

FY2025 Sustainability Meeting

December 12, 2025
Shionogi & Co., Ltd.



SHIONOGI

Agenda

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**Transformation into a Global Company toward
Realizing our 2030 Vision** (P.3-6)

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Discovery** (P. 7-13)

03

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Transformation into a Global Company toward Realizing our 2030 Vision



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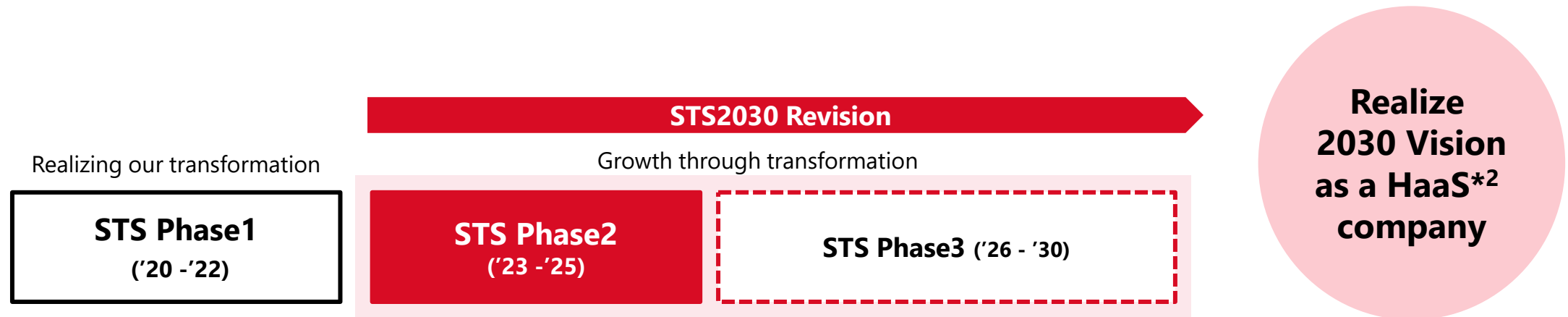
SHIONOGI's^{*1} Vision

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 area**



Transformation into a Global Company

Establish a system to realize SHIONOGI Group Heritage of “research, produce and promote” globally

**SHIONOGI's
vision for
management**

**“Persons in the right positions or experts” make decisions based on
“sound discussions in appropriate forums” and “transparent criteria”**

Global strategy

- Interfunctional coordination and efficient operations
- Business and administrative divisions carry out strategies from a global perspective

People/culture

- Support development of human resources to support the future
 - Raise awareness about SHIONOGI's philosophy and values
 - Assign duties / Set up environment

Governance

- Persons in the right positions manage necessary information centrally
- Decision-making and risk management based on “transparent criteria”

Globalizing Business and Strengthening Management Foundations

Step up efforts to strengthen business through growth investments and efforts to strengthen management foundations that support them

- Key areas to strengthen for globalization -

Business

① **In-house drug discovery capabilities as the source of growth**

- ✓ Continuous creation of products developed in-house

② **Building a global supply chain**

- ✓ Stable global supply of our products

③ **Expanding sales coverage areas and establishing infrastructure**

- ✓ Toward QOL diseases with infectious disease field as foundations

Management foundations that support business

- **Promotion of human capital management**
 - **Governance structure**

- FY2025 initiatives -

Growth investment

M&A of JT*¹ Group's Pharmaceutical Division

- Strengthening in-house drug discovery capabilities
 - Integration of JT pharmaceuticals business and Akros
- Strengthening domestic sales capabilities
 - Torii Pharmaceutical's sales capabilities and product assets

Strengthening of governance structure

Transition to a company with an audit and supervisory committee

Sustainable Growth Centered on In-House Drug Discovery



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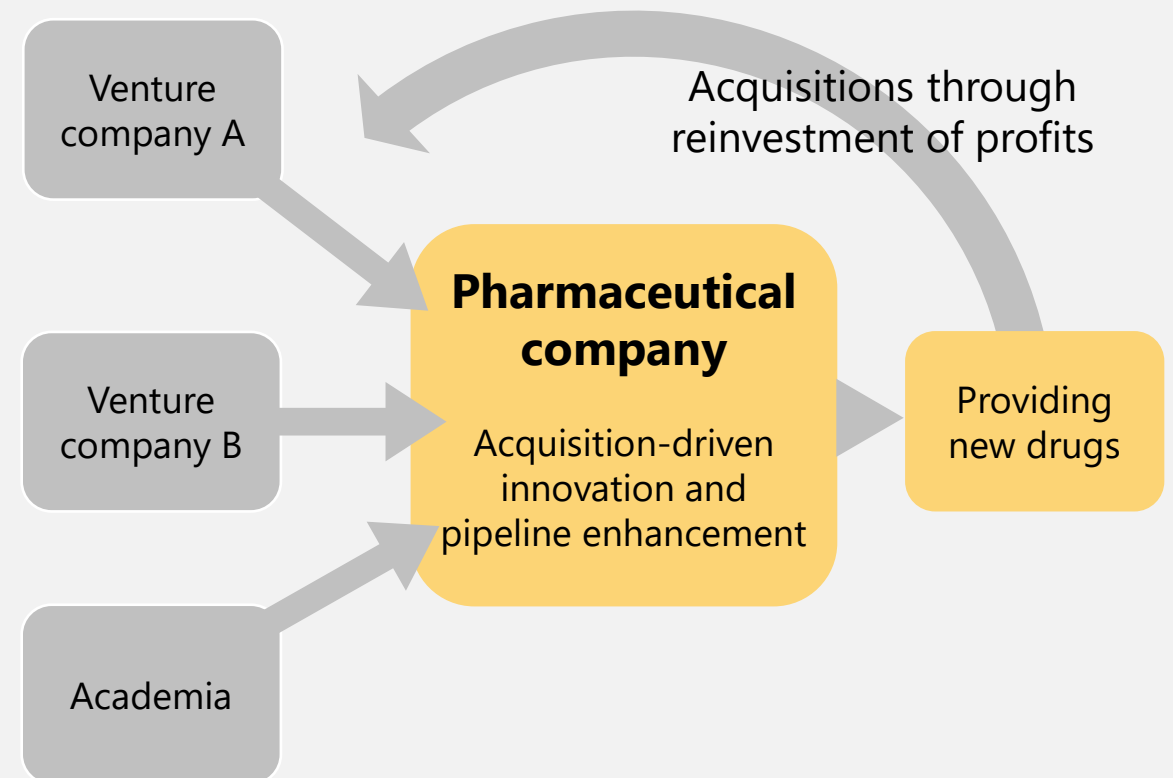
SHIONOGI's Unique Growth Strategy

Providing new medicines globally, based on outstanding research capabilities that drive innovation

SHIONOGI's growth strategy



Growth strategy of pharmaceutical companies through acquisitions



Commitment to Small Molecule Drug Discovery

Providing new value through in-house developed small molecule drugs

- Meeting unmet medical needs through small molecule drug discovery -

Abundant drug discovery targets



Enabling access to differentiated targets across diverse drug discovery modalities (e.g., central nervous system, infectious diseases)

Flexibility in formulation design



Oral formulation: Highly convenient
LAI*¹ formulation:
Improved medication adherence and quality of life

Excellent cost efficiency



Chemical synthesis makes production relatively easy and reducing the economic burden

M&A Prioritizing the Enhancement of In-House Drug Discovery Capabilities

Strengthening our proprietary pipeline through integration with JT

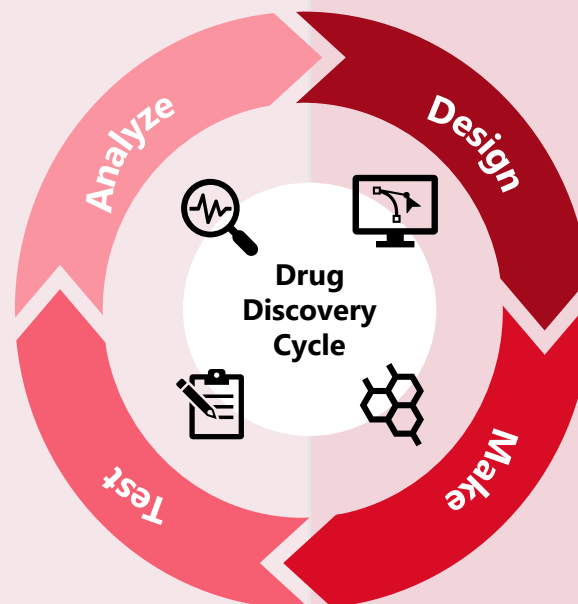
Accelerating and enhancing the quality of the drug discovery cycle

Pharmacology/ Safety and ADME Profiling

Streamlining the Drug Discovery Process

Prediction of Pharmacokinetics
(Advanced non-clinical evaluation systems)

**A Platform Enabling
Rapid and Thorough Evaluation**
(JT's proprietary HTS*¹ system that demonstrates
strong capabilities in small molecule drug discovery)



Medicinal chemistry

Synthesis of High-Quality Compounds

**Target Identification Based on
JT's Unique Structural Insights**
Combining protein structural analysis with strong
capabilities in identifying high-quality targets, both
augmented by AI
**Expanded Team of
Experienced Medicinal Chemists**
Track record of generating numerous innovative drug
candidates



Reinforcing our drug discovery foundation through advanced platforms

Data generation and utilization and compound profile prediction with advanced technology platforms (including AI and quantum computing)



Concept of PMI (Post Merger Integration)

Leverage past experiences to promote PMI for the goal of creating true synergy that goes beyond mere integration

Reflections regarding Sciele Pharma, Inc.*¹



Lack of necessary structure, experience, know-how, and capabilities

Success experience with Qpex Biopharma, Inc.*²



Seamless integration of R&D and external networks

M&A of JT Group's Pharmaceutical Division*³



Aim to reach new heights for the SHIONOGI Group through two PMI measures

1

Pre Merger Integrity

Thoroughly strengthen company discipline

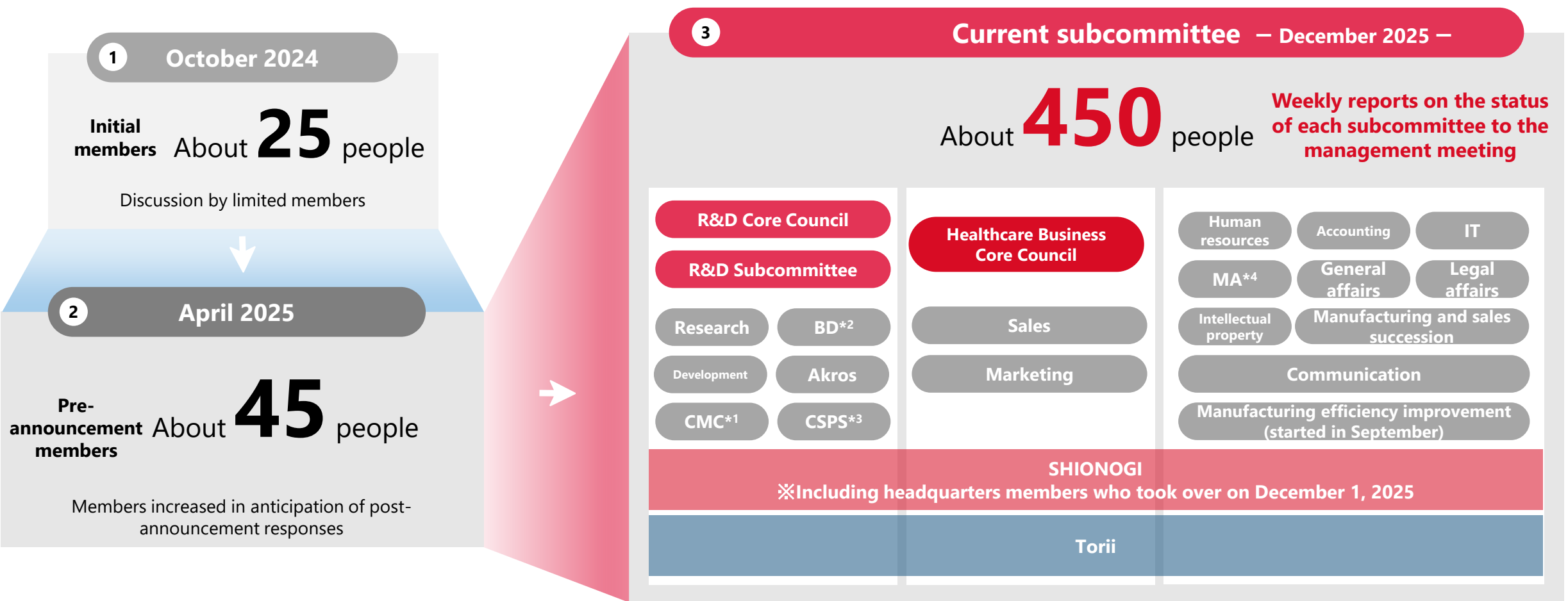
2

Post Merger Integration

Foster a common sense of purpose and values

Evolution of Project Structure

Team expansion with consideration given to confidentiality and according to M&A progress



*1 CMC: Chemistry, Manufacturing, and Control / *2 BD: Business Development
*3 CSPS (Creative Service/Plant Service): A subcommittee on the transfer and integration of research support and facility repair and maintenance work
*4 MA: Medical Affairs

To Foster a Common Sense of Purpose and Values

Promoting PMI activities driven by serious commitment from management

September

Torii town hall meeting
Key attendees: CEO, 4 supervisory units

Torii social event
Key attendees: Corporate Officers

Philosophy promoting workshop
Key attendees: Corporate Officers



Torii Pharmaceutical town hall meeting

October

SHIONOGI introduction event (1)
Key attendee: Senior Vice President of
Drug Development and Regulatory
Science Division

SHIONOGI introduction event (2)
Key attendees: Senior Vice President of
Drug Discovery Research Division
: Senior Vice President of Drug
Production Technology Division



SHIONOGI introduction event (Takatsuki Research Center)

November

December

Video message to all employees
Key attendee: CEO

Akros town hall meeting
Key attendee: Shionogi Inc. CEO

Scheduled

JT town hall meeting (Takatsuki)
Key attendees: CEO, 4 supervisory units

Scheduled

JT town hall meeting (Yokohama)
Key attendees: CEO, 4 supervisory units

Corporate Governance



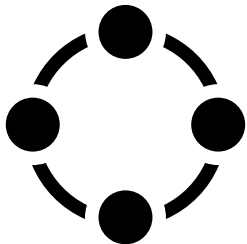
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Corporate Governance

Governance is not just a system but a management foundation that supports sustainable improvement of corporate value

— Four pillars of SHIONOGI's corporate governance —

Considering the balance with four stakeholders



Diversity of the Board of Directors



Management transparency



Faster decision-making



Transition to a Company with an Audit and Supervisory Committee (From June 2025)

Establishing a new auditing system to promote both sustainable improvement of corporate value and governance

1

Delegation of authority to the executive side

Identifying and examining matters to be delegated to the executive side

Impact

- Enhanced discussions on company-wide strategies for the medium to long term at Board of Directors meetings
- Faster decision-making

2

Establishment of Audit and Supervisory Committee Office

Strengthening cooperation between Audit and Supervisory Committee and Internal Control Department

Impact

- Early detection of problems and realization of proposals for improvements
- Strengthening supervisory functions
- More matters deliberated by Audit and Supervisory Committee

3

Proposal-oriented audit

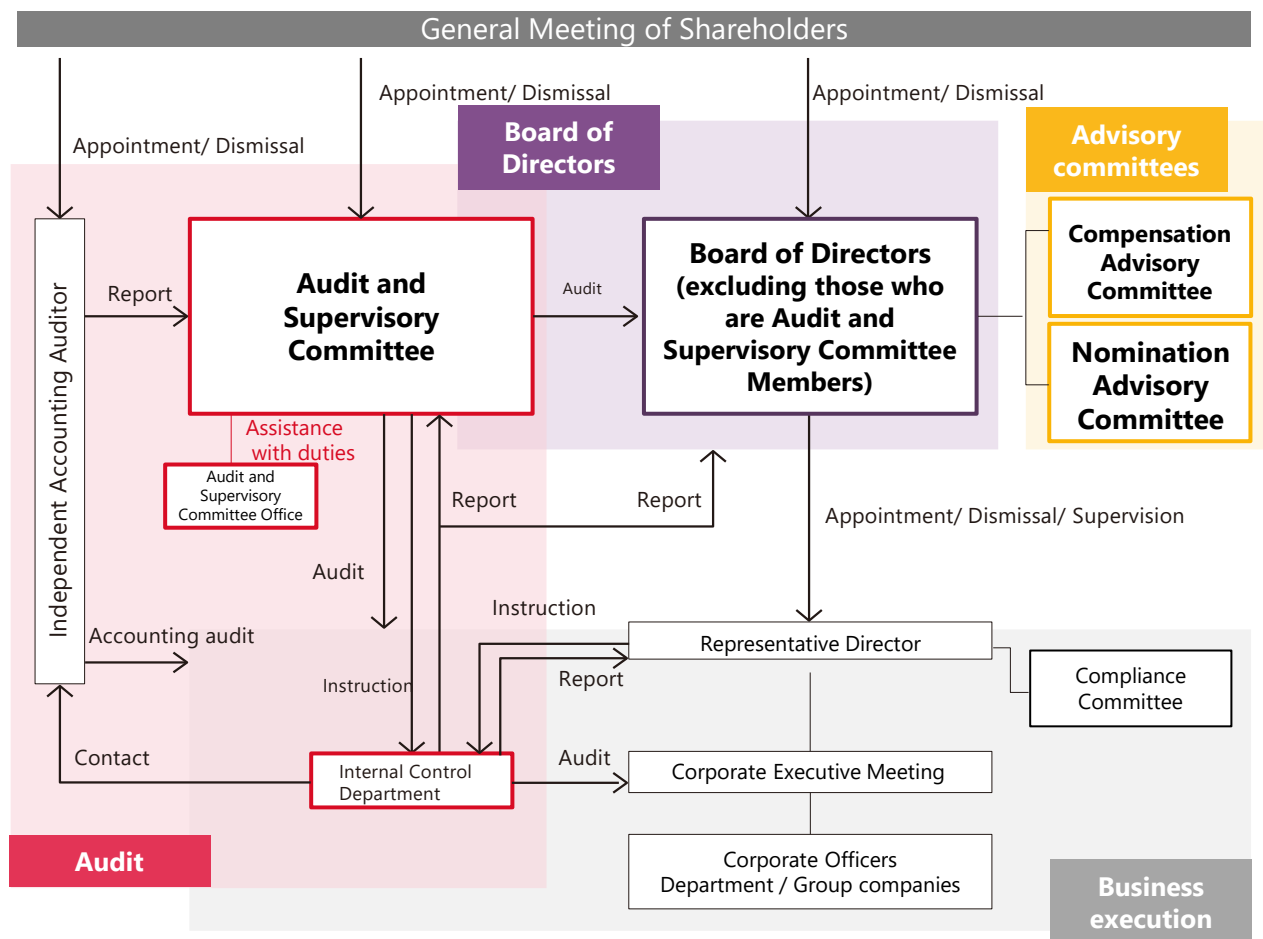
Introducing "report from the Audit and Supervisory Committee" at the beginning of Board of Directors meetings

Impact

- Clarifying direction of discussions by having Audit and Supervisory Committee share their views
- Encouraging opinions from outside officers

Corporate Governance System (Since June 2025)

Strong governance realized through proactive operation of the Board of Directors, Audit and Supervisory Committee, and advisory committees



Board of Directors

- **Chairperson: Outside director**
- Number of members: 11 (4 internal, 7 outside)
- Number of meetings convened*1: 13

Audit and Supervisory Committee

- **Chairperson: Outside director**
- Number of members: 5 (2 internal, 3 outside)
- Number of meetings convened*1, 2: 11

Nomination/Compensation Advisory Committee

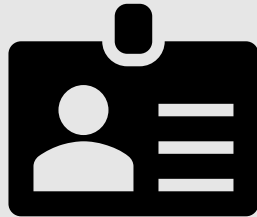
- **Chairperson: Outside director**
- Number of members: 7 (CEO, 1 full-time Audit and Supervisory Committee Member, and 5 outside members [including 1 Audit and Supervisory Committee Member])
- Number of meetings convened*1: 5 Nomination, 4 Compensation

Oversight of execution strengthened by having outside directors serving as chairperson

Operation of Advisory Committees

**Although we are a company with an audit and supervisory committee,
both advisory committees are functioning effectively**

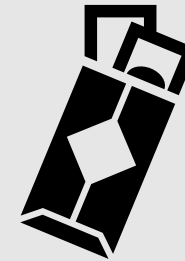
Nomination Advisory Committee



Main topics of discussion

- ✓ The balance of expertise of the Board of Directors, including outside directors, and the criteria for the appointment, reappointment, and dismissal of directors
- ✓ Judgment on whether to retain the CEO based on their performance review
- ✓ Selection and training of successor candidates for key roles, including CEO, directors, and corporate officers (succession planning)

Compensation Advisory Committee



Main topics of discussion

- ✓ Assessment of compensation levels and various compensation ratios
- ✓ Performance evaluation of directors and corporate officers for the previous fiscal year and performance evaluation indicators for the current fiscal year
- ✓ Compensation system for officers, corporate officers, and organization heads
- ✓ Compensation structure based on transition to a company with an audit and supervisory committee

Mechanisms to Enhance Effectiveness of the Board

Continuously improving the effectiveness of the Board through multifaceted initiatives



Advance briefing on agenda items to outside officers

- ✓ Ensure earlier provision of materials. Provide advance briefing on matters requiring in-depth discussions or matters requiring background information



Information exchange and study meetings with outside officers

- ✓ Study meetings by management and outside officers to deepen understanding of the industry and SHIONOGI's business



Opinion exchange meetings between outside officers and the president

- ✓ A place for free and open exchange of opinions to facilitate deeper discussions at Board meetings
- ✓ Themes: A wide range of themes, including industry trends, SHIONOGI's business, and management training plans and training status



Analysis and evaluation of effectiveness

- ✓ Surveys and interviews were conducted for each director and auditor*1, and the results were analyzed and evaluated by the Board of Directors
- ✓ Share future issues and policies and aim for further improvement

Board Deliberations

Discussions that contribute to improving corporate value through active involvement of outside directors



Exterior of the new headquarters in Osaka (Photo courtesy of Gran Green Osaka Development Company)

Examples of matters deliberated by the Board



Relocation of head office^{*1}

- ✓ Comparison with the alternative option of rebuilding the old head office
 - BCP ^{*2} and appropriateness as the global headquarters



M&A of JT Group's Pharmaceutical Division^{*3}

- ✓ Rationale for transforming into a global company
- ✓ Feasibility of creating synergies through integration



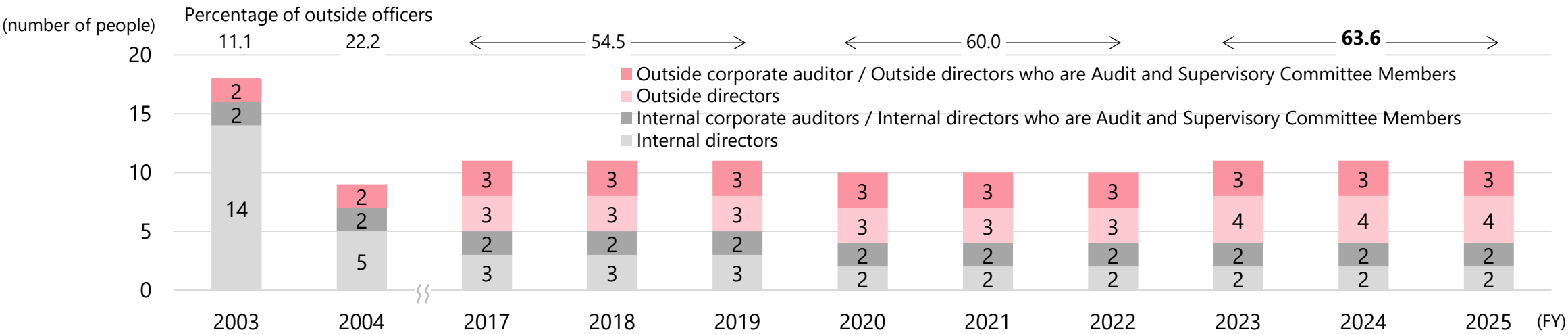
Measures in response to administrative guidance^{*4}

- ✓ Thorough investigation of the causes, Effectiveness of measures to prevent recurrence
- ✓ Ongoing progress reports

Appendix

Corporate Governance Transition

Various measures taken to strengthen governance



2000s	2010s	2020s
<ul style="list-style-type: none">•Number of internal directors reduced to 5 from 14•Introduction of a corporate officer system•Introduction of an outside director system (June 2009)•Introduction of the Nomination Advisory Committee and the Compensation Advisory Committee (both chaired by outside director, August 2009)•Start of opinion exchange meetings with corporate auditors	<ul style="list-style-type: none">•Outside officers making up the majority of the Board•Start of dialogue with outside directors•Appointment of a female director (June 2015)•Change in composition of Nomination Advisory Committee and Compensation Advisory Committee (outside directors now representing majority, October 2017)	<ul style="list-style-type: none">•Appointment of an outside director as chairperson of the Board (June 2020)•Increase in number of female directors (June 2020)•Performance review of the President conducted•Improved diversity after appointment of foreign national as director (June 2025)•Transition to a company with an audit and supervisory committee (June 2025)