

The dispute with the Boards of Appeal of the European Patent Office between Merck & Co., Inc. regarding HIV integrase inhibitor

Osaka, Japan, October 13, 2017 - Shionogi & Co., Ltd. (Head Office: Osaka; President & CEO: Isao Teshirogi, Ph.D.; hereafter “Shionogi” or “the Company”) today announced that the Boards of Appeal of the European Patent Office, granted Merck & Co., Inc.’s (hereafter “Merck” containing its group companies) claim and decided Shionogi’s EP patent (EP1422218) regarding integrase inhibitor was invalid on October 11, 2017

With regard to Shionogi’s EP patent, although Merck filed an opposition with the European Patent Office, the opposition division of the European Patent Office decided Shionogi’s EP patent was valid in 2015, so Merck filed an appeal against the decision. This decision of the Board of Appeal of the European Patent Office was the result of the Merck’s appeal, and this decision is the final decision about Shionogi’s EP patent of the European Patent Office.

The patents referenced above are singly held by Shionogi and are not related to joint intellectual property held by Shionogi and GlaxoSmithKline covering the HIV integrase inhibitor Tivicay®. Tivicay® is manufactured and marketed by ViiV Healthcare around the world.

At present, the company files patent litigations for injunctions and damages against Merck selling Isentress® in Germany, the United Kingdom, Netherlands and France. The courts will decide Shionogi’s patent is invalid in the these litigations due to this decision of the Boards of Appeal of the European Patent Office. Based on a careful examination of the content of this decision, Shionogi will consider further responses and all options.

Shionogi considers its intellectual property to be a vitally important resource and always intend to vigorously defend its rights in that regard.

This decision will have no material effect on the Company’s operating results.

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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