

**Settlement for the year
ended March 31, 2009**

< Supplement >

11-May-09

 **SHIONOGI & CO., LTD.**

Contents

1. Financial Results and Forecast <Consolidated/Non-consolidated>
2. Sales by Segment
3. Consolidated Statement of Income (Details)
4. Impact on Accounting for Business Combinations Associated with Sciele Acquisition
5. Management Index (Consolidated)
6. Financial Results of Significant Consolidated Subsidiaries
7. Capital Investment and Depreciation Costs
8. R&D Expenses
9. Employees
10. Consolidated Statement of Income
11. Consolidated Balance Sheets
12. Quarterly Financial Results Trends
13. Consolidated Affiliated Companies and Affiliated Company Accounted for by the Equity Method
14. Main Events during Fiscal 2008
15. Drugs Under Development

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

< Consolidated >

(Units: 100 million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
Net Sales	2,142 (7.3)	2,275 (6.2)	2,840 (24.8)	133	565	1,330 (26.6)
Operating Income	403 (40.0)	320 (△ 20.8)	600 (87.4)	△ 83	280	190 (2.9)
Ordinary Income	398 (41.9)	320 (△ 19.7)	580 (81.2)	△ 78	260	180 (△ 5.1)
Net Income	250 (34.8)	156 (△ 37.5)	350 (123.5)	△ 94	194	110 (△ 7.1)

() Percentage change to the previous fiscal year

< Non-consolidated >

(Units: 100 million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
Net Sales	2,010 (8.2)	2,067 (2.9)	2,255 (9.1)	57	188	1,065 (6.5)
Operating Income	363 (46.2)	362 (△ 0.4)	495 (36.6)	△ 1	133	170 (4.4)
Ordinary Income	372 (43.3)	379 (1.8)	495 (30.5)	7	116	170 (△ 5.2)
Net Income	224 (29.8)	238 (6.2)	310 (29.9)	14	72	105 (△ 8.3)

() Percentage change to the previous fiscal year

2. Sales by Segment

(Units: 100 million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
Pharmaceuticals and related business	2,084 (8.6)	2,230 (7.0)	2,802 (25.6)	146	572	1,311 (26.4)
Ethical drugs	1,551 (2.1)	1,532 (△ 1.2)	1,555 (1.5)	△ 19	23	743 (0.0)
FLOMOX	286	273	240	△ 13	△ 33	110
CRESTOR	104	177	230	73	53	105
FLUMARIN	122	101	90	△ 21	△ 11	45
RINDERON	100	96	95	△ 4	△ 1	50
CLARITIN	90	96	97	6	1	35
VANCOMYCIN	106	81	65	△ 25	△ 16	34
OXYCONTIN	66	77	88	11	11	42
IMUNACE	117	61	30	△ 56	△ 31	18
FINIBAX	25	29	40	4	11	19
AVELOX	19	15	18	△ 4	3	8
IRBETAN	-	12	35	12	23	14
DIFFERIN	-	12	32	12	20	14
PIRESPA	-	2	20	2	18	8
Export/Overseas operations	63 (19.0)	186 (196.2)	583 (213.0)	123	397	264 (543.5)
Sciele Pharma, Inc.	-	92	477	92	385	211
DORIPENEM	4	35	50	31	15	25
Contract manufacturing	58 (47.2)	57 (△ 2.2)	64 (11.0)	△ 1	7	28 (△ 7.7)
OTC and quasi-drugs	56 (△ 7.4)	52 (△ 7.1)	50 (△ 4.2)	△ 4	△ 2	26 (△ 8.6)
SEDES	24	23	24	△ 1	1	12
POPON-S	11	10	10	△ 1	0	5
Diagnostics	33 (1.8)	33 (△ 2.2)	30 (△ 9.6)	0	△ 3	16 (△ 5.7)
Royalty income	320 (50.7)	368 (15.1)	520 (41.0)	48	152	234 (31.6)
CRESTOR	298	343	495	45	152	220
Other business	58 (△ 25.6)	44 (△ 24.1)	38 (△ 14.2)	△ 14	△ 6	19 (42.7)
Total	2,142 (7.3)	2,275 (6.2)	2,840 (24.8)	133	565	1,330 (26.6)

() Percentage change to the previous fiscal year

Sales of each product are shown on non-consolidated basis

3. Consolidated Statement of Income (Details)

(Units: million yen)

	FY2007 (Results)	FY2008 (Results)	Change	
			amount	%
Net sales	214,268	227,511	13,243	6.2
Cost of sales	32.0 68,594	31.2 70,928	2,334	3.4
Gross profit	145,674	156,582	10,908	7.5
SG & A expenses	49.1 105,275	54.7 124,568	19,293	18.3
Selling & General expenses	64,985	71,746	6,761	10.4
R & D expenses	40,290	52,822	12,532	31.1
Operating income	18.9 40,399	14.1 32,014	△ 8,385	△ 20.8
Non-operating gain & loss	△520	△ 11	509	
Ordinary income	18.6 39,879	14.1 32,003	△ 7,876	△ 19.7
Extraordinary gain & loss	83	△ 1,218	△ 1,301	
Income before income taxes and minority interests	39,962	30,785	△ 9,177	△ 23.0
Income taxes and minority interests	14,899	15,124	225	
Net income	11.7 25,063	6.9 15,661	△ 9,402	△ 37.5

4. Impact on Accounting for Business Combinations Associated with Sciele Acquisition

(Units: 100 million yen)

	FY2008 (Results)	FY2008 Accounting for business combinations	FY2008 Sciele (Results)	FY2008 Excluding Sciele (Results)	FY2007 (Results)
Net sales	2,275 (6.2)		92	2,182 (1.9)	2,142
Operating income	320 (△20.8)	△ 114	26	408 (1.1)	403
Ordinary income	320 (△19.7)	△ 114	27	406 (2.0)	398
Net income	156 (△37.5)	△ 111	17	250 (△0.1)	250

() Percentage change to the previous fiscal year

List of Impact on Accounting for Business Combinations Associated with Sciele Acquisition

(Units: 100 million yen)

Affected contents	Amount	Items
Amortization of intangible assets (Sales right)	8	Selling & General expenses
In-Process R&D expenses	96	R & D expenses
Amortization of goodwill	9	Selling & General expenses
Tax effect accounting for intangible assets	△3	Income taxes-deffed

5. Management Index (Consolidated)

< Management Index Trend (Consolidated) >

		FY2006	FY2007	FY2008
Ratio of Operating Income to Net Sales	%	14.5	18.9	14.1
Ratio of Ordinary Income to Net Sales	%	14.1	18.6	14.1
Ratio of Net Income to Net Sales	%	9.3	11.7	6.9
Total Asset Turnover		0.47	0.51	0.50
Equity Ratio	%	80.4	82.7	61.7
Return on Asset (ROA)	%	6.6	9.5	7.0
Return on Equity (ROE)	%	5.4	7.3	4.8
Dividend Payout Ratio	%	29.3	29.6	59.9
Earnings Per Share		54.61	74.21	46.75

6. Financial Results of Significant Consolidated Subsidiaries

< Bushu Pharmaceuticals Ltd. >

(Units: million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
Net Sales	9,321 (19.7)	9,254 (△ 0.7)	9,400 (1.6)	△ 67	146	4,500 (△ 2.3)
Operating Income	1,121 (24.8)	1,088 (△ 2.9)	1,000 (△ 8.2)	△ 33	△ 88	300 (△ 41.5)
Ordinary Income	989 (17.3)	999 (1.0)	900 (△ 9.9)	10	△ 99	250 (△ 44.9)
Net Income	586 (7.7)	575 (△ 1.7)	500 (△ 13.2)	△ 11	△ 75	97 (△ 61.6)

()Percentage change to the previous fiscal year

7. Capital Investment and Depreciation Costs

(Units: 100 million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
(Consolidated)						
Investment in equipments	131	108	155	△ 23	47	50
Depreciation costs	106	134	194	28	60	92
Amortization of goodwill	-	9	38	9	29	19
(Non-consolidated)						
Investment in equipments	121	93	135	△ 28	42	35
Depreciation costs	96	108	115	12	7	54

8. R & D expenses

(Units: 100 million yen)

	FY2007 (Results)	FY2008 (Results)	FY2009 (Forecast)	Change		FY2009 1H (Forecast)
				FY2008	FY2009	
(Consolidated)						
R & D expenses	402 (7.6%)	528 (31.1%)	500 (△5.3%)	126	△ 28	280 (34.7%)
% to Net sales	18.8	23.2	17.6			21.1
(Non-consolidated)						
R & D expenses	402 (7.6%)	422 (5.0%)	460 (8.9%)	20	38	252 (21.4%)
% to Net sales	20.0	20.4	20.4			23.7

()Percentage change to the previous fiscal year

9. Employees

	End of March 2008 (Results)	End of March 2009 (Results)	End of March 2010 (Forecast)	Change		End of Sep. 2009 (Forecast)
				FY2008	FY2009	
Consolidated	4,982	6,010	6,040	1,028	30	6,100
Non-consolidated	4,233	4,262	4,100	29	△ 162	4,170

10. Consolidated Statement of Income

(Units: million yen)

	FY2007 (Results)	FY2008 (Results)	Change	
Net sales	214,268	227,511	13,243	Consolidated net sales excluding Sciele : 218.2 billion yen [+ 4.0 billion yen] Net sales of Sciele : 9.2 billion yen
Cost of sales	68,594	70,928	2,334	
Gross profit	145,674	156,582	10,908	
Selling, general and administrative expenses	105,275	124,568	19,293	
Operating income	40,399	32,014	△ 8,385	Accounting for business combinations: 11.4 billion yen - Goodwill & Intangible assets : 1.7 billion yen - In-Process R & D expenses : 9.6billion yen
Non-operating income	3,530	3,343	△ 187	
Interest income	1,347	1,072	△ 275	
Dividends income	1,045	1,263	218	
Royalty income	-	426	426	
Real estate rent	593	-	△ 593	
Other	543	581	38	
Non-operating expenses	4,050	3,354	△ 696	
Interest expenses	83	701	618	
Contribution	1,374	1,248	△ 126	
Loss on disposal of inventories	869	-	△ 869	
Loss on disposal of non-current assets	880	426	△ 454	
Other	842	977	135	
Ordinary income	39,879	32,003	△ 7,876	
Extraordinary income	1,319	213	△ 1,106	
Gain on sales of investment securities	276	213	△ 63	
Gain on exchange of investment securities	1,043	-	△ 1,043	
Extraordinary loss	1,236	1,430	194	Organizational restructuring of subsidiary companies
Special contract expenses	-	700	700	
Special retirement expenses	-	362	362	
Loss on disaster	-	253	253	Disaster loss due to the Iwate-Miyagi Inland Earthquake
Loss on valuation of inventories	-	89	89	
Loss on sales of investment securities	25	25	-	
Loss on disposal of inventories	796	-	△ 796	
Loss on valuation of investment securities	414	-	△ 414	
Income before income taxes	39,962	30,785	△ 9,177	
Income taxes-current	11,765	14,717	2,952	
Income taxes-deferred	3,106	369	△ 2,737	
Minority interests in income	26	37	11	
Net income	25,063	15,661	△ 9,402	

11-1. Consolidated Balance Sheets (Assets)

(Units: million yen)

	As of Mar.31 2008	As of Mar.31 2009	Change		
(Assets)					
Current assets					
Cash and deposits	11,709	23,349	11,640	*	
Notes and accounts receivable-trade	67,605	75,380	7,775	*	
Short-term investment securities	62,440	35,453	△ 26,987	*	
Inventories	34,080	-	△ 34,080	}	
Merchandise & Finished goods	-	20,632	20,632		Increase due to launch of new products
Work in process	-	12,556	12,556		
Raw materials and supplies	-	9,838	9,838		
Deferred tax assets	4,450	5,188	738		
Other	14,691	20,336	5,645	*	
Allowance for doubtful accounts	△ 13	△ 12	1		
Total current assets	194,963	202,724	7,761	*	
Noncurrent assets					
Property, plant and equipment					
Buildings and structures	31,255	31,095	△ 160		
Machinery, equipment and vehicles	13,377	12,244	△ 1,133		
Land	14,811	14,809	△ 2		
Construction in progress	5,021	8,407	3,386		
Other	5,911	5,254	△ 657		
Total property, plant and equipment	70,377	71,811	1,434		
Intangible assets					
Goodwill	-	71,625	71,625	*	
Sales right	-	42,152	42,152	*	
Other	5,618	6,610	992		
Total Intangible assets	5,618	120,388	114,770	*	
Investments and other assets					
Investment securities	105,452	66,813	△ 38,639	* -	
Prepaid pension cost	23,338	25,971	2,633		
Deferred tax assets	17	96	79		
Other	14,101	14,168	67		
Allowance for doubtful accounts	△ 165	△ 121	44		
Total investments and other assets	142,744	106,928	△ 35,816	*	
Total noncurrent assets	218,739	299,128	80,389	*	
Total assets	413,703	501,852	88,149	*	

* : The increase or decrease associated with Sciele acquisition

Decrease in negotiable certificate of deposit :
△28.1 billion yen

Increase due to launch of new products

Decrease in value due to the fall in share price :
△23.4 billion yen
Decrease in investment securities due to sales of government bonds :
△18.0 billion yen

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

(Units: million yen)

	As of Mar.31 2008	As of Mar.31 2009	Change
(Liabilities)			
Current liabilities			
Notes and accounts payable-trade	11,301	15,444	4,143*
Short-term loans payable	-	24,000	24,000*
Income taxes payable	7,611	8,131	520
Provision			
Provision for bonuses	6,714	5,325	△ 1,389
Other provision	1,010	2,336	1,326
Other	15,805	21,566	5,761
Total Current liabilities	42,443	76,804	34,361*
Noncurrent liabilities			
Long-term loans payable	-	91,000	91,000*
Deferred tax liabilities	18,561	13,998	△ 4,563*
Provision			
Provision for retirement benefits	7,949	7,793	△ 156
Provision for directors' retirement benefits	168	155	△ 13
Other	2,345	2,007	△ 338
Total noncurrent liabilities	29,024	114,954	85,930*
Total liabilities	71,468	191,759	120,291*
(Net Assets)			
Shareholders' equity			
Capital stock	21,279	21,279	-
Capital surplus	20,227	20,227	-
Retained earnings	297,811	304,761	6,950
Treasury stock	△ 19,280	△ 19,652	△ 372
Total shareholders' equity	320,038	326,616	6,578
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	22,068	8,207	△ 13,861*
Foreign currency translation adjustment	△ 178	△ 25,188	△ 25,010*
Total valuation and translation adjustments	21,889	△ 16,980	△ 38,869
Minority interests	307	458	151
Total net assets	342,235	310,093	△ 32,142*
Total liabilities and net assets	413,703	501,852	88,149*

* : The increase or decrease associated with Sciele acquisition

Decrease in investment securities due to the fall of share prices

12-1. Quarterly Financial Results Trends

Quarterly Sales by Segment

(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(%)
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
CLARITIN	16	20.9	12	8.2	15	△ 11.0	46	55.0
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
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 business	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

FY2008	Apr.1-Jun.30 2008	Y on Y Change(%)	Jul.1-Sep.30 2008	Y on Y Change(%)	Oct.1-Dec.31 2008	Y on Y Change(%)	Jan.1-Mar.31 2009	Y on Y Change(%)
Pharmaceuticals and related business	511	2.9	526	4.8	587	2.2	606	18.7
Ethical Drugs	380	0.5	362	△ 0.3	423	△ 4.1	367	△ 0.5
FLOMOX	61	△ 5.8	60	1.9	88	△ 4.4	64	△ 9.4
CRESTOR	38	99.9	46	79.7	48	55.0	45	56.1
FLUMARIN	25	△ 17.3	30	△ 10.8	27	△ 19.6	19	△ 21.7
RINDERON	26	△ 2.4	26	△ 3.2	25	△ 6.7	20	△ 4.0
CLARITIN	18	6.4	15	25.1	20	32.6	44	△ 5.7
VANCOMYCIN	23	△ 22.2	23	△ 10.3	18	△ 39.4	17	△ 17.8
OXYCONTIN	20	27.7	19	22.3	24	12.3	14	2.1
IMUNACE	20	△ 35.4	16	△ 52.2	12	△ 53.3	13	△ 51.8
FINIBAX	6	16.5	7	10.1	9	15.7	7	17.7
AVELOX	4	14.2	2	△ 40.9	5	△ 21.5	3	△ 20.7
IRBETAN	8	-	2	-	1	-	1	-
DIFFERIN	-	-	-	-	7	-	5	-
PIRESPA	-	-	-	-	0.4	-	1	-
Export/Overseas business	19	25.4	22	53.3	28	104.1	117	502.3
Sciele Pharma, Inc.	-	-	-	-	-	-	92	-
DORIPENEM	5	-	6	528.6	15	-	9	246.5
Contract manufacturing	12	22.5	18	8.6	16	△ 14.1	12	△ 16.9
OTC and quasi-drugs	14	△ 2.6	14	△ 1.4	14	△ 11.9	10	△ 13.3
SEDES	6	△ 2.5	6	3.2	6	△ 15.8	4	△ 14.5
POPON-S	3	3.5	3	△ 12.0	3	4.1	2	△ 9.7
Diagnostics	9	0.6	8	△ 1.2	8	△ 6.0	8	△ 2.1
Royalty income	75	9.5	102	19.3	98	27.7	93	4.6
CRESTOR	72	8.3	93	20.6	93	26.6	84	4.5
Other business	6	14.5	7	△ 80.8	11	37.6	20	160.5
Total	517	3.0	533	△ 1.1	598	2.7	626	20.8

Sales of each product are shown on non-consolidated basis

12-2. 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(%)	Oct.1-Dec.31 2008	Y on Y Change(%)	Jan.1-Mar.31 2009	Y on Y Change(%)
Net sales	517	3.0	533	△ 1.1	598	2.7	626	20.8
Cost of sales	32.0 165	2.6	30.8 164	△ 11.5	32.1 191	4.8	30.0 187	20.3
Gross profit	351	3.2	368	4.3	406	1.7	438	21.0
SG & A expenses	52.4 271	3.8	49.7 265	1.1	60.4 361	31.6	55.6 348	36.6
Selling & General expenses	166	1.4	162	△ 1.0	170	4.7	218	37.2
R & D expenses	104	7.8	102	4.5	190	71.0	129	35.7
Operating income	15.6 80	1.1	19.5 103	13.4	7.5 44	△ 64.0	14.5 90	△ 15.9
Non-operating gain & loss	2		2		0		△ 4	
Ordinary income	16.2 83	△ 2.1	19.9 105	23.2	7.4 44	△ 64.3	13.7 85	△ 16.5
Extraordinary gain & loss	0		0		0		△ 10	
Income before income taxes and minority interests	82		106		43		75	
Income taxes and minority interests	29		41		53		27	
Net income	10.4 53	0.3	12.1 64	19.1	- △ 9	-	7.7 48	△ 24.6

13. 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 date	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 Holding, Inc.	Delaware, U.S.A.	US\$ 6	Holding company	August 25, 2008	December 31	100
11	Shionogi USA, Inc.	Delaware, U.S.A.	US\$ 10 million	Contract research and sale for pharmaceuticals	February 15, 2001	December 31	100
12	SG Holding, Inc.	Delaware, U.S.A.	US\$ 140	Holding company	September 27, 2001	December 31	100
13	Sciele Pharma, Inc.	Georgia, U.S.A.	US\$ 0.01	Mfg. and sale of pharmaceuticals	July 9, 1992	December 31	* 100
14	Ezose Sciences, Inc.	Delaware, U.S.A.	US\$ 15	Serum glycan analysis contract services	March 3, 2009	December 31	* 86.66

<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

* Incl. Indirect ownership

(Note)

Four consolidated Affiliated companies and one equity method application company are not shown on this table as the scale of their business is very small.

14. Main Events during fiscal 2008

- Launched Irbetan[®] 50mg and 100mg Tablets, a hypertension treatment
- Acquisition of Sciele Pharma, Inc.
- Launched Differin[®] Gel 0.1%, a topical treatment for acne vulgaris
- Launched Pirespa[®] 200mg Tablet, an Idiopathic pulmonary fibrosis treatment
- Additional Adult Indication Approved for Flomox[®] Fine Granules 100mg for children, Oral cephem antibiotic agent
- Entered into a licensing agreement on Peptide vaccines for cancer treatment with OncoTherapy Science, Inc.
- Established Ezose Sciences, a jointly-owned US venture company providing serum glycan analysis services, with Sumitomo Bakelite Co., Ltd.
- Established "Medicinal Molecular Imaging Center (Tentative)" in order to promote joint research with Osaka University Graduate School of Medicine and Faculty of Medicine

15. Drugs Under Development (as of May 2009) (1)

<In Japan>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
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 (Modithromycin)	Novel macrolide antibiotic (Oral)	Bacterial infection	Phase IIb	Enanta Pharmaceuticals, Inc. (USA)	In-house
NS75B (Cetrorelix pamoate)	Gonadotropin releasing hormone antagonist (Injection)	Benign prostatic hypertrophy	Phase IIb	Æterna Zentaris GmbH (Canada)	In-house
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
S-297995	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid-induced adverse effect	Phase I	In-house	In-house
S-444823	Cannabinoid receptor agonist (Topical)	Atopic dermatitis	Phase I	In-house	In-house

15. Drugs Under Development (as of May 2009) (2)

<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 IIb (in preparation) (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-house	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA: Phase I	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-house	Kissei Pharmaceutical Co., Ltd.
S-3013 (Varespladib methyl)	Secretory PLA2(sPLA2) inhibitor (Oral)	Acute coronary syndromes Mixed dyslipidemia	USA, EU: Phase IIb	Shionogi & Eli Lilly and Company (USA)	Anthera (USA)

Since February, 2009

Change of phase	S-444823 (In Japan) : In preparation for Phase I → Phase I
	S-349572/S-265744/S-247303 (Outside Japan) : Phase IIa → In preparation for Phase IIb
	S-0373 (Out-Licensing Activity) : In preparation for Phase II → Phase II
Compound erased	S-7701 (Pirfenidone) (In Japan) : Launched in December 2008
	NS75A (In Japan) : Discontinued

15. Drugs Under Development (as of May 2009) (3)

<Sciele Pharma. Inc.>

Product (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
PrandiMet (Repaglinide and metformin HCl)	Fast-acting insulin secretagogue and metformin; antihyperglycemic insulin sensitizer (Oral)	Type 2 Diabetes	Launch January 2009	Novo Nordisk	Novo Nordisk
Benzyl Alcohol Lotion 5% (Benzyl alcohol)	Topical benzyl alcohol pediculocide (Topical lotion)	Head lice	USA: FDA approval April 2009	Summers Laboratories, Inc	Summers Laboratories, Inc
Prenate DHA (Vitamins, minerals, DHA and metafolin)	Vitamins, minerals, metafolin (active form of folate), omega-3 fatty acids (Oral)	Prenatal DHA vitamin	USA: NDA not required	Sciele Pharma Inc	Sciele Pharma Inc
Clonidine XR (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Hypertension	USA: NDA submission 2H09	Addrenex Pharmaceuticals, Inc	Addrenex Pharmaceuticals, Inc
Glycopyrrolate (Glycopyrrolate Liquid)	Anticholinergic (Oral)	Chronic moderate-to-severe drooling in pediatric patients	USA: NDA submission 2H09	Sciele Pharma Inc	Sciele Pharma Inc
Self-injectable epinephrine (Epinephrine)	(Single-dose epinephrine auto-injector)	Anaphylaxis	USA: NDA submission 2H09	Sciele Pharma Inc	Sciele Pharma Inc
Clonicef (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Attention Deficit Hyperactivity Disorder (ADHD)	USA: Phase III monotherapy trial completed; Phase III combination therapy ongoing; NDA submission 2H09	Addrenex Pharmaceuticals, Inc.	Addrenex Pharmaceuticals, Inc.
PravaFen (Pravastatin/fenofibrate combination)	Statin-HMG-CoA reductase inhibitors, fenofibrate lipid regulating agent (Oral)	Lowering non-HDL cholesterol and triglycerides	USA: Phase III efficacy study completed; USA: NDA submission 2H09	Galephar, PR Inc / SMB Laboratories	Sciele Pharma, Inc. and SMB Laboratories
Prenate Elite (Vitamin, minerals and metafolin)	Vitamins, minerals, metafolin (active form of folate) (Oral)	Prenatal Vitamin	USA: NDA not required	Sciele Pharma Inc	Sciele Pharma Inc
PSD502 (Lidocaine/prilocaine)	Eutectic mixture of anesthetics (Metered-dose topical aerosol spray)	Premature Ejaculation (PE)	USA and Europe: NDA submission 2H09	Plethora Solutions Holdings PLC	Plethora Solutions Holdings PLC
ADX415	2 alpha specific adrenergic agonist (Oral)	Hypertension	USA: Phase II clinical trials	Addrenex Pharmaceuticals, Inc.	Addrenex Pharmaceuticals, Inc. and Sciele Pharma, Inc

Since February, 2009

Change of phase	Benzyl Alcohol Lotion 5%: NDA submission → Approval
-----------------	---