Consolidated Financial Results for the First Quarter of Fiscal Year 2025 (IFRS)

July 28, 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 dividend payments: -

Preparation of supplemental material for the quarterly financial results: Yes

Holding of presentation for the quarterly 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, 2025 to June 30, 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*	*%*
Three months ended June 30, 2025	99,781	2.2	35,097	24.9	46,328	26.8	39,348	29.8	39,355	28.5	44,440	(29.3)
Three months ended June 30, 2024	97,586	(10.7)	28,110	(39.7)	36,525	(34.4)	30,307	(28.2)	30,637	(28.0)	62,823	(32.2)

	Basic earnings per share	Diluted earnings per share
	Yen	*Yen*
Three months ended June 30, 2025	46.26	46.25
Three months ended June 30, 2024	36.02	36.01

Note: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
	Millions of yen	*Millions of yen*	*Millions of yen*	*%*
As of June 30, 2025	1,538,284	1,378,484	1,378,257	89.6
As of March 31, 2025	1,535,349	1,362,497	1,361,924	88.7

2. Dividends

	Dividends per share				
(Date of record)	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	*Yen*	*Yen*	*Yen*	*Yen*
Year ended March 31, 2025	—	85.00	—	33.00	—
Year ending March 31, 2026	—				
Year ending March 31, 2026 (forecast)		33.00	—	33.00	66.00

Note: Revisions of the most recent dividend forecast: None

The Company conducted a 3-for-1 stock split of shares of common stock, effective October 1, 2024. The amount of the end of second quarter dividend per share for fiscal year ended March 31, 2025 does not take into consideration the impact of this stock split, and the total annual dividend is not stated.

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

Note: Revisions of the most recent consolidated financial forecast: None

※ 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 June 30, 2025: 889,632,195 shares
As of March 31, 2025: 889,632,195 shares
b) Number of treasury stock
As of June 30, 2025: 38,847,951 shares
As of March 31, 2025: 38,944,777 shares
c) Average number of shares issued during the period
Three months ended June 30, 2025: 850,721,204 shares
Three months ended June 30, 2024: 850,474,573 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)) (Q1 ended June 30, 2025 and Year ended March 31 2025: 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 (Q1 ended June 30, 2025 and Q1 ended June 30, 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.

※ Review by a certified public accountant or an auditing firm of the attached quarterly consolidated financial statements: None

※ 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 3 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 Monday, July 28, 2025. Plans are also in place to post explanatory details (Transcript) together with financial results explanatory materials distributed to analysts on July 28, 2025 on the Company's website in a timely manner after the results briefing.

CONTENTS

1. Overview of Operating Results and Financial Position 2
(1) Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2026 2
(2) Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2026 2
(3) Cash Flows for the First Quarter of the Fiscal Year Ending March 31, 2026 3
(4) Outlook 3
2. Consolidated Financial Statements and Notes..... 4
(1) Consolidated statement of profit or loss and Consolidated statement of comprehensive income 4
(2) Consolidated statement of financial position 6
(3) Consolidated statement of changes in equity 8
(4) Consolidated statement of cash flows 9
(5) Notes 11
Going concern assumption 11
Segment informatioin 11
Additional Information 11

1. Overview of Operating Results and Financial Position

(1) Operating Results for the First Quarter of the Fiscal Year Ending March 31, 2026

For the Three months ended June 30, 2025 (April 1, 2025 to June 30, 2025), operating results were as follows.

Millions of yen

	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	Percentage change (%)
Revenue	99,781	97,586	2,195	2.2
Operating profit	35,097	28,110	6,987	24.9
Core operating profit*1	35,618	28,166	7,452	26.5
Profit before tax	46,328	36,525	9,802	26.8
Profit attributable to owners of parent	39,355	30,637	8,718	28.5
EBITDA*2	40,632	33,083	7,548	22.8

*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 and amortization.

Revenue was 99.8 billion yen. In terms of the breakdown of revenue, domestic sales of prescription drugs decreased 8.5 percent year on year to 14.1 billion yen. This was mainly due to a decline in sales of Xocova, resulting from the slowdown of the COVID-19 epidemic, compared to the same quarter of the previous year. Meanwhile, Xocova maintains a high market share in the oral antiviral drug market, and with the improvement in the treatment rate of oral antiviral drugs, it is expected to contribute steadily to revenue in the event of an outbreak of the disease. Revenue from overseas subsidiary sales and exports decreased 4.9 percent year on year to 14.2 billion yen. Sales of Cefiderocol (product name in U.S.: Fetroja, product name in Europe: Fetcroja) were strong both in the U.S. and Europe, but revenue decreased due to lower sales in China and other regions. Royalty income increased 4.7 percent year on year to 63.9 billion yen due to the growth of long-acting formulations (LA formulations) and oral two-drug combinations. As a result, overall revenue increased 2.2 percent year on year.

In terms of profits, selling, general and administrative expenses increased due to the recording of sales-related expenses in the U.S. business, but this was offset by decreases in cost of sales and research and development expenses. As a result, operating profit increased 24.9 percent year on year to 35.1 billion yen. Profit before tax was 46.3 billion yen, a 26.8 percent increase year on year, and profit attributable to owners of parent was 39.4 billion yen, a 28.5 percent increase year on year.

(2) Financial Position for the First Quarter of the Fiscal Year Ending March 31, 2026

As of June 30, 2025, total assets were 1,538,284 million yen, an increase of 2,935 million yen from the end of the previous fiscal year.

Non-current assets were 762,097 million yen, an increase of 85,252 million yen from the end of the previous fiscal year, due to an increase in shares of affiliated companies (included in other non-current assets) following the tender offer for shares of Torii Pharmaceutical Co., Ltd. Current assets were 776,187 million yen, a decrease of 82,317 million yen from the end of the previous fiscal year, due to an increase in fixed-term deposits of more than three months and bonds (included in other financial assets under current assets) and a decrease in cash and cash equivalents following the tender offer for shares of Torii Pharmaceutical Co., Ltd.

Equity was 1,378,484 million yen, an increase of 15,987 million yen from the end of the previous fiscal year. This was due to the recording of profit, payment of cash dividends, and an increase in exchange differences on translation of foreign operations (included in other items of the owner's equity).

Liabilities totaled 159,800 million yen, a decrease of 13,052 million yen from the end of the previous fiscal year.

Non-current liabilities were 42,686 million yen, an decrease of 773 million yen from the end of the previous fiscal year.

Current liabilities were 117,113 million yen, a decrease of 12,278 million yen from the end of the previous fiscal year, mainly due to a decrease in income taxes payable.

(3) Cash Flows for the First Quarter of the Fiscal Year Ending March 31, 2026

Net cash provided by operating activities during the three months ended June 30, 2025 was 41,043 million yen, an increase of 7,543 million yen year on year, due to an increase in profit before tax.

Net cash used in investing activities was 130,672 million yen, a increase of 39,823 million yen year on year, due to the acquisition of shares of equity-method affiliates following the tender offer for shares of Torii Pharmaceutical Co., Ltd., changes in time deposits, and a decrease in intangible assets acquired.

Net cash used in financing activities was 29,380 million yen, an increase of 4,546 million yen year on year, mainly due to an increase in cash dividends paid.

As a result, cash and cash equivalents on June 30, 2025 totaled 254,826 million yen, a decrease of 119,968 million yen during the three-month period ended June 30, 2025.

(4) Outlook

There are no revisions to the consolidated financial forecast for the year ending March 31, 2026 announced on May 12, 2025.

2. 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

	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	97,586	99,781
Cost of sales	(14,442)	(12,317)
Gross profit	83,144	87,464
Selling, general and administrative expenses	(24,042)	(25,820)
Research and development expenses	(29,432)	(24,888)
Amortization of intangible assets associated with products	(1,095)	(485)
Other income	77	85
Other expenses	(540)	(1,258)
Operating profit	28,110	35,097
Finance income	11,254	13,562
Finance costs	(2,839)	(2,331)
Profit before tax	36,525	46,328
Income tax expense	(6,218)	(6,980)
Profit	30,307	39,348

Profit attributable to		
Owners of parent	30,637	39,355
Non-controlling interests	(330)	(7)
Profit	30,307	39,348

Earnings per share		
Basic earnings per share	36.02	46.26
Diluted earnings per share	36.01	46.25

Consolidated statement of comprehensive income

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	30,307	39,348
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	2,391	44
Remeasurements of defined benefit plans	(301)	(138)
Total of items that will not be reclassified to profit or loss	2,089	(93)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	32,962	7,571
Effective portion of cash flow hedges	(2,893)	(2,241)
Share of other comprehensive income of investments accounted for using equity method	357	(145)
Total of items that may be reclassified to profit or loss	30,426	5,185
Total other comprehensive income, net of tax	32,516	5,092
Comprehensive income	62,823	44,440

Comprehensive income attributable to		
Owners of parent	62,635	44,448
Non-controlling interests	188	(7)
Comprehensive income	62,823	44,440

(2) Consolidated statement of financial position

Millions of yen

	As of March 31, 2025	As of June 30, 2025
Assets		
Non-current assets		
Property, plant and equipment	115,412	116,284
Goodwill	15,748	15,378
Intangible assets	143,652	143,101
Right-of-use assets	19,395	18,921
Investment property	27,722	27,617
Other financial assets	299,799	307,488
Deferred tax assets	13,244	14,596
Other non-current assets	41,869	118,710
Total non-current assets	676,844	762,097
Current assets		
Inventories	65,477	70,883
Trade receivables	120,553	114,686
Other financial assets	270,024	309,008
Other current assets	27,653	26,781
Cash and cash equivalents	374,795	254,826
Total current assets	858,504	776,187
Total assets	1,535,349	1,538,284

Millions of yen

	As of March 31, 2025	As of June 30, 2025
Equity and liabilities		
Equity		
Share capital	21,279	21,279
Capital surplus	17,845	17,765
Treasury shares	(65,855)	(65,625)
Retained earnings	1,115,729	1,126,682
Other components of equity	272,924	278,155
Equity attributable to owners of parent	1,361,924	1,378,257
Non-controlling interests	572	226
Total equity	1,362,497	1,378,484
Liabilities		
Non-current liabilities		
Lease liabilities	18,418	18,090
Other financial liabilities	8,258	7,495
Retirement benefit liability	8,018	8,315
Deferred tax liabilities	4,401	4,480
Other non-current liabilities	4,363	4,304
Total non-current liabilities	43,459	42,686
Current liabilities		
Lease liabilities	3,464	3,598
Trade payables	13,579	12,778
Other financial liabilities	18,091	20,639
Income taxes payable	22,399	13,991
Other current liabilities	71,857	66,106
Total current liabilities	129,392	117,113
Total liabilities	172,852	159,800
Total equity and liabilities	1,535,349	1,538,284

(3) Consolidated statement of changes in equity

Three months ended June 30, 2024

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, 2024	21,279	14,242	(137,889)	1,065,913	271,778	1,235,325	17,236	1,252,562
Profit				30,637		30,637	(330)	30,307
Total other comprehensive income, net of tax					31,998	31,998	518	32,516
Comprehensive income	—	—	—	30,637	31,998	62,635	188	62,823
Purchase of treasury shares			(3)			(3)		(3)
Disposal of treasury shares		(5)	5			0		0
Cancellation of treasury shares		(71,550)	71,550			—		—
Dividends				(24,351)		(24,351)	(98)	(24,449)
Transfer from other components of equity to retained earnings				(301)	301	—		—
Transfer to capital surplus from retained earnings		68,548		(68,548)		—		—
Balance as of June 30, 2024	21,279	11,236	(66,336)	1,003,349	304,078	1,273,606	17,326	1,290,933

Three months ended June 30, 2025

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, 2025	21,279	17,845	(65,855)	1,115,729	272,924	1,361,924	572	1,362,497
Profit				39,355		39,355	(7)	39,348
Total other comprehensive income, net of tax					5,092	5,092		5,092
Comprehensive income	—	—	—	39,355	5,092	44,448	(7)	44,440
Purchase of treasury shares			(0)			(0)		(0)
Disposal of treasury shares		(230)	230			0		0
Dividends				(28,114)		(28,114)	(337)	(28,452)
Transfer from other components of equity to retained earnings				(138)	138	—		—
Transfer to capital surplus from retained earnings		150		(150)		—		—
Balance as of June 30, 2025	21,279	17,765	(65,625)	1,126,682	278,155	1,378,257	226	1,378,484

(4) Consollidated statement of cash flows

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before tax	36,525	46,328
Depreciation and amortization	4,917	5,013
Impairment losses (reversal of impairment losses)	21	—
Finance income and finance costs	(9,843)	(12,661)
Decrease (increase) in trade and other receivables	633	5,874
Decrease (increase) in inventories	(144)	(5,458)
Increase (decrease) in trade and other payables	(8,582)	(6,643)
Other	1,329	688
Subtotal	24,855	33,141
Interest and dividends received	22,116	22,778
Interest paid	(64)	(80)
Income taxes refund (paid)	(13,406)	(14,794)
Net cash provided by (used in) operating activities	33,500	41,043
Cash flows from investing activities		
Payments into time deposits	(145,820)	(67,273)
Proceeds from withdrawal of time deposits	80,716	30,018
Purchase of property, plant and equipment	(2,948)	(4,505)
Purchase of intangible assets	(29,070)	(2,466)
Purchase of investments	(14,627)	(22,272)
Proceeds from sale and redemption of investments	22,000	13,000
Payment for acquisition of shares of equity-method affiliates	(125)	(76,625)
Other	(972)	(548)
Net cash provided by (used in) investing activities	(90,849)	(130,672)

Millions of yen

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Repayments of lease liabilities	(765)	(927)
Purchase of treasury shares	(3)	(0)
Dividends paid	(23,967)	(28,114)
Dividends paid to non-controlling interests	(98)	(337)
Net cash provided by (used in) financing activities	(24,834)	(29,380)
Effect of exchange rate changes on cash and cash equivalents	6,050	(958)
Net increase (decrease) in cash and cash equivalents	(76,132)	(119,968)
Cash and cash equivalents at beginning of period	358,090	374,795
Cash and cash equivalents at end of period	281,957	254,826

(5) Notes

Going concern assumption

None

Segment information

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.

Additional Information

(Agreement on Absorption-Type Company Split and Share Acquisition and Tender Offer for Shares of Torii Pharmaceutical Co., Ltd.)

At the Board of Directors meeting held on May 7, 2025, the Company resolved to enter into an agreement regarding its succession to the pharmaceutical business of Japan Tobacco Inc. (hereinafter, "Japan Tobacco") through an absorption-type company split (simplified absorption-type split) and the acquisition of all issued shares of Akros Pharma Inc. (a 100% sub-subsidiary of Japan Tobacco) by Shionogi Inc., a SHIONOGI group company in the U.S.A. The agreement was executed on the same day. In relation to this agreement, at the Board of Directors meeting held on May 7, 2025, the Company also resolved to implement a tender offer for common shares of Torii Pharmaceutical Co., Ltd. (hereinafter, "Torii Pharmaceutical"), a consolidated subsidiary of Japan Tobacco, for the purpose of making Torii Pharmaceutical a wholly owned subsidiary of the Company (hereinafter, "Tender Offer"). The Tender Offer for common shares of Torii Pharmaceutical started on May 8, 2025 and ended on June 18, 2025. As of the end of the first quarter of the consolidated fiscal year ending March 31, 2026, Torii Pharmaceutical is an equity-method affiliate of the Company.