



# Consolidated Financial Results for the First Quarter of Fiscal Year 2024 (IFRS)

July 29, 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 dividend payments: -

Preparation of supplemental material for the quarterly financial results: Yes

Holding of presentation for the quarterly 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, 2024 to June 30, 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	%
Three months ended June 30, 2024	97,586	(10.7)	28,110	(39.7)	36,525	(34.4)	30,307	(28.2)	30,637	(28.0)	62,823	(32.2)
Three months ended June 30, 2023	109,312	52.2	46,585	275.0	55,704	38.2	42,214	22.6	42,562	22.6	92,600	63.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	108.07	108.03
Three months ended June 30, 2023	144.62	144.57

Note: Revenue for FY2023 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
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	1,448,677	1,290,933	1,273,606	87.9
As of March 31, 2024	1,416,918	1,252,562	1,235,325	87.2

## 2. Dividends

	Dividends per share				
(Date of record)	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	75.00	—	85.00	160.00
Year ending March 31, 2025	—				
Year ending March 31, 2025 (forecast)		85.00	—	85.00	170.00

Note: Revisions of the most recent dividend forecast: None

## 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

Note: Revisions of the most recent consolidated financial forecast: None

## ※ 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 June 30, 2024: 296,544,065 shares

As of March 31, 2024: 307,386,165 shares

b) Number of treasury stock

As of June 30, 2024: 13,052,123 shares

As of March 31, 2024: 23,894,588 shares

c) Average number of shares issued during the period

Three months ended June 30, 2024: 283,491,524 shares

Three months ended June 30, 2023: 294,305,575 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. (Q1 ended June 30, 2024 and Year ended March 31, 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. (Q1 ended June 30, 2024 and Q1 ended June 30, 2023: 3,000,000 shares)*

※ Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: None

※ 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 3 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 Monday, July 29, 2024. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on July 29, 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 First Quarter of the Fiscal Year Ending March 31, 2025

For the Three months ended June 30, 2024 (April 1, 2024 to June 30, 2024), operating results were as follows.

*Millions of yen*

	Three months ended June 30, 2024	Three months ended June 30, 2023	Change	Percentage change (%)
Revenue	97,586	84,303	13,282	15.8
Revenue (including profit from license transfer)	97,586	109,312	(11,725)	(10.7)
Operating profit	28,110	46,585	(18,475)	(39.7)
Core operating profit <sup>*1</sup>	28,166	46,914	(18,748)	(40.0)
Profit before tax	36,525	55,704	(19,179)	(34.4)
Profit attributable to owners of parent	30,637	42,562	(11,924)	(28.0)
EBITDA <sup>*2</sup>	33,083	51,300	(18,216)	(35.5)

\*1 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.

\*2 Earnings Before Interest, Taxes, Depreciation, and Amortization: Core operating profit added depreciation and amortization.

Revenue (including profit from license transfer) was 97.6 billion yen. Domestic sales of prescription drugs decreased 66.4 percent year on year to 15.4 billion yen, mainly due to recording of the lump-sum payment of 25 billion yen associated with the transfer of license of an ADHD treatment drug in FY2023. Revenue from overseas subsidiary sales and exports increased 24.9 percent year on year to 15 billion yen. Due to strong sales of Cefiderocol (product name in U.S.: Fetroja, product name in Europe: Fetcroja), revenue in the U.S. increased 48.6 percent year on year to 6 billion yen, and revenue in Europe increased 34.2 percent year on year to 4 billion yen. Royalty income increased 36.1 percent year on year to 61 billion yen due to the rapid growth of two-oral-drug combinations and long-acting formulations (LA formulations) and the foreign exchange effects. As a result, overall revenue decreased by 10.7 percent year on year. However, excluding the non-recurring factor of receipt of a lump-sum payment associated with the transfer of the license for an ADHD treatment drug, sales increased 15.8 percent.

In terms of profit, operating profit decreased 39.7 percent year on year to 28.1 billion yen due to an increase in research and development expenses resulting from investments in major development projects and a decrease in revenue. Profit before tax was 36.5 billion yen, a 34.4 percent decrease year on year, and profit attributable to owners of parent was 30.6 billion yen, a 28.0 percent decrease year on year. However, excluding the non-recurring factor of receipt of a lump-sum payment associated with the transfer of the license for an ADHD treatment drug, operating profit, profit before tax and profit attributable to owners of parent increased year on year.

### (2) Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2025

As of June 30, 2024, total assets were 1,448,677 million yen, an increase of 31,759 million yen from a year earlier.

Non-current assets were 680,832 million yen, an increase of 48,120 million yen from a year earlier, mainly reflecting an increase in other financial assets due to foreign exchange effects and an increase in intangible assets, etc. Current assets were 767,845 million yen, a decrease of 16,360 million yen compared to a year earlier, mainly as a result of a decrease in cash and cash equivalents and changes in fixed-term deposits of more than three months and bonds (included in other financial assets in current assets).

Equity was 1,290,933 million yen, an increase of 38,370 million yen from a year earlier. This was due to the recording of profit, payment of cash dividends, and an increase in exchange differences on translation of foreign operations (included in other items of the owner's equity).

Liabilities totaled 157,744 million yen, a decrease of 6,611 million yen from a year earlier.

Non-current liabilities were 34,332 million yen, an increase of 3,884 million yen from a year earlier. Current liabilities were 123,411 million yen, a decrease of 10,495 million yen from a year earlier, mainly due to a decrease in income taxes payable.

(3) Cash Flows for the First Quarter of the Fiscal Year Ending March 31, 2025

Net cash provided by operating activities during the three months ended June 30, 2024 was 33.5 billion yen, an increase of 2,115 million yen year on year, due to factors such as a decrease in income taxes paid despite a decrease in profit before tax resulting from the lump-sum payment received associated with the transfer of license for an ADHD treatment during the first quarter of the previous fiscal year.

Net cash used in investing activities was 90,849 million yen, a increase of 56,093 million yen year on year, mainly due to the acquisition of intangible assets and changes in time deposits.

Net cash used in financing activities was 24,834 million yen, an increase of 1,760 million yen year on year, mainly due to an increase in cash dividends paid.

As a result, cash and cash equivalents on June 30, 2024 totaled 281,957 million yen, a decrease of 76,132 million yen from a year earlier.

(4) Outlook

There are no revisions to the consolidated financial forecast for the year ending March 31, 2025 announced on May 13, 2024.

## 2. 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*

	Three months ended June 30, 2023	Three months ended June 30, 2024
Revenue	84,303	97,586
Profit from license transfer	25,008	—
Cost of sales	(13,119)	(14,442)
Gross profit	96,192	83,144
Selling, general and administrative expenses	(23,191)	(24,042)
Research and development expenses	(24,997)	(29,432)
Amortization of intangible assets associated with products	(849)	(1,095)
Other income	92	77
Other expenses	(660)	(540)
Operating profit	46,585	28,110
Finance income	10,073	11,254
Finance costs	(954)	(2,839)
Profit before tax	55,704	36,525
Income tax expense	(13,490)	(6,218)
Profit	42,214	30,307
Profit attributable to		
Owners of parent	42,562	30,637
Non-controlling interests	(347)	(330)
Profit	42,214	30,307
Earnings per share		
Basic earnings per share	144.62	108.07
Diluted earnings per share	144.57	108.03

Consolidated statement of comprehensive income

*Millions of yen*

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	42,214	30,307
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	2,989	2,391
Remeasurements of defined benefit plans	418	(301)
Total of items that will not be reclassified to profit or loss	3,408	2,089
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	52,313	32,962
Effective portion of cash flow hedges	(5,335)	(2,893)
Share of other comprehensive income of investments accounted for using equity method	—	357
Total of items that may be reclassified to profit or loss	46,978	30,426
Total other comprehensive income, net of tax	50,386	32,516
Comprehensive income	92,600	62,823
Comprehensive income attributable to		
Owners of parent	92,675	62,635
Non-controlling interests	(74)	188
Comprehensive income	92,600	62,823

(2) Consolidated statement of financial position

*Millions of yen*

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	114,586	113,363
Goodwill	15,287	15,797
Intangible assets	117,621	147,022
Right-of-use assets	9,440	9,713
Investment property	27,768	27,960
Other financial assets	292,321	312,084
Deferred tax assets	13,526	12,019
Other non-current assets	42,158	42,870
<b>Total non-current assets</b>	<b>632,712</b>	<b>680,832</b>
Current assets		
Inventories	64,916	65,474
Trade receivables	122,830	122,839
Other financial assets	215,761	272,424
Other current assets	22,607	25,149
Cash and cash equivalents	358,090	281,957
<b>Total current assets</b>	<b>784,205</b>	<b>767,845</b>
<b>Total assets</b>	<b>1,416,918</b>	<b>1,448,677</b>



*Millions of yen*

	As of March 31, 2024	As of June 30, 2024
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	14,242	11,236
Treasury shares	(137,889)	(66,336)
Retained earnings	1,065,913	1,003,349
Other components of equity	271,778	304,078
Equity attributable to owners of parent	1,235,325	1,273,606
Non-controlling interests	17,236	17,326
Total equity	1,252,562	1,290,933
Liabilities		
Non-current liabilities		
Lease liabilities	8,753	8,920
Other financial liabilities	7,649	7,655
Retirement benefit liability	7,994	8,547
Deferred tax liabilities	4,360	4,543
Other non-current liabilities	1,691	4,665
Total non-current liabilities	30,448	34,332
Current liabilities		
Lease liabilities	2,867	3,102
Trade payables	14,808	11,188
Other financial liabilities	31,118	30,228
Income taxes payable	20,844	14,405
Other current liabilities	64,267	64,485
Total current liabilities	133,907	123,411
Total liabilities	164,355	157,744
Total equity and liabilities	1,416,918	1,448,677

(3) Consolidated statement of changes in equity  
Three months ended June 30, 2023

*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, 2023	21,279	15,204	(63,074)	940,606	186,030	1,100,046	21,832	1,121,878
Profit				42,562		42,562	(347)	42,214
Total other comprehensive income, net of tax					50,113	50,113	272	50,386
Comprehensive income	—	—	—	42,562	50,113	92,675	(74)	92,600
Purchase of treasury shares			(2)			(2)		(2)
Dividends				(22,297)		(22,297)		(22,297)
Transfer from other components of equity to retained earnings				418	(418)	—		—
Balance as of June 30, 2023	21,279	15,204	(63,076)	961,288	235,725	1,170,421	21,757	1,192,178

Three months ended June 30, 2024

*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, 2024	21,279	14,242	(137,889)	1,065,913	271,778	1,235,325	17,236	1,252,562
Profit				30,637		30,637	(330)	30,307
Total other comprehensive income, net of tax					31,998	31,998	518	32,516
Comprehensive income	—	—	—	30,637	31,998	62,635	188	62,823
Purchase of treasury shares			(3)			(3)		(3)
Disposal of treasury shares		(5)	5			0		0
Cancellation of treasury shares		(71,550)	71,550			—		—
Dividends				(24,351)		(24,351)	(98)	(24,449)
Transfer from other components of equity to retained earnings				(301)	301	—		—
Other		68,548		(68,548)		—		—
Balance as of June 30, 2024	21,279	11,236	(66,336)	1,003,349	304,078	1,273,606	17,326	1,290,933

(4) Consolidated statement of cash flows

*Millions of yen*

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	55,704	36,525
Depreciation and amortization	4,385	4,917
Impairment losses (reversal of impairment losses)	100	21
Finance income and finance costs	(4,519)	(9,843)
Decrease (increase) in trade and other receivables	(4,988)	633
Decrease (increase) in inventories	(4,263)	(144)
Increase (decrease) in trade and other payables	(2,312)	(8,582)
Other	4,927	1,329
Subtotal	49,033	24,855
Interest and dividends received	19,621	22,116
Interest paid	(14)	(64)
Income taxes refund (paid)	(37,255)	(13,406)
Net cash provided by (used in) operating activities	31,384	33,500
Cash flows from investing activities		
Payments into time deposits	(105,291)	(145,820)
Proceeds from withdrawal of time deposits	68,502	80,716
Purchase of property, plant and equipment	(2,895)	(2,948)
Purchase of intangible assets	(3,425)	(29,070)
Purchase of investments	(28,477)	(14,627)
Proceeds from sale and redemption of investments	36,549	22,000
Payment for acquisition of shares of equity-method affiliates	—	(125)
Other	281	(972)
Net cash provided by (used in) investing activities	(34,755)	(90,849)

*Millions of yen*

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from financing activities		
Repayments of lease liabilities	(779)	(765)
Purchase of treasury shares	(2)	(3)
Dividends paid	(22,292)	(23,967)
Dividends paid to non-controlling interests	—	(98)
Net cash provided by (used in) financing activities	(23,073)	(24,834)
Effect of exchange rate changes on cash and cash equivalents	6,297	6,050
Net increase (decrease) in cash and cash equivalents	(20,147)	(76,132)
Cash and cash equivalents at beginning of period	309,224	358,090
Cash and cash equivalents at end of period	289,076	281,957

(5) Notes

Going concern assumption

None

Segment information

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.