

# The Company Policy of Shionogi

## Shionogi's purpose

Shionogi strives constantly to provide medicine of the best possible kind essential for protection of the health of the people.

## For this purpose, Shionogi will need to

Pursue the search for even better medicine.  
Produce even better medicine.  
Promote the word of even better medicine to an even greater number of people so that an even greater number of people will be able to use such medicine.  
Pursue, produce, and promote in an even more economical manner.

## For this purpose, Shionogi people will need to

Strive ceaselessly day after day to improve their skills.  
Strive ceaselessly day after day to improve as human beings.

## As a result, Shionogi people will

Find even greater satisfaction in their daily work and in their daily lives.  
Find even greater improvement in the quality of their lives.  
Find even greater prosperity in their lives.

(Established in 1957)

## Shionogi's Action Guidelines

Mission

### Mission

We will deliver pharmaceuticals that offer an even higher level of satisfaction to patients, their families, and healthcare providers and improve the quality of life for patients and their families.

Vision

### Vision

A company with a strong presence worldwide  
A company that has pride and dreams and embraces challenges

Value

### Value

Customer focus, Trust, Professionalism, On-site orientation, Respect for the individual

## Editorial Policy

### Period under Review

Fiscal 2010 (April 1, 2010 - March 31, 2011)

Certain activities continuing into fiscal 2010 and thereafter are also included.

### Scope and Organization

The Annual Report encompasses the activities of Shionogi & Co., Ltd. and its 22 Group companies (17 consolidated subsidiaries and 4 affiliates).

The section entitled Efforts to Preserve the Environment covers all business facilities of Shionogi & Co., Ltd. and eight of its domestic and overseas subsidiaries. In this report, "Shionogi" refers to Shionogi & Co., Ltd. and all its on-site subsidiaries. "Domestic subsidiaries" refers to the one domestic manufacturing subsidiary (Shionogi Pharma Chemicals Co., Ltd.) and two domestic non-manufacturing subsidiaries (Shionogi General Service Co., Ltd. and Saishin Igaku Co., Ltd.), and "overseas subsidiary" refers to Taiwan Shionogi & Co., Ltd. "Shionogi Group" refers to all the aforementioned companies.

### Notes Concerning Numerical Values and Graphs

All numerical values are rounded to the nearest unit, as applicable. Totals may not match due to rounding.

# CONTENTS

## 2 Management

### Shionogi Fiscal 2010 Snapshot

Consolidated Financial Highlights / Third Medium-Term Business Plan  
Main Achievements in Fiscal 2010 / Fiscal 2011 Targets

- 4 To Our Stakeholders
- 6 Interview with the President

## 12 Shionogi's Business Activities

### Pharmaceutical Research

- 14 Global Development
- 16 Pharmaceutical Development
- 17 Overseas Business Activities
- 18 Pipeline
- 20 Human Health Care
- 22 Manufacturing & Technology
- 23 Quality, Safety and Regulatory Affairs Management
- 24 Major Products



2

12

## 26 Shionogi's CSR Activities

### Fundamental Policy on CSR

- 27 Relationships with Patients and Medical Professionals
- 28 Relationship with Employees
- 29 Community Relations / Investor Relations
- 30 Efforts to Preserve the Environment



26

32

## 32 Management System

### Corporate Governance System

- 34 Members of the Board

## 35 Financial Section

### Six-Year Consolidated Financial Highlights

- 36 Management's Discussion and Analysis
- 39 Business and Other Risks
- 40 Consolidated Main Financial Statements
- 46 Notes to Consolidated Financial Statements
- 61 Report of Independent Auditors

## 62 Corporate Information

### Forward-Looking Statements

This report contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks, and uncertainties which could cause actual results to differ materially from these statements.

Risks and uncertainties include general domestic and international economic conditions, such as general industry and market conditions, and changes of interest rates and currency exchange rates.

These risks and uncertainties particularly apply to forward-looking statements concerning existing products and those under development. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms; and changes of laws and regulations.

For existing products, there are also manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials, and competition with other companies' products.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise.

This report contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy of these pharmaceuticals nor provide medical advice of any kind.