

## Notice of Revisions to Earnings and Dividend Forecasts

**OSAKA, Japan, April 25, 2022** - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; President and CEO: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced today that Shionogi has made the following revisions to its consolidated earnings forecasts and dividend forecasts for the fiscal year ending March 31, 2022 (2021 fiscal year; April 1, 2021 – March 31, 2022). The forecasts for earnings and dividends were previously announced on November 1, 2021.

### 1. Revisions to Consolidated Earnings Forecasts

Revisions to consolidated forecasts for the fiscal year ending March 31, 2022  
(April 1, 2021 – March 31, 2022)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous forecast (A)	294,000	90,000	115,000	100,000	331.71
Revised forecast (B)	335,000	110,000	126,000	114,000	378.14
Change (B-A)	41,000	20,000	11,000	14,000	—
Change (%)	13.9	22.2	9.6	14.0	—
[Reference]					
Results for the fiscal year ended March 31, 2021	297,177	117,438	143,018	111,858	365.03

### 2. Reasons for Revisions to Consolidated Earnings Forecasts

ViiV Healthcare (hereafter "ViiV") has agreed to settle the global patent infringement litigation between GSK, Shionogi and Gilead Sciences, Inc. (hereafter "Gilead") concerning ViiV Healthcare's patents relating to dolutegravir, an antiretroviral medication created by Shionogi and GSK and transferred to ViiV, and used, together with other medicines, to treat human immunodeficiency virus (HIV). ViiV and Shionogi alleged that Gilead's Biktarvy, a triple combination HIV medicine containing the HIV integrase inhibitor bictegravir, infringed certain of their patents relating to dolutegravir. ViiV, GlaxoSmithKline plc, Shionogi and Gilead have entered into a global settlement agreement and a patent license agreement under which Gilead has been granted a worldwide licence to certain ViiV Healthcare patents relating to dolutegravir. Based on the terms of the license agreement, Gilead paid ViiV \$1.25 billion upfront and will pay to ViiV a 3% net sales royalty on future US sales of Biktarvy (or any other product containing bictegravir). ViiV will pay a proportion of the upfront payment to Shionogi and Shionogi has recognized this as revenue. In addition, in relation to future payments to ViiV of the 3% royalties on future sales of Biktarvy (and future US sales of any product containing bictegravir) Shionogi and ViiV have agreed a defined annual payment to Shionogi from ViiV in respect of such royalty, which was recorded as revenue for the fiscal year ending March 2022.

As a result, revenue is expected to exceed the previously announced forecast. Regarding each category of profit, the forecast announced last time has been revised due to the increase in sales revenue, the increase in R&D expenses, the delay in receiving dividends from ViiV, etc.

# Press Release



### 3. Revisions to Dividend Forecasts

Revisions to dividend forecasts for the fiscal year ending March 31, 2022

	Dividends per share (yen)		
	End of second quarter	Year end	Annual
Previous forecast	—	55.00	110.00
Revised forecast	—	60.00	115.00
Current fiscal year	55.00		
Previous fiscal year (ended March 31, 2021)	53.00	55.00	108.00

### 4. Reasons for Revisions to Dividend Forecasts

Shionogi strives to maximize corporate value while balancing investment in growth and shareholder return, and to share the benefits of mid-to-long term profit growth with shareholders. Consistent with that intention, the Company plans to stably increase its consolidated dividends, with a DOE of 4% or higher as an index.

In accordance with the medium-term Business plan STS2030 unveiled in June 2020, we continuously enhanced our strengths as a drug-discovery-based pharmaceutical company, and we have been transforming ourselves into a HaaS\* company that provides a broader integrated range of healthcare products and services, providing new value to society. We have been advancing these efforts to offer more comprehensive solutions to the healthcare challenges faced by patients and society. In the fiscal year ending March 2022, we focused our investment of resources (including expenses) onto COVID-19-related research and development activities to work towards the early commercialization of our COVID-19 oral therapeutic drug, S-217622 and our COVID-19 vaccine, S-268019. Even with this investment, as mentioned above, it is expected that revenue and profits will increase year-on-year, exceeding the previous forecast announced on November 1, 2021. In addition, starting from the fiscal year ending March 2023, we believe that we will be able to recognize profits from the commercialization of COVID-19-related products in which we have made upfront these investments.

As a result of comprehensively considering the above: our progress, our current financial condition, and our EPS, DOE, ROE values, which are shareholder return-indicators in STS2030, Shionogi plans to increase its year-end cash dividend by five yen per share, revising the previously announced dividend of 55 yen to the new level of 60 yen per share. Together with the interim cash dividend, Shionogi will therefore pay annual cash dividends of 115 yen per share, an increase of 7 yen per share from the prior fiscal year.

\*Healthcare as a Service; Provide an integrated range of healthcare products and services to meet customer and societal needs, rather than only supplying pharmaceuticals.

Note: The forecasts shown in the material herein are based on currently available information. Actual performance may differ materially from these forecasted figures due to various factors.

### Forward-Looking Statements

*This announcement contains forward-looking statements. These statements are based on expectations in light of the information currently available, assumptions that are subject to risks and uncertainties*

# Press Release



*which could cause actual results to differ materially from these statements. Risks and uncertainties include general domestic and international economic conditions such as general industry and market conditions, and changes of interest rate and currency exchange rate. These risks and uncertainties particularly apply with respect to product-related forward-looking statements. Product risks and uncertainties include, but are not limited to, completion and discontinuation of clinical trials; obtaining regulatory approvals; claims and concerns about product safety and efficacy; technological advances; adverse outcome of important litigation; domestic and foreign healthcare reforms and changes of laws and regulations. Also for existing products, there are manufacturing and marketing risks, which include, but are not limited to, inability to build production capacity to meet demand, lack of availability of raw materials and entry of competitive products. The company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.*

## **For Further Information, Contact:**

SHIONOGI Website Inquiry Form : <https://www.shionogi.com/global/en/contact.html>

## **References**

1. [GSK press releases on February 1,2022](#)  
GSK announces settlement between ViiV Healthcare and Gilead Sciences, Inc. resolving litigation relating to Biktarvy and ViiV's dolutegravir patents and entry into a patent licence agreement