

For Immediate Release

SATO Acquires Inline Digital Printing Leader DataLase

A turning point for delivering innovative customer value on the global stage

Tokyo, December 22, 2016– SATO, a leading global provider of Auto-ID solutions that empowers workforces and streamlines operations acquired a 100% share of UK-based inline digital printing (IDP) leader, DataLase.

The two companies first teamed in October 2015 to form the strategic partnership Specialase to introduce the game-changing DataLase IDP technology in Japan and the Asia-Pacific region. SATO held a 33.3% share of DataLase prior to this acquisition.

The DataLase IDP solution is the only one of its kind and enables high-speed, fast turnaround printing which is ideal for packaging and product customization and personalization. IDP technology allows printing of variable information to enable real-time marketing to maximize brand owner and consumer value. The system is inkless at the point of printing, thus removing the need for consumables in the production environment at the point of fulfilment.

The acquisition optimizes synergies from the DataLase IDP solution and SATO's on-site commitment and global network to deliver financial savings, environmental benefits and enhanced marketing capabilities for end users. Application in total track and trace solutions is expected to provide benefits for customers in numerous high-volume, fast-moving industries including manufacturing, logistics, pharmaceuticals and food and beverage.

DataLase CEO Chris Wyres commented, "We are pleased to announce this evolution of our strategic partnership with SATO and firmly believe this will enable our revolutionary inline digital printing solutions to be delivered to a global customer base."

"DataLase is a transformative addition to the SATO Group and we will grow its game-changing technology into one of our core businesses to add holistic value for our customers," said SATO President and CEO Kaz Matsuyama. "Embracing new technologies to tag, track and link data to everything is key to developing innovative on-site solutions that enable the streamlined work sites of the future. This acquisition expands the Auto-ID options for our customers and we consider it absolutely essential to achieving our long-term business objectives."

In 2016, DataLase increased its strategic partnership portfolio across inks and coatings, substrates and print technology to deliver IDP product and packaging solutions for brands such as Ricoh, Xerox, Mundi, KBA-Metronic, Macsa ID, and Pulse Inks. Also in 2016, global print and publishing solutions provider Flint Group became the first licensee of Variprint, a revolutionary DataLase technology that enables real time messaging and variable data on packaging with a selection of monochrome colors.

About DataLase

DataLase Ltd. is a leading inline digital printing company. Headquartered in Widnes, Cheshire, UK, DataLase works with a selection of market leading strategic partners across inks and coatings, substrates and brands to deliver revolutionary solutions for inline digital printing of products and packaging. The mission of the company is to deliver innovative, cost effective, high speed digital printing solutions to brand owners that provide the enhanced

quality, operational efficiency and marketing capability to grow brand value and protect market share.

For further information, please visit our website www.datalase.com and follow us on Twitter, LinkedIn and Facebook.

About Specialase

Specialase Ltd. was launched in 2015 to develop business partnerships, conduct joint product development and sales of DataLase heat-sensitive pigments in Japan and the Asia Pacific region, and conduct sales of coding agents and equipment.

About SATO

SATO (TOKYO:6287) is a leading global provider of Auto-ID solutions that connect people, goods and information. It serves a diverse range of customers, delivering end-to-end solutions that streamline operations, empower workforces and help customers reduce their environmental impact. For the fiscal year ended March 31, 2016, it reported revenues of JPY 105,504 million (US\$880 million*). More information about SATO can be found at www.satoworldwide.com or www.linkedin.com/company/sato-worldwide.

*Conversion is based on an average exchange rate of 1 US Dollar = 120.14 Japanese Yen

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For Media Enquiries:

Kevin Leidheiser
Public Relations Group
SATO Holdings Corporation
grp-koho@sato-global.com
Tel: +81-3-5745-3412

May Norman
PHD Marketing & Strategy
may.norman@phdmarketing.co.uk

Vicky Zaremba
May Norman
PHD Marketing & Strategy
vicky.zaremba@phdmarketing.co.uk
Tel: +44-1977-708643