

## Financial summary

Fiscal years end March 31 the following year

(Millions of JPY)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Business performance</b>											
Sales	87,256	96,773	99,831	105,504	106,302	113,383	116,179	116,372	109,052	124,783	142,824
Overseas sales ratio (%)	25.6	29.3	33.2	37.3	36.6	37.8	37.6	36.9	37.1	42.1	48.1
Gross profit	36,410	41,180	42,708	44,942	45,022	48,655	50,676	50,179	45,735	50,398	56,684
Selling, general and administrative expenses	30,958	34,421	35,264	38,487	38,917	42,405	42,997	42,718	39,888	43,994	47,843
Operating income	5,452	6,758	7,444	6,455	6,104	6,249	7,679	7,461	5,847	6,404	8,841
EBITDA (operating income + depreciation + amortization of goodwill)	8,213	9,871	11,044	11,573	11,296	11,814	13,250	13,376	10,163	10,861	13,961
Profit attributable to owners of parent	2,726	4,295	3,763	3,687	3,221	4,074	3,773	-1,882	12,959	3,794	4,184
<b>Financial position</b>											
Total assets	77,521	86,737	95,174	96,887	104,280	106,447	107,574	103,147	109,312	120,005	122,858
Net assets	40,205	46,734	53,158	52,155	54,217	56,225	56,668	48,823	59,462	64,508	67,694
Research and development	2,042	2,225	2,292	2,414	2,387	2,994	3,460	3,377	3,046	3,944	4,644
Capital expenditures	3,059	6,106	7,372	6,717	5,723	9,044	4,801	3,835	4,931	4,999	6,357
Depreciation and amortization of goodwill	2,760	3,112	3,599	5,118	5,191	5,565	5,571	5,915	4,316	4,456	5,119
<b>Cash flow</b>											
Cash flow from operating activities	3,793	10,589	9,205	6,091	10,769	6,184	9,365	11,259	5,806	3,302	5,190
Cash flow from investing activities	-984	-4,776	-6,221	-9,596	-8,716	-3,504	-5,212	-2,449	-102	-3,738	2,290
Free cash flow (net cash provided by operating activities less cash used in investing activities)	2,809	5,812	2,983	-3,504	2,052	2,679	4,152	8,810	5,704	-436	7,480
Cash flow from financing activities	-2,839	-1,511	-3,062	3,254	-1,343	-3,458	-3,534	-1,311	-7,131	-3,987	-6,309
Cash and cash equivalents at end of year	11,992	16,763	17,145	16,212	16,757	16,026	16,430	23,379	22,580	19,140	20,751
<b>Per-share data (JPY)</b>											
EPS (earnings per share)	90.56	141.57	113.96	110.07	96.07	121.54	112.46	-56.06	385.86	112.74	126.66
BPS (book value per share)	1,330.77	1,454.90	1,579.15	1,525.09	1,579.53	1,634.69	1,649.86	1,423.30	1,735.04	1,874.97	2,020.83
DPS (dividends per share)	37	40	45	55	60	65	70	70	70	70	72
<b>Financial indicators (%)</b>											
Gross profit margin	41.7	42.6	42.8	42.6	42.4	42.9	43.6	43.1	41.9	40.4	39.7
Operating income ratio	6.2	7.0	7.5	6.1	5.7	5.5	6.6	6.4	5.4	5.1	6.2
EBITDA margin	9.4	10.2	11.1	11.0	10.6	10.4	11.4	11.5	9.3	8.7	9.8
ROIC (return on invested capital)	6.6	7.6	8.0	6.6	6.2	6.1	7.5	7.5	5.8	5.8	7.7
ROA (return on assets)	7.1	8.6	8.2	6.4	5.4	5.6	7.1	6.2	5.2	5.3	7.5
ROE (return on equity)	7.2	9.9	7.6	7.1	6.2	7.6	6.9	-3.6	24.4	6.3	6.5
Equity ratio	51.7	53.7	55.6	52.8	50.8	51.5	51.5	46.3	53.3	52.6	53.3
Debt-to-equity ratio*	31.8	23.5	18.7	31.5	32.1	30.6	28.8	38.6	26.5	25.1	23.8

\* Includes lease obligations and zero coupon convertible bonds

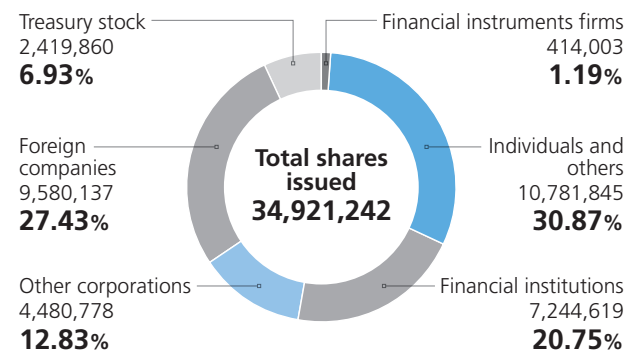
## Stock information

(As of March 31, 2023)

General information	
Shares authorized	80,000,000
Shares issued	34,921,242
Shareholders	8,914
Stock listing	The Prime Market, Tokyo Stock Exchange
Securities code	6287
Fiscal year	April 1 to March 31
General meeting of shareholders	June
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation

Major shareholders			
Name	Shares owned	% to shares outstanding	
The Master Trust Bank of Japan, Ltd. (trust account)	4,238,000	13.04	
Sato Yo International Scholarship Foundation	3,786,200	11.65	
Custody Bank of Japan, Ltd. (trust account)	2,233,400	6.87	
SATO Employees' Stockholding	1,652,311	5.08	
The Bank of New York 133612	1,278,300	3.93	
Shizue Sato	897,470	2.76	
Mieko Yokoi	894,345	2.75	
The Bank of New York Mellon 140051	875,500	2.69	
Mari Iwabuchi	794,570	2.44	
Government of Norway	754,150	2.32	

### Composition of shareholders



Notes 1. The company holds treasury stock of 2,419,860 shares, but is excluded from the above list of major shareholders.  
2. Percentage (%) to shares outstanding is calculated excluding treasury stock.

### Stock price and trading volume



(JPY)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
High	3,855	3,500	2,972	2,918	2,383
Low	2,350	1,778	1,895	1,601	1,650
Fiscal year-end	2,596	2,122	2,883	1,719	2,189

## Corporate data

Profile	
Name	SATO Holdings Corporation
Location	Tamachi Station Tower N, 3-1-1 Shibaura, Minato-ku, Tokyo 108-0023, Japan
Established	1940
Incorporated	1951
Representative director	Hiroyuki Konuma, President and Group CEO
Paid-in capital	¥8.4 billion
Employees	5,637
Consolidated sales	¥142.8 billion

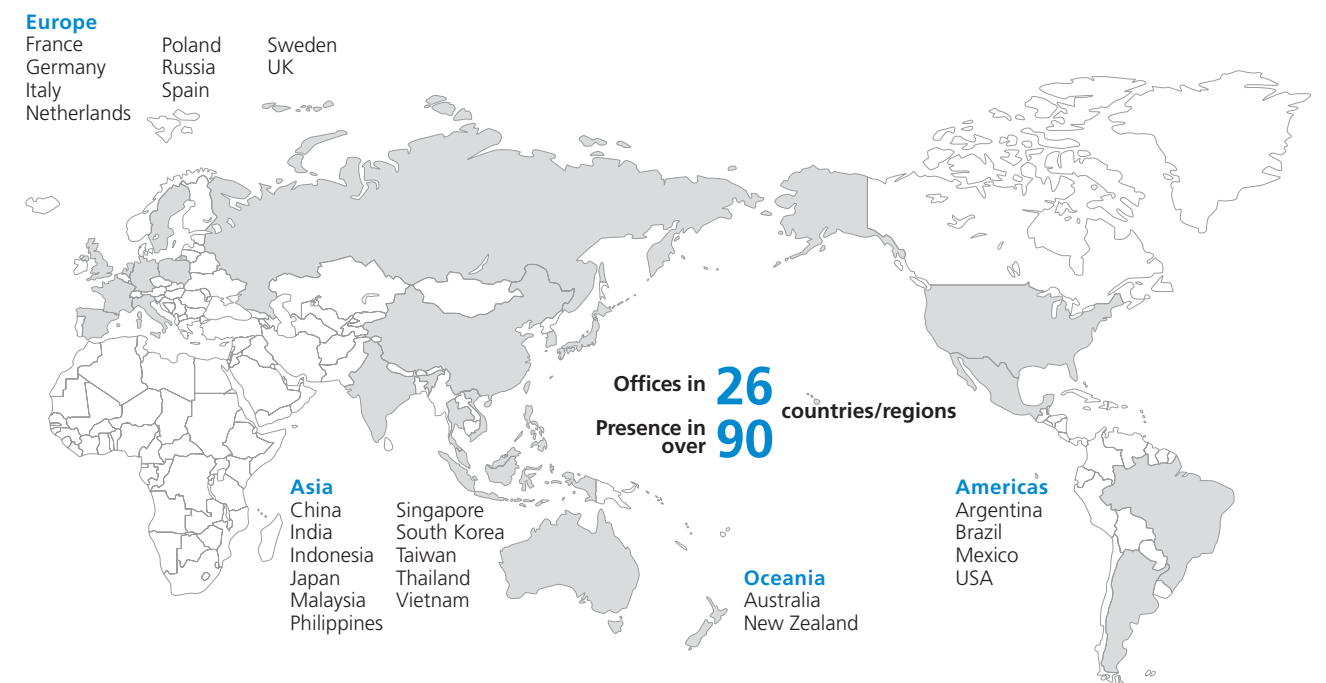
For more IR information, see:  
[www.sato-global.com/ir/](http://www.sato-global.com/ir/)



For more sustainability information, see:  
[www.sato-global.com/sustainability/](http://www.sato-global.com/sustainability/)



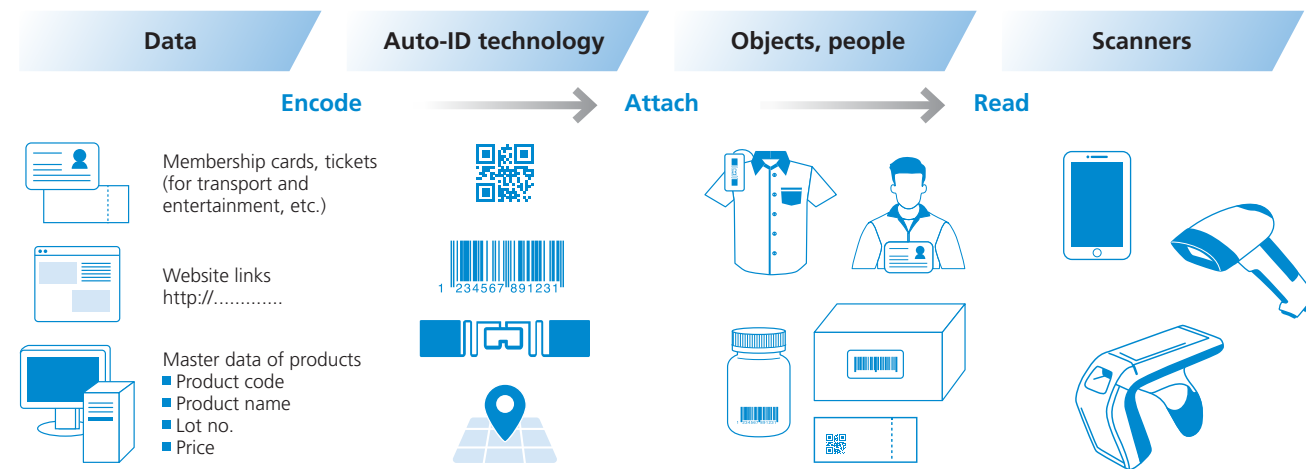
### Global network



For more information, contact:  
**IR Department**  
[www.sato-global.com/contact/](http://www.sato-global.com/contact/)

## Basics of auto-ID technology

**Auto-ID (automatic identification) is the technology we see in barcodes and RFID that allows information to be read and identified automatically. It is used in manufacturing, logistics, retail, health care and many other sectors of daily life.**



### Barcode

An array of parallel, rectangular bars and spaces of varying widths used to represent data in machine-readable form. Popular for their low cost and highly reliable identification, barcodes are now an integral part of social infrastructure. Most, if not all, consumer products on the market in all countries today are marked with barcodes to facilitate retail checkout procedures.



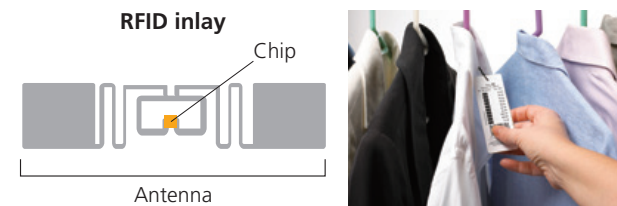
### Two-dimensional (2D) barcode

A pattern of squares, hexagons, dots and other shapes used to represent data in machine-readable form. 2D barcodes store data in horizontal and vertical dimensions so a much greater quantity of data (including text data containing Japanese characters) can be encoded in a much smaller space compared with linear barcodes. This makes them popular for a wide range of applications such as consumer advertising (links to websites), entertainment ticketing, and tracking of electronic parts.



### RFID

Short for Radio Frequency Identification, RFID is a method that uses radio waves for contactless reading and writing of data. Unaffected by surface stains or damage, RFID tags can be read by batch and over long distances or through intervening objects as long as they are within the range of the reader. RFID technology has developed rapidly to find its way into various applications such as incoming goods inspection, inventory control and stocktaking.



### Locating technologies

Best known by GPS<sup>\*1</sup> and IPS<sup>\*2</sup> which are capable of locating objects or people outdoors and indoors respectively, locating technologies have significant applications in self-driving vehicles, navigation, security tracking and activity analyses. IPS, in particular, is a core aspect of SATO's Visual Warehouse solution that measures operational data within logistics warehouses (e.g., distance between/traveled by goods and workers, time spent on jobs) at high precision and in real time to improve productivity.

\*1 Global Positioning System  
\*2 Indoor Positioning System



## SATO terminologies

Term	Description
<b>Tagging</b>	The process of using auto-identification technology to physically attach information such as ID and status to things and people and digitize the data so that it can be fed to and processed by core IT systems for producing analyses and insights.
<b>Koto-uri (Selling the solution, not the product)</b>	Sales approach of selling not just the product but combinations of products in the form of solutions that include hardware, consumables, maintenance services and software, demonstrating ROI and other value propositions for the customer.
<b>Auto-ID solutions business</b>	Our business of integrating tagging-related products and services — barcode/RFID printers and labels, software/services designed in-house, and products/technologies of our partners — to resolve customers' worksite issues that include traceability, supply chain management and asset management. The business is separated into Overseas and Japan segments, with the former comprised of Base and Primary Labels businesses.
<b>Base business</b>	Our business of tagging variable information such as barcodes, prices, manufacture dates and expiration dates in the form of labels and tags.
<b>Primary labels business</b>	Our business of tagging fixed information via product labels and other media. It comprises operations of SATO Group companies located in Argentina, Brazil and Russia.
<b>DCS* &amp; Labeling *Data Collection Systems</b>	SATO's business model since the mid-1990s of using labels to associate ID and other forms of data to things and people at a worksite to digitize and optimize operations.
<b>Tagging for Sustainability</b>	Business concept expanding on DCS & Labeling that aims to resolve customers' operational and societal challenges geared toward achieving a sustainable world. Shaped using new technologies and media not limited to labels that innovate our traditional domain of tagging.
<b>Genbaryoku</b>	Our core competency of going to customer sites in an array of markets/industries to understand the essence of their pain points and offer solutions that improve or innovate their operations. It consists of three elements: industry expertise (versed in many industries), technical expertise (offering the best mix of products) and servicing (constantly improving operations at customer sites).
<b>Teiho</b>	Our unique insight sharing system with which employees regularly submit ideas and findings directly to the management. Started in Japan in 1976, the system initiates big and small changes for the company to meet the needs of the times and achieve sustainable growth, while serving to raise employee awareness on detecting issues and devising creative solutions.
<b>Four-way returns to stakeholders</b>	SATO's corporate philosophy and profit distribution policy to share the returns from its business with its four, equally important stakeholders: shareholders, employees, society and the company.



SATO HOLDINGS CORPORATION

[www.sato-global.com](http://www.sato-global.com)

