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November 1, 2024

Consolidated Financial Results for the Six Months Ended September 30, 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
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 Telephone: +81-3-3358-7211
 Scheduled date to file semi-annual securities report: November 11, 2024
 Scheduled date to commence dividend payments: December 2, 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	51,096	3.3	3,793	(4.0)	4,079	0.6	2,825	(0.5)
September 30, 2023	49,476	(7.0)	3,952	(25.1)	4,053	(25.5)	2,838	(27.6)

Note: Comprehensive income For the six months ended September 30, 2024: ¥2,558 million [(48.0)%]
 For the six months ended September 30, 2023: ¥4,921 million [45.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	79.71	-
September 30, 2023	78.39	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	158,434	129,106	81.5
March 31, 2024	158,800	127,967	80.6

Reference: Equity

As of September 30, 2024: ¥129,106 million
 As of March 31, 2024: ¥127,967 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	40.00	-	40.00	80.00
Fiscal year ending March 31, 2025	-	40.00			
Fiscal year ending March 31, 2025 (Forecast)			-	40.00	80.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 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

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

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
 Newly included: - companies (Company name)
 Excluded: - companies (Company name)
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of September 30, 2024	37,470,000 shares
As of March 31, 2024	37,470,000 shares

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

As of September 30, 2024	2,018,945 shares
As of March 31, 2024	2,018,491 shares

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

Six months ended September 30, 2024	35,451,233 shares
Six months ended September 30, 2023	36,210,994 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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, November 7, 2024.

Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	33,290	40,692
Accounts receivable - trade	34,838	29,765
Securities	13,499	11,998
Merchandise and finished goods	18,535	18,061
Work in process	1,428	2,215
Raw materials and supplies	10,315	10,453
Other	4,753	3,575
Total current assets	116,662	116,761
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,823	6,670
Machinery, equipment and vehicles, net	1,667	1,779
Land	5,993	5,993
Other, net	1,390	1,558
Total property, plant and equipment	15,874	16,002
Intangible assets	721	745
Investments and other assets		
Investment securities	16,116	15,717
Deferred tax assets	2,372	2,520
Other	7,052	6,685
Total investments and other assets	25,541	24,924
Total non-current assets	42,138	41,672
Total assets	158,800	158,434

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,975	8,901
Electronically recorded obligations - operating	1,207	938
Income taxes payable	593	1,409
Provision for bonuses	2,140	2,075
Other provisions	163	150
Other	10,992	11,100
Total current liabilities	26,073	24,576
Non-current liabilities		
Retirement benefit liability	3,908	3,907
Other	851	844
Total non-current liabilities	4,759	4,751
Total liabilities	30,833	29,328
Net assets		
Shareholders' equity		
Share capital	7,229	7,229
Capital surplus	1,871	1,871
Retained earnings	117,022	118,429
Treasury shares	(7,021)	(7,022)
Total shareholders' equity	119,102	120,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,585	8,355
Remeasurements of defined benefit plans	279	242
Total accumulated other comprehensive income	8,864	8,598
Total net assets	127,967	129,106
Total liabilities and net assets	158,800	158,434

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statements of Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	49,476	51,096
Cost of sales	23,961	25,811
Gross profit	25,515	25,285
Selling, general and administrative expenses	21,563	21,492
Operating profit	3,952	3,793
Non-operating income		
Interest income	1	4
Dividend income	181	204
Foreign exchange gains	—	92
Other	70	65
Total non-operating income	253	365
Non-operating expenses		
Interest expenses	0	1
Share of loss of entities accounted for using equity method	115	67
Commission expenses	8	7
Other	27	2
Total non-operating expenses	152	79
Ordinary profit	4,053	4,079
Extraordinary income		
Gain on sale of non-current assets	—	2
Settlement income	11	—
Gain on sale of investment securities	15	—
Total extraordinary income	27	2
Extraordinary losses		
Loss on sale and retirement of non-current assets	31	13
Total extraordinary losses	31	13
Profit before income taxes	4,049	4,068
Income taxes	1,210	1,242
Profit	2,838	2,825
Profit attributable to owners of parent	2,838	2,825

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit	2,838	2,825
Other comprehensive income		
Valuation difference on available-for-sale securities	2,105	(229)
Remeasurements of defined benefit plans, net of tax	(22)	(36)
Total other comprehensive income	2,082	(266)
Comprehensive income	4,921	2,558
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,921	2,558

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	4,049	4,068
Depreciation	1,330	1,418
Loss (gain) on sale of investment securities	(15)	—
Loss (gain) on sale and retirement of non-current assets	31	11
Share of loss (profit) of entities accounted for using equity method	115	67
Increase (decrease) in provision for bonuses	(246)	(64)
Increase (decrease) in retirement benefit liability	(28)	(53)
Interest and dividend income	(182)	(208)
Interest expenses and commission fee	9	8
Decrease (increase) in trade receivables	(3,461)	5,072
Decrease (increase) in inventories	(3,496)	(450)
Decrease (increase) in other current assets	(1,471)	465
Increase (decrease) in trade payables	340	(2,342)
Increase (decrease) in other current liabilities	(1,972)	861
Other, net	(518)	(164)
Subtotal	(5,517)	8,691
Interest and dividends received	182	207
Interest expenses and commission fee paid	(7)	(8)
Income taxes paid	(587)	(370)
Net cash provided by (used in) operating activities	(5,930)	8,519
Cash flows from investing activities		
Payments into time deposits	(6,900)	(2,700)
Proceeds from withdrawal of time deposits	7,100	12,000
Purchase of securities	(4,500)	(3,000)
Proceeds from sale of securities	4,500	4,500
Purchase of property, plant and equipment and intangible assets	(1,721)	(1,147)
Proceeds from sale of property, plant and equipment	—	1
Purchase of investment securities	(300)	—
Proceeds from sale of investment securities	15	—
Other, net	14	4
Net cash provided by (used in) investing activities	(1,790)	9,658
Cash flows from financing activities		
Dividends paid	(1,462)	(1,417)
Purchase of treasury shares	(2,930)	(1)
Proceeds from sale of treasury shares	0	—
Other, net	(6)	(13)
Net cash provided by (used in) financing activities	(4,399)	(1,432)
Effect of exchange rate change on cash and cash equivalents	67	(45)
Net increase (decrease) in cash and cash equivalents	(12,053)	16,700
Cash and cash equivalents at beginning of period	38,010	24,290
Cash and cash equivalents at end of period	25,957	40,991

Supplementary Materials for Consolidated Financial Results for the Six Months Ended September 30, 2024

1. Capital expenditures (Millions of yen)

	FY2023	FY2024
Six months	1,187	858
Full year	2,315	(Forecast) 1,800

2. Depreciation (Millions of yen)

	FY2023	FY2024
Six months	1,330	1,418
(Property, plant and equipment)	690	716
Full year	2,808	(Forecast) 2,900
(Property, plant and equipment)	1,461	1,500

3. Research and development expenses (Millions of yen)

	FY2023	FY2024
Six months	4,855	4,776
(% of Revenue)	9.8 %	9.3 %
Full year	12,554	(Forecast) 13,200
(% of Revenue)	12.2 %	12.5 %

Sales of Major Products
(Six months ended September 30, 2024)

(Billions of yen)

Products	Fiscal year ended March 31, 2024		Fiscal year ending March 31, 2025		six months Y o Y changes %
	Apr-Sep	Apr-Mar	Apr-Sep	Apr-Mar forecast	
Treatment of ulcerative colitis Lialda®	7.1	14.5	7.4	14.6	+ 4%
Treatment for chronic constipation Goofice®	3.7	7.7	4.1	9.0	+ 8%
Drug for hyperlipidemia and arteriosclerosis obliterans Epadel	3.8	7.4	2.9	6.5	△ 25%
Treatment for chronic constipation Movicol®	2.8	5.9	3.2	6.0	+ 11%
Gout and hyperuricemia Urece®	1.5	3.3	2.1	5.4	+ 35%
Antidepressant Lexapro®	2.6	5.2	1.7	3.7	△ 34%
Treatment for pulmonary arterial hypertension and pulmonary hypertension associated with interstitial lung disease Treprost®	1.0	2.3	1.9	2.8	+ 98%
Analgesic for chronic pain and pain after tooth extraction Tramcet®	1.2	2.2	0.9	2.0	△ 25%
Calcium channel blocker with a long- acting hypotensive effect Atelec®	1.2	2.3	0.8	1.8	△ 26%
Treatment of ulcerative colitis Cortiment®	0.0	0.2	0.2	1.4	+ 253%
Anticoagulant agent Heparin Sodium MOCHIDA	0.6	1.3	0.6	1.2	+ 3%
Therapeutic agent for endometriosis, adenomyosis and dysmenorrhea Dinagest	0.5	1.1	0.4	0.7	△ 21%
Generic drugs	15.0	32.6	15.1	28.5	+ 1%
Therapeutic agent for endometriosis, adenomyosis and dysmenorrhea Dienogest	4.3	9.2	4.9	9.2	+ 13%
Skin Care Products	3.1	6.4	3.5	7.0	+ 11%

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〉	Approved	Insomnia	Oral	Co-development with Nxera Pharma Japan Co., Ltd. (Former Idorsia Pharmaceuticals Japan Ltd.) 〈Japan〉
* MD-711 〈treprostinil〉	Approved	Pulmonary hypertension associated with interstitial lung disease (additional indication)	Inhalant	Licensed-in from United Therapeutics Corporation In-house development 〈Japan〉
MD-0901 〈mesalazine〉	Filed	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 YAKUHIN Co., Ltd. 〈Japan〉
MND-21 〈icosapent〉	Filed	Hypertriglyceridemia	Oral	Collaboration on development with Sumitomo Pharma (Suzhou) Co., Ltd. 〈China〉

【Medical device】

Development code or Product 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〉

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

* Updates from August 2, 2024