

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



# **Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (FY2024)**

February 2025

Taiko Pharmaceutical Co., Ltd.  
Securities code: 4574

## **1. Consolidated Financial Results for FY2024**

## **2. Business Overview by Segment**

## **3. Upcoming Business Strategies**

## **4. Full-year Earnings Forecast for FY2025**



## **1. Consolidated Financial Results for FY2024**

# Consolidated Financial Results

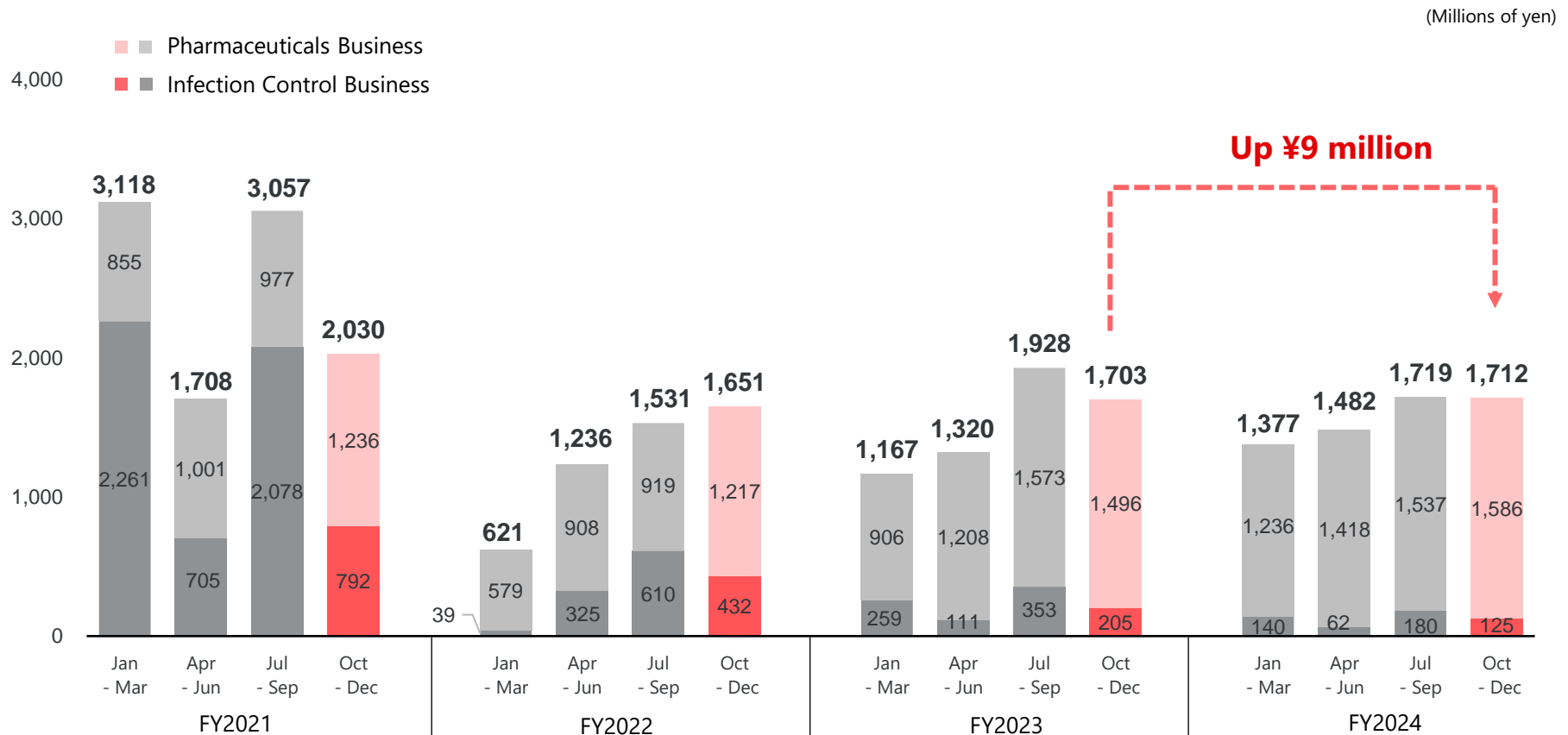
- Sales increased due to strong demand and price increases in the Pharmaceuticals Business
- Recorded income taxes – deferred (gain) of ¥357 million in light mainly of the outlook for future performance
- With the Company returning to profitability and its profitability improving, “significant events, etc. for going concern assumption” have been resolved

(Millions of yen)

	FY2023		FY2024		YoY change (Amount)	YoY change (%)
	Full-year results	Comparison with sales	Full-year results	Comparison with sales		
Net sales	6,120	—	6,292	—	+ 172	+ 2.8%
Gross profit	2,577	42.1%	3,666	58.3%	+ 1,089	+ 42.3%
SG&A expenses	3,583	58.5%	3,036	48.3%	(546)	(15.2)%
Operating profit (loss)	(1,005)	(16.4)%	629	10.0%	+ 1,635	—
Ordinary profit (loss)	(1,248)	(20.4)%	688	10.9%	+ 1,937	—
Profit (loss) attributable to owners of parent	(3,611)	(59.0)%	898	14.3%	+ 4,509	—

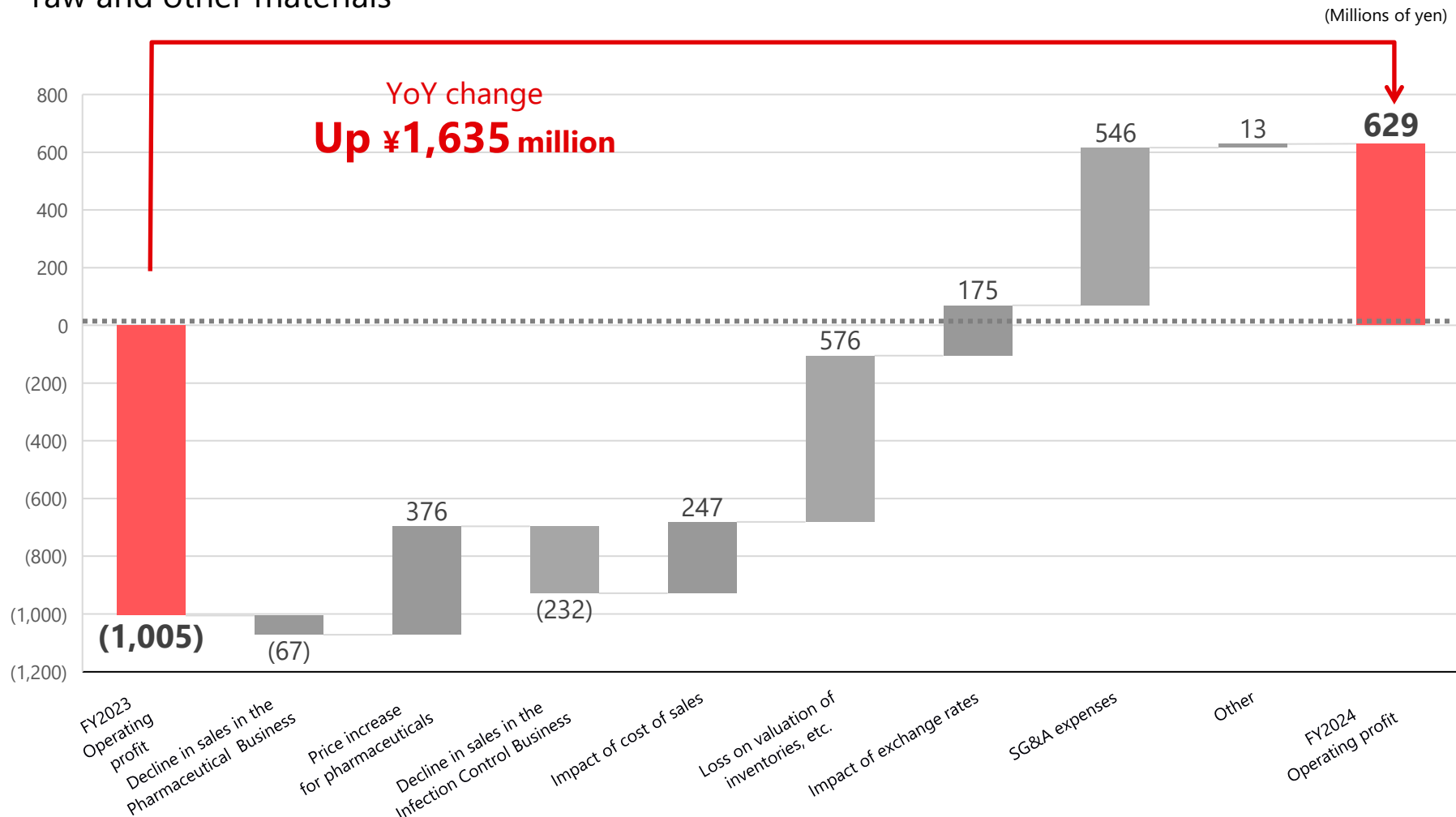
# Consolidated Net Sales by Quarter

- Net sales increased in the Pharmaceuticals Business due to factors such as price increases for mainstay products in Japan
- Net sales decreased in the Infection Control Business owing to sluggish market demand



# Factors Affecting Changes in Operating Profit

- Profit increased due to raised prices of pharmaceuticals, reduced SG&A expenses, and the effects of exchange rate fluctuations
- Cost of sales improved owing to a decrease in depreciation expenses, despite higher prices for raw and other materials



- Continuously pursued cost reduction initiatives while focusing on efficient investment in marketing

Achieved a YoY decrease of ¥546 million mainly by reducing inventory storage costs and downsizing offices

(Millions of yen)

		FY2023		FY2024		YoY change (Amount)	YoY change (%)
		Full-year results	% of total	Full-year results	% of total		
<b>Total SG&amp;A expenses</b>		<b>3,583</b>	<b>—</b>	<b>3,036</b>	<b>—</b>	<b>(546)</b>	<b>(15.2)%</b>
	<b>Selling expenses</b>	<b>1,173</b>	<b>32.8%</b>	<b>900</b>	<b>29.7%</b>	<b>(272)</b>	<b>(23.2)%</b>
	Advertising expenses	<b>720</b>	<b>20.1%</b>	<b>624</b>	<b>20.6%</b>	<b>(96)</b>	<b>(13.4)%</b>
	Promotion expenses	<b>259</b>	<b>7.3%</b>	<b>143</b>	<b>4.7%</b>	<b>(116)</b>	<b>(44.8)%</b>
	Transportation costs	<b>192</b>	<b>5.4%</b>	<b>133</b>	<b>4.4%</b>	<b>(59)</b>	<b>(31.0)%</b>
	<b>Personnel expenses</b>	<b>1,159</b>	<b>32.4%</b>	<b>1,254</b>	<b>41.3%</b>	<b>+ 94</b>	<b>+ 8.2%</b>
	<b>Other expenses</b>	<b>1,250</b>	<b>34.9%</b>	<b>881</b>	<b>29.0%</b>	<b>(368)</b>	<b>(29.5)%</b>
	Research and development expenses	<b>245</b>	<b>6.8%</b>	<b>183</b>	<b>6.0%</b>	<b>(62)</b>	<b>(25.3)%</b>
	Commission expenses	<b>365</b>	<b>10.2%</b>	<b>301</b>	<b>9.9%</b>	<b>(64)</b>	<b>(17.5)%</b>

# Ordinary Profit (Loss) / Profit (Loss)

- In non-operating expenses, plant shutdown related costs decreased by ¥291 million due to the resumption of operations at the plant in the Infection Control Business and the sublease of the Ibaraki Plant
- In extraordinary losses, impairment loss of ¥239 million was recorded in line with the restructuring of the pharmaceutical production operations, and provision for transfer and removal expenses of ¥88 million was recorded

(Millions of yen)

	FY2023 Full-year results	FY2024 Full-year results	YoY change	Major factors for change
<b>Operating profit (loss)</b>	<b>(1,005)</b>	<b>629</b>	<b>+ 1,635</b>	
<b>Non-operating income</b>	<b>82</b>	<b>86</b>	<b>+ 4</b>	Mainly due to foreign exchange gains
<b>Non-operating expenses</b>	<b>325</b>	<b>28</b>	<b>(297)</b>	Mainly due to a decrease in plant shutdown related costs
<b>Ordinary profit (loss)</b>	<b>(1,248)</b>	<b>688</b>	<b>+ 1,937</b>	
<b>Extraordinary income</b>	<b>298</b>	<b>210</b>	<b>(87)</b>	Compensation income of ¥200 million
<b>Extraordinary losses</b>	<b>2,613</b>	<b>333</b>	<b>(2,280)</b>	Related to the restructuring of the production operations in the Pharmaceuticals Business ・Impairment loss of ¥239 million mainly for production facilities ・Provision for transfer and removal expenses of ¥88 million
<b>Profit (loss) before income taxes</b>	<b>(3,563)</b>	<b>565</b>	<b>+ 4,129</b>	
<b>Income taxes – current/deferred</b>	<b>47</b>	<b>(332)</b>	<b>(380)</b>	
<b>Profit (loss) attributable to owners of parent</b>	<b>(3,611)</b>	<b>898</b>	<b>+ 4,509</b>	



# Consolidated Financial Position

- Net assets increased primarily due to an increase in foreign currency translation adjustment and the recording of retained earnings
- Equity-to asset ratio improved due to the repayment of long-term borrowings and the recording of profit
- Terminated the syndicated commitment line contract (of ¥3.0 billion) as our business performance has recovered

(Millions of yen)

	End of FY2023	End of FY2024	YoY change	Major factors for change
<b>Current assets</b>	<b>9,109</b>	<b>8,761</b>	<b>(347)</b>	
Cash and deposits	5,484	4,532	(952)	
Trade receivables	1,985	2,428	+ 442	
Inventories	1,374	1,676	+ 302	Pharmaceutical inventory of ¥1,493 million Infection control inventory of ¥170 million
<b>Non-current assets</b>	<b>4,111</b>	<b>4,152</b>	<b>+ 41</b>	
<b>Total assets</b>	<b>13,220</b>	<b>12,914</b>	<b>(305)</b>	
<b>Current liabilities</b>	<b>3,046</b>	<b>2,855</b>	<b>(191)</b>	Decrease mainly in asset retirement obligations
<b>Non-current liabilities</b>	<b>3,433</b>	<b>2,094</b>	<b>(1,338)</b>	Repayment of long-term borrowings and other factors
<b>Net assets</b>	<b>6,739</b>	<b>7,964</b>	<b>+ 1,224</b>	Increase in foreign currency translation adjustment Recording of profit
<b>Total liabilities and net assets</b>	<b>13,220</b>	<b>12,914</b>	<b>(305)</b>	
<b>Equity-to asset ratio</b>	<b>51.0%</b>	<b>61.7%</b>		

# Consolidated Cash Flows

- Operating cash flow has turned positive as a result of the recovery in business performance

(Millions of yen)

	FY2023 Full-year	FY2024 Full-year	Major factors (FY2024)
<b>Net cash provided by (used in) operating activities</b>	<b>(307)</b>	<b>362</b>	Profit before income taxes 565 Depreciation 256 Impairment losses 239 Increase in trade receivables (411) Increase in inventories (301) Decrease in trade payables (76) Decrease in accounts payable - other (39) Income taxes paid (30)
<b>Net cash provided by (used in) investing activities</b>	<b>1,166</b>	<b>(5)</b>	Increase in time deposits 255 Payments for asset retirement obligations (83) Payments for capital investment (187)
<b>Net cash provided by (used in) financing activities</b>	<b>1,539</b>	<b>(1,181)</b>	Repayments of long-term borrowings (1,206) Proceeds from issuance of shares resulting from exercise of share acquisition rights 59
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>49</b>	<b>112</b>	
<b>Increase (decrease) in cash*1</b>	<b>2,447</b>	<b>(712)</b>	
<b>Cash at end of period</b>	<b>5,244</b>	<b>4,532</b>	

\*1 Calculated by reflecting the effect of exchange rate change on cash and cash equivalents to the sum of net cash provided by (used in) operating activities, investing activities, and financing activities.



## **2. Overview of Performance by Segment**

# Overview of Performance by Segment

- Pharmaceuticals Business: Profit grew driven by raised prices for our products in Japan
- Infection Control Business: Thanks to expense control and other measures, the loss margin improved despite a drop in net sales

(Millions of yen)

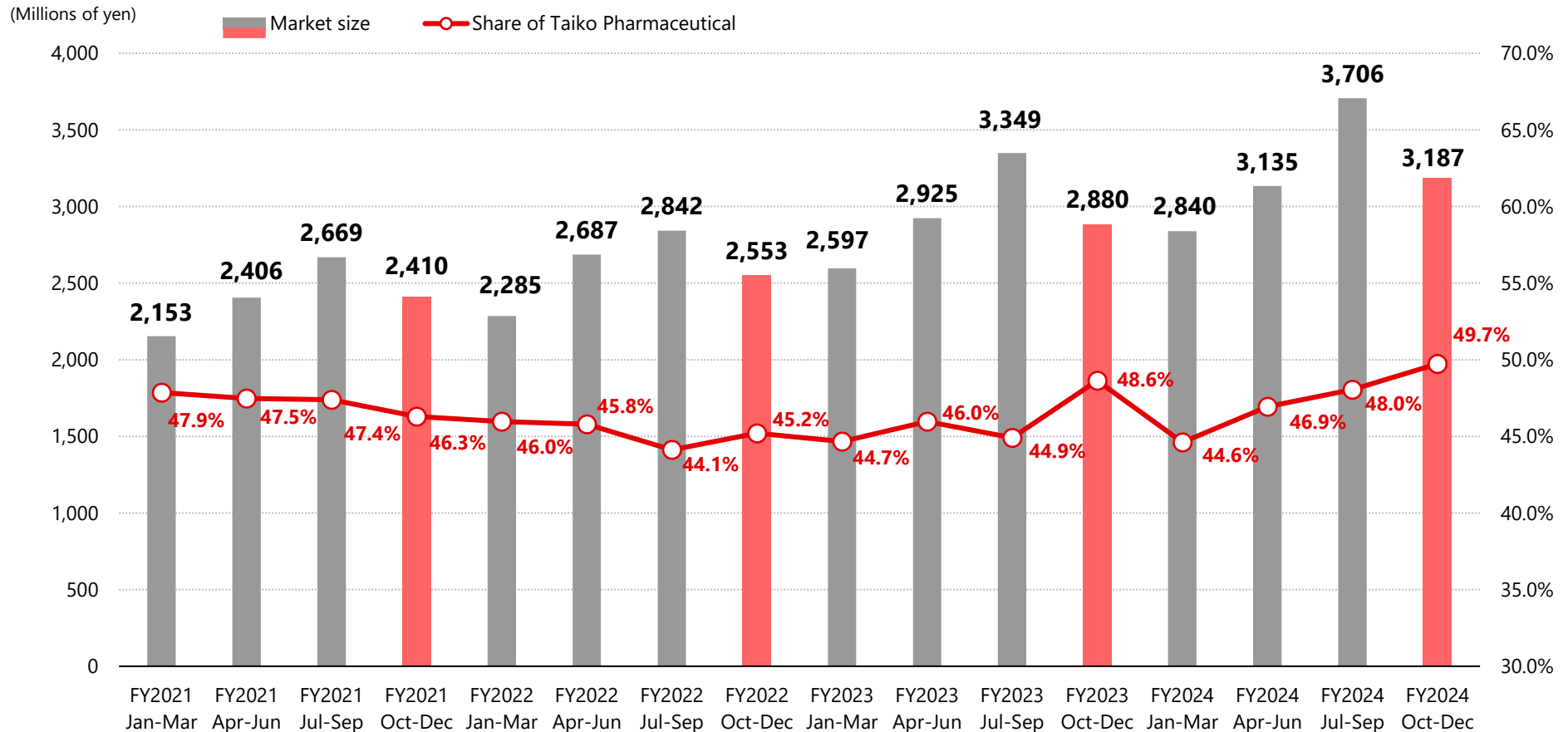
		FY2023 Full-year results	FY2024 Full-year results	YoY change (Amount)	YoY change (%)
Pharmaceuticals Business	Net sales	5,185	5,778	+ 593	+ 11.4%
	Segment profit	1,212	1,947	+ 735	+ 60.6%
	Profit margin	23.4%	33.7%	—	—
Infection Control Business	Net sales	929	508	(421)	(45.3)%
	Segment profit (loss)	(1,192)	(467)	+ 724	—
	Profit margin	(128.2)%	(92.0)%	—	—
Other	Net sales	5	5	+ 0	+ 0.7%
	Segment profit (loss)	(28)	(12)	+ 16	—
	Profit margin	(54.9)%	(239.5)%	—	—

# Pharmaceuticals Business in Japan

## Market Size of Antidiarrheal Drugs in Japan and Our Share

- The domestic antidiarrheal drug market was strong, showing a YoY (January-December) increase of 109.5%
- Our market share rose to nearly 50%

### Antidiarrheal drug market in Japan



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

# Performance of the Pharmaceuticals Business in Japan

- Sales of Seirogan declined due to insufficient supply despite strong demand
- Sales of Seirogan Toi-A and Seirogan Quick C rose YoY through efforts including improved supply conditions
- Advancing a two-plant production operation with the Suita and Kyoto plants to ensure stable supply to the market

(Millions of yen)

Sales by product category	FY2023	FY2024	YoY change (Amount)	YoY change (%)
	Full-year results	Full-year results		
Sales of the Pharmaceuticals Business in Japan	3,336	3,556	+ 219	+ 6.6%
Seirogan	2,107	1,978	(128)	(6.1)%
Seirogan Toi-A	1,472	1,760	+ 287	+ 19.6%
Seirogan Quick C	246	319	+ 73	+ 29.6%
Other *1	91	107	+ 15	+ 17.3%
Returns, discounts, sponsorship, etc.	(581)	(610)	(28)	—

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

Seirogan



Seirogan Toi-A



Seirogan Quick C



Rappa Intestinal Regulator BF



Pishat Antidiarrheal OD Tablet



- Resumed shipping to the Hong Kong market, which had been delayed due to scheduling adjustments with the domestic market

(Millions of yen)

Sales by region		FY2023	FY2024	YoY change (Amount)	YoY change (%)
		Full-year results	Full-year results		
Sales of the Pharmaceuticals Business overseas		1,849	2,222	+ 373	+ 20.2%
China		840	835	(5)	(0.6)%
Hong Kong		725	1,085	+ 360	+ 49.8%
Taiwan		272	290	+ 18	+ 6.7%
Other regions *1		101	73	(28)	(28.0)%
Returns, discounts, sponsorship, etc.		(90)	(62)	+ 28	—

※1 U.S., Canada, Thailand, Malaysia, and other regions

## SEIROGAN®

Seirogan



Seirogan Toi-A



# Performance of the Infection Control Business

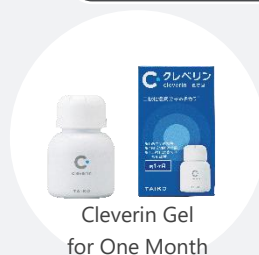
- Profitability improved thanks to strengthened cost controls, although sales for both general and business use remained sluggish
- Continuing to make efforts to restore trust as our market share is currently on the rise

## Sales by customer type

(Millions of yen)

	FY2023	FY2024	YoY change (Amount)	YoY change (%)
	Full-year results	Full-year results		
<b>Sales of the Infection Control Business</b>	<b>929</b>	<b>508</b>	<b>(421)</b>	<b>(45.3)%</b>
<b>Japan     (for general use)</b>	<b>674</b>	<b>497</b>	<b>(177)</b>	<b>(26.3)%</b>
<b>Japan     (for commercial use)</b>	<b>423</b>	<b>197</b>	<b>(226)</b>	<b>(53.4)%</b>
<b>Overseas</b>	<b>86</b>	<b>36</b>	<b>(49)</b>	<b>(58.0)%</b>
<b>Returns, discounts,     sponsorship, etc.</b>	<b>(254)</b>	<b>(221)</b>	<b>+ 32</b>	<b>—</b>

### Cleverin



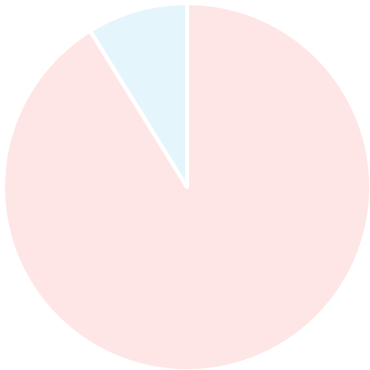




### **3. Upcoming Business Strategies**

79th term (FY2024)

- Pharmaceuticals Business: Build a revenue base as our core business
- Infection Control Business: Minimize business risks and enhance profitability
- Streamline management to improve our earnings structure








80th term (FY2025)

- Pharmaceuticals Business: Promote initiatives in the first year of medium-term measures to strengthen supply
- Infection Control Business: Break out of the downward trend
- Continue to streamline costs to improve our earnings structure

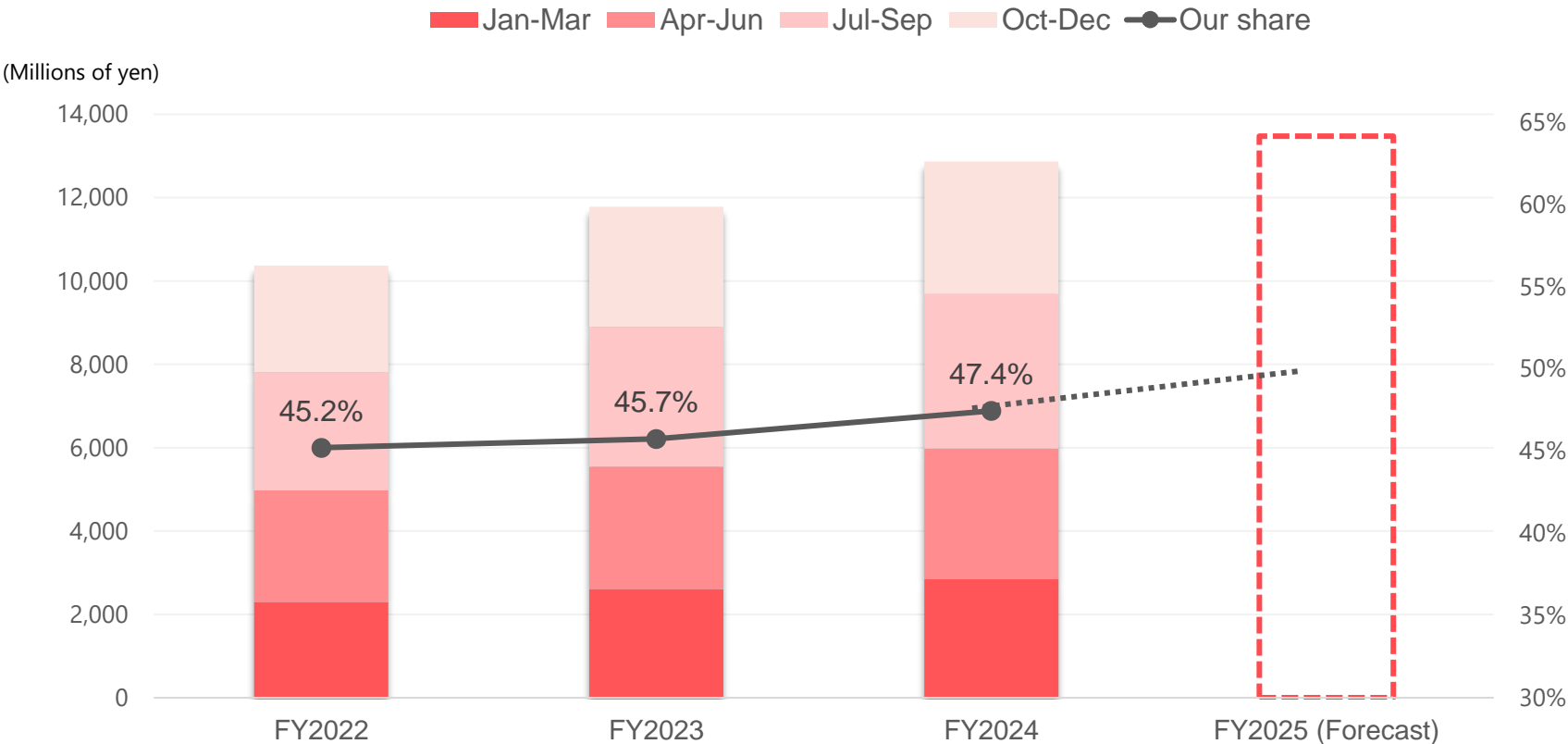


■ In-store sales of our trumpet (*Rappa*) mark brand products are recovering overall

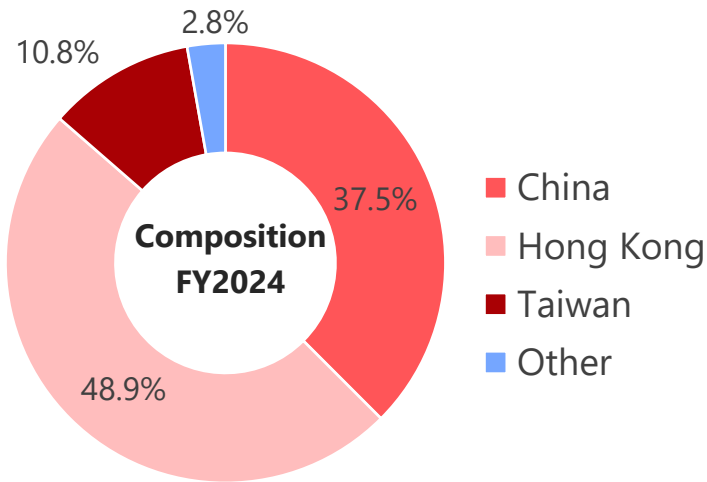
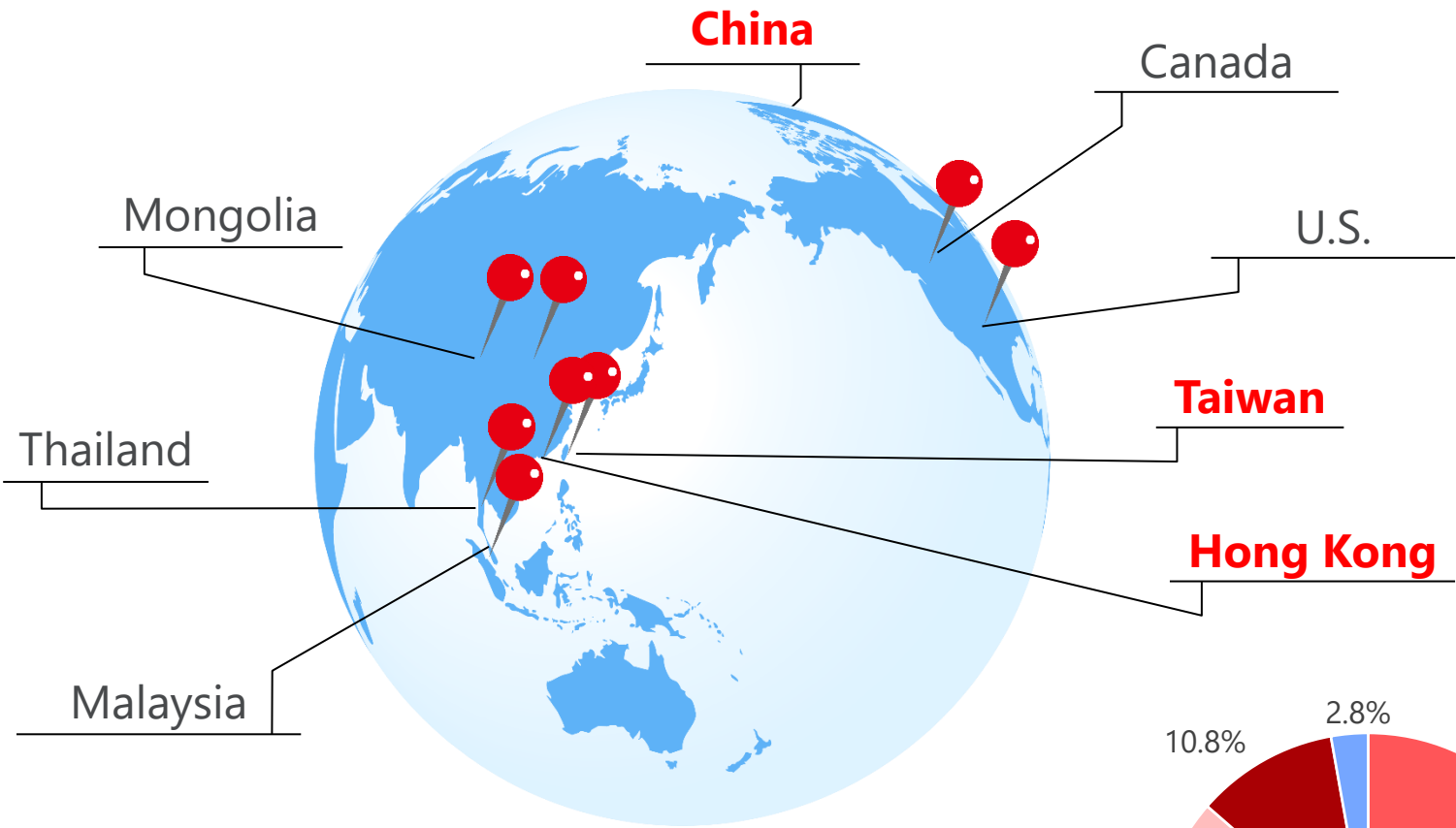
Market trend	In-store sales (YoY change from FY2023)	Results in FY2024
Antidiarrheal drug market	+9.5% 	Remained strong, with a recovery trend
Taiko Pharmaceutical total	+13.6% 	Outperformed the market growth
Seirogan	+6.0% 	Sales increased due to recovery in demand and the impact of other companies' stock shortages, but supply issues remained
Seirogan Toi-A	+15.3% 	Recovering thanks to the resolution of supply issues and an increase in SKUs
Seirogan Quick C	+73.0% 	Continued growth as a result of promotions aimed at young people

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

- Steady market demand is expected to continue into 2025
- Our market share has risen nearly to 50
- Aim to further expand our share of the trumpet (*Rappa*) brand products by strengthening our supply system



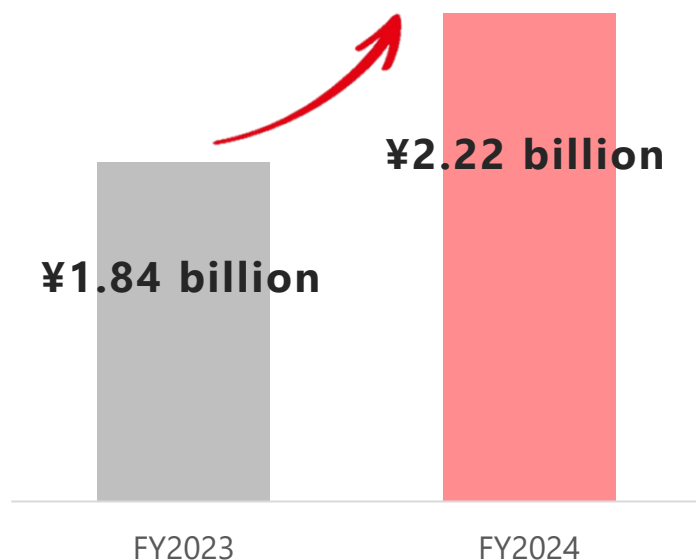
\* Source: SRI+ based on retail selling price, by INTAGE Inc. and the market forecast for 2024 by FUJI KEIZAI CO., LTD.



- Overseas sales were strong, but the percentage of Seirogan sales was higher than those in Japan and supply shortages continued
- Plan to strengthen the supply system for Seirogan to achieve growth in overseas sales, one of our medium-term growth drivers

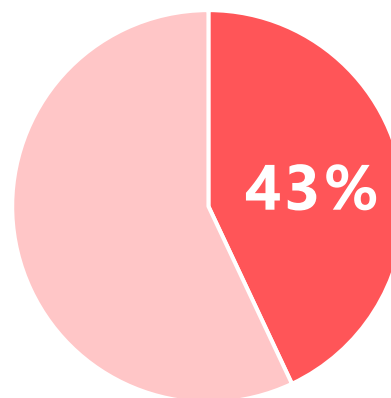
## Overseas sales

**Up 20.2% YoY**

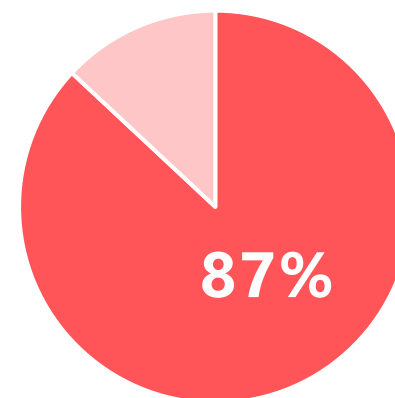


## Sales composition (FY2025 forecast)

### Japan

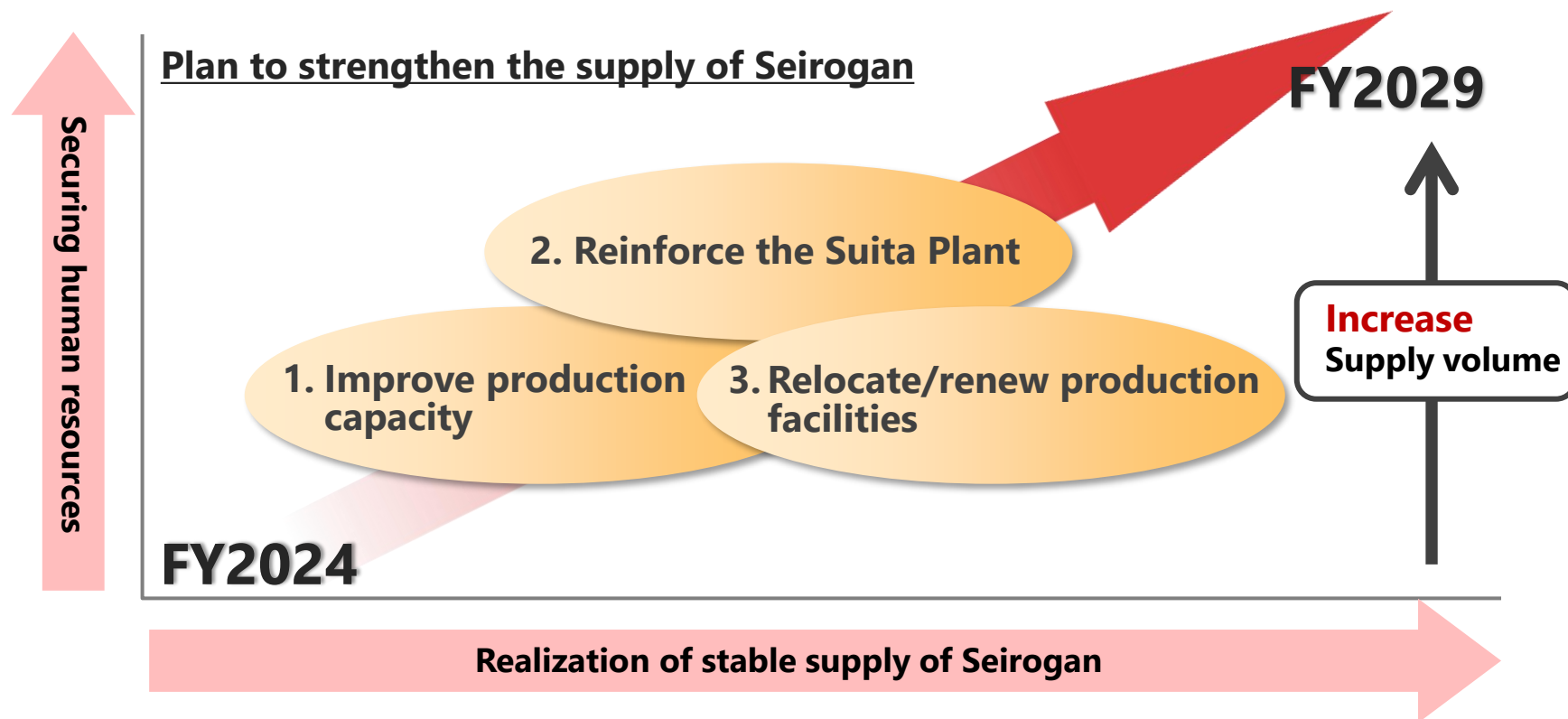


### Overseas



● Seirogan ● Seirogan Toi-A

- Started the restructuring of production operations in 2024 given the outlook for future demand forecast
- Plan to proceed with three projects in phases, to be completed in 2029



■ Planning to resolve all the issues of the supply of Seirogan in the medium term

		FY2024	FY2025	FY2029	Outlook
Seirogan	Japan	△	△/○	○	Aim to resolve supply issues for the domestic market as soon as possible
	Overseas	×	△	○	Expect to resolve the issues for the overseas market in the medium term
Seirogan Toi-A	Japan	△	○	○	As the supply issues have been resolved, we plan to strengthen sales promotion activities going forward
	Overseas	△	○	○	



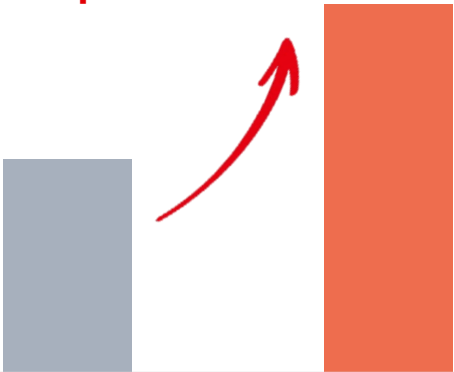
○: Full-lineup supply; △: Supply of limited SKUs; ×: Supply shortage



- Sales of Seirogan Quick C, which was redesigned in 2023, continued to grow in 2024
- Conducted promotional activities to appeal to younger consumers and highlight the product's usage scenarios

## In-store sales in Japan (Jan. to Dec, Source: INTAGE)

Up 73.0% YoY



FY2023

FY2024

Old package



Updated the product  
packaging

New package



## Promotional measures

### ● Distribution of short videos

Delivered product usage scenarios tailored to our target audience in the trending short video format

[Student life version]



[On-the-go version]



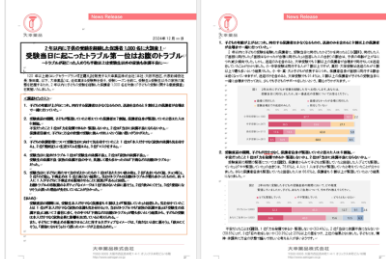
### ● Press releases utilizing user surveys

Published press releases based on surveys of stomach troubles

[Stomach troubles by prefecture]

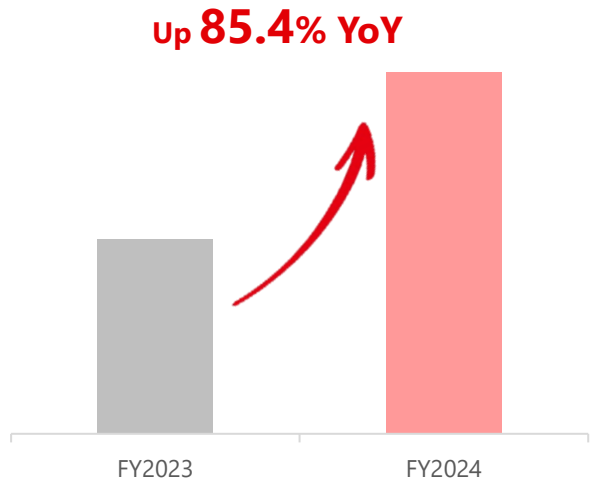


[Test-taking and health]



- Sales increased in FY2024 driven by the launch of an 8-pack type in convenience stores
- Distributed advertising mainly through web media to gain recognition and empathy among women in their 40s and 50s who suffer from abdominal bloating

Sales at domestic stores and e-commerce sites  
(Jan. to Dec, by INTAGE Inc.)



Launched 8-package type in February 2024



Easy-to-try small package

Promotional measures

- Deliver advertising through media matching the target audience



Videos showing common situations that cause stomach issues  
(Meeting room and fitting room versions)



Stomach gas type diagnosis on the brand site

- Tie-ups with podcast programs and VTubers popular with the target audience

# Goal of Our Infection Control Business

A business that aims to create a society free from infectious diseases by promoting our liquid solutions and gas generating agents/generators that use our unique low-concentration chlorine dioxide with controllable concentration.

## Japan Chlorine Dioxide Industry Association

### JIS standard

(Measurement method for chlorine dioxide gas)

### JSA standard

(Measurement method for airborne viruses and bacteria)

Creation of  
airborne  
viruses  
removal  
market

established(JIS S 3302:2021)

Expected to be established  
during FY 2025



BtoC products

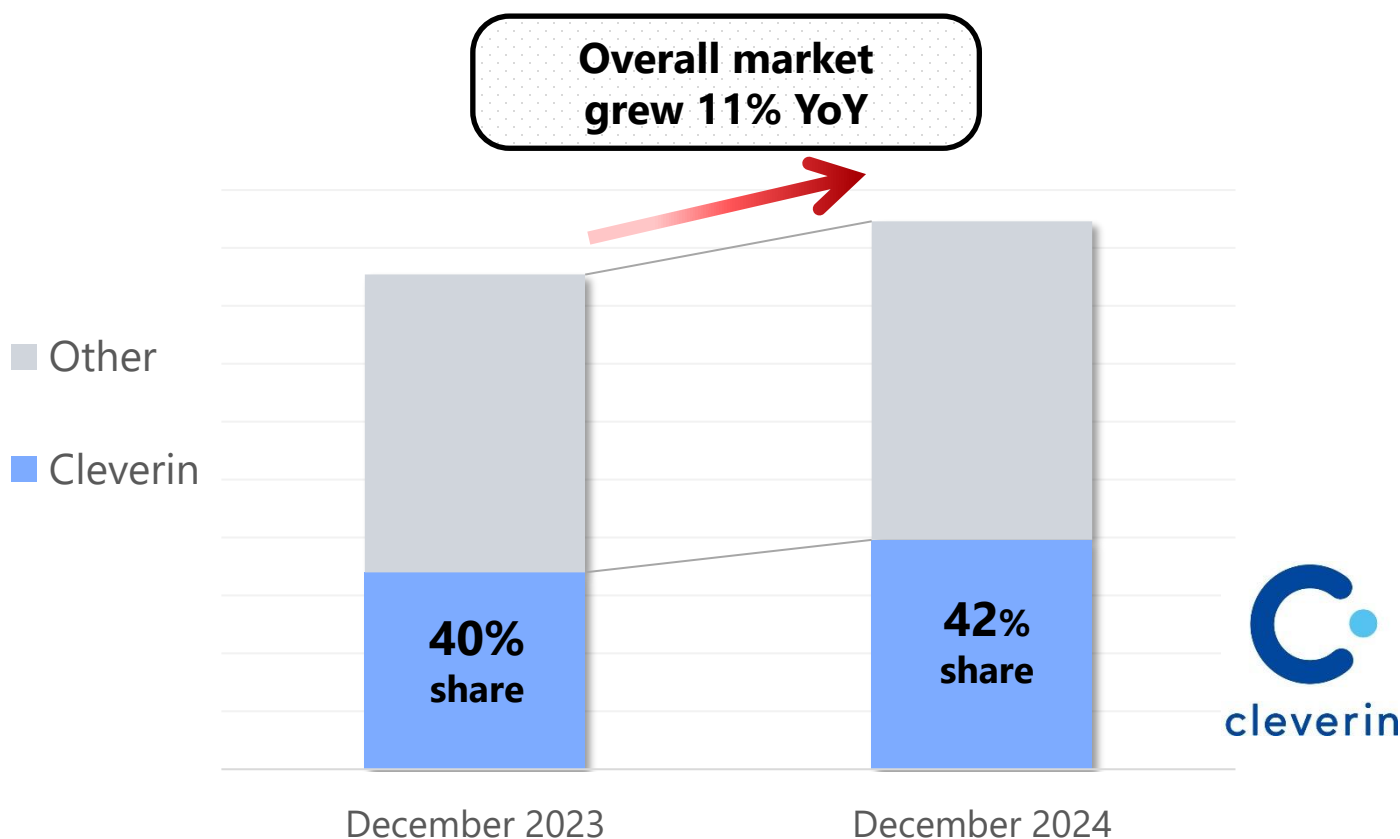


BtoB products



BtoB products  
(gas generating generators )

- Although market forecasting remains difficult, the performance of the overall market and Cleverin rose YoY during the peak demand period of winter, although market forecasting remains challenging
- Higher sales of Cleverin drove the growth of the overall market



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

- Delivered messages that intuitively convey our products' value rather than solely focusing on their functionality. By leveraging collaboration promotions, we secured multiple touchpoints with our target audience

## Online video marketing

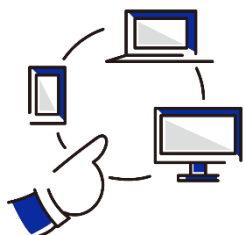
### Created videos that convey product value instinctively



Full version of "Facts about Cleverin"



Cleverin Spray  
"For alcohol-resistant viruses" version



**Distributed online videos targeting parents of students preparing for entrance exams who are highly conscious about hygiene**

## Collaborative promotions

**Broadcasting discussions between key opinion leaders and our employees on social media**  
**Gaining touchpoints through tie-ups with retailers through apps**



Interviews with  
popular bloggers



Interviews with celebrities

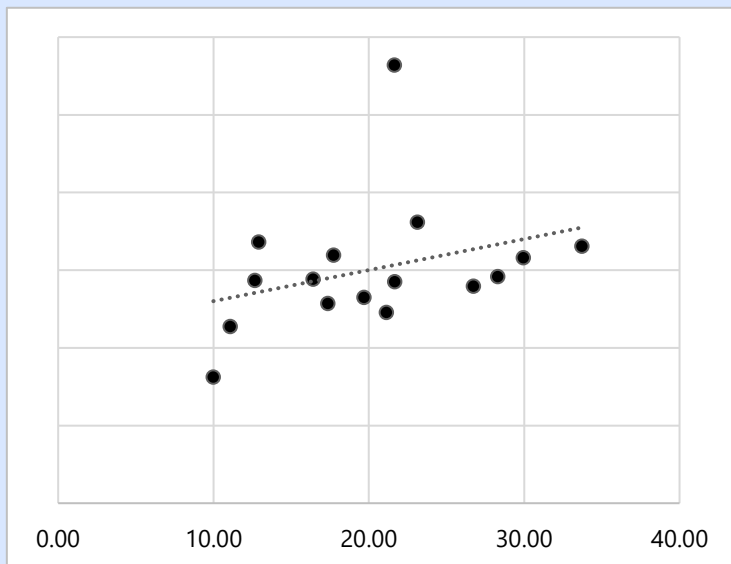


Retailers' apps

- As a result of our winter marketing efforts, our brand recall as a related item during the flu season recovered  
→ The results show a correlation with sales trends

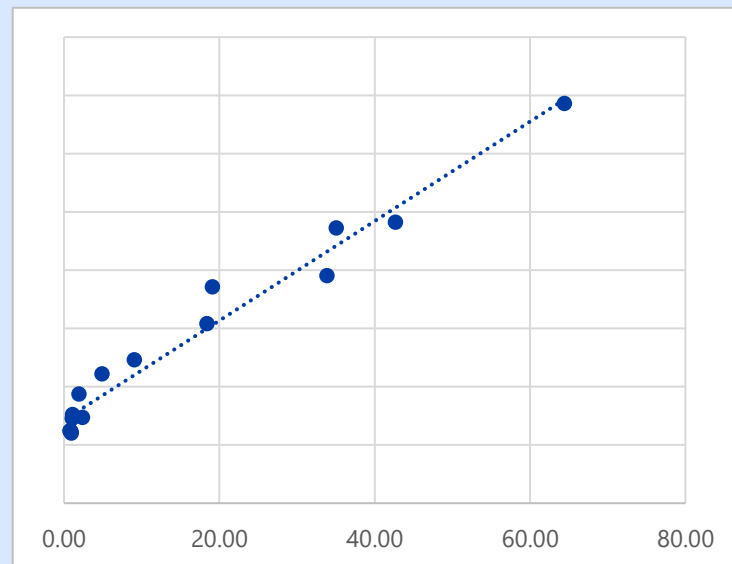
## Correlation between reported cases per flu sentinel site and sales of Cleverin in stores

Week 40 of 2023–Week 3 of 2024



$$R^2=0.32786$$

Week 40 of 2024–Week 3 of 2025



$$R^2= 0.98370$$

Products of chlorine dioxide gas...

There are no standards or rules for testing methods and judgement criteria



With the establishment of the JSA standard...

The first standard will be established for evaluating the performance of products against airborne droplet infection which is a social issue.



## Upcoming plans

- ◆ Conduct verification tests based on the standards set by JSA
- ◆ Update advertising copy on packaging and displays
- ◆ Developing new businesses using chlorine dioxide gas products

Reviving sales of Clevelin and developing new products for business use





## **4. Full-year Earnings Forecast for FY2025**



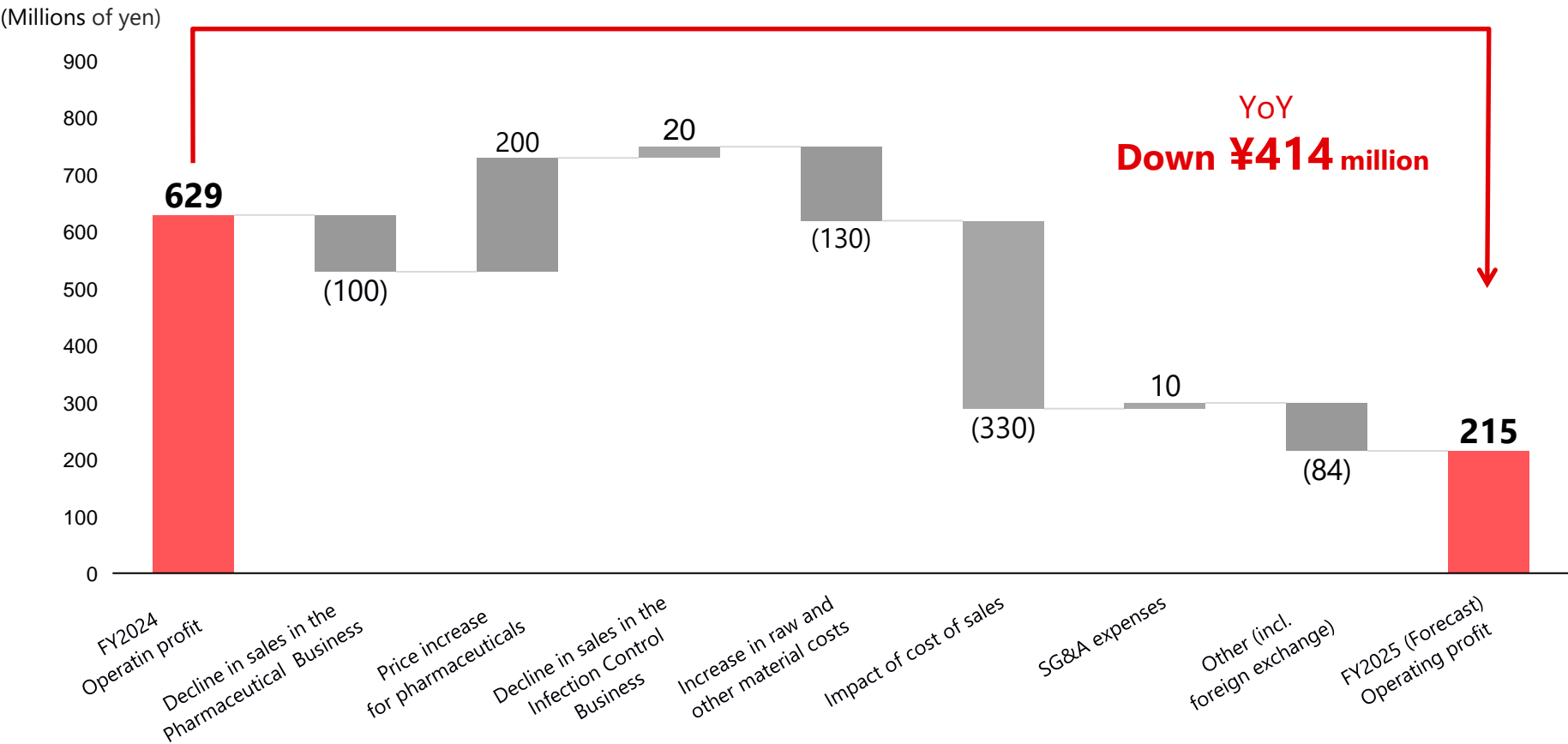
- Sales are expected to remain almost unchanged YoY, but profits are anticipated to decline due to an increase in cost of sales
- Aim to improve corporate value over the medium to long term by striking a balance between stable profits and investments for growth

(Millions of yen)

	FY2024 Results	FY2025 Forecast	YoY change (Amount)	YoY change (%)
<b>Net sales</b>	<b>6,293</b>	<b>6,300</b>	<b>+7</b>	<b>+0.1%</b>
<b>Pharmaceuticals Business</b>	<b>5,778</b>	<b>5,745</b>	<b>(33)</b>	<b>(0.6)%</b>
<b>Infection Control Business</b>	<b>508</b>	<b>550</b>	<b>+41</b>	<b>+8.1%</b>
<b>Other</b>	<b>5</b>	<b>5</b>	<b>(0)</b>	<b>(4.3)%</b>
<b>Operating profit</b>	<b>630</b>	<b>215</b>	<b>(414)</b>	<b>(65.9)%</b>
<b>Ordinary profit</b>	<b>688</b>	<b>200</b>	<b>(488)</b>	<b>(70.9)%</b>
<b>Profit</b>	<b>898</b>	<b>300</b>	<b>(598)</b>	<b>(66.6)%</b>

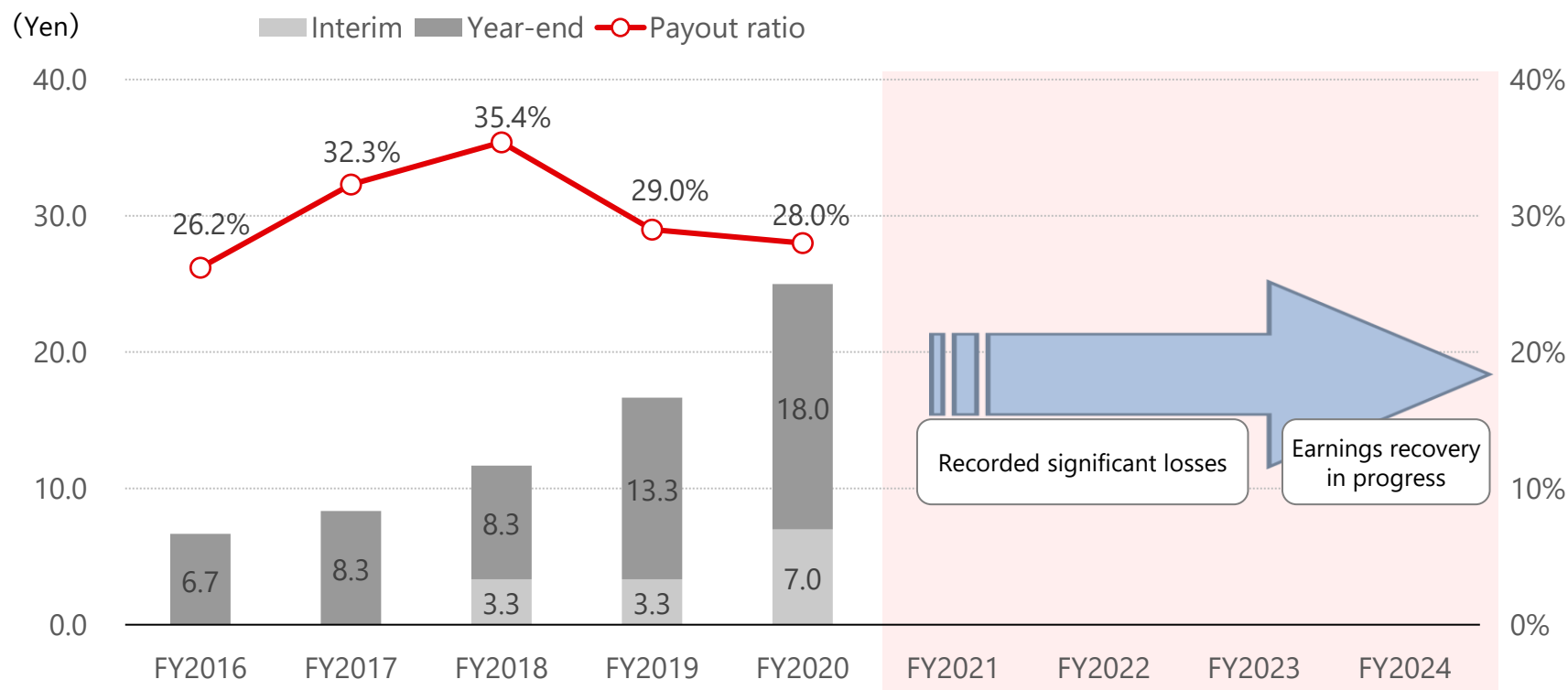
The above forecast includes gain on sale of investment securities disclosed on February 7, 2025.

- Sales in the Pharmaceuticals Business are expected to decrease due to a decline in the production volume of Seirogan primarily as a result of the renewal of manufacturing facilities
- Sales in the Infection Control Business are anticipated to increase slightly based on recent sales trends
- Operating profit is expected to be ¥215 million due to factors such as the impact of rising raw and other material costs and an increase in cost of sales (including repair costs) associated with the upgrade of production facilities for a stable supply system



- We have decided not to distribute dividends as our earnings are yet to fully recover

## Dividends



**The dividend forecast for FY2025 has yet to be determined.**

→ **Planning to make a decision after assessing the trend of earnings and financial condition**



**Bringing great  
happiness to our  
customers  
around the world**

## Pharmaceuticals Business



においがいい糖衣錠  
**セイロガンA**  
第2類医薬品

昔ながらの常備薬  
**正露丸**  
第2類医薬品



## Infection Control Business



To questions that we were unable to cover during the session, we will respond individually later.

Questions are welcomed after the session. Contact us through [IR Inquiries on our IR website](#). (Japanese only).

Please note that we are unable to respond to inquiries by telephone.

Thank you for your invaluable support.  
We will further strive to ensure fair disclosure.



# TAIKO

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.