Press Release

Notice of Revisions to Dividend Forecasts (Divident Increase)

OSAKA, Japan, April 26, 2021 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President and CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced today that it has made the following revisions to its dividend forecasts for the fiscal year ending March 31, 2021 (fiscal 2020; April 1, 2020 – March 31, 2021). The dividend forecasts were originally announced on May 11, 2020.

1. Revisions to Dividend Forecasts

Revisions to dividend forecasts for the fiscal year ending March 31, 2021

	Dividends per share (yen)		
	End of second quarter	Year end	Annual
Previous forecast (May 11, 2020)		53.00	106.00
Revised forecast		55.00	108.00
Current fiscal year (ending March 31, 2021)	53.00		
Previous fiscal year (ended March 31, 2020)	50.00	53.00	103.00

2. Reasons for Revisions to Dividend Forecasts

Shionogi strives to maximize corporate value while balancing investment in growth and shareholder return, and to share the benefits of mid-to-long term profit growth with shareholders. Consistent with that intention, the Company plans to stably increase its consolidated dividends, with a DOE of 4% or higher as an index.

In fiscal 2020, we announced the Medium-Term Business Plan “Shionogi Transformation Strategy 2030 (STS2030)”, and we have been transforming ourselves from a pharmaceutical company that mainly provides ethical drugs to a “HaaS[1] company” that continues to provide comprehensive healthcare services to society.

While the sales and profits decreased year-on-year due to the impact of expansion of the novel coronavirus infectious disease (COVID-19) and transient factors, as a HaaS company, we have been driving forward various efforts to offer a more comprehensive solution to the problems of patients and society.

Vaccine, a new business, has made major advances in a year, including the start of clinical trials of the COVID-19 vaccine and the construction of production facilities, and is proceeding consistently as a mid-to-long term business foundation. Furthermore, to build the foundation for business expansion, Shionogi achieved the establishment and start of business of "Ping An-Shionogi", the joint ventures with Ping An Group in China, and the reinforcement of a foundation for growth as CDMO[2] of Shionogi Pharma Co., Ltd., a consolidated subsidiary for drug manufacturing, by acquiring shares of Nagase Medicals Co., Ltd. and making it a subsidiary. In the overseas business,cefiderocol, a new treatment for multidrug-resistant Gram-

negative bacterial infectious disease, increased its sales, and was adopted in a subscription reimbursement model[3] in two countries, showing a steady launch as a promising therapeutics that contributes to the threat of infectious diseases. In R&D activities as well, we made progress almost as planned by aggressively investing mainly in core 8 projects and coronavirus-related projects such as vaccines and therapeutic drugs.
In addition to the progress of these efforts, the sales of the relevant anti-HIV drugs by ViiV Healthcare Ltd. (hereafter "ViiV"), the UK-based global specialist HIV company, in which Shionogi holds shares, have grown steadily in fiscal 2020, and strong royalty payment and stable amount of dividend were received from ViiV. Cabotegravir, a new long-acting anti-HIV drug launched in Europe and the United States, is expected to bring further growth to ViiV's business in the future.

As in the previous year, in fiscal 2020 Shionogi also acquired its own shares (8,777,500 shares, the total value of shares acquired was approximately 50 billion yen) in order to increase shareholder return and capital efficiency, following its flexible capital policy, aligned with a consistent business progress.

As a result of comprehensively considering the above progresses, current financial condition, and EPS, DOE, ROE values, which are shareholder return-indicators in STS2030, Shionogi plans to increase its year-end cash dividend by two yen per share, revising the previously announced dividend of 53 yen to 55 yen per share. Together with the interim cash dividend, Shionogi will therefore pay annual cash dividends of 108 yen per share, an increase of 5 yen per share from the prior fiscal year.

1：Healthcare as a Service; Provide a range of healthcare services in line with customer needs, rather than only supplying pharmaceuticals.
2：Contract Development and Manufacturing Organization
3：A subscription reimbursement model which allows the country to receive antibiotics when needed, instead of paying a fixed fee to the developer, and delinks payment from volume of use

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.

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