Consolidated Financial Report
for the First Nine Months of the March 2013 Term
<Under Japanese GAAP>

February 5, 2013

SATO HOLDINGS CORPORATION

Company code number:	6287 (URL http://www.sato.co.jp)
Shares traded on:	TSE1
Executive position of legal representative:	Kazuo Matsuyama, President and CEO, Representative Director
Please address all communications to:	Akihiro Kushida, Senior Executive Officer and Chief Financial Officer (CFO), Director Phone: 03-6665-0639

Scheduled submission date for quarterly securities report: February 13, 2013
Date of commencement of dividend payments: -
Supplementary explanatory materials for quarterly results: Available
Holding of meeting to explain quarterly results (for analysts and institutional investors): Yes

(In millions of yen, with fractional amounts discarded)

1. Consolidated operating results for the first nine months of the fiscal year ending March 31, 2013 (from April 1, 2012 to December 31, 2012)

(1) Consolidated financial results (cumulative)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income	
Nine months ended	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
December 31, 2012	64,954	8.5	3,785	12.0	3,546	23.2
December 31, 2011	59,858	1.5	3,379	3.3	2,878	4.6

(Note) Comprehensive income: Nine months ended December 31, 2012: ¥2,679 million (-%)
Nine months ended December 31, 2011: ¥(27) million (-%)

	Net income		Net income per share	Net income per share, fully diluted
Nine months ended	(Millions of yen)	%	(Yen)	(Yen)
December 31, 2012	1,597	61.7	53.06	47.86
December 31, 2011	988	(28.6)	32.82	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	(Millions of yen)	(Millions of yen)	%	(Yen)
December 31, 2012	74,310	37,899	50.8	1,254.61
March 31, 2012	74,830	36,172	48.3	1,201.02

(N.B.) Total equity:

As of December 31, 2012: ¥37,775 million   As of March 31, 2012: ¥36,162 million

2. Dividends

	Annual dividend per share				
	First quarter	Second quarter	Third quarter	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
March 31, 2012	–	17.00	–	18.00	35.00
March 31, 2013	–	17.00	–		
March 31, 2013 (Forecast)				19.00	36.00

(Note) Revisions of projected dividends most recently announced: None

3. Consolidated forecasts for the fiscal year ending March 31, 2013 (from April 1, 2012 to March 31, 2013)

(Percentage figures show year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	87,000	8.0	5,400	16.1	5,200	24.7	2,500	28.0	83.03

(Note) Revisions of consolidated forecasts most recently announced: Yes

* Notes

(1) Changes in significant subsidiaries during the first nine months (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly consolidated subsidiaries: None

Companies excluded from scope of consolidation: 1 subsidiary
Name: SATO INTERNATIONAL PTE. LTD.

(Note) For details, please refer to the section of "Changes in significant subsidiaries during the first nine months" on page 6 of the attached materials.

(2) Application of special accounting for preparing the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

1) Changes in accounting policies due to revisions to accounting standards: Yes
2) Changes in accounting policies due to other reasons: None
3) Changes in accounting estimates: Yes
4) Restatement of prior period financial statements after error corrections: None

(Note) These items fall in those set forth in Article 10-5 of the "Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements." For details, please refer to the section of "(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections" of "2. Matters Regarding Summary Information (Notes)" on page 6 of the attached materials.

(4) Number of issued shares (common stock)

1) Number of issued shares at the end of term (including treasury stock):

As of December 31, 2012:	32,001,169 shares
As of March 31, 2012:	32,001,169 shares

2) Number of shares of treasury stock at the end of term:

As of December 31, 2012:	1,891,595 shares
As of March 31, 2012:	1,891,242 shares

3) Average number of shares during the term (cumulative from the beginning of the fiscal year to the end of the first nine months)

Nine months ended December 31, 2012:	30,109,747 shares
Nine months ended December 31, 2011:	30,110,217 shares

*** Indication about carrying-out of the quarterly review procedures**

This quarterly financial report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act of Japan. At the time of disclosure of this quarterly financial report, the procedures to review quarterly financial statements based on the Financial Instruments and Exchange Act have not been completed.

*** Explanation about the proper use of consolidated forecasts and other notes**

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors. Please refer to the section of "Qualitative information on consolidated forecasts" on page 5 of the attached materials to the quarterly financial report for the suppositions that form the assumptions for consolidated forecasts and cautions concerning the use thereof.

Attached Materials

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1. Qualitative Information Regarding Settlement of Accounts for the First Nine Months

(1) Qualitative information on consolidated financial results (percentage changes, year-on-year)

In the first nine months ended December 31, 2012, the business environment surrounding the SATO Group overseas remained difficult amid economic stagnation in Europe and a lack of improvement in the slowdown affecting China and other Asian regions. In Japan, recovery from the Great East Japan Earthquake progressed gradually, contributing to a gentle recovery in corporate production activities and personal consumption. Nevertheless, partly due to the global economic slowdown, a full-scale recovery capable of boosting demand for capital investment remained elusive and economic prospects continued to be clouded with uncertainty.

Operating in this environment, the SATO Group has formulated a new Medium-term Management Plan from the fiscal year ending March 31, 2013 to the fiscal year ending March 31, 2015 with the management objective of establishing an earnings base capable of continual growth following the basic strategy of the “pursuit of globalization and maximization of customer value.” The SATO Group is implementing various measures under the following strategies:

① Apply the success achieved with the business unit structure in Japan to other countries

② Develop growing markets in emerging countries

③ Establish highly profitable consumables business overseas

④ Execute measures to strengthen earning power (Business, Applications, Products, Cost)

⑤ Optimise management group-wide (IT, SCM, Finance, Human Resource Development)

⑥ Expand environmental conservation business

As a result of these activities, during the first nine months, the SATO Group recorded an increase in net sales, up 8.5% from the same period of the previous fiscal year to ¥64,954 million and an increase in operating income, up 12.0% to ¥3,785 million. Ordinary income increased by 23.2% to ¥3,546 million. Net income increased by 61.7% to ¥1,597 million, mainly as a result of a reversal of deferred tax assets.

By segment, the SATO Group reported the following:

<Japan>

Each of the SATO Group’s business units in Japan has been structured to serve a different market, and by utilizing the specialist knowledge of their respective markets, they proactively offered proposals that accurately meet consumer needs. Although domestic demand continued to be firm, with respect to mechatronic products, mostly electronic printers, in the third quarter there was a slowdown in capital investment demand from the manufacturing and retailing sectors. On the other hand, sales of supply products reached record highs both for the third quarter and for the first nine months, mainly on the back of steady cultivation of clients, despite the effects of a trend toward dual sourcing and cost competition following the Great East Japan Earthquake. Looking forward, while also strengthening cost cutting initiatives, in light of heightened expectations of improved corporate profits from depreciation in the yen, we intend to capture new demand by continuing to expand into growing markets and propose new applications. Accordingly, the SATO Group is further strengthening sales activities aimed at future business expansion.

As a result of these efforts, net sales rose 5.2% to ¥48,781 million while operating income rose 3.0% to ¥3,273 million, compared to the same period of the previous fiscal year.

<Americas>

In the North American market, sales showed remarkable recovery on the back of demand for printers from large transportation companies and the medical industry, active inquiries for consumables expiry date management systems for food products for OEM, and brisk sales at our apparel tag printing service bureau. In the South American market, Achernar S.A. of Argentina, which manufactures and sells stickers and label products and was acquired in March 2012, made a steady contribution to sales.

As a result of these activities, net sales rose 22.4% to ¥5,279 million (a rise of 21.1%, however, excluding foreign currency effects), and operating income rose 192.2% to ¥200 million, compared to the same period of the previous fiscal year.

<Europe>

The recovery to profitability has been kept at a slow pace on account of weak sales due to the slowdown in economic activities caused by the European debt crisis. In this environment, we successfully expanded our sales channels, achieving successful outcomes from inquiries for markdown systems for large department stores in Germany as well as from label inquiries for large transport companies and department stores in U.K. In line with these developments as well as expansion in the stickers and label products business, we pushed forward with the renewal and enhancement of our printing facilities and strengthened measures to build a stable business base and improve profitability.

Against this background, net sales fell 10.8% to ¥3,933 million (a fall of 5.6%, however, excluding foreign currency effects), and there was an operating loss of ¥155 million, compared with an operating loss of ¥171 million in the same period of the previous fiscal year.

<Asia and Oceania>

We implemented initiatives in each country in Asia to create new demand for sectors such as the manufacturing industry, major distribution companies and government projects. While doing so, we actively expanded our sales activities mainly by further strengthening support from Japan. Following on from measures implemented in China, we are strengthening coordination between our business in Japan and our activities in Thailand, Vietnam and

Indonesia by directly managing these operations from Japan as a measure to capitalize on demand in the growing markets. In Oceania, sales grew steadily thanks to inquiries for markdown systems for large department stores and a comprehensive service contract with a major dairy product manufacturer.

In addition, through our synergy with Argox Information Co., Ltd. of Taiwan, which was acquired in January 2012, we intend to accelerate our development of the markets in emerging countries and establish a superior competitive position by starting the supply of products through mutual use of both companies' sales channels. In the third quarter, although there was a decline in sales due to slower economic growth in China in addition to territorial disputes and the like, there were also signs of stability.

As a result of these efforts, net sales rose 46.2% to ¥6,960 million (a rise of 45.1%, however, excluding foreign currency effects), and operating income rose 12.1% to ¥430 million, compared to the same period of the previous fiscal year.

(2) Qualitative information on consolidated financial position

Total assets at the end of the third quarter were ¥74,310 million, a decrease of ¥520 million compared to the end of the previous fiscal year. This was primarily the result of decreases in cash and deposits and goodwill. Net assets were ¥37,899 million, a ¥1,726 million increase, due to the payment of cash dividends and an increase in foreign currency translation adjustment.

Cash flows

At the end of the third quarter, cash and cash equivalents (referred to below as "cash") stood at ¥10,348 million, a decrease of ¥1,029 million compared to the end of the previous fiscal year.

Net cash provided by operating activities

Net cash provided by operating activities amounted to ¥2,650 million, an increase of 32.9% compared to the same period of the previous fiscal year.

The increase in cash reflected principally ¥3,404 million in income before income taxes and minority interests, ¥1,412 million in depreciation and amortization and a ¥404 million decrease in inventories. Contributing to a decrease in cash were a ¥570 million increase in notes and accounts receivable-trade and ¥3,243 million in income taxes paid.

Net cash used in investing activities

Net cash used in investing activities totaled ¥1,420 million, an increase of 112.5% compared to the same period of the previous fiscal year.

This resulted primarily from expenditures of ¥810 million for the purchase of property, plant and equipment and ¥418 million for the purchase of intangible assets.

Net cash used in financing activities

Net cash used in financing activities was ¥2,569 million, an increase of 38.2% compared to the same period of the previous fiscal year.

This resulted primarily from ¥1,047 million in cash dividends paid and a ¥5,961 million decrease in short-term loans payable offsetting ¥5,000 million in proceeds from issuance of bonds with subscription rights to shares.

(3) Qualitative information on consolidated forecasts

Regarding consolidated forecasts, in Japan we expect to achieve a further increase in sales for the fourth quarter as a result of each business unit cultivating major clients and developing new applications for our products in their specific markets. Aside from this, we expect brisk inquiries concerning our products in Asia and Oceania. On the other hand, in light of results during the first nine months, the consolidated forecasts for the fiscal year ending March 31, 2013 are as follows.

Consolidated forecasts for the fiscal year ending March 31, 2013

Net sales	¥87,000 million	(previous forecast ¥88,000 million)
Operating income	¥5,400 million	(previous forecast ¥5,800 million)
Ordinary income	¥5,200 million	(previous forecast ¥5,200 million)
Net income	¥2,500 million	(previous forecast ¥2,600 million)

The assumed average foreign exchange rates for the fourth quarter are US$ 1 = ¥88 and Euro 1 = ¥118, while the assumed average foreign exchange rates for the first nine months are US$ 1 = ¥82 and Euro 1 = ¥106.

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.

2. Matters Regarding Summary Information (Notes)

(1) Changes in significant subsidiaries during the first nine months

SATO INTERNATIONAL PTE. LTD., which was a consolidated subsidiary in the previous fiscal year, was excluded from the scope of consolidation following the completion of its liquidation on November 22, 2012.

(2) Application of special accounting for preparing the quarterly consolidated financial statements

Not Applicable

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

Changes in accounting policies

Change in depreciation method

Following the revision of the Corporation Tax Act, the Company and domestic consolidated subsidiaries applied the depreciation method in compliance with the revised Corporation Tax Act to property, plant and equipment acquired on or after April 1, 2012, from the first quarter ended June 30, 2012.

The impact of this change on operating income, ordinary income, and income before income taxes and minority interests for the first nine months was immaterial.

3. Consolidated Financial Statements

(1) Consolidated balance sheets

Unit: Millions of yen

	March 31, 2012	December 31, 2012
Assets		
Current assets		
Cash and deposits	12,613	11,687
Notes and accounts receivable-trade	19,611	20,332
Short-term investment securities	143	125
Merchandise and finished goods	6,262	6,383
Work in process	330	179
Raw materials and supplies	1,695	1,751
Other	4,061	4,321
Allowance for doubtful accounts	(86)	(90)
Total current assets	44,632	44,690
Noncurrent assets		
Property, plant and equipment		
Land	7,654	7,656
Other, net	10,047	10,399
Total property, plant and equipment	17,702	18,055
Intangible assets		
Goodwill	5,125	4,870
Other	1,464	1,462
Total intangible assets	6,590	6,333
Investments and other assets	5,905	5,231
Total noncurrent assets	30,198	29,619
Total assets	74,830	74,310
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,734	5,095
Short-term loans payable	9,889	4,119
Accounts payable-other	12,465	13,182
Income taxes payable	2,167	163
Provision	254	250
Other	4,109	3,936
Total current liabilities	33,621	26,748
Noncurrent liabilities		
Bonds with subscription rights to shares	-	5,000
Long-term loans payable	1,800	1,128
Provision for retirement benefits	1,268	1,286
Other	1,967	2,246
Total noncurrent liabilities	5,036	9,662
Total liabilities	38,657	36,411

Unit: Millions of yen

	March 31, 2012	December 31, 2012
Net assets		
Shareholders’ equity		
Capital stock	6,331	6,331
Capital surplus	5,799	5,799
Retained earnings	28,904	29,447
Treasury stock	(3,459)	(3,459)
Total shareholders’ equity	37,575	38,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	(1,412)	(342)
Total accumulated other comprehensive income	(1,412)	(342)
Minority interests	10	123
Total net assets	36,172	37,899
Total liabilities and net assets	74,830	74,310

(2) Consolidated statements of (comprehensive) income

(Consolidated statements of income)

Unit: Millions of yen

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net sales	59,858	64,954
Cost of sales	34,522	37,915
Gross profit	25,335	27,039
Selling, general and administrative expenses	21,956	23,254
Operating income	3,379	3,785
Non-operating income		
Interest income	34	37
Dividends income	0	0
Rent income	78	106
Other	91	70
Total non-operating income	204	214
Non-operating expenses		
Interest expenses	85	83
Foreign exchange losses	510	236
Other	110	133
Total non-operating expenses	706	453
Ordinary income	2,878	3,546
Extraordinary income		
Gain on sales of noncurrent assets	1	6
Gain on reversal of subscription rights to shares	14	-
Total extraordinary income	15	6
Extraordinary loss		
Restructuring loss	116	-
Loss on retirement of noncurrent assets	6	7
Loss on sales of noncurrent assets	0	2
Loss on valuation of investment securities	4	-
Loss on disposition of foreign currency translation adjustment	-	138
Total extraordinary losses	128	148
Income before income taxes and minority interests	2,765	3,404
Income taxes-current	1,579	520
Income taxes-deferred	196	1,281
Total income taxes	1,776	1,802
Income before minority interests	989	1,602
Minority interests in income	0	4
Net income	988	1,597

(Consolidated statements of comprehensive income)

Unit: Millions of yen

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Income before minority interests	989	1,602
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	(1,016)	1,076
Total other comprehensive income	(1,016)	1,076
Comprehensive income	(27)	2,679
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(27)	2,667
Comprehensive income attributable to minority interests	0	11

(3) Consolidated statements of cash flows

Unit: Millions of yen

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,765	3,404
Depreciation and amortization	1,409	1,412
Amortization of goodwill	65	615
Loss (gain) on sales of noncurrent assets	(1)	(3)
Loss on retirement of noncurrent assets	6	7
Loss on business restructuring	116	-
Loss on disposition of foreign currency translation adjustment	-	138
Increase (decrease) in provision	(98)	(22)
Increase (decrease) in allowance for doubtful accounts	20	51
Increase (decrease) in provision for retirement benefits	(44)	6
Interest and dividends income	(34)	(37)
Interest expenses	85	83
Foreign exchange losses (gains)	(156)	20
Decrease (increase) in notes and accounts receivable-trade	(2,349)	(570)
Decrease (increase) in inventories	(19)	404
Increase (decrease) in notes and accounts payable-trade	(12)	216
Increase (decrease) in accounts payable-other	208	777
Other, net	220	(562)
Subtotal	2,179	5,942
Interest and dividends income received	34	35
Interest expenses paid	(85)	(83)
Income taxes paid	(552)	(3,243)
Income taxes refund	419	-
Net cash provided by (used in) operating activities	1,994	2,650
Net cash provided by (used in) investing activities		
Payments into time deposits	(39)	(447)
Proceeds from withdrawal of time deposits	68	454
Purchase of investment securities	(112)	(16)
Purchase of property, plant and equipment	(402)	(810)
Proceeds from sales of property, plant and equipment	15	45
Purchase of intangible assets	(251)	(418)
Payments for transfer of business	-	(291)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(43)	-
Other, net	97	63
Net cash provided by (used in) investing activities	(668)	(1,420)

Unit: Millions of yen

	Nine months ended December 31, 2011	Nine months ended December 31, 2012
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(124)	(5,961)
Repayment of long-term loans payable	(508)	(508)
Proceeds from issuance of bonds with subscription rights to shares	-	5,000
Cash dividends paid	(1,049)	(1,047)
Other, net	(177)	(51)
Net cash provided by (used in) financing activities	(1,859)	(2,569)
Effect of exchange rate change on cash and cash equivalents	(368)	310
Net increase (decrease) in cash and cash equivalents	(901)	(1,029)
Cash and cash equivalents at beginning of period	10,813	11,377
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(85)	-
Cash and cash equivalents at end of period	9,826	10,348

(4) Notes related to going-concern assumption

Not Applicable

(5) Notes in the event of material changes in amount of shareholders' equity

Not Applicable

(6) Segment information

I. Nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011)

1. Information on net sales and profit or loss by reportable segment

Unit: Millions of yen

	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
External customer sales	46,377	4,312	4,409	4,759	59,858
Intersegment sales and transfer	3,305	40	191	3,976	7,514
Total	49,683	4,352	4,600	8,736	67,373
Segment profit (loss)	3,177	68	(171)	384	3,458

2. The difference between the total amount of profit or loss for reportable segments and the amount recorded on the consolidated statements of income, and the major breakdown of the difference (Matters related to difference adjustment)

Unit: Millions of yen

Profit	Amount
Reportable segments total	3,458
Intersegment eliminations	(10)
Amortization of goodwill	(24)
Adjustment of inventories	(43)
Other adjustment	(0)
Operating income on the consolidated statements of income	3,379

3. Information on impairment loss of noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

Not Applicable

II. Nine months ended December 31, 2012 (from April 1, 2012 to December 31, 2012)

1. Information on net sales and profit or loss by reportable segment

Unit: Millions of yen

	Japan	Americas	Europe	Asia and Oceania	Total
Net sales					
External customer sales	48,781	5,279	3,933	6,960	64,954
Intersegment sales and transfer	3,019	63	168	3,784	7,035
Total	51,801	5,342	4,102	10,744	71,990
Segment profit (loss)	3,273	200	(155)	430	3,748

2. The difference between the total amount of profit or loss for reportable segments and the amount recorded on the consolidated statements of income, and the major breakdown of the difference (Matters related to difference adjustment)

Unit: Millions of yen

Profit	Amount
Reportable segments total	3,748
Intersegment eliminations	14
Amortization of goodwill	(33)
Adjustment of inventories	58
Other adjustment	(3)
Operating income on the consolidated statements of income	3,785

3. Information on impairment loss of noncurrent assets, goodwill and negative goodwill, etc. by reportable segment

Not Applicable