



Consolidated Financial Results for the Third Quarter of Fiscal Year 2025 (IFRS)

January 30, 2026

Name of Listed Company: **SHIONOGI & CO., LTD.**

Listed Exchanges: Tokyo

Code: 4507

URL: <https://www.shionogi.com>

Representative: Isao Teshirogi, Representative Director, President and CEO

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Scheduled date of dividend payments:

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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, 2025 to December 31, 2025

(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 %				
Nine months ended December 31, 2025	360,684 8.1	148,739 15.1	191,270 22.7	158,212 18.7	158,225 18.3	207,924 31.5
Nine months ended December 31, 2024	333,600 (1.0)	129,224 (6.9)	155,877 (5.2)	133,336 5.5	133,803 5.2	158,156 (13.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	185.95	185.91
Nine months ended December 31, 2024	157.30	157.25

Note: The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Basic earnings per share and diluted earnings per share were calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2025.

(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 December 31, 2025	1,727,987	1,514,383	1,514,162	87.6
As of March 31, 2025	1,535,349	1,362,497	1,361,924	88.7

2. Dividends

(Date of record)	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Year ended March 31, 2025	Yen —	Yen 85.00	Yen —	Yen 33.00	Yen —
Year ending March 31, 2026	—	33.00	—	33.00	66.00
Year ending March 31, 2026 (forecast)				33.00	66.00

Note: Revisions of the most recent dividend forecast: None

The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. The amount of the end of second quarter dividend per share for fiscal year ended March 31, 2025 does not take into consideration the impact of this stock split, and the total annual dividend is not stated.

3. Consolidated financial forecast for the year ending March 31, 2026

(% 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	%	Yen
Year ending March 31, 2026	500,000	14.1	185,000	18.1	232,000	15.6	188,000 10.3 220.94

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) : YES

Newly included: 1 companies (TORII PHARMACEUTICAL CO.,LTD.)

(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 December 31, 2025: 889,632,195 shares
As of March 31, 2025: 889,632,195 shares

b) Number of treasury stock

As of December 31, 2025: 38,656,260 shares
As of March 31, 2025: 38,944,777 shares

c) Average number of shares issued during the period

Nine months ended December 31, 2025: 850,891,622 shares
Nine months ended December 31, 2024: 850,617,559 shares

Note: 1. 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)) (Q3 ended December 31, 2025 and Year ended March 31 2025: 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 (Q3 ended December 31, 2025 and Q3 ended December 31, 2024: 9 million shares).

2. The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Number of shares issued (common stock) was calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

※ 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 Friday, January 30, 2026. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on January 30, 2026 on the Company's website in a timely manner after the results briefing.

CONTENTS

1. Overview of Operating Results and Financial Position	2
(1) Operating Results for the Third Quarter of the Fiscal Year Ending March 31, 2026	2
(2) Financial Position for the Third Quarter of the Fiscal Year Ending March 31, 2026	3
(3) Cash Flows for the Third Quarter of the Fiscal Year Ending March 31, 2026	3
(4) Outlook	3
2. Consolidated Financial Statements and Notes.....	4
(1) Consolidated statement of profit or loss and Consolidated statement of comprehensive income	4
(2) Consolidated statement of financial position	6
(3) Consolidated statement of changes in equity.....	8
(4) Consolidated statement of cash flows	9
(5) Notes	11
Consolidated statement of cash flows	11
Going concern assumption	11
Segment information	11
Business combination	11
Additional information	17
Important subsequent events	18

1. Overview of Operating Results and Financial Position

(1) Operating Results for the Third Quarter of the Fiscal Year Ending March 31, 2026

For the nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025), operating results were as follows. Since September 2025, Torii Pharmaceutical Co., Ltd. has been included in the scope of consolidation. In addition, as of December 2025, the Company has succeeded to the pharmaceutical business of Japan Tobacco Inc. through an absorption-type company split.

	Millions of yen			
	Nine months ended December 31, 2025	Nine months ended December 31, 2024	Change	Percentage change (%)
Revenue	360,684	333,600	27,084	8.1
Operating profit	148,739	129,224	19,514	15.1
Core operating profit ^{*1}	131,560	130,641	918	0.7
Profit before tax	191,270	155,877	35,392	22.7
Profit attributable to owners of parent	158,225	133,803	24,422	18.3
EBITDA ^{*2}	147,765	146,370	1,395	1.0

^{*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 360.7 billion yen. In terms of the breakdown of revenue, domestic sales of prescription drugs increased 9.8 percent year on year to 86.7 billion yen. This was mainly due to the addition of sales from Torii Pharmaceutical which became a wholly owned subsidiary in September 2025, combined with increased sales of the influenza treatment drug Xofluza due to the spread of influenza this winter. Revenue from overseas subsidiaries and exports also increased 12.8 percent year on year to 48.9 billion yen due to expanded sales of Cefiderocol (product name in U.S.: Fetroja, product name in Europe: Fetcroja) in the U.S. and Europe. Royalty income increased 7.8 percent year on year to 201.3 billion yen. This was due to the growth of an HIV franchise resulting from the expansion of sales of ViiV's long-acting injectable formulations (LAI formulations) and oral two-drug combinations, an increase in royalty income from Roche due to the spread of influenza in China and the U.S., and the recording of royalty income related to JT Pharmaceutical Business which was acquired in December 2025. As a result, overall revenue increased 8.1 percent year on year.

In terms of profits, expenses increased year on year due to an increase in sales-related expenses in the U.S. business, an increase in selling, general and administrative expenses resulting from the consolidation of Torii Pharmaceutical, an increase in research and development expenses resulting from the absorption-type split of the JT Pharmaceutical Business and the consolidation of Torii Pharmaceutical, an increase in cost of sales resulting from the consolidation of Torii Pharmaceutical,. On the other hand, other revenue increased due to the provisional recognition of gain on bargain purchase gain arising from the M&A of the JT Pharmaceutical Business. As a result, all profit items increased year on year, with operating profit increasing 15.1 percent year on year to 148.7 billion yen, profit before tax increasing 22.7 percent year on year to 191.3 billion yen, and profit attributable to owners of parent increasing 18.3 percent year on year to 158.2 billion yen.

(2) Financial Position for the Third Quarter of the Fiscal Year Ending March 31, 2026

As of December 31, 2025, total assets were 1,727,987 million yen, an increase of 192,637 million yen from the end of the previous fiscal year.

Non-current assets were 813,299 million yen, an increase of 136,454 million yen from the end of the previous fiscal year, due to increases in goodwill, intangible assets, other financial assets, etc. following the consolidation of Torii Pharmaceutical Co., Ltd. as a subsidiary and the absorption-type split of the JT Pharmaceutical Business. Please note that the amounts of goodwill, etc. are the provisionally calculated amounts as the allocation of the acquisition cost has not yet been completed. Current assets were 914,687 million yen, an increase of 56,183 million yen from the end of the previous fiscal year, mainly due to increases in fixed-term deposits of more than three months and bonds (included in other financial assets under current assets) and inventories, despite a decrease in cash and cash equivalents following the consolidation of Torii Pharmaceutical as a subsidiary and the absorption-type split of the JT Pharmaceutical Business. Equity was 1,514,383 million yen, an increase of 151,886 million yen from the end of the previous fiscal year, despite a decrease due to payment of cash dividends. This was due to the recording of profit and an increase in exchange differences on translation of foreign operations (included in other items of the owner's equity).

Liabilities totaled 213,603 million yen, an increase of 40,751 million yen from the end of the previous fiscal year.

Non-current liabilities were 57,051 million yen, an increase of 13,591 million yen from the end of the previous fiscal year, due to an increase in retirement benefit liability following the absorption-type split of the JT Pharmaceutical Business. Current liabilities were 156,552 million yen, an increase of 27,159 million yen from the end of the previous fiscal year, due to increases in trade payables and accounts payable (included in other financial liabilities).

(3) Cash Flows for the Third Quarter of the Fiscal Year Ending March 31, 2026

Net cash provided by operating activities during the nine months ended December 31, 2025 was 123,524 million yen, an increase of 3,930 million yen year on year, due to an increase in profit before tax, as well as increases in trade receivables and inventories.

Net cash used in investing activities was 229,560 million yen, an increase of 103,852 million yen year on year, mainly due to expenses for the acquisition of shares of equity-method affiliates in connection with the consolidation of Torii Pharmaceutical Co., Ltd. as a subsidiary.

Net cash used in financing activities was 59,555 million yen, an increase of 8,685 million yen year on year, mainly due to an increase in cash dividends paid.

As a result, cash and cash equivalents on December 31, 2025 totaled 215,595 million yen, a decrease of 159,199 million yen during the nine-month period ended December 31, 2025.

(4) Outlook

There are no revisions to the consolidated financial forecast for the year ending March 31, 2026 announced on October 27, 2025.

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

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Revenue	333,600	360,684
Cost of sales	(46,035)	(54,347)
Gross profit	287,564	306,336
Selling, general and administrative expenses	(73,185)	(88,862)
Research and development expenses	(79,447)	(82,304)
Amortization of intangible assets associated with products	(3,256)	(1,532)
Other income	501	20,893
Other expenses	(2,952)	(5,792)
Operating profit	129,224	148,739
Finance income	33,011	48,299
Finance costs	(6,358)	(5,767)
Profit before tax	155,877	191,270
Income tax expense	(22,540)	(33,058)
Profit	133,336	158,212
Profit attributable to		
Owners of parent	133,803	158,225
Non-controlling interests	(466)	(13)
Profit	133,336	158,212
Earnings per share		
Basic earnings per share	157.30	185.95
Diluted earnings per share	157.25	185.91

Consolidated statement of comprehensive income

Millions of yen

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	133,336	158,212
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	2,723	4,776
Remeasurements of defined benefit plans	(692)	(66)
Total of items that will not be reclassified to profit or loss	2,031	4,710
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	21,830	46,519
Effective portion of cash flow hedges	717	(2,103)
Share of other comprehensive income of investments accounted for using equity method	241	586
Total of items that may be reclassified to profit or loss	22,789	45,002
Total other comprehensive income, net of tax	24,820	49,712
Comprehensive income	158,156	207,924

Comprehensive income attributable to		
Owners of parent	158,279	207,938
Non-controlling interests	(122)	(13)
Comprehensive income	158,156	207,924

(2) Consolidated statement of financial position

Millions of yen

	As of March 31, 2025	As of December 31, 2025
Assets		
Non-current assets		
Property, plant and equipment	115,412	138,277
Goodwill	15,748	43,550
Intangible assets	143,652	167,029
Right-of-use assets	19,395	22,279
Investment property	27,722	27,659
Other financial assets	299,799	361,026
Deferred tax assets	13,244	3,878
Other non-current assets	41,869	49,597
Total non-current assets	676,844	813,299
Current assets		
Inventories	65,477	98,890
Trade receivables	120,553	193,018
Other financial assets	270,024	377,326
Other current assets	27,653	29,857
Cash and cash equivalents	374,795	215,595
Total current assets	858,504	914,687
Total assets	1,535,349	1,727,987

Millions of yen

	As of March 31, 2025	As of December 31, 2025
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	17,845	17,824
Treasury shares	(65,855)	(65,188)
Retained earnings	1,115,729	1,214,093
Other components of equity	272,924	326,152
Equity attributable to owners of parent	1,361,924	1,514,162
Non-controlling interests	572	220
Total equity	1,362,497	1,514,383
Liabilities		
Non-current liabilities		
Lease liabilities	18,418	17,890
Other financial liabilities	8,258	7,851
Retirement benefit liability	8,018	17,848
Deferred tax liabilities	4,401	7,842
Other non-current liabilities	4,363	5,618
Total non-current liabilities	43,459	57,051
Current liabilities		
Lease liabilities	3,464	4,909
Trade payables	13,579	20,949
Other financial liabilities	18,091	42,276
Income taxes payable	22,399	12,638
Other current liabilities	71,857	75,779
Total current liabilities	129,392	156,552
Total liabilities	172,852	213,603
Total equity and liabilities	1,535,349	1,727,987

(3) Consolidated statement of changes in equity

Nine months ended December 31, 2024

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, 2024	21,279	14,242	(137,889)	1,065,913	271,778	1,235,325	17,236	1,252,562
Profit				133,803		133,803	(466)	133,336
Total other comprehensive income, net of tax					24,476	24,476	343	24,820
Comprehensive income	—	—	—	133,803	24,476	158,279	(122)	158,156
Purchase of treasury shares			(9)			(9)		(9)
Disposal of treasury shares		(44)	494			449		449
Cancellation of treasury shares		(71,550)	71,550			—		—
Dividends				(48,454)		(48,454)	(98)	(48,552)
Transfer from other components of equity to retained earnings				(689)	689	—		—
Transfer from retained earnings to capital surplus		71,590		(71,590)		—		—
Balance as of December 31, 2024	21,279	14,238	(65,854)	1,078,982	296,944	1,345,590	17,016	1,362,606

Nine months ended December 31, 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				158,225		158,225	(13)	158,212
Total other comprehensive income, net of tax					49,712	49,712		49,712
Comprehensive income	—	—	—	158,225	49,712	207,938	(13)	207,924
Purchase of treasury shares			(4)			(4)		(4)
Disposal of treasury shares		(171)	671			500		500
Dividends				(56,196)		(56,196)	(337)	(56,534)
Transfer from other components of equity to retained earnings				(3,514)	3,514	—		—
Transfer from retained earnings to capital surplus		150		(150)		—		—
Balance as of December 31, 2025	21,279	17,824	(65,188)	1,214,093	326,152	1,514,162	220	1,514,383

(4) Consolidated statement of cash flows

Millions of yen

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from operating activities		
Profit before tax	155,877	191,270
Depreciation and amortization	15,728	16,205
Impairment losses (reversal of impairment losses)	254	2,000
Finance income and finance costs	(32,497)	(44,626)
Decrease (increase) in trade and other receivables	(20,717)	(35,904)
Decrease (increase) in inventories	(2,772)	(12,499)
Increase (decrease) in trade and other payables	(6,407)	(4,124)
Other	(3,146)	(5,877)
Subtotal	106,320	106,443
Interest and dividends received	44,942	48,783
Interest paid	(218)	(222)
Income taxes refund (paid)	(31,449)	(31,479)
Net cash provided by (used in) operating activities	119,594	123,524
Cash flows from investing activities		
Payments into time deposits	(289,299)	(148,806)
Proceeds from withdrawal of time deposits	202,473	97,342
Purchase of property, plant and equipment	(9,927)	(8,871)
Purchase of intangible assets	(33,279)	(7,215)
Purchase of investments	(37,098)	(71,783)
Proceeds from sale and redemption of investments	43,593	46,117
Payments for acquisition of businesses	—	(5,396)
Payments for acquisition of subsidiaries	(200)	(7,734)
Payment for acquisition of shares of equity-method affiliates	(125)	(76,656)
Payments for loans receivable	—	(45,000)
Other	(1,845)	(1,556)
Net cash provided by (used in) investing activities	(125,708)	(229,560)

Millions of yen

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Cash flows from financing activities		
Repayments of lease liabilities	(2,294)	(3,013)
Purchase of treasury shares	(9)	(4)
Dividends paid	(48,468)	(56,200)
Dividends paid to non-controlling interests	(98)	(337)
Net cash provided by (used in) financing activities	(50,870)	(59,555)
Effect of exchange rate changes on cash and cash equivalents	4,473	6,392
Net increase (decrease) in cash and cash equivalents	(52,511)	(159,199)
Cash and cash equivalents at beginning of period	358,090	374,795
Cash and cash equivalents at end of period	305,579	215,595

(5) Notes

Consolidated statement of cash flows

The 45,000 million yen recognized as "Payments for loans receivable" represents funds loaned to Torii Pharmaceutical Co., Ltd. for its share repurchase.

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

For the consolidated nine-month period ended December 31, 2025 (from April 1, 2025 to December 31, 2025) 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.

The acquisition-related expenses for the Absorption-type Split, the Share Acceptance, and the Tender Offer amount to 1,473 million yen. Acquisition-related expenses are included in "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

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
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3. 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	69,754
Fair values of assets acquired and liabilities assumed	
Intangible assets (Note 2)	9,077
Other financial assets (non-current)	34,351
Other non-current assets	4,065
Inventories	17,036
Trade receivables	31,879
Other financial assets (current)	12,132
Cash and cash equivalents	4,414
Other current assets	1,917
Other non-current liabilities	(1,261)
Trade payables	(9,008)
Other financial liabilities (current)	(48,557)
Other current liabilities	(2,899)
Fair values of assets acquired and liabilities assumed (net)	53,148
Goodwill (Note 3)	23,865
Non-controlling interests (Note 4)	(7,259)
Total	69,754

(Notes) 1. The fair values of assets and liabilities have been reviewed as of September 30, 2025, 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. 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. 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

5. Business combinations achieved in stages

The loss on the step acquisition is not material.

6. Impact on business performance

The revenue and quarterly profit arising on and after the acquisition date in relation to this business combination are 24,072 million yen and 2,456 million yen, respectively. The revenue and profit for the third quarter ended December 31, 2025 as if the business combination had taken place at the beginning of the consolidated fiscal year ending March 31, 2026 are 388,772 million yen and 159,260 million yen (pro forma information), respectively.

Please note that this pro forma information has not been reviewed by an auditing firm.

7. Additional acquisition

During the third quarter of the consolidated fiscal year ending March 31, 2025, the Company acquired additional shares of Torii Pharmaceutical, which became a consolidated subsidiary during the second quarter, 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 7,259 million yen and goodwill increased by 3,767 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	5,396 million yen
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3. 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	5,396
Fair values of assets acquired and liabilities assumed	
Intangible assets (Note 2)	12,581
Property, plant and equipment	18,868
Other non-current assets	1,842
Other current assets	15,603
Other non-current liabilities	(9,879)
Other current liabilities	(13,353)
Fair values of assets acquired and liabilities assumed (net)	25,662
Bargain purchase gain (Note 3)	(20,265)

(Notes) 1. The identification of assets and liabilities for the consolidated third quarter ended December 31, 2025 is currently under a detailed review, and the allocation of the acquisition cost has not been completed. Therefore, provisional accounting treatment has been applied based on reasonable information available at this time.

2. Intangible assets are primarily sales rights.

3. 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 quarterly consolidated statement of profit or loss.

4. Cash flows associated with the acquisition

Acquisition consideration in cash	5,396 million yen
Cash and cash equivalents received on acquisition date	-
Payments for acquisition of businesses	5,396 million yen

5. Impact on business performance

The revenue and quarterly profit arising on and after the acquisition date in relation to this business combination are 3,035 million yen and 1,030 million yen, respectively. The revenue and profit for the third quarter ended December 31, 2025 as if the business combination had taken place at the beginning of the consolidated fiscal year ending March 31, 2026 are 390,428 million yen and 160,668 million yen (pro forma information), respectively.

Please note that this pro forma information has not been reviewed by an auditing firm.

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 in cash	3,705 million yen
Fair value of contingent consideration	908 million yen
Fair value of acquisition consideration	4,614 million yen

(Note) Price adjustments following the share acquisition have not been completed, and the acquisition consideration has not been determined for the third quarter of the consolidated fiscal year ending March 31, 2026.

3. 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	4,614
Fair value of assets acquired and liabilities assumed	
Other financial assets (non-current)	1,954
Other non-current assets	1,366
Other current assets	513
Cash and cash equivalents	2,583
Other non-current liabilities	(999)
Other current liabilities	(878)
Fair values of assets acquired and liabilities assumed (net)	4,540
Goodwill (Note 2)	74
Total	4,614

(Notes) 1.The fair values of assets and liabilities have been reviewed as of September 30, 2025, 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. Goodwill is primarily generated in relation to expected future profitability..

4. Cash flows associated with the acquisition

Acquisition consideration in cash	3,705 million yen
Cash and cash equivalents received on acquisition date	2,583 million yen
Payments for acquisition of subsidiaries	1,122 million yen

5. Impact on business performance

Profit and loss information relating to the business combination after the acquisition date and profit and loss information assuming that the business combination took place at the beginning of the fiscal year are omitted because the impact on the consolidated statement of profit or loss is immaterial.

Additional information

(Acquisition of the edaravone business, a treatment of amyotrophic lateral sclerosis (ALS))

At the Board of Directors meeting held on December 22, 2025, the Company resolved to enter into an agreement to acquire all global rights, including in Japan and the U.S., to edaravone (trade name in Japan: RADICUT, trade name in U.S.: RADICAVA), a drug developed and sold by Tanabe Pharma Corporation (hereafter “Tanabe Pharma”) for the treatment of amyotrophic lateral sclerosis (ALS). In connection with this, Tanabe Pharma America is scheduled to establish a new company for RADICAVA (hereinafter, “RADICAVA business company”) in the U.S., which will become a wholly owned subsidiary of Shionogi Inc. a U.S. group company of the Company.

1. Purpose and background of the acquisition

Shionogi has identified “Contributing to a Healthy and Enriched Life” as a materiality (key issue) to address in order to create new value for customers and society. To realize a society where everyone can live vibrantly and true to themselves, we have designated disease areas with significant anticipated future unmet needs—classified as “high social impact QOL disorders” (such as sleep disorders, hearing loss, and rare diseases)—as priority areas for research and development, and we are advancing initiatives to deliver solutions.

Through this business acquisition, the Company will acquire all rights, including global intellectual property and marketing rights, to edaravone, a treatment that satisfies the unmet needs of patients suffering from ALS, a rare disease. Furthermore, by incorporating personnel with expertise in the rare disease area and operational know-how, we will establish a strong business foundation in the U.S.

Within the category of high social impact QOL disorders, the Company is promoting the development of treatment drugs for rare diseases, such as fragile X syndrome, Jordan’s syndrome, and Pompe disease. Within the business we acquired on December 1, 2025, we also possess multiple development candidates targeting rare diseases with high unmet medical needs. Through this business acquisition, the Company will further accelerate efforts in addressing rare diseases. Furthermore, we are advancing efforts to establish systems that will enable the prompt provision of multiple products currently in development for the treatment of rare diseases to patients in need.

2. Outline of the Agreement

Shionogi will pay a total of USD 2,500 million to Tanabe Pharma through its U.S. subsidiary company, Shionogi Inc., upon completion of the procedures. Additionally, Shionogi will pay a royalty on future sales, subject to certain conditions. Going forward, the RADICAVA business company will commence operations as a wholly owned subsidiary of Shionogi Inc. in the U.S.

3. Schedule

Date of resolution of the Board of Directors	December 22, 2025
Agreement date	December 22, 2025
Schedule for making the RADICAVA business company a wholly owned subsidiary	April 1, 2026 or later (planned)

4. Future prospects

Since the RADICAVA business company is scheduled to become a wholly owned subsidiary on April 1, 2026 or later, its impact on Shionogi’s consolidated financial results for the fiscal year ending March 31, 2026 will be immaterial. The impact on consolidated performance for the fiscal year ending March 2027 and beyond is currently under review, but it is expected to contribute to revenue and profit starting from the fiscal year ending March 2027.

Important subsequent events

(ViiV Healthcare Ltd. becomes an equity-method affiliate through additional investment)

The Company resolved at its Board of Directors meeting on December 26, 2025 to delegate the decision regarding investment in UK-based ViiV Healthcare Ltd. (hereinafter “ViiV”) to the Representative Director, President and CEO. On January 19, 2026, the Representative Director, President and CEO decided to make the investment, and the Company entered into an agreement with UK-based GlaxoSmithKline plc (hereinafter “GSK”) and US-based Pfizer Inc. (hereinafter “Pfizer”) to acquire shares in ViiV representing 11.7% of the voting rights. With this investment, the SHIONOGI Group will hold a 21.7% voting interest in ViiV and will receive dividends commensurate with this ownership stake. ViiV is scheduled to become an equity-method affiliate of the Company.

1. Background and purpose of this investment

Shionogi has identified “Protect people from the threat of infectious diseases” as a materiality (key issue) to address and is concentrating significant management resources on efforts to combat three major infectious diseases, including HIV infection. Regarding HIV infection, since initiating collaboration with GSK, the largest shareholder of ViiV, in 2001, the Company has contributed to the advancement of HIV treatment and prevention through partnerships with ViiV and GSK, creating integrase inhibitors, including dolutegravir and cabotegravir. Treatment regimens containing dolutegravir have contributed to the treatment of over 24 million people globally, playing a central role in HIV treatment. Additionally, ViiV provides long-acting injections containing cabotegravir as an important new treatment and prevention option tailored to the needs and lifestyles of people living with HIV. Furthermore, S-365598/VH4524184, a third-generation integrase inhibitor created by the Company and licensed out to ViiV, has a different resistance profile from existing integrase inhibitors. Development of this compound as a long-acting injection is also progressing very smoothly. The compounds created through our ongoing commitment to HIV research strengthen ViiV's development pipeline and contribute to expanding options for the treatment and prevention of HIV. This acquisition of ViiV aims to further deepen the strong partnerships between the Company, ViiV, and GSK and to further contribute to HIV treatment and prevention worldwide.

2. Outline of the agreement

In exchange for the SHIONOGI Group’s investment of USD 2,125 million, ViiV will issue new shares (representing 11.7% of the voting rights). ViiV will also acquire and subsequently cancel the shares of ViiV held by Pfizer for USD 1,875 million and pay GSK a special dividend of USD 250 million.

3. Outline of the Company Becoming an Equity-Method Affiliate

Name	ViiV Healthcare Limited
Location	London, United Kingdom
Name and title of representative	Chief Executive Officer - Deborah Waterhouse
Business description	A specialist company in the HIV/AIDS field engaged in the research, development, development, manufacturing, and sales of anti-HIV drugs.

4. Ratio of shares acquired, acquisition price, and status of shares held before and after the acquisition

Ratio of shares held before the change	10.0% in terms of voting rights
Ratio of shares acquired	11.7% in terms of voting rights
Acquisition price	USD 2,125 million (JPY equivalent: 334,793 million yen*) *Converted at 1 US dollar = 157.55 yen
Ratio of shares held after the change	21.7% in terms of voting rights

5. Schedule

Date of resolution of the Board of Directors	December 26, 2025
Date of decision by Representative Director, President and CEO	January 19, 2026
Agreement date	January 19, 2026
Share acquisition execution date	Acquisition scheduled to be completed by March 2026

6. Future prospects

This matter will cause a minor impact on the consolidated earnings results for the fiscal year ending March 31, 2026. The impact on consolidated performance for the fiscal year ending March 2027 and beyond is currently under review, but it is expected to contribute to profit starting from the fiscal year ending March 2027.