

October 17, 2025

Business briefing(Overseas) **— Southeast Asian Sales Subsidiaries**

SATO Coporation
Securities Code: 6287.T

**Our business
in Southeast Asia**

**Overview &
business opportunities**

**Digital/sustainability transformation
use cases**

**Promotion of
sustainable
management**

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Key messages

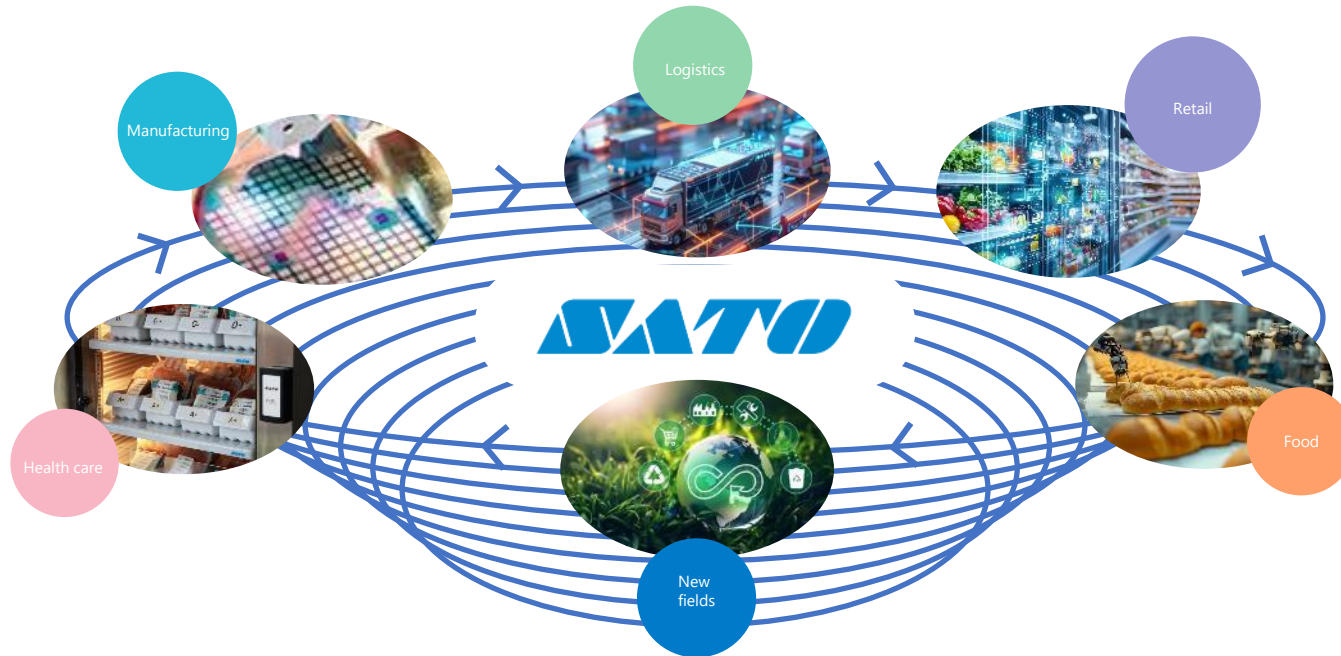
- **We help customers solve digital transformation ^{*1} challenges through solutions that collect data for visualization and automate processes, while catering to traditional needs for auto-ID solutions.**
 - Achieved sales growth while improving or at least maintaining OI margins by increasing solution sales and developing new key accounts.
 - Helped solve increasingly diverse customer challenges with our one-stop auto-ID solutions that cover implementation of solutions to servicing and support.
- **We achieved stable and rapid growth by providing solutions tailored to customer challenges that can be replicated across multiple customers.**
 - Addressed sustainability transformation ^{*2} challenges that more and more customers face with solutions tailored to customers.
 - Develop human resources to drive solution sales (kotouri)



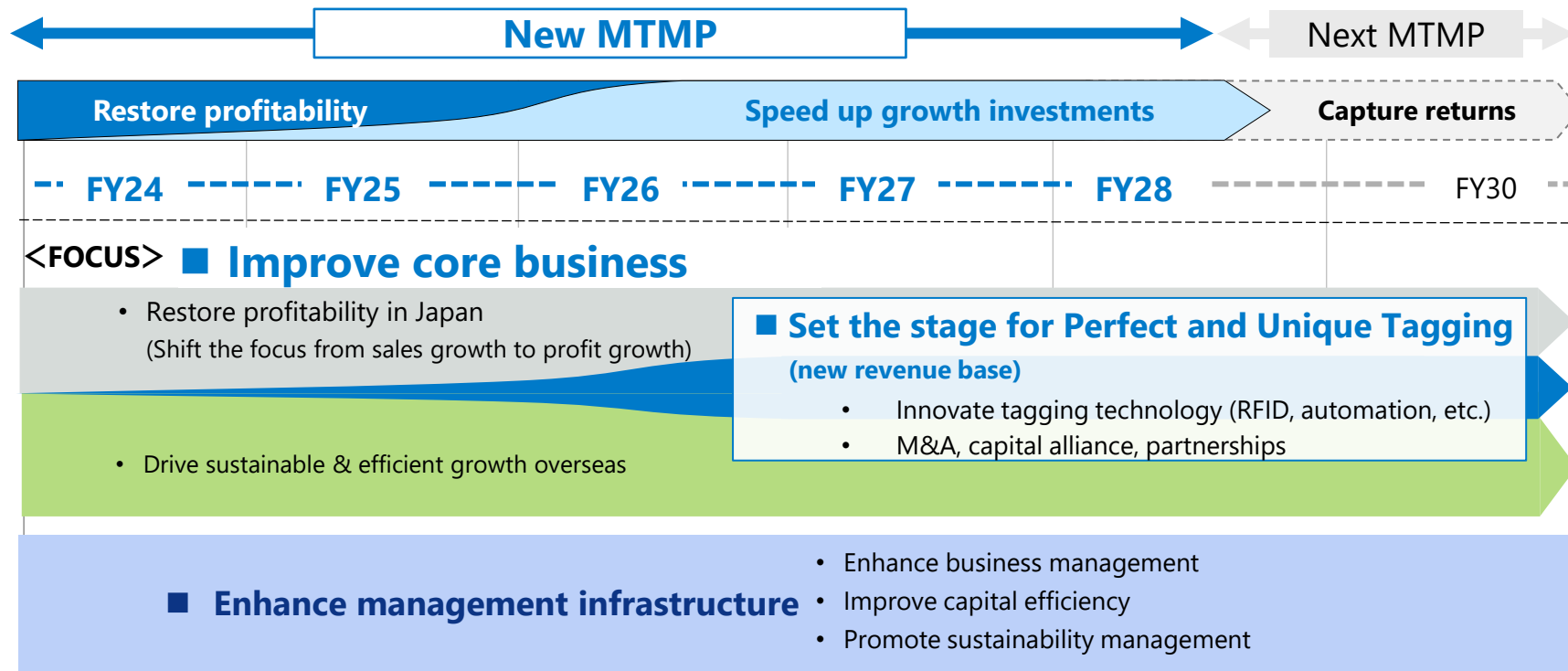
^{*1} Digital transformation: Fundamental transformation of a company's or organization's business model, business processes, and culture through use of digital technologies.

^{*2} Sustainability transformation: Fundamental transformation of corporate management and business models through alignment of corporate sustainability and societal sustainability goals.

We give every 'thing' its own ID so it connects with the world with "Perfect and Unique Tagging"



For global business, we pursue sustainable and efficient growth.

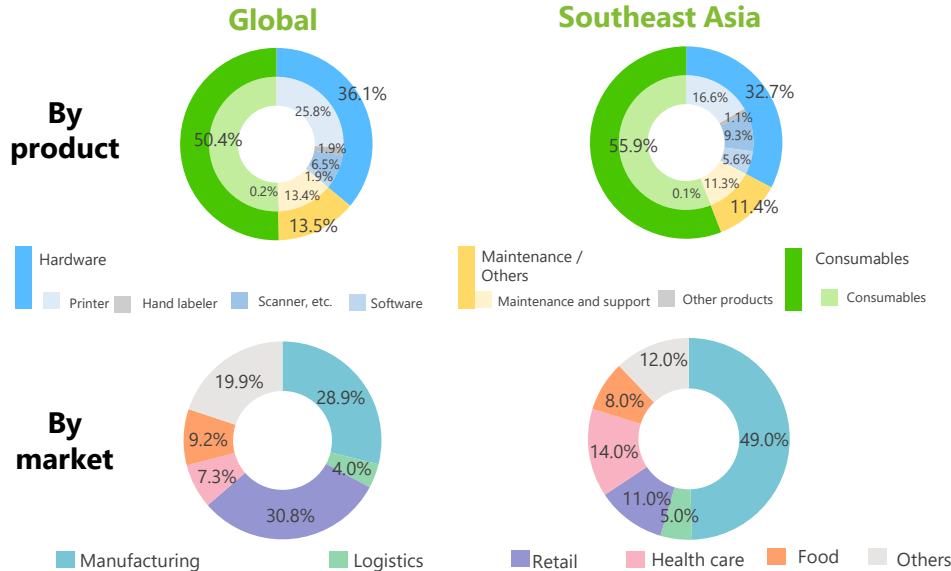


Drive sustainable growth by efficiently developing solutions, deploying them across markets and strengthening recurring revenue.

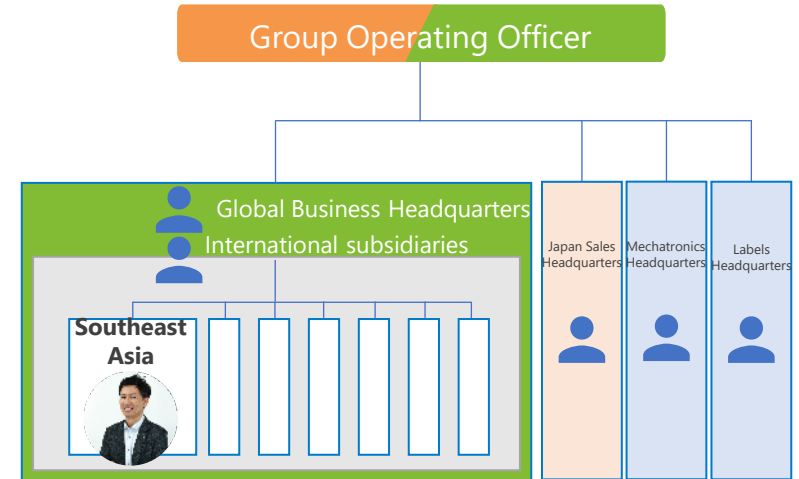
Management focus

- Drive ROIC improvement
- Deliver sustained, strong growth

Base business sales breakdown (FY24 Results)

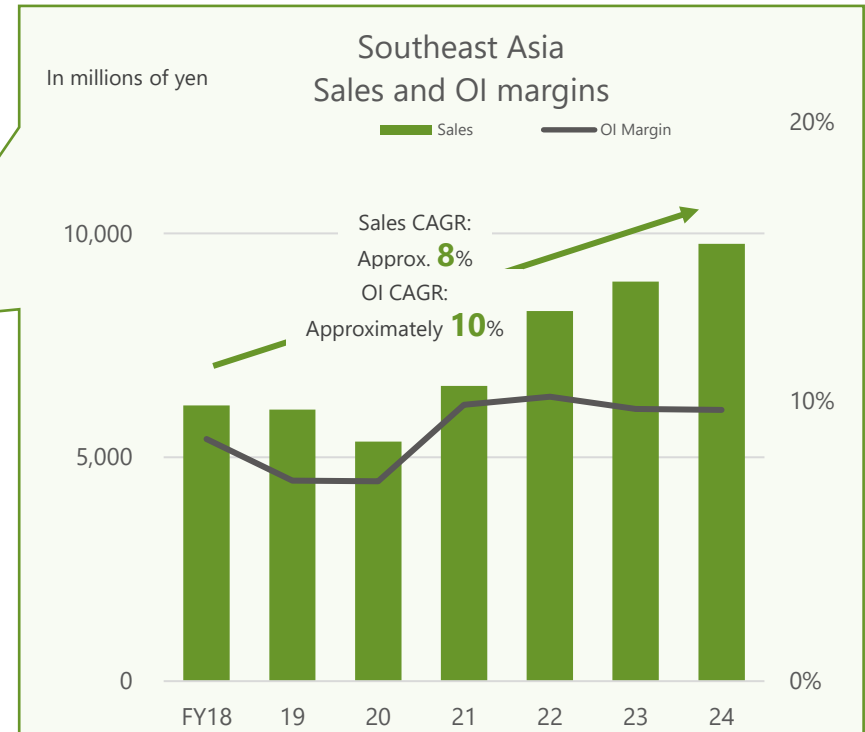
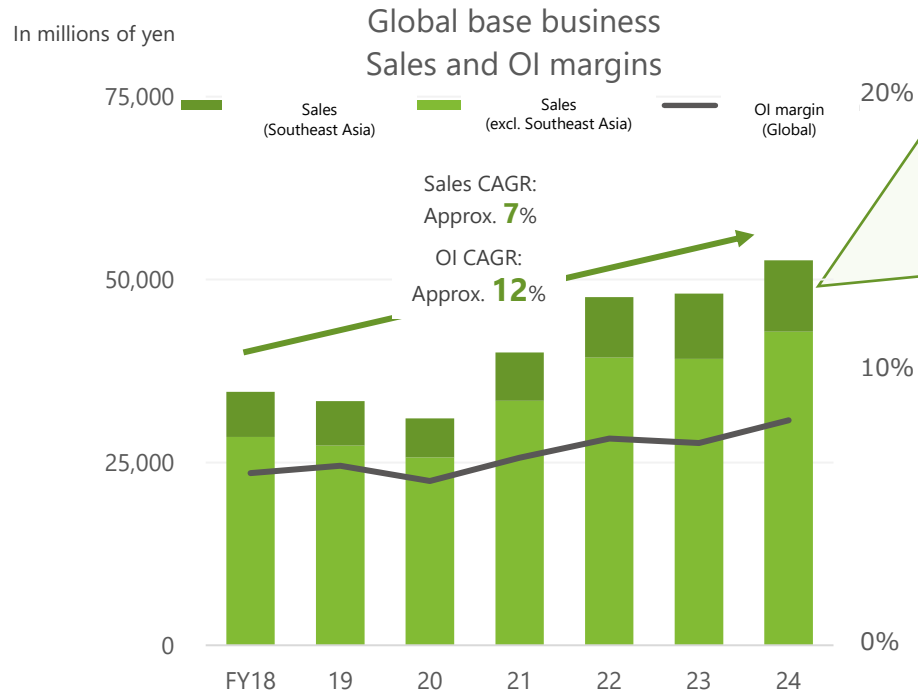


Organizational structure



Executive officer heading each headquarters is held accountable for P&L

We achieved growth in sales while improving or at least maintaining OI margins by increasing solution sales (kotouri) and developing new key accounts.



We see emerging challenges related to sustainability transformation for reducing environmental impact, in addition to those related to digital transformation for business process standardization and traceability.

Digital/sustainability transformation

Shortages in skilled labor,
Rising labor cost ⇒



Streamline operation with RFID and automation solutions

Needs to comply with new regulations ⇒



Attach digital life cycle information to products for traceability

Logistics inefficiencies ⇒



Improve inventory accuracy and shipment traceability

Rise in counterfeit products ⇒



Realize item-level traceability

Solve these problems through data collection for visualization and process automation enabled by tagging technology

We give IDs to items and people at worksites, enable attaching information to them for visualization, and create customer value.



We provide auto-ID solutions that cover end-to-end, seamlessly supporting every element from implementation to servicing and support.

		Recurring business				
		 Printers	 Readers and scanners	 Consumables	 Software	 Servicing and support
 Southeast Asia		Direct sales	Direct sales	Direct sales	Direct sales	Direct sales
	Company A	Indirect sales	Indirect sales		Indirect sales	Indirect sales
	Company B	Indirect sales	Indirect sales		Indirect sales	Indirect sales
	Company C Company D Company E	Indirect sales		Direct sales	Direct sales	



We support business across borders, leveraging our extensive network across Asia.



Subsidiary



Office



Service and support center



Label factory

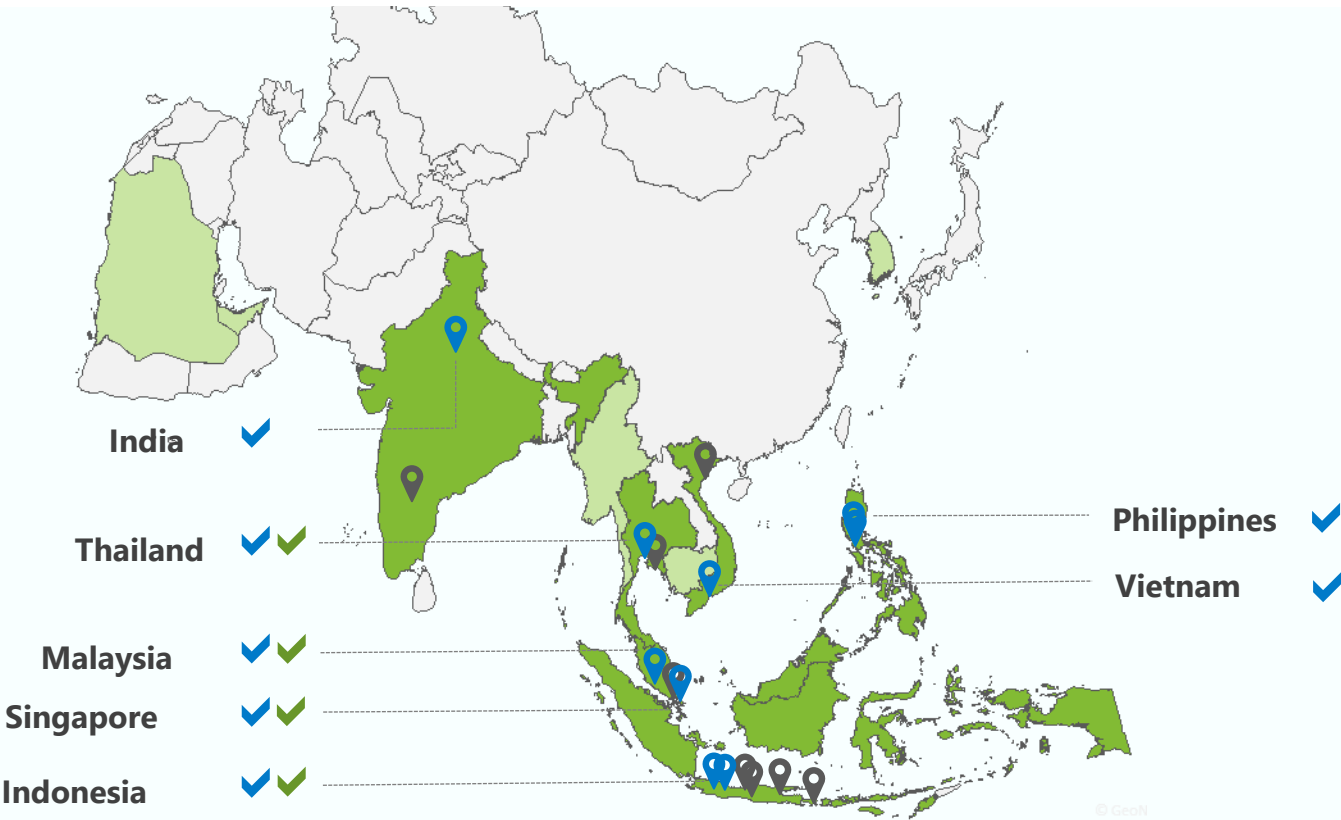
Number of employees:
Approx. 630
(As of the end of March 2025)



Countries with our sales offices



Countries with our distribution partners



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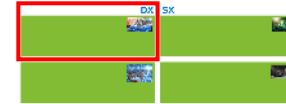
Rise in counterfeit products ⇒



Realize item-level traceability

Solve these problems through data collection for visualization and process automation enabled by tagging technology

Comprehensive auto-ID solution for enhanced inventory management



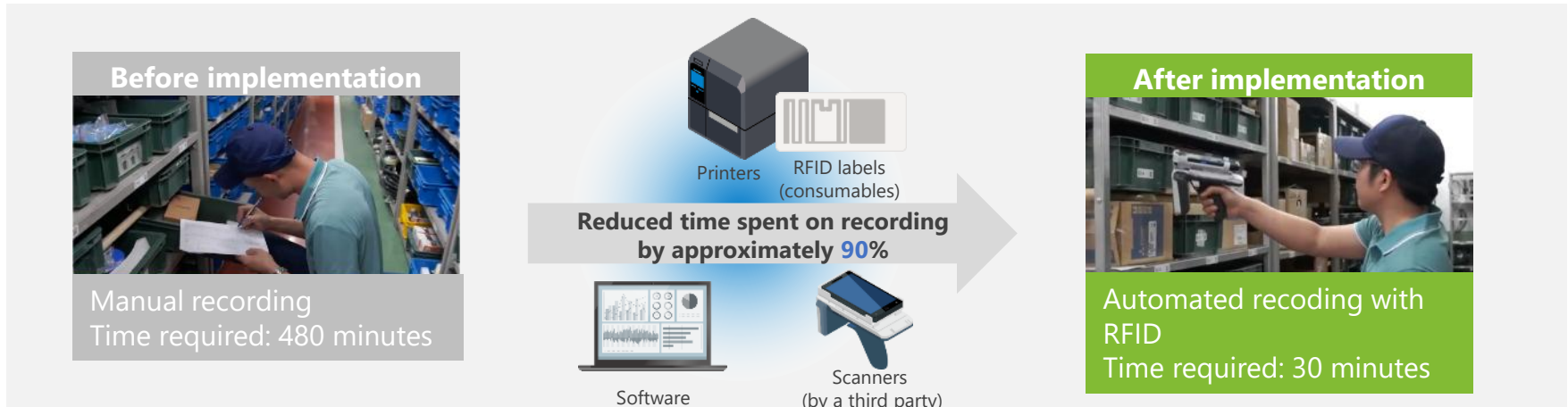
Overview

Country: Vietnam
 Customer: Nichirin Vietnam Co., Ltd.
 Industry: Automotive parts manufacturing
 Use case: Inventory control and stocktaking of maintenance parts

Why SATO?

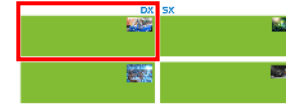
One-stop solution provider

- Expertise in auto-ID
- Solution complete with printers, consumables, software and their maintenance service



The solution was replicated at other companies in and outside Vietnam.

Realized labor savings, standardized processes and enhanced accuracy through a well-engineered solution



Overview

Country: India
Customer: Not disclosed
Industry: EC
Use case: Receiving process enhancement

Why SATO?

Engineering capabilities

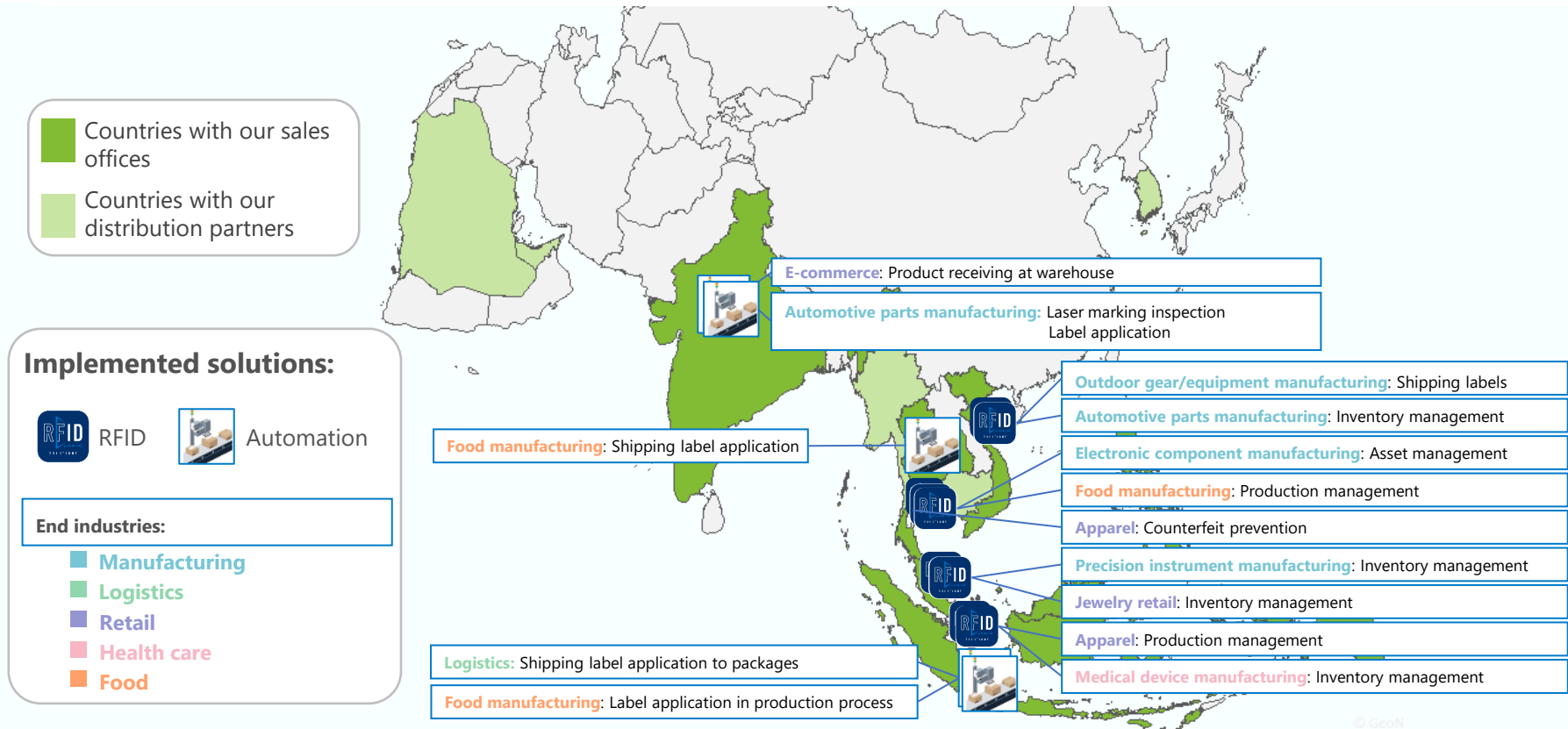
- In-depth understanding of operations and ability to combine products and services best-suited for purpose
- Trust built through reliable, on-time deliveries



The solution was replicated across multiple logistics warehouses owned by e-commerce companies and others in and outside India

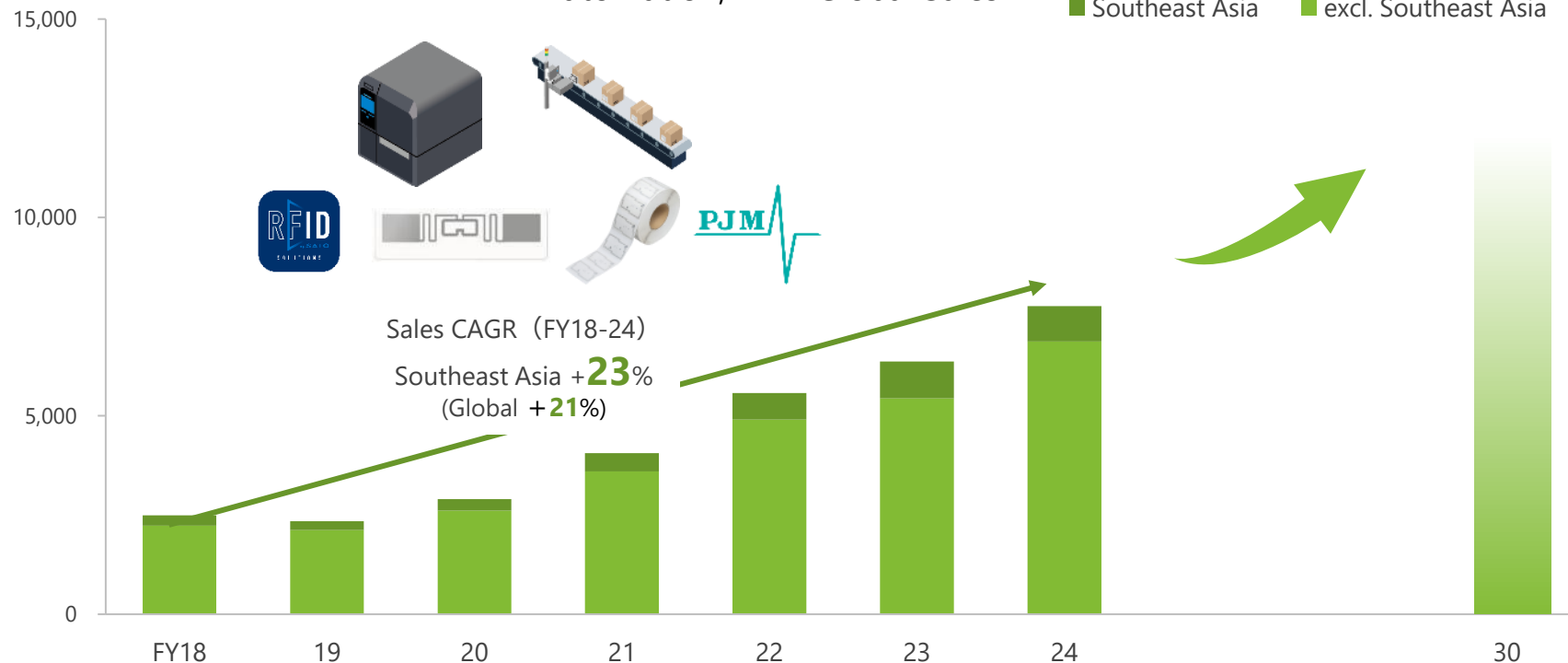
[Voices of local employees \(video\)](#)

Adoption of RFID and automation solutions are on the rise across all regions.



Deliver sustained and strong growth by solving customer challenges centered on digital transformation

In millions of yen





Recycling-related solutions for assisting customer compliance with new environmental regulations

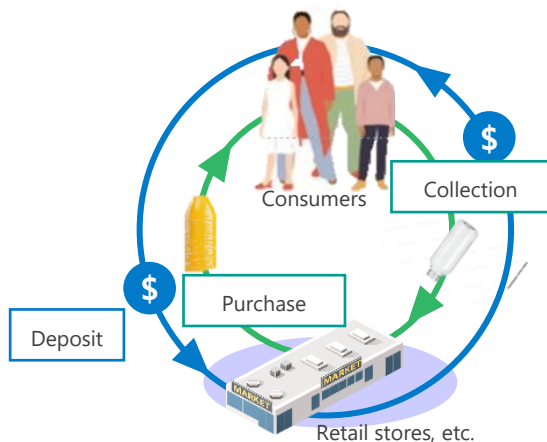
Recycling system overview

Customer and country: Undisclosed

Objective: Improve the recycling rate of beverage containers to reduce environmental impact

System: A deposit is charged on beverage containers that carry recycling information. Deposits are refunded when containers are returned.

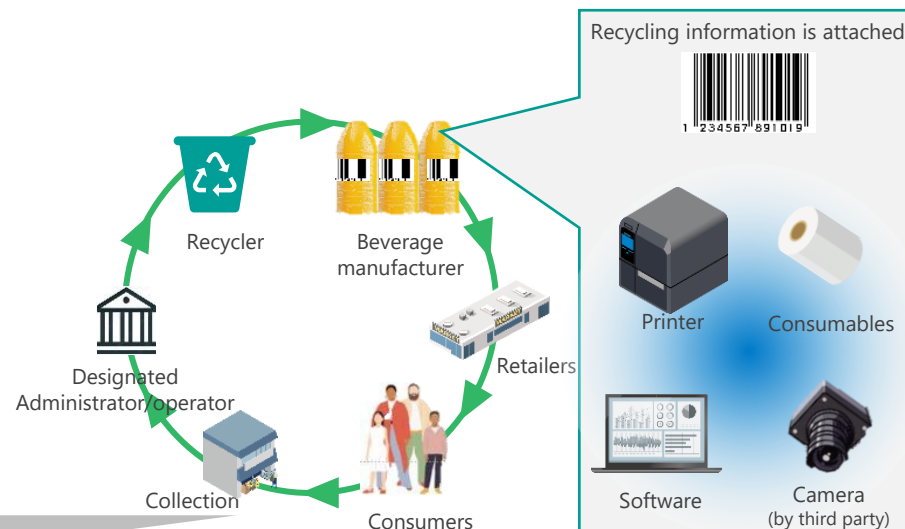
Target: Companies importing or manufacturing beverages with recyclable containers.



**Capture demand arising from new regulations
(300 million bottles per year in the beverage industry)**

Why SATO?

Capability to provide solutions that meet customer requirements



Solutions tailored to customer operations for assisting compliance with new EU environmental regulations



Digital product passport

Region: EU

Objective: Enable tracking of product data across product life cycles to help our society move closer to achieving carbon neutrality.

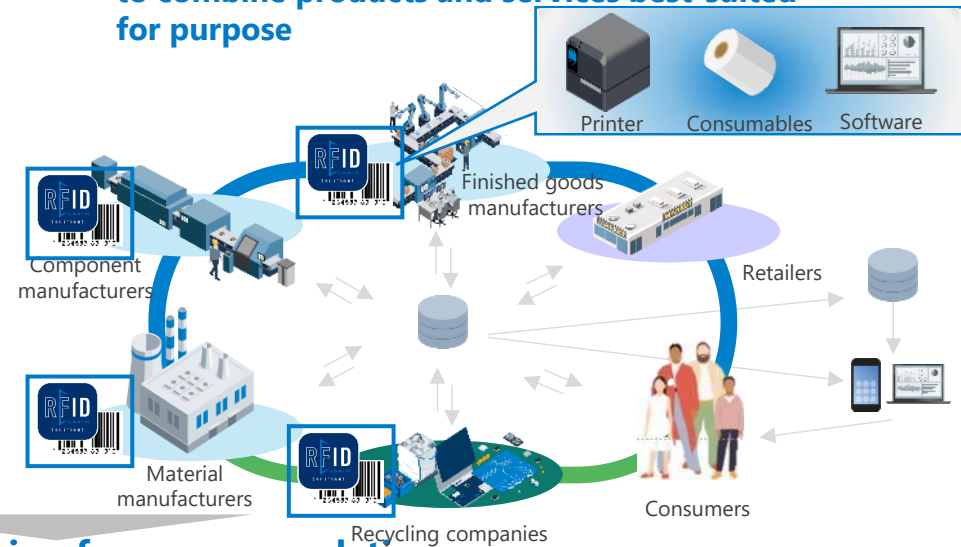
How it works: Tracks products and records information on them throughout their entire life cycles, providing owners with information on environmental impacts.

Target: Companies in EU and those outside EU that export products to the region.



Why SATO?

In-depth understanding of customer operations coupled with engineering capability, and ability to combine products and services best-suited for purpose



**Capture demand arising from new regulations
(approximately 25%* of imports to EU come from ASEAN and India)**

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The survey score is on par with the industry average. We will take actions to sustain areas of strength and address areas for improvement.

Employee engagement



- **Engagement survey**

- **Score: 74**

- The score in Southeast Asia is above SATO's global average and in line with the global manufacturing industry average.

- **Score analysis**

- Strengths

- The corporate values are well understood by employees.
 - The medium-term management plan is well understood by employees.

- Areas for improvement

- Insufficient development of systems that enable employees to fully demonstrate their capabilities.
 - Findings from previous surveys are not fully utilized within the organization.

- **Future initiatives**

- Initiatives to continue

- **Instill the corporate values in employees.**
 - **Explain and discuss the medium-term management plan.**

- Initiatives to strengthen

- **Increase training opportunities**
 - **Communicate survey results and implement improvement actions**

- **Framework for execution**

- Include employee engagement as one of the SATO's materiality topics.
 - Incorporate engagement scores into executive officers KPIs (from FY25) tied to their compensation
 - Monitor KPI performance and improvement progress at the board of directors' and executive officers' meetings.

We implemented employee engagement programs and achieved higher engagement scores, which will improve retention and support the development of salespeople skilled in solution selling.

Instilling corporate values

Building autonomy in sales subsidiaries



- **Instill corporate values into all SATO employees worldwide to create shared values**
- Appoint local corporate value leader in respective subsidiaries, including those in Southeast Asia, to promote our corporate values.
- Conduct yearly reviews of values-driven behaviors and recognize outstanding employees who demonstrated them.

Increased training opportunities

Leadership training for managers



- Provide leadership development programs for employees with management responsibilities.
- Strengthen leadership capabilities by preparing local employees for management roles in sales subsidiaries.
- A total of 14 participants from 11 countries have participated in training since FY24.

Global internship



- Launched the program to promote internal talent mobility.
- Five employees from four countries have participated in the program.
- Designed as foundation for introducing a global mobility program* in the future.

Local talent development



- Local employees at the Singapore sales subsidiary took the lead in planning and managing our booth at a tradeshow.
- Their leadership skills improved, and they showed greater ownership.
- The number of tradeshow visitors and sales leads increased significantly.

We are working to equip salespeople with solution sales skills and improve retention rates.



* Global talent mobility program: An HR strategy that coordinates employee relocation and assignments across borders.

We will achieve stable and rapid growth in Southeast Asia by helping customers solve diverse challenges in digital and sustainability transformation through data visualization and process automation solutions.

Southeast Asia: Sales and operating income performance

Unit: Million yen



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The four initiatives in our medium-term management plan are progressing well.

● Grow consumables revenue

New factory launch in Thailand (July 2025)



Aiming for a 50% increase in sales of consumables produced in Thailand by 2030

● Redefine role and functions of headquarters and local offices

Accelerated global business development



● Drive sales of portable, repeatable solutions

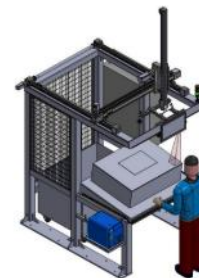
Our solution was implemented across all stores of an apparel customer



- Japanese global apparel brand
- In-store solutions (product label printers, RFID readers for self-checkout)
- **Deployment across all stores in Asia**

● Develop solutions optimized for local market

Provided automation solution for a glass manufacturer in India



- Background: Growing urgency to automate processes due to a shortage of skilled workers, high turnover rate, and surging labor costs amid rapid growth in the manufacturing industry
- Country: India
- Customer: Glass manufacturer
- Solution: **Automation** of automotive glass **inspection** and subsequent **label printing**
- Specifics of solution: Printers, scanners, robots and software

Countries of our strategic focus are selected based on SATO’s sales performance and macroeconomic indicators.

	Sales of SATO’s sales subsidiaries (FY24)	GDP growth	Population growth	Growth of Japan’s foreign direct investment stocks
Thailand	\$\$\$			
Singapore	\$\$\$			
Vietnam	\$\$	  	 	
India	\$\$	  	 	
Malaysia	\$\$	 		
Indonesia	\$\$	 	 	
Philippines	\$	 	 	

Based on CAGR for 2018-2024

