DISCLAIMER: This English document is translated using a machine translation. You may use this for reference purposes only, fully understanding that it may include inaccurate translations. It is your sole responsibility if you rely not on the Japanese original but on this translation.

April 27, 2026

Company name: PIOLAX, INC.
Name of representative: Satoshi Yamada, Representative Director and President
(Code No. 5988 TSE Prime)
Inquiries: Toshihiro Fukuda, General Manager, Business Administration Department
(TEL. +81-45-577-3880)

Notice of Concerning Recognition of Impairment Losses and Revisions to Financial Results Forecasts

PIOLAX, INC. (the "Company") hereby announces that it expects to record impairment losses as described below in its consolidated financial results for the fiscal year ending March 31, 2026. In addition, in light of the most recent operating trends, it has revised the consolidated financial results forecasts for the fiscal year ending March 31, 2026, which was announced on February 12, 2026, as described below.

1. Due to changes in the business environment at certain overseas subsidiaries, a decline in profitability has been identified. Accordingly, the Company determined that indicators of impairment existed for the fixed assets held by these subsidiaries and conducted a review of their future recoverability. As a result of this review, including fixed assets that are not expected to be used due to future production realignments, the Company expects to record approximately ¥400 million as an impairment loss in the fiscal year ending March 31, 2026.
The impairment loss is attributable to non-recurring factors and is not expected to have a continuing impact on the Company's operating results in subsequent fiscal years.

2. Revisions to consolidated financial results forecasts for the current fiscal year

(April 1, 2025 through March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	61,200	1,600	1,500	700	27.44
Revised forecasts (B)	62,000	1,450	1,400	50	1.96
Change (B-A)	800	-150	-100	-650	
Change (%)	1.3	-9.4	-6.7	-92.9	
(Reference) Actual results for the previous fiscal year ended March 31, 2025	63,351	2,382	3,402	1,792	52.67

Reason for the revisions

In the process of finalizing the year-end financial results, as described above, the Company has taken into account expected impairment losses on fixed assets at certain overseas subsidiaries, and also conducted a review of provisions, income tax expenses, and other related items.

Furthermore, taking into consideration sales trends in the automobile industry, which is a major customer sector, as well as factors such as increased variable costs, the Company has revised its consolidated full-year earnings forecast.

Regarding the year-end dividend forecast, based on our dividend policy previously disclosed, there is no change from the prior forecast, and we plan to pay a dividend of ¥53 per share.

For reference, we assume an exchange rate of ¥150 per US$1.

(Note) This earnings forecast has been prepared based on information currently available to the Company and certain assumptions that are deemed reasonable. Actual results may differ materially from the forecast due to various factors.
In addition, audit procedures are currently in progress, and the final figures will be announced in the Consolidated Financial Results Summary scheduled to be released on May 11, 2026.