



# Integrated Report 2025

**SATO Corporation**

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## About the Integrated Report 2025

- This section introduces the values that form the roots of our company and the SATO business in what we call “tagging.”
- Our core competency of genbaryoku powers our tagging business, which spans multiple markets and industries.
- We are growing globally on a sustainable business base in both financial and non-financial aspects.
- Our President and Group CEO explains how we have been evolving our business and what strategies and organizational efforts we need to achieve our 2030 vision. SATO shall create shared value and pursue Perfect and Unique Tagging to solve social issues at their core for a better and more sustainable future.
- Under our DCS & Labeling business model, we offer tagging solutions that create value in the spirit of Ceaseless Creativity.
- This section describes our new materiality assessment, whereby we define our key priorities and actions for addressing social issues through our business.
- With more advanced tagging — Perfect and Unique Tagging — we can solve pain points in areas such as blood supply chain and the circular economy.
- We aim to create new value by collecting data and putting it to the best use in society.
- We have a medium-term management plan that details our strategies for transitioning into growth mode to achieve our 2030 vision.
- Our CFO explains our capital and financial strategies for realizing higher ROIC.
- Our leaders heading the Japan and global businesses will work to strengthen our fundamentals, strategizing and taking actions to deliver what customers really need.
- This section describes our governance framework and how it serves as the underlying foundation for sustaining business growth.
- Our management team has diverse skills and expertise to help them optimize decision-making and strengthen oversight.

### What this report covers

Scope: SATO Corporation and consolidated subsidiaries  
 Period: From April 1, 2024, to March 31, 2025  
 All information is valid as of March 2025 (or August 2025, whichever applies).



## Corporate motto and SATO Values

### Corporate motto



Conceived by founder Yo Sato in 1969, our corporate motto reflects our belief that individuals and corporations equally bear the mission to serve society through self-improvement. To us, serving society means contributing toward a better and more sustainable world, which we set out in our corporate mission. It is also about creating shared value for society, which we made part of our sustainability commitment starting this fiscal year.

Fundamental to the way we live our motto is Teiho, a system we introduced in 1976 for employees to submit short daily reports directly to management about ideas or suggestions to better the company. Teiho gives everyone a voice in decision-making and fosters creative thinking, cultivating a proactive mindset for continuous improvement. It is an example of how we strive to make even small changes count to create new value that goes toward serving society.

#### Three areas of Ceaseless Creativity:

Pioneering **innovative products and services**

Developing **new production technologies**

Seeking out **new markets and application needs**

Through our people, we bring Ceaseless Creativity to life not only in R&D and production but across all departments and job functions at SATO.

### SATO Values

#### Mission

#### Why we exist

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.

#### Vision

#### Where we are heading

To be the customer's most trusted partner for mutual growth, and always essential in an ever-changing world.

#### Credo

#### Set of beliefs we follow

- 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.

## Our business: Tagging

### Tag, feed and make use of data

The very essence of our auto-ID\* solutions lies in tagging — physically attaching identifiers to know the status of things and people. This digital information feeds into core IT systems, where it can be analyzed to generate useful insights. Tagging makes it possible to collect data from worksites and supply chains, and convert it into big data for improving accuracy, safety, peace of mind and more to help businesses and society run smoothly.

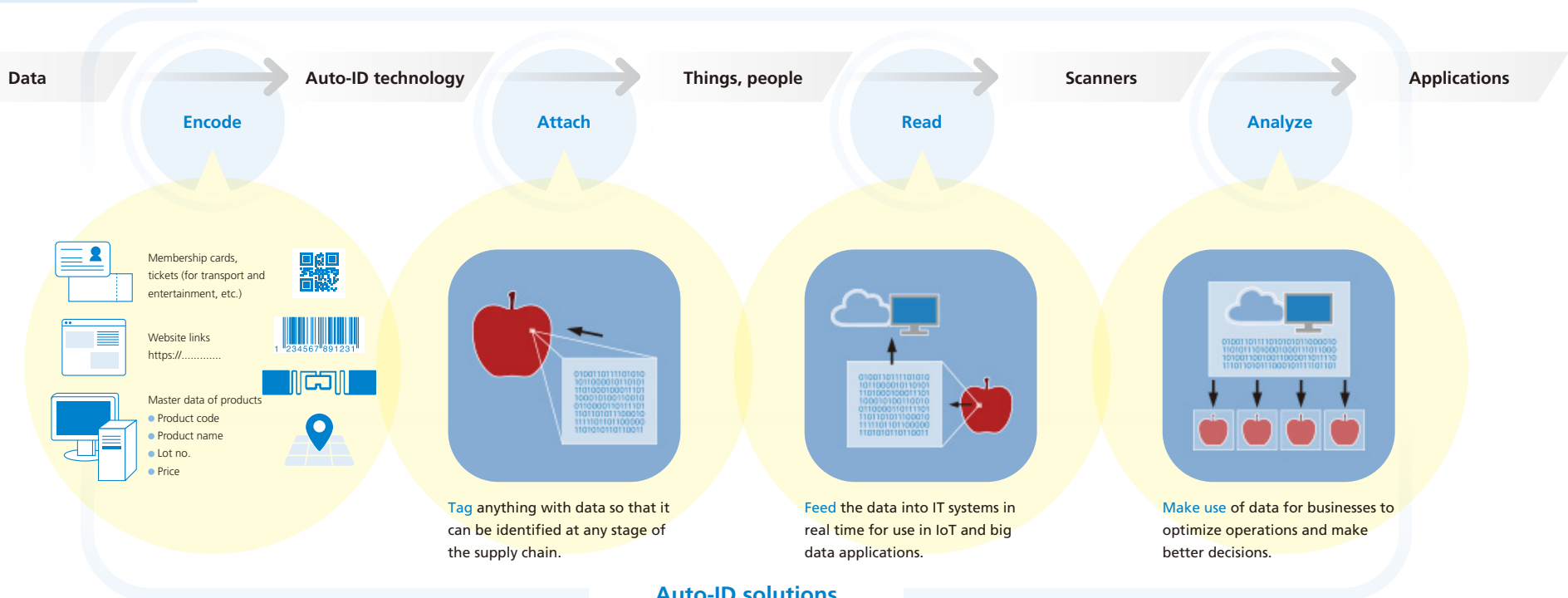
What sets SATO apart from the competition is our ability to tag everything that moves through the supply chain from start to finish, digitizing a wide range of data with high precision. To tag something, we consider the shape and material of the item, choose the right tags or labels and determine the best way to apply them. Equally important is how the data would be read and integrated into the customer's IT systems, in line with their workflows.

By making use of this collected data in various ways — such as offering visibility into complex worksites and streamlining their operations — we help businesses make better decisions, maximizing the value of data for customers and society.

\* Automatic identification; the technology found in barcodes, RFID or image recognition that allows information about things and people to be identified and digitally logged without manual input, thereby saving labor and improving productivity for businesses.

SATO combines barcode/RFID printers, printer labels, software and services in the form of solutions to resolve customers' worksite issues that include traceability, supply chain management and asset management. We call this business model "DCS (Data Collection Systems) & Labeling."

### What tagging encompasses



## Our core competency

### Powered on site to optimize operations

Leading companies choose SATO because we derive the best solution for each unique site using our core competency of genbaryoku, which is about understanding how things work on site. It is what we have built up over time through tagging and data collection of things and people across supply chains.

To get tagging right, we start on the front lines of our customers' operations because that is where their real pain points are. Not many can do the same because this work on site is laborious, time-consuming and involves a lot of trial and error. SATO is capable of providing solutions that are "powered on site" as we keep honing the three strengths that make up our genbaryoku.

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### Technical expertise

#### The best solutions from mixing and matching technologies

To solve unique customer issues, we cannot rely solely on our own products and services. We collaborate with partners specialized in other fields, integrating their technical expertise with ours to create practical one-stop solutions that include label printers, consumables, software and other devices.

#### From the front lines

We explore using BLE (Bluetooth Low Energy), computer vision or other technologies for innovative tagging and provide platforms that support different devices to meet diverse customer needs. We also look for hidden customer needs and create new solutions for sectors where data practices are less advanced. As we keep innovating, we hope to ultimately come up with systems that can cover and automate entire supply chains. We will leverage our technical strengths to step up to new challenges and continue delivering value for society.

**Hiromichi Suka**

New Markets Strategy, SATO Corporation

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### Industry expertise

#### Know-how on diverse markets, industries and application

Tagging requirements vary by customer, and finding the best method for the case at hand takes know-how. As a manufacturer, we challenge ourselves and commit to honing our technology, which has resulted in functional products such as moisture-resistant labels, freezer-safe labels, UV-stable outdoor labels and patient wristbands that fasten securely.

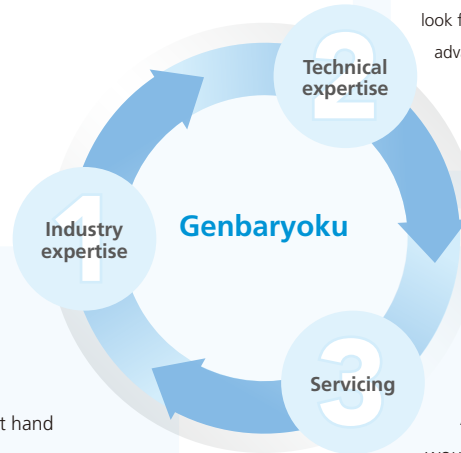
#### From the front lines

At SATO, sales, servicing, operations and related departments work together for each project. We use our customer relationship management (CRM) system to ensure everyone has a clear understanding of who our customers are and can access and share accurate data to improve the overall customer experience. This allows us to see how specific solutions have been used across markets and industries, allowing us to tailor proposals or apply proven know-how to other customers with similar needs.

Collecting and using CRM data gives us insights into diverse industries to deliver stronger, more informed proposals.

**Yasuyo Shigeta**

Sales Administration, SATO Corporation



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### Servicing

#### Continuous connection and long-term relationship with customers

After implementing solutions, we continue to provide products and services that customers would need for their operations to run stably and efficiently. This after-sales support helps us maintain long-term relationships with customers to spot new issues and propose new solutions to improve their business without downtime.

#### From the front lines

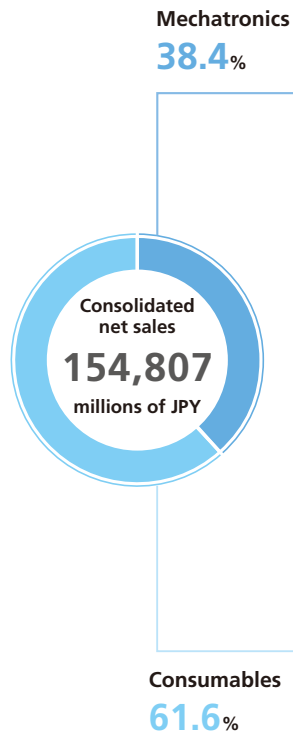
In 2023, we launched the SATO Global Helpdesk in Singapore to offer tech support via AI chatbot and live chat. The chatbot is available 24/7 while live chat is handled by trained SATO agents and available in six languages comprising English, Chinese, Indonesian, Japanese, Thai and Vietnamese. While the helpdesk currently serves customers mainly in Southeast Asia and Oceania, we aim to expand its service coverage to more regions, reinforcing our commitment to accessible and reliable tech support.

**Kok Cheong Khoo**

Customer Service, SATO Global Business Services Pte. Ltd.

## Products, services and focal markets

### Sales breakdown by product (FY 2024)



### Product lineup

#### Printers

Our product line of industrial, desktop, mobile and stand-alone printers caters to a wide range of operational scenarios. With technical prowess accumulated over decades, we design our printers for universal usage and maximum performance even in harsh, high-volume environments. We are expanding our RFID printing/encoding capabilities to meet the growing demand for automation.



#### Software

SATO provides a comprehensive range of printer software to help customers centralize data for printing and management of labels and tags. We also develop application software and enable integration with enterprise resource planning, warehouse management and mobile device management systems. Our "intelligence inside the printer" platform eliminates the need for computers and transforms our printers into a stand-alone label/tag printing solution.



#### Printing supplies

With tags, labels, ribbons and wristbands, we meet a wide range of tagging needs using the right material, adhesive, processing method, automatic identification technology and print data for the item, purpose and work environment to maximize on-site productivity. We design inlays, convert tags and labels and perform quality inspections all in-house to meet the growing demand for RFID.



#### Print and apply systems

We have 40 years of experience providing print engines that are integrated with robotic arm applicators for high-speed, high-precision label printing and application to enhance accuracy and efficiency across industries. As robotics technology advances, print and apply systems find wider use in enabling full automation and unmanned operations. We work to deliver the best print and apply systems through our years of expertise and collaboration with technology partners.



#### Service and support

Customers who have installed our products and solutions benefit from our global network of servicing, which involves our in-house tech service teams and certified partners in providing troubleshooting assistance to improve their operations and minimize downtime. We continue to innovate technical support with SOS, our IoT preventative maintenance system that monitors printer operations 24/7 via the cloud, and through integration with industry-leading IoT management systems.

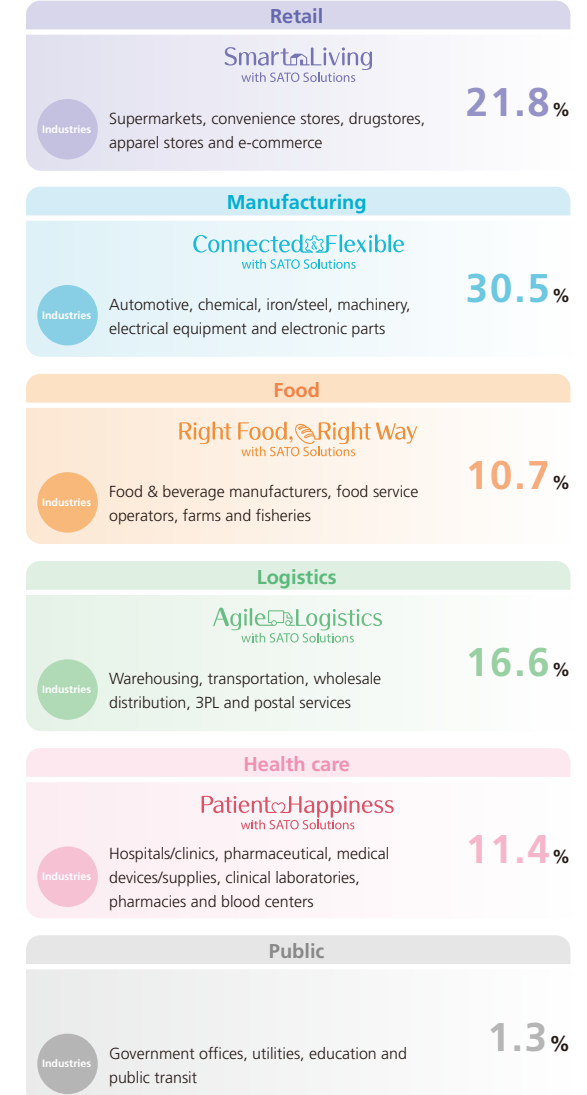


#### Stickers and primary labels

We create product labels used on a variety of consumer goods, offering full support from creating the design and selecting the paper/adhesive material to printing, finishing and applying the label. Our production facilities can deliver high-quality, durable pressure-sensitive labels that help products stand out on the shelf across industries such as food & beverage, pharmaceutical, cosmetics, home care, chemicals and more.



### Sales\* by market sector (FY 2024)



\* From SATO sales subsidiaries, excluding factories and primary label companies.  
Ratios do not add up to 100 percent due to contributions from other verticals not outlined here.

## SATO by the numbers

### Financial data (For fiscal year ended March 31, 2025, unless otherwise stated)

#### Consolidated net sales

**154,807**  
millions of JPY

#### Consolidated operating income

**12,341**  
millions of JPY

#### Net sales CAGR (FY 2015–2024)

**+4.4%**

#### ROIC

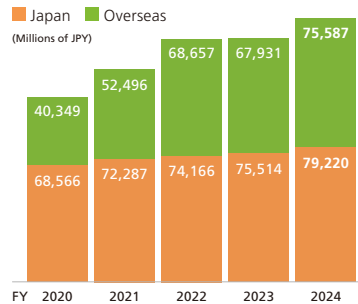
**9.3%**

#### CAGR for RFID business (FY 2022–2024)

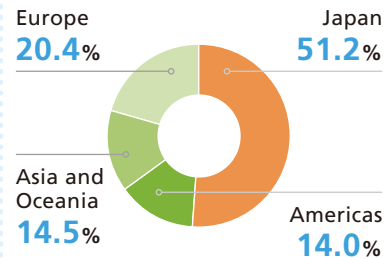
**+29%**

### Non-financial data (As of March 31, 2025)

#### Sales trends



#### Sales by region



\* Ratios rounded off to the nearest decimal point.

#### Customers in Japan

**77,000**  
companies

\* Duplicate accounts merged due to recent business consolidation.

#### Global network



#### Employees

**5,986**  
(35% in Japan,  
65% internationally)

#### Insight database

for bettering the company

About **50** years of use  
**2,100** ideas,  
reports and proposals per day

\* Teiho system to compile intelligence from employees.

#### Patents owned

Japan: **880**  
Overseas: **969**

\* Overseas, we count the total number of patents and not unique patents. If a patent is granted in four countries, it is counted four times.

#### Patent utilization rate in Japan

**63%**

#### Greenhouse gas emissions

(Scope 1 & 2, relative to FY 2019)

Down **18.7%**

From the President and Group CEO

## Reimagining our business to build the future



*Hiroyuki Konuma*

**Hiroyuki Konuma**  
President and Group CEO

- Strengthen our profit base and pursue new growth
- Create unique value through solving social issues
- Build a challenge-ready culture to keep the business growing

### **Redefining our business and organizational priorities**

Since I took on the role of Group CEO in 2023, I've constantly asked myself how we can keep SATO always essential in an ever-changing world. What should we hone and what must we change or not change? Believing that the answers can be found in our day-to-day operations, I made sure to listen to those on the front lines before making any executive decisions.

When I first took the helm and started understanding the broader vision for our group, it became clear to me that SATO has great potential for growth. But the company felt like someone who had lost their balance — eager to run again, but at risk of injury without first regaining stability and rebuilding strength.



## From the President and Group CEO

That was why the first phase of our FY 2024 to 2028 medium-term management plan focused on organizational agility. Over the past year, we have made structural changes to enable faster and more integrated decision-making. We also worked on improving our profitability model and talent development framework, actively pursued new business opportunities to drive future growth, and updated our materiality assessment to reflect the bigger role we aim to play in society. On the back of these changes, the company was able to achieve record-high sales and operating income for the second consecutive year in FY 2024.

This strong performance is about more than just the numbers; it reinforces our belief in what we are capable of and shows us that we are on the right track. But we're not stopping here. We have set our sights on our 2030 vision to pursue Perfect and Unique Tagging and realize a future where everything has its own ID and connects seamlessly. Now is the time for us to reflect on our purpose to create greater value for society and prepare for the next phase of growth.

## A fruitful first year for our medium-term plan, and what's next

In FY 2024, we made several changes to restore profitability under our medium-term plan. One pivotal change was the merger of our holding company and key sales company in Japan, which was completed in April 2025. While the holding

company structure has produced results, today's rapidly changing business environment demands faster decision-making and more efficient resource allocation. This was why we consolidated the two entities — the final step in our phased corporate restructuring — to build a stronger foundation for agile, high-speed growth. At the same time, we changed how we operate, by integrating product planning, R&D, production and sales promotion. This alignment will allow us to better monitor profitability and pursue overall optimization, to eliminate redundant investments, cut costs and channel resources into growth areas. It also addresses the corporate hierarchy inefficiencies I identified when I first took the leadership role.

Despite pressure from rising costs of raw materials, logistics and personnel, our Japan business achieved growth across almost all sectors in FY 2024 with significant profitability gains. This was largely because our sales teams worked to deliver strategic solutions aligned to customer needs. New incentive structures put in place have helped sales teams shift their mindset toward higher-margin solutions. And with our repricing strategy underway, the Japan business is transitioning to a more profit-driven structure. Outside of Japan, we are expanding our solutions business to seek sustainable and efficient growth under the medium-term plan.

We are actively supporting our group companies to replicate success cases across regions and training resellers through a new knowledge portal as more global customers turn to SATO for maintenance and servicing capabilities across their operations.



To ensure recurring revenue, we will continue to strengthen our manufacturing and sales of labels, tags and consumables that customers rely on. We will also enhance governance and cybersecurity to ensure the integrity of business management while making phased investments to improve our brand presence.

Thanks to changes made over the past year, we closed FY 2024 with record profits. While this is a notable achievement, the real significance is in how we have capitalized on those changes through meaningful action. It's encouraging to see the company reacting and moving more quickly but this is no time for complacency. As we enter the second year of our

## From the President and Group CEO

medium-term plan, we need to transition into growth mode to realize our 2030 vision while maintaining our solid profit foundation.

This is where we must put our resolve and capabilities to the test.

### Solving social issues through creating shared value and innovative tagging

If you ask me about SATO's future direction, I would explain it lies in creating broader value. Our updated materiality assessment is a good example. We have long known that our solutions help improve productivity at customer worksites. But when they are used to save labor at factories, perform



three-point verification\*<sup>1</sup> at hospitals or ensure food traceability, they contribute to society too. In our new materiality assessment, we made it clear that our technology and business address broader social challenges such as labor shortages, environmental pressures, counterfeiting and sustainability, in a direct and fundamental manner. We shall work with customers to not just answer their immediate pain points but also fulfill the responsibilities that society expects of businesses, in our very own interpretation of creating shared value (CSV)\*<sup>2</sup>.

One way we can create shared value is through Perfect and Unique Tagging (PUT), which is our concept of assigning unique identifiers to critical products, resources, equipment and even people to bridge the physical and digital worlds. We aim to make this innovative tagging a part of social infrastructure. By enabling full automation of data collection and identification, PUT can help ensure the rigorous requirements of safety, authenticity, transparency and traceability for pharmaceuticals, blood products, food and circular resources.

I am currently leading early-stage projects aimed at turning PUT into tangible business across areas such as blood supply chain, digital transformation in logistics, AI-driven solutions and the circular economy. These are some fields that must perform reliably for our world to function sustainably. In the case of blood shortages, for instance, accurate and safe management and distribution are more critical than ever. In logistics, productivity needs to rise to offset the shortage of drivers. As the risk of resource depletion intensifies, scaling the circular economy is an urgent priority.

So, what can SATO do? Since our founding, we've been helping customers and their worksites manage data for identification and validation. As such, we can offer not just products and technologies but also practical experience and expertise from our proven track record of success on site. We know we have the strengths to implement PUT, which can function as social infrastructure and take our business to the next level. And we also know which environmental and social issues we can contribute to solving in our own ways, after a recent process of self-reflection and dialogue to update our materiality assessment. The challenge is putting what we know into practice, and we are determined to make a difference, starting now.

\*1 Scanning of patient ID, nurse ID and medication label to ensure that the right medication is given to the right patient while recording who administered it.

\*2 A business concept about creating economic value in a way that also creates value for society.

### Empowering our people to take new challenges

To create shared value and pursue Perfect and Unique Tagging, we need to invest in our people. It's not technology or strategy that creates the future — it's people. A truly strong company can only be built by employees who proactively embrace challenges and push their limits.

SATO embraces the corporate motto of Ceaseless Creativity. More than just a slogan, it embodies a selfless service to society, a value deeply ingrained in our employees. Our people embody

## From the President and Group CEO

this by immersing themselves in customers' operations to understand their needs and working tenaciously to deliver meaningful solutions. To pursue Perfect and Unique Tagging, I believe we must empower our frontline teams to take the initiative — thinking independently, speaking authentically and acting without waiting to be told. Fostering such self-reliant and self-determining talent is a key pillar of our corporate culture, which we will continue to reinforce.

We recognize that leadership qualities vary from person to person and management practices vary throughout our group — factors that can pose risks to sustainable business growth. To address this, we are strengthening our leadership pipeline in phases by shortlisting high-potential employees for training, improving succession planning and more. We also need to improve on how we engage with employees, specifically to motivate more employees to step into management roles.

At SATO, we place great importance on aligning our mindsets and actions around a shared set of values — our Mission, Vision and Credo. Every year, we hold the Credo Awards World Cup to recognize employees who demonstrate our values in daily work, showcasing their exemplary actions across our global organization. We will work on creating more opportunities like this to encourage and inspire employees to bring our values to life.

Through the "Our Way to Our 100th Anniversary" project, we invite young employees who are passionate about SATO's future to contribute fresh ideas and explore new possibilities as we look ahead to our centennial. This project shows how we seek to rejoice in change in today's business environment and

represents a forward-looking mindset which I hope to foster groupwide. To build a stronger SATO, it is essential that we recognize and support those who take on new challenges, by providing the motivation, opportunities and encouragement they need to forge ahead without fear of failure. We shall continue making efforts to create a workplace where curiosity thrives, learning is shared, and everyone is empowered to reach their full potential.

### Driving purposeful changes with an eye on our future

I love cars, especially classic ones. While preserving the nostalgic feel, I enjoy upgrading them with modern technology for comfort and safety to make them better than before. For me, it's not just about maintaining them but adding value to keep them relevant.

I take the same approach when it comes to business. I see it as my responsibility to build on SATO's 85 years of history to turn it into a better company for future generations of leaders.

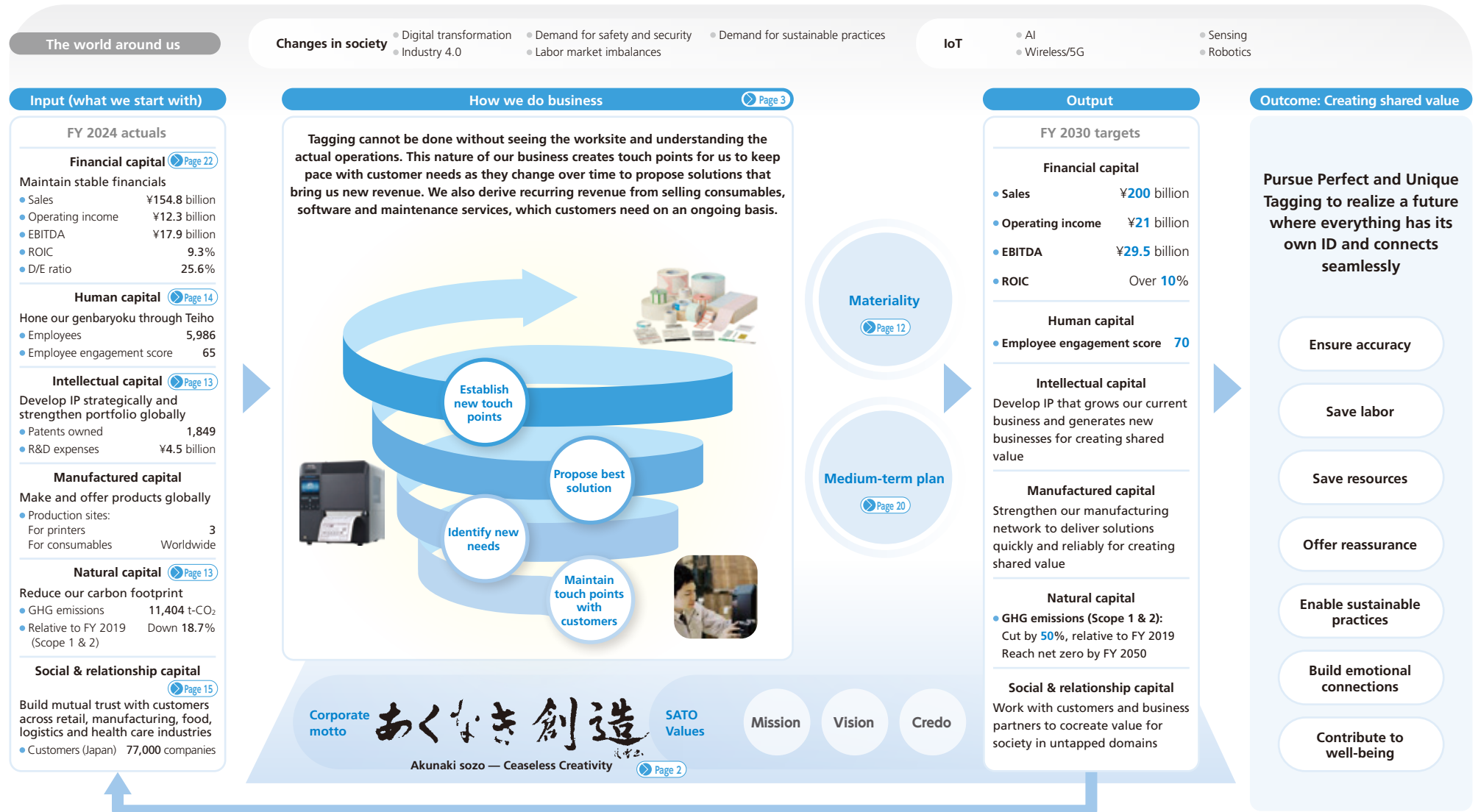
With that in mind, we must not shy away from change but dare to question the very basics of what we do every day. As we pursue Perfect and Unique Tagging to tackle social issues at their roots, we are also committed to creating shared value that drives sustainable growth. We will continue to empower employees to lead change and innovation with our "powered on site" culture and hold ourselves to high standards to pave our path into the future.



SATO is a company that has quietly played a vital role in the fabric of daily life. Precisely because our contributions go unnoticed, we must not grow self-satisfied in our efforts to deliver true value. I believe deeply in SATO's potential. And it is my hope to build upon and pass on to the next generation this trusted presence — one that is steadfastly essential to society.

## SATO's value creation

We offer solutions that tag, feed and make use of data to solve pain points for customers and society through DCS & Labeling.  
We will build on this business model to pursue Perfect and Unique Tagging and further expand our value cycle.





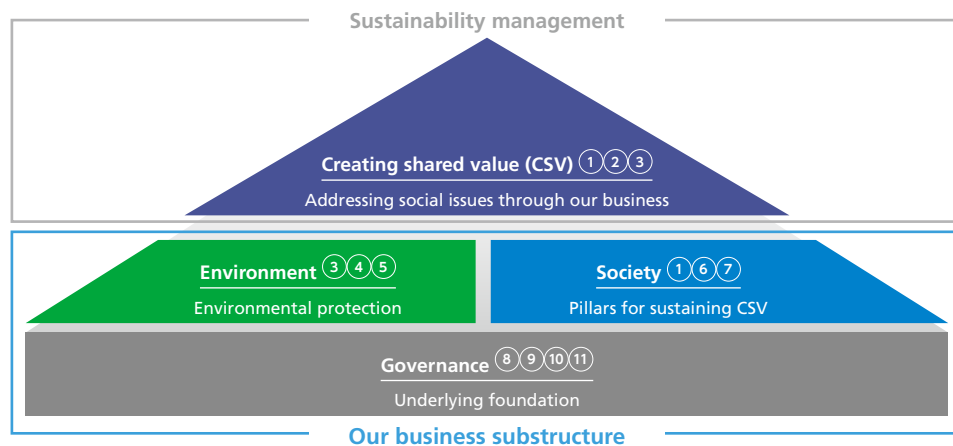
# Materiality

## Our approach to materiality

Guided by our corporate mission to contribute toward a better and more sustainable world, we have consistently integrated sustainability into our business management. In 2019, we identified our material topics and established the Sustainability Promotion Committee, which reports directly to the Executive Officers Meeting and drives our sustainability initiatives forward.

As the global business environment rapidly transforms, corporations are expected to take greater responsibility for social and environmental issues while also seeking technological advancements.

To reflect these changes in our business strategy and make clear our future direction, we have updated our materiality assessment as follows.



### Material topics

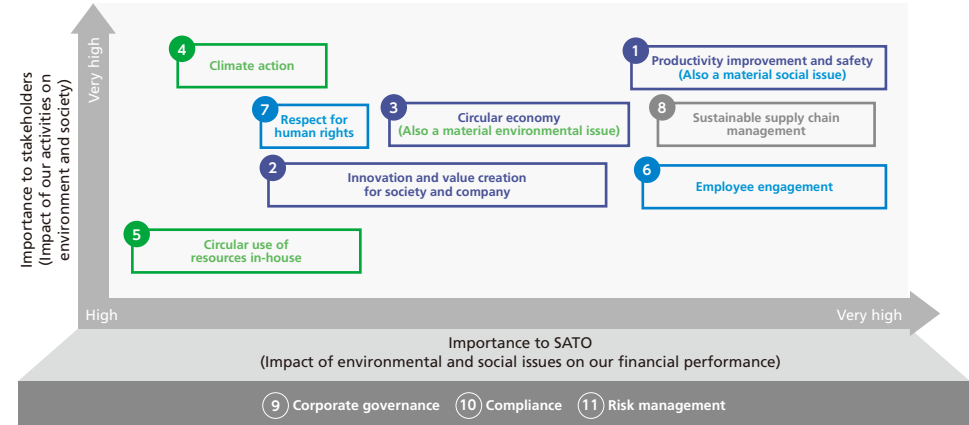
- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| ① Productivity improvement and safety<br>(Also a material social issue) | ④ Climate action                     | ⑧ Sustainable supply chain management |
| ② Innovation and value creation for society and company                 | ⑤ Circular use of resources in-house | ⑨ Corporate governance                |
| ③ Circular economy<br>(Also a material environmental issue)             | ⑥ Employee engagement                | ⑩ Compliance                          |
|   | ⑦ Respect for human rights           | ⑪ Risk management                     |

Our top leaders will pursue sustainability management as set out in our medium-term management plan, with these newly defined material topics guiding the way.

In this updated materiality assessment, we have positioned governance as the foundation for us to address human rights and other social issues while enhancing our employee engagement and community contributions as a responsible corporate citizen. We will drive innovation and business transformation, further strengthening our auto-ID technology to support sustainable growth and create new, shared value.

[WEB](#) See our [materiality assessment](#) web page for details.

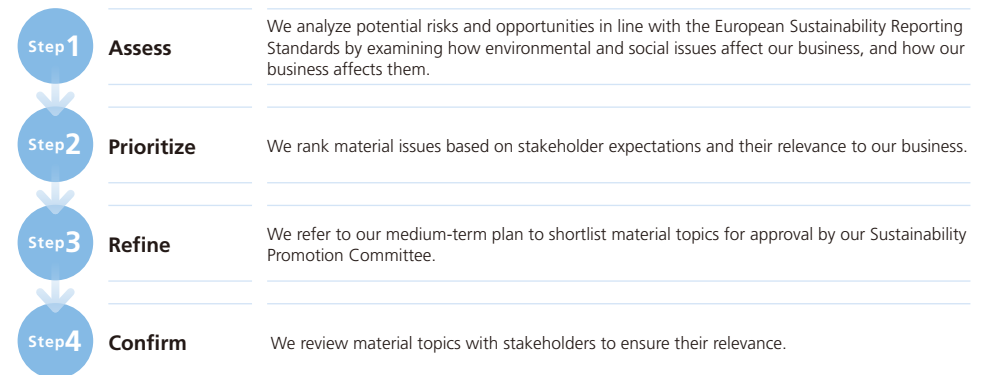
## Materiality matrix



## Assessment process

To assess our materiality, internal board members and executive officers come together to discuss and study how evolving environmental and social issues, including climate change and human rights, may impact our business activities from both risk and opportunity perspectives.

Through this process, we identify material topics and have our Sustainability Promotion Committee check their progress against the key performance indicators (KPIs) and targets set by our executive officers who oversee materiality. We will periodically reassess our material topics in keeping with new business and social trends.



## Materiality

## Intellectual and natural capital

## ● Intellectual property management

SATO provides products and services that address customers' operational needs, and the intellectual property (IP) we produce in the process serves as a vital business resource that sustains our competitiveness. In our materiality assessment, we have committed to creating shared value through our core business to address societal challenges. We aspire to create value for both society and the company by driving innovation, and fostering company-wide collaboration under our medium-term plan to produce IP that not only grows our current business but also supports our future. To explore new technologies and untapped markets, we are increasingly using IP landscapes to guide our strategies and strengthen our global portfolio. We also gather and analyze business intelligence in the IP context to support informed decision-making when selecting new partners for innovative tagging. By protecting and maximizing the value we deliver for society through IP, we aim to create a better and more sustainable world while driving growth to enhance our long-term corporate value.

▶WEB See our [IP policy & strategy](#) web page for details.

## ● Environmental protection

We recognize environmental protection as a priority common to humankind, and strive to realize a sustainable world through our business activities.

While we work to expand the use of renewable energy and conserve resources through product take-back and recycling, we also strengthen and review our environmental management systems to ensure their effectiveness and sustain high environmental performance.

In response to society's growing expectations of companies, we revised our environmental policy in September 2024 to better guide employee actions toward mitigating the environmental impact of our business activities.

## ● Climate action

Reducing greenhouse gas emissions that cause global warming is essential to contributing to a sustainable world.

Our targets are to halve groupwide Scope 1 and 2 emissions from FY 2019 levels by FY 2030 and reach net zero by FY 2050. The base year has been set as FY 2019 (previously FY 2016 for Scope 1 and 2 emissions and FY 2021 for Scope 3 emissions) because it is the earliest year with complete and verifiable data that reflects the company's typical emission profile.

## Our progress in reducing emissions

(Metric tons of CO<sub>2</sub> equivalent)

Area	Key indicators	FY 2019 results (Base year)	FY 2022 results	FY 2023 results	FY 2024 results	FY 2030 targets
Groupwide	Scope 1 & 2 emissions	14,019	10,592	14,061	11,404	7,010
	Relative to FY 2019	—	Down 24.4%	Up 0.3%	Down 18.7%	Cut by 50%
Japan	Scope 3 emissions	317,836	321,951	324,463	329,219	222,485
	Relative to FY 2019	—	Up 1.3%	Up 2.1%	Up 3.6%	Cut by 30%

Scope 1 covers direct emissions from company-owned sources (e.g., emissions associated with fuel combustion or industrial processes).

Scope 2 covers indirect emissions from the consumption of purchased energy including electricity, heat and steam.

Scope 3 refers to emissions indirectly linked to the company through its value chain; it includes all sources not within Scope 1 or 2.

All data excludes our two primary labels companies in Russia.

## ● FY 2024 recap

In FY 2024, we reduced groupwide Scope 1 and 2 emissions by about 19 percent year on year as we pushed for more renewable energy at our key printer factories overseas and business sites in Japan. Our Scope 2 emissions are lower also because our Japan factory resumed using carbon-free electricity. The factory had been relying on conventional energy sources in FY 2023 due to the closure of its renewable power provider.

## TOPIC

## SATO transitions hardware factories to 100 percent renewable energy

From October 2024, we transitioned our Vietnam factory to renewable energy via International Renewable Energy Certificates (I-RECs) to reduce our carbon footprint. As one of our main plants for producing printers and hand labelers, the Vietnam factory uses approximately 1,228 MWh\* of electricity annually, which will now be fully sourced from renewable energy.

In March 2025, we launched the same initiative at our printer factory in Malaysia, which consumes approximately 2,096 MWh\* of electricity annually.

Through these efforts, we expect to run our key hardware factories entirely on renewable energy, reducing carbon emissions by about 2,143 tons per year.

\* Based on actual electricity consumption data for FY 2023.

▶WEB See our [greenhouse gas emissions](#) web page for details.

## Materiality

## Human capital

## ● Human capital management

At SATO, employees are one of our greatest assets and the source that sustains the value we provide through our business model. We have recently redefined our materiality assessment to include respect for human rights and employee engagement. By working on these material social topics, we hope to build a workplace where we match diverse employees to their roles and empower them to grow and thrive under strong HR governance. Supporting this vision is our HR Development Committee\*<sup>1</sup> which meets every month and engages in understanding the HR situation across the company to review and make decisions on how we manage human capital, for example, in terms of training key personnel who can execute strategies and keep our business running. Within the committee, there are subcommittees — such as a diversity subcommittee — for our executive officers to initiate and take ownership of specific activities. Diversity activities in FY 2024 included: the SATO Women's Forum; surveys, discussions and seminars involving non-Japanese employees; and initiatives for empowering women and people with disabilities. Activity photos are also posted on our in-house portal and social networking site to increase employee awareness.

## ● Employee engagement surveys

In the past, we conducted separate employee surveys in Japan and other countries due to language differences. However, since FY 2023, we have standardized the survey questions across all regions. As many as 93 percent of our group employees answered the latest survey that was conducted in August 2024. After each annual survey, we share the results with the respective departments and group companies for them to plan and execute actions to increase engagement locally. Our HR Headquarters and HR Development Committee monitor their progress to help them identify any problems in a timely manner and modify their plans for continuous improvement. For FY 2024, our employee engagement score\*<sup>2</sup> groupwide was 65 percent. We aim to increase this score to 70 percent by FY 2030 and have added it as a new KPI for executive remuneration starting this fiscal year.

## ● Actions for elevating employee engagement

In FY 2025, we set up a new employee engagement subcommittee in place of the diversity subcommittee. Through this subcommittee, we work to solve issues identified from the engagement survey by running activities related to workstyle and HR innovations, diversity, equity and inclusion, and career development. We are also building on existing momentum to improve how we train key personnel and facilitate talent mobility both in and outside Japan. Since October 2015 when we first declared our commitment to wellness management, we have been encouraging branches and departments to lead their own employee well-being programs, conducting health and work performance questionnaires, and driving lifestyle disease prevention. We also organized online wellness events for all group employees and introduced smoking bans and alcohol moderation programs at our Japan

offices. These efforts have won us the Certified Health & Productivity Management Outstanding Organization recognition (Japan) for nine consecutive years since 2017.



SATO Women's Forum

## What makes SATO unique

- Employees think about how they can better the company and submit their ideas or suggestions daily to their direct managers and top management in the form of Teiho and Make-a-Ripple Teiho reports. Top contributors are rewarded with points and awards.
- We hold the Credo Awards World Cup every year to recognize outstanding employees who demonstrate our values in daily work.
- We present invention awards to encourage intellectual property protection and inspire employees to come up with creative ideas and innovations that address real customer challenges.

## ● Respect for human rights

As part of our due diligence, we started working with external experts in FY 2024 to evaluate our human rights practices against a longlist\*<sup>3</sup> of 26 risk topics. Following which, we updated our human rights policy and created a due diligence action plan and questionnaire for sharing with our Sustainability Promotion Committee. We will make efforts to carry out human rights due diligence in sync with the other materiality domains identified in our new materiality assessment.

To ensure continuity in human rights training, we plan to use the learning management system E.D.G.E (Engage. Develop. Grow. Evolve) we launched in FY 2021 to expand our course offerings on human rights and create understanding across employees globally.

At SATO, we are serious about helping employees maintain physical and mental health and ensuring work safety. We hold regular Safety & Health Committee meetings consisting of representatives from different departments to check workplace safety and take preventive measures against work-related incidents.

▶ [WEB](#) See our [social sustainability](#) web page for details.

\*1 Established in August 2022 and placed under our board's Nomination & Remuneration Advisory Committee.

\*2 Calculated based on responses to survey questions that cover five areas tied to workplace sentiment.

\*3 Used for risk evaluation in alignment with international standards/guidelines and case studies from other companies.

## Creating shared value

## Solutions for an ever-changing world

As the world constantly changes, businesses today face many complex challenges that they cannot solve alone. They need to collaborate and make use of the data they collect across supply chains and industries.

Blood management is one example. Collection sites, blood centers and hospitals must work together to log and manage the data and status of each blood bag accurately and efficiently from

donation to transfusion. In the case of circulating resources, recyclers must ensure a stable supply of recycled materials at consistent quality to their customers, which is only possible when they track the product take-back, sorting and recycling stages in reverse logistics.

SATO's tagging solutions provide businesses with the traceability data they need to address their challenges in an ever-changing world.

## External environment

- Climate change
- Resource depletion
- Trends for responsible production and consumption
- Declining population and labor force
- Green legislations
- Heightening geopolitical risks

## Customer needs

- Ensure stable sourcing of raw materials
- Transition to circular economy
- Make product origins and production processes transparent
- Automate operations to save labor
- Enable traceability for disclosure compliance
- Manage complex supply chains with visibility

## SATO

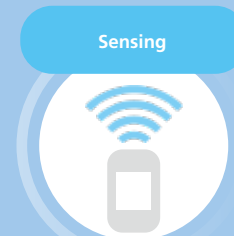
## Innovate tagging to expand our value proposition



Image recognition

Stand-alone printing  
\*1Cloud-based aPaaS  
(application platform-as-a-service)  
\*2

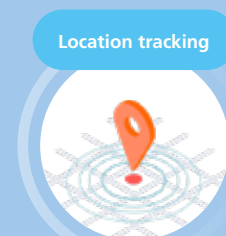
## Incorporate new technologies



Sensing



Voice biometric authentication



Location tracking

\*1 An onboard intelligence that builds applications to customize printer operations so that it can interact with systems and databases to process data without PC interface.

\*2 SATO AEP CLOUD is a registered trademark in Europe.

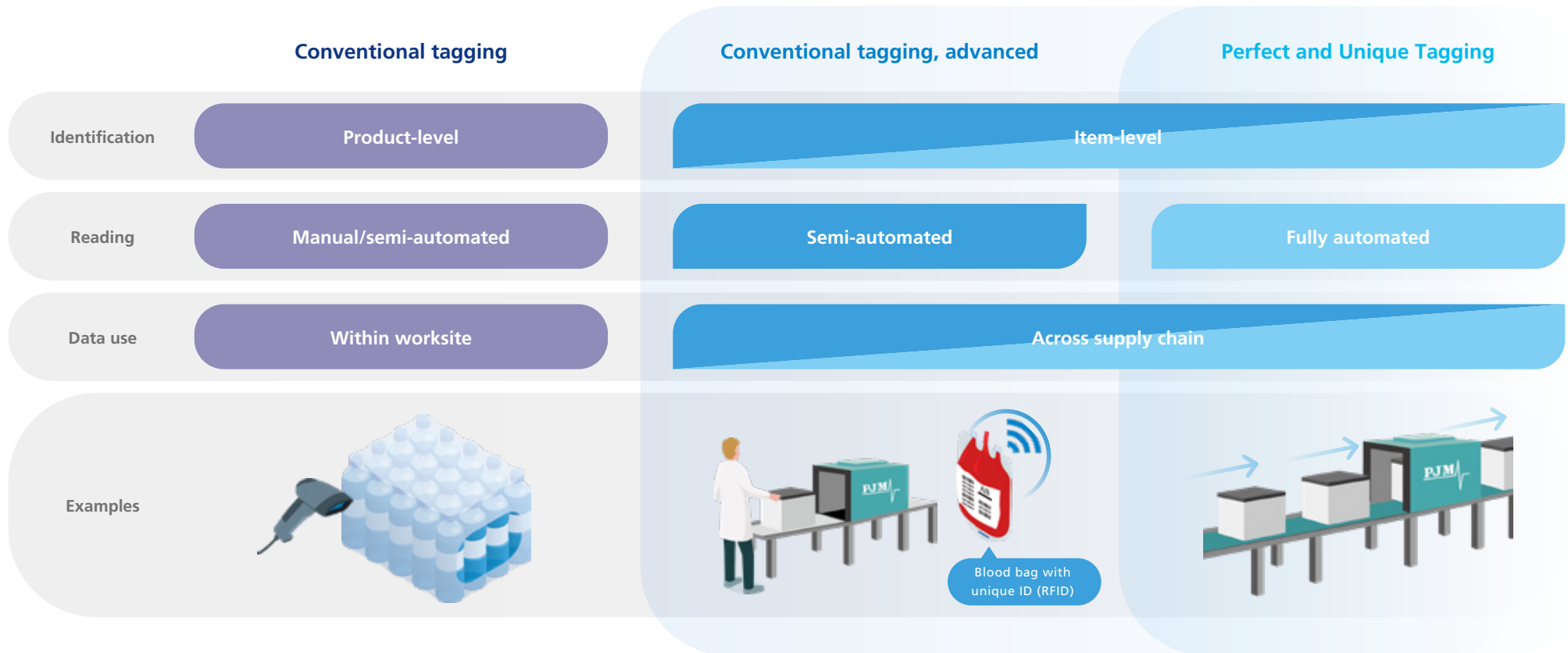


## Creating shared value

## Innovating tagging

Conventional tagging enables product identification at the batch level. The ID requires manual scanning that may be semi-automated at best. Perfect and Unique Tagging, on the other hand, is about giving individual items a unique ID to track conditions like temperature or location over entire supply chains spanning industries and countries. It is also about reading this item-level information automatically and accurately without scanning. For blood management, for example, each bag needs its own unique ID containing information about the donor and other data like

how it was processed or stored. Perfect and Unique Tagging seeks to automate logging and management of this data from vein to vein without human intervention for greater efficiency and patient safety. While we have started proofs of concept for health care customers, we will continue to innovate and lower the cost of the technology to expand its use in other areas such as digital transformation in logistics and the circular economy.



## Creating shared value

## Traceability: Perfect and Unique Tagging

After collection, blood is processed at blood centers into various products and distributed to hospitals and other medical facilities for patient use.

Effective management of these products requires accurate recording of donor information and related data to ensure patient safety. At the same time, the process must be simple and efficient to help mitigate staffing shortages in hospitals.

SATO addresses these needs with advanced tagging solutions that allow precise and efficient tracking across the blood supply chain, enhancing patient safety and quality of care.

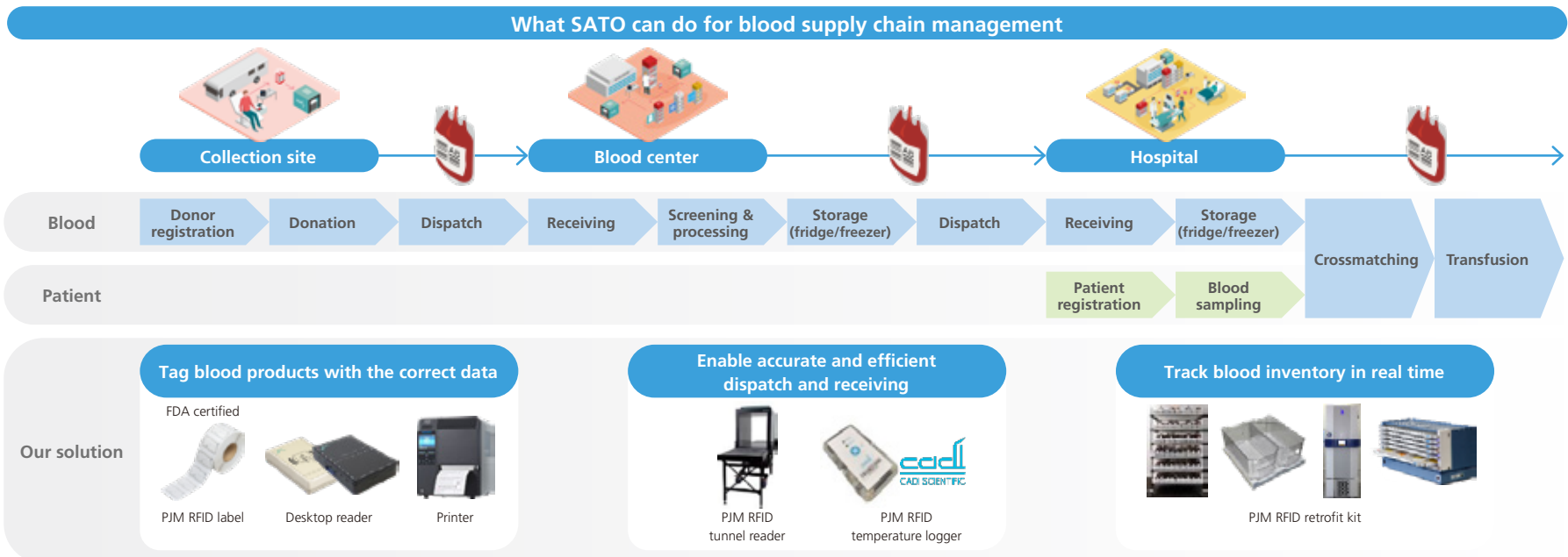
To meet growing demand, we have significantly increased our business development efforts. In 2024, the number of sales leads grew to seven times that of the previous year and we are actively working to convert them steadily into successful business.

Phase Jitter  
Modulation

SATO-unique RFID  
technology

## Key benefits

- Fast and accurate scanning
- Can scan stacked items
- Reliable reads in the presence of liquids and metals, unlike other RFID



## From the customer

With PJM, we can track and manage pathology specimens on top of blood products, to achieve higher efficiency. — **Hospital X**

After we dispatch blood products to hospitals or other demand points, we can use PJM to track them remotely and in real time for simpler inventory management. — **Blood center Y**

PJM is easy to use because it can be retrofitted into existing storage appliances/furniture and integrated with different services. — **Blood center Z**

## From the front lines

PJM is a technology that can offer performance and accuracy unmatched by other RFID technologies when handling items containing liquids. We will work to promote PJM through key congresses and partner with software developers to increase visibility and understanding of our technology in society.

**Marina Scrobogna**

Blood Market Development, SATO Europe GmbH



## Creating shared value

## Traceability: Circular economy and other new ways of business

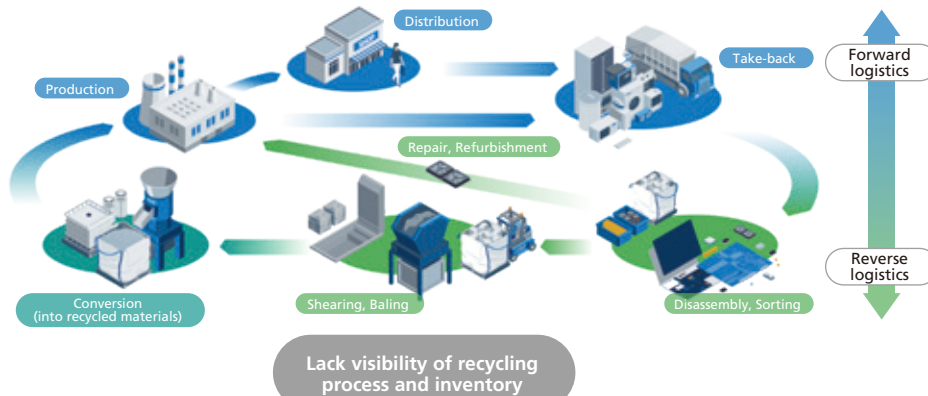
Realizing a circular economy is an immediate concern for societies. This is why SATO has been working on solutions that capture and use data in reverse logistics to enable the circular flow of resources. Leveraging our tagging expertise built over the years, we launched a Trace Eye

traceability system for tracking waste collection and reuse in 2025 and will work to generate new sales opportunities through exhibitions and promotional activities. We aim to grow our business sustainably as we continue to deliver more value to benefit society.

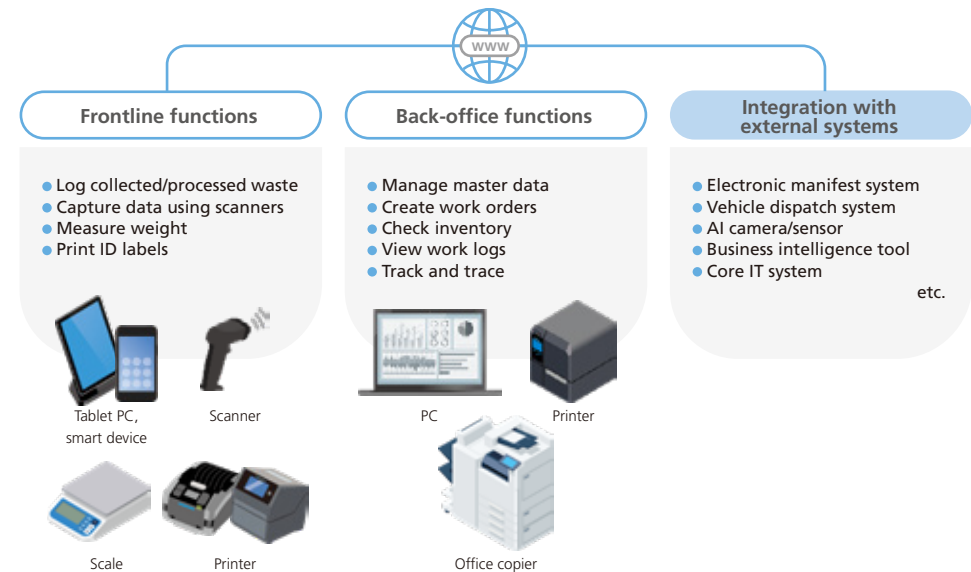
## Circular economy: Current pain points

Receive unstable supply of recycled materials

Collect waste at inconsistent quality



## Circular economy: Our solution



## From the customer

To enable the circular use of resources, waste must be converted into recycled materials at consistent quality. Using SATO's traceability solution, industrial waste recyclers can digitally track and manage what type of waste is received from where and in what quantity, together with how it is processed. We can also share traceability data with customers to whom we supply our recycled materials.

This data will help us drive the circular economy more effectively.

**Sumiyuki Nakadai**

President, Nakadai Holdings Co., Ltd.



## From the front lines

Our new traceability system for tracking waste collection and reuse fills information gaps in the recycling process to better support circulating resources.

We hope to expand the use of the solution by promoting it to not only recycling companies or manufacturers that are keen to manage their entire value chain from production to recycling but also companies that are adopting digital product passports to reflect the environmental footprint of their products.

**Yusuke Shiotani**

New Markets Strategy, SATO Corporation



## Creating shared value

**What we pursue**

SATO aims to enhance the quality of data acquired through tagging to better meet the needs of our customers and society.

Our solutions integrate products such as printers, labels, scanners, software, RFID and sensors to help customers optimize their operations. In addition to accuracy, labor- and resource-savings, safety and reassurance, and sustainability, we also aim to deliver diverse value of emotional connections and even well-being.

Leveraging our core competency of genbaryoku, we will continue creating such solutions that give things and people at customer sites their own IDs. We will also pursue Perfect and Unique Tagging, going beyond individual worksites to enable tracking across the entire supply chain. Perfect and Unique Tagging will allow us to reach into reverse logistics and other new areas for us to realize a future where everything has its own ID and connects seamlessly.

### Pursue Perfect and Unique Tagging to realize a future where everything has its own ID and connects seamlessly



#### Outcome: Creating shared value

Ensure accuracy

Save labor

Save resources

Offer reassurance

Enable sustainable  
practicesBuild emotional  
connectionsContribute to  
well-being



## Medium-term management plan

### Paving the way to our 2030 vision

We have set in our current medium-term management plan (MTMP) a vision for us to pursue Perfect and Unique Tagging to realize a future where everything has its own ID and connects seamlessly. This involves advancing the tagging technology and know-how we have accumulated over the years from solving customer pain points on site.

Under the MTMP — with its first two years designated to rebuild profitability and the following years set to restart growth investments — we are now working to streamline our organization, optimize resource allocation and develop new businesses in phases with a focus on three themes.

#### ● Strengthen our core business

We seek sustainable and efficient growth overseas while getting the Japan business to profit at a higher level. This will improve the profitability and competitiveness of our core business in auto-ID solutions.

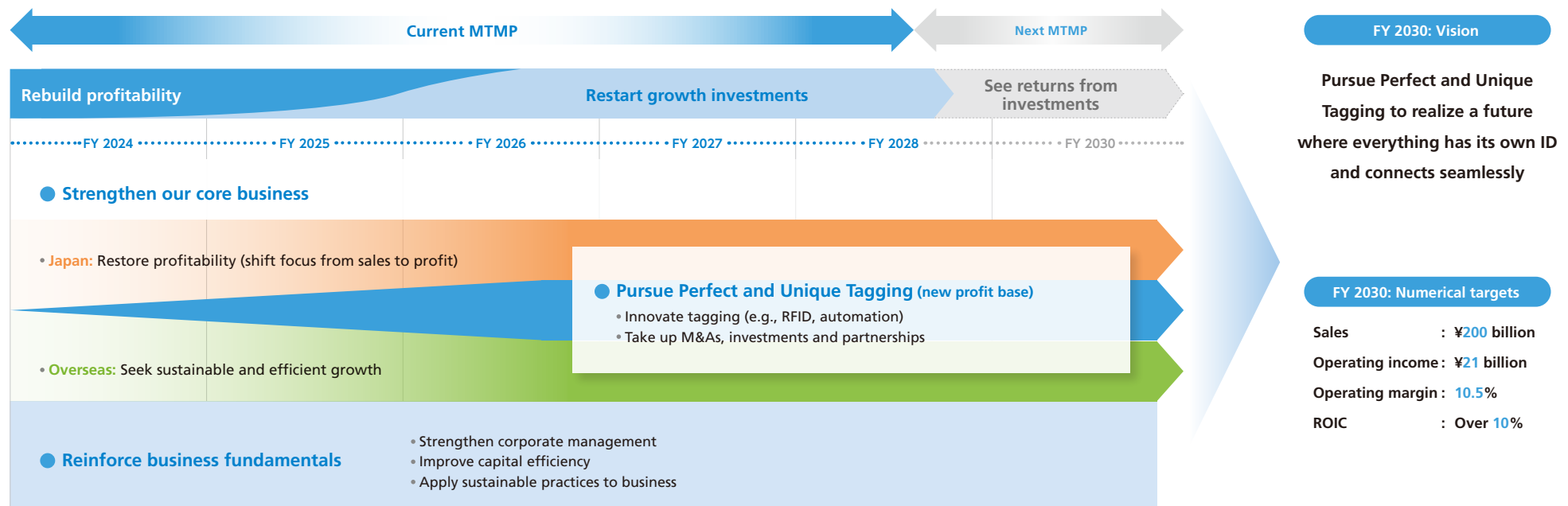
#### ● Pursue Perfect and Unique Tagging

We concentrate our resources on high-growth, high-margin areas such as RFID and automation. Besides strengthening sales capabilities, refining pricing strategies and expanding production capacity to make us more competitive, we will also consider partnerships and strategic M&As to open up new possibilities and acquire technologies for future growth.

#### ● Reinforce business fundamentals

We focus on strengthening corporate management, improving capital efficiency and applying sustainable business practices to reinforce our fundamentals.

We will use the MTMP as a stepping stone to bring us closer to achieving our vision and numerical targets for FY 2030 as indicated below.



## Medium-term management plan

### FY 2024 recap

In the first year of our MTMP, we merged our holding company and key sales company in Japan to simplify decision-making and establish clear accountability, laying the foundation for overall optimization.

Financially, we delivered strong results, achieving record highs for the second consecutive year. Sales increased by 7.9 percent to 154.8 billion yen and operating income by 18.9 percent to 12.3 billion yen, compared with the previous year.

As more businesses make productivity investments to address labor shortages and meet traceability requirements, we captured this demand and expanded solutions sales both in and outside Japan. This was evident in RFID sales, especially for source tagging, which involves tagging products at the point of manufacture to enable tracking across the supply chain.

Outside of Japan, we made progress with investing in ERP and MES systems to boost consumables revenue, training resellers through a new knowledge portal, developing new global key accounts and launching a next-generation cloud platform for labeling applications and connectivity.

In Japan, we grew sales by delivering strategic solutions that were aligned to robust customer needs in manufacturing logistics, source tagging and more. We also planned product repricing and expanded printer

exports to group companies, which helped raise our operating margin from 2.3 to 4.9 percent. And with new incentive structures in place, sales teams are shifting their mindset toward higher-margin solutions. These are meaningful achievements that will underpin our future investments and structural changes for sustainable growth.

### Our next steps for FY 2025 and beyond

Starting FY 2025, we enter a new phase to further transform our profitability model and create new value toward our 2030 vision. With profitability improving faster than anticipated, we aim to restart our growth investments ahead of plan.

#### ● Strengthen our core business

In terms of seeking sustainable and efficient growth overseas, we will make capital investments to expand the manufacturing and sales of consumables, which not only brings us recurring revenue but also fosters long-term relationships with our customers. To create solutions tailored to local needs and roll them out globally to other customers with similar needs at a greater speed, we will work on placing talent in key markets and introducing a global incentive scheme that compensates sales teams more fairly for cross-border deals. In terms of making the Japan business profitable at a higher level, we will prioritize high-margin markets and high value-added solutions like RFID and print and apply systems, while optimizing our printer lineup to strengthen our profit base.

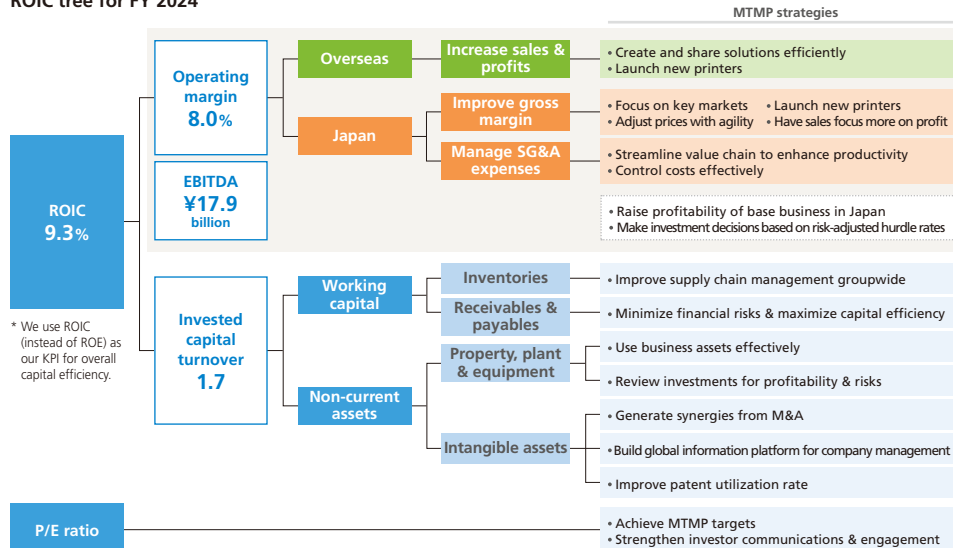
#### ● Pursue Perfect and Unique Tagging

We plan to sell more RFID and automation solutions and develop new businesses in line with changing social and industry needs. Our Group CEO is currently leading early-stage projects for Perfect and Unique Tagging across areas such as blood supply chain, digital transformation in logistics and the circular economy. By testing and establishing use cases, we can improve the feasibility and scalability of the technology to expand it to more markets and applications. A project to enable circular use of resources is particularly gaining momentum as we explore partnership opportunities and pursue commercialization.

#### ● Reinforce business fundamentals

To sustain growth, we continue to build resilience by enhancing governance, IT and talent development for advancing our global business management. We will improve our managerial accounting, investment planning, and procurement and purchasing activities for better and quicker decision-making through company-wide projects. We will also invest in human capital and other strategic areas based on our new materiality assessment to improve ROIC and lay a solid foundation that supports both our financial and non-financial performance.

### ROIC tree for FY 2024



## From the CFO



**Osamu Masuko**

Vice President and CFO

- Closed FY 2024 with record sales and profits
- Maintain our basic policy on capital and financial strategies
- Step up growth investments to raise ROIC to over 10 percent by FY 2030

With efforts to optimize our capital strategies and reinforce our business fundamentals, we were able to achieve record-high sales and operating income for the second consecutive year in FY 2024. This marks a good start to our latest medium-term management plan which began in the same year.

### Understanding our business situation

As new US tariffs kick in and growth slumps in China, the global economy is slowing down and uncertainty is increasing. Multinationals like SATO continue to battle headwinds from

escalating geopolitical tensions and other risks and must make business decisions with agility while considering a range of future possibilities.

### SATO's capital and financial strategies

We must improve capital efficiency and continuously generate cash flow with financial discipline. We will focus on KPIs such as ROIC (return on invested capital) and EBITDA (earnings before interest, taxes, depreciation and amortization) under our basic policy to:

- 1 Pursue an optimal capital structure;
- 2 Deliver stable and progressive dividend payouts by increasing corporate value on a medium- to long-term basis;
- 3 Conduct flexible share repurchases using surplus cash.

In terms of improving capital efficiency, we will work to make use of group financing on a global basis. We will seek diverse financing sources, considering options like liquidating our receivables or direct financing from the capital market. Although we will increase leverage with debt financing, our real aim is to use the increased leverage to make effective growth investments and reduce our cost of capital.

As for dividends, we will decide our dividend rate based on medium- to long-term earnings and cash flows. We will maintain or

increase dividends per share, which is our standard practice since the company's public listing, and our future promise to shareholders as expressed in the dividend policy we updated last year.

Lastly, share buybacks are one of our options to return capital to shareholders. When buying back our own shares, we make it a point to cancel them promptly.

We estimate our current WACC (weighted average cost of capital) value to be 7 percent and are using this benchmark as a hurdle rate for future investments while adjusting for different currencies.

### Building on the first year of our medium-term plan

Our ROIC and EBITDA margin for FY 2024 increased year on year by 0.8 percentage points and 15.7 percent, respectively, to reach 9.3 percent and 17.9 billion yen. With such a robust showing, we are hoping to restart growth investments earlier than planned.

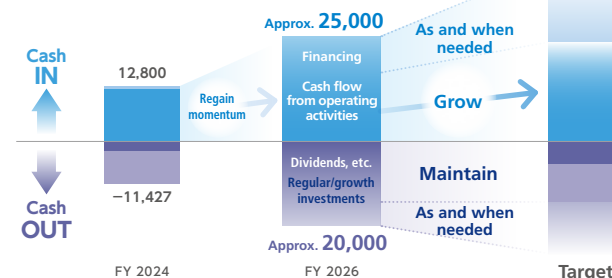
In FY 2025, we will continue to grow our EBITDA margin but expect our ROIC to go flat as growth investments take place. Through a new project, we will also look at our procurement and purchasing activities to explore how we can use our operating expenses more productively and with stronger governance.

### To our stakeholders

SATO and our auto-ID technologies have an increasingly important role to play in solving shared challenges in society. And by pursuing Perfect and Unique Tagging as envisioned in our medium-term plan, we can contribute to a better and more sustainable world in far more ways than ever before. Through our offerings and in combination with those of our business partners, we will strive to scale greater heights. Thank you for your continued support.

### Capital allocation based on our medium-term plan (for realizing growth investments and higher ROIC)

As of May 15, 2025  
(Millions of JPY)



## From business leaders



### Strengthening our fundamentals with overall optimization

#### Yoshinori Sasahara

Executive Vice President

- **Make organizational changes to speed value creation**
- **Focus on four areas to ensure sustainable growth**

Since the merger of our holding company and key sales company in Japan in April 2025, we have been reviewing and optimizing our organizational structure and resource allocation to enable faster decision-making and put us in a stronger position to create value globally.

As more businesses invest in digital transformation to address labor shortages and raise productivity, we sold more solutions in FY 2024, which not only drove up our RFID and

software sales but also honed our skills in proposing and delivering what customers really need. Underpinning our solutions capabilities is our comprehensive portfolio, including printers, consumables, software and maintenance services. By serving customers as a one-stop solutions provider, we have a competitive advantage that leads multinational customers to choose us for their global needs. After making structural improvements and taking the necessary actions to start our medium-term management plan last year, we will move on to tackle the following priority areas in FY 2025.

#### 1 Strengthen governance

Build a stronger system to govern our expanding global business, guide how we cocreate value with external partners and manage diverse risks.

#### 2 Drive digital transformation

Enhance cybersecurity to keep our IT infrastructure stable and protect our digital assets, while transforming work processes to enable more advanced use of data.

#### 3 Speed up our RFID business

Maximize synergies across R&D, production and sales to grow our RFID business and pursue Perfect and Unique Tagging.

#### 4 Integrate various quality control processes and resources

Apply CSR and ESG perspectives to further improve product and service quality, safety and customer satisfaction.

We will continue working steadily toward our vision of being the customer's most trusted partner for mutual growth, and always essential in an ever-changing world.



### Going glocal to create value starting where customers are

#### Hayato Shindo

Vice President and Group Operating Officer

- **Adapt our sales strategies to local markets with passion and creativity**
- **Manage global key accounts and invest strategically to speed business growth**

As Group Operating Officer, I work closely with different business divisions to formulate and execute sales strategies in line with our medium-term management plan. In doing so, I make sure we take the glocal approach to think globally and act locally.

By acting locally, our sales teams can adjust to local norms and address specific needs. We can, therefore, meet rising demand for automation and RFID in the Americas

where labor shortages are acute. In Europe, we can offer solutions that are eco-friendly or collect product life-cycle data, which many customers now seek in view of new environmental regulations. We can customize our offerings in Asia for Japanese and local customers, who tend to have different priorities when it comes to quality versus cost and practicality. SATO has a strong customer base across industries in Japan because it is where we established our DCS & Labeling business model and where we continue to hone our solutions. But as our business grows globally, we need to work on transferring expertise and porting success cases not just from Japan to other regions but the other way round as well.

Our ability to adapt flexibly to local needs is exactly what makes SATO strong as a global company. We go to customer worksites to find the best solutions through trial and error and deploy them across other worksites or regions where customers face the same pain points. This is the big, global picture we want to consider in our sales and business activities going forward. If we can shift our mindsets and change how we work accordingly, I believe we can make SATO stronger at a whole new level. Another thing that sets SATO apart from competitors is how our Japanese headquarters office and international subsidiaries and teams work as one to consistently meet the expectations of key customer accounts that operate globally. We will continue to leverage external partnerships while integrating our sales, R&D, production and service functions to deliver even better products and solutions.

To achieve this, we must first invest in governance, talent recruitment and development, IT and other areas that underpin our core operations. We will carefully consider where to play and how to win so that we make profitable and strategic investments to best benefit the entire company.



## From the chair of the board



**Hideo Yamada**

External Director

- **SATO's strengths: An open-minded company with huge growth potential**
- **Conduct more in-depth reviews when preparing for board meeting agendas**
- **Improve quality of board discussions and strengthen overseas governance**

### Settling into my role as board chair

I work with different companies as their external director and started chairing SATO's board of directors in 2021. As a first-time chair, I remember how I would prepare for board meetings but still feel nervous every time. I've been learning and I think I now deliver my responsibilities more smoothly after four years in my role.

### Going beyond traditional norms

Compared with other companies that are listed on the Tokyo Stock Exchange's Prime market, SATO has always been quick to try new

things with corporate governance, for example, by appointing an external director to chair its board. It also welcomed its first female director and brought on enough external directors to constitute at least half of its board way before many other Prime-listed companies. These governance practices reflect the company's roots and forward-looking spirit. Back in 1976 when SATO introduced Teiho to let employees submit short, regular reports directly to the management, it was considered a radical system at the time. Today, Teiho not only provides a transparent framework for employees to participate in the running and governing of the company but also encourages information sharing and reporting to contribute toward compliance.

### How the board can support further business growth

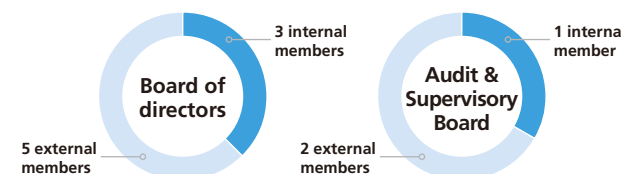
As I often say, SATO has a lot of potential to grow. It offers "powered on site" solutions through a unique business model and cultivates a transparent culture with systems like Teiho. But as chair, there are times when I feel that the board receives agendas that haven't been reviewed thoroughly. If the company can refine agendas internally and share this process with the directors, it will make it easier for us to ask critical questions and seek clear answers, thus helping the board function more effectively as the control tower in providing strategic direction and oversight. At SATO, the board connects its internal and external members seamlessly, engaging them in free and candid discussions. But there is still room for improvement, for example, in terms of how it governs the company's expansive global operations.

A truly well-governed company runs board meetings efficiently, wasting no time in discussing what needs to be discussed and using them to make concise decisions. I will bear this in mind as I continue working with the board to strengthen corporate governance like we have been doing over the years to guide SATO's future business developments.

### Board of directors

As of June 30, 2025, we have eight directors, complying with our Articles of Incorporation, which limit the number of directors to no more than 12. Out of these eight, two are concurrently serving as executive officers, one as internal non-executive director, and the remaining five as external directors. External directors make up the majority of our board and help ensure proper oversight of the management team with their independent perspectives.

The board of directors meets once a month in principle; it convened 13 times in FY 2024. At board meetings, matters stipulated by law and the Articles of Incorporation as well as important company matters governed by board regulations are brought up for discussion and review in a planned and comprehensive manner.



### Evaluation of the board's effectiveness

The company conducts annual surveys to analyze and evaluate the effectiveness of our board of directors, verifying that corporate governance is enabling sustainable creation of increased corporate value.

In our latest survey, directors and Audit & Supervisory Board members generally found the board to have functioned effectively during FY 2024 and recent months, with adequate efforts being made to better its performance from the previous year.

There are, however, areas for improvement, which we will work to address.

See our [corporate governance](#) web page for details.

## Advisory and supervisory functions and their key responsibilities

### ● Nomination & Remuneration Advisory Committee

Our Nomination & Remuneration Advisory Committee (formerly established as two separate committees in April 2021) is chaired by an external director to ensure independence, objectivity, transparency and accountability on nomination and remuneration of board members and executives. The committee handles topics such as succession planning, diversity for employees in key roles, remuneration structure/standards and evaluation metrics, and makes recommendations to the board of directors. It also manages an HR Development Committee, which reviews and makes decisions on how we manage human capital — for example, in terms of training talent for key roles — with a focus on respect for human rights and improving employee engagement, in line with the social topics we have identified in our new materiality assessment.

Through selecting suitable candidates to lead business strategies and establishing fair remuneration practices, the committee will help us boost employee engagement and diversity in key personnel to realize sustainable growth and increase corporate value on a medium- to long-term basis.

### ● Committee meetings in FY 2024

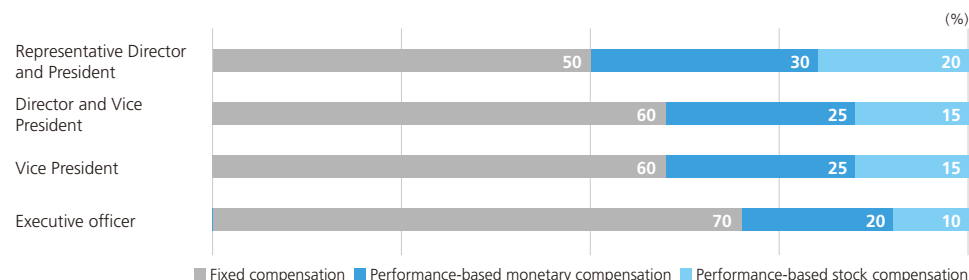
The Nomination & Remuneration Advisory Committees comprising four external directors, one non-executive internal director and one executive internal director met eight times in FY 2024, discussing a wide range of topics and providing reports to the board of directors.

In the FY 2024 evaluation survey, directors and Audit & Supervisory Board members found the committee to have functioned adequately in serving its purpose. Moving forward, the committee will work to further discussions on various topics such as improving succession planning and designing competitive pay packages that correspond with the individual's responsibilities.

Date	Agenda/discussion topic
2024	
May 15	Confirmation of executive assessments for FY 2023 for the purpose of deciding performance-based remuneration
Jul 9	Setting KPIs for FY 2024
Aug 8	Assessing performance of executive officers using employee engagement score
Sep 10	Linking employee engagement score with executive remuneration
Oct 8	Measures for increasing diversity in key personnel
Dec 10	Appointing executive officers for FY 2025
2025	
Feb 12	Reviewing remuneration standards for FY 2025 and new KPI (i.e., employee engagement score) for performance-based stock compensation
Mar 11	Setting pay grades and executive remuneration for FY 2025 and finalizing new KPI

### ● Executive compensation

Remuneration for directors consists of basic compensation (fixed monetary sum), performance-based monetary compensation and performance-based stock compensation. The weighting is balanced, taking into consideration the overall remuneration and position, with those in higher positions receiving a larger ratio of performance-based compensation. This does not apply to non-executive directors, who shall only receive fixed compensation and non-performance stock compensation, and Audit & Supervisory Board members, who shall only receive fixed compensation.



### ● Succession planning

Besides proposing appointment/dismissal of individual director candidates and deciding on appointment policies, standards and processes, the board's advisory committee also assists with succession planning. Specifically, it helps to identify possible successors to the Group CEO and executive officers, assess the qualifications, competencies and skills of internal candidates (both in and outside Japan), provide executive coaching and shortlist high-potential employees for training, all to strengthen our leadership pipeline.

### ● Audit & Supervisory Board

The company has an Audit & Supervisory Board comprising one full-time and two external members as of June 30, 2025.

Audit & Supervisory Board members attend board of directors meetings to check major business decisions and the effectiveness of internal controls, expressing their opinions when necessary. Members not only regularly receive explanations on audit plans and auditor's reports from the company's audit firm but also check the firm's work for appropriateness and legal compliance to assess its performance.

The full-time member attends the Executive Officers Meeting and other important in-house meetings, where he audits/supervises different decision-making processes and resolutions reached, expressing his opinions when necessary.

## Management team and competencies

[WEB](#) See our [management team](#) web page for details.

### Board of directors

### Audit & Supervisory Board

#### External members

#### External members

										
<b>Hiroyuki Konuma</b> Representative Director President and Group CEO	<b>Yoshinori Sasahara</b> Executive Vice President	<b>Tatsuo Narumi</b>	<b>Ryoji Itoh</b>	<b>Hideo Yamada</b> Chair of the Board	<b>Sadayoshi Fujishige</b> Chair of Nomination & Remuneration Advisory Committee	<b>Yoshiko Nonogaki</b>	<b>Hiroshi Nagumo</b>	<b>Kiyohiko Yoshii</b>	<b>Noriko Yao</b>	<b>Naoki Kubo</b>

#### Knowledge and experience to lead business and management appropriately

Business/organizational management	○	○	○	○	○	○	○	○		
Technology development, innovation and digital transformation	○	○		○	○		○			
Global business	○			○	○	○	○	○	○	

#### Knowledge and experience to establish and maintain an appropriate management foundation

Finance and accounting				○				○		○
Governance, risk management and compliance	○			○	○	○	○	○	○	○
Human resource, labor relations and talent development			○		○	○	○		○	

#### Diversity to ensure sustainability

<b>Expertise and experience</b>	Domestic and overseas business (management/sales/health care)	Domestic business (sales/production)	Human resource and labor relations, corporate planning	Business consulting, academic, IT	Legal, risk management	Management (of listed companies)	Management (global), marketing, diversity	Management (global), health care	Overseas business, finance and accounting	Corporate legal (global)	Finance and accounting, auditing
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## Corporate data (As of March 31, 2025)

### Overview

#### Profile

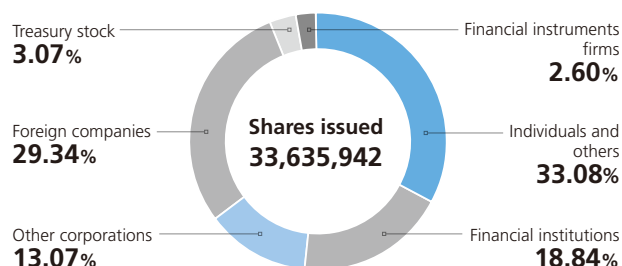
Name	SATO Corporation
Location	Tamachi Station Tower N, 3-1-1 Shibaura, Minato-ku, Tokyo 108-0023, Japan
Established	1940
Incorporated	1951
Representative director	Hiroyuki Konuma, President and Group CEO
Paid-in capital	¥8.4 billion
Employees	5,986
Consolidated net sales	¥154.8 billion

### Stock information

#### General information

Shares authorized	80,000,000
Shares issued	33,635,942
Shareholders	9,479
Stock listing	The Prime market, Tokyo Stock Exchange
Securities code	6287
Fiscal year	April 1 to March 31
General meeting of shareholders	June
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation

#### Composition of shareholders



#### Major shareholders

Name	Shares owned	% to shares outstanding
The Master Trust Bank of Japan, Ltd. (trust account)	4,100,100	12.58
Sato Yo International Scholarship Foundation	3,786,200	11.61
SATO Employees' Stockholding	1,880,354	5.77
Custody Bank of Japan, Ltd. (trust account)	1,598,300	4.90
The Bank of New York 133612	1,515,600	4.65
Shizue Sato	897,470	2.75
Mieko Yokoi	854,345	2.62
Mari Iwabuchi	794,570	2.44
The Bank of New York Mellon 140044	720,807	2.21
JPMorgan Chase Bank 385839	643,629	1.97

#### Notes

- Names of major shareholders are reflected in the same manner as they appear in the shareholder register, except for Sato Yo International Scholarship Foundation whose ownership data is aggregated.
- The Master Trust Bank of Japan has 141,575 shares (as of March 31, 2025) held in a separate BIP trust account. They are intended as executive compensation and not included in treasury stock.

### Engagement with shareholders and investor analysts

#### Meetings held

	FY20	FY21	FY22	FY23	FY24
Financial results briefings	4	4	4	4	4
Briefings on medium-term plan and key topics	3	3	3	5	4
One-on-ones	260	164	147	205	203
Briefings for retail investors	2	2	1	2	—*

\* Conducted in April, after the closing of the fiscal year.

#### Handling of investor concerns

SATO posts investor-specific FAQs online after every quarterly earnings release.

[WEB](#) See our [financial reports](#) web page for details.

#### Reporting feedback

Comments from shareholders/investors are reported and shared internally to improve our business operations and IR activities.

Investor feedback review	Frequency
Board of directors	Twice per year
Management meetings	Twice per year
Group CEO and senior executives	Regularly

### JIRA IR Award rankings

FY20	FY21	FY22	FY23	FY24
#51-60	#31-40	#81-90	#41-50	#31-40

SATO received the IR Special Award from Japan Investor Relations Association (JIRA) in 2021.

[WEB](#) See our [press release](#) for details.



SATO Corporation  
[www.sato-global.com](http://www.sato-global.com)