



Viewed from any direction, this monument at the Shionogi Pharmaceutical Research Center (Toyonaka, Osaka Prefecture) reveals the form of the traditional FUNDOKU counterweight that inspired the SHIONOGI Group's brand symbol and expresses our pursuit of accuracy.

SHIONOGI's Responsibilities

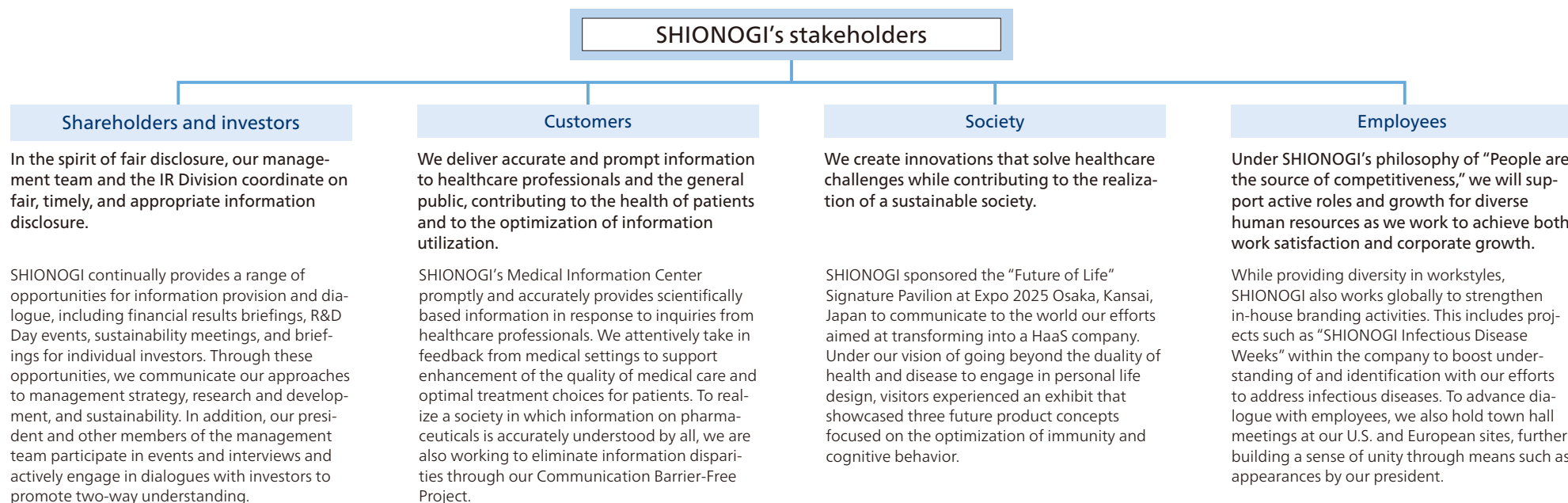
Upholding a responsible attitude in every aspect of business is essential to contributing to the realization of a sustainable society. While building trust through dialogue with stakeholders, giving due consideration to human rights and the environment, and reinforcing and transforming our governance structure, SHIONOGI is fulfilling its responsibilities as a company. This section introduces the initiatives that undergird our sustainable growth.

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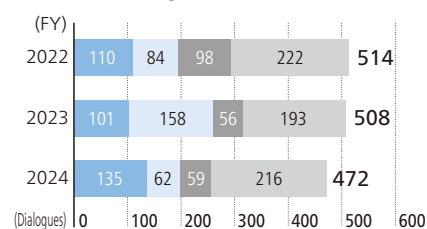
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Engagement with Stakeholders

SHIONOGI aims to build a sustainable society by creating corporate and social value through engagement with its four stakeholder groups: shareholders and investors, customers, society, and employees.



Number of dialogues with investors*



■ Overseas investors (correspondence with the President)
 ■ Investors in Japan (correspondence with the President)
 ■ Overseas investors (correspondence with the Corporate Communications Department)
 ■ Investors in Japan (correspondence with the Corporate Communications Department)

* The method of collecting this data changed from FY2024 (This data includes R&D Day Information session participants in FY2022 and 2023)



Facing Patients Beyond Prescriptions: The Mission and Challenges of the Frontline Medical Information Center | SHIONOGI



Androids in the "Future of Life" @FUTURE OF LIFE / EXPO2025



Shionogi Inc. town hall meeting in fiscal 2024

Protect the Environment

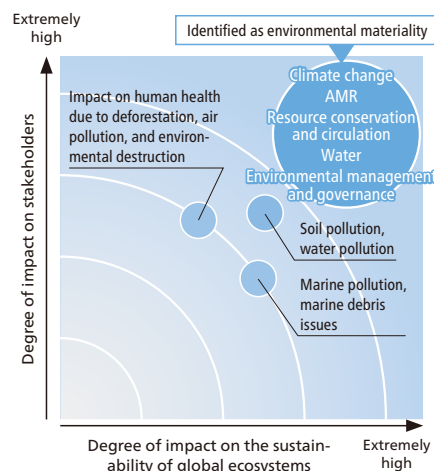
SHIONOGI has established the SHIONOGI Group EHS Policy and the SHIONOGI Group EHS Code of Conduct, and has identified climate change, antimicrobial resistance (AMR), resource conservation and resource circulation, water risk and water resources, and environmental management and governance as environmental materiality. Furthermore, we have set SHIONOGI Group EHS Action Targets as medium- to long-term goals and are working on activities to achieve these goals throughout the value chain, including the planning and promotion of environmental investments.

Environmental management and governance

SHIONOGI has established a comprehensive management system to oversee EHS activities across the entire Group. The Executive Officer and Executive General Manager of the Sustainability Management Division serves as the overall supervisor, coordinating efforts with EHS functions at each business site and Group company. Key matters related to EHS activities, such as environmental materialities and medium- to long-term action targets, are determined through deliberation and resolution at Corporate Executive and Board of Directors meetings. We also conduct annual management reviews to assess performance and drive continuous improvement, working to maintain and enhance EHS standards.

Identification of environmental materialities and priority issues

To protect the environment, one of SHIONOGI's material issues (materialities), we have identified climate change, AMR, resource conservation and circulation, water, and environmental management and governance as environmental materialities—priority environmental topics. These were selected based on the potential impact of our business activities on global ecosystem sustainability and stakeholders. For each of these issues, we have set medium- to long-term EHS action plans, working to achieve them across our entire value chain.



SHIONOGI Group EHS Action Targets (Environment)

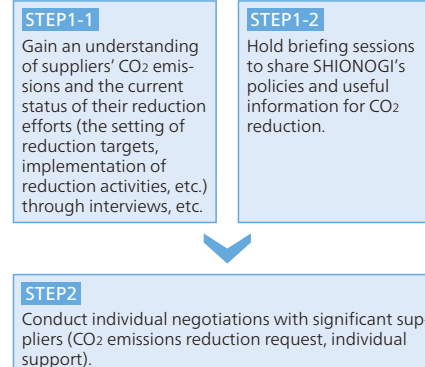
			FY2024 Results	FY2030	FY2035	FY2050
Climate change	GHG emission reduction (FY2019 benchmark)	CO ₂ emissions (Scope 1+2)	23.3% reduction	46.2% reduction	60% reduction	Carbon neutral
		CO ₂ emissions (Scope 3 Category 1)	12.0% reduction	20% reduction	—	
Resource conservation and circulation	Waste management	Final disposal rate	0.7%	—	1% or less	—
		Plastic waste recycling rate	36%	—	65% or more	—
Water		Water resource return rate (water discharge volume/water withdrawal volume)	90%	—	85% or more	—

For details on environmental materiality, please refer to our company website.

Efforts to address climate change

As part of our climate change initiatives—positioned as a key component of our management strategy—SHIONOGI is working to reduce the environmental impact of our business activities. To reduce Scope 1 and 2 emissions, we are promoting the introduction of renewable energy and energy-efficient equipment. For Scope 3 reductions, recognizing that reductions across the entire supply chain require collaboration with suppliers, we are actively engaging with our supply chain engagement.

Supplier engagement implementation process



Protect the Environment

Information disclosures based on the TCFD recommendations

 For the table of risks and opportunities and details, please refer to our company website.

Governance

We have established a system in which the Board of Directors oversees climate change-related risks and opportunities, while the Corporate Executive Meeting deliberates on and executes strategies and countermeasures. We have also appointed the Executive Officer and Executive General Manager of the Sustainability Management Division as the risk owner for climate change.

Strategy

Countermeasures for climate change risks identified as important under our company-wide risk management system are developed and implemented within the framework of the SHIONOGI Group Companywide EHS Committee and Energy Conservation Committee, where the Executive Officer and Executive General Manager of the Sustainability Management Division serves as chairperson in his role as Corporate Officer in Charge of EHS.

Risk management

We analyzed transition risks, physical risks, and opportunities where climate change affects business activities, examining financial impact and business resilience under 1.5°C and 4°C scenarios, and evaluated response priorities. We identified the following high-priority climate change risks as: (1) introduction of carbon pricing, (2) impact on raw material procurement due to locally abnormal weather and rising temperatures, and (3) rising sea levels.

Indicators and targets for climate change measures

We have established reduction of greenhouse gas (CO₂) emissions as an indicator aimed at climate change risk reduction, and by setting specific reduction targets as one of our medium- to long-term action targets related to EHS, we are promoting effective activities.

Overview of the assessment of risks and opportunities related to climate change

Classification		Main risks and opportunities	Details of the anticipated risks and opportunities	Single-year financial impact for FY2030*	
				1.5°C scenario	4°C scenario
Transition risks	Policy	Introduction of carbon pricing	New regulations put in place on manufacturing, procurement, and other business activities, such as introducing and expanding carbon taxes, emissions regulations, and emissions trading systems	Medium	Small
		Tougher energy-saving regulations	Energy-saving regulations for manufacturing facilities becoming tougher than the annual average reduction of 1% or more in energy consumption per unit required by the current Act on Rationalization of Energy Use and Shift to Non-fossil Energy, resulting in additional capital investment	Small	Small
Physical risks	Acute	Impact on raw material procurement due to locally abnormal weather and rising temperatures	Procurement of biological raw materials becoming difficult because of the adverse effects of rising temperatures on growth and yield, quality, price, and other factors	Large	Large
		Damage to supply chain facilities due to intensifying storm and flood damage	Disruption or suspension of supply chain operations caused by locally abnormal weather (such as typhoons and sudden downpours) and associated disasters (equipment damage, flooding, power outages, and other damage)	Small	Small
	Chronic	Rising sea levels	Plants or other operating sites becoming inoperable due to rising sea levels	Large	Large
Opportunities	Market	Cultivation of new markets and regions through research and development of new medicinal products	Application of the technologies and expertise that SHIONOGI has cultivated to the treatment of other diseases	Small	Small
		Switching to ecofriendly low-carbon containers and packaging	Cost reduction resulting from replacement with environmentally friendly packaging materials	Small	Small

* Financial impact: Large: 10 billion yen or more; Medium: 1 billion yen to less than 10 billion yen; Small: less than 1 billion yen

Identified risk	Risk response policy
Introduction of carbon pricing	The possibility of the identified risks becoming reality in the medium term is relatively high, since carbon pricing has already been introduced in some countries and is under consideration in Japan. Therefore, we will mitigate the risks by implementing medium- to long-term activities to reduce our greenhouse gas (GHG) emissions.
Impact on raw material procurement due to locally abnormal weather and rising temperatures	We have defined the worst case scenario as the situation where quality testing cannot be conducted because lysate reagents made from the blood components of horseshoe crabs cannot be procured due to their decreasing population caused by climate change, leading to the suspension of shipments of some of our main medicinal products. However, reagent manufacturers are engaged in activities to preserve horseshoe crabs. Also, even if procurement of lysate reagents becomes difficult, alternative reagents using genetically modified proteins exist. Therefore, although the long-term possibility cannot be ruled out, we will retain the risk, judging that the probability of the risk manifesting by 2030 is extremely low at this point.
Rising sea levels	There is no doubt about the long-term trend of rising sea levels caused by climate change, and we have set the worst case scenario as the situation where sea level rise may adversely affect operations at some of our key manufacturing sites located in particularly low-lying areas. However, the average sea level rise along the coasts of Japan over the period from 2031 to 2050 is projected to be less than 0.2 m. Therefore, although the long-term possibility cannot be ruled out, we will retain the risk, judging that the probability of the risk manifesting by 2030 is extremely low at this point.

Protect the Environment

Responsible response to water environment conservation and AMR

Aiming for sustainable use of water resources, we have set a goal of achieving a water resource return rate of 85% or higher by fiscal 2035, without relying on increased water intake associated with business expansion. The water resource return rate is the ratio of discharged water to intake water, and serves as an indicator of how much purified water can be returned to the watershed that serves as the intake source. To return limited water resources to local communities and minimize impact on watersheds, we are promoting continuous improvement activities at the operational level. Furthermore, deeply recognizing that environmental discharge associated with the manufacturing and use of antimicrobials is one of the contributing factors to AMR, we conduct thorough wastewater treatment and strict environmental discharge management in antimicrobial manufacturing processes, not only at SHIONOGI factories but also in collaboration with suppliers. These efforts comply with guidelines and standards established by WHO and the AMR Industry Alliance. Going forward, we will continue to promote responsible antimicrobial manufacturing practices, including advancing certification acquisition for discharge management in SHIONOGI's antimicrobial manufacturing processes.

Resource conservation and circulation initiatives

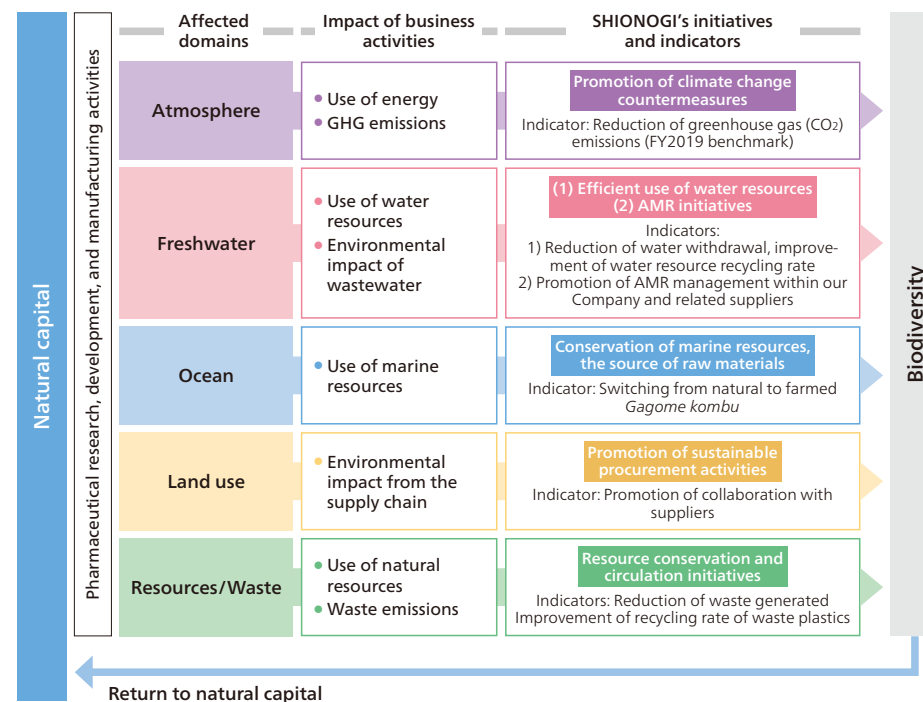
For pharmaceuticals for which SHIONOGI develops manufacturing methods, we consider resource conservation and circulation from the development stage, with commercial manufacturing in mind. In product packaging as well, we are working on resource conservation and circulation by eliminating shrink packaging of individual boxes, among other measures.



Our approach to nature and biodiversity

Under our EHS Management Secretariat, we are promoting consideration for biodiversity across all business activities. Recognizing that we benefit from natural capital in each value chain of pharmaceutical research, development, manufacturing, distribution, and sales, we strive to reduce negative impacts through initiatives for each item identified in our environmental materialities. We also work to achieve harmony with nature through initiatives such as conserving green spaces around factories and coexisting with local natural environments. Furthermore, we support international goals such as the 30by30 target and contribute to realizing a sustainable society by analyzing and evaluating our relationship with nature using the TNFD framework as a reference.

SHIONOGI's initiatives for natural capital



Protect Human Rights

In recent years, with the expansion of supply chains accompanying business globalization, human rights issues have become more serious and demands for addressing them have increased. SHIONOGI aims for further globalization of business in the Medium-Term Business Plan STS2030 Revision, and we recognize respecting the rights of those involved in our operations as a responsibility that companies should fulfill and as necessary for realizing our management strategy.

Policy and framework

In accordance with the New SHIONOGI Group Code of Conduct and the SHIONOGI Group Human Rights Policy established based on the UN Guiding Principles on Business and Human Rights (UNGPs), we strive to respect human rights of all individuals potentially affected by our business activities. Under our company-wide risk management system involving the Corporate Executive Meeting and Board of Directors, the Corporate Governance Department serves as the supervising organization and implements measures in collaboration with relevant departments.

History of SHIONOGI's human rights policy development

Year/Month	Details
December 2020	Implementation of human rights risk assessment (identification of important human rights issues)
January 2021	Revision of SHIONOGI Group Code of Conduct
March 2021	Establishment of SHIONOGI Group Human Rights Policy
September 2021	Initial disclosure of statement on modern slavery and human trafficking (disclosed annually thereafter)
November 2021	- Revision of SHIONOGI Group Procurement Policy - Establishment of SHIONOGI Group Business Partner Code of Conduct
July-August 2022	Implementation of human rights impact assessment (supplier engagement for 4 commodity items, investigation of foreign worker conditions)
April 2025	Establishment of New SHIONOGI Group Code of Conduct (successor to Code of Conduct)

material and component manufacturing regions, as well as those affecting foreign workers, and disclosed the results on our website. We have also established grievance mechanisms aimed at victim relief and conduct regular dialogue with external experts.

Human rights education

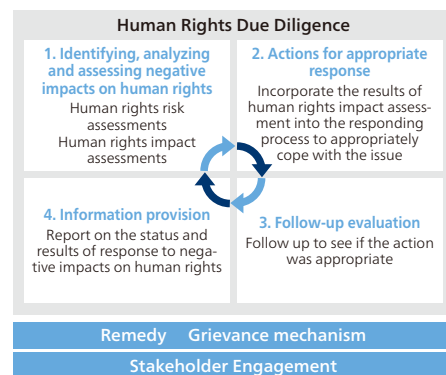
Based on the SHIONOGI Group Human Rights Policy, we continuously provide education on business and human rights to all executives and employees. This is because business and human rights perspectives must be integrated into all business activities, and matters defined in the policy need to be effectively implemented. To prevent human rights risks from materializing, our employee education encourages individuals to review their own work and that of their organization from a human rights perspective, deepening their understanding of the connection between work and human rights.

Employee education results

Fiscal Year	Details	Target/Number of People	Participation Rate (%)
2020	- Lectures by external experts - Workshops on human rights risk assessment	Executives and Directors at General Manager level and above 61	—
2021	- Cases of human rights violations in supply chains - Status of human rights-related legal framework - Human rights issues in Japan - SHIONOGI Group Human Rights Policy - SHIONOGI's human rights risk assessment - One's own work and human rights	Employees 5,311	89.6
2023	- UN Guiding Principles on Business and Human Rights - Status of human rights-related legal framework - Introduction to human rights issue cases in Japan	Employees 4,153	89.6
2024	- Human rights due diligence for responsible corporate behavior - Human rights and environment	Employees 4,549	93.1
2025	- Lectures by external experts - Workshops on potential human rights issues in the value chain	Executives and Directors at General Manager level and above 75	—

Human rights due diligence

Human rights due diligence is conducted in accordance with UNGPs. Through the human rights risk assessment conducted in 2020, we identified 30 risk items across our value chain and identified important human rights issues through dialogue with internal and external stakeholders. In particular, we have assessed the impact of working conditions in raw



 For more information on our human rights initiatives, please visit our website.

President Isao Teshirogi and Yoriko Goto Dialogue



Beyond the evolution of governance - enhancing corporate value through diverse perspectives

Isao Teshirogi, Ph.D.

Representative Director, President and CEO
Shionogi & Co., Ltd.

Graduated from the University of Tokyo Faculty of Pharmaceutical Sciences, joined Shionogi & Co., Ltd. in 1982. In 1987, stationed at the New York office in the United States. Returned to Japan in 1991 and was assigned to the Development Government Affairs Department, but was stationed in the United States again from 1994 to 1997 on secondment to a capsule company. After returning to Japan, worked in the President's Office and in 1999 became General Manager, Secretary Office and General Manager, Corporate Planning Department. Became Director in 2002, Executive General Manager, Pharmaceutical Research & Development Division in 2004, Senior Executive Officer in 2006, and Representative Director and President of the Company in April 2008. Assumed current position in July 2022.

SHIONOGI's governance structure has evolved uniquely as a company with a Board of Corporate Auditors, deepening the involvement of Outside Directors. In June 2025, we transitioned to a company with an Audit and Supervisory Committee, aiming for further improvement in management quality. In this dialogue, Outside Director (Audit and Supervisory Committee Chairperson) and Representative Director, President and CEO discuss the background and significance of this institutional

Yoriko Goto

Certified Public Accountant

Graduated from Keio University Faculty of Economics. Joined Deloitte Haskins and Sells International (now Deloitte Touche Tohmatsu LLC) in 1983, primarily engaged in audit services for major financial institutions. Served as Executive Officer in charge of Financial Services at Deloitte Touche Tohmatsu LLC, among other positions. Has nine years of experience stationed in the United States, and from 2012 to 2015 participated in the World Economic Forum in Davos as the only female representative of Deloitte. Was appointed Chairperson of the Board of Deloitte Tohmatsu Group in 2018. Outside Audit and Supervisory Board Member of Shionogi from June 2023, Outside Director (Member of the Audit and Supervisory Committee) from June 2025.

transition, as well as the ideal governance approach for sustainable enhancement of corporate value.

What we aim to achieve through the transition to a company with an Audit and Supervisory Committee

Goto When I first looked at our Company's governance structure, I was initially surprised that despite being a company with a Board of Corporate Auditors, Outside Directors

had comprised a majority for over ten years, and both Nomination and Compensation Advisory Committees were functioning effectively. The Board of Directors had an atmosphere where everyone, including outside auditors, could speak freely, and I felt that operations were substantially very advanced. What was particularly impressive was that the executive side welcomed outside perspectives. I could see how they faced questions and concerns about agenda items head-on, and through these exchanges, the quality of explanations improved.

Teshirogi Starting in 2009, we gradually invited outside members to participate, taking time to build our structure. We shared important agenda information with our outside corporate auditor in advance and encouraged their input, so board discussions were lively and sometimes extended for long periods. Outside officers' observations often improved the precision of executive decision-making, and I believe we had reached near-perfection as a company with a Board of Corporate Auditors. However, no matter how substantially our outside auditors were involved, they ultimately couldn't participate in final voting, and I felt this was a structural limitation. There were several reasons for our recent transition to a company with an Audit and Supervisory Committee, but this was the biggest factor.

Goto I did feel I had ample opportunities to speak at both board meetings and the two advisory committees. The executive side had an attitude of carefully considering even uncomfortable opinions, and I felt there was a foundation for high-quality discussions. On the other hand, since I wasn't in a position to participate in resolutions, it was hard to see how my opinions influenced final decisions, and there were times when I felt a certain distance. Also, I wasn't able to grasp all of the executive decision-making processes through the Board of Auditors, and I felt there were structural limitations to achieving audits that could thoroughly examine appropriateness.

Teshirogi Since formulating our Medium-Term Business Plan STS2030 in 2020, we have reviewed board resolution matters on a risk basis and changed our operations to

President Isao Teshirogi and Yoriko Goto Dialogue

delegate as much as possible to the field level. Accordingly, the board needs a structure that can properly address important management decisions, and I see this transition to a company with an Audit and Supervisory Committee as an extension of these governance reforms.

Expectations for Members of the Audit and Supervisory Committee and their new roles

Goto Through this transition, I now have voting rights as a Director and Member of the Audit and Supervisory Committee, and I feel my responsibilities have become heavier. While auditing is generally seen as a “stopping” role, I believe proposal-driven auditing that encourages “this is how things should be” and “this is how we should proceed” is the future. I feel that perspectives for evaluating the appropriateness of decision-making and attitudes for grasping field realities through dialogue with employees are becoming more important.

Teshirogi At your suggestion, we have set aside time for reports from the Audit and Supervisory Committee at the beginning of board meetings. By first sharing the perspectives of the members of the Audit and Supervisory Committee, the direction of subsequent discussions becomes clearer, and we are creating a flow that allows Outside Directors to engage more proactively. Going forward, we want to accumulate such innovations while further enhancing the board's overall sense of responsibility and unity, and further refining the quality of management decisions.

Goto We are also building a system to strengthen coordination with internal auditing and keep an eye on the entire group. Previously we were on the receiving end of information, but now we aim for a relationship where internal auditing and the Audit and Supervisory Committee work together, looking in the same direction. At the same time, I want to increase opportunities for dialogue with employees to directly understand realities in the field. We Outside



Directors, especially Members of the Audit and Supervisory Committee, have a responsibility to view the Company from the inside while also examining management direction from the perspective of stakeholder representatives. Rather than just receiving explanations, we need to verify with our own eyes and ears whether the content is socially appropriate, and question it when necessary. I believe this attitude leads to trustworthy governance.

Teshirogi You are absolutely right that having you continue to question management appropriateness from an outside perspective is extremely valuable for the Company. Sometimes harsh observations help deepen our own thinking and improve the precision of our decision-making. I believe that having outside eyes prevents us from becoming too biased toward corporate logic, leading to truly open management.

Goto When I recently visited our Settsu and Tokushima plants, I witnessed employees working earnestly and conducting careful cross-departmental exchanges. What was particularly impressive was that quality control was properly rooted in the field and being implemented faithfully. At both plants, I could feel firsthand that systems were actually functioning in reality, making it a very meaningful inspection from an audit perspective.

Teshirogi This year, we plan to continue creating opportunities for you to visit our sites. For field employees too, opportunities to explain to and exchange opinions with Outside Directors serve as good occasions to reaffirm the significance of their work and the importance of accountability.

Accountability and governance that advances with growth

Teshirogi In our board with a high ratio of outside officers, how clearly we on the executive side can explain greatly influences the quality of decision-making. Rather than relying on technical terms and abbreviations, we carefully convey the overall story including background information such as the reasoning and thinking behind our

decisions, which strengthens Outside Directors' sense of conviction and creates constructive discussions. I believe such exchanges ultimately lead to decisions that support corporate growth.

Goto We, Outside Directors, are required to make multifaceted judgments within limited time.

That's why having narrative that includes background and the big picture, rather than mere reporting of facts, allows us to more accurately grasp management direction. I believe well-targeted explanations not only improve the precision of advice from Outside Directors but also provide support for approaching the larger goal of enhancing corporate value.

Teshirogi Questions from Outside Directors contain perspectives we ourselves don't notice, and these become opportunities to break management complacency and re-examine the essence of our challenges. Including harsh observations, I think the board functions as a serious arena precisely because we have open discussions. To further improve the quality of decision-making for growth, accountability and transparent discussions will become even more important going forward. Particularly in aiming for long-term corporate value enhancement, we need the resolve to fulfill accountability that looks to the future, not just short-term results. We want to build conviction about the future while gaining outside perspectives.

Goto Corporate governance should fundamentally be balanced with growth. From audit and supervisory perspectives as well, I want to continue conveying opinions so that the Company can sustainably create value.

Teshirogi I feel that our Outside Directors serve as a compass for us as we carefully determine our growth direction. Having you frankly ask “Isn't that wrong?” improves the quality of our decision-making and brings conviction to our challenges. Going forward, we want to continue open discussions backed by trust while aiming for further enhancement of corporate value.



Corporate Governance

SHIONOGI's corporate governance

Based on SHIONOGI Group Heritage (The Company Policy of SHIONOGI), SHIONOGI recognizes that its social mission is multifaceted. It involves not only providing useful and highly safe pharmaceuticals, but also offering various healthcare services tailored to customer needs, to help improve the health and medical care of people around the world and realize a high quality of life.

Guided by our firm conviction that fulfilling this mission will lead to the sustainable enhancement of corporate value, we will practice transparent and sincere management—specifically, by engaging in constructive dialogue with our stakeholders to implement the necessary measures to continuously adapt to changes in the business environment.

Transitioning to a company with an Audit and Supervisory Committee

SHIONOGI's corporate governance has constantly evolved since the early 2000s, when the Company strengthened its management foundation by focusing on its pharmaceutical business (P.67). To further advance these governance structures in anticipation of future globalization and business expansion, SHIONOGI transitioned to a company with an Audit and Supervisory Committee in June 2025. The specific purpose of transitioning is to further strengthen supervision over the Representative Director within the Board of Directors and, on that basis, establish a framework that enables the Board of Directors to distinguish between matters delegated to the executive side and those that the board itself will resolve. This will enable the board to focus on discussing medium- to long-term company-wide strategies while considering the balance with each stakeholder and delegating authority to accelerate decision-making. Furthermore, this transition aims to expand the development and operation of the internal control systems, enabling the Audit and Supervisory Committee, backed by its authority and by leveraging the internal auditing unit, to more powerfully monitor and supervise the overall decision-making process of the executive side.

In conjunction with the transition to a company with an Audit and Supervisory Committee, we reviewed the matters requiring resolution and reporting by the Board of Directors. This included expanding the scope of delegation to the executive side and explicitly specifying matters to be reported regarding business execution, thereby strengthening the board's supervisory function.

Features of SHIONOGI's corporate governance

Consider balancing among our four types of stakeholders

SHIONOGI incorporates the perspectives of its four groups of stakeholders—customers, society, shareholders and investors, and employees—in maintaining transparent and proper business management that treats its stakeholders fairly and is responsive to the expectations of society.

Diversity of the Board of Directors

To further strengthen our framework in view of the progress in our business development, SHIONOGI is building the necessary framework from the standpoint of diversity and such factors as expertise and experience. By appointing three female directors and one foreign national director, we have been striving to ensure diversity.

Management transparency

By appointing seven Outside Directors, who comprise a majority of SHIONOGI's eleven directors, we maintain a structure to advance fairer and more efficient management—which thereby increases its transparency. Also, based on our Disclosure Policy, we continue to disclose our corporate information to all of our stakeholders in a fair, timely, and appropriate manner.

Accelerating decision-making

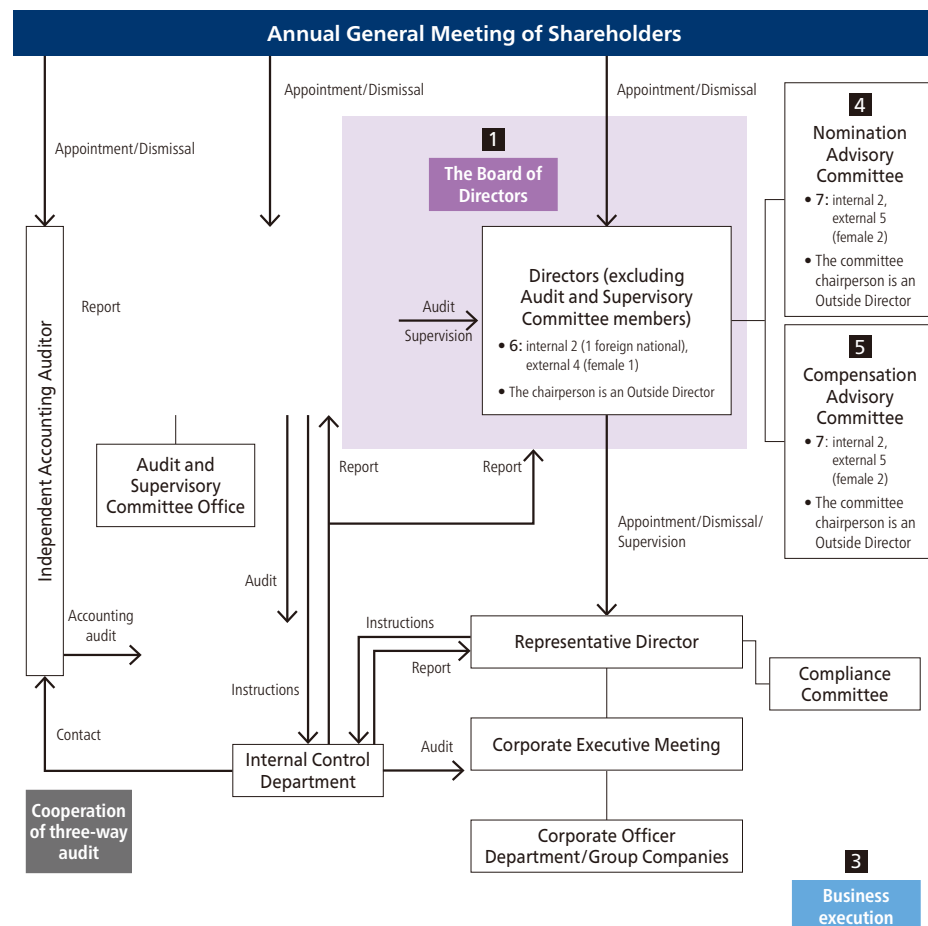
SHIONOGI defines corporate governance as the mechanism enabling the Company to make transparent, fair, prompt, and resolute decisions based on the perspectives of customers, society, shareholders, and employees. By transitioning to a company with an Audit and Supervisory Committee, we are accelerating decision-making by shifting the delegation of authority from the Board of Directors to the executive side.

Status of compliance with the Corporate Governance Code

We comply as a basic rule with the principles of the Corporate Governance Code. For more information, please see our Corporate Governance Report.

Corporate Governance

Corporate governance structure (As of July 1, 2025)



1 Board of Directors meeting Chair: Keiichi Ando (Outside Director)

We have appointed seven Outside Directors, who are a majority of our eleven directors, to further enhance supervision of the directors' execution of their duties and build more highly transparent and equitable management from the perspective of all stakeholders. Serving as independent officers, all seven are aware of SHIONOGI's corporate responsibility from an objective standpoint and are contributing to greater transparency in management.

Meetings held (FY2024)	13	Attendance	100%
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2 Audit and Supervisory Committee Chair: Yoriko Goto (Outside Director)

To ensure the legality and appropriateness of duties carried out by directors and each organization, the Audit and Supervisory Committee and the internal auditing unit conduct audits of the status of business execution as appropriate, while exchanging opinions with the Representative Director and reporting to the Board of Directors, thereby establishing a system to take necessary actions. The Audit and Supervisory Committee, composed of two standing directors and three Outside Directors, with the support of the Audit and Supervisory Committee Office, conducts business and accounting audits in accordance with corporate auditing standards to verify the legality and validity of the duties carried out by directors and others.

Reference: Board of Corporate Auditors meetings and attendance held prior to the transition to a company with an Audit and Supervisory Committee (FY2024)	11	Attendance	100%
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3 Business execution framework

SHIONOGI has introduced a corporate office system to support dynamic and flexible business operations, enabling the Group to respond rapidly to changes in the operating environment. The system is in place to oversee the organizations of the four major value chains: R&D, healthcare business, supply, and corporate, and the ten divisions operating underneath.

The Corporate Executive Meeting deliberates on important matters related to the execution of duties and management, and is composed of Internal Directors, standing Audit and Supervisory Committee members, and Senior Vice Presidents of Supervisory Units responsible for business execution. Items having a large effect on management are thoroughly deliberated by the Meeting and then decided by the Board of Directors.

Corporate Governance

4 Nomination Advisory Committee Chair: Takaoki Fujiwara (Outside Director)

The Nomination Advisory Committee, serving as an advisory body to the Board of Directors, is composed of five Outside Directors (including one Audit and Supervisory Committee member), the Representative Director, President and CEO, and one standing Audit and Supervisory Committee member, with an Outside Director serving as the chairperson. Discussions are held on topics such as the balance of expertise on the Board of Directors including the Outside Directors; criteria for appointing, reappointing, and dismissing directors; decisions on whether the president (CEO) should remain in office based on performance reviews; and the creation and implementation of succession plans for key positions such as president, directors, and Corporate Officers.

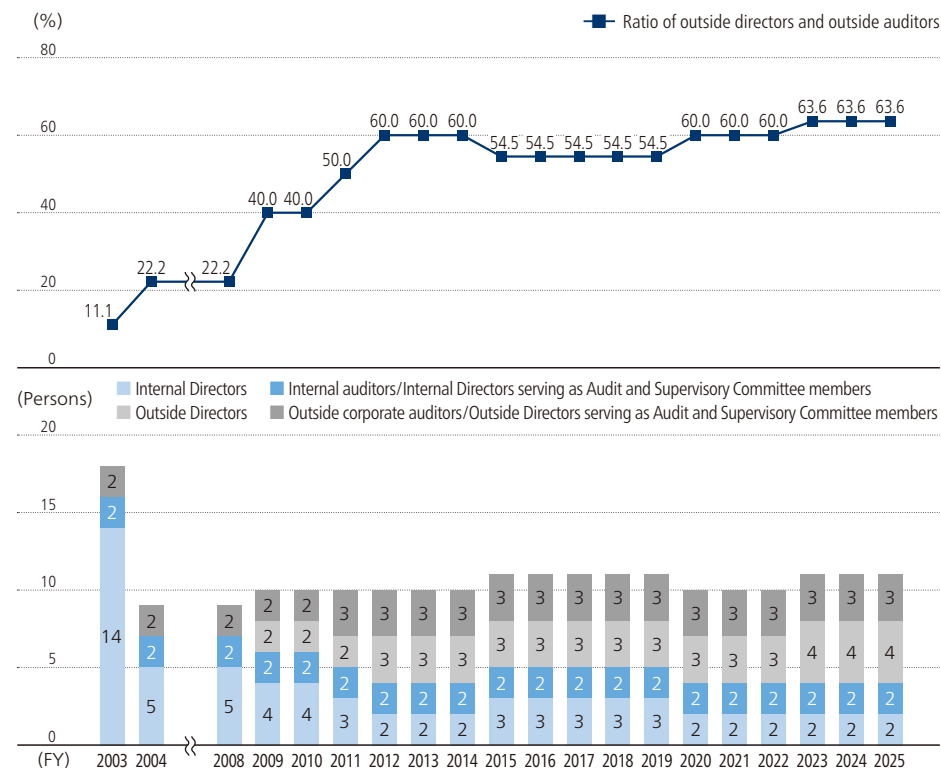
Meetings held (FY2024) 5 Attendance 100%

5 Compensation Advisory Committee Chair: Hiroshi Ozaki (Outside Director)

The Compensation Advisory Committee, serving as an advisory body to the Board of Directors, is composed of five Outside Directors (including one Audit and Supervisory Committee member), the Representative Director, President and CEO, and one standing Audit and Supervisory Committee member, with an Outside Director serving as the chairperson. Discussions are held on confirming compensation levels and various compensation ratios; performance evaluations of directors and Corporate Officers for the previous fiscal year; performance evaluation indicators for the current fiscal year; the ideal compensation system for directors, Corporate Officers, and heads of organizations, including stock-based compensation; and a compensation framework in light of the transition to a company with an Audit and Supervisory Committee.

Meetings held (FY2024) 4 Attendance 100%

Changes in corporate governance structure



2000s	2010s	2020s
- Number of internal directors reduced to five from fourteen - Introduction of corporate officer system - Appointment of outside directors - Establishment of Nomination Advisory Committee - Establishment of Compensation Advisory Committee - Start of opinion exchanges with auditors	- Majority passed to outside directors and outside auditors - Start of Information sharing meetings with outside directors - Advent of a female director - Changing composition of Nomination Advisory Committee and Compensation Advisory Committee (to majority of members now being outside directors)	- Outside director appointed chairperson of the Board of Directors - Increase in number of female directors - The performance review of the president (CEO) conducted by the Nomination Advisory Committee - Transition to a company with an Audit and Supervisory Committee - Appointment of Foreign Directors



Corporate Governance

Skills required of directors and the Board of Directors

To realize SHIONOGI Group Heritage globally and achieve the Medium-Term Business Plan STS2030 Revision, we believe it is necessary for the Company to make transparent, fair, prompt, and decisive decisions based on the perspectives of customers, society, shareholders, and employees. To enhance the supervisory function of the Board of Directors over business execution, increase management transparency, and promote highly fair management, we aim for an appropriate balance of diverse skills, including experience in management, specialized knowledge in law and finance, medical and pharmaceutical viewpoints, and knowledge and experience in international business among the directors and the Board of Directors.

Skill matrix (as of July 1, 2025)

Since 2020, SHIONOGI has revised and added to the categories of its skill matrix to align with the Company's business progress and ideal management direction. However, during the revision for fiscal 2024, the Board of Directors raised concerns that the broadening

range of skills was obscuring the Company's uniqueness. In response to this, we reorganized the skill categories mentioned below and changed the format to display only those skills in which each officer is especially expected to demonstrate expertise.

We have consolidated or renamed the previously disclosed categories as follows: "Partnering/M&A" and "Global business" are now included under "Corporate management/Management strategy"; "Legal Affairs/Compliance/Intellectual property" is now included under "Legal Affairs/Risk management"; and "New business development" is now included under "Science/Technology/Innovation." We have also added "DX promotion" as a new skill category, defined as the experience, achievements, and expertise gained through DX initiatives that enhance corporate value by driving innovation in management and strengthening the management foundation.

Please note that two categories previously included in this table through fiscal 2024—Corporate governance and SDGs/Sustainability—have been omitted from disclosure starting in fiscal 2025, because they are considered fundamental skills required of the SHIONOGI Group's officers. We continue to make use of them when considering new officer appointments and the Company's succession planning.

Directors (as of July 1, 2025)									
Name	Age	Number of years in post	Skills						
			Corporate Management/ Management Strategy	Finance/ Accounting/ Tax Affairs	Personnel & Labor/Human Resources Development/ D&I	Science/ Technology/ Innovation	Production/ Quality/ Supply Chains	Sales/ Marketing	DX Promotion
Representative Director, President and CEO Isao Teshirogi, Ph.D.	65	23	●			●	●		●
Director John Keller, Ph.D.	60	—	●			●		●	
Independent Outside Director Keiichi Ando	73	9	●	●	●				●
Independent Outside Director Hiroshi Ozaki	75	6	●			●	●		●
Independent Outside Director Takaoki Fujiwara	73	2 (5 years as Corporate Auditor)	●		●			●	
Independent Outside Director Kyoko Hirose	66	—	●		●	●			

Directors serving as Audit and Supervisory Committee members (as of July 1, 2025)									
Name	Age	Number of years in post	Skills						
			Corporate Management/ Management Strategy	Finance/ Accounting/ Tax Affairs	Personnel & Labor/Human Resources Development/ D&I	Science/ Technology/ Innovation	Production/ Quality/ Supply Chains	Sales/ Marketing	DX Promotion
Director Standing Audit and Supervisory Committee Member Noriyuki Kishida	64	— (1 year as Corporate Auditor)			●			●	●
Director Standing Audit and Supervisory Committee Member Koji Hanasaki	63	—		●		●	●		
Independent/Outside Director Audit and Supervisory Committee Member Shuichi Okuhara	57	— (5 years as Corporate Auditor)	●	●		●			●
Independent/Outside Director Audit and Supervisory Committee Member Fumi Takatsuki	50	5			●				●
Independent/Outside Director Audit and Supervisory Committee Member Yoriko Goto	66	— (2 years as Corporate Auditor)	●	●					●

* This table shows the areas in which each officer has more specialized skills expected by the SHIONOGI Group, based on each officer's career history, etc., and does not show all the skills that each individual possesses.

Corporate Governance

Succession plan

SHIONOGI has criteria to appoint, reappoint, and dismiss directors and the president (CEO), and defined the requirements necessary for the Company to conduct sustainable management and continue fulfilling its responsibilities to society. In terms of succession planning, the Nomination Advisory Committee lists Corporate Officers who are candidates to succeed the president (CEO) and directors, and conducts assessments of each candidate's current status. While confirming the experience and achievements of potential successors in relation to appointment requirements and the skill matrix, the Committee updates itself on each candidate's performance and self-improvement over the past year, in order to exchange opinions on the evaluation and development of each candidate as well as deliberate on candidate replacements.

Developing Corporate Officers and Associate Corporate Officers

Corporate Officers and Associate Corporate Officers—candidates for the next generation of management—are selected after they have gained practical management experience through opportunities such as the President's Management Seminar and appointments to Group company executive positions. We are continuously developing candidates by having them experience business execution in multiple departments and organizations to diversify skills and integrate strengths. To help evaluate their expertise and experience, we are making efforts to increase their interaction with outside directors/outside corporate auditors by having them explain proposals submitted to the Board of Directors. For Associate Corporate Officers, specifically, we hold three informal meetings that provide them with opportunities to converse with outside directors/outside corporate auditors and cultivate a mindset essential for management. We also hold networking events that bring together outside directors/outside corporate auditors, Corporate Officers, and Associate Corporate Officers,

providing a venue for outside directors/outside corporate auditors to understand the character of each management candidate. (Both informal meetings and networking events are based on FY2024 results.)



The effectiveness of the Board of Directors

Mechanisms to enhance effectiveness

Outside directors/outside corporate auditors and the President opinion exchange

Meetings that serve as a venue for the outside directors/outside corporate auditors and the President to exchange opinions are in principle held three times per year. These opinion exchanges take place with the objective of enhancing the quality of discussions at the Board of Directors meetings. Opinion exchange meetings are convened with outside directors, outside corporate auditors, and the Representative Director, President and CEO in attendance, and topics for discussion include recent trends in the healthcare industry and Company business, as well as the status of operations. Three meetings were held in fiscal 2024.

Outside directors/outside corporate auditors information exchange and study sessions/Supervisory Unit report sessions

In order to deepen understanding of SHIONOGI's business, outside directors/outside corporate auditors information exchange and study sessions, which are attended by outside directors/outside corporate auditors and senior management of SHIONOGI, are held. In fiscal 2024, tours and discussions were held at two production site plants (Settsu Plant and Tokushima Plant). Additionally, reports on the status of business execution were provided by each Senior Vice President of Supervisory Unit, sharing information on business progress and current challenges at SHIONOGI.

Analysis/Evaluation of effectiveness

The overall effectiveness of the Board of Directors for fiscal 2024 was analyzed and evaluated by the Board of Directors based on questionnaires and interviews with each director and auditor, focusing on "6. Directors and the Board (1) Framework, (3) Roles and Responsibilities, (6) Operation" based on SHIONOGI's "Basic Views and Guidelines on Corporate Governance."

Method of effectiveness evaluation



Corporate Governance

Results of analysis and evaluation for fiscal 2024 and response policy for fiscal 2025

Response policy for fiscal 2024



Implementation status and evaluation results for fiscal 2024



Response policy for fiscal 2025

Structure

We believe that the necessary structure is currently in place for such things as the selection of new foreign and female director candidates, from the standpoint of various factors, including expertise and experience, as well as diversity. However, future issues were raised in view of our expanding and changing business, such as the need to adapt to globalization. Also raised—from the perspectives of diversity, which includes expertise, and succession—were the needs to appoint the next generation of successor candidates and expand the talent pool to develop and select director candidates.

Roles and responsibilities

Regarding the reporting of the development status of management executives and its supervision, we have made significant progress in enhancing the succession plan by reviewing the performance of the president (CEO) and creating and using succession sheets for Corporate Officers. Development status was also monitored by continuing to report at meetings between outside directors/outside corporate auditors and the president to exchange opinions, and by holding informal meetings between Corporate Officers, Associate Corporate Officers, and outside directors/outside corporate auditors. Regular reports on compliance and risk management continued, leading to lively discussions at Board of Directors meetings. Furthermore, multiple proposals and reports related to sustainability and human capital were submitted to, deliberated on, and resolved at Board of Directors meetings.

Future issues have been raised for consideration— in light of changes to organizational design—from enhancing discussions on medium- to long-term management strategies, to the direction of authority delegation, to distinguishing between matters requiring resolution and those requiring reporting at Board of Directors meetings.

Operations

To further stimulate deliberations at Board of Directors meetings, regular pre-meeting explanations on board agenda items continued to be held, and reports were made as appropriate on matters resolved by the board. The Company also used off-site venues beyond Board of Directors meetings to deepen discussion and enhance the sharing of information.

In light of changes to organization design, the exploring of opportunities to provide information to directors other than Audit and Supervisory Committee members was raised as a future issue. In addition, opinions were expressed on exploring methods of explanation at Board of Directors meetings, providing materials earlier, and using opportunities outside of Board of Directors meetings to further enrich discussions.

Based on these evaluation results, we will continue to make improvements to ensure that the Board of Directors becomes even more effective in the future. The policy for improvement is as follows:

1. Enhance discussions on human capital investment, taking into account the status of succession and a DE&I perspective

2. Properly operate the Board of Directors and the Audit and Supervisory Committee following changes to organizational design

3. Consider the best way to provide information to outside directors/outside corporate auditors in order to enhance the board's efficiency and further stimulate discussion

4. Organize agenda items for Board of Directors meetings in response to changes in the external environment and organizational design

Corporate Governance

Example of Board of Directors deliberations (1)

Discussion on establishing criteria for appointing, reappointing, and dismissing directors and the president (CEO)

Board of Directors report and resolution details	During the first-ever performance review of the president (CEO) conducted in fiscal 2023 and the subsequent Nomination Advisory Committee meeting, external Committee members raised the issue of—and held ongoing discussions on—the need for criteria to appoint, reappoint, and dismiss the president (CEO) as well as clearer succession planning. As a result, criteria were established to appoint and dismiss top management as well as, of course, directors. These criteria were submitted to, and approved by, the Board of Directors as indicators to be used in future performance reviews of the president (CEO) and in succession planning. As for succession planning, the establishment and implementation policy of new succession sheets—which document each Corporate Officer's past achievements, degree to which they fulfill the requirements set out in the aforementioned appointment/dismissal criteria, and development strategies for unmet requirements—were reported to the Board of Directors, and deliberated on alongside the Committee's recommendations.
Main discussions	Regarding the recommendations, while the clarification of succession planning was raised as an issue last fiscal year, there was the opinion that the criteria formulated this time for appointing and dismissing directors and the president (CEO) would also be useful when considering successors. On the other hand, it was suggested that, anticipating situations where multiple outstanding candidates emerge, retention strategies for those not selected should also be considered. Going forward, it was agreed that revisions would be made as appropriate based on issues that arise in the overall implementation of the succession plan, and that the Board of Directors as a whole would work to enhance its effectiveness. Subsequently, evaluation results were submitted to the Nomination and Advisory Committee for subordinate executives who were assessed by the president and Senior Vice President of Supervisory Unit using the succession sheets. Progress on succession planning was reviewed from a fair and objective perspective, and discussions are underway on future development plans.

Example of Board of Directors deliberations (2)

Discussion on dissolving the joint venture with Ping An Insurance (Group) Company of China, Ltd. and the future of business in China

Board of Directors report and resolution details	Regarding the dissolution of the joint venture established in fiscal 2020 with Ping An Insurance (Group) Company of China, Ltd., executives presented a proposal that covered the background for the dissolution, reviewed the joint venture's activities to date, outlined the share transfer agreement related to the dissolution and its financial impact, and shared expansion prospects for business in China and ASEAN. Following deliberation, the proposal was approved by resolution. According to the executives' explanation, while the joint venture was affected by changes in the environment of its China operations and policy shifts in the country's pharmaceutical industry, it reported achieving some results toward the business targets set at the time of its establishment. These included the creation of new drug candidates by leveraging AI and the development of a human error prevention system—part of the smart factory concept—that featured AI worker monitoring and IC tag-based raw material management. Furthermore, it was explained that significant progress was made in the clinical development and regulatory affairs for proprietary drugs, such as cefiderocol and naldemedine, establishing a foundation for expanding the new drug business in China and ASEAN.
Main discussions	While progress had been made in each area, because the results were not sufficient relative to the business plan established at the time of the joint venture's formation, and reaching consensus on decisions regarding the core business was time-consuming, it was suggested that dissolving the joint venture at that juncture was a reasonable conclusion. In addition, requests were made for the Company to thoroughly examine and consider how to independently develop its business within the Chinese pharmaceutical market—where other companies also struggle—and report to the Board of Directors as appropriate. On the other hand, the handling of the roughly 2% stake in SHIONOGI held by Ping An Insurance (Group) Company of China, Ltd. and the resolution of rights tied to the joint venture's four years of operation were identified as risks. Discussions were held on how to best address and respond to these concerns.

Corporate Governance

Remuneration for officers

The Compensation Advisory Committee, which consists of a majority of outside directors, deliberates carefully on the matter of officers' compensation and discusses the ideal state of and various issues concerning remuneration for directors and corporate officers, verifies the levels of compensation every year, and deliberates the compensation system and performance evaluation system for the following fiscal year.

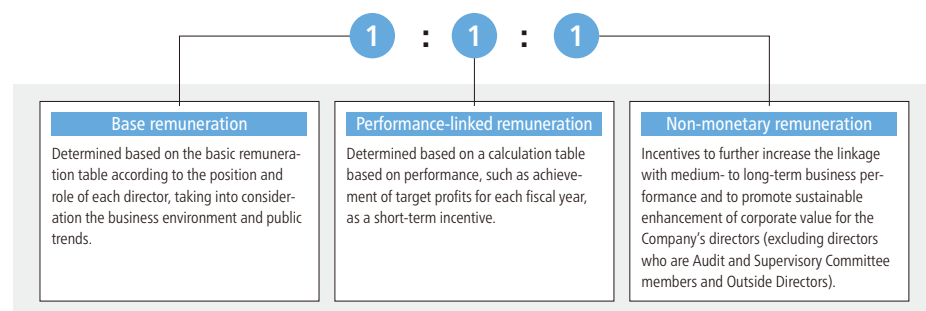
Remuneration framework

Total director remuneration is determined within limits set by resolution of the General Meeting of Shareholders. This consists of base monthly remuneration, performance-linked bonuses determined by results for the fiscal year and other factors, and since fiscal 2018, restricted stock compensation (medium-term performance-linked and long-term). Also, Directors who are Audit and Supervisory Committee and Outside Directors receive only base remuneration.

Composition of remuneration

The targeted ratio for each type of remuneration for directors (excluding directors who are Audit and Supervisory Committee members and Outside Directors) is set at base remuneration: performance-linked remuneration*¹, etc.: non-monetary remuneration*¹, etc. = 1:1:1 on the premise that all KPIs are achieved.

*¹ Performance-linked remuneration, etc. consists of executive bonuses, and non-monetary remuneration, etc. consists of restricted stock.



Base remuneration

Base remuneration is determined based on the base remuneration table according to the position and role of directors with due consideration of the management environment and global trends.

Performance-linked remuneration

Bonus is paid as cash remuneration, which reflects performance indicators (operating profit excluding sales of assets, etc., consolidated net income and other total performance evaluation as directors) to heighten the awareness of improving performance for each fiscal year. As short-term incentives, they are determined based on the calculation table according to performance such as achievement of targeted profits and other factors in each fiscal year and paid in June of each year.

Non-monetary remuneration

Stock-based compensation is granted in July of each year based on the stock-based compensation table according to directors' rank and job responsibilities. For medium-term performance-linked stock compensation in particular, the performance evaluation will be based on the degree of achievement in fiscal 2025 for the portion to be granted in the three years from fiscal 2023 through fiscal 2025 (Phase 2) during the STS2030 Revision (fiscal 2023 through fiscal 2030) to determine the ratio of lifting the transfer restriction (100% to 0%). Performance evaluations use such quantitative indicators as revenue, overseas net sales, CAGR, EBITDA, ROE and the ranking in total shareholder return (TSR) among 11 industry peers including SHIONOGI (relative TSR) and also incorporate the status of ESG and compliance, and the status of investments. Additionally, 50% of the stock-based compensation amount converted at the stock price at the time of transfer restriction lifting is paid as monetary compensation at the time of transfer restriction lifting.

The performance evaluation indicators for medium-term performance-linked stock compensation are as follows.

Items	FY2025 target
Revenue (billions of yen)	550.0
Overseas net sales CAGR (%) ^{*2}	50
EBITDA (billions of yen)	200.0
ROE (%)	14.0 or more
Relative TSR (Rank/11 companies) ^{*3}	—

*² Starting from fiscal 2022

*³ Relative TSR is calculated over the three-year period from fiscal 2023 to fiscal 2025

The Compensation Advisory Committee discusses the ratio of remuneration by type for executive directors in consideration of remuneration levels, using as its benchmark companies that have a similar business size to SHIONOGI and are included among the relevant business types and categories. The Board of Directors, in respect of the recommendations given by the Compensation Advisory Committee, determines the details of the remuneration system, etc. so that the ratio of remuneration by type is in line with the recommendations. The policy

Corporate Governance

for determination thereof is set in accordance with the Policy for Determination of Details of Individual Remuneration, etc. for Directors. In addition, pursuant to the resolution at the Board of Directors meeting held on February 22, 2021, it is considered appropriate that base remuneration and individual bonus amounts, etc. are evaluated by a person who bears the ultimate management responsibility, and thus, such evaluation and determination are entrusted to the Representative Director, President and CEO. The Compensation Advisory Committee deliberates the policy and criteria for the entrustment and provides the Board of Directors with the results as recommendations for their resolution, and the Representative Director, President and CEO, to whom such determination is entrusted, shall make decisions in accordance with said recommendations and the abovementioned resolution by the Board of Directors.

Regarding the guideline for the ratio of each type of remuneration, etc., as a result of revising the medium-term performance-linked stock-based compensation table from fiscal 2021 to place more emphasis on performance and take the shareholders' perspective, the system is designed so that for directors, assuming 100% achievement of KPIs, the ratio of base remuneration : performance-linked remuneration, etc. : non-monetary remuneration, etc. is approximately 1:1:1.

As a result, the proportion of base remuneration for fiscal 2024 is about 37%, due to the achievement status of the current profit target and the impact of stock prices on stock-based compensation. The Board of Directors confirms that the details of individual remuneration, etc. for directors for the current fiscal year are in line with the policy for determination through deliberations and reports at Board of Directors and Compensation Advisory Committee meetings.

The maximum amount of executive remuneration approved by resolution at the General Meeting of Shareholders on June 18, 2025, is as follows. For directors (excluding directors who are Audit and Supervisory Committee members): Up to 2 billion yen annually (6 directors, including 4 Outside Directors; excludes employee salaries for directors who concurrently serve as employees). For directors who are Audit and Supervisory Committee members: Up to 750 million yen annually (5 directors). Furthermore, restricted stock compensation is granted to directors, excluding directors who are Audit and Supervisory Committee Members and Outside Directors. The total number of shares of the Company's common stock to be issued or disposed of for this purpose shall be up to 250,000 shares per year, and the total amount of monetary claims to be paid as compensation for the granting of such restricted stock, when combined with other forms of remuneration for directors, shall be up to 2.0 billion yen per year (2 directors; excludes employee salaries for directors who concurrently serves as employees).

Actual remuneration

Actual remuneration for fiscal 2024, which was prior to the transition to a company with an Audit and Supervisory Committee, was as follows.

Total amount of remuneration for Directors and Corporate Auditors (fiscal 2024) (Millions of yen)

Category	Persons	Total amount of remuneration, etc. by type			
		Base remuneration	Performance-linked remuneration, etc.*1	Non-monetary remuneration, etc.*2	Total
Directors (of which Outside Directors)	6 (4)	240 (84)	136 (—)	134 (—)	511 (84)
Corporate Auditors (of which Outside Corporate Auditors)	6 (3)	135 (60)	— (—)	— (—)	135 (60)
Total	12	376	136	134	647

Total consolidated remuneration, etc. by director (fiscal 2024) (Millions of yen)

Name	Position	Total amount of remuneration, etc. by type			
		Base remuneration	Performance-linked remuneration, etc.*1	Non-monetary remuneration, etc.*2	Total
Isao Teshirogi	Director	96	84	89	270
Takuko Sawada	Director	60	52	44	157

*1 The amount of "Performance-linked remuneration, etc." above is the amount of provision for Directors' bonuses for the fiscal year.

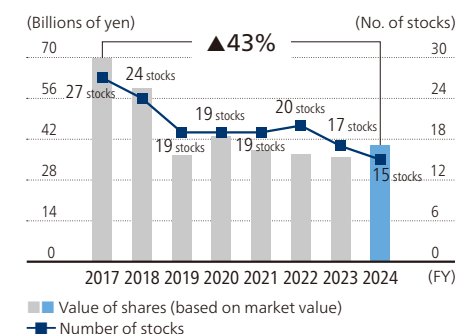
*2 The amount of "Non-monetary remuneration, etc." above is the amount recorded as an expense in the fiscal year.

Cross-shareholdings

The business rationality for continuing to hold cross-shareholdings is verified annually at the Board of Directors. From the two standpoints of economic rationality and strategic validity, cross-shareholdings are held only if it is judged to enhance SHIONOGI's corporate value and contribute to a sustainable increase in corporate value, and otherwise, they are gradually sold considering stock prices and market trends. In fiscal 2024, two stocks were reduced.

Regarding the exercise of voting rights, the pros and cons are judged by multiple departments including the corporate management unit in light of the internal policy on the exercise of voting rights, and the rights are exercised. If there are doubts about the content of the proposal, measures such as requesting explanations from the issuing company are taken, and responses are made in accordance with the cross-shareholding policy. We will continue to fulfill our responsibilities as shareholders in the future.

Trend of cross-shareholdings (Listed stock, market value)



Members of the Board (as of July 1, 2025)

 For details of the profiles of the Directors and Directors who serve as Audit and Supervisory Committee Members, please refer to our company website.

Directors



Members of the Board

Directors Who Are Audit and Supervisory Committee Members



Noriyuki Kishida

Director, Standing Audit and Supervisory Committee Member

22,317 shares

April 1984 Joined the Company
October 2004 General Manager, Corporate Communications Office
April 2009 General Manager, Corporate Communications Office and General Manager, Secretary Office
April 2011 General Manager, Human Resources Department
April 2017 Corporate Officer and General Manager of Human Resources and General Affairs Department
April 2020 Senior Executive Officer and Senior Vice President of Administration Division
July 2021 Senior Executive Officer, Senior Vice President of Administration Division and General Manager of Legal Affairs Department
July 2022 Senior Executive Officer and Senior Vice President of Corporate Supervisory Unit
June 2024 Standing Corporate Auditor of the Company
June 2025 Director (Member of the Audit and Supervisory Committee) of the Company (incumbent)



Shuichi Okuhara

Independent Outside Director, Audit and Supervisory Committee Member

0 shares

April 1994 Joined Andersen Consulting Co., Ltd. (now Accenture Japan Ltd.)
January 1998 Joined Nippon Venture Capital Co., Ltd.
June 2008 Director and Investment Manager of Nippon Venture Capital Co., Ltd.
April 2009 Representative Director and President of Nippon Venture Capital Co., Ltd.
June 2019 Representative Director and Chairman of Nippon Venture Capital Co., Ltd. (incumbent)
June 2020 Outside Corporate Auditor of the Company
June 2025 Outside Director (Member of the Audit and Supervisory Committee) of the Company (incumbent)



Yoriko Goto

Independent Outside Director, Audit and Supervisory Committee Member

0 shares

November 1983 Joined Deloitte Haskins and Sells International (now Deloitte Touche Tohmatsu LLC)
June 1996 Partner of Deloitte Touche Tohmatsu Limited (now Deloitte Touche Tohmatsu LLC)
June 2007 Japan Leader of Global Financial Services Industry, Deloitte Touche Tohmatsu LLC
October 2010 Managing Partner of Financial Services Industry, Deloitte Touche Tohmatsu LLC
October 2013 Member of Executive Committee of Deloitte Touche Tohmatsu LLC and Member of Board of Deloitte Touche Tohmatsu Limited
June 2018 Chairperson of the Board of Deloitte Touche Tohmatsu LLC and Deloitte Tohmatsu Group, and Member of Board of Deloitte Touche Tohmatsu Limited
November 2018 Member of Board of Deloitte Asia Pacific Limited
October 2022 President of Yoriko Goto CPA Office (incumbent)
October 2022 Outside Director (Member of the Audit and Supervisory Committee) of Sumitomo Mitsui Banking Corporation
June 2023 Outside Corporate Auditor of the Company
June 2025 Outside Director (Member of the Audit and Supervisory Committee) of the Company (incumbent)
June 2025 Outside Director of Sumitomo Mitsui Financial Group, Inc. (incumbent)
June 2025 Outside Director of Sony Group Corporation (incumbent)



Fumi Takatsuki

Independent Outside Director, Audit and Supervisory Committee Member

0 shares

October 2000 Registration of Attorney at Law
October 2000 Joined Oike Law Offices
December 2003 Joined Anderson Mori & Tomotsune Law Offices
February 2004 Service at Beijing Office of Anderson Mori & Tomotsune Law Offices
April 2006 Joined Oh-Ebashi LPC & Partners
January 2009 Partner of Oh-Ebashi LPC & Partners (incumbent)
June 2020 Outside Director of the Company
June 2023 Outside Corporate Auditor of Sankyo Seiko Co., Ltd. (incumbent)
June 2024 Outside Corporate Auditor of Daikin Industries, Inc. (incumbent)
June 2025 Outside Director (Member of the Audit and Supervisory Committee) of the Company (incumbent)



Koji Hanasaki, Ph.D.

Director, Standing Audit and Supervisory Committee Member

39,978 shares

April 1986 Joined the Company
April 2009 General Manager, Discovery Research Laboratories
April 2010 Corporate Officer, Executive General Manager, Pharmaceutical Research Division
April 2015 Corporate Officer, General Manager, Finance & Accounting Department
April 2017 Senior Executive Officer, General Manager, Finance & Accounting Department
April 2018 Senior Executive Officer, Senior Vice President, Corporate Strategy Division
July 2021 Senior Executive Officer, Senior Vice President, Global Business Division
July 2022 Senior Executive Officer, Senior Vice President, Supply Supervisory Unit
April 2025 Senior Executive Officer
June 2025 Director (Member of the Audit and Supervisory Committee) of the Company (incumbent)

■ Number of the Company's share owned

Corporate Officers

Senior Executive Officers

John Keller, Ph.D.
Toshinobu Iwasaki, Ph.D.
Kazuhiro Hatanaka
Akira Kato, Ph.D.
Yasuyoshi Iso, Ph.D.

Corporate Officers

Takeshi Shiota, Ph.D.
Tatsumori Yoshida
Masashi Deguchi, Ph.D.
Yosuke Miharuru
Takeki Uehara, Ph.D.
Yoshinori Yurugi
Satoru Yoshimoto
Tetsuya Numa
Toshiyuki Asaki, Ph.D.
Masako Kudou
Kenji Matsuo, Ph.D.

Ensure Compliance

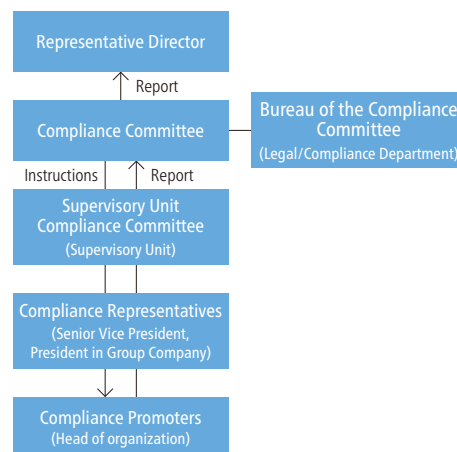
SHIONOGI regards compliance as the foundation supporting corporate survival and sustainable growth, and positions it as the basis for all business activities. Going beyond mere compliance with laws and regulations, we maintain high behavioral standards based on social norms and ethics, thoroughly ensuring that all executives and employees practice sincere and responsible conduct. We aim to remain a company that contributes to realizing a better society, founded on trust from society.

Compliance promotion initiatives

Compliance promotion structure

SHIONOGI positions compliance as the foundation of all business activities and promotes thorough compliance with each officer and employee understanding its importance. SHIONOGI has established a Supervisory Unit Compliance Committee that plays a role in identifying potential risks throughout the business process and formulating countermeasures. Furthermore, each head of organization serves as a promoter, working to foster a sound and transparent corporate culture in daily operations while implementing education and monitoring within their organizations. Through this, we aim to improve our credibility as a company that fulfills social responsibilities, going beyond mere legal compliance.

Compliance promotion structure (as of April 2025)

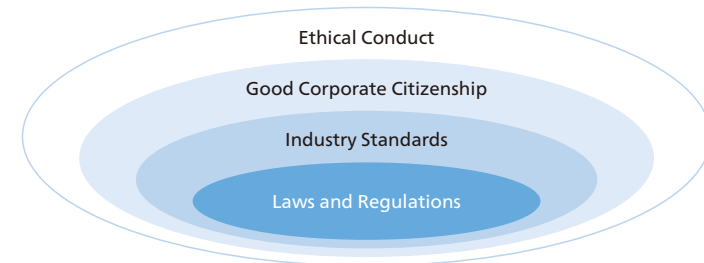


Establishment of New SHIONOGI Group Code of Conduct

In April 2025, SHIONOGI Group established a new, globally unified SHIONOGI Group Code of Conduct. This code is structured based on the behavioral principle "Hai 5 (Five 'Yes's') as a guide for all management and employees to practice ethical and responsible behavior regardless of country or region. We have integrated codes of conduct that were previously developed individually by each company, enhancing consistency and effectiveness across the entire Group. In establishing this code, we conducted extensive discussions considering the laws and cultural backgrounds of each country and reflected opinions from operational level staff to create effective content. Going forward, we will conduct reading sessions and

e-learning led by heads of organizations in each workplace, along with regular reviews, so that each employee can deeply understand the content, make appropriate judgments and take proper actions in their daily work. SHIONOGI will continuously strengthen compliance practices to fulfill our social responsibilities as a trusted corporate citizen.

Our Group compliance approach



Four circles of compliance

Activities for compliance with Guidelines on Sales Information Provision Activities for Ethical Drugs

In fiscal 2024, conduct that violated Guidelines on Sales Information Provision Activities for Ethical Drugs was confirmed at lectures for *Actair*, an allergen immunotherapy drug, and we received written administrative guidance from the Ministry of Health, Labour and Welfare. Taking this matter seriously, under the leadership and responsibility of management, we have formulated an improvement plan and are thoroughly implementing recurrence prevention measures while strengthening education for all management and employees regarding Guideline compliance. We will continue to ensure that our information provision activities are highly transparent and reliable, and fulfill our social responsibilities.

 For details on compliance initiatives, please visit our website.

Risk Management

As the pace of social transformation accelerates, the uncertainties impacting business strategy and execution are becoming increasingly diverse and complex. To accomplish the transformation envisioned in STS2030 Revision and achieve further growth, it is essential for SHIONOGI to properly manage risks. By strategically managing both opportunities and threats, we aim to enhance our organizational resilience and adaptability.

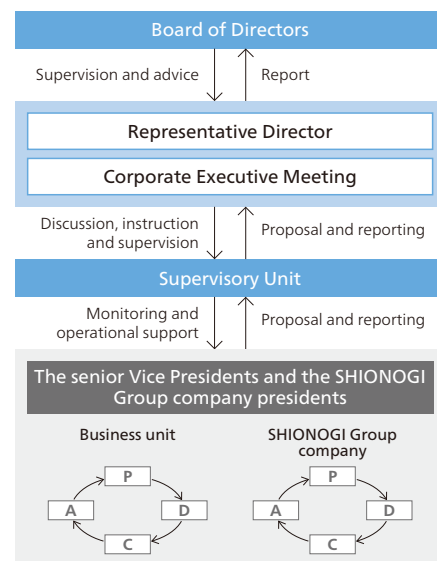
Promotion of risk management

SHIONOGI positions its company-wide risk management system which oversees business risks across the entire Group, including crisis management for pandemics, natural disasters, terrorism, and cyberattacks, as well as appropriate management practices such as creating business opportunities and mitigating risks, as a key component of its management strategy and foundation.

Risks are discussed quarterly at the Corporate Executive Meeting, where the risk list is updated, key risks to be addressed are identified, and responsible supervisors are appointed. These supervisors collaborate with relevant departments, including other supervisors, to formulate and implement response plans, with progress monitored at the Corporate Executive Meeting.

Each responsible supervisor is accountable for appropriately managing risks under their purview and for discussing risks that may significantly impact management at the Corporate Executive Meeting. By centering the risk management system around these supervisors, SHIONOGI ensures the ability to swiftly and flexibly identify issues and promote response planning even during the fiscal year.

Risk management structure



Crisis management/Incident management

We are continuously strengthening our risk management system to withstand changes in global conditions, shifts in relationships between nations, and increasing natural disasters. In the event of a crisis, we prioritize protecting human life and ensuring safety, promptly take measures to minimize damage and prevent recurrence, and continue the business. To this end, we regularly review the BCP (Business Continuity Plan) and improve its effectiveness by addressing issues identified in drills. We are also working to foster a "Bad News Fast/First" culture where negative information is reported more quickly so that it is promptly conveyed to management and responses are made when incidents occur. This fiscal year we will continue working on training and system development targeting each level.



Media training

Initiative	Target	Content
IT-BCP Construction	Company-wide	Construction of enterprise BCP considering recovery of critical systems
BCP training	Management	BCP desktop exercise for management
Media training	Management	Conducting mock press conferences
Promotion of Bad News Fast/First	Managers	Discussion in manager training (leadership meetings)
Information security education	Company-wide	Implementation of company-wide education Spam email response training
Strengthening crisis management system	Company-wide	Reorganization of crisis management/incident management system and revision of crisis management regulations and employee education