

May 19, 2003

Shionogi & Co., Ltd.

Notice of Outplacement Support Program and Other Matters

Shionogi & Co., Ltd. (“Shionogi”) is implementing business structure reforms to achieve the objectives of its medium-term management plan. These reforms include organizational re-engineering and personnel adjustments, starting with a review of business divisions to focus more strongly on the prescription drug business.

Shionogi is also working to change its employees’ way of thinking, primarily through reform of the personnel system. However, the diversification of values is creating a need to support the outplacement and independence of employees based on their own life plans.

Taking these circumstances into account, Shionogi has decided to implement Outplacement Support Program as outlined below.

In addition, approximately 210 employees currently on loan to joint venture Shionogi Biomedical Laboratories, Inc. (SBL), which took over Shionogi’s clinical testing services business, will be transferred to the joint venture as of October 1, 2003 to help strengthen SBL’s business.

As a result of these measures, Shionogi expects to record an extraordinary loss of approximately ¥7 billion in the year ending March 2004. This loss has already been incorporated into the forecast of results for the year ending March 31, 2004, which was announced today.

Details of Outplacement Support Program

Application period:	July 22, 2003 to July 31, 2003
Number of applicants being accepted:	150
Eligible employees:	Employees age 40 or over with 15 or more years of continuous service
Details of support:	1) Payment of a special additional allowance in addition to the regular retirement benefits 2) Reemployment support
Retirement date:	September 30, 2003

For Further Information

Shionogi & Co., Ltd., Public Relations Unit

Osaka TEL: +81-6-6209-7885 FAX: +81-6-6229-9596

Tokyo TEL: +81-3-3406-8164 FAX: +81-3-3406-8099