

Translation

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November 11, 2025

Consolidated Financial Results for the Third 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
URL <https://www.seirogan.co.jp/en/corporate/>
Representative: Takashi Shibata, President and CEO
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the nine months ended September 30, 2025 (from January 1, 2025 to September 30, 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended September 30, 2025	4,229	(7.6)	324	(55.3)	325	(53.9)	669	(6.3)
September 30, 2024	4,579	3.7	726	—	705	—	714	—

Note: Comprehensive income For the nine months ended September 30, 2025: ¥255 million [(79.5)%]
For the nine months ended September 30, 2024: ¥1,247 million [—%]

	Basic earnings (loss) per share	Diluted earnings per share
Nine months ended September 30, 2025	Yen 13.33	Yen —
September 30, 2024	14.24	—

Notes: 1. Diluted earnings per share for the nine months ended September 30, 2024 is not presented as the Company had no potential shares.
2. Diluted earnings per share for the nine months ended September 30, 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 September 30, 2025	Millions of yen 11,884	Millions of yen 8,236	% 69.3
December 31, 2024	12,914	7,964	61.7

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

As of September 30, 2025: ¥8,236 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
Fiscal year ended December 31, 2024	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending December 31, 2025 (Forecast)					—

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

2. The forecast for the year-end cash dividend 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	300	(52.4)	300	(56.4)	580	(35.4)	11.54

Notes: 1. Revisions to the earnings forecasts most recently announced: Yes

2. For details regarding the revisions to the consolidated earnings forecast, please refer to "Notice Regarding the Revision of Consolidated Financial Results Forecast," released today (November 11, 2025).

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: —

Excluded: 2 companies (Taiko Pharmaceutical International Co., Ltd. and Taiko Environmental Technologies (Shanghai) Co., Ltd.)

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to quarterly consolidated financial statements (*Significant changes in the scope of consolidation during the period*)” on page 9 of the Attachments.

(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 September 30, 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 September 30, 2025	385,713 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)

Nine months ended September 30, 2025	50,232,028 shares
Nine months ended September 30, 2024	50,179,168 shares

* 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 nine months ended September 30, 2025

During the nine months ended September 30, 2025 ("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 geopolitical risks, such as the situation in Ukraine and the Middle East, trends in U.S. trade policies, and concerns over decelerating consumption amid the continued rise in prices.

Under these circumstances, the Pharmaceuticals Business advanced initiatives to strengthen the supply system to fulfill our mission of ensuring a stable supply to markets. These initiatives included reinforcing the manufacturing workforce and transitioning to a two-plant system, which was announced on August 9, 2024. The relocation of production facilities and related functions to the Suita Plant, scheduled within the period under review, was completed as planned. 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 7.6% year on year to ¥4,229 million, due to decreased revenue from the Pharmaceutical Business, while gross profit decreased 13.0% year on year to ¥2,361 million, mainly due to the effect of the lower revenue from the Pharmaceutical Business.

Selling, general and administrative expenses increased 2.4% year on year to ¥2,036 million on the back of increased advertising expenses for the Infection Control Business.

As the result, for the period under review, operating profit decreased 55.3% year on year to ¥324 million and ordinary profit decreased 53.9% year on year to ¥325 million. As extraordinary income, we recorded gain on sale of investment securities of ¥347 million, gain on reversal of foreign currency translation adjustment of ¥140 million associated with the completion of liquidation of an overseas consolidated subsidiary, and compensation income of ¥14 million, which we received from a supplier in connection with purchasing transactions and product shipping operations in the Pharmaceuticals Business. As a result, profit attributable to owners of the parent decreased 6.3% year on year to ¥669 million.

Operating results by segment are as follows.

Pharmaceuticals Business

In this business segment, the size of the Japanese market grew to 105.6% 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 and carried out web-based promotions from April 2025 in line with the launch of Seirogan Toi A Portable Type. 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 increased 2.9% year on year to ¥2,718 million. Meanwhile, net sales of pharmaceuticals for the overseas market decreased 28.0% year on year to ¥1,116 million.

As a result, the segment reported net sales of ¥3,835 million, down 8.5% year on year, with segment profit down 30.2% year on year to ¥1,094 million due mainly to decreased revenue.

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

(Millions of yen)

	Nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)
Japan	2,640	2,718
Overseas	1,551	1,116
Total	4,192	3,835

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. Additionally, following the confirmation that Cleverin Gel and Cleverin pro Gel comply with the new Japanese Standards Association (JSA) standard, *JSA-S1021*, established on September 1, 2025, for evaluating airborne virus reduction performance, shipments have commenced for products bearing the POP sticker displaying the “JSA Standard (JSA-S1021) Compliance Mark.”

As a result, the segment reported net sales of ¥390 million, which remained nearly unchanged year on year, with segment loss of ¥143 million, an improvement of ¥89 million year on year, mainly due to the effect of decreased selling, general and administrative expenses.

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

(Millions of yen)

	Nine months ended September 30, 2024 (January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)
Japan (for general use)	225	238
Japan (for commercial use)	134	124
Overseas	23	27
Total	383	390

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 ¥4 million with segment loss of ¥12 million.

(2) Overview of financial position for the nine months ended September 30, 2025

As of the end of the period under review, total assets were ¥11,884 million (down ¥1,029 million), total liabilities were ¥3,648 million (down ¥1,301 million), and net assets were ¥8,236 million (up ¥272 million) compared to the end of the previous fiscal year. Major factors for changes from the end of the previous fiscal year include a decrease in current assets of ¥571 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 ¥457 million due in part to sale of investment securities, a decrease in current liabilities of ¥533 million due in part to decreases in accounts payable - other and current portion of long-term borrowings, a decrease in non-current liabilities of ¥767 million due in part to the repayment of long-term borrowings, and an increase in net assets of ¥272 million mainly due in part to recording of profit attributable to owners of parent.

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

The full-year consolidated financial results forecast for the fiscal year ending December 31, 2025, announced on August 20, 2025, was revised. For details, please refer to the separate announcement titled “Notice Regarding the Revision of Consolidated Financial Results Forecast,” released today.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	4,532	3,788
Notes and accounts receivable - trade	2,428	2,020
Merchandise and finished goods	452	637
Work in process	652	744
Raw materials and supplies	571	585
Other	124	413
Total current assets	8,761	8,190
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	953	897
Machinery, equipment and vehicles, net	536	575
Land	1,675	1,675
Construction in progress	11	34
Other, net	95	122
Total property, plant and equipment	3,271	3,305
Intangible assets	27	25
Investments and other assets		
Investment securities	461	0
Other	391	362
Total investments and other assets	852	363
Total non-current assets	4,152	3,694
Total assets	12,914	11,884

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	338	334
Current portion of long-term borrowings	1,206	996
Accounts payable - other	716	505
Income taxes payable	12	14
Refund liabilities	69	68
Provision for bonuses	176	169
Provision for loss on subleases	11	11
Provision for transfer and removal expenses	88	—
Other	236	221
Total current liabilities	2,855	2,321
Non-current liabilities		
Long-term borrowings	792	27
Long-term accounts payable - other	549	549
Provision for loss on subleases	15	7
Retirement benefit liability	655	681
Asset retirement obligations	20	20
Other	60	39
Total non-current liabilities	2,094	1,326
Total liabilities	4,949	3,648
Net assets		
Shareholders' equity		
Share capital	10	10
Capital surplus	4,997	4,978
Retained earnings	2,526	3,196
Treasury shares	(273)	(237)
Total shareholders' equity	7,260	7,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	234	—
Foreign currency translation adjustment	468	289
Total accumulated other comprehensive income	703	289
Total net assets	7,964	8,236
Total liabilities and net assets	12,914	11,884

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

Quarterly consolidated statements of income

Nine months ended September 30

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	4,579	4,229
Cost of sales	1,864	1,868
Gross profit	2,715	2,361
Selling, general and administrative expenses	1,988	2,036
Operating profit	726	324
Non-operating income		
Interest income	22	13
Insurance claim income	1	12
Subsidy income	–	3
Other	11	1
Total non-operating income	36	29
Non-operating expenses		
Interest expenses	6	4
Rental expenses	4	0
Foreign exchange losses	33	19
Commission expenses	10	1
Other	3	3
Total non-operating expenses	57	29
Ordinary profit	705	325
Extraordinary income		
Gain on sale of investment securities	–	347
Compensation income	200	14
Gain on reversal of foreign currency translation adjustment	–	140
Total extraordinary income	200	502
Extraordinary losses		
Loss on retirement of non-current assets	–	6
Impairment losses	228	0
Loss on valuation of investment securities	4	–
Total extraordinary losses	232	6
Profit before income taxes	673	821
Income taxes - current	30	28
Income taxes - deferred	(72)	123
Total income taxes	(41)	151
Profit	714	669
Profit attributable to owners of parent	714	669

Quarterly consolidated statements of comprehensive income
Nine months ended September 30

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	714	669
Other comprehensive income		
Valuation difference on available-for-sale securities	485	(234)
Foreign currency translation adjustment	47	(179)
Total other comprehensive income	<u>532</u>	<u>(414)</u>
Comprehensive income	<u>1,247</u>	<u>255</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,247	255

(3) Notes to quarterly consolidated financial statements

Segment information etc.

I. Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

1. Information on net sales, profit or loss

	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	4,192	383	4	4,579	–	4,579
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	4,192	383	4	4,579	–	4,579
Segment profit (loss)	1,569	(232)	(7)	1,329	(602)	726

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.

2. Impairment loss on non-current assets or goodwill by reportable segment

Significant impairment loss in non-current assets

In the Pharmaceuticals Business segment, an impairment loss was recorded on a portion of the production facilities at the Kyoto Plant, which was decided to be retired to optimize our production structure. The amount of impairment loss recorded for the period was ¥228 million.

II. Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

1. Information on net sales, profit or loss

	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	3,835	390	4	4,229	–	4,229
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	3,835	390	4	4,229	–	4,229
Segment profit (loss)	1,094	(143)	(12)	939	(614)	324

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.

2. Impairment loss on non-current assets or goodwill by reportable segment

Significant impairment loss in non-current assets

In the Infection Control Business segment, non-current assets considered unrecoverable have been recognized as impairment losses. The amount of impairment loss recorded for the period under review is ¥0 million.

Changes in presentation

Quarterly consolidated statement of income

“Insurance claim income” which was included in “Other” under “Non-operating income” in the nine months ended September 30, 2024, is separately presented in the nine months ended September 30, 2025, as the amount became material. To reflect this change in presentation, the Company reclassified the quarterly consolidated financial statements for the nine months ended September 30, 2024.

As a result, “Other” in “Non-operating income” of ¥1 million presented in the quarterly consolidated statement of income for the nine months ended September 30, 2024 has been reclassified to “Insurance claim income” of ¥1 million.

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 nine months ended September 30, 2025 has not been prepared. The amounts of depreciation for the nine months ended September 30, 2024 and September 30, 2025 (including amortization of intangible assets) are as follows:

	(Millions of yen)	(Millions of yen)
	Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)	Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)
Depreciation	190	193

Significant changes in the scope of consolidation during the period

For the period under review, Taiko Pharmaceutical International Co., Ltd. and Taiko Environmental Technologies (Shanghai) Co., Ltd. have been excluded from the scope of consolidation due to the completion of liquidation.