SHIONOGI & CO., LTD.

Notice Regarding Completion of Cancellation of Treasury Shares

(Cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act)

Osaka, Japan, January 10, 2017 - Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced that, as resolved at the meeting of the Board of Directors held on October 31, 2016, it completed cancellation of treasury shares pursuant to the provisions of Article 178 of the Companies Act effective today.

1. Class of shares cancelled — Common stock of the Company
2. Total number of shares cancelled — 22,000,000 shares (6.27% of total outstanding shares before cancellation)
3. Date of cancellation — January 10, 2017

(Reference)

Total number of shares issued (after cancellation)	329,136,165 shares
Number of treasury shares (after cancellation)	10,347,015 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, unavailability 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:

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