

Bayer Yakuhin Ltd. granted the importing rights for Avelox® Tablet, the new quinolone antibacterial (Moxifloxacin)

Shionogi & Co. Ltd. have exclusive Japanese marketing rights

Osaka, October 17, 2003 - Bayer Yakuhin Ltd. (H/O: Osaka, President: Norikazu Eiki) was granted the importing rights for Avelox® Tablet, the new quinolone antibacterial (moxifloxacin hydrochloride) by the Ministry of Health, Labour and Welfare. Avelox® was developed by Bayer HealthCare AG for the treatment of respiratory tract infections and Bayer Yakuhin Ltd. filed a new drug application for moxifloxacin in Japan in September 2002.

Avelox®, a respiratory quinolone, has demonstrated an excellent antibacterial effect on all the major bacterial causes of respiratory tract infections. The agent was first approved in 1999 in both Europe and in the United States. To date, there have been more than 40 million patients treated with moxifloxacin in 85 countries for all its various indications.

Bayer Yakuhin Ltd. and Shionogi & Co. Ltd. (H/O: Osaka, CEO: Motozo Shiono) reached an agreement that provides Shionogi & Co. Ltd. with exclusive Japanese marketing rights for Avelox®. According to the terms of the agreement, Bayer Yakuhin Ltd. will continue to hold the drug's registration and Shionogi & Co. Ltd. will exclusively market the product. In order to facilitate the rapid penetration of Avelox® Tablet into the Japanese market, both companies will work together closely in the areas of marketing and post-marketing surveillance.

Shionogi & Co. Ltd. expects to launch Avelox® Tablet in December 2005 after National Health Insurance price listing has been obtained.

About Bayer HealthCare AG

Bayer HealthCare AG, a subsidiary of Bayer AG, is one of the world's leading, innovative companies in the health care and medical products industry. In 2004, the Bayer HealthCare subgroup generated sales amounting to some 8.5 billion Euro. The company combines the global activities of the divisions Animal Health, Biological Products, Consumer Care, Diabetes Care, Diagnostics and Pharmaceuticals. Bayer HealthCare employed 35,300 people worldwide in 2004. Bayer HealthCare's aim is to discover and manufacture innovative products that will improve human and

animal health worldwide. The products enhance well-being and quality of life by diagnosing, preventing and treating disease.

Visit: www.bayerhealthcare.com and <http://www.cardio.bayer.com>

About Bayer Yakuhin Ltd. (Osaka, Japan)

Bayer Yakuhin Ltd. is in charge of Japanese health care markets as a part of the global operations of Bayer HealthCare AG. The company employs 1,500 staff and develops pharmaceutical, consumer care and biological products. Bayer Yakuhin has set itself the challenge to build a customer focused health care company that significantly contributes to human health by encouraging innovation and creativity.

Home Page: <http://www.bayer.co.jp/byl/index.html>

About Shionogi & Co., Ltd.

Shionogi & Co. Ltd. is a major research-driven Japanese pharmaceutical manufacturer. The company's primary businesses are research and development, manufacturing, marketing, and import and export sales of pharmaceutical and diagnostics products. Shionogi follows a basic policy of continually providing the superior medicines essential to people's health. For more details, please visit <http://www.shionogi.co.jp>

Forward Looking Statements

This news release contains forward-looking statements based on current assumptions and forecasts made by Bayer Group management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports filed with the Frankfurt Stock Exchange and with the U.S. Securities and Exchange Commission (including its Form 20-F). Bayer assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

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