

Company Report

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Q3 FY3/26 Results: Strong Sales of Mechatronics Products, Progressing at a Pace Exceeding November Forecasts

SATO Corporation reported cumulative results for Q3 FY3/26, showing net sales up to ¥121.75 billion (+4.8% YoY) and operating income down to ¥8.67 billion (-12.1% YoY), resulting in increased net sales but decreased operating income. Progress against full-year forecasts stood at 75.6% for net sales and 78.8% for operating income. The full-year company forecast remains unchanged. For Q3, net sales rose to ¥43.50 billion (+8.4% YoY), while operating income fell to ¥3.57 billion (-12.6% YoY).

Q3 FY3/26 performance exceeded company expectations. Overseas, while the Primary Labels business underperformed due to weakness in Russia, the Base business outperformed due to strong results in Asia and Oceania, leading overall results to exceed expectations. In Japan, strong sales of Mechatronics products contributed to results exceeding company expectations. Excluding the impact of the highly volatile Russian subsidiary, cumulative operating income for Q3 rose 14% YoY to ¥7.34 billion, continuing the profit growth trend. Currently, there are no significant changes in fundamentals, and the earnings results provide reassurance. The likelihood of achieving the full-year forecast remains high.

The Company held a mid-term plan update briefing (FY3/25 to FY3/29) on December 16, 2025 (refer to the report issued on [December 22, 2025](#)). Key points are "stabilizing revenue and sustaining growth" and "transitioning to management focused on capital costs. The new KPIs target FY3/29 net sales of ¥186 billion, operating income of ¥15.7 billion, ROIC of 9.4%, ROE of 10.2% and PBR of 1.0x or higher. Furthermore, at the Q3 FY3/26 earnings briefing held on February 12, specific initiatives were outlined regarding the "strengthening of global management infrastructure" to support the implementation of mid-term strategy measures.

Currently, the stock price has declined slightly from its mid-term update high of ¥2,565 and is trading around ¥2,400. The PER based on the Company's FY3/26 forecast stands at 11.7x, while the PBR based on FY3/25 actual results remains low at 1.0x. Our view of the Company's equity story is that it will leverage its on-site expertise accumulated through its solutions development in Japan to transform its overseas operations, which are still primarily focused on selling products, into a solutions-based business, thereby increasing its global share in the

Stock Price and Trading Volumes (Past Year)



Source: Strategy Advisors.

Key Indicators

Stock Price (2/24/26)	2,460
52-Week High (12/15/25)	2,529
52-Week Low (4/07/25)	1,791
All-Time High (9/26/18)	3,795
All-Time Low (3/13/09)	634
Number of Shares Issued	32.5
Market Capitalization	79.9
EV (bn)	75.6
Equity Ratio (FY3/25, %)	54.8
ROE (FY3/25 Actual, %)	9.7
PER (FY3/26 CoE, x)	11.7
PBR (FY3/25 Actual, x)	1.0
Yield (FY3/26 CoE, %)	3.1

Source: Strategy Advisors.

rapidly growing auto-identification market (see our report on [April 1, 2025](#)).

For FY3/27, when the negative impact from the Russian subsidiary is expected to diminish, operating income is likely to increase YoY, raising expectations for improved performance. The Company deserves credit for steadily advancing its "strengthening global management infrastructure" and executing strategies toward its 2030 vision ("developing a robust revenue base for the core business" and "commercializing the Perfect and Unique Tagging concept"). Going forward, as earnings growth progresses and the feasibility of its equity story increases, further upside potential for the stock valuation should emerge.

Japanese GAAP - Consolidated

FY	Net Sales	YoY	Operating Income	YoY	Ordinary Profit	YoY	Net Profit	YoY	EPS	DPS
	(¥mn)	(%)	(¥mn)	(%)	(¥mn)	(%)	(¥mn)	(%)	(¥)	(¥)
Q1-Q3 3/25	116,211	8.2	9,865	22.0	8,923	14.9	5,592	16.4	172.39	-
Q1-Q3 3/26	121,755	4.8	8,673	-12.1	7,877	-11.7	5,105	-8.7	157.25	-
3/23	142,824	14.5	8,841	38.1	9,068	49.7	4,184	10.3	126.7	72.0
3/24	143,446	0.4	10,383	17.4	8,961	-1.2	3,565	-14.8	110.0	73.0
3/25	154,807	7.9	12,341	18.9	11,144	24.4	7,151	100.6	220.4	75.0
3/26	161,000	4.0	11,000	-10.9	10,100	-9.4	6,800	-4.9	209.6	76.0

Source: Company Data. Compiled by Strategy Advisors.

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1. Overview of Q3 FY3/26 Financial Results

Q3 Cumulative Results Show YoY Revenue Growth but Profit Decline

The cumulative results for Q3 FY3/26, announced on February 12, showed net sales increased to ¥121.75 billion (+4.8% YoY), while operating income decreased to ¥8.67 billion (-12.1% YoY), resulting in increased net sales but decreased operating income.

Q3 (3-Months): Continued Weakness at Russian Subsidiary Specializing in Overseas (Primary Labels Business)

For Q3, net sales increased to ¥43.5 billion (+8.4% YoY), while operating income decreased to ¥3.57 billion (-12.6% YoY), resulting in a profit decline. The breakdown of the ¥5.1 billion YoY operating income decline (¥1.1 billion increase excluding the Russian subsidiary) was as follows: Japan remained flat, Overseas (Base Business) decreased by ¥0.5 billion, and Overseas (Primary Labels Business) decreased by ¥5.4 billion (¥0.9 billion increase excluding the Russian subsidiary). The negative contribution from the Russian subsidiary within Overseas (Primary Labels Business) was significant. The Russian subsidiary's sluggish performance continued in Q3 following H1.

Overseas Base Business and Japan Business Exceeded November Company Forecasts

Compared to the Company plan announced in November, both net sales and operating income exceeded expectations. Overseas, while the Primary Labels business underperformed due to Russia's slump, the Base business outperformed due to strong performance in Asia and Oceania, resulting in overall results slightly exceeding expectations. In Japan, strong sales of Mechatronics products drove results above company expectations. Excluding the highly volatile Russian subsidiary, operating income showed solid growth, rising to ¥3.05 billion (+4.1% YoY). This suggests no significant deterioration in fundamentals.

Figure 1. Summary of Q3 FY3/26 Financial Results (Cumulative)

(¥mn)	3/25 Q1-Q3	3/26 Q1-Q3 (A)	YoY	YTD (A)/(B)	3/25	3/26 CoE (B)
Net Sales	116,211	121,755	4.8%	75.6%	154,807	161,000
Overseas	57,649	58,331	1.2%	74.8%	75,587	78,000
Base Business	39,491	39,566	0.2%	73.3%	52,632	54,000
Primary Labels Business	18,158	18,765	3.3%	78.2%	22,955	24,000
Domestic	58,561	63,423	8.3%	76.4%	79,220	83,000
Mechatronics	22,394	26,792	19.6%	-	31,627	-
Consumables	36,167	36,631	1.3%	-	47,593	-
(Consumables Ratio)	31.1%	30.1%	-	-	30.7%	-
Operating Income	9,865	8,673	-12.1%	78.8%	12,341	11,000
OP Margin	8.5%	7.1%	-	-	8.0%	6.8%
Overseas	7,295	5,038	-30.9%	74.1%	8,478	6,800
OP Margin	12.7%	8.6%	-	-	11.2%	8.7%
Base Business	3,531	3,398	-3.8%	75.5%	4,317	4,500
OP Margin	8.9%	8.6%	-	-	8.2%	8.3%
Primary Labels Business	3,790	1,688	-55.5%	71.8%	4,199	2,350
OP Margin	20.9%	9.0%	-	-	18.3%	9.8%
Domestic	2,783	3,732	34.1%	86.8%	3,906	4,300
OP Margin	4.8%	5.9%	-	-	4.9%	5.2%
Elimination	-213	-97	-	-	-43	-100

Source: Company Data. Compiled by Strategy Advisors.

Figure 2. Summary of Q3 FY3/26 Financial Results (Qtly)

(¥mn)	3/25				3/26			3/26	3/26CoE
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	FY	FY
Sales	37,674	38,415	40,121	38,596	37,829	40,418	43,507	154,807	161,000
YoY	10.8%	7.3%	6.6%	7.1%	0.4%	5.2%	8.4%	7.9%	4.0%
Overseas	19,321	19,223	19,104	17,937	18,737	18,944	20,648	75,587	78,000
YoY	17.4%	12.4%	8.2%	7.2%	-3.0%	-1.4%	8.1%	11.3%	3.2%
Base Business	13,355	12,806	13,329	13,142	12,628	13,022	13,915	52,632	54,000
YoY	13.4%	8.5%	7.3%	8.9%	-5.4%	1.7%	4.4%	9.5%	2.6%
Primary Labels Business	5,966	6,416	5,775	4,796	6,109	5,922	6,733	22,955	24,000
YoY	27.6%	21.1%	10.5%	2.9%	2.4%	-7.7%	16.6%	15.6%	4.6%
Domestic	18,353	19,191	21,016	20,658	19,091	21,473	22,858	79,220	83,000
YoY	4.7%	2.7%	5.2%	7.0%	4.0%	11.9%	8.8%	4.9%	4.8%
Mechatronics	6,848	7,559	7,987	9,231	7,180	9,743	9,868	31,627	-
YoY	7.1%	2.4%	7.2%	8.9%	4.8%	28.9%	23.6%	6.5%	-
Consumables	11,505	11,633	13,029	11,426	11,911	11,729	12,989	47,593	-
YoY	3.3%	2.8%	4.0%	5.5%	3.5%	0.8%	-0.3%	3.9%	-
(Consumables Ratio)	30.5%	30.3%	32.5%	29.6%	31.5%	29.0%	29.9%	30.7%	-
Operating Income	2,864	2,914	4,086	2,475	2,359	2,741	3,571	12,341	11,000
YoY	32.6%	18.5%	17.9%	7.8%	-17.6%	-5.9%	-12.6%	18.9%	-10.9%
OP Margin	7.6%	7.6%	10.2%	6.4%	6.2%	6.8%	8.2%	8.0%	6.8%
Overseas	2,586	2,303	2,405	1,183	1,629	1,626	1,782	8,478	6,800
YoY	19.2%	-1.8%	-3.4%	-4.4%	-37.0%	-29.4%	-25.9%	2.9%	-19.8%
OP Margin	13.4%	12.0%	12.6%	6.6%	8.7%	8.6%	8.6%	11.2%	8.7%
Base Business	1,277	1,053	1,200	785	1,118	1,133	1,147	4,317	4,500
YoY	27.3%	55.1%	-10.4%	50.1%	-12.5%	7.6%	-4.5%	21.7%	+4.2%
OP Margin	9.6%	8.2%	9.0%	6.0%	8.9%	8.7%	8.2%	8.2%	8.3%
Primary Labels Business	1,301	1,290	1,198	409	561	468	658	4,199	2,350
YoY	16.4%	-14.5%	5.4%	-47.2%	-56.9%	-63.7%	-45.1%	-7.5%	-44.0%
OP Margin	21.8%	20.1%	20.7%	8.5%	9.2%	7.9%	9.8%	18.3%	9.8%
Domestic	186	773	1,824	1,123	864	1,036	1,830	3,906	4,300
YoY	-	622.4%	96.8%	24.6%	364.5%	34.0%	0.4%	126.6%	+10.1%
OP Margin	1.0%	4.0%	8.7%	5.4%	4.5%	4.8%	8.0%	4.9%	5.2%
Elimination	92	-162	-143	169	-134	78	-41	-43	-100

Source: Company Data. Compiled by Strategy Advisors.

2. Trends by Sector: Q3

1) Overseas (Base Business)

Sales Were Strong in Europe and Asia/Oceania

Overseas (Base Business) Q3 results showed net sales up to ¥13.91 billion (+4.4% YoY) and operating income down to ¥1.14 billion (-4.5% YoY). Net sales increased YoY, driven by strong performance in Europe and Asia/Oceania. While Americas and Europe contributed to higher operating income, Asia/Oceania saw a decrease due to increased costs at sales subsidiaries and reduced revenue from Taiwan's Argox, resulting in an overall YoY decrease in operating income. The situation by region is outlined in detail below.

RFID Sales Declined YoY, While Automation Solutions Increased

Demand for solutions continues to grow, driven by labor shortages and digital transformation initiatives. RFID revenue decreased 6.3% YoY. While large projects in the Manufacturing market continued, this was offset by a decline compared to the large projects recorded in the same period last year. Automation solutions (automatic labelers) saw a 9.5% YoY increase in revenue, driven by expanded sales in Asia and strong demand in Europe.

Americas: Operating Profit Turned Positive Thanks to SG&A Control

The Americas region saw a slight YoY revenue decrease, but returned to operating income. Net sales in the U.S. declined due to the reactionary decrease from the previous year's consumables-related surge, despite the continuation of high-value projects for automatic applicators in the Logistics market. South America also saw reduced sales due to lower demand and currency fluctuations. Operating income increased in the US despite the sales decline, benefiting from SG&A cost control. In South America, profit decreased due to the sales decline, coupled with negative contributions from currency fluctuations and increased costs such as labor expenses in an inflationary environment.

Europe: Strong Performance in the UK and Germany by Region, and in the Healthcare Sector by Market

Europe saw YoY growth in net sales and operating income. Net sales increased in the UK due to high-value mechatronics projects in the Food market and positive currency fluctuations. In Germany, increased sales of environmentally compliant consumables in the Retail market contributed positively. By market, the Healthcare continued to perform well. Operating income increased, as the negative impact of rising personnel costs was offset by the positive effects of higher sales and improved product mix.

Asia-Oceania: Impacted by Weakness at Taiwan's Argox

Asia-Oceania saw YoY revenue growth but decreased profit. Net sales were negatively impacted by customer inventory adjustments at Taiwan Argox, but large projects for the Philippine Retail market and the Taiwan Healthcare market increased, securing overall revenue growth. However, large RFID projects in Australia showed signs of slowing. Operating income declined, as the positive contribution from improved utilization rates at the Vietnam factory due to increased printer exports could not offset the negative impact of temporary cost increases at the China sales subsidiary and reduced revenue at Taiwan Argox.

Figure 3. Overseas (Base Business) Revenue Trends (Half/Qtly)

(¥mn)	3/24		3/25		3/26
	H1	H2	H1	H2	H1
Sales	23,583	24,486	26,161	26,471	25,650
Americas	8,766	8,568	8,863	9,272	8,579
Europe	5,705	6,008	6,250	6,228	6,320
Asia/Oceania	9,246	9,777	11,047	10,974	10,751
Operating Income	1,682	1,864	2,330	1,987	2,251
Americas	278	261	372	3	297
Europe	595	298	250	160	205
Asia/Oceania	824	1,292	1,707	1,823	1,748
OP Margin	7.1%	7.6%	8.9%	7.5%	8.8%
Americas	3.2%	3.0%	4.2%	0.0%	3.5%
Europe	10.4%	5.0%	4.0%	2.6%	3.2%
Asia/Oceania	8.9%	13.2%	15.5%	16.6%	16.3%

(¥mn)	3/25				3/26			3/25	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	FY	CoE FY
Sales	13,355	12,806	13,329	13,142	12,628	13,022	13,915	52,632	54,000
Americas	4,568	4,294	4,503	4,769	4,264	4,315	4,450	18,135	-
Europe	3,221	3,028	3,106	3,121	3,129	3,191	3,582	12,478	-
Asia/Oceania	5,564	5,483	5,718	5,256	5,234	5,516	5,882	22,021	-
Operating Income	1,277	1,053	1,200	785	1,118	1,133	1,147	4,317	4,500
Americas	318	54	-24	27	164	133	27	375	-
Europe	105	144	73	85	109	95	133	410	-
Asia/Oceania	853	854	1,151	671	843	904	986	3,530	-
OP Margin	9.6%	8.2%	9.0%	6.0%	8.9%	8.7%	8.2%	8.2%	8.3%
Americas	7.0%	1.3%	-0.5%	0.6%	3.8%	3.1%	0.6%	2.1%	-
Europe	3.3%	4.8%	2.4%	2.7%	3.5%	3.0%	3.7%	3.3%	-
Asia/Oceania	15.3%	15.6%	20.1%	12.8%	16.1%	16.4%	16.8%	16.0%	-

Sales Breakdown by Application

	3/24	3/25
	FY	FY
Manufacturing	26.7%	28.5%
Logistics	4.2%	4.0%
Retail	32.1%	30.8%
Healthcare	7.5%	7.3%
Food	10.0%	9.2%
Public Sector	0.5%	0.4%
Others	19.0%	19.8%

Note: The figures for sales breakdown are based on segment information.

Operating income breakdown is based on segment information and presentation materials.

Source: Company Data. Compiled by Strategy Advisors.

2) Overseas (Primary Labels Business)

The Challenging Competitive Environment in Russia Remains Unchanged. But on a Quarterly Basis, it Appears to Have Bottomed Out

Overseas (Primary Labels Business) saw net sales increase to ¥6.73 billion (+16.6% YoY), while operating income decreased to ¥650 million (-45.1% YoY), resulting in higher net sales but lower operating income. However, compared to Q2, both net sales and operating income increased, indicating the bottom has been reached on a quarterly basis. In Europe (Russia), demand declined due to the competitive environment for existing label products returning to its previous challenging state, resulting in a decrease in revenue on a local currency basis. However, favorable exchange rate movements contributed positively, securing an overall revenue increase. Operating income declined significantly, impacted not only by the revenue decrease but also by increased costs (including labor expenses) associated with capacity expansion. Meanwhile, in the Americas (South America), demand remained robust despite the inflationary environment, driven by progress in customer acquisition. Revenue and profit increased even after accounting for higher costs, including labor expenses.

Figure 4. Overseas (Primary Business) Revenue Trends (Half/Qtly)

(¥mn)	3/24		3/25		3/26
	1H	2H	1H	2H	1H
Sales	9,974	9,888	12,383	10,572	12,032
Americas	1,809	1,765	1,787	1,688	1,827
Europe	8,029	7,969	10,402	8,692	10,019
Asia/Oceania					
Operating Income	2,628	1,912	2,592	1,607	1,030
Americas	422	506	391	240	252
Europe	2,191	1,389	2,264	1,261	759
Asia/Oceania					
OP Margin	26.3%	19.3%	20.9%	15.2%	8.6%
Americas	23.3%	28.7%	21.9%	14.2%	13.8%
Europe	27.3%	17.4%	21.8%	14.5%	7.6%
Asia/Oceania	0.0%	0.0%	14.9%	6.3%	9.8%

(¥mn)	3/25				3/26			3/25	3/26CoE
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	FY	FY
Sales	5,966	6,416	5,775	4,796	6,109	5,922	6,733	22,955	24,000
Americas	960	827	794	894	922	905	908	3,475	-
Europe	4,904	5,498	4,882	3,810	5,089	4,930	5,714	19,094	-
Asia/Oceania	101	93	98	92	97	87	110	384	-
Operating Income	1,301	1,290	1,198	409	561	468	658	4,199	2,350
Americas	255	136	82	158	135	116	155	631	-
Europe	1,028	1,143	1,110	243	413	346	495	3,525	-
Asia/Oceania	17	11	6	6	12	5	7	41	-
OP Margin	21.8%	20.1%	20.7%	8.5%	9.2%	7.9%	9.8%	18.3%	9.8%
Americas	26.6%	16.4%	10.3%	17.7%	14.6%	12.8%	17.1%	18.2%	-
Europe	21.0%	20.8%	22.7%	6.4%	8.1%	7.0%	8.7%	18.5%	-
Asia/Oceania	16.8%	11.8%	6.1%	6.5%	12.4%	5.7%	6.4%	10.7%	-

Source: Company Data. Compiled by Strategy Advisors.

3) Japan

Mechatronics Sees Significant YoY Revenue Growth; Consumables Demand Also Remains Robust

Japan operations recorded increased net sales and operating income, with net sales rising to ¥22.85 billion (+8.8% YoY) and operating income increasing to ¥1.83 billion (+0.4% YoY). Mechatronics products (printers, etc.) saw a 23.6% YoY sales increase, driven by high-value projects in the Logistics market, increased demand related to the revised Logistics Efficiency Act, and higher sales of packaged software, particularly in the Food market. Demand for consumables (labels, etc.) remained generally firm overall, with sales decreasing 0.3% YoY. Operating income secured an increase, as the positive effects of higher sales and an improved product mix offset short-term negative factors associated with high-value projects in the mechatronics sector.

Q3 (3-Month) Profit Margin Shows Recovery Trend from Q2

QoQ, while net sales increased by ¥1.38 billion, operating income increased only by ¥790 million. The operating income margin improved from 4.8% in Q2 to 8% in Q3. Although the short-term gross margin reduction factor from securing large projects for Mechatronics products continued into Q3, the profit margin improvement was driven by an improving product mix due to an increase in smaller projects.

RFID Revenue Increased YoY, While Automation Solutions Revenue Decreased

Demand for solutions remains robust, driven by labor shortages and the shift towards digital transformation (DX). RFID revenue grew 4.5% YoY, driven by the Healthcare and Manufacturing markets. Conversely, automation solutions (automatic labelers) saw a 9.7% YoY revenue decline. Although the Food and Logistics markets performed well, this was offset by a reactionary decrease in the Manufacturing market following a decline in the number of large projects in the previous period.

Manufacturing Market: Mechatronics Driven by Strong Automotive & Electronic Components

In the Manufacturing market (including the Public Sectors), robust production of advanced semiconductors, coupled with solid DX investment driven by labor shortages, provided a firm foundation. While consumables saw a pause in demand in sectors like chemicals, the automotive industry and related steel sectors remained strong, resulting in overall flat performance. In Mechatronics, business negotiations related to manufacturing logistics progressed, with the automotive and electronic components industries showing steady performance.

Logistics Market – Demand Increases Driven by Booming E-Commerce and Inbound Tourism

The Logistics market continues to see increased demand driven by booming e-commerce (EC) and inbound tourism, along with ongoing needs to comply with the revised Logistics Efficiency Act. Mechatronics performed well, driven by large strategic projects (for delivery driver terminals), another major automation-related project and increased demand related to the revised Logistics Efficiency Act. Meanwhile, the consumables sector saw a decrease overall due to temporary declines in demand in some industries.

Retail Market: Store DX Demand Expands at Food Supermarkets, etc.

In the Retail Market, DX initiatives at stores are progressing at food supermarkets, and investment in the e-commerce industry remains robust. Consumables grew, driven by the retail goods sector benefiting from strong inbound demand. Meanwhile, Mechatronics declined due to a reactionary decrease following large projects in the retail goods sector the previous year.

Healthcare Market – Solution Demand Increasing

The Healthcare Market is seeing increased demand for RFID-based solutions aimed at improving management efficiency. Both Consumables and Mechatronics saw increased RFID-related needs (e.g., IritoDe) within the medical device industry. Furthermore, high-value Mechatronics projects related to system upgrades in the hospital sector also contributed.

Food Market – Sales of Traceability Related Package Software Increase

The Food market continues to invest in efficiency improvements (RFID, automation) amid rising costs and labor shortages. Consumables remained flat overall, as steady performance in the food service industry offset sales declines for specific products in food manufacturing. Mechatronics saw growth driven by high-value traceability-related projects (packaged software sales) in industries like beverages.

Figure 5. Revenue Trends in Japan (Half/Qtly)

(¥mn)	3/24		3/25		3/26
	1H	2H	1H	2H	1H
Sales	36,229	39,285	37,545	41,675	40,565
Manufacturing	10,953	10,435	10,758	13,292	11,653
Logistics	8,182	8,736	8,475	9,055	9,848
Retail	4,765	5,321	5,587	5,913	6,183
Healthcare	4,639	5,195	4,754	5,298	4,711
Food	3,902	4,218	4,194	4,192	3,925
Public Sector	808	736	-	-	-
Others	2,980	4,644	3,777	3,925	4,245

(¥mn)	3/25				3/26			3/25	3/26CoE
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	FY	FY
Sales	18,353	19,191	21,016	20,658	19,091	21,473	22,858	79,220	83,000
Manufacturing	4,899	5,330	5,981	6,550	5,632	6,021	6,291	22,762	-
Logistics	4,141	4,334	4,684	4,370	4,410	5,438	5,927	17,530	-
Retail	2,777	2,809	3,207	2,705	2,938	3,244	3,140	11,500	-
Healthcare	2,268	2,486	2,581	2,716	2,233	2,477	2,736	10,052	-
Food	2,062	2,131	2,298	1,893	1,899	2,026	2,511	8,386	-
Public Sector	303	-303	279	479	-	-	-	1,288	-
Others	1,903	1,874	1,986	1,939	1,979	2,266	2,253	7,702	-

Source: Company Data. Compiled by Strategy Advisors.

3. Business Outlook and Topics of Brief Meeting

Company Forecast: Operating Income Forecast Remains at ¥11 Billion

The Company's full-year forecast for FY3/26 remains unchanged at ¥161 billion in net sales (+4.0% YoY) and ¥11.0 billion in operating income (-10.9% YoY). Furthermore, the progress rate against the second-half forecasts as of November (net sales of ¥82.8 billion, operating income of ¥5.9 billion, based on an exchange rate assumption of ¥147/USD) was high for Q3: 52.5% for net sales and 60.5% for operating income. The overseas operating income forecast of ¥6.8 billion was maintained, but the composition changed: the Base business increased by ¥0.3 billion, while the Primary Labels business and other segment decreased by ¥0.3 billion.

Q3 Results Exceeded November Projections

Q3 results progressed at a pace exceeding company expectations both overseas and domestically. Overseas performance was sufficiently supported by the robust Base business, despite the underperformance of the Primary Labels business, which includes the struggling Russian market. Therefore, the Company's fundamentals can be considered generally sound, excluding the Primary Labels business.

New Q4 Forecast Appears Somewhat Conservative

The new Q4 forecast expects net sales of ¥39.24 billion (-9.8% QoQ) and operating income of ¥2.32 billion (-35% QoQ). Overseas, the pattern where the Primary Labels business's weakness is offset by the Base business's strength is expected to continue in Q4, unchanged from Q3. Meanwhile, for the domestic market, which performed well in Q3, the forecast incorporates risk factors due to macroeconomic uncertainty, resulting in a reduction of approximately ¥1 billion in net sales and ¥0.6 billion in operating income compared to the November plan. However, considering the low likelihood of significant changes in customer demand and the steady progress in expanding sales of the new CL4/6-SXR printer, the forecast can be seen as somewhat conservative.

Explanation of Strengthening Global Management Infrastructure

The Company views the period from FY3/27 to FY3/29 as a phase for resuming growth investments and recognizes the importance of strengthening global management infrastructure to support corporate value enhancement. The themes are: 1) Improving management methods/practices, 2) Strengthening corporate governance, and 3) Reinforcing cybersecurity. Details are provided below.

(1) Improve Management Methods/Practices

Regarding management control, to ensure it is advanced and forward-looking rather than solely focused on past performance, the Company will establish KPIs and mid-to-long-term indicators based on scenario forecasts starting from future targets. The Company will implement analysis and forecasting utilizing AI and other technologies. After investment decisions, the Company will make timely course corrections through monitoring, enabling swift subsequent decisions. Investment projects will be compared and selected from a company-wide perspective, enabling resource allocation that balances short-term returns with growth investments. This will result in a system that improves the speed and quality of decision-making while aiming to enhance capital efficiency. Additionally, early risk identification is expected to contribute to maximizing investment returns.

(2) Strengthen Corporate Governance

Regarding corporate governance, the Company will first review the financial and management framework, establishing a structure where the newly appointed Regional CFOs (Americas, Europe, APAC) report to the Group CFO. This enables the creation of a system for the overall optimization of group fund management and allocation. The goal is to standardize decision-making criteria and ensure consistency and effectiveness in judgments through common rules (including for the procurement department). These measures aim to secure a governance structure capable of supporting global business expansion and enable agile management decisions, including growth investments and shareholder returns.

(3) Reinforce Cybersecurity

The Company is currently establishing a foundational security infrastructure, with the security department overseeing personnel across all locations, including IT, product and manufacturing sites, and is slated for completion by FY3/26. Following a cybersecurity incident during this period, the company will further intensify their countermeasures beginning in FY3/27. Our roadmap includes addressing evolving cyber threats and establishing robust AI governance. These initiatives are designed to prevent operational disruptions and reputational risks, ensuring a resilient global Business Continuity Plan (BCP).

Strengthening the Business' Foundation is Crucial for Achieving the Mid-Term Plan and the 2030 Vision

The Company updated its mid-term plan in December 2025, setting FY3/29 KPIs of ¥186 billion in net sales, ¥15.7 billion in operating income, ROIC of 9.4%, ROE of 10.2% and PBR of 1.0 or higher. Meanwhile, looking toward the 2030 Vision, namely, to commercialize the "Perfect and Unique Tagging" concept, strengthening global management infrastructure is indispensable to solidify the profitability of existing core businesses. The Company's announcement of strengthening its business foundation as the cornerstone of growth, along with the concrete presentation of specific measures to the capital markets, is highly commendable.

Figure 6. Income Statement (Qtly)

(¥mn)	3/25				3/26				3/26CoE FY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 CoE	
Net sales	37,674	38,415	40,121	38,596	37,829	40,419	43,507	39,244	161,000
Cost of Sales	22,070	22,902	23,393	22,972	22,497	24,315	26,469	-	-
Gross Profit	15,604	15,513	16,728	15,624	15,332	16,104	17,038	-	-
Gross Profit Margin	41.4%	40.4%	41.7%	40.5%	40.5%	39.8%	39.2%	-	-
SG&A Expenses	12,740	12,598	12,641	13,148	12,973	13,361	13,467	-	-
SG&A Margin	33.8%	32.8%	31.5%	34.1%	34.3%	33.1%	31.0%	-	-
Operating Income	2,864	2,914	4,086	2,475	2,359	2,742	3,572	2,326	11,000
OP Margin	7.6%	7.6%	10.2%	6.4%	6.2%	6.8%	8.2%	5.9%	6.8%
Non-Operating Income/Expenses	-453	-442	-47	-255	-474	-167	-154	-	-
Ordinary Income	2,411	2,472	4,040	2,221	1,885	2,575	3,417	2,222	10,100
Ordinary Income Margin	6.4%	6.4%	10.1%	5.8%	5.0%	6.4%	7.9%	5.7%	6.3%
Extraordinary Gains/Losses	-8	4	8	514	-67	7	-28	-	-
Pre-Tax Profit	2,404	2,474	4,049	2,735	1,819	2,580	3,390	-	-
Corporate taxes, etc.	984	415	1,276	1,155	556	702	1,259	-	-
(Corporate Tax Rate)	40.9%	16.8%	31.5%	42.2%	30.6%	27.2%	37.1%	-	-
Profit Attributable to Owners of Parent	1,197	1,830	2,564	1,558	1,211	1,841	2,053	1,694	6,800
Net Profit Margin	3.2%	4.8%	6.4%	4.0%	3.2%	4.6%	4.7%	4.3%	4.2%

Source: Company Data. Compiled by Strategy Advisors.

4. Stock Price and Valuation

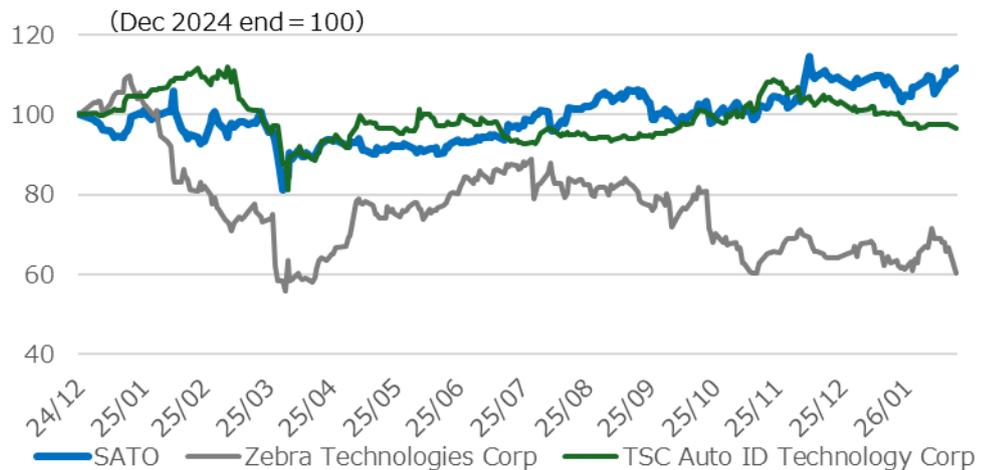
The Stock Price is Currently Trading Around ¥2,400

The Company's stock price generally traded within a range of ¥2,000 to ¥2,300 during January to March 2025. However, it plummeted following President Trump's April announcement regarding the introduction of reciprocal tariffs. After hitting a low of ¥1,776 during intraday trading on April 7, it rebounded and has consistently risen ever since. Following the H1 earnings announcement, it traded within a range of ¥2,100 to ¥2,300. However, immediately after the mid-term plan update on December 15th, it surged further, hitting a high of ¥2,565 during regular trading on the following day, the 16th. It has since stabilized somewhat, trading around ¥2,400 following the Q3 earnings announcement.

Comparison with Label Printer Companies

We wish to compare the Company's stock price movement with other label printer companies. Leading competitor Zebra Technologies saw its stock price trend sluggishly since 2025 due to stagnant performance. However, following the announcement of strong earnings on February 11, 2026 and the decision to repurchase shares, its stock price rose, showing signs of a reversal. Meanwhile, SATO has entered a phase where it is steadily capturing new demand by addressing global societal challenges like labor shortages and operational efficiency through its Koto-uri (Selling the solution, not the product) approach. The Company is currently transitioning towards a structure less susceptible to economic fluctuations. The content of its mid-term plan update has also been well-received. As a result, its stock price volatility is relatively contained, exhibiting greater stability compared to Zebra's price movements.

Figure 7. SATO & Label Printer Companies Stock Price Comparison

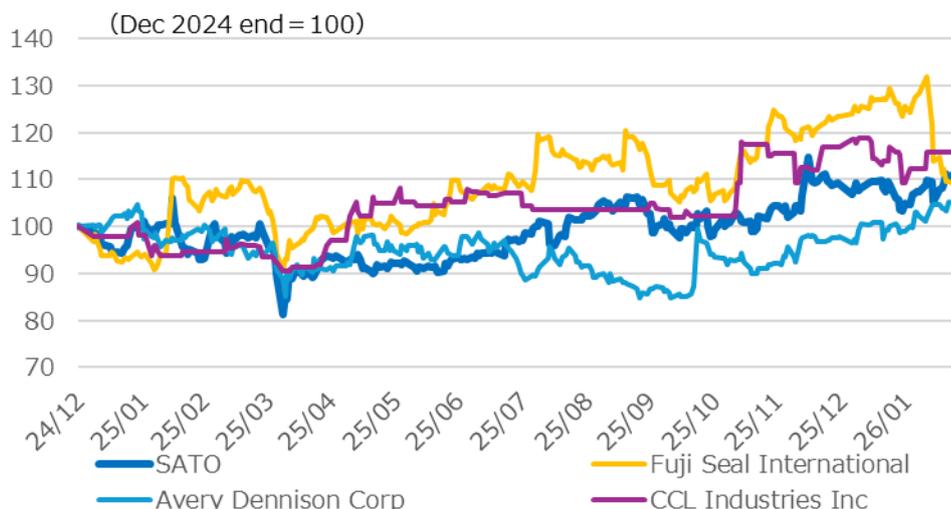


Source: Company Data. Compiled by Strategy Advisors.

Comparison with Consumables (Sticker) Companies

Additionally, we compare the Company's stock price with that of consumables (Sticker) companies. In the stock price performance comparison with its main competitor, Avery Dennison, the Company held a slight advantage until September 2025. However, Avery Dennison has been gaining ground following the strong Q3 2025 earnings announced in October. Avery Dennison also posted robust full-year 2025 results announced on February 4th, and its stock price has been trending steadily upward recently. The Company's business model emphasizes "selling solutions", but it has the disadvantage of a high SG&A ratio relative to net sales. It aims to expand its solutions business, enhance the added value of its operations, and work to overcome this disadvantage. Currently, the Company is implementing an aggressive sales expansion policy, including efforts to increase consumable production capacity overseas. Leveraging its unique business model, which encompasses both printers and consumables, to differentiate itself from competitors will be crucial for the Company's stock price.

Figure 8. SATO & Consumables Firm (Sticker) Stock Price



Source: Company Data. Compiled by Strategy Advisors.

Trends in PER/PBR

Figures 9 and 10 compare SATO's profitability and valuation with label printer manufacturers, consumables manufacturers and general printer-related companies. SATO's valuation remains low. Its PER based on company forecasts is 11.7x and its PBR based on actual BPS for FY3/25 is 1.0x. The dividend yield based on FY3/26 forecasts is 3.1%. The PER remains relatively low compared to competitors. The PBR is also low, except for general printer companies. While ROE recovered from 5.2% in FY3/24 to 9.7% in FY3/25, it remains below 10% and is still low among competitors, despite exceeding that of general printer companies.

Valuation Comparison With Peer Companies

Meanwhile, industry leader Zebra Technologies has a PER of 12.9x and a PBR of 3.2x, and leading consumables provider Avery Dennison has a PER of 19.3x and a PBR of 6.8x. These two companies stand out with exceptionally high PER and PBR levels. We are focusing on improvements in the Company's ROIC (and ROE) to break out of its low valuation state.

Future Stock Price Direction

We see upside potential for the Company's stock price going forward. The first reason is that the struggling Overseas (Primary Labels business) is likely to emerge from its worst period in FY3/26 and show a slight recovery in FY3/27. This is expected to foster optimism that the Company's overall operating income will turn positive in FY3/27.

Second, the Base business (both domestic and overseas) is entering a phase where it will drive earnings growth through the implementation of updated mid-term management strategies. Key points going forward include enhancing profitability in Japan and expanding solution-based sales (solution business) overseas. We also want to monitor the sales expansion of the new printer model, which features the Company's proprietary common platform for the first time and has received high customer acclaim, as well as developments in Healthcare market projects related to blood supply chain management (SCM).

Figure 9. Profitability Comparison with Companies in the Same Industry

Company	Code	FY	Curr.	Sales (¥mn)	OP (¥mn)	OPM (%)	ROE (%)	ROIC (%)	Equity Ratio (%)
SATO	6287	3/25	JPY	154,807	12,341	8.0	9.7	9.3	54.8
Zebra Technologies	ZBRA	12/25	USD	807,306	119,690	14.8	11.7	8.6	42.2
TSC Auto ID Technology	611.TW	12/24	NTD	41,552	4,329	10.4	12.8	8.8	39.6
Fuji Seal International	7864	3/25	JPY	212,345	18,844	8.9	8.8	9.0	69.2
Avery Dennison	AVY	12/25	USD	1,324,888	168,134	12.7	30.2	14.4	25.5
Ricoh	7752	3/25	JPY	2,527,876	63,829	2.5	4.4	2.6	43.7
Canon	7751	12/25	JPY	4,624,727	455,390	9.8	9.7	7.3	56.9
Seiko Epson	6724	3/25	JPY	1,362,944	75,108	5.5	6.8	5.1	55.3
Brother Industries	6448	3/25	JPY	876,558	69,888	8.0	8.1	7.0	74.1
Konica Minolta	4902	3/25	JPY	1,127,882	-64,014	-5.7	-9.5	-8.1	38.0

Source: Company Data. Compiled by Strategy Advisors.

Figure 10. Valuation Comparison with Peer Companies

Company Name	Code	FY	Curr.	Stock Price (2/24)	Market Cap. (¥mn)	PER (CoE, x)	PBR (Actual, x)	EV/ EBITDA (x)	Dividend Yield (CoE, %)	ROE (CoE, %)
SATO	6287	3/25	JPY	2,460	79,864	11.7	1.0	4.5	3.1	8.6
Zebra Technologies	ZBRA	12/25	USD	231	1,765,456	12.9	3.2	10.5	-	17.2
TSC Auto ID Technology	611.TW	12/24	NTD	192	44,635	10.3	1.8	-	-	17.6
Fuji Seal International	7864	3/25	JPY	2,769	147,678	8.6	1.0	4.4	2.6	11.1
Avery Dennison	AVY	12/25	USD	197	2,357,942	19.3	6.8	12.2	-	34.9
Ricoh	7752	3/25	JPY	1,441	819,979	13.4	0.8	5.7	2.8	5.4
Canon	7751	12/25	JPY	4,657	4,091,756	11.8	1.2	6.6	3.4	9.8
Seiko Epson	6724	3/25	JPY	2,099	672,578	16.4	0.8	4.4	3.5	4.8
Brother Industries	6448	3/25	JPY	3,144	786,929	11.8	1.2	4.9	3.2	9.0
Konica Minolta	4902	3/25	JPY	593	293,240	10.9	0.6	5.9	1.7	5.2

Note: For overseas companies, closing prices are as of Feb. 23, 2026. ROE (company forecast) is calculated by dividing the Company's forecast net profit for the current period by the equity capital at the end of the most recent quarterly financial period. For overseas companies, it is the FactSet consensus forecast. EBITDA in EV/EBITDA is calculated by adding the Company's forecast operating income for the full year to the depreciation expenses of the most recent full year.

Source: Company Data. Compiled by Strategy Advisors.

Figure 11. Income Statement (¥mn)

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	3/26 CoE
Net Sales	113,383	116,179	116,372	109,052	124,783	142,824	143,446	154,807	161,000
Cost of Sales	64,728	65,503	66,193	63,317	74,385	86,140	84,329	91,337	-
Gross Profit	48,655	50,676	50,179	45,735	50,398	56,684	59,117	63,470	-
Gross Profit Margin	42.9%	43.6%	43.1%	41.9%	40.4%	39.7%	41.2%	41.0%	-
SG&A Expenses	42,405	42,997	42,718	39,888	43,994	47,843	48,733	51,129	-
Operating Income	6,249	7,679	7,461	5,847	6,404	8,841	10,383	12,341	11,000
OP Margin	5.5%	6.6%	6.4%	5.4%	5.1%	6.2%	7.2%	8.0%	6.8%
Non-Operating Income	455	569	324	393	404	610	804	863	-
Non-Operating Expenses	816	629	1,213	719	751	384	2,226	2,060	-
Ordinary Profit	5,888	7,618	6,571	5,521	6,057	9,068	8,961	11,144	10,100
Ordinary Profit Margin	5.2%	6.6%	5.6%	5.1%	4.9%	6.3%	6.2%	7.2%	6.3%
Extraordinary Profit	2,835	11	824	10,454	49	37	42	1,220	-
Extraordinary Loss	2,229	1,057	6,760	1,519	143	1,958	3,341	702	-
Income Before Income Tax	6,494	6,573	636	14,457	5,963	7,147	5,662	11,662	-
Income Taxes – Current	2,544	2,971	2,076	1,403	1,958	2,760	2,246	2,568	-
Income Taxes – Deferred	19	-182	536	-10	47	-570	-784	1,262	-
Total Income Taxes	2,563	2,789	2,612	1,393	2,005	2,190	1,462	3,830	-
(Corporate Tax Rate)	39.5%	42.4%	410.7%	9.6%	33.6%	30.6%	25.8%	32.8%	-
Profit Attributable to Owners of Parent	4,074	3,773	-1,882	12,959	3,794	4,184	3,565	7,151	6,800
Net Income Margin	3.6%	3.2%	-1.6%	11.9%	3.0%	2.9%	2.5%	4.6%	4.2%
EPS (¥)	121.54	112.46	-56.06	385.86	112.74	126.66	110.02	220.39	209.46

Source: Company Data. Compiled by Strategy Advisors.

Figure 12. Balance Sheet (¥mn)

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25
Current Assets	57,161	59,367	66,195	74,641	81,950	81,137	86,268	91,558
Cash and Deposits	16,461	16,837	23,796	33,037	29,854	21,923	25,078	27,481
Accounts Receivable	24,737	25,522	23,766	24,878	26,688	27,113	28,617	29,697
Accounts Receivable and Unearned Revenue	1,780	1,834	3,759	1,784	2,177	1,763	1,994	2,123
Inventory	11,365	13,453	13,053	13,072	20,418	26,854	27,135	28,955
Others	2,818	1,721	1,821	1,870	2,813	3,484	3,444	3,302
Allowance For Doubtful Accounts	-208	-153	-185	-236	-234	-230	-451	-275
Fixed Assets	49,286	48,206	36,952	34,671	38,054	41,721	46,188	48,198
Tangible Fixed Assets	31,398	30,720	28,936	27,306	30,390	32,331	36,406	38,725
Intangible Fixed Assets	14,436	11,933	3,688	3,356	3,256	4,372	3,841	5,362
Investments and Other Assets	3,450	5,552	4,326	4,007	4,407	5,017	5,941	4,110
Investment Securities	1,498	1,607	1,188	1,192	1,479	928	1,122	163
Deferred Tax Assets	1,782	1,865	1,311	1,011	1,087	2,132	2,919	1,899
Others	170	2,080	1,827	1,804	1,841	1,957	1,900	2,048
Total Assets	106,447	107,574	103,147	109,312	120,005	122,858	132,457	139,757
Current Liabilities	34,064	36,904	41,492	36,988	42,071	44,963	43,064	41,677
Trade Payables	18,311	18,954	18,095	17,740	20,644	19,360	19,402	16,705
Accounts Payable and Accrued Expenses	3,038	2,835	2,566	3,080	4,705	4,212	4,399	4,920
Interest-Bearing Debt	4,049	4,966	8,549	4,792	4,720	7,722	5,085	4,556
Advance Payment	0	0	4,915	5,536	6,820	7,322	7,518	7,761
Deferred Tax Liabilities	0	0	0	0	0	0	0	0
Others	8,666	10,149	7,367	5,840	5,182	6,347	6,660	7,735
Fixed Liabilities	16,157	14,000	12,832	12,862	13,426	10,200	15,307	17,842
Interest -Bearing Debt	12,671	10,917	9,798	10,555	11,011	7,795	12,562	14,934
Retirement Benefits/Salary Reserves	2,181	1,843	1,800	1,193	1,227	1,002	1,065	975
Others	1,305	1,240	1,234	1,114	1,188	1,403	1,680	1,933
Net Assets	56,225	56,668	48,823	59,462	64,508	67,694	74,085	80,237
Shareholders' Equity	54,664	56,245	51,999	62,646	64,144	63,451	63,149	68,012
Capital and Surplus	16,180	16,205	16,206	16,208	16,233	16,232	16,231	13,815
Retained Earnings	41,145	42,624	38,345	48,974	50,256	52,061	51,718	56,461
Treasury Stock	-2,662	-2,584	-2,552	-2,537	-2,345	-4,842	-4,801	-2,265
Accumulated Other Comprehensive Income	140	-870	-4,206	-4,372	-1,008	2,001	8,127	8,528
Stock Acquisition Rights	99	57	39	28	28	28	19	12
Non -Controlling Interests	1,320	1,235	990	1,159	1,343	2,213	2,789	3,685
Liabilities and Net Assets	106,447	107,574	103,147	109,312	120,005	122,858	132,457	139,757
Interest -Bearing Debt	16,792	15,957	18,423	15,425	15,814	15,599	17,732	19,490
Equity Ratio	51.6%	51.5%	46.4%	53.3%	52.6%	53.3%	53.8%	54.8%
D/E Ratio	0.31	0.29	0.39	0.26	0.25	0.24	0.25	0.25

Source: Company Data. Compiled by Strategy Advisors.

Figure 13. Cash Flow Statement (¥mn)

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25
Cash Flows from Operating Activities								
Profit Before Tax	6,494	6,573	636	14,457	5,963	7,147	5,662	11,662
Depreciation	4,307	4,489	5,043	4,092	4,220	4,855	4,926	5,414
Amortization of Goodwill	1,258	1,081	871	223	236	264	146	127
Impairment Loss	656	1,024	6,397	448	11	0	2,168	631
Profit/Loss On Sale of Fixed Assets	-2,664	-11	-711	-10,414	-30	-4	-32	-29
Increase/Decrease in Accounts Receivable	-1,766	-1,093	1,006	-598	-1,633	35	-953	-1,199
Increase/Decrease in Accounts Payable	-1,063	713	-139	-867	2,557	-1,827	-816	-2,152
Increase/Decrease in Inventory	-576	-2,254	-291	183	-6,288	-5,907	1,297	-1,647
Increase/Decrease in Accounts Payable	949	-188	-96	221	580	378	106	542
Receipts of Interest and Dividends	160	143	121	93	140	301	613	568
Interest Payment	-141	-140	-187	-220	-217	-252	-340	-679
Corporate Tax Paid	-2,985	-1,391	-2,469	-1,510	-1,505	-2,230	-2,766	-2,329
Others	1,555	419	1,078	-302	-732	2,430	2,552	1,562
Total	6,184	9,365	11,259	5,806	3,302	5,190	12,563	12,471
Cash Flows from Investing Activities								
Income And Expenditures from Acquisition and Sale of Tangible Fixed Assets	-6,064	-3,672	-2,858	-3,516	-2,550	-5,247	-5,657	-5,736
Income And Expenditures from Acquisition and Sale of Intangible Fixed Assets	2,604	-545	411	13,564	-1,053	-1,903	-2,018	-3,251
Income And Expenditure from Fixed Term Deposits	191	33	0	-10,000	-201	9,562	282	-729
Income And Expenditures from Acquisition and Sale of Subsidiary Shares	0	0	0	-169	0	0	-617	0
Others	-235	-1,028	-2	19	66	-122	76	1,508
Total	-3,504	-5,212	-2,449	-102	-3,738	2,290	-7,934	-8,208
Cash Flows from Financing Activities								
Net Increase/Decrease in Short-Term Borrowings	-1,353	-101	2,683	-3,522	-262	-295	-3,154	-333
Net Increase/Decrease in Long-Term Borrowings	400	-386	-977	-27	-15	-21	4,924	2,396
Expenditures From Sales of Treasury Stock	0	0	0	0	0	0	0	0
Repayment Of Lease Obligations	-628	-752	-621	-1,251	-1,345	-1,116	-1,214	-1,734
Dividend Payment	-2,089	-2,293	-2,393	-2,329	-2,362	-2,376	-2,337	-2,404
Expenditures For Acquisition of Treasury Stock	0	0	0	0	0	-2,500	0	-1
Others	212	-2	-3	-2	-3	-1	30	-1
Total	-3,458	-3,534	-1,311	-7,131	-3,987	-6,309	-1,751	-2,077
Exchange Differences on Cash	47	-214	-626	629	983	438	473	-403
Cash Increase/Decrease	-731	404	6,871	-798	-3,439	1,610	3,350	1,781
Cash Beginning Balance	16,757	16,026	16,430	23,379	22,580	19,140	20,751	24,102
Ending Cash Balance	16,026	16,430	23,379	22,580	19,140	20,751	24,102	25,883

Source: Company Data. Compiled by Strategy Advisors.

Figure 14. Key Indicators

FY	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25
EPS (¥)	121.54	112.46	-56.06	385.86	112.74	126.66	110.02	220.39
BPS (¥)	1,634.69	1,649.86	1,423.30	1,735.04	1,874.97	2,020.83	2,199.41	2,357.76
DPS (¥)	65.0	70.0	70.0	70.0	70.0	72.0	73.0	75.0
Dividend Payout Ratio	53.5%	62.2%	-124.9%	18.1%	62.1%	56.8%	66.4%	34.0%
No. of Shares Issued ('000)	34,921	34,921	34,921	34,921	34,921	34,921	34,921	33,636
Treasury Stock ('000)	1,395	1,358	1,342	1,334	1,248	2,532	2,514	1,173
Number of Shares (Excl. Treasury Stock, '000)	33,526	33,564	33,579	33,587	33,673	32,389	32,407	32,463
Average Number of Shares (Excl. Treasury Stock, '000)	33,527	33,558	33,571	33,587	33,654	33,035	32,403	32,449
Equity Ratio	51.6%	51.5%	46.4%	53.3%	52.6%	53.3%	53.8%	54.8%
Interest-Bearing Debt (¥mn)	16,792	15,957	18,423	15,425	15,814	15,599	17,732	19,490
Net Interest-Bearing Debt (¥mn)	331	-880	-5,373	-17,612	-14,040	-6,324	-7,346	-7,991
D/E Ratio	0.31	0.29	0.39	0.26	0.25	0.24	0.25	0.25
Net D/E Ratio	0.01	-0.02	-0.11	-0.30	-0.22	-0.10	-0.10	-0.10
Operating Profit Margin	5.5%	6.6%	6.4%	5.4%	5.1%	6.2%	7.2%	8.0%
EBITDA (¥mn)	11,814	13,249	13,375	10,162	10,860	13,961	15,456	17,884
EBITDA Margin	10.4%	11.4%	11.5%	9.3%	8.7%	9.8%	10.8%	11.6%
ROE	7.5%	6.8%	-3.6%	24.4%	6.2%	6.5%	5.2%	9.7%
ROIC	6.1%	7.5%	7.5%	5.8%	5.8%	7.7%	8.5%	9.3%
Number of Employees	5,076	5,307	5,429	5,451	5,656	5,637	5,744	5,986

Note: The figures for ROIC is calculated as NOPAT/Average of Invested Capital During the Period.

Source: Company Data. Compiled by Strategy Advisors.

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