

CONTENTS

02	To our stakeholders
03	Our philosophy
04	Shionogi's efforts to create sustainable corporate value Three key phases of business risk unique to the pharmaceutical sector (2008~)
06	Medium-Term Business Plan SGS2020 (2014-2020) Grow sustainably as a drug discovery-based pharmaceutical company contributing to a more vigorous society through improved healthcare
08	Message from the President
14	Value creation process
16	Shionogi Group's material issues (Materiality)

Material Issues to Create New Value for Customers and Society

20	Drive innovation
30	Protect people worldwide from the threat of infectious diseases
36	Creating a more vigorous society

Material Issues to Realize a Sustainable Society and Support Shionogi's Growth

44	Improve access to healthcare
46	Supply socially responsible products and services
50	Secure human resources to support growth
55	Respect human rights
56	Reinforce supply chain management
57	Protect the environment
60	Strengthening governance
74	Ensuring compliance
76	Shionogi's business: value chain
82	Performance in fiscal 2018

DATA SECTION

84	11-year summary
86	Consolidated financial statements
108	Our history
110	Non-financial data
111	Corporate information

Editorial policy

This Integrated Report provides a wide range of information to give shareholders, investors and other stakeholders a deeper understanding of the Shionogi Group's corporate value. In addition to financial data, readers can access information about management strategy and the Group's governance, social and environmental activities.

Period under review

Fiscal 2018 (April 1, 2018–March 31, 2019)
Certain activities continuing after fiscal 2018 are also included.

Scope and organization

This Integrated Report encompasses the activities of Shionogi & Co., Ltd., 47 consolidated subsidiaries and seven affiliates. The information about our environmental activities covers all business facilities of Shionogi & Co., Ltd., and main domestic subsidiaries.

Notes concerning numerical values and graphs

All numerical values are rounded to the nearest unit, as applicable. Totals may not match due to rounding.

Forward-looking statements

This report 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 rates and currency exchange rates. These risks and uncertainties particularly apply to forward-looking statements concerning existing products and those under development. 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. For existing products, there are also manufacturing and marketing risks, which include, but are not limited to, inability to build manufacturing capacity to meet demand, unavailability of raw materials, and competition with other companies' 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. This report contains information on pharmaceuticals (including compounds under development), but this information is not intended to make any representations or advertisements regarding the efficacy of these pharmaceuticals no provide medical advice of any kind.

External recognition

ESG index



MSCI Japan ESG
Select Leaders Index



MSCI Japan Empowering
Women Index (WIN)



External Recognition related to IR and Sustainability



2018 Award for Excellence
in Corporate Disclosure
—Industries—
The Securities Analysts
Association of Japan

Award for Excellence in
Corporate Disclosure
Ranked first in the
pharmaceuticals sector
(Two consecutive years:
FY2017, FY2018)



Companies with Greatest
Improvement in IR
(FY2018)



IR Grand Prix
(FY2017)



Corporate Value Improvement
Award by the Listed Company
Award: Grand Prix
(FY2017)



2018 All-Japan Executive
Team: Ranked first in the
pharmaceuticals sector
(Two consecutive years: FY2017,
FY2018)



Health & Productivity Stock
(Four consecutive years
since 2016)



Outstanding Health &
Productivity Management
(Three consecutive years
since 2017)



Award of Kurumin mark
(Three consecutive years:
2013, 2015, 2018)



Selected in fiscal 2015 New
Diversity Management Selection
100 project



Certified in fiscal 2015 as a
leading company for women's
advancement in Osaka City

Others

Aburahi Botanical Gardens receives award from Koka City for activities contributing to local community and society (FY2017)

Shionogi Techno Advance Research receives 'Eruboshi' Grade 3 award for promoting female advancement (FY2017)

Shionogi Techno Advance Research designated as Outstanding Equal Opportunities Employer by Osaka Prefecture (FY2018)

Recognized by Hiroshima Prefecture as 'I-Support Movement' organization (FY2018)

Awards from financial industry/management prizes (FY2018)

Included by Government Pension Investment Fund among selection of companies with "Most-Improved Integrated Reports" (Two consecutive years: FY2017, FY2018)

Included in selection for Excellent Integrated Reports (FY2017)

Commitment to society



Shionogi declares endorsement and support for UN Global Compact

Disclosure and engagement

Financial information



IR Library

<http://www.shionogi.co.jp/en/ir/library/index.html>



Securities report

Engagement

Conference call/General meeting of shareholders/
small meeting, etc.

Non-financial information



CSR Efforts

<http://www.shionogi.co.jp/en/company/csr/index.html>



Policies

<http://www.shionogi.co.jp/en/company/policy/index.html>



Corporate Governance Report

http://www.shionogi.co.jp/en/static/company/cg/cg_report_en_201906.pdf



EHS Report

<http://www.shionogi.co.jp/en/company/csr/activities/environment.html>

Integrated Report



Engagement

R&D meeting/Dialogue with experts/Lecture
meeting/ Small meeting, etc.