

Company Report

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Strategy Advisors Inc.
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FY3/2025 Financial Results: Record profits achieved, mid-term plan progressing ahead of schedule, accelerating investment for further growth

For FY3/2025, sales increased 7.9% YoY to ¥154.8 billion and operating profit increased 18.9% YoY to ¥12.34 billion. In Q4 (January-March), sales decreased 3.8% QoQ to ¥38.6 billion and operating profit decreased 39.4% QoQ to ¥2.48 billion, slowing compared to Q3 (October-December) due to seasonality.

When the company announced its Q3 financial results (February 2025), it revised its full-year forecast, but sales fell short of the forecast by ¥200 million, while operating profit exceeded the forecast by ¥940 million. The factors behind the increase in operating profit were favorable performance in the Asia and Oceania overseas base businesses and increased sales of mechatronics products in Japan plus the effect of price revisions to consumables. Overseas primary labels business sales were also strong, with increased sales of high value-added products covering the decline in demand due to tax regulation changes in Russia.

In Q4, sales increased 7.1% YoY and operating profit increased 7.8% YoY. Overseas base business saw increases in sales and profits in the Americas, Europe and Asia/Oceania. Overseas primary labels business saw an increase in sales, but profits decreased due to a decrease in demand in Europe and a worsening product mix. In Japan, sales and profits increased, driven by increased demand in manufacturing and healthcare.

The company's forecast for FY3/2026 is for sales to increase 4.0% YoY to ¥161 billion and operating profit to increase 1.3% YoY to ¥12.5 billion. The main reason for the small increase in profits compared to the large increase in sales is that the upfront investments for future growth strategies overseas base business will be a burden. Also, domestically, the company plans to record costs in advance in order to secure large business deals. As the mid-term plan (FY3/2025 to FY3/2029) is progressing ahead of schedule, the company has decided to implement the growth strategy ahead of schedule as well. This is likely to be viewed as a positive move.

Stock Price & Trading Volumes (Past Year)



Source: Strategy Advisors

Key Indicators

Stock Price (23/05/25)	2,012
52-Week High (13/02/25)	2,337
52-Week Low (5/08/24)	1,733
All-Time High (26/09/18)	3,795
All-Time Low (13/03/09)	634
Number of Shares Issued	32.5
Market Capitalization (¥ bn)	65.3
EV (¥bn)	62.0
Equity Ratio (FY3/25, %)	54.8
ROE (FY3/25 Actual, %)	9.7
PER (FY3/26 CoE, x)	8.5
PBR (FY3/25 Actual, x)	0.9
Yield (FY3/26 CoE, %)	3.8

Source: Strategy Advisors

The PER based on the company's plan for 3/2026 is 8.5x, while the PBR based on the results for FY3/2025 is 0.85x, remaining low. Our equity story is "to utilize the on-site knowledge accumulated through the development of solutions in Japan and to transform overseas, which is still centered on selling products, into a solution seller, thereby increasing the global share in rapidly growing auto-recognition market" (See report issued on April 1, 2013, [SATO \(6287\) - A Company that Solves Social Issues with Tagging Solutions. Capturing Growing Demand with a Unique Business Model](#)). Given the favorable financial results and the advancement of mid-term management plans, if the feasibility of the equity story gradually increases in the future, it will be a factor in pushing up the stock price.

Japanese GAAP

FY	Net (¥mn)	YoY (%)	Operating (¥mn)	YoY (%)	Ordinary (¥mn)	YoY (%)	Net Profit (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
3/22	124,783	14.4	6,404	9.5	6,057	9.7	3,794	-70.7	112.7	70.0
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 CoE	161,000	4.0	12,500	1.3	12,100	8.6	7,700	7.7	237.3	76.0

Source: Company Data. Compiled by Strategy Advisors.

1. FY3/2025 & Q4 Financial Results Summary

FY3/2025 Results Increasing in both Sales & OP

SATO Corporation announced its financial results for 3/2025 on May 15th, reporting an increase in both sales and profits, with sales up 7.9% YoY to ¥154.8 billion and operating profit up 18.9% to 12.34 billion. The breakdown of the YoY profit increase of ¥1.96 billion is as follows: +¥5.46 billion due to increased sales, -¥250 million due to gross profit and other factors, -¥2.42 billion due to selling and administrative expenses and -¥830 million due to exchange rate factors.

Both Overseas Base Business and Japan Business Performed Steadily

By segment for FY3/2025, overseas primary labels business sales increased YoY, but profits decreased due to a worsening product mix. On the other hand, overseas base business sales and profits increased due to favorable conditions in Asia and Oceania and in Japan, sales and profits increased due to steady performance in all markets.

Better Financial Results than Expected as of February 2025

In FY3/2025, demand remained strong both overseas base business and in Japan, resulting in good results. The initial company forecast announced in May 2024 was for sales of ¥151 billion and operating profit of ¥10.4 billion. The company subsequently made a first upward revision of its forecasts (for both sales and operating profit) at the time of the announcement of the Q2 financial results (November 2024), and a second upward revision (for sales only) at the time of the announcement of the Q3 financial results (February 2025).

The operating profit results for FY3/2025 announced this time further

On a Quarterly Basis, Q4 YoY Increases in Sales & Profits

exceeded the company's forecast as of February, and can be considered to have been good results. The favorable results were due to the fact that demand increased in almost all markets, both domestically and internationally, except for short-term fluctuations in the primary labels business in Russia. In addition, price revisions due to rising consumables products costs also progressed smoothly.

In Q4 (Jan-March), sales increased 7.1% YoY to ¥38.6 billion, and operating profit increased 7.8% YoY to ¥2.48 billion. Compared to Q3 (October-December), when sales decreased 3.8% QoQ and operating profit decreased 39.4% QoQ, slowing down, but this is within the normal seasonal range and is not a problem. In addition, in Q4, the company recorded a total of ¥690 million as an extraordinary loss due to one-off expenses of ¥210 million due to office downsizing and impairment losses of ¥420 million at a subsidiary, as well as ¥1.22 billion as an extraordinary profit from the sale of investment securities, etc.

Figure 1. Summary of Financial Results for FY3/2025

(¥mn)

	3/24				3/25				3/24	3/25	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	CoE FY
Sales	33,989	35,797	37,628	36,031	37,674	38,415	40,121	38,596	143,446	154,807	161,000
YoY	0.9%	-2.7%	-0.6%	4.5%	10.8%	7.3%	6.6%	7.1%	0.4%	7.9%	4.0%
Overseas	16,452	17,104	17,648	16,725	19,321	19,223	19,104	17,937	67,931	75,587	78,000
YoY	0.4%	-7.5%	-5.3%	10.4%	17.4%	12.4%	8.3%	7.2%	-1.1%	11.3%	3.2%
Base Business	11,776	11,806	12,422	12,064	13,355	12,806	13,329	13,141	48,069	52,632	54,000
YoY	1.2%	-8.0%	-0.7%	13.7%	13.4%	8.5%	7.3%	8.9%	0.5%	9.5%	2.6%
Primary Labels Business	4,676	5,297	5,226	4,661	5,966	6,416	5,775	4,796	19,862	22,955	24,000
YoY	-1.7%	-6.2%	-14.6%	2.5%	27.6%	21.1%	10.5%	2.9%	-4.6%	15.6%	4.6%
Domestic	17,536	18,692	19,980	19,305	18,353	19,191	21,016	20,658	75,514	79,220	83,000
YoY	1.4%	2.2%	3.8%	-0.2%	4.7%	2.7%	5.2%	7.0%	1.8%	4.9%	4.8%
Mechatronics	6,394	7,380	7,451	8,474	6,848	7,559	7,987	9,231	29,700	31,627	-
YoY	-1.6%	3.0%	-1.2%	-2.2%	7.1%	2.4%	7.2%	8.9%	-0.6%	6.5%	-
Consumables	11,142	11,313	12,529	10,830	11,505	11,633	13,029	11,426	45,814	47,593	-
YoY	3.3%	1.7%	7.1%	1.5%	3.3%	2.8%	4.0%	5.5%	3.4%	3.9%	-
(Consumables Ratio)	32.8%	31.6%	33.3%	30.1%	30.5%	30.3%	32.5%	29.6%	31.9%	30.7%	-
Operating Profit	2,160	2,460	3,467	2,295	2,864	2,914	4,086	2,475	10,383	12,341	12,500
YoY	162.1%	-16.6%	4.9%	30.4%	32.6%	18.5%	17.9%	7.8%	17.4%	18.9%	1.3%
OP Margin	6.4%	6.9%	9.2%	6.4%	7.6%	7.6%	10.2%	6.4%	7.2%	8.0%	7.8%
Overseas	2,169	2,346	2,490	1,238	2,586	2,303	2,405	1,183	8,243	8,478	8,300
YoY	136.0%	11.2%	-5.6%	-14.3%	19.2%	-1.8%	-3.4%	-4.4%	15.9%	2.9%	-2.1%
OP Margin	13.2%	13.7%	14.1%	7.4%	13.4%	12.0%	12.6%	6.6%	12.1%	11.2%	10.6%
Base Business	1,003	679	1,340	523	1,277	1,053	1,200	785	3,546	4,317	4,000
YoY	44.7%	-40.4%	0.4%	25.4%	27.3%	55.1%	-10.4%	50.1%	-1.6%	21.7%	-7.3%
OP Margin	8.5%	5.8%	10.8%	4.3%	9.6%	8.2%	9.0%	6.0%	7.4%	8.2%	7.4%
Primary Labels Business	1,118	1,509	1,136	775	1,301	1,290	1,198	409	4,540	4,199	4,300
YoY	326.7%	55.2%	-19.0%	-29.5%	16.4%	-14.5%	5.5%	-47.2%	22.1%	-7.5%	2.4%
OP Margin	23.9%	28.5%	21.7%	16.6%	21.8%	20.1%	20.7%	8.5%	22.9%	18.3%	17.9%
Domestic	-210	107	927	901	186	773	1,824	1,123	1,724	3,906	4,200
YoY	-	-88.6%	-16.3%	51.2%	-	622.4%	96.8%	24.6%	-34.6%	126.6%	7.5%
OP Margin	-1.2%	0.6%	4.6%	4.7%	1.0%	4.0%	8.7%	5.4%	2.3%	4.9%	5.1%
Elimination	201	7	49	156	92	-162	-143	169	416	-43	-

Source: Company Data. Compiled by Strategy Advisors.

2. Trends by Sector

1) Overseas Base Business

Strong Performance in FY3/2025

In the overseas base business, sales increased 9.5% YoY to ¥52.6 billion and operating profit increased 21.7% YoY to ¥4.32 billion in FY3/2025. This was due to investments in efficiency against the backdrop of labor shortages and increased sales of RFID solutions due to increased demand for traceability.

Q4 Performance Driven by Strong Demand in Asia & Oceania

In Q4 (January-March), sales increased 8.9% YoY to ¥13.1 billion and operating profit increased 50.1% YoY to ¥790 million. In addition to the strong demand in Asia and Oceania driving overall performance, the increase in factory operating rates due to the completion of printer inventory adjustments at European and American distributors also contributed to the increase in operating profit. Below is a summary of the situation in Q4 by region (YoY basis).

Americas Q4 Results: Strong Performance in the US Logistics Market

The Americas saw increased sales and profits in Q4. This was due to a large automation solutions deal for the logistics market in the US, as well as a one-off special demand for consumables. In South America, in addition to robust demand, the effect of price revisions also contributed to the results. On the cost side, restraints on selling and administrative expenses in the US and a rebound increase in South America following hyperinflationary accounting adjustments in FY3/2024 also contributed to the YoY increase in profits.

European Q4 Results: Printer Inventory at Distributors Has Been Exhausted

In Europe, sales increased and operating profit remained flat in Q4. Although demand itself was sluggish due to the general economic downturn, orders from distributors recovered as they completed their printer inventory adjustments. Operating profit was negatively affected by an increase in selling and administrative expenses, but this was offset by positive factors such as solid sales of consumables at the German distributor and an improved mix at the UK distributor.

Asia/Oceania Q4 Results: High-Volume RFID Project in Australia Performed Well

Asia & Oceania saw increased sales and profits in Q4. High-volume RFID projects in Australia continued to perform well. In addition, the manufacturing market (electronic components and semiconductors) was robust, particularly in India and Vietnam. Operating profit was positively impacted by a recovery in earnings due to increased capacity utilization at printer production plants. However, QoQ sales and profits declined due to the usual seasonality.

Figure 2. Overseas Base Business Revenue Trends

(¥mn)

FY	3/24				3/25				3/24	3/25	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	CoE FY
Sales	11,776	11,806	12,422	12,064	13,355	12,806	13,329	13,141	48,069	52,632	54,000
Americas	4,353	4,413	4,293	4,275	4,568	4,295	4,503	4,769	17,334	18,135	-
Europe	2,991	2,714	3,008	3,000	3,221	3,029	3,106	3,122	11,713	12,478	-
Asia/Oceania	4,431	4,815	5,196	4,581	5,564	5,483	5,718	5,256	19,023	22,021	-
Operating Profit	1,003	679	1,340	523	1,277	1,053	1,200	785	3,546	4,317	4,000
Americas	197	81	352	-91	318	54	-24	27	539	375	-
Europe	487	108	219	79	105	145	73	87	893	410	-
Asia/Oceania	318	506	774	518	853	854	1,151	672	2,116	3,530	-
OP Margin	8.5%	5.8%	10.8%	4.3%	9.6%	8.2%	9.0%	6.0%	7.4%	8.2%	7.4%
Americas	4.5%	1.8%	8.2%	-2.1%	7.0%	1.3%	-0.5%	0.6%	3.1%	2.1%	-
Europe	16.3%	4.0%	7.3%	2.6%	3.3%	4.8%	2.4%	2.8%	7.6%	3.3%	-
Asia/Oceania	7.2%	10.5%	14.9%	11.3%	15.3%	15.6%	20.1%	12.8%	11.1%	16.0%	-

Sales Breakdown by Application

			3/23	3/24	3/25
			FY	FY	FY
Manufacturing			26.9%	26.7%	28.5%
Logistics			4.4%	4.2%	4.0%
Retail			34.5%	32.1%	30.8%
Healthcare			6.5%	7.5%	7.3%
Food			9.6%	10.0%	9.2%
Public Sector			0.5%	0.5%	0.4%
Others			17.6%	19.0%	19.8%

Note: Sales breakdown is based on segment information. Operating profit breakdown is based on segment information and presentation materials.

Source: Company Data. Compiled by Strategy Advisors.

2) Overseas Primary Labels Business

Sales of Certain Products Were Sluggish in FY3/2025 Due to Tax Regulation Changes in Russia

In FY3/2013, overseas primary labels business sales increased 15.6% YoY to ¥23 billion, while operating profit decreased 7.5% YoY to ¥4.2 billion. The main reason for this was that sales of products in specific areas became sluggish due to tax regulation changes in Russia, which further worsened the mix.

Q4 Performance Affected by a Backlash from Last-Minute Demand before Tax Regulation Changes in Q3

In Q4 (January-March), sales increased 2.9% YoY to ¥4.8 billion and operating profit decreased 47.2% YoY to ¥410 million. In the Americas, sales and profits increased due to solid demand and the effect of price revisions. Meanwhile, in Europe, the company's main market, sales increased as increased sales of some high value-added products offset the decline in demand due to tax regulation changes in Russia, but profits decreased due to a backlash from the rush to buy before the tax regulation changes in Q3 and a worsening mix.

Figure 3. Overseas Primary Business Revenue Trends

(¥mn)

FY	3/24				3/25				3/24	3/25	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	CoE FY
Sales	4,676	5,297	5,226	4,661	5,966	6,416	5,775	4,796	19,862	22,955	24,000
Americas	924	885	954	811	960	827	794	894	3,574	3,475	-
Europe	3,687	4,342	4,195	3,774	4,904	5,498	4,882	3,810	15,998	19,094	-
Asia/Oceania	64	72	75	78	101	93	98	92	289	384	-
Operating Profit	1,118	1,509	1,136	775	1,301	1,290	1,198	409	4,540	4,199	4,300
Americas	228	194	414	92	255	136	82	158	928	631	-
Europe	885	1,306	717	672	1,028	1,236	1,110	151	3,580	3,525	-
Asia/Oceania	5	9	5	11	17	12	6	6	30	41	-
OP Margin	23.9%	28.5%	21.7%	16.6%	21.8%	20.1%	20.7%	8.5%	22.9%	18.3%	17.9%
Americas	24.7%	21.9%	43.4%	11.3%	26.6%	16.4%	10.3%	17.7%	26.0%	18.2%	-
Europe	24.0%	30.1%	17.1%	17.8%	21.0%	22.5%	22.7%	4.0%	22.4%	18.5%	-
Asia/Oceania	7.8%	12.5%	6.7%	14.1%	16.8%	12.9%	6.1%	6.5%	10.4%	10.7%	-

Source: Company Data. Compiled by Strategy Advisors.

3) Japan

Strong Performance in FY3/2025

In Japan, sales rose 4.9% YoY to ¥79.2 billion and operating profit increased 2.3x to ¥3.91 billion in FY3/2025. As with the overseas base business, investments in efficiency due to labor shortages and increased sales of RFID solutions due to increased demand for traceability contributed to the increase.

Demand Strong Across All Markets in Q4

In Q4 (January-March), sales increased 7.0% YoY to ¥20.66 billion and operating profit increased 24.6% YoY to ¥1.12 billion. Demand was favorable in almost all markets. Operating profit increased due to the effect of increased sales and the effect of price revisions. By product category, mechatronics (printers, etc.) increased 8.9% YoY to ¥9.23 billion and consumables (labels, etc.) increased 5.5% YoY to ¥11.43 billion. Mechatronics was driven by the recovery of the manufacturing and healthcare markets. In addition to the effect of price revisions, consumables successfully captured demand for services (solution business) in the retail market, leading to increased sales. For example, AI discount solutions in supermarkets. The situation by market is described below.

Q4 Manufacturing Market: Demand Increases Due to Favorable Conditions in Advanced Semiconductor Production

In the manufacturing market, demand is increasing in the electronic parts and chemical industries due to the favorable performance of advanced semiconductor production. In the mechatronics products, large-scale deals for automatic labeling in the electronic parts industry contributed to the results. The company has been successful in capturing demand for solutions for manufacturing logistics and source tagging (at the time of shipment and receipt).

Q4 Logistics Market: Demand Related to Logistics 2024 Issues Continues to Increase

In the logistics market, in addition to the effect of price revisions for consumables products, demand related to the 2024 logistics problem continues. Also, demand for printers for parcel delivery from overseas inbound customers is increasing.

Q4 Retail Market: Strong Appetite for Investment in Resolving Labor Shortages at Food Supermarkets, etc.

In the retail market, the recovery of consumables due to solid inbound demand was the driving force, but this was offset by a rebound decline in mechatronics from a large-scale automatic application project in the previous fiscal year, and sales remained flat YoY. However, food supermarkets and other businesses are eager to invest in resolving labor shortages, and the demand for selling services itself is on the rise.

Q4 Healthcare Market: Solution Deals on the Rise

In the healthcare market, consumables products saw an increase in negotiations for solutions using automatic labeling and RFID to improve operational efficiency. The mechatronics products saw an increase in automatic labeling projects and steady demand from medical equipment manufacturers, resulting in a favorable performance overall.

Q4 Food Market: A Mix of Positive and Negative Factors

In the food market, although price revisions were effective in consumables products, sales declined in the food manufacturing industry as large-scale orders for automatic labeling could not cover the sales decline, resulting in a YoY decline in sales. In the mechatronics products, sales declined as the rebound decline from large orders related to traceability in the previous fiscal year could not be covered by the acquisition of orders for automatic labeling.

Q4 Public Market - Demand from Large Customers Increases in Mechatronics

In the public sector, demand was strong for both consumables and mechatronics. In addition, increased demand from large customers in the mechatronics products contributed to increased sales.

Figure 4. Revenue Trends in Japan

(¥mn)

FY	3/24				3/25				3/24	3/25	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	FY	FY	CoE FY
Sales	17,536	18,692	19,980	19,305	18,353	19,191	21,016	20,658	75,514	79,220	83,000
Manufacturing	4,865	5,279	5,607	5,635	4,899	5,330	5,981	6,550	21,388	22,762	-
Logistics	3,998	4,183	4,479	4,256	4,141	4,334	4,684	4,370	16,918	17,530	-
Retail	2,366	2,399	2,613	2,706	2,777	2,809	3,207	2,705	10,086	11,500	-
Healthcare	2,166	2,472	2,709	2,485	2,268	2,486	2,581	2,716	9,834	10,052	-
Food	1,852	2,049	2,243	1,975	2,062	2,131	2,298	1,893	8,120	8,386	-
Public Sectors	430	378	390	344	303	226	279	479	1,544	1,288	-
Others	1,859	1,929	1,939	1,897	1,903	1,873	1,986	1,940	7,624	7,702	-

Source: Company Data. Compiled by Strategy Advisors.

3. Future Outlook & Progress of the Medium-Term Plan

Company Forecast for FY3/2026 is 4.0% YoY Increase in Sales & 1.3% YoY Increase in Operating Profit

The company's forecast for FY3/2026 is sales of ¥161 billion, up 4.0% YoY, and operating profit of ¥12.5 billion, up 1.3% YoY. On a half-year basis, sales are forecast at ¥78.6 billion and operating profit is ¥5.5 billion in the first half and sales are ¥82.4 billion and operating profit is ¥7 billion the second half. The exchange rate is assumed to be ¥140 to USD (up ¥12.62 YoY). If the yen strengthens by ¥1, the negative impact will be ¥561 million on sales and ¥35 million operating profit (estimated by the company).

Company Forecasts YoY Decline in Overseas Base Business Profits

By segment, the company forecasts that overseas base business will see an increase in sales but a decrease in profits YoY; overseas primary labels business will see an increase in sales and profits YoY and Japan will also see an increase in sales and profits YoY.

Overseas Base Business - Strategic Upfront Investment Burden for Growth Is Increasing

The company's forecast for overseas base business is a YoY increase of ¥1.36 billion in sales, but a YoY decrease of ¥320 million in operating profit. While the company expects a slowdown in the economic downturn in Europe and China, it also assumes that positive factors will continue due to the completion of inventory adjustments for mechatronics at European and Americas distributors. In addition, the company believes that compliance with European regulations such as digital product passports will be a tailwind for circular economy demand, while the company also expects that the capture of demand for services (solution business) and the start of sales of RFID blood-related traceability solution deals will also contribute to increased sales. On the other hand, the company expects a YoY decrease in operating profit due to increased strategic upfront investment for future growth, such as increased investment in mechatronics development, increased production capacity for consumables products and increased human resources to capture key accounts.

Overseas Primary Labels Business - Plans for Increased Sales And Profits

Overseas primary labels business company forecasts are sales to increase by ¥1.04 billion YoY and operating profit to increase by ¥100 million YoY. Although there will be a temporary decrease in demand due to tax regulation changes in Russia, the company plans to increase sales of high value-added products and achieve increased sales and profits.

Japan - Demand Remains Strong, But Cost Burdens are on the Rise as Large-Scale Deals Progress

In Japan, the company forecasts sales to increase by ¥3.78 billion and operating profit to increase by ¥290 million. Due to the labor shortage, the company believes that demand will remain strong in almost all markets. In particular, the company expects that there will be positive developments in the manufacturing market, such as the ongoing introduction of RFID solutions at the time of shipment in the semiconductor supply chain. In the logistics market, investments in automation will continue. In the retail market, the company expects investments in efficiency to continue due to labor shortages. The company also predicts that demand will expand in the healthcare market.

However, in the logistics market, large strategic projects that will incur costs upfront are progressing and selling and administrative expenses are expected to increase, so the increase in profits is expected to be limited despite the large increase in sales.

The Assumptions for Top-Line Growth in FY3/2026 are Likely to Be Somewhat Conservative

In light of the above, the increase in upfront costs for future growth both overseas and in Japan is a negative factor for the plan for FY3/2026 and it can be said that the YoY increase in profits for the entire company is limited to a small extent. On the other hand, while demand is currently growing favorably, it is highly likely that the company's forecasts are somewhat conservative in their assumptions for top-line growth. The exchange rate assumption is ¥140 to the dollar, but the yen is currently fluctuating below the assumption at around ¥145. For these reasons, we believe that there is a high probability at this point that the plan will be achieved.

Mid-Term Plan Progressing Ahead of Schedule, With Plans to Implement Growth Investments Early

In the mid-term management plan (FY2025-FY2029), the period from FY2025-FY2026 was initially positioned as a restore profitability period and FY2027-FY2029 was a period for speed up growth investments. However, in light of the profit recovery plan progressing ahead of schedule, the company has changed its policy to make growth investments earlier from FY2026-FY2027. Currently, the company is formulating a new plan (upward revision) for FY2027-FY2029 (the announcement date is yet to be decided). In the mid-term plan, the divisional themes are "restore profitability" in Japan and "drive sustainable & efficient growth" in overseas and the progress was commented on at the briefing. The contents are as follows.

The Goal of the Japanese Business is "Restore Business to a Profitable Level"

In Japan, the goal of the Japanese business is to restore profitability and with operating income margin rising from 2.3% in FY24/3 to 4.9% in FY3/2025, this shows us that progress has been made ahead of schedule. The issues for FY3/2026 and beyond are, first, to capture key markets, expanding sales in the healthcare market where personnel were increased in FY3/2025, and focusing on automatic labeling and RFID solutions. For the second point, value chain management, the company plans to optimize its printer lineup (including discontinuing unprofitable products) as the product lineup renewal was completed by FY3/2025. At the same time, the company plans to improve the mix by launching high-end printer products.

The Goal of the Overseas Business is "to Pursue Sustainable And Efficient Growth"

In overseas base business, the goal of the overseas business is to drive sustainable & efficient growth. Operating profit margin rose from 7.4% in FY3/2024 to 8.2% in FY3/2025 by acquiring new global key accounts and creating new projects. The first issue for FY3/2026 and beyond is to increase the capacity of consumables products plants. However, since depreciation expenses in FY3/2026 will increase YoY, this will be a temporary negative factor for operating profit. For the second issue, the horizontal expansion of services (solutions), a global incentive will be introduced to foster a cooperative system among subsidiaries in each country in cross-border business negotiations.

On the third issue, the creation of optimal solutions for each local area, the company plans to actively develop customers and applications by utilizing AEP

Cloud (collaborating with Mobile Logic) developed in FY3/2025 and the entry-level printer model WT4-AXB.

Improvements to Capital Efficiency Will Be Explained at a Briefing Session after Q1 of FY3/2026

Regarding strengthening the management base, the company explained 3-points: "ESG focus", "global branding for comprehensive and diversified business strategy" and "faster and enhanced decision-making with business intelligence". Regarding "improving capital efficiency", which is important for increasing the stock price, the company said it will explain this at the financial results briefing after Q1 of FY3/2026.

The Wind is Starting to Blow in SATO's Direction as it Works to Commercialize the Circular Economy

Topics discussed at the May 15th briefing included "Enhanced collaboration with external partners and development of businesses in new fields and markets", which will be tackled as a project under the direct control of the CEO. In particular, the commercialization of the circular economy, which is expected to rapidly increase in growth potential from FY3/2027 onwards, was explained. The external environment regarding the circular economy is rapidly changing, with the Ministry of Economy, Trade and Industry in Japan formulating a resource autonomous economy strategy and the establishment of circular economy-related laws and regulations in Europe and this is expected to be a tailwind for SATO in the future. For Sato, if the existing supply chain is the "forward logistics", the recycling supply chain is the "reverse logistics". With a view to moving to a full-scale business phase in FY3/2026, the company plans to launch a resource circulation traceability system for the circular economy. In addition, in co-creation with other companies, the company aims to expand the scale of its business by promoting resource separation through tagging and responding to digital product passports.

Figure 5. Income Statement (Quarterly, ¥mn)

FY	3/24				3/25				3/26	3/26	3/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	H1	H2	CoE FY
Sales	33,989	35,797	37,628	36,031	37,674	38,415	40,121	38,596	78,600	82,400	161,000
Cost of Sales	20,316	20,778	21,786	21,449	22,070	22,902	23,393	22,972	-	-	-
Gross Profit	13,673	15,018	15,842	14,582	15,604	15,513	16,728	15,624	-	-	-
Gross Profit Margin	40%	42%	42%	40%	41%	40%	42%	40%	-	-	-
SG&A Expenses	11,513	12,558	12,375	12,286	12,740	12,598	12,641	13,148	-	-	-
Sales to SG&A Expenses Ratio	33.9%	35.1%	32.9%	34.1%	33.8%	32.8%	31.5%	34.1%	-	-	-
Operating Profit	2,160	2,460	3,467	2,295	2,864	2,914	4,086	2,475	5,500	7,000	12,500
OP Margin	6.4%	6.9%	9.2%	6.4%	7.6%	7.6%	10.2%	6.4%	7.0%	8.5%	7.8%
Non-Operating Income/Expenses	-89	-224	-8	-1,101	-453	-442	-47	-255	-	-	-
Ordinary Profit	2,071	2,236	3,460	1,194	2,411	2,472	4,040	2,221	5,300	6,800	12,100
Ordinary profit margin	6.1%	6.2%	9.2%	3.3%	6.4%	6.4%	10.1%	5.8%	6.7%	8.3%	7.5%
Extraordinary Profit/Losses	12	-940	-18	-2,353	-8	4	8	514	-	-	-
Profit Before Tax	2,084	1,295	3,442	-1,159	2,404	2,474	4,049	2,735	-	-	-
Corporate Tax, etc.	613	363	480	6	984	415	1,276	1,155	-	-	-
(Corporate Tax Rate)	29.4%	28.0%	13.9%	-0.5%	40.9%	16.8%	31.5%	42.2%	-	-	-
Net Income											
Attributable to Owners of Parent	1,304	686	2,814	-1,241	1,197	1,830	2,564	1,558	3,300	4,400	7,700
Net Profit Margin	3.8%	1.9%	7.5%	-3.4%	3.2%	4.8%	6.4%	4.0%	4.2%	5.3%	4.8%

Source: Company Data. Compiled by Strategy Advisors.

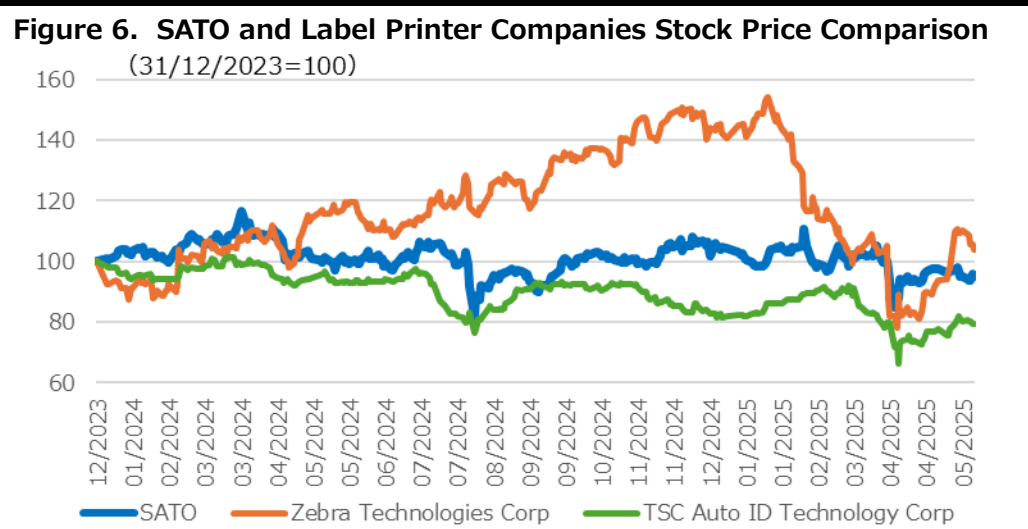
4. Stock Price and Valuation

The Stock Price is Currently Around ¥2,200

Since the announcement of the first upward revision of the company's earnings forecast in November 2024, SATO's stock price has been fluctuating in a box range of approximately ¥2,100 to ¥2,300. It then fell sharply on April 2, 2025, when President Trump remarked on the introduction of mutual tariffs. After hitting bottom at ¥1,776 in intraday trading on April 7, it gradually recovered and recovered to around ¥2,000 before the announcement of the financial results. The stock price did not react significantly to the financial results announced on May 15 and has continued to fluctuate around ¥2,000 since then. The increase in operating profit in the company's forecast for FY3/2026 was small due to the burden of upfront investment for growth, so it did not foster a positive feeling. It seems that the improvement in the medium to long-term fundamentals has not been fully reflected in the rise in the stock price.

Comparison with Label
Printer Companies

We will compare the stock price trends of SATO with label printer companies. Its leading competitor, Zebra Technologies, has been expanding its business in overseas markets, which are mainly focused on "selling products" and has been showing superior performance, but its stock price has been on a downward trend since 2025 due to concerns about an economic downturn centered on the United States. On the other hand, SATO has entered a phase where it is steadily capturing new demand to solve global social issues such as labor shortages and business efficiency by "selling services" (providing solutions) and is gradually transforming into a company that is less susceptible to economic fluctuations. Its performance has become more stable since FY3/2014 and it has recently shown relatively strong performance.

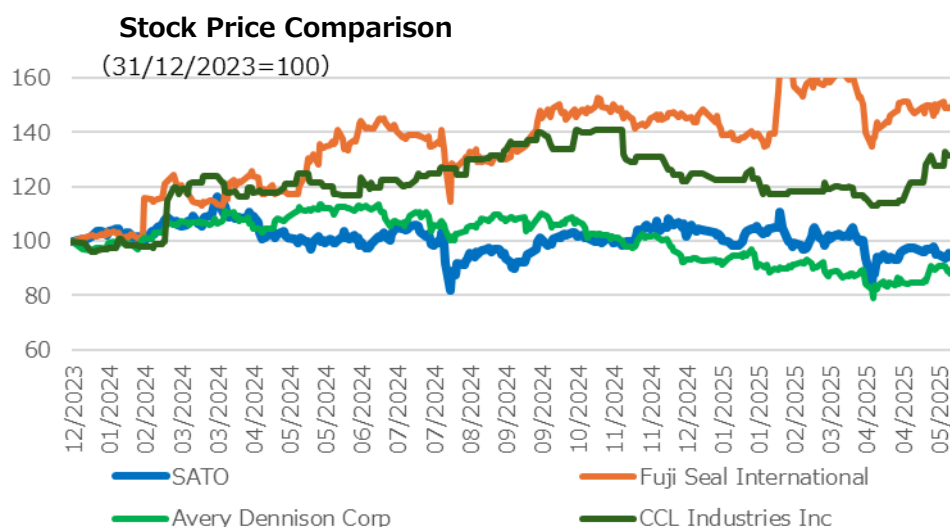


Source: Company Data. Compiled by Strategy Advisors.

Comparison with
Consumable Companies
(Seals)

We will also compare SATO's stock price with consumables (seals) companies. There is no significant difference in performance between the two companies when comparing their performance with that of their main competitor, Avery Dennison. The company places emphasis on "selling experiences" and has the disadvantage of a high selling and administrative expenses ratio to sales. The company hopes to expand its solutions business while increasing the added value of its business and work to eliminate this disadvantage. Differentiation from competitors by leveraging its unique business model of having both printers and consumables will be important for the company's stock price.

Figure 7. SATO and Consumables Companies (Seals)



Source: Company Data. Compiled by Strategy Advisors.

Trends in PER/PBR

Figures 8 and 9 compare the profitability and valuation of the company with label printer manufacturers, supply manufacturers and general printer-related companies. SATO's valuation remains low. The company's forecast-based PER is 8.5x and the PBR based on the actual BPS for FY3/2025 is 0.85x. The dividend yield based on the forecast for this fiscal year is 3.8%. The PER is the second lowest among competitors after Fuji Seal International. The PBR is the lowest except for general printer companies. Incidentally, the ROE recovered from 5.2% in FY3/2024 to 9.7% in FY3/2025, but although it is higher than general printer companies; it has not exceeded 10% and it is still at a low level versus its competitors.

Valuation Comparison with Other Companies in the Same Industry

On the other hand, Zebra Technologies, the largest company in the industry, has a PER of 19.9x and a PBR of 4.1x, while Avery Dennison, the largest supply company, has a PER of 17.8 times and a PBR of 6.1x, making these two companies far ahead of the pack in terms of PER and PBR. We will be paying attention to the improvement of SATO's ROIC (and ROE) to help it escape from its low valuation situation.

Future Stock Price Direction

We believe that there is a high possibility that SATO's stock price will rise. This is because mechatronics distribution inventory has returned to normal, and the company's mechatronics and consumables products sales have entered a phase of steady growth in line with increased customer demand. In addition, gross profit margins have improved in Japan through price adjustments in response to rising costs, and overseas, the development of solutions for the base business has progressed smoothly. The company's forecast for FY3/2026, announced on May 15, gives the impression that the increase in profits is small compared to the increase in sales, but this is mainly due to the increase in upfront investment costs for further accelerated growth from FY3/2027 onwards, both overseas and in Japan.

Given that the business environment for FY3/2026 is favorable, we view that the increase in upfront investment costs is by no means a negative thing; and that it should instead be seen as a positive factor in the medium to long term, and this view will gradually emerge in the stock market in the future.

Conditions for Improved Valuation

Due to the favorable progress of business performance in the quarterly financial statements for FY3/2026, it will be a time to confirm the steady EPS growth in the future. At the same time, from the perspective of improving valuation, we would like to pay attention to the company's own growth potential as a catalyst for the rise in stock price, such as the launch of circular economy-related solutions, which have high growth potential from FY3/2027 onwards, the capture of global key accounts overseas, and trends in RFID solutions and automation.

Figure 8. Profitability Comparison with Other Companies in the Same Industry

Company Name	Code	FY	Currency	Sales (¥mn)	Operating Profit (¥mn)	OP Margin (%)	ROE (%)	ROIC (%)	Equity Ratio (%)
SATO	6287	3/2025	JPY	154,807	12,341	8.0	9.7	9.3	54.8
Zebra Technologies	ZBRA	12/2024	USD	755,578	116,044	15.4	20.2	9.3	45.0
TSC Auto ID Technology	3611.TW	12/2024	NTD	41,552	4,329	10.4	13.0	8.8	40.1
Fuji Seal International	7864	3/2025	JPY	212,345	18,844	8.9	11.9	9.0	69.2
Avery Dennison	AVY	12/2024	USD	1,328,170	169,197	12.7	31.9	15.2	27.5
Ricoh	7752	23/2025	JPY	2,527,876	63,829	2.5	5.4	2.6	43.7
Canon	7751	12/2024	JPY	4,509,82P1	279,754	6.2	10.4	3.8	63.2
Seiko Epson	6724	3/2025	JPY	1,362,944	75,108	5.5	5.1	5.1	55.3
Brother Industries	6448	3/2025	JPY	876,558	69,888	8.0	8.0	7.2	74.1
Konica Minolta	4902	3/2025	JPY	1,159,999	-64,014	-5.7	5.2	-8.1	38.0

Note: ROE (company forecast) is calculated by multiplying the company's forecast net income for the current period by the equity capital at the end of the most recent quarterly fiscal period.

Source: Company Data. Compiled by Strategy Advisors.

Figure 9. Valuation Comparison with Other Companies in the Same Industry

Company Name	Code	FY	Currency	Stock Price May23	Market Cap. (¥mn)	PER (CoE, x)	PBR (Actual, x)	EV/ EBITDA (x)	Dividend Yield (CoE, %)	ROE (Actual, %)
SATO	6287	3/2025	JPY	2,012	65,316	8.5	0.9	3.3	3.8	9.7
Zebra Technologies	ZBRA	12/2024	USD	284.21	2,086,870	19.9	4.1	18.6	-	16.2
TSC Auto ID Technology	3611.TW	12/2024	NTD	191.50	43,342	13.1	1.8	9.1	6.8	13.0
Fuji Seal International	7864	3/2025	JPY	2,559	137,279	7.9	0.9	4.0	2.8	8.8
Avery Dennison	AVY	12/2024	USD	177.55	2,019,870	17.8	6.1	11.8	2.0	31.9
Ricoh	7752	23/2025	JPY	1,473	838,359	15.0	0.8	6.3	2.7	4.4
Canon	7751	12/2024	JPY	4,375	4,129,964	12.0	1.2	6.7	3.7	5.2
Seiko Epson	6724	3/2025	JPY	1,862	596,320	14.5	0.7	4.2	4.0	6.8
Brother Industries	6448	3/2025	JPY	2,439	623,584	11.3	0.9	3.5	4.1	8.1
Konica Minolta	4902	3/2025	JPY	453	224,156	9.3	0.5	4.8	2.2	-9.5

Source: Company Data. Compiled by Strategy Advisors.

Figure 10. Income statement (Consolidated, ¥mn)

(FY)	3/18	3/19	3/20	3/21	3/22	3/23	3/24	3/25	3/26 CoE
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	42,405	42,997	42,718	39,888	43,994	47,843	48,733	51,129	-
Operating Profit	6,249	7,679	7,461	5,847	6,404	8,841	10,383	12,341	12,500
Operating Profit Margin	5.5%	6.6%	6.4%	5.4%	5.1%	6.2%	7.2%	8.0%	7.8%
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	12,100
Ordinary Profit Margin	5.2%	6.6%	5.6%	5.1%	4.9%	6.3%	6.2%	7.2%	7.5%
Extraordinary Profit	2,835	11	824	10,454	49	37	42	1,220	-
Extraordinary Losses	2,229	1,057	6,760	1,519	143	1,958	3,341	702	-
Profit Before Tax	6,494	6,573	636	14,457	5,963	7,147	5,662	11,662	-
Corporate Tax, Resident Tax & Business Tax	2,544	2,971	2,076	1,403	1,958	2,760	2,246	2,568	-
Corporate Tax Adjustments	19	-182	536	-10	47	-570	-784	1,262	-
Total Corporate Tax, etc.	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%	-
Net Income									
Attributable to Owners of Parent	4,074	3,773	-1,882	12,959	3,794	4,184	3,565	7,151	7,700
Net Profit Margin	3.6%	3.2%	-1.6%	11.9%	3.0%	2.9%	2.5%	4.6%	4.8%
EPS (¥)	121.54	112.46	-56.06	385.86	112.74	126.66	110.02	220.39	237.30

Source: Company Data. Compiled by Strategy Advisors.

Figure 11. Balance Sheet (Consolidated, ¥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
Capital Adequacy 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 12. Cash Flow Statement (Consolidated, ¥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 Or Decrease in Inventory	-576	-2,254	-291	183	-6,288	-5,907	1,297	-1,647
Increase Or Decrease in Accounts Payable	949	-188	-96	221	580	378	106	542
Receipt 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	-15	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 13. 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
No. of Shares (Excl. Treasury Stock, '000)	33,526	33,564	33,579	33,587	33,673	32,389	32,407	32,463
Average No. 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: ROIC is calculated as NOPAT/(average of invested capital during the period)

Source: Company Data. Compiled by Strategy Advisors.

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