



Consolidated Financial Results for Fiscal Year 2022 (IFRS)

May 10, 2023

Name of Listed Company: **SHIONOGI & CO., LTD.**

Listed Exchanges: Tokyo

Code: 4507

URL: <https://www.shionogi.com>

Representative: Isao Teshirogi, Representative Director, President and CEO

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Scheduled date of Annual General Meeting of Shareholders June 21, 2023

Scheduled date of dividend payments June 22, 2023

Scheduled date of annual securities report submission: June 22, 2023

Preparation of supplemental material for the financial results: Yes

Holding of presentation for the financial results: Yes (for investment analysts)

(Note: All amounts are rounded down to the nearest million yen.)

1. Consolidated results for the period from April 1, 2022 to March 31, 2023

(1) Consolidated operating results (% shows changes from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	426,684	27.3	149,003	35.1	220,332	74.5	184,496	62.6	184,965	62.0	209,249	29.4
Year ended March 31, 2022	335,138	12.8	110,312	(6.1)	126,268	(11.7)	113,439	1.2	114,185	2.1	161,769	17.6
	Basic earnings per share		Diluted earnings per share		Return on equity attributable to owners of parent		Ratio of profit before tax to total assets		Ratio of operating profit to revenue			
	Yen		Yen		%		%		%			
Year ended March 31, 2023	621.31		621.10		17.8		17.9		34.9			
Year ended March 31, 2022	378.75		378.63		12.5		11.7		32.9			

Reference: Share of profit (loss) of investments accounted for using equity method:

Year ended March 31, 2023: (33) million yen, Year ended March 31, 2022: (20) million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	1,311,800	1,121,878	1,100,046	83.9	3,737.76
As of March 31, 2022	1,150,601	993,285	975,661	84.8	3,236.21

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	177,867	(48,292)	(84,123)	309,224
Year ended March 31, 2022	102,068	(96,204)	(36,615)	254,420

2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	—	55.00	—	60.00	115.00	34,670	30.4	3.8
Year ended March 31, 2023	—	60.00	—	75.00	135.00	40,364	21.7	3.9
Year ending March 31, 2024 (forecast)	—	75.00	—	75.00	150.00		28.5	

3. Consolidated financial forecast for the year ending March 31, 2024

(% shows changes from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	217,000	43.9	80,500	185.2	98,000	44.2	78,000	36.2	265.03
Year ending March 31, 2024	450,000	5.5	150,000	0.7	192,500	(12.6)	155,000	(16.2)	526.66

※ Notes

- (1) Significant changes in subsidiaries during the period (changes in specified subsidiaries involving changes in scope of consolidation) : None
- (2) Changes in accounting policies, changes/restatements of accounting estimates
- a) Changes in accounting policies required by IFRS : None
- b) Changes in accounting policies other than a) above : None
- c) Changes in accounting estimates : None
- (3) Number of shares issued (common stock)
- a) Number of shares issued (including treasury stock)
- | | |
|-----------------------|--------------------|
| As of March 31, 2023: | 307,386,165 shares |
| As of March 31, 2022: | 311,586,165 shares |
- b) Number of treasury stock
- | | |
|-----------------------|-------------------|
| As of March 31, 2023: | 13,080,279 shares |
| As of March 31, 2022: | 10,103,385 shares |
- c) Average number of shares issued during the period
- | | |
|-----------------------|--------------------|
| As of March 31, 2023: | 297,704,773 shares |
| As of March 31, 2022: | 301,478,888 shares |

Note: The average number of treasury shares during the period include the Company's shares held by the trust account of Sumitomo Mitsui Trust Bank, Limited. (Second-tier trustee: the trust account of Custody Bank of Japan, Ltd.) related to Shionogi Infectious Disease Research Promotion Foundation. (Year ended March 31, 2023: 3,000,000 shares) The number of treasury shares deducted for calculation of the average number of shares during the period include these treasury shares. (Year ended March 31, 2023: 3,000,000 shares)

(Reference) Non-consolidated financial results (Japanese GAAP)

Non-consolidated results for the period from April 1, 2022 to March 31, 2023

(1) Non-consolidated operating results

(% shows changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2023	369,499	29.2	133,274	38.9	134,998	33.8	107,367	18.9
Year ended March 31, 2022	285,948	9.6	95,969	26.0	100,892	23.5	90,264	180.5

	earnings per share	Earnings per share (diluted)
	Yen	Yen
Year ended March 31, 2023	358.54	358.42
Year ended March 31, 2022	299.41	299.31

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	%
As of March 31, 2023	768,120	612,890	79.8	2,060.64
As of March 31, 2022	730,120	590,430	80.8	1,957.59

Reference: Shareholders' equity: As of March 31, 2023: 612,638 million yen, As of March 31, 2022: 590,179 million yen

※ This report of financial results is unaudited.

※ Explanation Concerning the Appropriate Use of Financial Results Forecasts and Other Special Instructions

(Cautionary note concerning forward-looking statements)

The forecast of financial results and forward-looking statements contained in this report are based on information currently available to the Company as well as certain assumptions that it judges to be reasonable. Actual results may differ materially due to a variety of factors.

For the assumptions used in forecasts and precautionary statements regarding the use of the forecasts, please refer to "1. Overview of Operating Results and Financial Position (4) Outlook" on page 5 of the accompanying materials.

(Method of Obtaining Financial Results Supplementary Materials and Details of Results Briefing Meeting)

Financial results supplementary materials are posted via TDnet on the date of disclosure. The Company plans to hold a results briefing meeting for analysts on Thursday, May 11, 2023. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on Thursday, May 11, 2023 on the Company's website in a timely manner after the results briefing.

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1. Overview of Operating Results and Financial Position

(1) Operating Results for the Fiscal Year Ended March 31, 2023

1) Revenue and profit

For the year ended March 31, 2023 (April 1, 2022 to March 31, 2023), operating results were as follows.

Millions of yen

	Year ended March 31, 2023	Year ended March 31, 2022	Change	Percentage change (%)
Revenue	426,684	335,138	91,546	27.3
Operating profit	149,003	110,312	38,691	35.1
Core operating profit *	158,483	110,570	47,912	43.3
Profit before tax	220,332	126,268	94,064	74.5
Profit attributable to owners of parent	184,965	114,185	70,780	62.0

* The Company has established "core operating profit" as a profit indicator to present ordinary profitability. This has been adopted as the Company's proprietary earnings management indicator. Core operating profit is an adjusted profit in which non-recurring items (impairment, gain on sales of property, plant, and equipment, etc.) are deducted from operating profit.

Revenue reached a record ¥426.7 billion, a 27.3 percent increase year on year. Domestic sales of prescription drugs, including sales of Xocova, were ¥179.7 billion, a 101.7 percent increase. In addition, revenue from overseas subsidiary sales and exports was ¥42.5 billion, a 23.7 percent increase driven by growth in sales of cefiderocol* in Europe and the United States. Despite an increase in royalty income from the HIV franchise, royalty income was ¥168.5 billion, a 3.2 percent decrease, reflecting the non-recurrence of a one-time payment the SHIONOGI Group received from ViiV in the fiscal year ended March 31, 2022 in connection with the settlement of litigation with Gilead Sciences, Inc.

Operating profit was ¥149.0 billion, a 35.1 percent increase, reflecting the increase in revenue, although research and development expenses increased because of investment in key projects and priority issues such as potential treatments and vaccines for COVID-19. In addition, the SHIONOGI Group recorded an impairment loss on the review of development plan of zatolmilast for the indication of Alzheimer's disease. Core operating profit excluding non-recurring items such as the aforementioned impairment loss was ¥158.5 billion, a 43.3 percent increase.

Profit before tax was ¥220.3 billion, a 74.5 percent increase.

Profit attributable to owners of parent was ¥185.0 billion, a 62.0 percent increase. The increase was the result of a refund received in connection with a favorable decision in Shionogi's complaint regarding the rescission of tax reassessment by the Osaka Regional Taxation Bureau in the first quarter of the previous fiscal year.

In the fiscal year ended March 31, 2023, upfront investments the SHIONOGI Group has been making in COVID-19-related business began generating revenue, and the SHIONOGI Group achieved its best results since its establishment in terms of revenue and all profit items. In the fiscal year ending March 31, 2024, the SHIONOGI Group will focus on top-line growth through global expansion of the infectious disease business and establishment of new businesses and drivers for medium- to long-term growth as its priority issues.

* Sold under the brand name Fetroja in the United States and Fetroja in Europe

■ COVID-19-related products

At a meeting of the Pharmaceutical Affairs and Food Sanitation Council held on November 22, 2022, Shionogi obtained domestic manufacturing and marketing approval for Xocova under the emergency regulatory approval system in Japan. To quickly make this treatment widely available to infected patients in Japan, the Japanese government purchased doses of Xocova for 2 million people under a contract for domestic supply that Shionogi signed with the Ministry of Health, Labour and Welfare. Subsequently, general distribution began on March 31, 2023 after the capability to provide stable supplies of the drug was established. With these revenues, total sales of COVID-19-related products were ¥104.7 billion.

■ Domestic sales of prescription drugs

Domestic sales of prescription drugs decreased 15.8 percent to ¥75.0 billion. Sales of Intuniv and Vyvanse were ¥19.2 billion (a 17.0 percent increase) and ¥1.4 billion (a 81.2 percent increase), respectively. On the other hand, sales of Cymbalta decreased 65.8 percent to ¥5.4 billion due to the market entry of a generic version. Sales of influenza-related products increased to ¥4.2 billion as the number of prescriptions at medical institutions increased compared with the previous year due to the first influenza epidemic in three years, however, sales were negative ¥1.1 billion due to returns of Xofluza and Rapiacta in the second quarter. Sales of infectious disease drugs excluding COVID-19-related products decreased a 37.2 percent decrease percent to ¥7.4 billion.

■ Overseas subsidiary sales and exports

Revenue from overseas subsidiary sales and exports increased 23.7 percent to ¥42.5 billion. Revenue in the United States increased 12.2 percent to ¥15.4 billion. Although the SHIONOGI Group received a one-time payment in connection with the transfer of the sales rights to FORTAMET in the first quarter of the previous fiscal year, cefiderocol, which has demonstrated efficacy against multi-drug resistant Gram-negative bacteria, continued to perform well, with sales increasing 59.5 percent to ¥10.0 billion. In Europe, revenue increased 81.4 percent to ¥9.1 billion on strong sales of cefiderocol. In addition, the SHIONOGI Group began sales of cefiderocol in Spain in the fiscal year ended March 31, 2023. The SHIONOGI Group will drive growth in its European and North American businesses by continuing to expand cefiderocol sales to more countries and by expanding the number of countries adopting the subscription-type reimbursement model*. In China, despite the impact of lockdowns related to the COVID-19 pandemic, revenue increased 17.7 percent to ¥12.0 billion due to growth in sales in the existing generic business and contract manufacturing at the Nanjing Factory.

* A model in which the country can receive antibiotics when needed by paying a fixed remuneration to the developing company irrespective of the amount of antibiotics prescribed.

■ Royalty income and dividend income from ViiV

Royalty income from ViiV decreased 3.2 percent to ¥168.5 billion due to the absence of a one-time payment received in the fiscal year ended March 31, 2022 in connection with a settlement in ViiV's patent infringement litigation against Gilead Sciences, Inc. Dividends increased 370.8 percent to ¥61.2 billion because of the increase in dividends resulting from the one-time payment received by ViiV in connection with the aforementioned litigation, and because dividends from ViiV that the SHIONOGI Group was scheduled to receive in the fourth quarter of the previous fiscal year were delayed until the first quarter of the fiscal year ended March 31, 2023.

Royalty income from Roche was ¥900 million, as sales of out-licensed Xofluza grew because of the first global influenza epidemic in several years. Royalty income from AstraZeneca was ¥1.3 billion, a 15.4 percent increase, due to sales of Crestor.

Total royalty and dividend income for the fiscal year ended March 31, 2023 increased 21.4 percent year-on-year to ¥235.9 billion.

2) Research and Development

During the fiscal year ended March 31, 2023, the SHIONOGI Group continued to make aggressive investments in research and development, and by dealing appropriately with changes in the environment brought about by COVID-19 was able to make progress on not only COVID-19 vaccines and treatments but also other high-priority projects basically as planned.

■ Research

S-337395 is intended as a treatment with a wide and powerful antiviral effect on RS virus types A and B. In the fiscal year ended March 31, 2023, preclinical studies were completed and Phase I clinical studies began.

S-892216, a potential next-generation oral treatment for COVID-19, has moved into Phase I clinical studies as a drug with a stronger antiviral effect that is easier for patients to use.

In the vaccine business, the SHIONOGI Group advanced toward development and began preclinical studies of S-875670, a nasal vaccine that induces mucosal immunity as a next-generation COVID-19 vaccine.

S-151128 began Phase I clinical studies as a potential pain-relief treatment with a novel mechanism of action that shows a promising analgesic effect equal to or greater than opioids and has a good safety profile.

■ Development

In the fiscal year ended March 31, 2023, Shionogi obtained manufacturing and marketing approval for ensitrelvir (Xocova), an oral COVID-19 treatment, under the emergency regulatory approval system in Japan. The SHIONOGI Group began multiple Phase III clinical studies aimed at bringing ensitrelvir to the global market, and initiated efforts to expand its indication to prophylactic and pediatric use. In South Korea, Shionogi's partner Ildong Pharmaceutical Co., Ltd. filed an application for manufacturing and marketing approval based on data from Phase III clinical studies in Asia, while in Taiwan, the SHIONOGI Group company Taiwan Shionogi & Co., Ltd. has filed for Emergency Use Authorization (EUA). In China, the SHIONOGI Group began submitting data aimed at filing an application for approval. For expansion in Europe and the United States, the SHIONOGI Group began Phase III clinical studies (the SCORPIO-HR trial in non-hospitalized SARS-CoV-2 infected patients, and the STRIVE trial in hospitalized SARS-CoV-2 infected patients), with the support of the U.S. National Institutes of Health (NIH).

For S-268019, a COVID-19 recombinant protein-based vaccine, the SHIONOGI Group has filed for manufacturing and marketing approval in Japan for use in prevention of COVID-19. Phase III clinical studies for use in adolescent and pediatric subjects are continuing.

Redasemtide (S-005151), a peptide with regeneration-inducing effects that was licensed from StemRIM, is expected to have indications for a wide range of diseases because of its mechanism of action. In the fiscal year ended March 31, 2023, the SHIONOGI Group initiated an additional Phase II clinical study for epidermolysis bullosa dystrophica and a global Phase II clinical study for acute ischemic stroke. In addition, an investigator-led clinical study for knee osteoarthritis and chronic liver disease moved forward.

S-309309, a potential oral treatment with a novel mechanism of action for the indication of obesity, entered Phase II clinical studies in the fiscal year ended March 31, 2023 after top-line results of Phase I clinical studies confirmed a high level of safety and tolerability and a good PK profile.

With resiniferatoxin (GRT7039), a potential treatment for pain associated with osteoarthritis of the knee that was in-licensed from Grünenthal GmbH in the fiscal year ended March 31, 2023, the SHIONOGI Group is aiming to meet patient needs that are not being satisfied with current treatments, such as strong and lasting pain relief as well as improvement of daily life. Global Phase III clinical studies are currently in progress.

Olorofim (F901318), in-licensed from F2G Ltd. in the fiscal year ended March 31, 2023, is a potential treatment for invasive fungal infections, which currently have limited treatment options. Interim results of a Phase II clinical study conducted by F2G confirmed high efficacy and tolerability, and Phase III clinical studies are now under way.

S-365598 is a third-generation integrase inhibitor that is expected to become a long-acting HIV medication with a dosing interval of three months or longer. ViiV began Phase I clinical studies in the fiscal year ended March 31, 2023.

(2) Financial Position for the Fiscal Year Ended March 31, 2023

As of March 31, 2023, total assets were ¥1,311,800 million, an increase of ¥161,198 million from a year earlier.

Non-current assets were ¥527,607 million, an increase of ¥36,211 million from a year earlier, mainly reflecting an increase in intangible assets, including in-process research and development assets, and an increase in financial assets measured at fair value through other comprehensive income. Current assets were ¥784,192 million, an increase of ¥124,986 million compared with a year earlier, mainly as a result of changes in cash and cash equivalents and in fixed-term deposits of more than three months and bonds (included in "Other financial assets" in current assets) and changes in other current assets and trade receivables.

Equity was ¥1,121,878 million, an increase of ¥128,592 million from a year earlier. This was due to the recording of profit, payment of cash dividends, purchase of treasury shares, and an increase in exchange differences on translation of foreign operations (included in "Other components of equity").

Liabilities totaled ¥189,921 million, an increase of ¥32,605 million from a year earlier. Non-current liabilities were ¥31,369 million, a decrease of ¥1,550 million from a year earlier. Current liabilities were ¥158,552 million, an increase of ¥34,155 million from a year earlier, mainly due to an increase in income taxes payable.

(3) Cash Flows for the Fiscal Year Ended March 31, 2023

Net cash provided by operating activities during the fiscal year ended March 31, 2023 was ¥177,867 million, an increase of ¥75,799 million year on year. Factors included an increase in other current assets, an increase in profit before tax, a decrease in trade receivables, and an increase in interest and dividends received.

Net cash used in investing activities was ¥48,292 million, a decrease in cash used of ¥47,911 million year on year. Factors included an increase in purchase of intangible assets, changes in time deposits, and changes in acquisition and sale of securities for investment of surplus.

Net cash used in financing activities was ¥84,123 million, an increase in cash used of ¥47,508 million year on year. Factors included purchase of treasury shares and an increase in dividends paid.

As a result, cash and cash equivalents at March 31, 2023 totaled ¥309,224 million, an increase of 54,803 million from a year earlier.

Cash flow indicators

	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023
Ratio of equity attributable to owners of parent to total assets	84.7%	84.8%	83.9%
Ratio of equity attributable to owners of parent to total assets on market value basis	179.6%	197.3%	134.1%
Interest-bearing liabilities/Cash flow ratio	0.1	0.1	0.1
Interest coverage ratio (times)	425.6	1,161.1	1,885.3

Notes: Ratio of equity attributable to owners of parent to total assets: $\text{Equity attributable to owners of parent} / \text{Total assets}$

Ratio of equity attributable to owners of parent to total assets on market value basis: $\text{Total market value of stock} / \text{Total assets}$

Interest-bearing liabilities/Cash flow ratio: $\text{Interest-bearing liabilities} / \text{Net cash provided by operating activities}$

Interest coverage ratio: $\text{Net cash provided by operating activities} / \text{Interest expense}$

1. All indicators are calculated on a consolidated basis.

2. Total market value of stock is calculated based on the total number of shares outstanding excluding treasury stock.

3. Net cash provided by operating activities is as reported in the consolidated statements of cash flows.

4. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid

(4) Outlook

The financial forecast for the year ending March 31, 2024 is as follows.

Millions of yen

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Year ended March 31, 2024	450,000	150,000	192,500	155,000

■ Revenue

With the termination of the licensing agreement with Takeda Pharmaceutical Company Limited ("Takeda") for the co-development and co-commercialization of Intuniv and Vyvanse, these products are transferred to Takeda, but Shionogi received a one-time payment for this transfer. In addition, due to the reclassification of COVID-19 to a Class 5 infectious disease, it is expected that opportunities for diagnosis and treatment at a wider range of medical facilities will increase. As with influenza, the SHIONOGI Group will conduct appropriate information dissemination activities to contribute to the realization of a society where anyone can receive early diagnosis and treatment, and to make Xocova widely available to patients who need treatment. the SHIONOGI Group is also projecting expansion of overseas business with the progress of efforts toward the use of Xocova in Asia.

The SHIONOGI Group projects that royalty income from ViiV for HIV-related products will increase as a result of further sales growth of Dovato, the long-acting treatment Cabenuva and the prophylactic drug Apretude.

As a result, the SHIONOGI Group projects an increase in revenue overall.

■ Profit

In terms of profit, the SHIONOGI Group expects an increase in sales of COVID-19-related products in Japan and an increase in selling, general and administrative expenses due to the establishment of in-house sales capabilities for Xocova overseas. Research and development expenses will decrease from the record expenditures of the previous year, but the weighting will shift from COVID-19-related projects to development of other projects, and the SHIONOGI Group plans to accelerate the development of growth drivers.

Finance income is projected to decrease due to the increase in dividends in the fiscal year ended March 31, 2023 because ViiV received a one-time payment from the settlement of patent infringement litigation with Gilead Sciences, Inc., and because dividends from ViiV that the SHIONOGI Group had been scheduled to receive in the fourth quarter of the fiscal year ended March 31, 2022 were postponed until the first quarter of the fiscal year ended March 31, 2023.

As a result, operating profit is projected to increase, while profit before tax and profit attributable to owners of parent are each projected to decrease.

2. Accounting Standards

The SHIONOGI Group will voluntarily adopt International Financial Reporting Standards (IFRS) to enhance the international comparability of financial statements and to improve business operations by unifying accounting standards within the SHIONOGI Group.

3. Consolidated Financial Statements and Notes

- (1) Consolidated statement of profit or loss and Consolidated statement of comprehensive income
Consolidated statement of profit or loss

Millions of yen

	Year ended March 31, 2022	Year ended March 31, 2023
Revenue	335,138	426,684
Cost of sales	(55,415)	(62,246)
Gross profit	279,722	364,437
Selling, general and administrative expenses	(91,771)	(97,775)
Research and development expenses	(72,996)	(102,392)
Amortization of intangible assets associated with products	(3,476)	(3,720)
Other income	3,384	3,899
Other expenses	(4,551)	(15,445)
Operating profit	110,312	149,003
Finance income	16,797	75,829
Finance costs	(841)	(4,500)
Profit before tax	126,268	220,332
Income tax expense	(12,829)	(35,836)
Profit	113,439	184,496
Profit attributable to		
Owners of parent	114,185	184,965
Non-controlling interests	(746)	(469)
Profit	113,439	184,496
Earnings per share		
Basic earnings per share	378.75	621.31
Diluted earnings per share	378.63	621.10

Consolidated statement of comprehensive income

Millions of yen

	Year ended March 31, 2022	Year ended March 31, 2023
Profit	113,439	184,496
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	17,846	2,823
Remeasurements of defined benefit plans	(333)	986
Total of items that will not be reclassified to profit or loss	17,513	3,809
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	29,793	20,538
Effective portion of cash flow hedges	1,023	405
Total of items that may be reclassified to profit or loss	30,817	20,943
Total other comprehensive income, net of tax	48,330	24,753
Comprehensive income	161,769	209,249
Comprehensive income attributable to		
Owners of parent	161,865	209,007
Non-controlling interests	(95)	242
Comprehensive income	161,769	209,249

(2) Consolidated statement of financial position

Millions of yen

	As of March 31, 2022	As of March 31, 2023
Assets		
Non-current assets		
Property, plant and equipment	108,893	112,085
Goodwill	9,638	9,819
Intangible assets	81,223	96,309
Right-of-use assets	3,524	6,482
Investment property	26,672	26,382
Other financial assets	242,479	247,711
Deferred tax assets	12,907	22,100
Other non-current assets	6,055	6,716
Total non-current assets	491,396	527,607
Current assets		
Inventories	45,892	57,919
Trade receivables	122,965	109,774
Other financial assets	210,757	254,131
Income taxes receivable	51	68
Other current assets	25,117	53,074
Cash and cash equivalents	254,420	309,224
Total current assets	659,205	784,192
Total assets	1,150,601	1,311,800

Millions of yen

	As of March 31, 2022	As of March 31, 2023
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	14,455	15,204
Treasury shares	(57,857)	(63,074)
Retained earnings	832,958	940,606
Other components of equity	164,824	186,030
Equity attributable to owners of parent	975,661	1,100,046
Non-controlling interests	17,624	21,832
Total equity	993,285	1,121,878
Liabilities		
Non-current liabilities		
Lease liabilities	3,729	6,397
Other financial liabilities	5,616	4,844
Retirement benefit liability	15,412	12,867
Deferred tax liabilities	7,807	5,916
Other non-current liabilities	354	1,343
Total non-current liabilities	32,920	31,369
Current liabilities		
Lease liabilities	2,945	3,014
Trade payables	16,372	14,005
Other financial liabilities	22,027	29,720
Income taxes payable	17,973	42,217
Other current liabilities	65,078	69,595
Total current liabilities	124,396	158,552
Total liabilities	157,316	189,921
Total equity and liabilities	1,150,601	1,311,800

(3) Consolidated statement of changes in equity

Millions of yen

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	Equity attributable to owners of parent	Non-controlling interests	Total equity
Balance as of April 1, 2021	21,279	13,733	(57,989)	752,248	116,836	846,108	18,442	864,550
Profit				114,185		114,185	(746)	113,439
Total other comprehensive income, net of tax					47,679	47,679	650	48,330
Comprehensive income	—	—	—	114,185	47,679	161,865	(95)	161,769
Purchase of treasury shares			(14)			(14)		(14)
Disposal of treasury shares		(5)	147			141		141
Dividends				(33,162)		(33,162)		(33,162)
Transfer from other components of equity to retained earnings				(308)	308	—		—
Other		727		(5)		722	(722)	—
Balance as of March 31, 2022	21,279	14,455	(57,857)	832,958	164,824	975,661	17,624	993,285
Profit				184,965		184,965	(469)	184,496
Total other comprehensive income, net of tax					24,041	24,041	712	24,753
Comprehensive income	—	—	—	184,965	24,041	209,007	242	209,249
Purchase of treasury shares			(49,420)			(49,420)		(49,420)
Disposal of treasury shares		31	170			202		202
Disposal of treasury shares for trust fund		(17,749)	17,752			3		3
Cancellation of treasury shares	—	(26,280)	26,280	—	—	—	—	—
Dividends				(36,156)		(36,156)		(36,156)
Changes in ownership interest in subsidiaries		748				748	3,965	4,714
Transfer from other components of equity to retained earnings				2,835	(2,835)	—		—
Other		43,997		(43,997)		—		—
Balance as of March 31, 2023	21,279	15,204	(63,074)	940,606	186,030	1,100,046	21,832	1,121,878

(4) Consolidated statement of cash flows

Millions of yen

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	126,268	220,332
Depreciation and amortization	16,351	17,165
Impairment Losses	141	11,758
Finance income and finance costs	(15,597)	(71,461)
Decrease (increase) in trade and other receivables	(43,417)	13,941
Decrease (increase) in inventories	(7,133)	(11,699)
Increase (decrease) in trade and other payables	11,686	7,738
Other	15,087	(32,245)
Subtotal	103,387	155,530
Interest and dividends received	24,807	49,716
Interest paid	(87)	(94)
Income taxes paid	(39,324)	(27,284)
Income taxes refund	13,286	—
Net cash provided by (used in) operating activities	102,068	177,867
Cash flows from investing activities		
Payments into time deposits	(260,380)	(398,933)
Proceeds from withdrawal of time deposits	234,685	341,883
Purchase of property, plant and equipment	(26,185)	(11,858)
Purchase of intangible assets	(5,379)	(25,329)
Purchase of investments	(139,396)	(83,335)
Proceeds from sale and redemption of investments	99,511	125,974
Other	940	3,305
Net cash provided by (used in) investing activities	(96,204)	(48,292)

Millions of yen

	Year ended March 31, 2022	Year ended March 31, 2023
Cash flows from financing activities		
Repayments of lease liabilities	(3,453)	(3,158)
Purchase of treasury shares	(14)	(49,539)
Dividends paid	(33,146)	(36,142)
Capital contribution from non-controlling interests	—	4,714
Other	—	3
Net cash provided by (used in) financing activities	(36,615)	(84,123)
Effect of exchange rate changes on cash and cash equivalents	8,998	9,352
Net increase (decrease) in cash and cash equivalents	(21,752)	54,803
Cash and cash equivalents at beginning of period	276,173	254,420
Cash and cash equivalents at end of period	254,420	309,224

(5) Notes

Going concern assumption
None

Segment information

Year ended March 31, 2022 (April 1, 2021 to March 31, 2022) and Year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

The SHIONOGI Group has a single business segment related to prescription drugs. We operate research, development, purchase, manufacturing, and distributing prescription drugs and related businesses. While analysis of each product sales and profits or expenses of each subsidiary are made, decision of business strategy and allocation of the management resources, especially allocation of R&D expenses, are made on a company-wide basis. Therefore disclosure of segment information is omitted

Earnings per share

The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Item	Year ended March 31, 2022	Year ended March 31, 2023
Basis for calculating basic earnings per share		
Profit attributable to owners of parent	114,185 million yen	184,965 million yen
Profit not attributable to ordinary equity holders of parent	—	—
Profit used for calculating basic earnings per share	114,185 million yen	184,965 million yen
Weighted-average number of ordinary shares outstanding	301,478 thousands of stocks	297,704 thousands of stocks
Basis for calculating diluted earnings per share		
Profit for the year used for calculating basic earnings per share	114,185 million yen	184,965 million yen
Adjustments to profit	—	—
Profit for the year used for calculating diluted earnings per share	114,185 million yen	184,965 million yen
Weighted-average number of ordinary shares outstanding	301,478 thousands of stocks	297,704 thousands of stocks
Increase in number of ordinary shares from exercise of stock options	100 thousands of stocks	100 thousands of stocks
Weighted-average number of dilutive ordinary shares outstanding	301,579 thousands of stocks	297,805 thousands of stocks
Earnings per share		
Basic earnings per share	378.75 yen	621.31 yen
Diluted earnings per share	378.63 yen	621.10 yen

Notes: 1. No financial instruments are excluded from the calculation of diluted earnings per share because they are not dilutive.

2. In September 2022, Shionogi made a disposition of 3,000,000 shares of treasury stock to Sumitomo Mitsui Trust Bank, Limited (re-trustee: the trust account of Custody Bank of Japan, Ltd.) in relation to the Shionogi Infectious Disease Research Promotion Foundation. However, these shares are treated as treasury stock. Therefore, these shares are deducted from the average number of shares of common stock during the period in the calculation of basic earnings per share and diluted earnings per share.

Important subsequent events

Receipt of one-time payment upon termination of license agreement for co-development and commercialization of Intuniv and Vyvanse

In the fiscal year ended March 31, 2023, Shionogi and Takeda Pharmaceutical Company, Limited ("Takeda") announced that Takeda has exercised its option to acquire all of the equity held by Shionogi in the attention-deficit/hyperactivity disorder therapeutic agents Intuniv and Vyvanse, based on the license agreement for co-development and co-commercialization in Japan between Shire (integrated with Takeda in 2019) and Shionogi, which was concluded in November 2011. The option exercise by Takeda terminated the license agreement for co-development and co-commercialization of Intuniv and Vyvanse, and the transfer of assets based on the option exercise began on April 1, 2023. Shionogi received a one-time payment as a part of the transfer.

The effect of the one-time payment on Shionogi's financial position and operating results is currently being evaluated.