

Notice Regarding Reorganization of Subsidiary through Company Merger

OSAKA, Japan, November, 30, 2021 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President and CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced Shionogi has resolved at a meeting of the Board of Directors on November 29, 2021 to have Shionogi Pharma (Head Office: Osaka, Japan; President and CEO: Ryuichi Kume, Ph.D.; hereafter "Shionogi Pharma") , a wholly owned subsidiary of Shionogi, implement an absorption-type merger (hereafter "Merger") with Nagase Medicals Co., Ltd. (Head Office: Itami, Hyogo, Japan; Representative Director and President: Mitsuru Akasaka; hereafter "Nagase Medicals"), a wholly owned subsidiary of Shionogi Pharm, aiming for completion of the Merger by April 1, 2022.

1. Purpose of Merger

Shionogi Pharma aims to become the "most trusted one-stop CDMO*", and is expanding its business of manufacturing, sale, analytical testing and pharmaceutical engineering of medicinal drugs and investigational drugs. Nagase Medicals, a wholly owned subsidiary of Shionogi Pharma from October 1, 2020, is involved in the contract manufacture of high value-added healthcare products, focusing on highly potent injectable pharmaceuticals.

The Merger of the two businesses aims to create a faster and higher quality full-range CDMO and solutions business to increase customer value and drive growth as a technological innovation-focused manufacturing company. Through establishing a new business foundation, Shionogi Pharma will seek to create a diverse modality CDMO based on the group's unique knowledge, technology, and experience, including in the manufacturing of high pharmacological activity APIs and drug products, solid and injectable, while also aiming to establish a new continuous manufacturing platform for API.

* Contract Development and Manufacturing Organization

2. Absorption-type merger

(1) Summary of the Merger

A) Schedule of the Merger

Approval of Merger by Shionogi's Board of Directors	November 29, 2021
Approval of Merger agreement by Shionogi Pharma's Board of Directors	December 17, 2021 (planned)
Conclusion date of Merger agreement	December 22, 2021 (planned)
Approval of Merger agreement by Shionogi Pharma Extraordinary General Meeting of Shareholders	February 2022 (planned)
Effective date of Merger	April 1, 2022 (planned)
Registration date of Merger	April 1, 2022 (planned)

B) Method of the Merger

The Merger is an absorption-type merger under which Shionogi Pharma shall be the company surviving the Merger, and Nagase Medicals shall be absorbed in the Merger.

(2) Outline of merging companies

	Company surviving the Merger (as of November 30, 2021)	Company absorbed in the Merger (as of November 30, 2021)
Company Name	Shionogi Pharma Co., Ltd.	Nagase Medicals Co., Ltd.
Major Business Areas	Manufacturing, sale, analytical testing and pharmaceutical engineering of medicinal drugs and investigational drugs	Development, manufacture and import/export of ethical drugs, medical equipment, medical materials and veterinary drugs
Date Established	October 1, 2018	July 1, 1972
Address	5-1, Mishima 2-chome, Settsu, Osaka	323, Senzo 4-chome, Itami, Hyogo
Representative	President and CEO Ryuichi Kume, Ph.D.	Representative Director and President Mitsuru Akasaka
Capital	90 million yen	498 million yen
End of Fiscal Year	March 31	March 31
Principal shareholders and investment ratio	Shionogi & Co., Ltd. 100.0%	Shionogi Pharma Co., Ltd. 100.0%

3. Prospects

We expect the impact of the Merger on Shionogi's consolidated business performance for the period ending March 31, 2022 to be minimal.

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>

References

1. [Press release on August 31, 2020](#)

Shionogi Pharma to acquire Nagase Medicals as a wholly owned subsidiary