

License Agreement for the Sale of Pirfenidone (Pirespa®) in South Korea with ILDONG PHARMACEUTICAL

Osaka, Japan, July 12, 2011 - Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi") today announced that it entered into licensing agreement for the sale of pirfenidone in South Korea with ILDONG PHARMACEUTICAL Co., Ltd. (Head Office: Seoul; Chairman & CEO: Jung-chi Lee; hereafter "ILDONG") on May 30, 2011. Following the execution of agreement, ILDONG will file a New Drug Application and exclusively sell this product in South Korea.

Shionogi received marketing and manufacturing approval for pirfenidone in Japan for the treatment of idiopathic pulmonary fibrosis (IPF) in October, 2008, and launched it as "Pirespa®" in December of that year. Japan is the first country in which pirfenidone has been approved. Pirfenidone is a promising therapeutic agent which is expected to inhibit the progression of IPF through a new mechanism of action inhibiting fibrosis directly and offering a new option for IPF treatment.

Shionogi anticipates that the clinical results obtained in our Japanese development program will contribute to the treatment of patients suffering from IPF by supporting the rapid launch of this product in South Korea through ILDONG.

About ILDONG PHARMACEUTICAL Co., Ltd.

Establishment: March 14, 1941

Representative: Chairman & CEO, Jung-chi Lee

Head Office: 60, Yangjae-dong, Seocho-gu, Seoul

Description of Business: ILDONG is a South Korean pharmaceutical company with the philosophy of "Excellence and Contribution to the Health and Happiness of Mankind", and which has worked to develop, produce and distribute superior pharmaceutical products for 70 years. In particular, ILDONG is viewed as a leading company in the production of vitamins, lactobacillus, antibiotics, and gastrointestinal preparations.

A news release from ILDONG and additional information is available at
<http://www.ildong.com>

About Idiopathic Pulmonary Fibrosis (IPF)

IPF is a medical condition of unknown etiology with poor prognosis in which progressive fibrosis of the alveolar walls produces irreversible lung damage, observed as “honeycomb lung”*. In general, reduction in both vital capacity (VC) and total lung capacity (TLC) are observed. Exchange of oxygen and carbon dioxide in the lungs becomes more difficult with the progression of fibrosis in the alveolar walls, with oxygen inhalation becoming required in some cases. IPF is designated as a specified rare and intractable disease by the Ministry of Health, Labour and Welfare.

* Honeycomb lung: A high-resolution CT scan of the lung yields a honeycomb pattern.

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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