

# Ceaseless Creativity

## SATO's Management Philosophy

In 1969, our late founder, Yo SATO, settled on the phrase "Ceaseless Creativity" as our corporate motto. Seeing the mission of enterprises, like that of individuals, as to improve themselves so that they provide a useful service to the world, we have adopted a policy of working together with creativity as we dedicate ourselves to the company's business.



### SATO's Management Principles

#### Corporate Mission

Our mission is to focus on our main business functions of manufacturing and sales, to work for the betterment of mankind and quality of life, and to do our best to contribute to the advancement of society.

#### Corporate Principles

In order to grow and move forward, support and cooperation from every person in the company are essential. Our corporate principle is to be professional, to be aware of SATO's corporate responsibilities, and to work together with a shared sense of mission in order to achieve the company goal.

SATO's management principles were established by Yo SATO in 1978. What values justify the existence of our company in society? What sort of clear objectives should we establish and what concrete methods should SATO's management employ as we aim for achievement of, or progress towards, such objectives, while at the same time carrying out our social mission, which is another of our aims? Our conclusions are summarized in a form that can be clearly presented to all staff members. The corporate mission lays down the basic direction while the corporate principles clearly show the attitude we believe is right as we take action.

### Our Basic Thinking

SATO's corporate philosophy calls for contribution to the advancement of society. Throughout our 68-year history, we have been working in good faith to fulfill this objective through our main business and in the process forming our corporate culture and climate. Their fundamentals are laid down in SATO's Management Principles and the Basic Principles of How to Work, combining instructions on working procedures with ethical guidelines. SATO believes that the transparency and soundness of an enterprise are not achieved by enforcing rules and regulations, but are a spontaneous expression of the state of the enterprise and

its cultural maturity.

SATO executives and staff keep in touch with these basics by reciting the principles at the daily morning assembly. It states that our focus is "to concentrate on our main business functions of manufacturing and sales and contribute to the advancement of society," inheriting a sound corporate culture and following an ethical corporate policy in good faith. The driving force by which SATO creates value is the SATO spirit, what we could also call the SATO Way we inherit.

### SATO's Management Objectives

#### Contributing to Society through Our Main Business

We at SATO, based on our business concept of DCS & Labeling, seek to contribute to society through precision, labor saving and resource saving. "At SATO, we have no desire to be involved in business that does not contribute to society, even if we could make money from it." (From our in-house handbook "The Spirit of Sato.")

#### Four-way Returns to Stakeholders

SATO sees its shareholders, society, the company itself and its staff as four equally important stakeholders, and seeks to share equitably with them the profits generated by our corporate activities. For SATO, "Society" includes the environment and other stakeholders such as those with whom we do business.

#### Management in Which All Members of Staff Participate

Every member of SATO staff has the duty and privilege of making one-paragraph daily reports that are directly available to the top management. These reports enable the top management to see things from the staff's point of view, and encourage staff to express opinions from a management position. By doing so, we are putting into action a management culture in which everyone participates.

#### Activities to Support Society and the Environment

Thinking that we should contribute to society through our main business naturally leads our staff to propose spontaneous activities such as participating in local environmental cleanups and collecting used stamps. SATO as a company also sees its support of the Sato International Scholarship Foundation and the funding of tree-planting activities, etc., as a natural extension of the contribution its main business makes to society and the environment.