Mochida Pharmaceutical Group

Integrated Report 2025

Creating Valuable Medical Solutions for Better Health

Meeting medical and healthcare needs and contributing to human health and well-being is our mission.

CONTENTS

Motto

Farsighted, Innovative Research

Corporate Philosophy

Actively contributing to human health and well-being in the field of medicine, totally committed to the development of innovative products.

For details, please visit our website.

Investor Relations
https://www.mochida.co.jp/english/ir/

Corporate Governance
https://www.mochida.co.jp/english/ir/corporate_governance/

Sustainability
https://www.mochida.co.jp/english/sustainability/

Editorial Policy; To increase understanding of the Mochida Pharmaceutical Group among all stakeholders, we have compiled this integrated report that includes non-financial information, such as our value creation story, business activities and ESG information, and financial information. When preparing this report, we referred to the International Integrated Reporting Framework advocated by the IFRS Foundation and Guidance for Collaborative Value Creation, Ministry of Economy, Trade and Industry.

Organizations covered; Mochida Pharmaceutical Group (Mochida Pharmaceutical Co., Ltd. and its consolidated subsidiaries)

Period covered; Centered on activities from April 1, 2024 through March 31, 2025, but also refers to more recent news

Published; September 2025

1 Value Creation Story

Corporate Development

Founded in 1913, Mochida Pharmaceutical Group has a history longer than 110 years. Throughout our long history, we have grown whilst pursuing research and development of drugs from an original perspective and creating unique products to meet medical and healthcare needs.

In the 1970s, we also rose to a new challenge, branching out into the medical devices and healthcare products businesses and, in the 2000s, we sought to strengthen and expand our businesses by spinning off divisions into new and separate companies.

In recent years, we have also leveraged our alliances with partners both in Japan and overseas to develop and sell unique new drugs. Furthermore, under our “Vision for 2031,” we aim to grow as a group through pharmaceutical research and development that incorporates new drug discovery modalities and through development of biomaterials and healthcare into business pillars.

1932
Pelanin
(first estrogen preparation developed in Japan)

1951
Sprase
(first hyaluronidase preparation developed in Japan)

1964
Kimotab
(anti-inflammatory enzyme preparation)

1970
Uronase
(fibrinolytic enzyme preparation)

1985
Miraclid
(world’s first ulinastatin preparation)

Pharmaceutical business

Targeted Areas

Healthcare Business

1913～
- Started producing pharmaceuticals
- Pioneered hormonal preparations

1945～
- Established presence in field of enzyme preparations
- Developed own sales network

1970～
- Entered the quasi-drugs business
- Entered the Medical Electronics and Equipment business

1913 Established
1918 Renamed as Mochida Pharmaceutical Company and built pharmaceutical plant onsite

1945 Mochida Pharmaceutical Co., Ltd. was established.
1957 Established a research laboratory (at Oji Plant)

1970 Established the Paramedical Division
1972 Established the Medical Electronics and Equipment Division
Completed the Shizuoka Plant
1982 Completed the Fuji Central Research Laboratory

1990
Epadel
(world's first high-purity EPA preparation)

1997
Atelec
(calcium channel blocker)

2008
Dinagest
(treatment for endometriosis)

2011
Lexapro
(antidepressant)

2014
Treprost
(treatment for pulmonary arterial hypertension)

2020
Urece
(treatment for gout and hyperuricemia)

2022
Epadel EM
(a self-emulsifying formulation of highly purified EPA)

Net sales
(100 Millions of Yen)

1,400
1,200
1,000
800
600
400
200
0

FY2024 Results (consolidated)

Net Sales	105.1 billion yen
Operating Profit	8.1 billion yen
R&D Expenses	11.6 billion yen
EBITDA*1 + R&D Expenses	22.7 billion yen

FY2027 KGI*2

Net Sales	120 billion yen
Operating Profit	12 billion yen
R&D Expenses	12 billion yen
EBITDA + R&D Expenses	26.5 billion yen

FY2031 KGI

Net Sales	140 billion yen
Operating Profit	21 billion yen
R&D Expenses	12 billion yen
EBITDA + R&D Expenses	35.5 billion yen

*1 EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization *2 KGI: Key Goal Indicator

Treatment for ulcerative colitis

2016 Lialda

2023 Omvoh*3 Cortiment

*3 Indication for moderate to severe active crohn's disease

Treatment of chronic constipation

2018 Goofice Movicol

Gastroenterology
Psychiatry
Cardiovascular medicine
Obstetrics and Gynecology

Biomaterials Business

- Became leading manufacturer of highly purified EPA preparation
- Split up business divisions

- Strengthened alliances and focused on new drugs
- Branched out into new business areas

1991 Completed Ohtawara Plant
2003 Split up the Medical Electronics and Equipment Division
2004 Split up Healthcare Division
2005 Split up the manufacturing division

2014 Split up the generic drugs sales division

Message from the President

Review of FY2024

We continued to face a challenging environment, with the continued implementation of policies to curb healthcare costs such as annual NHI drug price revisions. Under these circumstances, the Group's consolidated results for fiscal year 2024 showed gains in sales and profit, driven by growth of new drugs.

The pharmaceutical business reported increased sales, due to growth of new drugs and increased royalty revenue, which offset price cuts as a result of the NHI drug price revisions and the impact of the "elective care" scheme for long-listed products introduced in October 2024. Operating income rose, reflecting an increase in gross profit as a result of the pharmaceutical business segment's higher sales, and lower Selling, general and administrative expenses mainly attributable to reduced R&D expenditure. The healthcare business achieved gains in sales and profit, reflecting continued growth of the Collage Furfur, which includes shampoo and soap products containing antimyotic ingredients, as well as the Collage Repair of basic skin care products.

Toward Realization of "Vision for 2031"

In 2022, Mochida Pharmaceutical Group established its "Vision for 2031," which embodies its long-term vision. This vision clearly sets out the Group's shared vision for the future to overcome an increasingly challenging business environment and achieve sustainable growth.

With our sights set on "Vision for 2031" and with the pharmaceutical business, biomaterials business and healthcare business as the Group's three business pillars, we are working to offer a lineup of distinctive products that meet needs in each business, while also eyeing global expansion. In particular, we will aim for sustainable growth through business expansion driven by the biomaterials business and regenerative medicine products, which are positioned as pillars of the next generation. In FY2031, we aim to achieve total net sales of 140 billion yen and an operating margin of 15%. By creating and providing value that only we can create through our three businesses, we will contribute to the health of patients and their families.

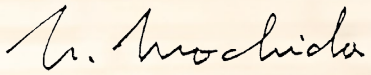
Going forward, we will continue pushing toward achievement of the targets set out in Vision for 2031.

Review of 22-24 Medium-Term Management Plan

Under the 22-24 Medium-Term Management Plan, we focused on three issues based on the theme of innovation creation and productivity improvement.

In terms of "maximization of profits in targeted areas with a focus on new drugs," which was the first of the three issues, we launched five new drugs in the pharmaceutical business and also worked to improve the cost structure, including reducing procurement costs.

Through our three businesses (pharmaceutical business, biomaterials business, and healthcare business), we will implement initiatives aimed at improving the QOL of patients and their families, supporting women in their various life stages, and realizing a sustainable society.



Naoyuki Mochida,
Representative Director, President

However, profit levels have decreased compared to before the 22-24 Medium-Term Management Plan, and revenue maximization was not achieved. However, net sales of the healthcare business grew steadily, reflecting the progress we made strengthening sales capabilities and enhancing our product lineup.

As for the second issue: “continuous investment in growth to realize the ‘Vision for 2031’,” in the biomaterials business, we made progress developing several products, filed for the Cartilage Repair Device Mochi-Gel in Japan (obtained manufacturing and marketing approval in July 2025), and launched ReFeel, a material that supports nerve regeneration, in the U.S. On the oligonucleotide drugs front, we concentrated on siRNA drug discovery, while on the cellular medicines front, we made progress on projects researching three different types of cells.

Regarding the third issue: “strengthening of the corporate organization to create innovation and improve productivity,” we strengthened our business base by reviewing our business processes, promoting digital marketing, implementing new personnel and wage systems, and commencing operations at our new head office building.

Our review of the 22-24 Medium-Term Management Plan brought into relief important issues that need to be addressed. The first issue is improvement of profitability. We are implementing initiatives aimed at increasing our income margin in the future; however, in the short term, we need to harness the strength of the pharmaceutical business and seek expansion in terms of the volume of business. The next issue is expansion of products developed in-house. We intend to develop our own products, focusing on unique biomaterial products and oligonucleotide drug discovery. The final issue is improvement of foresight. We need to be quick to grasp drug price and regulatory trends and draw up accurate business plans. Under the 25-27 Medium-Term Management Plan, we will implement initiatives to address these issues.

Strategies and Targets under the 25-27 Medium-Term Management Plan

Taking stock once again of the environment that surrounds us, factors such as inflation driven by a weaker yen and the implementation of policies to curb healthcare and drug costs are making the domestic pharmaceutical market increasingly challenging. Under these circumstances, we developed the 25-27 Medium-Term Management Plan. The plan period is positioned as a three-year period in which the Group will accelerate growth strategies to realize its “Vision for 2031.” During the period of the 25-27 Medium-Term Management Plan, the Group will focus on three key themes: “strengthening the profitability of core businesses,” “continued investments in growth businesses,” and “strengthening the management foundation to support growth.”

Regarding the first key theme: “strengthening the profitability of core businesses,” we will strengthen the profitability of the pharmaceutical business and the healthcare business. In the pharmaceutical business, we will maximize the product value of five major new drugs: Urece, Omvoh, Cortiment, Goofice, and Treprost, and aim

to more than double our net sales. Additionally, we will strengthen the profitability of the pharmaceutical business through further market penetration of formulations of Epadel and Dienogest, our flagship drugs that have continuously delivered unwavering value over many years since their launch, and through expansion of biosimilars. In the healthcare business, we will establish two major brands, Collage Furfur and Collage Repair, and strengthen profitability through the expansion of our product lineup and optimization of the sales network. Our target markets will be the dandruff and itchy scalp treatment market in the broader hair care market, the delicate zone care market in the broader body care market, and the defensive skincare market in the broader beauty and skin care market. We aim to be No. 1 in each of the these markets.

As for the second key theme: "Continued investments in growth businesses," we will make continuous investments in the biomaterials business, oligonucleotide drugs, and cellular medicines. In the biomaterials business, we will harness unique biomaterial technologies such as alginate-based technologies to achieve global expansion and help meet unmet medical needs. We also aim to conduct clinical trials for oligonucleotide drugs (siRNA drugs) and cellular medicines. In addition, we will advance overseas development focusing on Epadel and Dienogest formulations and the biomaterials business.

The third key theme is "strengthening the management foundation to support growth." On the financial front, we believe we must balance the improvement of profit levels with future investments. As investments in the future, we will actively invest in research and development in our three businesses. At the same time, we will keep making capital investments to rationalize and streamline pharmaceutical production and research facilities. We will also make strategic investments including acquisitions and capital alliances in the pharmaceutical business, and product in-licensing. Through the realization of such measures, we intend to improve ROE and PBR. After financial strategy comes the efficient use of human resources and infrastructure. The continuous provision of value is essential for the achievement of sustainable corporate growth. To realize this, we will promote organizational culture transformation aimed at fostering an ethos that encourages challenge and a culture of praise, strengthen our human resource management system, including support for employees' career development, and facilitate the active participation of diverse human resources, including supporting the active participation of women. Additionally, we will promote digital transformation and facility management, and work on developing an environment that will allow us to execute business with high productivity.

Under the 25-27 Medium-Term Management Plan, we will steadily implement a growth strategy that utilizes both core businesses and growth businesses as two key components, aiming to achieve total net sales of 120 billion yen and operating income of 12 billion yen in FY2027. Furthermore, we have set "EBITDA + Research and development expenses" as a management indicator for the first time and will promote evaluation based on both investment and profit. Our FY2027 target for "EBITDA+Research and development expenses" is 26.5 billion yen. Moreover, we will connect the results of these endeavors to our next three-year plan.

Striding toward Value Creation

Mochida Pharmaceutical Group has always risen to the challenge of creating unique products, under the motto "Farsighted, Innovative Research," which expresses the approach of our founder Ryokichi Mochida towards work. Through demonstration of the spirit enshrined in our corporate philosophy of "Actively contributing to human health and well-being in the field of medicine, totally committed to the development of innovative products," we provide greater, more universal value to our stakeholders. I am extremely pleased that, in July this year, after many years of research and development, we obtained approval to manufacture and market the Cartilage Repair Device Mochi-Gel in Japan. Mochi-Gel is our own unique product for repairing damaged cartilage and is expected to be a groundbreaking innovation for clinical care. We are looking forward to being able to launch Mochi-Gel in the near future.

Mochida Pharmaceutical Group identified material matters which the Group should address as a priority for the sustainable improvement of corporate value as materiality (material issues). Material issues in relation to our businesses are "creation of unique products that meet needs," "stable supply of products with appropriate quality" and "maximization of product value." The "creation of unique products that meet needs" is our mission as a pharmaceutical company, and we will create distinctive products that meet increasingly diverse medical and health needs and provide new value that is appreciated by society. The "stable supply of products with appropriate quality" is our responsibility, and we will further strengthen the quality and safety management systems of products. Additionally, we will also put effort into the "maximization of product value," and by maximizing the potential of our products and engaging in

appropriate information provision activities, we will contribute to people's health and welfare, and seek improvement in our corporate value.

The two material issues underpinning the management foundation are "thorough compliance" and "expansion of human capital." We recognize that efforts to achieve compliance are an absolute condition for corporate survival as a social entity. Through our practice of compliance, we are communicating our willingness to consider our internal systems and operations not from the standpoint of the theory of human nature as good or evil but rather from the standpoint of the theory of human nature as weak. Based on the assumption that human beings are weak, we try to avoid creating environments in which people end up doing the wrong thing. Furthermore, the driving force that underpins the creation of our corporate value is human capital. This is why we believe that expansion of human capital is important. We promote the development of workplaces where individual employees can realize their full potential and achieve personal growth. When employees with different experiences, insights and values are free to express their opinions and engage in a constructive exchange of opinions while respecting each other's diverse views, this gives rise to innovation. The new head office building completed three years ago was designed based on the concept of a "connecting office" out of a desire to break down barriers between departments and improve communication between employees. The creation of a staircase and communication space in the middle of the office floors has increased interaction between floors and between employees. We will realize workplaces where employees with different values can thrive and we will create the new value sought by people and society.

Disease Awareness-Raising Initiatives

In 2024, Mochida Pharmaceutical Group established the new Disease Awareness and launched initiatives for increasing the dissemination of accurate information about diseases and information that will encourage people to seek treatment. Since our foundation, we have handled products in the field of obstetrics and gynecology and, drawing on our experience of being closely involved with women's health issues such as dysmenorrhea and endometriosis, we have disseminated accurate information about diseases and information that will encourage women to seek treatment on our website and via other means, to ensure that women can access the best treatment for them. Through this approach, we aim to make more women aware of the importance of understanding their own health and arming themselves with the necessary knowledge and we aim to support improvement in health literacy and the active participation of women. Going forward, we will continue prioritizing activities in the obstetrics and gynecology field and we will also put effort into activities to raise awareness about women-specific diseases and work to provide value as a pharmaceutical company that provides "support for the different stages of a woman's life."

Additionally, we are involved in the project "Promoting a society in which patients can talk openly about living with inflammatory bowel diseases," which is aimed at promoting understanding about inflammatory bowel diseases (ulcerative colitis and Crohn's Disease). In this project, we disseminate information to promote understanding about bowel urgency, which is one of the symptoms patients would like resolved. Bowel urgency is defined as the sudden and immediate need to have a bowel movement, and we hope that this project will increase understanding for patients who live with the anxiety of not knowing if they will get to the restroom in time. We will continue promoting activities that will help broaden the circle of support for affected patients in the future.

To Our Valued Stakeholders

Our 25-27 Medium-Term Management Plan is underway. We continue to face a challenging business environment, but we are steadily promoting our three key themes, with the pharmaceutical business, the biomaterials business and the healthcare business as our business pillars, with a view to achieving the plan targets. Our shareholder return policy is to pay stable dividends and to maintain a dividend of at least 80 yen per share during the 25-27 Medium-Term Management Plan period. In addition, we will flexibly respond to changes in the business environment with respect to the purchase of treasury stock.

By continuing to grasp the medical and healthcare needs of patients and medical professionals with utmost care and attention and continuing to create and provide value that only we can provide to society, we intend to live up to the expectations of our stakeholders. I would like to ask for your continued support.

Value Creation Process

Social issues

- Unmet medical needs
- Improvement of QOL
- Escalation of medical costs
- Women's health

Inputs

Financial capital
Assets and funds
- Total assets 160.1 billion yen

Human capital
Human resources for acceleration of innovation creation and productivity improvement
- Number of Employees (consolidated) 1,508
- Ratio of female employees (non-consolidated) 31.6%

Intellectual capital
Intellectual property rights, knowledge, technology, knowhow, brands
- R&D expenses 11.6 billion yen
- R&D expenses-to-sales ratio 11.1%

Social and relationship capital
Collaboration with subsidiaries and domestic/overseas partnerships
- 22 Key Partnering Companies

Manufactured capital
Production system enabling stable supply of high quality products
- 3 production bases. (Ohtawara, Tochigi / Fujieda, Shizuoka / Konosu, Saitama)
- Capital investment 1.6 billion yen

Manufactured capital
- Energy Consumption 317TJ
- Water Consumption 347 thousand m^3

Business

- Pharmaceutical business
- Biomaterials Business
- Healthcare Business
- Rese
- Develo

The Five Material

Material issues underpinning the management foundations

- Expansion of human capital
- Thorough compliance

Sustainable enhancement

Mochida Pharmaceutical Group develops three business activities centered around materiality, based on our corporate philosophy. Through these activities, we provide distinctive products that respond to societal needs, and we are committed to delivering value as a pharmaceutical company in the form of “improvement in the QOL of patients and their families,” “support for the various life stages of women,” and “contribution to human health and wellbeing.” Additionally, we aim to contribute to the realization of a sustainable society, which will also lead to the achievement of the SDGs, and we will continue to grow as a company that is needed by society while striving for the sustainable enhancement of corporate value.

Activities

arch & pment ▶ P.22

Production ▶ P.25

Sales and Information Provision Activities ▶ P.26

Quality Control and Safety Management ▶ P.26

Licensing Activities ▶ P.24

Intellectual property ▶ P.23

▶ P.29

▶ P.31

Issues ▶ P.12

Material issues in relation to our businesses

- Creation of unique products that meet needs
- Stable supply of products with appropriate quality
- Maximization of product value

Outputs

Ethical Drugs

Medical Devices

Healthcare Products

Outcomes

Contribution to human health and well-being

Improvement in the QOL of patients and their families

Support for the different stages of a woman’s life

Contribution to a sustainable society

Our contribution to the SDGs

of corporate value

Materiality

Mochida Pharmaceutical Group identified material matters which the Group should address as a priority for the sustainable improvement of corporate value as materiality (material issues).

By focusing on our materiality, we will contribute to the realization of a sustainable society.

Identifying Material Issues

Through an assessment focusing on the two aspects, “importance to society” and “importance to the Group,” we identified “creation of unique products that meet needs,” “stable supply of products with appropriate quality,” “maximization of product value,” “expansion of human capital” and “thorough compliance” as material issues.

Process for Identifying Material Issues

In 2022, the Group identified material issues through the following process with reference to various principles and guidelines, and we have been working on our initiatives. In May 2025, we plan to review material issues to enhance its alignment with our management plan and set specific KPIs. Moving forward, we will reassess material issues as appropriate in response to changes in society.

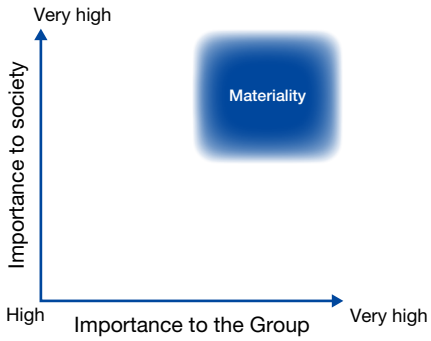
Identification Process

Step1 Identifying issues

Identify a wide range of potential material issues, taking various principles and guidelines such as SDGs, GRI Index and ISO26000, into consideration.

Step2 Organizing potential material issues

Map the identified issues on two axes: importance to society and importance to the Group, and narrow down the most important matters.



Step3 Identifying material issues

Identify the Group's material issues through discussions at the meetings of the Board of Directors and the Sustainability Committee.

The Five Material Issues

Among the Group's five material issues, the Group will work on "creation of unique products that meet needs," "stable supply of products with appropriate quality" and "maximization of product value" as material issues in relation to our businesses and on "expansion of human capital" and "thorough compliance" as material issues underpinning the management foundations.

• Material issues in relation to our businesses

- We will continue working on the "creation of unique products to meet needs," perceiving increasingly diverse medical and healthcare needs as a business opportunity and adapting to changes of the business environment.
- Through the "stable supply of products with appropriate quality" and "maximization of product value," we will contribute to human health and well-being and seek enhancement in our corporate value.

Material issues	Vision	Main initiatives	KPI	FY25-FY27 MTP[*1] period
Creation of unique products that meet needs	Create farsighted and distinctive products to meet diversifying medical and healthcare needs	• Expanding pilelines • Development of new products in biomaterials, oligonucleotide drugs and celluer medicines	Number of new drug introductions	3 items
			Number of healthcare product launches	2 series
			Number of biomaterial products launches	5 Products
			Number of clinical trials for oligonucleotide drugs	1 item
			Number of clinical trials for cellular medicines	2 items
Stable supply of products with appropriate quality	Properly implement product quality management and endeavor to maintain a stable supply	• Strengthening the quality and safety management system for products • Conducting risk management related to product supply operations • Establishing a stable production system framework over the medium to long term	Number of significant findings from regulatory inspections	0 cases
			Number of products recalls	0 cases
			Number of outages	0 cases
Maximization of product value	Contributing to human health and well-being by maximizing the potential of our products	• Providing "new value" by continuously bringing new drugs to the market • Providing "unwavering value" through flagship[*2] drugs • Providing "healthcare economic value" through generic drugs and biosimilars	New drugs: Net sales of 5 major products	48 billion yen
			Flagship drug: Volume share of EPA formulations	No. 1 in Japan
			Flagship drug: Net sales of obstetrics and gynecology field	15 billion yen
			Biosimilars: Number of additional products	3 items

*1 MTP: Medium-term Management Plan

*2 flagship: Support business growth over the long term

• Material issues underpinning the management foundations

- We believe that a major driver underpinning corporate value creation is "human resources" and therefore, we will strive to create company and workplaces where every employee can demonstrate his or her full potential and grow.
- We are committed to promoting compliance, which is an absolute condition for corporate survival.

Material issues	Vision	Main initiatives	KPI	FY25-FY27 MTP period
Expansion of human capital	Developing an internal environment where diverse human resources can play an active role and cultivating human resources who will persevere in taking on difficult and new challenges and drive value creation	• Implementation of initiatives to support the advancement of women • Improving the workplace environments to increase employee engagement as a foundation for challenge • Implementing diverse training programs to enhance the value of human resources	Ratio of female managers (Mochida Pharmaceutical)	12% or more
			Employee engagement score	(Disclosure of actual values)
			Number of training participants	(Disclosure of actual values)
Thorough compliance	Seek to increase compliance awareness as an organization	• Providing compliance training • Operating a hotline for whistleblowing and consulting • Conducting employee surveys	Number of serious non-compliance incidents[*3]	0 cases
			Awareness of hotline	100%

*3 Incidents that have a significant impact on the Group's sales and profits or that are considered necessary to be disclosed outside the company

Roadmap toward the Vision for 2031

FY22-24 Laying the Foundation

Foundation

Key Themes

- Maximization of Profits in Targeted Areas with a Focus on New Drugs
- Continuous Investment in Growth to Realize the “Vision for 2031”
- Strengthening of the Corporate Organization to Create Innovation and Improve Productivity

FY25-27 Accelerating Growth Strategy

Acceleration

Key Themes

- Strengthening the Profitability of Core Businesses
- Continued Investment in Growth Businesses
- Strengthening the Management Foundation to Support Growth

FY28-30 Achievement of Sustainable Growth

The Five

Material issues underpinning the management foundations

Expansion of human capital

Thorough compliance

Vision for 2031

As a life and healthcare group, take on the challenge of addressing unmet medical and health needs by incorporating new drug discovery modalities that are expected to grow in the future.

Pharmaceuticals

Biomaterials

Healthcare

To lineup distinctive products and lead them to global markets

Material Issues

Material issues in relation to our businesses

Creation of unique products that meet needs

Stable supply of products with appropriate quality

Maximization of product value

Long-term Vision / Vision for 2031

Long-term Vision Grow as a unique life and healthcare group whose raison d'être is recognized internationally and which meets medical and healthcare needs.

Materialize

Vision for 2031

As a life and healthcare group, take on the challenge of addressing unmet medical and health needs by incorporating new drug discovery modalities that are expected to grow in the future.

Pharmaceuticals

Expand business domains by incorporating new drug discovery modalities (e.g., regenerative medicine products)

Maintain the position as our core business

Biomaterials

To promote each project based on alginate and expand business

Healthcare

To pursue further growth by investing sales resources

To lineup distinctive products and lead them to global markets

Scale of business targeted for 2031	Total net sales of 140 billion yen Operating margin of 15% (sales of approximately 40 billion yen, including product fields such as the biomaterials business products and regenerative medicine products in the pharmaceutical business)

Efforts toward 2031

	Pharmaceutical business	Biomaterials business	Healthcare business
Domestic	• To incorporate new drug discovery modalities to enhance our drug discovery pipeline and maintain the position as a core business; • Among them, to position regenerative medicine products as one of our focus areas and give priority to projects using mesenchymal stem cells; • To launch products from our pipeline that incorporate new drug discovery modalities, including regenerative medicine products, by FY2031.	• To promote each project based on alginate, which is expected to have various medical applications, and work for an early launch and business expansion. Also, to promote development with a view to global expansion.	• To focus on developing high-performance, value-added dermatological skin care products through communications with physicians, pharmacists, and nurses etc. • To steadily expand the scale of our business by improving our business structure via the investment of sales resources, etc., focusing on new areas, and introducing new and renewed products.
Overseas	• To expand into overseas markets by offering a lineup of distinctive products that meet the needs in each business segment.		
	• To launch highly purified EPA drugs in Vietnam, China, the U.S., and other countries, subsequently to Thailand. • To promote the development of regenerative medicine products, which we aim to launch in the future, with a view to global expansion.	• To advance the development of medical devices aimed for future launch with a view to global expansion.	

Review of 22-24 Medium-term Management Plan

"22-24 Medium-term Management Plan," hereinafter 22-24 MTP, that started in FY2022 was positioned as three years of laying the foundation and, under the themes of creating innovation and improving productivity, we focused on three issues as a priority: "maximization of profits in targeted areas with a focus on new drugs," "continuous investment in growth to realize the 'Vision for 2031'," and "strengthening of the corporate organization to create innovation and improve productivity."

Business Metrics

FY2024 Results

Net sales	**105.1 billion yen**
Operating income	**8.1 billion yen**
R&D expenses	**11.6 billion yen**
EBITDA＋R&D expenses	**22.7 billion yen**

Results

Maximization of profits in targeted areas with a focus on new drugs

Pharmaceuticals business	Launched five new drugs and made progress improving the cost structure, including reducing procurement costs; however, profit levels decreased compared to before 22-24 MTP, and revenue maximization was not achieved
Healthcare business	Achieved steady growth, reflecting progress strengthening sales capabilities and enhancing product line-up

Continuous investment in growth to realize the "Vision for 2031"

Biomaterials business	Made progress developing several products, applied for manufacturing and marketing approval for the Cartilage Repair Device *Mochi-Gel* in Japan, and launched *ReFeel*, a material that supports nerve regeneration, in the US
Oligonucleotide drugs and cellular medicines	Concentrated on siRNA drug discovery on oligonucleotide drugs front and made progress on three cell therapy projects on cellular medicines front

Strengthening of the corporate organization to create innovation and improve productivity

Business base	Implemented initiatives that will help create innovation and improve productivity, including reviewing business processes, promoting digital marketing, implementing new personnel and wage systems, and commencing operations at new head office building

Tasks for the Next MTP

Challenges	Strategies for the 25-27 MTP

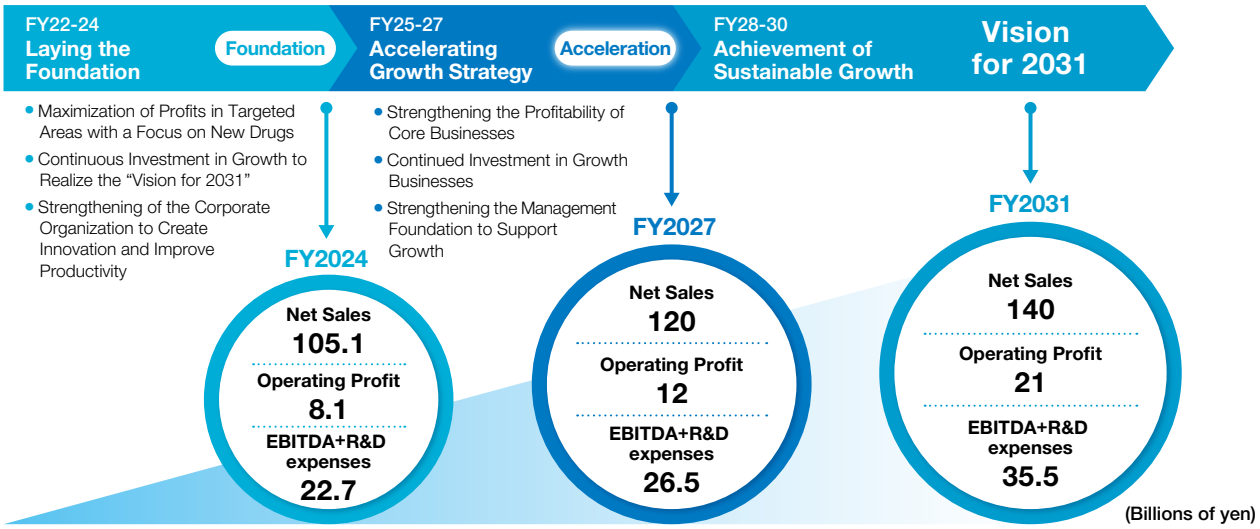
Improvement of profit levels	• Continue investing in biomaterials and new modalities to improve profit levels in the future
	• Leverage strength in pharmaceutical business to achieve expansion in volume to underpin profitability in the short term
	  ・Strengthen in-licensing activities
	  ・Increase prescriptions of our flagship drugs
	  ・Expand biosimilars

Expansion of products developed in-house	• Promote the development and launch of unique biomaterial products • Accelerate concentration of effort on oligonucleotide drug discovery (siRNA)
Improvement of foresight **・Initial drug price forecasting** **・Regulatory trends** **・Production volume for stable supply**	• Anticipate drug price and regulatory trends, and incorporate into business plan • Develop business plan based on multiple scenarios that will hold up even in the worst-case scenario • Strengthen manufacturing structure

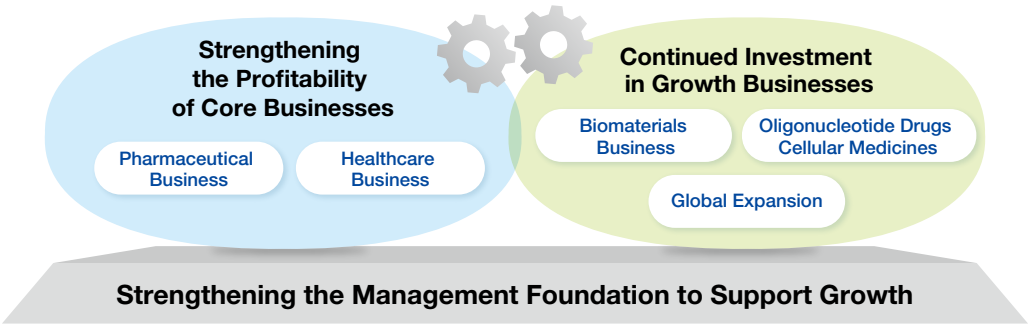
25-27 Medium-term Management Plan

To realize the “Vision for 2031,” Mochida Pharmaceutical Group has developed 25-27 Medium-term Management Plan, hereinafter 25-27 MTP, as an action plan for the issues to be addressed over the three years from FY2025 to FY2027 from the perspective of the sustainable enhancement of corporate value.

25-27 MTP is positioned as “three years to accelerate growth strategy”.



Under 25-27 MTP, we have established three key themes: “strengthening the profitability of core businesses,” “continued investment in growth businesses,” and “strengthening the management foundation to support growth.” During the 25-27 MTP period, we will position the pharmaceutical business and the healthcare business as core businesses and work to strengthen their profitability, while at the same time continuing to invest in growth businesses, specifically the biomaterials business, oligonucleotide drugs and cellular medicines, and global expansion. Since profit contributions from growth businesses are expected after FY2028, the core businesses will support growth during the 25-27 MTP period. The Group will also focus on strengthening the management foundation to support “strengthening the profitability of core businesses” and “continued investments in growth businesses.”



Through a growth strategy that utilizes both core businesses and growth businesses as two key components, we aim to achieve total net sales of 120 billion yen and an operating profit of 12 billion yen in FY2027. Furthermore, as a management indicator, we will use “EBITDA + Research and development expenses,” which is a resource for future growth, aiming for 26.5 billion yen for FY2027.

KGI of the 25-27 Medium-Term Management Plan

KGI	FY2024	FY2027	FY2031
Net Sales	105.1 billion yen	**120 billion yen**	140 billion yen
Operating Profit	8.1 billion yen	**12 billion yen**	21 billion yen
R&D Expenses	11.6 billion yen	**12 billion yen**	12 billion yen
EBITDA＋R&D Expenses	22.7 billion yen	**26.5 billion yen**	35.5 billion yen

Three Key Themes

1 Strengthening the Profitability of Core Businesses

Pharmaceutical Business

- Maximize the product value of five major new drugs (Urece, Omvoh, Cortiment, Goofice, and Treprost)
- Expand pipeline through in-licensing
- Further enhance value of flagship drugs (High Purity EPA formulation, Dienogest formulation)
- Expand biosimilars

MTP KPIs*

New drug	• Net sales of five major new drugs: 48.0 billion yen • Three in-licensed items
Flagship drugs	• No.1 share of domestic market for EPA drugs based on volume • Net sales in the obstetrics and gynecology field: 15.0 billion yen
Biosimilars	• Three additional items

Healthcare Business

- Establish two major brands, Collage Furfur and Collage Repair
- Strengthen profitability through expansion of product lineup and optimization of sales network
- Establish position as No.1 in target markets based on sales

MTP KPIs

- Launch of at least two series
- Net sales: 10.0 billion yen

2 Continued Investment in Growth Businesses

Biomaterials Business

- Secure revenue through early market launch
- Realize business and improve productivity through the development of the business foundation

MTP KPIs

- Launch of at least five products
- Net sales: 2.6 billion yen

Oligonucleotide drugs

- Continuously develop highly differentiated new siRNA drug candidates through excellent clinical foresight
- Drive global expansion throughout-licensing to and alliances with major partners overseas
- Significantly increase profitability of domestic pharmaceutical business by moving domestic development in-house

MTP KPIs

- Clinical trials for one items

Cellular Medicines

- Achieve early commercialization through collaboration with companies that possess knowledge and technology related to regenerative medicines
- Push ahead with establishment of R&D and manufacturing structures and establish sales structure for making products widely available, with an eye on global expansion

MTP KPIs

- Clinical trials for two items

Global Expansion

- Seek overseas development focusing on Epadel and Dienogest formulations and the biomaterials business

MTP KPIs

- Epadel: Launch in Vietnam and China; obtain approval in Taiwan and two countries in the ASEAN region (submit applications in four countries); obtain approval in South Korea
- Dienogest formulation: Submit application in at least one country in the Asia region

3 Strengthening the Management Foundation to Support Growth

Financial Strategy

- Improve ROE and PBR by balancing improvement of profit levels with future investments
- Regarding cash allocation, a cumulative total of 36 billion yen for research and development expenses in the pharmaceuticals, biomaterials and healthcare businesses, and 5 to 10 billion yen for capital investments is planned during the 25-27 Medium-term Management Plan period

Efficient Use of Human Resources and Infrastructure

- Promote organizational culture transformation, strengthen human resource management system and facilitate active participation of diverse human resources
- Improve infrastructure that supports management foundation

Stable Supply of Appropriate Quality Products

- Build structure for stable production in the medium and long term
- Manage operational risks in relation to product supply
- Strengthen product quality and safety management structure

* MTP KPIs=Set as indicators to be achieved by the end of the 25-27 MTP period

Financial Strategy

Results for FY2024

Net Sales

Our consolidated net sales in FY2024 amounted to 105.1 billion yen, climbing 2.2% or 2.2 billion yen year on year.

A breakdown by business shows that the pharmaceutical business reported increased sales of 97.9 billion yen, up 1.6% year on year, mainly reflecting growth of new drugs, which offset NHI drug price revisions and the impact of the “elective care” scheme for long-listed products (LLPs) introduced in October 2024. In terms of new drugs, our focus on stressing the features of drugs contributed to increased net sales of Lialda, Goofice, Movicol, Urece, and Omvoh respectively. Net sales of long-listed products and generics were down from the level a year earlier; however, net sales of the authorized generic drug of Dinagest grew. Royalty revenue also increased year on year.

The net sales of the healthcare business amounted to 7.1 billion yen, climbing 11.5% year on year. Net sales of the Collage Furfur, which includes shampoo and soap products containing antimyotic ingredients, grew, as did the Collage Repair of basic skin care products.

Income

Operating income rose 40.1% year on year, to 8.1 billion yen, reflecting an increase in gross profit because of the pharmaceutical business segment’s higher sales, and lower selling, general and administrative expenses mainly attributable to reduced Research and development expenses. Recurring income increased 33.6% year on year to 8.0 billion yen, while profit attributable to owners of parent was 5.6 billion yen, up 25.0% year on year.

Financial Position

As for the Group’s consolidated financial position at the end of FY2024, total assets amounted to 160.1 billion yen, increasing 1.3 billion yen from the end of the previous fiscal year. Assets increased overall partly due to increases in cash and deposits and inventories. Liabilities declined overall chiefly due to a decrease in notes and accounts payable. Net assets increased overall, mainly due to the recording of net income.

Net sales・Income (consolidated) (Millions of yen)

	FY2023 (Y o Y change)	FY2024 (Y o Y change)	Y o Y change
Net sales	1,028 (−0.4%)	1,051 (2.2%)	22
Operating profit	58 (−31.8%)	81 (40.1%)	23
Ratio of operating profit to net sales	5.6%	7.7%	2.1 points
Ordinary profit	60 (−33.5%)	80 (33.6%)	20
Profit attributable to owners of parent	45 (−31.6%)	56 (25.0%)	11
Research and development expenses	125	116	−8

Consolidated Balance Sheets (Millions of yen)

	FY2023 (As of Mar. 31, 2024)	FY2024 (As of Mar. 31, 2025)	Y o Y change
Total assets	1,588	1,601	13
Total current assets	1,166	1,196	30
Total non-current assets	421	404	−16
Total liabilities and net assets	1,588	1,601	13
Total current liabilities	260	249	−11
Total non-current liabilities	47	45	−2
Total net assets	1,279	1,306	27

Financial Strategy

We will balance the improvement of profit levels with future investments, while at the same time maintaining a sound financial base.

For the improvement of profit levels, we will position the pharmaceutical business and the healthcare business as core businesses and work to strengthen their

profitability. In particular, we will leverage the strength of the pharmaceutical business to achieve expansion in volume through measures such as maximizing the product value of five major new drugs, increasing prescriptions of our flagship drugs, and expanding biosimilars. As investments for the future, we will continue actively investing to expand the pipeline by strengthening in-licensing activities and launch new products. Additionally, we will focus on unique biomaterial products and oligonucleotide drug discovery, and continue actively investing in these areas with a view to developing highly profitable in-house products that are essential for our future growth. Through these initiatives, our operating income may fall temporarily; however, our investments for the realization of sustainable growth will lead to improvement of ROE in the future and recognition and appreciation of these initiatives will lead to improvement in our PBR.

Cash Allocation

Over the three-year period of the 25-27 Medium-term Management Plan, we will use cash on hand and deposits of around 51.0 billion yen and total cash flows from operating activities over the three years of 50.0 billion yen or more to fund cash allocations, and we will allocate cash for growth investments and shareholder returns. We plan to utilize the cash allocation resources to acquire three new drugs and three biosimilars during this medium-term plan period.

Growth Investment

In FY2024, Research and development expenses amounted to 11.6 billion yen. We will continue to maintain this level of investment over the period of the 25-27 Medium-term Management Plan, and we will aim for three-year cumulative total Research and development expenses in the pharmaceutical business, biomaterial business and healthcare business of 36.0 billion yen (12.0 billion yen per year).

During FY2024, the Group made capital investment of 1.6 billion yen. Over the period of the 25-27 Medium-term Management Plan, we will actively focus on rationalizing and streamlining pharmaceutical production facilities and research equipment. We expect to make total capital investment of 5.0-10.0 billion yen over the three-year period.

In terms of strategic investment, we will actively focus on acquisitions, capital appliances and in-licensing in the pharmaceutical business, aiming to further accelerate sustainable growth.

The Group has strengthened the structure for licensing department and plans to use funds for cash allocations to gain three new drugs and three biosimilars over the period of this Medium-term Management Plan.

Shareholder returns

Mochida Pharmaceutical Group considers it an important management issue to continuously strive to increase corporate value by developing business performance and to return appropriate profits to shareholders. Our basic policy is to maintain stable dividends while enhancing internal reserves for future business development, and we will determine dividends based on an awareness of the importance of returning profits to shareholders according to revenues.

In FY2024, we paid a dividend of 80 yen as planned. We also cancelled treasury shares. In FY2024, our dividend payout ratio was 49.9%, and our total shareholder return ratio was 49.9%.

Over the three years of the 25-27 Medium-term Management Plan, we intend to maintain a dividend of at least 80 yen per share. We plan to pay a dividend of 80 yen in FY2025. We will continue considering the purchase of treasury shares as needed and flexibly respond to changes in the business environment.

Cash Allocation Resources during the 25-27 Medium-Term Management Plan Period

- Cash and deposits of approximately 51 billion yen (as of March 31, 2025)
- Cumulative operating cash flow* of over 50 billion yen over three years
- Plus Borrowing Capacity

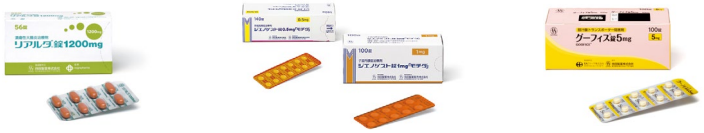
Growth Investment	Reserch and development expenses	A total of 36 billion yen over three years (Pharmaceutical Business, Biomaterials Business, Healthcare Business)
	Capital investment	A total of 5 to 10 billion yen over three years (Investment in the rationalization and labor-saving of pharmaceutical production and research facilities)
	Strategic investment	Acquisitions, capital appliances, and the acquisition of licensed products in the pharmaceutical business
Shareholder returns		Stable dividends (maintaining an annual dividend of 80 yen or more per share) and flexible share buybacks

*Cumulative operating cash flow is calculated without deducting Research and development expenses

2 Business Activities

Business Overview

We are engaged in our core businesses of pharmaceuticals and healthcare, as well as the biomaterials business as one of the pillars of the next generation. We are also promoting global expansion with distinctive products that meet needs.

	Pharmaceutical business
External environment	• Measures promoting the use of generic drugs, introduction of elective care scheme for long - listed product, “off year” drug price revisions • Rising prices due to a weaker yen • Issues regarding the quality and stable supply of pharmaceuticals • Increasingly diverse drug discovery modalities
Overview	• Strengthening the profitability through new drugs, flagship drugs and biosimilars • Promoting research and development of oligonucleotide drugs and cellular medicines
Scale of business	• 97.9 billion yen (93% of net sales)
Main products	Lialda: 15.1 billion yen　Dienogest formulation: 11.2 billion yen　Goofice: 8.3 billion yen 
Research & Development	• Advancing 3 pipeline drugs various the stages of development and the addition of 2 pipeline drugs various • Strongly promoting drug discovery research, with particular focus on siRNA drugs • Working on cellular medicines projects
Global expansion	Obtained approval to import and market highly purified EPA preparations in Vietnam by an alliance partner of Meiji Seika Pharma, as well as the promotion of expansion in other ASEAN countries, China, Taiwan, South Korea, and the U.S.

	Biomaterials business	Healthcare business
External environment	• Existence of unmet medical needs • Market expansion driven by increased expectations for biomaterials • Competition with other medical device products	• Growth of female care (femcare) • Falling birthrate and aging population and expansion of skin care market in the area of nursing • Intensification of competition between companies
Overview	• Implementation of projects with alginic acid as the underlying theme • Development of our business foundation and improving productivity	• Growth in sales of Collage Furfur and Collage Repair • Manufacture and sale of high quality products
Scale of business	—	7.1 billion yen (7% of net sales)
Main products	ReFeel 	Collage Furfur　Collage Repair 
Research & Development	• Obtained manufacturing and marketing approval for Mochi-Gel • In process of developing dMD-002 and dMD-003	• Creating products that meet needs identified through communication with medical professionals • Developing high performance skin care products supported by clinical trial data conducted
Global expansion	• Expanding applications for ReFeel in the U.S.	—

Pharmaceutical Business

Research & Development and Licensing Activities

Research

In our research, based on our unique research and development capabilities and diverse technological knowhow cultivated over many years. A TRPV1 antagonist discovered by Mochida Pharmaceutical is being developed for dry eye disease by Senju Pharmaceutical Co., Ltd. In January 2025, Senju Pharmaceutical filed for manufacturing and marketing approval for a TRPV1 antagonist.

We are also taking on the challenge of addressing unmet medical and health needs, including addressing intractable and rare diseases that have been difficult to treat with conventional small molecules and antibody drugs alone. Through open innovation and drug discovery utilizing external resources to incorporate new modalities that are expected to grow in the future, we aim to enhance our drug discovery pipeline.

- **Oligonucleotide drugs**

Our Drug Discovery Research Center is focusing on projects researching small interfering RNA (siRNA) drugs, which are a type of oligonucleotide drugs. We are currently has discovering numerous new siRNA drug candidates, and in addition to developing them domestically, we are also promoting global expansion through licensing-out and partnerships with overseas companies. We will actively seek to acquire human capital with high levels of expertise as well as drug discovery technologies, to build a competitive research framework. We aim to become a leading company in siRNA drugs with the ability to continuously develop siRNA drugs by promoting the creation of innovative siRNA drugs that meet unmet medical needs.

- **Cellular Medicines**

We will collaborate with companies that possess knowledge and technology related to regenerative medicines for each type of cells, and advance research and development and the establishment of manufacturing systems and are currently promoting three cell projects: stem cells from human exfoliated deciduous teeth (SHED), high purity mesenchymal stem cells (RECs: Rapidly Expanding Cells), and mesenchymal stromal cells obtained from the umbilical cord (HLC-001).

We are working with S-Quatre Corporation on the commercialization of SHED. In March 2025, we signed a joint commercialization agreement with S-Quatre Corporation to advance research and development of SHED for new indications, including pediatric cerebral palsy and traumatic brain injury. In collaboration with PuREC Co., Ltd., we are researching regenerative medicine products that combine REC and sodium alginate and developing processes to manufacture them. As for HLC-001, evaluation of the Phase II clinical trial conducted by Human Life CORD Japan Inc. is complete and we are now preparing for the next stage of development.

Ethical response to the treatment of laboratory animals

We have established guidelines in accordance with the “Basic guidelines for the conduct of animal experiments in implementing agencies under the jurisdiction of the Ministry of Health, Labour and Welfare” and gives due consideration to animal dignity and the principles of the 3Rs (Replacement: Use of alternative methods, Reduction: Reducing the number of animals used, Refinement: Alleviating the suffering of laboratory animals). In terms of inspection and evaluation by an independent third party, we undergo onsite inspections by the Japan Pharmaceutical Information Center (JAPIC) and have obtained accreditation.

Drug Discovery Research Center (Gotemba, Shizuoka)

Oligonucleotide drugs

Oligonucleotide drugs are pharmaceuticals that are derived from nucleotides, which are the basic building blocks of DNA and RNA, and that are manufactured by chemical synthesis. Unlike antibody drugs and small-molecule drugs, oligonucleotide drugs are expected to offer definitive treatment because they bind with high specificity to RNA molecules such as mRNA and break them down, making the proteins produced by this mRNA disappear. siRNAs, which are a type of nucleic acid drug, if the target gene sequence is known, new siRNA drug candidates can be developed quickly, and it is possible to continuously create and evaluate compounds that can become new drug candidates through a standardized process.

Development

By ensuring that the clinical development of pipeline drugs proceeds as scheduled, we have succeeded in obtaining manufacturing and marketing approval seamlessly every year. We are actively focusing on the development of treatments for refractory diseases which involves a high degree of complexity, as well as development aimed at establishing appropriate dosage and dministration for pediatric patients. In September 2024, we approval for an additional indication of Treprost Inhalation Solution for pulmonary hypertension associated with interstitial lung disease in Japan. And in June 2025, we approval for a partial change application in approved matters of ulcerative colitis treatment Lialda to add dosage and administration for pediatric patients and obtained marketing approval for Lialda tablets 600mg. We are also involved in the development of biosimilars, and we filed for manufacturing and marketing approval in Japan for a tocilizumab biosimilar (development code: RGB-19) in March 2025. We are also working to enhance our development pipeline by identifying unmet medical needs, and currently have two products in the application stage, one product in Phase III clinical trials, and two products in Phase II/III clinical trials (as of August 2025).

Intellectual Property (IP) Management

In our business activities, we endeavor to obtain, protect, and utilize IP rights, including patents, in anticipation of global commercialization, licensing, collaborative research and other technical alliances. We also regularly conduct searching and evaluation of third-party's IP rights from the viewpoint of respecting their rights, and work to prevent IP risks in our businesses. We carry out various IP-related assessments, especially when making important decisions, for example when deciding whether to move to the next stage of drug development. Also, with respect to new drug discovery modalities, we encourage the creation of intellectual property in anticipation of global expansion and promote the strategic utilization of intellectual property. The intellectual property of subsidiaries is also collectively managed and applied to facilitate utilization of intellectual property within the Group.

Development pipeline of ethical drugs

(As of August 1, 2025)

Development Code <Generic Name> [Product name]	Stage					Indications	Formulation	Remarks
	Phase I	Phase II	Phase III	Filed	Approved			
MD-711 <treprostinil> [Treprost Inhalation Solution]						Pulmonary hypertension associated with interstitial lung disease (additional indication)	Inhalant	
MD-0901 <mesalazine> [Lialda]						Ulcerative colitis (pediatric indication)	Oral	
RGB-19 <tocilizumab>						Rheumatoid Arthritis	Injection	Biosimilar
FYU-981 <dotinurad> [Urece]						Gout and hyperuricemia (pediatric indication)	Oral	
MD-352 <dienogest formulation>						Dysmenorrhea	Oral	
MD-712 <treprostinil>						Pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease	Dry Powder Inhaler	
MND-21 <icosapent> [Epadel]						Hypertriglyceridemia	Oral	Development country: China

Licensing Activities

Most of our activities are being conducted in alliance with partners including academia-industry cooperation and industry collaboration in Japan and overseas. We promote the in-licensing activity of development programs and developed products in our strong areas and focused fields, the in-licensing and out-licensing of useful products which contribute to the society, including unique drug formulations with additional value which meet customer needs as well as medical needs.

We are also leveraging our alliances in Thailand, Vietnam and other ASEAN countries, China, Taiwan, South Korea, the U.S., and other parts of the world to market our high purity EPA drug globally. In Thailand, the subsidiary of Meiji Seika Pharma Co., Ltd. obtained approval to import and market our EPA drug for the treatment of hypertriglyceridemia in October 2020 and commenced sales in April 2021. In Vietnam, an alliance partner of Meiji Seika Pharma Co., Ltd. obtained for approval to import and market our EPA drug. And we are currently preparing for its launch. In China, our development partner Sumitomo Pharmaceuticals (Suzhou) Co., Ltd., which is an overseas subsidiary of Sumitomo Pharma Co., Ltd., has filed a new drug approval application. We expect that an overseas subsidiary of Meiji Seika Pharma Co., Ltd. will assume responsibility for sales.

We are also considering the expansion of our dienogest formulation into Asia.

Major Alliances

Alliance Partner	Country	Subjects (Year of Conclusion)
EA Pharma Co., Ltd.	Japan	Purchasing and exclusive distribution of Atelec (1997) Purchasing and exclusive distribution of Atedio (2013) Co-development and co-distribution of Goofice (2016) Co-development and co-distribution of Movicol (2017)
S-Quatre Corporation	Japan	Co-development and exclusive distribution of regenerative medicines for the treatment of rare and intractable diseases in the gastrointestinal area such as isolated hypoganglionosis (2020) Co-development and exclusive distribution of stem cells from human exfoliated deciduous teeth (SHED) based treatment for pediatric cerebral palsy and traumatic brain injury (2025)
LG Chem, Ltd.	South Korea	Development and exclusive distribution of Etanercept BS MA (2012) Development and exclusive distribution of Adalimumab BS MA (2014)
Kuhnil Pharm. Co., Ltd.	South Korea	Sales partnership in South Korea for Epadel (2024)
Gedeon Richter Plc.	Hungary	Development and exclusive distribution of biosimilars, including Teriparatide BS MOCHIDA (2010)
Sumitomo Pharma (Suzhou) Co., Ltd.	China	Development partnership in China for Epadel (2016)
Senju Pharmaceutical Co., Ltd.	Japan	Development of TRPV1 antagonists
Takeda Pharmaceuticals U.S.A., Inc.	U.S.	Development and exclusive distribution of Lialda (2009)
Nissui Corporation	Japan	Purchasing of API of Epadel (1990)
Eli Lilly Japan K.K.	Japan	Purchasing and exclusive distribution of Omvoh (2022)
Bayer AG	Germany	Development, manufacturing and exclusive distribution of Dinagest (1992)
Human Life CORD Japan Inc.	Japan	Co-development and exclusive distribution of regenerative medicines product HLC-001(2023)
PuREC Co., Ltd.	Japan	Tripartite collaborative research, involving academia using high-purity mesenchymal stem cells (RECs-Rapidly Expanding Cells) and ultra-purified sodium alginate (2020)
Ferring Pharmaceuticals Co., Ltd.	Japan	Purchasing and exclusive distribution of Cortiment (2022)
FUJI YAKUHIN Co., Ltd.	Japan	Co-development and exclusive distribution of Urece (2017)
Meiji Seika Pharma Co., Ltd.	Japan	Sales partnership for Epadel: Taiwan (2017), Vietnam (2020), China (2024), ASEAN and Taiwan (2024)
Janssen Pharmaceutical K.K.	Japan	Purchasing and exclusive distribution of Tramcet (2013)
United Therapeutics Corporation	U.S.	Development and exclusive distribution of Treprost (2007) Development and exclusive distribution of Treprost Inhalation Solution (2017) Development and exclusive distribution of TYVASO DPI ™ (2024)
H. Lundbeck A/S	Denmark	Development, manufacturing and exclusive distribution of Lexapro (2001)

Production

The Group's medical products are mainly manufactured by Mochida Pharmaceutical Plant Co., Ltd. ("MPP"). The Head Office Plant in Ohtawara, Tochigi Prefecture manufactures injectable, solid (tablets, capsules, etc.) and semi-solid (creams, ointments, gels, etc.) medicines. In order to properly implement product quality management and strengthen our manufacturing capabilities to ensure a stable supply, we are working to build a stable production system over the medium to long term, manage operational risks related to product supply, and enhance our product quality and safety management systems.

Production of High Quality Pharmaceuticals

MPP's production facilities meet requirements under Japanese Good Manufacturing Practice (JGMP) and international guidelines such as the pharmaceuticals Good Manufacturing Practice guidelines provided by the Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S GMP). In addition, computer-integrated systems control all the processing stages, from the receipt of raw materials to final shipping, to ensure that all products are manufactured to the highest standards of quality.

State-of-the-art Drug Manufacturing Technologies

Like research and development, pharmaceutical manufacturing processes demand a high level of technological capability. We utilize decades of manufacturing know-how to provide technologically high value products such as the enzyme/protein preparations and biological products at which we excel and products which are considered difficult to manufacture such as freeze-dried injectables.

We also have dedicated areas, equipment and technologies for the manufacturing of solid dosage forms that require advanced encapsulation systems.

Packaging to Meet Healthcare Needs

In our production activities, we constantly strive to meet healthcare needs, and have introduced a definitive total quantity confirmation system with material code displays and a unified bar code system, to increase the efficiency of drug management. We also consider the healthcare settings in which our products are used and are focusing on initiatives such as the use of plastic bottles made from one type of material to facilitate sorting and disposal and the development of container designs with different shapes to prevent medical errors.

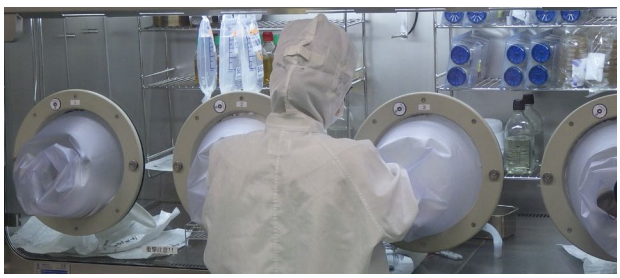
Contracted Manufacturing

Besides manufacturing the Group's products, MPP is also involved in contracted manufacturing for other companies. Leveraging the experience built up as the manufacturing subsidiary of a pharmaceutical company, MPP reliably manufactures and supplies high quality products at reasonable prices, accommodating a wide variety of product specifications and scale requirements.

Mochida Pharmaceutical Plant Co.,Ltd. (Ohtawara, Tochigi)

Freeze dryers and automatic guided vehicles (AGV)

Tablet press for the production of solid dosage forms



Sterility environment testing system

Quality Control and Safety Management

Drugs affect human life and health. Accordingly, in the various processes from drug manufacturing to their distribution and use, pharmaceutical companies are required to exercise quality control and post-marketing safety management by methods in compliance with the Ministerial Ordinance on Standards of Quality Assurance for Drugs, Quasi-drugs, Cosmetics and Medical Devices (GQP Ministerial Ordinance) and the Ministerial Ordinance on Standards for Post-Marketing Safety Control of Drugs, Quasi-drugs, Cosmetics, Medical Devices, and Regenerative Medicine Products (GVP Ministerial Ordinance) issued by the Ministry of Health, Labour and Welfare.

In the Group, the RA, QA and PV divisions manage and evaluate the quality of products handled. These divisions also work on business activities related to the stable supply of drugs by, for example, ensuring appropriate manufacturing control and quality control and working to manage market shipments. Pharmacovigilance activities consisting of the collection and evaluation of information from a wide range of sources such as reports from medical institutions, information from scientific literature and societies is used to inform necessary measures. In addition to traditional aggregation and evaluation, our RA, QA and PV divisions have also started using medical information databases in their pharmacovigilance and safety evaluation activities. These divisions support business activities by ensuring the reliability of products through such quality and safety management activities.

Sales and Information Provision Activities

Appropriate Information Provision Activities

Pharmaceuticals achieve the desired effects only when used correctly. Pharmaceutical companies are required to provide healthcare professionals with accurate information about pharmaceuticals quickly, to collect and evaluate information about efficacy, safety and adverse drug reactions from doctors who have prescribed them and relay this information back to healthcare professionals. We are working to expand and enhance activities for the provision of information to healthcare professionals by combining information provision activities by medical representatives with medical and pharma seminars and digital marketing (dissemination of information about prescription drugs online, webinars and other digital marketing tools).

We also aim to contribute to the treatment of patients by using AI to provide information that meets the needs of healthcare professionals.

Four Targeted Areas

Currently, we are engaging in information dissemination centered around our main products, there are four targeted areas: cardiovascular medicine, especially treatments for lifestyle diseases such as hyperlipidemia, hypertension, and hyperuricemia; gastroenterology, including treatments for ulcerative colitis and chronic constipation; obstetrics and gynecology, including treatments for endometriosis and dysmenorrhea, and pregnancy test kits; and psychiatry, with emphasis on treatments for depression and social anxiety disorder.

Product Name
International Nonproprietary Name (INN)
Main Indications

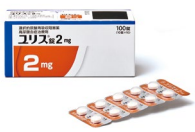
Goofice
elobixibat
Chronic constipation

Omvoh
mirikizumab
Ulcerative colitis and crohn's disease

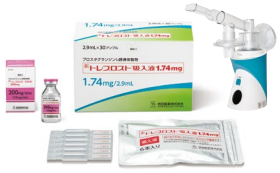
Cortiment
budesonide
Ulcerative colitis

Lialda
mesalazine
Ulcerative colitis

Movicol
macrogol 4000, sodium chloride, sodium bicarbonate, potassium chloride
Chronic constipation



Urece
dotinurad
Gout and hyperuricemia



Treprost
treprostinil
Pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease

Providing Three Types of "Value" Through Products

We provide three types of value through our products. We provide "new value" through new drugs, "unwavering value" through flagship drugs that will support business growth in the long term, and "medical economic value" through generics and biosimilars.

We will continue to provide these three types of value while at the same time working to expand product value through activities such as post-marketing clinical trials and database research to generate evidence.

New value in bringing new drugs to the market

Bringing eight new drugs to market in 10 years
Contributing to new and better medical care

New drugs launched since 2015

Hyperuricemia	Urece
Inflammatory bowel disease	Lialda, Cortiment, Omvoh
Chronic constipation	Goofice, Movicol
Pulmonary arterial hypertension	Treprost Inhalation Solution
Hyperlipidemia	Epadel EM

Unwavering value from flagship drugs

Epadel

More than 30 years since its launching
Contributing to medical care in Japan through the treatment of dyslipidemia and the prevention of arteriosclerotic diseases

Dinagest formulation

Over 100 years since its founding
Growing as a specialty pharmaceutical company in the obstetrics and gynecology field
Contributing to improving women's QOL and social advancement

Medical economic value of generic drugs and biosimilars

No.1 in Japan biosimilar sales[*1]

FY2024 Japane by Main Developer
No. 1 in biosimilar drug price sales

Widely providing pharmaceuticals with high medical needs as economical, high-quality generic drugs and biosimilars
Contributing to Japan's medical economy

*1 Copyright © 2025 IQVIA. Calculated based on JPM 2024 Reprinted with permission

Five Major New Drugs

Products	Features	FY2024 sales (Billions of yen)
Urece	Selective Urate Reabsorption Inhibitor (SURI) that is expected to be efficient at increasing uric acid excretion and lowering serum uric acid levels because it shows high selectivity for URAT1, a transporter present in the proximal tubules of the human kidney which promotes the reabsorption of uric acid, whilst having a small effect on other transporters. We will focus on stressing product features and clinical trial data, aiming to contribute to better uric acid control.	4.6
Omvoh	World's first anti-IL-23p19 monoclonal antibody to be used for the treatment of ulcerative colitis. Clinical trial results have demonstrated improvement in bowl urgency, which is one of the symptoms that affects the QOL of patients with ulcerative colitis. It received the approval of an additional indication for the treatment of crohn's disease in March 2025. We will leverage clinical trial data showing long-term efficacy and safety, with the aim of increasing our market presence.	5.6[*2]
Cortiment	Oral drug delivery system (DDS) formulation with budesonide, a locally acting steroid, as the active ingredient. It is designed to achieve colon-specific delivery of budesonide and sustained release of budesonide to the colon. Enable treatment in a single daily dose. We aim to help improve the QOL of patients with ulcerative colitis, as this product is a colon specific drug delivery system and can be expected to have good patient adherence.	0.5
Goofice	Bile acid transporter inhibitor, indicated for the treatment of chronic constipation. Inhibits the reabsorption of bile acids thereby increasing the flow of bile acids to the colon. The dual action of moisture secretion and bowel movement promotion facilitates defecation. Through the promotion of natural defecation, we aim to help improve the QOL of patients with chronic constipation and increase our market share.	8.3
Treprost	Therapeutic agent for the rare disorder pulmonary arterial hypertension, available as an injection and an inhaled formulation. The inhaled formulation obtained approval for the additional indication of pulmonary hypertension associated with interstitial lung disease in September 2024. This represents the first treatment approved in Japan for this specific condition. We will seek to maximize the synergies of the different formulations, aiming to help improve the QOL of patients suffering from the rare disorder.	4.2

*2 NHI price

Flagship Drugs

• Epadel (Highly Purified EPA formulation)

Since launching Epadel Capsule in 1990, we have been contributing to the treatment of hyperlipidemia and arteriosclerosis obliterans for more than 30 years.
To meet diverse needs, we launched Epadel S, an easy-to-swallow seamless capsule 4 mm in diameter, in 1999, followed by Epadel EM, a self-emulsifying formulation of highly purified EPA which can be administered once daily, in September 2022. In addition, Mochida Pharmaceutical Sales Co., Ltd. obtained manufacturing and marketing approval for the authorized generic of Epadel S in August 2025, and is currently preparing for its launch.
Going forward, we will continue providing high purity EPA formulations as the pioneer of EPA formulations, aiming to be No. 1 in Japan for EPA formulations by volume.

1990 Launched Epadel Capsule
Indications: Improvement of ulcers, pain, and cold sensation associated with arteriosclerosis obliterans

1994 Epadel Capsule
Added indication for hyperlipidemia

1999 Launched Epadel S 300 and 600
Indications: Improvement of ulcers, pain, and cold sensation associated with arteriosclerosis obliterans and hyperlipidemia

2004 Launched Epadel S 900

2022 Launched Epadel EM
Indications: Hyperlipidemia

2025 Obtained manufacturing and marketing approval for the authorized generic of Epadel S

• Dinagest formulation

We have focused on products related to women's health for more than 100 years since its foundation.

We are currently increasing our presence in the obstetrics and gynecology field, focusing on Dinagest formulation, indicated for endometriosis, the reduction of pain caused by adenomyosis and the treatment of dysmenorrhea.

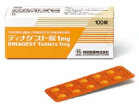
In 2008, we launched Dinagest Tablets 1mg, a pioneering oral medication for endometriosis, receiving approval of an additional indication, the reduction of pain caused by adenomyosis, in 2016.

In 2020, we also launched Dinagest Tablets 0.5mg specifically for dysmenorrhea.

Additionally, Mochida Pharmaceutical Sales Co., Ltd. sells the authorized generics of Dinagest Tablets 1mg, Dinagest OD Tablets 1mg and Dinagest Tablets 0.5mg, making Dinagest formulation available according to needs.

Going forward, we will continue helping improve women's QOL as a specialty pharmaceutical company in the obstetrics and gynecology field, focusing on Dinagest formulation.

2008 Launched Dinagest Tablets 1mg
Indications: Endometriosis



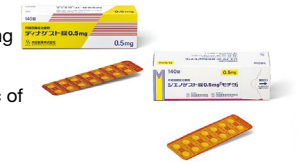
2015 Launched Dinagest OD Tablets 1mg*1
Indications: Endometriosis

*1 Announcement of discontinuation of production and sales in June 2025

2016 Dinagest Tablets 1mg and Dinagest OD Tablets 1mg
Added indication for Pain caused by adenomyosis

2017 Launched the authorized generic of Dinagest Tablets 1mg and Dinagest OD Tablets 1mg

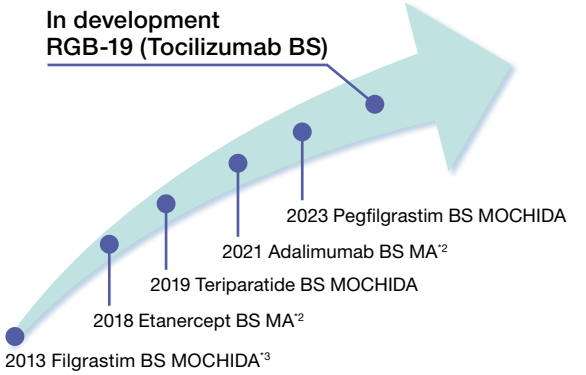
2020 Launched Dinagest Tablets 0.5mg
Indications: Dysmenorrhea



2022 Launched the authorized generic of Dinagest Tablets 0.5mg

Biosimilars

We currently handle four biosimilars. We have consistently provided biosimilars for more than 10 years since 2013 and have built up a track record in both development and sales. Leveraging the track record, we have built up to date, we will continue supplying biopharmaceuticals that address high medical needs and contribute to Japan's medical economy.



*2 Etanercept BS MA and Adalimumab BS MA are sold by AYUMI Pharmaceutical Corporation.
*3 Filgrastim BS MOCHIDA was discontinued in 2022.

MOCHIDA BIOSIMILAR
持田の品質と信頼を より多くの人に

Biomaterials Business

In addition to the current mainstay pharmaceutical and healthcare businesses, we are focusing on the biomaterials business, which is positioned as one of the pillars of the next generation. In particular, we are promoting and developing various projects in the biomaterials business based on alginate, which has numerous potential applications in the medical and biotechnological field.

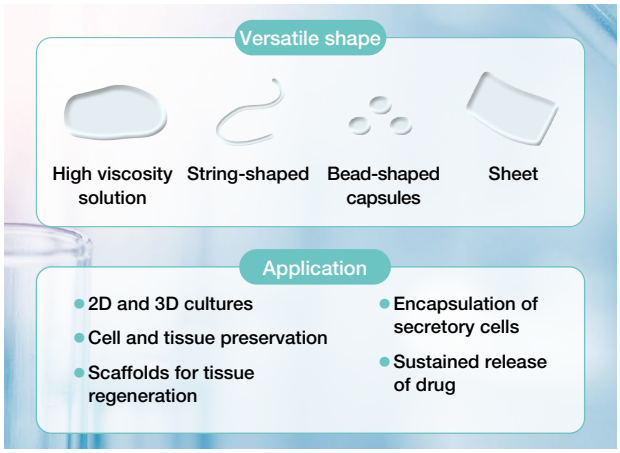
Sodium alginate is a high polymeric substance derived from brown algae. It has the property of forming a gel and can be processed into various forms and hardness. Possible applications of alginate in the biotechnological and medical fields include 2D and 3D culture, cell and tissue preservation, scaffolds for tissue regeneration, encapsulation of secretory cells, and sustained release of drugs. We are working on various medical applications of endotoxin-free sodium alginate that can be used in living organisms.

Looking at our development pipelines, in June 2024, we obtained 510(k) clearance* in the U.S. for ReFeel, a material that supports nerve regeneration, and launched for the purpose of collecting clinical data. In July 2025, we obtained manufacturing and marketing approval for the Cartilage Repair Device Mochi-Gel (development code: dMD-001). Preparations for the insurance coverage and launch of Mochi-Gel are now underway.

We are also working on the development of a material using alginate sheets to treat cavernous nerve ingury damage during radical prostatectomy, and tissue adhesion prevention materials for tissue resection.

In addition, our head office and Fujieda site were awarded ISO13485 certification, the international standard for quality management systems for medical devices, in 2024, and are promoting the development of high-quality medical devices.

* 510(k) clearance is required for the sale of Class II medical devices in the U.S.



Building the Biomaterials Business into a Next-generation Business Pillar

In 2024, we succeeded in launching ReFeel, our first product in the biomaterials business. ReFeel is a product we have developed in-house and launched in the U.S. market, and it represents a huge achievement for us in our pursuit of global expansion.

Then, in July 2025, we obtained manufacturing and marketing approval in Japan for the Cartilage Repair Device Mochi-Gel, and this business is about to take off.

Mochi-Gel is a product created through joint research with Hokkaido University. This product is the first product to be approved as a cartilage repair device in Japan. Since cartilage injury does not heal on its own, cartilage injury has previously been treated by harvesting the patient's healthy cartilage and cells and transplanting them into the injury site. However, the damage to the donor site, in other words, the physical strain on the patient is problematic, and there were unmet medical needs in relation to this issue. We have high hopes that this product can help meet unmet medical needs because it offers the possibility of surgery which does not require the harvesting of healthy cartilage and cells. We have received many expressions of interest in the product, including from the medical profession. This product will offer a new option for the treatment of articular cartilage injuries and can help improve the QOL of patients. With this in mind, we will push ahead with preparations for its launch.

Going forward, we will continue creating products that meet needs and steadily expand and promote the biomaterials business as one of our business pillars.

Junichi Sakaki, Ph.D.
Representative Director
Senior Executive Managing Officer

Development pipeline of medical device

(As of August 1, 2025)

Development Code [Product name]	Stage				Intended use or indications	Remarks
	Therapeutic exploratory study	Therapeutic confirmatory study	Filed	Approved		
dMD-001 [Mochi-Gel]	→	→	→	→	Articular cartilage lesion	Sodium alginate <Medical device composed of a sodium alginate solution and a calcium chloride solution for turning the alginate into a gel>
dMD-002	→	→			Cavernous nerve injury	Alginate sheet <Sheet material obtained by covering both sides of a polyglycolic acid nonwoven fabric with freeze-dried sodium alginate>
dMD-003	→	→			Post-operative adhesion	Alginate sheet <Alginate processed into a sheet-like material to promote adhesion (does not include polyglycolic acid nonwoven fabric)>

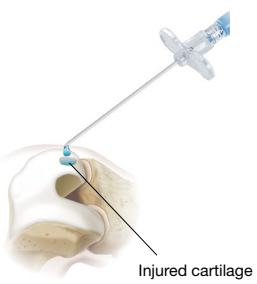
The Cartilage Repair Device Mochi-Gel

Mochi-Gel is the first product to be approved as a cartilage repair device in Japan.

This product can be used to treat articular cartilage injuries as a result of traffic accidents, sports injuries or overuse. Articular cartilage is the tissue that covers the ends of bones where they come together to form joints such as the knee or elbow. It acts like a cushion and lubricates the movement of the joints. Articular cartilage injuries occur when the cartilage is damaged due to a sports injury or other cause and they significantly affect the QOL of patients, leading to painful symptoms and making it difficult to do everyday activities.

This product consists of a sodium alginate solution and a calcium chloride solution for turning the alginate into a gel. By implanting this product at the site of an articular cartilage injuries, the sodium alginate solution turns into a gel, creating an environment suitable for the differentiation of stem cells contained in bone marrow into chondrocytes. Articular cartilage injuries typically do not heal on their own, but differentiated chondrocytes remaining in the damaged area can form durable hyaline-like cartilage. The implanted alginate gel then degrades and disappears.

Usage image



ReFeel, a Material that Supports Nerve Regeneration

ReFeel launched in the U.S. for the purpose of collecting clinical data.

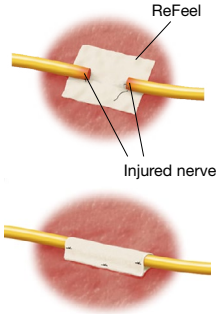
This product can be used to treat peripheral nerve injuries as a result of sports injuries, traffic accidents or overuse. In the U.S., around 200,000 peripheral nerve repair procedures are performed annually*.

This product is a medical device that is a sheet material composed of sodium alginate and polyglycolic acid nonwoven fabric. The sheet material is obtained by covering both sides of a polyglycolic acid nonwoven fabric with lyophilized sodium alginate. Sodium alginate creates an environment favorable to nerve regeneration in the damaged nerve site, supporting the repair and regeneration of nerves. The polyglycolic acid nonwoven fabric ensures the flexibility and strength of the sheet material during use. When grafted between the ends of a torn or damaged nerve, this product supports nerve regeneration. Furthermore, this product ultimately degrades completely, leaving only the regenerated nerve tissue.

In Japan and the U.S., we are examining development of this product for the prevention of adhesions following tendon reconstruction.

* Global Nerve Repair Biomaterial Market Insights, Forecast to 2025 (QYReseach, 2018)

Usage image



Healthcare Business

As a member of Mochida Pharmaceutical Group, Mochida Healthcare Co., Ltd. (MHC) has developed high value-added skin care products under the motto “farsighted, innovative research.” We will continue developing innovative products using the capabilities we have fostered through the development of pharmaceuticals.

Main Activities

Our main activities in the healthcare business are the development, production, distribution, and sales, providing scientific information and marketing of skincare products.

Development

In order to deliver skin care products that are both low irritating and functioning based on dermatology, MHC gains an understanding of needs through communication with physicians, pharmacists, and nurses and develops products supported by clinical trial data conducted. MHC is committed to developing products that make an impression on customers, striving for “Japan first” products, unique products in Japan, and “No.1” products, rather than run-of-the-mill products that can be found anywhere.

Production

To deliver high quality products, MHC manufactures its products based on a strict quality control system, mainly at the Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd. When manufacturing products, MHC is constantly aware of the need to maintain a stable supply of products and the need to reassess manufacturing practices, including raw materials and containers, in light of environmental concerns.

Distribution and Sales

MHC wants its products to be recommended by experts at the point of sale. With this in mind, MHC gives top priority to pharmacies and drug stores which have pharmacists and beauty advisors working at them. MHC puts effort not only into store sales but also into mail order sales, aiming to make its products widely available to customers with sensitive skin and other skin problems.

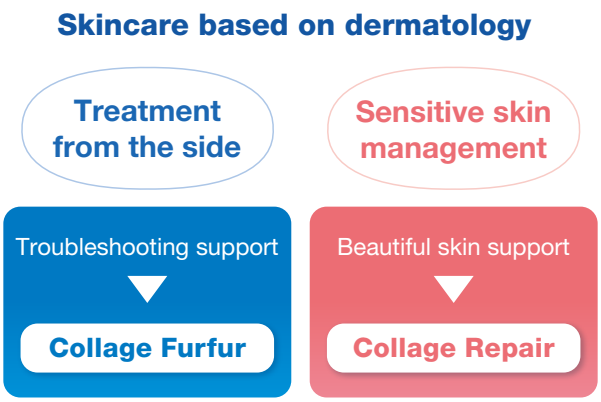
Scientific Information

MHC has established a free call and email based counselling service, which customers can use to make inquiries about products and skincare regimes or give feedback directly. MHC also provides scientific information about products to hospitals, pharmacies, and drug stores.

Marketing

MHC is promoting marketing strategies for each product, focusing on the two brands Collage Furfur and Collage Repair. As highly functional skincare brands based on dermatology, MHC is targeting the following markets: “dandruff and an itchy scalp,” “delicate zone cleansing,” and “protective skincare,” and we aim to be number one in each of these areas.

MHC strives to gain an understanding of skincare-related consumer trends and market conditions through paper-based and online surveys, and other means. Taking the feedback and requests of people suffering with skin problems and sensitive skin seriously, MHC also engages in information provision and promotional activities to ensure that information about its products and skincare is readily available.



Major brands

Skincare for those concerned about skin problems

Collage Furfur

The main products include hair care products containing an antimycotic agent. In 1999, we launched Japan's first medicated shampoo containing an antimycotic (antifungal) agent (miconazole nitrate). This product was developed based on the novel concept of caring for the scalp, given that dandruff is triggered by the growth of fungus on the scalp. Currently, MHC also provides body care soaps and medicated foaming facial wash that contain antimycotic ingredients. Furthermore, MHC also provides hair growth agents containing a female hormone for women worried about hair thinning and hair loss, and barrier cream for preventative skincare for those wearing diapers to protect the skin. MHC will continue to provide products that provide indirect support for various skin problems.

Collage Furfur

■ Mochida Healthcare products

https://hc.mochida.co.jp/products/

Skincare for sensitive skin management and beautiful skin support

Collage Repair

Focusing on low-irritating, fragrance-free, color-free products for delicate skin, we provide dermatological skin care products as a pioneer of skin care products for sensitive skin. MHC provides products that can be used for protective skin care for those seeking beautiful skin, as well as for managing sensitive skin, such as lotions, moisturizing creams, and soaps that support the skin's natural barrier function.

Collage Repair

The first skincare babies experience

Skina Babe

Our group's first skincare product was Skina Babe bath lotion for babies. Skina Babe was developed in 1970 in response to calls from obstetricians and gynecologists for a less slippery, safer bath lotion for washing babies without using soap. Today, more than 50 years after its launch, Skina Babe still enjoys wide popularity. In 2018, we also launched a related product, Skina Babe Baby Milky Lotion, which protects the skin from birth.

Skina Babe

3 Governance

Basic Policy on Corporate Governance

Mochida Pharmaceutical strives to increase Mochida Pharmaceutical Group's corporate value by placing the fulfillment of corporate governance and the reinforcement of compliance at the axis of Group management, to better respond to our stakeholders' trust and expectations.

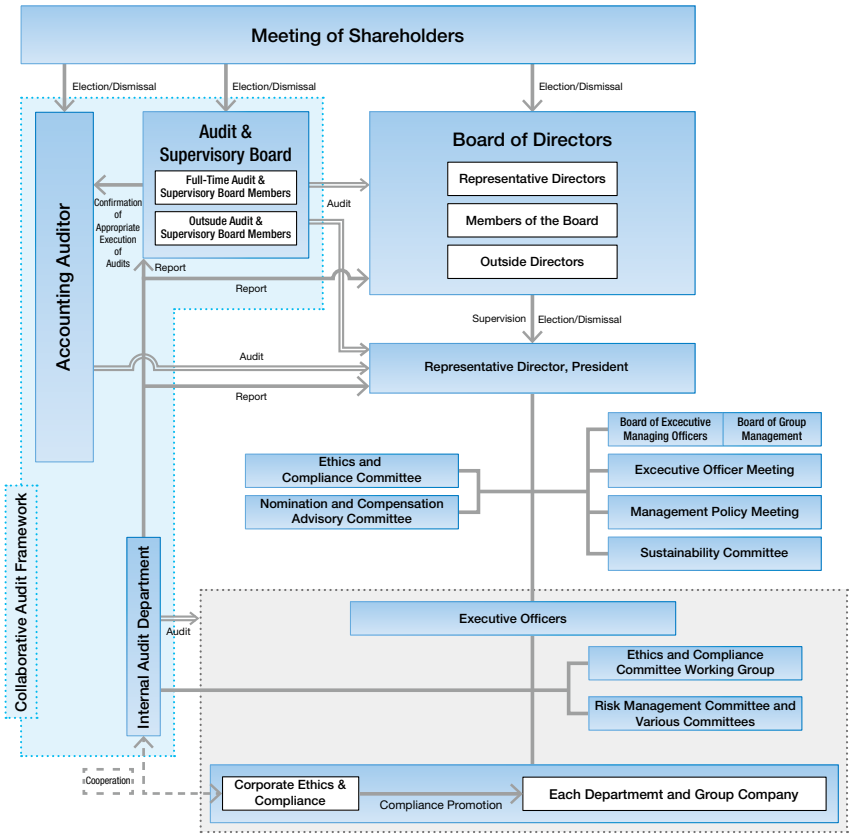
■ Corporate Governance

https://www.mochida.co.jp/english/ir/corporate_governance/index.html

Fulfillment of Corporate Governance

As part of Mochida Pharmaceutical Group policy on reinforcing corporate governance, important management decisions are discussed thoroughly by the Management Policy Meeting, if necessary, and are then made through discussion by the Board of Executive Managing Officers and the Board of Group Management, both of which meet on a weekly basis. Mochida Pharmaceutical's Board of Directors includes Outside Directors, and the executive officer system has also been introduced to clearly separate the functions of the Board of Directors into management decision-making and the supervision of business operations so as to expedite management decision-making and business operations. For the purpose of strengthening objectivity and accountability for the nomination of Members of the Board, Executive Officers and Audit & Supervisory Board Members and for the determination of remuneration for Members of the Board and Executive Officers, Mochida Pharmaceutical has established the Nomination and Compensation Advisory Committee, a majority of which comprises Outside Directors, as a voluntary advisory body to Representative Directors, and our corporate decisions on such nomination and compensation are made in light of the opinions of said Committee.

Corporate Governance Structure



Reasons for adopting the current corporate governance structure

As reasons for adopting the current corporate governance structure, considering Mochida Pharmaceutical's size and business nature, we judge that at this point in time, the most suitable governance structure to pursue management efficiency and to ensure the appropriate function of checking the management simultaneously requires: (1) management decision-making by the Board of Directors with a reasonable number of members, comprising inside Members of the Board with thorough knowledge of Mochida Pharmaceutical and its business and Outside Directors with abundant knowledge and experience in specialized fields, and (2) a system for checking the management by Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members.

The Board of Directors

• Roles of the Board of Directors

The Board of Directors deliberates and determines important matters in accordance with the standards for Board Meeting agenda. An ordinary meeting of the Board of Directors is held once per month, and an extraordinary meeting of the Board of Directors is held as necessary. In FY2024, 14 meetings of the Board of Directors were held, and decisions on important matters that require management's judgment were made in an appropriate manner. Attendance rate of Members of the Board including Outside Directors was 100%.

• Composition of the Board of Directors

The Board of Directors comprises 7 Members of the Board and 4 Outside Directors, making a total of 11 members. In addition, meetings of the Board of Directors are attended by two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members, making a total of five Audit & Supervisory Board Members.

• Appointment policy of Directors

Mochida Pharmaceutical's policy for the selection of Directors is to appoint individuals with suitable and sufficient qualities to be part of the company's management team. In addition, candidates for Internal Directors must have extensive experience, knowledge and ability in the Company's business areas and functions, and candidates for Outside Directors must have no special interest in the Company while having extensive knowledge, experience and ability in corporate management, legal affairs or another specialist area and they must be individuals who can be expected to incorporate deep management insights into the company's management.

• Specific matters considered at Board of Directors' meetings

Main agenda items include proposals for the general meeting of shareholders, important personnel changes and organizational changes, establishment, revision and abolition of important internal regulations, acquisition and cancellation of own shares, medium-term and single-year management and business plans (including state of progress), sustainability initiatives (including status of activities), evaluation of effectiveness of Board of Directors, risk management and compliance structure, and disposition of important property.

Major matters deliberated and reported in FY2024

- Formulation of the 25-27 Mid-Term Management Plan
- Signing of an agreement concerning marketing rights for *Epadel* in the ASEAN region and Taiwan with Meiji Seika Pharma Co., Ltd.
- Signing of an agreement concerning marketing rights for *Epadel* in South Korea with Kuhnil Pharm. Co., Ltd.
- Organizational restructuring aimed at strengthening the biomaterials business (establishment of Medical Device Business Development Department)

The Audit & Supervisory Board

• Roles of the Audit & Supervisory Board

The Audit & Supervisory Board is responsible for making decisions on audit policies and audit plans, reviewing the status of audits by the Accounting Auditor, carrying out procedures for evaluating, appointing and dismissing the Accounting Auditor, preparing reports on the status of audits by full-time Audit & Supervisory Board members and audit reports, and studying proposals and documents to be submitted to the General Meeting of Shareholders. An ordinary meeting of the Audit & Supervisory Board is held every month and an extraordinary meeting is held as necessary. In FY2024, 16 meetings of the Audit & Supervisory Board were held.

• Composition of the Audio & Supervisory Board

The Audit & Supervisory Board comprises two Full-time Audit & Supervisory Board Members and three Outside Audit & Supervisory Board Members, making a total of five members. One of the Full-time Audit & Supervisory Board Members has many years' experience of accounting operations in our Accounting Department. One of the Outside Audit & Supervisory Board Members is a qualified Certified Public Accountant and possesses a considerable degree of knowledge about finance and accounting.

• Appointment policy of the Audit & Supervisory Board

Mochida Pharmaceutical's policy for the selection of Audit & Supervisory Board Members is to appoint individuals with suitable and sufficient qualities to be part of the company's audit team. In addition, candidates for Outside Audit & Supervisory Board Members must have no interest in the company while having a considerable degree of knowledge and experience of finance and accounting or extensive knowledge and experience of corporate management, legal affairs or another specialist area, and they must be individuals who can be expected to incorporate deep management insights into the company's management.

Number of Directors/Audit & Supervisory Board Members

(Persons)

	FY2021	FY2022	FY2023	FY2024	FY2025
Total number of Directors	10	10	11	11	11
Outside Directors	3	3	4	4	4
Female Outside Directors	1	1	1	1	2
Total number of Audio & Supervisory Board Members	5	5	5	5	5
Outside Audit & Supervisory Board Members	3	3	3	3	3
Female Outside Audit & Supervisory Board Members	1	1	1	1	1

Details of Main Meetings

Meeting	Members	Contents	Number of meetings
Board of Executive Managing Officers/Board of Group Management	Representative Directors, and Directors and Executive Officers	Held preliminary discussions on matters to be resolved by the Board of Directors, and discussed important matters related to the management of each Group company and other important matters related to management which the Representative Directors are authorized to decide	53 times
Ethics and Compliance Committee	4 Members of the Board (including 1 Outside Director), 1 Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) and 1 outside expert	Conducted internal checks and deliberated issues	1 time*
Nomination and Compensation Advisory Committee	3 Members of the Board (including 2 Outside Directors)	Considered proposals for the appointment and dismissing of the management team, the nomination of officer candidates, and compensation for the management team and Directors ahead of decisions by the relevant organizations	3 times (Attendance rate of Members of the Board including Outside Directors was 100%)
Management Policy Meetings	Representative Directors, and Directors and Executive Officers	Discussed specific measures to be implemented by each department to address important management-related matters	98 times
Executive Officer Meeting	Representative Director & President and Executive Officers	Shared reports and information about business execution	12 times
Sustainability Committee	5 Directors, 2 Managing Executive Officers	Considered action taken to address sustainability issues	2 times

*Conducted in June 2025

Analysis and Evaluation of the Effectiveness of the Board of Directors

Every year, Mochida Pharmaceutical conducts a survey targeting all Members of the Board and all Audit & Supervisory Board Members including Outside Directors and Outside Audit & Supervisory Board Members and the Board of Directors analyzes and evaluates the effectiveness of the Board of Directors as a whole based on the survey results.

The results of the surveys targeting Audit & Supervisory Board Members are used as reference. Results of analysis and evaluation in FY2024 confirmed that the Board of Directors functioned effectively. Mochida Pharmaceutical will continue making improvements to maintain and increase the effectiveness of the Board of Directors, such as sharing information and otherwise developing an environment, including appointing a Lead Outside Director and holding meetings exclusively for Outside Directors, to enable Outside Directors to fulfil their expected roles and holding more substantive discussions on the direction of management including corporate strategy.

Survey Major Items (5-point scale and open-ended responses)
- Matters related to the execution of duties by Directors
- Matters related to the overall effectiveness of the Board of Directors
- Matters related to the composition of the Board of Directors
- Matters related to the operational status of the Board of Directors
- Matters related to the discussions of the Board of Directors
- Matters related to support for Directors, etc.
- Other open opinions

Training of Directors and Audit & Supervisory Board Members

Mochida Pharmaceutical provides newly appointed Directors with explanations about their roles and responsibilities as officers, including the Group's corporate governance structure and the company's important regulations, and also provides them with opportunities for training delivered by outside organizations at the company's own expense as necessary. After assuming post, Directors are provided with training sessions on developments in the pharmaceutical industry and business-related topics that might be useful for the execution of their duties. Audit & Supervisory Board Members are provided with training in the same way as Directors. The content of training is determined by the Audit & Supervisory Board.

Supporting System for Outside Directors and Audit & Supervisory Board Members

Outside Directors are supported in a variety of ways, including the enhancement of materials for meetings of the Board of Directors, the distribution of materials ahead of meetings of the Board of Directors, and the explanation of proposals prior to meetings. Outside Audit & Supervisory Board members are also supported through the enhancement of materials for meetings of the Board of Directors and Audit & Supervisory Board, the distribution of materials ahead of meetings of the Board of Directors and Audit & Supervisory Board, and the explanation of proposals prior to meetings. The company has also appointed two full-time members of staff to assist Audit & Supervisory Board Members in their duties and serve as the Secretariat of the Audit & Supervisory Board.

Main Expertise and Careers of Members of the Board and Audit & Supervisory Board Members

	Position	Name	Attendance at meetings of Board of Directors / Audit & Supervisory Board (shown in right column)		Skills							
					Corporate Management, Sustainability	Research and Development	Business Strategy, Marketing	International Experience	IT	Finance, Accounting	Legal Affairs, Compliance	Certification
Members of the Board	Representative Director, President	Naoyuki Mochida	14/14		●		●	●		●		
	Representative Director, Senior Executive Managing Officer	Junichi Sakaki	14/14		●	●	●	●				Pharmacist
	Representative Director, Senior Executive Managing Officer	Motoi Mitsuishi	14/14		●		●	●	●	●	●	Attorney in the State of New York, U.S.A.
	Member of the Board	Yutaka Kawakami	14/14			●						Pharmacist
	Member of the Board	Junichi Nezu	12/12			●		●				Pharmacist
	Member of the Board	Kenji Miyajima	–				●					
	Member of the Board	Chu Sakata	14/14		●		●	●	●	●	●	
	Outside Director	Tomoaki Sonoda	13/14		●			●		●		Certified public accountant
	Outside Director	Shigeaki Yoshikawa	14/14		●		●	●			●	
	Outside Director	Mami Kobayashi	12/12		●		●	●	●			
	Outside Director	Sanae Tanaka	–		●						●	Attorney-at-law
Audit & Supervisory Board Members	Full-time Audit & Supervisory Board Member	Yoshiharu Hashimoto	14/14	16/16			●	●	●	●	●	
	Full-time Audit & Supervisory Board Member	Masayoshi Takeda	14/14	16/16						●		
	Outside Audit & Supervisory Board Member	Kyosuke Wagai	14/14	16/16					●	●		Certified public accountant
	Outside Audit & Supervisory Board Member	Akiko Suzuki	14/14	16/16				●			●	Attorney-at-law
	Outside Audit & Supervisory Board Member	Yoshifumi Miyata	13/14	15/16	●			●		●		

FY2024 Attendance
The difference in the number of meetings is attributable to a difference in time in office.

Skills
The list above does not cover all the experience, knowledge, and capability, etc., of each member of the Board and Audit & Supervisory Board.

Approach to Skills

The Company selects the following skills in consideration of the Group's corporate philosophy, long-term vision and materiality etc.

Corporate Management, Sustainability	• Corporate management skills to enable the Board of Directors to appropriately perform functions of management decision-making and supervision of business execution toward achieving and realizing the Group's long-term vision, materiality, medium-term management plan, etc. • Skills for the entire Group to appropriately formulate medium- to long-term management policies and plans, respond to issues related to sustainability, etc.
Research and Development	• R&D skills to grow as a unique life and healthcare group whose raison d'etre is recognized internationally through the "creation of unique products to meet needs," etc.
Business Strategy, Marketing	• Skills in business strategy and marketing in the Group's business domains, etc. to promote the "maximization of product value," etc. toward realizing "Vision for 2031".
International Experience	• Skills in decision-making from a global perspective, overseas business management, etc., in order to be recognized internationally for our raison d'etre.
IT	• Skills related to cutting-edge IT technologies that can promote the "strengthening of our management base to support growth," etc. toward realizing "Vision for 2031".
Finance, Accounting	• Skills related to finance, management accounting, management indicators, tax affairs, financial regulations, etc. necessary to improve shareholder value through continued growth investment, shareholder returns, etc.
Legal Affairs, Compliance	• Skills to ensure the effectiveness of compliance, which the Group emphasizes as a response to social needs based on the Group charter of conduct, in light of changes in the environment. • Skills related to legal affairs, etc. to make decisions appropriately based on judicial affairs and compliance risks toward realizing "Vision for 2031".

Members of the Board

1 Representative Director, President
Naoyuki Mochida

2 Representative Director
Senior Executive Managing Officer
Junichi Sakaki, Ph.D.

3 Representative Director
Senior Executive Managing Officer
Motoi Mitsuishi

4 Member of the Board
Executive Managing Officer
Yutaka Kawakami, Ph.D.

5 Member of the Board
Executive Managing Officer
Junichi Nezu, Ph.D.

6 Member of the Board
Executive Managing Officer
Kenji Miyajima

7 Member of the Board
Corporate Advisor
Chu Sakata

8 Outside Director
Tomoaki Sonoda

9 Outside Director
Shigeaki Yoshikawa

10 Outside Director
Mami Kobayashi

11 Outside Director
Sanae Tanaka

Audit & Supervisory Board Members

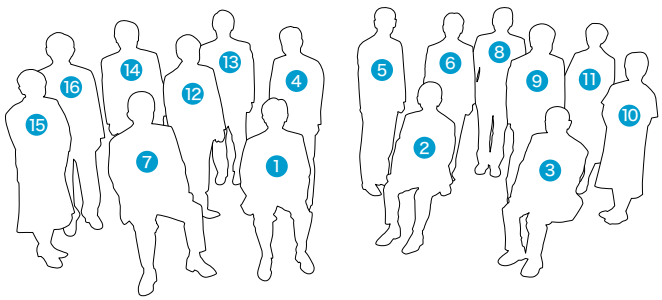
⑫ Full-time Audit & Supervisory Board Member
Yoshiharu Hashimoto

⑬ Full-time Audit & Supervisory Board Member
Masayoshi Takeda

⑭ Outside Audit & Supervisory Board Member
Kyosuke Wagai

⑮ Outside Audit & Supervisory Board Member
Akiko Suzuki

⑯ Outside Audit & Supervisory Board Member
Yoshifumi Miyata



Career Summary of Members of the Board and the Audit & Supervisory Board

Members of the Board

Naoyuki Mochida

Representative Director, President

Apr. 1981 Joined the Company
May 1986 Earned an MBA from Indiana University in the U.S.
Apr. 1988 Joined Ajinomoto Co., Inc.
Apr. 1991 Joined the Company
Apr. 1996 General Manager, Head of the Clinical Development Planning Department
Apr. 1997 General Manager, Head of the Finance Department
Jun. 1997 Member of the Board
Jan. 1998 Senior Executive Managing Officer, Head of the Corporate Planning Department
Jan. 1999 Representative Director, President (to the present)
Apr. 2010 Vice-chairman of Mochida Memorial Foundation for Medical and Pharmaceutical Research
Jun. 2016 Chairman of Mochida Memorial Foundation for Medical and Pharmaceutical Research (to the present)

Junichi Sakaki, Ph.D.

Representative Director Senior Executive Managing Officer

Mar. 1993 Joined Ciba-Geigy AG (currently Novartis Pharma K.K.)
Dec. 2006 Joined Banyu Pharmaceutical Co., Ltd. (currently MSD K.K.)
Jul. 2009 Joined the Company
General Manager, Head of Research Planning and Management Department
Apr. 2010 Head of Discovery Research
Jun. 2012 Executive Officer, Deputy Head of Business Development Division
Jun. 2014 Member of the Board, Executive Officer, Business Development
Jun. 2016 Member of the Board, Executive Managing Officer
Oct. 2018 Executive Managing Officer, Business Development and Biomaterials Business
Jun. 2021 Member of the Board, Senior Executive Managing Officer
Jan. 2023 Senior Executive Managing Officer, Business Development and Business Promotion, Supervisor for Biomaterials Business
Jun. 2025 Representative Director, Senior Executive Managing Officer, Supervisor for Research, Pharmaceutical Development, Business Development, Business Promotion, Biomaterials Business, Pharmaceutical Business, Mochida Pharmaceutical Plant and Mochida Healthcare (to the present)

Junichi Nezu, Ph.D.

Member of the Board Executive Managing Officer

Apr. 1991 Joined Chugai Pharmaceutical Co., Ltd.
Jul. 2012 Research Head, Chugai Pharmabody Research (Singapore)
Apr. 2018 General Manager of Participatory Research Division and General Manager of Drug Discovery and Pharmacology Department at Chugai Pharmaceutical Co., Ltd.
Apr. 2020 Executive Officer and General Manager of Research Division at Chugai Pharmaceutical Co., Ltd.
Jan. 2021 Executive Officer and General Manager of Project Lifecyle Management Unit R&D Portfolio Department at Chugai Pharmaceutical Co., Ltd.
Jul. 2023 Joined the Company
Aug. 2023 Executive Managing Officer, Research
Jun. 2024 Member of the Board, Executive Managing Officer Research, Supervisor for Development (to the present)

Kenji Miyajima

Member of the Board Executive Managing Officer

Apr. 1990 Joined the Company
Apr. 2017 Head of Hiroshima Branch Office
Apr. 2020 Head of Osaka Branch Office
Apr. 2021 Deputy Head of Pharmaceutical Business Division
Jun. 2021 Executive Officer
Apr. 2022 Head of Pharmaceutical Business Division
Jun. 2025 Member of the Board, Executive Managing Officer, Pharmaceutical Business (to the present)

Shigeaki Yoshikawa

Outside Director

Apr. 1977 Joined Mitsubishi Corporation
Apr. 2008 Executive Officer, General Manager of Global Strategy & Coordination Department at Mitsubishi Corporation
Apr. 2010 Executive Officer, Chief Regional Officer for the Europe, Middle East and Africa CIS at Mitsubishi Corporation
Apr. 2013 Executive Vice President, Regional CEO, Middle East & Central Asia at Mitsubishi Corporation
Oct. 2016 Executive Vice President at Mitsubishi Research Institute, Inc.
Dec. 2016 Executive Vice President, Representative Director at Mitsubishi Research Institute, Inc.
Jun. 2017 Management Council Member at Fukushima Medical University (to the present)
Dec. 2020 Full-time Senior Corporate Advisor at Mitsubishi Research Institute, Inc.
Apr. 2021 Visiting Professor in Department of Business Design; Research Fellow at Institute of Current Business Studies, Showa Women's University (to the present)
Jan. 2022 Senior Corporate Adviser at Mitsubishi Research Institute, Inc.
Jun. 2022 Outside Director at Azbil Corporation (to the present)
Jun. 2023 Member of the Board of the Company (to the present)

Mami Kobayashi

Outside Director

Apr. 1987 Joined Nikkeisha, Inc.
Sep. 1988 Joined The Asahi Shimbun Company
Oct. 1990 Joined McKinsey & Company, Inc.
Dec. 1994 Joined United Technologies Corporation (US)
Oct. 2002 Library Director of Cultural Business Department at Mori Building Co., Ltd.
Apr. 2010 Library Advisor of Cultural Business Department at Mori Building Co., Ltd.
Jun. 2024 Member of the Board of the Company (to the present)

Masayoshi Takeda

Full-time Audit & Supervisory Board Member

Apr. 1985 Joined Nippon Sheet Glass Co., Ltd.
Jun. 2008 Joined the Company
Apr. 2015 General Manager, Head of Finance & Accounting Department
Jun. 2016 Executive Officer
Jun. 2022 Full-time Audit & Supervisory Board Member (to the present)

Kyosuke Wagai

Outside Audit & Supervisory Board Member

Oct. 1977 Joined Tohmatsu Awoki & Co
Sep. 1982 Registered as a certified public accountant (to the present)
Jul. 1991 Partner at Deloitte Touche Tohmatsu LLC
Jul. 2010 Executive Board Member of the Japanese Institute of Certified Public Accountants (JICPA)
Jun. 2016 Outside Audit & Supervisory Board Member of the Company (to the present)
Jul. 2016 Audit & Supervisory Board Member of JICPA
Jun. 2017 Outside Audit & Supervisory Board Member at Tokyo Electron Limited (to the present)
Jun. 2017 Representative Director and Chairman at XBRL Japan Inc. (to the present)
Jun. 2023 Auditor of Japan Federation of Shiho-Shoshi Lawyer's Associations (to the present)

Motoi Mitsuishi

Representative Director
Senior Executive Managing Officer

Apr. 1987 Joined the Mitsubishi Bank, Ltd.
Jul. 2015 Executive Officer, General Manager of Asia & Oceania Sales Division, Singapore Branch Manager at BTMU
May 2017 Managing Executive Officer, Head of Transaction Banking Group at BTMU
Jun. 2019 Representative Director, Deputy President at Mitsubishi UFJ Research and Consulting Co., Ltd.
Jun. 2020 Outside Corporate Auditor at the Nanto Bank, Ltd.
May 2023 Advisor of the Company
Jun. 2023 Member of the Board, Executive Managing Officer, Planning & Administration and Technonet, Head of Planning & Administration Division
Apr. 2024 Executive Managing Officer, Planning & Administration, Head of Planning & Administration Division
Jun. 2024 Member of the Board, Senior Executive Managing Officer
Jun. 2025 Representative Director, Senior Executive Managing Officer, Planning & Administration and Audits, Supervisor for RA, QA and PV, Head of Planning & Administration Division (to the present)

Yutaka Kawakami, Ph.D.

Member of the Board
Executive Managing Officer

Apr. 1985 Joined Eisai Co., Ltd.
Apr. 1998 Joined Pfizer Japan, Inc.
Oct. 2003 Transferred to Office of Pharmaceutical Industry Research of Japan Pharmaceutical Manufacturers Association
Oct. 2005 Director of Clinical Submissions Department at Pfizer Japan Inc.
Dec. 2012 Joined the Company
Deputy Head of Clinical Research and Development Division
Jun. 2015 Executive Officer
Jun. 2017 Head of Clinical Research and Development Division
Apr. 2019 Head of RA, QA and PV Division
Jun. 2019 Member of the Board, Executive Officer, RA, QA and PV, Head of RA, QA and PV Division
Jun. 2022 Member of the Board, Executive Managing Officer (to the present)
Jun. 2024 Executive Managing Officer, RA, QA and PV, Supervisor for Mochida Pharmaceutical Plant
Jun. 2025 Executive Managing Officer, Mochida Pharmaceutical Plant and Mochida Healthcare (to the present)

Chu Sakata

Member of the Board
Corporate Advisor

Apr. 1982 Joined the Mitsubishi Bank, Ltd.
May. 2007 General Manager of Syndicated Finance Division and the Global Head of Syndication at the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)
Feb. 2009 Regional Head for the Middle East at BTMU
Jun. 2011 Advisor of the Company
Jun. 2011 Member of the Board, Executive Officer and Assistant Officer, Planning & Administration
Apr. 2012 Executive Officer and Assistant Officer, Planning & Administration, Head of Planning & Administration Division
Jun. 2012 Executive Officer, Planning & Administration, Head of Planning & Administration Division
Jun. 2013 Member of the Board, Executive Managing Officer
Jun. 2016 Representative Director, Senior Executive Managing Officer Supervisor for Planning & Administration, Audits and Corporate Ethics
Jun. 2017 Senior Executive Managing Officer, Assistant to President and Operations in general
Jun. 2021 Representative Director, Senior Executive Vice President
Jun. 2025 Member of the Board, Corporate Advisor (to the present)

Tomoaki Sonoda

Outside Director

Apr. 2004 Certified public accountant (to the present)
Apr. 2006 Professor at Keio University Faculty of Business and Commerce (to the present)
Oct. 2009 Member of Contract Surveillance Committee, Ministry of Internal Affairs and Communications (to the present)
Apr. 2018 Visiting Professor at Musashino University (to the present)
Jan. 2020 Member of Third Bidding Surveillance Commission, Ministry of Finance (to the present)
Jun. 2022 Member of the Board of the Company (to the present)

Sanae Tanaka

Outside Director

Apr. 1989 Registered as an attorney-at-law (to the present)
Sep. 1991 Representative at Sanae Tanaka Law Office (to the present)
Mar. 2011 Outside Director at Noevir Holdings Co., Ltd.
Mar. 2015 Outside Director at PILOT CORPORATION
May. 2015 Outside Director at Shochiku Co., Ltd.
Mar. 2023 Outside Audit & Supervisory Board Member at Asahi Group Holdings, Ltd.
Jun. 2023 Outside Director at TV Asahi Holdings Corporation (to the present)
Mar. 2025 Outside Director at Asahi Group Holdings, Ltd. (to the present)
Jun. 2025 Member of the Board of the Company (to the present)

Audit & Supervisory Board Members

Yoshiharu Hashimoto

Full-time Audit & Supervisory Board Member

Apr. 1985 Joined the Mitsubishi Bank, Ltd.
Jan. 2009 General Manager of Yotsuya Commercial Banking Office at the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)
May 2011 General Manager of Osaka Corporate Banking Division No.2 of Osaka Corporate Banking Group at BTMU
Jun. 2013 Vice President, Head of Business Development Unit at Sharp Corporation
Jun. 2016 Full-time Corporate Auditor at Mitsubishi UFJ Capital Co., Ltd.
Jun. 2017 Joined the Company
Jun. 2017 Full-time Audit & Supervisory Board Member
Jun. 2019 Member of the Board, Executive Officer, Planning & Administration and Technonet, Head of Planning & Administration Division
Jun. 2022 Member of the Board, Executive Managing Officer
Jun. 2023 Full-time Audit & Supervisory Board Member (to the present)

Akiko Suzuki

Outside Audit & Supervisory Board Member

Apr. 1974 Registered as an attorney-at-law (to the present) Joined Anderson Mōri & Rabinowitz
Sep. 1990 Joined the Company
Sep. 1998 Joined Tokyo Eiwa Law Office
Sep. 2002 Joined Tokyo Office of Oh-Ebashi LPC & Partners Partner (Member of the LPC)
Jun. 2019 Outside Audit & Supervisory Board Member of the Company (to the present)

Yoshifumi Miyata

Outside Audit & Supervisory Board Member

Apr. 2006 Executive Officer and General Manager of Financial Institution Relations Department at the Dai - ichi Mutual Life Insurance
Apr. 2009 Company.
Managing Executive Officer of the Dai - ichi Mutual Life Insurance
Jun. 2010 Company
Jun. 2012 Outside Audit & Supervisory Board Member of Tsugami Corporation
Representative Director and Vice-President of Trust & Custody
Oct. 2018 Services Bank, Ltd.
Outside Director at Wellness Communications Corporation (to the
Jun. 2021 present)
Outside Audit & Supervisory Board Member of the Company (to the present)

Messages from Outside Directors

Mami Kobayashi

Outside Director

In various situations in the past, I have experienced how “human beings are incapable of viewing their own affairs objectively.” For example, we take our own faces seen in a mirror every day so much for granted that we are incapable of noticing changes in them ourselves. However, when we compare them with photographs from 10 years ago, we can tell we have definitely changed. Our own evaluations of ourselves, not only our appearance but also our actions, are influenced by familiarity and emotions and tend to be far removed from objective perceptions and the changing world.

This is precisely why a corporate organization-just like a person- needs the perspective of an outside third party. It is the outside director who assumes this role within management, through discussions at meetings of the Board of Directors and other activities.

I have gained experience in a wide range of areas such as business strategy, restructuring through the use of IT, and the startup of new business at various companies in Japan and overseas, including a global management consulting firm. Because I have been at organizations with a very different ethos from Mochida Pharmaceutical’s prudent culture, I hope to be able to devote myself to supervising the legality and appropriateness of business execution overall from a different vantage point from that of the internal directors.

Shigeaki Yoshikawa

Outside Director

I became an Outside Director in June 2023. I worked for more than 39 years at a leading international investment and trading company and for 7 years at a think tank/consulting company. Both companies were equipped with organization and systems that allowed them to meet the needs of diverse sectors. I take pride in having gained from these experiences a certain degree of understanding about every industry; however, the pharmaceutical industry is highly complex, and I needed to do a considerable amount of studying to understand the nature of the business. Partly because of this, straight after becoming an outside director, I volunteered to take lectures delivered by various departments within the company. Opportunities for Outside Directors to have information about the company shared with them besides meetings of the Board of Directors include preparatory sessions for the Board Meetings, meetings to exchange opinions with Audit & Supervisory Board Members (reorganized into the Outside Officer Meeting from June this year) and discussions with the audit corporation, and last year I had the opportunity to visit subsidiary sites.

Mochida Pharmaceutical currently has a total of four Outside Directors, two male and two female. The Outside Directors have diverse knowledge with different areas of expertise and endeavor to actively express opinions that are backed by their respective experience at the Board Meetings and elsewhere.

I intend to draw on my experience of corporate management and my almost 20 years’ experience of overseas site operation and overseas business management to actively comment on the company’s overseas strategy as well as business strategies for the company’s medium-term and long-term growth and the development of human resources. Having thus far focused on selling to the Japanese market, Mochida Pharmaceutical is also now at last starting to establish locations overseas and is developing the environment for starting business overseas. By fulfilling the supervisory function over business execution, I intend to watch over the company as it takes on new challenges that will drive its future growth.

Officers' Compensation

Directors

Mochida Pharmaceutical has set a total amount of compensation, etc. for Members of the Board approved at a General Meeting of Shareholders, and the decision (approved by the meeting of the Board of Directors on June 29, 2021) on the policy for determining the details of compensation, etc. of individual Members of the Board (hereinafter, the "determination policy") was made based on the opinion of the Nomination and Compensation Advisory Committee, which is made up of a majority of independent Outside Directors, in order to ensure fairness and transparency. Mochida Pharmaceutical has decided (by resolution of the Board of Directors) to delegate matters such as the monthly compensation of individual Members of the Board, and the payment timing, payment method and individual amounts of bonuses, etc. to Representative Directors, to decide through discussion, taking the determination policy and opinion of the Nomination and Compensation Advisory Committee into consideration. These matters were delegated to the Representative Directors based on the judgment that the Representative Directors are the right people to determine the details of individual compensation, etc. by evaluating contribution of Members of the Board and wider performance, while taking into account the performance of the Group as a whole.

Compensation for Members of the Board consists of fixed monthly compensation and bonuses, which are performance-based. The percentages of fixed compensation (monthly compensation) and performance-based compensation (bonus) have been set at a level the company deems appropriate in order to incentivize Members of the Board to strive for improvement in corporate value.

Fixed compensation (monthly compensation) is a predetermined amount of base compensation plus an additional amount based on the position or skills etc. of Members of the Board and it is paid on a monthly basis.

Performance-based compensation (bonus) is an amount based on monthly compensation adjusted to reflect a comprehensive evaluation of the company's key performance indicators (consolidated net income and consolidated operating income; hereinafter "consolidated results") as well as the contribution of each Members of the Board. More specifically, two separate bonuses are paid: the winter bonus, which is calculated based on the monthly compensation, and the summer bonus, which is the amount calculated based on monthly compensation adjusted to reflect the consolidated results and individual performance.

Such consolidated results are evaluated by the consolidated results for the relevant fiscal year in comparison with past consolidated results including the consolidated results for the previous fiscal year.

The compensation of Outside Directors consists of fixed monthly compensation.

In addition, a fixed amount of the monthly compensation determined according to each position of Members of the Board is paid as stock-based compensation through contribution to a shareholders' association for Members of the Board and Audit & Supervisory Board Members and continuous acquisition of the Company's shares. Members of the Board are generally required to hold such acquired shares throughout their term of office.

Audit & Supervisory Board Members

Mochida Pharmaceutical has set a total amount of compensation, etc. for Audit & Supervisory Board Members approved at a General Meeting of Shareholders and allocations to each Audit & Supervisory Board Member are determined through consultation between the Audit & Supervisory Board Members.

Compensation for Audit & Supervisory Board Members consists of fixed monthly compensation and bonuses, which are performance-based. The performance-based compensation (bonus) is determined based on the duties each Audit & Supervisory Board Member is expected to perform, considering the consolidated results and reflecting on the contribution of the particular Audit & Supervisory Board Member.

The compensation of Outside Audit & Supervisory Board Members consists of fixed monthly compensation.

In addition, a fixed amount of the monthly compensation is paid as stock-based compensation through contribution to a shareholders' association for Members of the Board and Audit & Supervisory Board Members Officers and continuous acquisition of the Company's shares. Audit & Supervisory Board Members are generally required to hold such acquired shares throughout their term of office.

Total amount of compensation, total amount of compensation for eligible Members of the Board and Audit & Supervisory Board Members by type and number

Classification of Members of the Board/Audit & Supervisory Board Members	Total amount of compensation (millions of yen)	Total amount of compensation by type (millions of yen)			Number of eligible officers (persons)
		Fixed compensation	Performance-based compensation	Non-monetary compensation of the Performance-based compensation	
Members of the Board (excluding Outside Directors)	271	191	79	–	8
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members	43	30	12	–	2
Outside Officers	54	54	–	–	8

Risk Management

Mochida Pharmaceutical Group enacted Risk Management Rules applicable to Mochida Pharmaceutical Group and also established the Risk Management Committee composed of the Heads of Divisions and the presidents of subsidiaries. Based on the Risk Management Rules, the Risk Management Committee identifies potential risks and the divisions responsible for each risk establish measures to prevent the actualization of risks and countermeasures in the event of their actualization. Each year, the Group selects material risks that might have a considerable adverse impact on its business and management and focuses on strengthening measures to prevent them. Meanwhile, the Risk Management Practical Committee is responsible for the reviews or reports that the Risk Management Committee needs for its policy discussions. The Board of Directors receives reports from the Risk Management Committee and supervises the committee by checking the implementation status and effectiveness of risk management.

Material risks evaluated based on frequency of occurrence and potential damage are as follows.

Critical risks and risk description

Risks	Risk description
Risks associated with research and development	• Suspension or delay of development due to reasons such as a failure to prove the initially anticipated efficacy or the emergence of unforeseen adverse drug reactions
Risks associated with production and procurement	• Quality issues such as defects of products produced at Mochida Pharmaceutical Group plants • Delay or suspension of supply of products or raw materials by a specific supplier on which the Group depends due to some factor
Risks associated with business alliances	• End of alliances due to future circumstances
Risks associated with laws and regulations and system reforms	• Tightening of pharmaceutical-related laws and regulations and other regulations (including measures to promote healthcare costs optimization such as healthcare system reforms, encouragement of the use of generics and NHI drug price reductions) • Recall of our products, revocation of our license, the suspension of our business operations or other administrative disposition or a claim for compensation against us as a result of failure to comply with such regulations
Risks associated with adverse drug reactions	• Recall of products, the suspension of sales and marketing, litigation and compensation for damages due to unforeseen adverse drug reactions
Risks associated with business continuity	• Major natural disasters or accidents that seriously affect or damage Mochida Pharmaceutical Group's plants, laboratories, branches, offices and other sites (including the shutdown or failure of information systems), leading to supply shortages • Events such as epidemic that lead to the stagnation of business activities and/or supply shortages caused by the suspension of operations at plants

Other major risks and risk description

Risks	Risk description
Risks associated with product sales mix	• Launch and growth of rival products or generic versions of certain mainstay products that account for a high percentage of sales, or sales suspension or recall of such mainstay products
Risks associated with sales of competitors and others	• Competition with rival products (including generics) • Irrecoverability of receivables due to bad debts incurred in relation to wholesalers
Risks related to IP	• Infringement on third-party intellectual property rights
Risks associated with information management	• Leakage of confidential information, personal information, etc. as a result of system hacking, system failure or other reason
Risks related to environmental issues	• Soil contamination or air pollution caused by chemical substances used in research, manufacturing processes, etc. • Climate change risks
Risks associated with financial market conditions and exchange rate fluctuations	• Losses on the valuation or sale of securities due to deterioration in financial market conditions • Increase in retirement benefit obligations, etc. due to interest rate fluctuations, etc. • Foreign exchange rate fluctuations in foreign currency denominated transactions

Reinforcement of Compliance

As measures for reinforcing compliance (i.e. sincerely responding to the needs of society including legal compliance), Mochida Pharmaceutical has established the “Code of Conduct of Mochida Pharmaceutical Group” and seeks to embody the spirit of the code through regular meetings of the Ethics Committee, which is chaired by the President and includes the Compliance Officer (a Member of the Board who is the officer in charge of corporate ethics or the supervisor for corporate ethics) and outside experts, and the performance of internal checks and the deliberation of issues. We have also developed a framework for compliance across the Mochida Pharmaceutical Group, including the establishment of an Ethics and Compliance Committee Working Group, chaired by the Compliance Officer and including the general managers of operations and presidents of subsidiaries, and the Corporate Ethics & Compliance, and we provide regular ethics training to Mochida Pharmaceutical Group officers and employees. Mochida Pharmaceutical Group will continuously strive to ensure thorough compliance, and to respond rapidly to various changes in the business environment, while incorporating appropriate advice from our attorneys, certified public accountants and other experts.

Ethics and Compliance Committee・Ethics and Compliance Committee Working Group

Ethics and Compliance Committee carries out internal checks and deliberates issues, striving to incorporate the spirit of the Code of Conduct of Mochida Pharmaceutical Group into Group activities. Ethics and Compliance Committee Working Group is responsible for the review of internal rules and systems for preventing fraud and improper conduct, and for raising necessary issues and reporting specific issues. Each member is responsible for ethics and compliance within their area of operations, including compliance with the Code of Conduct (including compliance training) and prevention of improper conduct.

Communication of Message from the President

We distribute a message from the President to employees in the form of video news. The video news distributed in autumn each year always focus on latest incidents of non-compliance such as corporate misconducts of other companies and the President himself always stresses the importance of compliance.

Compliance Training and Awareness-raising Activities

The Group provides compliance training to meet all training needs, for example, the Corporate Ethics & Compliance provides ethics and compliance training to employees upon entry to our company and upon appointment to a managerial post as well as rank-based, company-wide and officer-oriented training, all related to ethics and compliance, and the staff in charge of ethics and compliance within each business. In addition, the Group provides training to those in Pharmaceutical Business Division on a regular basis to encourage fair competition.

Corporate Ethics and Compliance Helpline

Mochida Pharmaceutical Group has installed a hotline via which any officer or employee, including those who have left the company within one year, who notice non-compliance incidents, including harassment and human rights abuses may make whistleblowing reports or seek advice. Through the hotline, any officer or employee may report to or consult with the staff or the officer in charge of corporate ethics and compliance within the company or directly report to or consult with an outside lawyer or other expert. We have also established standards for handling whistleblowing reports within Mochida Pharmaceutical Group and take appropriate measures to ensure that anyone making a whistleblowing report or seeking advice does not suffer disadvantageous treatment.

Compliance-related data in FY2024

Number of uses of hotline: 37	
Measures	Based on the wishes of whistleblowers, action was taken and corrective measure were implemented where necessary.

Initiatives Concerning Medical and Health Research Involving Human Subjects

We have enacted “Ethical rules on life science and medical research involving human subjects” to ensure that life science and medical research involving human subjects respects human dignity and human rights and is conducted appropriately with understanding and cooperation of society. In accordance with these rules, we established the Research Ethics Committee.

4 Sustainability

Basic Sustainability Policy and Promotion Structure

Mochida Pharmaceutical Group formulated a Basic Sustainability Policy to contribute to the realization of a sustainable society through its efforts to provide value as a pharmaceutical company.

Basic Sustainability Policy

Mochida Pharmaceutical Group aims to grow as a unique and globally recognized life and healthcare group via meeting medical and healthcare needs in accordance with its corporate philosophy; “Actively contributing to human health and well-being in the field of medicine, continuously committed to the development of innovative products.”

For enhancing the value of corporate sustainability, we will strive to provide value as a pharmaceutical company “contributing to human health and well-being” under appropriate corporate governance in accordance with the Code of Conduct of Mochida Pharmaceutical Group. We will also contribute to realize a sustainable society while making efforts to lessen our impact on the global environment.

Mochida Pharmaceutical Group has established sustainability activities throughout the organization and has set up a “Sustainability Committee,” chaired by the Director in charge of Planning and Administration, as an advisory body to the Representative Director, based on the above basic policy, to promote sustainability activities across the Group. Specifically, we are reviewing materiality and formulating and promoting various measures regarding sustainability issues.

Sustainability Committee

Chair : Officer in charge of planning and administration
Member : Member of the Board, Executive Managing Officer

Matters to be Considered

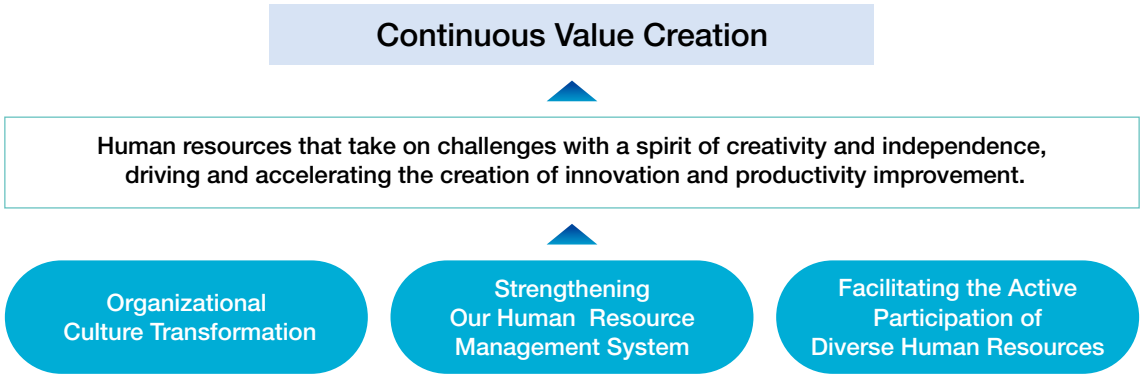
Measure to combat climate change, supply chains, human rights issues, employee health and working environment

Major Activities

- Preliminary deliberation of policies and strategies
- Progress management and evaluation will be implemented by considering individual measures and collaborating with relevant departments, various divisions, and committees.

Human Capital

Mochida Pharmaceutical Group considers “Enhancement of Human Capital” as one of the materialities that support our management foundation. In its 25-27 Medium-term Management Plan, we will implement measures based on three pillars: “Organizational Culture Transformation,” “Strengthening Our Human Resources Management System,” and “Facilitating the Active Participation of Diverse Human Resources,” in order to ensure our group’s growth. We aim to nurture human resources who will take on challenges with a spirit of creativity and independence, driving and accelerating the creation of innovation and productivity improvement. Our group seeks to encourage each employee to realize their maximum potential and continuously create corporate value.



Organizational Culture Transformation

Mochida Pharmaceutical Group is committed to fostering a culture that encourages all employees to take on challenges with creativity and initiative, while also working on the development of an environment where employees can grow and fully demonstrate their abilities.

Strengthening Our Human Resource Management System

- **Strengthening Our Human Resource Management System**

Mochida Pharmaceutical Group is in the progress of strengthening its human resource management system to ensure development and vitalization of human resources. We revised the personnel system that forms the basis for human resource management and put the new system into operation from April 2023. The new system incorporates mechanisms for reflecting the role and contribution of individuals in their treatment and mechanisms for encouraging diverse human resources to actively participate. The Group has clarified and reorganized the role of each position and this enables early promotion. In addition, we conducted a review of our treatment of elderly persons with expertise. We will continuously make improvements to address any challenges identified during the implementation of this revised personnel system, while strengthening the framework.

• Development of Human Resources

Mochida Pharmaceutical Group sees the development of human resources as an important issue, and provides training by rank and by job and focuses on employees' skills development and the development of leaders.

In terms of training by rank, we encourage general employees to improve their business knowledge and skills through new employee training and mid-level employee training and support performance-enhancing skill development. Additionally, we identify and develop human resources that will contribute to innovation creation through leadership training and management candidate training. In manager training, we seek to share our strategic vision and further develop leadership skills in addition to further enhancing basic skills.

In training by job, employees acquire specialist knowledge and master higher level business skills through training programs designed for each specific business unit.

We have also introduced domestic and overseas training programs for the development of core human resources. Each year, we conduct open recruitment and selected employees study abroad at business schools in Japan and receive degrees. In addition, we operate a self-development support system aimed at encouraging employees to use their initiative and nurturing a challenging spirit through support for the acquisition of qualifications, improvement of English language proficiency and various business skills, and reskilling. We are also incorporating a learning management system into our activities to develop human resources, with the aim of providing education and training more effectively. Through such education and training, we seek to raise the level of competence and skills of human resources and grow and become stronger as a group.

Groupwide Training Structure

	Tiered program	Job-specific program	Open application basis	Self-development
For managers	Practical training for newly appointed managers Manager basic skills training Training to develop next-generation executives etc.	Business unit-specific training	Domestic training and overseas study program	Support for self-development and acquisition of qualifications
For general employees	Training for manager candidates Career support training for women Training for developing leaders Mid-level employee training New employee training			

Contributing to Women's Health

In our capacity as a pharmaceutical company, Mochida Pharmaceutical Group are working to provide value in terms of "support for the different stages of a woman's life," and we intend to help realize a society in which women enjoy better health and can actively participate.

We offer a wide range of products related to women's health and we also disseminate accurate information about women's health on our website and via other means. Our aim is to spread the message that the health issues and difficult symptoms that women have grappled with for many years can be eased by consulting a medical institution and to get one step closer to a society where more women can thrive.

At the same time, we are putting effort into creating an environment where our female employees are brimming with health and can focus on their duties and actively participate.
Specific initiatives include enhancing and reviewing the operation of welfare systems for supporting female employees returning to work from maternity leave and providing training for all employees to increase their understanding of women's health issues. In addition, we have introduced an integrated service for resolving women's health issues that allows women suffering from menstruation-related symptoms to take advantage of online consultations provided by gynecologists. By improving menstruation-related disorders, we will help female employees to focus even more on their duties and help them play an increasingly active role.

Going forward, we will continue working to help realize a society where our female employees and more women in general take their health seriously and can play an active part on their terms.

Motoi Mitsuishi
Representative Director
Senior Executive Managing Officer

Facilitating the Active Participation of Diverse Human Resources

• Female Participation and Career Advancement in the Workplace

We are working to hire and train women and increase the ratio of female managers and also focusing on developing programs to support women in their various life stages. Under an action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, Mochida Pharmaceutical has set a target ratio of female managers of 12% or higher (FY2021- FY2025). Aiming to be a company that empowers women in the workforce, we are working to develop female employees and to change mindsets, including showcasing female manager role models, preparing career plans for female candidates, and providing career training and seminars for female employees.

We also believe it is important to create workplace environments where our female employees can advance their careers in good health, and we have introduced an integrated service for resolving women's health issues as a new initiative aimed at supporting women's health. Through this service, employees are able to take advantage of online consultations provided by gynecologists.

Ratio of new female recruits	47.1%
Ratio of female managers	11.8%

(Figures of Mochida Pharmaceutical only: FY2024)

• Promotion of Mid-Career Recruitment

Mochida Pharmaceutical Group recruits human resources with the skills, knowledge and experience we need and highly skilled professionals needed for business growth, global expansion and the execution of strategies to help increase its corporate value. Especially in the biomaterials business, which we are focusing on as one of the pillars of the next generation, we are actively recruiting professionals. Moreover, we are also advancing initiatives and enhancements to encourage early integration and active participation within the organization. The ratio of mid-career hires increases year by year and many mid-career hires play an active part in a wide variety of departments.

Ratio of mid-career hires	52.1%

(Figures of Mochida Pharmaceutical only: FY2024)

• Employment of Individuals with Disabilities

Regarding the employment of individuals with disabilities, our group is actively engaged in initiatives such as the establishment of a special subsidiary, Mochida Heartful Service Co., Ltd., based on the Act on the Promotion of Employment of Persons with Disabilities, which will be established by June 2025. Employees with disabilities are actively engaged in various departments, including the special subsidiary, alongside their supporters. As of June 1, 2025, Mochida Pharmaceutical's employment ratio of persons with disabilities will be 2.5% (the legal employment quota for persons with disabilities is 2.5%).

Ratio of disabled employees	2.5%

(Figures of Mochida Pharmaceutical only: FY2024)

• Employment of Elderly Persons

With the mandatory retirement age set at 60, we have introduced a system under which all employees who have reached mandatory retirement age and wish to continue working are reemployed until the age of 65. In FY2020, we will revise the compensation system in response to the enforcement of the Part-Time and Fixed-Term Employment Labor Law, and in FY2023, we will establish a management course to further motivate older employees to work. Mochida Pharmaceutical Group also gives 55-year-old employees the opportunity to reassess their future plans including their professional lives and management of their assets through the provision of life plan seminars and support for diverse work styles.

• Diverse Work Styles

Mochida Pharmaceutical Group is constantly working to achieve work-life balance and diverse, flexible working styles. We have also been working on creating an environment where employees can work efficiently with high motivation, including compliance with the Work Style Reform related law (such as setting limit on overtime work and grasping of working hours by managers and supervisors), encouraging employees to use flextime and rolling out flextime to non-office-based employees as well, operating a discretionary working system at Research Laboratories, expanding the scope of telework, and developing and enhancing business communication tools. Our headquarters office building offers more comfortable office environments through initiatives such as the introduction of digital technologies, in a bid to further improve productivity.

• Child Care and Nursing Care

Mochida Pharmaceutical Group has been working to realize workplaces which make it easier for employees to balance child care and nursing care with work. We introduced a parental leave system in 1992 and have since expanded the system in line with legal amendments. We have increased support for child care and nursing care, having thus far implemented initiatives such as longer child care leave, introducing some paid childcare leave, introducing nursing care leave that exceeds the statutory requirements, introducing a reduced working hour system, establishing leave for maternity hospitalization, more widespread use of accumulated paid leave (Life Support Leave) for child care and nursing care, expanding flextime to those working shorter working hours due to child care, operating telework, and revising child care leave regulations as a measure to prevent maternity harassment. We have also created the "Mochida Pharmaceutical Group Childcare Support Manual" and the "Work and Caregiving Balance Support Manual" to promote awareness of childcare and caregiving support among employees, including its relation to social insurance, thereby encouraging utilization.

Moreover, we have set target percentages for those taking child care leave of 90% or higher for women and 30% or higher for men (FY2021-FY2025). We are promoting childcare leave uptake through initiatives such as thorough dissemination of the Childcare Support Manual and encouraging male employees to utilize childcare-related systems.

In recognition of our efforts to support childcare at the workplaces of Mochida Pharmaceutical, Mochida Healthcare and Mochida Pharmaceutical Plant, we received the Minister of Health, Labour and Welfare's "Kurumin" certification, which is awarded to companies that meet the standards of the Act on Advancement of Measures to Support Raising Next-Generation Children.

Ratio of employees who took childcare leave	Male	77.7%
	Female	100%

(Figures of Mochida Pharmaceutical only: FY2024)

[Occupational Health and Safety]

Aiming to create a workplace where employees can work with peace of mind, we have built a structure for managing and promoting health and safety across Mochida Pharmaceutical Group and, as well as holding health and safety committee meetings at each site, we are working to prevent occupational accidents and ensure workplace health and safety.

To promote and enhance the mental health of employees, based on the "Guidelines for Maintaining and Improving Worker's Mental Health" issued by the Ministry of Health, Labour and Welfare, Mochida Pharmaceutical Group strives to enhance the structure and systems for supporting employees from four standpoints: selfcare, care provided by Human Resources Department, care provided by onsite occupational health professionals, and care utilizing outside resources.

1. Selfcare
- Mental health training (for all employees)
- Stress checks to assess mental health (carried out annually)
- Establishment of internal and external consultation service

2. Care provided by Human Resources Department
- Mental health training (training for newly appointed managers and manager training, etc.)
- Personnel interviews

3. Care provided by onsite occupational health professionals
- Health consultations provided by occupational health physicians
- Mental and physical health consultations provided by public health nurses
- Support for employees returning to work from leave provided by personnel staff and introduction of a provisional return-to-work system

4. Care utilizing outside resources
- Referral to outside consultation service, counselling facility or specialist

[Employee Engagement]

Mochida Pharmaceutical Group conducts an annual employee survey targeting all employees to assess engagement levels and other metrics.

Survey results are disclosed publicly and utilized to identify issues early and develop/implement measures to boost morale. Furthermore, we enhance employee engagement through management decisions and on-site improvements. We also collect opinions and requests regarding work and the workplace, identify concerns and challenges, and conduct listening sessions to address inquiries, advancing initiatives aimed at creating an even more rewarding company and workplace.

Environment

Basic Environmental Policy

Mochida Pharmaceutical Group has established a Basic Environmental Policy to promote business activities which take environmental impact into consideration, in accordance with the Code of Conduct of Mochida Pharmaceutical Group and the Basic Sustainability Policy.

Basic Environmental Policy

As a life and healthcare group, Mochida Pharmaceutical Group is committed to action on climate change countermeasures, the effective use of resources, the protection of biodiversity and so on, develops business activities with always taking the environmental impact into consideration, and endeavors to contribute to the realization of a sustainable society.

Promotion of Environmental Activities

Mochida Pharmaceutical Group has established an Environmental Measures Committee, chaired by the Executive Officer in charge of planning and administration. The committee is engaged in formulating medium- to long-term environmental action plans, implementing energy-saving measures, promoting and monitoring environmental conservation activities such as CO_2 emission reductions, and making recommendations to the management.

The committee also formulates a training schedule and conducts environmental training and awareness-raising activities for the further promotion and integration of environmental activities.

The Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., which is the Mochida Pharmaceutical Group's production center, was awarded ISO 14001 certification by the International Standards Organization for its environmental management system and implements activities to protect the environment on an ongoing basis.

ISO14001 renewal audit certificate

Waste training (Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd.)

Information Disclosure Based on the TCFD Recommendation

Mochida Pharmaceutical Group declared support for the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations in June 2023, and evaluates and manages climate-related risks and opportunities to make disclosures* in accordance with the TCFD recommendations. Going forward, we will seek to further enhance information disclosure.

* Dissolved in October 2023 and integrated into the ISSB (International Sustainability Standards Board).

Governance

Mochida Pharmaceutical Group has established the Environmental Measures Committee (convened twice a year; chaired by the officer in charge of planning and administration) as an organization which examines important matters related to the environment. The Committee is responsible mainly for establishing medium-to-long-term environmental action plans, considering measures to address environmental issues, and implementing initiatives to protect the environment. The Environmental Measures Committee also confirms the results of activities to protect the environment such as annual reductions in CO_2 emissions. We have also established the Risk Management Committee (convened twice a year; chaired by the officer in charge of planning and administration), which develops systems for managing major risks related to the Group's business management in general, including climate change risk.

Initiatives to address climate change are considered, in collaboration with the Environmental Measures Committee and the Risk Management Committee at meetings of the Sustainability Committee (advisory body to the Representative Directors; chaired by the officer in charge of planning and administration), which was established to promote sustainability activities across the Group.

The Sustainability Committee meets twice a year (and whenever necessary). The activities of these committees are reported to and discussed with a view to improvement at the Board of Directors at least once a year.

Strategy

Using the 1.5℃ scenario and the 4℃ scenario to assess the impacts of climate change on our business activities, we identified climate change-related risks and opportunities.

For the 1.5℃ decarbonization scenario, we referred to the Intergovernmental Panel on Climate Change (IPCC)'s SSP1-1.9 (scenario depicting a world that limits warming to 1.5℃ in line with a sustainable development pathway), while for the 4℃ warming scenario, we referred to SSP5-8.5 (a high emissions scenario depicting a world that pursues development driven by fossil fuels, without climate policies).

We analyzed the identified risks and opportunities, taking the degree of their financial impact and frequency of occurrence into consideration, and conducted an evaluation of countermeasures.

Risk Management

We have established Risk Management Rules applicable to Mochida Pharmaceutical Group, and have also developed a framework for managing risks related to Mochida Pharmaceutical Group's business management in general and manage climate change as one of our key risks. The business units and companies responsible for each major risk formulates measures to prevent the risk from materializing and measures to respond to the risk if it materializes, and the Risk Management Committee, which is responsible for risk management, deliberates and supervises the measures. These activities are reported to the Board of Directors and discussed with a view to improvement at least once a year.

Risks

Scenario	Category	Events	Details	Timeframe*1	Measures	Degree of Impact*2
1.5℃	Transition risks	Tightening of decarbonization-related policies, laws and regulations	Increased burden of carbon taxes	Medium term to long term	・Active rollout of energy conservation measures ・Upgrading to high-efficiency, energy-saving equipment ・Adoption of renewable energy	Minor
			Increased investment costs associated with the installation of equipment in response to decarbonization-related policies	Medium term to long term	・Systematic upgrading to high-efficiency, energy-saving equipment on equipment renewal	Minor
4℃	Physical risks (Acute)	Increase in severity and frequency of weather-related disasters	Suspension of operation due to typhoons, heavy rain and other disasters	Short term to long term	・Formulate specific action guidelines (BCP) for disasters ・Ensuring Diversified Procurement Sources ・Appropriate inventory control	Moderate
		Rise in seawater temperature	Restriction of shipping due to shortage of fish oil, a raw material for EPA formulation, resulting from a decrease in fish catch	Medium term to long term	・Appropriate inventory control ・Use of alternative raw materials	Minor
	Physical risks (chronic)	Temperature rise	Increased energy costs associated with air-conditioning	Medium term to long term	・Active rollout of energy conservation measures ・Upgrading to high-efficiency, energy-saving equipment	Minor
		Water shortages	Depletion of water resources	Medium term to long term	・Implementation of assessments of stability of water supply and drought at existing sites ・Appropriate inventory control	Minor

Opportunities

Scenario	Category	Events	Details	Timeframe*1
1.5℃	Reputation	Enhancing corporate value	Achievement of higher levels of customer trust and improved ratings from ESG investors through our climate change initiatives	Short term to long term
4℃	Market	Changing disease trends	Growing demand for pharmaceuticals to treat specific diseases such as infectious diseases associated with rising temperatures	Short term to long term

*1 “Short-term”: 0~1 year, “Medium-term”: 1~5 years, “Long-term”: 5~ 30 years
*2 “Minor”: 10 billion yen or less, “Moderate”: Between 10 billion yen and 20 billion yen, “Major”: 20 billion yen or more

Metrics and Targets

Mochida Pharmaceutical Group has set a target to reduce CO_2 emissions by 46% by fiscal year 2030 compared to fiscal year 2013 levels (Scope1, Scope2, and commercial fleet) as part of its commitment to achieving carbon neutrality by 2050.

CO_2 Emissions Subject to Reduction Targets

(t-CO_2)

Items	FY2013	FY2024 (vs FY2013)
CO_2 emissions	17,900	12,956 (down 27.6%)
Scope1	4,964	4,350
Scope2	10,015	6,742
Commercial fleet	2,920	1,865

CO_2 Emissions (Scope3)

(t-CO_2)

	FY2022	FY2023	FY2024
Scope3	4,442	186.435	168.976

* In FY2022, calculations were made for Scope 3 categories 5, 6, 7, 8, and 12. Starting in FY2023, calculations will also include Scope3 categories 1 and 2.

Environmental Impact Reduction Initiatives

CO_2 Emission Reduction Initiatives

Mochida Pharmaceutical Group aims to achieve carbon neutrality by 2050 and is working to reduce CO_2 emissions across the entire group through measures such as improving energy efficiency.

Our headquarters building, which commenced operations in September 2022, achieved the highest 5-star rating under the Building-Housing Energy-efficiency Labeling System (BELS) due to its energy-saving design for air conditioning and lighting. It has also obtained "ZEB Ready" certification.

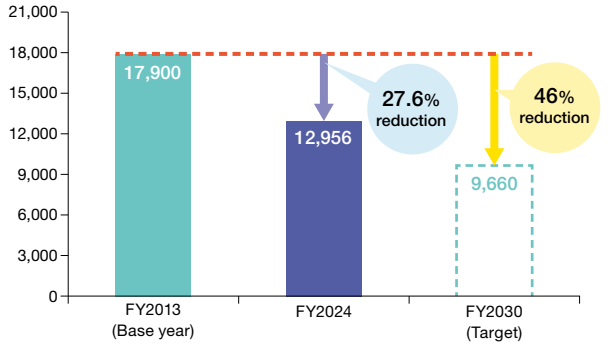
Across all business sites, we are working to reduce the Group's overall CO_2 emissions by switching to efficient air conditioning systems, optimizing the operation of chilled water production equipment, and systematically introducing CO_2-free electricity. At the Fujieda Site, we commenced operation of a solar power PPA* in February 2025.

Beyond these initiatives, we are systematically working toward achieving our Group's CO_2 reduction targets by advancing new solar power generation facilities and the phased adoption of CO_2-free electricity.

* PPA (Power Purchase Agreement): A service where a power generator installs solar power generation equipment on the consumer's premises and supplies the generated electricity to the consumer.

Trend of CO_2 Emissions

(t-CO_2)

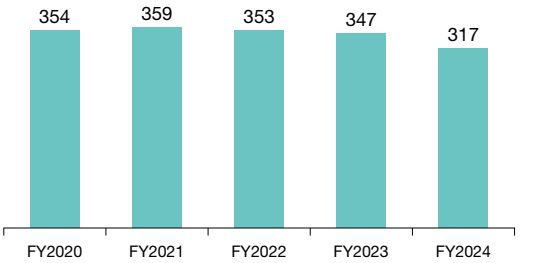


Sites covered: Head Office, Gotemba site, Fujieda site and every other business site of Mochida Pharmaceutical Co., Ltd., Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd.

CO_2 emissions: Total amount of energy-related CO_2 emissions from fuel and electricity consumption

Trend of Energy Consumption

(terajoules)



Sites covered: Head Office, Gotemba site, Fujieda site and every other business site of Mochida Pharmaceutical Co., Ltd., Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd.

Energy consumption: Total consumption of all types of energy including electricity, gasoline, LNG and city gas

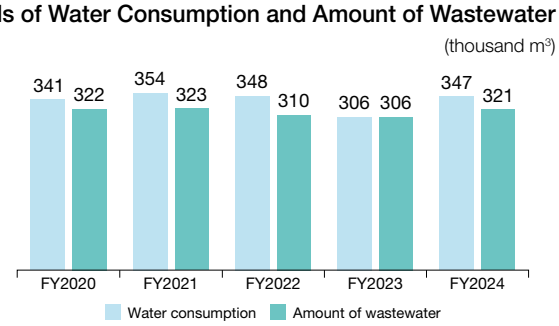
Solar Power Generation (Fujieda Site)

Heat pumps (Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd.)

Water Resources and Water Quality

High quality water is essential for Mochida Pharmaceutical Group's business activities, especially its R&D and manufacturing activities. Mochida Pharmaceutical Group strives to comply with laws and regulations and water standards agreed with each local government and is working to use water resources efficiently and to manage wastewater properly. In addition, Mochida Pharmaceutical Plant Co., Ltd. has completely replaced the below ground drainage system with an above ground drainage system at its Head Office Plant to prevent soil contamination due to leakages. To ensure business continuity going forward, we will make effective use of finite water resources by managing our water consumption and amount of wastewater on an ongoing basis.

Trends of Water Consumption and Amount of Wastewater



Sites covered: Head Office, Gotemba site, Fujieda site and every other business site of Mochida Pharmaceutical Co., Ltd., Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd.*

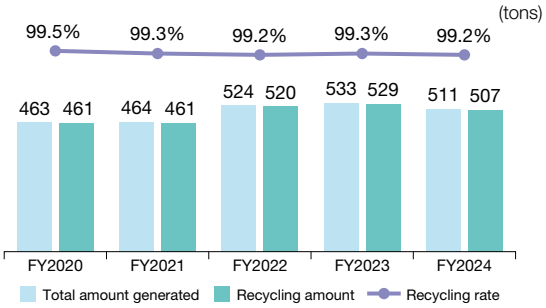
Water consumption: Total of extraction of groundwater and water purchased from public water supply

* Data from April 2020 to September 2022 excludes Head Office of Mochida Pharmaceutical Co., Ltd.

Reduction and Recycling of Waste

Mochida Pharmaceutical Group is working on the reduction and recycling of waste generated in its business activities. We promote the 3Rs (Reduce, Reuse, Recycle) and are committed to reducing the amount of waste we generate to 582 tons or lower by FY2030, increasing our waste recycling rate to 98% or higher, and maintaining a plastic waste recycling rate of 65% or higher.

Trends of Amount of Waste Generated and Recycling Rate



Sites covered: Head Office, Gotemba site, Fujieda site and every other business site of Mochida Pharmaceutical Co., Ltd., Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd.*

Recycling amount: Total amount of waste generated which was the subject of reuse, material recycling or thermal recycling (heat recovery and residue use)

* Data from April 2020 to September 2022 excludes Head Office of Mochida Pharmaceutical Co., Ltd.

Prevention of Air Pollution

In efforts to prevent air pollution, Mochida Pharmaceutical Group completed the switch from fuel oil to LNG and city gas in FY2019. This move reduced the Group's particulate matter, oxides of nitrogen and sulfur (NOx and SOx) emissions to zero. We will continue striving to comply with laws and regulations and the standards agreed with each local government.

Proper Management of Chemical Substances

The Gotemba and Fujieda sites, the Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and the Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd. fully recognize the impact that the chemical substances needed to develop and manufacture pharmaceuticals and healthcare products have on human health and the ecosystem, and they use and manage chemical substances properly.

Society

Respect for Human Rights

Human rights policy

Mochida Pharmaceutical Group has established and disclosed a Basic Policy on Human Rights to further strengthen initiatives to prevent and mitigate human rights risks. We will work to protect and respect human rights through the implementation of human rights due diligence and the establishment of a remedy framework, in line with the UN Guiding Principles on Business and Human Rights.

Basic Policy on Human Rights

Mochida Pharmaceutical Group sets out in the Code of Conduct of Mochida Pharmaceutical Group and the Employee Behavior Standards of Mochida Pharmaceutical Group that officers and employees will respect human rights and will not engage in behavior such as unfair discrimination, sexual harassment or power harassment. The Group's Sustainable Procurement Guidelines also clearly specify the consideration for human rights that business partners are expected to demonstrate. Recognizing that companies have a responsibility to pursue management which respects the human rights of all human beings, we are committed to implementing initiatives to promote respect for human rights in all our business activities and contributing to realization of a sustainable society.

Promotion Structure

Mochida Pharmaceutical Group, under the guidance of the officer in charge of corporate ethics, designates Legal & Compliance Department (Corporate Ethics & Compliance) as the responsible department, and promotes initiatives aimed at respecting human rights in collaboration with related departments, such as Corporate Planning Department and Human Resources Department, and Sustainability Committee.

Human Rights Due Diligence

In FY2023, Mochida Pharmaceutical Group initiated human rights due diligence, assessing human rights risks and identifying major human rights risks. Going forward, we will take appropriate measures to prevent and mitigate the identified human rights risks.

Workplace Initiatives

Mochida Pharmaceutical Group sets out rules such as that officers and employees will respect each other's human rights and will not engage in behavior such as unfair discrimination, sexual harassment or power harassment in the Employee Behavior Standards. We work continuously to raise awareness about the prevention of harassment and other human rights issues, including having a member of the Human Rights Awareness Promotion Committee in all our operations and providing all employees with training to raise awareness about human rights once a year. In addition, every year, we issue a call to employees and their families for slogans to raise awareness about human rights, providing them with the opportunity to reflect on human rights issues as something which concerns them. We have also established a Workplace Harassment and Relationships Consultation Service for inquiries about harassment or relationship concerns, and inquiries are dealt with either by dedicated staff within the company or an outside service provider, and employees who use the service are supported.

Sustainable Procuremen

Sustainable Procurement Policy

We have established a Sustainable Procurement Policy, to promote fair procurement that is compliant with laws and regulations and addresses human rights and environmental considerations. Our business partners will be informed about the Group policy and will be required to understand it and put it into practice. We will integrate sustainability throughout our entire supply chain to prevent problems from occurring which will cause disruption to business and have a severe impact on society.

Sustainable Procurement Policy

1. Equitable and Fair Transactions
   We will select business partners based on an equitable and fair assessment from various perspectives including quality, delivery time, capacity for stable supply, technical expertise, reliability and price. We will build positive relationships of trust with business partners that are based on mutual understanding and are aimed at supporting each other's sustainable development.
2. Compliance with Laws and Societal
   Norms We will comply with the laws and regulations of each country, and conduct ourselves with high ethical standards and in accordance with socially accepted norms.
3. Consideration for the Environment
   We will endeavor to realize a sustainable society by integrating consideration for environmental impact into our procurement activities.
4. Respecting Human Rights
   We will strive to build a decent society by integrating respect for human rights into our procurement activities.

Sustainable Procurement Guidelines

We established the Sustainability Procurement Guidelines for the purpose of building fair and transparent relationships with our business partners and distributed them to our business partners. These guidelines set out the matters that we consider important and expect out business partners to address.

Surveys on Sustainability

Mochida Pharmaceutical Group conducted a survey to ascertain the status of sustainability initiatives at each of its key partner suppliers.

Survey summary (FY2024)

Purpose	To understand the status of procurement taking into consideration sustainability across the entire supply chain
Method	Requested survey participation via email using survey system (online response)
Target	Some of Mochida Pharmaceutical Group's major business partners
Number of questions	35
Question themes	Corporate governance, human rights, labor, environment, fair corporate activities, information security, quality, safety, coexistence with local communities
Survey period	From October 1, 2024 to February 5, 2025, at 17:00 (Japan Time)

Results

The survey collection rate was approximately 90%. There were variations in the status of efforts such as the establishment of systems with regard to the environment, corporate governance and fair corporate activities.

Future Policies

We will provide feedback to suppliers that responded to each question to confirm their own relative level and encourage them to make improvements. We will promote sustainable procurement together with suppliers by working together to address issues.

Involvement with Patients

Supporting Women's Health

Mochida Pharmaceutical Group is committed to providing value as a pharmaceutical company in the form of "support for the different stages of a woman's life." In 2024, we established the "Disease Awareness" and are disseminating accurate information about women's health. To date, we have distributed 30,000 copies of an information booklet about menstruation and gynecological conditions to female high school students and we have used the signage at drugstores to distribute videos encouraging those experiencing severe menstrual pain to consult a medical institution. In addition, we launched Link, a website for disseminating information about women-specific diseases and our initiatives to raise disease awareness. For 2025, we planned a range of activities including the dissemination of information via social media, an exhibition event in Tokyo, and awareness-raising activities aimed at parents with children aged 10 to 19. Our aim is to provide information to get women to commit to their health.

We also provide menstrual pain simulation training for employees for the purpose of increasing understanding for women's health issues. This training helps employees understand and empathize with what menstrual pain is like and how women who are experiencing pain feel when they are working.

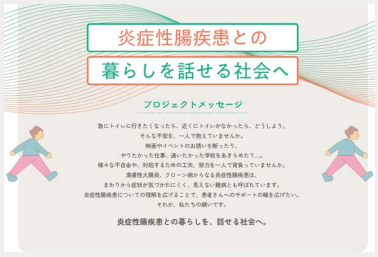
■ **Link: Connecting to the Future, Being Myself**
https://www.mochida.co.jp/link/

■ **Proper Care for Women's Concerns: "My Body Consultation Room"**
https://www.mochida.co.jp/woman/

Promoting Understanding of Inflammatory Bowel Disease

Mochida Pharmaceutical Group and Eli Lilly Japan K.K. are involved in a joint project "Promoting a society in which patients can talk openly about living with inflammatory bowel disease." In 2025, we added Crohn's Disease to a project for ulcerative colitis we had been involved in since 2023, with the aim of increasing understanding for both diseases and broadening the circle of support for patients. On a dedicated website, we disclose information about ulcerative colitis and Crohn's Disease, and information about "fecal urgency (sensation of an urgent need to have a bowel movement)," which is identified by patients as the symptom they would most like to have resolved.

■ **Special Site: "Toward a Society Where We Can Talk About Living with Inflammatory Bowel Disease."**
https://www.mochida.co.jp/withibd/



Engagement with the Local Community

Community Contribution Activities

Mochida Pharmaceutical Group actively engages in communication and beautification activities with local communities at each business location. In addition to regular cleaning of the surrounding areas by employees, we strive to coexist with local communities by participating in various activities held in the neighborhood.

• Gotemba Site (Gotemba, Shizuoka Prefecture)

Preservation Council Every year in June, which is Environment Month, the Gotemba site takes part in the cleaning activities organized by Gotemba City Water Quality Preservation Council, cleaning up the surrounding roads. The Gotemba site also takes part in the “amago salmon release party” organized by the Gotemba City Water Quality Preservation Council every October.

Releasing juvenile amago salmon into the river

• Fujieda Site (Fujieda, Shizuoka Prefecture)

Adjacent to the Oi River, which is officially classified as a Class 1 river, the Fujieda site takes part in Oi River Cleanup Activities, including weeding and picking up litter on the banks near the site, to coincide with Environment Month in June and River Conservation Month in July.

• Mochida Pharmaceutical Plant Co., Ltd. (Ohtawara, Tochigi Prefecture)

Mochida Pharmaceutical Plant Co., Ltd. sees communication with the local community as important for protecting the environment and reports any changes in the water quality of rivers and groundwater around the plant and the plant’s initiative to protect the environment to the local government (Ohtawara City) and to representatives of local residents. In November 2024, we held a meeting at our Head office Plant site to report on initiatives undertaken in FY2024.

Additionally, once a month, plant employees pick up litter around the plant, especially in the adjacent area and the area bordering the city road, inspect plants and take measures as necessary and maintain good communication with the local residents.

• Factory Tours and Corporate Visits

The Head Office Plant of Mochida Pharmaceutical Plan Co., Ltd. welcomes student tours and internships to help participants understand the characteristics and features of a pharmaceutical plant, aiding them in future career choices. At our headquarters, high school and junior high school students interested in healthcare and pharmaceuticals visit as part of their off-campus learning programs. They listen intently to explanations about how pharmaceutical companies contribute to healthcare and the process of new drug development.

Company visits by students

• Blood Donation Activities

Every year, we collaborate with the Japanese Red Cross Society in their blood donation activities. In FY2024, blood donation activities were held in June and October at Fujieda site and in August at Mochida Pharmaceutical Plant Co., Ltd.

• Activities to Revitalize Forests

From 2013, to commemorate the 100th anniversary of its founding, Mochida Pharmaceutical Group has been joining a partner program implemented by Kanagawa Prefecture to revitalize forests. Under the program, we lease an area of forest in Kanagawa Prefecture, which we named Mochida Memorial Forest, and employees volunteer to take part in activities to develop the forest such as tree thinning, pruning and clearing underbrush. We will continue focusing on the revitalization of forests and are committed to passing on the blessings of the forest to the next generation.

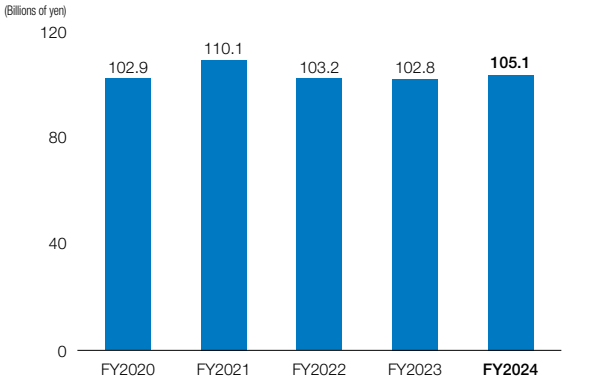
Forest Breeding Activities

5 Corporate Information

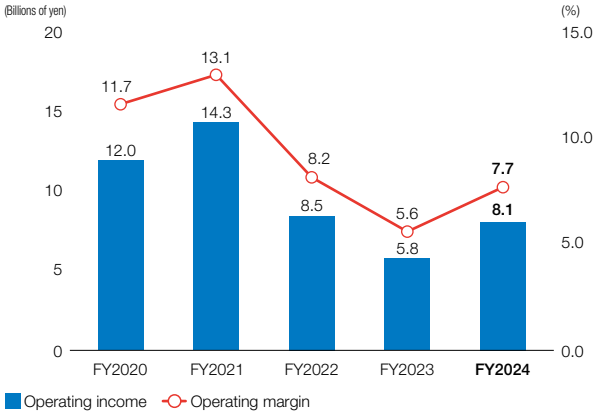
Financial and Non-Financial Highlights

Financial Data (consolidated)

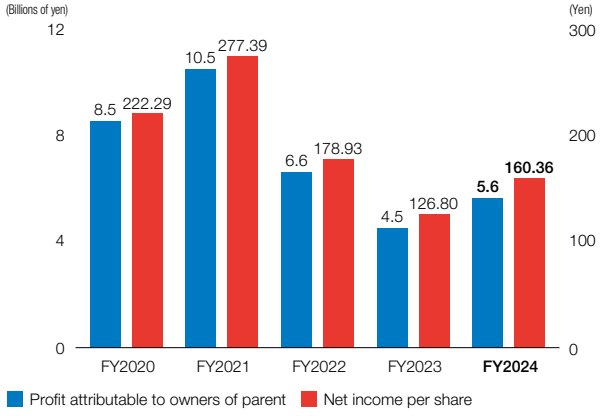
Net sales



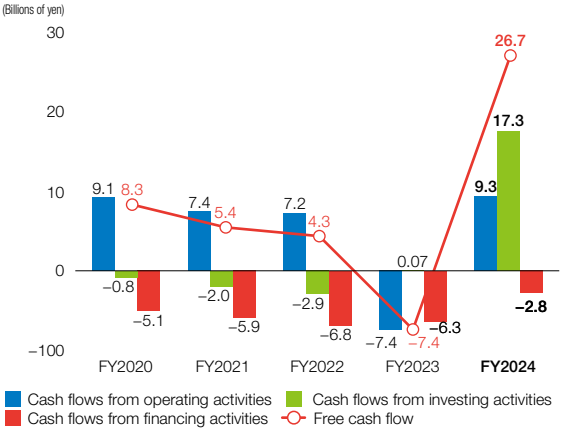
Operating income and operating margin



Profit attributable to owners of parent and Net income per share

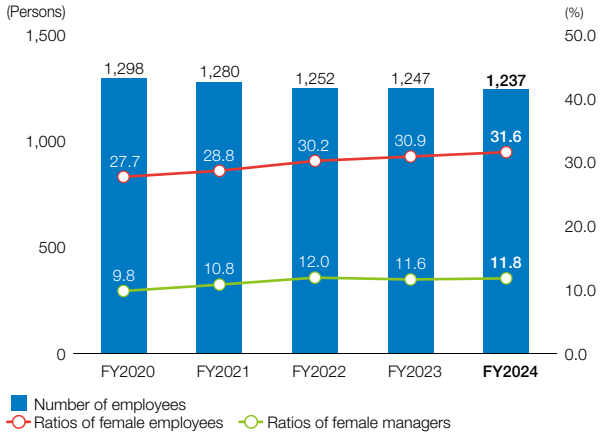


Cash Flows

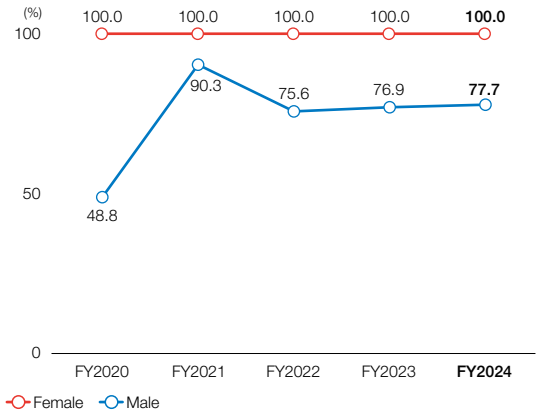


Human Resources (non-consolidated)

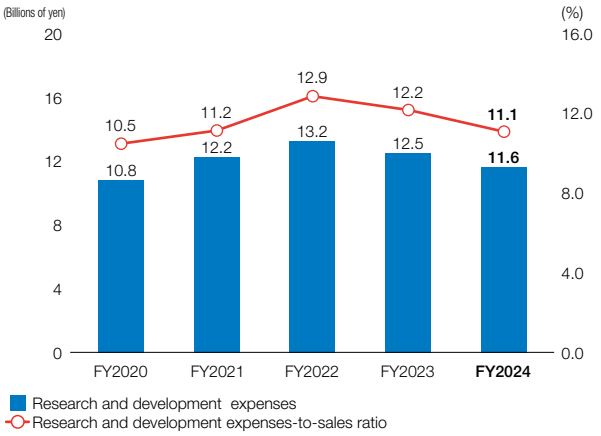
Number of employees, and ratios of female employees and female managers



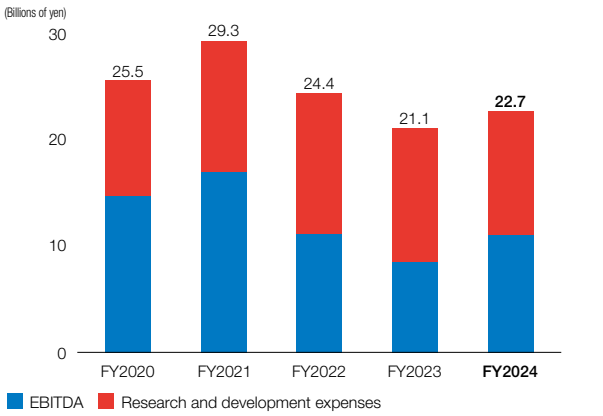
Ratio of employees who took childcare leave



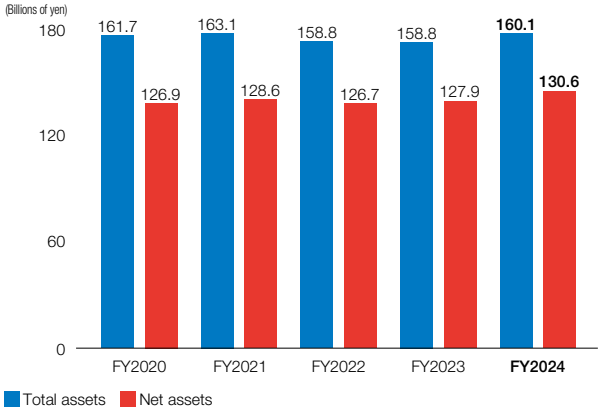
Research and development expenses and Research and development expenses-to-sales ratio



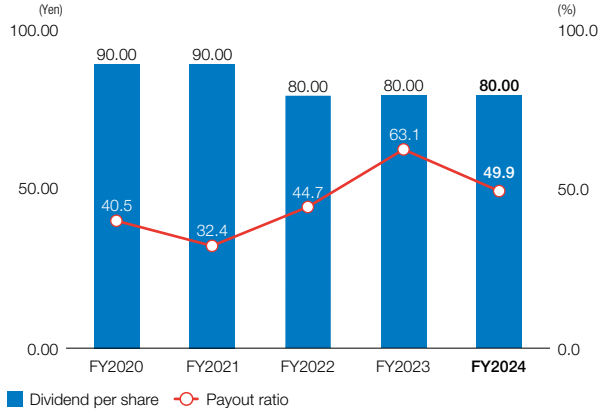
EBITDA + Research and development expenses



Total assets and net assets

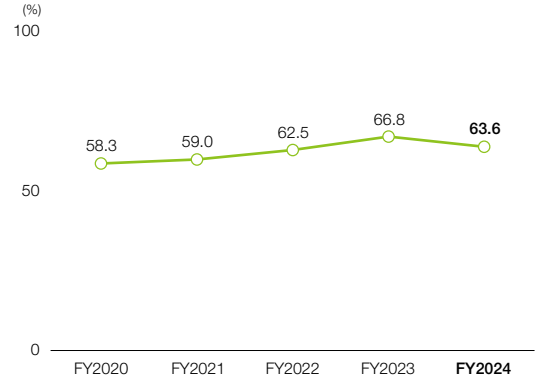


Dividend per share and payout ratio

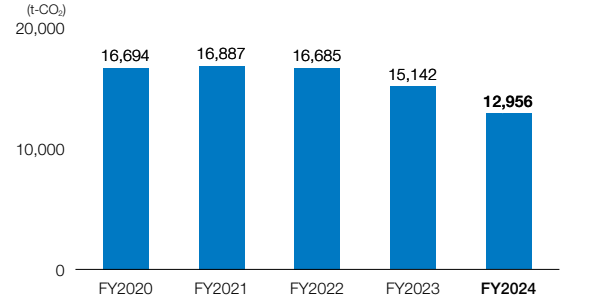


Environment

Ratio of employees who took paid leave



Trend of CO_2 Emissions



Sites covered; Head Office, Gotemba site, Fujieda site and every other business site of Mochida Pharmaceutical Co., Ltd., Head Office Plant of Mochida Pharmaceutical Plant Co., Ltd., and Saitama Plant of Mochida Pharmaceutical Plant Co., Ltd.

CO_2 emissions; Total amount of energy-related CO_2 emissions from fuel and electricity consumption

10-Year Consolidated Financial Summary

	FY2015	FY2016	FY2017[*2]	FY2018
For the fiscal year (Millions of Yen)				
Net sales	92,272	97,349	106,761	109,643
Cost of sales	37,273	41,043	53,182	55,477
Selling, general and administrative expenses	42,845	44,936	41,904	43,584
Research and development expenses	13,454	15,226	11,912	13,003
Operating income	12,154	11,374	11,662	10,590
Recurring income	12,392	11,648	12,008	10,928
Profit attributable to owners of parent	8,150	8,526	9,023	8,435
Comprehensive income	9,121	9,686	11,257	11,467
Net cash provided by (used in) operating activities	15,211	5,583	3,283	12,565
Net cash provided by (used in) investing activities	−15,576	−1,835	−426	−1,121
Net cash provided by (used in) financing activities	−2,917	−3,291	−3,483	−6,094
Cash and cash equivalents at end of year	30,351	30,808	30,182	35,532
Capital investment	1,539	1,060	1,001	1,299
Depreciation and amortization	2,764	2,734	2,618	2,917
End of the fiscal year (Millions of Yen)				
Total assets	137,713	148,372	155,047	159,019
Net assets	104,929	111,869	119,687	125,110
Per-Share Information[*1] (Yen)				
Net assets (BPS)	2,642.32	2,817.36	3,014.53	3,189.15
Net income (EPS)	205.23	214.73	227.27	212.87
Dividends	75.00	77.50	85.00	85.00
Financial Indicators				
Ratio of operating income to net sales (%)	13.2	11.7	10.9	9.7
Ratio of research and development expenses to net sales (%)	14.6	15.6	11.2	11.9
Shareholders' equity ratio (%)	76.2	75.4	77.2	78.7
Return on equity (ROE) (%)	8.0	7.9	7.8	6.9
Payout ratio (%)	36.5	36.1	37.4	39.9
Price to earnings ratio (PER) (times)	20.4	19.2	16.5	26.7
Number of employees (Average number of part-time employees)	1,726 (420)	1,713 (418)	1,666 (420)	1,617 (448)

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
101,799	102,995	110,179	103,261	102,885	**105,159**
49,882	48,203	50,626	48,146	50,815	**51,371**
43,112	42,788	45,161	46,607	46,267	**45,661**
11,884	10,849	12,295	13,283	12,554	**11,676**
8,807	12,003	14,392	8,507	5,802	**8,126**
9,154	12,260	14,799	9,085	6,037	**8,067**
4,598	8,587	10,569	6,649	4,547	**5,685**
873	11,412	7,619	5,001	7,567	**5,567**
9,347	9,198	7,459	7,297	−7,480	**9,354**
−1,760	−880	−2,007	−2,949	74	**17,355**
−5,328	−5,112	−5,956	−6,884	−6,393	**−2,865**
37,791	40,987	40,515	38,010	24,290	**48,151**
1,889	1,335	2,806	2,105	2,315	**1,609**
2,731	2,742	2,689	2,672	2,808	**2,940**
157,488	161,791	163,139	158,831	158,800	**160,121**
120,665	126,974	128,646	126,775	127,967	**130,694**
3,113.69	3,317.92	3,424.21	3,470.18	3,609.64	**3,686.69**
117.56	222.29	277.39	178.93	126.80	**160.36**
80.00	90.00	90.00	80.00	80.00	**80.00**
8.7	11.7	13.1	8.2	5.6	**7.7**
11.7	10.5	11.2	12.9	12.2	**11.1**
76.6	78.5	78.9	79.8	80.6	**81.6**
3.7	6.9	8.3	5.2	3.6	**4.4**
68.1	40.5	32.4	44.7	63.1	**49.9**
35.5	19.3	13.5	18.7	25.4	**19.8**
1,581 (482)	1,558 (504)	1,544 (503)	1,529 (515)	1,522 (495)	**1,508** **(491)**

*1 The Company also conducted a two-for-one share split of its common shares on April 1, 2019. Per-share information is calculated on the assumption that the share consolidation and share split were conducted on April 1, 2015.
*2 From April 1, 2018, our company has applied the “Partial Amendments to Accounting Standards for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018). The relevant accounting standards have been applied retroactively to the main management indicators for fiscal 2017.

Corporate Data

Mochida Pharmaceutical Co., Ltd.

Founded: April 16, 1913
Incorporated: April 28, 1945
Representative: Naoyuki Mochida, President
Main Business: Sale, import and export of pharmaceuticals, etc.
Paid-in Capital: ¥7,229 million
Head Office: 7, Yotsuya 1-chome, Shinjuku-ku, Tokyo 160-8515, Japan
TEL +81-3-3358-7211
Number of Employees: 1,237 (Consolidated: 1,508)
(As of March 31, 2025)

Sites and Research Laboratories

Branche Offices
Sapporo, Sendai, Kanto Koshinetsu, Metropolitan, Chubu, Kansai, Hiroshima, Fukuoka

Other Operating Sites
Asahikawa, Hakodate, Aomori, Morioka, Akita, Koriyama, Kawagoe, Takasaki, Utsunomiya, Mito, Tsuchiura, Niigata, Matsumoto, Kofu, Tama, Chiba, Matsudo, Yokohama, Atsugi, Shizuoka, Hamamatsu, Hokuriku, Kyoto, Osaka-kita, Sakai, Kobe, Yonago, Okayama, Yamaguchi, Takamatsu, Matsuyama, Tokushima, Kochi, Kitakyushu, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima, Okinawa

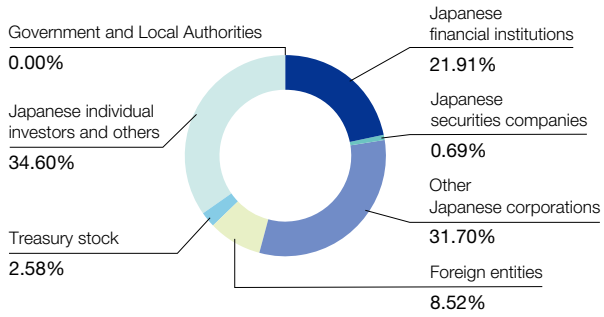
Research Laboratories
Drug Discovery Research Center (Gotemba),
CMC Research Center (Fujieda)

Share Information (As of March 31, 2025)

Current Share Status

Total number of authorized shares	120,000,000 shares
Total number of shares issued and outstanding	36,390,000 shares
Number of shareholders	6,611

Distribution by Type of Shareholder



Major Shareholders (top 10)

Name of Shareholder	Number of Shares Held (thousand)	Percentage of Shares Held (excluding treasury shares)
Mochida Memorial Foundation for Medical and Pharmaceutical Research	5,688	16.05
The Master Trust Bank of Japan, Ltd. (Trust account)	3,179	8.97
Princess Takamatsu Cancer Research Fund	1,683	4.75
MUFG Bank, Ltd.	1,586	4.48
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) Re-trust Trustee: Custody Bank of Japan, Ltd.	1,434	4.05
Nissui Corporation	1,200	3.39
Naoyuki Mochida	1,071	3.02
Takeshi Mochida	949	2.68
Kazue Mochida	847	2.39
Taisho Pharmaceutical Holdings Co., Ltd.	800	2.26

(Note) The Company holds 939 thousand shares of treasury stock, not included in the above.

Website

The latest information of the Group is available on our website.

■ **Mochida Pharmaceutical Co., Ltd. Website**
https://www.mochida.co.jp/english/

Group Companies

Mochida Pharmaceutical Plant Co., Ltd.

Operations Commenced: April 1, 2005
Representative: Tadashi Morikawa, President
Main Business: Manufacture of pharmaceuticals and healthcare products
Paid-in Capital: ¥500 million (wholly owned by Mochida Pharmaceutical)
Head Office Plant: 431, Nakadawara, Ohtawara City, Tochigi 324-0062, Japan
TEL +81-287-24-1111
Sites: Saitama Plant/Tokyo Site

Mochida Pharmaceutical Sales Co., Ltd.

Operations Commenced: June 2, 2014
Representative: Kazumasa Fukuchi, President
Main Business: Sale of pharmaceuticals
Paid-in Capital: ¥10 million (wholly owned by Mochida Pharmaceutical)
Head Office: PAXXS Bldg., 2-12 Ichigayahonmuracho, Shinjuku-ku, Tokyo 162-8451, Japan
TEL +81-3-5229-3929

Mochida Healthcare Co., Ltd.

Operations Commenced: April 1, 2004
Representative: Shinji Akita, President
Main Business: Sale of healthcare products
Paid-in Capital: ¥100 million (wholly owned by Mochida Pharmaceutical)
Head Office: PAXXS Bldg., 2-12 Ichigayahonmuracho, Shinjuku-ku, Tokyo 162-8451, Japan
TEL +81-3-5229-3940
Sites: Sapporo Sales Office, Sendai Sales Office, Higashi Nihon Branch Office, Yokohama Sales Office, Nagoya Sales Office, Nishi Nihon Branch Office, Hiroshima Sales Office, Fukuoka Sales Office, Saitama Site

Mochida Heartful Service Co., Ltd.
<Special Subsidiary>

Head Office: 7, Yotsuya 1-chome, Shinjuku-ku, Tokyo 160-8515, Japan
TEL +81-3-3353-7511

Technofine Co., Ltd.

Head Office: 342, Gensuke, Fujieda, Shizuoka 426-8640, Japan
TEL +81-54-636-7032

Our History

1900

1913 • Mochida was established by Ryokichi Mochida in Hongo, Bunkyo-ku, Tokyo.

- Started producing pharmaceuticals.
- Started producing and marketing *Ogoko*, an ophthalmic ointment.
- Started producing and marketing *Luestin*, an injectable antiluetic.

1929 • Developed *Thrombrin*, Japan's first organ-derived hemostatic agent.

1932 • Completed and launched *Pelanin*, the first estrogen preparation developed in Japan.

1935 • Launched *Testinon*, a male hormone preparation.

1945 • Mochida Pharmaceutical Co., Ltd. was incorporated.

1951 • Launched *Sprase*, the first hyaluronidase preparation developed in Japan.

1952 • Launched *Estropan*, a complex natural female functional hormone.

1956 • Succeeded in producing *Thrombin*, a hemostatic enzyme, in Japan.

1960 • Launched *Partan*, a hemostatic drug that contributes to uterine contraction.

1963 • Listed on the Second Section of the Tokyo Stock Exchange (TSE).

1964 • Nobuo Mochida was appointed president.

- Launched *Gonavis*, Japan's first immunological pregnancy test kit.
- Launched *Kimotab*, an anti-inflammatory enzyme preparation.

1970 • Launched *Gonavislide*, a pregnancy test kit.

- Took part in "Life" Theme Pavilion at Japan World Exposition and exhibited DNA structure model.
- Established the Paramedical Division and entered the quasi-drugs business.
- Launched *Uronase*, a fibrinolytic enzyme preparation.
- Launched *Skina Babe*, baby bath oil.

1972 • Established the Medical Electronics and Equipment Division.

- Completed and started operating the Shizuoka Plant.

1975 • Launched *Neutrogena*, soap for sensitive skin.

- Completed and started operating the Saitama Plant.
- Listed on the First Section of the TSE.

1976 • Completed and relocated to the new headquarters building in Yotsuya.

1977 • Launched, *SONOVISTA*, the first ultrasonic diagnostic scanner developed in Japan.

1979 • Launched *Rocornal*, a circulatory function activator.

1980 • Launched *Collage Cream*, the first basic skin care product containing soluble collagen developed in Japan.

- Launched *Medilaser-S*, the first carbon dioxide laser surgical unit produced in Japan.

1981 • Signed an agreement with Hayashibara Biochemical Laboratory, Inc. for joint research of interferon.

1982 • Completed and opened the Fuji Central Research Laboratory (Gotemba).

1983 • Established the Mochida Memorial Foundation for Medical and Pharmaceutical Research.

1984 • Launched *Arasena-A*, a treatment for viral encephalitis.

- Their Imperial Highnesses Prince and Princess Takamatsu visited Fuji Central Research Laboratory.

1985 • Ei Mochida was appointed president.

- Launched *Miraclid*, the world's first ulinastatin preparation.

1986 • Launched *Florid®-F* injection for the treatment of deep-seated mycoses.

- Launched *Grandaxin*, an autonomic nerve regulator.

1988 • Launched the *Collage Soap* series of low-irritating soap formulated for each specific skin type.

- Launched *Isoprinosine®*, a chemotherapeutic agent.
- Launched natural-type interferon preparations *IFN α MOCHIDA 500* and *IFN β MOCHIDA*.

1989 • Launched *Tecipul*, a tetracyclic antidepressant.

1990 • Susumu Watanabe appointed president.

- Launched *Epadel Capsule 300*, the world's first high-purity EPA preparation.

1991 • Completed Ohtawara Plant.

1992 • Launched *Arasena-A Ointment*, the first topical antiviral agent developed in Japan.

1996 • Commenced JELIS (EBM study for *Epadel*).

1997 • Launched *Atelec®*, a calcium channel blocker.

1999 • Naoyuki Mochida appointed president.

- Launched EPA preparations *Epadel S 300* and *600*.
- Launched low-dose oral contraceptives *Ortho 777-28* and *Ortho M-21*.
- Launched *Collage Furfur*, the first shampoo containing antimycotic ingredients developed in Japan.

2025

2001
- Launched *Gonastick 25*, a pregnancy test kit.
- Launched *Arasena-A Cream*, an antiviral agent.

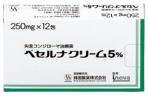
2002
- Obtained the certification of ISO 14001 for Ohtawara Plant.
- Launched the *Vitacollage* series of health supplements.
- Launched *Spurecur*®, a GnRH derivative preparation.

2003
- Launched *Liquid Thrombin Mochida Soft Bottle*, a hemostatic agent.
- Launched the *Collage S* series of basic skin products.
- Mochida Medical Systems Co., Ltd. commenced operations.

2004
- Mochida Healthcare Co., Ltd. commenced operations.
- Launched *Epadel S 900*, a stick-type EPA preparation.
- Mochida Medical Systems Co., Ltd. commenced operations as Mochida Siemens Medical Systems Co., Ltd. (Excluded from affiliated companies accounted for by the equity method in 2009.)

2005
- Mochida Pharmaceutical Plant Co., Ltd. commenced operations.
- Launched the *Collage Whitening* series, the first whitening skincare products for sensitive skin developed in Japan.
- Results of JELIS (EBM study for *Epadel*) announced by American Heart Association (AHA).

2006
- Launched *Collage Furfur Liquid Soap*.



2007
- Commenced co-promotion of *Diovan*®, an antihypertensive. (Agreement terminated end of 2008.)
- Launched *Beselna*, the first treatment for condyloma acuminatum developed in Japan.

2008
- Launched *Dinagest*, a treatment for endometriosis.
- Launched *Collage White Peel*, an enzyme powder face wash.
- Launched *Divigel*® transdermal estrogen gel.

2009
- Launched *Gonastick W*, a pregnancy test kit.
- Launched *Collage Furfur Next Shampoo* and *Rinse* which contain antimycotic ingredients.

2011
- Launched *Lexapro*®, an anti-depressant.

2012
- Launched *Fastic*®, a fast-acting postprandial antihyperglycemic agent.
- Launched *glucoriina*, a food for specified health uses (FOSHU).

2013
- Launched a switch-OTC version of *Epadel*.
- Launched the *Collage B.K.AGE* series.
- Launched biosimilar *Filgrastim BS MOCHIDA*.
- Launched *Tramcet*® tablets, an analgesic.

2014
- Launched *Atedio*® tablets for treatment of hypertension.
- Mochida Pharmaceutical Sales Co., Ltd. commenced operations.
- Renewed and relaunched the *Collage Skincare* series.
- Launched *Treprost*®, a therapeutic agent for pulmonary arterial hypertension.

2016
- Launched *Lialda*®, a treatment for ulcerative colitis.

2017
- Launched *Calprotectin MOCHIDA*, an *in-vitro* diagnostic agent for ulcerative colitis.

2018
- Launched *Doxil*®, an anticancer agent.
- Launched *Goofice*®, a treatment for chronic constipation.
- Launched biosimilar *Etanercept BS MA*.
- Launched *Collage Furfur Premium Shampoo*.
- Launched *Movicol*®, a treatment for chronic constipation.

2019
- Launched the *Collage Repair* series.
- Launched *biosimilar Teriparatide BS MOCHIDA*.

2020
- Launched *Gonacard W*, a pregnancy test kit.
- Launched *Urece*®, a treatment of gout and hyperuricemia.

2021
- Launched biosimilar *Adalimumab BS MA*.

2022
- Shifted to the TSE Prime Market.
- Launched *Epadel EM*, a self-emulsifying formulation of highly purified EPA.
- Completed and started operating at the new headquarters building in Yotsuya.

2023
- Launched *Omvoh*® and *Cortiment*®, a treatment for ulcerative colitis.
- Launched biosimilar *Pegfilgrastim BS MOCHIDA*.

2024
- Launched *ReFeel*, a material that supports nerve regeneration (U.S.).

MOCHIDA PHARMACEUTICAL GROUP

https://www.mochida.co.jp