



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

OSAKA, Japan, January 30, 2023 - 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 full year ending on March 31, 2023. The prior earnings forecasts were released on October 24, 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)	410,000	120,000	174,000	142,000	471.58
Revised forecast (B)	421,000	147,000	210,000	170,000	568.87
Change (B-A)	+ 11,000	+ 27,000	+ 36,000	+ 28,000	–
Change (%)	+ 2.7	+ 22.5	+ 20.7	+ 19.7	–
[Reference]					
Results for the fiscal year ended March 31, 2022	335,138	110,312	126,268	114,185	378.75
Y on Y change (%)	+ 25.6	+ 33.3	+ 66.3	+ 48.9	–

2. Reasons for revisions to consolidated earnings forecasts

Related to the HIV franchise partnered with ViiV, we received increasing royalty and dividend income exceeding previous forecasts due to the sales growth of Dovato and Cabenuva. In addition, the base business, including the sales of cefiderocol in Europe and the United States, is showing steady progress.

Furthermore, we invested the largest amount of R&D expense in our history, primarily on projects related to the novel coronavirus disease (COVID-19). As a results, we obtained domestic manufacturing and marketing approval for Xocova[®] and signed a purchase agreement for a total of 2 million courses with the Japanese government^{2,3}. Regarding the earnings forecast for COVID-19-related projects, there were many uncertainties, such as a timing of Xocova[®]'s approval and the number of purchases, so costs and selling, general and administrative expenses were conservatively calculated. Therefore, all profit items are expected to exceed the previous forecast. Regarding the overseas expansion of Xocova[®], we are making steady progress in

development, in constructing a production system, and in consultations with governments around the world on provisions, and further increases in sales are expected.

In addition, we expected to make a certain amount of investment in this fiscal year as a growth investment, but because we are focusing on COVID-19 related businesses, some of the originally planned growth investments will be shifted to the next fiscal year, and we expect a decrease in selling, general and administrative expenses. On the other hand, R&D expenses are expected to increase as we continue to actively invest in future growth drivers, including COVID-19 related projects, but we will continue to appropriately control these expenses.

As a result, revenue, and all profit items are expected to exceed the previous forecasts, and we have revised our full-year consolidated earnings forecast for the fiscal year ending March 31, 2023 upward accordingly. Revenue and all profit items in the revised forecast are expected to increase year-on-year. If the revised forecast is achieved, revenue and all profit items are expected to be the highest performance since Shionogi's founding.

Note: The forecasts shown in the material herein are based on currently available information as of January 30, 2023. Actual performance may differ materially from these forecasted figures due to various factors in the future. Regarding items not included in the revised forecast, such as revenue generated from the overseas expansion of Xocova[®], we will promptly examine the impact on forecasts as soon as they are expected to occur. If revisions are necessary, we will promptly announce them.

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 October 24,2022](#)
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2. [Press release on November 22,2022](#)
Xocova[®] (Ensitrelvir Fumaric Acid) Tablets 125mg Approved in Japan for the Treatment of SARS-CoV-2 Infection, under the Emergency Regulatory Approval System
3. [Press release on December 13,2022](#)
Notice Regarding the Signing of an Additional Purchasing Contract with the Ministry of Health, Labor and Welfare for Domestic Supply of Xocova[®] (Ensitrelvir Fumaric Acid) Tablets 125mg, a Novel Anti-SARS-CoV-2 Drug for COVID-19