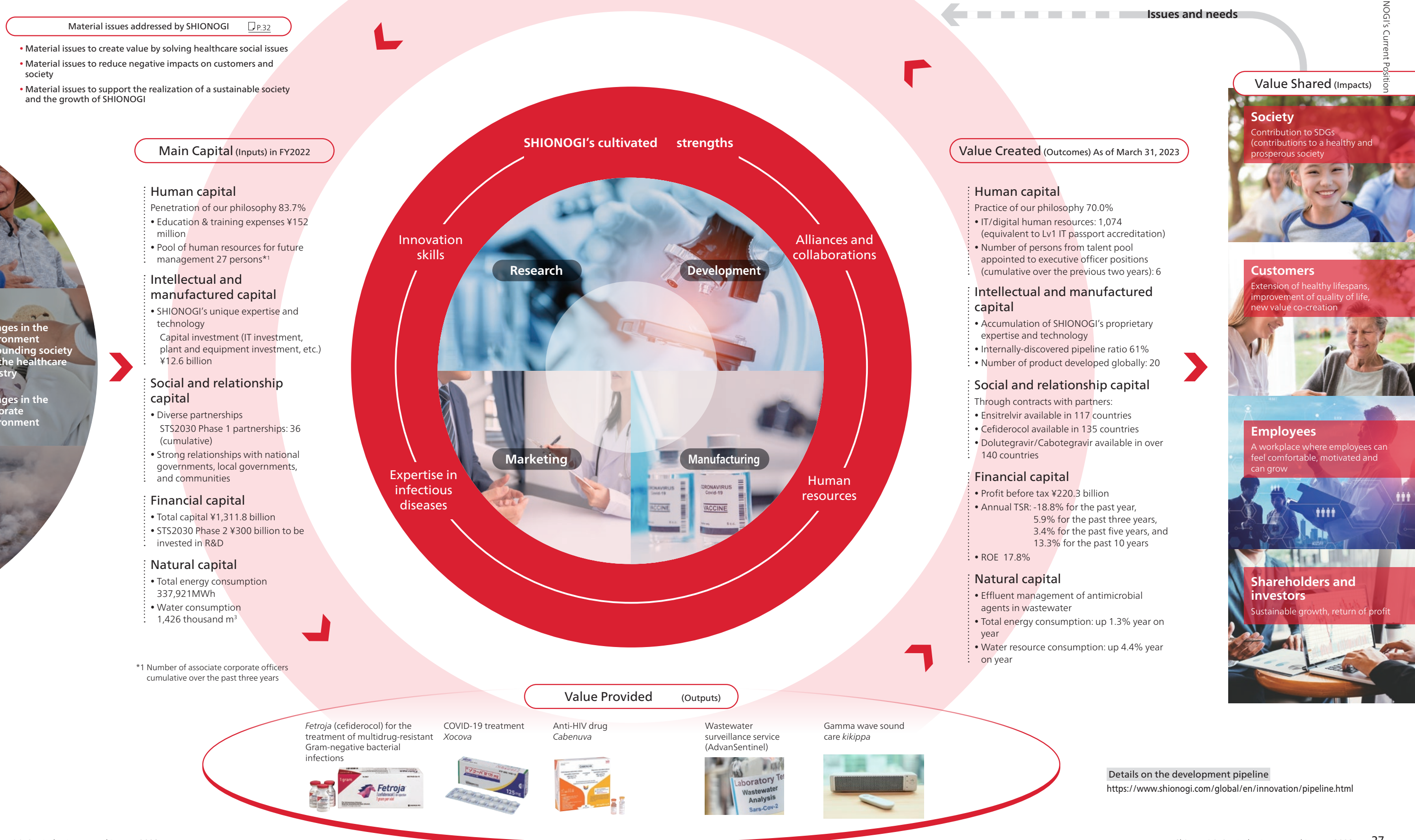


Value Creation Process

SHIONOGI strives constantly to supply the best possible **healthcare solutions** to protect the health and wellbeing of the patients we serve



Material issues addressed by SHIONOGI [P.32](#)

- Material issues to create value by solving healthcare social issues
- Material issues to reduce negative impacts on customers and society
- Material issues to support the realization of a sustainable society and the growth of SHIONOGI

Main Capital (Inputs) in FY2022

Human capital

- Penetration of our philosophy 83.7%
- Education & training expenses ¥152 million
- Pool of human resources for future management 27 persons*1

Intellectual and manufactured capital

- SHIONOGI's unique expertise and technology
- Capital investment (IT investment, plant and equipment investment, etc.) ¥12.6 billion

Social and relationship capital

- Diverse partnerships
- STS2030 Phase 1 partnerships: 36 (cumulative)
- Strong relationships with national governments, local governments, and communities

Financial capital

- Total capital ¥1,311.8 billion
- STS2030 Phase 2 ¥300 billion to be invested in R&D

Natural capital

- Total energy consumption 337,921MWh
- Water consumption 1,426 thousand m³

*1 Number of associate corporate officers cumulative over the past three years

SHIONOGI's cultivated strengths

Innovation skills

Alliances and collaborations

Expertise in infectious diseases

Human resources

Research

Development

Marketing

Manufacturing

Value Created (Outcomes) As of March 31, 2023

Human capital

- Practice of our philosophy 70.0%
- IT/digital human resources: 1,074 (equivalent to Lv1 IT passport accreditation)
- Number of persons from talent pool appointed to executive officer positions (cumulative over the previous two years): 6

Intellectual and manufactured capital

- Accumulation of SHIONOGI's proprietary expertise and technology
- Internally-discovered pipeline ratio 61%
- Number of product developed globally: 20

Social and relationship capital

- Through contracts with partners:
- Ensitrelvir available in 117 countries
- Cefiderocol available in 135 countries
- Dolutegravir/Cabotegravir available in over 140 countries

Financial capital

- Profit before tax ¥220.3 billion
- Annual TSR: -18.8% for the past year, 5.9% for the past three years, 3.4% for the past five years, and 13.3% for the past 10 years
- ROE 17.8%

Natural capital

- Effluent management of antimicrobial agents in wastewater
- Total energy consumption: up 1.3% year on year
- Water resource consumption: up 4.4% year on year

Value Shared (Impacts)

Society

Contribution to SDGs (contributions to a healthy and prosperous society)

Customers

Extension of healthy lifespans, improvement of quality of life, new value co-creation

Employees

A workplace where employees can feel comfortable, motivated and can grow

Shareholders and investors

Sustainable growth, return of profit

Value Provided (Outputs)

Fetroja (cefiderocol) for the treatment of multidrug-resistant Gram-negative bacterial infections



COVID-19 treatment Xocova



Anti-HIV drug Cabenuva



Wastewater surveillance service (AdvanSentinel)



Gamma wave sound care kikippa



Details on the development pipeline

<https://www.shionogi.com/global/en/innovation/pipeline.html>