



March 24, 2025

To whom it may concern:

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### Notice of Revised Full-year Earnings Forecasts, Recognition of Extraordinary Losses, and Revised Dividend Forecast (Dividend Increase)

Taiyo Holdings Co., Ltd. (hereinafter, “Taiyo Holdings”) hereby announces recognition of extraordinary losses for the fourth quarter of the fiscal year ended March 31, 2025. The full-year consolidated earnings forecasts for the fiscal year ended March 31, 2025 announced on February 5, 2025 and the year-end dividend forecast announced on May 1, 2024 have also been revised as follows.

#### 1. Revised full-year consolidated earnings forecasts for the fiscal year ended March 31, 2025

##### A. Revised full-year consolidated earnings forecasts for the fiscal year (from April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Millions of yen 118,600	Millions of yen 22,300	Millions of yen 21,700	Millions of yen 14,900	Yen 267.00
<b>Revised forecast (B)</b>	118,600	22,300	21,700	10,600	189.90
Change (B-A)	0	0	0	(4,300)	
Change (%)	0	0	0	(28.9)	
For reference: Results for the fiscal year ended March 31, 2024	104,775	18,203	17,310	8,654	154.89

##### B. Reasons for revision

Taiyo Holdings have revised the profit attributable to owners of parent forecast due to recognition of impairment losses explained in “2. Recognition of extraordinary losses”.

The segment forecasts for net sales and operating income have not been revised.

## 2. Recognition of extraordinary losses

The valuations of sales rights possessed by TAIYO Pharma Co., Ltd., a consolidated subsidiary, have been revised in light of the deterioration in the profitability. This resulted in writing down the book value of these sale rights to the recoverable amount and recognition of 7,010 million yen in impairment losses as extraordinary losses for the fourth quarter of the fiscal year ended March 31, 2025.

The sales rights and reasons for deterioration in profitability are listed below.

Sales rights	Reason for deterioration in profitability
<ul style="list-style-type: none"> <li>▪ KYTRIL<sup>®</sup></li> <li>▪ MADOPAR<sup>®</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Steep rise in procurement price due to yen weakness and inflation</li> <li>▪ Decrease in selling price due to NHI drug price revision</li> </ul>
<ul style="list-style-type: none"> <li>▪ DIGOSIN<sup>®</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Steep rise in procurement price due to yen weakness and inflation</li> <li>▪ Decline in sales volume due to changes in the market environment resulting mainly from the elective care scheme for long-listed products</li> </ul>
<ul style="list-style-type: none"> <li>▪ OMEPRAL<sup>®</sup></li> <li>▪ TENORMIN<sup>®</sup></li> <li>▪ SELOKEN<sup>®</sup></li> <li>▪ REMINYL<sup>®</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Steep rise in procurement price due to yen weakness and inflation</li> <li>▪ Decrease in selling price due to NHI drug price revision</li> <li>▪ Decline in sales volume due to changes in the market environment resulting mainly from the elective care scheme for long-listed products</li> </ul>

## 3. Dividend forecast

### A. Details of revised dividend forecast

Record date	Cash dividends per share		
	Second quarter-end	Fiscal year-end	Total
Previously announced forecast (announced on May 1, 2024)	-	40 yen	80 yen
Revised forecast	-	150 yen	190 yen
Results for the fiscal year ended March 31, 2025	40 yen	-	-
Results for the fiscal year ended March 31, 2024	38 yen	42 yen	80 yen

### B. Reasons for revision

Taiyo Holdings regards returning cash to shareholders as one of its most important policies and returns a high level of profits to shareholders on a continuous and stable basis. It uses a Dividend on Equity ratio (DOE) as a target indicator for its long-term management plan, while “maintaining a Dividend on Equity ratio (DOE) of 5% or more based on its consolidated accounts” as well as “returning profits to shareholders with the aim of achieving a consolidated total payout ratio of 100% (at least by the fiscal year ending March 2028) as part of efforts to improve ROE.” Based on these policies, Taiyo Holdings have revised the year-end dividend for the fiscal year ended March 31, 2025 upward from 40 yen per share to 150 yen per share.

The forecasts of cash dividends are in line with the “Notice Regarding Change in Shareholder Return Policy” announced today.

\* The forward-looking statements, including earnings forecasts, contained in these materials are based on information

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currently available to Taiyo Holdings and on certain assumptions deemed to be reasonable. Taiyo Holdings makes no promise regarding achievement of any content in the forward-looking statements. Actual business and other results may differ substantially due to various factors.