



February 12, 2025

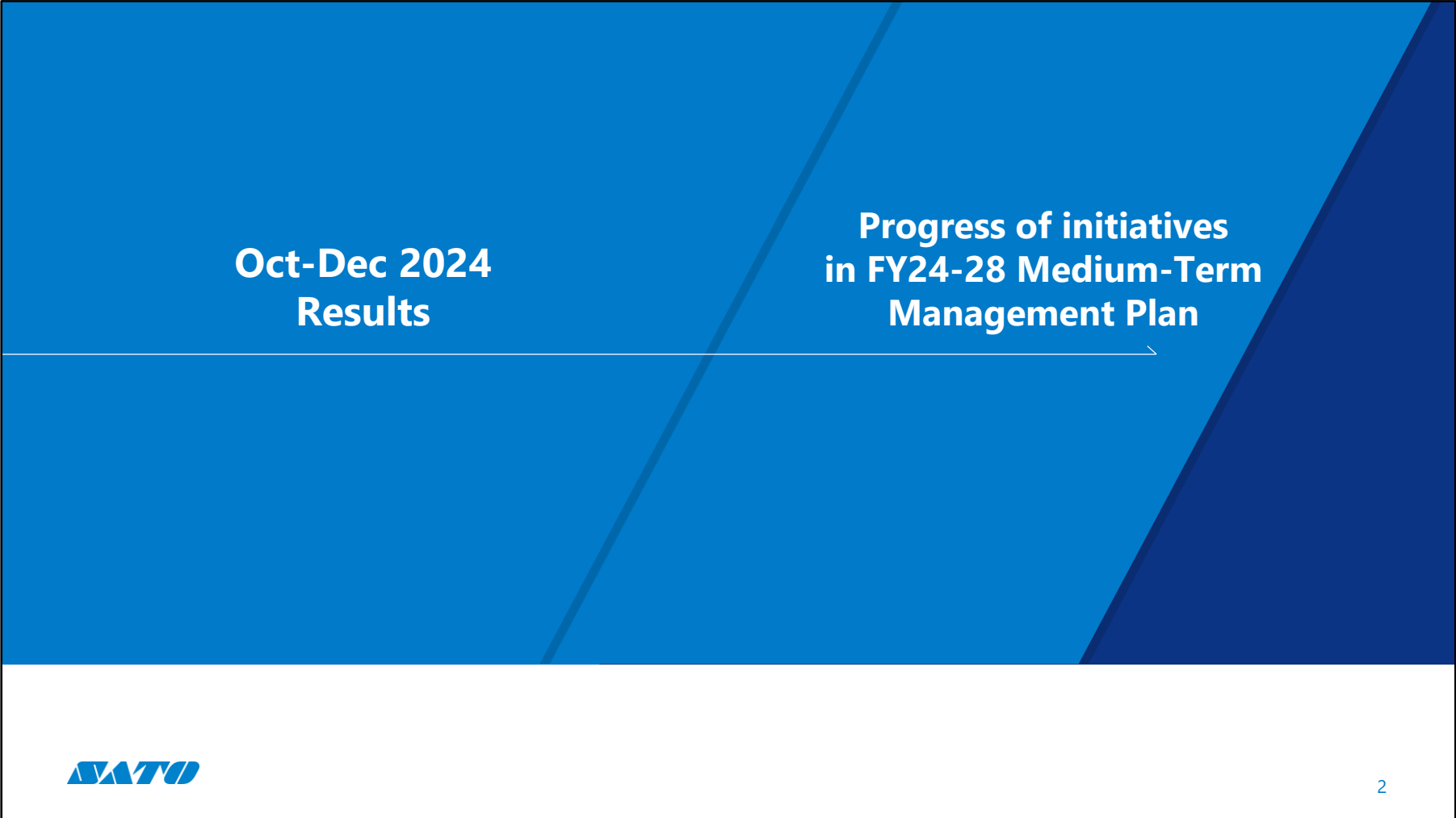
SATO HOLDINGS CORPORATION

Q3 FY2024 Financial Results

(Nine Months Ended December 31, 2024)

Securities Code: 6287.T

- This is Masuko, the CFO at SATO Holdings.
- Thank you for taking time out of your busy schedule to join us today.
- Let's get started.



● Today's presentation is made up of two parts, "Oct-Dec 2024 Results" and "Progress of initiatives in FY24-28 Medium-Term Management Plan".

**Oct-Dec 2024
Results**

**Progress of initiatives
in FY24-28 Medium-Term
Management Plan**



Summary

■ Oct-Dec Results

- **Consolidated sales and operating income increased year-on-year.**
- **Sales increased and OI decreased overseas as a whole, while sales and OI increased in Japan.**
 - ✓ Overseas Base business: Sales increased while OI decreased.
 - ✓ Overseas Primary Labels business: Sales and OI increased.
- **Sales and OI were higher than planned for both overseas and Japan.**
 - ✓ Base business in Asia and Oceania and Primary business led solid performance overseas.
 - ✓ In Japan, almost all markets performed well, with the manufacturing market showing notable recovery.

■ FY24 (FY ending Mar 25) outlook

- **Consolidated full-year sales forecasts have been upwardly revised, while OI forecast remains unchanged.**
 - ✓ Overseas business: Revised upward based on Apr-Dec results.
 - ✓ Japan business: Sales forecast remains unchanged, while OI was revised downward due to expected one-off Q4 costs associated with head office downsizing.



●The following are the highlights of our financial results.

●First, regarding the Oct-Dec results, both sales and operating income increased YoY on a consolidated basis.

●The combined overseas total of the Base business and the Primary Labels business showed an increase in sales and decrease in OI. Sales and OI increased in Japan.

●In the Overseas Base business, sales increased while OI decreased.

●In the Overseas Primary business, sales and OI increased.

●The analyses of changes YoY are described on slide 7 onward.

●Compared to the internal plan, both the Overseas business and Japan business achieved targets.

●In the Overseas business, although the sales plan for the Base business was not achieved in Europe, the improvement in profitability at the Asian factories due to the increase in printer sales, the strong performance of the Australian subsidiary, and the increase in sales of high-value-added products in the Primary business contributed.

●In the Japan business, the results exceeded the internal plan due to recovery in the manufacturing market and progress in price revisions, as well as adequate control of SG&A expenses.

●With regard to the full-year outlook, SATO has revised upward its consolidated sales but kept OI forecast unchanged. Sales and OI forecasts overseas have been revised upward considering the favorable results of both the Base business and the Primary business in Apr-Dec. The OI forecast for the Japan business has been revised downward because of the planned one-time expense associated with downsizing of the head office in Jan-Mar.

●Details will be explained on the following pages.

Sales and OI by Business Segment^{*2}

(Millions of JPY)

		FY23	FY24	YoY	In local currencies	
Consolidated	Total Sales	37,628	40,121	+6.6%	+8.0%	
	Operating Income	3,467	4,086	+17.9%	+23.7%	
Overseas	Base	Total Sales	12,422	13,329	+7.3%	+5.3%
		Operating Income	1,340	1,200	-10.4%	-12.4%
	Primary Labels	Total Sales	5,226	5,775	+10.5%	+25.3%
		Operating Income	1,136	1,198	+5.4%	+16.3%
	Eliminations	Operating Income	12	6	-48.9%	-48.9%
	Total	Total Sales	17,648	19,104	+8.2%	+11.2%
Operating Income		2,490	2,405	-3.4%	+0.5%	
Japan	Total Sales	19,980	21,016	+5.2%	+5.2%	
	Operating Income	927	1,824	+96.8%	2.1x	
Eliminations	Operating Income	49	-143	-	-	



* 1 Apr-Oct results are shown on p. 28.

* 2 Sales and OI excluding Russian subsidiaries are shown on p. 41.

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- From this slide onward, analyses are provided on a year-on-year comparison basis.
- The table shows figures related to the summary from the previous slide.
- Please refer to P.28 for Apr-Dec results and P.41 in the Appendix for the results excluding Russian subsidiaries.

Consolidated Results^{*2}

(Millions of JPY)

	FY23	FY24	Change	YoY
Net Sales	37,628	40,121	+2,492	+6.6%
Operating Income	3,467	4,086	+619	+17.9%
Operating Income %	9.2%	10.2%	+1.0pt	-
Ordinary Income	3,459	4,039	+580	+16.8%
Profit attributable to owners of parent	2,814	2,564	-249	-8.9%
Effective Tax Rate	13.9%	31.5%	+17.6pt	-
EBITDA*	4,724	5,534	+809	+17.1%

FX sensitivity for FY24: JPY +503 mil in sales and JPY +19 mil in OI for +1 JPY against USD and assuming all others move by the same ratio

Average FX for Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR (Apr-Dec 2023: JPY 143.32/USD, JPY 155.32/EUR)

* EBITDA = Operating Income + Depreciation + Amortization

· Depreciation for Oct-Dec 2024: JPY 1,411 million (Oct-Dec 2023: JPY 1,221 million)

· Amortization for Oct-Dec 2024: JPY 36 million (Oct-Dec 2023: JPY 36 million)



* 1 Apr-Dec results are shown on p. 29.

* 2 Sales and OI excluding Russian subsidiaries are shown on p. 42.

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- This slide shows the consolidated results.
- The improvement in the operating income margin was mainly due to the improvement in the Japan business.
- The effective tax rate of 13.9% in the same period of the previous year was due to the impact of tax effect accounting in Argentina and Russian subsidiaries.

Overview

(Millions of JPY)

	FY23	FY24	Change	YoY	
				YoY	In local currencies
Base business Total Sales	12,422	13,329	+907	+7.3%	+5.3%
Primary Labels business Total Sales	5,226	5,775	+548	+10.5%	+25.3%
Total Sales	17,648	19,104	+1,455	+8.2%	+11.2%
Gross Profit	7,605	7,921	+315	+4.2%	-
Gross Profit %	43.1%	41.5%	-1.6pt	-	-
Base business Operating Income	1,340	1,200	-139	-10.4%	-12.4%
Primary Labels business Operating Income	1,136	1,198	+61	+5.4%	+16.3%
Elimination Operating Income	12	6	-6	-48.9%	-48.9%
Operating Income	2,490	2,405	-84	-3.4%	+0.5%
Operating Income %	14.1%	12.6%	-1.5pt	-	-

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

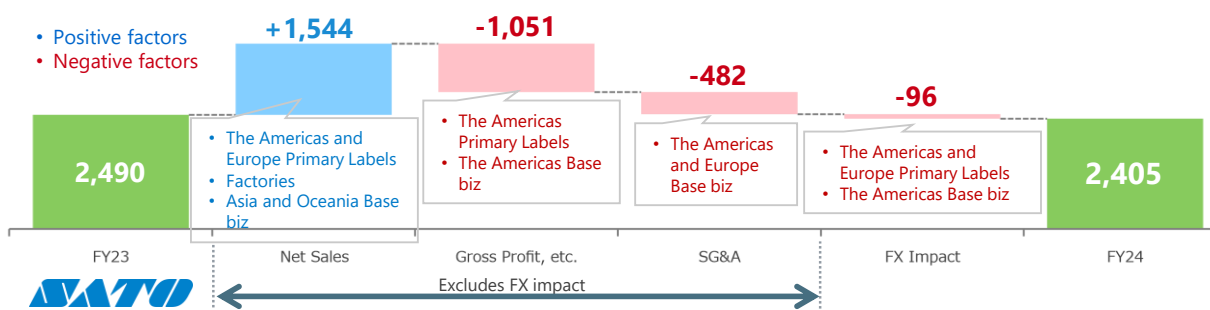
Sales

- Sales increased in Base business driven by Asia and Oceania
- Higher sales of high-value-added products in Europe contributed to higher sales in the Primary Labels business.

OI

- In the Base business, OI decreased as the continued robust performance in Asia and Oceania was not enough to cover the losses in Europe and the Americas.
- OI increased in Primary business due to strong performance of both existing and high-value-added products.

Major Gains/Losses in OI

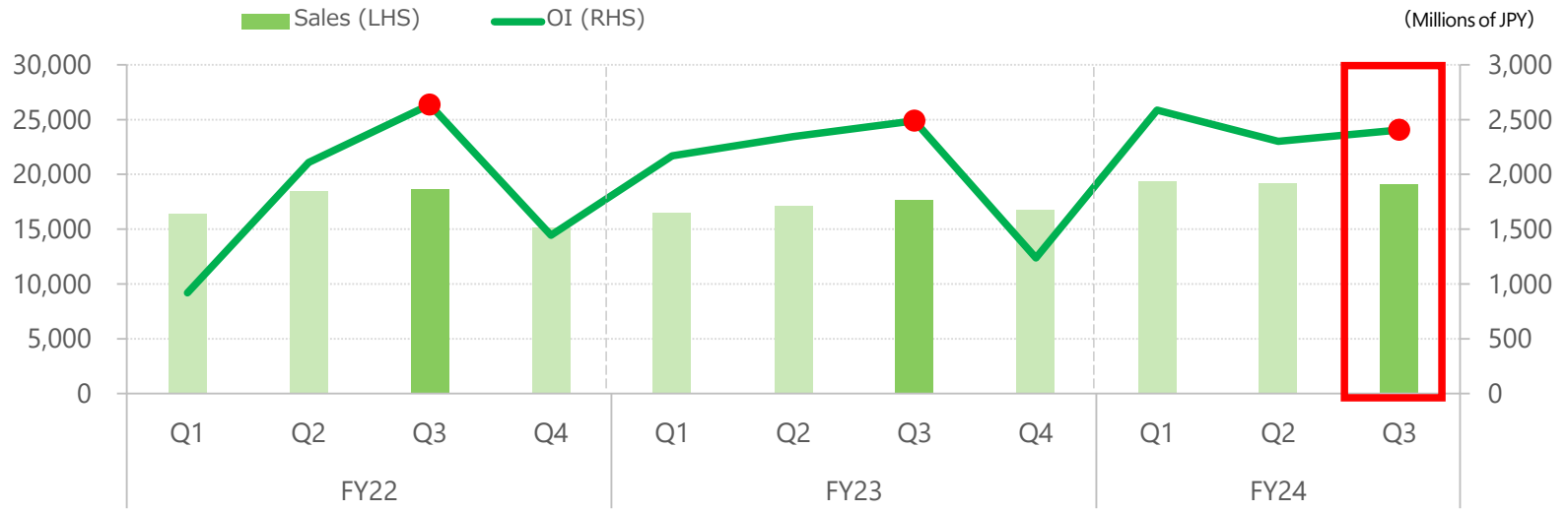


* Apr-Dec results are shown on p. 34.

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- Next, I will take you through the results of our Overseas business.
- Sales increased and OI decreased overall.
- Sales increased in the Base business driven by Asia and Oceania, and in the Primary business due to an increase in sales of high-value-added products in Russia.
- In the Base business, sales subsidiaries in Australia and Southeast Asia continued to perform well and factory profitability improved as printer inventory adjustments at distributors ran their course. On the other hand, increase in SG&A expenses at major sales subsidiaries in Europe and North America could not be offset, resulting in an overall decline in OI.
- In the Primary business, although the competitive environment for existing primary label products had intensified, sales of high-value-added products increased. As a result, sales of primary label products have been firm and profits have increased.
- Further details for each region will be provided in the following slides.

Quarterly Sales & OI



Sales	16,394	18,483	18,626	15,153	16,452	17,104	17,648	16,725	19,321	19,223	19,104
YoY	+26.8%	+49.6%	+35.1%	+12.9%	+0.4%	-7.5%	-5.3%	+10.4%	+17.4%	+12.4%	+8.2%
OI	919	2,109	2,637	1,445	2,169	2,346	2,490	1,238	2,586	2,303	2,405
YoY	-21.8%	3.0x	2.4x	+44.0%	2.4x	+11.2%	-5.6%	-14.3%	+19.2%	-1.8%	-3.4%



● This is the quarterly sales & OI trend.

The Americas Base business

(Millions of JPY)

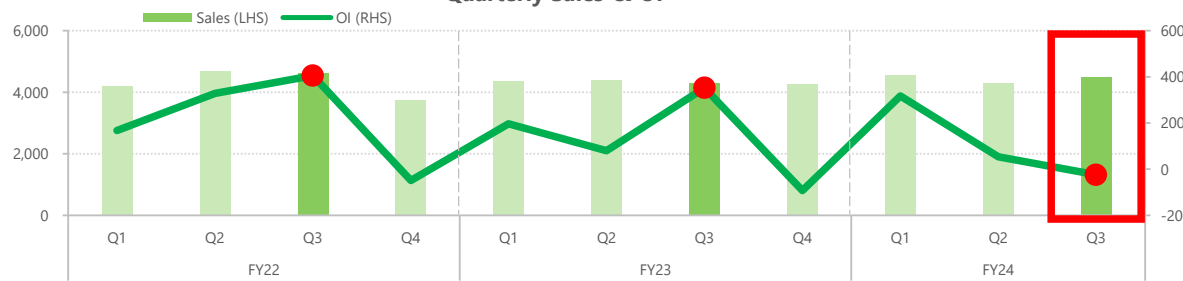
	FY23	FY24	Change	YoY	
					In local currencies
Total Sales	4,293	4,503	+210	+4.9%	+6.4%
Operating Income	352	-24	-376	-	-97.8%

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

Sales

- Sales increased due to a large-scale automation solutions deal and a one-off extra order for consumables in the U.S.
- Sales in South America decreased due to lower demand caused by inflation.

Quarterly Sales & OI



OI

- OI decreased in the U.S. due to a deterioration in product mix and an increase in SG&A expenses such as R&D.
- OI in South America decreased due to the above-mentioned sales decline.

Sales	4,214	4,694	4,626	3,731	4,353	4,412	4,293	4,274	4,568	4,294	4,503
YoY	+21.8%	+58.1%	+30.2%	+8.0%	+3.3%	-6.0%	-7.2%	+14.6%	+4.9%	-2.7%	+4.9%
OI	168	328	405	-49	197	80	352	-92	318	54	-24
YoY	-32.9%	87.3x	+81.1%	-	+17.0%	-75.5%	-13.1%	-	+61.3%	-32.9%	-



* Apr-Sep results are shown on p. 35.

- Now, I will explain the results of Base business by region.
- In the Americas, sales increased while OI decreased.
- Sales increased due to large-scale projects of automation solutions for the logistics market and one-off demand for consumables to specific customers in the U.S.
- In South America, sales increased on a local currency basis due to timely price revisions amid falling demand caused by inflation, but sales decreased in JPY terms due to the negative impact of foreign exchange rates.
- OI decreased due to a deterioration in the product mix as a result of special demand for consumables with relatively low profitability and an increase in SG&A expenses such as R&D of new printers associated with the end of sales of current models in the U.S.
- In South America, OI decreased due to the above-mentioned decline in sales.

Europe Base business

(Millions of JPY)

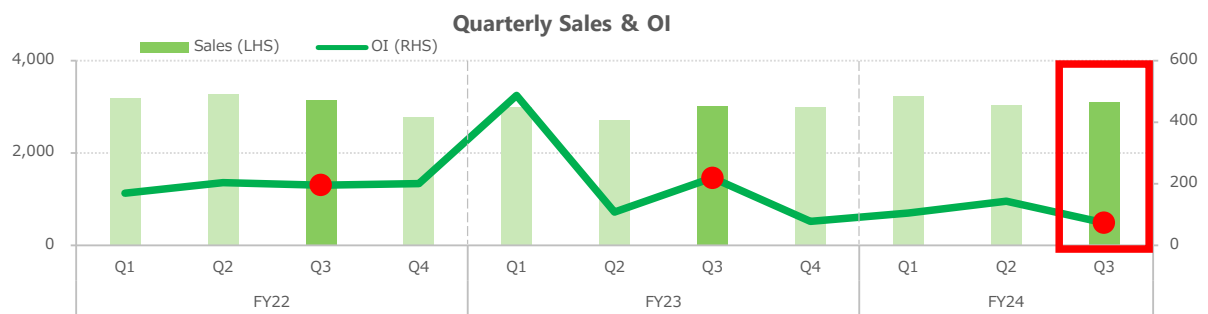
	FY23	FY24	Change	YoY	
					In local currencies
Total Sales	3,008	3,106	+98	+3.3%	-0.1%
Operating Income	219	73	-145	-66.2%	-66.7%

Sales

- Sales increased due to a recovery in sales to distributors following the end of printer inventory adjustments and the favorable impact of foreign exchange, despite sluggish investment due to the economic downturn in Europe as a whole.
- Sales in Germany increased due to strong demand for consumables.

OI

- Although sales of consumables were strong in Germany, OI decreased due to negative impact of the economic downturn.



Sales	3,195	3,268	3,149	2,789	2,991	2,714	3,008	2,999	3,221	3,028	3,106
YoY	+16.3%	+36.6%	+13.0%	+1.5%	-6.4%	-16.9%	-4.5%	+7.5%	+7.7%	+11.6%	+3.3%
OI	170	204	196	201	487	108	219	78	105	144	73
YoY	+46.9%	10.0x	-0.5%	+71.1%	2.9x	-47.1%	+11.2%	-60.9%	-78.3%	+33.8%	-66.2%



* Apr-Sep results are shown on p. 35.

- In Europe, sales increased while OI decreased.
- In terms of sales, printer inventory adjustments by distributors have run their course and orders from them have recovered. In addition, sales increased due to the positive impact of foreign exchange, despite sluggish investment due to the economic downturn in Europe as a whole.
- In Germany, sales increased due to steady demand for consumables.
- OI decreased as the above-mentioned impact in Germany could not offset the negative impact of the economic downturn.

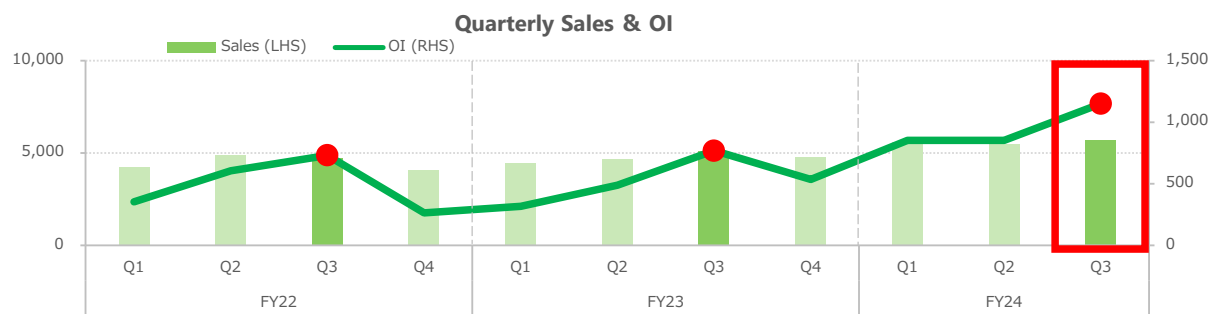
Asia/Oceania Base business

(Millions of JPY)

	FY23	FY24	Change	YoY	
				YoY	In local currencies
Total Sales	5,120	5,718	+598	+11.7%	+7.5%
Operating Income	769	1,151	+382	+49.7%	+42.1%

Sales

- Strong performance in large scale RFID project in Australia continued.
- Sales increased due to steady growth in the Vietnamese and Thai manufacturing markets.



OI

- OI increased due to the above-mentioned large-scale project in Australia.
- OI increased behind improved earnings at factories as inventory adjustments for printers by distributors ran their course.

Sales	4,227	4,870	4,733	4,085	4,431	4,679	5,120	4,790	5,564	5,483	5,718
YoY	+12.0%	+21.9%	+12.9%	+3.5%	+4.8%	-3.9%	+8.2%	+17.3%	+25.6%	+17.2%	+11.7%
OI	354	607	732	265	318	490	769	537	853	854	1,151
YoY	-32.6%	+43.7%	+53.2%	+30.2%	-10.0%	-19.3%	+4.9%	2.0x	2.7x	+74.2%	+49.7%



* Apr-Sep results are shown on p. 35.

- In Asia and Oceania, sales and OI increased.
- Sales increased due to large RFID projects at the Australian subsidiary as in Apr-Sep. In addition, the manufacturing market remained strong, particularly in Southeast Asia, including Vietnam and Thailand.
- OI increased due to the large RFID projects in Australia as well as steady performance in other markets there. As printer inventory adjustments by overseas distributors ran their course, factory earnings remained strong.

Primary Labels business

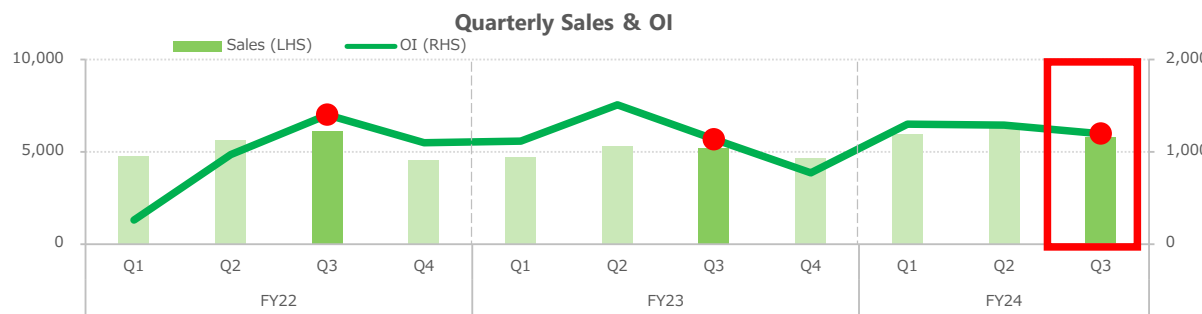
(Millions of JPY)

		FY23	FY24	Change	YoY	
						In local currencies
The Americas Achernar (Argentina) Plakorar (Brazil)	Total Sales	954	794	-160	-16.8%	+45.4%
	Operating Income	414	82	-331	-80.2%	-58.9%
Europe Okil/ X-pack (Russian)	Total Sales	4,195	4,882	+687	+16.4%	+20.6%
	Operating Income	717	1,110	+392	+54.7%	+59.5%
Asia/Oceania Hirich (Vietnam)	Total Sales	75	98	+22	+29.7%	+29.6%
	Operating Income	5	6	+0	+19.5%	+25.0%
Total Sales	Total Sales	5,226	5,775	+548	+10.5%	+25.3%
	Operating Income	1,136	1,198	+61	+5.4%	+16.3%

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

Sales

- Sales decreased in the Americas due to the negative impact of foreign exchange, despite price revisions.
- Sales increased in Europe as high-value-added products continued to see higher sales.



OI

- OI increased overall due to higher sales of high-value-added products in Europe

Sales	4,757	5,649	6,117	4,546	4,676	5,297	5,226	4,661	5,966	6,416	5,775
YoY	+61.3%	+88.6%	+88.0%	+39.0%	-1.7%	-6.2%	-14.6%	+2.5%	+27.6%	+21.1%	+10.5%
OI	262	972	1,402	1,100	1,118	1,509	1,136	775	1,301	1,290	1,198
YoY	-1.9%	4.4x	7.5x	2.0x	4.3x	+55.2%	-18.9%	-29.5%	+16.4%	-14.5%	+5.4%



* Apr-Sep results are shown on p. 35.

- In the Primary Labels business, sales and OI increased.
- In Europe, sales increased due to the continued increase in sales of high-value-added products and firm demand for primary labels applied to household products.
- In South America, sales increased on a local currency basis due to price revisions amid declining demand due to inflation, but sales decreased on JPY basis due to the negative impact of foreign exchange.
- OI increased due to firm demand for existing primary products and continued growth in sales of high-value-added products, despite the competitive environment intensifying in Europe.

Overview

(Millions of JPY)

	FY23	FY24	Change	YoY
Mechatronics Sales	7,450	7,987	+536	+7.2%
Consumables Sales	12,529	13,029	+499	+4.0%
Total Sales	19,980	21,016	+1,036	+5.2%
Gross Profit	8,683	9,683	+999	+11.5%
Gross Profit %	43.5%	46.1%	+2.6pt	-
Operating Income	927	1,824	+897	+96.8%
Operating Income %	4.6%	8.7%	+4.0pt	-

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.

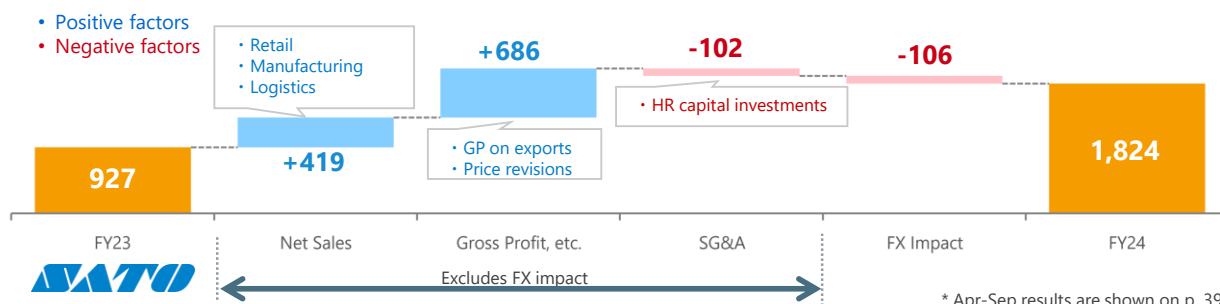
Sales

- **Mechatronics:** Sales increased due to recovery in the manufacturing market and e-commerce related business. Increased sales of asset management and shipping / receiving management software packages for '2024 logistics issue' (shortage of truck drivers) also contributed to sales growth.
- **Consumables:** Sales increased due to impact of *Koto-uri* (providing solutions) and price revisions.

OI

- **OI** increased due to the above-mentioned growth in sales, price revisions, and the rise in printer exports.

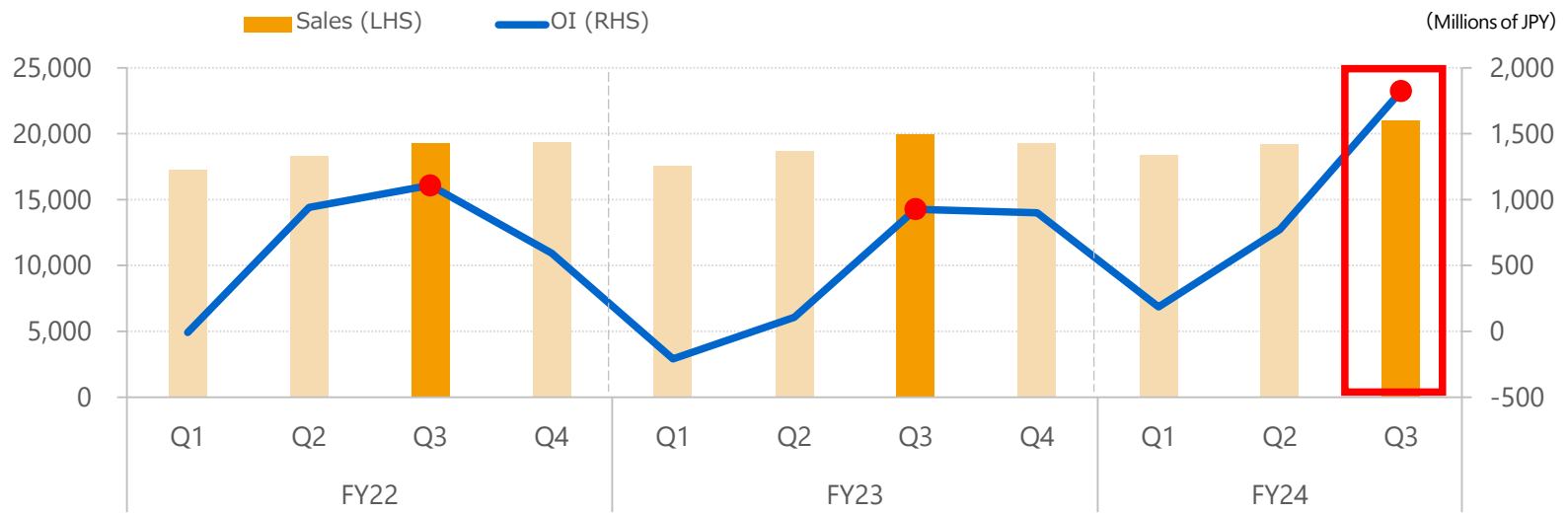
Major Gains/Losses in OI



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- From here, I will explain the Japan business.
- Sales and OI increased.
- Sales of mechatronics increased due to a recovery in the manufacturing market and E-commerce related business. As in Apr-Sep, sales of software packages for asset management and shipping & receiving management in response to '2024 logistics issue' (shortage of truck drivers) also contributed to sales growth.
- Consumables sales increased by providing solutions mainly in the retail market and by making price revisions.
- OI increased due to growth in sales, consumables price revisions, and a rise in export gross profit resulting from higher printer exports.

Quarterly Sales & OI



	FY22				FY23				FY24		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales	17,291	18,294	19,244	19,336	17,536	18,692	19,980	19,305	18,353	19,191	21,016
YoY	+0.2%	+3.2%	+4.9%	+1.9%	+1.4%	+2.2%	+3.8%	-0.2%	+4.7%	+2.7%	+5.2%
OI	-8	941	1,108	594	-210	106	927	901	186	773	1,824
YoY	-	3.1x	+38.3%	-12.8%	-	-88.7%	-16.4%	+51.5%	-	7.3x	+96.8%

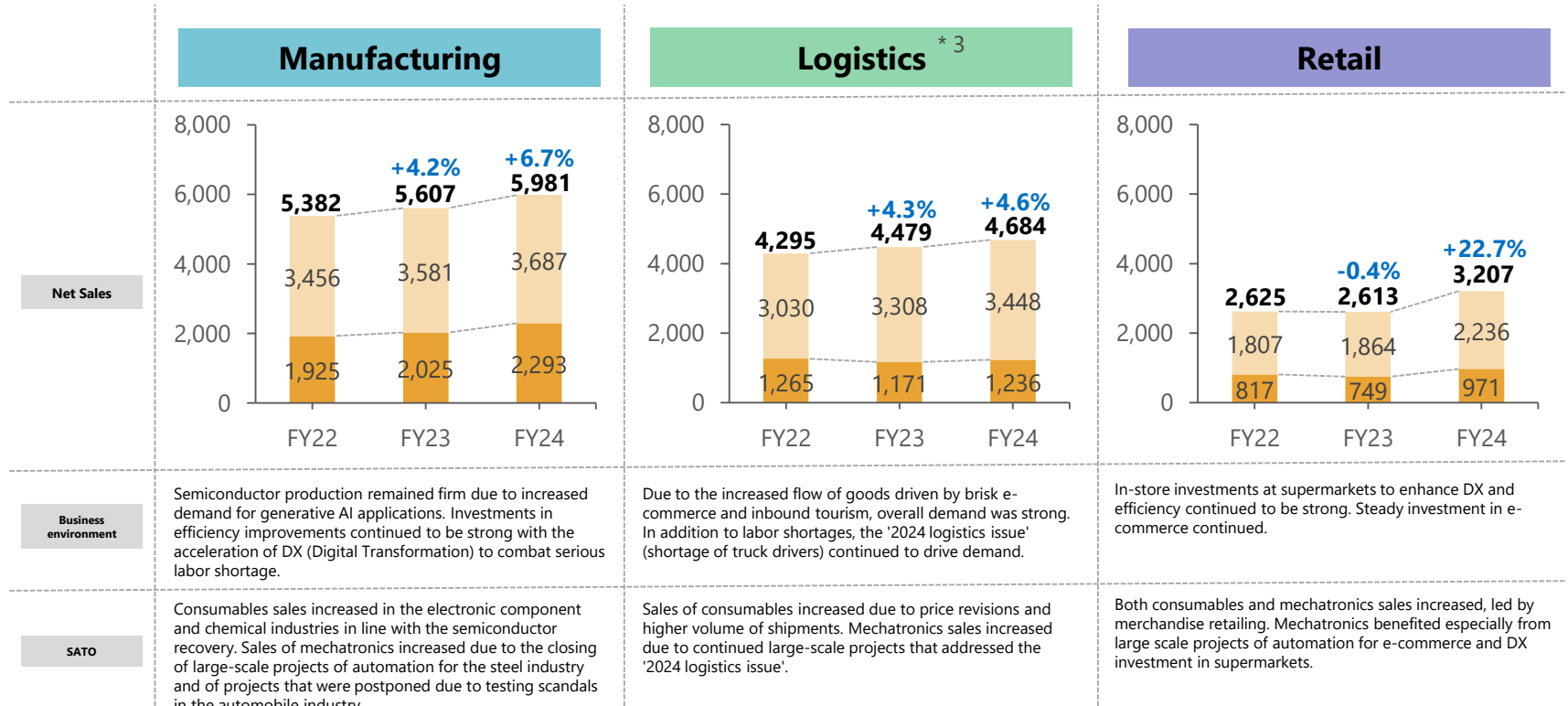


● This is the quarterly sales & OI trend.

Sales by Vertical 1/2^{*2}

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

(Millions of JPY)



* 1 Apr-Dec results are shown on p. 40.

* 2 From Q1 FY24, sales of maintenance services have been partially included in Mechatronics. The graphs retroactively reflect the change.

* 3 From Q1 FY23, the classification of some industries has been changed from public to logistics. The graphs retroactively reflect the change.

● Next is the situation of sales by market in Japan.

● In manufacturing, following on from Apr-Sep, semiconductor production has recovered due to an increase in demand for artificial intelligence applications, and sales are increasing not only in the electronic components industry but also in related chemical industries.

Sales of mechatronics increased due to large-scale projects of automation solutions in the steel industry and orders that had been postponed due to testing scandals in the automobile industry.

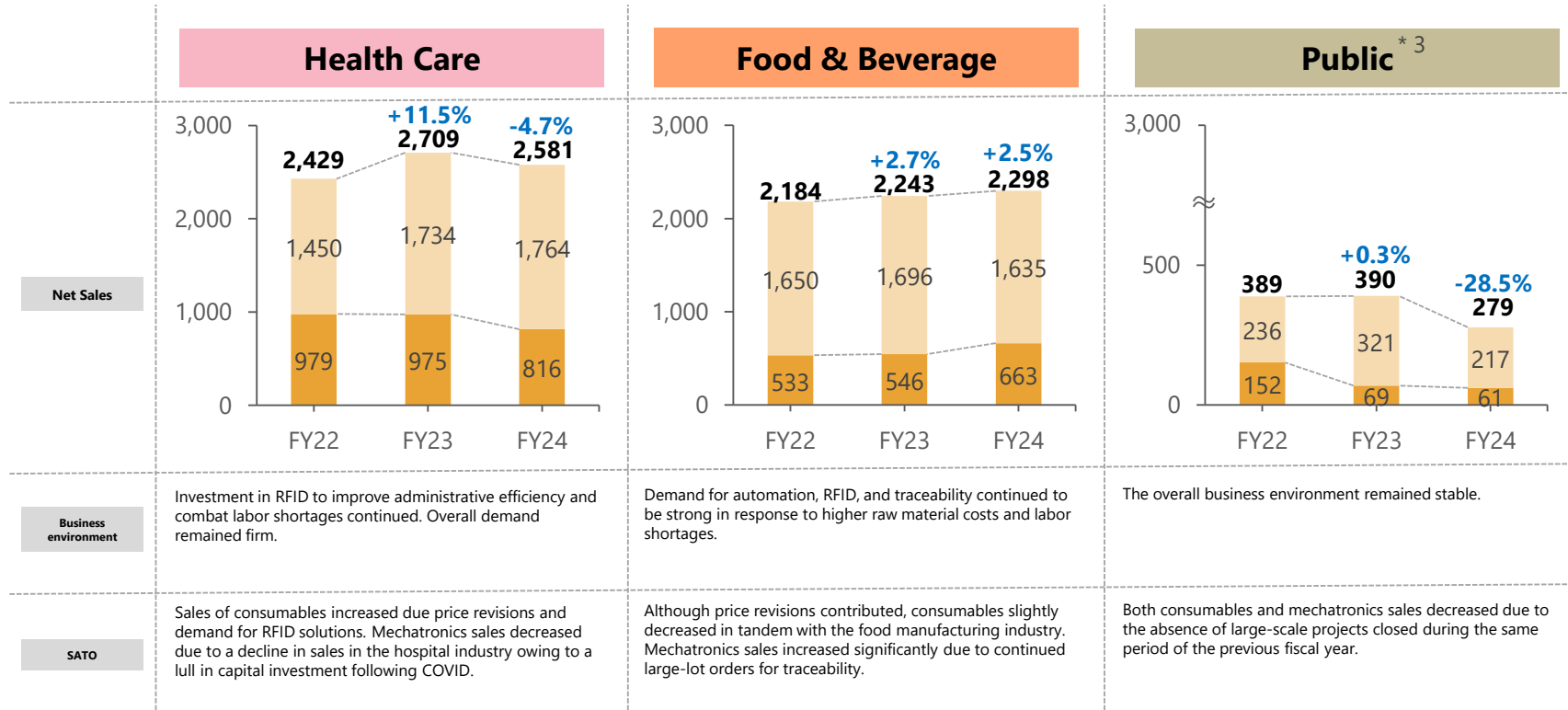
● Logistics continued to perform well due to price revisions, increased volume, and continued demand related to "2024 logistics issues". Sales of printers associated with luggage transfer for tourists are increasing against the backdrop of expanding inbound tourism.

● In the Retail business, following on from Jul-Sep, sales increased in both consumables and mechatronics driven by the recovery in merchandise retailing. In mechatronics, in particular, large-lot orders for automatic labeling of EC-related products and digital transformation investment at supermarkets contributed to growth in sales.

Sales by Vertical 2/2^{*2}

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

(Millions of JPY)



* 1 Apr-Dec results are shown on p. 40.

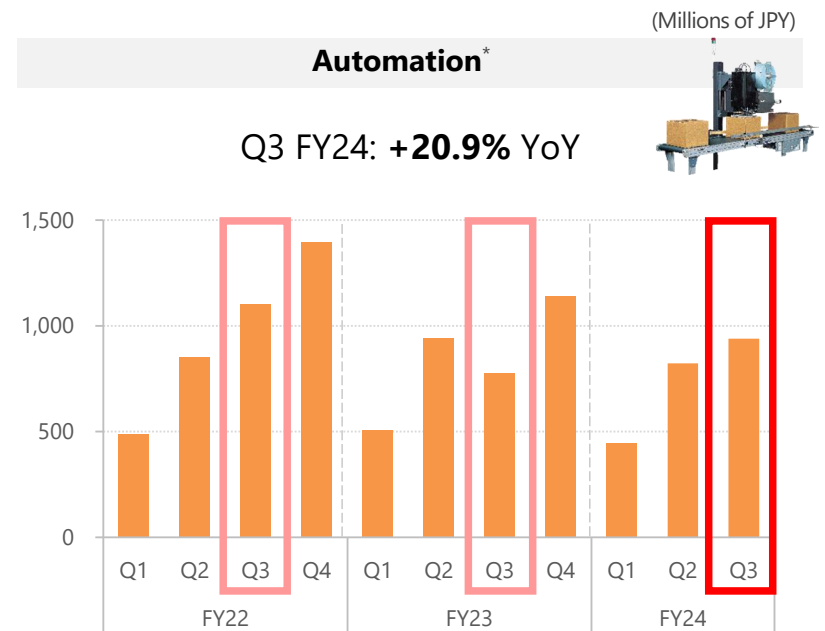
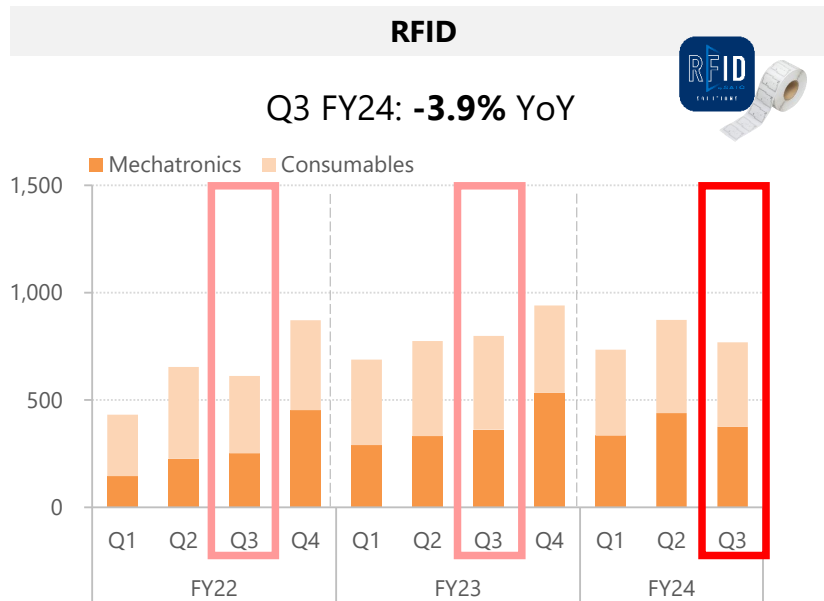
* 2 From Q1 FY24, sales of maintenance services have been partially included in Mechatronics. The graphs retroactively reflect the change.

* 3 From Q1 FY23, the classification of some industries has been changed from public to logistics. The graphs retroactively reflect the change.

- In healthcare, following on from Jul-Sep, mechatronics sales decreased as the increase in outpatients and capital investment following Covid in hospitals came to a halt. At the same time, demand for operational efficiency is increasing, and we are continuing to offer solutions that utilize automated labeling and RFID.
- In food & beverage, despite the contribution of price revisions, consumables sales decreased slightly due to a decline in demand in the food manufacturing industry. As in Jul-Sep, sales of mechatronics increased significantly due to traceability demand and large-lot orders for food labeling in the food manufacturing industry.
- In the public sector, sales of both consumable and mechatronics decreased due to the reverse impact of large-scale projects in the same period of the previous year.
- Although quarterly sales are affected by large-lot orders, price revisions contributed in all markets and demand remained generally firm.

RFID and Automation Sales

Both solutions continued to perform steadily, driven by robust DX demand and labor shortage. RFID decreased YoY due to a drop in large-lot projects in the public and healthcare markets, despite an increase in the manufacturing market. Automation increased driven by large deals in the logistics and healthcare markets.



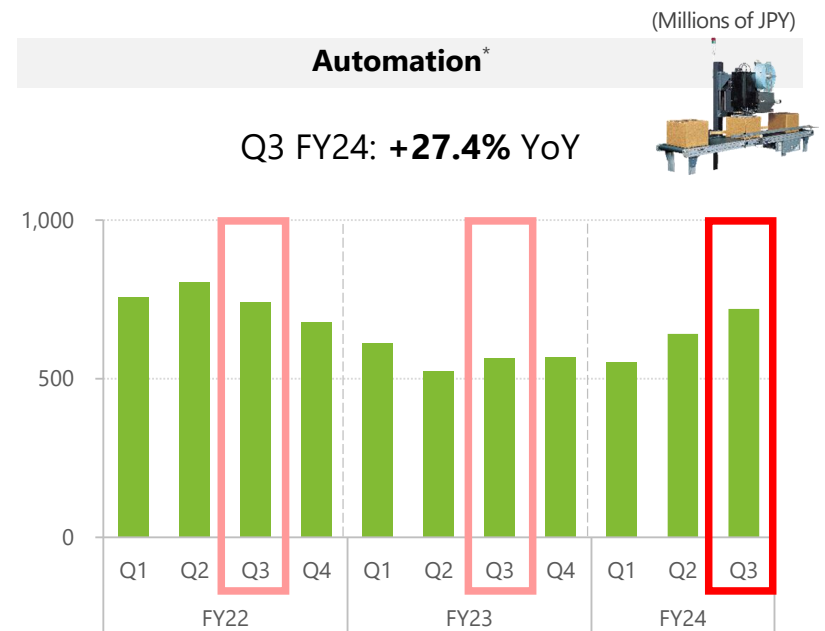
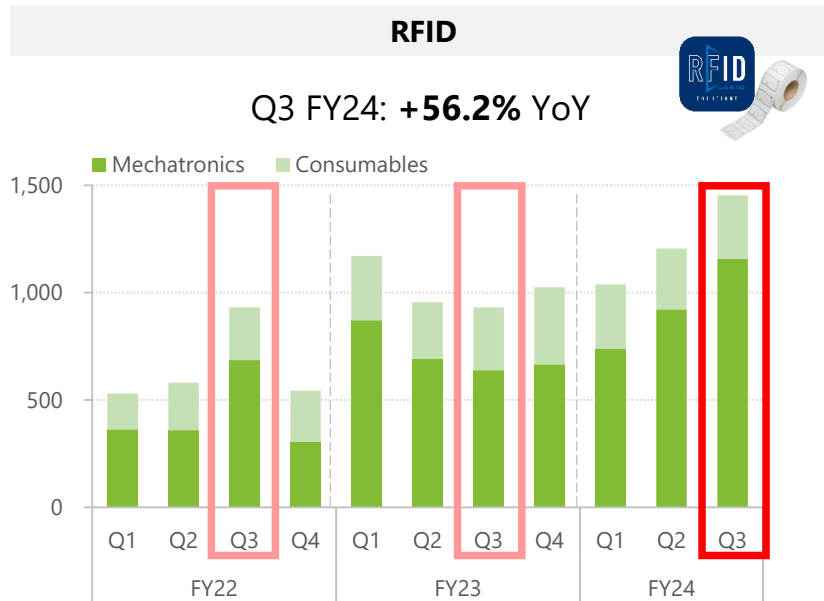
* Automation includes hardware and software sales (not consumables, service and maintenance).



- This slide shows the quarterly sales of RFID and automation solutions in Japan.
- Demand remained steady.
- Although sales of RFID increased in the manufacturing market due to the strong performance of asset management software packages, overall RFID sales declined due to the absence of large-scale orders for consumables in the public sector and for mechatronics in the healthcare market booked in the previous fiscal year.
- Automation sales increased in total due to large-scale projects in the logistics and healthcare markets. In the healthcare market, business has revitalized through contracts with medical equipment manufacturers for automatic labeling systems.

RFID and Automation Sales

Both solutions continued to perform steadily, driven by robust DX demand and labor shortage.
 RFID increased YoY thanks to large-scale projects in manufacturing.
 Automation increased due to large-scale logistics projects, despite the economic downturn in Europe.



* Automation only includes hardware sales.



- This slide shows quarterly sales of RFID and automation solutions in the Overseas business.
- Demand is firm against the backdrop of labor shortages and investment in digital transformation.
- Sales of RFID increased due to large scale projects in the manufacturing market. These projects are expected to continue in FY25 and beyond.
- Automation sales increased due to the contribution of large-scale projects in the logistics market in the U.S., despite the economic downturn in the Europe.

Auto-ID Solutions Business (Consolidated)

FY24 Forecasts

(Millions of JPY)

	Apr-Dec		Jan-Mar		FY24			
	Results	YoY	Revised Plan As of Feb 12, 2025	YoY	Previous Plan As of Nov 13, 2024	Revised Plan As of Feb 12, 2025	Change	YoY
Net Sales	116,211	+8.2%	38,788	+7.7%	153,500	155,000	+1,500	+8.1%
Operating Income	9,865	+22.0%	1,534	-33.2%	11,400	11,400	+0	+9.8%
Ordinary Income	8,923	+14.9%	1,476	+23.6%	10,400	10,400	+0	+16.1%
Profit attributable to owners of parent	5,592	+16.4%	1,407	-	6,600	7,000	+400	+96.3%
<Reference>								
EBITDA*	15,456	←FY23			16,900	16,900	+0	+9.3%

* EBITDA = Operating Income + Depreciation + Amortization

FX assumption for FY24: JPY 153/USD, JPY 164/EUR (Previous assumption: JPY 145/USD, JPY 160/EUR)

Average FX for Apr-Dec FY24: JPY 152.64/USD, JPY 164.89/EUR

Average FX for FY23: JPY 144.58/USD, JPY 156.74/EUR



19

- Here are the consolidated forecasts for the full fiscal year.
- The consolidated plan has been revised upward to reflect the better-than-expected performance of the Overseas business in Apr-Dec.
- The assumed exchange rate for the full year has been revised from the previous plan of 145 to 153 for USD/JPY and from 160 to 164 for EUR/JPY.
- The upward revision to net income attributable to owners of the parent was due to the posting of a special gain on the sale of investment securities.
- I will explain the breakdown of sales and OI in the next slide.

Auto-ID Solutions Business (Consolidated)

FY24 Forecasts <Breakdown>

Full-year consolidated sales were revised upward by JPY 1,500 mil.

Breakdown of OI revision: Overseas Base business +350 mil, Overseas Primary business +400 mil, Overseas eliminations -50 mil, Japan business -500 mil, consolidated eliminations -200 mil.

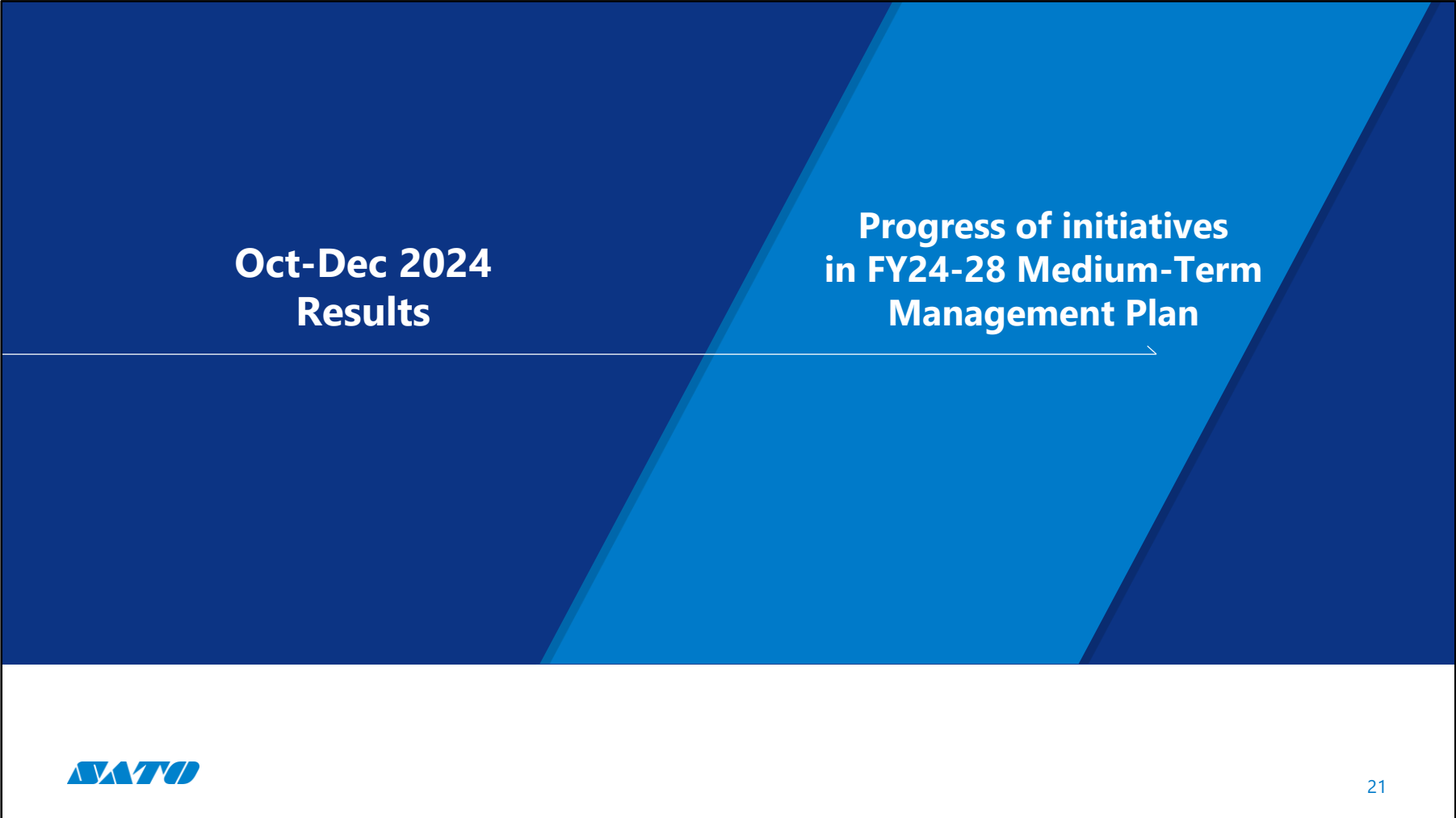
(Millions of JPY)

		Apr-Dec		Jan-Mar		FY24			
		Results	YoY	Revised Plan As of Feb 12, 2025	YoY	Previous Plan As of Nov 13, 2024	Revised Plan As of Feb 12, 2025	Change	Change Revised Plan
Overseas (Base business)	Net Sales	39,491	+9.7%	13,508	+12.0%	52,500	53,000	+500	+10.3%
	Operating Income	3,531	+16.8%	668	+27.6%	3,850	4,200	+350	+18.4%
Overseas (Primary business)	Net Sales	18,158	+19.5%	4,841	+3.9%	22,000	23,000	+1,000	+15.8%
	Operating Income	3,790	+0.7%	609	-21.4%	4,000	4,400	+400	-3.1%
Overseas (Eliminations)	Operating Income	-27	-	-72	-	-50	-100	-50	-
Overseas	Net Sales	57,649	+12.6%	18,350	+9.7%	74,500	76,000	+1,500	+11.9%
	Operating Income	7,295	+4.1%	1,204	-2.7%	7,800	8,500	+700	+3.1%
Japan	Net Sales	58,561	+4.2%	20,438	+5.9%	79,000	79,000	+0	+4.6%
	Operating Income	2,783	3.4x	416	-53.8%	3,700	3,200	-500	+85.6%
Eliminations	Operating Income	-213	-	-86	-	-100	-300	-200	-
Consolidated	Net Sales	116,211	+8.2%	38,788	+7.7%	153,500	155,000	+1,500	+8.1%
	Operating Income	9,865	+22.0%	1,534	-33.2%	11,400	11,400	+0	+9.8%



20

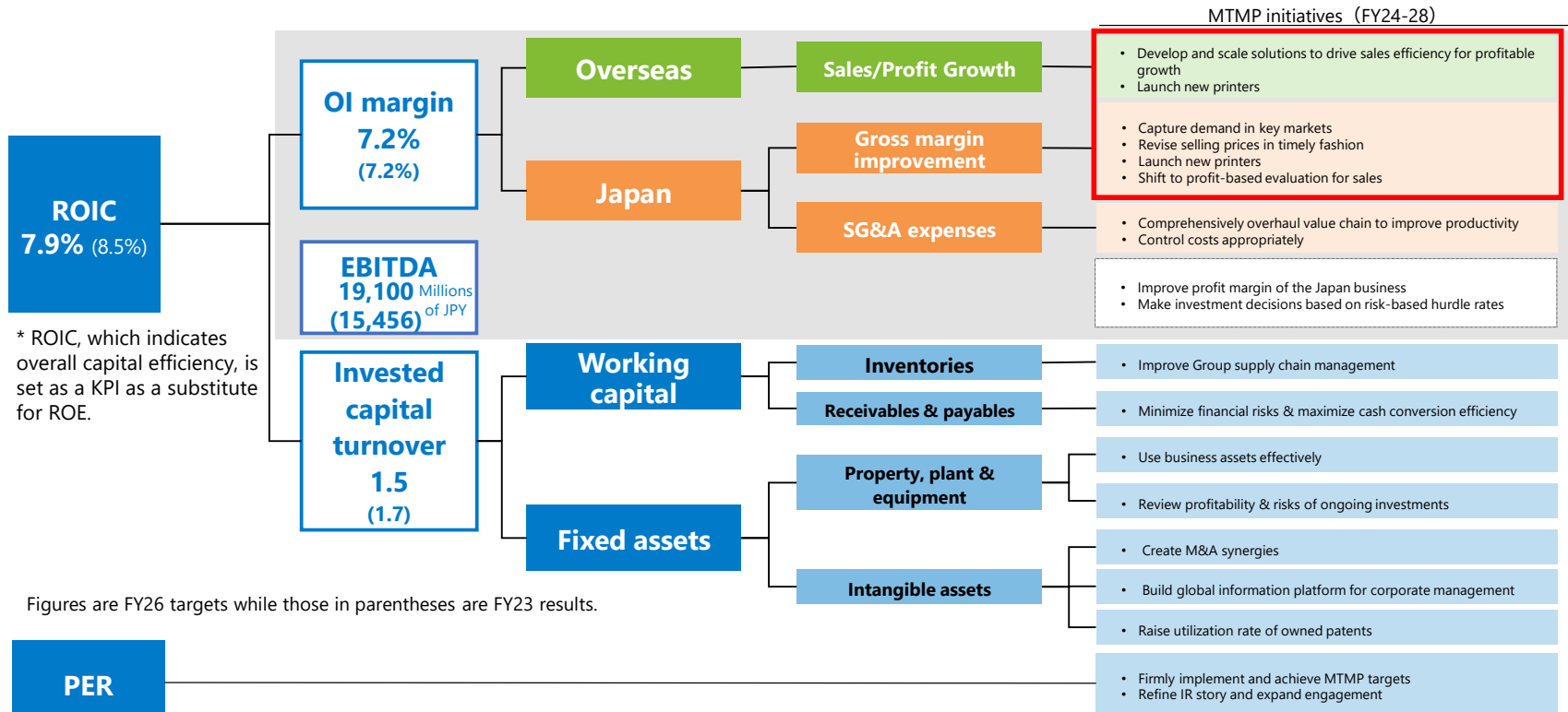
- On a consolidated basis, net sales were revised upward by JPY 1,500 mil.
- The breakdown of OI is as follows: +350 mil in Overseas Base business, +400 mil in Overseas Primary business, -50 mil in Overseas elimination, -500 mil in the Japan business and -200 mil in consolidated eliminations.
- As I explained at the Summary section in the beginning, the reason for the downward revision of the Japan business is that we expect to record a one-time expense in Q4 due to the downsizing of the head office.
- By reducing future depreciation expenses through accelerated depreciation, as well as rent and incidental expenses through office downsizing, we intend to reduce expenses from FY25 onward and prepare for investment expenses set forth in the medium-term management plan.



● Next, I will explain the progress of initiatives in the FY24-28 Medium-Term Management Plan.

Progress of initiatives in FY24-28 Medium-Term Management Plan

P/B ratio=ROE x PER. ROIC* tree with improvement measures by component



Figures are FY26 targets while those in parentheses are FY23 results.



Reproduced from the financial results materials released on August 8, 2024

- First, the ROIC tree disclosed in August 2024 is shown here for reference.
- Today, I would like to explain "Launch new printers" in the overseas business and "Capture demand in key markets" in the Japan business in the red box on the right.

Launch of WT4-AXB, an entry model industrial printer.



Functions and performance based on the concept of "Simple and Easy"

Customer challenges	<ul style="list-style-type: none"> • Cost reduction • Mitigation of maintenance burden • Improvement of durability
Competitive advantage	<ul style="list-style-type: none"> • Convenience of operation • High maintainability
Value provided	<ul style="list-style-type: none"> • Affordable price • High durability due to metal housing • Simple design and ease of use
Current Status	<ul style="list-style-type: none"> • Available in February (in selected regions)
Expected impact	<ul style="list-style-type: none"> • Expanding global printer market share

Hard

Compact design

Optimized consumables specifications

Adoption of metal housing

Maintenance

Simple design for easy exchange and maintenance

Software

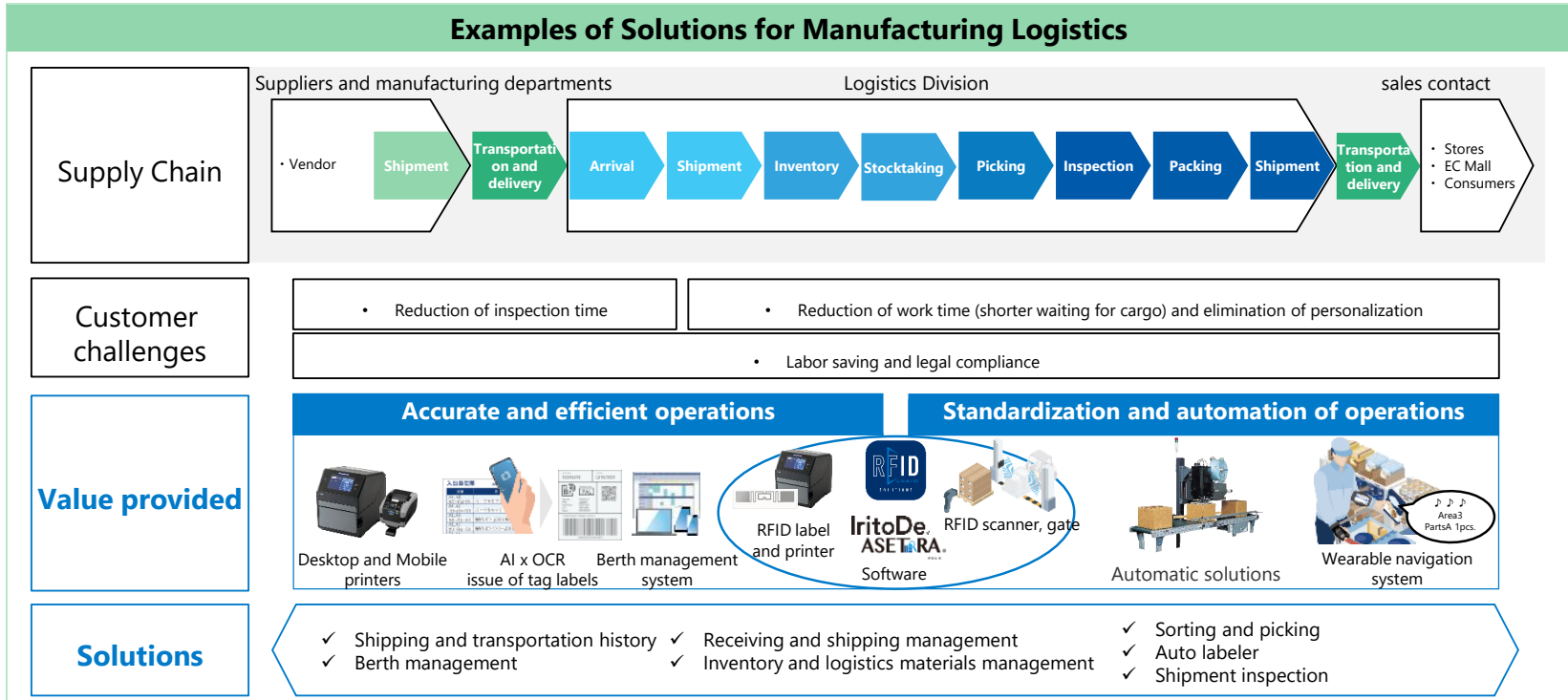
Support for 16 languages along with emulation function



This is a different model from the "New Printer" on page 27 of the Financial Results released on November 13, 2024.

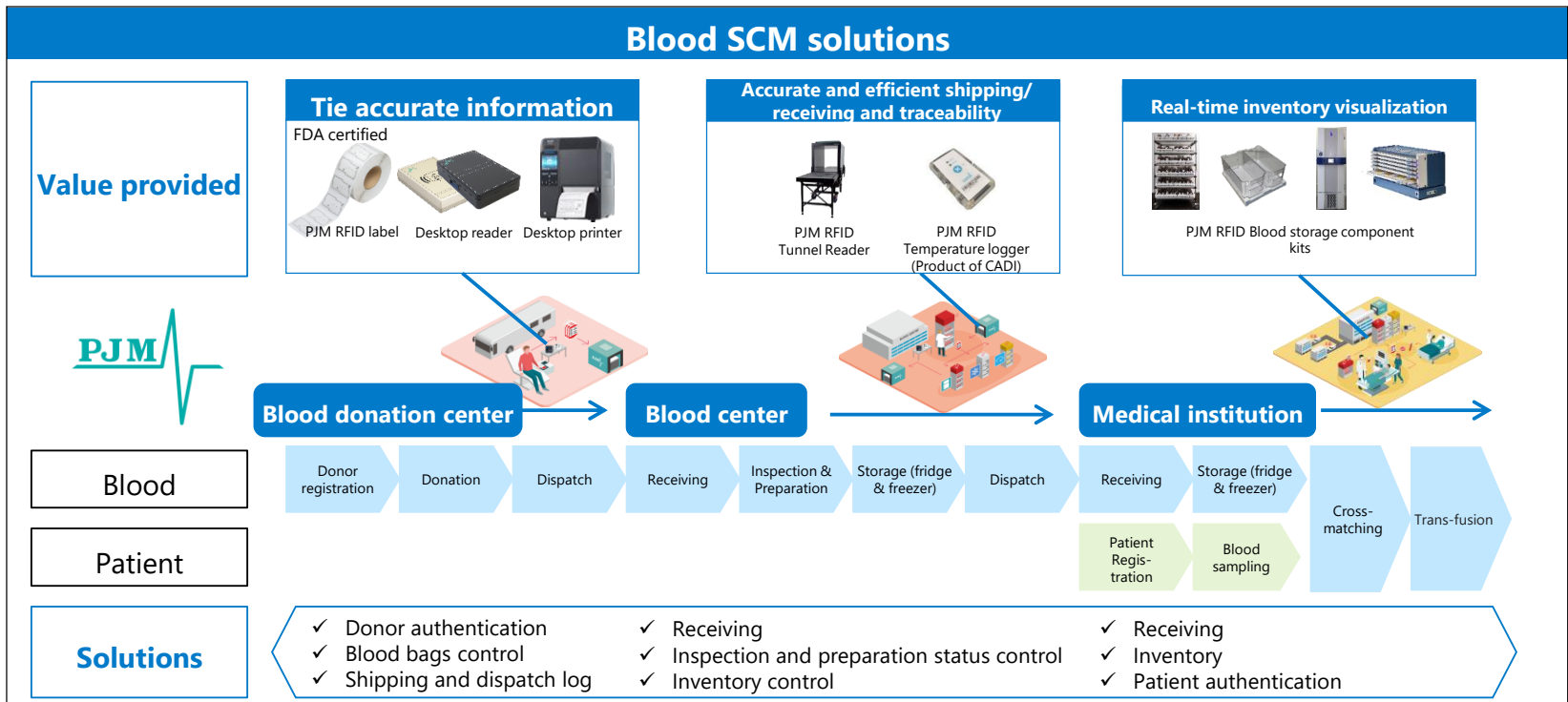
- First, the progress of the overseas business.
- SATO released WT4-AXB, an entry model industrial printer.
- The industrial printer market has been polarized into high-end and entry-level models, and SATO did not have a competitive line-up of the latter.
- We have developed affordable printers for cost-sensitive customers.
- Based on the concept of "Simple and Easy" and while controlling costs, the new model has the operation intuitiveness, high maintainability, and durability, all cultivated through the development of other models.
- Sales kicked off in some selected regions on February 11 with an aim to expand global market share.
- We are also putting together a printer roadmap and look to expand sales of the entire group in cooperation with our group company in Taiwan, Argox.

Sales in manufacturing logistics increased due to collaboration of SATO sales in both markets.



- Next, I will explain the progress of the Japanese business.
- As laws and regulations are being enacted to promote work-style reform, the so-called '2024 logistics issue' (shortage of truck drivers) is becoming evident, especially in the logistics market.
- Against this backdrop, SATO's sales have been expanding by capturing demand in manufacturing logistics, thanks to the activities by our sales in the logistics and manufacturing markets.
- Customers have a wide range of challenges, such as improving the efficiency of on-site work, improving operations, and streamlining management of logistics.
- SATO provides solutions such as visualization of traceability information through shipment and transportation history management, incoming and outgoing shipment management, inventory management, sorting and picking, and automatic labeling.
- Through these solutions, we provide added value like accuracy and efficiency along with operational standardization and automation.
- In FY25, we expect measures and initiatives such as corporates appointing CLOs (Chief Logistics Officers) to accelerate, and we intend to expand sales by capturing related demand.

Unique ID by tagging in blood SCM* to provide ideal medical environment.



* SCM: Supply Chain Management

- Finally, I would like to explain the progress of new fields in the MTMP.
- In blood supply chain management, SATO provides an ideal medical environment with unique IDs through tagging solutions.
- Let me give you an example.
- PJM RFID is utilized at each point of the blood supply chain such as blood donation centers, blood centers, medical institutions.
- It provides an appropriate medical environment by linking accurate information at each control point and by visualizing traceability efficiently and inventory on real time basis.
- There has been a rapid increase in business opportunities on a global basis, and we look to expand sales by closing these negotiations. In addition, we will invest sales resources here and capture demand by collaborating with business partners in various countries and exhibiting at academic conferences and exhibitions.
- "Kevin Allart", who has been in charge of the global healthcare market for many years at SATO, will become the president of the healthcare subsidiary from 1 April 2025, with the mission to accelerate growth globally.
- That's all from me. Thank you very much.

Appendix

Performance data Pages 27-45

SATO terminologies Pages 46-49



Business Overview by Product

FY23 Consolidated net sales: JPY 143,446 million JPY, 100%

86% of consolidated net sales (Breakdown by region: The Americas 16%, Europe 9%, APAC 14%, Japan 61%)

Base business

Mechatronics
38%

Printers



Other
Hardware



Software



Services



Consumables
48%

Labels &
Tags



14% of consolidated net sales (Breakdown by region: The Americas 18%, Europe 82%)

Primary
Labels

Consumables
100%

Stickers &
Primary Labels



Sales and OI by Business Segment

(Millions of JPY)

		FY23	FY24	YoY	In local currencies
Consolidated	Total Sales	107,415	116,211	+8.2%	+8.3%
	Operating Income	8,087	9,865	+22.0%	+29.2%
Overseas	Base				
	Total Sales	36,005	39,491	+9.7%	+5.3%
	Operating Income	3,023	3,531	+16.8%	+14.7%
	Primary Labels				
	Total Sales	15,200	18,158	+19.5%	+30.4%
	Operating Income	3,765	3,790	+0.7%	+14.6%
Eliminations	Operating Income	217	-27	-	-
Total	Total Sales	51,205	57,649	+12.6%	+12.7%
	Operating Income	7,005	7,295	+4.1%	+10.7%
Japan	Total Sales	56,209	58,561	+4.2%	+4.2%
	Operating Income	823	2,783	3.4x	3.5x
Eliminations	Operating Income	258	-213	-	-



Consolidated Results

(Millions of JPY)

	FY23	FY24	Change	YoY
Net Sales	107,415	116,211	+8,796	+8.2%
Operating Income	8,087	9,865	+1,777	+22.0%
Operating Income %	7.5%	8.5%	+1.0pt	-
Ordinary Income	7,767	8,923	+1,156	+14.9%
Profit attributable to owners of parent	4,806	5,592	+786	+16.4%
Effective Tax Rate	21.3%	30.0%	+8.6pt	-
EBITDA*	11,822	13,980	+2,157	+18.3%

FX sensitivity for FY24: JPY +503 mil in sales and JPY +19 mil in OI for +1 JPY against USD and assuming all others move by the same ratio

Average FX for Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR (Apr-Dec 2023: JPY 143.32/USD, JPY 155.32/EUR)

* EBITDA = Operating Income + Depreciation + Amortization

· Depreciation for Apr-Dec 2024: JPY 4,001 million (Apr-Dec 2023: JPY 3,625 million)

· Amortization for Apr-Dec 2024: JPY 113 million (Apr-Dec 2023: JPY 109 million)

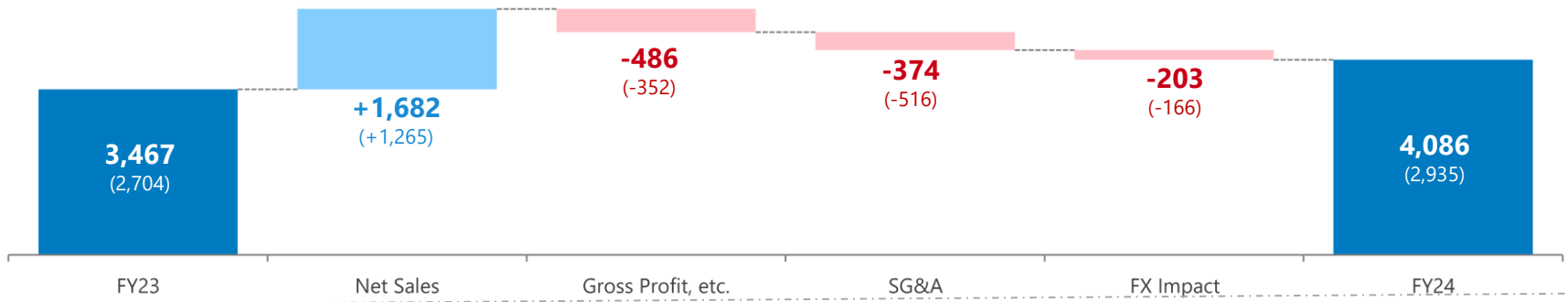


Auto-ID Solutions Business (Consolidated)

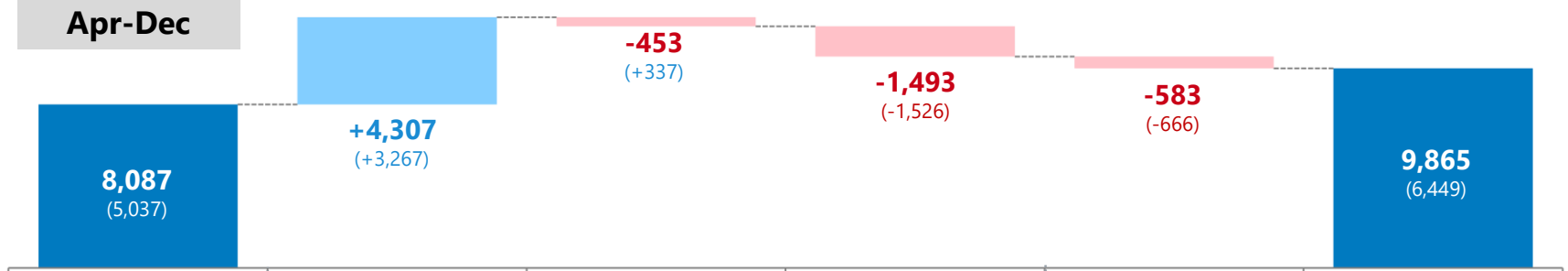
Major Gains/Losses in OI

(Millions of JPY)

Oct-Dec



Apr-Dec

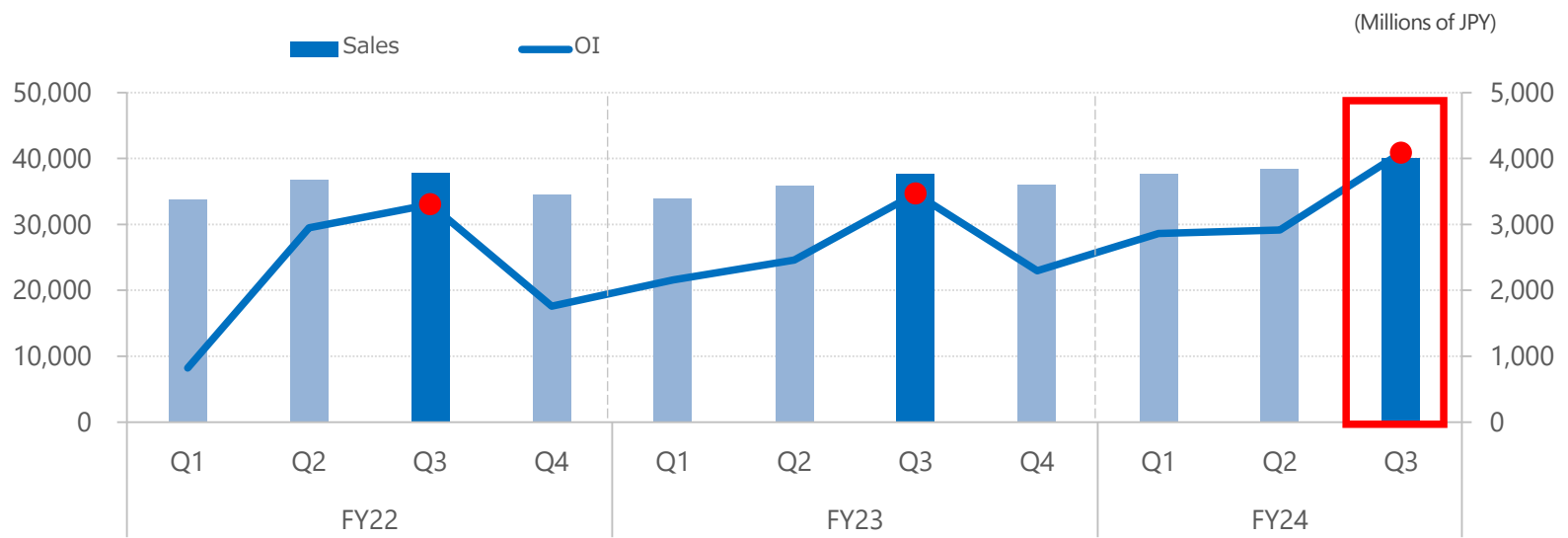


Excludes FX Impact



* Figures in parentheses exclude the Russian subsidiaries.

Quarterly Sales & OI



Sales	33,686	36,777	37,871	34,489	33,989	35,797	37,628	36,031	37,674	38,415	40,121
YoY	+11.6%	+22.2%	+17.9%	+6.5%	+0.9%	-2.7%	-0.6%	+4.5%	+10.8%	+7.3%	+6.6%
OI	824	2,951	3,304	1,760	2,160	2,460	3,467	2,295	2,864	2,914	4,086
YoY	-51.7%	2.7x	+68.3%	+6.0%	2.6x	-16.6%	+4.9%	+30.4%	+32.6%	+18.4%	+17.9%



Sales and OI by Region

(Millions of JPY)

Japan The Americas Europe Asia/Oceania

Sales

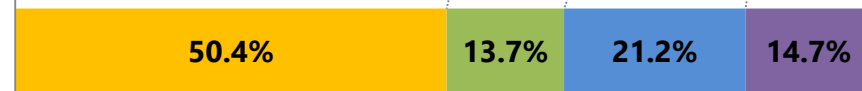
107,415

FY23



116,211

FY24

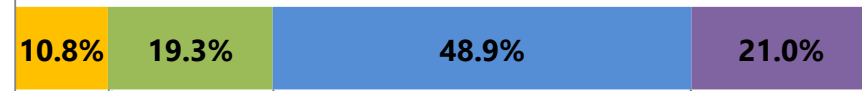


Operating Income

* Ratio excludes eliminations.

7,829

FY23



10,079

FY24



OI Ratio FY23 Japan : 1.5%, Overseas : 13.7%
 FY24 Japan : 4.8%, Overseas : 12.7%

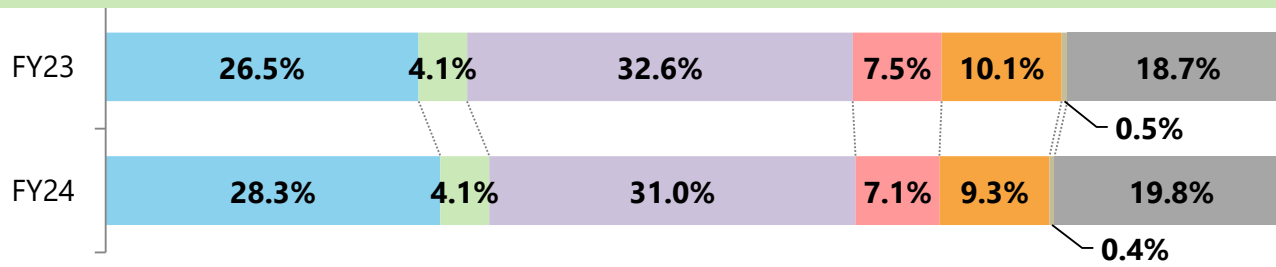


Sales by Vertical

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

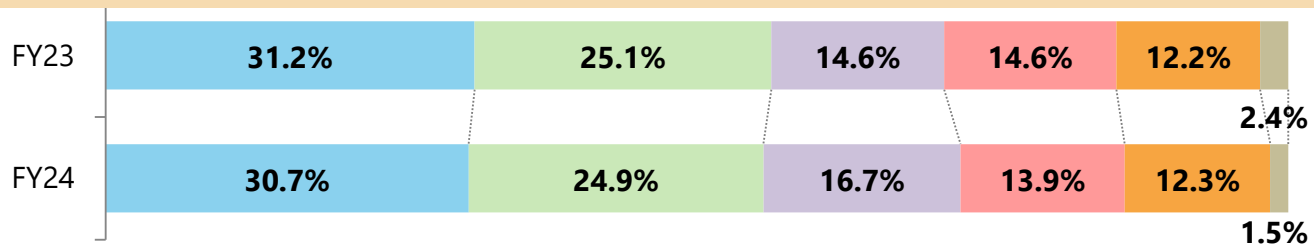
Overseas

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



Japan

* Maintenance services not included



*From Q1 FY23, the classification of some industries has changed from public to logistics in Japan. The graphs retroactively reflect the change.



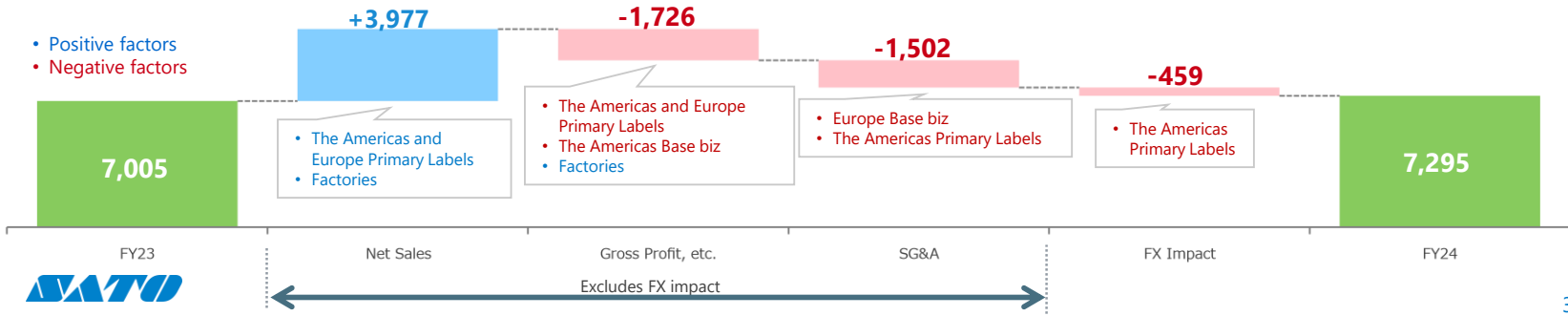
Overview

(Millions of JPY)

	FY23	FY24	Change	YoY	In local currencies
Base business Total Sales	36,005	39,491	+3,485	+9.7%	+5.3%
Primary Labels business Total Sales	15,200	18,158	+2,958	+19.5%	+30.4%
Total Sales	51,205	57,649	+6,443	+12.6%	+12.7%
Gross Profit	21,413	23,377	+1,963	+9.2%	-
Gross Profit %	41.8%	40.6%	-1.3pt	-	-
Base business Operating Income	3,023	3,531	+508	+16.8%	+14.7%
Primary Labels business Operating Income	3,765	3,790	+25	+0.7%	+14.6%
Elimination Operating Income	217	-27	-244	-	-
Operating Income	7,005	7,295	+289	+4.1%	+10.7%
Operating Income %	13.7%	12.7%	-1.0pt	-	-

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

Major Gains/Losses in OI



The Americas Base business

(Millions of JPY)

	FY23	FY24	Change		
				YoY	In local currencies
Total Sales	13,059	13,367	+307	+2.4%	+1.7%
Operating Income	630	348	-282	-44.8%	-24.6%

Europe Base business

(Millions of JPY)

	FY23	FY24	Change		
				YoY	In local currencies
Total Sales	8,713	9,357	+643	+7.4%	+0.3%
Operating Income	814	324	-490	-60.2%	-63.1%

Asia/Oceania Base business

(Millions of JPY)

	FY23	FY24	Change		
				YoY	In local currencies
Total Sales	14,231	16,766	+2,534	+17.8%	+11.5%
Operating Income	1,578	2,859	+1,280	+81.1%	+70.6%



Primary Labels business

(Millions of JPY)

		FY23	FY24	Change	YoY	In local currencies
The Americas Achernar (Argentina) Plakorar (Brazil)	Total Sales	2,764	2,581	-183	-6.6%	+67.4%
	Operating Income	836	473	-363	-43.5%	+28.7%
Europe Okil/ X-pack (Russian)	Total Sales	12,224	15,284	+3,060	+25.0%	+22.0%
	Operating Income	2,907	3,282	+374	+12.9%	+10.1%
Asia/Oceania Hirich (Vietnam)	Total Sales	211	292	+81	+38.6%	+34.2%
	Operating Income	20	35	+15	+74.3%	+68.6%
Total Sales	Total Sales	15,200	18,158	+2,958	+19.5%	+30.4%
	Operating Income	3,765	3,790	+25	+0.7%	+14.6%

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



Sales and OI by Business Segment/Region

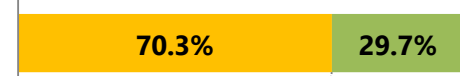
(Millions of JPY)

Base business Primary Labels The Americas Europe Asia/Oceania

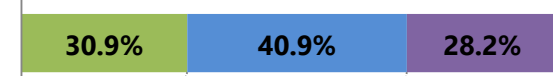
Sales

51,205

FY23

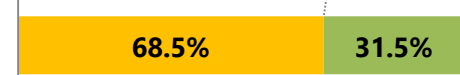


FY23

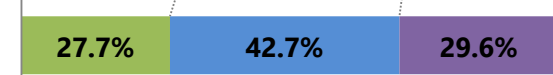


57,649

FY24



FY24



Operating Income

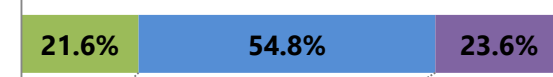
* Ratio excludes eliminations.

7,005

FY23



FY23



7,295

FY24



FY24



OI ratio:

FY23 Base business : 8.4%, Primary Labels : 24.8%

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

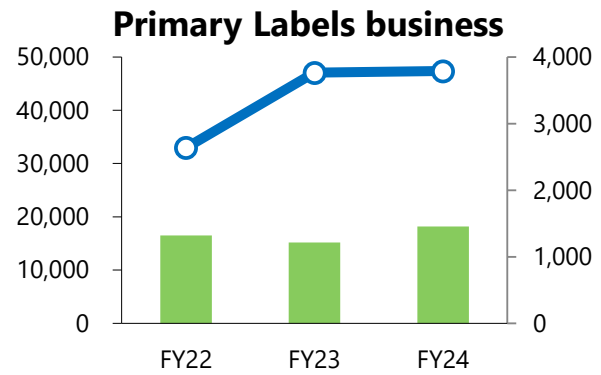
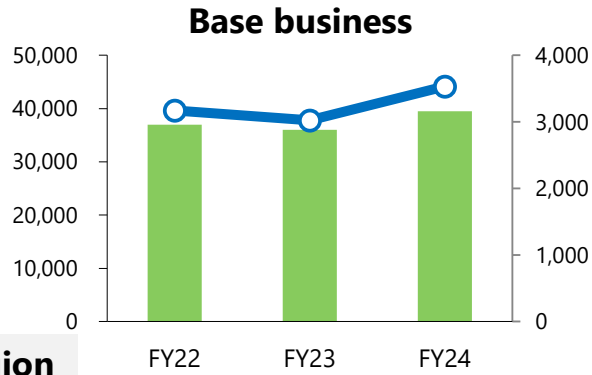
FY23 The Americas : 9.3%, Europe : 17.8%
Asia/Oceania : 11.1%

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

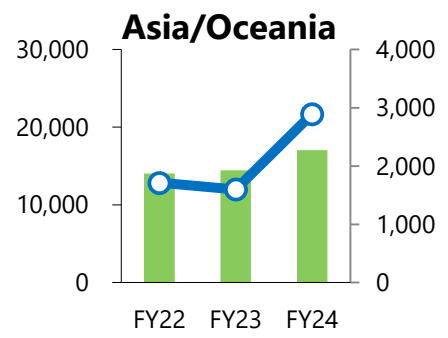
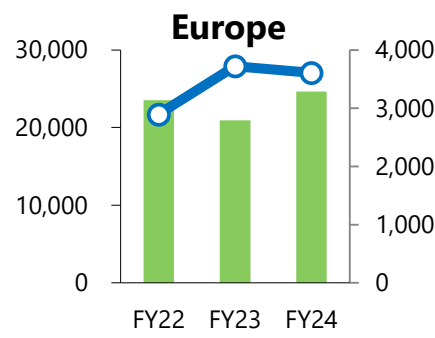
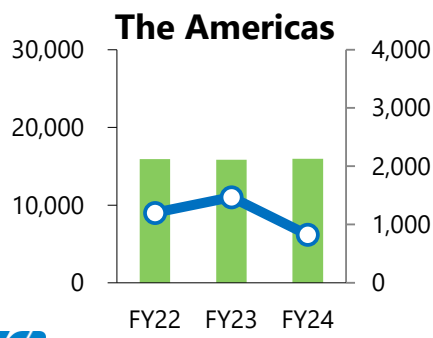


Sales and OI Trends by Business Segment and Region

By Business Segment Sales (LHS) OI (RHS) (Millions of JPY)



By Region



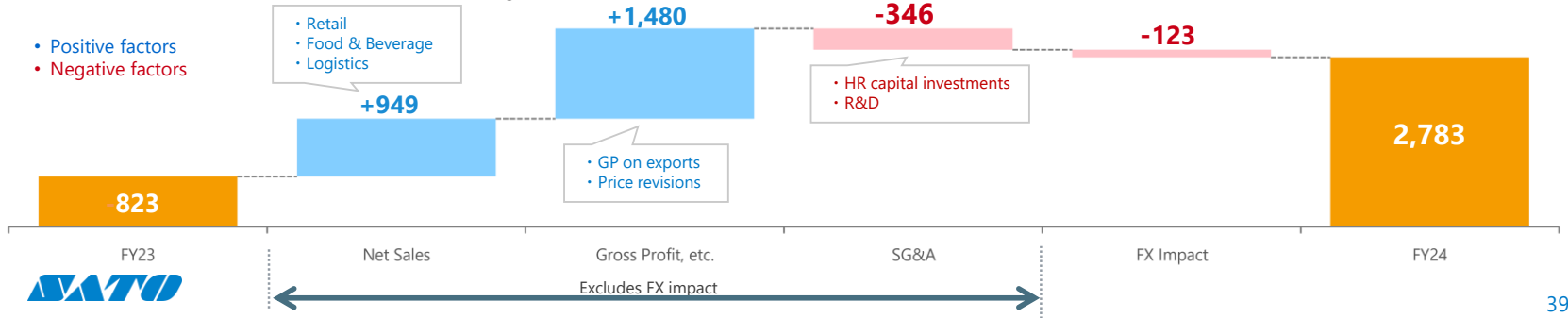
Overview

(Millions of JPY)

	FY23	FY24	Change	YoY
Mechatronics Sales	21,224	22,394	+1,169	+5.5%
Consumables Sales	34,984	36,167	+1,182	+3.4%
Total Sales	56,209	58,561	+2,352	+4.2%
Gross Profit	24,196	26,503	+2,307	+9.5%
Gross Profit %	43.0%	45.3%	+2.2pt	-
Operating Income	823	2,783	+1,960	3.4x
Operating Income %	1.5%	4.8%	+3.3pt	-

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

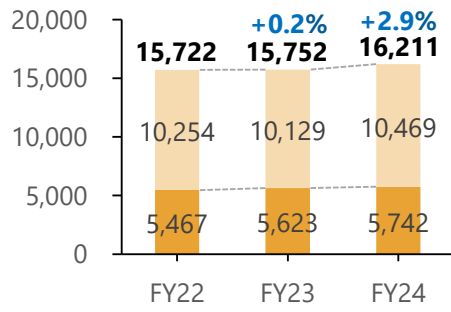


Sales by Vertica

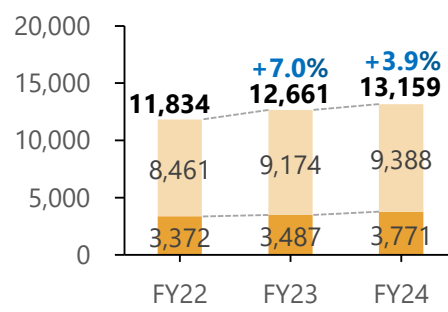
■ : Mechatronics ■ : Consumables * % indicates YoY change

(Millions of JPY)

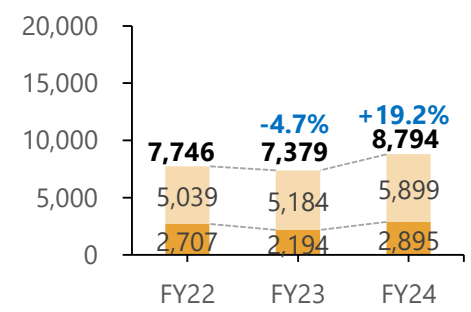
Manufacturing



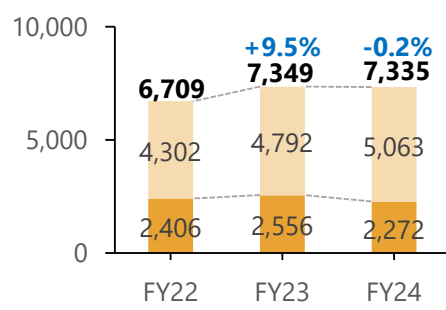
Logistics^{*2}



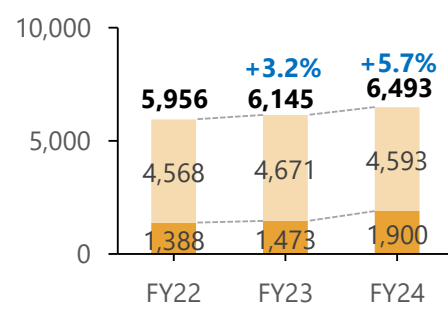
Retail



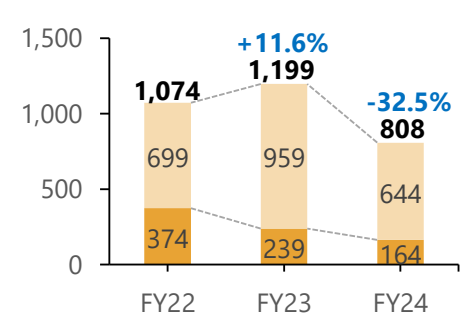
Health Care



Food & Beverage



Public^{*2}



* 1 From Q1 FY24, sales of maintenance services have been partially included in Mechatronics. The graphs retroactively reflect the change
 * 2 From Q1 FY23, the classification of some industries has changed from public to logistics. The graphs retroactively reflect the change.

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

(Millions of JPY)

		FY23	FY24	YoY	In local currencies
Consolidated	Total Sales	33,433	35,238	+5.4%	+6.4%
	Operating Income	2,704	2,935	+8.5%	+14.7%
Overseas	Base				
	Total Sales	12,422	13,329	+7.3%	+5.3%
	Operating Income	1,340	1,200	-10.4%	-12.4%
	Primary Labels				
	Total Sales	1,030	892	-13.4%	+44.2%
	Operating Income	374	46	-87.5%	-64.3%
Eliminations					
Operating Income	12	6	-48.9%	-48.9%	
Total	Total Sales	13,453	14,221	+5.7%	+8.2%
	Operating Income	1,727	1,254	-27.4%	-23.9%
Japan	Total Sales	19,980	21,016	+5.2%	+5.2%
	Operating Income	927	1,824	+96.8%	2.1x
Eliminations	Operating Income	49	-143	-	-



Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY23	FY24	Change	YoY
Net Sales	33,433	35,238	+1,805	+5.4%
Operating Income	2,704	2,935	+230	+8.5%
Operating Income %	8.1%	8.3%	+0.2pt	-
Ordinary Income	2,777	3,015	+238	+8.6%
Profit attributable to owners of parent	2,385	1,955	-430	-18.0%
Effective Tax Rate	13.5%	35.0%	+21.5pt	-
EBITDA*	3,838	4,213	+375	+9.8%

Average FX for Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR (Apr-Dec 2023: JPY 143.32/USD, JPY 155.32/EUR)

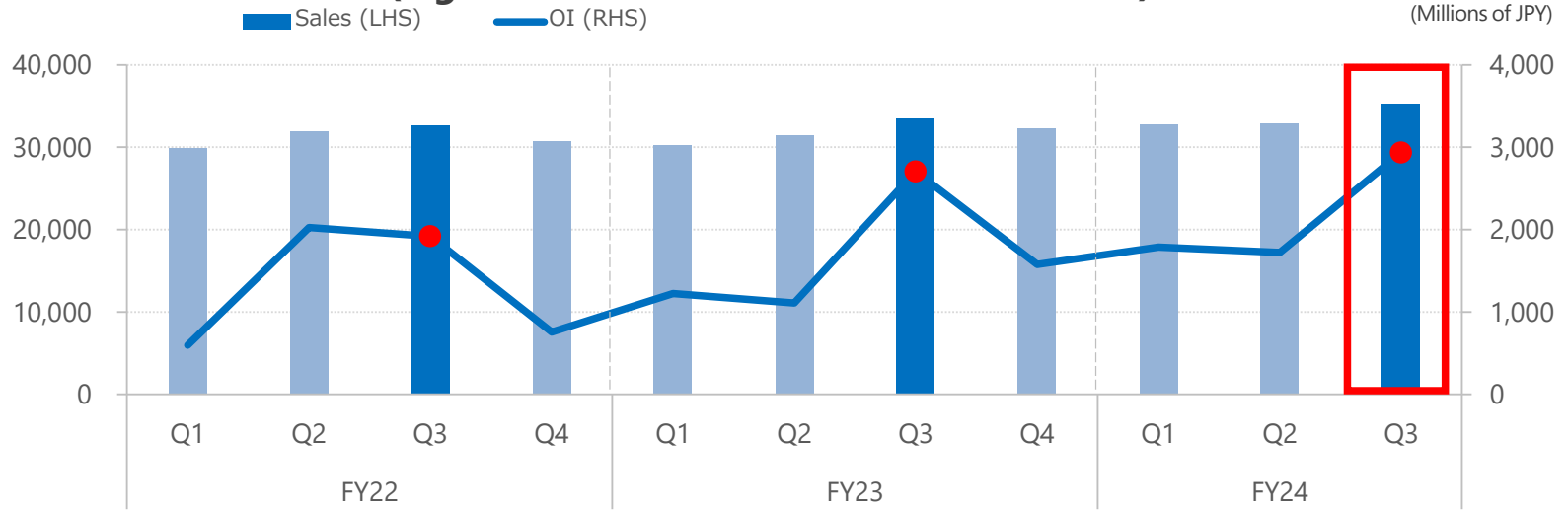
* EBITDA = Operating Income + Depreciation + Amortization

· Depreciation for Oct-Dec 2024: JPY 1,242 million (Oct-Dec 2023: JPY 1,097 million)

· Amortization for Oct-Dec 2024: JPY 36 million (Oct-Dec 2023: JPY 36 million)



Quarterly Sales & OI
(Figures exclude the Russian subsidiaries)



Sales	29,818	32,001	32,588	30,748	30,301	31,455	33,433	32,257	32,770	32,918	35,238
YoY	+6.8%	+15.2%	+10.5%	+2.9%	+1.6%	-1.7%	+2.6%	+4.9%	+8.1%	+4.7%	+5.4%
OI	598	2,024	1,919	755	1,222	1,110	2,704	1,577	1,789	1,724	2,935
YoY	-60.2%	2.3x	+6.8%	-35.6%	2.0x	-45.1%	+40.9%	2.1x	+46.5%	+55.2%	+8.5%



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

(Millions of JPY)

		FY23	FY24	YoY	In local currencies
Consolidated	Total Sales	95,190	100,926	+6.0%	+6.5%
	Operating Income	5,037	6,449	+28.0%	+41.3%
Overseas	Base				
	Total Sales	36,005	39,491	+9.7%	+5.3%
	Operating Income	3,023	3,531	+16.8%	+14.7%
	Primary Labels				
	Total Sales	2,976	2,874	-3.4%	+65.1%
	Operating Income	714	374	-47.6%	+37.3%
Eliminations					
Operating Income	217	-27	-	-	
Total	Total Sales	38,981	42,365	+8.7%	+9.8%
	Operating Income	3,955	3,878	-1.9%	+11.8%
Japan	Total Sales	56,209	58,561	+4.2%	+4.2%
	Operating Income	823	2,783	3.4x	3.5x
Eliminations	Operating Income	258	-213	-	-



Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY23	FY24	Change	YoY
Net Sales	95,190	100,926	+5,736	+6.0%
Operating Income	5,037	6,449	+1,412	+28.0%
Operating Income %	5.3%	6.4%	+1.1pt	-
Ordinary Income	5,006	5,788	+781	+15.6%
Profit attributable to owners of parent	3,116	3,670	+554	+17.8%
Effective Tax Rate	22.8%	36.1%	+13.3pt	-
EBITDA*	8,402	10,086	+1,683	+20.0%

Average FX for Apr-Dec 2024: JPY 152.64/USD, JPY 164.89/EUR (Apr-Dec 2023: JPY 143.32/USD, JPY 155.32/EUR)

* EBITDA = Operating Income + Depreciation + Amortization

· Depreciation for Apr-Dec 2024: JPY 3,523 million (Apr-Dec 2023: JPY 3,256 million)

· Amortization for Apr-Dec 2024: JPY 113 million (Apr-Dec 2023: JPY 109 million)



SATO terminologies (1/4)

(*) Underlined terms are described under its own heading

SATO-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 Labels businesses</u> .
2	DCS & Labeling (DCS: Data Collection Systems)	SATO's business model that incorporates auto-ID technology (such as barcodes and <u>RFID</u>) 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 Labels 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 locates it. 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 in 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	PUT (Perfect and Unique Tagging)	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 for society as a whole.



SATO terminologies (2/4)

SATO-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, 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	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.
7	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.
8	Source tagging	A supply chain management practice of instructing vendors or suppliers to affix labels containing specified information of products upon 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 its business including PJM (Phase Jitter Modulation), a highly superior <u>RFID</u> technology that can quickly and accurately identify large volumes of tagged items stacked or stored in any physical orientation even in the presence of metals and liquids. 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	X-Pack (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 Holdings.





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