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May 13, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)



Company name: Mochida Pharmaceutical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4534
 URL: <https://www.mochida.co.jp/english/>
 Representative: (Name) Naoyuki Mochida (Title) Representative Director, President
 Inquiries: (Name) Kenichi Miyamoto (Title) Head of Finance & Accounting Department
 Telephone: +81-3-3358-7211
 Scheduled date of annual general meeting of shareholders: June 27, 2024
 Scheduled date to commence dividend payments: June 28, 2024
 Scheduled date to file annual securities report: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts)

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	102,885	(0.4)	5,802	(31.8)	6,037	(33.5)	4,547	(31.6)
March 31, 2023	103,261	(6.3)	8,507	(40.9)	9,085	(38.6)	6,649	(37.1)

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥7,567 million [51.3%]
 For the fiscal year ended March 31, 2023: ¥5,001 million [(34.4)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	126.80	-	3.6	3.8	5.6
March 31, 2023	178.93	-	5.2	5.6	8.2

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥(168) million
 For the fiscal year ended March 31, 2023: ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	158,800	127,967	80.6	3,609.64
March 31, 2023	158,831	126,775	79.8	3,470.18

Reference: Equity
 As of March 31, 2024: ¥127,967 million
 As of March 31, 2023: ¥126,775 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	(7,480)	74	(6,393)	24,290
March 31, 2023	7,297	(2,949)	(6,884)	38,010

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended March 31, 2023	Yen -	Yen 40.00	Yen -	Yen 40.00	Yen 80.00	Millions of yen 2,953	% 44.7	% 2.3
Fiscal year ended March 31, 2024	-	40.00	-	40.00	80.00	2,842	63.1	2.3
Fiscal year ending March 31, 2025 (Forecast)	-	40.00	-	40.00	80.00		50.6	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	106,000	3.0	7,500	29.3	7,700	27.5	5,600	23.1	157.96

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in change in scope of consolidation): None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	37,470,000 shares
As of March 31, 2023	38,500,000 shares

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

As of March 31, 2024	2,018,491 shares
As of March 31, 2023	1,967,279 shares

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

Fiscal year ended March 31, 2024	35,863,557 shares
Fiscal year ended March 31, 2023	37,160,991 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	94,243	(1.3)	3,220	(49.8)	5,355	(40.3)	4,671	(35.6)
March 31, 2023	95,486	(6.8)	6,411	(43.6)	8,971	(33.7)	7,250	(30.6)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	130.27	-
March 31, 2023	195.10	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	152,166	126,336	83.0	3,563.63
March 31, 2023	152,386	125,109	82.1	3,424.59

Reference: Equity

As of March 31, 2024: ¥126,336 million
As of March 31, 2023: ¥125,109 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

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

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

(How to obtain supplementary material on financial results)

Supplementary material on financial results will be posted on the Company's website on Thursday, May 16, 2024.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	47,010	33,290
Accounts receivable - trade	27,806	34,838
Securities	13,499	13,499
Merchandise and finished goods	14,644	18,535
Work in process	1,453	1,428
Raw materials and supplies	8,307	10,315
Other	4,656	4,753
Total current assets	117,379	116,662
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,069	6,823
Machinery, equipment and vehicles, net	1,854	1,667
Land	4,990	5,993
Other, net	1,135	1,390
Total property, plant and equipment	15,049	15,874
Intangible assets	797	721
Investments and other assets		
Investment securities	14,246	16,116
Deferred tax assets	3,883	2,372
Other	7,476	7,052
Total investments and other assets	25,605	25,541
Total non-current assets	41,452	42,138
Total assets	158,831	158,800

(Millions of yen)

	FY2022 (As of March 31, 2023)	FY2023 (As of March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,047	10,975
Electronically recorded obligations - operating	910	1,207
Income taxes payable	501	593
Contract liabilities	50	—
Provision for bonuses	2,313	2,140
Other provisions	169	163
Other	14,266	10,992
Total current liabilities	27,258	26,073
Non-current liabilities		
Retirement benefit liability	4,133	3,908
Other	664	851
Total non-current liabilities	4,798	4,759
Total liabilities	32,056	30,833
Net assets		
Shareholders' equity		
Share capital	7,229	7,229
Capital surplus	1,871	1,871
Retained earnings	118,943	117,022
Treasury shares	(7,114)	(7,021)
Total shareholders' equity	120,930	119,102
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,655	8,585
Remeasurements of defined benefit plans	189	279
Total accumulated other comprehensive income	5,844	8,864
Total net assets	126,775	127,967
Total liabilities and net assets	158,831	158,800

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

(Millions of yen)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Net sales	103,261	102,885
Cost of sales	48,146	50,815
Gross profit	55,114	52,070
Selling, general and administrative expenses	46,607	46,267
Operating profit	8,507	5,802
Non-operating income		
Interest income	2	2
Dividend income	338	363
Rental income from real estate	86	97
Other	239	48
Total non-operating income	665	510
Non-operating expenses		
Interest expenses	0	2
Share of loss of entities accounted for using equity method	—	168
Commission expenses	45	38
Foreign exchange losses	36	60
Other	6	5
Total non-operating expenses	87	275
Ordinary profit	9,085	6,037
Extraordinary income		
Gain on sale of non-current assets	0	56
Settlement income	8	13
Gain on sale of investment securities	—	433
Insurance claim income	4	—
Total extraordinary income	13	503
Extraordinary losses		
Loss on sale and retirement of non-current assets	54	34
Expenses for disposal of fixed assets	—	12
Loss on valuation of investment securities	—	333
Total extraordinary losses	54	380
Profit before income taxes	9,044	6,160
Income taxes - current	2,014	1,453
Income taxes - deferred	380	160
Total income taxes	2,395	1,613
Profit	6,649	4,547
Profit attributable to owners of parent	6,649	4,547

Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Profit	6,649	4,547
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,653)	2,929
Remeasurements of defined benefit plans, net of tax	5	89
Total other comprehensive income	(1,648)	3,019
Comprehensive income	5,001	7,567
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,001	7,567

(3) Consolidated Statements of Changes in Equity
 FY2022 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

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

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

FY2023 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,229	1,871	118,943	(7,114)	120,930
Changes during period:					
Dividends of surplus			(2,886)		(2,886)
Profit attributable to owners of parent			4,547		4,547
Purchase of treasury shares				(3,489)	(3,489)
Disposal of treasury shares		0		0	0
Cancellation of treasury shares		(0)	(3,582)	3,582	—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(1,921)	93	(1,827)
Balance at end of period	7,229	1,871	117,022	(7,021)	119,102

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	5,655	189	5,844	126,775
Changes during period:				
Dividends of surplus				(2,886)
Profit attributable to owners of parent				4,547
Purchase of treasury shares				(3,489)
Disposal of treasury shares				0
Cancellation of treasury shares				—
Net changes in items other than shareholders' equity	2,929	89	3,019	3,019
Total changes during period	2,929	89	3,019	1,192
Balance at end of period	8,585	279	8,864	127,967

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	9,044	6,160
Depreciation	2,672	2,808
Loss (gain) on sale of investment securities	—	(433)
Insurance claim income	(4)	—
Loss (gain) on sale and retirement of non-current assets	53	(22)
Expenses for disposal of fixed assets	—	12
Loss (gain) on valuation of investment securities	—	333
Share of loss (profit) of entities accounted for using equity method	—	168
Increase (decrease) in provision for bonuses	(349)	(172)
Increase (decrease) in retirement benefit liability	(129)	(96)
Interest and dividend income	(340)	(365)
Interest expenses and commission fee	45	40
Decrease (increase) in trade receivables	3,869	(7,032)
Decrease (increase) in inventories	(1,277)	(5,873)
Decrease (increase) in other current assets	817	(582)
Increase (decrease) in trade payables	(1,941)	2,225
Increase (decrease) in other current liabilities	1,183	(2,882)
Other, net	(2,470)	(728)
Subtotal	11,173	(6,440)
Interest and dividends received	340	365
Interest expenses and commission fee paid	(35)	(37)
Proceeds from insurance income	42	—
Payments for contract loss	(1,000)	—
Income taxes paid	(3,224)	(1,368)
Net cash provided by (used in) operating activities	7,297	(7,480)
Cash flows from investing activities:		
Payments into time deposits	(12,000)	(12,000)
Proceeds from withdrawal of time deposits	10,900	12,000
Purchase of securities	(10,500)	(10,500)
Proceeds from sale of securities	10,500	10,500
Purchase of property, plant and equipment and intangible assets	(2,166)	(2,296)
Proceeds from sale of property, plant and equipment	0	56
Purchase of investment securities	—	(300)
Proceeds from sale of investment securities	—	2,601
Other, net	316	11
Net cash provided by (used in) investing activities	(2,949)	74
Cash flows from financing activities:		
Dividends paid	(3,372)	(2,887)
Purchase of treasury shares	(3,512)	(3,492)
Proceeds from sale of treasury shares	—	0
Other, net	(0)	(14)
Net cash provided by (used in) financing activities	(6,884)	(6,393)
Effect of exchange rate changes on cash and cash equivalents	32	79
Net increase (decrease) in cash and cash equivalents	(2,504)	(13,720)
Cash and cash equivalents at beginning of period	40,515	38,010
Cash and cash equivalents at end of period	38,010	24,290

Supplementary Materials for Consolidated Financial Results
(Fiscal year ended March 31, 2024)

1. Capital expenditures (Millions of yen)

	FY2022	FY2023	FY2024 Forecast
Full year	2,105	2,315	1,800

2. Depreciation (Millions of yen)

	FY2022	FY2023	FY2024 Forecast
Full year	2,672	2,808	2,900
(Property, plant and equipment)	1,586	1,461	1,500

3. Research and development expenses (Millions of yen)

	FY2022	FY2023	FY2024 Forecast
Full year	13,283	12,554	13,200
(% of Revenue)	12.9%	12.2%	12.5%

Sales of Main Products
(Fiscal year ended March 31, 2024)

(Billions of yen)

Products	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025	
	Apr-Mar	Apr-Mar	Y o Y changes %	Apr-Mar forecast	Y o Y changes %
Treatment of ulcerative colitis Lialda®	13.5	14.5	+ 7%	14.6	+ 1%
Treatment for chronic constipation Goofice®	6.9	7.7	+ 12%	9.0	+ 16%
Drug for hyperlipidemia and arteriosclerosis obliterans Epadel	7.1	7.4	+ 4%	6.5	△ 12%
Treatment for chronic constipation Movicol®	5.4	5.9	+ 8%	6.0	+ 1%
Antidepressant Lexapro®	11.0	5.2	△ 53%	3.7	△ 29%
Gout and hyperuricemia Urece®	2.2	3.3	+ 47%	5.4	+ 61%
Treatment for pulmonary arterial hypertension Treprost®	1.6	2.3	+ 45%	2.8	+ 18%
Calcium channel blocker with a long- acting hypotensive effect Atelec®	2.6	2.3	△ 13%	1.8	△ 19%
Analgesic for chronic pain and pain after tooth extraction Tramcet®	2.9	2.2	△ 23%	2.0	△ 10%
Anticoagulant agent Heparin Sodium MOCHIDA	1.2	1.3	+ 4%	1.2	△ 5%
Therapeutic agent for endometriosis, adenomyosis and dysmenorrhea Dinagest	1.8	1.1	△ 39%	0.7	△ 32%
Therapeutic agent for condyloma acuminatum and actinic keratosis Beselna	1.1	1.1	△ 2%	0.6	△ 38%
Treatment of ulcerative colitis Cortiment®	-	0.2	-	1.4	+ 619%
Generic drugs	29.5	32.6	+ 11%	28.5	△ 13%
Skin Care Products	5.9	6.4	+ 9%	6.8	+ 6%

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

Sales of Atelec® are the sum of Atelec® and Atedio®.

Cortiment® was launched in September 2023.

Development Pipeline

【Ethical drug】

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

【Medical device】

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

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