



Notice of Revisions to Earnings Forecasts for the fiscal year ending March 31, 2023

OSAKA, Japan, October 24, 2022 - Shionogi & Co., Ltd. (Head Office: Osaka, Japan; Chief Executive Officer: Isao Teshirogi, Ph.D.; hereafter "Shionogi") announced that, it has made the following revisions to its consolidated earnings forecasts for the first half of the fiscal year ending March 31, 2023 and for the full year ending on March 31, 2023. The prior earnings forecasts were released on May 11, 2022.

1. Revisions to Consolidated Earnings Forecasts

Revisions to consolidated forecasts for the fiscal year ending March 31, 2023

(April 1, 2022 – March 31, 2023)

(Millions of yen)

	Net sales	Operating income	Profit before tax	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	400,000	120,000	168,000	136,000	451.10
Revised forecast (B)	410,000	120,000	174,000	142,000	471.58
Change (B-A)	+ 10,000	0	+ 6,000	+ 6,000	–
Change (%)	+ 2.5	0.0	+ 3.6	+ 4.4	–
[Reference]					
Results for the fiscal year ended March 31, 2022	335,138	110,312	126,268	114,185	378.75
Y on Y change (%)	+ 22.3	+ 8.8	+ 37.8	+ 24.4	–

Revisions to Consolidated earnings forecasts for the first half of the fiscal year ending March 31, 2023
(April 1, 2022 – September 30, 2022)

(Millions of yen)

	Net sales	Operating income	Profit before tax	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast (A)	180,000	57,000	86,000	71,500	237.16
Revised forecast (B)	150,000	28,000	67,000	57,000	189.33
Change (B-A)	△30,000	△29,000	△19,000	△14,500	–
Change (%)	△16.7	△50.9	△22.1	△20.3	–
[Reference]					
Results for the first half of the fiscal year ended March 31, 2022	145,085	42,664	50,832	53,131	176.24
Y on Y change (%)	+3.4	△34.4	+31.8	+7.3	–

2. Reasons for revisions to consolidated earnings forecasts

In the first half of the fiscal year ending March 31, 2023, we invested the largest amount of R&D expense in our history, primarily on projects related to the novel coronavirus disease (COVID-19), our highest priority effort. As a result, we were able to make significant progress in development. In the domestic and overseas businesses, sales were strong, focused on Intuniv and Cefiderocol, respectively. In the HIV franchise partnered with ViiV, we also received increasing royalty and dividend income due to sales growth of Dovato and Cabenuva. As a result, revenue and profit are expected to increase year-on-year, with respect to revenue, profit before tax, and Profit attributable to owners of parent.

The development of Ensitrelvir fumaric acid (S-217622; hereafter "Ensitrelvir"), a potential treatment for COVID-19, is progressing smoothly. The drug achieved the primary endpoints in the Phase 3 part of a Phase 2/3 trial¹. Discussions with regulatory authorities for domestic and global availability are continuing. We also made progress in negotiations with governments and external support organizations. In light of these developments, we expect to obtain domestic approval of this drug and to achieve sales revenue in the second half of the fiscal year. In this release, we revise our earnings forecast for the first half of the current fiscal year.

In addition, regarding the full-year consolidated earnings forecast, we expect revenue and each profit item to increase compared to the same period of the previous year, based on projections including revenue from COVID-19 related products entering on the scale initially planned but in the second half. We also expect the base business to continue to perform well. Therefore, the revenue, profit before tax, and Profit attributable to owners of parent are expected to exceed the initial forecasts, and we have revised our full-year consolidated earnings forecast for the fiscal year ending March 31, 2023 upward accordingly.

Note: The forecasts shown in the material herein are based on currently available information as of October 24, 2022. Actual performance may differ materially from these forecasted figures due to various factors in the future.

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 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. [_Press release on September 28,2022](#)
Shionogi Announces Achievement of the Primary Endpoint for Ensitrelvir Fumaric Acid (S-217622) in the Phase 3 part of the Phase 2/3 Clinical Trial in Asia