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TAIKO

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2026 (FY2026)

May 2026

Taiko Pharmaceutical Co., Ltd.
Securities code: 4574

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1. Consolidated Financial Results for 3M FY2026

Consolidated Financial Results

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- We have implemented key initiatives, including "focused investment in the Pharmaceuticals Business," in the first year of its Medium-Term Management Plan (FY2026–FY2028)
- Despite a profit decline in the first quarter partly due to a net sales decline in the Pharmaceuticals Business in Japan, we have left our full-year earnings forecast unchanged

(Millions of yen)

	FY2025		FY2026		YoY change (Amount)	YoY change (%)
	3M results	Comparison with sales	3M results	Comparison with sales		
Net sales	1,150	-	916	-	(234)	(20.4)%
Gross profit	679	59.0%	500	54.6%	(178)	(26.3)%
SG&A expenses	634	55.2%	598	65.4%	(36)	(5.7)%
Operating profit (loss)	44	3.8%	(98)	(10.7)%	(142)	-
Ordinary profit (loss)	11	1.0%	(93)	(10.2)%	(104)	-
Profit (loss) attributable to owners of parent	292	25.4%	(95)	(10.4)%	(387)	-

Consolidated Net Sales by Quarter

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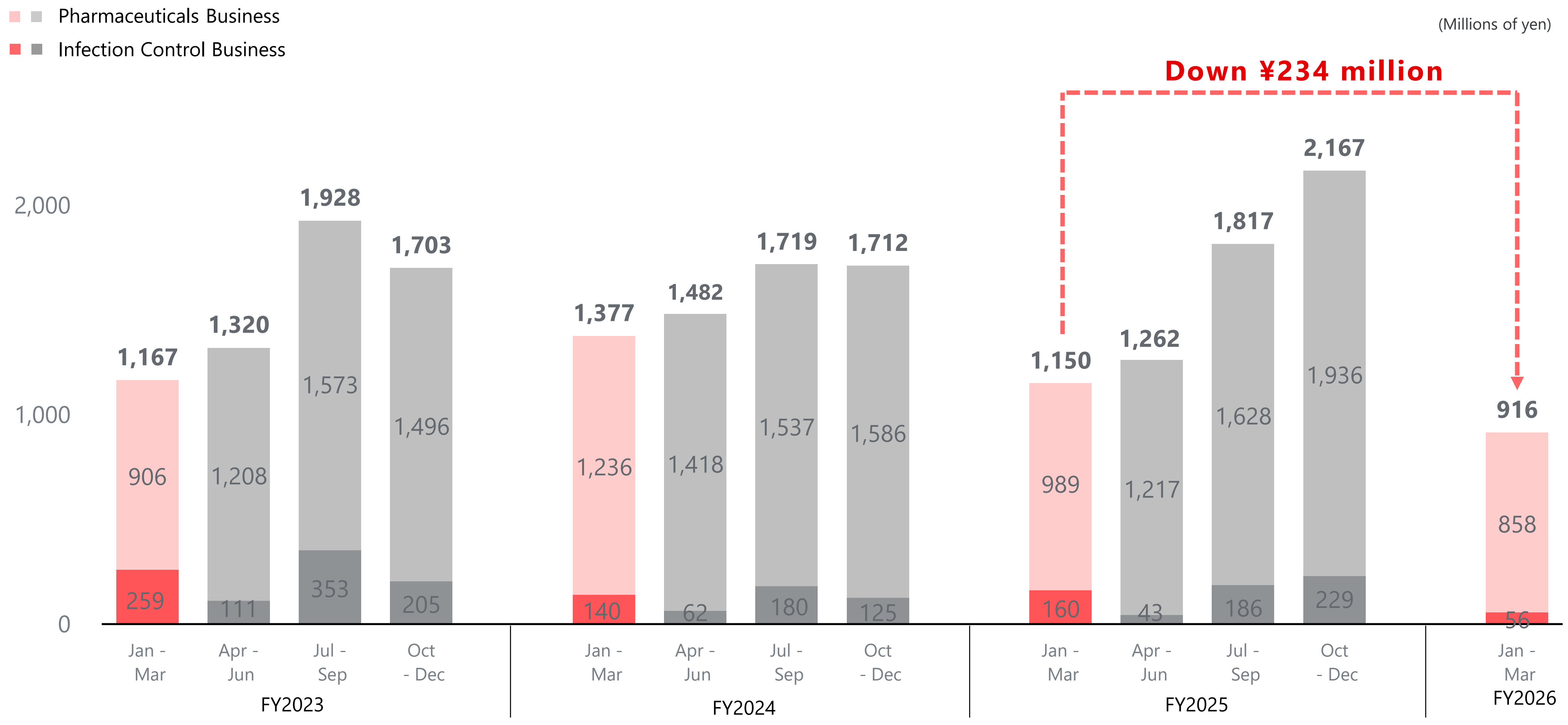
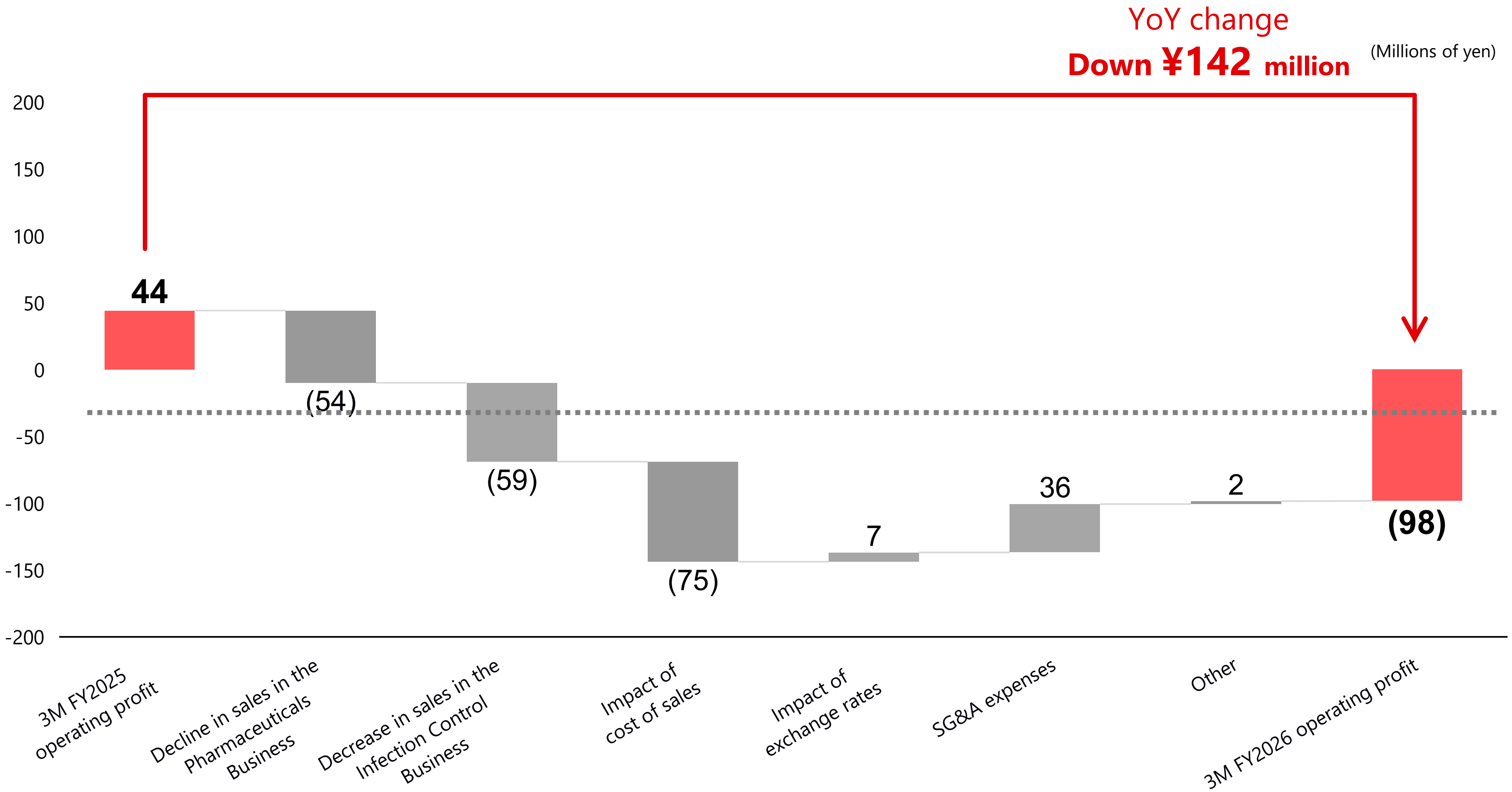
- Net sales decreased in the Pharmaceuticals Business partly due to a decrease in the supply of Seirogan
- Net sales decreased YoY in the Infection Control Business as the market contracted partly as a reaction to the end of the flu season



Factors Affecting Changes in Operating Profit

- Cost of sales increased due to higher expenses related to the strengthening of our supply system and a temporary decline in yield, in addition to the impact of sales declines in the Pharmaceuticals and Infection Control Businesses
- SG&A expenses decreased YoY



SG&A Expenses

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- Selling expenses decreased YoY partly due to a decrease in advertising expenses in the Infection Control Business
- Personnel expenses increased alongside a salary increase and other factors

(Millions of yen)

	FY2025		FY2026		YoY change (Amount)	YoY change (%)
	3M results	% of total	3M results	% of total		
Total SG&A expenses	634	-	598	-	(36)	(5.7)%
Selling expenses	147	23.2%	88	14.7%	(59)	(40.2)%
Advertising expenses	96	15.1%	50	8.5%	(45)	(47.0)%
Promotion expenses	25	4.0%	16	2.7%	(9)	(36.1)%
Transportation costs	25	4.1%	20	3.5%	(4)	(18.9)%
Personnel expenses	271	42.7%	304	50.8%	+33	+12.2%
Other expenses	216	34.1%	206	34.4%	(10)	(4.7)%
Research and development expenses	40	6.3%	40	6.7%	+0	+0.2%
Commission expenses	80	12.7%	73	12.3%	(6)	(8.4)%

Ordinary profit (Loss) / Profit (Loss)

- In non-operating income, interest income mainly increased
- In non-operating expenses, foreign exchange losses mainly decreased

(Millions of yen)

	FY2025 3M results	FY2026 3M results	YoY change	Major factors for change
Operating profit (loss)	44	(98)	(142)	
Non-operating income	5	10	+4	Mainly increase in interest income in FY2026
Non-operating expenses	38	5	(32)	Mainly decrease in foreign exchange losses in FY2026
Ordinary profit (loss)	11	(93)	(104)	
Extraordinary income	357	-	(357)	FY25: Gain on sale of investment securities of ¥347 million
Extraordinary losses	-	0	+0	
Profit (loss) before income taxes	368	(94)	(462)	
Income taxes – current/deferred	76	0	(75)	
Profit (loss) attributable to owners of parent	292	(95)	(387)	

Consolidated Financial Position

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- Assets decreased by ¥945 million partly due to decreases in cash and deposits and trade receivables despite increases in inventories and other (securities)
- Liabilities decreased by ¥692 million partly due to the repayment of the current portion of long-term borrowings and a decrease in provision for bonuses

(Millions of yen)

	End of FY2025	End of Q1 FY2026	YoY change	Major factors for change
Current assets	8,433	7,469	(964)	
Cash and deposits	4,256	3,332	(923)	
Trade receivables	2,450	1,536	(914)	
Inventories	1,619	1,930	+311	Pharmaceutical inventory of ¥1,764 million Infection control inventory of ¥154 million
Other	106	669	+563	Increase in securities
Non-current assets	3,837	3,856	+18	
Total assets	12,270	11,325	(945)	
Total liabilities	3,752	3,060	(692)	Repayment of current portion of long-term borrowings Decrease in provision for bonuses
Total net assets	8,518	8,264	(253)	Payment of dividends and other factors
Total liabilities and net assets	12,270	11,325	(945)	
Equity-to asset ratio	69.4%	73.0%		

2. Overview of Performance by Segment for 3M FY2026

Overview of Performance by Segment

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- Pharmaceuticals Business : Sales and profit decreased due to a sales decline in Japan despite steady sales overseas
- Infection Control Business : Segment profit steadily improved through cost control despite a sales decline

(Millions of yen)

		FY2025 3M results	FY2026 3M results	YoY change (Amount)	YoY change (%)
Pharmaceuticals Business	Net sales	989	858	(131)	(13.2)%
	Segment profit	314	160	(153)	(49.0)%
	Profit margin	31.8%	18.7%	-	-
Infection Control Business	Net sales	160	56	(103)	(64.6)%
	Segment profit	(62)	(41)	+21	-
	Profit margin	(39.1)%	(72.7)%	-	-
Other	Net sales	1	1	+0	+2.9%
	Segment profit	(5)	(5)	(0)	-
	Profit margin	(479.2)%	(492.2)%	-	-

Market Size of Antidiarrheal Drugs in Japan and Our Share

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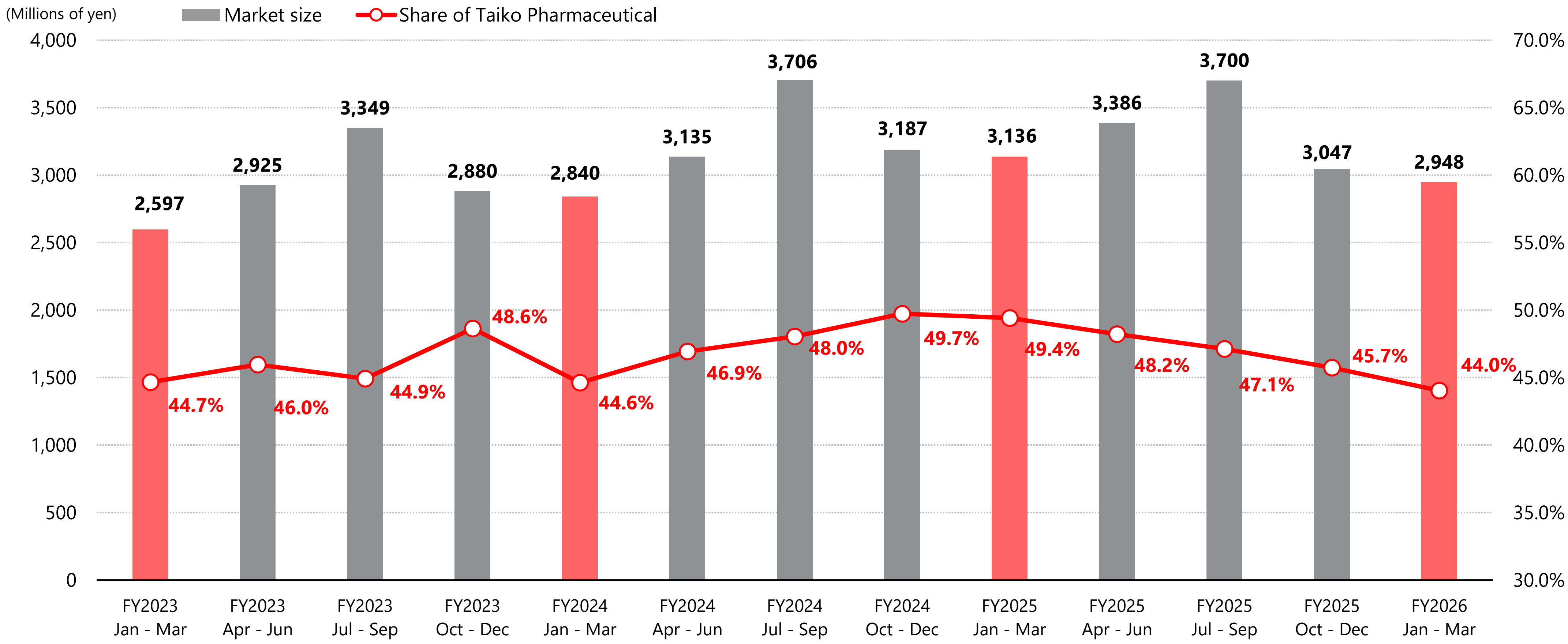
- The antidiarrheal drug market in Japan remained weak and contracted to 94.0% YoY (January-March)
- Our market share declined to 44.0% (down 1.7 percentage points from Q4 FY2025) partly due to supply shortages of Seirogan

Antidiarrheal drug market in Japan



*Source: SRI+ based on retail selling price, by INTAGE Inc.

Performance of the Pharmaceuticals Business in Japan

- Sales declined partly due to Seirogan supply shortages, resumption of other peer companies' product supply, and weaker inbound demand
- We intend to reinforce promotion of Seirogan brand in the summer demand season, while aiming to increase the supply of Seirogan from the second half onwards

(Millions of yen)

Sales by product category	FY2025 3M results	FY2026 3M results	YoY change (Amount)	YoY change (%)
Sales of the Pharmaceuticals Business in Japan	903	659	(243)	(27.0)%
Seirogan	486	308	(178)	(36.7)%
Seirogan Toi-A	447	388	(59)	(13.3)%
Seirogan Quick C	67	55	(12)	(18.0)%
Other*1	24	26	+2	+11.2%
Returns, discounts, sponsorship, etc.	(122)	(118)	+3	-

*1 *Rappa* Intestinal Regulator BF and *Pishat* Antidiarrheal OD Tablet

Seirogan

Seirogan Toi-A

SEIROGAN TOI A 24Tablets Portable type

Seirogan Quick C

Rappa Intestinal Regulator BF

Pishat Antidiarrheal OD Tablet

Performance of the Pharmaceuticals Business Overseas

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- Sales increased YoY driven by increased shipment volumes to the Hong Kong market and the Taiwan market
- For the Chinese market, shipments are planned for Q2 or later due to the impact of production schedule adjustments

(Millions of yen)

Sales by region

	FY2025 3M results	FY2026 3M results	YoY change (Amount)	YoY change (%)
Sales of the Pharmaceuticals Business overseas	86	198	+112	+130.6%
China	109	6	(103)	(94.0)%
Hong Kong	-	131	+131	-
Taiwan	(21)	62	+83	-
Other regions*1	(2)	(2)	+0	-

*1 U.S., Canada, Thailand, Malaysia, Mongolia and other regions

SEIROGAN®

Seirogan

Seirogan Toi-A

Performance of the Infection Control Business

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- Sales for general use in Japan decreased YoY as the market contracted partly as a reaction to the end of the flu season
- We will strengthen the development of new businesses toward full-year sales growth for commercial use in Japan

(Millions of yen)

Sales by customer type	FY2025 3M results	FY2026 3M results	YoY change (Amount)	YoY change (%)
Sales of the Infection Control Business	160	56	(103)	(64.6)%
Japan (for general use)	143	31	(111)	(78.0)%
Japan (for commercial use)	51	41	(9)	(19.1)%
Overseas	13	6	(7)	(52.1)%
Returns, discounts, sponsorship, etc.	(48)	(22)	+25	-

cleverin

For general use

Cleverin Gel for Two Months

Cleverin Spray 250 ml

For commercial use

Cleverin pouch type

Cleverin Pro Stick Case type

Cleverin Pro Gel 10㎡

3. Full-year Consolidated Earnings Forecast

Explanation of Full-year Consolidated Earnings Forecast

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- The impact of the situation in the Middle East was limited during the three months ended March 31, 2026
- Although production could be affected by soaring material prices and procurement delays going forward, we currently do not have sufficient information to make an informed judgment. Accordingly, there are no changes to the announced earnings forecast

(Millions of yen)

	FY2025 results	FY2026 Forecast	YoY change (Amount)	YoY change (%)
Net sales	6,397	7,200	+802	+12.5%
Pharmaceuticals Business	5,771	6,695	+923	+16.0%
Infection Control Business	619	500	(119)	(19.3)%
Other	5	5	(0)	(14.8)%
Operating profit	459	500	+40	+8.9%
Ordinary profit	482	520	+37	+7.7%
Profit	923	550	(373)	(40.4)%

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Notes on forward-looking information

The forward-looking information in this document is based on various assumptions and does not constitute a guarantee or assurance that planned figures or measures will be realized.