November 12, 2025

SATO Corporation

Q2 FY2025 Financial Results

(Six Months Ended September 30, 2025)

Securities Code: 6287.T

Jul-Sep 2025
Results

Business Strategy Review

Jul-Sep 2025 Results

Business Strategy Review

Auto-ID Solutions Business (Consolidated)

Summary

■ Q2 (Jul-Sep) Results

- **Consolidated sales increased (+5%), while OI decreased (-6%) year on year.**
  % in parentheses indicates year-on-year changes.
- **Overseas business: Sales (-1%) and OI (-30%) decreased. Japan business: Sales (+12%) and OI (+34%) increased.**
  - ✓ Overseas base business: Sales (+2%) and OI (+8%) increased.
  - ✓ Overseas primary labels business: Sales (-8%) and OI (-64%) decreased.
- **Sales and OI were lower than planned in the overseas business and higher than planned in the Japan business.**
  - ✓ Overseas, the base business in Asia and Oceania performed well, pushing up results above plan. However, overall sales and OI fell short of plan due to weaker demands in the primary labels business in Russia caused by weather conditions and increased costs.
  - ✓ In Japan, the recovery in mechatronics sales contributed to results exceeding the plan.

■ FY25 (Apr-Mar) Outlook

- **The consolidated full-year OI forecast has been revised downward.**
  - ✓ Overseas business: Based on the first half results, the forecast for the primary labels business has been revised downward. The forecast for the base business has been revised upward, due to strong performance at factories in Asia and Oceania.
  - ✓ Japan business: In light of strong mechatronics sales, the forecast has been revised upward.

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Key Highlights of Q2(Jul-Sep) Financial Results

- Quarterly results for Q2:
  - Year-on-year, consolidated sales increased while operating income decreased. The percentages in parentheses show year-on-year comparisons.
  - Sales increased overall, as sales growth in Japan, driven by a large strategic project in logistics and strong performance in manufacturing, offset the sales decline in the overseas primary labels business.
  - OI decreased on a consolidated basis, as higher OI in Japan could not fully offset the impact of lower OI in the overseas primary labels business.

- Compared to the plan:
  - Consolidated sales fell short of the plan mainly due to the underperformance in the overseas primary labels business.

  - Operating income:
    - The Japan business performed better than the plan, driven by mechatronics sales in manufacturing and logistics. Results from factories in Asia and Oceania were also better than the plan.
    - However, sales in the primary labels business in Russia decreased due to reduced demand for beverages and other products due to the cold summer and an increase in personnel and other costs due to inflation. As the result, consolidated OI fell short of the plan.

- Downward revision made to the consolidated OI plan for the full year
    - The consolidated OI forecast has been revised downward due to the lower-than-planned OI of the primary labels business. On the other hand, OI forecasts of the overseas base business and the Japan business have been revised upward based on the 1H results.
    -
  - Details are provided in later slides.

Auto-ID Solutions Business (Consolidated) Jul-Sep[*1]

Sales and OI by Business Segment[*2]

(Millions of JPY)

			FY24	FY25	YoY	In local currencies
Consolidated		**Total Sales**	**38,415**	**40,418**	**+5.2%**	**+4.5%**
		Operating Income	**2,914**	**2,741**	**-5.9%**	**-3.9%**
Overseas	**Base**	Total Sales	12,806	13,022	+1.7%	+1.4%
		Operating Income	1,053	1,133	+7.6%	+7.9%
	Primary Labels	Total Sales	6,416	5,922	-7.7%	-11.4%
		Operating Income	1,290	468	-63.7%	-63.4%
	Eliminations	Operating Income	-40	24	-	-
	Total	Total Sales	19,223	18,944	-1.4%	-2.9%
		Operating Income	2,303	1,626	-29.4%	-29.1%
Japan		Total Sales	19,191	21,473	+11.9%	+11.9%
		Operating Income	773	1,036	+34.0%	+40.9%
Eliminations		Operating Income	-162	78	-	-

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* 1 Apr-Sep results are shown on p. 32.
* 2 Sales and OI excluding Russian subsidiaries are shown on p. 45.

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- The analyses are in principle presented on a year-over-year basis.
- The actual performance figures for what is described in the "**Summary**" on the previous slide are shown in the table.
- For Jul-Sept results excluding those of the Russian subsidiaries, please refer to page 45.
- For Jul-Sept results of the Russian subsidiaries, please refer to the European primary label business figures shown on page 12.

Auto-ID Solutions Business (Consolidated) Jul-Sep*1

Consolidated Results*2

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	38,415	40,418	+2,002	+5.2%
Operating Income	2,914	2,741	-172	-5.9%
Operating Income %	7.6%	6.8%	-0.8pt	-
Ordinary Income	2,471	2,574	+102	+4.2%
Profit attributable to owners of parent	1,830	1,841	+10	+0.6%
Effective Tax Rate	16.8%	27.2%	+10.4pt	-
EBITDA*	4,271	4,246	-24	-0.6%

FX sensitivity for FY25: Assuming a 1-yen depreciation of the Japanese yen against the US dollar and an equivalent depreciation against other currencies, the estimated impact for the full-year FY25 would be an increase in sales of JPY 561 million and an increase in OI of JPY 35 million.

Average FX rates for Apr-Sep 2025: JPY 146.02/USD, JPY 168.05/EUR (Apr-Sep 2024: JPY 152.78/USD, JPY 166.06/EUR)

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
・Depreciation for Jul-Sep 2025: JPY 1,501 million (Jul-Sep 2024: JPY 1,319 million)
・Amortization for Jul-Sep 2025: JPY 3 million (Jul-Sep 2024: JPY 38 million)

*1 Apr-Sep results are shown on p. 33.
*2 Sales and OI excluding Russian subsidiaries are shown on p. 46.

Consolidated results

- In Q2 (Jul–Sep) FY24, the effective tax rate was low at the end of September, due to the appreciation of JPY against various currencies. In Q2 FY25, the rate returned to normal levels.

Auto-ID Solutions Business (Overseas) Jul-Sep*

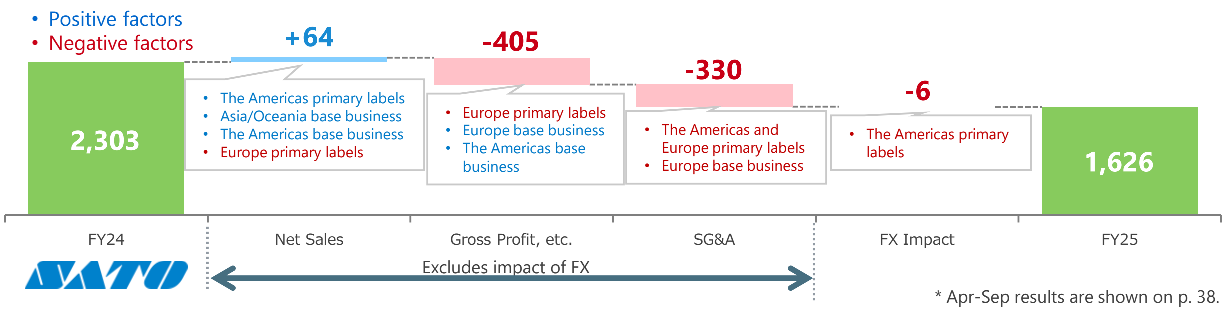
Overview

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Base business Total Sales	12,806	13,022	+215	+1.7%	+1.4%
Primary Lablels business Total Sales	6,416	5,922	-494	-7.7%	-11.4%
Total Sales	**19,223**	**18,944**	**-278**	**-1.4%**	**-2.9%**
Gross Profit	7,490	7,182	-308	-4.1%	-
Gross Profit %	39.0%	37.9%	-1.1pt	-	-
Base business Operating Income	1,053	1,133	+79	+7.6%	+7.9%
Primary Lablels business Operating Income	1,290	468	-821	-63.7%	-63.4%
Elimination Operating Income	-40	24	+65	-	-
Operating Income	2,303	1,626	-676	-29.4%	-29.1%
Operating Income %	12.0%	8.6%	-3.4pt	-	-

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

Major Gains/Losses in OI



Sales

- **Sales in the base business increased, driven by Europe and Asia/Oceania.**
- **Sales in the primary labels business declined as the competitive environment in Europe returned to its normal state before the Ukraine conflict, and as the demand dropped due to weather conditions.**

Operating Income

- **OI in the base business increased due to strong performance in the Americas and Asia/Oceania.**
- **OI in the primary labels business declined due to increased costs in Europe.**

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* Apr-Sep results are shown on p. 38.

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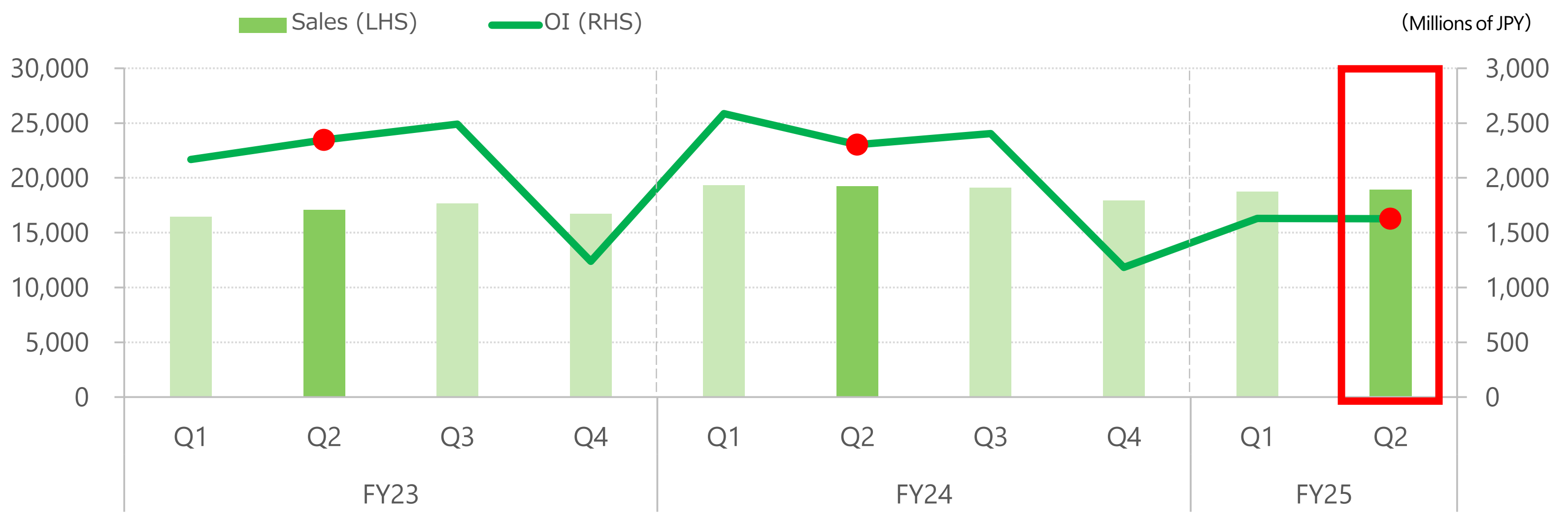
Overview of Overseas Business

- Overseas business recorded lower sales and OI year on year.
- Sales increased in the base business, driven by positive currency impact at the European sales subsidiaries and strong performance at the Asian/Oceanian sales subsidiaries.
- Sales in the primary labels business declined as the competitive environment in Russia returned to its normal state before the conflict in Ukraine (Feb. 24, 2022) and beverage demands fell due to a cold summer.
- OI increased in the base business, supported by strong performance at sales subsidiaries in the Americas and Asia/Oceania, and factories in Asia/Oceania.
- OI decreased in the primary labels business due to cost increases in Russia and South America.
- Further details by region are provided in the following slides.

Auto-ID Solutions Business (Overseas)

Jul-Sep

Quarterly Sales and Operating Income



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	16,452	17,104	17,648	16,725	19,321	19,223	19,104	17,937	18,737	18,944
YoY	+0.4%	-7.5%	-5.3%	+10.4%	+17.4%	+12.4%	+8.2%	+7.2%	-3.0%	-1.4%
OI	2,169	2,346	2,490	1,238	2,586	2,303	2,405	1,183	1,629	1,626
YoY	2.4x	+11.2%	-5.6%	-14.3%	+19.2%	-1.8%	-3.4%	-4.4%	-37.0%	-29.4%

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Quarterly trend (Overseas)

Auto-ID Solutions Business (Overseas)

Jul-Sep*

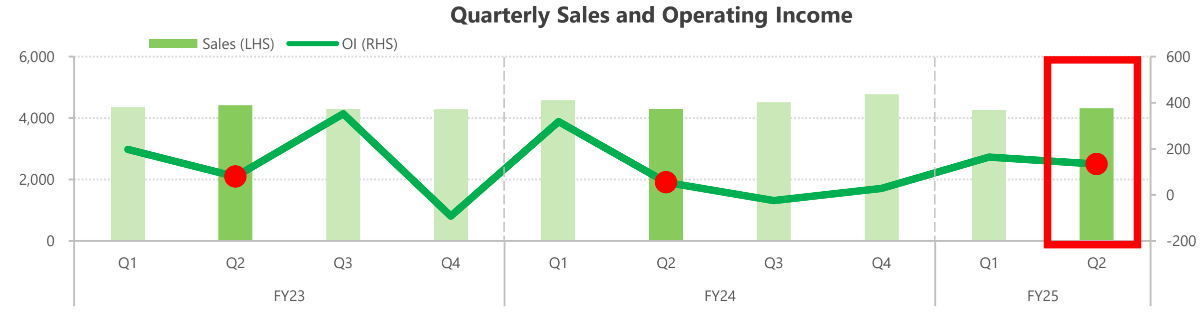
Base Business — The Americas

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	4,294	4,315	+20	+0.5%	+2.9%
Operting Income	54	133	+79	2.5x	2.6x

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

Quarterly Sales and Operating Income



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	4,353	4,412	4,293	4,274	4,568	4,294	4,503	4,768	4,264	4,315
YoY	+3.3%	-6.0%	-7.2%	+14.6%	+4.9%	-2.7%	+4.9%	+11.5%	-6.7%	+0.5%
OI	197	80	352	-92	318	54	-24	28	164	133
YoY	+17.0%	-75.5%	-13.1%	-	+61.3%	-32.9%	-	-	-48.4%	2.5x

Sales

- Sales in the U.S. increased, driven by ongoing high-value projects for print and apply systems.
- Sales decreased in South America due to the negative impact of foreign exchange rates, despite strong demands amid inflation.

Operating Income

- In the U.S., OI increased due to the high-value contracts mentioned above and effective management of SG&A expenses.
- OI decreased in South America due to increased personnel costs, among other costs, driven by inflation.

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* Apr-Sep results are shown on p. 39.

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Regional Performance of the Base Business — The Americas

- In the Americas, both sales and OI increased.
- Sales drivers included:
    - Increased sales from high-value projects for print and apply systems in logistics, despite the unfavorable exchange rates in the US.
    - Pharmaceutical labels project in health care.
- In South America, demand was brisk despite the high inflation, but sales were down, impacted by unfavorable exchange rates.
- OI increased overall, due to:
    - Increased sales from the above-mentioned high-value projects and effective SG&A control in the U.S., which absorbed the increase in costs associated with the discontinuation of the current printer model, including those for new printer development and labor and personnel expenses in the U.S.
- However, in South America, OI decreased due to rising labor and personnel costs caused by high inflation.

Auto-ID Solutions Business (Overseas) — Jul-Sep*

Base Business — Europe

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	3,028	3,191	+162	+5.4%	+0.8%
Operting Income	144	95	-49	-34.2%	-37.7%

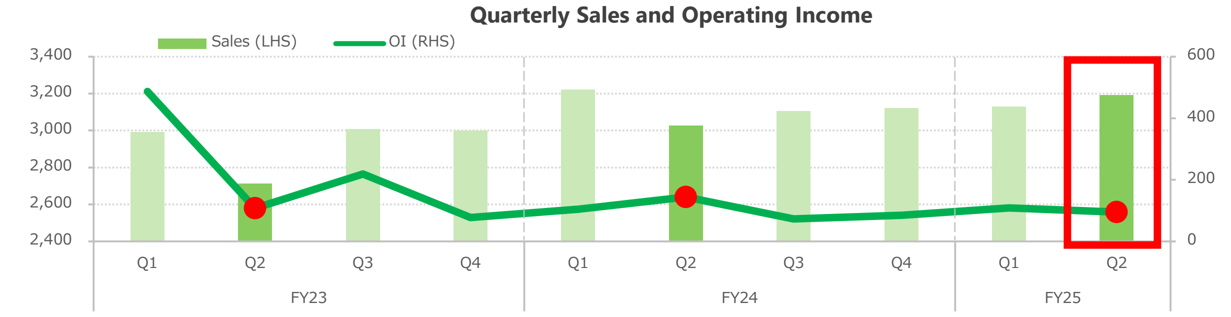
Sales

- In Europe, sales increased due to the positive impact of foreign exchange rates, despite weak investments amid economic downturns.
- The overall health care vertical remained strong.

Operating Income

- OI decreased as the higher sales and improved mix of end markets were not enough to offset higher costs, such as SG&A expenses.

Quarterly Sales and Operating Income



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	2,991	2,714	3,008	2,999	3,221	3,028	3,106	3,121	3,129	3,191
YoY	-6.4%	-16.9%	-4.5%	+7.5%	+7.7%	+11.6%	+3.3%	+4.1%	-2.9%	+5.4%
OI	487	108	219	78	105	144	73	85	109	95
YoY	2.9x	-47.1%	+11.2%	-60.9%	-78.3%	+33.8%	-66.2%	+9.0%	+4.3%	-34.2%

* Apr-Sep results are shown on p. 39.

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Regional Performance of the Base Business － Europe

- Sales increased while OI decreased.
- Sales increased due to the positive impact of foreign exchange rates, despite a challenging demand environment in Europe, where overall investment appetite was subdued amid the economic downturn, affecting key verticals such as retail and food & beverage.
- Overall, performance in the health care vertical was strong, supported by robust demands for PJM RFID labels.
- OI deceased, as the impact of increased sales and an improved sales mix from the strong performance in health care, where margins are high, was insufficient to cover:
  - Increased costs due to rising labor and personnel costs.

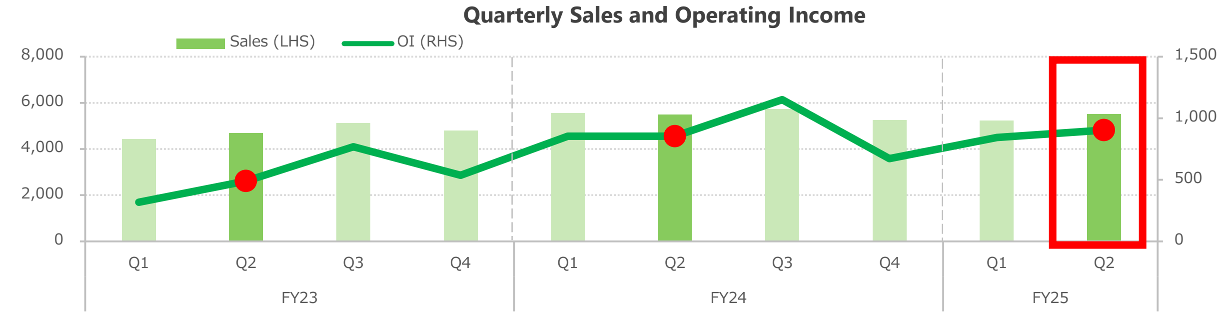
Auto-ID Solutions Business (Overseas) — Jul-Sep*

Base Business — Asia/Oceania

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	5,483	5,516	+33	+0.6%	+0.6%
Operting Income	854	904	+50	+5.9%	+6.1%

Quarterly Sales and Operating Income



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	4,431	4,679	5,120	4,790	5,564	5,483	5,718	5,251	5,234	5,516
YoY	+4.8%	-3.9%	+8.2%	+17.3%	+25.6%	+17.2%	+11.7%	+9.6%	-5.9%	+0.6%
OI	318	490	769	537	853	854	1,151	671	843	904
YoY	-10.0%	-19.3%	+4.9%	2.0x	2.7x	+74.2%	+49.7%	+25.0%	-1.1%	+5.9%

Sales

- In Australia, sales continued to be robust, driven by a high-value RFID projects.
- Sales increased at Chinese sales companies due to last-minute purchases before the increase in US tariff rates and growth in solution sales (kotouri) through direct sales.
- In Taiwan, sales decreased due to reduced demand for Argox products as the result of excess inventory built up in indirect sales channels.

Operating Income

- OI increased, driven by strong printer exports that resulted in improved factory profits.
- OI increased due to sales growth at sales companies in China and the high-value projects in Australia mentioned above.

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* Apr-Sep results are shown on p. 39.

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Regional Performance in Base Business — Asia and Oceania

- Both sales and OI increased in Asia and Oceania.
- Sales drivers included:
  - Continued strong performance in large RFID projects at the Australian sales subsidiary.
  - Contribution from Chinese sales subsidiaries, supported by rush demands before the U.S. tariff hike and strong direct sales of solutions and maintenance services, despite the challenging macroeconomic environment.
- Continuing on from Q1 (Apr-Jun), Argox in Taiwan suffered from decreased demands resulting from overstocking in its indirect sales channels.
- OI drivers included:
  - Sustained strong printer exports that boosted profitability at the Vietnamese factories.
  - Improved sales from the above-mentioned sales drivers.

Auto-ID Solutions Business (Overseas) — Jul-Sep*

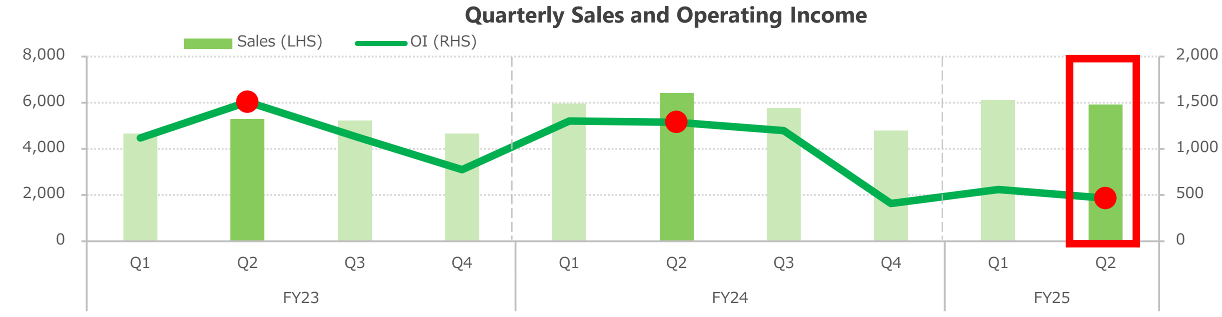
Primary Labels Business

(Millions of JPY)

		FY24	FY25	Change	YoY	In local currencies
The Americas Achernar (Argetina) Plakorar (Brazil)	Total Sales	826	905	+79	+9.6%	+26.6%
	Operating Income	135	116	-18	-13.4%	+9.5%
Europe Okil/ X-pack (Russian)	Total Sales	5,497	4,930	-567	-10.3%	-17.3%
	Operating Income	1,143	346	-797	-69.7%	-72.2%
Asia/Oceania Hirich (Vietnam)	Total Sales	93	87	-6	-6.8%	-4.1%
	Operating Income	11	5	-6	-52.7%	-53.3%
Total Sales	Total Sales	6,416	5,922	-494	-7.7%	-11.4%
	Operating Income	1,290	468	-821	-63.7%	-63.4%

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

Quarterly Sales and Operating Income



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	4,676	5,297	5,226	4,661	5,966	6,416	5,775	4,796	6,109	5,922
YoY	-1.7%	-6.2%	-14.6%	+2.5%	+27.6%	+21.1%	+10.5%	+2.9%	+2.4%	-7.7%
OI	1,118	1,509	1,136	775	1,301	1,290	1,198	409	561	468
YoY	4.3x	+55.2%	-18.9%	-29.5%	+16.4%	-14.5%	+5.4%	-47.2%	-56.9%	-63.7%

Sales

- In Europe, sales declined as the competitive environment of primary labels business returned to its normal state before the war in Ukraine, and as the demand dropped due to weather conditions. The impact of the tax changes is gradually abating.
- In the Americas, inflation continues to have an impact, but sales increased on successful development of new customers.

Operating Income

- In Europe, OI decreased due to drops in sales as explained above, and cost increases caused by capital investment in production equipment and higher personnel expenses.
- OI in the Americas decreased due to personnel and other inflation-driven cost increases.

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* Apr-Sep results are shown on p. 40.

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Performance of the Primary Labels Business (Overseas)

- Both sales and OI decreased.
- In Europe, sales in Russia decreased as the competitive environment in Russia returned to its normal state before the conflict in Ukraine (Feb. 24, 2022), and as demands for beverages declined due to the cold summer even though the drops in the demand for alcoholic beverages caused by tax regulation changes are moderating.
- In South America, sales increased due to the development of new customers, despite an inflationary environment and the depreciation of the local currencies against the yen.
- Overall OI declined due to:
  - The above-mentioned declines in sales in Russia.
  - Increases in labor and other costs associated with production capacity/equipment enhancement for supporting a broader product lineup.
  - Increases in costs, including inflation-driven labor/personnel costs, in South America.

Auto-ID Solutions Business (Japan) — Jul-Sep*

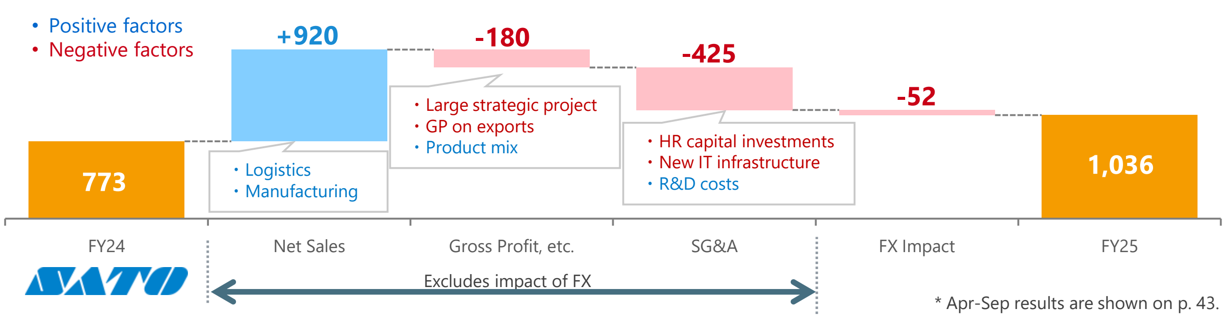
Overview

(Millions of JPY)

	FY24	FY25	Change	YoY
Mechatronics Sales	7,559	9,743	+2,184	+28.9%
Consumables Sales	11,632	11,729	+97	+0.8%
Total Sales	**19,191**	**21,473**	**+2,281**	**+11.9%**
Gross Profit	8,691	9,380	+689	+7.9%
Gross Profit %	45.3%	43.7%	-1.6pt	-
Operating Income	**773**	**1,036**	**+263**	**+34.0%**
Operating Income %	4.0%	4.8%	+0.8pt	-

Mechatronics: Hardware (e.g., printers, print and apply systems, scanners, hand labelers), software, maintenance services, etc.
Consumables: Variable information labels, RFID tags, primary labels (product labels), ribbons, etc.

Major Gains/Losses in OI



Sales

- **Mechatronics: Sales increased, driven by a large strategic project and successfully captured demand related to the revised logistics efficiency laws. Strong demand in manufacturing continued, driven by investments in efficiency improvements.**
- **Consumables: Sales increased on firm overall demand.**

Operating Income

- **OI increased due to the above-mentioned sales increases, an improved product mix, higher printer exports and effective management of SG&A expenses.**

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* Apr-Sep results are shown on p. 43.

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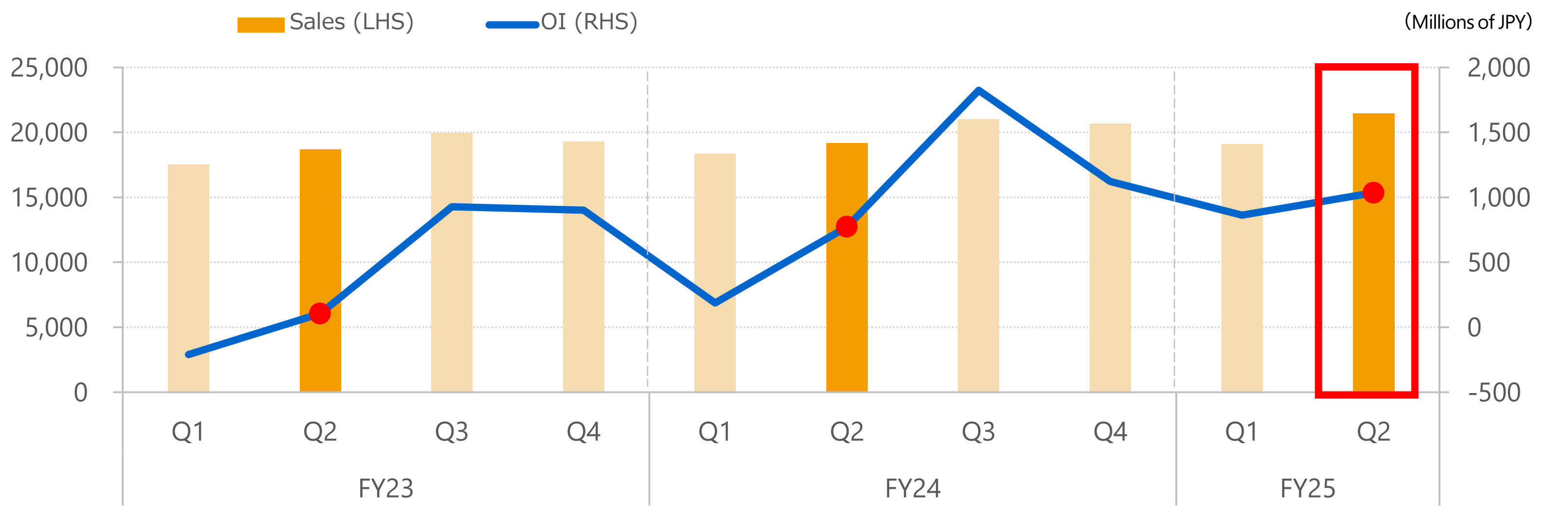
Overview of Japan Business

- Both sales and OI increased.
- In mechatronics:
  - Sales grew, driven by a large strategic project in logistics and demand related to compliance with the revised logistics efficiency laws.
  - Demand remained strong in manufacturing due to continued investment in operational efficiency.
  - Increased sales of packaged software also contributed to the sales growth.
- In consumables:
  - Sales increased due to solid demand overall.
- OI increased as a result of:
  - Sales growth mentioned above,
  - Improved product mix, and
  - Continued efforts to manage SG&A expenses.
- However, OI was adversely affected by the appreciation of the Malaysian Ringgit (MYR) from a year-ago period, as some of our printer factories are in Malaysia.

Auto-ID Solutions Business (Japan)

Jul-Sep

Quarterly Sales and Operating Income



Sales	17,536	18,692	19,980	19,305	18,353	19,191	21,016	20,658	19,091	21,473
YoY	+1.4%	+2.2%	+3.8%	-0.2%	+4.7%	+2.7%	+5.2%	+7.0%	+4.0%	+11.9%
OI	-210	106	927	901	186	773	1,824	1,123	864	1,036
YoY	-	-88.7%	-16.4%	+51.5%	-	7.3x	+96.8%	+24.6%	4.6x	+34.0%

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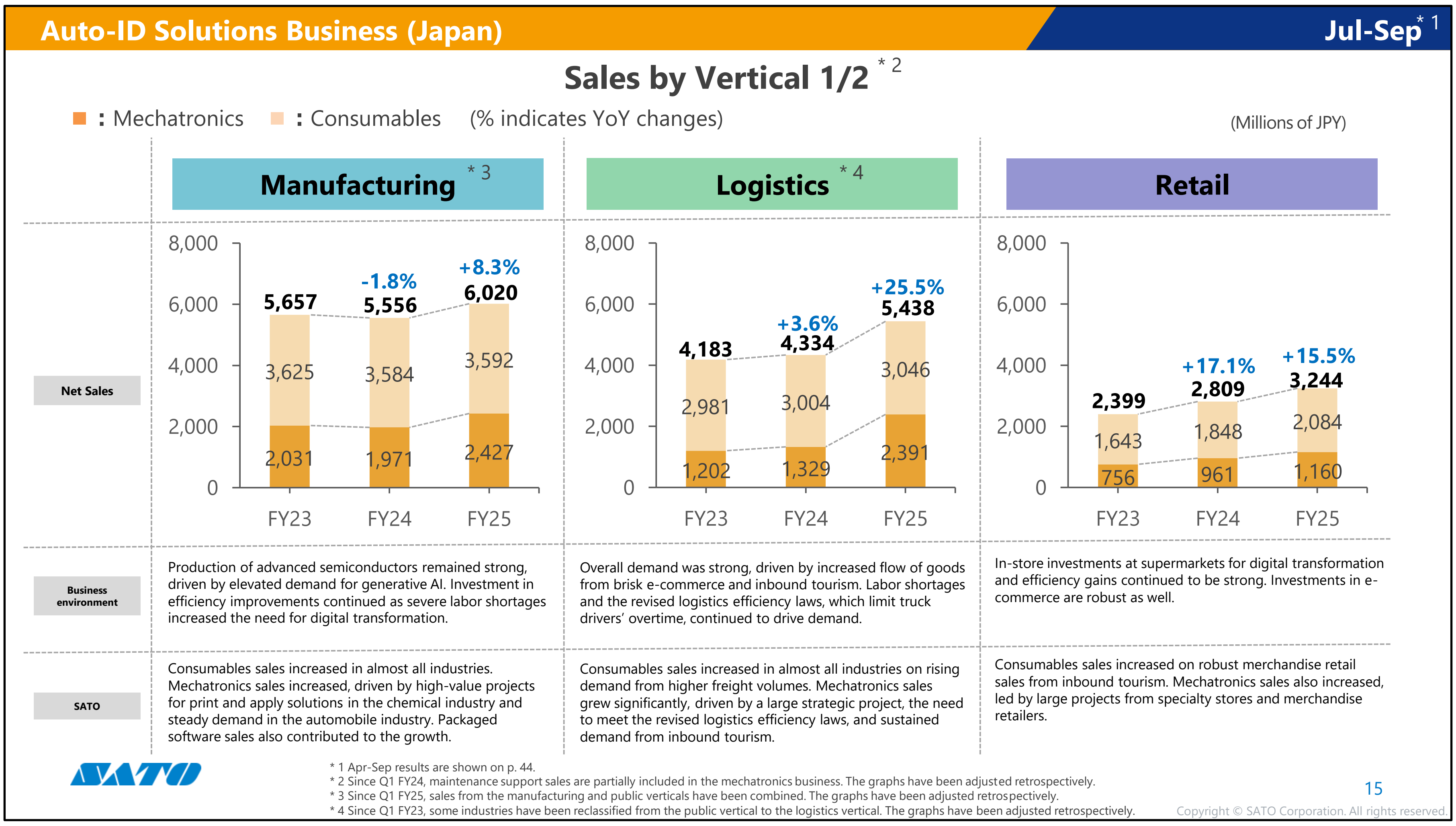
Quarterly trend (Japan)



Sales by Vertical (Japan)

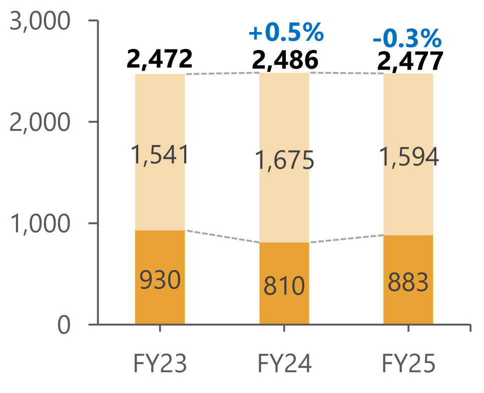
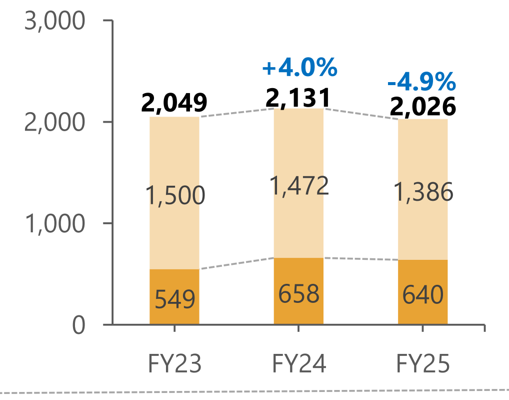
- **Manufacturing:**
  - Sales increased overall as demand for generative AI grew in a trend that continued from Q1 (Apr-Jun), resulting in strong production of advanced semiconductors and increased sales in electronic component industry, among others.
  - Consumables sales increased across most industries.
  - Mechatronics sales were up, driven by high-value projects for print and apply systems in the chemical industry and steady growth in small- and medium-sized projects in the automotive industry.
  - In addition, sales of packaged software for incoming and outgoing shipments also contributed to the growth.
- **Logistics:**
  - Sales in logistics remained strong for both consumables and mechatronics products, driven by increased freight volumes and the demand created by the revised logistics efficiency laws.
  - Sales of mechatronics products benefited greatly from a large strategic project.
  - In addition, sales of printers used in tourist luggage delivery services also continued to grow, driven by brisk inbound tourism.
- **Retail:**
  - Continuing from Q1 (Apr-Jun), consumables sales remained strong, thanks to a recovery in the general merchandize retail driven by the robust inbound tourism.
  - Sales of mechatronics products increased, driven mainly by high-value projects for:
    - Label printers used for inventory management in inter-store transfers at specialty stores.
    - Security measures at general merchandise retailers.

Auto-ID Solutions Business (Japan) — Jul-Sep[*1]

Sales by Vertical 2/2[*2]

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

(Millions of JPY)

	Health Care	Food & Beverage
Net Sales		
Business environment	Brisk investments in RFID continued to improve administrative efficiency and to combat labor shortages. Demand is strong overall.	Robust demand for automation and RFID solutions continued, as higher raw materials and logistics costs and severe labor shortages keep affecting businesses.
SATO	Consumables sales decreased year-on-year, due to the lack of the one-off high-value project recorded in the prior year, despite high demand for RFID solutions that was successfully captured. Mechatronics sales increased, driven by high-value projects involving RIFD and print and apply solutions in hospital and pharmaceutical industries.	Consumables sales decreased due to lower sales of specific products in the food manufacturing industry. In mechatronics, sales remained almost flat, as higher sales of packaged software for traceability offset the lack of the one-off high-value projects recorded in previous year.

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* 1 Apr-Sep results are shown on p. 44.
* 2 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.

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Sales by Vertical (Japan) (Continued)

- **Health care:**
  - Consumable sales decreased, as brisk RFID solution sales were not sufficient to make up for the absence of high-value projects in the year-ago period.
  - Mechatronics sales increased in the medical equipment and hospital industries, driven by demand for efficiency gains through RFID and automation solutions.
- **Food & Beverage**
  - Consumables sales declined, affected by the lower sales of specific products in the food manufacturing industry.
  - Mechatronics sales were flat, as the decline caused by the absence of the previous year's large traceability project was largely offset by increased sales of traceability-related packaged software.
- **Overall:**
  - Though quarterly results are impacted by the timing of large projects, overall demand remained strong across all industries.

Auto-ID Solutions Business (Japan) Jul-Sep

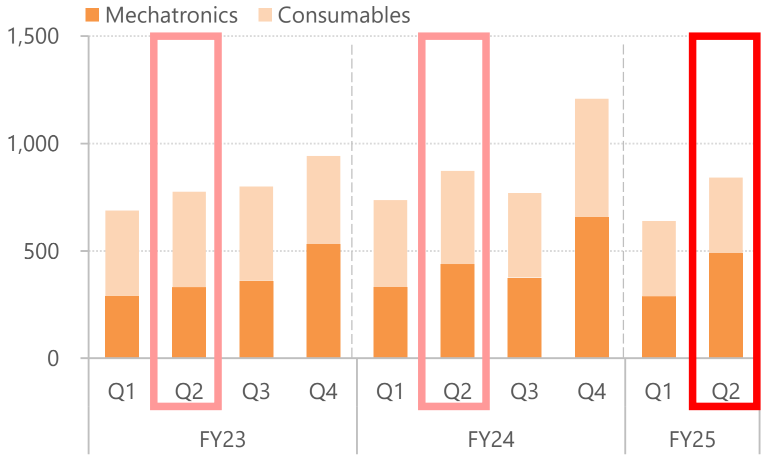
RFID and Automation Sales

Demand for RFID and Automation solutions continued to be strong on elevated needs for digital transformation to address labor shortages, among others.
RFID solutions sales declined due to the lack of the one-off large orders in the food market recorded previous year, despite the solid sales of packaged software across all verticals.
Automation solutions sales decreased year on year, reflecting a temporary slowdown across verticals.

(Millions of JPY)

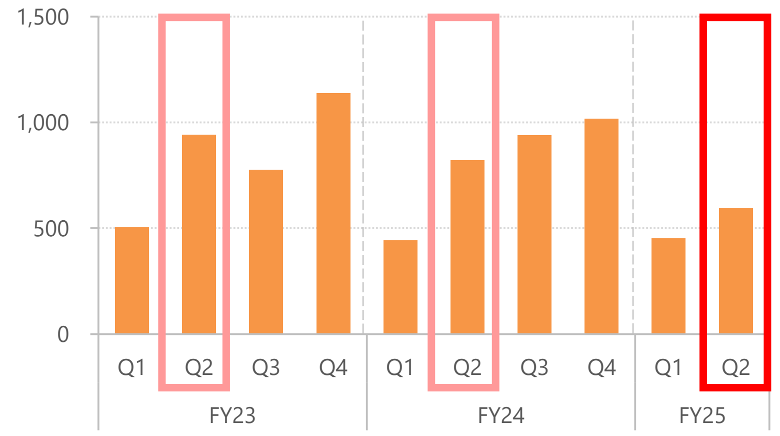
RFID

Q2 FY25: **-3.0%** YoY



Automation*

Q2 FY25: **-27.8%** YoY



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

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Quarterly Sales Trends of RFID and Automation Solutions (Japan)

- Demand remains robust.
- RFID sales declined, although sales of packaged software and other products were strong in all vertical, they were not enough to offset the year-on-year decline caused by the absence of the previous year's high-value project in food & beverage.
- Automation solutions sales also decreased, due to a temporary slowdown as customer investment plateaued across verticals.

Auto-ID Solutions Business (Overseas) Jul-Sep

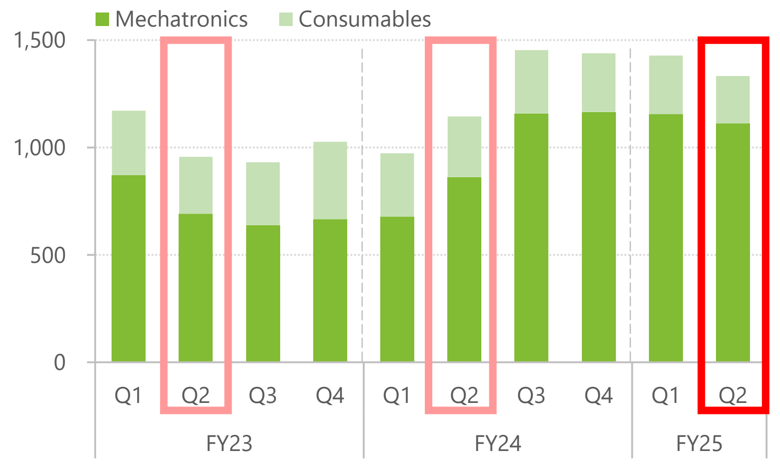
RFID and Automation Sales

Demand for RFID and Automation solutions continued to be strong, driven by labor shortages and robust demand for digital transformation.
RFID solutions sales were up year on year, boosted by high-value projects in manufacturing.
Automation solutions sales grew, driven by a high-value logistics project in the US. In addition, strong demand in Asia, spurred by skilled labor shortages and rising labor costs, contributed to overall growth.

(Millions of JPY)

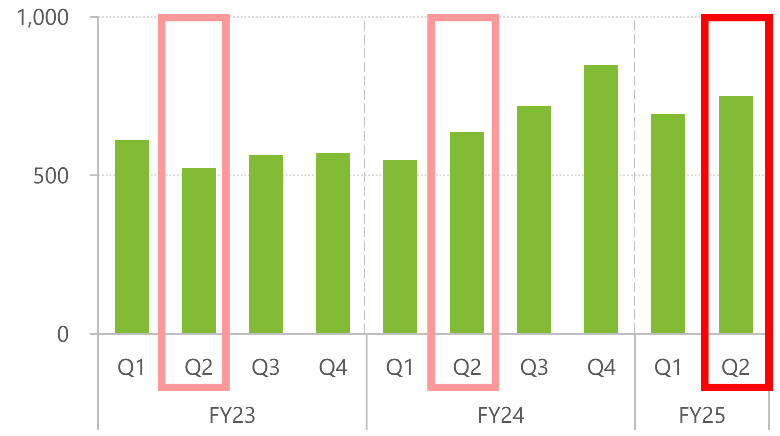
RFID

Q2 FY25: **+16.5%** YoY



Automation*

Q2 FY25: **+17.8%** YoY



* Automation includes hardware sales only.

Quarterly Sales Trends of RFID and Automation Solutions (Overseas)

- Demand remains strong, driven by labor shortages and digital transformation efforts.
- RFID solutions sales increased, driven by the ongoing high-value projects in manufacturing.
- Automation solutions sales grew, boosted by large logistics projects in the U.S., despite some negative impact from economic slowdowns in Europe. In addition, shortages of skilled labor and rising labor costs due to the rapid growth of the manufacturing industry in Asia also contributed to the growth.

Auto-ID Solutions Business (Consolidated)

FY25 Forecasts

(Millions of JPY)

	Apr-Sep		Oct-Mar		FY25			
	Results	YoY	Revised Plan As of Nov 12, 2025	YoY	Initial Plan As of May 15, 2025	Revised Plan As of Nov 12, 2025	Change	YoY
Net Sales	78,248	+2.8%	82,751	+5.1%	161,000	161,000	+0	+4.0%
Operating Income	5,101	-11.7%	5,898	-10.1%	12,500	11,000	-1,500	-10.9%
Ordinary Income	4,460	-8.7%	5,639	-9.9%	12,100	10,100	-2,000	-9.4%
Profit attributable to owners of parent	3,052	+0.8%	3,747	-9.1%	7,700	6,800	-900	-4.9%
EBITDA *	<Reference> 17,884	←FY24			18,200	16,900	-1,300	-5.5%

* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)

FX rate assumption for FY25: JPY 147/USD, JPY 170/EUR (Initially: JPY 140/USD, JPY 160/EUR)
Average FX rates for Apr-Sep FY25: JPY 146.02/USD, JPY 168.05/EUR
Average FX rates for Apr-Sep FY24: JPY 152.78/USD, JPY 166.06/EUR

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FY25 Forecasts

- The consolidated forecasts were revised downward to reflect the H1 (Apr-Sep) results of the overseas primary labels business.
- The assumed exchange rates for the full year have been revised from JPY 140 to JPY 147 for USD 1 and from JPY 160 to JPY 170 for EUR 1.
- Further details are provided in the following slides.

Auto-ID Solutions Business (Consolidated)

FY25 Forecasts

Full-year consolidated operating income has been revised downward by JPY 1,500 million.
Breakdown of revised OI: Overseas base business +JPY 200 million, Overseas primary labels business -JPY 1,700 million, Japan business +JPY 100 million, eliminations -JPY 100 million

(Millions of JPY)

		Apr-Sep			Oct-Mar			FY25		
		Initial Plan	Results	Change	Initial Plan	Revised Plan	Change	Initial Plan	Revised Plan	Change
Overseas (Base business)	Net Sales	26,520	25,650	-869	27,480	28,349	+869	54,000	54,000	+0
	Operating Income	1,980	2,251	+271	2,020	1,948	-71	4,000	4,200	+200
Overseas (Primary labels business)	Net Sales	12,080	12,032	-47	11,920	11,967	+47	24,000	24,000	+0
	Operating Income	2,220	1,030	-1,189	2,080	1,569	-510	4,300	2,600	-1,700
Overseas (Eliminations)	Operating Income	0	-26	-26	0	26	+26	0	0	+0
Overseas	Net Sales	38,600	37,682	-917	39,400	40,317	+917	78,000	78,000	+0
	Operating Income	4,200	3,255	-944	4,100	3,544	-555	8,300	6,800	-1,500
Japan	Net Sales	40,000	40,565	+565	43,000	42,434	-565	83,000	83,000	+0
	Operating Income	1,300	1,901	+601	2,900	2,398	-501	4,200	4,300	+100
Eliminations	Operating Income	0	-56	-56	0	-43	-43	0	-100	-100
Consolidated	Net Sales	78,600	78,248	-351	82,400	82,751	+351	161,000	161,000	+0
	Operating Income	5,500	5,101	-398	7,000	5,898	-1,101	12,500	11,000	-1,500

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FY25 Forecasts <Breakdown>

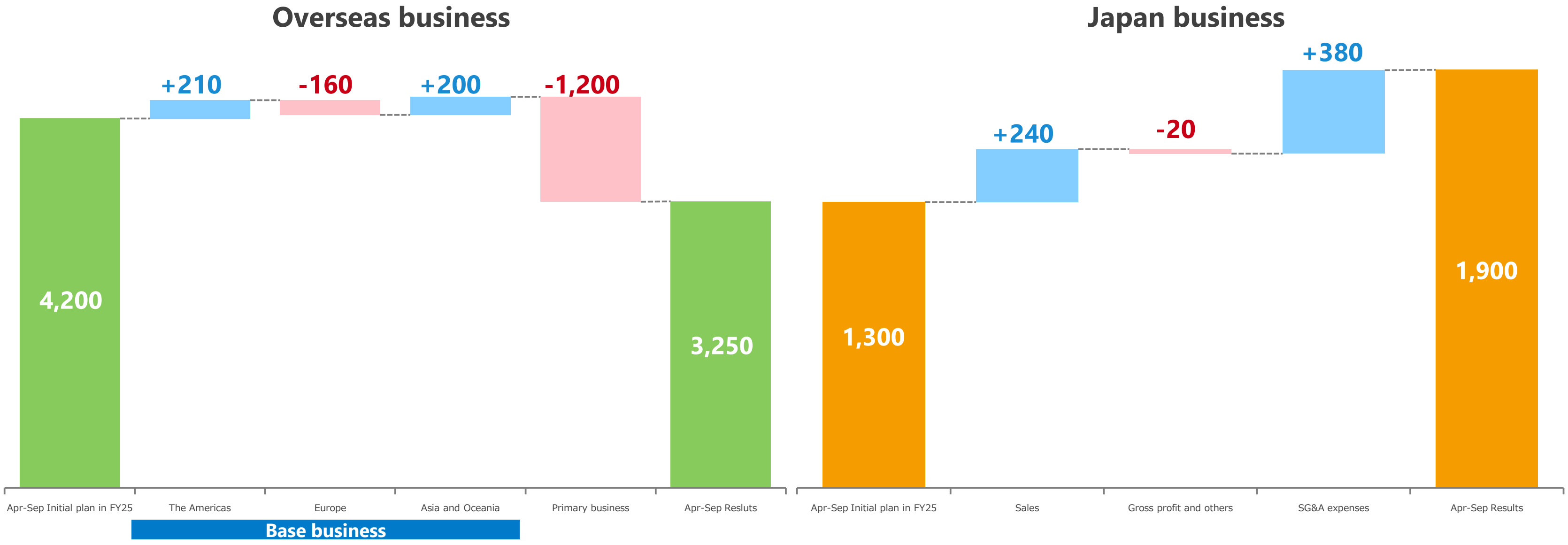
- Consolidated OI was revised downward by JPY 1,500 mil.
- OI breakdown: Overseas base business +JPY 200 mil, Overseas primary labels business –JPY 1,700 mil, Japan business +PY 100mil, eliminations –JPY 100 mil.
- Further details, including H1 (Apr–Sep) results vs. the initial plan and H2 outlook by region and vertical, are provided in the following slides.

Auto-ID Solutions Business (Consolidated) **Apr-Sep**

Apr-Sep Operating Income vs. Initial plan

Overseas business: OI for the Americas and Asia/Oceania was above the plan, but this was not enough to offset the decrease in OI in the primary labels business.
Japan business: OI was higher than the plan due to strong sales of mechatronics and effective management of SG&A expenses.

(Millions of JPY)



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Apr-Sep Operating Income vs. Initial Plan

- Overseas business:
  - OI fell short of the initial plan.
- The Americas:
  - Performance exceeded the targets, thanks to the stronger-than-expected economy and effectively managed SG&A expenses.
- Europe:
  - OI was lower than planned, due to the economic downturns that had more impact than expected.
- Asia and Oceania:
  - In Southeast Asia, sales were lower than expected, primarily affected by the “reciprocal tariffs” imposed by the U.S.
  - OI in Asia and Oceania overall were higher than expected, supported by the ongoing large printer projects across regions which boosted the profitability of printer factories in Malaysia and Vietnam.
- Primary labels business:
  - OI fell short of the plan, impacted primarily by higher-than-expected labor and personnel costs in Russia due to inflation, but also by unfavorable weather conditions and currency fluctuations.
- Japan Business:
  - OI exceeded the initial plan, which is attributed to the following:
    - Mechatronics sales were stronger than expected in logistics and manufacturing.
    - SG&A expenses were well-controlled; however, the effect will be partially tempered by the delayed R&D expenditure which will be recognized later this fiscal year.
- The next slide explains the outlook for H2 (Oct-Mar) by region and vertical.

Auto-ID Solutions Business (Consolidated) Oct-Mar

Oct-Mar Outlook by Region and Vertical

Overseas

The Americas	Europe	Asia/Oceania	Primary Labels
● The economy to remain firm, supporting solid demand. ● Last-minute demand before U.S. tariffs to moderate. ● Large business opportunities with key customers to remain firm due to labor shortages and other factors. ● Sales of pharmaceutical labels in health care to remain strong.	● Investment remains sluggish due to the economic downturn, but is expected to recover gradually. ● Demand for RFID solutions from medical device manufacturers to remain strong. ● An increase in business opportunities for DPP*2 (SATO AEP CLOUD*1) expected.	● In Southeast Asia, export companies to continue to face challenges, but demand for RFID and print and apply solutions to remain strong. ● In East Asia, the Chinese economy to remain sluggish. ● In Oceania, large business opportunities to continue to be strong.	● Demand, which has fluctuated due to tax changes in Russia, is expected to normalize. ● Market presence expected to increase as result of enhanced production equipment/capacity in Russia. ● In South America, inflationary pressures are likely to persist, but demand to be captured through acquisition of new customers.

Japan

Manufacturing	Logistics	Retail	Health Care	Food & Beverage
● An increase in small and medium-sized business opportunities expected to continue. ● Last-minute demand before the U.S. tariffs expected to ease. ● Strong demand for efficiency improvements, mainly in manufacturing and logistics, to continue, pushing up sales of packaged software.	● The need to comply with the revised logistics efficiency laws to drive demand. ● A large strategic project to continue. ● Automation business opportunities created at exhibitions to be closed.	● Investment appetite to remain robust, supported by strong performance of major retailers. ● Investment in efficiency improvements, such as those realized with AI, expected to increase as companies address labor shortages. ● Demand for operational standardization to grow further, driven by an increasingly diverse workforce and work styles.	● Investment appetite among medical equipment and pharmaceutical manufacturers to remain strong. ● Demand for efficiency solutions, such as print and apply systems, image verification system and RFID, to continue. ● New RFID wristband solutions for three-point verification to be promoted. ● Large business opportunities for print and apply systems expected.	● Strong appetite for investment to remain, as companies seek to manage rising costs and labor shortages. ● Demand for RFID to remain strong, supported by needs for managing raw materials and spare parts. ● Demand for print and apply systems to be captured, particularly in shipping and packaging operations within the food manufacturing industry.

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* 1: SATO AEP CLOUD is a trademark registered in Europe.
* 2: DPP (Digital Product Passport): A mechanism for digitally managing and sharing information on the environmental impact of products and the supply chain.

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Oct-Mar Outlook by Region and Vertical

- Overseas:
  - The economic slowdowns in Europe and China is expected to continue.
- The Americas:
  - Economy is expected to remain solid with steady demand, though partially tempered by inflation caused by increases in “reciprocal tariffs.”
- Overseas base business:
  - In the Americas and Oceania, high-value projects will continue.
  - In Europe and the U.S., business in health care is expected to be strong, continuing on from H1.
  - In Europe, the need to comply with regulations related to Digital Product Passport is expected to increase solutions business.
- Primary labels business:
  - In Russia, demand fluctuations induced by tax rate changes will continue to abate.
  - In Russia, the enhanced production facilities will result in broader product lineups, which is expected to boost the market presence and the profit.
- Overseas, inflation continues to drive up labor costs and other expenses; we intend to adjust product pricing as necessary, gauging situations in each region and country.
- Japan:
  - Rush demands before the U.S. tariff hikes have slowed — particularly in manufacturing — impacting our performance unfavorably.
  - However, packaged software sales in manufacturing and logistics is expected to remain strong.
  - Business is expected to be solid in other verticals as well.
- Both Japan and overseas:
  - Investment appetite will be impacted by the macroeconomic environment;
  - However, investments aimed at addressing labor shortages and improving efficiencies remain steady, which is expected to continue to fuel demand for RFID, automation and other auto-ID technologies.
  - Quarterly results may fluctuate depending on the timings of high-value projects;
  - However, we will strengthen the recurring business to mitigate the impacts of demand fluctuations and stabilize the financial performance. The details are provided in later slides.

Auto-ID Solutions Business (Consolidated)

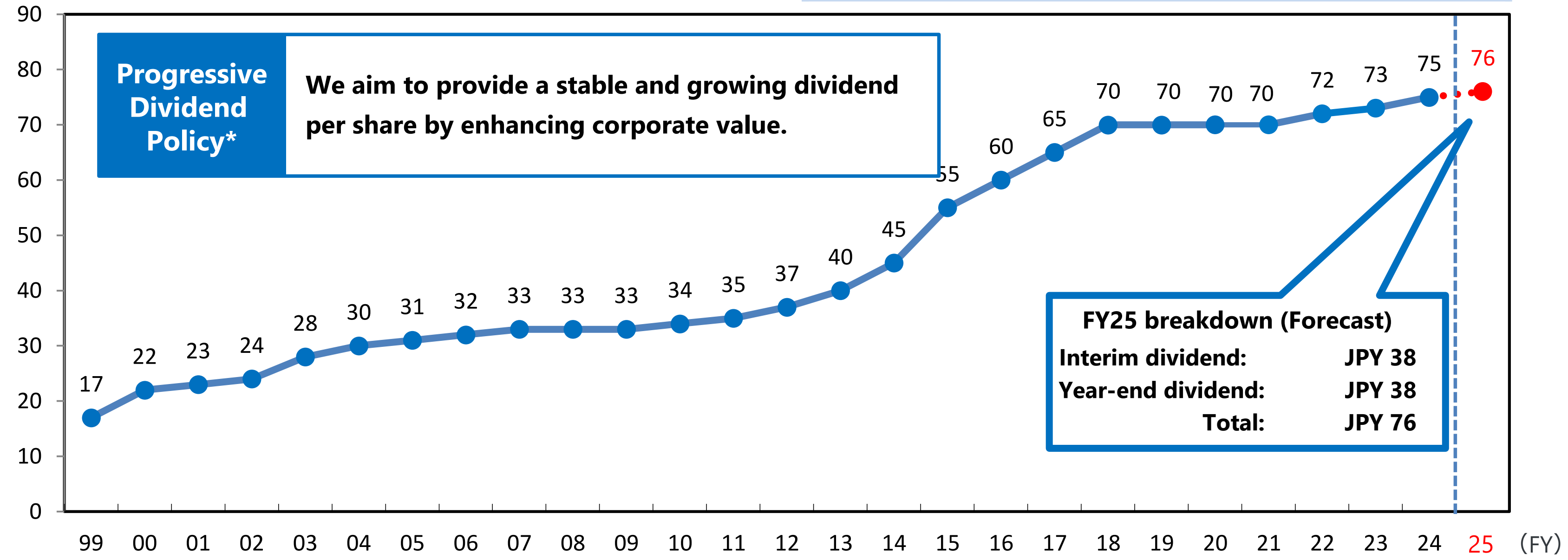
Dividends

Interim dividend payment of 38 yen is scheduled.
(up JPY 1 YoY)

(JPY per share)

	FY21	FY22	FY23	FY24	FY25 (Forecast)
EPS	112.7	126.7	110.0	220.4	209.5
ROE	6.3%	6.5%	5.2%	9.7%	8.6%
(Ref.) Payout ratio	62%	57%	66%	34%	36%

(Unit: JPY)



* Dividend policy to maintain or increase dividend per share each year

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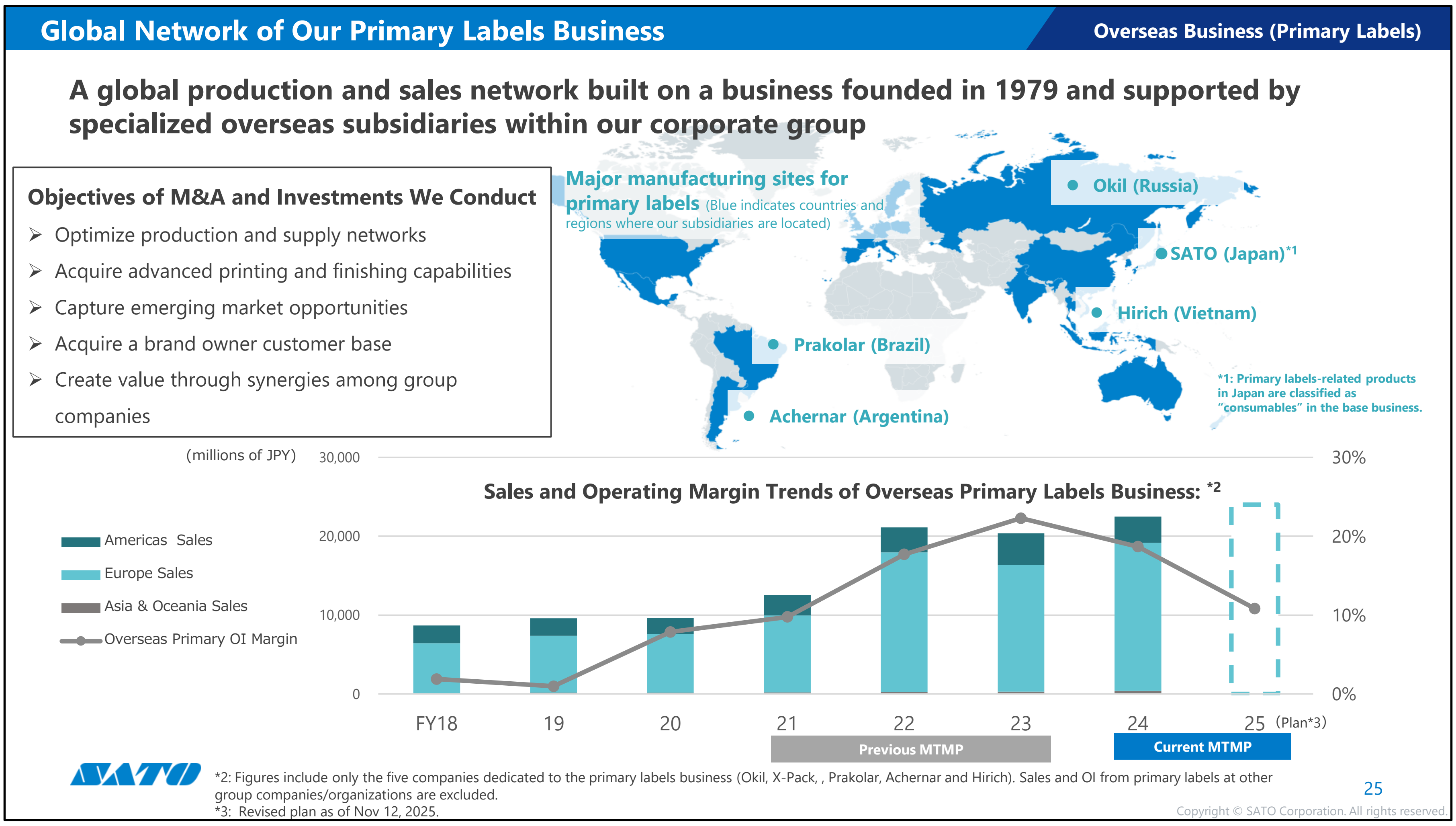
Dividends

- For FY25, we will provide an interim dividend of JPY 38 and a year-end dividend of JPY 38, which makes a yearly dividend of JPY 76 — JPY 1 higher than that of the previous fiscal year.

Jul-Sep 2025
Results

Business Strategy Review

- This section explains the progress we made in executing our business strategies.
- While our core business continues to be the base business, this section addresses the other pillar of our business: the primary labels business.
- Our primary labels business expanded mainly overseas. However, it is currently facing challenges due to changes in the business environment in some regions.
- Given the current situations, we feel it is important to explain our primary labels business's positioning and its outlook.
- The primary labels business has the potential to create new value not only through its own growth but also through synergies it creates with the base business. This section provides an overview of that potential.



- We started production of the primary labels and stickers in Japan in 1979.
- Since then, we have been honing our expertise while expanding our capabilities through M&A and taking stakes in other companies. Especially from the 2010s, we have acquired capabilities in Brazil and Argentina in South America, Russia in Europe, and Vietnam in Asia.
- The purpose of these investments is not simply to increase production capacity, but to build a stable earnings base by optimizing production and procurement networks, acquiring advanced printing and finishing technologies and know-how, and capturing demand in emerging economies.
- In addition, we are working to build a system that enables group companies to share technologies and customer networks, and leverage strengths of one another.

Five Group Companies that Produce Primary Labels with Diverse Capabilities

Overseas Business (Primary Labels)

Producing high value-added labels such as adhesive labels, shrink sleeves*1 and in-mold labels*2 with advanced printing equipment

*1: Shrink sleeves: Labels applied to bottles or containers with heat to shrink them.

*2: In-Mold: A labeling method where a label is placed into a mold together with materials that are molded into a container.

Company Name	# of Factories	Stake Acquired / Business Started in	Key Verticals	Strengths
Okil-Holding, JSC (Russia)	4*3	Stake acquired in 2014	• Beverages (including alcohol) • Cosmetics, Personal Care Products • Food	• Provides premium labels mainly to major domestic brands • Strength in alcoholic beverages (e.g., high-end spirits) industry • One of the largest label manufacturers in Russia
Prakolar Rótulos Autoadesivos Ltda. (Brazil)	1	Stake acquired in 2015	• Pharmaceuticals • Cosmetics, Personal Care Products • Beverage • Automotive-related	• Recognized for superior quality in pharmaceutical labeling (9-time winner of Sindusfarma Quality Award) • Among the top 5 companies in Brazil's label market
Achernar S.A. (Argentina)	1	Stake acquired in 2012	• Cosmetics, Personal Care Products • Food, Beverage	• Versatility to cater to diverse industry needs with broad customer network • Direct supplier to many major global companies
High Rich Trading & Service Corporation (Vietnam)	1	Stake acquired in 2017	• Personal Care Products • Electrical Products, Electronic Parts • Food, Beverages	• Serves a wide range of industries with focus on household goods (personal care, food and beverage), and electrical and electronics
SATO Corporation (Japan)	4*4	Business started in 1979	• Food, Beverage (including alcohol)	• Focused on adhesive labels production and sales • Nationwide sales network and label design capabilities

*3: Includes production sites of affiliated company X-Pack in Russia
*4: Includes partner factories that are not completely dedicated to primary labels production (i.e. produce other labels)

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- Each subsidiary has a different founding background and areas of expertise, but they all share common strengths: a strong customer base centered on major brands and the ability to produce high-quality, high-value-added labels.
- In addition to self-adhesive labels, each site also manufactures premium products such as shrink sleeves and in-mold labels.
- In particular, the production facilities in Russia and South America are equipped with advanced printing equipment that can handle more diverse finishing and customization.
- Shrink sleeves, for example, are labels that wrap around an entire beverage bottles, while in-mold labels are integrated into plastic containers used for everyday items such as detergents.
- Each subsidiary leverages its unique strengths to meet market needs. Going forward, we aim to further enhance our competitiveness through collaboration between them.

Smart Packaging — New field where we create new value by combining technologies used in consumables, primary labels and RFID

What Is Smart Packaging?

A next-generation packaging solution that combines auto-ID and digital technologies (RFID, NFC, 2D codes, AR, etc.) with additional functionalities to enable the visualization of information, enhance data connectivity and create added value.

The global smart packaging market size is expected to reach approximately JPY 6.5 trillion by 2030, with an average annual growth rate of 6.2%.*

SATO's strengths in smart packaging

1. Labeling and label design solutions that integrate auto-ID technologies into packaging
2. Capabilities to design Information architecture (including flows of information) and offer data linkage across the supply chain
3. Creation of value in customer operation/experience through enabling use of collected data
4. Global deployment with localized adaptability

Application Areas

- Customer Engagement
- Brand Experience
- Authentication / Opening Detection
- Supply Chain Integration
- Traceability
- Inventory Management

*Source: Grand View Research, Smart Packaging Market Size, Share & Trends Analysis Report by Technology, 2024–2030

- Smart packaging is an area where we are beginning to see tangible synergies between our primary labels and base businesses.
- Smart packaging refers to packaging that use technologies such as RFID, NFC and sensors to embed information into the packaging itself.
- It transforms packaging into a medium for conveying information, supporting distribution management, authentication and interactive consumer features.
- Although the market is still in its early stages, smart packaging is gaining attention among packaging and printing companies as the next growth area.
- In fact, the global smart packaging market is projected to grow at an average annual rate of 6.2% over the next few years, steadily expanding with the trends toward digitalization.
- We have clear strengths in this area.
- In the base business, we have a proven track record and expertise in creating systems that digitize information about things at operational sites across various fields such as manufacturing, logistics, and health care.
- The knowledge we have accumulated, including how to apply technology and capture data in specific environments, is a unique strength built upon real-world experience.
- In our primary labels business, we maintain direct relationships with brand owners and offer advanced printing and packaging, including shrink sleeves that wraps around products, and in-mold labels that are integrated into products' containers.
- We believe that the combination of the base and primary labels businesses creates a unique advantage that sets us apart from other companies.
- This smart packaging initiative exploits the synergy between these two businesses, providing us with a potential new pillar for the company's growth.
- We will provide more information when we update the medium-term management plan in December.

Pursuing Sustainable and Efficient Growth in Global Markets

- The base business is the foundation for creating new possibilities such as those for smart packaging.
- This section describes the current status of the base business and the progress we made against the medium-term management plan.
- In the overseas base business, with a strategic focus on pursuing sustainable and efficient growth, four key initiatives are underway to drive stable, repeatable growth rather than temporary one.
- Although these initiatives may seem unrelated, they work together to create a virtuous cycle, with locally developed solutions deployed worldwide, and turned into recurring revenue.
- In parallel, we are strengthening our global capabilities to provide consistent support and make business proposals to multinational customers.

● Increase recurring sales of consumables

- This is an effort to steadily grow recurring business.
- While large projects can have significantly positive impact on our business, their loss can have equally significant impact.
- To lessen such fluctuations and ensure stable revenue, we have set a target for recurring business to represent at least 60 percent of the total business at all our subsidiaries by the end of FY26.

● Redefine the roles and functions of HQ and sales offices

- We aim to leverage our subsidiaries as an integrated business network rather than entities that operate in isolation. As part of its responsibilities, the HQ identifies global key accounts, for which it works to enhance support across regions we serve through solution planning, information sharing, and internal coordination. As a result, high-probability projects with global key accounts are progressing steadily as we enter H2. Collaboration between Japan and overseas entities is also driving a steady increase in business opportunities that are triggered by other projects. Senior management and executives are involved in the efforts by visiting the operational sites of global key accounts in person to build strong relationships with them.

● Develop locally optimized solutions

- Industry structures and customer challenges differ significantly by country and region. Each subsidiary is developing solutions tailored to local needs based on the regional characteristics, which has strengthened our competitiveness.

● Expand the solution deployment

- This is an effort to expand deployment of locally created solutions by applying them to similar needs in the same industries of other regions to efficiently replicate the successes. For example, blood bag management solutions piloted and implemented in Asia are now being presented and considered in the medical and clinical fields in Europe, which is laying the foundation for cross-region solution deployment.

- These four initiatives combined are building a strong foundation for sustainable and efficient growth.

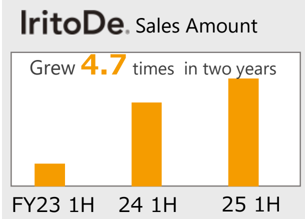
Restore Profitability and Build a Foundation for Sustainable Growth

Japan Business

Strengthening cross-functional collaboration to ensure consistent profitability and build foundation for sustainable growth

● Capture demand in key markets

Address automation and efficiency needs that has intensified with revised logistics efficiency laws; adoption of "IritoDe" continues to grow in manufacturing.



- With **Japan's so-called 2024 logistics problem** driving change, manufacturers are seeking greater **automation and labor efficiency** at their shipping sites.
- Adoption of "IritoDe," packaged software that streamlines receiving and shipping process and inventory management, has expanded, recording **4.7x increase in sales amount over two years.**

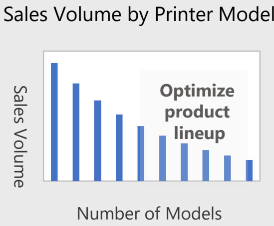
● Shift to profit-based evaluation for sales department

Promote stronger profit awareness across sales and service teams, driving closer collaboration and more effective use of data.

- **Driving printer refresh proposals** through collaboration between sales and maintenance teams; the maintenance division achieved 200% of its refresh target in the first half.
- Using OI reports to visualize sales and profitability by sales site, supporting management and decision-making at each site.

● Strengthen value chain management

Adopt a product organizational structure in which development, manufacturing and sales are grouped around each specific product segment to better optimize operations and ensure high profitability.



- Integrated development process, and inventory and supply planning under **a common platform**.
- Considering **streamlining the current 48 models into an optimized lineup**, adding new models to enhance overall portfolio efficiency.
- Improve **development efficiency** and **inventory turnover** to enhance capital efficiency to reflect the **company's focus on ROIC**.

● Launch of new printer model

CL4/6-SXR, the first model to adopt the common platform, will be released in January 2026.

- **The flagship model** accounts for approximately 56% of our sales in manufacturing. The release coincides with the timing of **refresh cycle; aiming to capture the demand effectively.**
- Moving from traditional "preventive maintenance," which relies on usage-based criteria, **to "predictive maintenance"** that uses analysis of data on operating conditions and the like, to detect early signs of failure.
- **Global sales target: approx. 300,000 units (FY25-30)**.

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Restore Profitability and Build a Foundation for Sustainable Growth

- Lastly, this section explains the current status of the Japan business.
- At present, we are working to build a stronger and more stable earnings base through organizational restructuring and enhanced collaboration.
- Under our medium-term management plan, the Japan business has set five key initiatives. Here, we will focus on four of them.

  1. Capture demand in key markets
- In manufacturing, which we position as a focal market, the 2024 logistics problem has created urgent needs for manufacturers to shorten shipment lead times and automate production sites.
  To aptly respond to the changes in the business environment, we provide solutions for enhancing efficiencies at manufacturing sites, including packaged software for logistics optimization that is gaining traction.
- **2. Shift to profit-based evaluation for sales department**
  Management has consistently emphasized the urgent need to raise profitability, and now the awareness is high not just in the sales division but in the maintenance division as well. This has led to more targeted activities, as seen in stepped up efforts to capture demand for hardware refresh.
  In H1, the maintenance division achieved 200% of its printer replacement targets. In addition, in H2, we are introducing OI reports as part of the efforts to help visualize sales activities and their profitability using data to facilitate the management at sales offices.
- **3. Strengthen value chain management**
  The reorganization of the company structure to one divided by product segment — complete with development, manufacturing and sales departments dedicated to the product category — has galvanized efforts to review manufacturing processes and manage profitability from the perspective of total optimization. One of the key initiatives in the efforts was the development of a standard platform for our mechatronics products. By standardizing the platform for our printer and mechatronic products, we can shorten the development time, reduce production costs and consolidate component inventories, boosting efficiencies across the value chain from development through manufacturing and sales.
- In addition, the common platform will eliminate overlapping investments across different models and facilitate faster product rollouts and derivative developments, leading to more effective use of management resources for the entire product portfolio. In the future, it is also expected to improve capital efficiency by streamlining/consolidating product and parts inventories.
- **4. Launch of new printer model**
  The CL4-SXR is our new flagship model and the first product to adopt the standard platform.
  This model employs predictive maintenance, which seeks to detect signs of impending failure by analyzing data, including those of operating conditions, in a shift from conventional preventive maintenance, which relies on usage data such as print volumes to prevent a failure.
  Our printers earn strong recognition from customers not only for their operational stability, but also for the ease of use and practical designs optimized for operational sites, which we achieve by leveraging our extensive knowledge of customer operations. The CL4-SXR is scheduled to launch in January 2026. Our global sales target is set at approximately 300,000 units, which we aim to achieve by capturing demand for hardware refresh, among other demands.
- We will work to transform the Japan business into a more profitable one thorough these initiatives, while steadily accumulating profits through our immediate business opportunities, to drive stable, sustainable growth.

Appendix

Performance data Pages 31-50
SATO terminologies Pages 51-54

Business Overview by Product

FY24 Consolidated net sales: JPY 154,807 million JPY, 100%

Base business

85% of consolidated net sales (Breakdown by region: The Americas 14%, Europe 9%, APAC 17%, Japan 60%)

Mechatronics
38%

Printers

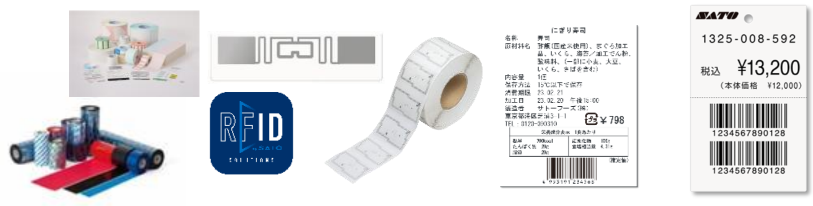
Other Hardware

Software

Services

Consumables
47%

Labels & Tags



Primary Labels

15% of consolidated net sales (Breakdown by region: The Americas 15%, Europe 83%, APAC 2%)

Consumables
100%

Stickers & Primary Labels

Sales and OI by Business Segment*

(Millions of JPY)

			FY24	FY25	YoY	In local currencies
Consolidated		**Total Sales**	**76,090**	**78,248**	**+2.8%**	**+3.5%**
		Operating Income	**5,778**	**5,101**	**-11.7%**	**-7.6%**
Overseas	Base	Total Sales	26,161	25,650	-2.0%	+0.9%
		Operating Income	2,330	2,251	-3.4%	-0.4%
	Primary Labels	Total Sales	12,383	12,032	-2.8%	-4.5%
		Operating Income	2,592	1,030	-60.3%	-59.0%
	Eliminations	Operating Income	-33	-26	-	-
	Total	Total Sales	38,545	37,682	-2.2%	-0.8%
		Operating Income	4,889	3,255	-33.4%	-31.4%
Japan		Total Sales	37,545	40,565	+8.0%	+8.0%
		Operating Income	959	1,901	+98.2%	2.1x
Eliminations		Operating Income	-70	-56	-	-

* Sales and OI excluding Russian subsidiaries are shown on p. 49.

Consolidated Results*

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	76,090	78,248	+2,157	+2.8%
Operating Income	5,778	5,101	-677	-11.7%
Operating Income %	7.6%	6.5%	-1.1pt	-
Ordinary Income	4,883	4,460	-423	-8.7%
Profit attributable to owners of parent	3,028	3,052	+24	+0.8%
Effective Tax Rate	28.7%	28.6%	-0.1pt	-
EBITDA*	8,446	8,015	-430	-5.1%

FX sensitivity for FY25: Assuming a 1-yen depreciation of the Japanese yen against the US dollar and an equivalent depreciation against other currencies, the estimated impact for the full-year FY25 would be an increase in sales of JPY 561 million and an increase in OI of JPY 35 million.

Average FX for Apr-Sep 2025: JPY 146.02/USD, JPY 168.05/EUR (Apr-Sep 2024: JPY 152.78/USD, JPY 166.06/EUR)

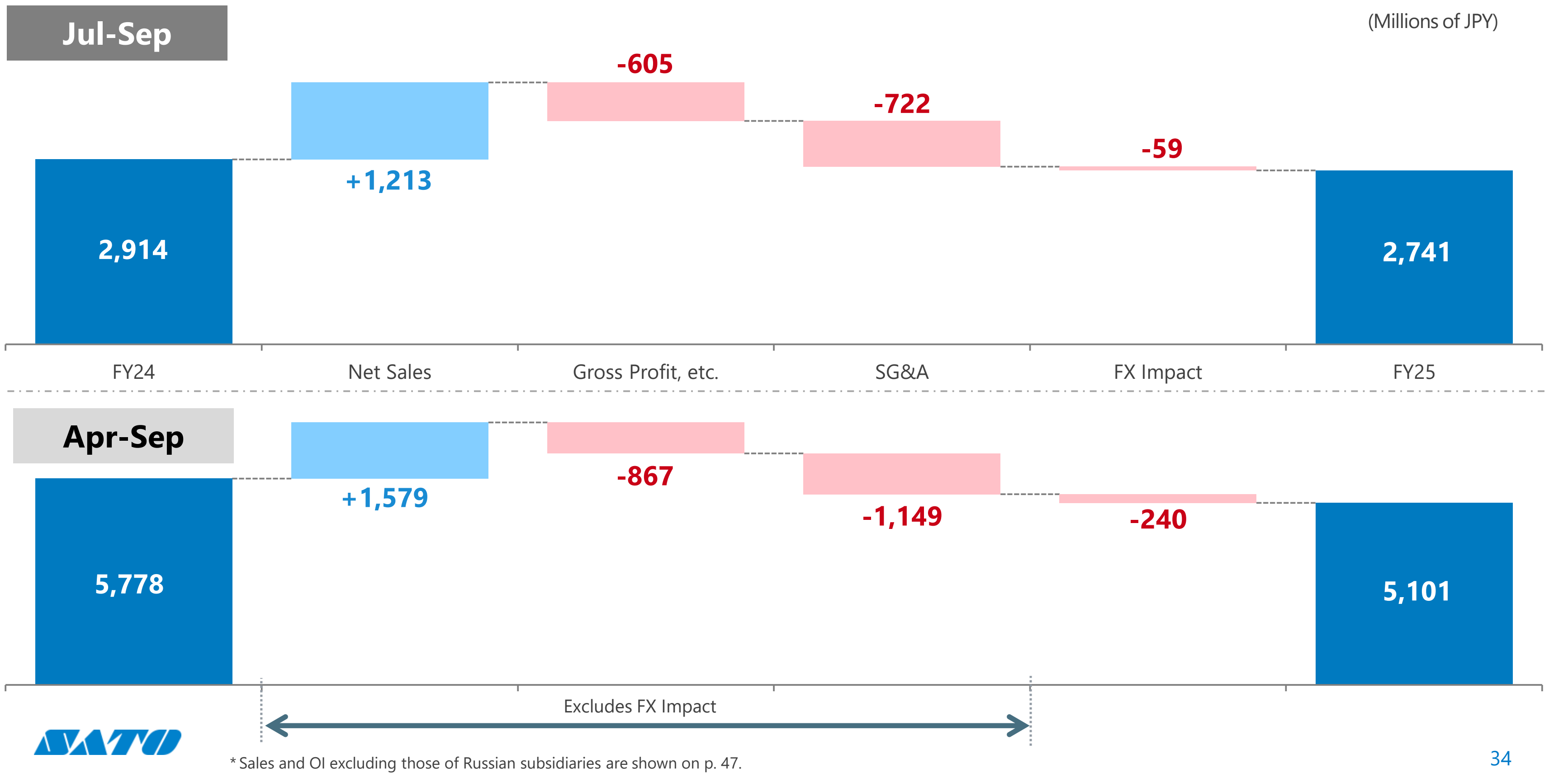
* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
・Depreciation for Jul-Sep 2025: JPY 2,907 million (Jul-Sep 2024: JPY 2,590 million)
・Amortization for Jul-Sep 2025: JPY 6 million (Jul-Sep 2024: JPY 77 million)

* Sales and OI excluding those of Russian subsidiaries are shown on p. 50.

Auto-ID Solutions Business (Consolidated)

Major Gains/Losses in OI*

(Millions of JPY)

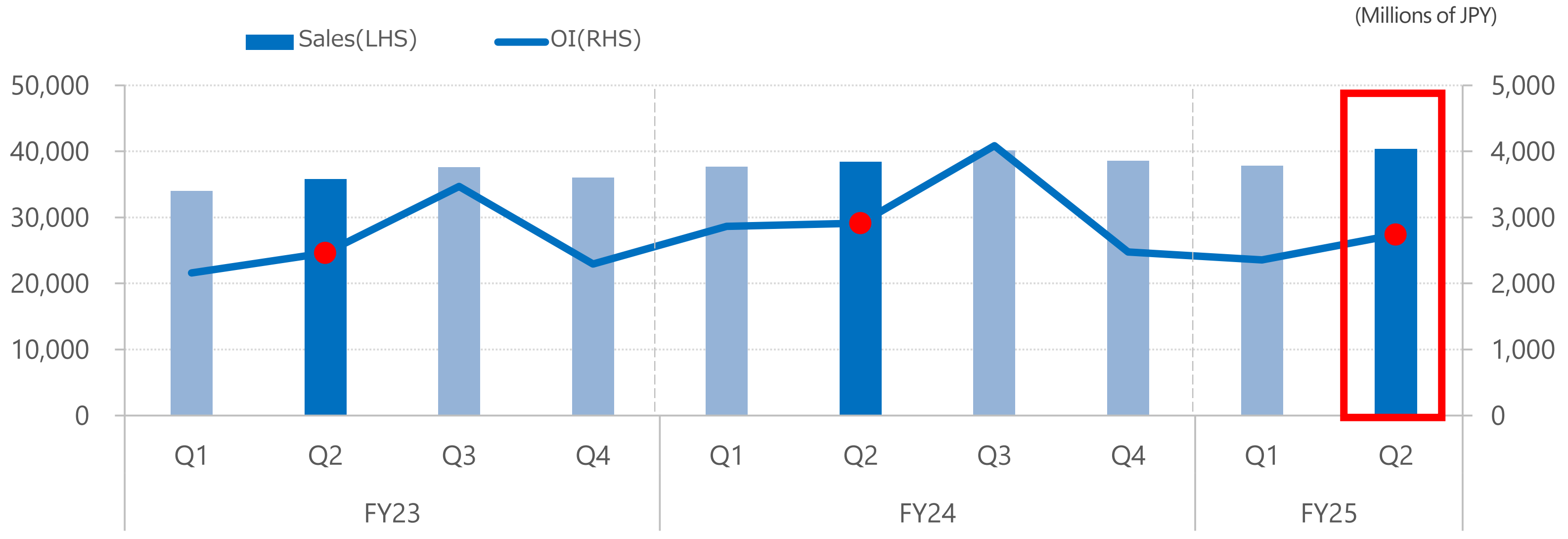


* Sales and OI excluding those of Russian subsidiaries are shown on p. 47.

Auto-ID Solutions Business (Consolidated)

Jul-Sep

Quarterly Sales and Operating Income



Sales	33,989	35,797	37,628	36,031	37,674	38,415	40,121	38,596	37,829	40,418
YoY	+0.9%	-2.7%	-0.6%	+4.5%	+10.8%	+7.3%	+6.6%	+7.1%	+0.4%	+5.2%
OI	2,160	2,460	3,467	2,295	2,864	2,914	4,086	2,475	2,359	2,741
YoY	2.6x	-16.6%	+4.9%	+30.4%	+32.6%	+18.4%	+17.9%	+7.8%	-17.6%	-5.9%

Auto-ID Solutions Business (Consolidated) — Apr-Sep

Sales and OI by Region

(Millions of JPY)

Japan / The Americas / Europe / Asia/Oceania

Sales

76,090 (FY24)

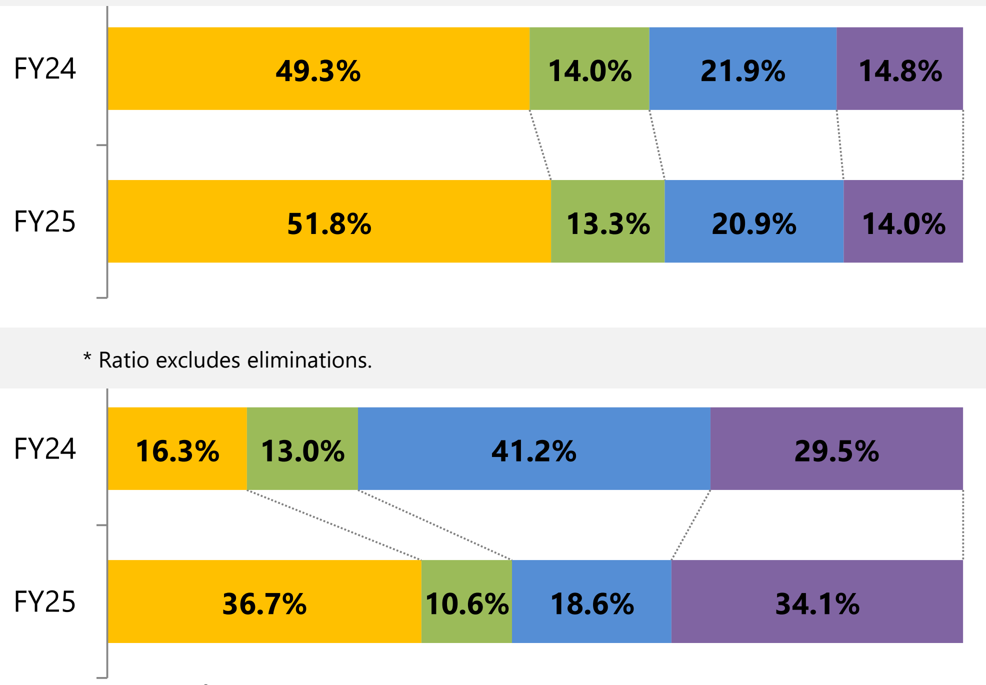
78,248 (FY25)

Operating Income

* Ratio excludes eliminations.

5,849 (FY24)

5,157 (FY25)

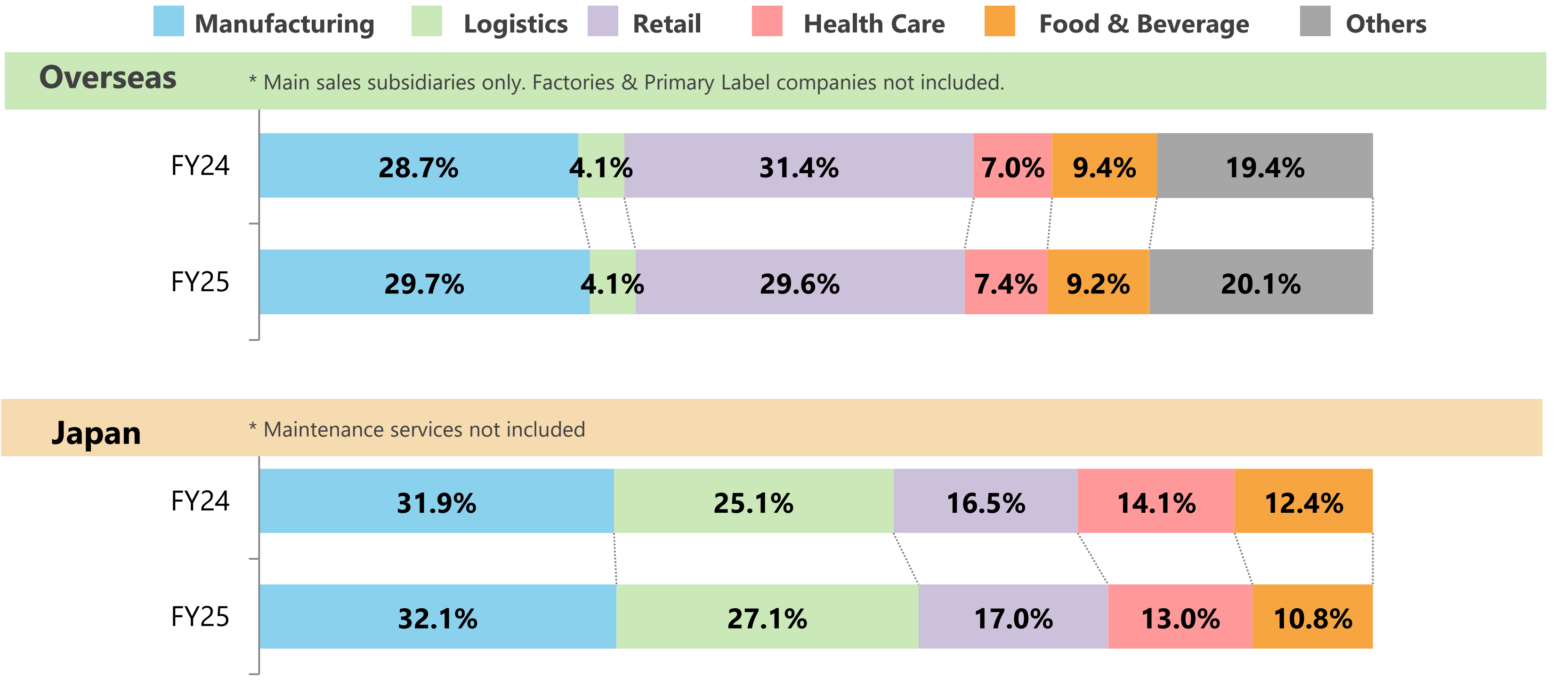


OI Ratio FY24 Japan : 2.6%, Overseas : 12.7%
FY25 Japan : 4.7%, Overseas : 8.6%

Auto-ID Solutions Business (Consolidated)

Apr-Sep

Sales by Vertical



* Since Q1 FY25, sales from the manufacturing and public verticals have been combined. Graphs have been adjusted retrospectively.

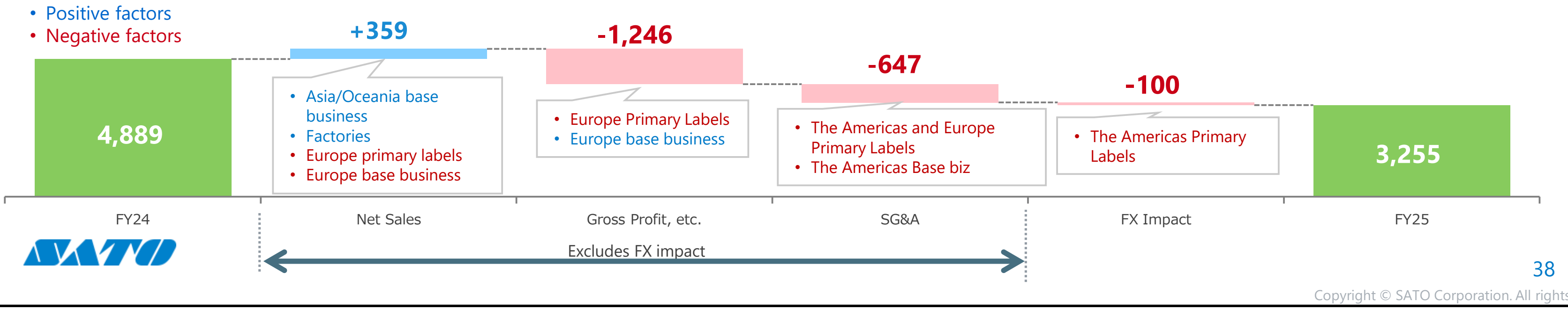
Overview

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Base business Total Sales	26,161	25,650	-511	-2.0%	+0.9%
Primary Lablels business Total Sales	12,383	12,032	-351	-2.8%	-4.5%
Total Sales	**38,545**	**37,682**	**-862**	**-2.2%**	**-0.8%**
Gross Profit	15,455	14,265	-1,190	-7.7%	-
Gross Profit %	40.1%	37.9%	-2.2pt	-	-
Base business Operating Income	2,330	2,251	-79	-3.4%	-0.4%
Primary Lablels business Operating Income	2,592	1,030	-1,562	-60.3%	-59.0%
Elimination Operating Income	-33	-26	+7	-	-
Operating Income	**4,889**	**3,255**	**-1,633**	**-33.4%**	**-31.4%**
Operating Income %	12.7%	8.6%	-4.0pt	-	-

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

Major Gains/Losses in OI



Auto-ID Solutions Business (Overseas)

Apr-Sep

The Americas Base business

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	8,863	8,579	-283	-3.2%	+2.3%
Operting Income	372	297	-74	-20.1%	-14.3%

Europe Base business

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	6,250	6,320	+69	+1.1%	+0.0%
Operting Income	250	205	-45	-18.0%	-19.3%

Asia/Oceania Base business

(Millions of JPY)

	FY24	FY25	Change	YoY	In local currencies
Total Sales	11,047	10,751	-296	-2.7%	+0.3%
Operting Income	1,707	1,748	+40	+2.4%	+5.4%

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Primary Labels business

(Millions of JPY)

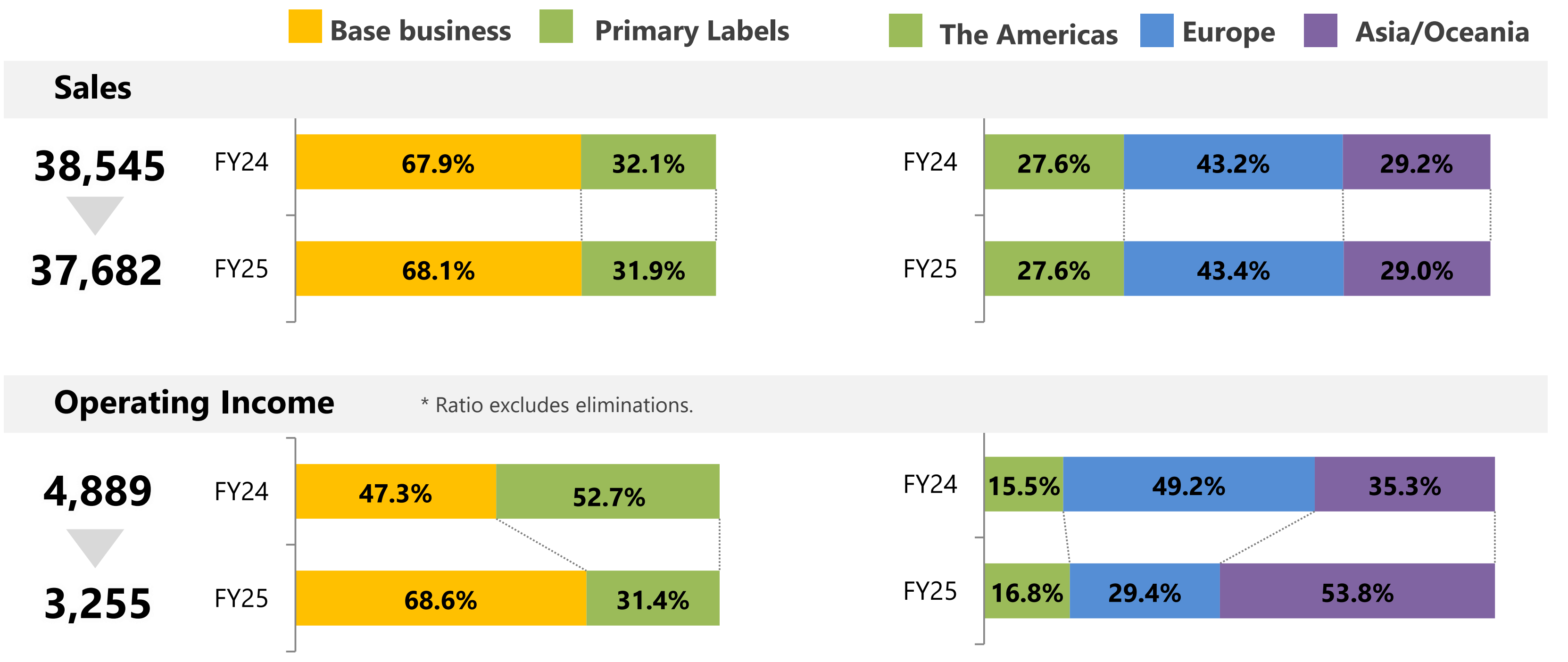
		FY24	FY25	Change	YoY	In local currencies
The Americas Achernar (Argetina) Plakorar (Brazil)	Total Sales	1,787	1,827	+40	+2.3%	+23.9%
	Operating Income	391	252	-138	-35.4%	-15.8%
Europe Okil/ X-pack (Russian)	Total Sales	10,401	10,019	-382	-3.7%	-9.5%
	Operating Income	2,171	759	-1,412	-65.0%	-67.1%
Asia/Oceania Hirich (Vietnam)	Total Sales	194	184	-9	-5.1%	+1.5%
	Operating Income	29	18	-11	-38.7%	-34.5%
Total Sales	Total Sales	12,383	12,032	-351	-2.8%	-4.5%
	Operating Income	2,592	1,030	-1,562	-60.3%	-59.0%

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

Auto-ID Solutions Business (Overseas) Apr-Sep

Sales and OI by Business Segment/Region

(Millions of JPY)



OI ratio:
FY24 Base business : 8.9%, Primary Labels : 20.9%
FY25 Base business : 8.8%, Primary Labels : 8.6%

FY24 The Americas : 7.2%, Europe : 14.5%
Asia/Oceania : 15.5%
FY25 The Americas : 5.3%, Europe : 5.9%
Asia/Oceania : 16.2%

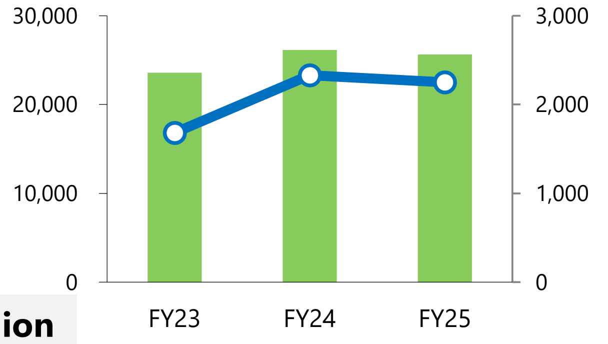
Auto-ID Solutions Business (Overseas) — Apr-Sep

Sales and OI Trends by Business Segment and Region

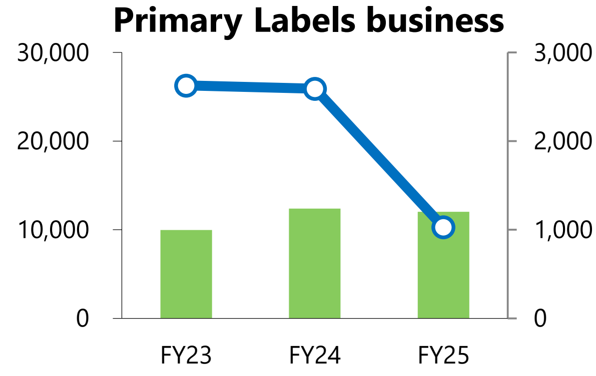
By Business Segment

Sales (LHS) — OI (RHS) (Millions of JPY)

Base business

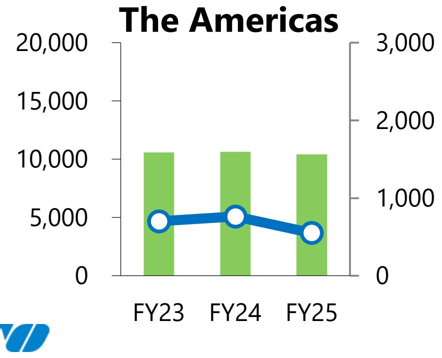


Primary Labels business

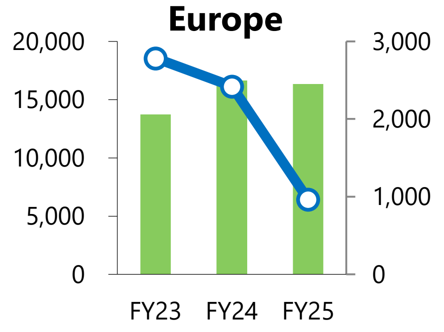


By Region

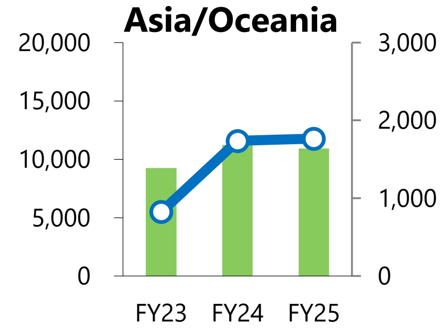
The Americas



Europe



Asia/Oceania



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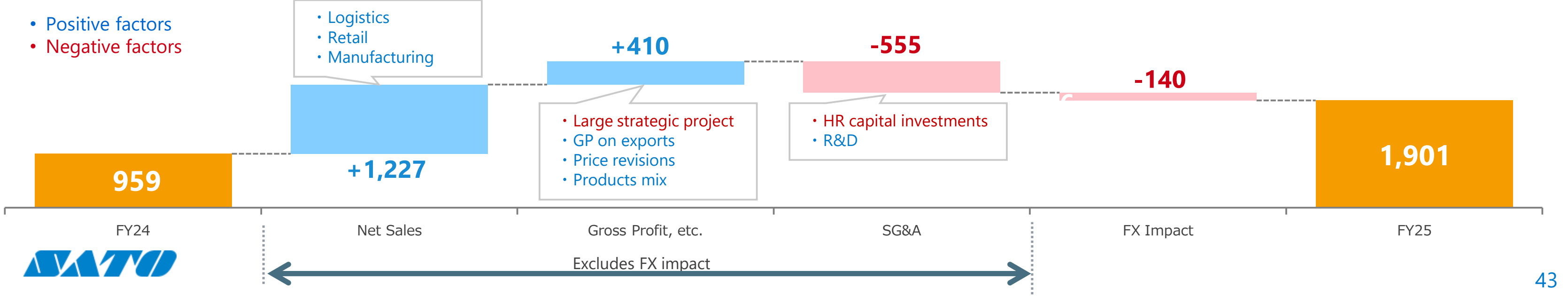
Overview

(Millions of JPY)

	FY24	FY25	Change	YoY
Mechatronics Sales	14,407	16,923	+2,516	+17.5%
Consumables Sales	23,138	23,641	+502	+2.2%
Total Sales	**37,545**	**40,565**	**+3,019**	**+8.0%**
Gross Profit	16,819	18,316	+1,497	+8.9%
Gross Profit %	44.8%	45.2%	+0.4pt	-
Operating Income	**959**	**1,901**	**+942**	**+98.2%**
Operating Income %	2.6%	4.7%	+2.1pt	-

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

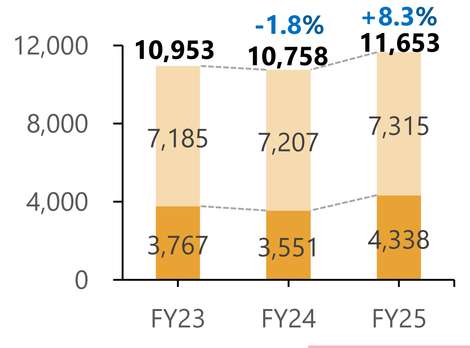


Auto-ID Solutions Business (Japan) — Apr-Sep

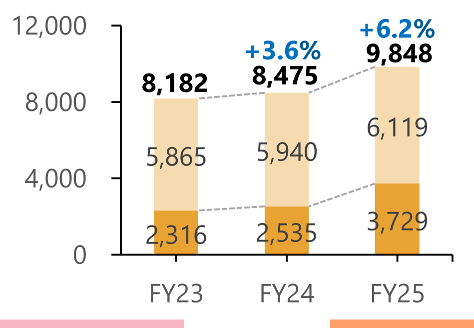
Sales by Vertica [*1]

■ : Mechatronics ■ : Consumables * % indicates YoY change (Millions of JPY)

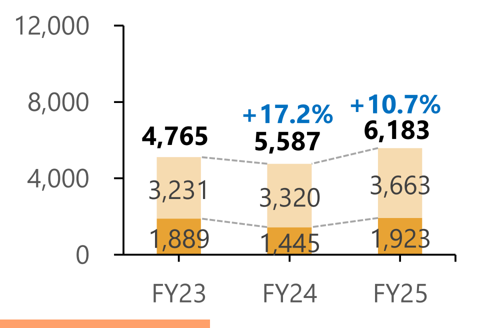
Manufacturing [*2]



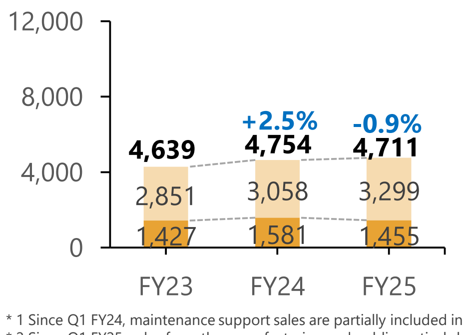
Logistics [*3]



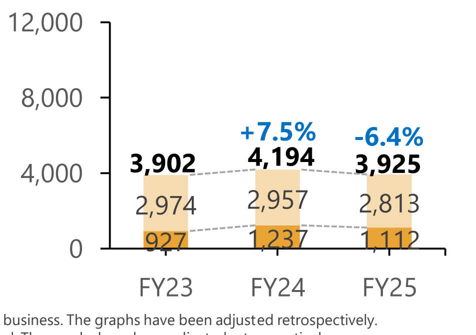
Retail



Health Care



Food & Beverage



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* 1 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.
* 2 Since Q1 FY25, sales from the manufacturing and public verticals have been combined. The graphs have been adjusted retrospectively.
* 3 Since Q1 FY23, some industries have been reclassified from the public vertical to the logistics vertical. The graphs have been adjusted retrospectively.

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

(Millions of JPY)

			FY24	FY25	YoY	In local currencies
Consolidated		**Total Sales**	**32,918**	**35,488**	**+7.8%**	**+8.1%**
		Operating Income	**1,724**	**2,373**	**+37.6%**	**+42.8%**
Overseas	Base	Total Sales	12,806	13,022	+1.7%	+1.4%
		Operating Income	1,053	1,133	+7.6%	+7.9%
	Primary Labels	Total Sales	919	992	+7.9%	+23.5%
		Operating Income	100	100	-0.7%	+31.8%
	Eliminations	Operating Income	-40	24	-	-
	Total	Total Sales	13,726	14,014	+2.1%	+2.9%
		Operating Income	1,113	1,257	+13.0%	+16.2%
Japan		Total Sales	19,191	21,473	+11.9%	+11.9%
		Operating Income	773	1,036	+34.0%	+40.9%
Eliminations		Operating Income	-162	78	-	-

* 1 Apr-Sep results are shown on p. 49.

Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	32,918	35,488	+2,569	+7.8%
Operating Income	1,724	2,373	+648	+37.6%
Operating Income %	5.2%	6.7%	+1.4pt	-
Ordinary Income	1,381	2,293	+912	+66.0%
Profit attributable to owners of parent	1,117	1,726	+609	+54.5%
Effective Tax Rate	18.6%	25.3%	+6.7pt	-
EBITDA*	2,920	3,604	+683	+23.4%

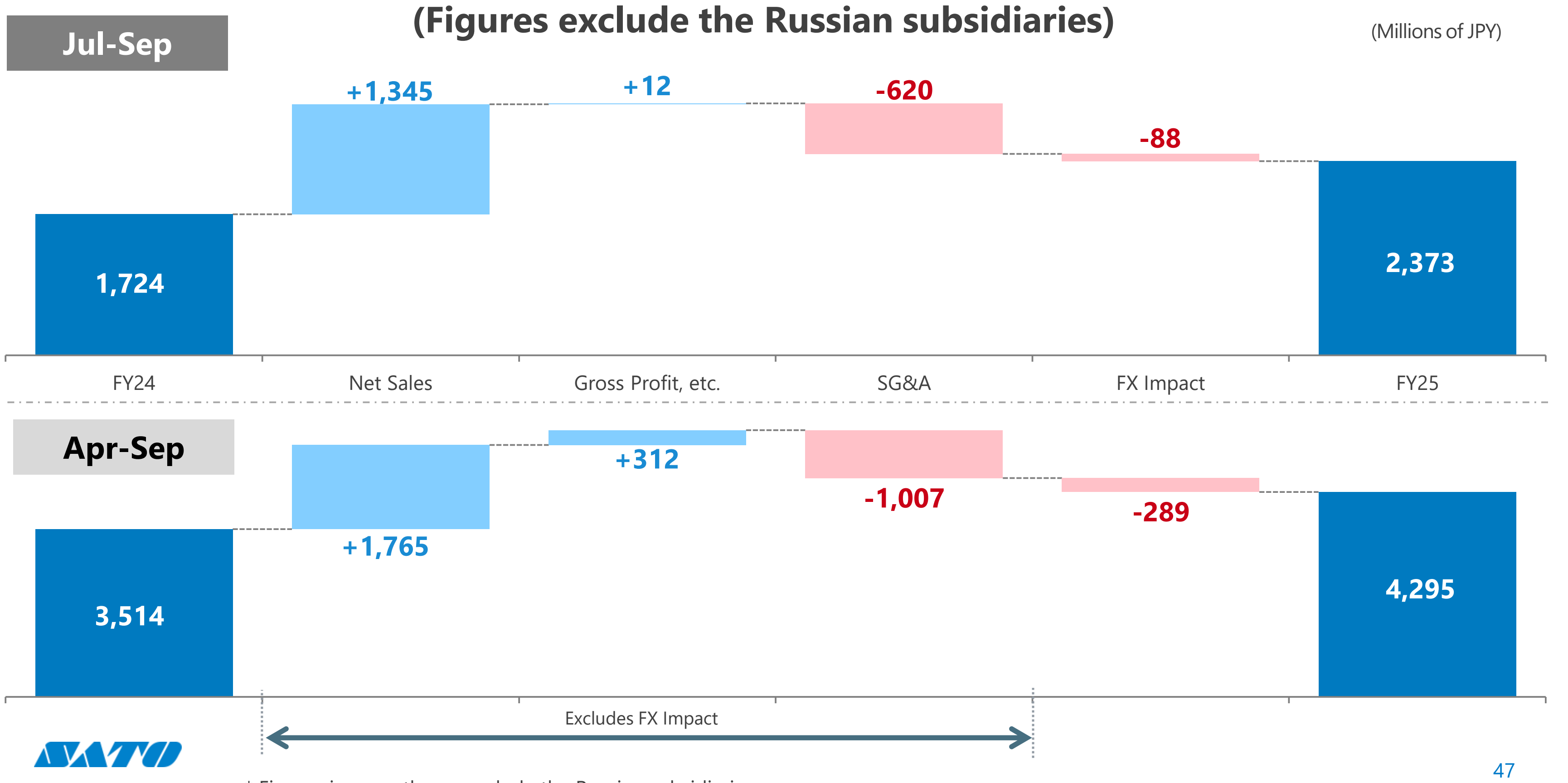
Average FX for Apr-Sep 2025: JPY 146.02/USD, JPY 168.05/EUR (Apr-Sep 2024: JPY 152.78/USD, JPY 166.06/EUR)
* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
・Depreciation for Jul-Sep 2025: JPY 1,227 million (Jul-Sep 2024: JPY 1,157 million)
・Amortization for Jul-Sep 2025: JPY 3 million (Jul-Sep 2024: JPY 38 million)

SATO

* 1 Apr-Sep results are shown on p. 50.

Major Gains/Losses in OI
(Figures exclude the Russian subsidiaries)

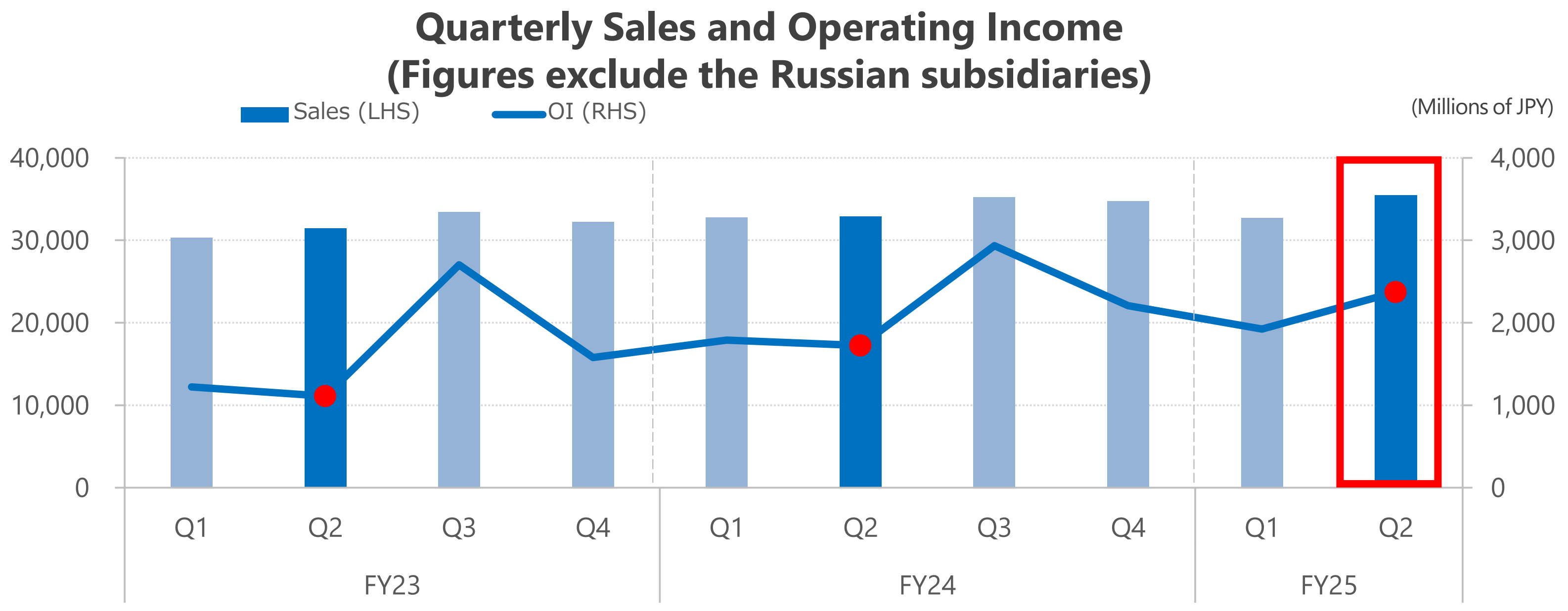
(Millions of JPY)



* Figures in parentheses exclude the Russian subsidiaries.

Auto-ID Solutions Business (Consolidated)

Jul-Sep



	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	FY24 Q1	FY24 Q2	FY24 Q3	FY24 Q4	FY25 Q1	FY25 Q2
Sales	30,301	31,455	33,433	32,257	32,770	32,918	35,238	34,786	32,740	35,488
YoY	+1.6%	-1.7%	+2.6%	+4.9%	+8.1%	+4.7%	+5.4%	+7.8%	-0.1%	+7.8%
OI	1,222	1,110	2,704	1,577	1,789	1,724	2,935	2,209	1,922	2,373
YoY	2.0x	-45.1%	+40.9%	2.1x	+46.5%	+55.2%	+8.5%	+40.0%	+7.4%	+37.6%

SATO

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

(Millions of JPY)

			FY24	FY25	YoY	In local currencies
Consolidated		**Total Sales**	**65,688**	**68,228**	**+3.9%**	**+5.6%**
		Operating Income	**3,514**	**4,295**	**+22.2%**	**+30.5%**
Overseas	Base	Total Sales	26,161	25,650	-2.0%	+0.9%
		Operating Income	2,330	2,251	-3.4%	-0.4%
	Primary Labels	Total Sales	1,981	2,012	+1.6%	+21.7%
		Operating Income	327	224	-31.6%	-7.0%
	Eliminations	Operating Income	-33	-26	-	-
	Total	Total Sales	28,143	27,663	-1.7%	+2.4%
		Operating Income	2,624	2,449	-6.7%	-1.0%
Japan		Total Sales	37,545	40,565	+8.0%	+8.0%
		Operating Income	959	1,901	+98.2%	2.1x
Eliminations		Operating Income	-70	-56	-	-

Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY24	FY25	Change	YoY
Net Sales	65,688	68,228	+2,539	+3.9%
Operating Income	3,514	4,295	+781	+22.2%
Operating Income %	5.3%	6.3%	+0.9pt	-
Ordinary Income	2,773	3,953	+1,179	+42.5%
Profit attributable to owners of parent	1,715	2,787	+1,071	+62.5%
Effective Tax Rate	37.2%	28.4%	-8.8pt	-
EBITDA*	5,872	6,676	+803	+13.7%

Average FX for Apr-Sep 2025: JPY 146.02/USD, JPY 168.05/EUR (Apr-Sep 2024: JPY 152.78/USD, JPY 166.06/EUR)
* EBITDA = Operating Income + Depreciation + Amortization (Incl. Goodwill)
・Depreciation for Apr-Sep 2025: JPY 2,374 million (Apr-Sep 2024: JPY 2,281 million)
・Amortization for Apr-Sep 2025: JPY 6 million (Apr-Sep 2024: JPY 77 million)

SATO terminologies (1/4)

(*) Underlined terms are described under its own heading

	SATO's unique business concepts/initiatives	Description*
1	**Auto-ID Solutions business**	Our business that carries out DCS & Labeling. 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 Base and the Primary label businesses.
2	**DCS & Labeling** (DCS: Data Collection Systems)	SATO's business model that incorporates auto-ID technology (such as barcodes and RFID) with barcode printers and labels/labeling services to (a) systematically collect data on people and things at business sites and (b) offer tagging/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 tagging variable information, such as prices, manufactured dates and expiration dates in the form of barcodes and more.
4	**Primary label business**	Overseas business of tagging fixed information via product labels and other media. This business operates from SATO Group companies; Achernar (Argentina), Prakolar (Brazil), Okil (Russia), X-Pack (Russia) and Hirch (Vietnam).
5	**Tagging**	The process of physically attaching to something data that identifies and/or provide status information. 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 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, consumables, 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	**Perfect and Unique Tagging** (PUT)	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 faced by society as a whole.

SATO terminologies (2/4)

	SATO's 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 and technologies	**Description**
1	**Auto-ID solutions**	Combination of products such as printers, labels, software and maintenance services using auto-ID technologies to carry out DCS & Labeling. 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 consumables, including hardware (e.g., printers, automatic labelers, scanners, hand labelers), software and maintenance services. They generate higher gross profit margin than consumables. Printers are manufactured in Malaysia, Vietnam and Taiwan.
3	**Consumables**	"Consumable" products such as variable information labels, RFID tags, primary labels (product labels) and ribbons. They generate lower gross profit margin than mechatronics 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	**PJM** (Phase Jitter Modulation)	RFID technology that uses frequencies in the HF band and complies with the international standard ISO/IEC18000-3 Mode 2. SATO has many patents on reading circuits and systems that support implementation of the technology. In addition to providing fast and accurate lump-sum reading of up to 600 RFID tags per second, the technology lends itself to challenging read environments as PJM RFID operates down to -80 ° C, can be read in proximity to liquid, or with multiple of them stacked together, and withstands medical sterilization. In certain conditions and environments, PJM RFID systems can be built to enable operation with reduced susceptibility to metal interference. These advantages have led to growing adoption of the technology in blood bag and orthopedic implant management.
7	**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.
8	**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.
9	**SATO AEP Cloud** (Application Enabled Printing Could)	Cloud-based aPaaS (Application Platform as a Service) was launched in April 2025 by SATO Europe GmbH, a European subsidiary. It enables flexible and rapid application design in no-code and low-code for challenges such as complex labeling operations and regulations (e.g., digital product passports) faced by customers. This contributes to the realization of operational accuracy, business efficiency, cost management, etc.
10	**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 the business of Magellan Technology Pty Ltd., which possessed PJM (Phase Jitter Modulation), an RFID technology compliant with ISO/IEC 18000-3 Mode 2. Now SATO Vicinity Pty Ltd.
4	**Okil-Holding, JSC** (Russia)	[2014] Primary labels company in which SATO acquired 75% ownership stake. X-Pack 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	**Okil –SATO X-Pack Co. Ltd.** (Russia)	[2017] A subsidiary producing and selling shrink sleeves, in-mold labels and soft packages in Primary Labels business, owned 60% by SATO.

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