

**Financial results for the second quarter
of fiscal year 2014**

< Supplement >

October 29, 2014

 **SHIONOGI & CO., LTD.**

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1. Financial results and forecast

(Billions of yen)

	FY2014 1H actual	FY2014 2H forecast	FY2014 forecast	FY2013 1H actual	FY2013 2H actual	FY2013 actual	Y on Y change		
							1H	2H	full-year
Net Sales	129.8	143.7	273.5	138.7	151.0	289.7	(8.9)	(7.3)	(16.2)
<i>change %</i>	(6.4)	(4.9)	(5.6)	1.0	3.7	2.4			
Operating Income	22.7	26.8	49.5	27.9	34.0	61.9	(5.2)	(7.2)	(12.4)
<i>change %</i>	(18.7)	(21.1)	(20.0)	-	-	-			
Ordinary Income	31.4	26.6	58.0	27.3	34.9	62.2	4.1	(8.3)	(4.2)
<i>change %</i>	15.0	(23.9)	(6.8)	-	-	-			
Net Income	9.7	20.3	30.0	21.1	19.5	40.6	(11.4)	0.8	(10.6)
<i>change %</i>	(53.9)	3.9	(26.1)	-	-	-			

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

The Company changed its accounting policy for R&D expenses effective April 1, 2014.

Operating income, Ordinary income and Net income for FY2013 1H, FY2013 2H and FY2013 have been restated to reflect this change.

But the Y on Y change % are omitted as they have not been calculated.

2. Sales of main merchandise and finished goods

(Billions of yen)

	FY2014 1H	FY2014 2H	FY2014	FY2013 1H	FY2013 2H	FY2013	Y on Y change		
	actual	forecast	forecast	actual	actual	actual	1H	2H	full-year
Prescription drugs	77.0	86.5	163.5	80.9	87.4	168.3	(3.9)	(0.9)	(4.8)
<i>change %</i>	(4.9)	(1.0)	(2.8)	1.5	1.6	1.5			
CRESTOR	21.1	21.5	42.6	20.6	20.5	41.1	0.5	1.0	1.5
IRBETAN Franchise	7.5	9.0	16.5	6.7	7.2	13.9	0.8	1.8	2.6
CYMBALTA	5.5	7.4	12.9	5.2	6.2	11.4	0.3	1.2	1.5
Total of 3 key products	34.0	38.0	72.0	32.5	33.8	66.3	1.5	4.2	5.7
OXYCONTIN Franchise	5.3	5.4	10.7	5.4	5.2	10.6	(0.1)	0.2	0.1
FINIBAX	1.9	2.3	4.2	2.3	2.4	4.7	(0.4)	(0.1)	(0.5)
DIFFERIN	1.8	2.6	4.4	1.9	2.5	4.4	(0.1)	0.1	0.0
PIRESPA	2.6	2.9	5.5	2.4	2.4	4.8	0.2	0.5	0.7
RAPIACTA	0.1	2.4	2.5	0.1	1.9	2.0	(0.0)	0.5	0.5
Total of 8 strategic products	45.7	53.6	99.3	44.4	48.5	92.9	1.3	5.1	6.4
FLOMOX	5.8	6.5	12.3	7.5	8.3	15.8	(1.7)	(1.8)	(3.5)
RINDERON	4.2	4.2	8.4	4.7	4.1	8.8	(0.5)	0.1	(0.4)
CLARITIN	1.6	2.4	4.0	1.8	3.1	4.9	(0.2)	(0.7)	(0.9)
FLUMARIN	2.4	2.3	4.7	2.8	2.6	5.4	(0.4)	(0.3)	(0.7)
Export/Overseas subsidiaries	14.6	16.7	31.3	15.4	18.6	34.0	(0.8)	(1.9)	(2.7)
<i>change %</i>	(5.2)	(10.3)	(8.0)	3.7	18.1	11.1			
Shionogi Inc.	7.4	10.3	17.7	9.5	11.9	21.4	(2.1)	(1.6)	(3.7)
Osphena	1.7	5.3	7.0	0.1	1.0	1.1	1.6	4.3	5.9
C&O	3.3	4.2	7.5	2.9	3.0	5.9	0.4	1.2	1.6
Contract manufacturing	6.1	5.3	11.4	5.0	3.4	8.4	1.1	1.9	3.0
<i>change %</i>	21.1	58.3	36.1	12.4	20.4	15.5			
OTC and quasi-drugs	2.5	2.1	4.6	2.3	2.2	4.5	0.2	(0.1)	0.1
<i>change %</i>	5.7	(2.2)	1.9	(17.0)	(7.3)	(12.6)			
Royalty income	28.3	31.7	60.0	33.4	37.3	70.7	(5.1)	(5.6)	(10.7)
<i>change %</i>	(15.3)	(15.0)	(15.1)	0.0	2.3	1.2			
CRESTOR	24.4	24.6	49.0	31.2	34.5	65.7	(6.8)	(9.9)	(16.7)
Others *	1.5	1.2	2.7	1.7	2.1	3.8	(0.2)	(0.9)	(1.1)
<i>change %</i>	(12.9)	(42.6)	(29.2)	(20.2)	(1.3)	(10.8)			
Total	129.8	143.7	273.5	138.7	151.0	289.7	(8.9)	(7.3)	(16.2)
<i>change %</i>	(6.4)	(4.9)	(5.6)	1.0	3.7	2.4			

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

Sales of each product are shown on non-consolidated basis

* From FY2014, "Diagunostics" is included in the "Other" item.

3. Management index

(Management index trend)

		FY2012	FY2013	FY2013 1H	FY2014 1H
Ratio of operating income to net sales	%	21.1	21.4	20.1	17.5
Ratio of ordinary income to net sales	%	20.8	21.5	19.7	24.2
Ratio of net income to net sales	%	23.6	14.0	15.2	7.5
Total asset turnover		0.52	0.50	0.24	0.23
Equity ratio	%	73.1	79.9	75.5	81.3
Return on asset (ROA)	%	10.7	10.8	4.7	5.5
Return on equity (ROE)	%	17.5	9.2	4.9	2.1
Dividend payout ratio	%	21.1	37.9	-	-
Dividends on Equity (DOE)	%	3.7	3.5	-	-
Earnings per share	yen	199.25	121.29	62.96	29.00
Earnings per share (diluted)	yen	199.17	121.23	62.93	28.98

*The Company changed its presentation method for litigation expenses effective April 1, 2013.
Ratio of operating income to net sales for FY2012 has been restated to reflect this change.*

*The Company changed its accounting policy for R&D expenses effective April 1, 2014.
Figures for FY2013 1H and FY2013 have been restated to reflect this change.*

4. Capital investments and depreciation cost

(Billions of yen)

	FY2014 1H actual	FY2014 2H forecast	FY2014 forecast	FY2013 1H actual	FY2013 2H actual	FY2013 actual	Y on Y change		
							1H	2H	full-year
Investment in equipments	4.0	6.5	10.5	2.6	6.4	9.0	1.4	0.1	1.5
Depreciation cost	6.3	6.5	12.8	6.7	6.2	12.9	(0.4)	0.3	(0.1)
Amortization of goodwill	1.4	1.4	2.8	1.3	1.4	2.7	0.1	0.0	0.1

5. R&D expenses

(Billions of yen)

	FY2014 1H actual	FY2014 2H forecast	FY2014 forecast	FY2013 1H actual	FY2013 2H actual	FY2013 actual	Y on Y change		
							1H	2H	full-year
R&D expenses	23.2	28.8	52.0	26.1	27.5	53.6	(2.9)	1.3	(1.6)
change %	(11.1)	4.7	(3.0)	-	-	-			
% to net sales	17.9	20.0	19.0	18.8	18.2	18.5			

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

The Company changed its accounting policy for R&D expenses effective April 1, 2014.
 Figures for FY2013 1H, FY2013 2H and FY2013 have been restated to reflect this change.
 But the Y on Y change % are omitted as they have not been calculated.

6. Employees

	End of FY2012	End of 2013 1H	End of FY2013	End of 2014 1H	End of FY2014	Y on Y change		
	actual	actual	actual	actual	forecast	1H	2H	full-year
Employees	6,082	6,489	6,165	6,190	6,255	25	65	90

7. Consolidated statement of income

	FY2013 1H actual	FY2014 1H actual	(Millions of yen) Y on Y change	
Net sales	138,715	129,842	(8,873)	Decreasing in: Prescription drugs: 3.9 billion yen Royalty income.: 5.1 billion yen
Cost of sales	37,246	38,146	900	
Gross profit	101,468	91,695	(9,773)	
Selling, general and administrative expenses	73,522	68,976	(4,546)	
Operating income	27,946	22,719	(5,227)	
Non-operating income	1,797	10,474	8,677	
Interest income	171	241	70	Shionogi Limited Increasing in dividends income from ViiV
Dividends income	1,102	7,061	5,959	
Foreign exchange gains	115	3,021	2,906	Foreign currency denominated assets increased in value due to the weak yen
Other	407	149	(258)	
Non-operating expenses	2,428	1,778	(650)	
Interest expenses	469	180	(289)	
Contribution	744	528	(216)	
Litigation expenses	652	357	(295)	
Other	561	711	150	
Ordinary income	27,314	31,415	4,101	
Extraordinary income	4,757	246	(4,511)	Transferred all assets of Glycan Analytical Services in US
Gain on transfer of business	-	179	179	
Gain on sales of investment securities	554	67	(487)	
Gain on sales of noncurrent assets	4,203	-	(4,203)	
Extraordinary loss	451	-	(451)	
Loss on valuation of inventories	451	-	(451)	
Income before income taxes and minority interests	31,621	31,661	40	
Income taxes-current	2,705	9,078	6,373	Shionogi Received Tax Reassessment Notice from the Osaka Regional Taxation Bureau
Income taxes for prior periods	-	13,842	13,842	
Income taxes-deferred	7,791	(1,003)	(8,794)	
Income before minority interests	21,123	9,744	(11,379)	
Minority interests in income	36	33	(3)	
Net income	21,086	9,710	(11,376)	

The Company changed its accounting policy for R&D expenses effective April 1, 2014. Selling, general and administrative expenses, Operating income, Ordinary income, Income before income taxes and minority interests, Income taxes-deferred, Income before minority interests and Net income for FY2013 1H have been restated to reflect this change.

8-1. Consolidated balance sheets (Assets)

	(Millions of yen)		
	As of Mar. 31 2014	As of Sep. 30 2014	Y on Y change
(Assets)			
Current assets			
Cash and deposits	34,238	43,264	9,026
Notes and accounts receivable-trade	64,290	64,289	(1)
Short-term investment securities	80,100	56,500	(23,600)
Merchandise and finished goods	24,005	22,092	(1,913)
Work in process	11,425	13,155	1,730
Raw materials and supplies	12,938	15,255	2,317
Other	21,917	24,059	2,142
Allowance for doubtful accounts	(24)	(25)	(1)
Total current assets	248,893	238,591	(10,302)
Noncurrent assets			
Property, plant and equipment	78,976	79,434	458
Intangible assets			
Goodwill	42,878	43,060	182
Other	29,945	30,060	115
Total Intangible assets	72,824	73,120	296
Investments and other assets			
Investment securities	149,519	150,282	763
Other	30,442	28,977	(1,465)
Allowance for doubtful accounts	(90)	(60)	30
Total investments and other assets	179,871	179,198	(673)
Total noncurrent assets	331,673	331,753	80
Total assets	580,566	570,345	(10,221)

Decreasing in Certificate of deposit:
(41.6) billion yen
Increased by purchase bonds etc.:
18.0 billion yen

Increasing in:
Shionogi: 1.3 billion yen
Shionogi Inc.: 1.0 billion yen
*Including exchange rate fluctuations
0.2 billion yen

Increased / (decreased) by:
Amortization: (1.4) billion yen
Exchange rate fluctuations etc.:
1.6 billion yen

Increased / (decreased) by:
Sales rights
Purchase: 1.4 billion yen
Amortization: (1.5) billion yen
Exchange rate fluctuations:
1.0 billion yen

The Company changed its accounting policy for R&D expenses effective April 1, 2014.

Current assets-Other, Total current assets and Total assets for as of Mar. 31 2014 have been restated to reflect this change.

8-2. Consolidated balance sheets (Liabilities/Net Assets)

	As of Mar. 31 2013	As of Sep. 30 2013	(Millions of yen) Y on Y change	
(Liabilities)				
Current liabilities				
Notes and accounts payable-trade	9,627	10,895	1,268	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Redemption of 3rd Series of Shionogi & Co., Ltd. Unsecured Straight bonds at June 2014.</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Shionogi Recorded in Income taxes for prior periods</div> <div style="border: 1px solid black; padding: 2px;">Decreasing in Shionogi Inc.: (0.6) billions yen</div>
Current portion of bonds	20,000	-	(20,000)	
Income taxes payable	12,392	23,504	11,112	
Provision for bonuses	7,071	6,664	(407)	
Provision for sales returns	4,320	3,724	(596)	
Other provision	21	-	(21)	
Other	25,575	23,159	(2,416)	
Total Current liabilities	79,008	67,948	(11,060)	
Noncurrent liabilities				
Long-term loans payable	10,034	10,032	(2)	
Net defined benefit liability	9,967	10,624	657	
Other	13,719	14,075	356	
Total noncurrent liabilities	33,721	34,732	1,011	
Total liabilities	112,730	102,681	(10,049)	
(Net Assets)				
Shareholders' equity				
Capital stock	21,279	21,279	-	
Capital surplus	20,227	20,227	0	
Retained earnings	429,526	429,185	(341)	
Treasury stock	(19,756)	(19,744)	12	
Total shareholders' equity	451,277	450,948	(329)	
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	25,289	21,633	(3,656)	
Deferred gains or losses on hedges	-	(182)	(182)	
Foreign currency translation adjustment	(6,113)	(2,573)	3,540	
Remeasurements of defined benefit plans	(6,588)	(5,950)	638	
Total accumulated other comprehensive income	12,587	12,927	340	<div style="border: 1px solid black; padding: 2px;">Issuing Stock options FY2014 and exercising</div>
Subscription rights to shares	207	270	63	
Minority interests	3,762	3,517	(245)	
Total net assets	467,836	467,664	(172)	
Total liabilities and net assets	580,566	570,345	(10,221)	

The Company changed its accounting policy for R&D expenses effective April 1, 2014.

Current liabilities-Other, Total current liabilities, Total liabilities, Retained earnings, Total shareholders' equity, Total net assets and Total liabilities and net assets for as of Mar. 31 2014 have been restated to reflect this change.

9-1 Quarterly trend for FY2013 and FY2014 (Sales of main merchandise and finished goods)

Fiscal year ended March 31, 2014

(Billions of yen)

FY2013	FY2013 1Q actual	Y on Y change %	FY2013 2Q actual	Y on Y change %	FY2013 3Q actual	Y on Y change %	FY2013 4Q actual	Y on Y change %
Prescription drugs	40.4	1.9	40.5	1.1	46.5	2.9	40.9	0.2
CRESTOR	10.0	16.7	10.6	5.4	10.6	7.9	9.9	2.5
IRBETAN Franchise	2.9	23.7	3.8	58.2	3.9	9.6	3.3	35.1
CYMBALTA	2.6	19.4	2.6	6.8	3.1	28.3	3.1	17.1
Total of 3 key products	15.5	18.4	17.0	14.1	17.6	11.4	16.2	10.5
OXYCONTIN Franchise	2.7	5.9	2.7	5.4	3.1	6.4	2.1	(0.5)
FINIBAX	1.1	(7.1)	1.2	(3.4)	1.3	(12.2)	1.1	(2.1)
DIFFERIN	0.9	7.2	1.0	(9.4)	1.2	11.1	1.3	30.1
PIRESPA	1.2	15.1	1.2	(10.8)	1.4	26.8	1.0	(1.1)
RAPIACTA	0.1	36.0	0.0	(83.4)	0.4	8.1	1.5	(1.9)
Total of 8 strategic products	21.6	14.4	22.8	9.4	25.1	9.8	23.4	8.1
FLOMOX	3.9	(11.9)	3.6	(11.0)	4.6	(14.0)	3.7	(10.8)
RINDERON	2.4	(0.4)	2.3	(2.3)	2.2	(1.6)	1.9	2.0
CLARITIN	0.9	(26.0)	0.9	(9.4)	1.2	(10.6)	1.9	(31.6)
FLUMARIN	1.4	(7.9)	1.4	(17.4)	1.5	(1.5)	1.1	(12.2)
Export/Overseas subsidiaries	8.4	13.3	7.0	(5.8)	12.0	82.4	6.6	(27.5)
Shionogi Inc.	5.4	53.0	4.1	4.9	8.3	96.0	3.6	(32.9)
Osphena	-	-	0.1	-	0.4	-	0.6	-
C&O	1.3	(14.2)	1.6	13.5	1.3	2.7	1.7	2.8
Contract manufacturing	2.4	1.4	2.6	24.6	0.8	(41.8)	2.6	76.8
OTC and quasi-drugs	1.0	(25.2)	1.3	(9.6)	1.1	(8.3)	1.1	(6.2)
Diagnostics	0.4	(22.6)	0.4	(34.7)	0.5	(6.8)	0.7	25.3
Royalty income	14.0	(12.5)	19.4	11.6	18.1	(3.6)	19.2	8.5
CRESTOR	13.1	(10.9)	18.1	13.1	16.7	6.0	17.8	7.7
Others	0.6	33.2	0.3	(46.2)	0.5	(13.8)	0.4	(13.9)
Total	67.3	(0.8)	71.4	2.8	79.4	7.1	71.6	0.2

Fiscal year ending March 31, 2015

FY2014	FY2014 1Q actual	Y on Y change %	FY2014 2Q actual	Y on Y change %
Prescription drugs	38.7	(4.3)	38.3	(5.5)
CRESTOR	10.8	8.2	10.3	(3.2)
IRBETAN Franchise	3.7	30.4	3.8	(0.1)
CYMBALTA	2.5	(2.5)	3.0	10.9
Total of 3 key products	17.1	10.5	16.9	(0.4)
OXYCONTIN Franchise	2.7	(1.7)	2.6	(1.7)
FINIBAX	0.9	(22.0)	1.0	(7.8)
DIFFERIN	0.9	(5.8)	0.9	(5.1)
PIRESPA	1.3	2.9	1.3	19.4
RAPIACTA	0.1	(30.7)	(0.0)	-
Total of 8 strategic products	22.9	6.0	22.8	(0.1)
FLOMOX	3.1	(19.6)	2.7	(25.3)
RINDERON	2.1	(13.2)	2.1	(8.8)
CLARITIN	0.9	(7.8)	0.7	(16.7)
FLUMARIN	1.1	(21.0)	1.3	(6.3)
Export/Overseas subsidiaries	6.7	(19.6)	7.9	11.9
Shionogi Inc.	2.8	(47.0)	4.6	9.9
Osphena	0.8	-	0.9	833.0
C&O	1.8	37.6	1.5	(6.8)
Contract manufacturing	2.8	17.2	3.3	24.6
OTC and quasi-drugs	1.1	11.3	1.4	1.4
Royalty income	12.7	(9.8)	15.6	(19.3)
CRESTOR	11.8	(10.1)	12.6	(30.2)
Others *	0.7	(29.9)	0.8	14.2
Total	62.7	(6.7)	67.1	(6.1)

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

* From FY2014, "Diagnostics" is included in the "Other" item.

9-2 Quarterly trend for FY2013 and FY2014 (Consolidated statements of income)

Fiscal year ended March 31, 2014

(Billions of yen)

FY2013	FY2013 1Q actual	Y on Y change %	FY2013 2Q actual	Y on Y change %	FY2013 3Q actual	Y on Y change %	FY2013 4Q actual	Y on Y change %
Net sales	67.3	(0.8)	71.4	2.8	79.4	7.1	71.6	0.2
Cost of sales	27.3 18.4	(10.8)	26.4 18.9	(3.8)	25.4 20.2	3.0	28.7 20.6	9.6
Gross profit	48.9	3.5	52.6	5.4	59.2	8.6	51.1	(3.1)
SG & A expenses	54.7 36.8	-	51.4 36.7	-	48.3 38.4	-	53.0 38.0	-
Selling & general expenses	23.6	2.2	23.8	5.4	24.8	9.9	24.0	2.4
R & D expenses	13.2	-	12.9	-	13.6	-	13.9	-
Operating income	18.0 12.1	-	22.2 15.8	-	26.3 20.8	-	18.3 13.1	-
Non-operating income & expenses	0.5		(1.1)		1.8		(0.8)	
Ordinary income	18.7 12.6	-	20.6 14.7	-	28.5 22.7	-	17.1 12.2	-
Extraordinary income & loss	0.6		3.8		-		(3.3)	
Income before income taxes and minority interests	13.1		18.5		22.7		8.9	
Income taxes and minority interests	2.3		8.2		7.6		4.4	
Net income	16.1 10.8	-	14.4 10.3	-	19.0 15.1	-	6.2 4.5	-

Fiscal year ending March 31, 2015

FY2014	FY2014 1Q actual	Y on Y change %	FY2014 2Q actual	Y on Y change %
Net sales	62.7	(6.7)	67.1	(6.1)
Cost of sales	31.6 19.8	8.1	27.3 18.3	(3.1)
Gross profit	42.9	(12.3)	48.8	(7.2)
SG & A expenses	55.6 34.9	(5.3)	50.9 34.1	(7.1)
Selling & general expenses	23.1	(2.2)	22.7	(4.7)
R & D expenses	11.7	(10.7)	11.4	(11.5)
Operating income	12.8 8.0	(33.6)	21.9 14.7	(7.3)
Non-operating income & expenses	5.6		3.1	
Ordinary income	21.7 13.6	8.4	26.5 17.8	20.7
Extraordinary income & loss	-		0.2	
Income before income taxes and minority interests	13.6		18.0	
Income taxes and minority interests	3.3		18.6	
Net income	16.5 10.3	(4.6)	(0.9) (0.6)	(4.6)

The Company changed its accounting policy for R&D expenses effective April 1, 2014.

SG & A expenses, R&D expenses, Operating income, Ordinary income, Income before income taxes and minority interests,

Income taxes and minority interests and Net income for the fiscal year ended March 31, 2014 have been restated to reflect this change.

But the Y on Y change % are omitted as they have not been calculated.

10. Consolidated affiliated companies and affiliated company accounted for by the equity method

<Consolidated affiliated companies and affiliated companies accounted for by the equity method>

No	Company name	Location	Common stock	Business status	Establish	Closing date	Ownership (%)
1	Shionogi Pharma Chemicals Co., Ltd.	Tokushima, Japan	JPY 200 million	Mfg. of pharmaceutical raw materials	August 24, 1976	March 31	100
2	Saishin Igaku Co., Ltd.	Osaka, Japan	JPY 90 million	Publication of medical information	December 21, 1998	March 31	100
3	Shionogi General Service Co., Ltd.	Osaka, Japan	JPY 10 million	Real estate rental, Insurance agency and contract general services	November 2, 1992	March 31	100
4	Shionogi Analysis Center Co., Ltd.	Osaka, Japan	JPY 200 million	Contract testing and analysis on medicine	December 21, 2007	March 31	100
5	Aburahi AgroResearch Co., Ltd.	Shiga, Japan	JPY 10 million	Contract Laboratories for agro chemicals	February 26, 2004	March 31	* 100
6	Shionogi Techno Advance Research Co., Ltd.	Osaka, Japan	JPY 9 million	Contract support services for experimental research	September 8, 2010	March 31	100
7	Taiwan Shionogi & Co., Ltd.	Taipei, Taiwan, R.O.C.	TWD 92 million	Mfg. and sale of pharmaceuticals	December 26, 1963	March 31	100
8	Shionogi Inc.	Delaware, U.S.A.	USD 8	Mfg. and sale of pharmaceuticals	August 25, 2008	March 31	100
9	SG Holding, Inc.	Delaware, U.S.A.	USD 140	Holding company	September 10, 2001	March 31	* 100
10	Ezose Sciences Inc.	Delaware, U.S.A.	USD 15	Serum glycan analysis contract services	March 3, 2009	March 31	* 100
11	C&O Pharmaceutical Technology (Holdings) Limited	Bermuda Islands	HKD 165,840 thousand	Mfg. and sale of pharmaceuticals	July 28, 2003	December 31	71
12	Shionogi Ltd.	London, U.K.	GBP 700 thousand	Contract research for pharmaceuticals	February 10, 2012	March 31	100
13	Beijing Shionogi Pharmaceutical Technology Limited	Beijing, China	JPY 30 million	Support services for development and sales	March 29, 2013	December 31	100
14	Shionogi Singapore Pte. Ltd.	Singapore	SGD 4 million	Development and sales of pharmaceuticals	December 30, 2013	March 31	100

* Incl. Indirect ownership

Note: Twenty-three consolidated affiliated companies and three affiliated companies accounted for by the equity method are not shown on this table as the scale of their business is very small.

11. Pipeline (as of October 2014)

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Infectious disease	S-649266	Cephem antibiotic (Injection)	Infection	Global: Phase II	In-house	In-house
Pain/CNS	LY248686 Duloxetine hydrochloride 【Cymbalta®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Chronic low back pain	Japan: NDA submission (in preparation)	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.
	LY248686 (Duloxetine hydrochloride) 【Cymbalta®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Osteoarthritis	Japan: Phase III	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.
	S-297995 (Naldemedine)	Peripheral opioid receptor antagonist (Oral)	Alleviation of opioid-induced adverse effects	Global: Phase III Japan: Phase III	In-house	In-house
	S-877503 (Guanfacine hydrochloride)	Alpha-2A-adrenergic receptor agonist (Oral)	ADHD	Japan: Phase II/III	Shire (Ireland)	Shionogi/Shire
	S-877489 (Lisdexamfetamine)	DA and NE reuptake inhibitor/Releaser of DA, NE (Oral)	ADHD	Japan: Phase III	Shire (Ireland)	Shionogi/Shire
	S-117957	Analgesic agent for neuropathic pain (Oral)	Neuropathic pain	USA: POM (Proof of Mechanism)	Shionogi/Purdue Pharma L.P. (USA)	Shionogi/Purdue Pharma L.P.
	S-120083	Analgesic agent for inflammatory pain (Oral)	Inflammatory pain	Japan: Phase I	Shionogi/Purdue Pharma L.P. (USA)	Shionogi/Purdue Pharma L.P.
	S-010887	Analgesic agent for neuropathic pain (Oral)	Neuropathic pain	Japan: Phase I	In-house	In-house
Metabolic disorder	S-556971	Cholesterol absorption inhibitor (Oral)	Dyslipidemia	Japan: Phase II	Kotobuki Pharmaceutical Co., Ltd. (Japan)	Shionogi/Kotobuki Pharmaceutical Co., Ltd.
	S-707106	Insulin sensitizer (Oral)	Type 2 diabetes	USA: Phase IIa	In-house	In-house
	S-237648	Neuropeptide Y Y5 receptor antagonist (Oral)	Obesity	Japan: Phase I	In-house	In-house
Frontier	Ospemifene	Selective estrogen receptor modulator (Oral)	Post-menopausal vaginal atrophy	USA: Approval (Feb. 2013) Europe: NDA submission (Mar. 2013)	QuatRx Pharmaceuticals Company (USA)	Shionogi/QuatRx Pharmaceuticals Company
	S-524101	Sublingual tablet of house-dust mite allergen extracts for immunotherapy	Allergic rhinitis caused by house-dust mite allergen	Japan: NDA submission (Apr. 2014)	Stallergenes SA (France)	In-house
	S-555739	Prostaglandin D2 receptor antagonist (Oral)	Allergic rhinitis	Japan: Phase III USA: Phase IIa Europe: POM (Proof of Mechanism)	In-house	In-house
	S-888711 (Lusutrombopag)	Small molecule TPO receptor agonist (Oral)	Thrombocytopenia	USA, Europe: Phase II Japan: NDA submission (in preparation)	In-house	In-house
	S-588410	Cancer peptide vaccine (Injection)	Bladder cancer	Japan, Europe: Phase II	OncoTherapy Science, Inc. (Japan)	In-house
	S-488210	Cancer peptide vaccine (Injection)	Head and neck squamous cell carcinoma	Europe: Phase I/II	OncoTherapy Science, Inc. (Japan)	In-house
	S-646240	Peptide vaccine (Injection)	Age-related macular degeneration	Japan: Phase IIa	OncoTherapy Science, Inc. (Japan)	In-house
	S-222611	HER2/EGFR dual inhibitor (Oral)	Malignant tumor	Europe: Phase I/II	In-house	In-house
	S-525606	Sublingual tablet of Japanese cedar allergen extracts for immunotherapy	Allergic rhinitis caused by Japanese cedar allergen	Japan: Phase I	Stallergenes SA (France)	In-house

<Out-Licensing Activity>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
S/GSK1349572 (Dolutegravir)	Integrase inhibitor (Oral)	HIV infection	Global: NDA submission (Dec. 2012) USA: Approval (Aug. 2013) Europe: Approval (Jan. 2014) Japan: Approval (Mar. 2014) Other: Approval in 17 countries	Shionogi-ViiV Healthcare LLC	ViiV Healthcare Ltd. (UK)
Dolutegravir/Abacavir/Lamivudine	Integrase inhibitor/Nucleoside reverse transcriptase inhibitor (Oral)	HIV infection	USA: Approval (Aug. 2014) Europe: Approval (Sep. 2014)	Shionogi-ViiV Healthcare LLC	ViiV Healthcare Ltd. (UK)
S/GSK1265744 LAP*	Integrase inhibitor (Injection)	HIV infection	USA: Phase II	Shionogi-ViiV Healthcare LLC	ViiV Healthcare Ltd. (UK)
S-0373	Non-peptide mimetic of TRH (Oral)	Spinocerebellar ataxia	Japan: Phase III	In-house	Kissei Pharmaceutical Co., Ltd. (Japan)
Janssen/Shionogi BACE inhibitor	BACE inhibitor (Oral)	Alzheimer's disease	Europe: Phase I	In-house	Janssen Pharmaceuticals, Inc. (USA)

*: Long acting parenteral formulation

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

Generic name 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Oxycodone hydrochloride hydrate 【OxyContin®】	Natural opium alkaloids (Oral)	For the treatment of moderate to severe chronic pain	Japan: Phase III	Napp Pharmaceuticals Limited (UK)	In-house
Duloxetine hydrochloride 【Cymbalta®】	SNRI (Serotonin & noradrenaline reuptake inhibitor) (Oral)	Fibromyalgia	Japan: NDA submission (Jun. 2014)	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.

Since August 2014

Change of phase	LY248686 (Duloxetine hydrochloride) 【Cymbalta®】 Chronic low back pain: Japan: Phase III → Japan: NDA submission (in preparation)
	S-877489 (Lisdexamfetamine): Japan: Phase II → Japan: Phase III
	S-888711 (Lusutrombopag): Japan: Phase III → Japan: NDA submission (in preparation)
	Dolutegravir/Abacavir/Lamivudine: USA, Europe: NDA submission (Oct. 2013) → USA: Approval (Aug. 2014), Europe: Approval (Sep. 2014)
Compound added to the list	LY248686 (Duloxetine hydrochloride) 【Cymbalta®】 Osteoarthritis: Japan: Phase III
Compound erased from the list	Vancomycin hydrochloride【Vancomycin】: Japan: Approval (May 2014)
	Interferon gamma-1a【Imunomax®-γ】: Japan: Approval (May 2014)