

A Final Word from Top Management

This is the first Corporate Social Responsibility report to be published under the new management regime since we took over from the former management team in June 2007.

CSR activities are generally thought of as requiring powerful leadership from top management, but at SATO, we make our appearance in a postscript.

SATO's CSR is defined as "management and staff together continuously do what needs to be done to justify the continuing appreciation of society by earning its trust and living up to expectations." The essence of SATO's CSR lies in the commitment by each individual member of staff and management of the company to contribute to society through the work for which they are responsible, and in following through their commitment in practice and in good faith. However important top management may be, it is only one factor in CSR. But if there is any need to illustrate SATO's CSR as an expression of our corporate culture, we are happy to make our appearance at the traditional place - the end of the CSR report.

SATO advances and sustains its energy by the cumulative effect of small daily changes, but there will be absolutely no change in CSR as "contributing to society through our main business" under the new management regime.

Global warming has become a topic of daily conversation, and there is unprecedented concern in society over environmental issues. In SATO's contribution to society through precision, labor saving and resource saving, we are concentrating major efforts on the environment. But the issues we face today, unlike the former problems of pollution, are not confined to the primary concerns of companies. There are many issues that require each individual to be aware of the threats posed and the need to address them personally. Each and every member of staff and management must see environmental problems as issues immediately confronting themselves and their families, and all must take joint responsibility for their actions as members of society. Only then can we build the determination to leave a brighter future for our children that will embrace everything from avoidance of waste at the personal level to our corporate responsibility to society, which in our case means the DCS & Labeling that implements precision, labor saving and resource saving. We are happy to think that this CSR report will clarify SATO's attitude.

In FY 2007, SATO further separated the decision-making



Toshihiro WAKI Koichi NISHIDA Ikuo DOBASHI

and supervisory functions of directors in management from those of the executive officers charged with implementing those decisions. As of the end of March, 2008, a majority of six of the ten directors does not serve concurrently as executive officers, and of these six, four are outside directors charged with speaking from an independent position. The average age of the 21 executive officers not serving concurrently as directors is 49. Our youthful, active executive officers, full of the spirit of challenge, under the supervision and with the powerful support of directors who reconcile the needs of society with those of our shareholders, form a system of governance that will surely grow stronger in future. Just as people have their own distinctive character, companies have what we might call their "character." We edited this SATO Circle, our fourth CSR report, to show SATO's character as supporting CSR in a way that would be easily understood by as many as possible of our stakeholders. In doing so, we are most grateful for the opinions that everyone seeing the SATO Circle has expressed directly to us. Once again, SATO staff and management eagerly await your frank opinions of SATO and the SATO Circle.

President and CEO Koichi NISHIDA

Executive Vice President and COO Toshihiro WAKI

Executive Vice President and COO Ikuo DOBASHI