

Shionogi Signs Agreement with Sweden on International Industry-Academic Collaboration Initiatives

Osaka, Japan, October 15, 2010 - Shionogi & Co., Ltd. (Head Office: Osaka; President and Representative Director: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) announces that it has entered into an agreement with Sweden on the formation of an international network for industry-academic collaboration in research and development.

The agreement comprises two main undertakings, described below.

1. Matching drug seeds held by Sweden research institutions (including academic institutions and venture companies) with drug-discovery technology and needs of Shionogi and establishing cooperative research relationships with those institutions by embarking on joint research for drug seeds which meets demands.
2. Personnel exchanges with Sweden research institutions to facilitate international human resources development

Shionogi will continue to expand its network by conducting its SHIONOGI Science Program with academic institutions and venture companies in Sweden.

This agreement with Sweden on international industry-academic collaboration is a cornerstone of Shionogi’s efforts to further accelerate the globalization of its activities.

• Messages from institutional representatives

Per-Erik Sandlund, Director General & President, Invest Sweden

It is a great pleasure for me as Director General of the governmental agency Invest Sweden to conclude “Memorandum of Understanding” between Shionogi & Co., Ltd. and Invest Sweden. Sweden has one of the strongest life science industries in Europe as well as a very advanced research and development portfolio. In addition, this “Memorandum of Understanding” builds on our work to strengthen business ties between Sweden and Japan. We look forward to support Shionogi & Co, Ltd. in finding partners from both Swedish universities and venture companies. All partners in this agreement will realize benefits of this collaboration, both in terms of research and development and commercialization through this initiative by Shionogi & Co., Ltd. It is a great honor for Invest Sweden to be chosen as Shionogi’s partner for this MoU, and I am confident we will fully live up to your expectations.

Isao Teshirogi, Ph.D., President and Representative Director, Shionogi & Co., Ltd.

Today’s signing of a contract with Sweden on the formation of an international network for industry-academic collaboration in research and development is extremely significant for Shionogi. Sweden is highly advanced in science and technology typified by Karolinska Institute. The opportunity to form cooperative research relationships and engage in joint research with Sweden research institutions will help enhance our research and development capabilities and enable personnel exchanges that are ideal for development of international human resources. As a pharmaceuticals company that aims to contribute globally, we are extremely honored to have this opportunity and expect it to prove of great significance.

Invest Sweden

Invest Sweden is a government agency under the Ministry for Foreign Affairs, and we help overseas businesses tap into areas of strength in knowledge, high level skills, technology and innovation in Sweden. Since starting out in 1995 we have been offering specialist insight on doing business in Sweden to companies worldwide. Our staff has a solid background in the corporate sector and expertise in the investment process. We provide introductions to authorities and professional service companies to get the business off the ground and by means of our extensive regional network across Sweden, we can also suggest the best business locations.

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Shionogi & Co., Ltd.

Headquartered in Osaka, Japan, Shionogi & Co., Ltd. is a major research-driven pharmaceutical company dedicated to placing the highest value on patients. Shionogi's Research and Development currently targets three therapeutic areas: Infectious Diseases, Pain, and Metabolic Syndrome. The Company is the originator of innovative medicines which have been successfully delivered to millions of patients worldwide. In addition, Shionogi is engaged in new research areas such as allergy and cancer. Contributing to the health of patients around the world through development in these therapeutic areas is Shionogi's primary goal. For more details, please visit

www.shionogi.co.jp.

SHIONOGI Science Program

SHIONOGI Science Program is a newly collaborative industry-academic initiative to find novel drug seeds and develop them for practical use based on Shionogi's constantly effort to provide medicine of the best possible kind essential for protection of the health of the people. Since fiscal 2007, Shionogi has presented its needs under the name of FINDS (PHarma-INnovation Discovery competition Shionogi) and got many innovative ideas from researchers in Japan to put the ideas into the practical use while working together.

Forward-Looking Statements

This announcement 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 rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. 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. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials and entry of competitive 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.

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