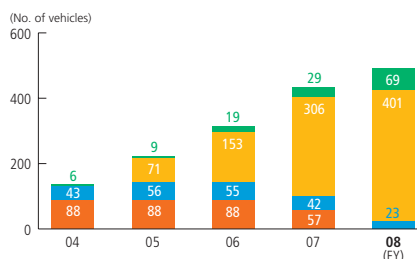


Low-Emission Vehicles

Shionogi is introducing low-emission vehicles for use by MRs. In fiscal 2008—following the introduction of 69 hybrid vehicles, low-emission vehicles, and other vehicles that meet specified fuel economy standards—all 493 of the Company's marketing-use cars were low-emission vehicles that have exhaust emissions 50% or more below the 2005 standard level. Going forward, plans call for introducing vehicles, mainly hybrid cars, that have low levels of exhaust gases and high levels of fuel economy and for promoting greater use of public transportation within Tokyo.

Introduction of Low-Emission Vehicles (LEVs)

■ Hybrid ■ 75% exhaust reduction from 2005 standard levels
■ 50% exhaust reduction from 2005 standard levels
■ 25% exhaust reduction from 2005 standard levels



Chemical Substance Management

Because many chemical substances have an impact on human health, ecosystems, and the global environment, the pharmaceutical industry is autonomously implementing such measures as those to survey the amount of chemical substances used and reduce atmospheric emissions. The Shionogi Group properly managed its emissions of chemical substances into the atmosphere and water and otherwise undertakes the appropriate management of harmful chemical substances. In addition, we have a reagent control system in place for appropriate inventory management regarding chemicals used in R&D as well as access controls concerning poisonous and/or hazardous chemicals.

Environmental Emission Volume

Shionogi files reports based on the Pollutant Release and Transfer Register (PRTR) Law, which requires companies to measure, compile, and announce data on hazardous chemicals released into the environment. Going forward, we will continue to properly maintain a grasp of the amount of such chemicals we use, release, and transfer.

Environmental Accounting

Shionogi has been conducting environmental accounting based on guidelines from Japan's Ministry of the Environment. The purpose of environmental accounting is to quantitatively manage environmental preservation activities by recognizing their cost and the effect they achieve.

Principal environmental investments in fiscal 2008 included such global environment protection expenditures as those for the renovation of lighting, air conditioning, and elevator-related equipment as well as such resource recycling expenditures as those for an outside drainage water system recycling facility at the plant of Bushu Pharmaceuticals. Principal expense items included maintenance and administration expenses associated with such facilities as those for the treatment of waste gas and wastewater as well as waste recycling and processing expenses. Real economic benefits included profit on the sale of waste liquids and metals from the Kanegasaki Plant and reduced expenses due to the shutdowns of accumulators at the Kuisse Site, the switch to a different kind of disinfectant-use ethanol at the Kanegasaki Plant, and the shutting off of lights at intermediate product storage facilities.

Substances Reported under the PRTR Law

(kg, mg-TEQ for dioxins)

Site Name	Chemical Substance	Amount Used	Amount Released into Environment			Amount Transferred	
			Atmosphere	Natural waterways	Soil	Sewerage	Off-site
Kuisse Site	Acetonitrile	9,481	53	0	0	0	9,428
	Dichloromethane	3,285	82	0	0	0	3,203
	Toluene	4,839	25	0	0	0	4,814
Settsu Plant	Dichloromethane	1,624	1,371	0	0	0	254
Kanegasaki Plant	Acetonitrile	62,204	6,759	0	0	0	27,571
	Dichloromethane	258,324	89,821	8	0	0	105,822
	N,N-dimethylformamide	58,354	380	0	0	0	0
	Pyridine	18,013	1,509	0	0	0	10,267
	Benzene	1,566	0	0	0	0	0
Shionogi Research Laboratories	Acetonitrile	6,370	3	0	0	4	6,363
	Chloroform	8,007	21	0	0	0	7,986
	Dichloromethane	1,455	27	0	0	0	1,429
Developmental Research Laboratories	Acetonitrile	1,063	0	0	0	0	1,063
	Dioxins	0	0	0	0	0	0
Bushu Pharmaceuticals	Acetonitrile	1,579	0	0	0	0	1,579
	Dichloromethane	1,374	1,147	0	0	0	227
Nichia Pharmaceutical Industries	Acetonitrile	2,363	0	0	0	0	2,363
	Ethylene glycol	5,709	0	0	0	0	4,000
	Dichloromethane	55,250	2,543	0	0	0	52,707
	N,N-dimethylformamide	1,296	0	0	0	0	1,294
	Toluene	11,342	0	0	0	0	11,342

Environmental Management Evaluation Report

Experts at the Institute for Environmental Management Accounting are providing Shionogi with their opinion regarding efforts to improve the reliability and transparency of disclosure of the Company's environmental activities and with advice on the Company's environment-friendliness and environmental management situation in the future.



Interview with Top Management



Environmental Management Evaluation Opinion Certificate

For more-detailed information on Shionogi's environmental activities and other activities, please visit our website at [URL: http://www.shionogi.co.jp/environment/eco/](http://www.shionogi.co.jp/environment/eco/)