Powered On Site

Integrated Report 2025

SATO Corporation

Securities code: 6287.T

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About the Integrated Report 2025

Introduction
- 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 value-creation story
- 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.

Anticipating the future
- 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.

Turning our strengths into strategies
- 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.

Governance
- 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

Akunaki sozo — Ceaseless Creativity

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.

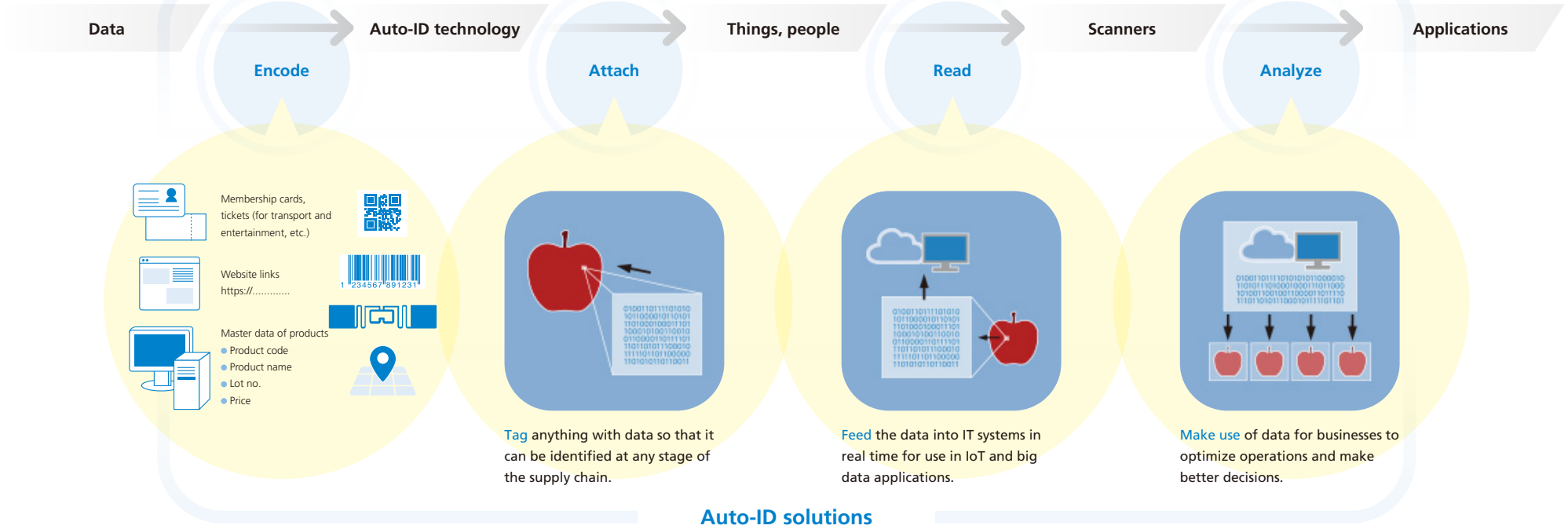
What sets SATO apart from the competition is our ability to tag everything that moves through the supply chain from start to finish, digitizing a wide range of data with high precision. To tag something, we consider the shape and material of the item, choose the right tags or labels and determine the 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

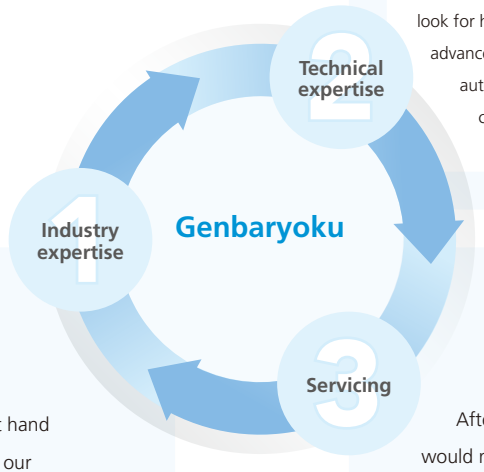


Our core competency

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.



1 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

2 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

3 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.

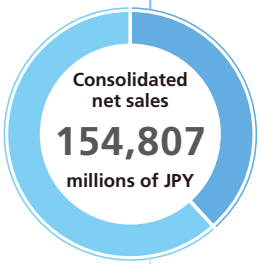
From the front lines

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)



Mechatronics
38.4%

Consumables
61.6%

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.

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.

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.

SATO App Storage®

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.

SOS SATO Online Services®

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.

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)

Retail
Smart Living with SATO Solutions
Industries: Supermarkets, convenience stores, drugstores, apparel stores and e-commerce
21.8%

Manufacturing
Connected Flexible with SATO Solutions
Industries: Automotive, chemical, iron/steel, machinery, electrical equipment and electronic parts
30.5%

Food
Right Food, Right Way with SATO Solutions
Industries: Food & beverage manufacturers, food service operators, farms and fisheries
10.7%

Logistics
Agile Logistics with SATO Solutions
Industries: Warehousing, transportation, wholesale distribution, 3PL and postal services
16.6%

Health care
Patient Happiness with SATO Solutions
Industries: Hospitals/clinics, pharmaceutical, medical devices/supplies, clinical laboratories, pharmacies and blood centers
11.4%

Public
Industries: Government offices, utilities, education and public transit
1.3%

* 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

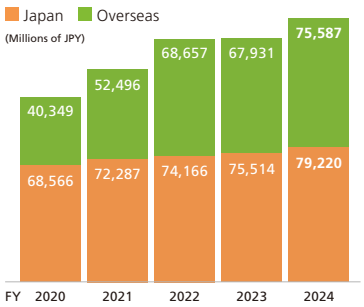
9.3%

CAGR for RFID business
(FY 2022–2024)

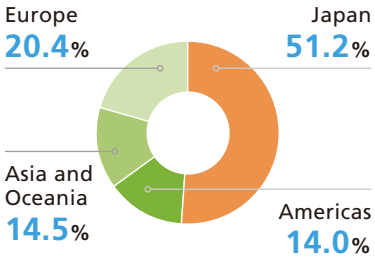
+29%

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%**