

# Quarterly Financial Overview (Consolidated) for The Year Ending March 31, 2004

August 4, 2003

Name of Listed Company: SHIONOGI & CO., LTD.

( Code : 4 5 0 7 Section of Tokyo, Osaka and Nagoya, and Fukuoka and Sapporo )

( URL <http://www.shionogi.co.jp> )

Representative : Motozo Shiono, President

Contact : Hiromichi Yoshino, Manager, Public Relations Unit

(TEL:(06)-6202-2161)

## 1 . Basis of preparation

The differences of recognition of net sales from the last consolidated fiscal year : None

## 2 . Financial Results for the period from April 1, 2003 to June 30, 2003

### ( 1 ) Net sales (Consolidated)

	Million yen	%
Three months ended June 30, 2003	49,475	-
Three months ended June 30, 2002	-	-
Year ended March 31, 2003	285,231	-

( Notes ) The quarterly financial overview is presented starting from this quarterly period. Therefore, the rate of increase or decrease from the same quarter in the previous year is not shown.

### [ Supplemental information on net sales ]

During the first quarter in the year ending March 31, 2004, reforms of the Medical Insurance took place, such as an increase in the ratio of patients' payments for medical costs and the start of the Diagnosis-Related Group/Prospective Payment System (DRG/PPS) at special function hospitals. As a result, the market environment continued to be severe.

Under these circumstances, Shionogi made progress toward increasing market share in the ethical drug business, its core business, through reinforcement of accurate information activities.

As a result, in the Pharmaceutical and related businesses, the sales of Flomox, an oral cephem antibiotic, increased and Claritin, an antiallergic, launched in September 2002 also contributed. Therefore, net sales were ¥45,581 million.

### ( Reference ) Net sales (Non-consolidated)

	Million yen	%
Three months ended June 30, 2003	45,373	-

- ( 2 ) Events that had a significant influence on the financial position and results of operations of the companies in the Shionogi group in the three months ended June 30, 2003

[ Summary ]

Relevant events are described in “Information on the forecasted results for the year ending March 31, 2004.”

3 . Forecasted results for the year ending March 31, 2004

( 1 ) Consolidated

	Net sales	Ordinary income	Net income	Estimated earnings per share	
	Million yen	Million yen	Million yen	Yen	
For the six months ending September 30, 2003	99,000	6,000	3,200	-	-
For the year ending March 31,2004	208,900	23,000	7,000	20.	23

[ Information on the forecasted results for the year ending March 31, 2004 ]

Shionogi plans to transfer its industrial chemical business to the joint venture with Degussa Japan Co., Ltd. on October 1, 2003. In addition, the planned launch of Rosuvastatin, which Shionogi will co-market with AstraZeneca, has been postponed from the second half of 2003 to the first half of 2004. Therefore, the previous forecast has been reduced by ¥4,100 million, the combined sales of industrial chemicals and Rosuvastatin that had been expected during the second half of 2003.

From July 22, 2003 to July 31, 2003, 539 employees applied either for the outplacement support program or the transfer to the joint venture Shionogi Biomedical Laboratories, Inc., in the clinical testing service business. In addition, 50 employees plan to transfer to the joint venture in the industrial chemical business. As a result, the forecasted results of ordinary income is unchanged, however, Shionogi expects to incur an extraordinary loss due to additional payments for retirement benefits of ¥9,900 million, an increase of ¥2,900 million from the previous projection, and therefore Shionogi had reduced the forecast of net income for the fiscal year by ¥1,500 million from the previous forecast.

( 2 ) Non-consolidated

	Net sales	Ordinary income	Net income	Annual dividend per share		
				Interim	Year end	
	Million yen	Million yen	Million yen	Yen	Yen	Yen
For the six months ending September 30, 2003	91,000	5,500	2,800	4 . 25		
For the year ending March 31,2004	191,900	21,000	6,000		4 . 25	8 . 50

(Reference) Estimated earnings per share for FY 2003: ¥17.34

Notes: These estimates on August 4, 2003 include a number of assumptions, forward-looking projections and plans. The actual results may differ substantially depending on risks related to the competitive situation and uncertain factors.

Quarterly Financial Overview for the year ending March 31, 2004 <Supplement>

August 4, 2003  
SHIONOGI & CO., LTD.

1. Sales by segment

<Consolidated>

(Unit: Yen 100 million)

	For the period from April 1, 2003 to September 30, 2003 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to June 30, 2003	For the period from April 1, 2003 to September 30, 2003 (revised forecast)	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Pharmaceuticals and related businesses	909	1,957	455	909	1,927
Ethical drugs	851	1,841	427	851	1,811
OTC and quasi-drugs	39	78	18	39	78
Diagnostics	19	38	10	19	38
Capsule business	59	125	28	59	125
Other businesses	22	48	11	22	37
Industrial Chemicals	11	22	5	11	11
Real estate/Distributing service etc.	11	26	6	11	26
Total	990	2,130	494	990	2,089

<Non-consolidated>

	For the period from April 1, 2003 to September 30, 2003 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to June 30, 2003	For the period from April 1, 2003 to September 30, 2003 (revised forecast)	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Pharmaceuticals and related businesses	899	1,938	448	899	1,908
Ethical drugs	841	1,822	420	841	1,792
OTC and quasi-drugs	39	78	18	39	78
Diagnostics	19	38	10	19	38
Industrial Chemicals	11	22	5	11	11
Total	910	1,960	453	910	1,919

2. Main Products <Non-consolidated>

Ethical drugs

(Unit: Yen 100 million)

Product name	For the period from April 1, 2003 to September 30, 2003 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to June 30, 2003	For the period from April 1, 2003 to September 30, 2003 (revised forecast)	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Total ethical drugs	841	1,822	420	841	1,792
FLOMOX	143	350	80	143	350
FLUMARIN	100	200	51	100	200
VANCOMYCIN	90	180	47	90	180
RINDERON	56	101	26	56	101
IMUNACE	49	100	23	49	100
MS CONTIN	42	78	22	42	78
CLARITIN	37	100	10	37	100
LONGES	29	56	15	29	56
KEFRAL	24	50	13	24	50
DOBUTREX	19	39	10	19	39
New products					
OXYCONTIN	5	20	-	5	20
SG GRANULES	0	4	-	2	7
Rosuvastatin (generic name)	-	30	-	-	-

OTC products

(Unit: Yen 100 million)

Product name	For the period from April 1, 2003 to September 30, 2003 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to June 30, 2003	For the period from April 1, 2003 to September 30, 2003 (revised forecast)	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Total OTC products	39	78	18	39	78
SEDES	18	34	8	18	34
POPON-S	8	14	4	8	14