December 16, 2025

Medium-term Management Plan (FY24-28)
Update Briefing

SATO Corporation

Securities Code: 6287.T

Roadmap to our 2030 vision

- Restore profitability in FY24-25 and **restart growth investments in FY26 as planned.**
- Develop new growth drivers toward our 2030 vision and strengthen the revenue base and global management infrastructure that support them.

*1 MTMP: Medium-term Management Plan
*2 Existing Japan and overseas base business, as well as overseas primary labels business.
*3 Perfect and Unique Tagging (PUT) is a concept for realizing the 2030 Vision.

Summary of updates to the FY24-28 medium-term management plan

Medium-term management plan

- To prepare **for the transition from the profit recovery phase to the growth investment phase**, we address key challenges, clarify focused business domains, and define FY28 performance targets and capital policy.
- **To achieve stable revenue and sustainable growth while improving capital efficiency**, we will (1) optimize the core business portfolio, (2) commercialize the Perfect and Unique Tagging concept, and (3) strengthen the global management infrastructure.

KPIs and capital policy

- **Financial targets (FY28):** Sales: **186** billion yen, Operating income: **15.7** billion yen (operating margin 8.4%), ROIC: **9.4**%, ROE: **10.2**%, P/B ratio: **1.0** or above.
- **Capital allocation (FY25-28):** Generate approximately **70** billion yen in cash flow, allocate about **70**% to business investment and about **20**% to shareholder returns, maintain our credit rating, and ensure financial soundness.

Key performance indicators

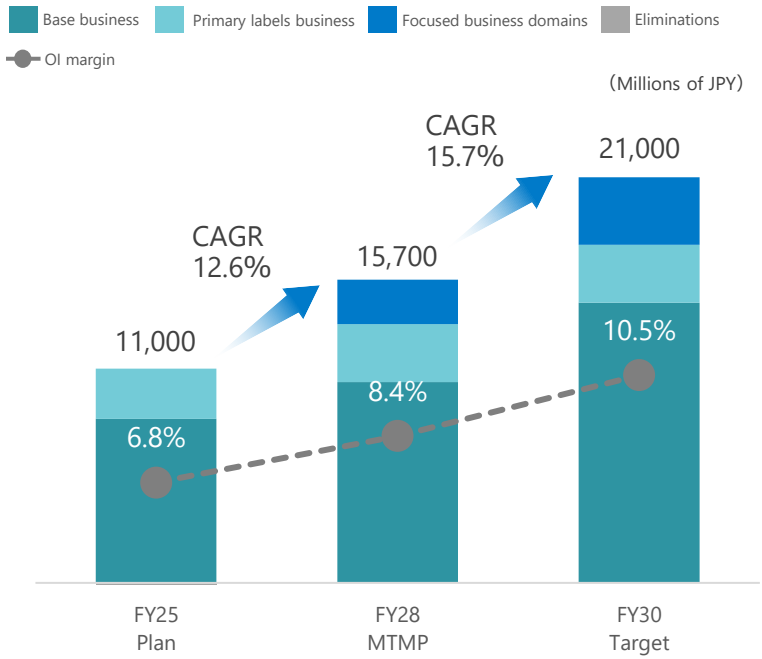
Financial metrics

(Millions of JPY)

	Metrics	FY25 Plan	**FY28 MTMP**	FY30 Target
Corporate value	P/B ratio	0.9 *	**1.0 or higher at the earliest possible**	
	EBITDA	16,900	**24,000**	30,000
Capital efficiency	ROIC	7.7%	**9.4%**	12.3%
	ROE	8.6%	**10.2%**	14.1%
Profitability	Operating income	11,000	**15,700**	21,000
	Operating margin	6.8%	**8.4%**	10.5%

* Based on the stock price as of November 12, 2025, at the time of the revision of the earnings forecast for the second quarter of the FY25.

Performance metrics, consolidated operating income



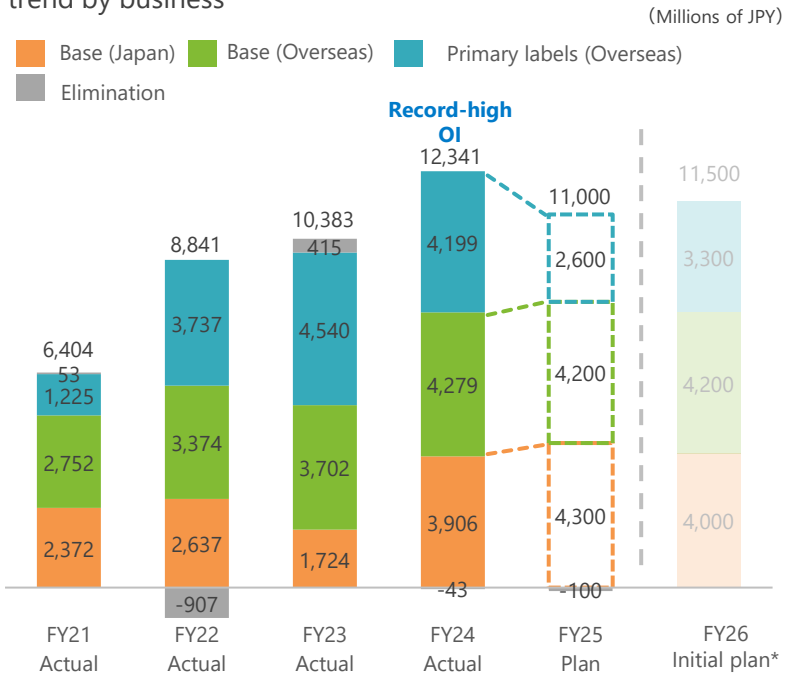
Contents

Contents

FY24-25 review

- Despite the slowdown at our Russian subsidiary, all initiatives remain on track; we achieved **record-high operating income in FY24 and expect strong OI in FY25**.

OI trend by business



Progress

Improve the core business

- Realize benefits from organization-wide pricing efforts.
- Introduce profit-focused metrics to evaluate sales performance and drive effective SG&A cost management.
- Develop global key accounts.
- Complete the development of a standard printer control platform and a new printer model leveraging it.

Realize Perfect and Unique Tagging

- Make investments and enter partnerships to develop PUT solutions.
- Capture the growing global demand for item-level traceability.

Enhance the global management infrastructure

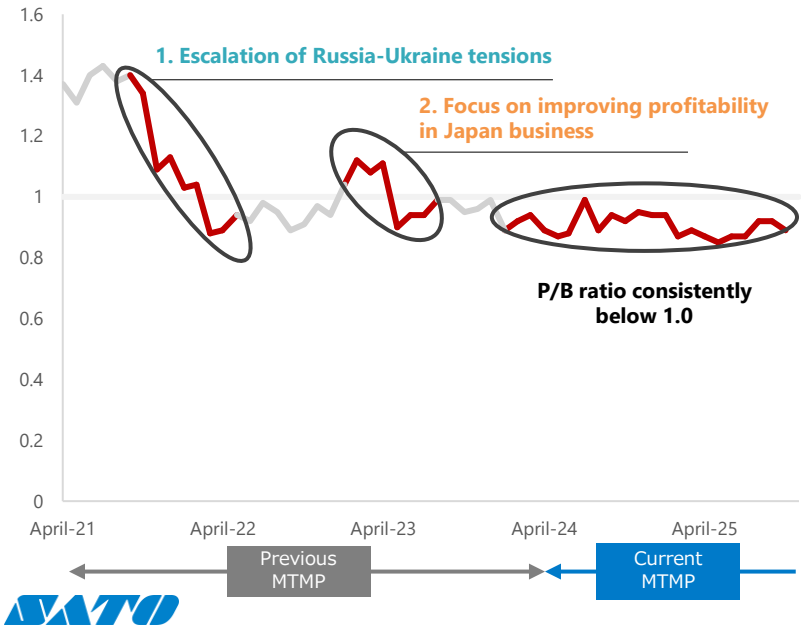
- Streamline responsibilities and authorities through organizational restructuring.
- Review our material priorities.
- Revise existing systems for investing in human capital.

* As of March 22, 2024

Key management challenges

- We recognize the importance **of stabilizing revenue and sustaining growth** by managing performance volatility.

P/B ratio trend



Key challenges and priorities

1 The rise of geopolitical risks

Operating income of Russian subsidiary

FY24 actual	→	FY25 plan
3,525 million yen		2,000 million yen

2 The recovery of Japan business profitability

Operating income of Japan business

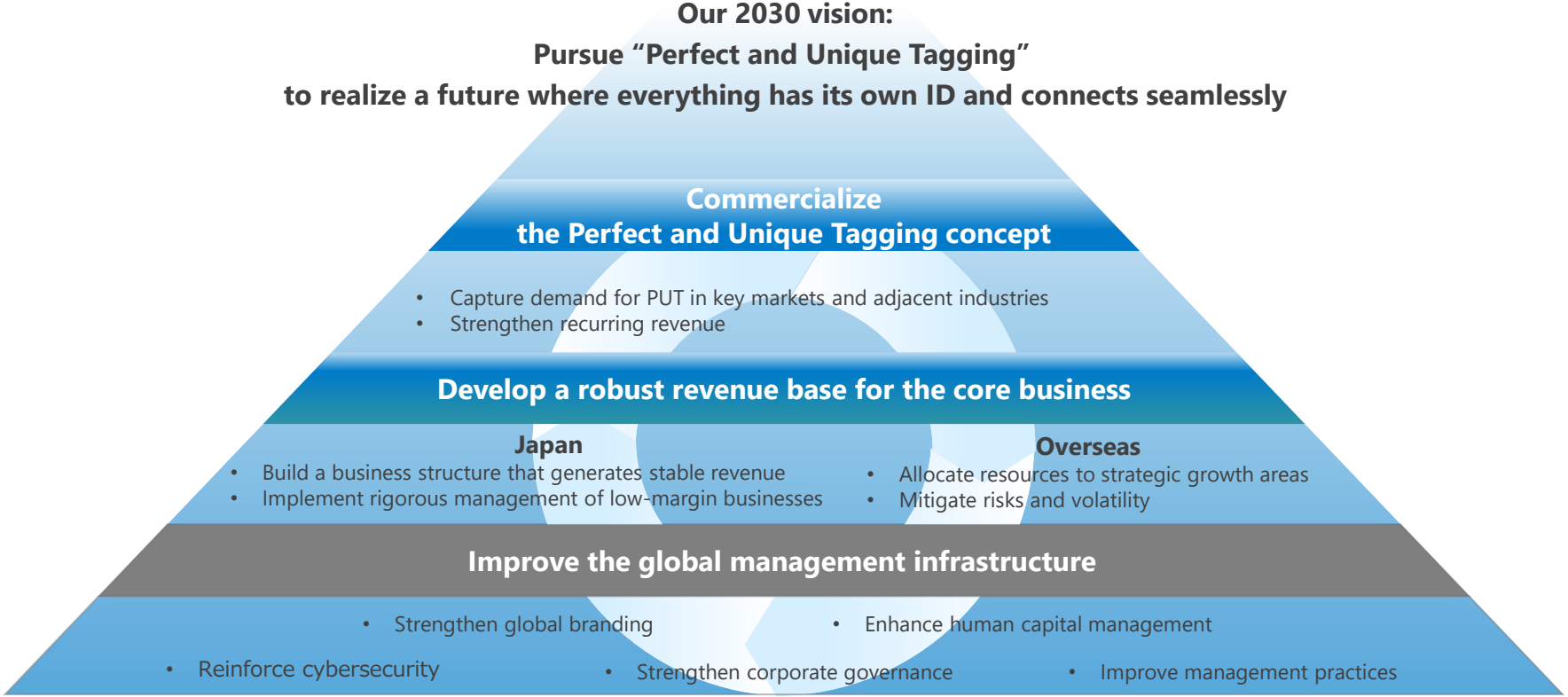
FY18 actual	→	FY23 results	→	FY25 plan
6,982 million yen		1,724 million yen		4,300 million yen

3 The improvement of the global management infrastructure to support business growth

Growing cybersecurity and governance risks

Medium-term management policy

Our 2030 vision:
Pursue "Perfect and Unique Tagging"
to realize a future where everything has its own ID and connects seamlessly



Strategic portfolio for sustainable growth

- **Develop a sustainable profit structure to maintain the P/B ratio above 1.0** by building a robust revenue base of the core business and creating new growth drivers.

Growth opportunities

Focused business domains

Commercialize the Perfect and Unique Tagging concept in key markets and adjacent industries

Strategic fields:
- **Blood SCM*, logistics digital transformation**
- **Circular economy, smart packaging**
- **New technologies (AI, traceability solutions)**

Selective approach to growth

Growth drivers toward 2030 - Focused investments –

Drive performance by growing strategic fields

Reinvestments

Businesses and regions requiring focused support

Optimize profitability and reduce volatility

- Japan base business: Markets requiring improvement
- Overseas base business: Markets/sales companies requiring improvement
- Overseas primary labels business: Regions with high volatility

Stabilization

Develop a robust revenue base

Stabilize the core business to underpin the P/B ratio and growth investments

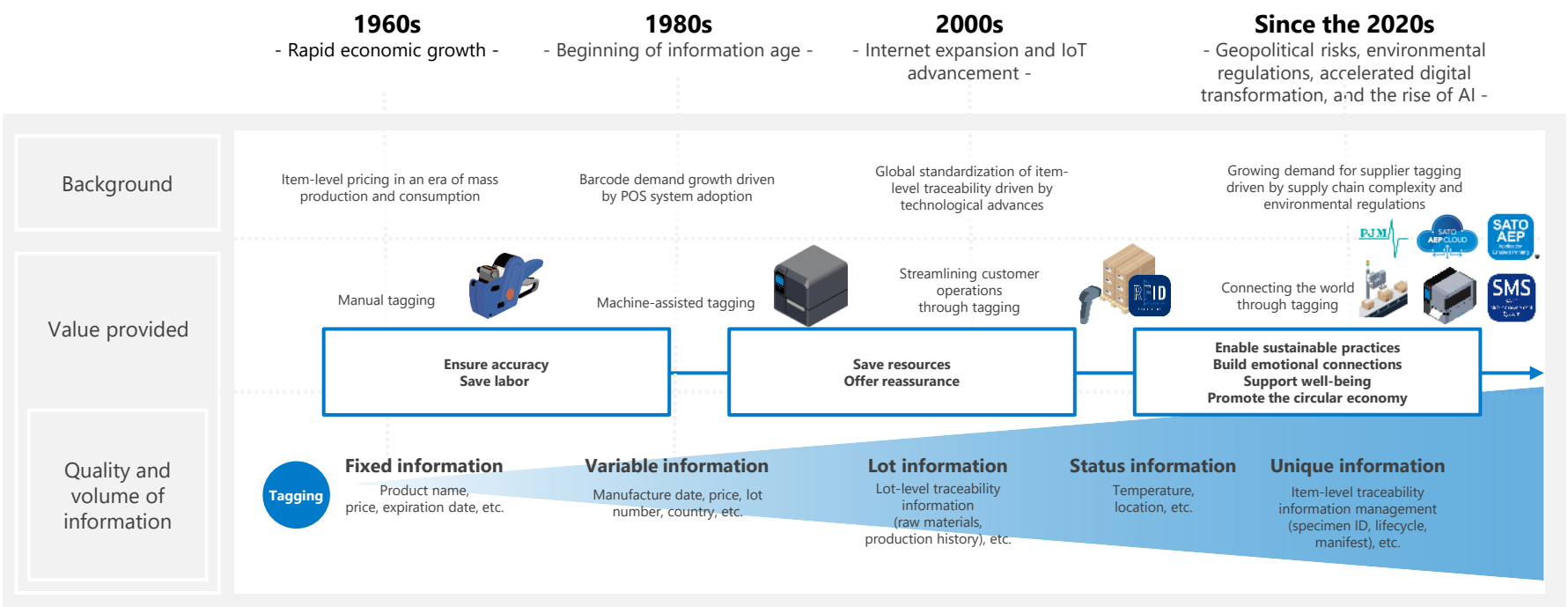
- **Japan base business: High-profit markets**
- **Overseas base business: High-profit sales companies/markets**
- **Overseas primary labels business: Regions with stable revenue**

Contribution to profits

* SCM: Supply Chain Management

Values provided by SATO

- As market needs change rapidly, global demand for item-level traceability continues to grow. **Leveraging our expertise in giving every 'thing' its own ID (tagging), we create value and provide solutions** that address emerging challenges in business and society.

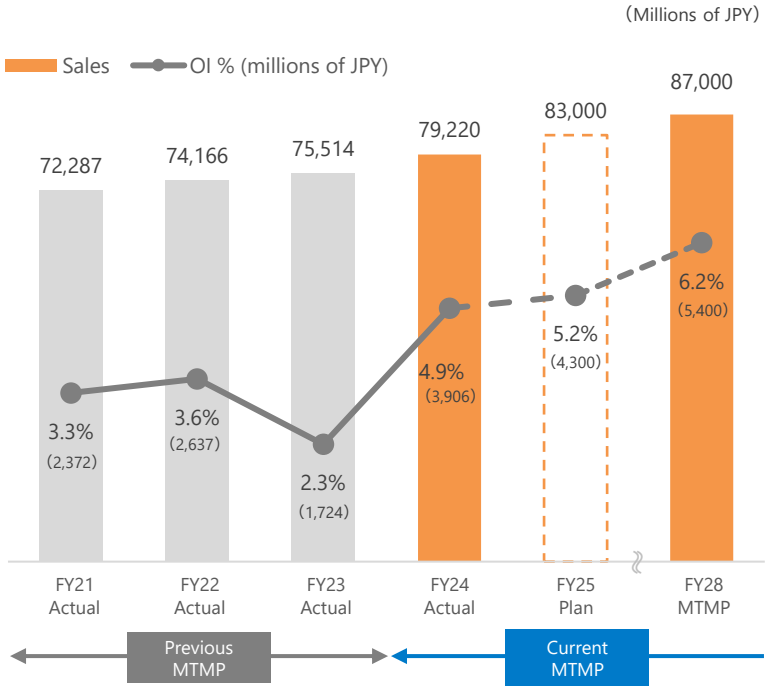


Contents

Develop a robust revenue base for the core business (Japan business)

- Capture business opportunities arising from growing demand for supplier tagging in key markets, while carefully managing low-margin areas to **achieve more stable revenue.**
- Improve profitability through value chain optimization and effective management of SG&A expenses.

Sales and OI%



* PSI (Production, Sales, Inventory): planning and management of production, sales, and inventory.

Focus on key markets and industries

- Capture demand for supplier tagging in manufacturing and health care.
- Leverage the new flagship printer to drive replacement and new demand.
- Grow subscription-based revenue through service and maintenance contracts.
- Develop packaged RFID and automation solutions to address common customer needs.
- Leverage a standard printer control platform to launch new products aligned with market needs.

Enhance value chain management

- Enhance overall performance through organizational streamlining.
- Improve inventory management through global PSI* management.
- Mechatronics: Optimize the printer lineup and development structure.
- Consumables: Standardize consumables specifications.

Introduce profit-focused performance metrics for the sales department

- Shift performance evaluation toward profitability-focused metrics.

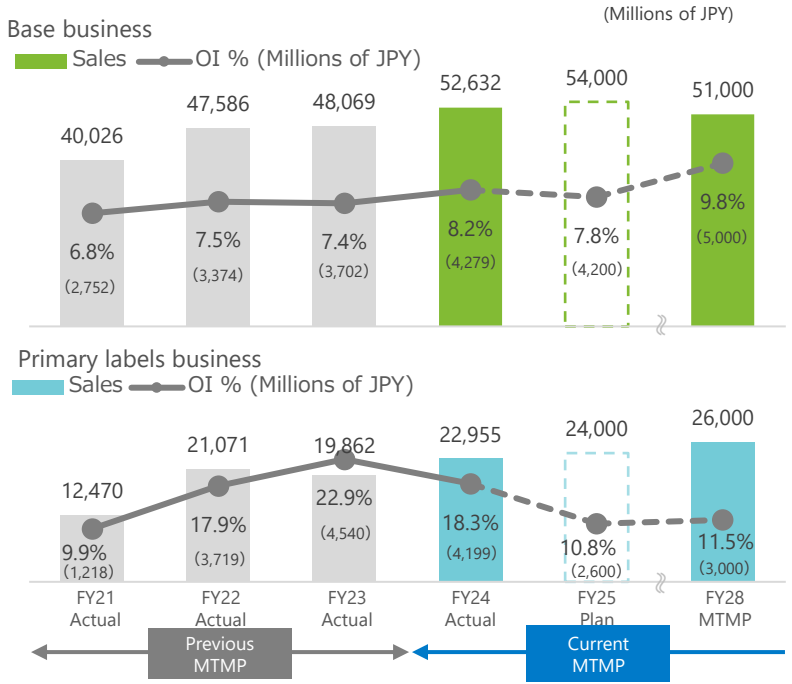
Strengthen SG&A expense management

- Improve resource allocation to strengthen organizational capabilities and develop talent for higher productivity.
- Enhance productivity by leveraging AI.

Develop a robust revenue base for the core business (Overseas business)

- **Achieve profit growth** through focused resources allocation to priority countries and regions.
- **Mitigate risk and volatility** by driving recurring revenue.

Sales and OI%



Assumed rates for FY28: USD/JPY 150, EUR/JPY 162

Focus resources on priority countries and regions

- Select targets based on sales performance and growth potential.
- Optimize the global development structure.

Develop and deploy portable and repeatable solutions

- Grow the recurring business by increasing revenue from consumables.
  - ✓ Improve productivity through increased production capacity and the deployment of MES (Manufacturing Execution System)
- Develop global key accounts.
  - ✓ Develop new use cases for the flagship model and capture emerging demand.
- Develop locally optimized solutions.
  - ✓ Develop solutions through partnerships to address emerging Digital Product Passport (DPP)*1 requirements.
- Expand the solution deployment.
  - ✓ Accelerate the rollout of PJM *2 RFID and automation solutions across target countries and regions.

Stabilize sales and operating income in the primary labels business

- Enhance the product lineup to drive growth across existing and new customers.
- Create synergies with the base business by commercializing smart packaging solutions.

*1 DPP (Digital Product Passport): A structured digital record that captures and shares information such as manufacturer details, raw material data, and recyclability across a product's lifecycle. In Europe, phased introduction by product category is planned starting in 2026.
*2 PJM (Phase Jitter Modulation): An HF-band RFID technology compliant with the international standard ISO/IEC18000-3 Mode 2.

What is Perfect and Unique Tagging?

- As challenges facing society grow more complex, global demand for item-level traceability is increasing. We aim to provide PUT solutions by leveraging our field expertise and item-level traceability capabilities to create value and **strengthen our business foundation**.

Perfect

Accurate and reliable data capture, fully integrated into operational workflows without manual intervention.

- Automatic recording and collection of status data.

Unique

Item-level identification for tracking history and status.

- Item-level management using international standard IDs, status data and biometric IDs.

Tagging

Information linkage to physical objects to make it usable in digital systems.

- Auto-ID technology grounded in proven field expertise.

Value that Perfect and Unique Tagging provides

- Contributes to sustainable society through the effective use of limited resources.
- Builds emotional connections through personalized, new experiences.

Example: Blood bag management

Simply place blood bags in the refrigerator, and inventory levels and expiration dates are **automatically tracked.**

Manage blood bags with **unique IDs**.

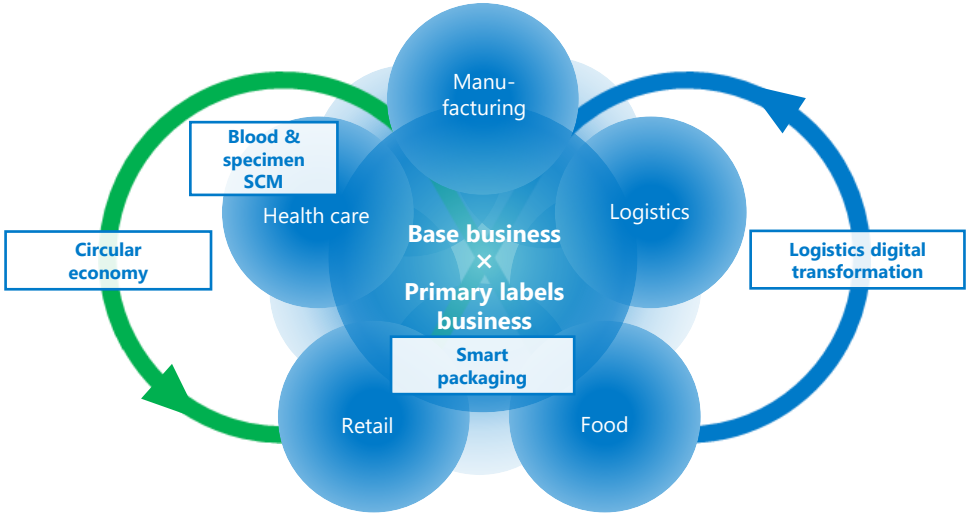
Select labels that ensure reliable scanning in demanding environments and processes, including low temperatures, multilayer stacking, and sterilization.

Commercialize the Perfect and Unique Tagging concept

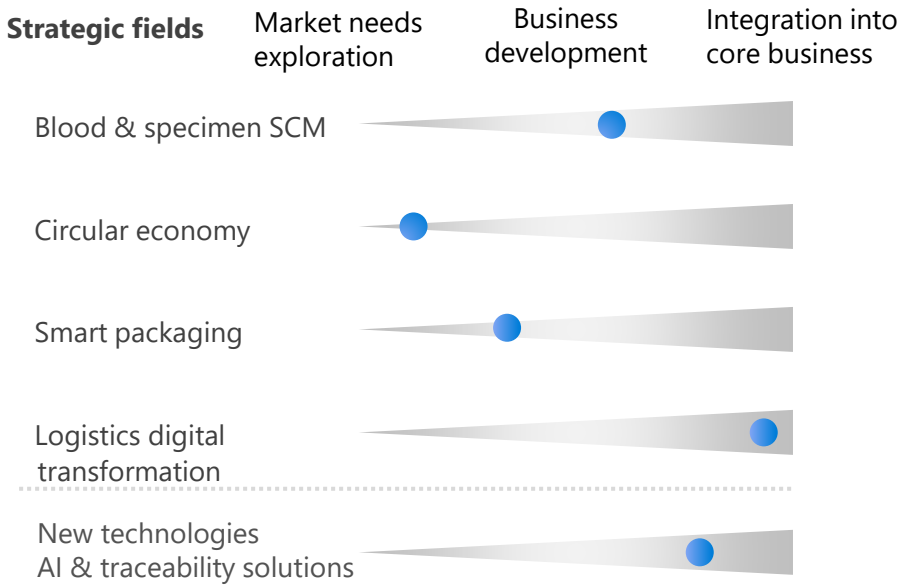
- **Capture demand for Perfect and Unique Tagging solutions in key markets within the core business and adjacent industries**.
- Drive initiatives to achieve both profitability and stability through recurring business.

Strategic fields

- The fields of logistics digital transformation and circular economy are closely associated with our five existing markets and adjacent industries, while smart packaging is a field where we can leverage our strengths in the base and core businesses.



Progress on strategic fields



Strategic field: Blood and specimen SCM

- **Capture rapidly growing demand and drive sales growth** by strengthening operational capacity and improving the ability to supply products.

Action for this field

- Capture status data automatically and accurately and provide item-level traceability, using tagging expertise developed in health care, blood and specimen supply chain networks, as well as PJM RFID capabilities.

Progress and challenges

Progress

- Partners for collaboration have been selected in key countries. Operational capacity has increased since October 2025.
- Business opportunities increased rapidly worldwide.
- Packaged solutions have been developed for blood SCM in Europe.
- RFID antenna technology has been developed using FHE for future PJM RFID deployment.

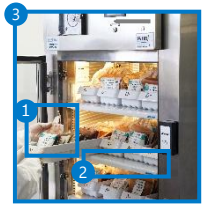
Challenges

- Dedicated teams and deployment support capabilities need further development.
- Product supply capacity needs to be enhanced.

Next steps

- Drive sales by allocating additional personnel, strengthening partner collaborations, and enhancing deployment support.
- Increase supply capacity to support the growing volume of business negotiations.

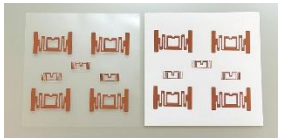
Packaged solution for blood bag management



1. PJM RFID labels and printers

2. PJM RFID reader

3. Blood storage Refrigerator

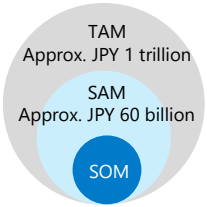


FHE（Flexible Hybrid Electronics）

RFID antenna manufacturing technology that uses a printing method with conductive paste made from micron-sized copper particles.

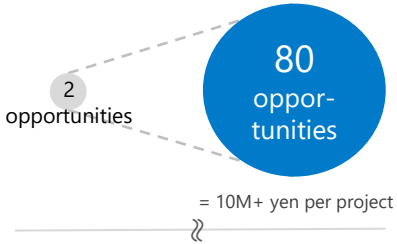
Business opportunities and expected sales

Global blood supply chain market *1



SATO sales: Approx. JPY **10** billion (by 2030)

Opportunity count and value in blood SCM



*1 Estimated by SATO

Strategic field: Circular economy

- Capture expanding business opportunities created by emerging regulatory requirements.
  Apply tagging expertise to resource circulation to **develop businesses that drive sustainable growth**.

Action for this field

- Apply tagging knowledge fostered in forward logistics (manufacturing to sales) to reverse logistics (collection of used products to resource recovery), where recycling and DPP requirements create growth potential.

Progress and challenges

Progress

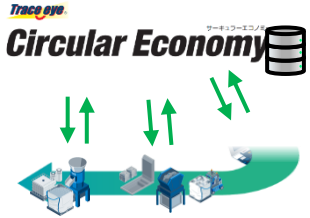
- Key use cases, including those with DPP, have been piloted.
- Traceability system for resource circulation was launched in July 2025.
- A team dedicated to this field was established in October 2025, accelerating business ecosystem formation.
  - ✓ Relationship-building with business partners, industry associations, and public-sector organizations.

Challenges

- Further market awareness is needed for opportunity creation and sales growth.
- The business ecosystem needs to be developed through collaboration with external organizations.

Next steps

- Increase market awareness with partners and at industry events, and expand our presence in target areas.
- Strengthen relationships with partners and external organizations to build an ecosystem.



Trace eye® Circular economy overview


Presentation at an industry seminar


DPP label
Hand labelers made from recycled plastic (Internally recycled. DPP being tested)

Key business opportunities and expected sales

Sales *1 (by 2030)
Approx. JPY **10** billion

Recycled plastics market *2 (by 2030 in Japan) SAM
Approx. JPY **800** billion

Digital Product Passport market *3 (by 2030 globally) SAM
Approx. JPY **180** billion

Battery recycling market *4 (Global, as of 2030) TAM
Approx. JPY **5** trillion

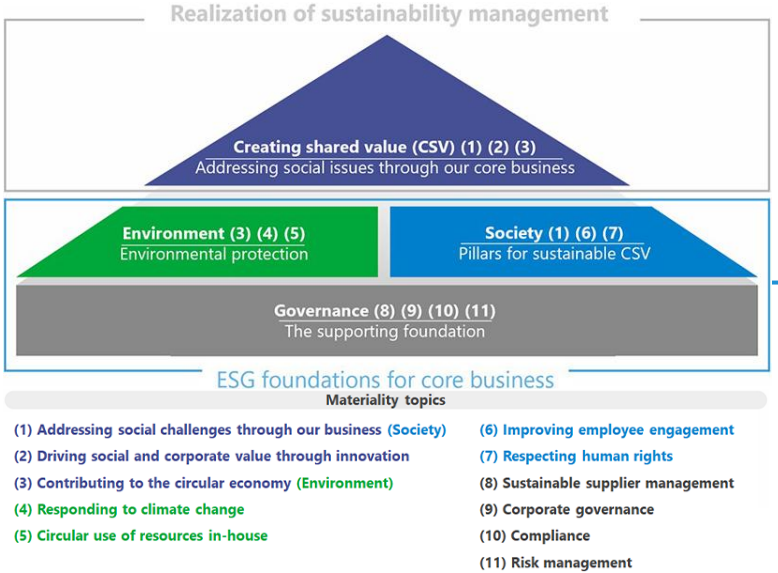
Home appliance recycling market *5 (Global, as of 2030) TAM
Approx. JPY **4.5** trillion

Apparel recycling market *6 (Global, as of 2030) TAM
Approx. JPY **2** trillion

*1 Includes sales overlapping with the core business (base business, primary labels business)
Sources:
*2 Grand View Research, inc., Japan Recycled Ocean Plastics Market Size & Outlook, 2030.
*3 Grand View Research, inc., Digital Product Passport Market Size, Share & Trends Analysis Report, 2025–2030.
*4 MarketsandMarkets. Battery Recycling Market by Source, Chemistry, Material and Region – Global Forecast to 2030.
*5 E-Waste Management Market – Global Forecast to 2030, MarketsandMarkets
*6 Grand View Research. Textile Recycling Market Size, Share & Trends Analysis Report, 2025–2033.

Improve global management infrastructure

- Execute initiatives as planned to **develop a robust management infrastructure that supports sustainable growth and improve the quality of management** in line with the 2030 vision.



Global branding

- Develop a global brand to drive sustainable growth and improve productivity.

Human capital management

- Secure human capital that contributes to sustainable growth by revising HR frameworks.
- Improve productivity by investing in digital transformation and employee training.

Cybersecurity

- Drive cybersecurity initiatives under the leadership of the dedicated team established in FY25.
- Enhance security incident response capabilities.

Governance framework

- Improve overseas corporate management frameworks (e.g., deployment of corporate function personnel).
- Enhance governance frameworks for overseas subsidiaries.
- Raise overall governance capabilities through training.
- Promote CSR and environmental initiatives, including responsible mineral sourcing.

Management control

- Clarify roles and responsibilities by streamlining the organization.
- Strengthen SG&A expense management.
- Enhance managerial accounting and investment management functions.

Contents

Performance targets

FY28 Performance targets　Consolidated sales: **186** billion yen　Consolidated operating income: **15.7** billion yen (OI margin **8.4**%)
ROIC: **9.4**%　ROE: **10.2**%　P/B ratio: **1.0** or higher

(Millions of JPY)

		FY24 Actual	FY25 Plan	FY28 MTMP	FY25-28 CAGR
Consolidated results	**Sales**	**154,807**	**161,000**	**186,000**	**+4.9%**
	Operating income (OI margin)	**12,341 (8.0%)**	**11,000 (6.8%)**	**15,700 (8.4%)**	**+12.6%**
High-potential areas	Sales	-	-	**22,000**	-
	Operating income (OI margin)	-	-	**2,300 (10.5%)**	-
Core business	Sales	**154,807**	**161,000**	**164,000**	**+0.6%**
	Operating income (OI margin)	**12,384 (8.0%)**	**11,100 (6.9%)**	**13,400 (8.2%)**	**+6.8%**
Japan base business	Sales	79,220	83,000	87,000	+1.6%
	Operating income (OI margin)	3,906 (4.9%)	4,300 (5.2%)	5,400 (6.2%)	+7.9%
Overseas base business	Sales	52,632	54,000	51,000	-1.9%
	Operating income (OI margin)	4,279 (8.2%)	4,200 (7.8%)	5,000 (9.8%)	+6.0%
Overseas primary labels	Sales	22,955	24,000	26,000	+2.7%
	Operating income (OI margin)	4,199 (18.3%)	2,600 (10.8%)	3,000 (11.5%)	+4.9%
Eliminations	Operating income	-43	-100	-	-
Reference: Core business (excluding Russian subsidiary)	Sales	135,713	141,000	142,000	+0.2%
	Operating income (OI margin)	8,659 (6.4%)	9,100 (6.5%)	11,100 (7.8%)	+6.8%

* Logistics digital transformation and AI solution sales are included in Japan and overseas base businesses.

Key performance indicators (recap)

Financial metrics

(Millions of JPY)

	Metrics	FY25 Plan	**FY28 MTMP**	FY30 Target
Corporate value	P/B ratio	0.9 *	**1.0 or higher at the earliest possible**	
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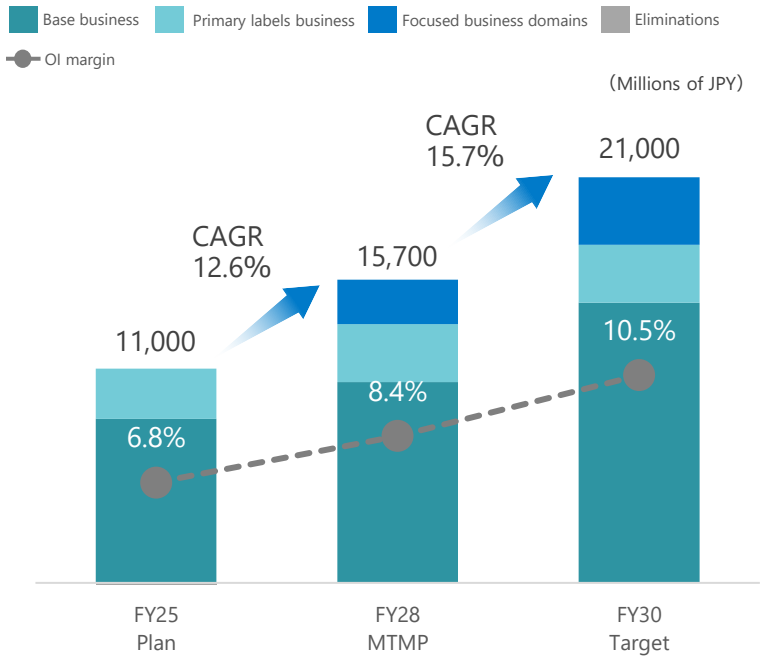
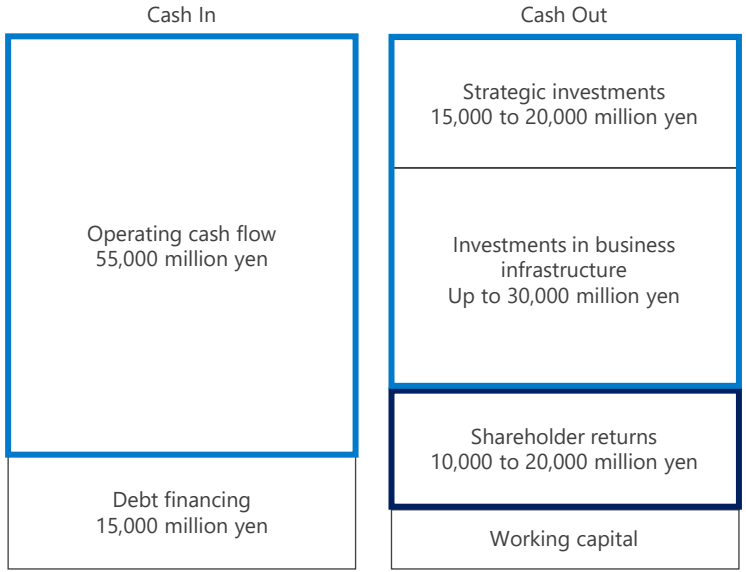
Performance metrics, consolidated operating income



Capital policy: Capital allocation

- We will maintain our current credit rating to ensure diversified and stable funding sources. While maintaining financial soundness, we aim to generate **approximately 70 billion yen in cash, and allocate 70% to business investment and 20% to shareholder returns**.

Capital allocation（FY25-28）



*Excludes the impact of the new lease accounting standards, effective April 2027.

Strategic investments

- Pursue M&A, investment and partnership opportunities to drive business development in focused business domains.
  - ✓ Focus M&A activity on adjacent fields and commercially established businesses.
- Ensure that investments contribute to business profitability.

Investments in business infrastructure

- Invest in strengthening the global management infrastructure.
- Assess existing facilities to determine investment needs.

Shareholder returns

- Maintain at least the previous year's dividend in line with our progressive dividend policy.
- Determine dividend increases based on current and expected performance as well as funding requirements.

Pursue “Perfect and Unique Tagging” to realize a future where everything has its own ID and connects seamlessly

[Notes on using this document]
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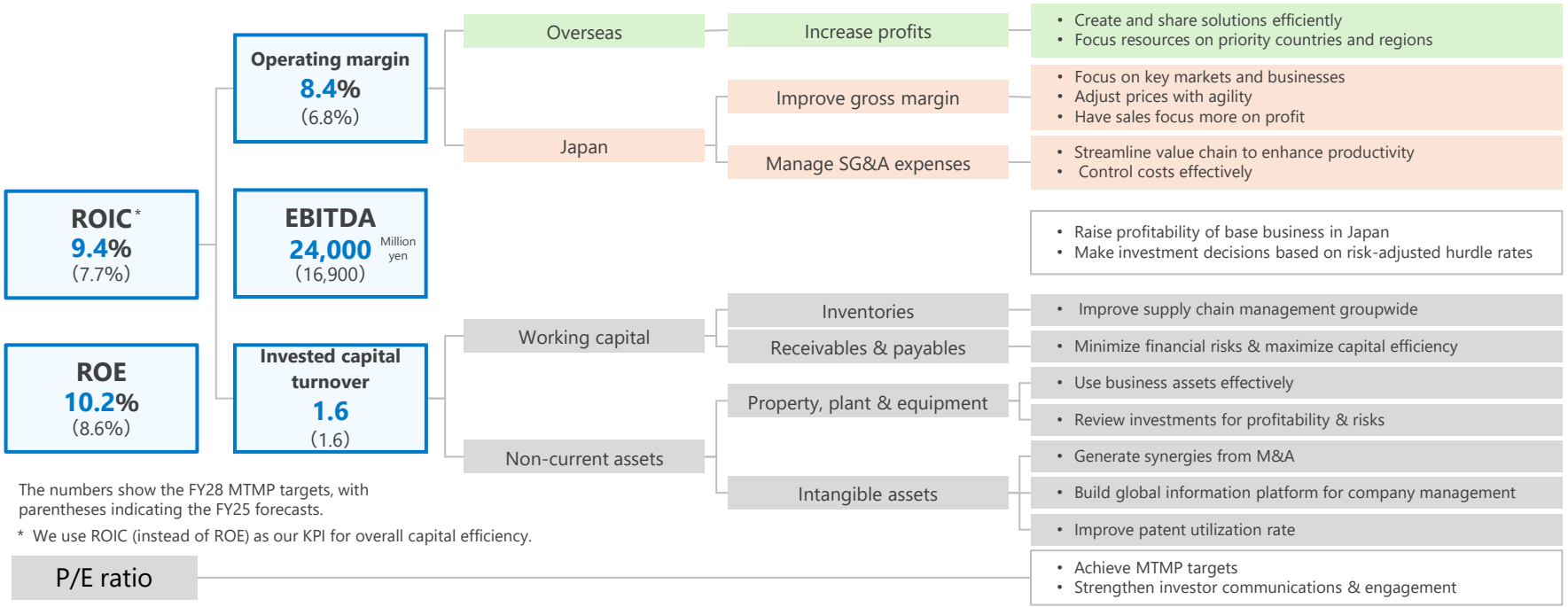
ROIC Tree

- P/B ratio = ROE × P/E ratio
  An ROIC tree uses ROIC instead of ROE, decomposing it into a hierarchical structure to analyze each component.



The numbers show the FY28 MTMP targets, with parentheses indicating the FY25 forecasts.

* We use ROIC (instead of ROE) as our KPI for overall capital efficiency.

Performance targets

FY28 Performance targets　Consolidated sales: **186** billion yen　Consolidated operating income: **15.7** billion yen (OI margin **8.4**%)
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Sales and operating income by business

(Unit: million yen)

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Focused business domains	Sales	-	-	**22,000**	-
	Operating income (OI margin)	-	-	**2,300 (10.5%)**	-
Base business	Sales	131,852	137,000	**138,000**	+0.2%
	Operating income (OI margin)	8,185 (6.2%)	8,500 (6.2%)	**10,400 (7.5%)**	+7.0%
Japan	Sales	79,220	83,000	87,000	+1.6%
	Operating income (OI margin)	3,906 (4.9%)	4,300 (5.2%)	5,400 (6.2%)	+7.9%
Overseas	Sales	52,632	54,000	51,000	-1.9%
	Operating income (OI margin)	4,279 (8.2%)	4,200 (7.8%)	5,000 (9.8%)	+6.0%
Primary labels business	Sales	22,955	24,000	26,000	+2.7%
	Operating income (OI margin)	4,199 (18.3%)	2,600 (10.8%)	3,000 (11.5%)	+4.9%
Elimination	Operating income	-43	-100	-	-

* Logistics digital transformation and AI solution sales are included in Japan and overseas base businesses.