

**Financial results for the second quarter
of fiscal year 2010**

< Supplement >

November 1, 2010

 **SHIONOGI & CO., LTD.**

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1. Financial results and forecast <Consolidated>

< Consolidated >

(Billions of yen)

	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast	FY2009 1H actual	FY2009 2H actual	FY2009 actual	Y on Y change		
							1H	2H	full-year
Net Sales	143.3	139.7	283.0	132.6	145.9	278.5	10.7	(6.2)	4.5
<i>change %</i>	8.1	(4.3)	1.6	26.3	19.1	22.4			
Operating Income	19.2	34.8	54.0	17.8	34.6	52.4	1.4	0.2	1.6
<i>change %</i>	7.8	0.5	3.0	(3.4)	155.3	63.8			
Ordinary Income	17.6	33.9	51.5	16.3	34.2	50.5	1.3	(0.3)	1.0
<i>change %</i>	7.9	(0.9)	1.9	(13.6)	161.8	57.9			
Net Income	6.8	23.2	30.0	11.5	27.1	38.6	(4.7)	(3.9)	(8.6)
<i>change %</i>	(40.8)	(14.4)	(22.3)	(2.1)	606.7	146.6			

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

Because of changing fiscal term, FY2010 1H actuals of subsidiaries in the United States include 9-month results from January to September 2010, FY2010 forecasts of subsidiaries in the United States include 15-month results from January 2010 to March 2011.

2. Sales of main products

(Billions of yen)

	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast	FY2009 1H actual	FY2009 2H actual	FY2009 actual	Y on Y change		
							1H	2H	full-year
Prescription drugs	75.1	80.3	155.4	74.7	77.8	152.5	0.4	2.5	2.9
<i>change %</i>	0.6	3.1	1.9	0.6	(1.4)	(0.5)			
CRESTOR	13.7	15.5	29.2	11.5	12.7	24.2	2.2	2.8	5.0
IRBETAN	3.3	4.5	7.8	1.2	2.6	3.8	2.1	1.9	4.0
CYMBALTA	0.9	1.7	2.6	-	-	-	0.9	1.7	2.6
Total of 3 key strategic products	17.9	21.7	39.6	12.8	15.1	27.9	5.1	6.6	11.7
OXYCONTIN	4.8	5.0	9.8	4.2	4.3	8.5	0.6	0.7	1.3
FINIBAX	1.8	2.2	4.0	1.8	1.6	3.4	0	0.6	0.6
DIFFERIN	1.5	1.5	3.0	1.0	1.2	2.2	0.5	0.3	0.8
PIRESPA	1.3	1.7	3.0	0.6	0.9	1.5	0.7	0.8	1.5
RAPIACTA	0	1.8	1.8	-	0.6	0.6	0	1.2	1.2
Total of 8 new products	27.2	34.0	61.2	20.3	23.8	44.1	6.9	10.2	17.1
FLOMOX	10.1	10.0	20.1	11.3	12.7	24.0	(1.2)	(2.7)	(3.9)
RINDERON	5.0	4.1	9.1	5.1	4.4	9.5	(0.1)	(0.3)	(0.4)
FLUMARIN	3.9	3.0	6.9	4.7	4.0	8.7	(0.8)	(1.0)	(1.8)
CLARITIN	3.1	5.1	8.2	3.4	5.6	9.0	(0.3)	(0.5)	(0.8)
VANCOMYCIN	2.6	1.7	4.3	3.4	2.7	6.1	(0.8)	(1.0)	(1.8)
IMUNACE	1.6	1.6	3.2	2.6	2.0	4.6	(1.0)	(0.4)	(1.4)
AVELOX	0.2	-	0.2	0.5	0.5	1.0	(0.3)	(0.5)	(0.8)
Export/Overseas subsidiaries	26.0	18.2	44.2	23.9	25.2	49.1	2.1	(7.0)	(4.9)
<i>change %</i>	9.0	(27.9)	(9.9)	482.1	73.5	163.5			
Shionogi Inc.	*1 21.0	12.9	*2 33.9	18.3	20.3	38.6	2.7	(7.4)	(4.7)
DORIPENEM	2.5	2.9	5.4	2.9	2.3	5.2	(0.4)	0.6	0.2
Contract manufacturing	1.8	1.6	3.4	3.4	4.0	7.4	(1.6)	(2.4)	(4.0)
<i>change %</i>	(46.8)	(60.6)	(54.2)	13.2	46.1	28.8			
OTC and quasi-drugs	2.8	2.7	5.5	3.0	2.4	5.4	(0.2)	0.3	0.1
<i>change %</i>	(4.0)	7.1	1.1	4.0	2.4	3.2			
SEDES	1.3	1.1	2.4	1.4	1.0	2.4	(0.1)	0.1	0
POPON-S	0.5	0.6	1.1	0.6	0.5	1.1	(0.1)	0.1	0
Diagnostics	1.5	1.3	2.8	1.6	1.3	2.9	(0.1)	0	(0.1)
<i>change %</i>	(6.1)	(3.6)	(4.9)	(8.0)	(14.6)	(11.2)			
Royalty income	34.8	33.5	68.3	24.0	33.0	57.0	10.8	0.5	11.3
<i>change %</i>	45.3	1.3	19.8	35.0	72.8	54.6			
CRESTOR	32.8	30.7	63.5	22.5	27.5	50.0	10.3	3.2	13.5
Others	1.2	2.2	3.4	2.1	2.0	4.1	(0.9)	0.2	(0.7)
<i>change %</i>	(43.7)	12.6	(16.4)	57.5	(36.4)	(8.2)			
Total	143.3	139.7	283.0	132.6	145.9	278.5	10.7	(6.2)	4.5
<i>change %</i>	8.1	(4.3)	1.6	26.3	19.1	22.4			

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

Sales of each product are shown on non-consolidated basis

Because of changing fiscal term *1 Include 9-month actuals from January to September 2010 of subsidiaries in the United States.

*2 Include 15-month forecasts from January 2010 to March 2011 of subsidiaries in the United States.

3. Management index <Consolidated>

(Management index trend <Consolidated>)

		FY2008	FY2009	FY2009 1H	FY2010 1H
Ratio of operating income to net sales	%	14.1	18.8	13.4	13.4
Ratio of ordinary income to net sales	%	14.1	18.1	12.4	12.3
Ratio of net income to net sales	%	6.9	13.9	8.7	4.8
Total asset turnover		0.50	0.53	0.26	0.27
Equity ratio	%	61.7	63.2	62.2	63.1
Return on asset (ROA)	%	7.0	9.7	3.2	3.3
Return on equity (ROE)	%	4.8	11.9	3.6	2.1
Dividend payout ratio	%	59.9	31.2	-	-
Earnings per share	yen	46.75	115.33	34.61	20.49

4. Financial results of significant consolidated subsidiaries <Shionogi Inc.>

< Consolidated statement of income (Summary)>

	<i>(Millions of dollar)</i>			<i>(Billions of yen)</i>		
	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast
Net sales	235	160	395	21.0	12.9	33.9
Cost of sales	56	27	83	5.0	2.1	7.2
SG & A expenses	214	113	327	19.1	9.0	28.1
Operating income	(35)	20	(15)	(3.2)	1.8	(1.3)

< Sales in each therapeutic area >

• FY2010 1H actual

	<i>(Millions of dollar)</i>				
	FY2010 1H forecast	FY2010 1H actual	achievement (%)	FY2010 1Q actual	FY2010 2Q actual
Cardio/Diabetes	147	146	99.3	103	43
Women's Health	31	32	103.2	21	11
Pediatrics	70	57	81.4	42	15
Total	248	235	94.8	166	69

<Current Situation>

Cardio/Diabetes:	Discontinuation of promotion in Cardio/Diabetes Discontinuation of some products including Fenoglide Switching Sular to Authorized Generic Drug of Sular
Women's Health:	Expanding sales of Prenate Essential
Pediatrics:	Expanding market share of Ulesfia

• FY2010 forecast

	<i>(Millions of dollar)</i>				
	FY2010 original forecast	FY2010 revised forecast	change from original	FY2010 1H actual	FY2010 2H revised forecast
Cardio/Diabetes	243	216	(27)	146	70
Women's Health	67	64	(3)	32	32
Pediatrics	150	115	(35)	57	58
Total	460	395	(65)	235	160

<Action>

Cardio/Diabetes:	Discontinuation of unprofitable products
Women's Health:	Bolstered product promotion centered on Prenate Essential
Pediatrics:	Launch of Cuvposa and Kapvay to complement product portfolio

Because of changing fiscal term, FY2010 1H actuals and forecasts include 9-month results from January to September 2010.
 FY2010 forecasts include 15-month results from January 2010 to March 2011.
 FY2010 1Q actuals include 6-month results from January to June 2010.

5. Capital investments and depreciation cost

(Billions of yen)

	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast	FY2009 1H actual	FY2009 2H actual	FY2009 actual	Y on Y change		
							1H	2H	full-year
<Consolidated>									
Investment in equipments	7.3	6.7	14.0	2.9	9.6	12.5	4.4	(2.9)	1.5
Depreciation cost	10.0	8.5	18.5	8.6	9.3	17.9	1.4	(0.8)	0.6
Amortization of goodwill	2.7	1.6	4.3	1.9	1.8	3.7	0.8	(0.2)	0.6
<Non-consolidated>									
Investment in equipments	7.1	5.9	13.0	1.7	8.6	10.3	5.4	(2.7)	2.7
Depreciation cost	5.1	5.4	10.5	4.8	5.6	10.4	0.3	(0.2)	0.1

6. R&D expenses

(Billions of yen)

	FY2010 1H actual	FY2010 2H forecast	FY2010 forecast	FY2009 1H actual	FY2009 2H actual	FY2009 actual	Y on Y change		
							1H	2H	full-year
<Consolidated>									
R&D expenses	28.0	25.5	53.5	27.9	23.9	51.8	0.1	1.6	1.7
change %	0.6	6.3	3.3	34.3	(25.4)	(1.9)			
% to net sales	19.6	18.2	18.9	21.0	16.4	18.6			
<Non-consolidated>									
R&D expenses	25.8	22.2	48.0	25.8	20.9	46.7	0	1.3	1.3
change %	0.2	5.5	2.6	24.4	(2.4)	10.7			
% to net sales	21.5	17.9	19.7	23.8	17.5	20.5			

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

7. Employees

		End of FY2008	End of 20091H	End of FY2009	End of 20101H	End of FY2010	Y on Y change		
		actual	actual	actual	actual	forecast	1H	2H	full-year
Consolidated		6,010	6,108	5,887	5,486	5,470	(401)	(16)	(417)
Non-consolidated		4,262	4,223	4,124	4,270	4,190	146	(80)	66

8. Consolidated statement of income

	FY2009 1H actual	FY2010 1H actual	(Millions of yen) Y on Y change	
Net sales	132,639	143,366	10,727	Increase in royalty income: 10.8 billion yen
Cost of sales	36,861	39,057	2,196	
Gross profit	95,778	104,308	8,530	
Selling, general and administrative expenses	77,939	85,080	7,141	Increase for including 9-month actuals of subsidiaries in the United States
Operating income	17,838	19,228	1,390	
Non-operating income	1,145	1,205	60	
Interest income	219	237	18	
Dividends income	648	696	48	
Other	278	272	(6)	
Non-operating expenses	2,586	2,737	151	
Interest expenses	897	767	(130)	
Contribution	703	568	(135)	
Foreign exchange losses	-	889	889	
Other	985	512	(473)	
Ordinary income	16,397	17,696	1,299	
Extraordinary income	-	279	279	
Gain on forgiveness of debts	-	279	279	
Extraordinary loss	47	6,468	6,421	
Business structure improvement expenses	-	3,323	3,323	Due to reorganization of US operations
Impairment loss	-	3,145	3,145	Due to impairment of discontinued products in US
Loss on valuation of investment securities	47	-	(47)	
Income before income taxes and minority interests	16,350	11,507	(4,843)	
Income taxes-current	6,499	8,981	2,482	
Income taxes-deferred	(1,747)	(4,359)	(2,612)	
Income before minority interests	-	6,884	-	
Minority interests in income	7	22	15	
Net income	11,591	6,862	(4,729)	

9-1. Consolidated balance sheets (Assets)

	As of Mar. 31 2010	As of Sep. 30 2010	(Millions of yen) Y on Y change	
(Assets)				
Current assets				
Cash and deposits	33,532	34,904	1,372	
Notes and accounts receivable-trade	79,414	65,938	(13,476)	Decrease for shortening days to collect accounts receivable etc. in Shionogi: 6.6 billion yen Decrease in Shionogi Inc.: 6.3 billion yen
Short-term investment securities	70,677	72,000	1,323	
Merchandise and finished goods	26,931	25,691	(1,240)	
Work in process	14,058	14,607	549	
Raw materials and supplies	8,350	10,165	1,815	
Other	17,710	18,291	581	
Allowance for doubtful accounts	(11)	(11)	0	
Total current assets	250,664	241,586	(9,078)	
Noncurrent assets				
Property, plant and equipment	62,447	65,793	3,346	Increase in construction of SPRC (New research facility)
Intangible assets				
Goodwill	69,874	60,982	(8,892)	Decrease for amortization: 2.7 billion yen Decrease for exchange rate fluctuations: 6.1 billion yen
Other	49,190	47,409	(1,781)	Decrease due to impairment of discontinued products in US etc.
Total Intangible assets	119,065	108,392	(10,673)	
Investments and other assets				
Investment securities	71,870	65,840	(6,030)	Decrease in value due to the fall in share prices: 6.0 billion yen
Other	36,835	35,283	(1,552)	
Allowance for doubtful accounts	(121)	(121)	(0)	
Total investments and other assets	108,584	101,002	(7,582)	
Total noncurrent assets	290,097	275,188	(14,909)	
Total assets	540,761	516,775	(23,986)	

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

	As of Mar. 31 2010	As of Sep. 30 2010	(Millions of yen) Y on Y change
(Liabilities)			
Current liabilities			
Notes and accounts payable-trade	13,400	13,796	396
Current portion of long-term loans payable	14,000	14,000	–
Income taxes payable	13,479	10,023	(3,456)
Provision for bonuses	6,473	6,554	81
Other provision	1,316	1,199	(117)
Other	18,159	21,095	2,936
Total Current liabilities	66,829	66,669	(160)
Noncurrent liabilities			
Bonds payable	30,000	30,000	–
Long-term loans payable	77,000	70,000	(7,000)
Provision for retirement benefits	8,077	8,353	276
Other	16,878	15,442	(1,436)
Total noncurrent liabilities	131,955	123,796	(8,159)
Total liabilities	198,785	190,465	(8,320)
(Net Assets)			
Shareholders' equity			
Capital stock	21,279	21,279	–
Capital surplus	20,227	20,227	–
Retained earnings	332,669	333,504	835
Treasury stock	(19,733)	(19,735)	(2)
Total shareholders' equity	354,443	355,275	832
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	10,362	6,761	(3,601)
Foreign currency translation adjustment	(23,301)	(36,114)	(12,813)
Total valuation and translation adjustments	(12,939)	(29,352)	(16,413)
Minority interests	471	386	(85)
Total net assets	341,976	326,309	(15,667)
Total liabilities and net assets	540,761	516,775	(23,986)

Repayment of syndicate loan:
6.5 billion yen

10-1 Quarterly trend for FY2009 and FY2010 (Sales of main products)

Fiscal year ended March 31, 2010

(Billions of yen)

	FY2009 1Q actual	Y on Y change %	FY2009 2Q actual	Y on Y change %	FY2009 3Q actual	Y on Y change %	FY2009 4Q actual	Y on Y change %
Pharmaceuticals and related business	63.4	24.2	67.1	27.5	72.8	23.9	71.1	17.3
Ethical drugs	37.2	(2.2)	37.5	3.5	42.4	0.3	35.4	(3.4)
CRESTOR	5.5	44.1	6.0	33.2	6.9	43.6	5.8	26.3
FLOMOX	5.8	(4.6)	5.5	(9.1)	7.9	(10.2)	4.8	(24.6)
RINDERON	2.6	(1.2)	2.5	0.2	2.3	(5.3)	2.1	1.9
CLARITIN	1.8	1.1	1.6	8.0	2.0	2.2	3.6	(18.3)
FLUMARIN	2.2	(12.9)	2.5	(14.7)	2.3	(16.6)	1.7	(10.2)
OXYCONTIN	2.2	6.5	2.0	6.0	2.5	6.5	1.8	30.4
VANCOMYCIN	1.7	(26.3)	1.7	(24.2)	1.5	(18.1)	1.2	(28.8)
IMUNACE	1.3	(34.3)	1.3	(21.3)	1.1	(8.9)	0.9	(29.1)
IRBETAN	0.4	(53.5)	0.8	359.7	1.2	-	1.4	919.3
FINIBAX	0.8	35.0	1.0	26.2	0.8	(6.5)	0.8	14.4
DIFFERIN	0.5	-	0.5	-	0.6	(6.0)	0.6	5.1
PIRESPA	0.3	-	0.3	-	0.4	-	0.5	280.8
AVELOX	0.3	(26.7)	0.2	(10.4)	0.3	(42.8)	0.2	(37.0)
RAPIACTA	-	-	-	-	-	-	6.0	-
Export/Overseas operations	11.9	521.0	12.0	447.6	12.7	346.7	12.5	7.1
Shionogi Pharma, Inc.	9.5	-	8.8	-	9.9	-	10.4	12.2
DORIPENEM	1.2	157.5	1.7	189.2	1.3	(18.8)	1.0	16.7
Contract manufacturing	1.4	22.8	2.0	6.9	1.9	20.5	2.1	79.6
OTC and quasi-drugs	1.4	(0.8)	1.6	8.8	1.4	(3.2)	1.0	10.1
SEDES	0.6	5.7	0.8	12.0	0.6	(0.1)	0.4	8.0
POPON-S	0.2	(6.4)	0.4	30.4	0.3	(4.0)	0.2	1.4
Diagnostics	0.8	(10.7)	0.8	(4.7)	0.6	(23.3)	0.7	(5.7)
Royalty income	10.5	39.4	13.5	31.8	13.8	40.8	19.2	106.6
CRESTOR	10.0	38.2	12.5	34.4	13.2	41.5	14.3	69.4
Other business	0.5	(9.1)	1.6	114.2	1.0	(5.0)	1.0	(53.4)
Total	64.0	23.8	68.6	28.6	73.8	23.4	72.1	15.0

Fiscal year ending March 31, 2011

	FY2010 1Q actual	Y on Y change %	FY2010 2Q actual	Y on Y change %
Prescription drugs	38.0	2.1	37.1	(0.9)
CRESTOR	6.6	19.9	7.1	17.5
IRBETAN	1.6	347.9	1.7	95.9
CYMBALTA	0.4	-	0.5	-
Total of 3 key strategic products	8.5	46.6	9.4	34.8
OXYCONTIN	2.5	13.7	2.3	13.5
FINIBAX	0.9	5.2	0.9	0.6
DIFFERIN	0.6	32.2	0.9	53.5
PIRESPA	0.7	150.1	0.6	75.3
RAPIACTA	0	-	0	-
Total of 8 new products	13.2	37.6	14.0	30.1
FLOMOX	5.3	(8.6)	4.8	(12.6)
RINDERON	2.5	(1.1)	2.5	(2.8)
FLUMARIN	1.8	(16.5)	2.1	(17.5)
CLARITIN	1.6	(8.0)	1.5	(13.2)
VANCOMYCIN	1.2	(29.4)	1.4	(19.1)
IMUNACE	0.8	(40.8)	0.8	(32.9)
AVELOX	0.2	(23.1)	0	(101.3)
Export/Overseas subsidiaries	17.1	42.6	8.9	(24.9)
Shionogi Inc.	15.2	58.8	5.8	(33.8)
DORIPENEM	0.5	(57.3)	2.0	16.3
Contract manufacturing	1.0	(35.7)	0.8	(55.4)
OTC and quasi-drugs	1.4	(3.9)	1.4	(4.1)
SEDES	0.6	(10.5)	0.7	(0.2)
POPON-S	0.3	14.0	0.2	(29.4)
Diagnostics	0.7	(9.7)	0.8	(2.2)
Royalty income	16.4	56.6	18.4	36.4
CRESTOR	15.4	53.6	17.4	38.7
Others	0.6	2.8	0.6	(60.5)
Total	75.2	17.5	68.1	(0.7)

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

Because of changing fiscal term, FY2010 1Q actuals of subsidiaries in the United States include 6-month sales from January to June 2010.

10-2 Quarterly trend for FY2009 and FY2010 (Consolidated statements of income)

Fiscal year ended March 31, 2010

(Billions of yen)

	FY2009 1Q Actual	Y on Y change %	FY2009 2Q Actual	Y on Y change %	FY2009 3Q Actual	Y on Y change %	FY2009 4Q Actual	Y on Y change %
Net sales	64.0	23.8	68.6	28.6	73.8	23.4	72.0	15.0
Cost of sales	26.9 17.2	4.1	28.7 19.6	19.5	27.5 20.2	5.7	26.6 19.1	1.9
Gross profit	46.8	33.1	48.9	32.7	53.5	31.8	52.9	20.6
SG & A expenses	63.6 40.7	50.3	54.2 37.2	40.3	49.3 36.3	0.6	49.3 35.5	2.0
Selling & general expenses	24.6	48.4	25.4	56.5	23.8	39.4	24.1	10.6
R & D expenses	16.1	53.4	11.8	14.8	12.5	(34.2)	11.3	(12.5)
Operating income	9.5 6.0	(24.8)	17.1 11.8	13.3	23.3 17.1	282.4	24.2 17.4	92.3
Non-operating income & expenses	(0.2)		(1.2)		(0.1)		(0.2)	
Ordinary income	9.1 5.8	(30.3)	15.4 10.5	(0.3)	23.0 16.9	282.8	23.8 17.1	99.3
Extraordinary income & loss	(0.1)		0.1		4.8		3.1	
Income before income taxes and minority interests	5.7		10.6		21.8		20.3	
Income taxes and minority interests	1.0		(3.7)		(7.9)		(7.2)	
Net income	7.2 4.6	(14.6)	10.2 6.9	8.4	18.9 13.9	-	18.2 13.0	172.2

Fiscal year ending March 31, 2011

	FY2010 1Q Actual	Y on Y change %	FY2010 2Q Actual	Y on Y change %
Net sales	75.2	17.5	68.1	(0.7)
Cost of sales	27.7 20.8	21.2	26.7 18.2	(7.4)
Gross profit	54.3	16.1	49.9	2.0
SG & A expenses	61.7 46.4	13.9	56.8 38.6	4.0
Selling & general expenses	33.3	35.4	23.6	(7.0)
R & D expenses	13.0	(19.1)	15.0	27.5
Operating income	10.6 7.9	31.1	16.5 11.2	(4.3)
Non-operating income & expenses	(0.7)		(0.7)	
Ordinary income	9.6 7.2	23.6	15.4 10.4	(0.7)
Extraordinary income & loss	(2.1)		(4.0)	
Income before income taxes and minority interests	5.0		6.4	
Income taxes and minority interests	0.2		4.3	
Net income	6.4 4.8	4.9	3.0 2.0	(70.9)

Note: Because of changing fiscal term, FY2010 1Q actuals of subsidiaries in the United States include 6-month results from January to June 2010.

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	Nichia Pharmaceutical Industries Ltd.	Tokushima, Japan	JPY 200 million	Mfg. of pharmaceutical raw materials	August 24, 1976	March 31	75
2	Saishin Igaku Co., Ltd.	Osaka, Japan	JPY 90 million	Publication of medical information	December 21, 1998	March 31	100
3	Shionogi Engineering Service Co., Ltd.	Hyogo, Japan	JPY 20 million	Inspection and maintenance of pharmaceuticals mfg. equipment	November 2, 1992	March 31	100
4	Shionogi General Service Co., Ltd.	Osaka, Japan	JPY 10 million	Traveling, Insurance agency	November 2, 1992	March 31	100
5	Shionogi Analysis Center Co., Ltd.	Osaka, Japan	JPY 200 million	Contract testing and analysis on medicine	December 21, 2007	March 31	100
6	Aburahi AgroResearch Co., Ltd.	Shiga, Japan	JPY 10 million	Contract Laboratories for Agro Chemicals	February 26, 2004	March 31	* 100
7	Shionogi Techno Advance Research Co., Ltd.	Osaka, Japan	JPY 9 million	Contract support services for experimental research	September 8, 2010	March 31	100
8	Taiwan Shionogi & Co., Ltd.	Taipei, Taiwan, R.O.C.	TWS 92 million	Mfg. and sale of pharmaceuticals	December 26, 1963	December 31	100
9	Shionogi Inc.	Delaware, U.S.A.	US\$ 6	Administration of overseas subsidiaries	August 25, 2008	March 31	100
10	Shionogi USA, Inc.	Delaware, U.S.A.	US\$ 10 million	Contract research and sale for pharmaceuticals	February 15, 2001	March 31	* 100
11	SG Holding, Inc.	Delaware, U.S.A.	US\$ 140	Holding company	September 10, 2001	March 31	* 100
12	Shionogi Pharma, Inc.	Georgia, U.S.A.	US\$ 0.01	Mfg. and sale of pharmaceuticals	July 9, 1992	March 31	* 100
13	Ezose Sciences Inc.	Delaware, U.S.A.	US\$ 9	Serum glycan analysis contract services	March 3, 2009	March 31	* 100

<Affiliated company accounted for by the equity method>

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

* Incl. Indirect ownership

Note: Four consolidated affiliated companies are not shown on this table as the scale of their business is very small.

12. Main events from April to October, 2010

【 Shionogi Co., Ltd.】

- Establishment of Shionogi Techno Advance Research Co., Ltd.
- New Quinolone oral antibiotic Avelox[®], sales rights transfer
- Crestor[®] patent upheld by US district court, district of Delaware
- Establishment of Shionogi Inc. as its consolidated US corporate headquarters
- License agreements with Stallergenes regarding sublingual allergen immunotherapy tablets
- Agreement with Sweden on International Industry-Academic collaboration initiatives
- Agreement to settle patent-infringement lawsuit for Flomox[®], oral cephem antibiotic agent
- Received approval for an additional indication for pediatric use of Rapiacta[®], a novel anti-viral drug for influenza
- Collaboration with GSK on the research, development and commercialization of novel antibiotics targeting drug-resistant Gram-negative bacteria
- Newly-marketed OTC and quasi-drugs, Sedes[®] First, etc.

【 Shionogi Inc. 】

- FDA approval of Cuvposa[™], a treatment of chronic severe drooling in pediatric patients with neurologic conditions
- FDA approval of Kapvay[™], a treatment of ADHD

13. Pipeline (as of November 2010)

<Metabolic Syndrome, Infectious Diseases and Pain>

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Metabolic Syndrome	S-474474 (Irbesartan/trichlormethiazide combination)	Angiotensin receptor blocker/diuretic combination (Oral)	Hypertension	Japan: Phase III	Irbesartan: Sanofi Aventis (France) Trichlormethiazide: Shionogi	In-house
	S-2367 (Velneperit)	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase II Japan: Phase II	In-house	In-house
	S-707106	Insulin sensitizer (Oral)	Type 2 Diabetes	USA: Phase IIa	In-house	In-house
	ADX415	Alpha 2 specific adrenergic agonist (Oral)	Hypertension	USA: Phase II (in preparation)	In-house	In-house
	S-234462	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	USA: Phase I	In-house	In-house
Infectious Diseases	S-021812 (Peramivir) 【RAPIACTA®】	Neuraminidase inhibitor (Injection)	Pediatric influenza infection	Japan: Approval (October 2010)	BioCryst Pharmaceuticals, Inc. (USA)	In-house
	S-4661 (Doripenem hydrate) 【FINIBAX®】	Carbapenem antibiotic (Injection)	Addition of new dosage regimen (1g t.i.d. for serious infection)	Japan: NDA submission (March 2010)	In-house	In-house
	S-4661 (Doripenem hydrate) 【FINIBAX®】	Carbapenem antibiotic (Injection)	Pediatric infection	Japan: Phase III	In-house	In-house
	S-349572/ S-265744/ S-247303	Integrase inhibitor (Oral)	HIV infection	Global: Phase III (the most advanced phase)	Shionogi & GlaxoSmithKline	Shionogi-ViiV Healthcare LLC
	S-265744 LAP	Integrase inhibitor (Injection; Long acting parenteral formulation)	HIV infection	USA: Phase I	Shionogi & GlaxoSmithKline	Shionogi-ViiV Healthcare LLC
Pain	LY248686 (Duloxetine hydrochloride) 【CYMBALTA®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Diabetic peripheral neuropathic pain	Japan: NDA submission (September 2009)	Eli Lilly and Company (USA)	Shionogi/Eli Lilly Japan K.K.
	S-811717 (Oxycodone hydrochloride)	Natural opium alkaloids (Injection)	For the treatment of moderate to severe pain in patients with cancer pain	Japan: NDA submission (September 2010)	Napp Pharmaceuticals Limited (UK)	In-house
	S-297995	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid-induced adverse effect	USA: Phase IIa Japan: Phase I	In-house	In-house

<Other>

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Women's Health	PSD502 (Lidocaine/prilocaine)	Eutectic mixture of anesthetics (Metered-dose topical aerosol spray)	Premature ejaculation	USA, Europe: Phase III	Plethora Solutions Holdings PLC (UK)	Shionogi/Plethora Solutions Holdings PLC
	Ospemifene	Selective estrogen receptor modulator	Post-menopausal vaginal atrophy	USA: Phase III	QuatRx Pharmaceuticals Company (USA)	Shionogi/QuatRx Pharmaceuticals Company
Pediatrics	Glycopyrrolate (Glycopyrrolate oral solution) 【CUVPOSA™】	Anticholinergic (Oral)	Chronic moderate-to-severe drooling in pediatric patients	USA: Approval (July 2010)	In-house	In-house
	Clonidine HCL (Clonidine hydrochloride) 【KAPVAY™】	Alpha 2 specific adrenergic agonist (Oral)	Attention Deficit Hyperactivity Disorder	USA: Approval (September 2010)	In-house	In-house
Other	S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic disease	Japan: Phase IIa Europe: POM (Proof of Mechanism)	In-house	In-house
	S-888711	Small molecule TPO mimetic (Oral)	Thrombocytopenia	USA, Europe: Phase II Japan: Phase I	In-house	In-house
	S-288310	Peptide cancer vaccine (Injection)	Bladder cancer	Japan: Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
	S-222611	Her2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase Ib	In-house	In-house
	S-488410	Peptide cancer vaccine (Injection)	Esophageal cancer	Japan: Phase I/II (in preparation)	OncoTherapy Science, Inc.	In-house
	S-524101	Sublingual tablet of house-dust mite allergen extracts for immunotherapy	Allergic rhinitis caused by house-dust mite allergen	Japan: Phase I (in preparation)	Stallergenes SA (France)	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 Europe: Approval (July 2008)	In-house	Johnson & Johnson (USA)
S-3013 (Varespladib methyl)	Secretory PLA2(sPLA2) inhibitor (Oral)	Acute coronary syndromes Mixed dyslipidemia	USA, Europe: Phase III	Shionogi/Eli Lilly and Company	Anthera Pharmaceuticals, Inc. (USA)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan: Phase II	In-house	Kissei Pharmaceutical Co., Ltd.

Since August, 2010

Change of phase	S-021812 <Japan>: NDA submission → Approval
	Clonidine HCL <USA>: NDA submission → Approval
	S-811717 <Japan>: NDA submission (in preparation) → NDA submission
	S-349572/S-265744/S-247303 <Global>: Phase IIb → Phase III
	S-707106 <USA>: Phase I → Phase IIa
Compound added to the list	S-265744 LAP <USA>: Phase I
	S-524101 <Japan>: Phase I (in preparation)
Compound erased	Pravastatin/Fenofibrate <USA>: Priority reassessment
	Jenloga XR <USA>: Priority reassessment
	S-444823 <Japan>: Discontinued

<Drugs to acquire new indication requested by the Ministry of Health, Labour and Welfare>

Generic name 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Cyclophosphamide 【Endoxan®】	Antineoplastic agent and immunosuppressant (Injection)	Refractory Rheumatic Disease such as Systemic Lupus Erythematosus, Systemic Vasculitis, Polymyositis/Dermatomyositi s Complex, Scleroderma, Mixed Connective-Tissue Disease, Refractory Rheumatic Disease with Vasculitis	NDA submission (September 2010)	Baxter (Germany)	In-house
Metronidazole 【Flagyl®】	Antibacterial and antiprotozoal agent (Oral)	Infections caused by anaerobic bacteria, Amebiasis, Giardiasis	NDA submission (in preparation)	Sanofi-aventis (France)	In-house
Metronidazole 【Flagyl®】	Antibacterial and antiprotozoal agent (Oral or Intravaginal)	Bacterial vaginosis	NDA submission (in preparation)	Sanofi-aventis	In-house
Lisinopril 【Longes®】	ACE inhibitor (Oral)	Childhood hypertension	NDA submission (in preparation)	Merck & Co., Inc. (USA) / AstraZeneca(UK)	Shionogi/ AstraZeneca