

Consolidated Financial Results

for the Nine Months of the Fiscal Year Ending March 31, 2026

(Under Japanese GAAP)

February 12, 2026

Company name: SATO Corporation
 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 6287
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 Scheduled date for dividend payment: -
 Supplementary materials for financial summaries: Yes
 Financial results briefing: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months of the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to December 31, 2025)

(1) Consolidated operating results (Cumulative)

(Percentage indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2025	121,755	4.8	8,673	(12.1)	7,877	(11.7)	5,105	(8.7)
December 31, 2024	116,211	8.2	9,865	22.0	8,923	14.9	5,592	16.4

(Note) Comprehensive income For the nine months ended December 31, 2025: 11,294 million yen (50.1%)
 For the nine months ended December 31, 2024: 7,525 million yen (20.5%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	157.25	157.22
December 31, 2024	172.39	172.36

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	149,465	89,056	56.7	2,608.75
March 31, 2025	139,757	80,237	54.8	2,357.76

(Reference) Owner's equity As of the third quarter of the fiscal year ending December 2025: 84,693 million yen
 As of the fiscal year ended March 2025: 76,540 million yen

2. Cash dividends

	Annual dividend per share				
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	37.00	-	38.00	75.00
Fiscal year ending March 31, 2026	-	38.00	-		
Fiscal year ending March 31, 2026 (Forecast)				38.00	76.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2026	161,000	4.0	11,000	(10.9)	10,100	(9.4)	6,800	(4.9)	209.46

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of specific accounting for the consolidated quarterly financial statements: None
- (3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement
 - (i) Changes in accounting policies based on revisions of accounting standard: None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Retrospective restatement: None

(4) Number of shares issued (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2025	33,635,942 shares
As of March 31, 2025	33,635,942 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	1,170,829 shares
As of March 31, 2025	1,172,623 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	32,464,673 shares
Nine months ended December 31, 2024	32,444,289 shares

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: Yes (voluntary)

Note regarding appropriate use of forecasts and other special items

The forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and assumptions deemed reasonable, and are based on certain assumptions and are not intended as a promise or guarantee of achievement by the Company. Actual results, etc. may fluctuate significantly due to various factors. For the assumptions underlying the forecasts, please refer to the attached materials, page 5, "1. Overview of Operating Results, etc. (3) Explanation of Consolidated Forecasts and Other Forward-Looking Information."

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the quarter

The SATO Group, with its 2030 vision to pursue “Perfect and Unique Tagging” to realize a future where everything has its own ID and connects seamlessly, runs business based on management principles, growth strategies and business targets defined in the current medium-term management plan (MTMP) for FY 2024 to 2028 (announced March 2024).

The first two years of the MTMP are allocated to restore profitability, with the following three years designated as a period for restarting growth investments. The two-phase structure allows us to strengthen the core business through higher profitability as we work to realize the vision of Perfect and Unique Tagging (PUT).

In December 2025, we made an update to the MTMP to reflect the progress we made on the plan and the changes in the business environment.

Background to the update:

1. Profitability improved as planned from FY 2024 to 2025.
2. Heightened importance of strong global management infrastructure for mitigating risks, including those related to geopolitics and cybersecurity.
3. Business development is progressing well in the focused business domains for realizing PUT concept.

To reflect the above, we made changes to the MTMP to ensure further growth towards achieving our 2030 vision.

Key updates

1. Clarification of the strategic portfolio (identification of key focus areas)
2. Revised business targets for FY 2028
3. Updates on focused business domains and progress in PUT-related businesses
4. Update to capital allocation policy

Revised business targets for FY 2028

Net sales: 186 billion yen

Operating income: 15.7 billion yen

ROIC: 9.4%

ROE: 10.2%

P/B ratio: 1.0 or higher at the earliest possible

For more details on the MTMP, please refer to: <https://www.sato-global.com/ir/event/others-session/>

For the first nine months of this fiscal year, sales and operating income for the Japan business increased year on year. For the overseas business, sales increased while operating income decreased for the same period.

On a consolidated basis, the SATO Group posted net sales of 121,755 million yen for the nine-month period (up 4.8% year on year), operating income of 8,673 million yen (down 12.1%), ordinary income of 7,877 million yen (down 11.7%), and net income attributable to owners of parent of 5,105 million yen (down 8.7%).

Performance by segment is as follows.

Auto-ID solutions (Japan)

Mechatronics sales increased, driven by major strategic projects in the logistics market, the demand resulting from the revised logistics efficiency legislation, and the needs to improve operational efficiency in the manufacturing market. Consumable sales also grew, supported by generally solid performance across all markets. Higher sales and a more favorable product mix led to an increase in operating income.

Under these circumstances, net sales increased 8.3% to 63,423 million yen, and segment profit increased 34.1% to 3,732 million yen, compared with the same period of the previous fiscal year.

For information on our sales performance by market, please refer to the financial results briefing materials available on our website. <https://www.sato-global.com/ir/library/settlement/>

Auto-ID solutions (Overseas)

Outside Japan, sales from the base business increased, driven primarily by strong performance in Europe. While our companies specializing in primary labels were unfavorably affected by the normalization of the competitive environment in Europe (Russia) and a decline in demand resulting from changes in the tax system in Europe (Russia), sales increased, helped by favorable foreign

exchange effects. However, increased costs in the primary label business in Europe (Russia) pushed down profits, resulting in lower operating income for the overseas primary labels business overall. Under these circumstances, net sales increased 1.2% to 58,331 million yen (a 0.5% decrease excluding foreign exchange effects), and segment profit declined 30.9% to 5,038 million yen, compared with the same period of the previous fiscal year.

For a detailed breakdown of financial performance by (i) base and primary labels businesses and (ii) region, please refer to the financial results briefing materials available on our website. <https://www.sato-global.com/ir/library/settlement/>

(2) Overview of financial positions for the quarter

As for assets at the end of the third quarter of the consolidated fiscal period, the balance of current assets was 97,080 million yen (91,558 million yen at the end of the previous consolidated fiscal year), an increase of 5,522 million yen. This was mainly due to an increase in cash and deposits (1,827 million yen), an increase in notes and accounts receivable - trade, and contract assets (2,260 million yen), and an increase in merchandise and finished goods (1,032 million yen), among other factors. The balance of non-current assets was 52,385 million yen (48,198 million yen at the end of the previous consolidated fiscal year), an increase of 4,186 million yen. This was mainly due to an increase in buildings and structures under property, plant and equipment (1,440 million yen), an increase in machinery, equipment and vehicles (883 million yen), an increase in land (362 million yen), an increase in software under intangible assets (1,211 million yen), and an increase in software in progress (331 million yen), among other factors.

Regarding liabilities, the balance of current liabilities was 42,254 million yen (41,677 million yen at the end of the previous fiscal year), an increase of 576 million yen. This was mainly due to an increase in notes and accounts payable - trade (746 million yen), an increase in contract liabilities (539 million yen), and a decrease in accrued consumption taxes included in others (483 million yen). The balance of non-current liabilities was 18,155 million yen (17,842 million yen at the end of the previous fiscal year), an increase of 313 million yen. This was mainly due to an increase in retirement benefit liability (101 million yen) and an increase in deferred tax liabilities included in others (354 million yen).

Regarding net assets, the balance at the end of the third quarter of the consolidated fiscal period was 89,056 million yen (compared to 80,237 million yen at the end of the previous consolidated fiscal year), an increase of 8,818 million yen. This was mainly due to an increase in retained earnings (2,627 million yen) resulting from the recording of net income attributable to owners of parent, and an increase in foreign currency translation adjustment (5,518 million yen).

(Cash flows)

Cash and cash equivalents at the end of the third quarter of the consolidated fiscal period increased by 1,701 million yen compared to the end of the previous consolidated fiscal year, amounting to 27,585 million yen.

The cash flows for the nine months ended December 31, 2025 and their factors are as follows.

(Cash flows from operating activities)

Cash flows from operating activities increased by 10,455 million yen.

The main factors for the increase were: income before income taxes of 7,789 million yen, depreciation of 4,392 million yen, and a decrease in inventories of 1,022 million yen, and the main factor for the decrease was income taxes paid of 1,328 million yen, among others.

(Cash flows from investing activities)

Cash flows from investing activities decreased by 6,151 million yen.

The main factors for the increase were proceeds from withdrawal of time deposits 1,353 million yen, etc., while the main factors for the decrease were payments into time deposits 1,271 million yen, purchase of property, plant and equipment 4,001 million yen, and purchase of intangible assets 2,303 million yen, etc.

(Cash flows from financing activities)

Cash flows from financing activities decreased by 3,917 million yen.

The main factors for the decrease were a decrease in short-term borrowings of 164 million yen, dividends paid of 2,469 million yen, and repayments of lease liabilities of 1,239 million yen, among others.

(3) Explanation regarding forward-looking statements such as consolidated forecasts

No changes have been made to the consolidated forecasts for the fiscal year ending March 2026, which were announced on November 11, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the third quarter (December 31, 2025)
Assets		
Current assets		
Cash and deposits	27,432	29,259
Notes and accounts receivable - trade, and contract assets	29,697	31,958
Securities	49	-
Merchandise and finished goods	14,917	15,949
Work in process	953	1,086
Raw materials and supplies	13,085	12,890
Accounts receivable - other	2,123	1,822
Other	3,573	4,418
Allowance for doubtful accounts	(275)	(304)
Total current assets	91,558	97,080
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,552	16,993
Machinery, equipment and vehicles, net	14,016	14,899
Land	4,508	4,870
Other, net	4,647	5,147
Total property, plant and equipment	38,725	41,911
Intangible assets		
Software	1,629	2,840
Software in progress	3,073	3,405
Goodwill	28	18
Other	631	726
Total intangible assets	5,362	6,991
Investments and other assets	4,110	3,482
Total non-current assets	48,198	52,385
Total assets	139,757	149,465
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,060	7,806
Electronically recorded obligations - operating	9,645	9,531
Short-term borrowings	3,137	3,031
Contract liabilities	7,761	8,301
Accounts payable - other	4,920	4,849
Income taxes payable	810	972
Provisions	2,262	2,042
Other	6,078	5,717
Total current liabilities	41,677	42,254
Non-current liabilities		
Long-term borrowings	11,059	11,007
Lease liabilities	3,875	3,757
Retirement benefit liability	975	1,077
Other	1,932	2,313
Total non-current liabilities	17,842	18,155
Total liabilities	59,519	60,409

(Unit: Million yen)

	Previous fiscal year (March 31, 2025)	For the third quarter (December 31, 2025)
Net assets		
Shareholders' equity		
Share capital	8,468	8,468
Capital surplus	5,347	5,347
Retained earnings	56,461	59,088
Treasury shares	(2,265)	(2,261)
Total shareholders' equity	68,012	70,642
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	8
Foreign currency translation adjustment	8,447	13,966
Remeasurements of defined benefit plans	72	74
Total accumulated other comprehensive income	8,528	14,050
Share acquisition rights	12	12
Non-controlling interests	3,685	4,350
Total net assets	80,237	89,056
Total liabilities and net assets	139,757	149,465

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

(Unit: Million yen)

	For the nine months ended [previous period end date] (From April 1, 2024 until December 31, 2024	For the nine months ended From April 1, 2025 until December 31, 2025
Net sales	116,211	121,755
Cost of sales	68,365	73,281
Gross profit	47,846	48,474
Selling, general and administrative expenses	37,980	39,801
Operating income	9,865	8,673
Non-operating income		
Interest income	437	410
Dividend income	8	1
Other	166	214
Total non-operating income	611	627
Non-operating expenses		
Interest expenses	440	524
Foreign exchange losses	326	391
Loss on net monetary position	662	327
Other	124	180
Total non-operating expenses	1,553	1,422
Ordinary income	8,923	7,877
Extraordinary income		
Gain on sale of non-current assets	17	54
Other	0	-
Total extraordinary income	17	54
Extraordinary losses		
Loss on retirement of non-current assets	12	39
Loss on sale of non-current assets	0	3
Loss on business restructuring	-	74
Other	-	24
Total extraordinary losses	13	142
Income before income taxes	8,927	7,789
Income taxes - current	1,716	1,566
Income taxes - deferred	959	950
Total income taxes	2,676	2,517
Net income	6,251	5,272
Net income attributable to non-controlling interests	658	167
Net income attributable to owners of parent	5,592	5,105

(Quarterly Consolidated Statement of Comprehensive Income)

(Unit: Million yen)

	For the nine months ended [previous period end date] (From April 1, 2024 until December 31, 2024)	For the nine months ended From April 1, 2025 until December 31, 2025
Net income	6,251	5,272
Other comprehensive income		
Valuation difference on available-for-sale securities	340	0
Foreign currency translation adjustment	927	6,019
Remeasurements of defined benefit plans, net of tax	6	2
Total other comprehensive income	1,274	6,022
Comprehensive income	7,525	11,294
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,100	10,626
Comprehensive income attributable to non- controlling interests	424	667

(3) Quarterly Consolidated Statement of Cash Flows

(Unit: Million yen)

	For the nine months ended [previous period end date] (From April 1, 2024 Until December 31, 2024	For the nine months ended From April 1, 2025 until December 31, 2025
Cash flows from operating activities		
Income before income taxes	8,927	7,789
Depreciation	4,001	4,392
Amortization of goodwill	113	10
Loss (gain) on sale of non-current assets	(16)	(51)
Loss on retirement of non-current assets	12	39
Loss on business restructuring	-	74
Loss on net monetary position	662	327
Increase (decrease) in provision for bonuses	(2)	(439)
Increase (decrease) in allowance for doubtful accounts	(160)	9
Increase (decrease) in retirement benefit liability	(0)	19
Interest and dividend income	(445)	(412)
Interest expenses	440	524
Foreign exchange losses (gains)	451	113
Decrease (increase) in accounts receivable - trade, and contract assets	(1,020)	(1,086)
Decrease (increase) in inventories	(1,677)	1,022
Increase (decrease) in trade payables	(146)	141
Increase (decrease) in accrued consumption taxes	281	(528)
Decrease (increase) in accounts receivable - other	(176)	315
Increase (decrease) in accounts payable - other	442	(148)
Other	(422)	(176)
Subtotal	11,263	11,937
Interest and dividends received	445	412
Interest paid	(424)	(491)
Income taxes paid	(1,504)	(1,328)
Payments for business restructuring	-	(74)
Cash flows from operating activities	9,779	10,455
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,845)	(4,001)
Purchase of intangible assets	(2,142)	(2,303)
Proceeds from sale of property, plant and equipment and intangible assets	21	60
Payments into time deposits	(1,980)	(1,271)
Proceeds from withdrawal of time deposits	1,201	1,353
Other	(6)	10
Cash flows from investing activities	(7,751)	(6,151)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	741	(164)
Proceeds from long-term borrowings	3,017	-
Repayments of long-term borrowings	(593)	(43)
Repayments of lease liabilities	(1,030)	(1,239)
Dividends paid	(2,400)	(2,469)
Purchase of treasury shares	(0)	(0)
Other	0	0
Cash flows from financing activities	(266)	(3,917)
Effect of exchange rate change on cash and cash equivalents	325	1,314
Net increase (decrease) in cash and cash equivalents	2,086	1,701
Cash and cash equivalents at beginning of period	24,102	25,883
Cash and cash equivalents at end of period	26,188	27,585

(4) Notes to the quarterly consolidated financial statements

(Notes regarding the assumption of a going concern)

There are no applicable matters.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Notes on changes in accounting policies)

There are no applicable matters.

(Notes on segment information, etc.)

[Segment Information]

I. For the nine months ended December 31, 2024

1. Information on net sales and profit or loss by reportable segment

(Unit: Million yen)

	Auto-ID solutions (Japan)	Auto-ID solutions (Overseas)	Total
Net sales			
External customer sales	58,561	57,649	116,211
Intersegment sales and transfer	7,939	10,995	18,934
Total	66,500	68,645	135,146
Segment profit	2,783	7,295	10,079

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main contents of such difference (matters related to reconciliation of differences)

(Unit: Million yen)

Profit	Amount
Total of reportable segments	10,079
Intersegment eliminations	0
Adjustment of inventories	(213)
Operating income on the consolidated statements of income	9,865

3. Matters related to changes in reportable segments

There are no applicable items.

4. Information on impairment losses of non-current assets or goodwill, etc. by reportable segment

There are no applicable items.

For the nine months ended December 31, 2025

1. Information on net sales and profit or loss by reportable segment

(Unit: Million yen)

	Auto-ID solutions (Japan)	Auto-ID solutions (Overseas)	Total
Net sales			
External customer sales	63,423	58,331	121,755
Intersegment sales and transfer	8,637	12,972	21,610
Total	72,061	71,304	143,366
Segment profit	3,732	5,038	8,770

2. Difference between the total amount of profit or loss for reportable segments and the amount recorded in the quarterly consolidated statement of income, and the main contents of such difference (Matters related to reconciliation of differences)

(Unit: Million yen)

Profit	Amount
Total of reportable segments	8,770
Intersegment eliminations	0
Adjustment of inventories	(97)
Operating income on the consolidated statements of income	8,673

3. Matters related to changes in reportable segments

There are no applicable items.

4. Information on Impairment losses of Non-current assets or Goodwill, etc. by Reportable Segment

There are no applicable items.

(Business Combinations, etc.)

(Absorption-type merger of a wholly owned subsidiary)

At the Company's board of directors meeting held on April 9, 2024, the Company resolved to conduct an absorption-type merger, between the Company, as a surviving company and SATO Corporation, a wholly owned subsidiary of the Company, as the disappearing company. The merger was effectuated on April 1, 2025.

1. Outline of business combination

(1) Name and business description of the disappearing company in the absorption-type merger

Name of disappearing company in the absorption-type merger: SATO Corporation

Business description: Auto-ID solutions

(2) Date of business combination

April 1, 2025

(3) Legal form of the business combination

Form of absorption-type merger in which the Company is the surviving company and SATO Corporation is disappearing company

(4) Name of entity after business combination

The Company has changed its trade name to SATO Corporation.

(5) Other items regarding overview of the transaction

By integrating the head office functions with SATO Corporation, which performs the main functions of the Group's businesses, we will change the fragmented organization into a simpler structure. Our objective is to develop a system that facilitates expeditious decision-making and the selection and concentration of management resources by elucidating responsibilities and authorities.

2. Overview of accounting treatment

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019), we accounted for the business combination as a transaction under common control.