Financial results for the year ended March 31, 2018

＜Supplement＞

May 9, 2018

SHIONOGI & CO., LTD.

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1. Financial results and forecast

Billions of yen

	FY2016 Results	FY2017 Results	FY2018 Forecast	Change FY2017	Change FY2018	FY2018 1H Forecast
Net Sales	338.9	344.7	346.5	5.8	1.8	164.0
change %	*9.3*	*1.7*	*0.5*			*(4.7)*
Operating Income	108.2	115.2	119.0	7.0	3.8	44.5
change %	*18.3*	*6.5*	*3.3*			*(20.2)*
Ordinary Income	123.0	138.7	140.0	15.7	1.3	54.5
change %	*22.0*	*12.7*	*0.9*			*(16.9)*
Profit attributable to owners of parent	83.9	108.9	111.0	25.0	2.1	43.1
change %	*25.8*	*29.8*	*2.0*			*(14.4)*

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

2. Sales of main merchandise and finished goods

Results

Billions of yen

	FY2016 Results	FY2017 Results	Change
Prescription drugs	158.0	139.2	(18.8)
change %	*(2.5)*	*(11.9)*	
CYMBALTA	19.0	23.5	4.5
INTUNIV	—	1.9	1.9
SYMPROIC	—	0.6	0.6
XOFLUZA	—	2.4	2.4
Total of strategic products	19.0	28.4	9.4
ACTAIR	0.1	0.1	0.0
MULPLETA	0.1	0.2	0.0
PIRESPA	5.8	6.5	0.6
OXYCONTIN Franchise	9.7	8.7	(1.0)
RAPIACTA	2.9	3.3	0.5
BRIGHTPOC Flu	1.0	1.1	0.1
GLASHVISTA	0.6	0.3	(0.3)
Total of new products	39.1	48.6	9.5
CRESTOR	43.1	29.3	(13.8)
IRBETAN Franchise	15.3	14.6	(0.7)
Other	60.5	46.8	(13.8)
Overseas subsidiaries/Export	29.2	23.6	(5.6)
change %	*(1.7)*	*(19.1)*	
Shionogi Inc.	17.9	10.6	(7.3)
Osphena	4.7	3.7	(1.0)
C&O	5.8	6.9	1.1
Contract manufacturing	12.1	16.9	4.8
change %	*43.4*	*39.8*	
OTC and quasi-drugs	6.8	7.2	0.5
change %	*39.5*	*6.7*	
Royalty income	115.7	155.0	39.4
change %	*13.6*	*34.0*	
HIV Franchise	73.3	103.5	30.2
CRESTOR	33.0	22.6	(10.4)
Others	17.1	2.6	(14.5)
change %	*469.7*	*(84.8)*	
Total	338.9	344.7	5.8
change %	*9.3*	*1.7*	

Notes: Change % shows changes from the same period of the previous fiscal year.
Sales of each main merchandise and finished goods are shown on non-consolidated basis.
Total of strategic products in FY2017 include XOFLUZA launched on Mar, 2018.

Forecast

Billions of yen

	FY2017 Results	FY2018 Forecast	Change	FY2018 1H Forecast
Prescription drugs	139.2	119.3	(19.9)	52.3
change %	*(11.9)*	*(14.3)*		*(28.5)*
CYMBALTA	23.5	26.0	2.5	12.1
INTUNIV	1.9	5.0	3.1	1.9
XOFLUZA	2.4	13.0	10.6	1.3
RAPIACTA	3.3	1.1	(2.2)	0.1
BRIGHTPOC Flu	1.1	1.1	(0.1)	0.1
OXYCONTIN Franchise	8.7	9.1	0.4	4.2
SYMPROIC	0.6	1.2	0.6	0.5
Total of strategic products	41.6	56.4	14.9	20.3
ACTAIR	0.1	0.2	0.0	0.1
MULPLETA	0.2	0.2	0.1	0.1
PIRESPA	6.5	6.0	(0.5)	3.1
Total of new products	48.6	62.8	14.2	23.5
CRESTOR	29.3	9.7	(19.6)	5.3
IRBETAN Franchise	14.6	6.4	(8.2)	3.6
Other	46.8	40.4	(6.3)	19.9
Overseas subsidiaries/Export	23.6	29.8	6.2	13.6
change %	*(19.1)*	*26.2*		*11.7*
Shionogi Inc.	10.6	10.9	0.3	5.0
Osphena	3.7	4.1	0.4	2.1
C&O	6.9	12.4	5.5	5.8
Contract manufacturing	16.9	12.1	(4.9)	5.6
change %	*39.8*	*(28.7)*		*(34.0)*
OTC and quasi-drugs	7.2	7.4	0.1	3.4
change %	*6.7*	*1.7*		*1.2*
Royalty income	155.0	175.5	20.4	87.8
change %	*34.0*	*13.2*		*19.0*
HIV Franchise	103.5	124.9	21.4	58.7
CRESTOR	22.6	21.1	(1.5)	10.6
Other	29.0	29.5	0.5	18.5
Others	2.6	2.5	(0.1)	1.3
change %	*(84.8)*	*(4.5)*		*2.6*
Total	344.7	346.5	1.8	164.0
change %	*1.7*	*0.5*		*(4.7)*

3. Management index

(Management index trend)

		FY2015	FY2016	FY2017
Return on equity（ROE)	%	13.6	16.3	19.4
Return on asset（ROA)	%	16.2	18.8	19.9
Ratio of operating income to net sales	%	29.5	31.9	33.4
Ratio of ordinary income to net sales	%	32.5	36.3	40.2
Ratio of net income to net sales	%	21.5	24.8	31.6
Total asset turnover		0.50	0.52	0.49
Equity ratio	%	79.6	77.9	83.2
Dividend payout ratio	%	30.3	27.7	23.9
Dividend on Equity（DOE)	%	4.1	4.5	4.6
Earnings per share	yen	204.83	259.88	342.71
Earnings per share (diluted)	yen	201.70	255.87	337.43

4. Capital investments and depreciation cost

Billions of yen

	FY2016 Results	FY2017 Results	FY2018 Forecast	Change FY2017	Change FY2018	FY2018 1H Forecast
Investment in equipments	9.7	5.7	9.0	(4.0)	3.3	3.5
Depreciation cost	13.4	16.0	17.3	2.6	1.3	8.7
Amortization of goodwill	3.0	3.0	3.1	0.1	0.1	1.5

5. R&D expenses

Billions of yen

	FY2016 Results	FY2017 Results	FY2018 Forecast	Change FY2017	Change FY2018	FY2018 1H Forecast
R&D expenses	59.9	59.9	67.0	0.0	7.1	40.0
change %	*20.3*	*0.1*	*11.8*			*32.9*
% to net sales	17.7	17.4	19.3			24.4

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

6. Employees

	FY2016 Results	FY2017 Results	FY2018 Forecast	Change FY2017	Change FY2018	FY2018 1H Forecast
Employees	5,511	5,120	5,290	(391)	170	5,348

7. Consolidated statements of income

Millions of yen

	FY2016 Results	FY2017 Results	Change	
Net sales	338,890	344,667	5,777	Increase/(Decrease) in Prescription drugs: (18.8) billion yen Royalty income.: 39.4 billion yen The transfer of marketing rights for long-listed drugs in FY2016 (15.9) billion yen
Cost of sales	77,777	73,911	(3,865)	
Gross profit	261,113	270,756	9,643	
Selling, general and administrative expenses	152,934	155,537	2,602	
Operating income	108,178	115,219	7,040	
Non-operating income	19,312	28,326	9,013	
Interest income	808	1,167	359	
Dividends income	18,031	26,535	8,503	Shionogi Limited Dividends income from ViiV
Other	472	623	150	
Non-operating expenses	4,459	4,852	392	
Interest expenses	220	557	337	
Foreign exchange losses	1,305	1,415	110	
Contribution	1,031	1,020	(11)	
Loss on retirement of non-current assets	542	577	34	
Litigation expenses	758	534	(223)	
Other	602	747	144	
Ordinary income	123,031	138,692	15,661	
Extraordinary income	2,182	－	(2,182)	
Gain on sales of investment securities	2,182	－	(2,182)	
Extraordinary losses	2,517	1,314	(1,203)	
Loss on valuation of investment securities	－	794	794	FY2016:Shionogi Buildings etc. in Settsu Plant FY2017:Shionogi Sales rights, Land, and Buildings etc.
Impairment loss	359	519	160	
Business structure improvement expenses	2,158	－	(2,158)	Shionogi Inc.
Income before income taxes	122,695	137,378	14,683	
Income taxes-current	35,745	30,152	(5,593)	
Income taxes-deferred	3,339	(1,562)	(4,901)	
Profit	83,610	108,788	25,177	
Loss attributable to non-controlling interests	(268)	(78)	190	
Profit attributable to owners of parent	83,879	108,866	24,987	

8-1. Consolidated balance sheets (Assets)

Millions of yen

	As of Mar. 31 2017	As of Mar. 31 2018	Change	
(Assets)				
Current assets				
Cash and deposits	107,847	140,106	32,258	
Notes and accounts receivable-trade	59,336	53,240	(6,096)	
Short-term investment securities	98,800	124,300	25,500	Surplus funds management
Merchandise and finished goods	19,152	14,716	(4,436)	
Work in process	8,294	6,993	(1,301)	
Raw materials and supplies	13,940	12,926	(1,013)	
Deferred tax assets	11,347	11,761	414	
Other	24,700	27,257	2,557	
Allowance for doubtful accounts	(34)	(36)	(1)	
Total current assets	343,384	391,266	47,881	
Non-current assets				
Property, plant and equipment	78,788	75,956	(2,832)	
Intangible assets				
Goodwill	37,630	32,852	(4,778)	Increased / (decreased) by: Amortization: (3.0) billion yen Exchange rate fluctuations: (1.7) billion yen
Sales rights	49,969	38,073	(11,895)	Increased / (decreased) by: Amortization: (7.1) billion yen Exchange rate fluctuations: (0.8) billion yen
Other	3,525	4,134	609	
Total intangible assets	91,125	75,060	(16,064)	
Investments and other assets				
Investment securities	135,970	155,675	19,705	Increased / (decreased) by: Rising in stock prices: 14.1 billion yen Exchange rate fluctuations: 3.3 billion yen Purchase: 2.9 billion yen Impairment loss (0.8) billion yen
Net defined benefit asset	18,407	21,735	3,327	
Other	2,637	2,848	210	
Allowance for doubtful accounts	(42)	(42)	0	
Total investments and other assets	156,972	180,216	23,244	
Total non-current assets	326,886	331,233	4,347	
Total assets	670,271	722,500	52,228	

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

Millions of yen

	As of Mar. 31 2017	As of Mar. 31 2018	Change	
(Liabilities)				
Current liabilities				
Notes and accounts payable-trade	11,943	8,016	(3,926)	
Current portion of long-term loans payable	—	10,000	10,000	
Income taxes payable	28,746	19,513	(9,232)	
Provision for bonuses	9,182	8,741	(440)	
Provision for sales returns	1,565	1,360	(205)	
Other provision	110	105	(5)	
Other	39,046	24,829	(14,216)	Decrease in accounts payable
Total current liabilities	90,595	72,566	(18,028)	
Non-current liabilities				
Bonds payable	20,054	18,491	(1,562)	
Long-term loans payable	10,000	—	(10,000)	
Deferred tax liabilities	9,372	14,159	4,787	
Net defined benefit liability	9,581	8,096	(1,484)	
Other	4,456	4,344	(112)	
Total non-current liabilities	53,464	45,092	(8,371)	
Total liabilities	144,059	117,659	(26,400)	
(Net Assets)				
Shareholders' equity				
Capital stock	21,279	21,279	—	Repurchase of tresurry stock (29.4) billion yen Retirement of treasury stock 18.7 billion yen Conversion of convertible bonds 1.1 billions yen
Capital surplus	20,227	20,227	—	
Retained earnings	508,049	574,392	66,342	
Treasury stock	(27,110)	(36,641)	(9,531)	
Total shareholders' equity	522,445	579,257	56,811	
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities	25,041	35,856	10,815	Due to preferred stock prices
Deferred gains or losses on hedges	122	1,174	1,052	
Foreign currency translation adjustment	(20,026)	(15,330)	4,696	
Remeasurements of defined benefit plans	(5,262)	(111)	5,151	
Total accumulated other comprehensive income	(125)	21,589	21,715	
Subscription rights to shares	416	527	110	
Non-controlling interests	3,474	3,466	(8)	
Total net assets	526,211	604,840	78,629	
Total liabilities and net assets	670,271	722,500	52,228	

9-1. Quarterly trend for FY2016 and FY2017 (Sales of main merchandise and finished goods)

Fiscal year ended March 31, 2017

(Billions of yen)

FY2016	FY2016 1Q actual	Y on Y change%	FY2016 2Q actual	Y on Y change%	FY2016 3Q actual	Y on Y change%	FY2016 4Q actual	Y on Y change%
Prescription drugs	39.9	0.5	39.2	1.4	42.1	(6.5)	36.8	(4.9)
CRESTOR	11.4	7.5	10.5	7.6	11.2	(15.3)	10.0	(1.2)
CYMBALTA	4.4	27.0	4.5	20.7	5.3	22.0	4.9	30.9
IRBETAN Franchise	4.2	3.1	3.6	(15.4)	4.0	7.5	3.5	(4.5)
Total of 3 key products	20.0	10.2	18.6	4.9	20.4	(3.7)	18.4	4.9
OXYCONTIN Franchise	2.6	(0.1)	2.4	(5.0)	2.7	(5.7)	2.0	(3.7)
FINIBAX	0.9	(5.6)	0.8	(26.4)	0.9	(1.4)	0.7	(15.4)
PIRESPA	1.6	3.9	1.4	15.7	1.5	(18.7)	1.3	(3.9)
RAPIACTA	0.1	-	(0.0)	-	1.1	150.0	1.6	2.6
Total of 7 strategic products	25.3	8.5	23.2	2.7	26.6	(2.4)	23.9	2.8
FLOMOX	2.2	(22.9)	1.8	(37.2)	2.6	(17.0)	1.8	(27.3)
RINDERON	2.0	(8.3)	1.9	(12.2)	1.9	(11.1)	1.6	(7.1)
CLARITIN	0.8	5.9	0.6	(25.8)	0.8	(20.9)	1.5	(14.8)
FLUMARIN	0.9	(16.3)	0.9	(30.4)	0.9	(11.4)	0.7	(18.4)
Export/Overseas subsidiaries	6.5	(8.1)	8.7	14.7	7.6	(4.9)	6.3	(9.3)
Shionogi Inc.	3.6	(17.4)	5.5	35.5	4.8	(1.4)	4.0	18.4
Osphena	1.2	(5.4)	0.8	(38.6)	1.3	7.8	1.4	36.5
C&O	1.5	(4.8)	1.6	(9.8)	1.2	(5.9)	1.5	(27.8)
Contract manufacturing	2.6	71.9	2.8	28.7	3.4	107.2	3.3	6.4
OTC and quasi-drugs	1.7	37.0	1.7	29.7	2.1	68.1	1.3	21.0
Royalty income	21.8	60.8	28.9	20.7	31.0	0.4	34.0	1.5
CRESTOR	10.5	(6.2)	6.8	(45.4)	7.8	(35.2)	7.9	(33.6)
HIV Franchise	10.2	637.5	18.4	84.6	20.6	50.9	24.0	55.6
Others	0.6	(15.7)	0.6	(13.0)	15.2	-	0.7	(9.2)
Total	73.2	14.6	81.9	10.1	101.4	15.7	82.4	(2.0)

Fiscal year ended March 31, 2018

FY2017	FY2017 1Q actual	Y on Y change%	FY2017 2Q actual	Y on Y change%	FY2017 3Q actual	Y on Y change%	FY2017 4Q actual	Y on Y change%
Prescription drugs	37.3	(6.6)	35.9	(8.6)	35.2	(16.3)	30.8	(16.2)
CYMBALTA	5.8	30.6	6.0	32.9	6.5	23.8	5.3	8.7
INTUNIV	0.4	-	0.3	-	0.5	-	0.7	-
SYMPROIC	0.0	-	0.1	-	0.2	-	0.2	-
XOFLUZA	-	-	-	-	-	-	2.4	-
Total of strategic products	6.2	39.9	6.4	42.8	7.3	37.9	8.6	77.1
ACTAIR	0.0	131.4	0.0	50.9	0.0	48.7	0.0	45.0
MULPLETA	0.0	41.4	0.0	33.8	0.0	38.8	0.0	(3.2)
PIRESPA	1.4	(11.6)	1.7	20.8	1.8	18.6	1.5	17.3
OXYCONTIN Franchise	2.4	(8.2)	2.2	(10.5)	2.4	(8.9)	1.7	(14.5)
RAPIACTA	0.1	(57.5)	0.0	(417.7)	1.2	2.3	2.1	30.8
BRIGHTPOC Flu	0.0	3.9	0.1	86.5	0.4	(14.8)	0.6	38.4
GLASHVISTA	0.1	(40.3)	0.1	(78.3)	0.0	(53.8)	0.1	198.5
Total of new products	10.2	14.0	10.5	21.1	13.2	17.5	14.7	43.2
CRESTOR	12.1	5.6	9.9	(5.7)	4.3	(61.3)	3.0	(70.1)
IRBETAN Franchise	3.7	(11.8)	4.0	12.6	4.1	3.2	2.7	(22.2)
Other	11.3	(26.3)	11.4	(30.7)	13.6	(13.4)	10.5	(19.7)
Overseas subsidiaries/Export	6.6	1.2	5.6	(36.1)	5.3	(30.9)	6.2	(2.3)
Shionogi Inc.	3.5	(3.9)	2.6	(53.1)	2.3	(51.0)	2.2	(44.6)
Osphena	1.1	(5.6)	0.9	6.4	1.0	(24.9)	0.7	(49.9)
C&O	1.8	20.3	1.6	(1.7)	1.4	12.4	2.1	42.9
Contract manufacturing	3.5	35.4	4.9	75.2	3.4	(1.4)	5.2	55.7
OTC and quasi-drugs	1.6	(7.8)	1.8	4.8	2.3	12.1	1.5	19.6
Royalty income	25.5	16.9	48.3	67.5	44.3	42.6	37.0	8.7
HIV Franchise	18.6	82.3	27.6	49.7	27.8	34.9	29.4	22.5
CRESTOR	5.7	(45.6)	5.6	(17.1)	5.6	(27.8)	5.6	(29.0)
Others	0.6	(8.4)	0.7	11.3	0.8	(95.0)	0.6	(5.8)
Total	75.0	2.5	97.1	18.6	91.2	(10.1)	81.3	(1.3)

Notes: Sales of each merchandise and finished goods are shown on non-consolidated basis.
Total of strategic products in FY2017 include XOFLUZA launched in March 2018.

9-2. Quarterly trend for FY2016 and FY2017 (Consolidated statements of income)

Fiscal year ended March 31, 2017

(Billions of yen)

FY2016	FY2016 1Q actual	Y on Y change %	FY2016 2Q actual	Y on Y change %	FY2016 3Q actual	Y on Y change %	FY2016 4Q actual	Y on Y change %
Net sales	73.2	14.6	81.9	10.1	101.4	15.7	82.4	(2.0)
Cost of sales	27.1 19.8	9.8	23.1 18.9	2.7	20.7 20.9	11.9	22.0 18.1	(7.5)
Gross profit	53.3	16.4	63.0	12.6	80.5	16.8	64.2	(0.4)
SG & A expenses	48.3 35.3	6.1	44.9 36.8	6.3	36.5 37.1	(0.9)	53.2 43.8	13.6
Selling & administrative expenses	22.7	0.2	22.8	(2.8)	23.4	(2.3)	24.2	0.7
R & D expenses	12.6	18.7	14.0	25.3	13.7	1.5	19.6	35.2
Operating income	24.7 18.0	43.9	32.0 26.3	22.7	42.8 43.4	37.8	24.8 20.5	(21.2)
Non-operating income & expenses	(1.4)		(0.8)		5.4		11.6	
Ordinary income	22.8 16.7	14.3	31.1 25.5	26.1	48.1 48.8	53.8	38.9 32.1	(6.6)
Extraordinary income & losses	-		-		-		(0.3)	
Income before income taxes	16.7		25.5		48.8		31.7	
Income taxes and etc.	4.1		6.8		12.5		15.4	
Profit attributable to owners of parent	17.1 12.5	29.8	22.8 18.7	59.1	35.8 36.3	79.2	19.8 16.3	(34.7)

Fiscal year ended March 31, 2018

FY2017	FY2017 1Q actual	Y on Y change %	FY2017 2Q actual	Y on Y change %	FY2017 3Q actual	Y on Y change %	FY2017 4Q actual	Y on Y change %
Net sales	75.0	2.5	97.1	18.6	91.2	(10.1)	81.3	(1.3)
Cost of sales	26.5 19.9	0.5	20.3 19.8	4.6	18.7 17.1	(18.6)	21.1 17.2	(5.1)
Gross profit	55.1	3.3	77.4	22.8	74.1	(7.9)	64.1	(0.2)
SG & A expenses	52.1 39.1	10.8	38.7 37.6	2.3	43.6 39.8	7.3	48.0 39.0	(10.9)
Selling & administrative expenses	22.1	(2.6)	24.5	7.8	24.3	3.8	24.7	2.0
R & D expenses	17.0	34.8	13.1	(6.8)	15.5	13.4	14.4	(26.7)
Operating income	21.3 16.0	(11.4)	40.9 39.8	51.5	37.7 34.4	(20.9)	30.9 25.1	22.7
Non-operating income & expenses	5.1		4.8		5.5		8.1	
Ordinary income	28.1 21.1	26.3	45.8 44.5	74.9	43.7 39.9	(18.3)	40.9 33.2	3.6
Extraordinary income & losses	(0.5)		(0.2)		(0.4)		(0.2)	
Income before income taxes	20.5		44.4		39.5		33.0	
Income taxes and etc.	4.5		10.0		10.1		3.8	
Profit attributable to owners of parent	21.3 16.0	27.7	35.3 34.3	83.9	32.2 29.4	(19.1)	35.8 29.1	78.4

10. Group companies

＜Consolidated affiliated companies ＞

№	Company name	Location	Common stock	Business status	Establish	Closing date	Ownership (%)
1	Shionogi Healthcare Co., Ltd.	Osaka, Japan	JPY 10 million	Mfg., and sale of OTC and quasi-drugs	January 15, 2016	March 31	100
2	Shionogi Pharma Chemicals Co., Ltd.	Tokushima, Japan	JPY 200 million	Mfg. of pharmaceutical raw materials	August 24, 1976	March 31	100
3	Shionogi Techno Advance Research Co., Ltd.	Osaka, Japan	JPY 9 million	Contract support services for experimental research	September 8, 2010	March 31	100
4	Shionogi Analysis Center Co., Ltd.	Osaka, Japan	JPY 10 million	Contract testing and analysis on medicine	December 21, 2007	March 31	100
5	Shionogi Administration Service Co., Ltd.	Osaka, Japan	JPY 10 million	Real estate rental and shared services	November 2, 1992	March 31	100
6	Shionogi Career Development Center Co., Ltd.	Osaka, Japan	JPY 10 million	Career development support to the group companies	April 3, 2017	March 31	100
7	Shionogi Digital Science Co., Ltd.	Osaka, Japan	JPY 10 million	ICT solution service to the group companies	April 3, 2017	March 31	100
8	Shionogi Business Partner Co., Ltd.	Osaka, Japan	JPY 10 million	Insurance agency and shared services	April 3, 2017	March 31	100
9	Shionogi Pharmacovigilance Center Co.,Ltd.	Osaka, Japan	JPY 10 million	Pharmacovigilance activity for the group companies	April 3, 2017	March 31	100
10	Shionogi Marketing Solutions Co., Ltd.	Osaka, Japan	JPY 10 million	Market research,Making of the sales promotion materials, Support of the Sales department	April 3, 2017	March 31	100
11	Shionogi Inc.	New Jersey, U.S.A.	USD 12	Mfg.,sale and development of pharmaceuticals	August 25, 2008	March 31	100
12	Shionogi Ltd.	London, U.K.	GBP 700 thousand	Mfg.,sale and development of pharmaceuticals	February 10, 2012	March 31	100
13	C&O Pharmaceutical Technology (Holdings) Limited	Shenzhen, China	HKD 165,840 thousand	Mfg.,sale and development of pharmaceuticals	July 28, 2003	December 31	71
14	Taiwan Shionogi & Co., Ltd.	Taipei, Taiwan, R.O.C.	TWD 92 million	Mfg. and sale of pharmaceuticals	December 26, 1963	March 31	100
15	Beijing Shionogi Pharmaceutical Technology Limited	Beijing, China	JPY 30 million	Support services for sales	March 29, 2013	December 31	100
16	Shionogi Singapore Pte. Ltd.	Singapore	SGD 9 million	Development of pharmaceuticals	December 30, 2013	March 31	100

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

11. Pipeline (as of May 2018)

Areas	Code No. (Generic name) [Product name]	Category (Administration)	Indication	Stage	Origin	Development
Infectious disease	S-649266 (Cefiderocol Tosilate Sulfate Hydrate)	Cephem antibiotic (injection)	Multidrug-resistant Gram -negative bacterial infections	Global: Phase III USA: NDA submission (in preparation)	In-house	In-house
	S-033188 (baloxavir marboxil) [Xofluza™]	Anti-influenza virus infection (oral)	Influenza virus infection	Japan: Approval (Feb.2018) USA: NDA submission (in preparation) Global: Phase III	In-house	Shionogi/Roche (Switzerland)
	S-033188 (baloxavir marboxil) [Xofluza™]	Anti-influenza virus infection (oral)	Influenza virus infection (pediatric)	Japan: Approval (Feb.2018)	In-house	Shionogi/Roche (Switzerland)
	S-033188 (baloxavir marboxil) [Xofluza™]	Anti-influenza virus infection (oral, granule)	Influenza virus infection	Japan: NDA (Apr. 2018)	In-house	Shionogi/Roche (Switzerland)
Pain/CNS	S-297995 (naldemedine tosilate) [Symproic®]	Peripheral opioid receptor antagonist (oral)	Opioid-induced constipation	USA, Japan: Approval (Mar.2017) Europe:MAA submission(Mar.2017)	In-house	In-house
	S-877489 (lisdexamfetamine mesilate)	DA and NE reuptake inhibitor/releaser of DA, NE (oral)	ADHD (pediatric)	Japan: NDA submission (Apr.2017)	Shire (Ireland)	Shionogi/Shire
	S-877503 (guanfacine hydrochloride) [Intuniv®]	Alpha-2A-adrenergic receptor agonist (oral)	ADHD (adult)	Japan: Phase III	Shire (Ireland)	Shionogi/Shire
	S-120083	Analgesic agent for inflammatory pain (oral)	Inflammatory pain	Japan: Phase I USA: Phase II	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-117957	Agent for insomnia (oral)	Insomnia	USA: Phase I	Shionogi/Purdue Pharma L.P. (USA)	Shionogi/Purdue Pharma L.P.
	S-600918	Analgesic agent for neuropathic pain (oral)	Neuropathic pain	Japan: Phase I	In-house	In-house
	S-637880	Analgesic agent for neuropathic pain (oral)	Neuropathic pain	Japan: Phase I	In-house	In-house
	LY248686 (duloxetine hydrochloride) [Cymbalta®]	SNRI (Serotonin–norepinephrine reuptake inhibitors) (oral)	Depression (pediatric)	Japan: Phase III	Eli Lilly (USA)	Shionogi/Eli Lilly Japan K.K.
Metabolic disorder	S-237648	Neuropeptide Y Y5 receptor antagonist (oral)	Obesity	Japan: Phase II USA: Phase I	In-house	In-house
	S-707106	Insulin sensitizer (oral)	Type 2 diabetes	USA: Phase IIa	In-house	In-house
Frontier	S-888711 (lusutrombopag) [Japan: Mulpleta®]	Thrombopoetin (TPO) receptor agonist (oral)	Thrombocytopenia associated with chronic liver disease	Japan: Approval (Sep.2015) USA: NDA submission (Dec.2017) Europe:MAA submission(Jan.2018)	In-house	In-house
	S-524101 [Actair®]	Sublingual tablet of house -dust mite allergen extracts for immunotherapy (sublingual)	Pediatric patients with perennial allergic rhinitis caused by HDM	Japan: Approval (Feb, 2018)	Stallergenes (France)	In-house
	S-588410	Cancer peptide vaccine (injection)	Esophageal cancer	Japan: Phase III	OncoTherapy Science, Inc. (Japan)	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 (sublingual)	Allergic rhinitis caused by Japanese cedar allergen	Japan: Phase II	Stallergenes (France)	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 (epertinib)	HER2/EGFR dual inhibitor (oral)	Malignant tumor	Europe: Phase I/II	In-house	In-house
	S-770108	Anti-fibrosis (inhalation)	Idiopathic pulmonary fibrosis	Japan: Phase I	In-house	In-house

<Out-Licensing Activity>

Code No. (Generic name) [Product name]	Category (Administration)	Indication	Stage	Origin	Development
S/GSK1349572 (dolutegravir)	Integrase inhibitor (oral)	For the treatment of HIV infection	USA: Approved (Nov.2017) Europe:MAA submission (Jun.2017) (DTG/rilpivirine 2-drug fixed dose combination tablet) Global: Phase III (DTG/3TC for naïve patients, for maintenance therapy)	Shionogi-ViiV Healthcare LLC	Viiv Healthcare Ltd. (UK)
S/GSK1265744 LAP* (cabotegravir)	Integrase inhibitor (injection)	For the treatment and prevention for HIV infection	Global: Phase III (treatment) Global: Phase III (prevention)	Shionogi-ViiV Healthcare LLC	ViiV Healthcare Ltd. (UK) for treatment Collaboration among ViiV, HPTN, NIAID and Gilead Sciences, Inc. (USA) for prevention
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	Global: Phase II/III	In-house	Janssen Pharmaceuticals, Inc. (USA)
Ospemifene [USA: Osphena®]	Selective estrogen receptor modulator (oral)	Vaginal dryness associated with postmenopausal VVA	USA: NDA submission (Mar.2018)	QuatRx (USA)	Duchesnay(Canada)

*: 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: NDA submission (Nov.2016)	Napp Pharmaceuticals Limited (UK)	In-house

Since February 2018

Change of phase	S-033188: Japan: NDA submission(Oct.2017)→Japan: Approval(Feb.2018)
	S-033188(pediatric): Japan: NDA submission(Oct.2017)→Japan: Approval(Feb.2018)
	S-033188(granule): Japan: Phase III→Japan: Approval(Apr.2018)
	S-524101 : Japan: NDA submission(Mar.2017)→Japan: Approval(Feb.2018)
	Ospemifene:USA: Phase III→NDA submission(Mar.2018)
Compound added to the list	S-637880: Japan: Phase I