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Securities Code No. 7864

June 3, 2022

Masayuki Shirokawa, President and COO

Fuji Seal International, Inc.

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

Convocation Notice of the 63th Annual General Meeting of Shareholders

To our shareholders, thank you for your support.

You are cordially invited to attend the 64th Annual General Meeting of Shareholders as follows.

For this Annual General Meeting of Shareholders, we humbly request that shareholders exercise their voting rights in advance to secure the safety of shareholders and prevent the spread of COVID-19 and strongly urge that people refrain from attendance at the meeting regardless of the state of shareholders' health. In addition, you can exercise your voting rights by mail (voting form) or electronic voting (Internet). Please exercise your vote by 5:00 p.m. on Wednesday, June 22, 2022, after examining the following "Reference Documents for the General Meeting of Shareholders" on the following page.

Thank you.

Request for Self-Restraint from Attendees

From the standpoint of preventing the spread of COVID-19, we ask that all shareholders exercise their voting rights wherever possible in writing or online and strongly urge that you refrain from attending the Annual General Meeting of Shareholders, regardless of the state of your health.

In conjunction with the Convocation Notice of the 64rd Annual General Meeting of Shareholders, please examine the reference materials on the Company website to exercise your voting rights.

Company website: <https://www.fujiseal.com>

We have not prepared gifts for those shareholders who do attend the meeting.

For details, please refer to the notes at the end of this notification

1. Date and Time	11:00 a.m. on June 23, 2022 (Thursday) (Reception will open from 10:30 a.m.)
2. Venue	5F “Canale,” 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 64th business year (April 1, 2021 to March 31, 2022), 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 64th business year (April 1, 2021 to March 31, 2022) <p>Matters to be Resolved</p> <p>Proposal No. 1 Partial change to the Articles of Incorporation Proposal No. 2 Election of five directors</p>

- The impact of COVID-19 may force changes in the venue or times. In the event of such an occurrence, the Company will post notification on its website as soon as the decision has been made. Shareholders who do choose to attend the Annual General Shareholders Meeting should confirm details on the day of the event.
- The Annual General Shareholders Meeting will be held for a shortened duration to prevent the spread of COVID-19.
- In accordance with laws and regulations and Article 14 of the Company’s Articles of Incorporation, certain documents to be submitted, 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 available on the Company’s website, rather than being attached to this Notice of Convocation. As a result, consolidated financial statements and non-consolidated financial statements attached to this Convocation Notice are included in the audited consolidated financial statements and non-consolidated financial statements during the creation of the accounting audit report and audit report by the Audit Committee.
- Any amendments to the Reference Documents for General Meeting of Shareholders, the Business Report, the consolidated financial statements, or the non-consolidated financial statements will be posted on the Company’s website.
- In conjunction with the Convocation Notice of the 64th Annual General Meeting of Shareholders, please examine the reference materials on the Company website to exercise your voting rights.

Company’s website (<http://www.fujiseal.com>)

Reference Documents for the Annual General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Partial change to the Articles of Incorporation

1. Reasons for the proposal

- (1) The Company proposes to change the part of Paragraph 2 of Article 13 of its Articles of Incorporation (Authority for convocation of general meetings of shareholders, and chairmanship of general meetings) that limits the chairman at general meetings of shareholders to the President & CEO of the Company to enable a flexible and agile response with regard to the running of general meetings of shareholders.
- (2) The Company proposes to make the following changes to its Articles of Incorporation since measures for providing reference materials for general meetings of shareholders in electronic format will be introduced accompanying the implementation of the revised provisions provided for in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act. No. 70 of 2019) on September 1, 2022.
 - (i) To add the proposed amended Paragraph 1 of Article 14 (Measures for providing information in electronic format, etc.) since it will be required to stipulate in the Articles of Incorporation that measures will be taken to provide information contained in the reference materials for general meetings of shareholders in electronic format.
 - (ii) To add the proposed amended Paragraph 2 of Article 14 (Measures for providing information in electronic format, etc.) so that of the items for which measures will be taken to provide information contained in the reference materials for general meetings of shareholders in electronic format, the scope of those items for which paper-based documents are to be delivered to shareholders who have requested paper-based documents can be limited to the scope stipulated in the Ministry of Justice Order.
 - (iii) To delete the provision in Article 14 of the current Articles of Incorporation (Disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders) since it will no longer be required when measures for providing reference materials for general meetings of shareholders in electronic format are introduced.
 - (iv) To establish supplementary provisions concerning the validity of the provision to be deleted and the additions described above, and delete these supplementary provisions after their expiration date.

2. Details of changes

The details of the changes are as follows.

(The changed sections are underlined>

Current Articles of Incorporation	Proposed changes
<p>(Authority for convocation of general meetings of shareholders, and chairmanship of general meetings)</p> <p>Article 13 Unless otherwise stipulated by law, general meetings of shareholders shall be convened by a director of the Company previously designated by resolution of the Board of Directors. In the event that the said director shall be incapable of convening a general meeting, a general meeting may be convened by another director chosen in accordance with an order previously determined by the Board of Directors.</p> <p>2. The President & CEO of the Company shall serve as the chairman at general meetings of shareholders. In the event that the President & CEO is unable to do so, a general meeting may be chaired by another executive officer or director chosen in accordance with an order previously determined by the Board of Directors.</p>	<p>(Authority for convocation of general meetings of shareholders, and chairmanship of general meetings)</p> <p>Article 13 Unless otherwise stipulated by law, general meetings of shareholders shall be convened by a director of the Company previously designated by resolution of the Board of Directors. In the event that the said director shall be incapable of convening a general meeting, a general meeting may be convened by another director chosen in accordance with an order previously determined by the Board of Directors.</p> <p>2 The Representative Executive Officer of the Company shall serve as the chairman at general meetings of shareholders. In the event that the Representative Executive Officer is unable to do so, a general meeting may be chaired by another executive officer or director chosen in accordance with an order previously determined by the Board of Directors.</p>
<p>(Disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders)</p> <p>Article 14 When convening general meetings of shareholders, the Company may deem that it has provided shareholders with information concerning matters that should be described or presented in reference documents for general meetings of shareholders, business reports, financial statements and consolidated financial statements in the event that they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.</p> <p style="text-align: center;">(Add)</p>	<p style="text-align: center;">(Delete)</p> <p>(Measures for providing information in electronic format, etc.)</p> <p>Article 14 When convening general meetings of shareholders, the Company shall take measures to provide information contained in reference documents, etc. for general meetings of shareholders in electronic format.</p> <p>2. Of the items for which measures will be taken to provide information in electronic format, the Company may exclude all or some of those items stipulated in the Ministry of Justice Order from the paper-based documents to be delivered to shareholders who have requested paper-based documents by the record date for voting rights.</p>

(Add)	<p>(Supplementary provisions) (Transitional measures concerning provision of materials for general meetings of shareholders in electronic format)</p> <p>The deletion of Article 14 of the current Articles of Incorporation (Disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders) and the addition of the proposed amended Article 14 (Measures for providing information in electronic format, etc.) to the Articles of Incorporation shall come into force on September 1, 2022.</p> <p>2. Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation (Disclosure via the Internet and deemed provision of reference documents, etc. for general meetings of shareholders) shall remain in force with respect to general meetings of shareholders to be held on a date within six months from September 1, 2022.</p> <p>3. These provisions shall be deleted on the date when six months have elapsed from September 1, 2022, or on the date when three months have elapsed from the date of a general meeting of shareholders described in the preceding paragraph, whichever is later.</p>
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●Supplementary explanation concerning Proposal No. 1: Partial change to the Articles of Incorporation

Measures for providing information in electronic format will come into effect in September 2022. In conjunction with this, the Company shall post materials for general meetings of shareholders to be held from March 2023 on its website, etc., and deliver a simplified notice of convocation (stating that information has been posted on the Company’s website and providing the website address) to all shareholders. For shareholders who wish to receive paper-based documents for general meetings of shareholders to be held from March 2023, please contact the securities company where you have an account or the transfer agent (Mitsubishi UFJ Trust and Banking Corporation).

Proposal No. 2 Election of five directors

All six (6) directors' terms of office will expire at the end of this General Meeting of Shareholders. Accordingly, the Company requests the election of five (5) 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 Chairperson and CEO
5	Masayuki Shirokawa	Reelection	Director, Representative Executive Officer President and COO

【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.	5
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.	5
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.	4
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 experience in strategic planning are required.	5
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 improvement, and strengthen shareholder returns.	4
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.	5
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, Shioji Law Office June 2015 Director of the Company (current) January, 2022 Representative Partner, Shioji Law Office, LPC(current)</p> <p><u>Reasons for Nomination as Outside Director</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 outside auditor 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, Nominating Committee and Remuneration 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> 7 years</p> <p><u>Significant Concurrent Posts</u> Representative Partner, Shioji Law Office, LPC Outside Auditor of TACHIBANA ELETECH CO., LTD.</p> <p><u>Number of the Company’s Shares Owned</u> 961 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 Co., Ltd. (current) June 2017 Director of the Company (current)</p> <p><u>Reasons for Nomination as Outside Director</u> Mr. Maki appropriately performs his role in supervising executive functions, leveraging the abundant experience and broad insight in accounting, finance, and taxation that he has gained as a certified public accountant to provide useful suggestions and opinions regarding the Company’s overall management. 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 Nominating Committee and Remuneration 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> <p><u>Number of Years since Appointment as an Outside Director</u> 5 years</p>

Name, date of birth	Brief personal history, title, responsibilities and status of important concurrent positions
	<p><u>Significant Concurrent Posts</u> Director of SCS Global Co., Ltd. Director of SCS Global Consulting KK</p> <p><u>Number of the Company's Shares Owned</u> – shares</p>
<p>3 Yuichi Seki New appointment Outside Independent Born June 28, 1953</p>	<p><u>Career and Positions Held in the Company</u> April 1978 Joined Kobe Steel, Ltd. June 2011 Senior Managing Director and General Manager of Technical Development Group, Kobe Steel, Ltd. June 2012 Representative Director, Member of the Board & Executive Vice President, OSAKA Titanium technologies Co.,Ltd. June 2014 Representative Director, Member of the Board & President, OSAKA Titanium technologies Co.,Ltd. June 2019 Director of the Company (current) June 2021 Corporate auditor of Fuji Seal, Inc. (current)</p> <p><u>Reasons for Nomination as Outside Director</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 Nominating Committee and Remuneration 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> 3 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>
<p>4 Shigeko Okazaki Reelection Born April 5, 1957</p>	<p><u>Career and Positions Held in the Company</u> 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 June 2006 Director, Executive Officer (in charge of Corporate Planning) March 2007 Representative Director and President of Fuji Seal Europe S.A.S. June 2007 Director, Executive Officer (in charge of Corporate Planning, Europe Operations) March 2008 Director, President June 2020 Director, President and CEO June 2021 Director, Representative Executive Officer Chairperson and CEO (current)</p>

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, Soho KK</p> <p><u>Number of the Company's Shares Owned</u> 1,801,720 shares</p>
<p>5 Masayuki Shirokawa Reelection Born February 20, 1963</p>	<p><u>Career and Positions Held in the Company</u> March 1985 Joined the Company September 1998 General Manager, Europe Sales Division of Fuji Seal Europe Ltd. January 2000 General Manager, Sale Division of American Fuji Seal, Inc. October 2011 Vice President of American Fuji Seal, Inc. June 2014 Executive Officer of the Company (In charge of the Americas Operations) Representative Director and President of American Fuji Seal, Inc. June 2018 Director and Executive Officer of the Company March 2020 Director of Fuji Seal Packaging (Thailand) Co., Ltd. June 2020 Director and COO June 2021 Director, Representative Executive Officer President and COO (current) November 2021 Representative Director and President of Fuji Seal B.V. (current)</p> <p><u>Reasons for Nomination as Director</u> Mr. Shirokawa leverages his abundant experience and broad insight in management overall as a manager of a Group operating company, in addition to extensive experience in the management of overseas businesses at the Company in working to effectively strengthen the decision-making and supervisory capabilities of the Board of Directors. The Company requests his reelection as a director with the expectation that he 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 his experience as a manager of the Company</p> <p><u>Expected Key Skills and Experience</u> Corporate management, Marketing, Global business, Sustainability and environmental management</p> <p><u>Area of Responsibility</u> In charge of development, India operations</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> 16,450 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

- 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.
- 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.
- 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 29 of the Business Report. When each candidate is approved for reappointment, the 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.
- 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 of Japan, 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 subsidiary (hereinafter, "the Fuji Seal Group").

- 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
- 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, 2021 to March 31, 2022)

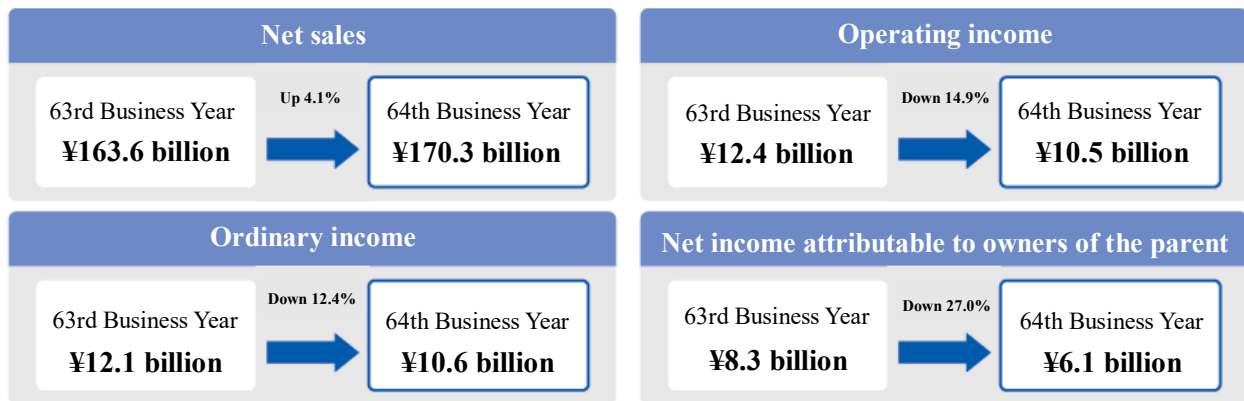
1. Status of the Group

(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 ¥170,321 million (up 4.1% year on year), operating income was ¥10,572 million (down 14.9%), ordinary income totaled ¥10,600 million (down 12.4%), and net income attributable to owners of the parent was ¥6,117 million (down 27.0%).



The following is a breakdown of business performance by segment.

From the fiscal year under review, PAGO previously shown as a reporting segment has been integrated into the Europe segment accompanying changes in the management structure in Europe to execute the new medium-term management plan.

Furthermore, the product category “pharmaceuticals and other order-customized packaging” was changed to “other” in the Japan segment, and “other labels” was changed to “other” in the Americas segment. In the year-on-year comparisons below, the figures for the corresponding period of the previous fiscal year have been restated to the changed segments and product categories for comparison analysis.

[Japan]

Sales of shrink labels increased 2.0% year on year to ¥45,759 million. Sales of self-adhesive labels decreased by 9.9% to ¥9,839 million. Sales of soft pouches increased 3.9% to ¥17,104 million. Machinery sales decreased 11.1% to ¥6,053 million. Sales of other products down 2.8% to ¥13,548 million.

As a result, total sales in Japan came to ¥92,305 million (down 0.7% year on year). On the earnings front, operating income declined 6.7% to ¥7,597 million.

[Americas]

Sales of shrink labels increased 17.5% (up 14.2% on a local currency basis) year on year to ¥34,060 million. Sales of self-adhesive labels increased 55.9% (up 51.4% on a local currency basis) to ¥1,244 million. Sales of soft pouches declined 31.7% (down 33.6% on a local currency basis) to ¥453 million. Machinery sales increased 27.7% (up 24.0 % on a local currency basis) to ¥5,191 million. Sales of other products declined 5.6% (down 8.3% on a local currency basis) year on year to ¥1,311 million.

As a result, total sales in the Americas increased 17.7% (up 14.4% on a local currency basis) to ¥42,261 million. On the earnings front, operating income decreased 3.0% (up 5.8% on a local currency basis) to ¥3,539 million.

[Europe]

Sales of shrink labels increased 9.0% (up 2.3% on a local currency basis) to ¥12,918 million. Sales of self-adhesive labels decreased 9.8% (down 15.4% on a local currency basis) to ¥6,151 million. Sales of soft pouches decreased 49.7% (down 52.8% on a local currency basis) to ¥114 million. Machinery sales increased 11.1% (up 4.2% on a local currency basis) to ¥8,473 million.

As a result, total sales in Europe increased 4.3% (down 2.2% on a local currency basis) to ¥27,658 million. On the earnings front, operating loss of ¥837 million (operating income of ¥279 million in the previous fiscal year) was recorded.

[ASEAN]

Sales of shrink labels increased 2.8% (down 0.2% on a local currency basis) year on year to ¥7,464 million. Sales of self-adhesive labels increased 1.7% (down 1.2% on a local currency basis) to ¥182 million. Sales of soft pouches declined 0.8% (down 3.6% on a local currency basis) to ¥7,862 million. Machinery sales decreased 8.3% (down 10.9 % on a local currency basis) to ¥494 million. Sales of other products declined 3.2% (down 5.9% on a local currency basis) year on year to ¥234 million.

As a result, total sales in ASEAN increased 0.6% (down 2.3% on a local currency basis) year on year to ¥16,237 million. On the earnings front, operating income declined 46.9% (down 48.4% on a local currency basis) to ¥341 million.

(ii) Status of capital expenditures

Capital expenditures during the fiscal year under review (including consolidation adjustments) came to ¥10,503 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 spent ¥3,988 million in the Japan segment, ¥3,720 million in the Americas segment, ¥728 million in the Europe segment, and ¥1,934 in the ASEAN segment.

(iii) Status of fund procurement

During the fiscal year under review, the Company's subsidiary American Fuji Seal, Inc. procured \$200 million through the Development Bank of Japan Environmentally Rated Loan Program to finance part of the construction of a new plant in North Carolina. The Company also appropriated its own funds and borrowings for other capital expenditures and the acquisition of treasury stock, etc.

(iv) Status of business transfers, absorption-type company splits or incorporation-type company splits

The Company's subsidiary Fuji Seal Switzerland AG (formerly Pago AG) transferred its self-adhesive labels business to Helvetikett AG as of July 1, 2021.

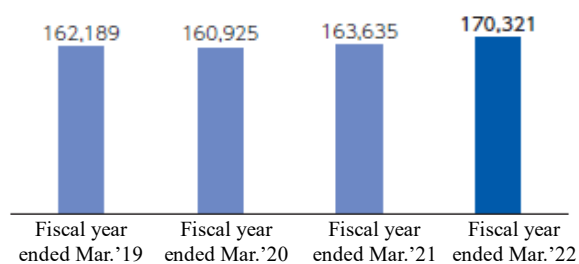
(2) Status of assets and earnings in the last three business years

	61st Business Year (Fiscal year ended March 2019)	62nd Business Year (Fiscal year ended March 2020)	63rd Business Year (Fiscal year ended March 2021)	64th Business Year (Fiscal year ended March 2022) (Fiscal year under review)
Net sales (¥ million)	162,189	160,925	163,635	170,321
Operating income (¥ million)	12,986	12,634	12,428	10,572
Ordinary income (¥ million)	12,542	12,901	12,104	10,600
Net income attributable to owners of the parent (¥ million)	8,259	8,808	8,375	6,117
Earnings per share (¥)	144.78	155.51	150.93	111.70
Total assets (¥ million)	152,131	152,694	159,367	164,646
Net assets (¥ million)	95,897	97,639	103,080	109,492
Net assets per share (¥)	1,681.01	1,757.22	1,869.58	1,999.85

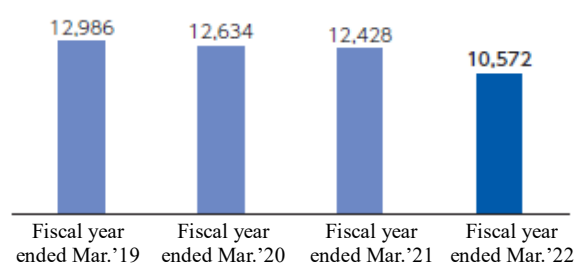
Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the fiscal year under review. However, the impact on the status of assets and earnings is negligible.

(¥ million)

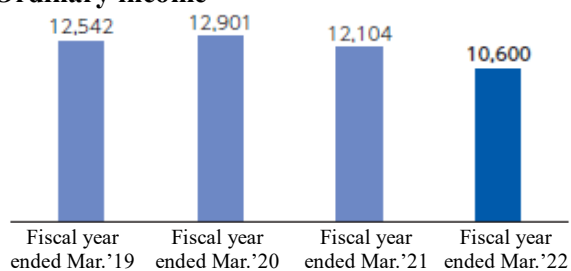
Net sales



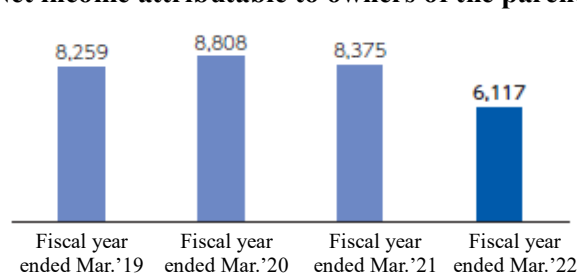
Operating income



Ordinary income



Net income attributable to owners of the parent



(4) 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 regenerative packaging 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 markets, the speed of change in customers, 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.
- Develop human resources who will share the Group's values and accelerate 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.

Furthermore, sudden and significant changes can be expected in the management environment due to socioeconomic conditions and the international situation. The Fuji Seal Group engages in operations that are positioned as essential businesses such as medicine, personal care, and beverages, and, even in such fiercely changing times, will build a framework for stable supply at all times, and continue to promote sustainable management to continue to be recognized as the preferred partner by all stakeholders, including customers, employees, business partners, shareholders, societies.

2. Current Status of the Company

(1) Status of shares (March 31, 2022)

(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

14,041 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)	7,128	13.0
Soho KK	6,240	11.4
Custody Bank of Japan, Ltd. (Trust account)	5,008	9.1
Fuji Seal Foundation	4,800	8.8
RBC IST 15 PCT NON LENDING ACCOUNT— CLIENT ACCOUNT	2,021	3.7
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	1,670	3.1
STATE STREET BANK AND TRUST COMPANY 505001	1,609	2.9

Notes:

- The Company holds 5,411,891 shares of treasury stock, but has been excluded from the above major shareholders.
- 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 29 (3. Total amount of remuneration paid to directors and executive officers) of the Business Report.

(vi) Other important matters concerning shares

At a Board of Directors meeting held on November 10, 2020, the Company resolved to acquire treasury stock pursuant to the provisions of the Articles of Incorporation under Article 459, Paragraph 1 of the Companies Act, and acquired the treasury stock as outlined below.

- a) Class of shares acquired: The Company's common stocks
- b) Total number of shares repurchased: 858,300 shares
- c) Total purchase price of shares: ¥1,999,873,100
- d) Period of acquisition: November 11, 2020 to April 30, 2021
(transaction date basis)
- e) Acquisition method: Market purchase on the Tokyo Stock Exchange

Note: The number of shares repurchased between April 1, 2021 and April 30, 2021 (transaction date basis) was 412,200 shares, and the total purchase price was ¥1,020,057,400.

(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, 2021)

Position	Name	Duties	Significant concurrent posts
Director	Fumio Kato	–	Corporate auditor of Fuji Seal Inc.
Director	Hiroumi Shioji	–	Director of Shioji Law Office Outside Auditor of TACHIBANA ELETECH CO., LTD.
Director	Tatsundo Maki	–	Director of SCS Global Co., Ltd. Director of SCS Global Consulting KK
Director	Yuichi Seki	–	Corporate auditor of Fuji Seal, Inc.
Director, President & CEO	Shigeko Okazaki	–	Representative Director and President, Soho KK
Director, Executive Officer	Masayuki Shirokawa	In charge of the India operations and Development	Representative Director and President of Fuji Seal B.V.
Executive Officer	Hideaki Umeda	In charge of Shrink Sleeve Labels	Director and Vice President of region, American Fuji Seal, Inc.
Executive Officer	Takeshi Kyogane	In charge of Pressure Sensitive Labels Division	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 Division	Representative Director and President of Fuji Flex, Inc.
Executive Officer	Kosuke Matsuzaki	In charge of Japan operations	Representative Director and President of Fuji Seal, Inc.
Executive Officer	Akikazu Yada	In charge of the Americas operations	Representative Director and President of American Fuji Seal, Inc. Representative Director and President of Fuji Seal Packaging De Mexico, S.A. de C.V.
Executive Officer	Satoru Kawasaki	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 Finance and Risk Management	

Notes:

- Directors Fumio Kato, Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki are outside directors pursuant to Article 2, item 15 of the Companies Act of Japan.
- After March 31, 2021, the following changes in executive officers occurred:

Name	New Position	Former Position	Date of change
Hideaki Umeda	In charge of Shrink Sleeve Labels	–	June 22, 2021
Masaru Takeuchi	In charge of Machinery	–	June 22, 2021

- Mr. Hiroyuki Usui (in charge of Europe operations) retired on November 9, 2021.
- Mr. Masaru Takeuchi (in charge of Machinery) retired on November 30, 2021.

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 22, 2021 and appointed on the same day, pursuant to the Companies Act Article 400 paragraph 2.
 Nomination Committee: Shigeko Okazaki (chairperson), Fumio Kato, Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki
 Compensation Committee: Shigeko Okazaki (chairperson), Fumio Kato, Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki
 Audit Committee: Fumio Kato (chairperson), Hiroumi Shioji, Tatsundo Maki, and Yuichi Seki
4. Directors Fumio Kato, 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 Remuneration 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 Remuneration 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 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	32	32	—	—	4
Directors (Of which, Outside Directors)	—	—	—	—	—
Executive Officers	213	166	22	23	11

Notes:

1. Number of personnel as of March 31, 2022 was six directors (including four outside directors), and nine executive officers (including two serving concurrently as directors).
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 99.1% and an operating income achievement rate of 107.1% in contrast to the consolidated forecast disclosed on May 13, 2020.
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	Fumio Kato	—
Director	Hiroumi Shioji	Director of Shioji Law Office Outside Auditor of TACHIBANA ELETECH CO., LTD.
Director	Tatsundo Maki	Director of SCS Global Co., Ltd. Director of SCS Global Consulting KK
Director	Yuichi Seki	Corporate auditor at 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 Fumio Kato	<p>Mr. Kato attended all eleven 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 as the manager of a holding company and a person involved in education.</p> <p>At the Nomination and Remuneration Committees, he helped to increase objectivity with regard to selection of the Company's directors and executive officers as well as remuneration.</p>
Director Hiroumi Shioji	<p>Mr. Shioji attended all eleven 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, drawing on his abundant experience and broad insight cultivated through his work as a lawyer over many years.</p> <p>At the Nomination and Remuneration Committees, he helped to increase objectivity with regard to selection of the Company's directors and executive officers as well as remuneration.</p>
Director Tatsundo Maki	<p>Mr. Maki attended all eleven 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, drawing on his abundant experience and broad insight in global accounting, finance, and taxation.</p> <p>At the Nomination and Remuneration Committees, he helped to increase objectivity with regard to selection of the Company's directors and executive officers as well as remuneration.</p>
Director Yuichi Seki	<p>Mr. Seki attended all eleven 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.</p> <p>At the Nomination and Remuneration Committees, he helped to increase objectivity with regard to selection of the Company's directors and executive officers as well as remuneration.</p>

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 8 days), with seven deliberations held in 1 day. In the fiscal year under review, a total of 46 hours of deliberations were held over 15 days. In addition to the above meetings held by the Board of Directors, there were 20 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 Fumio Kato, Akira Toyama, Hiroumi Shioji, and Tatsundo Maki 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	¥37 million
2. The total amount of remuneration and other financial benefits payable to the outside accounting auditor by the Company and its subsidiaries	¥54 million

Notes:

1. Important consolidated subsidiaries of the Company overseas 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 & Exchange Act, or corresponding laws of overseas companies.
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 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 affiliated companies have paid the outside accounting auditor consideration for advisory services related to guidance and advice on introduction of the revenue recognition accounting standard and advisory duties related to ESG disclosure, which are classified as duties other than the duties provided under Article 2, Paragraph 1 of the Certified Public Accountants Act.

iv) Dismissal or Non-reappointment of 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, who are assigned to that 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 can 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 determine 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. The committee reports to the Board of Directors on the maintenance, and upgrading of the compliance system, as well as awareness raising and education, and requests the deliberation and decision of the board 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 and the Group's 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 Internal Control 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 executives execution of duties, such as minutes of General Meetings of Shareholders and Board of Directors meetings of Group companies, approval request documents, calculation documents 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 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 has organized the materiality of latent risks on a Groupwide and regional basis into a risk map. For each risk, systems have been established as a basic framework of its risk management.

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 correct 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's Compliance Committee held regular meetings, set themes annually related to compliance and matters to be addressed and reported on implementation and plans for 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 leaking of customer information, fire, labor issues, system breakdowns and cyberattacks, bribery and fraudulent demands on business partners, natural disasters and pandemic and environmental issues. 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.

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 president & CEO.

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

The Group held eleven 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 fifteen 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, 2022, the Board of Directors proactively deliberated on business strategy, investments, 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 will impact to realize the Circular Society that brings peace and happiness to all through packaging, and aims to raise corporate value in the fiscal year ending March 31, 2022, the first year under a new Mid-term Management Plan. It positions continual increase of profit returns, while returning profits to shareholders based on consolidated results to be the most important management issue.

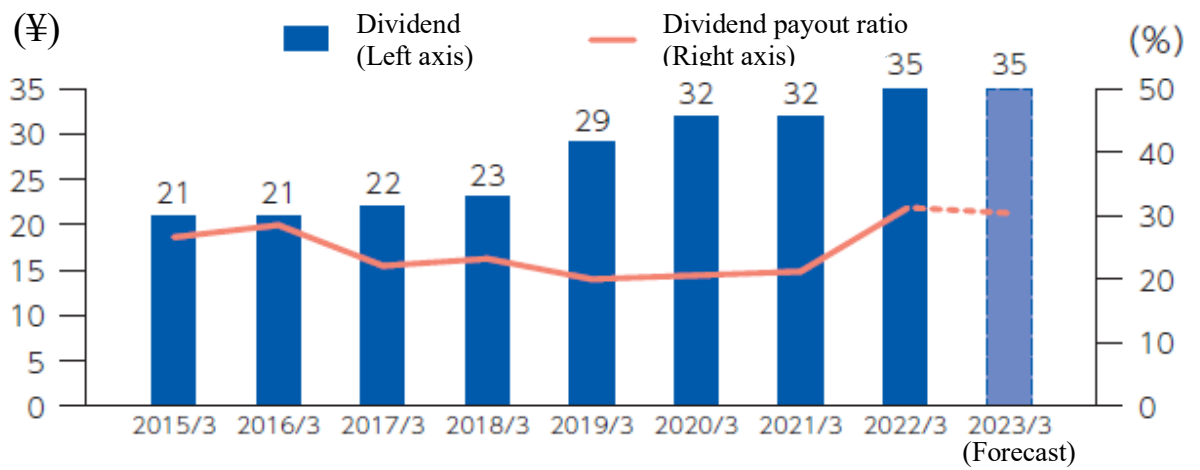
As such, the Company's view on profit allocation is as follows.

- 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, 2022, the Group faced a very challenging business environment accompanying sharp growth in raw material prices and the ongoing COVID-19 pandemic. As a result, net income was on par with the revised forecast announced on February 9, 2022.

The Board of Directors decided at a meeting held on May 23, 2022 to pay a year-end dividend for the fiscal year ended March 31, 2022 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, 2022, which includes the already paid interim dividend (¥17 per share), for a consolidated dividend payout ratio of 31.3%.

In the fiscal year ending March 31, 2023, 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 30.4% for the fiscal year ending March 31, 2023.



(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, 2022)

(Unit: ¥ million)

Assets		Liabilities	
Item	Amount	Item	Amount
Total current assets	101,126	Total current liabilities	48,596
Cash and deposits	25,860	Notes and accounts payable	13,758
Notes and accounts receivable	40,854	Electronically recorded monetary obligations	11,179
Electronically recorded monetary claims	10,206	Short-term borrowings	4,382
Merchandise and finished products	7,772	Current portion of long-term debt	5,038
Work in process	4,127	Lease obligations	91
Raw materials and supplies	7,956	Other accounts payable	3,887
Other current assets	4,533	Income taxes payable	817
Allowance for doubtful accounts	(183)	Accrued bonuses	1,630
Total noncurrent assets	63,519	Other current liabilities	7,811
Total tangible fixed assets	55,958	Total long-term liabilities	6,557
Buildings and structures – net	21,131	Long-term debt	2,387
Machinery, equipment and vehicles	18,976	Lease obligations	133
Tools, furniture and fixtures	2,013	Deferred tax liabilities	570
Land	6,989	Net defined benefit liabilities	2,630
Lease assets – net	292	Other	834
Construction in progress	5,647	Total liabilities	55,153
Other – net	908	Net assets	
Total intangible assets	1,510	Total shareholders' equity	101,758
Goodwill	107	Common stock	5,990
Other	1,402	Capital surplus	6,603
Total investments and other assets	6,050	Retained earnings	97,677
Investment securities	3,776	Treasury stock	(8,512)
Deferred tax assets	1,584	Total accumulated other comprehensive income	7,733
Other	732	Unrealized gain on available-for-sale securities	1,297
Allowance for doubtful accounts	(43)	Foreign currency translation adjustments	6,259
		Remeasurements of defined benefit plans	176
		Total net assets	109,492
Total assets	164,646	Total liabilities and net assets	164,646

Consolidated Statements of Income
(April 1, 2021 to March 31, 2022)

(Unit: ¥ million)

Item	Amount	
Net sales		170,321
Cost of sales		139,683
Gross profit		30,638
Selling, general and administrative expenses		20,066
Operating income		10,572
Non-operating income		
Interest income	24	
Dividend income	70	
Interest on tax refund	82	
Recycling income	28	
Other	48	254
Non-operating expenses		
Interest expenses	72	
Foreign exchange loss	35	
Depreciation of inactive non-current assets	107	
Other	10	225
Ordinary income		10,600
Extraordinary gains		
Gain on sale of tangible fixed assets	16	
Gain on sale of investment securities	7	
Insurance income	242	266
Extraordinary losses		
Loss on sale and disposal of tangible fixed assets	431	
Loss on sale of investment securities	2	
Factory reorganization costs	982	1,416
Income before income taxes		9,449
Current	3,202	
Deferred	129	3,332
Net income		6,117
Net income attributable to owners of the parent		6,117