

Third Quarter Financial Overview (Consolidated) for the Year Ending March 31, 2004

January 26, 2004

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

(Code : 4 5 0 7 Tokyo, Osaka and Nagoya (First Sections), 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

Differences in accounting methods for : None
net sales from methods recognized
in the previous consolidated fiscal year

2 . Financial results for the period from April 1, 2003 to December 31, 2003

(1) Net sales (Consolidated)

(All amounts are rounded down to the nearest million yen.)

	Million yen	%
Nine months ended December 31, 2003	156,357	-
Nine months ended December 31, 2002	-	-
Year ended March 31, 2003	285,231	-

Note: 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 nine months ended December 31, 2003, measures to control medical costs were strengthened, including an increase in the ratio of patient co-payment and the introduction of the Diagnosis-Related Group/Prospective Payment System (DRG/PPS) at special function hospitals. At the same time, the details of revision of National Health Insurance (NHI) drug prices scheduled for April 2004 took concrete form. As a result, the operating environment became increasingly sever.

Under these circumstances, Shionogi worked to increase market share in its core ethical drug business through steady implementation of accurate information activities.

Regarding net sales in the nine months ended December 31, 2003, mainstay antibiotic products faced a challenging market environment, with the effects of the medical cost containment policies, and sales of Flumarin and other injectable antibiotics decreased. However, sales of Flomox, an oral cephem antibiotic, remained strong. Claritin, an anti-allergic launched in September 2002, and Oxycontin, a controlled-release analgesic for cancer pain launched in July 2003, also contributed to sales.

Shionogi transferred its industrial chemicals business to DSL. Japan Co, Ltd., a joint venture company with Degussa Japan Co., Ltd, in October 2003.

(Reference) Net sales (Non-consolidated)

Nine months ended December 31, 2003	Million yen	%
	143,604	-

(2) Events that had a significant influence on the financial position and results of operations of the companies in the Shionogi group in the nine months ended December 31, 2003

[Summary]

Not applicable.

3 . Forecast of results for the year ending March 31, 2004 (Consolidated)

	Net sales	Ordinary income	Net income	Estimated earnings per share
	Million yen	Million yen	Million yen	Yen
Year ending March 31,2004	208,900	23,000	5,200	15. 03

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

As of January 26, 2004, there has no change in the forecast of results for the year ending March 31, 2004 from the announcement made on November 10, 2003.

(Reference) Forecasted results for the year ending March 31, 2004 (Non-consolidated)

	Net sales	Ordinary income	Net income	Annual dividend per share		
				Interim	Year end	
	Million yen	Million yen	Million yen	Yen	Yen	Yen
Year ending March 31,2004	191,900	21,000	4,200		4 . 25	8 . 50

(Reference) Estimated earnings per share for FY 2004: ¥12.14

Note: The above forecasts include a number of assumptions, forward-looking projections and plans. Actual results may differ substantially depending on risks related to the competitive situation and uncertain factors.

Third Quarter Financial Overview for the Year Ending March 31, 2004 <Supplement>

January 26, 2004
SHIONOGI & CO., LTD.

1. Sales by segment

<Consolidated>

(Unit: Yen 100 million)

	For the period from April 1, 2003 to September 30, 2003	For the period from October 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from October 1, 2003 to December 31, 2003	For the period from April 1, 2003 to December 31, 2003	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Pharmaceuticals and related businesses	903	1,028	1,931	544	1,447	1,931
Ethical drugs	847	970	1,817	514	1,361	1,817
OTC and quasi-drugs	35	38	73	20	55	73
Diagnostics	21	20	41	10	31	41
Capsule business	59	59	118	26	85	118
Other businesses	25	15	40	6	31	40
Industrial businesses	10	0	10	0	10	10
Real estate/Distributing service etc.	15	15	30	6	21	30
Total	987	1,102	2,089	576	1,563	2,089

<Non-consolidated>

	For the period from April 1, 2003 to September 30, 2003	For the period from October 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from October 1, 2003 to December 31, 2003	For the period from April 1, 2003 to December 31, 2003	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Pharmaceuticals and related businesses	889	1,020	1,909	537	1,426	1,909
Ethical drugs	833	962	1,795	507	1,340	1,795
OTC and quasi-drugs	35	38	73	20	55	73
Diagnostics	21	20	41	10	31	41
Industrial business	10	0	10	0	10	10
Total	899	1,020	1,919	537	1,436	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	For the period from October 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from October 1, 2003 to December 31, 2003	For the period from April 1, 2003 to December 31, 2003	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Total ethical drugs	833	962	1,795	507	1,340	1,795
FLOMOX	150	210	360	114	264	373
FLUMARIN	99	101	200	56	155	200
VANCOMYCIN	95	93	188	53	148	188
RINDERON	54	45	99	26	80	99
IMUNACE	46	51	97	27	73	97
MS CONTIN	40	36	76	23	63	81
CLARITIN	21	69	90	14	35	75
LONGES	29	27	56	16	45	56
KEFRAL	25	27	52	15	40	52
DOBUTREX	20	20	40	11	31	40

New products

OXYCONTIN	2	15	17	4	6	14
SG GRANULES	2	4	6	1	3	6

OTC products

Product name	For the period from April 1, 2003 to September 30, 2003	For the period from October 1, 2003 to March 31, 2004 (previous forecast)	For the period from April 1, 2003 to March 31, 2004 (previous forecast)	For the period from October 1, 2003 to December 31, 2003	For the period from April 1, 2003 to December 31, 2003	For the period from April 1, 2003 to March 31, 2004 (revised forecast)
Total OTC products	35	38	73	20	55	73
SEDES	16	16	32	8	24	32
POPON-S	7	6	13	4	11	13