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(Securities Code 6287)  
June 2, 2021

**To Shareholders with Voting Rights:**

Ryutaro Kotaki  
Representative Director  
SATO HOLDINGS CORPORATION  
3-1-1 Shibaura,  
Minato-ku, Tokyo, Japan  
(Point of contact:  
General Affairs Department)

**NOTICE OF  
THE 71ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially notified of the 71st Annual General Meeting of Shareholders of SATO HOLDINGS CORPORATION (the "Company"). The meeting will be held for the purposes described in this Notice.

With the novel coronavirus (COVID-19) still rampant, we ask that you consider exercising your voting rights via the Internet or in writing (by postal mail) instead of attending in person to ensure your safety and prevent the virus from spreading. Please review the following Reference Documents for the General Meeting of Shareholders (pages 3 to 21) and exercise your voting rights by no later than 5:45 p.m. on Thursday, June 17, 2021.

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**1. Date and Time:** June 18, 2021 (Friday), 10:00 a.m. (JST)

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**2. Place:** TKP Garden City PREMIUM Tamachi, 4th floor, Tamachi Station Tower S  
3-1-21 Shibaura, Minato-ku, Tokyo, Japan

\*Please note that this year's venue differs from past years.

\*Please contact us if you wish to watch the meeting proceedings that will be broadcast live on the Internet.

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**3. Agenda:** **Matters to be reported:**

- 1. The Business Report, Consolidated Financial Statements for the Company's 71st Fiscal Year (April 1, 2020 – March 31, 2021) and Audit Results on Consolidated Financial Statements by the Accounting Auditor and Audit & Supervisory Board
- 2. Non-Consolidated Financial Statements for the Company's 71st Fiscal Year (April 1, 2020 – March 31, 2021)

**Proposals to be resolved:**

- Proposal No. 1:** Distribution of Retained Earnings
- Proposal No. 2:** Election of Nine Directors
- Proposal No. 3:** Election of One Audit & Supervisory Board Member
- Proposal No. 4:** Election of One Substitute Audit & Supervisory Board Member
- Proposal No. 5:** Partial Amendment to the Performance-based Stock Compensation Plan for Directors, etc.
- Proposal No. 6:** Election of Accounting Auditor

**Regarding Disclosure on the Internet**

- Of the items required to be provided at the time of this Notice, the notes to share acquisition rights, consolidated/non-consolidated statements of changes in equity, non-consolidated balance sheets/statements of income and consolidated/non-consolidated financial statements as well as information concerning policies and activities to ensure proper company operations have been posted on the Company's Japanese website, and are therefore not attached herewith, based on requirements by law and Article 16 of the Articles of Incorporation.
- Accordingly, the attachments to this Notice are part of the documents audited by the Audit & Supervisory Board and Accounting Auditor when preparing the Audit Report.
- Any updates to the reference documents for the general meeting of shareholders, business report and consolidated/non-consolidated financial statements will be posted on the Company's website.

Information on the general meeting of shareholders  
(<https://www.sato-global.com/ir/stockholder/shareholders.html>)

# Reference Documents for the General Meeting of Shareholders

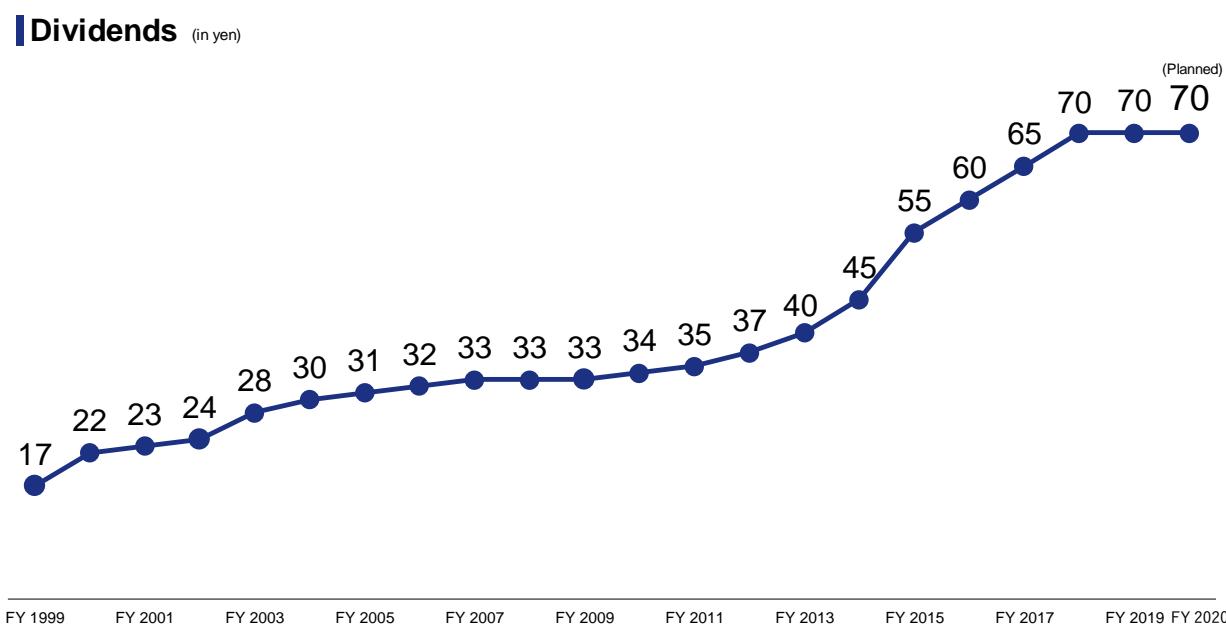
## Proposal No. 1: Distribution of Retained Earnings

After taking into account future business outlook and volatile changes in the business environment caused by the worldwide coronavirus outbreak, the Company has decided to continue distributing dividends in accordance with our corporate philosophy of four-way returns to stakeholders (see below) while allocating cash particularly to social contribution activities and to retaining jobs.

Based on this decision, the Company hereby proposes the following as the year-end dividend for the 71st fiscal year:

Type of dividend assets	Cash
Allocation of dividend assets and total amount of dividends	Allocation of dividend: 35 yen per share of common stock of the Company Total amount of dividends: 1,181,981,220 yen
Effective date	June 21, 2021

Combined with the interim dividend (35 yen per share), the total amount of annual dividends will be 70 yen per share, maintaining the same level as the previous fiscal year.



## Policy regarding the distribution of retained earnings in the form of dividends, etc.

The Company's fundamental policy regarding distribution of profits is to provide four-way returns to our stakeholders: shareholders, employees, society, and the Company. The Company decides the distribution of profits based on the basic principles of increasing corporate value and ensuring stable, continuous dividends while retaining internal reserves for future business expansion, comprehensively considering business performance and climate.

## **Proposal No. 2: Election of Nine Directors**

The terms of office of all eight directors elected last year will expire at the conclusion of this year's annual general meeting of shareholders. The Company hereby proposes the election of nine directors with the inclusion of one new nominee as decided by the board of directors.

The candidates are as follows:

No.		Name	Position(s) at the Company	Attendance at the board of directors meetings
1	For reelection	Ryutaro Kotaki	Representative Director, President and CEO	13/13 (100%)
2	For reelection	Yoichi Abe	Representative Director, Vice President	13/13 (100%)
3	For reelection	Hiroyuki Konuma	Director, Vice President	10/10 (100%)
4	For reelection	Tatsuo Narumi	Director, Chair of the Senior Executive Management Meeting	13/13 (100%)
5	Independent officer Candidate for external director	Yuko Tanaka	Director, Chair of the Nomination Advisory Committee	13/13 (100%)
6	Independent officer Candidate for external director	Ryoji Itoh	Director	13/13 (100%)
7	Independent officer Candidate for external director	Hideo Yamada	Director, Chair of the Board	13/13 (100%)
8	Independent officer Candidate for external director	Sadayoshi Fujishige	Director, Chair of the Remuneration Advisory Committee	10/10 (100%)
9	For new election Independent officer Candidate for external director	Yoshiko Nonogaki	-	-

Notes:

1. No material conflicts of interest exist between the Company and any of the above candidates for director.
2. Ms. Tanaka, Mr. Itoh, Mr. Yamada, Mr. Fujishige and Ms. Nonogaki are candidates to become external directors. The Company has appointed them as independent officers under the provisions of the Tokyo Stock Exchange and has filed a notification to that effect with the Exchange.  
For Mr. Konuma and Mr. Fujishige, their attendance figures are based on the number of meetings conducted after they assumed their posts as director following last year's annual general meeting of shareholders.
3. To let directors and Audit & Supervisory Board members focus on performing their duties adequately, the Company covers them with liability insurance that protects and indemnifies them from losses or claims of losses which may arise from actions taken within the scope of their responsibilities. All above candidates will be subject to the insurance once they are elected or reelected, and the insurance cover will be renewed during their term of office.
4. The Company's current Articles of Incorporation set forth that the Company may enter into agreements with External Directors and External Audit & Supervisory Board Members in accordance with the provisions of Article 427, Paragraph (1) of the Companies Act, to limit their liability for damages as stipulated in Article 427, Paragraph (1) of the Companies Act to the minimum extent permitted by laws and regulations in order to ensure the External Directors and External Audit & Supervisory Board Members can adequately perform the roles expected of them.  
The Company shall undertake or continue such agreement with the above external director candidates if they are elected or reelected as proposed.

## Reference

### 1. Skill matrix for directors and Audit & Supervisory Board members

The following shows skills/competencies of the Company's directors and Audit & Supervisory Board members (including new candidates nominated from Proposals No. 2 and 3) mapped against what is expected of their roles.

Directors and Audit & Supervisory Board members have skills/competencies that are appropriately well-balanced with the Company's needs.

			Knowledge and experience to lead management and business appropriately			Knowledge and experience to establish and maintain an appropriate management foundation			Panoramic perspectives to ensure sustainability	
Executive	Independ-ent	Name	a	b	c	d	e	f	g	h
Directors	●	— Ryutaro Kotaki	●	●					●	
	●	— Yoichi Abe	●		●	●	●	●	●	●
	●	— Hiroyuki Konuma	●	●						●
	—	— Tatsuo Narumi	●					●	●	●
	—	● Yuko Tanaka	●				●	●	●	●
	—	● Ryoji Itoh	●		●	●			●	●
	—	● Hideo Yamada	●				●	●	●	●
	—	● Sadayoshi Fujishige	●		●	●		●	●	●
Audit & Supervisory Board members	—	● Yoshiko Nonogaki (New candidate)	●		●				●	●
	—	● Nobuhiro Yokoi	●		●				●	●
	—	● Junichi Nagakura				●	●		●	
	—	● Noriko Yao			●		●	●	●	●
	—	● Takao Yamaguchi				●			●	
	—	● Naoki Kubo (New candidate)				●	●		●	

Note that the table outlines particular skills/competencies that reflect the individual's experience and expertise, and is not an exhaustive definition of their capabilities.

#### a. Business/Organizational management:

Have experience in management/executive positions at listed companies (including subsidiaries) or experience managing public and independent organizations

#### b. Industry knowledge (sales/technology):

Have practical experience in the Company's core business of auto-ID solutions

#### c. International business:

Have global experience, including overseas assignments

#### d. Finance and accounting:

Have practical experience and expertise

#### e. Legal and risk management:

Have practical experience and expertise

#### f. Human resource and labor relations:

Have practical experience and expertise

#### g. Governance and sustainability:

Possess knowledge to realize sound and transparent governance together with sustainable business growth

#### h. Diversity:

Bring diversity (in terms of gender, nationality or experience in different industries) to the board

## 2. Appointment and dismissal of directors

The Company's policy is to select via a transparent process candidates who are able to actively contribute to the board's managerial decision-making and oversight function with their extensive experience/expertise and excellent character/discrimennt.

In April 2021, the Company established the Nomination Advisory Committee as an advisory committee to the board of directors. Chaired by an independent external director, the committee comprised in majority of external directors, functions to not only propose the appointment and dismissal of individual candidates, but also look into the board's composition and overall operation (including decision making on appointment policies or standards/processes and succession planning) to provide advice and recommendations.

Appointment/selection criteria are as follows:

### a. Candidates for internal director

Candidates need to be executive officers who possess the following experience, skills and attributes.

- Strategic judgment from a medium- to long-term perspective (ability to get to the essence of matters, think critically, and have foresight and decisiveness)

- Leadership qualities to unite the organization and carry through radical changes (ability to lead collaboration, innovation and talent development toward results)

- High ethical standards and accountability toward the company and society (integrity, acumen, alignment with corporate values, and impartiality)

- Strong sense of independence and awareness of problems (pertaining to market, business, company resources and self-improvement)

- Sufficient industry experience/knowledge and abundant mental/physical strength (work performance and personal health)

Candidates for representative directors and executive leaders must, in addition to the above, have an outstanding track record of delivering successful results.

### b. Candidates for external director

Candidates need to meet the following requirements and be chosen from diverse fields of specialization (such as business management, academia, law, or finance). The number of external directors must account for majority of the board for proper governance.

- Able to get to the essence of matters and raise issues to management in a rigorous manner

- Able to place priority on attending the company's board meetings and committing to board duties

### c. Appointment/selection process

When consulted by the board of directors, the Nomination Advisory Committee engages in discussions to prepare and submit a candidate list based on the above criteria. The board shall deliberate on the committee's recommendations to select director candidates or appoint representative directors and executive directors.

### d. Dismissal process

If there is objective evidence or other reasons to suggest that representative directors and executive leaders are deviating materially from the appointment/selection criteria, the Nomination Advisory Committee will discuss their dismissal and present its recommendations when consulted by the board of directors. Dismissal shall be granted upon deliberation and consent of the board.

If directors are deemed to not fully meet the criteria, the board will not nominate them for election or reelection at the next general meeting of shareholders.

No.	Name (Date of birth)	Career summary of positions/responsibilities held at the Company (key concurrent roles)		Number of company shares owned
	Ryutaro Kotaki (July 16, 1964)  <b>[For reelection]</b>  Years of service: 5  Attendance at the board of directors meetings: 13/13 (100%)	February 1988 July 2007 October 2011 April 2012 April 2013 July 2014 April 2016 June 2016 April 2018	Joined the Company Executive Officer and Senior Manager of Printer Sales Promotion Dept., Sales Division Executive Officer; Director and General Manager of Domestic Sales Dept., SATO Corporation Executive Officer; President, SATO Techno Lab Co., Ltd. Senior Executive Officer; President, SATO Technology Co., Ltd. Vice President Executive Vice President and COO; President, SATO Corporation Representative Director, Executive Vice President and COO Representative Director, President and CEO (to present)	14,805
1	(Current position(s) at the Company) Representative Director, President and CEO			
	(Reasons for nomination) Mr. Kotaki has held key positions in the Company's Japanese sales company (SATO Corporation) and the president role of its R&D business company, during which period he also served as executive officer for nine years expanding sales in Japan and improving product development processes. In April 2016, he took office as the Company's vice president and chief operating officer, and serving concurrently as the president of SATO Corporation, he has led the SATO Group with strong leadership, driving domestic businesses to also support the global expansion of customers. Since April 2018, he is directing and supervising management as representative director and president of the Company, utilizing his extensive experience and knowledge. The Company has determined that he is qualified to drive business management to further pursue globalization and maximize customer value, and therefore renominates him as a candidate for director.			
	(Message from the candidate to shareholders) I would first like to sincerely thank you for your continued support of our businesses. Amid impacts and drastic societal changes caused by the global spread of the novel coronavirus starting last year, we have been making every effort at providing solutions to address changing customer needs around the world. In this new fiscal year that corresponds to the first year of our new medium-term management plan, we will strive to speed innovation and carry out our core business in the spirit of Ceaseless Creativity (our corporate motto) now that we operate in a "new normal" where many norms of the past no longer apply. By doing so, we hope to achieve long-term business growth and realize a better and more sustainable world.			

No.	Name (Date of birth)	Career summary of positions/responsibilities held at the Company (key concurrent roles)			Number of company shares owned
	Yoichi Abe (September 13, 1957)  For reelection  Years of service: 3  Attendance at the board of directors meetings: 13/13 (100%)	April 1980 December 2013 April 2016 April 2018 June 2018 June 2020 April 2021	Joined Mitsubishi Corporation Joined the Company Head of President's Office Executive Officer and CFO Vice President and CFO Director, Vice President and CFO Representative Director, Vice President, CFO and CCO Representative Director, Vice President, overseeing global business and corporate planning (to present)		3,070
	(Current position(s) at the Company) Representative Director, Vice President				
2	(Reasons for nomination)  Mr. Abe was appointed executive officer and CFO after joining SATO in December 2013 as head of President's Office. He has been in charge of finance/accounting, IT, legal, risk management and other important functions. Since his appointment as director in 2018, he has supervised management, mainly from a financial and strategic perspective. While serving as CFO, he has responded promptly to changes in economic conditions and business environment and promoted effective governance on a global level. He also demonstrates strong leadership as representative director (since June 2020) and applies his extensive domestic/overseas experience and insights to lead the Company's high-potential global business, which he started overseeing this April. The Company has determined that he would further contribute to driving and strengthening corporate governance for the continual improvement of corporate value, and therefore renominates him as a candidate for director.				
	(Message from the candidate to shareholders)  Our world is fighting against the coronavirus, and it looks set to be a long-term battle as the virus continues to spread far and wide. Besides praying for this crisis to end soon, I would also like to express my deepest condolences to families who have lost loved ones and wish for the speedy recovery of those affected.  In such an uncertain business environment, I will work to support the company in taking both protective and proactive measures by ensuring thorough risk management and governance and building up corporate management foundations aimed at achieving sustainable growth.  The coronavirus has upended everyone's lives, distancing/separating people and sending the world online at an increasing speed. SATO will keep up with these changes and continue to contribute to the development of society through connecting/tagging people and things. We will strive to always be an indispensable part of society, and look forward to your continued support.				

No.	Name (Date of birth)	Career summary of positions/responsibilities held at the Company (key concurrent roles)		Number of company shares owned		
3	<p>Hiroyuki Konuma (March 14, 1973)</p> <p><b>[For reelection]</b></p> <p>Years of service: 1</p> <p>Attendance at the board of directors meetings: 10/10 (100%)</p>	<p>July 2000      Joined SATO Corporation</p> <p>April 2010     General Manager of Medical Dept., Tokyo Division, Japan Sales Headquarters</p> <p>April 2013     President for healthcare business, SATO Corporation</p> <p>April 2014     President, SATO Healthcare Co., Ltd.</p> <p>July 2015     Executive Officer and Chief Wellness Officer</p> <p>April 2019     Vice President; President and Head of RFID business, SATO Corporation</p> <p>April 2020     Vice President; President and Head of global business, SATO Corporation</p> <p>June 2020     Director (to present)</p> <p>April 2021     Director, Vice President, overseeing Japan business; President, SATO Corporation (to present)</p>				
(Current position(s) at the Company) Director						
<p>(Reasons for nomination)</p> <p>Mr. Konuma has served important roles in the health care business, which he expanded upon his appointment to president of SATO Healthcare in 2014. After assuming president of SATO Corporation in 2019, he has steered both the Japan and overseas businesses forward. He also contributed huge efforts to promoting corporate wellness as chief wellness officer. In his new appointment to oversee the Japan business starting this April, he demonstrates strong leadership at driving sales targeting selected markets, industries and applications based on market-specific visions. The Company has determined that he is qualified to drive sustainable business management globally, and therefore renominates him as a candidate for director.</p> <p>(Message from the candidate to shareholders)</p> <p>Besides serving on the board of directors, I also manage our R&amp;D, production, sales and maintenance support activities in Japan as the president of SATO Corporation, ensuring we provide optimal solutions for addressing customer pain points that are specific to different markets and industries. I will work to strengthen collaboration between our internal departments while making timely and precise business decisions with a strong conviction to adapt to our rapidly changing social environment. I will do my best to hone our core competence of genbaryoku and pursue customer value and sustainability to establish growth and profitability for SATO's Japan business.</p>						

No.	Name (Date of birth)	Career summary of positions/responsibilities held at the Company (key concurrent roles)			Number of company shares owned
4	<p>Tatsuo Narumi (February 24, 1952)</p> <p><b>[For reelection]</b></p> <p>Years of service: 13</p> <p>Attendance at the board of directors meetings: 13/13 (100%)</p>	<p>August 2000      Joined the Company Senior Manager of Secretary's Office</p> <p>April 2001      Senior Manager of Human Resources Dept., Administration Division</p> <p>June 2003      Executive Officer and Senior Manager of Planning Dept., Corporate Planning Division</p> <p>October 2005      Executive Officer, General Manager of Corporate Planning Division, and Senior Manager of Planning Dept.</p> <p>January 2006      Senior Executive Officer and General Manager of Corporate Planning Division</p> <p>July 2007      Vice President and General Manager of Corporate Planning Division</p> <p>June 2008      Director, Vice President, and General Manager of Corporate Planning Division</p> <p>July 2009      Director (to present)</p> <p>January 2020      Chair of the Board</p> <p>April 2021      Chair of the Senior Executive Management Meeting (to present)</p>		23,395	
(Current position(s) at the Company) Director, Chair of the Senior Executive Management Meeting					
(Reasons for nomination) Mr. Narumi has served as the Company's executive officer for six years while heading its Corporate Planning Division, and worked to strengthen corporate management foundations and governance frameworks since he became director in 2008. As non-executive internal director, he chaired the board of directors until March 2021, collaborating with external directors to ensure oversight of management decisions and business execution. In his new appointment as Chair of the Senior Executive Management Meeting (effective this April), he demonstrates strong leadership at steering the management team in the right direction. The Company has determined that he is qualified to drive business management to further pursue globalization and maximize customer value, and therefore renominates him as a candidate for director.					
(Message from the candidate to shareholders) With Japan's Corporate Governance Code recently revised and new market segmentations set to be implemented at the Tokyo Stock Exchange, the corporate governance environment has changed significantly to require that companies' board of directors function more effectively. Looking into the future of our governance frameworks, we have appointed different external directors to chair our board as well as our newly established Nomination and Remuneration Advisory Committees, effective this fiscal 2021, to further strengthen management oversight. As non-executive internal director, I started serving as Chair of the Senior Executive Management Meeting from April, a position that I hope will help me work closely together with our business execution functions to realize proper and complete decision-making. Being a member of both advisory committees mentioned above, I seek to also act as a bridge between inside and outside the company to better meet the expectations of our shareholders and other stakeholders.					

No.	Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned
5	<p>Yuko Tanaka (January 30, 1952)</p> <p>[For reelection] [Independent] [External]</p> <p>Years of service: 17</p> <p>Attendance at the board of directors meetings: 13/13 (100%)</p>	<p>April 1980 Full-time Lecturer, 1st Faculty of Liberal Arts, Hosei University</p> <p>April 1983 Assistant Professor, 1st Faculty of Liberal Arts, Hosei University</p> <p>April 1986 Exchange fellow, Peking University</p> <p>April 1991 Professor, 1st Faculty of Liberal Arts, Hosei University</p> <p>April 1993 Overseas fellow, University of Oxford</p> <p>April 2003 Professor, Department of Media and Communication Studies, Faculty of Social Sciences, Hosei University</p> <p>June 2004 External Director of the Company (to present)</p> <p>April 2007 Professor, International Japanese Studies Institute (graduate school), Hosei University</p> <p>June 2009 Director, Suntory Foundation for Arts (to present)</p> <p>April 2010 Chairperson, International Japanese Studies Institute (graduate school) management committee, Hosei University</p> <p>April 2012 Dean, Faculty of Social Sciences, Hosei University</p> <p>April 2014 President and Chief Trustee, Hosei University Trustee, Japan University Accreditation Association</p> <p>June 2014 Executive Director, The Japan Association of Private Universities and Colleges</p> <p>October 2017 Trustee, The Open University of Japan</p> <p>April 2020 Managing Trustee, Japan University Accreditation Association Director, Hosei University Museum (to present)</p> <p>April 2021 Professor Emeritus, Hosei University (to present) Project Professor, Hosei University Research Center for Edo-Tokyo Studies (to present) Chairperson, Tokyo's Council for Gender Equality (to present) Chair of the Company's Nomination Advisory Committee (to present)</p>		3,178
(Current position(s) at the Company)				
Director, Chair of the Nomination Advisory Committee				
(Reasons for nomination and expected roles)				
Ms. Tanaka possesses extensive experience as university professor and president, coupled with broad insights about diversity management, which she taps actively to make statements during deliberations at the board of directors meetings. In her new appointment as Chair of the Company's Nomination Advisory Committee (effective this April), she also proactively offers opinions and suggestions on diversity management to lead the committee. The Company believes that she is capable of providing qualified advice on driving sustainable business management globally, and therefore renominates her as a candidate for external director.				
(Message from the candidate to shareholders)				
As the coronavirus pandemic changes many aspects of our society, this is a good timing for SATO to innovate further and advance its auto-ID technologies that support logistics and health care needs in people's lives. Technological and organizational innovations require ideas coming from a diverse workforce with individuals of different competencies, sensibilities and values. Talent development must, therefore, take into account diversity including but not limited to gender, nationality, ethnicity and competency. More importantly, female employees must also be empowered to take up different positions in the company. I will work even harder in these areas to help SATO become a company with outstanding versatility and enterprise quality.				

No.	Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned
6	<p>Ryoji Itoh (January 14, 1952)</p> <p><input checked="" type="checkbox"/> For reelection <input type="checkbox"/> Independent <input type="checkbox"/> External</p> <p>Years of service: 7</p> <p>Attendance at the board of directors meetings: 13/13 (100%)</p>	July 1979      Joined McKinsey & Company January 1984    Partner, McKinsey & Company June 1988      Director for product development, UCC Ueshima Coffee Co., Ltd. September 1990   Representative Director, Schroder Ventures K.K. May 2000      Project Professor, Graduate School of Media and Governance, Keio University January 2001    President, Bain & Company Japan, Inc. April 2006      Representative Director, Planet Plan. Co., Ltd. (to present) June 2008      External Director of the Company May 2012      External Director, Renown Incorporated January 2013    Representative Director, El Sol Business Advisor Corporation June 2014      External Director of the Company (to present) External Director, H.U. Group Holdings Inc. (to present) April 2020      Part-time Lecturer, Faculty of Policy Management, Keio University April 2021      Senior Researcher, Keio Research Institute at SFC (to present)		2,308
(Current position(s) at the Company) Director				
(Reasons for nomination and expected roles) Mr. Itoh possesses extensive experience and broad insights as corporate executive and graduate school professor, tapping them actively to offer opinions and recommendations on business-critical matters during deliberations at the board of directors meetings with an awareness of strengthening governance frameworks. He also proactively gives guidance from various perspectives to the Company's Nomination and Remuneration Advisory Committees which he joined this April. The Company believes that he is capable of providing qualified advice on driving sustainable business management globally, and therefore renominates him as a candidate for external director.				
(Message from the candidate to shareholders) As digital transformation makes its way into the business world with increasing speed, I believe the SATO Group's social mission to collect small data will grow increasingly important. I will work to spread this corporate identity worldwide to contribute to the development of a global society, ensuring that it will translate to creation of shareholder value by maintaining and strengthening corporate governance from an independent standpoint to achieve further growth for the SATO Group in a strategic manner.				

No.	Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned
7	Hideo Yamada (January 23, 1952)	March 1984 April 1984 October 1992 May 1998 June 2004 March 2006 June 2007 Years of service: 6 Attendance at the board of directors meetings: 13/13 (100%)	Graduated from the Legal Training and Research Institute Registered as attorney (Daini Tokyo Bar Association) President, Hideo Yamada Law Office (currently Yamada & Ozaki Law Office) (to present) External Audit & Supervisory Board Member, Taiyo Chemical Industry Co., Ltd. (to present) External Director of the Company External Director, Lion Corporation External Audit & Supervisory Board Member, Ishii Food Co., Ltd. External Audit & Supervisory Board Member, Mikuni Corporation External Director, Hulic Co., Ltd. (to present) Executive Governor, Japan Federation of Bar Associations Vice President, Japan Federation of Bar Associations Chairperson, Daini Tokyo Bar Association External Director of the Company (to present) Chairperson, Akiko Tachibana Memorial Foundation (to present) External Director, Mikuni Corporation (to present) Director, Chair of the Company's Board of Directors (to present)	1,780
	(Current position(s) at the Company) Director, Chair of the Board			
	(Reasons for nomination and expected roles) Mr. Yamada possesses extensive experience and broad insights as an attorney at law, tapping them actively to offer opinions and recommendations on business-critical matters during deliberations at the board of directors meetings from the perspective of meeting stakeholders' expectations. He also works to ensure effective management oversight as Chair of the Company's board of directors, a position to which he was appointed this April. The Company believes that he is capable of providing qualified advice on driving sustainable business management globally, and therefore renominates him as a candidate for external director.			
	(Message from the candidate to shareholders) The coronavirus outbreak starting last year has taken many lives and impacted economic activities in immeasurable ways. For companies operating around the world like SATO, getting businesses to bounce back from the pandemic in badly hit countries outside Japan is a task of urgency. While the situation in Japan is not exactly optimistic either, vaccine programs are slowly making progress. Besides continuing to strengthen governance, it is all the more crucial for SATO to adopt management practices that can bring the company back to its basics and solidify its footing especially now when the going gets tough. I feel that the input of external directors has also become significantly important more now than ever, and hope to enable open and active exchange of opinions at board meetings to help SATO overcome the current situation and scale greater heights as a global company.			

No.	Name (Date of birth)	Career summary (key concurrent roles)			Number of company shares owned			
8	Sadayoshi Fujishige (January 1, 1947) <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">For reelection</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">External</div> Years of service: 1 Attendance at the board of directors meetings: 10/10 (100%)	March 2004	Representative Director and President, Lion Corporation	690				
		January 2012	Representative Director and Chairperson, Lion Corporation					
		April 2012	External Director, Showa Nishikawa Co., Ltd. (to present)					
		June 2014	Chairperson, Japan Table Tennis Association (to present)					
		March 2016	Advisor, Lion Corporation					
		June 2016	Chairperson, Advertising Council Japan (to present)					
		May 2019	Chairperson, Japan Marketing Association (to present)					
		June 2020	External Director of the Company (to present) External Director, Nitto Boseki Co., Ltd. (to present)					
		March 2021	Special Advisor, Lion Corporation (to present)					
		April 2021	Chair of the Company's Remuneration Advisory Committee (to present)					
(Current position(s) at the Company) Director, Chair of the Remuneration Advisory Committee								
(Reasons for nomination and expected roles) Mr. Fujishige possesses extensive experience and deep insights as corporate executive. Having engaged in marketing/product planning for many years and led the development of eco-friendly products, he is profoundly knowledgeable about environmental issues and the social role of companies. He also demonstrates strong leadership as Chair of the Company's Remuneration Advisory Committee, a new position to which he was appointed this April. The Company believes that he is capable of providing qualified advice on driving sustainable business management globally, and therefore renominates him as a candidate for external director.								
(Message from the candidate to shareholders) Companies depend on genbaryoku (on-site capabilities). Outstanding genbaryoku is what makes a company strong and its continuous developments possible. When we have different businesses linking up their site operations dynamically with one another, new values can be generated to improve productivity across our society. I understand SATO is a company that provides products and services for businesses to solve critical on-site issues, heighten genbaryoku, and create new values. As external director, I will do what I can to help SATO Group contribute to the development of society.								

No.	Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned					
9	Yoshiko Nonogaki (July 31, 1957)  For new election  Independent  External	April 1980	Joined Sony Corporation	0					
		September 1992	President and Representative Director, Sony Poland sp. z o.o.						
		July 1994	General Manager, Sales and Marketing Department, Recording Media and Energy Company, Sony Corporation						
		April 1999	General Manager, Planning and Marketing Department, Personal IT Network Company, Sony Corporation						
		April 2006	General Manager, Business Planning Department, Business and Professional Solutions Group, Sony Corporation						
		April 2009	Senior General Manager, Planning and Marketing Division, Business and Professional Solutions Group, Sony Corporation						
		April 2013	Director, Global Diversity, Sony Corporation						
		June 2019	External Director, Nifco Inc. (to present)						
		June 2020	External Director, GS Yuasa Corporation (to present)						
		(Current position(s) at the Company) -							
(Reasons for nomination and expected roles) Ms. Nonogaki possesses business experience, managerial experience from running overseas subsidiaries, and extensive board experience from serving as external director for other companies. The Company believes that she is capable of supporting the board's function in providing oversight of business execution from a fair and objective position based on her experience and broad insights, and therefore nominates her as a candidate for external director.									
(Message from the candidate to shareholders) I am honored to be selected as an external director candidate for SATO, a company that has grown through value creation backed by its auto-ID technologies and on-site capabilities. Even as pandemics, climate changes and other disruptive shocks reshape our world, I believe that SATO can continue to cement its growth by delivering solutions for customers based on its corporate motto of Ceaseless Creativity. I hope to contribute my experience and efforts toward improving the company's corporate value in a sound and sustainable manner.									

**Proposal No. 3:** Election of One Audit & Supervisory Board Member

The term of office of Mr. Takao Yamaguchi, external Audit & Supervisory Board member for the Company, will expire at the conclusion of this year's annual general meeting of shareholders. Accordingly, the Company hereby proposes the election of a new Audit & Supervisory Board member as follows.

The Audit & Supervisory Board has given its approval in advance.

Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned
Naoki Kubo (July 7, 1956)  For new election  Independent  External	October 1980      Joined Chuo Audit Corporation (later Misuzu Audit Corporation) March 1984        Registered as Certified Public Accountant (Japan) April 1999        Partner, Chuo Audit Corporation May 2004         Senior Partner, Chuo Audit Corporation September 2005    Registered as Certified Public Tax Accountant (Japan) July 2007         Left Misuzu Audit Corporation August 2007       Joined KPMG AZSA & Co. (now KPMG AZSA LLC) and became partner June 2016         Vice Chairman, Tokyo Chapter of The Japanese Institute of Certified Public Accountants June 2019         Retired as Partner, KPMG AZSA LLC Executive, Tokyo Chapter of The Japanese Institute of Certified Public Accountants (to present) July 2019         Established Kubo Accounting Office (to present) December 2019     External Director, Beauty Sharing Technologies Co., Ltd.		0
(Current position(s) at the Company)			
-			
(Reasons for nomination)			
Mr. Kubo possesses professional knowledge and experience as certified public/taxation accountant. The Company has determined that he would be committed to auditing the directors' execution of duties from a fair and objective position to contribute toward sustainable business management globally, and therefore nominates him as a candidate for external Audit & Supervisory Board member.			
(Message from the candidate to shareholders)			
The SATO Group has been developing and growing its businesses globally under its mission of creating new value for customers through products and services of superior quality and contributing toward a better and more sustainable world. As companies grow, the importance of compliance and governance increases too. The revision of Japan's Corporate Governance Code this year to center on increasing the effectiveness of board functions, ensuring diversity in companies' top talents and addressing issues related to sustainability also means that listed companies will be subjected to greater scrutiny from the society than before.			
In becoming SATO's external Audit & Supervisory Board member, I will utilize my professional knowledge and experience as Certified Public Accountant to perform proper audits on the company's information disclosures, groupwide compliance and governance from an independent standpoint. I will make every effort to help the SATO Group achieve sustainable and sound growth in accordance with its corporate motto of Ceaseless Creativity to continually increase its corporate value for shareholders and the society.			

Notes:

1. No material conflicts of interest exist between the Company and the candidate.
2. Mr. Kubo is a candidate to become external Audit & Supervisory Board member. The Company has appointed him as an independent officer under the provisions of the Tokyo Stock Exchange and has filed a notification to that effect with the Exchange.
3. To let directors and Audit & Supervisory Board members focus on performing their duties adequately, the Company covers them with liability insurance that protects and indemnifies them from losses or claims of losses which may arise from actions taken within the scope of their responsibilities. The above candidate will be subject to the insurance once he is elected, and the insurance cover will be renewed during his term of office.
4. The Company's current Articles of Incorporation set forth that the Company may enter into agreements with External Directors and External Audit & Supervisory Board Members in accordance with the provisions of Article 427, Paragraph (1) of the Companies Act, to limit their liability for damages as stipulated in Article 427, Paragraph (1) of the Companies Act to the minimum extent permitted by laws and regulations in order to ensure the External Directors and External Audit & Supervisory Board Members can adequately perform the roles expected of them. The Company shall undertake or continue such agreement with the above candidate if he is elected as proposed.

**Proposal No. 4:** Election of One Substitute Audit & Supervisory Board Member

The effective tenure of Mr. Shikou Yun, current substitute Audit & Supervisory Board member for the Company, will expire at the opening of this year's general meeting of shareholders. Accordingly, the Company hereby proposes his reelection to ensure that we do not fall below the minimum number of Audit & Supervisory Board members required by law. As substitute Audit & Supervisory Board member, he shall be appointed external Audit & Supervisory Board member on the occurrence of any such vacancy.

The Audit & Supervisory Board has given its approval in advance.

Name (Date of birth)	Career summary (key concurrent roles)		Number of company shares owned
Shikou Yun  (October 25, 1966)  External	April 2001	Assistant Professor, School of Business, Aoyama Gakuin University Member, Study Group for Analysis of Financial Results of Listed Construction Companies, Fund for Construction Industry Promotion	0
	October 2002	Visiting Researcher, Research and Analysis Office, Committee on Audit, House of Councillors, The National Diet of Japan	
	April 2007	Professor, School of Business, Aoyama Gakuin University (to present)	
	August 2008	Visiting Researcher, City University of New York	
	April 2011	Visiting Research Fellow, Research Institute of Business Administration, Waseda University (to present)	
	April 2013	Part-time Lecturer, School of Business Administration, Meiji University (to present)	

(Reasons for nomination)  
Mr. Yun possesses professional knowledge and deep insights as a university professor. The Company has determined that he is qualified to audit the directors' execution of duties from a fair and objective position to contribute toward sustainable business management globally, and therefore renominates him as a candidate for substitute external Audit & Supervisory Board member.

Notes:

1. No material conflicts of interest exist between the Company and the candidate.
2. To let directors and Audit & Supervisory Board members focus on performing their duties adequately, the Company covers them with liability insurance that protects and indemnifies them from losses or claims of losses which may arise from actions taken within the scope of their responsibilities. The above candidate will be subject to the insurance once he is appointed external Audit & Supervisory Board member, and the insurance cover will be renewed during his term of office.
3. The Company's current Articles of Incorporation set forth that the Company may enter into agreements with External Directors and External Audit & Supervisory Board Members in accordance with the provisions of Article 427, Paragraph (1) of the Companies Act, to limit their liability for damages as stipulated in Article 427, Paragraph (1) of the Companies Act to the minimum extent permitted by laws and regulations in order to ensure the External Directors and External Audit & Supervisory Board Members can adequately perform the roles expected of them. The Company shall undertake or continue such agreement with the above substitute candidate if he is elected as proposed.

**Proposal No. 5:** Partial amendment to the Performance-based Stock Compensation Plan for Directors, etc.

**1. Reason**

At the 66th Annual General Meeting of Shareholders held on June 21, 2016, approval was granted for the adoption of a performance-based stock compensation plan (hereinafter "Plan") in which the Company's executive directors (excluding external directors and directors who do not reside within Japan [hereinafter "non-residents"] and executive officers (excluding non-residents) are issued or delivered (hereinafter collectively referred to as "Delivery, etc.") shares of the Company's stock and/or converted equivalent cash amounts (hereinafter collectively referred to as "Company shares, etc.") based on metrics including the Company's degree of achievement of performance goals.

With the expiration of the Plan's initial applicable term (five fiscal years from the fiscal ended March 31, 2017 to the fiscal ended March 31, 2021), the Company seeks to continue the Plan in subsequent fiscal years, proposing partial amendments that include adding the Company's non-executive directors (including external directors but excluding non-residents) and senior officers (excluding non-residents) as subjects of the Plan. However, given that the non-executive directors primarily provide management oversight to ensure proper business execution from an objective standpoint, they shall only receive fixed points (not linked to performance) that are then translated to stock compensation.

The Company believes that amending and continuing the Plan is aligned with our objectives of further motivating Directors, etc. to contribute to sustainable growth and higher corporate value on a medium- to long-term basis.

**2. Subjects of the Plan**

The amended Plan shall apply to nine directors (including five external directors, if Proposal No. 2 is approved as proposed), six executive officers (who do not serve concurrently as directors) and seven senior officers (hereinafter collectively referred to as "Directors, etc.").

Amount and details of compensation for directors are proposed as follows, considering the possibility of the aforementioned executive officers and senior officers to newly assume positions as directors during the Plan's applicable term.

**3. Amount and details of compensation under the Plan**

**(1) Partial amendment**

The Company will extend the trust period to end on August 31, 2024 instead of August 31, 2021, and continue the Plan with changes as follows, subject to approval at this general meeting of shareholders.

**Summary of changes**

	Before	After
Subjects of the Plan	Executive directors (excluding external directors and non-residents) and executive officers (excluding non-residents)	Directors, executive officers and senior officers (all excluding non-residents)
Applicable term	Five fiscal years from the fiscal ending March 31, 2017 to the fiscal ending March 31, 2021; May be continued thereafter for each term of <b>five years upon extension of the trust period</b>	Three fiscal years from the fiscal ending March 31, 2022 to the fiscal ending March 31, 2024; May be continued thereafter for each term of <b>three years upon extension of the trust period</b>
Maximum amount of money contributed by the Company	A total of 600 million yen for each five-year term	A total of 500 million yen for each three-year term  See following (3) for details
Maximum number of Company shares, etc. for Delivery, etc.	300,000 shares over five fiscal years (60,000 points per year, with one point being matched to one share of the Company's stock)	180,000 shares over three fiscal years (60,000 points per year, with one point being matched to one share of the Company's stock)  See following (4)-2 for details
Basis for Delivery, etc. of Company shares, etc.	Points granted every year based on the subject's employment position and the Company's degree of achievement of yearly performance goals	Fixed points and/or performance-linked points granted every year based on the subject's employment position and the Company's degree of achievement of yearly performance goals

## (2) Overview

The Plan is a stock compensation system in which Delivery, etc. of Company shares, etc. is provided as compensation to Directors, etc. through a trust that acquires the Company's shares using funds contributed by the Company.

(2)-1 Subjects of the Plan	<ul style="list-style-type: none"> <li>• Directors, executive officers and senior officers (all excluding non-residents)</li> </ul>
(2)-2 Effects of subject shares on the Company's issued shares	
Maximum amount of money contributed by the Company	<ul style="list-style-type: none"> <li>• See following (3) for details</li> </ul>
Maximum number of Company shares, etc. for Delivery, etc., and the method by which they are acquired by the trust	<ul style="list-style-type: none"> <li>• See following (4)-2 for details</li> <li>• Total subject shares will account for approximately 0.5% of the Company's total number of issued shares (as of March 31, 2021) *This ratio translates to approximately 0.1% on a per year basis</li> <li>• In continuing the Plan as proposed with extension of the trust period, no additional shares will be acquired as there are still residual shares within the trust</li> </ul>
Performance-linked points for Delivery, etc. of Company shares, etc.	<ul style="list-style-type: none"> <li>• Performance-linked coefficient will vary in a range of 0 to 200% based on the Company's degree of achievement of yearly performance goals (consolidated operating profit, etc.) during the Plan's applicable term *Not applicable to non-executive directors (including external directors)</li> </ul>
Timing of Delivery, etc. of Company shares, etc.	<ul style="list-style-type: none"> <li>• After the completion of the trust period (every three fiscal years)</li> <li>• See following (5) for details</li> </ul>

## (3) Maximum amount of money contributed by the Company

The amended Plan applies to a term of three consecutive fiscal years, from the fiscal ending March 31, 2022 to the fiscal ending March 31, 2024, and may be continued for subsequent three-year terms upon extension of the trust period.

For each applicable term, the Company shall contribute up to a total of 500 million yen (inclusive of 25 million yen for external directors) to establish a trust with a trust period of three years (subject to extension; see next paragraph) for eligible Directors. In accordance with instructions of the trust administrator, funds entrusted shall be used to acquire the Company's shares from the stock market or from the Company (disposition of treasury shares). Delivery, etc. of these shares will then be carried out based on points that the Company grants to Directors, etc. (see following (4) for details) during the trust period.

Upon completion of the initial trust period, the Company may continue the trust by revising the trust agreement and adding trust funds, extending the trust period by another three years to correspond to a new three-year term under the Plan.

For each extended trust period, the maximum amount of money contributed by the Company and other conditions mentioned above shall continue to apply. Any subsequent contributions must, however, factor in the Company's residual shares (excluding shares due for Delivery, etc.) or monies, if any, in the trust assets as of the last day of the trust period prior to extension to ensure that their sum do not exceed 500 million yen (inclusive of 25 million yen for external directors).

## (4) Company shares, etc. for Delivery, etc.

### (4)-1 Method to determine the number of Company shares, etc. for Delivery, etc.

During the trust period, Directors, etc. will be granted points (comprised of fixed points and/or performance-linked points) every year on June 1 (or the following business day if June 1 does not fall on a business day) based on their employment position and the Company's degree of achievement of yearly performance goals (as set forth in the medium-term management plan) for the fiscal year ending on March 31 of the same year. Points accumulated will then be matched one-to-one with Company shares, etc. for Delivery, etc. to eligible Directors, etc.

In the event the number of company shares under the trust increases or decreases as a result of stock split, allotment of shares without contribution, reverse split or other reasons, the Company shall adjust the number of shares for Delivery, etc. by matching one point to more or less than one share accordingly.

(4)-2 Maximum number of Company shares, etc. for Delivery, etc.

The maximum number of Company shares, etc. that are acquired and delivered by the trust for each three-year term shall be 180,000 shares (inclusive of 9,000 shares for external directors) while the maximum number of points granted to Directors, etc. shall be 60,000 points per year (inclusive of 3,000 points per year for external directors). These upper limits are set based on the maximum amount of funds contributed to the trust from (3) above while taking into consideration the latest stock prices.

(5) Timing of Delivery, etc. of Company shares, etc.

Eligible Directors, etc. shall receive Delivery, etc. of Company shares, etc. around July, following the end of the applicable term.

Specifically, they will receive company shares corresponding to 50% of their accumulated points (with fractions of shares rounded down), and have their remaining points also matched to shares but paid in a cash amount equivalent to the conversion value within the trust.

The same applies for Directors, etc. who resign/retire during the applicable term, and the accumulated points used toward Delivery, etc. will be tallied up to the timing of their resignation/retirement.

In cases where Directors, etc. become non-residents during the applicable term or pass away during their term of office, a cash equivalent of shares matching their accumulated points (tallied up to the timing of their change in resident status or their death) shall be paid after conversion within the trust. For the latter, payment shall be made to their relevant heirs.

(6) Voting rights related to the Company's shares in the trust

For company shares in the trust, voting rights shall not be exercised during the trust period to maintain neutrality in management.

(7) Other details of the Plan

Other details of the Plan shall be determined by the board of directors upon establishment of the trust, revisions to the trust agreement, and additional contributions to the trust.

**Proposal No. 6:** Election of Accounting Auditor

The term of service of PricewaterhouseCoopers Aarata LLC, Accounting Auditor for the Company, will expire at the conclusion of this year's annual general meeting of shareholders.

Accordingly, the Company hereby proposes the election of a new Accounting Auditor as follows.

The Audit & Supervisory Board decided on this professional services firm in anticipation of its potential to provide auditing from a new perspective. The board also believes the candidate has the infrastructure to ensure proper financial audits, after giving overall consideration to its global network, independence, expertise and audit quality.

(As of March 31, 2021)

Name	KPMG AZSA LLC	
Main office	1-2 Tsukudo-cho, Shinjuku-ku, Tokyo, Japan	
History	July 1969	Asahi & Co. established
	July 1985	Asahi & Co. merged with Shinwa Audit Corporation (established December 1974) to form Asahi Shinwa & Co.
	October 1993	Asahi Shinwa & Co. merged with Inoue Saito Eiwa Audit Corporation (established April 1978) to form Asahi & Co.
	February 2003	AZSA & Co. established by audit division of KPMG Japan (established 1949 in Tokyo as the Japan office of Peat Marwick Mitchell & Company)
	April 2003	Asahi & Co. officially joined KPMG as member firm
	January 2004	Asahi & Co. merged with AZSA & Co. to form KPMG AZSA & Co., while continuing to be member firm of KPMG
	July 2010	KPMG AZSA & Co. became limited liable company and renamed KPMG AZSA LLC
Corporate profile	Capital	3,000 million yen
	Number of employees	Certified Public Accountants (CPA) 3,102
		Newly certified and junior CPAs 988
		Professionals 1,219
		Other staff members 746
	Total	6,055
Offices		27 locations in Japan