

February 2, 2009
Shionogi & Co., Ltd.

Notice of Revision of Earnings Forecast for the Year Ending March 31, 2009

1. Revised Earnings Forecast

Shionogi has revised earnings forecast for full fiscal year ending March 31, 2009, based on the accounting treatment for the business combination resulting from the acquisition of Sciele Pharma, Inc. (“Sciele”), and current business performance.

1. Revisions to consolidated earnings forecast for the fiscal year ending March 31, 2009

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Original forecast	231,000	48,000	48,000	30,000
Revised forecast	226,500	32,200	32,200	16,600
Change	(4,500)	(15,800)	(15,800)	(13,400)
Change (%)	(1.9%)	(32.9%)	(32.9%)	(44.7%)
FY2007 (Results)	214,268	40,399	39,879	25,063

2. Revisions to non-consolidated earnings forecast for the fiscal year ending March 31, 2009

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Original forecast	220,000	44,500	46,000	29,000
Revised forecast	206,000	37,500	39,000	25,000
Change	(14,000)	(7,000)	(7,000)	(4,000)
Change (%)	(6.4%)	(15.7%)	(15.2%)	(13.8%)
FY2007 (Results)	201,002	36,397	37,240	22,479

2. Reasons for the Revisions

(1)Revisions to consolidated earnings forecast

The background to the current revisions includes the accounting treatment for the business combination resulting from the acquisition of Sciele, the impact of the economic environment, which has swung toward rapid yen appreciation and the trend of the domestic sales of prescription drugs.

Although the net sales of Sciele for the three months ended December 31, 2008 were consolidated due to that company's acquisition, Shionogi has reduced the forecast for royalty income from Crestor licensed out to AstraZeneca due to the effect of recent rapid yen appreciation. In addition, the Company has revised the forecast for sales of domestic prescription drugs based on results for the nine months ended December 31, 2008.

Downward revisions to income forecast were substantially influenced by the one-time booking of in-process research and development expenses and amortization of intangible assets and goodwill in the accounting treatment for the business combination resulting from the acquisition of Sciele, as well as the consolidation of the income of Sciele for the three months ended December 31, 2008 due to that company's acquisition, on the other side of the decrease in royalty income from Crestor due to fluctuations in exchange rates and revision of the forecast for the domestic sales of prescription drugs.

The Company anticipates the increase of sales and profit excluding the impact of Sciele acquisition for consolidated earnings forecast of the fiscal year ending March 2009.

[Consolidated earnings forecast of the fiscal year ending March 2009 (excluding Sciele)]

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Revised forecast	217,000	41,000	41,000	26,000
Y on Y Change (%)	1.3	1.5	2.8	3.7

(2)Revisions to non-consolidated earnings forecast

The Company revised non-consolidated earnings forecast for the same reason above-described 2-(1), excluding the reason of the revision resulting from Acquisition of Sciele.

3. Dividend forecast

The company has not changed dividend forecast for the year ending March 31, 2009

Dividend per share: 14 yen as planned (Annual 28 yen in total)

The forecasted statement shown in the material is based on information currently available. Actual performance may differ materially from these forecasted figures due to various factors.

For further information:

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