



## Consolidated Financial Results for Fiscal Year 2021 (IFRS)

May 11, 2022

Name of Listed Company: **SHIONOGI & CO., LTD.**

Listed Exchanges: Section I of Tokyo

Code: 4507 URL: <http://www.shionogi.co.jp>

Representative: Isao Teshirogi, President and CEO

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2022

Scheduled date of dividend payments: June 24, 2022

Scheduled date of annual securities report submission: June 24, 2022

Preparation of supplemental material for financial results: Yes

Holding of presentation for 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, 2021 to March 31, 2022

#### (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	%
Year ended March 31, 2022	335,138	12.8	110,312	(6.1)	126,268	(11.7)	113,439	1.2	114,185	2.1	161,769	17.6
Year ended March 31, 2021	297,177	(10.9)	117,438	(10.1)	143,018	(9.8)	112,061	(8.3)	111,858	(8.5)	137,509	278.0
			Basic earnings per share		Diluted earnings per share		Return on equity attributable to owners of parent		Ratio of profit before tax to total assets		Ratio of operating profit to revenue	
			Yen		Yen		%		%		%	
Year ended March 31, 2022			378.75		378.63		12.5		11.7		32.9	
Year ended March 31, 2021			365.03		364.89		13.9		15.3		39.5	

Reference: Share of profit (loss) of investments accounted for using equity method: Year ended March 31, 2022: (20) million yen, Year ended March 31, 2021: — million yen

#### (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	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	1,150,601	993,285	975,661	84.8	3,236.21
As of March 31, 2021	998,992	864,550	846,108	84.7	2,806.67

#### (3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	102,068	(96,204)	(36,615)	254,420
Year ended March 31, 2021	109,039	(5,261)	(43,891)	276,173

### 2. Dividends

	Annual dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
	yen	yen	yen	yen	yen	Millions of yen	%	%
Year ended March 31, 2021	—	53.00	—	55.00	108.00	33,023	29.6	4.1
Year ended March 31, 2022	—	55.00	—	60.00	115.00	34,670	30.4	3.8
Year ending March 31, 2023 (forecast)	—	60.00	—	60.00	120.00		26.6	

### 3. Consolidated financial forecast for the year ending March 31, 2023

(% 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, 2022	180,000	24.1	57,000	33.6	86,000	69.2	71,500	34.6	237.16
Year ending March 31, 2023	400,000	19.4	120,000	8.8	168,000	33.0	136,000	19.1	451.10

## ※ 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 March 31, 2022: 311,586,165 shares

As of March 31, 2021: 311,586,165 shares

b) Number of treasury stock

As of March 31, 2022: 10,103,385 shares

As of March 31, 2021: 10,122,444 shares

c) Average number of shares issued during the period

As of March 31, 2022: 301,478,888 shares

As of March 31, 2021: 306,441,234 shares

## (Reference) Non-consolidated financial results (Japanese GAAP)

### Non-consolidated results for the period from April 1, 2021 to March 31, 2022

(1) Non-consolidated operating results

(% shows changes from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	285,948	9.6	95,969	26.0	100,892	23.5	90,264	180.5
Year ended March 31, 2021	260,986	(11.2)	76,192	(34.4)	81,714	(32.6)	32,181	(63.7)

	Earnings per share	Earnings per share (diluted)
	Yen	Yen
Year ended March 31, 2022	299.41	299.31
Year ended March 31, 2021	105.02	104.98

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	730,120	590,430	80.8	1,957.59
As of March 31, 2021	617,123	536,405	86.9	1,778.50

Reference: Shareholders' equity: As of March 31, 2022: 590,179 million yen As of March 31, 2021: 536,154 million yen

※ This report of financial results is unaudited.

※ 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 details of the assumptions used in the forecast of financial results and a cautionary note concerning appropriate use, please refer to "1. Overview of Operating Results and Financial Position (4) Outlook" on page 5 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 Thursday, May 12, 2022. Plans are also in place to post audio explanatory details(Transcript) together with financial results explanatory materials distributed to analysts on May 12, 2022 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 Fiscal Year Ended March 31, 2022

#### 1) Revenue and profit

For the year ended March 31, 2022 (April 1, 2021 to March 31, 2022), operating results were as follows.

	<i>Millions of yen</i>			
	Year ended March 31, 2022	Year ended March 31, 2021	Change	Percentage change (%)
Revenue	335,138	297,177	37,960	12.8
Operating profit	110,312	117,438	(7,126)	(6.1)
Core operating profit *	110,570	93,963	16,607	17.7
Profit before tax	126,268	143,018	(16,750)	(11.7)
Profit attributable to owners of parent	114,185	111,858	2,326	2.1

\* The Company has established "core operating profit" as a profit indicator to present ordinary profitability. This has been adopted as the Company's proprietary earnings management indicator. Core operating profit is an adjusted profit in which non-recurring items (impairment losses, gain on sale of property, plant, and equipment, etc.) are deducted from operating profit.

Revenue was ¥335.1 billion, a 12.8 percent increase year on year. Domestic sales of prescription drugs were ¥89.1 billion, a decrease of 5.9 percent, as a result of the launch of a generic version of Cymbalta. On the other hand, revenue from overseas subsidiary sales and exports was ¥34.4 billion, a 39.5 percent increase due to growth in sales of cefiderocol in Europe and the United States. Royalty income was ¥181.3 billion, a 25.3 percent increase due to the increase in royalty income from the HIV franchise.

Operating profit was ¥110.3 billion, a 6.1 percent decrease, as research and development expenses increased due to aggressive investment in COVID-19-related projects. Core operating profit excluding non-recurring items was ¥110.6 billion, an increase of 17.7 percent.

Profit before tax was ¥126.3 billion, an 11.7 percent decrease.

Despite the decrease in profit before tax, profit attributable to owners of parent was ¥114.2 billion, a 2.1 percent increase. The increase was the result of a refund received in connection with a favorable decision in Shionogi's complaint for the rescission of tax reassessment by the Osaka Regional Taxation Bureau.

In the fiscal year ended March 31, 2022, Shionogi achieved its financial forecast despite the sharp rise in research and development expenses for COVID-19-related projects. In the fiscal year ending March 31, 2023, Shionogi will address challenges left over from previous years and redouble efforts to build Shionogi into a company with more earning power.

#### ■ Domestic sales of prescription drugs

Domestic sales of prescription drugs decreased 5.9 percent to ¥89.1 billion as a result of the decrease in sales due to the market entry of a generic version of Cymbalta. The flu season was very mild, like the previous season, but sales of influenza-related products increased ¥2.8 billion to ¥3.1 billion, as Shionogi recorded sales revenue from government stockpiles of Rapiacta. Sales of infectious disease drugs, which include influenza-related products, totaled ¥11.8 billion, a 20.8 percent increase. Sales of Intuniv and Vyvanse were ¥16.4 billion (a 25.4 percent increase) and ¥0.8 billion (a 190.7 percent increase), respectively.

During the COVID-19 pandemic, restrictions on visits to healthcare facilities by medical representatives (MRs) continued. To deliver product information to healthcare professionals even in these circumstances, Shionogi improved its ability to communicate in digital environments, and focused on securing meeting opportunities. In addition, Shionogi built a sales IT platform to create an organization in which decisions are made based on data with the aim of increasing productivity per employee.

#### ■ Exports/Overseas subsidiary sales

Revenue from overseas subsidiary sales and exports increased 39.5 percent to ¥34.4 billion. Revenue in the United States increased 84.5 percent to ¥13.8 billion as a result of strong sales of cefiderocol\*<sup>1</sup> and a one-time payment received in connection with the transfer of the sales rights to FORTAMET. Sales of cefiderocol increased 268.7 percent to ¥6.2 billion. In Europe, revenue increased 153.7 percent to ¥5.0 billion on strong sales of cefiderocol. In addition, the Shionogi Group began sales in Italy. The Shionogi Group will drive growth in its European and North American businesses by continuing to expand cefiderocol sales to more countries and by expanding the number of countries adopting the subscription-type reimbursement model\*<sup>2</sup>. In China, sales in existing generic business decreased amid medical cost control measures by the Chinese government, but revenue increased 1.1 percent to ¥10.2 billion to the effect of exchange rate fluctuations.

\*1 Sold under the brand name Fetroja in the United States and Fetroja in Europe

\*2 A subscription-type reimbursement model in which the country can receive antibiotics when needed by paying a fixed remuneration to the developing company irrespective of the amount of antibiotics prescription.

#### ■ Royalty income and dividend income from ViiV

Sales of the HIV franchise out-licensed to UK-based ViiV Healthcare Ltd. (“ViiV”) expanded, and royalty income from ViiV, excluding upfront payments, increased compared with the previous year. In addition, a settlement was reached in ViiV’s patent infringement litigation against U.S.-based Gilead Sciences, Inc. (“Gilead”) in the fiscal year ended March 31, 2022. Under the terms of the settlement, Gilead paid ViiV \$1.25 billion upfront and will pay ViiV a 3% royalty on future U.S. sales of Biktarvy (for reference: \$6.09 billion in 2020) and on the bictegravir component of any future bictegravir-containing products sold in the United States. ViiV paid a portion of the upfront payment to Shionogi, which Shionogi recognized as revenue. Also, Shionogi and ViiV have agreed to a defined annual payment to Shionogi from ViiV in respect of the 3% royalties, which Shionogi recorded as revenue for the fiscal year ended March 31, 2022. As a result, royalty income from ViiV increased 41.0 percent from the previous year to ¥174.0 billion.

Royalty income from Switzerland-based Roche was ¥40.0 million in the fiscal year ended March 31, 2022 as the scale of the seasonal influenza epidemic was extremely small globally, similar to the previous season.

Royalty income on Crestor sales from UK-based AstraZeneca decreased 93.1 percent to ¥1.2 billion because the amount received decreased starting in the fourth quarter of fiscal 2020 under the license agreement.

Total royalty, milestone and dividend income for the fiscal year ended March 31, 2022 increased 15.6 percent year-on-year to ¥194.2 billion, reflecting the increase in royalty income from the HIV franchise.

## 2) Research and development

During the fiscal year ended March 31, 2022, Shionogi continued to make aggressive investments in research and development, and by dealing appropriately with changes in the environment brought about by COVID-19, was able to make progress on high-priority projects basically as planned.

#### ■ Research

S-880008, a COVID-19 treatment candidate, moved into preclinical studies this fiscal year toward the goal of beginning clinical development. This compound is a peptide created using technology developed by PeptiDream. Once-daily administration is expected to improve symptoms due to rapid viral elimination. In other COVID-19 treatments, the Shionogi Group made progress on a project to create a follow-up compound to S-217622.

In the vaccine business, the Shionogi Group worked on a project to develop a nasal vaccine that induces mucosal immunity as a next-generation COVID-19 vaccine. In addition, the Shionogi Group carried out preclinical studies of S-872600, a nasal vaccine for influenza.

S-540956, a nucleic acid adjuvant, has potential oncology and infectious disease-related applications, for example as a functional cure for HIV. In the fiscal year ended March 31, 2022, preclinical studies progressed toward the goal of beginning clinical development.

S-531011, a cancer-targeting antibody, is intended to address patient needs that are not met with current cancer therapies. In the fiscal year ended March 31, 2022, preclinical studies were completed, and a Phase Ib/II study began.

S-365598 is a third-generation integrase inhibitor that is expected to be a long-acting (one dose every three months or more) anti-HIV drug. In the fiscal year ended March 31, 2022, Shionogi proceeded with preclinical studies and out-licensed S-365598 to ViiV.

#### ■ Development

For zuranolone (S-812217), a candidate for the treatment of depression and depression symptoms that was licensed from Sage Therapeutics of the United States, positive results were confirmed in a Phase II study for major depressive disorder in Japan. A Phase III study in Japan started in the fiscal year ended March 31, 2022.

For sivopixant (S-600918), a global Phase IIb study for refractory chronic cough moved forward and observation of all patients was completed. The study showed a favorable safety profile and a tendency toward efficacy in multiple secondary endpoints.

Redasemtide (S-005151), a peptide with regeneration-inducing effects that was licensed from StemRIM, is expected to have indications for a wide range of diseases because of its mechanism of action. In the fiscal year ended March 31, 2022, Phase II clinical studies in Japan for acute ischemic stroke were completed, and preparations for the start of Phase III studies began. In addition, an investigator-led clinical study (Phase II) for knee osteoarthritis and chronic liver disease moved forward.

For BPN14770, a drug candidate for improvement of cognitive function that was licensed from Tetra Therapeutics, a Phase IIb/III study in the United States for Fragile X Syndrome began in the fiscal year ended March 31, 2022. In addition, Shionogi began a Phase II study in Japan for Alzheimer’s disease, but discontinued the study due to safety concerns. Shionogi will continue to develop this compound for the indication of Alzheimer’s disease.

S-637880 was being developed for the indication of neuropathic low back pain, and a Phase II study in Japan was in progress, but development for the indication of neuropathic low back pain was discontinued because of safety concerns.

#### ■ Response to COVID-19

As a pharmaceutical company with a major focus on infectious diseases, Shionogi is cooperating with public institutions, academia and partner companies to work on research and development of a wide range of healthcare-related solutions.

Shionogi is working on the provision of services from the viewpoint of total care of COVID-19, from detection (epidemic prediction) to prevention, diagnosis, treatment and reduction of severity, with the goal of an early end to the pandemic.

## (2) Financial Position for the Fiscal Year Ended March 31, 2022

As of March 31, 2022, total assets were ¥1,150,601 million, an increase of ¥151,608 million from a year earlier.

Non-current assets were ¥491,396 million, an increase of ¥48,641 million from a year earlier, mainly reflecting an increase in financial assets measured at fair value through other comprehensive income and an increase in property, plant and equipment due to the construction of vaccine manufacturing facilities. Current assets were ¥659,205 million, an increase of ¥102,967 million compared to a year earlier, mainly as a result of changes in trade receivables and in fixed-term deposits of more than three months and bonds (included in "Other financial assets" in current assets).

Equity was ¥993,285 million, an increase of ¥128,734 million from a year earlier. This was due to the recording of profit, payment of cash dividends, a net change in financial assets measured at fair value through other comprehensive income, and an increase in exchange differences on translation of foreign operations.

Liabilities totaled ¥157,316 million, an increase of ¥22,874 million from a year earlier. Non-current liabilities were ¥32,920 million, a decrease of ¥1,341 million from a year earlier. Current liabilities were ¥124,396 million, an increase of ¥24,215 million from a year earlier.

## (3) Cash Flows for the Fiscal Year Ended March 31, 2022

Net cash provided by operating activities during the fiscal year ended March 31, 2022 was ¥102,068 million, a decrease of ¥6,970 million year on year. Factors included a favorable judgement of the complaint for the rescission of tax reassessment by the Osaka Regional Taxation Bureau, a decrease in profit before tax and an increase in trade receivables.

Net cash used in investing activities was ¥96,204 million, a increase of ¥90,942 million year on year. Factors included changes in time deposits and acquisition and sale of securities for investment of surplus.

Net cash used in financing activities was ¥36,615 million, a decrease of ¥7,276 million year on year. Factors included purchase of treasury shares, disposal of treasury shares by third-party allotment, and proceeds from issuance of shares related to the establishment of a subsidiary with Ping An Insurance (Group) Company of China, Ltd.

As a result, cash and cash equivalents at March 31, 2022 totaled ¥254,420 million, a decrease of ¥21,752 million from a year earlier.

### Cash flow indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Ratio of equity attributable to owners of parent to total assets	87.6%	84.7%	84.8%
Ratio of equity attributable to owners of parent to total assets on market value basis	184.9%	179.6%	197.3%
Interest-bearing liabilities/Cash flow ratio	0.1	0.1	0.1
Interest coverage ratio (times)	378.1	425.6	1,161.1

Notes: *Ratio of equity attributable to owners of parent to total assets: Equity attributable to owners of parent/Total assets*

*Ratio of equity attributable to owners of parent to total assets on market value basis: Total market value of stock/Total assets*

*Interest-bearing liabilities/Cash flow ratio: Interest-bearing liabilities/Net cash provided by operating activities*

*Interest coverage ratio: Net cash provided by operating activities/Interest expense*

1. All indicators are calculated on a consolidated basis.

2. Total market value of stock is calculated based on the total number of shares outstanding excluding treasury stock.

3. Net cash provided by operating activities is as reported in the consolidated statements of cash flows.

4. Interest-bearing liabilities are liabilities stated on the consolidated balance sheets on which interest is paid.

#### (4) Outlook

The financial forecast for the year ending March 31, 2023 is as follows.

*Millions of yen*

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Year ending March 31, 2023	400,000	120,000	168,000	136,000

In the next fiscal year, while there are various uncertainties due to the effects of COVID-19, Shionogi will strive to fulfill its social responsibility as a leader in the infectious disease field.

Although there are factors that will reduce revenue, such as a decline in revenue for prescription drugs in Japan following the launch of a generic version of Cymbalta, Shionogi is projecting an expansion in sales of over-the-counter products in Japan and cefiderocol in Europe and the United States, as well as expansion of business in China. In addition, Shionogi expects the commercialization of COVID-19-related products, in which it has been making upfront investments since fiscal 2021, to contribute to revenue in the next fiscal year after obtaining regulatory approval. Although Shionogi is expecting an increase in royalties from Dovato, Apretude, which has been newly approved as a preventive drug, and Cabenuva, a long-acting injectable formulation, royalties from HIV-related products are projected to decrease overall because Shionogi recognized HIV royalty revenue in connection with the settlement of dolutegravir patent infringement litigation with Gilead in the fiscal year ended March 31, 2022. As a result of these factors, Shionogi projects an increase in revenue overall.

As for profit, Shionogi expects an increase in cost of sales due to the effect of changes in the product mix, and an increase in selling, general and administrative expenses following the launch of COVID-19-related products. Research and development expenses are expected to decrease due to the development status of COVID-19-related projects. On the other hand, finance income is projected to increase due to the effect of the postponement of dividend income from ViiV, which Shionogi had been scheduled to receive in the fiscal year ended March 31, 2022. As a result, operating profit, profit before tax, and profit attributable to owners of parent are each projected to increase.

The global COVID-19 pandemic, which began at the end of 2019, continues to have profound impacts on society, but the pandemic situation, the related environment, and the needs of society are constantly changing. If any events occur that have an effect on the performance outlook, Shionogi will make a timely announcement as soon as it is able to estimate the impact on the financial forecast.

## **2. Accounting Standards**

The Shionogi Group will voluntarily adopt International Financial Reporting Standards (IFRS) to enhance the international comparability of financial statements and to improve business operations by unifying accounting standards within the Group.



### 3. 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*

	Year ended March 31, 2021	Year ended March 31, 2022
Revenue	297,177	335,138
Cost of sales	(52,523)	(55,415)
Gross profit	244,654	279,722
Selling, general and administrative expenses	(91,902)	(91,771)
Research and development expenses	(54,249)	(72,996)
Amortization of intangible assets associated with products	(3,209)	(3,476)
Other income	26,403	3,384
Other expenses	(4,257)	(4,551)
Operating profit	117,438	110,312
Finance income	26,522	16,797
Finance costs	(941)	(841)
Profit before tax	143,018	126,268
Income tax expense	(30,956)	(12,829)
Profit	112,061	113,439
Profit (loss) attributable to		
Owners of parent	111,858	114,185
Non-controlling interests	203	(746)
Profit	112,061	113,439
Earnings per share		
Basic earnings per share	365.03	378.75
Diluted earnings per share	364.89	378.63

Consolidated statement of comprehensive income

Millions of yen

	Year ended March 31, 2021	Year ended March 31, 2022
Profit	112,061	113,439
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	(4,677)	17,846
Remeasurements of defined benefit plans	(96)	(333)
Total of items that will not be reclassified to profit or loss	(4,774)	17,513
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	36,049	29,793
Effective portion of cash flow hedges	(5,828)	1,023
Total of items that may be reclassified to profit or loss	30,221	30,817
Total other comprehensive income, net of tax	25,447	48,330
Comprehensive income	137,509	161,769
Comprehensive income attributable to		
Owners of parent	137,407	161,865
Non-controlling interests	101	(95)
Comprehensive income	137,509	161,769

(2) Consolidated statement of financial position

*Millions of yen*

	As of March 31, 2021	As of March 31, 2022
Assets		
Non-current assets		
Property, plant and equipment	90,883	108,893
Goodwill	9,357	9,638
Intangible assets	76,558	81,223
Right-of-use assets	4,827	3,524
Investment property	26,759	26,672
Other financial assets	217,437	242,479
Deferred tax assets	11,729	12,907
Other non-current assets	5,200	6,055
Total non-current assets	442,754	491,396
Current assets		
Inventories	38,003	45,892
Trade receivables	78,047	122,965
Other financial assets	142,151	210,757
Income taxes receivable	164	51
Other current assets	21,697	25,117
Cash and cash equivalents	276,173	254,420
Total current assets	556,238	659,205
Total assets	998,992	1,150,601

*Millions of yen*

	As of March 31, 2021	As of March 31, 2022
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	21,279	21,279
Capital surplus	13,733	14,455
Treasury shares	(57,989)	(57,857)
Retained earnings	752,248	832,958
Other components of equity	116,836	164,824
<b>Equity attributable to owners of parent</b>	<b>846,108</b>	<b>975,661</b>
Non-controlling interests	18,442	17,624
<b>Total equity</b>	<b>864,550</b>	<b>993,285</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liabilities	4,608	3,729
Other financial liabilities	5,242	5,616
Retirement benefit liability	16,318	15,412
Deferred tax liabilities	7,749	7,807
Other non-current liabilities	341	354
<b>Total non-current liabilities</b>	<b>34,261</b>	<b>32,920</b>
<b>Current liabilities</b>		
Lease liabilities	3,379	2,945
Trade payables	9,902	16,372
Other financial liabilities	21,383	22,027
Income taxes payable	28,033	17,973
Other current liabilities	37,481	65,078
<b>Total current liabilities</b>	<b>100,180</b>	<b>124,396</b>
<b>Total liabilities</b>	<b>134,442</b>	<b>157,316</b>
<b>Total equity and liabilities</b>	<b>998,992</b>	<b>1,150,601</b>

(3) Consolidated statement of changes in equity

*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, 2020	21,279	21,025	(77,292)	708,291	91,848	765,152	51	765,203
Profit				111,858		111,858	203	112,061
Total other comprehensive income, net of tax					25,548	25,548	(101)	25,447
Comprehensive income	-	-	-	111,858	25,548	137,407	101	137,509
Purchase of treasury shares			(50,013)			(50,013)		(50,013)
Disposal of treasury shares		(4,705)	38,404			33,698		33,698
Cancellation of treasury shares		(30,912)	30,912			-		-
Dividends				(32,543)		(32,543)		(32,543)
Change in scope of consolidation						-	10,696	10,696
Changes in ownership interest in subsidiaries		(7,593)				(7,593)	7,593	-
Transfer from other components of equity to retained earnings				71	(71)	-		-
Other		35,919		(35,430)	(488)	(0)		(0)
Balance as of March 31, 2021	21,279	13,733	(57,989)	752,248	116,836	846,108	18,442	864,550
Profit				114,185		114,185	(746)	113,439
Total other comprehensive income, net of tax					47,679	47,679	650	48,330
Comprehensive income	-	-	-	114,185	47,679	161,865	(95)	161,769
Purchase of treasury shares			(14)			(14)		(14)
Disposal of treasury shares		(5)	147			141		141
Dividends				(33,162)		(33,162)		(33,162)
Transfer from other components of equity to retained earnings				(308)	308	-		-
Other		727		(5)		722	(722)	-
Balance as of March 31, 2022	21,279	14,455	(57,857)	832,958	164,824	975,661	17,624	993,285

(4) Consolidated statement of cash flows

*Millions of yen*

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	143,018	126,268
Depreciation and amortization	14,779	16,351
Impairment losses	825	141
Finance income and finance costs	(25,836)	(15,597)
Decrease (increase) in trade and other receivables	2,993	(43,417)
Decrease (increase) in inventories	(3,435)	(7,133)
Increase (decrease) in trade and other payables	(2,380)	11,686
Other	(16,524)	15,087
Subtotal	113,438	103,387
Interest and dividends received	28,111	24,807
Interest paid	(256)	(87)
Income taxes paid	(32,254)	(39,324)
Income taxes refund	—	13,286
Net cash provided by (used in) operating activities	109,039	102,068
Cash flows from investing activities		
Payments into time deposits	(230,468)	(260,380)
Proceeds from withdrawal of time deposits	269,696	234,685
Purchase of property, plant and equipment	(28,182)	(26,185)
Purchase of intangible assets	(4,762)	(5,379)
Payments for acquisition of subsidiaries	(3,636)	—
Purchase of investments	(120,478)	(139,396)
Proceeds from sale of investments	116,265	99,511
Other	(3,694)	940
Net cash provided by (used in) investing activities	(5,261)	(96,204)

*Millions of yen*

	Year ended March 31, 2021	Year ended March 31, 2022
Cash flows from financing activities		
Repayments of lease liabilities	(3,648)	(3,453)
Purchase of treasury shares	(50,134)	(14)
Proceeds from sale of treasury shares	33,534	—
Dividends paid	(32,529)	(33,146)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(1,575)	—
Capital contribution from non-controlling interests	10,464	—
Other	(0)	—
Net cash provided by (used in) financing activities	(43,891)	(36,615)
Effect of exchange rate changes on cash and cash equivalents	7,425	8,998
Net increase (decrease) in cash and cash equivalents	67,312	(21,752)
Cash and cash equivalents at beginning of period	208,861	276,173
Cash and cash equivalents at end of period	276,173	254,420

**(5) Notes**

**Going concern assumption**

None

**Segment information**

Year ended March 31, 2021 (April 1, 2020 to March 31, 2021) and Year ended March 31, 2022 (April 1, 2021 to March 31, 2022)

Shionogi group has a single business segment related to prescription drugs. The group operates 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.



## Earnings per share

The basis for calculating basic earnings per share and diluted earnings per share is as follows.

Item	Year ended March 31, 2021	Year ended March 31, 2022
Basis for calculating basic earnings per share		
Profit attributable to owners of parent	111,858 million yen	114,185 million yen
Profit not attributable to ordinary equity holders of parent	—	—
Profit used for calculating basic earnings per share	111,858 million yen	114,185 million yen
Weighted-average number of ordinary shares outstanding	306,441 thousands of stocks	301,478 thousands of stocks
Basis for calculating diluted earnings per share		
Profit for the year used for calculating basic earnings per share	111,858 million yen	114,185 million yen
Adjustments to profit	—	—
Profit for the year used for calculating diluted earnings per share	111,858 million yen	114,185 million yen
Weighted-average number of ordinary shares outstanding	306,441 thousands of stocks	301,478 thousands of stocks
Increase in number of ordinary shares from exercise of stock options	112 thousands of stocks	100 thousands of stocks
Weighted-average number of dilutive ordinary shares outstanding	306,554 thousands of stocks	301,579 thousands of stocks
Earnings per share		
Basic earnings per share	365.03 yen	378.75 yen
Diluted earnings per share	364.89 yen	378.63 yen

*Notes: No financial instruments are excluded from the calculation of diluted earnings per share because they are not dilutive.*

## Important subsequent events

None