PRESSRELEASE

SHIONOGI

Notice Regarding the Consolidation of Shionogi-Apnimed Sleep Science, LLC as a Subsidiary of Shionogi

- Accelerating research and development toward establishing the sleep disorder field as one of Shionogi's key QOL disease areas

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OSAKA, Japan, March 24, 2026 – Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced that its Board of Directors, at a meeting held on March 23, 2026, resolved to consolidate Shionogi-Apnimed Sleep Science, LLC (Head Office: Massachusetts, U.S.; hereafter "SASS"), an equity-method affiliate of Shionogi, as a consolidated subsidiary, and entered into an equity transfer agreement with Apnimed, Inc. (Head Office: Massachusetts, U.S.; Chief Executive Officer: Lawrence G. Miller, MD; hereafter "Apnimed") to acquire its equity interest in SASS.

SASS was established in 2023 as a joint venture between Shionogi and Apnimed to provide promising solutions that address unmet needs in the field of sleep disorders[1]. By combining Shionogi's strengths in small-molecule drug discovery and first-in-class and best-in-class compound creation with Apnimed's deep expertise and outstanding translational research capabilities, SASS has been working to advance novel solutions for sleep disorders.

SASS has made steady progress since its formation including advancing the SASS-001 and SASS-002 (sulthiame) development programs and launching multiple new drug discovery projects. Following extensive discussions with Apnimed, Shionogi concluded that to effectively build on this momentum and accelerate the delivery of new treatment options for patients, this is an optimal time to transition SASS to a wholly owned subsidiary.

Shionogi will continue to strengthen its research and development capabilities in sleep disorders to generate mid- to long-term growth in this area of substantial unmet medical need.

SASS is currently jointly owned by Shionogi and Apnimed, each holding a 50% equity interest. Under the equity transfer agreement, Shionogi expects to acquire all of Apnimed's equity interest in SASS at closing, resulting in SASS becoming a wholly owned consolidated subsidiary of Shionogi.
Under the terms of the agreement, Shionogi will pay Apnimed an upfront cash payment of USD 100 million upon completion of the transaction. In addition, Shionogi will make a development milestone payment related to SASS-002, as well as tiered royalties based on future sales of products derived from intellectual property contributed by Apnimed to the joint venture.

Key Assets and Capabilities to Be Secured Through This Acquisition

- Full ownership and control of research, development, and commercialization framework of SASS-001, SASS-002, and drug discovery programs in the sleep disorder field

- Intellectual property, information and know-how related to SASS-001, SASS-002 and drug discovery programs

1. Overview of the Subsidiary Subject to the Change

Company Name	Shionogi-Apnimed Sleep Science, LLC
Head Office	Massachusetts, United States
Representative	None
Business Description	Research and development of pharmaceuticals
Capital	Not disclosed
Date of Establishment	2023
Major Ownership Ratio	Apnimed: 50%, Shionogi & Co., Ltd.: 50%
Consolidated Operating Results and Consolidated Financial Position of the Company	As the company is a privately held entity, information regarding its consolidated operating results and consolidated financial position has not been disclosed.
Relationship with Shionogi	Capital Relationship: An equity-method affiliate of the Company. Personnel Relationship: Multiple directors have been appointed by the Company. Business Relationship: Research and development–related transactions with the Company.

2. Equity Interest to Be Acquired, Acquisition Price, and Changes in Ownership Before and After the Acquisition

Ownership Interest Before the Transaction	50.0%
Equity Interest to Be Acquired	50.0% (equity interest held by Apnimed)
Acquisition Price	USD 100 million (equivalent to JPY 15,952 million*) *Converted at an exchange rate of USD 1 = JPY 159.52
Ownership Interest After the Transaction	100%

3. Overview of the Counterparty to the Transaction

Company Name	Apnimed, Inc.
Head Office	Massachusetts, United States
Representative	Chief Executive Officer: Lawrence G. Miller, MD
Business Description	Research and development of pharmaceuticals

Capital	Not disclosed
Date of Establishment	2017
Consolidated Net Assets	Not disclosed
Consolidated Total Assets	Not disclosed
Major Shareholders and Ownership Ratio	Not disclosed
Relationship with Shionogi	Capital Relationship: The Company holds a portion of the shares of Apnimed Personnel Relationship: None Business Relationship: None Status as a Related Party: Not applicable

4. Schedule

Date of Board Resolution	March 23, 2026
Date of Agreement Execution	March 23, 2026
Date of Acquisition of Equity Interest	Expected on April 6, 2026

5. Future Outlook

   The impact of this transaction on Shionogi's consolidated financial results for the fiscal year ending March 2026 is expected to be immaterial.

About SASS-001

SASS-001 is a therapeutic candidate for patients with sleep apnea with a central component. It is a novel oral drug that combines S-600918 (generic name: sivopixant), a P2X3 receptor antagonist discovered by Shionogi, with another compound that has a different mechanism of action.
Currently, a randomized, double-blind, placebo-controlled Phase 2a clinical trial (the RESTEADY study) is underway in adult patients with sleep apnea with a central component.

About SASS-002 (sulthiame)

SASS-002 (sulthiame)[2] is a therapeutic candidate for patients with obstructive sleep apnea (OSA). It is a carbonic anhydrase inhibitor that has been approved primarily as an antiepileptic drug in Japan and other countries, and favorable results have been demonstrated in a Phase 2 clinical trial involving approximately 300 patients with OSA[3].
As an oral medication administered once daily at bedtime, SASS-002 is expected to become a new treatment option for OSA.

About Shionogi & Co., Ltd.

Shionogi & Co., Ltd. is a 148-year-old global, research-driven pharmaceutical company headquartered in Osaka, Japan, that is dedicated to bringing benefits to patients based on its corporate philosophy of "supplying the best possible medicine to protect the health and wellbeing of the patients we serve." The company currently markets products in several therapeutic areas including anti-infectives, pain, CNS disorders and cardiovascular diseases. Shionogi's research and development currently targets two therapeutic areas: infectious diseases and diseases with unmet medical needs in pain/CNS, including Alzheimer's disease, oncology, rare diseases, and sleep apnea. For more information on Shionogi & Co., Ltd., please visit https://www.shionogi.com/global/en.

References:

1. Press Release dated November 1, 2023
   Establishment of a Joint Venture Company with U.S.-based Apnimed to Address Challenges in Sleep Disorders
2. Press Release dated April 25, 2025
   Shionogi Announces Further Agreement with Apnimed for Sleep Disorder Treatments - Introduction of New Assets to Joint Venture Shionogi-Apnimed Sleep Science – (SASS)
3. Sulthiame once per day in obstructive sleep apnoea (FLOW): a multicentre, randomised, double-blind, placebo-controlled, dose-finding, phase 2 trial - The Lancet

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.

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