September 8, 2026

Company Name: SATO Corporation
Representative: Hiroyuki Konuma, President and Group CEO
Securities Code: 6287 (Prime Market, Tokyo Stock Exchange)
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Notice Regarding the Absorption-Type Merger (Simplified Merger and Short-Form Merger) of a Wholly Owned Subsidiary

SATO Corporation (the Company) passed a resolution at its Board of Directors' meeting today to merge its wholly owned subsidiary SATO Material Co., Ltd. (SATO Material) by absorption on April1, 2027 (the Merger). The merger agreement is scheduled to be executed on October 1, 2026.

As the Merger is a simplified merger for the Company and a short-form merger for SATO Material, this notice includes only material facts and details as per disclosure requirements.

1. Purpose of the Merger

SATO Material has been manufacturing industrial rubber products, synthetic resin products and RFID tags and labels, as a SATO company, leveraging its core technology of resin and rubber molding.

Through the Merger, the Company aims to consolidate business resources, accelerate decision-making, increase operational efficiency, and further strengthen its management structure to enhance the enterprise value of the Company.

2. Summary of the Merger

(1) Schedule of the Merger

Board of Directors resolution approving the merger agreement	September 8, 2026
Execution of the merger agreement	October 1, 2026
Effective date of the Merger	April 1, 2027

*Neiter the Company nor SATO Material will hold a shareholders' meeting to have the merger agreement approved, as the Merger qualifies as a simplified merger under Article 796, Paragraph 2 of the Companies Act for the Company, and as a short-form merger under Article 784, Paragraph 1 of the Companies Act for SATO Material.

(2) Method of the Merger

The Merger will be carried out as an absorption-type merger in which the Company will be the surviving Company. SATO MATERIAL will dissolve on the effective date of the Merger.

(3) Details of allotment related to the Merger

No shares, cash, or other consideration will be allotted in connection with the Merger.

(4) Treatment of share acquisition rights and bonds with share acquisition rights

SATO Material has not issued any share acquisition rights or bonds with share acquisition rights.

3. Profiles of the companies involved in the Merger (As of March 31, 2026)

	Surviving company	Absorbed company
Company name	SATO Corporation	SATO Material Co., Ltd.
Head office	3-1-1 Shibaura, Minato-ku, Tokyo	3-1-1 Shibaura, Minato-ku, Tokyo
Name and title of the representative	Hiroyuki Konuma President and Group CEO	Shinya Nitta President
Business description	Planning, development, design, manufacture, sales and maintenance of products for automatic identification solutions, including label printers, RFID label printers, automated print and apply systems, software, primary labels, labels, RFID tags, hand labelers and the like. Planning and proposing end-to-end solutions, combining barcode readers, RFID readers, automated robot labeling system and other third-party peripheral equipment with its own products.	(i) Manufacture and sale of industrial rubber products; (ii) Manufacture and sale of synthetic resin products; (iii) Manufacture and sale of RFID tags; (iv) Research, technical guidance, training, and consulting related to the design and manufacture of industrial rubber products.
Paid-in capital	JPY 8,468 million	JPY 10 million
Date of incorporation	May 16, 1951	April 1, 2011
Issued shares	33,635,942	200
Fiscal year-end	March 31	March 31
Major shareholders (as of March 31, 2026)	The Master Trust Bank of Japan, Ltd. – 13.45% Sato Yo International Scholarship Foundation – 11.61% Custody Bank of Japan, Ltd. – 6.03% SATO Employees' Stockholding – 5.95% The Bank of New York 133612 – 4.92%	SATO Corporation – 100%
Financial results and financial position for the most recent fiscal year		
	Fiscal year ended March 2026 (Consolidated)	Fiscal year ended March 2026 (Non-consolidated)
Net assets	JPY 89,585 million	JPY 122 million
Total assets	JPY 145,459 million	JPY 220 million
Net assets per share	JPY 2,627.77	JPY 614,895.48
Net sales	JPY 163,434 million	JPY 278 million
Operating income	JPY 11,041 million	JPY 21 million
Ordinary income	JPY 9,881 million	JPY 20 million

	SATO Corporation (Consolidated)	SATO Material (Non-consolidated)
Profit attributable to owners of parent	JPY 5,086 million	JPY 14 million
Earnings per share	JPY 156.69	JPY 74,601.04

4. Status of the Company after the Merger

The Merger will not result in any change to the Company's name, head office location, representative, business description, paid-in capital or fiscal year-end.

5. Outlook

As the Merger is an absorption-type merger between the Company and its wholly owned subsidiary, its impact on the Company's consolidated financial results is expected to be immaterial.

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