



# Annual Review 2020

Year ended March 31, 2020



**MOCHIDA PHARMACEUTICAL GROUP**

## Profile

Mochida Pharmaceutical Group (Mochida Pharmaceutical Co., Ltd. and its consolidated subsidiaries) responds to the widespread requirements of medical care by putting into practice its motto of “farsighted, innovative research.” With the advent in Japan of the aging society and a stronger emphasis on quality of life (QOL) and a continued focus on health, expectations regarding medical care are growing daily.

We aim to do as much as one company can to contribute to the world of medical care. At Mochida Pharmaceutical, we embrace that objective as our mission, and we are proactive in the far-reaching areas that constitute medical care.

## Corporate Philosophy

Throughout the Company’s history, it has stressed the importance of farsighted creativity to develop unique products and technologies for the medical and pharmaceutical world, thereby contributing to the improvement of human health.

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**Cover:** The stained-glass window expresses a prayer for health and depicts St. Luke, the patron saint of the medical profession, administering medicine to people who are suffering.



## Consolidated Financial Highlights

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of Yen		Thousands of U.S.Dollars
	2020	2019	2020
Net sales	¥101,799	¥109,643	\$ 935,401
Operating income	8,807	10,590	80,925
Income before income taxes and minority interests	6,273	11,642	57,643
Income taxes	1,675 <sup>*1</sup>	3,207 <sup>*2</sup>	15,391
Net income	4,598	8,435	42,251
Total assets	157,488	159,019	1,447,104
<hr/>			
R&D expenditures	¥ 11,884	¥ 13,003	\$ 109,202
Capital expenditures	1,889	1,299	17,360
<hr/>			
	Yen		U.S.Dollars
Net income per share <sup>*3</sup>	¥ 117.6	¥ 212.9	\$ 1.08
Cash dividends per share <sup>*4</sup>	80.0	170.0	0.74

\*1: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,349 million), income taxes-deferred (-¥674 million) is included.

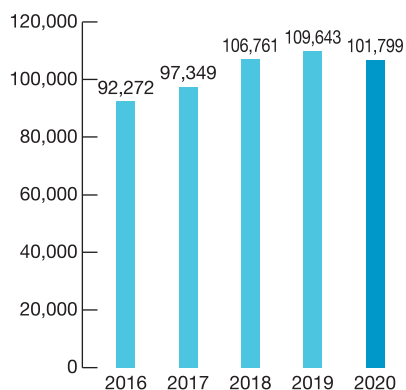
\*2: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,835 million), income taxes-deferred (¥371 million) is included.

\*3: The Company implemented a stock split of 2 shares for each 1 share of common stock on April 1, 2019. Net income per share are calculated based on the assumption that the stock split had occurred at the beginning of the period ending March 2019.

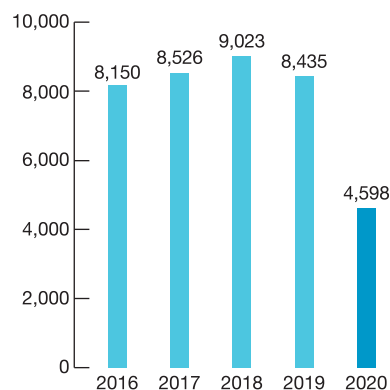
\*4: Cash dividends per share represent the actual payment prior to the relevant stock split.

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥108.83=\$1.00, the approximate exchange rate on March 31, 2020.

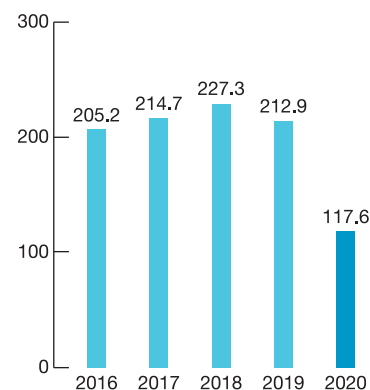
**Net Sales**  
(Millions of Yen)



**Net Income**  
(Millions of Yen)



**Net Income per Share**  
(Yen)





## Working to continuously boost enterprise value by meeting medical and healthcare needs as a group of companies in the life and healthcare business.

Mochida Pharmaceutical Group was founded in Tokyo in 1913 based on a belief in “innovative research.” In addition to pharmaceuticals, the Company advanced into the medical devices and skin care products fields from early on and has played an important role in the development of Japanese medical care by providing original innovative products.

Throughout the Company’s history, it has stressed the importance of farsighted creativity to develop unique products and technologies for the medical and pharmaceutical world, thereby contributing to the improvement of human health. This corporate philosophy is our universal mission. We believe that our *raison d’être* is to create and provide valuable products to patients and customers by capturing potential medical and healthcare needs to help people suffering from illness or health problems.

While never forgetting the spirit of our founding, we will continue meeting medical and healthcare needs as a group in the life and healthcare business. While contributing in this way to people’s health and welfare, we will work to continuously boost enterprise value.

### Review of FY2019

During fiscal year 2019 (ended March 31, 2020), the Japanese economy staged a gradual recovery, driven by domestic demand amid improvement in employment and income conditions, despite weak external demand due to slowdown in overseas economies. However, the COVID-19 pandemic has led to a sharp economic downturn and conditions are expected to remain challenging moving forward.

In the Japanese pharmaceutical industry, the business environment remained harsh as the government continued to advance measures to reduce drug costs against the background of securing fiscal sources for social security expenses and competition among companies intensified.

Under this environment, Mochida Pharmaceutical Group posted declines in net sales and income for the fiscal year.

### Basic Management Policy

In accordance with our corporate philosophy, “throughout the Company’s history, it has stressed the importance of farsighted creativity to develop unique products and technologies for the medical and pharmaceutical world, thereby contributing to the improvement of human health,” Mochida Pharmaceutical Group aims at being a unique and distinctive comprehensive healthcare company with the pharmaceuticals business as its core, together with the skin care business and related new businesses.

To realize our corporate philosophy, the Company pursues enhanced corporate governance and absolute compliance as key pillars of our management. Every group employee observes Mochida Pharmaceutical Group Code of Conduct, and we are striving to boost enterprise value by responding to the trust and expectations of our stakeholders.

To also respond to changes in the business environment and maintain sustainable growth, Mochida Pharmaceuticals Group continues to place priority on “establishing businesses and specialized fields, where Mochida has a competitive advantage” “placing a higher priority on partnerships,” and “thorough streamlining of resources” under the basic policy of emphasizing profit and continued investment for the future. We will strive to continually increase our corporate value by taking full advantage of our agility and responsiveness as a mid-sized firm.

## Medium-Term Management Plan Policies for Fiscal Years 2020 through 2022

The Medium-Term Management Plan (FY2020-2022) policies are as follows.

We will respond to medical and healthcare needs with concentration of the total power of the Group covering research and development, manufacturing and marketing, pursue sustainable growth by promoting selection and focusing processes, and restructure the earnings structure to respond to further environmental changes.

The business environment over the three years from FY2020 to FY2022 is forecast to be even more challenging, given the continuing government policy of pharmaceutical cost reductions in the context of the need to secure stable financial resources for the social security system, further promotion of the use of generic drugs, and the impact of the National Health Insurance (NHI) price revision this April on the heels of the revision in October last year.

Mochida Pharmaceutical Group will intensively focus on the following three key points so the Group can deal with all types of changes in the environment :

1. Focusing on new drugs, etc.
2. Making continuous investments to create next-generation leading products
3. Redistributing resources strategically through the selection and focusing processes

As the top priority issue, we will concentrate our resources on the targeted areas of cardiovascular medicine, obstetrics and gynecology, dermatology, psychiatry, and gastroenterology and focus on new drugs to maximize profit in our core pharmaceutical business. In addition, we will further promote strategic alliances that stress the importance of partnerships.

We are pursuing investments in business activities that will lead to future competitiveness in order to create leading next-generation products. In pharmaceutical research, we are enhancing our development pipelines by in-licensing candidate drugs for development at an early stage through the promotion of open innovation. In addition, we will work on the overseas expansion of our own products.

We will boost productivity by proceeding with selection and concentration in company-wide organizational management, further promoting structural reform, and strengthening interdepartmental cooperation. We will also strategically maximize the use of the Group's finite human, material, and financial resources, while actively seeking collaboration with external resources at the same time.

Aiming at specialty pharmaceuticals that will be valued globally, Mochida Pharmaceutical Group will strive to continually increase its corporate value as a group in the life and healthcare business by taking full advantage of the agility and responsiveness of a mid-sized firm.

As mentioned above, the environment surrounding the pharmaceutical industry is expected to grow increasingly severe. In the first fiscal year (FY2020) of the 20-22 Medium-Term Management Plan, our profitability will be on a recovery track due to our continued focus on investments for the future in areas such as R&D (including in-licensing), despite the impact of three straight years of NHI price revisions. We will aim to regain profitability during the period of the Medium-Term Management Plan through our long-standing efforts in portfolio restructuring (shift to new drugs) and the progress of our implemented measures.

## To Our Shareholders and Investors

Mochida Pharmaceutical Group fulfills its social mission as a pharmaceutical company by creating and supplying high-value-added products that meet customer needs based on its corporate philosophy "Throughout the Company's history, it has stressed the importance of farsighted creativity to develop unique products and technologies for the medical and pharmaceutical world, thereby contributing to the improvement of human health." We also conduct our corporate activities with high ethical standards. We are working to become a specialty pharmaceutical company whose presence is recognized worldwide, and to boost corporate value over the long term.

We thank our shareholders and other stakeholders for your continuing support.

August 2020



**Naoyuki Mochida**  
President

### Overview of Performance

Mochida Pharmaceutical Group has continued to institute business reforms across all areas of management. That includes improving the Group’s management systems, maintaining an optimum level of staffing, and increasing productivity on a companywide basis.

In the pharmaceutical business, the Group has focused its resources on our key therapeutic areas such as cardiovascular medicine, obstetrics and gynecology, dermatology, psychiatry, and gastroenterology. With the aim of establishing itself as a specialty pharmaceutical company, the Group undertook an aggressive campaign to disseminate academic information concerning mainstay and other products.

In the skin care business, the Group has conducted business activities as a pioneer in skin care products for sensitive skin, and worked to further cultivate the market by stepping up its marketing activities.

In the fiscal year ended March 31, 2020, Mochida Pharmaceutical Group realized consolidated net sales of ¥101,799 million, a decrease of 7.2% from the previous year, reflecting the impact from the restriction of drug expenditures in the pharmaceutical business segment.

### Individual Business Segments

In the pharmaceutical business segment, sales fell 7.8% year on year to ¥96,477 million.

Against the backdrop of the NHI price revision in October 2019, sales of new drugs such as *Lexapro*®, an antidepressant, *Lialda*®, a therapeutic agent for ulcerative colitis, and *Goofice*®, a therapeutic agent for chronic constipation, grew. *Movicol*®, a therapeutic agent for chronic constipation, launched in November 2018, also contributed to sales growth.

Sales of long-listed drugs such as *Epadel*, a therapeutic agent for hyperlipidemia and arteriosclerosis obliterans, *Atelec*®, the long-acting calcium channel blocker, and *Dinagest*, a therapeutic agent for endometriosis and adenomyosis, declined from the previous year, mainly due to the impact of measures to promote use of generics and drug price revision. Sales of *Tramcet*®, an analgesic for chronic pain and pain after tooth extraction, also fell year on year, reflecting the launch of generics in December 2018.

In the generics business, sales rose year on year, reflecting growth of the biosimilar *Etanercept BS MA* and an authorized generic of *Dinagest*. The Company launched *Teriparatide BS MOCHIDA*, a biosimilar for osteoporosis in November 2019. There was also a decrease in royalty revenue, and net sales in the pharmaceutical business segment overall fell 7.8% year on year, to ¥96,477 million.

In the skin care business segment, sales increased 6.8% year on year, to ¥5,322 million, in a business environment that saw an upward trend in market growth but intensifying competition.



## Profit and Loss

In terms of profits, SG&A expenses fell year on year, mainly due to decreased R&D expenses, but lower gross profit associated with decreased net sales in the pharmaceutical business segment caused operating income to fall 16.8% year on year, to ¥8,807 million while recurring income dropped 16.2% year on year, to ¥9,154 million. Net income was ¥4,598 million, down 45.5% from the previous year, chiefly reflecting the recording of an extraordinary loss due to contract loss incurred on the amendment of the terms and conditions of partnership agreements concerning certain ethical drug sales.

## Research & Development

In terms of research, we are focusing on drug discovery activities in an effort to enhance our development pipeline by introducing candidate drugs for development at an early stage through the promotion of open innovation. We are also actively working to introduce drugs to treat schizophrenia and chronic pain (TRPV1 antagonists).

Additionally, in March 2020, we signed a collaboration commitment with Gene Techno Science Co., Ltd. to develop new regenerative medicine for the treatment of digestive rare and intractable diseases such as congenital isolated hypoganglionosis.

In terms of clinical development meanwhile, we obtained manufacturing and marketing approval for *Teriparatide BS MOCHIDA* (Development code: RGB-10) in September 2019. Fuji Yakuhin Co., Ltd. obtained manufacturing and marketing approval for *Urece*<sup>®</sup> (Development code: FYU-981), a therapeutic agent for gout and hyperuricemia jointly developed with Mochida, in January 2020. We obtained manufacturing and marketing approval of the indication for dysmenorrhea for *Dinigest* in January 2020. *MND-2119*, a new high-purity EPA product, a pediatric indication of *Lialda*<sup>®</sup>, a pediatric indication of *Lexapro*<sup>®</sup>, *MD-120*, an antidepressant we are developing in collaboration with Pfizer Japan Inc., and *MND-21*, a therapeutic agent for hypertriglyceridemia we are developing in collaboration with Sumitomo Pharmaceuticals (Suzhou) Co., Ltd. in China, are all in the Phase III clinical trial stage. *MD-711*, a therapeutic agent for pulmonary arterial hypertension, is in the Phase II/III clinical trial stage. *ACT-541468*, a therapeutic agent for insomnia in relation to which we signed a development and marketing agreement with Idorsia Pharmaceuticals Ltd. in December 2019, is in the Phase II clinical trial stage. *dMD-001*, a therapeutic material for articular cartilage lesions is in the therapeutic confirmatory trial study.

In addition, we signed an agreement concerning marketing rights for *Epadel* in Vietnam with Meiji Seika Pharma Co., Ltd. in March 2020.

During the fiscal year under review, consolidated R&D expenditures totaled ¥11,884 million.



Research Center (Gotemba)

# Contributing as a group of companies in the life and healthcare business



As the focus of attention turns increasingly toward QOL and the aging society, health-related issues have moved to center stage in many people's lives. As a group in the life and healthcare business, Mochida Pharmaceutical Group's mission is to make a lasting contribution to people's health and welfare. Thus, the Group is taking the initiative in providing innovative medical care over a wide range of fields.

Through our activities as a key player in ethical drugs and in medical treatment and diagnostic reagents, Mochida Pharmaceutical Group has been able to develop an extensive and varied product line. We endeavor to provide beneficial products that embody the Company's approach of "farsighted, innovative research" in our core pharmaceuticals business, and in the skin care business and new businesses.



## • Pharmaceuticals

### ***Mochida Pharmaceutical Co., Ltd.***

Mochida Pharmaceutical Co., Ltd. has devoted unstinting effort to developing and marketing a broad spectrum of innovative new drugs. The Company's line of proprietary products began with the development of an agent for ophthalmologic disorders and grew to encompass hormones, enzymes, and immunological products. Major successes include the development of Japan's first topical antiviral agent, *Arasena-A*; one of the world's first human-derived enzyme inhibitors, *Miraclid*; and natural interferon preparations in the field of biotechnology. In the area of diagnostic reagents, the Company developed Japan's first pregnancy test kit, *Gonavis*, and reagents based on monoclonal antibodies for use in the diagnosis of cancer. We are presently researching, developing and marketing, both independently and with business partners, high value added pharmaceuticals such as world-first new drugs and pharmaceuticals that meet medical needs, including medicines for the treatment of intractable diseases and biosimilars.

One of the main objectives of the Company is to maximize the business performance of our drugs after they are developed and released, such as the performance of *Epadel* in hyperlipidemia. Mochida Pharmaceutical now has unique products and a distinctive product line in our priority areas of cardiovascular medicine, obstetrics and gynecology, dermatology, psychiatry and gastroenterology, and we are developing marketing strategies to maximize those products' value.

We will continue responding to medical needs and customer needs in every area, including research and development and marketing, as we strive to achieve sustainable growth.

### ***Mochida Pharmaceutical Plant Co., Ltd.***

Mochida Pharmaceutical Plant Co., Ltd. (MPP) is engaged in the manufacturing of pharmaceuticals and skincare products.

The Head Office Plant manufactures injectable, solid (oral) and topical medicines. Due to their complex nature, injectable solutions are manufactured using the latest technology under the PIC/S (Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme) GMP Guide. Besides manufacturing Mochida Pharmaceutical's products, the plant is also actively involved in contracted manufacturing for other companies.

Saitama Plant manufactures skincare products.

## • Skin Care Products

### ***Mochida Healthcare Co., Ltd.***

Mochida Healthcare Co., Ltd. (MHC) is able to draw on its extensive experience in the development of pharmaceuticals to create skin care products for the general public, and these are supplied through pharmacies, drugstores and mail-order sales.

The quality and reliability of the firm's skin care products are widely recognized by physicians and pharmacists, as well as consumers. Our skin care products business is currently expanding product lines to meet growing demand for products in this field. Efforts are also focusing on increasing awareness of the *Collage* and *Skina* brands.

## Strengthening Business Foundations through Partnerships

The companies of Mochida Pharmaceutical Group are doing everything possible to achieve the Group's aim of making significant contributions to the improvement of human health and welfare as a group in the life and healthcare business. In our efforts to strengthen the foundations for the sustainable growth of each business, we emphasize the importance of partnerships with other companies to effectively complement and reinforce our businesses.



# Developing Innovative New Medicines for Tomorrow

Mochida Pharmaceutical's principal aim is to contribute to the health of the community by bringing innovative new drugs to market. The motivating force behind all Company endeavors begins with the initial quest for useful pharmaceuticals and continues through the often-lengthy R&D phase right up to the actual market launch of the product. Mochida Pharmaceutical maximizes the manifestation of foresight and originality in all processes based on our unique capabilities and diverse technological know-how cultivated over the years.

As of May 15, 2020

Code	Name	Stage	Indications	Formulation	Remarks
MD-0901	mesalazine	Phase III	Ulcerative colitis (pediatric indication)	Oral	Licensed-in from Shire Pharmaceuticals Group (now part of Takeda) In-house development<Japan>
MND-2119	ethyl icosapentate	Phase III	Hyperlipidemia	Oral	In-house development<Japan>
MLD-55	escitalopram	Phase III	Depression (pediatric indication)	Oral	Licensed-in from Lundbeck In-house development<Japan>
MD-120	desvenlafaxine	Phase III	Depression	Oral	Co-development with Pfizer<Japan>
MND-21	ethyl icosapentate	Phase III	Hypertriglyceridemia	Oral	Collaboration with Sumitomo Pharmaceuticals (Suzhou)<China>
MD-711	treprostinil	Phase II / III	Pulmonary arterial hypertension	Inhalant	Licensed-in from United Therapeutics In-house development<Japan>
ACT-541468	daridorexant	Phase II	Insomnia	Oral	Co-development with Idorsia Pharmaceuticals Japan<Japan>
[Medical device]					
dMD-001	sodium alginate	Therapeutic confirmatory study	Articular cartilage lesion		In-house development<Japan>

The development of biosimilars is not disclosed.

## Open Innovation Pharmaceutical Research

With its extensive technical resources and expertise, Mochida Pharmaceutical has established itself as a leader in developing pharmaceuticals utilizing natural bioactive substances.

Mochida is introducing a schizophrenia drug candidate and a chronic pain drug candidate (TRPV1 antagonists) developed in our drug research and development activities.

Mochida Pharmaceutical strives to provide medicines that correspond to patients ongoing requirements as quickly as we can. We maximize foresight and originality in all processes, based on our unique research and development capabilities and diverse technological know-how cultivated over many years.

In order to make our pharmaceutical research even more efficient, we are enhancing development pipelines by introducing candidate drugs for development at an early stage by promoting “open innovation.” We conduct pharmaceutical research activities in collaboration with academic institutions, for example, entering into collaboration agreements with Kyushu University and Nagoya City University and launching the MOIRe (Mochida Open Innovation Research) program.

## Epadel: The Outcome of Farsighted, Innovative Research

A drug that epitomizes the unique and innovative strengths of Mochida Pharmaceutical's R&D capabilities is *Epadel*, a drug for hyperlipidemia and arteriosclerosis obliterans. *Epadel* is the world's first high-purity ethyl icosapentate (EPA-E). Working in cooperation with Nippon Suisan, Mochida Pharmaceutical made a historic breakthrough by turning purified EPA-E into a pharmaceutical. EPA is a biologically active substance present in fish oil. A global epidemiological study on the relationship between diet and disease has found that people who consume EPA as part of their diet are much less likely to suffer from such diseases as high blood pressure and arteriosclerosis-induced myocardial infarction than those who do not consume EPA.

## GEMTAB®: Development of High Value-Added Products

Mochida is developing high value-added products in response to drug market needs. GEMTAB® is a formulation technology developed by Mochida which coats the surface of small tablets with a thickener that turns into a gel with saliva and water. Tablets with GEMTAB® technology are easy to swallow and easy to take since the coating masks any bitterness. GEMTAB® is being recognized in medical practice as a high value-added product from the patient's point of view.





# Unrivaled Commitment to Quality



A company operating in the pharmaceutical field must have advanced technological capabilities, not just in R&D but in manufacturing processes as well. While coordinating personnel, facilities, and technology of the highest levels, Mochida Pharmaceutical Plant Co., Ltd. (MPP) ensures systematic control over manufacturing and quality, from individual processes to the overall procedures. This is intrinsic to a quality assurance system designed to ensure that only products of outstanding quality leave the company. MPP takes a proactive approach to achieving superior quality in all aspects of operations. It is an approach that demonstrates the Group's indomitable spirit of "farsighted, innovative research."

## State-of-the-Art Manufacturing and Quality Control

In addition to efficacy and safety, high quality is essential to pharmaceutical products, which directly impact life and health. MPP ensures strict adherence to the quality standards on which marketing approval is based. It is by observing Good Manufacturing Practice (GMP) that MPP's pharmaceutical manufacturing unit has achieved high levels in both manufacturing and quality control. MPP's basic approach and a prerequisite for all manufacturing is to introduce products of superior quality to the market. While ensuring that each employee operates within the scope of these rules, MPP still maintains its own unique approach and continues to find new ways to achieve better quality.

## Utilizing the Advances in "Hardware" and Technology

MPP manufactures injectable, solid (oral), and topical medicines.

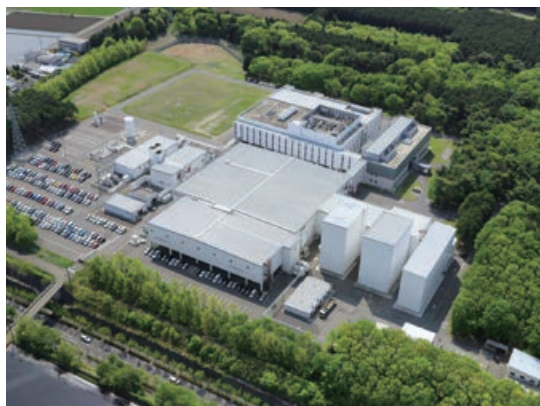
Conforming to FDA and EMA quality control standards, all phases of production at the Injectable Medicines building, from receipt of raw materials to the shipping of final products, are managed with computer systems. MPP utilizes this exacting production system in the manufacture of enzyme, protein, and biological products and other injectable drugs, processes which require the highest levels of technology. MPP's flexible production system further enhances stability in production to cover the variable order sizes in contract manufacturing, including orders for oral and topical medicines. MPP is also actively working to improve packaging technology to prevent the misuse of drugs and increase conformity with universal design.

## Extensive Experience in the Development and Manufacturing of New Medicines

As a manufacturer working in the development and manufacturing of new medicines, MPP has vast experience in scaling up manufacturing and in technology transfer of products developed in-house. MPP has arranged a system to advance efficient technology transfer for contract manufacturing.

## Giving Careful Consideration to Environmental Protection

MPP's commitment to protecting natural resources, maintaining natural beauty, and preserving the environment around us is not only a fundamental aspect of MPP's corporate activities, it is based on MPP's wish to contribute responsibly in its dealings with the larger community. As part of this awareness, in all its production activities, MPP places great emphasis on the careful selection of raw materials for products, reduction of the amount of packaging used, and safe and proper disposal of waste. In recognition of these efforts, the Head Office Plant (Otagawa) was awarded ISO 14001 certification by the International Standards Organization for its environmental management system. This plant, which used heavy oil as fuel, switched to liquefied natural gas (LNG) and electricity in March 2009, in an effort to further reduce the amount of carbon dioxide emissions.



Mochida Pharmaceutical Plant Co., Ltd. (Otagawa)



# Building Strong Partnerships

Mochida Pharmaceutical actively creates and propels alliance opportunities with partners to achieve the mutual goal to deliver new medications that improve patients' lives. Our partnerships extend from research, development, marketing and sales promotion, and manufacturing, and we value highly these alliances of excellence as we take on challenges together to satisfy unmet medical needs.



## Collaboration with Other Companies

Mochida Pharmaceutical prioritizes cardiovascular medicine, obstetrics and gynecology, dermatology, psychiatry and gastroenterology in allocating sales resources for the core pharmaceutical business.

We are strengthening our product pipeline, maximizing product value, and advancing the development of high value-added products to meet unmet medical and customer needs through numerous domestic and international partnerships.

We have developed and launched *Beselna*, a therapeutic agent for condyloma acuminatum and actinic keratosis, licensed in Japan by iNova Pharmaceuticals Pte Limited, *Dinagest*, a therapeutic agent for endometriosis, adenomyosis and dysmenorrhea, licensed by Jenapharm (now a member of the Bayer AG Group), an antidepressant *Lexapro*<sup>®</sup>, licensed by Lundbeck, *Treprost*<sup>®</sup>, a therapeutic agent for pulmonary arterial hypertension originated by United Therapeutics Corporation, and *Lialda*<sup>®</sup>, a therapeutic agent for ulcerative colitis, licensed by the Shire Pharmaceuticals Group (now part of Takeda).

Mochida is co-marketing *Lexapro*<sup>®</sup> together with Mitsubishi Tanabe Pharma Corporation, and co-promoting the drug together with Yoshitomiyakuin Corporation.

We entered into an agreement with Ajinomoto Pharmaceuticals Co., Ltd. (now EA Pharma Co., Ltd.) concerning the joint development and joint marketing of two drugs for the treatment of chronic constipation. In 2018, EA Pharma Co., Ltd. obtained manufacturing and marketing approval for the two drugs and EA Pharma Co., Ltd. and Mochida are now marketing them under the brand names *Goofice*<sup>®</sup> and *Movicol*<sup>®</sup>.

We concluded a contract with Fuji Yakuhin Co., Ltd. for the joint development and marketing of a therapeutic agent for gout and hyperuricemia. Fuji Yakuhin Co., Ltd. obtained manufacturing and marketing approval for it in 2020 and Mochida began marketing it under the brand name *Urece*<sup>®</sup>.

Meanwhile, we have signed developing and marketing agreements with United Therapeutics Corporation for *MD-711*, a therapeutic agent for pulmonary arterial hypertension, with Pfizer Japan Inc. for the antidepressant *MD-120*, and with Idorsia Pharmaceuticals Ltd. for *ACT-541468*, a therapeutic agent for insomnia.

In the area of regenerative medicine, we have concluded a joint commercialization agreement with Gene Techno Science Co., Ltd. on the medical product utilizing human dental pulp stem cells.

In biosimilars, Mochida jointly developed *Filgrastim BS* with Fuji Pharma and launched it in 2013. We have also entered into agreements with LG Chem, Ltd. in relation to an etanercept biosimilar and an adalimumab biosimilar. In 2018, Mochida obtained manufacturing and marketing approval for *Etanercept BS*, and AYUMI Pharmaceutical Corporation began marketing it.

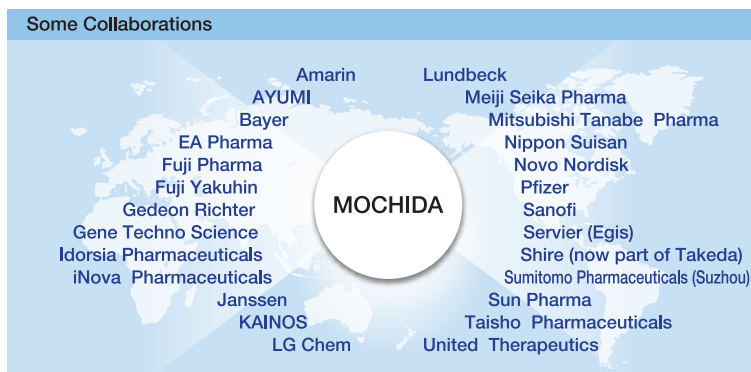
In 2019, we launched *Teriparatide BS*, which we had been developing under a business tie-up with Gedeon Richter Plc.

Mochida concluded agreements with Janssen Pharmaceutical K.K. concerning *Tramcet*<sup>®</sup>, an analgesic for chronic pain/pain after tooth extraction, and *Doxil*<sup>®</sup>, an anticancer agent, and has begun marketing both agents.

Mochida is promoting the overseas expansion of its own proprietary high-purity EPA products. We entered into an agreement with Meiji Seika Pharma Co., Ltd. concerning their marketing in Thailand and Vietnam. The Thai subsidiary of Meiji Seika Pharma Co., Ltd. filed an application for manufacturing and marketing approval in 2019. We have also concluded a contract with Sumitomo Pharmaceuticals (Suzhou) Co., Ltd., which is the Chinese subsidiary of Sumitomo Dainippon Pharma Co., Ltd., and we are pursuing clinical development in China.

Mochida also entered into an agreement with Amarin Corporation Plc for the development and commercialization of high-purity EPA formulations in the United States and certain other territories by Amarin Corporation Plc.

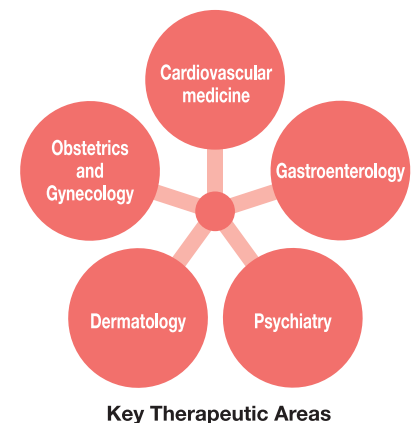
Through collaboration with our valuable partners, Mochida Pharmaceutical continues fulfilling our mission of providing pharmaceutical products to meet unmet medical needs.





## Pharmaceuticals That Contribute to the Communities in Which We Live

A pharmaceutical company's work does not end when the product is successfully launched. Drugs must be used properly in order to be fully effective. This means that there must be a process for providing appropriate information on drugs to medical institutions, for collecting feedback from the institutions once the drugs are in use, and for informing the various institutions of the Company's evaluations and responses on key issues. Mochida Pharmaceutical sees this type of information-disseminating activity as a way to further contribute to society.



Key Therapeutic Areas



## Producing Products with Beneficial Effects Tailored to Specific Fields

### • Cardiovascular medicine

*Epadel* is the first drug in the world containing EPA-E (ethyl icosapentate: one of the poly-unsaturated fatty acids contained in fish oil) which was successfully extracted from fish oil and purified to a high degree. This drug has opened up a new field in the treatment for arteriosclerosis obliterans and hyperlipidemia.

Mochida also provides other unique products in the cardiovascular field, including *Atelec*<sup>®</sup> and *Atedio*<sup>®</sup>, therapeutic agents for high blood pressure, *Treprost*<sup>®</sup>, a therapeutic agent for pulmonary arterial hypertension and *Urece*<sup>®</sup>, a therapeutic agent for gout and hyperuricemia.



#### *Epadel* (icosapent)

*Epadel* is the world's first ethical drug containing high-purity ethyl icosapentate extracted from fish oil. It is used for treating arteriosclerosis obliterans and hyperlipidemia.



#### *Atelec*<sup>®</sup> (cilnidipine) and *Atedio*<sup>®</sup> (valsartan/cilnidipine)

*Atelec*<sup>®</sup> is a dual L/N type calcium channel blocker with a long-acting hypotensive effect. *Atedio*<sup>®</sup> is the first combination drug of valsartan (an angiotensin II receptor blocker) and cilnidipine in Japan.



#### *Treprost*<sup>®</sup> (treprostinil)

*Treprost*<sup>®</sup>, a therapeutic agent for pulmonary arterial hypertension, is a Prostaglandin I<sub>2</sub> analog, which can be administered by either continuous intravenous infusion or by continuous subcutaneous infusion using a small ambulatory infusion pump.



#### *Urece*<sup>®</sup> (dotinurad)

*Urece*<sup>®</sup> is a therapeutic agent for gout and hyperuricemia. This agent lowers serum urate level by the suppression of urate reabsorption in the kidney via its selective inhibition of URAT1 (urate transporter 1).

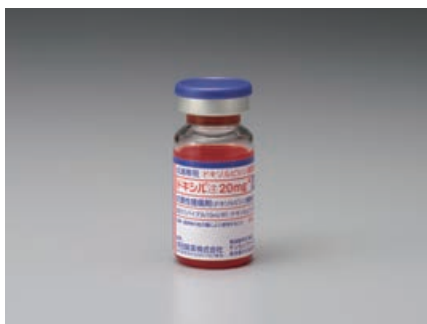
### • Obstetrics and Gynecology

Mochida Pharmaceutical has traditionally placed a strong emphasis on the Ob/Gyn area, where it has built an impressive record with hormonal preparations and pregnancy test kits. *Estriol* is widely recognized for a therapeutic agent of menopausal disorders, vaginitis, and geriatric osteoporosis. The launch of *Dinigest*, an oral progestin, in 2008, expanded medication for patients suffering from endometriosis, alongside the GnRH analogue *Suprecur*<sup>®</sup>.



#### *Dinigest* (dienogest)

*Dinigest* is an oral therapeutic agent for endometriosis that selectively activates progesterone receptors, and has the therapeutic effect of inhibiting ovarian function and the proliferation of endometrial cells. It is indicated for the reduction of pain caused by adenomyosis and the treatment of dysmenorrhea.



#### *Doxil*<sup>®</sup> (doxorubicin)

Anticancer agent *Doxil*<sup>®</sup> is a DDS formulation of doxorubicin liposome injection which is indicated for the treatment of ovarian cancer exacerbated after the chemotherapy, and AIDS-related Kaposi's sarcoma.



#### *Suprecur*<sup>®</sup> (buserelin)

*Suprecur*<sup>®</sup> is a GnRH analogue. Nasal solution (spray) and micro particle injection are available. They are used for treating endometriosis and uterine myoma. *Suprecur*<sup>®</sup> nasal solution has also been approved for a therapeutic agent of central precocious puberty.

• Dermatology

*Florid*<sup>®</sup>, an antimycotic drug, is a leading product in this treatment area. The drug is provided in the form of a cream for dermatomycosis. *Arasena-A* is the first antiviral drug for the topical treatment of herpes zoster and herpes simplex to be developed in Japan. *Beselna* was launched in 2007 as the first therapeutic agent for condyloma acuminatum (external genital and perianal warts) in Japan, which gives patients a new treatment option other than surgical therapies.



**Florid<sup>®</sup> (miconazole)**

*Florid-F injection* is an antimycotic drug for treating systemic mycosis. We also provide a vaginal suppository, a cream, and an oral gel with indications for candidiasis of the oral cavity and esophagus.



**Arasena-A (vidarabine)**

*Arasena-A Ointment* is the first topical antiviral drug developed in Japan. *Arasena-A Ointment* and *Cream* are used for treating herpes zoster and herpes simplex. *Arasena-A for I.V. Infusion* is used for herpes simplex encephalitis and herpes zoster in patients with immunosuppression.



**Beselna (imiquimod)**

*Beselna* is the first therapeutic agent for condyloma acuminatum (external genital and perianal warts) in Japan. It has also been approved for a therapeutic agent of actinic keratosis.

• Psychiatry

The antidepressant *Lexapro*<sup>®</sup> (escitalopram), which went on sale in 2011, is a selective serotonin reuptake inhibitor (SSRI). The drug is approved in over 97 countries worldwide, and has been highly evaluated overseas as an antidepressant that provides a good balance between efficacy and tolerability. *Lexapro*<sup>®</sup> has become a new treatment option in Japan as well. With the addition of *Lexapro*<sup>®</sup> to our tetracyclic antidepressant *Tecipul* and our autonomic symptoms drug *Grandaxin*, Mochida Pharmaceutical is committed to improving the QOL for psychiatric patients.



**Lexapro<sup>®</sup> (escitalopram)**

*Lexapro*<sup>®</sup> selectively inhibits the reuptake of serotonin and has an antidepressant effect. It provides a good balance between efficacy and tolerability as a first-line therapy in the treatment of depression. It is also indicated for the treatment of social anxiety disorder.

• Gastroenterology

Mochida launched *Lialda*<sup>®</sup>, a therapeutic agent for ulcerative colitis in 2016. In 2017, the Company launched *Calprotectin Mochida*, the first in-vitro diagnostic agent for ulcerative colitis in Japan. In 2018, we launched two therapeutic agents for chronic constipation, *Goofice*<sup>®</sup> and *Movicol*<sup>®</sup>. Also in terms of these diseases in the gastroenterology area, we are meeting the patient's needs.



**Lialda<sup>®</sup> (mesalazine)**

*Lialda*<sup>®</sup> is a new DDS formulation of mesalazine. The drug is designed to continuously release the active pharmaceutical ingredient to and throughout the colon, and is approved as a once-daily oral therapeutic agent in both active and remission phases of ulcerative colitis.



**Goofice<sup>®</sup> (elobixibat)**

*Goofice*<sup>®</sup> is a once-daily oral agent with a novel mechanism of action for chronic constipation. The drug inhibits the bile acid transporter and suppresses the reabsorption of bile acids, thus enhancing natural defecation. It has the dual action of moisture secretion in the bowel and bowel movement promotion.



**Movicol<sup>®</sup> (macrogol 4000, sodium chloride, sodium bicarbonate, potassium chloride)**

*Movicol*<sup>®</sup> is the first polyethylene glycol preparation indicated for treatment of chronic constipation in Japan. The drug increases and retains the moisture in the intestinal tract by the osmolality of polyethylene glycol, to promote defecation. It is available for adults and children 2 years of age and older.

## • Other Products



### **Tramcet® (tramadol/paracetamol)**

*Tramcet®*, an analgesic for chronic pain and pain after tooth extraction which the Company started co-marketing with Janssen Pharmaceutical K.K. from 2013, is the first analgesic combining tramadol hydrochloride and acetaminophen in Japan.



### **Heparin Sodium MOCHIDA**

*Heparin Sodium MOCHIDA*, an anticoagulant derived from porcine intestinal mucosa, is indicated for the treatment of disseminated intravascular coagulation syndrome, and prevention of thromboembolism, etc.



### **Miraclid (ulinastatin)**

*Miraclid*, a multivalent enzyme inhibitor, represents the first ethical drug using ulinastatin purified from human urine. Its indications are acute circulatory failure and acute pancreatitis.

## • Drugs for Treatment of Intractable Diseases

Mochida is working on the development of new therapeutic agents for patients with intractable diseases, including *Trepost®*, a therapeutic agent for pulmonary arterial hypertension launched in 2014, and *Lialda®*, a therapeutic agent for ulcerative colitis launched in 2016.

We are committed to developing drugs for the treatment of intractable diseases, and will continue to embrace challenges in new medical fields.

## • The Generics and Biosimilars

Mochida Pharmaceutical Group is focusing on business lines with strong business potential such as the authorized generic drug of *Dinagest* and biosimilars.

The biosimilar market is expected to grow in line with medical economics needs.

Leveraging the biomedicine experience and technologies built up to date, Mochida Pharmaceutical has developed and launched a filgrastim biosimilar for the treatment of neutropenia caused by cancer chemotherapy, an etanercept biosimilar for the treatment of rheumatoid arthritis, and a teriparatide biosimilar for the treatment of osteoporosis. We will also work on the development of biosimilars from the viewpoints of reducing medical expenses and lessening the economic burden on patients.



## • The Prominence of EBM

Mochida Pharmaceutical considers evidence-based medicine (EBM) to be important. The Company participated in a large-scale clinical trial, the Japan EPA Lipid Intervention Study (JELIS), investigating whether *Epadel* can prevent cardiovascular events in hyperlipidemic patients. The results were presented at the American Heart Association's (AHA's) Scientific Sessions 2005; results showing *Epadel* significantly suppressed onset of major coronary events received much attention from experts in the field.

A stream of useful information has been being derived from JELIS. Utilizing these results, Mochida Pharmaceutical is providing beneficial and high-quality information to medical experts.

# Providing Truly Useful Skin Care Products



## High Performance Value Added Skin Care Products based on Dermatology

Under the motto “farsighted, innovative research,” as a member of Mochida Pharmaceutical Group, Mochida Healthcare Co., Ltd. (MHC) focuses on developing high-performance, value-added skin care products based on dermatology that only a pharmaceutical company can make through communications with dermatologists, obstetrician-gynecologists, and nurses.

These products include *Skina Babe*, which is the first skin care product that babies experience, the *Collage* series, which provides total skin care for sensitive skin, and the *Skina* series of easy hygiene products for the bedridden. They also include the *Collage Furfur* series developed from skin research, which are the first personal care products in Japan that contain an antimycotic (antifungal) agent.

MHC never compromises in the production of its skin care products for the skins of customers of all ages, from babies to senior citizens. We will continue developing innovative products using the capabilities we have fostered through the development of pharmaceuticals.



**Developing Products Based on Dermatological Research**

## Development of Cosmetics with Foresight and Originality

MHC's foresight and originality are evident in the development of the *Collage* series, the nation's first skin care products that contain natural soluble collagen (S-Collagen).

We have spent many years developing basic skin care products for people with sensitive skin and offering a range of products as a series. We develop dermatology-based skin care products that only a pharmaceutical company can create and we provide products that meet the trust and expectations of our customers based on our philosophy that "because sensitive skin is prone to irritation, we will develop products that are as gentle to the skin as possible."

Wanting to put smiles on the faces of as many customers with sensitive skin as possible, we launched the *Collage Repair* series in 2019.

The Company is focusing on product development that responds to changing customer needs. For example, it has released a mild soap series, which provides a choice of products suited to a range of skin types and uses.



Collage Repair series



Collage Furfur Soap series



Collage Furfur Next shampoo and rinse



Collage Furfur Premium Shampoo



Collage Furfur Hair Growth series

## Medically Based Technology and Experience

MHC's products based on dermatology – including the *Collage Soap* series of low-irritant soap formulated for each specific skin type, the *Collage D Medi Power* series of moisturizing products for dry skin, and Japan's first shampoo containing an antimycotic agent – are highly regarded by consumers for their effectiveness. We currently provide *Collage Furfur Next* shampoo and rinse containing an antimycotic agent, and are developing this into an antimycotic series including body soap. We have recently launched the *Collage Furfur Premium Shampoo*, which contains deodorant ingredients for people concerned about scalp odor. The *Collage Furfur Hair Growth* series contains female hormones to tackle the issue of hair loss. MHC will continue to improve the quality of life for people with skin troubles through products such as these.

## From Baby Care to Geriatric Care

In the field of baby care products, *Skina Babe*, having the biggest share in baby bath oil, has continued to protect infants' skin since it was introduced around 50 years ago. In 2018, we launched *Skina Babe Milky Lotion*, which protects the skin by providing very rich moisture. From these early days, MHC has also been developing products for senior citizens, and these will become even more necessary in the future. The Company markets *Skina Fukifuki* and *Skina Clen*, skin cleansing and bed bath products, and *Skina Dry Shampoo*, a foam-type hair shampoo that eliminates the need for rinsing. These products contribute to the betterment of nursing care for the bedridden. The Company aims to continue developing products that will be beneficial to the skin care of every generation.



Skina Babe



Skina Babe Milky Lotion



Skina series



Ryokichi Mochida



Nobuo Mochida



Ei Mochida



Susumu Watanabe



- 1913 Mochida was established by Ryokichi Mochida, and started production and marketing of *Luestin* (antiluetic) and *Ogoko* (ophthalmic ointment).
- 1918 The Company was renamed Mochida Pharmaceutical Company.
- 1932 *Pelanin* (first estrogen preparation developed in Japan)
- 1945 The Company was incorporated.
- 1951 *Sprase* (first hyaluronidase preparation developed in Japan)
- 1954 Began overseas marketing with exports to Taiwan.
- 1956 *Thrombin Mochida* (hemostatic enzyme)
- 1959 Transferred focus of sales strategy to obstetrics and gynecology.
- 1962 Established the Immunology Division.
- 1963 Listed on the Second Section of the Tokyo Stock Exchange (TSE).
- 1964 Nobuo Mochida was appointed president.  
*Gonavis* (Japan's first immunological pregnancy test kit); *Kimotab* (anti-inflammatory)
- 1967 Completed the Research Laboratory in Oji.
- 1970 Established the Paramedical Division.  
*Gonavislide* (pregnancy test kit); *Uronase* (fibrinolytic); *Skina Babe* (baby bath oil)
- 1972 Established the Medical Electronics and Equipment Division.  
Completed the Shizuoka Plant.
- 1975 Listed on the First Section of the TSE.
- 1976 Completed the new headquarters office building in Yotsuya.
- 1978 Received a Noteworthy Invention Testimonial from the Science and Technology Agency for the *Medilaser balance-type surgical laser head*.
- 1979 *Rocornal*
- 1980 Developed monoclonal antibody technology for an immunodiagnostic test.  
*Medilaser-S*
- 1981 Signed an agreement with Hayashibara Biochemical Laboratory, Inc. for joint research of interferon.
- 1982 Completed the Fuji Central Research Laboratory.
- 1983 Established the Mochida Memorial Foundation for Medical and Pharmaceutical Research.
- 1984 Nobuo Mochida was awarded the Medal with Purple Ribbon for research on the first surgical laser unit developed in Japan.  
*Arasena-A*
- 1985 Ei Mochida was appointed president.  
*Miraclid*
- 1986 *Florid®-F injection*; *Grandaxin*
- 1987 Ei Mochida was awarded the Medal with Purple Ribbon for R&D activities on an immunochemical diagnostic reagent.
- 1988 Signed an agreement with Taisho Pharmaceutical Co., Ltd., allowing that company to market *Dermarin*, an OTC drug for treating dermatomycosis.  
*Collage Soap series*; *Isoprinosine®*; *IFN $\alpha$  Mochida*; *IFN $\beta$  Mochida*
- 1989 Finalized agreements with Upjohn Co. for developing and marketing its prostaglandin derivative.  
*Tecipul*
- 1990 Susumu Watanabe was appointed president.  
Concluded a marketing agreement with Matsushita Electric Industrial Co., Ltd. for the *Medilaser-10S* fiber-optic carbon dioxide surgical laser unit.  
*Epadel Capsule 300*
- 1991 Commenced operations at the Otawara Plant.  
Concluded agreement of an antimycotic agent with Imperial Chemical Industries, PLC.  
*Mammotec*
- 1992 Signed agreements with Ostex International, Inc. for the commercialization and marketing of *Osteomark®*; and with Yokogawa-Hewlett-Packard, Ltd. to market an obstetric care unit.  
Commenced J-MIC (EBM study for *Rocornal*).
- 1994 Additional indication for *Epadel* (for hyperlipidemia) was approved.
- 1995 Signed agreements with Smithkline Beecham Seiyaku K.K. for co-marketing of *Arasena-A*.

- 1996 Signed agreements with Norian Corporation for the development and marketing in Japan of Norian SRS®; and with Daiinippon Pharmaceutical Co., Ltd. for co-marketing of *Epadel* in Japan.  
Commenced JELIS (EBM study for *Epadel*).
- 1997 Concluded distribution agreement with Ajinomoto Co., Inc. for *Atelec*®.  
*Gonastick*
- 1998 Co-marketed Daiinippon Pharmaceutical's *Cetapril*® (ACE inhibitor).
- 1999 Naoyuki Mochida was appointed president.  
Concluded distribution agreement with Janssen Kyowa Co., Ltd. for *Ortho*® 777-28/M-21.  
Licensed a patent of Fas/FasL (for gene therapy) to Novartis.  
Licensed a patent of Fas/FasL (for screening) to Bristol Myers Squibb.  
*Epadel S 300 and 600; Collage Furfur; Miotecter*®
- 2000 Signed agreements with RIKEN for co-research in structural genomics.
- 2001 Signed agreements with 3M for the development and marketing of *Aldara*.
- 2002 Signed agreements with Aventis Pharma Ltd. for the distribution and co-promotion of *Suprecur*®; and with Lundbeck A/S for co-development and co-marketing of escitalopram.
- 2003 Signed agreements with Novo Nordisk for the distribution of *Novo-Heparin*.  
Started operation of Mochida Medical Systems Co., Ltd.  
*Thrombin Mochida Soft bottle; Novo-Heparin; Collage S series*
- 2004 Started operation of Mochida Healthcare Co., Ltd.  
Started operation of Mochida Siemens Medical Systems Co., Ltd.  
*Epadel S 900*
- 2005 Started operation of Mochida Pharmaceutical Plant Co., Ltd.
- 2007 Signed agreements with JCR Pharmaceuticals Co., Ltd. for co-development and commercialization of a cellular-based drug (agreement terminated 2011); with Novartis Pharma K.K. for co-promotion of *Diovan*® (agreement terminated end of 2008); and with United Therapeutics Corporation for the distribution of *Remodulin*®.  
*Beslna*
- 2008 Signed a license agreement with Wyeth Pharmaceuticals Inc. for TRPV1 antagonists (agreement terminated 2010).  
*Dinagest; Divigel*®; *Collage White Peel*
- 2009 Signed a license agreement with Shire Pharmaceuticals Group plc (U.K.) for *Lialda*®.  
*Gonastick W; Collage Furfur Next*
- 2010 Signed agreement with Fuji Pharma Co., Ltd. for co-development of G-CSF; and with Mitsubishi Tanabe Pharma Corporation for co-marketing of escitalopram.
- 2011 Signed a license agreement with Merck (MSD outside the United States and Canada) for the potential treatment for type-2 diabetes (agreement terminated 2015).  
*Lexapro*®
- 2012 *Fastic*®
- 2013 Co-marketed Janssen Pharmaceutical's *Tramcet*®.  
*Epadel switch-OTC drug; Collage B.K. Age series; Filgrastim BS MOCHIDA*
- 2014 *Atedio*®; *Collage series; Treprest*®
- 2016 Signed agreement with Ajinomoto Pharmaceuticals Co., Ltd. for co-development of *AJG533*.  
*Lialda*®
- 2017 Signed agreement with Fuji Yakuhin Co., Ltd. for co-development of *FYU-981*; with United Therapeutics Corporation for the distribution of *Tyvaso*®; with Ajinomoto Pharmaceuticals Co., Ltd. for co-development of *AJG555*; and with Janssen Pharmaceutical K.K. for the distribution of *Doxil*®.  
*Calprotectin MOCHIDA*
- 2018 *Goofice*®; *Etanercept BS [MA.]*; *Collage Furfur Premium Shampoo; Movicol*®
- 2019 Signed agreement with Pfizer for co-development of MD-120; with Idorsia Pharmaceuticals Japan for co-development of ACT-541468.  
*Collage Repair series; Teriparatide BS MOCHIDA*
- 2020 Signed a joint commercialization agreement with Gene Techno Science Co., Ltd. on the regenerative medical product.  
*Gonacard W; Urece*®



Naoyuki Mochida



**Basic Policy on Corporate Governance**

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

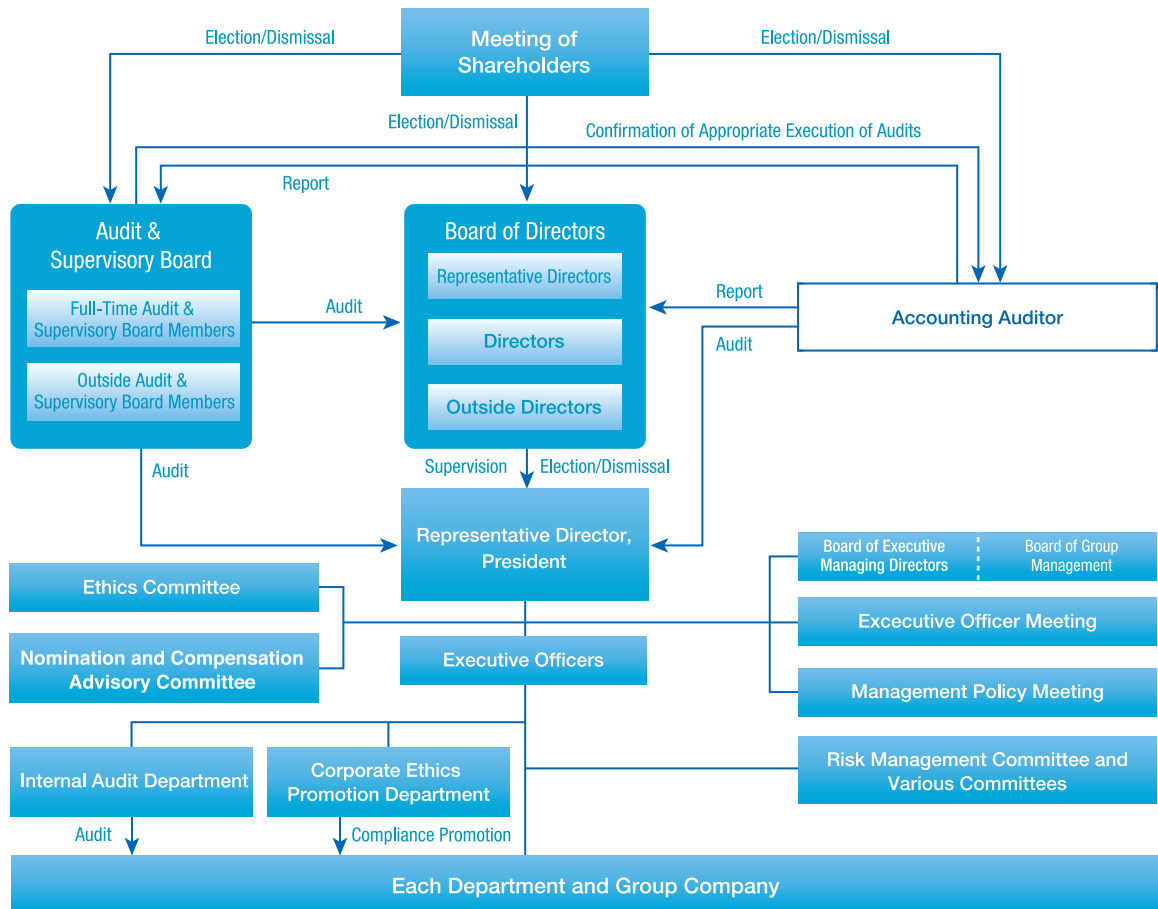
As part of our policy on reinforcing corporate governance, important management decisions are discussed thoroughly by the Management Policy Meeting, if necessary, and are made through discussion by the Board of Executive Managing Directors and the Board of Group Management, both of which meet on a weekly basis. We clearly separate the functions of the Board of Directors into management decision-making and the supervision of business operations. For the purpose of expediting management decision-making and business operations, the Group has introduced an Executive Officer system.

For the purpose of strengthening objectivity and accountability for the nomination of Board Directors, Executive Officers and Audit & Supervisory Board Members and for the determination of remuneration for Board Directors and Executive Officers, we have established the Nomination and Compensation Advisory Committee, a majority of which comprises independent Outside Directors, as an advisory body to Representative Directors, and our corporate decisions on such nomination and compensation are made in light of the opinions of said Committee.

**Governance Structure**

Mochida Pharmaceutical put in place the Board of Directors (including Outside Directors) and the Audit & Supervisory Board (including Outside Audit & Supervisory Board Members) as organizations under the Companies Act.

Corporate Governance Structure





As reasons for adopting this governance structure, considering the Company's size and business nature, we judge that at this point in time, the most suitable governance structure (1) to pursue management efficiency and (2) 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 Directors with thorough knowledge of the Company 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.

Outside Directors and Outside Audit & Supervisory Board Members respectively supervise management and perform audits from an independent standpoint, because they have no special interests or conflict of interests (including business relationship) with Mochida Pharmaceutical Group or its management, or conflict of interests with other shareholders in general.

### **Internal Control System, Risk Management System, Compliance System, and CSR**

Mochida Pharmaceutical maintains, operates and evaluates its internal control system based on resolutions by the Board of Directors under the Companies Act and on the Financial Instruments and Exchange Act. Specifically, we maintain a companywide risk management system based on the "Mochida Pharmaceutical Group Risk Management Rules" to manage major risks affecting our overall business, as part of our internal control system based on the Companies Act.

As measures for reinforcing compliance, we maintain our compliance system by (1) establishing the "Code of Conduct of Mochida Pharmaceutical Group", (2) holding regular meetings of the Ethics Committee which includes outside experts, and (3) establishing the Corporate Ethics Promotion Department etc.; and we run regular training programs on compliance for our group officers and employees. Mochida Pharmaceutical Group will continue striving to ensure full compliance, and to respond promptly to various environmental changes, by receiving appropriate advice from our attorneys and certified public accountants as necessary.

While the concerned departments are earnestly addressing Corporate Social Responsibility (CSR), we have also established the CSR Promotion Committee as a basic body to promote CSR throughout Mochida Pharmaceutical Group and to meet more precisely social demands.

### **Audit Structure**

Mochida Pharmaceutical has established the Internal Audit Department as an internal audit organization which (1) implements internal audits of the business operations of Mochida Pharmaceutical Group in its entirety from the viewpoint of compliance and risk management, (2) reports the results of such audits and provides advice to the Board of Executive Managing Directors and the Board of Directors and (3) reports such results to the Audit & Supervisory Board Members.

To secure lawfulness and transparency of management decision-making and business operations, in accordance with fiscal year auditing policy and plans, each Audit & Supervisory Board Member strives to (1) smoothly communicate with Board Directors, the Internal Audit Department etc., (2) collect the relevant information and improve the auditing environments. Each Audit & Supervisory Board Member also attends meetings of the Board of Directors and other important meetings, and investigates business operations and assets at the headquarters, main business offices and subsidiaries of Mochida Pharmaceutical, including supervision and verification of the status of the internal control system, the independence of the Accounting Auditor, and the appropriate execution of audits by the Accounting Auditor.

Mochida Pharmaceutical is also audited by our Accounting Auditor, Ernst & Young ShinNihon LLC, based on the provisions of the Companies Act and the Financial Instruments and Exchange Act. The Internal Audit Department, Audit & Supervisory Board Members, and Accounting Auditor work closely to ensure the effectiveness of the audits.

## Ethical Drugs

### Cardiovascular Agents

- *Epadel* [icosapent] (capsule)  
Arteriosclerosis obliterans, Hyperlipidemia
- *Atelec*® [cilnidipine] (tablet) Hypertension
- *Atedio*® [valsartan/cilnidipine] (tablet) Hypertension
- *Rocornal* [trapidil] (tablet, fine granule)  
Angina pectoris
- *Treprost*® [treprostinil] (injection)  
Pulmonary arterial hypertension (PAH)
- *Urece*® [dotinurad] (tablet)  
Gout and hyperuricemia

### Analgesic Agent

- *Tramcet*® [tramadol/paracetamol] (tablet)  
Chronic pain, Pain after tooth extraction

### Gastrointestinal Agent

- *Lialda*® [mesalazine] (tablet) Ulcerative colitis
- *Goofice*® [elobixibat] (tablet) Chronic constipation
- *Movicol*® [macrogol 4000, sodium chloride, sodium bicarbonate, potassium chloride] (powder) Chronic constipation

### Hormone Preparations

- *Dinigest* [dienogest] (tablet) Endometriosis (1mg), Pain caused by adenomyosis (1mg), Dysmenorrhea (0.5mg)
- *Divigel*® [estradiol] (gel) Menopausal symptoms such as hot flash and hirsutism
- *Suprecur*® [buserelin] (nasal solution, micro particle injection) Endometriosis, Uterine myoma, Central precocious puberty (injection)
- *Desopan*® [trilostane] (tablet) Antiadrenal cortical hormone
- *Estriel* [estriol] (tablet, vaginal tablet) Menopausal disorders (tablet), Geriatric osteoporosis (tablet), Vaginitis
- *HCG Mochida* [human chorionic gonadotrophin] (injection) Infertility, Threatened miscarriage, Habitual abortion

### Neurological Agents

- *Lexapro*® [escitalopram] (tablet)  
Depression and depressive symptoms, Social anxiety disorder
- *Grandaxin* [tofisopam] (tablet, fine granule)  
Autonomic symptoms
- *Tecipul* [setiptiline] (tablet) Depression and depressive symptoms

### Anti-Infectives

- *Florid*® [miconazole] (injection, vaginal suppository, cream, oral gel) Mycosis
- *Arasena-A* [vidarabine] (injection, ointment, cream)  
Herpes zoster, Herpes simplex, Herpes simplex encephalitis (injection)
- *Isoprinosine*® [inosine acedoben dimepranol] (tablet)  
Subacute sclerosing panencephalitis (SSPE)
- *Beselna* [imiquimod] (cream) Condyloma acuminatum, Actinic keratosis

### Antidiabetes Agent

- *Fastic*® [nateglinide] (tablet) Diabetes

### Anticancer Agent

- *Doxil*® [doxorubicin] (injection) Ovarian cancer exacerbated after the chemotherapy, AIDS-related Kaposi's sarcoma

### Biological Preparations

- *Miraclid* [ulinastatin] (injection) Acute circulatory failure, Acute pancreatitis
- *Thrombin* [thrombin] (liquid, fine granule)  
Hemostatic
- *Heparin Sodium MOCHIDA* [heparin sodium] (injection) Thrombosis
- *Uronase* [urokinase] (injection) Acute myocardial Infarction (120,000 units), Cerebral Thrombosis (60,000 units)

### Biosimilar

- *Filgrastim BS MOCHIDA* [filgrastim] (injection) Neutropenia
- *Etanercept BS /MA/* [etanercept] (injection)  
Rheumatoid arthritis, Polyarticular-course juvenile idiopathic arthritis (vial)
- *Teriparatide BS MOCHIDA* [teriparatide] (injection)  
Osteoporosis

## Diagnostic Reagents

### Reagents for Fertility/Infertility

- *Gonastick25* (hCG)
- *Gonastick W* (hCG)
- *Gonacard W* (hCG)

### Other Reagents

- *Cand-Tec*® [Candida kit]
- *Calprotectin MOCHIDA* [Calprotectin kit]

## Skin Care Products

### Mochida Healthcare Co., Ltd.

#### Collage Series

##### Face and Body Care

- *Collage Repair* series  
(Moisture lotion, moisture milk, moisture cream, UV protection, cleansing milk, soap, powder wash)
- *Collage B.K.AGE* series
- *Collage Soap* series
- *Collage D Medi Power* series
- *Collage Furfur Soap* series

##### Hair Care

- *Collage Furfur Next* series  
(Shampoo and conditioner for dandruff)
- *Collage Furfur Premium Shampoo*
- *Collage Furfur Scalp Shampoo*
- *Collage Furfur Hair Growth Lotion and Spray*
- *Collage Shampoo S*
- *Collage Rinse S*

#### Skina Babe and Skina Series

- *Skina Babe* (Baby bath oil, baby milky lotion)
- *Skina* (Cleanser)
- *Skina Clen* (Gentle skin cleanser)
- *Skina Fukifuki* (Cleanser)
- *Skina Dry Shampoo*

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- 32 Consolidated Statements of Cash Flows (Unaudited)**

## Six-Year Summary

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

Years ended March 31	Millions of Yen					
	2020	2019	2018	2017	2016	2015
<b>For the Year:</b>						
Net sales	¥101,799	¥109,643	¥106,761	¥ 97,349	¥ 92,272	¥ 87,252
Cost of sales	49,882	55,468	53,194	41,039	37,271	33,904
Selling, general and administrative expenses	43,112	43,584	41,904	44,936	42,845	41,658
Operating Income	8,807	10,590	11,662	11,374	12,154	11,689
Income before income taxes and minority interests	6,273	11,642	12,116	11,583	12,097	11,141
Income taxes	1,675 <sup>*1</sup>	3,207 <sup>*2</sup>	3,092 <sup>*3</sup>	3,057 <sup>*4</sup>	3,946 <sup>*5</sup>	3,597 <sup>*6</sup>
Net income	4,598	8,435	9,023	8,526	8,150	7,544
<b>At Year-End:</b>						
Total current assets	¥116,894	¥115,334	¥113,151	¥112,016	¥102,043	¥ 91,904
Total current liabilities	28,562	28,444	29,574	30,269	25,795	22,443
Working capital	88,332	86,889	83,577	81,747	76,247	69,461
Total property, plant and equipment	13,851	13,589	13,915	15,009	15,799	16,622
Total long-term liabilities	8,260	5,465	5,786	6,233	6,988	6,443
Total net assets	120,665	125,110	119,687	111,869	104,929	98,670
Total assets	157,488	159,019	155,047	148,372	137,713	127,557
<b>Other Statistics:</b>						
Capital expenditures	1,889	1,299	1,001	1,060	1,539	1,272
Yen						
<b>Per Share Data:</b>						
Net income <sup>*7</sup>	¥ 117.6	¥ 212.9	¥ 227.3	¥ 214.7	¥ 205.2	¥ 188.6
Cash dividends <sup>*8</sup>	80.0	170.0	170.0	155.0	150.0	150.0
Number of employees (people)	1,581	1,617	1,666	1,713	1,726	1,746
Number of shares outstanding at end of year (thousand) <sup>*9</sup>	40,630	20,315	20,315	20,515	20,980	21,100

\*1: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,349 million), income taxes-deferred (-¥674 million) is included.

\*2: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,835 million), income taxes-deferred (¥371 million) is included.

\*3: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥3,363 million), income taxes-deferred (-¥270 million) is included.

\*4: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥4,072 million), income taxes-deferred (-¥1,014 million) is included.

\*5: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥4,345 million), income taxes-deferred (-¥398 million) is included.

\*6: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥3,265 million), income taxes-deferred (+¥331 million) is included.

\*7: The Company implemented a stock split of 2 shares for each 1 share of common stock on April 1, 2019. Net income per share are calculated based on the assumption that the stock split had occurred at the beginning of the period ending March 2015.

\*8: Cash dividends represent the actual payment prior to the relevant stock split.

\*9: Increase in the number of shares outstanding arises from the stock split.

## Consolidated Statement of Income / Consolidated Statements of Comprehensive Income (Unaudited)

 Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
 Years ended March 31

Consolidated Statements of Income (Unaudited)	Millions of Yen			Thousands of U.S.Dollars
	2020	2019	2018	2020
Years ended March 31				
<b>Net Sales</b>	<b>¥101,799</b>	¥109,643	¥106,761	<b>\$935,401</b>
<b>Cost of Sales</b>	<b>49,880</b>	55,468	53,194	<b>458,331</b>
Gross profit	<b>51,919</b>	54,175	53,566	<b>477,069</b>
<b>Selling, General and Administrative Expenses</b>	<b>43,112</b>	43,584	41,904	<b>396,144</b>
Operating income	<b>8,807</b>	10,590	11,662	<b>80,925</b>
<b>Other Income (Expenses):</b>				
Interest and dividend income	<b>254</b>	247	224	<b>2,335</b>
Interest and charge (commission) expense	<b>(41)</b>	(39)	(39)	<b>(384)</b>
Real estate rent	<b>76</b>	75	68	<b>701</b>
Others	<b>59</b>	53	93	<b>544</b>
	<b>347</b>	337	346	<b>3,196</b>
Recurring income	<b>9,154</b>	10,928	12,008	<b>84,122</b>
<b>Extraordinary Gains (Losses):</b>				
Gain on sales of investment securities	<b>1</b>	254	–	<b>16</b>
Gain on sales of fixed assets	<b>–</b>	0	194	
Settlement received	<b>3</b>	1,557	–	<b>29</b>
Compensation income	<b>5</b>	37	–	<b>52</b>
Gain on sale of businesses	<b>185</b>	–	–	<b>1,699</b>
Loss on sales and disposal of fixed assets	<b>(77)</b>	(154)	(86)	<b>(711)</b>
Impairment loss	<b>–</b>	(981)	–	<b>0</b>
Contract loss	<b>(3,000)</b>	–	–	<b>(27,565)</b>
	<b>(2,881)</b>	714	107	<b>(26,478)</b>
Income before income taxes and minority interests	<b>6,273</b>	11,642	12,116	<b>57,643</b>
Income taxes	<b>1,675<sup>*1</sup></b>	3,207 <sup>*2</sup>	3,092 <sup>*3</sup>	<b>15,391</b>
Net income	<b>4,598</b>	8,435	9,023	<b>42,251</b>
Profit attributable to owners of parent	<b>¥ 4,598</b>	¥ 8,435	¥ 9,023	<b>\$ 42,251</b>

Consolidated Statements of Comprehensive Income (Unaudited)	Millions of Yen			Thousands of U.S.Dollars
	2020	2019	2018	2020
Years ended March 31				
<b>Income before minority interests</b>	<b>¥ 4,598</b>	¥8,435	¥ 9,023	<b>\$ 42,251</b>
Other comprehensive income, net of tax				
Unrealized gain on available-for-sale securities	<b>(3,753)</b>	2,971	2,049	<b>(34,485)</b>
Remeasurements of defined benefit plans, net of tax	<b>28</b>	60	184	<b>260</b>
Total: Other comprehensive income, net of tax	<b>(3,724)</b>	3,032	2,233	<b>(34,225)</b>
Total comprehensive income	<b>873</b>	11,467	11,257	<b>8,026</b>
<b>Total comprehensive income attributable to:</b>				
Owners of parent	<b>873</b>	11,467	11,257	<b>8,026</b>
Minority interests	<b>–</b>	–	–	<b>–</b>

\*1: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,349 million), income taxes-deferred (-¥674 million) is included.

\*2: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥2,835 million), income taxes-deferred (¥371 million) is included.

\*3: As a result of tax effect accounting, corporate tax, resident tax and business tax (total ¥3,363 million), income taxes-deferred (-¥270 million) is included.

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥108.83 = \$1.00, the approximate exchange rate on March 31, 2020.

## Consolidated Balance Sheets (Unaudited)

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
March 31

	Millions of Yen		Thousands of U.S. Dollars
	2020	2019	2020
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and time deposits	¥ 53,291	¥ 51,032	\$ 489,680
Notes and accounts receivable	28,066	28,938	257,896
Electronically recorded monetary claims-operating	382	402	3,514
Marketable securities	7,999	7,999	73,507
Inventories	25,073	24,644	230,390
Other current assets	2,080	2,316	19,115
Total current assets	116,894	115,334	1,074,105
<b>Fixed Assets:</b>			
Property, plant and equipment:			
Buildings and other structures	5,112	5,402	46,977
Machinery and equipment and transportation equipment	1,970	1,971	18,103
Land	5,290	5,290	48,615
Others	1,478	923	13,581
Intangible fixed assets	674	372	6,193
Total fixed assets	14,525	13,961	133,472
<b>Investments and Other Assets:</b>			
Investments in securities	16,256	21,671	149,374
Deferred income taxes	4,612	2,296	42,384
Others	5,198	5,756	47,768
Total investments and other assets	26,067	29,723	239,527
<b>Total Assets</b>	<b>¥ 157,488</b>	<b>¥ 159,019</b>	<b>\$ 1,447,104</b>

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥108.83=\$1.00, the approximate exchange rate on March 31, 2020.

	Millions of Yen		Thousands of U.S. Dollars
	2020	2019	2020
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Notes and accounts payable	¥ 12,606	¥ 12,327	\$ 115,835
Electronically recorded obligations-operating	1,052	1,138	9,667
Income taxes payable	1,042	913	9,579
Provision	3,034	3,244	27,881
Other current liabilities	10,826	10,819	99,482
Total current liabilities	28,562	28,444	262,446
<b>Long-Term Liabilities:</b>			
Net defined benefit liability	4,800	5,066	44,106
Other long-term liabilities	3,460	399	31,796
Total long-term liabilities	8,260	5,465	75,903
Total liabilities	36,822	33,909	338,350
<b>NET ASSETS</b>			
<b>Shareholders' equity:</b>			
Paid-in capital	7,229	7,229	66,433
Capital surplus	1,871	1,871	17,198
Retained earnings	110,800	109,537	1,018,109
Treasury stock	(6,854)	(4,870)	(62,984)
Total Shareholders' equity	113,047	113,767	1,038,756
<b>Accumulated other comprehensive income:</b>			
Unrealized gain on available-for-sale securities	7,524	11,277	69,136
Remeasurements of defined benefit plans	93	65	861
Total accumulated other comprehensive income	7,617	11,342	69,998
Total net assets	120,665	125,110	1,108,754
<b>Total Liabilities and Net Assets</b>	<b>¥ 157,488</b>	<b>¥ 159,019</b>	<b>\$ 1,447,104</b>

## Consolidated Statements of Changes in Net Assets (Unaudited)

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Shareholders' equity		
	Common stock	Capital surplus	Retained earnings
Balance at beginning of year	¥ 7,229	¥ 1,871	¥ 104,625
Change in the fiscal year:			
Dividends from surplus			(3,523)
Net income			8,435
Acquisition of treasury stock			
Disposal of treasury stock		0	
Net changes of items other than shareholders' equity			
Total	–	0	4,911
Balance at end of year	7,229	1,871	109,537
Balance at beginning of year	¥ 7,229	¥ 1,871	¥ 109,537
Change in the fiscal year:			
Dividends from surplus			(3,334)
Net income			4,598
Acquisition of treasury stock			
Disposal of treasury stock		0	
Net changes of items other than shareholders' equity			
Total		0	1,263
Balance at end of year	7,229	1,871	110,800
Balance at beginning of year	\$ 66,433	\$ 17,197	\$ 1,006,497
Change in the fiscal year:			
Dividends from surplus			(30,639)
Net income			42,251
Acquisition of treasury stock			
Disposal of treasury stock		1	
Net changes of items other than shareholders' equity			
Total	–	1	11,612
Balance at end of year	66,433	17,198	1,018,109



Millions of yen

**Year ended March 31, 2019**

Treasury stock	Total	Valuation and translation adjustments			Total net assets
		Unrealized gain (loss) on available-for-sale securities	Remeasurements of defined benefit plans	Total	
¥ (2,349)	¥ 111,376	¥ 8,305	¥ 4	¥ 8,310	¥ 119,687
	(3,523)				(3,523)
	8,435				8,435
(2,521)	(2,521)				(2,521)
0	0				0
		2,971	60	3,032	3,032
(2,520)	2,391	2,971	60	3,032	5,423
(4,870)	113,767	11,277	65	11,342	125,110

Millions of yen

**Year ended March 31, 2020**

¥ (4,870)	¥ 113,767	¥ 11,277	¥ 65	¥ 11,342	¥ 125,110
	(3,334)				(3,334)
	4,598				4,598
(1,984)	(1,984)				(1,984)
0	0				0
		(3,753)	28	(3,724)	(3,724)
(1,983)	(719)	(3,753)	28	(3,724)	(4,444)
(6,854)	113,047	7,524	93	7,617	120,665

Thousands of U.S.Dollars

\$ (44,755)	\$ 1,045,371	\$ 103,622	\$ 600	\$ 104,223	\$ 1,149,595
	(30,639)				(30,639)
	42,251				42,251
(18,232)	(18,232)				(18,232)
3	4				4
		(34,485)	260	(34,225)	(34,225)
(18,228)	(6,615)	(34,485)	260	(34,225)	(40,840)
(62,984)	1,038,756	69,136	861	69,998	1,108,754

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥108.83=\$1.00, the approximate exchange rate on March 31, 2020.

## Consolidated Statements of Cash Flows (Unaudited)

Mochida Pharmaceutical Co., Ltd. and Consolidated Subsidiaries  
Years ended March 31

	Millions of Yen		Thousands of U.S. Dollars
	2020	2019	2020
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interests	¥ 6,273	¥ 11,642	\$ 57,643
Depreciation and amortization	2,731	2,917	25,101
Settlement received	(3)	(1,557)	(29)
Loss (gain) on sales of investment securities	(1)	(254)	(16)
Loss (gain) on sale of businesses	(185)	–	(1,699)
Loss (gain) on sale and disposal of fixed assets	77	154	711
Impairment loss	–	981	
Contract loss	3,000	–	27,565
Increase (decrease) in provision for bonuses	(123)	(40)	(1,134)
Increase (decrease) in retirement benefits liability	(224)	(220)	(2,067)
Interest and dividend income	(254)	(247)	(2,335)
Interest and charge (commission) expense	41	39	384
Decrease (increase) in notes and accounts receivable-trade	890	2,429	8,186
Decrease (increase) in inventories	(428)	362	(3,938)
Decrease (increase) in other current assets	(115)	522	(1,059)
Increase (decrease) in notes and accounts payable-trade	192	(3,032)	1,769
Increase (decrease) in other current liabilities	(317)	2,340	(2,914)
Other	(477)	(1,756)	(4,388)
Subtotal	11,076	14,279	101,778
Interest and dividends received	254	247	2,335
Interest and commission paid	(35)	(37)	(330)
Settlement package received	3	1,557	29
Income taxes paid	(1,950)	(3,481)	(17,919)
Net cash provided by operating activities	9,347	12,565	85,893
<b>Cash flows from investing activities:</b>			
Payments into time deposits	(18,500)	(18,500)	(169,989)
Proceeds from withdrawal of time deposits	18,500	18,500	169,989
Purchase of short-term investment securities	(5,000)	(5,000)	(45,943)
Proceeds from sales of short-term investment securities	5,000	5,000	45,943
Payment for purchases of tangible and intangible fixed assets	(1,958)	(1,368)	(17,996)
Proceeds from sales of investment securities	7	463	73
Proceeds from sale of businesses	185	–	1,699
Other	5	(216)	47
Net cash used in investing activities	(1,760)	(1,121)	(16,175)
<b>Cash flows from financing activities:</b>			
Dividends paid	(3,338)	(3,525)	(30,675)
Payment for acquisition of treasury stock	(1,990)	(2,523)	(18,285)
Proceeds from disposal of treasury stock	0	0	4
Other	(0)	(46)	(1)
Net cash used in financing activities	(5,328)	(6,094)	(48,958)
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,259</b>	<b>5,349</b>	<b>20,763</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>35,532</b>	<b>30,182</b>	<b>326,491</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>37,791</b>	<b>35,532</b>	<b>347,254</b>

Note: Unless otherwise indicated, all dollar figures herein refer to U.S. currency. Yen amounts have been translated into U.S. dollars, for convenience only, at the rate of ¥108.83=\$1.00, the approximate exchange rate on March 31, 2020.

**Mochida Pharmaceutical Co., Ltd. Corporate Data** (As of June 26, 2020)**Founded**

April 16, 1913

**Incorporated**

April 28, 1945

**Paid-in Capital**

¥7.2 billion

**Stock Exchange Listing**

Tokyo Stock Exchange, First Section

**Employees**

1,581 (Consolidated)

**Head Office**

1-1, Ichigaya-Honmura cho,  
Shinjuku-ku, Tokyo 162-0845, Japan  
Phone: +81-3-3358-7211  
Facsimile: +81-3-3358-7887  
Internet Home Page:  
<http://www.mochida.co.jp/>

**Research Laboratories**

- Research Center  
(Gotemba, Shizuoka)
- Pharmaceutical Laboratory  
(Fujieda, Shizuoka)

**Subsidiaries****Mochida Pharmaceutical Plant Co., Ltd.**

431, Nakadawara,  
Otawara, Tochigi 324-0062, Japan

**Mochida Healthcare Co., Ltd.**

Paxxs Building,  
2-12, Ichigaya-Honmura cho,  
Shinjuku-ku, Tokyo 162-8451, Japan

**Mochida Pharmaceutical Sales Co., Ltd.**

Paxxs Building,  
2-12, Ichigaya-Honmura cho,  
Shinjuku-ku, Tokyo 162-0845, Japan

**Technonet Co., Ltd.**

1-1, Ichigaya-Honmura cho,  
Shinjuku-ku, Tokyo 162-0845, Japan

**Technofine Co., Ltd.**

342, Gensuke,  
Fujieda, Shizuoka 426-8640, Japan



Mochida's Former Head Office\* in Tokyo  
\*The head office is currently being rebuilt.

**Board Directors**■ **Representative Directors****President**

Naoyuki Mochida

**Senior Executive Managing Director**

Chu Sakata

■ **Directors****Senior Executive Managing Director**

Keiichi Sagisaka

**Executive Managing Directors**

Yoichi Kono  
Junichi Sakaki, Ph.D.  
Kiyoshi Mizuguchi, Ph.D.

**Executive Directors**

Yutaka Kawakami, Ph.D.  
Yoshiharu Hashimoto

■ **Outside Directors**

Tomoo Kugisawa  
Hirokuni Sogawa

**Audit & Supervisory Board Members**■ **Full-time Audit & Supervisory Board Members**

Ichiro Takahashi  
Kazuhiro Miyaji

■ **Outside Audit & Supervisory Board Members**

Hiroshi Watanabe  
Kyosuke Wagai  
Akiko Suzuki

**Executive Officers**

Takayuki Kato  
Kazumasa Fukuchi  
Hitoshi Mizuno  
Taiji Hayano  
Kazunari Nakao  
Shigeharu Suzuki  
Tomokazu Matsusue  
Takeshi Mochida  
Tadashi Morikawa  
Yoshitaka Hosaka, Ph.D.  
Masayoshi Takeda  
Reiko Nakano



“Plaisir”

This sculpture is “Plaisir” (Joy), a work created by the well-known Japanese artist Taro Okamoto (1911–1996) for the Company’s 65th anniversary in 1978. “Plaisir” was named after our wish to be tied to people with joy, and our joy in contributing to human health and welfare, as a group in the life and healthcare business.



**MOCHIDA PHARMACEUTICAL GROUP**  
<http://www.mochida.co.jp/>

