



## Consolidated Financial Results for Fiscal Year 2023 (IFRS)

May 13, 2024

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 20, 2024

Scheduled date of dividend payments June 21, 2024

Scheduled date of annual securities report submission: June 21, 2024

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, 2023 to March 31, 2024

(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, 2024	435,081	2.0	153,310	2.9	198,283 (10.0)		160,575 (13.0)		162,030 (12.4)		254,135	21.5
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

  

	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, 2024	558.51	558.32	13.9	14.5	35.2
Year ended March 31, 2023	621.31	621.10	17.8	17.9	34.9

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

Year ended March 31, 2024: (123) million yen, Year ended March 31, 2023: (33) million yen

Note: Revenue includes Lump-sum income for transfer of ADHD drug

(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, 2024	1,416,918	1,252,562	1,235,325	87.2	4,356.65
As of March 31, 2023	1,311,800	1,121,878	1,100,046	83.9	3,737.76

(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, 2024	154,284	5,922	(126,853)	358,090
Year ended March 31, 2023	177,867	(48,292)	(84,123)	309,224

### 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			
Year ended March 31, 2023	—	60.00	—	75.00	135.00	40,364	21.7	3.9
Year ended March 31, 2024	—	75.00	—	85.00	160.00	46,422	28.6	4.0
Year ending March 31, 2025 (forecast)	—	85.00	—	85.00	170.00		29.6	

### 3. Consolidated financial forecast for the year ending March 31, 2025

(% 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, 2024	210,000	(8.9)	69,000	(29.7)	82,500	(28.6)	66,500	(26.6)	234.57
Year ending March 31, 2025	455,000	4.6	160,000	4.4	200,000	0.9	163,000	0.6	574.97

## ※ 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 : Yes
- 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, 2024: | 307,386,165 shares |
| As of March 31, 2023: | 307,386,165 shares |
- b) Number of treasury stock
- |                       |                   |
|-----------------------|-------------------|
| As of March 31, 2024: | 23,894,588 shares |
| As of March 31, 2023: | 13,080,279 shares |
- c) Average number of shares issued during the period
- |                       |                    |
|-----------------------|--------------------|
| As of March 31, 2024: | 290,111,128 shares |
| As of March 31, 2023: | 297,704,773 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 and 2024: 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 and 2024: 3,000,000 shares)*

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

### Non-consolidated results for the period from April 1, 2023 to March 31, 2024

#### (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, 2024	345,761	(6.4)	108,978	(18.2)	258,621	91.6	253,060	135.7
Year ended March 31, 2023	369,499	29.2	133,274	38.9	134,998	33.8	107,367	18.9

	earnings per share	Earnings per share (diluted)
	Yen	Yen
Year ended March 31, 2024	863.36	863.06
Year ended March 31, 2023	358.54	358.42

#### (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, 2024	840,570	749,494	89.1	2,615.24
As of March 31, 2023	768,120	612,890	79.8	2,060.64

Reference: Shareholders' equity: As of March 31, 2024: 749,243 million yen, As of March 31, 2023: 612,638 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 Tuesday, May 14, 2024. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on Tuesday, May 14, 2024 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, 2024

#### 1) Revenue and profit

For the year ended March 31, 2024 (April 1, 2023 to March 31, 2024), operating results were as follows.

*Millions of yen*

	Year ended March 31, 2024	Year ended March 31, 2023	Change	Percentage change (%)
Revenue* <sup>1</sup>	435,081	426,684	8,396	2.0
Operating profit	153,310	149,003	4,307	2.9
Core operating profit* <sup>2</sup>	170,421	158,483	11,938	7.5
Profit before tax	198,283	220,332	(22,048)	(10.0)
Profit attributable to owners of parent	162,030	184,965	(22,935)	(12.4)
EBITDA* <sup>3</sup>	188,745	175,649	13,096	7.5

\*1 Revenue includes Lump-sum income for transfer of ADHD drug.

\*2 Core operating profit: An adjusted profit in which non-recurring items (impairment, gain on sales of property, plant, and equipment, etc.) are deducted from operating profit.

\*3 Earnings Before Interest, Taxes, Depreciation, and Amortization: Core operating profit added depreciation.

Revenue increased 2.0 percent to 435.1 billion yen (Revenue includes Lump-sum income for transfer of ADHD drug) from the previous year. While revenue for FY2022 included 100.0 billion yen recorded for the purchase of XOCOVA, a COVID-19 treatment drug, by the Japanese government, revenue for the fiscal year under review exceeded that of the previous year, marking a record high for the second consecutive year, as a result of steady growth in each business, including sales expansion of infectious disease drugs both in Japan and overseas and an increase in royalty income.

Regarding profits, despite increases in expenses, such as active investment in COVID-19-related projects and priority projects, implementation of a special early retirement program, and recording of an impairment loss resulting from the revision of the development plan on zatolmilast for Alzheimer's disease, operating profit increased 2.9 percent from the previous year to 153.3 billion yen due to steady growth in each business. Profit before tax was 198.3 billion yen, a 10.0 percent decrease year on year, and profit attributable to owners of parent was 162.0 billion yen, a 12.4 percent decrease year on year. As a result of our receipt in FY2022 of the dividends from ViiV that we were supposed to receive in FY2021 and the ViiV's receipt of the upfront payment resulting from the settlement of the litigation against Giliad, dividend income for the consolidated fiscal year ended March 31, 2024 decreased significantly, resulting in a decrease in profits for the year. However, except for one-time factors, including the recording of expenses for a special early retirement program and an impairment loss, both profit before tax and profit attributable to owners of parent increased year on year.

In the fiscal year under review, we achieved record-high results for revenue and operating profit for the second consecutive year, while aggressively making investments to establish new businesses and growth drivers for global expansion and medium- to long-term growth.

#### ■ Domestic sales of prescription drugs

Domestic sales of prescription drugs decreased 15.9 percent year on year to 151.1 billion yen. Sales decreased due to the one-off 100 billion yen purchase of XOCOVA, a COVID-19 treatment drug, in the previous fiscal year by the Japanese government. However, excluding the above factor, along with another one-time factor of the receipt of a lump-sum payment due to the product transfer associated with termination of the license agreement with Takeda Pharmaceutical Company Limited on joint development and commercialization of Intuniv and Vyvanse, which occurred during the fiscal year under review, domestic sales of prescription drugs recorded an increase of 58.1 percent year on year. This was primarily due to increased sales of XOCOVA and the influenza treatment drug Xofluz. The revenue for COVID-19-related products and influenza-related products totaled 73.4 billion yen. Furthermore, during the fiscal year under review, we commenced sales of Cefiderocol (product name in Japan: Fetroja), which is effective for multidrug-resistant Gram-negative bacterial infections and which was adopted for a support program for securing antibiotic drugs, a pull-type incentive program\* in Japan.

\* Japan's pull-type incentive program in which the government subsidizes the difference in revenue from an antimicrobial drug that does not reach a certain level after the drug is launched

#### ■ Overseas subsidiary sales and exports

Revenue from overseas business increased 17.4 percent to 49.9 billion yen from the previous year. In Europe and the U.S., due to strong sales of Cefiderocol, revenue in the U.S. increased 15.9 percent year on year to 17.9 billion yen and revenue in Europe increased 49.9 percent year on year to 13.6 billion yen. We will continue to promote the growth of our European and U.S. businesses by expanding the number of countries where Cefiderocol (product name in U.S.: Fetroja, product name in Europe: Fetcroja) is sold, further increasing prescription penetration in countries where it is already marketed, and expanding the number countries where the subscription-based reimbursement model\* has been adopted. Revenue in China decreased 11.3 percent year on year to 10.6 billion yen, affected by the Chinese government's policy to curb medical expenses.

\* A model in which the country can receive antibiotics when needed by paying a fixed amount of compensation to the developing company irrespective of the quantity of antibiotics prescriptions.

#### ■ Royalty income and dividend income from ViiV

Total royalty income and dividend income from ViiV for the consolidated fiscal year ended March 31, 2024 amounted to 234.3 billion yen, a decrease of 0.7 percent from the previous year.

Royalty income from ViiV increased 16.2 percent year on year to 195.8 billion yen due to increased HIV franchise sales resulting from the rapid growth of two-oral-drug combinations and long-acting formulations (LA formulations). Dividend income from ViiV decreased 44.5 percent year on year to 33.9 billion yen. Although we received more dividends than originally anticipated because of the steady progress in ViiV's business, dividend income decreased significantly due to our receipt in FY2022 of the dividends from ViiV that we were supposed to receive in FY2021 and ViiV's receipt of the upfront payment resulting from the settlement of the litigation against Giliad. On the other hand, dividend income itself has been steadily increasing and is expected to continue to grow along with royalty income.

Royalty income from Roche of Switzerland reached 1.2 billion yen in fiscal year ended March 31, 2024 due to increased sales of the out-licensed Xofluza. Royalty income from AstraZeneca (UK) amounted to 1.4 billion yen because royalty income on Crestor sales was received.

## 2) Research and Development

In FY2023, we actively promoted R&D activities focusing on COVID-19-related projects and other priority projects and were able to make progress with each of the projects almost as planned.

#### ■ Research

S-567123, a universal vaccine, is a next-generation vaccine that can provide a preventive effect against a wide range of mutations as a single drug. First, we aim to develop a universal vaccine against the subgenus Sarbecovirus, including the new coronavirus (SARS-CoV-2). In FY2023 we made progress in various studies with a view to starting clinical trials in 2024.

Xeruborbactam is a novel  $\beta$ -lactamase inhibitor that, when used in combination with  $\beta$ -lactam antibiotics, can exhibit broad-spectrum antibacterial activity against drug-resistant bacteria. In FY2023, we made progress in R&D aimed at developing a therapeutic drug for use in combination with  $\beta$ -lactam antibiotics, including Cefiderocol.

#### ■ Development

For Ensitretevir (product name in Japan: Xocova), a COVID-19 oral treatment drug, we obtained approval for manufacturing and marketing based on the emergency approval system in Japan in FY2022 and have commenced sales. In FY2023, we obtained normal approval for inside Japan. In addition, multiple global Phase III studies have progressed in preparation for global expansion. In Singapore, the issuance of prescriptions has begun at medical institutions based on SAR approval.

For S-309309, a candidate of oral treatment for obesity with a new mechanism, high safety and tolerability and a good PK profile had been confirmed in Phase I studies, and in FY2023 we made progress in Phase II studies.

For S-268019, a recombinant protein vaccine against COVID-19, an application for approval for manufacturing and marketing in Japan has already been submitted and is currently under ongoing deliberation. In FY2023, there was progress in Phase III studies targeting adolescents and children.

For S-151128, a pain treatment drug with a new mechanism, which is expected to be highly safe and have an analgesic effect against multiple types of pain, Phase I studies progressed in FY2023.

For S-337395, a new treatment drug with broad-spectrum and powerful antiviral benefits against RS virus types A and B, Phase I studies were completed during the fiscal year under review and Phase II studies have begun.

For SDT-001, a digital therapeutics app for pediatric ADHD patients, for which we have obtained exclusive development and marketing rights in Japan and Taiwan from Akili, in FY2023 we submitted an application for approval for manufacturing and marketing in Japan based on the positive results of Phase III studies.

(2) Financial Position for the Fiscal Year Ended March 31, 2024

As of March 31, 2024, total assets were 1,416,918 million yen, an increase of 105,117 million yen from a year earlier. Non-current assets were 632,712 million yen, an increase of 105,104 million yen from a year earlier, mainly reflecting an increase in other financial assets due to foreign exchange effects, an increase in intangible assets, such as in-process research and development assets, and an increase in other non-current assets. Current assets were 784,205 million yen, a slight increase of 13 million yen compared to a year earlier, mainly as a result of changes in fixed-term deposits of more than three months and bonds (included in "Other financial assets" in current assets), as well as a decrease in other current assets, despite increases in cash and cash equivalents and in operating receivables.

Equity was 1,252,562 million yen, an increase of 130,684 million yen from a year earlier. This was due to the recording of profit and an increase in exchange differences on translation of foreign operations (included in other items of owner's equity), despite the purchase of treasury shares and payment of cash dividends.

Liabilities totaled 164,355 million yen, a decrease of 25,566 million yen from a year earlier.

Non-current liabilities were 30,448 million yen, a decrease of 921 million yen from a year earlier. Current liabilities were 133,907 million yen, a decrease of 24,645 million yen from a year earlier, mainly due to a decrease in income taxes payable.

(3) Cash Flows for the Fiscal Year Ended March 31, 2024

Net cash provided by operating activities during the fiscal year ended March 31, 2024 was 154,284 million yen, a decrease of 23,583 million yen year on year. Factors included a decrease in profit before tax, an increase in trade receivables and an increase in income taxes paid.

Net cash provided by investing activities was 5,922 million yen (Net cash used by investing activities in the fiscal year ended March 31, 2023 was 48,292 million yen). Factors included the purchase of shares of new subsidiaries and equity-method affiliates, a decrease in spending due to the acquisition of intangible assets, and changes in time deposits.

Net cash used in financing activities was 126,853 million yen, an increase of 42,729 million yen year on year. Factors included the purchase of treasury shares and an increase in dividend payments.

As a result, cash and cash equivalents on March 31, 2024 totaled 358,090 million yen, an increase of 48,866 million yen from a year earlier.

Cash flow indicators

	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Ratio of equity attributable to owners of parent to total assets	84.8%	83.9%	87.2%
Ratio of equity attributable to owners of parent to total assets on market value basis	197.3%	134.1%	155.1%
Interest-bearing liabilities/Cash flow ratio	0.1	0.1	0.1
Interest coverage ratio (times)	1,161.1	1,885.3	937.5

*Notes: Ratio of equity attributable to owners of parent to total assets: Equity attributable to owners of parent/Total assets*

*Ratio of equity attributable to owners of parent to total assets on market value basis: Total market value of stock/Total assets*

*Interest-bearing liabilities/Cash flow ratio: Interest-bearing liabilities/Net cash provided by operating activities*

*Interest coverage ratio: Net cash provided by operating activities/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, 2025 is as follows.

*Millions of yen*

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Year ending March 31, 2025	455,000	160,000	200,000	163,000

■ Revenue

Revenue is expected to decrease in domestic business due to the receipt of a lump-sum payment in FY2023 associated with the transfer of the license for joint development and commercialization of Intuniv and Vyvanse to Takeda Pharmaceutical Company Limited. However, revenue from XOCOVA, a COVID-19 treatment drug, and the influenza family is expected to expand. We will contribute to the realization of a society in which anyone can receive early diagnosis and early treatment for infectious diseases, and will promote appropriate information provision activities so that infectious disease drugs can be widely delivered to patients in need of treatment. As for overseas business, further expansion is expected as sales of Cefiderocol remain strong. In addition, royalty income on HIV-related products from ViiV is expected to continue to increase following FY2023, due to further sales growth of Dovato, the long-acting treatment drug Cabenuva, and the preventive drug Apretude. As a result, overall revenue is expected to increase.

■ Profit

In terms of profits, we expect an increase in selling, general and administrative expenses due to the establishment of a sales system to achieve full-fledged expansion of own products in the U.S. and Europe, the globalization of corporate functions, and the promotion of DX. As for R&D expenses, we plan to spend the highest amount on R&D since our founding to further accelerate development of growth drivers that can be sold globally. Financial income is expected to decrease due to the impact of foreign exchange and other factors, although dividends from ViiV are scheduled to increase. As a result of the above, although expenses are expected to increase, all profit items, namely, operating profit, profit before tax, and profit attributable to owners of parent, are expected to increase due to the expected increase in revenue and the elimination of one-time expenses incurred in FY2023.

## **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, 2023	Year ended March 31, 2024
Revenue	426,684	410,073
Profit from license transfer	—	25,008
Cost of sales	(62,246)	(57,602)
Gross profit	364,437	377,479
Selling, general and administrative expenses	(97,775)	(99,651)
Research and development expenses	(102,392)	(102,640)
Amortization of intangible assets associated with products	(3,720)	(3,728)
Other income	3,899	6,194
Other expenses	(15,445)	(24,342)
Operating profit	149,003	153,310
Finance income	75,829	51,674
Finance costs	(4,500)	(6,701)
Profit before tax	220,332	198,283
Income tax expense	(35,836)	(37,708)
Profit	184,496	160,575
Profit attributable to		
Owners of parent	184,965	162,030
Non-controlling interests	(469)	(1,455)
Profit	184,496	160,575
Earnings per share		
Basic earnings per share	621.31	558.51
Diluted earnings per share	621.10	558.32

Consolidated statement of comprehensive income

*Millions of yen*

	Year ended March 31, 2023	Year ended March 31, 2024
Profit	184,496	160,575
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	2,823	14,673
Remeasurements of defined benefit plans	986	1,434
Total of items that will not be reclassified to profit or loss	3,809	16,107
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	20,538	76,835
Effective portion of cash flow hedges	405	505
Share of other comprehensive income of investments accounted for using equity method	—	112
Total of items that may be reclassified to profit or loss	20,943	77,453
Total other comprehensive income, net of tax	24,753	93,560
Comprehensive income	209,249	254,135
Comprehensive income attributable to		
Owners of parent	209,007	254,978
Non-controlling interests	242	(842)
Comprehensive income	209,249	254,135

(2) Consolidated statement of financial position

*Millions of yen*

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	112,085	114,586
Goodwill	9,819	15,287
Intangible assets	96,309	117,621
Right-of-use assets	6,482	9,440
Investment property	26,382	27,768
Other financial assets	247,711	292,321
Deferred tax assets	22,100	13,526
Other non-current assets	6,716	42,158
<b>Total non-current assets</b>	<b>527,607</b>	<b>632,712</b>
<b>Current assets</b>		
Inventories	57,919	64,916
Trade receivables	109,774	122,830
Other financial assets	254,131	215,761
Other current assets	53,142	22,607
Cash and cash equivalents	309,224	358,090
<b>Total current assets</b>	<b>784,192</b>	<b>784,205</b>
<b>Total assets</b>	<b>1,311,800</b>	<b>1,416,918</b>

*Millions of yen*

	As of March 31, 2023	As of March 31, 2024
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	15,204	14,242
Treasury shares	(63,074)	(137,889)
Retained earnings	940,606	1,065,913
Other components of equity	186,030	271,778
Equity attributable to owners of parent	1,100,046	1,235,325
Non-controlling interests	21,832	17,236
Total equity	1,121,878	1,252,562
Liabilities		
Non-current liabilities		
Lease liabilities	6,397	8,753
Other financial liabilities	4,844	7,649
Retirement benefit liability	12,867	7,994
Deferred tax liabilities	5,916	4,360
Other non-current liabilities	1,343	1,691
Total non-current liabilities	31,369	30,448
Current liabilities		
Lease liabilities	3,014	2,867
Trade payables	14,005	14,808
Other financial liabilities	29,720	31,118
Income taxes payable	42,217	20,844
Other current liabilities	69,595	64,267
Total current liabilities	158,552	133,907
Total liabilities	189,921	164,355
Total equity and liabilities	1,311,800	1,416,918

(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, 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
Profit				162,030		162,030	(1,455)	160,575
Total other comprehensive income, net of tax					92,948	92,948	612	93,560
Comprehensive income	—	—	—	162,030	92,948	254,978	(842)	254,135
Purchase of treasury shares			(75,013)			(75,013)		(75,013)
Disposal of treasury shares		(3)	198			195		195
Dividends				(43,919)		(43,919)		(43,919)
Changes in ownership interest in subsidiaries		(961)				(961)	(3,752)	(4,714)
Transfer from other components of equity to retained earnings				7,199	(7,199)	—		—
Other		3		(3)		—		—
Balance as of March 31, 2024	21,279	14,242	(137,889)	1,065,913	271,778	1,235,325	17,236	1,252,562

(4) Consolidated statement of cash flows

*Millions of yen*

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	220,332	198,283
Depreciation and amortization	17,165	18,323
Impairment losses (reversals of impairment losses)	11,758	8,262
Finance income and finance costs	(71,461)	(44,866)
Decrease (increase) in trade and other receivables	13,941	(12,372)
Decrease (increase) in inventories	(11,699)	(6,337)
Increase (decrease) in trade and other payables	7,738	(5,817)
Other	(32,245)	13,286
Subtotal	155,530	168,762
Interest and dividends received	49,716	49,324
Interest paid	(94)	(164)
Income taxes refund (paid)	(27,284)	(63,637)
Net cash provided by (used in) operating activities	177,867	154,284
Cash flows from investing activities		
Payments into time deposits	(398,933)	(187,354)
Proceeds from withdrawal of time deposits	341,883	264,792
Purchase of property, plant and equipment	(11,858)	(12,693)
Purchase of intangible assets	(25,329)	(15,574)
Purchase of investments	(83,335)	(97,490)
Proceeds from sale and redemption of investments	125,974	84,599
Payments for acquisition of subsidiaries	—	(16,079)
Payments for sale of subsidiaries	—	(296)
Payments for acquisition of shares of equity-method affiliates	—	(11,121)
Other	3,305	(2,856)
Net cash provided by (used in) investing activities	(48,292)	5,922

*Millions of yen*

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from financing activities		
Repayments of lease liabilities	(3,158)	(3,080)
Purchase of treasury shares	(49,539)	(75,182)
Dividends paid	(36,142)	(43,876)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(4,714)
Capital contribution from non-controlling interests	4,714	—
Other	3	—
Net cash provided by (used in) financing activities	(84,123)	(126,853)
Effect of exchange rate changes on cash and cash equivalents	9,352	15,512
Net increase (decrease) in cash and cash equivalents	54,803	48,866
Cash and cash equivalents at beginning of period	254,420	309,224
Cash and cash equivalents at end of period	309,224	358,090

(5) Notes

Going concern assumption

None

Change in accounting policies

The SHIONOGI Group has applied the following standard from the fiscal year ending March 31, 2024. The adoption does not have a significant impact on the consolidated financial statements.

Standards	Name	Overview of new standards and revisions
IAS 12	Income Taxes	Clarification of deferred tax related to assets and liabilities arising from a single transaction

Segment information

Year ended March 31, 2023 (April 1, 2022 to March 31, 2023) and Year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

Additional information

(Profit from License Transfer)

With the transfer of the licenses for Intuniv and Vyvanse to Takeda Pharmaceutical Company Limited, the difference of 25,008 million yen between the compensation received and the derecognized intangible assets was stated in "Profit from License Transfer" in the consolidated statement of profit or loss and included in gross profit. This profit is not revenue based on IFRS 15 Revenue from Contracts with Customers. Regarding the method of recovering investments in intangible assets such as in-process research and development assets and marketing rights, the SHIONOGI Group uses the procedure that is optimal at the time of the transaction, such as obtaining revenue from manufacture or sale by the SHIONOGI Group, or receiving one-time payments and royalty income from out-licensing to other companies. This transaction was one of those investment recovery methods. Therefore, the SHIONOGI Group judged that including it in gross profit will aid in providing useful information to readers of the financial statements.



### Earnings per share

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

Item	Year ended March 31,2023	Year ended March 31,2024
Basis for calculating basic earnings per share		
Profit attributable to owners of parent	184,965 million yen	162,030 million yen
Profit not attributable to ordinary equity holders of parent	—	—
Profit used for calculating basic earnings per share	184,965 million yen	162,030 million yen
Weighted-average number of ordinary shares outstanding	297,704 thousands of stocks	290,111 thousands of stocks
Basis for calculating diluted earnings per share		
Profit for the year used for calculating basic earnings per share	184,965 million yen	162,030 million yen
Adjustments to profit	—	—
Profit for the year used for calculating diluted earnings per share	184,965 million yen	162,030 million yen
Weighted-average number of ordinary shares outstanding	297,704 thousands of stocks	290,111 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	297,805 thousands of stocks	290,211 thousands of stocks
Earnings per share		
Basic earnings per share	621.31 yen	558.51 yen
Diluted earnings per share	621.10 yen	558.32 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

(Cancellation of treasury shares)

Based on the resolution of the Board of Directors' meeting held on July 31, 2023, the Company cancelled its treasury shares on April 17, 2024 in accordance with Article 178 of the Companies Act.

1. Reason for the cancellation of treasury shares

To increase shareholder return and capital efficiency by following a flexible capital policy

2. Type of shares cancelled

Common stock of the Company

3. Total number of shares to be cancelled

10,842,100 shares

4. Date of cancellation

April 17, 2024