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May 15, 2023

Consolidated Financial Results for the Fiscal Year Ended March 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
 Inquiries: (Name) Kenichi Miyamoto (Title) Head of Finance & Accounting Department
 Telephone: +81-3-3358-7211
 Scheduled date of annual general meeting of shareholders: June 29, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 Scheduled date to file annual securities report: June 29, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Recurring income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	103,261	(6.3)	8,507	(40.9)	9,085	(38.6)	6,649	(37.1)
March 31, 2022	110,179	7.0	14,392	19.9	14,799	20.7	10,569	23.1

Note: Total comprehensive income For the fiscal year ended March 31, 2023: ¥5,001 million [(34.4)%]
 For the fiscal year ended March 31, 2022: ¥7,619 million [(33.2)%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of recurring income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	178.93	-	5.2	5.6	8.2
March 31, 2022	277.39	-	8.3	9.1	13.1

Reference: Share of profit (loss) of entities accounted for by the equity method
 For the fiscal year ended March 31, 2023: ¥- million
 For the fiscal year ended March 31, 2022: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	158,831	126,775	79.8	3,470.18
March 31, 2022	163,139	128,646	78.9	3,424.21

Reference: Shareholders' equity
 As of March 31, 2023: ¥126,775 million
 As of March 31, 2022: ¥128,646 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	7,297	(2,949)	(6,884)	38,010
March 31, 2022	7,459	(2,007)	(5,956)	40,515

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	-	40.00	-	50.00	90.00	3,409	32.4	2.7
Fiscal year ended March 31, 2023	-	40.00	-	40.00	80.00	2,953	44.7	2.3
Fiscal year ending March 31, 2024 (Forecast)	-	40.00	-	40.00	80.00		46.4	

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 income		Recurring income		Profit attributable to owners of parent		Net income 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)	172.45

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2023	38,500,000 shares
As of March 31, 2022	40,160,000 shares

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

As of March 31, 2023	1,967,279 shares
As of March 31, 2022	2,590,401 shares

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

Fiscal year ended March 31, 2023	37,160,991 shares
Fiscal year ended March 31, 2022	38,102,515 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Recurring income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	95,486	(6.8)	6,411	(43.6)	8,971	(33.7)	7,250	(30.6)
March 31, 2022	102,439	7.5	11,367	23.1	13,539	16.5	10,441	16.2

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
March 31, 2023	195.10	-
March 31, 2022	274.03	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	152,386	125,109	82.1	3,424.59
March 31, 2022	156,837	126,385	80.6	3,364.03

Reference: Shareholders' equity

As of March 31, 2023: ¥125,109 million

As of March 31, 2022: ¥126,385 million

* Financial results reports are exempt from audit 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.

(How to obtain supplementary material on financial results)

Supplementary material on financial results will be posted on the Company's website on Wednesday, May 17, 2023.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Assets		
Current assets		
Cash and time deposits	48,415	47,010
Accounts receivable	31,676	27,806
Marketable securities	13,499	13,499
Merchandise and finished goods	15,110	14,644
Work in process	1,355	1,453
Raw materials and supplies	6,662	8,307
Other current assets	4,727	4,656
Total current assets	121,448	117,379
Fixed assets		
Property, plant and equipment		
Buildings and other structures, net	4,769	7,069
Machinery and equipment and transportation equipment, net	1,759	1,854
Land	4,990	4,990
Others, net	3,009	1,135
Total property, plant and equipment	14,528	15,049
Intangible fixed assets	713	797
Investments and other assets		
Investments in securities	16,474	14,246
Deferred income taxes	3,691	3,883
Others	6,283	7,476
Total investments and other assets	26,449	25,605
Total fixed assets	41,691	41,452
Total assets	163,139	158,831

(Millions of yen)

	FY2021 (As of March 31, 2022)	FY2022 (As of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable	10,656	9,047
Electronically recorded obligations - operating	1,243	910
Income taxes payable	1,652	501
Contract liabilities	—	50
Provision for bonuses	2,663	2,313
Other provisions	171	169
Other current liabilities	13,470	14,266
Total current liabilities	29,856	27,258
Long-term liabilities		
Retirement benefits liability	4,270	4,133
Other long-term liabilities	365	664
Total long-term liabilities	4,636	4,798
Total liabilities	34,493	32,056
Net assets		
Shareholders' equity		
Paid-in capital	7,229	7,229
Capital surplus	1,871	1,871
Retained earnings	121,668	118,943
Treasury shares	(9,617)	(7,114)
Total shareholders' equity	121,153	120,930
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	7,308	5,655
Remeasurements of defined benefit plans	184	189
Total accumulated other comprehensive income	7,493	5,844
Total net assets	128,646	126,775
Total liabilities and net assets	163,139	158,831

(2) Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Millions of yen)

	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
Net sales	110,179	103,261
Cost of sales	50,626	48,146
Gross profit	59,553	55,114
Selling, general and administrative expenses	45,161	46,607
Operating income	14,392	8,507
Other income		
Interest income	2	2
Dividend income	284	338
Real estate rent	82	86
Gain on forgiveness of debts	6	165
Others	79	73
Total other income	455	665
Other expenses		
Interest expenses	—	0
Interest and charge (commission) expense	43	45
Foreign exchange losses	—	36
Others	5	6
Total other expenses	48	87
Recurring income	14,799	9,085
Extraordinary gains		
Gain on sales of fixed assets	—	0
Settlement received	—	8
Gain on sales of investment securities	526	—
Insurance claim income	38	4
Total extraordinary gains	564	13
Extraordinary losses		
Loss on sales and disposal of fixed assets	5	54
Impairment losses	107	—
Loss on disaster	22	—
Removal expenses for fixed assets	535	—
Settlement expenses	100	—
Total extraordinary losses	771	54
Income before income taxes	14,591	9,044
Income taxes - current	3,215	2,014
Income taxes - deferred	807	380
Total income taxes	4,022	2,395
Net income	10,569	6,649
Profit attributable to owners of parent	10,569	6,649

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
Net income	10,569	6,649
Other comprehensive income, net of tax		
Unrealized gain on available-for-sale securities	(3,002)	(1,653)
Remeasurements of defined benefit plans, net of tax	53	5
Total other comprehensive income, net of tax	(2,949)	(1,648)
Total comprehensive income	7,619	5,001
Total comprehensive income attributable to:		
Owners of parent	7,619	5,001

(3) Consolidated Statements of Changes in Net Assets
 FY2021 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	7,229	1,871	116,288	(8,857)	116,532
Changes in the fiscal year:					
Dividends from surplus			(3,444)		(3,444)
Profit attributable to owners of parent			10,569		10,569
Purchase of treasury shares				(2,504)	(2,504)
Cancellation of treasury shares		(0)	(1,744)	1,744	—
Net changes of items other than shareholders' equity					
Total	—	(0)	5,380	(759)	4,620
Balance at end of year	7,229	1,871	121,668	(9,617)	121,153

	Accumulated other comprehensive income			Total net assets
	Unrealized gain on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of year	10,311	131	10,442	126,974
Changes in the fiscal year:				
Dividends from surplus				(3,444)
Profit attributable to owners of parent				10,569
Purchase of treasury shares				(2,504)
Cancellation of treasury shares				—
Net changes of items other than shareholders' equity	(3,002)	53	(2,949)	(2,949)
Total	(3,002)	53	(2,949)	1,671
Balance at end of year	7,308	184	7,493	128,646

FY2022 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Paid-in capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	7,229	1,871	121,668	(9,617)	121,153
Changes in the fiscal year:					
Dividends from surplus			(3,370)		(3,370)
Profit attributable to owners of parent			6,649		6,649
Purchase of treasury shares				(3,502)	(3,502)
Cancellation of treasury shares			(6,004)	6,004	—
Net changes of items other than shareholders' equity					
Total	—	—	(2,725)	2,502	(223)
Balance at end of year	7,229	1,871	118,943	(7,114)	120,930

	Accumulated other comprehensive income			Total net assets
	Unrealized gain on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of year	7,308	184	7,493	128,646
Changes in the fiscal year:				
Dividends from surplus				(3,370)
Profit attributable to owners of parent				6,649
Purchase of treasury shares				(3,502)
Cancellation of treasury shares				—
Net changes of items other than shareholders' equity	(1,653)	5	(1,648)	(1,648)
Total	(1,653)	5	(1,648)	(1,871)
Balance at end of year	5,655	189	5,844	126,775

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021 (From April 1, 2021 to March 31, 2022)	FY2022 (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities:		
Income before income taxes	14,591	9,044
Depreciation and amortization	2,689	2,672
Loss (gain) on sales of investment securities	(526)	—
Gain on forgiveness of debts	(6)	(165)
Insurance claim income	(38)	(4)
Loss (gain) on sale and disposal of fixed assets	5	53
Impairment losses	107	—
Loss on disaster	22	—
Removal expenses for fixed assets	535	—
Settlement expenses	100	—
Increase (decrease) in provision for bonuses	166	(349)
Increase (decrease) in retirement benefits liability	(305)	(129)
Interest and dividend income	(287)	(340)
Interest and charge (commission) expense	43	45
Decrease (increase) in notes and accounts receivable-trade	(2,486)	3,869
Decrease (increase) in inventories	(521)	(1,277)
Decrease (increase) in other current assets	(899)	817
Increase (decrease) in notes and accounts payable-trade	2,176	(1,941)
Increase (decrease) in other current liabilities	(1,658)	1,183
Other	(783)	(2,304)
Subtotal	12,925	11,173
Interest and dividends received	286	340
Interest and commission paid	(36)	(35)
Proceeds from insurance income	—	42
Settlement paid	(100)	—
Payments for contract loss	(2,000)	(1,000)
Income taxes paid	(3,616)	(3,224)
Net cash provided by operating activities	7,459	7,297
Cash flows from investing activities:		
Payments into time deposits	(10,900)	(12,000)
Proceeds from withdrawal of time deposits	16,500	10,900
Purchase of short-term investment securities	(10,500)	(10,500)
Proceeds from sales of short-term investment securities	6,000	10,500
Payment for purchases of tangible and intangible fixed assets	(2,988)	(2,166)
Proceeds from sales of property, plant and equipment	0	0
Payment for removal of fixed assets	(108)	—
Proceeds from sales of investment securities	538	—
Purchase of investment securities	(540)	—
Other	(8)	316
Net cash used in investing activities	(2,007)	(2,949)
Cash flows from financing activities:		
Dividends paid	(3,445)	(3,372)
Purchase of treasury shares	(2,511)	(3,512)
Other	(0)	(0)
Net cash used in financing activities	(5,956)	(6,884)
Effect of exchange rate changes on cash and cash equivalents	31	32
Net increase (decrease) in cash and cash equivalents	(472)	(2,504)
Cash and cash equivalents at beginning of year	40,987	40,515
Cash and cash equivalents at end of year	40,515	38,010