

December 13, 2024

Strategy Briefing Initiatives in new fields in the Medium-Term Management Plan (FY24-28)

SATO Holdings Corporation Securities Code: 6287.T

Our 2030 vision

New fields Blood SCM

New fields Reverse logistics

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Our 2030 vision

New fields Blood SCM

New fields Reverse logistics





We give every 'thing' its own ID so it connects with the world

with "Perfect and Unique Tagging"

FY2030 Consolidated	Consol. sales: JPY 200B
management	Consol. OI: JPY 21B, 10.5%
targets	ROIC: Over 10.0%



Aiming for profitable sales growth by taking on initiatives in new fields



* Focal areas may partially overlap

Provide unique IDs through tagging and establish traceability to solve customer issues



Explanatory video (Japanese)



Advanced tagging

Expanding the scope of our value provided through acquisition of new technologies



Scope of value proposition



business applications with no code.

New fields

Our 2030 vision

Select businesses in existing and new areas based on growth potential and profitability. Proactive resource shifting to achieve sustainable growth.







Customer pain points

In response to various issues in the medical field, the need for visualization and streamlining is increasing.



Increase in patients due to aging and decreasing poverty worldwide



Shortage of medical personnel due to revision of laws and regulations.



Blood shortage



Requirement to provide appropriate medical care to more patients with limited medical personnel and resources

Visualization and streamlining of operations



Provide appropriate medical care to patients by assigning unique IDs through tagging solutions





Provide appropriate medical care to patients by assigning unique IDs through tagging solutions





Explanatory video (Japanese)



Status of business negotiations

Increase in the number of global business negotiations due to the expansion of traceability demand and our allocation of resources





Accelerate growth by taking on challenges in new fields in addition to traditional businesses

Health care sales









Explanatory video (Japanese)



Background

Circular economy transition and use of recycled materials are necessary to avoid stagnation of economic and social activities



Environmental destruction due to excessive production and disposal of goods



Suspension of production activities due to resource depletion



Stagnation of economic activity due to extreme climate conditions



Source: GS1 in Europe

Transition to a circular economy

 Circular use by maintaining and restoring the value of resources and products

Use of recycled materials

• Reliable supply of recycled materials of required quality and quantity



Background

EU-led implementation of circular economy laws and regulations

EU

The European Green Deal



• Achieve carbon neutrality by 2050

Ecodesign for Sustainable Products Regulation



- Resource recyclability
- Energy efficiency
- Disclosure of other sustainability items

Digital Product Passport



- Electronic assignment of environmental impact information to products
 - Used by manufacturers, suppliers, governments, and consumers



Customer pain points

To establish reverse logistics, it is necessary to realize stable shipment in volume, ensure specific quality, and visualize the recycling process.



Customer pain points

Solving problems by establishing traceability through reverse logistics data



Management and tracing of reused goods

Visualization of collection status and system linkage to optimize overall operation



Visualization of goods in reverse logistics (Realization of stable shipment in volume and assurance of specific quality)



Exploring new business opportunities in forward logistics toward a circular economy





- Oct 30, 2024 Started "informatization of lithium-ion battery recycling process" with ENVIPRO HOLDINGS Inc. (NEWS RELEASE) (Japanese)
- Dec 4, 2024 Successful demonstration of "Information Technology of Lithium-ion Battery Recycling Process" with ENVIPRO HOLDINGS Inc. (NEWS RELEASE) (Japanese)
 - Dec 4-6, 2024 Exhibit at Circular Partnership EXPO 2024 (NEWS RELEASE) (Japanese)
- Dec 9, 2024 SATO and Nakadai Successfully Digitize Resource Recycling Process, Achieving Key Data Integration Milestone (<u>NEWS RELEASE</u>) (Newspaper article on the right)



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Summary

Aiming to realize our 2030 vision and achieve profitable sales growth by taking on challenges in new fields

- Expanding the scope of value proposition through acquisition of new technologies
- Aim for sustainable sales and profit growth by expanding business through initiatives in new fields
- Medical SCM: Providing appropriate medical care to patients by building traceability from blood donation to transfusion
- Reverse logistics: Realizing reverse logistics by establishing traceability through information technology

We pursue to give every 'thing' its own ID so it connects with the world with "Perfect and Unique Tagging"



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