



Notice Regarding Absorption-type merger of Shionogi Pharma Co., Ltd.

OSAKA, Japan, October 27, 2025 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.; hereafter "Shionogi" or the "Company") announced that at the Board of Directors meeting held today, it was resolved to merge (hereafter the "Merger") with Shionogi Pharma Co., Ltd. (Head office: Settsu City, Osaka Prefecture; Representative Director and President: Yasuyoshi Iso; hereafter "Shionogi Pharma"), a wholly owned subsidiary of our company, with an effective date of April 1, 2027. Note that the company has omitted some of the disclosure items and details as the Merger is a simplified absorption-type merger of its wholly owned subsidiaries.

1. Purpose of the merger

Shionogi Pharma is our manufacturing subsidiary responsible for the manufacture of prescription pharmaceuticals and investigational new drugs. Based on our Medium-term Business Plan, SHIONOGI Transformation Strategy 2030 Revision, we are accelerating the globalization and expansion of our business, primarily focused on our in-house discovered infectious disease products. Recently, the environment surrounding the pharmaceutical supply chain has undergone significant changes, including increased geopolitical risks and stricter quality regulations, making global supply chain management even more challenging. Especially, demand for infectious disease drugs can fluctuate significantly depending on the outbreak situation, so flexible responses are essential to ensure a stable supply of necessary medications to patients and healthcare providers. In this environment, it is essential to integrate and collaborate across production, pharmaceutical technology development, sales and marketing, and other functions to build a flexible and resilient production and supply system. The purpose of this absorption-type merger of Shionogi Pharma is to further strengthen these functional collaborations and build a robust production and supply system that can adapt to any environmental changes.

2. Overview of the merger

(1) Merger schedule

Date of Board Resolution for the merger: October 27, 2025

Date of signing of memorandum of understanding: November, 2025 (planned)

Date of signing of the merger agreement: February, 2027 (planned)

Date of the merger (effective date of the merger): April 1, 2027 (planned)

*Note that this merger falls under the simplified absorption-type split stipulated in Article 796, Paragraph 2 of the Companies Act for the Company and it falls under a short form merger as prescribed for in Article 784, Paragraph 1 of the Companies Act in relation to Shionogi Pharma. Therefore, the merger agreement will be approved without the approval resolution of the shareholders' meeting.

(2) Form of merger

This will be an absorption-type merger with Shionogi as the surviving company and Shionogi Pharma as the Absorbed company.

(3) Allocation with merger

As Shionogi Pharma is a wholly owned subsidiary of the Company, there will be no issuance of new shares or allocation of cash or other consideration with this merger.

- (4) Handling of stock acquisition rights and bonds with stock acquisition rights associated with the merger
Not applicable.

3. Outline of merging companies

	Surviving Company	Absorbed company		
(1) Company Name	Shionogi & Co., Ltd.	Shionogi Pharma Co., Ltd.		
(2) Head Office Location	1-8, Doshomachi 3-chome, Chuo-ku, Osaka 541-0045, Japan	2-5-1 Mishima, Settsu City, Osaka		
(3) Job Title and Name of Representative	Isao Teshirogi, Ph.D., Representative Director, President and CEO	Yasuyoshi Iso, President and CEO		
(4) Business Description	Research and development, purchasing, manufacturing, sales, and related operations of prescription pharmaceuticals	Manufacture of prescription pharmaceuticals and other products, contract manufacturing, etc.		
(5) Capital	¥21,279 million (As of March 31, 2025)	¥90 million		
(6) Date of Establishment	June 5, 1919	October 1, 2018		
(7) Total Number of Issued Shares	889,632,195 shares	400 shares		
(8) Fiscal Year End	March 31	March 31		
(9) Major Shareholders and Shareholding Ratio (as of March 31, 2025)	Japan Master Trust Bank, Ltd. (Trust Account) 18.55% Custody Bank of Japan, Ltd. (Trust Account) 8.50% Sumitomo Life Insurance Company 6.49% SMBC Trust Bank Ltd. (Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account) 3.30% Nippon Life Insurance Company 2.93%	Shionogi & Co., Ltd. 100.0%		
(10) Financial Condition and Operating Results for the Most Recent Fiscal Year (Fiscal Year 2025)				
	Shionogi & Co., Ltd. (Consolidated, IFRS)		Shionogi Pharma Co., Ltd. (non-consolidated, Japanese accounting standards)	
	Total Capital	¥1,362,497 million	Total Equity	¥109,628 million
	Total Assets	¥1,535,349 million	Total Assets	¥122,773 million
	Equity Attributable to Owners of the Parent Company per Share	¥1,600.68	Total Equity per Share	¥274,070,613.43
	Sales Revenue	¥438,268 million	Sales	¥60,444 million
	Operating profit	¥156,603 million	Operating Income	¥7,650 million
	Profit before Tax	¥200,750 million	Ordinary Income	¥7,562 million

	Profit Attributable to Owners of the Parent Company	¥170,435 million	Net Income	¥9,930 million
	Basic Earnings per Share	¥200.36	Net Income per Share	¥24,826,777.05

4. Situation after the merger

There will be no changes to the Company's trade name, location, representative's title and name, business activities, capital, or fiscal year end following the merger.

5. Expected effect of the merger on results

As this merger involves the Company and its wholly owned subsidiary, the impact on the Company's consolidated financial results is expected to be minimal.

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, lack of availability 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.

For Further Information, Contact:

SHIONOGI Website Inquiry Form: <https://www.shionogi.com/global/en/contact.html>