

## Notice Regarding Changes of Cancellation of Treasury Shares

(Cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act)

**Osaka, Japan, March 30, 2020** - Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter “Shionogi”) resolved at a meeting of the Board of Directors held on September 30, 2019 to cancel treasury shares pursuant to the provisions of Article 178 of Companies Act. Then, in consideration of securing the flexibility of capital in the future, Shionogi decided to review the matters related to cancellation again, including whether to cancel treasury shares ([Release on March 9, 2020](#)). Shionogi resolved at a meeting of the Board of Directors held on March 30, 2020 to change matters pertaining to cancellation, as described below.

### 1. Matters pertaining to the cancellation of treasury shares and changes

The matters pertaining to the cancellation and changes are as follows.

	Before Change	After Change (changes underlined)
(1) Class of shares to be cancelled	Common stock of the Company	Common stock of the Company
(2) Total number of shares to be cancelled	7,792,500 shares*	<u>5,200,000 shares</u>
(3) Scheduled date of cancellation	March 13, 2020 (scheduled)	<u>April 6, 2020 (scheduled)</u>

\* Total number of shares acquired from October 1, 2019 to February 27, 2020

### 2. Reasons for changes

At a meeting of the Board of Directors held on September 30, 2019, Shionogi resolved to cancel 8,350,000 treasury shares maximally because the number of treasury shares owned was expected to exceed 4% of the total number of issued stocks due to the acquisition of treasury shares. Then, Shionogi resolved at a meeting of the Board of Directors held on March 30, 2020 to form a capital and business alliance with Ping An Insurance (Group) Company of China Ltd (hereinafter “Ping An Insurance”), and to implement disposal of 6,356,000 treasury shares by way of third-party allotment to a subsidiary of Ping An Insurance. Considering the amount of treasury shares after the third-party allotment, Shionogi resolved to change the total number of shares to be cancelled to approximately two thirds of the amount of initially scheduled.

Shionogi would like to consider an appropriate amount of treasury stock based on market trends and business conditions continuously, to secure flexibility of the capital, and also, to further contribute to the improvement of our corporate value.

## **Forward-looking Statements**

*This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, unavailability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.*

## **For further information, contact:**

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