



Ceaseless Creativity for a Sustainable World

SATO HOLDINGS CORPORATION

FY2015 Q3

Financial Results Briefing

Securities Code: 6287

Feb 5, 2016 (Fri.)

The SATO Group closed FY2015 Q3 with cumulative, year-on-year increase in sales and decline in earnings.

- **EBITDA is improving steadily**
- **Both sales and operating income increased for Q3 alone**

- **Growth of base business largely on target**
- **SG&A expenses rose**



FY2015 Q3 consolidated results (cumulative)

Unit: JPY million	FY2015 Q3	FY2014 Q3	Year-on-year change	
	(1)	(2)	(1-2)	%
Sales	78,767	72,934	+5,832	108.0%
Operating income	4,149	4,929	(779)	84.2%
Operating income %	5.3%	6.8%	(1.5pt)	--
Ordinary income	3,927	5,191	(1,264)	75.7%
Net income	2,202	3,134	(932)	70.3%
Effective tax rate	39.5%	41.9%	(2.4pt)	
EBITDA	7,967	7,511	+455	106.1%

* EBITDA = Operating Income + Depreciation + Amortization

• Depreciation FY15: JPY 2,927 million (incl. JPY 668 million for new IT core systems), FY14: JPY 1,818 million

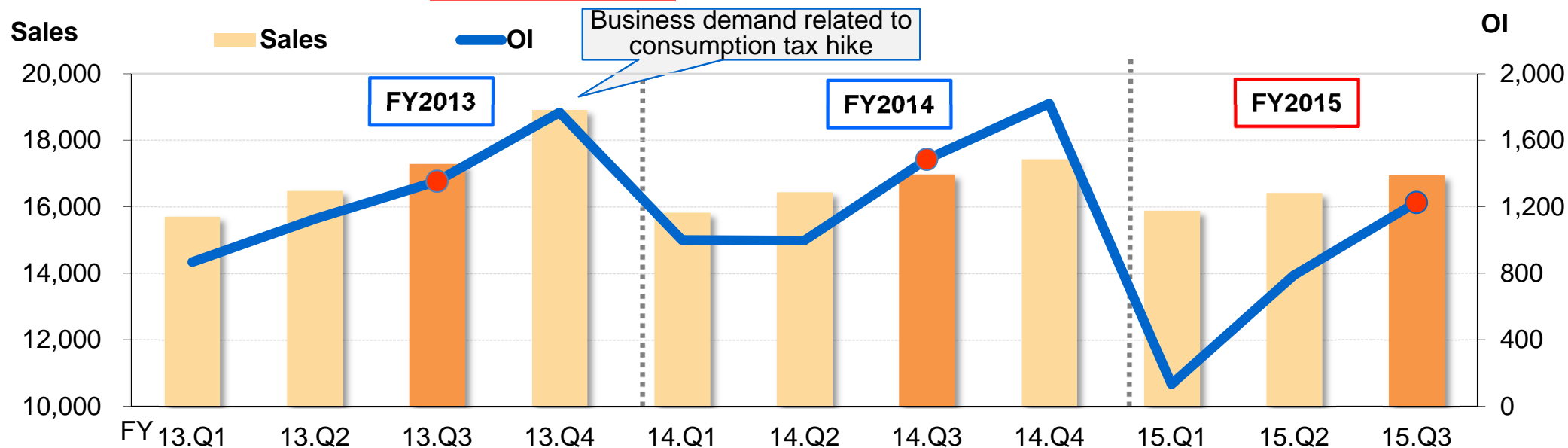
• Amortization FY15: JPY 890 million (incl. JPY 80 million for Okil), FY14: JPY 764 million



Performance by region: Japan (1)

- Sales figures maintained previous year's level, while operating income dropped mainly due to currency headwinds and depreciation costs for new core IT systems.

Unit: JPY million	FY15 Q3 cumulative	FY14 Q3 cumulative	Year-on-year	
			change	%
Mechatronics sales	17,594	17,350	+244	101.4%
Consumables sales	31,646	31,886	(239)	99.2%
Total sales (external)	49,241	49,236	+4	100.0%
Gross profit	22,040	22,504	(463)	97.9%
Gross profit %	44.8%	45.7%	(0.9pt)	--
Operating income	2,147	3,483	(1,336)	61.6%
Operating income %	4.4%	7.1%	(2.7pt)	--





Performance by region: Japan (2)

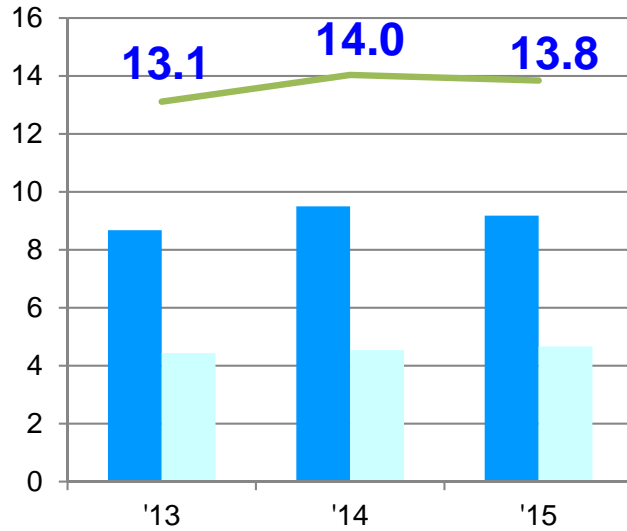
Sales data by sector (for Q3 cumulative period)

Unit: JPY billion

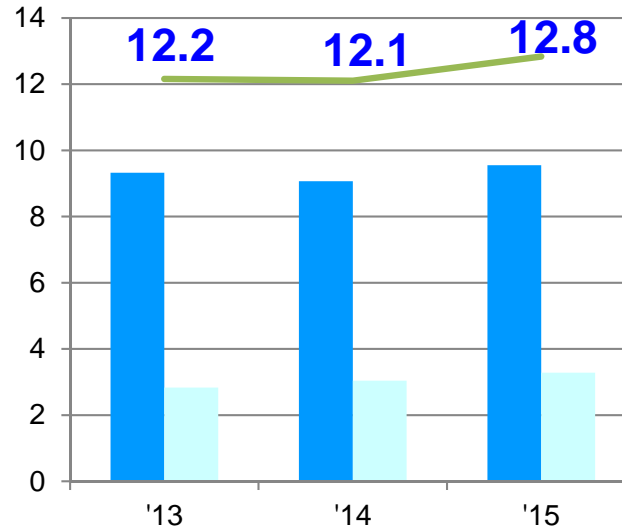
■ : Mechatronics ■ : Consumables

— : Total sales

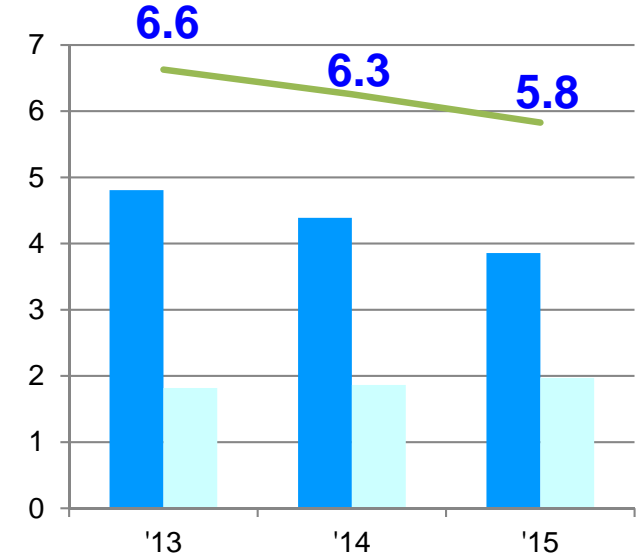
Manufacturing



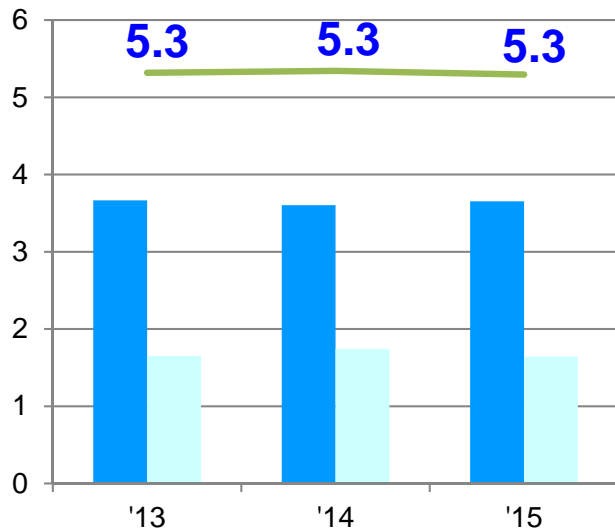
Logistics



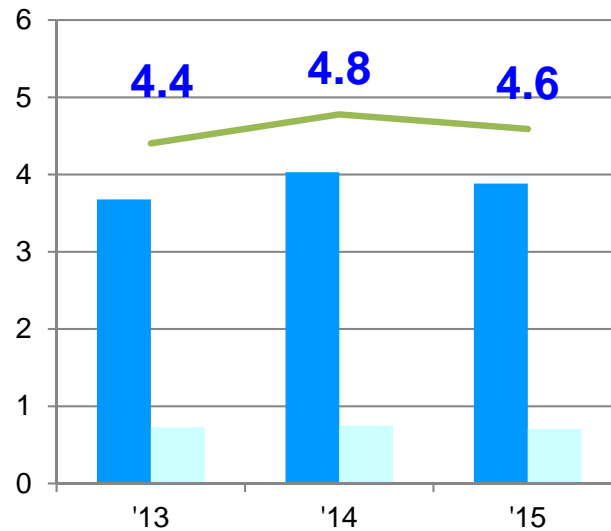
Retail



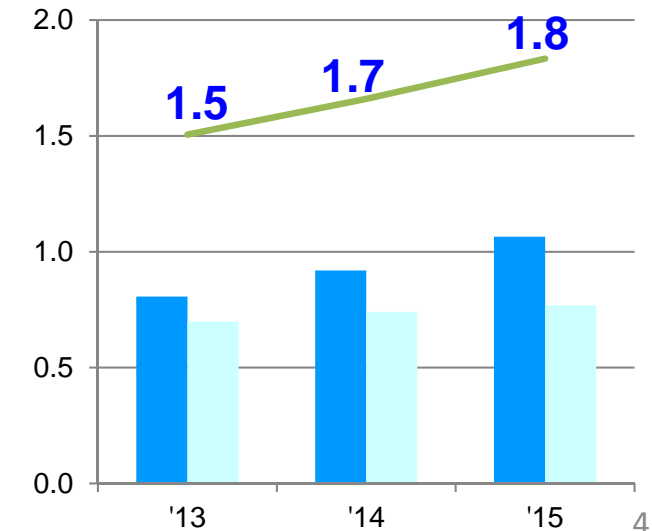
Healthcare



Food



Public

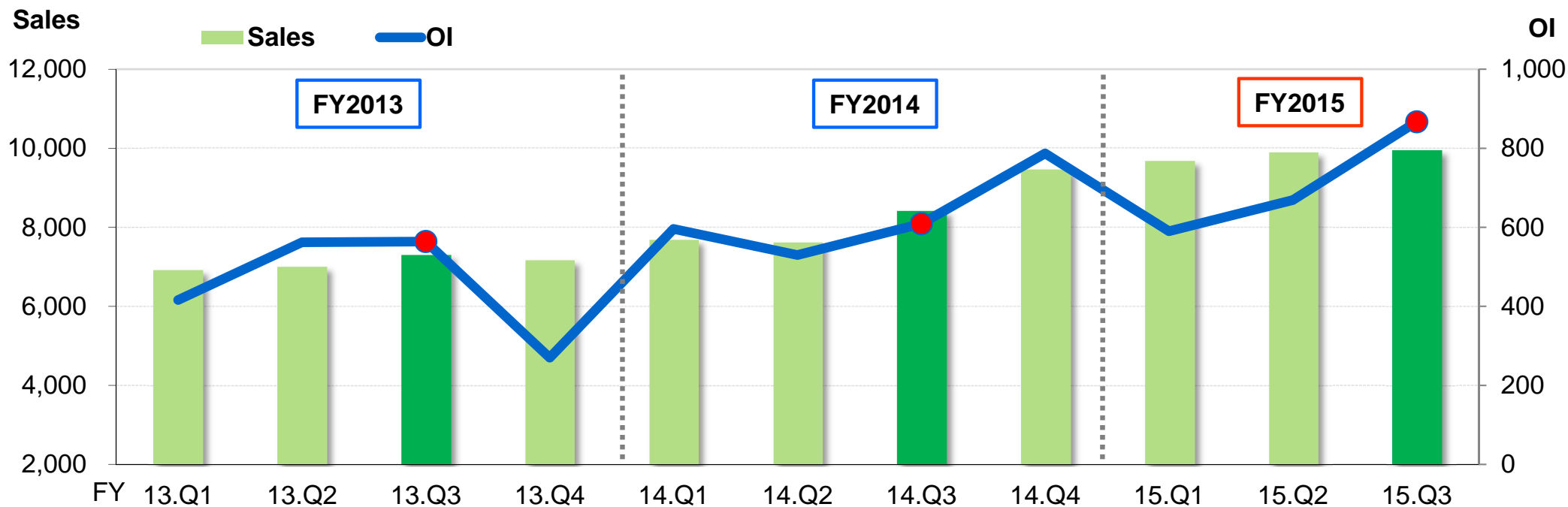




Performance by region: Overseas (total)

- Sales and operating income increased owing to base business growth, gross profit improvement through cost reduction, contributions from newly acquired Okil, and positive exchange rate impacts.

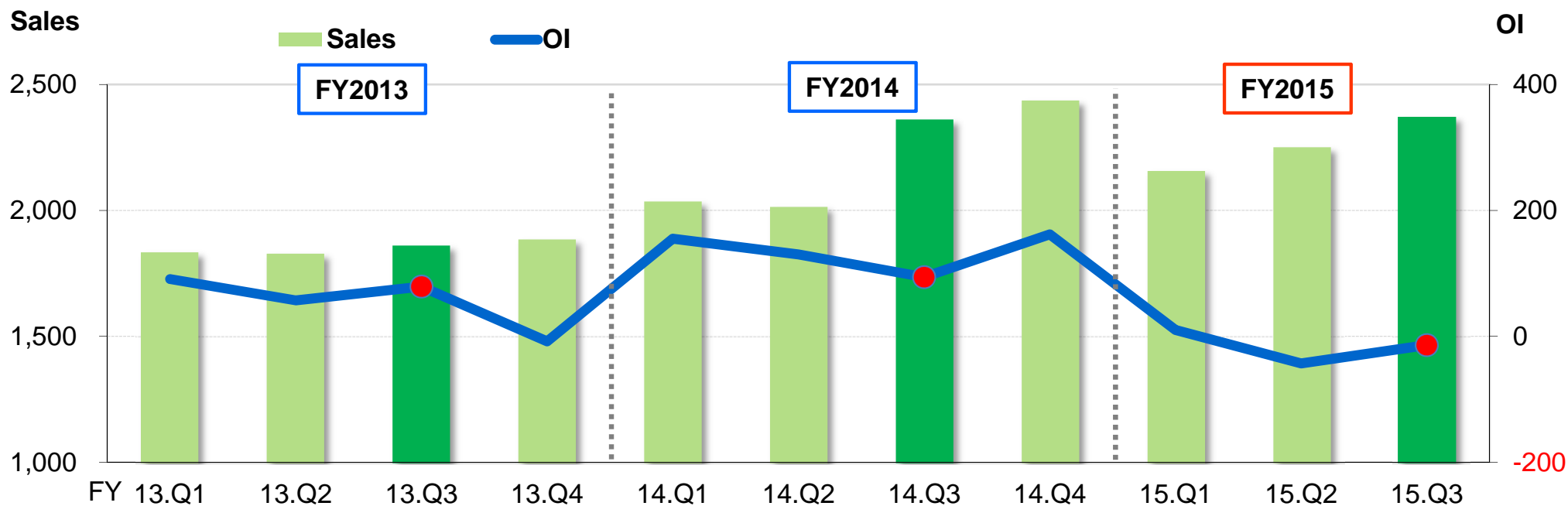
Unit: JPY million	FY15 Q3		FY14 Q3	Year-on-year		
	cumulative		cumulative	change	%	Excl. exchange rate impact
Sales	JPY 25,094 mil (excl. Okil)		23,697	+5,828	124.6%	119.6%
Gross profit			12,218	+2,303	123.2%	--
Gross profit % (external sales)			41.4%	(0.5pt)	--	--
Operating income	JPY 1,742 mil (excl. Okil)		1,737	+389	122.4%	--
Operating income %			7.2%	(0.1pt)	--	--



Performance by region: North America

- Recorded operating loss due to increased upfront investments for SGS (solutions company established April 2015) and retreating laser printer demand from last fiscal year.

Unit: JPY million	FY15 Q3	FY14 Q3	Year-on-year		Excl. exchange rate impact
	cumulative	cumulative	change	%	
Sales	6,775	6,408	+366	105.7%	93.4%
Gross profit	2,060	1,956	+103	105.3%	--
Gross profit % (external sales)	30.4%	30.5%	(0.1pt)	--	--
Operating income	(48)	381	(430)	--	--
Operating income %	(0.7%)	6.0%	(6.7pt)	--	--

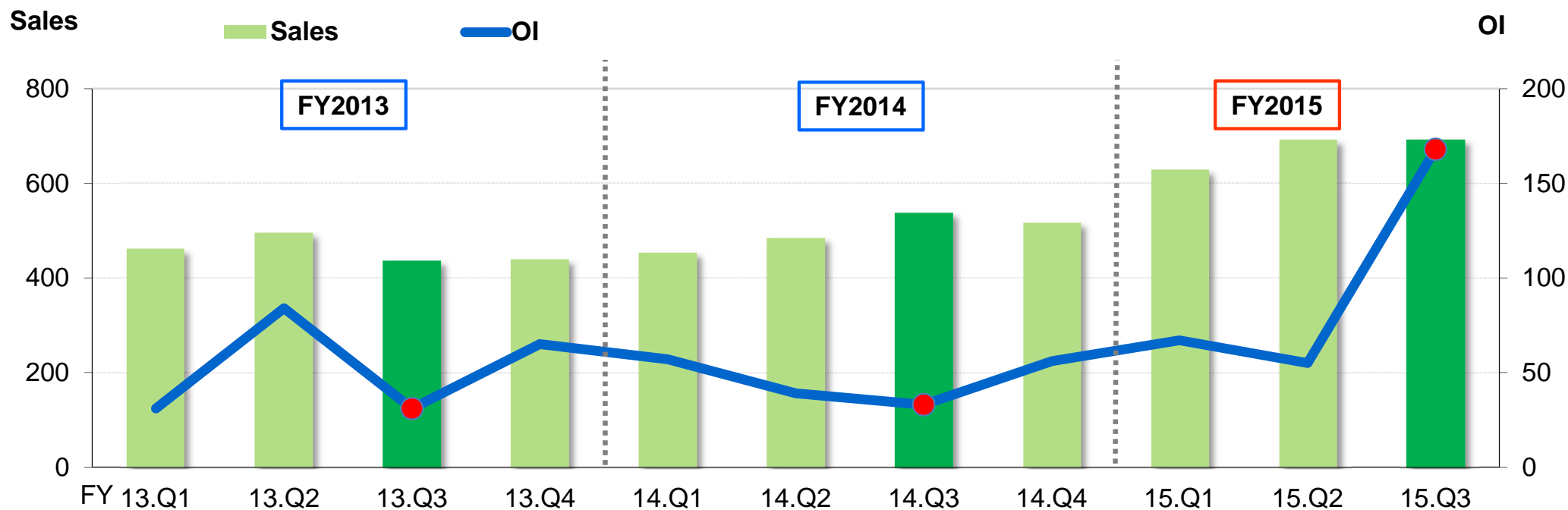




Performance by region: South America

- Sales and operating income both grew with contributions from Achnar S.A. (Argentine label company acquired by SATO in 2012) and SATO Argentina.

Unit: JPY million	FY15 Q3	FY14 Q3	Year-on-year		
	cumulative	cumulative	change	%	Excl. exchange rate impact
Sales	2,013	1,476	+537	136.4%	131.0%
Gross profit	855	566	+288	150.9%	--
Gross profit % (external sales)	42.5%	38.4%	+4.1pt	--	--
Operating income	291	130	+160	222.4%	--
Operating income %	14.5%	8.9%	+5.6pt	--	--

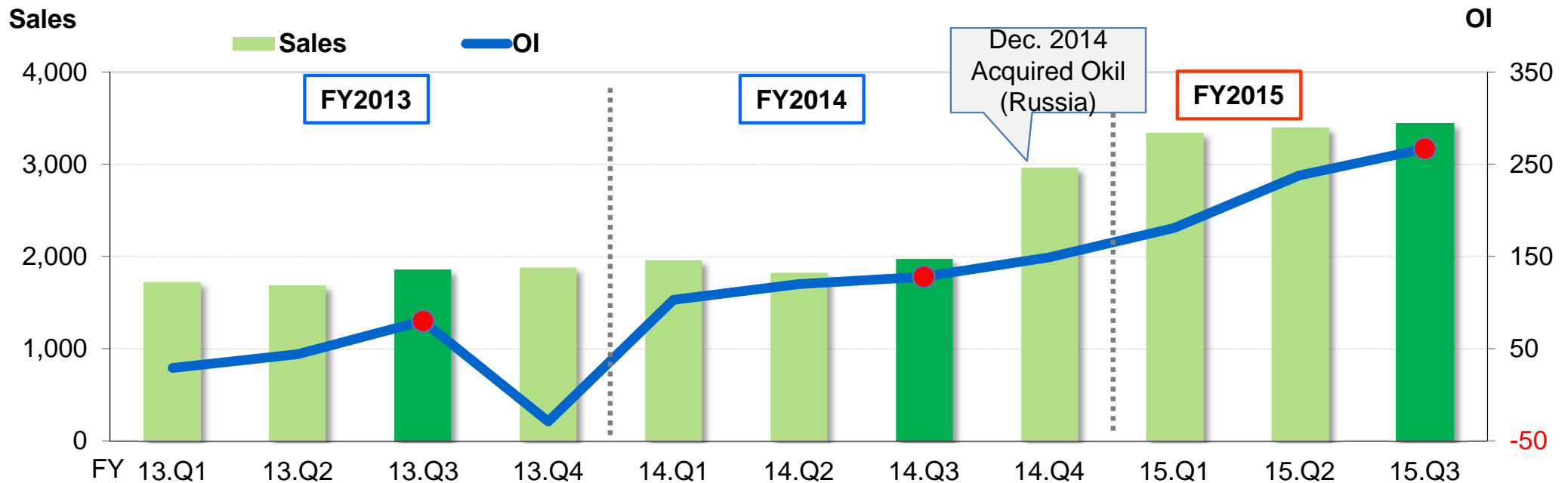




Performance by region: Europe

➤ Posted gains in both sales and operating income due to strong performance from Okil.

Unit: JPY million	FY15 Q3	FY14 Q3	Year-on-year		
	cumulative	cumulative	change	%	Excl. exchange rate impact
Sales	JPY 5,765 mil (excl. Okil) 10,196	5,768	+4,427	176.7%	177.9%
Gross profit	3,905	2,611	+1,294	149.6%	--
Gross profit % (external sales)	38.3%	45.3%	(7.0pt)	--	--
Operating income	JPY 300 mil (excl. Okil) 685	352	+332	194.3%	--
Operating income %	6.7%	6.1%	+0.6pt	--	--

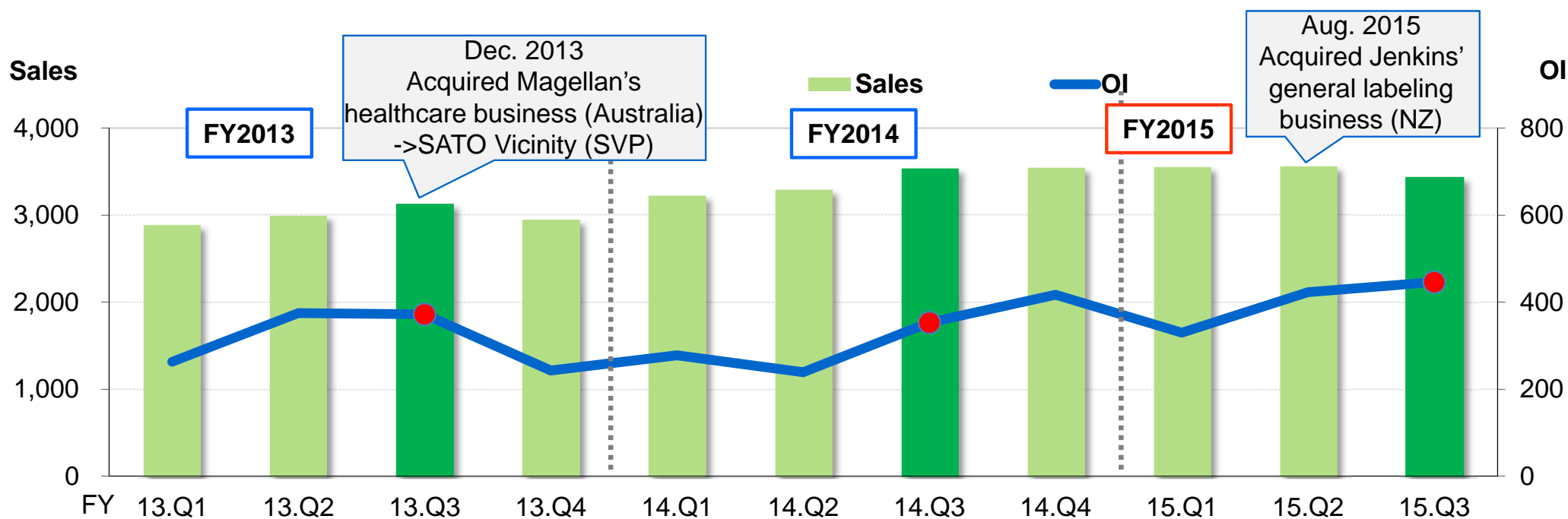




Performance by region: Asia & Oceania

- Business held up well despite economic slowdown; achieved sales and operating income growth through cost reduction initiatives in manufacturing.

Unit: JPY million	FY15 Q3	FY14 Q3	Year-on-year		
	cumulative	cumulative	change	%	Excl. exchange rate impact
Sales	10,540	10,043	+497	104.9%	101.2%
Gross profit	5,397	4,780	+616	112.9%	--
Gross profit % (external sales)	51.2%	47.6%	+3.6pt	--	--
Operating income	1,199	871	+327	137.6%	--
Operating income %	11.4%	8.7%	+ 2.7pt	--	--





FY2015 consolidated performance forecast

➤ Full-year targets are as disclosed on October 23, 2015.

Unit: JPY million	Q3 cumulative		Q4		Full year	
	Actual	YoY	Planned	YoY	Planned	YoY
	Sales	78,767	108.0%	31,232	116.1%	110,000
Operating income	4,149	84.2%	3,450	137.2%	7,600	102.1%
Ordinary income	3,927	75.7%	3,572	155.8%	7,500	100.2%
Net income	2,202	70.3%	2,297	365.3%	4,500	119.6%
EBITDA	7,967	106.1%	4,832	136.8%	12,800	115.9%

* Exchange rates used in forecast: 1 USD = JPY 118, 1 EUR = JPY 128 Actual exchange rates in Q3: 1 USD = JPY 121.73, 1 EUR = JPY 134.40

* EBITDA = Operating Income + Depreciation + Amortization



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