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February 5, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under Japanese GAAP)



Company name: Mochida Pharmaceutical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4534
 URL: <https://www.mochida.co.jp/english/>
 Representative: (Name) Naoyuki Mochida (Title) Representative Director, President
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 Scheduled date to file quarterly securities report: February 13, 2024
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	78,218	(3.9)	5,791	(44.1)	6,059	(43.0)	4,444	(45.0)
December 31, 2022	81,394	(4.0)	10,356	(20.6)	10,639	(20.9)	8,081	(20.6)

Note: Comprehensive income For the Nine months ended December 31, 2023: ¥6,536 million [(7.4)%]
 For the Nine months ended December 31, 2022: ¥7,055 million [2.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	123.48	-
December 31, 2022	216.47	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	157,825	127,179	80.6
March 31, 2023	158,831	126,775	79.8

Reference: Equity

As of December 31, 2023: ¥127,179 million
 As of March 31, 2023: ¥126,775 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2024	-	40.00	-		
Fiscal year ending March 31, 2024 (Forecast)				40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	102,000	(1.2)	5,500	(35.4)	5,700	(37.3)	4,400	(33.8)	123.85

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	38,500,000 shares
As of March 31, 2023	38,500,000 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2023	2,974,069 shares
As of March 31, 2023	1,967,279 shares

- (iii) Average number of shares outstanding during the period (cumulative)

Nine months ended December 31, 2023	35,993,295 shares
Nine months ended December 31, 2022	37,334,140 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanation of the proper use of financial result forecasts and other special matters

The financial result forecasts presented in this document are based on information that is currently available to the Company as of the announcement of this document, and the Company does not guarantee to achieve them. In addition, actual financial results may differ significantly from these forecasts due to a wide range of factors.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	47,010	29,909
Accounts receivable - trade	27,806	35,093
Securities	13,499	13,499
Merchandise and finished goods	14,644	17,795
Work in process	1,453	2,016
Raw materials and supplies	8,307	9,971
Other	4,656	5,235
Total current assets	117,379	113,522
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,069	6,904
Machinery, equipment and vehicles, net	1,854	1,791
Land	4,990	5,993
Other, net	1,135	1,142
Total property, plant and equipment	15,049	15,832
Intangible assets	797	729
Investments and other assets		
Investment securities	14,246	17,585
Deferred tax assets	3,883	2,861
Other	7,476	7,293
Total investments and other assets	25,605	27,741
Total non-current assets	41,452	44,302
Total assets	158,831	157,825

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,047	11,139
Electronically recorded obligations - operating	910	1,369
Income taxes payable	501	626
Provision for bonuses	2,313	1,183
Other provisions	169	167
Other	14,316	11,360
Total current liabilities	27,258	25,846
Non-current liabilities		
Retirement benefit liability	4,133	4,117
Other	664	681
Total non-current liabilities	4,798	4,799
Total liabilities	32,056	30,645
Net assets		
Shareholders' equity		
Share capital	7,229	7,229
Capital surplus	1,871	1,871
Retained earnings	118,943	120,501
Treasury shares	(7,114)	(10,360)
Total shareholders' equity	120,930	119,242
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,655	7,781
Remeasurements of defined benefit plans	189	155
Total accumulated other comprehensive income	5,844	7,937
Total net assets	126,775	127,179
Total liabilities and net assets	158,831	157,825

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	81,394	78,218
Cost of sales	37,221	37,875
Gross profit	44,173	40,343
Selling, general and administrative expenses	33,816	34,551
Operating profit	10,356	5,791
Non-operating income		
Interest income	1	1
Dividend income	337	363
Other	91	106
Total non-operating income	430	471
Non-operating expenses		
Interest expenses	—	1
Share of loss of entities accounted for using equity method	—	162
Commission expenses	38	33
Other	109	5
Total non-operating expenses	147	203
Ordinary profit	10,639	6,059
Extraordinary income		
Settlement income	8	13
Gain on sale of investment securities	—	15
Insurance claim income	4	—
Total extraordinary income	12	28
Extraordinary losses		
Loss on sale and retirement of non-current assets	44	31
Expenses for disposal of fixed assets	—	12
Total extraordinary losses	44	44
Profit before income taxes	10,607	6,043
Income taxes	2,525	1,599
Profit	8,081	4,444
Profit attributable to owners of parent	8,081	4,444

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	8,081	4,444
Other comprehensive income		
Valuation difference on available-for-sale securities	(993)	2,126
Remeasurements of defined benefit plans, net of tax	(32)	(34)
Total other comprehensive income	(1,026)	2,092
Comprehensive income	7,055	6,536
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,055	6,536

Sales of Main Products
(Nine months ended December 31, 2023)

(Billions of yen)

Products	Fiscal year ended March 31, 2023		Fiscal year ending March 31, 2024		Nine months Y o Y changes %
	Apr-Dec	Apr-Mar	Apr-Dec	Apr-Mar forecast	
Treatment of ulcerative colitis Lialda [®]	10.4	13.5	11.0	15.0	+ 7%
Treatment for chronic constipation Goofice [®]	5.3	6.9	5.9	7.6	+ 12%
Drug for hyperlipidemia and arteriosclerosis obliterans Epadel	5.5	7.1	5.8	7.5	+ 5%
Treatment for chronic constipation Movicol [®]	4.2	5.4	4.5	5.8	+ 7%
Antidepressant Lexapro [®]	10.5	11.0	4.1	5.3	△ 61%
Gout and hyperuricemia Urece [®]	1.7	2.2	2.5	3.4	+ 50%
Treatment for pulmonary arterial hypertension Treprost [®]	1.2	1.6	1.7	2.3	+ 40%
Calcium channel blocker with a long- acting hypotensive effect Atelec [®]	2.1	2.6	1.8	2.3	△ 13%
Analgesic for chronic pain and pain after tooth extraction Tramcet [®]	2.3	2.9	1.8	2.2	△ 24%
Anticoagulant agent Heparin Sodium MOCHIDA	1.0	1.2	1.0	1.2	+ 4%
Therapeutic agent for endometriosis, adenomyosis and dysmenorrhea Dinagest	1.6	1.8	0.9	1.1	△ 43%
Therapeutic agent for condyloma acuminatum and actinic keratosis Beselna	0.8	1.1	0.8	1.1	+ 2%
Treatment of ulcerative colitis Omvoh [®]	-	-	-	-	-
Generic drugs	21.6	29.5	23.7	31.9	+ 10%
Skin Care Products	4.6	5.9	5.0	6.3	+ 9%

Lexapro[®] sales of the fiscal year ended March 31, 2023 are the sum of Mochida's own sales and sales to Mitsubishi Tanabe Pharma Corporation.

Atelec[®] sales are the sum of Atelec[®] and Atedio[®] sales.

Omvoh[®] was launched in June 2023.

Due to discussions with partners, sales and annual forecasts for Omvoh[®] are not disclosed.

Development Pipeline

【Ethical drug】

Development code 〈Generic name〉	Stage	Indications	Formulation	Remarks 〈Development country〉
ACT-541468 〈daridorexant〉	Filed	Insomnia	Oral	Co-development with Idorsia Pharmaceuticals Japan 〈Japan〉
* MD-711 〈treprostinil〉	Filed	Pulmonary hypertension associated with interstitial lung disease or combined pulmonary fibrosis and emphysema	Inhalant	Licensed-in from United Therapeutics Corporation In-house development 〈Japan〉
MD-0901 〈mesalazine〉	Phase III	Ulcerative colitis (pediatric indication)	Oral	Licensed-in from Takeda Pharmaceuticals U.S.A., Inc. In-house development 〈Japan〉
FYU-981 〈dotinurad〉	Phase III	Gout and hyperuricemia (pediatric indication)	Oral	Co-development with FUJI YAKUHIN Co., Ltd. 〈Japan〉
MND-21 〈icosapent〉	Phase III	Hypertriglyceridemia	Oral	Collaboration with Sumitomo Pharma (Suzhou) Co., Ltd. 〈China〉

【Medical device】

Development code or Common name	Stage	Intended use or indications	Remarks 〈Development country〉
dMD-001	Filed	Articular cartilage lesion	In-house development 〈Japan〉
dMD-002	Therapeutic exploratory study	Cavernous nerve injury	In-house development 〈Japan〉
dMD-003	Therapeutic confirmatory study	Post-operative adhesion	In-house development 〈Japan〉
Nerve Cuff	Filed (510(k))	Peripheral nerve injury	In-house development 〈USA〉

Stages of Medical devices are classified into “Therapeutic exploratory study” and “Therapeutic confirmatory study”.

* Updates from November 2, 2023