</b>

**Planning continuous increases in both half-year dividends and annual dividends**



# Appendix

# Sales by Segments (Consolidated)



(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results	Progress vs. 1H forecasts (%)	1H Results	Change (%)	Change (B yen)
<b>Prescription drugs</b>	<b>143.9</b>	<b>75.2</b>	<b>73.2</b>	97.3	79.2	(7.6)	(6.0)
<b>Overseas</b>	<b>25.4</b>	<b>12.3</b>	<b>12.2</b>	99.0	15.3	(20.2)	(3.1)
Shionogi Inc.	12.0	6.0	6.0	101.3	9.1	(33.6)	(3.1)
Osphena®	4.6	2.2	2.0	89.3	2.0	(0.7)	(0.0)
<b>Contract manufacturing</b>	<b>15.3</b>	<b>7.9</b>	<b>8.4</b>	107.0	5.4	56.1	3.0
<b>OTC and quasi-drugs</b>	<b>7.5</b>	<b>3.4</b>	<b>3.4</b>	98.1	3.4	(1.5)	(0.1)
<b>Royalty income</b>	<b>145.0</b>	<b>62.3</b>	<b>73.8</b>	118.5	50.6	45.7	23.2
Royalty income for the sales of HIV franchise and Crestor®	125.0	56.4	57.6	102.1	46.0	25.2	11.6
HIV franchise	103.0	45.4	46.2	101.8	28.6	61.3	17.6
Crestor®	22.0	11.0	11.4	103.3	17.3	(34.4)	(6.0)
<b>Others</b>	<b>2.9</b>	<b>1.4</b>	<b>1.2</b>	86.4	1.2	1.2	0.0
<b>Total</b>	<b>340.0</b>	<b>162.5</b>	<b>172.2</b>	<b>106.0</b>	<b>155.1</b>	<b>11.0</b>	<b>17.1</b>

# Sales of Prescription Drugs in Japan



(Unit: B yen)

	FY2017			Progress vs. 1H forecasts (%)	FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results		1H Results	Change (%)	Change (B yen)
<b>Cymbalta®</b>	<b>25.3</b>	<b>11.1</b>	<b>11.7</b>	105.5	8.9	31.8	2.8
<b>Intuniv®</b>	<b>0.62</b>	<b>0.29</b>	<b>0.69</b>	238.2	-	-	0.69
<b>Symproic®</b>	<b>0.38</b>	<b>0.08</b>	<b>0.16</b>	203.6	-	-	0.16
<b>Total of Strategic products</b>	<b>26.3</b>	<b>11.5</b>	<b>12.6</b>	109.5	8.9	41.4	3.7
<b>Actair®</b>	<b>0.13</b>	<b>0.05</b>	<b>0.05</b>	111.8	0.03	82.4	0.02
<b>Mulpleta®</b>	<b>0.17</b>	<b>0.08</b>	<b>0.08</b>	99.7	0.06	38.1	0.02
<b>Pirespa®</b>	<b>6.0</b>	<b>3.1</b>	<b>3.1</b>	101.7	3.0	3.3	0.10
<b>OxyContin® franchise</b>	<b>8.9</b>	<b>4.6</b>	<b>4.6</b>	98.0	5.0	(9.3)	(0.47)
<b>Rapiacta®</b>	<b>2.8</b>	<b>0.14</b>	<b>0.07</b>	52.5	0.12	(39.2)	(0.05)
<b>Brightpoc® Flu</b>	<b>0.93</b>	<b>0.09</b>	<b>0.14</b>	145.6	0.09	44.3	0.04
<b>Glashvista®</b>	<b>0.69</b>	<b>0.34</b>	<b>0.15</b>	42.7	0.41	(64.8)	(0.27)
<b>Total of New Products</b>	<b>45.8</b>	<b>19.9</b>	<b>20.7</b>	104.2	17.6	17.5	3.1
<b>Crestor®</b>	<b>36.4</b>	<b>24.7</b>	<b>22.0</b>	89.1	21.9	0.2	0.04
<b>Irbetan® franchise</b>	<b>14.8</b>	<b>7.6</b>	<b>7.8</b>	102.1	7.8	(0.6)	(0.05)
<b>Others</b>	<b>46.9</b>	<b>23.0</b>	<b>22.7</b>	98.6	31.8	(28.6)	(9.1)
<b>Prescription drugs</b>	<b>143.9</b>	<b>75.2</b>	<b>73.2</b>	<b>97.3</b>	<b>79.2</b>	<b>(7.6)</b>	<b>(6.0)</b>

# Sales Expansion of New Drugs and Negative Impact of First Generic Entries for our Main Products



(Unit: B yen)

New drugs	Full year Forecast	1H Forecast*	1H Results
Growth of new drugs including Cymbalta®	+6.7	+2.2	<b>+3.1</b>
Launch of generics for Crestor® and Irbetan®	(7.2)	+2.5	<b>(0.0)</b>
Long-listed drugs, etc.	Full year Forecast	1H Forecast*	1H Results
Decreased sales of long-listed drugs including Flomox® Decreased stockpiling of Rapiacta®	(8.7)	(5.0)	(5.3)
Transferring the marketing rights for long-listed 24 drugs	(4.9)	(3.8)	(3.8)
Prescription drugs	(14.1)	(4.0)	<b>(6.0)</b>

- **New Products: Sales growth led by strategic products**
- **Crestor®: Lower than our forecast due to early uptake of Crestor® AG**
- **Long-listed drugs: On track**

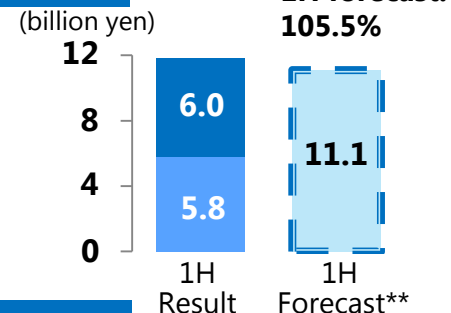


# Sales Growth of New Products



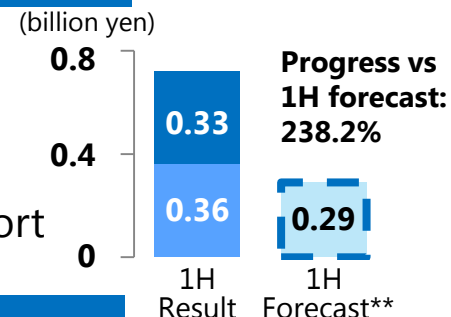
## Sales\* growth of Cymbalta® in the pain area

- Sales growth in the pain area from the orthopedics and internal medicine departments
  - Positive perception by orthopedists especially in OA
  - Sales growth in CLBP from both the orthopedics and internal medicine departments



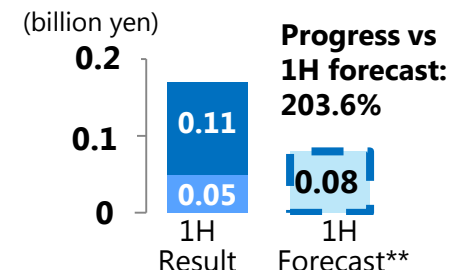
## Smooth launch and sales growth of Intuniv® (launched on May 26, 2017) → Already achieved the full year sales forecast

- Strong sales growth as a new treatment option for ADHD
  - Allocation of sales forces with high level of expertise in each region
  - Co-promotion with our partner Shire Japan
- Maximizing overall beneficial impact with complementary social support

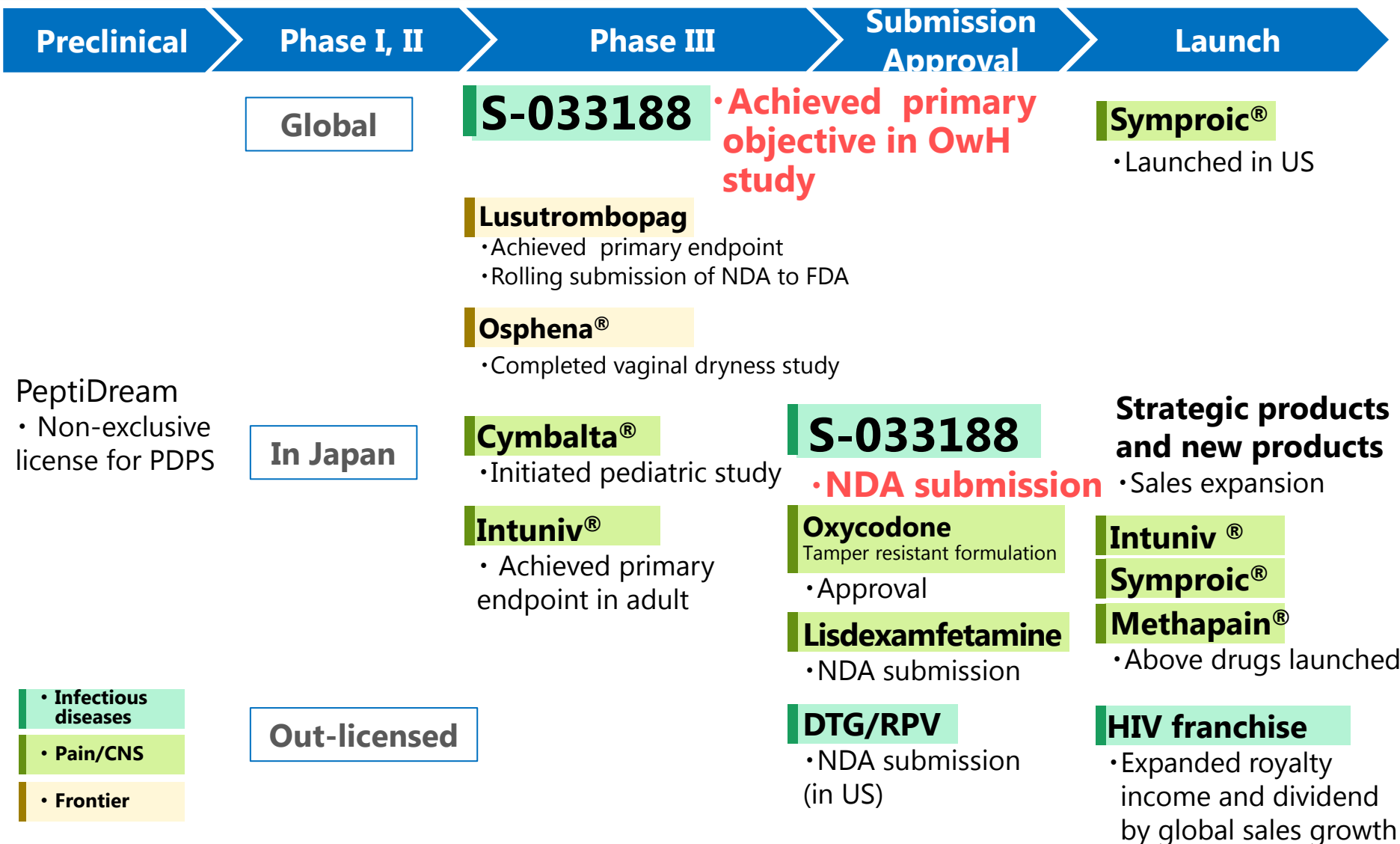


## Strengthen our product lineup in the Oxycontin® Family

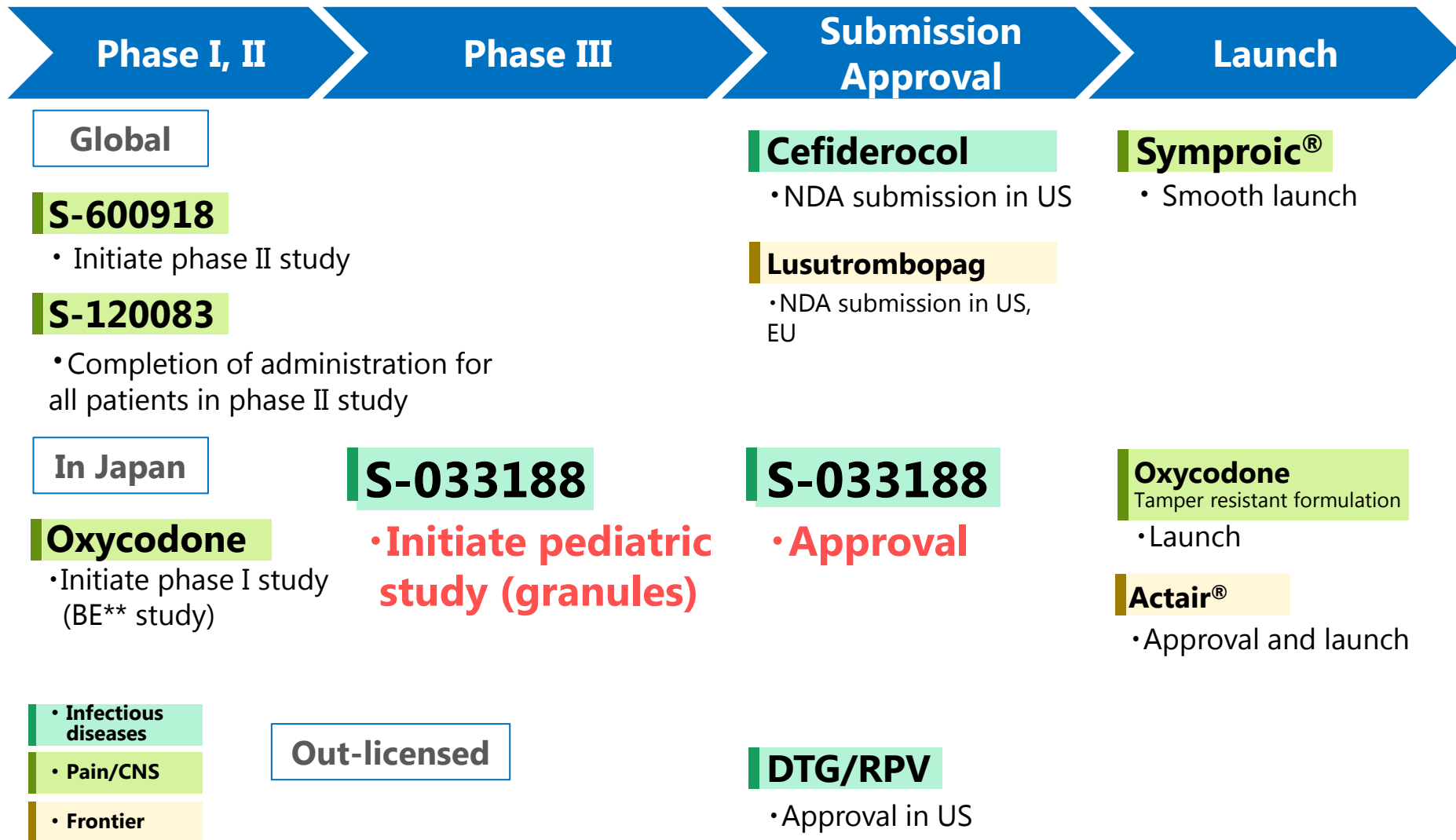
- Launched Methapain® (Apr. 11, 2017) and Symproic® (Jun. 7, 2017) on schedule
- Symproic® is adopted by nearly 80% of the designated hospitals for cancer in Japan
- Approval of oxycodone tamper resistant formulation



# Progress in 1H FY2017\*



# Objectives for 2H FY2017\*



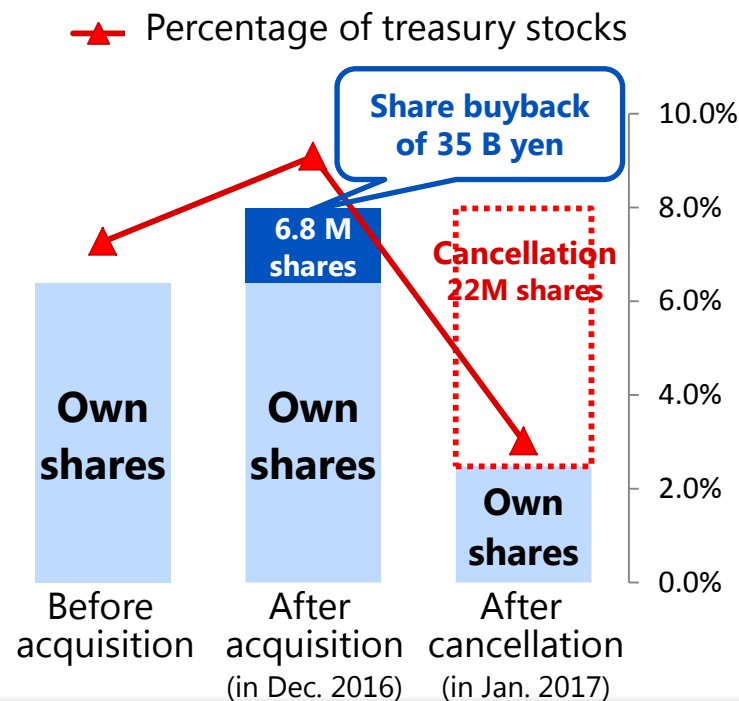
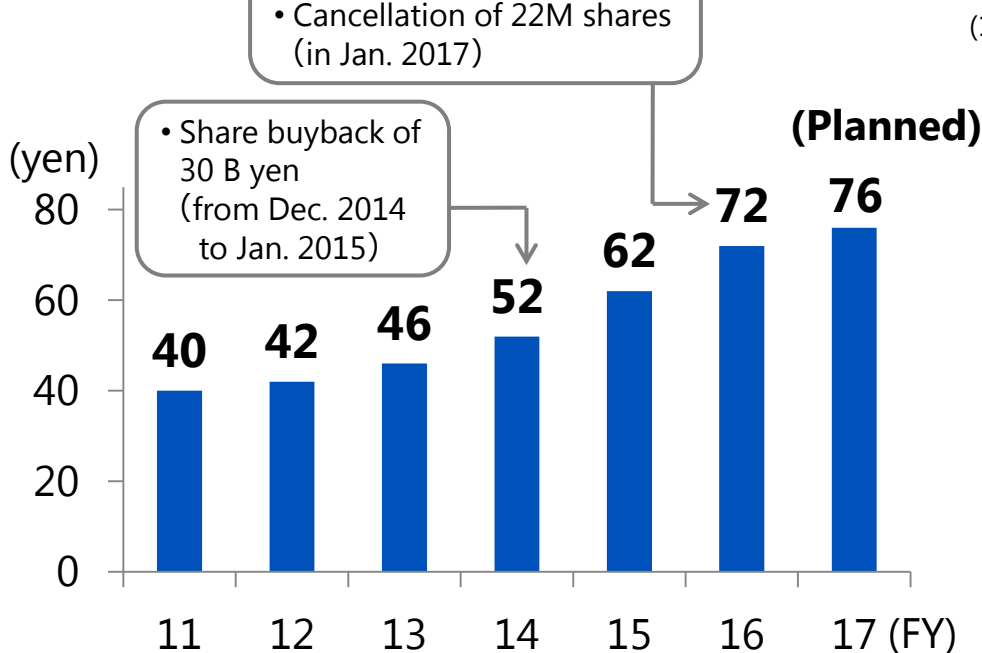
# Shareholder Return Policy of Shionogi

- Maximize enterprise value by balancing three key factors: return to shareholders, investment for further growth and strategic opportunities
- Sharing our mid- to long-term profit growth with our shareholders by increasing returns as appropriate by share buyback, cancellation of treasury stocks, and elimination of cross-share holdings

**Planning to increase dividend for six consecutive years**

- Share buyback of 35 B yen (from Nov. to Dec. 2016)
- Cancellation of 22M shares (in Jan. 2017)

- Share buyback of 30 B yen (from Dec. 2014 to Jan. 2015)



# Target Milestones for FY2017 (as of Oct. 2017)



Areas	Product	As of Apr. 1, 2017		Target for FY2017
Infectious disease	<b>Cefiderocol</b> Multidrug-resistant Gram-negative bacterial infections	Global: Preparation for NDA submission		US: NDA submission
	<b>S-033188 (baloxavir marboxil)</b> Influenza virus infection	Global: Phase III	Japan: Phase III (pediatric)	Japan: NDA submission
Pain/CNS	<b>Intuniv®</b> ADHD (pediatric)	Japan: NDA submission		Japan: Launch
	<b>Symproic®</b> Opioid-induced constipation	Japan: Approval		Japan: Launch
	<b>Symproic®</b> Opioid-induced constipation	US: Approval		US: Launch
	<b>Oxycodone</b> Treatment of moderate to severe chronic pain	Japan: NDA submission		Japan: Approval
	<b>Oxycodone</b> Tamper resistant formulation	Japan: NDA submission		Japan: Approval
	<b>Lisdexamfetamine</b> ADHD (pediatric)	Japan: Preparation for NDA submission		Japan: NDA submission
	<b>Cymbalta®</b> Depression (pediatric)	-		Japan: Phase III
	<b>S-600918</b> Neuropathic pain	Japan: Phase I		Phase II (regions to be determined)
Frontier	<b>Lusutrombopag</b> Thrombocytopenia associated with chronic liver disease	Global: Phase III		US and EU: NDA submission
	<b>Actair®</b> (Pediatric allergic rhinitis caused by house-dust mite allergen)	Japan: NDA submission		Japan: Approval

# Pipeline (as of Oct. 2017)



Preclinical	Phase I	Phase II	Phase III	Filed
	<b>Global</b>	<b>Cefiderocol</b> Multidrug-resistant Gram-negative bacterial infections <b>S-120083</b> Inflammatory pain <b>S-707106</b> Type2 diabetes <b>S-488210</b> Head and neck squamous cell carcinoma <b>epertinib</b> Malignant tumor <b>S-588410</b> Bladder cancer	<b>S-033188 (baloxavir marboxil)</b> Influenza virus infection <b>Cefiderocol</b> Multidrug-resistant Gram-negative bacterial infections <b>Lusutrombopag</b> Thrombocytopenia	<b>Naldemedine (EU)</b> Opioid-induced constipation
<b>Antibody drug candidate against pseudomonas</b> <b>Central neuropathic pain</b> <b>Obesity</b> <b>LCM inhalation</b>	<b>S-117957</b> Insomnia <b>S-237648</b> Obesity			
	<b>In Japan</b>	<b>Cefiderocol</b> Multidrug-resistant Gram-negative bacterial infections <b>S-237648</b> Obesity <b>S-525606</b> Allergic rhinitis caused by Japanese cedar allergen <b>S-588410</b> Bladder cancer	<b>Cefiderocol</b> Multidrug-resistant Gram-negative bacterial infections <b>Intuniv®</b> ADHD (adult) <b>Cymbalta®</b> Depression (pediatric) <b>S-588410</b> Esophageal cancer	<b>S-033188 (baloxavir marboxil)</b> Influenza virus infection <b>S-033188 (baloxavir marboxil)</b> Influenza virus Infection (pediatric) <b>Oxycodone</b> Moderate to severe chronic pain <b>Oxycodone</b> Tamper resistant formulation <b>Lisdexamfetamine</b> ADHD (pediatric) <b>Actair®</b> Pediatric patients with perennial allergic rhinitis
<b>Out-licensed</b>	<b>GSK3342830</b> Multidrug-resistant Gram-negative bacterial infections		<b>DTG+3TC</b> Treatment for HIV infection <b>CAB LAP</b> Prevention for HIV infection <b>CAB + RPV LAP</b> Treatment for HIV infection <b>Janssen/Shionogi BACE inhibitor</b> Alzheimer's disease <b>Osphena®</b> Vaginal dryness associated with postmenopausal VVA	<b>DTG/RPV</b> Treatment for HIV infection <b>Infectious diseases</b> <b>Pain/CNS</b> <b>Metabolic disorder</b> <b>Frontier</b>
<b>Janssen/Shionogi Project compound</b> Alzheimer's disease				

# Target Milestones for Launch of New Products



FY2017	FY2018	FY2019
<b>Japanese business</b>		
<b>Symproic®</b> <b>Intuniv®</b> ADHD (pediatric) <b>Oxycodone</b> Tamper resistant formulation <b>Actair®</b> Pediatric patients with perennial allergic rhinitis	<b>S-033188 (baloxavir marboxil)</b> <b>Lisdexamfetamine</b>	<b>Intuniv®</b> ADHD (adult)
<b>Overseas business</b>		
<b>Symproic® (US)</b>	<b>Cefiderocol</b> <b>Osphena®</b> Vaginal dryness associated with postmenopausal VVA <b>Lusutrombopag</b> <b>Naldemedine (EU)</b>	
<b>Global out-licensed products</b>		
	<b>DTG + RPV</b>	<b>DTG + 3TC</b>

# Forward-Looking Statements

- Forecast or target figures in this material are neither official forecasts of earnings and dividends nor guarantee of target, achievement and forecasts, but present the midterm strategies, goals and visions. Official earnings guidance should be referred to in the disclosure of the annual financial report (*kessan tanshin*) in accordance with the rules set by Tokyo Stock Exchange.
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