Consolidated Financial Results for Fiscal Year 2024 (IFRS)

May 12, 2025

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

Code: 4507 URL: https://www.shionogi.com

Representative: Isao Teshirogi, Representative Director, President and CEO

Contact responsibility: Yoshimasa Kyokawa, Vice President, Corporate Communications Department Tel.:(06)6202-2161

Scheduled date of Annual General Meeting of Shareholders June 18, 2025

Scheduled date of dividend payments June 19, 2025

Scheduled date of annual securities report submission: June 19, 2025

Preparation of supplemental material for the financial results: Yes

Holding of presentation for the 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, 2024 to March 31, 2025

(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, 2025	438,268	0.7	156,603	2.1	200,750	1.2	169,534	5.6	170,435	5.2	171,292	(32.6)
Year ended March 31, 2024	435,081	2.0	153,310	2.9	198,283	(10.0)	160,575	(13.0)	162,030	(12.4)	254,135	21.5

	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, 2025	200.36	200.29	13.1	13.6	35.7
Year ended March 31, 2024	186.17	186.11	13.9	14.5	35.2

Reference: Share of profit (loss) of investments accounted for using equity method:
Year ended March 31, 2025: (768) million yen, Year ended March 31, 2024: (123) million yen

Note: 1. Revenue includes Lump-sum income for transfer of ADHD drug
2. The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Basic earnings per share and diluted earnings per share were calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

(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, 2025	1,535,349	1,362,497	1,361,924	88.7	1,600.68
As of March 31, 2024	1,416,918	1,252,562	1,235,325	87.2	1,452.22

Note: The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Equity attributable to owners of parent per share was calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

(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, 2025	195,460	(116,080)	(64,908)	374,795
Year ended March 31, 2024	154,284	5,922	(126,853)	358,090

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, 2024	—	75.00	—	85.00	160.00	46,422	28.6	4.0
Year ended March 31, 2025	—	85.00	—	33.00	—	52,727	30.6	4.0
Year ending March 31, 2026 (forecast)	—	33.00	—	33.00	66.00		31.2	

Note: The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024, so the amount of the year-end dividend per share for fiscal year ended March 31, 2025 takes into consideration the impact of this stock split, and the total annual dividend is not stated. If the stock split is not considered, the year-end dividend per share for the year ended March 2025 is 99 yen and the annual dividend per share is 184 yen.

3. Consolidated financial forecast for the year ending March 31, 2026

(% 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, 2025	233,000	8.9	82,000	8.1	102,000	8.7	86,000	3.4	101.09
Year ending March 31, 2026	530,000	20.9	175,000	11.7	222,000	10.6	180,000	5.6	211.59

※ 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, 2025: 889,632,195 shares
  - As of March 31, 2024: 922,158,495 shares
- b) Number of treasury stock
  - As of March 31, 2025: 38,944,777 shares
  - As of March 31, 2024: 71,683,764 shares
- c) Average number of shares issued during the period
  - As of March 31, 2025 850,635,616 shares
  - As of March 31, 2024: 870,333,384 shares

Note: 1. The number of treasury shares at the end of the fiscal year includes the Company ' s shares held by Sumitomo Mitsui Trust Bank, Limited ' s trust account with respect to the Shionogi Infectious Disease Research Promotion Foundation (sub-trustee: Custody Bank of Japan, Ltd. (Trust Account)) (fiscal years ended March 2025 and March 2024: 9 million shares). In addition, these shares are included in the treasury shares, which are deducted in the calculation of the average number of shares outstanding (fiscal years ended March 2025 and March 2024: 9 million shares).
2. The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Number of shares issued (common stock) wsa calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

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

Non-consolidated results for the period from April 1, 2024 to March 31, 2025

(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, 2025	363,309	5.1	114,356	4.9	109,143	(57.8)	86,927	(65.6)
Year ended March 31, 2024	345,761	(6.4)	108,978	(18.2)	258,621	91.6	253,060	135.7

	Earnings per share	Earnings per share (diluted)
	Yen	*Yen*
Year ended March 31, 2025	101.12	101.09
Year ended March 31, 2024	287.79	287.69

Note: The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Earnings per share and Earnings per share (diluted) were calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

(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, 2025	941,227	791,825	84.1	920.78
As of March 31, 2024	840,570	749,494	89.1	871.75

Reference: Shareholders' equity: As of March 31, 2025: 791,579 million yen, As of March 31,2024: 749,243 million yen
Note: The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Net assets per share was calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

※ 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 the assumptions used in forecasts and precautionary statements regarding the use of the forecasts, please refer to "1. Overview of Operating Results and Financial Position (4) Outlook" on page 6 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 Tuesday, May 13, 2025. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on Tuesday, May 13, 2025 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, 2025

1) Revenue and profit

For the year ended March 31, 2025 (April 1, 2024 to March 31, 2025), operating results were as follows.

Millions of yen

	Year ended March 31, 2025	Year ended March 31, 2024	Change	Percentage change (%)
Revenue	438,268	410,073	28,195	6.9
Revenue(including profit from transfer of license)	438,268	435,081	3,186	0.7
Operating profit	156,603	153,310	3,292	2.1
Core operating profit*1	158,362	170,421	(12,059)	(7.1)
Profit before tax	200,750	198,283	2,466	1.2
Profit attributable to owners of parent	170,435	162,030	8,405	5.2
EBITDA*2	179,296	188,745	(9,449)	(5.0)

*1 Core operating profit: An adjusted profit in which non-recurring items (impairment, gain on sales of property, plant, and equipment, etc.) are deducted from operating profit.

*2 Earnings Before Interest, Taxes, Depreciation, and Amortization: Core operating profit added depreciation.

Revenue (including profit from transfer of license) was 438.3 billion yen, a 0.7 percent increase from the previous year. While revenue for the previous fiscal year included 25.0 billion yen recorded for the lump-sum payment received due to a transfer of the license of an ADHD treatment drug, revenue for the consolidated fiscal year under review exceeded that of the previous year, marking a record high for the third consecutive year, as a result of steady growth in each business, mainly overseas business, and an increase in royalty income.

In terms of profits, expenses increased from the previous fiscal year due to an increase in cost of sales resulting from changes in the composition of products in revenue, as well as an increase in research and development expenses resulting from active investments in major development projects and the effect of foreign exchange rates, and an increase in selling, general and administrative expenses due to global business expansion. On the other hand, the increase in overall expenses was limited partly because of a non-recurring expense incurred for the implementation of a special early retirement program in the previous fiscal year. As a result of an increase in revenue due to the expansion of each business, operating profit increased 2.1 percent to 156.6 billion yen. Profit before tax was 200.8 billion yen, a 1.2 percent increase year on year, profit attributable to owners of parent was 170.4 billion yen, a 5.2 percent increase, and EBITDA was 179.3 billion yen, a 5.0 percent decrease.

In the consolidated fiscal year under review, we achieved record-high results for revenue and operating profit for the third consecutive year while aggressively making investments in new businesses and growth drivers for global expansion and medium- to long-term growth.

■Domestic sales of prescription drugs

Domestic sales of prescription drugs decreased 34.6 percent year on year to 98.8 billion yen. This was mainly due to the impact of a lump-sum payment of 25.0 billion yen associated with the transfer of a license of an ADHD treatment drug, which was recorded in the previous fiscal year, and a decrease in sales of infectious disease drugs. Sales of Xocova decreased due to the extremely weak COVID-19 epidemic compared to the previous consolidated fiscal year. On the other hand, Xocova’s share in the COVID-19 treatment drug market expanded significantly compared to the previous consolidated fiscal year. Xofluza, an influenza treatment drug, also gained a high market share and recorded steady sales during the spread of influenza this winter.

These products have gained a market share in their respective treatment drug markets as planned and are expected to contribute stably to business performance if the disease spreads again in the future. Total revenue from COVID-19-related products and influenza-related products (Xofluza, Rapiacta) for the consolidated fiscal year ended March 31, 2025 was 51.8 billion yen. In addition, during the fiscal year ended March 31, 2025, sales of QUVIVIQ, an insomnia treatment drug, started in December 2024.

■Overseas subsidiary sales and exports

Revenue from overseas business increased 18.4 percent to 59.1 billion yen from the previous year. Due to strong sales of Cefiderocol (product name in U.S.: Fetroja, product name in Europe: Fetcroja), revenues from businesses in the U.S. and Europe were 23.4 billion yen, a 30.6 percent increase, and 16.8 billion yen, a 24.0 percent increase, respectively. The growth of Cefiderocol can be attributed to its market penetration in countries where it is already marketed due to accumulation of clinical evidence. We will continue to promote the growth of our European and U.S. businesses by expanding the number of countries where Cefiderocol is sold, further promoting penetration in countries where it is already marketed, and expanding the number of countries where the subscription-based reimbursement model* has been adopted. Revenue in China decreased 18.3 percent year on year to 8.7 billion yen. However, we made steady progress toward a shift to new drug businesses, such as filing an application for approval of Cefiderocol and achieving the primary endpoint in a Phase 3 clinical study of Naldemedine.

* A model in which the country can receive antibiotics when needed by paying a fixed amount of compensation to the developing company irrespective of the quantity of antibiotics prescriptions.

■Royalty income and dividend income from ViiV

Royalty income from ViiV increased 22.8 percent from the previous year to 240.4 billion yen due to strong growth of oral two-drug combinations and long-acting formulations (LA formulations) and foreign exchange effects. Other royalty income was 4.3 billion yen, a 6.8 percent decrease.

Dividend income from ViiV increased 18.8 percent to 40.3 billion yen due to steady progress of ViiV’ s business.

As a result, total royalty income and dividend income from ViiV for the consolidated fiscal year ended March 31, 2025 amounted to 285 billion yen, an increase of 21.6 percent, marking a record high.

2) Research and Development

In FY2024, we actively promoted and advanced our research and development activities, with a focus on COVID-19-related projects and other priority projects..

■Research

For S-892216, a next-generation 3CL protease inhibitor, development is underway with two types of formulations, a long-acting formulation and an oral formulation, targeting the treatment and prevention of COVID-19. In FY2024, we made progress in research on the pre-exposure prophylaxis indication for the long-acting formulation and signed an agreement with U.S.-based BARDA to receive a grant of $375 million in development support.

For S-268024, a COVID-19 preventive vaccine designed to target the JN.1 lineage, which is the 2024/2025 recommended strain, we advanced research and initiated a Phase 3 study during FY2024 in preparation for the development of vaccines that can respond to future recommended strains.

S-567123, a universal vaccine, is a next-generation vaccine that is expected to provide a preventive effect against a wide range of mutations as a single drug. Our initial goal is to develop a universal vaccine for COVID-19, and during FY2024, we advanced non-clinical studies and preparations for investigational drug manufacturing.

S-917091 is a candidate anti-HIV drug with a different mechanism of action from integrase inhibitors. During FY2024, we advanced various research projects with the aim of enabling ultra-long-acting HIV treatment (administered once every three months or less frequently) by using it in combination with an integrase inhibitor.

S-898270 is a candidate treatment expected to improve cognitive functions, including learning and memory. We advanced research with the aim of initiating a Phase 1 clinical study in the first half of FY2025.

■Development

Ensitrelvir (Xocova), a COVID-19 oral treatment drug, achieved its primary endpoint in the global Phase 3 post-exposure prophylaxis trial (SCORPIO-PEP study) conducted among household contacts or cohabitants of COVID-19 patients. This was the world's first clinical study to demonstrate the efficacy of an oral antiviral drug in suppressing the onset of COVID-19. Based on these results, we submitted an application for an additional indication for the prevention of COVID-19 in Japan. For global applications, we are currently engaged in discussions with regulatory authorities, taking into account the results of this study as well as previous clinical trials. In the U.S., we have already initiated a rolling submission for the indication of COVID-19 prevention.

COVGOZE for intramuscular injection is a COVID-19 preventive vaccine (monovalent original strain). Unlike the mRNA vaccines that have been mainly used so far, it is a recombinant protein vaccine based on technology that has been widely used both domestically and internationally for many years, with proven efficacy and long-term safety. In FY2024, it received manufacturing and marketing approval in Japan for use in initial immunization as SHIONOGI's first vaccine.

S-337395 is a novel oral treatment for RSV infections. Since there are currently no effective antiviral drugs available for RSV, it is expected to serve as a new treatment option. In FY2024, we achieved the primary endpoint in a Phase 2 clinical study (human challenge study) and made progress toward the initiation of late-stage clinical trials.

Zuranolone is a novel antidepressant with a new mechanism of action different from that of existing drugs and demonstrates efficacy with once-daily oral administration for 14 days. In FY2024, in a Phase 3 clinical study, statistically significant improvements in depressive symptoms, rapid onset of action, and good tolerability compared to the placebo group were confirmed, and we submitted an application for manufacturing and marketing approval in Japan.

S-606001 is a candidate oral small-molecule treatment for Pompe disease. Pompe disease is a rare disorder, with an estimated 50,000 patients worldwide, and unmet medical needs that cannot be fully addressed by existing treatments remain. Therefore, this agent is expected to serve as a new treatment option. In FY2024, we advanced Phase 1 clinical studies in Japan.

SASS-001 is a candidate oral treatment for sleep apnea syndrome being co-developed with Apnimed, which has extensive expertise in sleep disorders. In FY2024, a Phase 2 clinical study was started.

ENDEAVORRIDE is a therapeutic app designed for pediatric patients with ADHD. In FY2024, we obtained manufacturing and marketing approval in Japan based on favorable results from a domestic Phase 3 clinical study.

(2) Financial Position for the Fiscal Year Ended March 31, 2025

As of March 31, 2025, total assets were 1,535,349 million yen, an increase of 118,431 million yen from the end of the previous fiscal year.

Non-current assets were 676,844 million yen, an increase of 44,132 million yen from the end of the previous fiscal year, mainly reflecting increases in intangible assets such as in-process research and development assets, right-of-use assets, and other financial assets. Current assets were 858,504 million yen, an increase of 74,298 million yen from the end of the previous fiscal year, mainly as a result of changes in fixed-term deposits of more than three months and bonds (included in "Other financial assets" in current assets), as well as changes in cash and cash equivalents and other current assets.

Equity was 1,362,497 million yen, an increase of 109,934 million yen from the end of the previous fiscal year, due to recording of profit despite payment of cash dividends.

Liabilities totaled 172,852 million yen, an increase of 8,496 million yen from the end of the previous fiscal year.

Non-current liabilities were 43,459 million yen, an increase of 13,010 million yen from the end of the previous fiscal year, mainly due to an increase in lease liabilities. Current liabilities were 129,392 million yen, a decrease of 4,514 million yen from the end of the previous fiscal year, mainly due to a decrease in other financial liabilities.

(3) Cash Flows for the Fiscal Year Ended March 31, 2025

Net cash provided by operating activities during the consolidated fiscal year ended March 31, 2025 was 195,460 million yen, an increase of 41,176 million yen from the end of the previous fiscal year. Factors included an increase in profit before tax, a decrease in trade receivables, and a decrease in income taxes paid.

Net cash used in investing activities was 116,080 million yen, an increase of 122,002 million yen from the end of the previous fiscal year.Factors included an increase in spending due to the acquisition of intangible assets and changes in time deposits.

Net cash used in financing activities was 64,908 million yen, a decrease of 61,944 million yen from the end of the previous fiscal year, due to a decrease in spending for the purchase of treasury shares despite an increase in dividend payment.

As a result, cash and cash equivalents on March 31, 2025 totaled 374,795 million yen, an increase of 16,704 million yen from a year earlier.

Cash flow indicators

	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2025
Ratio of equity attributable to owners of parent to total assets	83.9%	87.2%	88.7%
Ratio of equity attributable to owners of parent to total assets on market value basis	134.1	155.1%	124.4%
Interest-bearing liabilities/Cash flow ratio	0.1	0.1	0.1
Interest coverage ratio (times)	1,885.3	937.5	639.7

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, 2026 is as follows.

Millions of yen

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent
Year ending March 31, 2026	530,000	175,000	222,000	180,000

■Revenue

Regarding revenue, in our domestic business, we anticipate an increase due to the growth of acute respiratory virus infection drugs, driven by improved COVID-19 treatment rates and the expansion of Xocova's market share, in addition to the contributions of new products, including QUVIVIQ. On the other hand, in our overseas business, while we anticipate growth in local currency terms due to the steady sales of cefiderocol, we expect a decrease in revenue due to exchange rate effects. As for royalty income from HIV-related products from ViiV, we expect continued growth in fiscal 2024 due to increased sales of Dovato, long-acting treatment Cabenuva, and preventive drug Apretude. Furthermore, we plan to M&A the pharmaceutical business of Japan Tobacco Inc. expected to anticipate revenue growth through this. Consequently, we anticipate an overall increase in revenue.

■Profit

In terms of profits, we anticipate increase in selling, general and administrative expenses due to the expansion of domestic sales activities, the establishment of a sales structure for the development of ensitrelvir in US and the Europe, the globalization of corporate functions, and the promotion of DX. As for R&D expenses, we plan to spend the highest amount on R&D since our founding to further accelerate development of growth drivers that can be sold globally. Although we anticipate an overall increase in expenses, we expect growth in revenue to exceed this, and we anticipate an increase in all profit items, namely, operating profit, profit before tax, and profit attributable to owners of parent.

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 SHIONOGI 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, 2024	Year ended March 31, 2025
Revenue	410,073	438,268
Profit from license transfer	25,008	―
Cost of sales	(57,602)	(63,826)
Gross profit	377,479	374,441
Selling, general and administrative expenses	(99,651)	(101,873)
Research and development expenses	(102,640)	(108,612)
Amortization of intangible assets associated with products	(3,728)	(4,178)
Other income	6,194	528
Other expenses	(24,342)	(3,702)
Operating profit	153,310	156,603
Finance income	51,674	53,174
Finance costs	(6,701)	(9,027)
Profit before tax	198,283	200,750
Income tax expense	(37,708)	(31,215)
Profit	160,575	169,534

Profit attributable to		
Owners of parent	162,030	170,435
Non-controlling interests	(1,455)	(900)
Profit	160,575	169,534

Earnings per share		
Basic earnings per share	186.17	200.36
Diluted earnings per share	186.11	200.29

Consolidated statement of comprehensive income

Millions of yen

	Year ended March 31, 2024	Year ended March 31, 2025
Profit	160,575	169,534
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	14,673	(4,590)
Remeasurements of defined benefit plans	1,434	(321)
Total of items that will not be reclassified to profit or loss	16,107	(4,911)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	76,835	5,928
Effective portion of cash flow hedges	505	794
Share of other comprehensive income of investments accounted for using equity method	112	(53)
Total of items that may be reclassified to profit or loss	77,453	6,669
Total other comprehensive income, net of tax	93,560	1,757
Comprehensive income	254,135	171,292

Comprehensive income attributable to		
Owners of parent	254,978	171,262
Non-controlling interests	(842)	30
Comprehensive income	254,135	171,292

(2) Consolidated statement of financial position

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Assets		
Non-current assets		
Property, plant and equipment	114,586	115,412
Goodwill	15,287	15,748
Intangible assets	117,621	143,652
Right-of-use assets	9,440	19,395
Investment property	27,768	27,722
Other financial assets	292,321	299,799
Deferred tax assets	13,526	13,244
Other non-current assets	42,158	41,869
Total non-current assets	632,712	676,844
Current assets		
Inventories	64,916	65,477
Trade receivables	122,830	120,553
Other financial assets	215,761	270,024
Other current assets	22,607	27,653
Cash and cash equivalents	358,090	374,795
Total current assets	784,205	858,504
Total assets	1,416,918	1,535,349

Millions of yen

	As of March 31, 2024	As of March 31, 2025
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	14,242	17,845
Treasury shares	(137,889)	(65,855)
Retained earnings	1,065,913	1,115,729
Other components of equity	271,778	272,924
Equity attributable to owners of parent	1,235,325	1,361,924
Non-controlling interests	17,236	572
Total equity	1,252,562	1,362,497
Liabilities		
Non-current liabilities		
Lease liabilities	8,753	18,418
Other financial liabilities	7,649	8,258
Retirement benefit liability	7,994	8,018
Deferred tax liabilities	4,360	4,401
Other non-current liabilities	1,691	4,363
Total non-current liabilities	30,448	43,459
Current liabilities		
Lease liabilities	2,867	3,464
Trade payables	14,808	13,579
Other financial liabilities	31,118	18,091
Income taxes payable	20,844	22,399
Other current liabilities	64,267	71,857
Total current liabilities	133,907	129,392
Total liabilities	164,355	172,852
Total equity and liabilities	1,416,918	1,535,349

(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, 2023	21,279	15,204	(63,074)	940,606	186,030	1,100,046	21,832	1,121,878
Profit				162,030		162,030	(1,455)	160,575
Total other comprehensive income, net of tax					92,948	92,948	612	93,560
Comprehensive income	—	—	—	162,030	92,948	254,978	(842)	254,135
Purchase of treasury shares			(75,013)			(75,013)		(75,013)
Disposal of treasury shares		(3)	198			195		195
Dividends				(43,919)		(43,919)		(43,919)
Changes in ownership interest in subsudiaries		(961)				(961)	(3,752)	(4,714)
Transfer from other components of equity to retained earnings				7,199	(7,199)	—		—
Transfer to capital surplus from retained earnings		3		(3)		—		—
Balance as of March 31, 2024	21,279	14,242	(137,889)	1,065,913	271,778	1,235,325	17,236	1,252,562
Profit				170,435		170,435	(900)	169,534
Total other comprehensive income, net of tax					826	826	930	1,757
Comprehensive income	—	—	—	170,435	826	171,262	30	171,292
Purchase of treasury shares			(10)			(10)		(10)
Disposal of treasury shares		(44)	494			449		449
Cancellation of treasury shares		(71,550)	71,550			—		—
Dividends				(48,709)		(48,709)	(98)	(48,807)
Changes in ownership interest in subsidiaries		3,607				3,607	(16,596)	(12,989)
Transfer from other components of equity to retained earnings				(319)	319	—		—
Transfer to capital surplus from retained earnings		71,590		(71,590)		—		—
Balance as of March 31, 2025	21,279	17,845	(65,855)	1,115,729	272,924	1,361,924	572	1,362,497

(4) Consollidated statement of cash flows

Millions of yen

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities		
Profit before tax	198,283	200,750
Depreciation and amortization	18,323	20,933
Impairment losses (reversals of impairment losses)	8,262	254
Finance income and finance costs	(44,866)	(52,288)
Decrease (increase) in trade and other receivables	(12,372)	1,910
Decrease (increase) in inventories	(6,337)	(388)
Increase (decrease) in trade and other payables	(5,817)	(1,703)
Other	13,286	5,925
Subtotal	168,762	175,393
Interest and dividends received	49,324	52,190
Interest paid	(164)	(305)
Income taxes refund (paid)	(63,637)	(31,817)
Net cash provided by (used in) operating activities	154,284	195,460
Cash flows from investing activities		
Payments into time deposits	(187,354)	(382,979)
Proceeds from withdrawal of time deposits	264,792	308,606
Purchase of property, plant and equipment	(12,693)	(17,126)
Purchase of intangible assets	(15,574)	(34,977)
Purchase of investments	(97,490)	(55,521)
Proceeds from sale and redemption of investments	84,599	69,095
Payments for acquisition of subsidiaries	(16,079)	(200)
Payments for sale of subsidiaries	(296)	—
Payments for acquisition of shares of equity-method affiliates	(11,121)	(1,125)
Other	(2,856)	(1,852)
Net cash provided by (used in) investing activities	5,922	(116,080)

Millions of yen

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from financing activities		
Repayments of lease liabilities	(3,080)	(3,112)
Purchase of treasury shares	(75,182)	(10)
Dividends paid	(43,876)	(48,698)
Dividends paid to non-controlling interests	—	(98)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(4,714)	(12,989)
Net cash provided by (used in) financing activities	(126,853)	(64,908)
Effect of exchange rate changes on cash and cash equivalents	15,512	2,233
Net increase (decrease) in cash and cash equivalents	48,866	16,704
Cash and cash equivalents at beginning of period	309,224	358,090
Cash and cash equivalents at end of period	358,090	374,795

(5) Notes

Going concern assumption

None

Segment information

Year ended March 31, 2024 (April 1, 2023 to March 31, 2024) and Year ended March 31, 2025 (April 1,2024 to March 31, 2025)

The SHIONOGI Group has a single business segment related to prescription drugs. We operate 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 31,2024	Year ended March 31,2025
Basis for calculating basic earnings per share		
Profit attributable to owners of parent	162,030 million yen	170,435 million yen
Profit not attributable to ordinary equity holders of parent	—	—
Profit used for calculating basic earnings per share	162,030 million yen	170,435 million yen
Weighted-average number of ordinary shares outstanding	870,333 thousands of stocks	850,635 thousands of stocks
Basis for calculating diluted earnings per share		
Profit for the year used for calculating basic earnings per share	162,030 million yen	170,435 million yen
Adjustments to profit	—	—
Profit for the year used for calculating diluted earnings per share	162,030 million yen	170,435 million yen
Weighted-average number of ordinary shares outstanding	870,333 thousands of stocks	850,635 thousands of stocks
Increase in number of ordinary shares from exercise of stock options	302 thousands of stocks	300 thousands of stocks
Weighted-average number of dilutive ordinary shares outstanding	870,635 thousands of stocks	850,936 thousands of stocks
Earnings per share		
Basic earnings per share	186.17 yen	200.36 yen
Diluted earnings per share	186.11 yen	200.29 yen

Notes: 1. No financial instruments are excluded from the calculation of diluted earnings per share because they are not dilutive.

2. In September 2022, Shionogi made a disposition of 9,000,000(before stock split 3,000,000) shares of treasury stock to Sumitomo Mitsui Trust Bank, Limited (re-trustee: the trust account of Custody Bank of Japan, Ltd.) in relation to the Shionogi Infectious Disease Research Promotion Foundation. However, these shares are treated as treasury stock. Therefore, these shares are deducted from the average number of shares of common stock during the period in the calculation of basic earnings per share and diluted earnings per share.

3.The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. Basic earnings per share and diluted earnings per share were calculated under the assumption that the stock split had been conducted at the beginning of the year ended March 31, 2024.

Important subsequent events

(Succession of the pharmaceutical business of Japan Tobacco Inc. and Commencement of Tender Offer for Shares of Torii Pharmaceutical Co., Ltd.)

At the Board of Directors meeting held on May 7, 2025, Shionogi & Co., Ltd. (the "Company") resolved to succeed to the pharmaceutical business of Japan Tobacco Inc. (Headquarters: Minato-ku, Tokyo; President: Masamichi Terabatake; hereinafter referred to as "Japan Tobacco") through a company split (simplified absorption-type split) and to acquire all issued shares of Akros Pharma Inc. (a 100% sub-subsidiary of Japan Tobacco, headquartered in New Jersey, USA) by Shionogi Inc., a group company of Shionogi in the USA, and has entered into an agreement (hereinafter referred to as the "Agreement") regarding the same.

In connection with the Agreement, the Company also resolved at the Board of Directors meeting held on May 7, 2025 to conduct a tender offer (hereinafter referred to as the "Tender Offer") for the common shares of Torii Pharmaceutical Co., Ltd. (hereinafter referred to as "Torii Pharmaceutical"), a consolidated subsidiary of Japan Tobacco, to make Torii Pharmaceutical a wholly-owned subsidiary of the Company. For details on the Tender Offer, please refer to the "Notice of Commencement of Tender Offer for Shares of Torii Pharmaceutical Co., Ltd. (Securities Code: 451)" released on May 7, 2025.

(Significant Company Split)

Effective as of April 1, 2025, Shionogi & Co., Ltd. (the "Company") carried out an absorption-type company split (the "Absorption-type Split") in which UMN Pharma Inc. ("UMN Pharma"), a wholly owned subsidiary of the Company, served as the splitting company, and Shionogi Pharma Co., Ltd. ("Shionogi Pharma"), also a wholly owned subsidiary of the Company, served as the successor company.

1.Purpose of this absorption-type company split

In our medium-term management plan, STS2030 Revision, we have set forth enhancement of our vaccine business as part of total care for infectious diseases. This fiscal year, we established the Vaccine Business Division to oversee research and development, production, and sales in an integrated manner, thereby creating a system that can respond quickly and flexibly, from vaccine production to supply. To strengthen and streamline our vaccine production capabilities, Shionogi Pharma has decided to take over the vaccine production function of UMN Pharma through this absorption-type company split.

2.Details of the business subject to the Absorption-type Split and the book values of the assets and liabilities to be split

Major business areas	Research, development, manufacturing, and sales of biopharmaceuticals
Assets to be split	3,698 million yen
Liabilities to be split	102 million yen

3.Form of the Absorption-type Split

An absorption-type company split in which UMN Pharma, a wholly owned subsidiary of the Company, serves as the splitting company and Shionogi Pharma, also a wholly owned subsidiary of the Company, serves as the successor company.

4.Date of the Absorption-type Split

April 1, 2025

5.Other important matters

There will be no changes to the names, locations, business activities, or capital of the companies involved as a result of the Absorption-type Split. Through this absorption-type company split, the production functions of UMN Pharma will be assumed by Shionogi Pharma while certain assets such as goodwill and intangible assets will be transferred to Shionogi. Dissolution of UMN Pharma was resolved at the extraordinary general meeting of shareholders on March 31, 2025, and the liquidation is expected to be completed by early June of the same year. The impact of this absorption-type company split on our consolidated financial results is expected to be minimal.