



Ceaseless Creativity for a Sustainable World

# SATO HOLDINGS CORPORATION

FY2016 Q1  
Financial Results Briefing

Securities Code: 6287

August 5, 2016 (Fri.)



# FY2016 Q1 consolidated results

Unit: Million JPY	FY2016 Q1	FY2015 Q1	Year-on-year change	
	(1)	(2)	(1-2)	%
<b>Net Sales</b>	<b>25,341</b>	<b>25,556</b>	<b>(215)</b>	<b>99.2%</b>
<b>Operating Income</b>	<b>1,047</b>	<b>660</b>	<b>386</b>	<b>158.5%</b>
Operating Income %	4.1%	2.6%	1.5pt	--
<b>Ordinary Income</b>	<b>850</b>	<b>759</b>	<b>90</b>	<b>111.9%</b>
<b>Profit attributable to owners of parent</b>	<b>453</b>	<b>312</b>	<b>140</b>	<b>144.9%</b>
Effective Tax Rate	43.6%	44.6%	(1.1pt)	
<b>EBITDA</b>	<b>2,318</b>	<b>1,843</b>	<b>475</b>	<b>125.8%</b>

\* EBITDA = Operating Income + Depreciation + Amortization

• Depreciation FY16: JPY 972 million (incl. JPY 260m for new ERP system),

FY15: JPY 833 million (incl. JPY 156m for new ERP system)

• Amortization FY16: JPY 299 million (incl. JPY 51m for Prakolar, JPY 22m for Okil), FY15: JPY 348 million (incl. JPY 68m for Okil)

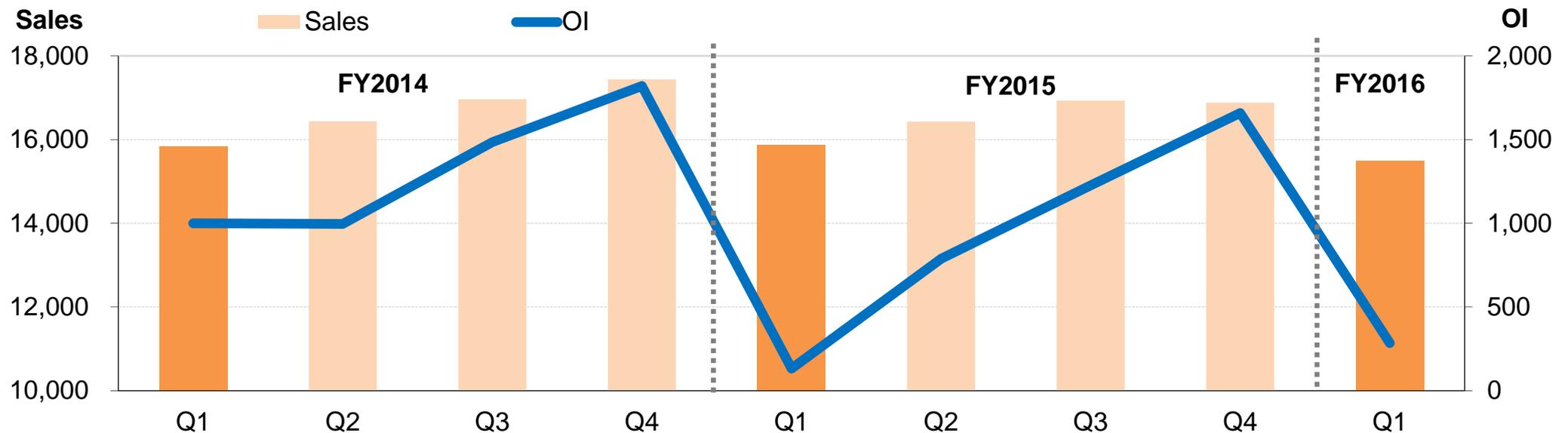


# Japan

➤ Sales declined primarily due to the absence of large-scale mechatronics orders that were recorded in the same period last year, but operating income increased on account of corporate initiatives such as product portfolio optimization and SG&A expenses reduction.

Unit: Million JPY

	FY2016	FY2015	Year-on-year change	
	Q1	Q1		%
Mechatronics Sales	5,280	5,657	(376)	93.3%
Consumables Sales	10,215	10,222	(6)	99.9%
<b>Total Sales</b>	<b>15,495</b>	<b>15,879</b>	<b>(383)</b>	<b>97.6%</b>
Gross Profit	7,020	7,029	(8)	99.9%
Gross Profit % (external sales)	45.3%	44.3%	1.0pt	--
<b>Operating Income</b>	<b>288</b>	<b>132</b>	<b>155</b>	<b>217.7%</b>
Operating Income %	1.9%	0.8%	1.0pt	--

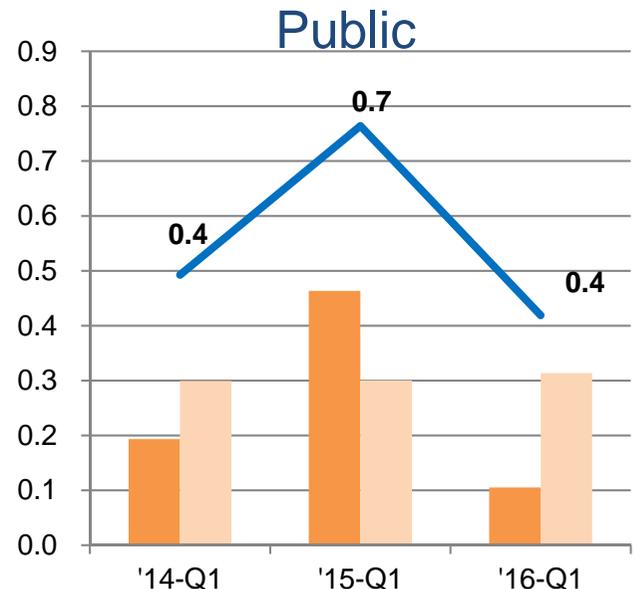
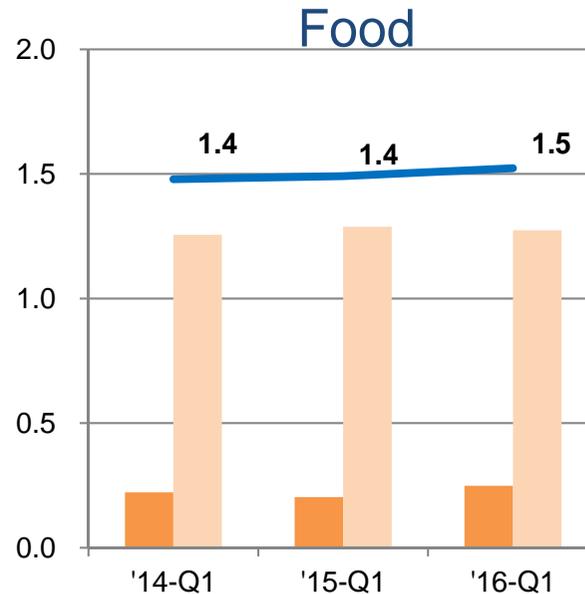
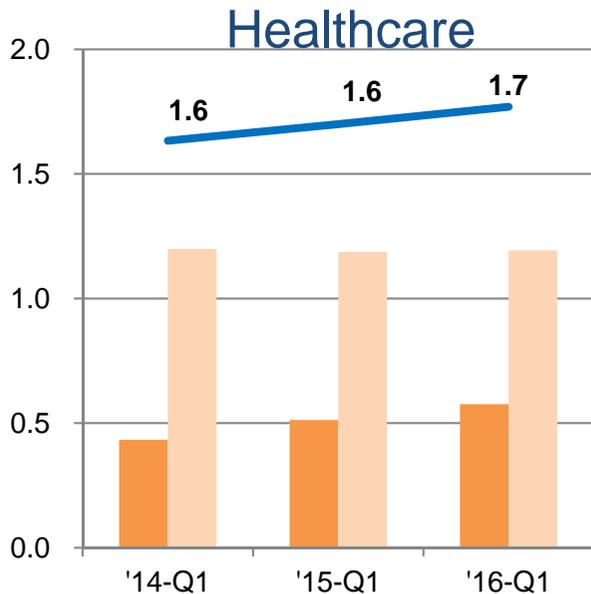
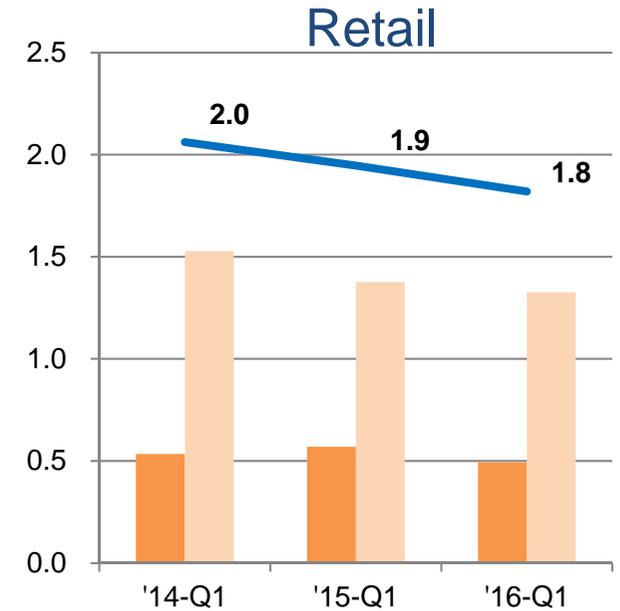
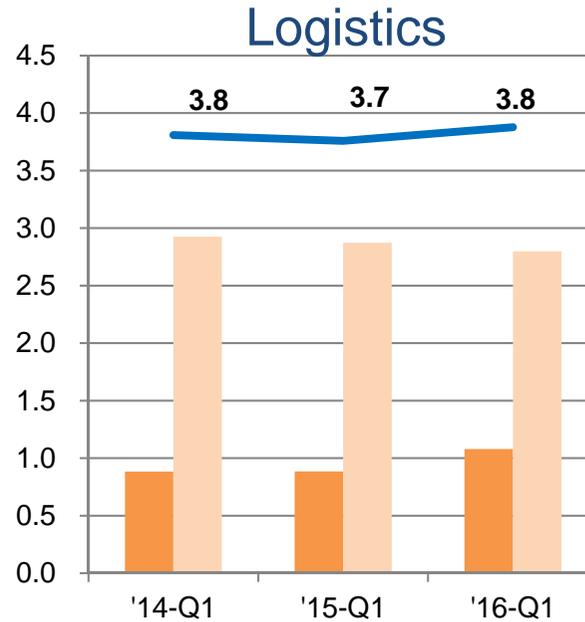
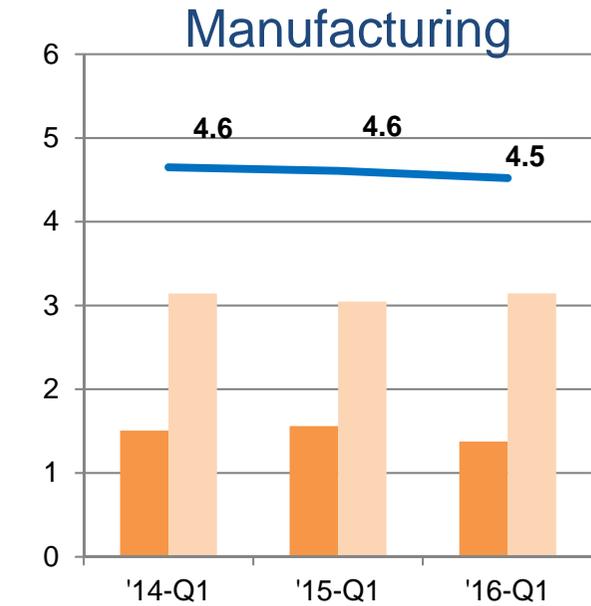




# Sales trends by sector (Japan)

■ : Mechatronics   ■ : Consumables   — : Total

Unit: Billion JPY



\* Redefined customer segmentation in FY2016 with adjustments applied retrospectively to FY2015.

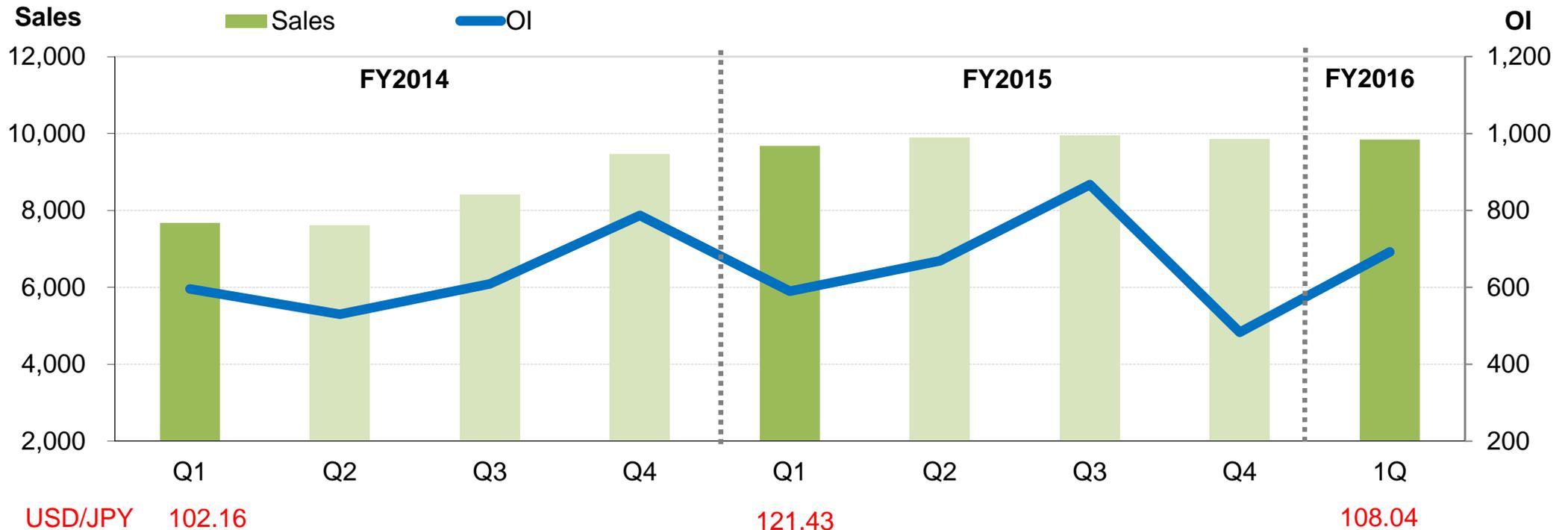


# Overseas

➤ Sales and operating income increased, notwithstanding cross-currency headwinds.

122.1%  
excl. exchange  
rate impact

Unit: Million JPY	FY2016	FY2015	Year-on-year change	%
	Q1	Q1		
<b>Sales</b>	<b>9,845</b>	<b>9,677</b>	<b>167</b>	<b>101.7%</b>
Gross Profit	3,915	3,958	(42)	98.9%
Gross Profit % (external sales)	39.8%	40.9%	(1.1pt)	--
<b>Operating Income</b>	<b>692</b>	<b>590</b>	<b>102</b>	<b>117.3%</b>
Operating Income %	7.0%	6.1%	0.9pt	--





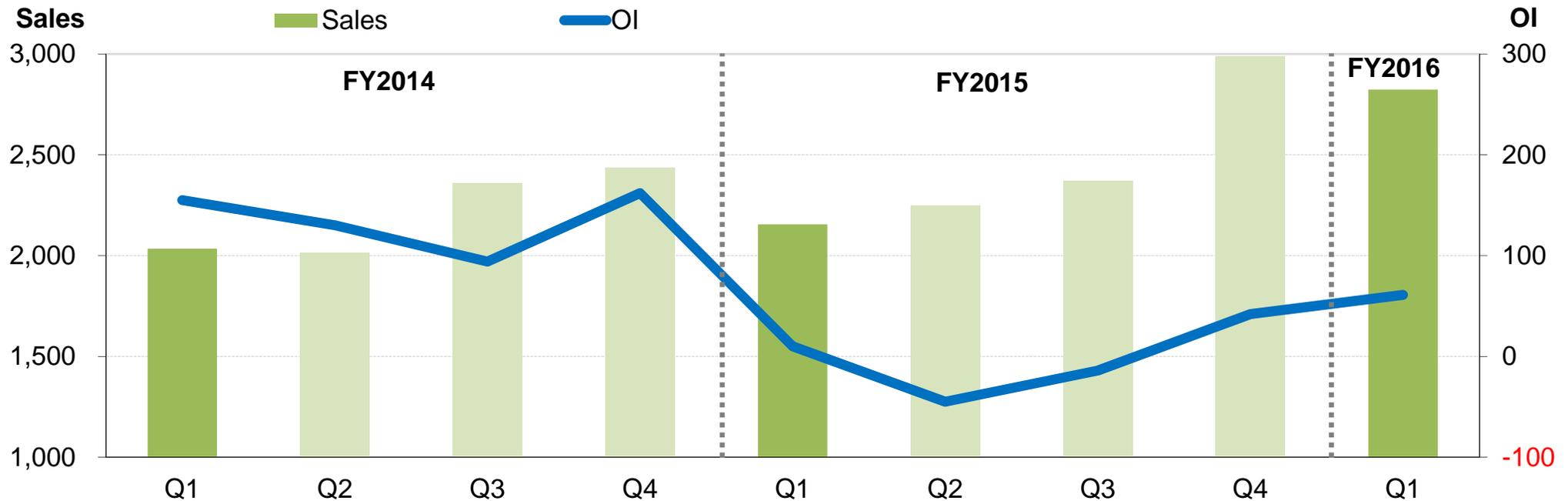
# North America

- SATO America helped drive regional growth through continuous sales expansion of consumables and CLNX printers.

147.2%  
excl. exchange  
rate impact

Unit: Million JPY

	FY2016	FY2015	Year-on-year change	
	Q1	Q1		%
<b>Sales</b>	<b>2,823</b>	<b>2,155</b>	<b>668</b>	<b>131.0%</b>
Gross Profit	789	635	154	124.2%
Gross Profit % (external sales)	28.0%	29.5%	(1.5pt)	--
<b>Operating Income</b>	<b>61</b>	<b>10</b>	<b>50</b>	<b>565.0%</b>
Operating Income %	2.2%	0.5%	1.7pt	--





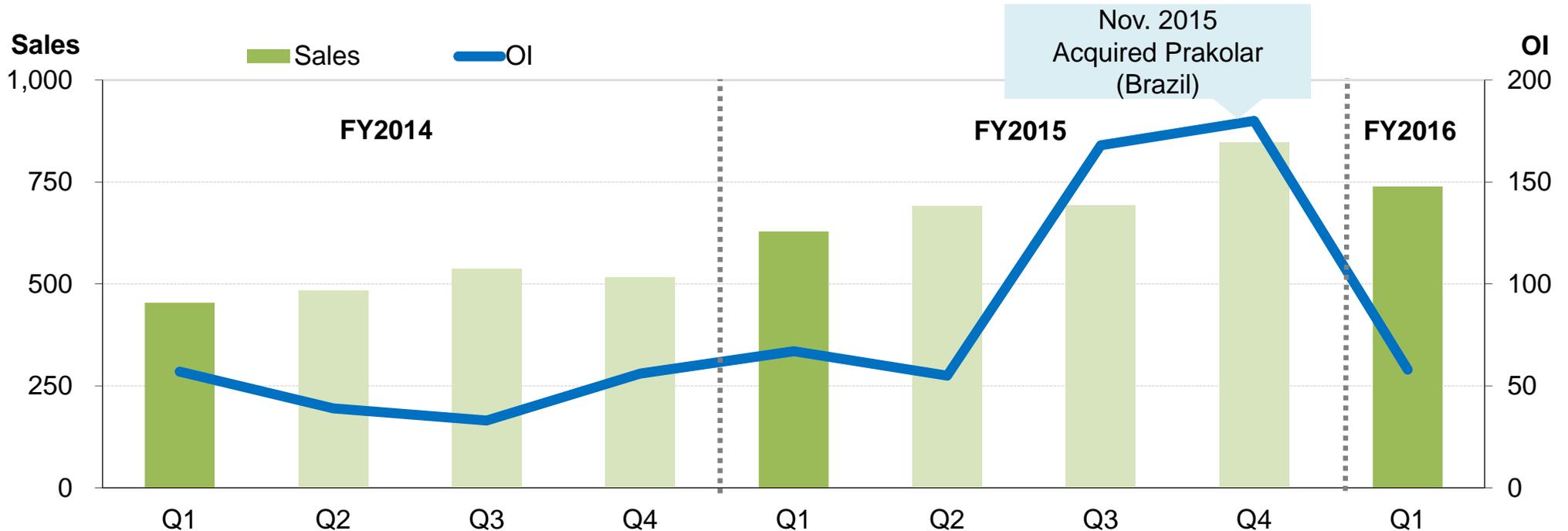
# South America

- Newly-acquired Prakolar contributed to sales improvement in the region.
- Achernar posted lower sales and operating income as major deals were put off to Q2.

164.0%  
excl. exchange  
rate impact

Unit: Million JPY

	FY2016	FY2015	Year-on-year change	%
	Q1	Q1		
<b>Sales</b>	<b>739</b>	<b>629</b>	<b>110</b>	<b>117.5%</b>
Gross Profit	305	253	52	120.5%
Gross Profit % (external sales)	41.4%	40.3%	1.0pt	--
<b>Operating Income</b>	<b>58</b>	<b>67</b>	<b>(8)</b>	<b>87.1%</b>
Operating Income %	7.9%	10.7%	(2.8pt)	--





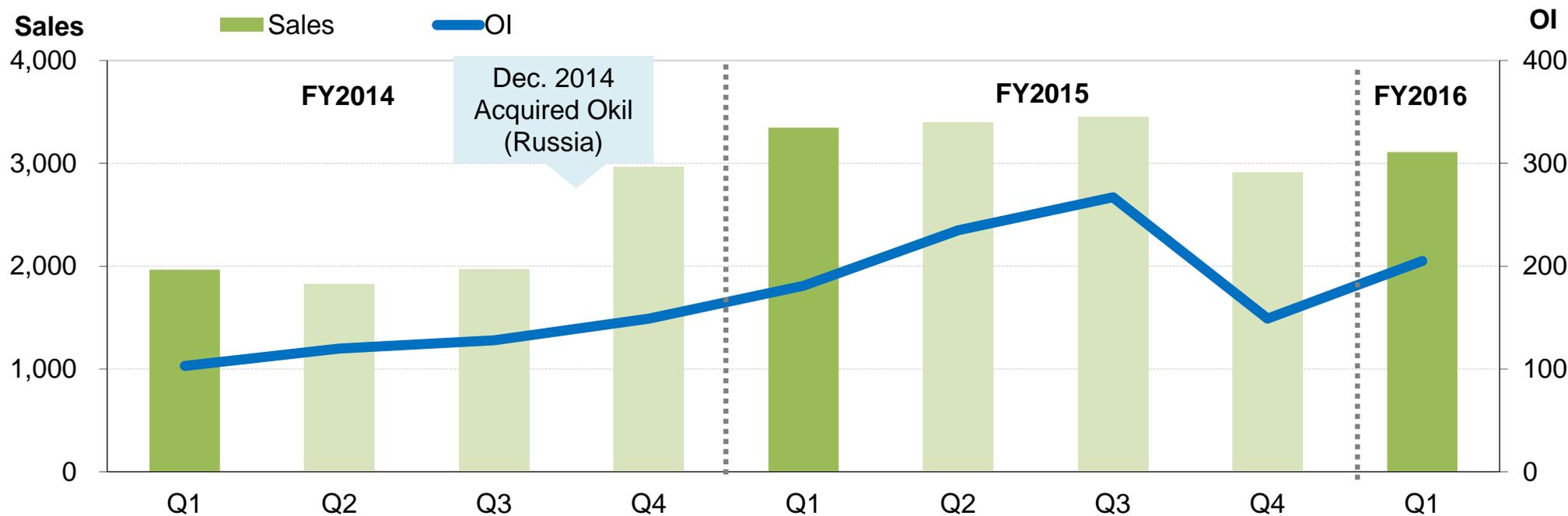
# Europe

- Decrease in sales owing to appreciation of the yen.
- Lackluster performance for sales companies in the region (except for Germany) while Okil continues to go strong.

116.3%  
excl. exchange  
rate impact

Unit: Million JPY

	FY2016	FY2015	Year-on-year change	%
	Q1	Q1		
<b>Sales</b>	<b>3,109</b>	<b>3,346</b>	<b>(236)</b>	<b>92.9%</b>
Gross Profit	1,178	1,308	(129)	90.1%
Gross Profit % (external sales)	37.9%	39.1%	(1.2pt)	--
<b>Operating Income</b>	<b>205</b>	<b>181</b>	<b>23</b>	<b>112.8%</b>
Operating Income %	6.6%	5.4%	1.2pt	--





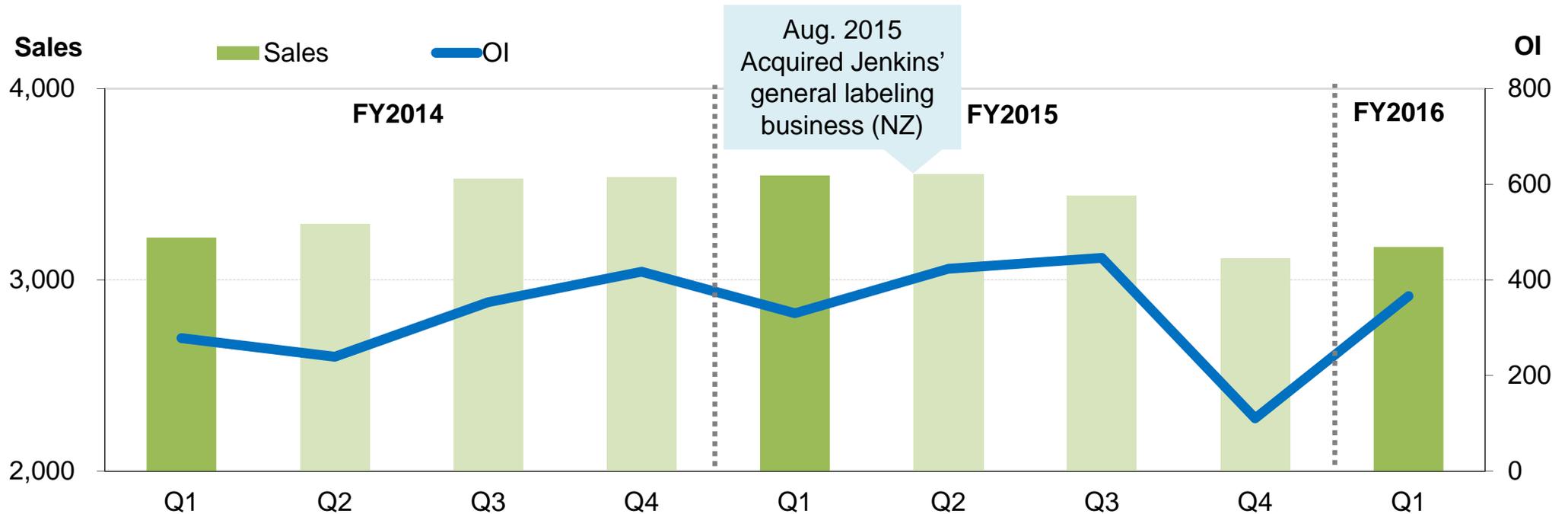
# Asia & Oceania

- Decrease in sales owing to appreciation of the yen.
- While region-wide economic slowdown led to lower-than-expected sales, operating income increased from production/profit efficiency improvements at factories and SVP/SHA.

104.7%  
excl. exchange  
rate impact

Unit: JPY Million

	FY2016	FY2015	Year-on-year change	%
	Q1	Q1		
<b>Sales</b>	<b>3,172</b>	<b>3,546</b>	<b>(374)</b>	<b>89.5%</b>
Gross Profit	1,641	1,760	(119)	93.2%
Gross Profit % (external sales)	51.7%	49.6%	2.1pt	--
<b>Operating Income</b>	<b>366</b>	<b>330</b>	<b>36</b>	<b>111.1%</b>
Operating Income %	11.6%	9.3%	2.3pt	--





# FY2016 consolidated performance forecast

Unit: Million JPY	1H		2H		Full Year	
	Projected	YoY	Projected	YoY	Projected	YoY
	<b>Net Sales</b>	54,500	105.0%	58,500	109.1%	113,000
<b>Operating Income</b>	3,300	156.2%	4,700	108.2%	8,000	123.9%
<b>Ordinary Income</b>	3,250	158.3%	4,650	114.3%	7,900	129.1%
<b>Profit attributable to owners of parent</b>	2,000	176.6%	3,000	117.3%	5,000	135.5%

<Reference>

<b>EBITDA</b>	11,573	← FY2015 full year	13,400	115.8%
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\* Exchange rates used in FY2016 forecast: USD1=JPY110, EUR1=JPY125  
 Actual exchange rates in FY2016 Q1: USD1=JPY108.04, EUR1=JPY121.88

\* EBITDA = Operating income  
 + Depreciation + Amortization



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