Consolidated Financial Results for the First Quarter of Fiscal Year 2026 (IFRS)

August 3, 2026

Name of Listed Company: **SHIONOGI & CO., LTD.** Listed Exchanges: Tokyo
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Representative: Isao Teshirogi, Representative Director, President and CEO
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Scheduled date of dividend payments: -
Preparation of supplemental material for the quarterly financial results: Yes
Holding of presentation for the quarterly financial results: Yes (for investment analysts)

(Note: All amounts are rounded down to the nearest million yen.)

1. Consolidated results for the period from April 1, 2026 to June 30, 2026

(1) Consolidated operating results *(% shows changes from the same period of the previous fiscal year)*

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	*Millions of yen*	%	*Millions of yen*	%	*Millions of yen*	%	*Millions of yen*	%	*Millions of yen*	%
Three months ended June 30, 2026	163,310	63.7	66,911	90.6	73,736	59.2	97,718	148.3	97,696	148.2	115,440	159.8
Three months ended June 30, 2025	99,781	2.2	35,097	24.9	46,328	26.8	39,348	29.8	39,355	28.5	44,440	(29.3)

	Basic earnings per share	Diluted earnings per share
	Yen	*Yen*
Three months ended June 30, 2026	114.81	114.78
Three months ended June 30, 2025	46.26	46.25

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	*Millions of yen*	*Millions of yen*	%
As of June 30, 2026	2,655,057	1,772,764	1,772,242	66.7
As of March 31, 2026	2,585,519	1,690,290	1,689,301	65.3

Note: During the first quarter of the fiscal year ending March 31, 2027, the provisional accounting treatment related to the business combination completed in the fiscal year ended March 31, 2026 was finalized, and the figures for the fiscal year ended March 31, 2026 have been retrospectively adjusted accordingly.

2. Dividends

	Dividends per share				
(Date of record)	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	*Yen*	*Yen*	*Yen*	*Yen*
Year ended March 31, 2026	—	33.00	—	38.00	71.00
Year ending March 31, 2027	—				
Year ending March 31, 2027 (forecast)		38.00	—	38.00	76.00

Note: Revisions of the most recent dividend forecast: None

3. Consolidated financial forecast for the year ending March 31, 2027

(% shows changes from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	*%*	*Millions of yen*	*%*	*Millions of yen*	*%*	*Millions of yen*	*%*	*Yen*
Six months ending September 30, 2026	340,000	59.7	96,000	29.8	96,000	(1.6)	108,000	30.1	126.91
Year ending March 31, 2027	700,000	40.1	220,000	29.2	220,000	(9.3)	210,000	0.4	246.79

Note: Revisions of the most recent consolidated financial forecast: None

※ Notes

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation) : None

(2) Changes in accounting policies, changes/restatements of accounting estimates
- a) Changes in accounting policies required by IFRS : None
- b) Changes in accounting policies other than a) above : None
- c) Changes in accounting estimates : None

(3) Number of shares issued (common stock)

a) Number of shares issued (including treasury stock)

As of June 30, 2026:	889,632,195 shares
As of March 31, 2026:	889,632,195 shares

b) Number of treasury stock

As of June 30, 2026:	38,656,995 shares
As of March 31, 2026:	38,656,758 shares

c) Average number of shares issued during the period

Three months ended June 30, 2026:	850,975,285 shares
Three months ended June 30, 2025:	850,721,204 shares

Note: The number of treasury shares at the end of the fiscal year includes the Company's shares held by Sumitomo Mitsui Trust Bank, Limited's trust account with respect to the Shionogi Infectious Disease Research Promotion Foundation (sub-trustee: Custody Bank of Japan, Ltd. (Trust Account)) (Q1 ended June 30, 2026 and Year ended March 31 2026: 9 million shares). In addition, these shares are included in the treasury shares, which are deducted in the calculation of the average number of shares outstanding (Q1 ended June 30, 2026 and Q1 ended June 30, 2025: 9 million shares).

※ *Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: None*

※ *Explanation Concerning the Appropriate Use of Financial Results Forecasts and Other Special Instructions*

(Cautionary note concerning forward-looking statements)

The forecast of financial results and forward-looking statements contained in this report are based on information currently available to the Company as well as certain assumptions that it judges to be reasonable. Actual results may differ materially due to a variety of factors.

For the assumptions used in forecasts and precautionary statements regarding the use of the forecasts, please refer to "1. Overview of Operating Results and Financial Position (4) Outlook" on page 3 of the accompanying materials.

(Method of Obtaining Financial Results Supplementary Materials and Details of Results Briefing Meeting)

Financial results supplementary materials are posted via TDnet on the date of disclosure. The Company plans to hold a results briefing meeting for analysts on Monday, August 3, 2026. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on August 3, 2026 on the Company's website in a timely manner after the results briefing.

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1. Overview of Operating Results and Financial Position

(1) Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2027

For the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026), operating results were as follows.

In April 2026, the Company acquired the edaravone business from Tanabe Pharma Corporation (hereinafter, “Tanabe Pharma”). Since the allocation of purchase price has not been completed in the first quarter of the fiscal year ending March 31, 2027, provisional accounting treatment has been applied based on reasonable information available at this time.

Regarding the application of the equity method to ViiV Healthcare Ltd. (hereinafter, “ViiV”), for which additional shares were acquired in the fiscal year ended March 31, 2026, since the allocation of purchase price has not been completed in the first quarter of the fiscal year ending March 31, 2027, provisional accounting treatment has been applied based on reasonable information available at this time.

Regarding the acquisition of shares in Torii Pharmaceutical Co., Ltd. (hereinafter, “Torii Pharmaceutical”), the succession to the pharmaceutical business of Japan Tobacco Inc. (hereinafter, “JT Pharmaceutical Business”), and the acquisition of shares in Akros Pharma Inc. (hereinafter, “Akros”), all of which occurred in the fiscal year ended March 31, 2026, the provisional accounting treatment for the business combinations was finalized in the first quarter of the fiscal year ending March 31, 2027. The figures for the fiscal year ended March 31, 2026 have been retrospectively adjusted accordingly.

Millions of yen

	Three months ended June 30, 2026	Three months ended June 30, 2025	Change	Percentage change (%)
Revenue	163,310	99,781	63,528	63.7
Operating profit	66,911	35,097	31,813	90.6
Core operating profit*1	72,479	35,618	36,861	103.5
Profit before tax	73,736	46,328	27,407	59.2
Profit attributable to owners of parent	97,696	39,355	58,340	148.2
EBITDA*2	93,360	40,632	52,728	129.8

*1 Core operating profit: An adjusted profit in which non-recurring items (impairment, gain on sales of property, plant, and equipment, etc.) are deducted from operating profit.

*2 Earnings Before Interest, Taxes, Depreciation, and Amortization: Core operating profit added depreciation and amortization.

Revenue was 163.3 billion yen (up 63.7 percent year on year), reaching a record high for the first quarter.

The main components of revenue were domestic prescription drug sales of 33.5 billion yen (up 137.3 percent year on year), revenue from overseas subsidiaries and exports of 42.2 billion yen (up 196.6 percent year on year), and royalty income of 80.1 billion yen (up 25.3 percent year on year).

Regarding domestic prescription drugs, revenue increased due to the recognition of revenue from Torii Pharmaceutical’s products following its consolidation as a subsidiary, the recognition of revenue from RADICUT following the acquisition of the edaravone business, a treatment for ALS, and the expanded prescriptions of QUVIVIQ, a treatment for insomnia.

Revenue from overseas subsidiaries and exports increased due to the recognition of revenue from edaravone (product name in the U.S. and Canada: RADICAVA) in North America (the U.S. and Canada), together with higher sales of cefiderocol (product name in the U.S.: Fetroja, product name in Europe: Fetcroja), a treatment for multidrug-resistant Gram-negative bacterial infection, in Europe and the U.S. compared to the same period of the previous fiscal year.

Royalty income increased due to higher royalty income resulting from increased revenue from ViiV’s HIV franchise, as well as the recognition of royalty income related to the former JT Pharmaceutical Business.

In terms of profits, while cost of sales and various expenses increased due to the consolidation of Torii Pharmaceutical as a subsidiary and the succession to the JT Pharmaceutical Business in the fiscal year ended March 31, 2026, as well as the succession to the edaravone business in the first quarter of the fiscal year ending March 31, 2027, operating profit increased to 66.9 billion yen (up 90.6 percent year on year) due to higher revenue and the recognition of share of profit of investments accounted for using the equity method following ViiV’s becoming an equity-method affiliate.

Cost of sales increased due to the consolidation of Torii Pharmaceutical as a subsidiary and the succession to the edaravone business. Selling, general, and administrative expenses increased due to the amortization of intangible assets related to the succession to the JT Pharmaceutical Business and the edaravone business, sales-related expenses for the U.S. business, and the consolidation of Torii Pharmaceutical as a subsidiary. Furthermore, research and development expenses increased due to the succession to the JT Pharmaceutical Business and the consolidation of Torii Pharmaceutical as a subsidiary.

Profit before tax was 73.7 billion yen (up 59.2 percent year on year). While operating profit increased, following the ViiV's becoming an equity-method affiliate, dividends received from ViiV, which had been recognized as financial income until the fiscal year ended March 31, 2026, have been deducted from "Investments accounted for using the equity method" in the consolidated statement of financial position from the first quarter of the fiscal year ending March 31, 2027.

Profit attributable to owners of parent was 97.7 billion yen (up 148.2 percent year on year). This was mainly attributable to an increase in profit before tax and a decrease in income tax expenses, primarily resulting from the recognition of deferred tax assets on tax loss carryforwards due to the expectation of future taxable income at the U.S. subsidiary following the succession to the edaravone business.

Operating profit, profit before tax, and profit attributable to owners of parent all reached record highs for the first quarter.

(2) Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2027

As of June 30, 2026, total assets were 2,655,057 million yen, an increase of 69,538 million yen from March 31, 2026.

Non-current assets were 1,728,405 million yen, an increase of 453,222 million yen from March 31, 2026, due to increases in goodwill and intangible assets following the acquisition of the edaravone business from Tanabe Pharma. Please note that the amounts of goodwill, intangible assets, etc. are provisionally calculated amounts as allocation of the acquisition cost has not yet been completed.

Current assets were 926,651 million yen, a decrease of 383,683 million yen compared to March 31, 2026, as a result of a decrease in cash and cash equivalents following the acquisition of the edaravone business.

Equity was 1,772,764 million yen, an increase of 82,473 million yen from March 31, 2026. This was increase in due to the recording of profit and due to exchange differences on translation of foreign operations (included in other items of owner's equity) and decrease in due to payment of cash dividends.

Liabilities totaled 882,293 million yen, a decrease of 12,935 million yen from March 31, 2026.

Non-current liabilities were 67,859 million yen, an increase of 119 million yen from March 31, 2026. Current liabilities were 814,433 million yen, a decrease of 13,054 million yen from March 31, 2026, mainly due to decreases in accounts payable (included in other financial liabilities) and income taxes payable.

Regarding the acquisition of shares in Torii Pharmaceutical, the succession to the JT Pharmaceutical Business, and the acquisition of shares in Akros, all of which were carried out in the fiscal year ended March 31, 2026, the provisional accounting treatment for the business combinations was finalized in the first quarter of the fiscal year ending March 31, 2027, and the figures as of March 31, 2026 have been retrospectively adjusted accordingly. For the purpose of comparing and analyzing the results with those at the end of the first quarter of the fiscal year ending March 31, 2027, retrospectively adjusted figures are used.

(3) Cash Flows for the First Quarter of the Fiscal Year Ending March 31, 2027

Net cash provided by operating activities during the three months ended June 30, 2026 was 43,109 million yen, an increase of 2,065 million yen year on year, due to increases in profit before tax, and depreciation and amortization.

Net cash used in investing activities was 423,731 million yen, an increase of 293,058 million yen year on year, mainly due to payments for acquisition of businesses in connection with the acquisition of the edaravone business from Tanabe Pharma.

Net cash used in financing activities was 34,138 million yen, an increase of 4,757 million yen year on year, mainly due to an increase in cash dividends paid.

As a result, cash and cash equivalents on June 30, 2026 totaled 298,937 million yen, a decrease of 412,459 million yen during the three-month period ended June 30, 2026.

(4) Outlook

There are no revisions to the consolidated financial forecast for the year ending March 31, 2027 announced on May 12, 2026.

2. Consolidated Financial Statements and Notes

(1) Consolidated statement of profit or loss and Consolidated statement of comprehensive income

Consolidated statement of profit or loss

Millions of yen

	Three months ended June 30, 2025	Three months ended June 30, 2026
Revenue	99,781	163,310
Cost of sales	(12,317)	(30,795)
Gross profit	87,464	132,515
Selling, general and administrative expenses	(25,820)	(45,150)
Research and development expenses	(24,888)	(31,789)
Amortization of intangible assets associated with products	(485)	(15,824)
Other income	85	27,772
Other expenses	(1,258)	(611)
Operating profit	35,097	66,911
Finance income	13,562	12,147
Finance costs	(2,331)	(5,322)
Profit before tax	46,328	73,736
Income tax expense	(6,980)	23,982
Profit	39,348	97,718

Profit attributable to		
Owners of parent	39,355	97,696
Non-controlling interests	(7)	22
Profit	39,348	97,718

Earnings per share		
Basic earnings per share	46.26	114.81
Diluted earnings per share	46.25	114.78

Consolidated statement of comprehensive income

Millions of yen

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	39,348	97,718
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	44	1,344
Remeasurements of defined benefit plans	(138)	313
Total of items that will not be reclassified to profit or loss	(93)	1,657
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,571	17,892
Effective portion of cash flow hedges	(2,241)	(1,688)
Share of other comprehensive income of investments accounted for using equity method	(145)	(139)
Total of items that may be reclassified to profit or loss	5,185	16,063
Total other comprehensive income, net of tax	5,092	17,721
Comprehensive income	44,440	115,440

Comprehensive income attributable to		
Owners of parent	44,448	115,418
Non-controlling interests	(7)	22
Comprehensive income	44,440	115,440

(2) Consolidated statement of financial position

Millions of yen

	As of March 31, 2026	As of June 30, 2026
Assets		
Non-current assets		
Property, plant and equipment	156,519	155,018
Goodwill	29,218	64,124
Intangible assets	188,044	562,120
Right-of-use assets	22,789	22,397
Investment property	27,337	27,232
Investments accounted for using equity method	710,751	720,545
Other financial assets	107,518	112,074
Deferred tax assets	4,344	37,106
Other non-current assets	28,660	27,786
Total non-current assets	1,275,183	1,728,405
Current assets		
Inventories	99,396	108,961
Trade receivables	159,773	173,180
Other financial assets	310,748	315,814
Other current assets	29,020	29,758
Cash and cash equivalents	711,397	298,937
Total current assets	1,310,335	926,651
Total assets	2,585,519	2,655,057

Millions of yen

	As of March 31, 2026	As of June 30, 2026
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	17,824	17,824
Treasury shares	(65,189)	(65,190)
Retained earnings	1,496,783	1,562,317
Other components of equity	218,603	236,011
Equity attributable to owners of parent	1,689,301	1,772,242
Non-controlling interests	989	521
Total equity	1,690,290	1,772,764
Liabilities		
Non-current liabilities		
Lease liabilities	18,895	18,291
Other financial liabilities	3,974	7,825
Retirement benefit liability	16,735	16,791
Deferred tax liabilities	21,981	18,860
Provisions	2,526	2,540
Other non-current liabilities	3,626	3,550
Total non-current liabilities	67,740	67,859
Current liabilities		
Bonds and borrowings	660,000	660,000
Lease liabilities	5,499	5,840
Trade payables	22,149	21,278
Other financial liabilities	40,716	24,484
Income taxes payable	18,939	11,718
Other current liabilities	80,183	91,111
Total current liabilities	827,488	814,433
Total liabilities	895,228	882,293
Total equity and liabilities	2,585,519	2,655,057

(3) Consolidated statement of changes in equity

Three months ended June 30, 2025

Millions of yen

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2025	21,279	17,845	(65,855)	1,115,729	272,924	1,361,924	572	1,362,497
Profit				39,355		39,355	(7)	39,348
Total other comprehensive income, net of tax					5,092	5,092		5,092
Comprehensive income	—	—	—	39,355	5,092	44,448	(7)	44,440
Purchase of treasury shares			(0)			(0)		(0)
Disposal of treasury shares		(230)	230			0		0
Dividends				(28,114)		(28,114)	(337)	(28,452)
Transfer from other components of equity to retained earnings				(138)	138	—		—
Transfer to capital surplus from retained earnings		150		(150)		—		—
Balance as of June 30, 2025	21,279	17,765	(65,625)	1,126,682	278,155	1,378,257	226	1,378,484

Three months ended June 30, 2026

Millions of yen

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2026	21,279	17,824	(65,189)	1,496,783	218,603	1,689,301	989	1,690,290
Profit				97,696		97,696	22	97,718
Total other comprehensive income, net of tax					17,721	17,721		17,721
Comprehensive income	—	—	—	97,696	17,721	115,418	22	115,440
Purchase of treasury shares			(0)			(0)		(0)
Dividends				(32,475)		(32,475)	(490)	(32,965)
Transfer from other components of equity to retained earnings				313	(313)	—		—
Balance as of June 30, 2026	21,279	17,824	(65,190)	1,562,317	236,011	1,772,242	521	1,772,764

(4) Consollidated statement of cash flows

Millions of yen

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from operating activities		
Profit before tax	46,328	73,736
Depreciation and amortization	5,013	20,880
Share of loss (profit) of investments accounted for using equity method	287	(26,756)
Finance income and finance costs	(12,661)	(9,848)
Decrease (increase) in trade and other receivables	5,874	(2,285)
Decrease (increase) in inventories	(5,458)	(3,063)
Increase (decrease) in trade and other payables	(6,643)	(22,875)
Other	400	3,740
Subtotal	33,141	33,528
Interest and dividends received	22,778	2,257
Dividends received from entities accounted for using equity method	—	28,920
Interest paid	(80)	(1,828)
Income taxes refund (paid)	(14,794)	(19,768)
Net cash provided by (used in) operating activities	41,043	43,109
Cash flows from investing activities		
Payments into time deposits	(67,273)	(39,244)
Proceeds from withdrawal of time deposits	30,018	1,464
Purchase of property, plant and equipment	(4,505)	(4,602)
Purchase of intangible assets	(2,466)	(8,124)
Purchase of investments	(22,272)	(2,306)
Proceeds from sale and redemption of investments	13,000	21,014
Payments for acquisition of businesses	—	(391,877)
Payment for acquisition of shares of equity method affiliates	(76,625)	—
Other	(548)	(56)
Net cash provided by (used in) investing activities	(130,672)	(423,731)

Millions of yen

	Three months ended June 30, 2025	Three months ended June 30, 2026
Cash flows from financing activities		
Repayments of lease liabilities	(927)	(1,183)
Purchase of treasury shares	(0)	(0)
Dividends paid	(28,114)	(32,464)
Dividends paid to non-controlling interests	(337)	(490)
Net cash provided by (used in) financing activities	(29,380)	(34,138)
Effect of exchange rate changes on cash and cash equivalents	(958)	2,300
Net increase (decrease) in cash and cash equivalents	(119,968)	(412,459)
Cash and cash equivalents at beginning of period	374,795	711,397
Cash and cash equivalents at end of period	254,826	298,937

(5) Notes

Going concern assumption

None

Segment information

The SHIONOGI Group has a single business segment related to prescription drugs. We operate research, development, purchase, manufacturing, and distributing prescription drugs and related businesses. While analysis of each product sales and profits or expenses of each subsidiary are made, decision of business strategy and allocation of the management resources, especially allocation of R&D expenses, are made on a company-wide basis. Therefore disclosure of segment information is omitted.

Business combination

(Torii Pharmaceutical, JT Pharmaceutical Business and Akros Pharma Inc.)

Regarding the following business combinations that occurred during the fiscal year ended March 31, 2026, the provisional accounting treatment was finalized in the first quarter of the fiscal year ending March 31, 2027. Accordingly, figures in the consolidated statement of financial position as of March 31, 2026 have been retrospectively adjusted.

At the Board of Directors meeting held on May 7, 2025, the Company resolved to acquire common shares of Torii Pharmaceutical Co., Ltd. (hereinafter, "Torii Pharmaceutical") through a tender offer pursuant to the Financial Instruments and Exchange Act (hereinafter, the "Tender Offer), to succeed to the pharmaceutical business of Japan Tobacco Inc. (hereinafter, "Japan Tobacco") (hereinafter, "JT Pharmaceutical Business") through a company split (simplified absorption-type split) (hereinafter, the "Absorption-type Split"), and to enter into an agreement regarding the acceptance of all issued shares of Akros Pharma Inc. (a 100% sub-subsidiary of Japan Tobacco, hereinafter, "Akros") by Shionogi Inc., a SHIONOGI subsidiary company in the U.S.A. (hereinafter, the "Share Acceptance").

As a result of the Tender Offer, which the Company has implemented since May 8, 2025, Torii Pharmaceutical became an equity-method affiliate of the Company on June 25, 2025, which is the commencement date of settlement for the Tender Offer.

Torii Pharmaceutical resolved at its extraordinary general meeting of shareholders held on September 1, 2025 to acquire all of Torii Pharmaceutical's common shares held by Japan Tobacco (hereinafter referred to as the "Share Repurchase"), and the Share Repurchase became effective on the same day. As a result, Torii Pharmaceutical became a subsidiary of the Company on September 1, 2025, the effective date of the Share Repurchase.

On December 1, 2025, the Company completed the succession to the JT Pharmaceutical Business through a simplified absorption-type split, and Akros became a wholly owned subsidiary of Shionogi Inc. through the Share Acceptance.

Torii Pharmaceutical

1. Outline of business combination

(1) Name and the line of business of the acquired company

Name	Torii Pharmaceutical Co., Ltd.
Line of business	Manufacture and sale of pharmaceutical products
Date of acquisition	September 1, 2025

(2) Main reasons for the business combination

The SHIONOGI Group had been considering a collaboration with the JT Pharmaceutical Business since the beginning of 2024 to realize its vision "Building Innovation Platforms to Shape the Future of Healthcare" in its efforts relating to the STS2030 Revision, its medium-term business plan. After careful consideration, it concluded that acquiring the JT Pharmaceutical Business and making Akros and Torii Pharmaceutical wholly owned subsidiaries were highly significant to realizing the vision.

While the JT Pharmaceutical Business is responsible for research and development, Torii Pharmaceutical is responsible for manufacturing, sales, and promotional activities. By establishing an integrated value chain between the two companies, we have created an efficient collaborative framework. Torii Pharmaceutical is a pharmaceutical company with strengths in the areas of skin diseases, allergens, and kidney/dialysis. To achieve its medium- to long-term business vision “VISION2030” and ensure sustainable growth beyond 2030, it has been focusing on “maximizing the value of existing products and development products” and “acquiring new in-licensed products.”

After this transaction, synergies can be anticipated, such as the following: (1) the distinct strengths of the Company and Torii Pharmaceutical with regard to medical departments and facilities will be integrated, expanding the scope of information provision and also enabling the provision of information that meets the needs of doctors; (2) the potential for global expansion of future development pipelines will increase, leading to strengthened sales through the accumulation of R&D and sales data collected and evaluated both in Japan and overseas; and (3) by utilizing the Company’s manufacturing facilities, a flexible in-house production system can be established, including the ability to increase production. Therefore, Torii Pharmaceutical became a subsidiary of the SHIONOGI Group by repurchasing its shares from Japan Tobacco, the former parent company of Torii Pharmaceutical.

(3) Ratio of equity interest acquired

	Voting Rights Ratio	Equity Ownership Ratio
Percentage immediately prior to acquisition	38.46%	38.46%
Percentage on the acquisition date	61.54%	47.88%
Percentage after acquisition	100.00%	86.34%

2. Fair value of the consideration for the acquired company

Fair value of existing equity interest 69,754 million yen

3. Fair values of assets acquired, liabilities assumed and consideration paid as of the acquisition date

(Million yen)

	Provisional fair value	Revised amount	Fair value after revision
Fair value of acquisition consideration	69,754	-	69,754
Fair values of assets acquired and liabilities assumed			
Intangible assets (Note 2)	5,576	8,117	13,693
Other financial assets (non-current)	34,351	-	34,351
Other non-current assets	11,101	-	11,101
Inventories	20,177	413	20,590
Trade receivables	31,879	-	31,879
Other financial assets (current)	12,132	-	12,132
Cash and cash equivalents	4,414	-	4,414
Other current assets	1,917	-	1,917
Other non-current liabilities	(3,364)	(2,686)	(6,051)
Trade payables	(9,008)	-	(9,008)
Other financial liabilities (current)	(48,557)	-	(48,557)
Other current liabilities	(2,899)	-	(2,899)
Fair values of assets acquired and liabilities assumed (net)	57,721	5,843	63,564
Goodwill (Note 3)	19,918	(5,044)	14,873
Non-controlling interests (Note 4)	(7,884)	(798)	(8,682)
Total	69,754	-	69,754

(Notes) 1. In the first quarter of the fiscal year ending March 31, 2027, the fair values of identifiable assets and liabilities on the acquisition date were calculated, and the allocation of the acquisition consideration has been completed.
2. Intangible assets are primarily sales rights.
3. Goodwill is primarily generated in relation to expected future profitability. None of the recognized goodwill is expected to be deductible for tax purposes.
4. Non-controlling interests are measured by multiplying the percentage of non-controlling interests by the identifiable net assets of the acquired company on the date control was acquired.

4. The acquisition-related expenses
791 million yen
Acquisition-related expenses are included in "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

5. Cash flows associated with the acquisition

Acquisition consideration in cash	-
Cash and cash equivalents received on acquisition date	4,414 million yen
Payments for acquisition of subsidiaries	4,414 million yen

6. Business combinations achieved in stages
The loss on the step acquisition is not material.

7. Additional acquisition
In October 2025, the Company acquired additional shares of Torii Pharmaceutical, which became a consolidated subsidiary in September 2025, through a squeeze-out procedure. We have determined that it is appropriate to account for this acquisition as a single transaction together with the Share Repurchase.
As a result, our equity interest in Torii Pharmaceutical has increased from 86.34 percent to 100.00 percent.
The acquisition consideration for the additional shares of Torii Pharmaceutical acquired through the squeeze-out procedure was 11,026 million yen. As a result of this additional acquisition, non-controlling interests decreased by 8,682 million yen and goodwill increased by 2,343 million yen.

JT Pharmaceutical Business
1. Outline of business combination
(1) Name and the line of business of the acquired company

Name	Japan Tobacco Inc.
Line of business	Pharmaceutical business
Date of acquisition	December 1, 2025

(2) Main reasons for the business combination
The JT Pharmaceutical Business has been engaged in research and development of prescription drugs since entering the business in 1987, aiming to create first-in-class small molecule drugs through stable research and development investment. Currently, under the business purpose of “valuing science, technology, and human resources and contributing to patients' health” and aiming to create original new drugs that can be used internationally, Japan Tobacco conducts research and development, while Torii Pharmaceutical handles manufacturing, sales, and promotion activities, building an integrated value chain and maximizing synergies within the group. The JT Pharmaceutical Business focuses on three priority research and development areas: cardiovascular, renal, and muscle; immunology and inflammation; and central nervous system. It has strengths in efficient and rapid clinical development through specialization on research and development in small molecule drug discovery and collaboration between domestic and international research and development bases. To deliver new drugs created in-house to patients as early as possible, the JT Pharmaceutical Business actively engages in out-licensing and partnerships with global mega-pharma companies, in addition to promoting in-house development.
To realize its Vision, the Company concluded that by acquiring the JT Pharmaceutical Business, which has strengths in small molecule drug discovery and high research and development capabilities, it would be possible to accelerate the development of promising pipeline projects held by the two companies and increase the efficiency and speed of business operations through the establishment of a collaborative structure with the Company's pharmaceutical manufacturing functions. The Company believes that this business combination will create a leading company that delivers innovative pharmaceuticals from Japan to the world, contributing to the health of patients and people worldwide and contributing to the realization of a sustainable and healthy society.

2. Fair value of the consideration for the acquired company
Fair value of acquisition consideration 4,271 million yen (Adjusted for working capital)

3. Fair values of assets acquired, liabilities assumed and consideration paid as of the acquisition date

(Million yen)

	Provisional fair value	Revised amount	Fair value after revision
Fair value of acquisition consideration	4,271	-	4,271
Fair values of assets acquired and liabilities assumed			
Intangible assets (Note 2)	45,933	7,569	53,502
Property, plant and equipment	28,406	-	28,406
Other non-current assets	7,106	-	7,106
Other current assets	15,603	-	15,603
Other non-current liabilities	(35,902)	(2,379)	(38,282)
Other current liabilities	(13,093)	-	(13,093)
Fair values of assets acquired and liabilities assumed (net)	48,053	5,189	53,242
Bargain purchase gain (Note 3)	(43,781)	(5,189)	(48,970)
Total	4,271	-	4,271

(Notes) 1. In the first quarter of the fiscal year ending March 31, 2027, the fair values of identifiable assets and liabilities on the acquisition date were calculated, and the allocation of the acquisition consideration has been completed.

2. Intangible assets are primarily sales rights.

3. In measuring the fair value of the acquired assets, the fair value of the net assets acquired exceeded the consideration transferred due to the recognition of valuation gains on intangible assets and property, plant and equipment (land and buildings). As a result, a bargain purchase gain of 48,970 million yen was recognized from this absorption-type split and was recorded in "Other revenue" in the consolidated statement of profit or loss.

4. The acquisition-related expenses

708 million yen

Acquisition-related expenses are included in "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

5. Cash flows associated with the acquisition

Acquisition consideration in cash	4,271 million yen
Cash and cash equivalents received on acquisition date	-
Payments for acquisition of businesses	4,271 million yen

Akros Pharma Inc.

1. Outline of business combination

(1) Name and the line of business of the acquired company

Name	Akros Pharma Inc.
Line of business	Clinical development and exploration of joint research and new technology projects overseas
Date of acquisition	December 1, 2025

(2) Main reasons for the business combination

Please refer to "1. Outline of business combination (2) Main reasons for the business combination" of the JT Pharmaceutical Business.

(3) Ratio of equity interest acquired

	Voting Rights Ratio
Percentage immediately prior to acquisition	-
Percentage on the acquisition date	100.00%
Percentage after acquisition	100.00%

2. Fair value of the consideration for the acquired company

Fair value of acquisition consideration 4,238 million yen (Adjusted for working capital)

3. Fair values of assets acquired, liabilities assumed and consideration paid as of the acquisition date

(Million yen)

	Provisional fair value	Revised amount	Fair value after revision
Fair value of acquisition consideration	4,238	-	4,238
Fair value of assets acquired and liabilities assumed			
Other financial assets (non‐current)	1,954	-	1,954
Other non‐current assets	1,154	-	1,154
Other current assets	513	-	513
Cash and cash equivalents	2,583	-	2,583
Other non‐current liabilities	(986)	-	(986)
Other current liabilities	(891)	-	(891)
Fair values of assets acquired and liabilities assumed (net)	4,328	-	4,328
Bargain purchase gain (Note 2)	(89)	-	(89)
Total	4,238	-	4,238

(Notes) 1. In the first quarter of the fiscal year ending March 31, 2027, the fair values of identifiable assets and liabilities on the acquisition date were calculated, and the allocation of the acquisition consideration has been completed.

2. The bargain purchase gain that arose as a result of measuring the assets acquired and liabilities assumed at fair value in connection with the business combination and comparing them with the consideration paid was recorded in “Other revenue” in the consolidated statement of profit or loss.

4. Cash flows associated with the acquisition

Acquisition consideration in cash	4,238 million yen
Cash and cash equivalents received on acquisition date	2,583 million yen
Payments for acquisition of subsidiaries	1,655 million yen

(Edaravone business)

Effective April 1, 2026, the Company acquired the business related to edaravone (product name in Japan: RADICUT, product name in the U.S.: RADICAVA), a drug developed and marketed by Tanabe Pharma Corporation for the treatment of amyotrophic lateral sclerosis (ALS). The acquired business includes intellectual property rights, sales rights, and other related assets and liabilities in major countries and regions, as well as equity interests in RADIANCE NEWCO, LLC and one other company, which operate the business.

In addition, RADIANCE NEWCO, LLC and one other company became consolidated subsidiaries of the Company as a result of the business acquisition.

Furthermore, on July 1, 2026, an absorption-type merger was completed in which Shionogi Inc. was the surviving company and RADIANCE NEWCO, LLC was the absorbed company.

1. Outline of business combination

(1) Details of the acquired business and date of acquisition

Line of business	Sales of edaravone, a treatment for amyotrophic lateral sclerosis (ALS), etc.
Date of acquisition	April 1, 2026

(2) Main reasons for the business combination

The Company has identified “Contribute to a healthy and prosperous life” as one of its material issues. It has designated rare diseases and other QOL diseases with significant social impact, for which substantial unmet needs are expected in the future, as focus areas for research and development, and is working to provide solutions in these areas.

Through this business acquisition, the Company has acquired global intellectual property rights, sales rights, and other rights related to edaravone, a treatment for the rare disease ALS, as well as personnel with expertise in the rare disease area, know-how in business operations, and a business foundation in the United States.

Through this acquisition, the Company aims to strengthen its business foundation and enhance its corporate value over the medium to long term by maximizing the value of edaravone and expanding its provision of solutions in the rare disease area.

(3) The method by which the acquiring company obtained control of the acquired business and the acquired company
On April 1, 2026, the Company acquired intellectual property rights, sales rights, and other assets and liabilities related to the edaravone business in major countries and regions, as well as 100% of the equity interests in RADIANCE NEWCO, LLC and one other company, which operate the said business, thereby obtaining control of these companies.

2. Fair value of the consideration for the acquired company

Cash	393,010 million yen
Contingent consideration	4,480 million yen
Total	397,490 million yen

3. Contingent consideration
Contingent consideration is payable upon the occurrence of future events specified in the contract, and the fair value of 4,480 million yen was recognized as of the acquisition date.

4. The acquisition-related expenses
588 million yen
Acquisition-related expenses are included in "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

5. Fair values of assets acquired, liabilities assumed, and consideration paid as of the acquisition date

(Million yen)

	Provisional fair value
Fair value of acquisition consideration	397,490
Fair values of assets acquired and liabilities assumed	
Intangible assets (Note 2)	354,878
Inventories	14,144
Trade receivables (Note 3)	9,501
Cash and cash equivalents	1,133
Other non-current assets	30
Other current assets	7
Other current liabilities	(16,269)
Fair values of assets acquired and liabilities assumed (net)	363,426
Goodwill (Note 4)	34,064
Total	397,490

(Note)1. The fair values of assets and liabilities have been reviewed as of June 30, 2026, and the allocation of the acquisition cost has not been completed. Therefore, provisional accounting treatment has been applied based on reasonable information available at that time.
2. Intangible assets are primarily sales rights.
3. The fair value of the acquired receivables is approximately equal to the contractual amount receivable. None of the contractual amount receivable is expected to be uncollectible.
4. Goodwill is primarily generated in relation to expected future profitability. None of the recognized goodwill is expected to be deductible for tax purposes.

6. Cash flows associated with the acquisition

Acquisition consideration in cash	393,010 million yen
Cash and cash equivalents received on acquisition date	1,133 million yen
Payments for acquisition of businesses	391,877 million yen

7. Impact on business performance
Revenue and profit arising on and after the acquisition date in relation to this business combination are 25,985 million yen and 870 million yen, respectively.
Pro forma information on SHIONOGI’s revenue and profit assuming that the business combination had occurred at the beginning of the fiscal year ending March 31, 2027 has been omitted, as the acquisition date was the beginning of the fiscal year ending March 31, 2027.

Additional Information

(Implementation of provisional accounting treatment for the acquisition of additional shares of ViiV Healthcare Ltd.)

Regarding the application of the equity method to ViiV Healthcare Ltd., for which additional shares were acquired in the fiscal year ended March 31, 2026, since the allocation of purchase price has not been completed in the first quarter of the fiscal year ending March 31, 2027, provisional accounting treatment has been applied based on reasonable information available at this time.