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To whom it may concern:

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Notice Concerning Recognition of Impairment Loss (Extraordinary Loss) on Goodwill and Other Fixed Assets and Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026

During the fourth quarter of the consolidated fiscal year ending March 31, 2026, Sintokogio, Ltd. (hereinafter, the “Company”) expects to record an impairment loss on goodwill and other fixed assets associated with the acquisition of shares of its European subsidiary in April 2024. In view of this development, the Company hereby announces the revision of its consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026), which were previously announced on February 6, 2026. Furthermore, there is no change to the previously announced dividend forecast.

1. Recognition of Impairment Loss (Extraordinary Loss) on Goodwill and Other Fixed Assets

Elastikos (France) S.A.S. (hereinafter, “Elastikos”), which became a subsidiary of the Company in April 2024, oversees 32 subsidiaries and maintains a broad customer base across Europe, the Americas and emerging markets. However, due to a decline in sales of consumables associated with the slowdown in the European economy and intensified competition resulting from the growing presence of Chinese competitors, its business performance has fallen substantially short of initial expectations. Following a reassessment of Elastikos’s future cash flows, the recoverable amount was found to be lower than the carrying amount, and accordingly, the Company will recognize an extraordinary loss of 20 billion yen in the fiscal year ending March 31, 2026, recording an impairment loss on goodwill and other fixed assets. Please note that this impairment loss is a non-cash item and therefore has no direct impact on cash flow.

2. Revision of Consolidated Earnings Forecasts for the Full Year

(1) Revision of consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of the parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	180,000	2,500	2,100	3,000	57.16
Revised forecasts (B)	180,000	2,500	2,100	(17,000)	(323.85)
Change (B-A)	0	0	0	(20,000)	
Change (%)	0.0	0.0	0.0	—	
(Reference) Previous Fiscal Year Results (Fiscal Year Ended March 31, 2025)	150,224	3,004	3,226	2,757	52.59

(2) Reason for the differences

The main businesses of our consolidated group continue to perform steadily, and there is no change to our previously announced forecasts for net sales, operating profit, and ordinary profit, which were released on February 6, 2026. However, profit attributable to owners of the parent has been revised downward from the previous forecast due to the recognition of impairment loss on goodwill and other fixed assets as an extraordinary loss.

Given these forecasts and based on information currently available, the Company anticipates that profit attributable to owners of the parent will return to profitability for the fiscal year ending March 31, 2027, as the temporary factors affecting our results will have been eliminated.

Note: The above forecasts are based on information currently available to the Company. Actual results may differ from the above figures due to various factors in the future.