

**Financial results for the second quarter
of fiscal year 2009**

< Supplement >

November 4, 2009

 **SHIONOGI & CO., LTD.**

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1. Financial results and forecast <Consolidated/Non-consolidated>

< Consolidated >

(Billions of yen)

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
Net Sales	132.6	147.4	280.0	105.0	122.5	227.5	27.6	24.9	52.5
change %	26.3	20.3	23.1	0.9	11.2	6.2			
Operating Income	17.8	42.2	60.0	18.4	13.6	32.0	(0.6)	28.6	28.0
change %	(3.4)	211.1	87.4	7.7	(41.7)	(20.8)			
Ordinary Income	16.3	41.7	58.0	18.9	13.1	32.0	(2.6)	28.6	26.0
change %	(13.6)	219.2	81.2	10.6	(42.7)	(19.7)			
Net Income	11.5	23.5	35.0	11.8	3.8	15.6	(0.3)	19.7	19.4
change %	(2.1)	511.9	123.5	9.7	(73.2)	(37.5)			

Note: Change % shows changes from the same period of the previous fiscal year

< Non-consolidated >

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
Net Sales	108.3	117.2	225.5	100.0	106.7	206.7	8.3	10.5	18.8
change %	8.3	9.7	9.1	3.9	1.9	2.9			
Operating Income	16.8	34.7	51.5	16.2	20.0	36.2	0.6	14.7	15.3
change %	3.7	73.5	42.1	7.6	(6.1)	(0.4)			
Ordinary Income	16.8	34.7	51.5	17.9	20.0	37.9	(1.1)	14.7	13.6
change %	(6.1)	73.4	35.8	12.4	(6.1)	1.8			
Net Income	11.6	20.4	32.0	11.4	12.4	23.8	0.2	8.0	8.2
change %	2.1	63.6	34.1	26.3	(7.4)	6.2			

Note: Change % shows changes from the same period of the previous fiscal year

2.Sales by Segment

(Billions of yen)

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
Pharmaceuticals and related business	130.5	145.7	276.2	103.7	119.3	223.0	26.8	26.4	53.2
<i>change %</i>	25.9	22.0	23.8	3.8	10.0	7.0			
Ethical drugs	74.7	80.8	155.5	74.3	78.9	153.2	0.4	1.9	2.3
<i>change %</i>	0.6	2.3	1.5	0.1	(2.5)	(1.2)			
CRESTOR	11.5	11.5	23.0	8.3	9.4	17.7	3.2	2.1	5.3
FLOMOX	11.3	12.7	24.0	12.1	15.2	27.3	(0.8)	(2.5)	(3.3)
RINDERON	5.1	4.4	9.5	5.2	4.4	9.6	(0.1)	0	(0.1)
FLUMARIN	4.7	4.3	9.0	5.5	4.6	10.1	(0.8)	(0.3)	(1.1)
OXYCONTIN	4.2	4.6	8.8	4.0	3.7	7.7	0.2	0.9	1.1
CLARITIN	3.4	6.3	9.7	3.3	6.3	9.6	0.1	0	0.1
VANCOMYCIN	3.4	3.1	6.5	4.6	3.5	8.1	(1.2)	(0.4)	(1.6)
IMUNACE	2.6	2.0	4.6	3.6	2.5	6.1	(1.0)	(0.5)	(1.5)
FINIBAX	1.8	2.2	4.0	1.3	1.6	2.9	0.5	0.6	1.1
IRBETAN	1.2	2.3	3.5	1.0	0.2	1.2	0.2	2.1	2.3
DIFFERIN	1.0	1.8	2.8	-	1.2	1.2	1.0	0.6	1.6
PIRESPA	0.6	1.1	1.7	-	0.2	0.2	0.6	0.9	1.5
AVELOX	0.5	0.8	1.3	0.7	0.8	1.5	(0.2)	0	(0.2)
Export/Overseas operations	23.9	30.4	54.3	4.1	14.5	18.6	19.8	15.9	35.7
<i>change %</i>	482.1	109.5	191.6	38.8	336.0	196.2			
Sciele Pharma, Inc.	18.3	24.7	43.0	-	9.2	9.2	18.3	15.5	33.8
DORIPENEM	2.9	2.1	5.0	1.1	2.4	3.5	1.8	(0.3)	1.5
Contract manufacturing	3.4	3.0	6.4	3.0	2.7	5.7	0.4	0.3	0.7
<i>change %</i>	13.2	8.5	11.0	13.8	(15.3)	(2.2)			
OTC and quasi-drugs	3.0	2.0	5.0	2.8	2.4	5.2	0.2	(0.4)	(0.2)
<i>change %</i>	4.0	(13.7)	(4.2)	(2.0)	(12.5)	(7.1)			
SEDES	1.4	1.0	2.4	1.2	1.1	2.3	0.2	(0.1)	0.1
POPON-S	0.6	0.4	1.0	0.5	0.5	1.0	0.1	(0.1)	0
Diagnostics	1.6	1.4	3.0	1.7	1.6	3.3	(0.1)	(0.2)	(0.3)
<i>change %</i>	(8.0)	(11.2)	(9.6)	(0.2)	(4.1)	(2.2)			
Royalty income	24.0	28.0	52.0	17.8	19.0	36.8	6.2	9.0	15.2
<i>change %</i>	35.0	46.6	41.0	14.9	15.3	15.1			
CRESTOR	22.5	27.0	49.5	16.6	17.7	34.3	5.9	9.3	15.2
Other business	2.1	1.7	3.8	1.3	3.1	4.4	0.8	(1.4)	(0.6)
<i>change %</i>	57.5	(45.0)	(14.2)	(68.9)	98.3	(24.1)			
Total	132.6	147.4	280.0	105.0	122.5	227.5	27.6	24.9	52.5
<i>change %</i>	26.3	20.3	23.1	0.9	11.2	6.2			

Note: Change % shows changes from the same period of the previous fiscal year

Sales of each product are shown on non-consolidated basis

3. Management index <Consolidated>

(Management index trend <Consolidated>)

		FY2007	FY2008	FY2008 1H	FY2009 1H
Ratio of operating income to net sales	%	18.9	14.1	17.6	13.4
Ratio of ordinary income to net sales	%	18.6	14.1	18.1	12.4
Ratio of net income to net sales	%	11.7	6.9	11.3	8.7
Total asset turnover		0.51	0.50	0.25	0.26
Equity ratio	%	82.7	61.7	82.1	62.2
Return on asset (ROA)	%	9.5	7.0	4.6	3.2
Return on equity (ROE)	%	7.3	4.8	3.5	3.6
Dividend payout ratio	%	29.6	59.9	-	-
Earnings per share	yen	74.21	46.75	35.32	34.61

4-1. Financial results of significant consolidated subsidiaries <Sciele Pharma, Inc.>

< Consolidated statement of income (Summary)>

	<i>(Millions of dollar)</i>			<i>(Billions of yen)</i>		
	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast
Net sales	192	266	458	18.3	24.7	43.0
Cost of sales	19	30	49	1.8	2.8	4.6
SG & A expenses	149	141	290	14.2	13.0	27.2
Operating income	24	95	119	2.2	9.0	11.2

<Accounting for business combinations associated with Sciele acquisition>

	<i>(Millions of dollar)</i>			<i>(Billions of yen)</i>		
	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast
Amortization of intangible assets (Sales right)	16	16	33	1.6	1.5	3.1
Amortization of goodwill	19	19	39	1.9	1.8	3.7

4-2. Financial results of significant consolidated subsidiaries <Bushu Pharmaceuticals Ltd.>

(Millions of yen)

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
Net Sales	5,020	4,380	9,400	4,604	4,650	9,254	416	(270)	146
<i>change %</i>	9.0	(5.8)	1.6	(4.5)	3.3	(0.7)			
Operating Income	558	442	1,000	513	575	1,088	45	(133)	(88)
<i>change %</i>	8.8	(23.3)	(8.2)	(5.1)	(0.8)	(2.9)			
Ordinary Income	500	400	900	453	546	999	47	(146)	(99)
<i>change %</i>	10.4	(26.8)	(9.9)	(2.7)	4.3	1.0			
Net Income	269	231	500	252	323	575	17	(92)	(75)
<i>change %</i>	6.8	(28.8)	(13.2)	(5.8)	1.7	(1.7)			

Note: Change % shows changes from the same period of the previous fiscal year

5. Capital investments and depreciation cost

(Billions of yen)

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
<Consolidated>									
Investment in equipments	2.9	11.1	14.0	5.9	4.9	10.8	(3.0)	6.2	3.2
Depreciation cost	8.6	10.8	19.4	5.5	7.9	13.4	3.1	2.9	6.0
Amortization of goodwill	1.9	1.8	3.7	-	0.9	0.9	1.9	0.9	2.8
<Non-consolidated>									
Investment in equipments	1.7	9.8	11.5	5.4	3.9	9.3	(3.7)	5.9	2.2
Depreciation cost	4.8	6.2	11.0	5.0	5.8	10.8	(0.2)	0.4	0.2

6. R&D expenses

(Billions of yen)

	FY2009 1H actual	FY2009 2H forecast	FY2009 forecast	FY2008 1H actual	FY2008 2H actual	FY2008 actual	Y on Y change		
							1H	2H	full-year
<Consolidated>									
R&D expenses	27.9	22.1	50.0	20.7	32.1	52.8	7.2	(10.0)	(2.8)
change %	34.3	(31.1)	(5.3)	6.1	54.7	31.1			
In-process R&D expenses	-	-	-	-	9.6	9.6	-	(9.6)	(9.6)
% to net sales	21.0	15.0	17.9	19.8	26.2	23.2			
<Non-consolidated>									
R&D expenses	25.8	19.7	45.5	20.7	21.5	42.2	5.1	(1.8)	3.3
change %	24.4	(8.5)	7.7	6.1	4.0	5.0			
% to net sales	23.8	16.8	20.2	20.7	20.1	20.4			

Note: Change % shows changes from the same period of the previous fiscal year

7. Employees

		End of FY2007	End of 20081H	End of FY2008	End of 20091H	End of FY2009	Y on Y change		
		actual	actual	actual	actual	forecast	1H	2H	full-year
Consolidated		4,982	5,128	6,010	6,108	6,040	98	(68)	30
Non-consolidated		4,233	4,351	4,262	4,223	4,100	(39)	(123)	(162)

8. Consolidated statement of income

	FY2008 1H actual	FY2009 1H actual	(Millions of yen) Y on Y change	
Net sales	105,056	132,639	27,583	Royalty income: +6.2 billion yen Export-use doripenem: +1.8 billion yen Sciele sales: +18.3 billion yen
Cost of sales	32,979	36,861	3,882	
Gross profit	72,077	95,778	23,701	Shionogi R&D expenses: +5.0 billion yen Sciele SG&A expenses: +14.2 billion yen Cost related to accounting for business combinations of Sciele acquisition: +3.5 billion yen
Selling, general and administrative expenses	53,613	77,939	24,326	
Operating income	18,464	17,838	(626)	
Non-operating income	1,664	1,145	(519)	
Interest income	628	219	(409)	Decrease in interest income: Decrease in negotiable certificate of deposit and government bonds
Dividends income	644	648	4	
Other	392	278	(114)	
Non-operating expenses	1,158	2,586	1,428	Increase in interest expenses: - Increase in loans: 760 million yen - Increase in straight bonds issued: 92 million yen
Interest expenses	35	897	862	
Contribution	632	703	71	
Other	491	985	494	
Ordinary income	18,969	16,397	(2,572)	
Extraordinary income	212	-	(212)	
Gain on sales of investment securities	212	-	(212)	
Extraordinary loss	272	47	(225)	
Loss on valuation of investment securities	-	47	47	
Loss on disaster	157	-	(157)	
Loss on valuation of inventories	89	-	(89)	
Loss on sales of investment securities	25	-	(25)	
Income before income taxes and minority interests	18,909	16,350	(2,559)	
Income taxes-current	6,026	6,499	473	
Income taxes-deferred	1,027	(1,747)	(2,774)	
Minority interests in income	19	7	(12)	
Net income	11,835	11,591	(244)	

9-1. Consolidated balance sheets (Assets)

	As of Mar. 31 2009	As of Sep. 30 2009	(Millions of yen) Y on Y change
(Assets)			
Current assets			
Cash and deposits	23,349	29,753	6,404
Notes and accounts receivable-trade	75,380	73,353	(2,027)
Short-term investment securities	35,453	53,349	17,896
Merchandise and finished goods	20,632	23,734	3,102
Work in process	12,556	14,649	2,093
Raw materials and supplies	9,838	9,338	(500)
Other	25,525	20,002	(5,523)
Allowance for doubtful accounts	(12)	(12)	-
Total current assets	202,724	224,170	21,446
Noncurrent assets			
Property, plant and equipment	71,811	70,289	(1,522)
Intangible assets			
Goodwill	71,625	73,623	1,998
Other	48,763	51,277	2,514
Total Intangible assets	120,388	124,900	4,512
Investments and other assets			
Investment securities	66,813	67,234	421
Other	40,236	37,958	(2,278)
Allowance for doubtful accounts	(121)	(121)	-
Total investments and other assets	106,928	105,071	(1,857)
Total noncurrent assets	299,128	300,260	1,132
Total assets	501,852	524,431	22,579

Increase in negotiable certificate of deposit: 17.8 billion yen

Increase for exchange rate fluctuations

9-2. Consolidated balance sheets (Liabilities/Net Assets)

	As of Mar. 31 2009	As of Sep. 30 2009	(Millions of yen) Y on Y change
(Liabilities)			
Current liabilities			
Notes and accounts payable-trade	15,444	14,784	(660)
Short-term loans payable	10,000	—	(10,000)
Current portion of long-term loans payable	14,000	14,000	-
Income taxes payable	8,131	6,032	(2,099)
Provision for bonuses	5,325	6,532	1,207
Other provision	2,336	1,472	(864)
Other	21,566	17,571	(3,995)
Total Current liabilities	76,804	60,394	(16,410)
Noncurrent liabilities			
Bonds payable	—	30,000	30,000
Long-term loans payable	91,000	84,337	(6,663)
Provision for retirement benefits	7,793	7,946	153
Other provision	155	—	(155)
Other	16,005	14,981	(1,024)
Total noncurrent liabilities	114,954	137,265	22,311
Total liabilities	191,759	197,659	5,900
(Net Assets)			
Shareholders' equity			
Capital stock	21,279	21,279	-
Capital surplus	20,227	20,227	-
Retained earnings	304,761	311,663	6,902
Treasury stock	(19,652)	(19,728)	(76)
Total shareholders' equity	326,616	333,442	6,826
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	8,207	10,227	2,020
Foreign currency translation adjustment	(25,188)	(17,360)	7,828
Total valuation and translation adjustments	(16,980)	(7,132)	9,848
Minority interests	458	461	3
Total net assets	310,093	326,771	16,678
Total liabilities and net assets	501,852	524,431	22,579

Repayment of bridge loan

Issuance of straight bonds

10-1 Quarterly trend for FY2008 and FY2009 (Sales by Segment)

Fiscal year ended March 31, 2009

(Billions of yen)

	FY2008 1Q actual	Y on Y change %	FY2008 2Q actual	Y on Y change %	FY2008 3Q actual	Y on Y change %	FY2008 4Q actual	Y on Y change %
Pharmaceuticals and related business	51.1	2.9	52.6	4.8	58.7	2.2	60.6	18.7
Ethical drugs	38.0	0.5	36.2	(0.3)	42.3	(4.1)	36.7	(0.5)
CRESTOR	3.8	99.9	4.6	79.7	4.8	55.0	4.5	56.1
FLOMOX	6.1	(5.8)	6.0	1.9	8.8	(4.4)	6.4	(9.4)
RINDERON	2.6	(2.4)	2.6	(3.2)	2.5	(6.7)	2.0	(4.0)
FLUMARIN	2.5	(17.3)	3.0	(10.8)	2.7	(19.6)	1.9	(21.7)
OXYCONTIN	2.0	27.7	1.9	22.3	2.4	12.3	1.4	2.1
CLARITIN	1.8	6.4	1.5	25.1	2.0	32.6	4.4	(5.7)
VANCOMYCIN	2.3	(22.2)	2.3	(10.3)	1.8	(39.4)	1.7	(17.8)
IMUNACE	2.0	(35.4)	1.6	(52.2)	1.2	(53.3)	1.3	(51.8)
FINIBAX	0.6	16.5	0.7	10.1	0.9	15.7	0.7	17.7
IRBETAN	0.8	-	0.2	-	0.1	-	0.1	-
DIFFERIN	-	-	-	-	0.7	-	0.5	-
PIRESPA	-	-	-	-	0.04	-	0.1	-
AVELOX	0.4	14.2	0.2	(40.9)	0.5	(21.5)	0.3	(20.7)
Export/Overseas operations	1.9	25.4	2.2	53.3	2.8	104.1	11.7	502.3
Sciele Pharma, Inc.	-	-	-	-	-	-	9.2	-
DORIPENEM	0.5	-	0.6	528.6	1.5	-	0.9	246.5
Contract manufacturing	1.2	22.5	1.8	8.6	1.6	(14.1)	1.2	(16.9)
OTC and quasi-drugs	1.4	(2.6)	1.4	(1.4)	1.4	(11.9)	1.0	(13.3)
SEDES	0.6	(2.5)	0.6	3.2	0.6	(15.8)	0.4	(14.5)
POPON-S	0.3	3.5	0.3	(12.0)	0.3	4.1	0.2	(9.7)
Diagnostics	0.9	0.6	0.8	(1.2)	0.8	(6.0)	0.8	(2.1)
Royalty income	7.5	9.5	10.2	19.3	9.8	27.7	9.3	4.6
CRESTOR	7.2	8.3	9.3	20.6	9.3	26.6	8.4	4.5
Other business	0.6	14.5	0.7	(80.8)	1.1	37.6	2.0	160.5
Total	51.7	3.0	53.3	(1.1)	59.8	2.7	62.6	20.8

Fiscal year ended March 31, 2010

	FY2009 1Q actual	Y on Y change %	FY2009 2Q actual	Y on Y change %
Pharmaceuticals and related business	63.4	24.2	67.1	27.5
Ethical drugs	37.2	(2.2)	37.5	3.5
CRESTOR	5.5	44.1	6.0	33.2
FLOMOX	5.8	(4.6)	5.5	(9.1)
RINDERON	2.6	(1.2)	2.5	0.2
FLUMARIN	2.2	(12.9)	2.5	(14.7)
OXYCONTIN	2.2	6.5	2.0	6.0
CLARITIN	1.8	1.1	1.6	8.0
VANCOMYCIN	1.7	(26.3)	1.7	(24.2)
IMUNACE	1.3	(34.3)	1.3	(21.3)
FINIBAX	0.8	35.0	1.0	26.2
IRBETAN	0.4	(53.5)	0.8	359.7
DIFFERIN	0.5	-	0.5	-
PIRESPA	0.3	-	0.3	-
AVELOX	0.3	(26.7)	0.2	(10.4)
Export/Overseas operations	11.9	521.0	12.0	447.6
Sciele Pharma, Inc.	9.5	-	8.8	-
DORIPENEM	1.2	157.5	1.7	189.2
Contract manufacturing	1.4	22.8	2.0	6.9
OTC and quasi-drugs	1.4	(0.8)	1.6	8.8
SEDES	0.6	5.7	0.8	12.0
POPON-S	0.2	(6.4)	0.4	30.4
Diagnostics	0.8	(10.7)	0.8	(4.7)
Royalty income	10.5	39.4	13.5	31.8
CRESTOR	10.0	38.2	12.5	34.4
Other business	0.5	(9.1)	1.6	114.2
Total	64.0	23.8	68.6	28.6

Note: Sales of each product are shown on non-consolidated basis

10-2 Quarterly trend for FY2008 and FY2009 (Consolidated statements of income)

Fiscal year ended March 31, 2009

(Billions of yen)

	FY2008 1Q Actual	Y on Y change %	FY2008 2Q Actual	Y on Y change %	FY2008 3Q Actual	Y on Y change %	FY2008 4Q Actual	Y on Y change %
Net sales	51.7	3.0	53.3	(1.1)	59.8	2.7	62.6	20.8
Cost of sales	32.0 16.5	2.6	30.8 16.4	(11.5)	32.1 19.1	4.8	30.0 18.7	20.3
Gross profit	35.1	3.2	36.8	4.3	40.6	1.7	43.8	21.0
SG & A expenses	52.4 27.1	3.8	49.7 26.5	1.1	60.4 36.1	31.6	55.6 34.8	36.6
Selling & general expenses	16.6	1.4	16.2	(1.0)	17.0	4.7	21.8	37.2
R & D expenses	10.4	7.8	10.2	4.5	19.0	71.0	12.9	35.7
Operating income	15.6 8.0	1.1	19.5 10.3	13.4	7.5 4.4	(64.0)	14.5 9.0	(15.9)
Non-operating income & expenses	0.2		0.2		0.0		(0.4)	
Ordinary income	16.2 8.3	(2.1)	19.9 10.5	23.2	7.4 4.4	(64.3)	13.7 8.5	(16.5)
Extraordinary income & loss	0.0		0.0		0.0		(1.0)	
Income before income taxes and minority interests	8.2		10.6		4.3		7.5	
Income taxes and minority interests	2.9		4.1		5.3		2.7	
Net income	10.4 5.3	0.3	12.1 6.4	19.1	- (0.9)	-	7.7 4.8	(24.6)

Fiscal year ending March 31, 2010

	FY2009 1Q Actual	Y on Y change %	FY2009 2Q Actual	Y on Y change %
Net sales	64.0	23.8	68.6	28.6
Cost of sales	26.9 17.2	4.1	28.7 19.6	19.5
Gross profit	46.8	33.1	48.9	32.7
SG & A expenses	63.6 40.7	50.3	54.2 37.2	40.3
Selling & general expenses	24.6	48.4	25.4	56.5
R & D expenses	16.1	53.4	11.8	14.8
Operating income	9.5 6.0	(24.8)	17.1 11.8	13.3
Non-operating income & expenses	(0.2)		(1.2)	
Ordinary income	9.1 5.8	(30.3)	15.4 10.5	(0.3)
Extraordinary income & loss	(0.1)		0.1	
Income before income taxes and minority interests	5.7		10.6	
Income taxes and minority interests	1.0		(3.7)	
Net income	7.2 4.6	(14.6)	10.2 6.9	8.4

11. 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 General Service Co., Ltd.	Osaka, Japan	JPY 10 million	Traveling, Insurance agency	November 2, 1992	March 31	100
6	Shionogi Analysis Center Co., Ltd.	Hyogo, Japan	JPY 200 million	Contract testing and analysis on medicine	December 21, 2007	March 31	100
7	Aburahi AgroResearch Co., Ltd.	Shiga, Japan	JPY 10 million	Contract Laboratories for Agro Chemicals	February 26, 2004	March 31	* 100
8	Taiwan Shionogi & Co., Ltd.	Taipei, Taiwan, R.O.C.	TW\$ 92 million	Mfg. and sale of pharmaceuticals	December 26, 1963	December 31	100
9	Shionogi USA Holding, Inc.	Delaware, U.S.A.	US\$ 6	Holding company	August 25, 2008	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 27, 2001	December 31	100
12	Sciele Pharma, Inc.	Georgia, U.S.A.	US\$ 0.01	Mfg. and sale of pharmaceuticals	July 9, 1992	December 31	* 100
13	Ezose Sciences, Inc.	Delaware, U.S.A.	US\$ 9	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.

12. Main events from April to October, 2009

【 Shionogi Co., Ltd.】

- Launched Fluitran[®] 1mg tablets, thiazidal antihypertensive diuretics
- Issuance of unsecured straight bonds
- Launched Popon[®] B Fresh, vitamin B1 preparation
- Launched additional volume of OxiNorm[®] Powder 0.5% 2g (10mg/pouch), cancer pain analgesic
- Reduction of the minimum investment unit (from 1,000 shares to 100 shares)

【 Sciele Pharma, Inc. 】

- Acquisition of global rights for PSD 502, a treatment of premature ejaculation
- Launched Ulesfia[™] lotion, a head lice treatment
- NDA submission to the FDA for Glycopyrrolate, a treatment for chronic, moderate-to-severe drooling in pediatric patients

13. Pipeline (as of November 2009)

<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	NDA submission (September, 2009)	Eli Lilly and Company (USA)	Co-development: Eli Lilly Japan K.K.
S-021812 (Peramivir)	Neuraminidase inhibitor (Injection)	Influenza infection	NDA submission (October, 2009)	BioCryst Pharmaceuticals, Inc. (USA)	In-house
S-021812 (Peramivir)	Neuraminidase inhibitor (Injection)	Pediatric influenza infection	Phase III	BioCryst Pharmaceuticals, Inc. (USA)	In-house
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-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-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Phase IIa	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Phase IIa	In-house	In-house
S-2367 (Velneperit)	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	Phase IIa	In-house	In-house
S-444823	Cannabinoid receptor agonist (Topical)	Atopic dermatitis	Phase IIa (in preparation)	In-house	In-house
S-288310	Peptide cancer vaccine (injection)	Bladder cancer	Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	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

<Outside Japan>

Code No.	Category (Administration)	Indication	Stage	Origin	Development
S-2367 (Velneperit)	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase IIb	In-house	In-house
S-349572/S-265744/S-247303	Integrase inhibitor (Oral)	HIV infection	USA, Europe: Phase IIb (the most advanced phase)	Shionogi & GlaxoSmithKline	Shionogi-GlaxoSmithKline Pharmaceuticals LLC (USA)
S-0139	Endothelin A receptor antagonist (Injection)	Cerebrovascular diseases	Europe: Phase I	In-house	In-house
S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Europe: POM	In-house	In-house
S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA: Phase II (in preparation)	In-house	In-house
S-222611	Her2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase Ib (in preparation)	In-house	In-house
S-234462	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: 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: Approv	In-house	Peninsula (USA) ↓ Johnson & Johnson (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan : 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 August, 2009

Change of phase	LY248686<In Japan> (Diabetic peripheral neuropathic pain) : NDA submission (in preparation) → NDA submission
	S-021812 <in Japan> : NDA submission (in preparation) → NDA submission
	S-2367 <In Japan> : Phase I → Phase Iia
	S-444823 <In Japan> : Phase I → Phase Iia (in preapration)
	S-888711 <Outside Japan> : Phase I → Phase II (in preparation)
	S-222611 <Outside Japan> : Phase I → Phase Ib (in preparation)
Compound added to the list	S-021812 <In Japan> : Phase III (pediatric)
	S-288310 <In Japan> : Phase I/II
	S-234462 <Outside Japan> : Phase I (in preparation)

<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
Ulesfia (Benzyl alcohol)	Topical benzyl alcohol pediculocide (Topical lotion)	Head lice	Launch July 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	Launch April 2009 (NDA not required)	Sciele Pharma, Inc.	Sciele Pharma, Inc.
Glycopyrrolate (Glycopyrrolate oral solution)	Anticholinergic (Oral)	Chronic moderate-to-severe drooling in pediatric patients	USA: NDA filed September 2009	Sciele Pharma, Inc.	Sciele Pharma, Inc.
CloniceL (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Attention Deficit Hyperactivity Disorder (ADHD)	USA: sNDA filed October 2009	Addrenex Pharmaceuticals, Inc.	Addrenex Pharmaceuticals, Inc.
Jenloga XR (Clonidine hydrochloride)	Centrally acting alpha adrenergic agonist (Oral)	Hypertension	USA: Phase III trial completed	Addrenex Pharmaceuticals, Inc	Addrenex Pharmaceuticals, Inc
Self-injectable epinephrine (Epinephrine)	(Single-dose epinephrine auto-injector)	Anaphylaxis	USA: Phase III trial	Sciele Pharma, Inc.	Sciele Pharma, Inc.
PravaFen (Pravastatin/fenofibrate combination)	Statin-HMG-CoA reductase inhibitors, fenofibrate lipid regulating agent (Oral)	Lowering non-HDL cholesterol and triglycerides	USA: Phase III safety and efficacy study completed	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)	Europe: Phase III trial completed; USA: Second and final Phase III trial completed	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 August, 2009

Change of phases	Glycopyrrolate (Glycopyrrolate oral solution): Phase III trial completed → NDA filing
	CloniceL (Clonidine hydrochloride): Phase III monotherapy trial and combination therapy completed → sNDA filing
	PravaFen(Pravastatin/fenofibrate combination): Phase III efficacy study completed → Phase III safety and efficacy study completed
	PSD502 (Lidocaine/prilocaine): (USA) Phase III trial ongoing → (USA) Second and final Phase III trail completed