

# **SATO Group Code of Conduct**

# Message from the CEO

Since our founding, the SATO Group has strived to contribute toward a better and more sustainable world through our business, constantly innovating and creating value. Our corporate values, the SATO Values, have been passed down from our founder, with additions made over time to reflect the changing world. Their core message remains unchanged and continues to guide us today, emphasizing our unwavering commitment to social responsibility.

The SATO Values clearly define the role we play in society, for both employees and executives. They serve as our social norm, ethical compass, and guiding principles — our code of conduct.

To remain an essential company in an ever-changing world, it is vital that each of our actions contributes to building a better and more sustainable world. Equally important is the need to strengthen our stakeholders' trust in us.

With this in mind, we have explicitly articulated the principles we uphold in the form of the SATO Group Code of Conduct, which we openly share with all stakeholders, both within and outside the Group. We will continue to conduct our business activities in alignment with these principles.

Hiroyuki Konuma  
President and Group CEO  
SATO Corporation



# SATO Values and society

## 1. Corporation is public entity

### (How True Professionals Work at SATO)

The SATO Group is a private enterprise; however, we are deeply aware that all our business activities are intrinsically linked to society. We see ourselves as an organization with a social mission.

Our founder firmly believed that while generating profits is important, a company that doesn't serve society has no reason to exist. This philosophy continues to guide us today.

Each member of the SATO Group is expected to create new value for our customers and contribute toward a better and more sustainable world. With our mission at the core of every action, and a steadfast commitment, we strive to be the most trusted company that is always essential in an every-changing world.

\*Our mission is to create new value for our customers through products and services of superior quality, and to contribute towards a better and sustainable world.

## 2. Ceaseless Creativity

### (Motto)

In keeping with our motto, Ceaseless Creativity, we have long embraced a culture of participatory management where even small, creative improvements made by employees are valued as vital drivers of growth. We believe that innovation and operational excellence are powered by the insights and ingenuity of every individual on site. This approach reflects our deep respect for people and our belief in their indispensable role in achieving the company's mission.

As clearly stated in The Spirit of SATO, a book that encapsulated our values and philosophy: As people are the source of added value, SATO sees its people as assets.

# SATO Values and society (continued)

## 3. Teiho

### (Basic Management Principles, The Spirit of SATO)

Teiho, our insight-sharing system, has been a core part of SATO culture since 1976. It serves as a platform for employees to regularly submit original ideas, innovations and proposals in a concise format directly to top management with the aim of improving the company.

This practice not only enables speedy enhancement through direct feedback but also fosters individual growth by encouraging employees to proactively reflect on challenges and propose their possible solutions in their daily work.

At the heart of SATO's human capital management lies the Teiho platform, empowering employees to embody Ceaseless Creativity through diverse, day-to-day activities.

The SATO Group remains committed to effecting small changes powered on site that drive sustainable growth while making meaningful contributions to society.

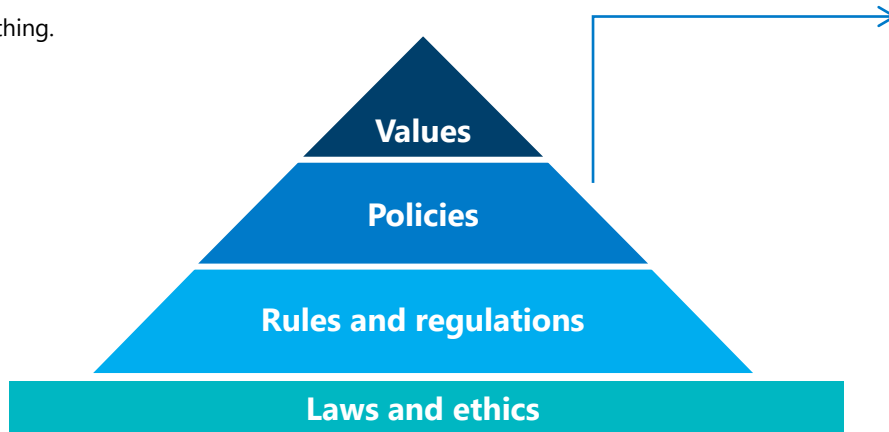
## 4. Four-way returns to stakeholders (The Spirit of SATO)

We share the returns from our business with our four stakeholders: shareholders, employees, society and the company. This policy is fundamental to building and maintaining the trust of our stakeholders. It also reflects the SATO Group's strong commitment to fulfilling our social responsibilities.

# Credo and Code of Conduct

The **SATO Values** define our purpose and how we contribute to society through our core business. To ensure our values are embedded in our daily operations, we have established a clear framework that places them at the top, supported by policies, guidelines and internal rules that provide specific direction. This structure offers employees a clear path forward, eliminating ambiguity about how to act in alignment with our values.

Within this framework, our conduct is classified into two categories: values-based behavior, as outlined in our **Credo**, and ethics-based behavior, as detailed in our **Code of Conduct**. The former presents shared values that guide our actions and decisions, while the latter sets ethical standards to ensure we always do the right thing.



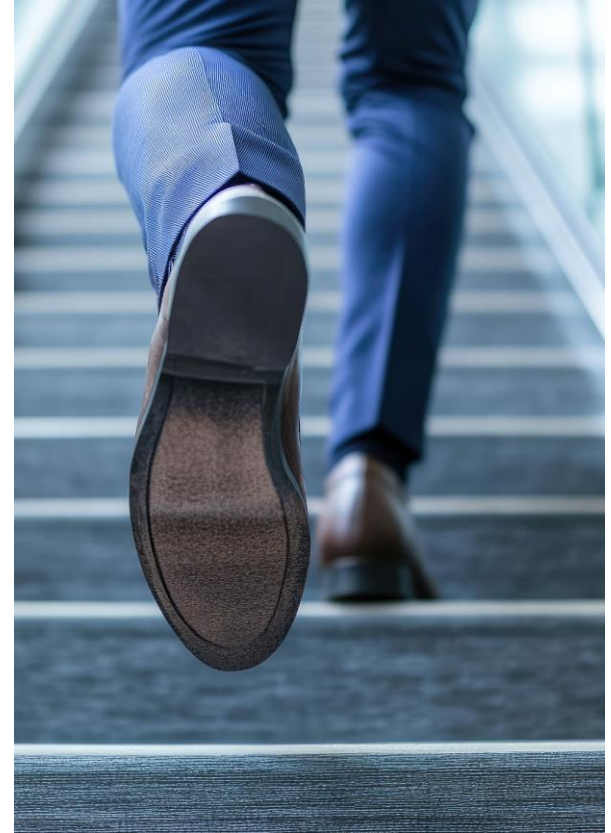
Credo	Values-based behavior
	<ul style="list-style-type: none"><li>• We inspire changes, new ideas, and the courage of promoting customer-centric innovation in the spirit of Ceaseless Creativity.</li><li>• We seek to be true professionals by constantly striving to exceed the expectations of our customers.</li><li>• We see things as they are, and do the right thing right away.</li><li>• We show respect for all individuals, extend trust to each other, and work together as one cohesive team.</li><li>• We enable a vibrant and open-minded workplace, eliminating the formalities that cause "Big Company Disease."</li><li>• We share the returns from our business with our four stakeholders: shareholders, employees, society and the company.</li></ul>
SATO Group Code of Conduct	Ethics-based behavior
<ol style="list-style-type: none"><li>1. Compliance with laws and regulations</li><li>2. Respect for human rights</li><li>3. Safe and healthy work environment</li><li>4. Environmental protection</li><li>5. Fair business practices</li></ol>	<ol style="list-style-type: none"><li>6. Product safety and quality</li><li>7. Intellectual property</li><li>8. Handling of personal information</li><li>9. Contribution to local communities</li><li>10. Crisis management</li><li>11. Governance</li></ol>

# SATO Group Code of Conduct

At the SATO Group, all executives and employees across the world strive with the spirit of Ceaseless Creativity to fulfill on our mission: "To create new value for our customers through products and services of superior quality, and contribute towards a better and sustainable world." Through these efforts, we demonstrate our commitment to strengthening the trust of all stakeholders and to remaining essential in an ever-changing world. To support these endeavors, we have established a Code of Conduct that every member of our organization is expected to uphold in their daily business activities.

We at the SATO Group pledge to conduct our business with the highest standards of integrity, in full compliance with our principles and all applicable laws and regulations.

Established April 1, 2025



# SATO Group Code of Conduct (continued)

## 1. Compliance with laws and regulations

**We comply with all applicable laws and regulations as a company trusted by the international community.**

In every country and region where we operate, we strictly observe local laws and regulations. As a responsible corporate citizen of society, we uphold globally accepted principles, conducting our business with integrity and fairness, and in alignment with corporate ethics.

## 3. Safe and healthy work environment

**We are committed to building a safe and healthy workplace where every individual can thrive and reach their full potential.**

The safety and health of our employees are our top priorities. We are committed to maintaining a safe work environment that supports a healthy work-life balance. To achieve this, we hold regular safety and health committee meetings, promote flexible work arrangements, and provide mental health support.

We strictly prohibit forced labor and child labor, and are dedicated to ensuring fair employment practices that respect individual dignity and support a balanced and fulfilling lifestyle.



[Go to "Occupational safety and hygiene"](#)

## 2. Respect for human rights

**We respect human rights and dignity of all individuals involved in our business activities.**

We uphold cultural diversity and local customs in every region we operate, while aligning our practices with internationally accepted human rights principles. This commitment is reflected in inclusive hiring practices, ongoing human rights education and proactive harassment prevention training, among other initiatives.

[Go to "Human rights policy"](#)

## 4. Environmental protection

**We contribute to a more sustainable society by conducting our business in harmony with nature.**

We actively work to reduce our environmental footprint across all operations, while offering environmentally conscious solutions (products and services) that support the protection and preservation of the natural environment.

[Go to "Environmental policy"](#)

# SATO Group Code of Conduct (continued)

## 5. Fair business practices

**We prohibit the use of improper or unethical means in our business activities.**

We are committed to upholding the highest standards of fairness, integrity and transparency in all our business activities. We do not offer or accept bribes or any other form of improper benefit, monetary or otherwise. We refrain from making non-transparent political contributions, engaging in antitrust violations, or having any ties with antisocial forces. We prohibit conflicts of interest, falsification of records, and any other form of fraud.

[Go to "Compliance"](#)

## 7. Intellectual property

**We strategically create and make use of intellectual property that produces customer value, maximizing the company's freedom to operate and enhancing corporate value.**

We actively promote innovation and invest in intellectual property that supports business growth. By maximizing the use of our intellectual property, we aim to drive sustainable and profitable growth of the company. We comply with all applicable laws and regulations concerning patents, utility models, designs, trademarks, copyrights, trade secrets, and other forms of intellectual property, while respecting the rights of third parties.

[Go to "IP policy & strategy"](#)

## 6. Product safety and quality

**We continuously improve our products and processes to meet customer expectations and deliver greater customer value.**

We are committed to providing safe, high-quality products and services that consistently meet customer needs. To achieve this, we continuously strengthen our quality management systems, proactively gather and apply customer feedback, conduct thorough design reviews, and perform rigorous product inspections.

[Go to "Quality policy"](#)

## 8. Handling of personal information

**We manage personal information with the utmost care in full compliance with applicable laws and regulations. We implement robust security measures to safeguard information assets against cyberattacks and other external risks.**

[Go to "Information Security Policy"](#)

**When collecting and using personal information, we ensure transparency by clearly stating the purpose of use and obtaining appropriate prior consent.**

[Go to "Privacy policy"](#)



# SATO Group Code of Conduct (continued)

## 9. Contribution to local communities

**As a responsible corporate citizen, we contribute to the development of better and more sustainable local communities wherever we operate.**

We actively engage in meaningful community initiatives and social contribution activities. Through open communication with local stakeholders, we aim to foster mutual prosperity and long-term relationships.

[Go to "Sustainability policy"](#)

## 10. Crisis management

**We are committed to ensuring the safety of people and communities, minimizing harm and loss, and maintaining public trust.**

We take proactive measures and follow a structured approach to mitigate potential threats to civil society and business operations, including organized crimes, terrorism, cyberattacks, data breaches and natural disasters, to ensure organizational preparedness and resilience against such risks.

## 11. Governance

**We build and maintain an effective governance framework and ensure its thorough implementation and integration across the organization.**

To uphold this Code, we enforce robust governance through multiple mechanisms, including a board of directors with a majority of external members, the Teho system, internal and external whistleblower channels, strong internal controls and regular internal audits.

We ensure that all employees understand and apply this Code in their daily work by providing regular training and implementing education programs.

In the event of a violation that compromises public trust in the company, senior management will take proactive actions to fulfill their responsibilities by investigating the root cause, resolving the issue and implementing preventative measures.

[Go to "Corporate governance"](#)

[Go to "Compliance"](#)