



# Integrated Report 2024

**SATO HOLDINGS CORPORATION**

Securities code: 6287.T



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## About the Integrated Report 2024

This report tells SATO Group's value-creation story, focusing on how we aim to use our strengths and strategies with a strong foundation in corporate governance to solve pain points for customers and create value for economies and society through our core business in auto-ID solutions to realize the future we envision.



## Corporate motto

## Our calling



Akunaki sozo — Ceaseless Creativity

Conceived by founder Yo Sato in 1969, our corporate motto reflects our belief that individuals and corporations equally bear the mission to serve society through self-improvement. To us, serving society means contributing towards a better and more sustainable world, which we set out in our corporate mission. In pursuing our mission, we solicit ideas and suggestions from employees through our in-house Teiho reporting system, which has been incorporated into organizational decision-making since 1976. Our daily drive for change and action is what improves our work and creates new value for customers, and a product of our corporate motto.

## Ceaseless Creativity includes:

Developing **innovative products and services**,

Developing **new production technologies**, and

Seeking out **new markets and application needs**.

## SATO Values

## Mission

## Why we exist

**Our mission is to create new value for our customers through products and services of superior quality, and to contribute towards a better and more sustainable world.**

## Vision

## Where we are heading

**To be the customer's most trusted partner for mutual growth, and always essential in an ever-changing world.**

## Credo

## Our code of conduct

- We inspire changes, new ideas, and the courage of promoting customer-centric innovation in the spirit of Ceaseless Creativity.
- We seek to be true professionals by constantly striving to exceed the expectations of our customers.
- We see things as they are, and do the right thing right away.
- We show respect for all individuals, extend trust to each other, and work together as one cohesive team.
- We enable a vibrant and open-minded workplace, eliminating the formalities that cause "Big Company Disease."
- We share the returns from our business with our four stakeholders: shareholders, employees, society and the company.

## From the President and Group CEO



## Pursuing Perfect and Unique Tagging to create value for the company and society

*Hiroyuki Konuma***Hiroyuki Konuma**

President and Group CEO

### A year into my tenure

#### Listening to subsidiaries in making executive decisions

Looking back at my first year as Group CEO, I had fruitful visits to our group companies to see local operations and market circumstances firsthand. My biggest learning was the market differences between Japan and other regions. By “seeing the site” for myself as we customarily do at SATO, I am now ready to start shaping the new, optimized organization that I envision.

By seeing various economies and cultures with my own eyes, I felt how each country’s momentum and demographics are different. Similarly, our subsidiaries’ resources vary greatly. It didn’t take long to reaffirm that what works in Japan won’t work elsewhere as is. Porting initiatives from Japan to subsidiaries would only widen the gap between us. During my

## From the President and Group CEO

visits, I have spoken with many local employees and learned about local market conditions. These experiences have come to fruition with our new FY 2024 to 2028 medium-term management plan (MTMP). We now delegate more responsibility to group companies to make decisions locally and port success cases from one region to another directly with no intervention from Japan headquarters.

Delegating more responsibility to subsidiaries means we need strong group governance, which is why I have appointed an executive officer specifically to oversee compliance and governance and welcomed Hiroshi Nagumo as our new external director to lend his expertise on governance and global business operations he accumulated at leading medical equipment maker Terumo. And even with strong management, we need to stick to our SATO Values, the core philosophy and code of conduct guiding our business. We appoint SATO Values Leaders at each subsidiary who promote our corporate values through activities. On my business trips, I made sure I talked with each one to express my gratitude for their daily efforts so our local management appreciates how important SATO Values are to us.

Currently, HQ supports global business development in various aspects. If our global companies can be more autonomous, it should alleviate some of the burden HQ bears in their growth.

## SATO's strengths

### Solving challenges for societies in different stages of development

Our strengths are in our customer base and know-how built up over 84 years with our unique business model. Despite our listing as a machinery manufacturer, we have customers worldwide in a wide range of industries including manufacturing, retail, health care and logistics, where we directly or indirectly contribute to making people's lives better. Our vision is "to be the customer's most trusted partner for mutual growth, and always essential in an ever-changing world." In this world of rapid change where AI technologies and sustainability needs bring new challenges for the planet and humankind, SATO can help by tapping its strengths in customer touch points and genbaryoku (see Page 10) to continuously innovate our tagging technology and provide diverse solutions. With our strengths and solutions, we can solve challenges that vary by country — differences, as I mentioned — such as how an emerging economy would expand essential medical care while a developed nation where medicine is already advanced would want to focus on preventing illness or improving well-being.

Our most valuable asset and strength is our talent. And our Teiho reporting system furthers this competitive advantage.

Employees write "reports on original ideas, innovations and proposals aimed to make the company better and on how to put them into action" within a set word count and submit them to top management. This system empowers employees to express their opinions to company management while allowing the management to take responsibility by answering them. Teiho shapes SATO's culture of integrating employee ideas into organizational decisions and is what I hope to make more use of. I also believe we should keep diversifying our human assets to make the company stronger.



## Toward our 2030 vision

### Charting our next growth phase with Perfect and Unique Tagging\*<sup>1</sup> (PUT)

I have set in our latest MTMP a vision for us to pursue Perfect and Unique Tagging to realize a future where everything has its own ID and connects with the world. It will take some time for our own people to internalize this, so I have defined the new MTMP to span the next five years.

While RFID technology is most known for its contactless, bulk reading capability, it also has a distinct feature whereby



each RFID tag carries its own, unique ID, which, when associated with data, unlocks another realm of possibilities. Linking identifiers with status information, such as temperature, humidity and location, for example, can bring about transformational benefits, and when the writing and reading of such data becomes fully automatic requiring no human intervention, it will enable a new level of convenience.

This is the value of PUT that no market or customer has noticed yet but would radically change our lives. If we could deliver this new means of tagging to our current customer base, we could innovate the market. The challenge would be in generating profits. While PUT can technically be applied to track low-price retail products, we are working to first realize it with higher value items like blood bags and in managing their supply chain. This involves using our very own PJM\*<sup>2</sup> technology, and we are the world's first to have successfully deployed a large-scale PJM solution to a national authority in an Asian country. As PJM is an international standard, we can easily port the solution to other countries to establish a stable profit base with speed. And by honing this technology while making it more affordable for more users, we take a greater step toward the future we envision.

Realizing a circular economy is an immediate concern for societies and presents an enormous business opportunity for us. I believe the strength we fostered in tagging and digitizing

everything in forward logistics will be equally effective in reverse logistics. We will need to start in Europe where high environmental awareness is leading to green legislation, while we lobby for policy or certification changes for creating a circular economy in Japan. If anyone can do it, it's SATO. I'm seeing this field as our next growth area where we can replicate the growth we've had over the years in forward logistics. In 2022, the EU began rolling out the Digital Product Passport, mandating businesses to provide digital information over the entire life cycle of products and their components. I see huge business potential for us in the fields of disposal, material recovery, reuse and recycling, where the tagging expertise we have accumulated from the raw material and production stages can be put to use. And that's what I hope to commercialize as our new business.

Source tagging (i.e., tagging products at the point of manufacture) is also a business opportunity for us in our existing field. With a US retail giant now expanding its RFID mandate for suppliers to more product categories, we can expect more retailers to follow suit. And given how wide the retail network is, we have reason to believe that the market for RFID tagging would rapidly grow.

In this day and age of rapid and drastic changes, the management team needs to be firm in deciding where — which country and which field — we invest business



## From the President and Group CEO

resources in, planning for the coming years and beyond.

I believe we must allocate resources eyeing growth potential and profitability, which would make all the difference in how much SATO would grow.

\*1 See Pages 14–15 for more on Perfect and Unique Tagging.

\*2 ISO 18000-3 Mode 2 Phase Jitter Modulation (PJM) is an open, air interface standard for RFID that can quickly and accurately identify large volumes of tagged items stacked or stored in any physical orientation. As it is less affected by liquids and low temperatures or by radiation used for sterilization compared with other types of RFID, PJM works well in managing blood products.

## Driving the MTMP (FY 2024–2028)

### Restore profitability; invest in innovative tagging

In our MTMP, we have positioned FY 2024–2025 as a period to rebuild profitability and FY 2026–2028 to restart growth investments. The Japan business will aim to improve gross margins while keeping selling, general and administrative expenses at FY 2023 levels to make itself profitable at a higher level. It will specifically (1) focus on the health care and manufacturing markets which generate high margins, (2) adjust product prices and service fees to manage the impact of rising raw material costs, (3) optimize product lineup and internal value chain to improve productivity and cut costs, and (4) launch new printers and capture customer demand for hardware renewal. And sales teams will receive

incentives for higher profits generated, shifting their focus to sell higher-margin solutions.

Our businesses outside Japan will seek sustainable and efficient growth. They will create and share solutions efficiently and boost revenue from consumables, while HQ and each group company will redefine their roles and functions to create localized solutions together.

And we hope to support this drive toward our medium-term goals and sustainable growth with organizational integration and optimization, as we execute business strategies on the foundations of stronger corporate management, higher capital efficiency and sustainability development.

## Our promise to stakeholders

### Communicate our story and growth potential better

I believe we still have so much more to tell you about what the SATO Group does in making people's lives better. We operate globally and are listed on the Prime market segment of the Tokyo Stock Exchange, but that's only a small part of us. We have more of our value-creation story, more on our essential role in society to tell markets, the world and you. That is one of my responsibilities, not to mention managing

the group business with my eyes on improving capital efficiency and delivering stable, progressive dividends to shareholders. I shall also provide you with easily digestible information to keep you acquainted with our current progress and future plans.

I will strive to pursue more of what makes SATO unique and competitive and improve our corporate value as we continue solving challenges for society. Count on us to capitalize on the vast expanse of opportunities that lie ahead.



# SATO by the numbers (As of March 31, 2024)

## Founded

1940

## Consolidated net sales

143,446  
millions of JPY

## Net sales CAGR (FY14–23)

+4.1 %

## ROIC

8.5 %

## Global network

Offices in **26** countries/  
Presence in over **90** regions

## Customers in Japan

88,000  
companies

## Repeat customers in Japan (FY21–23)

92 %

## CAGR for RFID business (FY21–23)

+35 %

## Employees

5,744  
(35% in Japan, 65% elsewhere)

## Insight database for bettering the company

About **50** years of use  
Approx. **3,000** ideas,  
reports and proposals per day

\* Teiho system to compile intelligence from employees.

## Patents owned

1,978

## Patent utilization rate in Japan

60 %

\* Outside Japan, we count the total number of patents and not unique patents. If a patent is granted in four countries, it is counted four times.

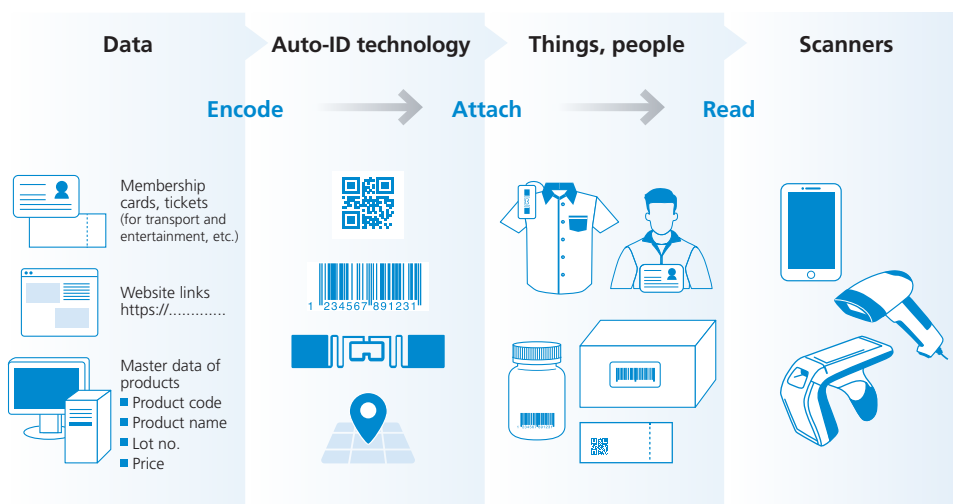


## Our business: Tagging

### About auto-ID solutions

Auto-ID (automatic identification) is the technology found in barcodes, RFID or image recognition that allows information to be read and identified “automatically.” Auto-ID solutions use hardware and software to identify things and people and digitize processes to solve on-site issues related to traceability, supply chain management and asset control.

### What tagging encompasses

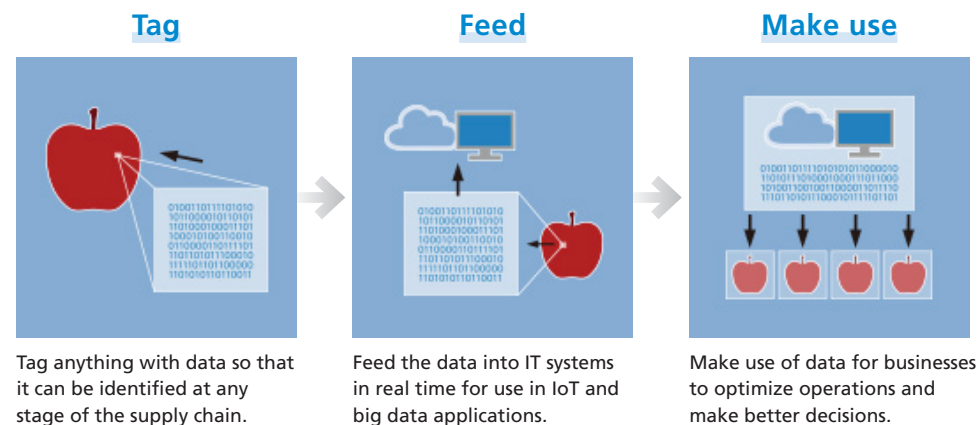


### Tag, feed and make use of data

The very essence of our auto-ID solutions lies in tagging: the act of physically attaching information such as ID and status to things and people and digitizing the data so that it can be fed to and processed by core IT systems for producing analyses and insights. With tagging, data collected from worksites and supply chains can be converted into big data to enable value creation in accuracy, safety, reassurance and more for wide applications in society.

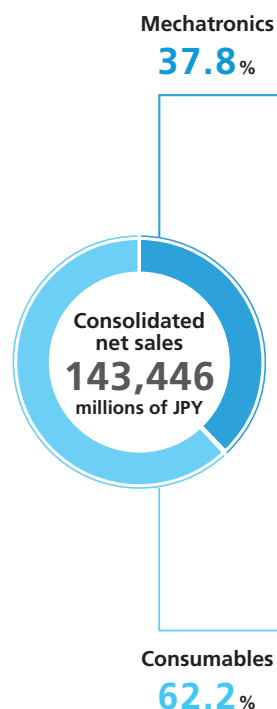
What sets SATO apart from the competition is how we are able to tag everything that moves through the supply chain from upstream to downstream, digitizing a wide range of data with high precision. To tag something, we not only look at its shape, what it is made of, which labels/tags to use and how to use them, but also consider how data would be read from the labels/tags and when it would be fed to IT systems, in line with the customer's workflows. Our other differentiator is making use of this collected data in various ways, such as offering visibility into complex worksites and streamlining their operations. Through tagging, we help businesses make better decisions, maximizing the value of data for customers and society.

### Making the most of data



## Our business

### Sales breakdown by product (FY 2023)



### Product lineup

#### Printers

Our product line of industrial, desktop, mobile and stand-alone printers is designed for a wide range of operational scenarios. With technical prowess accumulated over decades, we design our printers for universal usage and maximum performance in any environment. We are expanding our RFID printing/encoding capabilities to meet the growing demand for automation.



#### Software

SATO provides a comprehensive range of software solutions to support and deploy hardware and help customers centralize printing and management of label/tag data. We also develop application software and enable integration with ERP, WMS and MDM systems.\* Our "intelligence inside the printer" platform eliminates the need for computers and transforms our printers into a stand-alone label/tag printing solution.

\*Enterprise Resource Planning, Warehouse Management System and Mobile Device Management Systems, used to manage day-to-day transactions, operations and assets within organizations.



#### Printing supplies

With tags, labels, ribbons and wristbands, we meet a wide range of tagging needs using the right material, adhesive, processing method, automatic identification technology and print data for the item, purpose and work environment to maximize on-site productivity. We design inlays, convert tags and labels and perform quality inspections all in-house to meet the growing demand for RFID.



#### Print & apply systems

We have 40 years of experience providing print engines that are integrated with robotic arm applicators for high-speed, high-precision label printing and application to enhance accuracy and efficiency across market sectors, industries and use cases. As robotics technology advances, print & apply systems find wider use in enabling full automation and unmanned operations. We work to deliver the best print & apply systems through our knowledge of customer pain points and collaboration with technology partners.



#### Service and support

Customers who have installed our products and solutions benefit from our global network of servicing, which involves our in-house tech service teams and certified partners in providing troubleshooting assistance to improve the customers' operations and keep their businesses running. We continue to innovate technical support with SOS, our IoT preventative maintenance system that monitors printer operations 24/7 via the cloud, and through integration with industry-leading IoT management systems.



#### Stickers and primary labels

We create product labels used on a variety of consumer goods, offering full support from creating the design and selecting the paper/adhesive material to printing, finishing and applying the label. Our plants have the know-how to provide attractive and durable pressure-sensitive labels to differentiate products in the food & beverage, pharmaceutical, cosmetics, home care, chemical and other sectors at their point of sale.



### Sales by market sector\* (FY 2023)

#### Retail

SmartLiving  
with SATO Solutions

##### Industries

Supermarkets, convenience stores, drugstores, apparel stores and e-commerce

21.1%

#### Manufacturing

ConnectedFlexible  
with SATO Solutions

##### Industries

Automotive, chemical, iron/steel, machinery, electrical equipment and electronic parts

29.2%

#### Food

Right Food, Right Way  
with SATO Solutions

##### Industries

Food & beverage manufacturers, food service operators, farms and fisheries

11.0%

#### Logistics

AgileLogistics  
with SATO Solutions

##### Industries

Warehousing, transportation, wholesale distribution, 3PL and postal services

16.8%

#### Health care

PatientHappiness  
with SATO Solutions

##### Industries

Hospitals/clinics, pharmaceutical, medical devices/supplies, clinical laboratories, pharmacies and blood centers

11.7%

#### Public

##### Industries

Government offices, utilities, education and public transit

3.0%

\* Based on FY 2023 sales reported by SATO's key sales subsidiaries in Japan and overseas, excluding factories and primary label companies. Ratios do not add up to 100 percent due to contributions from other verticals not outlined here.

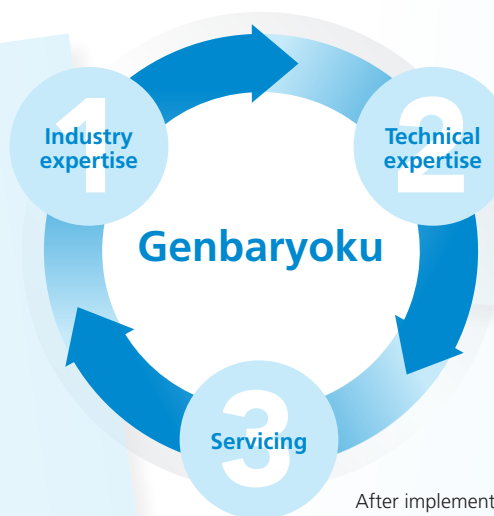
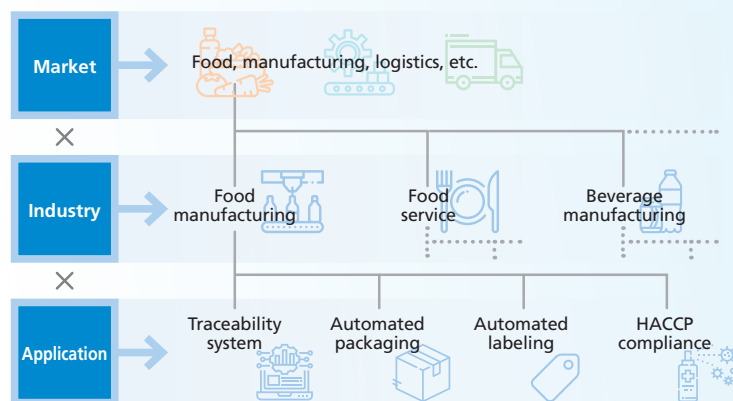
## Our core competency

Leading companies choose SATO because we can provide optimal solutions using our core competency of genbaryoku, which is about understanding how things work on site. It's what we have built up over time through tagging and data collection of things and people across supply chains. We define genbaryoku as three strengths that we hone to provide auto-ID solutions that are "powered on site."

### 1 Know-how on diverse markets, industries and applications

Tagging requirements vary by customer, and finding the best method for the case at hand takes know-how. As a manufacturer, we challenge ourselves and commit to honing our technology, which has resulted in functional products such as freezer-safe labels, UV-resistant outdoor labels and patient wristbands that fasten securely.

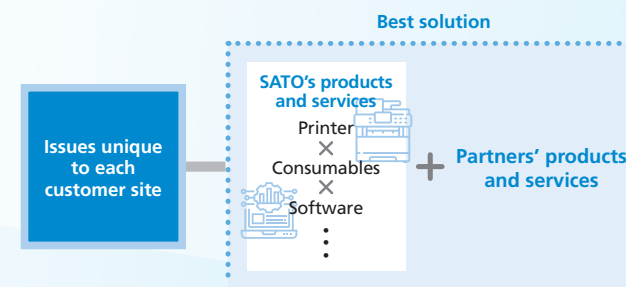
And because we understand customer sites, we know so many workflows and issues across a variety of industries. This expertise helps us propose and provide optimal solutions for every aspect of operations upstream to downstream.



### 2 The best solutions from mixing and matching technologies

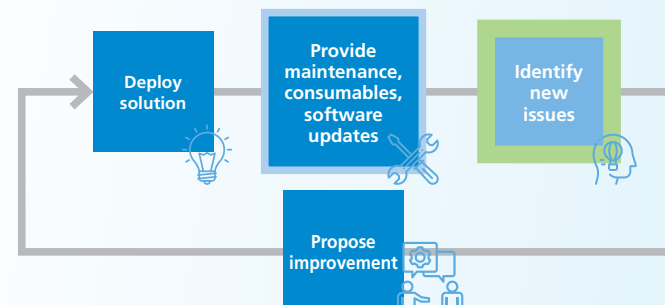
To solve unique customer issues, we cannot rely solely on our own products and services. We collaborate with business partners specialized in other fields to integrate their products, systems and technologies into our auto-ID solutions.

With our technical expertise to create the ideal combination of label printers, consumables, software and other devices, we not only address pain points for businesses but also tackle challenges for entire industries and the broader society.



### 3 Continuous connection and long-term relationship with customers

After implementing solutions, we continue to provide products and services that customers would need for their operations to run stably and efficiently. This after-sales support helps us maintain long-term relationships with customers to spot new issues and propose new solutions to improve their business without downtime.



Driving continuous improvements through Teiho

See our [insight database](#) web page for details.



## Powered on site to optimize operations

SATO helps companies track data across their operations to make better decisions. We are unique in providing solutions for technically complex challenges that take time and effort to overcome. We excel at delivering what works best for our customers through expertise and experience accumulated over decades of trial and error.

1

### We build strong sales proposals with industry knowledge and expertise



**Yasuyo Shigeta**  
Sales Administration  
SATO Corporation

At SATO, members from sales, servicing, operations and related departments work together for each project. We use our customer relationship management (CRM) system to ensure everyone understands who our customers are and accesses and shares accurate data to improve the overall customer experience.

CRM also stores information about past proposals and successful sales projects, so we know how each solution can be or is being used in each market/industry to propose it or apply the corresponding know-how to other customers with similar needs. Collecting and using CRM data gives us insights into diverse industries to present stronger proposals to customers.



2

### We bring together different products to transform manual tasks



**Yoshiyuki Shibata**  
Sales Strategy  
SATO Corporation

Many companies still depend on handwritten forms, manual data entry, counting or searching in their operations. One of SATO's greatest strengths is integrating products, technologies and know-how into optimal solutions, and we use this technical expertise to digitalize such manual tasks. That's how we not only help businesses enhance productivity and standardize operations but also make jobs more accessible to less experienced or non-Japanese-speaking workers to address labor shortages and other societal challenges.

3

### Customer satisfaction is our greatest reward



**Haruya Suzuki**  
Kyoto Support Center  
SATO Corporation

As service engineers, our top priority is to ensure uninterrupted and stable operations for customers. Besides regular maintenance inspections, we also put effort into IoT and cloud-based preventative maintenance through SOS (SATO Online Services). With SOS, we can monitor printer operations online to predict the replacement timing for service parts so our printers do not break down and cause stoppages. We schedule our visits during the short breaks in customers' operations to minimize downtime. And a happy customer gives us a profound sense of pride and fulfillment.

## What we pursue

### Give every 'thing' its own ID so it connects with the world

SATO has always worked to enhance the quality of data acquired through tagging to better meet the needs of our customers and society.

In the 1960s, our hand labelers helped streamline price marking, making work less laborious for retailers. [Manual tagging]

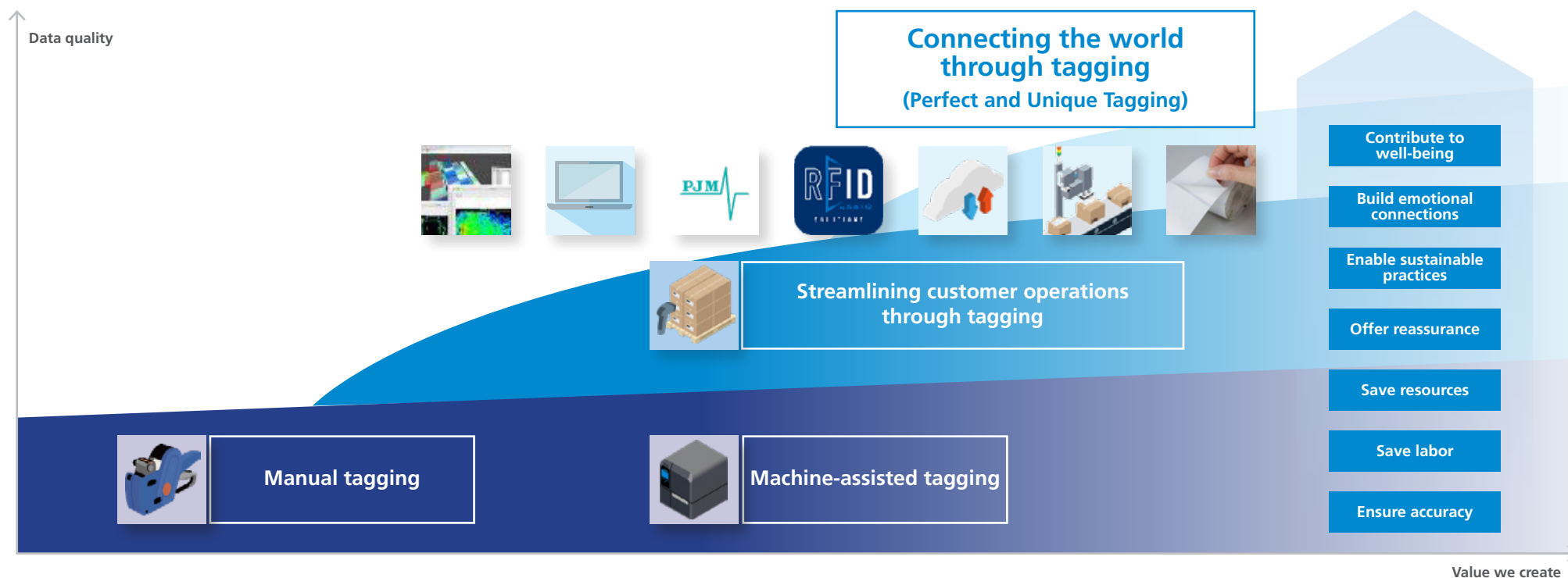
In the 1980s when point of sales (POS) systems became prevalent, we developed the world's first thermal transfer barcode printer to print durable, high-quality labels for accuracy and labor savings. [Machine-assisted tagging]

With the digital revolution in the 1990s, there were new connectivity needs, and we began offering standard solutions of hardware, consumables, scanners and software to help businesses collect

traceable data and optimize operations, saving resources and providing reassurance. [DCS & Labeling: streamlining customer operations]

Come the 2010s, the advent of the Internet of Things (IoT) made way for RFID tags and sensors, which allowed our solutions to collect dynamic status data that helped customers meet the needs of ever-more complex supply chains and enable sustainable practices and emotional connections.

Today, the issues businesses face are more complex and far-reaching than ever. We will address them with more advanced tagging — Perfect and Unique Tagging — to contribute to well-being and give every 'thing' its own ID so it connects with the world.



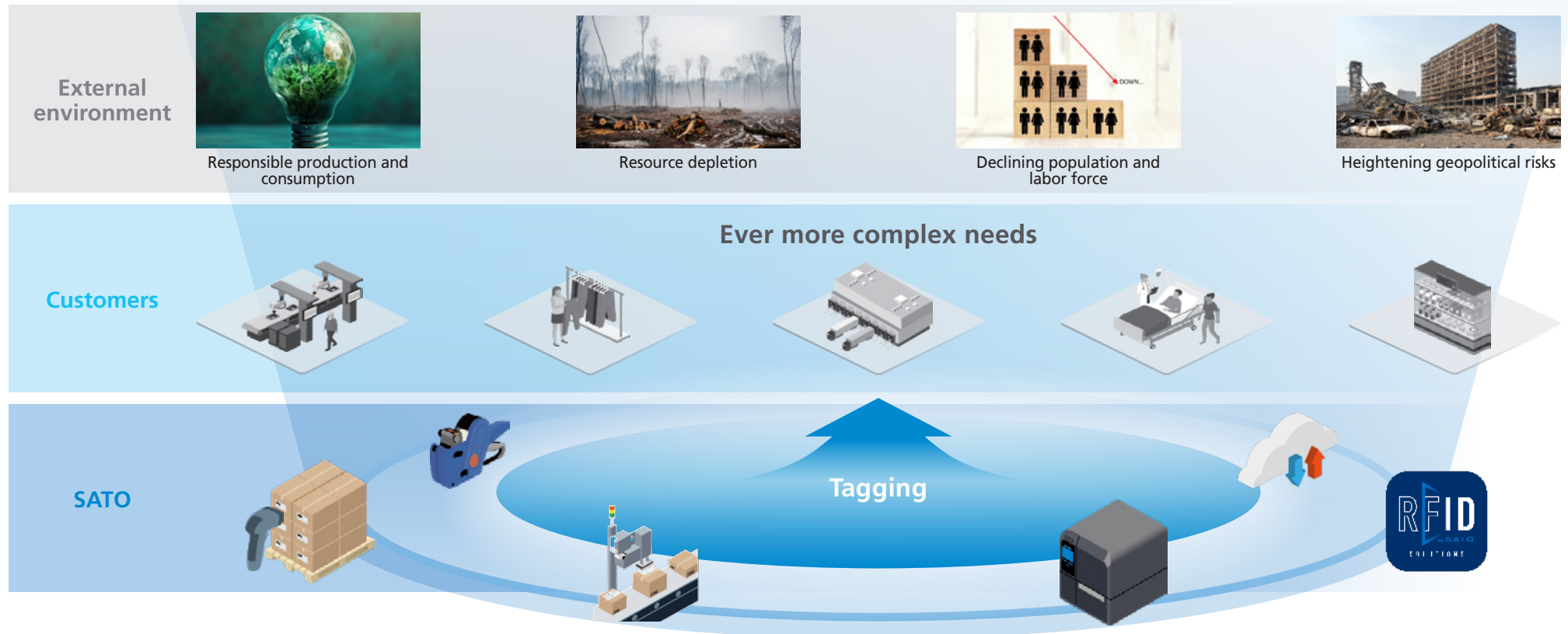
## Changes in external environment

### Businesses now face bigger and more complex challenges

As the world constantly changes with increasing complexity, companies today face many challenges that they cannot solve alone. Take food waste, for example. About a third of food produced worldwide is discarded, according to a 2019 United Nations study, and reducing wasted food is essential in ensuring sustainable production and consumption. Sustainable Development Goal 12 aims to halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains by 2030. The onus is on companies that are involved in food production, distribution and sale to help solve this global issue, and they can only do so by collaborating across the supply chain.

In developed countries, labor shortages are affecting the service industry and threaten to impact production volume and quality. This calls for companies to innovate operations with automation and digital transformation. There are also geopolitical risks that disrupt supply chains and impact operations, forcing companies to take a global perspective as they diversify their supply chains and manage risks.

The complex nature of today's problems defies traditional approaches, requiring industries and societies to find solutions together. SATO can play a part with our tagging technology, which we will keep innovating to meet the needs of an ever-changing world.



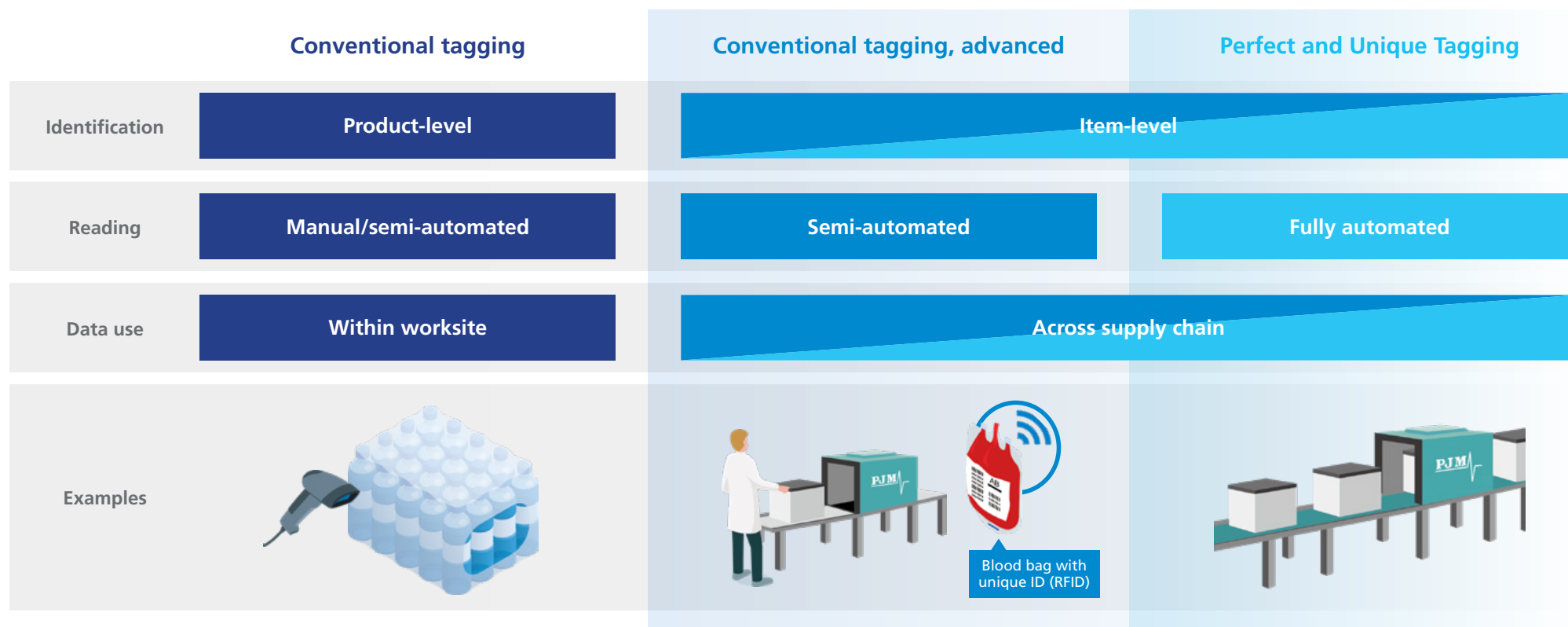


## Innovating tagging

### We deliver solutions for bigger and more complex challenges

Conventional tagging gives products an ID at the batch level. The ID requires manual scanning that may be semi-automated at best. Perfect and Unique Tagging, on the other hand, is about giving individual items a unique ID to track conditions like temperature, humidity or location beyond a single worksite and over entire supply chains spanning industries and countries. It also expresses a state in which the item-level information can be read automatically without scanning, and logged quickly and accurately.

For example, a beverage product of the same flavor and size would take the same ID. But with blood products, each blood bag needs its own unique ID containing information about the donor, blood type, condition and how it was processed. Perfect and Unique Tagging seeks to automate the accurate logging and managing of this data without human intervention, to allow tracking across the entire supply chain — from collection sites to blood centers and hospitals — for greater efficiency and patient safety. While solutions like this are currently used only in health care with high-value products, we will continue to innovate and lower the cost of the technology to expand it to other markets and applications.

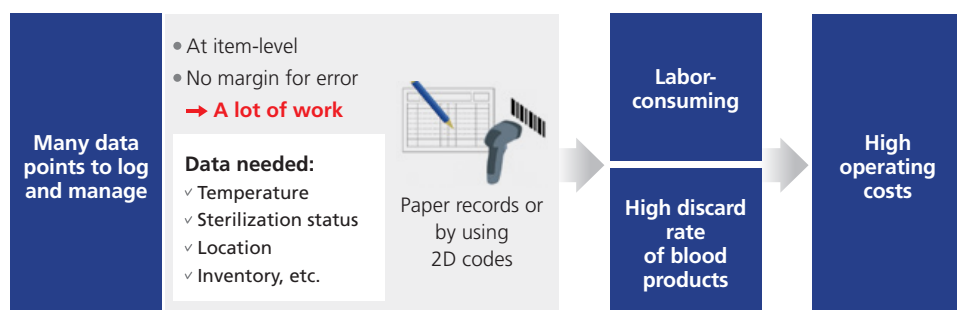


## Perfect and Unique Tagging for traceability

### What SATO can do for blood supply chain management

#### Current pain points

Blood transfusion involves registering donors and their blood at collection sites and processing it at blood centers before it goes to patients. Blood products require not only information about the donor but other data as well, such as processing status, storage temperature and expiry date, as each blood component needs to be managed under different conditions. This data needs to be logged accurately because it is critical to patient safety. Also, data logging should be simple enough to not burden busy medical professionals.



#### The solution: Perfect and Unique Tagging

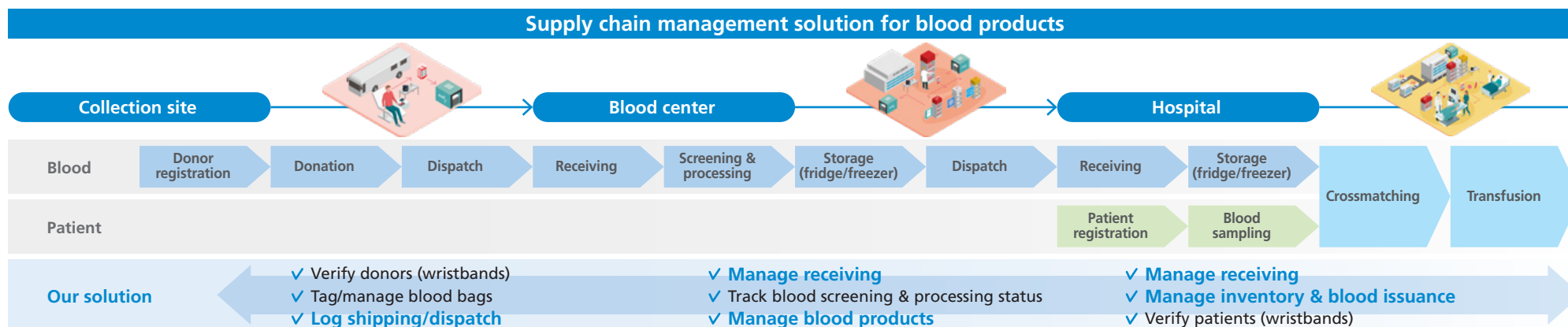
Drawing on our industry expertise, SATO has successfully automated blood product management over a certain supply chain spanning collection sites, blood centers and medical institutions using our own printers and PJM RFID labels in combination with third-party technology such as readers and temperature loggers. This solution minimizes human error while speeding the handling process to raise the quality of blood products and the safety of patients. It also tracks inventory in real time, allowing efficient use of blood products to reduce wastage.

A blood center in Asia has deployed our blood management solution. With the know-how gained in this project, we are looking to port the solution to other markets and countries.



#### Innovating through peripheral technologies and more

Tagging still relies on people to read the state and data of tagged items, so we are working on a new technology that would obtain and make decisions on such data to fully automate the process. We also seek other ways to identify and track items through peripheral technologies, R&D, M&As, capital partnerships and cocreation.



# Materiality

Our mission is “to create new value for our customers through products and services of superior quality, and to contribute towards a better and more sustainable world.” As sustainability is inseparable from our business, we have established a basic policy to ensure we do our part for society through our business.

## Basic policy for sustainability

<b>1 Create value</b>	Sustainability goes hand in hand with customer value creation and corporate value enhancement, which we consider the fundamentals of company management.
<b>2 Keep to our business</b>	We achieve sustainability through our business.
<b>3 Make it duplicable</b>	Our sustainability initiatives shall be duplicable over time or across the group.
<b>4 Align with the actual situation</b>	The actual situation of our business operations shall reflect our ideas for sustainability.
<b>5 Enhance disclosure</b>	We shall disclose sustainability-related information to fulfill our accountability to stakeholders.

➤ See our [sustainability policy](#) web page for details.

## Basic concept

We drive CSR, ESG and SDGs initiatives to achieve sustainability through our business.

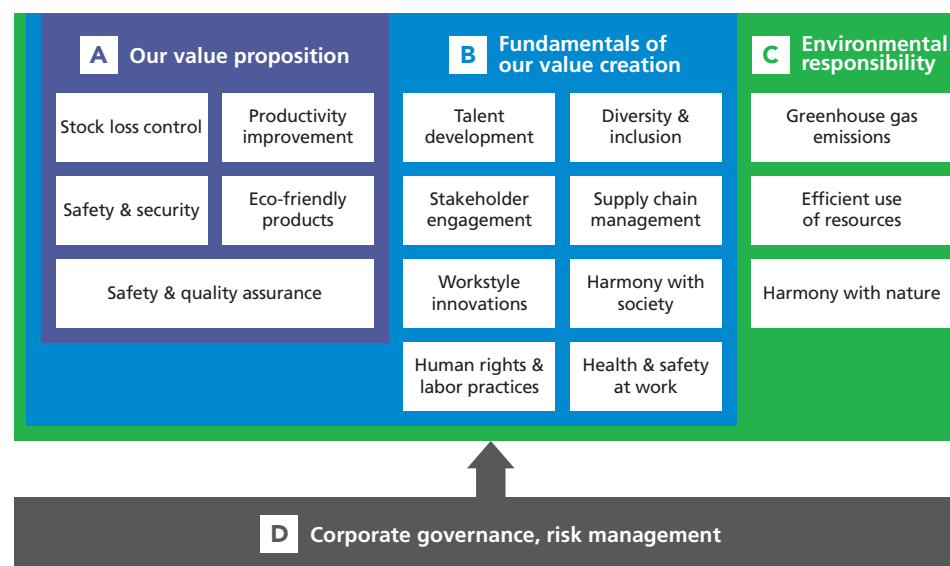
In 2019, we conducted a materiality assessment to identify sustainability issues most material to our business and stakeholders. We set up a Sustainability Promotion Committee, which, since April 2022, reports to our executive team to enable close collaboration in formulating sustainability policies and action plans. Through this committee, we contribute to supply chain optimization and society with our business offerings, support the circular economy and decarbonization in our operations, manage human capital, preserve the environment and drive other sustainability efforts in line with our business strategies.

In pursuing sustainability practices to realize our mission, we will discuss with and seek advice from external experts and organizations when necessary. We will also build a stronger sustainability management framework to help us make faster decisions in response to societal changes.

## Materiality overview

We identify our materiality agendas by their relevance to three areas: A. Our value proposition, B. Fundamentals of our value creation, and C. Environmental responsibility. These areas stand on the foundation of corporate governance and risk management.

➤ See our [materiality assessment](#) web page for details.



**A** What we aim to offer through our core business to help customers cope with societal challenges

➤ Page 12 [What we pursue](#)

**B** What we undertake internally/externally to enable the continuous creation of customer value

**C** What we do to protect the global environment where we live and do business

**D** Underlying foundation

➤ Page 22 [Governance](#)



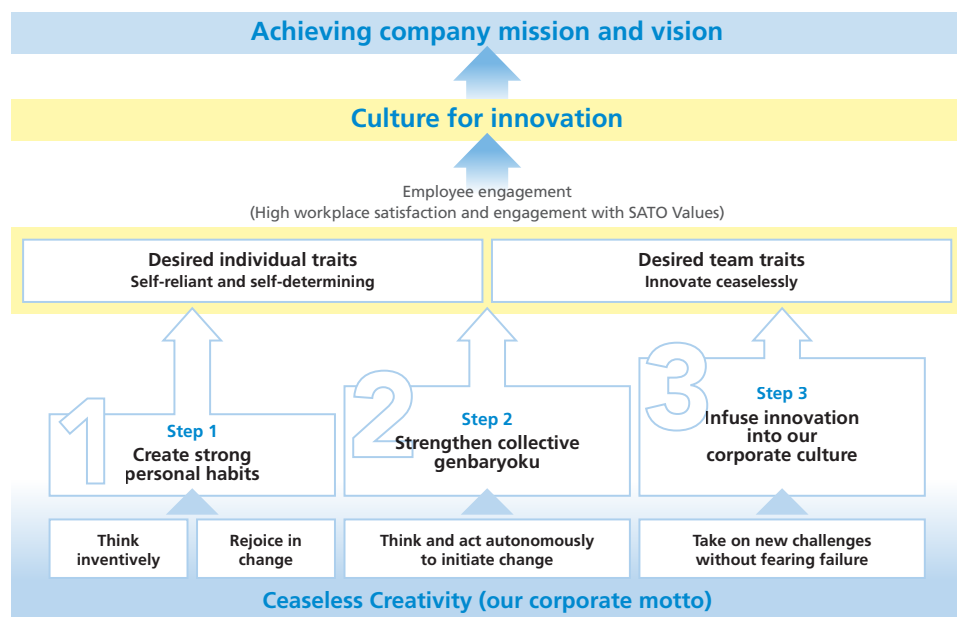
## B Fundamentals of our value creation

### Human capital management

We believe in the importance of cultivating a culture of innovation to create customer value, address societal challenges and raise our corporate value sustainably.

Our employees have developed strong personal habits of thinking inventively and rejoicing in change in their daily work. When the entire organization thinks and acts autonomously to initiate change, it strengthens our core competency of genbaryoku, and when employees take on new challenges knowing what is expected of them and their team, it promotes the exchange of diverse perspectives and values to spark innovation. We invest in human capital, hoping to infuse innovation into our corporate culture.

The HR Development Committee established under our Nomination & Remuneration Advisory Committee looks into fostering key employees, ensuring diversity and crafting different human capital management strategies, helping us make decisions and put them into action.



See our [HR policy & strategy](#) web page for details.

## Intellectual property management

SATO provides customers with products and services to meet their operational needs. Intellectual property we produce in the process is inseparable from our business and valued as a business resource that keeps us competitive. Through our Intellectual Property (IP) Department, which reports directly to the Group CEO, we engage in company-wide and cross-functional activities to create intellectual assets that help enhance and grow business in our stride toward realizing our medium-term management plan. We are also eager to produce IP that supports technological innovations as part of our strategic investment in seeking long-term growth. In our innovation process, we started performing and providing IP landscapes,\* taking actions to strategize how we create intellectual assets for competitive differentiation and grow our IP portfolio both in and outside Japan. By using IP to protect and leverage the value we deliver for society, we aim to create a better and more sustainable world and grow business to raise our corporate value over the long term.

\* Analysis of patent and market data used by companies to understand their strengths and market positioning and to make informed decisions about their corporate and business strategies.

See our [IP policy & strategy](#) web page for details.

## C Environmental responsibility

### Greenhouse gas emissions

Reducing carbon dioxide and other greenhouse gas emissions that cause global warming is essential to contributing to a sustainable world and the continuity of our business. We have set medium- to long-term targets with the aim of halving carbon dioxide emissions in operations groupwide from FY 2016 levels by FY 2030.

We plan to expand use of renewable energy and promote energy efficiency and conservation. Considering the risks climate change poses to water security, we will also strengthen how we manage water resources and provide disclosure on sustainability efforts with transparency.

#### Our progress in reducing emissions

		(Metric tons of CO <sub>2</sub> )				
Area	Key indicators	FY 2016 results	FY 2021 results	FY 2022 results	FY 2023 results	FY 2030 targets
Groupwide	Scope 1 and 2 emissions	11,931	10,252	8,709	12,188	5,965
	Relative to FY 2016	—	Down 14.1%	Down 27.0%	Up 2.2%	Cut by 50%
Japan	Scope 3 emissions	299,300	332,652	314,271	318,269	232,856
	Relative to FY 2021	—	—	Down 5.5%	Down 4.3%	Cut by 30%

Scope 1 covers direct emissions from company-owned sources (e.g., emissions associated with fuel combustion or industrial processes). Scope 2 covers indirect emissions from the consumption of purchased energy including electricity, heat and steam. Scope 3 refers to emissions indirectly linked to the company through its value chain; it includes all sources not within Scope 1 or 2. Overseas data excluded Scope 1 emissions prior to FY 2023.

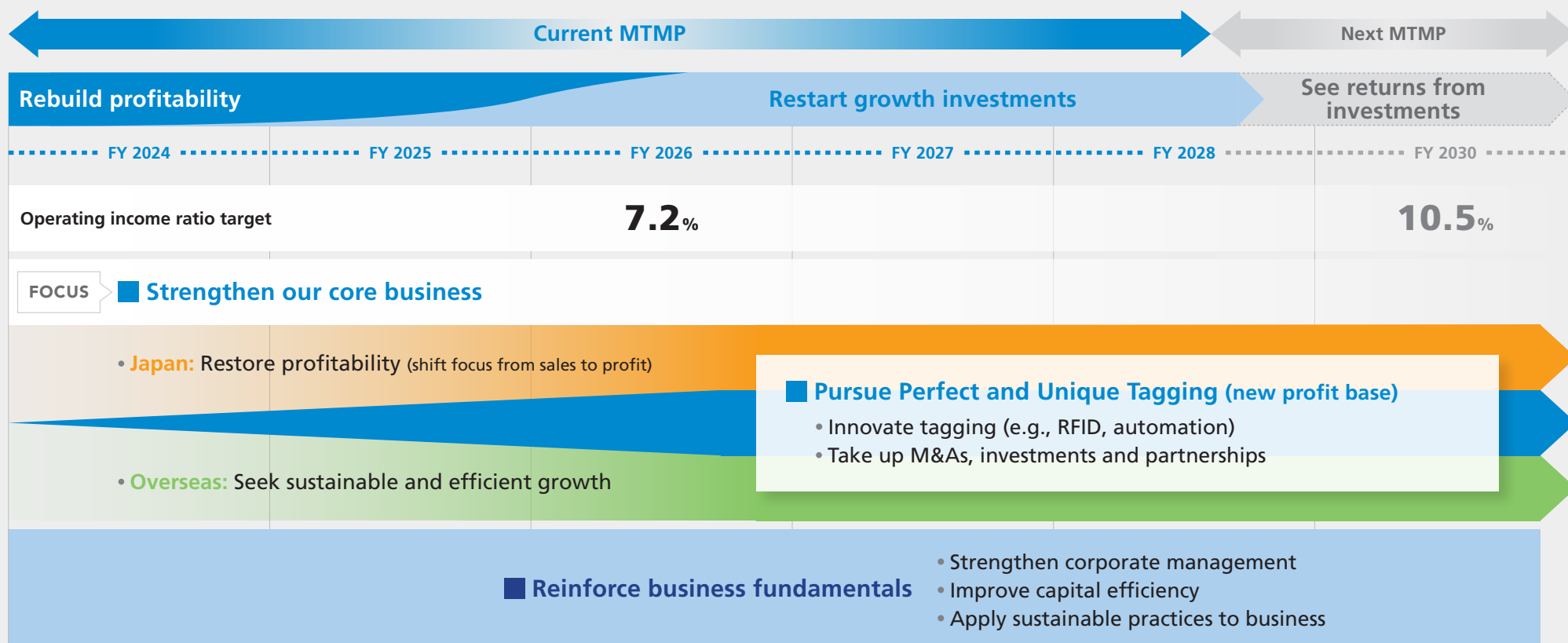
See our [greenhouse gas emissions](#) web page for details.

## Medium-term management plan (FY 2024–2028)

### Overview

Our medium-term management plan (MTMP), which looks toward FY 2030, is grounded in our vision of where we are headed and customer needs for advanced tagging solutions to solve the complex challenges they face. We have significantly expanded our overseas business and global market coverage by concentrating resources on core operations, an approach we've taken since FY 2018. We now see remarkable sales growth in RFID and automation solutions that help enhance efficiency and traceability at customer sites worldwide. Yet rising costs and changes in product mix have lowered profitability in Japan, underscoring the need to rebuild our domestic business.

The MTMP spans five years, with the first two designated to rebuild profitability and the following years set to restart growth investments. During the initial phase, we will strengthen our core business. In Japan, we will get the business profiting at a higher level, whereas overseas we will seek sustainable and efficient growth. In the subsequent phase, we will allocate profits generated from the recovered profit base to advance solutions for Perfect and Unique Tagging, with the aims of accelerating growth and establishing a new profit base. Throughout the MTMP period, we will also focus on strengthening corporate management, improving capital efficiency and applying sustainable business practices, to reinforce our fundamentals.



## Medium-term management plan (FY 2024–2028)

## Strengthen our core business

In Japan, we aim to improve operating income ratio by approximately 3 percentage points from FY 2023 to FY 2026. We place priority on improving gross profit by channeling some of our business resources to high-profit and key markets. And to streamline our internal value chain, we have restructured our organization effective April 2024 for overall optimization and efficiency. Also starting FY 2024, we have introduced a new evaluation scheme for sales departments with a focus on profitability.

For our overseas business, we are seeking sustainable and efficient growth, to achieve a compound annual growth rate of about 6 percent by FY 2026. Building on the success of our previous medium-term plan, which established a strong solution-based sales approach across regions, our latest MTMP expects our subsidiaries outside Japan to lead the way in not just creating but also sharing solutions they created for rollout to other customers with similar needs. This will help our base business to grow while maintaining profitability.

See Page 21 for messages from our Japan and global business leaders.

**Japan business**  
**Restore profitability**  
(FY23–26 operating income ratio: +3pt)

**Improve gross margins while keeping SG&A expenses at FY23 levels**

- 1 Focus on key markets**
  - Health care: Gross profits up 40% by FY26
  - Manufacturing
- 2 Adjust prices with agility**
  - Manage the impact of rising material costs
  - Optimize service fees
- 3 Streamline value chain**
  - Optimize product lineup to improve productivity and cut costs
- 4 Launch new printers**
  - Capture customer demands for hardware renewal
- 5 Have sales focus more on profit**
  - Review low-margin deals
  - Sell more high-margin solutions

**Overseas business**  
**Seek sustainable and efficient growth**  
(FY23–26 net sales CAGR: +6%)

**Base business**  
Sales: JPY 48.3 billion (FY23) ➔ 57 billion (FY26)

Americas	JPY 17.3 billion ➔ 21 billion
Europe	JPY 11.7 billion ➔ 14 billion
Asia & Oceania	JPY 19.3 billion ➔ 22 billion

**Develop and deploy solutions efficiently**

- Boost consumables revenue
- Expand global sharing of solutions
- Review roles and functions of HQ and group companies
- Create locally optimized solutions

**Primary labels business**  
Sales: JPY 19.6 billion (FY23) ➔ 23 billion (FY26)

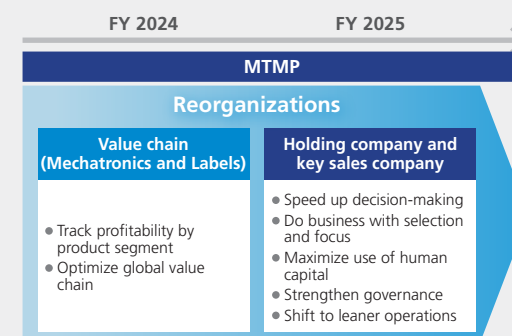
**Stabilize sales and profits**

- Increase production capacity for high value-added products; broaden value propositions for customers

## New organizational structure

Effective FY 2024, we reorganized our internal value chain to have our Mechatronics and Labels businesses each manage their own product planning, R&D, production and sales functions for overall optimization in generating profits. This will also allow us to streamline accountability and set KPIs to track profitability better.

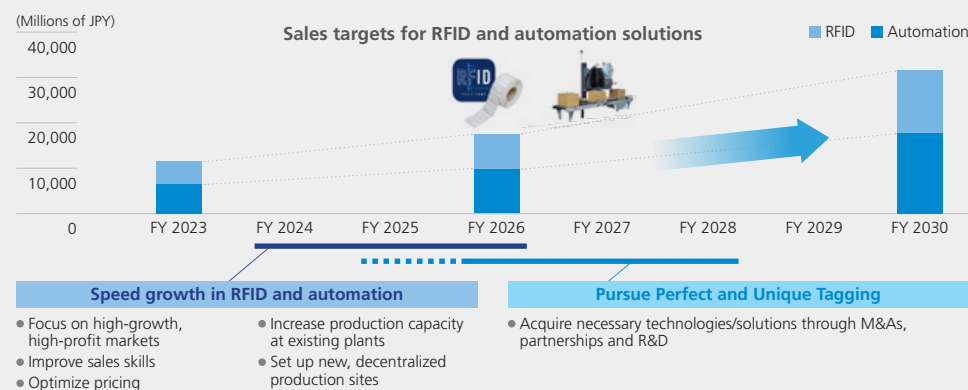
In FY 2025, we plan to merge the holding company and our key sales company in Japan into one, further simplifying our corporate structure to clearly define responsibilities and authority, speed up decision-making, and operate with selection and focus, while also maximizing use of human capital and strengthening governance.



## Advanced tagging to address new societal challenges

We will innovate tagging in existing fields that include RFID and automation solutions. It means investing more resources into high-growth, high-profit markets to build a solid business base, while improving our sales expertise, optimizing pricing and boosting production capacity. In pursuing Perfect and Unique Tagging, we will look to acquire or partner with companies that can complement our auto-ID technologies to fulfill customer needs.

## Speed growth in RFID and automation, and pursue Perfect and Unique Tagging





## From the CFO



**Osamu Masuko**  
CFO

### Taking up the role of CFO

As the new CFO effective April 2024, I hope to leverage my banking background and experience in finance and operations at various global companies to help grow our business around the world.

### Understanding our business situation

Growth is gradual across the global economy but solid particularly in the US. Multinationals like SATO continue to face uncertainties due to escalating geopolitical tensions and other risks. We must prepare for a range of future possibilities.

For Japan, our current emphasis is on restoring profitability and we have implemented action plans that are proving to be effective. Outside Japan, we see a steady showing in our primary labels business as the base business keeps up growth. We will drive both through strategic prioritization.

## Staying agile and adaptable to maximize corporate value

### SATO's capital and financial strategies

We must improve capital efficiency and continuously generate cash flow with financial discipline. We will focus on KPIs such as ROIC and EBITDA, under our basic policy to:

- 1 Pursue an optimal capital structure;
- 2 Deliver stable and progressive dividend payouts by increasing corporate value on a medium- to long-term basis;
- 3 Conduct flexible share repurchases using surplus cash, while considering overall capital allocation.

In terms of improving capital efficiency, we will work to strengthen cash and credit management and make use of group financing. We will seek diverse financing sources, considering selling bonds on the capital market or other direct financing options without relying solely on bank loans or indirect financing. Although we will increase leverage with debt financing, our real aim is to use the increased leverage to make effective growth investments and reduce our cost of capital.

As for dividends, we will decide our dividend rate based on medium- to long-term earnings and cash flows. Our policy to maintain or increase dividends per share is a strong statement but nothing new, since we have always been providing shareholders with steady and higher dividends each year since our listing as a public company.

Lastly, share repurchase is one of our options to return capital to shareholders. When buying back our own shares, we will make it a point to amortize or eliminate them promptly. We expect our capital and financial strategies to remain largely the same but may change our debt portfolio and composition if necessary to meet future investment needs and match financial market conditions.

We estimate our current WACC (weighted average cost of

capital) value to be 7 percent and will use this benchmark in yen terms (or such equivalent in other currency) as a hurdle rate for future investments.

### Financial targets from our medium-term plan

We announced a new five-year medium-term management plan that started in FY 2024. This plan includes key milestones we plan to hit at the three-year mark in FY 2026 to put us on track to where we want to be in FY 2030. Our ROIC target for FY 2030 is 10 percent, and we aim to achieve it through M&As and other investments that are needed for us to pursue Perfect and Unique Tagging.

### Milestones for FY 2030

	(Millions of JPY)		
Consolidated	FY23 actual	FY26 planned	FY30 target
Net sales	143,446	160,000	200,000
Operating income	10,383	11,500	21,000
Operating income %	7.2%	7.2%	10.5%
EBITDA	15,456	19,100	29,500
ROIC	8.5%	7.9%	10.0%

### To our stakeholders

With aging and shrinking populations, society will increasingly depend on our auto-ID technologies. We have an important role to play, and by means of Perfect and Unique Tagging, we believe we can contribute to a better and more sustainable world in far more ways than ever before. Through our offerings and in combination with those of our business partners, we will strive to scale greater heights. Thank you for your continued support.

## From business leaders

### Japan

## Improving revenue generation while solving societal challenges

### Yoshinori Sasahara

Vice President  
Oversees Japan business and internal IT platforms  
President, SATO Corporation



Prior to taking charge of the Japan business in FY 2023, I was involved in strengthening our internal value chain, heading domestic sales, hardware production and the RFID business.

In Japan, we see solid demand for digital transformation as labor shortages intensify. Making processes digital means turning movements of things and people into data. That's what SATO does to unlock new value. Because we give every 'thing' its own ID to connect it with the world, we increase productivity, cut costs and innovate workstyles to help businesses cope with labor shortages.

Our medium-term plan for Japan is to improve revenue generation through sales and profits from existing and high-growth businesses. With new caps on the hours truckers can work, all industries using transport and logistics must streamline their processes around the movement of things and people. One example is to shorten the waiting time for loading and unloading cargo. We will meet these needs with our RFID and automation solutions. We will also raise in-house productivity through reasonable, lean and consistent supply chain and engineering chain management. From FY 2024, we have reorganized SATO Corporation to include a Global Business HQ, while also setting up the Mechatronics HQ and Labels HQ to manage their respective value chains. By clearly defining authority and accountability for profit and loss, we will speed action and create synergies.

Since last fiscal year, we've been revising prices of our consumables. We thank customers for their understanding and will make further price adjustments in line with material cost increases.

We understand that our stakeholders value environmental responsibility, sustainable business practices and corporate transparency. We will engage all our employees in working on these areas, bringing us closer to our vision of being "the customer's most trusted partner for mutual growth, and always essential in an ever-changing world."

### Overseas

## Have subsidiaries lead the way in seeking sustainable and efficient growth

### Hayato Shindo

Vice President  
Oversees global business



I started out at SATO doing sales for Japan's manufacturing sector before relocating overseas to take up positions in sales and management. After serving as the regional head of Asia and then of Europe, I assumed my current role overseeing the global business.

While global sales grew in FY 2022 fulfilling orders amid supply chain challenges, FY 2023 did not fare as well as we hoped even taking into account the market headwinds we had to face. Operating income increased though, driven by strong sales of RFID solutions and primary labels used on consumer goods. Our primary labels business is also making progress with repricing and selling more high value-added products.

Under our new medium-term plan, we seek more sustainable and efficient growth starting FY 2024. For the primary labels business, we will expand high value-added offerings to ensure stable performance. For the base business, we will give subsidiaries more autonomy in mining new DCS & Labeling projects and sharing the solutions they create with one another to roll out to other customers with similar needs.

Furthermore, we will boost revenue from consumables through systems to standardize production processes and add value, and through expanding production capabilities. We will also make good use of customer relationship management (CRM) data and train sales teams to become even stronger in sharing solutions and duplicating success globally.

Roles and functions for our overseas business will also be redefined. Subsidiaries can choose to set up regional solutions expert teams and work with business partners to create locally optimized solutions and share them efficiently, while the Global Business HQ in Japan focuses on approaching strategic accounts and watching over subsidiaries for sustainable growth. We will create value with our worldwide coverage and network to support customers who increasingly require dedicated one-stop services across their global operations.

Expectations around corporate social responsibility are growing globally, especially in mature economies. We will make groupwide efforts to comply with environmental regulations, human rights standards and other social obligations as we expand our customer base and increase our corporate value.

## Governance

### ■ From the chair of the board



**Hideo Yamada**  
External Director

#### My perspective

After many years of serving as SATO's external director, I was appointed to chair the board in FY 2021. It is an important role and I attend each board meeting mindful of my responsibility.

As chair, I really appreciate how board members always exchange opinions proactively, thanks to the company's open-minded culture. We never sit in silence over an agenda topic,

nor are any conclusions reached without thorough discussion. When external members ask probing questions and share ideas to delve deeper into topics at board meetings, internal members respond conscientiously.

#### On the change of leadership

Hiroyuki Konuma, who was appointed Group CEO amid effects of the pandemic and geopolitical tensions, is tackling difficult challenges with vigor and energy. While his efforts may take some time to materialize in financial results, I find his forward-looking approach and corporate restructuring endeavors to be truly commendable.

#### Setting up the company for further growth

SATO needs to strengthen how it operates its Japan business and build on potential high-growth areas outside Japan. Fostering talent is key here. The company must find the right people for the right jobs and develop leadership talent for its business front lines. Given its global presence, it is also crucial for SATO to ensure thorough governance while allowing subsidiaries in each country to play to their unique strengths. As the Japan headquarters can only send so many Japanese expatriates abroad, it would make more sense over the long term to foster local talent who can manage business at each subsidiary in line with the company's expectations.

#### My aspirations for the board's future

Being listed on the Tokyo Stock Exchange's Prime market, SATO must promote diversity, maintain compliance, contribute to SDGs and practice due diligence on human rights. Meeting these many requirements takes time, effort and talent. And on top of everything, SATO must keep improving its sales performance to survive and thrive. Managing such an expansive business is an exceptional challenge.

As chair and external member, I aspire to infuse vitality into board discussions to ensure the perspectives of shareholders and the public are considered. As a legal specialist, I also focus on compliance because even with strong sales, compliance lapses and scandals can destroy a company.

I've always seen huge growth potential in SATO but with this potential also comes room for improvement.

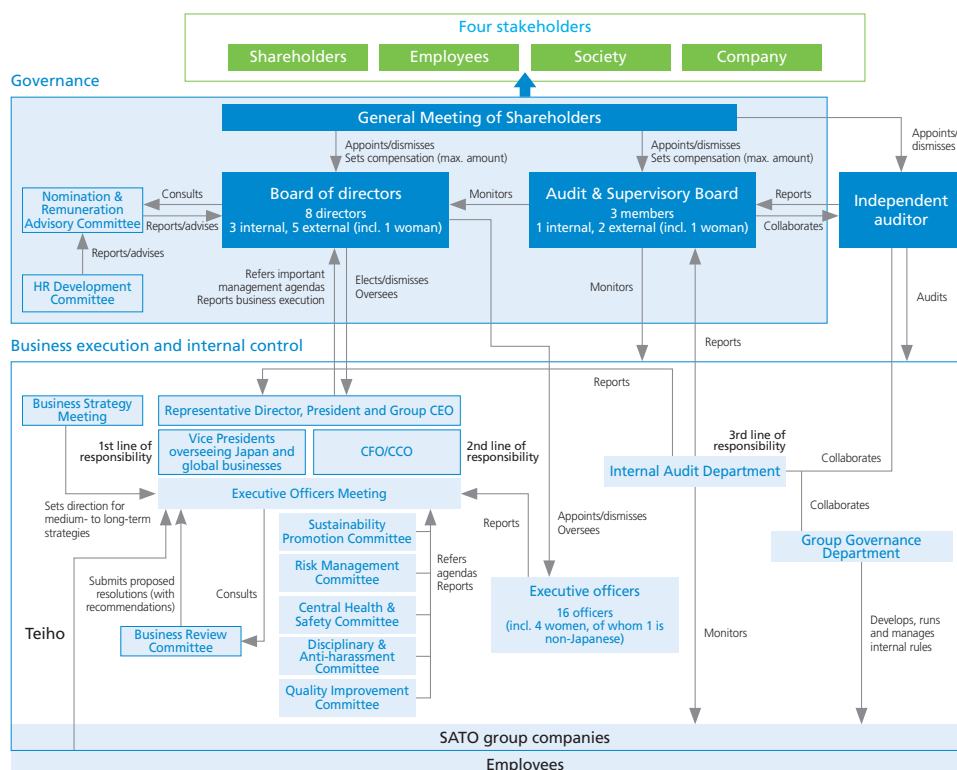
Konuma and his executive team must be open to constructive criticism, and in my opinion, they make efforts to do so.

I will continue to provide honest and critical feedback for the benefit of SATO, working with the board to effectively steer the company to success.

We aim to realize sustainable growth and increase our corporate value on a medium- to long-term basis under our vision of being “the customer’s most trusted partner for mutual growth, and always essential in an ever-changing world.” We believe that building and continuously strengthening corporate governance to support these aims is critical to sound, transparent and efficient management. Besides enhancing audit and control functions through our Audit & Supervisory Board, we also appoint independent external directors of diverse backgrounds to constitute the majority of our board. External directors provide strong and transparent management oversight, as we lay the necessary groundwork for effective governance to generate value for shareholders and all stakeholders.

## ■ SATO's corporate governance

(As of June 30, 2024)

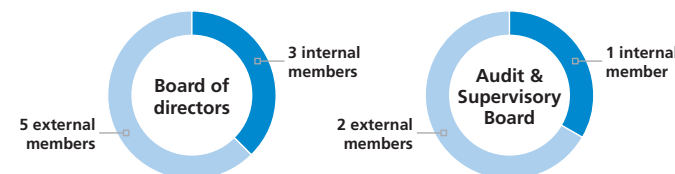


▶ See our [corporate governance](#) web page for details.

■ **Board of directors**

As of June 30, 2024, we have eight directors, complying with our Articles of Incorporation, which limit the number of directors to no more than 12. Out of these eight, two are concurrently serving as executive officers, one as internal non-executive director, and the remaining five as external directors. External directors make up the majority of our board and help ensure proper oversight of the management team with their independent perspectives.

The board of directors meets once a month in principle; it convened 13 times in FY 2023. At board meetings, matters stipulated by law and the Articles of Incorporation as well as important company matters governed by board regulations are brought up for discussion and review in a planned and comprehensive manner.



### ■ Evaluation of the board's effectiveness

The company conducts annual surveys to analyze and evaluate the effectiveness of our board of directors, verifying that corporate governance is enabling sustainable creation of increased corporate value.

In our latest survey, directors and Audit & Supervisory Board members generally found the board to have functioned effectively during FY 2023 and recent months, with adequate efforts being made to better its performance from the previous year.

There are, however, areas for improvement, which we will work to address.

▶ See our [corporate governance](#) web page for details.

**Audit & Supervisory Board**

The company has an Audit & Supervisory Board comprising one full-time and two external members as of June 30, 2024.

Audit & Supervisory Board members attend board of directors meetings to check business decisions and the effectiveness of internal controls, expressing their opinions when necessary. Members not only regularly receive explanations on audit plans and auditor's reports from the company's audit firm but also check the firm's work for appropriateness and legal compliance to assess its performance.

The full-time member attends the Executive Officers Meeting and other important in-house meetings, auditing/supervising different decision-making processes and resolutions reached and expressing opinions when necessary.



## ■ Message from the chair of the board's Nomination & Remuneration Advisory Committee

I have been on the Nomination Advisory Committee and chaired the Remuneration Advisory Committee since they were established in April 2021 to ensure independence, objectivity and accountability on nomination and remuneration of board members and executives. To date, these committees have handled topics such as succession planning, diversity for employees in key positions, remuneration structure/standards and evaluation metrics, and made recommendations to the board of directors. Given that the committees handle interrelated matters, the board decided to combine them into one as of June 2024.

Executive compensation is a key element of corporate governance, and the two committees and their discussions have served their purposes by successfully setting out a remuneration policy with a proper process to enable fair and transparent deliberation on remuneration decisions. Now a single committee, the Nomination & Remuneration Advisory Committee also manages an HR Development Committee which discusses how to build systems that train talent for key roles and ensure diversity to support the board and senior management.

Customers depend on SATO's on-site capabilities, and outstanding genbaryoku is the company's strength and key to sustainable business. Ensuring diversity by tapping into diverse competencies is how the company increases its value creation and heightens genbaryoku to be vibrant and competitive. SATO must invest in human capital and address other sustainability priorities to realize sustainable growth and increase corporate value on a medium- to long-term basis. I will continue doing my utmost as external director and chair of this committee so that the company can grow and contribute to a more sustainable world.



**Sadayoshi Fujishige**  
External Director

## ■ Expectations for the advisory committee

Prior to their merger in 2024, the Nomination and Remuneration Advisory Committees each comprised three external directors, one non-executive internal director and one executive internal director.

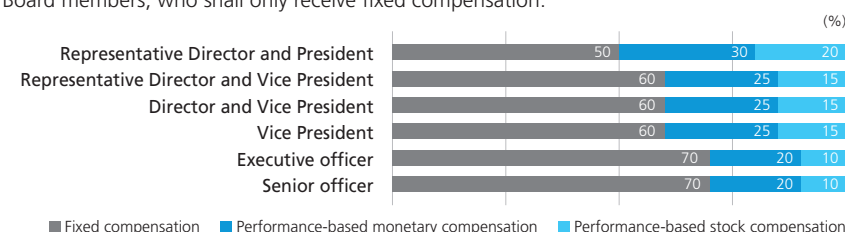
In the FY 2023 evaluation survey, directors and Audit & Supervisory Board members found the two committees to have contributed to the board's effectiveness through more extensive reviews and discussions on agenda topics compared with a year ago. The nomination committee met three times and the remuneration committee met five times in FY 2023.

Moving forward, the new merged committee will work to further discussions on various topics such as succession planning (for Group CEO and key roles), pay grading (based on level of responsibility), executive pay transparency (with a more rigorous process like linking their evaluation and reward packages to employee engagement metrics) and gender pay equity (particularly in terms of adjusting for the different life choices that women make throughout their careers).

	Date	Agenda/discussion topic
2023	Apr 11	Disclosures on human capital management and inclusion in the annual securities report and integrated report
	May 15	Confirmation of executive assessments for FY 2022 for the purpose of deciding performance-based remuneration
	Jun 20	Setting KPIs for FY 2023
	Jul 11	
	Oct 4	Executive retirement; training for key roles; leadership development program for overseas heads hired locally; action plan and measures for promoting diversity
2024	Jan 11	Appointing executive/senior officers for FY 2024
	Feb 9	FY 2024 remuneration standards and performance-based stock compensation metrics for executive officers; extension of Board Incentive Plan (BIP) Trust
	Mar 12	Setting executive officer remuneration for FY 2024

## ■ Executive compensation

Remuneration for directors consists of basic compensation (fixed monetary sum), performance-based monetary compensation and performance-based stock compensation. The weighting is balanced, taking into consideration the overall remuneration and position, with those in higher positions receiving a larger ratio of performance-based compensation. This does not apply to non-executive directors, who shall only receive fixed compensation and non-performance stock compensation, and Audit & Supervisory Board members, who shall only receive fixed compensation.














## ■ Succession planning

Besides proposing appointment/dismissal of individual director candidates and deciding on appointment policies, standards and processes, the board's advisory committee also assists with succession planning. Specifically, it helps to identify possible successors to the Group CEO and executive officers by understanding the qualifications, competencies and skills of internal candidates (both in and outside Japan) and assessing them based on their past performance and future potential.

## Management team

WEB Profiles of board members  
[www.sato-global.com/about/management.html](http://www.sato-global.com/about/management.html)

Board of directors											Audit & Supervisory Board		
External members											External members		
													
	Representative Director President and Group CEO	Vice President			Chair of the Board	Chair of Nomination & Remuneration Advisory Committee							
	Hiroyuki Konuma	Yoshinori Sasahara	Tatsuo Narumi	Ryoji Itoh	Hideo Yamada	Sadayoshi Fujishige	Yoshiko Nonogaki	Hiroshi Nagumo	Kiyohiko Yoshii	Noriko Yao	Naoki Kubo		
Skills matrix	Business/ organizational management	●	●	●	●	●	●	●					
	Industry knowledge (sales/technology)	●	●										
	International business	●			●	●	●	●	●	●			
	Finance and accounting				●	●			●		●		
	Legal and compliance			●		●			●	●	●		
	Human resource and labor relations			●		●	●			●			
	Governance and sustainability	●	●	●	●	●	●	●	●	●	●		
	Risk management	●	●	●	●	●	●	●	●	●	●		
Diversity	●		●	●	●	●	●	●	●	●			

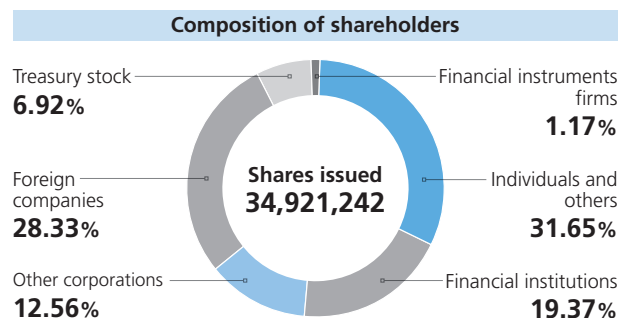
## Corporate data (As of March 31, 2024)

### Overview

Profile	
Name	SATO Holdings Corporation
Location	Tamachi Station Tower N, 3-1-1 Shibaura, Minato-ku, Tokyo 108-0023, Japan
Established	1940
Incorporated	1951
Representative director	Hiroyuki Konuma, President and Group CEO
Paid-in capital	¥8.4 billion
Employees	5,744
Consolidated net sales	¥143.4 billion

### Stock information

General information	
Shares authorized	80,000,000
Shares issued	34,921,242
Shareholders	9,047
Stock listing	The Prime market, Tokyo Stock Exchange
Securities code	6287
Fiscal year	April 1 to March 31
General meeting of shareholders	June
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation



Major shareholders		
Name	Shares owned	% to shares outstanding
The Master Trust Bank of Japan, Ltd. (trust account)	4,005,500	12.32
Sato Yo International Scholarship Foundation	3,786,200	11.65
Custody Bank of Japan, Ltd. (trust account)	2,118,500	6.52
SATO Employees' Stockholding	1,806,541	5.56
The Bank of New York 133612	1,486,100	4.57
Shizue Sato	897,470	2.76
The Bank of New York Mellon 140044	862,040	2.65
Mieko Yokoi	854,345	2.63
Mari Iwabuchi	794,570	2.44
Masako Fujita	653,360	2.01

Notes 1. The company holds treasury stock of 2,416,184 shares but is excluded from the above list of major shareholders.  
 2. Percentage (%) to shares outstanding is calculated excluding treasury stock.  
 3. Treasury stock includes forgotten shares (10 units) and excludes shares (97,822 units) held in the BIP Trust that are intended as executive compensation.  
 4. Names of major shareholders are reflected in the same manner as they appear in the shareholder register, except for Sato Yo International Scholarship Foundation whose ownership data is aggregated.

### Engagement with shareholders and investor analysts

#### Meetings held

	FY19	FY20	FY21	FY22	FY23
Financial results briefings	4	4	4	4	4
Briefings on medium-term plan and key topics	2	3	3	3	5
One-on-ones	277	260	164	147	205
Briefings for retail investors	5	2	2	1	2

#### Handling of investor concerns

SATO posts investor-specific FAQs online after every quarterly earnings release.

See our [financial reports](#) web page for details.

#### Reporting feedback

Comments from shareholders/investors are reported and shared internally to improve our business operations and IR activities.

Investor feedback review	Frequency
Board of directors	Twice per year
Management meetings	Twice per year
Group CEO and senior executives	Regularly

### JIRA IR Award rankings

FY19	FY20	FY21	FY22	FY23
#31–40	#51–60	#31–40	#81–90	#41–50

SATO received the IR Special Award from Japan Investor Relations Association (JIRA) in 2021.

See our [press release](#) for details.



SATO HOLDINGS CORPORATION

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