

Shionogi's

Social

Activities

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Shionogi's CSR Activities

Shionogi proactively undertakes corporate social responsibility (CSR) activities to realize the Company Policy.

Fundamental Policy on CSR

Shionogi's purpose, as expressed in the beginning of the Company Policy instituted in 1957, is "to strive constantly to provide medicine of the best possible kind essential for protection of the health of the people." This enduring and unwavering corporate philosophy is a statement of our vision and value to society. Our activities as a pharmaceutical company definitely contribute to society, and we believe that implementing our corporate philosophy promotes our fulfillment of social responsibilities.

Further, to help realize the Company Policy, we have created Shionogi's Action Guidelines, which are a framework of standards for day-to-day activities that all people working at Shionogi share. The Action Guidelines provide concrete indications of the ideal nature of all our current and future activities.

By acting in accordance with the Company Policy and the Action Guidelines, we can contribute to patients, physicians, and other healthcare professionals who need the medicines we provide as well as to shareholders and society as a whole. We are confident that this leads to the Company's development and to the personal growth of Shionogi employees and the enrichment of their lives.

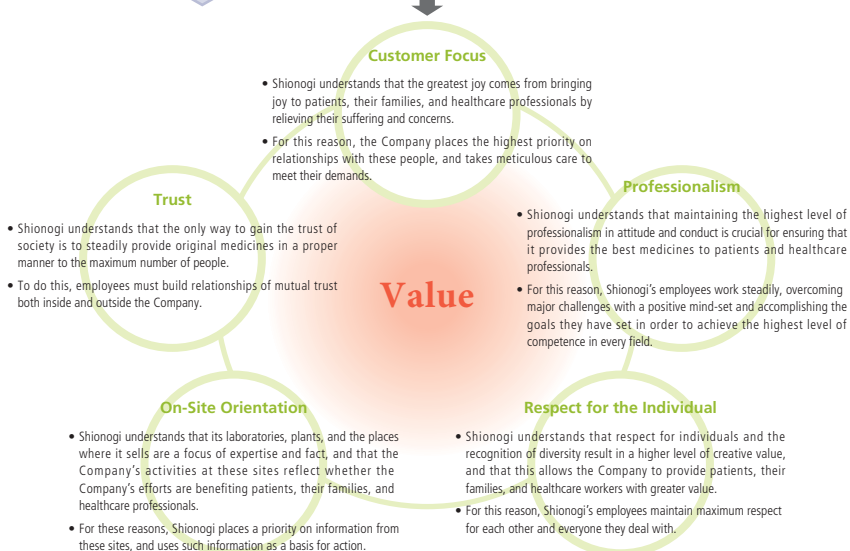
In all its activities including CSR activities, Shionogi believes that maintaining the integrity of society and protecting the natural environment are essential for protecting the health of the people in line with its fundamental policies, and it is proactively engaging in such essential activities.



The Company Policy of Shionogi

Shionogi's Action Guidelines

- Mission** We will deliver pharmaceuticals that offer an even higher level of satisfaction to patients, their families, and healthcare providers and improve the quality of life for patients and their families.
- Vision** A company with a strong presence worldwide
A company that has pride and dreams and embraces challenges
- Value** Customer Focus, Trust, Professionalism On-Site Orientation, Respect for the Individual



Toward Progress in Cancer Pain Management

As part of its CSR activities, Shionogi has worked to promote broader-spread treatment of cancer pain for the past three years. Aiming to provide cancer pain relief as quickly as possible, we intend to sustain these promotional activities going forward.

Current State of Cancer Pain Treatment in Japan

Cancer is a disease with a high mortality rate in Japan. While the share differs by gender, roughly one in two Japanese will develop cancer some time, making cancer a very familiar disease. Many cancer patients experience severe pain due to their disease and its treatment. However, even when patients are subjected to extremely severe pain, therapy based on oral narcotics can eliminate that pain. Unfortunately, many cancer patients in Japan are still just doing their best to tolerate their pain during the period of their treatment.

Reason for Shionogi's Efforts to Promote Treatment of Cancer Pain

Shionogi began marketing oral therapeutic narcotics for use in connection with cancer treatment about 20 years ago, and the Company has since that time proactively worked to provide information aimed at promoting broader-spread pain therapy. Compared with the situation in other industrialized countries, however, the use of therapeutic narcotics in Japan remains insufficient. The April 2007 application of the Basic Law Concerning Cancer Countermeasures took effect and has enabled some progress regarding the use of palliative therapy for cancer pain and other kinds of pain. By promoting keener and more-widespread awareness of antipain therapy among members of the

general public, Shionogi is striving to help prepare an environment in which the liberation of cancer patients from pain can move forward.

Activities Implemented during Fiscal 2008

Within the framework of Shionogi's efforts to promote understanding of the importance of cancer pain treatment throughout society, fiscal 2008, in a continuation of the previous year's activities, was positioned as a year for foundation building through the implementation of the following activities undertaken in cooperation with government, academic, the industrial arena (principally the pharmaceutical industry), and media entity partners.

Production and Broadcast of Television Commercials

Based on commercial broadcasts in fiscal 2007, commercials were prepared featuring the caption "therapeutic narcotic drugs" as a means of promoting understanding.

Cooperation with Government Programs to Promote Awareness of "Cancer Palliative Care"

Public relations activities were taken via mass media and other initiatives were taken to support the Orange Balloon Project, which spreads correct information about palliative care for those suffering from cancer and other diseases under the sponsorship of the Ministry of Labour, Health and Welfare.

Participation in and Management of Corporate Associations

Shionogi participated in the Cancer Pain Relief Consortium, a corporate association aimed at promoting broader-spread awareness and application of cancer pain relief therapy. This corporate consortium proactively took measures to promote improved awareness.



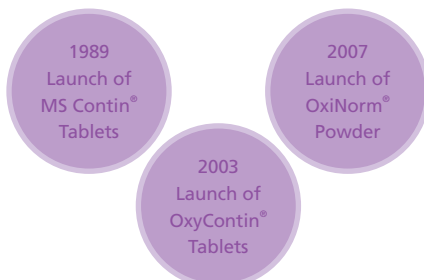
(At the end of April 2009, the Cancer Pain Relief Consortium included six companies: Shionogi; Teikoku Seiyaku Co., Ltd.; Terumo Corporation; Nippon Shinyaku Co., Ltd.; Hisamitsu Pharmaceutical Company, Inc.; and Janssen Pharmaceutical K.K.)

Activities Planned for Fiscal 2009

In the current fiscal year, as previously, Shionogi is employing the venerable celebrity Shunji Fujimura as the central image character for public awareness advertisements proactively disseminated via newspapers, television, the Internet, and other media. Plans also call for additional energy to be invested in the Cancer Pain Relief Consortium with the goal of supporting collaborative efforts by industry, academic, and government entities to promote cancer pain care. To increase proper awareness of cancer pain therapy among an increasingly larger number of people, Shionogi will continue to emphasize information-dissemination activities.



Television commercial about cancer pain treatment



応援しています。



Orange Balloon Project

Relationship with Employees

Human Resource Development

Shionogi considers people to be its most important resource, and it does its utmost to create an environment in which employees can proactively improve and exercise their skills. One of the results of this approach is seen in the share of Shionogi MRs who pass the MR accreditation test of the MR Education and Accreditation Center of Japan—while the industry average is 80%, the rate for Shionogi employees is close to 100%.

Besides education and training programs, Shionogi implements a “youthful employee interview” program for employees in their second and fourth years with the Company. Human resource staff undertake interviews with all the youthful employees throughout Japan and their bosses concerning routine tasks and problems and provide advice with emphasis on educational issues as a means of tailoring human resource development activities to each individual employee’s needs.

Fair and Equitable Personnel Evaluations

Shionogi has rigorously aligned Company targets with individual employee targets as well as built a target management system that emphasizes Plan-Do-Check-Act (PDCA) management.

To maximize employees’ motivation and capabilities, we believe it is crucial to properly evaluate the abilities employees display, the roles they undertake to play, and results they achieve in their areas of responsibility, so that we can give them appropriate jobs, remuneration, and other treatment. In view of this, besides creating evaluation standards and disclosing them to employees, Shionogi is increasing the transparency and objectivity of its evaluation methodology by preparing evaluation manuals and providing educational programs for evaluators. In addition, by gathering feedback on evaluation results, the Company is working to increase employee confidence in the evaluation system and to operate the system in a manner that effectively promotes human resource development.

Occupational Safety and Health

In line with its corporate purpose of “protection of the health of the people”, Shionogi recognizes the primary importance of its employees’ safety and health, which the Company works to ensure through a variety of initiatives centered on the safety and health committees of each workplace. Regarding safety, because many chemicals are used at its research and production facilities, the Company strictly enforces appropriate handling and storage management, and is strengthening its internal check system. In addition, to prevent occupational injury or illness, Shionogi regularly conducts rigorous safety inspections, promptly rectifies any problems identified, and works to raise employee safety awareness.

Concerning employee health, Shionogi has introduced a work information system to facilitate the management of working hours and thereby create a framework for preventing the incidence of chronically excessive work hours. We are also cooperating with a health insurance association to augment our efforts to maintain and improve employee health. Specifically, we work to ensure employees take part in the regular annual health check-up, for which the participation rate is currently 99.9%. Based on the results, industrial physicians, nurses, public health nurses, and other health maintenance staff undertake detailed follow-up work regarding each individual employee with a pre-existing or newly diagnosed condition. Moreover, we organize such events as health seminars and fitness walks to improve employees’ awareness of their own health situations.

To address mental health, Shionogi has a specialized physician working as an industrial physician and has established a counseling system that includes a counseling room and outside services. In these and other ways, the Company is implementing a comprehensive range of measures in line with the Japanese Ministry of Health, Labour and Welfare’s “four care policy” (self-care, managerial care, on-site industrial health staff care, and external resource-based care).



A follow-up training course for employees in their second year with the Company

Education and Training Systems

Support steady advancement	<ul style="list-style-type: none"> ▶ Training for junior employees...Building the foundation ▶ Management training...Promoting management capabilities and helping upgrade skills ▶ Training for newly promoted employees...Broadening the scope of activity
Help employees pursue opportunities	<ul style="list-style-type: none"> ▶ Job requests....Leveraging individual capabilities in choosing preferred area of activity ▶ Study programs....Aiming to further improve professional skills
Detailed development by matching work to employee growth	<ul style="list-style-type: none"> ▶ Interview program....Personal guidance by supervisors ▶ New employee trainer system....Detailed guidance by senior employees
Help motivated employees upgrade their abilities and skills	<ul style="list-style-type: none"> ▶ Optional training....Choose from a wide range of training programs ▶ Career design seminars....Self-guided career design ▶ Succession plans....Foster key personnel
Enhance job-specific abilities and skills	<ul style="list-style-type: none"> ▶ Education for MRs ▶ Education for researchers and development personnel

Number of Occupational Illnesses/Injury Incidents	2007	2008
Number of occupational illnesses/injury incidents	18	12
Occupational illness/injury incident frequency rate	0.33%	0.108%
Occupational illness/injury incident severity rate	0.002%	0.0002%

Employment of Persons with Disabilities

To help normalize the lives of persons with disabilities, Shionogi has been making ongoing efforts to hire such persons. In fiscal 2008, the share of Shionogi's employees with disabilities was 2.17%, considerably higher than the legally mandated share of 1.8%. Shionogi has also received recognition from the Osaka Employment Development Association as a distinguished employer. This association also annually presents disabled Shionogi employees with longtime service awards that reflect the Company's high retention rate for employees with disabilities.

Human Rights Initiatives

Shionogi has clearly articulated its employee rights concept in the "Conduct at Shionogi" section of the Shionogi Charter of Conduct, stating that "Shionogi respects the rights and individuality of its employees and works to ensure their comfort and fulfillment." In line with this, Shionogi has implemented various training programs and established a consultation service to ensure that there is no discrimination either inside or outside the Company on the grounds of race, nationality, origin, religion, creed, beliefs, gender, age, education, disability, illness or other factors, nor any sexual harassment, power harassment, or other types of harassment. In addition, as stated in one of the five values of Shionogi's Action Guidelines, "Respect for the individual," maintaining maximum respect for the diverse individualities of everyone involved with Shionogi is one of the Company's most important values.

Employee Welfare Benefits

Shionogi has introduced a "cafeteria plan" that allows employees to select support programs from an array of options in line with their own life plans and needs. This plan helps employees enrich their lives by offering a broad menu of more than 30 programs, including those that provide support for health, child care and upbringing, nursing care, self-improvement, lifestyle, and asset building.

In addition, Shionogi is working to augment its systems that help create an environment where employees can securely harmonize their work life and family life responsibilities, including those associated with child and nursing care. As a part of this effort, on April 1, 2009,

Shionogi introduced a new system for providing support related to the life events of marketing staff. Designed to expand female MRs' scope of activities, this system includes such programs as those for MRs who want to work in a specific region following marriage and MRs who require shortened work hours due to child-raising responsibilities as well as a program that helps any employee to return to their careers after a life event-related interruption. The new system has created an environment that makes it easy for female employees to work at Shionogi.

Vacation and Leave Systems

System	Features
No-Overtime Day	On two specified days each month, employees are encouraged to leave at the regular time without working any overtime.
Consecutive Vacation Day System	Employees can use three of their annually allotted paid vacation days in conjunction with weekends to enjoy five consecutive days of vacation.
Child-Care Leave	Available until the child is three years of age. In fiscal 2008, 110 employees used this option.
Reduced Work Hours for Child Care	Employees with preschool children can reduce their daily working hours by up to two hours. In fiscal 2008, 138 employees used this option.
Staggered Hours	Employees with preschool children can stagger their working hours. (Six patterns available)
Child-Care Time System	Employees with children up to the age of 18 months can take up to one hour of paid time per day for child care.
Nursing Care Leave	Employees with family members in need of care can take partially paid leave for up to two years for each family member in need of care.
Reduced Work Hours for Nursing Care	Employees with family members in need of care can reduce their daily working hours by three hours for up to two years for each family member in need of care.
Nursing Leave	Employees with preschool or otherwise dependent children can take up to five paid days off a year to care for a sick child. In fiscal 2008, eight employees used this option.

Workplace Support Systems for Life Events

System	Features
Marketing Staff Work Location Request System for Marriage-Related Factors	Employees assigned to marketing jobs who find it difficult to cohabit with their spouse at the time of their marriage may specify their desired work location.
Marketing Staff Work-Hour Reduction System for Child-Raising Related Factors	Employees assigned to marketing jobs who have preschool children may adjust their work schedules by reducing the number of daily work hours (by one hour or by two hours) and concurrently making use of a flextime system.
Career Resumption System	Former employees who have interrupted their careers due to such life events as those associated with marriage, childbirth, child raising, and/or nursing family members may register with the Company, which will rehire them as contract employees when the former employees' circumstances permit this and when they are positioned to help meet the Company's human resource needs.

* Each of these systems is available to qualified employees regardless of their gender.

Application of Innovative Manufacturing Technologies

Shionogi strives to improve its manufacturing technologies through research in the manufacture and formulation of medicine as well as its quality evaluation. From the standpoint of emphasizing “Customer Focus”, “Trust”, and “On-Site Orientation,” which are elements of Shionogi’s Action Norm (“The Value”), the Company has undertaken extensive projects to develop and improve formulations, aiming to provide medicines that are easier for patients to take and for medical professionals to prescribe.

“Easy to take” Granules for Children

Parents often come across difficulty in making their children take a medicine owing to its unpleasant taste or smell, and even if the children swallow the medicine, they may spew it out together with what they ate just before swallowing the medicine. Medicines are often dispersed in water or fruit juice when



The diameter of Shionogi’s fine granules has been reduced.



After the improvement measures, large granules have been eliminated and the average diameter of granules has been reduced. This reduces the rough feeling of the granules and increases the ease of administering the granules.

prescribed to infants. This treatment is sometimes troublesome, so Shionogi has developed Flomox Fine Granules for children which quickly disperse in solution by slight stirring. For children who want to take the granules without solution, Shionogi applied its taste-masking technologies to the granules and enhanced sweetness by modifying the formulation process.

A New Protective Bottle Filler for Tablets

A molded plastic bottle filler or polyethylene (PE) film filler is usually inserted into the top of the bottle to prevent tablets from such damage as breakage, cracking, or defacement during transportation. However, the plastic bottle filler is not easily removed, and the tablets are sometimes entangled with the PE film filler. To solve these problems, Shionogi has developed a new protective bottle filler for tablets. The new bottle filler, made of polyethylene, is prepared by rolling a cylindrical net into a several-layer ball having a stem on the top. It has superior shock-absorbing ability thanks to its high level of elasticity, and can easily be removed from the bottle by pulling out the stem. Moreover, the filler has some other outstanding characteristics; the size of the filler is easily adjusted so that it can be applied to different sizes of containers. We have filed patents on this filler and registered its trademark, “TabGuard”, and applied this to bottled medicines, such as Irberan®, Pirespa®, and Crestor®.



Prevention of Medication Errors (To Ensure Right Medication)

In Irbetan® and Pirespa®, the product name and dosage are displayed on each pocket of the press-through packages (PTPs*) of the medicines. Therefore, even if a PTP sheet is divided into pieces, patients can find the name and dosage in each piece, which prevents the patients from misuse. Furthermore, in Irbetan®, the dosage, Shionogi’s logo, and recognition code are alternately printed on both obverse and reverse sides as well as on either side of the score line of the tablet, so that the name and dosage of the medicine can be recognized even when divided in half.

*PTPs: Press-through packages (PTPs) hold drug tablets in individual pockets that can be pressed with a finger to push the tablet through the backing.

