

August 31, 2020

## Shionogi Pharma to acquire Nagase Medicals as a wholly owned subsidiary

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In the board meeting held today, Shionogi & Co., Ltd. (head office: Chuo-ku, Osaka, representative: President and CEO Isao Teshirogi; hereinafter “Shionogi”) has decided that Shionogi Pharma Co., Ltd. (head office: Settsu-shi, Osaka, representative: President and CEO Ryuichi Kume; hereinafter “Shionogi Pharma”), a consolidated subsidiary which manufactures and sells ethical drugs in addition to conducting CDMO activities, shall acquire all shares of Nagase Medicals Co., Ltd. (head office: Itami-shi, Hyogo; hereinafter “Nagase Medicals”), which is currently owned by Nagase & Co., Ltd. (head office: Chuo-ku, Tokyo; hereinafter “Nagase”) to make it a wholly-owned subsidiary (a Shionogi sub-subsidiary).

### 1. Purpose of Acquisition

Shionogi Pharma’s mission is to promote health and create new value to benefit all of society, providing highly valued healthcare products and services through the development of new technologies. To this end, Shionogi Pharma continues to start new businesses to manufacture, sell, run analytical testing, and conduct pharmaceutical engineering on medicinal drugs and investigational drugs. Furthermore, beyond simply selling company products or accepting manufacturing/service contracts from within the Shionogi group alone, the company hopes to expand its business of accepting outsourcing requests from third parties in an effort to reach its goal of becoming the world’s most trusted contract development and manufacturing organization (CDMO) vendor.

On the other hand, as a Nagase subsidiary, Nagase Medicals has manufactured a number of drugs, including anticancer drugs, local anesthetics, and drugs to treat gastritis and gastric ulcers. In addition to their own products, they are also contracted from outside clients to manufacture high-potency pharmaceuticals as well as generic medical products for primarily injectables.

Going forward, Shionogi Pharma aims to further develop and expand its CDMO business to become a leading CDMO by acquiring Nagase Medicals and leveraging both companies’ manufacturing capabilities and knowledge.

### 2. Date of Acquisition

Share transfer commencement date: October 1, 2020 (planned)

### 3. Future Outlook

The impact of this acquisition on the company’s consolidated performance is negligible.

End of section

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# Press Release



## Reference

### Overview of consolidated subsidiary to acquire Nagase Medicals

(1)	Name	Shionogi Pharma Co., Ltd.
(2)	Location	5-1, Mishima 2-chome, Settsu-shi, Osaka
(3)	Representative	President and CEO Ryuichi Kume
(4)	Major business activities	Manufacturing, sale, analytical testing and pharmaceutical engineering of medicinal drugs and investigational drugs
(5)	Capital	¥90,000,000
(6)	Established	October 1, 2018
(7)	Principle shareholder and holding ratio	Shionogi & Co., Ltd. 100.0%

### Overview of company to be converted to a subsidiary (sub-subsidiary of Shionogi)

(1)	Name	Nagase Medicals Co., Ltd.
(2)	Location	4-323 Senzo, Itami-shi, Hyogo
(3)	Representative	President Mitsuru Akasaka
(4)	Major business activities	Development, manufacturing, and import/export of ethical drugs, medical devices, medical materials, and veterinary drugs
(5)	Capital	¥498,000,000
(6)	Established	July 1, 1972
(7)	Principle shareholder and holding ratio	Nagase & Co., Ltd. 100.0%