Supplemental material Financial results for the 1st quarter of fiscal year 2015

August 3, 2015

Shionogi & Co., Ltd.

1. Sales by main merchandise and finished goods

(Billions of yen)

	FY2015 1H forecast	FY2015 forecast	FY2015 1Q actual	FY2014 1Q actual	change	Progress % vs. 2015 1H forecast
Prescription drugs	79.2	167.0	39.7	38.7	1.0	50.2
change %	*2.9*	*3.5*	*2.6*	*(4.3)*		
CRESTOR	21.3	44.4	10.6	10.8	(0.2)	49.9
IRBETAN Franchise	8.2	17.0	4.1	3.7	0.4	49.9
CYMBALTA	7.7	17.4	3.5	2.5	1.0	45.0
Total of 3 key products	37.2	78.8	18.2	17.1	1.1	48.9
OXYCONTIN Franchise	5.3	10.7	2.6	2.7	(0.1)	48.7
FINIBAX	1.9	3.8	1.0	0.9	0.1	51.3
DIFFERIN	1.9	3.8	0.9	0.9	(0.0)	45.2
PIRESPA	3.0	5.4	1.6	1.3	0.3	52.2
RAPIACTA	0.1	2.8	(0.0)	0.1	(0.1)	-
Total of 8 strategic products	49.4	105.3	24.2	22.9	1.3	48.9
FLOMOX	5.4	11.2	2.8	3.1	(0.3)	52.6
RINDERON	3.7	7.4	2.2	2.1	0.1	58.3
CLARITIN	1.6	4.2	0.8	0.9	(0.1)	48.2
FLUMARIN	2.2	4.0	1.1	1.1	0.0	51.3
Export/Overseas subsidiaries	14.8	30.4	7.2	6.0	1.2	48.0
change %	*7.3*	*6.0*	*19.3*	*(28.7)*		
Shionogi Inc.	9.0	17.4	4.4	2.8	1.6	48.6
Osphena	3.0	7.4	1.3	0.8	0.5	42.1
C&O	3.4	8.0	1.6	1.8	(0.2)	45.8
Contract manufacturing	3.7	7.6	1.5	3.5	(2.0)	40.6
change %	*(45.8)*	*(51.3)*	*(57.6)*	*49.0*		
OTC and quasi-drugs	2.5	4.7	1.2	1.1	0.1	49.9
change %	*1.9*	*3.0*	*12.4*	*11.3*		
Royalty income	36.5	83.3	13.5	12.7	0.8	37.1
change %	*29.0*	*37.3*	*6.9*	*(9.8)*		
CRESTOR *	32.0	74.5	11.2	11.8	(0.6)	39.5
HIV Franchise			1.4	-	1.4	
Others	1.3	3.0	0.7	0.7	(0.0)	56.2
change %	*(13.1)*	*(2.2)*	*(1.1)*	*(29.9)*		
Total	138.0	296.0	63.9	62.7	1.2	46.3
change %	*6.3*	*8.0*	*1.8*	*(6.7)*		

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

Sales of each merchandise and finished goods are shown on non-consolidated basis

** FY2015 Forecast and Progress % vs. 2015 1H forecast are indicated in sum total.*

2-1. Quarterly trend for FY2014 and FY2015 (Sales of main merchandise and finished goods)

Fiscal year ended March 31, 2015 *(Billions of yen)*

FY2014	FY2014 1Q actual	Y on Y change %	FY2014 2Q actual	Y on Y change %	FY2014 3Q actual	Y on Y change %	FY2014 4Q actual	Y on Y change %
Prescription drugs	38.7	(4.3)	38.3	(5.5)	43.8	(5.8)	40.6	(0.7)
CRESTOR	10.8	8.2	10.3	(3.2)	11.1	4.4	11.4	15.7
IRBETAN Franchise	3.7	30.4	3.8	(0.1)	3.9	(0.8)	3.7	12.7
CYMBALTA	2.5	(2.5)	3.0	10.9	3.0	(4.2)	2.4	(18.0)
Total of 3 key products	17.1	10.5	16.9	(0.4)	17.9	1.7	17.8	8.9
OXYCONTIN Franchise	2.7	(1.7)	2.6	(1.7)	2.9	(6.6)	2.1	(3.5)
FINIBAX	0.9	(22.0)	1.0	(7.8)	1.1	(18.4)	1.0	(11.9)
DIFFERIN	0.9	(5.8)	0.9	(5.1)	1.1	(13.9)	1.0	(19.7)
PIRESPA	1.3	2.9	1.3	19.4	1.4	3.3	1.4	23.7
RAPIACTA	0.1	(30.7)	(0.0)	-	1.1	172.9	1.4	(2.6)
Total of 8 strategic products	22.9	6.0	22.8	(0.1)	25.5	1.6	24.6	5.2
FLOMOX	3.1	(19.6)	2.7	(25.3)	3.7	(19.2)	3.1	(19.3)
RINDERON	2.1	(13.2)	2.1	(8.8)	2.1	(8.2)	1.7	(8.8)
CLARITIN	0.9	(7.8)	0.7	(16.7)	0.9	(21.0)	1.8	(6.4)
FLUMARIN	1.1	(21.0)	1.3	(6.3)	1.2	(21.8)	1.0	(10.9)
Export/Overseas subsidiaries	6.0	(28.7)	7.8	11.9	7.5	(37.0)	7.4	9.3
Shionogi Inc.	2.8	(47.0)	4.6	9.9	4.6	(44.9)	3.9	11.6
Osphena	0.8	-	0.9	833.0	1.4	227.2	1.5	158.1
C&O	1.8	37.6	1.5	(6.8)	1.7	31.4	1.9	15.8
Contract manufacturing	3.5	49.0	3.4	24.6	3.0	288.7	5.7	123.0
OTC and quasi-drugs	1.1	11.3	1.4	1.4	1.2	7.5	0.9	(15.0)
Royalty income	12.7	(9.8)	15.6	(19.3)	14.0	(22.4)	18.4	(4.4)
CRESTOR	11.8	(10.1)	12.6	(30.2)	10.7	(35.7)	12.3	(30.9)
HIV Franchise	-	-	-	-	1.3	-	4.5	-
Others	0.7	(29.9)	0.8	14.2	0.8	(11.1)	0.8	(36.8)
Total	62.7	(6.7)	67.1	(6.1)	70.4	(11.3)	73.8	2.9

Fiscal year ending March 31, 2016

FY2015	FY2015 1Q actual	Y on Y change %
Prescription drugs	39.7	2.6
CRESTOR	10.6	(1.8)
IRBETAN Franchise	4.1	9.4
CYMBALTA	3.5	36.2
Total of 3 key products	18.2	6.3
OXYCONTIN Franchise	2.6	(4.2)
FINIBAX	1.0	11.7
DIFFERIN	0.9	(2.6)
PIRESPA	1.6	24.1
RAPIACTA	(0.0)	-
Total of 8 strategic products	24.2	5.7
FLOMOX	2.8	(9.4)
RINDERON	2.2	4.3
CLARITIN	0.8	(11.1)
FLUMARIN	1.1	4.3
Export/Overseas subsidiaries	7.2	19.3
Shionogi Inc.	4.4	53.8
Osphena	1.3	66.4
C&O	1.6	(11.9)
Contract manufacturing	1.5	(57.6)
OTC and quasi-drugs	1.2	12.4
Royalty income	13.5	6.9
CRESTOR	11.2	(4.5)
HIV Franchise	1.4	-
Others	0.7	(1.1)
Total	63.9	1.8

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

2-2. Quarterly trend for FY2014 and FY2015 (Consolidated statements of income)

Fiscal year ended March 31, 2015

(Billions of yen)

FY2014	FY2014 1Q actual	Y on Y change %	FY2014 2Q actual	Y on Y change %	FY2014 3Q actual	Y on Y change %	FY2014 4Q actual	Y on Y change %
Net sales	**62.7**	**(6.7)**	**67.1**	**(6.1)**	**70.4**	**(11.3)**	**73.7**	**2.9**
Cost of sales	31.6 19.8	8.1	27.3 18.3	(3.1)	29.3 20.6	2.2	31.8 23.4	13.9
Gross profit	42.9	(12.3)	48.8	(7.2)	49.8	(15.9)	50.3	(1.5)
SG & A expenses	55.6 34.9	(5.3)	50.9 34.1	(7.1)	51.8 36.5	(5.0)	48.8 36.0	(5.2)
Selling & general expenses	23.1	(2.2)	22.7	(4.7)	24.1	(2.9)	22.7	(5.5)
R & D expenses	11.7	(10.7)	11.4	(11.5)	12.4	(8.7)	13.3	(4.7)
Operating income	**12.8** **8.0**	**(33.6)**	**21.9** **14.7**	**(7.3)**	**19.0** **13.3**	**(36.0)**	**19.4** **14.3**	**9.3**
Non-operating income & expenses	5.6		3.1		7.0		11.9	
Ordinary income	**21.7** **13.6**	**8.4**	**26.5** **17.8**	**20.7**	**28.8** **20.3**	**(10.4)**	**35.5** **26.2**	**113.6**
Extraordinary income & loss	-		0.2		4.3		(0.3)	
Income before income taxes	13.6		18.0		24.6		25.8	
Income taxes and profit attributable to non-controlling interests	3.3		18.6		8.0		8.0	
* **Profit attributable to owners of parent**	**16.5** **10.3**	**(4.6)**	**(0.9)** **(0.6)**	**(4.6)**	**23.5** **16.6**	**9.8**	**24.1** **17.8**	**299.3**

Fiscal year ending March 31, 2016

FY2015	FY2015 1Q actual	Y on Y change %
Net sales	**63.9**	**1.8**
Cost of sales	28.3 18.0	(9.0)
Gross profit	45.8	6.8
SG & A expenses	52.1 33.3	(4.5)
Selling & general expenses	22.7	(1.9)
R & D expenses	10.6	(9.5)
Operating income	**19.6** **12.5**	**55.7**
Non-operating income & expenses	2.1	
Ordinary income	**22.9** **14.6**	**7.1**
Extraordinary income & loss	-	
Income before income taxes	14.6	
Income taxes and profit attributable to non-controlling interests	4.9	
* **Profit attributable to owners of parent**	**15.1** **9.7**	**(6.4)**

** The Company changed "Profit attributable to owners of parent" from "Net income".*

3. Pipeline (as of August 2015)

Areas	Code No. (Generic name) 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Infectious disease	S-649266	Cephem antibiotic (injection)	Severe gram-negative infections	Global: Phase II	In-house	In-house
	S-033188	Anti-influenza virus infection (oral)	Influenza virus infection	Japan: Phase I	In-house	In-house
Pain/CNS	LY248686 (duloxetine hydrochloride) 【Cymbalta®】	SNRI (serotonin & noradrenaline reuptake inhibitor) (oral)	Pain associated with chronic low back pain	Japan: NDA submission (Dec. 2014)	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.
	S-877503 (guanfacine hydrochloride)	Alpha-2A-adrenergic receptor agonist (oral)	ADHD	Japan: NDA submission (in preparation)	Shire (Ireland)	Shionogi/Shire
	LY248686 (duloxetine hydrochloride) 【Cymbalta®】	SNRI (serotonin & noradrenaline reuptake inhibitor) (oral)	Pain associated with osteoarthritis	Japan: NDA submission (in preparation)	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-877489 (lisdexamfetamine)	DA and NE reuptake inhibitor/releaser of DA, NE (oral)	ADHD	Japan: Phase III	Shire (Ireland)	Shionogi/Shire
	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
	S-718632 (hydrocodone)	Abuse-deterrent extended release hydrocodone (oral)	Chronic pain	USA: Phase I	Egalet Limited (UK)	Shionogi/Egalet Corporation (USA)
	S-117957	Agent for insomnia (oral)	Insomnia	USA: Phase I	Shionogi/Purdue Pharma L.P. (USA)	Shionogi/Purdue Pharma L.P.
Metabolic disorder	S-237648	Neuropeptide Y Y5 receptor antagonist (oral)	Obesity	Japan: Phase II	In-house	In-house
	S-707106	Insulin sensitizer (oral)	Type 2 diabetes	USA: Phase IIa	In-house	In-house
Frontier	S-888711 (lusutrombopag)	Small molecule TPO receptor agonist (oral)	Thrombocytopenia	Japan: NDA submission (Dec. 2014) Global: Phase III	In-house	In-house
	S-588410	Cancer peptide vaccine (injection)	Esophageal cancer	Japan: Phase III	OncoTherapy Science, Inc. (Japan)	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-588410	Cancer peptide vaccine (injection)	Bladder cancer	Japan, Europe: Phase II	OncoTherapy Science, Inc. (Japan)	In-house
	S-525606	Sublingual tablet of Japanese cedar allergen extracts for immunotherapy	Allergic rhinitis caused by Japanese cedar allergen	Japan: Phase II	Stallergenes SA (France)	In-house
	S-646240	Peptide vaccine (injection)	Age-related macular degeneration	Japan: Phase IIa	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-222611	HER2/EGFR dual inhibitor (oral)	Malignant tumor	Europe: Phase I/II	In-house	In-house

<Out-Licensing Activity>

Code No. (Generic name)	Category (Administration)	Indication	Stage	Origin	Development
S/GSK1265744 LAP* (cabotegravir)	Integrase inhibitor (injection)	For the treatment and prevention for 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 IIa	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)	Pain associated with fibromyalgia	Japan: Approval (May 2015)	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.

<Requested for development by academy>

Generic name 【Product name】	Category (Administration)	Indication	Stage	Origin	Development
Cyclophosphamide hydrate 【Endoxan®】	Alkylating agents (injection)	Malignant lymphoma ~~(Hodgkin's disease, lymphosarcomatosis, reticulosarcoma)~~ (Strike-through: scheduled for removal)	Japan: Approval (Jun. 2015)	Baxter (Germany)	In-house
Prednisolone 【Predonine®】	Synthetic corticosteroid (oral)	Malignant lymphoma ~~(lymphosarcomatosis, reticulosarcoma, Hodgkin's disease, cutaneous reticulosis, mycosis fungoides)~~ (Strike-through: scheduled for removal)	Japan: Approval (Jun. 2015)	In-house	In-house

Since May 2015

Change of phase	LY248686: Chronic low back pain → Pain associated with chronic low back pain
	LY248686: Change of Indication, Stage: Osteoarthritis → Pain associated with osteoarthritis, Japan: Phase III → Japan: NDA submission (in preparation)
	S-525606: Japan: Phase I → Japan: Phase II
	S/GSK1265744 LAP (cabotegravir): HIV infection → For the treatment and prevention for HIV infection
	Duloxetine hydrochloride【Cymbalta®】: Change of Indication, Stage: Fibromyalgia → Pain associated with fibromyalgia, Japan: NDA submission (Jun. 2014) → Japan: Approval (May 2015)
	Cyclophosphamide hydrate【Endoxan®】: Japan: NDA submission (Feb. 2015) → Japan: Approval (Jun. 2015)
	Prednisolone【Predonine®】: Japan: NDA submission (Feb. 2015) → Japan: Approval (Jun. 2015)
Compound erased from the list	S-556971: Rights return to Kotobuki Pharmaceutical Co., Ltd.
	S-524101: Approval
	Dolutegravir/abacavir/lamivudine: Approval