SHIONOGI 140th Anniversary

S-O-N-G for you!

1st Half of Fiscal 2018 Financial Results

October 29, 2018

Isao Teshirogi, Ph.D.
President and CEO

SHIONOGI

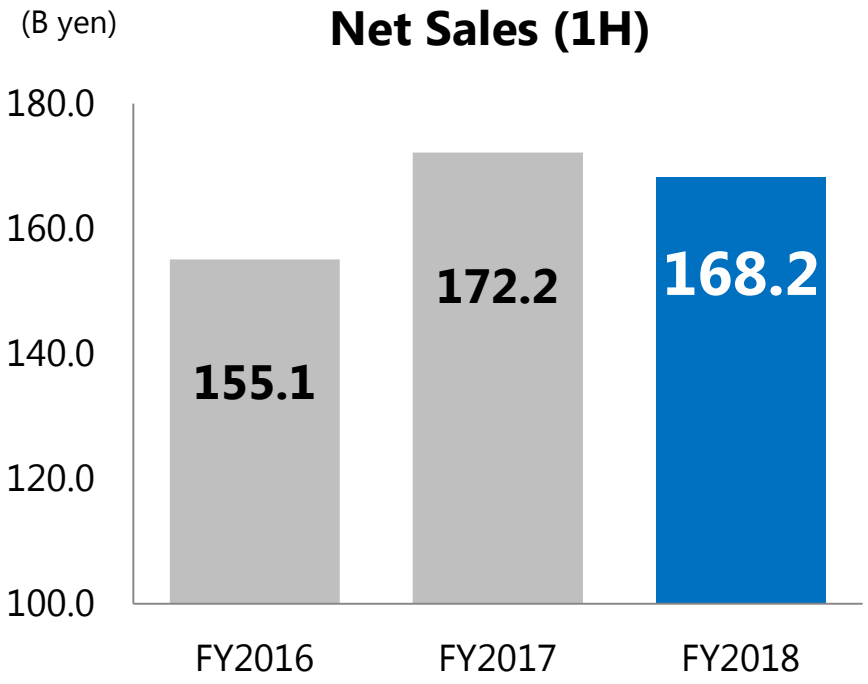
Agenda

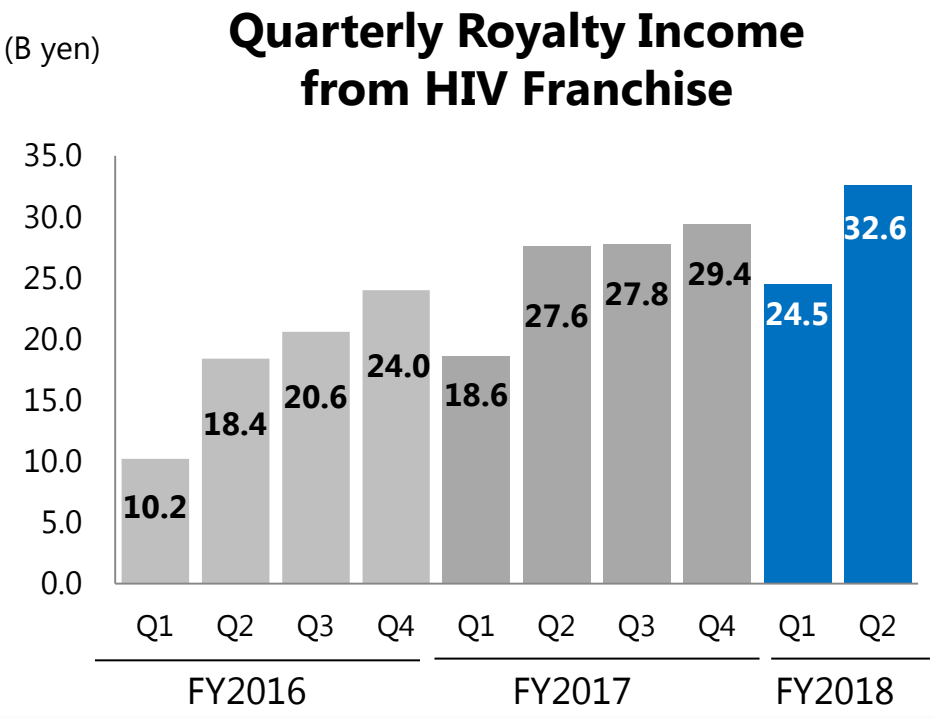
1. 1st Half FY2018 Financial Results (P.3-11)
2. FY2018 Financial Forecasts (P.12-17)
3. Shareholder Return (P.18-19)

1. 1st Half FY2018 Financial Results

Highlight (1): Top-line Growth vs Forecasts

- Net Sales : **168.2 B yen** (-2.3%, vs. 1H FY2017 +0.1% vs. 1H Forecasts*)
- Royalty Income: **57.1 B yen** (+23.5% vs. 1H FY2017)
  from HIV franchise



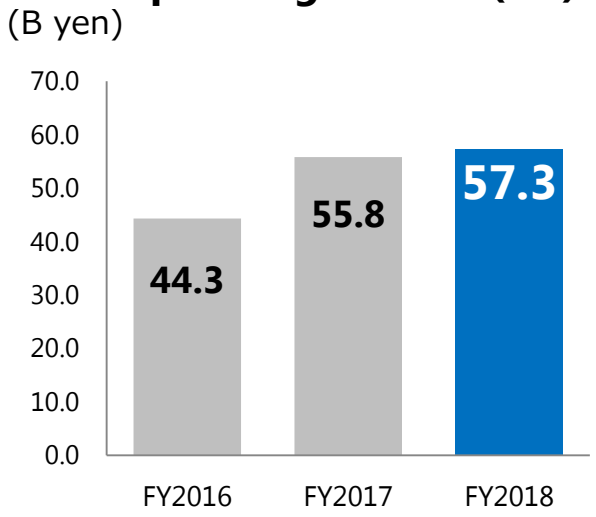


* Forecasts revised on Jul 23, 2018

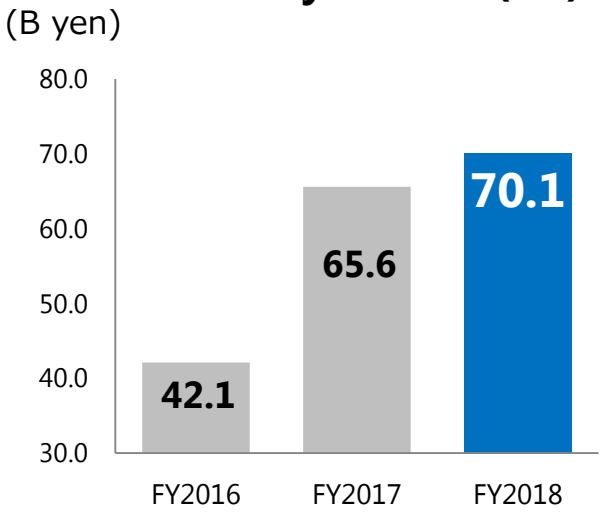
Highlight (2): All Profit Measures were Higher Than the Levels Achieved in Prior Years

- Operating income: **57.3 B yen** vs 1H FY2017 (+2.8%) — **Record-high levels for 4 consecutive years**
- Ordinary income: **70.1 B yen** vs 1H FY2017 (+6.8%) — **Record-high levels for 7 consecutive years**
- Profit attributable to owners of parent: **57.9 B yen** vs 1H FY2017 (+15.0%) — **Record-high levels for 4 consecutive years**

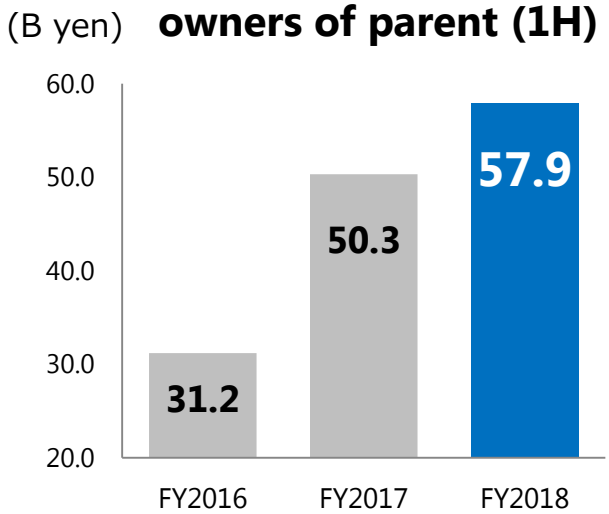
Operating income (1H)



Ordinary income (1H)



Profit attributable to owners of parent (1H)



Financial Results (Consolidated)

(Unit: B yen)

	FY2018				FY2017	Y on Y	
	Full year forecasts*	1H forecasts**	1H results	Progress vs 1H forecasts	1H results	Change (%)	Change (B yen)
Sales	**348.0**	**168.0**	**168.2**	**100.1%**	172.2	**(2.3)**	**(4.0)**
Operating income	**120.0**	**48.0**	**57.3**	**119.4%**	55.8	**2.8**	**1.5**
Ordinary income	**144.0**	**61.0**	**70.1**	**114.9%**	65.6	**6.8**	**4.5**
Profit attributable to owners of parent	**114.5**	**48.6**	**57.9**	**119.1%**	50.3	**15.0**	**7.6**

- **Sales and each profit measure are progressing smoothly toward 1H forecasts****
- **Operating income increased from the previous year, though it had been forecast to decrease**
- **Each profit measure was higher than the levels achieved in prior 1H results**

Exchange Rate (average)	FY2018 Forecasts	FY2018 1H Results
USD ($) – JPY (¥)	**105.0**	**110.27**
GBP (£) – JPY (¥)	**145.0**	**146.84**
EUR (€) – JPY (¥)	**130.0**	**129.80**

*Forecasts announced on Jul 23, 2018 (Revision was announced on Oct 29, 2018)
** Forecasts revised on Jul 23, 2018

Statement of Income

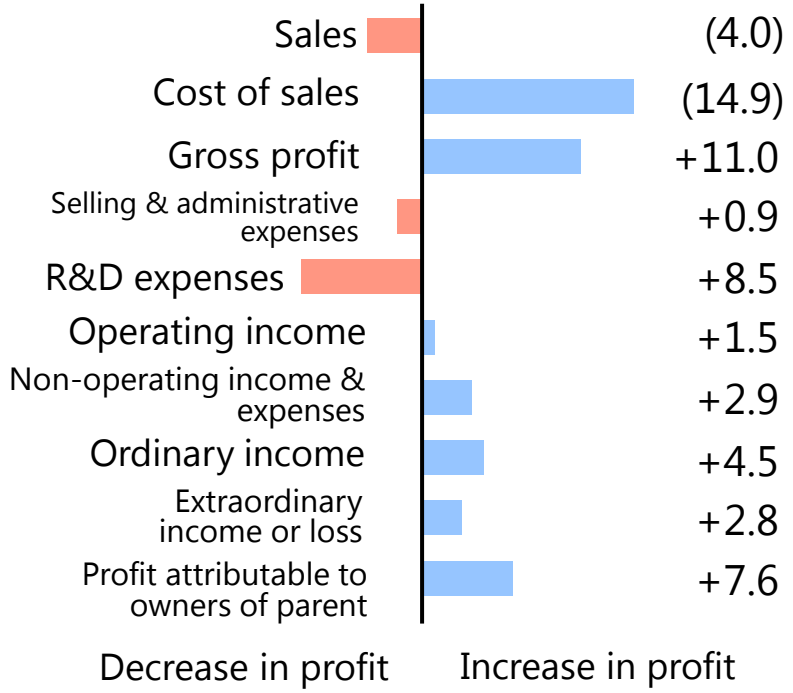
(Unit: B yen)

	FY2018 Forecasts Full year*	FY2018 Forecasts 1H**	FY2018 1H results	Achievement (%)	FY2017 1H results	Y on Y Change (%)	Y on Y Change (B yen)
Sales	**348.0**	**168.0**	**168.2**	100.1	172.2	(2.3)	(4.0)
	16.5	15.8	14.7		23.0		
Cost of sales	**57.5**	**26.5**	**24.7**	93.3	39.7	(37.7)	(14.9)
Gross profit	**290.5**	**141.5**	**143.5**	101.4	132.5	8.3	11.0
	49.0	55.7	51.2		44.6		
SG&A expenses	**170.5**	**93.5**	**86.2**	92.2	76.7	12.3	9.4
Selling & administrative expenses	29.3 **102.0**	31.0 **52.0**	28.3 **47.5**	91.4	27.1 46.6	1.9	0.9
	19.7	24.7	23.0		17.5		
R&D expenses	**68.5**	**41.5**	**38.6**	93.1	30.1	28.4	8.5
Ordinary R&D expenses***	**48.5**	**26.5**	**25.6**	96.6	30.1	(15.0)	(4.5)
Strategic investment	**20.0**	**15.0**	**13.1**	87.0	-	-	13.1
	34.5	28.6	34.1		32.4		
Operating income	**120.0**	**48.0**	**57.3**	119.4	55.8	2.8	1.5
Non-operating income & expenses	**24.0**	**13.0**	**12.8**	98.3	9.8	29.9	2.9
	41.4	36.3	41.7		38.1		
Ordinary income	**144.0**	**61.0**	**70.1**	114.9	65.6	6.8	4.5
Profit attributable to owners of parent	**114.5**	**48.6**	**57.9**	119.1	50.3	15.0	7.6

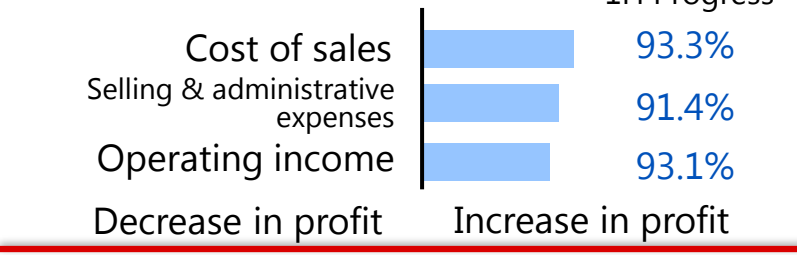
*Forecasts announced on Jul 23, 2018 (Revision was announced on Oct 29, 2018)
** Forecasts revised on Jul 23, 2018
*** Ordinary R&D expenses: Total R&D expenses excluding strategic investment

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

- **Y on Y comparison** (Unit: B yen)



- **Progress vs 1H Forecasts***



Main Variation Factors (Y on Y)

- **Sales**
  - Increase in royalty income for HIV franchise
  - Income from Roche for Xofluza®
  - One-time payment from Purdue for the termination of the prior alliance for Symproic®
  - Decrease in sales of prescription drugs in Japan
- **Cost of sales**
  - Japan business: sales decline and changes in the lineup of major products
- **SG & A expenses**
  - **Selling & administrative expenses**
    - › Investment in new products (preparation for launch etc.)
    - › Upfront investment in IT
  - **R&D expenses**
    - › Ordinary R&D expenses: decreased due to early completion of Xofluza® HR study
    - › Strategic investment: net increase (13.1 B yen)
- **Non-operating income & expenses**
  - Increase in ordinary dividend due to sales growth of HIV franchise plus impact of one-time change
- **Extraordinary income or loss**
  - Sale of the Nanjing factory of C&O in China

Main Variation Factors (vs 1H Forecasts*)

- **Cost of sales**
  - Sales decline and changes in the lineup of major products
- **SG&A expenses**
  - Termination of a contract with Purdue regarding Symproic®
- **R&D expenses**
  - Decrease in strategic investment by negotiating contract

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* Forecasts revised on Jul 23, 2018

** HR: High risk(patients at high risk for influenza-related complications)

Sales by Segment

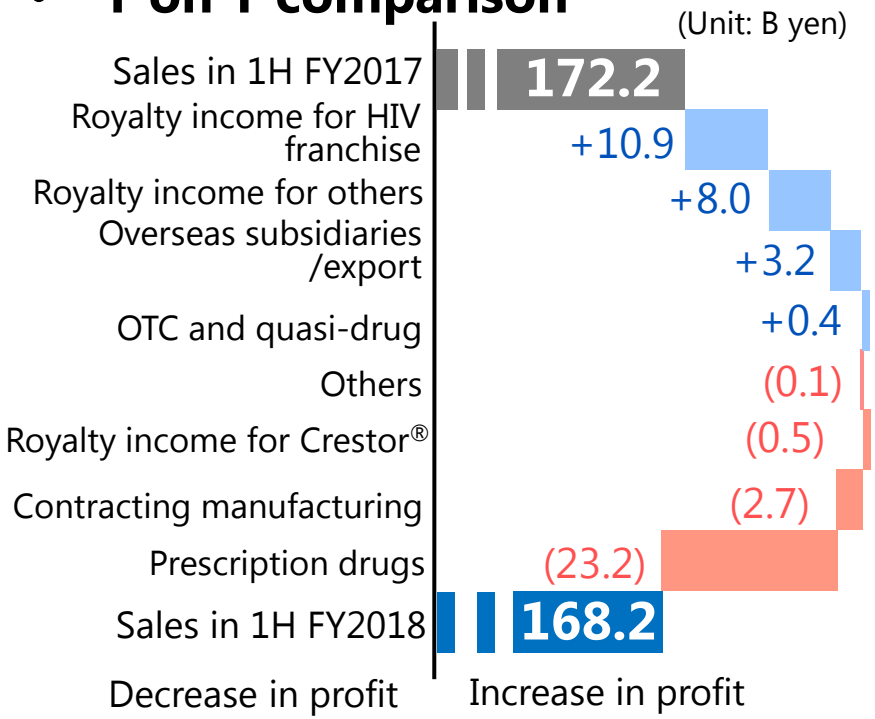
(Unit: B yen)

	FY2018				FY2017	Y on Y	
	Forecasts		1H results	Achievement (%)	1H results	Change (%)	Change (B yen)
	Full year*	1H**					
Prescription drugs	**119.3**	**52.3**	**50.0**	95.5	73.2	(31.7)	(23.2)
Overseas subsidiaries/export	**31.3**	**15.1**	**15.4**	101.8	12.2	26.2	3.2
Shionogi Inc.	**12.4**	**6.5**	**7.4**	112.9	6.0	22.3	1.3
Osphena®	**4.1**	**2.1**	**1.4**	69.3	2.0	(27.8)	(0.6)
C&O	**12.4**	**5.8**	**5.0**	86.7	3.4	49.0	1.6
Contract manufacturing	**12.1**	**5.6**	**5.7**	103.1	8.4	(31.9)	(2.7)
OTC and quasi-drug	**7.4**	**3.4**	**3.8**	111.0	3.4	12.3	0.4
Royalty income	**175.5**	**90.3**	**92.2**	102.1	73.8	24.9	18.4
HIV franchise	**124.9**	**58.7**	**57.1**	97.2	46.2	23.5	10.9
Crestor®	**21.1**	**10.6**	**10.9**	102.8	11.4	(4.1)	(0.5)
Others	**29.5**	**21.0**	**24.2**	115.2	16.2	49.2	8.0
Others	**2.5**	**1.3**	**1.1**	90.6	1.2	(7.0)	(0.1)
Total	**348.0**	**168.0**	**168.2**	**100.1**	**172.2**	**(2.3)**	**(4.0)**

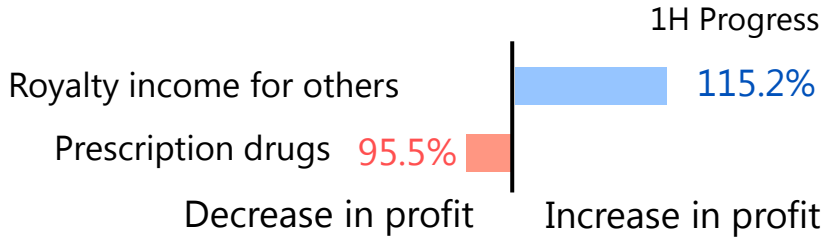
*Forecasts announced on Jul 23, 2018 (Revision was announced on Oct 29, 2018)
** Forecasts revised on Jul 23, 2018

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

- **Y on Y comparison**



- **Progress vs 1H Forecasts***



Main Variation Factors (Y on Y)

- **Royalty income**
  - Sales growth of HIV franchise
  - Income from Roche for Xofluza®
- **Overseas subsidiaries/export**
  - **US business**
    - One-time payment from Purdue for the termination of the prior alliance for Symproic®
    - Decrease in royalty income from an authorized generic
- **Prescription drugs**
  - Sales growth of strategic products
  - Sales decrease of Crestor® and Irbetan® due to share capture by generic competitors
  - Sales decrease due to NHI price revision

Main Variation Factors (vs 1H forecasts*)

- **Royalty income (Others)**
  - Income from Roche for Xofluza®
- **Prescription drugs in Japan**
  - Xofluza®: The influenza outbreak was brought under control promptly
  - Other prescription drugs: Sales decrease due to share capture of generic drugs

* Forecasts revised on Jul 23, 2018

Sales of Prescription Drugs in Japan

(Unit: B yen)

	FY2018				FY2017	Y on Y	
	Forecasts		1H results	Achievement (%)	1H results	Change (%)	Change (B yen)
	Full year*	1H**					
Cymbalta®	26.0	12.1	11.9	98.4	11.7	1.9	0.2
Intuniv®	5.0	1.9	2.4	123.0	0.69	246	1.7
Xofluza®	13.0	1.3	0.46	35.8	-	-	0.5
Rapiacta®	1.1	0.06	0.01	11.4	0.07	(91.2)	(0.1)
Brightpoc® Flu	1.1	0.11	0.23	221.3	0.14	73.2	0.1
OxyContin® franchise	9.1	4.2	3.8	90.1	4.6	(16.0)	(0.7)
Symproic®	1.2	0.48	0.72	150.5	0.16	339	0.6
Total of strategic products	56.4	20.3	19.6	96.6	17.3	12.9	2.2
Actair®	0.15	0.06	0.09	144.8	0.06	55.4	0
Mulpleta®	0.23	0.12	0.08	69.2	0.08	1.6	0
Pirespa®	6.0	3.1	2.9	93.7	3.1	(8.0)	(0.2)
Total of new products	62.8	23.5	22.6	96.2	20.6	9.8	2.0
Crestor®	9.7	5.3	5.2	97.0	22.0	(76.5)	(16.8)
Irbetan® franchise	6.4	3.6	3.1	86.1	7.8	(60.4)	(4.7)
Others	40.4	19.9	19.1	96.0	22.9	(16.2)	(3.7)
Prescription drugs	**119.3**	**52.3**	**50.0**	**95.5**	**73.2**	**(31.7)**	**(23.2)**

*Forecasts announced on Jul 23, 2018 (Revision was announced on Oct 29, 2018)
** Forecasts revised on Jul 23, 2018

2. FY2018 Financial Forecasts

Major Factors Driving Forecast Changes Since the Beginning of FY2018

Announced on Jul 23, 2018

- **Acceleration of Xofluza™ HR* study completion**
  - Prospect for income from Roche to be received ahead of schedule(2H → 2Q)
  - Increase in R&D expenses (1H)
- **US business**
  - Income from Purdue for the termination of the prior alliance for the co-commercialization of Symproic® in US
  - Decrease in royalty income from an authorized generic
- **HIV franchise: Increase in dividend from ViiV, including one-time event (1Q)**

Revised on Oct 29, 2018

- **Xofluza™ was approved in the U.S. on Oct 24, 2018 ahead of schedule**
  - Income from Roche and export to the U.S. is planned to come in ahead of schedule
- **Increase in selling expenses to strengthen domestic and overseas sales**
  - Japan: Additional investment to promote new products
  - Overseas: Additional investment to promote Symproic®
- **Increase in ordinary R&D expenses: Additional investment in prioritized pipelines**

Revise upward forecasts for the full year with increases in sales and profit to the level exceeding the revised forecasts in 1Q FY2018, in parallel with strengthening sales force for new products and expanding investment in the next growth-drivers

* HR: High risk(patients at high risk for influenza-related complications)

Upward Revision of Forecasts
(Announced on Oct 29, 2018)

(Unit: B yen)

	FY2018 Forecasts				FY2017	Y on Y	
	Original (May 9)	Revised (Jul 23)	Revised (Oct 29)	Change* (B yen)	Results	Change (%)	Change (B yen)
Sales	346.5	348.0	354.0	6.0	344.7	2.7	9.3
Operating income	119.0	120.0	124.5	4.5	115.2	8.1	9.3
Ordinary income	140.0	144.0	148.5	4.5	138.7	7.1	9.8
Profit attributable to owners of parent	111.0	114.5	118.5	4.0	108.9	8.8	9.6

Increase in sales and profit over the forecasts revised in 1Q FY2018

◆ Y on Y change (B yen)

- Sales: 3.3 → 9.3
- Ordinary income: 5.3 → 9.8
- Operating income: 4.8 → 9.3
- Net Profit: 5.6 → 9.6

Exchange rate (average)	FY2018 forecasts	1H FY2018 results
USD ($) – JPY (¥)	105.0	110.27
GBP (£) – JPY (¥)	145.0	146.84
EUR (€) – JPY(¥)	130.0	129.80

*Difference between forecasts announced on Oct 29, 2018 and forecasts announced on Jul 23, 2018

Revision of Statement of Income

(Unit: B yen)

	FY2018 Forecasts				FY2017	Y on Y	
	Original (May 9)	Revised (Jul 23)	Revised (Oct 29)	Change*	Results	Change (%)	Change (B yen)
Sales	346.5	348.0	**354.0**	**6.0**	344.7	**2.7**	**9.3**
	16.7	16.5	**16.1**		21.4		
Cost of sales	58.0	57.5	**57.0**	**(0.5)**	73.9	**(22.9)**	**(16.9)**
Gross profit	288.5	290.5	**297.0**	**6.5**	270.8	**9.7**	**26.2**
	48.9	49.0	**48.7**		45.1		
SG&A expenses	169.5	170.5	**172.5**	**2.0**	155.5	**10.9**	**17.0**
	29.6	29.3	**29.4**		27.7		
Selling & administrative expenses	102.5	102.0	**104.0**	**2.0**	95.6	**8.8**	**8.4**
	19.3	19.7	**19.4**		17.4		
R&D expenses	67.0	68.5	68.5	0	59.9	14.3	8.6
Ordinary R&D expenses**	47.0	48.5	**50.4**	**1.9**	59.9	**(15.9)**	**(9.5)**
Strategic investment	20.0	20.0	**18.1**	**(1.9)**	-	**-**	**18.1**
	34.3	34.5	**35.2**		33.4		
Operating income	119.0	120.0	**124.5**	**4.5**	115.2	**8.1**	**9.3**
Non-operating income & expenses	21.0	24.0	24.0	0	23.5	2.2	0.5
	40.4	414	**41.9**		40.2		
Ordinary income	140.0	144.0	**148.5**	**4.5**	138.7	**7.1**	**9.8**
Profit attributable to owners of parent	111.0	114.5	**118.5**	**4.0**	108.9	**8.8**	**9.6**

*Difference between forecasts announced on Oct 29, 2018 and forecasts announced on Jul 23, 2018

** Ordinary R&D expenses: Total R&D expenses excluding strategic investment

Revision of Sales by Segment

(Unit: B yen)

	FY2018 Forecasts				FY2017	Y on Y	
	Original (May 9)	Revised (Jul 23)	Revised (Oct 29)	Change*	Results	Change (%)	Change (B yen)
Prescription drugs	119.3	119.3	**119.3**	0	139.2	(14.3)	(19.9)
Overseas subsidiaries/export	29.8	31.3	**31.3**	0	23.6	32.5	7.7
Shionogi Inc.	10.9	12.4	**12.4**	0	10.6	17.0	1.8
Osphena®	4.1	4.1	**4.1**	0	3.7	12.0	0.4
C&O	12.4	12.4	**12.4**	0	6.9	80.1	5.5
Contracting manufacturing	12.1	12.1	**12.9**	**0.8**	16.9	**(23.8)**	**(4.0)**
OTC and quasi-drug	7.4	7.4	**7.4**	0	7.2	1.7	0.1
Royalty income	175.5	175.5	**180.6**	**5.2**	155.0	**16.5**	**25.6**
HIV franchise	124.9	124.9	**124.9**	0	103.5	20.7	21.4
Crestor®	21.1	21.1	**21.1**	0	22.6	(6.6)	(1.5)
Others	29.5	29.5	**34.6**	**5.2**	29.0	**19.5**	**5.7**
Others	2.5	2.5	**2.5**	0	2.6	(4.5)	(0.1)
Total	**346.5**	**348.0**	**354.0**	**6.0**	**344.7**	**2.7**	**9.3**

*Difference between forecasts announced on Oct 29, 2018 and forecasts announced on Jul 23, 2018

Revision of Sales Forecasts for Prescription Drugs in Japan

(Unit: B yen)

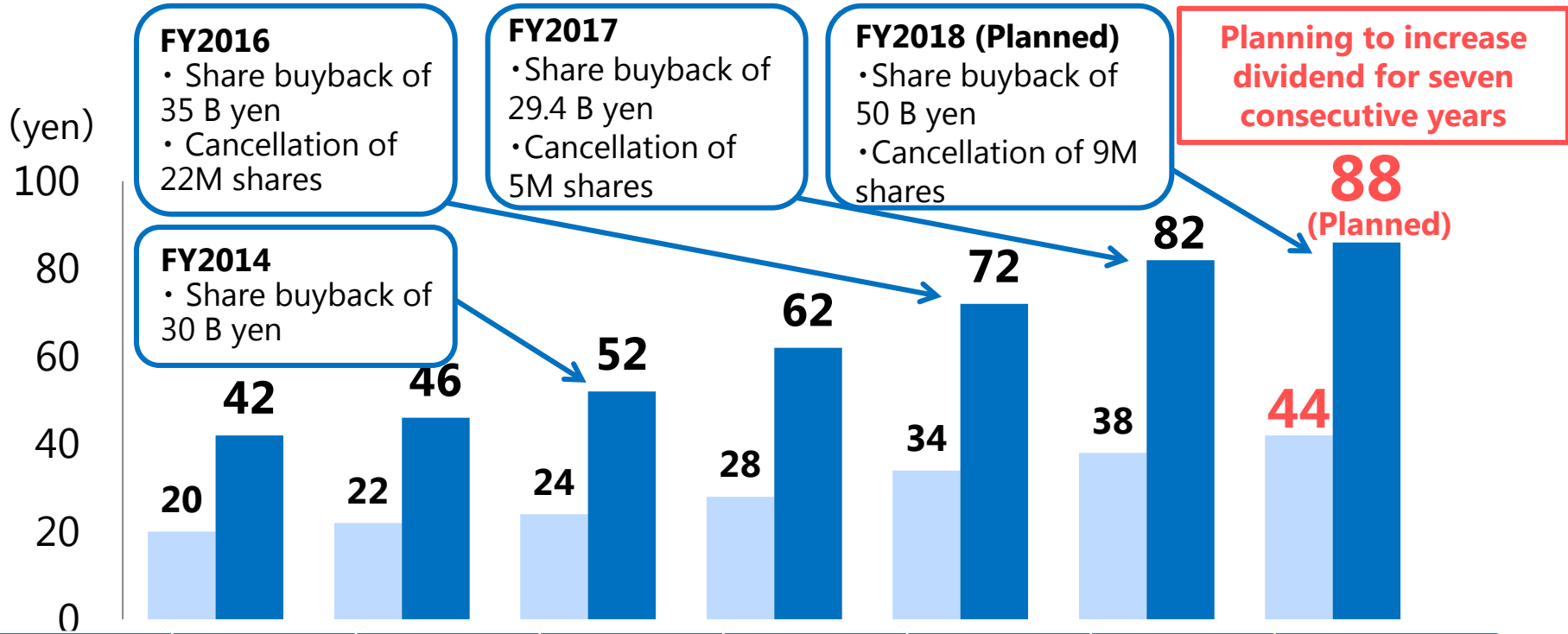
	FY2018 Forecasts						FY2017	Y on Y	
	Full year			2H					
	Revised (Jul 23)	Revised (Oct 29)	Change*	Revised (Jul 23)	Revised (Oct 29)	Change*	Results	Change (%)	Change (B yen)
Cymbalta®	26.0	26.0	0	13.8	**14.0**	**0.2**	23.5	**10.5**	**2.5**
Intuniv®	5.0	**6.1**	**1.1**	3.1	**3.8**	**0.7**	1.9	**223.1**	**4.2**
Xofluza®	13.0	13.0	0	11.7	**12.5**	**0.8**	2.4	**439.1**	**10.6**
Rapiacta®	1.1	1.1	0	1.1	**1.1**	**0**	3.3	**(66.4)**	**(2.2)**
Brightpoc® Flu	1.1	**1.3**	**0.2**	1.0	**1.0**	**0.1**	1.1	**11.8**	**0.1**
OxyContin® franchise	9.1	**8.7**	**(0.4)**	4.8	**4.8**	**0**	8.7	**0**	**0**
Symproic®	1.2	**1.6**	**0.4**	0.69	**0.85**	**0.2**	0.60	**162.5**	**1.0**
Total of strategic products	56.4	**57.7**	**1.3**	36.2	**38.2**	**2.0**	41.6	**38.9**	**16.2**
Actair®	0.15	**0.18**	**0**	0.09	**0.10**	**0**	0.12	**48.3**	**0.1**
Mulpleta®	0.23	**0.19**	**(0)**	0.11	**0.11**	**(0)**	0.16	**19.1**	**0**
Pirespa®	6.0	**5.9**	**(0.1)**	2.9	**3.0**	**0.1**	6.5	**(9.2)**	**(0.6)**
Total of new products	62.8	**64.0**	**1.2**	39.3	**41.4**	**2.1**	48.3	**32.5**	**15.7**
Crestor®	9.7	9.7	0	4.3	**4.5**	**0.2**	29.3	**(67.0)**	**(19.6)**
Irbetan® franchise	6.4	**6.0**	**(0.4)**	2.8	**2.9**	**0.1**	14.6	**(58.8)**	**(8.6)**
Others	40.4	**39.6**	**(0.8)**	20.5	**20.5**	**0**	47.0	**(15.8)**	**(7.4)**
Total	119.3	**119.3**	**0**	67.0	**69.3**	**2.3**	139.2	**(14.3)**	**(19.9)**
Y on Y	(19.9)	**(19.9)**	**-**	0.9	**3.3**	**-**	-	**-**	**-**

*Difference between forecasts announced on Oct 29, 2018 and forecasts announced on Jul 23, 2018

3. Shareholder Return

Shareholder Return Policy

Maximizing corporate value by balancing three key factors
: return to shareholders, investment for further growth, and strategic investment



年度	12	13	14	15	16	17	18
DOE	3.7	3.5	3.7	4.1	4.5	4.6	4.3 (planned)
ROE	17.5	9.2	9.4	13.6	16.3	19.4	18.7 (planned)

Appendix

- Progress of 1st Half FY2018
- Target Milestones for FY2018
- Progress of Pipeline
- Launch Plan
- Share Buyback and Cancellation
- Maximizing Corporate Value Through Group Businesses

Progress in 1H FY2018* (Pipeline)

	Phase I	Phase II	Phase III	Submission	Approval, Launch
Global			**Xofluza™** • HR study top-line results	• Taiwan NDA submission	• US Approval **Mulpleta®** • US Approval, Launch
In Japan	**S-005151** • Start of PhI study (Acute ischemic stroke)	**S-600918** • Start of PhII study (Refractory/unexplained chronic cough) **SR-0379** • Start of PhII study (Cutaneous ulcer)	**OxyContin®TR** • Start of PhIII study (Chronic pain) **Xofluza®** • Start PhIII study (prophylaxis)	**Intuniv®** • NDA submission (adult)	**Brightpoc® Flu·Neo** • Approval, Launch **Xofluza®** • Approval (granule product)
Out-licensed			**DTG/3TC** • PhIII study top-line results (GEMINI) **CAB+RPV** • PhIII study top-line results(ATLAS)	• EU/US MAA/NDA submission	**Juluca®(DTG/RPV)** • Approval, Launch

Infectious diseases
Pain/CNS
Frontier

*Progress from May 10 to Oct 29, 2018
DTG: dolutegravir RPV: rilpivirine

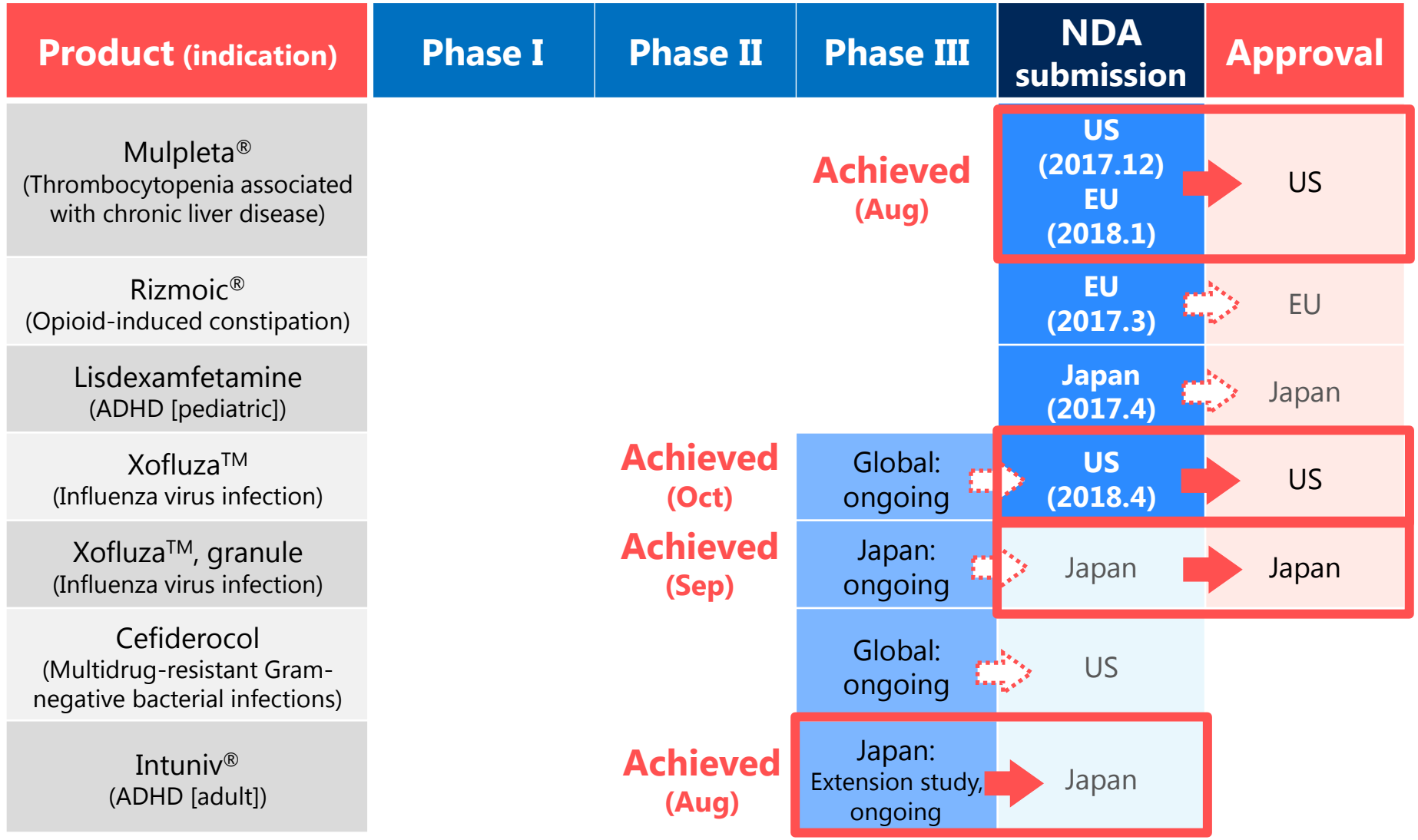
2018年度上期の主な成果*（その他）

- **May**
  - Collaboration with Aichi Prefecture for “Prevention of Drug Abuse”
  - Collaboration with Iwate Prefecture in “Support for Children’s Bright Future”
  - Started Shionogi’s internal use of PDPS**, a drug discovery platform developed by PeptiDream
  - Entered into a collaborative licensing, research and development program with Hsiri to discover and develop drugs for mycobacterial diseases
- **June**
  - Collaboration with SAGE to develop and commercialize S-812217
  - Investment in the clinical development of Nemesis “Symbiotics©”
  - Entered into a capital alliance between Shionogi Healthcare and Rohto
- **July**
  - Terminated the prior alliance with Purdue for the co-commercialization of Symproic® in the US (Shionogi has regained full rights to Symproic®)
- **September**
  - Shionogi and Rohto Pharmaceutical Co.,Ltd. Enter into Lisence Agreement regarding “Cellular and Tissue-based Products” Candidate ADR-001
  - Agreement regarding acquisition of equity in Takara Healthcare and an absorption-type merger by Shionogi Healthcare, and succession of Takara Bio’s functional food business
- **October**
  - Establishment of Shionogi Pharma Co., Ltd.
  - Establishment of “Department of Biostatistics and Data Science” jointly with Osaka University

* Progress from May 10 to Oct 29, 2018

** PDPS (Peptide Discovery Platform System) : Technology to obtain the peptide with high activity and high selectivity

Target Milestones for FY2018 : Approvals and NDA Submission



Target Milestones for FY2018 : Phase I ~ III

Product (indication)	Phase I	Phase II	Phase III	NDA submission	Approval
Xofluza® (Influenza virus infection [prophylaxis])			Japan: initiated	Achieved (2Q)	
OxyContin®TR (Treatment of moderate to severe chronic pain)			Japan: initiated	Achieved (1Q)	
S-120083 (Inflammatory pain)		US: completed			
S-588410 (Bladder cancer)		Japan, EU: completed			
S-600918 (Refractory/unexpected chronic cough, Neuropathic pain)		Japan: initiated		Achieved (1Q) (Refractory/unexplained chronic cough)	
S-770108 (Idiopathic pulmonary fibrosis)	Japan: completed				
S-637880 (Neuropathic pain)	Japan: completed				
S-005151 (Acute ischemic stroke)	Japan: initiated			Achieved (1Q)	
S-004992 (Tuberculosis)	Asia (China) : initiated				

Progress from Jul 31 to Oct 29, 2018

Progress from May 10 to Jul 23, 2018

Pipeline (as of Oct 29, 2018)

SONG for you!

Preclinical	Phase I	Phase II	Phase III	Filed
Influenza virus infection	**Global**			
HIV virus infection				
Bacterial infection	S-004992* Tuberculosis	Cefiderocol Multidrug-resistant Gram-negative bacterial infections	Cefiderocol Multidrug-resistant Gram-negative bacterial infections	Xofluza™ (Taiwan) Influenza virus infection
Bacterial infection	S-117957 Insomnia	S-120083 Inflammatory pain		Rizmoic® (EU) Opioid-induced constipation
Mycobacterium disease	S-237648 Obesity	S-707106 Type2 diabetes		Mulpleta® (EU) Thrombocytopenia
Fungus infection		S-488210 Head and neck squamous cell carcinoma		
Fungus infection		epertinib Malignant tumor		
Peptide		S-588410 Bladder cancer		
Vaccine for prevention				
ADHD	**In Japan**			
Opioid	S-812217* Depression	Cefiderocol Multidrug-resistant Gram-negative bacterial infections	Cefiderocol Multidrug-resistant Gram-negative bacterial infections	Oxycodone Moderate to severe chronic pain
Peptide	S-600918 Neuropathic pain	S-600918 Refractory/unexpected chronic cough	Xofluza™ Influenza virus infection (prophylaxis)	Lisdexamfetamine ADHD (pediatric)
Alzheimer's disease	S-637880 Neuropathic pain	S-237648 Obesity	Cymbalta® Depression (pediatric)	Intuniv® ADHD (adult)
Post-stroke spasticity	S-010887 Neuropathic pain	S-525606 Allergic rhinitis caused by Japanese cedar allergen	Oxycodone Moderate to severe chronic pain	
Obesity	S-005151 Acute ischemic stroke	S-588410 Bladder cancer	S-588410 Esophageal cancer	
NASH	S-770108 Idiopathic pulmonary fibrosis	SR-0379 Cutaneous ulcer		
Cancer metastasis		ADR-001** Decompensated liver cirrhosis		
Adjuvant				
Peptide				

- Infectious diseases
- Pain/CNS
- Other

SHIONOGI

Progress from Jul 31 to Oct 29, 2018

* In preparation for Phase I
** In Phase 1/II

Pipeline -Out-licensed (as of Oct 29, 2018)

Preclinical	Phase I	Phase II	Phase III	Filed
	GSK3342830 Multidrug-resistant Gram-negative bacterial infections		**DTG/3TC** Treatment for HIV infection TANGO study (maintenance)	**DTG/3TC (EU/US)** Treatment for HIV infection
			CAB LAP Prevention for HIV infection	**Osphena®** Vaginal dryness associated with postmenopausal VVA
			CAB+RPV LAP Treatment for HIV infection	
			Xofluza™ Severe influenza virus infection	

- **Infectious diseases**
- **Pain/CNS**
- **Others**

SHIONOGI

Progress from Jul 31 to Oct 29, 2018

DTG: dolutegravir 3TC: Lamivudine RPV: rilpivirine CAB：cabotegravir

Target Milestones for Launch of Products

FY2017 (Achieved)	FY2018	FY2019
In Japan		
Symproic® **Intuniv®** ADHD (pediatric) **Oxycodone** Tamper resistant formulation **Actair®** Pediatric allergic rhinitis caused by house-dust mite allergen **Xofluza® (adult, pediatric)**		**Intuniv®** ADHD (adult) **Lisdexamfetamine** ADHD (pediatric) **Xofluza® (granule)**
Global		
Symproic® (US)	**Mulpleta®** (US) **Launched** **Rizmoic®** (EU)	**Cefiderocol** (US) **Mulpleta®** (EU) **Baloxavir marboxil** (Taiwan)
Out-licensed		
Juluca® (DTG/RPV)(US)	**Juluca® (DTG/RPV)** (EU) **Launched** **Osphena®** (US) Vaginal dryness associated with postmenopausal VVA **Xofluza™** (US, OwH*)	**DTG/3TC** (US, EU) **CAB+RPV** (US)

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

*OwH: Otherwise healthy patients **HR: High risk(patients at high risk for influenza-related complications

From 1Q FY2018 Financial Results

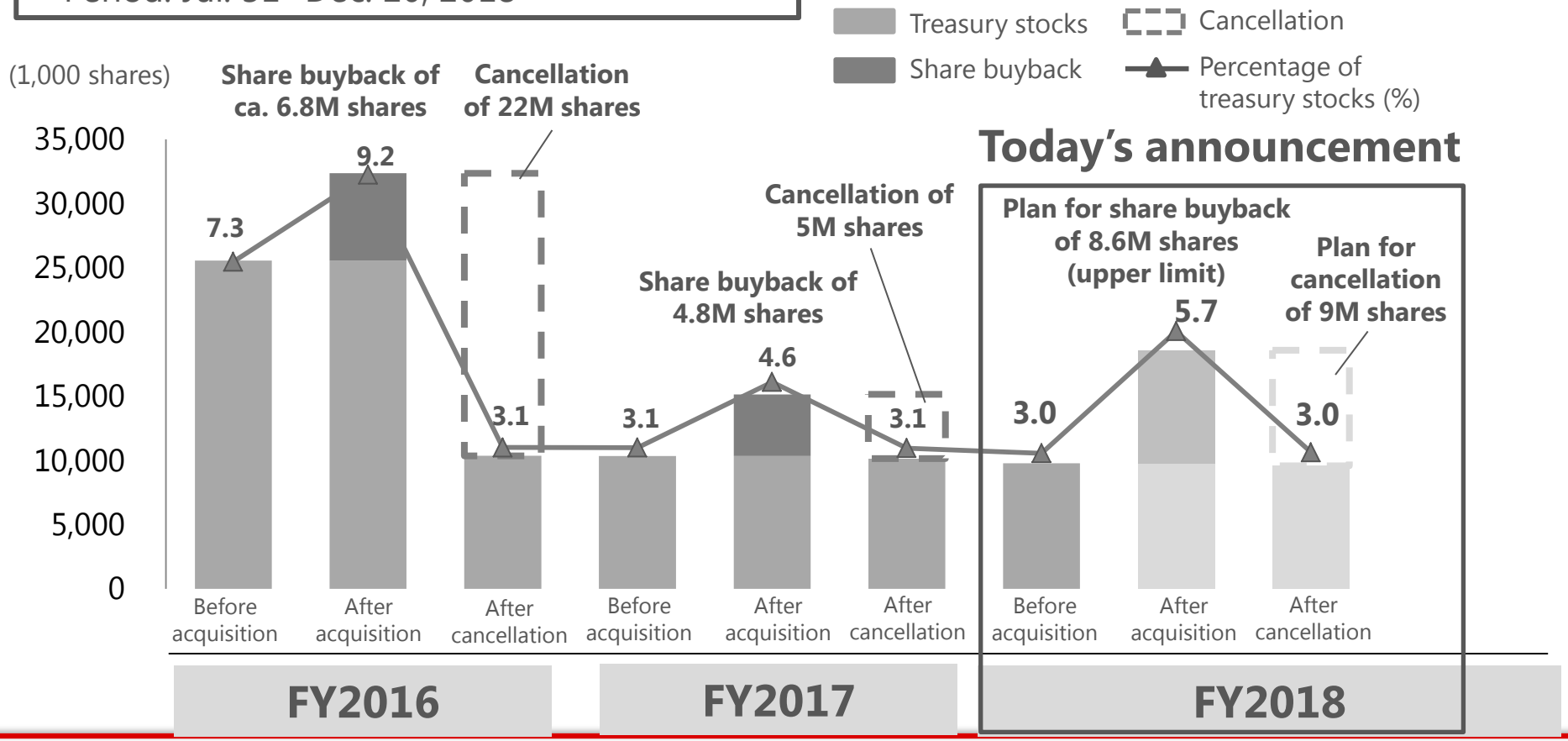
Share Buyback and Cancellation

Share buyback

- Share buyback: 8.6M shares (upper limit)
- Total amount of buyback: 50 B yen (upper limit)
- Period: Jul. 31~Dec. 20, 2018

Cancellation of treasury shares

- Total shares to be cancelled: 9M shares
- Date for cancellation: Jan. 31, 2019



From FY2017 Financial Results, Partially Revised

Maximizing Corporate Value Through Group Businesses

- **Improvement of business operations**
- **Respond to requests from society (e.g. employment extension, equal pay for equal work)**

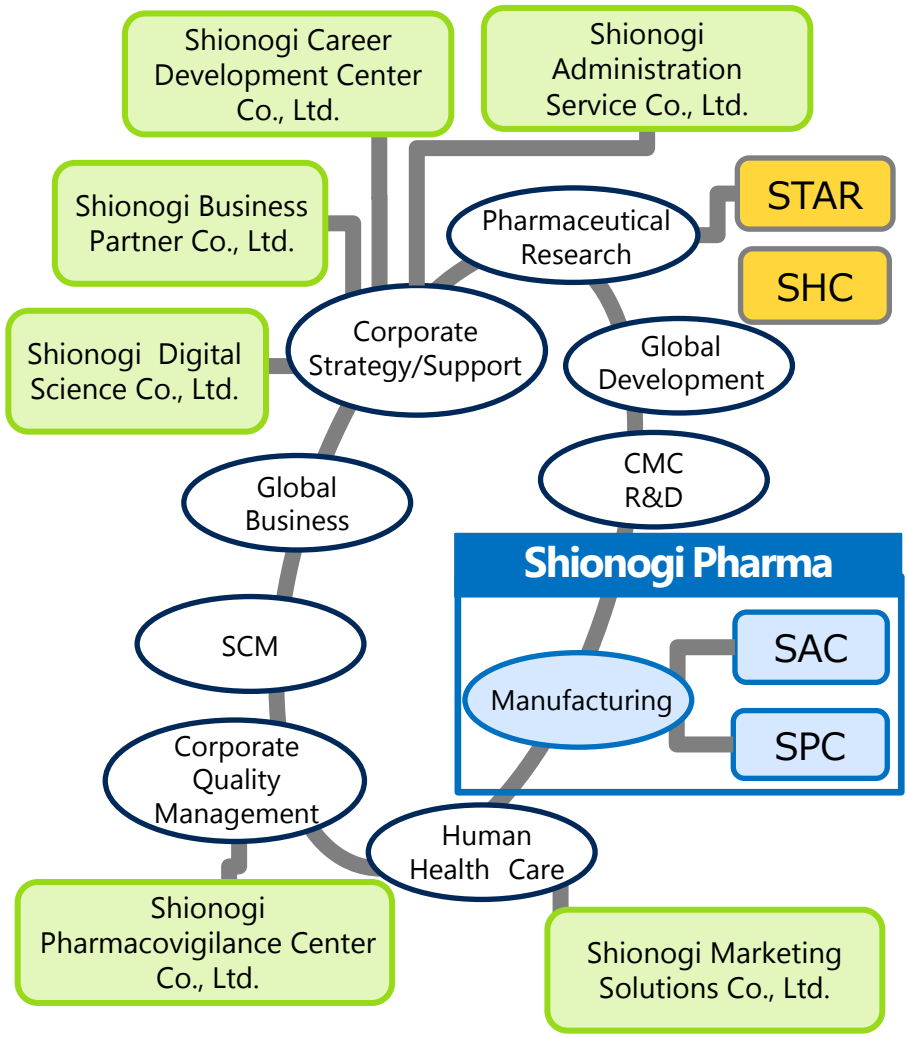
Close communication between senior management of group companies

Refine infrastructure to enhance productivity and build expertise

For further growth

Press release on Oct 1, 2018
Construction of a new manufacturing subsidiary
"Shionogi Pharma Co., Ltd."
(Start business on Apr 1, 2019)

シオノギファーマ株式会社



STAR: Shionogi Techno Advance Research Co., Ltd. SPC: Shionogi Pharma Chemicals Co., Ltd
SAC: Shionogi Analysis Center Co., Ltd. SHC: Shionogi Healthcare Co., Ltd. SCM: Supply-chain Management

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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- For products that are approved, there are manufacturing and marketing risks and uncertainties, which include, but are not limited to, inability to build production capacity to meet demand, inavailability of raw materials, and failure to gain market acceptance.
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