



INTEGRATED REPORT 2014

SATO HOLDINGS CORPORATION

Laying the Foundation to Become the World's Leading Auto-ID Solutions Company



SATO's Genbaryoku – Why Customers Keep Coming Back

The SATO Group has always changed with the times. From the invention of the hand labeler in 1962 to the development of the world's first barcode printer in 1981, SATO has continually met the needs of the market with revolutionary new products. In the 1990s SATO shifted the focus of its core business to providing total solutions. We began delivering solutions such as barcode Auto-ID technology to a variety of industries, to improve the accuracy and efficiency of labor processes, generating data on the movement of items and connecting it to IT infrastructures, linking the physical with the virtual. The driving force for our past success has been SATO's uncompromising passion for hands-on problem-solving. We personally visit our customers' sites to better understand their operating environment. With this approach we can fully grasp the core of the issues customers face, and truly begin advising them on changes and improvements. Our commitment to finding solutions to our customers' problems is what cultivated SATO's *Genbaryoku*. Even if the focus of our business changes and evolves, the way in which we serve customers will remain the same as it provides the foundation for our continued growth.

With the evolution of information technology, our lives have reached new levels of convenience, and in the future the need to connect the physical with the virtual will be even greater. For example, in the e-commerce field it is now possible to harmonize inventories with online store data in real-time. As the digitization of our world continues at an even more rapid rate, SATO will continue to utilize its hands-on approach to connect the dots, and fill in gaps in customers' operations, focusing on optimization through Auto-ID solutions. Moving forward we will continue our pursuit of being a trusted partner that customers keep coming back to.

1962

Invention of the hand labeler

Created to help people efficiently apply price tags to products



1940

Founding of SATO

Manufacturing and sale of bamboo processing machinery

1981

Development of the world's first thermal barcode printer

Thermal transfer printer for use with Point of Sale systems



1990s

2000s

Shift to Auto-ID Solution business

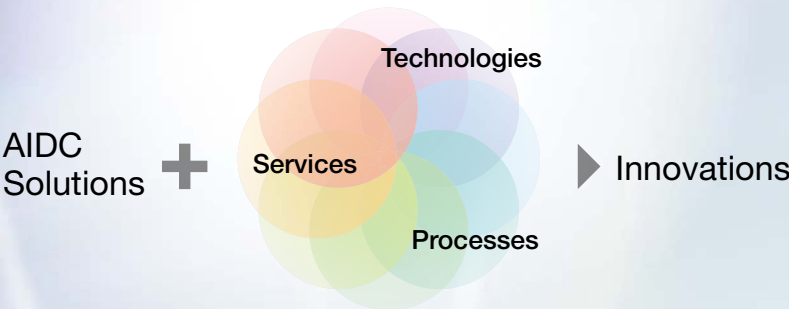
With the advancement of information technology, SATO established its Automatic Identification and Data Collection (AIDC) solution business leveraging bar code and RFID technologies and develops its DCS & Labeling business model



2014 onwards

Next-generation total solutions

Innovation through the combination of new technologies, processes and services utilizing our "+ONE" approach will give rise to next-generation AIDC solutions, evolving our core business to create new customer values with our expertise



Genbaryoku – An uncompromising hands-on approach to problem-solving

- **Be on customer sites to grasp the real situation with our own eyes and ears**
 - ☑ With a strong sense of ownership, develop close relationships with customers
 - ☑ Do not simply rely on theories or second hand information
- **Go the extra mile to truly understand the root of a problem**
 - ☑ While focusing on individual details, even down to a single label, you must also be able to see the big picture, examining customers' IT systems and workflows to pinpoint issues
 - ☑ Going beyond simply meeting operational needs, we seek to fully understand the customers' business environment to provide them with real solutions
- **Commit to delivering a solution, then give it your all**
 - ☑ Design best-fit solutions through superior development and deployment of hardware, software, consumables and maintenance services
 - ☑ Connect the dots, filling in the gaps between the customer's divisions and systems
 - ☑ Proactively involve all necessary parties – SATO management, company-wide teams and optimal business partners – to guarantee customer success
- **Continue to provide comprehensive support following installation**
 - ☑ Value close-knit, long-term partnerships with customers over all else
 - ☑ Always seek to support customers' stable operations
 - ☑ Look beyond the present to envision the future, and strive for continual improvement

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The SATO Group's Core Competency

Providing Safe, Delicious Foods for You and Your Family

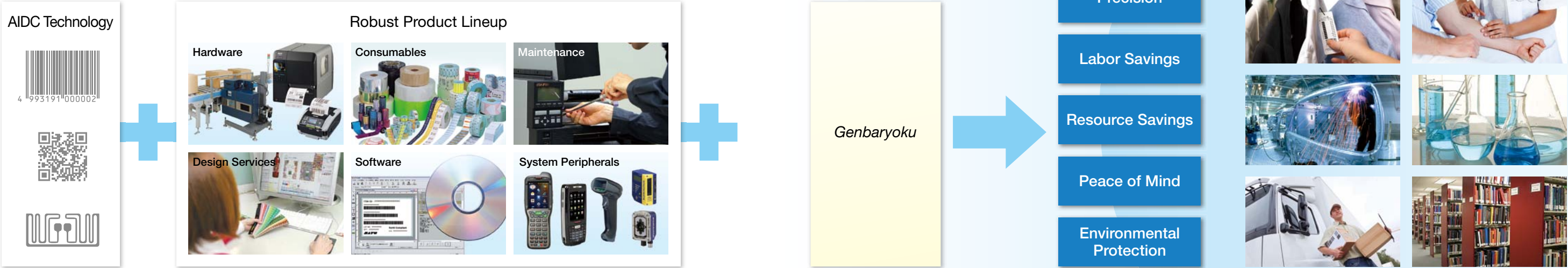
Auto-ID technology is utilized by a wide variety of industries to quickly and accurately collect data in multiple usage scenarios. SATO leverages the technology to boost precision and efficiency, save on labor, and deliver solutions that provide peace of mind and protect the environment. An example of this in practice is food traceability. Using Auto-ID technology in conjunction with labeling media, we are able to link goods and data with tracking systems to trace the path of food from ingredient delivery, processing and shipping, all the way to the sales floor. In doing so, we can easily and accurately keep a record of the production process. In the event of a problem, through the visualization of the entire supply chain from production to distribution, it is possible to quickly pinpoint the cause. We want people to be able to enjoy safe and delicious foods, and using Auto-ID technologies SATO is able to provide peace of mind at the dinner table.



- ☒ Where was this grown?
- ☒ Are the ingredients fresh?
- ☒ What about temperature control?
- ☒ What is the expiration date?
- ☒ Were pesticides used?
- ☒ Are there measures against food contamination?

The SATO Group's Business Model – DCS & Labeling

To collect data on the movement of goods and people using Auto-ID solutions, we design systems that optimally integrate printers, readers and software. Additionally, we provide the labels, ribbons and consumables for those systems, and after-sales support. This delivery of end-to-end solutions is the core of the SATO Group's business model – Data Collection Systems and Labeling (DCS & Labeling).

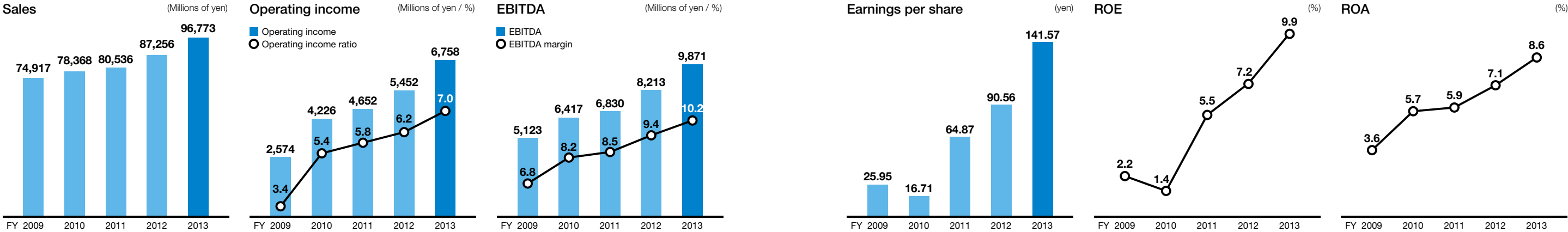


Financial Highlights

Fiscal year ending March 31

(Millions of yen)

	FY2003	FY2004	FY2005	FY2006		FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Business Performance												
Sales	58,862	61,752	68,964	82,491		87,790	78,163	74,917	78,368	80,536	87,256	96,773
Overseas sales ratio	17.3%	18.4%	22.8%	31.5%		31.6%	26.8%	24.2%	23.7%	23.0%	25.6%	29.3%
Gross profit	26,865	28,422	30,593	35,890		37,857	32,399	31,279	33,018	34,217	36,410	41,180
Selling, general and administrative expenses	21,358	23,277	25,371	30,195		32,453	31,669	28,705	28,791	29,564	30,958	34,421
Operating income	5,506	5,144	5,222	5,695		5,404	730	2,574	4,226	4,652	5,452	6,758
EBITDA (Earnings before interest, tax, depreciation and amortization)	6,950	6,843	7,252	8,180		8,208	3,565	5,123	6,417	6,830	8,213	9,871
Net income	2,790	3,012	2,646	2,389		2,062	2,050	781	503	1,953	2,726	4,295
Financial position												
Total assets	49,676	51,705	61,624	66,923		66,103	61,692	64,203	66,134	74,830	77,521	86,737
Net assets	31,785	34,008	36,119	37,508		36,671	35,918	35,985	34,929	36,172	40,205	46,734
Research and development	1,219	1,458	1,280	1,501		1,728	1,922	1,826	1,902	1,859	2,042	2,225
Capital expenditures	2,329	3,498	2,683	4,278		2,424	2,361	2,387	5,084	1,836	3,059	6,106
Depreciation and amortization of goodwill	1,444	1,698	2,029	2,484		2,804	2,835	2,549	2,190	2,177	2,760	3,112
Cash flow												
Cash flow from operating activities	4,141	2,873	4,801	2,912		4,108	4,994	5,860	1,595	4,434	3,793	10,589
Cash flow from investing activities	(1,649)	(3,281)	(6,575)	(4,066)		(2,522)	(2,217)	(2,093)	(4,283)	(7,015)	(984)	(4,776)
Free cash flow (Net cash provided by operating activities and cash used in investing activities)	2,492	(408)	(1,774)	(1,154)		1,585	2,777	3,766	(2,687)	(2,581)	2,809	5,812
Cash flow from financing activities	(721)	(999)	2,069	496		(793)	(2,476)	(826)	(3)	3,273	(2,839)	(1,511)
Cash and cash equivalents at end of year	11,512	10,234	10,751	10,344		11,035	10,814	13,774	10,813	11,377	11,992	16,763
Per share data (yen)												
Net income (Earnings per share)	90.73	96.01	84.32	76.30		66.70	67.40	25.95	16.71	64.87	90.56	141.57
Book value per share	1,013.23	1,083.72	1,149.80	1,205.33		1,195.69	1,189.50	1,191.84	1,156.88	1,201.02	1,330.77	1,454.90
Dividends per share	28	30	31	32		33	33	33	34	35	37	40
Financial Indicators												
Gross profit	45.6%	46.0%	44.4%	43.5%		43.1%	41.5%	41.8%	42.1%	42.5%	41.7%	42.6%
Operating profit	9.4%	8.3%	7.6%	6.9%		6.2%	0.9%	3.4%	5.4%	5.8%	6.2%	7.0%
EBITDA margin	11.8%	11.1%	10.5%	9.9%		9.4%	4.6%	6.8%	8.2%	8.5%	9.4%	10.2%
Return on assets (ROA)	10.9%	10.5%	9.5%	8.5%		7.1%	0.6%	3.6%	5.7%	5.9%	7.1%	8.6%
Return on equity (ROE)	9.5%	9.2%	7.5%	6.4%		5.6%	5.7%	2.2%	1.4%	5.5%	7.2%	9.9%
Equity ratio	64.0%	65.8%	58.6%	56.0%		55.4%	58.1%	55.9%	52.7%	48.3%	51.7%	53.7%
Debt-equity ratio (including lease obligations)	1.7%	1.6%	10.2%	15.6%		18.5%	17.1%	19.6%	24.9%	38.2%	19.4%	18.7%





Kaz Matsuyama
President and CEO

Message from the President

Becoming the World's Leading Auto-ID Solutions Company and the Partner of Choice

The SATO Group is dedicated to creating solutions leveraging Auto-ID technologies to help customers achieve precision, labor and resource savings, peace of mind and environmental protection in their places of business. At the heart of this commitment, is our corporate philosophy in delivering Ceaseless Creativity for a sustainable world which has been passed down from generation to generation since the company's founding in 1940.

In an increasingly globalizing and diversifying world, the Group has set its business vision to become "the leader in the Auto-ID Solutions industry worldwide" and "the world's most trusted company," including this as part of its corporate values to ensure that the company continues to meet society's needs while targeting sustainable growth at the same time. The driving force behind this corporate vision I believe, is the SATO Group's *Genbaryoku* (an uncompromising hands-on approach to problem-solving) which is demonstrated in the way we visit the customers' places of business repeatedly to truly understand their actual operations right up to the finest details and produce optimal solutions for them collaboratively. Moving forward, SATO will strive to achieve the aforementioned vision with *Genbaryoku* as our core competence.

SATO Values

- | | |
|--------------------|--|
| Our Mission | Our mission is to create new value for our customers through products and services of superior quality, and to contribute towards a better and more sustainable world. |
| Our Vision | Our vision is to be the leader in the Auto-ID Solutions Industry worldwide.
We aspire to be the world's most trusted company by dedicating ourselves to creating solutions for precision, labor and resource savings, peace of mind and environmental protection. |
| Our Credo | <ul style="list-style-type: none">• We inspire changes, new ideas, and the courage of promoting customer-centric innovation in the spirit of Ceaseless Creativity.• We seek to be true professionals by constantly striving to exceed the expectations of our customers.• We see things as they are, and do the right thing right away.• We show respect for all individuals, extend trust to each other, and work together as one cohesive team.• We enable a vibrant and open-minded workplace, eliminating the formalities that cause "Big Company Disease."• We share the returns from our business with our four stakeholders: shareholders, employees, society and the company. |

FY2013 Performance Review

Exceeding past records in both sales and income

In the year under review, the SATO Group recorded an increase in sales, up 10.9% from the previous fiscal year to ¥96,700 million and an increase in operating income, up 23.9% to ¥6,700 million. Ordinary income increased by 30.5% to ¥7,000 million and net income increased by 57.5% to ¥4,200 million. Overall, the Group delivered very good consolidated performance exceeding our initially announced forecasts to show growth and achieve new record highs for both sales and profit for Japan and all overseas regions. This was largely a result of the steady implementation of the medium-term management plan and the substantial progress of structural reforms.

In the Japanese market we recorded our highest-ever sales, driven by the strong performance of businesses related to Japanese consumption tax hike centering on retail, logistics, and manufacturing sectors. Gross profit margins also improved

significantly as we focus efforts on strengthening value-add product lineups and promoting cost-cutting initiatives.

For our overseas businesses that account for approximately 30% of total sales, the operating income ratio increased to 6.4% from the 3.1% recorded in the previous fiscal year amidst improvements in overseas profitability. This can be largely attributed to profit contributions from our European businesses that returned to operating profitability in FY2013. Europe was able to post profits consistently throughout the year, thanks to our activities in strengthening label production structures for better productivity, developing new customer accounts, and implementing sales strategies aimed at improving profitability. In the Americas, Asia and Oceania, there were also pronounced profitability gains from the increase in sales and overall productivity.

Medium-term Management Plan FY2012-FY2014

On track to achieving greater profitability for overseas businesses

Under its corporate vision to become “the leader in the Auto-ID Solutions industry worldwide,” the SATO Group has defined long-term business goals up to FY2020. As described in our medium-term management plan for the milestone years FY2012-FY2014, we have set these 3 years as the stage for establishing sustainable growth and profit where we will be making efforts to achieve a business structure that has sales leverage and drives more profits than traditional sales growth. At the current pace, I feel confident to say that we are progressing steadily towards our year-end performance targets of ¥100 billion in sales, ¥8 billion in operating income and ¥5 billion in net income for this final year of our current medium-term management plan.

Through the implementation of this medium-term management plan which includes structural reforms, measures for upgrading/augmenting printing facilities and enhancing sales effectiveness, we managed to make a positive turnaround for our businesses in Europe where the establishing of a solid revenue base has always been a key business concern. To prepare for the next phase of growth, we have also rolled out various business activities such as:

- Acquisition of Argox Information Co., Ltd. (Taiwan), a printer maker with a strong business presence in emerging markets
- Acquisition of Achenar S.A. (Argentina), a primary label production company dealing with many internationally renowned corporate customers in South America
- Business tie-up with Nexgen Packaging, LLC (America) who has proven strengths in the apparel ID*1 domain
- Acquisition of RFID business from Magellan Technology Pty. Ltd. (Australia)
- New office setups in India, Indonesia and Vietnam to accelerate the development of emerging markets
- Global launch of the CL4NX series, a new series of industrial thermal barcode/RFID printers boasting the ultimate in universality

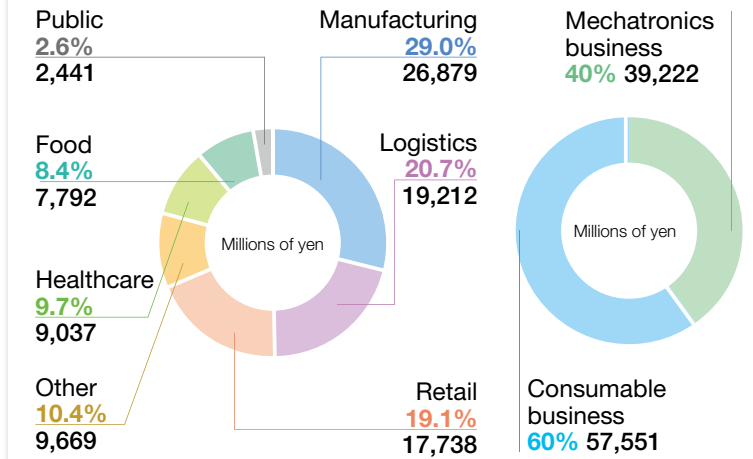
Apart from the above achievements, there remain some challenges, for instance, with expanding Argox's sales channels and creating synergies from joint R&D projects, which takes time to address. We will endeavor to reflect the true value of this acquisition in our future business operations.

*1: A new method of managing products in apparel, retail industries which brings transformative changes to existing work processes

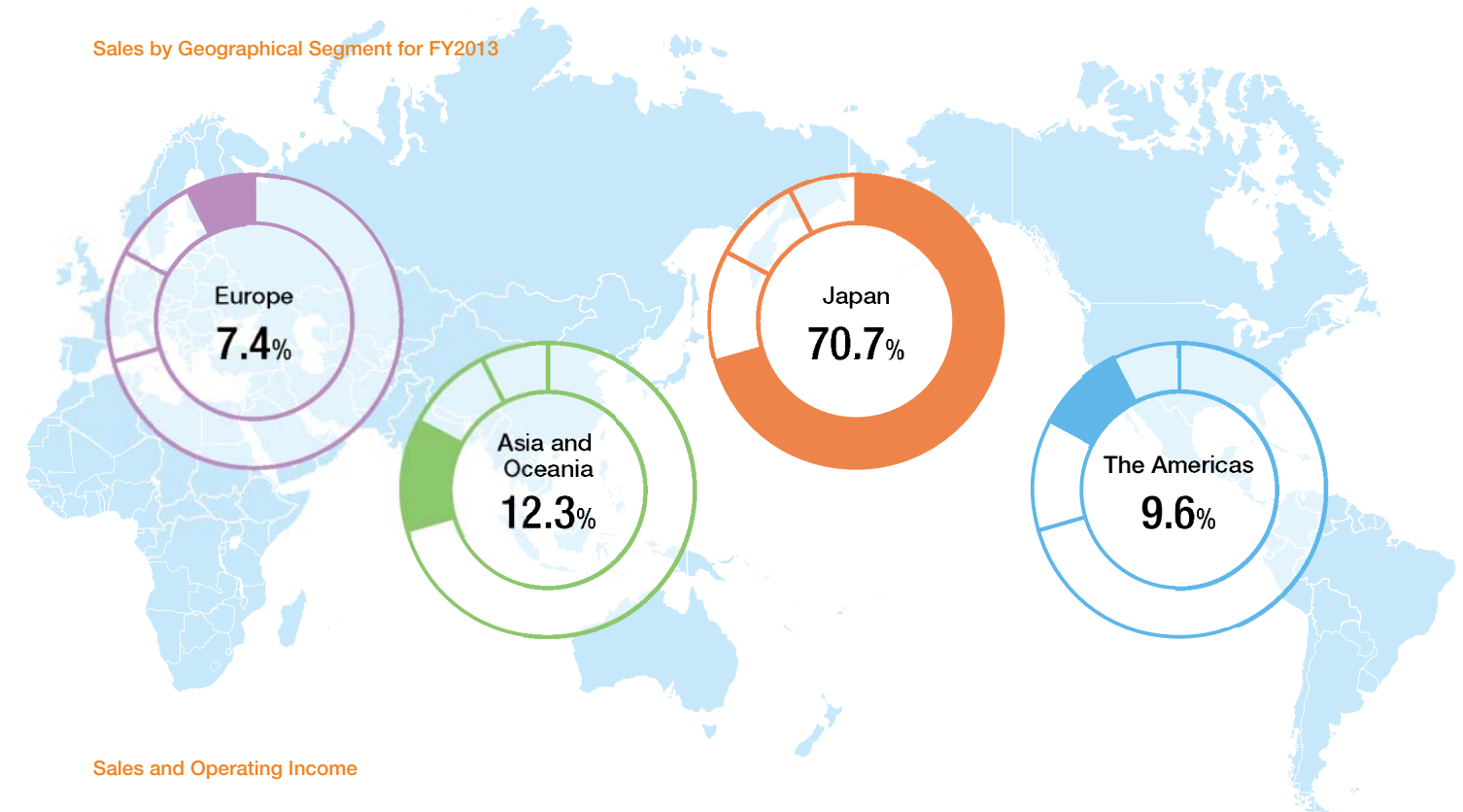
FY2013 Consolidated Performance

	Year-on-year
Sales	+10.9%
Operating income	+23.9%
Net income	+57.5%
Overseas sales ratio	+3.7 Points
ROE	+2.7 Points

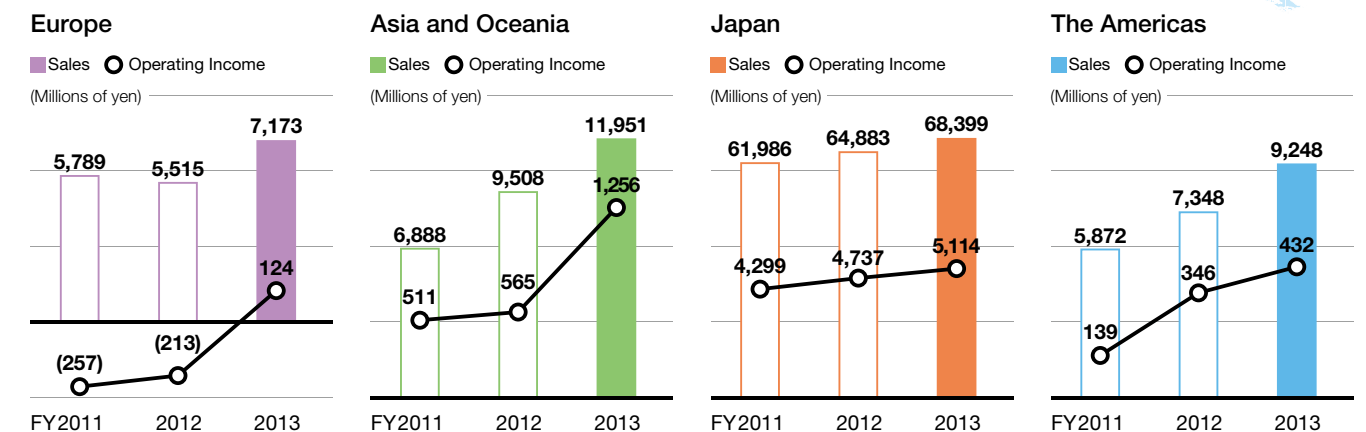
Sales Data by Sector



Sales by Geographical Segment for FY2013



Sales and Operating Income



Outlook for FY2014

Applying different strategies to achieve globalization and maximization of customer value

The SATO Group's core strategy in its medium-term management plan is to pursue globalization and maximization of customer value, and to further strengthen related efforts in FY2014, we have grouped the six strategies from the medium-term management plan into two large categories for implementation.

- ① Strategies 1-3: Transform business model, organization, and operations into the ideal structure for creating customer value
 - Restructure the organization for maximization of customer value by incorporating dedicated cross-functional teams to offer support for customers with global operations throughout their value chains, highly specialized vertical/market-specific teams and community-based area sales teams
 - Combine different technologies and solutions to create customer-centric innovations, converting them into new businesses with the strategic focus to change the game in the Auto-ID industry

- ② Strategies 4-6: Focus efforts on strategic businesses/markets that have high growth/profit potential on a medium to long-term basis
 - Expand overseas businesses proactively in existing and emerging markets, the pillars of our growth strategies
 - Strengthen approaches for business domains matching the needs of the times such as environmental protection, social infrastructure to support aging societies, and for market segments showing significant growth such as healthcare, e-commerce and apparel tagging. In particular, we aim to promote development and sales of environmentally friendly products, and expand our ecology business to reach more than 50% of the Group's total sales.

For each strategy, we have assigned an executive officer as the strategy owner to lead a dedicated action team in the speedy and effective implementation of all necessary measures.

Our Businesses

Pursuing an unique business model connecting the physical and virtual for a variety of industries

In recent years, the idea of Internet of Things (IoT) — a scenario in which things or people are provided with unique identifiers and the ability to transfer data over the Internet without requiring human-to-human or human-to-computer interaction — is turning into reality with the wide application of information technologies. As IT technologies grow in power and popularity, there becomes a greater emphasis on work productivity at the actual field of operations that involve handling of physical goods. This requires the technology and know-how to attach information to objects, collect and link such data to IT systems, and is exactly where the SATO Group's business for connecting the physical and virtual comes into action.

Leveraging barcode, RFID, and other Auto-ID technologies, we attach data in the form of physical tags, etc. to physical objects, providing total solutions for hardware, consumables, software, and maintenance support to enable the linking of this data to the IT systems. In other words, there are business

opportunities for us in all places that require the movement of objects and information. SATO plays the crucial role of bridging gaps between companies, helping them to employ supply chain management or traceability control in their respective industries ranging from manufacturing to food, retail, logistics, healthcare, and so on.

The SATO Group believes that it is our *Genbaryoku* that makes us competitive. Based on our principle that the customer site is where all the actions begin, we do not rely on theories, but rather make it a point to visit the customer's place of business and understand their actual workflow and movement of goods/people. We examine each and every one of our customers' issues, and have our sales, system, production and technical teams work as one to offer improvements and solutions. In the modern world where IT technologies prevail, there is all the more reason for us to insist on customer activities that engage us in actual conversations or interactions at the field level.



		FY2012	FY2013	FY2014	FY2020
FY2012 to FY2020 Targets (Billions of yen)	Sales	87.2	96.7	100	150
	Operating income	5.4	6.7	8.0	15.0
	Net income	2.7	4.2	5.0	10.0
	Operating income ratio	6.2%	7.0%	8.0%	10.0%
	Overseas sales ratio	25.6%	29.3%	32.0%	40.0%
	ROE	7.2%	9.9%	10.0%	12.0%

Building upon our core business in Auto-ID solutions, SATO will continue to pursue customer-centric innovations through the application of the “+ONE” approach, thinking out of the box to combine different technologies, processes and services. In the future, we may adopt new business models or attempt new strategic partnerships, but whatever we do, it will

Our CSV Approach in Business Management

Embracing the origins of the SATO Group to contribute to society through our main business

The concept of Creating Shared Value (CSV), or creating economic value through business activities in a way that also creates value for the society, has been embedded in the roots of our business model since the company’s founding. In fact, the invention of the hand labeler*2 in 1962 by our founder, the late Mr. Yo Sato was inspired by the sight of how supermarkets had to perform the arduous task of writing and sticking price stickers one by one to the hundreds of products that lined their shelves. This desire to “contribute to society through our main business” remains unchanged today, and the only difference is that our core businesses have evolved over time to focus on Auto-ID solutions to better enable precision, labor and resource savings. The SATO Group has established new companies by spinning off its welfare/nursing care business in 2012, its green business in 2013, and more recently its healthcare business in April 2014. And underlying these corporate actions again, is the strong determination to tackle social problems such as aging societies, global warming, and medical malpractice through our main business.

The development of environmentally friendly products is also a key focus at SATO. For instance, in 2011, we invented ECONANO®*3, world-first labels capable of approximately 20% reduction in CO₂ emissions in comparison to standard labels when incinerated at the point of disposal. While we started with a limited range of ECONANO labels at initial sales launch, we have since then increased ECONANO-compatible label types and put in place a mass production structure to further contribute to CO₂ reductions and environmental protection. And naturally, we do not stop here. Reducing greenhouse

always be for the purpose of creating new value for our customers. The SATO Group will seek to unite and empower our diverse resources to maximize customer value through ceaseless innovations, for the realization of our corporate vision to become “the leader in the Auto-ID Solutions industry worldwide” and “the world’s most trusted company”.

gas emissions, mainly CO₂ is a worldwide concern, and we are aiming to apply the ECONANO technology to all SATO labels sold in Japan, and subsequently to the rest of the world. Besides labels, we are also looking into other ECONANO products such as bags, stretch films, and pellets as we see the immense potential this technology holds for the future of our business landscape and our global environment. As members of society, companies should undertake business activities to generate social value proactively. At SATO, we believe that a virtuous cycle in which the investment of profits derived from these business activities lead to greater business growth is key to sustaining the company’s contributions to society.

*2: A portable device used for the printing and application of price, date labels, etc.

*3: Jointly developed by SATO, Professor Masahiko Abe (Tokyo University of Science), and the university’s venture company, Acteive Corporation. ECONANO and its logo are registered trademarks of SATO HOLDINGS CORPORATION in Japan and other countries

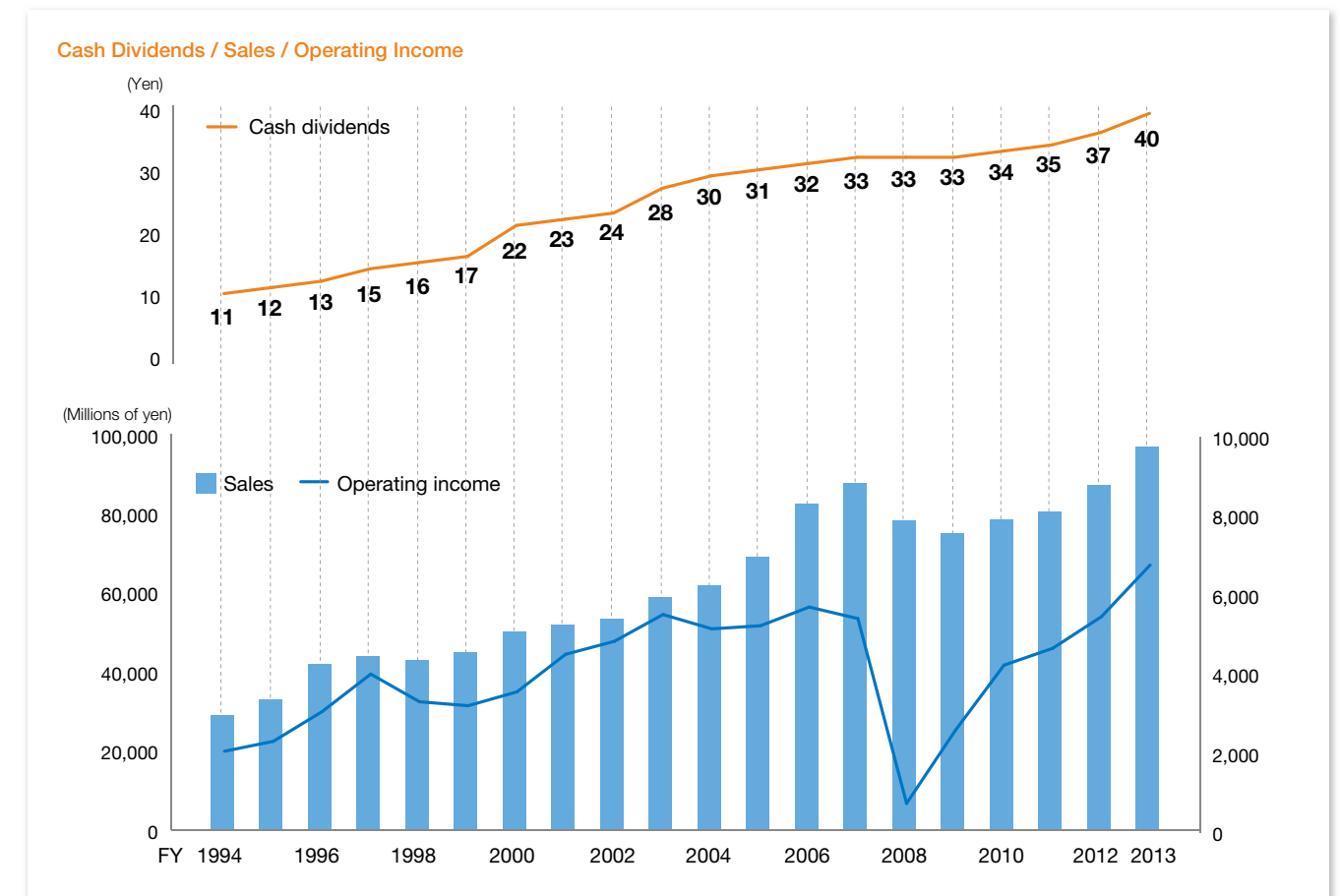


The Sharing of Business Returns with Shareholders

Delivering stable and continuous dividends in line with our Return to Four Stakeholders policy

The SATO Group practices the Return to Four Stakeholders policy, distributing profits gained from our business activities equally with shareholders, employees, society and the company to ensure that we thrive and prosper together while developing and maintaining strong relationships with all stakeholders at the same time. In particular, we make the utmost

effort to provide increased dividends every year, hoping to garner meaningful, long-lasting support from our valued shareholders. For FY2013, SATO has decided on a total dividend payout of ¥40 per share, an increase of ¥3 per share compared to the previous fiscal year.



In closing

In April 2013, the SATO Group introduced a new set of corporate values which includes a mission that retains our corporate DNA of contributing to society through our main business with Ceaseless Creativity, and a vision to become “the leader in the Auto-ID Solutions industry worldwide” and “the world’s most trusted company.” Working towards this new vision, we strive to create a future SATO that brings true innovations to the world while being customer-centric in the mentalities and actions of its employees, its

organizational framework and the very being of its businesses. With our new corporate values guiding and uniting our group companies and employees in this pursuit, I am strongly convinced that this future will be made reality.

The SATO Group will strive to scale new and greater heights in the years to come, and on behalf of our employees and the management, I wish to thank you and ask for your continued support in our businesses.

What the SATO Group Can Offer the Growing RFID Market

Special Feature

In the early 2000s, the SATO Group saw the potential of RFID as technology to actualize a ubiquitous society and set out to develop, manufacture and distribute RFID hardware and consumables (tags and labels). The Group has since been proactive in releasing market-leading products, participating in verification tests conducted by agencies and industry groups, and building on experience through successful deployment to organizations such as suppliers to Wal-Mart and the Metro Group of Germany, and to numerous other companies around the world.

Today, technological innovations have made RFID devices smaller, less expensive and have added new levels of functionality, readying the technology to assume a greater role in a variety of fields. What can RFID do? And what value does it provide our customers? We offer you a look into the SATO Group's RFID efforts, as seen in the healthcare and apparel fields.

What is RFID?

RFID stands for Radio Frequency Identification, and is an advanced Auto-ID technology. Using radio frequencies for contactless reading/writing of data offers a variety of benefits over standard barcode identification.

[Key Benefits]

- (1) Ability to collect data from multiple tags at once
- (2) Tags can be read from remote locations
- (3) Tags can be read when not visible or stained
- (4) Information on tags is rewritable





Laying the Foundation for Growth, Sights set on Supply Chains



Strategic
Alliance



End-to-End Solutions
for Apparel Supply
Chain Management

New Potential for RFID Tags

Brand tags that we see on clothing sold at stores contain information that includes product codes, color, size and price, and are, like jersey numbers for athletes, what identify the products for the retail industry. The apparel industry has always paid close attention to the benefits that come from switching these tags to RFID. One example is achieving efficiency and less effort in register operations and inventory control. Unlike barcodes that need to be scanned individually, multiple RFID tags can be scanned simultaneously, shortening the processing time from hours to minutes. Along with reduced costs come higher levels of customer satisfaction, as store clerks can now concentrate more on customer service and less on mundane tasks. As inventory related tasks become easier, this allows for more frequent checks that improve the accuracy of inventory control, and readers set throughout the store allow for visualization of where products are. With a real-time understanding of sales and inventory status, stores know immediately which products are selling, and

prevent selling out in advance. Data collected with RFID tags can provide the basis for more accurate production and sales planning, further increasing sales.

Lower Prices Accelerate the Adoption of Technology

Despite the many benefits that RFID technology offers, RFID tags comprise less than one percent*1 of all brand tags used around the world. The cost of these tags was what had hindered their adoption. Yet technological advancements in recent years have lowered the unit price of tags, and they are increasingly used by major retailers and corporations in their apparel businesses. The current price of 11-14 cents a tag is expected to drop to 5-7 cents by 2020, and we expect the technology to enter a growth phase as soon as the cost issue is resolved. In the future we will see RFID applications move beyond in-store CRM, and a realization of a seamless supply chain that transcends corporate and national borders.

*1: According to SATO survey

Anticipated Potential of RFID in Apparel

			Manufacturing	Delivery	Sales	Consumer
In Operations	In/out stock control	Faster work; optimizes inventory	✓	→	→	
	Inventory	Faster work; fewer loss of sales opportunities	✓	●	●	
	Automatic ordering	Faster ordering	←	←	←	
	Theft deterrence				●	
	VMD*2	Better product development; higher customer satisfaction			●	→
	Sales promotion	Increases sales; higher customer satisfaction			●	→
	Cash register	Faster check-out; higher customer satisfaction			●	→
For Supply Chains	E-commerce	Greater efficiency and accuracy in work; optimizes inventory; less loss of sales opportunities	✓	→	→	→
		Simpler handling of returns, receiving process	✓	←	←	
		Improves redelivery procedures	✓	●		●
	Asset management (Carrier boxes, pallets)	Fewer losses; optimizes amount and allocation; optimizes facility investments		←	←	←

*2: Visual Merchandising: Sales promotion that seeks visual appeal

✓ **Drastic reduction in time and labor spent on service activities**
 > Frees up time to train sales staff, leading to improved staff skills
 > Frees up time for customer service, leading to higher customer satisfaction and increased sales

✓ **Greater efficiency and improved inventory control**
 > Efficient use of human resources and inventory space
 > Higher customer satisfaction owing to timely and errorless deliveries
 > Keeps distribution costs down (labor, packaging materials, storage)

Anticipated Market Scale

Price Per Tag

2013 11-14 cents

2016 8-10 cents

2020 5-7 cents

20 billion yen

30 billion yen

70 billion yen

50 billion yen

120 billion yen

*SATO estimates

*SATO estimates

Building on Past Achievements to Better Serve the Whole Supply Chain

The SATO Group has provided RFID products and solutions to stores and distribution centers, but this was merely optimizing a specific portion of the industry. The apparel industry today faces numerous issues, which include diversifying consumer needs, shorter product lifecycles and shorter delivery times. To resolve these issues, organizations need to share information, achieve efficiency and reduce cost over their entire supply chain. Providing an end-to-end solution is what we believe creates value in our customer's business and what we are focusing on for the future.

Creating End-to-End Solutions

In May 2013, the SATO Group signed a partnership with and acquired a stake in Nexgen Packaging, LLC, a firm with excellent source tagging capabilities. Source tagging is attaching RFID tags to products at the source – production plants. Tags attached to products

at this upstream stage of the supply chain serve as a baton passed through each phase as the item moves downstream. Despite its downstream experience at stores and in distribution, the SATO Group had not yet entered the upstream field of source tagging.

Nexgen's strength, on the other hand, lies upstream. The company has sales offices in Hong Kong, China, Vietnam, India and other apparel-producing countries, and supplies branding materials, such as tags, care labels, boxes, bags and packages, to apparel production plants around the world. The SATO Group aims to target overseas markets in supplying mass amounts of RFID source tags through Nexgen's network and to strengthen its business upstream.

This business partnership serves as the foundation for creating solutions that support our customers' supply chains end-to-end. We believe that RFID will become standard in the apparel industry in the not so far future, and when that time comes SATO will be well positioned to serve its customers.



Contributing to Healthcare through SATO's Unique Technology



Unique RFID
Technology



Scanning the
Unscannable

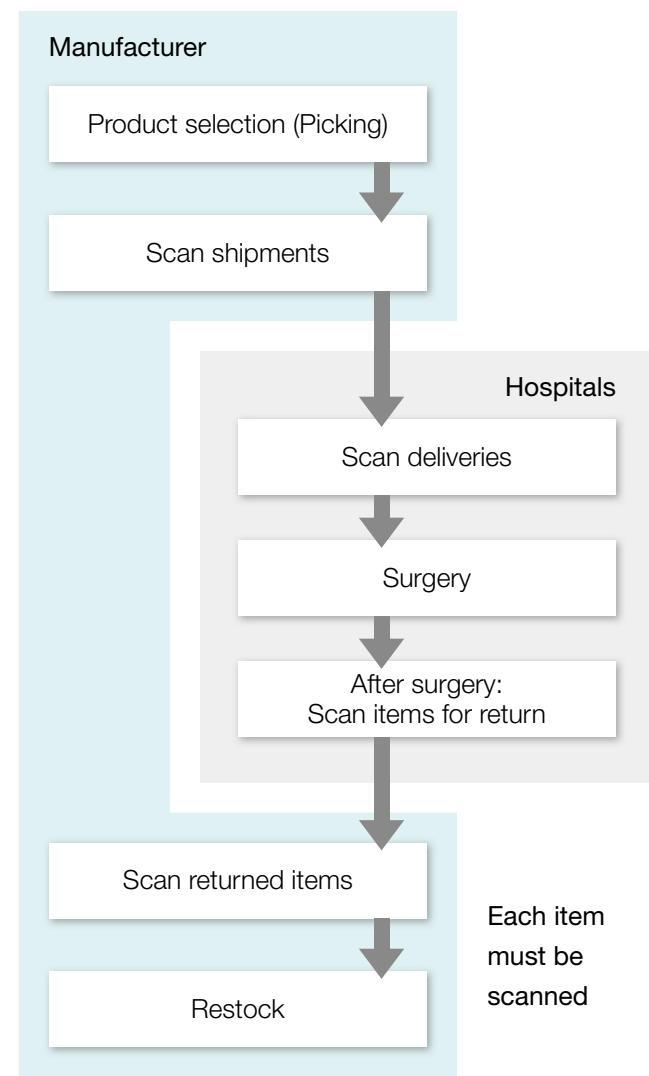
Providing Solutions for Orthopedic Implant Manufacturers

Orthopedic implants – i.e., artificial joints or bolts to join bones – that are planted in the human body for medical purposes are made in many different sizes to suit a large variety of body types. Since the correct size often remains unknown until the actual surgery, implant manufacturers supply several hundreds of implants in advance, based on patient data. Yet only a few of these are actually used, and the rest are returned. This process is obviously very labor intensive. To accurately collect data on the amount delivered and returned, each process of picking products, shipping, receiving, returning after surgery, and restocking unused products involved scanning of each and every barcode – a task of scanning products several thousand times.

Scanning the Unscannable

What solved this problem was Phase Jitter Modulation (PJM) technology. PJM is an RFID technology developed by Magellan Technology of Australia. It revolutionized the implant industry with its capability to scan products that are stacked – a state that was always considered unscannable. Used together with a specialized reader, it is possible to quickly and precisely scan 600 tags in a mere second. PJM RFID can instantly and accurately track shipping and usage of several hundred implant products by simply passing them through a reader. The technology and its effects were recognized throughout Australia, where almost all major implant manufacturers and the majority of hospitals that do implants installed PJM RFID technology.

A Breakdown of the Orthopedic Implant Supply Chain



Key Benefits of PJM RFID

- ▶ Fast and accurate scanning
- ▶ Can scan through layers/stacks
- ▶ Reliable in the presence of liquids
- ▶ Reliable in the presence of metals

Key Patent Technologies of PJM

- Communication method between reader and tag (Phase Jitter Modulation)
- IC chip structure
- Control mechanism for tags for layered reading
- 3D reader mechanism

A PJM RFID Inlay



PJM Tunnel Reader



Taking the Technology Global

To promote this outstanding technology worldwide, the SATO Group acquired Magellan's PJM business in December 2013 and established SATO Vicinity Pty. Ltd. With Magellan's strength in developing and manufacturing PJM technology, and the SATO Group's experience in Auto-ID solutions for healthcare, the company is able to offer robust solutions to customers. Shortly after its establishment, the company signed a deal with Stryker Europe, a leader in the orthopedic medical technology field. A user of PJM RFID in the Oceania region, Stryker Europe decided to implement the technology to its primary distribution centers in the UK, France, Germany, Spain, Belgium and Italy. The SATO Group's strength in local servicing was a decisive factor in winning the deal.

Providing Peace of Mind

An additional advantage of SATO Vicinity's PJM RFID systems is the ability to identify tags even in the presence of liquid, and as such SATO is now moving to use the technology in tracing blood products for transfusion. In the field, practitioners create several types of transfusion-use blood products from donated blood. By using PJM RFID tags to manage this manufacturing process, institutions can quickly and accurately ensure traceability of products.

As societies age in industrialized countries and income levels rise in developing economies, the demand for quality medical services is growing on a global scale. With its Auto-ID solutions, the SATO Group aims to alleviate workloads in inventory control, prevent medical errors and achieve traceability to contribute to an increased level of safety, and give both patients and care providers peace of mind.

Manufacturing Excellence Strengthens SATO's On-site Support

In April 2014, the SATO Group released its new CL4NX Series printer worldwide.*1

In parallel with the development of this new product, SATO revised its overall production system, integrating R&D, manufacturing, and sales processes into a new product creation model, striving to deliver products exceeding the expectations of its customers.

*1: Launched in all regions outside of Japan; Japan's launch scheduled for 2015



A Continually Evolving Manufacturing Structure

As businesses increasingly globalize, the standardization and optimization of operations across international borders becomes a necessity. In response to this, the SATO Group launched our new global printer, the CL4NX Series. The CL4NX barcode/RFID printer is a culmination of product design technologies built up over the past 30 years, and encompasses functions that were developed through extensive research to ensure optimum borderless operations. Its key features providing versatility in functionality and design make the CL4NX a truly universal printer that can be used with ease beyond differences in operating environment, language or infrastructure, by anyone, anywhere in the world.

Development of the CL4NX led us to rethink and redefine our processes for improved product planning/R&D, manufacturing, logistics, sales and maintenance. At the core of our improvement process is a customer-centric outlook gained through on-site visits and direct feedback. SATO's product creation model is continually evolving, and is what allows us to provide a high-level of on-the-ground support, creating new values for our customers through products and services of superior quality.

Product Planning/R&D

- Based on feedback from our users, we have identified important quality parameters to newly establish a unique SATO-Quality Function Deployment (S-QFD) standard that is used in R&D activities.

Designed to the S-QFD standard, the display screen for CL4NX provides the ultimate in user-friendly operability with intuitive color icons, 30 user-selectable languages, and world's first*2 built-in video tutorials to help guide operators.

*2: Mid-range industrial printer category



Manufacturing

- At our printer factories located in Malaysia and Vietnam, we have minimized work-in-process inventory and switched to a cellular manufacturing style for increased assembly line efficiencies, as well as implemented an in-house customized Kanban system for optimal parts procurement and inventory/production management.
- We initiated the Quality Improvement (QI) project that was successful in improving and maintaining production quality with the automation of process design and manufacturing methods.
- Through the introduction of multiple testing jigs and

auto-inspection tools, functional testing processes are simplified, leading to a reduction in workload and prevention of human errors.

Compared to legacy models, the manufacturing efficiency of the CL4NX is improved by more than 40% thanks to the overall improvement in production quality and shortening of assembly time. In addition, the introduction of testing jigs and auto-inspection tools contributed to a 16% reduction in the amount of labels and ribbons typically used for print testing, and a 20% reduction in the amount of consumables used for overall testing.



Logistics

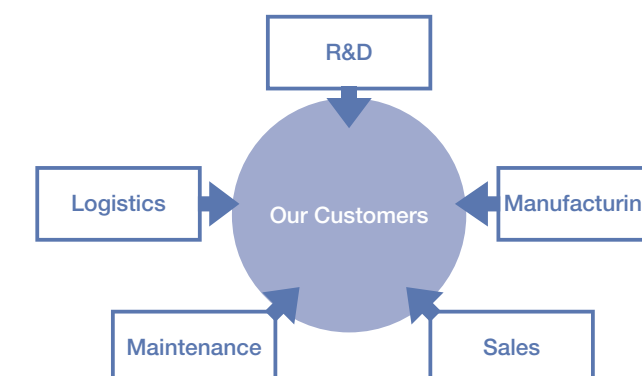
- By sharing quality control measures with all related departments and reviewing our logistics processes as a whole, we were able to eliminate duplicate processes between factories and logistics centers in Europe, Asia and the Americas, thereby improving logistics efficiency.
- Instead of performing product kitting at the factories, these operations of equipping printers with the necessary options to create ready-to-ship inventory are now conducted at the various logistics centers, leveraging their proximity to customer sites to effectively reduce the average lead time from order to delivery.
- Traditionally, we manufactured different models of the same product to cater to different regulations and standards in different countries. Moving forward, we

aim to promote more global models that satisfy a range of international requirements. In other words, we are applying a one-model-fits-all approach to achieve better inventory control efficiency and logistics optimization.

Sales and Maintenance

- Prior to the release of the CL4NX, we ran vigorous pre-sales activities globally, introducing the printer to customers and gathering their feedback on product improvements to incorporate into production.
- To ensure customers peace of mind, the SATO Group has customer engineers based in different parts of the world, putting in place a network that offers support and services promptly.

Aiming to create a printer free of the fuss of adjusting and repairing, we built the CL4NX to enable the easy replacement of parts without the use of tools. The printer also features expandability to facilitate remote maintenance for resolving technical issues via the Internet. In the future, we plan to offer such specifications as standard for new printers that will be added to the SATO product lineup.



The SATO Group's Environmental Management

The SATO Group proactively engages in Environmental Management efforts, and provides customers with environmentally friendly products and solutions to help them reduce their impact on the environment.

About Environmental Management

From the Chairperson of the Eco-management committee

Akihiro Kushida
Director, Vice President and Chief Financial Officer (CFO), SATO Holdings Corporation



Our definition of Environmental Management is to foster employees with a high-level of environmental consciousness who can apply their creativity in identifying and developing ideas to be incorporated into our business management. Through Environmental Management, we believe we can truly contribute to

society in our core business operations.

We established an Eco-management committee with representatives from different group companies and divisions, as means to connect management with employees and aiming to instill environmental awareness in our employees.

To achieve the SATO Group's Environmental Vision, we recently defined medium to long-term environmental numeric goals (table below) for both Japan and overseas up to the year 2020, and the Eco-management committee will be promoting activities geared toward achieving these goals.

From a key member of the Ecology business project team

Kiyonori Tokunaga
President, SATO Green Engineering Co., Ltd.



The SATO Group has released several products to help reduce the environmental impact of our customers' operations, including NONSEPA® linerless labels that are produced without release liners, and thus reduce the amount of paper

used, and ECONANO®, the world's first CO₂ reducing label. Moving forward, the SATO Group aims to apply the ECONANO technology to all of our consumables products such as stickers and labels, and develop new businesses related to environmental protection. We will also work on expanding sales of ECONANO and other environment-friendly products to gain and maintain high brand awareness and recognition in the market on a continuous basis.



NONSEPA linerless labels

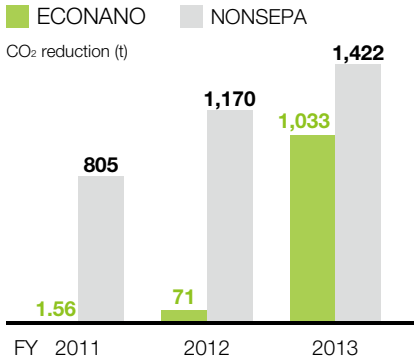


NONSEPA-compatible printers



ECONANO products that release less CO₂ at incineration

Amount of CO₂ reduced through the use of ECONANO and NONSEPA labels



- [Notes on calculation]
- Subjects of calculation: Standard labels and ECONANO labels (facestock paper & adhesive) designated for disposal
 - Calculated on the assumption that labels are incinerated when disposed
 - CO₂ reduction rate of ECONANO labels at incineration: 20% (TG/DTA analysis results)
- [Sources]
- Waste incineration: Investigative Commission on Methods for Calculating Greenhouse Gas Emissions; Global Warming Control Division, Global Environment Bureau, Japan Ministry of the Environment (August 2002)
 - CO₂ reduction rate: From results of TG/DTA analysis; CO₂ absorbent materials manufacturer

ECONANO and NONSEPA, and their respective logos are registered trademarks of SATO HOLDINGS CORPORATION in Japan and other countries

In April 2013, we established SATO Green Engineering Co., Ltd. as an in-house venture for green businesses. Recently, this company has won contracts to provide ECONANO technology in the form of newspaper collection bags for a major newspaper company, and trash bags for Kitakami City in Iwate Prefecture. Besides these, we believe that we will be able to leverage the ECONANO technology to develop for instance, ECONANO stretch films used for wrapping cargo in logistics operations, and numerous other materials and applications in the near future.



Environmental Vision Aspire to integrate environmental management practices into business operations with Ceaseless Creativity to contribute towards a sustainable world

Focus Areas and Key Performance Indicators (KPI): Actions to realize our Environmental Vision - A medium to long-term plan (Excerpt)

Action Items		Goals	Key Indicators		FY2014 Target	Medium-term Plan (FY2015)	Long-term Plan (FY2020)
External	Reduce environmental load for customers using SATO products	Switch to selling stickers/labels with less environmental load than conventional products	Japan, Overseas	CO ₂ reduced	6,400t	9,700t	24,700t
Internal	Reduce CO ₂ originating in our business activities	Maintain CO ₂ emissions at levels achieved in FY2012 through continued efforts to reduce environmental load	Japan	Reduction in energy consumed (kWh) (Compared to FY2008)	Cut by 4%	Cut by 5%	Cut by 10%
				Ratio of hybrid vehicles for company cars	40%	60%	100%
	Effective use of resources	Promote Zero emissions at production plants	Japan, Overseas	Factories that achieved zero emissions (20 total)	1	3	20
	Social contribution activities	Reduce CO ₂ by participating in the Forest of Companies and its activities to conserve forests and coexist with nature.	Japan	CO ₂ absorbed	1,500kg	3,000kg	18,600kg

From March 2013, the SATO Group began participating in the Forest of Companies project as part of the Pollenless Forestation* campaign that the Tokyo Metropolitan Government promotes together with relevant organizations for forest development and conservation. We have named a 1.16-hectare area of forest the "Forest of Ceaseless Creativity" and will be aiding its maintenance cost over the next ten years with our employees helping out in weeding and other work.

*Pollenless Forestation campaign: Promoted by the Tokyo Metropolitan Government and the Tokyo Development Foundation for Agriculture, Forestry and Fisheries

SATO Group's Human Resources

Aiming to achieve its corporate vision to “be the leader in the Auto-ID Solutions Industry worldwide,” the SATO Group spares no efforts in nurturing and fostering human resources who are committed to pursuing globalization and maximization of customer value.



Standing on the SATO Tradition

One of SATO's business strengths exists in its people and the added values they create. The Group strives to provide a working environment that allows each and every employee to conduct their work to the best of their abilities.

Enabling Work-life Balance

Employees who have difficulties working full time due to illness, child or nursing care commitments can switch to working shorter hours while retaining full-time employee status. As of FY2014, we have officially placed such flexible working styles into a structured work-life balance system to support the shortening of work hours per day or week, the introduction of a three-day work week for employees over 60 years of age, and so on.

Promoting Diversity in Human Resources

In October 2011, we set up a Diversity Promotion Office under the direct supervision of top management which changed its form to become a cross-functional Diversity Committee in April 2013, further strengthening its activities by involving the presidents of each group company as committee members. With the common objective of “Delivering Ceaseless Creativity for a Sustainable World,” our offices have initiated a variety of actions, such as offering diversity trainings for each employee grade level, sign language classes, and supporting female employees as they go on childcare

leave or pursue further career advancements. We hope to integrate diversity into our corporate culture and climate, give each employee a sense of involvement, and direct their actions toward the creation of innovative and globally competitive ideas.

In 2013, the Japan Ministry of Economy, Trade and Industry chose SATO for its “Diversity Management Selection 100” that recognizes companies for improving their business value through excellent diversity management practices.



OIP – The Wellspring of Changes

At SATO, employees follow the unique system of submitting OIP Reports (original ideas, inventions and proposals) to top management every day in three lines in Japanese, or about 100 English words for the sharing of information or new thoughts and ideas. Since starting in 1976 in the form of a daily report, this practice has gone through changes with time but continues to be used today. Through these direct

exchanges of opinions with each and every employee, top management is able to see things as they are, and make decisions more quickly to bring on small – and ensuing large – changes.

In-house Venture Program

To remain a vibrant and open-minded company, SATO started the in-house venture program in 2013 for the purposes of creating new businesses, developing entrepreneurship, and revitalizing the organization. Through this program, we harvest new business ideas in-house, and offer funding and human resources to employees who have the drive and competency to carry them out. First preparing and operating new businesses from independent start-ups, our ultimate goal is to develop mature venture businesses that will lead SATO into new market domains.

Aiming for True Globalization

SATO currently has business locations in 24 countries around the world and operates in over 90 countries. Under our corporate values, the Group recruits and trains employees locally in the aim to offer localized services matching customer needs.

To further speed up global expansion of our business, we seek to recruit and train outstanding individuals to develop the following qualities in order to perform on the international stage and heighten our business competitiveness globally.

- Fully understand SATO's corporate values and businesses to explain them in his/her own words
- Establish trust relationships with coworkers, customers and business partners of any country / region to produce business results
- Possess broad insight and highly specialized expertise in specific fields
- Drive business developments from a global perspective

Talent Development

Promoting the use of English as the official company language: Aiming to make English its official company language by 2020, the SATO Group set up the English Promotion Office in July 2013. This office provides a variety of English educational resources and services to employees to develop their skills for performing on the international stage.

Cultivating globally minded leaders through international exposure: We will actively offer young employees hands-on business training overseas to expand our pool of employees with international exposure. SATO aims to build a system that gives opportunities to these overseas-trained employees to further hone their expertise and knowledge, and prepare them for leadership responsibilities in our global business development activities.

Achieving Transparency in Management

Committed to fulfilling its obligations to stakeholders and society, the SATO Group is dedicated to fair and transparent governance. SATO works to maintain ethical operations by enhancing compliance standards, and is strengthening our risk management structure for continuous improvements to corporate value.

Corporate Governance

Based on the understanding that the key to heightened efficiency and sound management is transparency, we strive to develop a governance system that allows us to run our company to benefit shareholders and all stakeholders.

SATO Holdings, a holding company of the SATO Group, appoints executive officers and separates the functions of managerial decision-making, operational execution and oversight, enforcing the latter via the election of external directors. Today, five of our eleven directors are external directors, with each bringing a wealth of experience and specialist knowledge to the business. Coming from backgrounds that include business, law, and academia, their presence on the Board ensures that SATO acts independently and in the best interests of its stakeholders. Additionally, no one member of the Board is more powerful than any other: each member of the Board, including the CEO, has only one vote, and the position of chairman of the Board is not fixed, but is held by all members in rotation.

Internal Control

To continually offer our stakeholders assurance and maintain trust, we have tightened internal control mechanisms, with a corporate-wide goal of improving transparency and quality of work. The Auditor Office, under the direct supervision of the president, regularly

conducts internal audits to manage assets and risks, performs inspections on compliance and operations, identifies latent risks and issues, and evaluates the effectiveness of each process. By following up on these actions through discussing solutions with the audited organization and by promoting voluntary improvements, we contribute to the value of the entire SATO Group.

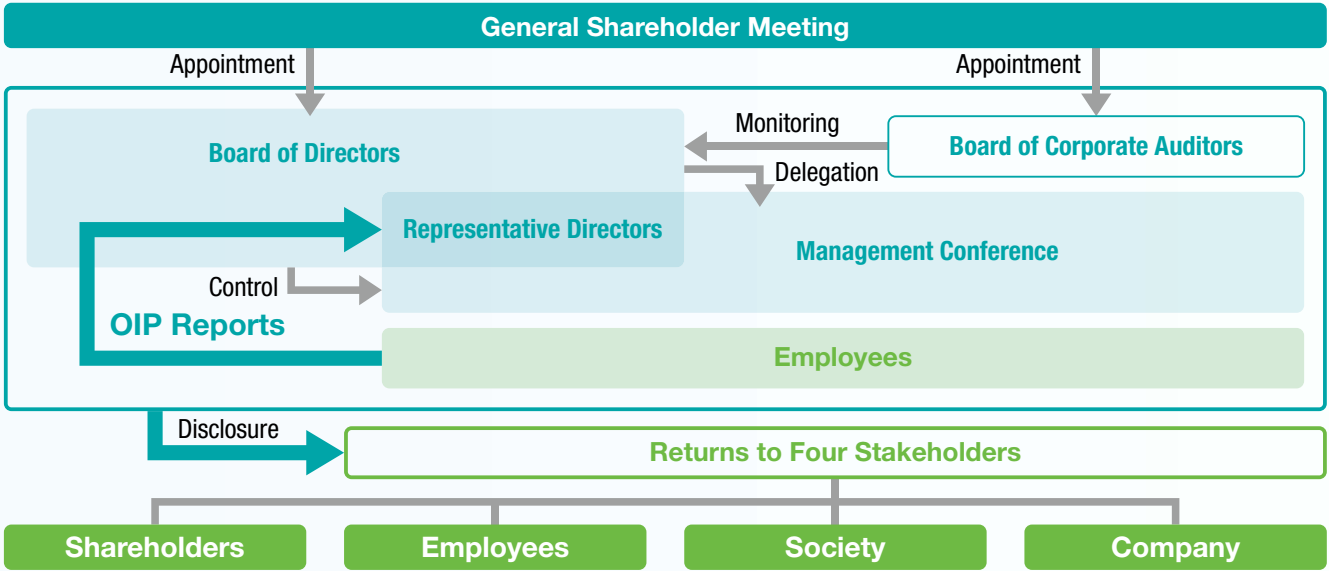
Compliance

We view compliance as a prerequisite to sustain the company and maintain trust in the organization. SATO strives to enforce compliance under a clear set of guidelines. Employees are educated on corporate ethics and legal compliance, while top management obtains information from our OIP Report system, which all employees use to suggest ideas and report matters directly to top management. To prevent the lack of operational transparency and resulting problems, we have developed an organization and cultivated a culture that encourages people to report information both quickly and regularly.

Risk Management

To effectively counter risks, the SATO Group has developed a risk management framework using methods that range from micromanagement aimed at preventing losses, to macromanagement of goals focused on maximizing corporate value. This

Corporate Governance



framework serves as a critical support function to manage corporate resources efficiently, and is aligned closely with our medium-term management plan. We hold monthly Risk Management Committee meetings to identify risks, share information, discuss preventative measures, and what emergency measures to take when a situation arises. In the event of a disaster, the Committee serves as a crisis control headquarters to minimize damages, and handles business continuity planning to work toward a quick recovery.

Information Security

In terms of protecting confidential information, we are enhancing our information security system with an emphasis on speed. We enforce strict control to protect information obtained through our business activities and to prevent leaks or unauthorized use. To implement these security measures, we assign individual representatives to assume responsibility for information security in each department. Personal data, often at risk of being leaked from the company, is encrypted for an extra level of security.

Intellectual Property

While encouraging our employees to engage in creative activities, we work to develop intellectual properties that protect our innovative products and services. To heighten employee awareness on this policy, we

hold an awards ceremony each year to recognize employees who have made notable inventions.

Our recent IP efforts are focused on developing properties that contribute to our pursuit of “globalization and maximization of customer value,” which is a core component of our long-term strategy. Working closely with divisions where inventions originate, we identify the discoveries from customer perspectives and focus further on developing new uses and solutions to expand our patent portfolio. We are advancing efforts to protect our intellectual properties of patents, trademarks and designs on a global level as the business expands.

Intellectual properties play a key role in supporting the SATO Group’s business operations, and by creating and leveraging these assets, we hope to contribute to the development of global society.



The Annual Invention Awards ceremony



Keisuke Yamada
Director

Koichi Nishida
Director

Ikuo Dobashi
Director

Yuko Tanaka
Director (External)

Kazuo Matsuyama
President and CEO

Ken Suzuki
Director (External)

Ryoji Itoh
Director (External)

Mitsuaki Shimaguchi
Director (External)

Kiyoko Ishiguro
Director (External)

Akihiro Kushida
Director

Tatsuo Narumi
Director

Director

Kazuo Matsuyama
Representative Director
President and CEO

Keisuke Yamada
Vice President,
SATO HOLDINGS CORPORATION
President, SATO CORPORATION

Akihiro Kushida
Vice President,
SATO HOLDINGS CORPORATION
Chief Financial Officer (CFO),
SATO HOLDINGS CORPORATION

Koichi Nishida

Ikuo Dobashi

Tatsuo Narumi

Director (External)

Ken Suzuki
President - VITAL KSK HOLDINGS, INC.
President and CEO - VITAL-NET, INC.

Yuko Tanaka
President - Hosei University
Professor - Faculty of Social Sciences
(Media and Communication Studies), Hosei University
Professor - International Japan Studies Institute
(Graduate School), Hosei University
Head of Department - Faculty of Social Sciences,
Hosei University

Kiyoko Ishiguro
Attorney at Law, Partner of Noda Law Office

Ryoji Itoh
Project Professor - Graduate School of
Media and Governance, Keio University
Managing Director - Planet Plan Co., Ltd.

Mitsuaki Shimaguchi
Professor Emeritus - Keio University
President - Japan Marketing Association

Audit and Supervisory
Board Member

Makoto Kometani

Nobuhiro Yokoi

Audit and Supervisory Board
Member (External)

Chieko Matsuda
Professor - Graduate School of Social Sciences,
Tokyo Metropolitan University
Professor - Faculty of Urban Liberal Arts, Tokyo
Metropolitan University

Takao Yamaguchi
Certified Public Accountant in Japan -
Yamaguchi C.P.A. Office

Executive Members

Ryutaro Kotaki
Vice President, SATO HOLDINGS CORPORATION
President, SATO TECHNOLOGY CO., LTD.

Hiromichi Yasue
Senior Executive Officer,
SATO HOLDINGS CORPORATION
Senior Manager, Quality Assurance Office,
SATO HOLDINGS CORPORATION

Kenji Ushiki
Senior Executive Officer,
SATO HOLDINGS CORPORATION
President, SATO PRINTING CO., LTD.
President, SATO MATERIAL CO., LTD.

Daphne Tay
Senior Executive Officer,
SATO HOLDINGS CORPORATION
Chief Communications Officer (CCO),
SATO HOLDINGS CORPORATION
Managing Director,
SATO GLOBAL BUSINESS SERVICES PTE. LTD.

Makoto Hayama
Senior Executive Officer,
SATO HOLDINGS CORPORATION
Managing Director,
SATO INTERNATIONAL EUROPE N.V.

Nobuo Watanabe
Senior Executive Officer,
SATO HOLDINGS CORPORATION
Vice President, SATO CORPORATION

Chinami Kotaki
Executive Officer, SATO HOLDINGS CORPORATION
Vice President, SATO PRINTING CO., LTD.

Tomoyuki Kumabayashi
Executive Officer, SATO HOLDINGS CORPORATION
President, SATO RFID SOLUTIONS CO., LTD.

Lim Yee
Executive Officer, SATO HOLDINGS CORPORATION
Managing Director, SATO ASIA PACIFIC PTE. LTD.

Yoshinori Sasahara
Executive Officer, SATO HOLDINGS CORPORATION
Director, SATO CORPORATION

Kozo Senda
Executive Officer, SATO HOLDINGS CORPORATION
President,
SATO PRIMARY LABEL INTERNATIONAL CO., LTD.

Maria Olcese
Executive Officer, SATO HOLDINGS CORPORATION
General Manager, ACHERNAR S.A.

Masao Kodama
Executive Officer, SATO HOLDINGS CORPORATION
Chief Marketing Officer (CMO),
SATO HOLDINGS CORPORATION

(As of November 1, 2014)

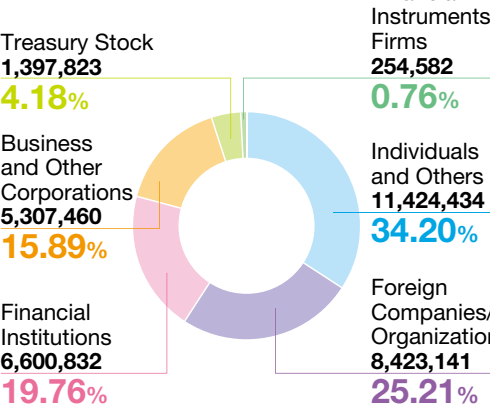
Stock Information

(As of March 31, 2014)

General Information

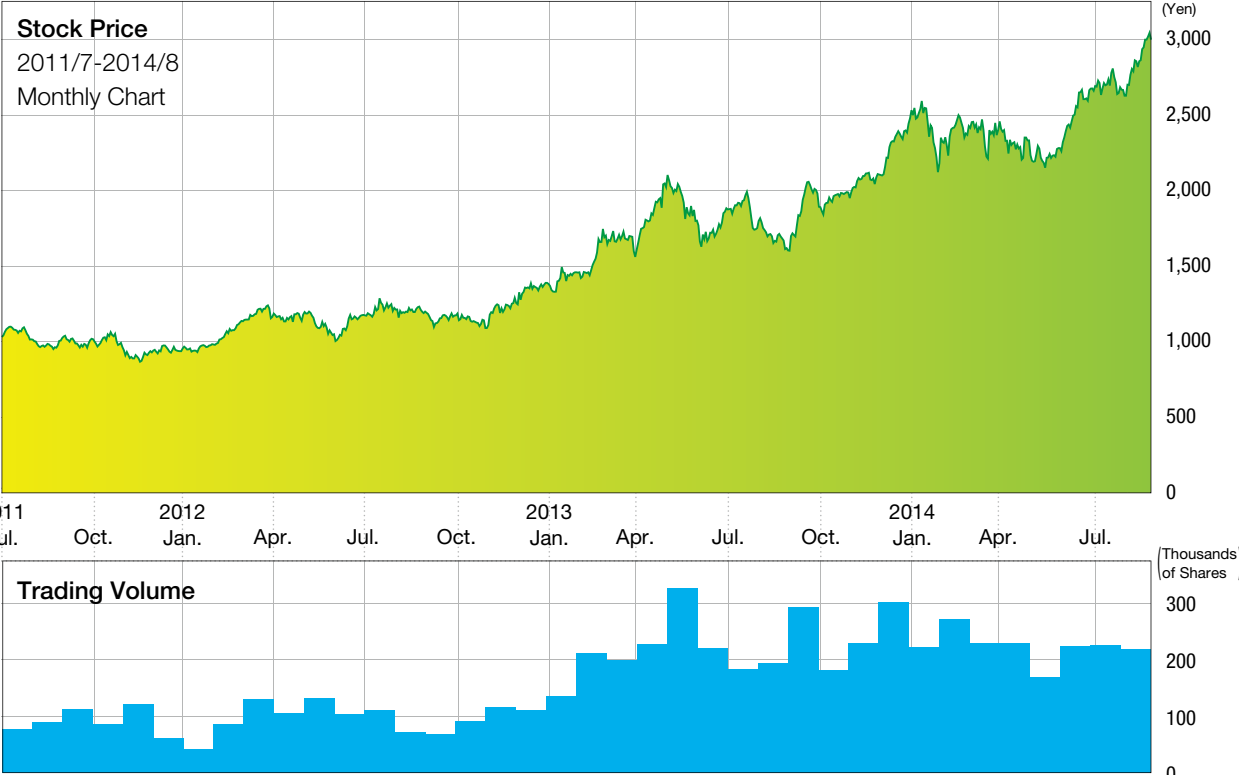
Number of Shares Authorized	80,000,000 shares
Number of Shares Issued	34,354,306 shares (August 31, 2014)
Number of Shareholders	10,107
Stock Listing	Frist Section of the Tokyo Stock Exchange
Securities Code	6287
Fiscal Year	April 1 to March 31
General Meeting of Shareholders	June
Transfer Agent for Shares	Mitsubishi UFJ Trust and Banking Corporation

Composition of Shareholders



Note: As of March 31, 2014 there were 33,408,272 shares issued

Stock Price and Trading Volume



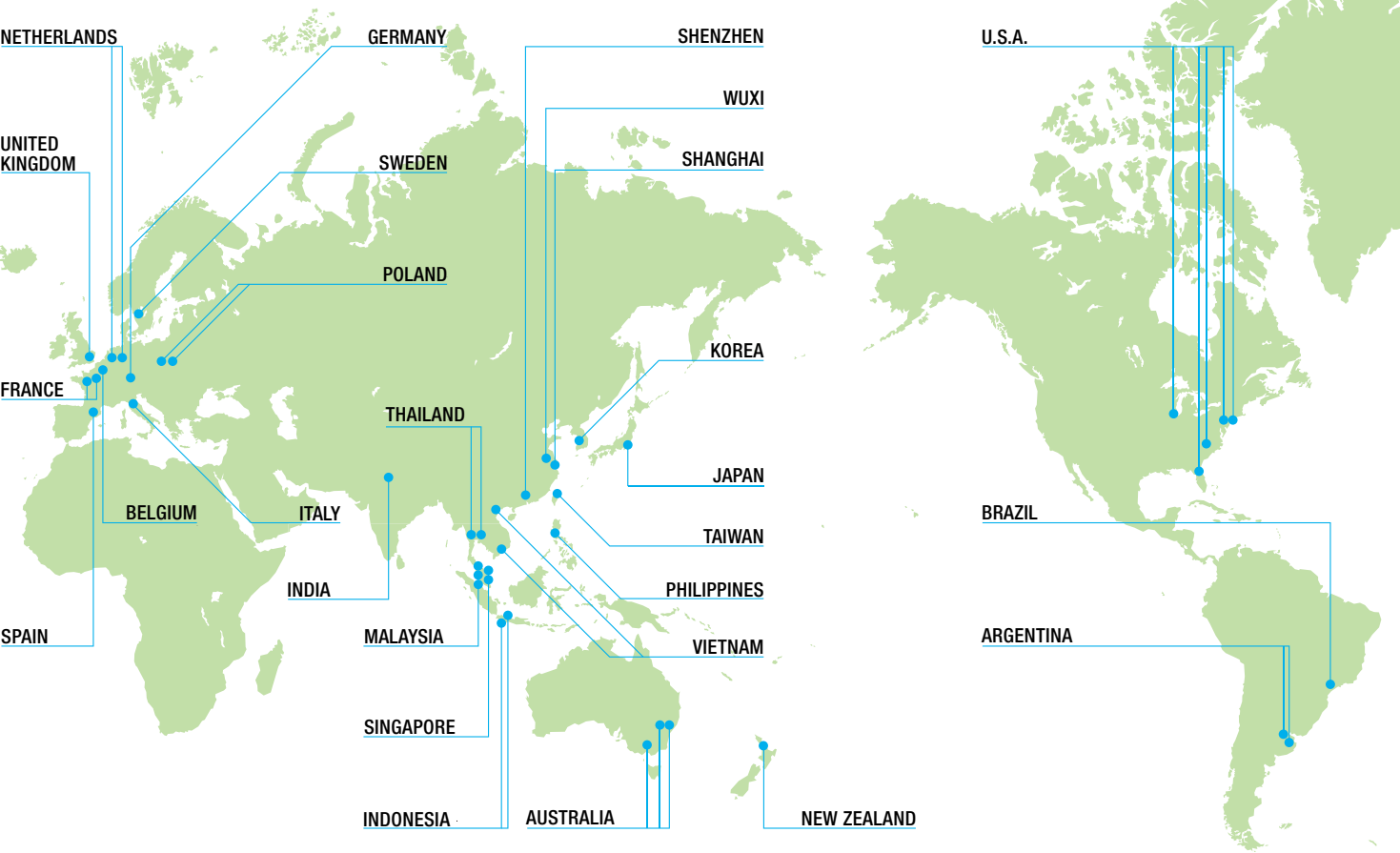
Major Shareholders

Name	Shares Owned	% of Shares Outstanding
Sato Yo International Scholarship Foundation	3,786,200	11.33
Japan Trustee Service Bank, Ltd. (Trust account)	2,513,900	7.52
Northern Trust Co. (Avfc) Re 15pct Treaty Account	1,592,300	4.76
SATO Employees' Stockholding	1,425,700	4.26
SATO Holdings Corporation	1,397,813	4.18
Arena Co.	1,254,460	3.75
Mieko Yokoi	905,145	2.70
Shizue Sato	897,470	2.68
The Master Trust Bank of Japan, Ltd. (Trust account)	893,800	2.67
Mari Iwabuchi	853,570	2.55

Corporate Data

Name	SATO HOLDINGS CORPORATION
Location	Knowledge Plaza, 1-7-1 Shimomeguro, Meguro-ku, Tokyo 153-0064, Japan
Established	1940
Incorporated	1951
Representative Director	Kazuo Matsuyama, President and CEO
Paid-in capital	¥8,053 million (August 31, 2014)
Fiscal year ended	March 31, 2014
Employees	Consolidated 4,167 (March 31, 2014)
Sales	Consolidated ¥ 96,773 million (Fiscal year ended March 31, 2014)

Global Network



For further information, please contact:
Public Relations Group
TEL: +81-3-5745-3412 FAX: +81-3-5487-8544
e-mail: grp-sato-ir1460@sato-global.com
Web: <http://www.satoworldwide.com>
IR: <http://www.satoworldwide.com/investor-relations.aspx>

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