

# Consolidated Financial Results

## for the Six Months of the Fiscal Year Ending March 31, 2026

### (Under Japanese GAAP)

November 12, 2025

Company name: SATO Corporation  
 Stock exchange listings: Tokyo Stock Exchange  
 Stock code: 6287  
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 Scheduled date for submission of interim report: November 13, 2025  
 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 Six Months of the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

##### (1) Consolidated operating results (Cumulative)

(Percentages indicate YoY changes)

|                                     | Net sales   |     | Operating income |        | Ordinary income |       | Profit attributable to owners of parent |      |
|-------------------------------------|-------------|-----|------------------|--------|-----------------|-------|---|------|
|                                     | Million yen | %   | Million yen      | %      | Million yen     | %     | Million yen                             | %    |
| Six months ended September 30, 2025 | 78,248      | 2.8 | 5,101            | (11.7) | 4,460           | (8.7) | 3,052                                   | 0.8  |
| September 30, 2024                  | 76,090      | 9.0 | 5,778            | 25.1   | 4,883           | 13.4  | 3,028                                   | 52.0 |

(Note) Comprehensive income For the six months ended September 30, 2025 4,653 million yen (82.5%)  
 For the six months ended September 30, 2024 2,549 million yen (-46.3%)

|                                     | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
|                                     | Yen                      | Yen                        |
| Six months ended September 30, 2025 | 94.02                    | 94.00                      |
| September 30, 2024                  | 93.36                    | 93.34                      |

##### (2) Consolidated financial positions

|                          | Total assets | Net assets  | Equity ratio | Net assets per share |
|--------------------------|--------------|-------------|--------------|----------------------|
|                          | Million yen  | Million yen | %            | Yen                  |
| As of September 30, 2025 | 140,656      | 83,656      | 56.7         | 2,458.55             |
| March 31, 2025           | 139,757      | 80,237      | 54.8         | 2,357.76             |

(Reference) Owner's equity As of September 30, 2025: 79,817 million yen  
 As of March 31, 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) | 209.60                   |

(Note) Correction of financial forecast from the most recent financial forecast: Yes

For details, please refer to page 3 of the attached document, "1. Overview of Operating Results, etc. (3) Explanation regarding consolidated forecasts and other forward-looking information."

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of accounting procedures specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies due to revisions of accounting standards: 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 September 30, 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 September 30, 2025 | 1,170,805 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)

|                                     |                   |
|-------------------------------------|-------------------|
| Six months ended September 30, 2025 | 32,464,449 shares |
| Six months ended September 30, 2024 | 32,434,645 shares |

\* The second quarter (interim) financial results report is not subject to review by certified public accountants or audit corporations.

\* Notes regarding the appropriate use of forecasts and other special items

Forward-looking statements such as performance forecasts contained in this document are based on information currently available to the Company and on certain assumptions that are deemed reasonable, and are not intended as a guarantee of their achievement.

Actual results may differ significantly due to various factors. For the assumptions underlying the forecasts, please refer to the attached document, page 3, "1. Overview of Operating Results, etc. (3) Explanation regarding consolidated forecasts and other forward-looking information."

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## 1. Overview of Operating Results, etc.

### (1) Overview of operating results for the six-months period

The SATO Group, with its vision to “be the customer’s most trusted partner for mutual growth, and always essential in an ever-changing world,” runs business based on management principles, growth strategies and business targets defined in its current Medium-term Management Plan (MTMP) for FY 2024 to 2028. Through this plan, we aim to take tagging to the next level and pursue “Perfect and Unique Tagging” to “give every ‘thing’ its own ID so it connects with the world.”

The first two years of the MTMP are designated to rebuild profitability, and the next three years set to restart growth investments. During the initial phase, we will strengthen our core business. In Japan, we will aim to get the business profiting at a higher level again, whereas overseas we will seek sustainable and efficient growth. In the subsequent phase, we will allocate profits generated from the recovered revenue base to advance solutions for Perfect and Unique Tagging, with the aims of accelerating growth and establishing a new profit base. Throughout the MTMP period, we will also focus on strengthening corporate management, improving capital efficiency, and applying sustainable business practices, to reinforce our fundamentals.

Having returned to profitability ahead of schedule in FY 2024, the first year of the MTMP, we plan to resume growth investments from FY 2025 onward.

In the first six months of this fiscal year, sales and operating income increased year on year in the Japan business, while both decreased in the overseas business.

As a result, the SATO Group posted net sales of ¥78,248 million (up 2.8% compared with the same period of the previous fiscal year), operating income of ¥5,101 million (down 11.7%), ordinary income of ¥4,460 million (down 8.7%), and net income attributable to owners of parent of ¥3,052 million (up 0.8%).

Performance by segment is as follows.

#### *Auto-ID solutions (Japan)*

Mechatronics sales increased, driven by large strategic projects in logistics market, demand arising from compliance with the amended logistics efficiency legislation, as well as investments aimed at improving efficiency in the manufacturing sector. Consumables 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.

Consequently, net sales increased 8.0% year on year to ¥40,565 million, and segment profit increased 98.2% to ¥1,901 million.

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, our base business remained stable across regions. However, revenue declined due to foreign exchange fluctuations. In addition, our companies specializing in primary labels recorded lower sales, reflecting normalization of the competitive environment and reduced demand in Russia following changes in tax policy. As a result, total overseas sales declined.

Profits declined from the previous year’s level, mainly due to higher costs at the company specializing in primary labels in Russia. As a result, net sales decreased 2.2% year on year to ¥37,682 million (down 0.8% excluding foreign exchange effects), and segment profit declined 33.4% to ¥3,255 million.

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 Interim Period**

As for assets at the end of the interim consolidated accounting period, the balance of current assets was 90,823 million yen (compared to 91,558 million yen at the end of the previous consolidated fiscal year), a decrease of 734 million yen. This was mainly due to an increase in merchandise and finished goods (943 million yen), a decrease in notes and accounts receivable - trade, and contract assets (849 million yen), and a decrease in cash and deposits (670 million yen). The balance of non-current assets was 49,832 million yen (compared to 48,198 million yen at the end of the previous consolidated fiscal year), an increase of 1,633 million yen. This was mainly due to an increase in buildings and structures under property, plant and equipment (1,200 million yen), an increase in machinery, equipment and vehicles (453 million yen), an increase in software under intangible assets (1,246 million yen), a decrease in software in progress (301 million yen), and a decrease in investments and other assets (716 million yen).

Regarding liabilities, the balance of current liabilities was 39,423 million yen (41,677 million yen at the end of the previous consolidated fiscal year), a decrease of 2,254 million yen. This was mainly due to an increase in contract liabilities (474 million yen), an increase in notes and accounts payable - trade (450 million yen), a decrease in accounts payable - other (1,358 million yen), a decrease in short-term borrowings (872 million yen), and a decrease in accrued consumption taxes included in others (646 million yen), among other factors. The balance of non-current liabilities was 17,576 million yen (17,842 million yen at the end of the previous consolidated fiscal year), a decrease of 265 million yen. This was mainly due to a decrease in deferred tax liabilities included in others (393 million yen), among other factors.

As for net assets, the balance at the end of the six months ended September 30, 2025 was 83,656 million yen (compared to 80,237 million yen at the end of the previous fiscal year), an increase of 3,418 million yen. This was mainly due to an increase in retained earnings (1,813 million yen) and an increase in total accumulated other comprehensive income (1,459 million yen), among other factors.

### ***Cash flows***

Cash and cash equivalents at the end of the six months ended September 30, 2025 decreased by 594 million yen compared to the end of the previous fiscal year, amounting to 25,289 million yen.

The cash flows for the six months ended September 30, 2024 and their factors are as follows.

#### ***Cash flows from operating activities***

Cash flows from operating activities increased by 6,077 million yen.

The main factors for the increase were income before income taxes of 4,399 million yen and depreciation of 2,908 million yen, while the main factor for the decrease was a decrease in accounts payable - other of 1,046 million yen.

#### ***Cash flows from investing activities***

Cash flows from investing activities decreased by 4,112 million yen.

The main factors for the decrease were the purchase of property, plant and equipment of 2,656 million yen and the purchase of intangible assets of 1,726 million yen, among others.

#### ***Cash flows from financing activities***

Cash flows from financing activities decreased by 2,895 million yen.

The main factors for the decrease were repayments of lease liabilities of 726 million yen, a decrease in short-term borrowings of 898 million yen, and dividends paid of 1,237 million yen, among others.

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

Based on the consolidated results for the six months ended September 30, 2025, we reviewed our full-year consolidated earnings forecast for the fiscal year ending March 31, 2026. As a result, we expect the figures to fall below our previous projections and have revised the forecast as follows.

Full-year consolidated earnings forecast for the fiscal year ending March 31, 2026

|  |  |
|--|--|
| Net sales:                                   | ¥161,000 million (no changes from previous forecast) |
| Operating income:                            | ¥11,000 million (previous forecast: ¥12,500 million) |
| Ordinary income:                             | ¥10,100 million (¥12,100 million)                    |
| Net income attributable to owners of parent: | ¥6,800 million (¥7,700 million)                      |

Assumed foreign currency exchange rates for this fiscal year are ¥147 to the U.S. dollar and ¥170 to the euro.

The forward-looking statements contained in this document, including earnings forecasts, are based on information currently available and assumptions deemed reasonable by the Company. Actual results may differ materially from these forecasts due to various factors.

**2. Interim Consolidated Financial Statements and Main Notes**  
**(1) Interim Consolidated Balance Sheet**

(Unit: Million yen)

|  | As of March 31, 2025 | As of September 30, 2025 |
|--|----------------------|--------------------------|
| <b>Assets</b>  |                      |                          |
| Current assets   |                      |                          |
| Cash and deposits  | 27,432               | 26,762                   |
| Notes and accounts receivable - trade, and contract assets | 29,697               | 28,848                   |
| Securities   | 49                   | -                        |
| Merchandise and finished goods                             | 14,917               | 15,860                   |
| Work in process  | 953                  | 1,070                    |
| Raw materials and supplies                                 | 13,085               | 12,444                   |
| Accounts receivable - other                                | 2,123                | 1,804                    |
| Other  | 3,573                | 4,305                    |
| Allowance for doubtful accounts                            | (275)                | (272)                    |
| Total current assets                                       | 91,558               | 90,823                   |
| Non-current assets   |                      |                          |
| Property, plant and equipment                              |                      |                          |
| Buildings and structures, net (note)                       | 15,552               | 16,753                   |
| Machinery, equipment and vehicles, net (note)              | 14,016               | 14,469                   |
| Land   | 4,508                | 4,624                    |
| Other, net (note)  | 4,647                | 4,217                    |
| Total property, plant and equipment                        | 38,725               | 40,064                   |
| Intangible assets  |                      |                          |
| Software   | 1,629                | 2,875                    |
| Software in progress                                       | 3,073                | 2,772                    |
| Goodwill   | 28                   | 20                       |
| Other  | 631                  | 704                      |
| Total intangible assets                                    | 5,362                | 6,373                    |
| Investments and other assets                               | 4,110                | 3,393                    |
| Total non-current assets                                   | 48,198               | 49,832                   |
| Total assets   | 139,757              | 140,656                  |
| <b>Liabilities</b>   |                      |                          |
| Current liabilities  |                      |                          |
| Notes and accounts payable - trade                         | 7,060                | 7,510                    |
| Electronically recorded obligations - operating            | 9,645                | 9,793                    |
| Short-term borrowings                                      | 3,137                | 2,264                    |
| Contract liabilities                                       | 7,761                | 8,236                    |
| Accounts payable - other                                   | 4,920                | 3,562                    |
| Income taxes payable                                       | 810                  | 752                      |
| Provisions   | 2,262                | 2,223                    |
| Other  | 6,078                | 5,079                    |
| Total current liabilities                                  | 41,677               | 39,423                   |
| Non-current liabilities                                    |                      |                          |
| Long-term borrowings                                       | 11,059               | 11,023                   |
| Lease liabilities  | 3,875                | 3,960                    |
| Retirement benefit liability                               | 975                  | 1,047                    |
| Other  | 1,932                | 1,545                    |
| Total non-current liabilities                              | 17,842               | 17,576                   |
| Total liabilities  | 59,519               | 56,999                   |

(Unit: Million yen)

|   | As of March 31, 2025 | As of September 30, 2025 |
|---|----------------------|--------------------------|
| Net assets  |                      |                          |
| Shareholders' equity                                  |                      |                          |
| Share capital   | 8,468                | 8,468                    |
| Capital surplus                                       | 5,347                | 5,347                    |
| Retained earnings                                     | 56,461               | 58,274                   |
| Treasury shares                                       | (2,265)              | (2,261)                  |
| Total shareholders' equity                            | 68,012               | 69,829                   |
| Accumulated other comprehensive income                |                      |                          |
| Valuation difference on available-for-sale securities | 7                    | 8                        |
| Foreign currency translation adjustment               | 8,447                | 9,906                    |
| Remeasurements of defined benefit plans               | 72                   | 73                       |
| Total accumulated other comprehensive income          | 8,528                | 9,988                    |
| Share acquisition rights                              | 12                   | 12                       |
| Non-controlling interests                             | 3,685                | 3,827                    |
| Total net assets                                      | 80,237               | 83,656                   |
| Total liabilities and net assets                      | 139,757              | 140,656                  |



**(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income**  
**(Interim Consolidated Statement of Income)**

(Unit: Million yen)

|  | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|--|--|--|
| Net sales  | 76,090                                 | 78,248                                 |
| Cost of sales  | 44,972                                 | 46,811                                 |
| Gross profit   | 31,118                                 | 31,436                                 |
| Selling, general and administrative expenses         | 25,339                                 | 26,334                                 |
| Operating income                                     | 5,778                                  | 5,101                                  |
| Non-operating income                                 |  |  |
| Interest income                                      | 275                                    | 263                                    |
| Dividend income                                      | 8                                      | 1                                      |
| Other  | 111                                    | 150                                    |
| Total non-operating income                           | 395                                    | 414                                    |
| Non-operating expenses                               |  |  |
| Interest expenses                                    | 240                                    | 357                                    |
| Foreign exchange losses                              | 371                                    | 341                                    |
| Loss on net monetary position                        | 551                                    | 209                                    |
| Other  | 126                                    | 148                                    |
| Total non-operating expenses                         | 1,290                                  | 1,055                                  |
| Ordinary income                                      | 4,883                                  | 4,460                                  |
| Extraordinary income                                 |  |  |
| Gain on sale of non-current assets                   | 7                                      | 52                                     |
| Other  | 0                                      | -                                      |
| Total extraordinary income                           | 7                                      | 52                                     |
| Extraordinary losses                                 |  |  |
| Loss on retirement of non-current assets             | 11                                     | 39                                     |
| Loss on sale of non-current assets                   | 0                                      | 0                                      |
| Loss on business restructuring                       | -                                      | 73                                     |
| Total extraordinary losses                           | 11                                     | 112                                    |
| Net income before income taxes                       | 4,878                                  | 4,399                                  |
| Income taxes - current                               | 1,054                                  | 951                                    |
| Income taxes - deferred                              | 345                                    | 307                                    |
| Total income taxes                                   | 1,399                                  | 1,258                                  |
| Net income   | 3,478                                  | 3,141                                  |
| Net income attributable to non-controlling interests | 450                                    | 88                                     |
| Income attributable to owners of parent              | 3,028                                  | 3,052                                  |

**(Interim Consolidated Statement of Comprehensive Income)**

(Unit: Million yen)

|  | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|--|--|--|
| Net income   | 3,478                                  | 3,141                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 440                                    | 0                                      |
| Foreign currency translation adjustment                        | (1,366)                                | 1,511                                  |
| Remeasurements of defined benefit plans, net of tax            | (3)                                    | 0                                      |
| Total other comprehensive income                               | (929)                                  | 1,512                                  |
| Comprehensive income   | 2,549                                  | 4,653                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of the parent      | 2,363                                  | 4,511                                  |
| Comprehensive income attributable to non-controlling interests | 185                                    | 142                                    |

**(3) Interim Consolidated Statement of Cash Flows**

(Unit: Million yen)

|   | Six months ended<br>September 30, 2024 | Six months ended<br>September 30, 2025 |
|---|--|--|
| Cash flows from operating activities                                      |  |  |
| Net income before income taxes  | 4,878                                  | 4,399                                  |
| Depreciation  | 2,590                                  | 2,908                                  |
| Amortization of goodwill  | 77                                     | 6                                      |
| Loss (gain) on sale of non-current assets                                 | (6)                                    | (51)                                   |
| Loss on retirement of non-current assets                                  | 11                                     | 39                                     |
| Loss on business restructuring  | -                                      | 73                                     |
| Loss on net monetary position   | 551                                    | 209                                    |
| Increase (decrease) in provision for bonuses                              | 79                                     | (240)                                  |
| Increase (decrease) in allowance for doubtful accounts                    | (158)                                  | (7)                                    |
| Increase (decrease) in retirement benefit liability                       | (7)                                    | 34                                     |
| Interest and dividend income  | (283)                                  | (264)                                  |
| Interest expenses   | 240                                    | 357                                    |
| Foreign exchange losses (gains)   | 465                                    | 44                                     |
| Decrease (increase) in accounts receivable - trade, and contract assets   | 496                                    | 1,127                                  |
| Decrease (increase) in inventories  | (858)                                  | 29                                     |
| Increase (decrease) in trade payables                                     | (774)                                  | 298                                    |
| Increase (decrease) in accounts payable - other                           | (221)                                  | (1,046)                                |
| Other   | (154)                                  | (734)                                  |
| Subtotal  | 6,926                                  | 7,182                                  |
| Interest and dividends received   | 283                                    | 264                                    |
| Interest paid   | (225)                                  | (324)                                  |
| Income taxes paid   | (799)                                  | (972)                                  |
| Payments for business restructuring                                       | -                                      | (73)                                   |
| Cash flows from operating activities                                      | 6,184                                  | 6,077                                  |
| Cash flows from investing activities                                      |  |  |
| Payments into time deposits   | (1,433)                                | (821)                                  |
| Proceeds from withdrawal of time deposits                                 | 638                                    | 1,029                                  |
| Purchase of property, plant and equipment                                 | (2,922)                                | (2,656)                                |
| Purchase of intangible assets   | (1,389)                                | (1,726)                                |
| Proceeds from sale of property, plant and equipment and intangible assets | 9                                      | 64                                     |
| Other   | 30                                     | (2)                                    |
| Cash flows from investing activities                                      | (5,068)                                | (4,112)                                |
| Cash flows from financing activities                                      |  |  |
| Net increase (decrease) in short-term borrowings                          | (2,119)                                | (898)                                  |
| Proceeds from long-term borrowings  | 3,017                                  | -                                      |
| Repayments of long-term borrowings  | (511)                                  | (32)                                   |
| Repayments of lease liabilities   | (677)                                  | (726)                                  |
| Dividends paid  | (1,200)                                | (1,237)                                |
| Purchase of treasury shares   | (0)                                    | (0)                                    |
| Other   | 0                                      | 0                                      |
| Cash flows from financing activities                                      | (1,491)                                | (2,895)                                |
| Effect of exchange rate change on cash and cash equivalents               | (472)                                  | 336                                    |
| Net increase (decrease) in cash and cash equivalents                      | (847)                                  | (594)                                  |
| Cash and cash equivalents at beginning of period                          | 24,102                                 | 25,883                                 |
| Cash and cash equivalents at the end of the interim period                | 23,254                                 | 25,289                                 |

#### (4) Notes to the Interim Consolidated Financial Statements

##### Notes regarding the assumption of a going concern

There are no applicable matters.

##### Notes on significant changes in the amount of shareholders' equity

There are no applicable items.

##### Changes in accounting policies

There are no applicable items.

##### Notes on segment information, etc.

##### Segment Information

###### I. For the six months ended September 30, 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         | 37,545                    | 38,545                       | 76,090 |
| Intersegment sales and transfer | 4,977                     | 6,765                        | 11,743 |
| Total                           | 42,522                    | 45,310                       | 87,833 |
| Segment profit (loss)           | 959                       | 4,889                        | 5,849  |

###### 2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the interim 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 | 5,849  |
| Intersegment eliminations    | 0      |
| Adjustment of inventories    | (70)   |
| Operating income             | 5,778  |

###### 3. Matters related to changes in reportable segments

There are no applicable items.

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

There are no applicable items.

###### II. For the six months ended September 30, 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         | 40,565                    | 37,682                       | 78,248 |
| Intersegment sales and transfer | 5,802                     | 8,497                        | 14,300 |
| Total                           | 46,368                    | 46,180                       | 92,548 |
| Segment profit (loss)           | 1,901                     | 3,255                        | 5,157  |

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the interim 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                                 | 5,157  |
| Intersegment eliminations                                    | 0      |
| Adjustment of inventories                                    | (56)   |
| Operating income for the six months ended September 30, 2024 | 5,101  |

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 combination

Absorption-type merger of 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.