

SATO Holdings Corporation
Fact Sheet - FY2017 (1/2)

Updated May 9, 2018

| (Millions of yen) | FY2015 | | | | | FY2016 | | | | | FY2017 | | | | | FY2018 Projected |
|---|--------|--------|--------|--------|----------|--------|--------|---------|---------|----------|---------|---------|---------|---------|----------|------------------|
| | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | |
| Business performance | | | | | | | | | | | | | | | | |
| Sales | 25,556 | 26,323 | 26,886 | 26,737 | 105,504 | 25,341 | 25,742 | 27,656 | 27,562 | 106,302 | 26,799 | 28,024 | 30,192 | 28,367 | 113,383 | 120,000 |
| Overseas sales ratio | 37.9% | 37.6% | 37.0% | 36.9% | 37.3% | 38.9% | 35.4% | 35.9% | 36.4% | 36.6% | 37.9% | 37.7% | 37.3% | 38.2% | 37.8% | |
| Gross profit | 10,655 | 11,005 | 11,694 | 11,586 | 44,942 | 10,821 | 10,939 | 11,405 | 11,855 | 45,022 | 11,360 | 12,352 | 12,677 | 12,265 | 48,655 | |
| Gross profit ratio | 41.7% | 41.8% | 43.5% | 43.3% | 42.6% | 42.7% | 42.5% | 41.2% | 43.0% | 42.4% | 42.4% | 44.1% | 42.0% | 43.2% | 42.9% | |
| Selling, general and administrative expenses | 9,994 | 9,552 | 9,657 | 9,281 | 38,487 | 9,774 | 9,333 | 9,768 | 10,040 | 38,917 | 10,509 | 10,647 | 10,557 | 10,691 | 42,405 | |
| Operating income | 660 | 1,452 | 2,036 | 2,305 | 6,455 | 1,047 | 1,605 | 1,636 | 1,815 | 6,104 | 851 | 1,704 | 2,119 | 1,573 | 6,249 | 7,300 |
| Operating income ratio | 2.6% | 5.5% | 7.6% | 8.6% | 6.1% | 4.1% | 6.2% | 5.9% | 6.6% | 5.7% | 3.2% | 6.1% | 7.0% | 5.5% | 5.5% | 6.1% |
| EBITDA *1 | 1,843 | 2,795 | 3,328 | 3,606 | 11,573 | 2,318 | 2,842 | 2,944 | 3,190 | 11,296 | 2,261 | 3,057 | 3,502 | 2,993 | 11,814 | 13,000 |
| EBITDA margin | 7.2% | 10.6% | 12.4% | 13.5% | 11.0% | 9.2% | 11.0% | 10.6% | 11.6% | 10.6% | 8.4% | 10.9% | 11.6% | 10.6% | 10.4% | 10.8% |
| Profit attributable to owners of parent | 312 | 819 | 1,070 | 1,485 | 3,687 | 453 | 1,053 | 1,218 | 495 | 3,221 | 337 | 2,075 | 1,152 | 509 | 4,074 | 4,100 |
| Tax ratio | 44.6% | 38.5% | 38.3% | 30.6% | 36.3% | 43.6% | 30.1% | 36.8% | 56.0% | 39.9% | 74.6% | 36.0% | 42.4% | -5.7% | 39.5% | |
| Financial position | | | | | | | | | | | | | | | | |
| Total assets | 94,446 | 92,057 | 97,430 | 96,887 | 96,887 | 93,368 | 93,000 | 103,074 | 104,280 | 104,280 | 103,929 | 106,501 | 107,307 | 106,447 | 106,447 | |
| Interest-bearing debt *2 | 10,536 | 11,185 | 16,354 | 16,117 | 16,117 | 15,546 | 14,732 | 17,737 | 17,004 | 17,004 | 17,510 | 16,410 | 15,901 | 16,794 | 16,794 | |
| Net assets | 53,090 | 51,677 | 51,565 | 52,155 | 52,155 | 49,088 | 49,606 | 53,799 | 54,217 | 54,217 | 53,722 | 56,882 | 57,300 | 56,225 | 56,225 | |
| Research and development | 568 | 593 | 607 | 644 | 2,414 | 622 | 578 | 567 | 619 | 2,387 | 588 | 823 | 777 | 805 | 2,994 | 3,500 |
| Capital expenditures | 1,509 | 2,384 | 1,776 | 1,047 | 6,717 | 871 | 2,467 | 678 | 1,706 | 5,723 | 2,320 | 2,449 | 1,896 | 2,378 | 9,044 | 7,000 |
| Depreciation | 833 | 1,087 | 1,005 | 1,013 | 3,941 | 972 | 954 | 1,007 | 1,061 | 3,996 | 1,043 | 1,054 | 1,080 | 1,129 | 4,307 | 4,600 |
| Amortization of goodwill | 348 | 255 | 286 | 286 | 1,177 | 299 | 282 | 299 | 313 | 1,195 | 366 | 298 | 302 | 291 | 1,258 | 1,100 |
| Cash flow | | | | | | | | | | | | | | | | |
| Cash flow from operating activities | 143 | 2,098 | 1,043 | 2,806 | 6,091 | 2,321 | 2,460 | 2,104 | 3,881 | 10,769 | 393 | 451 | 1,402 | 3,936 | 6,184 | |
| Cash flow from investing activities | -1,114 | -2,135 | -6,312 | -33 | -9,596 | -857 | -2,155 | -708 | -4,994 | -8,716 | -1,065 | 1,298 | -1,709 | -2,027 | -3,504 | |
| Cash flow from financing activities | -846 | 471 | 3,827 | -198 | 3,254 | -1,329 | -932 | 1,803 | -886 | -1,343 | -988 | -1,087 | -1,543 | 160 | -3,458 | |
| Foreign currency translation adjustments on cash and cash equivalents | 242 | -706 | 109 | -328 | -682 | -885 | -89 | 940 | -130 | -164 | 136 | 216 | 93 | -398 | 47 | |
| Cash and cash equivalents at end of year | 15,570 | 15,297 | 13,966 | 16,212 | 16,212 | 15,462 | 14,746 | 18,886 | 16,757 | 16,757 | 15,233 | 16,112 | 14,354 | 16,026 | 16,026 | |
| Per share data (yen) | | | | | | | | | | | | | | | | |
| EPS | | | | | 110.07 | | | | | 96.07 | | | | | 121.54 | 122.29 |
| BPS | | | | | 1,525.09 | | | | | 1,579.53 | | | | | 1,634.69 | |
| DPS | | 27 | | 28 | 55 | | 30 | | 30 | 60 | | 32 | | 33 | 65 | 70 |
| Financial indicators | | | | | | | | | | | | | | | | |
| ROE | | | | | 7.1% | | | | | 6.2% | | | | | 7.6% | 7.4% |
| ROIC *3 | | | | | 6.6% | | | | | 6.2% | | | | | 6.1% | |
| ROA | | | | | 6.4% | | | | | 5.4% | | | | | 5.6% | |
| Equity ratio | 55.8% | 55.1% | 51.9% | 52.8% | 52.8% | 51.5% | 52.2% | 51.0% | 50.8% | 50.8% | 50.5% | 52.0% | 52.0% | 51.5% | 51.5% | |
| Debt-equity ratio *4 | 20.0% | 22.1% | 32.3% | 31.5% | 31.5% | 32.4% | 30.3% | 33.7% | 32.1% | 32.1% | 33.4% | 29.6% | 28.5% | 30.6% | 30.6% | |
| Other information | | | | | | | | | | | | | | | | |
| Number of employees (excl. temporary staff/end of the month) | 4,731 | 4,780 | 4,905 | 4,861 | 4,861 | 4,954 | 4,979 | 4,983 | 5,012 | 5,012 | 5,091 | 5,141 | 5,094 | 5,076 | 5,076 | |
| Exchange rate (average) | | | | | | | | | | | | | | | | |
| USD | 121.43 | 121.87 | 121.73 | 120.14 | 120.14 | 108.04 | 105.19 | 106.59 | 108.34 | 108.34 | 111.09 | 111.04 | 111.68 | 110.85 | 110.85 | 110 |
| EUR | 134.19 | 135.10 | 134.40 | 132.59 | 132.59 | 121.88 | 118.03 | 117.97 | 118.74 | 118.74 | 122.26 | 126.31 | 128.55 | 129.65 | 129.65 | 130 |

| (Millions of yen) | FY2015 | | | | | FY2016 | | | | | FY2017 | | | | | FY2018 Projected |
|--|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|------------------|
| | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | 1Q | 2Q | 3Q | 4Q | FY | |
| Segment information (new classification) | | | | | | | | | | | | | | | | |
| Sales (consolidated) | 25,556 | 26,323 | 26,886 | 26,737 | 105,504 | 25,341 | 25,742 | 27,656 | 27,562 | 106,302 | 26,799 | 28,024 | 30,192 | 28,367 | 113,383 | 120,000 |
| Auto-ID Solutions Business | 25,540 | 26,310 | 26,873 | 26,722 | 105,447 | 25,321 | 25,712 | 27,628 | 27,547 | 106,210 | 26,717 | 27,945 | 30,137 | 28,267 | 113,068 | 119,500 |
| Japan | 15,863 | 16,416 | 16,919 | 16,868 | 66,067 | 15,475 | 16,600 | 17,688 | 17,517 | 67,283 | 16,630 | 17,428 | 18,912 | 17,511 | 70,482 | 72,000 |
| Overseas | 9,677 | 9,893 | 9,954 | 9,853 | 39,379 | 9,845 | 9,112 | 9,939 | 10,029 | 38,926 | 10,087 | 10,517 | 11,224 | 10,755 | 42,585 | 47,500 |
| Base Business | 7,776 | 7,855 | 7,975 | 8,143 | 31,751 | 7,895 | 7,321 | 8,114 | 8,078 | 31,411 | 7,925 | 8,356 | 8,987 | 8,696 | 33,964 | |
| Primary Labels | 1,900 | 2,038 | 1,979 | 1,709 | 7,628 | 1,949 | 1,790 | 1,824 | 1,951 | 7,515 | 2,161 | 2,161 | 2,237 | 2,059 | 8,620 | |
| Materials Business | 16 | 13 | 12 | 15 | 57 | 19 | 29 | 28 | 14 | 92 | 82 | 78 | 54 | 100 | 315 | 500 |
| Operating income (consolidated) | 660 | 1,452 | 2,036 | 2,305 | 6,455 | 1,047 | 1,605 | 1,636 | 1,815 | 6,104 | 851 | 1,704 | 2,119 | 1,573 | 6,249 | 7,300 |
| Auto-ID Solutions Business | 698 | 1,455 | 2,117 | 2,188 | 6,460 | 1,052 | 1,629 | 1,691 | 1,848 | 6,221 | 1,232 | 2,075 | 2,515 | 1,873 | 7,697 | 9,200 |
| Japan | 131 | 782 | 1,246 | 1,687 | 3,847 | 341 | 1,228 | 1,415 | 1,585 | 4,571 | 862 | 1,345 | 1,851 | 1,771 | 5,831 | 6,100 |
| Overseas | 567 | 672 | 871 | 500 | 2,612 | 710 | 401 | 275 | 263 | 1,650 | 369 | 730 | 663 | 102 | 1,865 | 3,100 |
| Base Business | 453 | 414 | 611 | 183 | 1,662 | 486 | 270 | 301 | 162 | 1,221 | 340 | 681 | 701 | 25 | 1,749 | |
| Primary Labels | 136 | 231 | 267 | 254 | 891 | 163 | 115 | -9 | 55 | 325 | 46 | 26 | -19 | 78 | 131 | |
| Eliminations | -23 | 26 | -7 | 62 | 58 | 60 | 16 | -17 | 45 | 103 | -18 | 22 | -17 | -1 | -15 | |
| Materials Business | 1 | 6 | -19 | -28 | -41 | -53 | -51 | -53 | -81 | -240 | -319 | -425 | -338 | -342 | -1,426 | -1,900 |
| Eliminations | -39 | -9 | -60 | 145 | 36 | 48 | 26 | 0 | 48 | 122 | -60 | 54 | -57 | 42 | -21 | 0 |
| Segment information (old classification) | | | | | | | | | | | | | | | | |
| Sales (consolidated) | 25,556 | 26,323 | 26,886 | 26,737 | 105,504 | 25,341 | 25,742 | 27,656 | 27,562 | 106,302 | 26,799 | 28,024 | 30,192 | 28,367 | 113,383 | 120,000 |
| Japan | 15,879 | 16,429 | 16,931 | 16,883 | 66,124 | 15,495 | 16,630 | 17,717 | 17,532 | 67,375 | 16,655 | 17,449 | 18,925 | 17,526 | 70,558 | |
| North America | 2,155 | 2,249 | 2,370 | 2,987 | 9,762 | 2,823 | 2,496 | 2,699 | 2,627 | 10,646 | 2,573 | 2,702 | 2,880 | 2,850 | 11,006 | |
| South America | 629 | 691 | 693 | 848 | 2,862 | 739 | 720 | 652 | 821 | 2,933 | 861 | 866 | 834 | 874 | 3,437 | |
| Europe | 3,346 | 3,401 | 3,448 | 2,905 | 13,101 | 3,109 | 2,867 | 3,219 | 3,328 | 12,525 | 3,478 | 3,582 | 3,794 | 3,711 | 14,567 | |
| Asia & Oceania | 3,546 | 3,552 | 3,441 | 3,112 | 13,652 | 3,172 | 3,027 | 3,368 | 3,252 | 12,821 | 3,229 | 3,422 | 3,757 | 3,403 | 13,813 | |
| Operating income (consolidated) | 660 | 1,452 | 2,036 | 2,305 | 6,455 | 1,047 | 1,605 | 1,636 | 1,815 | 6,104 | 851 | 1,704 | 2,119 | 1,573 | 6,249 | 7,300 |
| Japan | 132 | 788 | 1,226 | 1,659 | 3,806 | 288 | 1,176 | 1,362 | 1,503 | 4,331 | 824 | 1,306 | 1,817 | 1,740 | 5,688 | |
| North America | 10 | -45 | -14 | 42 | -5 | 61 | -64 | -15 | -44 | -62 | 60 | 121 | 154 | -394 | -57 | |
| South America | 67 | 55 | 168 | 178 | 469 | 58 | 24 | -2 | 65 | 146 | 143 | 27 | -7 | 100 | 264 | |
| Europe | 181 | 235 | 267 | 151 | 836 | 205 | 219 | 123 | 37 | 584 | -311 | -338 | -256 | -208 | -1,115 | |
| Asia & Oceania | 330 | 423 | 446 | 110 | 1,309 | 366 | 231 | 192 | 174 | 965 | 213 | 511 | 486 | 294 | 1,505 | |
| Eliminations | -62 | -5 | -56 | 163 | 39 | 66 | 17 | -22 | 78 | 139 | -78 | 76 | -74 | 40 | -36 | |
| Sales by product (Auto-ID Solutions) | | | | | | | | | | | | | | | | |
| Mechatronics products (incl. services, software) | 9,971 | 10,377 | 9,986 | 11,210 | 41,546 | 9,466 | 9,793 | 10,512 | 11,544 | 41,317 | 10,238 | 11,209 | 11,784 | 11,932 | 45,164 | |
| Consumables | 15,569 | 15,932 | 16,887 | 15,511 | 63,900 | 15,854 | 15,919 | 17,116 | 16,002 | 64,893 | 16,479 | 16,736 | 18,353 | 16,334 | 67,903 | |
| Market segment information (Japan) | | | | | | | | | | | | | | | | |
| Manufacturing | 4,606 | 4,650 | 4,908 | 5,066 | 19,231 | 4,499 | 5,155 | 5,174 | 5,274 | 20,103 | 4,914 | 5,263 | 5,615 | 5,752 | 21,546 | |
| Logistics | 3,750 | 3,964 | 4,091 | 3,799 | 15,605 | 3,869 | 3,983 | 4,242 | 3,982 | 16,078 | 3,940 | 4,288 | 4,661 | 3,947 | 16,838 | |
| Retail | 1,928 | 2,160 | 2,116 | 2,230 | 8,435 | 1,777 | 1,833 | 2,110 | 2,051 | 7,772 | 1,909 | 1,865 | 2,294 | 1,813 | 7,883 | |
| Health Care | 1,690 | 1,856 | 1,913 | 1,860 | 7,319 | 1,723 | 1,899 | 1,887 | 2,037 | 7,547 | 1,722 | 1,933 | 2,047 | 2,097 | 7,801 | |
| Foods & Beverage | 1,491 | 1,575 | 1,687 | 1,377 | 6,132 | 1,518 | 1,573 | 1,672 | 1,508 | 6,273 | 1,560 | 1,586 | 1,770 | 1,453 | 6,371 | |
| Public | 773 | 563 | 499 | 521 | 2,358 | 416 | 432 | 805 | 864 | 2,518 | 805 | 693 | 723 | 693 | 2,915 | |

*1 EBITDA = Operating income + Depreciation + Amortization of goodwill

*2 Including lease obligations and zero-coupon bond (CB)

*3 Operating income x [1 minus effective tax rate] / Average of [Equity capital + Interest-bearing debt]

*4 Interest-bearing debt / Equity capital