

**Financial Results for the Second Quarter
of Fiscal Year 2008**

< Supplement >

November 4, 2008

 **SHIONOGI & CO., LTD.**

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1. Financial Results and Forecast <Consolidated/Non-consolidated>

< Consolidated >

(Units: 100 millions of yen)

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
Net Sales	1,050	1,260	2,310	1,041	1,101	2,142	9	159	168
	(0.9)	(14.4)	(7.8)	(13.0)	(2.3)	(7.3)			
Operating Income	184	296	480	171	232	403	13	64	77
	(7.7)	(27.0)	(18.8)	(56.1)	(30.1)	(40.0)			
Ordinary Income	189	291	480	171	227	398	18	64	82
	(10.6)	(27.7)	(20.4)	(56.2)	(32.6)	(41.9)			
Net Income	118	182	300	107	143	250	11	39	50
	(9.7)	(27.2)	(19.7)	(68.7)	(17.0)	(34.8)			

() Percentage change to the previous fiscal year

< Non-consolidated >

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
Net Sales	1,000	1,200	2,200	962	1,048	2,010	38	152	190
	(3.9)	(14.5)	(9.5)	(9.4)	(7.3)	(8.2)			
Operating Income	162	283	445	151	212	363	11	71	82
	(7.6)	(32.7)	(22.3)	(66.9)	(34.4)	(46.2)			
Ordinary Income	179	281	460	159	213	372	20	68	88
	(12.4)	(31.9)	(23.5)	(58.0)	(34.0)	(43.3)			
Net Income	114	176	290	90	134	224	24	42	66
	(26.3)	(30.9)	(29.0)	(60.4)	(14.9)	(29.8)			

() Percentage change to the previous fiscal year

2. Financial Results of Significant Consolidated Subsidiaries

< Bushu Pharmaceuticals Ltd. >

(Units: millions of yen)

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
Net Sales	4,604 (△ 4.5)	4,696 (4.3)	9,300 (△ 0.2)	4,821 (30.8)	4,500 (9.8)	9,321 (19.7)	△ 217	196	△ 21
Operating Income	513 (△ 5.1)	287 (△ 50.6)	800 (△ 28.6)	541 (48.2)	580 (9.1)	1,121 (24.8)	△ 28	△ 293	△ 321
Ordinary Income	453 (△ 2.7)	197 (△ 62.5)	650 (△ 34.3)	466 (75.2)	523 (△ 9.3)	989 (17.3)	△ 13	△ 326	△ 339
Net Income	252 (△ 5.8)	98 (△ 69.3)	350 (△ 40.3)	268 (91.4)	318 (△ 21.4)	586 (7.7)	△ 16	△ 220	△ 236

() Percentage change to the previous fiscal year

3. Sales by Segment

(Units: 100 million yen)

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
Pharmaceuticals and related business	1,037 (3.8)	1,231 (13.4)	2,268 (8.8)	998 (9.9)	1,085 (7.4)	2,084 (8.6)	39	146	184
Ethical drugs	743 (0.1)	866 (7.0)	1,609 (3.7)	742 (1.1)	809 (3.1)	1,551 (2.1)	1	57	58
FLOMOX	121	154	275	124	162	286	△ 3	△ 8	△ 11
CRESTOR	83	117	200	44	60	104	39	57	96
FLUMARIN	55	55	110	63	58	122	△ 8	△ 3	△ 12
RINDERON	52	48	100	53	47	100	△ 1	1	0
VANCOMYCIN	46	49	95	55	51	106	△ 9	△ 2	△ 11
OXYCONTIN	40	45	85	32	34	66	8	11	19
IMUNACE	36	36	72	64	53	117	△ 28	△ 17	△ 45
CLARITIN	33	62	95	29	61	90	4	1	5
FINIBAX	13	20	33	12	13	25	1	7	8
IRBETAN	10	15	25	-	-	-	10	15	25
AVELOX	7	13	20	8	11	19	△ 1	2	1
PIRESPA	-	5	5	-	-	-	-	5	5
DIFFERIN	-	4	4	-	-	-	-	4	4
Export/Overseas operations	41 (38.8)	47 (41.0)	88 (40.0)	29 (7.8)	33 (31.1)	63 (19.0)	12	14	25
DORIPENEM	11	19	30	1	3	4	10	16	26
Contract manufacturing	30 (13.8)	33 (1.2)	63 (6.9)	26 (57.9)	32 (39.4)	58 (47.2)	4	1	5
OTC and quasi-drugs	28 (△ 2.0)	30 (6.6)	58 (2.2)	29 (△ 6.2)	27 (△ 8.7)	56 (△ 7.4)	△ 1	3	2
SEDES	12	13	25	12	12	24	0	1	1
POPON-S	5	6	11	6	5	11	△ 1	1	0
Diagnostics	17 (△ 0.2)	15 (△ 11.1)	32 (△ 5.6)	17 (1.2)	16 (2.4)	33 (1.8)	0	△ 1	△ 1
Royalty income	178 (14.9)	240 (45.0)	418 (30.5)	154 (86.1)	165 (28.0)	320 (50.7)	24	75	98
CRESTOR	166	228	394	144	154	298	22	74	96
Other business	13 (△ 68.9)	29 (83.7)	42 (△ 28.0)	42 (234.2)	15 (△ 76.2)	58 (△ 25.6)	△ 29	14	△ 16
Total	1,050 (0.9)	1,260 (14.4)	2,310 (7.8)	1,041 (13.0)	1,101 (2.3)	2,142 (7.3)	9	159	168

() Percentage change to the previous fiscal year

Sales of each product are shown on a non-consolidated basis

4-1. Quarterly Financial Results Trends (Quarterly Sales by Segment)

(Units: 100 million yen)

	Apr.1-Jun.30 2007	Y on Y Change(%)	Jul.1-Sep.30 2007	Y on Y Change(%)	Oct.1-Dec.31 2007	Y on Y Change(%)	Jan.1-Mar.31 2008	Y on Y Change(%)
Pharmaceuticals and related business	496	8.9	502	10.9	574	7.0	510	7.9
Ethical Drugs	378	△ 0.1	363	2.4	441	2.6	368	3.6
FLOMOX	65	△ 8.5	59	△ 9.1	92	△ 1.7	71	△ 8.5
CRESTOR	19	-	25	140.9	31	-	29	154.7
FLUMARIN	30	△ 11.9	33	△ 7.6	34	△ 6.5	24	△ 8.8
RINDERON	27	△ 1.6	27	1.3	26	△ 0.6	20	△ 4.4
VANCOMYCIN	30	△ 19.0	25	△ 27.1	30	△ 4.5	21	△ 18.6
OXYCONTIN	16	22.2	16	33.6	21	35.4	13	19.8
IMUNACE	32	4.7	33	23.1	26	△ 22.7	27	△ 0.9
CLARITIN	16	20.9	12	8.2	15	△ 11.0	46	55.0
FINIBAX	5	16.6	7	47.8	7	23.5	6	19.7
AVELOX	4	△ 47.2	4	△ 8.3	7	△ 34.7	4	113.2
Export/Overseas operations	15	28.3	14	△ 8.1	13	3.9	19	61.5
DORIPENEM	-	-	1	-	1	-	3	-
Contract manufacturing	9	26.8	16	84.7	18	32.5	14	49.2
OTC and quasi-drugs	14	△ 4.0	14	△ 8.4	15	△ 12.1	11	△ 3.6
SEDES	6	△ 1.1	6	△ 13.5	7	△ 2.7	5	△ 7.1
POPON-S	3	△ 12.4	3	4.9	3	△ 20.6	2	3.9
Diagnostics	9	3.8	7	△ 1.7	8	7.9	8	△ 2.9
Royalty income	69	107.8	85	71.6	76	42.3	88	17.8
CRESTOR	67	112.8	77	83.5	74	41.9	81	18.1
Other business	5	△ 9.9	37	445.4	7	△ 77.5	7	△ 74.8
Total	502	8.7	539	17.4	582	1.8	518	2.9

	Apr.1-Jun.30 2008	Y on Y Change(%)	Jul.1-Sep.30 2008	Y on Y Change(%)
Pharmaceuticals and related business	511	2.9	526	4.8
Ethical Drugs	380	0.5	362	△ 0.3
FLOMOX	61	△ 5.8	60	1.9
CRESTOR	38	99.9	46	79.7
FLUMARIN	25	△ 17.3	30	△ 10.8
RINDERON	26	△ 2.4	26	△ 3.2
VANCOMYCIN	23	△ 22.2	23	△ 10.3
OXYCONTIN	20	27.7	19	22.3
IMUNACE	20	△ 35.4	16	△ 52.2
CLARITIN	18	6.4	15	25.1
FINIBAX	6	16.5	7	10.1
IRBETAN	8	-	2	-
AVELOX	4	14.2	2	△ 40.9
Export/Overseas operations	19	25.4	22	53.3
DORIPENEM	5	-	6	528.6
Contract manufacturing	12	22.5	18	8.6
OTC and quasi-drugs	14	△ 2.6	14	△ 1.4
SEDES	6	△ 2.5	6	3.2
POPON-S	3	3.5	3	△ 12.0
Diagnostics	9	0.6	8	△ 1.2
Royalty income	75	9.5	102	19.3
CRESTOR	72	8.3	93	20.6
Other business	6	14.5	7	△ 80.8
Total	517	3.0	533	△ 1.1

4-2. Quarterly Financial Results Trends (Quarterly Consolidated Statement of Income)

(Units: 100 million yen)

FY2007	Apr.1-Jun.30 2007	Y on Y Change(%)	Jul.1-Sep.30 2007	Y on Y Change(%)	Oct.1-Dec.31 2007	Y on Y Change(%)	Jan.1-Mar.31 2008	Y on Y Change(%)
Net sales	502	8.7	539	17.4	582	1.8	518	2.9
Cost of sales	32.1 161	4.0	34.4 185	22.9	31.5 183	△ 8.0	30.1 155	△ 8.4
Gross profit	341	11.1	353	14.7	399	7.0	362	8.7
SG & A expenses	52.0 261	2.4	48.6 262	4.6	47.1 274	1.6	49.1 254	△ 1.1
Selling & General expenses	163	△ 0.2	163	0.6	163	△ 5.4	159	△ 0.3
R & D expenses	97	7.2	98	12.1	111	13.8	95	△ 2.3
Operating income	15.9 79	53.4	17.0 91	58.5	21.4 124	21.4	20.8 107	41.7
Non-operating gain & loss	5		△ 5		0		△ 4	
Ordinary income	17.0 85	66.2	15.9 86	47.5	21.3 124	20.1	19.9 102	51.7
Extraordinary gain & loss	2		-		-		△ 1	
Income before income taxes and minority interests	88		86		124		101	
Income taxes and minority interests	34		31		45		37	
Net income	10.7 53	76.2	10.0 54	61.9	13.6 79	25.5	12.3 63	8.0

FY2008	Apr.1-Jun.30 2008	Y on Y Change(%)	Jul.1-Sep.30 2008	Y on Y Change(%)
Net sales	517	3.0	533	△ 1.1
Cost of sales	32.0 165	2.6	30.8 164	△ 11.5
Gross profit	351	3.2	368	4.3
SG & A expenses	52.4 271	3.8	49.7 265	1.1
Selling & General expenses	166	1.4	162	△ 1.0
R & D expenses	104	7.8	102	4.5
Operating income	15.6 80	1.1	19.5 103	13.4
Non-operating gain & loss	2		2	
Ordinary income	16.2 83	△ 2.1	19.9 105	23.2
Extraordinary gain & loss	0		0	
Income before income taxes and minority interests	82		106	
Income taxes and minority interests	29		41	
Net income	10.4 53	0.3	12.1 64	19.1

5. Capital investments and Depreciation Costs

(Units: 100 million yen)

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
(Consolidated)									
Investment in equipments	59	101	160	61	70	131	△ 2	31	29
Depreciation costs	55	70	125	47	59	106	8	11	19
(Non-consolidated)									
Investment in equipments	54	91	145	56	65	121	△ 2	26	24
Depreciation costs	50	60	110	41	55	96	9	5	14

6. R&D Expenses

(Units: 100 million yen)

	FY2008 1H Actual	FY2008 2H Forecast	FY2008 Forecast	FY2007 1H Actual	FY2007 2H Actual	FY2007 Actual	Change		
							1H	2H	FY2008
(Consolidated)									
R&D expenses	207 (6.1%)	253 (21.8%)	460 (14.2%)	195 (9.6%)	207 (5.8%)	402 (7.6%)	12	46	58
% to Net sales	19.8	20.0	19.9	18.8	18.8	18.8			
(Non-consolidated)									
R&D expenses	207 (6.1%)	253 (22.1%)	460 (14.3%)	195 (9.5%)	207 (5.8%)	402 (7.6%)	12	46	58
% to Net sales	20.7	21.0	20.9	20.3	19.7	20.0			

() Percentage change to the previous fiscal year

7. Employees

	End of March 2007 Actual	End of Sep. 2007 Actual	End of March 2008 Actual	End of Sep. 2008 Actual	End of March 2009 Forecast	Change	
						Mar.2008~ Sep.2008	Sep..2008~ Mar.2009
Consolidated	4,958	5,050	4,982	5,128	4,980	146	△ 148
Non-consolidated	4,300	4,381	4,233	4,351	4,230	118	△ 121

8. Consolidated Affiliated Companies and Affiliated Company Accounted for by the Equity Method

< Consolidated Affiliated Companies >

No	Company name	Location	Common stock	Business status	Establish	Closing rate	Ownership (%)
1	Bushu Pharmaceuticals Ltd.	Saitama, Japan	JPY 1,000 million	Contract mfg. of pharmaceuticals	August 3, 1998	March 31	100
2	Nichia Pharmaceutical Industries Ltd.	Tokushima, Japan	JPY 200 million	Mfg. of pharmaceutical raw materials	August 24, 1976	March 31	75
3	Saishin Igaku Co., Ltd.	Osaka, Japan	JPY 90 million	Publication of medical information	December 21, 1998	March 31	100
4	Shionogi Engineering Service Co., Ltd.	Hyogo, Japan	JPY 20 million	Inspection and maintenance of pharmaceuticals mfg. equipment	November 2, 1992	March 31	100
5	Shionogi Buturyuu Service & Co., Ltd.	Osaka, Japan	JPY 10 million	Warehousing and logistic services	May 21, 1985	March 31	100
6	Shionogi General Service Co., Ltd.	Osaka, Japan	JPY 10 million	Traveling, Insurance agency	November 2, 1992	March 31	100
7	Shionogi Analysis Center Co., Ltd.	Hyogo, Japan	JPY 200 million	Contract testing and analysis on medicine	December 21, 2007	March 31	100
8	Aburahi AgroResearch Co., Ltd.	Shiga, Japan	JPY 10 million	Contract Laboratories for Agro Chemicals	February 26, 2004	March 31	* 100
9	Taiwan Shionogi & Co., Ltd.	Taipei, Taiwan, R.O.C.	TWS 92 million	Mfg. and sale of pharmaceuticals	December 26, 1963	December 31	100
10	Shionogi USA, INC.	Delaware, U.S.A.	US\$ 10 million	Contract research and sale for pharmaceuticals	February 15, 2001	December 31	100
11	SG Holding, INC.	Delaware, U.S.A.	US\$140	Holding company	September 10, 2001	December 31	100

< Affiliated Company Accounted for by the Equity Method >

No	Company name	Location	Common stock	Business status	Establish	Closing date	Ownership (%)
1	Shionogi-GlaxoSmithKline Holding L.P.	Cayman Islands	-	Holding company	October 19, 2001	December 31	* 50

9. Management Index (Consolidated)

< Management Index Trend (Consolidated) >

		FY2008 1H	FY2007	FY2007 1H	FY2006
Ratio of Operating Income to Net Sales	%	17.6	18.9	16.5	14.5
Ratio of Ordinary Income to Net Sales	%	18.1	18.6	16.5	14.1
Ration of Net Income to Net Sales	%	11.3	11.7	10.4	9.3
Total Asset Turnover		0.25	0.51	0.25	0.47
Equity Ratio	%	82.1	82.7	82.4	80.4
Return on Assets (ROA)	%	4.6	9.5	4.0	6.6
Return on Equity (ROE)	%	3.5	7.3	3.1	5.4
Dividend Payout Ratio	%	-	29.6	-	29.3
Earning Per Share	yen	35.32	74.21	31.70	54.61

10. Consolidated Statement of Income

(Units: millions of yen)

	FY2008 1H Actual	FY2007 1H Actual	Change	
I. Net sales	105,056	104,167	889	Decrease in cost of sales due to large construction with relatively high cost percentage occurred in consolidated affiliated company Shionogi Engineering Service Co., Ltd. in fiscal 2007
II. Cost of Sales	32,979	34,685	△ 1,706	
Gross profit	72,077	69,482	2,595	
III. SG & A expenses	53,613	52,337	1,276	Increase in SG&A expenses due to increased R&D expenses: + 1.2 billion yen
Operating income	18,464	17,145	1,319	
IV. Non-operating income	1,664	1,908	△ 244	Loss on disaster due to the Iwate-Miyagi Inland Earthquake
1. Interest income	628	670	△ 42	
2. Dividends income	644	630	14	
3. Other income	392	608	△ 216	Decrease in gain on sales of investment in securities, and loss on sales of investment in securities due to sales of government bonds
V. Non-operating expenses	1,158	1,903	△ 745	
1. Interest expenses	35	43	△ 8	
2. Contribution	632	532	100	
3. Other expenses	491	1,327	△ 836	
Ordinary income	18,969	17,150	1,819	
VI. Extraordinary income	212	276	△ 64	
Gain on sales of investment in securities	212	276	△ 64	
VII. Extraordinary loss	272	25	247	
1. Loss on disaster	157	-	157	
2. Loss on valuation of inventories	89	-	89	
3. Loss on sales of investment in securities	25	25	0	
Income before income taxes and minority interests	18,909	17,401	1,508	
Income taxes-current	6,026	3,737	2,289	
Income taxes-deferred	1,027	2,868	△ 1,841	
Minority interests in income(△)	△ 19	△ 6	△ 13	
Net income	11,835	10,788	1,047	

11-1. Consolidated Balance Sheets (Assets)

(Units: millions of yen)

	As of Sep.30 2008	As of Mar.31 2008	Change	
(Assets)				
I. Current assets				
1. Cash and deposits	10,460	11,709	△ 1,249	Increase in certificates of deposit due to sales of government bonds: + 20 billion yen
2. Notes and accounts receivable	62,262	67,605	△ 5,343	
3. Short-term investment securities	86,130	62,440	23,690	
4. Merchandise and finished goods	18,099	18,728	△ 629	Increase due to export expansion of Dripenem and launch of new products
5. Work in process	12,284	9,469	2,815	
6. Raw materials and supplies	8,518	5,882	2,636	
7. Other current assets	20,838	19,141	1,697	
Allowance for doubtful accounts	△ 12	△ 13	1	
Total current assets	218,581	194,963	23,618	
II. Non-current assets				
1. Property, plant and equipment	71,207	70,377	830	Increase in intangible assets due to increase in milestone payments of in-license products
2. Intangible assets	8,871	5,618	3,253	
3. Investment and other assets				
(1) Investment securities	79,581	105,452	△ 25,871	Decrease in investment securities due to sales of government bonds: △ 20 billion yen and decrease in investments in securities : △ 7.1 billion yen
(2) Other	37,665	37,457	208	
Allowance for doubtful accounts	△ 120	△ 165	45	
Total investments and other assets	117,125	142,744	△ 25,619	
Total non-current assets	197,204	218,739	△ 21,535	
Total assets	415,786	413,703	2,083	

11-2. Consolidated Balance Sheets (Liabilities/Net Assets)

(Units: millions of yen)

	As of Sep.30 2008	As of Mar.31 2008	Change
(Liabilities)			
I. Current liabilities			
1. Notes and accounts payable-trade	12,211	11,301	910
2. Income taxes payable	6,123	7,611	△ 1,488
3. Provision			
(1) Provision for bonuses	6,310	6,714	△ 404
(2) Other provision	1,023	1,010	13
4. Other current liabilities	22,023	15,805	6,218
Total current liabilities	47,692	42,443	5,249
II. Non-current liabilities			
1. Provision			
(1) Provision for retirement benefits	7,884	7,949	△ 65
(2) Other provision	155	168	△ 13
2. Other non-current liabilities	18,362	20,906	△ 2,544
Total non-current liabilities	26,402	29,024	△ 2,622
Total liabilities	74,094	71,468	2,626
(Net Assets)			
I. Shareholders' equity			
1. Capital stock	21,279	21,279	0
2. Capital surplus	20,227	20,227	0
3. Retained earnings	305,622	297,811	7,811
4. Treasury stock	△ 19,514	△ 19,280	△ 234
Total shareholders' equity	327,615	320,038	7,577
II. Valuation and translation adjustments			
1. Valuation difference on available-for-sale securities	17,853	22,068	△ 4,215
2. Deferred gains or losses on hedges	△ 3,956	-	△ 3,956
3. Foreign currency translation adjustments	△ 145	△ 178	33
Total valuation and translation adjustments	13,751	21,889	△ 8,138
III. Minority interests	324	307	17
Total net assets	341,692	342,235	△ 543
Total liabilities and net assets	415,786	413,703	2,083

Increase in other current liabilities and decrease in deferred gains or losses on hedges due to valuation difference on the forward exchange contracts prepared for acquisition of Sciele Pharma, Inc.

Decrease in other non-current liabilities, and valuation difference on available-for-sale securities due to decrease in investments in securities :
△ 7.1 billion yen

12. Main Events between April 2008 and October 2008

- Launched Irbetan[®] 50mg and 100mg Tablets, a hypertension treatment (July 1, 2008)
- Completed the acquisition of Sciele Pharma, Inc. (October 9, 2008: Eastern Daylight Time in the US)
- Received marketing and manufacturing approval for Pirespa[®] 200mg Tablet, an Idiopathic Pulmonary Fibrosis treatment (October 16, 2008)
- Launched Differin[®] Gel 0.1%, a topical treatment for acne vulgaris (October 21, 2008)

13. Acquisition of Sciele Pharma, Inc.

< Completion of Sciele Acquisition >

- October 8, 2008: Completion of the tender offer. 92.0% of the shares outstanding were tendered.
- October 9, 2008: Sciele became a wholly-owned subsidiary of Shionogi USA Holdings, Inc. by short-form merger
- Acquisition Price: \$31 per share, total \$1,099 million.
Total \$1,424 million including the redemption of senior convertible notes.
- Acquisition Financing: Bridge loans: 110 billion yen, Cash on hand: Approximately 45 billion yen.
In the future, after comprehensively examining market trends or costs, it is planned that bridge loans will be switched to permanent loans including long-term borrowing and corporate bonds.

< Benefits expected from Acquisition >

1. Increase profitability by selling Shionogi's in-house products through Sciele's sales force.
 - Immediately acquire a nationwide sales network with more than 700 MRs.
 - Utilize highly capable know-how concerning product launches and sales in the US.
 - Leverage Sciele's strong sales force in the cardiovascular and metabolic areas.
2. Enhance expertise in development activities and in-licensing activities in the US.
3. Cost reduction as a group by exchanging know-how on manufacturing.
4. Improve infrastructure of operating system in the US.
 - Strengthen functions of marketing, pharmaceutical affairs and administration.

< Impact on Financials >

(Units: million dollar)

< Financial Forecast of Sciele >	FY2008	FY2009	FY2010	FY2011
Sales	105	500	650	780
Operating income	30	140	200	250

* FY2008: Oct.-Dec.

- The valuation of IP R&D, intangible assets, goodwill and others for Purchase Price Allocation (PPA) is still going on. The impact on the financial statement of Shionogi for each following fiscal year will be announced as soon as PPA has been determined.
- Although there is a possibility that Shionogi's EPS in fiscal 2008 will be more dilutive than originally planned due to IP R&D and other factors, it is expected to become accretive from fiscal 2009 by the contribution of Sciele's profitability.

14. Drugs Under Development (as of November 2008)

<In Japan>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
S-7701 (Pirfenidone)	Anti-fibrosis (Oral)	Idiopathic pulmonary fibrosis	Approval (October, 2008)	Marnac, Inc. (USA) & KDL, Inc. (Japan)	In-house
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & noradrenaline reuptake inhibitor) (Oral)	Depression	NDA submission (January, 2008)	Eli Lilly and Company (USA)	In-house
LY248686 (Duloxetine hydrochloride)	SNRI (serotonin & noradrenaline reuptake inhibitor) (Oral)	Diabetic peripheral neuropathic pain	Phase III	Eli Lilly and Company (USA)	Co-development: Eli Lilly Japan K.K.
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Pediatric infection	Phase III	In-house	In-house
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Addition of new dosage regimen (1g t.i.d. for serious infection)	Phase III	In-house	In-house
S-021812 (Peramivir)	Neuraminidase inhibitor (Injection)	Influenza infection	Phase III (Asian multi- national study)	BioCryst Pharmaceuticals, Inc. (USA)	In-house
S-811717 (Oxycodone hydrochloride)	Natural opium alkaloids (Injection)	For the treatment of moderate to severe pain in patients with cancer pain	Phase III	Napp Pharmaceutical Limited (UK)	In-house
S-013420	Novel macrolide antibiotic (Oral)	Bacterial infection	Phase IIb	Enanta Pharmaceuticals, Inc. (USA)	In-house
NS75B (Cetorelix pamoate)	Gonadotropin releasing hormone antagonist (Injection)	Benign prostatic hypertrophy	Phase IIb	Æterna Zentaris GmbH (Canada)	In-house
NS75A (Cetorelix acetate)	Gonadotropin releasing hormone antagonist (Injection)	Uterine myoma	Phase II	Æterna Zentaris GmbH (Canada)	Co-development: Nippon Kayaku Co., Ltd.
S-777469	Selective cannabinoid 2 receptor agonist (Oral)	Atopic dermatitis	Phase IIa	In-house	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	Phase I	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Phase I	In-house	In-house

14. Drugs Under Development (as of November 2008)

<Outside Japan>

Code No.	Category (Administration)	Indication	Stage	Origin	Development
S-2367	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase IIb	In-house	In-house
S-777469	Selective cannabinoid 2 receptor agonist (Oral)	Atopic dermatitis	USA: Phase IIa	In-house	In-house
S-349572/S-265744/S-247303	Integrase inhibitor (Oral)	HIV infection	USA: Phase IIa (the most advanced phase)	Shionogi & GlaxoSmithKline	Shionogi-GlaxoSmithKline Pharmaceuticals LLC (USA)
S-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Japan: Phase IIa Europe: Phase I	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Europe: POM	In-house	In-house
S-222611	Her2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase I (in preparation)	In-house	In-house

<Out-Licensing Activity>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
S-4661 (Doripenem hydrate)	Carbapenem antibiotic (Injection)	Bacterial infection	USA: Approval (October, 2007) Complicated intra-abdominal infections, Complicated urinary tract infections including pyelonephritis NDA submission (June, 2007) Hospital-acquired (nosocomial) pneumonia including ventilator-associated pneumonia EU: Approved (July, 2008)	In-house	Peninsula (USA) ↓ Johnson & Johnson (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Phase II (in preparation)	In-house	Kissei Pharmaceutical Co., Ltd.
S-3013	Secretory PLA2(sPLA2) inhibitor (Oral)	Atherosclerosis	USA: Phase II	Shionogi & Eli Lilly and Company (USA)	Anthera (USA)

<In-Licensing Activity>

Generic name	Category (Administration)	Indication	Stage	Origin	Development
Adapalene gel	Retinoic acid nuclear receptor agonist (Topical)	Acne vulgaris	Launch (October, 2008)	Galderma (France)	Galderma K.K.

Since July, 2008

Change of phases	S-7701 (in Japan) : NDA submission → Approval
	S-021812 (in Japan) : In preparation for Phase III → Phase III (Asian multi-national study)
	S-555739 (outside Japan) : Phase I → POM (Proof of mechanism)
	S-0373 (out-Licensing Activity) : Phase I → In preparation for Phase II
	Adapalene gel (in-Licensing Activity) : Approval → Launch
Compound added to the list	S-811717 (in Japan) : Initiation of Phase III study
	S-222611 (outside Japan) : Preparation for Phase I study in Europe
Compound erased	SR47436 (in Japan) : Launched in July 2008