



*Searching for
a New Balance*

Corporate Profile

Chapter 0

The Origin of DIGI

Creating new standards has been the spirit of DIGI since its founding

Creating new standards

This pioneering spirit has been handed down for more than 100 years. And this theme is our ongoing challenge.

Resisting convention that has endured for a very long time is not easy. Without original ideas and a dauntless spirit, the conventions of the past cannot be broken through.

Toyoharu Teraoka, who later became the company's first president, traveled to America in 1904 to study mechanical engineering at the University of California. Being a man of strong pioneering spirit, Toyoharu established his own company soon after returning to Japan, and developed the first Japanese calculating machine. At that time, calculating machines were unheard of. In spite of their inherent value, they defied the standards of the time and were not easily accepted. After a number of attempts, Toyoharu decided to focus on weighing machines. At the time, weighing machines had a mechanism that had not progressed beyond the beam scales invented in ancient Roman times. Toyoharu was convinced that if weighing machines were more accurate and easy to use, people would surely appreciate their convenience. Envisioning this technological innovation and the delight it would bring to people who needed them, he

used the spring principle to develop and market the first commercial Japanese spring scale, which indicated the weight of an object by simply placing it on the scale.

At the time, he was ridiculed with comments like “who would buy such a product?” But, eventually the market accepted his product, and people everywhere began to use it.

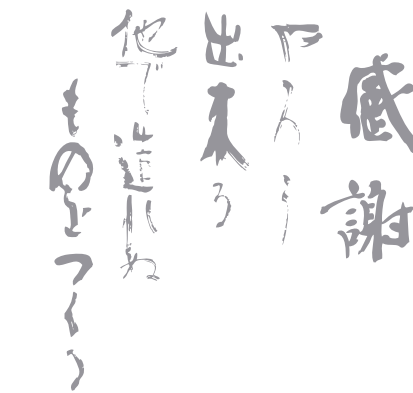
This is how a new standard was created for weighing machines.

We have inherited Toyoharu's spirit of imagination.

It has an unwavering fortitude.

It is a spirit that challenges the unknown with new ideas.

We have continually created new standards in the past, and will continue to do so into the future.



First President:
Toyoharu Teraoka



Teraoka automatic spring scale

Chapter 1

The History of DIGI

The history of DIGI is one of continually creating new standards. It is a course of developing and marketing products that people have yet to imagine, and of creating new markets.

The Teraoka spring scale, developed by Toyoharu Teraoka in 1928, became the new standard for scales. Takeharu Teraoka, the eldest son of Toyoharu, resolved the problem of the only weak point of the Teraoka spring scale, a temperature error problem, using his original patented device. In 1935, he succeeded in the mass production of scales that used this device, which meant the scales could now be offered to households. This created a new 'household scale' market. Takeharu later started the Teraoka Research Center, which became the parent body of Teraoka Seiko, where he continued to pursue new standards and new markets.

In 1965, DIGI became the first company in the world to

develop an electronic price computing scale. The debut of this revolutionary scale, which calculated the price of the weighed goods and displayed it digitally, had a major impact on the world. This was the moment when DIGI rewrote the standard it had created 37 years earlier. In 1973, 'DIGI' price computing scales equipped with innovative functions, such as data processing using large-scale integrated circuits (LSI) and a printer-based reporting function, entered the market. DIGI had advanced the functionality of scales from devices that measured weight to information technology devices that served as business tools.

DIGI's creation of new standards was not limited to scales. In 1980, we marketed the world's first thermal barcode printer. This overturned the existing convention that printing was only done with ink. Following this, we introduced the world's first integrated automatic weighing, wrapping,

and labeling machine in 1981. The convention that wrapping and weighing/labeling are separate work was overturned and the productivity of the supermarket backroom rapidly improved.

DIGI is not limited to only technological innovation of product functionality. We take different approaches to the creation of new standards. One example is our "Checkout Revolution," which was started in earnest in 2010. It has revolutionized the flow and operation of the checkout area, creating a new standard that satisfies the needs of both store-owners and customers alike.



Second President:
Takeharu Teraoka



World's first electronic
price computing scale



World's first
thermal printer



World's first integrated weighing,
wrapping and labeling machine

Chapter 2

The DIGI Business Strategy

The keys for describing the DIGI business strategy are its business portfolio, the services surrounding it, and globalization.

First, is our business portfolio. This consists of four business fields where DIGI demonstrates its competitive strength: store automation, food industry, hospitality, and logistics. Store automation, in particular, is a core competency of DIGI; the Company has become a leading player in the business. Next to store automation is DIGI's approach to the food industry, targeting food manufacturers and food processing factories. Hospitality targets the restaurant business, and logistics targets a broad sector of both food- and non-food-related industries. In other words, the technology that forms DIGI's base, cultivated by products such as scales and POS systems, and its deployment to the four business fields has become the foundation of DIGI's business strategy.

A diverse business portfolio combined with globalization

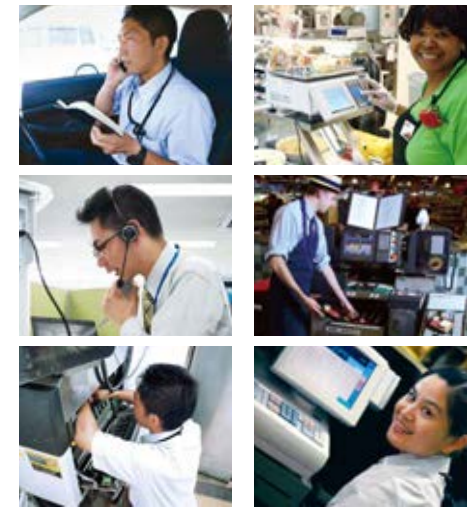
Second, we give the highest priority to the workplace in the services we offer, which is another strong point of our company. For example, our domestic service portal in Japan provides a variety of support services, such as a help desk that operates 24 hours a day/365 days a year, remote software setup and updates, and remote system monitoring, realizing customer satisfaction that exceeds industry expectations. We have also placed a priority on offering cloud services. DIGI led the industry in offering cloud services, starting in 2000 before the term "cloud services" had even come into general use. These services, which support enterprises by supplying ASP services via the Internet, have the proud reputation of having achieved the highest results in our industry.

Third, there is globalization. The global deployment of DIGI started in 1971 when we started exporting. In the latter half

of the 1980's, we progressed from the stage of exporting products to the stage of overseas production, establishing production in Singapore, the UK, and China. At present, we are advancing our globalization efforts, not only with overseas production bases, but also through localization of the entire business system, such as placing management entirely in local hands. This is an example of how one of DIGI's strengths, our field experience, is producing results globally. DIGI is establishing a solid position not only in Japan, but also overseas. A sales network covering 146 countries and overseas sales subsidiaries deployed in seven countries, including Germany and France, provide a powerful support network for customers around the world.



The 'DIGI' price computing scale (marketed in 1973) is the source of the brand name.



TERAOKA **DIGI**
TERAOKA is used in Japan. DIGI is used in all other countries.

Chapter 3

Sustain- ability

At present, positive efforts towards protection of the environment are being made all over the world. Based on the concept of the “E2 Solution (Ecological & Economical Solution)”, DIGI proposes products that are both friendly to the environment and contribute to improving profits.

One example is our environmentally friendly automatic weighing and wrapping machine. Compared to our conventional equipment, we reduced power consumption by a maximum of 50% and cut CO₂ emissions, together with reducing the quantity of film used for wrapping by approximately 40%. This realizes significant savings in energy and resources. In addition, we are helping to minimize waste by offering non-tray wrapping machines that use paper sheets instead of Styrofoam trays that consume fossil fuels, and weighing printers that support linerless labels. Revolution-

ary products that reduce both cost and the impact on the environment are highly valued by our customers, who are active in environmental protection.

DIGI is also devoted to improving health and creating a sanitary environment. Our reverse osmosis membrane filtering system, which effectively removes harmful substances from tap water for tasty and safe, pure water, is gaining acceptance from a wide range of end users through vending machines and is helping to attract customers.

Reverse vending machines, which automatically sort, compact, and store PET bottles and aluminum cans as raw materials, are playing a significant role as “eco rotaries” (collection locations for reclaiming resources), supporting

recycle activities and connecting customers with consumers.

In terms of providing support for industries globally, DIGI is aware that our own business has a large influence on society and the environment. Efforts to create a new standard for environmental protection are being made, with the conviction that thinking about the environment for the next generation is also a way of thinking about our customers.



Environmentally friendly
prepack scale printer
“DPS-5600”



Waste weighing &
management system
“Weisys”



Reverse vending machine
“DRV-5000 series”



Pure water vending machine
“ECO V100”

Creating a new standard for sustainability

Creating New Standards

The DIGI/TERAOKA Group is made up of a wide range of talented individuals: engineers, whose dedication to product development is fueled by the image of customers thrilled by our products; salespeople, whose passion is inspired by picturing a customer's store that is revitalized with the help of our solutions; and devoted support staff, who envisage their colleagues truly enjoying their work, and strive to make that a reality. The work roles of these people differ, but there is one important characteristic that they all share: the enjoyment of being innovative in their work.

At DIGI/TERAOKA Group, our style of innovation starts from square one – re-examining our customers' objectives from scratch. We start by listening to our customers' concerns and objectives. At the same time, we gain deeper insight by visiting and learning about their workplace, and then repeatedly rethink the objectives, sometimes strongly questioning underlying assumptions in the process. This is our approach for getting at the true nature of what our customers are trying to achieve. By breaking through the status quo; by breaking through existing standards.

Getting at the true nature of our customers' objectives can reveal basic needs that were previously hidden. By matching these basic needs with the potential of our technologies, we can make a dramatic leap forward with our solutions and

create new standards in the process. This is our style of innovation, and practicing it is a great source of joy and fulfillment for us.

We hear a lot about market maturity and economic stagnation, but we do not subscribe to such commentary. The tougher the market conditions, the more acutely our customers need new solutions. So, we will not hesitate to break through established market standards and create new ones. And when those standards become commonplace, we will break through them again, and take up the challenge of creating the next new standard.

At DIGI/TERAOKA Group, we take pride in providing carefully crafted professional solutions that faithfully match the needs of our customers. We will continue to apply our unique style of innovation to creating new solutions that exceed our customers' expectations into the future.

Chairman of the Board
Chief Technology Architect



Kazuharu Teraoka

Conveying a Vision of the Future

“Show gratitude! We can do it! Let's create what others can't!” This is our corporate philosophy, which was created by Takeharu Teraoka, our second president, in 1935; one year after the company was established. And as this philosophy states, the development of groundbreaking products driven by the gratitude we feel for our customers is in our company's DNA and has been handed down since the company's founding. However, even if we think our products are innovative, we cannot consider a product to be a market innovation unless a great number of customers use it and appreciate it. It is precisely because of this unforgiving reality and the difficulties in creating new markets that we continue to strive in meeting this challenge.

For example, consider the semi-self-checkout system we released in 2010. Although our product was revolutionary, with the cashier doing the product scanning and the shopper doing the payment, we were told by many that it would never succeed. However, our persistent efforts in conveying the message that the system could reduce shopper checkout waiting times by one-half and help resolve staff shortages in stores resulted in the system still being used across Japan today, with countless satisfied customers and our company being hailed as the semi-self-checkout pioneer. It was our dedication to conveying this message to our customers that allowed us to create the new standard of semi-self-checkout. We envisioned how our innovation could work in our customer's stores and the benefits it could provide and then energetically communicated this vision to our customers. And, we are proud to say that it was through these steady and

unrelenting communication efforts that we succeeded in conveying our vision and opening up a new market.

The DIGI/TERAOKA Group has been taking on the challenge of creating new standards since its founding in 1934. We have set a new goal for the medium to long term – achieving consolidated sales of 200 billion yen by fiscal 2034, which is the year that marks the 100th anniversary of our company's founding. With gratitude to our customers as our driving force, we will unite our entire group to strengthen our capacity for groundbreaking innovation and our ability to convey our vision of the future. Through this we will reinforce our potential and presence in our four main business fields of retail, food industry, logistics, and hospitality. This is the goal that we, by all means, want to realize.

However, you cannot realize that which you cannot envision. And that is why we are envisioning the excitement and delight that our groundbreaking innovation can bring to our customers and then conveying this vision to them through compelling communication, to make it a reality. We will continue to build on the trust our customers have in us and inspire confidence that DIGI will continue to create new standards into the future.

President



Kosuke Yamamoto



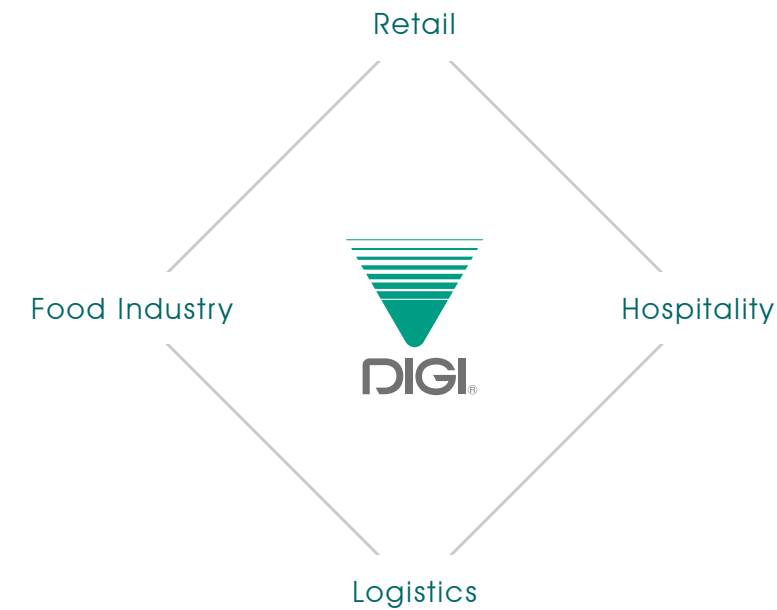
DIGI Business Fields

Leading our customers' businesses to success in four fields

DIGI has often brought to the market world-first or industry-first products that create a new standard. Since developing the Teraoka spring scale in 1928, we have raised the functionality of the scale to the level of an information technology device, and are providing support in various fields for products other than scales, such as systems and network solutions.

The background to this is in the expansion of our business fields. Initially, we specialized in store automation, but through offering solutions that used leading-edge technology, we leveraged that technology and experience to advance into logistics and the food industry. We then expanded into hospitality, and are proud to say we have been evaluated well and achieved a high level of trust from our customers in each of these four business fields.

DIGI provides new solutions that place priority on our field experience, which is one of our strong points. And we are helping to lead our customers' businesses to success in these four fields.



Retail

DIGI creates new standards for both the salesfloor and backroom. We support your retail business with our top-of-the-line systems.

DIGI provides a variety of products and solutions for more efficiency in both production areas and on the sales floor.

One of our most advanced retail solutions is the "CheckoutRevolution". For retailers looking to decrease wait-times at the checkout or dealing with staffing issues, DIGI leverages years of expertise in the retail industry to offer a variety of solutions for an enhanced shopping experience. With several variations such as full-self, semi-self, and mobile checkout, we provide new and enjoyable shopping experiences for shoppers.

The PC-based retail scales and point of purchase pricing control system T@POP allows operators to monitor and execute strategic pricing promotions conveniently. Operators can remotely update pricing on electronic shelf labels (ESLs) from a central office, reduc-

ing reliance on paper tags and manual price updates. With consolidated management and display of the store's price information, you can build brand trust as well as increase the efficiency of store operations.

DIGI also provides solutions that increase efficiency of backroom operations. The automatic weigh-price-labeler AW-5600 series began as the world's first machine to combine the three functions of weighing, pricing, and labeling, and has since then had an overwhelming response from customers all over the world. In addition, Pack on Time is a sales and production tracking system that allows staff to know the number of items sold and number to be produced, in real time, without leaving the backroom. This combination of POS and backroom solutions is a perfect example of DIGI's unique solution offering.



Mobile checkout system
"DIGI Shop&Go"



PC-based retail scale
"SM-6000"



Automatic weigh-wrap-labeler
"AW-5600 II"



Food Industry

DIGI offers a diverse range of equipment which is suitable for almost all food production plants. The weighing and labelling solutions are made-to-order to perfectly match the customer's requirements and the environments for which they are destined.

Our machines can be purchased as stand-alone systems or as fully-integrated units into existing production lines. The DIGI range of industry weigh price labellers uses embedded software on a Windows operating system. The PC-based technology has advanced the name of DIGI as a leader in automatic and dynamic weigh price labellers, checkweighers, print and apply systems, and manual weigh price labellers. We also offer bi-directional communications with WorldView Web, which supports back office data collection, remote online programming, and line monitoring.

smooth transitions over the conveyors using height-adjustable decks, our weigh price labellers utilize advanced technology for efficient and consistent packing.

DIGI has been at the forefront of weigh price labelling technology and can be found in many of the world's leading global food processing and distribution companies. With our comprehensive product range, dedicated research and development professionals, and worldwide sales and service personnel, DIGI offers the perfect partnership between you and our products.

We recently released our most advanced version of the weigh price labeller, the HI-700HS. With fast packing speeds and



Automatic weigh labeler
"LI-700D"



High speed dynamic weigh price labeler
"HI-700 HS"



Weigh labeling system
"DPS-800"

Logistics

Trusted and precise logistics solutions that support improved productivity.

DIGI provides comprehensive solutions for a wide variety of business situations, including logistics centers and production facilities. We participate from the planning stages—starting with the system architecture—to provide customers with strategic solutions that increase their efficiency and productivity.

For logistics centers, the AI picking cart is a time and money saving solution that automatically calculates the quickest route around the warehouse in real time. Its built-in weighing function can count items and detect picking errors. With the continuous increase in packages due to the exponential growth of e-commerce, we provide solutions that increase efficiency and decrease costs, such as an automatic in-motion dimensioning and weighing system that automatically reads the item barcode, measures package size in three directions, and weighs the item simultaneously, simply by passing it over a conveyor belt.

For the manufacturing industry, we have the DC series precision counting scale which can instantly count even the smallest parts, and the GP series label printer which provides hi-speed labeling of different types of barcodes. You can consolidate all your production, storage & retrieval, and inventory data with the system IT-MatexIII. The GP series checks and stores an image of each label, making it the first model in the industry to provide complete traceability. We also have a solution for the food production industry that manages expiration date and ingredient inventory information, which helps to prevent waste. The DI series blending indicator also helps to minimize human error and provide consistent quality and traceability for your products.

DIGI provides trusted and high-quality solutions that support the productivity of our customers.



AI picking cart



Automatic in-motion dimensioning
and weighing system "SmartQbing" /
Automated sorting system
"SORTING SYSTEM"



Multi-function labeler
with label inspection function
"GP-7000a Verify"



Hospitality

Innovative solutions for efficient store management and customer satisfaction.

DIGI provides innovative solutions that increase sales and profitability by improving efficiency of food service and restaurant operations.

Central to this is the integrated food service system, Delious, which allows for efficient store operations through the centralized management of restaurant floor and kitchen, as well as headquarters, data center, and call center. This solution helps to improve profitability for restaurants. Additionally, we provide 24-hour help desk support and a national sales and support network to keep operations running smoothly.

With a full lineup of solutions such as self-checkout systems and a self-order ticket vending machine with a large, vertical

touchscreen display, you can decrease the burden on staff and solve staffing issues that are common in the restaurant industry. We also provide cashless versions of our solutions.

In addition, all of our POS and ticket vending machine systems are supported by a cloud service that is top class in the industry, making it possible to operate your stores more efficiently and at a lower cost. These are DIGI's new standards for the food service and restaurant industry—solutions we are able to provide based on our thorough understanding of the industry and its challenges.



Cashless self-order ticket vending system
"DeliousLio"



POS terminal
"Delious Pico"



Corporate Overview

Foundation: November 1934
Chairman: Kazuharu Teraoka, Chairman of the Board, Chief Technology Architect
President: Kosuke Yamamoto
No of employees: 3,750 (including subsidiaries and affiliated companies worldwide)

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Teraoka Tokyo Head office



Teraoka Tokyo Osaki office



DIGI I's Ltd.



DIGI Singapore Pte. Ltd.
(factory in Indonesia)



Shanghai Teraoka Electronic Co., Ltd.



DIGI Europe Ltd.

Company History

