

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2026 (Under Japanese GAAP)

April 10, 2026

Company name: Daito Pharmaceutical Co., Ltd. Stock exchange listing: Tokyo
 Securities code: 4577 URL: <https://www.daitonet.co.jp/>
 Representative (Title) President and CEO Hiroshi Matsumori, President and CEO
 Inquiries: (Title) Executive Officer, CFO Kenji Otsuga TEL: +81-76-421-5665
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting : No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended February 28, 2026 (from June 1, 2025 to February 28, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes for the corresponding quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended February 28, 2026	36,732	0.3	2,751	47.2	2,974	46.2	2,267	86.2
Nine months ended February 28, 2025	36,609	5.6	1,869	(39.8)	2,033	(34.9)	1,217	(48.0)

Note: Comprehensive income Nine months ended February 28, 2026: 2,548 million yen (319.9%)
 Nine months ended February 28, 2025: 606 million yen ((73.4%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 28, 2026	76.53	-
Nine months ended February 28, 2025	39.86	-

Note: Daito Pharmaceutical Co., Ltd. conducted a 2-for-1 stock split of shares of common stock effective on June 1, 2025. Earnings per share was calculated based on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

Reference: EBITDA Nine months ended February 28, 2026 6,025 million yen Nine months ended February 28, 2025 5,077 million yen

Note: EBITDA (Operating profit + Depreciation) is disclosed as a useful comparative indicator for the Group's performance.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2026	74,963	52,336	69.7
Fiscal year ended May 31, 2025	78,004	52,067	66.7

Reference: Equity
 Nine months ended February 28, 2026: 52,261 Millions of yen
 Fiscal year ended May 31, 2025: 52,003 Millions of yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2025	-	35.00	-	35.00	70.00
Fiscal year ending May 31, 2026	-	20.00	-		
Fiscal year ending May 31, 2026 (Forecast)				20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: No

Note: While Daito Pharmaceutical Co., Ltd. conducted a 2-for-1 stock split of shares of common stock effective on June 1, 2025, the dividend amounts shown reflect actual amounts and have not been retrospectively adjusted.

3. Forecast of consolidated financial results for the fiscal year ending May 31, 2026 (from June 1, 2025 to May 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	51,000	0.7	3,300	26.0	3,500	29.4	2,500	31.0	84.38

Reference: EBITDA for the fiscal year ending May 31, 2026 (forecast): 7,750 million yen

Note: Revisions to the financial results forecast most recently announced: Yes

* Notes

(1) Significant changes in the scope of consolidation during the period under review: Yes
 Newly consolidated: None (Company name: –) Excluded: 1 (Company name: Daiwa Pharmaceutical Co., Ltd.)
 Note: Daiwa Pharmaceutical Co., Ltd. was excluded from the scope of consolidation as it was dissolved through an absorption-type merger effective June 1, 2025, with Daito Pharmaceutical Co., Ltd. as the surviving company.

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatement of prior period financial statements

- [1] Changes in accounting policies due to revisions to accounting standards and other regulations: No
- [2] Changes in accounting policies due to other reasons : Yes
- [3] Changes in accounting estimates : Yes
- [4] Restatement of prior period financial statements : No

Note: Daito Pharmaceutical Co., Ltd. has changed the method of depreciation from the first quarter of consolidated accounting period. This change falls under “Cases where it is difficult to distinguish a change in accounting policy from a change in accounting estimate.” For details, please refer to page 7 of the attached materials, “2. Quarterly Consolidated Financial Statements and Major Notes — (3) Notes to quarterly consolidated financial statements: Changes in accounting policies that are difficult to distinguish from changes in accounting estimates.”

(4) Number of issued shares (common shares)

[1] Total number of issued shares at the end of the period (including treasury shares)	As of February 28, 2026	30,096,880 shares	Fiscal year ended May 31, 2025	30,696,880 shares
[2] Number of treasury shares at the end of the period	As of February 28, 2026	933,038 shares	Fiscal year ended May 31, 2025	710,774 shares
[3] Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Nine months ended February 28, 2026	29,625,381 shares	Nine months ended February 28, 2025	30,538,929 shares

Note: Daito Pharmaceutical Co., Ltd. conducted a 2-for-1 stock split of shares of common stock effective on June 1, 2025. The number of shares was calculated based on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

Note: Daito Pharmaceutical Co., Ltd. introduced a stock compensation plan “Board Benefit Trust (BBT).” Accordingly, the number of shares of Daito Pharmaceutical Co., Ltd. held by the trust (number of treasury shares at the end of the period: 94,340 shares; Average number of shares during the period: 94,340 shares) was included in the number of treasury shares at the end of the period and the number of treasury shares, which was to be deducted from the calculation of the average number of shares during the period.

* Review of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

(Disclaimer with respect to forward-looking statements) The forward-looking statements including financial results forecast contained in this document are based on information currently available to Daito Pharmaceutical Co., Ltd. and certain assumptions that Daito Pharmaceutical Co., Ltd. believes to be reasonable. Accordingly, Daito Pharmaceutical Co., Ltd. does not guarantee the achievement of the forecast. Actual results may differ significantly due to various factors. For discussion of the assumptions and other factors considered by Daito Pharmaceutical Co., Ltd. in preparing the above financial results forecast and notes of caution for usage, please refer to "(3) Forward-looking statements including consolidated financial results forecast" of "1. Qualitative Information on Financial Results for the Period under Review" on page 2 of the attached materials. (Method of obtaining supplementary explanatory materials for the financial results) Supplementary materials for the financial results are disclosed on TDnet on the same day.

Contents of Attached Materials

1. Qualitative Information on Financial Results for the Period under Review	2
(1) Explanation of operating results	2
(2) Explanation of financial position	2
(3) Forward-looking statements including consolidated financial results forecast	2
2. Quarterly Consolidated Financial Statements and Major Notes	3
(1) Quarterly consolidated balance sheets	3
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income	5
Quarterly consolidated statements of income	5
Quarterly consolidated statements of comprehensive income	6
(3) Notes to quarterly consolidated financial statements	7
(Going concern assumption)	7
(Significant changes in shareholders' equity)	7
(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)	7
(Quarterly consolidated statements of cash flows)	7
(Segment information)	7
(Significant subsequent events)	8

1. Qualitative Information on Financial Results for the Period under Review

(1) Explanation of operating results

During the nine months ended February 28, 2026, the Japanese economy showed some signs of weakness in certain areas, but overall continued to recover moderately against the backdrop of improvements in the employment and income environment. In overseas economies as well, although there were some signs of weakness due to the impact of trade policies in various countries, overall moderate growth continued. While corporate earnings in the manufacturing sector were affected by downward pressure from tariffs, they remained at a high level overall, and capital investment increased moderately against this backdrop. In addition, although personal consumption was affected by rising prices, it remained firm due to improvements in the employment and income environment. On the other hand, adverse economic effects associated with the tightening of the situation in the Middle East, such as rising gasoline prices, have begun to appear, and the outlook is at a stage that does not allow for optimism.

In the pharmaceutical industry, the Medical Insurance Subcommittee of the Social Security Council formulated in September 2024 "The Roadmap for the Appropriate Use of Generic Drugs, with a Focus on Ensuring a Stable Supply," and "Primary objective: ensuring a stable supply of pharmaceuticals while maintaining the quantity share of generic drugs at 80 percent or more in all prefectures by the end of fiscal 2029" (continuing from the previous roadmap) and "Secondary objective: raise the monetary share of generic drugs to 65 percent or more by the end of fiscal 2029" were set forth. In addition, as part of the reform of the social security system, in addition to the expansion of the "patient-selected services" for long-listed drugs, a new burden for patients has been introduced for some "OTC-like drugs."

On the other hand, supply instability, particularly among generic drugs, has been prolonged, and the sector continues to face numerous challenges, including correcting excessive competition, moving away from overly aggressive price competition, and creating an environment that supports business consolidation to a scale where economics of scale can be realized.

Amid these circumstances, the Group has worked to ensure the stable supply of high-quality pharmaceuticals to patients and healthcare professionals under the Medium-Term Management Plan, "Daito Transformation Plan 2027."

Net sales for each sales item are as follows.

As for active pharmaceutical ingredients (APIs), sales of anti-allergy APIs increased, but sales of hemostatic agents and anticoagulants decreased. As a result, net sales amounted to 16,498 million yen (down 1.8% year-on-year).

As for drug products, in-house products of generic drugs and non-prescription drugs showed steady performance, and external products of generic drugs also increased. As a result, net sales amounted to 20,097 million yen (up 2.2% year-on-year).

As for sales of health foods and other products, net sales amounted to 136 million yen (up 1.3% year-on-year).

As a result of the above, the Group posted net sales of 36,732 million yen for the nine months ended February 28, 2026 (up 0.3% year-on-year). In addition, a significant improvement in inventory valuation losses and a decrease in selling, general and administrative expenses primarily due to a decrease in R&D cost resulted in operating income of 2,751 million yen (up 47.2% year-on-year), ordinary income of 2,974 million yen (up 46.2% year-on-year), and profit attributable to owners of parent of 2,267 million yen (up 86.2% year-on-year), marking the first increase in profit in four fiscal years.

(2) Explanation of financial position

Total assets as of February 28, 2026 decreased by 3,041 million yen from the end of the previous fiscal year to 74,963 million yen. This was mainly due to decreases in electronically recorded monetary claims - operating of 1,723 million yen, accounts receivable - trade of 914 million yen, and external products and in-house products of 783 million yen.

Total liabilities decreased by 3,310 million yen from the end of the previous fiscal year to 22,626 million yen. This was mainly due to decreases in accounts payable - other of 2,241 million yen and long-term borrowings of 2,165 million yen.

Net assets increased by 268 million yen from the end of the previous fiscal year to 52,336 million yen. This was mainly due to an increase in valuation difference on available-for-sale securities of 273 million yen.

As a result of the above, the equity ratio as of February 28, 2026 increased by 3.0 percentage points from the end of the previous fiscal year to 69.7%.

(3) Forward-looking statements including consolidated financial results forecast

Daito Pharmaceutical Co., Ltd. has revised the financial results forecast announced in the "Summary of Consolidated Financial Results for the Fiscal Year Ended May 31, 2025 (Under Japanese GAAP)" on July 11, 2025. For details, please refer to the "Notice Concerning Revisions to Financial Results Forecast" announced today, April 10, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

Fiscal year ended May 31, 2025 Nine months ended February 28,
2026

Assets		
Current assets		
Cash and deposits	2,207	1,871
Accounts receivable - trade	12,526	11,612
Electronically recorded monetary claims - perating	7,525	5,802
Notes receivable - trade	143	2
External products and in-house products	6,843	6,060
Work in process	6,329	6,503
Raw materials and supplies	5,240	5,735
Other	893	723
Allowance for doubtful accounts	(2)	(2)
Total current assets	41,708	38,309
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,145	19,283
Machinery, equipment and vehicles, net	6,081	5,450
Land	2,155	2,155
Leased assets, net	1,991	2,656
Construction in progress	2,500	899
Other, net	951	1,177
Total property, plant and equipment	31,826	31,623
Intangible assets		
Other	531	1,085
Total intangible assets	531	1,085
Investments and other assets		
Investment securities	2,091	2,406
Deferred tax assets	359	109
Retirement benefit asset	98	101
Other	1,396	1,334
Allowance for doubtful accounts	(8)	(8)
Total investments and other assets	3,938	3,944
Total non-current assets	36,296	36,653
Total assets	78,004	74,963
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,681	6,123
Electronically recorded obligations - operating	3,585	3,409
Current portion of long-term borrowings	3,099	2,897
Lease liabilities	358	502
Income taxes payable	419	464
Provision for bonuses	56	376
Accounts payable - other	2,929	687
Accrued expenses	1,030	465
Other	888	424
Total current liabilities	17,049	15,351
Non-current liabilities		
Long-term borrowings	6,569	4,403
Lease liabilities	1,859	2,348
Deferred tax liabilities	30	66
Retirement benefit liability	169	182
Provisions	37	50
Other	220	223
Total non-current liabilities	8,887	7,274
Total liabilities	25,936	22,626

(Millions of yen)

Fiscal year ended May 31, 2025 Nine months ended February 28,
2026

Net assets		
Shareholders' equity		
Share capital	7,186	7,186
Capital surplus	7,072	7,072
Retained earnings	37,179	37,702
Treasury shares	(749)	(1,285)
Total shareholders' equity	50,688	50,676
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	767	1,040
Foreign currency translation adjustment	386	499
Remeasurements of defined benefit plans	161	45
Total accumulated other comprehensive income	1,315	1,585
Non-controlling interests	64	74
Total net assets	52,067	52,336
Total liabilities and net assets	78,004	74,963

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

Quarterly consolidated statements of income

(Millions of yen)

	Nine months ended February 28, 2025	Nine months ended February 28, 2026
Net sales	36,609	36,732
Cost of sales	30,233	29,615
Gross profit	6,376	7,116
Selling, general and administrative expenses	4,507	4,364
Operating profit	1,869	2,751
Non-operating income		
Interest income	0	1
Dividend income	62	67
Insurance claim income	2	78
Foreign exchange gains	91	67
Share of profit of entities accounted for using equity method	72	85
Other	42	43
Total non-operating income	272	344
Non-operating expenses		
Interest expenses	85	96
Commission expenses	11	13
Other	9	12
Total non-operating expenses	107	121
Ordinary profit	2,033	2,974
Extraordinary income		
Gain on sale of investment securities	409	331
Subsidy income	129	-
Total extraordinary income	538	331
Extraordinary losses		
Loss on retirement of non-current assets	49	35
Loss on tax purpose reduction entry of non-current assets	112	-
Total extraordinary losses	162	35
Profit before income taxes	2,409	3,269
Income taxes - current	860	805
Income taxes for prior periods	388	-
Income taxes - deferred	71	194
Income taxes	1,319	999
Profit	1,090	2,270
Profit (loss) attributable to non-controlling interests	(127)	2
Profit attributable to owners of parent	1,217	2,267

Quarterly consolidated statements of comprehensive income

(Millions of yen)

	Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)	Nine months ended February 28, 2026 (From June 1, 2025 to February 28, 2026)
Profit	1,090	2,270
Other comprehensive income		
Valuation difference on available-for-sale securities	(573)	273
Foreign currency translation adjustment	52	31
Share of other comprehensive income of entities accounted for using equity method	63	88
Remeasurements of defined benefit plans, net of tax	(25)	(115)
Total other comprehensive income	(483)	278
Comprehensive income	606	2,548
(Breakdown)		
Comprehensive income attributable to owners of parent	717	2,538
Comprehensive income attributable to non-controlling interests	(110)	9

(3) Notes to quarterly consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in shareholders' equity

(1) Purchase of treasury shares

Daito Pharmaceutical Co., Ltd. resolved matters regarding the purchase of treasury shares at the Board of Directors meeting held on October 10, 2025, pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act and the Articles of Incorporation of Daito Pharmaceutical Co., Ltd. On October 14, 2025, Daito Pharmaceutical Co., Ltd. purchased 242,000 treasury shares for 286 million yen through an off-auction own share repurchase transaction (ToSTNeT-3).

In addition, Daito Pharmaceutical Co., Ltd. is proceeding with the purchase of treasury shares with an upper limit of 1,000,000 shares and a total amount of 1.5 billion yen during the period from October 15, 2025 to May 22, 2026. As a result, Daito Pharmaceutical Co., Ltd. purchased 674,400 treasury shares for 875 million yen during the nine months ended February 28, 2026.

(2) Cancellation of treasury shares

Daito Pharmaceutical Co., Ltd. cancelled 600,000 treasury shares for 626 million yen on June 30, 2025, based on a resolution of the Board of Directors meeting held on January 10, 2025.

As a result, retained earnings decreased by 626 million yen and treasury shares increased by 535 million yen during the nine months ended February 28, 2026. Retained earnings and treasury shares at the end of the third quarter of the current fiscal year were 37,702 million yen and 1,285 million yen, respectively.

Changes in accounting policies that are difficult to distinguish from changes in accounting estimates

Daito Pharmaceutical Co., Ltd. has reviewed the timing of commencing depreciation of production facilities effective from the beginning of the nine months ended February 28, 2026 and changed its method accordingly.

Previously, Daito Pharmaceutical Co., Ltd. regarded the inspection acceptance date of production facilities as the commencement of mass production and used this date as the basis for starting depreciation. However, due to recent changes in market conditions, a time gap is expected to arise between the inspection acceptance date and the actual commencement of mass production. Accordingly, Daito Pharmaceutical Co., Ltd. has changed its method to commence depreciation at the timing of the actual start of mass production, which is considered to better reflect the actual usage of the facilities. Based on an examination of changes in the external environment and actual usage of facilities, Daito Pharmaceutical Co., Ltd. has determined that this change is appropriate considering its current circumstances.

As a result of this change, operating profit, ordinary profit, and profit before income taxes for the nine months ended February 28, 2026 increased by 158 million yen compared with the figures calculated under the previous method.

(Notes to quarterly consolidated statements of cash flows)

The quarterly consolidated statement of cash flows for the nine months ended February 28, 2026 has not been prepared.

The amount of depreciation for the nine months ended February 28, 2026 is as follows.

	Nine months ended February 28, 2025 (From June 1, 2024 to February 28, 2025)	Nine months ended February 28, 2026 (From June 1, 2025 to February 28, 2026)
Depreciation	3,208 million yen	3,273 million yen

(Segment information)

[Segment information]

I. Nine months ended February 28, 2025 (from June 1, 2024 to February 28, 2025)

This information has been omitted as the pharmaceuticals business is the only reportable segment of Daito Pharmaceutical Co., Ltd. and other business segments are not significant.

II. Nine months ended February 28, 2026 (from June 1, 2025 to February 28, 2026)

This information has been omitted as the pharmaceuticals business is the only reportable segment of Daito Pharmaceutical Co., Ltd. and other business segments are not significant.

(Significant subsequent events)

(Purchase of treasury shares)

At the Board of Directors meeting held on October 10, 2025, Daito Pharmaceutical Co., Ltd. resolved to purchase treasury shares pursuant to the provisions of Article 459, paragraph 1 of the Companies Act and the Articles of Incorporation of Daito Pharmaceutical Co., Ltd., and conducted the purchase of treasury shares as follows.

1. Reason for purchase of treasury shares

The purchase of treasury shares is intended primarily to strengthen shareholder returns and enhance capital efficiency as part of the capital policy under the medium-term management plan.

2. Details of the purchase

Class of shares to be purchased: Common stock of Daito Pharmaceutical Co., Ltd.

Total number of shares to be purchased: 1,000,000 shares (maximum)

Total purchase price of shares: 1.5 billion yen (maximum)

Acquisition period From October 15, 2025 to May 22, 2026

Acquisition method Market purchase on the Tokyo Stock Exchange

3. Status of acquisition of treasury shares

As a result of the above market purchases, Daito Pharmaceutical Co., Ltd. acquired 208,800 shares of its common stock (acquisition amount of 305 million yen) from March 1, 2026 to March 31, 2026.