

Shionogi to make its subsidiary into a wholly owned subsidiary, and to change the corporate name

Osaka, Japan, November 1, 2010 – Shionogi & Co., Ltd. (Head Office: Osaka; President and Representative Director: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) today announced that the company acquired 100% ownership of Nichia Pharmaceutical Industries Ltd. (hereafter “Nichia”) by taking over the 25% shares of Nichia owned by Nichia Corporation (Head Office: Tokushima; President: Eiji Ogawa). Along with becoming a wholly owned subsidiary of Shionogi, the corporate name of Nichia has changed into Shionogi Pharma Chemicals Co., Ltd. on November 1, 2010.

1. Aim for acquiring 100% ownership of Nichia

Nichia is a company of manufacturing of pharmaceutical raw materials established by a joint investment of Nichia Corporation and Shionogi in August, 1976. This time, Shionogi decided to make Nichia into the wholly owned subsidiary in order to improve the contribution to the group management further. Moreover, Shionogi Pharma Chemicals Co., Ltd. will be contributing as a member of Shionogi group along with the acknowledgment as a group subsidiary and improvement of the employees’ conscious by changing the corporate name with this opportunity of becoming the wholly owned subsidiary

Shionogi will enforce the system of the manufacturing technology and strive to maintain and enhance the quality levels of our products continually in order to expand the global business in the 3rd Medium-Term Business Plan.

2. General Information of the wholly owned subsidiary (As of November 1, 2010)

Corporate Name	Shionogi Pharma Chemicals Co., Ltd.
Head Office	224-20, Ebisuno Hiraishi, Kawauchi-cho, Tokushima 771-0132, Japan
Chief Executives	President and Representative Director: Toshiaki Masui
Category of Business	Manufacturing of pharmaceutical raw materials
Paid-in Capital	¥200 million
Incorporated	August 24, 1976
Main shareholder	Shionogi & Co., Ltd.: 100.0%
Financial Results (for the Year ended March 31, 2010)	Amount of Sales: ¥778 million Ordinary income: ¥56 million Net income: ¥33 million Total assets: ¥2,037 million

Forward-Looking Statements

This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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