



# **The 157<sup>th</sup> Business Report**

**from April 1, 2021 to March 31, 2022.**



# Current State of the Shionogi Group

## Vision 2030

**Building Innovation Platforms  
to Shape the Future of Healthcare**

## Strategy to achieve 2030 Vision

# STS2030

- **Shionogi Transformation Strategy 2030** -



STS2030

**STS Phase1** ('20-'24)

**STS Phase2** ('25-)

# Total Care for Infectious Diseases

## - Actions for the early termination of COVID-19 -



Epidemic forecasting



Prevention



Diagnosis



Treatment



Exacerbation suppression



Launch of sewage epidemiology surveillance survey service

Development of S-268019

Provision of quick and easy-to-use diagnostic kits

Development of S-217622

Development of Asapiprant (S-555739)

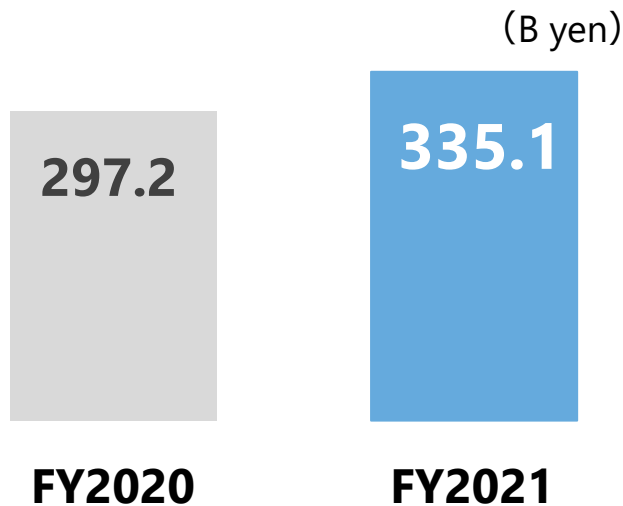
# Business Operations and Results

# ① Financial Results (Consolidated) - Revenue -



Revenue

Up 12.8% YoY



## Revenue by segment (B yen)

	FY2020	FY2021	
Prescription drugs	94.7	89.1	↓
Overseas subsidiaries/ export	24.6	34.4	↑
Contract manufacturing	19.7	17.4	↓
OTC and quasi-drug	11.7	11.2	↓
Royalty income	144.6	181.3	↑

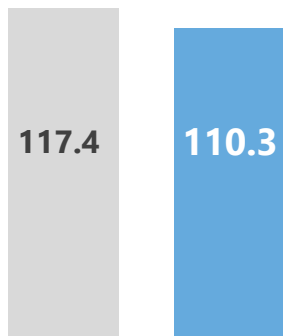
# ① Financial Results (Consolidated) - Each profit -



**Operating Profit**

**Down 6.1% YoY**

(B yen)



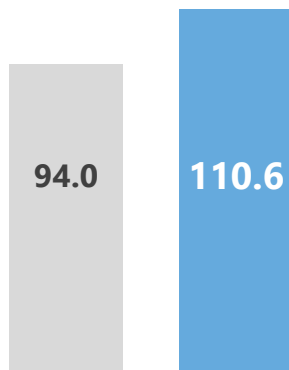
FY2020

FY2021

**Core operating profit**

**Up 17.7% YoY**

(B yen)



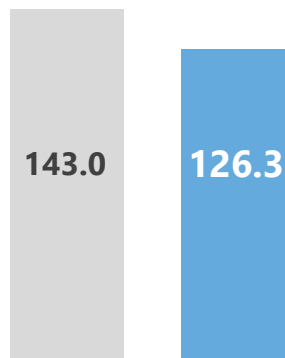
FY2020

FY2021

**Profit before tax**

**Down 11.7% YoY**

(B yen)



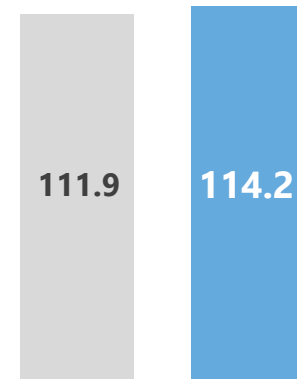
FY2020

FY2021

**Profit attributable to owners of parent**

**Up 2.1% YoY**

(B yen)



FY2020

FY2021

# ① Financial Results (Consolidated) – Assets, etc. -



- **Maintain a stable financial base**
- **Progress in efforts to improve corporate value over the medium to long term**

Items of consolidated statement of financial position

(B yen)

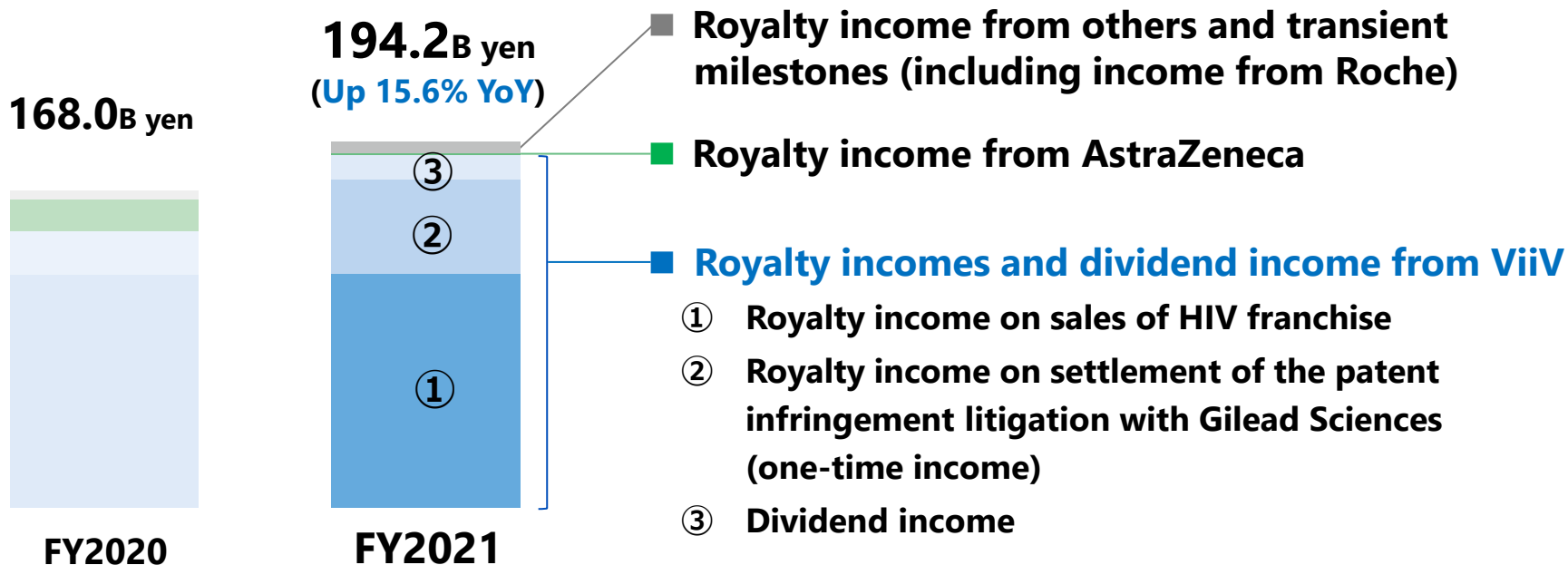
	FY2020	FY2021	Y on Y Change (%)
<b>Total assets</b>	999.0	<b>1,150.6</b>	<b>15.2%</b>
<b>Total equity</b>	864.6	<b>993.3</b>	<b>14.9%</b>
<b>Total liabilities</b>	134.4	<b>157.3</b>	<b>17.0%</b>



## ② Royalties and Dividend Income From ViiV



Royalties and dividend income from the HIV franchise stably increased

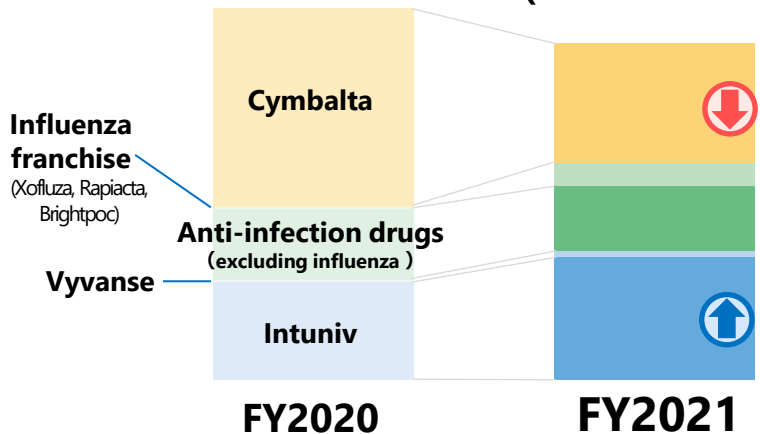


### ③ Domestic Business

- **Decrease in sales of prescription drugs (Down 5.9% YoY)**
- **Increase in sales of Intuniv and Vyvanse**

Sales trends of core products  
(Cymbalta, anti-infection drugs, ADHD franchise)

49.6B yen  
44.9B yen  
(Down 9.5% YoY)



- **Decrease in sales of Cymbalta: Down 39.9% YoY**
- Increase in sales of anti-infection drugs
  - Influenza franchise: Up 1091.9% YoY
  - Anti-infection drugs (excluding influenza): Up 9.0% YoY
- **Increase in sales of ADHD franchise**
  - **Intuniv : Up 25.4% YoY**
  - **Vyvanse: Up 190.7% YoY**

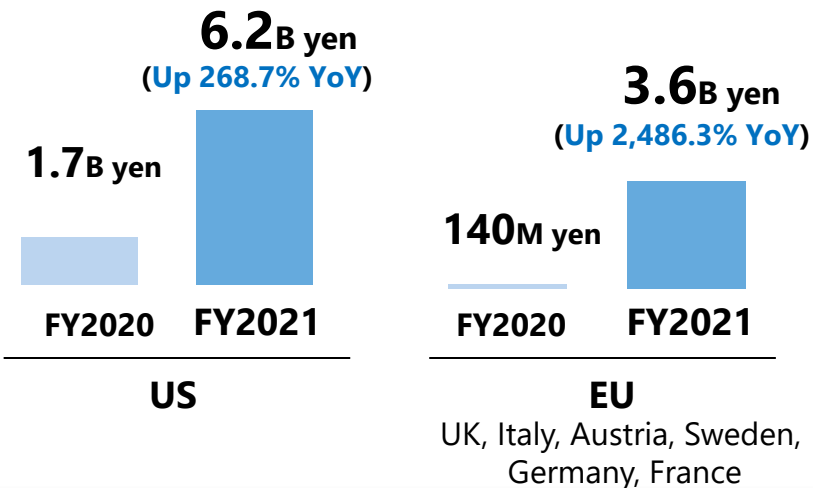
### ③ Overseas Business



- Maximize the value of Cefiderocol (Fetroja/Fetroja)\* -

- Increased sales of cefiderocol in the US and Europe
- China: Progress toward building a new business model by Ping An-Shionogi

#### ◆ US, EU: Increase in sales of cefiderocol



#### ◆ China: Increase in sales (Up 1.1% YoY)

- Increased sales due to the Impact of exchange rate fluctuations
- Acceleration of preparations for clinical trials of cefiderocol and naldemedine
- Progress in research approaches using AI technology

## Accelerate the R&D of growth drivers by leveraging the speed gained from the COVID-19 experience

### Core project

Infectious disease

Project	Indication
<b>S-217622</b>	<b>COVID-19 treatment</b>
<b>S-268019</b>	<b>COVID-19 vaccine</b>
<b>nasal vaccine</b>	<b>COVID-19, influenza</b>
<b>S-540956</b> (Nucleic acid adjuvant)	<b>Infectious disease, cancer</b>

Psycho-neurological diseases

New growth areas

Project	Indication
<b>S-600918</b> [sivopixant]	<b>Refractory chronic cough</b>
<b>S-812217</b> [zuranolone]	<b>Depression</b>
<b>S-531011</b>	<b>Solid tumor</b>
<b>S-005151</b> [redasemtide]	<b>Epidermolysis bullosa, acute ischemic stroke, etc.*</b>

## ⑤ Manufacture and supply chain



- **Launched production of COVID-19 therapeutic drug and vaccine**
- **Started a business utilizing high potency pharmaceuticals and a continuous manufacturing technology as a pillar of the CDMO\* business**

\* **CDMO** : Contract Development Manufacturing Organization

### ◆ Production of COVID-19 related products

- Completed production of S-217622 for over 1 million people
- Construct a vaccine production system
  - Aiming to construct more than 60 million shots/year production system

### ◆ High potency pharmaceuticals

- Possible to provide a one-stop solution from drug substance to preparations

### ◆ A continuous manufacturing technology

- Established a joint venture Pharmira Co., Ltd. with seven companies including Shionogi Pharma Co., Ltd.

# Challenges Ahead

# Issues to be addressed and Review of FY2021



## Challenges to be addressed for sustainable growth

Early commercialization of COVID-19 therapeutic and vaccines

Development of growth drivers

Strengthening domestic/overseas business

## Results for the current period

Achieved forecasts

Progress of COVID-19 related projects

Sophistication and speed of decision making

**In FY2021, Shionogi will focus on efforts for medium- to long-term growth in parallel with aiming to provide solutions related to COVID-19 and contribute to the restoration of the safety and security of society**

## R&D of therapeutic drug S-217622

- **Cooperation with Japanese regulatory authority for provision in Japan**
  - ✓ Domestic manufacturing and marketing approval
  - ✓ Start domestic supply
- **Cooperation with regulatory authorities in each country for global provision**
  - ✓ Initiating the Global Phase 3 trial
  - ✓ Preparing to provide to low- and middle-income countries
- **Lifecycle management**
  - ✓ Expansion of indications to pediatric, prophylactic administration, etc.



## R&D of recombinant protein vaccine S-268019

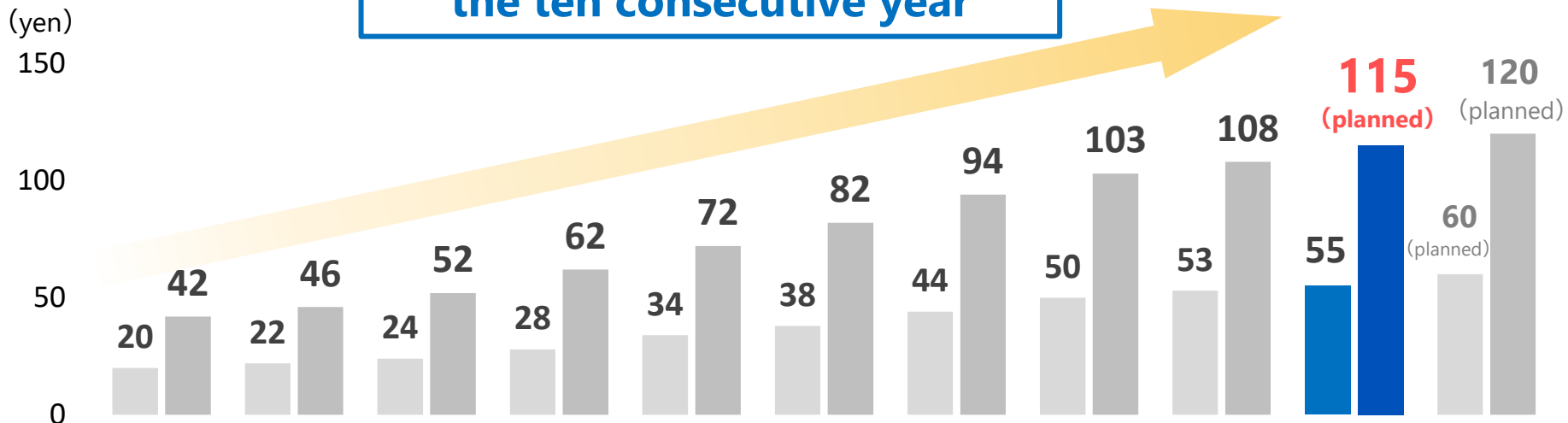
- **Cooperation with Japanese regulatory authority for provision in Japan**
  - ✓ Domestic manufacturing and marketing approval
  - ✓ Start domestic supply
- **Cooperation with regulatory authorities in each country for global provision**
  - ✓ Expansion to Southeast Asia
- **Lifecycle management**
  - ✓ Scheduled to start a trial for pediatric and adolescents
  - ✓ Scheduled to start a booster trial (4<sup>th</sup> vaccination) mainly for elderly

# Dividend Policy

# Shareholder return policy through which shareholders can feel our growth



**Plan to increase dividend for the ten consecutive year**



FY		12	13	14	15	16	17	18	19	20	21	22
Treasury stocks	Buyback	-	-	30 B yen	-	35 B yen	29.4 B yen	50 B yen	50 B yen	50 B yen	-	50 B yen**
	Cancellation	-	-	-	-	22 M shares	5 M shares	7.35 M shares	5.2 M shares*	-	-	4.2 M shares***

\* Resolution passed on March 30, 2020, and treasury shares cancelled on April 6, 2020

\*\* Total amount of buyback: 50 B yen (upper limit)

\*\*\* Total amount of cancellation: 4.2 M shares

**2030 Vision - What we want to achieve by 2030 -**



# **Building Innovation Platforms to Shape the Future of Healthcare**

# SHIONOGI: New Brand Launch (from Jul. 1<sup>st</sup>, 2022)



SHIONOGI will **grow into a company that can contribute globally to solving social issues**

Regaining the safety and security of society as "SHIONOGI, a leading company of infectious disease"

Pursuing innovation and constantly challenging to shape the future of healthcare

## SHIONOGI's determination

"trust" and "accuracy"

SHIONOGI has earned

**Unchanging fundamental attitude  
as a company**



SHIONOGI



Expanding contributions  
through "cohesion" and  
"expansion"

**Strong will to grow globally**

**SHIONOGI accelerates evolution as a company that is "true" needed by society**

# Forward-Looking Statements



- Forecast or target figures in this material are neither official forecasts of earnings and dividends nor guarantee of target, achievement and forecasts, but present the midterm strategies, goals and visions. Official earnings guidance should be referred to in the disclosure of the annual financial report (*kessan tanshin*) in accordance with the rules set by Tokyo Stock Exchange.
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