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Company name: Tsurumi Manufacturing Co., Ltd.
Representative: Osamu Tsujimoto, President
(Securities code: 6351, TSE Prime)
Inquiries: Keiichiro Tsuruga
Managing Director
Administration Division
(Telephone: +81-6-6911-2351)

Notice on the Recognition of Extraordinary Losses and a Revision of the Consolidated Earnings Forecasts for the Full-year

Tsurumi Manufacturing Co., Ltd. (“the Company”) expects to recognize extraordinary losses (impairment losses) in the consolidated fiscal year ended March 31, 2026 (April 1, 2025 – March 31, 2026). Moreover, taking into consideration the recognition of extraordinary losses, recent business performance trends, and other factors, the Company hereby announces that it has revised its consolidated earnings forecasts for the full fiscal year ended March 31, 2026 that was announced on November 11, 2025.

1. Recognition of extraordinary losses

As announced on July 2, 2024, the Company acquired additional shares of ZENIT INTERNATIONAL S.P.A. (“ZENIT”) and made it a wholly owned subsidiary. Based on its medium-term management plan, Transformation 2027, the Company has been pursuing technical and business cooperation with ZENIT and creating synergies in terms of products and sales as part of its efforts to strengthen its global strategy. As a result of technical and quality exchanges between the two companies, Zenit has adopted high-efficiency submersible pumps equipped with its proprietary smashing mechanism and has begun selling CTG pumps with enhanced solid-handling capabilities in Europe and other regions, which is expected to contribute to its future earnings. Meanwhile, the Company has been expanding sales of Zenit’s AVANT series submersible pumps for the plant/equipment market through its global sales network. By steadily building a sales track record in North America, Asia, and other markets, the Company is successfully generating synergistic effects.

However, ZENIT no longer expects to be able to secure the revenue originally projected in light of the prolonged Ukraine war, a slowdown in the Chinese market, and other factors. In addition, ZENIT has revised its business plan, taking into account planned significant capital investments aimed at improving productivity and enhancing quality to support further expansion of its global market share. Based on these facts, the Company conducted an impairment test, and as a result, expects to recognize impairment losses of 3,117 million yen for goodwill and 899 million yen for customer-related intangible assets associated with ZENIT. Consequently, the full amount of goodwill and customer-related intangible assets related to ZENIT (4,017 million yen) will be recognized as an expense.

2. Revised consolidated earnings forecasts for the full fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	¥ million	¥ million	¥ million	¥ million	¥ million
Previously announced forecast (A)	74,000	11,000	11,300	7,800	162.41
Revised forecast (B)	77,227	10,715	13,603	5,160	107.34
Difference (B – A)	3,227	△285	2,303	△2,640	
Difference (%)	4.4	△2.6	20.4	△33.8	
Reference: Previous FY (FYE March 31, 2025)	68,058	10,251	10,492	8,783	179.37

Note: 1. The forecast for annual dividends remains unchanged from the forecast most recently announced.

2. The Company split its common shares at a ratio of two shares for every one share on October 1, 2025. It has calculated its basic earnings per share on the assumption that it conducted this split at the beginning of the previous fiscal year.

3. Reason for revisions

In the period under review, the Group expects its sales to exceed its previous forecast. This is due to factors including increased attention in the Japanese plant and factory market on the high-efficiency submersible pumps equipped with a smashing mechanism that has outstanding solid matter passing capability. These pumps have been recognized for two consecutive years in the Technology Focus section at the Sewage Works Exhibition. In addition, the Group also expects overseas results to exceed its previously announced forecasts due to factors such as solid demand for the mining market and steel market in the North American region and for the plant and factory in the Asian region.

Regarding profits as well, the Group anticipates ordinary profit will exceed its previous forecasts due to higher sales and the yen trending weaker toward the end of the period under review.

In addition, as stated above, the Group expects profit attributable to owners of parent to fall below its previous forecast due to recognizing impairment losses for goodwill and customer-related intangible assets. Therefore, it has revised its consolidated earnings forecast as described above.

Introduction to the Company's Submersible Cutter Pumps with Smashing Mechanism

URL: <https://www.tsurumi-global.com/products1/BN/>



Note: The forecasts above are based on information available as of the date of this document's release.

Actual earnings may differ due to various factors in the future.