

January 28, 2008
Shionogi & Co., Ltd.

Construction of New Research Facility

Osaka, January 28, 2008 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President: Motozo Shiono) has decided to construct a new research facility within the grounds of the Company's existing laboratories in Toyonaka City, Osaka as the new center of its research operations.

Shionogi has formulated its second medium-term management plan for the five years from April 2005 to March 2010 in order to make a significant leap forward in 2010 and beyond. Among the plan's initiatives, one urgent task in the area of research activities is to upgrade the Company's research facilities and equipment in order to maintain and increase the international competitiveness and maximize the output of its research division toward the objective of continuously creating new, world-class drugs.

The planned new research facility will offer a globally competitive research environment. It will be furnished with state-of-the-art testing equipment and designed to accommodate the diversifying functions of information environments, thus raising efficiency and flexibility while increasing the Company's international competitive advantage. At the same time, it will further strengthen coordination and cooperation among researchers by centralizing dispersed research functions.

Shionogi's company policy is to "constantly strive to provide medicine of the best possible kind essential for protection of the health of the people." To achieve this goal, the Company will maintain its focus on creating superior, original world-class drugs as a research-driven pharmaceutical creator and manufacturer.

Overview of New Research Facility

Location: Toyonaka City, Osaka (same grounds as the Company's Developmental Research

Laboratories)
Building: Building area 9,800m²; 6 earthquake-resistant floors; total floor area 43,000m²
Start of Construction: Fall 2008 (scheduled)
Completion of Construction: Spring 2010 (scheduled)
Start of Operations: Summer 2010 (scheduled)
Cost of Construction: Approximately ¥14 billion

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