



Notice Regarding Acquisition of Own Shares and Cancellation of Treasury Shares

(Acquisition of own shares pursuant to the provisions of Article 165, paragraph 2 of the Companies Act and cancellation of treasury stocks pursuant to the provisions of Article 178 of the Companies Act)

OSAKA, Japan, July 31, 2023 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced that it has resolved at a meeting of the Board of Directors held today, to acquire own shares pursuant to the provisions of Article 156 of the Companies Act, applied by replacing terms pursuant to the provisions of Article 165, paragraph 3 of said Act, and has resolved to cancel treasury shares pursuant to the provisions of Article 178 of the Companies Act, as described below.

1. Reasons for the acquisition of own shares and cancellation of treasury shares

On June 1, 2023, Shionogi announced the revision of the medium-term business plan STS2030 (Shionogi Transformation Strategy 2030) for the period until FY2030, and a new three-year medium-term business plan, STS Phase2, that begins in fiscal 2023. In STS Phase 2, we have set up an aggressive investment strategy aimed at creating new value and a financial strategy using DOE, EPS, and ROE as the key performance indicators. After comprehensively considering the stock price level, which we believe is undervalued, future business plan, performance trends, etc., Shionogi has decided to acquire own shares at the maximum acquisition price and cancellation of treasury shares in order to increase shareholder return and capital efficiency by following a flexible capital policy.

DOE (Dividend On Equity attributable to owners of the parent)

EPS (basic Earnings Per Share)

ROE (Return On Equity attributable to owners of the parent)

2. Details of matters pertaining to the acquisition of own shares

Class of shares to be acquired	Common stock of the Company
Total number of shares to be acquired	12,500,000 shares (maximum) (4.2% of total outstanding shares [excluding treasury shares])
Total amount of acquisition cost	75 billion yen (maximum)
(1) Period of acquisition	August 1, 2023, to March 31, 2024
(2) Method of acquisition	Acquire in the open market through discretionary trading in Tokyo Stock Exchange

Depending on investment opportunities, market environment and other factors, it is possible that no share repurchase, or a share repurchase of only a portion of the above, will be carried out.

3. Details of matters pertaining to the cancellation of treasury shares

(1) Class of shares to be cancelled	Common stock of the Company
(2) Number of shares to be cancelled	All of the shares acquired as stated in 2 above
(3) Scheduled date of cancellation	April 17, 2024 (planned)

(Reference) Treasury stockholding as of June 30, 2023

Total number of shares issued (excluding treasury stock) 297,305,423 shares

Number of shares of treasury stock 10,080,742 shares

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.

References

1. Revision of the Medium-Term Business Plan STS2030 Accessed June 1, 2023. Available at: https://www.shionogi.com/global/en/news/2023/6/e20230601_3.html

For Further Information, Contact:

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