

Consolidated Financial Highlights

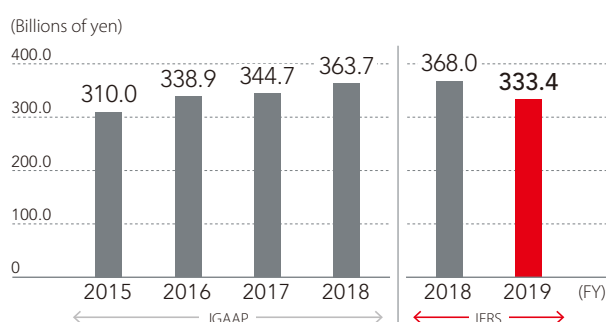
Shionogi has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2020.

The financial figures are shown for both JGAAP and IFRS for the fiscal year ended March 31, 2019.

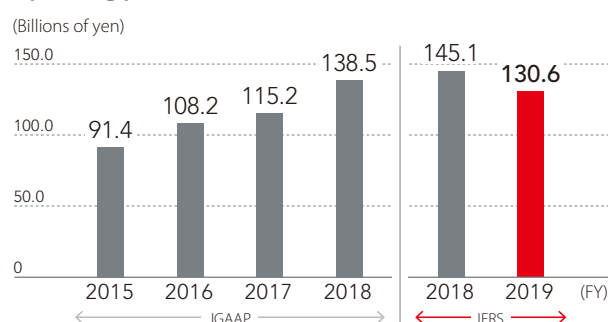
Sales and profits down in fiscal 2019

- Revenue fell 9.4% year on year to ¥333.4 billion.
 - ⇒ Among the main components of revenue, exports and overseas subsidiary sales were ¥30.8 billion (up 1.1% year on year), but overall revenue fell due to a decline in domestic prescription drug sales, royalty income, and milestone income.
- Operating profit and profit attributable to owners of parent also declined.

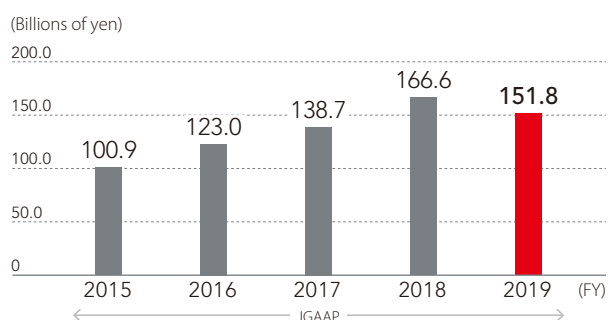
Revenue



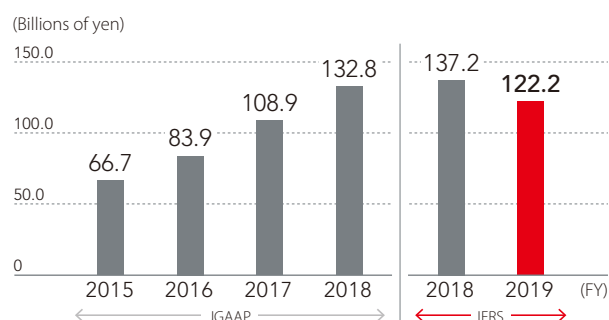
Operating profit



Ordinary income



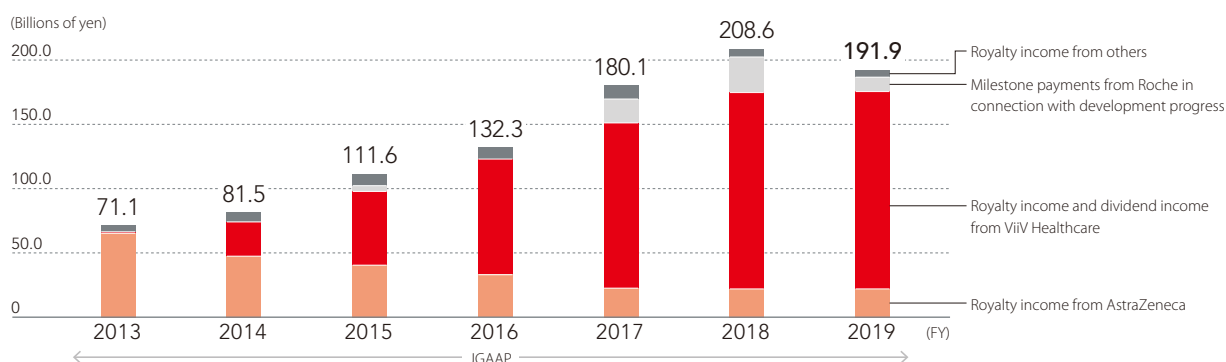
Profit attributable to owners of parent



Decline in royalty income

- Royalty income reached ¥127.1 billion (up 2.1% year on year) on the back of a steady increase in global product sales in the HIV franchise.
- Dividend income was stable, underpinned by favorable earnings at ViiV Healthcare's global HIV business.
- Shionogi received milestone payments from Roche in connection with progress in global development for the flu drug *Xofluza*, but the amount was less than in the previous year when multiple payments were received.

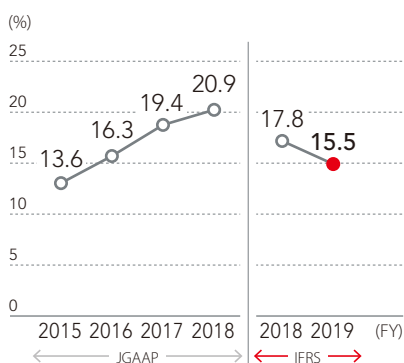
Royalty income and dividend income from ViiV Healthcare



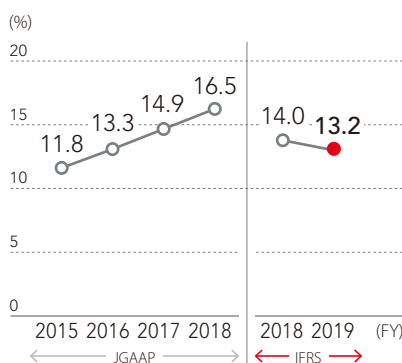
ROE, ROIC, and CCC

Return on equity (ROE),*1 return on invested capital (ROIC),*2 and cash conversion cycle (CCC)*3 were set as key indicators for the quantitative targets of growth, efficiency, and shareholder returns in the previous Medium-Term Business Plan (SGS2020) updated in October 2016. In the fiscal year ended March 31, 2020, ROE was 15.5% (down 2.3 points year on year), ROIC was 13.2% (down 0.8 point), and CCC was 7.7 months (a 1.1 month improvement from the previous year). Moving forward, we will work to achieve the management indicators set out in STS2030.

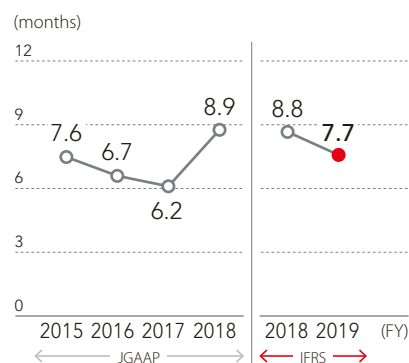
ROE



ROIC



CCC



*1 Profit attributable to owners of parent ÷ (Shareholders' equity + accumulated other comprehensive income) × 100 (%)

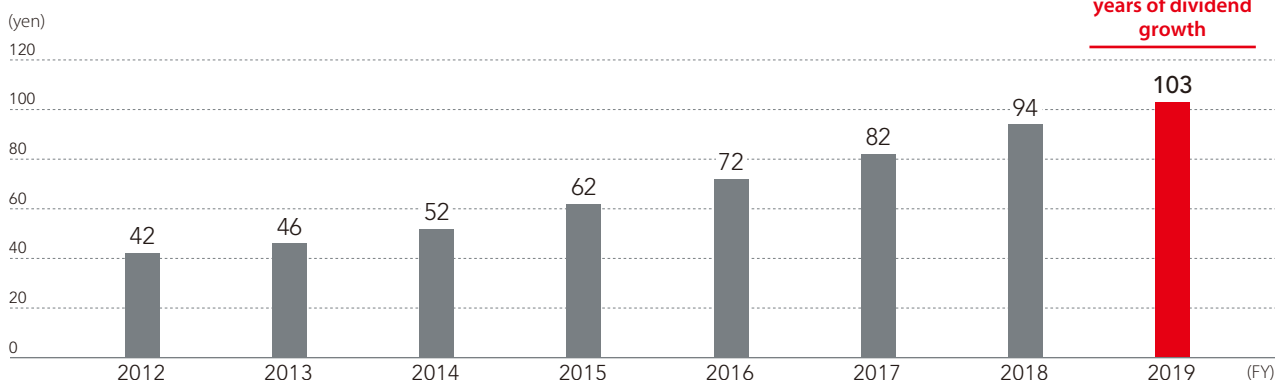
*2 After-tax operating income ÷ (Interest bearing debt + Shareholders' equity + Non-controlling interests) × 100 (%)

*3 The number of days between investing cash (for raw materials, product purchases, etc.) and the time when that is ultimately converted into cash again. (This indicator is used for capital efficiency.)

Working hard to ensure that shareholders also can experience growth

- Continuous dividend increases
- Flexible share buybacks and retirement of treasury shares
- Fiscal 2019: Approx. 7.79 million shares acquired and 5.20 million treasury shares retired (resolution passed on March 30, 2020 and shares retired on April 6)

Dividends per share



Consolidated 11-Year Financial Summary

	Second Medium-Term Business Plan		Third Medium-Term Business Plan					
	Accelerating progress Expansion of R&D and establishment of global structure		SONG for the Real Growth Progress toward global growth				Aim to grow as a drug discovery-based pharmaceutical company	
JGAAP	2010	2011	2012	2013	2014	2015	2016	
For the years ended March 31:								
Net sales	¥ 278,502	¥ 282,350	¥ 267,275	¥ 282,903	¥ 289,717	¥ 273,991	¥ 309,973	
Cost of sales	76,263	81,737	77,753	78,574	77,993	82,189	74,758	
Selling, general and administrative expenses	149,801	153,720	142,518	144,764	149,848	141,436	143,808	
Operating income	52,438	46,892	47,003	59,565	61,875	50,365	91,406	
Ordinary income	50,522	45,176	46,093	58,922	62,225	77,880	100,869	
Profit before income taxes	58,540	33,135	41,494	58,306	63,188	82,051	97,452	
Profit attributable to owners of parent	38,625	20,026	27,101	66,727	40,618	44,060	66,687	
Net cash provided by operating activities	52,901	56,528	54,724	59,276	79,496	45,604	102,290	
Net cash used in investing activities	(826)	(13,947)	(38,290)	(19,959)	(20,040)	(31,696)	(32,894)	
Net cash used in financing activities	(4,978)	(27,011)	(27,749)	(37,687)	(53,798)	(46,211)	(18,525)	
Research and development expenses	51,808	50,921	53,599	53,021	53,605	48,870	49,787	
Capital investments	12,546	17,967	13,233	11,447	8,962	8,163	9,943	
Depreciation and amortization	18,047	17,966	16,282	11,912	12,912	12,672	12,578	
As of March 31:								
Property, plant and equipment, net	¥ 62,447	¥ 70,220	¥ 74,282	¥ 78,473	¥ 78,976	¥ 77,022	¥ 78,673	
Intangible assets	119,065	99,593	106,694	70,464	72,824	80,328	71,626	
Total assets	540,761	523,242	522,161	574,882	580,566	595,067	631,599	
Total long-term liabilities	131,955	115,325	92,899	53,041	33,721	48,427	45,739	
Total net assets	341,976	328,096	347,198	423,633	467,836	478,883	513,877	
Per share amounts:								
Profit attributable to owners of parent	¥ 115.33	¥ 59.80	¥ 80.93	¥ 199.25	¥ 121.29	¥ 132.67	¥ 204.83	
Net assets	1,019.71	979.69	1,027.83	1,254.44	1,385.11	1,456.70	1,564.73	
Dividend	36	40	40	42	46	52	62	
Other:								
Equity ratio	63.2	62.7	65.9	73.1	79.9	79.7	80.7	
Return on equity [ROE]	11.9	6.0	8.1	17.5	9.2	9.4	13.6	
Payout ratio	31.2	66.9	49.4	21.1	37.9	39.2	30.3	

- Notes:** 1. From the fiscal year ended March 31, 2015, the Company has adopted a new accounting standard for research and development expenses (business research expenses). This change has been reflected in figures for the fiscal year ended March 31, 2014.
2. In the fiscal year ended March 31, 2019, the Company changed the presentation method for tax effect accounting. The change has been reflected in figures for the fiscal year ended March 31, 2015, and subsequent periods.
3. International Financial Reporting Standards (IFRS): Accounting standards defined by the non-government organization International Accounting Standards Board (IASB) headquartered in London.
4. IFRS adopted from the fiscal year ended March 31, 2020

Shionogi Growth Strategy 2020 (SGS2020)

	2017	2018	2019
			(Millions of yen)
	¥ 338,890	¥ 344,667	¥ 363,721
	77,777	73,911	54,880
	152,934	155,537	170,303
	108,178	115,219	138,537
	123,031	138,692	166,575
	122,695	137,378	170,343
	83,879	108,866	132,759
	111,903	129,790	145,684
	(31,643)	(51,238)	(36,349)
	(57,411)	(53,893)	(87,011)
	59,907	59,945	68,325
	9,659	5,678	7,900
	13,362	15,972	16,479
			(Millions of yen)
	¥ 78,788	¥ 75,956	¥ 74,653
	91,125	75,060	54,769
	661,499	711,463	778,741
	44,692	34,056	17,203
	526,211	604,840	672,429
			(Yen)
	¥ 259.88	¥ 342.71	¥ 424.31
	1,638.46	1,911.36	2,144.33
	72	82	94
			(%)
	79.0	84.5	85.7
	16.3	19.4	20.9
	27.7	23.9	22.2

International Financial Reporting Standards (IFRS)	2019	2020	2020
		(Millions of yen)	(Thousands of U.S. dollars)
For the years ended March 31:			
Revenue	¥ 367,960	¥ 333,371	\$ 3,063,794
Cost of sales	55,591	(56,782)	(521,847)
Selling, general and administrative expenses	87,668	(95,094)	(873,955)
Research and development expenses	52,058	(47,949)	(440,671)
Operating profit	145,081	130,628	1,200,523
—	—	—	—
Profit before tax	174,043	158,516	1,456,823
Profit attributable to owners of parent	137,191	122,193	1,123,000
Net cash provided by operating activities	165,000	131,940	1,212,572
Net cash used in investing activities	(56,256)	(29,144)	(267,845)
Net cash used in financing activities	(89,912)	(88,174)	(810,353)
Capital investments	7,900	9,954	91,481
Depreciation and amortization	14,431	14,115	129,725
		(Millions of yen)	(Thousands of U.S. dollars)
As of March 31:			
Property, plant and equipment, net	¥ 70,986	¥ 71,350	\$ 655,738
Intangible assets	47,804	46,536	427,686
Total assets	938,540	871,526	8,009,621
Total equity	813,087	764,611	7,027,031
Non-current liabilities	29,303	25,795	237,071
		(Yen)	(U.S. dollars)
Per share amounts:			
Basic earnings per share	¥ 438.47	¥ 395.71	\$ 3.64
Equity attributable to owners of parent per share	2,598.16	2,516.79	23.13
Dividend	94	103	0.95
		(%)	(%)
Other:			
Ratio of equity attributable to owners of parent	86.2	87.7	
Return on equity attributable to owners of parent (ROE)	17.8	15.5	
Payout ratio	21.4	26.0	

Consolidated statement of profit or loss

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
		(Millions of yen)	(Thousands of U.S. dollars)
Revenue (Note 5)	¥ 367,960	¥ 333,371	\$ 3,063,794
Cost of sales	(55,591)	(56,782)	(521,847)
Gross profit	312,369	276,589	2,541,947
Selling, general and administrative expenses (Note 6)	(87,668)	(95,094)	(873,955)
Research and development expenses	(52,058)	(47,949)	(440,671)
Amortization of intangible assets associated with products (Note 13)	(4,273)	(3,255)	(29,923)
Other income (Note 7)	1,394	4,291	39,437
Other expenses (Note 7)	(24,680)	(3,951)	(36,314)
Operating profit	145,081	130,628	1,200,523
Finance income (Notes 8, 16)	32,371	30,504	280,344
Finance costs (Note 8)	(3,409)	(2,616)	(24,044)
Profit before tax	174,043	158,516	1,456,823
Income tax expense (Note 9)	(37,124)	(36,322)	(333,814)
Profit	136,918	122,194	1,123,009
Profit attributable to			
Owners of parent	137,191	122,193	1,123,000
Non-controlling interests	(272)	1	9
Earnings per share		(Yen)	(U.S. dollars)
Basic earnings per share (Note 10)	¥ 438.47	¥ 395.71	\$ 3.64
Diluted earnings per share (Note 10)	434.71	395.28	3.63

Note: See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Consolidated statement of comprehensive income

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
		(Millions of yen)	(Thousands of U.S. dollars)
Profit	¥ 136,918	¥ 122,194	\$ 1,123,009
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 (Notes 16, 21)	22,581	(62,544)	(574,804)
Remeasurements of defined benefit plans (Notes 21, 24)	(13,889)	503	4,630
Total of items that will not be reclassified to profit or loss	8,692	(62,040)	(570,175)
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations (Note 21)	(7,721)	(26,247)	(241,221)
Effective portion of cash flow hedges (Notes 21, 29)	(510)	2,474	22,741
Total of items that may be reclassified to profit or loss	(8,232)	(23,772)	(218,480)
Total other comprehensive income (loss), net of tax	460	(85,813)	(788,655)
Comprehensive income	137,378	36,381	334,354
Comprehensive income attributable to			
Owners of parent	137,926	36,594	336,318
Non-controlling interests	(547)	(213)	(1,963)

Note: See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Consolidated statement of financial position

	As of April 1, 2018 (Transition date)	As of March 31, 2019	(Millions of yen)	(Thousands of U.S. dollars)
			As of March 31, 2020	As of March 31, 2020
Assets				
Non-current assets:				
Property, plant and equipment (Notes 11, 14)	¥ 72,165	¥ 70,986	¥ 71,350	\$ 655,738
Goodwill (Note 12)	10,767	3,358	10,854	99,760
Intangible assets (Notes 13, 14)	42,453	47,804	46,536	427,686
Right-of-use assets (Note 15)	5,320	5,915	4,657	42,808
Other financial assets (Notes 16, 29)	299,586	302,709	202,161	1,857,929
Retirement benefit asset (Note 24)	10,340	—	—	—
Deferred tax assets (Note 9)	378	534	3,048	28,017
Other non-current assets (Notes 14, 20)	6,895	13,586	16,890	155,232
Total non-current assets	447,908	444,895	355,500	3,267,168
Current assets:				
Inventories (Note 17)	30,846	35,125	33,818	310,804
Trade receivables (Notes 18, 29)	82,140	100,951	79,804	733,431
Other financial assets (Notes 16, 29)	110,551	150,530	171,157	1,572,998
Income taxes receivable (Note 9)	59	395	192	1,772
Other current assets (Note 20)	10,083	10,840	22,191	203,944
Cash and cash equivalents (Note 19)	176,135	195,800	208,861	1,919,503
Total current assets	409,816	493,645	516,026	4,742,453
Total assets	857,725	938,540	871,526	8,009,621

Notes: IFRS adopted from the fiscal year ended March 31, 2020

See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Consolidated Financial Statements

	As of April 1, 2018 (Transition date)	As of March 31, 2019	(Millions of yen) As of March 31, 2020	(Thousands of U.S. dollars) As of March 31, 2020
Equity and liabilities				
Equity				
Share capital (Note 21)	¥ 21,279	¥ 21,279	¥ 21,279	\$ 195,568
Capital surplus (Notes 21, 25)	21,055	21,277	20,432	187,783
Treasury shares (Note 21)	(36,641)	(28,882)	(77,292)	(710,343)
Retained earnings (Note 21)	545,498	613,483	708,291	6,509,438
Other components of equity (Notes 21, 24, 29)	179,365	181,616	91,848	844,115
Equity attributable to owners of parent	730,557	808,774	764,560	7,026,561
Non-controlling interests	4,257	4,313	51	471
Total equity	734,814	813,087	764,611	7,027,031
Liabilities				
Non-current liabilities				
Bonds and borrowings (Notes 22, 29)	18,393	—	—	—
Lease liabilities (Notes 15, 29)	5,731	6,006	4,791	44,039
Other financial liabilities (Notes 23, 29)	4,202	4,354	4,179	38,409
Retirement benefit liability (Note 24)	8,865	18,136	16,089	147,865
Deferred tax liabilities (Note 9)	6,291	444	373	3,431
Other non-current liabilities (Notes 27, 28)	393	360	362	3,328
Total non-current liabilities	43,876	29,303	25,795	237,071
Current liabilities:				
Bonds and borrowings (Notes 22, 29)	10,000	918	—	—
Lease liabilities (Notes 15, 29)	2,636	3,306	3,361	30,892
Trade payables (Notes 26, 29)	7,698	9,442	10,763	98,922
Other financial liabilities (Notes 23, 29)	10,470	17,008	17,557	161,355
Income taxes payable (Note 9)	18,402	34,016	21,886	201,141
Other current liabilities (Note 28)	29,826	31,457	27,551	253,208
Total current liabilities	79,034	96,149	81,119	745,518
Total liabilities	122,910	125,452	106,915	982,590
Total equity and liabilities	857,725	938,540	871,526	8,009,621

Notes: IFRS adopted from the fiscal year ended March 31, 2020
See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

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, 2018	¥ 21,279	¥ 21,055	¥ (36,641)	¥ 545,498	¥ 179,365	¥ 730,557	¥ 4,257	¥ 734,814
Profit				137,191		137,191	(272)	136,918
Total other comprehensive income, net of tax (Note 21)					734	734	(274)	460
Comprehensive income				137,191	734	137,926	(547)	137,378
Purchase of treasury shares (Note 21)			(50,020)			(50,020)		(50,020)
Disposal of treasury shares (Note 21)		(1,481)	19,174			17,693		17,693
Cancellation of treasury shares (Note 21)		(38,604)	38,604			—		—
Dividends (Note 21)				(27,669)		(27,669)		(27,669)
Increase by business combination						—		—
Changes in ownership interest in subsidiaries		288				288	604	892
Transfer from other components of equity to retained earnings (Note 21)				(1,516)	1,516	—		—
Other		40,019		(40,020)		(0)	(1)	(1)
Balance as of March 31, 2019	¥ 21,279	¥ 21,277	¥ (28,882)	¥ 613,483	¥ 181,616	¥ 808,774	¥ 4,313	¥ 813,087
Profit				122,193		122,193	1	122,194
Total other comprehensive income, net of tax (Note 21)					(85,598)	(85,598)	(214)	(85,813)
Comprehensive income				122,193	(85,598)	36,594	(213)	36,381
Purchase of treasury shares (Note 21)			(50,012)			(50,012)		(50,012)
Disposal of treasury shares (Note 21)		(509)	1,602			1,092		1,092
Cancellation of treasury shares						—		—
Dividends (Note 21)				(31,134)		(31,134)		(31,134)
Increase by business combination (Note 32)						—	90	90
Changes in ownership interest in subsidiaries		(755)				(755)	(4,187)	(4,942)
Transfer from other components of equity to retained earnings (Note 21)				4,169	(4,169)	—		—
Other		420		(420)		0	49	49
Balance as of March 31, 2020	¥ 21,279	¥ 20,432	¥ (77,292)	¥ 708,291	¥ 91,848	¥ 764,560	¥ 51	¥ 764,611

Note: See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Consolidated Financial Statements

(Thousands of U.S. dollars)

	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 March 31, 2019	\$ 195,568	\$ 195,545	\$ (265,440)	\$ 5,638,118	\$ 1,669,115	\$ 7,432,906	\$ 39,640	\$ 7,472,546
Profit				1,123,000		1,123,000	9	1,123,009
Total other comprehensive income, net of tax (Note 21)					(786,682)	(786,682)	(1,973)	(788,655)
Comprehensive income				1,123,000	(786,682)	336,318	(1,963)	334,354
Purchase of treasury shares (Note 21)			(459,631)			(459,631)		(459,631)
Disposal of treasury shares (Note 21)		(4,685)	14,728			10,043		10,043
Cancellation of treasury shares						—		—
Dividends (Note 21)				(286,137)		(286,137)		(286,137)
Increase by business combination (Note 32)						—	829	829
Changes in ownership interest in subsidiaries		(6,942)				(6,942)	(38,484)	(45,426)
Transfer from other components of equity to retained earnings (Note 21)				38,318	(38,318)	—		—
Other		3,865		(3,861)		4	450	455
Balance as of March 31, 2020	\$ 195,568	\$ 187,783	\$ (710,343)	\$ 6,509,438	\$ 844,115	\$ 7,026,561	\$ 471	\$ 7,027,031

Note: See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Consolidated statement of cash flows


(Millions of yen) (Thousands of U.S. dollars)

	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2020
Cash flows from operating activities			
Profit before tax	¥ 174,043	¥ 158,516	\$ 1,456,823
Depreciation and amortization	14,431	14,115	129,725
Impairment losses	17,168	100	919
Finance (income) costs	(32,963)	(29,233)	(268,668)
(Increase) decrease in trade and other receivables	(18,570)	21,371	196,408
(Increase) decrease in inventories	(3,637)	1,158	10,647
Increase (decrease) in trade and other payables	4,922	(5,747)	(52,819)
Other	3,711	(9,202)	(84,574)
Subtotal	159,106	151,078	1,388,462
Interest and dividends received	30,086	29,565	271,713
Interest paid	(693)	(348)	(3,207)
Income taxes paid	(23,499)	(48,354)	(444,395)
Net cash provided by operating activities	165,000	131,940	1,212,572
Cash flows from investing activities			
Payments into time deposits	(123,651)	(200,827)	(1,845,673)
Proceeds from withdrawal of time deposits	91,064	174,672	1,605,302
Purchase of property, plant and equipment	(6,547)	(8,945)	(82,210)
Proceeds from sale of property, plant and equipment	751	3,427	31,504
Purchase of intangible assets	(18,848)	(2,823)	(25,950)
Payments for acquisition of a subsidiary (Note 32)	—	(4,525)	(41,592)
Purchase of investments in associates	(5,742)	(4,252)	(39,077)
Purchase of investments	(11,964)	(99,630)	(915,641)
Proceeds from sale of investments	20,725	119,485	1,098,115
Payments for acquisition of businesses	(937)	—	—
Other	(1,104)	(5,725)	(52,621)
Net cash used in investing activities	(56,256)	(29,144)	(267,845)
Cash flows from financing activities			
Repayments of long-term borrowings (Note 22)	(10,000)	—	—
Repayments of lease liabilities (Note 22)	(3,022)	(3,544)	(32,574)
Purchase of treasury shares (Note 21)	(50,270)	(50,159)	(460,981)
Dividends paid (Note 21)	(27,639)	(31,122)	(286,027)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(3,367)	(30,944)
Proceeds from sale of interests in a subsidiary to non-controlling interests	1,020	—	—
Other	—	18	173
Net cash used in financing activities	(89,912)	(88,174)	(810,353)
Effect of exchange rate changes on cash and cash equivalents	832	(1,560)	(14,346)
Net increase in cash and cash equivalents	19,664	13,060	120,028
Cash and cash equivalents at beginning of period (Note 19)	176,135	195,800	1,799,474
Cash and cash equivalents at end of period (Note 19)	¥ 195,800	¥ 208,861	\$ 1,919,503

Note: See notes to Consolidated Financial Statements Year ended March 31 with Independent Auditor's Report.

Environmental Data

Shionogi calculates energy consumption and greenhouse gas (GHG) emissions using calorie conversion factors and CO₂ emission factors for fuels and electricity used each fiscal year. Due to differences in calculation methods and boundary of calculation, the energy consumption and GHG emissions thus calculated differ from the figures presented in the Non-financial data section of this Integrated Report (p. 97) and in the Environment Report.

GHG emissions and energy consumption data in fiscal 2019 marked with  were subject to third-party assurance by KPMG AZSA Sustainability Co., Ltd.

Indicators		Unit	2015	2016	2017	2018	2019
Greenhouse gas (GHG)							
Total of Scope 1, 2 and 3	(Location-based)	tons-CO ₂	313,354	355,504	287,356	209,171	226,883
	(Market-based)	tons-CO ₂	309,948	349,397	286,898	204,031	218,614
Total of Scope 1 and 2	(Location-based)	tons-CO ₂	102,125	101,827	90,595	87,850	85,208
	(Market-based)	tons-CO ₂	98,719	95,720	90,136	82,711	76,939
Scope 1	(Intensity per unit of sales)	tons-CO ₂	46,778	46,106	43,456	41,349	37,519
	(Location-based)	tons-CO ₂ /1 million yen	0.1509	0.1361	0.1261	0.1137	0.1120
Scope 2	(Intensity per unit of sales)	tons-CO ₂	55,347	55,721	47,139	46,501	47,690
	(Market-based)	tons-CO ₂ /1 million yen	0.1786	0.1644	0.1368	0.1278	0.1424
Scope 2	(Intensity per unit of sales)	tons-CO ₂	51,941	49,614	46,681	41,362	39,421
	(Market-based)	tons-CO ₂ /1 million yen	0.1676	0.1464	0.1354	0.1137	0.1177
Total of Scope 3*1		tons-CO ₂	211,229	253,677	196,761	121,321	141,675
Category 3		tons-CO ₂	3,093	3,015	2,876	2,798	5,732
Other categories		tons-CO ₂	208,135	250,661	193,885	118,523	135,943
Energy consumption							
Total energy consumption		GJ	1,829,055	1,818,374	1,733,999	1,677,537	1,651,304
	(Intensity per unit of sales)	GJ/1 million yen	5,901	5,366	5,031	4,612	4,930
Gasoline		kl	2,044	1,812	1,749	1,598	1,382
Other fuel oils (kerosene, light oil, heavy oil A)		kl	239	330	54	87	49
Liquefied petroleum gas (LPG)		tons	616	875	808	830	580
Liquefied natural gas (LNG)		tons	8,970	8,530	8,067	7,932	7,113
Town gas		thousand Nm ³	6,991	6,978	6,860	6,138	5,771
Electricity		thousand kWh	93,898	94,428	90,497	89,107	93,245
Steam		GJ	0	0	0	0	15,863

*1 Until fiscal 2018, data were only tabulated for Shionogi & Co., Ltd., but with the spin-off of the manufacturing function as a subsidiary (establishment of Shionogi Pharma Co., Ltd.), from fiscal 2019 data are tabulated for Shionogi Group companies in Japan. The impact of this change is minor.

Calculation methods for environmental performance data

Boundary of calculation	Scope 1 and 2:	Shionogi Group (excluding overseas related companies [administrative offices]): Shionogi Group companies in Japan and the Nanjing Plant of C&O Pharmaceutical Technology (Holdings) Limited
	Scope 3:	Shionogi Group companies in Japan (Shionogi & Co., Ltd. in or before fiscal 2018)
	Energy consumption:	Shionogi Group (excluding overseas related companies [administrative offices]): Shionogi Group companies in Japan and the Nanjing Plant of C&O Pharmaceutical Technology (Holdings) Limited

Calculation methods

Indicators	Calculation methods
Scope 1	CO ₂ emissions resulting from fuel use Calculation methods: Based on the "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.6)" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan CO ₂ emission factors: Based on the "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.6)" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan
Scope 2	CO ₂ emissions resulting from purchase of electricity and steam Calculation methods: Based on the "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.6)" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan Electricity (Japan) (location-based): Substitute values from "Emission Factors by Power Suppliers (for the calculation of GHG emissions by specified emitters) (FY2018 results)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan (January 7, 2020) Electricity (Japan) (market-based): Adjusted emissions factors from "Emission Factors by Power Suppliers (for the calculation of GHG emissions by specified emitters) (FY 2018 results)" published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan (January 7, 2020) Electricity (overseas) (both location-based and market-based): Emissions Factors (2016) of the International Energy Agency (IEA) Steam (both location-based and market-based): Emissions factors from the "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.6)" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan
Scope 3	Category 3 CO ₂ emissions resulting from procurement of fuels required for the generation of electricity purchased*2 Calculation methods: Based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.3)" of the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan, calculated using "7. Emission Unit Values per Use of Electricity and Heat" in the "The Database on Emissions Unit Values for Calculation of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.0)" of the Ministry of the Environment of Japan Other categories Total of Categories 1, 2, 4, 5, 6, 7 and 12, excluding Categories 8, 9, 10, 11, 13, 14 and 15 that are not included in our own corporate activities or are reported under other categories Calculation methods: Based on the "Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver.2.3)" of the Ministry of Economy, Trade and Industry and the Ministry of the Environment of Japan
Energy consumption	Total energy consumption Total calorie-converted values for purchased energy (gasoline, other fuel oils, LPG, LNG, town gas, electricity, steam) Calculation methods: Based on the Regulations for Enforcement of the Act on the Rational Use of Energy Calorie conversion factors: Based on the Regulations for Enforcement of the Act on the Rational Use of Energy Gasoline Amount of gasoline purchased, including fuel for sales force vehicles Other fuel oils Amount of kerosene, light oil, heavy oil A purchased Liquefied petroleum gas (LPG) Amount of LPG purchased from gas suppliers Liquefied natural gas (LNG) Amount of LNG purchased from gas suppliers Town gas Amount of town gas purchased from gas suppliers Electricity Amount of electricity purchased from power suppliers Steam Amount of steam purchased from steam suppliers

*2 Usage of steam etc. is only for C&O's Nanjing plant. (Steam is not used under the boundary of calculation for Scope 3 (Shionogi Group companies in Japan).)



Independent Assurance Report

To the President and CEO of Shionogi & Co., Ltd.

We were engaged by Shionogi & Co., Ltd. (the “Company”) to undertake a limited assurance engagement of the environmental performance indicators marked with “☑” (the “Indicators”) for the period from April 1, 2019 to March 31, 2020 included in its SHIONOGI INTEGRATED REPORT 2020 (the “Report”) for the fiscal year ended March 31, 2020.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting one of the Company’s laboratories selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

Osaka, Japan

November 18, 2020

Non-financial Data

	Mar. 31, 2016	Mar. 31, 2017	Mar. 31, 2018	Mar. 31, 2019	Mar. 31, 2020	Remark
Information on the number of employees (Information about only Shionogi & Co., Ltd. unless otherwise stated)						
No. of employees						
Consolidated	5,896 persons	5,511 persons	5,120 persons	5,233 persons (4,554 persons)	5,222 persons (4,527 persons)	The figure in parentheses is calculated for domestic consolidated companies.
Shionogi & Co., Ltd.	4,055 persons	3,911 persons	3,677 persons	3,596 persons	2,667 persons	
Rate of female employees	28.8%	28.8%	27.8%	28.1% (32.2%)	24.1% (32.2%)	The figure in parentheses is calculated for domestic consolidated companies.
Average age						
Total	41.4 years old	41.7 years old	41.4 years old	41.7 years old	41.3 years old	Excluding seconded persons
Male	42.1 years old	42.2 years old	41.9 years old	42.2 years old	41.9 years old	
Female	39.8 years old	40.6 years old	40.0 years old	40.4 years old	39.2 years old	
Length of service						
Total	17.2 years	17.4 years	17.3 years	17.3 years	15.9 years	Excluding seconded persons
Male	17.1 years	17.1 years	16.9 years	17.1 years	16.1 years	
Female	17.5 years	18.1 years	17.4 years	17.8 years	15.0 years	
Average salary	8,901,271 yen	9,276,750 yen	9,193,748 yen	9,042,130 yen	9,431,304 yen	
No. of new recruits						
Total	99 persons	91 persons	110 persons	101 persons	94 persons	Recruits who will enter the company on April 1 of the following fiscal year
Male	57 persons	61 persons	71 persons	59 persons	56 persons	
Female	42 persons	30 persons	39 persons	42 persons	38 persons	
Turnover rate of recruits enrolled for three years	0.0%	6.5%	6.5%	3.0%	4.5%	Recruit who entered the company on April 1 three years ago
Turnover rate of employees	1.4%	1.4%	1.9%	1.6%	1.9%	Excluding retired persons
No. of labor union members						
	3,396 persons Rate of union members: 100%	2,948 persons Rate of union members: 100%	2,758 persons Rate of union members: 100%	3,012 persons Rate of union members: 100%	2,806 persons Rate of union members: 100%	
Employment rate of people with disabilities						
	2.1%	2.3%	2.2%	2.0% (2.5%)	2.0% (2.6%)	As of the end of March. The figure in parentheses is calculated for special cases in affiliated companies. Shionogi Smile Heart Co., Ltd. established in April 2018 and certified as a special subsidiary company in July 2018.
Rate of female managers						
	7.8%	8.4%	8.0%	9.9% (10.0%)	10.7% (11.4%)	As of April 1 of the following fiscal year. The figure in parentheses is calculated for domestic consolidated companies. Target: 10% (Domestic consolidation at the end of March 2021)
Rate of female heads of organizations	5.6%	6.7%	7.7%	8.6%	14.3%	As of April 1 of the following fiscal year
Rate of female corporate officers	2/13	2/12	1/14	1/13	0/10	As of April 1 of the following fiscal year
	15.4%	16.7%	7.1%	7.7%	0.0%	
Rate of female members of the Board	16.7%	16.7%	16.7%	16.7%	16.7%	As of April 1 of the following fiscal year
Information on labor management (Shionogi & Co., Ltd.)						
Annual regular working hours for employees	1,852 hours	1,860 hours	1,860 hours	1,852 hours	1,845 hours	
No. of paid holidays	Up to 24 days	Up to 24 days	Up to 24 days	Up to 24 days	Up to 21 days	The number of legal annual holidays based on the Labor Standards Act is up to 20 days.
Average No. of paid holidays taken by employees	13.4 days	13.6 days	12.0 days	12.5 days	12.6 days	
Acquisition rate of childcare leave						
Female	100%	100%	100%	100%	100%	Rate of employees who have taken childcare leave during the year when their baby was born
Male	14.8%	17.4%	21.0%	24.2%	32.8%	
No. of employees who have taken nursing care leave						
Female	7 persons	4 persons	4 persons	2 persons	4 persons	Total number
Male	0 persons	0 persons	0 persons	0 persons	1 persons	
No. of employees who have worked on short work hours due to child rearing						
Female	181 persons	173 persons	162 persons	119 persons	136 persons	Total number
Male	4 persons	2 persons	1 persons	1 persons	1 persons	
Volunteer leave	0 persons	0 persons	1 persons	0 persons	1 persons	From FY 2014
Leave for bone marrow transplant donors	1 persons	1 persons	0 persons	0 persons	1 persons	From FY 2014
Frequency rate	0.12	0.25	0.39	0.81	0.19	
Severity rate	0.0001	0.004	0.003	0.018	0.0002	
Legal violation / Administrative guidance	0 case	0 case	0 case	4 cases	0 case	
Health (Shionogi & Co., Ltd.)						
Smoking rate	18.7%	17.1%	16.4%	15.2%	14.2%	
Rate of stress check attendance	—	94%	94%	96%	95%	
Participation rate in a healthy walk	37.1%	35.4%	42.2%	41.5%	41.5%	
Rate of health checkup attendance	100%	100%	100%	100%	100%	
Rate of employees on leave due to mental disorders	0.7%	0.5%	0.4%	0.4%	0.5%	
Environment (Domestic consolidated companies)						
CO ₂ emissions (Scope 1 and 2)	69,420 tons-CO ₂	67,764 tons-CO ₂	64,370 tons-CO ₂	61,866 tons-CO ₂	59,630 tons-CO₂	
Energy consumption (Thousand)	1,697 GJ	1,657 GJ	1,581 GJ	1,522 GJ	1,485 GJ	
Water use (Thousand)	1,567 m ³	1,528 m ³	1,389 m ³	1,315 m ³	1,263 m³	
Amount of waste generated	3,944 tons	3,820 tons	3,486 tons	3,824 tons	3,062 tons	
Recycling rate	71%	79%	78%	81%	83%	
Landfill rate	2.5%	1.3%	1.0%	0.8%	1.0%	
Type 1 chemicals designated under the PRTR Act						
Amount handled	377 tons	289 tons	251 tons	274 tons	203 tons	
Amount released	61 tons	63 tons	35 tons	43 tons	34 tons	
Amount transferred	235 tons	148 tons	177 tons	156 tons	131 tons	
No. of complaints about the environment	1 case	1 case	2 cases	1 case	0 case	

Corporate Data (As of March 31, 2020)

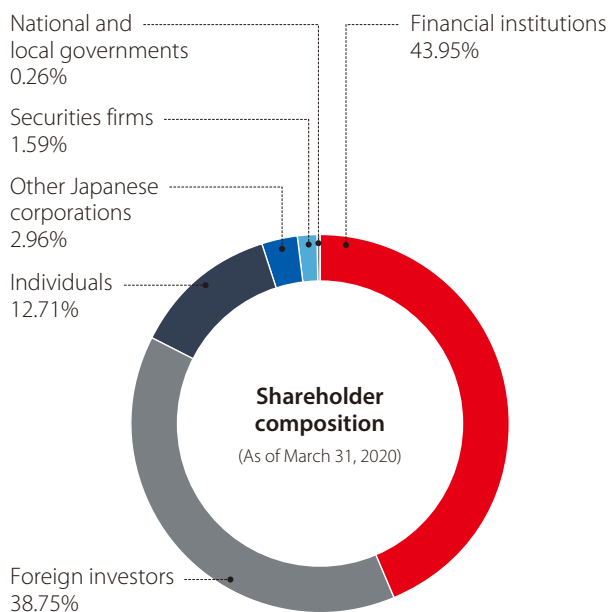
Company Name	Shionogi & Co., Ltd.
Established	March 17, 1878
Incorporated	June 5, 1919
Paid-in Capital	¥21,280 million
Number of Employees	5,233
Fiscal Year-End	March 31
Website	https://www.shionogi.com/global/en/

Stock Information (As of March 31, 2020)

Stock (Securities) Listings: Tokyo (#4507)
(Shares listed in 1949)

Stock Status: Common Stock Authorized:
1,000,000,000 shares
Issued: 316,786,165 shares
Number of shareholders: 36,955

Shareholder Composition



Note: Treasury shares included in Individuals.

Major Shareholders

Name	Number of shares (Thousands)	Percentage of total shares (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	38,091	12.53
Japan Trustee Services Bank, Ltd. (Trust account)	19,167	6.30
Sumitomo Life Insurance Company	18,604	6.12
SMBC Trust Bank Ltd. (as a trustee for retirement benefit of Sumitomo Mitsui Banking Corporation)	9,485	3.12
BNYM TREATY DTT 15	8,566	2.82
Nippon Life Insurance Company	8,409	2.76
Japan Trustee Services Bank, Ltd. (Trust account 7)	6,955	2.28
JP MORGAN CHASE BANK 385632	6,700	2.20
Japan Trustee Services Bank, Ltd. (Trust account 5)	5,208	1.71
Japan Trustee Services Bank, Ltd. (Trust account 9)	5,148	1.69

Notes:

- The Company owns 13,002,082 shares of treasury shares but the Company is not included in the major shareholders listed above (top 10).
- The percentage of total is calculated as the proportion of shares to 303,784,083 shares of total issued stock (excluding 13,002,082 shares of treasury shares).



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