

April 16, 2007
Shionogi & Co.

Shionogi Announces the Opening of Drug Discovery Competition “FINDS”

Osaka, April 16, 2007 – Shionogi & Co., Ltd. (Head Office: Osaka; President: Motozo Shiono) publicly invites researchers in Japan to enter their original ideas in its drug discovery competition, FINDS (Pharma-Innovation Discovery competition Shionogi).

Shionogi strives constantly to provide medicine of the best possible kind essential for protection of the health of the people. Based on this policy, it has continuously offered superior medicines to many people. To continue fulfilling this objective, Shionogi must find superior drug “seeds” and develop them for practical use.

The FINDS drug discovery competition is a collaborative industry-academic initiative in which researchers in Japan with original drug seeds can submit ideas that meet Shionogi’s specified needs and work with the company to develop them into commercially viable drugs.

Through FINDS, Shionogi will work to enhance its acquisition of new drug seeds and basic discovery technologies and strengthen its search capabilities in order to continue to develop and manufacture new drugs for use around the world.

Competition Overview

1. Application period: May 14 to June 29, 2007
2. Number of research fields: 12
3. Selection method: Two-stage process
 - Stage 1: Preliminary screening to select about 30-50 candidates from online applications through Shionogi website.
 - Stage 2: Execution of a comprehensive confidentiality agreement followed by submission of detailed written research plans, and a final selection of about 10 projects.
4. Selection criteria: Submissions will be assessed and selected on the basis of factors including degree of correspondence with Shionogi’s needs, originality, practicality, potential for industrialization and conflict with existing company projects
5. Research budget: ¥2 million to ¥5 million per project (scheduled)

For details, please refer to the attached “2007 Shionogi Drug Discovery Competition FINDS Submission Guidelines” and “List of Applicable Research Fields.”

For further information, contact:

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2007 Shionogi Drug Discovery Competition FINDS Submission Guidelines

1. Eligibility

- Applicants must be researchers affiliated with academies, bio-venture business or other organization in Japan, and must be able to carry out research in applicable research fields in Japan.

2. Research Period

- One year, in principle (Shionogi may grant a one-year extension or shift the project to joint research depending on results.)

3. Research Budget

- ¥2 million to ¥5 million per year for each project (to be decided by Shionogi based on research content)

4. Selection Schedule and Application Procedure

- Stage 1 (Preliminary Screening)

Application period: May 14 (Mon), 2007 to June 29 (Fri), 2007

Application procedure: Use the application form on our website.

<http://www.shionogi.co.jp/finds/>

(A within 1,000 word summary of the research is required)

Confirmation of receipt will be sent by e-mail within three business days.

Please contact us through inquiry form of Shionogi Drug Discovery

Competition FINDS on our website if you do not receive confirmation within that time.

- Announcement of Stage 1 Preliminary Screening Results

By e-mail to all applicants on or before July 31, 2007

- Stage 2 (Final Selection)

Application period: August 1 (Wed), 2007 to August 31 (Fri), 2007

4Application procedure: To be announced to successful Stage 1 applicants
(A written research plan is required)

- Announcement of Successful Applicants

By e-mail on or before October 31, 2007

5. Selection Criteria

- Factors including degree of correspondence with Shionogi's needs, originality, practicality, commercial viability, and conflict with existing company projects

5List of Applicable Research Fields

New Drug Discovery Technologies That Will Lead to Next-Generation

Leading-Edge Pharmaceuticals

Ideas for next-generation molecular-targeted biopharmaceuticals to replace antibody drugs, ribozyme, siRNA drugs, RNA aptamers and others. Excluded here are gene therapy, tissue engineering and cell therapy.

Discovery of Seeds for Anti-Infectives

Proposals for target molecules used in discovery of novel antibacterial, antifungal and antiviral drugs; ideas for developing novel anti-infective drug screening techniques and building novel disease models; and other ideas applicable to drug discovery in this field.

Discovery of Seeds for Drugs to Treat Metabolic Syndrome

Proposals for target molecules used in discovery of novel drug seeds for treating diabetes and its associated complications, obesity, lipid disorders and arteriosclerosis; explanations of the physiology of these conditions and their role in human pathology; ideas for building novel disease models; ideas for developing novel drug screening techniques; and other ideas applicable to drug discovery in this field.

Discovery of Seeds for Drugs to Treat Chronic Pain

Proposals for target molecules used in discovery of novel drug seeds for treating inflammatory, neuropathic and cancer pain; explanations of the physiology of these conditions and their role in human pathology; ideas for building novel disease models; ideas for developing novel drug screening techniques; and other ideas applicable to drug discovery in this field.

Discovery of Seeds for Drugs to Treat Allergies

Research on promising drugs for controlling the predisposing factors of atopic dermatitis, including Th1/Th2 modulators, IgE inhibitors and immunotherapy; research on promising mast cell activation inhibitors; and other themes in this field.

***In Vivo* Gene Function Identification Techniques**

Ideas to develop technologies that facilitate production of vectors, carriers, knock-out and knock-in mice for organ-specific delivery of siRNA and aptamers, for use as tools in analyzing gene functions at the *in vivo* level.

Novel Assay Technologies Adaptable to High-Throughput Screening

Novel enzyme activity detection methods, interaction detection methods, gene variability analysis techniques, molecular probes and sensors for cell imaging and other technologies adaptable to high-throughput screening.

Simple Protein Detection Methods

Extremely simple and highly sensitive methods for detecting target proteins in chromatography and electrophoresis.

Methods to Make Specific Modifications to Protein

Efficient methods for modifying specific amino acids in protein using PEG, polysaccharides and other agents.

Efficient Methods to Identify Protein Crystallization Conditions

Methods for simple prediction of conditions for producing protein crystals for use in X-ray crystallographic analysis without exhaustive searching. Preference given to methods in which the various characteristics of the protein present the composition of the solution used in crystallization.

Virtual Screening Methods Based on the Dynamic Behavior of Protein

Methods of virtual screening (high-speed docking of multiple low-molecular organic compounds and predicting affinity for three-dimensional protein structures) that permit efficient incorporation of changes in the protein structure resulting from bonding with low-molecular ligands (induced-fit).

Analysis Technologies for Evaluating the Structure-Activity Relationship in Chemical Compounds

Research on the structure-activity relationship in chemical compounds has centered on linear analysis methods such as principal component analysis. In recent years, however, non-linear artificial neural networks have also been extensively used. Shionogi is soliciting applications for technologies that more efficiently advance structure-activity relationship research.