

Agreement on the Absorption-Type Split of JT Pharmaceutical Division and Acquisition of Shares of Akros, and Commencement of Tender Offer for TORII

May 7, 2025

Shionogi & Co., Ltd



SHIONOGI

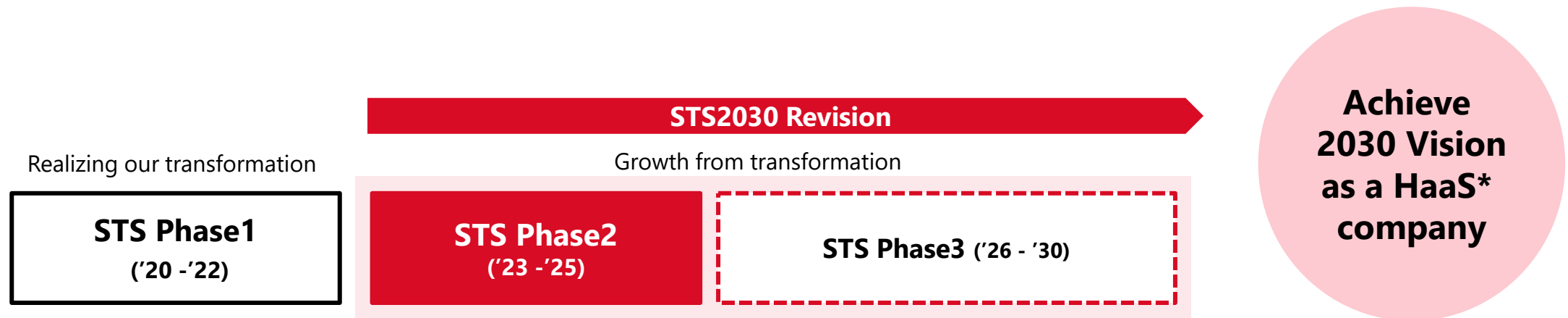
SHIONOGI's Vision

Building Innovation Platforms to Shape the Future of Healthcare

SHIONOGI Group Vision (2030 Vision)

- What we want to achieve by 2030 -

Continuously enhance our “strengths” as a drug-discovery-oriented pharma company,
become the premier partner for other companies/industries for its unique strengths,
build new platforms in the healthcare arena



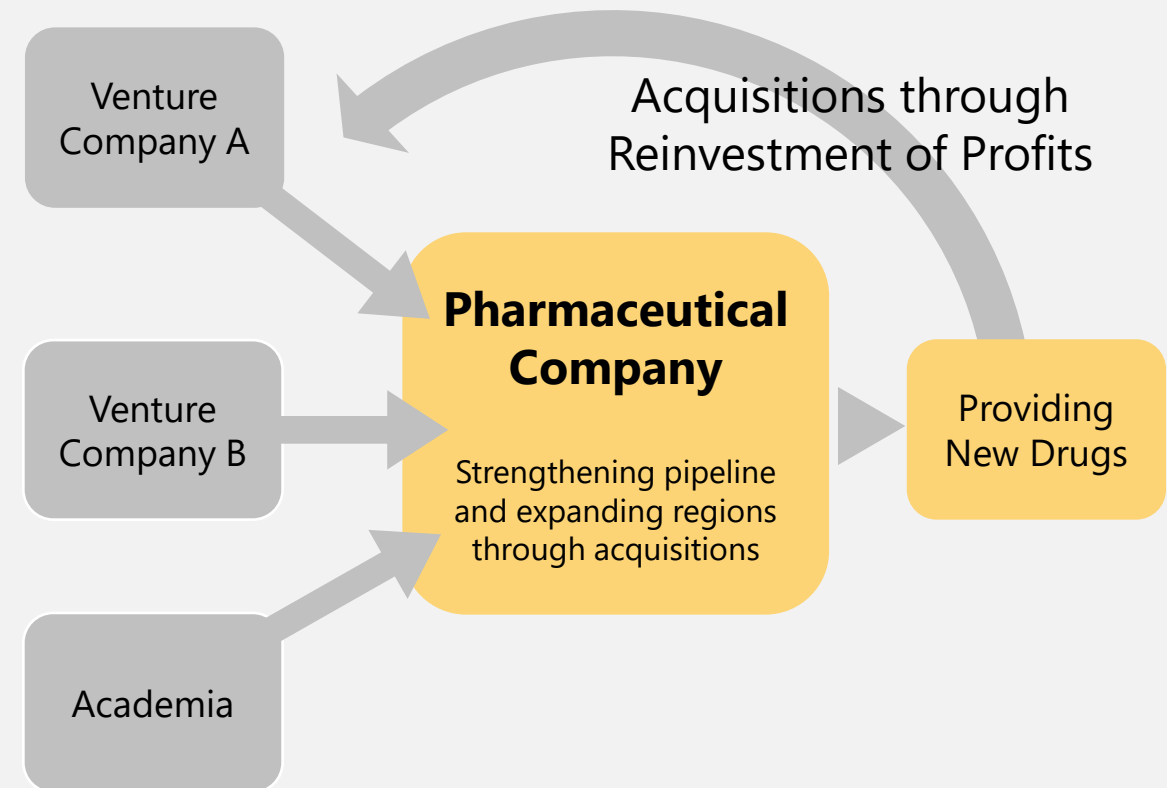
SHIONOGI's Unique Growth Strategy

SHIONOGI's growth strategy



Providing new drugs globally based on superior research capabilities that foster innovation

Growth strategy of pharmaceutical companies through acquisitions



Acquiring innovation externally through acquisitions, promoting development, and providing new drugs

**Further Evolving the Business Model by Returning
to “the Basics of Pharmaceutical Business Model =
In-House Drug Discovery”**



Strengthening Points for Achieving our 2030 Vision

Achieving our 2030 Vision through a business stabilization and strengthening R&D capabilities

Business stabilization

- Stabilization of the infectious disease business
 - Improvement of COVID-19 treatment rates through expanded information provision
- Introduction of domestic product assets that are not influenced by epidemics
 - Establishment of high social impact QOL (Quality of Life) disease areas
- Strengthening of the supply chain system

**Launching new products for QOL diseases
and expanding promotional activities**

Strengthening R&D capabilities

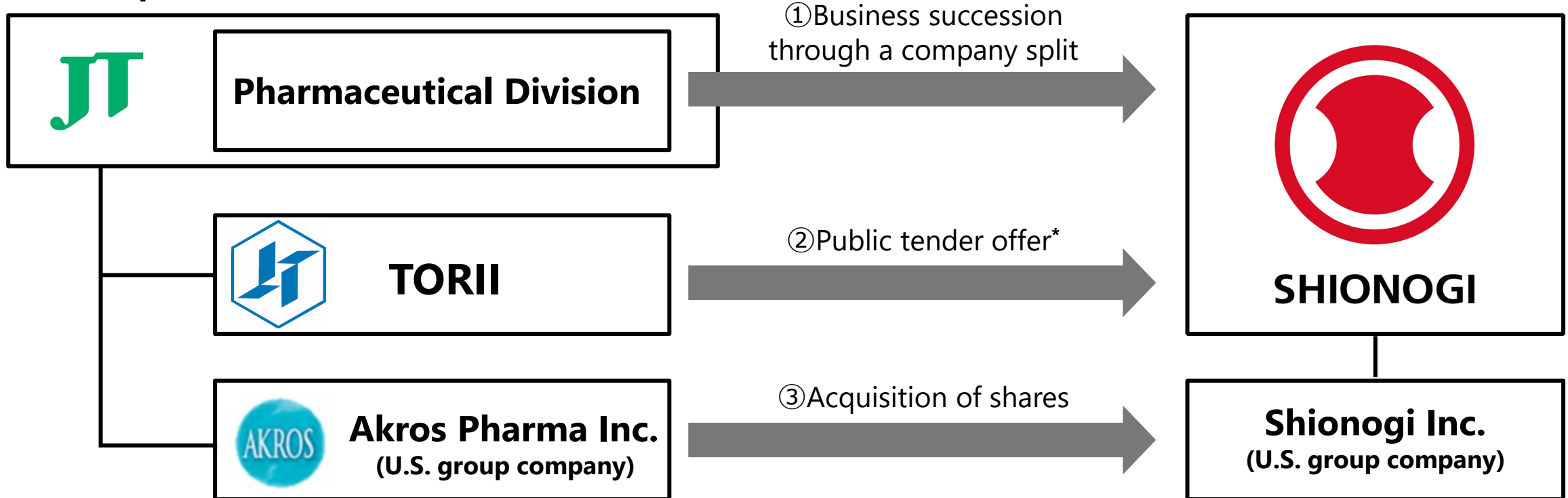
- Strengthening the research foundation
- Further enhancing our capabilities in small molecule drug discovery
- Further reinforcing the infectious disease field and acquiring the next pillar

**Drug discovery of globally competitive
in-house products**

Overview of Transaction

- ① **Succession of JT Pharmaceutical Division through a company split**
- ② **A public tender offer for TORII PHARMACEUTICAL CO., LTD. by SHIONOGI**
- ③ **Acquisition of shares of Akros Pharma Inc. by Shionogi Inc.**

JT Group's Pharmaceutical Division



The Business Model of JT Group's Pharmaceutical Division

JT Group has built a robust value chain that encompasses the research, development, manufacturing, and sales of new drugs.



JT Pharmaceutical Division

- Discovery of drug candidates through to preclinical research
- Strategic planning and domestic clinical development
- Regulatory affairs and post-marketing safety information collection
- Partnering and Alliance management



TORII PHARMACEUTICAL CO., LTD.

- Partnering management
- Japan sales
- Medical affairs
- Alliance management



Nihonbashi, Tokyo



Takatsuki City, Osaka



Yokohama City, Kanagawa



Akros Pharma Inc,

- Overseas clinical development
- Overseas collaborative research and exploration of new technology projects



Princeton, New Jersey, USA

JT Pharmaceutical Division and TORII together create Significant Value

For continued value creation, it is crucial to maintain alignment of both businesses moving forward

By leveraging our strength of both business in specific areas and undertaking an end-to-end approach from research to sales, JT & Torii provide new drugs that meet the needs of patients.

The key areas of focus in JT Pharmaceutical Division R&D

- Immunology
 - Autoimmune, autoinflammatory, and allergic diseases
- Neuroscience
 - Neurodegenerative diseases, mental disorders
- Cardiovascular, Kidney and Skeletal Muscle
 - Cardiovascular diseases, kidney diseases, muscle diseases



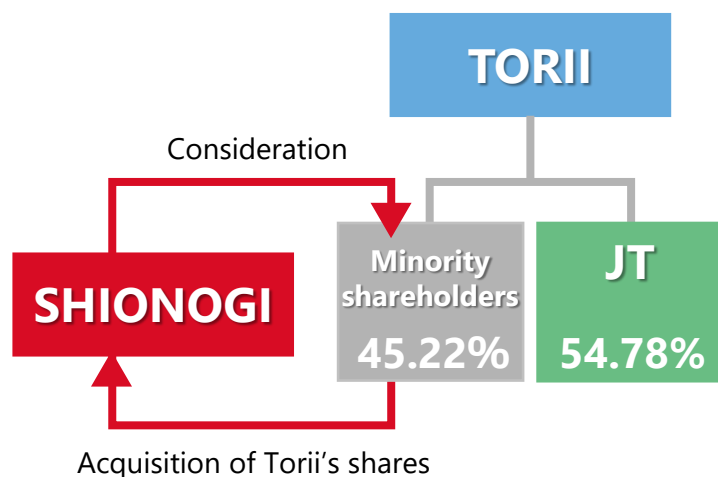
The focus areas of Torii

- Allergens
 - Expansion of allergen immunotherapy
- Skin diseases
 - Growth centered on the introduction of "Corectim" discovered by JT
- Renal diseases and Hemodialysis
 - Sales of "Riona" developed by JT and "Enaroy" discovered by JT

Transaction Process

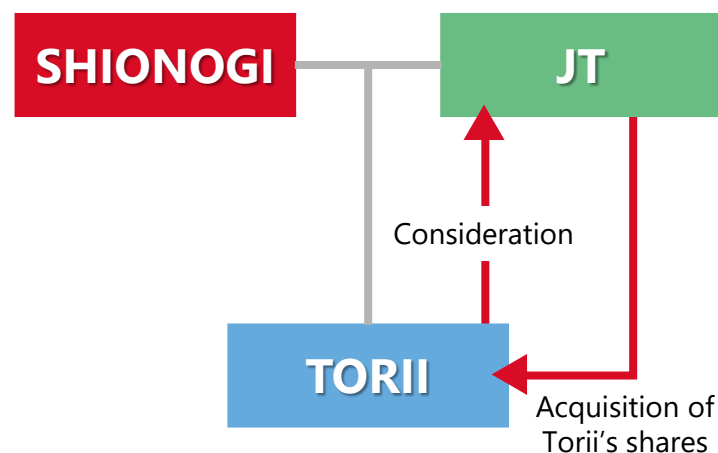
With the successful completion of the tender offer for Torii's shares, all of JT's Group Pharmaceutical Division will be transferred to SHIONOGI

Implementation of a tender offer for minority shareholders of Torii

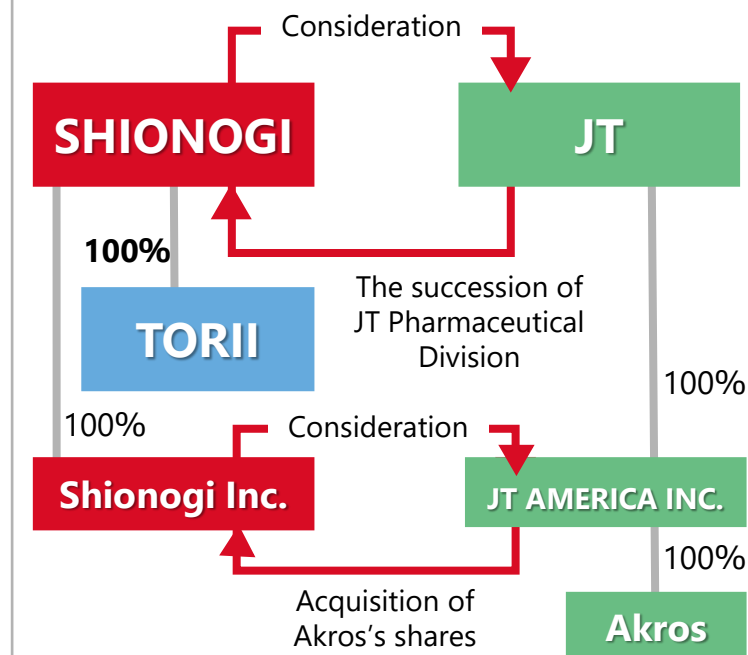


※ JT has agreed not to participate

- Acquisition of own shares by Torii
- Complete subsidiary acquisition by SHIONOGI



- The succession of JT Pharmaceutical Division
- Acquisition of shares of Akros Pharma Inc.



The main purchase conditions for the tender offer by SHIONOGI for TORII

Tender Offeror	Shionogi & Co., Ltd
Target Company	TORII PHARMACEUTICAL CO., LTD.
Methods	Tender Offer
Tender Offer Period(Planned)	From Thursday, May 8, 2025 to Wednesday, June 18, 2025 (30 Business Days)
Settlement start date(Planned)	June 25, 2025
The purchase price	Per common share 6,350 yen
Premium	Closing price on May 2, 2025 (5,230 yen) : Approximately 21.4%
	The average closing stock price over the past month (4,432 yen) : Approximately 43.3%
	The average closing stock price over the past three month (4,482 yen) : Approximately 41.6%
	The average closing stock price over the past six month (4,559 yen) : Approximately 39.3%
The minimum number of shares planned for purchase	3,342,000 shares
The maximum number of shares planned for purchase	Nothing
The total purchase amount	Approximately 80.7 billion yen (Self-funding)
Tender offer agent	SMBC Nikko Securities Inc.

Actions following the announcement of this transaction

Future planned actions

- September 2025 : The effectiveness of the stock consolidation and acquisition of own shares
⇒ Torii will become a wholly-owned subsidiary of SHIONOGI
- December 2025 : The effectiveness of the company split ⇒
- JT Pharmaceutical Division will be absorbed by SHIONOGI
 - Akros will become a wholly-owned subsidiary of Shionogi inc.
- At the time of effectiveness for each of the above transactions, there will be no changes implemented in terms of business relationships, employee duties, workplaces, or working styles

CY2025							
May	June	July	August	September	October	November	December
<div>● ← Tender Offer Period →</div> <div>The announcement of this transaction</div>				<div>●</div> <div>The complete subsidiary acquisition of Torii</div>		<div>●</div> <div><ul style="list-style-type: none">• JT Pharmaceutical Division will be absorbed by SHIONOGI• Akros will become a wholly-owned subsidiary of Shionogi inc.</div>	

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Strengthening R&D capabilities

- Strengthening the research foundation
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**Drug discovery of globally competitive
in-house products**

Business stabilization - The strength of TORII -

Torii is steadily growing by focusing on Allergy and Skin Diseases as its growth drivers

The franchise field

Allergens

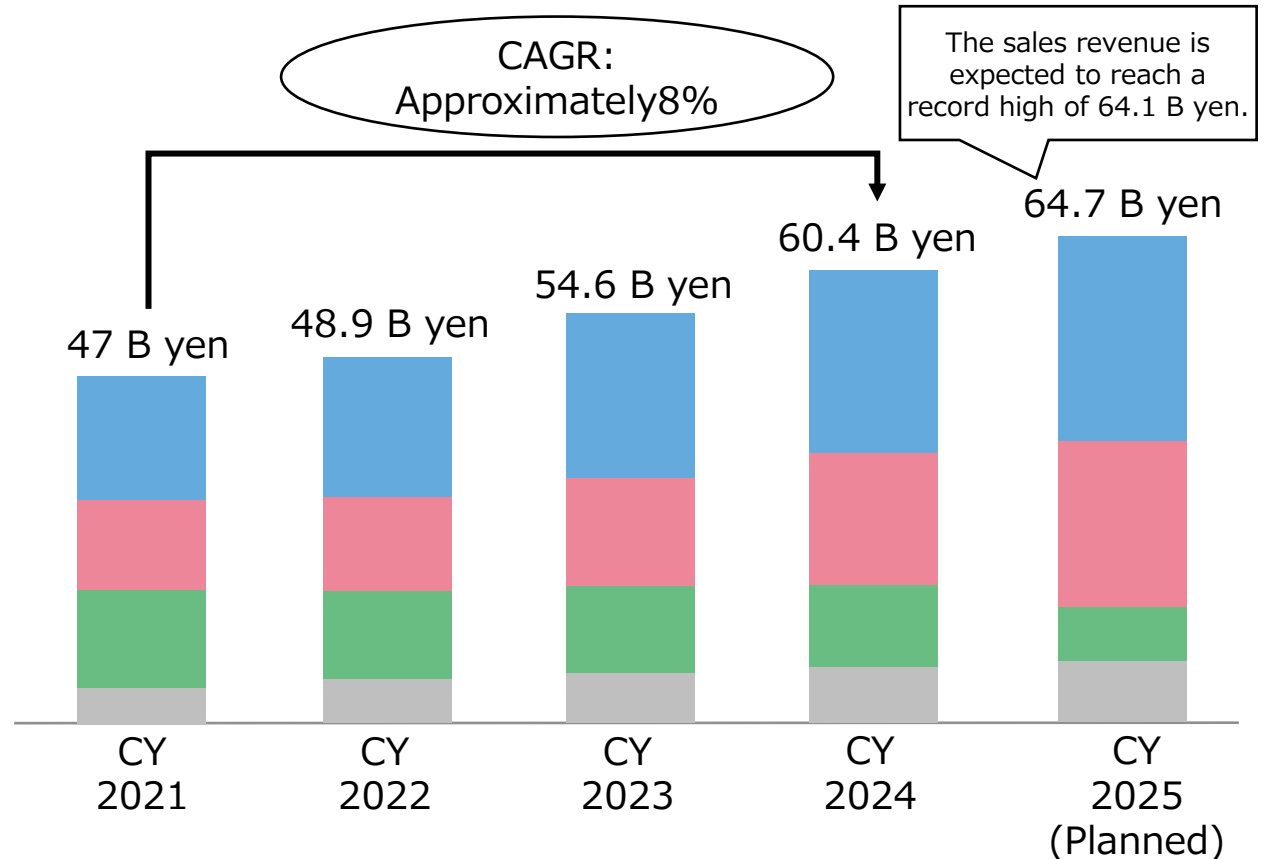
- Over the past few years, Torii has achieved strong growth in the allergy areas.
- From July 2025, Torii plans to increase the production of the cedar pollen sublingual tablets "CEDARCURE" with the completion of new production facilities.
- Additionally, Torii aims to begin clinical trials for the grass pollen sublingual tablet within 2025.

Skin diseases

- Due to the growth of products like Correctim, Torii has achieved steady growth.
- With the penetration of Vtama which was launched in October 2024, Torii expects further increases in sales revenue.
- Additionally, in December 2024, Torii submitted a domestic manufacturing and sales application for a product indicated for molluscum contagiosum.

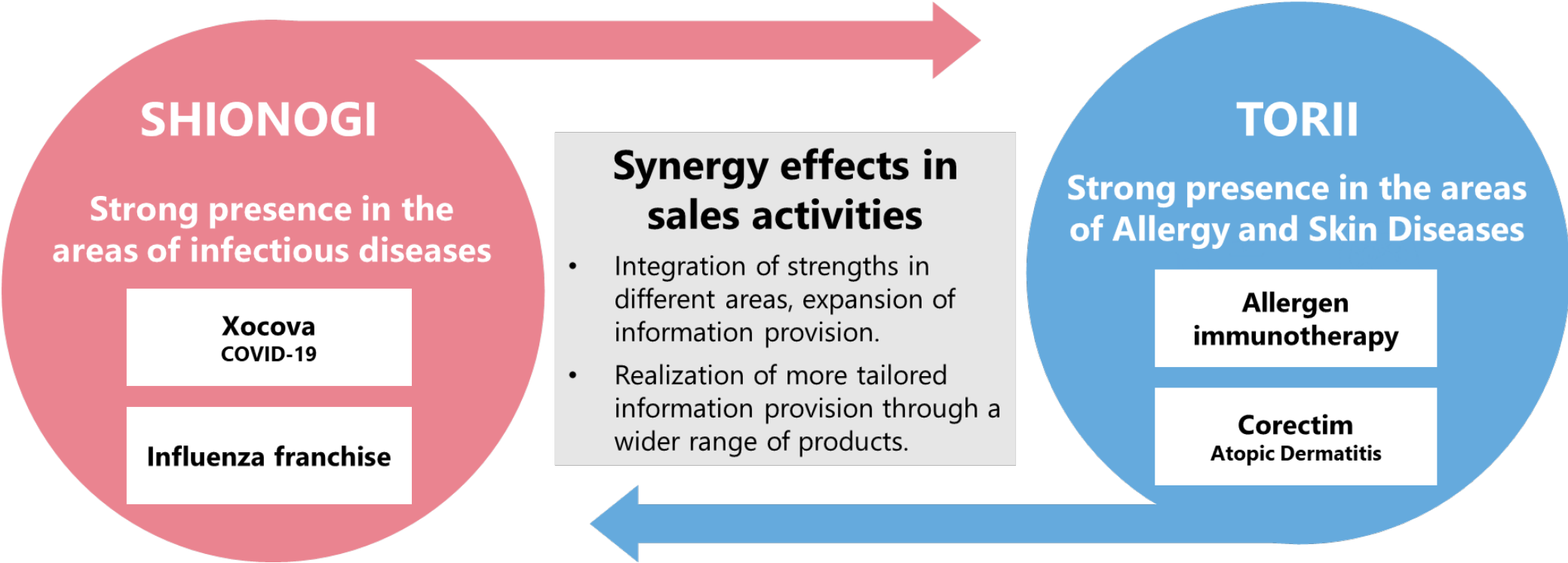
Renal diseases and Hemodialysis

The sales revenue of Torii



Growth through the fusion of different strengths

Expansion of information activities to provide products that meet patient needs

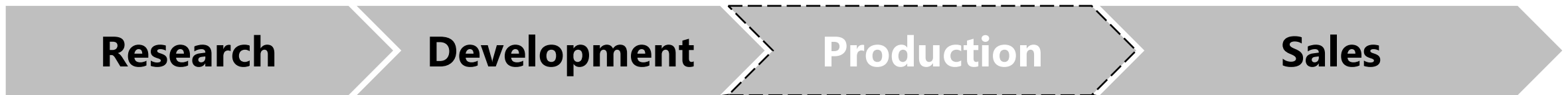


The launch of new products that both companies should focus on

Product	Indication	Launch Status
Vtama	Atopic Dermatitis/Plaque psoriasis	October 2024 launch
Quviviq	Insomnia	December 2024 launch
Zulanolone	Depression	Scheduled for approval in FY 2025

Utilization of SHIONOGI's own Production Capabilities

SHIONOGI Group's own production facilities contributes to stable supply and cost reduction



SHIONOGI's own factories



Settsu Plant



Kanegasaki Plant



Amagasaki Office



Itami Plant



Tokushima Plant

For the products of JT Group's Pharmaceutical Division, it is possible to establish a flexible in-house production capabilities, including increased production and the construction of a global supply chain

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A Vision Centered on Strengthening our Research and Development Capabilities

Building a leading company delivering innovative pharmaceuticals from Japan to the world



To become a pharmaceutical company with the world's No.1 small molecule drug discovery capability and fulfill SHIONOGI's mission of continuously delivering necessary medicines to patients around the world

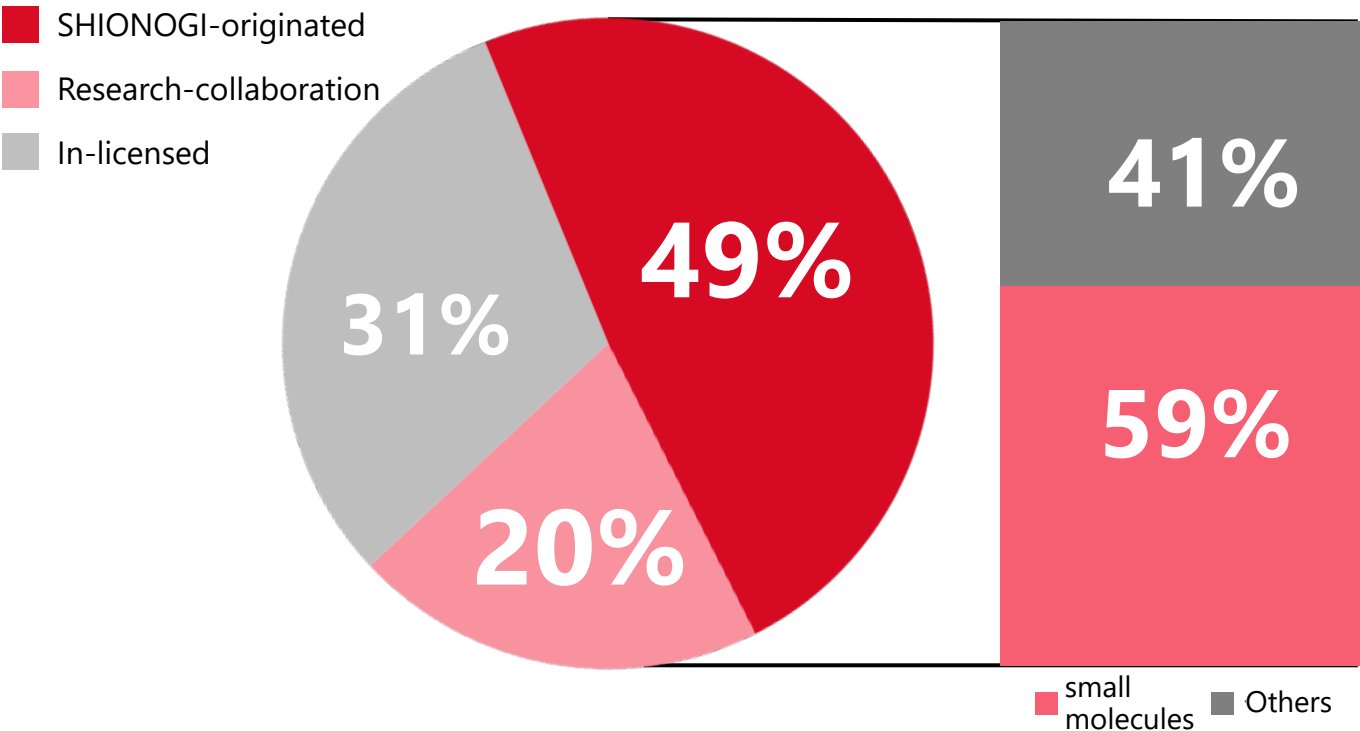
SHIONOGI has achieved significant growth through products it has discovered and developed itself




SHIONOGI's Direction

Focusing on small molecule drug discovery, SHIONOGI is committed to contributing to patient care through its own drug development

SHIONOGI has in-house drug development ratio of 69%, with approximately 60% of these being small molecules




The benefits of small molecules




A wide range of drug discovery targets

- Approaches to intracellular targets



High convenience

- Oral administration capability



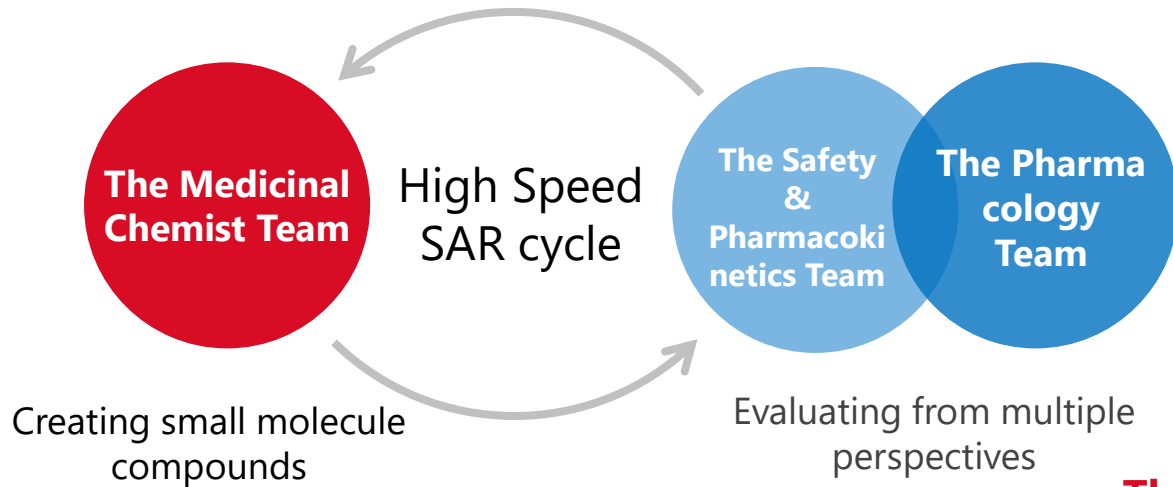
Excellent cost-effectiveness

- Affordable pricing

Strengths of SHIONOGI in Small Molecule Drug Discovery

The high level of scientific skill coupled with deep collaboration between teams has established strengths in the field of infectious diseases

Drug discovery research cycle through team collaboration



SHIONOGI's unique drug discovery platform leverages expertise in virus research and small molecule compound design

Expanding our expertise to other viruses

COVID-19 treatment


The strengths of chelate drug discovery

Flu treatment


xofluza[®]
(baloxavir marboxil) tablets

The foundation of virus research

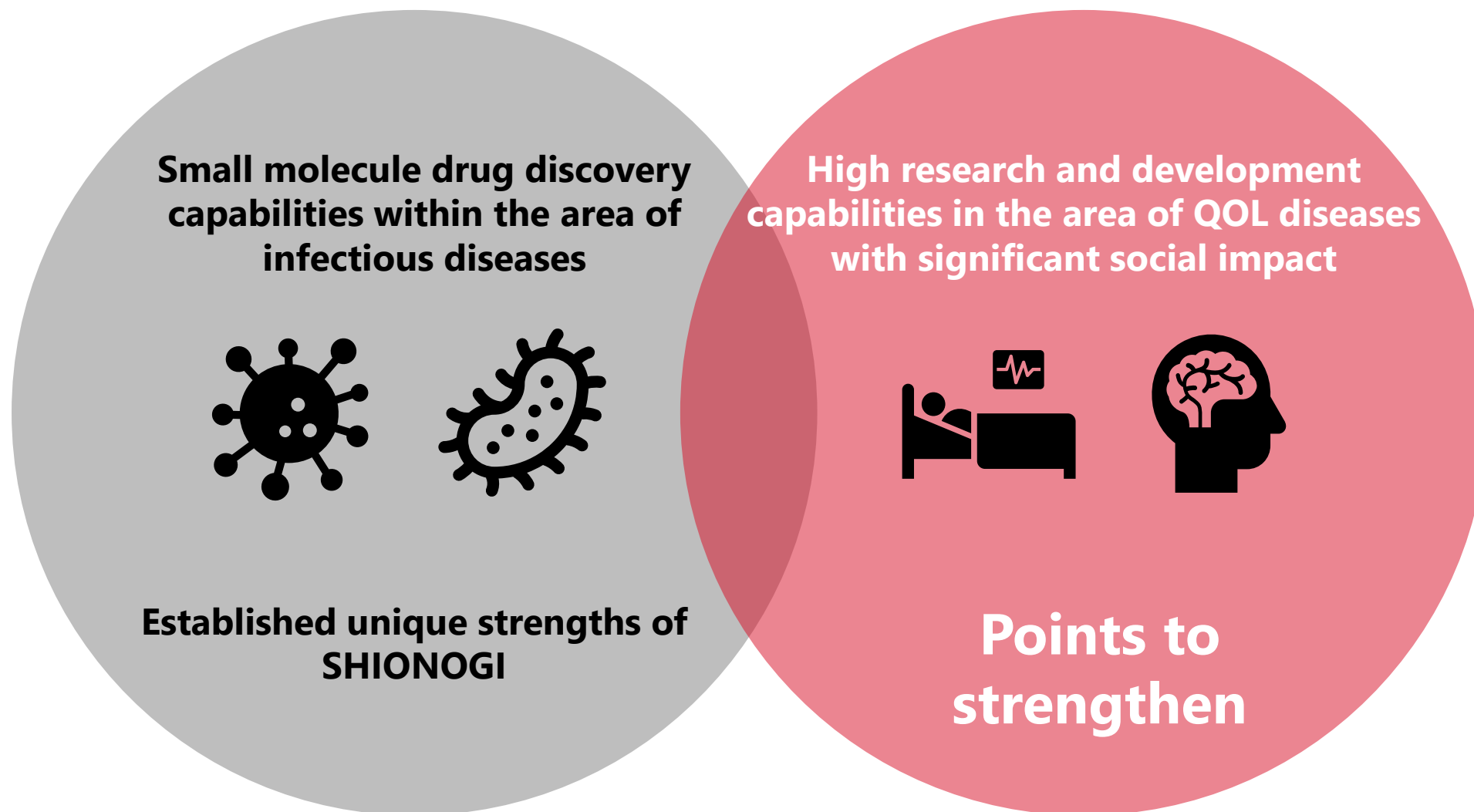
HIV treatment


CABENUVA
cabotegravir; rilpivirine

The initiation of HIV drug discovery research

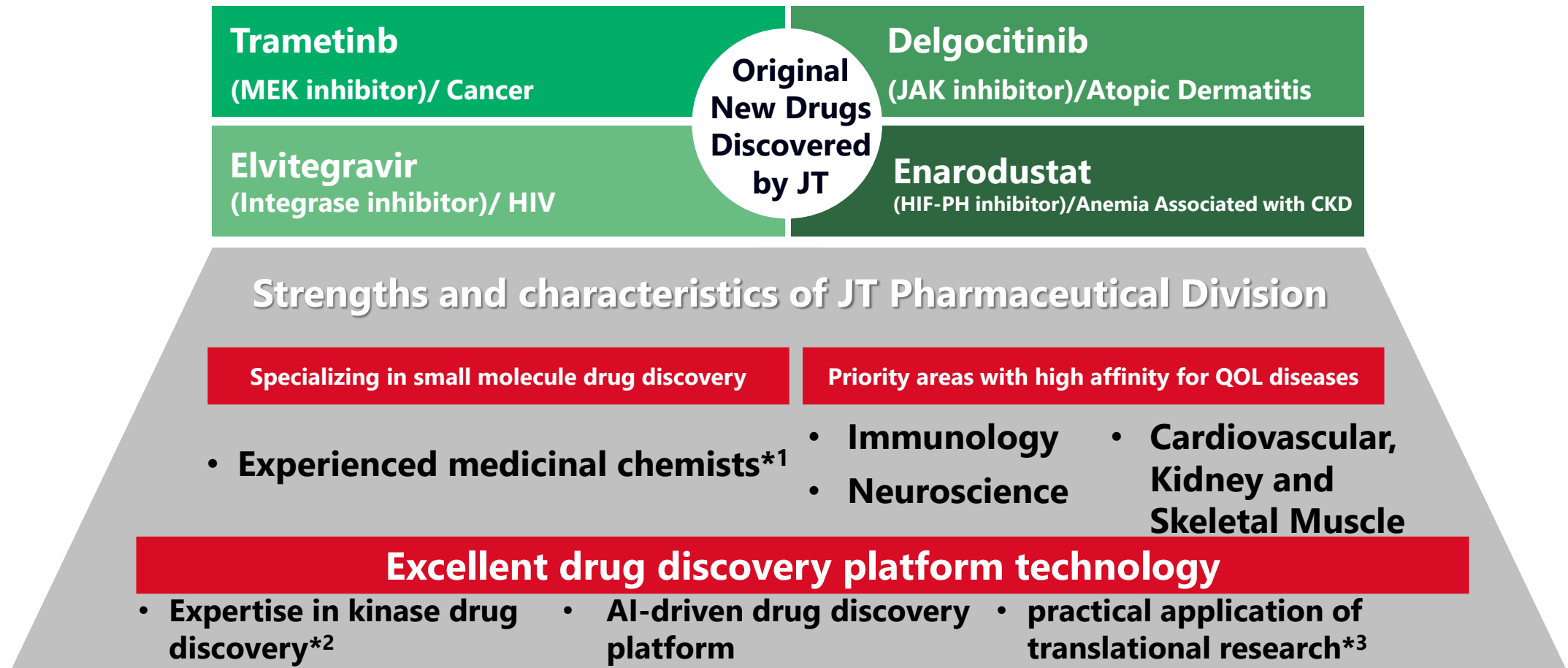

Tivicay
dolutegravir

Expanding the strengths of small molecule drug discovery from "infectious diseases" to "QOL diseases"



Strengthening R&D capabilities - JT Pharmaceutical Division's strengths -

Excellent drug discovery achievements and a strong foundation in small molecule drug discovery

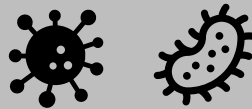


Building the No. 1 global capabilities in small molecule drug discovery

Strengthening our research capabilities to deliver the best medicines globally



Strengthen Small molecule drug discovery capabilities within the area of infectious diseases



- **Utilizing the AI-driven drug discovery platform**
 - Accelerating research and development
- **Integrating the experience and expertise of medicinal chemists**
 - Continuously discovering a competitive pipeline

Discovering a promising pipeline in the field of high social impact QOL diseases



- **Utilizing drug discovery platform technologies**
 - Exploring promising targets
- **Strengthening research capabilities with a focus on clinical applications**
 - Building high-probability success pipelines

Enhancing small molecule drug discovery capabilities and creating a continuous development pipeline in focused areas

Accelerating our Transformation into a Global Pharmaceutical Company

SHIONOGI has acquired JT Group's pharmaceutical Division as a whole, contributing to addressing the unmet needs of patients worldwide

