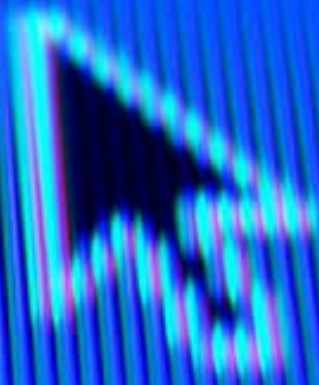


Presentation of Results for the Third Quarter of Fiscal 2005

C o n f e r e n c e C a l l



February 6, 2006
Shionogi & Co., Ltd.



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Consolidated and Non-consolidated Third Quarter Financial Results

(Billions of yen)

Consolidated	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	% change
Net sales	151.8	151.8	0.1
Operating income	24.5	22.6	8.3
Ordinary income	25.1	22.0	14.1
Net income	20.9	15.1	37.9
Non-consolidated			
Net sales	140.5	137.5	2.2
Operating income	21.5	19.3	11.7
Ordinary income	23.6	19.9	18.8
Net income	24.2	13.9	73.6



Consolidated Third Quarter Financial Position and Cash Flows

(Billions of yen)

< Financial position >

	As of Dec. 31, 2005	As of Mar. 31, 2005	Increase/ Decrease
Total assets	417.2	396.9	20.3
Shareholders' equity	333.6	299.8	33.8
Ratio of shareholders' equity to total assets	80.0%	75.5%	+4.5%
Shareholders' equity per share	979.56 yen	879.79 yen	99.77 yen

< Cash Flows >

	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	Increase/ Decrease
Cash flows from operating activities	8.2	16.0	(7.8)
Cash flows from investing activities	3.2	(3.6)	6.8
Cash flows from financing activities	(24.6)	(4.2)	(20.4)
Cash and cash equivalents at end of the period	82.9	76.9	-



Highlights of Consolidated Financial Position

(Billions of yen)

■ Increase in assets	+20.3
■ Decrease in cash resulting from redemption of bonds (May 05)	(20.0)
■ Increase in the market value of investment securities	+27.3
■ Decrease in assets resulting from exclusion of capsule business from the scope of consolidation	(6.0)
■ Purchase of government bonds (management of net income for the period etc.)	+20.0
■ Decrease in liabilities	(13.6)
■ Redemption of bonds	(20.0)
■ Decrease in debt resulting from exclusion of capsule business from the scope of consolidation	(4.0)
■ Increase in deferred tax liabilities resulting from increased value of investment securities	+10.7
■ Increase in shareholders' equity	+33.8
■ Increase from net income for the period	+20.9
■ Increase in investments in securities	+16.5
■ Cash dividends paid to shareholders and translation adjustments	(3.7)



Consolidated Third Quarter Sales by Segment

(Billions of yen)

	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	% change
Prescription drugs	129.2	128.5	0.6
Flomox	25.9	25.1	2.9
Flumarin	13.1	13.7	(4.4)
Vancomycin	12.6	12.7	(0.7)
Imunace	8.6	8.3	4.0
Claritin	5.2	4.7	11.2
Oxycontin	3.4	2.2	52.7
MS Contin	2.9	4.7	(38.4)
Finibax	0.4	-	-
Avelox	1.6	-	-
OTC products	5.1	5.0	0.7
Diagnostics	2.6	2.7	(2.9)
Industrial property rights	6.5	3.9	65.8
Crestor	5.4	3.1	71.3
Capsule business	6.1	8.9	(31.9)
Real estate & others	2.5	2.8	(12.9)
Total	151.8	151.8	0.1

Note: Sales of prescription drugs are shown on a non-consolidated basis.



Comparative Analysis of Third Quarter Financial Results for Fiscal 2004 and Fiscal 2005 (Consolidated)

	(Billions of yen)		
	Nine months ended Dec. 31, 2005	Nine months ended Dec. 31, 2004	%
			Change
Net sales	151.8	151.8	0.1
[Royalty income]	[6.5]	[3.9]	[5.9]
	35.5%	37.7%	
	[37.1%]	[38.7%]	
Cost of sales	53.9	57.1	(5.6)
Gross profit	97.9	94.6	3.5
	48.3%	47.4%	
Selling, general and administrative expenses	73.3	71.9	1.9
Selling and administrative expenses	49.9	48.6	2.6
Research & development expenses	23.3	23.2	0.6
	16.2%	14.9%	
Operating income	24.5	22.6	8.3
Non-operating income and expenses	0.6	(0.6)	
	16.6%	14.5%	
Ordinary income	25.1	22.0	14.1
Extraordinary gain and loss	10.5	3.3	
Income before income taxes and minority interests	35.6	25.3	40.4
income taxes and minority interests	14.6	10.1	
	13.8%	10.0%	
Net income	20.9	15.1	37.9



Highlights of Consolidated Financial Results

- **Net sales** **+0.1%**
 - New products Avelox and Finibax and core products such as Flomox and Claritin contributed to increased sales.
 - Overall sales increased slightly compared with the same period in the previous fiscal year due to the exclusion of capsule business in Oct. 2005 (Non-consolidated sales increased by 2.2%.)
- **Operating income** **+8.3%**
 - Increase in royalty income and improved cost of sales contributed to increased operating income.
- **Ordinary income** **+14.1%**
 - Increases in dividend income from investments in securities and exchange gain and a decrease in interest expense relating to the redemption of bonds contributed to increased ordinary income.
- **Net income** **+37.9%**
 - Net income increased considerably resulting from the sale of the capsule business, which was posted in extraordinary income.



Comparative Analysis of Consolidated Results by Quarter

(Billions of yen)

	Fiscal 2004				Fiscal 2005		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net sales	47.7	47.6	56.5	47.5	48.4	48.4	55.0
	39.6%	37.6%	36.0%	35.5%	37.0%	36.9%	33.1%
Cost of sales	18.9	17.9	20.3	16.9	17.9	17.8	18.2
Gross profit	28.8	29.7	36.1	30.6	30.5	30.5	36.9
	49.5%	51.6%	42.1%	51.7%	48.7%	52.3%	44.3%
Selling, general and administrative expenses	23.6	24.5	23.8	24.6	23.6	25.3	24.4
Research and development expenses	7.7	8.0	7.5	6.2	6.9	8.3	8.1
	10.9%	10.8%	21.9%	12.7%	14.3%	10.8%	22.6%
Operating income	5.1	5.2	12.3	6.1	6.9	5.2	12.4
	10.9%	10.5%	21.0%	12.1%	14.6%	10.9%	23.3%
Ordinary income	5.1	5.0	11.9	5.8	7.1	5.2	12.8
Net income	5.0	3.1	7.0	3.8	5.5	2.8	12.6



Full-year Forecast of Consolidated and Non-consolidated Financial Results

	(Billions of yen)		
	Fiscal 2005 Forecast	Fiscal 2004 Results	% Change
< Consolidated >			
Net sales	200.0	199.3	0.3
Operating income	29.3	28.7	2.0
Ordinary income	28.5	27.8	2.5
Net income	22.5	18.9	18.8
< Non-Consolidated >			
Net sales	187.0	180.7	3.5
Operating income	26.5	24.5	7.8
Ordinary income	27.8	25.4	9.0
Net income	26.5	17.7	49.0



Full-year Forecast of Consolidated Sales by Segment

	Fiscal 2005 forecast	Nine months ended Dec. 31, 2004	Progress to forecast (%)	(Billions of yen) Fiscal 2005 revised forecast
	(Announced in Nov. 2005)			
Prescription drugs	171.0	129.2	75.6	171.5
Flomox	34.3	25.9	75.4	34.3
Flumarin	16.5	13.1	79.4	16.5
Vancomycin	15.7	12.6	80.5	15.7
Imunace	10.5	8.6	82.1	10.5
Claritin	10.3	5.2	50.3	9.3
Oxycontin	4.7	3.4	71.3	4.7
MS Contin	4.0	2.9	72.7	4.0
Finibax	1.0	0.4	39.0	1.0
Avelox	1.0	1.6	158.1	2.5
OTC products	6.6	5.1	77.0	6.6
Diagnostics	3.3	2.6	78.4	3.3
Industrial property rights	10.0	6.5	64.8	9.5
Crestor	8.5	5.4	63.0	8.0
Capsule business	6.1	6.1	100.0	6.1
Real estate & others	3.0	2.5	82.3	3.0
Total	200.0	151.8	75.9	200.0

Note: Sales of prescription drugs are shown on a non-consolidated basis.



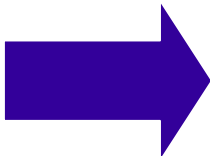
Full-year Forecast of Consolidated Operating Income

	<u>Billions of yen</u>		progress to forecast(%)
	Fiscal 2005 Forecast	Fiscal 2004 Results	
Net sales	200.0	151.8	75.9
	34.8%	35.5%	
Cost of sales	69.5	53.9	77.7
	50.6%	48.3%	
Selling, general and administrative expenses	101.2	73.3	72.5
Selling and administrative expenses	67.2	49.9	74.3
Research and development expenses	34.0	23.3	68.8
	14.7%	16.2%	
Operating income	29.3	24.5	83.9



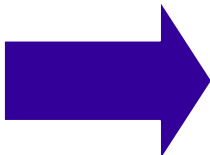
Pipeline Update (since Nov. 2005)

Avelox[®]



Launched (Dec. 2005)

NS75A
(cetorelix)



Passed drug review committee
(Jan. 2006)

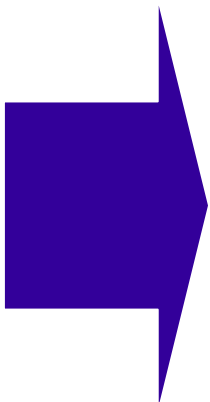
S-2367

S-5751

S-013420

LY-248686

(diabetic peripheral
neuropathic pain)



Phase II
Moving smoothly



Strengthening Shionogi's Pipeline

- **Signed research and co-marketing agreement with Purdue**
 - **Established mutual trust relationship with Purdue through MS Contin and OxyContin**
 - **The agreement is expected to work on further strengthening Shionogi's target area of pain treatment.**
 - **Started joint research in Jan. 2006**
 - **Research and develop novel treatments for pain under 3 programs**
 - **The first IND is scheduled for 2007.**
 - **The agreement allows Shionogi to co-market with Purdue globally in the future.**



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