

Shionogi & Co., Ltd.
Bayer Yakuhin, Ltd.

**Shionogi Launches New Quinolone Antibacterial “Avelox® Tablet 400mg”
(Moxifloxacin Hydrochloride)**

Osaka, December 9, 2005 – Shionogi & Co., Ltd. (Head Office: Osaka, President: Motozo Shiono) today announced the Japan launch of “Avelox® Tablet 400mg” (generic name: moxifloxacin hydrochloride), a new quinolone antibacterial licensed from Bayer Yakuhin, Ltd. (Head Office: Osaka, President: Norikazu Eiki)

Avelox® Tablet, a respiratory quinolone, was developed by Bayer HealthCare AG. It has demonstrated an excellent antibacterial effect on all the major bacterial causes of respiratory tract infections. First approved in 1999 in Europe and the United States, this agent has been used to date to treat more than 40 million patients in 85 countries over its full range of indications.

Bayer Yakuhin and Shionogi reached an agreement in October 2003, under which Bayer Yakuhin granted exclusive Japanese marketing rights for Avelox® Tablet to Shionogi. In accordance with the agreement, Bayer Yakuhin acquired import approval on October 11, 2005 and upon obtaining National Health Insurance price listing today, Shionogi immediately launched the product and commenced domestic marketing on an exclusive basis.

In order to facilitate the rapid penetration of Avelox® Tablet into the Japanese market, both companies will continue to work closely together in the areas of marketing and post-marketing surveillance.

A summary of the product follows.

Avelox® Tablet 400mg Product Summary

- Product name: Avelox® Tablet 400mg
- Generic name: Moxifloxacin hydrochloride
- Acquisition of import approval: October 11, 2005
- NHI drug price listing: December 9, 2005
- Date of market launch: December 9, 2005
- Main characteristics: Expected to have significant clinical efficacy as a respiratory quinolone because of its excellent antibacterial effect on all the major bacterial causes of respiratory tract infections and good migration to all tissues in the respiratory tract.
- NHI drug price: ¥544.40 for one 400mg tablet (Daily drug cost of ¥544.40)

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>

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>

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.

<Contact>

Bayer Yakuhin, Ltd. Communications :

Shimazaki, Fujita

TEL: + 81-6-6398-1036 FAX: + 81-6-6398-1033

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