

October 20, 2003
Shionogi & Co., Ltd.

Notice of Revision of FY 2003 Results Forecast

Shionogi & Co., Ltd. has revised the forecasts of its results for the interim period and full fiscal year ending March 31, 2004, which were announced on August 4, 2003, as follows.

1. Revised Forecasts of Results for the Interim Period (April 1, 2003 – September 30, 2003)

(1) Consolidated

(Millions of yen)

	Net sales	Ordinary income	Net income
Original forecast (A) (Announced August 4, 2003)	99,000	6,000	3,200
Revised forecast (B)	98,700	6,500	(2,700)
Increase (decrease) (B-A)	(300)	500	(5,900)
Percentage increase (decrease)	(0.3%)	(8.3%)	—
Same period of the previous year	177,407	6,025	900

(2) Nonconsolidated

(Millions of yen)

	Net sales	Ordinary income	Net income
Original forecast (A) (Announced August 4, 2003)	91,000	5,500	2,800
Revised forecast (B)	90,000	5,500	(3,200)
Increase (decrease) (B-A)	(1,000)	0	(6,000)
Percentage increase (decrease)	(1.1%)	0.0%	—
Same period of the previous year	92,560	5,680	887

2. Revised Forecasts of Results for the Full Fiscal Year (April 1, 2003 – March 31, 2004)

(1) Consolidated

(Millions of yen)

	Net sales	Ordinary income	Net income
Original forecast (A) (Announced August 4, 2003)	208,900	23,000	7,000
Revised forecast (B)	208,900	23,000	5,200
Increase (decrease) (B-A)	0	0	(1,800)
Percentage increase (decrease)	0.0%	0.0%	(25.7%)
Same period of the previous year	285,231	18,098	5,904

(2) Nonconsolidated

(Millions of yen)

	Net sales	Ordinary income	Net income
Original forecast (A) (Announced August 4, 2003)	191,900	21,000	6,000
Revised forecast (B)	191,900	21,000	4,200
Increase (decrease) (B-A)	0	0	(1,800)
Percentage increase (decrease)	0.0%	0.0%	(30.0%)
Same period of the previous year	191,155	15,019	3,456

3. Reasons for the Revisions

(1) Forecast of Results for the Interim Period

The final amount of the extraordinary loss Shionogi will post due to additional retirement benefits and other factors in connection with the Company's employee outplacement support program and the transfer of the clinical testing services and Industrial Chemicals Dept. to joint venture companies will be ¥10.2 billion. The extraordinary loss, which was initially projected to occur in the second half of the fiscal year, will instead be recorded as a lump sum during the interim period. Accordingly, consolidated and nonconsolidated net income have been revised as shown above.

(2) Forecast of Results for the Full Fiscal Year

Shionogi plans to change its current tax-qualified pension plan to one that combines a defined contribution and a defined benefits pension plan (a cash balance plan), with implementation targeted for April 2003. The change is expected to generate an extraordinary loss of approximately ¥1.3 billion in the current fiscal year. In addition, the Company expects to remove and dispose of disused equipment in connection with the consolidation of factories in the manufacturing division carried out to date. As a result, Shionogi forecasts an extraordinary loss of ¥0.7 billion in the current fiscal year. Accordingly, consolidated and nonconsolidated net income have been revised as shown above.

At present, Shionogi is not changing its forecasts of cash dividends for the interim period or the full fiscal year.

Note: The above forecasts of business results are based on information available to the Company at the current time. Various risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this release.

[For Further Information]

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