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

November 2026

Taiko Pharmaceutical Co., Ltd.
Securities code: 4574

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1. Consolidated Financial Results for 9M FY2026

Consolidated Financial Results

- Sales increased due to growth in the Pharmaceutical Business overseas
- Operating profit decreased due to higher raw material and supply costs, increased costs resulting from the strengthening of the supply system, and a rise in advertising expenses. No changes have been made to the full-year earnings forecast

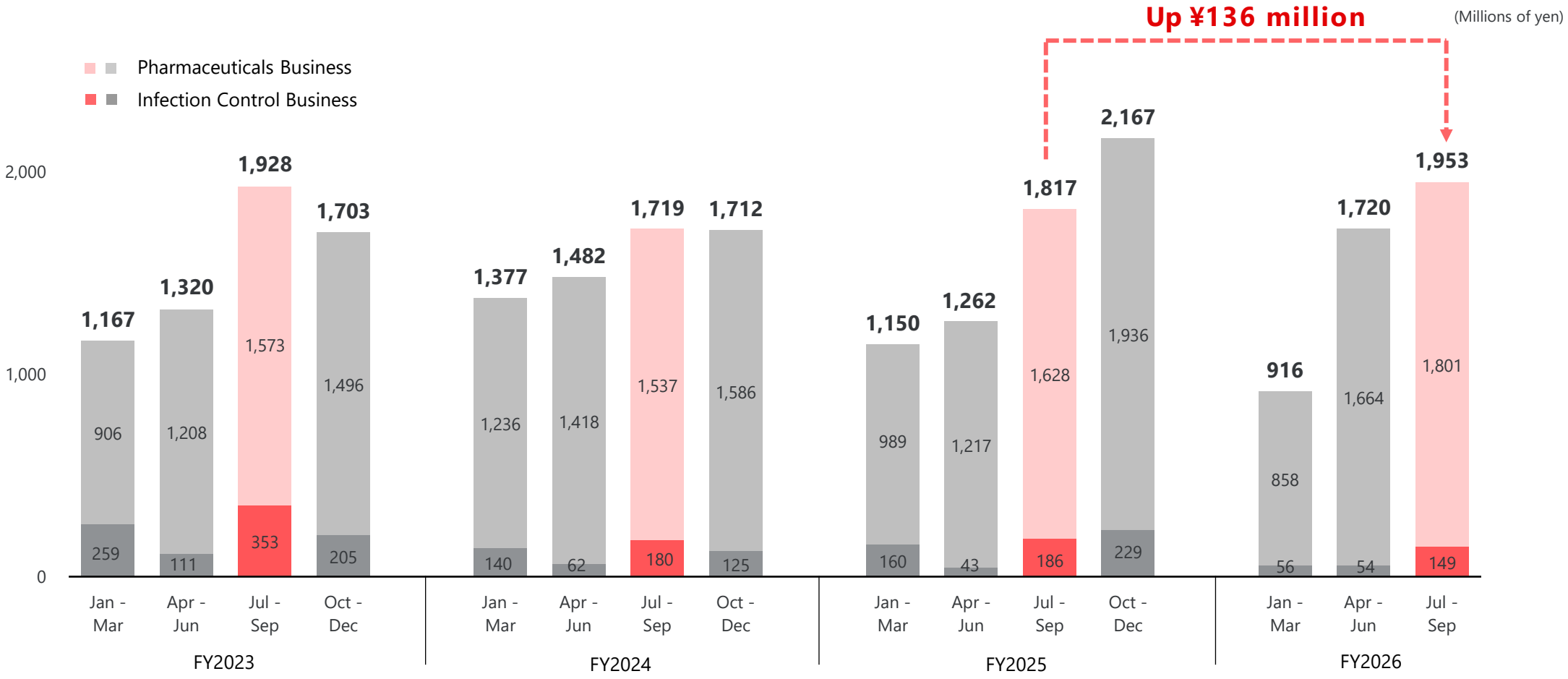
(Millions of yen)

	FY2025		FY2026		YoY change (Amount)	YoY change (%)
	9M results	Comparison with sales	9M results	Comparison with sales		
Net sales	4,229	-	4,589	-	+360	+8.5%
Gross profit	2,361	55.8%	2,404	52.4%	+42	+1.8%
SG&A expenses	2,036	48.2%	2,247	49.0%	+210	+10.3%
Operating profit (loss)	324	7.7%	156	3.4%	(167)	(51.7)%
Ordinary profit (loss)	325	7.7%	171	3.7%	(153)	(47.2)%
Profit (loss) attributable to owners of parent	669	15.8%	169	3.7%	(500)	(74.7)%

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Consolidated Net Sales by Quarter

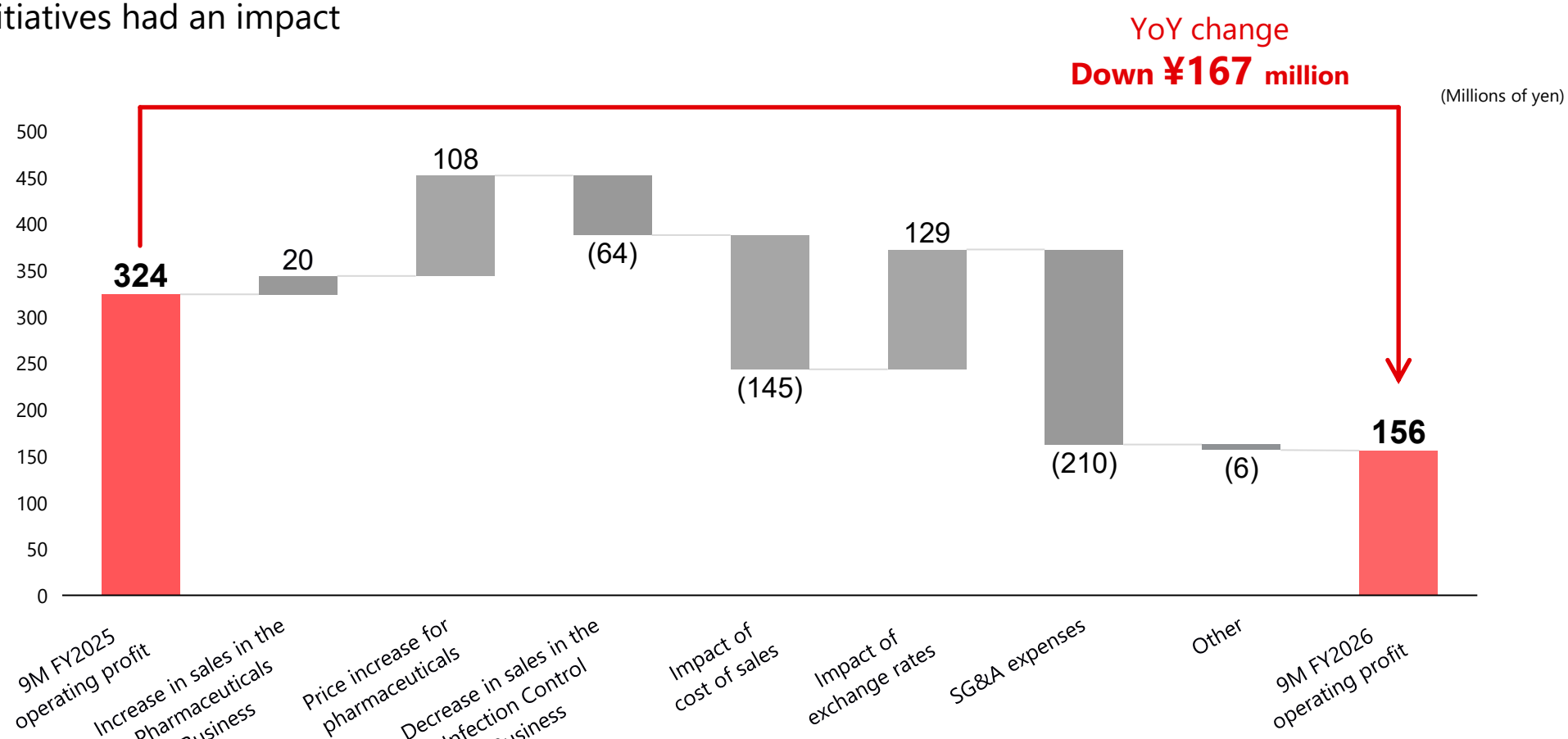
- The Pharmaceuticals Business saw a YoY increase in sales due to a rise in shipments to overseas
- The Infection Control Business began distributing products for general use to retail stores in September for the fall and winter demand season



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Factors Affecting Changes in Operating Profit

- Increase in sales in the Pharmaceutical Business overseas, the price increase for pharmaceuticals and the impact of exchange rates contributed to the results
- In addition to the impact of cost of sales due to higher raw material and supply costs, increased costs related to the strengthening of the supply system and a temporary decline in yield, an increase in SG&A expenses resulting from marketing initiatives had an impact



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SG&A Expenses

- Advertising expenses increased due to marketing initiatives aimed at expanding sales in domestic and overseas markets
- Personnel expenses increased alongside a salary increase and other factors

(Millions of yen)

	FY2025		FY2026		YoY change (Amount)	YoY change (%)
	9M results	% of total	9M results	% of total		
Total SG&A expenses	**2,036**	**-**	**2,247**	**-**	**+210**	**+10.3%**
Selling expenses	**481**	**23.6%**	**661**	**29.4%**	**+180**	**+37.5%**
Advertising expenses	**321**	**15.8%**	**514**	**22.9%**	**+192**	**+59.9%**
Promotion expenses	**82**	**4.0%**	**79**	**3.5%**	**(2)**	**(3.4)%**
Transportation costs	**77**	**3.8%**	**67**	**3.0%**	**(9)**	**(12.8)%**
Personnel expenses	**900**	**44.2%**	**920**	**41.0%**	**+20**	**+2.2%**
Other expenses	**655**	**32.2%**	**665**	**29.6%**	**+10**	**+1.6%**
Research and development expenses	**145**	**7.1%**	**124**	**5.5%**	**(21)**	**(14.5)%**
Commission expenses	**232**	**11.4%**	**240**	**10.7%**	**+8**	**+3.6%**

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Ordinary Profit (Loss) / Profit (Loss)

- Non-operating expenses decreased YoY due to a decline in foreign exchange losses
- Profit for 9M decreased YoY due to the absence of the gain on sale of investment securities, gain on reversal of foreign currency translation adjustment, etc. recorded in 9M FY2025

(Millions of yen)

	FY2025 9M results	FY2026 9M results	YoY change	Major factors for change
Operating profit (loss)	324	156	(167)	
Non-operating income	29	24	(4)	Mainly decrease in insurance claim income in FY2026
Non-operating expenses	29	10	(19)	Mainly decrease in foreign exchange losses in FY2026
Ordinary profit (loss)	325	171	(153)	
Extraordinary income	502	-	(502)	FY25: Gain on sale of investment securities of ¥347 million Gain on reversal of foreign currency translation adjustment of ¥140 million
Extraordinary losses	6	1	(4)	
Profit (loss) before income taxes	821	169	(651)	
Income taxes – current/deferred	151	0	(150)	
Profit (loss) attributable to owners of parent	669	169	(500)	

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Consolidated Financial Position

- Assets decreased from the end of FY2025 partly due to decreases in cash and deposits and trade receivables, despite increases in inventories and securities
- Liabilities decreased from the end of FY2025 partly due to the repayment of the current portion of long-term borrowings and a decrease in accounts payable - other

(Millions of yen)

	End of FY2025	End of 9M FY2026	Change from end of FY2025	Major factors for change
Current assets	**8,433**	**7,484**	**(948)**	
Cash and deposits	**4,256**	**2,397**	**(1,859)**	
Trade receivables	**2,450**	**2,289**	**(161)**	
Inventories	**1,619**	**2,029**	**+409**	Pharmaceutical inventory of ¥1,837 million Infection control inventory of ¥180 million
Other	**106**	**768**	**+662**	Increase in securities
Non-current assets	**3,837**	**3,924**	**+87**	
Total assets	**12,270**	**11,408**	**(861)**	
Total liabilities	**3,752**	**2,870**	**(882)**	Repayment of current portion of long-term borrowings Decrease in accounts payable - other
Total net assets	**8,518**	**8,538**	**+20**	
Total liabilities and net assets	**12,270**	**11,408**	**(861)**	
Equity-to asset ratio	**69.4%**	**74.8%**		

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2. Overview of Performance by Segment for 9M FY2026

Overview of Performance by Segment

- Pharmaceuticals Business: Profit decreased partly due to higher costs of sales and marketing expenses, despite increased sales driven by growth in overseas sales
- Infection Control Business: Segment loss improved through the curbing of marketing expenses, etc., despite a sales decline

(Millions of yen)

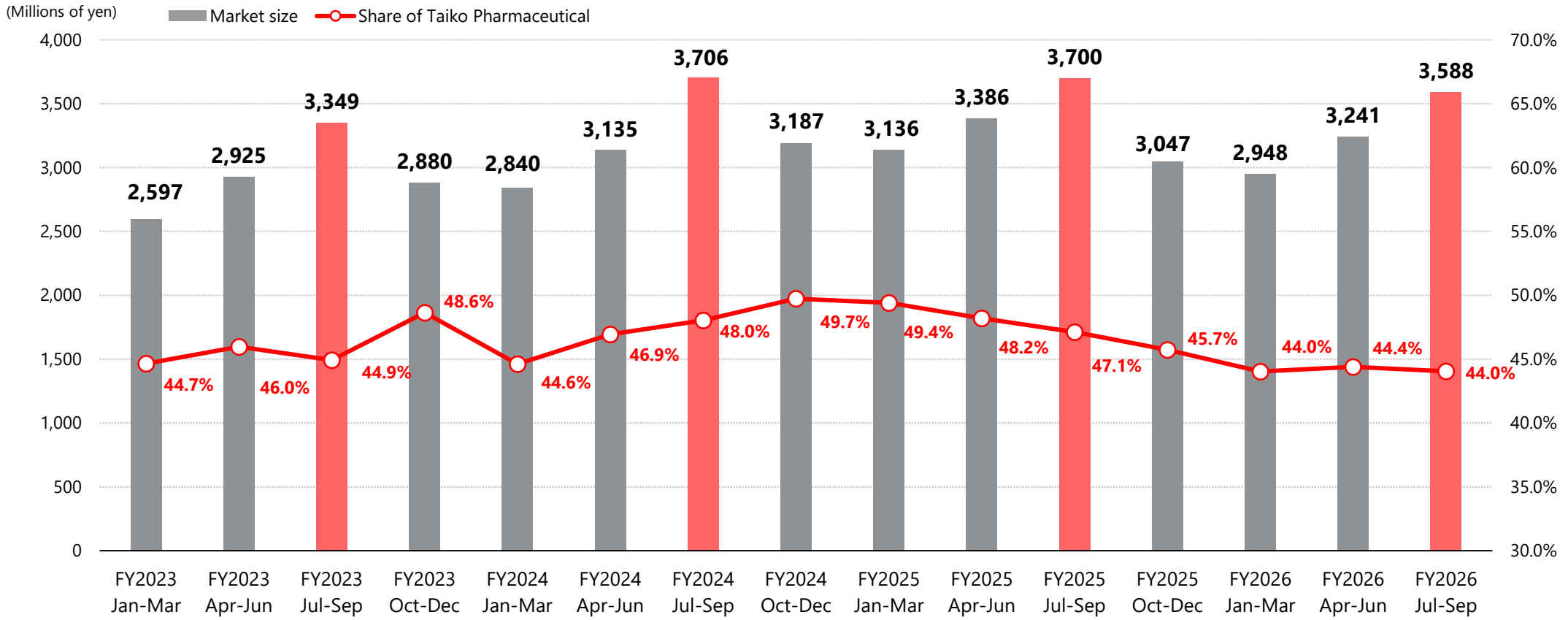
		FY2025 9M results	FY2026 9M results	YoY change (Amount)	YoY change (%)
Pharmaceuticals Business	Net sales	3,835	4,324	+489	+12.8%
	Segment profit	1,094	935	(159)	(14.6)%
	Profit margin	28.5%	21.6%	-	-
Infection Control Business	Net sales	390	261	(129)	(33.1)%
	Segment profit	(143)	(79)	+63	-
	Profit margin	(36.7)%	(30.6)%	-	-
Other	Net sales	4	3	(0)	(16.2)%
	Segment profit	(12)	(23)	(11)	-
	Profit margin	(273.8)%	(621.0)%	-	-

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Market Size of Antidiarrheal Drugs in Japan and Our Share

- The antidiarrheal drug market in Japan remained weak, standing at 95.6% YoY (January–September)
- While our market share has been around 44% since the beginning of the fiscal year, we aim to recover the market share by expanding our future product lineup

Antidiarrheal drug market in Japan



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

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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
- Completed the equipment upgrades and the establishment of the production system necessary to increase production and resumed the supply of “Seirogan 200 Tablets” around September 2026

(Millions of yen)

Sales by product category

	FY2025 9M results	FY2026 9M results	YoY change (Amount)	YoY change (%)
Sales of the Pharmaceuticals Business in Japan	**2,718**	**2,387**	**(330)**	**(12.2)%**
Seirogan	1,360	1,093	(266)	(19.6)%
Seirogan Toi-A	1,516	1,399	(116)	(7.7)%
Seirogan Quick C	209	191	(18)	(8.7)%
Other*1	86	89	+2	+3.3%
Returns, discounts, sponsorship, etc.	(453)	(386)	+67	-

*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



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Performance of the Pharmaceuticals Business Overseas

- Sales increased YoY partly due to the impact of price revisions, in addition to steady supply and shipments to overseas
- Implementing sales and marketing initiatives to expand sales in the major markets of China, Hong Kong, and Taiwan

(Millions of yen)

Sales by region

	FY2025 9M results	FY2026 9M results	YoY change (Amount)	YoY change (%)
Sales of the Pharmaceuticals Business overseas	**1,116**	**1,937**	**+820**	**+73.5%**
China	**435**	**1,052**	**+617**	**+141.7%**
Hong Kong	**422**	**621**	**+198**	**+47.1%**
Taiwan	**166**	**217**	**+50**	**+30.6%**
Other regions*1	**92**	**45**	**(46)**	**(50.4)%**

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

SEIROGAN®

Seirogan



Seirogan Toi-A



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Performance of the Infection Control Business

- Sales for general use in Japan decreased YoY as the market contracted partly as a reaction to the end of the flu season during the same period of the previous fiscal year
- 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 9M results	FY2026 9M results	YoY change (Amount)	YoY change (%)
Sales of the Infection Control Business	**390**	**261**	**(129)**	**(33.1)%**
Japan (for general use)	323	158	(164)	(50.9)%
Japan (for commercial use)	128	124	(4)	(3.6)%
Overseas	27	35	+7	+26.5%
Returns, discounts, sponsorship, etc.	(89)	(57)	+32	-

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㎡

cleverin

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3. Topics

Strengthening Brand Communication in Osaka, Our Birthplace, to Mark the 80th Anniversary

Strengthening brand communication by combining real-world touchpoints along Osaka's daily life routines with digital touchpoints utilizing the official X account

01 Wrapped train on the Osaka Metro Midosuji Line



- The first two cars (Car 1 and Car 10) of one train set running on the Osaka Metro Midosuji Line will be wrapped with the package designs of "Seirogan" and "Seirogan Quick C"
- The message "For Japan's stomach troubles" will be displayed on the front and sides of the cars
- For one month from the start of service through Wednesday, December 9, the train will operate in a special design featuring our symbolic "Trumpet (Rappa) trademark" on the headboard

02 Advertisements to be displayed in the restrooms at Osaka Metro Yotsubashi Line's Hommachi Station



- Osaka Metro Yotsubashi Line's Hommachi Station
  The "Seirogan" series will be promoted at three touchpoints in the restrooms at the station: near the entrances to the men's and women's restrooms, the doors to the stalls, and the doors inside the stalls
- **Near the entrances to the restrooms**
  Displaying the message: "If your stomach starts gurgling during the commute, try Seirogan—born in Osaka, with the trumpet trademark."
- **The doors to the stalls**
  Featuring large prints of the packages for "Seirogan Quick C" and "SEIROGAN TOI A 24 Tablets Portable type," creating a visual effect as if giant packages were standing there.
- **The doors inside the stalls**
  Under the heading "What causes your stomach to gurgle during the commute," the ads explain the causes of stomach troubles that commonly occur while commuting.

Period: November 10, 2026—November 9, 2027 *Service details and the display period are subject to change without notice

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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.