

Notice Regarding the Dissolution of Joint Ventures and Share Transfer Agreement with Ping An Insurance (Group) Company of China, Ltd.

OSAKA, Japan, December 23, 2024 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.; hereafter "Shionogi") today announced that, at a meeting held on December 23, 2024, its Board of Directors, resolved to acquire all shares of the Ping An-Shionogi Co., Ltd. and Ping An-Shionogi (Hong Kong) Limited. joint ventures with subsidiaries of Ping An Insurance (Group) Company of China, Ltd. (Headquarters: Guangdong Province, China; hereinafter "Ping An"), thereby dissolving the joint ventures and making both companies wholly-owned subsidiaries.

I. Reason for Dissolution of the Joint Venture

On July 24, 2020, Shionogi entered into an agreement to establish a joint venture with two subsidiaries of Ping An: Ping An Life Insurance Company of China, Ltd. (headquartered in Guangdong, China, hereinafter "Ping An Life") and Tutum Japan Healthcare Limited (headquartered in the Cayman Islands, hereinafter "Ping An Overseas"), an indirect subsidiary of Ping An and a subsidiary of China Ping An Insurance Overseas (Holdings) Limited. The agreement was made between these entities and our subsidiary, Shionogi (Hong Kong) Co., Ltd. (headquartered in Hong Kong, hereinafter "Shionogi (Hong Kong)"). The joint ventures, Ping An-Shionogi Co., Ltd. and Ping An-Shionogi (Hong Kong) Limited., were established in Shanghai and Hong Kong to engage in joint business activities in Asia, including China^{1, 2, 3}. In China, Ping An-Shionogi Co., Ltd. and Ping An-Shionogi (Hong Kong) Limited., since their establishment, have made progress with certain Shionogi original drugs such as a New Drug Application and early use in medical special zones of cefiderocol, an antibiotic for Gram-negative bacterial infections^{4, 5}, and in Singapore, the approval of ensitrelvir (product name in Japan: Xocova® Tablets 125 mg) and cefiderocol based on SAR* applications^{6, 7}. Regarding our initial goal of utilizing AI for drug discovery in China, we have achieved significant results through our collaboration with Ping An. By combining Ping An's advanced AI technology with Shionogi's expertise in drug discovery, we have generated multiple development candidates. After reviewing the joint venture business plan in the context of the business strategies of both Shionogi and Ping An, it was concluded that it would enhance the corporate value of both companies and contribute more to society if Shionogi focused on the research, development, sales, and manufacturing of new drugs in China and Ping An concentrated on its core businesses. Therefore, it was agreed to amicably dissolve the joint venture business. Shionogi will continue to strive to contribute to patients and healthcare in China and Asia and will work to promote its business in these regions.

* SAR (Special Access Route): A pharmaceutical system unique to Singapore for importing and supplying unapproved therapeutic drugs.

II. Details of the Dissolution of the Joint Ventures

i. Content of the Dissolved Joint Venture Business and Method of Transfer of Shares

Shionogi and Ping An have agreed to dissolve their two joint ventures. Shionogi (Hong Kong) will acquire the 49% share held by Ping An Life in Ping An-Shionogi Co., Ltd., which conducts pharmaceutical research, development, manufacturing, and sales in China. Additionally, through this transfer agreement, Shionogi (Hong Kong) will acquire the 49% share held by Ping An Overseas Holdings in Ping An-Shionogi (Hong Kong) Limited.

Kong) Limited., which handles IP license management and product import/export operations across Asia.

ii. Outline of the Joint Ventures

(1) Outline of Ping An-Shionogi Co., Ltd.,

(1) Name of Company	Ping An-Shionogi Co., Ltd.
(2) Location	Room 602 Kaibin Centre, No. 199 Kaibin Road, Xuhui District, Shanghai, China
(3) Representative	Tatsumori Yoshida, Chairman and CEO
(4) Business Description	Investment, pharmaceuticals, clinical-laboratory drugs/instruments research, development, sale, etc., IT-related technology development, services
(5) Registered Capital	JPY 63,180 million
(6) Date of Founding	November 2020
(7) Fiscal-year End	December
(8) Net Assets	JPY 24,791 million (Consolidated)
(9) Total Assets	JPY 28,249 million (Consolidated)
(10) Shareholders	Shionogi (Hong Kong) 51%, Ping An Life 49%

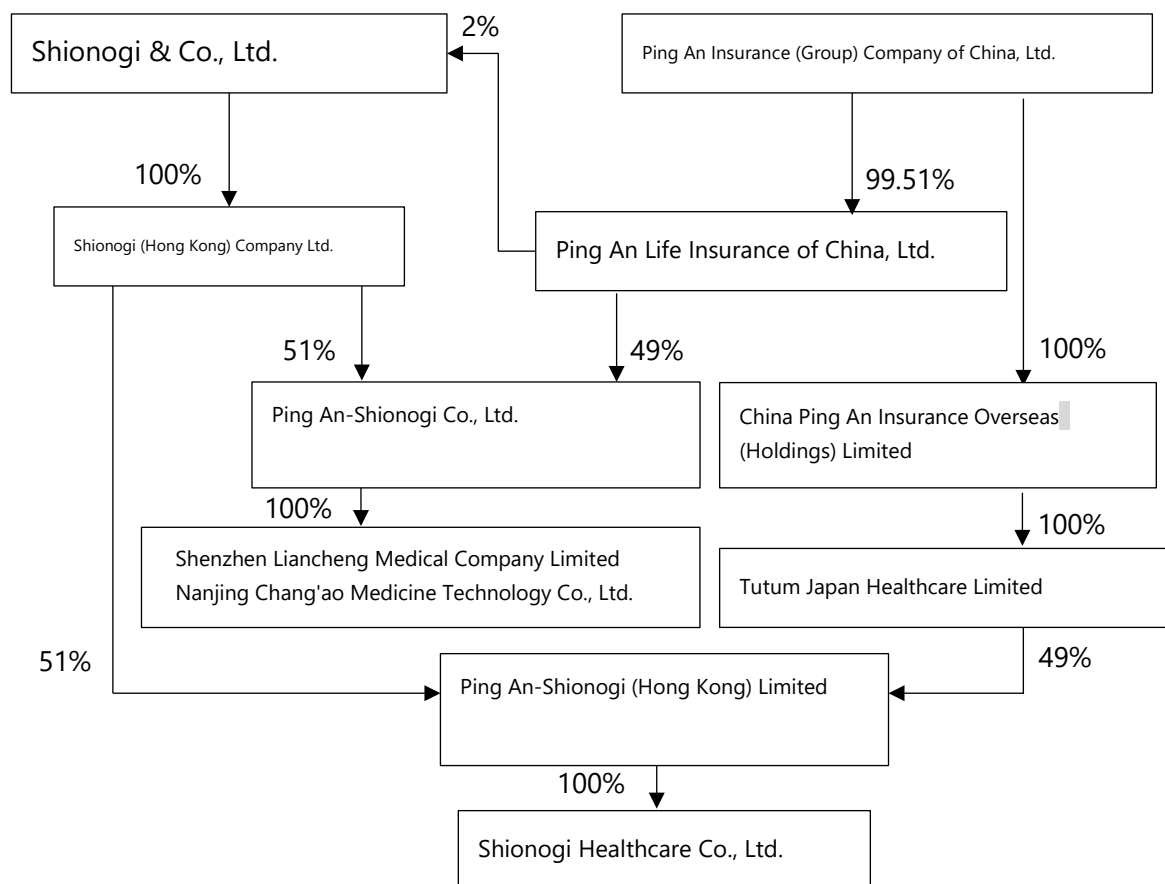
Exchange rates are based on the interim rate of JPY 100 = RMB 4.6549 as of December 31, 2023, as announced by the Bank of China.

(2) Outline of Ping An- Shionogi (Hong Kong) Limited.,

(1) Name of Company	Ping An-Shionogi (Hong Kong) Limited.
(2) Location	Room 802, The Gateway Tower 1, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, China
(3) Representative	Tatsumori Yoshida, Chairman and CEO
(4) Business Description	Equity investment, financial services, IP license management, import/export of products from/to Asian countries
(5) Capital	JPY 6,220 million
(6) Date of Founding	August 2020
(7) Fiscal-year End	March
(8) Net Assets	JPY 7,061 million
(9) Total Assets	JPY 14,055 million
(10) Shareholders	Shionogi (Hong Kong) 51%, Ping An Overseas 49%

Exchange rates are based on the interim rate of JPY 100 = HKD 5.82 as of December 31, 2023, as announced by the Hong Kong Monetary Authority.

(3) Capital Relationship Between the Joint Ventures



III. Outline of the Other Parties to the Joint Ventures

(1) Ping An Shionogi Co., Ltd., (as of December 31, 2023)

(1) Name of Company	Ping An Life Insurance Company of China, Ltd.
(2) Location	14th, 15th, 16th, 37th, 41st, 44th, 45th and 46th Floors, Ping An Finance Center, No.5033 Yi Tian Road, Futian District, Shenzhen, Guangdong Province, China
(3) Representative	Yang Zheng, Chairman
(4) Business Description	Life insurance
(5) Capital	JPY 527,416 million
(6) Date of Founding	December 17, 2002
(7) Number of Shares Issued	33,800,000,000 shares
(8) Fiscal-year End	December
(9) Number of Employees	48,556
(10) Main Customers	Private individuals
(11) Main Banks	Bank of China, Industrial and Commercial Bank of China, China Construction Bank, Ping An Bank

(12)	Major Shareholders and Shareholding Ratios	Ping An Insurance (Group) Company of China, Ltd.	99.51%	
(13)	Relationship Between the Parties			
	Capital Relationship	The company holds 6,356,000 shares of Shionogi's common stock, which represents 2.21% of the issued shares.		
(14)	Personal Relationship	There is no relationship to be disclosed between the parties.		
	Transactional Relationship	There is no relationship to be disclosed between the parties.		
	Status as Related Party	There is no relationship to be disclosed between the parties.		
	The consolidated financial performance and financial position of the company for the past three years. (million JPY)			
	Fiscal-year End	December, 2021	December, 2022	December, 2023
	Net Sales	13,707,480	6,597,054	7,583,173
	Operating Income	1,082,838	1,576,940	1,452,113

Exchange rates are based on the interim rate of JPY 100 = RMB 4.6549 as of December 31, 2023, as announced by the Bank of China.

(2) Other Party to Ping An Shionogi (Hong Kong) Co., Ltd., (as of December 31, 2023)

(1)	Name of Company	Tutum Japan Healthcare Limited
(2)	Location	4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands
(3)	Representative	KUI Kaipin, Director
(4)	Business Description	Investment Holding
(5)	Capital	JPY 4,000,000,000
(6)	Date of Founding	March 29, 2019
(7)	Number of Shares Issued	3
(8)	Fiscal-year End	December
(9)	Number of Employees	N/A
(10)	Main Customers	N/A
(11)	Main Banks	Bank of China
(12)	Major Shareholders and Shareholding Ratios	100% held by China Ping An Insurance Overseas (Holdings) Limited
(13)	Relationship Between the Parties	
	Capital Relationship	There is no relationship to be disclosed between the parties.
	Personal Relationship	There is no relationship to be disclosed between the parties.

Transactional Relationship	There is no relationship to be disclosed between the parties.
Status as Related Party	There is no relationship to be disclosed between the parties.

(3) Outline of Parent Company of Other Parties to the Joint Ventures (as of December 31, 2023)

(1)	Name of Company	Ping An Insurance (Group) Company of China, Ltd.		
(2)	Location	Ping An Finance Center, No. 5033 Yi Tian Road, Futian District, Shenzhen, Guangdong Province, China		
(3)	Representative	Ma Mingzhe, Chairman		
(4)	Business Description	Insurance Business, Banking Business, Asset Management Business, Technology Business		
(5)	Capital	JPY 391,205 million		
(6)	Date of Founding	March 21, 1988		
(7)	Number of Shares Issued	10,762,657,695 A-Shares, 7,447,576,912 H-Shares		
(8)	Fiscal-year End	December		
(9)	Number of Employees	288,751		
(10)	Main Customers	—		
(11)	Main Banks	—		
(12)	Major Shareholders and Shareholding Ratios	CP Group Ltd.	5.84% (H-Shares)	
		Shenzhen Investment Holdings Co., Ltd.	5.29% (A-Shares)	
(13)	Relationship Between the Parties			
	Capital Relationship	There is no relationship to be disclosed between the parties.		
(14)	Personal Relationship	There is no relationship to be disclosed between the parties.		
	Transactional Relationship	There is no relationship to be disclosed between the parties.		
	Status as Related Party	There is no relationship to be disclosed between the parties.		
	The consolidated financial performance and financial position of the company for the past three years. (million JPY)			
	Fiscal-year End	December, 2021	December, 2022	December, 2023
	Net Sales	25,359,169	18,912,436	19,630,690
	Operating Income	3,000,816	3,068,572	2,596,253

Exchange rates are based on the interim rate of JPY 100 = RMB 4.6549 as of December 31, 2023, as announced by the Bank of China.

IV. Schedule

Dissolution Date (Stock Acquisition Date)

Ping An-Shionogi Co., Ltd.: March 2025 (planned)

Ping An-Shionogi (Hong Kong) Limited.: January 2025 (planned)

V. Future Outlook

Following the dissolution of the joint ventures and the acquisition of all shares in the joint venture companies by Shionogi (Hong Kong), Ping An Shionogi Co., Ltd. and Ping An-Shionogi (Hong Kong) Limited. will become 100% subsidiaries of Shionogi. In the future, we will fully integrate the two joint ventures as wholly owned subsidiaries, while accelerating our focus on the new drug business. At the same time, we will establish a new structure that can contribute to the globalization of the SHIONOGI Group. Additionally, Shionogi Healthcare Co., Ltd. (currently a 100% subsidiary of Ping An-Shionogi (Hong Kong) Limited. is expected to become a 100% subsidiary of Shionogi.

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: March 30, 2020](#)
Notice Regarding the Signing of the Basic Agreement with Ping An Insurance for a Capital and Business Alliance including the Disposal of Treasury Shares by Way of Third-Party Allotment
2. [Press Release: July 13, 2020](#)
Notice Regarding the Signing of the Agreements on the Establishment of the Joint Ventures with Ping An Insurance, the Establishment of a New Subsidiary, the Signing of the Agreements on Transfer of Subsidiary Shares and Equity Stakes, and the Disposal of Treasury Shares by Way of Third-Party Allotment
3. [Press Release: July 27, 2020](#)
Notice Regarding the Execution of the Agreements on the Establishment of the Joint Ventures with Ping An and the Disposal of Treasury Shares by Way of Third-Party Allotment
4. [Press Release: January 31, 2024](#)
Cefiderocol is approved for clinical use in Boao Lecheng International Medical Tourism Pilot Zone, Hainan, China
5. [Press Release: August 5, 2024](#)
New Drug Application of Novel Siderophore Cephalosporin Antibiotics, Cefiderocol, Accepted in China

6. [Press Release: December 19, 2023](#)
Execution of Sub-license Agreement from Ping An-Shionogi Hong Kong to Juniper Therapeutics and SAR approval in Singapore regarding ensitrelvir fumaric acid, a treatment drug for the novel coronavirus infection (COVID-19)
7. [1st Quarter of Fiscal 2024 Financial Results, page 9](#)