

Ping An Insurance Company
and Shionogi
Joint press conference

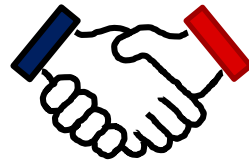


Strategic partnership with Ping An Insurance Company

March 30, 2020
Shionogi & Co., Ltd.
President and CEO, Isao Teshirogi



Ping An Insurance Company and Shionogi reached basic agreement for a capital and business alliance to build a long-term strategic partnership



Promote collaboration in China (Asia) including establishment of a joint venture company in the future

Basic Strategy for 2020

**Addressing
society's needs**



**Balance of
innovation and
health economic
efficiency**

**Continue to grow together with society as a drug
discovery-oriented pharmaceutical company**



**Developing new growth strategies
to realize our vision for Beyond 2020.**

Advent of the “digital native” and “SDGs native” era

① **Rapid advancement in IT/AI technology**

- Increase in the volume and accessibility of analysable healthcare data with the introduction of IoT
- IT/AI structures supporting the broader utilization and sharing of data

② **Increasing global population with decreasing birthrate and aging population in high-and middle-income countries**

- Greater pressure on the health insurance budget

③ **Changes in disease prevalence and health care needs associated with climate change**

- Expansion and fragmentation of medical needs

**Reflecting changes in the environment and medical need,
responsively provide the best solutions to society**

Changes in the definition of the healthcare business

Conventional business positioning
- As a Drug discovery-based pharmaceutical company -

Business Positioning in and beyond 2020
- Patient-Perspective Solutions -

Product categories from the manufacturer's perspective

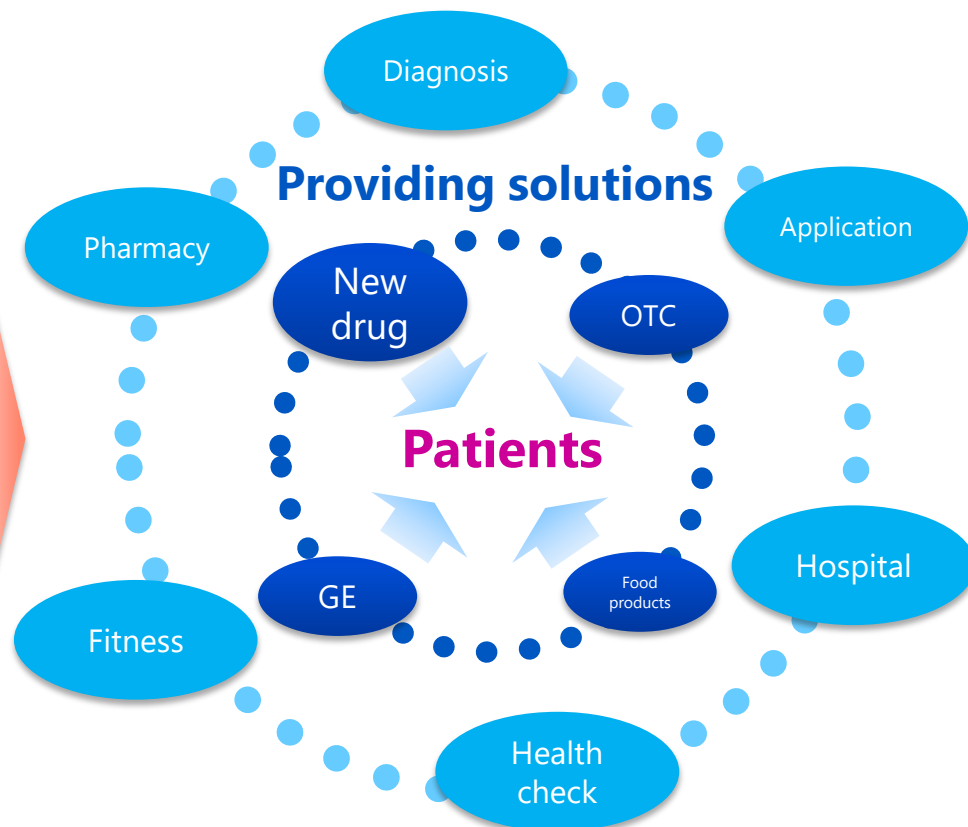
OTC drugs (OTC)
Health foods and supplements

Generic drug (GE)

New drug

Prescription drugs

Healthcare as a Service (HaaS)



In an era of rapid change, need to depart from the traditional concept of the pharmaceutical industry

Without significant change, it is difficult for pharmaceutical companies to thrive



Shionogi's future growth strategy

Shionogi will continue to refine our strengths as a drug discovery-based pharmaceutical company.

Shionogi will be the partner of choice for other companies, including those in other industries with complementary strengths.

Building new platforms for innovation in healthcare

Achieving Sustainable Growth beyond 2020

A partnership to co-create the “future of health care”



**Establish a new healthcare platform with the
greatest innovation and market growth potential
in China and across Asia**

What is Ping An Insurance Company ?



中国平安
PING AN

China's largest comprehensive insurance group*

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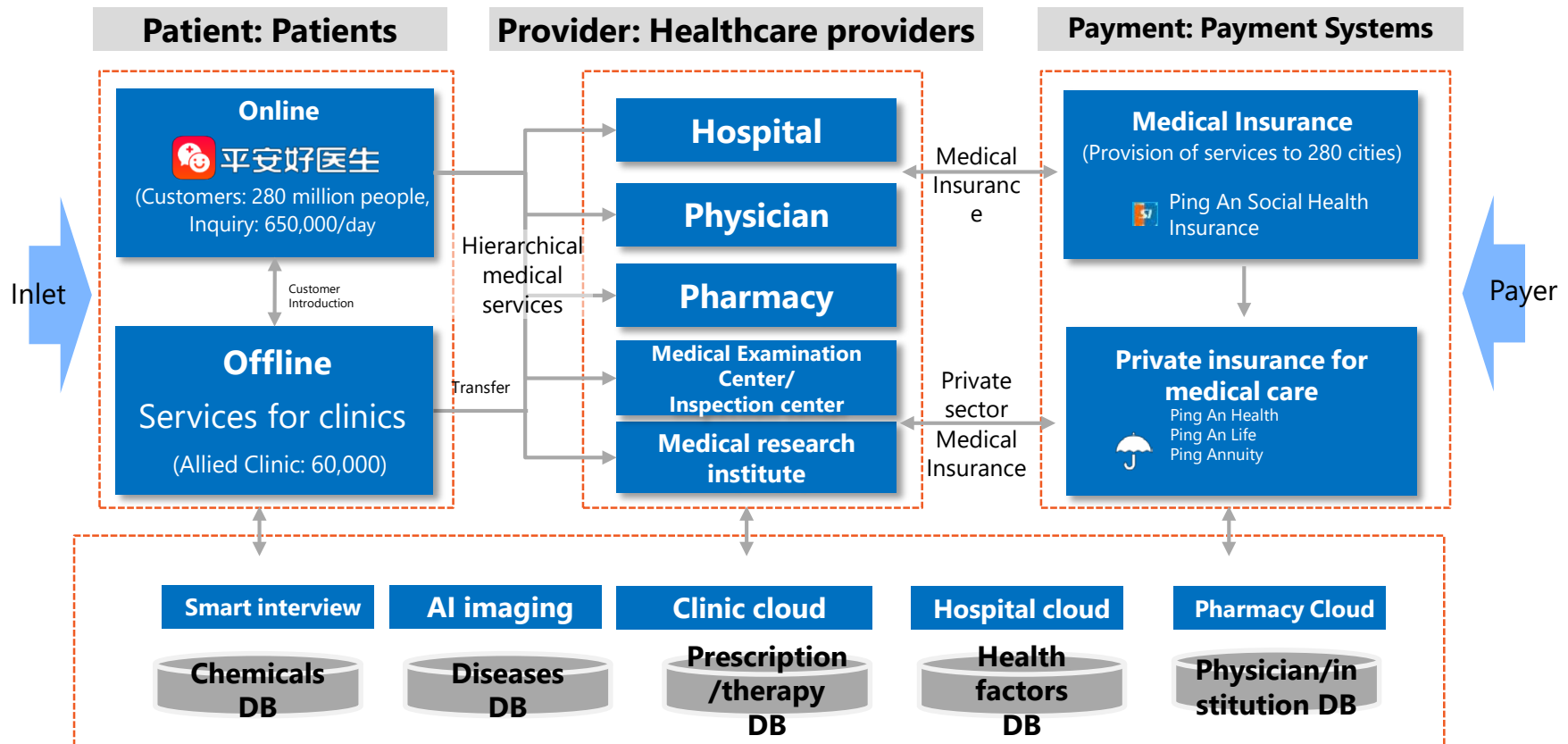
- ❑ Developed a comprehensive financial business building from its core business of insurance, and subsequently entering the entertainment, mobility, and housing fields. In recent years, the company has increasingly focused on healthcare.
- ❑ A leader in IT platforms across its businesses, increasing accessibility and ease of use and thereby dramatically expanding its customer base
- ❑ The ideal partner with who to build a new healthcare platform given its complementary established business capabilities, proprietary IT/AI technologies, and financial strength

*** FY2019 Sales: Approx. ¥20 trillion Customers: 200 million**

Healthcare Platform of Ping An Insurance Company



An integrated network for patients, providers, healthcare service delivery, and payment, which reduces the burden on patients, doctors, and hospitals.

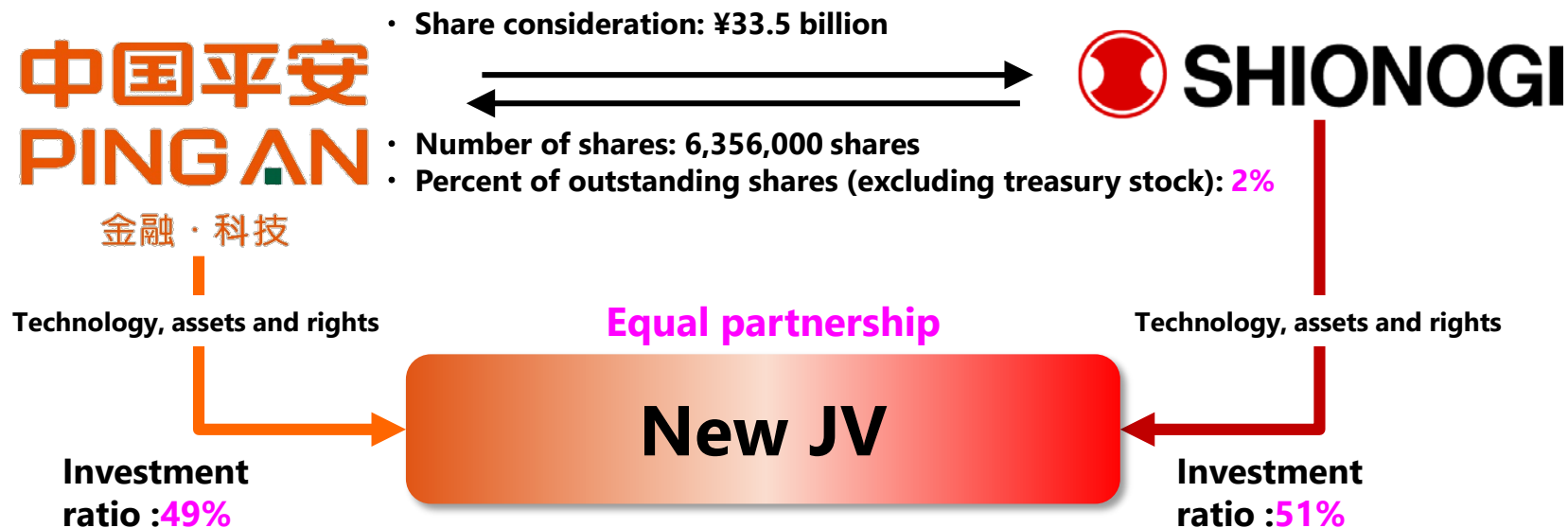


Content of this agreement



Establishment of Joint Venture (JV)

With a capital alliance supporting a strong, long-term strategic partnership



Business plan

- ① Data-driven* drug discovery and development
- ② Manufacturing and quality control systems enhanced by AI technology
- ③ Sales and distribution platforms using O2O **

- ❑ Execution of Joint Venture Agreement and establishment of the new JV
 - By the end of July 2020
- ❑ Period for disposal of treasury stock by third party allotment
 - July 1 to July 31, 2020 (planned)

Details of the structure and business of the new JV, and the projected effect on business performance in fiscal 2020 and beyond will be disclosed at the time of establishment of the new JV

Goals of this Alliance



Synergistically combine Shionogi's strength in therapeutic discovery and development with Ping An's state-of-the-art technologies to create a comprehensive healthcare innovation and delivery platform

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SHIONOGI

Prevention

Diagnosis

**Treatment
Solution**

**Treatment
infrastructure**

Prognosis

Combine the strengths of both companies to provide greater innovation and value to society as an integrated healthcare provider

R&D Concept -Data-Driven Drug Discovery-



Lifestyle data

Behavior Pattern

Attribute Information

Sleep Pattern

Genetic data

Voice

Volume of Activities



Precision Diagnosis and Treatment Data

fMRI, brain waves, etc.



Therapeutic agent A is effective



Therapeutic Drug B Effective



Digital device C is enabled.

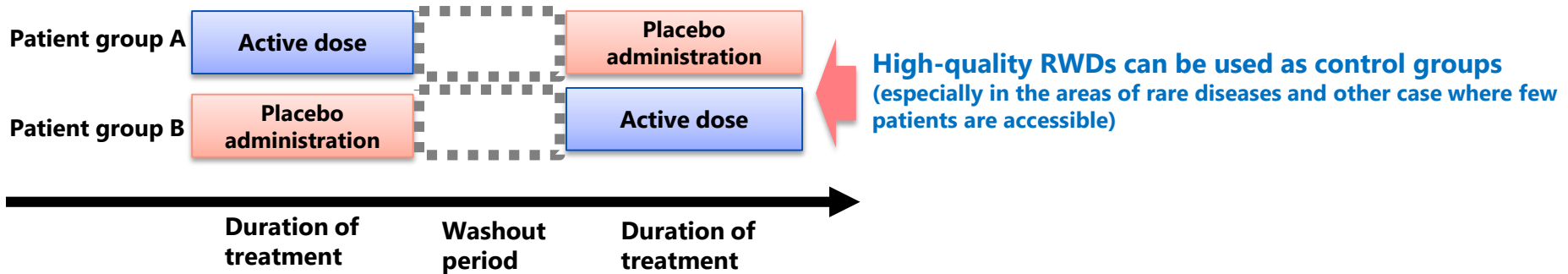
Strengths of both companies

- ✓ Shionogi's pipeline
- ✓ Drug development know-how and understanding of diseases

- ✓ PING AN's Healthcare Services
- ✓ IT platform (data acquisition network, data analysis technology)

By connecting lifestyle data to diagnostic data and the effect of therapeutic interventions, build a personalized and precise treatment platform

Double-blind (cross-over) studies of pharmaceuticals



Address Current Issues

- ❑ Placebo has no benefit for patients
- ❑ Studies take too long, and incur great costs, before treatments can be brought to patients



Reducing the size and number of clinical trials can shorten the development period, making it possible to quickly deliver medicines to patients at reasonable prices

Creating the Future of Healthcare



AI Healthcare platform



- Customer-based healthcare data
- State-of-the-art IT/AI technology
- Online clinical infrastructure



Drug discovery-based pharmaceutical company



- Demonstrated capability to create best-in-class innovative drugs
- High R&D productivity and accumulated know-how
- Patient-driven drug discovery strategies

To build the next evolution of a discovery-oriented healthcare company

**Providing healthcare solutions to patients and society,
contributing to the health of all and creating the future of healthcare**