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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

November 13, 2026

Company name:	SATO CORPORATION
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	6287
URL:	www.sato-global.com
Representative:	Hiroyuki Konuma, Representative Director, President and Group CEO
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Scheduled date for submission of semi-annual report:	November 13, 2026
Scheduled date to commence dividend payments:	December 7, 2026
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (Cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	89,540	14.4	6,825	33.8	6,330	41.9	4,342	42.3
September 30, 2025	78,248	2.8	5,101	(11.7)	4,460	(8.7)	3,052	0.8

(Note) Comprehensive income For the six months ended September 30, 2026 :¥2,768 million [(40.5) %]
For the six months ended September 30, 2025 :¥4,653 million [82.5%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	133.86	133.84
September 30, 2025	94.02	94.00

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2026	154,578	90,574	55.9	2,677.29
March 31, 2026	145,459	89,585	58.6	2,627.77

(Reference) Equity As of September 30, 2026:¥86,395 million
As of March 31, 2026 :¥85,309 million

2. Cash dividends

	Annual dividend per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	38.00	-	38.00	76.00
Fiscal year ending March 31, 2027	-	40.00			

	Annual dividend per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
Fiscal year ending March 31, 2027 (Forecast)			-	40.00	80.00

(Note) Revisions to the forecasts of cash dividends most recently announced: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to March 31, 2027)

(Percentages indicate year-on-year 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, 2027	178,000	8.9	12,400	12.3	11,900	20.4	7,800	53.3	242.25

(Note) Revisions to the earnings forecasts most recently announced: Yes

※ Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included	2 companies	Hiranoya Bussan Co., Ltd. JF Stockpack Co., Ltd.	Excluded: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates : None

(iv) 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, 2026	33,635,942 shares
As of March 31, 2026	33,635,942 shares

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

As of September 30, 2026	1,366,065 shares
As of March 31, 2026	1,171,333 shares

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

Six months ended September 30, 2026	32,437,663 shares
Six months ended September 30, 2025	32,464,449 shares

※ Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

※ Explanation regarding the appropriate use of forecasts, and other special notes

The forward-looking statements regarding business performance forecasts, etc. presented in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to constitute a commitment by the Company that such forecasts will be achieved. In addition, actual business performance, etc. may differ significantly due to various factors. For the assumptions underlying the forecasts, etc., please refer to page 3 of the attached materials, “1. Overview of Operating results, etc. (3) Consolidated Earnings Forecasts and Other Forward-Looking Information.”

○Table of Contents of the Attached Materials

1. Overview of Operating Results, etc. 2
(1) Overview of Operating results for the Six-Month Period 2
(2) Overview of Financial position for the Six-Month period 3
(3) Explanation regarding consolidated Forecasts and other forward-looking information 3
2. Semi-annual Consolidated Financial Statements and Major Notes 4
(1) Semi-annual Consolidated Balance Sheets 4
(2) Semi-annual Statement of Income and Comprehensive Income 6
Semi-annual Consolidated Statement of Income 6
Semi-annual Consolidated Statement of Comprehensive Income 7
(3) Semi-annual Consolidated Statement of Cash Flows 8
(4) Notes to Semi-Annual Consolidated Financial Statements 9
(Notes on Going Concern Assumption) 9
(Changes in presentation) 9
(Notes on significant Changes in the Amount of Shareholders' Equity) 9
(Notes on Changes in Accounting Policies) 9
(Notes on Segment Information, etc.) 10
(Business Combinations and Other Related Matters) 12
(Significant Subsequent Events) 12

1. Overview of Operating Results

(1) Overview of Operating results for the Six-month Period

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 its 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 updated the MTMP to reflect the progress made against the plan and changes in the business environment. FY 2026 is the first year of the three-year period for restarting growth investments. Building on the earnings power we have strengthened during the preceding profitability restoration period, we will further enhance the core business while investing in adjacencies (focused domains) to commercialize PUT concept through developing new business opportunities in these domains.

For the first six months of this fiscal year, sales and operating income increased year on year for both the Japan and overseas businesses. Details by segment are provided below.

On a consolidated basis, the company posted net sales of ¥89,540 million for the six-month period (up 14.4% year on year), operating income of ¥6,825 million (up 33.8%), ordinary income of ¥6,330 million (up 41.9%), and net income attributable to owners of parent of ¥4,342 million (up 42.3%).

Performance by segment is as follows.

Auto-ID solutions (Japan)

Mechatronics sales increased for the first half of the fiscal year, driven by higher printer sales following the launch of new models. Consumables sales also increased, supported by the front-loaded demand in the first quarter ahead of price revisions and contributions from a merger and acquisition. Selling, general and administrative expenses rose due to investments in human capital and other strategic investments, including one-off expenses. However, these expenses were more than offset by higher sales, an improved product mix, and contributions from the M&A, resulting in an increase in operating income.

Overall, net sales for the segment grew 12.8% year on year to ¥45,760 million, while operating income increased 51.0% to ¥2,871 million.

For details of our sales performance by vertical, 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 grew for the first half of the fiscal year, reflecting solid performance across all regions and favorable foreign exchange effects. Sales at our primary labels companies also increased, benefiting from the capacity expansion in Europe, recovery from the temporary sales contraction in the year-earlier period, and favorable foreign exchange effects.
Operating income from the base business grew, driven by higher sales in Asia and Oceania, and one-off positive benefits from tariff refunds in the Americas. Operating income at our primary labels companies also increased, reflecting higher sales, price revisions, and favorable foreign exchange effects, resulting in higher operating income for the overseas business overall.
Overall, net sales for the segment grew 16.2% year on year to ¥43,779 million (up 5.2% excluding foreign exchange effects), while operating income increased 22.0% to ¥3,972 million.

For a detailed breakdown of financial performance by business segment, including the base business, primary labels business and each geographic 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 Position for the Six-Month Period

As of September 30, 2026, current assets amounted to¥100,179 million, an increase of ¥5,904 million from ¥94,274 million as of March 31, 2026. The increase was mainly attributable to increases of ¥3,444 million in cash and deposits and ¥1,094 million in notes and accounts receivable, trade, and contract assets. Non-current assets amounted to ¥54,399 million, an increase of ¥3,214 million from ¥51,184 million as of March 31, 2026. The increase was mainly attributable to an increase of ¥1,181 million in buildings and structures and ¥2,103 million in software, and a decrease of ¥1,685 million in Software in progress.

Current liabilities amounted to ¥46,808 million, an increase of ¥8,318 million from ¥38,489 million as of March 31, 2026. This was mainly attributable to increases of ¥1,315 million in contract liabilities, ¥844 million in notes and accounts payable, trade, and ¥6,950 million in short-term borrowings.

Non-current liabilities amounted to ¥17,195 million, a decrease of ¥189 million from ¥17,384 million as of March 31, 2026, mainly due to a decrease of ¥907 million in long-term borrowings.

Net assets amounted to ¥90,574 million as of September 30, 2026, an increase of ¥989 million from ¥89,585 million as of March 31, 2026. This was mainly attributable to an increase of ¥3,103 million in retained earnings and a decrease of ¥1,470 million in foreign currency translation adjustments..

(Cash flows)

Cash and cash equivalents as of September 30, 2026 increased by ¥3,122 million from March 31, 2026, to ¥29,557 million. The respective cash flow activities are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was¥7,411 million.

The principal cash inflows included profit before income taxes of ¥6,214 million, depreciation of ¥3,290 million and an increase in contract liabilities of ¥1,346 million. The principal cash outflows included an increase in accounts receivable – trade, and contract assets of ¥821 million and income taxes paid of ¥2,022 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥4,828 million.

The principal cash outflows included the purchase of property, plant and equipment of ¥2,798 million and ¥1,206 million for the purchase of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥965 million.

The principal cash inflow was a net increase in short-term borrowings of ¥3,338 million, while the principal cash outflows were dividend payments of ¥1,237 million and purchases of treasury shares of ¥551 million.

(3) Explanation regarding consolidated Forecasts and other forward-looking information

Based on business trends and other factors observed in the semi-annual consolidated accounting period, we have revised our full-year consolidated earnings forecast for the fiscal year ending March 31, 2027, as follows.

Full-year consolidated earnings forecast for the fiscal year ending March 31, 2027
Net sales: ¥178,000 million (previous forecast: ¥172,000 million)
Operating income: ¥12,400 million (previous forecast: ¥12,100 million)
Ordinary income: ¥11,900 million (previous forecast: ¥11,600 million)
Net income attributable to owners of parent: ¥7,800 million (previous forecast: ¥7,700 million)

Assumed foreign exchange rates for the full fiscal year are ¥155 to the U.S. dollar and ¥180 to the euro.

Forward-looking statements, including the consolidated earnings forecasts contained in this document, are based on information currently available to the company and certain assumptions considered reasonable at the time of preparation. Actual results may differ materially from those expressed or implied by these forward-looking statements due to various factors.

2. Semi-annual Consolidated Financial Statements and Major Notes
(1) Semi-annual Consolidated Balance sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	28,312	31,757
Notes and accounts receivable - trade, and contract assets	31,020	32,114
Merchandise and finished goods	15,993	16,359
Work in process	1,001	940
Raw materials and supplies	12,638	12,814
Accounts receivable - other	2,014	1,883
Advance payments	1,093	1,750
Prepaid expenses	1,555	1,980
Other	1,034	992
Allowance for doubtful accounts	(389)	(414)
Total current assets	94,274	100,179
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,203	18,385
Machinery, equipment and vehicles, net	14,778	15,044
Land	4,929	5,195
Other, net	4,852	4,785
Total property, plant and equipment	41,765	43,411
Intangible assets		
Software	3,113	5,217
Software in progress	2,421	735
Goodwill	14	820
Other	708	651
Total intangible assets	6,257	7,424
Investments and other assets	3,161	3,563
Total non-current assets	51,184	54,399
Total assets	145,459	154,578
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,575	8,420
Electronically recorded obligations - operating	6,558	6,471
Short-term borrowings	1,100	8,051
Contract liabilities	8,582	9,897
Accounts payable - other	5,043	4,643
Income taxes payable	1,717	1,304
Provisions	2,246	2,234
Other	5,665	5,785
Total current liabilities	38,489	46,808
Non-current liabilities		
Long-term borrowings	10,986	10,078
Lease liabilities	3,704	3,611
Retirement benefit liability	1,006	1,217
Other	1,686	2,287
Total non-current liabilities	17,384	17,195
Total liabilities	55,874	64,003

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Share capital	8,468	8,468
Capital surplus	5,347	5,347
Retained earnings	59,070	62,173
Treasury shares	(2,262)	(2,802)
Total shareholders' equity	70,623	73,186
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	10
Foreign currency translation adjustment	14,574	13,104
Remeasurements of defined benefit plans	103	94
Total accumulated other comprehensive income	14,685	13,209
Share acquisition rights	12	12
Non-controlling interests	4,263	4,166
Total net assets	89,585	90,574
Total liabilities and net assets	145,459	154,578

(2) Semi-annual Consolidated Statement of Income and Comprehensive Income

(Semi-annual Consolidated Statement of Income)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	78,248	89,540
Cost of sales	46,811	52,828
Gross income	31,436	36,712
Selling, general and administrative expenses	26,334	29,886
Operating income	5,101	6,825
Non-operating income		
Interest income	263	258
Dividend income	1	1
Others	150	129
Total non-operating income	414	390
Non-operating expenses		
Interest expense	357	306
Foreign exchange losses	341	267
Loss on net monetary position	209	198
Other	148	113
Total non-operating expenses	1,055	884
Ordinary income	4,460	6,330
Extraordinary income		
Gain on sale of non-current assets	52	17
Total extraordinary income	52	17
Extraordinary losses		
Loss on retirement of non-current assets	39	79
Loss on sale of non-current assets	0	34
Loss on business restructuring	73	19
Total extraordinary losses	112	133
Income before income taxes	4,399	6,214
Income taxes - current	951	1,582
Income taxes - deferred	307	184
Total income taxes	1,258	1,766
Net income	3,141	4,448
Net income attributable to non-controlling interests	88	106
Net income attributable to owners of parent	3,052	4,342

(Semi-annual Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net income	3,141	4,448
Other comprehensive income		
Valuation difference on available-for-sale securities	0	2
Foreign currency translation adjustment	1,511	(1,673)
Remeasurements of defined benefit plans, net of tax	0	(9)
Total other comprehensive income	1,512	(1,680)
Comprehensive income	4,653	2,768
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,511	2,865
Comprehensive income attributable to non-controlling interests	142	(96)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Income before income taxes	4,399	6,214
Depreciation	2,908	3,290
Amortization of goodwill	6	37
Loss (gain) on sale of non-current assets	(51)	16
Loss on retirement of non-current assets	39	79
Loss on business restructuring	73	19
Loss on net monetary position	209	198
Increase (decrease) in provision for bonuses	(240)	(65)
Increase (decrease) in allowance for doubtful accounts	(7)	23
Increase (decrease) in retirement benefit liability	34	(12)
Interest and dividend income	(264)	(260)
Interest expenses	357	306
Foreign exchange losses (gains)	44	124
Decrease (increase) in accounts receivable - trade, and contract assets	1,127	(821)
Decrease (increase) in inventories	29	(390)
Increase (decrease) in trade payables	298	78
Increase (decrease) in accounts payable - other	(1,046)	(49)
Increase (decrease) in contract liabilities	449	1,346
Decrease (increase) in prepaid expenses	(341)	(434)
Increase (decrease) in accrued consumption taxes	(639)	325
Other	(202)	(560)
Subtotal	7,182	9,464
Interest and dividends received	264	260
Interest paid	(324)	(271)
Income taxes paid	(972)	(2,022)
Payments for business restructuring	(73)	(19)
Cash flows from operating activities	6,077	7,411
Cash flows from investing activities		
Payments into time deposits	(821)	(1,061)
Proceeds from withdrawal of time deposits	1,029	1,123
Purchase of property, plant and equipment	(2,656)	(2,798)
Purchase of intangible assets	(1,726)	(1,206)
Proceeds from sale of property, plant and equipment and intangible assets	64	25
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(889)
Other	(2)	(22)
Cash flows from investing activities	(4,112)	(4,828)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(898)	3,338
Repayments of long-term borrowings	(32)	(160)
Repayments of lease liabilities	(726)	(418)
Dividends paid	(1,237)	(1,237)
Purchase of treasury shares	(0)	(551)
Other	0	(3)
Cash flows from financing activities	(2,895)	965
Effect of exchange rate change on cash and cash equivalents	336	(425)
Net increase (decrease) in cash and cash equivalents	(594)	3,122
Cash and cash equivalents at beginning of period	25,883	26,434
Balance of cash and cash equivalents at end of interim period	25,289	29,557

(4) Notes to the Semi-annual Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Presentation)

(Semi-annual Consolidated Balance Sheets)

In the previous consolidated fiscal year, “Advance payments” and “Prepaid expenses” were included in “Other” under current assets. Due to their increased materiality, these items have been presented separately beginning with the current fiscal year.

To reflect this change in presentation, ¥3,683 million previously presented as “Other” under current assets in the consolidated balance sheet as of March 31, 2026 has been reclassified as “Advance payments” of ¥1,093 million, “Prepaid expenses” of ¥1,555 million and “Other” of ¥1,034 million.

(Semi-annual Consolidated Statements of Cash Flows)

In the previous semi-annual consolidated cumulative period, changes in contract liabilities and prepaid expenses and accrued consumption taxes were included in “Other” under cash flows from operating activities. Due to their increased materiality, these items have been presented separately beginning with the current fiscal year.

To reflect this change in presentation, ¥734 million previously presented as “Other” under cash flows from operating activities for the six months ended September 30, 2025 has been reclassified as an increase in contract liabilities of ¥449 million, an increase in prepaid expenses of ¥341 million, a decrease in accrued consumption taxes of ¥639 million and “Other” of ¥202 million.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Changes in Accounting Policies)

Not applicable.

(Notes on segment information, etc.)

[Segment Information]

I. For the six months ended September 30, 2025 (from April 1,2025 to September 30,2025)

1.Information on Net sales and amounts of profit or loss for each reportable segment

(Millions of yen)

	Auto-ID solutions (Japan)	Auto-ID solutions (Overseas)	Total
Net sales			
Sales to external customers	40,565	37,682	78,248
Intersegment sales and transfers	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 Semi-annual consolidated Statement of income, and main details of such difference (matters concerning difference adjustments)

(Millions of yen)

Profit	Amount
Total of reportable segments	5,157
Intersegment eliminations	0
Inventory adjustments	(56)
Operating income in the semi-annual Consolidated Statement of income	5,101

3. Matters Concerning Changes to Reportable Segments, etc.

No applicable items.

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

Not applicable.

II For the six months ended September 30, 2026 (from April 1,2026 to September 30, 2026)

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

(Millions of yen)

	Auto-ID solutions (Japan)	Auto-ID solutions (Overseas)	Total
Net sales			
Sales to external customers	45,760	43,779	89,540
Intersegment sales and transfers	5,799	8,506	14,306
Total	51,560	52,286	103,846
Segment profit (loss)	2,871	3,972	6,844

2. Difference between the total amount of profit or loss of reportable segments and the amount recorded in the Semi-annual Consolidated Statement of income, and main content of such difference (matters concerning differences adjustments)

(Millions of yen)

Profit	Amount
Total of reportable segments	6,844
Intersegment eliminations	-
Inventory adjustments	(19)
Operating income in the semi-annual Consolidated Statement of income	6,825

3. Matters Related to Changes in Reportable Segments, etc.

Not applicable.

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

(Material changes in the amount of goodwill)

During the six months ended September 30, 2026, goodwill of 843 million yen was recognized in the Auto-ID solutions (Japan) segment following the acquisition of shares in Hiranoya Bussan Co., Ltd. and inclusion of the company and its subsidiary, J.F. Stockpack Co., Ltd., in the scope of consolidation.

The amount of goodwill is provisional because the allocation of the acquisition cost had not been completed as of September 30, 2026.

(Business Combinations and Other Related Matters)

(Business combination through acquisition)

At a meeting of the Board of Directors held on May 26, 2026, the Company resolved to acquire all issued shares of Hiranoya Bussan Co., Ltd. and make it a wholly owned subsidiary. The Company subsequently entered into a share transfer agreement on June 1, 2026 and acquired all voting shares on June 15, 2026.

(1) Overview of Business Combination

(i) Name of the acquired company and description of its business

Name of acquired company: Hiranoya Bussan Co., Ltd.

Business description: Manufacture and sale of packaging materials for food and fast moving consumer goods products

(ii) Main reason for conducting the business combination

The Share Acquisition is aimed at reinforcing the foundation of the company's smart packaging business, a new growth driver, to help realize the Perfect and Unique Tagging concept.

(iii) Date of business combination

June 15, 2026 (deemed acquisition date: June 30, 2026)

(iv) Legal form of business combination

Acquisition of shares

(v) Name of the Company after the Business Combination

Hiranoya Bussan Co., Ltd.

(vi) Acquired voting rights ratio

100%

(vii) Main basis for determining the acquiring company

The Company was determined to be the acquirer because it acquired the shares for cash consideration.

(2) Period of the acquiree's results included in the semi-annual consolidated statement of income

From July 1, 2026 to September 30, 2026

(3) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	￥2,119 million
Acquisition cost		￥2,119 million

(4) Details and amounts of major acquisition-related expenses

Advisory fees, etc.¥225 million

(5) Amount of goodwill recognized, cause of occurrence, amortization method and period

(i) Amount of goodwill recognized

¥843 million

The amount of goodwill is provisional because the allocation of the acquisition cost had not been completed as of September 30, 2026.

(ii) Cause of occurrence

Goodwill arose from anticipated future excess earnings.

(iii) Amortization method and period

Straight-line amortization over seven years.

(Significant Subsequent Events)

Not applicable