



May 1, 2024

To whom it may concern:

Company Name: TAIYO HOLDINGS CO., LTD.
Representative: Eiji Sato, President, and CEO
(Code: 4626, Listed on Prime
Market of Tokyo Stock Exchange)
Inquiries: Sayaka Tomioka, Managing
Executive Officer, CFO
Tel: +81-3-5953-5200 (main line)

Notice Regarding Recognition of Extraordinary Losses

TAIYO HOLDINGS CO., LTD. (hereinafter, “Taiyo Holdings”) hereby announces recognition of extraordinary losses for fiscal year ended March 31, 2024.

1. Recognition of extraordinary losses

In light of the deterioration in the profitability of sales rights possessed by our consolidated subsidiary, Taiyo Pharma Co., Ltd., for KYTRIL[®], MADOPAR[®], MEXITIL[®], DIGOSIN[®], and REMINYL[®], we reviewed the valuation of each asset. This resulted in writing down the book value of the sale rights for these five drugs to the recoverable amount and recognizing 4,792 million yen in impairment losses as extraordinary losses for the fourth quarter of the fiscal year ended March 31, 2024.

The reasons for the deterioration in the profitability of KYTRIL[®], MADOPAR[®], and MEXITIL[®] were the decline in the sales prices from NHI drug price revisions and the steep rise in procurement prices due to yen depreciation and inflation. The decline in the profitability of DIGOSIN[®] resulted from the steep rise in the procurement price due to yen depreciation and inflation. For REMINYL[®], the decline resulted from a decrease in the sales price due to NHI drug price revisions and from a decrease in sales volume accompanying changes in the market environment.

2. Impact on financial results

The extraordinary losses described above are reflected in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2024, announced today.