

# **FY2025 Sustainability Meeting**

December 12, 2025  
Shionogi & Co., Ltd.



# Agenda

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Realizing our 2030 Vision** (P.3-6)

02

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03

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# **Transformation into a Global Company toward Realizing our 2030 Vision**



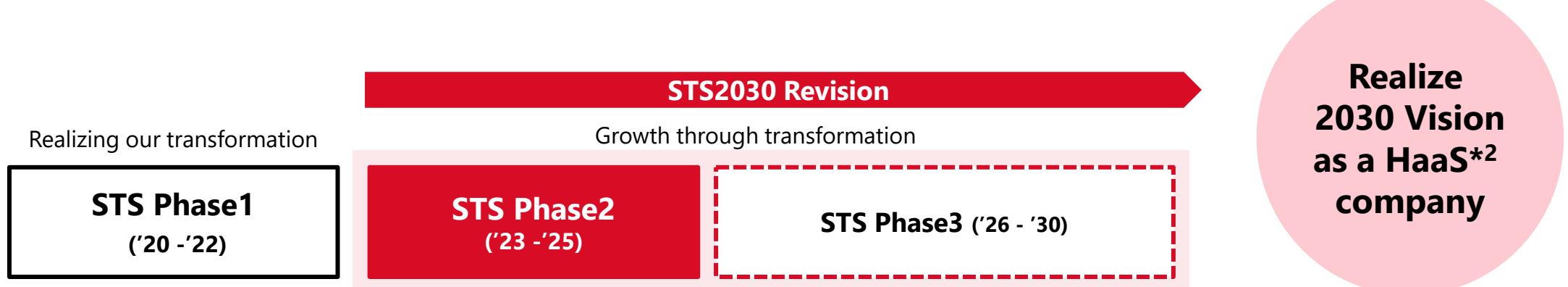
SHIONOGI

## 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
<p>① <b>In-house drug discovery capabilities as the source of growth</b></p> <ul style="list-style-type: none"><li>✓ Continuous creation of products developed in-house</li></ul>
<p>② <b>Building a global supply chain</b></p> <ul style="list-style-type: none"><li>✓ Stable global supply of our products</li></ul>
<p>③ <b>Expanding sales coverage areas and establishing infrastructure</b></p> <ul style="list-style-type: none"><li>✓ Toward QOL diseases with infectious disease field as foundations</li></ul>

## Management foundations that support business

- Promotion of human capital management
  - Governance structure

## - FY2025 initiatives -

Growth investment
<p><b>M&amp;A of JT*1 Group's Pharmaceutical Division</b></p> <ul style="list-style-type: none"><li>• Strengthening in-house drug discovery capabilities<ul style="list-style-type: none"><li>- Integration of JT pharmaceuticals business and Akros</li></ul></li><li>• Strengthening domestic sales capabilities<ul style="list-style-type: none"><li>- Torii Pharmaceutical's sales capabilities and product assets</li></ul></li></ul>
<p><b>Strengthening of governance structure</b></p> <p><b>Transition to a company with an audit and supervisory committee</b></p>

# **Sustainable Growth Centered on In-House Drug Discovery**



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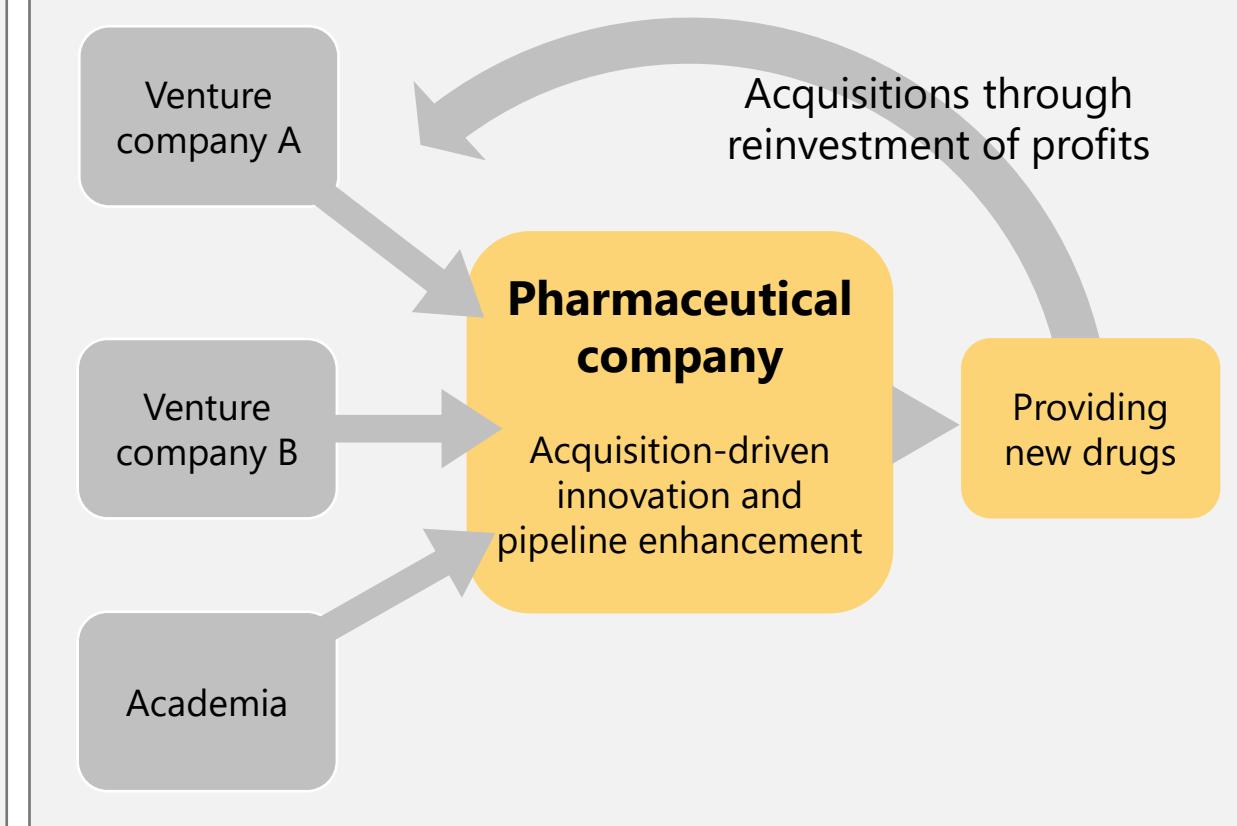
# SHIONOGI's Unique Growth Strategy

**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\*<sup>1</sup> 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

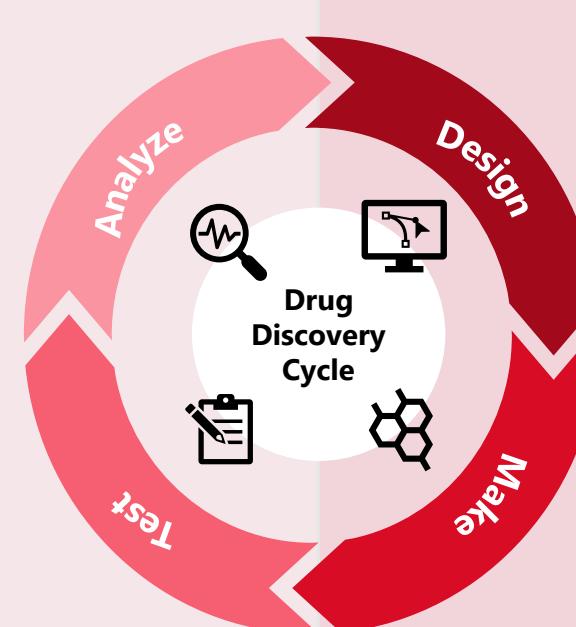
### Accelerating and enhancing the quality of the drug discovery cycle

#### 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**

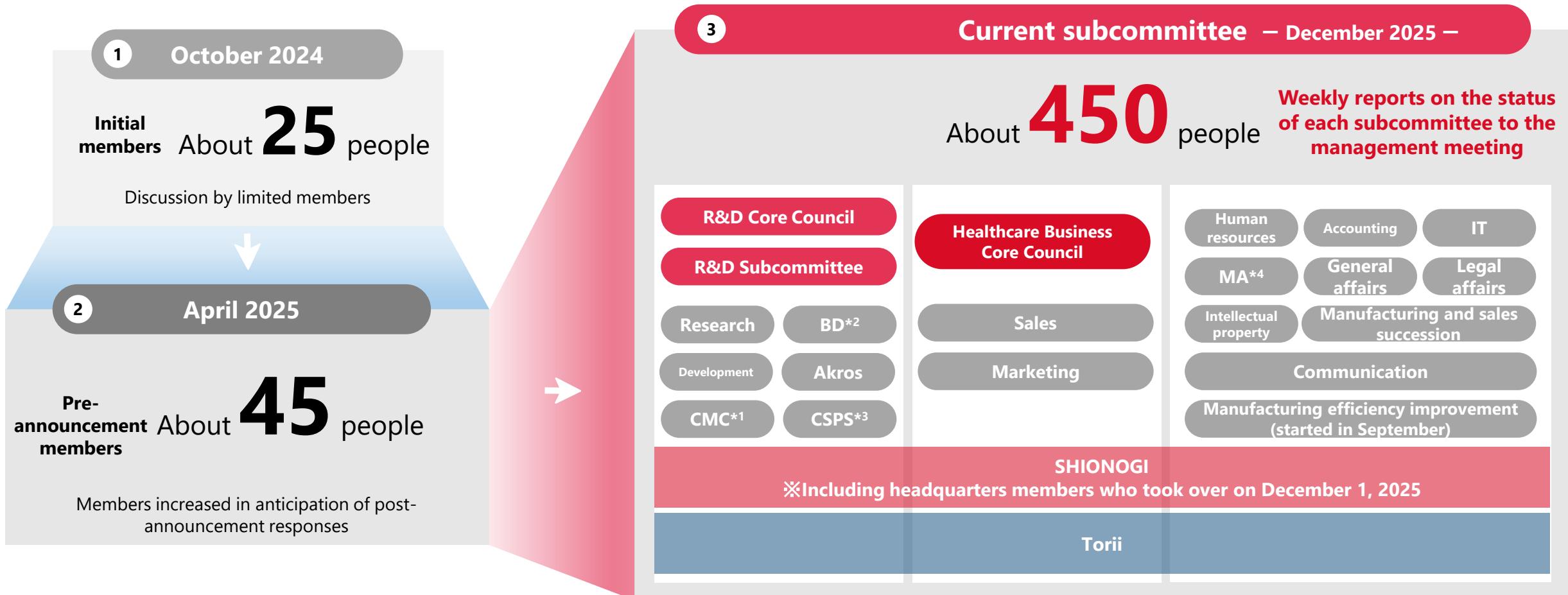
2

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

October

Torii social event  
Key attendees: Corporate Officers

Philosophy promoting workshop  
Key attendees: Corporate Officers



November

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



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

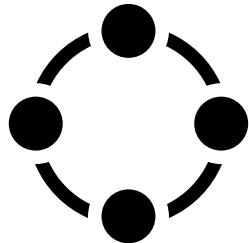
**Governance is not just a system but a management foundation that supports sustainable improvement of corporate value**

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— Four pillars of SHIONOGI's corporate governance —

**Considering the balance  
with four stakeholders**

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**Diversity of the Board  
of Directors**

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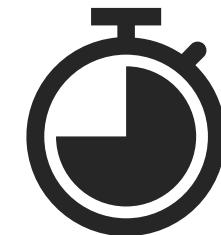
**Management transparency**

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**Faster decision-making**

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# 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

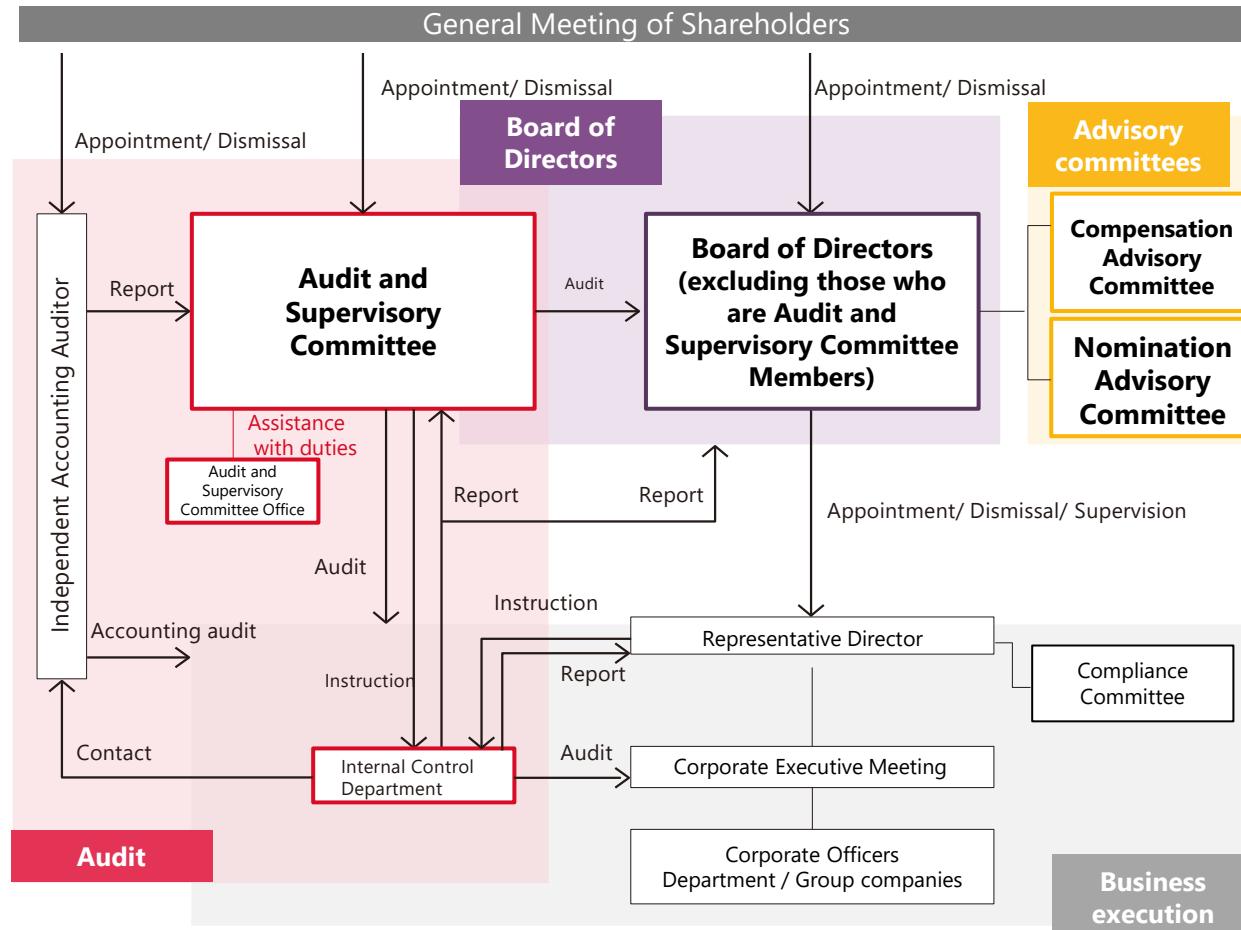
Introducing "report from the Audit and Supervisory Committee" at the beginning of Board of Directors meetings

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<sup>\*1,2</sup>: 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<sup>\*1</sup>: 5 Nomination, 4 Compensation

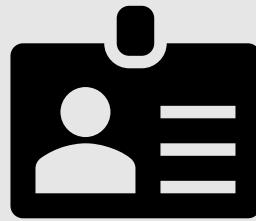
## **Oversight of execution strengthened by having outside directors serving as chairperson**

# Operation of Advisory Committees

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

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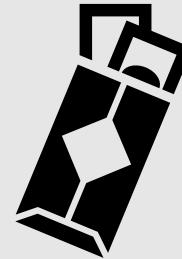
## Nomination Advisory Committee



### 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<sup>\*1</sup>, 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\*<sup>1</sup>

- ✓ Comparison with the alternative option of rebuilding the old head office
  - BCP \*<sup>2</sup> and appropriateness as the global headquarters



#### M&A of JT Group's Pharmaceutical Division\*<sup>3</sup>

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



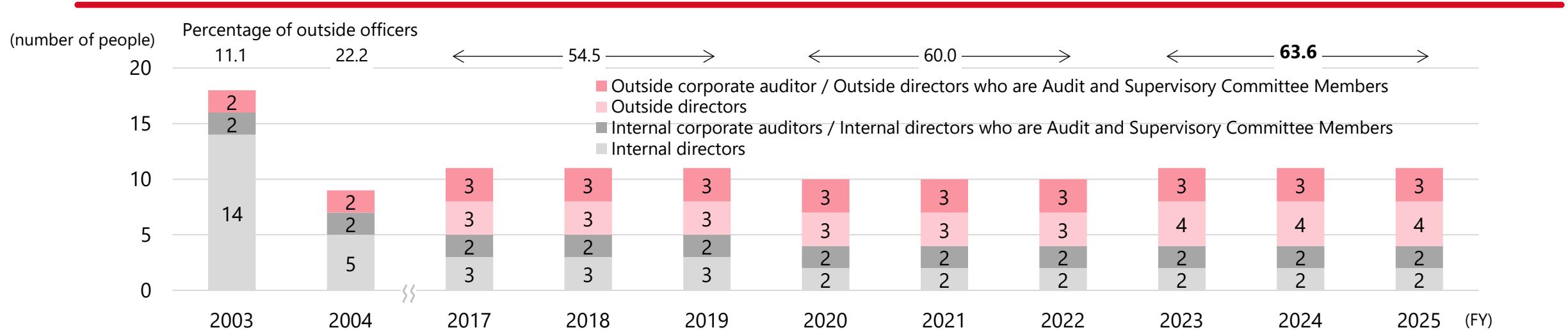
#### Measures in response to administrative guidance\*<sup>4</sup>

- ✓ 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

- 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

### 2010s

- 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)

### 2020s

- 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)**