Supplemental material for financial results for the 1st quarter of fiscal year 2018

July 30, 2018
Shionogi & Co., Ltd.

1. Sales of Segments

(Billions of yen)

	FY2018 1H forecast	FY2018 forecast	FY2018 1Q actual	FY2017 1Q actual	change	Progress% vs. 2018 1H forecast
Prescription drugs	52.3	119.3	25.4	37.3	(11.9)	48.6
change %	*(28.5)*	*(14.3)*	*(31.9)*	*(6.6)*		
CYMBALTA	12.1	26.0	6.1	5.8	0.4	50.3
INTUNIV	1.9	5.0	1.1	0.4	0.8	57.3
XOFLUZA	1.3	13.0	0.0	—	0.0	2.6
RAPIACTA	0.1	1.1	0.0	0.1	(0.0)	22.3
BRIGHTPOC Flu	0.1	1.1	0.0	0.0	(0.0)	4.5
OXYCONTIN Franchise	4.2	9.1	2.0	2.4	(0.4)	47.3
SYMPROIC	0.5	1.2	0.3	0.0	0.3	65.0
Total of strategic products	20.3	56.4	9.6	8.6	1.0	47.3
ACTAIR	0.1	0.2	0.0	0.0	0.0	68.2
MULPLETA	0.1	0.2	0.0	0.0	0.0	39.9
PIRESPA	3.1	6.0	1.4	1.4	(0.1)	44.7
Total of new products	23.5	62.8	11.0	10.1	0.9	47.0
CRESTOR	5.3	9.7	2.6	12.1	(9.4)	49.6
IRBETAN Franchise	3.6	6.4	1.9	3.7	(1.8)	53.8
Other	19.9	40.4	9.8	11.4	(1.6)	49.2
Overseas subsidiaries/Export	15.1	31.3	9.9	6.6	3.3	65.3
change %	*24.0*	*32.5*	*49.3*	*1.2*		
Shionogi Inc.	6.5	12.4	6.1	3.5	2.6	93.1
Osphena	2.1	4.1	0.8	1.1	(0.4)	36.7
C&O	5.8	12.4	2.3	1.8	0.6	40.4
Contract manufacturing	5.6	12.1	2.8	3.5	(0.7)	50.1
change %	*(34.0)*	*(28.7)*	*(20.5)*	*35.4*		
OTC and quasi-drugs	3.4	7.4	1.6	1.6	0.0	46.7
change %	*1.2*	*1.7*	*1.3*	*(7.8)*		
Royalty income	90.3	175.5	48.3	25.5	22.8	53.5
change %	*22.4*	*13.2*	*89.7*	*16.9*		
HIV Franchise	58.7	124.9	24.5	18.6	5.8	41.7
CRESTOR	10.6	21.1	5.5	5.7	(0.2)	51.9
Other	21.0	29.5	18.3	1.1	17.2	87.2
Others	1.3	2.5	0.6	0.6	0.0	45.9
change %	*2.6*	*(4.5)*	*1.8*	*(8.4)*		
Total	168.0	348.0	88.5	75.0	13.5	52.7
change %	*(2.4)*	*1.0*	*18.0*	*2.5*		

Note: Change % shows changes from the same period of the previous fiscal year
Sales of prescription drugs are shown on non-consolidated basis.
The forecast announced on July 23, 2018.

2 - 1. Quarterly trend for FY2017 and FY2018 (Sales of main merchandise and finished goods)

Fiscal year ended March 31, 2018

(Billions of yen)

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)

Fiscal year ending March 31, 2019

FY2018	FY2018 1Q actual	Y on Y change%
Prescription drugs	25.4	(31.9)
CYMBALTA	6.1	6.1
INTUNIV	1.1	209.9
XOFLUZA	0.0	—
RAPIACTA	0.0	(76.4)
BRIGHTPOC Flu	0.0	(90.5)
OXYCONTIN Franchise	2.0	(15.2)
SYMPROIC	0.3	526.3
Total of strategic products	9.6	11.0
ACTAIR	0.0	47.4
MULPLETA	0.0	0.6
PIRESPA	1.4	(5.1)
Total of new products	11.0	8.8
CRESTOR	2.6	(78.1)
IRBETAN Franchise	1.9	(48.5)
Other	9.8	(13.8)
Overseas subsidiaries/Export	9.9	49.3
Shionogi Inc.	6.1	75.7
Osphena	0.8	(32.7)
C&O	2.3	31.0
Contract manufacturing	2.8	(20.5)
OTC and quasi-drugs	1.6	1.3
Royalty income	48.3	89.7
HIV Franchise	24.5	31.4
CRESTOR	5.5	(4.3)
Others	18.3	—
Others	0.6	1.8
Total	88.5	18.0

Note: Sales of prescription drugs are shown on non-consolidated basis.

2 - 2. Quarterly trend for FY2017 and FY2018 (Consolidated statements of income)

Fiscal year ended March 31, 2018

(Billions of yen)

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**

Fiscal year ending March 31, 2019

FY2018	FY2018 1Q actual	Y on Y change %
Net sales	**88.5**	**18.0**
Cost of sales	13.5 11.9	(40.2)
Gross profit	76.6	39.0
SG & A expenses	55.3 49.0	25.2
Selling & administrative expenses	24.3	9.7
R & D expenses	24.7	45.3
Operating income	**31.2** **27.6**	**72.9**
Non-operating income & expenses	10.3	
Ordinary income	**42.9** **37.9**	**80.1**
Extraordinary income & losses	2.1	
Income before income taxes	40.1	
Income taxes and etc.	8.2	
Profit attributable to owners of parent	**36.0** **31.9**	**99.2**

3. Pipeline (as of July 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) [Japan:Xofluza®]	Anti-influenza virus infection (oral)	Influenza virus infection	Japan: Approval (Feb.2018) USA: NDA (Apr. 2018) Taiwan: NDA (Jun. 2018) Global: Phase III	In-house	Shionogi/Roche (Switzerland)
	S-033188 (baloxavir marboxil) [Japan: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-600918	Antitussive agent (oral)	Refractory/unexpected chronic cough	Japan: Phase II	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-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

Areas	Code No. (Generic name) [Product name]	Category (Administration)	Indication	Stage	Origin	Development
Frontier	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
	SR-0379	Cutaneous ulcer (topical)	Cutaneous ulcer (Pressure ulcer, Diabetic ulcer)	Japan: Phase II	FunPep (Japan)	In-house
	S-005151	Stroke (injection)	Stroke	Japan: Phase I	StemRIM (Japan)	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	(DTG/rilpivirine 2-drug fixed dose combination tablet) USA: Approved (Nov.2017) Europe: Approved (May.2018) (DTG/3TC 2-drug fixed dose combination tablet for naïve patients) Global: Phase III (DTG+3TC 2-drug fixed dose combination tablet for maintenance therapy) Global: Phase III	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)
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) Japan: Phase III	Napp Pharmaceuticals Limited (UK)	In-house

Since May 2018

Change of phase	S-033188:USA: NDA submission(in preparation), Global: Phase III →USA: NDA submission(Apr.2018), Taiwan: NDA submission(Jun.2018), Global: Phase III
	S/GSK1349572 (DTG/rilpivirine 2-drug fixed dose combination tablet): Europe:MAA submission(Jun.2017)→Europe: Approved (May.2018) S/GSK1349572 (DTG/3TC 2-drug fixed dose combination tablet for maintenance therapy) :Global:Phase III
	Oxycodone hydrochloride hydrate:Japan: NDA submission(Nov.2016)→Japan: NDA submission(Nov.2016), Japan:Phase III
Compound added to the list	S-600918(Refractory/unexpected chronic cough) : Japan: Phase II
	SR-0379: Japan: Phase II
	S-005151: Japan: Phase I
Compound erased from the list	S-033188(pediatric): Approval(Feb.2018)
	S-524101: Approval(Feb.2018)
	Janssen/Shionogi BACE inhibitor: Stop development(Jul.2018)