

## **Shionogi and Hitachi Conclude a Memorandum of Understanding (MOU) for the Medium- to Long-Term Strategic Partnership for Shionogi Group IT Operations**

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**OSAKA, Japan, October 4, 2021** - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President and CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi"), Shionogi's group company Shionogi Digital Science Co., Ltd. (Head Office: Osaka, Japan; President: Yasushi Nakai; hereafter "Shionogi Digital Science"), Hitachi, Ltd. (Head Office: Chiyoda-ku, Tokyo; President & COO: Keiji Kojima; hereafter "Hitachi"), and Hitachi's subsidiary Hitachi Pharma Information Solutions, Ltd. (Head Office: Chiyoda-ku, Tokyo; President: Hiroyuki Adachi; hereafter "Hitachi Pharma Information") announced that the four parties have concluded a Memorandum of Understanding (MOU) for a Medium- to Long-Term Strategic Partnership for Shionogi Group IT Operations.

The pharmaceutical industry is undergoing rapid change with the advancement of digital technologies, which are dramatically changing existing activities, including the discovery of novel drugs, as well as leading to the development of new applications utilizing such technologies. In addition, with the spread of the COVID 19 pandemic, the urgency for digital transformation (DX) is increasing, with cutting-edge technologies of IoT and AI being deployed for the overall optimization of the pharmaceutical value chain across operations and companies. Under these circumstances, IT systems are becoming more and more central as a platform for connecting stakeholders and for maximizing the value from the analysis of wide variety of data, reaching far beyond their prior role as business support tools.

The Shionogi Group established the DX Promotion Division in July 2021 with the goal to create new value by strategically utilizing digital and IT technologies, thereby accelerating the creation of new healthcare solutions. In order to organically connect and drive the progression of our DX strategy, as well as to maximize the efficiency of the IT functional execution that Shionogi Digital Science has taken on, preparations for a new stage are in progress.

In the pharmaceutical field, the Hitachi Group has provided production facility/equipment, production/quality control management system and ERP,<sup>\*1</sup> and also Lumada<sup>\*2</sup> solutions for accelerating DX through collaborative creation with customers. Through these and other products and activities, the Hitachi Group has contributed to increasing the safety and security of society, seeking to support a healthy and comfortable lifestyle for each individual. Meanwhile, Hitachi Pharma Information has provided consulting for IT systems, mainly for pharmaceutical companies, including not only the operation and maintenance of large-scale systems but also a wide range of system development (including for core systems, research and development systems, production systems, quality control systems, sales systems, etc.) for about 15 years. Through these experiences, Hitachi Pharma Information has built a tremendous depth of knowledge in the pharmaceutical industry, including with respect to compliance with regulatory affairs and stable and validated system operation.

In order to strengthen the IT strategy/planning capabilities of the Shionogi Group and the governance of its IT systems as a whole, the strategy/planning will be transferred from Shionogi Digital Science to Shionogi, and certain operational/maintenance activities, as well

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as some development activities, will be transferred from Shionogi Digital Science to Hitachi Pharma Information, starting from January 2022. The Shionogi Digital Science employees involved in the transferred activities will move to Hitachi Pharma Information, with the aim of further building their expertise and continuing their career advancement, immersed in the digital technology and know-how of the Hitachi Group. Hitachi and Hitachi Pharma Information will seek to contribute to further growth of the Shionogi Group by undertaking Shionogi Group IT operations together with the employees transferred from Shionogi Digital Science.

The four parties will further discuss and define the details of the specific initiatives to be undertaken in this alliance.

\* 1 ERP: Enterprise Resource Planning (a system for comprehensively managing the resources of an entire company)

\* 2 Lumada: A collective name for the solutions, services, and technologies that Hitachi has developed utilizing its advanced digital technologies, with a view toward creating value from customers' data and accelerating digital innovation.

<https://www.hitachi.com/products/it/lumada/global/en/index.html>

## About Shionogi

In the medium-term management plan "Shionogi Transformation Strategy 2030 (STS2030)," announced in 2020, Shionogi expressed its intention to transform from a drug-discovery-based pharmaceutical company, mainly focused on provision of conventional prescription drugs, into a HaaS\* company that provides a broader range of healthcare products and services. While building on the strengths we have developed as a drug-discovery-based pharmaceutical company, we will expand our network of collaborations with external partners and continue to provide new value, offering innovative solutions for the unmet healthcare needs of patients and society.

For more information on Shionogi, please visit <https://www.shionogi.com/global/en/>

\* Healthcare as a Service: To provide various healthcare services to meet customer needs, in addition to providing pharmaceuticals

## About Shionogi Digital Science

Playing a central role in Shionogi Group IT operations, Shionogi Digital Science is focused on supporting and strengthening the IT functions and environment of each Shionogi Group company, including sustaining and improving core systems and further developing the infrastructure. Shionogi Digital Science also provides solutions for Shionogi's sales and research and development areas to support and promote the business transformation of the Shionogi Group.

For more information on Shionogi Digital Science, please visit

<https://www.shionogi.com/sds/jp/ja.html> (in Japanese only).

## About Hitachi

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is contributing to a sustainable society with a higher quality of life by driving innovation through data and technology as the Social Innovation Business. Hitachi is focused on strengthening its contribution to the Environment, the Resilience of business and social infrastructure as well as comprehensive programs to enhance Security & Safety. Hitachi resolves the issues faced by customers and

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society across six domains: IT, Energy, Mobility, Industry, Smart Life and Automotive Systems through its proprietary Lumada solutions. The company's consolidated revenues for fiscal year 2020 (ended March 31, 2021) totaled 8,729.1 billion yen (\$78.6 billion), with 871 consolidated subsidiaries and approximately 350,000 employees worldwide. For more information on Hitachi, please visit the company's website at <https://www.hitachi.com>.

## About Hitachi Pharma Information Solutions

Hitachi Pharma Information Solutions is focused in IT system development and support for the pharmaceutical industry and was established in January 2020 by the integration of two Hitachi Group companies. Hitachi Pharma Information Solutions has provided its services for about 15 years, from IT strategic support to the development, operation and maintenance of IT infrastructure and business systems (large-scale system operation, user support, etc.) for pharmaceutical companies that require high quality and process management systems supporting strict compliance with laws and regulations. Furthermore, the company is actively working on DX to address the ever expanding market needs in this area. Through advanced ICT/digital technologies and related expertise, the company is dedicated to the creation and development of a healthier and more prosperous society, together with customers in the pharmaceutical industry.

For more information on Hitachi Pharma Information Solutions, please visit <https://www.hitachi-pi.co.jp/> (in Japanese only)

## 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, lack of availability 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:

SHIONOGI Website Inquiry Form : <https://www.shionogi.com/global/en/contact.html>