November 13, 2026

SATO Corporation

Q2 FY 2026 Financial Results

(Six Months Ended September 30, 2026)

Securities Code: 6287.T

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Jul-Sep 2026 results

Progress update on medium-term management plan

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Summary

Q2 (Jul-Sep) results

- **Both sales and operating income increased (+11% and +24%, respectively).** ***% in parentheses indicates year-on-year changes.**
  - ✓ Overseas base business: Net sales and OI increased (+17% and +56%, respectively).
  - ✓ Overseas primary labels business: Net sales and OI increased (+14% and +55%, respectively).
  - ✓ Japan business: Net sales increased (+7%); operating income was largely flat (-2%).
- **Net sales and OI of the overseas business exceeded the plan (as of August 12, 2026), while those of the Japan business was broadly in line with the plan.**
  - ✓ Overseas business: Net sales and OI of both the base business and primary labels business exceeded the plan's targets.
  - ✓ Japan business: Net sales and OI were largely in line with the plan, with some variations depending on the vertical or the sub-vertical, as the company captured solid demand.

FY2026 (ending Mar 2027) outlook

- **Consolidated: Full-year net sales and OI forecasts have been revised upward, with OI expected to reach a record high.**
  - ✓ Overseas business: Sales and OI forecasts have been revised upward, mainly due to favorable changes in forecasts in the base business, reflecting the U.S. tariff refunds and better-than-planned Apr-Sept performance.
  - ✓ Japan business: Sales and OI forecasts remain unchanged for the full year.

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Sales and OI by Business Segment *2

(Millions of JPY)

			FY25	FY26	YoY	In local currencies
Consolidated		**Total Sales**	**40,418**	**44,918**	**+11.1%**	**+7.4%**
		Operating Income	**2,741**	**3,396**	**+23.9%**	**+18.2%**
Overseas	**Base**	Total Sales	13,022	15,270	+17.3%	+9.0%
		Operating Income	1,133	1,765	+55.8%	+42.3%
	Primary Labels	Total Sales	5,922	6,746	+13.9%	+6.4%
		Operating Income	468	727	+55.2%	+43.3%
	Eliminations	Operating Income	24	-46	-	-
	Total	Total Sales	18,944	22,017	+16.2%	+8.2%
		Operating Income	1,626	2,446	+50.4%	+37.6%
Japan		Total Sales	21,473	22,901	+6.7%	+6.7%
		Operating Income	1,036	1,021	-1.5%	+3.7%
Eliminations		Operating Income	78	-71	-	-

* 1 Apr-Sep results are shown on p. 31.
* 2 Sales and OI excluding Russian subsidiaries are shown on p. 44.

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Consolidated Results*2

(Millions of JPY)

	FY25	FY26	Change	YoY
Net Sales	40,418	44,918	+4,500	+11.1%
Operating Income	2,741	3,396	+654	+23.9%
Operating Income %	6.8%	7.6%	+0.8pt	-
Ordinary Income	2,574	3,085	+511	+19.8%
Profit attributable to owners of parent	1,841	1,803	-37	-2.0%
EBITDA*	4,246	5,115	+868	+20.4%

FX sensitivity for FY26: A JPY 1 depreciation of the Japanese yen against the U.S. dollar, assuming an equivalent percentage depreciation against all other currencies, is estimated to increase sales and OI for FY26 by JPY 556 million and JPY 24 million, respectively.

Average FX rates

USD	146.02	159.48
EUR	168.05	184.42

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

Depreciation	1,501	1,685
Amortization	3	33

* 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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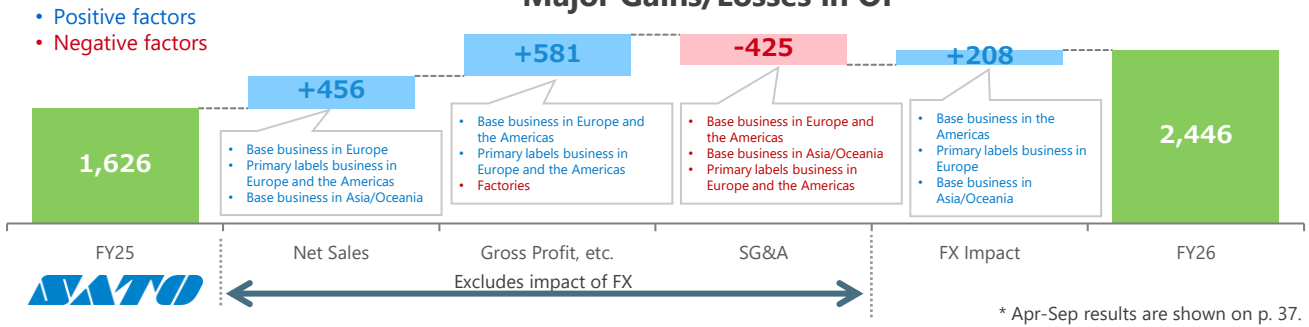
Overview

(Millions of JPY)

	FY25	FY26	Change		
				YoY	In local currencies
Base business Total Sales	13,022	15,270	+2,248	+17.3%	+9.0%
Primary Lablels business Total Sales	5,922	6,746	+824	+13.9%	+6.4%
Total Sales	**18,944**	**22,017**	**+3,072**	**+16.2%**	**+8.2%**
Gross Profit	7,182	8,890	+1,708	+23.8%	-
Gross Profit %	37.9%	40.4%	+2.5pt	-	-
Base business Operating Income	1,133	1,765	+632	+55.8%	+42.3%
Primary Lablels business Operating Income	468	727	+258	+55.2%	+43.3%
Elimination Operating Income	24	-46	-70	-	-
Operating Income	**1,626**	**2,446**	**+820**	**+50.4%**	**+37.6%**
Operating Income %	8.6%	11.1%	+2.5pt	-	-

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

Major Gains/Losses in OI



* Apr-Sep results are shown on p. 37.

Sales

- The base business recorded higher sales, driven by large-scale projects and strong solutions demand across all regions, and supported by favorable foreign exchange impacts.
- The primary labels business posted higher sales, reflecting favorable comparison against the prior-year period when the weather anomaly lowered sales, and boosted by solid demand and favorable foreign exchange impacts.

Operating Income

- OI in the base business increased on higher sales across all regions, and the one-off positive impact from tariff refunds in the U.S.
- OI in the primary labels business grew as stronger sales more than offset higher personnel/labor expenses and other cost increases.

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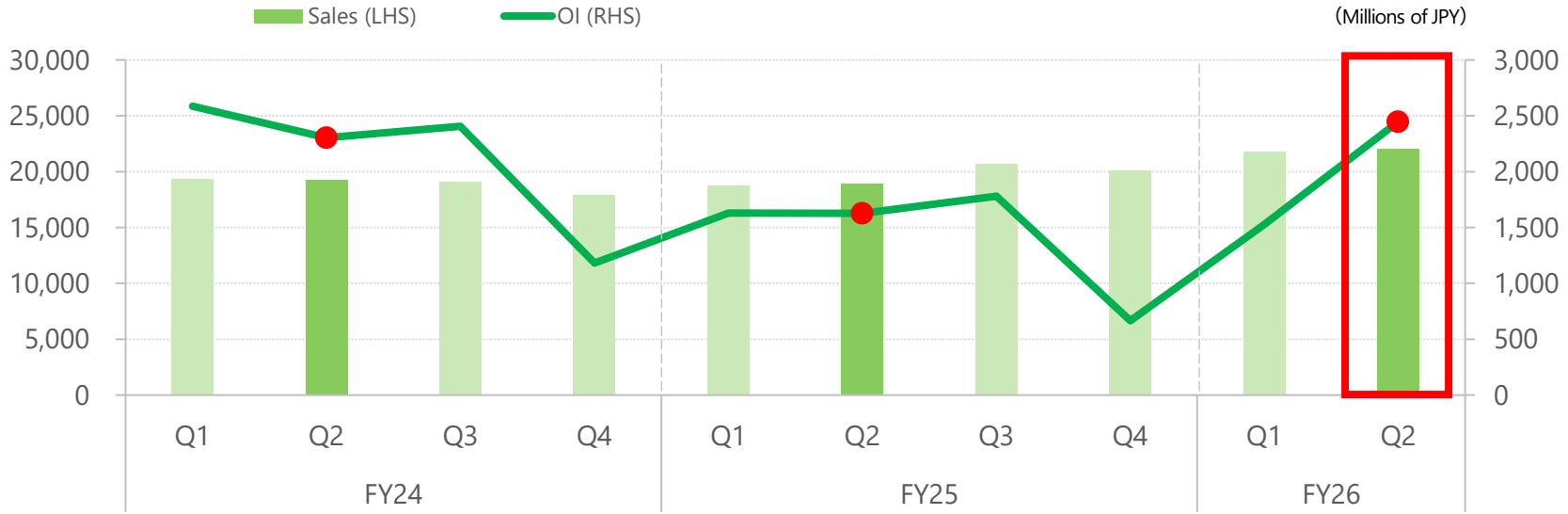
Quarterly Sales and Operating Income



Sales	19,321	19,223	19,104	17,937	18,737	18,944	20,648	20,064	21,762	22,017
YoY	+17.4%	+12.4%	+8.2%	+7.2%	-3.0%	-1.4%	+8.1%	+11.9%	+16.1%	+16.2%
OI	2,586	2,303	2,405	1,183	1,629	1,626	1,782	666	1,526	2,446
YoY	+19.2%	-1.8%	-3.4%	-4.4%	-37.0%	-29.4%	-25.9%	-43.7%	-6.3%	+50.4%

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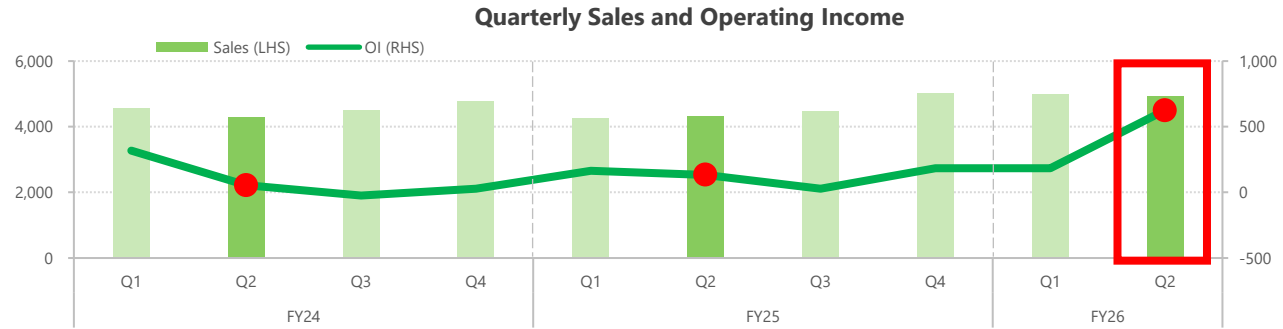
Base Business — The Americas

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	4,315	4,922	+607	+14.1%	+5.5%
Operting Income	133	625	+491	4.7x	4.3x

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



Sales	4,568	4,294	4,503	4,768	4,264	4,315	4,450	5,008	4,974	4,922
YoY	+4.9%	-2.7%	+4.9%	+11.5%	-6.7%	+0.5%	-1.2%	+5.0%	+16.6%	+14.1%
OI	318	54	-24	28	164	133	27	183	184	625
YoY	+61.3%	-32.9%	-	-	-48.4%	2.5x	-	6.5x	+12.4%	4.7x

Sales

- In the U.S., sales increased, led by retail, where high-value Bluetooth Low Energy (BLE) sensor tag projects continued to drive growth.
- In South America, sales were higher, driven by a high-value project in health care and favorable foreign exchange impacts.

Operating Income

- In the U.S., OI grew on an improved product mix resulting from strong service and maintenance sales, and a one-off positive impact from tariff refunds.
- In South America, OI decreased as higher sales fell short of offsetting increased personnel/labor and other costs amid inflation.

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

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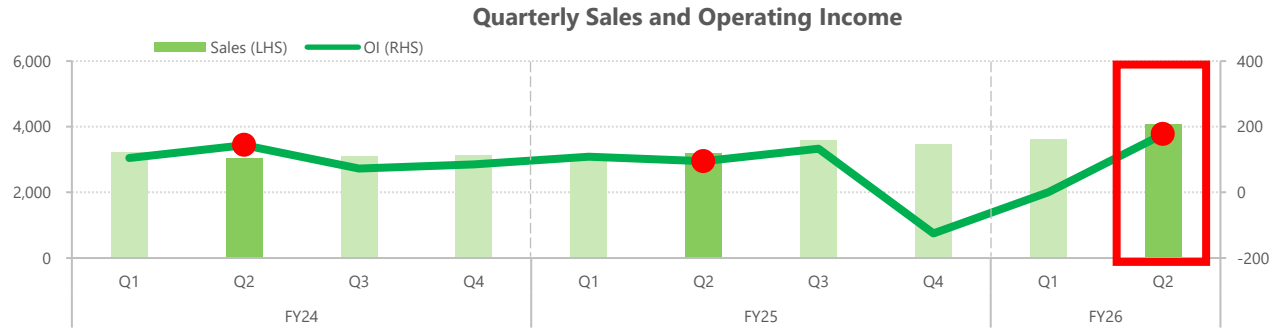
Base Business — Europe

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	3,191	4,085	+894	+28.0%	+19.9%
Operting Income	95	177	+82	+86.3%	+71.3%



Sales	3,221	3,028	3,106	3,121	3,129	3,191	3,582	3,457	3,627	4,085
YoY	+7.7%	+11.6%	+3.3%	+4.1%	-2.9%	+5.4%	+15.3%	+10.8%	+15.9%	+28.0%
OI	105	144	73	85	109	95	133	-125	0	177
YoY	-78.3%	+33.8%	-66.2%	+9.0%	+4.3%	-34.2%	+81.0%	-	-	+86.3%

Sales

- Sales grew as investment appetite slowly returned across Europe, and demand increased moderately, which the company captured.
- A large project involving print and apply systems in the U.K. and solid demand in retail and food helped push up sales.

Operating Income

- OI grew as higher sales and an improved product mix more than offset increased costs, including higher inflation-related personnel expenses.

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

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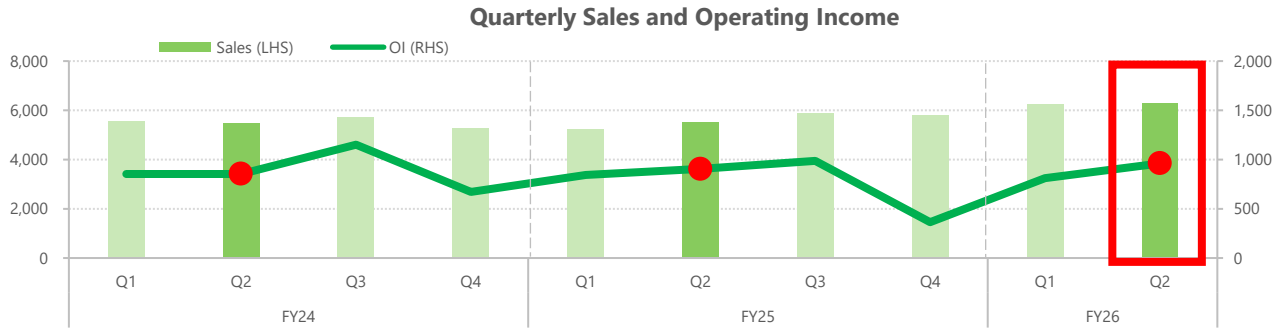
Base Business — Asia/Oceania*2

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	5,516	6,262	+746	+13.5%	+5.3%
Operting Income	904	962	+58	+6.4%	-3.4%



Sales	5,564	5,483	5,718	5,251	5,234	5,516	5,882	5,801	6,230	6,262
YoY	+25.6%	+17.2%	+11.7%	+9.6%	-5.9%	+0.6%	+2.9%	+10.5%	+19.0%	+13.5%
OI	853	854	1,151	671	843	904	986	364	812	962
YoY	2.7x	+74.2%	+49.7%	+25.0%	-1.1%	+5.9%	-14.3%	-45.7%	-3.7%	+6.4%

Sales

- Sales increased as the company captured strong demand, particularly in manufacturing, resulting in solid sales across Southeast Asia.
- Sales at Argox in Taiwan increased as inventory adjustments at their distributors/resellers are now largely complete.
- Sales in Australia declined due to a temporary slowdown in a large RFID project.

Operating Income

- OI at sales subsidiaries grew overall, as positive impact of higher sales in Asia more than offset the negative impact of sales declines in Australia.
- OI at factories decreased due to lower factory utilization compared to the year-ago period when the company had a large project in Japan.

*1 Apr-Sep results are shown on p. 38.
*2 OI for the Asia/Oceania region includes profits from factories located in the region that supply products to our subsidiaries across the globe.

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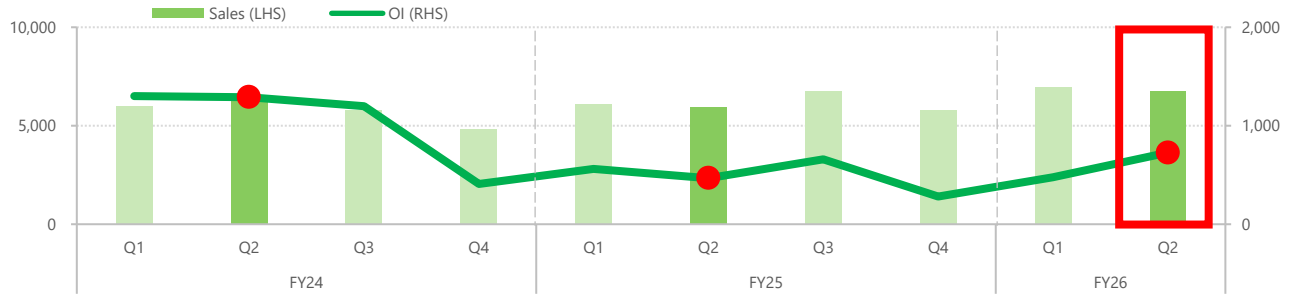
Primary Labels Business

(Millions of JPY)

		FY25	FY26	Change	YoY	In local currencies
The Americas Achernar (Argetina) Plakorar (Brazil)	**Total Sales**	905	1,072	+166	+18.4%	+11.7%
	Operating Income	116	199	+82	+70.6%	+64.4%
Europe Okil/ X-pack (Russia)	**Total Sales**	4,930	5,572	+642	+13.0%	+5.3%
	Operating Income	346	530	+184	+53.2%	+39.1%
Asia/Oceania Hirich (Vietnam)	**Total Sales**	87	102	+14	+17.1%	+14.1%
	Operating Income	5	-2	-8	-	-
Total Sales	**Total Sales**	5,922	6,746	+824	+13.9%	+6.4%
	Operating Income	468	727	+258	+55.2%	+43.3%

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

Quarterly Sales and Operating Income



Sales	5,966	6,416	5,775	4,796	6,109	5,922	6,733	5,797	6,929	6,746
YoY	+27.6%	+21.1%	+10.5%	+2.9%	+2.4%	-7.7%	+16.6%	+20.9%	+13.4%	+13.9%
OI	1,301	1,290	1,198	409	561	468	658	281	478	727
YoY	+16.4%	-14.5%	+5.4%	-47.2%	-56.9%	-63.7%	-45.1%	-31.1%	-14.9%	+55.2%

Sales

- In Europe, sales increased, supported by enhanced production equipment/capacity, solid demand, and favorable comparison to the year-ago period when weather anomaly lowered sales, in addition to favorable foreign exchange impacts.
- In the Americas, sales grew, benefiting from price revisions and favorable foreign exchange impacts, despite lower demand due to inflation.

Operating Income

- In Europe, OI increased as higher sales and favorable foreign exchange impacts more than offset higher personnel/labor and production capacity expansion costs.
- In the Americas, OI grew, supported by higher sales and favorable foreign exchange impacts, despite higher personnel/labor and other costs amid inflation.

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

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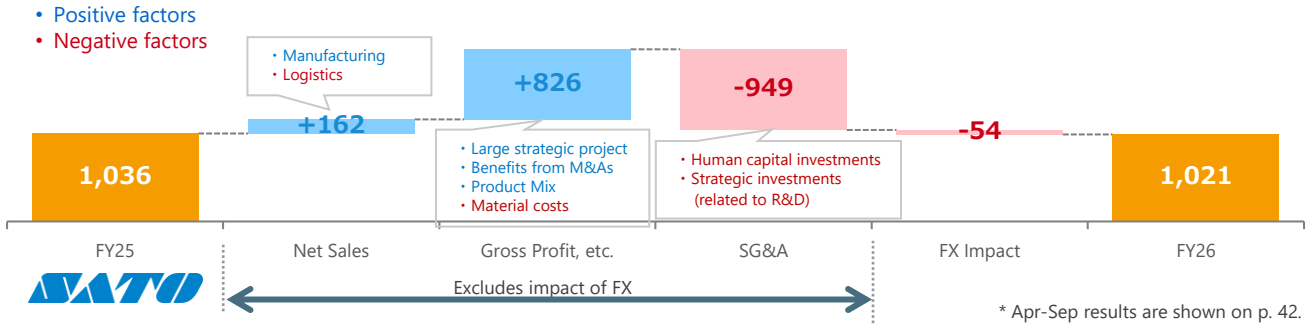
Overview

(Millions of JPY)

	FY25	FY26	Change	YoY
Mechatronics Sales	9,743	9,202	-541	-5.6%
Consumables Sales	11,729	13,699	+1,969	+16.8%
Total Sales	**21,473**	**22,901**	**+1,428**	**+6.7%**
Gross Profit	9,380	10,314	+933	+10.0%
Gross Profit %	43.7%	45.0%	+1.4pt	-
Operating Income	**1,036**	**1,021**	**-15**	**-1.5%**
Operating Income %	4.8%	4.5%	-0.4pt	-

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.
Hiranoya Bussan posted JPY 900 million for the July-Sept, FY26, period, from which its sales have been included the financials.

Major Gains/Losses in OI



* Apr-Sep results are shown on p. 42.

Sales

- **Mechatronics product sales declined despite ongoing sales growth driven by new printers, impacted by difficult comparison against the year-ago period when the company had a large strategic project.**
- **Consumables sales grew across all verticals, boosted by solid demand, early placement of orders by customers ahead of price revisions, and benefits from M&A.**

Operating Income

- **SG&A expenses rose due to human capital investments and strategic investments.**
- **OI was broadly flat, as higher sales, benefits from M&A, and improved product mix resulting from brisk sales of new printers more than offset the increase in SG&A expenses.**

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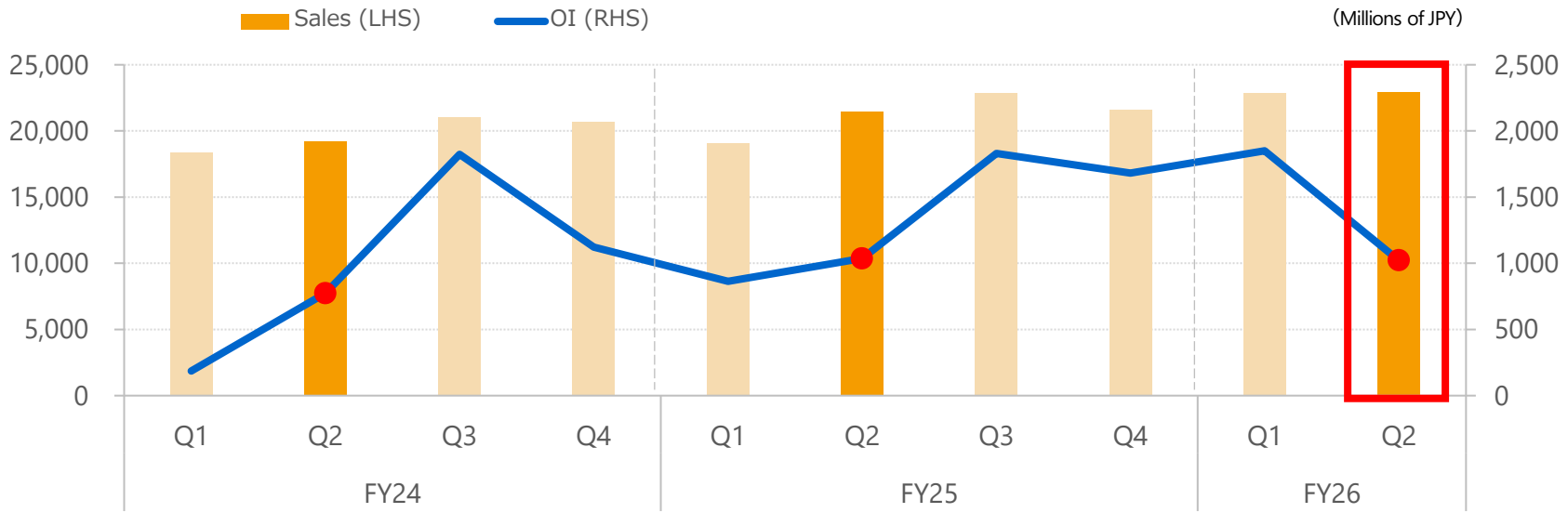
Quarterly Sales and Operating Income



Sales	18,353	19,191	21,016	20,658	19,091	21,473	22,858	21,614	22,858	22,901
YoY	+4.7%	+2.7%	+5.2%	+7.0%	+4.0%	+11.9%	+8.8%	+4.6%	+19.7%	+6.7%
OI	186	773	1,824	1,123	864	1,036	1,830	1,682	1,850	1,021
YoY	-	7.3x	+96.8%	+24.6%	4.6x	+34.0%	+0.4%	+49.8%	2.1x	-1.5%

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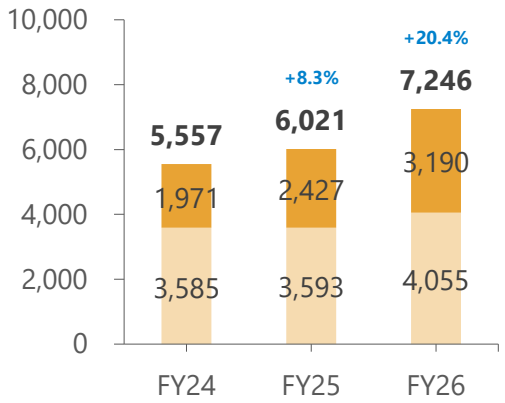
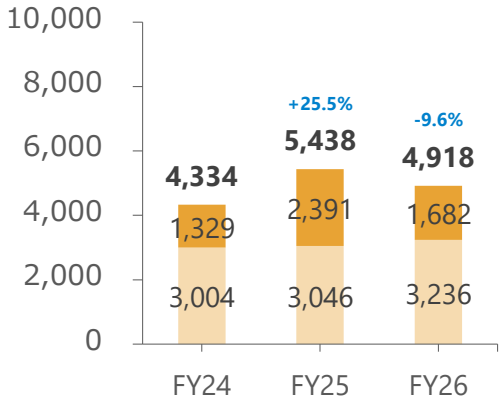
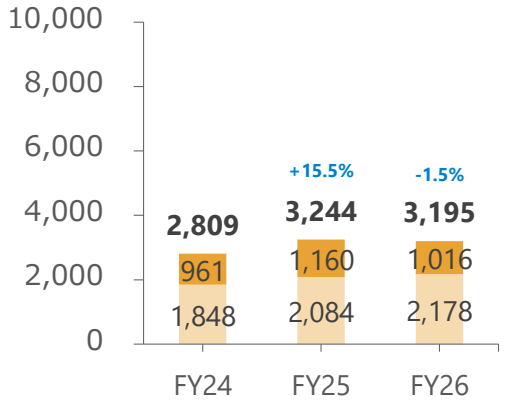
Sales by Vertical 1/2* 2

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

(Millions of JPY)

	Manufacturing* 3	Logistics	Retail
Net Sales			
Business environment	Production of advanced semiconductors remained strong, driven mainly by ongoing growing demand for generative AI applications. With the exception of some verticals continuing to be affected by geopolitical tensions in the Middle East, overall investment appetite remained solid.	Shipment volumes, particularly those for small-parcel deliveries, remained high amid strong e-commerce demand. There were ongoing needs among companies to address labor shortages and comply with the revised logistics efficiency laws.	Strong investments for efficiency gains continue at supermarkets, including those for in-store digital transformation. Investment in the e-commerce vertical also remains strong.
SATO's business performance	Consumables sales increased as the demand grew, particularly in advanced semiconductor-related industries. Mechatronics product sales rose, driven primarily by brisk sales of the new printers, with additional contributions from high-value projects involving print and apply systems.	Consumables sales remained solid across verticals, as we captured demand driven by higher shipment volumes. Mechatronics product sales dropped due to the absence of the large-scale strategic project we had in the year-ago period, partially offset by ongoing contributions from large-scale projects related to C2C e-commerce.	Consumables sales grew on the back of brisk retail sales driven by robust inbound tourism. Mechatronics product sales were lower due to unfavorable comparison against the year-ago period when we had high-value projects with specialty stores.

* 1 Apr-Sep results are shown on p. 43.
* 2 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.
* 3 Since Q1 FY25, sales from the manufacturing and public verticals have been combined. The graphs have been adjusted retrospectively.

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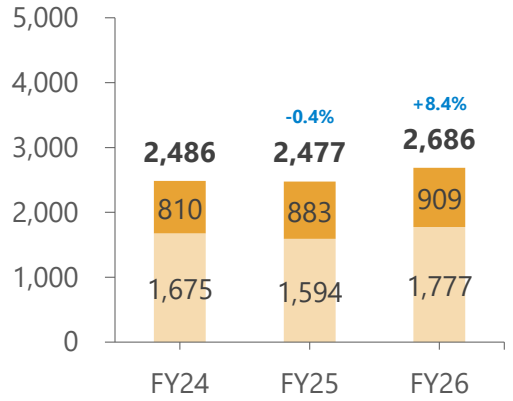
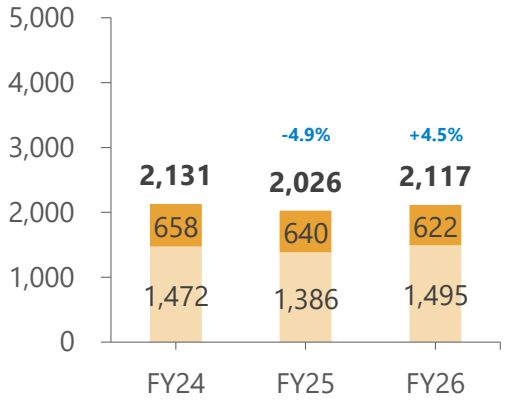
Sales by Vertical 2/2*2

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

(Millions of JPY)

	Health Care	Food & Beverage
Net Sales		
Business environment	Companies continued to actively invest in RFID solutions, and auto-ID solutions in general, to enhance administrative efficiencies and combat labor shortages. Overall demand remains firm.	Robust investment in automation and RFID solutions for improving efficiency continued, as rising raw materials and logistics costs and severe labor shortages keep affecting businesses.
SATO's business performance	Consumables sales expanded, reflecting the growing sales of wristbands for patient safety as well as the solid demand for RFID solutions to achieve greater efficiencies. Mechatronics product sales increased, driven by a high-value project in the medical device vertical and continuing demand for printer refresh in hospitals.	Consumables sales increased, driven by solid demand overall, particularly in the food service vertical. Mechatronics product sales were flat, as the absence of a large project in the food service vertical in the year-earlier period was offset by large projects related to HACCP*3 in the food manufacturing vertical.

* 1 Apr-Sep results are shown on p. 43.
* 2 Since Q1 FY24, maintenance support sales are partially included in the mechatronics business. The graphs have been adjusted retrospectively.
* 3 A hygiene management method to prevent hazards such as food poisoning and foreign material contamination during food manufacturing.

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FY26 Forecasts

(Millions of JPY)

	Apr-Sep		Oct-Mar		FY26			
	Results	YoY	Revised Plan*2 As of Nov 13, 2026	YoY	Previous Plan As of Aug 12, 2026	Revised Plan As of Nov 13, 2026	Change	YoY
Net Sales	89,540	+14.4%	88,459	+3.8%	172,000	178,000	+6,000	+8.9%
Operating Income	6,825	+33.8%	5,574	-6.2%	12,100	12,400	+300	+12.3%
Ordinary Income	6,330	+41.9%	5,569	+2.7%	11,600	11,900	+300	+20.4%
Profit attributable to owners of parent	4,342	+42.3%	3,457	+70.0%	7,700	7,800	+100	+53.3%
For reference:								
EBITDA*1	17,028 ← for FY 2025				18,500	18,900	+400	+11.0%

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

Average FX rates

	Previous Plan As of Aug 12, 2026	Revised Plan As of Nov 13, 2026
USD	155.00	155.00
EUR	180.00	180.00

*2 Second-half (Oct-Mar) forecasts were calculated by subtracting first-half (Apr-Sep) results from the corresponding revised full-year forecasts.

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FY26 Forecasts

The full-year forecasts (disclosed August 12, 2026) have been revised upward.
The sales and operating income forecasts for the overseas business have been revised upward, while the operating income forecast for the Japan business remains unchanged.

(Millions of JPY)

		Apr-Sep			Oct-Mar			FY26		
		Previous Plan As of Aug 12, 2026	Results	Change	Previous Plan As of Aug 12, 2026	Revised Plan As of Nov 13, 2026	Change	Previous Plan As of Aug 12, 2026	Revised Plan As of Nov 13, 2026	Change
Overseas (Base business)	Net Sales	28,400	30,103	+1,703	29,000	30,296	+1,296	57,400	60,400	+3,000
	Operating Income	2,200	2,761	+561	2,100	1,838	-261	4,300	4,600	+300
Overseas (Primary labels business)	Net Sales	12,200	13,676	+1,476	12,400	11,923	-476	24,600	25,600	+1,000
	Operating Income	1,000	1,205	+205	900	694	-205	1,900	1,900	±0
Overseas (Eliminations)	Operating Income	0	5	+5	0	-5	-5	0	0	±0
Overseas	Net Sales	40,600	43,779	+3,179	41,400	42,220	+820	82,000	86,000	+4,000
	Operating Income	3,200	3,972	+772	3,000	2,527	-472	6,200	6,500	+300
Japan	Net Sales	45,500	45,760	+260	44,500	46,239	+1,739	90,000	92,000	+2,000
	Operating Income	2,800	2,871	+71	3,100	3,028	-71	5,900	5,900	±0
Eliminations	Operating Income	0	-19	-19	0	19	+19	0	0	±0
Consolidated	Net Sales	86,100	89,540	+3,440	85,900	88,459	+2,559	172,000	178,000	+6,000
	Operating Income	6,000	6,825	+825	6,100	5,574	-525	12,100	12,400	+300

*1 First-half (Apr–Sep) results include Hiranoya Bussan's sales and operating income from Q2 onward.
*2 Second-half (Oct–Mar) forecast includes Hiranoya Bussan's sales only.
*3 Second-half (Oct-Mar) forecasts were calculated by subtracting first-half (Apr-Sep) results from the corresponding revised full-year forecasts.

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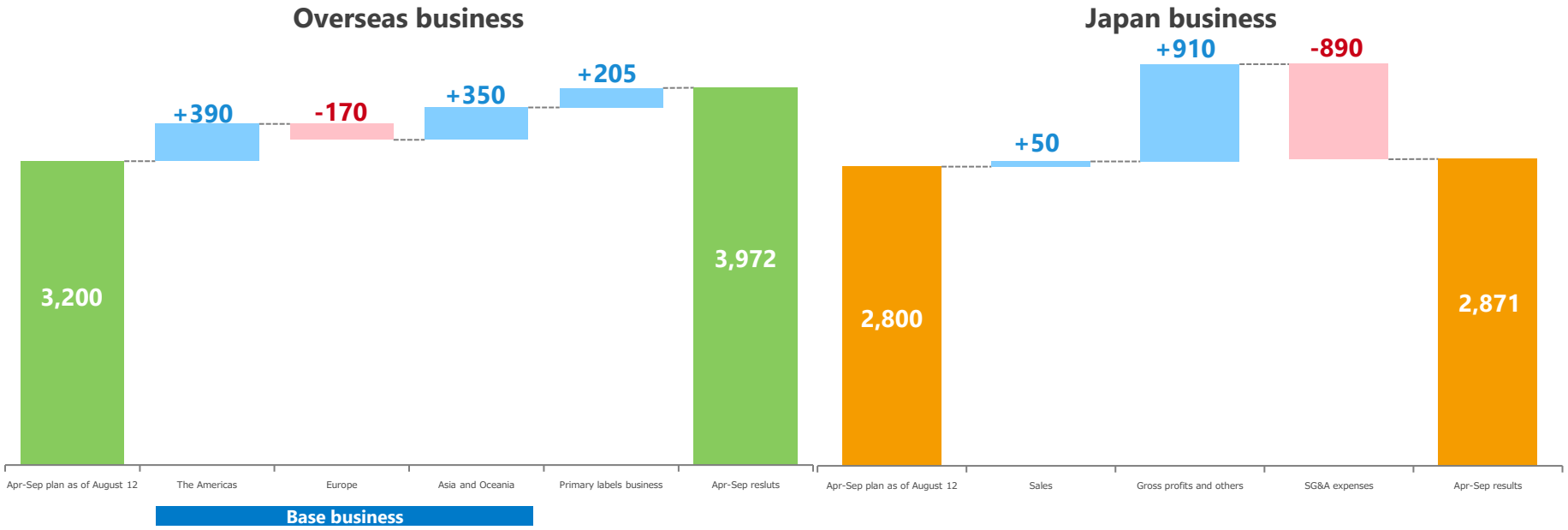
Apr-Sep Operating Income vs. Previous Plan (disclosed August 12, 2026)

Overseas business: Exceeded the plan, driven by solid demand and one-off benefits from tariff refunds in the U.S.
Japan business: Broadly in line with the plan, as positive impact from higher sales and an improved product mix compensated for higher SG&A expenses, which include human capital investments.

(Millions of JPY)



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Oct-Mar Outlook by Region/Business and Vertical

Despite variations by region and market, demand for auto-ID solutions remains resilient overall.

Overseas

The Americas	Europe	Asia/Oceania	Primary Labels
● The U.S. economy is expected to remain resilient, although uncertainty persists over trade policies and inflation. ● Although the major part of the large-scale project involving Bluetooth Low Energy sensor is now largely complete, demand for print and apply systems related to e-commerce is expected to continue. ● Our business in Latin America is expected to remain strong overall, though the pace of growth is likely to slow in some markets due to high interest rates.	● The economy is expected to continue its moderate growth, though the recovery is likely to be slow, dampened by surging raw materials and energy costs. ● While companies remain cautious about capital investment, investments in labor saving and productivity gains are expected to continue. ● SATO aims to expand sales in high-value areas of blood and specimen SCM*, developing business opportunities.	● The economy in Southeast Asia is expected to remain resilient, underpinned by exports and investment, while semiconductor-related demand and supply chain restructuring continue to bolster the manufacturing sector. ● While domestic demand in East Asia remains sluggish, investments in high-tech sectors are expected to prop up the economy. ● Demand is expected to be strong, though inventory adjustments are expected with a specific large project in Australia.	● Foreign exchange risks and geopolitical risks continue to create uncertainty. ● In Russia, consumer spending remains weak; however, its impact is expected to be offset by higher sales resulting from enhanced production equipment/capacity. Costs are expected to remain high. ● In South America, inflation is expected to continue affecting consumer demand and costs, while demand for consumer packaged goods is expected to remain strong.

Japan

Manufacturing	Logistics	Retail	Health Care	Food & Beverage
● Ongoing thriving demand for semiconductors is expected to drive demand in electronics component sector and other related sectors. ● Sales of new printers are expected to remain strong, though moderating from the high levels seen in Apr-Sep.	● Investment in digital transformation and automation at logistics sites is expected to continue, driven by labor shortages and the expansion of e-commerce. ● Though the absence of the large-scale strategic projects in the prior-year period will continue to affect the year-on-year comparison, the impact is expected to be partially offset by solid demand for logistics solutions.	● Strong investment in efficiency improvement is expected to continue, as companies adopt inventory management solutions, RFID and the like to tackle labor shortages and strengthen their earning power. ● We expect to build a solid pipeline of projects for efficiency enhancement in store operations and supply chains.	● Solid demand for wristbands and RFID is expected to continue, with the former to support patient safety, and the latter to help with supply chain management for medical supplies. ● Demand related to statutory labeling and demand for printer refresh at hospitals are expected to support sales growth.	● Investment appetite for labor saving and efficiency improvement is expected to remain strong amid rising costs and labor shortages. ● The needs to strengthen traceability are expected to drive demand for solutions related to digitization and print and apply systems.

* SCM (Supply Chain Management): Managing the entire supply chain for optimization

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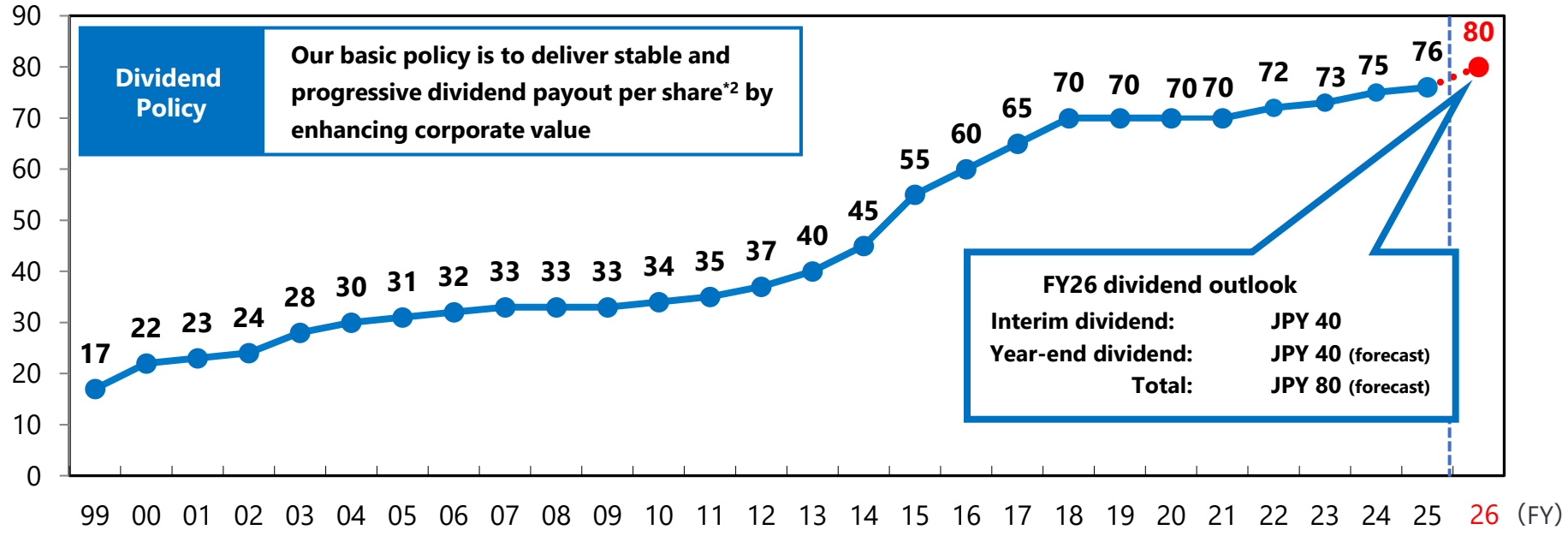
Dividends

Interim dividend for FY 2026: 40 yen (up JPY 2 YoY)

(JPY per share)

	FY22	FY23	FY24	FY25	FY26 (Forecast)
EPS	126.7	110.0	220.4	156.7	242.3
ROE	6.5%	5.2%	9.7%	6.3%	9.0%
(Ref.) Dividend-on-Equity ratio*1	3.7%	3.5%	3.3%	3.1%	3.0%
Payout ratio	56.8%	66.4%	34.0%	48.5%	33.0%

(Unit: JPY)



*1 Dividend / Shareholders' Equity

*2 Our determination to maintain or increase dividend payouts per share each year.

Jul-Sep 2026 results

Progress update on medium-term management plan

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Medium-Term Management Plan — Roadmap

Having moved on to the second — or growth investment — phase of the MTMP, we made a solid progress on business development for the Perfect and Unique Tagging toward commercialization.



FY24-25

- Update management and organizational foundations
- Improve profitability through appropriate pricing
- Strengthen earnings from the core business

Results

JPY 163.4 bn Net Sales	JPY 11.0 bn Operating Income
6.8% Operating Income %	7.7% ROIC
6.3% ROE	0.9x PBR*3

FY26

- Enhance cash generation
- Execute strategic investments
- Translate the PUT concept into concrete business/initiatives

Forecast *2

JPY **178.0** bn Net Sales	JPY **12.4** bn Operating Income
7.0% Operating Income %	**8.0**% ROIC
9.0% ROE	**1.0**x PBR*4

FY28

- Drive commercialization in strategic fields
- Realize synergies from the strategic investments
- Achieve full-scale earnings contribution from the strategic investments

Targets

JPY 186.0 bn Net Sales	JPY 15.7 bn Operating Income
8.4% Operating Income %	9.4% ROIC
10.2% ROE	1.0x+ PBR

FY30

- Expand business related to item-level management and standardization
- Broaden business domains and verticals to include adjacencies
- Maximize returns from investments and initiatives

Targets

JPY 200.0 bn Net Sales	JPY 21.0 bn Operating Income
10.5% Operating Income %	12.3% ROIC
14.1% ROE	1.0x+α PBR

*1 Perfect and Unique Tagging (PUT) is a means with which the company works to realize the 2030 vision.
*2 Based on the revised plan disclosed November 13, 2026.
*3 Based on the company's share price as of March 31, 2026.
*4 Based on the company's share price as of September 30, 2026.

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Initiatives to Sustainably Enhance Our Corporate Value

We work to enhance the earning power of the core business while we make disciplined investments in each strategic field of Perfect and Unique Tagging.

Sustainable enhancement of corporate value

Strengthen the earning power

- Realize appropriate pricing; improve product mix
- Expand recurring business
- Provide higher value through offering solutions

Improve the balance sheet

- Improve inventory and cash conversion cycle
- Optimize business portfolio
- Ensure discipline in investment based on ROIC and investment plan

Execute strategic investments

- Develop and implement solutions for item-level product management; drive standardization
- Acquire capabilities to better enable the above through M&A and alliance
- Develop business opportunities in strategic themes

Perfect and Unique Tagging	**Enable item-level management** by harnessing data that is growing in both quality and quantity	**Drive standardization** by market and industry through building business ecosystems
	Management of item-level information	Utilization of information across companies and industries
Strategic fields	Blood and specimen supply chain management / Smart packaging	Circular economy / Digital transformation in logistics
	New technologies	
Core business	Stable earnings, broad customer base and deep on-site expertise	
Competitive advantages	Capabilities to create and implement solutions	Strong customer base and extensive market coverage
Cash allocation	Disciplined capital allocation to make strategic investments and provide returns to shareholder	

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Business Opportunities and Competitive Advantages to Drive Sustainable Growth

We are working to commercialize Perfect and Unique Tagging to capture growing demand for identification, tracking and authentication, while constantly honing our competitive edge in physical tagging.

Business opportunities



Items to be identified, tracked and authenticated are on the sharp rise, and with them their information, leading to a structural growth in demand for our solutions

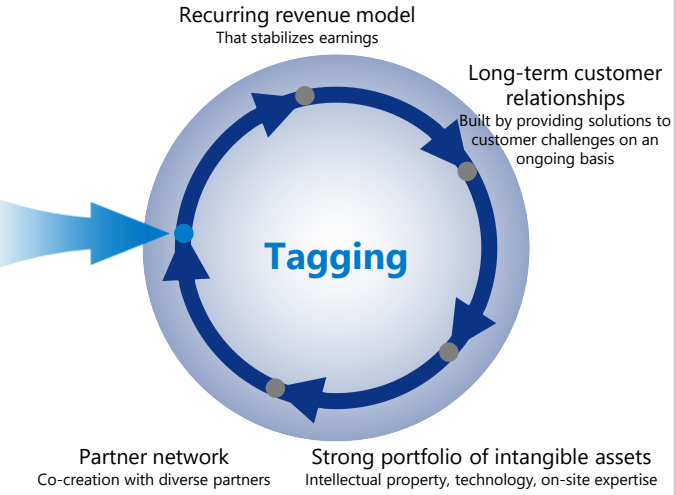
Capabilities to build and implement solutions

Integration of solutions into customers' operational processes

Item-level management	Standardization
Item-level management solutions	Solutions covering entire supply chains

Make strategic investments to build competitive advantages in strategic fields and drive commercialization

Sources of competitive advantages



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Strategic Fields: Smart Packaging

We will enhance R&D and production capabilities through capital investments as well as M&As in the business's close adjacencies while leveraging our strong customer base and solution implementation capabilities to expand the business globally.

Net sales targets

FY25 Results	FY26 Forecast*1	FY30 Target
Approx. JPY 900 mn	JPY 3,600 mn	JPY 15,000 mn

Milestones

FY26: Lay foundation for the business with standardization in mind

FY30: Achieve sales of approx. JPY 15,000 million for the year

KPIs

- **Cross-selling, jointly developed business opportunities resulting in orders**
- **Revenue contribution from new products and solutions**

Growth initiatives

R&D

- Develop products for use with variable information
- Strengthen software offerings to enhance our solution proposals
- Combine auto-ID technologies and flexible packaging
- Develop products and services with standardization in mind

- **Formulate a joint product development plan with Hiranoya Bussan**



Manufacturing

- Build capabilities to support diverse lot sizes
- Strengthen variable information printing capabilities
- Strengthen converting and production capabilities
- Establish production systems and make capital investment with standardization in mind

- **Invest in digital printing equipment**



Sales

- Leverage the global customer base
- Share business opportunities and needs
- Accelerate joint proposals and opportunity creation
- Develop markets ahead of industry-standard adoption

- **Reaffirmed the validity of the PUT vision and the company's advanced position in this field.**
- **Set up the booth with Hiranoya Bussan at Tokyo Pack 2026**



Execution governance and PMI*2

Integrate Hiranoya Bussan. Build foundation.

- Embed SATO's corporate values and management policies
- Integrate the company's capabilities and customer bases with SATO's

Create synergies

- Promote cross-selling and joint development
- Manage sales opportunities and development projects

Monitor progress and manage investments

- Monitor KPIs and returns on investments
- Manage sales, profits and returns on investments

*1 Combined sales of smart packages and labels in Japan and overseas
*2 PMI (Post-Merger Integration): Integration process following an M&A transaction

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Strategic Fields: Blood and Specimen SCM, Circular Economy and New Technologies

We have made a good progress toward commercialization in the strategic fields.

Blood and specimen supply chain management

Progress in Initiatives to Develop Markets and Expand Earnings

Approx. **50** leads generated at hematology conference in the U.S. and tradeshows

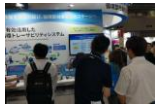


- **Market development:** Expanded global customer touchpoints and made a progress in forming business ecosystem
- **Projects**: Conducted proof of concepts centered mainly around PJM RFID in Europe and the U.S.
- **Monetization:** Generated revenue from a project involving print and apply systems in Taiwan

Circular economy

Progress in Initiatives Supporting Resource Circulation, Starting with CSV*1

Approx. **130** leads generated at environmental tradeshows



- **Opportunities**: Higher awareness among sales teams led to increased number of opportunities
- **Projects**: Made progress in projects involving reverse logistics solutions for digital transformation, DPP*2 solutions, and traceability solution for recycling
- **Business ecosystem**: Working with partners to develop a business model that facilitates horizontal deployment of solutions, readying ourselves for expected industry standardization

New technologies

AI, traceability and other technologies that will help underpin SATO's future solutions

Enhance solution development capabilities to accelerate implementation of advanced solutions across multiple strategic fields.

Acquired 100% share in KM Co., Ltd.
a company with expertise in system development, knowledge of customer operations, and development resources

Accelerate implementation of PUT at customer sites
by combining SATO's expertise in auto-ID and item-level management with KM's software development

Strengthen the business model
Reinforce standard solution offerings and drive the shift to cloud services to increase recurring revenue

*1 CSV: Creating Shared Value (Creation of economic value by solving social issues.)
*2 DPP: Digital Product Passport

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Appendix

Performance data Pages 28-49

SATO terminologies Pages 50-53

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Business Overview by Product

FY25 Consolidated net sales: JPY 163,434 million JPY, 100%

Base business

85% of consolidated net sales (Breakdown by region: The Americas 13%, Europe 10%, APAC 16%, Japan 61%)

Mechatronics 41%

- Printers
- Other Hardware
- Software
- Services

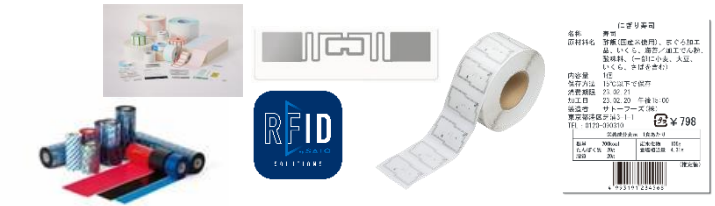






Consumables 44%

- Tags & Labels



Primary Labels

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

Consumables 100%

- Stickers & Primary Labels



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RFID and Automation Solutions — Sales Trends

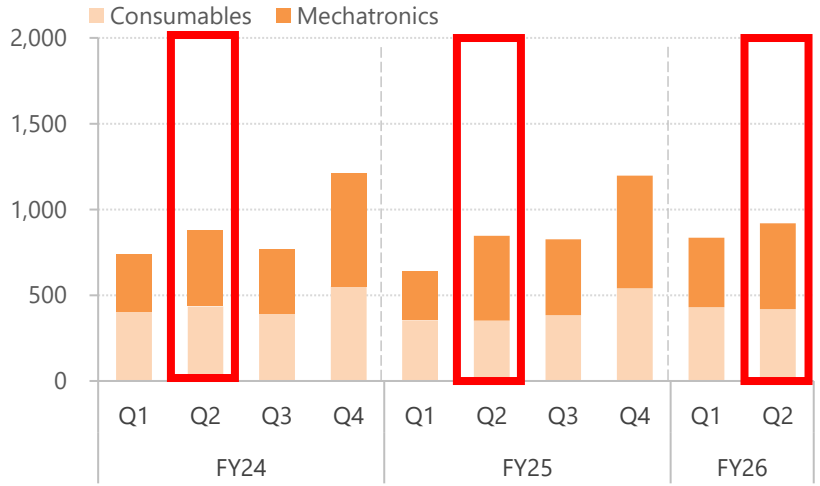
Demand for RFID and automation solutions continued to be strong on elevated needs for digital transformation to address labor shortages.
Sales of RFID solutions increased, driven by high-value projects in the Manufacturing market and sales of new printers.
Automation solutions sales remained flat, as e-commerce-related projects in the Logistics market offset the rebound from a high-value project in the Healthcare market in the same period of the previous year.

(Millions of JPY)

RFID



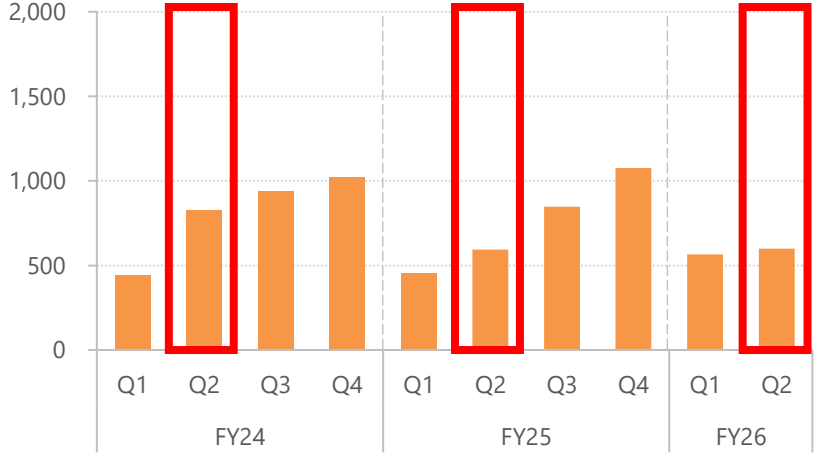
Q2 FY26: **+8.6%** YoY



Automation*



Q2 FY26: **+0.9%** YoY



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

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RFID and Automation Solutions — Sales Trend

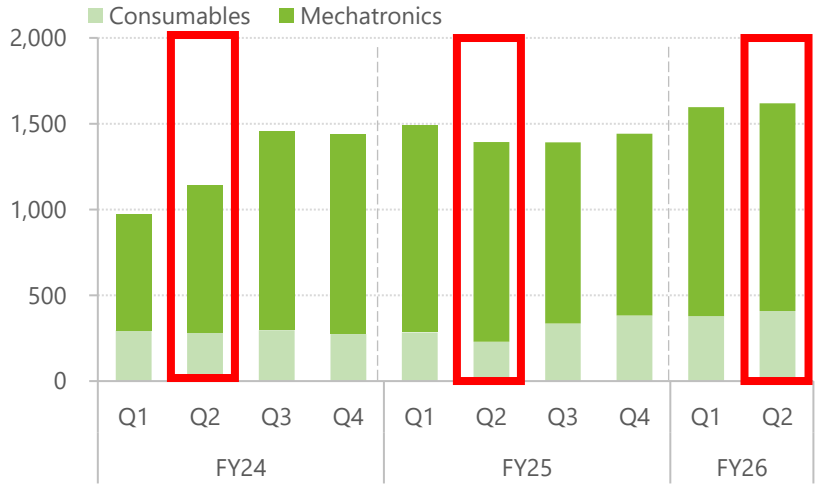
Demand for RFID and automation solutions continued to be strong on elevated needs for digital transformation to address labor shortages.
Sales of RFID solutions increased, as continued contributions from high-value projects in the Americas more than offset the slowdown in a high-value project in Australia.
Automation solutions sales increased, driven by high-value projects in Europe and Asia.

(Millions of JPY)

RFID



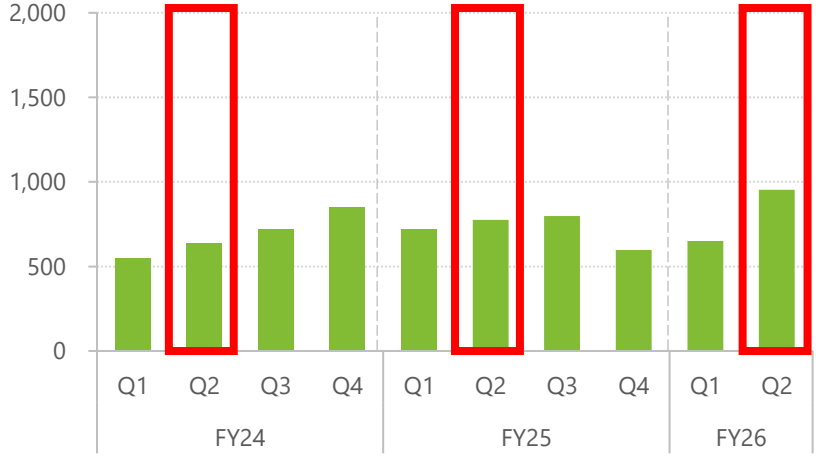
Q2 FY26: **+16.2%** YoY



Automation*



Q2 FY26: **+22.9%** YoY



* Automation includes hardware sales only.

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Sales and OI by Business Segment *

(Millions of JPY)

			FY25	FY26	YoY	In local currencies
Consolidated		**Total Sales**	**78,248**	**89,540**	**+14.4%**	**+9.1%**
		Operating Income	**5,101**	**6,825**	**+33.8%**	**+30.4%**
Overseas	**Base**	Total Sales	25,650	30,103	+17.4%	+7.0%
		Operating Income	2,251	2,761	+22.7%	+10.3%
	Primary Labels	Total Sales	12,032	13,676	+13.7%	+1.2%
		Operating Income	1,030	1,205	+17.0%	+6.6%
	Eliminations	Operating Income	-26	5	-	-
	Total	Total Sales	37,682	43,779	+16.2%	+5.2%
		Operating Income	3,255	3,972	+22.0%	+10.2%
Japan		Total Sales	40,565	45,760	+12.8%	+12.8%
		Operating Income	1,901	2,871	+51.0%	+62.2%
Eliminations		Operating Income	-56	-19	-	-

* Sales and OI excluding Russian subsidiaries are shown on p. 44.

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Consolidated Results *1

(Millions of JPY)

	FY25	FY26	Change	YoY
Net Sales	78,248	89,540	+11,292	+14.4%
Operating Income	5,101	6,825	+1,724	+33.8%
Operating Income %	6.5%	7.6%	+1.1pt	-
Ordinary Income	4,460	6,330	+1,870	+41.9%
Profit attributable to owners of parent	3,052	4,342	+1,289	+42.3%
Effective Tax Rate	28.6%	28.4%	-0.2pt	-
EBITDA*	8,015	10,156	+2,141	+26.7%

FX sensitivity for FY26: A JPY 1 depreciation of the Japanese yen against the U.S. dollar, assuming an equivalent percentage depreciation against all other currencies, is estimated to increase sales and OI for FY26 by JPY 556 million and JPY 24 million, respectively.

Average FX rates

USD	146.02	159.48
EUR	168.05	184.42

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

Depreciation	2,907	3,293
Amortization	6	37

*1 Sales and OI excluding Russian subsidiaries are shown on p. 45.

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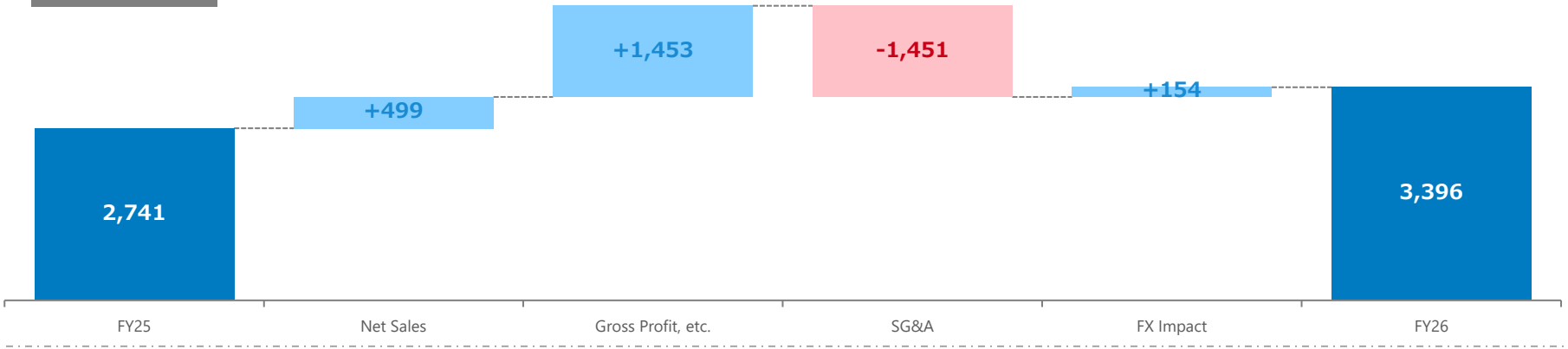
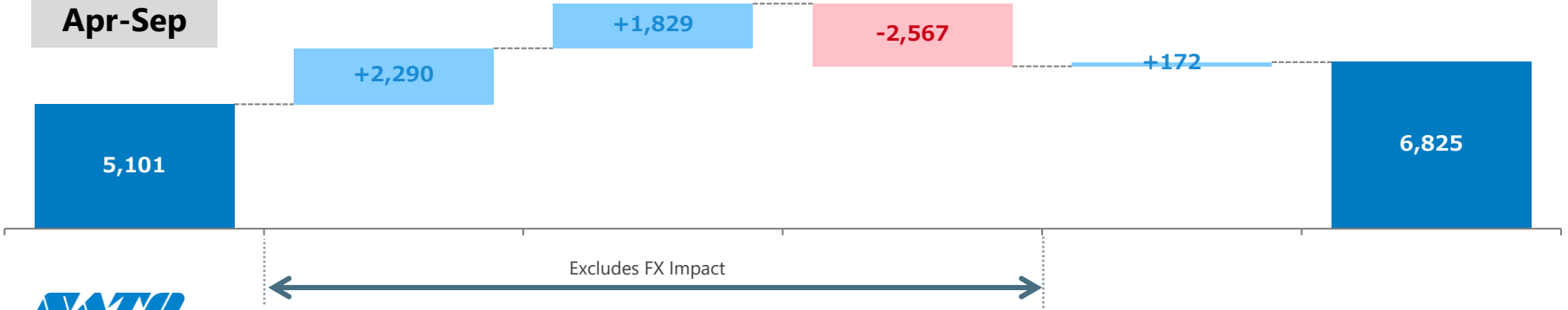
Major Gains/Losses in OI*

(Millions of JPY)

Jul-Sep



Apr-Sep



* Sales and OI excluding those of Russian subsidiaries are shown on p. 46.

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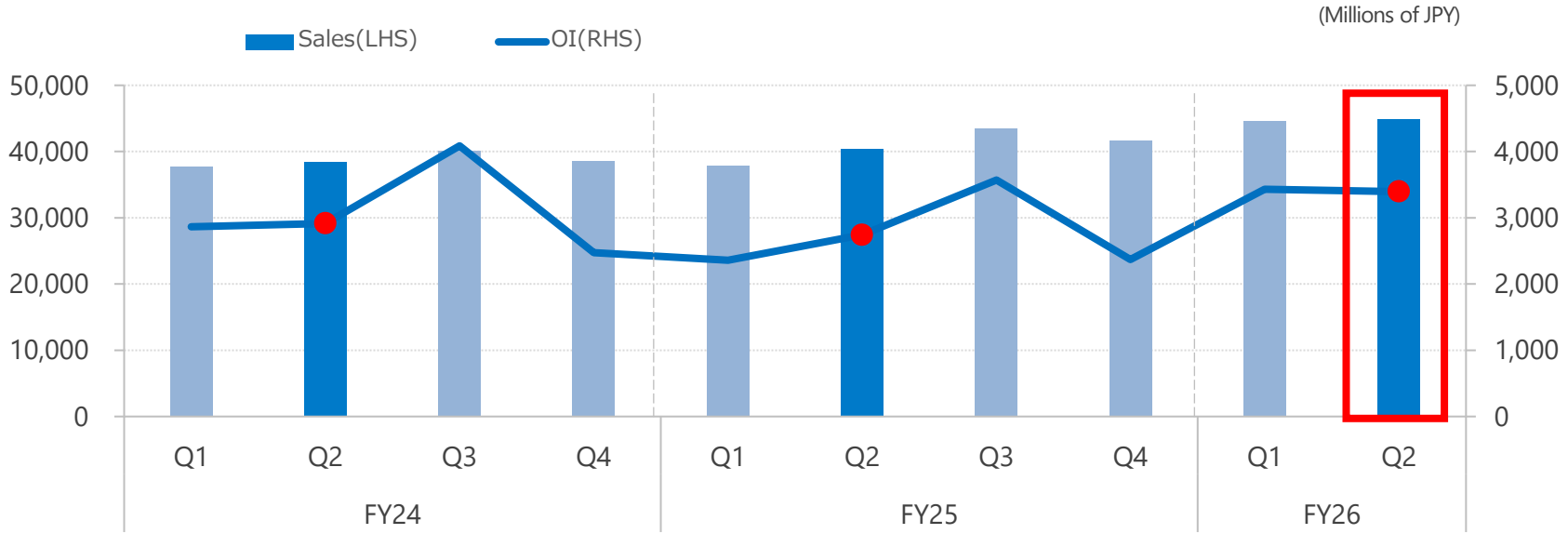
Quarterly Sales and Operating Income



Sales	37,674	38,415	40,121	38,596	37,829	40,418	43,507	41,679	44,621	44,918
YoY	+10.8%	+7.3%	+6.6%	+7.1%	+0.4%	+5.2%	+8.4%	+8.0%	+18.0%	+11.1%
OI	2,864	2,914	4,086	2,475	2,359	2,741	3,571	2,368	3,429	3,396
YoY	+32.6%	+18.4%	+17.9%	+7.8%	-17.6%	-5.9%	-12.6%	-4.3%	+45.3%	+23.9%

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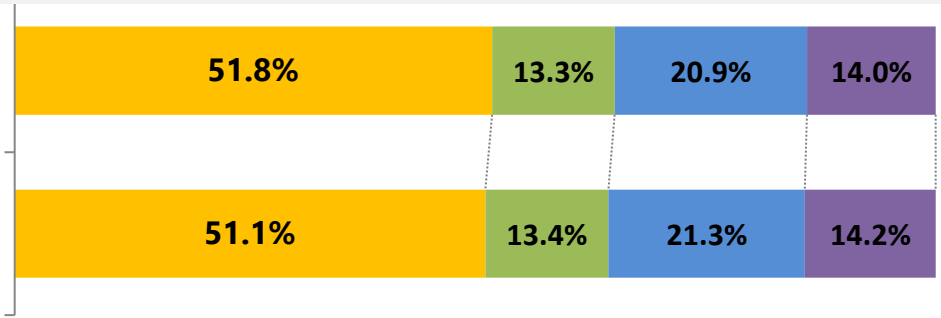
Sales and OI by Region

Japan The Americas Europe Asia/Oceania (Millions of JPY)

Sales

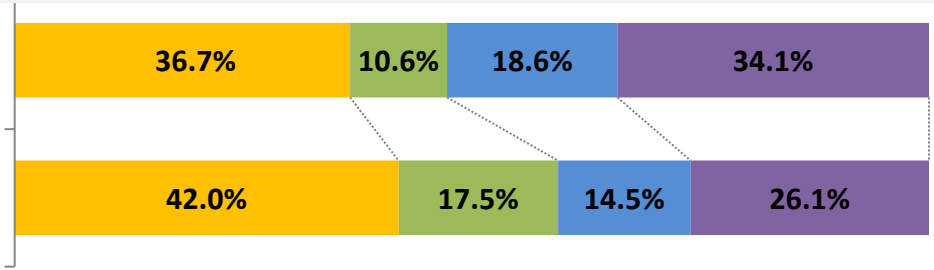
78,248 ▼ 89,540



Operating Income

* Ratio excludes eliminations

5,157 ▼ 6,844



Oparating Income %			
FY25	Japan :	4.7% , Oveseas :	8.6%
FY26	Japan :	6.3% , Oveseas :	9.1%

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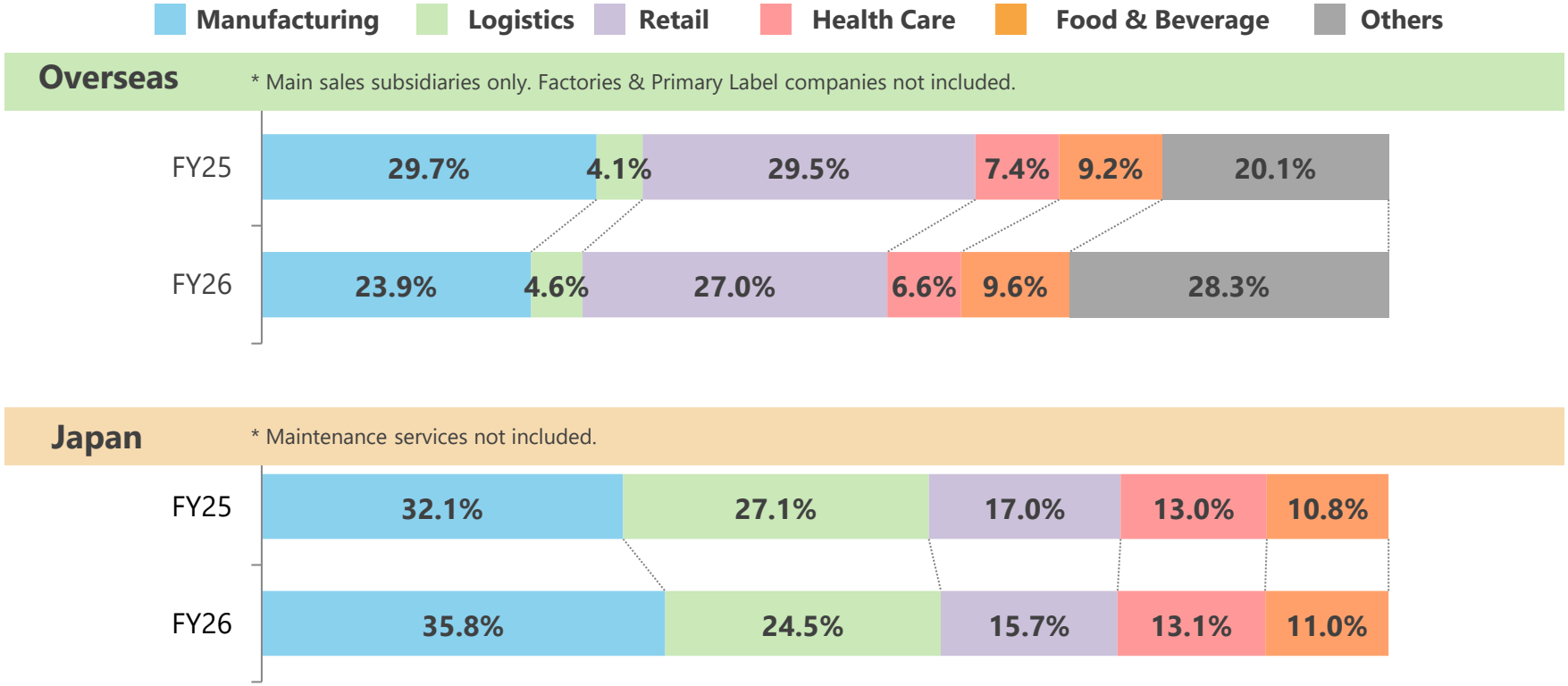
Sales by Vertical



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

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Overview

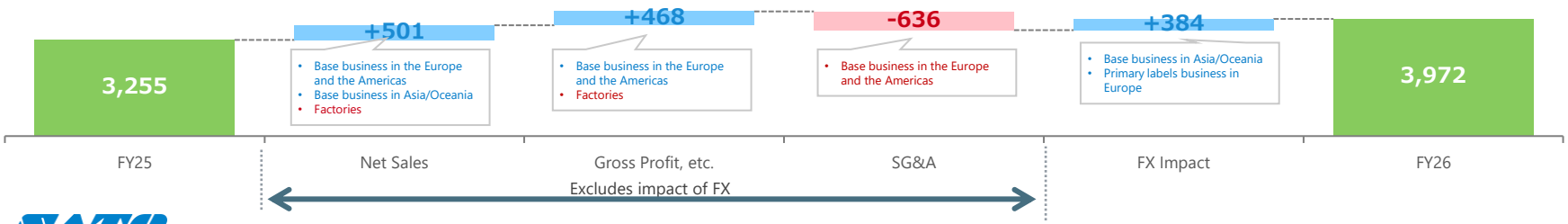
(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Base business Total Sales	25,650	30,103	+4,452	+17.4%	+7.0%
Primary Lablels business Total Sales	12,032	13,676	+1,644	+13.7%	+1.2%
Total Sales	**37,682**	**43,779**	**+6,097**	**+16.2%**	**+5.2%**
Gross Profit	14,265	16,805	+2,539	+17.8%	-
Gross Profit %	37.9%	38.4%	+0.5pt	-	-
Base business Operating Income	2,251	2,761	+510	+22.7%	+10.3%
Primary Lablels business Operating Income	1,030	1,205	+175	+17.0%	+6.6%
Elimination Operating Income	-26	5	+31	-	-
Operating Income	**3,255**	**3,972**	**+717**	**+22.0%**	**+10.2%**
Operating Income %	8.6%	9.1%	+0.4pt	-	-

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

Major Gains/Losses in OI

- Positive factors
- Negative factors



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The Americas Base Business

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	8,579	9,897	+1,317	+15.4%	+5.6%
Operting Income	297	810	+512	2.7x	2.5x

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

Europe Base Business

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	6,320	7,712	+1,392	+22.0%	+11.4%
Operting Income	205	176	-28	-13.9%	-21.2%

Asia/Oceania Base Business

(Millions of JPY)

	FY25	FY26	Change	YoY	In local currencies
Total Sales	10,751	12,493	+1,742	+16.2%	+5.5%
Operting Income	1,748	1,775	+26	+1.5%	-9.7%

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Primary Labels Business

(Millions of JPY)

		FY25	FY26	Change	YoY	In local currencies
The Americas Achernar (Argetina) Plakorar (Brazil)	**Total Sales**	**1,827**	**2,066**	**+238**	**+13.1%**	**+5.0%**
	Operating Income	**252**	**383**	**+130**	**+51.8%**	**+47.4%**
Europe Okil/ X-pack (Russia)	**Total Sales**	**10,019**	**11,379**	**+1,359**	**+13.6%**	**+0.3%**
	Operating Income	**759**	**814**	**+55**	**+7.3%**	**-5.3%**
Asia/Oceania Hirich (Vietnam)	**Total Sales**	**184**	**230**	**+46**	**+25.1%**	**+17.0%**
	Operating Income	**18**	**7**	**-10**	**-61.0%**	**-63.5%**
Total Sales	**Total Sales**	**12,032**	**13,676**	**+1,644**	**+13.7%**	**+1.2%**
	Operating Income	**1,030**	**1,205**	**+175**	**+17.0%**	**+6.6%**

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

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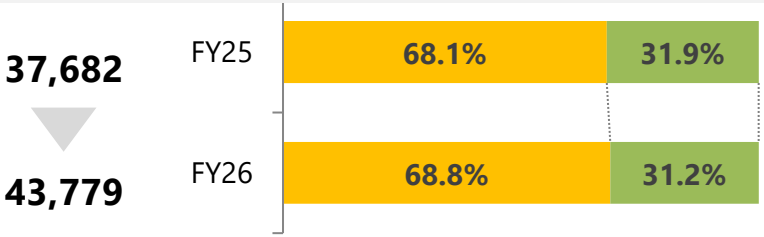
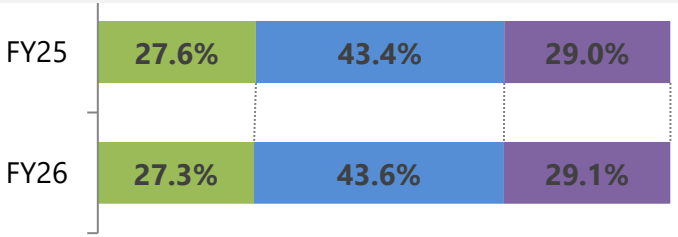
Sales and OI by Business Segment/Region

(Millions of JPY)

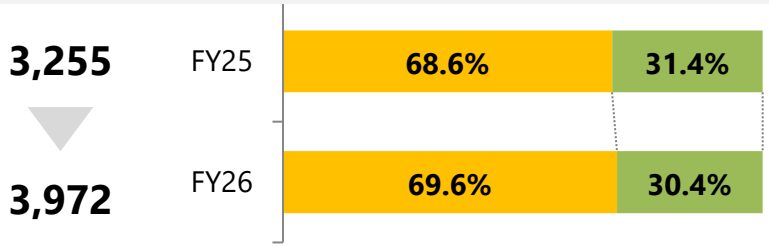
Sales

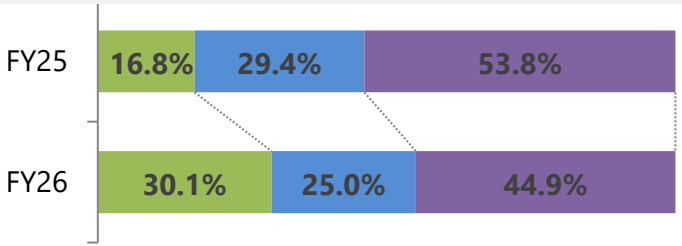




Operating Income

* Ratio excludes eliminations.





Operating Income %:

FY25	Base business :	8.8%	Primary Labels:
FY26	Base business :	9.2%	Primary Labels:

FY25	The Americas :	5.3%	,Europe :	5.9%	,
	Asia/Oceania :	16.2%			
FY26	The Americas :	10.0%	,Europe :	5.2%	,
	Asia/Oceania :	14.0%			

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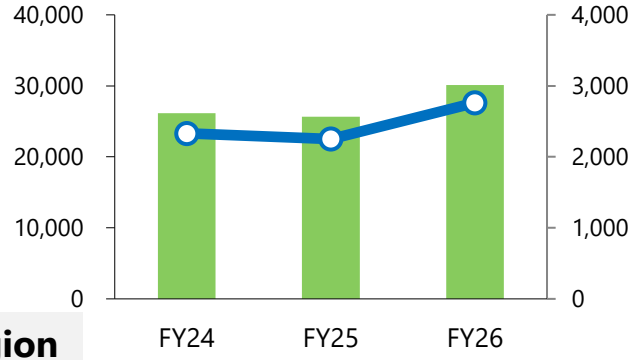
Sales and OI Trends by Business Segment and Region

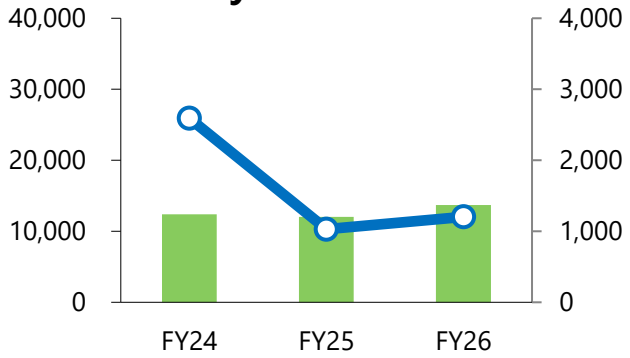
By Business Segment

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

Base Business

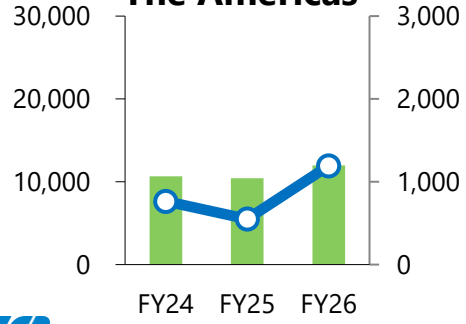


Primary Labels Business

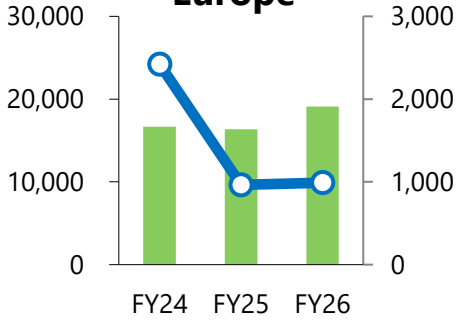


By Region

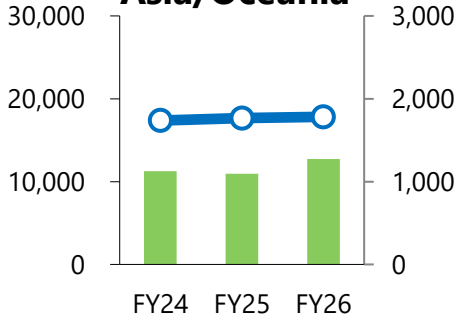
The Americas



Europe



Asia/Oceania



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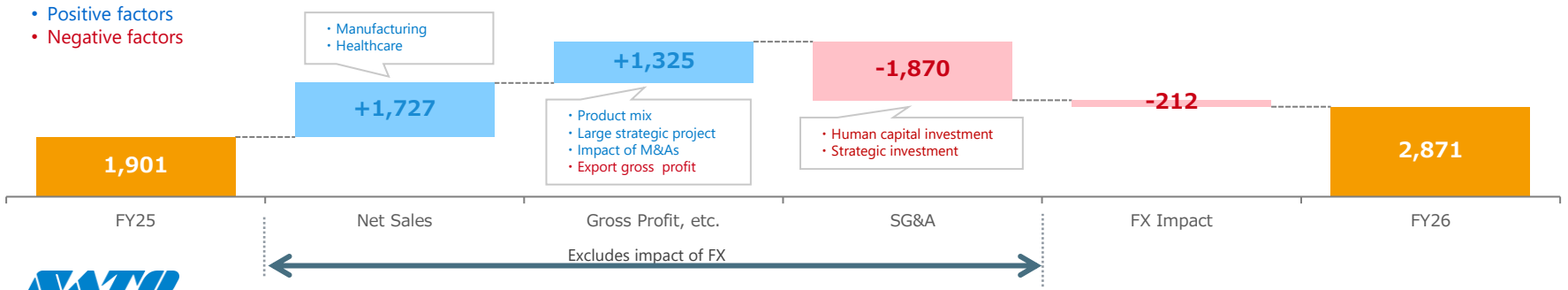
Overview

(Millions of JPY)

	FY25	FY26	Change	YoY
Mechatronics Sales	16,923	18,557	+1,633	+9.7%
Consumables Sales	23,641	27,202	+3,561	+15.1%
Total Sales	**40,565**	**45,760**	**+5,195**	**+12.8%**
Gross Profit	18,316	21,157	+2,840	+15.5%
Gross Profit %	45.2%	46.2%	+1.1pt	-
Operating Income	**1,901**	**2,871**	**+970**	**+51.0%**
Operating Income %	4.7%	6.3%	+1.6pt	-

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



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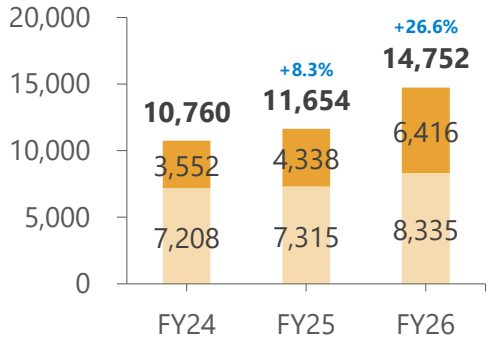
Sales by Vertica *1

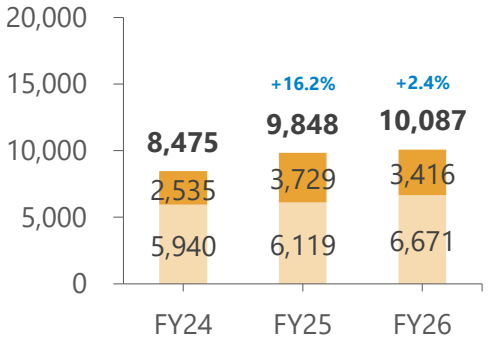
■ : Mechatronics ■ : Consumables * % indicates YoY change

(Millions of JPY)

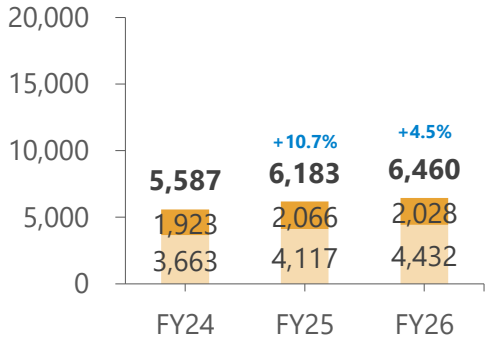
Manufacturing *2



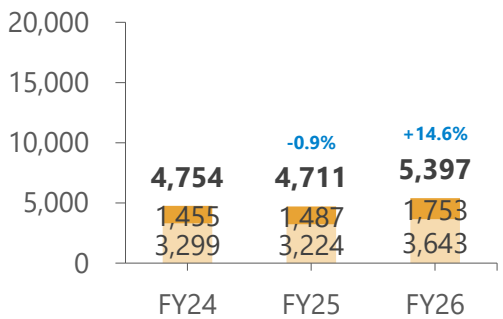
Logistics *3



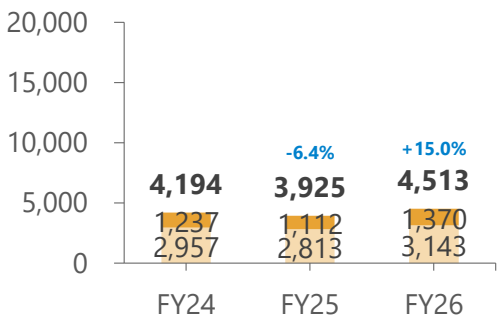
Retail



Health Care



Food & Beverage



* 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.

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

(Millions of JPY)

			FY25	FY26	YoY	In local currencies
Consolidated		**Total Sales**	**35,488**	**39,346**	**+10.9%**	**+7.6%**
		Operating Income	**2,373**	**2,844**	**+19.9%**	**+15.5%**
Overseas	**Base**	Total Sales	13,022	15,270	+17.3%	+9.0%
		Operating Income	1,133	1,765	+55.8%	+42.3%
	Primary Labels	Total Sales	992	1,174	+18.3%	+11.9%
		Operating Income	100	175	+75.6%	+70.3%
	Eliminations	Operating Income	24	-46	-	-
	Total	Total Sales	14,014	16,444	+17.3%	+9.2%
		Operating Income	1,257	1,895	+50.7%	+38.1%
Japan		Total Sales	21,473	22,901	+6.7%	+6.7%
		Operating Income	1,036	1,021	-1.5%	+3.7%
Eliminations		Operating Income	78	-71	-	-

* Apr-Sep results are shown on p. 48.

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Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY25	FY26	Change	YoY
Net Sales	35,488	39,346	+3,858	+10.9%
Operating Income	2,373	2,844	+471	+19.9%
Operating Income %	6.7%	7.2%	+0.5pt	-
Ordinary Income	2,293	2,656	+362	+15.8%
Profit attributable to owners of parent	1,716	1,560	-156	-9.1%
Effective Tax Rate				
EBITDA*	3,604	4,242	+638	+17.7%

Average FX rates

USD	146.02	159.48
EUR	168.05	184.42

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

Depreciation	1,227	1,363
Amortization	3	33

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

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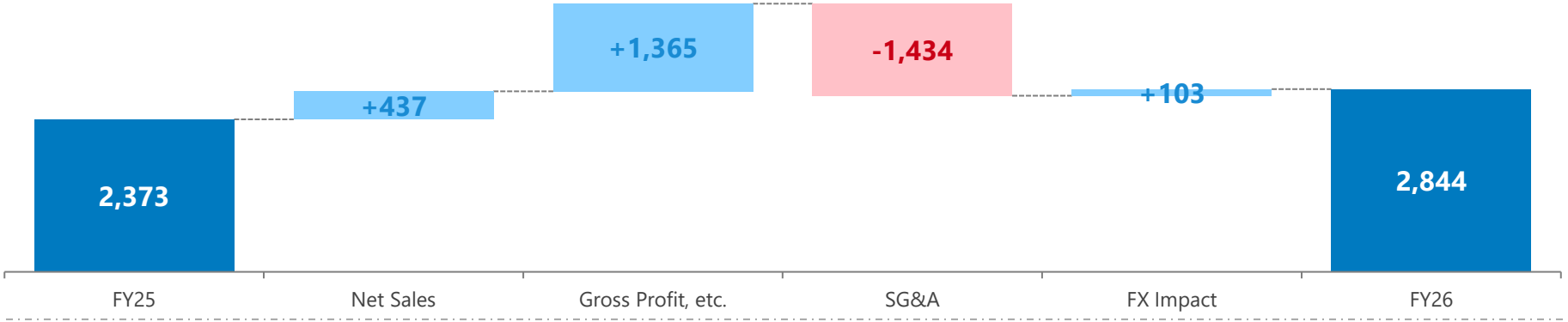
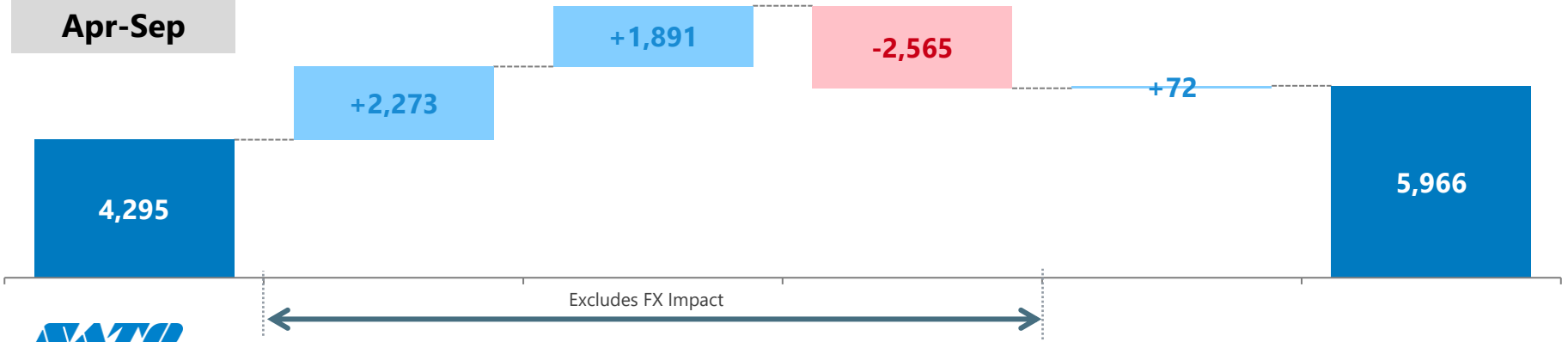
Major Gains/Losses in OI
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

Jul-Sep



Apr-Sep



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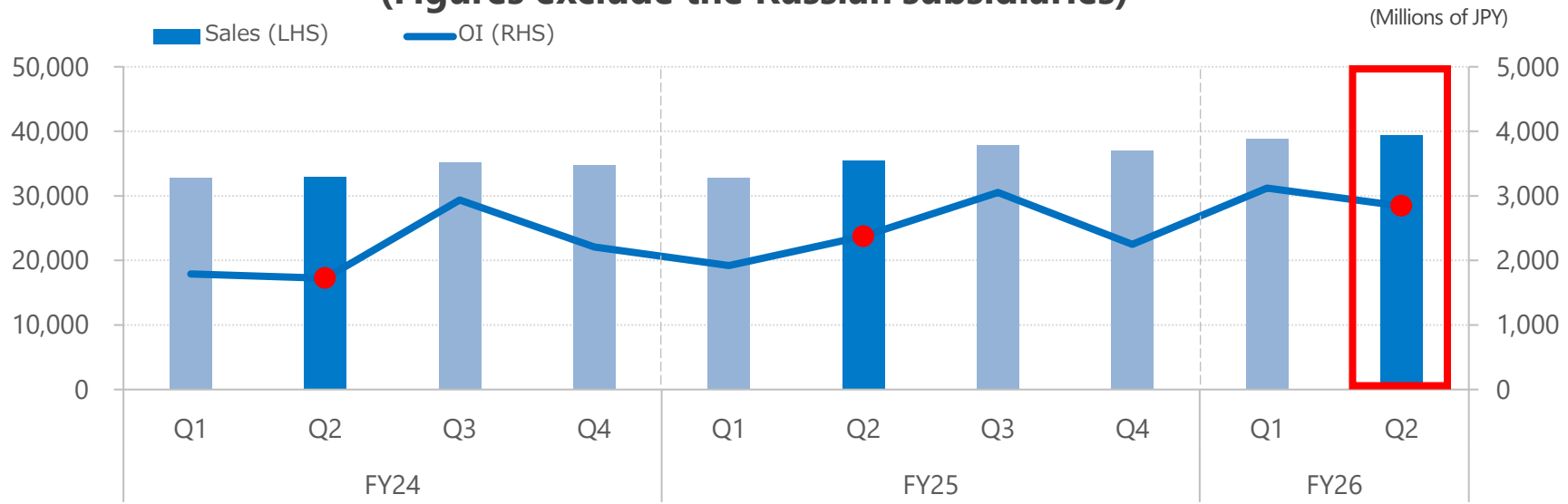
Quarterly Sales and Operating Income
(Figures exclude the Russian subsidiaries)



Sales	32,770	32,918	35,238	34,786	32,740	35,488	37,792	37,015	38,814	39,346
YoY	+8.1%	+4.7%	+5.4%	+7.8%	-0.1%	+7.8%	+7.3%	+6.4%	+18.6%	+10.9%
OI	1,789	1,724	2,935	2,209	1,922	2,373	3,054	2,249	3,121	2,844
YoY	+46.5%	+55.2%	+8.5%	+40.0%	+7.4%	+37.6%	+4.1%	+1.8%	+62.4%	+19.9%

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

(Millions of JPY)

			FY25	FY26	YoY	In local currencies
Consolidated		**Total Sales**	**68,228**	**78,161**	**+14.6%**	**+10.4%**
		Operating Income	**4,295**	**5,966**	**+38.9%**	**+37.2%**
Overseas	Base	Total Sales	25,650	30,103	+17.4%	+7.0%
		Operating Income	2,251	2,761	+22.7%	+10.3%
	Primary Labels	Total Sales	2,012	2,297	+14.2%	+6.1%
		Operating Income	224	345	+54.2%	+51.4%
	Eliminations	Operating Income	-26	5	-	-
	Total	Total Sales	27,663	32,400	+17.1%	+6.9%
		Operating Income	2,449	3,113	+27.1%	+15.5%
Japan		Total Sales	40,565	45,760	+12.8%	+12.8%
		Operating Income	1,901	2,871	+51.0%	+62.2%
Eliminations		Operating Income	-56	-19	-	-

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Consolidated Results
(Figures exclude the Russian subsidiaries)

(Millions of JPY)

	FY25	FY26	Change	YoY
Net Sales	68,228	78,161	+9,932	+14.6%
Operating Income	4,295	5,966	+1,670	+38.9%
Operating Income %	6.3%	7.6%	+1.3pt	-
Ordinary Income	3,953	5,689	+1,736	+43.9%
Profit attributable to owners of parent	2,777	3,986	+1,208	+43.5%
Effective Tax Rate	28.6%	28.1%	-0.6pt	-
EBITDA*	6,676	8,638	+1,962	+29.4%

Average FX rates

USD	146.02	159.48
EUR	168.05	184.42

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

Depreciation	2,374	2,635
Amortization	6	37

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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.

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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.

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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 before delivery.

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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.
8	**Hiranoya Bussan Co.,Ltd (Japan)**	[2026] Company engaging in production and sales of flexible packages.
	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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