

# **159<sup>th</sup> Annual General Meeting of Shareholders**

## **- The 159<sup>th</sup> Business Report -**

from April 1, 2023 to March 31, 2024.



**SHIONOGI**

# Current State of the Shionogi Group

# 2030 Vision

## Building Innovation Platforms to Shape the Future of Healthcare

### SHIONOGI Group Vision (2030 Vision)

- What we want to achieve by 2030 -

Appearance after Vision is realized

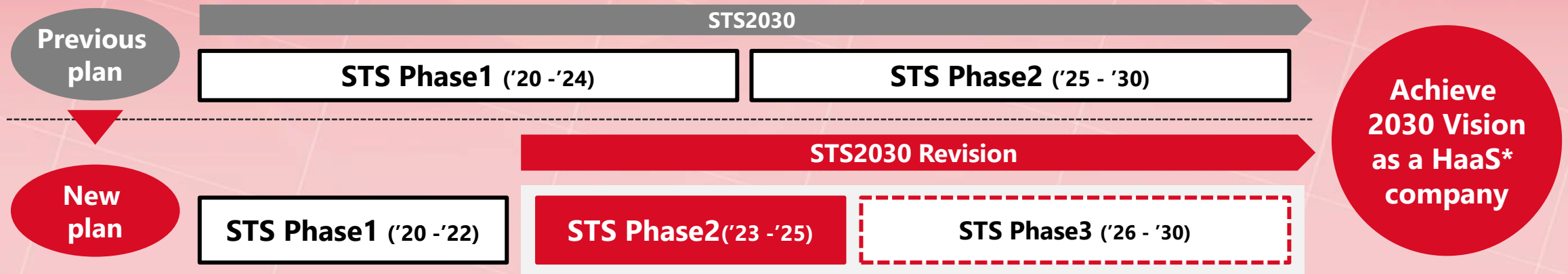
- **Continuously creating innovative products/services, with a well-established and rapidly-growing global business**
  - Expansion of business model
  - Maintenance of high profit margins and growth after overcoming the patent cliff
- **Continuing to offer solutions to health issues facing society**
  - Freedom from the threat of infectious diseases, better QOL, extension of healthy lifespans, contribution to sustainable social security, and contribution to achieving SDGs
- **Excellent business persons who never take a break from building their expertise and capabilities, leveraging their individual strengths and creating new value**

# Strategy Revised from STS2030 : STS2030 Revision

A new strategy with a clearer path to the realization of the 2030 Vision

## STS2030 Revision

- Shionogi Transformation Strategy 2030 Revision -



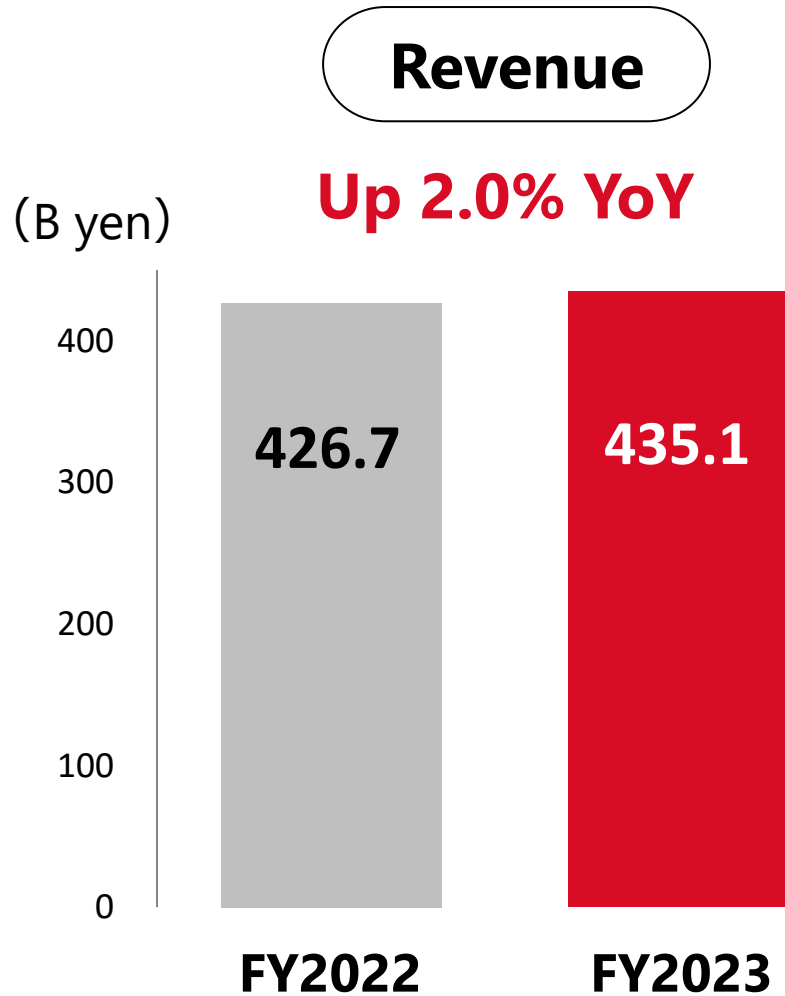
# Reflections on First Year of STS2030 Revision Phase2

The KPIs set forth in the STS2030 Revision have shown a promising start in alignment with the objectives of STS Phase2

	STS Phase2		STS Phase3
	FY2023 (Target)	FY2023 (Results)	FY2025
<b>Revenue</b>	450.0 B yen	435.1 B yen	550.0 B yen
<b>Overseas sales CAGR*</b>	—	17.4% Starting from FY2022	50% Starting from FY2022
<b>EBITDA</b>	167.0 B yen	188.7 B yen	200.0 B yen
			800.0 B yen
			15% Starting from FY2025
			—

# **Business Operations and Results**

# ① Financial Results (Consolidated) - Revenue -



## Revenue by segment (B yen)

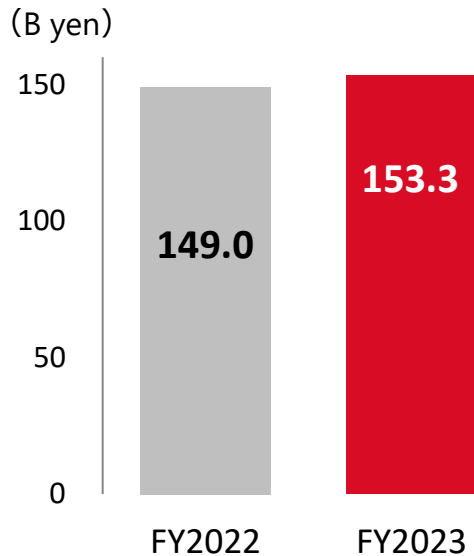
	FY2022	FY2023	
<b>Prescription drugs</b>	179.7	<b>151.1</b>	↓
Temporary income	100.0*	<b>25.0**</b>	↓
Excluding temporary income	79.7	<b>126.1</b>	↑
<b>Overseas subsidiaries/ export</b>	42.5	<b>49.9</b>	↑
<b>Contract manufacturing</b>	15.3	<b>17.6</b>	↑
<b>OTC and quasi-drug</b>	13.1	<b>14.6</b>	↑
<b>Royalty income</b>	174.7	<b>200.4</b>	↑

# ① Financial Results (Consolidated) - Each Profit -

We achieved a record-breaking revenue and operating profit last fiscal year, surpassing our previous best performance

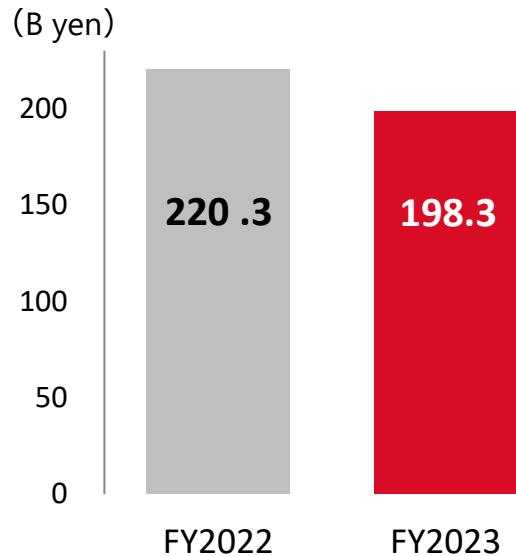
## Operating Profit

UP 2.9% YoY



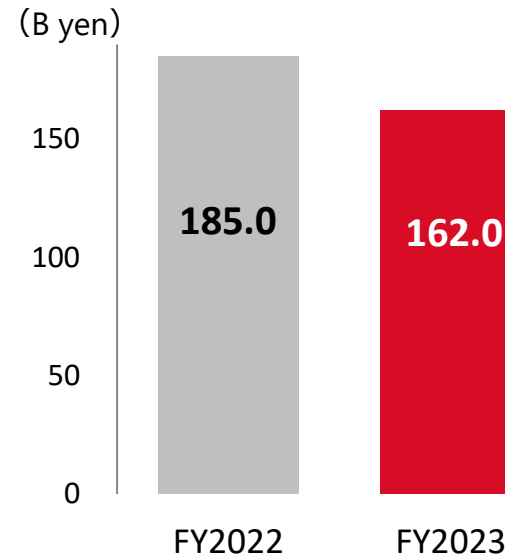
## Profit before tax

Down 10.0% YoY



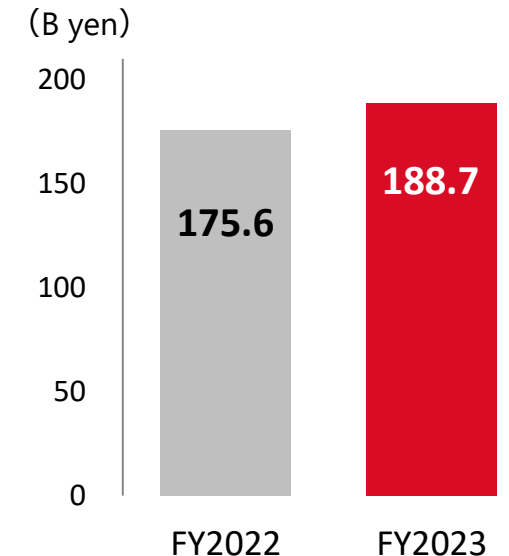
## Profit attributable to owners of parent

Down 12.4% YoY



## EBITDA\*

UP 7.5% YoY





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

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

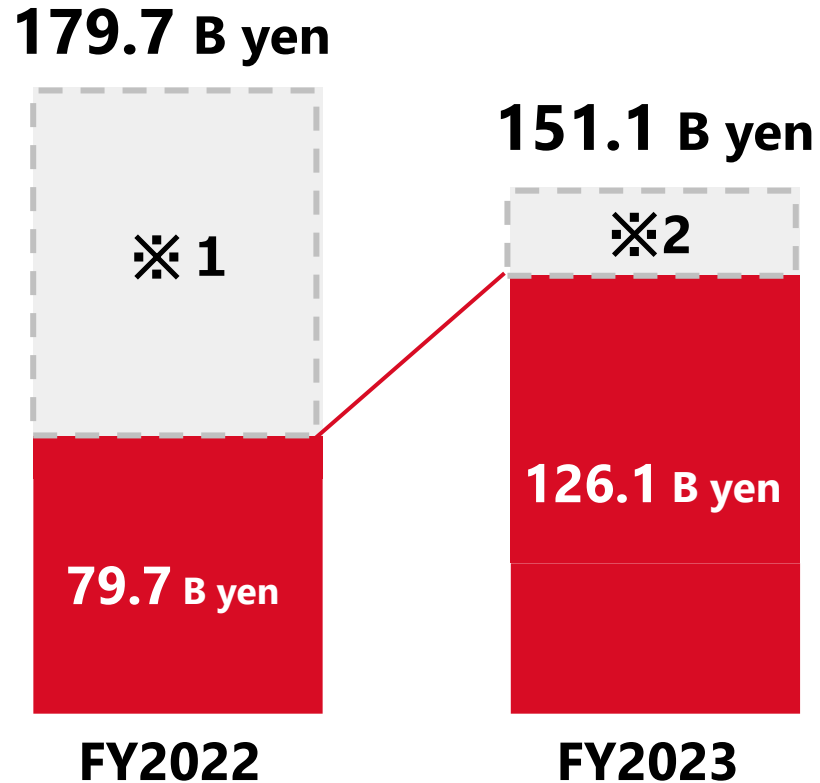
### Items of consolidated statement of financial position

(B yen)

	FY2022	FY2023	Y on Y Change (%)
<b>Total assets</b>	1,311.8	<b>1,416.9</b>	<b>8.0%</b>
<b>Total equity</b>	1,121.9	<b>1,252.6</b>	<b>11.6%</b>
<b>Total liabilities</b>	189.9	<b>164.4</b>	<b>△13.5%</b>

## ② Domestic Business

Excluding temporary factors, an increase in sales of domestic prescription drugs



### Temporary factors

- ※ 1 Purchase of Xocova by the Japanese government : 100.0 B yen
- ※ 2 Transfer of ADHD drugs : 25.0 B yen

### Sales excluding temporary factors (UP 58.1% YoY)

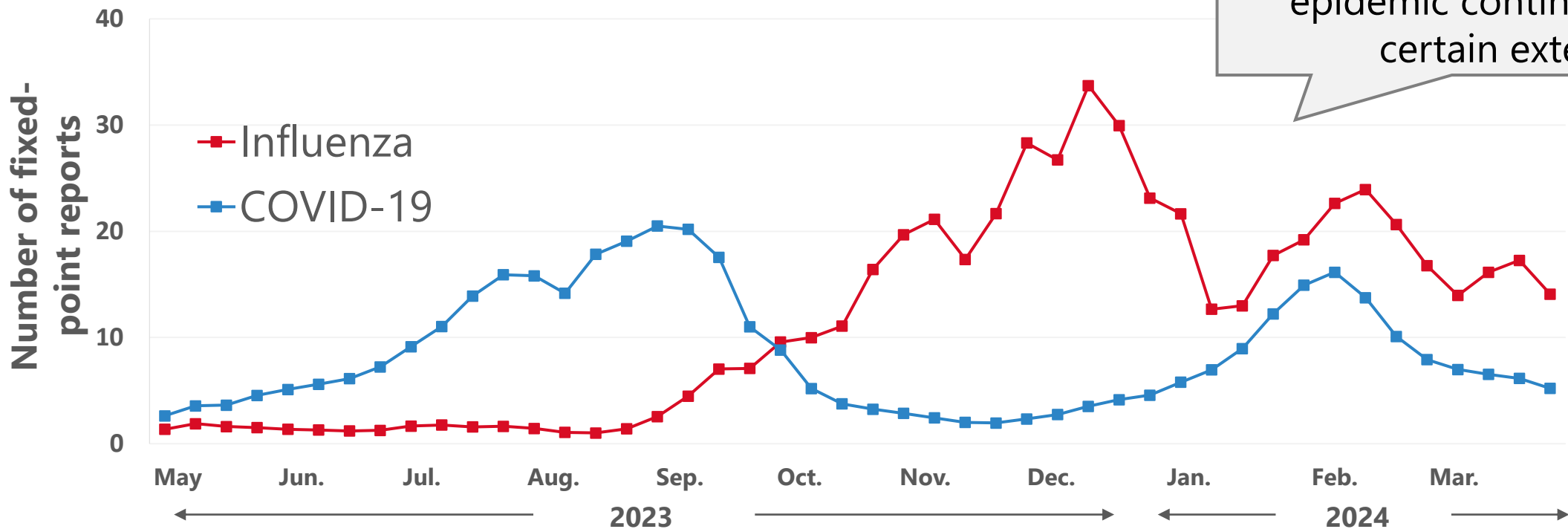
#### Sales of Infectious disease drugs

- COVID-19 related products + Influenza franchise (UP 69.8 B yen YoY)

# Stabilization of Revenue through Multiple Infectious Disease Drug Assets

Realize stable revenue with two anti-infective drug assets, anti-influenza drug and anti-COVID-19 drugs

**Change in number of fixed-point reports of influenza and COVID-19**

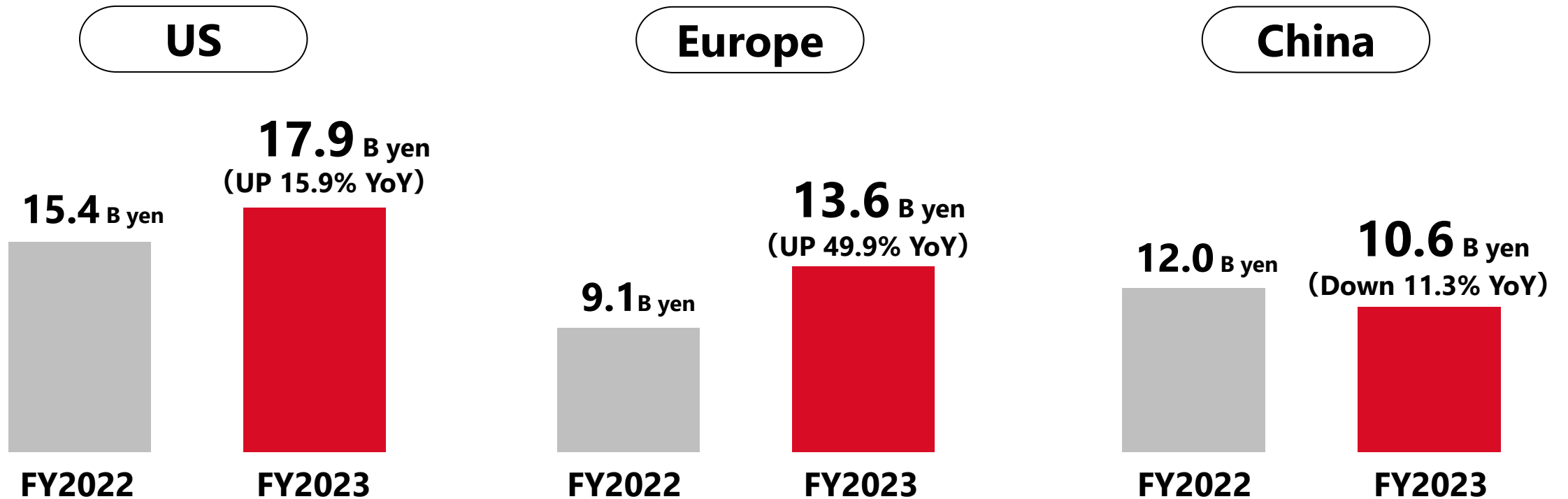


[Ministry of Health, Labour and Welfare, "Documents on reports and opinions regarding influenza"](#)  
[Ministry of Health, Labour and Welfare "Documents on reports and opinions regarding COVID-19"](#)

### ③ Overseas Business

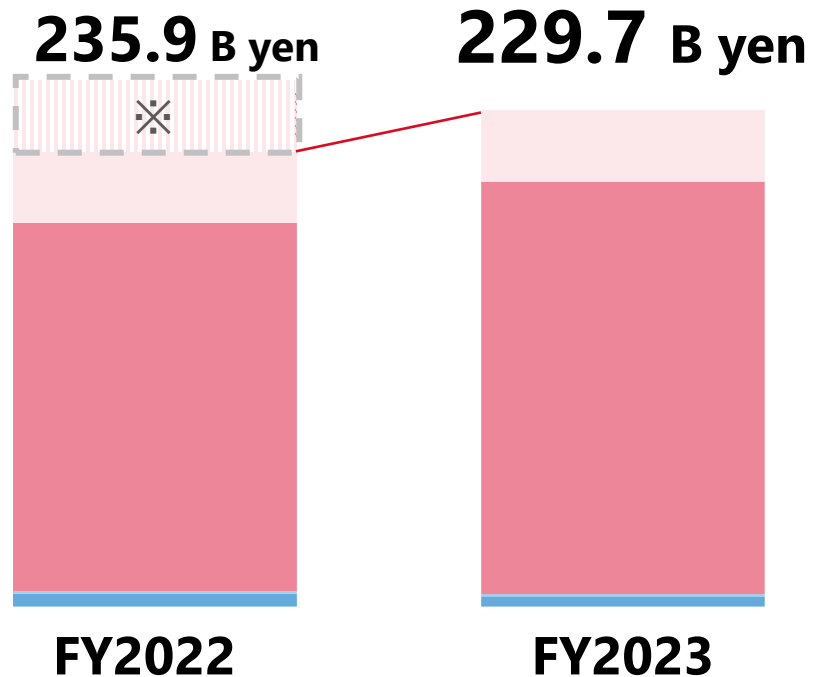
- US and Europe: Maximize the value of Cefiderocol (Fetroja/Fetroja)\*
- China: Progress toward building a new business model

#### ■ Revenue from overseas subsidiaries



## ④ Royalties and Dividend Income From ViiV

Royalties and dividend income from the HIV franchise stably increased



### Royalty incomes and dividend income from ViiV

- Royalty income (UP 14.7% YoY)
- Dividend income (Down 44.6% YoY)

(※) 1. Due to the timing difference in receiving dividends, one extra dividend payment was received last fiscal year  
2. Temporary increase in dividends resulting from ViiV receiving settlement payments from the patent infringement lawsuit with Gilead

- Royalty income from others

## ⑤ R&D

### Accelerated research and development of growth drivers, progressing almost as planned

Disease area	Pipeline	Indication	FY2022	FY2023
Infection diseases	S-268019	COVID-19 (Origin strain)	Submission	Consent for approval*
	S-567123	COVID-19 (Universal vaccine)		Preclinical
	S-337395	RSV infections	Phase 1	Phase 2
	S-649228	AMR** (Complex urinary tract infection)		Preclinical
	S-743229	AMR (Gram-negative bacteria infection )		Phase 1
QOL diseases with a high social impact	S-309309	Obesity	Phase 2	Phase 2 Completion of dosing
	S-151128	Chronic pain	Phase 1	Phase 1b
	Zuranolone	Depression	Phase 3	Preparation for application
	SDT-001	ADHD	Phase 3	Submission

# COVID-19 Treatment : Xocova (Ensitrelvir)

## Obtained standard approval in Japan

- Based on positive results from Phase 3 trial in Japan and Asia
- Accumulated safety information from over 900,000 patients under emergency regulatory approval

## Obtained global Phase 3 results\*

- The primary endpoint was not met, but a trend towards symptom improvement was observed
- Confirmed excellent antiviral efficacy, high safety, and tolerability

## Each clinical trials

- **PEP trial**
  - Verify the effectiveness of suppressing the onset of COVID-19 symptoms in close contacts
- **STRIVE trial**
  - Verification of efficacy, including mortality prevention effect in hospitalized patients
- **Pediatric trial**
  - Confirming safety, pharmacokinetics, and effectiveness in pediatrics

**Aiming to provide ensitrelvir globally as an oral antiviral drug with potent antiviral and symptom-improving effects**

## ⑥ Manufacture and Supply Chain

**Strengthening production and supply chain for achieving STS2030 Revision is progressing smoothly**

### **Contributing to the growth of the SHIONOGI Group**

- **Production of COVID-19 related products**
  - Handling individual packaging of Xocova
  - Establishing a production system for recombinant protein vaccines
- **Implementing flexible production to meet needs**
  - Increasing production of infection disease drugs such as dolutegravir (anti-HIV drug) and Xocova

### **Efforts to achieve stable supply**

- **Increasing production of Medicon cough suppressant tablets**
  - Significantly increasing production to meet societal needs
- **Ensuring stable domestic supply of antibiotics**
  - Strengthening the supply chain



# Challenges Ahead

# Key Strengthening Points for FY2024 to Achieve STS2030 Revision

## Accelerate growth and investment further to achieve STS2030 Revision

**Top-line growth  
mainly through our  
own sales**

- **Expand sales of infectious disease drugs in Japan**
  - Improve the presence of Xocova and Xofluza
- **Growth of overseas business centered on cefiderocol**

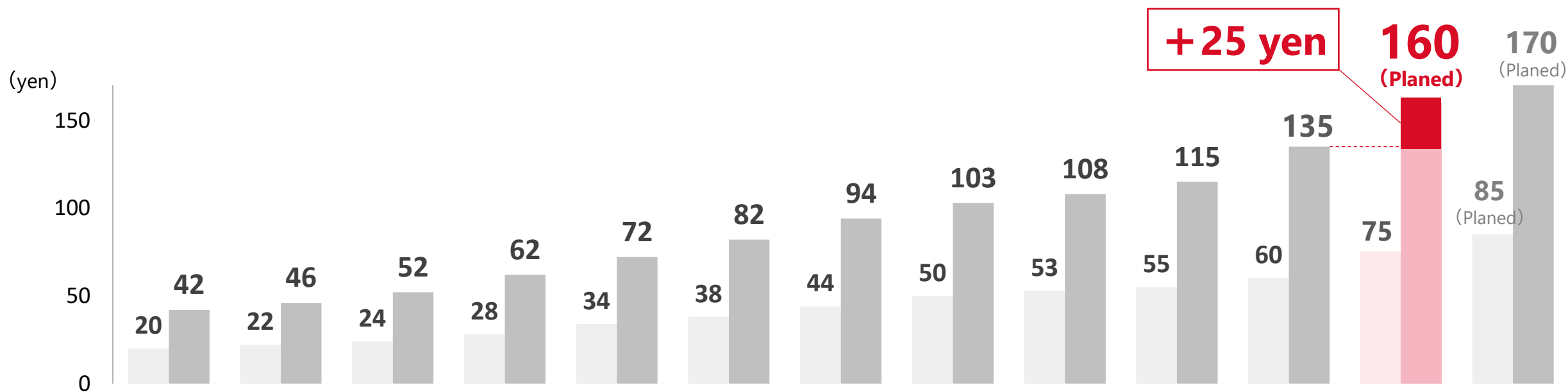
**Acceleration of  
investment toward  
achieving STS2030**

- **Build a sales structure for expanding proprietary products in Europe and the US**
  - Unify sales structures domestically and internationally
- **Establish global sales capabilities for new growth drivers**
- **Globalize corporate functions and strengthen human resources**
  - Strengthen management foundation and human resources to win in global competition

# Dividend Policy

# Shareholder Return Policy through which Shareholders Can Feel Our Growth

**FY2023 is the largest annual dividend increase (+25 yen)  
and plan to increase dividend for the 12th consecutive year**



FY		12	13	14	15	16	17	18	19	20	21	22	23	24
Treasury stocks	Buyback	-	-	30 B yen	-	35 B yen	29.4 B yen	50 B yen	50 B yen	50 B yen	-	49.4 B yen	75 B yen	-
	Cancellation	-	-	-	-	22 M shares	5 M shares	7.35 M shares	5.2 M shares*	-	-	4.2 M shares	10.84 M shares**	-

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

\*\* Resolution passed on July 31, 2023, and treasury shares cancelled on April 17, 2024

Values calculated based on IFRS after 2019

# Forward-Looking Statements

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