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***Fuji Seal International, Inc.  
and Subsidiaries***

*Consolidated Financial Statements for the Ended  
March 31, 2025, and  
Independent Auditor's Report*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Fuji Seal International, Inc.:

### <Audit of Consolidated Financial Statements>

#### Opinion

We have audited the consolidated financial statements of Fuji Seal International, Inc. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1 to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Revenue recognition of machinery sales	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>The Group sales revenue amounts to ¥212,345 million (\$1,420,177 thousand), in the consolidated statement of income for the year ended March 31, 2025. Of this, sales revenue from label sales, including sales of shrink sleeve labels, pressure sensitive labels, and spouted pouches, is ¥191,231 million (\$1,278,966 thousand), and sales revenue from machinery sales is ¥21,114 million (\$141,211 thousand).</p> <p>As noted in the section "Recognition Criteria for Revenue," revenue from label sales is mainly recognized at the time the product arrives or is shipped. In contrast, revenue from sales of made-to-order packaging machinery is normally recognized when a customer completes an acceptance inspection in accordance with the terms and conditions of the agreement with the customer. The customer performs the required acceptance inspection after the ordered machinery is carried to the customer's site and the installation and test run of the machinery are completed. This point in time is indicated by inspection certificates or daily work reports.</p> <p>Since the amount of sales and profits per transaction for machinery sales are relatively higher than those for label sales, the completion of the acceptance inspection within the fiscal year is important for performance measurement.</p> <p>Due to the nature of machinery sales, we considered the timing of revenue recognition of machinery sales as a key audit matter.</p>	<p>Our audit procedures related to the cut-off assertion for the timing of revenue recognition of machinery sales included the following, among others:</p> <ul style="list-style-type: none"> <li>• We evaluated the design and operating effectiveness of internal controls over the machinery sales process, which is from the receipt of the order through the acceptance inspection.</li> <li>• In order to evaluate the risk of recognizing revenue earlier, we compared the order backlog information with the actual timing of machinery sales to identify any cases where revenue was recorded earlier than the due date for the order or where revenue was recognized earlier than the normal expected period from order to acceptance inspection, and, if identified, we reviewed the reasonableness of the revenue recognition timing including making inquiries to the sales managers.</li> <li>• In order to determine that the timing of revenue recognition was appropriate based on the fact of acceptance inspection by the customer, we conducted audit sampling and agreed the samples with the documents, such as contracts with customers, acceptance inspection certificates obtained from customers, daily work reports, and the results of the acceptance inspections evidencing the completion of the installation.</li> </ul>

### Other Information

Other information comprises the information included in the Group's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

### Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Officers and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**<Fee-Related Information>**

Fees for audit and other services for the year ended March 31, 2025, which were charged by us and our network firms to Fuji Seal International, Inc. and its subsidiaries were ¥203 million and ¥125 million, respectively.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC  
August 5, 2025

# Fuji Seal International, Inc. and Consolidated Subsidiaries

## Consolidated Balance Sheet March 31, 2025

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)	LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025		2025	2024	2025
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES:</b>			
Cash and cash equivalents (Notes 18)	¥ 29,051	¥ 22,788	\$ 194,295	Short-term bank loans (Note 12)	¥ 6,000	¥ 4,020	\$ 40,128
Receivables (Notes 7, 8, and 18):				Current portion of long-term debt (Notes 12 and 18)	751	756	5,022
Notes and accounts receivable—trade	52,849	50,695	353,457	Current portion of long-term lease obligations (Note 17)	72	67	481
Electronically recorded monetary claims—trade	12,583	12,628	84,155	Payables:			
Other	2,663	3,266	17,810	Notes and accounts payable—trade	15,811	17,474	105,745
Allowance for doubtful accounts	(236)	(105)	(1,578)	Electronically recorded obligations—operating	11,565	11,118	77,347
Inventories (Note 5)	27,623	25,354	184,744	Other	5,289	5,125	35,373
Other current assets	8,539	2,435	57,109	Income taxes payable	1,801	1,960	12,045
				Accrued expenses	5,301	4,678	35,453
Total current assets	133,075	117,064	890,014	Advances Received (Notes 7 and 8)	7,532	5,827	50,374
				Other current liabilities (Notes 7 and 8)	2,096	1,886	14,018
<b>PROPERTY, PLANT AND EQUIPMENT:</b>				Total current liabilities	56,220	52,917	376,003
Land (Note 6)	8,991	8,748	60,132				
Buildings and structures (Note 6)	56,924	53,874	380,711	<b>LONG-TERM LIABILITIES:</b>			
Machinery, equipment and vehicles (Note 6)	106,997	103,768	715,603	Long-term debt (Notes 12 and 18)	2,781	1,841	18,599
Tools, furniture and fixtures	11,041	10,986	73,842	Long-term lease obligations (Note 17)	135	98	902
Lease assets (Note 17)	541	507	3,618	Liability for retirement benefits (Note 13)	2,751	2,865	18,398
Other property, plant and equipment	1,852	1,707	12,386	Asset retirement obligation	582	528	3,892
Construction in progress	5,328	3,041	35,634	Deferred tax liabilities (Note 15)	1,284	1,847	8,587
Total	191,678	182,633	1,281,955	Other long-term liabilities	797	441	5,330
Accumulated depreciation	(126,580)	(119,859)	(846,575)	Total long-term liabilities	8,332	7,624	55,724
Total net property, plant and equipment	65,097	62,774	435,373				
<b>INVESTMENTS AND OTHER ASSETS:</b>				<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>			
Investment securities (Notes 4 and 18)	3,530	3,568	23,608	(Notes 17 and 19)			
Goodwill	871	997	5,825	<b>EQUITY (Notes 14 and 24):</b>			
Software	1,104	1,252	7,383	Common stock—authorized, 200,000,000 shares; issued, 60,161,956 shares in 2025 and 2024	5,990	5,990	40,061
Long-term deposits (Note 18)	2,990	3,028	19,997	Capital surplus	6,625	6,599	44,308
Allowance for doubtful accounts	(88)	(115)	(588)	Retained earnings	119,188	110,990	797,137
Deferred tax assets (Notes 3 and 15)	2,499	3,336	16,713	Treasury stock—at cost, 6,516,290 shares in 2025 and 5,908,810 shares in 2024	(11,230)	(9,556)	(75,107)
Other assets	742	778	4,962	Accumulated other comprehensive income (Note 20):			
Total investments and other assets	11,650	12,846	77,915	Valuation difference on available-for-sale securities	1,006	1,342	6,728
				Deferred gain(loss) on hedges	0	(3)	0
				Foreign currency translation adjustments	23,423	16,781	156,654
				Remeasurements of defined retirement benefit plans (Note 13)	265	(1)	1,772
				Subtotal	24,695	18,118	165,161
				Total equity	145,269	132,142	971,569
<b>TOTAL</b>	<b>¥209,822</b>	<b>¥192,684</b>	<b>\$1,403,303</b>	<b>TOTAL</b>	<b>¥209,822</b>	<b>¥192,684</b>	<b>\$ 1,403,303</b>

See notes to consolidated financial statements.

# Fuji Seal International, Inc. and Consolidated Subsidiaries

## Consolidated Statement of Income Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	<u>2025</u>	<u>2024</u>	<u>2025</u>
NET SALES (Note 8)	¥ 212,345	¥ 196,624	\$1,420,177
COST OF SALES (Note 16)	<u>167,356</u>	<u>160,768</u>	<u>1,119,288</u>
Gross profit	44,989	35,855	300,889
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES (Notes 16 and 22)	<u>26,145</u>	<u>22,546</u>	<u>174,859</u>
Operating income	<u>18,844</u>	<u>13,309</u>	<u>126,029</u>
OTHER INCOME (EXPENSES):			
Interest and dividend income	394	435	2,635
Interest expense	(261)	(382)	(1,745)
Interest on tax refund	68	94	454
Foreign exchange gain(loss)—net	(779)	1,409	(5,210)
Gain on sales of property, plant and equipment	16	16	107
Loss on sales and disposals of property, plant and equipment	(295)	(105)	(1,972)
Depreciation of nonoperating assets	(101)	(143)	(675)
Gain on sales of investment securities	36		240
Impairment losses (Note 6)		(498)	
Expense on restructuring of organization (Note 10)	(247)	(293)	(1,651)
Subsidy income (Note 11)	49	26	327
Insurance claim income (Note 9)		25	
Provision of allowance for doubtful debts		(63)	
Gain on sale of golf club membership	0		0
Loss on advanced depreciation deduction of fixed assets (Notes 9 and 11)	(13)	(40)	(86)
Other—net	<u>159</u>	<u>71</u>	<u>1,063</u>
Other income (expenses)—net	<u>(973)</u>	<u>552</u>	<u>(6,507)</u>
INCOME BEFORE INCOME TAXES	<u>17,870</u>	<u>13,862</u>	<u>119,515</u>
INCOME TAXES (Note 15):			
Current	(5,503)	(3,731)	(36,804)
Deferred	<u>(167)</u>	<u>147</u>	<u>(1,116)</u>
Total income taxes	<u>(5,670)</u>	<u>(3,584)</u>	<u>(37,921)</u>
NET INCOME	<u>12,199</u>	<u>10,277</u>	<u>81,587</u>
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	<u>¥ 12,199</u>	<u>¥ 10,277</u>	<u>\$ 81,587</u>

## Fuji Seal International, Inc. and Consolidated Subsidiaries

### Consolidated Statement of Income Year Ended March 31, 2025

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	Yen		U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
PER SHARE OF COMMON STOCK (Notes 2.u and 21):			
Basic net income	¥224.93	¥187.77	\$ 1.50
Cash dividends applicable to the year	68.00	60.00	0.45

See notes to consolidated financial statements.



## Fuji Seal International, Inc. and Consolidated Subsidiaries

### Consolidated Statement of Comprehensive Income Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	<u>2025</u>	<u>2024</u>	<u>2025</u>
NET INCOME	<u>¥12,199</u>	<u>¥10,277</u>	<u>\$ 81,587</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 20):			
Valuation difference on available-for-sale securities	(335)	(431)	(2,240)
Deferred gain (loss) on hedges	3	(3)	20
Foreign currency translation adjustment	6,641	4,882	44,415
Remeasurements of defined retirement benefit plans	<u>267</u>	<u>(160)</u>	<u>1,785</u>
Total other comprehensive income (loss)	<u>6,577</u>	<u>4,287</u>	<u>43,987</u>
COMPREHENSIVE INCOME (Note 20)	<u>¥18,776</u>	<u>¥14,565</u>	<u>\$125,575</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO (Note 20):			
Owners of the parent	¥ 18,776	¥ 14,565	\$125,575
Non-controlling interests			

See notes to consolidated financial statements.

# Fuji Seal International, Inc. and Consolidated Subsidiaries

## Consolidated Statement of Changes in Equity Year Ended March 31, 2025

		Millions of Yen								
		Accumulated Other Comprehensive Income (Loss)								
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Shares	Valuation Difference on Available-for- sale Securities	Deferred Gain (Loss) on Hedges	Foreign Currency Translation Adjustments	Remeasurem ents of Defined Benefit Plans	Total Equity
BALANCE, APRIL 1, 2023	54,770,520	¥5,990	¥6,600	¥102,629	¥ (8,479)	¥ 1,773	¥	¥ 11,898	¥ 158	¥120,571
Net income attributable to owners of the parent				10,277						10,277
Dividends of surplus, ¥35 per share				(1,917)						(1,917)
Purchase of treasury shares	(543,674)				(1,120)					(1,120)
Disposal of treasury shares (include the disposal as restricted share compensation)	26,300		(0)		43					43
Net changes in items other than shareholders' equity						(431)	(3)	4,882	(160)	4,287
Total changes during period	(517,374)		(0)	8,360	(1,076)	(431)	(3)	4,882	(160)	11,570
BALANCE, MARCH 31, 2024	54,253,146	5,990	6,599	110,990	(9,556)	1,342	(3)	16,781	(1)	¥132,142
Net income attributable to owners of the parent				12,199						12,199
Dividends of surplus, ¥73 per share				(4,000)						(4,000)
Purchase of treasury shares	(735,180)				(1,922)					(1,922)
Disposal of treasury shares (include the disposal as restricted share compensation)	127,700		26		248					274
Net changes in items other than shareholders' equity						(335)	3	6,641	267	6,577
Total changes during period	(607,480)		26	8,198	(1,674)	(335)	3	6,641	267	13,127
BALANCE, MARCH 31, 2025	53,645,666	¥5,990	¥6,625	¥119,188	¥(11,230)	¥1,006	¥ 0	¥23,423	¥ 265	¥145,269

	Thousands of U.S. Dollars (Note 1)								
					Accumulated Other Comprehensive Income (Loss)				
	<u>Common Stock</u>	<u>Capital Surplus</u>	<u>Retained Earnings</u>	<u>Treasury Shares</u>	<u>Valuation Difference on Available-for- sale Securities</u>	<u>Deferred Gain (Loss) on Hedges</u>	<u>Foreign Currency Translation Adjustments</u>	<u>Remeasur- ements of Defined Benefit Plans</u>	<u>Total Equity</u>
BALANCE, MARCH 31, 2024	\$40,061	\$44,134	\$742,308	\$(63,911)	\$8,975	\$ (20)	\$112,232	\$ (6)	\$883,774
Net income attributable to owners of the parent			81,587						81,587
Dividends of surplus, \$0.48 per share			(26,752)						(26,752)
Purchase of treasury shares				(12,854)					(12,854)
Disposal of treasury shares (include the disposal as restricted share compensation)		173		1,658					1,832
Net changes in items other than shareholders' equity					(2,240)	20	44,415	1,785	43,987
Total changes during period		173	54,828	(11,195)	(2,240)	20	44,415	1,785	87,794
BALANCE, MARCH 31, 2025	\$40,061	\$44,308	\$797,137	\$(75,107)	\$6,728	\$ 0	\$156,654	\$ 1,772	\$971,569

See notes to consolidated financial statements.

# Fuji Seal International, Inc. and Consolidated Subsidiaries

## Consolidated Statement of Cash Flows Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2025	2024	2025
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Income before income taxes	¥17,870	¥13,862	\$119,515
Adjustments for:			
Income taxes—paid	(4,865)	(2,289)	(32,537)
Depreciation and amortization	8,750	8,366	58,520
Impairment losses		498	
Expense on restructuring of organization	247	293	1,651
Gain on sales of property, plant and equipment	(16)	(16)	(107)
Loss on sales and disposals of property, plant and equipment	295	105	1,972
Loss (gain) on sales of investment securities	(36)		(240)
Changes in assets and liabilities:			
Trade receivables	241	(4,314)	1,611
Inventories	(699)	1,571	(4,674)
Trade payables	(1,900)	434	(12,707)
Liability for retirement benefits	22	(181)	147
Others—net	1,430	1,600	9,563
Total adjustments	3,469	6,068	23,200
Net cash provided by operating activities	21,339	19,930	142,716
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments into time deposit	(6,252)	(3,045)	(41,813)
Proceeds from withdrawal of time deposit	933		6,239
Purchases of property, plant and equipment	(6,648)	(6,074)	(44,462)
Proceeds from sales of property, plant and equipment	108	109	722
Purchases of intangible assets	(270)	(226)	(1,805)
Purchases of investment securities	(455)	(120)	(3,043)
Proceeds from sale of investment securities	82		548
Purchase of subsidiaries resulting in change in scope of consolidation (Note 23)		(1,204)	
Others—net	42	(6)	280
Net cash used in investing activities	(12,459)	(10,568)	(83,326)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net increase (Decrease) in short-term bank loans	1,978	(542)	13,228
Proceeds from long-term debt	1,516	2,526	10,139
Repayments of long-term debt	(791)	(2,860)	(5,290)
Purchases of treasury shares	(1,922)	(1,120)	(12,854)
Proceeds from sale of treasury shares	200	10	1,337
Dividends paid	(4,000)	(1,917)	(26,752)
Others—net	(397)	(434)	(2,655)
Net cash used in financing activities	(3,417)	(4,338)	(22,853)
<b>FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS</b>	800	415	5,350
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	¥ 6,263	¥ 5,440	\$ 41,887

## Fuji Seal International, Inc. and Consolidated Subsidiaries

### Consolidated Statement of Cash Flows Year Ended March 31, 2025

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	<u>2025</u>	<u>2024</u>	<u>2025</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	¥ 6,263	¥ 5,440	\$41,887
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>22,788</u>	<u>17,347</u>	<u>152,407</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>¥29,051</u>	<u>¥22,788</u>	<u>\$194,295</u>

See notes to consolidated financial statements.

# Fuji Seal International, Inc. and Consolidated Subsidiaries

## Notes to Consolidated Financial Statements Year Ended March 31, 2025

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### 1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share data.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2024 consolidated financial statements to conform to the classifications used in 2025.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Fuji Seal International, Inc. (the "Company") is incorporated and operates. The translations of Japanese yen amount into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥149.52 to \$1, the approximate rate of exchange at March 31, 2025. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Consolidation**—The consolidated financial statements as of March 31, 2025, include the accounts of the Company and its 27 (27 in 2024) subsidiaries (collectively, the "Group").

Under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

- b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements**—In accordance with Accounting Standards Board of Japan ("ASBJ") Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America (Financial Accounting Standards Board Accounting Standards Codification) tentatively may be used for the consolidation process, except for the following items, that should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in

an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

- c. *Unification of Accounting Policies Applied to a Foreign-Associated Company for the Equity Method***—In accordance with ASBJ Statement No. 16, "Accounting Standard for Equity Method of Accounting for Investments," requires adjustments to be made to conform to the associate's accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate's financial statements are used in applying the equity method, unless it is impracticable to determine such adjustments. In addition, financial statements prepared by a foreign-associated company in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.
- d. *Business Combinations***—Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statement's provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed 1 year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date, and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interests is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interests are adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.
- e. *Cash Equivalents***—Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value.
- f. *Inventories***—Inventories are stated at the lower of cost, determined by the moving-average cost method principally for finished products and work in process and by the most recent purchase price principally for raw materials and supplies, or net selling value.

- g. Investment Securities**—Available-for-sale securities, which are not classified as either trading securities or held-to-maturity debt securities, are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity when they are classified as securities other than shares that do not have a market value.

Shares that do not have a market value are stated at cost determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

- h. Allowance for Doubtful Accounts**—The Allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

- i. Property, Plant and Equipment**—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment of the Company and its domestic subsidiaries is computed by the straight-line method. The range of useful lives is from 2 to 50 years for buildings and structures, from 2 to 15 years for machinery, equipment and vehicles, and from 2 to 20 years for tools, furniture and fixtures.

Equipment held under the lease is depreciated by the straight-line method over the respective lease period.

Under certain conditions, such as the receipt of subsidy and insurance claim income, Japanese tax laws permit companies to defer the profit arising from such transactions by reducing the cost of the assets acquired.

- j. Long-Lived Assets**—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

- k. Software**—Software for internal use is amortized by the straight-line method over the estimated useful lives. The estimated useful life is 5 years.

- l. Goodwill**—Goodwill arises principally from business combinations. Goodwill represents the excess of the purchase price over the fair value of the identifiable net assets acquired. Goodwill is amortized over 5 to 13 years.

- m. Retirement and Pension Plans**—The Company and a certain subsidiary have defined contribution pension plans and defined benefit lump-sum payment plans for employees. The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income) after adjusting for tax effects and are recognized in profit or loss primarily over 10 years but no longer than the expected average remaining service period of the employees.

- n. Asset Retirement Obligations**—An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development, and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement, and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.
- o. Research and Development Costs**—Research and development costs are charged to income as incurred.
- p. Leases**—Finance lease transactions are capitalized by recognizing lease assets and lease obligations in the balance sheet. All other leases are accounted for as operating leases.
- q. Income Taxes**—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax rates to the temporary differences.
- r. Foreign Currency Transactions**—All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.
- s. Foreign Currency Financial Statements**—The balance sheet accounts of the foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date, except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income (loss) in a separate component of equity. Revenue and expense accounts of the foreign subsidiaries are translated into yen at the average exchange rate.
- t. Derivatives and Hedging Activities**—The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Group to reduce foreign currency exchange and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income and (b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense or income.



- u. **Per Share Information**—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period retroactively adjusted for stock splits.

Diluted net income per share is not presented because there are no securities with a dilutive effect upon exercise or conversion into common stock.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

- v. **Accounting Changes and Error Corrections**—Under ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections," and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections," accounting treatments are required as follows: (1) Changes in Accounting Policies—When a new accounting policy is applied following revision of an accounting standard, the new policy is applied retrospectively unless the revised accounting standard includes specific transitional provisions, in which case the entity shall comply with the specific transitional provisions. (2) Changes in Presentation—When the presentation of financial statements is changed, prior-period financial statements are reclassified in accordance with the new presentation. (3) Changes in Accounting Estimates—A change in an accounting estimate is accounted for in the period of the change if the change affects that period only, and is accounted for prospectively if the change affects both the period of the change and future periods. (4) Corrections of Prior-Period Errors—When an error in prior-period financial statements is discovered, those statements are restated.
- w. **Recognition Criteria for Revenue**—The Group recognizes revenue in the amount that it expects to receive in exchange for the goods or services it has committed under its contracts with customers when control of those goods or services is transferred to the customers.

By applying the alternative treatment set forth in Paragraph 98 of the "Guidance on Accounting Standard for Revenue Recognition," revenue is recognized at the time of shipment if the period from the time of shipment to the time when control of the product is transferred to the customer is an ordinary period in the domestic sales of the product.

x. **Changes in accounting policies**

**Application of "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations** - The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27; October 28, 2022; hereinafter, "2022 Revised Accounting Standard") has been applied since the beginning of the fiscal year ended March 31, 2025.

Revisions concerning the recognition classification of income taxes follow the transitional treatment set forth in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "2022 Revised Guidance"). This change in accounting policy has no impact on consolidated financial statements.

Regarding the revisions related to the review of treatment in consolidated financial statements when conducting a tax deferral of gains or losses on sale arising from the sale of subsidiary shares, etc. between consolidated companies, the 2022 Revised Guidance has been applied since the beginning of the fiscal year ended March 31, 2025. This change in accounting policy has no impact on the consolidated financial statements for the fiscal year ended March 31, 2025.

**Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax**- The "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules"(ASBJ Practical Solution No. 46, March 22, 2024) has been applied from the beginning of the fiscal year ended March 31, 2025. The impact of this change in accounting policies on the consolidated financial statements is immaterial.

- y. **New Accounting Pronouncements**—On September 13, 2024, the ASBJ revised ASBJ

Statement No. 34, "Accounting Standard for Leases" and ASBJ Guidance No. 33, "Implementation Guidance on Accounting Standard for Leases".

As part of its efforts to ensure consistency between Japanese GAAP and international accounting standards, the ASBJ reviewed the Accounting Standard for Leases to recognize assets and liabilities for all leases held by a lessee, with international accounting standards taken into consideration. Accordingly, the ASBJ issued the Accounting Standard for Leases, etc. that adopts only the key provisions of IFRS 16 that is based on the single accounting model. The revision aims to be simple and highly convenient, and to make it unnecessary to revise nonconsolidated financial statements that apply IFRS 16 in the Accounting Standard for Leases, etc. Regarding the method for allocating the lease expenses in the lessee's accounting treatment, using the same approach as IFRS 16, a single accounting model is applied for recording the depreciation associated with the right-of-use assets and the amount equivalent to the interest on the lease liabilities for all leases regardless of whether the lease is a finance lease or an operating lease.

The Group expects to apply the New Accounting Standards and practical solution for annual periods beginning on April 1, 2027, and is in the process of measuring the effects of applying the New Accounting Standards in future applicable periods.

- z. Additional Information**—The Company has introduced a trust-based incentive plan utilizing an Employee Stock Ownership Plan ("ESOP Trust") with the aim of enhancing the Group's medium- to long-term corporate value.

In outline, we have established a trust where eligible employees who join the "Fuji Seal Employee Stock Ownership Plan" ("Company ESOP") will be beneficiaries. The trust will acquire a lump sum of company shares expected to be acquired by the Company ESOP over the next several years. Subsequently, the trust will sell these company shares to the Company ESOP on a monthly basis. At the conclusion of the trust, if there are trust gains due to an increase in share price, money will be distributed to participating employees based on their contribution ratio. In case of a decline in share price resulting in a transfer loss and leaving a debt related to the trust property, under the guarantee provisions of the loan agreement, the Company will make a lump-sum repayment to the bank, thereby avoiding additional burden on employees.

The accounting treatment for the ESOP Trust applies the total cost method, and the company shares owned by the ESOP Trust are presented in the equity section as treasury shares. The book value of treasury shares recognized under the total cost method is ¥908 million (\$6,072 thousand) (440,800 shares), and ¥1,109 million (538,000 shares), and the book value of long-term debt (including those repayable within 1 year) is ¥896 million (\$5,992 thousand) and ¥1,120 million for the years ended March 31, 2025 and 2024, respectively.

### 3. SIGNIFICANT ACCOUNTING ESTIMATE

#### *Recoverability of Deferred Tax Assets*

Deferred tax assets are recognized for the tax consequences of temporary differences between the financial reporting basis and the tax basis of existing assets and liabilities, as well as operating loss carryforwards. Recoverability of deferred tax assets is mainly based on estimated future taxable income. Changes in the economic environment and other factors may affect these estimates. If actual taxable income would differ from its estimate in timing and amount, it could have a material impact on deferred tax assets for the fiscal year ending March 31, 2026.

Deferred tax assets as of March 31, 2025 and 2024, were as follows:

	<u>Millions of Yen</u>		<u>Thousands of</u>
	<u>2025</u>	<u>2024</u>	<u>U.S. Dollars</u>
			<u>2025</u>
Deferred tax assets	¥2,499	¥3,336	\$ 16,713

#### 4. INVESTMENT SECURITIES

Investment securities as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Noncurrent:			
Marketable equity securities	¥2,870	¥3,235	\$ 19,194
Nonmarketable equity securities	660	332	4,414
Total	<u>¥3,530</u>	<u>¥3,568</u>	<u>\$23,608</u>

The costs and aggregate fair values of investment securities as of March 31, 2025 and 2024, were as follows:

	Millions of Yen			
	2025			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	<u>¥1,410</u>	<u>¥1,460</u>	<u>¥(0)</u>	<u>¥2,870</u>
Total	<u>¥1,410</u>	<u>¥1,460</u>	<u>¥(0)</u>	<u>¥2,870</u>

	Millions of Yen			
	2024			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	<u>¥1,303</u>	<u>¥1,931</u>	<u>¥</u>	<u>¥3,235</u>
Total	<u>¥1,303</u>	<u>¥1,931</u>	<u>¥</u>	<u>¥3,235</u>

	Thousands of U.S. Dollars			
	2025			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Equity securities	<u>\$9,430</u>	<u>\$ 9,764</u>	<u>\$ (0)</u>	<u>\$19,194</u>
Total	<u>\$9,430</u>	<u>\$ 9,764</u>	<u>\$ (0)</u>	<u>\$19,194</u>

From the sales of equity securities, the Company has recognized a gain of ¥36 million (\$240 thousand) and nil for the years ended March 31, 2025 and 2024, respectively. The Company has not recognized a loss for the years ended March 31, 2025 and 2024. With respect to impairing securities with a market value, if the market value at the end of the period has significantly declined compared to the acquisition cost, the Group recognizes impairment to the extent deemed necessary based on recoverability. The Company not recognized impairment on investment securities for the years ended March 31, 2025 and 2024.

## 5. INVENTORIES

Inventories as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Merchandise and finished goods	¥11,184	¥10,227	\$ 74,799
Work in process	6,699	6,033	44,803
Raw materials and supplies	<u>9,739</u>	<u>9,093</u>	<u>65,135</u>
Total	<u>¥27,623</u>	<u>¥25,354</u>	<u>\$ 184,744</u>

## 6. LONG-LIVED ASSETS

### (1) Impairment Losses

#### *Year ended March 31, 2025*

No impairment losses were recognized.

#### *Year ended March 31, 2024*

The Group reviewed its long-lived assets for impairment as of March 31, 2024. As a result, Fuji Seal France S.A.S recognized impairment losses on machinery, equipment, etc., of ¥419 million, which was classified as an operating asset, Fuji Seal Vietnam Co., Ltd. recognized impairment losses on machinery, equipment, etc., of ¥117 million, which was classified as assets to be sold, and Fuji Seal Poland Sp. z o.o. recognized impairment losses on machinery, equipment, etc., of ¥79 million, which was classified as an idle asset, during the fiscal year.

The loss of ¥117 million is arising from restructuring at Fuji Seal Vietnam Co., Ltd. and is presented as a part of expense on restructuring of organization (see Note 10).

The Group determines an asset group for impairment testing based on the business units' operating results. The Group's management monitors management accounting continuously.

Among the assets impaired, the book value of the asset of Fuji Seal France S.A.S was written down to its the recoverable amount considering the indications of impairment due to continuous operating losses. The book value of assets of Fuji Seal Vietnam Co., Ltd. was written down to its recoverable amount due to plans for disposal following a reassessment of business strategy. The book value of the idle asset group of Fuji Seal Poland Sp. z o.o. was written down to the recoverable amount. The recoverable amount of these assets is measured based on its net selling price, which is evaluated as zero.

### (2) Advanced Deduction

The amount of advanced deduction directly from the acquisition cost of fixed assets as of March 31, 2025 and 2024, due to the acceptance of government subsidies, etc., is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Land	¥1,478	¥1,478	\$ 9,884
Buildings and structures	347	334	2,320
Machinery, equipment and vehicles	<u>567</u>	<u>567</u>	<u>3,792</u>
Total	<u>¥2,392</u>	<u>¥2,379</u>	<u>\$15,997</u>

## 7. TRADE RECEIVABLES AND CONTRACT LIABILITIES

Notes receivable, accounts receivable, and contract liabilities arising from contracts with customers are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Notes receivable	¥ 244	¥ 430	\$ 1,631
Accounts receivable	52,605	50,265	351,825
Contract liabilities	7,283	5,586	48,709

Contract liabilities are presented as a part of Advances received.

## 8. REVENUE RECOGNITION

### (1) *Disaggregation of Revenue*

Revenues from contracts with customers on a disaggregated basis are as follows:

	Millions of Yen				
	Reportable Segment				
<u>March 31, 2025</u>	<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Total</u>
Shrink sleeve labels	¥48,280	¥55,021	¥17,663	¥ 9,918	¥130,882
Pressure sensitive labels	8,500	2,896	5,687	82	17,167
Spouted pouches	22,857	79		5,945	28,882
Machinery	6,035	8,175	6,098	805	21,114
Others	<u>14,249</u>			<u>49</u>	<u>14,298</u>
Sales to external customers	<u>¥99,923</u>	<u>¥66,172</u>	<u>¥29,449</u>	<u>¥16,801</u>	<u>¥212,345</u>

March 31, 2024	Millions of Yen				
	Reportable Segment				Total
	Japan	Americas	Europe	ASEAN	
Shrink sleeve labels	¥46,834	¥47,310	¥16,601	¥8,600	¥119,347
Pressure sensitive labels	8,351	1,865	5,611	186	16,014
Spouted pouches	20,555	245		5,642	26,443
Machinery	6,250	7,325	4,593	660	18,829
Others	14,793	1,127		69	15,990
Sales to external customers	<u>¥96,784</u>	<u>¥57,873</u>	<u>¥26,807</u>	<u>¥15,159</u>	<u>¥196,624</u>

  

March 31, 2025	Thousands of U.S. Dollars				
	Reportable Segment				Total
	Japan	Americas	Europe	ASEAN	
Shrink sleeve labels	\$322,899	\$367,984	\$118,131	\$66,332	\$875,347
Pressure sensitive labels	56,848	19,368	38,035	548	114,814
Spouted pouches	152,869	528		39,760	193,164
Machinery	40,362	54,674	40,783	5,383	141,211
Others	95,298			327	95,626
Sales to external customers	<u>\$668,291</u>	<u>\$442,562</u>	<u>\$196,956</u>	<u>\$112,366</u>	<u>\$1,420,177</u>

1. In order to conform to management's classification, a portion of sales by product category included in "Shrink sleeve labels" in the Japan segment has been reclassified as "Others" in the year ended March 31, 2025. Information for the year ended March 31, 2024, has also been reclassified.
2. Net sales of the Company primarily of revenue recognized from contracts with customers and other sources of revenue are immaterial.

**(2) Basic Information to Understand Revenues from Contracts with Customers**

For the sales of shrink sleeve labels, pressure sensitive labels, and spouted pouches, revenue is mainly recognized as a result of the fulfillment of performance obligations when the product arrives at the customer site. In the machinery business, revenue is mainly recognized at the time of acceptance by the customer.

For shrink sleeve labels, pressure sensitive labels, and spouted pouches, revenue is recognized at the time of shipment if the period from the time of shipment to the time when control of the product is transferred to the customer is an ordinary period in the domestic sales of the product in accordance with the alternative treatment set forth in Paragraph 98 of the "Guidance on Accounting Standard for Revenue Recognition."

After the fulfillment of the performance obligations, the normal payment term is approximately six months or less, and does not include significant financial components.

**(3) Information about the Relationship between the Fulfillment of Performance Obligations Based on the Contract with the Customer and the Cash Flow Generated from the Contract, and the Amount of Revenue Expected to Be Recognized after the Next Fiscal Year from the Contract with the Customer Existing at the End of the Current Fiscal Year and the Timing of Cash Flows**

*a. Balances of contract liabilities*

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Contract liabilities:			
Advances received (Beginning balance)	¥5,586	¥4,322	\$37,359

Advances received (Ending balance)	7,283	5,586	48,709
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Contract assets are not presented in the table above since the amount is immaterial. The amount of revenue recognized for the fiscal year ended March 31, 2025, included in the beginning balance of contract liabilities as of April 1, 2024, is ¥5,586 million (\$37,359 thousand).

The amount of revenue recognized for the fiscal year ended March 31, 2024, included in the beginning balance of contract liabilities as of April 1, 2023, is ¥4,322 million.

*b. Transaction prices allocated to outstanding performance obligations*

*Current fiscal year (March 31, 2025)*

As of March 31, 2025, the total amount of transaction price allocated to outstanding performance obligations associated with machinery sales transactions was ¥15,766 million (\$105,444 thousand) and generally expects to fulfill these performance obligations and recognize revenue within 1 year to 3 years.

For transactions other than machinery sales, the Company adopts a practical expedient and omits disclosure regarding the remaining performance obligations because there are no transactions with expected contract durations of over 1 year.

No material consideration from contracts with customers is excluded from the transaction price.

*Previous fiscal year (March 31, 2024)*

As of March 31, 2024, the total amount of transaction price allocated to outstanding performance obligations associated with machinery sales transactions was ¥15,274 million and generally expects to fulfill these performance obligations and recognize revenue within 1 year to 3 years.

For transactions other than machinery sales, the Company adopts a practical expedient and omits disclosure regarding the remaining performance obligations because there are no transactions with expected contract durations of over 1 year.

No material consideration from contracts with customers is excluded from the transaction price.

*Changes in Presentation*

Transaction prices allocated to outstanding performance obligations have changed to include those contracts initially expected to last 1 year or less since the current fiscal year due to the increased materiality of machinery sales transactions.

To reflect this change in presentation, the notes have been restated for the previous fiscal year.

The transaction prices allocated to outstanding performance obligations for the previous and current fiscal years are as described above.

## **9. INSURANCE CLAIM INCOME**

### ***Year Ended March 31, 2025***

No insurance claim income was recognized.

### ***Year Ended March 31, 2024***

The amount received as insurance is recorded as "Insurance claim income," and the amount of reduction entry related to the insurance is recorded as "Loss on advanced depreciation deduction of fixed assets."

## **10. EXPENSE ON RESTRUCTURING OF ORGANIZATION**

### ***Year Ended March 31, 2025***



The expenses due to the reorganization of the Japan segment amount to ¥247 million(\$1,651 thousand), for special retirement payments is included.

***Year Ended March 31, 2024***

The fixed asset disposal loss due to restructuring within the Americas region amount to ¥150 million, and the impairment losses resulting from restructuring within the ASEAN region amounts to ¥117 million. Additionally, there are other expenses totaling ¥25 million.

**11. SUBSIDY INCOME AND LOSS ON ADVANCED DEPRECIATION DEDUCTION OF FIXED ASSETS**

***Year Ended March 31, 2025***

The amount received as subsidies, etc., is recorded as "Subsidy income," and the amount of reduction entry related to the subsidies, etc., is recorded as "Loss on advanced depreciation deduction of fixed assets."

***Year Ended March 31, 2024***

The amount received as subsidies, etc., is recorded as "Subsidy income," and the amount of reduction entry related to the subsidies, etc., is recorded as "Loss on advanced depreciation deduction of fixed assets."

**12. SHORT-TERM DEBT AND LONG-TERM DEBT**

Short-term debt, as of March 31, 2025 and 2024, consisted of bank loans and bank overdrafts. The weighted-average annual interest rate applicable to short-term debt was 0.8% for the year ended March 31, 2025 and 0.4% for the year ended March 31, 2024.

Long-term debt as of March 31, 2025 and 2024, consisted of the following:

	<u>Millions of Yen</u>		<u>Thousands of U.S. Dollars</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Loans from banks with weighted average per annum interest rate of 4.5% for 2025 (3.9% for 2024) due serially to 2029	¥3,532	¥2,598	\$ 23,622
Total	3,532	2,598	23,622
Less current portion	(751)	(756)	(5,022)
Long-term debt, less current portion	<u>¥2,781</u>	<u>¥1,841</u>	<u>\$ 18,599</u>

Annual maturities of long-term debt as of March 31, 2025, were as follows:

<u>Year Ending March 31</u>	<u>Millions of Yen</u>	<u>Thousands of U.S. Dollars</u>
2026	¥ 751	\$ 5,022
2027	2,333	15,603
2028	224	1,498
2029	224	1,498
2030		
2031 and thereafter		
Total	<u>¥ 3,532</u>	<u>\$ 23,622</u>

### 13. RETIREMENT AND PENSION PLANS

The Company and certain subsidiaries have defined retirement benefit plans, such as a defined corporate pension plan and lump-sum pension plan, and also have defined contribution plans.

In the fiscal year ended March 31, 2024, Fuji Seal Switzerland AG, which adopts defined corporate pension plan, is in the process of liquidation and has settled its retirement benefit plan as a part of this procedure.

#### ***Defined Retirement Benefit Plan***

- (1) The changes in defined benefit obligations for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Balance at beginning of the year	¥2,865	¥3,059	\$ 19,161
Current service cost	203	223	1,357
Interest cost	28	23	187
Actuarial gains (losses)	(251)	(52)	(1,678)
Benefits paid	(137)	(261)	(916)
Foreign currency transaction adjustments	42	34	280
Liquidation of retirement benefit plan		(205)	
Others	<u>0</u>	<u>44</u>	<u>0</u>
Balance at end of the year	<u>¥2,751</u>	<u>¥2,865</u>	<u>\$18,398</u>

- (2) The changes in plan assets for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Balance at beginning of the year	¥	¥268	\$
Interest income		6	
Actuarial (gains) losses		2	
Contributions from the employer		4	
Benefits paid		(113)	
Foreign currency transaction adjustments		18	
Liquidation of retirement benefit plan		(195)	
Others		<u>8</u>	
Balance at end of the year	<u>¥</u>	<u>¥</u>	<u>\$</u>

- (3) Reconciliation between the liability and assets recorded in the consolidated balance sheet and the balances of defined benefit obligations and plan assets as of March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Defined benefit obligations	¥	¥	\$
Plan assets			
Total			
Unfunded defined benefit obligations	<u>2,751</u>	<u>2,865</u>	<u>18,398</u>
Net liability arising from defined benefit obligations	<u>¥2,751</u>	<u>¥2,865</u>	<u>\$ 18,398</u>

  

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Liability for retirement benefits	<u>¥2,751</u>	<u>¥2,865</u>	<u>\$18,398</u>
Net liability arising from defined benefit obligation	<u>¥2,751</u>	<u>¥2,865</u>	<u>\$ 18,398</u>

- (4) The components of net periodic benefit costs for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Service cost	¥203	¥223	\$ 1,357
Net interest cost	28	17	187
Recognized actuarial (gains) losses	17	(187)	113
Amortization of prior service cost	6	4	40
Others (including early retirement payment)		0	
Net periodic benefit costs	<u>¥254</u>	<u>¥ 58</u>	<u>\$ 1,698</u>

- (5) Amounts recognized in other comprehensive income (before income taxes) in respect of defined retirement benefit plans for the years ended March 31, 2025 and 2024, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Prior service cost	¥ 0	¥ 0	\$ 0
Actuarial (gains) losses	<u>328</u>	<u>(160)</u>	<u>2,193</u>
Total	<u>¥329</u>	<u>¥(159)</u>	<u>\$2,200</u>

- (6) Amounts recognized in accumulated other comprehensive income (before income tax) in respect of defined retirement benefit plans as of March 31, 2025 and 2024, consisted of the following:

	<u>Millions of Yen</u>		<u>Thousands of U.S. Dollars</u>
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Unrecognized prior service cost	¥ (0)	¥ (1)	\$ (0)
Unrecognized actuarial (gains) losses	<u>277</u>	<u>(34)</u>	<u>1,852</u>
Total	<u>¥276</u>	<u>¥ (35)</u>	<u>\$ 1,845</u>

- (7) No plan assets recognized as of March 31, 2025 and 2024.

- (8) Assumptions used for the years ended March 31, 2025 and 2024, were set forth as follows:

	<u>2025</u>	<u>2024</u>
Discount rate	Domestic: 1.63%	Domestic: 0.1%
	Foreign: 2.7-7.1%	Foreign: 2.7-4.9%
Estimated rate of salary increase*	Domestic: 4.1%	Domestic: 4.0%
	Foreign: 5.0-5.5%	Foreign: 1.0-5.5%

- \* For the Company and domestic subsidiaries, the estimated rate of salary increase represented an estimated rate of increase in points, which is applied in calculating the retirement benefits.

### ***Defined Contribution Plans***

The amounts of required contribution for the years ended March 31, 2025 and 2024, were ¥767 million (\$5,129 thousand) and ¥720 million, respectively.

## 14. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below.

### **a. Dividends**

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders' meeting. Additionally, for companies that meet certain criteria, including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit and Supervisory Board, and (4) the term of service of the directors being prescribed as 1 year rather than the normal 2-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. The Board of Directors of companies with board committees (namely, appointment committee, compensation committee, and audit committee) may also declare dividends at any time because such companies, by nature, meet the criteria under the Companies Act. The Company is organized as a company with board committees. The Company meets all the above criteria, and accordingly, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury shares. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

### **b. Increases/Decreases and Transfer of Common Stock, Reserve, and Surplus**

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus, and retained earnings can be transferred among the accounts within equity under certain conditions upon the resolution of the shareholders.

### **c. Treasury Shares and Treasury Shares Acquisition Rights**

The Companies Act also provides for companies to purchase treasury shares and dispose of such treasury shares by resolution of the Board of Directors. The amount of treasury shares purchased cannot exceed the amount available for distribution to the shareholders, which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury shares acquisition rights and treasury shares. Such treasury shares acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

## 15. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes, which, in the aggregate, resulted in normal effective statutory tax rates of approximately 30.59% for the years ended March 31, 2025 and 2024. The foreign subsidiaries are subject to income taxes of the countries in which they operate.

The tax effects of significant temporary differences and tax loss carryforwards, which resulted in deferred tax assets and liabilities as of March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Deferred tax assets:			
Accrued enterprise taxes	¥ 118	¥ 126	\$ 789
Accrued bonuses	419	493	2,802
Allowance for doubtful accounts	87	49	581
Liability for retirement benefits	819	784	5,477
Tax loss carryforwards	5,493	5,864	36,737
Fixed assets	170	437	1,136
Depreciation and amortization	721	1,071	4,822
Temporary differences related to retained earnings of subsidiaries	1,589	1,594	10,627
Unrealized intercompany profits	454	211	3,036
Tax credits carryforwards for investment	2,534	2,506	16,947
Others	<u>1,122</u>	<u>1,093</u>	<u>7,504</u>
Total of tax loss carryforwards and temporary differences	<u>13,530</u>	<u>14,233</u>	<u>90,489</u>
Less valuation allowance for tax loss carryforwards	(5,119)	(5,064)	(34,236)
Less valuation allowance for temporary differences	<u>(2,396)</u>	<u>(2,818)</u>	<u>(16,024)</u>
Total valuation allowance	<u>(7,515)</u>	<u>(7,883)</u>	<u>(50,260)</u>
Deferred tax assets	<u>6,015</u>	<u>6,350</u>	<u>40,228</u>
Deferred tax liabilities:			
Reserve for advanced depreciation of fixed assets	(270)	(283)	(1,805)
Net valuation difference on available-for-sale securities	(453)	(589)	(3,029)
Depreciation	(1,455)	(1,375)	(9,731)
Foreign currency translation adjustments	(1,476)	(1,507)	(9,871)
Retained earnings of overseas subsidiaries	(844)	(778)	(5,644)
Others	<u>(300)</u>	<u>(327)</u>	<u>(2,006)</u>
Deferred tax liabilities	<u>(4,800)</u>	<u>(4,861)</u>	<u>(32,102)</u>
Net deferred tax liabilities	<u>¥ 1,215</u>	<u>¥ 1,488</u>	<u>\$ 8,126</u>

The expiration of tax loss carryforwards, the related valuation allowances, and the resulting net deferred tax assets as of March 31, 2025 and 2024, was as follows:

	Millions of Yen						Total
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	
<u>March 31, 2025</u>							
Deferred tax assets relating to tax loss carryforwards	¥ 32	¥ 25	¥ 13	¥ 29	¥ 53	¥ 5,338	¥ 5,493
Less valuation allowances for tax loss carryforwards	(32)	(25)	(13)	(29)	(53)	(4,963)	(5,119)
Net deferred tax assets relating to tax loss carryforwards						374	374

	Thousands of U.S. Dollars						Total
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	
<u>March 31, 2025</u>							
Deferred tax assets relating to tax loss carryforwards	\$ 214	\$ 167	\$ 86	\$ 193	\$ 354	\$ 35,700	\$ 36,737
Less valuation allowances for tax loss carryforwards	(214)	(167)	(86)	(193)	(354)	(33,192)	(34,236)
Net deferred tax assets relating to tax loss carryforwards						2,501	2,501

	Millions of Yen						Total
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years	
<u>March 31, 2024</u>							
Deferred tax assets relating to tax loss carryforwards	¥509	¥35	¥ 58	¥ 44	¥57	¥5,160	¥5,864
Less valuation allowances for tax loss carryforwards	(509)	(35)	(58)	(44)	(57)	(4,360)	(5,064)
Net deferred tax assets relating to tax loss carryforwards						799	799

Reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the years ended March 31, 2024 was as follows:

	<u>2024</u>
Normal effective statutory tax rate	30.59%
Dividend income	0.24
Increase/decrease in valuation allowance	(1.66)
Lower income tax rates applicable to income in certain foreign countries	(3.82)

Resident tax per capita rate	0.30
Tax credit for research and development costs	(1.54)
Impact of fluctuations of foreign currency exchange at overseas subsidiaries	(4.81)
Unrealized gains	2.05
Investments in subsidiaries	2.64
Retained earnings of overseas subsidiaries	1.27
Other—net	<u>0.60</u>
Actual effective tax rate	<u>25.86%</u>

Reconciliation for the year ended March 31, 2025, is not presented because the difference between the normal effective statutory tax rate and the actual effective tax rate was less than 5% of the normal effective statutory tax rate, which is immaterial.

The Company and certain domestic consolidated subsidiaries have applied the group relief system. Accounting treatment, tax effect accounting, and disclosure related to corporate taxes and local corporate taxes are conducted in accordance with the "Accounting and Disclosure for the Application of Japanese Group Relief System" (Practical Implementation Guidance No. 42, August 12, 2021).

Due to the enactment of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) by the Diet on March 31, 2025, "Defense Special Corporate Tax" will be imposed from the fiscal year beginning on or after April 1, 2026. In accordance with this change, the normal effective statutory tax rate has been changed from 30.59% to 31.48% to calculate deferred tax assets and deferred tax liabilities for temporary differences expected to be eliminated in the fiscal years beginning on or after April 1, 2026. The impact of this change in tax rate on the consolidated financial statements is immaterial.

## 16. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥2,603 million (\$17,409 thousand) and ¥2,524 million for the years ended March 31, 2025 and 2024, respectively.

## 17. LEASES

### (1) *Finance Lease transactions*

The Group leases certain machinery, computer equipment, and other assets.

Total rental expenses, including lease payments under finance leases for the years ended March 31, 2025 and 2024, were ¥506 million (\$3,384 thousand) and ¥522 million, respectively.

### (2) *Operating Lease transactions*

Future lease payments under non-cancelable operating leases

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Due within 1 year	¥ 85	¥ 74	\$ 568
Due after 1 year	163		1,090
Total	¥ 248	¥ 74	\$ 1,658

## 18. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### (1) *Group Policy for Financial Instruments*

The Group invests cash surpluses in low-risk financial assets, mainly short-term deposits, and



uses financial instruments, mainly short-term bank loans and bonds, for funding. The Company and its subsidiaries apply short-term deposits and short-term loans receivable among Group companies (cash management system). Derivatives are not used for speculative purposes, but to manage exposure to financial risks as described in (2) below.

**(2) *Nature and Extent of Risks Arising from Financial Instruments***

Receivables for trade are exposed to customer credit risk. Receivables and payables in foreign currencies are exposed to the market risk of fluctuation in foreign currency exchange rates. Marketable and investment securities, mainly listed shares, are exposed to the risk of market price fluctuations. Payment terms of payables for trade are mostly less than six months.

Maturities of bank loans and bonds are less than five years from the balance sheet date. Although a part of such bank loans is exposed to market risks from changes in variable interest rates, those risks are mitigated by using interest rate swaps.

Derivatives consist primarily of forward foreign currency contracts and interest rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of receivables and payables and from changes in interest rates of bank loans. Please see Notes 2.1 and 19 for more details on derivatives.

Long-term deposits are structured as embedded derivative deposits, which are high-security financial instruments that guarantee full repayment of the principal amount at maturity.

### (3) Risk Management for Financial Instruments

#### *Credit risk management*

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. The Group manages its credit risk from receivables based on internal guidelines, which include monitoring of payment terms and balances of major customers by each business administration department to identify the default risk of customers at an early stage. The credit risk affecting subsidiaries is also managed in the same manner.

#### *Market risk management (foreign exchange risk and interest rate risk)*

Investment securities are managed by monitoring market values and the financial position of issuers on a regular basis.

Interest rate swaps are used to manage exposure to market risks from changes in interest rates of loans.

#### *Liquidity risk management*

Liquidity risk includes the risk that the Group cannot meet its contractual obligations in full on its maturity dates. The Group manages its liquidity risk by holding an adequate volume of liquid assets in view of business income and manages expenditures and equipment investment spending plans, along with adequate financial planning by the Corporate Treasury Department. Subsidiaries also report their financial plans to the Group. The Finance Department manages liquidity risk by obtaining information on the cash flows of the whole Group.

### (4) Fair Values of Financial Instruments

The valuation technique of financial instruments utilizes certain assumptions, and the fair values may change by adopting different assumptions. In addition, the contract amounts of derivatives in Note 19 do not directly indicate the market risk of derivatives.

#### *Fair value of financial instruments*

The carrying amounts, fair values, and unrealized gain/loss as of March 31, 2025 and 2024, were as follows. Note that the notes for cash and deposits, receivables, payables, income taxes payable, and short-term debt are omitted because the carrying amounts approximate fair value due to their short maturities.

	Millions of Yen		
	Carrying Amount	Fair Value	Unrealized Gain
<u>March 31, 2025</u>			
Investment securities:			
Available-for-sale securities*1	¥2,870	¥2,870	¥
Deposits:			
Long-term deposits	<u>2,990</u>	<u>3,057</u>	<u>67</u>
Total assets	<u>¥5,860</u>	<u>¥5,927</u>	<u>¥ 67</u>
Long-term debt	<u>¥3,532</u>	<u>¥3,535</u>	<u>¥ (3)</u>
Total liabilities	<u>¥3,532</u>	<u>¥3,535</u>	<u>¥ (3)</u>
Derivatives*2	<u>¥ (13)</u>	<u>¥ (13)</u>	<u>¥</u>

\*1 Shares that do not have market prices (carrying amount of ¥660 million) are not included in available-for-sale securities.

\*2 Derivative assets and liabilities are presented on a net basis. Negative balances indicate derivative liabilities.

<u>March 31, 2024</u>	Millions of Yen		
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Investment securities:			
Available-for-sale securities* <sup>1</sup>	¥3,235	¥3,235	¥
Deposits:			
Long-term deposits	<u>3,028</u>	<u>3,028</u>	<u>0</u>
Total assets	<u>¥6,263</u>	<u>¥6,263</u>	<u>¥ 0</u>
Long-term debt	<u>¥2,598</u>	<u>¥2,597</u>	<u>¥ 0</u>
Total liabilities	<u>¥2,598</u>	<u>¥2,597</u>	<u>¥ 0</u>
Derivatives* <sup>2</sup>	<u>¥ (16)</u>	<u>¥ (16)</u>	<u>¥</u>

\*<sup>1</sup> Shares that do not have market prices (carrying amount of ¥332 million) are not included in available-for-sale securities.

\*<sup>2</sup> Derivative assets and liabilities are presented on a net basis. Negative balances indicate derivative liabilities.

<u>March 31, 2025</u>	Thousands of U.S. Dollars		
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Investment securities:			
Available-for-sale securities* <sup>1</sup>	\$ 19,194	\$ 19,194	\$
Deposits:			
Long-term deposits	<u>19,997</u>	<u>20,445</u>	<u>448</u>
Total assets	<u>\$ 39,192</u>	<u>\$ 39,640</u>	<u>\$448</u>
Long-term debt	<u>\$ 23,622</u>	<u>\$ 23,642</u>	<u>\$ (20)</u>
Total liabilities	<u>\$ 23,622</u>	<u>\$ 23,642</u>	<u>\$ (20)</u>
Derivatives* <sup>2</sup>	<u>\$ (86)</u>	<u>\$ (86)</u>	<u>\$</u>

\*<sup>1</sup> Shares that do not have market prices (carrying amount of \$4,414 thousand) are not included in available-for-sale securities.

\*<sup>2</sup> Derivative assets and liabilities are presented on a net basis. Negative balances indicate derivative liabilities.

**(5) Maturity Analysis for Financial Assets with Contractual Maturities**

	Millions of Yen			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
<u>March 31, 2025</u>				
Cash and cash equivalents	¥29,051	¥	¥	¥
Receivables:				
Notes and accounts receivable—trade	52,849			
Electronically recorded monetary claims—trade	12,583			
Long-term deposits		2,990		
Total assets	<u>¥94,484</u>	<u>¥ 2,990</u>	<u>¥</u>	<u>¥</u>
<u>March 31, 2024</u>				
Cash and cash equivalents	¥22,788	¥	¥	¥
Receivables:				
Notes and accounts receivable—trade	50,695			
Electronically recorded monetary claims—trade	12,628			
Long-term deposits		3,028		
Total assets	<u>¥86,111</u>	<u>¥ 3,028</u>	<u>¥</u>	<u>¥</u>

	Thousands of U.S. Dollars			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
<u>March 31, 2025</u>				
Cash and cash equivalents	\$194,295	\$	\$	\$
Receivables:				
Notes and accounts receivable—trade	353,457			
Electronically recorded monetary claims—trade	84,155			
Long-term deposits		19,997		
Total assets	<u>\$631,915</u>	<u>\$ 19,997</u>	<u>\$</u>	<u>\$</u>

Please see Note 12 for annual maturities of long-term debt and Note 17 for obligations under finance leases.

**(6) Financial Instruments Categorized by Fair Value Hierarchy**

The fair values of financial instruments are categorized into the following three levels, depending on the observability and importance of the inputs used in the fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(a) *The financial instruments and liabilities measured at the fair values in the consolidated balance sheet*

March 31, 2025

<u>Category</u>	Millions of Yen			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment securities				
Available-for-sale securities				
Shares	<u>¥2,870</u>	<u>¥</u>	<u>¥</u>	<u>¥2,870</u>
Total assets	<u>¥2,870</u>	<u>¥</u>	<u>¥</u>	<u>¥2,870</u>
Derivatives				
Foreign currency forward contracts	<u>¥</u>	<u>¥13</u>	<u>¥</u>	<u>¥ 13</u>
Total liabilities	<u>¥</u>	<u>¥13</u>	<u>¥</u>	<u>¥ 13</u>

March 31, 2024

<u>Category</u>	Millions of Yen			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment securities				
Available-for-sale securities				
Shares	<u>¥3,235</u>	<u>¥</u>	<u>¥</u>	<u>¥3,235</u>
Total assets	<u>¥3,235</u>	<u>¥</u>	<u>¥</u>	<u>¥3,235</u>
Derivatives				
Foreign currency forward contracts	<u>¥</u>	<u>¥16</u>	<u>¥</u>	<u>¥ 16</u>
Total liabilities	<u>¥</u>	<u>¥16</u>	<u>¥</u>	<u>¥ 16</u>

March 31, 2025

<u>Category</u>	Thousands of U.S. Dollars			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment securities				
Available-for-sale securities				
Shares	<u>\$19,194</u>	<u>\$</u>	<u>\$</u>	<u>\$19,194</u>
Total assets	<u>\$19,194</u>	<u>\$</u>	<u>\$</u>	<u>\$19,194</u>
Derivatives				
Foreign currency forward contracts	<u>\$</u>	<u>\$86</u>	<u>\$</u>	<u>\$ 86</u>
Total liabilities	<u>\$</u>	<u>\$86</u>	<u>\$</u>	<u>\$ 86</u>

(b) *The financial instruments not measured at the fair values in the consolidated balance sheet*

March 31, 2025

<u>Category</u>	Millions of Yen			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term deposits	¥	¥3,057	¥	¥3,057
Total assets	¥	¥3,057	¥	¥3,057
Long-term debt	¥	¥3,535	¥	¥3,535
Total liabilities	¥	¥3,535	¥	¥3,535

March 31, 2024

<u>Category</u>	Millions of Yen			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term deposits	¥	¥3,028	¥	¥3,028
Total assets	¥	¥3,028	¥	¥3,028
Long-term debt	¥	¥2,597	¥	¥2,597
Total liabilities	¥	¥2,597	¥	¥2,597

March 31, 2025

<u>Category</u>	Thousands of U.S. Dollars			
	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Long-term deposits	\$	\$20,445	\$	\$20,445
Total assets	\$	\$20,445	\$	\$20,445
Long-term debt	\$	\$23,642	\$	\$23,642
Total liabilities	\$	\$23,642	\$	\$23,642

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

Investment Securities

Listed shares are valued using the market prices. Since listed shares are traded on active markets, the market price is categorized as Level 1 input.

Long-term deposits

The fair value of long-term deposits is calculated using the method of discounting the total amount of principal and interest at an assumed interest rate for similar new deposits. This fair value is categorized as Level 2 input.

Derivatives

Derivatives are valued using a price quoted by a financial institution. The quoted price is categorized as a Level 2 input.

Long-Term Debt (Including Long-Term Debt Due within 1 Year or Less)

The fair market value of long-term debt is calculated by the discounted present value method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the obligation and credit risk. The interest rate is categorized as Level 2 input.

## 19. DERIVATIVES

The Group enters into foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

All derivative transactions are executed to hedge foreign currency exposures incorporated within the Group's business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities. The Group does not hold or issue derivatives for trading or speculative purposes.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

### ***Derivative Transactions to Which Hedge Accounting Is Not Applied***

Millions of Yen				
	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
<u>March 31, 2025</u>				
Foreign currency forward contracts:				
Selling JPY	¥ 20	¥	¥ (0)	¥ (0)
Selling USD	766		(32)	(32)
Buying EUR	351		17	17

#### March 31, 2024

Foreign currency forward contracts:				
Selling JPY	¥ 50	¥	¥ (0)	¥ (0)
Selling USD	63		0	0
Buying EUR	1,106	36	(11)	(11)

Thousands of U.S. Dollars				
	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
<u>March 31, 2025</u>				
Foreign currency forward contracts:				
Selling JPY	\$ 133	\$	\$ (0)	\$ (0)
Selling USD	5,123		(214)	(214)
Buying EUR	2,347		113	113

### ***Derivative Transactions to Which Hedge Accounting Is Applied***

Millions of Yen				
	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
<u>March 31, 2025</u>				
Foreign currency forward contracts:				
Selling USD	¥ 22	¥	¥ 0	¥ 0
Buying EUR	¥ 42	¥	¥ 0	¥ 0

Millions of Yen				
	Contract Amount	Contract Amount	Fair Value	Unrealized Gain/Loss
<u>March 31, 2024</u>				



		Due after 1 Year		
Foreign currency forward contracts:				
Selling USD	¥ 41	¥	¥ (4)	¥ (4)

	Thousands of U.S. Dollars			
	Contract Amount	Contract Amount Due after 1 Year	Fair Value	Unrealized Gain/Loss
March 31, 2025				
Foreign currency forward contracts:				
Selling USD	\$ 147	\$	\$ 0	\$ 0
Buying EUR	\$ 280	\$	\$ 0	\$ 0

## 20. OTHER COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Valuation difference on available-for-sale securities:			
Gain (loss) arising during the year	¥ (432)	¥ (622)	\$ (2,889)
Reclassification adjustments to profit or loss	<u>(36)</u>	<u>(622)</u>	<u>(240)</u>
Amount before income tax and tax effect	(469)	(622)	(3,136)
Income tax and tax effect	<u>133</u>	<u>190</u>	<u>889</u>
Total	<u>¥ (335)</u>	<u>¥ (431)</u>	<u>\$ (2,240)</u>
Deferred gain (loss) on hedges			
Gain (loss) arising during the year	¥ 0	¥ (4)	\$ 0
Reclassification adjustments to profit or loss	<u>4</u>	<u>(4)</u>	<u>26</u>
Amount before income tax and tax effect	5	(4)	33
Income tax and tax effect	<u>(1)</u>	<u>1</u>	<u>(6)</u>
Total	<u>¥ 3</u>	<u>¥ (3)</u>	<u>\$ 20</u>
Foreign currency translation adjustments:			
Gain (loss) arising during the year	¥ 6,611	¥ 4,930	\$44,214
Reclassification adjustments to profit or loss	<u>6,611</u>	<u>4,930</u>	<u>44,214</u>
Amount before income tax and tax effect	30	(47)	200
Income tax and tax effect	<u>30</u>	<u>(47)</u>	<u>200</u>
Total	<u>¥ 6,641</u>	<u>¥ 4,882</u>	<u>\$44,415</u>
Remeasurements of defined retirement benefit plans:			
Gain (loss) arising during the year	¥ 311	¥ 26	\$ 2,079
Reclassification adjustments to profit or loss	<u>17</u>	<u>(186)</u>	<u>113</u>
Amount before income tax and tax effect	329	(159)	2,200
Income tax and tax effect	<u>(62)</u>	<u>(0)</u>	<u>(414)</u>
Total	<u>¥ 267</u>	<u>¥ (160)</u>	<u>\$ 1,785</u>
Total other comprehensive income	<u>¥ 6,577</u>	<u>¥ 4,287</u>	<u>\$43,987</u>

## 21. NET INCOME PER SHARE

Basic net income per share (EPS) for the years ended March 31, 2025 and 2024, is calculated as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted- Average Shares		
<u>Year Ended March 31, 2025</u>				<u>EPS</u>
Basic EPS—Net income available to common shareholders	¥12,199	54,236	¥224.93	\$1.50
<u>Year Ended March 31, 2024</u>				
Basic EPS—Net income available to common shareholders	¥10,277	54,735	¥187.77	

The calculation of EPS includes the Company shares held by the Employee Stock Ownership Plan (ESOP) trust. The average number of treasury shares deducted was 489,182 shares for the year ended March 31, 2025, and 49,953 shares for the year ended March 31, 2024.

Diluted net income per share is not disclosed because there are no dilutive shares.

## 22. SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

The main components of selling, general, and administrative expenses for the years ended March 31, 2025 and 2024, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	<u>2025</u>	<u>2024</u>	<u>2025</u>
Employees' salaries	¥9,773	¥8,501	\$65,362
Freight charges	3,356	2,889	22,445

## 23. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major breakdown of assets and liabilities related to the subsidiary acquired through stock acquisition

There are no relevant items for the year ended March 31, 2025.

For the year ended March 31, 2024, the Group has newly consolidated Toride Pharma K.K. and TAT Toride Asset Trading Co., Ltd. through the acquisition of their stocks. The breakdown of assets and liabilities at the start of consolidation, along with the relationship between the acquisition cost of the stocks and the cash payment (net amount) incurred from the acquisition, is as follows.

The following amounts reflect the result of purchase price allocation, which includes significant remeasurement of initial allocations related to business combinations.

	<u>Millions of Yen</u>
Current assets	¥ 61
Fixed assets	210
Goodwill	984
Current liabilities	(31)
The acquisition cost of the subsidiaries	<u>1,224</u>
Cash and cash equivalents	(20)
Net: Purchase of subsidiaries resulting in change in scope of consolidation	<u>¥ 1,204</u>

## 24. SUBSEQUENT EVENT

### *Appropriations of Retained Earnings*

The following appropriation of retained earnings at March 31, 2025, was approved at the meeting of the Board of Directors of the Company held on May 22, 2025:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥38 (\$0.25) per share	¥2,055	\$13,743

## 25. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and for which such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### (1) *Description of Reportable Segments*

The Group's reportable segments are those for which separate financial information is available, and regular evaluation by the Company's management is performed in order to decide how management resources are allocated among the Group. The Group conducts packaging business (which mainly consists of shrink sleeve labels and pressure sensitive labels) in different geographical segments, namely in Japan, the Americas, Europe, and ASEAN. Each of the regions is an independently managed unit that can conduct production and sales in their respective region.

### (2) *Methods of Measurement for the Amounts of Sales, Profit (Loss), Assets, Liabilities, and Other Items for Each Reportable Segment*

The method of accounting for the reported business segments is based on the accounting principles used to prepare the consolidated financial statements. Reportable segment profit is based on operating income. Intersegment sales or transfers are based on prevailing market prices.

### (3) *Information about Sales, Profit (Loss), Assets, Liabilities, and Other Items*

	Millions of Yen						
	2025						
	Reportable Segment						
	Japan	Americas	Europe	ASEAN	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥ 99,923	¥66,172	¥29,449	¥16,801	¥212,345	¥	¥212,345
Intersegment sales or transfers	<u>2,621</u>	<u>4</u>	<u>5,272</u>	<u>2,740</u>	<u>10,639</u>	<u>(10,639)</u>	<u></u>
Total	<u>¥ 102,545</u>	<u>¥66,176</u>	<u>¥34,721</u>	<u>¥19,541</u>	<u>¥222,985</u>	<u>¥(10,639)</u>	<u>¥ 212,345</u>
Segment profit (loss)	¥ 9,892	¥ 6,489	¥ 2,132	¥ 937	¥ 19,452	¥ (608)	¥ 18,844
Segment assets	98,165	65,867	28,935	21,055	214,023	(4,200)	209,822
Segment liabilities	36,722	16,062	9,469	5,412	67,668	(3,114)	64,553
Other:							
Depreciation	3,376	2,986	1,356	1,051	8,770	(20)	8,750
Amortization of goodwill	75			52	128		128
Increase in property, plant and equipment and intangible assets	2,772	2,932	1,340	616	7,663	(113)	7,549

Millions of Yen							
2024							
Reportable Segment							
	Japan	Americas	Europe	ASEAN	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	¥96,784	¥57,873	¥26,807	¥15,159	¥196,624	¥	¥196,624
Intersegment sales or transfers	2,077	8	4,333	2,930	9,350	(9,350)	
Total	¥98,861	¥57,882	¥31,140	¥18,089	¥205,974	¥(9,350)	¥ 196,624
Segment profit (loss)	¥ 8,779	¥ 3,368	¥ 801	¥ 482	¥ 13,432	¥ (122)	¥ 13,309
Segment assets	95,170	56,090	26,503	19,900	197,664	(4,980)	192,684
Segment liabilities	37,724	13,253	8,231	5,551	64,761	(4,219)	60,542
Other:							
Depreciation	3,430	2,747	1,146	1,058	8,383	(16)	8,366
Amortization of goodwill	37			49	87		87
Increase in property, plant and equipment and intangible assets	2,802	2,707	959	508	6,978	53	7,032

Thousands of U.S. Dollars							
2025							
Reportable Segment							
	Japan	Americas	Europe	ASEAN	Total	Reconciliations	Consolidated
Sales:							
Sales to external customers	\$668,291	\$442,562	\$196,956	\$112,366	\$1,420,177	\$	\$1,420,177
Intersegment sales or transfers	17,529	26	35,259	18,325	71,154	(71,154)	
Total	\$685,827	\$442,589	\$232,216	\$130,691	\$1,491,338	\$ (71,154)	\$1,420,177
Segment profit (loss)	\$ 66,158	\$ 43,398	\$ 14,258	\$ 6,266	\$ 130,096	\$ (4,066)	\$ 126,029
Segment assets	656,534	440,523	193,519	140,817	1,431,400	(28,089)	1,403,303
Segment liabilities	245,599	107,423	63,329	36,195	452,568	(20,826)	431,734
Other:							
Depreciation	22,578	19,970	9,069	7,029	58,654	(133)	58,520
Amortization of goodwill	501			347	856		856
Increase in property, plant and equipment and intangible assets	18,539	19,609	8,962	4,119	51,250	(755)	50,488

Notes: 1. The major countries or areas belonging to classifications other than Japan:

Americas: USA, Mexico  
Europe: United Kingdom, Netherlands, France, Spain, Poland, Switzerland, Germany, Italy  
ASEAN: Indonesia, Vietnam, Thailand, India

2. Reconciliations

Reconciliation of segment profit of ¥(608) million (\$ (4,066) thousand) and ¥(122) million for the years ended March 31, 2025 and 2024, respectively, was mainly composed of elimination of the intersegment transaction, including unrealized gains.

Reconciliation of segment assets of ¥(4,200) million (\$ (28,089) thousand) and ¥(4,980) million for the years ended March 31, 2025 and 2024, respectively, was mainly composed of offsetting of the receivables and the payables, investment account, and the capital account.

Reconciliation of segment liabilities of ¥(3,114) million (\$ (20,826) thousand) and ¥(4,219) million for the years ended March 31, 2025 and 2024, respectively, was mainly composed of offsetting of the receivables and the payables.

Reconciliation of depreciation of ¥(20) million (\$133 thousand) and ¥(16) million for the years ended March 31, 2025 and 2024, respectively, was mainly composed of elimination of the intersegment transaction, including unrealized gains.

Reconciliation of increase in property, plant and equipment and intangible assets of ¥(113) million (\$755 thousand) and ¥53 million for the years ended March 31, 2025 and 2024, respectively, was mainly composed of elimination of unrealized gains.

**(4) Information about Products and Services**

Millions of Yen						
2025						
	<u>Shrink Sleeve Labels</u>	<u>Pressure Sensitive Labels</u>	<u>Spouted Pouches</u>	<u>Machinery</u>	<u>Others</u>	<u>Total</u>
Sales to external customers	¥130,882	¥17,167	¥28,882	¥21,114	¥14,298	¥212,345
Millions of Yen						
2024						
	<u>Shrink Sleeve Labels</u>	<u>Pressure Sensitive Labels</u>	<u>Spouted Pouches</u>	<u>Machinery</u>	<u>Others</u>	<u>Total</u>
Sales to external customers	¥119,347	¥16,014	¥26,443	¥18,829	¥15,990	¥196,624
Thousands of U.S. Dollars						
2025						
	<u>Shrink Sleeve Labels</u>	<u>Pressure Sensitive Labels</u>	<u>Spouted Pouches</u>	<u>Machinery</u>	<u>Others</u>	<u>Total</u>
Sales to external customers	\$875,347	\$114,814	\$193,164	\$141,211	\$95,626	\$1,420,177

In order to conform to management's classification, a portion of sales by product category included in "Shrink sleeve labels" has been reclassified as "Others" in the year ended March 31, 2025. Information for the year ended March 31, 2024, has also been reclassified.

**(5) Information about Geographical Areas**

*a. Sales*

Millions of Yen				
2025				
<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
¥99,565	¥66,188	¥28,635	¥17,956	¥212,345
Millions of Yen				
2024				
<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
¥96,397	¥57,913	¥26,168	¥16,145	¥196,624
Thousands of U.S. Dollars				
2025				
<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>Others</u>	<u>Total</u>
\$665,897	\$442,669	\$191,512	\$120,090	\$1,420,177

Note: Classification of countries or areas is based on a geographical adjacency.

The major countries or areas belonging to classifications other than Japan for the years ended March 31, 2025 and 2024, are:

Americas: USA, Canada, Mexico, and other countries



Europe: European countries  
Others: ASEAN countries

Sales in Americas and Europe are classified as one section respectively, because of the difficulty to identify these sales in each country.

b. *Property, plant and equipment*

Millions of Yen					
2025					
	Americas				
<u>Japan</u>	<u>Americas Total</u>	<u>United States</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Total</u>
¥24,964	¥23,053	¥18,714	¥9,699	¥7,380	65,097
Millions of Yen					
2024					
	Americas				
<u>Japan</u>	<u>Americas Total</u>	<u>United States</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Total</u>
¥25,767	¥20,562	¥16,172	¥9,149	¥7,294	¥62,774
Thousands of U.S. Dollars					
2025					
	Americas				
<u>Japan</u>	<u>Americas Total</u>	<u>United States</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Total</u>
\$166,960	\$154,180	\$125,160	\$64,867	\$49,357	\$435,373

**(6) Information about Impairment Losses of Assets**

No impairment losses were recognized for the year ended March 31, 2025.

Millions of Yen						
2024						
	<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
Impairment losses	¥	¥	¥498	¥117	¥	¥615

Note: The impairment losses of ¥117 million for ASEAN for the year ended March 31, 2024 is presented as a part of expense on restructuring of organization.

**(7) Information about Amortization of Goodwill and the Remaining Balance by Reportable Segment**

		Millions of Yen					
		2025					
		<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
Amortization of goodwill		¥ 75	¥	¥	¥52	¥	¥ 128
Remaining balance		871					871
		Millions of Yen					
		2024					
		<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
Amortization of goodwill		¥ 37	¥	¥	¥49	¥	¥ 87
Remaining balance		946			50		997
		Thousands of U.S. Dollars					
		2025					
		<u>Japan</u>	<u>Americas</u>	<u>Europe</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
Amortization of goodwill		\$ 501	\$	\$	\$ 347	\$	\$ 856
Remaining balance		5,825					5,825

**(8) Information about Major Customers**

Information about major customers is not disclosed because there is no customer who accounts for 10% or more of total sales to external customers in the consolidated statement of income.

\* \* \* \* \*