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August 4, 2023

Consolidated Financial Results for the Three Months Ended June 30, 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: August 9, 2023
 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 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	%
Three months ended								
June 30, 2023	24,747	(10.6)	2,515	(41.0)	2,592	(41.3)	1,688	(46.5)
June 30, 2022	27,692	1.2	4,265	34.0	4,415	31.2	3,155	18.9

Note: Total comprehensive income For the three months ended June 30, 2023: ¥2,427 million [(26.2)%]
 For the three months ended June 30, 2022: ¥3,288 million [34.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	46.24	-
June 30, 2022	83.98	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	157,399	127,575	81.1
March 31, 2023	158,831	126,775	79.8

Reference: Equity

As of June 30, 2023: ¥127,575 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	-				
Fiscal year ending March 31, 2024 (Forecast)		40.00	-	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	104,000	0.7	8,500	(0.1)	8,700	(4.2)	6,300	(5.3)	172.68

Note: Revisions to the financial result forecast most recently announced: None

* 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 June 30, 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 June 30, 2023	2,016,091 shares
As of March 31, 2023	1,967,279 shares

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

Three months ended June 30, 2023	36,511,601 shares
Three months ended June 30, 2022	37,569,520 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 June 30, 2023
Assets		
Current assets		
Cash and deposits	47,010	42,014
Accounts receivable - trade	27,806	27,871
Securities	13,499	13,499
Merchandise and finished goods	14,644	17,165
Work in process	1,453	1,644
Raw materials and supplies	8,307	9,159
Other	4,656	4,035
Total current assets	117,379	115,390
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,069	6,986
Machinery, equipment and vehicles, net	1,854	1,751
Land	4,990	4,962
Other, net	1,135	1,107
Total property, plant and equipment	15,049	14,807
Intangible assets	797	753
Investments and other assets		
Investment securities	14,246	15,652
Deferred tax assets	3,883	3,562
Other	7,476	7,232
Total investments and other assets	25,605	26,447
Total non-current assets	41,452	42,008
Total assets	158,831	157,399

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,047	9,900
Electronically recorded obligations - operating	910	878
Income taxes payable	501	699
Provision for bonuses	2,313	1,042
Other provisions	169	112
Other	14,316	12,389
Total current liabilities	27,258	25,021
Non-current liabilities		
Retirement benefit liability	4,133	4,120
Other	664	681
Total non-current liabilities	4,798	4,802
Total liabilities	32,056	29,824
Net assets		
Shareholders' equity		
Share capital	7,229	7,229
Capital surplus	1,871	1,871
Retained earnings	118,943	119,170
Treasury shares	(7,114)	(7,280)
Total shareholders' equity	120,930	120,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,655	6,405
Remeasurements of defined benefit plans	189	178
Total accumulated other comprehensive income	5,844	6,583
Total net assets	126,775	127,575
Total liabilities and net assets	158,831	157,399

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	27,692	24,747
Cost of sales	12,434	11,542
Gross profit	15,257	13,205
Selling, general and administrative expenses	10,992	10,689
Operating profit	4,265	2,515
Non-operating income		
Interest income	0	0
Dividend income	171	181
Other	29	36
Total non-operating income	201	218
Non-operating expenses		
Interest expenses	—	0
Share of loss of entities accounted for using equity method	—	43
Commission expenses	3	3
Foreign exchange losses	45	90
Other	2	3
Total non-operating expenses	51	142
Ordinary profit	4,415	2,592
Extraordinary income		
Settlement income	—	11
Total extraordinary income	—	11
Extraordinary losses		
Loss on sale and retirement of non-current assets	1	31
Total extraordinary losses	1	31
Profit before income taxes	4,414	2,572
Income taxes	1,259	884
Profit	3,155	1,688
Profit attributable to owners of parent	3,155	1,688

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	3,155	1,688
Other comprehensive income		
Valuation difference on available-for-sale securities	143	750
Remeasurements of defined benefit plans, net of tax	(10)	(11)
Total other comprehensive income	133	738
Comprehensive income	3,288	2,427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,288	2,427

Sales of Main Products
(Three months ended June 30, 2023)

(Billions of yen)

Products	Fiscal year ended March 31, 2023		Fiscal year ending March 31, 2024		Three months Y o Y changes %
	Apr-Jun	Apr-Mar	Apr-Jun	Apr-Mar forecast	
Treatment of ulcerative colitis Lialda®	3.4	13.5	3.6	14.0	+ 5%
Treatment for chronic constipation Goofice®	1.7	6.9	1.9	9.0	+ 10%
Antidepressant Lexapro®	4.0	11.0	1.3	8.5	△ 68%
Drug for hyperlipidemia and arteriosclerosis obliterans Epadel	1.9	7.1	2.0	7.4	+ 4%
Treatment for chronic constipation Movicol®	1.4	5.4	1.4	6.2	△ 2%
Gout and hyperuricemia Urece®	0.4	2.2	0.7	4.0	+ 55%
Calcium channel blocker with a long- acting hypotensive effect Atelec®	0.7	2.6	0.6	1.9	△ 17%
Analgesic for chronic pain and pain after tooth extraction Tramcet®	0.8	2.9	0.6	1.8	△ 23%
Treatment for pulmonary arterial hypertension Treprost®	0.4	1.6	0.4	1.8	+ 4%
Anticoagulant agent Heparin Sodium MOCHIDA	0.3	1.2	0.3	1.2	+ 1%
Therapeutic agent for condyloma acuminatum and actinic keratosis Beselna	0.2	1.1	0.2	1.0	+ 2%
Therapeutic agent for endometriosis, adenomyosis and dysmenorrhea Dinagest	0.9	1.8	0.2	0.8	△ 67%
Generic drugs	7.0	29.5	7.4	30.2	+ 6%
Skin Care Products	1.4	5.9	1.6	6.3	+ 11%

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.

Development Pipeline

【Ethical drug】

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

【Medical device】

Development code 〈Generic name〉	Stage	Intended use or indications	Remarks 〈Development country〉
* dMD-001 〈sodium alginate〉	Filed	Articular cartilage lesion	In-house development〈Japan〉
dMD-002 〈sodium alginate〉	Therapeutic exploratory study	Cavernous nerve injury	In-house development〈Japan〉

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

* Update from May 15, 2023