



May 13, 2026

Company: Tsubakimoto Chain Co.
Representative: Takatoshi Kimura, President and Representative Director
(Code No.: 6371, Prime Market of the TSE)
Inquiries: Yukiko Noguchi, Manager, Sustainability Strategy Department
TEL +81 (6) 6441-0054

Notice Regarding the Recognition of Extraordinary Income and Extraordinary Losses,
and Differences Between the Consolidated Earnings Forecast and Actual Results
for the Fiscal Year Ended March 31, 2026

Tsubakimoto Chain Co. (the “Company”) hereby announces that it recorded extraordinary income and extraordinary losses in its consolidated financial results for the fiscal year ended March 31, 2026, as described below.

As a result, differences have arisen between the consolidated earnings forecast for the fiscal year ended March 31, 2026, which was announced on October 31, 2025, and the actual results announced today. Details are as follows.

1. Recognition of Extraordinary Income

As announced in the “Notice Regarding Execution of Business Integration Agreement and Share Exchange Agreement (Simplified Share Exchange) for Business Integration of Tsubakimoto Chain Co. and Daido Kogyo Co., Ltd.”, the Company made Daido Kogyo Co., Ltd. a consolidated subsidiary through a stock exchange effective January 1, 2026.

As a result of this transaction, the Company recorded a gain on negative goodwill of ¥11,643 million as extraordinary income in the consolidated financial results for the fourth quarter of the fiscal year ended March 31, 2026.

2. Recognition of Extraordinary Losses

(Impairment Loss)

With respect to customer-related assets and trademarks related to the material handling business held by U.S. Tsubaki Holdings, Inc. (Illinois, U.S.A.), a consolidated subsidiary, the Company carefully examined future business plans and projected future cash flows in light of recent changes in the order environment. As a result, the recoverable amount was determined to be zero, and the Company recorded an impairment loss of ¥4,214 million by reducing the carrying amount of these assets in full. Consequently, the remaining book value of the relevant intangible assets became zero.

In addition, with respect to tangible fixed assets and intangible assets related to the chain business held by Tsubakimoto Chain (Tianjin) Co., Ltd. (Tianjin, China), a consolidated subsidiary of the Company, the Company examined the profitability and recoverability of the assets. As a result, the recoverable amount was determined to be the net realizable value, and the Company recorded an impairment loss of ¥427 million by reducing the carrying amount of these assets.

(Business Restructuring Loss)

As part of a site reorganization aimed at optimizing the production structure, the Company has decided to close Tsubakimoto Automotive (Shanghai) Co., Ltd. (Shanghai, China), a consolidated subsidiary of the Company, in the future.

Following this decision, the Company plans to dispose of inventories, machinery and equipment, and certain software held at the site that are not expected to be used going forward.

3. Differences Between the Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ended March 31, 2026
(April 1, 2025 – March 31, 2026)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent company	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously released forecast (A) (Released October 31, 2025)	284,000	20,000	22,000	19,000	189.15
Actual (B)	295,878	21,578	24,804	29,708	295.80
Increase/(Decrease) (B-A)	11,878	1,578	2,804	10,708	—
Percentage increase/(decrease) (%)	4.2	7.9	12.7	56.4	—
Reference: Previous period results (Fiscal year ended March 31, 2025)	279,193	22,854	25,332	22,122	212.65

Reasons for the Differences

Net sales, operating income, and ordinary income exceeded the forecast mainly due to the consolidation of Daido Kogyo Co., Ltd. as a subsidiary effective January 1, 2026, and the favorable performance of the mobility business.

Net income attributable to owners of parent company was mainly affected by the above factors, as well as the recognition of a gain on negative goodwill described in Section 1 above, and the recording of extraordinary losses such as impairment losses and business restructuring losses described in Section 2 above.