PRESSRELEASE

SHIONOGI

Notice Regarding Actions to Achieve Management Conscious of Capital Costs and Stock Prices

---

OSAKA, Japan, June 24, 2026 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.) announced that at the Board of Directors meeting held on June 24, 2026, the company analyzed its current situation and decided on future policies to achieve management that is conscious of capital costs and stock prices. Please refer to the attached document for details.

Forward-Looking Statements

This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, lack of availability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

For Further Information, Contact:

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

Actions to Achieve Management That is Conscious of Capital Costs and Stock Prices

SHIONOGI

Actions to Achieve Management That is Conscious of Capital Costs and Stock Prices

In order to increase corporate value, we have formulated a management strategy based on our high drug discovery capabilities, and to achieve this, we will promote IR activities led by the management team regarding our expansion strategies into growth fields, financial strategy, and foundation strategy

Matters requested by the Tokyo Stock Exchange	Organization of this material
Analysis of Current Situation • Gain a proper understanding of the company's cost of capital and profitability • Analyze and evaluate the current situation around these and the market valuation at Board of Directors' meetings	**Analysis of current situation (p. 3–4)** Strong drug discovery capabilities through focus on specific fields have supported the strong performance of the royalty business and the domestic and overseas infectious disease business, and ROE has remained at a high level. On the other hand, the PER has stagnated. We aim to improve the PER and PBR through corporate communication designed to raise future expectations
Planning & Disclosure • Have the Board of Directors discuss and develop policies, targets, planning periods, and specific initiatives for improvement • Disclose clear information on these, along with assessment of the current situation, to investors	**Management strategy and financial and foundation strategies that support it (p. 5–8)** (p. 5) Implement a portfolio strategy that leverages our strengths to tackle material issues and achieve STS2030 Revision (p. 6) Transform into a healthcare provider business based on stable income from drug discovery-based pharmaceutical business (p. 7) Implement cash allocation with an eye on business model expansion and shareholder return (p. 8) To expand our business model, we will improve our corporate functions, streamline our operations, and strengthen our management foundation
Implementation of Initiatives • Push forward with management that is conscious of cost of capital and stock price, based on the disclosed plans • Engage in proactive dialogue with investors based on this disclosure	**Non-financial and IR strategies for increasing corporate value (p. 9–14)** (p. 9) Transforming into a top-tier sustainability company by promoting sustainability activities based on dialogue results (p. 10-11) Promote management that is transparent and fair to stakeholders while also utilizing incentives (p. 12) Increase resilience in business management by strengthening risk management (p. 13-14) Management will take the lead in stakeholder engagement and incorporate feedback gained through dialogue into corporate management to promote the enhancement of corporate and social value

Progress analysis
Disclosure updates

(Involvement of the Board of Directors)
The Board of Directors analyzes and evaluates this disclosure material, the medium-term business plan, the portfolio strategy, the appropriateness of cross-shareholdings, etc.

Analysis of Current Situation: Current Status of SHIONOGI

Strong drug discovery capabilities through focus on specific fields have supported the strong performance of the royalty business and the domestic and overseas infectious disease business, and ROE has remained at a high level. On the other hand, the PER has stagnated. We aim to improve the PER and PBR through corporate communication designed to raise future expectations

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
PBR	2.1x	2.1x	2.3x	1.6x	1.8x	1.5x	1.8x
PER	13.4x	16.3x	19.9x	9.6x	13.9x	11.2x	14.4x
ROE	15.5%	13.9%	12.5%	17.8%	13.9%	13.1%	13.5%

PBR = **PER** × **ROE**

PER

Aiming to increase PER by sending messages that raise future expectations

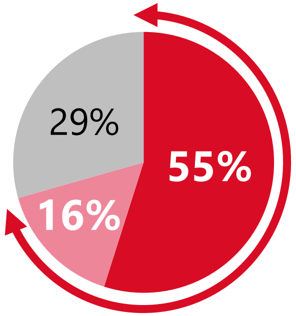
- **Management strategy** - Improving future growth expectations (Growth of earnings drivers, promotion of growth fields)
- **Financial strategy** - Visualization of growth investment
- **Foundation strategy** - Strengthening the management foundation
- **Non-financial strategies** - Improving non-financial value (Promoting sustainability activities and strengthening governance)
- **IR strategy** - Strengthening dialogue with investors

ROE

Strong drug discovery capabilities have led to strong performance of the royalty and infectious disease businesses, resulting in a high ROE

Original pipeline ratio* (as of May 2026)

- Shionogi-originated
- Research-collaboration
- In-licensed



71%

Original pipeline ratio for typical pharmaceutical companies: 20 to 30%

* Ratio of development pipeline from in-house and collaborative research

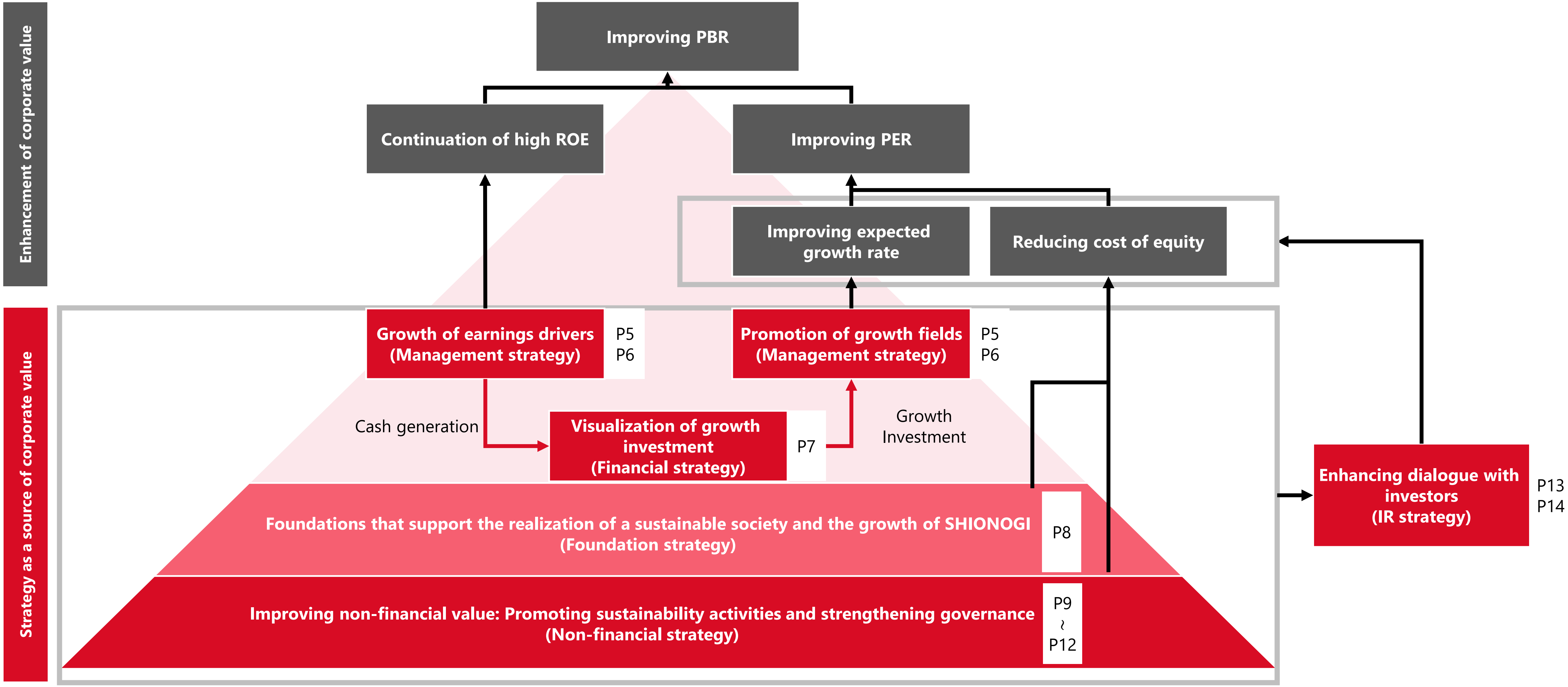
Earnings drivers

- **Royalty business**
- **Domestic business**
- **Overseas business driven by cefiderocol**

SHIONOGI

Analysis of Current Situation: Overall Strategy of SHIONOGI

A breakdown of the elements for improving PBR to consider and implement strategies for each element



Management Strategy: Efforts to Achieve STS2030 Revision

By identifying material issues that need to be addressed in the long term and implementing a portfolio strategy that leverages SHIONOGI's strengths, we will work to achieve STS2030 Revision through step-by-step achievement of financial targets

Material Issues

Create value by solving healthcare social issues	Protect people from the threat of infectious diseases	Create innovation
	Contribute to a healthy and prosperous life	Improved access to healthcare
Reduce negative impacts on customers and society	Supply socially responsible products and services	Respect human rights
	Strengthening supply chain management	Protect the environment
Foundations that support the realization of a sustainable society and the growth of SHIONOGI	Developing and securing human resources to support growth	Strengthening governance
	Ensure compliance	

SHIONOGI's strengths

Innovation Skills

Internally-discovered pipeline ratio

71%

(as of May 2026)

Maintaining an original pipeline ratio of over 60%

Infectious Disease Know-how

Infectious disease total care

Epidemic forecasting / Prevention / Diagnosis / Treatment / Suppression of aggravation

Unrivaled knowledge and technology against infectious diseases

Alliances and Collaboration

Newly Partnered companies

6

(FY2025)
(61 on a cumulative basis under STS2030)

Realizing alliances with optimal partners

Human Resources

Engagement Score

61%(+4)

(FY2025)

A source of support for sustainable growth and the creation of new value

STS2030 Revision

Contribute to solving healthcare-related social issues
Foundations that support the realization of a sustainable society and the growth of SHIONOGI and reduce negative impacts on customers and society

Financial targets	Revenue	Overseas sales CAGR*	EBITDA
	800.0 B yen	Revising the plan	-

STS Phase2(~FY2025)

Financial results	Revenue	Overseas sales CAGR*	EBITDA
	499.7 B yen	15.2%*2	187.7 B yen

SHIONOGI's portfolio strategy

Growth fields

- Expansion of overseas business
- Expansion of products other than prescription drugs
- Provision of new platform services

Earnings drivers

- Royalty business
- Domestic business
- Overseas business driven by Cefiderocol

* Excluding royalty income *2 Starting from FY2022

SHIONOGI

Management Strategy: SHIONOGI’s Diverse Business Models

Based on stable cash inflows from our earnings drivers, the royalty business and domestic and overseas infectious disease business, we will invest in various growth fields and evolve into a healthcare provider

Growth fields

Expansion of overseas business
Promote in-house sales globally for products such as edaravone, cefiderocol, and ensitrelvir to drive business growth and enhance profitability
In the infectious disease area*, collaborate with government agencies in each country to accelerate development through grant funding and expand the pipeline

Expansion of products other than prescription drugs
Stabilize the earnings of the entire group by promoting the OTC drug business, the CDMO business, and the vaccine business, which are relatively less dependent on patents and have relatively small revenue fluctuations, while creating synergies with existing businesses

Provision of new platform services
Through collaborative invention with diverse partners, which is one of SHIONOGI’s strengths, we will actively promote the creation of a total care platform business for infectious diseases centered on the Test to Treat approach, as well as a total care platform business for QOL diseases

Earnings drivers

Royalty business
Royalties from the HIV business, Xofluza, and products related to the former JT pharmaceutical business contribute to stable earnings.
SHIONOGI’s core HIV business will continue to grow steadily, driven by LAI*2 and ULA*3 formulations, while cash flow as dividends will expand through the additional investment in ViiV.

Dovato

Cabenuva

Domestic business
Stable growth will be achieved through an expanded pharmaceutical portfolio, including infectious disease products such as Xocova and Xofluza, as well as QOL-related disease treatments such as Quviviq, Zurzuvae, Radicut, and products related to Torii Pharmaceutical.

Xocova

Xofluza

Overseas business
Aim for further growth of cefiderocol by expanding sales beyond Europe, the U.S., and Taiwan.
Establish a rare disease platform as a key focus area, centered on edaravone, including Radicava in the U.S.

Cefiderocol

Radicava

* Treatments for AMR infections, COVID-19 preventive drugs, etc.
*2 Long acting : Long-acting injectable formulation
*3 Ultra long acting: Ultra long-acting formulation

Financial Strategy That Supports Management Strategy

Based on our management strategy, we will build a financial foundation necessary for growth investments to achieve "global top-line growth centered on the infectious disease field" and "business expansion in growth fields through aggressive investments"

FY23-25

Cash inflow

Cash allocation funding source
1.96 T yen

(Breakdown)
Operating cash flow (before deducting R&D expenses)
900.0 B yen

Borrowing
660.0 B yen

Carryforward funds (excluding working capital)
400.0 B yen

Cash outflow

Growth Investment

- **Research and development expenses** 334.0 B yen*
- **Allocation for further growth** 1.039 T yen*2

Shareholder return

- **Share buybacks** 75.0 B yen
- **Dividend** 149.0 B yen

Carryforward funds

- **Carryforward funds (excluding working capital)** 460.0 B yen

FY26

Cash inflow

Cash allocation funding source
940.0 B yen

(Breakdown)
Operating cash flow (before deducting R&D expenses)
480.0 B yen

Carryforward funds (excluding working capital)
460.0 B yen

Cash outflow

Growth Investment

- **Research and development expenses** 155.0 B yen*
- **Allocation for further growth** 720.0 B yen*2

Flexible shareholder returns (dividend increases / share buybacks)
Debt repayment

Shareholder return

- **Dividend** 65.0 B yen

R&D policy

- Proactively promote R&D investments on a record scale to support our high original pipeline ratio
- Promote R&D efficiency through the effective use of CROs, innovation in clinical trial design, and utilization of government funding

Business investment policy

- Set hurdle rates by business segment with referrence to WACC and the cost of equity in comparable companies and ensure investment decisions are in line with fair value

Shareholder return policy

- DOE target set at 4% or higher
- Basic policy is to increase dividends for 15 consecutive fiscal years
- Implement flexible share buybacks depending on the investment status and market conditions

Approach to debt management

- Maintain financial discipline and aim for an early return to a net cash position
- Establish a defined funding capacity for debt repayment, while ensuring sufficient resources for growth investments

* R&D expenses are based on P&L *2 The acquisition of the Radicava business, for which payment was made on April 1, 2026, is included in business investments for the FY23–FY25 period

Foundation Strategy That Supports Management Strategy

In order to evolve into a healthcare provider, we will strengthen our management foundation by implementing reforms to enhance corporate functions, while improving business efficiency

Enhancement of corporate functions

Strengthening the management foundation

Building systems for company-wide optimization of management resources accompanying business globalization

・**Strengthening Global Foundation**
：Establishing global positions/reporting lines
：Beginning consideration for full operation of global HR systems/management accounting/IT infrastructure
：Supply chain diversification and optimization of global inventory allocation by developing manufacturing infrastructure globally
：Reassessed Global Headquarters functions and relocating headquarters to GRAND GREEN OSAKA as a global base of the worldwide SHIONOGI employees
・**Transitioned to a company with an Audit and Supervisory Committee**
・Establishment of new SHIONOGI Group Code of Conduct
・Regular holding of Global Corporate Executive Meeting

Enhancement of business foundation

Strengthening Human Resources

・**HR system reform**
：Optimizing treatment through re-grading of all employees
：Competitive compensation systems
・**Recruitment/Securing of personnel necessary for growth**
：Strengthening mid-career recruitment
：Recruitment of high-level personnel related to globalization, vaccine business establishment, and DX
・Promoting reskilling

Realization of Dx transformation

・**Driving Business Innovation through DX**
： Introduction of AI-powered production management system to promote efficiency and visualization of production planning, and improvement in accuracy and speed of simulation
：Launch of a generative AI–enabled solution to support the preparation of regulatory documentation for pharmaceutical development
・Selected as a "Digital Transformation (DX) Stock 2026," by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange and the Information-technology Promotion Agency, Japan

Non-financial Strategy for Corporate Value Enhancement: Reflecting It in Sustainability Activities

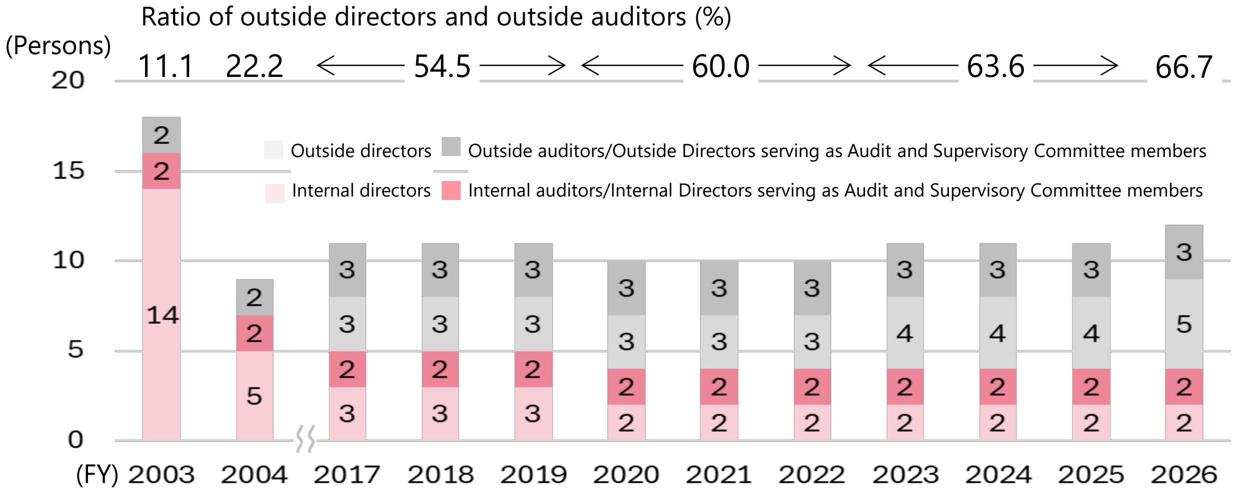
Strengthen risk management and monitoring to improve the effectiveness of sustainability strategies.
Enhance internal and external communication of our sustainability narrative.

	-FY2022	FY2023	FY2024	FY2025
Group Strategy/ Risk Management	Reviewing materiality /reflecting in the mid-term business plan	Review of materiality indicators	Strengthening collaboration with company-wide risk management	Strengthen risk management
			• Integration of enterprise-wide risk monitoring and materiality monitoring	• Establish a framework to enable timely discussion of changes in the operating environment
Development of a promotion framework/ Governance	Revision of the skills matrix	Revision of executive compensation	Updating the skills matrix to align with anticipated changes in board structure	Enhancements as a monitoring board
	• Incorporate sustainability into skill requirements		• Review of the skills required for the transformation into a HaaS (Healthcare as a Service) company • Position sustainability as a baseline competency	
Implementation of activities	Strengthening response to external evaluations and surveys	Reviewing the policy for responding to external evaluations	Driving initiatives in line with our policies	Reviewing the policy for responding to external evaluations and areas for improvement
Information Disclosure	Expanded disclosure of information	Sustainability briefing session	External: Establish policies and readiness for sustainability disclosure requirements Internal: Strengthen value creation communication and internal branding	
		• Initiate efforts to strengthen two-way communication	• In addition to fulfilling accountability, promote branding activities through the communication of our value creation story	

SHIONOGI

Non-financial Strategy for Corporate Value Enhancement: Reflecting It in Governance Structure

Promoting management that is fair and transparent to stakeholders in order to ensure fair management and meet the expectations of society, based on the results of stakeholder engagement



2000s	2010s	2020s
• Number of internal directors reduced from 14 to five • Introduction of a corporate officer system • Introduction of outside directors (from June 2009) • Establishment of a Nomination Advisory Committee and a Compensation Advisory Committee (chaired by an outside director since August 2009) • Start of opinion exchanges with corporate auditors	• Majority passed to outside directors and outside auditors • Start of information sharing meetings with outside directors • Appointment of a female director (from June 2015) • Changing composition of the Nomination Advisory Committee and the Compensation Advisory Committee (the majority of members have been outside directors since October 2017)	• Appointment of an outside director as chairperson of the Board of Directors (from June 2020) • Increase in the number of female directors (from June 2020) • Performance review of the President conducted by the Nomination Advisory Committee • Improving diversity through the appointment of a foreign director (from June 2025) • Transition to a company with an Audit and Supervisory Committee (from June 2025)

Current governance structure

- Transition to a company with an Audit and Supervisory Committee (June 2025)
- Composition of the Board of Directors, etc. (June 2026)

	Board of Directors	Nomination Advisory Committee	Compensation Advisory Committee
Chairperson	Outside director	Outside director	Outside director
Ratio of outside directors	67%	75%	75%
Ratio of women	25%	25%	25%

・One foreign director appointed

Questions in effectiveness evaluation for which SHIONOGI's scores significantly exceeded the average scores of other companies

- Enhance the composition of the Board of Directors in light of future business environment and strategic direction
- Further strengthen the monitoring function for key initiatives, including globalization and post-merger integration (PMI) following M&A
- Improve governance processes by streamlining agenda items submitted to the Board of Directors, including delegation of authority to the executive team, and securing sufficient time for deliberation
- Reassess risk management and human capital strategies in response to changes in the business environment

SHIONOGI

Non-financial Strategy for Corporate Value Enhancement: Officers' Compensation

Promoting management from a stakeholder perspective by designing an officers' compensation system that is linked to the STS2030 Revision, and continually revising the compensation system, performance evaluation system, etc.

Remuneration determination process

Officers' compensation is thoroughly discussed at the Compensation Advisory Committee
The Committee discusses the compensation system for directors and corporate officers and various issues concerned, verifies the levels of remuneration every year, and deliberates on the remuneration system, the performance evaluation system, etc., for the following fiscal year

Composition of remuneration

The targeted ratio for each type of remuneration is set at base remuneration: performance-linked remuneration*: non-monetary remuneration*2 = 1:1:1, on the premise that all KPIs are achieved

* Performance-linked remuneration consists of executive bonuses
*2 Non-monetary remuneration consists of restricted stock

1	:	1	:	1
Base remuneration		**Performance-linked remuneration**		**Non-monetary remuneration, etc.**
Determined based on a basic remuneration table according to the position and responsibilities of each director, with due consideration of the operating environment and global trends		Determined based on a calculation table based on performance, such as achievement of target profits for each fiscal year, as a short-term incentive		Incentives to further increase the linkage with medium- to long-term business performance and to promote sustainable enhancement of corporate value for the Company's directors (excluding directors who are Audit and Supervisory Committee members and Outside Directors)

Compensation system

Total director remuneration is determined within limits set by resolution of the General Meeting of Shareholders. This consists of base monthly remuneration, performance-linked bonuses determined by the results for the fiscal year and other factors, and since FY2018, restricted stock compensation (medium-term performance-linked and long-term). Outside directors and directors who serve as Audit and Supervisory Committee members receive only base remuneration

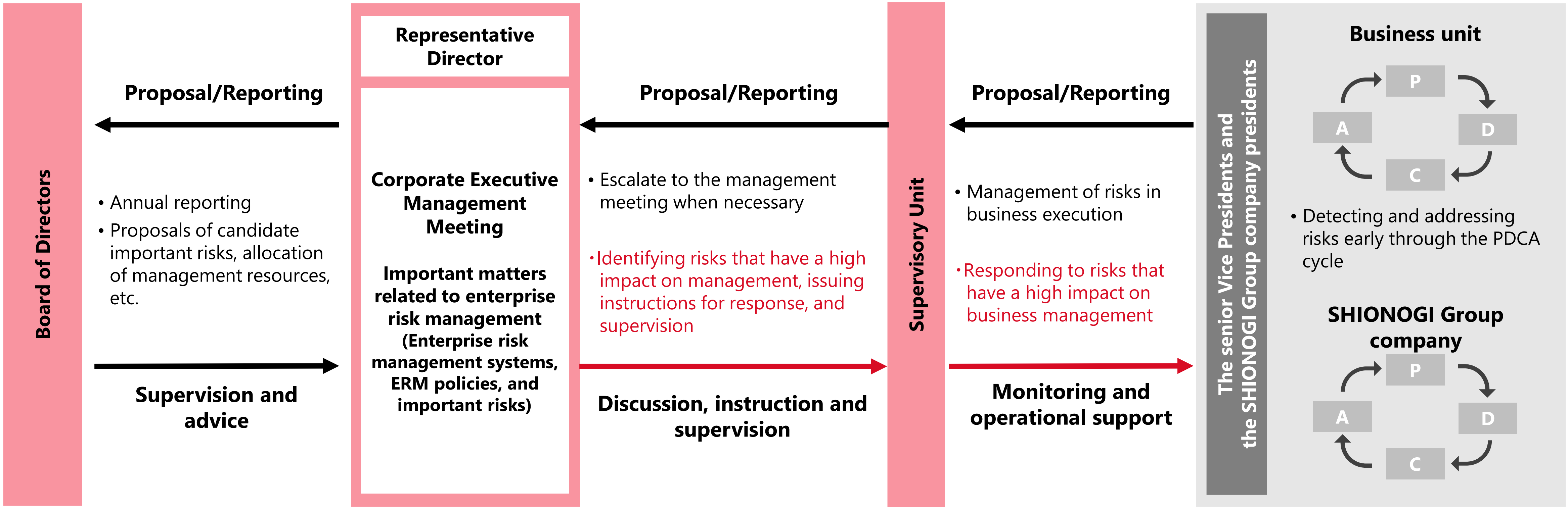
Base remuneration
Determined based on the basic remuneration table according to the position and role of each director, taking into consideration the business environment and public trends

Performance-linked remuneration
Determined based on a calculation table based on performance, such as achievement of target profits for each fiscal year, as a short-term incentive

Non-monetary remuneration (stock-based compensation)
Granted based on the stock-based compensation table according to directors' rank and job responsibilities
For medium-term performance-linked stock compensation in particular, performance will be evaluated based on the degree of achievement in FY2025 for the portion to be granted in the three-year Phase 2 period from FY2023 through FY2025 of the STS2030 Revision. Performance evaluations use such quantitative indicators as revenue, overseas net sales, CAGR, EBITDA, ROE, and the ranking in total shareholder return (TSR) among 11 industry peers including SHIONOGI (relative TSR), and also incorporate the status of ESG, compliance, and investment

Non-financial Strategy for Corporate Value Enhancement: Risk Management

Evolve into a flexible framework that enables timely discussion, by monitoring external developments—such as geopolitical and geoeconomic risks—that are characterized by rapid change and broad impact



IR Strategy for Corporate Value Enhancement (1/2)

Promoting corporate value and social value enhancement by conducting stakeholder engagement under management's leadership and reflecting feedback obtained through dialogue in management

Management Involvement

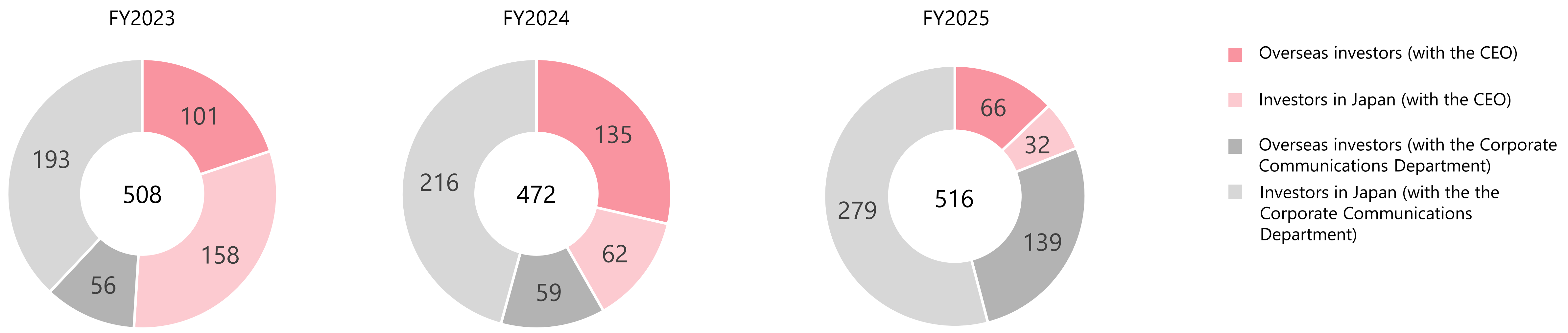
- IR policy: The essence of SHIONOGI's corporate governance is to continue to engage its four stakeholders (shareholders/investors, customers, society, and employees) in an optimal balance. Based on this spirit, the CEO allocates 25% of his or her time to engaging with shareholders and investors
- Involvement of outside directors: Creating opportunities for communication in response to requests from shareholders and investors. Last year, outside directors took the stage at the sustainability meeting

IR promotion structure

- Promotion structure: The GM of the Corporate Communications Department also serves as the GM of the Corporate Secretariat, creating an organizational structure that enables IR activities to directly reflect the intentions of top management
- Method of feedback to management: The CEO conveys useful opinions obtained from dialogue with shareholders and investors to relevant departments in order to reflect them in management

Number of dialogues and persons in charge by investor attribute

The CEO himself actively practices dialogue with stakeholders



Starting from FY2024, the aggregation method has been changed (in FY2023, the count included participants of briefing sessions such as R&D Day)

IR Strategy for Corporate Value Enhancement (2/2)

Maintaining communication with investors to maximize corporate value by analyzing their needs by their type, defining appropriate persons in charge and opportunities, and holding briefings and conducting other IR activities

Meetings held in FY2025	Frequency	Persons in charge	Main agenda for meetings
Financial results meetings	4 times a year	CEO, officer in charge of R&D, officer in charge of the healthcare business, officer in charge of corporate functions, and officer in charge of the supply chain	Financial forecasts, shareholder return, initiatives aimed at corporate value enhancement, etc.
IR meetings	2 times a year	CEO, officer in charge of R&D	HIV business meetings, meeting on the JT group pharmaceutical business
Sustainability meetings	Once a year	CEO, outside directors,	Transformation into a global company, sustainable growth of SHIONOGI, corporate governance
Meetings for individual investors	Once a year	GM of the Corporate Communications Department and the Corporate Secretariat	SHIONOGI's characteristics, growth strategy leveraging SHIONOGI's strengthen, policy of shareholder returns

Other IR activities in FY2025	Frequency	Persons in charge	Dialogue agenda
Participation in conferences hosted by securities companies	9 times a year	CEO	Progress of major businesses, medium- to long-term growth strategies, status of research and development, and shareholder return
Overseas NDRs	5 times a year	CEO, officer in charge of R&D	Progress of major businesses, medium- to long-term growth strategies, status of research and development, and shareholder return
Integrated report	Once a year	CEO, officer in charge of corporate functions	Value creation stories and status of corporate activities in the previous fiscal year
Press releases	58 releases a year	CEO, officer in charge of corporate functions	Progress of major businesses, status of research and development, and shareholder return