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SHIONOGI & CO., LTD.

Fiscal 2025 Financial Results Conference Call

Presentation

Kyokawa: Thank you all for taking time out of your busy schedules to join us today. My name is Kyokawa, Corporate Communications Manager of SHIONOGI & CO., LTD. We will now begin the briefing on the financial results for FY2025 ended March 2026 of SHIONOGI & CO., LTD.

I would like to introduce today's corporate representatives. Isao Teshirogi, PhD, Chief Executive Officer.

Teshirogi: Teshirogi. Thank you.

Kyokawa: John Keller, PhD, Director of the Board, Senior Executive Officer, Senior Vice President, R&D Supervisory Unit.

Keller: Keller. Thank you.

Kyokawa: Toshinobu Iwasaki, PhD, Senior Executive Officer, Senior Vice President, Healthcare Business Supervisory Unit.

Iwasaki: Iwasaki. Thank you.

Kyokawa: Takeshi Uehara, D.V.M., PhD, Corporate Officer, Senior Vice President, Drug Development and Regulatory Science Division.

Uehara: Uehara. Thank you.

Kyokawa: Masako Kudo, Executive Officer, Head of Business Strategy Division.

Kudo: Kudo. Thank you.

Kyokawa: Takuji Fujiwara, Accounting and Finance Manager.

Fujiwara: Fujiwara. Thank you.

Agenda

01 **Overview of FY2025 Financial Results** (P.3-9)

02 **FY2026 Financial Forecasts** (P.10-16)

03 **Toward the Realization of the 2030 Vision** (P.17-37)
- Initiatives in core businesses
- Progress in pipeline

04 **Shareholder Return** (P.38-40)

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Kyokawa: Let me briefly explain today's process.

First, Mr. Teshirogi will give an overview of the financial results for FY2025 and the forecast for FY2026. Following this, Mr. Iwasaki will explain the development of overseas and domestic business toward the realization of 2030 Vision, Mr. John Keller will explain the development of HIV business, and Mr. Uehara will explain the progress of the development pipeline.

Finally, Mr. Teshirogi will explain about shareholder returns, followed by a Q&A session. CEO Teshirogi, please proceed.

Financial Highlights

- **Revenue and all profit categories exceeded record highs**
  - Revenue and operating profit reached record highs for the fourth consecutive fiscal year
- **Completion of Equity Acquisition in ViiV Healthcare Ltd. (ViiV)*1**
  - March 31, 2026: ViiV was reclassified as an equity-method affiliate
- **Completion of the Transfer of the Edaravone Business and Establishment of a New U.S. Company for RADICAVA*2**
  - April 1, 2026: All rights to edaravone in major countries and regions were transferred to SHIONOGI*3
  - On the same date, the company commenced business operations

*1 Press Release dated April 1, 2026 *2 Press Release dated April 2, 2026 *3 With respect to rights in certain countries and regions, the transfer is expected to be completed sequentially in the future following the prescribed procedures

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Teshirogi: I'm Teshirogi. Thank you.

Page four provides a summary of the financial results. Sales revenue and all profit items reached their highest numbers since the Company's establishment. Sales revenue and operating profit reached record highs for the fourth consecutive year. However, I will explain later that this is not a satisfactory figure for us.

As of November, the former JT pharmaceutical business and Torii deals are almost well under way. We have informed you that Torii and the former JT pharmaceutical business will become fully owned by us as of September 1 and December 1, respectively. Subsequently,we announced the acquisition of additional shares in ViiV and the acquisition of the edaravone business. All deal closings were completed by March 31. On March 31, the Company acquired a stake in ViiV . With the acquisition of the edaravone business, its sales and profits are now ready to be included in the SHIONOGI's financial results from April 1.

Of course, PMI and other activities have not yet been completed, but we recognize that the edaravone business is off to a good start.

Financial Results (Consolidated)

Revenue and all profit categories increased year on year

(Unit: B yen)

	FY2025			FY2024	YoY	
	Forecasts Full year	Results	Achievement (%)	Results	Change (%)	Change
Revenue	500.0	**499.7**	**99.9**	438.3	**14.0**	**61.4**
Operating profit	185.0	**166.7**	**90.1**	156.6	**6.5**	**10.1**
Profit before tax	232.0	**238.9**	**103.0**	200.8	**19.0**	**38.2**
Profit attributable to owners of parent	188.0	**205.2**	**109.1**	170.4	**20.4**	**34.7**
EBITDA*1	206.0	**187.7**	**91.1**	179.3	**4.7**	**8.4**

*1 Earnings Before Interest, Taxes, Depreciation, and Amortization: Operating profit added depreciation and adjusted for one-time factors (impairment losses, gain on sale of property, plant and equipment, etc.)

Revenue was JPY499.7 billion, up 14%, almost in line with our forecast.

Operating profit was about JPY18 billion short of the JPY185 billion forecast, which was revised upward by JPY10 billion with the interim results announcement.

We have failed to forecast operating profit twice in a row, the year before last and last year. Originally, this was our strongest point, and we considered this number as something we would always secure.

It is no excuse, but we must admit that we were unfamiliar with the accounting handling of three such large M&A transactions in one year. Ultimately, it is my responsibility. As a result of calculation of amortization, negative goodwill gain, and goodwill, profit did not reach the target.

All of this handling was done in FY2025, and we are in the process of strengthening our internal systems to ensure that this does not happen again in FY2026 and beyond.

Profit before tax was JPY238.9 billion, meeting the target and up about 20%, a strong result. Profit attributable to owners of parent was JPY205.2 billion, exceeding JPY200 billion for the first time.

As I will explain later, equity method income from ViiV will be recorded below operating profit under IFRS from 2027 onward, so we would like to consistently earn JPY200 billion in Profit attributable to owners of parent first. We believe that JPY200 billion is the minimum amount. I

think that exceeding that for the first time is almost the only encouraging point in this P/L for us, and I think there is a lot of work that needs to be done for our company.

Statement of Profit or Loss (Consolidated)

(Unit: B yen)

	FY2025			FY2024	YoY	
	Forecasts Full year	Results	Achievement (%)	Results	Change (%)	Change
Revenue	500.0	**499.7**	**99.9**	438.3	**14.0**	**61.4**
Cost of Sales	16.4 82.0	16.5 **82.5**	**100.5**	14.6 63.8	**29.2**	**18.6**
Gross profit	418.0	**417.2**	**99.8**	374.4	**11.4**	**42.8**
SG&A*1, R&D expenses total	48.0 240.0	51.2 **255.8**	**106.6**	49.0 214.7	**19.2**	**41.2**
SG&A*1	120.0	26.6 **133.0**	**110.8**	24.2 106.1	**25.4**	**27.0**
R&D expenses	24.0 120.0	24.6 **122.8**	**102.4**	24.8 108.6	**13.1**	**14.2**
Other income & expenses	7.0	**5.3**	**76.4**	(3.2)	**-**	**8.5**
Operating profit	37.0 185.0	33.4 **166.7**	**90.1**	35.7 156.6	**6.5**	**10.1**
Finance income & costs	47.0	**72.2**	**153.6**	44.1	**63.5**	**28.0**
Profit before tax	46.4 232.0	47.8 **238.9**	**103.0**	45.8 200.8	**19.0**	**38.2**
Profit attributable to owners of parent	188.0	**205.2**	**109.1**	170.4	**20.4**	**34.7**

Main variation factors (YoY)

Revenue
Increase: Royalty income, Prescription drugs, Overseas subsidiaries /export

Cost of Sales
Increase: Sales of TORII

SG&A
Increase: Selling-related expenses in US business
TORII's SG&A expenses, PMI costs

R&D expenses
Increase: Former JT Pharmaceuticals Business unit and TORII's R&D expenses

Other income & expenses
Increase: Negative goodwill gain*2 recognized in connection with the M&A of the JT Group pharmaceutical business
Decrease: An impairment loss reflecting the results of clinical trials for products under development

Finance income & costs
Increase: Dividends from ViiV, Foreign exchange gain

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*1 Selling, general & administrative expenses *2 Provisional accounting prior to the completion of Purchase Price Allocation

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P/L.

Cost of sales was almost as planned, as indicated by the achievement rate of 100.5%. However, we still have a ways to go in terms of cost of sales, including Torii products. Of course, you specialize in this, so you can understand that it is not easy to add a manufacturing facility, for example. Such activities are well under way.

The cost of the edaravone business, especially the US business, is quite low, so we will get that cost advantage in the FY2026 onward. We would like to continue to address the question of how to control the cost ratio of products that will grow in the future, both in SHIONOGI products and Torii products, as a very important theme.

As for SG&A and R&D expenses, SG&A increased 25% and R&D expenses increased 13%. As for R&D expenses, since we have incorporated the former JT pharmaceutical business, naturally we have not stopped personnel expenses and other expenses in projects that are in motion and have already begun clinical trials. So, there is a cost for such things.

However, on an apples-to-apples basis shows that we have already reduced the cost of the former JT pharmaceutical business's R&D expenses by about 15% in four months. We will continue to strictly control costs. SG&A expenses were slightly higher for the preparation of

ensitrelvir in the US. Regarding the post-exposure prophylaxis (PEP) indication, we believe that the review process is progressing steadily.

This is an area that neither of our competing products, Paxlovid nor molnupiravir, does at all. So, Iwasaki's Healthcare Business Supervisory Unit has spent a certain amount of money after really putting a lot of thought into how to make this business work there, in their own way, and we would like to see how it goes.

We would like to try it for a year and depending on how it works out, we would like to think about the future of ensitrelvir in the US. The Company would like to support the desire of him and the local staff to try this once and continue a little effort to expand the market in ensitrelvir.

Other income and expenses are shown in the appendix. We did a poor job of determining the amount of negative goodwill gain that would be generated, and our review was not thorough enough. But, on the other hand, we will take advantage of this and not take many risks after FY2026.For example, we can honestly say that zatolmilast did not give us 100% satisfactory results. We have decided to write off everything at this stage, including Jordan syndrome, although we will continue to promote its development for the time being. As a result of such impairment charges and other measures taken to ensure that the impact will not be felt in FY2026, we are very sorry to say that operating profit did not reach our forecast. We hope that you will understand our determination to ensure that this will never happen in FY2026 and beyond.

Financial income and costs were very strong, especially due to dividends from ViiV and foreign exchange gains, up JPY28 billion versus the prior year, with a 150% achievement rate. It worked, and profit before tax and Profit attributable to owners of parent each met their respective targets, with a very strong result of approximately 20% up.

Revenue by Segment

(Unit: B yen)

	FY2025			FY2024	YoY	
	Forecast Full year	Results	Achievement (%)	Results	Change (%)	Change
Prescription drugs	143.5	**123.5**	**86.0**	98.8	**25.0**	**24.7**
Overseas subsidiaries/export	61.0	**65.0**	**106.5**	59.1	**9.9**	**5.9**
Shionogi Inc. (US)	27.2	**28.7**	**105.8**	23.4	**22.9**	**5.4**
Fetroja	-	**27.8**	**-**	20.0	**39.5**	**7.9**
Shionogi B.V. (EU)	19.3	**20.8**	**107.8**	16.8	**23.4**	**3.9**
Fetcroja	-	**16.3**	**-**	12.9	**26.3**	**3.4**
Shionogi China	5.9	**6.2**	**104.6**	8.7	**(28.3)**	**(2.5)**
Others	8.6	**9.2**	**107.2**	10.2	**(9.4)**	**(1.0)**
Contract manufacturing	14.0	**15.1**	**107.6**	17.3	**(12.7)**	**(2.2)**
OTC and quasi-drug	17.5	**15.0**	**86.0**	16.8	**(10.5)**	**(1.8)**
Royalty income	261.5	**278.6**	**106.5**	244.7	**13.9**	**33.9**
HIV franchise	245.0	**261.3**	**106.7**	240.4	**8.7**	**20.9**
Others	16.5	**17.3**	**104.7**	4.3	**304.9**	**13.0**
Others	2.5	**2.5**	**101.6**	1.7	**51.1**	**0.9**
Total	500.0	**499.7**	**99.9**	438.3	**14.0**	**61.4**

Main variation factors (YoY)

Prescription drugs
- Increase: Sales of TORII and Quviviq
- Decrease: Sales of acute respiratory virus infection treatments

Overseas subsidiaries/export
- Increase: Sales of Fetroja and Fetcroja
- Decrease: Sales of China business

Contract manufacturing
- Decrease: Review of externally outsourced manufacturing in preparation for the integration of Shionogi pharma

Royalty income
- Increase: HIV franchise: Solid ViiV sales
  Others
  - Royalty income from Roche
  - Royalty income related to the former JT Pharmaceutical Business Unit

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Page seven is a breakdown of sales.

As you can see, sales of OTC were weaker than we had expected. As for the rest, sales revenue was almost as planned.

In Japan, sales of acute respiratory virus infection treatments were somewhat soft.However, we had a clear intention to increase sales of Quviviq and Torii products, taking this into consideration. As a result, the 25% increase in total domestic sales of prescription drugs is a good sign for the future.

Business in the US and Europe has been solid. I think we've been able to keep up a very strong business, mainly due to cefiderocol.

In China, I believe we will receive approval for our new drug, cefiderocol, and for naldemedine in this fiscal year or beyond. We also have the rights to olorofim and are in the preparatory stage of how to develop these new drugs. The generic business is indeed getting weaker, and it has shown in the results.

Regarding royalty income, royalty income from the HIV franchise has exceeded JPY260 billion and is as strong as ever, and I believe it will continue to grow. Xofluza from Roche has been very strong, especially in parts of China and the US, and this has contributed to the strong income.

The former JT pharmaceutical business will make its full contribution in FY2026, but it was included only four months from December through March in FY2025. With this addition alone, royalty income has increased by JPY13 billion YoY to JPY17.3 billion. Including this, sales revenue were almost on track, although we are disappointed that it fell short by JPY300 million.

Prescription Drugs in Japan

(Unit: B yen)

	FY2025			FY2024	YoY	
	Forecast Full year	Results	Achievement (%)	Results	Change (%)	Change
Acute Respiratory Virus Infection Treatments	56.0	**33.8**	**60.3**	51.8	**(34.8)**	**(18.0)**
Quviviq	2.5	**2.6**	**103.2**	0.8	**224.1**	**1.8**
Symproic	6.5	**6.1**	**94.2**	5.0	**21.2**	**1.1**
OxyContin franchise	5.3	**4.4**	**83.7**	4.3	**4.6**	**0.2**
Others	73.2	**76.6**	**104.5**	36.9	**107.4**	**39.6**
TORII*	41.2	**40.5**	**98.4**	-	**-**	**40.5**
Total	143.5	**123.5**	**86.0**	98.8	**25.0**	**24.7**

Acute respiratory virus infection treatments

- Anti-SARS-CoV-2 drug: Xocova
- Anti-influenza virus drugs: Xofluza, Rapiacta

*TORII
① FY2025 result: September 2025 – March 2026
② Change: **+12.7%** (Torii standalone performance)
- September 2024 – March 2025: ¥36.3 billion
- September 2025 – March 2026: ¥40.9 billion

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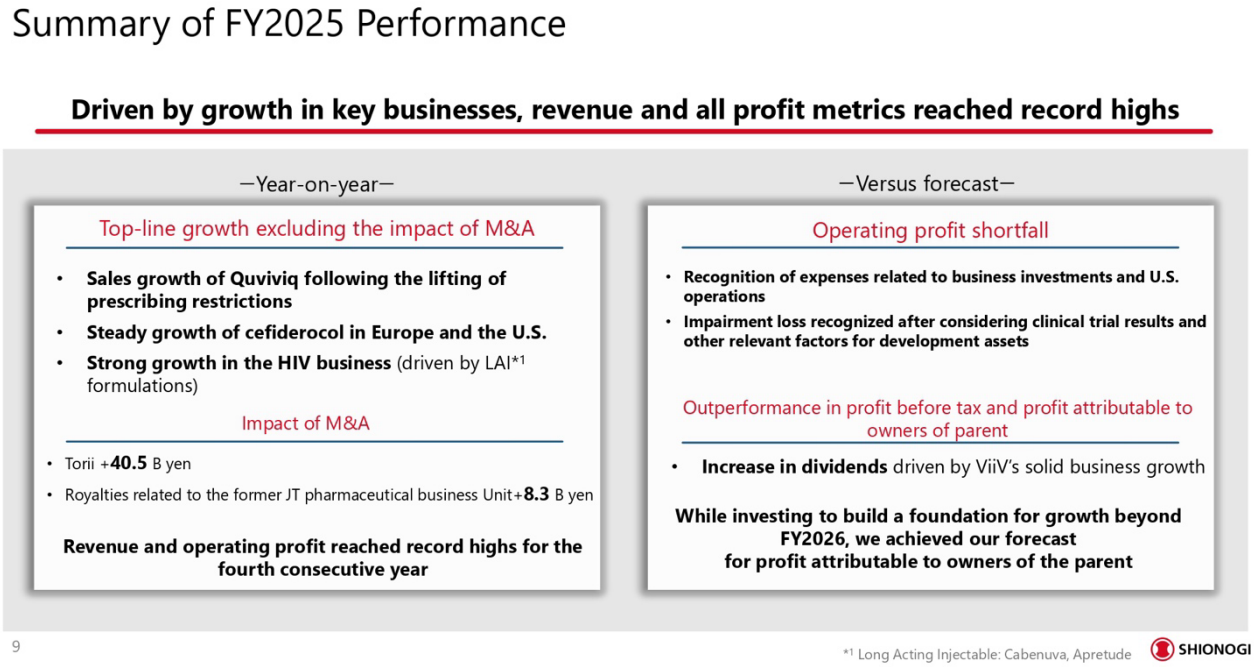
See page eight. Domestic sales of acute respiratory virus infection treatments, especially Xocova, have not moved since October. There are no COVID-19 going around. On the other hand, because influenza was bimodal, with both Type A and Type B showing peaks, sales of both were reasonably strong. However, for us, we feel that the JPY33.8 billion result is close to the bottom.

The forecast for the current fiscal year is JPY40 billion. If the sales are at the JPY40 billion level as opposed to JPY130 billion or JPY140 billion, it is less than one-third. We believe that we have made progress in terms of stabilizing sales in Japan.

Quviviq sales have exceeded our full-year forecast, and so far, sales have been very strong in April and May. As for Quviviq, I think that the efforts of the team have paid off and are moving forward.



See page nine. As mentioned above, sales of Quviviq have increased YoY, cefiderocol has been strong, and HIV is growing. In addition, the effect of the Torii M&A and the former JT pharmaceutical business M&A, which I think was very accretive, has been very strong.

However, again, we take very seriously the fact that operating profit did not reach our forecast. We are in the process of reviewing our internal operations to ensure that we do not do this from this fiscal year onward.

We will issue our mid-term management plan in April or May next year. As I mentioned earlier, income from ViiV, an equity-method affiliate, will be recorded below operating profit. So, this naturally means that we will be able to generate very strong cash flow.

We also believe that continuing to generate strong final profit will be one of the major themes of the next mid-term plan. The figures for the current fiscal year and fiscal year 2025 are in a sense such a preliminary factor. Again, this fiscal year, we are in the phase of considering to what extent we can increase the final profit of JPY200 billion.

Financial Forecast (Consolidated)

Earnings forecast

- **Revenue is expected to expand significantly toward the JPY 800 billion target under the 2030 Vision**
- **Revenue and operating profit are expected to reach record highs for the fifth consecutive year**
- **Profit attributable to owners of parent is expected to reach a record high for the three consecutive years**

(Unit: B yen)

	FY2026		FY2025	YoY	
	Forecast	Amount	Result	Change (%)	Change
Revenue	**700.0**	**340.0**	499.7	**40.1**	**200.3**
Operating profit	**220.0**	**96.0**	166.7	**32.0**	**53.3**
Profit before tax	**220.0**	**96.0**	238.9	**(7.9)**	**(18.9)**
Profit attributable to owners of parent	**210.0**	**108.0**	205.2	**2.4**	**4.8**
EBITDA*1	**315.0**	**152.0**	187.7	**67.8**	**127.3**

Exchange Rate (Average)

	FY2026 Forecasts	FY2025 Results
USD($) – JPY(¥)	153.0	150.67
GBP(£) – JPY(¥)	205.0	201.86
EUR(€) – JPY(¥)	184.0	174.65

*1 Earnings Before Interest, Taxes, Depreciation, and Amortization : Earnings calculated by adjusting operating profit for non-recurring items (e.g., impairment losses and gains on the sale of tangible fixed assets) and adding depreciation and amortization

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Page 11 is the forecast for the current fiscal year.

Revenue is projected to be JPY700 billion. The small share of acute respiratory virus infection treatments are well illustrated here. Revenue for 1H is projected to be JPY340 billion, almost half of the total. Although sales of acute respiratory infection treatment are inevitably biased toward winter, the plan differs from the past in that a little less than half of the sales will be made in 1H.

Operating profit is projected to increase by JPY220 billion or 32%. This is mainly due to the addition of a fairly conservative deduction of amortization from gains from ViiV, an equity-method affiliate, which I will discuss later.

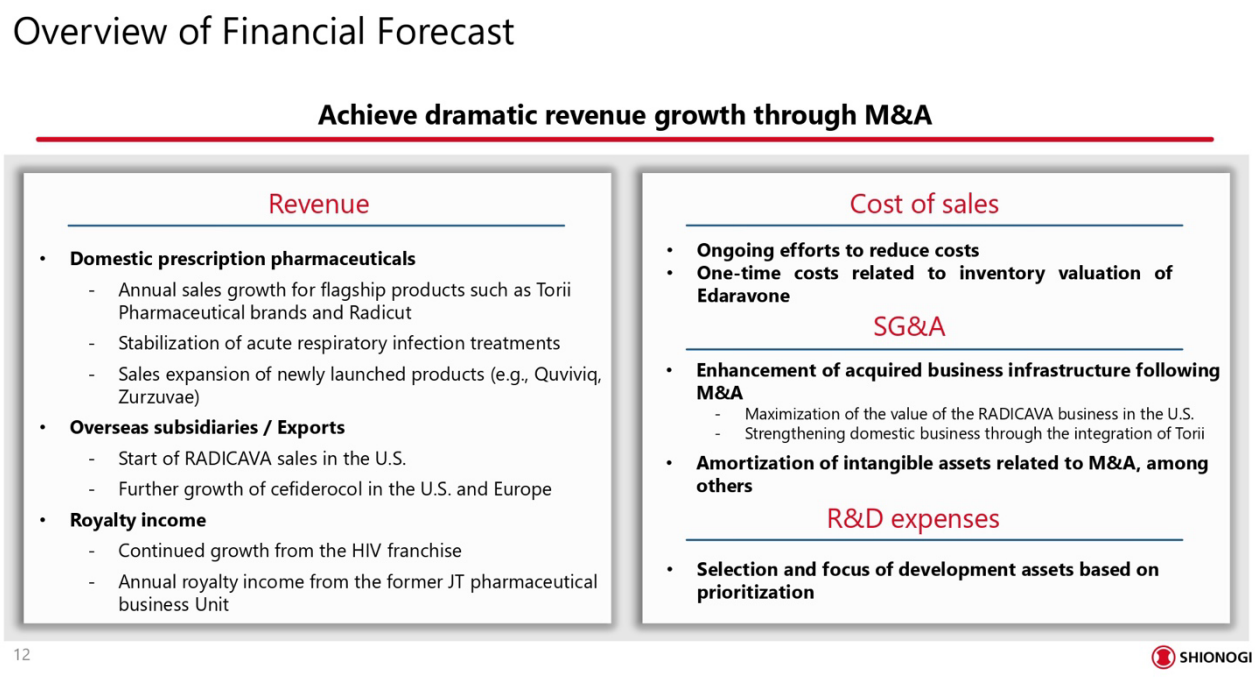
On the other hand, profit before tax is expected to be JPY220 billion, the same level as operating profit, because dividends from ViiV will no longer be recognized in P/L,with slight increases and decreases largely offsetting each other.

The reason why net profit is expected to be slightly larger than profit before tax is that the incorporation of the edaravone business in the US will result in a much larger profit. Therefore, we will use the tax loss carryforwards we have accumulated so far. Of course, this is one-time factor. That said, we expect net profit to be very large in relation to profit before tax this fiscal year.

We are still considering how to present figures such as EBITDA and core operating profit, which are used by many companies, in a way that is easy for everyone to understand. With regard to core operating profit, we hear from investors that the core operating profit of company A and company B are the same.

Therefore, we hear from investors that although they can see it in a trend in one company, it is quite difficult to use it for comparison with other companies. We would like to give some thought to how we would like to present our results, including EBITDA and core operating profit, to you in the current fiscal year and beyond.

However, as a result, the Company set new sales revenue and operating profit records for the fifth consecutive fiscal year and recorded the highest net profit for the third consecutive fiscal year. As I mentioned earlier, we would like to consider how to built on the JPY200 billion starthing point.



Page 12 is a summary of the earnings forecast.

Torii and the edaravone business, including Japan operations, have been progressing as we expected in April and May.

The RADICAVA business in the US is relatively new to us from an operational perspective. Therefore, we have been very careful from January to March to make sure that the 140-or-so people from Tanabe Pharma America could integrate smoothly and become fully operational. We believe this business will be strong in April and May and that the Torii and RADICAVA businesses will do better than planned for the full year.

In Japan, we expect sales of acute respiratory infection treatments to reach approximately JPY40 billion. In addition, contributions from Quviviq and Zurzuvae are expected to support the achievement of our overall revenue target.

In addition to edaravone, our overseas business also includes cefiderocol. We plan to establish a second API manufacturing site for cefiderocol beginning this fiscal year. This will increase supply stability, and construction of the formulation facility supported by BARDA in the US will begin this fiscal year. These initiatives are expected to gradually reduce the overall risk profile of the cefiderocol business.

With the acquisition of Qpex, we are also moving forward with a fixed-dose combination of S-649228 with a beta-lactamase inhibitor. So far, the cefiderocol business has been well controlled in terms of resistance management. However, intellectual property rights will expire in 1H of 2030, 2033 or 2034 depending on the region.

In contrast, we hope to establish a sustainable cefiderocol franchise, including fixed-dose combinations with beta-lactamase inhibitors. We want to make sure to mitigate the risk of global supply, since we are currently producing only at the Kanegasaki Plant. We are beginning to do that this year.

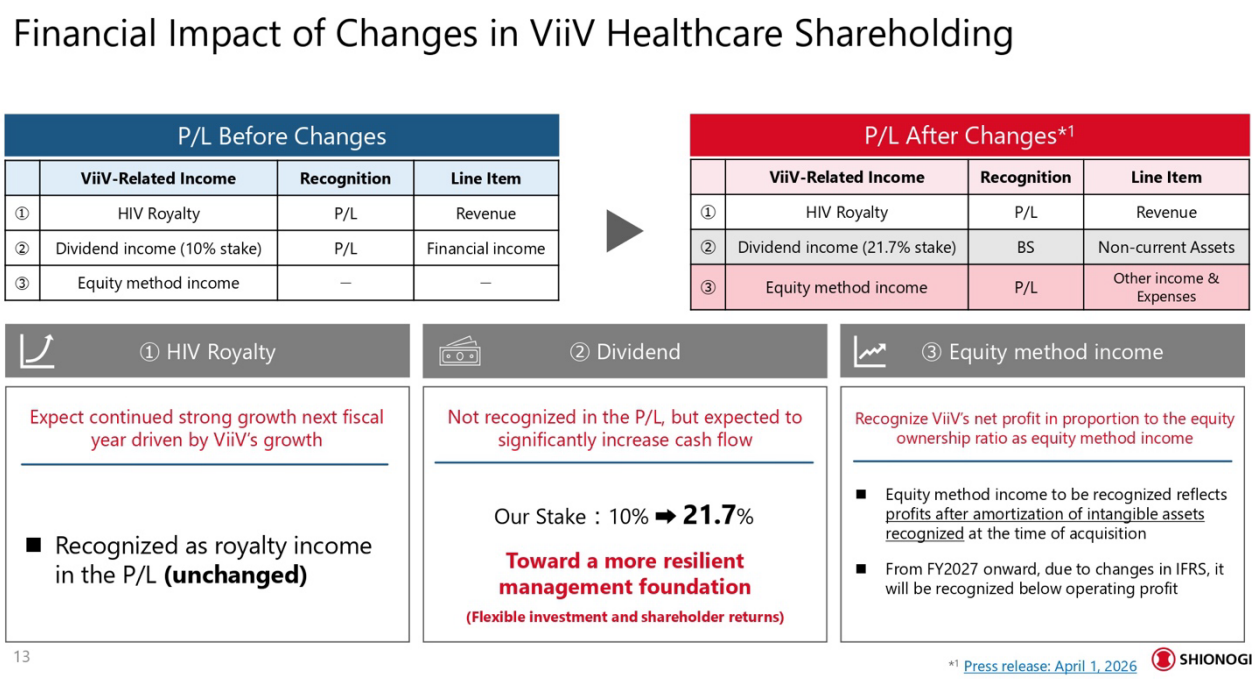
Regarding royalties, we believe the HIV royalty franchise remains strong. We believe this revenue base remains solid, including royalties from the former JT Pharmaceutical business, as well as royalties from Xofluza.

Regarding cost of sales, we recorded a one-time inventory fair value adjustment related to edaravone as part of the acquisition accounting. So, there will be a small increase in cost of sales in FY2026, but that will be eliminated after the next fiscal year. The edaravone business also has an attractive cost structure. Naturally, we will actively promote activities such as second sites for current Torii items.

Since SG&A for the current year are still uncertain, we have incorporated conservative assumptions for all anticipated expenses. We believe this represents the upper end of our SG&A and R&D expense assumptions.

Since we had failed to meet our operating profit forecast two years in a row,we adopted a more conservative approach to SG&A budgeting.

The primary risk to our JPY700 billion revenue target is a sudden change in exchange rates. Other than that, we don't see any major problems. The other major theme for the current fiscal year will be to firmly control the cost side, including cost of sales, in line with SHIONOGI's traditional emphasis on cost discipline.



Page 13 summarizes the treatment of royalty income. There is no change in the accounting treatment of royalty income. This will continue to be recognized as revenue.

Dividends will be eliminated in consolidation and recognized as part of comprehensive income. As for cash flow, we have always received roughly JPY40 billion to JPY50 billion in dividends. That will be a little more than double, and cash flow will increase significantly.

For the current year only, this will be recognized in other income and expenses above operating profit, but from next year onward, it will be recognized below operating profit.

HIV royalty income will remain stable, so I hope you will evaluate our overall operating profit in that context. I also think we need to place greater emphasis on cash flow generation.

Statement of Profit or Loss Forecast (Consolidated)

(Unit: B yen)

	FY2026		FY2025	YoY	
	Forecast Full year	Forecast 1H	Result	Change(%)	Change
Revenue	**700.0**	**340.0**	499.7	**40.1**	**200.3**
Cost of Sales	**120.0**	**64.0**	82.5	**45.5**	**37.5**
Gross profit	**580.0**	**276.0**	417.2	**39.0**	**162.8**
SG&A*1, R&D expenses total	**395.0**	**197.0**	255.8	**54.4**	**139.2**
SG&A	**240.0**	**118.0**	133.0	**80.4**	**107.0**
R&D expenses	**155.0**	**79.0**	122.8	**26.2**	**32.2**
Other income & Expenses	**35.0**	**17.0**	5.3	**554.7**	**29.7**
Operating profit	**220.0**	**96.0**	166.7	**32.0**	**53.3**
Finance income & costs	**-**	**-**	72.2	**-**	**(72.2)**
Profit before tax	**220.0**	**96.0**	238.9	**(7.9)**	**(18.9)**
Profit attributable to owners of parent	**210.0**	**108.0**	205.2	**2.4**	**4.8**

*1 Selling, general & administrative expenses

Page 14 summarizes the P/L impact.

As I have already covered most of the key points, I will skip the details here.

Revenue Forecast by Segment

(Unit: B yen)

	FY2026		FY2025	YoY	
	Forecast Full year	Forecast 1H	Result	Change(%)	Change
Prescription drugs	**178.6**	**79.9**	123.5	**44.7**	**55.2**
Overseas subsidiaries/export	**175.2**	**85.4**	65.0	**169.7**	**110.3**
Shionogi Inc. (US)	**138.7**	**68.0**	28.7	**382.7**	**110.0**
RADICAVA	**101.7**	**51.8**	-	**-**	**101.7**
Shionogi B.V. (EU)	**22.6**	**11.1**	20.8	**8.7**	**1.8**
Shionogi China	**5.3**	**2.5**	6.2	**(15.5)**	**(1.0)**
Others	**8.7**	**3.8**	9.2	**(6.4)**	**(0.6)**
Contract manufacturing	**14.4**	**7.7**	15.1	**(4.2)**	**(0.6)**
OTC and quasi-drug	**18.8**	**8.3**	15.0	**25.0**	**3.8**
Royalty income	**310.6**	**157.7**	278.6	**11.5**	**32.0**
HIV franchise	**276.0**	**139.1**	261.3	**5.6**	**14.7**
Others	**34.6**	**18.6**	17.3	**100.3**	**17.3**
Others	**2.3**	**0.9**	2.5	**(9.3)**	**(0.2)**
Total	**700.0**	**340.0**	499.7	**40.1**	**200.3**

In Japan, sales are expected to exceed JPY150 billion for the first time in many years and will exceed JPY170 billion. I think this will strengthen the contribution of our domestic business a bit.

I will discuss the details later. With the growth of Torii, Radicut, Quviviq, and Zurzuvae, I believe that sustainable growth beyond acute respiratory infection drugs is slowly becoming a reality.

In the US, RADICAVA is expected to generate sales revenue of about JPY100 billion, while cefiderocol is expected to grow steadily in the rest of the world.

Business in China has not yet made significant contribution in the current fiscal year, and we still expect generic sales to drop a bit. In other royalty income categories, we are forecasting a 5% increase in income from the HIV franchise to JPY276 billion based on conservative assumptions and JPY34.6 billion in other royalties, for an overall royalty level of JPY310 billion.

Royalty income has very often exceeded half of total sales. However, the royalty ratio is expected to be lower than historical levels at JPY310 billion against JPY700 billion.

Revenue Forecast for Prescription Drugs in Japan

(Unit: B yen)

	FY2026		FY2025	YoY	
	Forecast Full year	Forecast 1H	Result	Change(%)	Change
Acute Respiratory Virus Infection drugs	**41.6**	**16.2**	33.8	**23.0**	**7.8**
Quviviq	**6.7**	**2.9**	2.6	**157.7**	**4.1**
Zurzuvae	**4.0**	**1.1**	0.5	**-**	**3.5**
Radicut	**7.0**	**3.5**	-	**-**	**7.0**
Symproic	**6.4**	**3.1**	6.1	**5.7**	**0.3**
OxyContin franchise	**4.9**	**2.5**	4.4	**9.8**	**0.4**
TORII Pharmaceutical products*	**77.6**	**36.8**	40.5	**91.3**	**37.0**
Other	**30.5**	**13.8**	35.5	**(14.1)**	**(5.0)**
Prescription drugs	**178.6**	**79.9**	123.5	**44.7**	**55.2**

Acute respiratory virus infection drugs
- Anti-SARS-CoV-2 drug: Xocova
- Anti-influenza virus drugs: Xofluza, Rapiacta

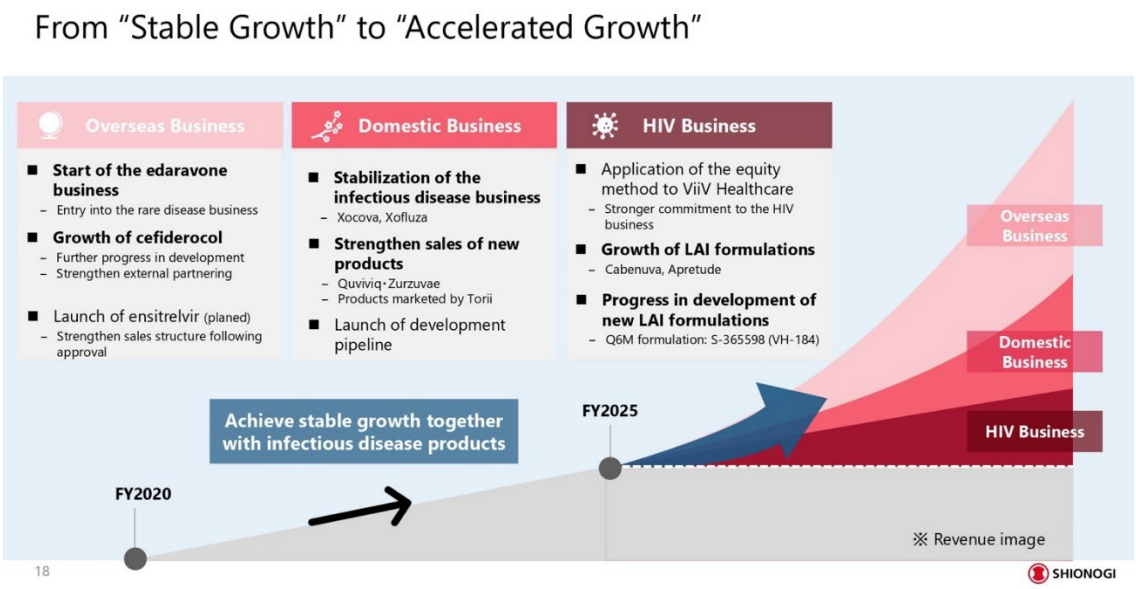
*TORII Pharmaceutical-related products
① FY2025 result: September 2025 – March 2026
② Change: **+13.2%**
- April 2025 – March 2026: ¥68.5 billion

SHIONOGI

In Japan, we expect sales from Quviviq to be just under JPY7 billion, sales from Zurzuvae to be around JPY4 billion, and sales from Radicut to be JPY7 billion. Sales performance in April has already been very strong, so We do not think this represents a significant stretch. It may depend on Iwasaki's thoughts, but I believe there may be some room for an upward revision.

The sales growth rate for Torii Pharmaceutical-related products is expected to be 13%, as noted in the lower right-hand corner, about the same as last year's slightly less than 13% growth rate. The reason for this is that Torii's sales coverage was not very wide, so by working with us, they will be able to expand their coverage. For the last year, we have done nothing more than instruct them to increase the frequency of physician engagement activities.

Even this alone has contributed meaningfully to performance improvement. This is expected to remain relatively steady since none of products are facing patent expiration. As a result of the above, overall domestic revenue is expected to increase by about JPY55 billion to JPY178.6 billion.



This is probably the last slide I will explain. See page 18.

One of the biggest themes of this fiscal year is to actually delivers to you not only forecasts but also figures on how much sales and profits the three M&As will lead to.

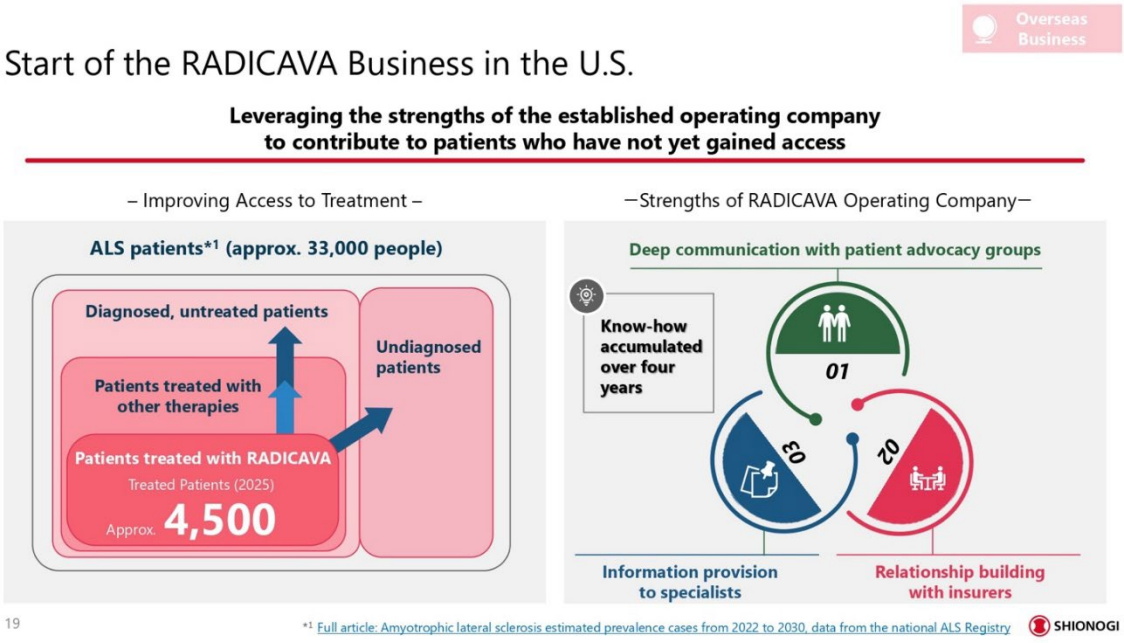
The HIV business, as Keller will explain later, we think is strong. We look forward to sharing more about our future activities with you at the next opportunity.

In the domestic business, which was only the infectious disease business, the infectious disease business will more of an additional one. Of course, we are not giving up, and acute respiratory viral infections, including RS virus, will remain our mainstay.

Each time we publish our forecast, we receive feedback from market participants about what would happen if certain infections did not spread this year. Considering this, it would be a plus for us if we announced a calm target at a level that people would think is feasible and if we exceeded it by a large margin. This will be minimized, and the Torii pipeline, Quviviq, and Zurzuvae will make up for it.

I believe that we have become much clearer about what we need to do in this regard. In our overseas business, we will show you how we will bring edaravone sales to the JPY100 billion level. At the same time, we will grow cefiderocol as we have always done and how far can we go with ensitrelvir in the US, which is a very big activity for us. Through these efforts, we hope to raise the potion of our overseas business. Our plan for the current fiscal year is to work as a company to deliver this to you.

From here, Iwasaki will talk about sales.



Iwasaki: My name is Iwasaki and I am in charge of the healthcare business. I would like to explain about our achievements overseas and in Japan, as well as our future plans.

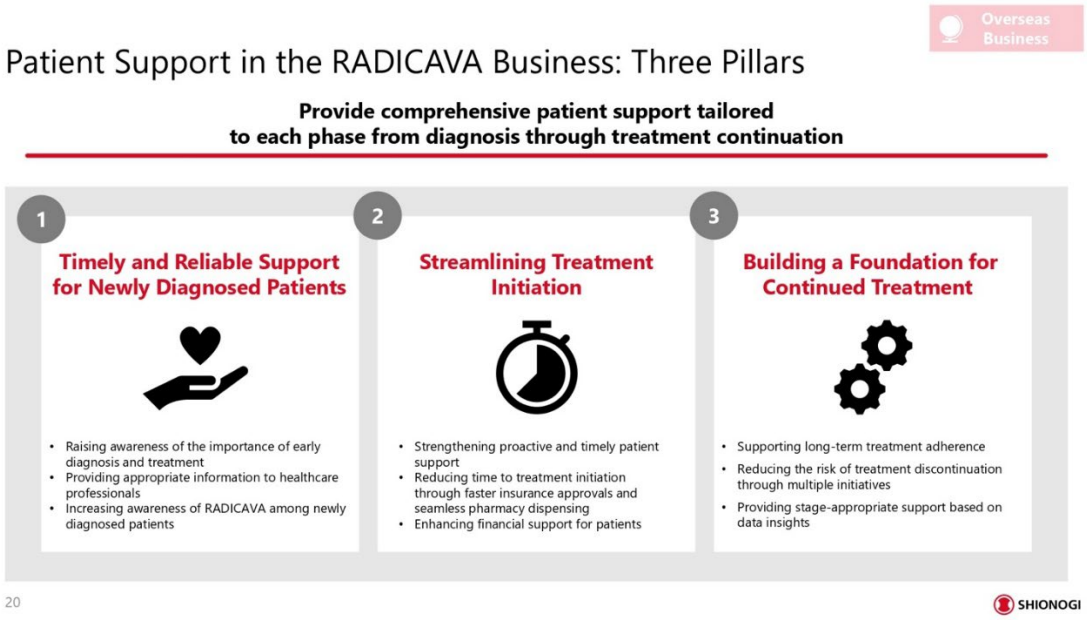
See page 19. After all, the growth of the RADICAVA business is very key for SHIONOGI in the future.

Regarding the RADICAVA business in the US, since the announcement of the acquisition of the edaravone business, we have been making good progress in establishing this business in the US, which is the core of our business, including the transition of staff.

There are currently 4,500 RADICAVA-treated ALS patients in the US, which is about 14% of the total number of patients. I think it will be very important to raise this number first.

One challenge with ALS is that the initial symptoms are very poor and there is no characteristic diagnosis for a definitive diagnosis, making the diagnosis time consuming. It can take from nine months to two years to make a final, definitive diagnosis. In some cases, the definitive diagnosis is so late that treatment can no longer be given. One major challenge is how to connect undiagnosed and untreated patients to treatment.

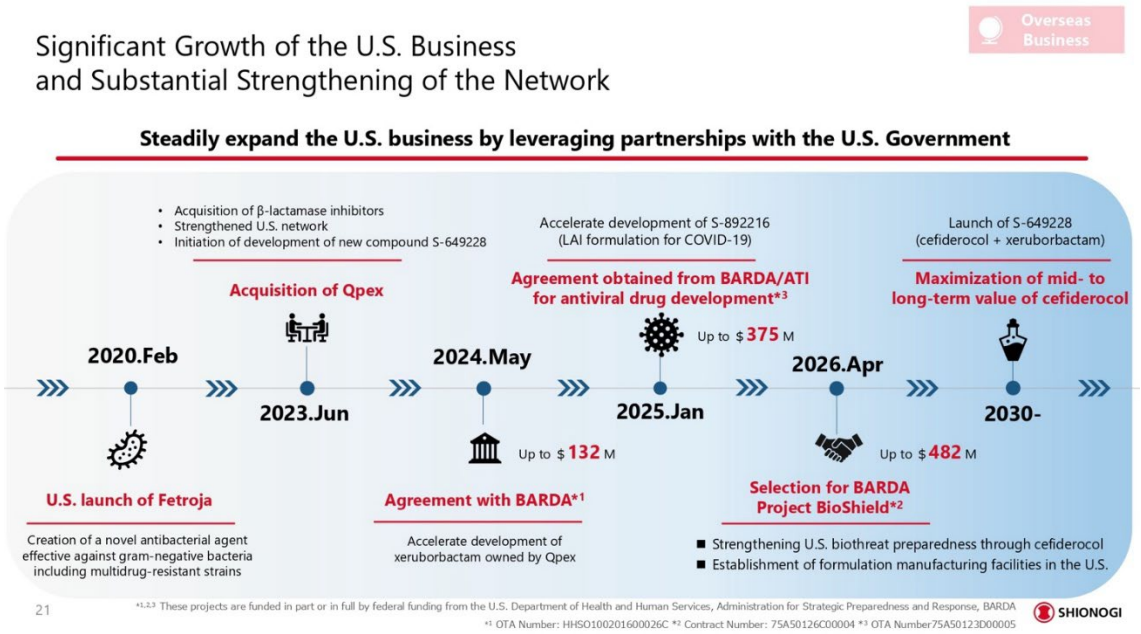
To this end, on the right side, we have four years of accumulated know-how and a very professional staff. In addition to providing information to specialists, it is important to communicate with patient groups and provide necessary information to patients in these diseases. Also, because contracts with insurance companies take the unique form of individual agreements, it is important to consider what to do to ensure a smooth contract process. We hope to contribute to ALS patients by raising awareness of the disease and improving access to medical care, leading to early diagnosis and treatment.



In the RADICAVA business, we are considering three main support systems.

The first step is to provide prompt and reliable assistance to new patients. The second is to facilitate the treatment initiation process. Medical administrative support will be enhanced to, for example, facilitate insurance approval and pharmacy dispensing processes, thereby shortening the time to start treatment. We will also focus on assisting patients to reduce their financial burden.

Third, in order to build a foundation to support the continuation of treatment, we must promote the usefulness of this drug not only to patients but also to specialists in order to reduce the risk of treatment interruption. In addition, as I mentioned earlier, we would like to establish a system so that patients can continue to use this drug by reducing their financial burden.



Next, I will discuss the growth of our US business and the significant strengthening of our network. Here I have mainly written a history of the infectious disease drugs up to now and what we are going to do about them.

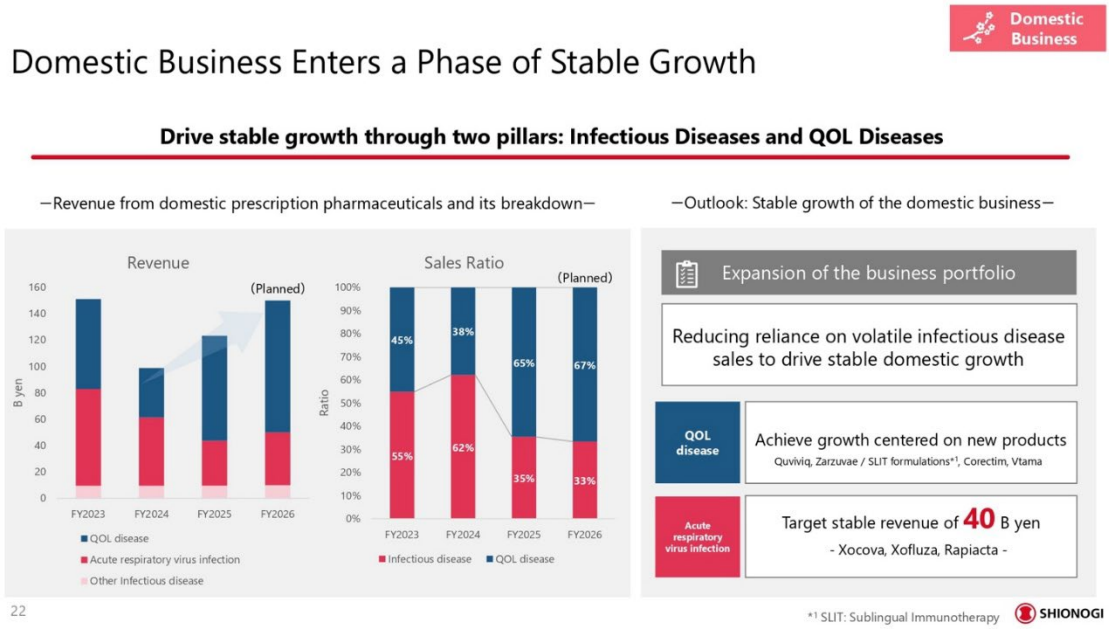
Since the launch of cefiderocol, our US business has continued to grow by roughly 10% or more in volume each year. AMR is also a global problem, and we need AMR drugs to follow cefiderocol in the future. We acquired Qpex in 2023 and will combine their know-how, knowledge, and external connections with our own.

The development of infectious disease drugs is very risky. As you know, many companies are withdrawing from the business, so governments are aware of this crisis and are providing various so-called development assistance measures. We also acquired xeruborbactam, a β-lactamase,

and this has resulted in up to USD132 million in support from the US government and BARDA, as shown here. We also received funding from BARDA for S-892216, a long-acting formulation for COVID-19, up to USD375 million.

In addition to these infectious diseases and viruses, the US government also provides assistance against various infectious diseases from the perspective of so-called national security. We took advantage of those programs and applied for the Project BioShield this year.

We will continue to develop these infectious disease drugs in collaboration with national governments or with third-party organizations or by obtaining financial support. At the same time, we would like to promote further development of Cefiderocol while fostering evidence in the United States and other countries.



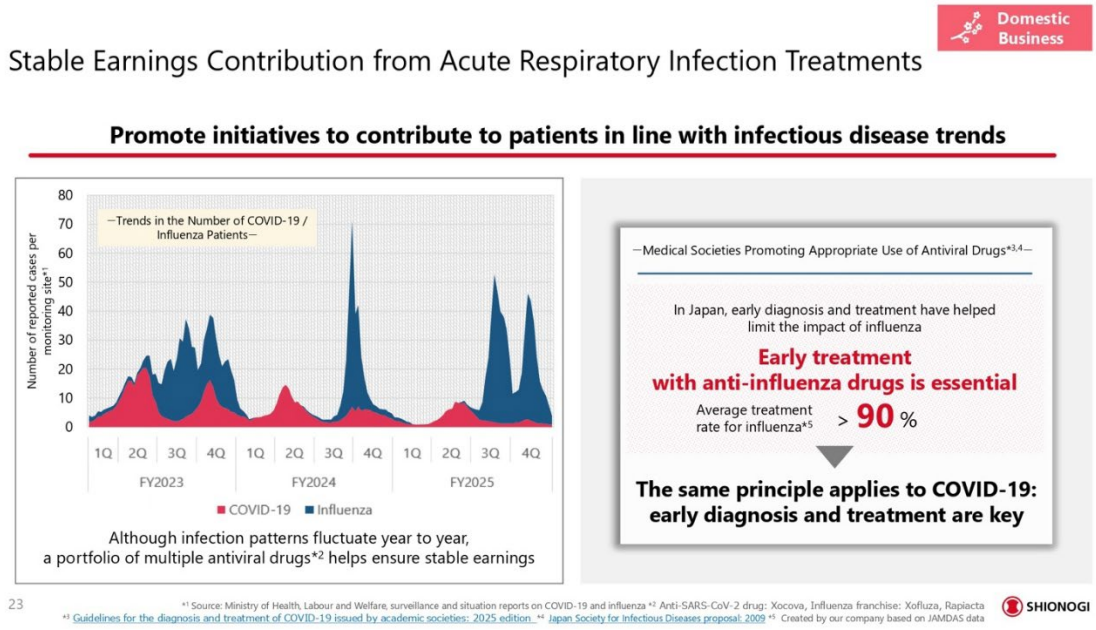
Next, I would like to discuss the stable growth phase of our domestic business.

As Teshirogi mentioned earlier, we have been developing our business mainly in the area of infectious disease drugs. We expect more stable growth in Japan as the percentage of sales of infectious disease drugs, which are highly volatile, will decline in the future due to the introduction of QOL diseases and other factors.

On the left is sales revenue. With Xofluza and Xocova as our two pillars, we have become a little less susceptible to trends, but the fact is that we still had a lot of ups and downs.

In addition to this, as you can see on the right side, in addition to quality-of-life diseases such as Quviviq, a sleep aid, and Zurzuvae, an antidepressant approved last year, the Company will grow products such as Torii's SLIT formulation, oral desensitization therapy treatment, and Corectim and VTAMA for atopic dermatitis, diseases for which a stable business is expected. This will reduce the proportion of sales from the infectious disease business to approximately 30–35% this fiscal year, and we believe it will enable us to operate a more predictable domestic business.

Sales of acute respiratory infections are expected to be JPY40 billion. These numbers are at the level of the epidemic of the year before last. If we can achieve a 20% treatment rate and 65% to 70% market share, we can achieve this goal, although it will depend on the prevalence of the disease. Frankly, we may have set stretch goals in the past, but this time, we have set more realistic numbers.



Next is the stable performance contribution of drugs for the treatment of acute respiratory tract infections.

The red line on the left graph shows the number of patients with COVID-19, and the blue is influenza. In fiscal year 2023, the red waves were high, and then they became lower in fiscal 2025, showing that COVID-19 cases have fluctuated over time. However, because influenza spread in 2025, overall — as I mentioned earlier — the ups and downs of outbreaks have become

somewhat more moderate. As a result, it is true that the market for acute respiratory infection treatments has also been stabilizing.

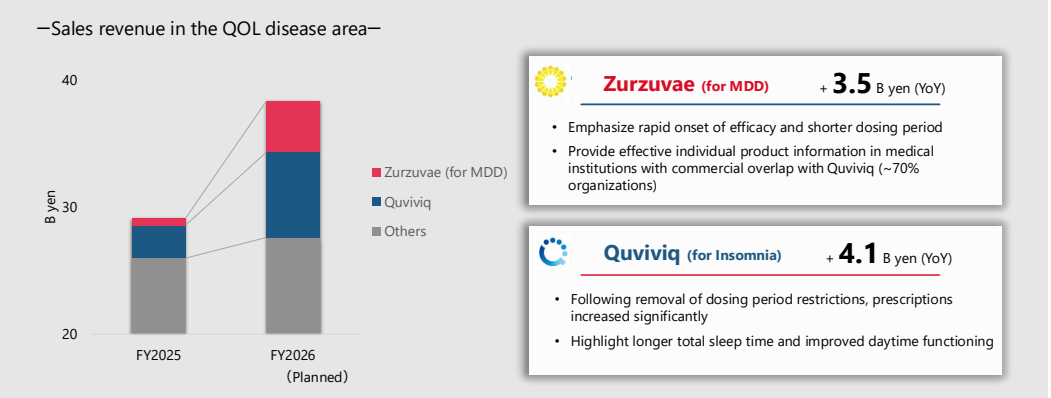
As you can see on the right, the treatment rate of influenza in Japan is said to be 90%. This is one of the highest rates in the world, and as a result, the mortality or serious illness rate is significantly lower than in other countries.

We are now thinking about creating this world for COVID-19 as well. In fact, expert doctors are very aware of the need for early diagnosis and treatment, including guidelines, and they support us. We intend to conduct disease awareness and further promote the need for this treatment and the importance of prevention to patients with severe infection or standard risk.

Domestic Business

Toward Significant Growth of Two Focus Products in QOL Diseases area

Position the two focus products as growth drivers and pillars of the QOL disease portfolio



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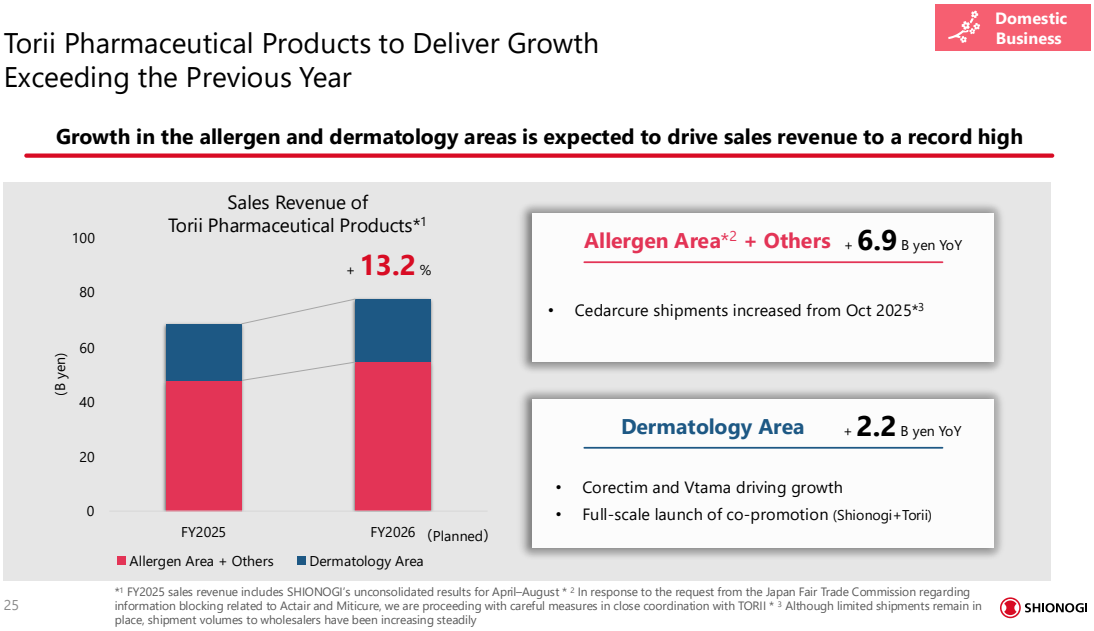
As for quality-of-life diseases, we will increase sales of Zurzuvae, a drug for depression launched last year, by JPY3.5 billion. The main feature of this product is that effects can be seen from the third day, earlier than ever before. Since it takes six to eight weeks for the usual antidepressants to take effect, new patients and their families are very anxious, wondering when they will be cured.

That will be three days. We can offer you a new benefit. If you see the effect, not only you but also the people around you will feel relieved. We will continue to work on this Zurzuvae. In psychiatry, the comorbidity rate between depression and insomnia is as high as 70%, so we also believe that Zurzuvae and the Quviviq below can operate together as a set to be more efficient.

Quviviq is a drug for the treatment of insomnia. After the ban on long-term use was lifted last November, this has been steadily growing. Although there are drugs such as Belsomra, we are gaining market share that will overtake it. We would like to treat this as one of the new therapeutic agents.

In particular, this drug is very high safety and can be administered regardless of renal impairment. In addition, because a single 50-millimeter tablet is effective, it has been evaluated by physicians as being very easy to use, especially for the elderly. Such an evaluation has taken hold, and sales have increased very much this past April and May.



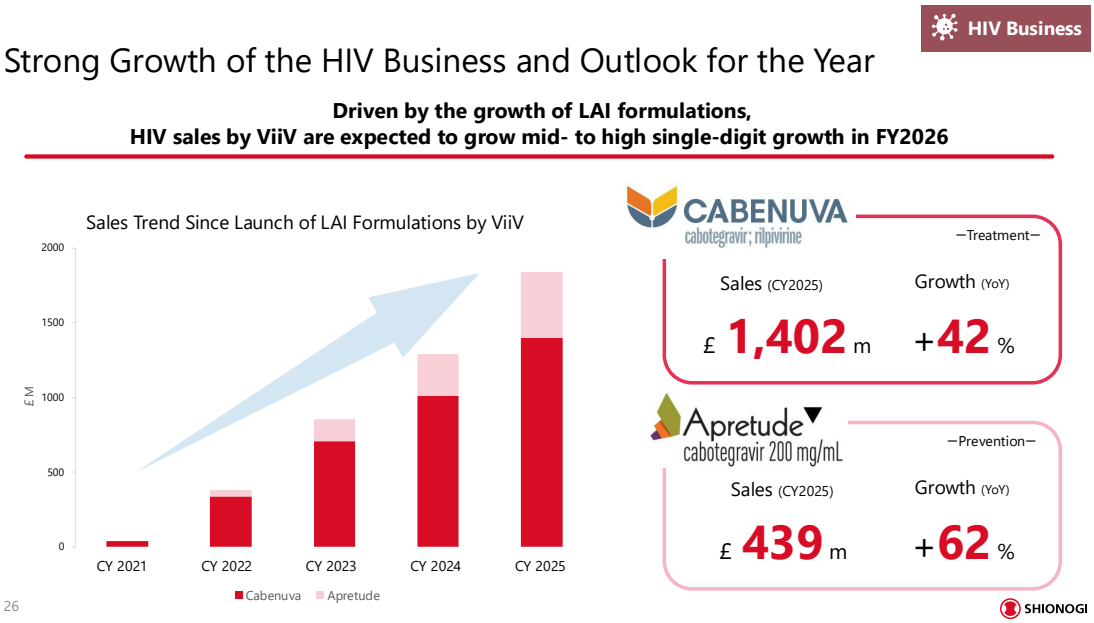
Next, I would like to talk about Torii Pharmaceutical-related products.

In particular, sales in the allergen area and others grew by 13.2% compared to last year and has grown by more than 10% in FY2025.

Particularly with regard to Cedarcure for hay fever, member of parliaments have formed a hay fever league, and there is a strong push for the need for treatment. We believe that we can certainly expect growth in the SLIT area while deepening cooperation with external parties.

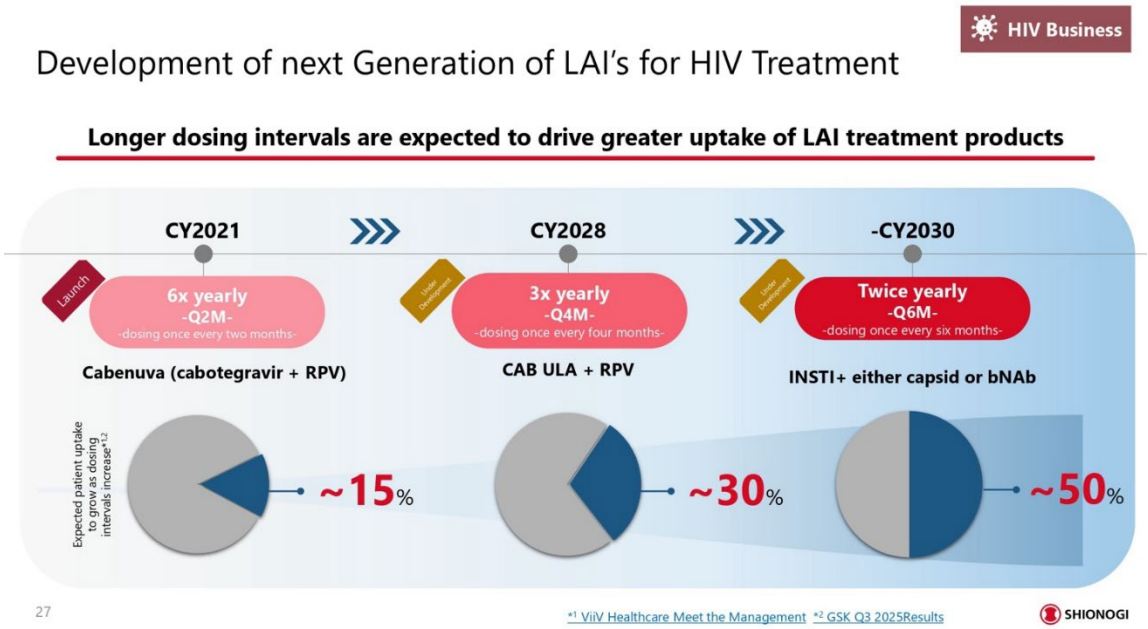
In dermatological diseases, Corectim and Vtama are also driving growth. Corectim is a large product with a potential value, and it can be expanded to include children. Torii's 200 MRs were mainly in charge of dermatology and otolaryngology, but we expect that they will be able to

expand into pediatrics by Shionogi MRs providing information on Corectim and other products. We believe that this 13.2% growth is very realistic.



Keller: My name is John Keller. I am in charge of the HIV business.

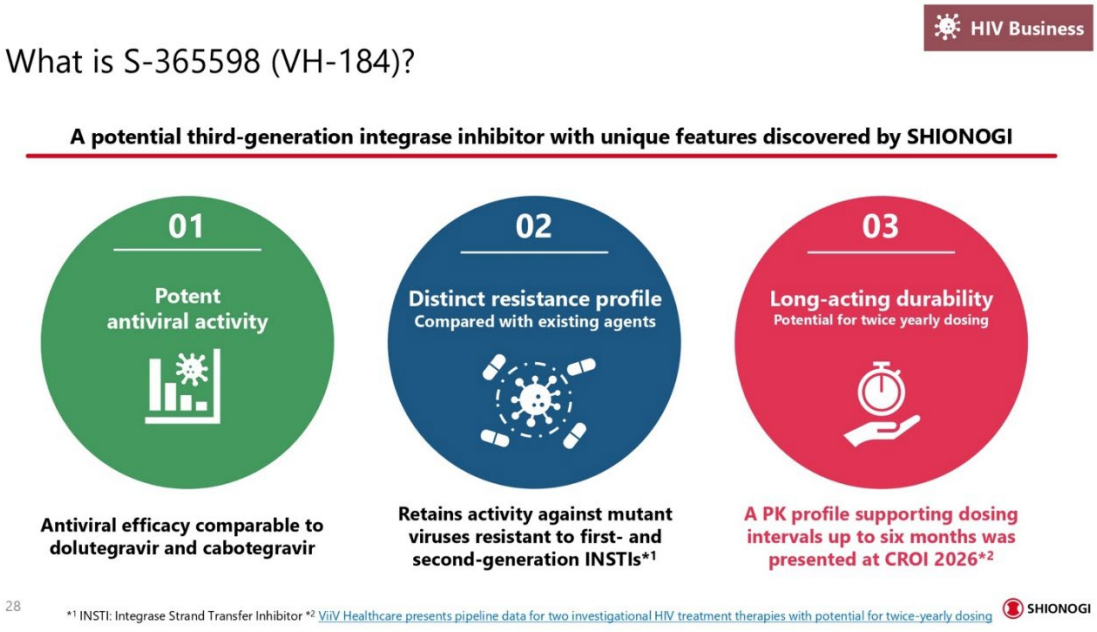
With respect to page 26, which shows the consistent calendar year-over-calendar year growth of the long-acting injectable HIV franchise, once again in 2025 we had very strong growth, both in treatment with CABENUVA and in PrEP with Apretude. That has continued into the Q1 of 2026, with the long-acting injectable (LAI) franchise accounting for 34% of the overall growth of the HIV business in the United States. In addition, ViiV reported a 10% year-on-year growth in its top line.



This franchise is expected to continue advancing, and as it does, we believe both patient interest and the market segments we can address will continue to expand.

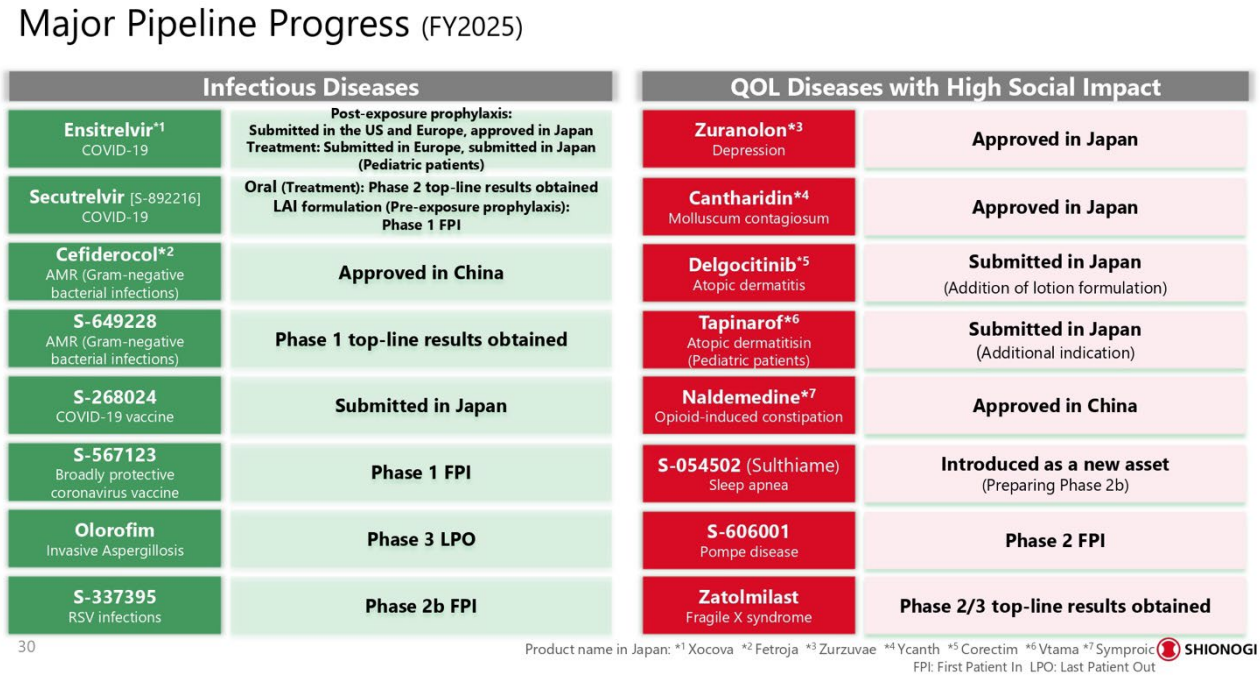
Currently, CABENUVA administered six times per year is available and showing steady growth. With a six-times-per-year dosing schedule, approximately 15% of patients are expected to opt for treatment with long-acting injectable (LAI) therapies, and the market is progressing steadily as well. In early 2028, we expect to launch CABENUVA with a three-times-per-year dosing schedule. Since the proportion of patients interested in LAI treatment is expected to double with three-times-per-year dosing compared with six-times-per-year dosing, the addressable market is projected to effectively double, with patient interest expected to increase further.

Looking ahead to 2030, we plan to introduce a next-generation twice-yearly formulation (administered once every six months). This could potentially allow us to reach more than half of the overall HIV treatment market, which is estimated at approximately £22 billion (roughly US$27 billion). In addition, in the United States, the HIV treatment market accounts for approximately 90% of the total HIV-related market revenue.



Looking ahead, I would like to re-emphasize some important points regarding our third-generation integrase inhibitor, S-365598 (ViiV Healthcare development code: VH184). This compound has been out-licensed to ViiV Healthcare and is progressing steadily in development. It has already demonstrated potent antiviral activity and has shown efficacy comparable to existing agents that have established the standard of care in this category. In addition, it has a resistance profile distinct from first- and second-generation integrase inhibitors. As integrase inhibitors are now widely used in HIV treatment worldwide, this characteristic is becoming increasingly important.

Furthermore, as presented this year at Conference on Retroviruses and Opportunistic Infections (CROI), its long-acting potential has been confirmed, with pharmacokinetic data supporting dosing intervals of up to six months, making it possible to achieve a twice-yearly treatment regimen.



Uehara: I will explain the progress of the development pipeline.

First, let's look at the progress of the main pipeline for FY2025. Infectious diseases are listed on the left and QOL diseases on the right.

As you can see, we are making steady progress in each of the infectious disease areas. As Teshirogi mentioned at the beginning, the process of applying for approval in Europe and the United States for post-exposure prophylaxis is well under way, and in Japan, it has already been approved, enabling continued efforts toward value maximization of ensitrelvir..

The second, secutrelvir, is S-892216, a next-generation antiviral for COVID-19 treatment. It has no contraindications for pregnant women and very few restrictions on DDI. Of note is the Phase 2 trial characteristic of clean, sharply lowered virus even with a single dose. This is now included in our global discussions for Phase 3 trial. We will probably be able to report in the near future that we have progressed to a process called First Patient In.

In addition, cefiderocol and S-649228 are also progressing as planned. Olorofim, which was in-licensed from F2G, has achieved Last Patient Out in the Phase 3 trial. We will proceed with top-line data generation followed by data analysis. S-337395 for the treatment of RSV infections has initiated a global Phase 2b trial.

We are also steadily obtaining approvals or submitting applications for approvals for QOL diseases. I will discuss the rare disease assets, Pompe disease and Fragile X syndrome, in more detail in later slides.

Zatolmilast: Phase 2/3 trial results (Fragile X syndrome)

Although the primary endpoint was not met,
statistically significant improvements were observed across multiple endpoints

—Study overview—

Objective	This study evaluated the efficacy of Zatolmilast over a 13-week treatment period in males with Fragile X syndrome (FXS).	
Study	CNS-301	CNS-204
Primary endpoint	NIH-TCB Crystallized Cognition CCC*1	NRS*2 Language/Communication and Daily Function
Key secondary endpoint	NRS Language/Communication and Daily Function	CGI-I Language/Communication
Design	Multicenter, randomized, double-blind, parallel-group study, placebo-controlled trial	
Target population	Participants diagnosed with Fragile X Syndrome, full mutation	
	For those 18 years to 45	For those ages 9-17
Method of administration	Administer a 25 mg capsule twice daily (BID)	For patients weighing 43 kg or more, 25 mg capsule twice daily (BID). For patients weighing 25-43 kg, 15 mg capsule twice daily (BID).
Number of enrolled participants	Placebo: 58 participants Zatolmilast: 113 participants	Placebo: 52 participants Zatolmilast: 103 participants

—Summary of analysis results—

Endpoints		Group difference vs. placebo at Week 13	
		CNS-301	CNS-204
NIH-TCB	CCC	No significant improvement	No significant improvement
NRS	Language/ Communication	Significant improvement*	
	Daily Function		
CaGI-I	Language		
CGI-I	Language	No significant improvement	

*Nominal significance without adjustment for multiplicity. Given the primary endpoint results, this should be interpreted as an exploratory finding

- **Neither trial met its primary endpoint**
- **Several items showed statistically significant improvement in the adult trial**
- **Treatment with zatolmilast was generally well-tolerated, and no new safety concerns were identified**

*1 National Institutes of Health Toolbox Cognitive Battery cognition crystallized composite score *2 Numerical rating scale

This is about zatolmilast. The results for Fragile X syndrome are summarized here. I think I have told you several times here that we have been in various discussions with the FDA about endpoints all along.This is due to the fact that this is a very rare disease and that the primary endpoint has not been established. The adult study in the hypothetical setting was evaluated using the NIH-TCB, a tool devised by the NIH, but the results showed significant differences in the NRS, which is not a NIH-TCB, but a scaling based on patient behavioral assessment.

Interestingly, when we look at it from the perspective of language and communication and daily activities such as taking a bath or brushing teeth, as evaluated by the caregivers, we see significant improvements.

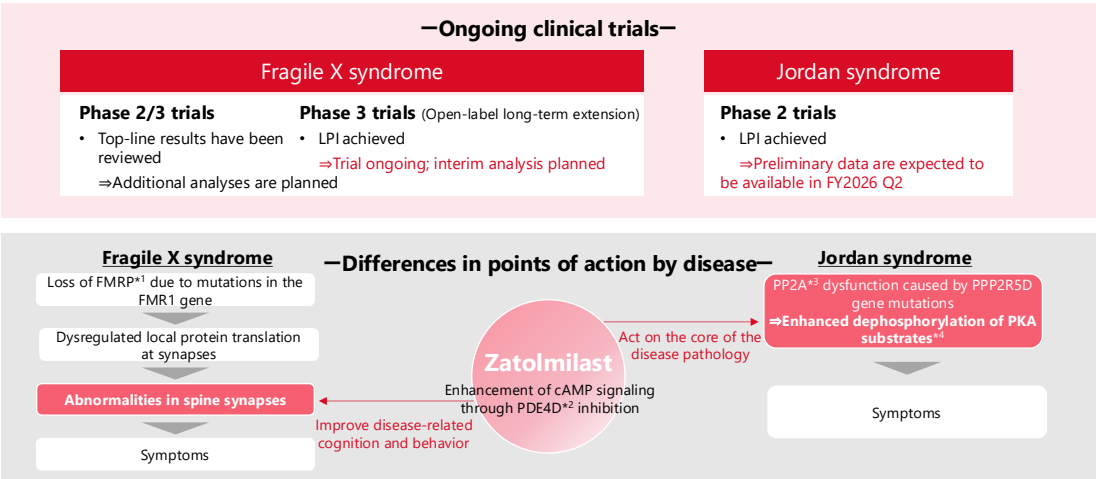
So, somehow, it is working. But it is not a stable effect. The youth study, which was proceeding in parallel, showed no significant differences in these aspects. So, we were proceeding with Phase 2b/3 trial, and now, we are in Phase 3 tiral or long-term follow-up.

What happens if the little improvement seen after three months of administration continues? Fortunately, we have confirmed that there are few signals against safety and that the product is very stable to use. So, we will take a little more data and judge comprehensively.

As you know, the area of rare diseases is quite challenging. This is not a job that can be done by collecting thousands of examples. So, rather than whether or not there is a significant difference or whether or not the drug is primary meat, we will look at the data in totality and determine if the drug can truly deliver a benefit to patients. So, we will need a little more time for this project.

Zatolmilast: Future Strategy

Based on the results of the pivotal trials, the development strategy will be determined in the second half of 2026



*1 FMRP: Fragile X Messenger Ribonucleoprotein *2 PDE4D: Phosphodiesterase 4D *3 PP2A: Protein Phosphatase 2A
*4 Based on preliminary and unpublished data (Source: University of Iowa, Strack Laboratory)

The next page is about Jordan syndrome, which is also arare disease. In terms of mechanism of action, we hypothesized with Fragile X syndrome that zatolmilast would increase cAMPs in cells, activating neural function and improving brain function.

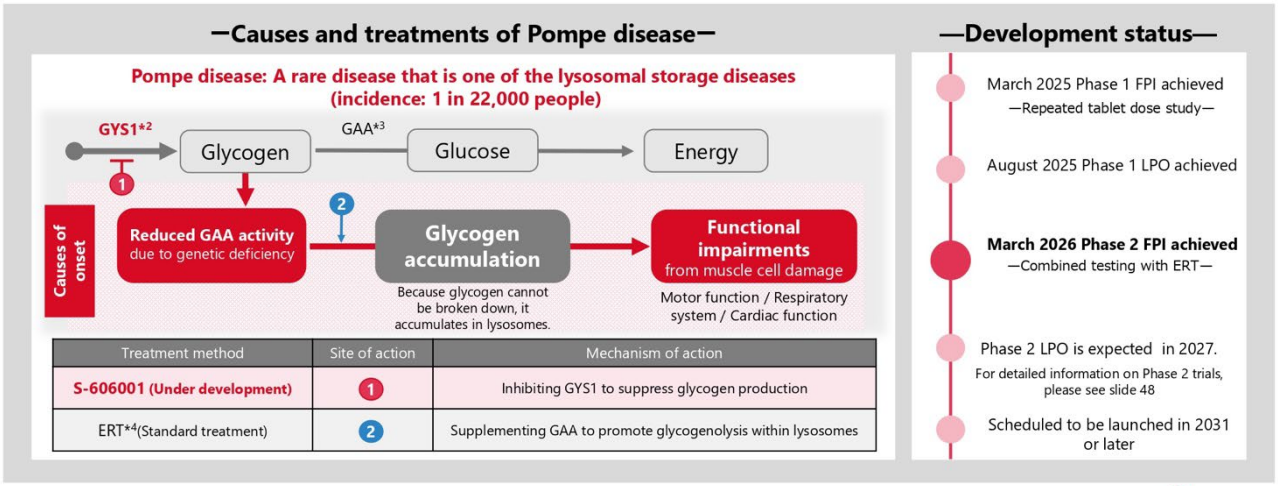
However, this mode of action has the characteristics of acting in many places and having good central transferability. This is what we have focused on for the Jordan syndrome. I will not go into details, but this is a mechanism of action that acts directly on the disruption of gene phosphorylation signaling due to genetic mutations.

Therefore, it is a drug that acts upstream rather than downstream at the root of the pathology. We are running Phase 2 tiral of this now as well, and registration has been completed. We will

now look at the data and see how responsive it is. In other words, we are trying to determine how this mode of action improves central function in two rare diseases.

S-606001： Mechanism of Action and Development Status

S-606001, a novel treatment approach, achieved FPI in Phase 2 trials*1, with development progressing as planned



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*1 The exam details are on page 48 *2 GYS1: Glucose synthase *3 GAA: Acid α-glucosidase *4 ERT: Enzyme Replacement Therapy SHIONOGI

Next is Pompe disease.

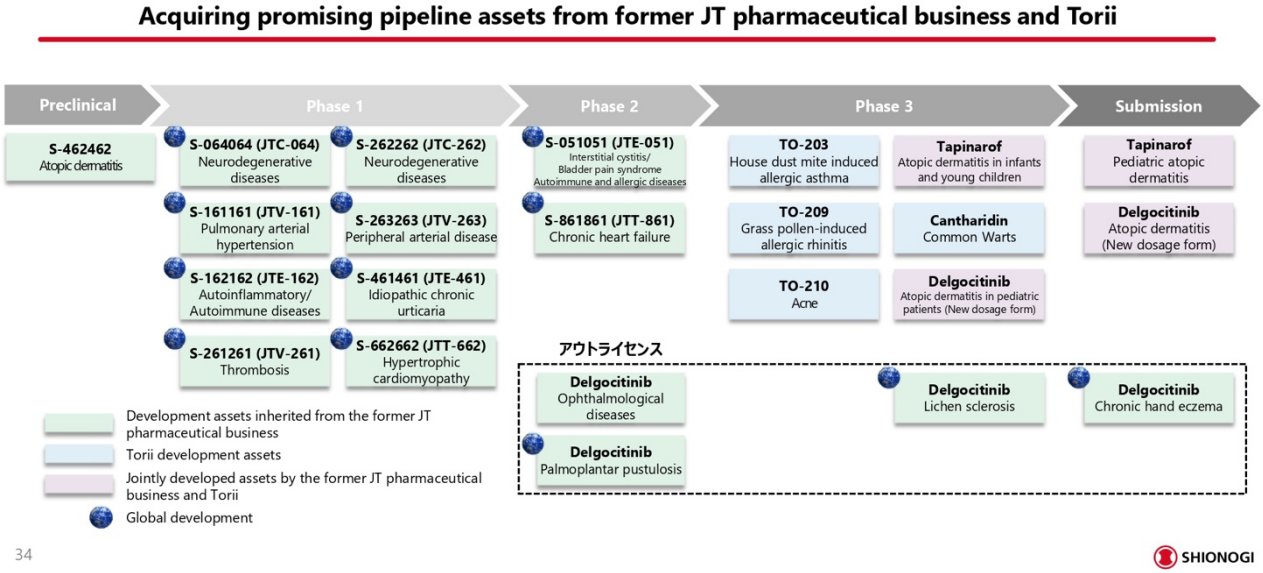
There are many patients who suffer very badly from lysosomal disease. Our drug works by stopping the root of glycogen production, which is circle one in red.

As background, blue circle two, there are already enzymatic therapies, drugs that administer enzymes that gradually digest accumulated glycogen. However, it is inevitably necessary to give the patient an intravenous drip in an inpatient environment. So, how can we improve quality of life with oral drugs. The first thing we are implementing in this regard is add-on therapy.

Phase 2 testing is under way in terms of whether the effect will be even better in everyday use. First Patient In was achieved.

From here, the data will be taken from the perspective of how monotherapy or single agent administration can reduce the use of ERT. We are developing now to deliver new solutions.

Expanding of the Development Pipeline through M&A



The pipeline acquired from the former JT pharmaceutical business and Torii is listed on page 34.

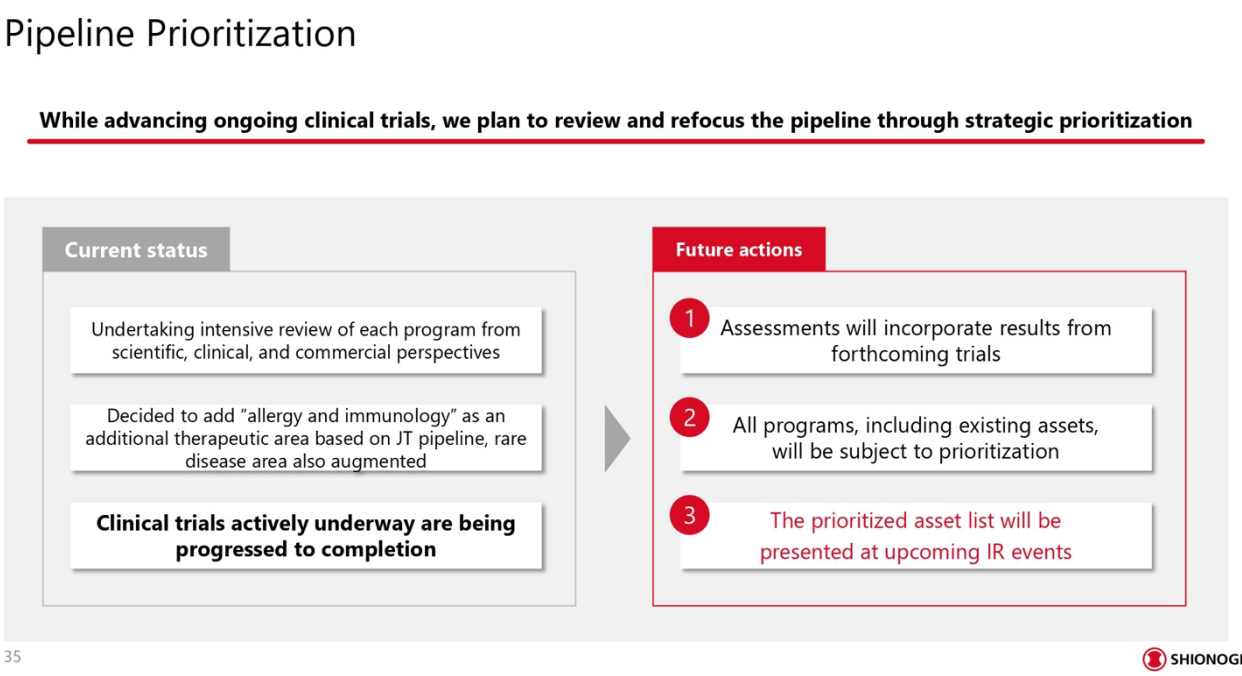
I will tell you very briefly. The late-stage assets, tapinarof and delgocitinib, have progressed smoothly to regulatory submission or to Phase 3 trial, and life cycle management is being executed successfully.

Another point worth highlighting is the sublingual immunotherapy for grass pollen. Torii Pharmaceutical already markets sublingual immunotherapy products for cedar pollen and other allergens, and as the third sublingual immunotherapy in the portfolio, we are developing a product for grass pollen. Last Patient In for the Phase 3 trial has already been completed.

There is still the stage of having them administered for a long time, following up, and observing the data to see what happens to the allergic and immune responses. The new SHIONOGI will work to create life cycles with products that have high barriers to entry from outside. We believe this is an important disease for that.

The mode of action is very interesting, such as therapies related to immunity and many phase 1 assets acquired from the former JT pharmaceutical business, especially drugs that act on allergies and inflammation.

S-051051 is for a condition called interstitial cystitis, bladder pain syndrome, or IC/BPS. A PoC has already been obtained for this. From here, how do we develop this compound globally? As you can see, there are many very interesting pipelines.



We are currently reviewing and assessing this pipeline. Development programs with ongoing clinical trials will continue as they are, and we would appreciate a little time to evaluate the results and set priorities. We will be holding an R&D briefing. What do we prioritize and what do we invest in after looking at the total? We would like to introduce one integrated pipeline table as the new SHIONOGI on a separate occasion.

R&D Milestones Planned for FY2026 (Infectious disease areas)

The list of applicable assets is planned to be updated on a rolling basis
Topline results: It is the timing of acquisition, and the timing of disclosure will be considered separately

Development products	Target diseases	FY2025	FY2026 1H	FY2026 2H	Target launch timing*1
Ensitrelvir	COVID-19 treatment	Submission	Approval (Europe)		-FY2027
	COVID-19 treatment (Pediatric Ages 6-11)	Submission	Approval (Japan)		
	COVID-19 treatment (Pediatric Ages 0-5)	Phase 3		Phase 3 top-line results	
	COVID-19 PEP	Submission	Approval (US and Europe)		
Secutrelvir [S-892216]	COVID-19 treatment (Oral)	Phase 2	Phase 3 starts		FY2028-2030
	COVID-19 Post-exposure prophylaxis (Injection)	Phase 1		Initiation of Phase 2 IND preparation	FY2031-
S-268024	COVID-19 (JN.1Vaccine)	Submission	Approval (Japan)		-FY2027
S-567123	Broadly protective coronavirus vaccine	Phase 1	Phase 1 top-line results	Phase 2 starts	FY2028-2030
S-337395	RSV infections	Phase 2b		Phase 2b top-line results	FY2028-2030
Olorofim	Invasive Aspergillosis	Phase 3	Phase 3 top-line results	Submission (Europe)	FY2028-2030
Cefidelocol	Pediatric, Gram-negative bacterial infection	Phase 3	Submission (US and Europe)	Approval (US)	-FY2027
S-649228	Gram-negative bacterial infection	Phase 1	Phase 1 top-line results Phase 2 starts		FY2028-2030

*1 This indicates the timing of the initial launch in any country or region where SHIONOGI holds commercialization rights, and is not intended to refer to any specific country or regio

IND : Investigational New Drug

SHIONOGI

Milestones are summarized for FY2026 on each slide.. I will not go into details as they are repetitive. I think the approval of ensitrelvir and the preliminary Phase 3 trial report of olorofim will be the major milestones in H1.

R&D Milestones Planned for FY2026 (QOL disease areas)

The list of applicable products will be updated sequentially, including assets inherited from the former JT Group pharmaceutical business
Topline results: It is the timing of acquisition, and the timing of disclosure will be considered separately

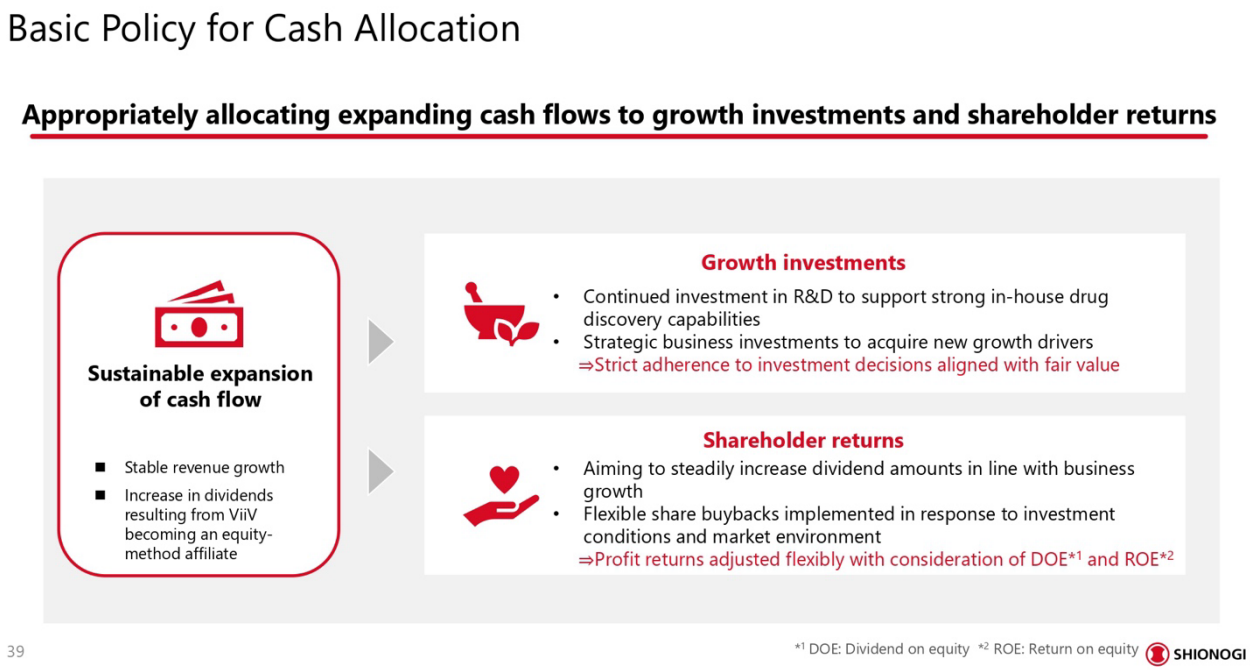
Development products	Target diseases	FY2025	FY2026 1H	FY2026 2H	Target launch timing*1
Zatolmilast	Fragile X Syndrome	Phase 2/3		Phase 2 Additional analysis results Phase 3 top-line results	FY2028-2030
	Jordan syndrome	Phase 2	Phase 2 top-line results		
S-606001	Pompe disease	Phase 2		Phase 2 LPI	FY2031-
S-054501 [SASS-001] (S-600918 + Combination medicine)	Sleep Apnea with a Central Component	Phase 2	Phase 2 top-line results		FY2028-2030
S-054502 [SASS-002] (Sulthiame)	Sleep Apnea	Phase 2b/3 Preparing	Phase 1 top-line results Phase 2b/3 strats		FY2028-2030
Redasemtide	Epidermolysis bullosa	Phase 2	Phase 2 top-line results	Submission (Japan)	-FY2027
	Acute ischemic stroke	Phase 2b	Phase 2b top-line results		FY2028-2030
Naldemedine	Constipation associated with Parkinson's disease	Phase 2a		Phase 2a top-line results	FY2031-
S-531011	Solid tumor	Phase 1b/2	Phase 2 top-line results		FY2031-
SDS-881	Dementia (AI program for cognitive function testing)	Phase 3	Phase 3 top-line results Submission (Japan)		-FY2027

*1 This indicates the timing of the initial launch in any country or region where SHIONOGI holds commercialization rights, and is not intended to refer to any specific country or regio

LPI : Last Patient In

SHIONOGI

In the area of quality-of-life diseases, there will be preliminary reports on various Phase 2 trial items. In addition to Jordan's syndrome mentioned earlier, important toplines are expected for multiple development compounds, including redasemtide and S-531011, an anticancer drug that is a Treg inhibitor. The programs we have been developing to date are now entering the harvest phase.



Teshirogi: I would now like to talk a little about our current approach to cash allocation, including shareholder returns.

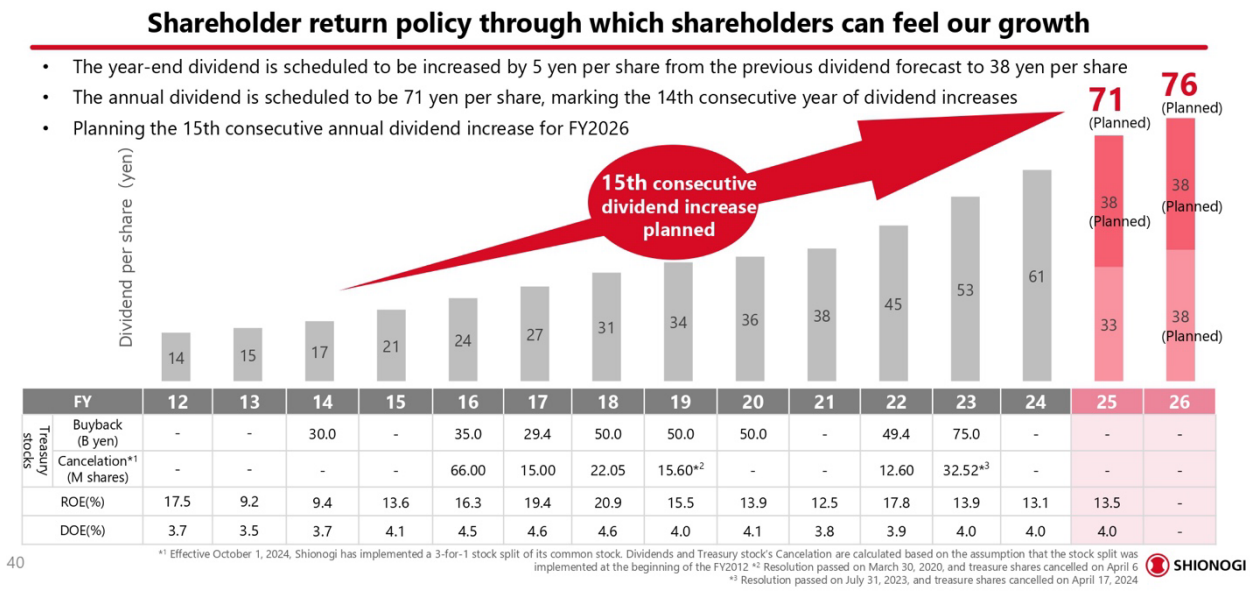
See page 39. As I mentioned earlier, the Board of Directors discussed three deals in FY2025. At least major pieces of strategic business investment are working reasonably well with these three. In such a situation, it is natural to drop a good amount of money on R&D expenses and also to be agile when there are more interesting M&A opportunities. So, we are continuing to do that.

However, we are not going to spend JPY900 billion in one year every year. Especially considering the very strong cash flow from ViiV, the Company may be moving into a phase where it can consider total shareholder return rather than just increasing the dividend amount steadily as before.

The Board as a whole also feels that the phase has shifted somewhat in that direction. While discussing this with the Board and taking DOE and ROE into account, we will proceed with this

approach. The general outline of the cash allocation policy under the new medium-term management plan to be launched in FY2027 will be disclosed in FY2026, and based on that, we intend to communicate how we will move forward as we proceed.

Shareholder Return



FY		12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Treasury stocks	Buyback (B yen)	-	-	30.0	-	35.0	29.4	50.0	50.0	50.0	-	49.4	75.0	-	-	-
	Cancelation*1 (M shares)	-	-	-	-	66.00	15.00	22.05	15.60*2	-	-	12.60	32.52*3	-	-	-
ROE(%)		17.5	9.2	9.4	13.6	16.3	19.4	20.9	15.5	13.9	12.5	17.8	13.9	13.1	13.5	-
DOE(%)		3.7	3.5	3.7	4.1	4.5	4.6	4.6	4.0	4.1	3.8	3.9	4.0	4.0	4.0	-

*1 Effective October 1, 2024, Shionogi has implemented a 3-for-1 stock split of its common stock. Dividends and Treasury stock's Cancelation are calculated based on the assumption that the stock split was implemented at the beginning of the FY2012 *2 Resolution passed on March 30, 2020, and treasure shares cancelled on April 6
*3 Resolution passed on July 31, 2023, and treasure shares cancelled on April 17, 2024

SHIONOGI

This is the last page.

However, we have maintained that we would like to raise dividends consistently unless there is a major problem. To date, we have increased dividends for 14 consecutive fiscal years and 15 consecutive fiscal years if FY2026 is included. We would like to manage to maintain and develop this.

At this time, subject to the approval of the General Meeting of Shareholders, we plan to pay a year-end dividend of JPY38 for FY2025. For FY2026, we will start with an interim dividend of JPY38 and a year-end dividend of JPY38. As we have done for many years, we will determine the final year-end dividend taking the full-year results into account.

I believe that the position of shareholder returns in cash allocation can be changed to something much more in-depth than in Phase II of the previous STS 2030 from 2023 to 2025.

In our history, we have never experienced executing three M&A deals of this scale and then measuring how it all fares on the P/L or B/S. Therefore, it has taken a little time to explain. This is the end of my explanation of the results for FY2025 and the concept for FY2026.

Thank you very much for your attention.

Question & Answer

Kyokawa: Thank you. We will now move on to the question-and-answer session. Let's hear from Mr. Seki from UBS.

Seki: My name is Seki from UBS. Thank you for your explanation. Let me ask two questions.

The first point is about the projected returns from the three mergers and acquisitions. At the Q3 financial results meeting, CEO Teshirogi mentioned that there will be profit contributions in this and the next fiscal year. However, looking at guidance for this year, profit before tax appears to be mostly flat when adjusted for inventory step-up and other factors. Now that you have seen a little bit of the PPA and other plans, how much more confident are you in the ROIC or return at this point?

Teshirogi: The basic view has not changed at all. We believe that all M&A are accretive, and a large part of the reason for this JPY220 billion operating profit is the size of the costs. One part of the major selling cost is, of course, amortization, and quite an actual cost is included in the selling cost this time around. When we include that, the operating profit, JPY220 billion, was a very good deal in terms of ROIC, as a minimum line, if we think about it in a normal way.

Seki: Understood, thank you. The second point is about S-365598 (ViiV development code: VH4524184). Various communications on GSK's part, such as whether or not they are going to do ViiV's Investor Day or not have not been well communicated to us.

Also, the CROI data from this past February showed that the data for muscle injections (IM) was a bit weak compared to the subcutaneous injection (SC).

Please tell us about your thinking in this area and the timeline for future development.

Keller : Thank you very much. With respect to the data presented at CROI was that available at the time of the submission, which was the SC. We have progressed both IM and SC in the

course of that study. Those data have been gathered and at the later events when the regimen for going forward will be disclosed, that additional data will also be disclosed. With respect to the second one, the investor day timing, that is with as GSK has a new CEO and there is a timing to disclose a number of things in a number of key therapeutic areas strategies overall for GSK. Obviously, HIV is one of them, but to have a separate disclosure solely for HIV would not necessarily make sense for GSK. So, there was no particular message or issue reflected in that. It is simply GSK's best timing to provide an update on HIV at the second-quarter results.

Ueda: My name is Ueda from Goldman Sachs. First, I would like to know more details about the edaravone business.

While sales are particularly large in the US, I believe the pace of expansion has been gradual over the past several years. Some explained that there is room for market penetration. Do you expect acceleration again with your company as the owner?

Another perspective, I think you mentioned that you will be a platform for rare diseases. In addition to zatolmilast and Pompe disease, which you mentioned today, can you tell us about what we can expect in the long term in this area, including what you have inherited from the former JT group pharmaceutical business and pre-clinical work?

Teshirogi : I will give a brief overview, and Iwasaki and Uehara will explain the details of the sales.

From our company, Mr. Iwasaki first went in February, and I went in March. We are now closely examining what they really want to do and to what extent we can really connect it to sales, markets, activities for patients, and so on. For this year's budget, we accepted almost everything they wanted to do, once.

So, as Mr. Iwasaki said, we believe there is room for improvement. We are also considering the extent to which the ideas they have been warming up to, including the medical affairs and patient communities, are truly effective. Let's hear what Iwasaki thinks.

Iwasaki: Well, let me talk about my plan. There are several points. The head of the commercial at the RADICAVA operating company has been doing this for probably more than a decade and has a very high expertise of rare diseases.

One is disease awareness. This, as I said earlier, takes nine months to two years to diagnose, and patients are sent from one hospital to another because they are undiagnosed. They ruled out a number of possible diseases, and finally a diagnosis of ALS was made.

Is this disease awareness going to be done to the public, or to doctors? One of our activities for disease awareness is to determine what kind of message to convey to whom.

Another thing I am thinking is that evidence generation may be necessary. There is a drug called riluzole, which inhibits progression by a different mechanism, and our product is twinned with it in the guidelines and is first line. Riluzole is also generic and familiar, so it is the first line. Next line will be our edaravone. We will take data on this. There are two hard endpoints: the time to fit mouthpiece breathing management and an evaluation measure symptoms specific to ALS. It may take some time to confirm the efficacy of such surrogate endpoints, but we would like to expand the market by establishing evidence based on real-world evidence and the like.

This is common not only in the US but also in many other countries. With a global head and efficient global activities, we will conduct these awareness-raising activities early on and take evidence while considering both costs and resources.

Cooperation with patient groups is also very important. We would like to work on multiple fronts, including the continuation of treatment.

Uehara: Let me talk a little bit about the pipeline. There are many areas of rare diseases, and many people suffer from them. I am certain that one drug will not work by any means.

What remains as unmet needs in this situation are those areas where one drug does not work. The reason is that we need various cell players. There is much more that can be done with small molecules that access individual targets such as lymphocytes, macrophages, and microglia.

We really only put a portion of it in the pipeline. By combining many such oral drugs with different mechanisms of action, including early assets, we may be able to deliver the drug to rare diseases and to people with various problems, including ALS. We are promoting a lot of R&D for this purpose.

Naturally, it is an early asset, so we will not be able to bring it to market immediately next year. From the perspective of business and unmet needs, we are working with salesforce to determine what is best for the Company, including mergers and acquisitions.

Ueda: Thank you. Second, I would like to know about the integration with the former JT Pharmaceutical business and the progress in developing synergies.

You have previously explained that cost synergies would emerge to some extent in the short term and on a reasonable scale. Although you mentioned that costs were lowered a bit this year as well, I also felt that it was not yet on a large scale.

Can you tell us about the current situation regarding this and, to some extent, the future outlook, including the short term?

Teshirogi: As I said before, we think that cutting R&D expenses of the former JT Pharmaceutical business by 15% in one year, including personnel expenses, is quite a large scale. Since this involves not only JT's pharmaceutical business but also the planned integration of Shionogi Pharma, we intend to reassess and optimize personnel expenses and project-related costs comprehensively in April 2027 and address them all at once.**Ueda**: I understand. Thank you very much. That's all from me.

Kyokawa: Mr. Matsubara from Nomura Securities, please.

Matsubara: My name is Matsubara from Nomura Securities. Thank you very much. First, please tell us about edaravone as well.

Earlier, there was a comment about building markers and evaluation indicators so that it can be brought to early treatment. Can you tell us when this will be realized and manifested as business results?

Iwasaki: Specifically, such research is progressing, however there is still no clear prospect for practical application at this stage.

.With regard to this, in Japan, I hope to pursue collaborate with researchers from both domestic and international academia going forward.

Matsubara: I understand. The second is about zatolmilast. I believe that the data from the adult patients showed improvement in the secondary endpoints. I believed that younger patients or those with milder symptoms were more likely to demonstrate efficacy. What could be the cause of the difference in effectiveness? Also, I understand that additional analysis is under way, but is there a possibility that this will be filed for adults only in the future?

Uehara: Thank you. We also had expectations that younger patients might be more responsive, and that is indeed the case. However, since this is the first time, no one can say with certainty. One hypothesis we are currently considering is that, in adults, the disease state is more stabilized,

and therefore neural function may also be suppressed. By providing a clear pharmacological signal, it may activate these functions, which could be why we are seeing more consistent data.

In contrast, for pediatric and younger patients, the key point is preventing disease progression, and this is extremely important. With three months of dosing, it is unlikely that deterioration would be observed, and therefore it is necessary to evaluate what happens over the full life cycle when the treatment is taken. While it is not possible to fully assess the entire life cycle within an open-label extension study, we would like to evaluate, on a comprehensive basis, how this agent can be used.

Matsubara: What about an application for adults?

Uehara: Therefore, we would like to evaluate the data in a comprehensive manner. Naturally, if a very clear response is observed in adults alone, and as I mentioned as a hypothesized, and if this is further substantiated and accumulated as data and evidence, then focusing on adults only would certainly remain a possibility.

Regarding whether the efficacy observed in the secondary endpoints—so-called exploratory significance—can directly support a regulatory filing, whether sufficiently robust evidence can be obtained from open-label data will ultimately depend on the results.

Matsubara: So, you are going to look at the effects over a long period of time and see how far younger people improve. Understood. Thank you very much.

Kyokawa: Ms Ishida from Mizuho, please.

Ishida: Thank you for your explanation. I am Ishida of Mizuho Securities. Let me ask you two questions as well.

First, regarding overall R&D, there was also a discussion of pipeline integration on page 35. Looking at the new pipeline table, I am under the impression that there are quite a few items that were deleted. I would like to know your thoughts on whether you will continue to set priorities severely, including the Torii and the former JT pharmaceutical business pipelines. I would also like to ask whether impairment losses are likely to occur in the future.

Uehara: Thank you. We agree with your point. It is difficult to advance all pipeline assets at full speed.

However, rather than discontinuing all of them, partnering with other companies is also an available option. Accordingly, what we are currently considering is how to prioritize, what to pursue in-house, and what to advance together with external partners. We are now preparing to present such R&D strategic frameworks.

Regarding the potential for future impairment, for in-licensed compounds, impairment may naturally arise if events occur that deviate from the original plan.

In our case, we maintain a relatively high proportion of in-house drug discovery, and therefore, compared with other companies, we believe the overall risk is relatively limited.

Ishida: Thank you. The second question concerns the future impact following application of the equity method to ViiV. We cannot know the details because I think this time it is the equity method income and, in the forecast, that portion is included in the other income and expenses.

I would like to get an idea of how much of an impact the amortization of ViiV related intangibles will have in the future.

Teshirogi: I would appreciate your understanding that I cannot disclose specific figures. What I can say is that the current plan is considerably front-loaded, and although ViiV's earnings are expected to increase, the amortization is rather front-loaded and will not increase in line with earnings, but instead remain flat and then decline. Based on this, our assumption is that the contribution from earnings will strengthen considerably, and we consider this fiscal year to be the most challenging.

Kyokawa: Thank you. We will move on to those of you who are participating online.

First of all, Mr. Yamaguchi from Citigroup, please.

Yamaguchi: This is Yamaguchi from Citi. Thank you very much. I will ask you two simple questions.

The first is about ensitrelvir in the US. I believe PDUFA is June 16. Please let me know how much is in the company forecast, not whether it will be approved or not. It looks as if it contains about JPY10 billion.

Before we get into the details, could you first explain whether the impact on our financial performance would be significant or limited depending on whether this works out or not? Since a considerable amount of cost is being invested, I would like to understand that upfront.

Iwasaki: Regarding the approval timing based on PDUFA date, it will be 1H of this year. Therefore, in terms of sales we are assuming roughly half a year's contribution, which would be about JPY10 billion.

Looking ahead, this is a very new initiative; however, Paxlovid recorded U.S. sales of USD 1,891 million in FY2025, so we believe there is underlying demand.

In addition, the fact that BARDA has recognized S-892216, including for the prevention of severe infections, indicates that such demand exists. OECD reports also state that failing to implement vaccination and treatment results in significant economic losses, reinforcing that the need is clearly present.

The key question is how to raise awareness—through DTC activities—and who to target. As the primary targets are high-risk patients and the elderly, we plan to focus on settings such as long-term care facilities over the next six months.

Unlike cefiderocol, which we have marketed to date, this product targets a broader population. Accordingly, we have established a system whereby a global team, including finance, monitors progress on a monthly basis and makes appropriate decisions as needed.

Yamaguchi: Thank you. regarding the inventory step-up for edaravone, it seems that no specific guidance has been provided on the scale—is that correct?

Kudo: Edaravone inventory step-up is currently being handled provisionally under

PPA. The forecast for FY2026 includes about over JPY10 billion in cost.

Yamaguchi : Will this be completed within this fiscal year?

Kudo : Yes. All expenses are expected to be completed in this fiscal year.

Yamaguchi : Thank you. That's all from me.

Kyokawa: Next, Mr. Kawamura from SBI SECURITIES, please.

Kawamura: Thank you for your explanation. I am Kawamura of SBI. Let me ask you two quick questions.

First, let's talk about cost. I understood that the situation will worsen once this year due to inventory step-up, etc. After the next fiscal year, the step-up will be eliminated, and we expect

to see a reduction in the cost of Torii. Can we expect some decline from about 2027 by your company's participation in negotiations with contract manufacturers?

In-house production will take quite a bit of time, as there will be some application for approval of partial changes. Can we expect to see the effect of this to some extent from about 2027 or 2028?

Teshirogi: Thank you. You are correct. Also, the cost of our Quviviq and Zurzuvae is slightly higher because these are not our own products. In order for this to grow, we actually need to negotiate with the licensee as to what the cost of the product will be, and we would like to proceed as soon as possible.

There is no second site in Quviviq or Zurzuvae, and we believe that is also a risk. We are working on a plan, to be formulated within 2026, that will enable us to begin realizing improvements in how we manage the cost of products expected to experience sales growth, with tangible effects emerging around 2027 or 2028.

Kawamura: Thank you. Next, please tell us about your growth investments. From the outside looking in, the acquisition of Torii has reduced the volatility of your domestic performance, and you now have an overseas base. Even in research and development, which had been a single focus on infectious diseases, you have also acquired other medicinal chemists and dermatology strengths.

I think you have all the cards in hand. In what areas and on what scale do you intend to invest in the future? For example, will you buy new things to put on the US foundation from outside? On the other hand, will you buy more early, foundational technology?

Do you have any thoughts on what still needs constant investment and if you can share them, please let us know.

Teshirogi: Thank you. We have no plans at this time to invest in such a large base technology. We still have a lot to digest on our own, including the former JT pharmaceutical business's AI drug discovery, and on the other hand, I believe that we can do it with the strengths we have now.

On the other hand, especially in Europe, there is only Fetcroja. I think we will have to think about how to mitigate the risk in the future, say beyond 2030, by increasing a little what contributes to sales in the US because of MFNs in the US.

If there is something that can be marketed outside of Japan, mainly in the US, and that fits our direction, we should take it at this time, even if we have to invest a considerable amount of money.

Naturally, that has put pressure on Keller and Uehara. If we cannot create something in 2026, 2027, and 2028 to connect with our own products in the meantime, there will be no point in us buying time with our money. We recognize that our next challenge is how to advance our R&D pipeline.

Kawamura: Understood, that's all. Thank you very much.

Kyokawa: Next, Ms. Sogi of Stanford C. Bernstein, please.

Sogi: Thank you. Let me ask you two questions. First of all, I would like to ask about ensitrelvir's launch preparation in the US. Since this is a fairly new challenge, some investment is expected. What are the particular key details of your investment?

You also said that whether this will work or not will be determined over some period of time. What are the key KPIs for this? Also, how long do you expect to see the impact?

Iwasaki: I believe the biggest one would be DTC. I will not give a detailed breakdown, but TV commercials, SNS, etc. are the largest. We also need to expand our sales reps, including MSLs (Medical Science Liaison), nationwide.

Fetroja and Fetcroja is a hospital business, and therefore, its nature and supply destination will vary. For this reason, we are aiming to eventually hire about 100 people, and this is our biggest cost.

Regarding specific KPIs, the adoption rate and the ability to cover insurance reimbursement are very important. We are also working to strengthen such so-called pricing teams. We will continue to develop on the basis of these three.

As for KPIs, we do not have a reference competitor, so we believe that the adoption rate is one major KPI.

Specifically, on a monthly basis, we will hold jurisdictional meetings, as we are doing now for Fetroja and Fetcroja. Whenever there is a major change in direction, the CEO of Shionogi Inc. will be invited to attend the management meeting to make decisions. This is not a special approach, but we will put this on the process we are currently discussing in our company.

As for the frequency of such reports, however, I myself would like to report on a monthly basis for the time being and make appropriate decisions from time to time as needed.

Sogi: In what you just said, you mentioned insurance coverage. I believe that the content of this approval in the US will be prevention. Is the baseline idea that this has insurance coverage?

Iwasaki: Naturally, Medicare, etc. could be considered, but we are also negotiating with the insurance companies right now. I think it can be said that we are pre-papering now because of that prospect.

Sogi: I understand. Next, I would like to know how the SG&A costs will change in the medium term. I have the impression that costs have ballooned a bit this year due to various investments, including an investment in the edaravone business. With regard to this, is there something short term in this year and will it decrease in the future?

Teshirogi: As I mentioned earlier, we are taking the fact that we failed to reach our operating profit forecast for two consecutive years in FY2025 very seriously within the Company, and we will try to prevent such a situation from happening again. Therefore, we spent a great deal of time internally discussing costs. As I mentioned at the beginning, we have included a very conservative cost this time.

We have included what we have determined to include up to this point in the current fiscal year by accumulating the costs to be used in order, rather than deteriorating significantly in FY2026 due to specific contents in a permanent manner. So, please consider that there will be projects that fall off or costs that fall off depending on the progress of sales and profits.

You also asked earlier about amortization. For both ViiV's and other items, we are basically amortizing them ahead of schedule. It may decrease over time, but it does not disappear entirely within a year.

Sogi: I understand. Thank you very much.

Kyokawa: Thank you. We will now close. Thank you all very much for your time today.