

## Translation

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May 9, 2025

# Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2025 (Under Japanese GAAP)

Company name: Taiko Pharmaceutical Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4574  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: None

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

## 1. Consolidated financial results for the for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	1,150	(16.5)	44	(79.5)	11	(95.1)	292	(38.1)
March 31, 2024	1,377	18.0	214	—	229	—	472	—

Note: Comprehensive income For the three months ended December 31, 2025: ¥15 million[(97.5)%]  
 For the three months ended December 31, 2024: ¥624 million [—%]

	Basic earnings (loss) per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	5.83	—
March 31, 2024	9.41	—

Notes: 1. Diluted earnings per share for the three months ended March 31, 2024 is not presented as the Company had no potential shares.  
 2. Diluted earnings per share for the three months ended March 31, 2025 is not presented as the Company had no potential shares.

### (2) Consolidated financial position

	Total assets	Net assets	Equity-to asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	12,161	7,979	65.6
December 31, 2024	12,914	7,964	61.7

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of March 31, 2025: ¥7,979 million  
 As of December 31, 2024: ¥7,964 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 December 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		—	—	—	—

Notes: 1. Revisions to the forecast of cash dividends most recently announced: None

2. The forecast for cash dividends for the fiscal year ending December 31, 2025 is yet to be determined at this moment.

## 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 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	6,300	0.1	215	(65.9)	200	(70.9)	300	(66.6)	5.98

Notes: Revisions to the earnings forecasts most recently announced: None

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: –

Excluded: 1 company (Taiko Pharmaceutical International Co., Ltd.)

Note: For details, please refer to [Appendix] P. 8 “2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Significant changes in the scope of consolidation during the period).”

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(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 March 31, 2025	50,636,900 shares
As of December 31, 2024	50,636,900 shares

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

As of March 31, 2025	443,189 shares
As of December 31, 2024	443,189 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	50,193,711 shares
Three months ended March 31, 2024	50,149,764 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

\* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements, etc.)

Forward-looking statements, including the earnings forecasts stated in this material, are based on information currently available to the Company and certain assumptions deemed reasonable. The Company does not intend to guarantee that the said forecasts will be achieved. Actual results may vary significantly due to various factors. For more information on the assumptions on which the forecasts are based and cautionary notes, etc. to their use, please see “1. Overview of Operating Results, etc. (3) Forward-looking information including the consolidated financial results forecast” on page 3 of the Attachments.

(Where to obtain supplementary materials)

The supplementary material on financial results will be disclosed on the Timely Disclosure Network (TDnet) on the same day and posted on the Company’s website.

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the three months ended March 31, 2025

During the three months ended March 31, 2025 (the “the period under review”), the Japanese economy trended to recover moderately backed mainly by improved employment and income environment and an increase in inbound tourists. Nevertheless, the economic outlook has remained uncertain due in part to concerns over decelerating consumption amid the continued rise in prices and impacts from exchange rate fluctuations.

Under these circumstances, the Pharmaceuticals Business has made efforts to strengthen the supply system to fulfill our mission of ensuring a stable supply to markets. These efforts include reinforcing the manufacturing workforce and preparing for the reorganization of manufacturing structure announced on August 9, 2024. Further, the Infection Control Business has worked on fostering trust among our consumers through research and development for strengthening the evidence associated with chlorine dioxide as well as improving profitability primarily by controlling costs in a manner commensurate with the scale of sales.

As the result, for the period under review, net sales decreased 16.5% year on year to ¥1,150 million due to decreased revenue from the Pharmaceutical Business for overseas markets, while gross profit decreased 15.0% year on year to ¥679 million due mainly to the effect of decreased revenue from the Pharmaceutical Business.

Selling, general and administrative expenses increased 8.7% year on year to ¥634 million on the back of increased advertising expenses for the Infection Control Business.

As the result, for the period under review, operating profit decreased 79.5% year on year to ¥44 million and ordinary profit decreased 95.1% year on year to ¥11 million. As extraordinary income, we recorded gain on sale of investment securities of ¥347 million, and compensation income of ¥10 million, which we received from a supplier in connection with purchasing transactions in the Pharmaceuticals Business. As a result, profit attributable to owners of the parent decreased 38.1% year on year to ¥292 million

Operating results by segment are as follows.

#### ***Pharmaceuticals Business***

In this business segment, the size of the Japanese market grew to 110.4% of the size year on year. To meet strong demand in this segment, we have been preparing to upgrade the production facilities of Seirogan as part of the efforts to strengthen our supply system over the medium term. As for Seirogan Toi A and Seirogan Quick C, of which supply is stabilized as the production lines have been put into full operation at Kyoto Plant, we worked to add new customers by strengthening sales and marketing activities. However, the challenge of short supply for Seirogan remained unresolved, with insufficient supplies continuing, particularly for overseas markets.

As a result of these measures, net sales of pharmaceuticals for the Japanese market decreased 8.0% year on year to ¥903 million. Meanwhile, net sales of pharmaceuticals for the overseas market decreased 66.2% year on year to ¥86 million

As a result, the segment reported net sales of ¥989 million, down 20.0% year on year with segment profit down 35.8% year on year to ¥314 million due mainly to decreased revenue.

Breakdown of sales to external customers by region (Pharmaceuticals Business)

(Millions of yen)

	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Japan	981	903
Overseas	254	86
Total	1,236	989

### ***Infection Control Business***

In this business segment, the Group has been striving to improve profitability by striving to cost control, including effective spending on marketing, such as strengthening online advertising in line with the domestic influenza season.

As a result, the segment reported net sales of ¥160 million, up ¥19 million year on year, with segment loss of ¥62 million, an improvement of ¥2 million year on year, mainly due to the effect of increased revenue.

Breakdown of sales to external customers by region (Infection Control Business)

(Millions of yen)

	Three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)	Three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Japan (for general use)	80	96
Japan (for commercial use)	51	50
Overseas	9	13
Total	140	160

### ***Other Business***

In this business segment, we manufacture and sell primarily bath and gardening agents containing pyroligneous acid as an ingredient. The segment reported net sales of ¥1 million with segment loss of ¥5 million.

## **(2) Overview of financial position for the three months ended March 31, 2025**

As of the end of the period under review, total assets decreased by ¥753 million year on year to ¥12,161 million, and total liabilities decreased by ¥768 million year on year to ¥4,181 million, resulting in an increase in net assets by ¥15 million year on year to ¥7,979 million. Major factors for changes from the end of the previous fiscal year include a decrease in current assets of ¥354 million due in part to a decrease in notes and accounts receivable – trade from the collection of receivables, a decrease in non-current assets of ¥399 million due in part to sale of investment securities, a decrease in current liabilities of ¥394 million due in part to a decrease in notes and accounts payable – trade and provision for bonuses, a decrease in non-current liabilities of ¥374 million due in part to the repayment of long-term borrowings, and an increase in net assets of ¥15 million mainly due in part to recording profit attributable to owners of parent.

## **(3) Forward-looking information including the consolidated financial results forecast**

There are no changes to the full-year consolidated financial results forecast for the fiscal year ending December 2025 from the forecast announced on February 13, 2025.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	4,532	4,673
Notes and accounts receivable - trade	2,428	1,716
Merchandise and finished goods	452	664
Work in process	652	658
Raw materials and supplies	571	549
Other	124	145
Total current assets	8,761	8,407
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	953	933
Machinery, equipment and vehicles, net	536	568
Land	1,675	1,675
Construction in progress	11	26
Other, net	95	86
Total property, plant and equipment	3,271	3,291
Intangible assets	27	27
Investments and other assets		
Investment securities	461	0
Other	391	433
Total investments and other assets	852	433
Total non-current assets	4,152	3,753
Total assets	12,914	12,161

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	338	246
Current portion of long-term borrowings	1,206	1,206
Accounts payable - other	716	645
Income taxes payable	12	3
Refund liabilities	69	70
Provision for bonuses	176	27
Provision for loss on subleases	11	11
Provision for transfer and removal expenses	88	90
Other	236	158
Total current liabilities	2,855	2,460
Non-current liabilities		
Long-term borrowings	792	421
Long-term accounts payable - other	549	549
Provision for loss on subleases	15	13
Retirement benefit liability	655	667
Asset retirement obligations	20	20
Other	60	48
Total non-current liabilities	2,094	1,720
Total liabilities	4,949	4,181
<b>Net assets</b>		
Shareholders' equity		
Share capital	10	10
Capital surplus	4,997	4,997
Retained earnings	2,526	2,819
Treasury shares	(273)	(273)
Total shareholders' equity	7,260	7,553
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	234	—
Foreign currency translation adjustment	468	426
Total accumulated other comprehensive income	703	426
Total net assets	7,964	7,979
Total liabilities and net assets	12,914	12,161



**(2) Quarterly consolidated statements of income and Quarterly consolidated statements of comprehensive income**

***Quarterly consolidated statements of income***  
***Three month ended March 31***

	(Millions of yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	1,377	1,150
Cost of sales	578	471
Gross profit	799	679
Selling, general and administrative expenses	584	634
Operating profit	214	44
Non-operating income		
Interest income	8	4
Foreign exchange gains	11	—
Other	4	0
Total non-operating income	25	5
Non-operating expenses		
Interest expenses	2	1
Rental expenses	4	0
Foreign exchange losses	—	32
Commission expenses	3	1
Other	0	2
Total non-operating expenses	10	38
Ordinary profit	229	11
Extraordinary income		
Gain on sale of investment securities	—	347
Compensation income	200	10
Total extraordinary income	200	357
Profit before income taxes	429	368
Income taxes - current	18	6
Income taxes - deferred	(61)	70
Total income taxes	(42)	76
Profit	472	292
Profit attributable to owners of parent	472	292

*Quarterly consolidated statements of comprehensive income*  
*Three month ended March 31*

	(Millions of yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	472	292
Other comprehensive income		
Valuation difference on available-for-sale securities	94	(234)
Foreign currency translation adjustment	57	(42)
Total other comprehensive income	152	(277)
Comprehensive income	624	15
Comprehensive income attributable to:		
Owners of parent	624	15

### (3) Notes to quarterly consolidated financial statements

#### *Segment information, etc.*

#### I. Information on net sales, profit or loss

1. Three months ended March 31, 2024 (From January 1, 2024 to March 31, 2024)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Pharmaceuticals	Infection Control	Other			
Sales						
Net sales to outside customers	1,236	140	1	1,377	—	1,377
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	1,236	140	1	1,377	—	1,377
Segment profit (loss)	489	(64)	(2)	421	(207)	214

Notes 1. Adjustment of Segment profit (loss) is corporate expenses not allocated to each reportable segment.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

#### II. Information on net sales, profit or loss

Three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

(Millions of yen)

	Reportable segment			Total	Adjustments (Note 1)	Amount recorded in quarterly consolidated statements of income (Note 2)
	Pharmaceuticals	Infection Control	Other			
Sales						
Net sales to outside customers	989	160	1	1,150	—	1,150
Inter-segment net sales or transfers	—	—	—	—	—	—
Total	989	160	1	1,150	—	1,150
Segment profit (loss)	314	(62)	(5)	246	(202)	44

Notes 1. Adjustment of Segment profit (loss) is corporate expenses not allocated to each reportable segment.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

#### *Significant changes in shareholders' equity*

Not applicable.

#### *Going concern assumption*

Not applicable.

#### *Quarterly consolidated statement of cash flows*

The quarterly consolidated statement of cash flows for the three months ended March 31, 2025 has not been prepared. The amounts of depreciation for the three months ended December 31, 2024 and December 31, 2025 (including amortization of intangible assets) are as follows:

(Millions of yen)

	Three months ended March 31, 2024 (From April 1, 2024 to March 31, 2024)	Three months ended March 31, 2025 (From April 1, 2025 to March 31, 2025)
Depreciation	63	60

#### *Significant changes in the scope of consolidation during the period*

For three months ended March 31, 2025, Taiko Pharmaceutical International Co., Ltd. has been excluded from the scope of consolidation due to the completion of liquidation.