Translation

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May 14, 2026

# Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2026 (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: None

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

## 1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

### (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 | |
|---|---|---|---|---|---|---|---|---|
| Three months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2026 | 916 | (20.4) | (98) | – | (93) | – | (95) | – |
| March 31, 2025 | 1,150 | (16.5) | 44 | (79.5) | 11 | (95.1) | 292 | (38.1) |

Note: Comprehensive income For the three months ended March 31, 2026: ¥(87) million [–%]
For the three months ended March 31, 2025: ¥15 million [(97.5)%]

| | Basic earnings (loss) per share | Diluted earnings per share |
|---|---|---|
| Three months ended | Yen | Yen |
| March 31, 2026 | (1.89) | – |
| March 31, 2025 | 5.83 | – |

Notes: 1. Diluted earnings per share for the three months ended March 31, 2025 is not presented as the Company had no potential shares.
2. Diluted earnings per share for the three months ended March 31, 2026 is not presented as the Company had no potential shares.

### (2) Consolidated financial position

| | Total assets | Net assets | Equity-to asset ratio |
|---|---|---|---|
| As of | Millions of yen | Millions of yen | % |
| March 31, 2026 | 11,325 | 8,264 | 73.0 |
| December 31, 2025 | 12,270 | 8,518 | 69.4 |

Reference: Equity (Shareholders’ equity + Accumulated other comprehensive income)
As of March 31, 2026: ¥8,264 million
As of December 31, 2025: ¥8,518 million

## 2. Cash dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2025 | – | 0.00 | – | 3.30 | 3.30 |
| Fiscal year ending December 31, 2026 | – | | | | |
| Fiscal year ending December 31, 2026 (Forecast) | | 0.00 | – | 3.50 | 3.50 |

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

### 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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 | 7,200 | 12.5 | 500 | 8.9 | 520 | 7.7 | 550 | (40.4) | 10.95 |

Notes: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(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 March 31, 2026 | 50,636,900 shares |
| As of December 31, 2025 | 50,636,900 shares |

(ii) Number of treasury shares at the end of the period

| | |
|---|---|
| As of March 31, 2026 | 385,713 shares |
| As of December 31, 2025 | 385,713 shares |

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

| | |
|---|---|
| Three months ended March 31, 2026 | 50,251,187 shares |
| Three months ended March 31, 2025 | 50,193,711 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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.

Table of Contents: Attachments

1. Overview of Operating Results, etc. ..... 2
(1) Overview of operating results for the three months ended March 31, 2026 ..... 2
(2) Overview of financial position for the three months ended March 31, 2026 ..... 3
(3) Forward-looking information including the consolidated financial results forecast ..... 3
2. Quarterly Consolidated Financial Statements and Principal Notes ..... 4
(1) Quarterly consolidated balance sheets ..... 4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income ..... 6
Quarterly consolidated statements of income ..... 6
Quarterly consolidated statements of comprehensive income ..... 7
(3) Notes to quarterly consolidated financial statements ..... 8
*Segment information, etc.* ..... 8
*Significant changes in shareholders' equity* ..... 8
*Going concern assumption* ..... 8
*Quarterly consolidated statement of cash flows* ..... 8

# 1. Overview of Operating Results, etc.

## (1) Overview of operating results for the three months ended March 31, 2026

During the three months ended March 31, 2026 ( “the period under review”), the Japanese economy trended to recover moderately backed mainly by improved employment and income environment along with signs of a recovery in personal consumption. Nevertheless, the economic outlook has remained uncertain due in part to the impact of the situation in the Middle East, trends in U.S. trade policy, concerns over decelerating consumption amid the continued rise in prices, and the impacts of fluctuations in the financial and capital markets.

Under these circumstances, the Group has implemented key initiatives, including “focused investment in the Pharmaceuticals Business,” in the first year of its Medium-Term Management Plan (FY2026–FY2028). In the Pharmaceuticals Business, to address the continuing supply issues of Seirogan, we have made preparations, such as upgrading equipment, to reduce lead time and improve productivity in the second half of the year onwards. In sales, we have planned for implementing marketing activities aimed at summer peak season, in line with our policy of increasing advertising expenses. In the Infection Control Business, we have continued making efforts to improve revenue to achieve steady profitability, while conducting sales activities aimed at increasing revenue in the area of commercial use.

As the result, for the period under review, net sales decreased 20.4% year on year to ¥916 million, while gross profit decreased 26.3% year on year to ¥500 million due mainly to an increase in costs associated with strengthening the supply system in the Pharmaceutical Business.

Selling, general and administrative expenses decreased 5.7% year on year to ¥598 million on the back of decreased advertising expenses mainly for the Infection Control Business.

As the result, for the period under review, operating loss amounted to ¥98 million (operating profit of ¥44 million in the same period of the previous fiscal year) and ordinary loss amounted to ¥93 million (ordinary profit of ¥11 million in the same period of the previous fiscal year). Loss attributable to owners of parent amounted to ¥95 million (profit attributable to owners of parent of ¥292 million in the same period of the previous fiscal year).

Operating results by segment are as follows.

***Pharmaceuticals Business***

In this business segment, the Japanese market growth remained sluggish to 94.0% of the size year on year. Overall sales growth was weak due to multiple factors, including a supply shortage of Seirogan, the resumption of supply of competing products, and a decline in inbound demand.

As a result of these situations, net sales of pharmaceuticals for the Japanese market decreased 27.0% year on year to ¥659 million. Meanwhile, net sales of pharmaceuticals for the overseas market increased 130.6% year on year to ¥198 million, driven by increased shipments to the Hong Kong and Taiwan markets.

As a result, the segment reported net sales of ¥858 million, down 13.2% year on year, with segment profit down 49.0% year on year to ¥160 million.

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

(Millions of yen)

| | Three months ended March 31, 2025 (January 1, 2025 to March 31, 2025) | Three months ended March 31, 2026 (January 1, 2026 to March 31, 2026) |
|---|---|---|
| Japan | 903 | 659 |
| Overseas | 86 | 198 |
| Total | 989 | 858 |

*Infection Control Business*

In this business segment, the Group has been striving to improve profitability by focusing on cost control measures, including effective spending on marketing. However, net sales decreased year on year. This decline was due to less demand for infection control in the period under review as there was no impact of spread of infectious diseases, while there were such impacts in the same period of the previous fiscal year.

As a result, the segment reported net sales of ¥56 million, down 64.6% year on year, with segment loss of ¥41 million, an improvement of ¥21 million year on year, mainly due to a decrease of advertising expenses.

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

(Millions of yen)

| | Three months ended March 31, 2025 (January 1, 2025 to March 31, 2025) | Three months ended March 31, 2026 (January 1, 2026 to March 31, 2026) |
|---|---|---|
| Japan (for general use) | 96 | 10 |
| Japan (for commercial use) | 50 | 39 |
| Overseas | 13 | 6 |
| Total | 160 | 56 |

*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 ¥1 million with segment loss of ¥5 million.

### (2) Overview of financial position for the three months ended March 31, 2026

As of the end of the period under review, total assets were ¥11,325 million (down by ¥945 million), total liabilities were ¥3,060 million (down by ¥692 million), and net assets were ¥8,264 million (down by ¥253 million). Major factors for changes from the end of the previous fiscal year include a decrease in current assets of ¥964 million due in part to a decrease in cash and deposits, a decrease in current liabilities of ¥704 million due in part to repayments of current portion of long-term borrowings and a decrease in provision for bonuses, and a decrease in net assets of ¥253 million mainly due to payment of dividends and the recording of loss attributable to owners of parent.

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

The outlook remains uncertain while production could be affected by soaring material prices and procurement delays due to the situation in the Middle East. As we currently do not have sufficient information to make an informed judgment, there are no changes to the consolidated financial results forecast from the forecast announced on February 13, 2026. Should it become necessary to revise the forecast, the Company will promptly make an announcement.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly consolidated balance sheets

(Millions of yen)

| | As of December 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,256 | 3,332 |
| Electronically recorded monetary claims – operating | 1 | 2 |
| Accounts receivable - trade | 2,449 | 1,533 |
| Securities | – | 500 |
| Merchandise and finished goods | 309 | 567 |
| Work in process | 801 | 848 |
| Raw materials and supplies | 508 | 515 |
| Other | 106 | 169 |
| Total current assets | 8,433 | 7,469 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 898 | 873 |
| Machinery, equipment and vehicles, net | 545 | 528 |
| Land | 1,675 | 1,675 |
| Construction in progress | 45 | 49 |
| Other, net | 145 | 203 |
| Total property, plant and equipment | 3,312 | 3,331 |
| Intangible assets | 34 | 32 |
| Investments and other assets | | |
| Investment securities | 0 | 0 |
| Other | 490 | 492 |
| Total investments and other assets | 490 | 492 |
| Total non-current assets | 3,837 | 3,856 |
| Total assets | 12,270 | 11,325 |

(Millions of yen)

| | As of December 31, 2025 | As of March 31, 2026 |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Electronically recorded obligations – operating | 154 | 101 |
| Accounts payable - trade | 268 | 298 |
| Current portion of long-term borrowings | 792 | 421 |
| Accounts payable - other | 668 | 688 |
| Income taxes payable | 15 | 13 |
| Refund liabilities | 60 | 52 |
| Provision for bonuses | 247 | 59 |
| Provision for loss on subleases | 11 | 11 |
| Other | 290 | 157 |
| Total current liabilities | 2,509 | 1,805 |
| Non-current liabilities | | |
| Long-term accounts payable - other | 549 | 549 |
| Provision for loss on subleases | 4 | 1 |
| Retirement benefit liability | 623 | 624 |
| Asset retirement obligations | 20 | 20 |
| Other | 43 | 58 |
| Total non-current liabilities | 1,242 | 1,255 |
| Total liabilities | 3,752 | 3,060 |
| Net assets | | |
| Shareholders’ equity | | |
| Share capital | 10 | 10 |
| Capital surplus | 4,978 | 4,978 |
| Retained earnings | 3,450 | 3,189 |
| Treasury shares | (237) | (237) |
| Total shareholders’ equity | 8,200 | 7,939 |
| Accumulated other comprehensive income | | |
| Foreign currency translation adjustment | 317 | 324 |
| Total accumulated other comprehensive income | 317 | 324 |
| Total net assets | 8,518 | 8,264 |
| Total liabilities and net assets | 12,270 | 11,325 |

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

***Quarterly consolidated statements of income***

(Millions of yen)

| | Three months ended March 31, 2025 | Three months ended March 31, 2026 |
|---|---|---|
| Net sales | 1,150 | 916 |
| Cost of sales | 471 | 415 |
| Gross profit | 679 | 500 |
| Selling, general and administrative expenses | 634 | 598 |
| Operating profit (loss) | 44 | (98) |
| Non-operating income | | |
| Interest income | 4 | 9 |
| Other | 0 | 0 |
| Total non-operating income | 5 | 10 |
| Non-operating expenses | | |
| Interest expenses | 1 | 0 |
| Foreign exchange losses | 32 | 4 |
| Other | 4 | 0 |
| Total non-operating expenses | 38 | 5 |
| Ordinary profit (loss) | 11 | (93) |
| Extraordinary income | | |
| Gain on sale of investment securities | 347 | – |
| Compensation income | 10 | – |
| Total extraordinary income | 357 | – |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | – | 0 |
| Total extraordinary losses | – | 0 |
| Profit (loss) before income taxes | 368 | (94) |
| Income taxes - current | 6 | 6 |
| Income taxes - deferred | 70 | (5) |
| Total income taxes | 76 | 0 |
| Profit (loss) | 292 | (95) |
| Profit (loss) attributable to owners of parent | 292 | (95) |

*Quarterly consolidated statements of comprehensive income*

(Millions of yen)

| | Three months ended March 31, 2025 | Three months ended March 31, 2026 |
|---|---|---|
| Profit (loss) | 292 | (95) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (234) | – |
| Foreign currency translation adjustment | (42) | 7 |
| Total other comprehensive income | (277) | 7 |
| Comprehensive income | 15 | (87) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 15 | (87) |

## (3) Notes to quarterly consolidated financial statements

### *Segment information, etc.*

I. Three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

1. Information on net sales, profit or loss

(Millions of yen)

| | 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 | 989 | 160 | 1 | 1,150 | – | 1,150 |
| Intersegment sales or transfers | – | – | – | – | – | – |
| Total | 989 | 160 | 1 | 1,150 | – | 1,150 |
| Segment profit (loss) | 314 | (62) | (5) | 246 | (202) | 44 |

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.

II. Three months ended March 31, 2026 (From January 1, 2026 to March 31, 2026)

1. Information on net sales, profit or loss

(Millions of yen)

| | 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 | 858 | 56 | 1 | 916 | – | 916 |
| Intersegment sales or transfers | – | – | – | – | – | – |
| Total | 858 | 56 | 1 | 916 | – | 916 |
| Segment profit (loss) | 160 | (41) | (5) | 113 | (211) | (98) |

Notes 1. Adjustment of Segment profit (loss) is corporate expenses not allocated to each reportable segment.
2. Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statements of income.

### *Significant changes in shareholders' equity*

The Company reversed ¥7,860 million from the general reserve and transferred it to retained earnings brought forward as of March 30, 2026, pursuant to a resolution adopted at the 80th Annual General Meeting of Shareholders held on March 27, 2026.

There have been no significant changes in the total amount of shareholders' equity.

### *Going concern assumption*

Not applicable.

### *Quarterly consolidated statement of cash flows*

The quarterly consolidated statement of cash flows for the three months ended March 31, 2026 has not been prepared. The amounts of depreciation for the three months ended March 31, 2025 and March 31, 2026 (including amortization of intangible assets) are as follows:

(Millions of yen)

| | Three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025) | Three months ended March 31, 2026 (From January 1, 2026 to March 31, 2026) |
|---|---|---|
| Depreciation | 60 | 73 |