



February 12, 2026

SATO Corporation

Q3 FY2025 Financial Results

(Nine Months Ended December 31, 2025)

Securities Code: 6287.T

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**Oct-Dec 2025
Results**

**Strengthening global
management infrastructure**



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Results**

**Strengthening global
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Summary

■ Q3 (Oct-Dec) Results

- Consolidated sales increased (+8%) while OI decreased (-13%) year on year.
% in the parentheses indicates year-on-year changes.
- Overseas business: Sales increased (+8%); OI decreased (-26%).
Japan business: Sales increased (+9%); OI was flat (+0%).
 - ✓ Overseas base business: Sales increased (+4%); OI was flat (-5%).
 - ✓ Overseas primary labels business: Sales increased (+17%); OI decreased (-45%).
- Sales and OI were higher than planned both for the overseas and Japan businesses.
 - ✓ Overseas, OI exceeded the plan, as the base business in Asia and Oceania drove growth despite the underperformance by the primary labels business.
 - ✓ OI in Japan exceeded the plan, supported by a recovery in mechatronics sales.

■ FY25 (Apr-Mar) Outlook

- The consolidated full-year OI forecast for both Japan and overseas businesses remains unchanged.



Key Highlights of (Oct-Dec) Financial Results

Compared to the priorQ3 year:

- Consolidated sales increased while OI decreased. The percentages in parentheses show the changes.
- Sales were up for both overseas and Japan business. For the latter, main drivers included large strategic project in logistics and the brisk food verticals.
- OI decreased overall, impacted by the declined profits for the overseas primary labels business, which more than offset the higher operating income for the Japan business.

Compared to the plan:

Consolidated sales

- Consolidated sales for both overseas and Japan business were higher than the plans.

Operating income

- For the overseas primary labels business in Russia, OI fell short of the plan, impacted by personnel and other costs, amid inflation.
- For the Japan business, OI was higher than the plan, supported by solid mechatronics sales in logistics and food verticals,.
- For overseas business, the base business in Asia and Oceania outperformed the plan.
- Overall, operating income exceeded the plan.

Full-year outlook

- No change is made to the OI forecasts (consolidated, overseas, Japan).
- Details will be provided in later slides.

Sales and OI by Business Segment^{*2}

(Millions of JPY)

		FY24	FY25	YoY	In local currencies
Consolidated	Total Sales	40,121	43,507	+8.4%	+4.7%
	Operating Income	4,086	3,571	-12.6%	-13.5%
Overseas	Base				
	Total Sales	13,329	13,915	+4.4%	+1.2%
	Operating Income	1,200	1,147	-4.5%	-7.5%
	Primary Labels				
	Total Sales	5,775	6,733	+16.6%	-1.8%
	Operating Income	1,198	658	-45.1%	-48.2%
Eliminations	Operating Income	6	-23	-	-
Total	Total Sales	19,104	20,648	+8.1%	+0.3%
	Operating Income	2,405	1,782	-25.9%	-29.0%
Japan	Total Sales	21,016	22,858	+8.8%	+8.8%
	Operating Income	1,824	1,830	+0.4%	+2.3%
Eliminations	Operating Income	-143	-41	-	-



* 1 Apr-Dec results are shown on p. 30.

* 2 Sales and OI excluding Russian subsidiaries are shown on p. 43.

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From this slide on, comparison is made on a year-over-year basis, unless otherwise noted.

- The actual performance figures referenced in the previous "**Summary**" slide are shown in the table.
- For FY25 cumulative results excluding the Russian subsidiaries, please refer to page 43.
- The results for the Russian subsidiaries are shown on page 12, in the primary labels business table beside the header Europe.

Consolidated Results^{*2}

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	40,121	43,507	+3,386	+8.4%
Operating Income	4,086	3,571	-514	-12.6%
Operating Income %	10.2%	8.2%	-2.0pt	-
Ordinary Income	4,039	3,417	-622	-15.4%
Profit attributable to owners of parent	2,564	2,052	-512	-20.0%
Effective Tax Rate	31.5%	37.1%	+5.6pt	-
EBITDA*	5,534	5,060	-474	-8.6%

FX sensitivity for FY25: Assuming a 1-yen depreciation of the Japanese yen against the US dollar and an equivalent depreciation against other currencies, the estimated impact for the full-year FY25 would be an increase in sales of JPY 561 million and an increase in OI of JPY 35 million.

Average FX rates for Apr-Dec 2025: JPY 148.71/USD, JPY 171.83 /EUR (Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR)

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
 · Depreciation for Oct-Dec 2025: JPY 1,485 million (Oct-Dec 2024: JPY 1,411 million)
 · Amortization for Oct-Dec 2025: JPY 3 million (Oct-Dec 2024: JPY 36 million)

* 1 Apr-Dec results are shown on p. 31.

* 2 Sales and OI excluding Russian subsidiaries are shown on p. 44.



Consolidated results

- The effective tax rate increased, as profits from Russia, where the tax rate is relatively low, account for a smaller share of the total profit.

Overview

	FY24	FY25	Change	(Millions of JPY)	
				YoY	In local currencies
Base business Total Sales	13,329	13,915	+586	+4.4%	+1.2%
Primary Labels business Total Sales	5,775	6,733	+958	+16.6%	-1.8%
Total Sales	19,104	20,648	+1,544	+8.1%	+0.3%
Gross Profit	7,921	7,615	-305	-3.9%	-
Gross Profit %	41.5%	36.9%	-4.6pt	-	-
Base business Operating Income	1,200	1,147	-53	-4.5%	-7.5%
Primary Labels business Operating Income	1,198	658	-540	-45.1%	-48.2%
Elimination Operating Income	6	-23	-29	-	-
Operating Income	2,405	1,782	-623	-25.9%	-29.0%
Operating Income %	12.6%	8.6%	-4.0pt	-	-

* Includes the impact of IAS 29, Financial Reporting in Hyperinflationary Economies ("Hyperinflation Accounting"), in Argentina.

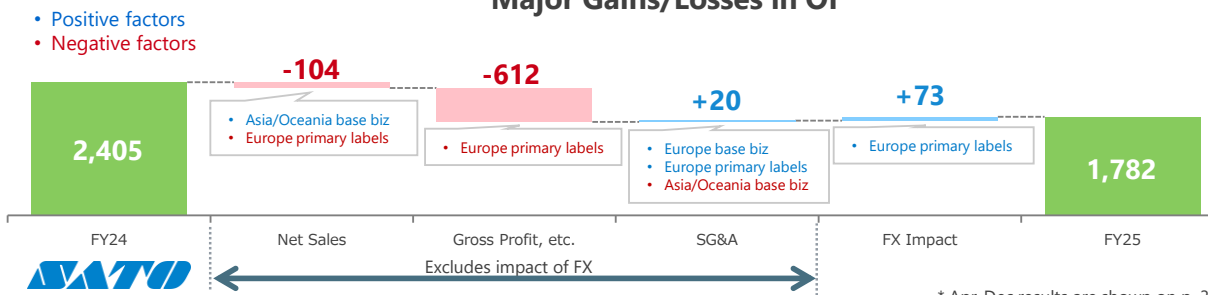
Sales

- The base business posted higher revenue, driven by Europe and Asia/Oceania.
- The primary labels business recorded a decrease in revenue in local currencies, affected by the normalization of the competitive environment for traditional primary labels in Europe.

Operating Income

- Though the base business in Europe and the U.S. recorded higher OI, higher costs at sales companies in Asia and Oceania and the lower revenue at Taiwan Argox more than offset it, resulting in a decrease overall.
- For the primary labels business, OI decreased due to higher costs in Europe.

Major Gains/Losses in OI



Overview of Overseas Business

- The overseas business recorded higher sales and lower profit.

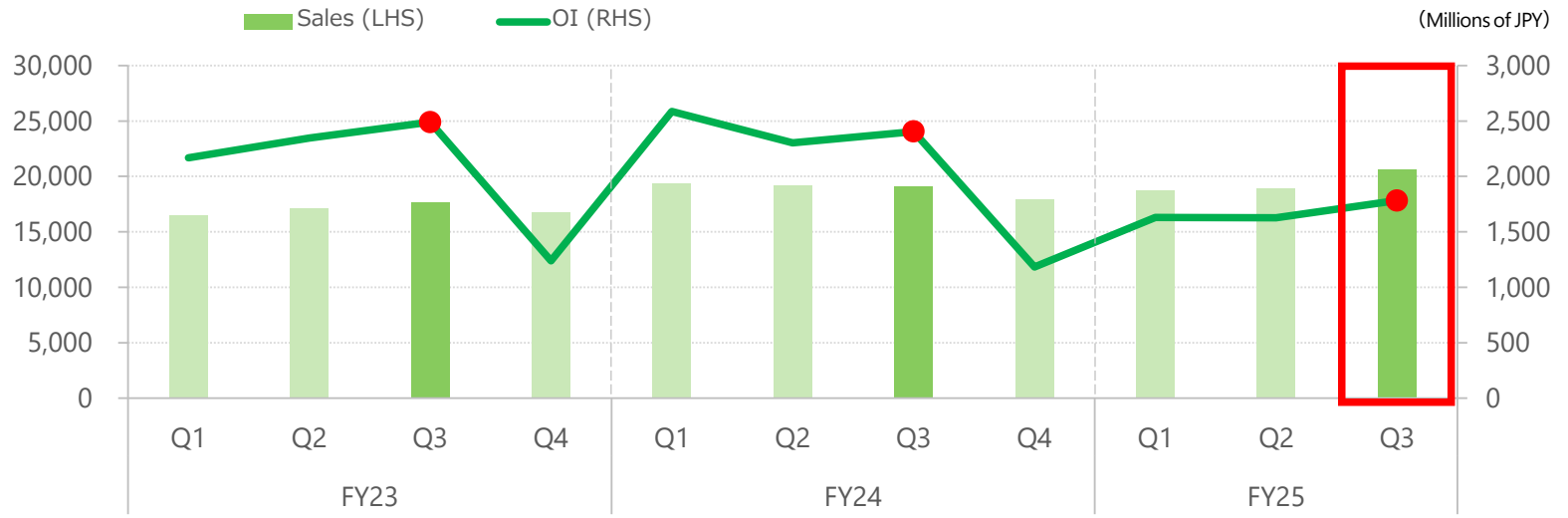
Sales

- Overall sales was higher, driven by the base business in Europe, and Asia/Oceania.
- For primary labels business in Russia, sales declined in the local currency as the competitive environment for traditional primary labels normalized, while in yen, sales increased, thanks to favorable foreign exchange effects.

Operating income

- For the base business in Europe and the U.S., OI increased, however, it was more than offset by the lower sales at Argox in Taiwan, leading to lower OI overall.
- For the primary labels business, OI decreased due to the higher costs in Russia.
- Further details by region are provided in the following slides.

Quarterly Sales and Operating Income



Sales	16,452	17,104	17,648	16,725	19,321	19,223	19,104	17,937	18,737	18,944	20,648
YoY	+0.4%	-7.5%	-5.3%	+10.4%	+17.4%	+12.4%	+8.2%	+7.2%	-3.0%	-1.4%	+8.1%
OI	2,169	2,346	2,490	1,238	2,586	2,303	2,405	1,183	1,629	1,626	1,782
YoY	2.4x	+11.2%	-5.6%	-14.3%	+19.2%	-1.8%	-3.4%	-4.4%	-37.0%	-29.4%	-25.9%



Quarterly trend (Overseas)

Base Business — The Americas

(Millions of JPY)

	FY24	FY25	Change	YoY	
				YoY	In local currencies
Total Sales	4,503	4,450	-53	-1.2%	-1.7%
Operating Income	-24	27	+51	-	-

* Includes impact of IAS 29, Financial Reporting in Hyperinflationary Economies ("Hyperinflation Accounting"), in Argentina.

Sales

- Despite the ongoing high-value projects for print and apply systems for the U.S. logistics vertical, sales decreased, due to the lack of the special demand for consumables a year before.
- In South America, sales decreased as the adverse foreign exchange effects and inflation lowered the demand.

Quarterly Sales and Operating Income



Operating Income

- Although sales declined in the U.S., its OI increased, due to temporary impact of favorable procurement and sales conditions as well as the successful control of SG&A.
- In South America, OI declined due to lower sales and higher labor and other costs amid inflation.

Sales	4,353	4,412	4,293	4,274	4,568	4,294	4,503	4,768	4,264	4,315	4,450
YoY	+3.3%	-6.0%	-7.2%	+14.6%	+4.9%	-2.7%	+4.9%	+11.5%	-6.7%	+0.5%	-1.2%
OI	197	80	352	-92	318	54	-24	28	164	133	27
YoY	+17.0%	-75.5%	-13.1%	-	+61.3%	-32.9%	-	-	-48.4%	2.5x	-



* Apr-Dec results are shown on p. 37.

Regional Performance of the Base Business — The Americas

- Overall, sales decreased while OI increased.

Sales

- Overall sales were lower, despite the ongoing high-value projects for print and apply systems in the U.S. logistics vertical, due to unfavorable comparison against the prior year when we had a high-value consumables deal with a specific customer.
- In Mexico, sales increased amid economic slowdown, helped by successful efforts to sell solutions consisting of printers, software and other components.
- In South America, sales decreased as adverse foreign exchange effects and inflation dampened demand.

Operating income

- Despite the lower sales, OI was higher in the U.S., supported by the temporary impact of favorable procurement and sales conditions associated with the U.S. tariff rate changes, as well as successful control of SG&A.
- In South America, OI decreased due to higher personnel and other costs amid inflation.

Base Business — Europe

(Millions of JPY)

	FY24	FY25	Change	YoY	
					In local currencies
Total Sales	3,106	3,582	+475	+15.3%	+5.8%
Operating Income	73	133	+59	+81.0%	+67.8%

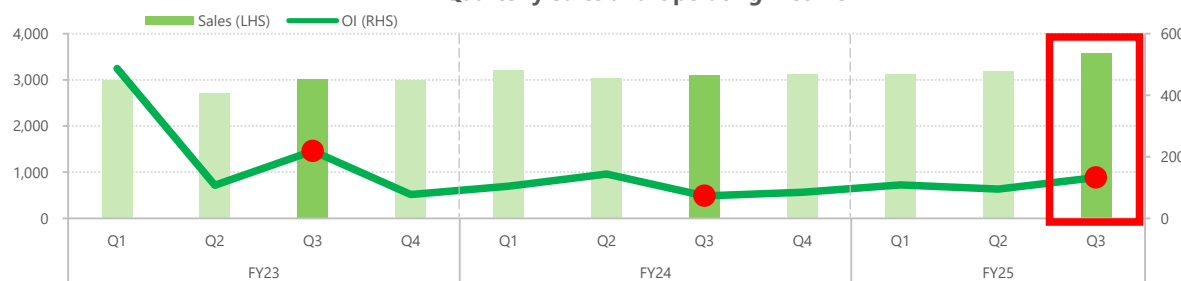
Sales

- In the UK, sales increased, driven by large-scale mechatronics products deals in the food vertical as well as favorable foreign exchange effects.
- In Germany, sales were boosted by the higher sales of eco-friendly consumables in the retail vertical.
- The health care vertical continued to perform strongly.

Operating Income

- Despite increases in costs, such as personnel expenses, OI increased, supported by the sales growth mentioned above and the favorable vertical mix.

Quarterly Sales and Operating Income



Sales	2,991	2,714	3,008	2,999	3,221	3,028	3,106	3,121	3,129	3,191	3,582
YoY	-6.4%	-16.9%	-4.5%	+7.5%	+7.7%	+11.6%	+3.3%	+4.1%	-2.9%	+5.4%	+15.3%
OI	487	108	219	78	105	144	73	85	109	95	133
YoY	2.9x	-47.1%	+11.2%	-60.9%	-78.3%	+33.8%	-66.2%	+9.0%	+4.3%	-34.2%	+81.0%



* Apr-Dec results are shown on p. 37.

Regional Performance of the Base Business — Europe

- Both sales and OI increased.

Sales

- Sales were higher, supported by high-value mechatronics products deals in the food vertical as well as favorable foreign exchange rates.
- For the health care, sales for medical devices and hospital industries continued to be strong.

Operating income

- OI was higher despite the increases in personnel and other costs, supported by the strong sales in the health care vertical where profit margins are relatively higher, as well as the sales growth mentioned above.

Base Business — Asia/Oceania

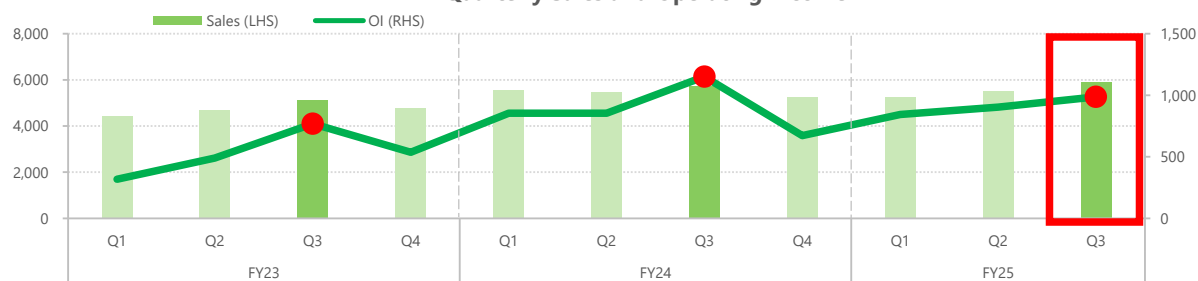
(Millions of JPY)

	FY24	FY25	Change	YoY	
					In local currencies
Total Sales	5,718	5,882	+163	+2.9%	+0.9%
Operating Income	1,151	986	-164	-14.3%	-16.9%

Sales

- Overall sales increased, driven by large deals in the retail vertical in Philippines and the health care vertical in Taiwan.
- Sales at Argox declined, due to excess inventory in its indirect sales channel.

Quarterly Sales and Operating Income



Operating Income

- OI declined, due to temporary cost increases in East Asia and lower sales in certain regions attributed to unfavorable foreign exchange effects.
- Printer export remained firm and improved factory profits; however, OI for the segment declined, due to the lower sales at Argox in Taiwan.

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales	4,431	4,679	5,120	4,790	5,564	5,483	5,718	5,251	5,234	5,516	5,882
YoY	+4.8%	-3.9%	+8.2%	+17.3%	+25.6%	+17.2%	+11.7%	+9.6%	-5.9%	+0.6%	+2.9%
OI	318	490	769	537	853	854	1,151	671	843	904	986
YoY	-10.0%	-19.3%	+4.9%	2.0x	2.7x	+74.2%	+49.7%	+25.0%	-1.1%	+5.9%	-14.3%



* Apr-Dec results are shown on p. 37.

Regional Performance in Base Business — Asia and Oceania

- Sales increased; OI decreased.

Sales

- Sales were higher, driven by large projects for:
 - the retail vertical in the Philippines, and
 - blood-related products in the health care market in Taiwan. despite the lower sales at Argox impacted by inventory adjustments that continued from Q2 in its indirect sales channel.

Operating income

- OI was lower despite the higher factory profits resulting from the strong printer exports, due to:
 - temporary increases in labor costs at the East Asian sales companies,
 - lower sales in certain regions impacted by unfavorable exchange rates, and
 - the sales drops at Argox in Taiwan mentioned above.

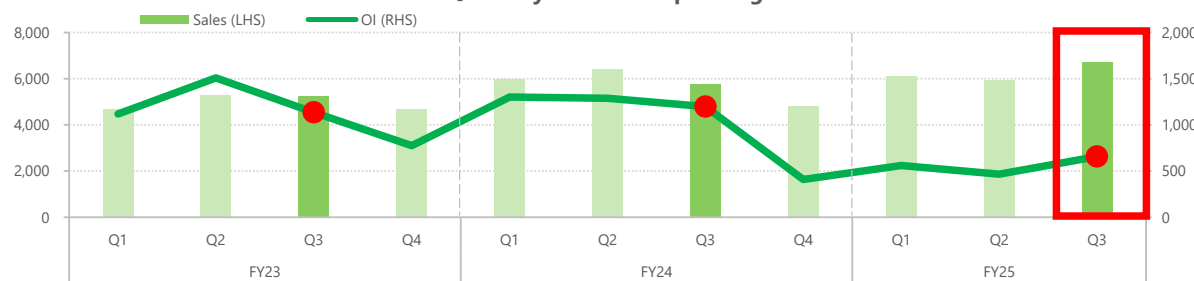
Primary Labels Business

(Millions of JPY)

		FY24	FY25	Change	YoY	In local currencies
The Americas Achernar (Argentina) Plakorar (Brazil)	Total Sales	794	908	+114	+14.5%	+28.9%
	Operating Income	82	155	+72	+88.8%	2.6x
Europe Okil/ X-pack (Russia)	Total Sales	4,882	5,714	+831	+17.0%	-7.1%
	Operating Income	1,110	495	-614	-55.4%	-64.1%
Asia/Oceania Hirich (Vietnam)	Total Sales	98	110	+11	+11.8%	+14.0%
	Operating Income	6	7	+1	+29.8%	+31.0%
Total Sales	Total Sales	5,775	6,733	+958	+16.6%	-1.8%
	Operating Income	1,198	658	-540	-45.1%	-48.2%

* Includes the impact of IAS 29, Financial Reporting in Hyperinflationary Economies ("Hyperinflation Accounting"), in Argentina.

Quarterly Sales and Operating Income



	FY23				FY24				FY25		
Sales	4,676	5,297	5,226	4,661	5,966	6,416	5,775	4,796	6,109	5,922	6,733
YoY	-1.7%	-6.2%	-14.6%	+2.5%	+27.6%	+21.1%	+10.5%	+2.9%	+2.4%	-7.7%	+16.6%
OI	1,118	1,509	1,136	775	1,301	1,290	1,198	409	561	468	658
YoY	4.3x	+55.2%	-18.9%	-29.5%	+16.4%	-14.5%	+5.4%	-47.2%	-56.9%	-63.7%	-45.1%



* Apr-Dec results are shown on p. 38.

Sales

- Europe: Strengthened production capacity yielded some favorable effects; however, sales declined in the local currency as the competitive environment normalized.
- The Americas: Despite the negative impact of exchange rates and inflation, revenue increased, supported by deepening customer relationships, among others.

Operating Income

- Europe: OI declined, impacted by higher costs, including labor costs, as well as capital investment for expansion of production facilities.
- The Americas: OI increased, supported by the sales growth mentioned above, despite the unfavorable impact of rising costs, including those of labor, amid inflation.

Performance of the Primary Labels Business (Overseas)

- Sales increased; OI decreased.

Sales

- In Europe, sales were higher helped by the favorable exchange rates, though in the local currency, sales declined as the competitive environment returned to its normal state before the war in Ukraine, which was partially moderated by benefits from the enhanced production capacity.
- In South America, sales increased, despite the unfavorable effects from the depreciation of the local currency against yen, as efforts to deepen relationships with customers resulted in successful sales of additional products.

Operating income

- In Europe, OI was lower, impacted by the addition of production equipment to expand the product lineup as well as higher personnel expenses.
- In South America, OI increased, driven by the sales growth described above, despite the cost increases due to higher personnel and other expenses amid inflation.

Overview

(Millions of JPY)

	FY24	FY25	Change	YoY
Mechatronics Sales	7,987	9,868	+1,881	+23.6%
Consumables Sales	13,029	12,989	-39	-0.3%
Total Sales	21,016	22,858	+1,842	+8.8%
Gross Profit	9,683	10,042	+358	+3.7%
Gross Profit %	46.1%	43.9%	-2.1pt	-
Operating Income	1,824	1,830	+6	+0.4%
Operating Income %	8.7%	8.0%	-0.7pt	-

Mechatronics: Hardware (e.g., printers, print and apply systems, scanners, hand labelers), software, maintenance services, etc.
 Consumables: Variable information labels, RFID tags, primary labels (product labels), ribbons, etc.

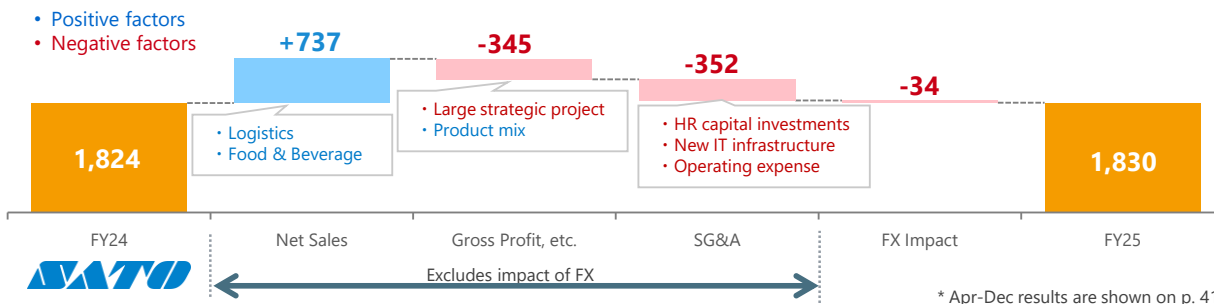
Sales

- **Mechatronics:** Sales increased driven by a large strategic project in the logistics vertical and the demand related to the revised logistics efficiency laws. Sales growth of packaged software, mainly in the food vertical, also contributed to the higher sales.
- **Consumables:** Though the performance varied by vertical and industry, overall, demand was captured steadily; sales were flat.

Operating Income

- The impact of the strategic project mentioned above was moderated by higher sales and an improved product mix, resulting in OI that are level with the same quarter a year before.

Major Gains/Losses in OI



Overview of Japan Business

- Sales increased while OI remained flat.

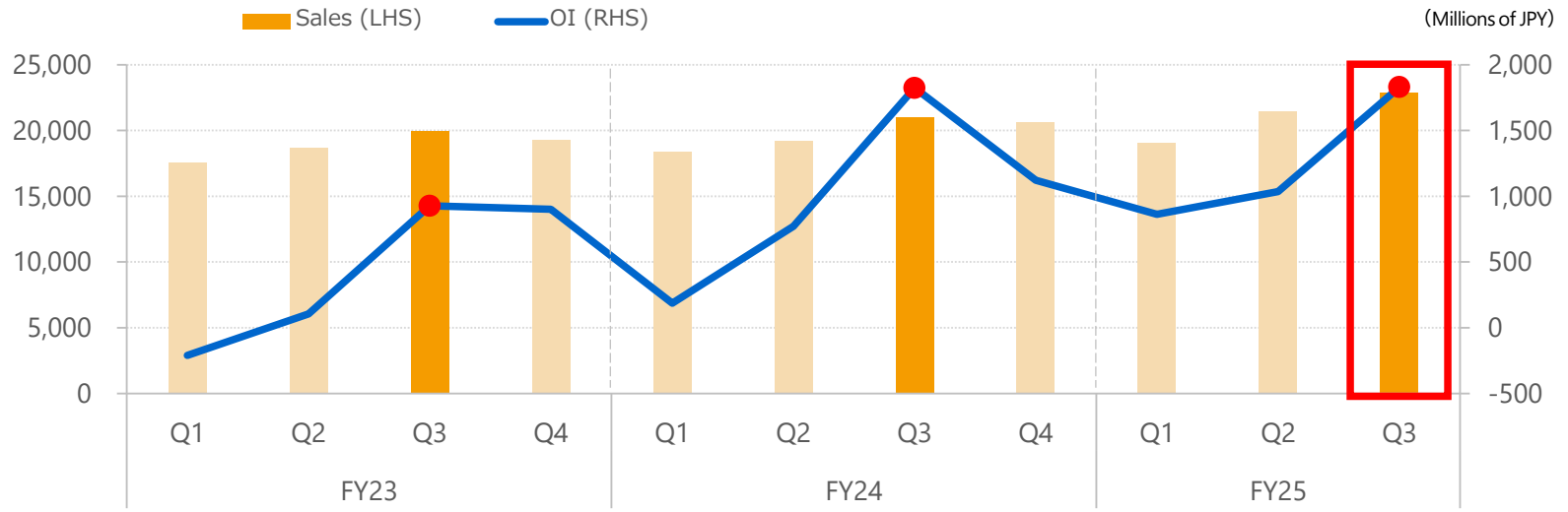
Sales

- Mechatronics products sales increased, driven by:
 - a large strategic project in the logistics market,
 - demand related to the revised logistics efficiency laws, and
 - increased sales of packaged software, mainly in the food market.
- Consumables sales were flat, supported by the solid demand overall despite some variances by vertical and industry.

Operating income

- OI was flat, as the effects of the favorable product mix offset the unfavorable impact from:
 - the large-scale strategic project mentioned above
 - the appreciation of local currency in Malaysia, where our printer factories are located.

Quarterly Sales and Operating Income



Sales	17,536	18,692	19,980	19,305	18,353	19,191	21,016	20,658	19,091	21,473	22,858
YoY	+1.4%	+2.2%	+3.8%	-0.2%	+4.7%	+2.7%	+5.2%	+7.0%	+4.0%	+11.9%	+8.8%
OI	-210	106	927	901	186	773	1,824	1,123	864	1,036	1,830
YoY	-	-88.7%	-16.4%	+51.5%	-	7.3x	+96.8%	+24.6%	4.6x	+34.0%	+0.4%

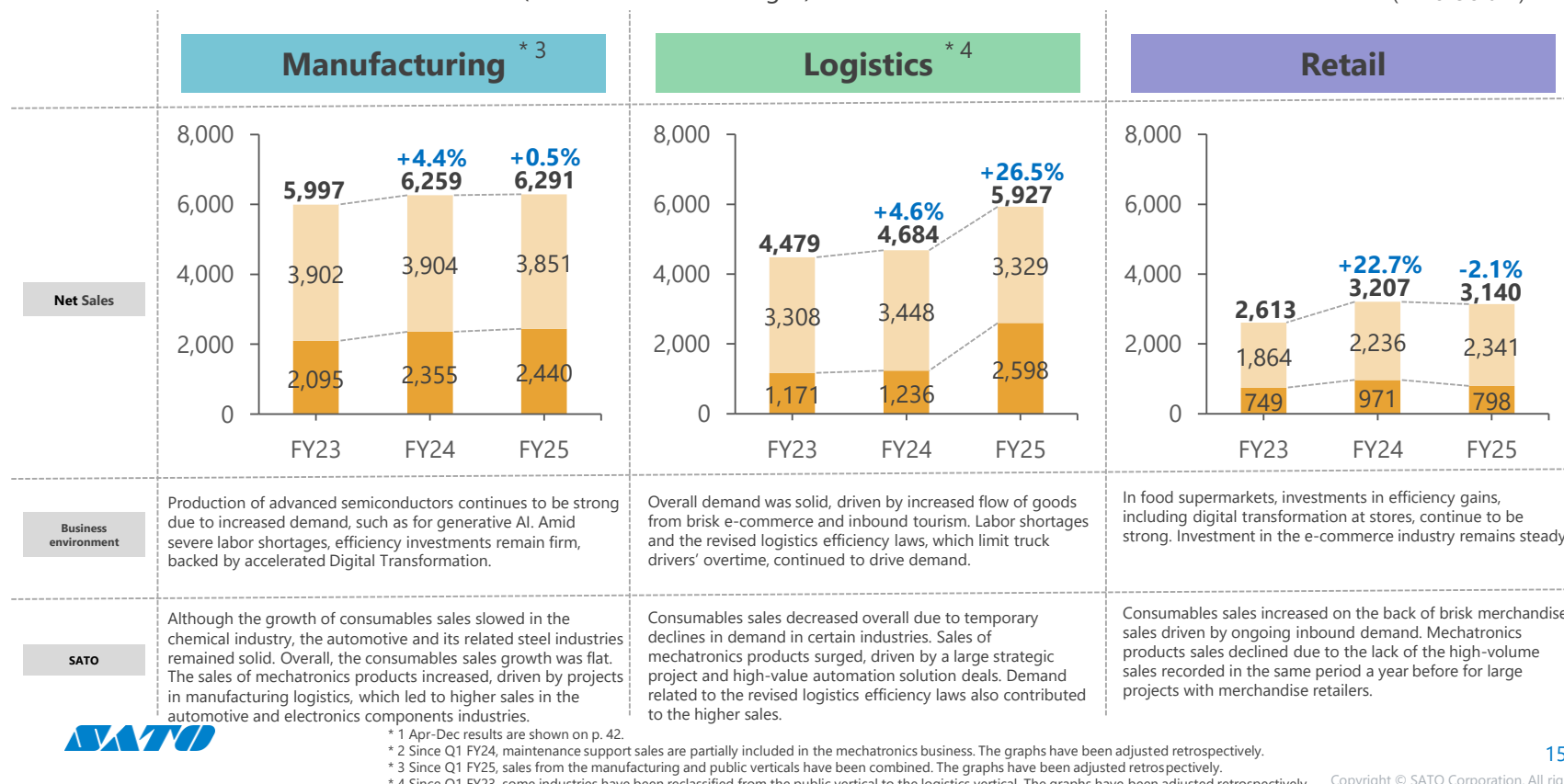


Quarterly trend — Japan

Sales by Vertical 1/2^{*2}

■ : Mechatronics ■ : Consumables (% indicates YoY changes)

(Millions of JPY)



*1 Apr-Dec results are shown on p. 42.

*2 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.

*3 Since Q1 FY25, sales from the manufacturing and public verticals have been combined. The graphs have been adjusted retrospectively.

*4 Since Q1 FY23, some industries have been reclassified from the public vertical to the logistics vertical. The graphs have been adjusted retrospectively.

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Sales by Vertical (Japan)

- Manufacturing

- Consumables:

- Overall, sales was flat.
 - In basic chemicals and some areas of the chemical industry, demand moderated after a period of rapid growth, resulting in lower sales overall.
 - In electronics components industry, demand stayed strong, as widening use of generative AI continued to boost production of advanced semiconductors.
 - In automotive industry and associated steel industry, demand was solid.

- Mechatronics products:

- Sales increased, particularly in the automotive and electronic component industries, driven by high-value deals in manufacturing and logistics.
 - Medium and small-sized deals also continued to contribute to the sales.

- Logistics:

- Consumables sales** decreased overall due to a temporary decline in demand in certain industry. Mechatronics products sales were up significantly, largely driven by a major strategic deal and high-value automation solution deals.
 - Both consumables and mechatronics** products sales remained strong across the market, supported by a continued increase in cargo volumes and ongoing demand related to the revised Logistics Efficiency Laws.

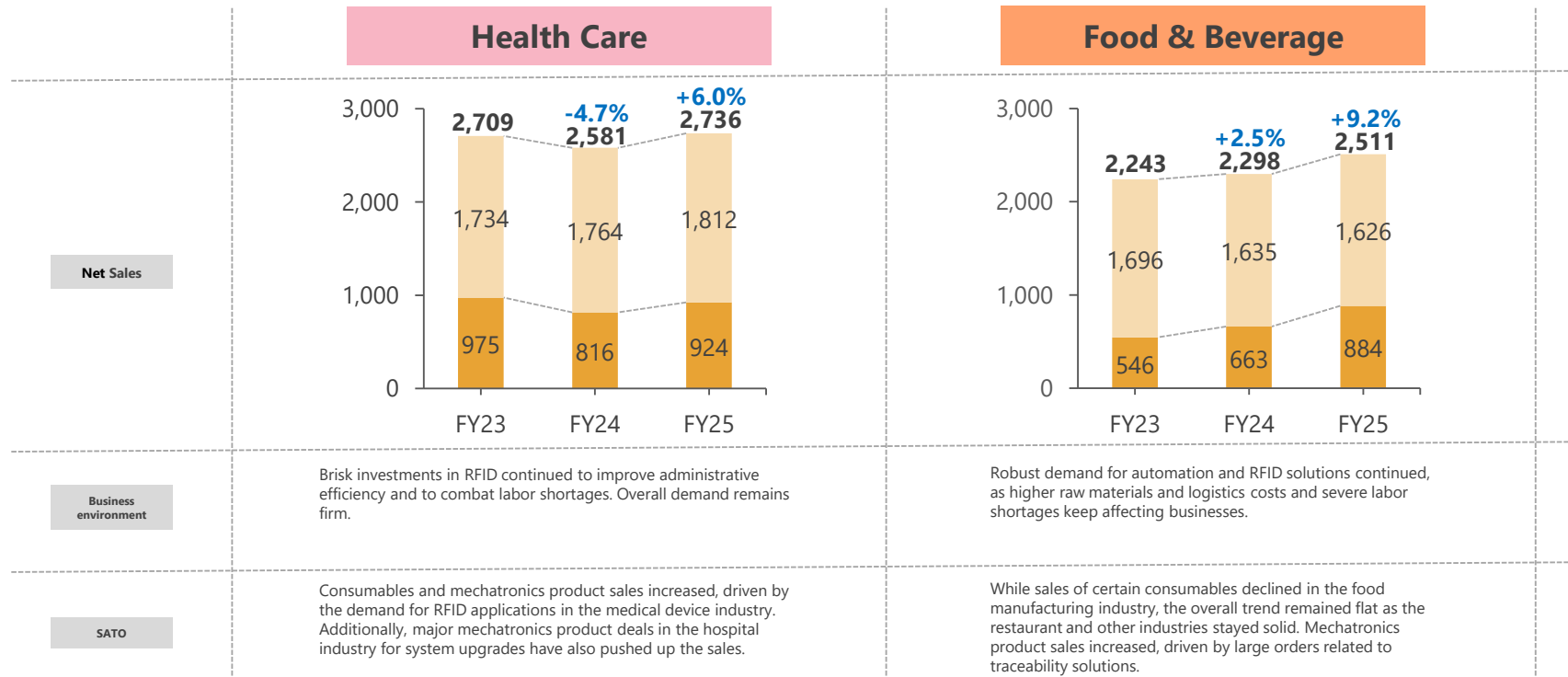
- Retail:

- Consumables sales** continued to increase on the back of strong merchandise sales driven by brisk inbound tourism. **Mechatronics products sales** decreased due to the absence of the high-volume sales to a merchandise retailer recorded for the same period a year before.

Sales by Vertical 2/2^{*2}

■ : Mechatronics ■ : Consumables (% indicates YoY changes)

(Millions of JPY)



* 1 Apr-Dec results are shown on p.42.

* 2 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.

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Sales by Vertical (Japan) (Continued)

Health care:

- Both consumables and mechatronics sales increased, driven by the needs for RFID solutions. An increased demand for printers in the hospital industry associated with large deals for system upgrades, and higher sales of packaged software such as IritoDe for the medical device industry, also contributed to the increased sales.

Food & Beverage

- Though sales of specific consumables for some industries, including the food manufacturing, dropped, consumables sales in the restaurant industry remained solid. Overall, the sales were flat year on year. Mechatronics products sales increased, led by large deals related to traceability.

Overall:

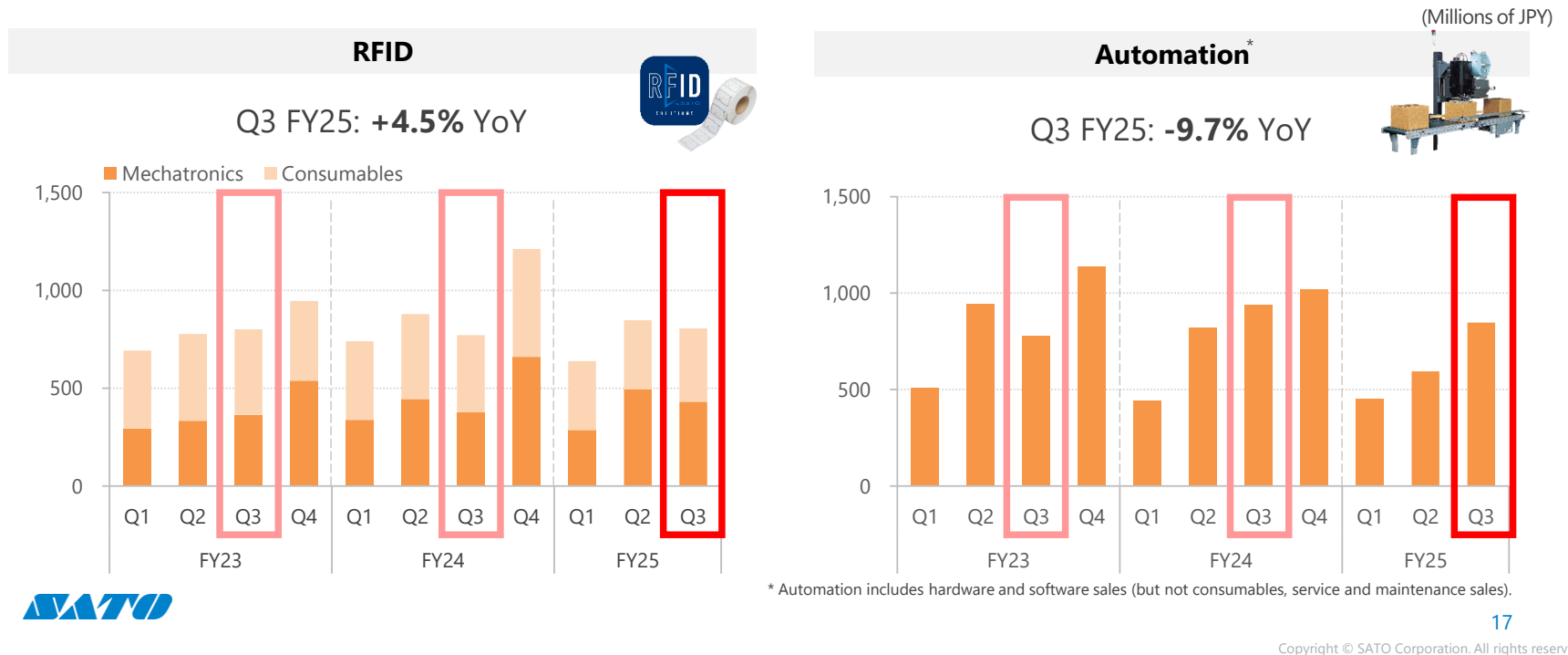
- Quarterly results tend to be affected by large projects, but overall demand for consumables and mechatronics products remains firm.

RFID and Automation Solutions — Sales Trends

Demand for RFID and Automation solutions continued to be strong on elevated needs for digital transformation to address labor shortages.

RFID sales grew, driven by health care and manufacturing customers.

Despite the strong automation solutions sales in food & beverage, and logistics, overall sales declined due to the lack of the large-scale projects in manufacturing seen in the same period a year before.



Quarterly Sales Trends of RFID and Automation Solutions (Japan)

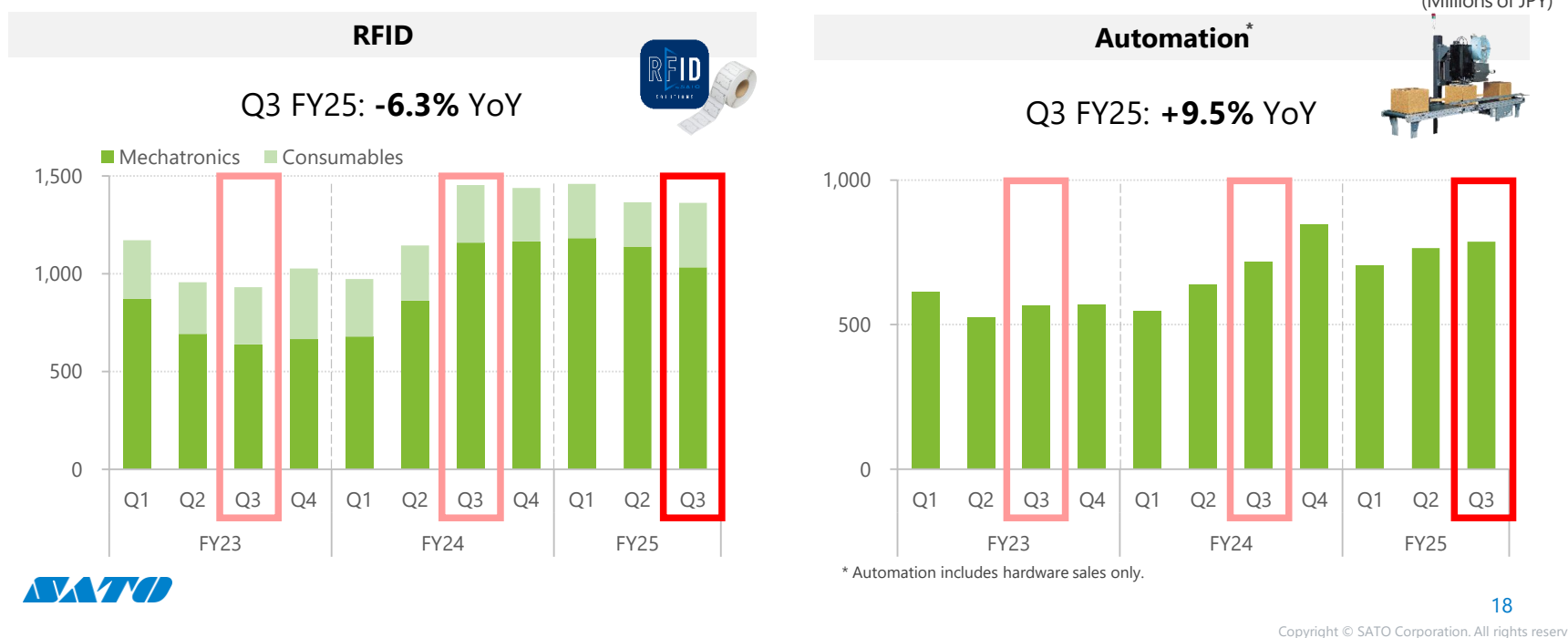
- The overall demand continues to be strong.
- **RFID solutions sales** increased, driven by projects related to inventory management in medical devices industry in health care and across different industries in manufacturing.
- **Automation solutions sales** declined year on year, as brisk sales in the food and logistics markets driven by large deals were offset by the absence of the high-value sales for large projects recorded in the same quarter a year before.

RFID and Automation Solutions — Sales Trend

Demand for RFID and Automation solutions continued to be strong on elevated needs for digital transformation to address labor shortages.

Overall RFID solutions sales decreased YoY as increased sales in the manufacturing vertical fell short of compensating the lack of the high-value project we had a year before.

Automation solutions sales increased, driven by sales expansion in Asia and the strong demand in Europe.



Quarterly Sales Trends of RFID and Automation Solutions (Overseas)

- The overall demand is strong, driven by the needs for digital transformation to address labor shortages.
- **RFID solutions sales** dropped due to the lack of a large order placed in the same quarter a year before, which was partially compensated by the continuing large projects in the manufacturing market.
- **Automation solutions sales** increased overall, driven by expanded sales in Asia, and the strong demand in Europe which we captured steadily. The continuing high-value project for the logistics market in the Americas also contributed to the higher sales.

Auto-ID Solutions Business (Consolidated)

FY25 Forecasts

(Millions of JPY)

	Apr-Dec		Jan-Mar		FY25		
	Results	YoY	Revised Plan As of Feb 12, 2026	YoY	Initial Plan As of May 15, 2025	Revised Plan As of Feb 12, 2026	YoY
Net Sales	121,755	+4.8%	39,244	+1.7%	161,000	161,000	+4.0%
Operating Income	8,673	-12.1%	2,326	-6.0%	12,500	11,000	-10.9%
Ordinary Income	7,877	-11.7%	2,222	+0.1%	12,100	10,100	-9.4%
Profit attributable to owners of parent	5,105	-8.7%	1,694	+8.8%	7,700	6,800	-4.9%
EBITDA*	<Reference> 17,884 ←FY24				18,200	16,900	-5.5%

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)

FX rate assumption for FY25: JPY 150/USD, JPY 175/EUR (Initially: JPY 140/USD, JPY 160/EUR)

Average FX rates for Apr-Dec FY25: JPY 148.71/USD, JPY 171.83/EUR

Average FX rates for Apr-Mar FY24: JPY 152.62/USD, JPY 163.87/EUR



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FY25 Forecasts

- The full-year plan remains unchanged from November 12.
- Assumed exchange rates for the full year have been revised:
 - from JPY 147 yen to JPY 150 for a USD 1.
 - from JPY 170 yen to JPY 175 yen for a USD 1.
- Further details are provided in the following slides.

Auto-ID Solutions Business (Consolidated)

FY25 Forecasts

On track to achieve the full-year forecast (announced on November 12, 2025).
No changes to the net sales and OI plans for both overseas and Japan business.

(Millions of JPY)

		Apr-Dec		Jan-Mar		FY25		
		Results	YoY	Revised Plan <small>As of Feb 12, 2026</small>	YoY	Initial Plan <small>As of May 15, 2025</small>	Revised Plan <small>As of Feb 12, 2026</small>	YoY
Overseas (Base business)	Net Sales	39,566	+0.2%	14,433	+9.8%	54,000	54,000	+2.6%
	Operating Income	3,398	-3.8%	1,101	+40.2%	4,000	4,500	+4.2%
Overseas (Primary labels business)	Net Sales	18,765	+3.3%	5,234	+9.1%	24,000	24,000	+4.6%
	Operating Income	1,688	-55.5%	661	+61.7%	4,300	2,350	-44.0%
Overseas (Eliminations)	Operating Income	-49	-	0	-	0	-50	-
Overseas	Net Sales	58,331	+1.2%	19,668	+9.6%	78,000	78,000	+3.2%
	Operating Income	5,038	-30.9%	1,761	+48.9%	8,300	6,800	-19.8%
Japan	Net Sales	63,423	+8.3%	19,576	-5.2%	83,000	83,000	+4.8%
	Operating Income	3,732	+34.1%	567	-49.5%	4,200	4,300	+10.1%
Eliminations	Operating Income	-97	-	-2	-	0	-100	-
Consolidated	Net Sales	121,755	+4.8%	39,244	+1.7%	161,000	161,000	+4.0%
	Operating Income	8,673	-12.1%	2,326	-6.0%	12,500	11,000	-10.9%



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FY25 Forecasts — Breakdown

- The full-year consolidated forecasts remain unchanged.
- No change was made to the net sales or OI plans for either the overseas business or the Japan business.

Reflected in the outlook for Japan

- Some risk factors, including customers' potential postponement of capital investment to FY26 as they grow cautious about the economic uncertainties associated with foreign exchange and interest rate rise risk.
- One-off item in SG&A associated with the implementation of new personnel system.

Oct-Dec 2025
Results

Strengthening global
management infrastructure



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- This section talks about our efforts to strengthen the global management infrastructure.

Aim

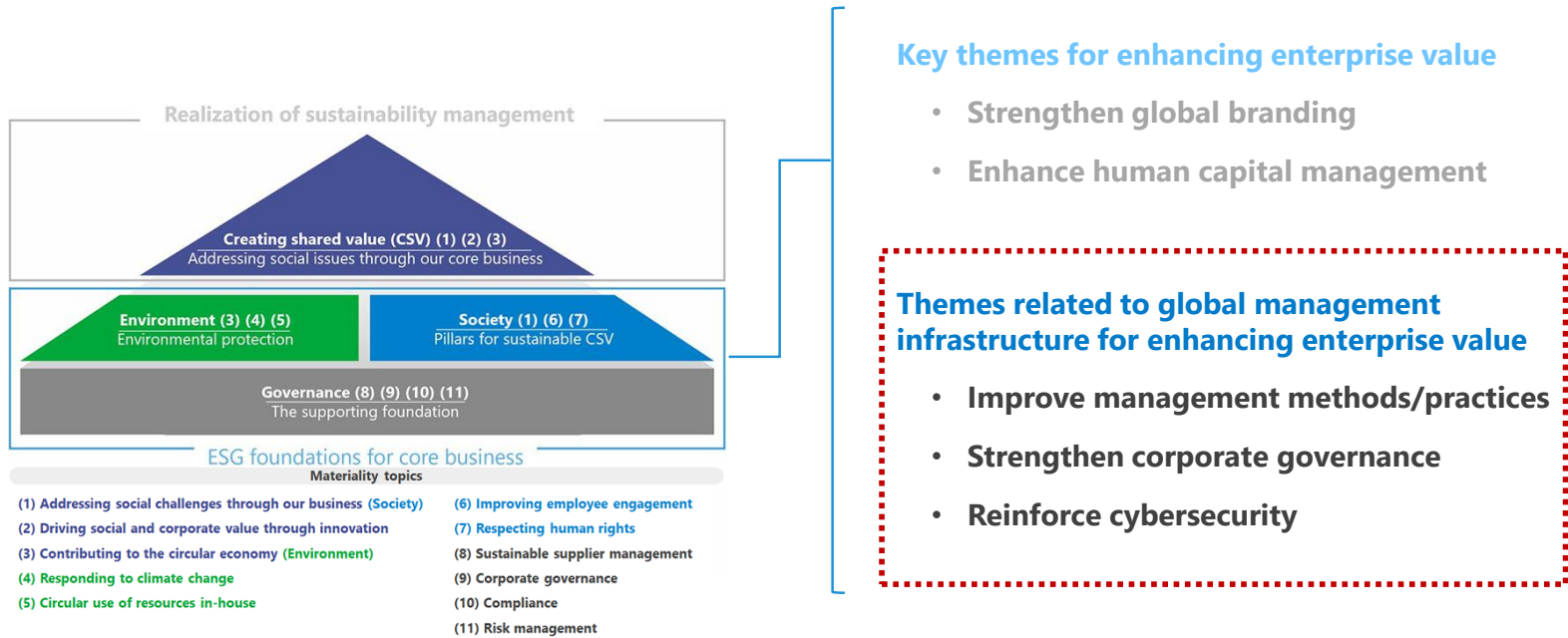
- Better support our business, and growth and other investments.

Background

- Growth investments to restart from FY26.
- Increasing complexity in managing the global operations and associated investments.

Overview of global management infrastructure

Strengthen global management infrastructure ahead of restarting investment for growth (FY26–28)



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Global management infrastructure — Overview

- FY26-28: Restarting growth investments
- Enhanced global management infrastructure essential to:
 - Better support investments and business operations for stable growth of business and enterprise value.
- Our initiatives are organized into two categories (as shown on the right on the slide):
 - Those aimed directly at driving enterprise value, and
 - Those that support the above as the global management infrastructure.
- This section is focused on the latter, specifically, on our efforts to:
 1. Refine business management methods and practices.
 2. Enhance corporate governance.
 3. Reinforce cybersecurity.

Strengthen global management infrastructure for supporting growth investments

A robust global management infrastructure essential to support business operations and manage investments

External business environment

- Enhanced geopolitical risks and growing complexity of regulatory requirements for the global operations with our offices located in 26 countries/regions across the globe
- Greater complexity in dissecting business performance and conditions with more perspectives to manage and analyze from.
- Growing importance of refining global management of business, finance and risks

Key areas to be strengthened

1. **Business management methods, for improved quality and speed of decision-making**
2. **Governance framework, to ensure effective internal control and oversight**
3. **Cybersecurity, to support stable and reliable business operations**



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Background: External business environment

- Enhanced geopolitical risks and growing complexity of regulatory requirements for our global operation with offices located in 26 countries/regions across the globe.
- Greater complexity in dissecting business performance and conditions with more perspectives to manage and analyze from.
- Growing importance of taking an integrated — rather than siloed — approach to the company's business, finance and risks.

Key areas to be strengthened:

1. Management methods/practices
2. Corporate governance
3. Cybersecurity

- The following slides explain the key challenges and measures devised for each area.

1. Refine business management methods and practices

Enable faster and high-quality decision-making backed by data through improved planning and monitoring

Challenges

Management based heavily on the past data, and not enough on the future scenarios

Lack of agility in making investment decisions, insufficient subsequent monitoring

Investment decisions made on a project basis, not enough prioritization with holistic view

Measures

Enhance decision-making by factoring in future scenarios

- Develop future scenarios
- Establish KPIs and medium to long-term performance indicators
- Refine analysis and forecasting using AI and other tools

Strengthen post-investment monitoring and control

- Monitor investment project's progress and performance on a regular basis
- Enable timely corrective actions based on variances from plans
- Reflect findings from monitoring on future investment decisions

Support decision-making for effective resource allocation

- Assess and set priorities for best impact based on the corporate strategy
- Strike the right balance to achieve short-term returns and long-term growth
- Establish a framework that support decision-makings

Expected outcomes

- **Improved speed and quality of decision-making on investments and business operations, leading to enhanced capital efficiency**
- **Resource allocation optimized from a corporate perspective**
- **Early-stage identification of risks and maximized effectiveness of investments**



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1. Refine business management methods and practices

Aim

Enable faster and high-quality decision making.

Means

By managing investment project throughout its life in an integrated manner based on data and future analysis.

Challenges

1. Tendency to rely on the past performance to manage and make decisions
2. Insufficient monitoring after investment
3. Prioritization with limited, and not holistic, view

Measures

1. Establish KPIs and medium to long-term performance indicators, and use scenario planning to facilitate forward-looking decision making.
2. Set timings and frequencies of review for monitoring progress and outcomes of investments to enable faster decision making for possible corrections and adjustments.
3. Strengthen decision support to optimize resource allocation at a corporate level. Assess and prioritize investment projects for best impact based on the corporate strategy while striking the right balance in investing for short-term returns and for long-term growth.

Status: Developing operational processes to this end while trialing them on select projects ahead of full-scale implementation from FY26.

Through these efforts, we aim to:

1. Improve both the speed and the quality of decision making and
2. Enhance capital efficiency.

2. Enhance corporate governance

Enhance governance framework for finance and management to support growth investments

Challenges

Limited involvement of corporate finance and control functions in overseas businesses

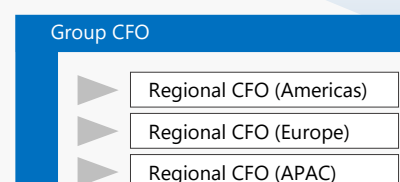
Limited group-wide optimization of capital management and allocation

Fragmented decision-making in areas concerning regulations, taxation, accounting, and procurement

Measures

Refine structure for control and oversight in finance and management

- Introduce a Group CFO and Regional CFO structure



Optimize group-wide cash management

- Monitor group-wide cash positions
- Centralize treasury and cash management
- Strengthen foreign exchange risk management

Enable consistent decision-makings based on common rules

- Standardize decision criteria and rules
- Set up consistent decision-making processes
- Improve procurement governance to balance competitiveness and responsibility

Expected outcomes

- **Sustainable governance framework that supports global business expansion**
- **Solid structure that helps management's agile decision-makings, including decisions on growth investments and shareholder returns**
- **Improved speed and quality of decision-making across the group**



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2. Enhance corporate governance

Reinforce processes and structures to enhance governance framework for finance and management to support growth investments.

Challenges

Limited involvement of the corporate finance and control functions in oversea business, as it has been mainly managed by the business management function

Insufficient optimization of capital management and allocation at a corporate level

Region- or project-based decision making for matters involving regulations, taxation, accounting and procurement

Measures

Clarify roles for control and oversight in finance and management. Specifically:

Place regional CFOs under Group CFO for the Americas, Europe and Asia/Pacific, respectively, to establish accountability for implementation in each region as we standardize rules globally.

Full implementation of this structure: FY26.

Optimize group-wide cash management. Specifically:

Centralize treasury operations, enabling visualization of cash positions across the company and strengthening foreign exchange risk management.

Standardize rules, and ensure their enforcement, to enable consistent decision making.

Status:

Work in progress to standardize decision criteria and decision-making processes, while ensuring their compliance with local regulations.

Centralized purchasing of certain goods and services under general affairs function in Japan, saving tens of million of yen.

Through these efforts, we aim to build a sustainable governance framework that:

Supports global business expansion, and

Enables agile and high-quality decision making, including those on growth investments and shareholder returns.

3. Reinforce cybersecurity

Continuously reinforce cybersecurity to support global business operations

Challenges

Rising cybersecurity risks with the potential to impact company-wide operations
Policies and rules are put in place, but capabilities to implement them vary across different sites and functions

Measures

FY25: Building foundation

FY26 onward: Expand and enhance

Establish an execution framework spanning the entire group

- Build a cross-functional structure across IT infrastructure, products, and manufacturing sites



Establish group-wide response processes

- Develop cybersecurity policies and rules
- Implement incident response and preventive measures
- Educate and train employees

Expand the coverage and strengthen cybersecurity measures

- Gradually increase the coverage to include additional IT platforms, products and manufacturing sites
- Continuously enhance countermeasures for evolving cyber threats, factoring in technological advances
- Strengthen AI governance and AI security measures

Expected outcomes

- **Prevention of cybersecurity incidents which could cause operational disruption and reputational damage**
- **Safeguarding and enhancing structures and systems supporting stable global operations for sustainable growth**



3. Reinforce cybersecurity

Cybersecurity is a key theme for a global company in maintaining and strengthening a stable business foundation.

Challenge

Rising cybersecurity risks with the potential to impact company-wide operations.

Policies and rules are put in place, but their implementation and capabilities to implement them vary across different sites and functions.

Measures — Our phased approach

FY25

- The cybersecurity function led the efforts to set up a cross-functional structure for strengthening cybersecurity for IT infrastructure, products and manufacturing facilities.
- Developed company-wide standard response process.
- Responding to cybersecurity incidents, implementing prevention measures, and educating and training employees, using the above.

FY26 and beyond

- Expand coverage to include additional products, factories and regions under the structure.
- Enhance countermeasures.
- Strengthen AI governance and security, as use of AI becomes more prevalent.

Through these efforts, we aim to:

- Prevent potential business disruptions and reputational damage from cybersecurity incidents, and
- Maintain stable global operations to support sustainable growth.

Medium-term management policy

Strengthen the global management infrastructure to enhance corporate value toward the 2030 vision

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

**Commercialize
the Perfect and Unique Tagging concept**

- Capture demand for PUT in key verticals and adjacent industries
- Strengthen recurring revenue

Develop a robust revenue base for the core business

Japan

- Build a business structure that generates stable revenue
- Implement rigorous management of low-margin businesses

Overseas

- Allocate resources to strategic growth areas
- Mitigate risks and volatility

Improve the global management infrastructure

- Strengthen global branding
- Enhance human capital management
- Improve management practices
- Strengthen corporate governance
- Reinforce cybersecurity



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- None of the initiatives discussed in this section — refining business management practices, enhancing corporate governance and reinforcing cybersecurity — is complete as a standalone effort.
- However, when combined, they help enhance the quality and speed of decision making in investments and business operations, and facilitate efficient capital utilization across the company.
- Successful implementation of these initiatives enables us to make necessary investments, including growth investments, in a disciplined and consistent manner, and to translate them into sustainable business growth.
- And by reinvesting the cash generated, again efficiently and strategically, and by continuing this way, we perpetuate virtuous cycles of value creation, which propel us forward, toward the realization of our 2030 vision, and enhance enterprise value over the medium to long term.

Appendix

Performance data Pages 29-48

SATO terminologies Pages 49-52



Business Overview by Product

FY24 Consolidated net sales: JPY 154,807 million JPY, 100%

85% of consolidated net sales (Breakdown by region: The Americas 14%, Europe 9%, APAC 17%, Japan 60%)

Base business

Mechatronics
38%

Printers



Other
Hardware



Software



Services



Consumables
47%

Labels &
Tags



Primary
Labels

Consumables
100%

Stickers &
Primary Labels



Sales and OI by Business Segment^{*}

(Millions of JPY)

		FY24	FY25	YoY	In local currencies
Consolidated	Total Sales	116,211	121,755	+4.8%	+4.0%
	Operating Income	9,865	8,673	-12.1%	-10.0%
Overseas	Base				
	Total Sales	39,491	39,566	+0.2%	+1.0%
	Operating Income	3,531	3,398	-3.8%	-2.8%
	Primary Labels				
	Total Sales	18,158	18,765	+3.3%	-3.7%
	Operating Income	3,790	1,688	-55.5%	-55.6%
Eliminations	Operating Income	-27	-49	-	-
Total	Total Sales	57,649	58,331	+1.2%	-0.5%
	Operating Income	7,295	5,038	-30.9%	-30.6%
Japan	Total Sales	58,561	63,423	+8.3%	+8.3%
	Operating Income	2,783	3,732	+34.1%	+40.4%
Eliminations	Operating Income	-213	-97	-	-



* Sales and OI excluding Russian subsidiaries are shown on p. 47.

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Consolidated Results^{*}

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	116,211	121,755	+5,543	+4.8%
Operating Income	9,865	8,673	-1,192	-12.1%
Operating Income %	8.5%	7.1%	-1.4pt	-
Ordinary Income	8,923	7,877	-1,046	-11.7%
Profit attributable to owners of parent	5,592	5,105	-487	-8.7%
Effective Tax Rate	30.0%	32.3%	+2.3pt	-
EBITDA*	13,980	13,076	-904	-6.5%

FX sensitivity for FY25: Assuming a 1-yen depreciation of the Japanese yen against the US dollar and an equivalent depreciation against other currencies, the estimated impact for the full-year FY25 would be an increase in sales of JPY 561 million and an increase in OI of JPY 35 million.

Average FX for Apr-Dec 2025: JPY 148.71/USD, JPY 171.83/EUR (Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR)

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
 · Depreciation for Apr-Dec 2025: JPY 4,392 million (Apr-Dec 2024: JPY 4,001 million)
 · Amortization for Apr-Dec 2025: JPY 10 million (Apr-Dec 2024: JPY 113 million)

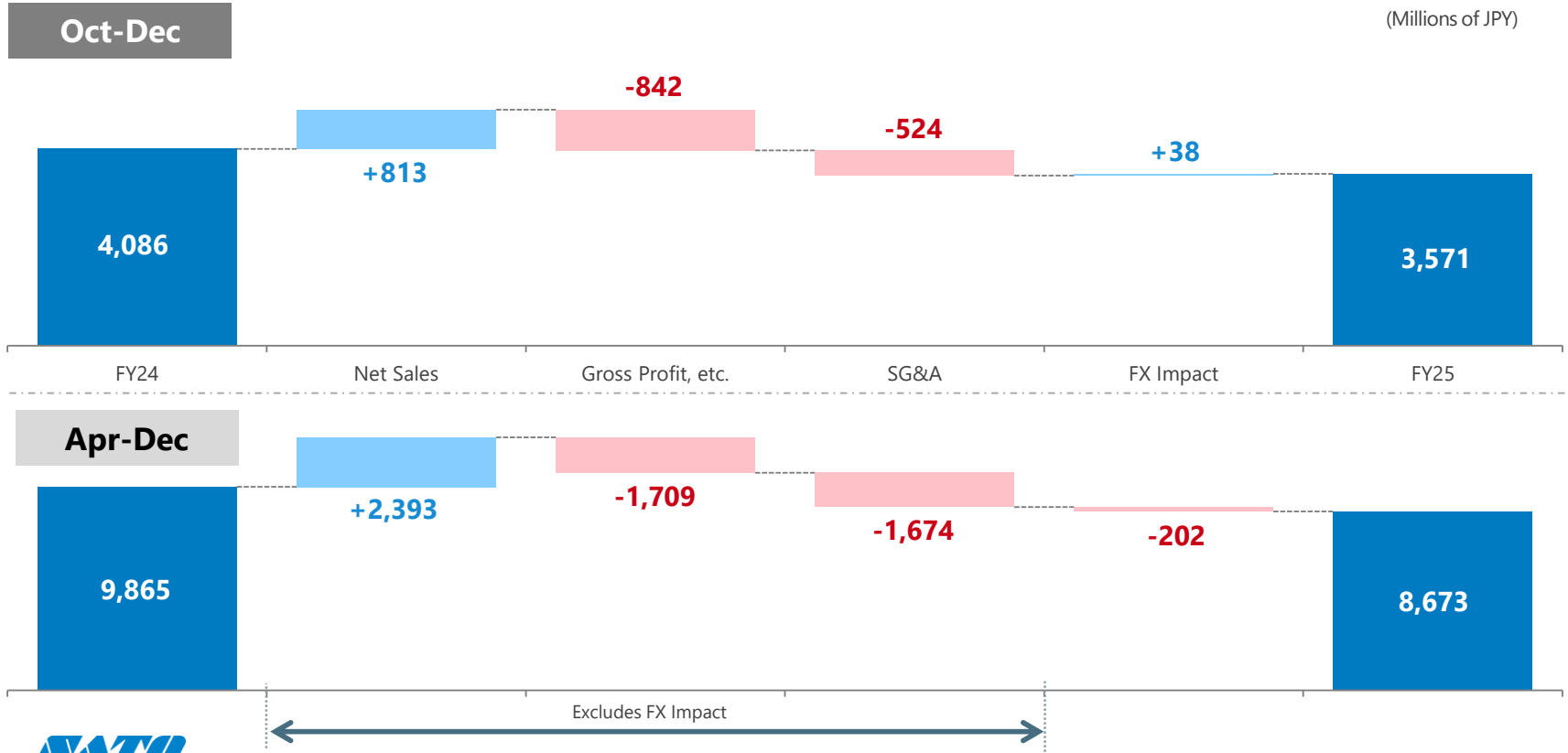
* Sales and OI excluding those of Russian subsidiaries are shown on p. 48.



Auto-ID Solutions Business (Consolidated)

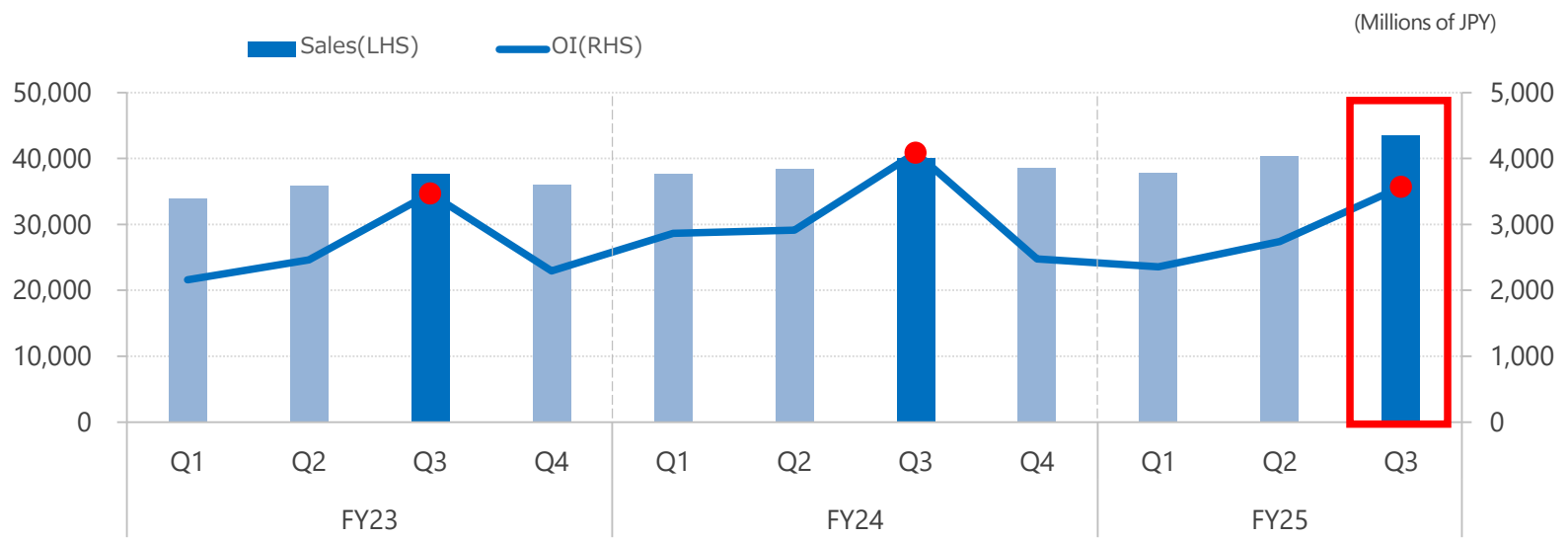
Major Gains/Losses in OI*

(Millions of JPY)



*Sales and OI excluding those of Russian subsidiaries are shown on p. 45.

Quarterly Sales and Operating Income



Sales	33,989	35,797	37,628	36,031	37,674	38,415	40,121	38,596	37,829	40,418	43,507
YoY	+0.9%	-2.7%	-0.6%	+4.5%	+10.8%	+7.3%	+6.6%	+7.1%	+0.4%	+5.2%	+8.4%
OI	2,160	2,460	3,467	2,295	2,864	2,914	4,086	2,475	2,359	2,741	3,571
YoY	2.6x	-16.6%	+4.9%	+30.4%	+32.6%	+18.4%	+17.9%	+7.8%	-17.6%	-5.9%	-12.6%



Sales and OI by Region

(Millions of JPY)

Japan The Americas Europe Asia/Oceania

Sales

116,211

FY24



121,755

FY25

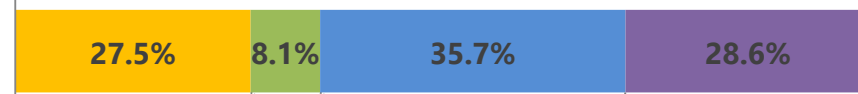


Operating Income

* Ratio excludes eliminations.

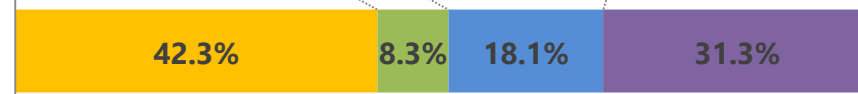
10,079

FY24



8,770

FY25



OI Ratio FY24 Japan : 4.8%, Overseas : 12.7%
 FY25 Japan : 5.9%, Overseas : 8.6%

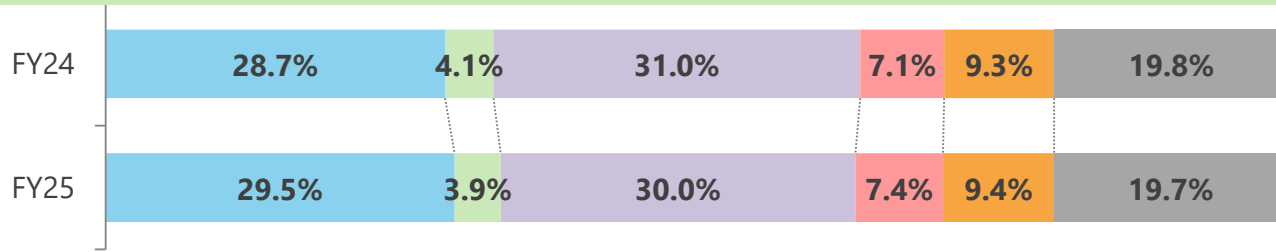


Sales by Vertical

■ Manufacturing
 ■ Logistics
 ■ Retail
 ■ Health Care
 ■ Food & Beverage
 ■ Others

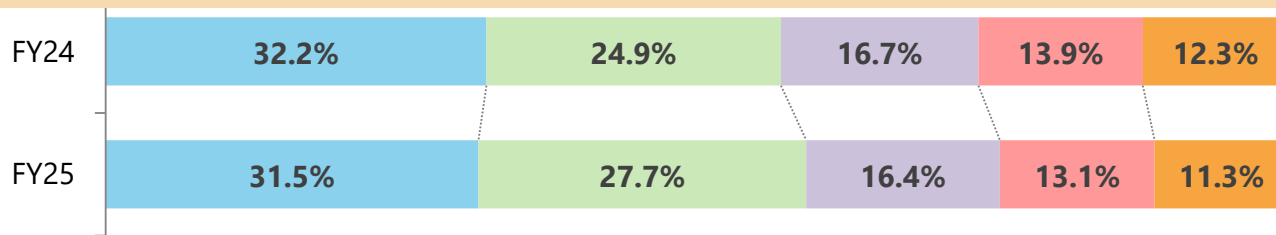
Overseas

* Main sales subsidiaries only. Factories & Primary Label companies not included.



Japan

* Maintenance services not included



* Since Q1 FY25, sales from the manufacturing and public verticals have been combined. Graphs have been adjusted retrospectively.



Overview

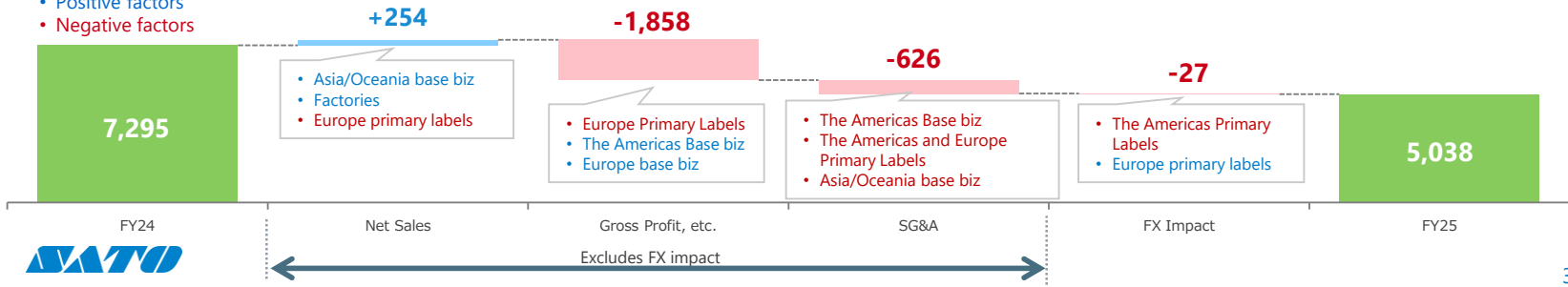
(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Base business Total Sales	39,491	39,566	+75	+0.2%	+1.0%
Primary Labels business Total Sales	18,158	18,765	+606	+3.3%	-3.7%
Total Sales	57,649	58,331	+681	+1.2%	-0.5%
Gross Profit	23,377	21,881	-1,495	-6.4%	-
Gross Profit %	40.6%	37.5%	-3.0pt	-	-
Base business Operating Income	3,531	3,398	-132	-3.8%	-2.8%
Primary Labels business Operating Income	3,790	1,688	-2,102	-55.5%	-55.6%
Elimination Operating Income	-27	-49	-22	-	-
Operating Income	7,295	5,038	-2,257	-30.9%	-30.6%
Operating Income %	12.7%	8.6%	-4.0pt	-	-

* Includes impact of IAS 29, Financial Reporting in Hyperinflationary Economies ("Hyperinflation Accounting") in Argentina.

Major Gains/Losses in OI

- Positive factors
- Negative factors



The Americas Base business

(Millions of JPY)

	FY24	FY25	Change		
				YoY	In local currencies
Total Sales	13,367	13,029	-337	-2.5%	+1.0%
Operting Income	348	324	-23	-6.7%	+0.3%

Europe Base business

(Millions of JPY)

	FY24	FY25	Change		
				YoY	In local currencies
Total Sales	9,357	9,902	+545	+5.8%	+2.0%
Operting Income	324	339	+14	+4.6%	+0.6%

Asia/Oceania Base business

(Millions of JPY)

	FY24	FY25	Change		
				YoY	In local currencies
Total Sales	16,766	16,633	-133	-0.8%	+0.5%
Operting Income	2,859	2,734	-124	-4.3%	-3.6%



Primary Labels business

(Millions of JPY)

		FY24	FY25	Change	YoY	In local currencies
The Americas Achernar (Argentina) Plakorar (Brazil)	Total Sales	2,581	2,736	+155	+6.0%	+25.4%
	Operating Income	473	407	-65	-13.8%	+14.7%
Europe Okil/ X-pack (Russia)	Total Sales	15,284	15,734	+449	+2.9%	-8.7%
	Operating Income	3,282	1,254	-2,027	-61.8%	-66.1%
Asia/Oceania Hirich (Vietnam)	Total Sales	292	294	+1	+0.6%	+5.7%
	Operating Income	35	25	-9	-27.0%	-23.3%
Total Sales	Total Sales	18,158	18,765	+606	+3.3%	-3.7%
	Operating Income	3,790	1,688	-2,102	-55.5%	-55.6%

* Includes impact of IAS 29, Financial Reporting in Hyperinflationary Economies ("Hyperinflation Accounting") in Argentina.



Sales and OI by Business Segment/Region

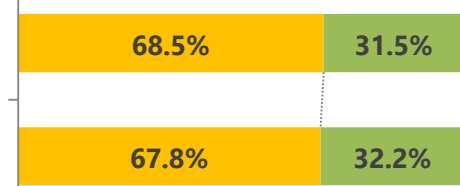
(Millions of JPY)

Base business Primary Labels The Americas Europe Asia/Oceania

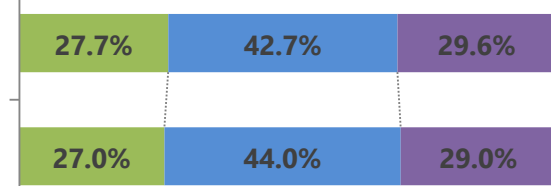
Sales

57,649

FY24



FY24

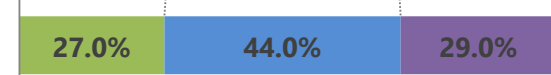


58,331

FY25



FY25

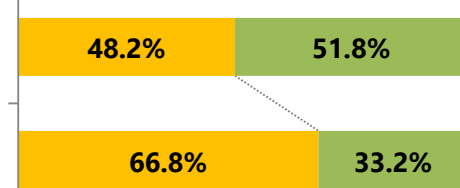


Operating Income

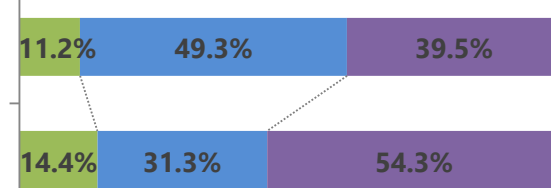
* Ratio excludes eliminations.

7,295

FY24



FY24



5,038

FY25



FY25



OI ratio:

FY24 Base business : 8.9%, Primary Labels : 20.9%

FY25 Base business : 8.6%, Primary Labels : 9.0%

FY24 The Americas : 5.1%, Europe : 14.6%
Asia/Oceania : 17.0%

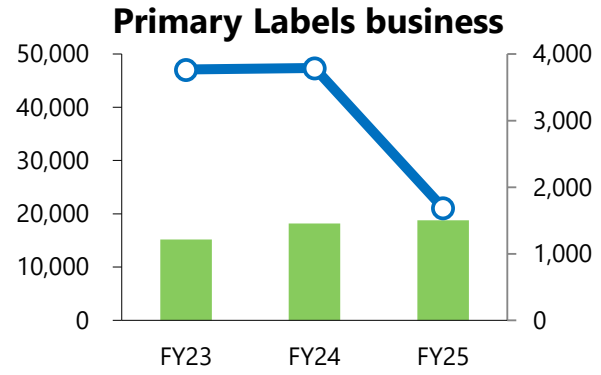
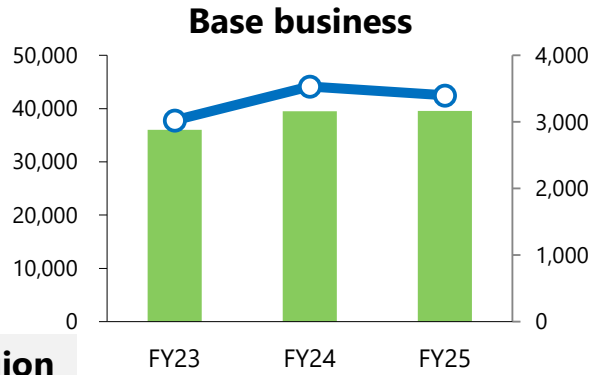
FY25 The Americas : 4.6%, Europe : 6.2%
Asia/Oceania : 16.3%



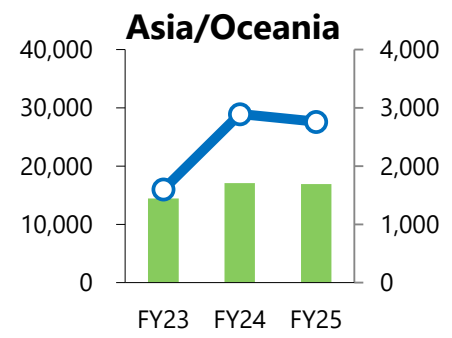
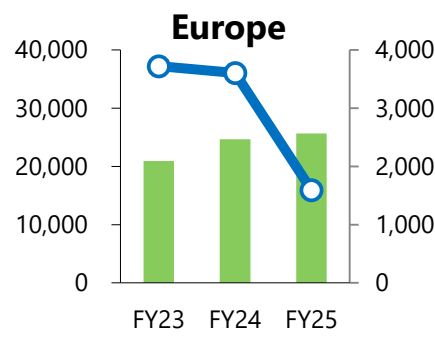
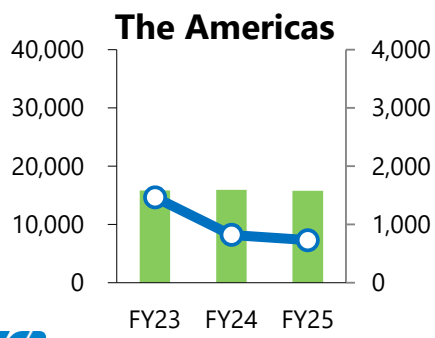
Sales and OI Trends by Business Segment and Region

By Business Segment

Sales (LHS) OI (RHS) (Millions of JPY)



By Region



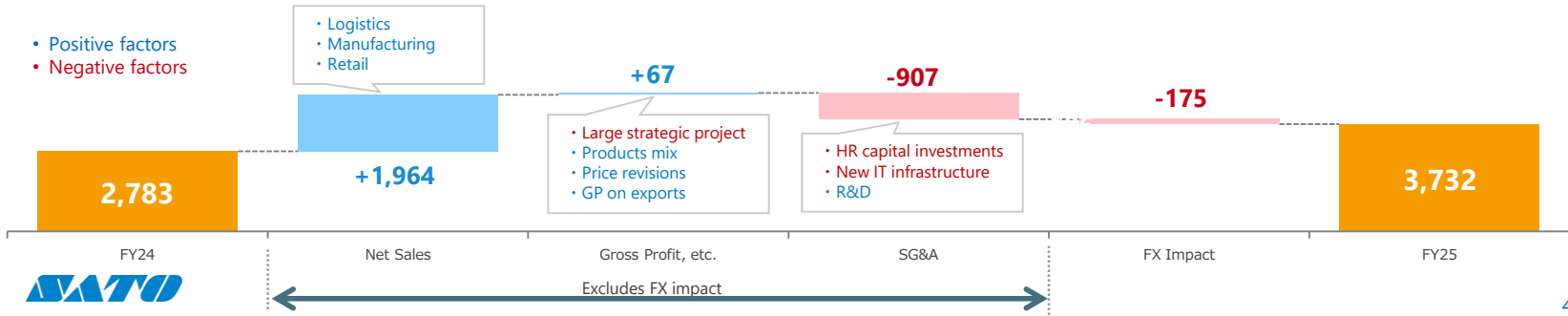
Overview

(Millions of JPY)

	FY24	FY25	Change	YoY
Mechatronics Sales	22,394	26,792	+4,398	+19.6%
Consumables Sales	36,167	36,631	+463	+1.3%
Total Sales	58,561	63,423	+4,862	+8.3%
Gross Profit	26,503	28,359	+1,856	+7.0%
Gross Profit %	45.3%	44.7%	-0.5pt	-
Operating Income	2,783	3,732	+948	+34.1%
Operating Income %	4.8%	5.9%	+1.1pt	-

Mechatronics: Hardware (e.g., printers, automatic labelers, scanners, hand labelers), software and maintenance services.
 Consumables: Products such as variable information labels, RFID tags, primary labels (product labels) and ribbons.

Major Gains/Losses in OI

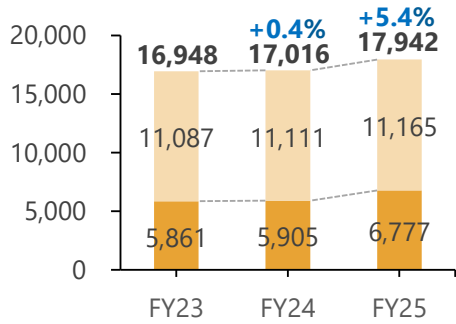


Sales by Vertical^{*1}

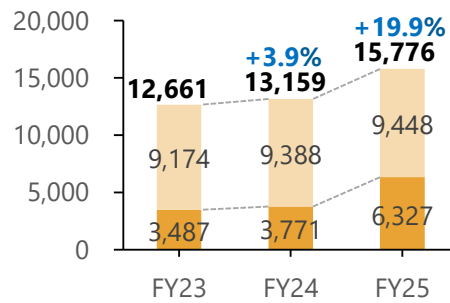
■ : Mechatronics ■ : Consumables * % indicates YoY change

(Millions of JPY)

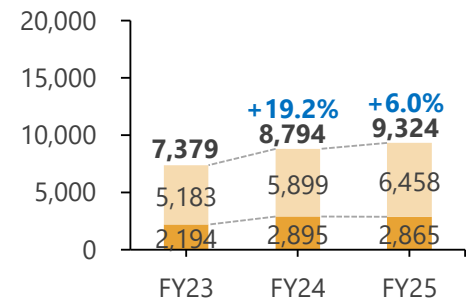
Manufacturing^{*2}



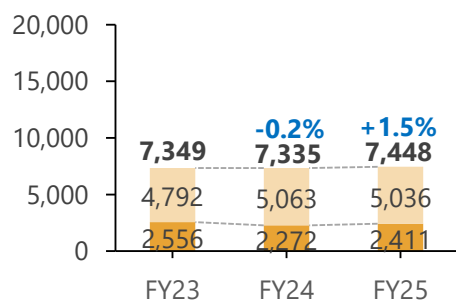
Logistics^{*3}



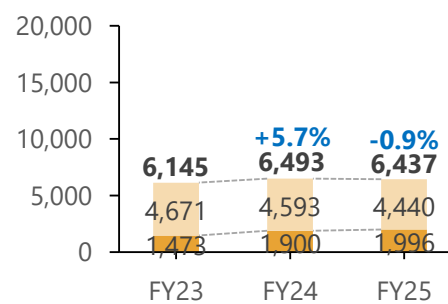
Retail



Health Care



Food & Beverage



* 1 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.
 * 2 Since Q1 FY25, sales from the manufacturing and public verticals have been combined. The graphs have been adjusted retrospectively.
 * 3 Since Q1 FY23, some industries have been reclassified from the public vertical to the logistics vertical. The graphs have been adjusted retrospectively.

Sales and OI by Business Segment (Figures exclude the Russian subsidiaries)

(Millions of JPY)

		FY24	FY25	YoY	In local currencies
Consolidated	Total Sales	35,238	37,792	+7.3%	+6.4%
	Operating Income	2,935	3,054	+4.1%	+6.2%
Overseas	Base				
	Total Sales	13,329	13,915	+4.4%	+1.2%
	Operating Income	1,200	1,147	-4.5%	-7.5%
	Primary Labels				
	Total Sales	892	1,018	+14.2%	+27.2%
	Operating Income	46	140	3.0x	4.4x
Eliminations	Operating Income	6	-23	-	-
Total	Total Sales	14,221	14,934	+5.0%	+2.8%
	Operating Income	1,254	1,264	+0.9%	+3.1%
Japan	Total Sales	21,016	22,858	+8.8%	+8.8%
	Operating Income	1,824	1,830	+0.4%	+2.3%
Eliminations	Operating Income	-143	-41	-	-



* 1 Apr-Sep results are shown on p. 47.

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Consolidated Results (Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	35,238	37,792	+2,554	+7.3%
Operating Income	2,935	3,054	+119	+4.1%
Operating Income %	8.3%	8.1%	-0.2pt	-
Ordinary Income	3,015	2,995	-20	-0.7%
Profit attributable to owners of parent	1,955	1,825	-129	-6.6%
Effective Tax Rate	35.0%	38.2%	+3.2pt	-
EBITDA*	4,213	4,257	+43	+1.0%

Average FX for Apr-Dec 2025: JPY 148.71/USD, JPY 171.83 /EUR (Apr-Dec 2024: JPY 152.64 /USD, JPY 164.89 /EUR)

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
 · Depreciation for Oct-Dec 2025: JPY 1,199 million (Oct-Dec 2024: JPY 1,242 million)
 · Amortization for Oct-Dec 2025: JPY 3 million (Oct-Dec 2024: JPY 36 million)



* 1 Apr-Dec results are shown on p. 48.

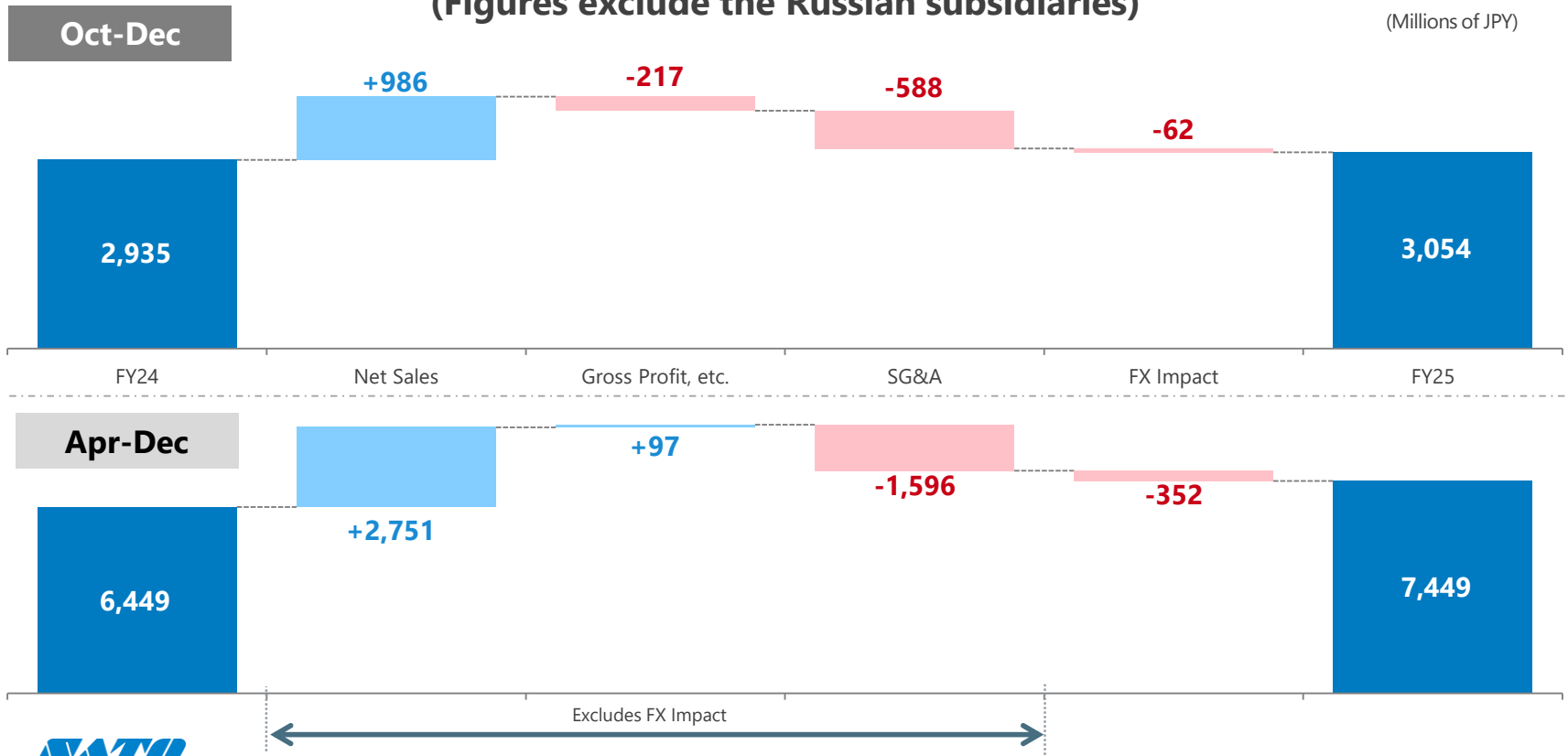
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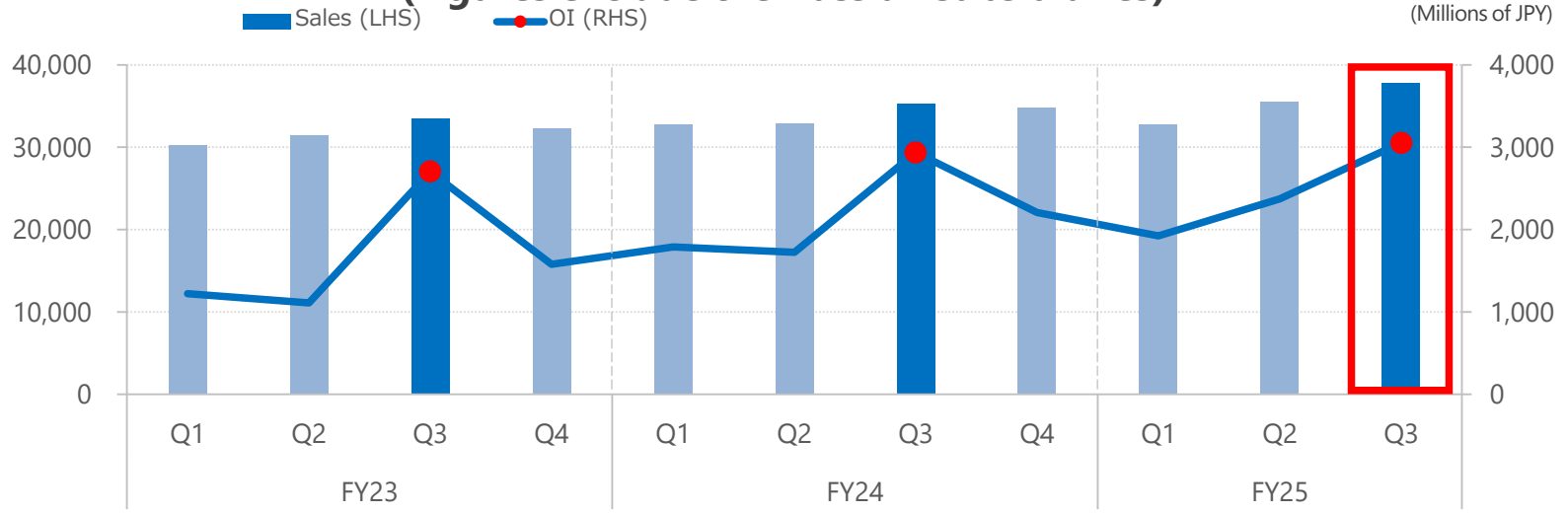
Auto-ID Solutions Business (Consolidated)

Major Gains/Losses in OI
 (Figures exclude the Russian subsidiaries)

(Millions of JPY)



Quarterly Sales and Operating Income
(Figures exclude the Russian subsidiaries)



Sales	30,301	31,455	33,433	32,257	32,770	32,918	35,238	34,786	32,740	35,488	37,792
YoY	+1.6%	-1.7%	+2.6%	+4.9%	+8.1%	+4.7%	+5.4%	+7.8%	-0.1%	+7.8%	+7.3%
OI	1,222	1,110	2,704	1,577	1,789	1,724	2,935	2,209	1,922	2,373	3,054
YoY	2.0x	-45.1%	+40.9%	2.1x	+46.5%	+55.2%	+8.5%	+40.0%	+7.4%	+37.6%	+4.1%



Sales and OI by Business Segment (Figures exclude the Russian subsidiaries)

(Millions of JPY)

		FY24	FY25	YoY	In local currencies
Consolidated	Total Sales	100,926	106,021	+5.0%	+5.9%
	Operating Income	6,449	7,349	+14.0%	+19.4%
Overseas	Base				
	Total Sales	39,491	39,566	+0.2%	+1.0%
	Operating Income	3,531	3,398	-3.8%	-2.8%
	Primary Labels				
	Total Sales	2,874	3,031	+5.5%	+23.4%
	Operating Income	374	365	-2.5%	+36.0%
Eliminations	Operating Income	-27	-49	-	-
Total	Total Sales	42,365	42,597	+0.5%	+2.5%
	Operating Income	3,878	3,714	-4.2%	+0.3%
Japan	Total Sales	58,561	63,423	+8.3%	+8.3%
	Operating Income	2,783	3,732	+34.1%	+40.4%
Eliminations	Operating Income	-213	-97	-	-



Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	100,926	106,021	+5,094	+5.0%
Operating Income	6,449	7,349	+900	+14.0%
Operating Income %	6.4%	6.9%	+0.5pt	-
Ordinary Income	5,788	6,948	+1,159	+20.0%
Profit attributable to owners of parent	3,670	4,603	+932	+25.4%
Effective Tax Rate	36.1%	32.8%	-3.3pt	-
EBITDA*	10,086	10,933	+847	+8.4%

Average FX for Apr-Dec 2025: JPY 148.71/USD, JPY 171.83/EUR (Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR)

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
 · Depreciation for Apr-Dec 2025: JPY 3,573 million (Apr-Dec 2024: JPY 3,523 million)
 · Amortization for Apr-Dec 2025: JPY 10 million (Apr-Dec 2024: JPY 113 million)



SATO terminologies (1/4)

(*) Underlined terms are described under its own heading

SATO's unique business concepts/initiatives		Description*
1	Auto-ID Solutions business	Our business that carries out <u>DCS & Labeling</u> . It is specifically about integrating barcode printers/labels, software and services designed in-house with products and technologies from partners to resolve customers' worksite issues. This business is separated into Overseas and Japan segments, with the former comprised of the <u>Base</u> and the <u>Primary label businesses</u> .
2	DCS & Labeling (DCS: Data Collection Systems)	SATO's business model that incorporates auto-ID technology (such as barcodes and RFID) with barcode printers and labels/labeling services to (a) systematically collect data on people and things at business sites and (b) offer <u>tagging</u> /labeling of information, using accurate, efficient and optimized solutions. In line with increasingly sophisticated user needs, SATO also pursues a policy of open innovation and partnerships to provide value-added technologies such as image/voice recognition, location tracking and sensors to its legacy business model to better solve customer challenges.
3	Base business	Business of <u>tagging</u> variable information, such as prices, manufactured dates and expiration dates in the form of barcodes and more.
4	Primary label business	Overseas business of <u>tagging</u> fixed information via product labels and other media. This business operates from SATO Group companies; <u>Achernar</u> (Argentina), <u>Prakolar</u> (Brazil), <u>Okil</u> (Russia), <u>X-Pack</u> (Russia) and <u>Hirsch</u> (Vietnam).
5	Tagging	The process of physically attaching to something data that identifies and/or provide status information. This involves digitizing information of the things it is tagged to so that the tagged data can be fed to and processed by core IT systems. This domain, connecting people and things with information, has remained central to SATO's business, ever since our days of pioneering hand labelers that attached price and other information to products.
6	Koto-uri (Selling the solution, not the product)	Sales approach of selling not the product but combinations of products in the form of solutions that include hardware, <u>consumables</u> , maintenance services and software, together with ROI and other value propositions for the customer. The opposite concept of "Mono-uri" or selling single products.
7	Perfect and Unique Tagging (PUT)	A high-level problem-solving tagging technology that makes it possible to trace complete and unique individual information by tagging not only proprietary data such as IDs but also position and status information obtained from sensors to objects and people. The status can be identified and managed by fully automated reading integrated with the operation without manual intervention. Through solutions utilizing PUT, we aim to address not only on-site issues at individual customers but also common issues faced by society as a whole.



SATO terminologies (2/4)

SATO's unique business concepts/initiatives		Description
8	Genbaryoku	Our core competency of going to customer sites to understand their operations and identify the essence of issues to offer optimized solutions. It is our ability to (1) address a wide range of market, industry and application needs with our expertise in sites of operations, (2) integrate products, services and technologies into solutions, working together with strategic partners, and (3) offer maintenance services and solutions continuously to build trust and establish lasting relationships with customers.
9	Teiho	System of reports and proposals in effect since 1976. Employees share new information and ideas they come across on-site every day with top management via the Teiho system. Teiho helps top management gain immediate insight into the internal/external business situation to facilitate quick decision-making and execution of initiatives, while allowing "participation by all" in the management of the company. As Teiho reports are directly addressed to top management, it is also an effective means of compliance monitoring to prevent malpractice and other inappropriate behavior and assist in corporate governance. Some of our global offices have also started Teiho, with more to follow.
Products, services and technologies		Description
1	Auto-ID solutions	Combination of products such as printers, labels, software and maintenance services using auto-ID technologies to carry out <u>DCS & Labeling</u> . To meet ever complex and diverse customer challenges, SATO also looks beyond its own resources and interests by pursuing partnerships, for example, to enable location technologies to track items by tags and inventory/worker movements in real time for managing manufacturing processes and visualizing productivity on-site.
2	Mechatronics	All products that are not <u>consumables</u> , including hardware (e.g., printers, automatic labelers, scanners, hand labelers), software and maintenance services. They generate higher gross profit margin than <u>consumables</u> . Printers are manufactured in Malaysia, Vietnam and Taiwan.
3	Consumables	"Consumable" products such as <u>variable information labels</u> , RFID tags, primary labels (product labels) and ribbons. They generate lower gross profit margin than <u>mechatronics</u> but incur low SG&A expenses ratio as they are typically sold through recurring business.
4	Variable information labels	Blank or pre-printed labels used to print information elements such as barcode, product price and manufactured or expiry date that vary with every customer's site of operation. Unlike fixed information labels that are identical and printed at large quantities in a single run, variable information labels can be printed on-demand as and when needed.



SATO terminologies (3/4)

Products, services, technologies		Description
5	RFID (Radio Frequency Identification)	A type of auto-ID technology that uses radio waves to read/write data from/to an RFID tag without making contact. RFID offers faster read rates (from reading multiple tags at the same time) and greater read range than traditional barcode technology. Also, unlike barcodes, RFID tags can be read when covered by another object or stained and are read/write-capable to enable updates to the encoded data. Because of these key benefits, RFID can significantly improve operational efficiency.
6	PJM (Phase Jitter Modulation)	RFID technology that uses frequencies in the HF band and complies with the international standard ISO/IEC18000-3 Mode 2. SATO has many patents on reading circuits and systems that support implementation of the technology. In addition to providing fast and accurate lump-sum reading of up to 600 RFID tags per second, the technology lends itself to challenging read environments as PJM RFID operates down to -80 °C, can be read in proximity to liquid, or with multiple of them stacked together, and withstands medical sterilization. In certain conditions and environments, PJM RFID systems can be built to enable operation with reduced susceptibility to metal interference. These advantages have led to growing adoption of the technology in blood bag and orthopedic implant management.
7	SOS (SATO Online Services)	A cloud-based monitoring service for printers that enables preventative maintenance and on-the-spot troubleshooting. With SOS, users can view the status of their cloud-connected printers at a glance and manage them centrally with ease, while SATO can increase productivity of its service personnel, allowing for even small service teams (as is often the case overseas) to provide improved support.
8	AEP (Application Enabled Printing)	A powerful on-board intelligence which enables customization of printer operation. Printers can link to other systems on a stand-alone basis, without going through any computers.
9	SATO AEP Cloud (Application Enabled Printing Cloud)	Cloud-based aPaaS (Application Platform as a Service) was launched in April 2025 by SATO Europe GmbH, a European subsidiary. It enables flexible and rapid application design in no-code and low-code for challenges such as complex labeling operations and regulations (e.g., digital product passports) faced by customers. This contributes to the realization of operational accuracy, business efficiency, cost management, etc.
10	Source tagging	A supply chain management practice of instructing vendors or suppliers to affix labels containing specified information of products before delivery.



SATO terminologies (4/4)

Key acquisitions since 2012		Description
1	Argox Information Co., Ltd. (Taiwan)	[2012] Company engaging in the development, production and sales of entry level printers.
2	Achernar S.A. (Argentina)	[2012] Company specializing in primary labels.
3	Magellan Technology Pty Ltd. (Australia)	[2013] Company from which SATO acquired the business of Magellan Technology Pty Ltd., which possessed PJM (Phase Jitter Modulation), an RFID technology compliant with ISO/IEC 18000-3 Mode 2. Now SATO Vicinity Pty Ltd.
4	Okil-Holding, JSC (Russia)	[2014] Primary labels company in which SATO acquired 75% ownership stake. <u>X-Pack</u> is affiliated with Okil.
5	Prakolar Rótulos Autoadesivos LTDA. (Brazil)	[2015] Company specializing in primary labels.
6	High Rich Trading & Service Corporation (Vietnam)	[2017] Primary labels company in which SATO acquired 49% ownership stake. Commonly known as Hirich.
7	Stafford Press, Inc. (U.S)	[2023] Company engaging in production and sales of horticulture tags and labels, and inkjet printers for on-demand color printing of such tags and labels.
Overseas subsidiaries founded after 2017		Description
1	Okil –SATO X-Pack Co. Ltd. (Russia)	[2017] A subsidiary producing and selling shrink sleeves, in-mold labels and soft packages in <u>Primary Labels business</u> , owned 60% by SATO.





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