

December 16, 2025

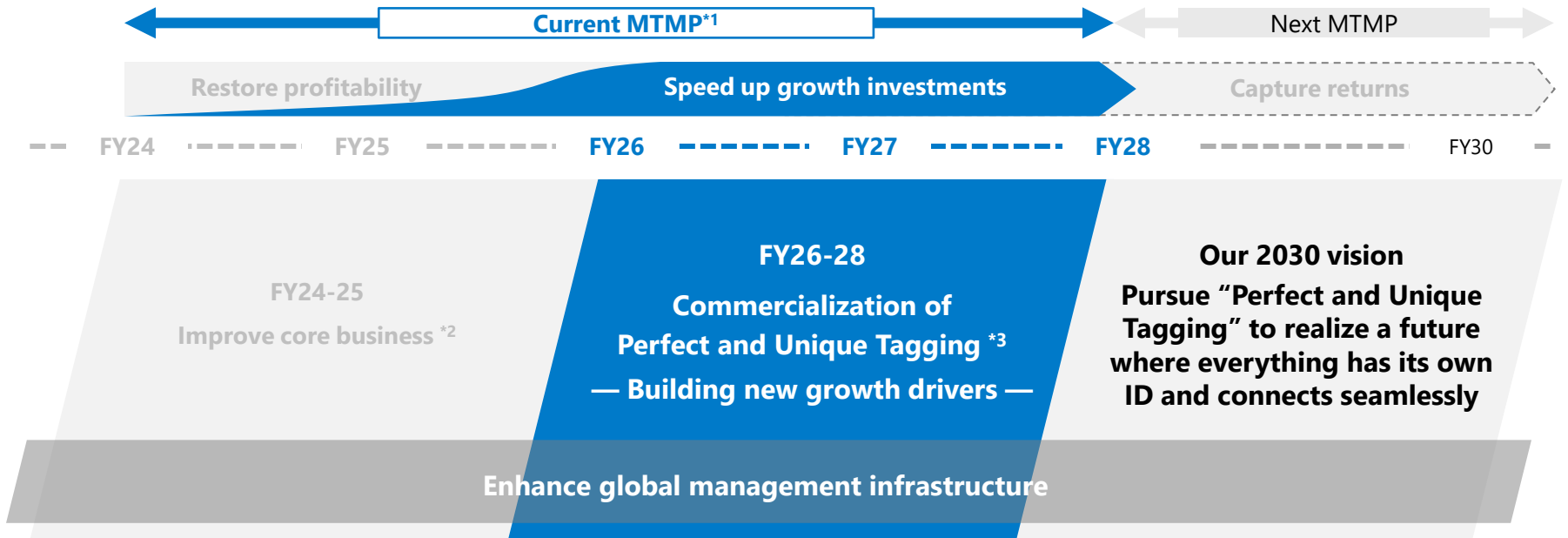
Medium-term Management Plan (FY24-28) Update Briefing

This English version does not include Section 2 of the Japanese original disclosure.
An English translation of Section 2 will be provided at a later date.

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

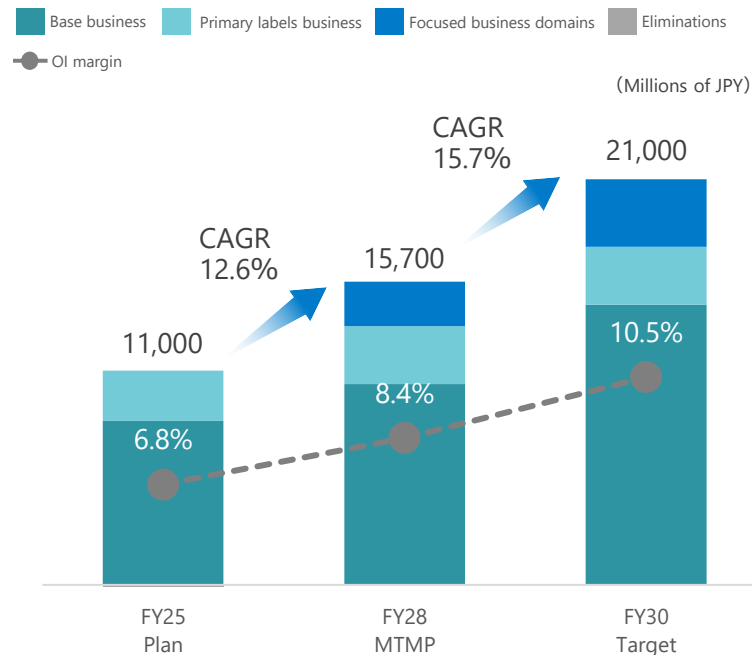
Financial metrics

(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 |
| Capital efficiency | ROIC | 7.7% | 9.4% |
| | ROE | 8.6% | 10.2% |
| Profitability | Operating income | 11,000 | 15,700 |
| | Operating margin | 6.8% | 8.4% |

* 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.

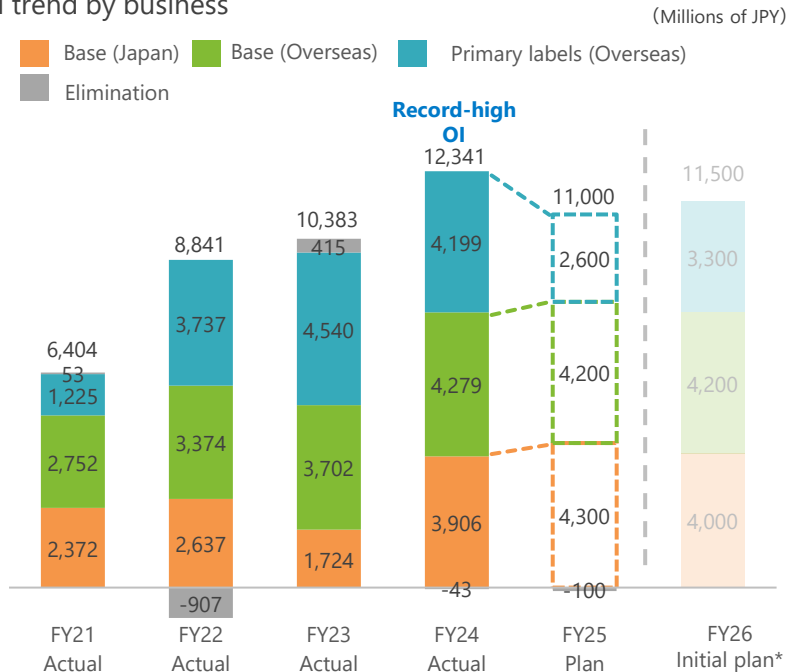
Performance metrics, consolidated operating income



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 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 and expand 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.

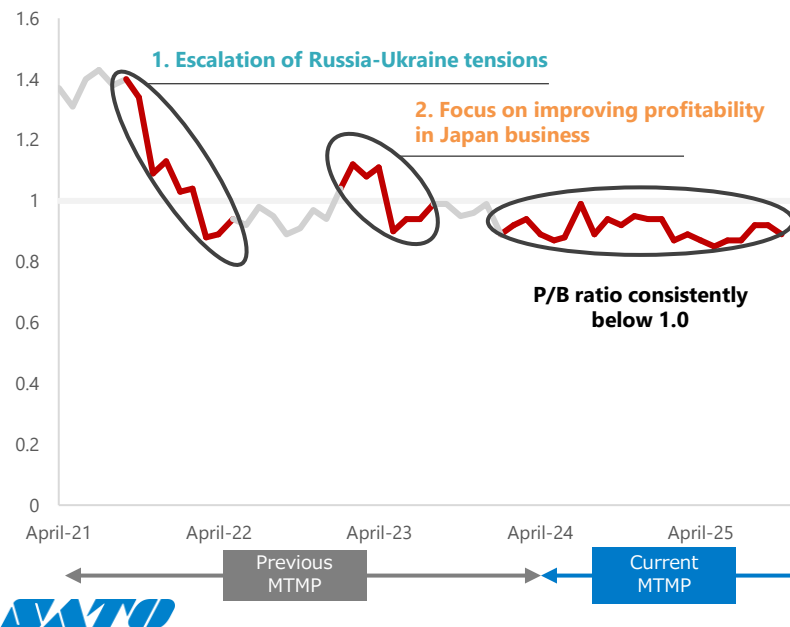


* As of March 22, 2024

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

Commercialize the Perfect and Unique Tagging concept

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

Develop a robust revenue base for the core business

- | Japan | Overseas |
|---|--|
| <ul style="list-style-type: none">• Build a business structure that generates stable revenue• Implement rigorous management of low-margin businesses | <ul style="list-style-type: none">• Allocate resources to strategic growth areas• Mitigate risks and volatility |

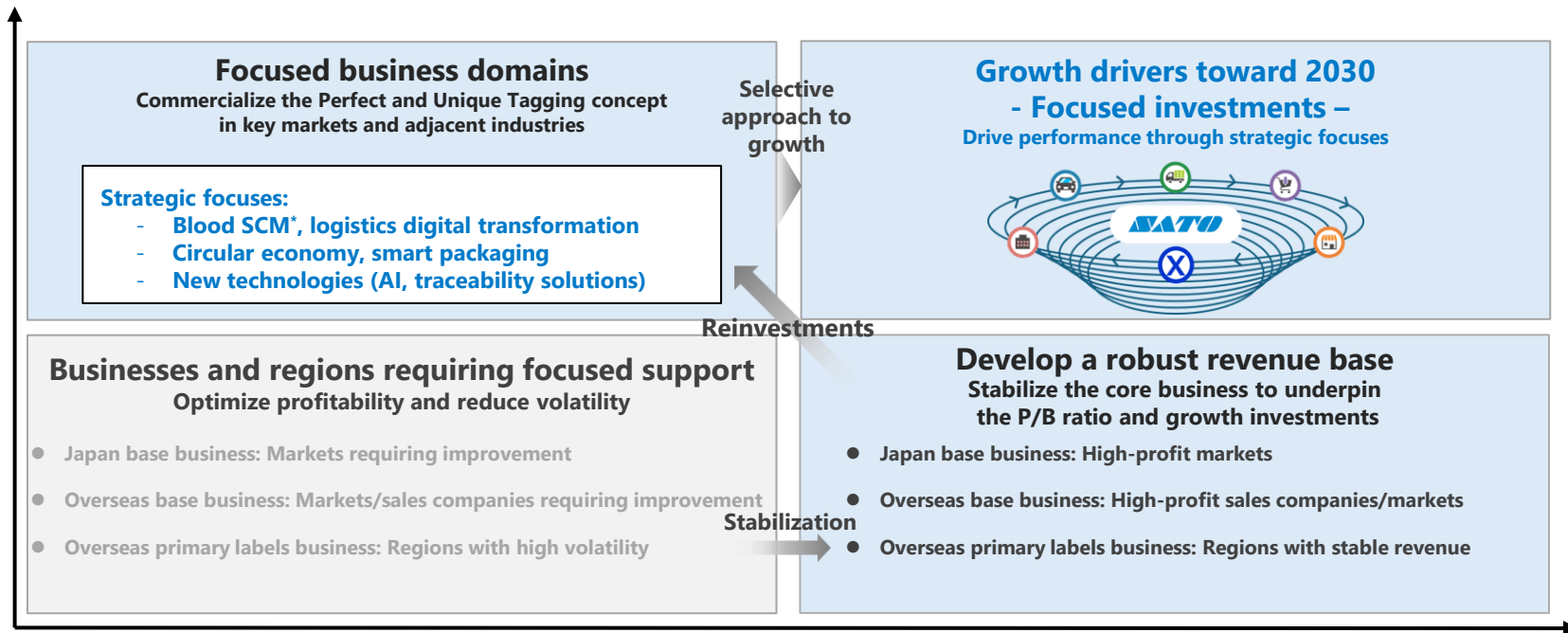
Improve the global management infrastructure

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

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

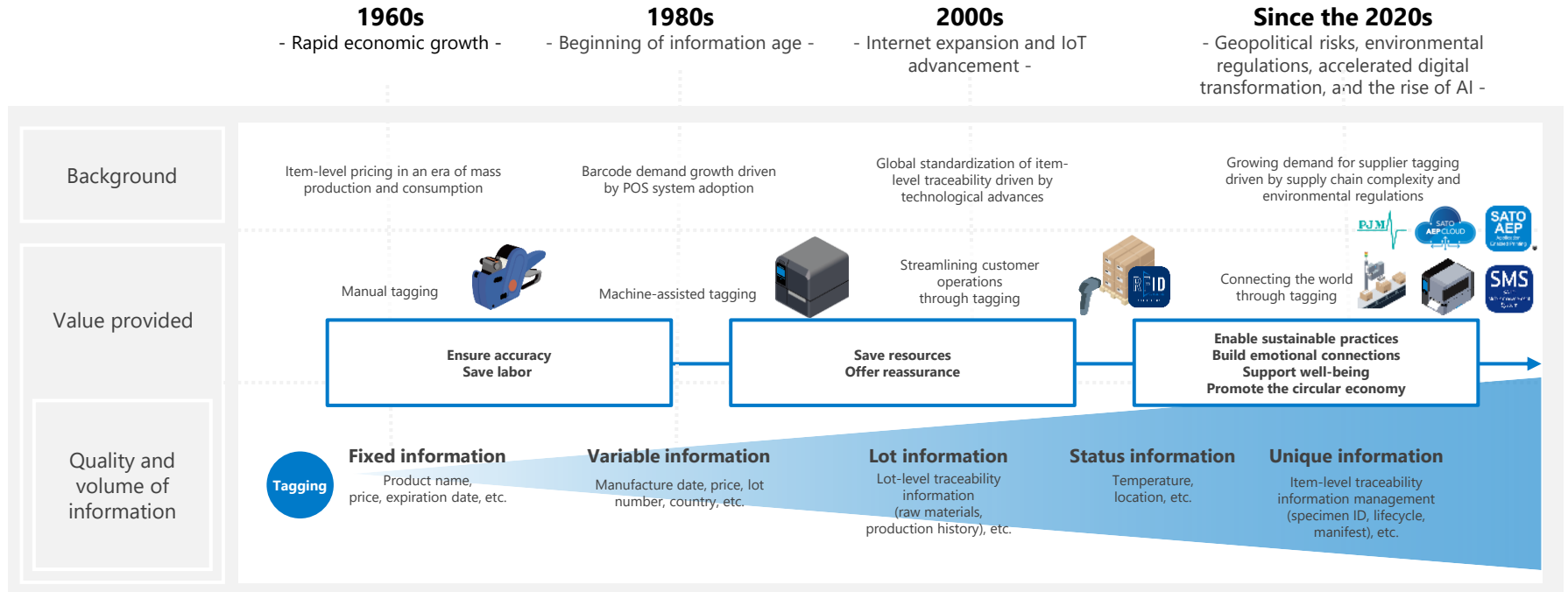


Contribution to profits

* 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.



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)

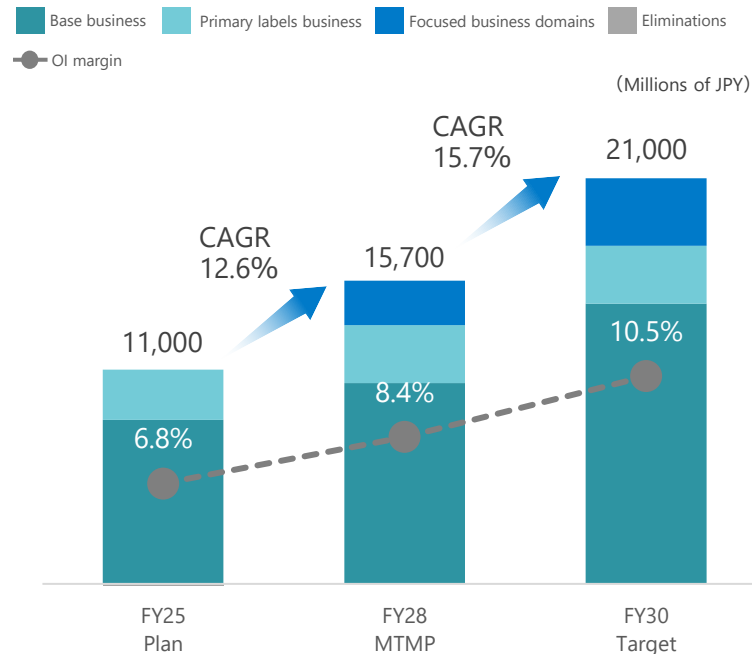
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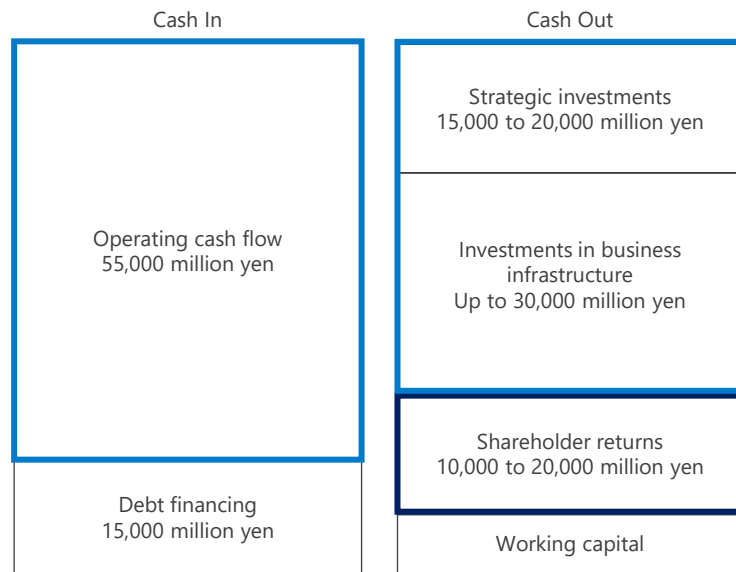
Performance metrics, consolidated operating income



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.

[Notes on using this document]

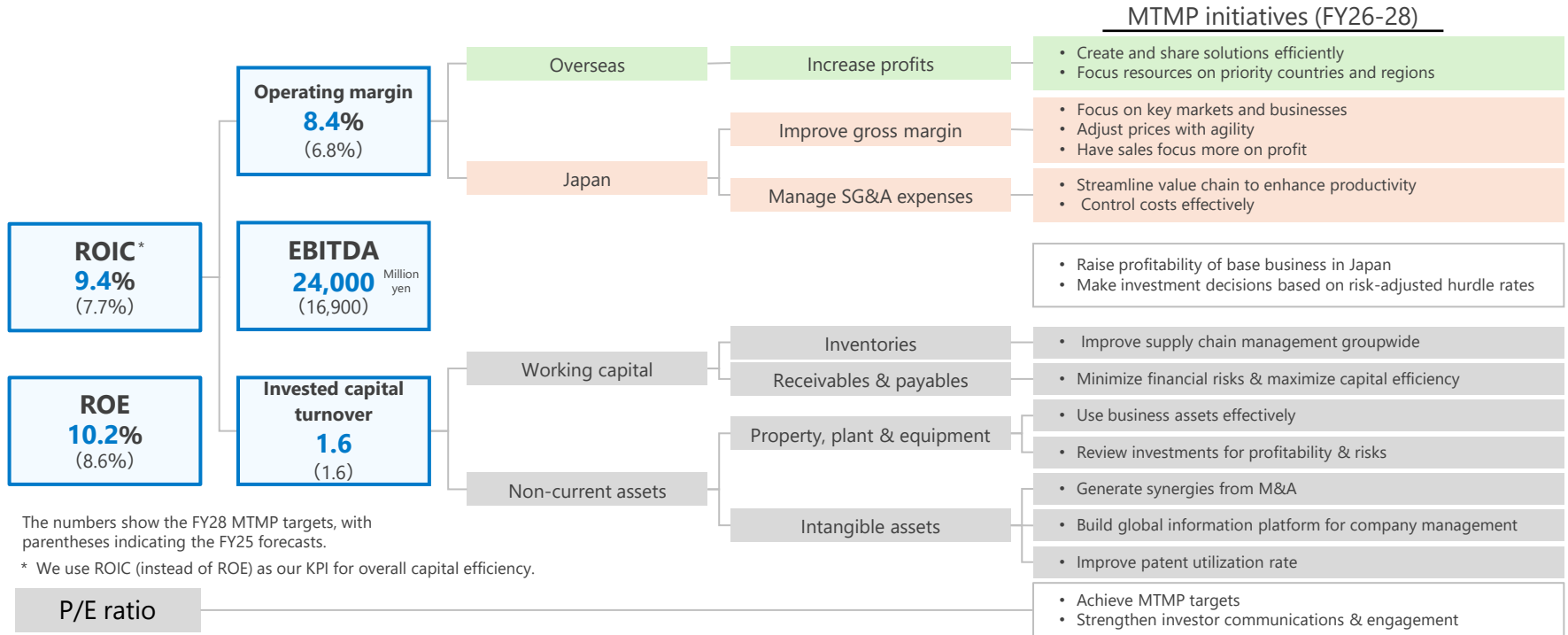
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ROIC Tree

- $P/B \text{ ratio} = ROE \times P/E \text{ ratio}$
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%**)

ROIC: **9.4%**

ROE: **10.2%**

P/B ratio: **1.0** or higher

Sales and operating income by business

(Unit: million yen)

| | | FY24 Actual | FY25 Plan | FY28 MTMP | FY25-28 CAGR |
|---------------------------------|-------------------------------------|----------------------|----------------------|----------------------|-----------------|
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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% |
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