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Securities Code No. 7864

(Date of issuance) June 2, 2023

(Commencement date of measures for providing information in electronic format) May 29, 2023

Shigeko Okazaki, Director, Representative Executive Officer, President and CEO

Fuji Seal International, Inc.

4-1-9, Miyahara, Yodogawa-ku, Osaka

Convocation Notice of the 65th Annual General Meeting of Shareholders

To our shareholders, thank you for your support.

You are cordially invited to attend the 65th Annual General Meeting of Shareholders as follows.

In convening this General Meeting of Shareholders, the Company has taken measures to provide information contained in “Reference Documents for the General Meeting of Shareholders,” etc. (the items subject to measures for providing information in electronic format) in electronic format, and has posted this information on the Company’s website on the Internet. Please access the Company’s website below to review the information.

【Company’s website】 <https://www.fujiseal.com/en/>



(Please access the website above and click on “Investor Relations,” “Shareholder and Stock Information,” then “General Meeting of Shareholders” to review the information.)

In addition to the Company’s website above, the Company has also posted the items subject to measures for providing information in electronic format on each of the following websites, so please access the websites to review the information.

【Website for posted informational materials for the general meeting of shareholders】

<https://d.sokai.jp/7864/teiji/> (in Japanese)



【Tokyo Stock Exchange’s website】 (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>



(Please access the Tokyo Stock Exchange’s website above, enter “Fuji Seal International” in “Issue name

(company name)” or “7864” in “Code” and click “Search.” Next, click “Basic information” and “Documents for public inspection/PR information.”

If you are unable to attend the meeting, you can exercise your voting rights by electronic voting (Internet) or by mail (voting form). Please exercise your vote by 5:00 p.m. on Wednesday, June 21, 2023, after examining the Reference Documents for the General Meeting of Shareholders.

Thank you.

1. Date and Time	11:00 a.m. on June 22, 2023 (Thursday) (Reception will open from 10:30 a.m.)
2. Venue	4F “Soreiyu,” Mielparque Osaka 4-2-1, Miyahara, Yodogawa-ku, Osaka
3. Agenda	<p>Matters to be Reported</p> <ol style="list-style-type: none"> 1. Report on the Business Report and the consolidated financial statements for the 65th business year (April 1, 2022 to March 31, 2023), and report on the audit results of the Business Report and consolidated financial statements by the outside accounting auditor and the Audit Committee 2. Report on the non-consolidated financial statements for the 65th business year (April 1, 2022 to March 31, 2023) <p>Matters to be Resolved Proposal Election of six directors</p>
4. Matters concerning exercise of voting rights	<ol style="list-style-type: none"> (1) When exercising voting rights in writing (by mail), if neither approval nor disapproval of a proposal is indicated on the voting form, it shall be deemed a vote of approval. (2) If a shareholder exercises the voting rights more than once, the last vote made shall be taken as the validly exercised vote. (3) If a shareholder exercises the voting rights via both the Internet and in writing (by mail), the vote via the Internet shall be taken as the validly exercised vote, regardless of the time of arrival.

- In accordance with the implementation of the amendment to the Companies Act regarding measures for providing reference materials for general meetings of shareholders in electronic format, reference materials for general meetings of shareholders previously provided in writing (Reference Documents for the General Meeting of Shareholders, Business Report, consolidated financial statements, non-consolidated financial statements, and audit report) are now posted on websites listed in this Convocation Notice. Please access the websites listed in this Convocation Notice to review the information. In addition, for this General Meeting of Shareholders, the Company is sending paper-based documents stating the items subject to measures for providing information in electronic format to all shareholders, regardless of whether or not a request for paper-based documents has been made, in order to avoid confusion.
- In accordance with laws and regulations and Article 14 Paragraph 2 of the Company’s Articles of Incorporation, certain items subject to measures for providing information in electronic format, specifically the “Consolidated Statements of Changes in Net Assets,” “Notes to the Consolidated Financial Statements,” “Non-Consolidated Statements of Changes in Net Assets,” and “Notes to the Non-Consolidated Financial Statements,” are not included in the paper-based documents to be mailed. As a result, consolidated financial statements and non-consolidated financial statements included in the

documents constitute only part of the audited consolidated financial statements and non-consolidated financial statements in preparing the accounting audit report and audit report by the outside accounting auditor and the Audit Committee.

- Any amendments to the items subject to measures for providing information in electronic format will be posted on the Company's website above, the website for posted reference materials for general meetings of shareholders, and the Tokyo Stock Exchange website with a notice to that effect displaying the items before and after the revision.
- When attending the meeting, please submit the voting form at the reception desk.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal: Election of six directors

All five (5) directors' terms of office will expire at the end of this General Meeting of Shareholders.

Accordingly, in order to further strengthen the management structure, the Company requests the election of six (6) directors based on the decision of the Nomination Committee. The Nomination Committee has selected appropriate candidates for directors making reference to the Selection Criteria for Directors.

The Director candidates are as follows:

Candidate No.	Name	Candidate characteristics	Present position and responsibilities
1	Hiroumi Shioji	Reelection Outside Independent	Outside Director
2	Tatsundo Maki	Reelection Outside Independent	Outside Director
3	Yuichi Seki	Reelection Outside Independent	Outside Director
4	Shigeko Okazaki	Reelection	Director, Representative Executive Officer, President and CEO
5	Yoichi Okazaki	New appointment	Executive Officer in charge of machinery and Europe operations
6	Akikazu Yada	New appointment	Executive Officer in charge of finance, CFO

【Skills required for the Board of Directors and reasons therein】

The Company's Board of Directors shall comprise members deemed suitable in light of a skill matrix to take into account the skills and experience required of Directors as well as diversity from the perspective of the Company's nine materiality issues, which are directly linked to its corporate vision "Our Value to People and the Planet" tied to contributing to a sustainable society.

Skill	Reason for selection	Number of applicable directors
Corporate management	Directors with experience and a track record in management are required to establish and implement growth strategies centered on ESG and realize the Group's vision "Our Value to People and the Planet" amid a dramatically changing business environment as a leading packaging company.	6
Marketing	Keeping an ear to customers and the market, understanding the essence of their needs, and growing together with them is key to sustainable growth in the packaging market. Directors with such experience are required.	6
Manufacturing and development	Directors with experience promoting various innovations, solid knowledge in the fields of technology, quality, and the environment, and respective experience in strategic planning are required to develop and bring to market eco-friendly products to realize a circular society.	3
Global business	Directors with business management experience overseas and ample knowledge and experience regarding things like business conditions, lifestyles, and culture overseas to respond to local needs are required to accelerate global expansion and strengthen profitability.	5
Human resource development	A human resource strategy capable of maximizing the potential of every employee as they adapt to change and grow is needed to achieve sustainable growth. Directors with solid knowledge in the field of human resource development, including promoting diversity, and respective understanding and experience in strategic planning are required.	6
Financial strategy	Directors with solid knowledge in the fields of finance and accounting and respective experience in strategic planning are required to build a strong financial base, promote growth investments (including M&A) targeting sustainable enhancement of corporate value, and strengthen shareholder returns.	5
Compliance, governance, and risk management	Establishment of an appropriate governance system is the foundation for sustainable enhancement of corporate value needed by society. Directors with solid knowledge in the fields of corporate governance, risk management, compliance, and respective experience in strategic planning are also required to enhance the effectiveness of management supervision by the Board of Directors.	6
Sustainability and environmental management	Directors with knowledge about decarbonization, eco-design, diversity, and work-life balance as well as the ability to promote initiatives in those areas are required to be a company that contributes to realizing a sustainable society by solving ESG issues with packaging.	2
Digital transformation (DX) promotion	Directors capable of driving change leveraging data and digital technology are needed to create exciting new value and maintain and strengthen competitiveness in the market.	2

Name, date of birth	Brief personal history, title, responsibilities and status of important concurrent positions
<p>1 Hiroumi Shioji</p> <p>Reelection Outside Independent</p> <p>Born January 28, 1957</p>	<p><u>Career and Positions Held in the Company</u> April 1987 Registered as a lawyer April 1991 Established Shioji Law Office Director of Shioji Law Office June 2015 Director of the Company (current) January, 2022 Representative Partner of Shioji Law Office, LPC (current)</p> <p><u>Reasons for Nomination as Outside Director and Overview of Expected Roles</u> Mr. Shioji appropriately performs his role in supervising executive functions, leveraging the abundant insight in general corporate legal affairs he has gained through office management and his work as a lawyer to provide useful suggestions and opinions regarding the Company’s overall management. He also has experience as an external director (member of an audit and supervisory committee) at another publicly listed company. The Company requests his reelection as an outside director with the expectation that he will continue to provide appropriate advice regarding the Company’s overall management from an independent standpoint and contribute to strengthening corporate governance. In the event that Mr. Shioji is selected, it is expected that he will be involved with decisions regarding selection of candidates and compensation, etc. for Group executives as a member of the Audit Committee, Nomination Committee and Compensation Committee from an objective and neutral perspective.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, marketing, human resource development, compliance, governance, and risk management</p> <p><u>Number of Years since Appointment as an Outside Director</u> 8 years</p> <p><u>Significant Concurrent Posts</u> Representative Partner of Shioji Law Office, LPC External Director of TACHIBANA ELETECH CO., LTD. (member of the Audit and Supervisory Committee)</p> <p><u>Number of the Company’s Shares Owned</u> 1,703 shares</p>
<p>2 Tatsundo Maki</p> <p>Reelection Outside Independent</p> <p>Born September 14, 1972</p>	<p><u>Career and Positions Held in the Company</u> April 1997 Joined Asahi Audit Corp. (currently KPMG AZSA LLC) April 2000 Registered as a certified public accountant April 2009 Director of SCS Global LLC (current) June 2017 Director of the Company (current)</p> <p><u>Reasons for Nomination as Outside Director and Overview of Expected Roles</u> Mr. Maki appropriately performs his role in supervising executive functions, leveraging the abundant experience and broad insight in accounting and taxation that he has gained as a certified public accountant to provide useful suggestions and opinions regarding the Company’s overall management, particularly on business expansion in Asia and governance of overseas Group companies. The Company requests his reelection as an outside director with the expectation that he will continue to provide appropriate advice regarding the Company’s overall management from an independent standpoint based on his expert perspective and contribute to strengthening corporate governance. In the event that Mr. Maki is selected, it is expected that he will be involved with decisions regarding selection of candidates and compensation, etc. for Group executives as a member of the Audit Committee, Nomination Committee and Compensation Committee from an objective and neutral perspective.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, global business, financial strategy, compliance, governance, and risk management</p>

Name, date of birth	Brief personal history, title, responsibilities and status of important concurrent positions																				
	<p><u>Number of Years since Appointment as an Outside Director</u> 6 years</p> <p><u>Significant Concurrent Posts</u> Director of SCS Global LLC Director of SCS Global Consulting KK</p> <p><u>Number of the Company's Shares Owned</u> – shares</p>																				
<p>3 Yuichi Seki</p> <p>New appointment Outside Independent</p> <p>Born June 28, 1953</p>	<p><u>Career and Positions Held in the Company</u></p> <table border="0"> <tr> <td>April 1978</td> <td>Joined Kobe Steel, Ltd.</td> </tr> <tr> <td>June 2011</td> <td>Senior Managing Director and General Manager of Technical Development Group of Kobe Steel, Ltd.</td> </tr> <tr> <td>June 2012</td> <td>Representative Director, Member of the Board & Executive Vice President of OSAKA Titanium technologies Co.,Ltd.</td> </tr> <tr> <td>June 2014</td> <td>Representative Director, Member of the Board & President of OSAKA Titanium technologies Co.,Ltd.</td> </tr> <tr> <td>June 2019</td> <td>Director of the Company (current)</td> </tr> <tr> <td>June 2021</td> <td>Corporate auditor of Fuji Seal, Inc. (current)</td> </tr> </table> <p><u>Reasons for Nomination as Outside Director and Overview of Expected Roles</u> Mr. Seki appropriately performs his role in supervising executive functions, leveraging his broad insight as a supervisor of safety, disaster preparedness and manufacturing primarily in the fields of manufacturing and development to provide useful suggestions and opinions regarding the Company's overall management. He also has experience as the manager of a publicly listed company. The Company requests his reelection as an outside director with the expectation that he will continue to provide appropriate advice regarding the Company's overall management from an independent standpoint and contribute to strengthening corporate governance. In the event that Mr. Seki is selected, it is expected that he will be involved with decisions regarding selection of candidates and compensation, etc. for Group executives as a member of the Audit Committee, Nomination Committee and Compensation Committee from an objective and neutral perspective.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, manufacturing and development, human resource development, compliance, governance, and risk management</p> <p><u>Number of Years since Appointment as an Outside Director</u> 4 years</p> <p><u>Significant Concurrent Posts</u> Corporate auditor of Fuji Seal, Inc.</p> <p><u>Number of the Company's Shares Owned</u> – shares</p>	April 1978	Joined Kobe Steel, Ltd.	June 2011	Senior Managing Director and General Manager of Technical Development Group of Kobe Steel, Ltd.	June 2012	Representative Director, Member of the Board & Executive Vice President of OSAKA Titanium technologies Co.,Ltd.	June 2014	Representative Director, Member of the Board & President of OSAKA Titanium technologies Co.,Ltd.	June 2019	Director of the Company (current)	June 2021	Corporate auditor of Fuji Seal, Inc. (current)								
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<p>4 Shigeko Okazaki</p> <p>Reelection</p> <p>Born April 5, 1957</p>	<p><u>Career and Positions Held in the Company</u></p> <table border="0"> <tr> <td>August 1990</td> <td>Joined the Company</td> </tr> <tr> <td>December 1999</td> <td>General Manager, Corporate Planning Department</td> </tr> <tr> <td>January 2001</td> <td>General Manager, Corporate Planning Center</td> </tr> <tr> <td>June 2002</td> <td>Director</td> </tr> <tr> <td>June 2004</td> <td>Director, Executive Officer</td> </tr> <tr> <td>March 2007</td> <td>Representative Director and President of Fuji Seal Europe S.A.S.</td> </tr> <tr> <td>March 2008</td> <td>Director, Representative Executive Officer, President</td> </tr> <tr> <td>June 2020</td> <td>Director, Representative Executive Officer, President and CEO</td> </tr> <tr> <td>June 2021</td> <td>Director, Representative Executive Officer, Chairperson and CEO</td> </tr> <tr> <td>March 2023</td> <td>Director, Representative Executive Officer, President and CEO (current)</td> </tr> </table>	August 1990	Joined the Company	December 1999	General Manager, Corporate Planning Department	January 2001	General Manager, Corporate Planning Center	June 2002	Director	June 2004	Director, Executive Officer	March 2007	Representative Director and President of Fuji Seal Europe S.A.S.	March 2008	Director, Representative Executive Officer, President	June 2020	Director, Representative Executive Officer, President and CEO	June 2021	Director, Representative Executive Officer, Chairperson and CEO	March 2023	Director, Representative Executive Officer, President and CEO (current)
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March 2023	Director, Representative Executive Officer, President and CEO (current)																				

Name, date of birth	Brief personal history, title, responsibilities and status of important concurrent positions
	<p><u>Reasons for Nomination as Director</u> Ms. Okazaki leverages her abundant experience and broad insight in management overall, including management strategies, as the manager of the Group in working to effectively strengthen the decision-making and supervisory capabilities of the Board of Directors. The Company requests her reelection as a director with the expectation that she will continue to appropriately supervise overall Group management and contribute to sustainable growth and enhancement of corporate value, with the knowledge and capabilities required of a director of the Company gained through her experience as a manager of the Company.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, marketing, human resource development, digital transformation (DX) promotion</p> <p><u>Significant Concurrent Posts</u> Representative Director and President of Soho KK</p> <p><u>Number of the Company's Shares Owned</u> 1,801,320 shares</p>
<p>5 Yoichi Okazaki New appointment Born July 26, 1982</p>	<p><u>Career and Positions Held in the Company</u> October 2012 Joined the Company January 2017 General Manager in charge of machinery of Pago Etikettiersysteme GmbH (currently Fuji Seal Germany GmbH) February 2019 Representative Director and President of Fuji Seal Germany GmbH January 2020 General Manager, Corporate Planning Department of the Company February 2022 General Manager, Machinery Division of Fuji Seal, Inc. June 2022 Executive Officer of the Company December 2022 Executive Officer of the Company (In charge of machinery and Europe operations) (current) Representative Director and President of Fuji Seal B.V. (current)</p> <p><u>Reasons for Nomination as Director</u> Mr. Okazaki leverages his experience in formulating the Company's medium-term management strategy and driving new business development, in addition to driving innovation as a manager of global machinery operations, to contribute to the enhancement of the Company's corporate value. The Company's Nomination Committee requests his election as a candidate for director with the expectation that he will appropriately supervise overall Group management and contribute to sustainable growth and enhancement of corporate value, while incorporating his experience in developing Company-wide strategies and innovation promotion into discussions of the Board of Directors.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, manufacturing and development, global business, sustainability and environmental management</p> <p><u>Significant Concurrent Posts</u> Representative Director and President of Fuji Seal B.V.</p> <p><u>Number of the Company's Shares Owned</u> 839,712 shares</p>
<p>6 Akikazu Yada New appointment Born March 25, 1963</p>	<p><u>Career and Positions Held in the Company</u> July 2018 Joined American Fuji Seal, Inc. Representative Director and President of American Fuji Seal, Inc. Representative Director and President of American Fuji Technical Services, Inc.</p>

Name, date of birth	Brief personal history, title, responsibilities and status of important concurrent positions
	<p>June 2019 Representative Director and President of Fuji Seal Packaging de Mexico, S.A. de C.V. December 2022 Executive Officer of the Company Executive Officer of the Company in charge of finance, CFO (current)</p> <p><u>Reasons for Nomination as Director</u> Mr. Yada leverages his experience as an overseas regional manager of the Group, in addition to abundant insight in marketing, to contribute to the enhancement of the Company's corporate value. The Company's Nomination Committee requests his election as a candidate for director with the expectation that he will appropriately supervise overall Group management and contribute to sustainable growth and enhancement of corporate value, while incorporating his abundant overseas experience and marketing insight into discussions of the Board of Directors.</p> <p><u>Expected Key Skills and Experience</u> Corporate management, marketing, financial strategy, digital transformation (DX) promotion</p> <p><u>Significant Concurrent Posts</u> -</p> <p><u>Number of the Company's Shares Owned</u> 3,600 shares</p>

Notes:

1. No special interest exists between the candidates and the Company.
2. Selection Criteria for Directors

In the selection process for directors, the Company's Nomination Committee selects candidates based on the following Selection Criteria for Directors:

Field	Criteria
Basic	Practices the corporate philosophy
	Proactive participation
	Awareness of change
Formulation of strategy	Articulates vision
	Develops and decides on strategies
	Ability to set goals
Implementation of priorities	Ability to implement and execute
	Ability to solve problems
	Sensitivity to risk
	Leadership
Leadership	Sensitivity to change
	Ambition
Personal character	Reputation inside the company
	Reputation outside the company
	Earns trust
Experience and knowledge	Track record of developing new fields
	Performance history
	Expert knowledge, experience

3. Hiroumi Shioji, Tatsundo Maki and Yuichi Seki are candidates for outside directors as provided in Article 2, Paragraph 3, item 7 of the Ordinance for Enforcement of the Companies Act. The Company has submitted notification that Hiroumi Shioji, Tatsundo Maki and Yuichi Seki are independent corporate officers as stipulated by Tokyo Stock Exchange, Inc. If their reelection is approved, the Company intends to continue to deem them to be independent corporate officers.
4. The Company has concluded liability limitation agreements to limit the liability of Hiroumi Shioji, Tatsundo Maki and Yuichi Seki to the minimum liability amount stipulated in Article 425 Paragraph 1 of the Companies Act of

Japan. If their re-election is approved, the Company plans to continue the same liability limitation agreements with them again.

5. Limitation of liability agreements for executives were signed between the Company and an insurance company. Under this agreement, the insured person shall be charged compensation resulting from actions (including failure to act) based on the status of company executive, and shall compensate for damages incurred and legal fees, etc. For other details, please refer to Page 31 of the Business Report. When each candidate is selected and appointed, each candidate will be included as an insured person under the limitation of liability agreement. In addition, the Company plans to renew the agreement during the term with similar terms.
6. The Company's Nomination Committee deems the outside director candidates to be sufficiently independent for outside directors. They meet the criteria for outside directors stipulated in the Companies Act, as well as the Criteria for Independence of Outside Directors in the Selection Criteria for Directors determined by the Company's Nomination Committee.

Reference: Criteria for Independence of Outside Directors

As a criteria for independence of outside directors, the Selection Criteria for Directors stipulates that none of the following cases may apply to outside directors.

The Company has established independence standards for outside directors as shown below, and deems outside directors (including candidates) to which none of the items apply to have independence from the Company.

In these independence standards, a person performing an executive role refers to an executive director, executive officer, operating officer, or person in an equivalent role at the Company or its consolidated subsidiaries (hereinafter, "the Fuji Seal Group").

1. A person who is currently performing an executive role in the Fuji Seal Group, or has performed an executive role in the Fuji Seal Group in the past, even if it was only one time
2. A person whose spouse or relative within the second degree has been a director, executive officer, corporate auditor, or member of corporate management within the past five years
3. A person currently performing an executive role at an important business partner whose transactions accounted for 2% or more of the consolidated net sales over the past three consecutive years of the Fuji Seal Group and/or the corporate group to which the outside director belongs
4. A person who receives a significant amount^{*1} of compensation, aside from executive compensation, from the Fuji Seal Group as a provider of specialist services (consultant, lawyer, accountant, tax accountant, attorney, judicial scrivener, etc.)
5. A person participating in a mutual dispatch of outside directors with another company^{*2}

Notes:

1. A significant amount means ¥10 million or more per year on average over the past three years for an outside director in the case of an individual, or over 2% of its consolidated net sales in the case of an organization, such as a specified corporation or association.
2. A mutual dispatch of outside directors is when a person performing an executive role in the Fuji Seal Group is an outside director or an outside auditor of another company, and a person performing an executive role at that other company is an outside director at the Company.

Business Report

(April 1, 2022 to March 31, 2023)

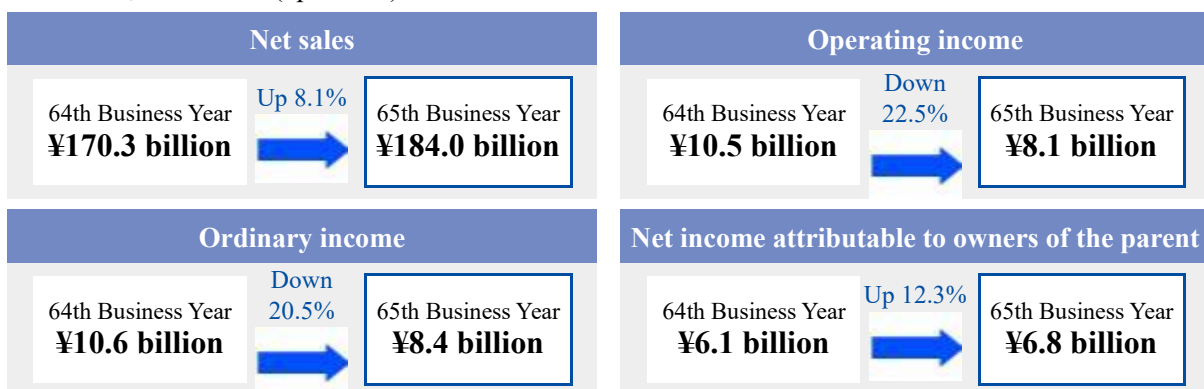
1. Status of the Group

(1) Status of operations during the fiscal year under review

(i) Business conditions and results

The Fuji Seal Group has embraced the mission statement of “Each day with renewed commitment we create new value through packaging.” Guided by this mission, the Group seeks to increase its corporate value by growing together with its customers. With “Our Value to People and the Planet” as our basic management policy, we strive to continue being the No. 1 global packaging company together with all our stakeholders including customers, employees, business partners, shareholders, and society.

As a result of our efforts, during the fiscal year under review, net sales at Fuji Seal International, Inc. came to ¥184,035 million (up 8.1% year on year), operating income was ¥8,194 million (down 22.5%), ordinary income totaled ¥8,426 million (down 20.5%), and net income attributable to owners of the parent was ¥6,869 million (up 12.3%).



The following is a breakdown of business performance by segment.

[Japan]

Sales of shrink labels increased 4.7% year on year to ¥47,906 million. Sales of self-adhesive labels decreased 6.7% to ¥9,178 million. Sales of soft pouches increased 19.2% to ¥20,386 million. Machinery sales increased 12.9% to ¥6,831 million. Sales of other products decreased 5.3% to ¥12,832 million.

As a result, total sales in Japan increased 5.2% to ¥97,135 million. On the earnings front, operating income increased 0.3% to ¥7,623 million.

[Americas]

Sales of shrink labels increased 22.8% (up 2.6% on a local currency basis) year on year to ¥41,832 million. Sales of self-adhesive labels increased 43.8% (up 20.1% on a local currency basis) to ¥1,790 million. Sales of soft pouches declined 18.8% (down 32.2% on a local currency basis) to ¥368 million. Machinery sales increased 0.4% (down 16.2% on a local currency basis) to ¥5,211 million. Sales of other products declined 27.9% (down 39.8% on a local currency basis) to ¥945 million.

As a result, total sales in the Americas increased 18.7% (down 0.9% on a local currency basis) to ¥50,149 million. On the earnings front, operating income decreased 50.6% (down 58.7% on a local currency basis) to ¥1,749 million.

[Europe]

Sales of shrink labels increased 17.1% (up 10.1% on a local currency basis) to ¥15,123 million. Sales of self-adhesive labels decreased 10.1% (down 15.5% on a local currency basis) to ¥5,528 million. Sales of soft pouches increased 30.8% (up 23.0% on a local currency basis) to ¥149 million. Machinery sales decreased 13.6% (down 18.8% on a local currency basis) to ¥7,318 million.

As a result, total sales in Europe increased 1.7% (down 4.4% on a local currency basis) year on year to ¥28,118 million. On the earnings front, operating loss of ¥1,079 million (operating loss of ¥837 million in the previous fiscal year) was recorded.

[ASEAN]

Sales of shrink labels increased 9.5% (down 8.6% on a local currency basis) year on year to ¥8,175 million. Sales of self-adhesive labels increased 21.2% (up 1.2% on a local currency basis) to ¥220 million. Sales of soft pouches increased 0.7% (down 15.9% on a local currency basis) to ¥7,920 million. Machinery sales increased 27.1% (up 6.1% on a local currency basis) to ¥628 million. Sales of other products increased 119.9% (up 83.6% on a local currency basis) to ¥515 million.

As a result, total sales in ASEAN increased 7.5% (down 10.2% on a local currency basis) year on year to ¥17,460 million. On the earnings front, operating income declined 72.2% (down 76.8% on a local currency basis) to ¥94 million.

(ii) Status of capital expenditures

Capital expenditures during the fiscal year under review (including consolidation adjustments) came to ¥11,068 million.

The main details of that investment were strengthening and updating production equipment in the shrink label, self-adhesive label and soft pouch businesses.

Breaking the amount down by segment, the Group invested ¥4,302 million in the Japan segment, ¥5,478 million in the Americas segment, ¥541 million in the Europe segment, and ¥722 in the ASEAN segment.

(iii) Status of fund procurement

During the fiscal year under review, short-term borrowings increased due to the use of a working capital line of credit, while a portion of long-term debt decreased due to repayment on maturity. The Company also appropriated its own funds for other capital expenditures, etc.

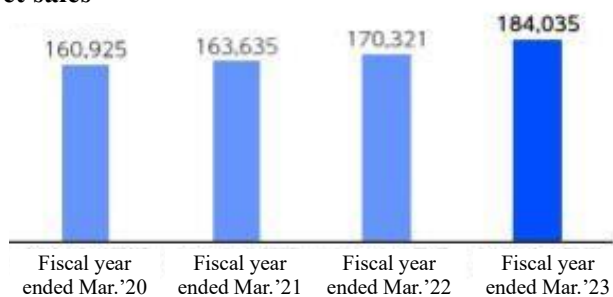
(2) Status of assets and earnings in the last three business years

	62nd Business Year (Fiscal year ended March 2020)	63rd Business Year (Fiscal year ended March 2021)	64th Business Year (Fiscal year ended March 2022)	65th Business Year (Fiscal year ended March 2023) (Fiscal year under review)
Net sales (¥ million)	160,925	163,635	170,321	184,035
Operating income (¥ million)	12,634	12,428	10,572	8,194
Ordinary income (¥ million)	12,901	12,104	10,600	8,426
Net income attributable to owners of the parent (¥ million)	8,808	8,375	6,117	6,869
Earnings per share (¥)	155.51	150.93	111.70	125.43
Total assets (¥ million)	152,694	159,367	164,646	180,004
Net assets (¥ million)	97,639	103,080	109,492	120,571
Net assets per share (¥)	1,757.22	1,869.58	1,999.85	2,201.40

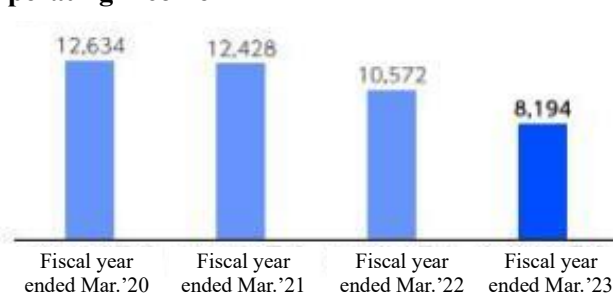
Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of 64th Business Year. However, the impact on the status of assets and earnings is negligible.

(¥ million)

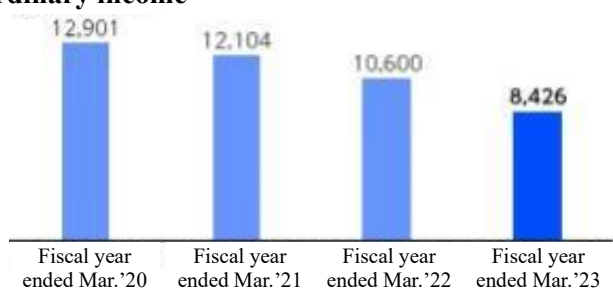
Net sales



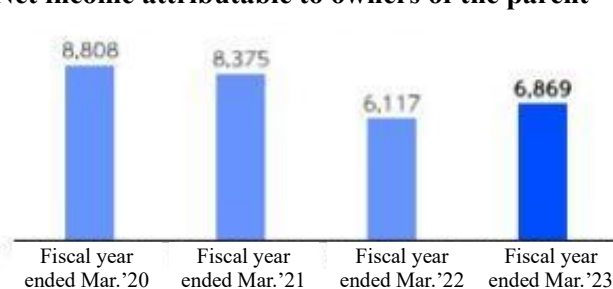
Operating income



Ordinary income



Net income attributable to owners of the parent



(3) Issues to be addressed by the Group

Fuji Seal Group has reviewed its new mission and vision under a new medium-term management plan. We will address the following issues and conduct business operations to realize Our Vision and Company ideal.

- Fuji Seal Group recognizes that environmental issues such as climate change and ocean plastic (protection of biodiversity) are important issues common to all humanity that need to be resolved globally, so it is moving ahead on manufacturing with consideration for environmental aspects to realize a circular society. In addition to reducing environmental loads, Fuji Seal Group develops and produces environmentally friendly products and through its business activities will work not just within the Group but also with customers to achieve environmental targets.
- The Company will build, maintain and develop a global manufacturing structure that can rapidly resolve issues for customers facing changes such as dramatically changing economic conditions, accelerating speed of market and customer changes, diversifying consumer lifestyles and the expansion of consumer areas, as well as provide more services.
- Listen more closely to customers on their front lines to hear about their packaging challenges, improve the speed and quality of packaging solutions, and strengthen our developing systems to answer for the challenges of tomorrow.
- The Company aims to contribute to society through “people-friendly” packaging, and will promote and support such activities as encouraging and funding research and development and nurturing those engaged in that endeavor.
- Accelerate the development of human resources who will share the Group's values and lead its growth.
- Remain constantly aware of growing and diversifying risks such as market changes, natural disasters and pandemics, and build a risk management system, while continuously revising the system itself so that it is suited to the changes, and implement it properly.
- Strengthen the Group’s financial structure and management and effectively use global funds to reinforce its financial base, while working to strengthen the legal foundation through upgrades to regulation systems in response to changes in risk, and strengthening information security measures.
- The Company will strengthen corporate governance as a mechanism for transparent, fair, speedy, and bold decision-making.

2. Current Status of the Company

(1) Status of shares (March 31, 2023)

- (i) Total number of shares authorized to be issued by the Company

200,000,000 shares

- (ii) Total number of issued shares

60,161,956 shares

- (iii) Number of shareholders

16,546 shareholders

- (iv) Major shareholders (top 10)

Name of shareholder	Number of shares (thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	6,316	11.5
Soho KK	6,240	11.4
Fuji Seal Foundation	4,800	8.8
Custody Bank of Japan, Ltd. (Trust account)	4,258	7.8
STATE STREET BANK AND TRUST COMPANY 505001	2,101	3.8
Shigeko Okazaki	1,801	3.3
The Master Trust Bank of Japan, Ltd. (Retail trust account 820079255)	1,800	3.3
Hiroko Fujio	1,784	3.3
JP MORGAN CHASE BANK 385632	1,669	3.0
THA BANK OF NEW YORK MELLON 140042	1,476	2.7

Notes:

1. The Company holds 5,391,436 shares of treasury stock, but has been excluded from the above major shareholders.
2. Treasury stock is excluded when calculating the percentage of shares held.

- (v) Status of shares granted to company executives in compensation for performing duties during the fiscal year under review

- Total by category of shares granted to directors and other executives

Executive classification	Number of shares	Number of individuals granted shares
Outside Director	—	—
Directors (excluding Outside Directors)	—	—
Executive Officers	15,800 shares	11

Note: Details of stock remuneration are listed on Page 18 (2.-(3)-iii) Total amount of remuneration paid to directors and executive officers) of the Business Report.

- (vi) Other important matters concerning shares

No applicable information.

(2) Status of stock acquisition rights

No applicable information.

(3) Status of directors and executive officers

i) Status of directors and executive officers (as of March 31, 2023)

Position	Name	Duties	Significant concurrent posts
Director	Hiroumi Shioji	–	Director of Shioji Law Office External Director of TACHIBANA ELETECH CO., LTD. (member of the Audit and Supervisory Committee)
Director	Tatsundo Maki	–	Director of SCS Global LLC Director of SCS Global Consulting KK
Director	Yuichi Seki	–	Corporate auditor of Fuji Seal, Inc.
Director, Representative Executive Officer, President and CEO	Shigeko Okazaki	–	Representative Director and President, Soho KK
Director	Masayuki Shirokawa	–	–
Executive Officer	Hideaki Umeda	In charge of shrink label business	Director and General Manager of Production Division, American Fuji Seal, Inc.
Executive Officer	Takeshi Kyogane	In charge of self-adhesive label business	Representative Director and President of Fuji Tack, Inc. Representative Director and Chairman, Fuji Seal Switzerland AG
Executive Officer	Masahisa Fukuda	In charge of soft pouch business	Representative Director and President of Fuji Flex, Inc.
Executive Officer	Yoichi Okazaki	In charge of machinery business and Europe operations	Representative Director and President of Fuji Seal B.V.
Executive Officer	Kosuke Matsuzaki	In charge of Japan operations	Representative Director and Chairman, Fuji Seal, Inc.
Executive Officer	Satoru Kawasaki	In charge of the Americas operations	Representative Director and President of American Fuji Seal, Inc. Representative Director and President of American Fuji Technical Services, Inc. Representative Director and President of Fuji Seal Packaging De Mexico, S.A. de C.V.
Executive Officer	Takafumi Yamamoto	In charge of ASEAN operations	Representative Director and President of Fuji Seal Packaging (Thailand) Co., Ltd. Director and Chairperson of Fuji Seal Vietnam Co., Ltd.
Executive Officer	Fumiaki Takahashi	In charge of legal and risk management	–
Executive Officer	Marieke Sauer-Ploegmakers	In charge of human resources	Representative Director and President of Fuji Seal Germany GmbH
Executive Officer and CFO	Akikazu Yada	In charge of finance	–

Notes:

1. Directors Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki are outside directors pursuant to Article 2, item 15 of the Companies Act of Japan.
2. During the business year under review, the following changes in executive officers occurred:

Name	New position	Former position	Date of change
Shigeko Okazaki	Representative	Representative	March 1, 2023

	Executive Officer, President and CEO	Executive Officer Chairperson and CEO	
Yoichi Okazaki	In charge of machinery business	—	June 23, 2022
	In charge of machinery business and Europe operations	In charge of machinery business	December 1, 2022
Takafumi Yamamoto	In charge of ASEAN operations	—	June 23, 2022
Marieke Sauer- Ploegmakers	In charge of human resources	—	June 23, 2022
Fumiaki Takahashi	In charge of legal and risk management	In charge of finance and risk management	December 1, 2022
Akikazu Yada	In charge of finance, CFO	—	December 1, 2022

• Mr. Masayuki Shirokawa (Representative Executive Officer President and COO) retired on February 28, 2023.

3. Committee members of the Company with a nomination committee as provided in the Companies Act Article 2 item 12 were selected at the Board of Directors meeting held on June 23, 2022 and appointed on the same day, pursuant to the Companies Act Article 400 Paragraph 2.

Nomination Committee: Shigeko Okazaki (chairperson), Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki
Compensation Committee: Shigeko Okazaki (chairperson), Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki

Audit Committee: Yuichi Seki (chairperson), Hiroumi Shioji, and Tatsundo Maki

4. Directors Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki have been designated as independent directors as stipulated in the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and the Company has submitted notification of this to the exchange.

5. The Company has assigned a full-time internal audit staff member to assist the Audit Committee in its duties and therefore does not appoint a full-time corporate auditor.

6. Director Tatsundo Maki is a certified public accountant and has knowledge of finance and accounting.

ii) Policy regarding determination of remuneration for directors and executive officers by the Compensation Committee

The Compensation Committee has decided on the following policy regarding determination of remuneration details for individual directors and executive officers.

With regard to remuneration for individual directors in the fiscal year under review, the Compensation Committee has confirmed and determined that the method of confirming details of remuneration and details of the determined remuneration are aligned with this policy.

1. Basic policy regarding remuneration

- a. The Company's remuneration system allows diverse and distinguished personnel who agree with its corporate philosophy to demonstrate their abilities, for which they are awarded.
- b. The remuneration system promotes achievement of business targets based on the Company's management strategy for continual growth.
- c. The remuneration system promotes continual improvement of corporate value, and shares profits with all the Company's shareholders.
- d. Determination processes for the remuneration system are objective and highly transparent.

2. Overview of remuneration system

a. Procedure

Policies for remuneration of directors and executive officers, remuneration structure, and performance-linked systems are determined through deliberation by the Compensation Committee.

b. Composition of remuneration

Remuneration for directors, including outside directors, consists solely of basic remuneration in the form of fixed remuneration, while remuneration for executive officers is comprised of basic remuneration as well as short-term incentives in the form of variable remuneration as performance-linked remuneration and remuneration involving restricted stock as mid- to long-term incentives.

c. Basic remuneration

Standards for basic remuneration are to be determined after giving consideration to factors such as each individual's career, work history, duties, and responsibilities, and the Company's performance and economic environment.

d. Performance-linked remuneration

Performance-linked remuneration is an amount determined by the Compensation Committee in accordance with the degree to which the divisions overseen by each executive officer achieve their performance targets that fluctuates in a range from 0—30% of total remuneration. Items used to calculate the amount include consolidated net sales on an annual basis, operating income margin, and key financial indicators for management strategies, as well as non-financial items such as environmental indicators and human resource development. When a certain level has been reached, part of the performance-linked remuneration is paid in shares of the Company.

e. Restricted stock remuneration

Restricted stock remuneration is paid as a medium- to long-term incentive for executive officers in order to share the same values as shareholders and to continually enhance the Fuji Seal Group's corporate value.

iii) Total amounts of remuneration paid to directors and executive officers

Executive classification	Total amounts of remuneration (Unit: million yen)	Total amount of remuneration by type of remuneration (Unit: million yen)			Number of executives applicable
		Basic remuneration	Performance-linked remuneration	Restricted stock remuneration	
Outside Director	27	27	—	—	4
Directors (excluding Outside Directors)	1	1	—	—	1
Executive Officers	228	200	6	21	13

Notes:

1. Number of personnel as of March 31, 2023 was 5 directors (including 3 outside directors), and 11 executive officers (including one serving concurrently as directors). The table above includes 1 outside director and 2 executive officers who retired during the fiscal year under review, including those whose terms of office expired.
2. Remuneration for directors serving concurrently as executive officers is presented in the column for executive officers.
3. Remuneration of executive officers serving concurrently as managing executive officers of subsidiaries is paid by the subsidiaries.

4. Performance indicators related to performance-linked remuneration are listed in “2. Overview of remuneration system.” Performance-linked remuneration in the fiscal year under review was paid based on the degree of performance achievement in the previous consolidated fiscal year, among other factors. The primary achievements were a net sales achievement rate of 100.2% and an operating income achievement rate of 77.7% in contrast to the consolidated forecast disclosed on May 12, 2021.
5. Non-monetary remuneration consists of restricted stock remuneration, the amount of which was recorded as an expense for the fiscal year under review. The status of stock granted for the fiscal year under review is listed under “2. (a) (v). Status of shares granted to company executives in compensation for performing duties during the fiscal year under review.”
6. In addition to the above, outside directors received remuneration of ¥1 million as executives of the Company’s subsidiaries in the fiscal year under review.

iv) Matters concerning outside directors

- a. Status of concurrent important positions held at other legal entities and relationship between the Company and the other legal entities

Director Hiroumi Shioji	Director of Shioji Law Office External Director of TACHIBANA ELETECH CO., LTD. (member of the Audit and Supervisory Committee)
Director Tatsundo Maki	Director of SCS Global LLC Director of SCS Global Consulting KK
Director Yuichi Seki	Corporate auditor of Fuji Seal, Inc. (Note)

Note:

Fuji Seal, Inc. is a wholly owned subsidiary of the Company and has transactions with the Company involving royalties and so forth. There are no other special relationships between the Company and the companies where the outside corporate officers hold key concurrent positions.

- b. Status of principal activities during the business year under review

Name (position)	Status of activities in the fiscal year under review and overview of duties which outside directors are expected to perform
Director Hiroumi Shioji	Mr. Shioji attended all eight meetings of the Board of Directors and eight meetings of the Audit Committee held in the fiscal year under review. He performed an appropriate role to ensure the soundness and appropriateness of decision-making, providing advice necessary for the deliberation of proposals and so forth, drawing on his abundant experience and broad insight cultivated through his work as a lawyer over many years. At the Nomination and Compensation Committees, he helped to increase objectivity with regard to selection of the Company’s directors and executive officers as well as remuneration.
Director Tatsundo Maki	Mr. Maki attended all eight meetings of the Board of Directors and all nine meetings of the Audit Committee held in the fiscal year under review. He performed an appropriate role to ensure the soundness and appropriateness of decision-making, providing advice necessary for the deliberation of proposals and so forth, while drawing on his abundant experience and broad insight of global accounting, particularly business expansion in Asia. At the Nomination and Compensation Committees, he helped to increase objectivity with regard to selection of the Company’s directors and executive officers as well as remuneration.
Director Yuichi Seki	Mr. Seki attended all eight meetings of the Board of Directors and similarly attended all nine meetings of the Audit Committee held in the fiscal year under review. He performed an appropriate role to ensure the soundness and appropriateness of decision-making, providing advice necessary for the deliberation of proposals and so forth, while drawing on his abundant experience and broad insight in manufacturing as a supervisor of safety, disaster preparedness and manufacturing primarily in the technology development field, as well as experience as the manager of a publicly listed company. At the Nomination and Compensation Committees, he helped to increase objectivity with regard to selection of the Company’s directors and executive officers as well as remuneration.

Note:

At the meetings of the Company's Board of Directors, deliberations were held four times over two days for each meeting (a total of eight days). In the fiscal year under review, a total of 46 hours of deliberations were held over 12 days. In addition to the above meetings held by the Board of Directors, there were 14 resolutions in writing, which are deemed to be equivalent to resolutions passed in meetings of the Board of Directors, in accordance with Article 370 and Article 22 of the Company's Articles of Incorporation.

c. Outline of limitation of liability agreement

To ensure that it can obtain useful human resources to serve as outside directors, the Company's current Articles of Incorporation have a provision enabling it to enter agreements with its outside directors for limiting their liability to the Company within a certain scope. In accordance with this provision, outside directors Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki have entered such limitation of liability agreements with the Company.

An overview of these agreements follows.

"If the outside director becomes liable for damages to the Company due to negligence of duties, he or she shall bear this liability, limited to the minimum liability amount provided in Article 425 Paragraph 1 of the Companies Act of Japan. The above liability limitation may be recognized only in cases where the outside director has acted in good faith and without gross negligence in executing the duty that caused his or her liability."

d. Criteria for Independence of Outside Directors

Criteria for independence are listed in the "Reference Documents for the General Meeting of Shareholders" in this convocation notice.

v) Overview of limitation of liability agreement

The Company has entered into a limitation of liability agreement with an insurance company which designates all directors, executive officers and those in managerial positions at the Company and all its subsidiaries as insured persons. Under this agreement, the insured person shall be charged compensation resulting from actions (including failure to act) based on the status of company executive, and shall compensate for damages incurred and legal fees, etc. As a measure to ensure the appropriateness of execution of duties by the insured person, damages to the executive who committed a criminal act such as bribery or intentionally violated a law will be exempt from the target of compensation. The Company will pay all insurance payments for this liability agreement.

(4) Outside accounting auditor

i) Name Deloitte Touche Tohmatsu LLC

ii) Remuneration amount

	Amount payable
1. Amount of remuneration payable to the outside accounting auditor for the fiscal year under review for duties provided under Article 2 Paragraph 1 of the Certified Public Accountants Act	¥41 million
2. The total amount of remuneration and other financial benefits payable to the outside	¥54 million

Notes:

1. Important overseas consolidated subsidiaries of the Company audited by certified public accountants and auditing companies (including entities with corresponding qualifications in overseas countries) other than the outside accounting auditor of the Company. They are audited only on the items specified by the Companies Act and the Financial Instruments and Exchange Act, or corresponding laws and regulations in overseas countries.
2. The amount of remuneration for audits pursuant to the Companies Act and the amount of remuneration for audits pursuant to the Financial Instruments and Exchange Act are not clearly divided in the auditing agreement concluded between the Company and the outside accounting auditor. Since they are not practically separable, the total amount of remuneration is presented for the fiscal year under review.
3. The Audit Committee performed the required verification of the outside accounting auditor's audit plan details, the status of accounting audit execution, and the grounds for calculation of the remuneration estimate and so forth to determine whether they were appropriate, and agreed with the outside accounting auditor's remuneration amount pursuant to the Article 399 Paragraph 1 of the Companies Act.

iii) Details of non-auditing duties

The Company and its subsidiaries have paid the outside accounting auditor consideration for indirect business analysis and tax advisory services, which are classified as services other than the services under Article 2, Paragraph 1 of the Certified Public Accountants Act.

iv) Dismissal or non-reappointment of outside accounting auditor

If the Audit Committee judges that it is appropriate to dismiss or not reappoint the outside accounting auditor, it determines the details of a proposal for the dismissal or non-reappointment of the outside accounting auditor to be submitted at the General Meeting of Shareholders in accordance with the Audit Committee Regulations. If the Audit Committee acknowledges that the outside accounting auditor is subject to any of the conditions set forth in Article 340 Paragraph 1 of the Companies Act, it shall dismiss the outside accounting auditor by a unanimous resolution of all the Audit Committee members. In such cases, the dismissal and the reason shall be reported at the next General Meeting of Shareholders held after the dismissal by an Audit Committee member appointed by the Audit Committee.

v) Outline of Limitation of liability agreement

No applicable information.

(5) System for ensuring appropriate business execution

The Company has a system for ensuring that the directors' execution of duties complies with laws and regulations and with the Articles of Incorporation and a system for ensuring that other operations of the corporate group formed by the Company and its subsidiaries (hereinafter "the Group") are appropriate. An overview of the details decided for these systems is given below.

i) Matters concerning directors and employees assigned to assist the duties of the Audit Committee

The Group Internal Audit Office is the organization responsible for assisting the duties of the Audit Committee. The employees responsible for providing assistance (hereinafter "audit officers, etc.") are the Group Internal Audit Office Manager and other staff of the Group Internal Audit Office as well as other audit officers who are appointed by the Group Internal Audit Office Manager with the approval of the Audit Committee.

- ii) Matters regarding the independence of the directors and employees of the preceding item from executive officers, and matters regarding ensuring the effectiveness of instructions given by the Audit Committee Transfers, performance reviews, and salary revision of audit officers, etc. shall require prior consent of the Audit Committee.

Moreover, executive officers must take care that audit officers, etc., are not subject to unjustified restrictions in the execution of their duties. If the audit officers, etc. are subject to unjustified restrictions in the course of executing their duties, they shall be able to report this to the Audit Committee or to an Audit Committee member and request the unjustified restriction to be lifted. Audit officers must follow the instructions of the Audit Committee.

- iii) System for reporting by the Group's directors, executive officers, and employees to the Audit Committee and system for other reports made to the Audit Committee

The Audit Committee may have persons other than Audit Committee members attend its meetings as needed to hear their reports and opinions. In this way, the directors, executive officers, and other employees (hereinafter "executives and employees") who attend an Audit Committee meeting must explain matters to the Audit Committee as the committee requests. Executives and employees shall be able to report to the Audit Committee via the Group Internal Audit Office. The Company is not allowed to dismiss the executives and employees who make such reports or subject them to any other disadvantage because of having made the report.

Executives and employees should report the following matters.

- a. Matters regarding the reporter's decision on a matter entrusted by a resolution of the Board of Directors
- b. Discovered facts that could cause significant loss to the Company

- iv) Matters regarding policies on prepayment of expenses incurred by Audit Committee members when executing their duties, reimbursement procedures, and other handling of expenses and liabilities arising in connection to the duties

When Audit Committee members request prepayment of expenses and so forth for executing their duties, as provided by the Companies Act, provided the execution of the duties is not considered unnecessary, the Company shall promptly process the liabilities, including such expenses.

- v) Other systems for ensuring that Audit Committee's audits are conducted effectively

The Audit Committee conducts regular liaison meetings to report and coordinate with the Group Internal Audit Office.

Furthermore, the Audit Committee has established the Group Internal Audit Regulations, and has a structure in place to manage internal audits smoothly and effectively. Furthermore, the committee maintains close coordination with the outside accounting auditor and holds regular meetings with the outside accounting auditor to exchange opinions about the audit policy and audits.

The Group Internal Audit Office establishes the internal audit mechanisms for the Group, and oversees policy and management risk. In this way, the office aims to maintain the Group's internal controls and upgrade

the internal audit system.

- vi) System for ensuring appropriateness of reports to the Company on matters relating to execution of duties by the directors and other executives in the Group and appropriateness of other Group operations

As a holding company, the Company manages and administers the entire Group in line with the Group management strategy. The Board of Directors therefore decides and approves important matters concerning Group management, and hears reports on business execution by all Group companies.

The Company has formulated the Group Company Management Regulations, stipulating the basic policy on Group management, the management system, operation standards and so forth, and positional authority for the entire Group. Group companies shall receive advance approval from the Company on certain important matters regarding management circumstances and matters affecting Group management based on these regulations, and through reporting to the Company on certain items, they also support unified operation of the Fuji Seal Group's business operations and support management.

The Group Internal Audit Office coordinates with the departments responsible for the operations of each Group company to ascertain their internal control status. The office reports on this to the Audit Committee and proposes measures for improvement.

The Company has established a Group Sustainability Committee and formed a system under the supervision of the Board of Directors to establish goals related to ESG for the overall Group and implement, promote and report monitoring of progress in order to promote and support the Group's sustainability management.

- vii) System for ensuring execution of duties by the Group's directors, other executives, and employees is compliant with laws and regulations, and with the Articles of Incorporation

The FSG Code of Ethics, sets forth the universal standards that every individual director, executive officer, corporate officer and employee should observe from the corporate ethic standpoint to gain society's trust as the Ethical Standard, and the standards of behavior that support faithful implementation of Ethical Standard in its Conduct and Behavior Standard. In addition, the Group Compliance Management Regulations set out the Group's compliance policy, systems, procedures, and so forth.

The Compliance Committee (at the Group and regional levels) deliberates and decides on revisions of operation processes and other measures to prevent recurrences of material problems and serious infringements, as well as other relevant issues. In addition to the maintenance and upgrading of the compliance system, awareness raising and education, and reporting to the Board of Directors, the committee requests the deliberation and decision of the Board of Directors in cases that require important management decisions. Moreover, the Consultation Hotline provides a system that enables personnel to report directly to a consultation and reporting desk (including an outside law office, outside specialist companies, and the Group Internal Audit Office) regarding suspicious behavior and so forth. This enables the Company to quickly identify compliance issues and respond to them appropriately.

The Company has also taken steps to ensure and reinforce the appropriateness of its financial reporting by formulating the Group Internal Control Regulations and establishing the J-SOX Committee.

viii) System for storage and management of information relating to the execution of duties by executive officers
Executive officers shall store important information relating to the executive's execution of duties, such as minutes of General Meetings of Shareholders and Board of Directors meetings of Group companies, approval request documents, financial statements relating to financial reports, and contracts, for at least 10 years. Moreover, they shall take the measures required to be in accordance with the Group Information Security Policy described in the Group Sustainability Policy and be prepared to accommodate requests to browse the documents from the Audit Committee and others.

ix) Rules and other systems related to managing the risk of loss in the Group

The Group has established the Group Risk Management Regulations, which stipulate the basic policy and management system regarding business execution risks facing the Group. The Group strives to ensure sound, stable management, thereby enhancing management efficiency and increasing shareholder benefit and trust in the Company. The Group Compliance Committee's basic framework for risk management is to identify latent risks on a Groupwide and region basis, and after deliberation by the Board of Directors, summarize the materiality of each risk in a risk map and develop a system to respond to such risks. In accordance with the regulations, the Group has established disaster response and crisis management systems. The Group strives to make foreseeable risks known to employees and share this information with them. It will also implement measures to relay information and respond rapidly and appropriately in case a risk should materialize, and take action to prevent a recurrence.

x) System to ensure the efficient execution of duties by the Group's directors and other officers
The Company has established a system for appropriate and efficient execution of duties through positional authority and decision-making rules based on a system of regulations centered on the abovementioned Group Company Management Regulations. (In June 2019, the Company revised the Administrative Authority Regulations, separate materials to these regulations)

Based on the medium-term management plan and the annual business plan formulated in line with the corporate philosophy, the executive officers work to achieve the targets, report the status of their execution of duties to the Board of Directors, and receive an assessment from the Board of Directors. The Company uses IT to streamline operations through teleconferencing and other means. It has a system for identifying important management information through business reports, risk reports, and so forth provided regularly and as needed, and securely feeding this information back to the Board of Directors.

(6) Overview of operational status of systems for ensuring appropriateness of operations

i) Operational status of Group compliance system

The Group Compliance Committee holds regular meetings, annually formulates and implements action plans that include the establishment of compliance-related themes and matters to be addressed, and conducts awareness-raising activities. The Group's executives have signed a compliance declaration and Compliance Cards have been distributed to Group executives and employees in addition to an education program. Through

these measures, the Group provided clear guidance on observing laws and regulations, as well as internal company regulations, and acting in accordance with corporate ethics, and took initiatives to ensure their effectiveness.

With regard to the Consultation Hotline, the Group ensures that the confidentiality of informants is protected and that informants are not subjected to disadvantages. The status of reports to the hotline is reported regularly to the Compliance Committee, the Board of Directors and the Audit Committee.

ii) Operation status of the Group's risk management system

The Group has organized the materiality of latent risks on a Groupwide and regional basis into a risk map based on the Group Risk Management Regulations. For each risk, systems have been established, action plans for each region have been formulated, based on the risk map, and initiatives are continuously carried out. The risk map assesses risks based on their likelihood of occurrence and impact on management, looking at the many types and varieties of risk the Company faces, including fires, surging prices and shortages of raw material, information leaks, system breakdowns, and cyberattacks. At the same time, an emergency contact network has been established for the case of an irregular situation that could have a serious impact on the Group's management, and we operate this network on a daily basis to prevent recurrences and secondary damage throughout the Group.

As a risk monitoring function, internal audits are conducted by the Group Internal Audit Office under the direction of the Audit Committee, and risk management system audits are conducted by independent auditors as needed. The results are reported to the Audit Committee and the Representative Executive Officer, President and CEO.

iii) Status of execution of duties by directors and others in the Group

The Group held 8 Board of Directors meetings during the fiscal year under review, in accordance with the Rules for Directors (a total of more than 46 hours of deliberations were held over 12 days).

The Board of Directors deliberates on matters such as business strategy, annual business plans, investment strategy, financial management, ESG (Environment, Society, Governance) issues, how the Group is managed, and relationships with stakeholders.

In the fiscal year ended March 31, 2023, the Board of Directors proactively deliberated on business strategy, investments, surging raw material prices, and ESG initiatives.

Furthermore, the Board of Directors heard reports on the status of execution of duties at each Group company, and discussed progress on achieving management targets, management issues and risks, and related response measures.

iv) Status of initiatives to ensure appropriate operations within the Group

The Audit Committee met nine times during the fiscal year under review in accordance with the Audit Committee Regulations. The Audit Committee deliberated on the audit plan and audit policy, internal controls, and related matters.

The Group Internal Audit Office conducted an audit of the Group companies based on the direction of the

Audit Committee, and proposed improvements. A Consultation Hotline Desk was also established in the Internal Audit Office, so that reports can now also be made to the Audit Committee, which is composed solely of outside directors.

(7) Policy regarding determination of dividend from surplus

Fuji Seal aims to realize a sustainable and circular society that brings peace and happiness to all through packaging, and to raise corporate value in the medium-term management plan which began in the fiscal year ended March 31, 2022. It positions continual increase of profit returns, while returning profits to shareholders based on consolidated results to be the most important management issue.

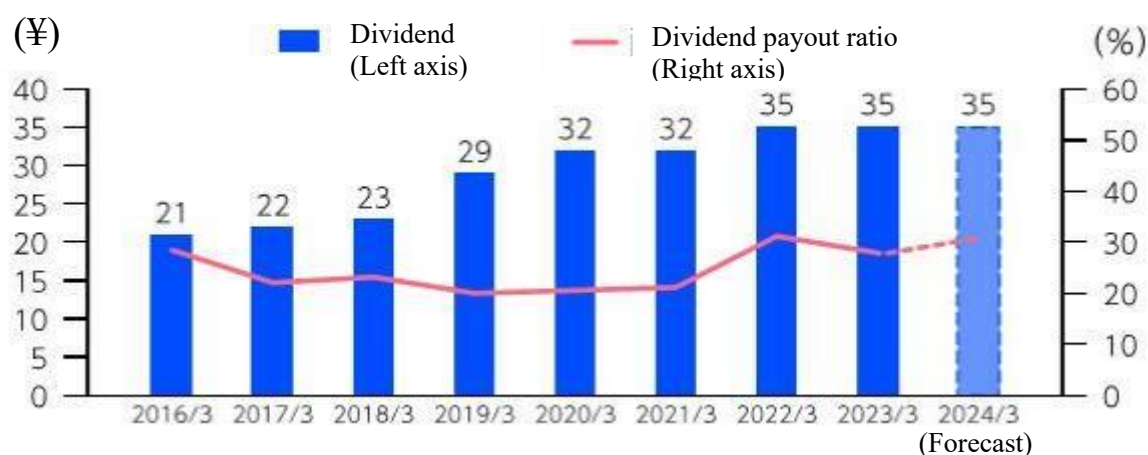
As such, the Company's view on profit allocation is as follows.

- Invest in continued growth (technology development, human resource development, capital expenditures, M&A)
- Targeting a consolidated dividend payout ratio of 20-25%
- Increase the dividend per share in a stable and sustained manner
- Build a stable financial base prepared for emergencies and flexibly acquire and dispose of treasury stock (increase capital efficiency)

In the fiscal year ended March 31, 2023, the management environment encompassing the Fuji Seal Group remained challenging due to the continuation of surging raw materials and other prices and accelerated inflation in Europe and the Americas. In this climate, the Group accounted for the tax effects associated with a resolution it had passed on the dissolution and liquidation of Fuji Seal Switzerland AG, which is a consolidated subsidiary of the Company. As a result, net income was above the level of the business performance forecast announced on May 11, 2022.

At the Board of Directors meeting held on May 19, 2023, the Company decided to pay a year-end dividend for the fiscal year ended March 31, 2023 of ¥18 per share, after taking into consideration the financial results for the fiscal year under review and its profit allocation policy of stable dividends. The Company will thus pay an annual dividend of ¥35 per share for the fiscal year ended March 31, 2023, which includes the already paid interim dividend (¥17 per share), for a consolidated dividend payout ratio of 27.9%.

In the fiscal year ending March 31, 2024, the Group plans to pay an annual dividend of ¥35 per share based on the aforementioned basic policies. As a result, the Group expects to achieve a consolidated dividend payout ratio of 30.9% for the fiscal year ending March 31, 2024.



(Monetary amounts and numbers of shares presented in this business report have been rounded down to the units of presentation, while year-on-year comparisons and other figures have been rounded to the nearest unit.)

Consolidated Balance Sheets
(As of March 31, 2023)

(Unit: ¥ million)

Assets		Liabilities	
Item	Amount	Item	Amount
Total current assets	110,023	Total current liabilities	54,769
Cash and deposits	22,034	Notes and accounts payable	15,279
Notes and accounts receivable	45,951	Electronically recorded monetary obligations	12,254
Electronically recorded monetary claims	11,353	Short-term borrowings	9,034
Merchandise and finished products	9,142	Current portion of long-term debt	2,699
Work in process	5,239	Lease obligations	71
Raw materials and supplies	11,140	Other accounts payable	3,728
Other current assets	5,353	Income taxes payable	1,000
Allowance for doubtful accounts	(192)	Accrued bonuses	1,591
Total noncurrent assets	69,981	Other current liabilities	9,110
Total tangible fixed assets	61,989	Total long-term liabilities	4,663
Buildings and structures — net	21,345	Long-term debt	56
Machinery, equipment and vehicles	19,335	Lease obligations	96
Tools, furniture and fixtures	1,967	Deferred tax liabilities	800
Land	8,346	Net defined benefit liabilities	2,791
Lease assets — net	244	Other	918
Construction in progress	9,716	Total liabilities	59,432
Other — net	1,033	Net assets	
Total intangible assets	1,549	Total shareholders' equity	106,740
Goodwill	50	Common stock	5,990
Other	1,498	Capital surplus	6,600
Total investments and other assets	6,442	Retained earnings	102,629
Investment securities	4,059	Treasury stock	(8,479)
Deferred tax assets	1,817	Total accumulated other comprehensive income	13,830
Other	611	Unrealized gain on available-for-sale securities	1,773
Allowance for doubtful accounts	(45)	Foreign currency translation adjustments	11,898
		Remeasurements of defined benefit plans	158
		Total net assets	120,571
Total assets	180,004	Total liabilities and net assets	180,004

Consolidated Statements of Income
(April 1, 2022 to March 31, 2023)

(Unit: ¥ million)

Item	Amount	
Net sales		184,035
Cost of sales		154,358
Gross profit		29,677
Selling, general and administrative expenses		21,482
Operating income		8,194
Non-operating income		
Interest income	122	
Dividend income	78	
Interest on tax refund	167	
Foreign exchange gains	2	
Recycling income	29	
Other	142	542
Non-operating expenses		
Interest expenses	100	
Depreciation of inactive non-current assets	89	
Provision of allowance for doubtful accounts	34	
Other	86	310
Ordinary income		8,426
Extraordinary gains		
Gain on sale of tangible fixed assets	23	
Gain on sale of investment securities	107	
Gain on sale of golf club membership	2	
Subsidy income	13	147
Extraordinary losses		
Loss on sale and disposal of tangible fixed assets	92	
Loss on sale of investment securities	0	
Loss on valuation of investment securities	240	
Factory reorganization costs	443	
Impairment loss	38	
Loss on liquidation of subsidiaries	10	
Loss on tax purpose reduction entry of non-current assets	13	840
Income before income taxes		7,733
Current	2,604	
Deferred	(1,740)	864
Net income		6,869
Net income attributable to owners of the parent		6,869