Translation

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November 13, 2026

Consolidated Financial Results for the Third 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 nine months ended September 30, 2026 (from January 1, 2026 to September 30, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	4,589	8.5	156	(51.7)	171	(47.2)	169	(74.7)
September 30, 2025	4,229	(7.6)	324	(55.3)	325	(53.9)	669	(6.3)

Note: Comprehensive income For the nine months ended September 30, 2026: ¥169 million [(33.6)%]
For the nine months ended September 30, 2025: ¥255 million [(79.5)%]

	Basic earnings (loss) per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	3.36	–
September 30, 2025	13.33	–

Notes: 1. Diluted earnings per share for the nine months ended September 30, 2025 is not presented as the Company had no potential shares.
2. Diluted earnings per share for the nine months ended September 30, 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	%
September 30, 2026	11,408	8,538	74.8
December 31, 2025	12,270	8,518	69.4

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

As of September 30, 2026: ¥8,538 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	–	0.00	–		
Fiscal year ending December 31, 2026 (Forecast)				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 September 30, 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 September 30, 2026	328,825 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)

Nine months ended September 30, 2026	50,289,114 shares
Nine months ended September 30, 2025	50,232,028 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, 2026

During the nine months ended September 30, 2026 ("the period under review"), the Japanese economy trended to recover moderately backed mainly by 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 and natural disasters, the continued rise in prices, and the impacts of fluctuations in the financial and capital markets, all of which require attention.

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 issue of ensuring a stable supply to markets, we worked to strengthen our supply system by completing equipment upgrades and the establishment of the production system necessary to increase production in the first half of the year, and by expanding production capacity as planned. As a result, we resumed the supply of Seirogan 200 Tablets for the Japanese market around September 2026. In sales, we increased advertising and sales promotion expenses and rolled out sales and marketing activities to expand sales in Japan and overseas. In Japan, we launched a new promotion titled "We are Rappers!" in July 2026 to expand our customer base among young generations, linking digital video advertising with in-store Point of Purchase (POP) advertising and sales floors designed for inbound tourists.

In the Infection Control Business, we worked on 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 increased 8.5% year on year to ¥4,589 million, due to increased revenue in the Pharmaceuticals Business, while gross profit increased 1.8% year on year to ¥2,404 million.

Selling, general and administrative expenses increased 10.3% year on year to ¥2,247 million on the back of increased advertising and sales promotion expenses mainly for the Pharmaceuticals Business.

As the result, although gross profit increased, this was more than offset by the increase in selling, general and administrative expenses, resulting in operating profit decreasing 51.7% year on year to ¥156 million. Ordinary profit decreased 47.2% year on year to ¥171 million. Profit attributable to owners of parent decreased 74.7% year on year to ¥169 million, mainly due to the decrease in ordinary profit, as well as the absence of the 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, all of which were recorded as extraordinary income 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 95.6% 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 12.2% year on year to ¥2,387 million. Meanwhile, net sales of pharmaceuticals for the overseas market increased 73.5% year on year to ¥1,937 million, driven by steady supply and shipments.

As a result, the segment reported net sales of ¥4,324 million, up 12.8% year on year, with segment profit down 14.6% year on year to ¥935 million due to an increase in advertising and marketing expenses.

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

(Millions of yen)

	Nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)	Nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026)
Japan	2,718	2,387
Overseas	1,116	1,937
Total	3,835	4,324

Infection Control Business

In this business segment, net sales decreased year on year 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. However, the Group has been striving to improve profitability by focusing on cost control measures, including effective spending on marketing.

As a result, the segment reported net sales of ¥261 million, down 33.1% year on year, while the segment loss improved by ¥63 million year on year to ¥79 million, mainly due to a decrease in selling, general and administrative expenses, despite a decrease in gross profit due to lower sales.

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

(Millions of yen)

	Nine months ended September 30, 2025 (January 1, 2025 to September 30, 2025)	Nine months ended September 30, 2026 (January 1, 2026 to September 30, 2026)
Japan (for general use)	238	106
Japan (for commercial use)	124	119
Overseas	27	35
Total	390	261

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 ¥3 million with segment loss of ¥23 million.

(2) Overview of financial position for the nine months ended September 30, 2026

As of the end of the period under review, total assets were ¥11,408 million (down by ¥861 million), total liabilities were ¥2,870 million (down by ¥882 million), and total net assets were ¥8,538 million (up by ¥20 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 ¥948 million due in part to a decrease in cash and deposits, an increase in non-current assets of ¥87 million due in part to an increase in property, plant and equipment, a decrease in current liabilities of ¥901 million due in part to decreases in accounts payable - other and current portion of long-term borrowings, an increase in non-current liabilities of ¥18 million due in part to an increase in retirement benefit liability, and an increase in net assets of ¥20 million due in part to the 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, 2026 remains unchanged from the forecast announced on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	4,256	2,397
Electronically recorded monetary claims - operating	1	0
Accounts receivable - trade	2,449	2,289
Securities	–	500
Merchandise and finished goods	309	550
Work in process	801	871
Raw materials and supplies	508	606
Other	106	268
Total current assets	8,433	7,484
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	898	888
Machinery, equipment and vehicles, net	545	591
Land	1,675	1,675
Construction in progress	45	33
Other, net	145	213
Total property, plant and equipment	3,312	3,403
Intangible assets	34	68
Investments and other assets		
Investment securities	0	0
Other	490	452
Total investments and other assets	490	453
Total non-current assets	3,837	3,924
Total assets	12,270	11,408

(Millions of yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Electronically recorded obligations - operating	154	147
Accounts payable - trade	268	326
Current portion of long-term borrowings	792	27
Accounts payable - other	668	503
Income taxes payable	15	38
Refund liabilities	60	49
Provision for bonuses	247	176
Provision for loss on subleases	11	7
Other	290	332
Total current liabilities	2,509	1,608
Non-current liabilities		
Long-term accounts payable - other	549	549
Provision for loss on subleases	4	–
Retirement benefit liability	623	650
Asset retirement obligations	20	20
Other	43	40
Total non-current liabilities	1,242	1,261
Total liabilities	3,752	2,870
Net assets		
Shareholders' equity		
Share capital	10	10
Capital surplus	4,978	4,960
Retained earnings	3,450	3,453
Treasury shares	(237)	(202)
Total shareholders' equity	8,200	8,221
Accumulated other comprehensive income		
Foreign currency translation adjustment	317	317
Total accumulated other comprehensive income	317	317
Total net assets	8,518	8,538
Total liabilities and net assets	12,270	11,408

(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, 2025	Nine months ended September 30, 2026
Net sales	4,229	4,589
Cost of sales	1,868	2,185
Gross profit	2,361	2,404
Selling, general and administrative expenses	2,036	2,247
Operating profit	324	156
Non-operating income		
Interest income	13	19
Insurance claim income	12	–
Subsidy income	3	1
Other	1	4
Total non-operating income	29	24
Non-operating expenses		
Interest expenses	4	2
Foreign exchange losses	19	6
Other	5	1
Total non-operating expenses	29	10
Ordinary profit	325	171
Extraordinary income		
Gain on sale of investment securities	347	–
Compensation income	14	–
Gain on reversal of foreign currency translation adjustment	140	–
Total extraordinary income	502	–
Extraordinary losses		
Loss on retirement of non-current assets	6	1
Impairment losses	0	0
Total extraordinary losses	6	1
Profit before income taxes	821	169
Income taxes - current	28	14
Income taxes - deferred	123	(14)
Total income taxes	151	0
Profit	669	169
Profit attributable to owners of parent	669	169

Quarterly consolidated statements of comprehensive income
Nine months ended September 30

(Millions of yen)

	Nine months ended September 30, 2025	Nine months ended September 30, 2026
Profit	669	169
Other comprehensive income		
Valuation difference on available-for-sale securities	(234)	–
Foreign currency translation adjustment	(179)	0
Total other comprehensive income	(414)	0
Comprehensive income	255	169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	255	169

(3) Notes to quarterly consolidated financial statements

Segment information, etc.

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

II. Nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)

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	4,324	261	3	4,589	–	4,589
Inter-segment net sales or transfers	–	–	–	–	–	–
Total	4,324	261	3	4,589	–	4,589
Segment profit (loss)	935	(79)	(23)	832	(675)	156

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.

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 nine months ended September 30, 2026 has not been prepared. The amounts of depreciation for the nine months ended September 30, 2025 and September 30, 2026

(including amortization of intangible assets) are as follows:

(Millions of yen)

	Nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	Nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Depreciation	193	227