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August 6, 2026

Company name: Kurimoto, Ltd.
Representative: Kazutaka Kikumoto, President
Listed on: Tokyo Stock Exchange's Prime Market (Securities code: 5602)
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Notice Concerning Recording of Extraordinary Losses (Loss on Extinguishment of Tie-in Shares) in Connection with Absorption-Type Merger of Subsidiary (Non-Consolidated Financial Results)

Kurimoto, Ltd. (the "Company") conducted an absorption-type merger (the "Absorption-Type Merger") effective April 1, 2026, with Sankyo Machinery, Ltd.("Sankyo Machinery"), which was a wholly owned subsidiary of the Company, as a disappearing company, as announced in the "Notice Concerning Absorption-Type Merger (Simplified, Short-Form Merger) of Wholly Owned Subsidiary" dated December 24, 2025.

The Company hereby announces that, as part of the accounting treatment for the Absorption-Type Merger, it has recorded extraordinary losses (loss on extinguishment of tie-in shares) in its non-consolidated financial statements, as described below.

1. Details

On the effective date of the Absorption-Type Merger (April 1, 2026), the Company recorded 29 million yen, which is the difference between the book value of the assets and liabilities received from Sankyo Machinery (the disappearing company) and the book value of the shares of Sankyo Machinery, held by the Company (tie-in shares), as "loss on extinguishment of tie-in shares" in extraordinary losses of the Company's non-consolidated financial statements for the three months ended June 30, 2026. We would like to apologize for the fact that the Absorption-Type Merger resulted in the recording of extraordinary losses in the Company's non-consolidated financial statements, and for the fact that the Absorption-Type Merger was conducted as a simplified merger.

2. Impact on Consolidated Financial Results

Since the extraordinary losses will be eliminated in the consolidated financial statements, they will have no impact on the Company's consolidated financial results for the fiscal year ending March 31, 2027.