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**Notice Concerning FY2025 Consolidated Results Variance,
Dividend of Surplus (Resumption), and Reversal of General Reserve**

Taiko Pharmaceutical Co., Ltd. hereby announces that, there are differences between the consolidated earnings forecasts for the fiscal year ended December 2025, which were announced on November 11, 2025, and the actual results announced today. In addition, at the Board of Directors' meeting held on February 13, 2026, the Company resolved to propose a dividend of surplus (resumption) and a reversal of general reserve to its 80th Annual General Meeting of Shareholders scheduled to be held on March 27, 2026, as follows.

1. Differences between the consolidated earnings forecasts and actual results for the fiscal year ended December, 31, 2025 (January 1, 2025 – December 31, 2025)

	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
Previous forecast (A)	6,300	300	300	580	11.54
Actual result (B)	6,397	459	482	923	18.38
Change (B-A)	97	159	182	343	
Change (%)	1.5	53.1	61.0	59.2	
(Reference) Results for the previous fiscal year (Fiscal year ended December 31, 2024)	6,292	629	688	898	17.90

Reasons for the differences

Net sales exceeded the earnings forecast due to increased revenue from the Infection Control Business and the impact of foreign exchange rates.

Operating profit, ordinary profit, and profit attributable to owners of parent exceeded the earnings forecasts due to the increase in net sales, continued reductions in production costs and selling, general and administrative expenses, and decreased retirement benefit expenses resulting from higher interest rates.

2. Dividend of surplus (resumption)

(1) Details of the dividend

	Decided amount	Most recent dividend forecasts (announced on November 11, 2025)	FY2024 dividend
Record date	December 31, 2025	Same	December 31, 2024
Dividend per share	3.30 yen	Undecided	—
Total dividend amount	165 million yen	—	—
Effective date	March 30, 2026	—	—
Source of dividend	Retained earnings	—	—

(2) Reasons for the resumption

The Group adheres to a basic dividend policy to continue stable distribution of dividends while maintaining sufficient retained earnings necessary to achieve solid growth through business development and to maintain unwavering management strength. In addition, under its Medium-Term Management Plan, we aim to implement dividends with a dividend on equity ratio (DOE) of 2.0% or more starting with the fiscal year ending December 2026 and 3.0% or more starting with the fiscal year ending December 2028.

Under the Medium-Term Management Plan, we explained the policy of resuming dividends starting with the next fiscal year ending December 2026. However, as we have determined that the conditions to resume dividends have been put in place, comprehensively considering situations such as the steady progress of strengthening profitability and financial foundation, we have decided to resume dividends at the end of the fiscal year ended December 2025.

3. Reversal of general reserve

(1) Surplus item to be decreased, and its amount

General reserve 7,860 million yen

(2) Surplus item to be increased, and its amount

Retained earnings brought forward 7,860 million yen

(3) Purpose for reversal of general reserve

To eliminate the deficit in retained earnings brought forward, strengthen financial soundness, establish a system capable of future dividend payments, and ensure flexibility and agility in capital policy going forward.

(4) Effective date

The reversal will take effect upon approval at the 80th Annual General Meeting of Shareholders scheduled to be held on March 27, 2026.

(5) Impact on business results

This transaction is an accounting transfer between items within net assets and therefore does not affect the total amount of net assets or profit and loss.