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May 15, 2026

Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

Company name: ALLIED TELESIS HOLDINGS K.K.
Listing: Tokyo Stock Exchange
Securities code: 6835
URL: https://www.at-global.com/
Representative: Sachie Oshima Representative Director, Chairman/CEO & President
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	13,120	2.3	1,439	19.9	1,503	69.1	1,012	95.4
March 31, 2025	12,830	8.5	1,200	52.0	889	(13.2)	518	4.0

Note: Comprehensive income For the three months ended March 31, 2026: ¥ 1,127 million [-%]
For the three months ended March 31, 2025: ¥ (4) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2026	9.66	-
March 31, 2025	4.82	-

Note: Diluted net income per share for the first quarter of the fiscal year ending December 2026 is not stated because there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2026	50,891	21,472	42.2
December 31, 2025	48,728	21,333	43.8

Reference: Equity
As of March 31, 2026: ¥ 21,459 million
As of December 31, 2025: ¥ 21,330 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	-	0.00	-	8.00	8.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		4.00	-	5.00	9.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	52,000	4.1	3,300	(22.0)	2,900	(23.7)	2,100	(28.1)	20.00

Note: Revisions to the financial result forecast most recently announced: None

*** Notes**

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

(2) Adoption of accounting treatment specific to the preparation of quarterly 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 issued shares (common shares)

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

As of March 31, 2026	105,012,176 shares
As of December 31, 2025	105,012,176 shares

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

As of March 31, 2026	553,600 shares
As of December 31, 2025	- shares

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

Three months ended March 31, 2026	104,827,643 shares
Three months ended March 31, 2025	107,498,310 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. Actual results may differ materially due to various factors.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months under review (January 1, 2026, to March 31, 2026), the Japanese economy remained on a gradual recovery trend, supported by improvements in the employment and income environment. Personal consumption and corporate investment decisions, however, reflected a cautious approach in some areas, in response to continued rises in prices of goods and exchange rate fluctuations. Amid continued uncertainty about monetary policy trends and geopolitical risks, the global economy as a whole showed a gradual recovery trend, despite variations across regions and industries.

In the information and communication equipment industry, to which the Company belongs, there was continued demand for upgrades to communication infrastructure and improved network reliability, supported by advances in digitalization and the expansion of AI use. In addition, investment in related fields continued across the industry amid growing awareness of cybersecurity measures. The business environment remained largely stable for the industry as a whole.

In the three months under review, consolidated net sales were 13,120 million yen (up 2.3% YoY) due to strong sales in Japan.

On the profit and loss front, selling, general and administrative expenses increased in response to increased personnel expenses in Japan and the weaker yen compared with the same period of the previous year. This, however, was offset by an increase in gross profit resulting from sales growth. As a result, operating profit came to 1,439 million yen (up 19.9% YoY). Ordinary profit amounted to 1,503 million yen (up 69.1% YoY) and profit attributable to owners of parent amounted to 1,012 million yen (up 95.4% YoY), impacted by the recording of foreign exchange gains of 45 million yen stemming from the valuation of foreign currency-denominated assets and liabilities (foreign exchange losses of 285 million yen in the same period of the previous fiscal year).

In the Americas, the IP Triple-Play Services business of Allied Telesis Capital Corp. was transferred. The business transfer took place at the end of February 2026, and sales and expenses for January and February have been recorded in the three months under review. The impact on the profit and loss for the three months under review is therefore limited. The extraordinary income associated with the business transfer has not been recorded yet because the novation procedures with the relevant U.S. authorities have not been completed.

The following is an overview of the Group's net sales by geographic segment for the three months under review.

[Japan]

In Japan, projects related to NEXT GIGA in the education field, demand for updating in-hospital networks in the medical field, and demand for updating local government networks in the public field, all remained strong. Some large projects that took place in the same period of the previous fiscal year were absent, but the impact was offset by projects built up in multiple fields.

By product, switch products continued to contribute to Japan's sales increase. As a result, net sales were 9,568 million yen (up 6.2% YoY).

[Americas]

In the Americas, sales increased year-on-year due to the large project for the Department of National Defence in Canada. While the progress of projects was delayed in the U.S. due to issues such as the suspension of operations of some government agencies, they are considered as temporary factors, and recovery is expected going forward. By product, sales of network interface cards increased. As a result, net sales for the Americas were 1,940 million yen (up 6.3% YoY).

[EMEA (Europe, Middle East and Africa)]

In EMEA, sales increased in some regions, such as Germany and the U.K., but decreased year-on-year as a whole. This was due to the absence of some large projects that took place in the same period of the previous fiscal year, as well as the impact of the delayed approval of government budgets in Southern Europe.

Inquiries continued to come in on the back of defense-related demand, which has prompted the Group to focus on the development of future projects, along with the further strengthening of the sales system. By product, sales of switch products decreased. As a result, net sales were 1,044 million yen (down 21.1% YoY).

[APAC (Asia and Oceania)]

In APAC, sales increased in some regions, such as Vietnam, Australia, and Singapore. Sales as a whole, however, decreased year-on-year due to the impact of business restructuring implemented since the previous year.

In the APAC region, the Group has been concentrating management resources in priority markets centered around India and working on the development of future projects, under the policy of allocating management resources to markets with high

growth potential. By product, sales of switch products decreased. As a result, net sales were 566 million yen (down 15.1% YoY).

(2) Explanation of Financial Position

(Assets)

As of March 31, 2026, total assets were 50,891 million yen, up 2,162 million yen from those as of December 31, 2025. This was mainly due to increases of 555 million yen in notes and accounts receivable - trade, and contract assets, 517 million yen in investments and other assets, 410 million yen in merchandise and finished goods, and 264 million yen in cash and deposits.

(Liabilities)

Total liabilities were 29,419 million yen, up 2,023 million yen from those as of December 31, 2025. This was mainly due to an increase of 1,827 million yen in other current liabilities.

(Net assets)

Net assets stood at 21,472 million yen, up 138 million yen from those as of December 31, 2025. This was mainly due to an increase of 172 million yen in retained earnings resulting from 840 million yen of dividends of surplus and 1,012 million yen of profit attributable to owners of parent, as well as an increase of 111 million yen in foreign currency translation adjustment, despite recording of 154 million yen in purchase of treasury shares.

As a result, the equity ratio was 42.2%, down 1.6 points from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

No changes have been made to the full-year financial result forecasts in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2025, announced on February 13, 2026.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	17,029,080	17,294,006
Notes and accounts receivable - trade, and contract assets	8,103,665	8,659,189
Merchandise and finished goods	6,453,500	6,863,733
Work in process	577,412	608,142
Raw materials and supplies	2,433,752	2,645,933
Other	2,697,639	2,822,160
Allowance for doubtful accounts	(116,758)	(94,891)
Total current assets	37,178,293	38,798,274
Non-current assets		
Property, plant and equipment		
Other, net	7,000,820	7,031,734
Total property, plant and equipment	7,000,820	7,031,734
Intangible assets		
Other	206,934	200,772
Total intangible assets	206,934	200,772
Investments and other assets		
Other	4,342,804	4,860,608
Total investments and other assets	4,342,804	4,860,608
Total non-current assets	11,550,559	12,093,115
Total assets	48,728,852	50,891,390
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,942,804	4,157,194
Current portion of long-term borrowings	1,182,661	1,132,421
Income taxes payable	738,232	989,116
Provision for bonuses	637,559	346,680
Contract liabilities	11,791,370	12,224,572
Other	4,228,781	6,055,794
Total current liabilities	22,521,410	24,905,779
Non-current liabilities		
Long-term borrowings	1,833,626	1,575,058
Retirement benefit liability	440,046	429,680
Other	2,600,130	2,508,667
Total non-current liabilities	4,873,802	4,513,406
Total liabilities	27,395,212	29,419,185

(Thousands of yen)

	As of December 31, 2025	As of March 31, 2026
Net assets		
Shareholders' equity		
Share capital	10,019,161	10,019,161
Retained earnings	8,614,296	8,786,629
Treasury shares	-	(154,452)
Total shareholders' equity	18,633,458	18,651,338
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,696,828	2,808,783
Remeasurements of defined benefit plans	115	(876)
Total accumulated other comprehensive income	2,696,943	2,807,907
Share acquisition rights	-	5,442
Non-controlling interests	3,237	7,516
Total net assets	21,333,639	21,472,205
Total liabilities and net assets	48,728,852	50,891,390

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Net sales	12,830,764	13,120,812
Cost of sales	5,544,094	5,221,915
Gross profit	7,286,670	7,898,896
Selling, general and administrative expenses	6,085,724	6,459,041
Operating profit	1,200,946	1,439,855
Non-operating income		
Interest income	1,385	10,209
Insurance claim income	-	36,252
Foreign exchange gains	-	45,455
Other	22,878	22,542
Total non-operating income	24,263	114,458
Non-operating expenses		
Interest expenses	49,545	49,326
Foreign exchange losses	285,050	-
Other	1,335	1,470
Total non-operating expenses	335,931	50,796
Ordinary profit	889,278	1,503,517
Profit before income taxes	889,278	1,503,517
Income taxes - current	337,763	819,122
Income taxes - deferred	33,369	(333,654)
Total income taxes	371,133	485,468
Profit	518,145	1,018,048
Profit attributable to non-controlling interests	-	5,618
Profit attributable to owners of parent	518,145	1,012,430

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended March 31, 2025	For the three months ended March 31, 2026
Profit	518,145	1,018,048
Other comprehensive income		
Foreign currency translation adjustment	(519,256)	110,616
Remeasurements of defined benefit plans, net of tax	(3,799)	(992)
Total other comprehensive income	(523,056)	109,624
Comprehensive income	(4,910)	1,127,672
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,910)	1,123,393
Comprehensive income attributable to non-controlling interests	-	4,278

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

I. For the three months ended March 31, 2025 (from January 1, 2025, to March 31, 2025)

1. Dividends paid

Resolution	Type of stock	Source of dividends	Total cash dividends (Thousand yen)	Dividends per share (Yen)	Record date	Effective date
February 14, 2025 Board of Directors	Common stock	Retained earnings	646,294	6.00	December 31, 2024	March 28, 2025

2. Significant changes in shareholders' equity

(Retirement of treasury shares)

At the meeting of the Board of Directors held on February 14, 2025, the Company resolved to retire its treasury shares, and 2,015,802 treasury shares were retired on February 28, 2025. As a result, retained earnings and treasury shares decreased by 200,051 thousand yen, respectively, in the three months ended March 31, 2025.

(Purchase of treasury shares)

At the meeting of the Board of Directors held on February 26, 2025, the Company resolved to purchase its own shares, and 585,300 treasury shares were purchased. As a result, treasury shares increased by 123,459 thousand yen in the three months ended March 31, 2025.

II. For the three months ended March 31, 2026 (from January 1, 2026, to March 31, 2026)

1. Dividends paid

Resolution	Type of stock	Source of dividends	Total cash dividends (Thousand yen)	Dividends per share (Yen)	Record date	Effective date
February 13, 2026 Board of Directors	Common stock	Retained earnings	840,097	8.00	December 31, 2025	March 28, 2026

2. Significant changes in shareholders' equity

(Purchase of treasury shares)

At the meeting of the Board of Directors held on March 9, 2026, the Company resolved to purchase its own shares, and 553,600 treasury shares were purchased. As a result, treasury shares increased by 154,452 thousand yen in the three months ended March 31, 2026.

(Segment information, etc.)

[Segment Information]

I. For the three months ended March 31, 2025 (from January 1, 2025, to March 31, 2025)

1. Information on the amounts of net sales and profit by reportable segment

(thousand yen)

	Reportable segment					Adjustments (Note 3)	Amount recorded in the quarterly consolidated statement of income (Note 4)
	Japan	Americas	EMEA (Note 1)	APAC (Note 2)	Total		
Net sales							
(1) Net sales to external customers	9,013,784	1,824,809	1,324,155	668,015	12,830,764	—	12,830,764
(2) Intersegment sales or transfers	53,926	3,979	4,902	2,489,840	2,552,648	(2,552,648)	—
Total	9,067,711	1,828,789	1,329,057	3,157,856	15,383,413	(2,552,648)	12,830,764
Segment profit	902,612	252,382	25,271	(20,153)	1,160,113	40,833	1,200,946

(Notes) 1. Europe, the Middle East, and Africa
2. Asia & Oceania
3. The adjustment of segment profit includes the elimination of intersegment transactions of 58,400 thousand yen and the adjustment of inventories for intersegment transactions, etc., of (17,566) thousand yen.
4. The sum of segment profit is consistent with operating profit in the quarterly consolidated statement of income.

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

Not applicable.

II. For the three months ended March 31, 2026 (from January 1, 2026, to March 31, 2026)

1. Information on the amounts of net sales and profit by reportable segment

(thousand yen)

	Reportable segment					Adjustments (Note 3)	Amount recorded in the quarterly consolidated statement of income (Note 4)
	Japan	Americas	EMEA (Note 1)	APAC (Note 2)	Total		
Net sales							
(1) Net sales to external customers	9,568,426	1,940,560	1,044,932	566,891	13,120,812	—	13,120,812
(2) Intersegment sales or transfers	51,360	5,416	6,040	3,117,439	3,180,255	(3,180,255)	—
Total	9,619,786	1,945,976	1,050,973	3,684,331	16,301,068	(3,180,255)	13,120,812
Segment profit	1,001,501	154,537	52,375	197,405	1,405,819	34,035	1,439,855

(Notes) 1. Europe, the Middle East, and Africa
2. Asia & Oceania
3. The adjustment of segment profit includes the elimination of intersegment transactions of 57,707 thousand yen and the adjustment of inventories for intersegment transactions, etc., of (23,672) thousand yen.
4. The sum of segment profit is consistent with operating profit in the quarterly consolidated statement of income.

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

Not applicable.

(Notes on statement of cash flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the three months ended March 31, 2026.

Depreciation (including amortization of intangible assets excluding goodwill) for the three months ended March 31 is as follows:

	For the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)	For the three months ended March 31, 2026 (from January 1, 2026 to March 31, 2026)
Depreciation	259,402 thousand yen	278,896 thousand yen