



Ceaseless Creativity for a Sustainable World

SATO HOLDINGS CORPORATION

FY2015 Q2

Financial Results Briefing

Securities Code: 6287

Oct 28, 2015 (Wed.)



FY2015 1H Financial Results

Unit: JPY Million	FY2015 1H	FY2014 1H	YoY Change	
	(1)	(2)	(1-2)	%
Sales	51,880	47,566	+4,314	109.1%
Operating Income	2,112	3,018	(905)	70.0%
Operating Income %	4.1%	6.3%	(2.3pt)	--
Ordinary Income	2,053	3,171	(1,117)	64.8%
Effective Tax Rate	40.6%	43.9%	(3.2pt)	--
Net Income	1,132	1,776	(644)	63.7%
EBITDA	4,638	4,699	(60)	98.7%

* EBITDA=Operating income + Depreciation + Amortization

• Depreciation FY2014: JPY 1,183million FY2015: JPY 1,921million (incl. JPY 415million for new IT core systems)

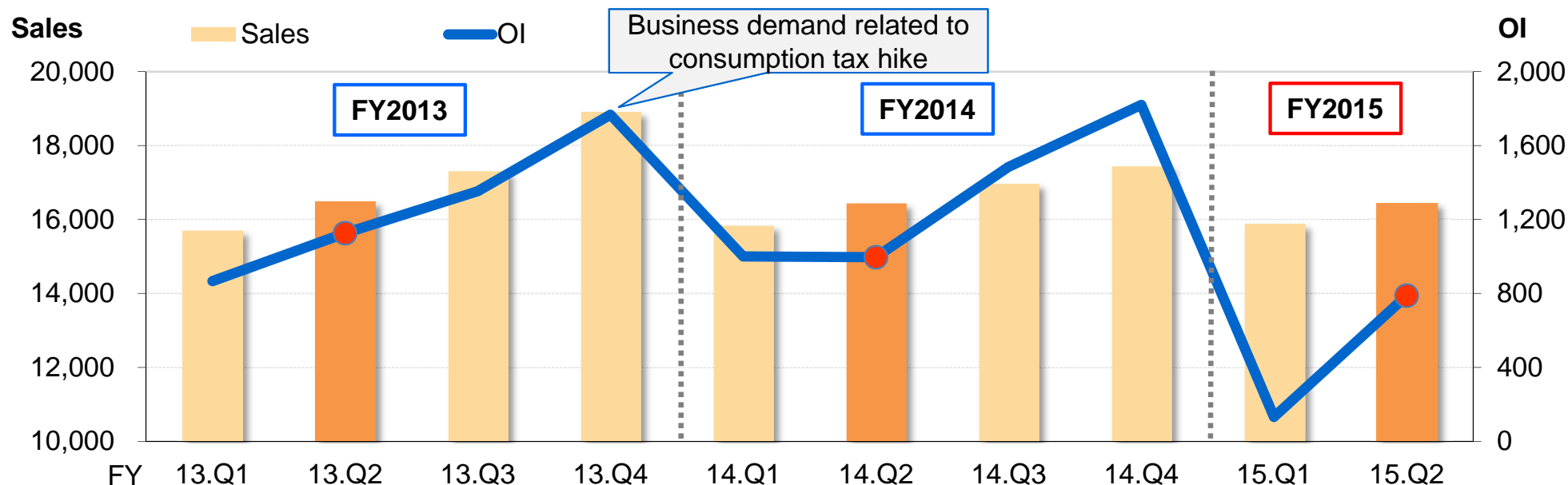
• Amortization FY2014: JPY 497million FY2015: JPY 604million (incl. JPY 52million for Okil)



Performance by region: Japan (1)

- Sales was flat while operating income dropped mainly due to currency headwinds weighing on gross profit ratio, depreciation costs for new core IT systems, and increases in one-time personnel expenses.

Unit: JPY Million	FY2015 1H	FY2014 1H	YoY Change	(%)
Mechatronics Sales	11,838	11,527	+310	102.7%
Consumables Sales	20,470	20,743	(272)	98.7%
Total Sales	32,309	32,271	+37	100.1%
Gross Profit	14,275	14,779	(504)	96.6%
Gross Profit %	44.2%	45.8%	(1.6pt)	--
Operating Income	921	1,997	(1,076)	46.1%
Operating Income %	2.9%	6.2%	(3.3pt)	--



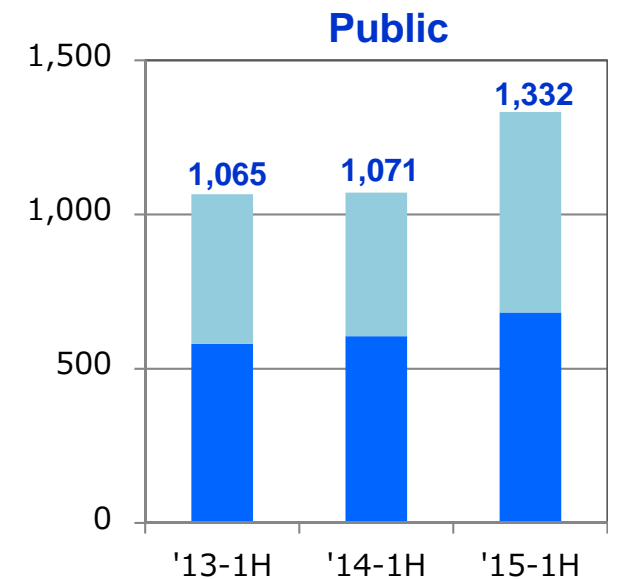
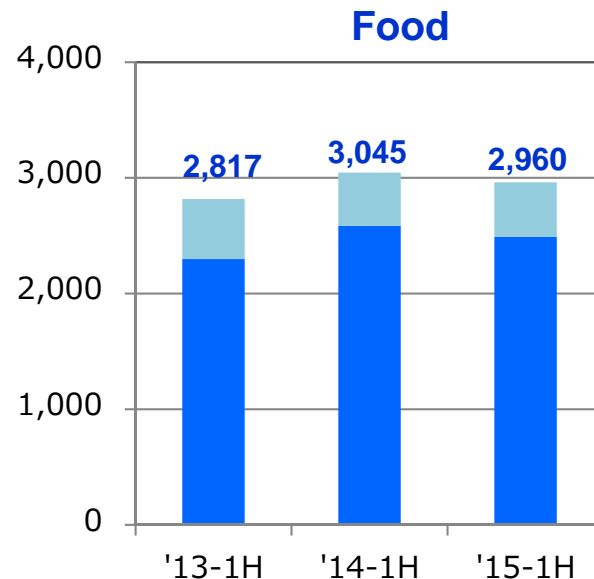
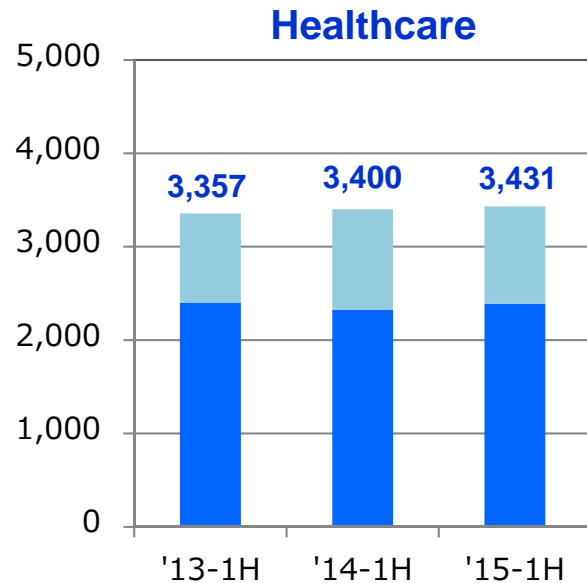
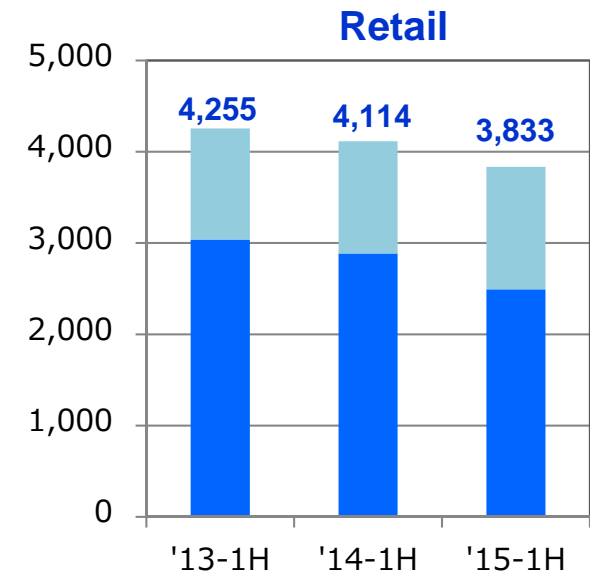
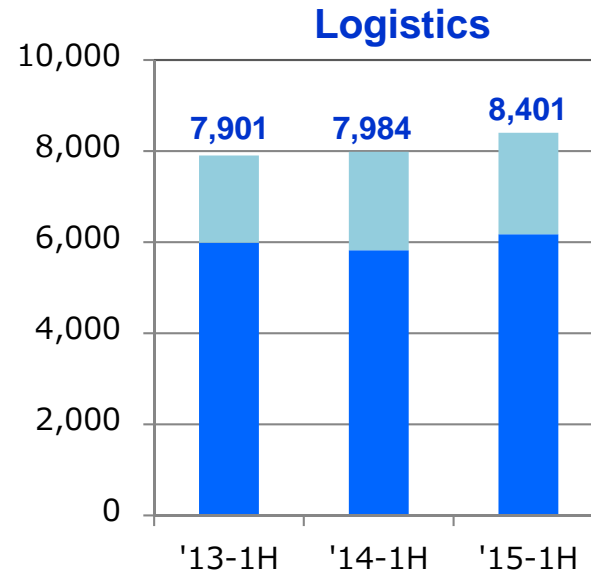
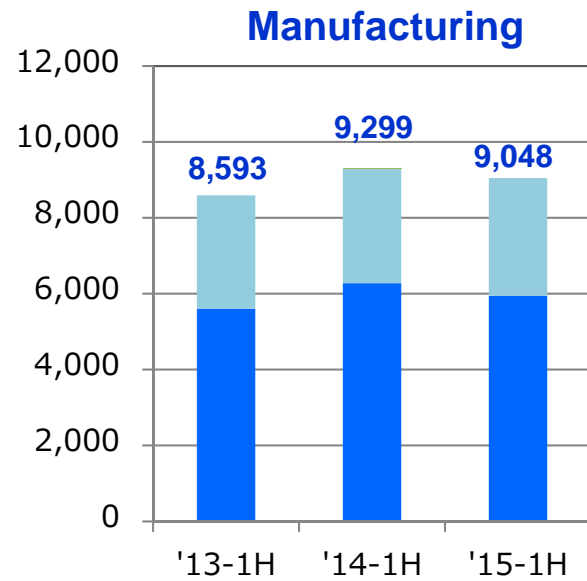


Performance by region: Japan (2)

■ : Mechatronics ■ : Consumables

Sales data by sector

Unit: JPY Million

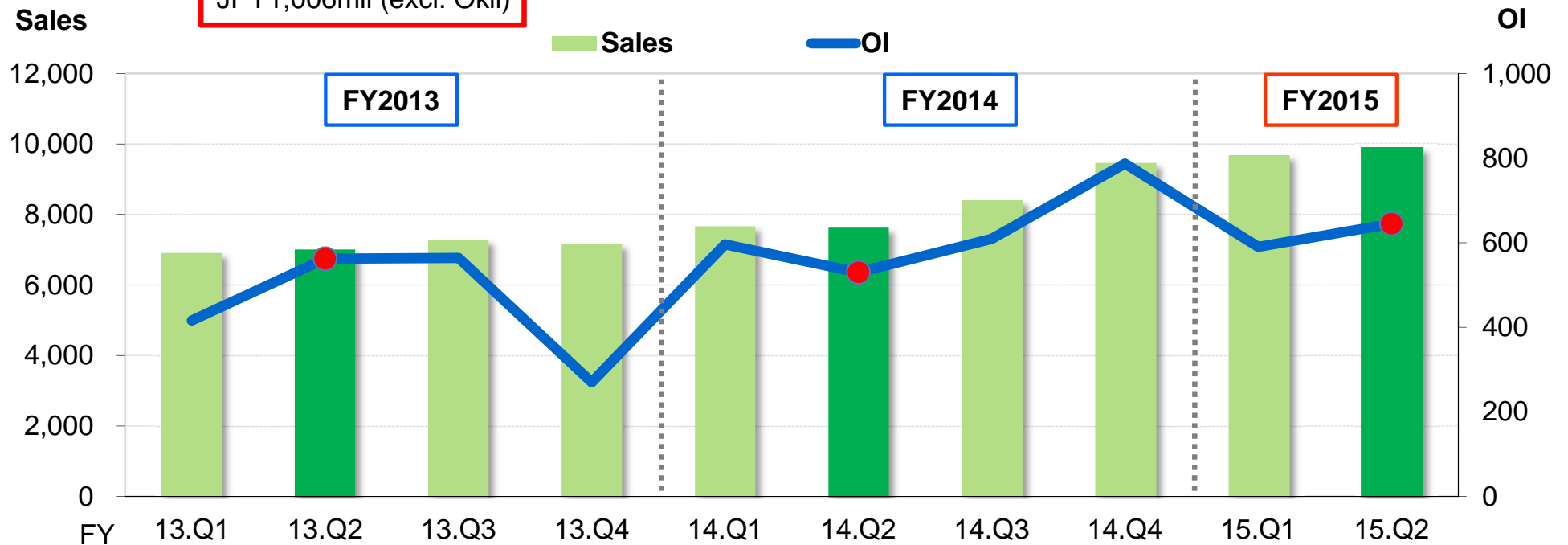




Performance by region: Overseas overall

- Increases in sales and operating income owing to contributions from newly acquired Okil and positive exchange rate effects.

Unit: JPY Million	FY2015		FY2014		YoY Change		
	1H		1H			%	Excl. exchange rate impact
Sales	JPY16,611mil (excl. Okil)		19,571	15,294	+4,276	128.0%	119.6%
Gross Profit			8,017	6,411	+1,606	125.1%	--
Gross Profit %			41.0%	41.9%	(0.9pt)	--	--
Operating Income	JPY1,006mil (excl. Okil)		1,259	1,127	+132	111.7%	--
Operating Income %			6.4%	7.4%	(0.9pt)	--	--

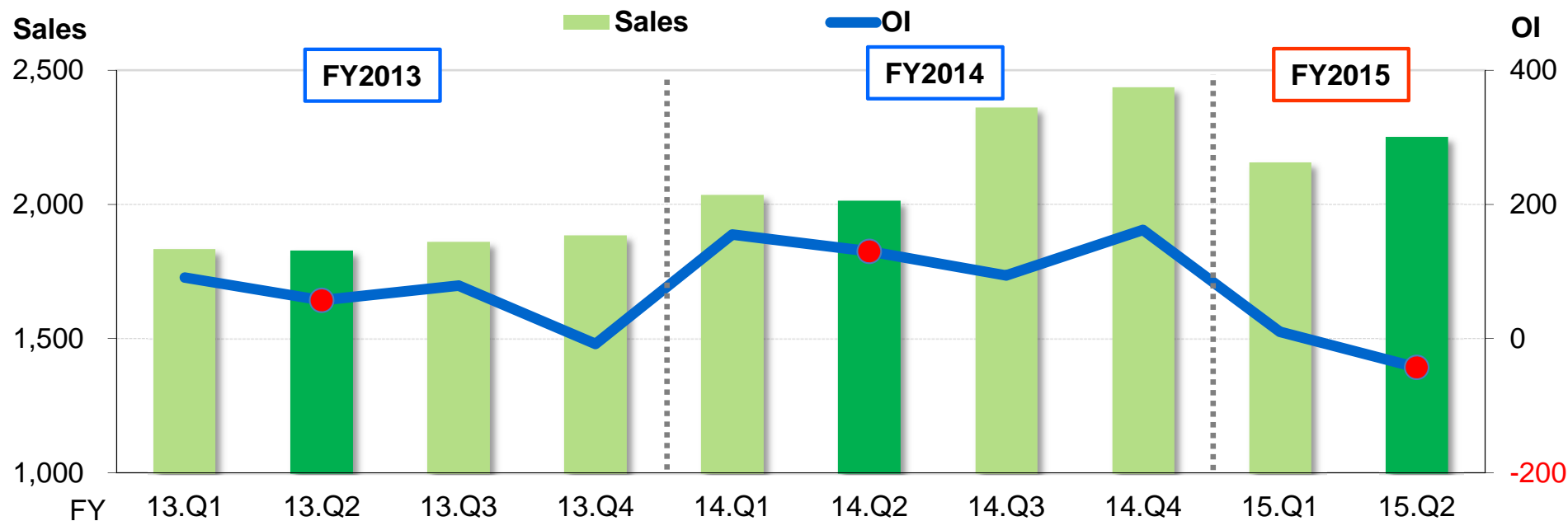




Performance by region: North America

➤ Operating losses caused by upfront investments and delayed returns for SATO Global Solutions (SGS)

Unit: JPY Million	FY2015	FY2014	YoY Change		Excl. exchange rate impact
	1H	1H		%	
Sales	4,404	4,047	+356	108.8%	93.0%
Gross Profit	1,353	1,277	+75	105.9%	--
Gross Profit %	30.7%	31.6%	(0.8pt)	--	--
Operating Income	(34)	286	(320)	--	--
Operating Income %	(0.8%)	7.1%	(7.9pt)	--	--

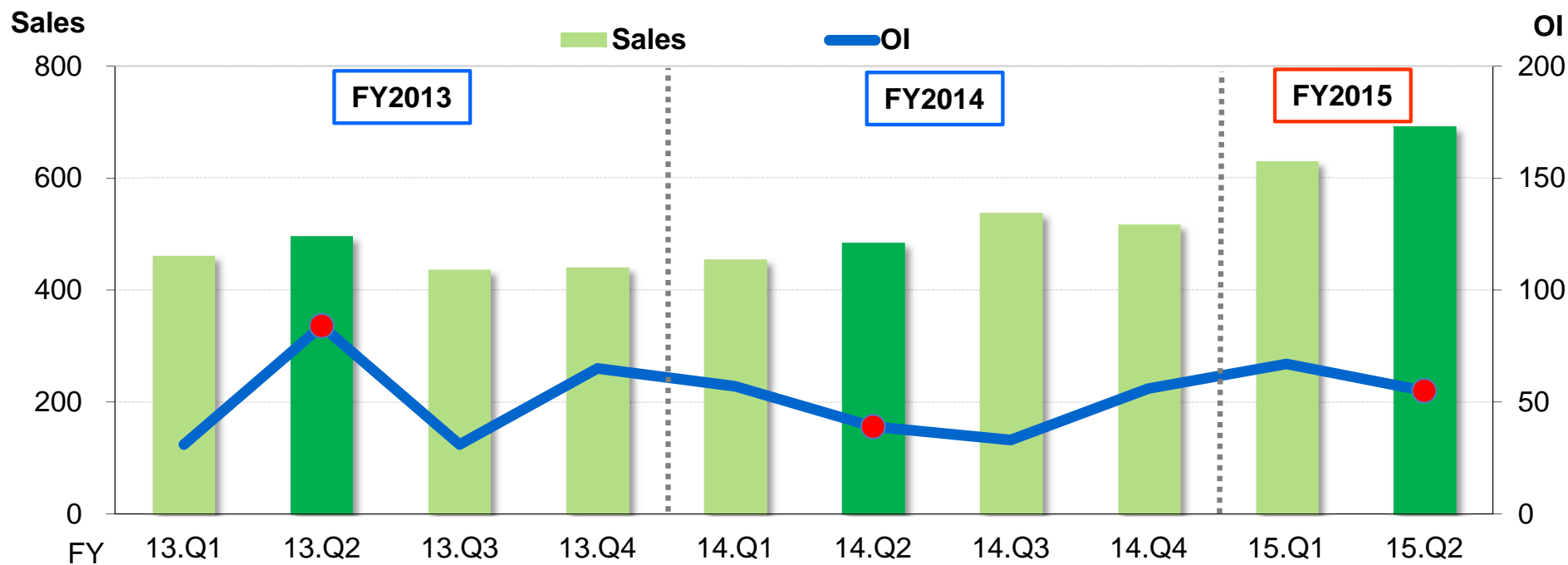




Performance by region: South America

- Increases in sales and operating income from closing large-scale business deal with major beverage producer.

Unit: JPY Million	FY2015		FY2014		YoY Change		
	1H	2H			%	Excl. exchange rate impact	
Sales	1,320	939	+380	140.6%	128.8%		
Gross Profit	501	380	+121	131.8%	--		
Gross Profit %	38.0%	40.5%	(2.5pt)	--	--		
Operating Income	122	97	+25	125.9%	--		
Operating Income %	9.3%	10.4%	(1.1pt)	--	--		

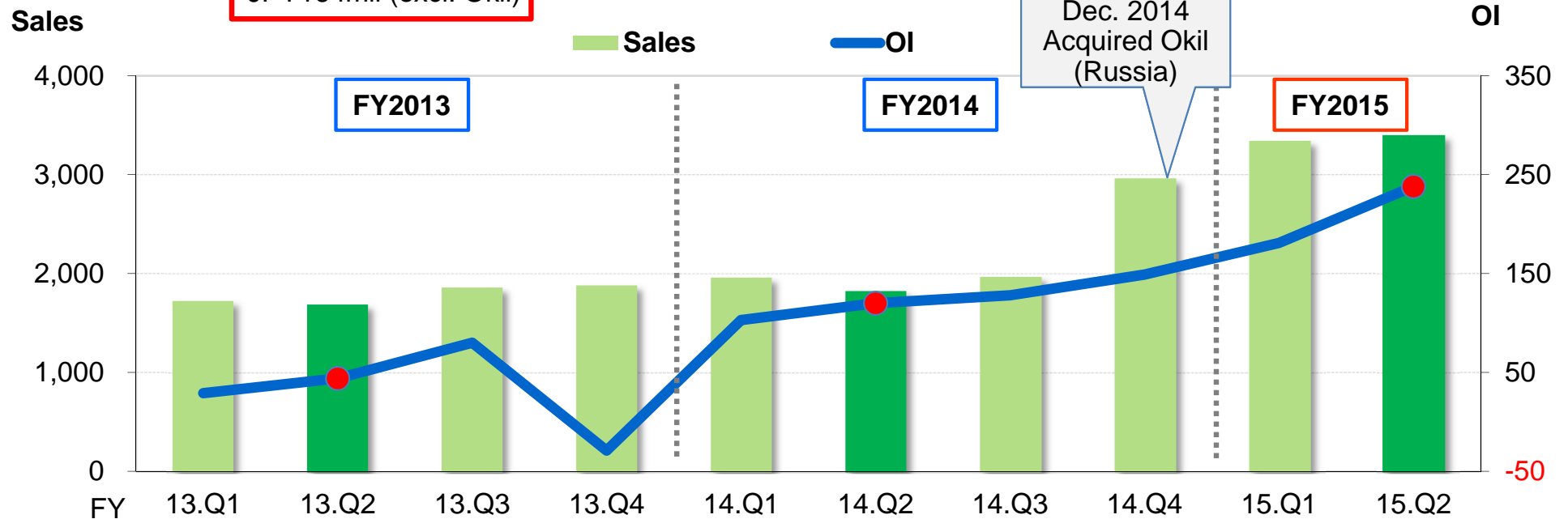




Performance by region: Europe

➤ Both sales and operating income grew with contributions from Okil.

Unit: JPY Million	FY2015		FY2014		YoY Change		
	1H		1H			%	Excl. exchange rate impact
Sales	JPY3,787mil (excl. Okil)		6,747	3,794	+2,953	177.8%	177.3%
Gross Profit			2,557	1,688	+868	151.4%	--
Gross Profit %			37.9%	44.5%	(6.6pt)	--	--
Operating Income	JPY164mil (excl. Okil)		417	224	+193	186.2%	--
Operating Income %			6.2%	5.9%	+0.3pt	--	--

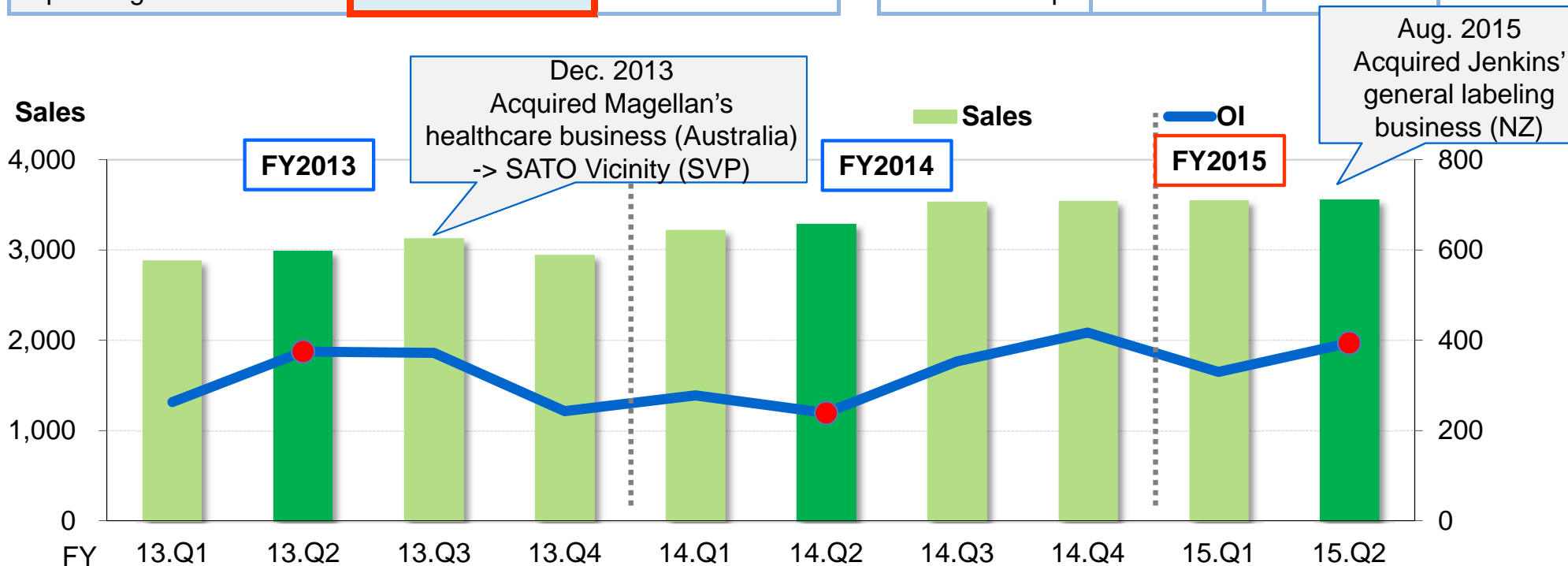




Performance by region: Asia & Oceania

➤ Increases in sales and operating income notwithstanding recession in the region.

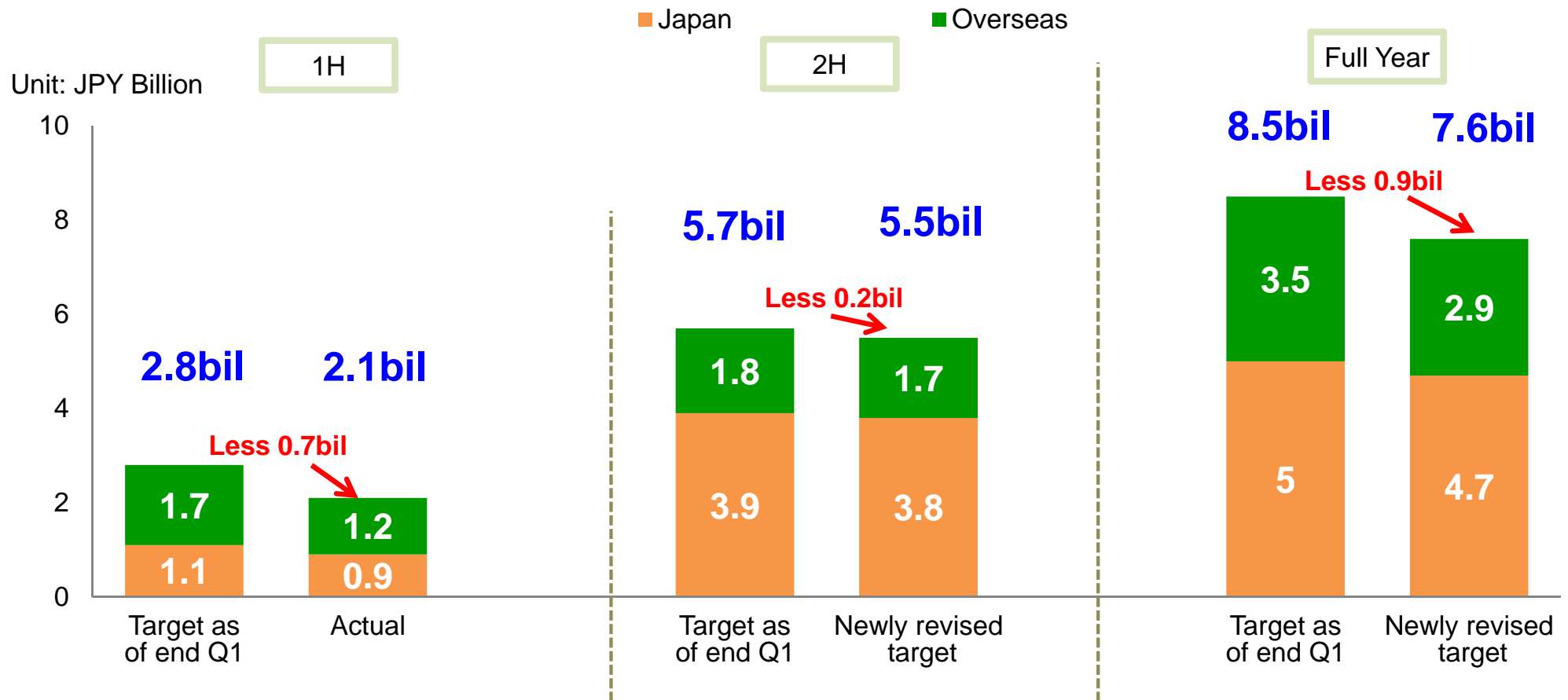
Unit: JPY Million	FY2015	FY2014	YoY Change	
	1H	1H	%	Excl. exchange rate impact
Sales	7,098	6,513	+585	109.0%
Gross Profit	3,605	3,063	+541	117.7%
Gross Profit %	50.8%	47.0%	+3.7pt	--
Operating Income	753	518	+234	145.2%
Operating Income %	10.6%	8.0%	+2.6pt	--





Revision of FY2015 operating income target

- Failed to meet 1H operating income target by JPY 700million.
- To revise full-year operating income target downward from JPY 8.5billion to JPY 7.8billion, further adjusted to JPY 7.6billion to reflect M&A costs of JPY 200million.





FY2015 consolidated performance forecast

➤ To revise full-year forecast in view of 1H performance.

Unit: JPY Million	1H		2H		Full Year	
	Actual	YoY	Planned	YoY	Planned	YoY
	Sales	51,880	109.1%	58,119	111.2%	110,000 (110,000)
Operating Income	2,112	70.0%	5,487	124.0%	7,600 (8,500)	102.1%
Ordinary Income	2,053	64.8%	5,446	126.3%	7,500 (8,400)	100.2%
Net Income	1,132	63.7%	3,367	169.5%	4,500 (5,500)	119.6%
EBITDA	4,638	98.7%	7,461	117.6%	12,100	109.6%

*Figures in parentheses are targets disclosed as of April 30, 2015.

*Exchange rates used in forecast: 1 USD = JPY 118, 1 EUR = JPY 128
Actual exchange rates in Q2: 1 USD = JPY 121.87, 1 EUR = JPY 135.10

*EBITDA = Operating Income
+ Depreciation + Amortization



Key actions for 2H

Focus on sales expansion of CL4/6NX series printer and improving profitability of consumables business

Japan



- Forecasting CL4/6NX sales of 6,500 units in 2H. (No. of units sold in 1H: 469)
Expanding sales pipelines steadily.
- Expecting YoY growth of consumables business.



Winner of



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Overseas

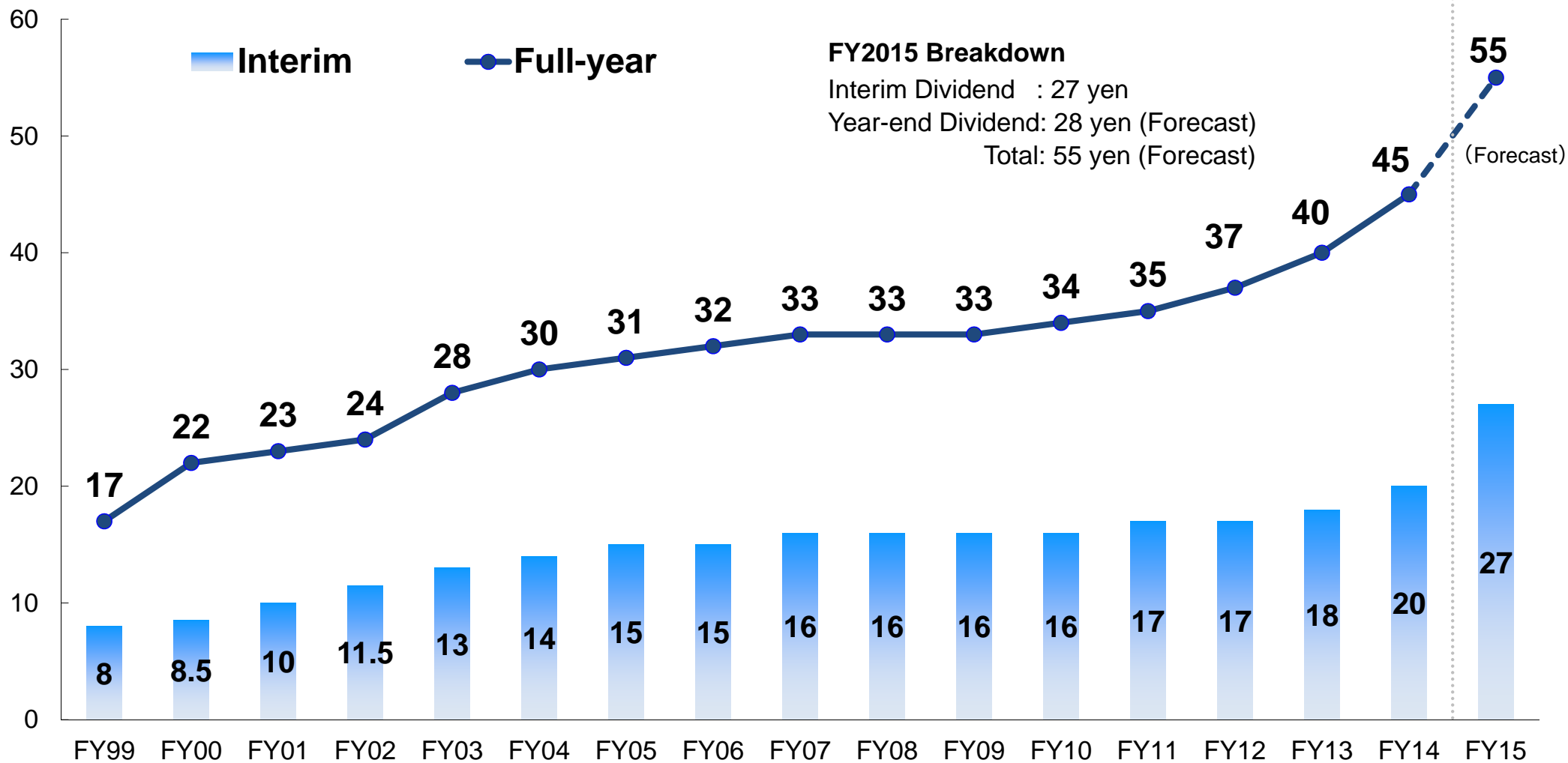
- Forecasting CL4/6NX sales of 11,000 units in 2H. (No. of units sold in 1H: 6,337)
Taking steps to develop sales pipelines further.
- Expecting a 1.5pt improvement for gross profit ratio of consumables business from 1H.



Dividends

➤ To pay interim dividend of 27 yen as planned.

Yen per share





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