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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (FY2025)

February 2026

Taiko Pharmaceutical Co., Ltd.
Securities code: 4574

1. Consolidated Financial Results for FY2025

2. Overview of Performance by Segment

3. Difference between the Full-year Earnings Forecast and Results

4. FY2026 Earnings Forecast and Future Initiatives



1. Consolidated Financial Results for FY2025

Consolidated Financial Results

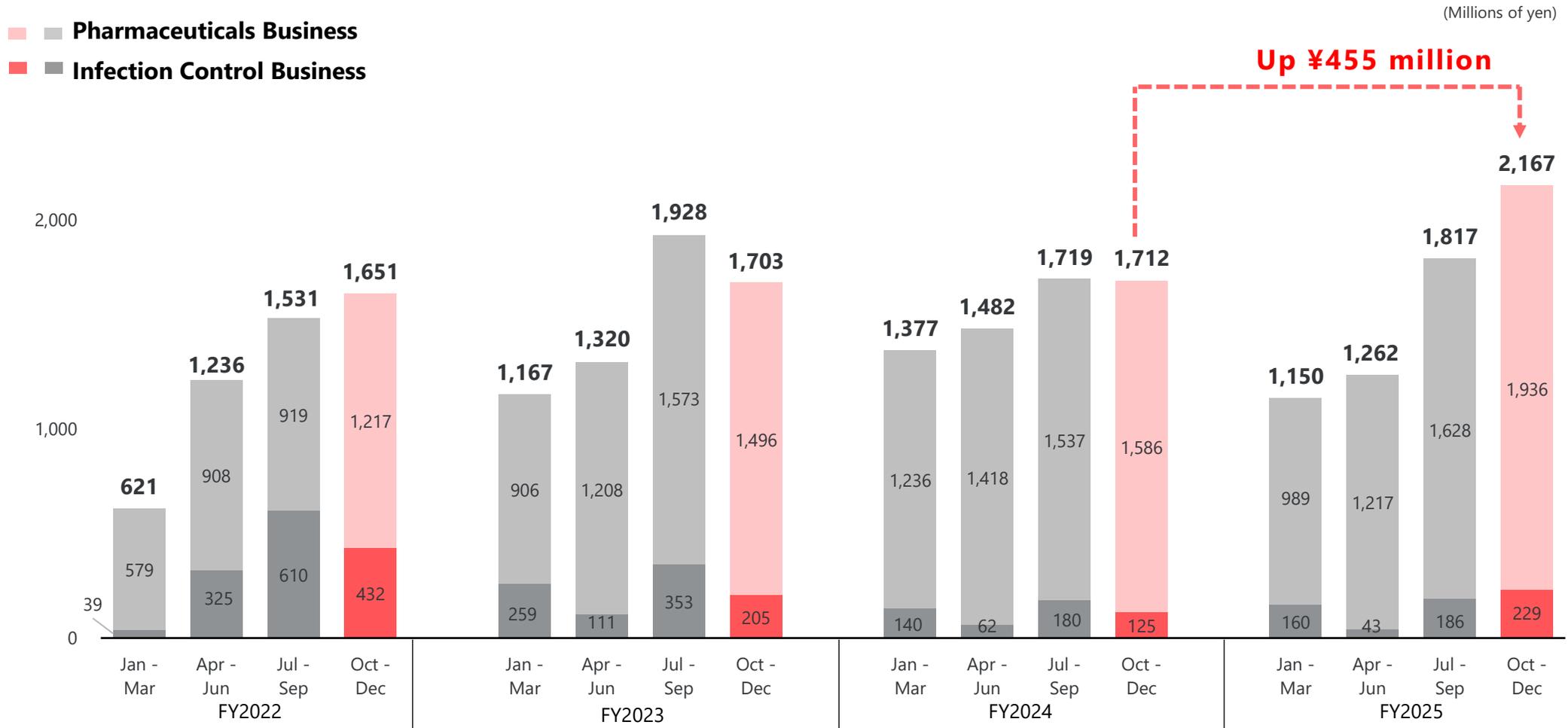
- Net sales increased due to strong demand in the Pharmaceuticals Business and sales increases in the Infection Control Business
- Operating profit and ordinary profit decreased YoY, but earnings **exceeded the planned target**

*"Difference between the Full-year Consolidated Earnings Forecast and Results (an upward revision)" was announced February 13, 2026
(Millions of yen)

	FY2024		FY2025		YoY change (Amount)	YoY change (%)
	Full-year results	Comparison with sales	Full-year results	Comparison with sales		
Net sales	6,292	-	6,397	-	+104	+1.7%
Gross profit	3,666	58.3%	3,481	54.4%	(185)	(5.1)%
SG&A expenses	3,036	48.3%	3,022	47.2%	(14)	(0.5)%
Operating profit (loss)	629	10.0%	459	7.2%	(170)	(27.1)%
Ordinary profit (loss)	688	10.9%	482	7.5%	(205)	(29.8)%
Profit (loss) attributable to owners of parent	898	14.3%	923	14.4%	+24	+2.8%

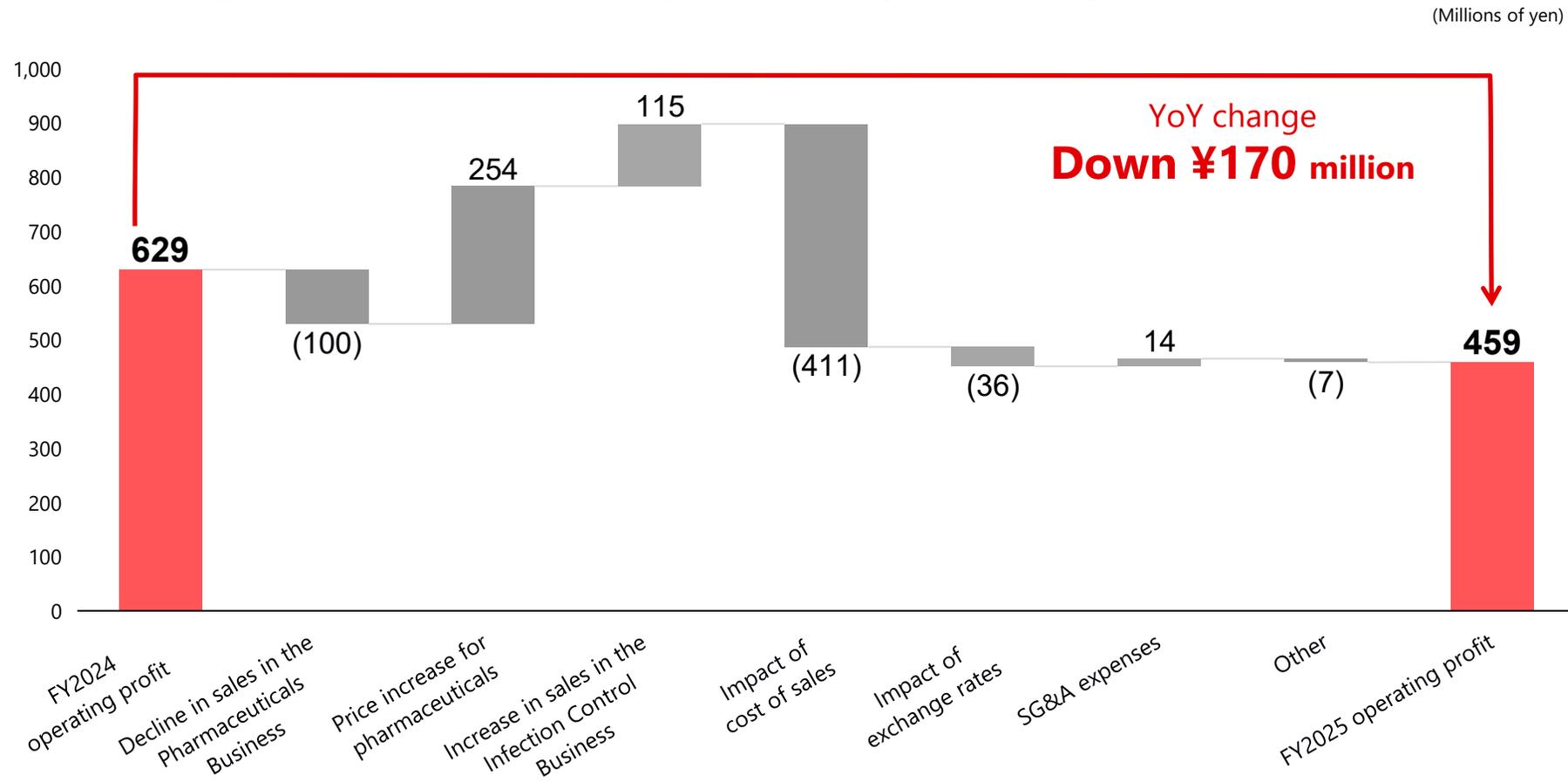
Consolidated Net Sales by Quarter

- Net sales significantly increased YoY in the Pharmaceuticals Business, supported by shipment to overseas
- Net sales remained stable in the Infection Control Business, driven by the early start of the flu season



Factors Affecting Changes in Operating Profit

- Despite decline in sales in the Pharmaceuticals Business due to a decreased shipment volume of Seirogan, the effect of unit price revisions and an increase in sales in the Infection Control Business contributed to changes in operating profit
- Cost of sales increased due to higher raw material and supply costs, as well as increased expenses to strengthen the supply system for Seirogan, but it **remained nearly within the planned scope**



- SG&A Expenses as a whole decreased by ¥14 million YoY due to decreases in transportation costs and personnel expenses, despite increases in advertising expenses as well as research and development expenses

(Millions of yen)

	FY2024		FY2025		YoY change (Amount)	YoY change (%)
	Full-year results	% of total	Full-year results	% of total		
Total SG&A expenses	3,036	-	3,022	-	(14)	(0.5)%
Selling expenses	900	29.7%	907	30.0%	+7	+0.8%
Advertising expenses	624	20.6%	654	21.7%	+29	+4.8%
Promotion expenses	143	4.7%	146	4.9%	+3	+2.4%
Transportation costs	133	4.4%	106	3.5%	(26)	(19.8)%
Personnel expenses	1,254	41.3%	1,198	39.7%	(55)	(4.4)%
Other expenses	881	29.0%	915	30.3%	+33	+3.8%
Research and development expenses	183	6.0%	208	6.9%	+25	+14.0%
Commission expenses	301	9.9%	316	10.5%	+14	+4.7%

Ordinary profit (Loss) / Profit (Loss)

- In extraordinary income, gain on sale of investment securities of ¥347 million and gain on reversal of foreign currency translation adjustment of ¥140 million were recorded

(Millions of yen)

	FY2024 Full-year results	FY2025 Full-year results	YoY change	Major factors for change
Operating profit (loss)	629	459	(170)	
Non-operating income	86	37	(48)	Decrease in foreign exchange gains YoY and other factors
Non-operating expenses	28	14	(13)	
Ordinary profit (loss)	688	482	(205)	
Extraordinary income	210	502	+291	FY24: Compensation income of ¥200 million FY25: Gain on sale of investment securities of ¥347 million Gain on reversal of foreign currency translation adjustment of ¥140 million
Extraordinary losses	333	27	(306)	FY24: Related to the restructuring of the production operations in the Pharmaceuticals Business <ul style="list-style-type: none"> • Impairment loss of ¥239 million mainly for production facilities • Provision for transfer and removal expenses of ¥88 million
Profit (loss) before income taxes	565	958	+392	
Income taxes – current/deferred	(332)	34	+367	
Profit (loss) attributable to owners of parent	898	923	+24	

Consolidated Financial Position

- Equity-to asset ratio improved from 61.7% to 69.4% mainly due to the repayment of long-term borrowings and the recording of profit (loss) attributable to owners of parent

(Millions of yen)

	End of FY2024	End of FY2025	YoY change	Major factors for change
Current assets	8,761	8,433	(328)	
Cash and deposits	4,532	4,256	(275)	
Trade receivables	2,428	2,450	+22	
Inventories	1,676	1,619	(57)	Pharmaceutical inventory of ¥1,484 million Infection control inventory of ¥124 million
Non-current assets	4,152	3,837	(314)	Down due to the sale of investment securities
Total assets	12,914	12,270	(643)	
Current liabilities	2,855	2,509	(345)	
Non-current liabilities	2,094	1,242	(851)	Repayment of long-term borrowings Decrease in retirement benefit liability
Net assets	7,964	8,518	+553	Recording of profit (loss) attributable to owners of parent and other factors
Total liabilities and net assets	12,914	12,270	(643)	
Equity-to asset ratio	61.7%	69.4%		

Consolidated Cash Flows

■ Operating cash flow increased steadily

(Millions of yen)

	FY2024 Full-year	FY2025 Full-year	Major factors (FY2025)
Net cash provided by (used in) operating activities	362	814	Profit before income taxes 958 Depreciation 265 Increase in trade payables 77 Increase in provision for bonuses 71 Decrease in inventories 57 Gain on sale of investment securities (347) Gain on reversal of foreign currency translation adjustment (140) Decrease) in provision for transfer and removal expenses (88)
Net cash provided by (used in) investing activities	(5)	142	Proceeds from sale of investment securities 447 Payments for capital investment (304)
Net cash provided by (used in) financing activities	(1,181)	(1,227)	Repayments of long-term borrowings (1,20) Repayments of lease liabilities (20)
Effect of exchange rate change on cash and cash equivalents	112	(5)	
Increase (decrease) in cash*1	(712)	(275)	
Cash at end of period	4,532	4,256	

*1 Calculated by reflecting the effect of exchange rate change on cash and cash equivalents to the sum of net cash provided by (used in) operating activities, investing activities, and financing activities.



2. Overview of Performance by Segment

Overview of Performance by Segment

- Pharmaceuticals Business : Sales and profit were achieved largely in line with the plan, despite decreases in sales and profit
- Infection Control Business : Segment profit steadily improved through sales increases and cost reduction

(Millions of yen)

		FY2024 Full-year results	FY2025 Full-year results	YoY change (Amount)	YoY change (%)
Pharmaceuticals Business	Net sales	5,778	5,771	(6)	(0.1)%
	Segment profit	1,947	1,573	(374)	(19.2)%
	Profit margin	33.7%	27.3%	-	-
Infection Control Business	Net sales	508	619	+110	+21.8%
	Segment profit (loss)	(467)	(254)	+213	-
	Profit margin	(92.0)%	(41.0)%	-	-
Other	Net sales	5	5	+0	+12.3%
	Segment profit (loss)	(12)	(22)	(10)	-
	Profit margin	(239.5)%	(384.3)%	-	-

Performance of the Pharmaceuticals Business in Japan

- Sales of Seirogan declined due to the impact of curtailed supply, despite demand remaining strong
- Sales of Seirogan Toi-A increased YoY, boosted by the resolution of supply problems and effects of the promotional activities accompanying the launch of SEIROGAN TOI A 24Tablets Portable type

(Millions of yen)

Sales by product category

	FY2024	FY2025	YoY change (Amount)	YoY change (%)
	Full-year results	Full-year results		
Sales of the Pharmaceuticals Business in Japan	3,556	3,505	(50)	(1.4)%
Seirogan	1,978	1,722	(256)	(12.9)%
Seirogan Toi-A	1,760	2,015	+254	+14.5%
Seirogan Quick C	319	272	(47)	(14.8)%
Other*1	107	117	+9	+8.9%
Returns, discounts, sponsorship, etc.	(610)	(622)	(11)	-

*1 Rappa Intestinal Regulator BF and Pishat Antidiarrheal OD Tablet



Performance of the Pharmaceuticals Business Overseas

- Sales increased YoY due to shipment as planned, despite the impact of production schedule adjustments for the domestic market

(Millions of yen)

Sales by region	FY2024	FY2025	YoY change (Amount)	YoY change (%)
	Full-year results	Full-year results		
Sales of the Pharmaceuticals Business overseas	2,222	2,266	+44	+2.0%
China	834	853	+19	+2.3%
Hong Kong	1,085	1,015	(70)	(6.5)%
Taiwan	239	292	+53	+22.3%
Other regions*1	62	104	+41	+65.8%

*1 U.S., Canada, Thailand, Malaysia, Mongolia and other regions



- Net sales remained steady following the shipment of products compliant with JSA standards
- Sales increased YoY, partly due to an earlier-than-usual flu season

(Millions of yen)

Sales by customer type	FY2024	FY2025	YoY change (Amount)	YoY change (%)
	Full-year results	Full-year results		
Sales of the Infection Control Business	508	619	+110	+21.8%
Japan (for general use)	497	573	+76	+15.3%
Japan (for commercial use)	197	186	(10)	(5.6)%
Overseas	36	50	+14	+39.7%
Returns, discounts, sponsorship, etc.	(221)	(190)	+31	-

For general use

Commercial use



Cleverin Gel for Two Months



Cleverin Spray 250 ml



Cleverin pouch type



Cleverin Pro Stick type



Cleverin Pro Gel 10m²



3. Difference between the Full-year Earnings Forecast and Results

Difference between the Full-year Earnings Forecast and Results

- Net sales exceeded the earnings forecast due to sales increases in the Infection Control Business and the impact of foreign exchange
- On the profit side, each profit exceeded the forecast due to reductions in cost of sales and SG&A expenses as well as a decrease in retirement benefit expenses

(Millions of yen)

	FY2025 Previous forecast	FY2025 Results	YoY change (Amount)	YoY change (%)	(Reference) FY2024 Results
Net sales	6,300	6,397	+97	+1.5%	6,292
Pharmaceuticals Business	5,745	5,771	+26	+0.5%	5,778
Infection Control Business	550	619	+69	+12.7%	508
Other	5	5	+0	+17.3%	5
Operating profit	300	459	+159	+53.1%	629
Ordinary profit	300	482	+182	+61.0%	688
Profit	580	923	+343	+59.2%	898



4. FY2026 Earnings Forecast and Future Initiatives

Corporate Philosophy

Taiko Pharmaceutical upholds the principles of Independence, Interdependence, and Creativity, and brings **great happiness** to our customers around the world

2026 – 2028

**Strategy Shift
Toward Growth**

By 2035

Global TAIKO

- Increase in overseas sales
- Increase in new product sales
- Promoting the social implementation of low-concentration chlorine dioxide gas

**Towards the market capitalization of
¥100 billion or more**

Aiming to become the No. 1 in Asia's
gastrointestinal medicine market

Up to 2025 Structural Reform Period

**Fundamental reform of
the revenue structure &
governance system enhancement**

Key Achievements:

- Streamlined organization
- Improved financial health
- Reduction of fixed costs
- Governance system enhancement

Phase
01

Phase
02

Phase
03

Point
01 **Focused Investment in the
Pharmaceutical Business**



Point
02 **Strategic Investment in New
Products & Businesses**

New product and business development framework

Point
03 **Capital Cost-Conscious Business
Portfolio Management**

Efforts to achieve steady profitability in
Infection Control Business

Point
04 **Organizational Culture
Transformation and Advancement
of Human Capital Management**

Strengthen organizational capabilities that
lead to new business creation

**FY2028
Targets**

<Net sales>	< Operating profit >	<ROE>	<Shareholder Returns>
<u>¥8.5 billion</u>	<u>¥1.0 billion</u>	<u>10-11% or more</u>	<u>DOE 3.0% or higher</u>

Full-year Earnings Forecast for FY2026

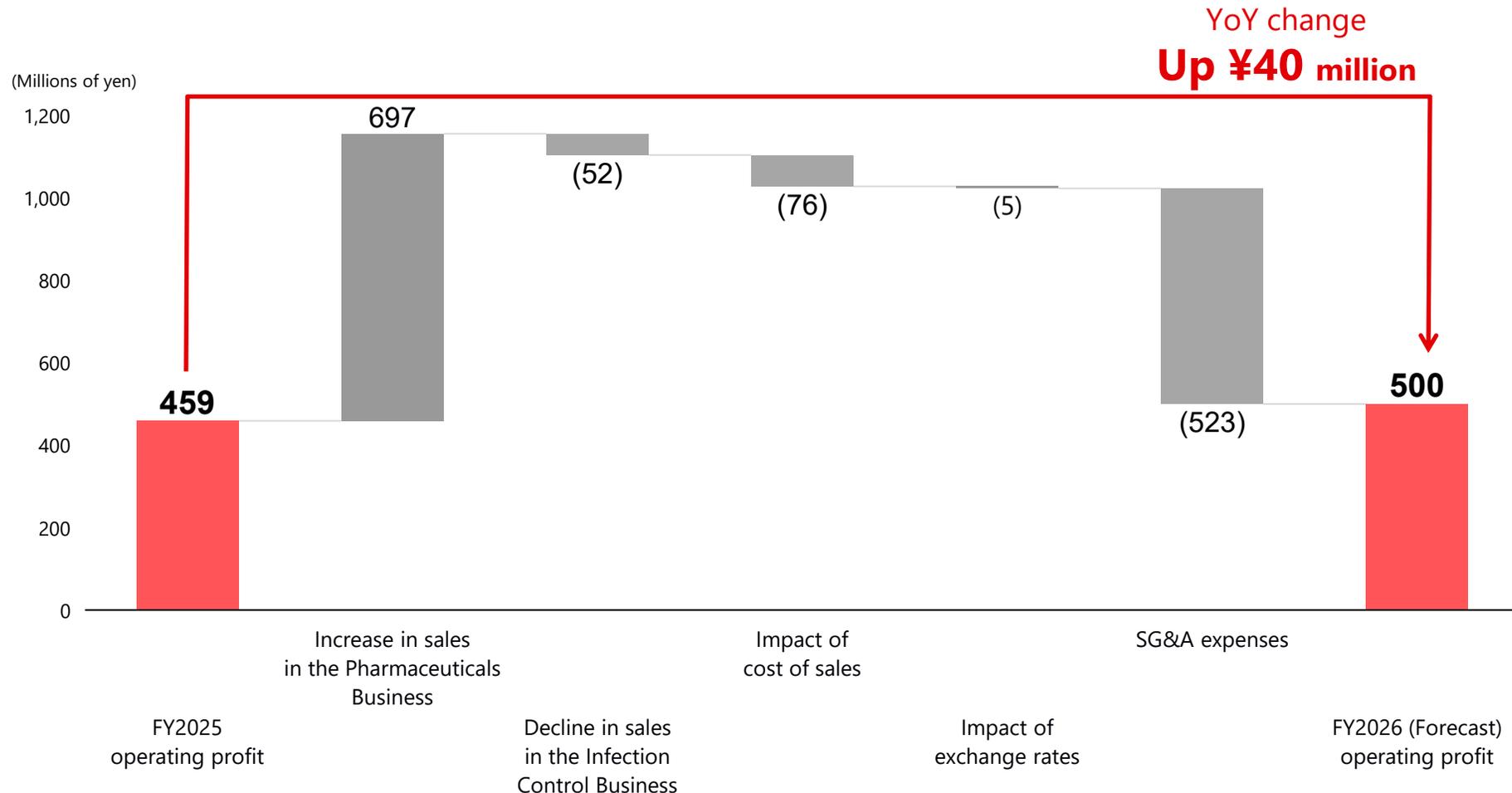
- Expect a significant increase in net sales in the Pharmaceuticals Business
- Aim to increase profit while strengthening brand investment to expand sales over the medium-term

(Millions of yen)

	FY2025 Results	FY2026 Forecast	YoY change (Amount)	YoY change (%)
Net sales	6,397	7,200	+802	+12.5%
Pharmaceuticals Business	5,771	6,695	+923	+16.0%
Infection Control Business	619	500	(119)	(19.3)%
Other	5	5	(0)	(14.8)%
Operating profit	459	500	+40	+8.9%
Ordinary profit	482	520	+37	+7.7%
Profit	923	550	(373)	(40.4)%

Factors Affecting Changes in Operating Profit (FY2026)

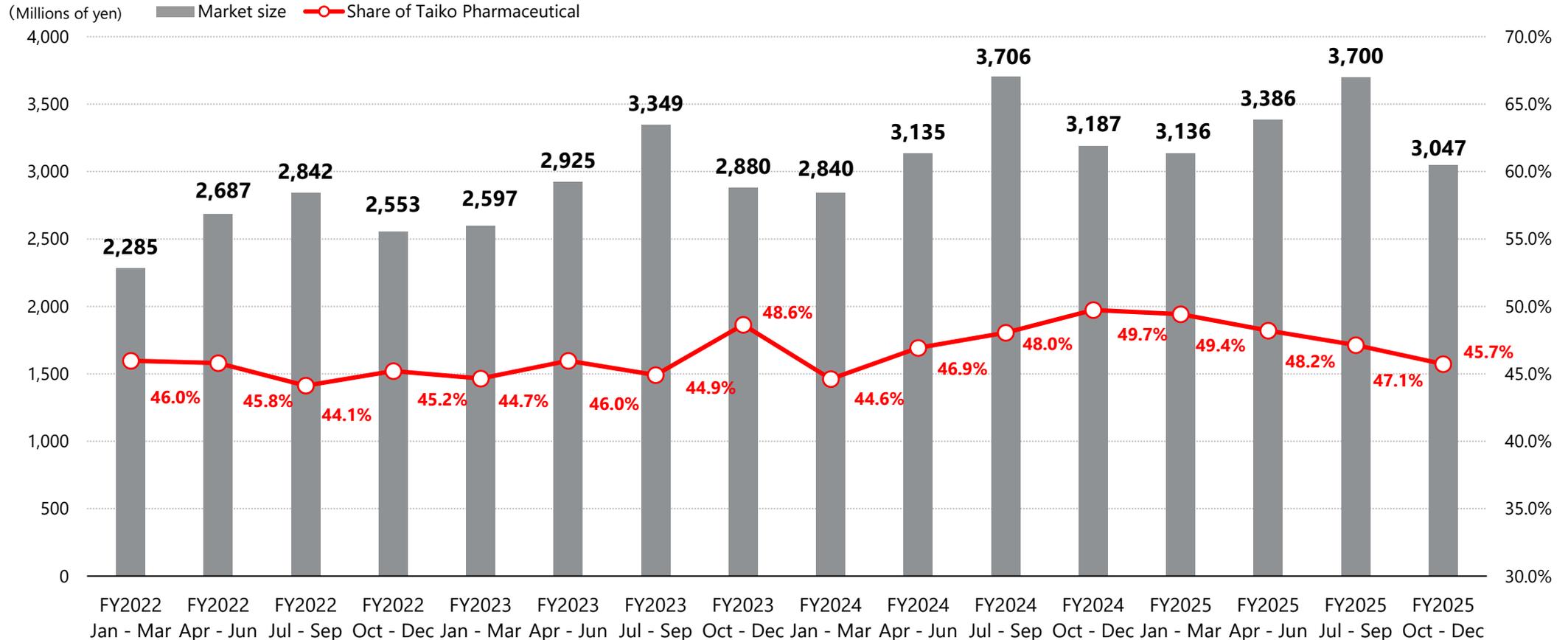
- Plan an increase in profit in the Pharmaceuticals Business, particularly due to the impact of a sales increase in the overseas business
- Expect increases in SG&A expenses, mainly driven by higher marketing expenses related to strengthening trumpet (*Rappa*) mark brand products in Japan and overseas to achieve the sales targets in the Medium-Term Management Plan



Market Size of Antidiarrheal Drugs in Japan and Our Share

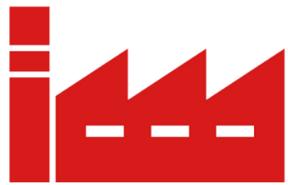
- Although the overall market in FY2025 remained steady, increasing by 3.1% YoY, recently, the market size and our share declined slightly following the impact of price revisions as well as due to the resumption of other companies' product supply and the supply shortages of our Seirogan

Antidiarrheal drug market in Japan



*Source: SRI+ based on retail selling price, by INTAGE Inc.

Strengthening supply of Seirogan



Seirogan



Strengthening sales of Seirogan Toi-A A and Quick C



SEIROGAN TOI A 24Tablets Portable type



Seirogan Quick C



Sales target for FY2028

¥4.3 billion

(Up 22.8% compared with FY2025)

- Plan to implement key initiatives to improve production capacity in 2026 to increase supply of Seirogan

Progress toward improving production capacity

- ▶ 2025: Project launch; Complete equipment relocation and other steps toward a two-factory system.
- ▶ 2026: Plans to increase production capacity from the second half onwards

Expanded pill-making machine capacity from 4 to 6 units

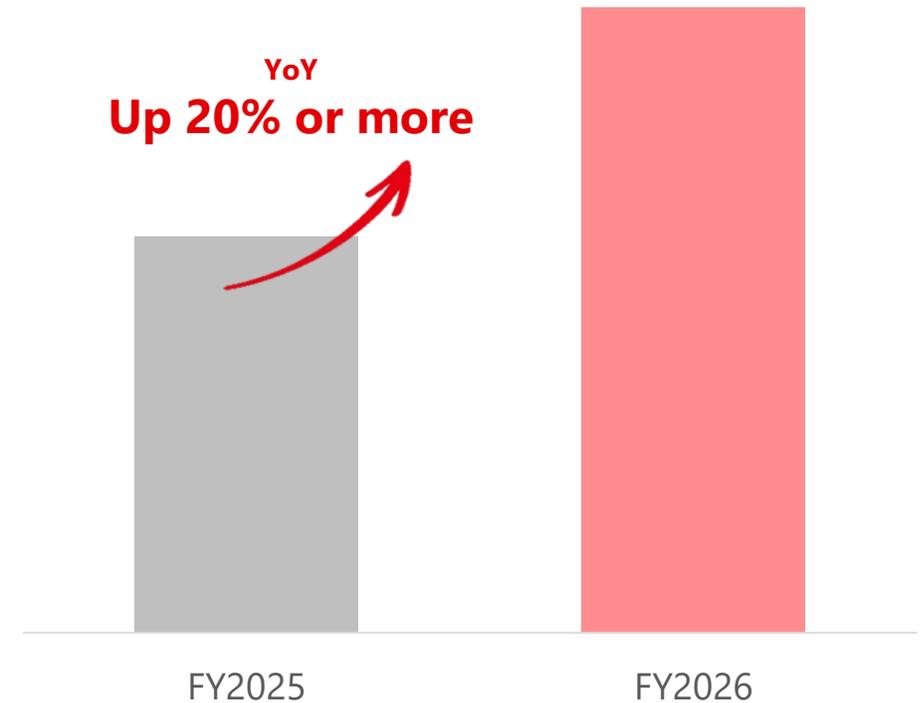
Operational improvements to shorten manufacturing lead times

Production volume of Seirogan



*Total of domestic and overseas figures

YoY
Up 20% or more



Brand image

Anytime, anywhere*₂—Seirogan for all kinds of stomach concerns

(1) Brand investment policy



Seirogan



Seirogan Toi-A



Seirogan Quick C

Distinctive odor

Diarrhea
Loose stools
Food poisoning
Water poisoning
Vomiting and toothache

Odorless and easy to swallow

Diarrhea
Loose stools
Food poisoning
Water poisoning
Vomiting

Quick-dissolving*₁ liquid capsules

Diarrhea
Loose stools
Food poisoning
Water poisoning
Vomiting

(2) Expansion of products' usage scenarios



Seirogan

Seirogan Toi-A

Household staple medicines



Seirogan Quick C

SEIROGAN TOI A 24Tablets Portable type

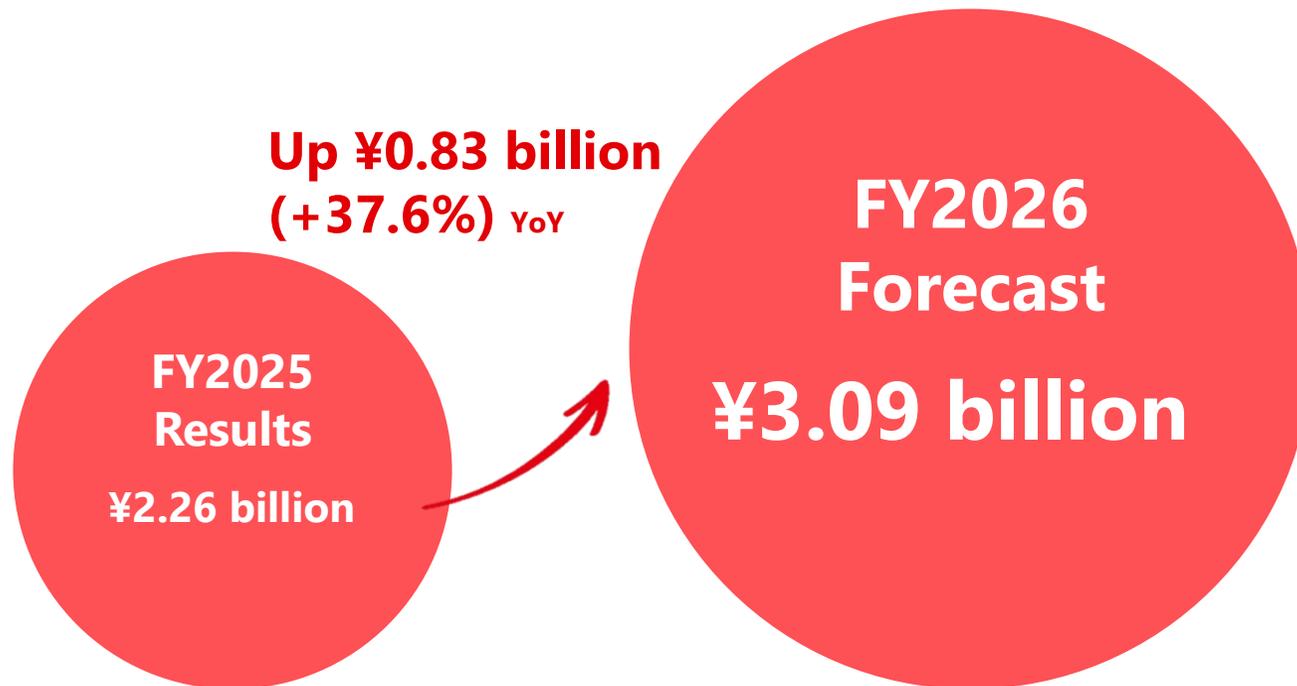
Easy to take anytime, anywhere*₂
Perfect for events such as travel and exams

*₁ Comparison with our Seirogan and Seirogan Toi-A

*₂ Please take this medicine as directed, following the prescribed usage and dosage

- Expect a significant increase in sales of ¥0.83 billion in FY2026 following the supply increase of Seirogan
- Strengthen sales and marketing to achieve the Growth in Greater China set forth in the Medium-Term Management Plan

Overseas sales



Product

- Launch a new Seirogan Toi-A product in the Chinese market to expand our product portfolio
- Update the package design of Seirogan Toi-A (Brand image unification with Seirogan scheduled for 2026)

Price

- Plan price revisions to improve profitability

Promotion

- Strengthen brand investment to further expand customer base



Steady efforts to achieve profitability in Infection Control Business

Improve Profitability

- ▶ Review of unprofitable business channels and reduction of selling expenses
- ▶ Continued review of other fixed costs

BtoC Sector (General Use)

- ▶ Continue measures to enhance product reliability following compliance with the JSA standard for measuring the effectiveness of airborne virus reduction

BtoB Sector (Commercial Use)

Aim to build a revenue base to support profitability in the Infection Control Business

- ▶ Increases in orders in the funeral industry through the Cleverin pouch type in addition to the cleaning industry



Cleverin stand type



Cleverin Pro Stick Type



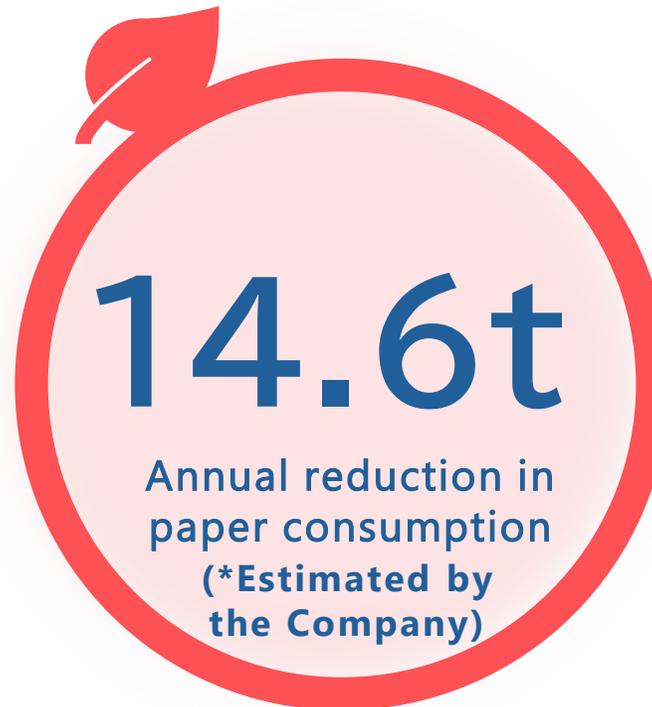
Cleverin pouch type

- Convert our trumpet (*Rappa*) mark brand product, Seirogan, to sustainable packaging—Eliminate paper inserts and shift to on-package labeling on the back of the outer box—



Seirogan 100 tablets in the new packaging

Seirogan 100 tablets in the old packaging



- Reduction of paper resources by printing package inserts on the reverse side
- Addition of a QR code®
- Gradual transition starting with shipments in late December 2025

- Donated approximately 2,000 disaster prevention whistles to five elementary schools in Suita-shi, Osaka, the Company's birthplace

Trumpet x Disaster prevention = Sound-based preparedness

- As a household medicine manufacturer celebrating its 80th anniversary, we raised awareness of the importance of preparedness
- The Disaster Preparedness Awareness Survey found that while preparedness to maintain daily life, such as emergency food and power sources, has progressed, the preparedness rate for signaling one's presence to seek rescue during a disaster was 17%

▼ Donation ceremony



▼ Disaster prevention whistle

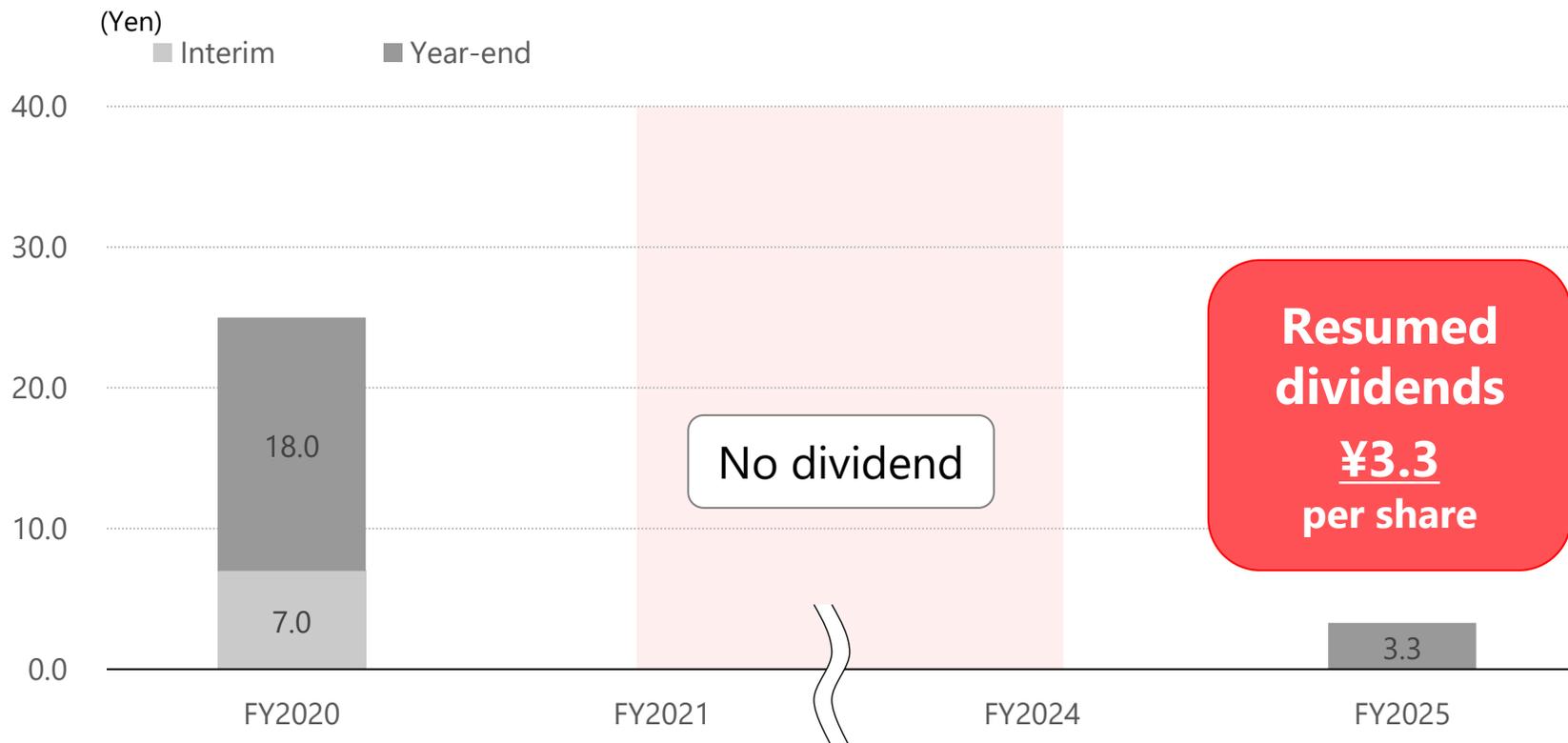


▼ Disaster prevention seminar



- We resumed dividends for the first time in five years since the fiscal year ended in December 2020 (¥3.3 per share in FY2025)
- For the fiscal year ending in December 2026, we plan to implement dividends with DOE of 2.0% or higher as planned in line with the dividend policy under the Medium-Term Management Plan

Dividends



**Dividend forecast for
FY2026**
¥3.5 per share



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Notes on forward-looking information

The forward-looking information in this document is based on various assumptions and does not constitute a guarantee or assurance that planned figures or measures will be realized.