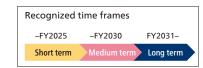
SHIONOGI analyzed and assessed its risks and opportunities based on changes in the internal and external environments and its time frame, identified the material issues (Materiality) that must be addressed in the long term, and developed STS2030 Revision as its Medium-Term Business Plan.



Environmental Changes/Social Needs Risks Opportunities ■ The global epidemic of COVID-19 Contraction in market for infectious Globalization of infectious diseases and subsequent lifestyle changes due to climate change disease drugs as awareness of hygiene increases ■ Further expansion of the scope of corporate social responsibility Human rights violations, risks affect- Increased expectations and demand of the environment surrounding and the healthcare industry Aging of developed countries' ing stable supply, business delays, for global infectious disease populations and rise of emerging continuity, and deterioration of creditcountermeasures countries worthiness by the Company and its Increasing demand for wellbeing and suppliers due to the following events Accelerating investment in the social participation in all generations children of the future • Deterioration in relations with local • Rising needs for prevention, presympcommunities tomatic conditions, self-medication ■ Structural changes in the health-· Human rights, environmental, and needs, and related market expansion care industry compliance/governance issues • Promoting access to medical care ■ Restricted access to medical care Greater information security risks · Creating solutions through technolog-International instability ical innovation Achieving stable supply, customer Technical innovation and evolusatisfaction, and reliability in the tion, including digitalization, and Company and its suppliers in the greater use of data following events: Growth of the global market for Continuous improvement of stable prescription drugs, and contracsupply and quality assurance tion of the Japanese market · Protect human rights and the Global warming environment Collapse of existing business models Perception of the internal environment Construction of a business that does ■ Transformation to realize the through disruptive innovation not rely on patents SHIONOGI Group Vision Lack of human resources to realize • Enhance employee awareness of trans-SHIONOGI Group Vision formation, to create innovation and ■ Promotion of workstyle reforms enhance their ability to respond to Loss of business opportunities as ■ Numbers of pipelines, imbalance change nothing is done in emerging countries in R&D progress Secure human resources by expanding Higher hurdles to drug discovery and the environment in which diverse ■ High reliance on royalty business lower research efficiency human resources can play active roles Decrease in productivity/outflow of ■ Lower patent cliff risks human resources

Medium-Term Business Plan

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STS2030 Revision

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Creating value through solutions to social issues of healthcare

Strengthening the company platform and contributing to a sustainable society



▶P.17

Material issues for creating new value for customers and society

Material issues for contributing to a sustainable society

Material issues for strengthening the management foundation