

Our key drivers for long-term growth

SATO's core business: Auto-ID solutions

We provide solutions for tagging things using automatic identification technologies such as barcodes, RFID and image recognition to support worksites and supply chains in traceability, asset control, supply chain management and many other areas.

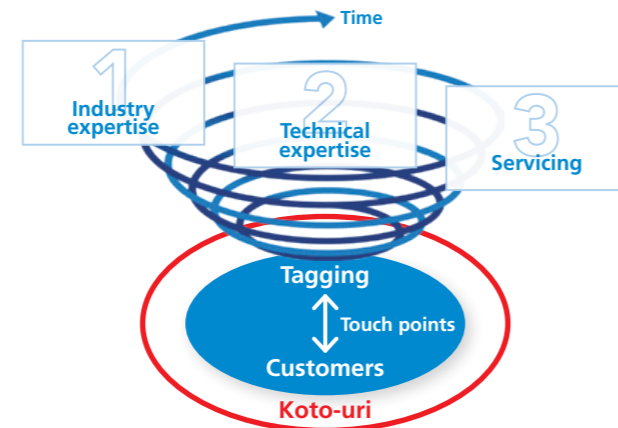
Tagging is our domain

The very essence of our auto-ID solutions lies in tagging: the act of attaching information in the physical world. To tag something and collect valuable data about it, we need to look at its shape, what it is made of, which labels or tags to use and how to use them, and how to associate the data with other data. This cannot be learned overnight; we have been building this expertise through decades of trial and error, and it is our unique market positioning that competitors cannot easily imitate.



Our relationships with customers hone our genbaryoku

Tagging cannot be done without seeing the worksite and understanding the actual operations. This nature of our business creates customer touch points, and with every issue we help solve on site through our koto-uri approach of "selling the solution, not the product," our relationship with the customer becomes stronger. It is a positive cycle, which continues to hone our genbaryoku in its three constituents of 1 industry expertise, 2 technical expertise and 3 servicing. (Page 33)



Voice

Solving my customer's issues is very fulfilling

As key account manager for the HoReCa* industry, I take care of existing customers and build our new customer base.

We strengthen our genbaryoku through koto-uri, which involves visiting customer sites, identifying issues through conversation, and providing best-fit solutions to solve the issues. Koto-uri can differentiate us from competitors who are focused on selling products. Coping with both explicit and implicit demands allows us to accumulate knowledge about which solutions can best solve issues and add value for our customers.

I most enjoy going on site to meet customers and proposing our solutions. Solving my customer's issues is very fulfilling.

* Hotels, restaurants and cafeterias (alternatively catering in some regions).

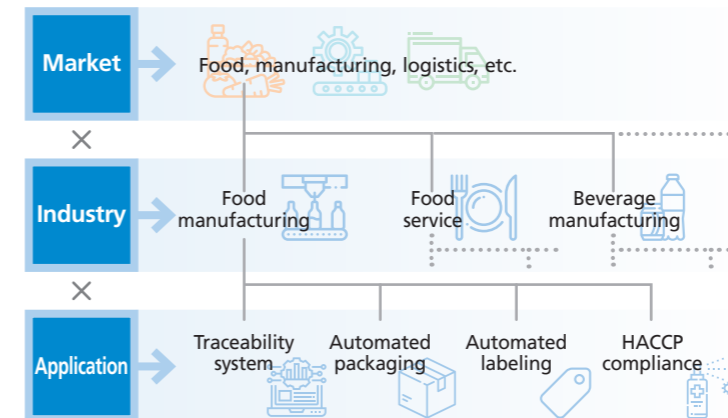


Célia Bouyenvat
Key Account Manager,
HoReCa
SATO France S.A.S.

Three elements of genbaryoku

Leading companies choose SATO because we can provide optimal solutions from our core competency we call genbaryoku, which we built up over time through our business model of collecting on-site data. We define genbaryoku to comprise three strengths that we continue to hone in delivering auto-ID solutions that are powered on site.

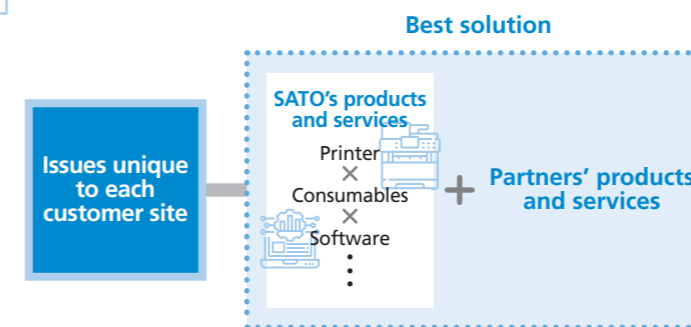
1 Industry expertise — We are versed in an array of worksites



Know-how on diverse markets, industries and applications

Operational procedures and objects to be tagged vary by company. We have seen and learned about so many on-site processes and issues across a wide variety of markets and industries and this expertise helps us provide the best tagging solution for each situation.

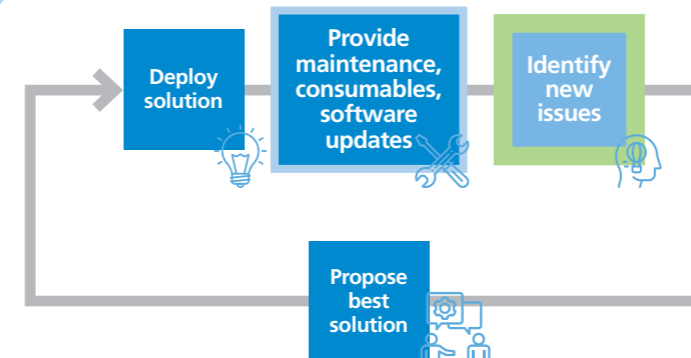
2 Technical expertise — We match the best products for each customer



New solutions from mixing and matching technologies

Our products are thoroughly customer-centric, yet the best solution for a customer does not always consist solely of our own products. We collaborate with business partners that specialize in other fields to create the ideal combination of products, services and technologies.

3 Servicing — We keep bettering our customers' operations



Continuous connection and long-term relationship with customers

We continue to provide products and services to customers even after installation to help their operations run stably and with ease. The long-term relationship we maintain with customers through after-sales support allows us to spot new issues and improve their business sites on an ongoing basis.