

1st Half of Fiscal 2017 Financial Results

October 30, 2017

Isao Teshirogi, Ph.D.
President and CEO

SHIONOGI

Agenda

1. 1st Half FY2017 Financial Results
2. FY2017 Financial Forecasts
3. Shareholder Return

1. 1st Half FY2017 Financial Results

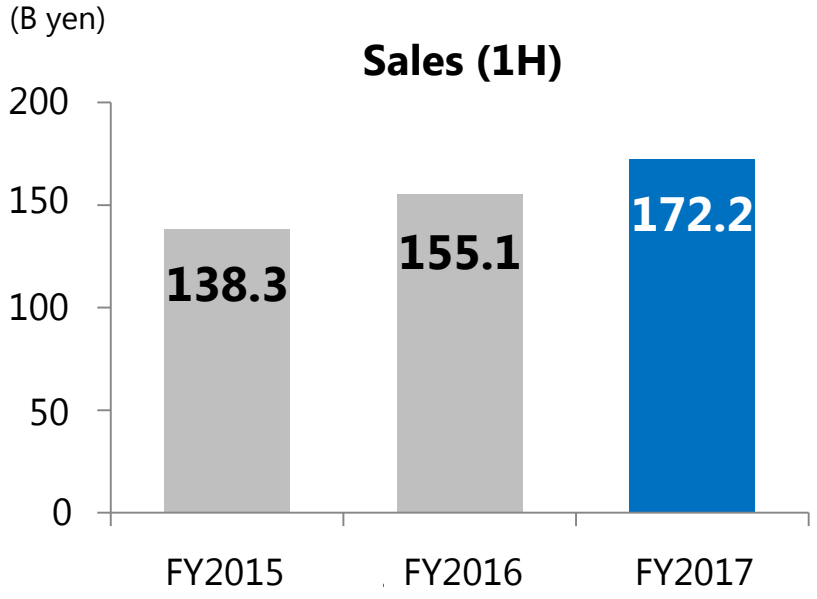
Summary of 1H FY2017: Growth in Sales by New Products

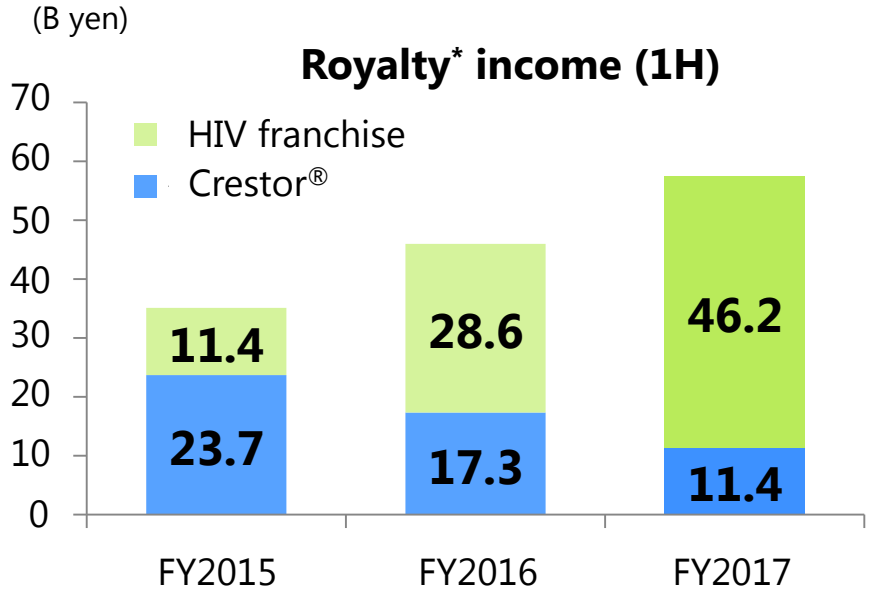
- Net Sales：**172.2 B yen** vs 1H FY2016 (+11.0%)

3 consecutive years growth in sales

- Royalty* income：**57.6 B yen** vs 1H FY2016 (+25.2%)

(Target significantly exceeded due to HIV franchise sales expansion)

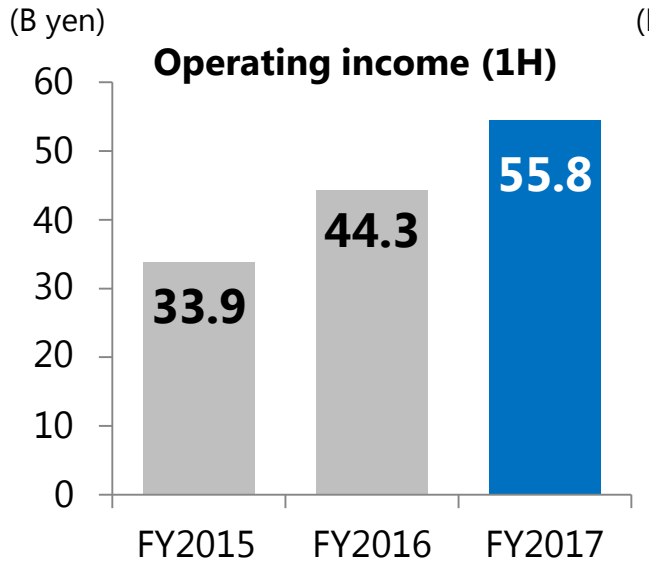


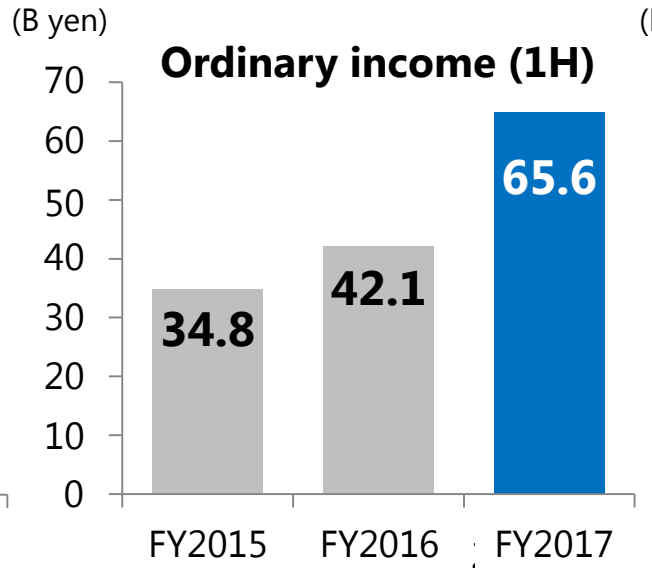


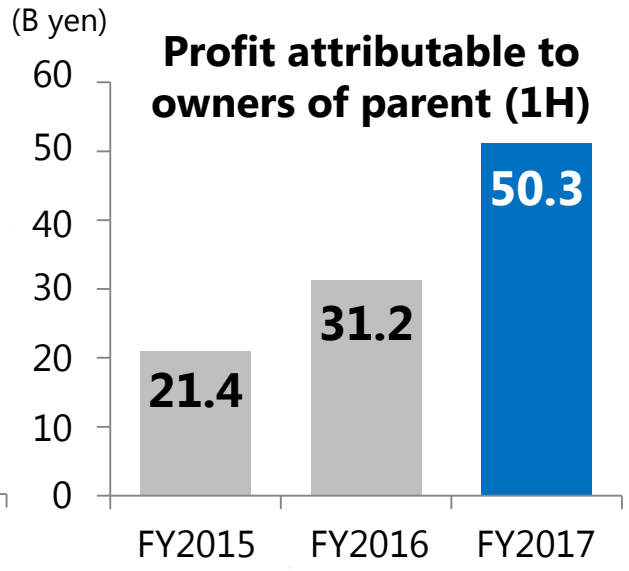
* Royalty income from ViiV (HIV franchise) and AstraZeneca (Crestor®)

Summary of 1H FY2017: All Categories of Profit Reached Record Highs

- Operating income: **55.8 B yen** (+25.9%) vs 1H FY2016 — **Record-high levels for 3 consecutive years**
- Ordinary income: **65.6 B yen** (+55.6%) vs 1H FY2016 — **Record-high levels for 6 consecutive years**
- Profit attributable to owners of parent: **50.3 B yen** (+61.3%) vs 1H FY2016 — **Record-high levels for 3 consecutive years**







Financial Results (Consolidated)

(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results	Progress vs 1H Forecasts (%)	1H Results	Change (%)	Change (B yen)
Sales	**340.0**	**162.5**	**172.2**	**106.0**	155.1	**11.0**	**17.1**
Operating income	**112.5**	**46.0**	**55.8**	**121.2**	44.3	**25.9**	**11.5**
Ordinary income	**123.5**	**51.5**	**65.6**	**127.4**	42.1	**55.6**	**23.4**
Profit attributable to owners of parent	**92.0**	**38.5**	**50.3**	**130.7**	31.2	**61.3**	**19.1**

Exchange Rate (average)	FY2017 Forecasts	FY2017 1H Results
USD ($) – JPY (¥)	**110.0**	**111.06**
GBP (£) – JPY (¥)	**140.0**	**143.59**
EUR (€) – JPY (¥)	**120.0**	**126.34**

* The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions to the forecasts were announced on Oct. 23, 2017.

Statements of Income (Consolidated)

(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts**	1H Results	Progress vs 1H Forecasts (%)	1H Results	Change (%)	Change (B yen)
Sales	**340.0**	**162.5**	**172.2**	106.0	155.1	11.0	17.1
(Royalty* income)	**125.0**	**56.4**	**57.6**	102.1	46.0	25.2	11.6
	22.5 [35.6]	24.9 [38.2]	23.0 [34.6]		25.0 [35.5]		
Cost of sales	**76.5**	**40.5**	**39.7**	98.0	38.7	2.5	1.0
Gross profit	**263.5**	**122.0**	**132.5**	108.6	116.4	13.8	16.1
	44.4	46.8	44.6		46.5		
SG&A expenses	**151.0**	**76.0**	**76.7**	101.0	72.1	6.4	4.6
Selling & administrative expenses	29.1 **99.0**	29.8 **48.5**	27.1 **46.6**	96.2	29.3 45.4	2.6	1.2
R&D expenses	15.3 **52.0**	16.9 **27.5**	17.5 **30.1**	109.5	17.2 26.7	12.9	3.4
	33.1	28.3	32.4		28.6		
Operating income	**112.5**	**46.0**	**55.8**	121.2	44.3	25.9	11.5
Non-operating income & expenses	**P11.0**	**P5.5**	**P9.8**	178.8	L2.1	-	12.0
	36.3	31.7	38.1		27.2		
Ordinary income	**123.5**	**51.5**	**65.6**	127.4	42.1	55.6	23.4

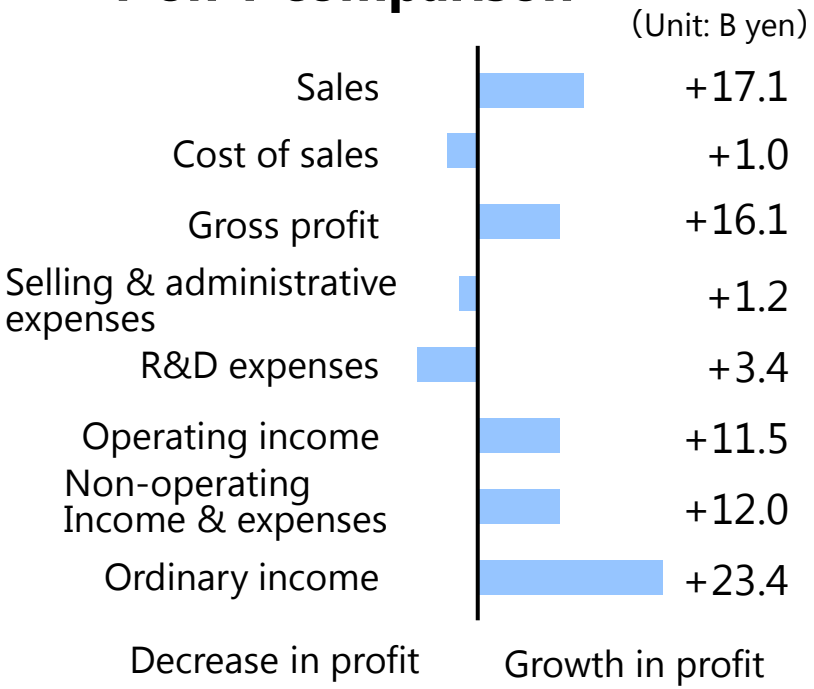
Note: Small numbers in red are percent of sales, and numbers inside of [ ] are percent of sales excluding royalties

* Royalty income from ViiV (HIV franchise) and AstraZeneca (Crestor®)

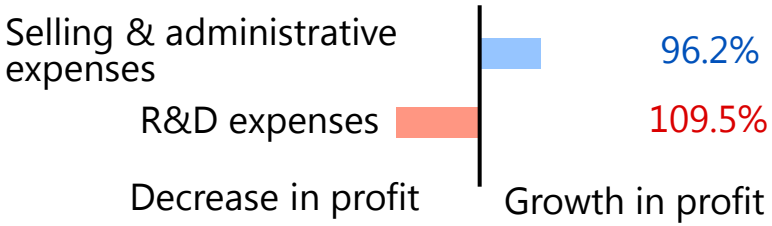
** The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions were announced on Oct. 23, 2017.

Y on Y Comparison and Main Variation Factors (Statements of Income)

- **Y on Y comparison**



- **Progress vs 1H Forecasts****



Main Variation Factors (Y on Y)

- Sales
  - Strong sales growth of strategic products
  - Increase of royalty income of HIV franchise from ViiV
  - Received payments* from Roche regarding S-033188
- SG&A expenses：
  - Selling & administrative expenses：+1.2 B yen
    - › Advance investment for new products
  - R&D expenses：+3.4 B yen
    - › Investment for global development of S-033188
- Non-operating income & expenses
  - Received dividend: Global sales growth of HIV franchise and dividend payment in accordance with the revised contract with ViiV

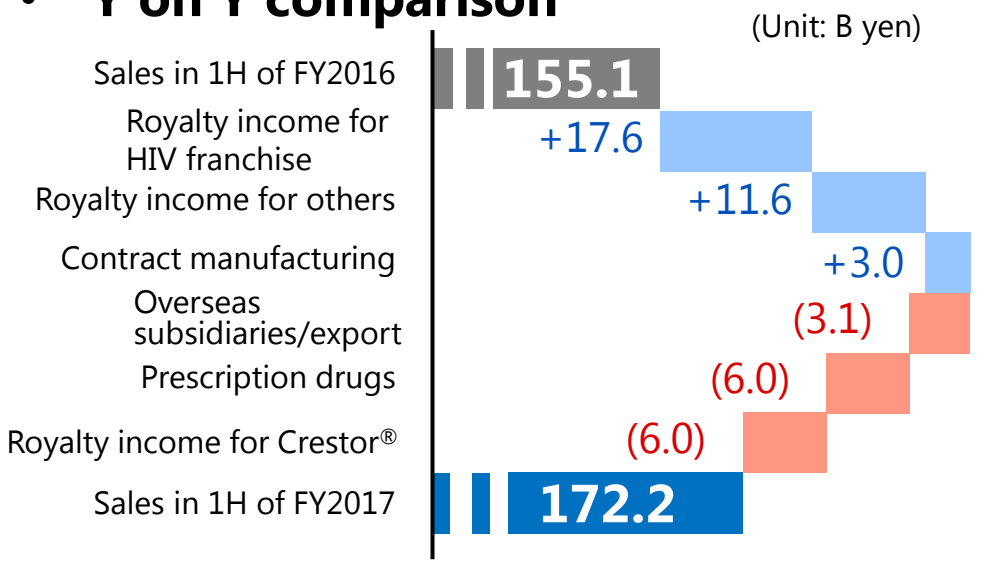
Main Variation Factors (vs 1H Forecasts**)

- Cost of sales
  - Cost of sales ratio
    - › Improved by 1.9%: Increase in royalty income
  - Cost of sales ratio excluding royalty income***
    - › Improved by 3.6%: Received payments* from Roche regarding S-033188
- SG&A expenses: Total cost management
  - Selling & administrative expenses：(1.9) B yen
  - R&D expenses： +2.6 B yen
    - › Investment for global development of S-033188

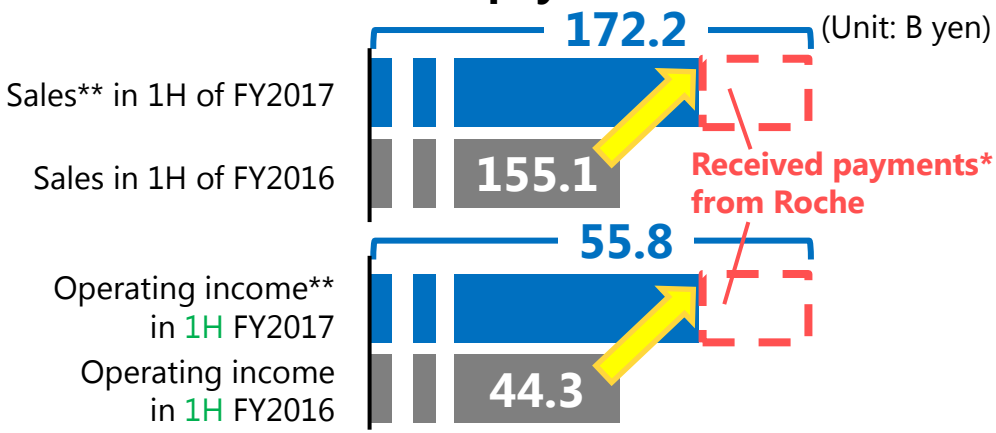
* Payments both for development progression events (such as study initiation/phase progression) and for obtaining successful results
** The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions were announced on Oct. 23, 2017.
*** Royalty income from ViiV (HIV franchise) and AstraZeneca (Crestor®)

Y on Y Comparison and Main Variation Factors (Sales by Segments)

- **Y on Y comparison**



- **Y on Y comparison**
  – Effect of received payments* from Roche -



Main Variation Factors
(Y on Y change: + 17.1 B yen, +11.0 %)

- Prescription drugs
  - Sales growth of strategic products
  - Decrease sales due to transfer of marketing rights of long-listed drugs
- Overseas subsidiaries/export
  - Decrease in royalty for authorized generic in the US
- Contract manufacturing
  - Increase in API for dolutegravir
- Royalty income
  - Global sales growth of HIV franchise
  - Received payments* from Roche regarding S-033188 (ca. 10.0 billion yen)

In case of excluding received payments* from Roche

- **Sales and Operating income excluding received payments* from Roche**
  - **Achieved increase in sales and profits vs. 1H FY2016**

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* Payments both for development progression events (such as study initiation/phase progression) and for obtaining successful results
** Excluding received payments* from Roche

New Business Scheme with Roche for S-033188

Negotiated with Roche after obtaining positive results of OwH* study

Revised the original financial scheme to a new one, with a milestone structure that includes payments both for development progression events and for obtaining successful results

More stable financial scheme for both companies which comprehensively takes into consideration the impacts to the fiscal period of each company

- **In this 1H, Shionogi received the first payment (ca. 10.0 B yen) from Roche ahead of schedule**

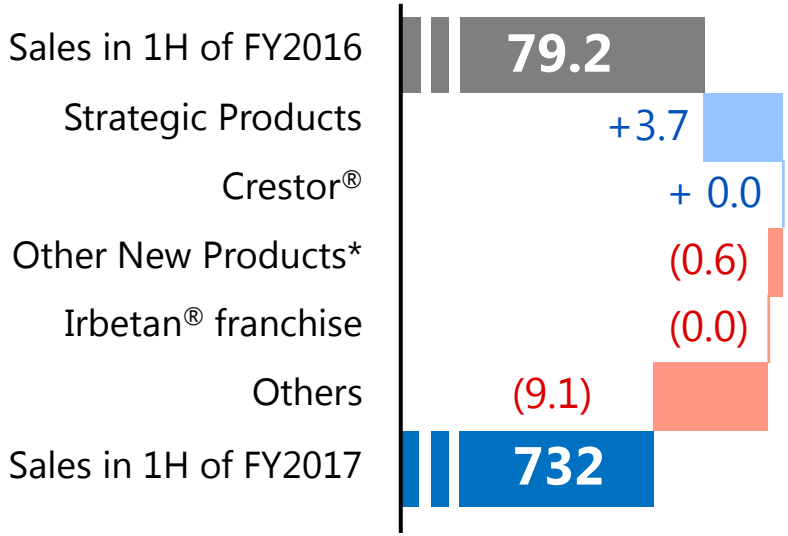
Maximizing the value of S-033188 globally through a stronger collaboration with Roche

* OwH: Otherwise healthy

Y on Y Comparison and Main Variation Factors (Sales of Prescription Drugs in Japan)

- **Y on Y comparison**

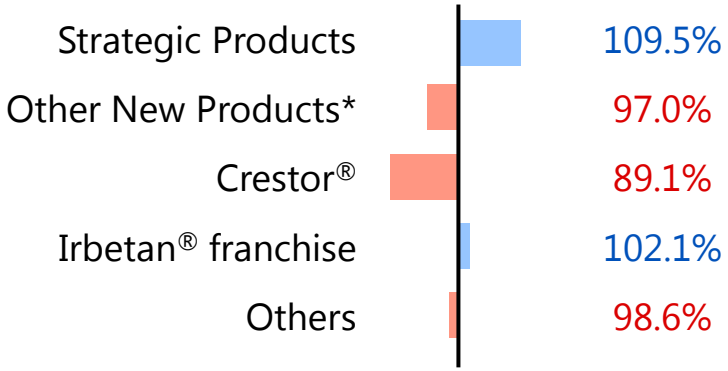
(Unit: B yen)



Main Variation Factors
(Y on Y change: (6.0) B yen,(7.6)%)

- Strategic Products
  - Cymbalta®: Sales growth mainly in the pain area
  - Smooth launch of new products such as Intuniv® and Symproic®
    - › Intuniv®: Already achieved the sales forecast for full year
- Others
  - Decreased sales due to transfer of marketing rights of long-listed drugs

- **Progress vs. 1H forecast****



Main Variation Factors
(Y on Y change: (2.0) B yen, (2.7)%)

- Strategic Products
  - Cymbalta®: Exceeded the sales forecast for 1H
  - Intuniv®: Already achieved the sales forecast for full year
  - Symproic®: Exceeded the sales forecast for 1H
- Crestor®
  - Uptake of the authorized generic of Crestor® earlier than expected

*Other New Products: Actair®, Mulpleta®, Pirespa®, OxyContin® franchise, Rapiacta®, Brightpoc® Flu, and Glashvista®
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2. FY2017 Financial Forecasts

Upward Revision of FY2017 Financial Forecasts (Consolidated)

(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
Sales	**340.0**	**345.0**	**5.0**	338.9	**1.8**	**6.1**
Operating income	**112.5**	**113.5**	**1.0**	108.2	**4.9**	**5.3**
Ordinary income	**123.5**	**132.0**	**8.5**	123.0	**7.3**	**9.0**
Profit attributable to owners of parent	**92.0**	**101.0**	**9.0**	83.9	**20.4**	**17.1**

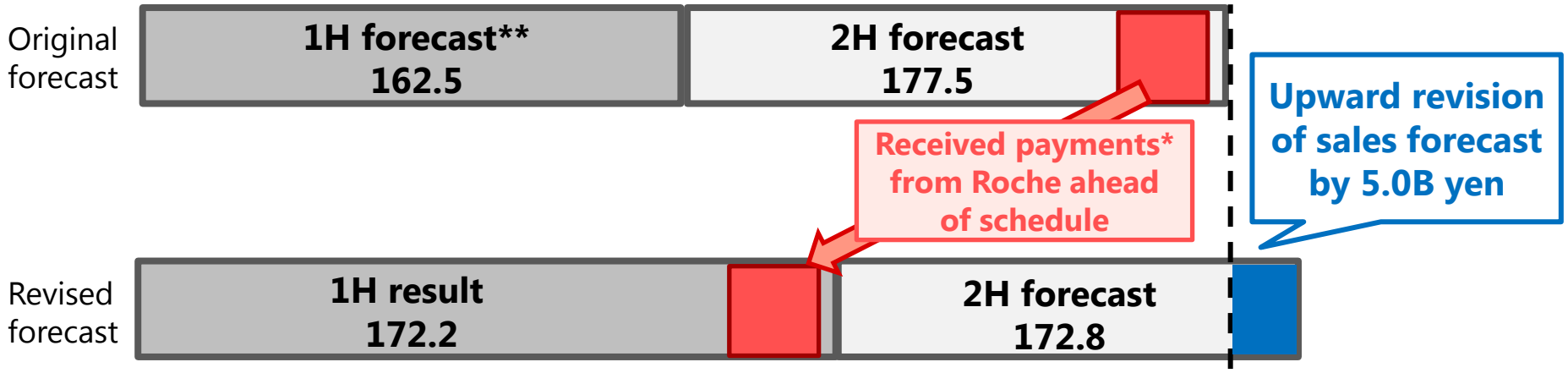
- **Upward revisions for all categories of income and profit**
- **First time for Shionogi to exceed the profit attributable to owners of parent of 100.0 billion yen**

Exchange Rate (average)	FY2017 Forecasts	FY2016 Results
USD ($) – JPY (¥)	**110.0**	**108.39**
GBP (£) – JPY (¥)	**140.0**	**141.62**
EUR (€) – JPY (¥)	**120.0**	**118.80**

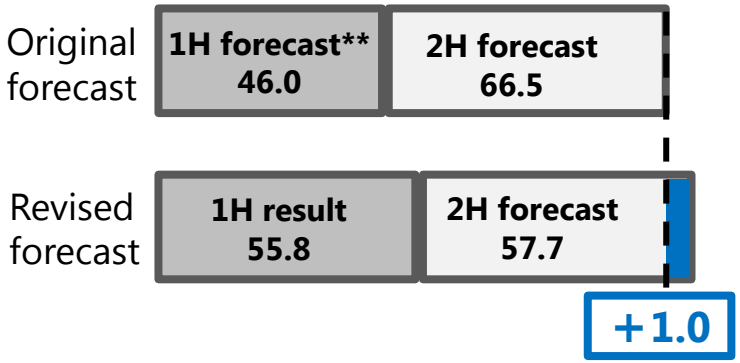
1H Results and Revised Full Year Forecasts of FY2017

- **Sales（340.0→345.0）**

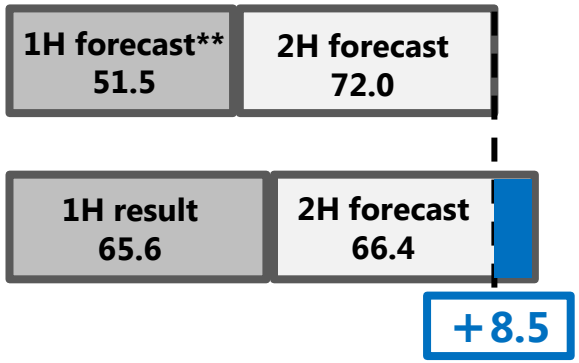
(Unit: B yen)



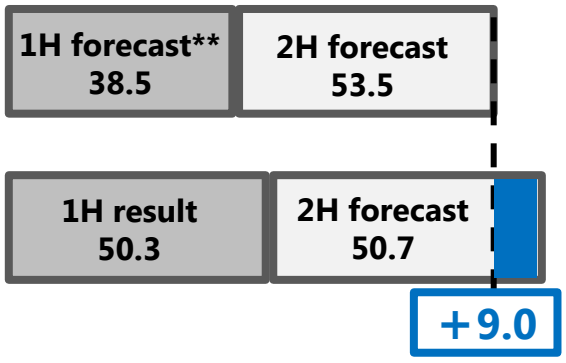
- **Operating income (112.5→113.5)**



- **Ordinary income (123.5→132.0)**



- **Profit attributable to owners of parent (92.0→101.0)**



* Payments both for development progression events (such as study initiation/phase progression) and for obtaining successful results
** The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions were announced on Oct. 23, 2017.

Revision of Statement of Income (Consolidated)

(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
Sales	**340.0**	**345.0**	**5.0**	338.9	1.8	6.1
(Royalty*income)	**125.0**	**125.8**	**0.8**	106.3	18.3	19.5
Cost of sales	22.5 [35.6] **76.5**	22.2 [34.9] **76.5**	**-**	23.0 [33.4] 77.8	(1.6)	(1.3)
Gross profit	**263.5**	**268.5**	**5.0**	261.1	2.8	7.4
SG&A expenses	44.4 **151.0**	44.9 **155.0**	**4.0**	45.1 152.9	1.4	2.1
Selling & administrative expenses	29.1 **99.0**	29.0 **100.0**	**1.0**	27.5 93.0	7.5	7.0
R&D expenses	15.3 **52.0**	15.9 **55.0**	**3.0**	17.7 59.9	(8.2)	(4.9)
Operating income	33.1 **112.5**	32.9 **113.5**	**1.0**	31.9 108.2	4.9	5.3
Non-operating income & expenses	**P11.0**	**P18.5**	**7.5**	P14.9	24.6	3.6
Ordinary income	36.3 **123.5**	38.3 **132.0**	**8.5**	36.3 123.0	7.3	9.0

Main reasons

1. Selling & administrative expenses +1.0 B yen: Increase of expenses regarding C&O and SI
2. R&D expenses +3.0 B yen: Increase of expenses in the global Phase III study of S-033188
3. Increased dividend from ViiV +7.5 B yen: Global sales growth of HIV franchise

Note: The inside of [ ] is percentage of cost of sales to sales excluding royalty income
* Royalty income from Viiv (HIV franchise) and Astra Zeneca (Crestor®)

Revision of Sales by Segments (Consolidated)

(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
Prescription drugs	**143.9**	**144.1**	**0.2**	158.0	(8.8)	(13.9)
Overseas	**25.4**	**25.5**	**0.1**	29.2	(12.7)	(3.7)
Shionogi Inc.	**12.0**	**11.2**	**(0.8)**	17.9	(37.3)	(6.7)
Osphena®	**4.6**	**3.9**	**(0.7)**	4.7	(17.8)	(0.8)
Contract manufacturing	**15.3**	**15.4**	**0.1**	12.1	27.0	3.3
OTC and quasi-drugs	**7.5**	**7.0**	**(0.5)**	6.8	3.1	0.2
Royalty income	**145.0**	**150.3**	**5.3**	115.7	30.0	34.7
Royalty income for the sales of HIV franchise and Crestor®	**125.0**	**125.8**	**0.8**	106.3	18.3	19.5
HIV franchise	**103.0**	**103.3**	**0.3**	73.3	40.9	30.0
Crestor®	**22.0**	**22.5**	**0.5**	33.0	(31.8)	(10.5)
Others	**2.9**	**2.7**	**(0.2)**	17.1	(84.4)	(14.4)
Total	**340.0**	**345.0**	**5.0**	**338.9**	**1.8**	**6.1**

Revision of Sales of Prescription Drugs in Japan

(Unit: B yen)

	FY2017			FY2016	Y on Y	
	Original Forecast	Revised Forecast	Change	Full year Results	Change (%)	Change (B yen)
Cymbalta®	25.3	26.0	0.6	19.0	36.5	6.9
Intuniv®	0.62	2.0	1.4	-	-	2.0
Symproic®	0.38	0.60	0.22	-	-	0.6
Total of Strategic products	26.3	28.6	2.3	19.0	50.3	9.6
Actair®	0.13	0.13	(0.0)	0.08	66.7	0.1
Mulpleta®	0.17	0.17	0.0	0.13	32.2	0.0
Pirespa®	6.0	6.0	(0.0)	5.8	2.0	0.1
OxyContin® franchise	8.9	8.9	0.0	9.7	(8.1)	(0.8)
Rapiacta®	2.8	2.8	0.0	2.9	(3.2)	(0.1)
Brightpoc® Flu	0.93	0.92	(0.0)	1.0	(6.6)	(0.1)
Glashvista®	0.69	0.31	(0.4)	0.55	(43.9)	(0.2)
Total of New Products	45.8	47.7	1.9	39.1	22.0	8.6
Crestor®	36.4	34.4	(2.0)	43.1	(20.2)	(8.7)
Irbetan® franchise	14.8	14.8	0.0	15.3	(3.1)	(0.5)
Others	46.9	47.2	0.3	60.5	(22.0)	(13.3)
Prescription drugs	**143.9**	**144.1**	**0.2**	**158.0**	**(8.8)**	**(13.9)**

Sales of Prescription Drugs in Japan (Revised)

Main variation factors in sales of prescription drugs in Japan

(Unit: B yen)

New drugs	1H Results	2H Revised Forecast	Full year Revised Forecast
Growth of new drugs including Cymbalta®	+3.1	+5.5	+8.6
Launch of generics for Crestor® and Irbetan®	(0.0)	△9.2	△9.2
Long-listed drugs, etc.	**1H Results**	**2H Revised Forecast**	**Full year Revised Forecast**
Decreased sales of long-listed drugs including Flomox® Decreased stockpiling of Rapiacta®	△5.3	△3.1	△8.4
Transferring the marketing rights for 24 long-listed drugs	△3.8	△1.2	△4.9
Prescription drugs	**△6.0**	**△7.9**	**△13.9**

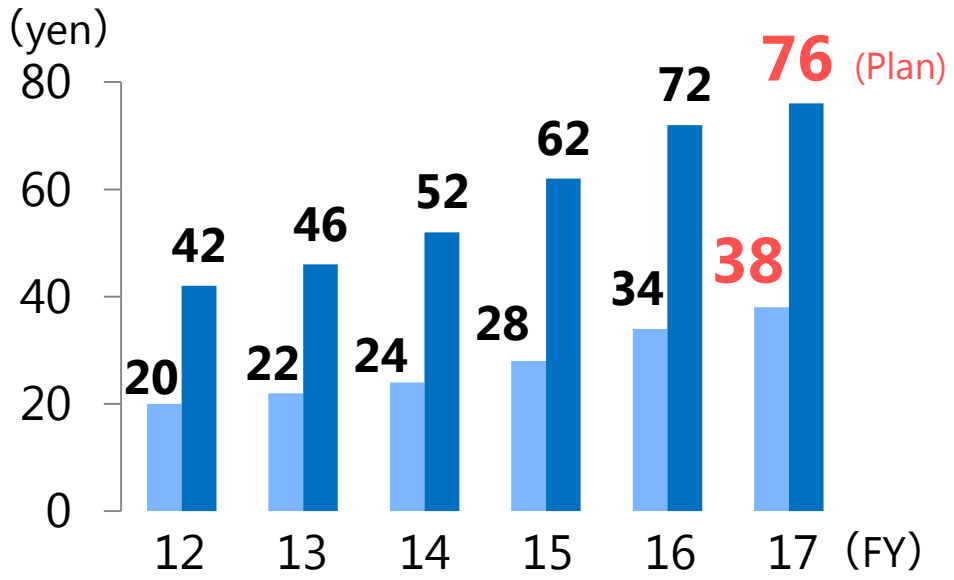
- **Decreased sales of Crestor® and Irbetan® due to the launch of generic drugs will be compensated for by the growth of new drugs including Cymbalta®, Intuniv®, Symproic® , etc.**
- **Continue to focus on new drugs, not depending on the long-listed drugs**

3. Shareholder Return

Dividend Forecasts

	Dividend per share			DOE	ROE
	half-year	year-end	annual		
FY2016	34.00	38.00	72.00	4.5%	16.3%
FY2017	**38.00**	(Plan) **38.00**	(Plan) **76.00**	(Estimate) **4.3%**	(Estimate) **17.8%**

Planning continuous increases in both half-year dividends and annual dividends



Appendix

Sales by Segments (Consolidated)

(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results	Progress vs. 1H forecasts (%)	1H Results	Change (%)	Change (B yen)
Prescription drugs	**143.9**	**75.2**	**73.2**	97.3	79.2	(7.6)	(6.0)
Overseas	**25.4**	**12.3**	**12.2**	99.0	15.3	(20.2)	(3.1)
Shionogi Inc.	**12.0**	**6.0**	**6.0**	101.3	9.1	(33.6)	(3.1)
Osphena®	**4.6**	**2.2**	**2.0**	89.3	2.0	(0.7)	(0.0)
Contract manufacturing	**15.3**	**7.9**	**8.4**	107.0	5.4	56.1	3.0
OTC and quasi-drugs	**7.5**	**3.4**	**3.4**	98.1	3.4	(1.5)	(0.1)
Royalty income	**145.0**	**62.3**	**73.8**	118.5	50.6	45.7	23.2
Royalty income for the sales of HIV franchise and Crestor®	**125.0**	**56.4**	**57.6**	102.1	46.0	25.2	11.6
HIV franchise	**103.0**	**45.4**	**46.2**	101.8	28.6	61.3	17.6
Crestor®	**22.0**	**11.0**	**11.4**	103.3	17.3	(34.4)	(6.0)
Others	**2.9**	**1.4**	**1.2**	86.4	1.2	1.2	0.0
Total	**340.0**	**162.5**	**172.2**	**106.0**	**155.1**	**11.0**	**17.1**

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Sales of Prescription Drugs in Japan

(Unit: B yen)

	FY2017				FY2016	Y on Y	
	Full year Forecasts	1H Forecasts*	1H Results	Progress vs. 1H forecasts (%)	1H Results	Change (%)	Change (B yen)
Cymbalta®	25.3	11.1	11.7	105.5	8.9	31.8	2.8
Intuniv®	0.62	0.29	0.69	238.2	-	-	0.69
Symproic®	0.38	0.08	0.16	203.6	-	-	0.16
Total of Strategic products	26.3	11.5	12.6	109.5	8.9	41.4	3.7
Actair®	0.13	0.05	0.05	111.8	0.03	82.4	0.02
Mulpleta®	0.17	0.08	0.08	99.7	0.06	38.1	0.02
Pirespa®	6.0	3.1	3.1	101.7	3.0	3.3	0.10
OxyContin® franchise	8.9	4.6	4.6	98.0	5.0	(9.3)	(0.47)
Rapiacta®	2.8	0.14	0.07	52.5	0.12	(39.2)	(0.05)
Brightpoc® Flu	0.93	0.09	0.14	145.6	0.09	44.3	0.04
Glashvista®	0.69	0.34	0.15	42.7	0.41	(64.8)	(0.27)
Total of New Products	45.8	19.9	20.7	104.2	17.6	17.5	3.1
Crestor®	36.4	24.7	22.0	89.1	21.9	0.2	0.04
Irbetan® franchise	14.8	7.6	7.8	102.1	7.8	(0.6)	(0.05)
Others	46.9	23.0	22.7	98.6	31.8	(28.6)	(9.1)
Prescription drugs	**143.9**	**75.2**	**73.2**	**97.3**	**79.2**	**(7.6)**	**(6.0)**

* The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions to the forecasts were announced on Oct. 23, 2017.

Sales Expansion of New Drugs and Negative Impact of First Generic Entries for our Main Products

(Unit: B yen)

New drugs	Full year Forecast	1H Forecast*	1H Results
Growth of new drugs including Cymbalta®	+6.7	+2.2	**+3.1**
Launch of generics for Crestor® and Irbetan®	(7.2)	+2.5	**(0.0)**
Long-listed drugs, etc.	**Full year Forecast**	**1H Forecast***	**1H Results**
Decreased sales of long-listed drugs including Flomox® Decreased stockpiling of Rapiacta®	(8.7)	(5.0)	(5.3)
Transferring the marketing rights for long-listed 24 drugs	(4.9)	(3.8)	(3.8)
Prescription drugs	**(14.1)**	**(4.0)**	**(6.0)**

- **New Products: Sales growth led by strategic products**
- **Crestor®: Lower than our forecast due to early uptake of Crestor® AG**
- **Long-listed drugs: On track**

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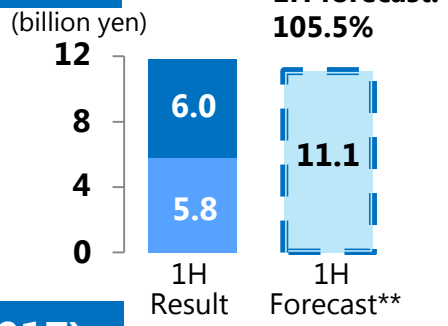
Sales Growth of New Products

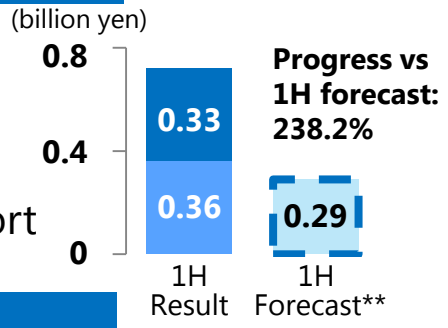
Sales* growth of Cymbalta® in the pain area

- Sales growth in the pain area from the orthopedics and internal medicine departments
  - Positive perception by orthopedists especially in OA
  - Sales growth in CLBP from both the orthopedics and internal medicine departments



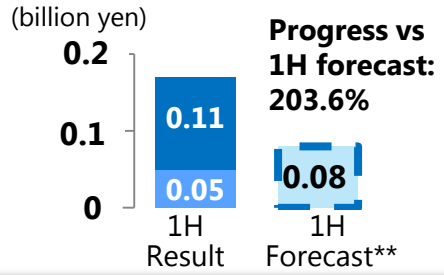
Smooth launch and sales growth of Intuniv® (launched on May 26, 2017) → Already achieved the full year sales forecast

- Strong sales growth as a new treatment option for ADHD
  - Allocation of sales forces with high level of expertise in each region
  - Co-promotion with our partner Shire Japan
- Maximizing overall beneficial impact with complementary social support



Strengthen our product lineup in the Oxycontin® Family

- Launched Methapain® (Apr. 11, 2017) and Symproic® (Jun. 7, 2017) on schedule
- Symproic® is adopted by nearly 80% of the designated hospitals for cancer in Japan
- Approval of oxycodone tamper resistant formulation



CLBP: chronic low back pain, OA: osteoarthritis, ADHD: Attention deficit hyperactivity disorder
*Sales of Cymbalta®: Remuneration for promotional activity from Eli Lilly Japan K.K.
** The consolidated earnings forecasts announced on May 10, 2017 were written here, and the revisions were announced on Oct. 23, 2017.

2Q result
1Q result

Progress in 1H FY2017*

Preclinical	Phase I, II	Phase III	Submission Approval	Launch
	Global	**S-033188** ・Achieved primary objective in OwH study **Lusutrombopag** ・Achieved primary endpoint ・Rolling submission of NDA to FDA **Osphena®** ・Completed vaginal dryness study		**Symproic®** ・Launched in US
PeptiDream ・Non-exclusive license for PDPS	In Japan	**Cymbalta®** ・Initiated pediatric study **Intuniv®** ・Achieved primary endpoint in adult	**S-033188** ・NDA submission **Oxycodone** Tamper resistant formulation ・Approval **Lisdexamfetamine** ・NDA submission	**Strategic products and new products** ・Sales expansion **Intuniv ®** **Symproic®** **Methapain®** ・Above drugs launched
・Infectious diseases ・Pain/CNS ・Frontier	Out-licensed		**DTG/RPV** ・NDA submission (in US)	**HIV franchise** ・Expanded royalty income and dividend by global sales growth

*Change from April 1, 2016 to October 30 is only described
PDPS: Peptide discovery platform system DTG: Dolutegravir RPV: Rilpivirine

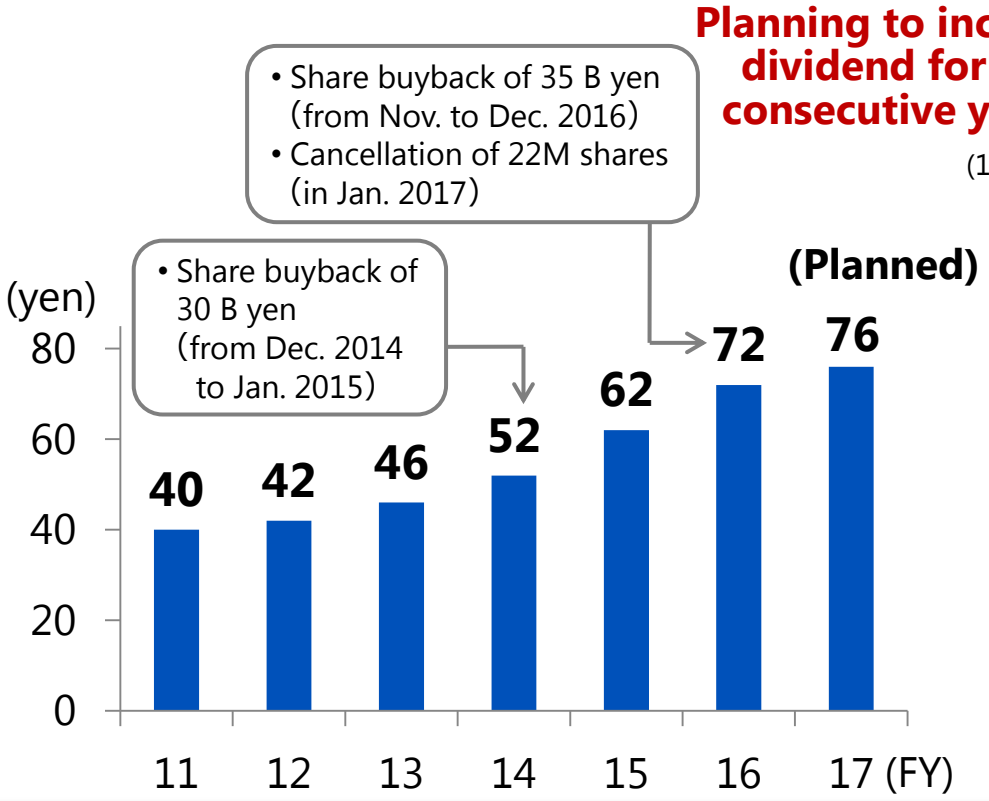
Objectives for 2H FY2017*

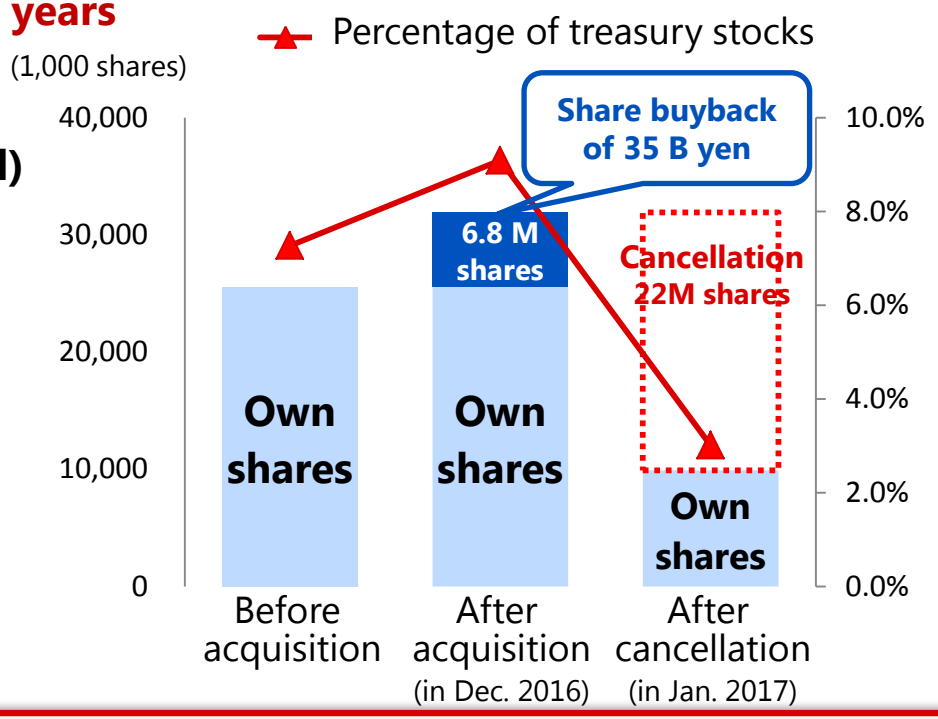
Phase I, II	Phase III	Submission Approval	Launch
Global			
S-600918 ・Initiate phase II study		**Cefiderocol** ・NDA submission in US	**Symproic®** ・Smooth launch
S-120083 ・Completion of administration for all patients in phase II study		**Lusutrombopag** ・NDA submission in US, EU	
In Japan	**S-033188** ・Initiate pediatric study (granules)	**S-033188** ・Approval	**Oxycodone** Tamper resistant formulation ・Launch
Oxycodone ・Initiate phase I study (BE** study)			**Actair®** ・Approval and launch
・Infectious diseases ・Pain/CNS ・Frontier	**Out-licensed**	**DTG/RPV** ・Approval in US	

*Only describes changes since October 31, 2017
**BE: Bioequivalence

Shareholder Return Policy of Shionogi

- Maximize enterprise value by balancing three key factors: return to shareholders, investment for further growth and strategic opportunities
- Sharing our mid- to long-term profit growth with our shareholders by increasing returns as appropriate by share buyback, cancellation of treasury stocks, and elimination of cross-share holdings





Target Milestones for FY2017 (as of Oct. 2017)

Areas	Product	As of Apr. 1, 2017	Target for FY2017
Infectious disease	**Cefiderocol** Multidrug-resistant Gram-negative bacterial infections	**Global: Preparation for NDA submission**	**US: NDA submission**
	S-033188 (baloxavir marboxil) Influenza virus infection	**Global: Phase III** **Japan: Phase III (pediatric)**	**Japan: NDA submission**
Pain/CNS	**Intuniv®** ADHD (pediatric)	**Japan: NDA submission**	**Japan: Launch**
	Symproic® Opioid-induced constipation	**Japan: Approval**	**Japan: Launch**
	Symproic® Opioid-induced constipation	**US: Approval**	**US: Launch**
	Oxycodone Treatment of moderate to severe chronic pain	**Japan: NDA submission**	**Japan: Approval**
	Oxycodone Tamper resistant formulation	**Japan: NDA submission**	**Japan: Approval**
	Lisdexamfetamine ADHD (pediatric)	**Japan: Preparation for NDA submission**	**Japan: NDA submission**
	Cymbalta® Depression (pediatric)	-	**Japan: Phase III**
	S-600918 Neuropathic pain	**Japan: Phase I**	**Phase II (regions to be determined)**
Frontier	**Lusutrombopag** Thrombocytopenia associated with chronic liver disease	**Global: Phase III**	**US and EU: NDA submission**
	Actair® (Pediatric allergic rhinitis caused by house-dust mite allergen	**Japan: NDA submission**	**Japan: Approval**

Red frame: Change since August 1 2017

ADHD: Attention deficit hyperactivity disorder

Pipeline (as of Oct. 2017)

Preclinical	Phase I	Phase II	Phase III	Filed
Global		**Cefiderocol** Multidrug-resistant Gram-negative bacterial infections	**S-033188 (baloxavir marboxil)** Influenza virus infection	**Naldemedine (EU)** Opioid-induced constipation
Antibody drug candidate against pseudomonas	**S-117957** Insomnia	**S-120083** Inflammatory pain	**Cefiderocol** Multidrug-resistant Gram-negative bacterial infections	
Central neuropathic pain	**S-237648** Obesity	**S-707106** Type2 diabetes	**Lusutrombopag** Thrombocytopenia	
Obesity		**S-488210** Head and neck squamous cell carcinoma		
LCM inhalation		**epertinib** Malignant tumor		
		S-588410 Bladder cancer		
	In Japan	**Cefiderocol** Multidrug-resistant Gram-negative bacterial infections	**Cefiderocol** Multidrug-resistant Gram-negative bacterial infections	**S-033188 (baloxavir marboxil)** Influenza virus infection
	S-010887 Neuropathic pain	**S-237648** Obesity	**Intuniv®** ADHD (adult)	**S-033188 (baloxavir marboxil)** Influenza virus Infection (pediatric)
	S-600918 Neuropathic pain	**S-525606** Allergic rhinitis caused by Japanese cedar allergen	**Cymbalta®** Depression (pediatric)	**Oxycodone** Moderate to severe chronic pain
		S-588410 Bladder cancer	**S-588410** Esophageal cancer	**Oxycodone** Tamper resistant formulation
				Lisdexamfetamine ADHD (pediatric)
				Actair® Pediatric patients with perennial allergic rhinitis
Out-licensed	**GSK3342830** Multidrug-resistant Gram-negative bacterial infections		**DTG+3TC** Treatment for HIV infection	**DTG/RPV** Treatment for HIV infection
			CAB LAP Prevention for HIV infection	• **Infectious diseases**
Janssen/Shionogi Project compound Alzheimer's disease			**CAB + RPV LAP** Treatment for HIV infection	• **Pain/CNS**
			Janssen/Shionogi BACE inhibitor Alzheimer's disease	• **Metabolic disorder** • **Frontier**
			Osphena® Vaginal dryness associated with postmenopausal VVA	

Target Milestones for Launch of New Products

FY2017	FY2018	FY2019
Japanese business		
Symproic® **Intuniv®** ADHD (pediatric) **Oxycodone** Tamper resistant formulation **Actair®** Pediatric patients with perennial allergic rhinitis	**S-033188 (baloxavir marboxil)** **Lisdexamfetamine**	**Intuniv®** ADHD (adult)
Overseas business		
Symproic® (US)	**Cefiderocol** **Osphena®** Vaginal dryness associated with postmenopausal VVA **Lusutrombopag** **Naldemedine** (EU)	
Global out-licensed products		
	DTG + RPV	**DTG + 3TC**

DTG: Dolutegravir , RPV: Rilpivirine, 3TC: Lamivudine

Forward-Looking Statements

- Forecast or target figures in this material are neither official forecasts of earnings and dividends nor guarantee of target, achievement and forecasts, but present the midterm strategies, goals and visions. Official earnings guidance should be referred to in the disclosure of the annual financial report (*kessan tanshin*) in accordance with the rules set by Tokyo Stock Exchange.
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