

Fundamentals of our value creation



We are always creative in the value we provide customers, and this consistency owes to our firm business fundamentals, which consist of our actions in-house in the areas of talent development, workstyle innovation and diversity/inclusion, as well as outside the company in achieving corporate respect for human rights and seeking stakeholder engagement, harmony with society and better supply chain management. As we continue to pursue higher corporate value, we made some new efforts for talent development both in and outside Japan to adapt to changing needs amid the COVID-19 situation.

Basic concept

The future we envision for the company brims with talent who practice our competitive advantage of genbaryoku and our corporate values that underlie it, to continuously create customer value that adds to our sustainable growth.

As the environment that surrounds our business changes rapidly, we must reset our legacy approaches and success models to acquire new knowledge and methodologies, which is only possible with a workforce where each and every employee is self-supportive and self-determining: thinking and acting autonomously to initiate changes on his or her own. We also provide employees training to develop strengths, as well as opportunities to demonstrate them at work, which would help build practical problem-solving skills.

Practical problem-solving came to use during the pandemic, when we found ourselves unable to display our core competency of visiting customer sites to understand

their pain points and offer the right solution as we had always done. Employees were quick to put what they had learned to work and not let the restriction stop them. They turned to information technologies to improve our customer engagement and outreach, going through trial and error to develop new ways of selling that would compensate for less direct contact with customers. Practical experience provides opportunities for employees to grow professionally, which is why we will continue integrating it into our employee training.

SATO also encourages the smallest of changes and improvements, initiated by our very own Teiho system (see Page 26) we started 45 years ago. We will speed efforts at building a workforce with diverse qualities and traits to bring different perspectives and values together to drive innovation and make it our corporate culture.

Recap of FY 2020

Japan

1. Conducted employee engagement survey

For an organization to grow sustainably, it needs its people to be self-supportive, self-determining and highly motivated. We recognize that employee engagement — the extent to which employees trust or feel committed to the company and put discretionary effort into their work — has a proven influence on the company's performance, which is why we started a survey in FY 2020 to measure it among our workforce. We obtained an overall engagement rating, which can be further segmented into scores for each engagement driver and sorted across different variables (such as employee age, department or job level) to help us identify our strengths and areas of improvement. We followed up by sharing the survey results internally and appointing engagement leaders at key departments (mainly those in charge of HR) to work on the low-scoring drivers. We will conduct this survey twice a year to keep monitoring and initiating improvements to raise employee engagement on a sustainable basis.

2. Established SATO Campus

We established SATO Campus to spur talent growth and entrench our corporate values in the workforce to strengthen human capital in line with our medium-term management plan. Through this new function, we will take a comprehensive approach to HR development, to offer not just training but also programs for job transfer or assignment and channels for fostering connections between employees and their workplace and between workplaces.



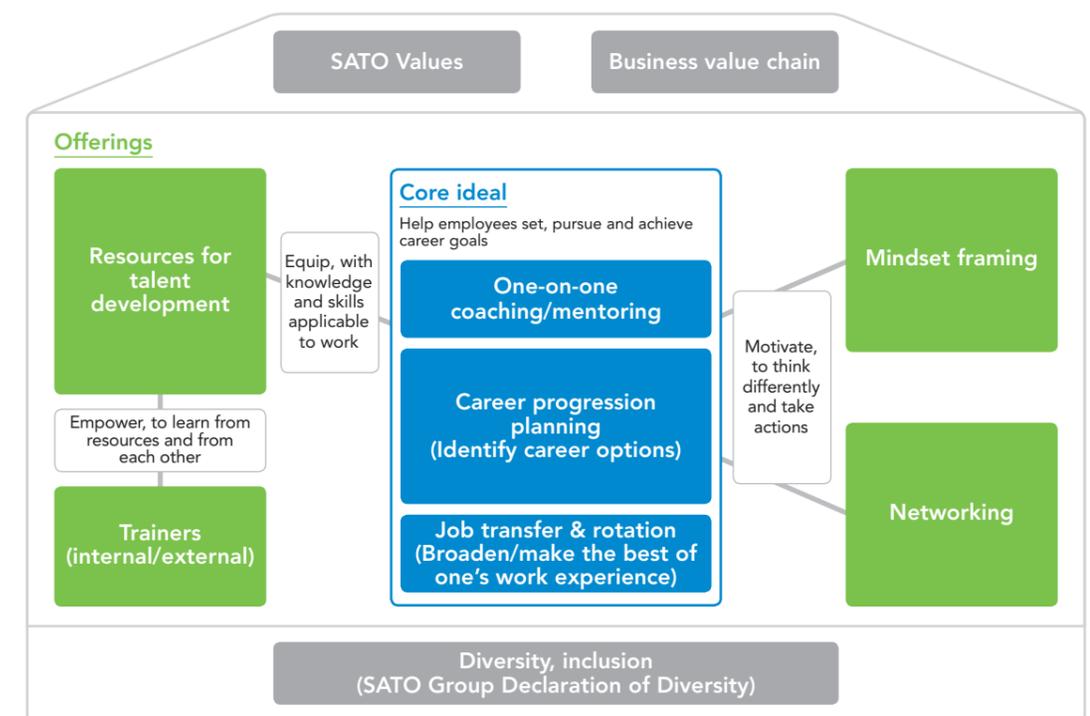
Website set up in July 2021, providing an overview of SATO Campus, training courses/schedules and other related information all in one place.

Mission of SATO Campus

- Train needed talent
- Develop understanding of corporate values
- Provide opportunities to demonstrate strengths

SATO Campus incorporates various programs that place central focus on realizing the career goals of our employees. These programs aim to foster self-supportive and self-determining employees while providing them a deeper understanding of our corporate values and business value chain. We try to create opportunities for employees to apply the knowledge and skills they learned so as to take new challenges and bring out their best in work. The Campus also helps us cultivate a corporate culture that embraces change and respects diversity.

Overview of SATO Campus



Worldwide

Our Global HR Department positions employee training and development as one of its core strategies for nurturing talent. Business leaders in SATO Group companies around the world have been benefiting from leadership trainings and other HQ-driven programs that started in 2018. More recently, we initiated a new project to build a SaaS-based learning portal using AI technology to automatically customize online courses for employees according to their job role, skill level or learning progress. Through this project, we aim to transform how our group employees access training to improve their competencies in a more effective and efficient manner. We believe such efforts would help us retain outstanding talent and further attract new ones while laying down our foundation as a company that invests in its people.

Environmental responsibility



Global warming and ecological degradation cause climate change and biodiversity loss, posing serious threats to social stability. We consider environmental protection that helps curb climate change and maintain biodiversity indispensable to sustaining our business activities, and will double such efforts under our environmental policy and goals.

Our environmental policy

The SATO Group recognizes environmental protection as a priority common to humankind, and strives to improve the environment and prevent pollution for a sustainable world by conserving resources and energy, lessening waste, and reducing odor/noise pollution. We seek to provide greener products and services, and commit to contributing to the local community and protecting biodiversity.

Greenhouse gas emissions

Reducing carbon dioxide emissions is essential to tackling global warming and making our society sustainable. We understand that we are responsible for the environment, and work to monitor the carbon footprint of our business activities and promote tangible initiatives to stop global warming.

Referring to Japan's greenhouse gas emission reduction targets announced by the government in April 2021, we have set bolder medium- to long-term targets with the aim to halve groupwide carbon dioxide emissions from FY 2013 levels by FY 2030.

SATO's targets and progress for carbon dioxide emission reduction (Japan)

Area of contribution	Key indicators	FY 2019 results	FY 2020 results	FY 2021 targets	FY 2030 targets
Reduce Scope 1 & Scope 2 CO ₂ emissions	CO ₂ emissions (t-CO ₂)	5,275	4,585	3,951	2,738
	Relative to FY 2013	Down 3.7%	Down 16.3%	Cut by 27.8%	Cut by 50%

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.

We saw a significant year-on-year drop in carbon dioxide emissions from business activities in FY 2020, mainly attributable to a decrease in Scope 1 energy usage following our move to teleworking during the COVID-19 pandemic. As we also put solar panels into operation

and contracted a renewable power provider for Kitakami Operations (our main manufacturing facility in Japan) in September and October 2020 respectively, we were able to cut carbon dioxide emissions by about 762 metric tons at the plant alone in FY 2020.

In order to achieve our FY 2030 goal, we will begin installing energy-efficient LED lighting across logistics centers we operate in Japan, look into transitioning electricity-intensive facilities to renewable energy sources and gradually switch our gasoline-powered vehicles to eco-friendly cars.



Solar panels at Kitakami

Harmony with nature

One of our core businesses is consumables, which uses wood pulp to produce its main product line of labels. This is why we work to protect nature on a global scale in order to preserve biodiversity and restore the environment.

In March 2014, SATO started participating in the Forest of Companies project that the Tokyo Development Foundation for Agriculture, Forestry and Fisheries promotes as part of its Pollenless Forestation* campaign. While we usually work with the foundation to maintain the pockets of forestland we sponsor, we also conduct events for employees to take part physically, but had to suspend them in FY 2020 due to the pandemic. In the future, we will continue to enhance environmental awareness in our employees by proactively carrying out business activities that help conserve the environment and volunteering in such forestation programs.



* A campaign to replace cedar and cypress plantations to a new variety of these trees that releases less pollen (1/100 of the existing variety). It aims to reduce airborne pollen that causes allergic reactions, while regenerating forests, stabilizing wood supply and revitalizing forestry.

TOPIC Optimizing production and logistics processes in our consumables business

In Japan, we are taking actions to optimize our in-house value chain as one of our key strategies for improving profitability.

In order to deliver the best products and services for each region, market and industry in a timely manner, we have been trying to realize high-mix, low-volume consumables production at shorter lead time, especially for our genuine SATO branded labels, noting that our competitive advantage ultimately depends on how productive our production and logistics processes are. As addressing productivity bottlenecks and losses in business activities also contributes to environmental conservation, we make it one of our value-creation practices and focus efforts on it accordingly.



Our actions currently involve laying the necessary groundwork and standardizing product lineup based on order, production and shipping data that we have collected in-house and demand forecasts that we have developed with the insights of our market strategy divisions. In FY 2020, we made progress in analyzing and automating production processes for large-scale orders, installing ultraviolet LEDs and improving printing technologies at label factories, which helped us raise productivity, save energy and reduce inventory losses. In terms of logistics, we started using third-party distribution warehouses in Nagoya and Fukuoka to complement our own logistics centers located in eastern and western Japan. With these warehouses, our 44 domestic production and distribution sites become better connected to customers around the country, leading to shorter lead times and less carbon dioxide emissions.

Corporate governance

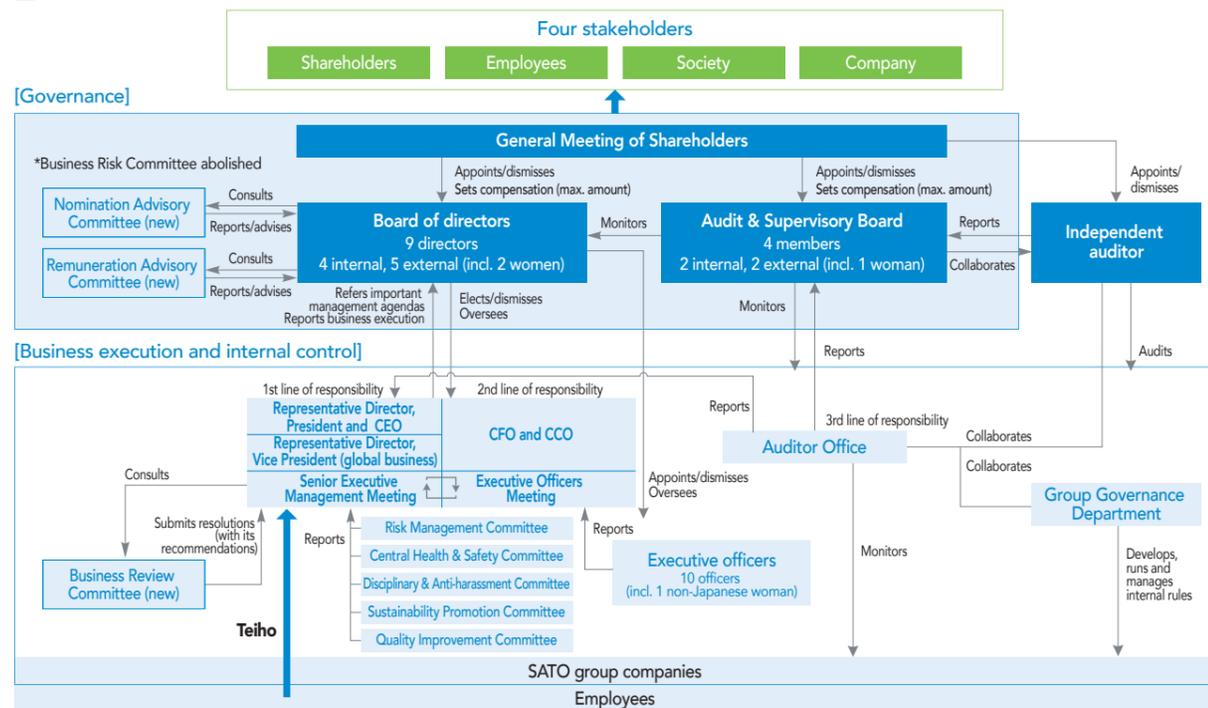
1. Basic concept

We aim to realize sustainable growth and higher corporate value on a medium- to long-term basis under our vision of being “the customer’s most trusted partner for mutual growth, and always essential in an ever-changing world.” We believe that building and continuously strengthening our corporate governance system to support these aims is critical to ensuring the soundness, transparency and efficiency of our

management. Besides enhancing audit and control functions through our Audit & Supervisory Board, we also appoint independent external directors of diverse backgrounds to constitute the majority of our board of directors for strong and transparent management oversight, in our efforts to lay the necessary groundwork for effective governance to protect shareholders and other stakeholders.

2. SATO’s corporate governance

1 Framework (As of June 30, 2021)



Key changes in FY 2021

- External director added**
 - Made external directors the board's majority once again, as we understand their importance in providing management oversight and seek to maintain their presence.
- External directors to exercise stronger oversight**
 - Appointed external director as board chair.
 - Established Nomination and Remuneration Advisory Committees for the board, with external directors chairing and forming the majority on each committee to ensure that related matters are decided appropriately via transparent processes.
- Board to focus on overseeing the decision-making of critical business matters and the delivery of duties by each director/member of senior management**
- Senior Executive Management Meeting and Executive Officers Meeting respectively tasked with making and executing business decisions (separation of powers)**
 - Give the said meetings a bigger role in managerial decision-making, delegating more authority to the executive team.
- Senior Executive Management Meeting to raise decision-making quality on important management matters**
 - Established a new Business Review Committee under the said meeting to provide broad assessment of risks and other concerns to facilitate deliberations.
- Executive Officers Meeting to be responsible for bringing action plans to optimal outcomes**
 - Executive officers would draw up and speedily execute action plans, and evaluate and adjust the plans for continuous improvement, in line with strategies decided at the Senior Executive Management Meeting.

2 Board of directors

Our management consists of a board system with an Audit & Supervisory Board to enable stronger audit and control. We also have in place the executive officer system that assigns the company's operational execution function to executive officers, clearly separating their responsibilities from the managerial decision-making and oversight functions of board directors.

As of June 30, 2021, we have nine directors on our board, complying with the Articles of Incorporation, which limits the number of directors to no more than 12. Out of these nine directors, three are concurrently serving as executive officers, one as non-executive internal director, and the remaining five as external directors. External directors, who make up majority of the board, help ensure proper oversight of the executive management team with their independent perspectives. The board of directors meets once a month in principle; it convened 13 times in total for FY 2020. Starting FY 2018, pre-working sessions have been held before each board meeting to explain important meeting agenda points and industry-specific sales measures to ensure external directors can take part in various discussions and deepen understanding of the company's operations. This aims to aid in their duties and make board meetings more effective.

Board of directors		Audit & Supervisory Board	
	Non-executive directors	Executive directors	Members
Independent/external	Chair	—	Independent/external
Internal	(incl. 2 representative directors)	(incl. 2 representative directors)	Internal/full-time

For the board to oversee the decision-making of critical business matters and the delivery of duties by each director/member of senior management, matters stipulated by laws/regulations and the Articles of Incorporation, and important matters concerning business strategies and management plans, are clearly specified as matters for discussion in the board for which board regulations apply.

In January 2020, we changed how the board is chaired, switching from rotating chairmanship to electing a non-executive internal director who is familiar with internal issues. Our aim was to have the board chair set relevant and timely meeting agendas and drive collaboration between company executives and external directors to help the board function more competently and responsibly in making major business decisions and providing management oversight. More recently in April 2021, we started having an external director chair the board to further enhance the board's oversight function for stronger governance.

To adhere to revisions made to Japan's Corporate Governance Code (CGC) in FY 2021, our board must now focus more on conducting deliberation of important business matters and exercising oversight. This is why we now delegate more decision-making authority to the executive team, letting our Senior Executive Management Meeting (chaired by a non-executive internal director) and Executive Officers Meeting make and execute business decisions respectively, to ensure we enforce strong risk management even as we accelerate business. Also, we have established a new Business Review Committee under the Senior Executive Management Meeting, in place of the Business Risk Committee which used to advise and report directly to the board.

In line with the above changes, we have made additional disclosures about our governance practices in relation to selected CGC principles as follows.

[Principle 2-3 Sustainability issues, including social and environmental matters]

We believe that sustainability is inseparable from our core business in auto-ID solutions, making it our corporate mission to “contribute towards a better and more sustainable world.” We aim to drive sustainability, which we define as activities that concern CSR, meet ESG standards and support SDGs, by contributing to the society through our business. To that end, we have set forth our basic policy for sustainability in 2018, established a Sustainability Promotion Committee in October 2019, and started addressing important sustainability issues (materiality) which we identified by their impact to our group businesses. These issues include not only environmental topics but also topics concerning human capital management. In pursuing sustainability management, we discuss matters with external experts to seek their advice as necessary and check on our progress regularly at board of directors meetings.

[Principle 2-4 Ensuring diversity, including active participation of women]

In April 2021, the company established a Nomination Advisory Committee, appointing an external director to its chair. This committee discusses how we can ensure diversity as our top priority when it comes to appointing core managerial personnel. Following approval at the 71st Annual General Meeting of Shareholders held on June 18, 2021, we now have three women (including one new appointment) among our external directors and Audit & Supervisory Board members as well as one non-Japanese female executive officer. Making our management team more diverse is an area that we will continue looking into.

To us, ensuring diversity ultimately means we can tap into the different competencies of diverse human resources to lead activities for value creation and build a more vibrant and competitive company. This belief in the importance of diverse perspectives and values is the same in essence as our corporate motto of Ceaseless Creativity.

It is also what underpins Teiho, our very own system introduced in 1976 for employees to write short daily reports (within a set word count) about their ideas or suggestions to better the company and submit them directly to top management. We will work to entrench activities that allow employees to initiate improvements and innovations on a daily basis through Teiho.

[Supplementary Principle 4.3.4 Establishment of risk management system and utilization of internal audit department]

Starting fiscal 2021, we established a new Business Review Committee under the Senior Executive Management Meeting, in place of the Business Risk Committee which used to advise and report directly to the board. This new committee shall assess and analyze risks the company takes in conducting business (when making investments and loans, acquiring and disposing of stock and fixed assets, entering into business partnerships or important agreements, and selling or buying businesses) to improve the quality of deliberations for top-level decision-making at the said meeting.

Our Risk Management Committee, also under the Senior Executive Management Meeting, is responsible for developing and improving risk management systems across SATO Group companies in and outside Japan. It also works on determining preventive actions to minimize any resulting damage and drawing up/executing crisis countermeasures should such risks occur.

Our Auditor Office works closely with the Audit & Supervisory Board, reporting to it as necessary. It also shares internal audit results with internal directors. When deemed necessary by internal directors or full-time Audit & Supervisory Board members, representatives from the Auditor Office shall attend board of directors meetings to report internal audit results and participate in board deliberations.

[Principle 4.8 Effective use of independent external directors]

The company, recognizing the importance of gaining objective oversight for its business operations to realize sustainable growth and higher corporate value on a medium- to long-term basis, named its first external director in 1999, maintained the board with multiple external directors since 2002 and appointed its first female external director in 2004. Given the growing importance of such governance practices, we have had external directors constitute at least half of the board since 2015, making them the majority in some years thereafter and most recently in 2021, following the approval of the 71st Annual General Meeting of Shareholders. All selected external directors are registered as independent external directors with the Tokyo Stock Exchange.

In appointing external directors, we choose individuals who have expert knowledge and extensive experience in

diverse fields to support our aims in realizing sustainable growth and higher corporate value on a medium- to long-term basis. To strengthen oversight by external directors, we started appointing an external director to chair board meetings from April 2021.

[Principle 4.10 Use of optional approach]

To enhance the independence, objectivity and accountability of board functions on matters of nomination and remuneration for the company's directors, executive officers and senior officers, we have established two advisory committees to the board of directors in April 2021 with independent external directors chairing and forming the majority on each committee.

The Nomination Advisory Committee functions to not only propose the appointment and dismissal of individual candidates, but also look into the board's composition and overall operation (including decision-making on appointment policies or standards/processes and succession planning) to provide advice and recommendations. The scope of its work includes reviewing the company's approach to diversity as a top priority.

The Remuneration Advisory Committee functions to not only support the board in drafting performance evaluations for directors, executive officers and senior officers with their proposed remuneration, but also look into all remuneration matters (including remuneration policies or standards/procedures and information disclosure) to provide advice and recommendations. The scope of its work includes reviewing the company's remuneration structure for employees as well.

3 Audit & Supervisory Board

The company has an Audit & Supervisory Board, which consists of four members (including two external members).

Audit & Supervisory Board members attend board of directors meetings to ensure that the delivery of duties of all directors is compliant with laws/regulations and the Articles of Incorporation while also attending other important in-house meetings such as the Senior Executive Management Meeting where they audit/supervise different decision-making processes and resolutions reached, expressing their opinions when necessary. The Audit & Supervisory Board undertakes a wide range of other activities, including verifying the readiness/operation of internal controls, examining the financial reporting system, reviewing various report materials, and checking the independence and audit quality of the company's independent auditor (audit firm). Members work closely with the audit firm to receive quarterly audit reports, exchanging opinions and gathering information as required to create an environment conducive to proper auditing. They work with our Auditor Office as well to regularly receive internal audit results and evaluation findings on internal controls for financial reporting to perform assessments across multiple dimensions.

At Audit & Supervisory Board meetings, deliberations primarily focus on the Japan headquarters' governance of its overseas subsidiaries (pertaining to their startup operations) or merged/acquired businesses (with regard to their level of integration with corporate strategies). In these instances, the board analyzes quantitative and qualitative information that it receives from overseas headquarters and finance & accounting departments, to check for proper handling of issues. If there are areas for improvement, the board provides feedback to the company's management team and requests its executives to take actions accordingly.

Full-time Audit & Supervisory Board members help the board function effectively by conducting audit activities on subjects with accurate, on-site information and sharing necessary reports with external members on the same board for them to provide opinions for discussion based on their respective professional knowledge and objective perspectives. They contribute to the sound and sustainable development of the company in partnership with our independent auditor and Auditor Office.

4 Evaluation of the board's effectiveness

The company conducts yearly surveys to analyze and evaluate the effectiveness of our board of directors to check our corporate governance and take appropriate measures to sustainably improve corporate value. See corresponding section on our corporate governance website for our FY 2020 evaluation approach and results.

www.sato-global.com/about/governance/governance.html

5 Appointment and dismissal of directors and representative directors

We select, via a transparent process, candidates who are able to actively contribute to the board's decision-making and managerial oversight functions with their extensive experience/expertise and excellent character/discernment.

Appointment/selection criteria are as follows.

a. Internal directors

Candidates need to be executive officers who possess the following experience, skills and attributes.

- Strategic judgment from a medium- to long-term perspective (ability to get to the essence of matters, think critically and have foresight and decisiveness).

- Leadership qualities to unite the organization and carry through radical changes (ability to lead collaboration, innovation and talent development toward results).
- High ethical standards and accountability toward the company and society (integrity, acumen, alignment with corporate values, and impartiality).
- Strong sense of independence and awareness of problems (pertaining to market, business, company resources and self-improvement).
- Sufficient industry experience/knowledge and abundant mental/physical strength (work performance and personal health).

Candidates for representative director must, in addition to the above, have an outstanding track record of delivering successful results.

b. External directors

Candidates need to meet the following requirements and be chosen from diverse fields of specialization (such as business management, academia, law or finance).

- Able to get to the essence of matters and raise issues to management in a rigorous manner.
- Able to place priority on attending the company's board meetings and commit to board duties.

c. Appointment process

When consulted by the board of directors, the Nomination Advisory Committee engages in discussions to prepare and submit a candidate list based on the above criteria. The board shall deliberate on the committee's recommendations to select director candidates or appoint representative directors and executive directors.

d. Dismissal process

If there is objective evidence or other reasons to suggest that representative directors are deviating materially from the appointment/selection criteria, the Nomination Advisory Committee will discuss their dismissal and present its recommendations when consulted by the board of directors. Dismissal shall be made upon deliberation and approval of the board. If directors are deemed to not fully meet the criteria, the board will not nominate them for election or reelection at the next general meeting of shareholders.

3. Policy and activities to ensure proper company operations

As a business, we aspire to solve challenges and create new value for customers operating in various types of worksites, industries and markets around the world. We believe it is important that proper internal control systems are established and consistently implemented for both frontline operations and organizational-level leadership so as to realize our corporate social responsibility and grow sustainably.

1 Internal control policy

See corresponding section in our corporate governance report for details.

www.sato-global.com/about/governance/pdf/2021_08_31_governance_e.pdf

2 Internal control activities

See corresponding section in our corporate governance report for details.

www.sato-global.com/about/governance/pdf/2021_08_31_governance_e.pdf

4. Cooperation among Audit & Supervisory Board members, independent auditor and Auditor Office

See corresponding section in our corporate governance report for details.

www.sato-global.com/about/governance/pdf/2021_08_31_governance_e.pdf

5. Audit checks by independent auditor

See corresponding section in our corporate governance report for details.

www.sato-global.com/about/governance/pdf/2021_08_31_governance_e.pdf

6. Remuneration for board members

Our Remuneration Advisory Committee looks into all remuneration matters, providing its advice and recommendations to the board.

1 Remuneration policy

The remuneration structure for board members is an extremely important element of corporate governance, and we have laid down our remuneration policy as follows.

- 1) Remuneration amount shall be set at a level capable of securing and retaining board members to make important management decisions and supervise business execution.
- 2) The company shall establish a remuneration structure that contributes toward sustainable growth and greater medium- to long-term corporate value and resonates with the values of shareholders and other stakeholders.
- 3) The board shall set out and follow a logical, fair and transparent procedure for determining remuneration.

2 Procedure to determining remuneration

The following steps are taken by the board to set remuneration.

- 1) Board of directors revises basic/performance-based remuneration amount (tied to position) and payment coefficient.
- 2) Representative directors and internal directors draft performance evaluation for officers based on business and individual achievements in the fiscal year.
- 3) Board of directors approves evaluation and decides performance-based remuneration amount for each member.

3 Composition of remuneration

Remuneration for the company's directors consists of basic compensation (fixed monetary sum), performance-based monetary compensation, and performance-based stock compensation. The weighting of each component is decided by considering balance with overall remuneration amount and position of officer, whereby those in higher positions receive a larger ratio of performance-based compensation. The above does not apply to non-executive directors and Audit & Supervisory Board members, who shall only receive basic/fixed compensation.

Breakdown of remuneration for board members

	Total remuneration (Millions of JPY)	Fixed compensation	Performance-based monetary compensation	Performance-based stock compensation	No. of eligible board members
Internal director	155	133	9	12	4
Internal member of Audit & Supervisory Board	40	40	—	—	2
External director	43	43	—	—	6
External member of Audit & Supervisory Board	15	15	—	—	2

Notes 1. The maximum amount of remuneration for Audit & Supervisory Board members is ¥70 million per year as approved at the 69th Annual General Meeting of Shareholders held on June 21, 2019.

2. Table includes directors who retired in June 2020 and their remuneration.

Ratios for fixed and performance-based remuneration for board members derived from FY 2020 actuals are as follows.

Position	Fixed compensation	Performance-based monetary compensation	Performance-based stock compensation	Performance-based compensation subtotal	Evaluation weight	
					Business achievement	Individual achievement
Representative Director and President	75.9%	9.9%	14.2%	24.1%	100%	0%
Representative Director and Vice President	88.5%	5.0%	6.5%	11.5%	50%	50%
Director and Vice President	88.0%	5.2%	6.8%	12.0%	50%	50%
Non-executive internal director	100%	—	—	—	—	—
Internal member of Audit & Supervisory Board	100%	—	—	—	—	—
External director/ member of Audit & Supervisory Board	100%	—	—	—	—	—

7. Skills matrix for directors and Audit & Supervisory Board members

The following table shows skills/competencies of our directors and Audit & Supervisory Board members mapped against what is expected of their roles.

	Executive	Independent	Name	Knowledge and experience to lead management and business appropriately			Knowledge and experience to establish and maintain an appropriate management foundation			Panoramic perspectives to ensure sustainability	
				a	b	c	d	e	f	g	h
Directors	●	—	Ryutaro Kotaki	●	●					●	
	●	—	Yoichi Abe	●		●	●	●	●	●	●
	●	—	Hiroyuki Konuma	●	●						●
	—	—	Tatsuo Narumi	●					●	●	●
	—	●	Yuko Tanaka	●				●	●	●	●
	—	●	Ryoji Itoh	●		●	●			●	●
	—	●	Hideo Yamada	●				●	●	●	●
	—	●	Sadayoshi Fujishige	●		●	●		●	●	●
Audit & Supervisory Board members	—	●	Yoshiko Nonogaki	●		●				●	●
	—	●	Nobuhiro Yokoi			●				●	●
	—	●	Junichi Nagakura				●	●		●	●
	—	●	Noriko Yao			●		●	●	●	●
—	●	Naoki Kubo				●	●		●	●	

1 Knowledge and experience to lead management and business appropriately

a Business/organizational management b Industry knowledge (sales/technology) c International business

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

d Finance and accounting e Legal and risk management f Human resource and labor relations

3 Panoramic perspectives to ensure sustainability

g Governance and sustainability h Diversity

Message from new external director

The SATO Group has grown through value creation backed by its auto-ID technologies and genbaryoku. Even as pandemics, climate changes and other disruptive shocks reshape our world, I believe that SATO can continue to cement its growth by delivering solutions for customers based on its corporate motto of Ceaseless Creativity.

Currently, SATO conducts business under different external environments and with different in-house resources in over 90 countries/regions. I hope to contribute to its global development, using my management experience toward improving its corporate value in a sound and sustainable manner.



External director
Yoshiko Nonogaki
External Director, Nifco Inc.
External Director, GS Yuasa Corporation

Management team

(As of June 18, 2021)

Directors



Ryutaro Kotaki
Representative Director,
President and CEO

Feb 1988 Joined SATO
Jul 2007 Executive Officer and Senior Manager of Printer Sales Promotion Dept., Sales Division
Oct 2011 Executive Officer; Director and General Manager of Domestic Sales Dept., SATO Corporation
Apr 2012 Executive Officer; President, SATO Techno Lab Co., Ltd.
Apr 2013 Senior Executive Officer; President, SATO Technology Co., Ltd.
Jul 2014 Vice President
Apr 2016 Executive Vice President and Chief Operating Officer (COO); President, SATO Corporation
Jun 2016 Representative Director, Executive Vice President and COO
Apr 2018 Representative Director, President and CEO (to present)



Yoichi Abe
Representative Director,
Vice President
Oversees global business
and Corporate Planning

Apr 1980 Joined Mitsubishi Corporation
Dec 2013 Joined SATO, Head of President's Office
Apr 2016 Executive Officer and Chief Financial Officer (CFO)
Apr 2018 Vice President and CFO
Jun 2018 Director, Vice President and CFO
Jun 2020 Representative Director, Vice President, CFO and Chief Compliance Officer (CCO)
Apr 2021 Representative Director, Vice President, oversees global business and Corporate Planning (to present)



Yoshiko Nonogaki
External Director

Apr 1980 Joined Sony Corporation
Sep 1992 President and Representative Director, Sony Poland SP. Z O.O.
Jul 1994 General Manager, Sales and Marketing Department, Recording Media and Energy Company, Sony Corporation
Apr 1999 General Manager, Planning and Marketing Department, Personal IT Network Company, Sony Corporation
Apr 2006 General Manager, Business Planning Department, Business and Professional Solutions Group, Sony Corporation
Apr 2009 Senior General Manager, Planning and Marketing Division, Business and Professional Solutions Group, Sony Corporation
Apr 2013 Director, Global Diversity, Sony Corporation
Jun 2019 External Director, Nifco Inc. (to present)
Jun 2020 External Director, GS Yuasa Corporation (to present)
Jun 2021 External Director (to present)



Hiroyuki Konuma
Director, Vice President
Oversees Japan business
President, SATO
Corporation

Jul 2000 Joined SATO
Apr 2010 General Manager of Medical Dept., Tokyo Division, Japan Sales Headquarters
Apr 2013 President for healthcare business, SATO Corporation
Apr 2014 President, SATO Healthcare Co., Ltd.
Jul 2015 Executive Officer and Chief Wellness Officer (CWO)
Apr 2019 Vice President; President and Head of RFID business, SATO Corporation
Apr 2020 Vice President; President, SATO Corporation, oversees global business
Jun 2020 Director and Vice President (to present)
Apr 2021 Director and Vice President, oversees Japan business; President, SATO Corporation (to present)



Tatsuo Narumi
Director
• Chair of Senior Executive
Management Meeting

Aug 2000 Joined SATO, Senior Manager of Secretary's Office
Apr 2001 Senior Manager of Human Resources Dept., Administration Division
Jun 2003 Executive Officer and Senior Manager of Planning Dept., Corporate Planning Division
Oct 2005 Executive Officer, General Manager of Corporate Planning Division, and Senior Manager of Planning Dept.
Jan 2006 Senior Executive Officer and General Manager of Corporate Planning Division
Jul 2007 Vice President and General Manager of Corporate Planning Division
Jun 2008 Director, Vice President, and General Manager of Corporate Planning Division
Jul 2009 Director (to present)
Jan 2020 Chair of the Board
Apr 2021 Chair of Senior Executive Management Meeting (to present)

Audit & Supervisory Board Members



Nobuhiro Yokoi
Audit & Supervisory Board
Member

Nov 1996 Joined SATO
Apr 1999 Senior Manager of Planning Dept., Operation Planning Division
Jun 2000 Senior Manager of Administration Dept., Domestic Sales Division
Jul 2001 Senior Manager of Business Process Reform Promotion Dept.
Jun 2002 Director, General Manager of Logistics Division, and Senior Manager of Planning Management Dept.
Jun 2003 Director, Vice President, General Manager of Logistics Division, and Senior Manager of Planning Promotion Dept.
Apr 2004 Director, Vice President, and Head of CSR Office
Jul 2010 Advisor
Jun 2014 Audit & Supervisory Board Member (to present)



Junichi Nagakura
Audit & Supervisory Board
Member

Apr 1986 Joined SATO
Jul 2006 Senior Manager of Corporate Planning Dept., Corporate Planning & Administration Division
Apr 2012 Senior Manager of IR & Finance/Planning Group
Apr 2013 Senior Manager of Corporate Planning Office
Dec 2013 Senior Manager of Finance & Accounting Dept.
Jun 2015 Audit & Supervisory Board Member (to present)



Yuko Tanaka
External Director
• Chair of Nomination
Advisory Committee

Apr 1980 Full-time lecturer, 1st Faculty of Liberal Arts, Hosei University
Apr 1983 Assistant Professor, 1st Faculty of Liberal Arts, Hosei University
Apr 1986 Exchange fellow, Peking University
Apr 1991 Professor, 1st Faculty of Liberal Arts, Hosei University
Apr 1993 Overseas fellow, University of Oxford
Apr 2003 Professor, Department of Media and Communication Studies, Faculty of Social Sciences, Hosei University
Jun 2004 External Director (to present)
Apr 2007 Professor, International Japan-Studies Institute (graduate school), Hosei University
Jun 2009 Director, Suntory Foundation for Arts (to present)
Apr 2010 Chairperson, International Japanese Studies Institute (graduate school) management committee, Hosei University
Apr 2012 Dean, Faculty of Social Sciences, Hosei University
Apr 2014 President and Chief Trustee, Hosei University (to present); Trustee, Japan University Accreditation Association
Jun 2014 Executive Director, The Japan Association of Private Universities and Colleges
Oct 2017 Trustee, The Open University of Japan
Apr 2020 Managing Trustee, Japan University Accreditation Association; Director, Hosei University Museum (to present)
April 2021 Professor Emeritus, Hosei University (to present); Project Professor, Hosei University Research Center for Edo-Tokyo Studies (to present); Chairperson, Tokyo's Council for Gender Equality (to present); Chair of the Company's Nomination Advisory Committee (to present)



Ryoji Itoh
External Director

Jul 1979 Joined McKinsey & Company
Jan 1984 Partner, McKinsey & Company
Jun 1988 Director for product development, UCC Ueshima Coffee Co., Ltd.
Sep 1990 Representative Director, Schroder Ventures K.K.
May 2000 Project Professor, Graduate School of Media and Governance, Keio University
Jan 2001 President, Bain & Company Japan, Inc.
Apr 2006 Representative Director, Planet Plan. Co., Ltd. (to present)
Jun 2008 External Director
May 2012 External Director, Renown Incorporated
Jan 2013 Representative Director, El Sol Business Advisor Corporation
Jun 2014 External Director (to present); External Director, H.U. Group Holdings, Inc. (to present)
Apr 2020 Part-time Lecturer, Faculty of Policy Management, Keio University
Apr 2021 Senior Researcher, Keio Research Institute at SFC (to present)



Noriko Yao
External Audit &
Supervisory Board
Member

Mar 1995 Graduated from the Legal Training and Research Institute of Japan
Apr 1995 Registered as an attorney (Fukuoka Bar Association)
Sep 2001 Joined Paul, Hastings, Janofsky & Walker LLP
Oct 2002 Registered as an attorney (Daini Tokyo Bar Association); admitted as an attorney (New York State Bar Association)
Jan 2008 Partner, TMI Associates (to present)
Oct 2014 External Audit & Supervisory Board Member, Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (to present)
Nov 2015 External Director, Meiko Network Japan Co., Ltd. (to present)
Jun 2016 External Auditor & Supervisory Board Member (to present)
Jun 2019 External Director, Asahi Net, Inc. (to present)



Naoki Kubo
External Audit &
Supervisory Board
Member

Oct 1980 Joined Chuo Audit Corporation (later Misuzu Audit Corporation)
Mar 1984 Registered as certified public accountant (Japan)
Apr 1999 Partner, Chuo Audit Corporation
May 2004 Senior Partner, Chuo Audit Corporation
Sep 2005 Registered as certified public tax accountant (Japan)
Jul 2007 Left Misuzu Audit Corporation
Aug 2007 Joined as Partner, KPMG Azsa & Co. (now KPMG Azsa LLC)
Jun 2016 Vice Chairman, Tokyo Chapter of The Japanese Institute of Certified Public Accountants
Jun 2019 Left KPMG Azsa LLC; Joined as Executive, Tokyo Chapter of The Japanese Institute of Certified Public Accountants (to present)
Jul 2019 Established Kubo Accounting Office (to present)
Dec 2019 External Director, Beauty Sharing Technologies Co., Ltd.
Jun 2021 External Auditor, Japan Federation of Land and House Investigators' Associations (to present); External Auditor & Supervisory Board Member (to present)



Hideo Yamada
External Director
• Chair of the Board

Mar 1984 Graduated from the Legal Training and Research Institute of Japan
Apr 1984 Registered as an attorney (Daini Tokyo Bar Association)
Oct 1992 President, Hideo Yamada Law Office (now Yamada & Ozaki Law Office) (to present)
May 1998 External Audit & Supervisory Board Member, Taiyo Chemical Industry Co., Ltd. (to present)
Jun 2004 External Director
Mar 2006 External Director, Lion Corporation
Jun 2007 External Audit & Supervisory Board Member, Ishii Food Co., Ltd.; External Audit & Supervisory Board Member, Mikuni Corporation
Mar 2009 External Director, Hulic Co., Ltd. (to present)
Apr 2010 External Governor, Japan Federation of Bar Associations
Apr 2014 Vice President, Japan Federation of Bar Associations; Chairperson, Daini Tokyo Bar Association
Jun 2015 External Director (to present); Chairperson, Akiko Tachibana Memorial Foundation (to present)
Jun 2016 External Director, Mikuni Corporation (to present)
Apr 2021 Chair of the Board (to present)



Sadayoshi Fujishige
External Director
• Chair of Remuneration
Advisory Committee

Mar 2004 Representative Director and President, Lion Corporation
Jan 2012 Representative Director and Chairperson, Lion Corporation
Apr 2012 External Director, Showa Nishikawa Co., Ltd. (to present)
Jun 2014 Chairperson, Japan Table Tennis Association (to present)
Mar 2016 Advisor, Lion Corporation
Jun 2016 Chairperson, Advertising Council Japan (to present)
May 2019 Chairperson, Japan Marketing Association (to present)
Jun 2020 External Director (to present); External Director, Nitto Boseki Co., Ltd. (to present)
Mar 2021 Special Advisor, Lion Corporation (to present)
Apr 2021 Chair of the Company's Remuneration Advisory Committee (to present)

Executive Officers

Vice President
Yoshinori Sasahara
CWO
Director and Vice President,
SATO Corporation
General Manager of Production

Executive Officer
Noriyasu Yamada
Chief Alliance Officer (CAO)
Director, SATO Corporation
General Manager of RFID Business

Executive Officer
Kenji Ushiki
Director, SATO Corporation
General Manager of Value Creation (R&D)

Executive Officer
Goro Yumiba
Global Operations Officer
Regional Operations Officer for
Oceania and Argox

Executive Officer
Maria Olcese
Head of South America
General Manager, Achernar S.A.

Executive Officer
Fusaaki Matsumoto
CFO and CCO

Executive Officer
Hironori Onishi
Director, SATO Corporation
Head of Japan sales