



Fuji Seal

INTEGRATED REPORT

2025

[Our Credo]

EACH DAY
WITH RENEWED COMMITMENT
WE CREATE NEW VALUE
THROUGH PACKAGING

[Our Slogan]

We call creation a “dream”
We call challenges to creation “courage”
We call a heated discussion on creation “trust”

[Our Vision -To Be-]

Sustainable and profitable growth
in the packaging industry

Our Value to People and the Planet

Our proactive impact to realize
the Regenerative Society

Generate “Waku-Waku”
– No growth without “Waku-Waku” –

[Guideline for Action]

Changing along with changes

[Our Mission]

Fuji Seal will impact to realize
the Circular Society that brings peace and
happiness to all through packaging

Editorial Policy

We have completed the first year of our management plan “FSG.30,” which was formulated in 2024, marking the beginning of our steady journey toward 2030.

By conveying the current state of the Fuji Seal Group in the words of its executives and many employees, we focused on expressing the changes we see in the awareness of working toward clear goals. We hope that having as many employees as possible involved in the report will help more people, both inside and outside the Company, to take interest in it and use it as an important tool to put a face to the work being done and connecting with people.

We published our first Integrated Report in 2020, and this is our sixth. Over these years, through trial and error, we have been striving to better communicate the appeal of our Group to shareholders, investors, and other stakeholders, and we have come to receive positive recognition. We will continue to improve our content to make it more relatable. We hope you will continue to look out for what the Fuji Seal Group has to offer in 2030 and beyond. We would be grateful to receive your candid opinions and constructive feedback.

■ Scope of Reporting

Fuji Seal International, Inc. and its consolidated subsidiaries

■ Period Covered

Mainly FY2024 (April 1, 2024 to March 31, 2025), with some events and activities before and after the period mentioned as necessary

■ Previous Integrated Report

Issued in August 2024

■ Reporting Cycle

One year (the next Integrated Report scheduled to be issued in August 2026)

■ Inquiries about This Report

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<https://www.fujiseal.com/en/contact/>

■ Referenced Guidelines

GRI Sustainability Reporting Standards
IIRC International Integrated Reporting Framework
SASB (Sustainability Accounting Standards Board) Standards (Containers & Packaging)
Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation 2.0

■ Information Modifications Due to M&A

None

■ Changes to Important Items

None

■ Positioning of the Integrated Report

Please also refer to our websites listed below for further understanding of our Group.

<IR Information> <https://www.fujiseal.com/en/ir/>

<Sustainability Information> <https://www.fujiseal.com/en/csr/>

Financial Information	Non-Financial Information
Annual Reports	Corporate Governance Reports
Various Accounting Materials	ESG DATA BOOK
IR Information Website	Environment Reports
	Sustainability Information Website
Integrated Report (Booklet / PDF)	

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Setting high goals and creating new value

Director, Representative Executive Officer,
President and CEO
Shigeko Okazaki

岡崎 恵子

The new management plan “FSG.30,” a catalyst for increased revenue and profits in FY2024

Our Business performance in FY2024 was favorable, in particular our operating income increasing significantly. A major factor behind this was the new management plan “FSG.30,”* which aims to achieve net sales of 350 billion yen and a double-digit operating profit margin by 2030. Although investors often ask to see a three-year plan, we have learned from past medium-term management plans that this can limit our view to an extension of the current businesses and are unable to take on bold challenges. This time, by setting the goals a little further to 2030, we created a shift in mindset in each region—Japan, the Americas, Europe, and ASEAN—where we now see this as a passing phase and that there is more that they can do to achieve our goals. I believe that this is what has led to our results.

Another contributing factor is that a matrix management has been established. Previously, decisions were made by the president of each region, who were familiar with the local market. Currently, executive officers from each business are also involved, frequently exchanging information and working together to solve problems. At the Board of Directors and Executive Officer meetings, reports from both sides are presented simultaneously, enabling

management to make faster and more accurate decisions based on a multifaceted perspective.

In Japan, the organizational changes made in 2023 that saw the Company move to a business division system have proven successful. By having each business division handle everything from development to sales, we were able to increase the speed of each process. Furthermore, each employee began to act with a greater sense of responsibility and initiative, and their awareness of profits also increased. In that sense, I feel that the shift to a business division system was a turning point in the way our organization is structured and the way individuals work.

* FSG.30: Fuji Seal Sustainable Growth 2030 Strategy

High targets demonstrate commitment to creating new businesses and expectations for new value created by the next generation

The Fuji Seal Group was founded in 1897 as a manufacturer of wooden products. As containers changed from wooden barrels to glass bottles, cans, and plastic containers, we were the first in the world to develop shrink sleeve labels in the 1950s. We then changed our business model to become a packaging manufacturer and have been quick to respond to changes in logistics.

We will continue to firmly protect our shrink sleeve labels business, which has established the foundation of our current business. If we continue to grow our four existing businesses of shrink sleeve labels, pressure sensitive labels, spouted pouches, and machinery, we expect to achieve sales of 300 billion yen by 2030. However, the target set in FSG.30 is 350 billion yen. The decision to add 50 billion yen is extremely important, as it demonstrates our strong determination to create new core businesses.

However, 350 billion yen may just a milestone, and we may aim for 1 trillion yen in the future. Perhaps we will see the creation of new value that goes beyond scale and technology alone. I am excited to see what the next generation will think and do.

Responding to customers who continue to create attractive products with our development and system capabilities

The Fuji Seal Group has three strengths: “valued customers,” “global presence,” and “production.” In my

opinion, “valued customers” are those who are serious about growth. To grow, they need sales and profits. By creating products that consumers want, sales will increase, and if the product is attractive, it can be sold at a fair price, generating profits. They use those profits to create new products and use feedback to create even better products. By doing business with customers who are able to sense changes in the world and act quickly and appropriately to produce results, we are able to grow together with them. One recent market trend is the expansion of private label products produced by retail and logistics companies. We are holding repeated discussions across business and regional boundaries to consider how we can address new customer needs.

When it comes to “global presence,” we are sometimes asked who our competitors are. There are companies overseas that operate a similar businesses to ours, in that they are globally positioned and provide packaging that customers want through local production and local consumption. However, the big difference is that we develop our products in-house. When a customer requests to use a new label or packaging, we have label applicators to make it possible, and we can also provide systems that ensure productivity and profits in the customer’s factory. I believe that many of our customers appreciate these strengths.

Expanding our business areas thanks to excellent business partners and finding value in our verification capabilities

An essential factor in establishing this global presence is to have excellent business partners. Currently, the majority of our Japan business is in the beverage sector, while overseas we are expanding into the dairy, food, home personal care, and medical sectors. This is because our global business partners listen to various customer requests and believe they can develop these products together with the Fuji Seal Group.

Recently, we have been having a lot of conversations within the Company about how our business partners help us and ask, “What exactly is the value of our existence?” I believe it lies partly in our verification capabilities. As we conduct business in the four regions of Japan, the Americas, Europe, and ASEAN, rather than just sticking to one solution, we repeatedly verify different solutions with local customers and suppliers. We try to bring a solution

that scored 30 points closer to 100. I believe that this ability to persevere and never give up is what gives value to our existence.

Strengthening existing businesses to keep up with the changing times and offering products that will become new options for customers

With regard to “steadily strengthening the four existing businesses” as stated in the growth strategy, we will work to improve production efficiency, review our portfolio, and expand sales of recyclable shrink sleeve labels (RecShrink) and water-based flat labels.

Flat labels are commonly referred to as “wrap-around labels” and first appeared about 10 years ago. We thoroughly examined safety and display area requirements and developed ultra-thin shrink sleeve labels that significantly reduced the amount of plastic used, putting an end to this trend. However, now receiving requests for flat labels again. This is simply a change in the market. Although there are still issues to be addressed with regards to production efficiency, we would like to develop flat labels into an option for products that will make a strong impression in the market.

Our approach on valuable products that have issues in terms of competitiveness and profit margins is to temporarily put them in a “performance review box” and then consider whether to discontinue them, or take measures to retain them. We are sometimes asked:



“Have you gone through the entire process of deciding which products to keep or discontinue? Has the product cycle come full circle?” However, as times change, some products can quickly become outdated, while others may be reborn as new Fuji Seal technology that we can be proud of. In that sense, there is no end to this approach.

Conducting an engagement survey in each region and taking each individual’s thoughts seriously

A new human capital initiative we have introduced is the implementation of an engagement survey. We plan to conduct this survey in Japan using a globally standardized questionnaire. We have already conducted the survey in the Americas, Europe, and ASEAN, and have begun to collect basic data on how employees view the company. Given that there is such thing as cultural differences, there is no point in comparing employees of one country side by side with those of another. It is important for each person in charge to take the thoughts of employees seriously, discuss what is needed, and take appropriate measures, and I believe we have been able to lay the foundation for this.

We continue to implement the Executive Leadership Program, developed in collaboration with a Belgian business school. Participants of the program have gained a high-level perspective, and I feel they have grown. We also continue to hold Value Seminars aimed at sharing the Fuji Seal Group’s values. Although these activities may be modest, I believe that these consistent efforts will enable us to achieve sustainable growth.

“Providing opportunities” rather than just nurturing successors and reaffirming what we should do based on external feedback

Regarding governance, we recognize that even if we think we are doing well, there are times when we fall short, and this will inevitably manifest itself in the form of risk. Based on this awareness, we have implemented several measures, including appointing an executive officer responsible for both legal affairs and risk management, translating our Code of Ethics into multiple languages, and

introducing a Consultation Hotline (whistleblowing system) for the entire Group. As the theme of this fiscal year’s group compliance is “Bad news first,” we strive to report and respond to bad news as quickly as possible. The Family Festival is another important initiative. We introduce the words written on Compliance Cards so that family members can get a clear picture of what the Fuji Seal Group stands for. Although we were forced to suspend the event due to the COVID-19 pandemic, we were able to resume holding it again since last year.

It is the responsibility of directors and executive officers to develop plans to train successors who will take over as the next generation of management. During a discussion on how to train successors, one of our outside directors said: “It would be presumptuous to think that we could train someone to be a successor. If we did train someone, they would never be better than us.” I realized how true that was. When people are placed in positions of responsibility, they naturally grow. I realized that my role is not to train them, but to provide them with opportunities. Thus, I believe that governance starts with listening to the voices of people outside the company, and using that feedback to strengthen the company.

Promoting horizontal recycling initiatives to realize a sustainable society

Under our vision of “Our Value to People and the Planet,” we aim to become a company committed to “Our proactive impact to realize the Regenerative Society.” We must leave a better environment for future generations.

Therefore, we are focusing on horizontal recycling. One of the main initiatives is “Label-to-Label”, in which the printed designs from used labels are removed making them recyclable as new labels. With an increase in customer awareness, we are making steady progress together with our business partners towards realizing horizontal recycling. However, there are still many issues that need to be solved. For example, although PET bottles from households are collected and sorted, what is done with other materials? In Germany and the Netherlands, a system has been introduced in which a deposit for certain containers is added to the purchase of a product, this deposit is refunded when the container is returned. However, in Japan, it is difficult to say whether consumers will choose products that have an added charge. I feel that



the next big hurdle we need to overcome is creating the necessary social systems after establishing a technology.

Regarding the “Label-to-Bottle” initiative, which recycles used PET bottles with labels into new PET bottles, RecShrink labels, and certified by the U.S.-based Association of Plastic Recyclers, are increasingly being adopted, contributing to the acceleration of horizontal recycling in the Americas.

The key to the success of FSG.30 is for each individual to take personal interest in it

In a recent employee engagement survey, we saw comments that “it is difficult to understand the Company’s direction.” To prevent this from happening, we have created various tools such as supplementary financial statements and integrated reports, and we have been quite open about sharing information, including our way of thinking, so I was quite shocked by this. We need to consider how to ensure that the information we communicate is effectively received. Additionally, it is crucial to encourage employees not only to read the information but also to internalize it as something that directly concerns them. I believe that this is the key to making FSG.30 a success.

Although the pace of progress may vary between now and 2030, we will continue to work hard to achieve our goals.

We look forward to sharing our continued growth.

Discussion
between
Directors

Aiming to further improve corporate value and create a challenge-oriented corporate culture

Hideaki Umeda

Director, Executive Officer
in charge of
the Shrink Sleeve Labels Division

Yoichi Okazaki

Director, Executive Officer,
Vice President, COO and in charge
of the European region

On assuming the post of COO and Director

Okazaki: Since joining the Company, I have been involved in a wide range of work, including setting up new factories, participating in corporate planning, and serving as an executive officer for the Machinery Division and the European region, and have had many conversations with our stakeholders. Through these experiences, I have come to recognize the importance of the products and services that the Fuji Seal Group has created. Now that I have been appointed as COO, I feel strongly that we must continue to strive to bring peace and happiness to as many people as possible through packaging. Moreover, as our Guideline for Action states “Changing along with changes,” we intend to keep our antennas tuned to changes in the world and create new value with greater speed and a more medium- to long-term perspective than ever before.

Umeda: When I was approached about taking the position of director, I looked back at how previous directors had served, and I realized that they were all people who had approached their work with the mindset of “Changing along with changes.” In order to change, we need to take on challenges, and I have had a variety of experiences, including both failures and successes. However, nowadays, it seems like the spirit of challenging ourselves is fading because we are inevitably thinking about the risks first. I believe that as part of my role of director I must enhance our corporate value with my own actions by demonstrating the courage to take the first step without fear of risk.

About the deliberating bodies under the new system

Okazaki: Diversity is also extremely important on the Board of Directors. Therefore, instead of keeping the members constant, we decided to replace one inside director and one outside director. With this new structure, which now includes Mr. Umeda, I hope to have lively and frank discussions. At the meetings, I believe my role is to promote business operations and portfolio expansion while taking appropriate risks with a focus on how we can increase corporate value as quickly as possible, as well as to support efforts to increase the enhancement of our growth story. I also always try to be aware of whether there are any agenda items that are missing, and if there are, I try to raise those topics myself.

Umeda: I feel that the quarterly Board of Directors and Executive Officers Meetings have changed since IR members began participating in them. Rather than simply sharing the opinions of shareholders and investors, we incorporate them into discussions and use them as one of the factors in our strategic decision-making to decide what to change and what to maintain. It is important to gain new insight into how the Fuji Seal Group is perceived from the outside.

Okazaki: For example, when it comes to improving profitability, I have come to understand intuitively that we must work hard to make improvements, understanding that there are expectations not only from within, but also outside the Company. I think this is a big change.

Matrix management and new management plan “FSG.30”

Umeda: In the new management plan “FSG.30,” the figures presented by executive officers in charge of businesses and executive officers in charge of regions do not match in certain details, but I think this is the advantage of matrix management. After all, we won’t grow if we keep chasing the same numerical targets. I believe the ideal approach would be for each region to take responsibility for achieving the numerical targets, with the businesses then adding value to their results.

Okazaki: In fact, the profitability of each business has definitely increased, the strategies have become clearer, and the speed of execution has increased. Considering this, I also feel that matrix management is an effective system.

The profitability of each business has actually increased, and our strategies have become clearer and faster to implement, so I feel that matrix management is an effective system.

On the other hand, since one of our strengths is that sales departments formulate their own hypotheses and make a wide range of proposals, I feel that there may be challenges in the future in terms of the balance between business and customer perspectives. As COO, I need to think carefully about what kind of structure is necessary to maximize the power of each perspective.

Umeda: What is your view on the sales target of 350 billion yen? I think that while this may be a high target if we only consider our four existing businesses, it is an achievable number if we can promote new businesses such as the CMO business, Deep IS business, and aPT business.

Okazaki: I think it is challenging but not impossible; it’s the perfect balance. Although we are not just pursuing scale, 350 billion yen is a milestone. By continuing to provide solutions that only Fuji Seal can offer, we see ourselves continuing to grow. Just imagining this is very exciting.

The Fuji Seal Group’s strengths

Umeda: Our strengths are that we meet the needs of customers who operate globally through local procurement and local production and that we conduct local management. I think the latter is our greatest strength. By managing local human resources who have a deep understanding of local rules, including laws, and the local culture, we are able to make accurate decisions in a variety of situations. I believe that successful localization is the key to growth.

Okazaki: I agree. In addition, since we have customers in various industries in each region, we need to prepare solutions that meet their individual needs and challenges. In that sense, one of our greatest strengths is being able to provide total solutions that include not only labels and packaging but also machinery.

Umeda: When entering a new region, getting started with packaging requires significant investment and carries a high level of risk. First, customers in the region use our machines, and based on the market information we obtain, we can identify opportunities to enter the market with packaging. I think owning machines is a great advantage in terms of being able to create such strategies.

Thoughts on employees and society

Okazaki: Mr. Umeda pointed out that it has become more difficult to take on challenges. I would like to focus on creating a corporate culture where we “just give it a try.” We conducted an engagement survey and received a lot of positive feedback, such as “We need to do more of this” and “This is what we would like to do.” If each person can increase their motivation by even 1%, it will ultimately become a great source of power. I was able to feel that this is possible.

Umeda: What’s important is for the Company to respond responsibly to the various opinions that are raised. I believe that the accumulation of these responses will lead to initiatives with a broader perspective on DE&I.*

Okazaki: Our most important task is to embody our mission: “Fuji Seal will impact to realize the Circular Society that brings peace and happiness to all through packaging,” and I believe that this will also create business opportunities.

Umeda: Recently, I have come to realize that there is a limit to what we can do on our own. We will work with our business partners and the entire industry to create packaging that contributes to the realization of a sustainable society and deliver it to our customers and consumers. I believe this is the role that the Fuji Seal Group plays.

* DE&I: Diversity, Equity & Inclusion. A concept that enables each person in an organization with a diverse backgrounds to thrive and continue to achieve results by providing them with the support they need.

Management Plan - FSG.30

Aims of FSG.30 formulation

From the implementation of the previous Medium-Term Management Plan, we recognized that the time is now right and that it is ready to envision the next stage of the company's development. We envision what we want to be in the medium to long term (which is also a passing phase), not the three-year period, we will be committed to identifying what needs to be implemented each year.

FSG.30 = Fuji Seal Sustainable Growth 2030 Strategy

As a leading packaging company, and efforts to realize a Circular Society and Regenerative Society in which all people can live with a smile and peace of mind, The new management plan will be named after the year 2030, which is the goal of the plan

No change from the previous Medium-Term Management Plan.

Our Vision -To Be-

Sustainable and profitable growth in the packaging industry

Our Value to People and the Planet

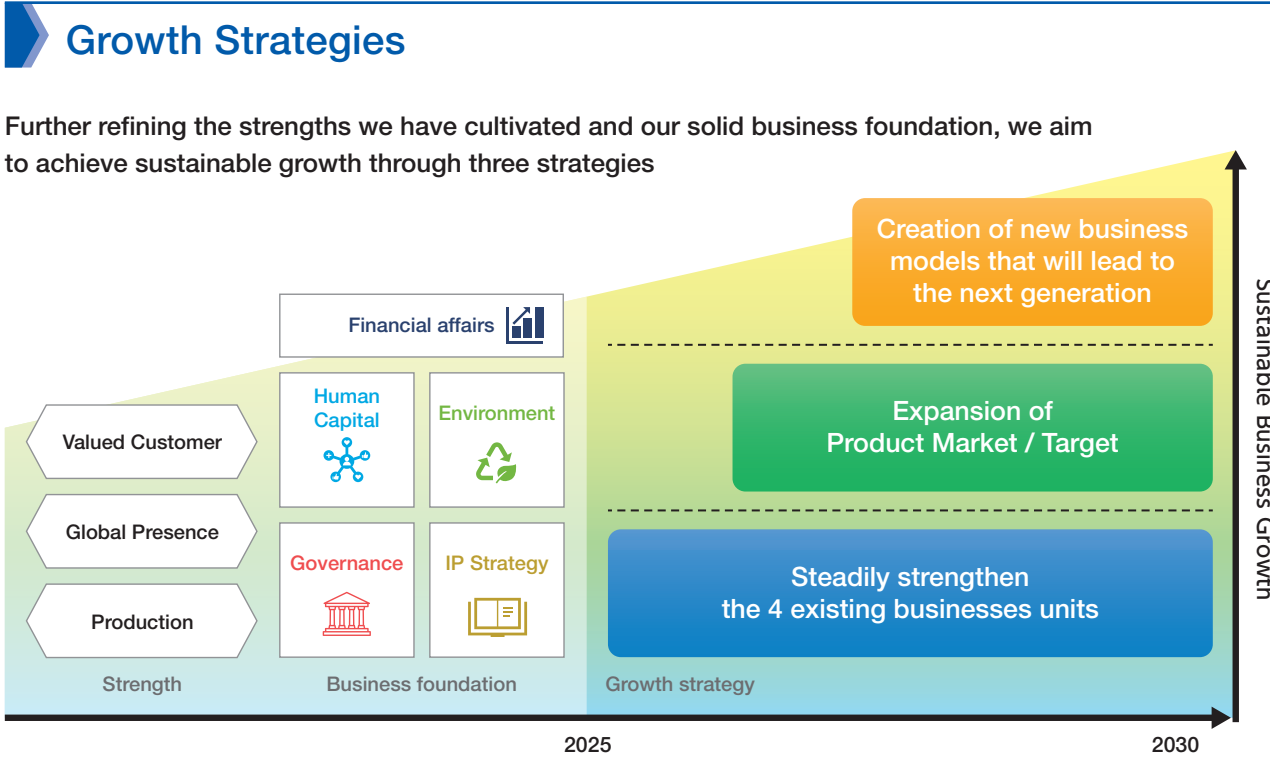
Our proactive impact to realize the Regenerative Society

Generate “Waku-Waku” – No growth without “Waku-Waku” –

KPI Target Values (As of the time of the announcement of FSG.30)

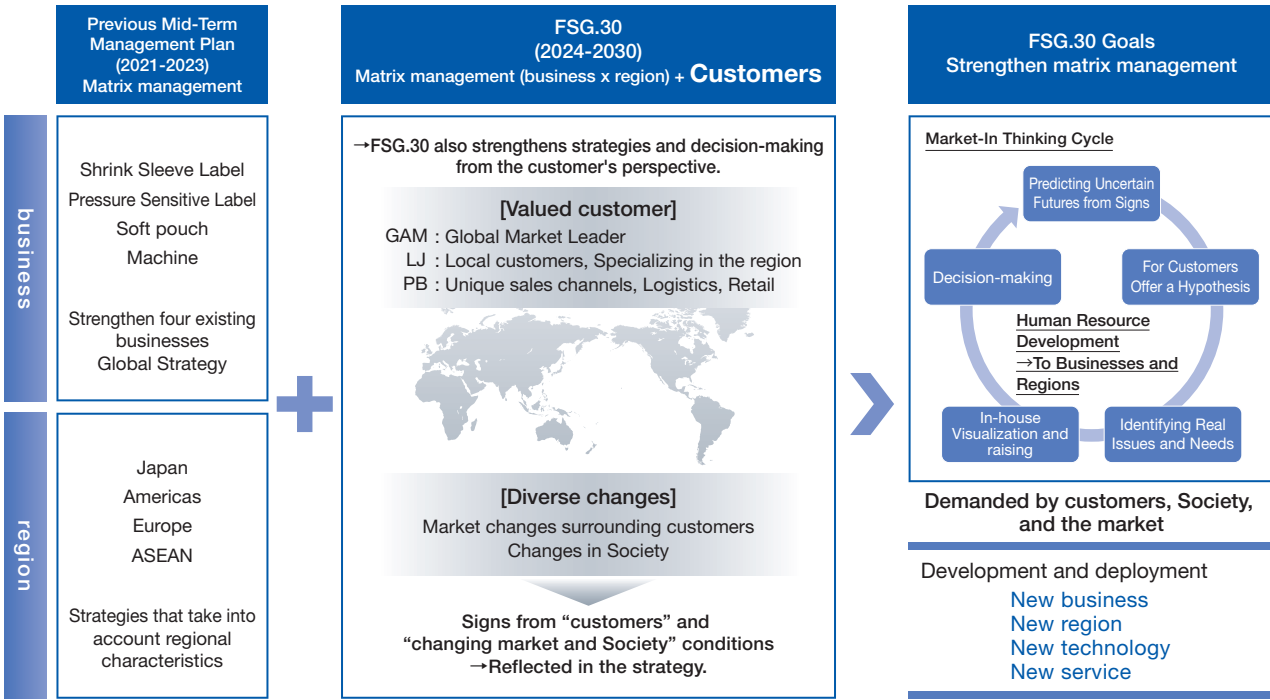
The formulation of FSG.30 led to company-wide implementation of various initiatives, and we achieved good results in the first year. We are making good progress towards our 2030 target.

Performance	Finance	Shareholder return
<div>Sales</div> <div>350 billion yen or more</div> <div>Current : 212.3 billion yen</div>	<div>ROE</div> <div>Double-digit%</div> <div>Current : 8.8%.</div>	<div>Profit Distribution</div> <div>same as Basic Policy</div>
<div>Operating Profits</div> <div>Double-digit%</div> <div>Current : 8.9%</div>	<div>PBR</div> <div>More than 1.5X</div> <div>Current : 1X</div>	<div>Human capital</div> <div>Group key position</div> <div>Successor Sufficiency Rate</div> <div>80% or more</div> <div>Current : -</div>



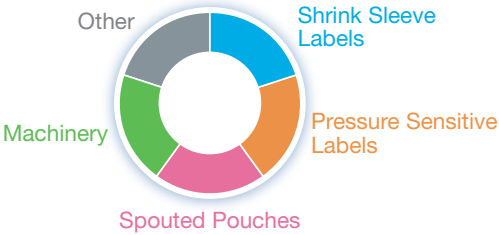
Business Strategy: Matrix Management + Decision Making from the Customer View

One of the Fuji Seal Group's strengths lies in its business with valued customers. We will grow our businesses together with our business partners in each region and business sector over the medium to long term while monitoring changes in the market and social conditions. By accelerating this, we will explore and promote new businesses, regions, technologies, and services. To achieve this, we believe that we must develop and recruit human resources with a forward-looking perspective, in addition to ensuring that staff in charge of customers grow our existing businesses.



Creating a world where everyone can live with a smile and peace of mind through packaging

We began production and sales in the Americas 50 years ago and have continued to build businesses by valuing the characteristics and culture that have developed in each market and heeding direct feedback from local customers. We have established a system for developing, selling and producing packaging solutions in order to grow the business together with many industry-leading customers.



Region Introduction

Japan



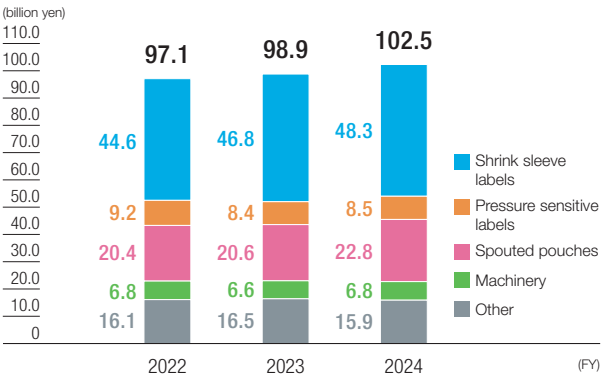
Review of FY2024

In FY2024, we focused on revising selling prices due to rising raw material costs, reviewing our product portfolio, and strengthening the sales of higher value-added products. Due to the extremely hot summer, sales of shrink sleeve labels and spouted pouches for PET beverages, particularly in the beverage industry, were favorable, contributing to increased sales. Thanks to measures such as revising selling prices, reviewing unprofitable products, improving productivity, and reducing loss rates, operating profit has recovered to pre-COVID 19 levels. As retail prices for PET beverages increased, more products were being replaced with larger-volume types from the standard 500 ml size, resulting in an increase in orders for shrink sleeve labeler changeover and other projects.

In the daily necessities market, the market for refill pouches for laundry detergent is showing signs of further expansion, and multiple-refill pouches that take advantage of the characteristics of pouch packaging materials are gaining acceptance in the market and are also trending larger in size. Refill pouches have expanded primarily to laundry detergents and hair care products, and in the future they are expected to expand to household cleaners and other home care products. Meanwhile, our Fuji Pouch and other refill products may be used not only as refill containers but also as primary containers, and we will continue to focus on developing future applications for pouch products.

In anticipation of future market expansion, we have decided to build a factory dedicated to pouches in order to enhance our QCD services, and construction has already begun. In Japan, we will continue to make strategic investments with the aim of achieving sustainable growth. We will proactively invest the money we earn from strengthening the foundations of our existing businesses in fostering growth businesses and new businesses, strengthening governance to increase corporate value, and developing human resources who will lead the next generation.

Sales by business segment (Japan)



* Due to changes in sales classification, figures for the previous year and the year before have been revised.

Yasuhiro Shibata (left)

Representative Director and Chairman, Fuji Seal, Inc.
(former Executive Officer in charge of the Japan region)

Takeshi Kyogane (right)

Executive Officer in charge of the Pressure Sensitive Labels Division and the Japan region (from June 2025)

Fuji Seal’s strength is that we have been doing business with “valued customers” for many years. We believe that the reason we have been able to take the stance of a proposal-based development company is none other than the trust our customers have placed in us. The environment surrounding our customers and our company has always been changing. We think that the issues that come with change are the same for both our customers and our company. We believe that by sharing issues and repeatedly testing hypotheses to solve them, we will be able to find the optimal solution. As a packaging manufacturer, we believe that aiming to be a company that customers can trust not only with the quality and cost of the packaging we provide, but also with governance and risk management related to environmental issues, DE&I, BCP, and cyber threats, will lead to sustainable business growth.

Growth strategy for the Japanese market

As the Japan region, we were able to exceed 100 billion yen in sales in FY2024. In FY2025, the second year of FSG.30, we aim to achieve operating profit of 10 billion yen.

I believe that FSG.30 is about venturing into unknown territory and creating the future. Corporate growth ends when a company forgets the risk of venturing into unknown territory. It is important not to try to take on every challenge by yourself, but to consider the option of getting someone else involved. Having someone around produces more effective results. Working with someone else will broaden your scope and increase your speed.

As the head of the Japan region, my most important mission in leading FSG.30 is to maximize customer assets. To achieve this, it is important to 1) improve customer loyalty, 2) strengthen relationships with customers, and 3) improve the customer experience. In particular, a concrete measure for improving the customer experience is to create co-creation projects. The extent and speed of growth will be measured by how many co-creation projects we can create.

Americas



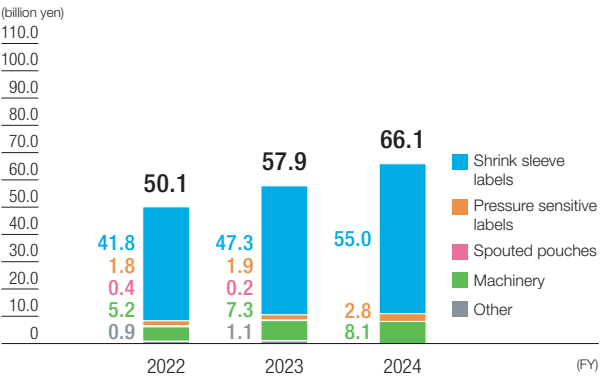
Satoru Kawasaki

Executive Officer
in charge of the Americas region

Review of FY2024

We have positioned the Americas as a future growth driver since the region is experiencing stable GDP growth and population growth as well as high demand for large-lot products, a specialty of our company. As we look toward FSG.30, our growth strategy for the Americas has already begun. In addition to growing our four existing businesses, we are also looking to venture into new businesses and are currently considering acquiring land adjacent to our North Carolina factory. We have maintained our strong performance in collaboration with our customers and business partners,

Sales by business segment (Americas)



and aim to grow sales by more than 150% compared to FY2024 by FY2030 while generating stable profits and achieving growth through FSG.30.

Specific sales have been increasing due to the withdrawal of the old label business, and operating profit has been recovering since 2023. While we are concerned about the impact of tariffs in FY2025, we currently believe that the impact will be limited. We have prepared countermeasures in case of any adverse impact and will respond flexibly in cooperation with our customers and business partners.

From the Factory

Kentucky Factory

Mike Pyles
American Fuji Seal
Plant Manager

Bardstown factory in Kentucky began processing shrink sleeve labels 25 years ago, when its predecessor, the Owens-Illinois’ factory was acquired by the Fuji Seal Group. To ensure the goals of FSG.30 are accomplished, we are challenging ourselves to introduce new manufacturing processes to the shrink sleeve portfolio so that we can offer single source solutions that customers need. By thinking as a forefront leader in shrink sleeve products and technology, our factory will be able to continue to support the North American market with sustainable labelling solutions for all products.

Mexico Factory

Moreno Oscar
Fuji Seal
Packaging de Mexico
Plant Manager

The Mexican factory was established 16 years ago in response to the growing demand for shrink sleeve labels in North America. Through the comprehensive manufacturing process, we produce and provide high-quality labels that meet our customers’ requirements. To ensure compliance with FSG.30’s objectives, our plant is committed to developing an integral sales system that provides solutions beyond the manufacturing of shrink sleeve labels with equipment and services that will guarantee our presence in the Mexican and Latin American markets over time.

North Carolina Factory

Dan Cissell
American Fuji Seal
Plant Manager

Our North Carolina factory is dedicated to producing sustainable, high-quality products through advanced automation and operational efficiency. These efforts are driving our expansion in market share through investing in the latest printing equipment and strengthening partnerships across the entire value chain. With bold investments and decisive action, we can turn the vision of FSG.30 into a powerful reality.

Indiana Factory

Pressure sensitive labels

Chris Lee
American Fuji Seal
General Manager

The Pressure Sensitive Label business has grown sales over the last couple of years by 42%. We need to continue this momentum to realize our FSG.30 goals. We continue to invest in the future of our business. We are currently installing a new printing press for additional capacity. We will focus on increased sales while continuing to improve our manufacturing processes. We will leverage our relationships in other business units, Machinery and Shrink Sleeve Labels, to build a stronger business partnership and showcase all our offerings.

Spouted pouches

Jason Carnes
American Fuji Seal
General Manager

Our Fuji Seal inverted pouch has gained some significant interest, specifically in the dairy market. Our focus this year is to execute our project, thus building trust with the new customer base we will establish, while also flexibly responding to the production needs of existing customers. Looking to the future, I see the market changing so I strongly feel we can accomplish our targets with additional investments.

Machinery

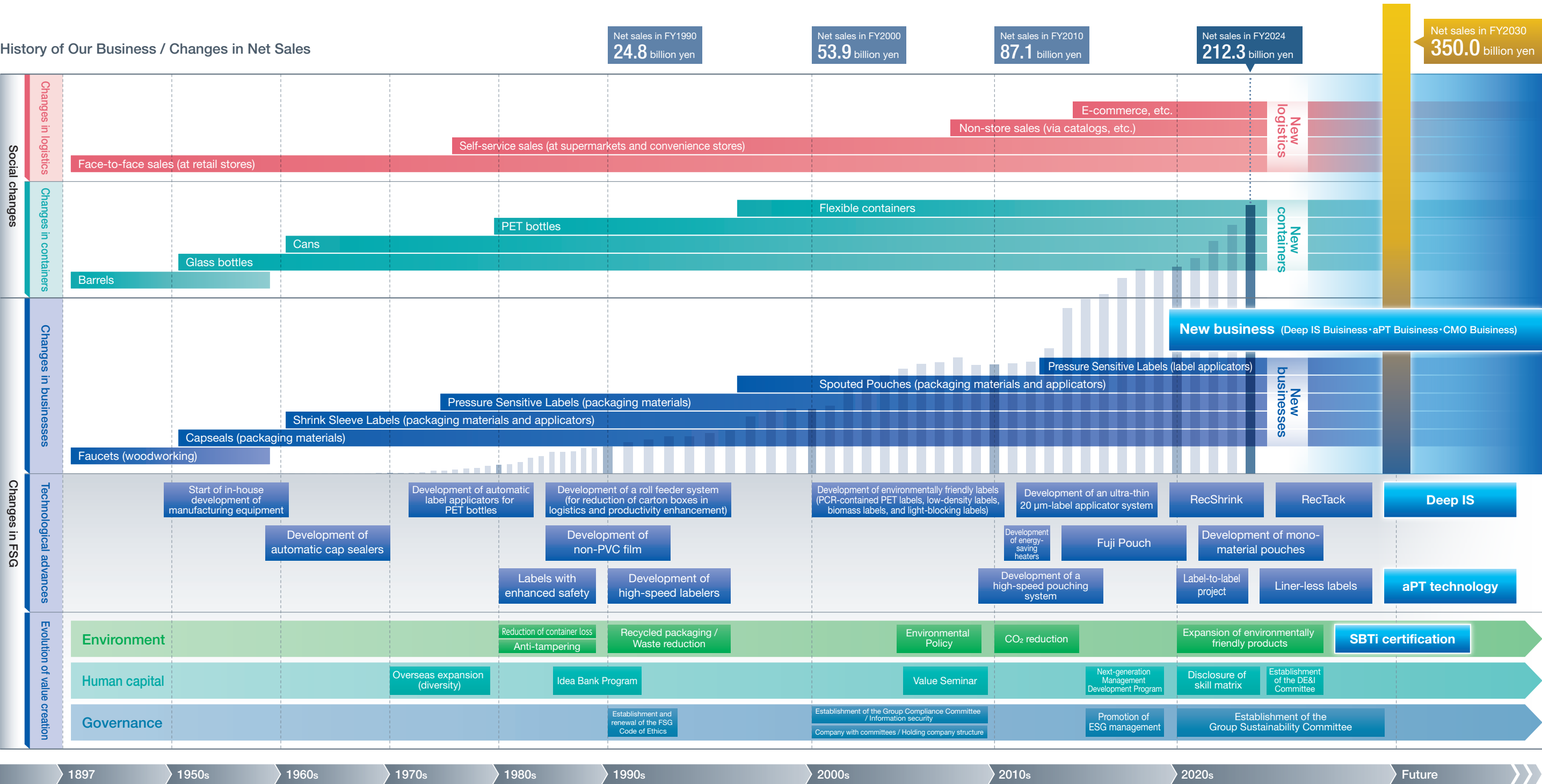
Scott Dick
American Fuji Seal
General Manager


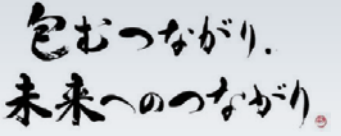
American Fuji Technical Service (AFTS)’s FSG.30 strategy is to focus on improving and sustaining customer sales and service relations. This can only be achieved through high-quality performance machines and superior technical service support. We have expanded the Sales & Service support team in the Latin America region to build customer trust and ensure a smooth response. Through recruitment and retention of human capital, we will provide value-added services to our customers, thereby developing new demand, capitalizing on growth in the aseptic dairy and pharmaceutical sectors. The AFTS team is committed to working closely with our global Fuji Seal colleagues to ensure that we achieve the FSG.30 expectations.

Changing along with changes

The Fuji Seal Group was founded 128 years ago as a manufacturer of wooden products. Since then, social demands shifted from wooden barrels to glass bottles, cans, and plastic containers. In the 1950's, we developed shrink sleeve labels making a major shift in our business to become a packaging manufacturer, and we have continued to grow by quickly responding to changes in the market. We will continue to strive to be a company that is indispensable to society while listening more closely to our customers and society with the aim of creating a sustainable future.

History of Our Business / Changes in Net Sales



Company history	Establishment	Change of business	Entry into overseas business and expansion of the domestic network	100th anniversary of establishment	Transition to a holding company structure	Expansion of the business scope and the business network in Japan, the Americas, Europe, and the ASEAN region	Toward the Creation of New Value	Toward the Future beyond the Next 100 Years
	 1897 Established as a manufacturer of wooden faucets for barrels.	 Late 1950s Developed shrink sleeve labels. Began to sell packaging systems with in-house designed and manufactured automatic label applicators.	 1970s Established subsidiaries in the Americas and Europe to collect information on overseas markets. Expanded the Company's network of business bases both in Japan and abroad.	 1997 Began over-the-counter trading of stocks.	2003 Listed on the First Section of the Tokyo Stock Exchange. 2004 Adopted a committee system. Adopted a holding company structure with itself renamed as Fuji Seal International, Inc.			

What the Fuji Seal Group has valued for over 50 years

Since its establishment, the Fuji Seal Group has conducted business with the belief that intangible assets, such as unique technologies, the creativity of its employees, an attitude of emphasizing diversity, and trusting relationships with our customers and business partners, form the foundation of the organization. For over 50 years, we have proposed packages that incorporate the culture of each region on a global scale. Even before the word “sustainability” became the focus of society, FSG has continued to value, practice, and embody it.

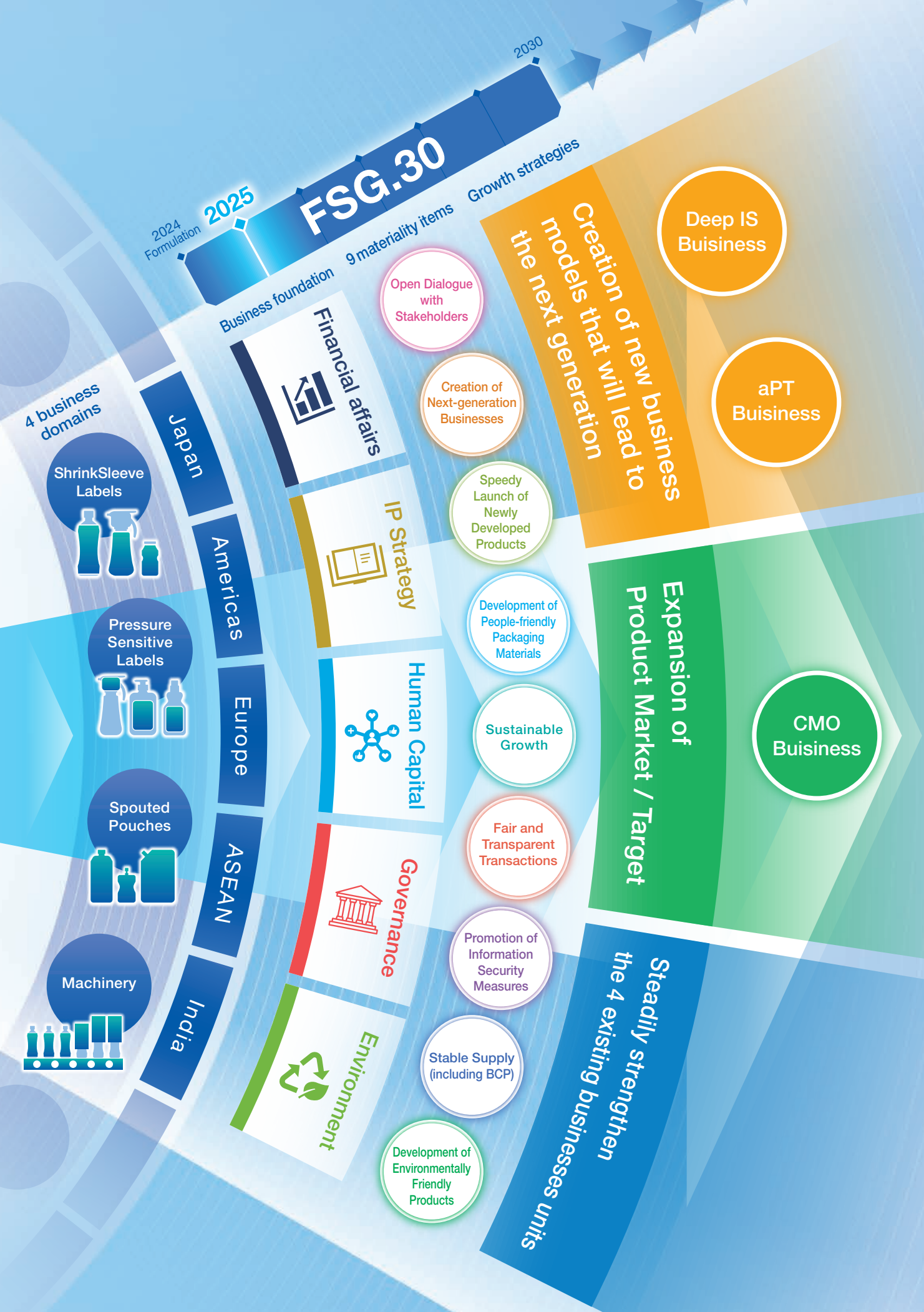
[Our Vision -To Be-]

Sustainable and profitable growth in the packaging industry

Our Value to People and the Planet

Our proactive impact to realize the Regenerative Society

Generate “Waku-Waku” – No growth without “Waku-Waku” –



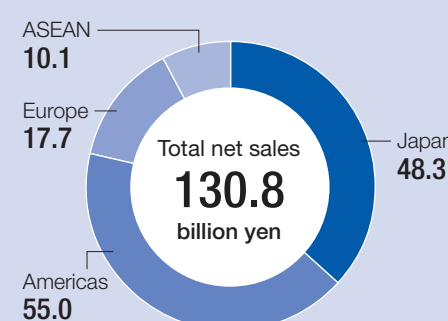


Shrink Sleeve Labels



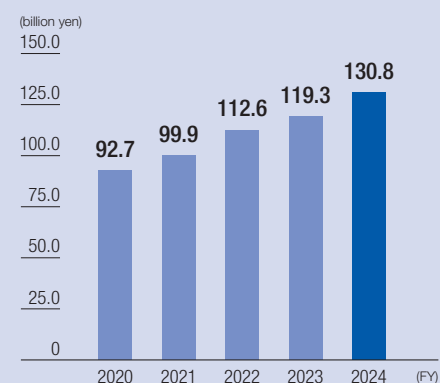
Hideaki Umeda
Director, Executive Officer
in charge of the Shrink Sleeve
Labels Division

Net sales by Segment (FY2024)



* Since the figures for the respective regional segments include interregional transactions, their sum is not equivalent to the total net sales shown in the center of the pie chart.

Net sales of Shrink Sleeve Labels



Revenue base strengthened through the growth of each individual

FY2024 was a very good year with improved revenue across all regions. The background to this is the growth of each individual. Each employee took responsibility for their work and approached it as if it were their own project, which led to positive results, boosted self-confidence, and further strengthened the structure of “if we manufacture, we will make a profit.” I would like to thank all the members who were involved in the business.

Looking at the situation in each region, the most notable changes have been in ASEAN, where there has been an increase in positive comments and proposals, raising expectations for further growth. Regarding Japan, since growth will slow if the status quo is maintained, we hold regular technical meetings with the aim of expanding into areas where shrink sleeve labels are not yet used. In Europe, where we have achieved profitability, we held in-depth discussions on growth as the next step. In the Americas, although it will depend on government actions, we believe that there are no particular risks and predict that growth will continue.

Achieving the speedy launch of newly developed products

In order to grow the business, it is essential that we launch newly developed products quickly. However, until now we

have not been able to achieve this speed. Therefore, we changed our previous policy of each region working on a different development theme, and instead we had all regions work on the same theme. This created competition in a good way and enabled us to speed up our development. What is interesting is that even with the same theme of “high decoration,” for example, different ideas come up depending on local needs, such as gorgeous designs using gold foil in ASEAN and 3D processing in Europe.

We aim to differentiate ourselves from our competitors by bringing new products to market as quickly as possible, and use this first-mover advantage to further our development. I think it is important not to interrupt this cycle.

Taking on new products and new regions

One of the initiatives we will focus on going forward is flat labels (wrap-around labels), the demand for which has been increasing in recent years. We plan to create high added-value products in collaboration with Seki Co., Ltd., with whom we entered into a capital alliance in March 2024, and to develop the market with an eye toward commercialization.

Moreover, since members in each region have begun to take action on their own initiative, I will focus on preparing for expansion into new regions such as India, and do my best to achieve the goals of FSG.30.

TOPICS Adopting RecShrink labels and Label-to-Label products

As one of our business strategies for FY2024, we have been implementing portfolio restructuring (environmental responsiveness x functionality x economic efficiency) and pursuing “added value.” We are currently working on developing further functionality to encourage the switch to clear PET bottles, which are even easier to recycle. As shown in the examples on the right, adoption of RecShrink labels and Label-to-Label products is progressing in each region.



RecShrink label adoption case studies (Americas and ASEAN)

Label-to-Label product adoption case studies (Japan)

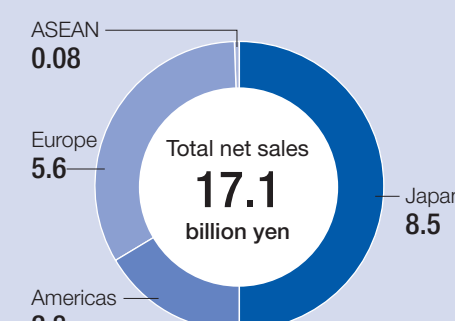


Pressure Sensitive Labels



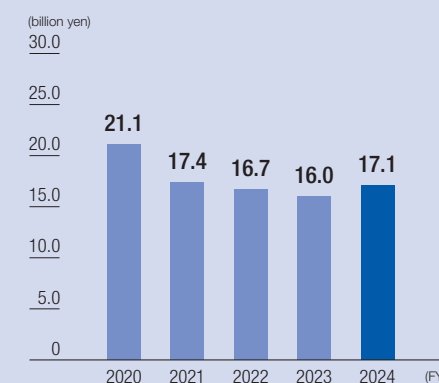
Takeshi Kyogane
Executive Officer
in charge of the Pressure Sensitive
Labels Division and the Japan region

Net sales by Segment (FY2024)



* Since the figures for the respective regional segments include interregional transactions, their sum is not equivalent to the total net sales shown in the center of the pie chart.

Net sales of Pressure Sensitive Labels



European environmental regulations presenting business opportunities

While the European and U.S. market is on a recovery trend, growing 4 to 5% compared to last year, the Packaging and Packaging Waste Regulation (PPWR) has come into effect in Europe, and the CLP Regulation regarding the classification, labeling, and packaging of chemical substances has also been revised. This revision requires an increase in label content, the inclusion of pictograms, and strict regulations on label sizes, which at first glance may seem risky. However, our European bases have a strong ability to handle multi-layer labels and booklet labels, and we see this as a major business opportunity.

The strength of pressure sensitive labels is that they can be equipped with a wide variety of functions, and as a package that can quickly respond to changes in the environment. We hope that they will continue to strengthen the bonds between customers, products, and consumers.

“Moving away from self-reliance” to grow business

As a result of structural reform efforts such as consolidating European bases, temporarily withdrawing from the ASEAN market, closing the Yamagata Factory, and replacing our product portfolio, as well as improvement activities aimed at maximizing QCD (quality, cost, delivery), we achieved our highest-ever profit margin for our

consolidated business in FY2024.

Now that we have gained earning power and our business foundation has been strengthened, our next goal is business growth. Accordingly, we have set up a team called “Task Force,” starting in Japan. We will assign a dedicated project leader to each of the five projects, giving them responsibility from strategy planning to execution and broad discretion to promote business growth. Moreover, under the slogan “moving away from self-reliance,” we are proactively working to forge alliances with external partners. The benefits are already beginning to be seen, such as improved speed and quality of verification during the development stage.

Focusing on further maximizing QCD and developing human resources

In FY2025, as “Phase 2 of Maximizing QCD,” we will focus on expanding design expression through innovative prepress technology equipped with AI and reducing lead times.

Furthermore, as a new initiative in human capital management, since FY2024 we have held town hall meetings where management and employees can speak directly, as well as junior board meetings to develop the next generation of managers in Japan. We hope to expand these activities overseas in the future.

TOPICS Developing a highly decorated pressure sensitive label that creates a premium feel

As momentum grows towards a sustainable society, there is a demand for higher-grade skin care products to use recyclable materials. This men’s skin care brand targets trend-conscious middle-aged and senior men in their 40s and above, and is popular for its simple design and environmentally friendly recyclable packaging.

To create a premium feel for the newly released all-in-one serum that prevents blemishes and reduces wrinkles, we have developed a pressure sensitive label with an embossed finish and matte varnish to add texture to the shiny gold plastic bottle. Since it is anticipated that the product will be used in wet areas, a base material with excellent water resistance and resistance to the contents has been selected. We aimed to create a label with the same texture as a high-end whiskey bottle label.



Skin care product with a highly decorated pressure sensitive label

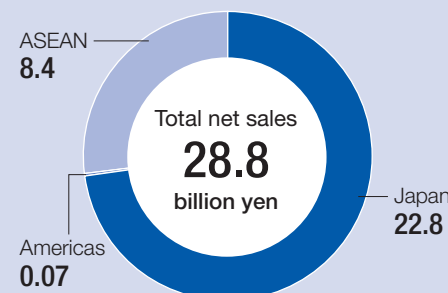


Spouted Pouches



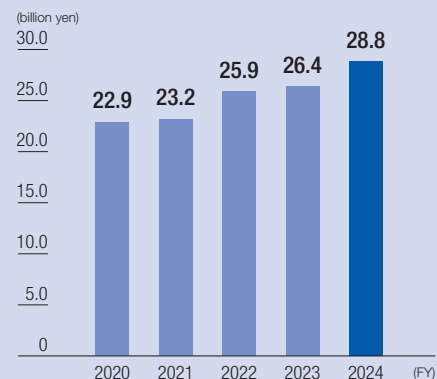
Masahisa Fukuda
Executive Officer
In charge of the Spouted Pouches
Division and the ASEAN region

Net sales by Segment (FY2024)



* Since the figures for the respective regional segments include interregional transactions, their sum is not equivalent to the total net sales shown in the center of the pie chart.

Net sales of Spouted Pouches



Strong performance in Japan and new trends in the Americas

The market for refill pouches continues to grow in Japan, and sales in FY2024 were strong. Accelerated improvements in production efficiency also contributed to improved profits. We are also working on developing markets other than the market for refill pouches for daily necessities. Beverage pouches are increasingly being adopted by distribution companies for their private brands, including the filling of the packaging.

As for overseas, there are still few spouted pouch products in Europe and the U.S. However, the demand for flexible pouches is gradually increasing due to changing social attitudes towards the environment. As part of this, we have seen an increase in orders for new pouch products in the Americas this fiscal year. In Europe, as in the Americas, we are working with our business partners to develop eco-friendly mono-material pouches. In ASEAN, while there are many pouch products, the adoption of spouted pouches as refill pouches for daily necessities is increasing, just like in Japan. Furthermore, there is higher demand for mono-material pouches than in Europe and the U.S., and our pouches have been adopted and commercialized. It is expected that product development will progress in the future.

Clearly presenting the significance of using pouches

In order to expand the market, there needs to be a reason to switch from conventional containers to flexible pouches. For example, just as demand for refill pouches has increased dramatically because they contribute to reducing plastic

usage and waste, it is necessary to clearly explain to customers and consumers the benefits of switching containers and help them experience these benefits.

In terms of packaging materials, I believe we should have all kinds of options available to help realize a circular society. We already have environmentally friendly products that use single material (mono-material) and biomass materials, and we are also working overseas to develop new paper packaging.

Building an organization to create new markets

The goals of the management plan “FSG.30” cannot be achieved by simply extending our existing business. Therefore, we are working to build teams that can create new markets and speed up development. We are also working to develop highly sensitive human resources who can pick up business hints from communication with customers.

The new Yamagata Factory will be operational in 2026. Fuji Seal Group’s newest factory is based on the concept of being a “factory that is friendly to both people and the environment,” and aims to 1) achieve high efficiency and profitability through the realization of automated production, 2) promote work style reform by introducing production streamlining equipment (DX promotion), and 3) achieve significant energy savings with the acquisition of the environmental certification “ZEB” promoted by the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry. Moreover, the new Yamagata Factory will be tasked with creating new primary packaging, with the aim of further growing the business.

TOPICS Supporting the launch of stand-up spouted pouches with handles

NEO, a leading fabric care brand, has launched its fabric softener, “Fineline 3.6L,” in a stand-up spouted pouch with a handle. The traditional rigid gallon bottle has been replaced with a flexible, large-capacity package. From the perspective of convenience, there is growing demand among Thai consumers for larger packaging sizes. Fuji Seal Packaging (Thailand) played a key role in this project by supplying high-quality spouted pouches with advanced technology and close cooperation with a filling machine manufacturer.



“Fineline 3.6L” fabric softener in a stand-up spouted pouch with a handle



CMO Business



Hideki Omae
Executive Officer
in charge of the CMO Business

Contributing to the global pharmaceutical supply system

The pharmaceutical contract manufacturing organization (CMO) market continues to grow globally against the backdrop of efforts to control medical costs and diversify drug discovery modalities. In particular, for rare diseases and regenerative medicine, there is demand for small lots and a wide variety of products, and companies with flexible inspection and packaging systems are becoming increasingly important.

To meet these needs, we have been using our knowledge of packaging technology and quality control to work to eliminate the drug lag and drug loss issues facing pharmaceutical companies. In FY2024, the CMO business achieved sales of over 3 billion yen, marking the first step towards solid growth.

Based on this track record, we will expand our inspection and packaging know-how to overseas markets in the future and play an important role in the global pharmaceutical supply system.

The key to growth: How to ensure trust and speed

“Gaining trust” and “speedy response” are essential for the growth of the CMO market. When receiving orders from pharmaceutical companies, we are required to have a quality assurance system that complies with GMP, a track record of handling inspections, and the ability to provide a stable supply.

In the future, in anticipation of foreign pharmaceutical companies and bio ventures entering the Japanese market, we will increase our investment in human resources with practical experience in the global pharmaceutical industry. As part of this, we will continue to hire personnel with experience in the pharmaceutical and CRO* industries and build collaborative systems with customers from the drug development stage. In addition, we employ specialists who can comply with international standards such as FDA and PIC/S as heads of manufacturing and quality departments.

* CRO (Contract Research Organization): An organization that undertakes the development of pharmaceuticals and medical devices.

Growth strategy: Combining alliances and M&A

Our CMO business is strategically expanding its business through both external alliances and M&A while establishing a competitive edge in the niche area specializing in inspection and packaging.

In terms of external collaboration, we have built a system through which we can make proposals to pharmaceutical companies from the early development stages through collaboration with CROs. We are also proactively developing alliances with external partners that comply with GDP, enabling us to provide a consistent one-stop service from “inspection and packaging → storage → distribution.”

In particular, collaboration with pharmaceutical wholesalers and logistics companies will lead to the strengthening of supply infrastructure to meet the needs of the global market,

contributing to the optimization of the entire value chain and the creation of added value.

Through M&A, we are gradually acquiring companies that have strengths in secondary packaging for small molecule drugs and biopharmaceuticals. By incorporating workforce, facilities, and know-how that can be put to immediate use, we aim to strengthen the foundation for sustainable growth.

Overseas expansion and preparations for the future

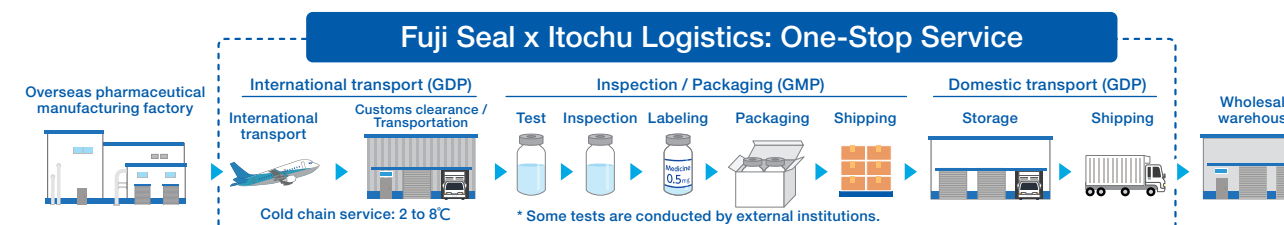
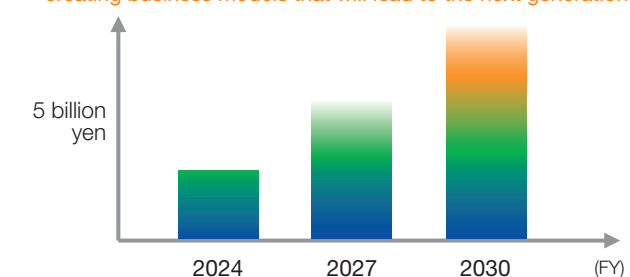
To respond to expanding demand in overseas markets, we will continue to expand our business internationally, with a view to forming technical alliances with local pharmaceutical companies and establishing bases through joint ventures with companies that have pharmaceutical distribution networks.

Moreover, in collaboration with our company’s line engineering division, we have begun developing next-generation inspection equipment that uses AI technology. We will build a global inspection and packaging model that combines quality, speed, and efficiency.

Our CMO business will continue to take on new challenges and grow, aiming to become an indispensable part of healthcare and society.

CMO business sales target by 2030

From expanding product markets and target areas to creating business models that will lead to the next generation





Deep IS Buisness



Norio Satake
Executive Officer
in charge of the Deep IS Business

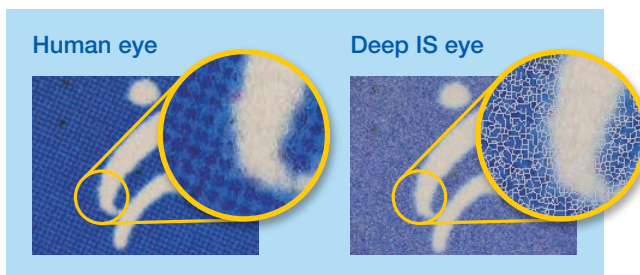
Contributing to FSG.30 globally through the Deep IS business

Deep IS is an individual identification technology that detects minute differences that naturally occur in printed materials. Because it uses naturally occurring differences, it is extremely difficult to counterfeit with artificial copies, making it the ultimate individual identification technology. Since this is an unconventional concept, it is still in the development stage in terms of both technology and applications. However, as the Fuji Seal Group's first venture into digital services, we aim to grow it into a business that establishes firm roots. By launching services both domestically and internationally in FY2025, we will contribute to FSG.30 globally and embody our Credo in the new form of digital services.

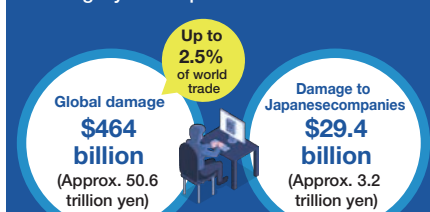
Swiss-made technology to prevent art counterfeiting

Deep IS is a completely new individual identification technology invented by a Swiss inventor to protect artworks from counterfeiting. The Fuji Seal Group has focused on the potential of this technology for applying to printed materials and has been supporting its development since 2019. As a result of work in Japan and Europe, the business was launched in 2021 to combat counterfeit European stamps, and in 2023 to combat the illegal resale of Japanese cosmetics. Deep IS is the ultimate in individual identification because it detects minute, irreproducible differences that naturally occur in printed materials. This identification requires deep insight, which is why we named it Deep IS. The system identifies these differences, registers the information, stores it on a server, and then calls it up when needed.

Actual images taken with the use of Deep IS, an "invisible identification technology"

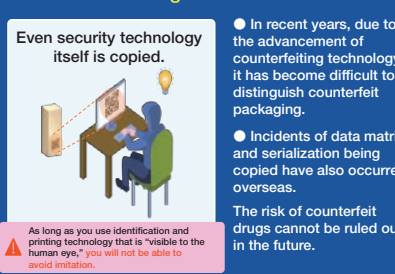


The threat of brand damage is growing due to an increase in the amount of counterfeit and illegally resold products in circulation.



Source: Global damage: Japan Patent Office "Current Status and Issues regarding Countermeasures against Counterfeit Products in Overseas Expansion"

As long as we use "artificial" identification technology, imitation of security technologies is inevitable.



How to use Deep IS

The main use of Deep IS is to combat counterfeit products and illegal distribution. In particular, damage caused by counterfeit products is a major problem estimated to exceed 50 trillion yen worldwide, and counterfeit products made overseas are increasingly being imported into Japan. Moreover, fraudulent distribution continues to expand, particularly with cosmetics, increasing the risk of compromising consumer safety. The background to this is the expansion of e-commerce, and these issues have become apparent as a trade-off for shopping convenience. Currently, we are conducting various joint development and demonstration experiments regarding Deep IS for use in cosmetics, stationery, pharmaceuticals, and systems. Due to the current climate, brand owners are facing a wide range of issues, and there are also many ways to solve them. We will provide the best solutions, taking into consideration the reliability required by our customers as well as operational issues and costs.

The Potential of Deep IS

Since Deep IS is an identification technology, we believe that by using its characteristics, it can be useful in solving even more social issues. Needless to say, technological development will be necessary to realize this. However, first we are continuing to interact with many people from a variety of industries to find out what issues exist. Although we have already received some hints, by continuing to interact further, we hope to solve social issues that do not yet exist. We believe that Deep IS has the potential to do this.

We are also considering establishing group identification technology as an extension of individual identification technology. We believe that this has the power to fundamentally change the operation and cost of anti-counterfeiting packages. After establishing the technology in Japan, we will proceed with product development with an eye towards expansion into Southeast Asia and Southwest Asia, where counterfeit products are a problem. Stay tuned for further evolution of Deep IS.



aPT Buisness



Yoshinori Inagawa
Executive Officer
in charge of the aPT Business

Creation and challenge for future containers

FSG.30 is a very aggressive initiative, and it will be difficult to achieve it with a mindset that is an extension of the existing approach. In that sense, I believe that how we demonstrate creativity and take on challenges, or how each individual thinks and acts, is important for achieving it. I think it is a really exciting goal. Since our division is expected to make significant contributions through a new business, we need to build a new business pillar in addition to the four existing businesses.

Fuji Seal has made great strides in the area of packaging materials that make effective use of plastic film. However, with the rise in environmental awareness in recent years, label-less bottles and other eco-friendly containers have appeared as PET bottles for beverages. Although we see this as a major crisis, I believe there is definitely an opportunity there. We will realize the concept of bottle-less label containers as future containers for the aPT business to contribute to the realization of FSG.30.

The future containers we aim for

The environment surrounding packaging containers is becoming more severe every year, with issues such as global warming caused by CO₂ emissions and marine pollution by plastic waste. In this situation, Europe, the Americas, and other countries are trying to regulate packaging containers. There are also moves to advance global regulations. We attach great importance to these trends. In such situations, it is important not to do what we can, but to do what we must, even if it means stretching ourselves. The issue with plastics is that most of them are made of petroleum-based resin. Ideally, if all plastic containers could be collected and recycled in a closed loop, we would not need to use any new petroleum-based resin.

In the aPT business, we are developing future containers, defining them as 1) containers that are made of resin without the use of fossil fuels and 2) containers made of as little resin as possible.

Resin made without the use of fossil fuels in 1) can be considered a PET material for which mechanical and chemical recycling technologies have been established, in the sense that it can be recycled in a closed loop. The reference to containers made of as little resin as possible in 2) does not mean rigid containers, but rather film containers made of film. In other words, future containers are containers made of PET film.

Resin made without the use of fossil fuels

Recyclable resin → PET resin (recycled PET)

Recyclable Technologies established

Containers made of as little resin as possible

Film container (sheet of 250 μ or less)

* Reducing the absolute amount of resin on the market

Resin reduced Containers made from labels

aPT_Package (Future container)

Core technology for freely controlling PET resin

Advanced core technology is essential to making containers from PET film. Since the properties of PET resin change significantly depending on the temperature range, container manufacturing requires a thorough understanding and control of the resin properties in each temperature range.

Three core technologies are required to shape PET film into a container. The first is the technology to constitute the film layer. The film must be designed to meet physical properties such as low-temperature drop resistance and pressure resistance, and to improve usability. The second is the welding technology to form the film into a three-dimensional container, which is an important core technology for forming the container shape. The third is the

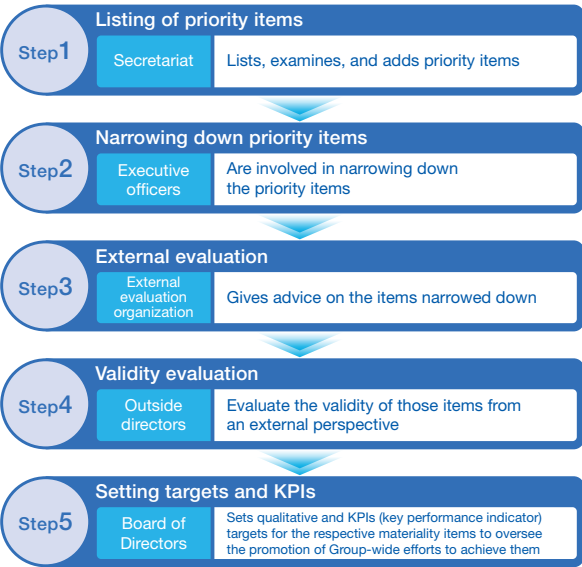
technology to weld the film and a molded product. A container needs a spout or other outlet, and the film alone is not enough to complete it; the technology to weld it to a nozzle or other outlet is required.

In the aPT business, we have completed the development of these three core technologies and plan to release containers made using these technologies to the world in the future. PET film containers are manufactured using recycled resin and have a closed recycling scheme in which they are collected after use and turned back into containers. This makes them true future containers that satisfy both environmental and consumer value.

Materiality for the Fuji Seal Group



Materiality identification process



In 2020, FSG identified nine materiality items that it should tackle to contribute to realizing a sustainable society and defined their connection with the SDGs.* In 2024, these materiality items were reviewed in cooperation with the outside directors from the perspective of whether they matched social requirements, resulting in updated qualitative and KPIs.

* SDGs: 17 Sustainable Development Goals set for 2030, included in a resolution adopted at the United Nations Sustainable Development Summit

The Group Sustainability Committee, established in December 2020, also takes part in promoting the materiality update process as the leader in FSG's sustainability management. (See page 51.)

In addition, the FSI Sustainability Subcommittee supports the deliberations and activities of the Group Sustainability Committee and offers proposals to the committee.

[Group Sustainability Committee]
In charge of deliberating on ESG evaluation and analysis results submitted by an external evaluation organization and materiality update
▶ In FY2024, it met four times.

[FSI Sustainability Subcommittee]
In charge of drafting basic policies and managing and monitoring the progress of each measure
▶ In FY2024, it met 12 times to support various activities.

Nine materiality items							
	Our ideals and long-term vision		Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision	Main initiatives	Value to society	Main responsible department(s)	Deliberating body in charge
Development of People-friendly Packaging Materials	● Creation of opportunities for all employees to take on the daily challenges of developing people-friendly packaging with a sense of purpose and pride		● Number of idea proposals submitted to the Idea Bank Jury: 2 or more per year from each base or business	● Promoting improvement activities at each base or business aimed at encouraging employees to submit idea proposals ● Establishing a system for producing ideas for sustainable growth	● Creation of products and services that contribute to the realization of a sustainable society ● Cultivation of a corporate culture of creating people-friendly packaging materials	Idea Bank Secretariat	Idea Bank Jury
Sustainable Growth	● Recruiting talent with appropriate skills and abilities while positioning human resources as the most important asset, and building a foundation for all employees to work with passion and "Waku-Waku" (excitement), thereby fostering a corporate culture of readily taking up new challenges		● Overall response rate global engagement survey above 80% ● Overall unwanted turnover rate of employees below 7% ● Average training hours per employee 30 hours per year	● Talent management ● Culture creation ● Engagement & motivation ● Employer branding ● DE&I Committee ● Development & training ● Evaluation ● Digitalization of HR	● A company that continues to create value for society ● Creation of stable employment	Executive officer in Charge of Human Resources	Executive officer meeting
Development of Environmentally Friendly Products	● Providing environmentally friendly products to offer solutions to issues related to climate change, depletion of resources, and biodiversity through collaboration throughout the supply chain		● Sales ratio of environmentally friendly products: 100% (Including recyclable products and products containing recycled material)	● Developing and rolling out recyclable products *RecShrink, mono-material pouches, etc. ● Promoting development and launching of products containing recycled material *Recycled PET shrink sleeve labels and recycled PET pressure sensitive labels ● Developing and providing packaging materials, modes of transportation, and manufacturing systems which help reduce energy consumption and GHG emissions	● Mitigation of climate change ● Reduction of environmental burdens on water, air, soil, etc. ● Conservation of biodiversity ● Innovation of environmentally friendly technologies ● Promotions for raising environmental awareness through our products and services	Environmental Sustainability division	Group Sustainability Committee
Speedy Launch of Newly Developed Products	● Effectively combining the high-level verification capabilities of FSG*1 with its wide range of technologies to create many new-launch projects for packaging materials and for machinery, where its strengths lie, as well as system solutions that utilize both		● SSL*2: Speeding up product-launch processes by working with partner companies for sustainable product development (environmental responsiveness + functionality + economic efficiency) Number of newly launched products: 20 or more per year (100 or more by the end of FY2026) ● PSL*3: Added "streamlining and space saving" to the KPI development perspective of "automation and labor saving" ● Pouches: 15 projects per year to replace bottles with soft pouches from environmental and functional perspectives ● Machinery: Evaluating the results of collaboration with each business or package development project ● IP: 20 cases or more hypotheses per year (75 cases or more in 3 years) offered as a result of intellectual property landscaping (IPL) mainly concerning development themes	● SSL: Developing a label system that "improves transportation and storage efficiency" and promoting businesses that "enhance environmental friendliness and contribute to sustainability" ● PSL: Developing automation and labor-saving systems ● Pouches: Collaborating with filling machine manufacturers and implementing pouch-filling and OEM business strategies ● Machinery: Developing necessary machinery in line with the strategy of each business or package development project ● IP: Establishing IP strategies that support the four existing businesses and new development projects and utilizing IPL in formulating and promoting business and development strategies	● Improvement of labor shortage and labor-saving ● Reduction of energy consumption and materials loss ● Realization of a sustainable society ● Realization of smart work through system solutions ● Creation of high-value-added system solutions	Executive officer in charge of each business; Intellectual Property Center	Development Council; Intellectual Property Strategy Council
Creation of Next-generation Businesses	● Create projects to promote new businesses other than the existing businesses (Shrink Sleeve Labels, Pressure Sensitive Labels, Spouted Pouches)		● Building a platform for next-generation businesses ● Number of projects created from the platform: At least 3 projects by FY2026 ● Number of newly started businesses: 1 project by FY2026	● Implementing two a Development Council-led projects ● Completing prototype aPT Tube machines, making capital investment in the first machine, and starting product development with Brand Owner ● Starting deliberation of container design and equipment development for a new aPT format ● Promoting the Deep IS business for "constructing new business models that will be effective in the next generation" ● Developing individual authentication technology and new technologies based thereon ● Entering overseas markets	● Development of containers that provide head-on solutions to two global social issues: plastic waste and global warming ● Establishment of a closed-loop recycling system ● Employees' Waku-Waku, Society's Waku-Waku	Business Development Division; Corporate Planning Division	Development Council; Board of Directors
Open Dialogue with Stakeholders	● Increasing our corporate value through our interactive dialogue with stakeholders		● Number of investor-relations (IR) and shareholder-relations (SR) interviews: 120 or more per year ● Number of interviews between employees and directors: 4 per year	● Operating the Group Sustainability Committee ● Issuing the Integrated Report and the ESG Data Book in a timely manner ● Disclosing flash reports, supplementary financial results briefing materials, and timely disclosure documents in both Japanese and English at the same time ● Holding interviews between management and investors proactively	● Facilitation of all stakeholders' understanding of FSG ● Provision of investment opportunities to shareholders and investors	Investor Relations, Branding division	Group Sustainability Committee
Stable Supply (including BCP)	● Fulfilling our responsibility for product supply as an essential business		● Japan: Maintaining the supply chain based on autonomous Occupational Health And Safety (OHS*) management ● Americas: Constantly fulfilling our responsibility for a stable supply with an OTIF (on-time and in-full) of 95% or more ● Europe: Setting specific (Scope 1, 2 and 3) GHG emissions targets ● ASEAN: Tracking and improving figures for key metrics (numbers of occupational accidents and filed complaints, monetary metrics, and OTIF)	● Japan: Conducting OHS compliance audits and developing OHS management talent ● Americas: [SSL] – Establishing a backup system for three SSL factories, including promoting the introduction of flexography [PSL] – Establishing and maintaining the BCP network utilizing external partners and our Europe region [Pouches] – Establishing and maintaining the BCP network utilizing our Japan and Europe regions ● Europe: Adopting a multiple-supplier system, building a multiple-location production system, and formulating and implementing GHG reduction action plans ● ASEAN: Formulating a safety investment budget and implementing safety measures at designated sites, planning equipment renewal investments, visualizing the impact of occupational and other accidents, and providing guidance to raise a sense of urgency to take preventive measures	● Provision of a secure, safe and comfortable work environment ● Sustainable supply of secure and safe products ● Contribution to secure and safe local communities ● Provision of people-friendly, high-value-added products and services	Executive officer in charge of each region	Executive officer meeting
Fair and Transparent Transactions	● Building a sustainable supply chain in line with the FSG Code of Ethics and Request Letter to FSG Business Partners (the Group Supplier Code of Conduct)		● Conducting sustainability dialogue with Strategic Sustainability Partners: 100%	● Providing Sustainable Supply Chain Lecture for FSG's purchasing personnel ● Conducting a Sustainable Supply Chain Questionnaire Survey targeting suppliers with whom we place a high priority on sustainability ● Informing business partners about the Group Supplier Code of Conduct, Sustainable Supply Chain Guidebook, and the Consultation Hotline ● Having dialogue on sustainability with business partners	● Protection of our business partners' rights ● Responsible manufacturing and consumption processes (raw materials, procurement, manufacturing, sales, and consumption) ● Sound corporate activities that serve as a model for others ● Respect for human rights	Sustainability Subcommittee (Supply Chain)	Group Sustainability Committee
Promotion of Information Security Measures	● Establishing an information security system to protect personal data and other information obtained in relation with our customers, business partners, and other stakeholders, including information about new products		● Number of serious cases of information leakage: 0	● Implementing appropriate information security measures (maintaining and ensuring an adequate level of information security throughout the Group) ● Maintaining an effective emergency response system in case of an information security incident	● Protection of confidential information of customers and business partners, including new product information ➡ Provide safe and secure packaging in a stable manner ● Protection of all personal information handled by FSG	Legal & Risk Management division	FSI Board of Directors

*1 FSG: Fuji Seal Group *2 SSL: Shrink Sleeve Labels *3 PSL: Pressure Sensitive Labels *4 OHS: Occupational Health and Safety

Development of People-friendly Packaging Materials



Reasons for selecting the materiality items

FSG aims to be a company that continues to be needed by society by providing value through packaging. We believe that it is important that our employees can feel that they are contributing to society by developing and providing people-friendly packages to our customers and have a sense of pride in carrying out product development and production.

Regarding the KPI of the Materiality

The Idea Bank Program that FSG has developed is open to all employees. We will provide opportunities for all employees to think about our Vision and Value Behavior, leading to more active employee participation. Furthermore, we will ensure that employees can feel that they are contributing to society by respecting individual perspectives in engaging with the "development of people-friendly packaging," and we will foster an environment that encourages new and creative ideas to achieve FSG.30.

[Main responsible department]
Idea Bank Secretariat
[Deliberating body in charge]
Idea Bank Jury

Our ideals and long-term vision

- Creation of opportunities for all employees to take on the daily challenges of developing people-friendly packaging with a sense of purpose and pride

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Number of idea proposals submitted to the Idea Bank Jury: 2 or more per year from each base or business

Results of FY2024 initiatives

- Number of idea proposals submitted to the Idea Bank Jury
Japan: 8 cases/Americas: 2 cases/Europe: 2 cases/ASEAN: 3 cases

Main initiatives

- Promoting improvement activities at each base or business aimed at encouraging employees to submit idea proposals
- Establishing a system for producing ideas for sustainable growth

Value to society

- Creation of products and services that contribute to the realization of a sustainable society
- Cultivation of a corporate culture of creating people-friendly packaging materials

Idea Bank Program

What is the Idea Bank Program?

The Idea Bank Program is one of FSG's intellectual capital creation initiatives dating back 35 years that encourages employees to identify issues to be resolved at their workplaces in their daily work, consider and implement solutions to those issues on their own, and propose solutions that proved effective to the Company. The program thus urges all employees, whether new recruits or managers, to involve themselves in improvement activities from their perspectives. The ideas are not only submitted by the development division, but by all employees of all areas based on their awareness and improvement activities during daily operations, including production sites, sales division, and staffing divisions, as well as from their daily production activities and improvement activities.

Each idea may be treated differently according to its details. It may be immediately scaled out to other divisions to be utilized for on-site improvements. It may be later patented or be registered as in-house know-how under the know-how management system. An appropriate approach toward achieving the desired outcomes of a particular idea is discussed together with the IP division.

Turning ideas into corporate growth

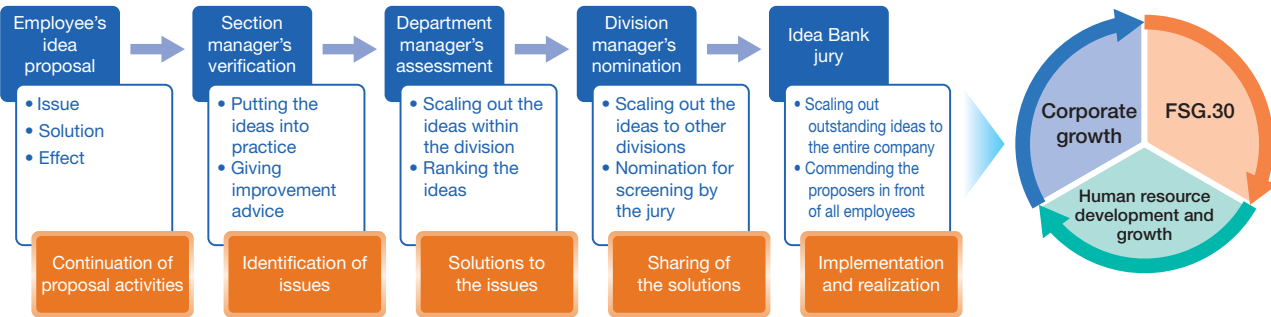
The Idea Bank Program is an initiative actively promoted by top management, and its importance is emphasized both

inside and outside the Group. The aim of the Idea Bank Program is to turn ideas into profitable endeavors.

Proposed ideas are double-checked by the direct superiors of the proposers in terms of their contents and by the higher-ranking superiors in terms of their effects, and the results are fed back to the proposers. This process helps increase employees' skills in producing ideas and foster a culture of improvement in each division.

Outstanding ideas nominated by each division are subject to a final screening by the Idea Bank Jury, comprising management executives, at the end of each fiscal year. To take outstanding ideas and develop them into initiatives that will lead to corporate growth, executive management will appoint a promotion manager to create a support framework. This Program allows idea proposers to feel that their ideas are being taken seriously by the Group and making a positive impact not only on their own workplace but also on other workplaces, divisions and regions, thereby increasing employee engagement.

In order to achieve FSG.30, we believe that it is essential that each employee works with an eye toward improvement and reform and that it is important to utilize the proposed ideas for corporate growth.



FY2024 Initiatives and efforts to further vitalize the Idea Bank Program

Global Business Expansion

Currently, all FSG employees, including those in overseas regions, participate in the Idea Bank Program, with the Idea Bank Jury examining all outstanding idea proposals from all regions. The aim is for the employees around the world to learn that they are in alignment with each other in terms of their motivation for improvements, even though the issues they face may differ by country, and to learn of improvement ideas and Idea Bank Program promotion initiatives from different regions, thereby allowing each region to take in new perspectives and accelerate results. In FY2024, an idea exchanging session was held between the Idea Bank secretariat and overseas region representatives, which refreshed efforts to submit ideas that draw from the characteristics of each region and confirmed increased awareness of improvements and reforms.

Awards at the founding anniversary event

In FY2024, the "Family Festival," our company's founding anniversary event which had been canceled due to the COVID-19 pandemic, was held for the first time in five years, and an awards ceremony was held for the best ideas from the Idea Bank in front of employees and their families. This was an opportunity for all employees to once again recognize that the Company values the Idea Bank Program and its employees' ideas.



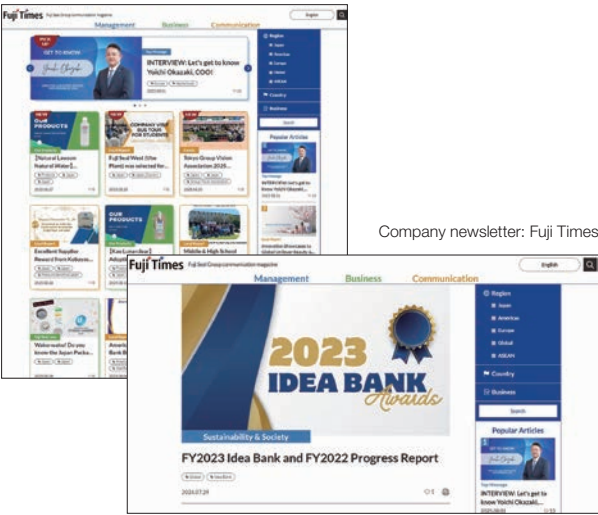
Award ceremony



Family Festival

Publication in the company newsletter

Outstanding ideas are shared throughout the Company through in-house newsletters and other means and are used as hints for creating new ideas in each department. Furthermore, reports of outstanding ideas from the previous year are made by the promotion manager to the Idea Bank Review Committee to provide insight into the status of horizontal application and expansion of these ideas and the possibility for future development, and discussions are held on further growth of the ideas.



Company newsletter: Fuji Times



American Fuji Seal



Fuji Seal Packaging (Thailand)

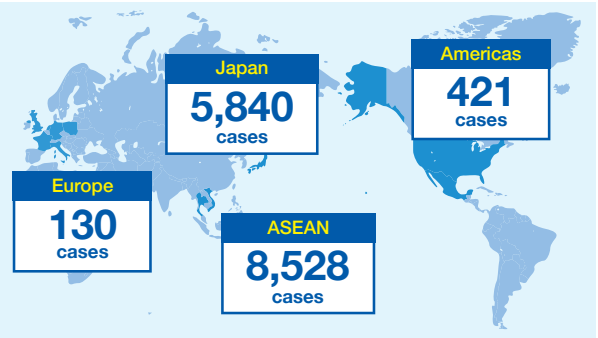


Ube



Tsukuba

Number of proposals submitted in each region



Special themed specific idea proposals

In FY2024, we implemented an "Idea Category" based on specific themes different from the usual Idea Bank in order to enable propositions of ideas from a perspective different from everyday work. The specific-themed idea proposals are proving to be an initiative that can change and broaden the perspectives toward business improvement and reform. Different themes are selected each year, and the "Idea Category" receives proposals indicative of employees' sparks of inspiration and heightened awareness, further revitalizing the Idea Bank Program.

Sustainable Growth



Reasons for selecting materiality

FSG believes that the growth of employees who share our values is fundamental to our sustainable growth. Therefore, we actively introduce advanced technology to establish and improve our operational systems and working environment to ensure the safe and healthy lives of employees. We also provide employees with the opportunity to develop themselves under a fair and equitable evaluation system to enable them to continue to fully demonstrate their abilities. This is because we desire to continue to be a good partner for our customers and suppliers in furthering our ongoing mutual development. We strive to be an exemplar employer to all stakeholders.

Regarding the KPI of the Materiality

Keeping a closer eye on the effects and efficiency of our investments, we will establish a solid financial base for sustainable growth. Furthermore, we will continue to cultivate candidates for the next management team who will realize FSG's sustainable growth with the aim of enhancing the content of our HR programs.

[Main responsible department]
Executive officer in Charge of Human Resources
[Deliberating body in charge]
Executive officer meeting

Our ideals and long-term vision

- Recruiting talent with appropriate skills and abilities while positioning human resources as the most important asset, and building a foundation for all employees to work with passion and “Waku-Waku” (excitement), thereby fostering a corporate culture of readily taking up new challenges

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Overall response rate global engagement survey above 80%
- Overall unwanted turnover rate of employees below 7%
- Average training hours per employee 30 hours per year

Results of FY2024 initiatives

- Initiatives to develop successors to group key positions
 - Continuation of The Executive Leadership Program developed with overseas business schools:17
 - FSI Challenge Program:14
 - Implementation of coaching programs for high-potential employees:11
- Engagement scores:Already implemented in the Americas, Europe, and ASEAN(To be implemented in Japan in 2025)

Main initiatives

- Talent management
- Culture creation
- Engagement & motivation
- Employer branding
- DE&I Committee
- Development & training
- Evaluation
- Digitalization of HR

Value to society

- A company that continues to create value for society
- Creation of stable employment

engagement survey was then conducted in Europe and ASEAN region in November 2024, with the response rates being 79% in Europe and 92% in ASEAN region. In Japan, we plan to transition to a survey in the common global format in FY2025.

Value Seminar

In 2024, value seminars were held across all regions, engaging around 100 participants. Each region focused on topics tailored to its specific business and employee needs, making the sessions practical and relevant. The seminars aimed to deepen understanding of FSG's values, share best practices, build cross-department connections, strengthen leadership skills, spark fresh ideas, and encourage employees to think with Waku-Waku (excitement) about their contributions. Participants also created action plans to put their learning into practice and support their ongoing growth.

Enrichment of Human Capital

Talent Management*

In 2024, we continued to strengthen our focus on talent management. FSG's Next-generation Management Development Program brings together high-potential individuals from around the world, fostering diverse perspectives and skills. The FSI Challenge Program, for

example, enables selected members to tackle practical business challenges like reducing lead times and driving digital (DX) transformation. The Executive Leadership Program, developed with a Belgian business school, helped in 2023/2024 17 high-potential employees build essential leadership capabilities, a global mindset, and an entrepreneurial spirit, and also includes an innovation challenge to sharpen hands-on business skills. Other initiatives, such as individual coaching and an online learning platform, further support leadership development and strengthen compliance awareness across the Group.

* Talent management: Managing and developing employee qualities and skills



Executive Leadership Program Participants

FY2024 initiatives and ongoing initiatives for achievement

Human Capital Strategy

The “Global HR Framework” established in 2023 has been further enhanced in all regions in 2024 and created a comprehensive and clear guideline and structure for all global HR members to work together towards the Group's human capital goals.

On a quarterly base, Executive Officer in charge of Human Resources and all Senior regional HR members align and report on current local activities versus global HR goals to make sure that initiatives remain consistent, progress is tracked effectively, and best practices are shared across the organization. This collaborative approach ensures that the Group continues to build a strong, unified culture and achieves its strategic objectives through a well-coordinated and agile HR function.

Generate “Waku-Waku” (Excitement) – No growth without “Waku-Waku” –

Encourage our employees to grow by providing opportunities to create and to meet new challenges with “Waku-Waku”

We are committed to fostering a corporate culture that embraces challenges and drives continuous growth. Guided by our FSG.30 Strategy, we have made significant leaps forward in advancing initiatives focused on our main global HR Principles; “Respect for DE&I,” “Shared Value,” and “Enrichment of Human Capital.” Through these efforts, we are steadily expanding an environment where employees are empowered to work with passion and Waku-Waku

(excitement), continuously creating value and growing through new challenges. This progress reflects our dedication to building a dynamic, inclusive, and inspiring workplace for all.

Enrichment of Human Capital	To be ready for further growth, we need to challenge, train and develop them our employees and next generation leaders.
Shared Value Improve engagement	To retain our excellent employees and to have their best performance, we need them to be committed, excited and motivated to show drive and will power to act in FSG purpose.
Respect for DE&I The success of diverse human capital	We regard DE&I as one of the group strategies necessary for sustainable growth. On global and regional level pro-active measures and actions are defined and executed.

Shared Value

Engagement Survey

As our workforce becomes more diverse, shared values and the engagement of individual employees are more important than ever in improving our organizational strength, so we have decided to introduce a common global engagement survey in 2024. The information obtained from this engagement survey allows us to take effective actions in order to improve employee engagement and drive organizational improvement and growth as well as enhance Waku-Waku spirit among our employees.

An engagement survey was conducted in the Americas ahead of other regions, and the response rate was 70%. The

Interview on Human Capital

Human Capital Strategy at Fuji Seal: Enrichment of Human Capital, Shared Values, and DE&I

Marieke Sauer-Ploegmakers
Executive Officer in charge of Human Resources



Fuji Seal's human capital strategy is centered around fostering a culture that supports the company's sustainable growth. At the heart of this strategy lies a commitment to talent management, shared values, and Diversity, Equity, and Inclusion (DE&I).

Fuji Seal views talent as its most valuable asset. The company's talent management initiatives focus on developing employees' potential through continuous learning, tough challenges, international projects, business and fundamental skills enhancement and executive leadership training. Employees are encouraged to take ownership of their career paths, supported by structured development programs and internal mobility opportunities. This enrichment of human capital not only nurtures growth but also ensures business resilience in a dynamic global market.

Shared values play a vital role in aligning employees across regions and functions. Fuji Seal promotes shared values built on our mission, vision, credo and guideline for action. Values as trust, courage, sense of

involvement, ownership and accountability, respect, integrity, collaboration, and customer focus are embedded in daily operations, fostering unity and driving collective success. Leadership teams actively champion these principles, ensuring consistency and accountability throughout the organization.

DE&I is an integral component of Fuji Seal's strategy. The company strives to create an inclusive environment where diverse backgrounds, experiences, and perspectives are embraced. DE&I initiatives are globally enhanced and trained but customized per region to have the right focus. By empowering every individual to contribute authentically, Fuji Seal enhances innovation, employee engagement, and overall organizational performance.

Fuji Seal's human capital strategy exemplifies how a strong focus on people, purpose, and inclusion can drive long-term value creation and global competitiveness in today's business landscape.

VOICE

After participating in the Executive Leadership Program

I gained deeper self-awareness through 360-degree feedback and practical project work. This program has helped me develop my leadership skills, strategic thinking, and ability to work effectively in a diverse team. The program also emphasized the importance of continuous self-reflection and adaptability in a global business setting.

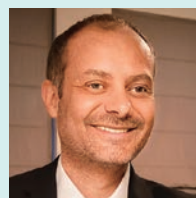
When faced with various challenges, I would like to leverage the global network I have built through the program to quickly find optimal solutions from a global perspective. By working on continuous improvement through international cooperation, I aim to make my team more efficient and innovative.



Sawako Nagamatsu
Fuji Seal International

This program has helped me improve the way I lead people and make decisions. I learned how to think more strategically, develop business plans, and take clear action based on data and goals. The program has also strengthened my ability to manage teams and support their long-term success.

I now have a strong internal network that I can rely on for ideas and support. I would like to use what I have learned to work better across departments, contribute to projects, and promote the growth of those around me.



Davide Malerba
Fuji Seal France S.A.S

VOICE

After participating in the FSI Challenge Program

I really enjoyed participating in the FSI Challenge Program. It was a valuable experience to work with global colleagues from different divisions and departments on a theme that cuts across the areas I usually focus on. It was also a great opportunity to expand my Fuji Seal network globally.

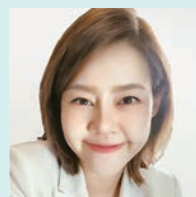
The scope of the project I worked on in this Challenge Program allowed me to gain more detailed knowledge in the aspects of procurement and supply chain management & planning, for example, strategic vendor selection, business case & ROI mapping, and process management.



Markus Haag
Fuji Seal Germany GmbH

Participating in the FSI Challenge Program was a meaningful experience that broadened my horizons beyond my daily tasks. I worked with the ASEAN team on "ASEAN Online Quotation," which includes CRM and project management modules. From my long experience at the company, I see long-term value in centralizing local data.

This program also helped strengthen my project management, communication, and cross-functional teamwork skills. By working with and learning from other global team members, I was able to further enhance my ability to align local actions with broader business goals.



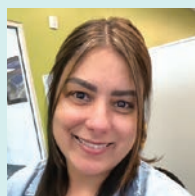
Sirirat Wongpaibool (Mink)
Fuji Seal Packaging (Thailand)

VOICE

After attending the Value Seminar

I have been participating in the Value Seminar for two years now, and I find it particularly fulfilling to be able to meet people from the three business sites, learn about different experiences, and share the same experiences. This seminar emphasizes how important teamwork, motivation, and cross-training are in all departments.

In addition to these, it also highlights the importance of engagement and commitment. I do my daily work with these concepts in mind and communicate their importance to my team. We are all part of the final product that we sell to our customers, from the beginning to the end, and our actions contribute directly to the success of the organization. Win-Win!

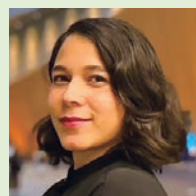


Aleksandra de Souza
American Fuji Seal

From the Secretariat

Our team worked together to identify the needs of each region and target groups and determined the basic requirements like the content quality, ease of use of the platform, and security features. We then interviewed multiple vendors and compared the benefits and challenges from a user perspective by actually using their platforms. Through these processes, we selected the most suitable system, taking all members' opinions into account.

The value of this initiative lies in expanding opportunities for employees to learn and grow independently. It is particularly important to create an environment where employees can acquire skills and knowledge equally regardless of their location. We want to empower our people to take initiative and cultivate an attitude of self-directed learning and exploration that inspires them to shape their own career paths.



Yarased Martinez
Fuji Seal International

Global DE&I Committee

The Fuji Seal Group regards "DE&I" as one of its key strategies to ensure sustainable growth, and is actively promoting DE&I initiatives at both the global and regional levels.

In 2023, the Global DE&I Committee was established, consisting of members from each region and department. The Committee is made up of members with diverse, backgrounds, and perspectives. In order to address the

issues presented in Global DE&I, the Committee started with an analysis of regional disparities, and then planned activities to gradually correct the regional disparities. The planned activities are being implemented in each region. DE&I Committee meetings are held for regional committee members to discuss issues and share information on activities in their regions, thereby mutually raising the level of DE&I performance in each region.

Activity Reports from Global DE&I Committee Members

Japan

In Japan, we focus on three main areas: work-life balance, skill and career development, and fostering an inclusive company culture.

In FY2024, we published a Childcare Leave Support Book, held roundtable talks, and organized career planning seminars to support employees in balancing work and family life.

We also produced a video to communicate the importance and necessity of diversity, equity, and inclusion.

Our goal is to create a work environment where employees feel psychologically safe and are empowered to take on new challenges that contribute to the company's growth.



Chizu Sakai
Fuji Seal International

ASEAN

In the ASEAN region, our DE&I efforts in 2024 focused on raising awareness and fostering inclusion through key initiatives. We provided DE&I training to both employees and managers, including value seminars and workshops on unconscious bias and equity improvement. We launched a regional DE&I newsletter to support continuous learning, and we have incorporated DE&I topics into corporate activities to promote inclusion in our daily work. Next year, we will continue to focus on awareness reform and help employees understand the value of DE&I, and create a more inclusive and "Waku-Waku" (exciting) workplace.



Chattigarn Chaloeypoj (Pun)
Fuji Seal Packaging (Thailand)

Europe

The European DE&I Committee is actively addressing the priority areas identified in the DE&I survey. The survey highlighted gaps in inclusion for production employees and the need for unconscious bias training for middle managers. To bridge these gaps, we are being launched DE&I Day event, we provided DE&I training to production teams to improve their DE&I awareness, and provided middle managers with tools to better understand unconscious bias and generational diversity. The DE&I Day aims to promote a more inclusive workplace, and enhance employees' sense of belonging and their engagement.



Cristina Carbonell Gutierrez
Fuji Seal B.V.

Americas

The Americas region is focusing on the retention and growth of our facilities, and gaining more experience and expertise to provide the best future for Fuji Seal. We are also focusing on motivating our employees by encouraging them to actively participate in our fun and exciting activities and events. These events help raise employees' DE&I awareness and provide an arena for all employees to speak up and create an inclusive workspace. Across the Americas region, we will continue to create and expand the training and knowledge of our WIRED Committee and what we can do each month, quarter, and year to promote Fuji Seal's core values.



Rebecca Ubben
American Fuji Seal

Development of Environmentally Friendly Products



Reasons for selecting the materiality items

FSG recognizes that environmentally friendly products and manufacturing are essential themes common to all humankind. Therefore, we aim to develop environmentally friendly products and endeavor to achieve environmental targets not only for FSG but also for customers through our business activities.

Regarding the KPI of the Materiality

FSG is implementing initiatives for “creating value,” focusing on development and supply of environmentally friendly products in order to realize sustainable growth as a company, in addition to social sustainability, while solving environmental issues such as climate change, marine plastic issues and depletion of resources.

[Main responsible department]
Environmental Sustainability division
[Deliberating body in charge]
Group Sustainability Committee

Our ideals and long-term vision

- Providing environmentally friendly products to offer solutions to issues related to climate change, depletion of resources, and biodiversity through collaboration throughout the supply chain

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Sales ratio of environmentally friendly products: 100%
(Including recyclable products and products containing recycled material)

Results of FY2024 initiatives

- Sales ratio of environmentally friendly products: 80%

Main initiatives

- Developing and rolling out recyclable products
*RecShrink, mono-material pouches, etc.
- Promoting development and launching of products containing recycled material
*Recycled PET shrink sleeve labels and recycled PET pressure sensitive labels
- Developing and providing packaging materials, modes of transportation, and manufacturing systems which help reduce energy consumption and GHG emissions

Value to society

- Mitigation of climate change
- Reduction of environmental burdens on water, air, soil, etc.
- Conservation of biodiversity
- Innovation of environmentally friendly technologies
- Promotions for raising environmental awareness through our products and services

Fuji Seal Group's climate change initiatives

Obtained SBTi validation

FSG has obtained short-term target validation from the international initiative SBTi.*1 Our Scope 1/Scope 2 emission reduction target was confirmed to be aligned with the 1.5 °C threshold.

Scope 1 ²	Reduce greenhouse gas emissions by 42% by 2030 compared to FY2022 standards
Scope 2 ³	
Scope 3	Reduce greenhouse gas emissions by 25% by 2030 compared to FY2022 standards



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1 An initiative jointly established by the UN Global Compact, CDP, WRI (World Resources Institute), and WWF (World Wildlife Fund), which calls on companies to set science-based targets (1.5 °C threshold) to limit the rise in global temperature to less than 1.5 °C above pre-industrial levels.
*2 Scope 1: Direct emissions from fuel use within the company
*3 Scope 2: Indirect emissions from electricity, steam, heat, and cooling purchased by the company
*4 Scope 3: Indirect emissions from our own value chain other than Scopes 1 and 2

Fuji Seal Group's main initiatives to achieve SBTi targets

■ Providing environmentally friendly products (contributing to reducing Scope 3 emissions)

As the need for environmentally friendly products increases, FSG is also strengthening its development of machinery that is friendly to both people and the environment. We also offer a lineup of shrink labelers (TLS) that are specifically designed for 20 μ labels, the thinnest type, and shrink tunnels (FS-HS) that can significantly reduce energy consumption and water usage compared to conventional models.



Rotary shrink labeler TLS



Shrink tunnel FS-HS

■ Using renewable energy (contributing to reducing Scope 2 emissions)

FSG is promoting the use of renewable energy to reduce GHG emissions. In 2024, we sourced 13,514.8 MWh of electricity, or 7.3% of our electricity consumption, from renewable energy.

Since January 2024, our plant in Germany has purchased 100% of its electricity from renewable energy sources. In Japan, we have also begun operating self-owned solar panels for self-consumption at our Tsukuba Factory in Ibaraki Prefecture since January 2024.



Solar panels at the Tsukuba Factory

■ Thermal energy circulation system (contributing to reducing Scope 1 emissions)

As part of our efforts to reduce chemical substance emissions, our factories in Tsukuba, Nabari, Yuki and Fougères have implemented thermal energy circulation systems that utilize VOC kilns and remaining heat boilers, preventing VOC from being emitted into the air while also reducing fuel consumption.



Thermal energy circulation system at the factory in France

FY2024 initiatives

In FY2024, we saw growth in both recyclable products and products containing recycled material, with the proportion of environmentally friendly products exceeding 80%.

In the Shrink Sleeve Labels business, adoption of RecShrink, our labels that can be recycled into bottles (certified by the US Association of Plastic Recyclers), continues to increase in the Americas. Additionally, an increasing number of customers in the ASEAN region are choosing RecShrink as an alternative to PVC. Going forward, we will continue to promote the rollout of recyclable labels such as RecShrink and Label-to-Label, as well as solvent-free labels such as water-based printing.

In the Pressure Sensitive Labels business, we are promoting the rollout of PSL that uses recycled materials for the liners, and the adoption of products containing recycled materials has increased. On the other hand, although the demand for recyclable products is not high, we are preparing to offer RecTack, which can be recycled together with PET bottles, upon request. In the future, we will also promote the rollout of linerless labels and labelers that can contribute to volume reduction at customer sites.

In the Spouted Pouches business, mono-olefin pouches were adopted in Japan, Europe, and the United States, accelerating the development of recyclable products.

Ongoing initiatives for achievement

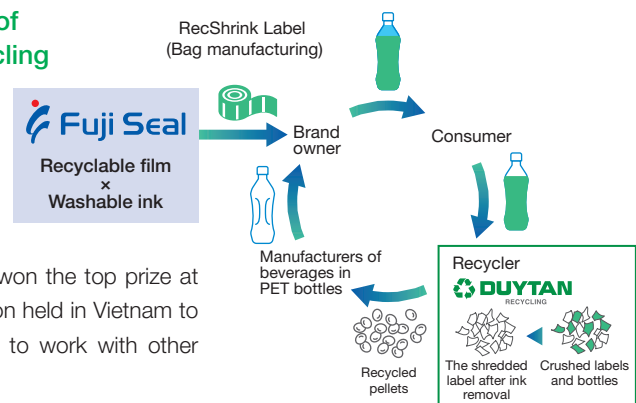
In recent years, there has been a movement to enact laws promoting resource circulation and sustainability disclosure, primarily in Europe but also in Japan, ASEAN, and some states in the Americas. By using FSG's environmentally

friendly products to solve the planning, manufacturing, and sales challenges faced by customers who are working to prepare for future regulatory trends, we aim to achieve both business opportunities and environmental considerations.

TOPICS Consideration of horizontal expansion of RecShrink and community-based recycling

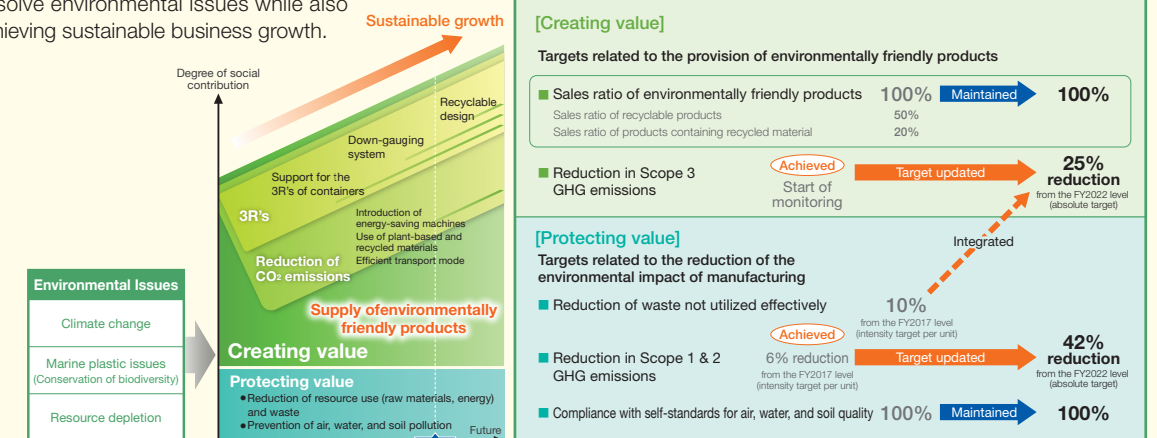
When rolling out the RecShrink renewable label outside the Americas, it is important to create a system tailored to each region.

In Vietnam, we have begun a recycling demonstration experiment with DUY TAN Plastic Recycling Company to reuse RecShrink together with PET bottles. This project won the top prize at Plastic Circularity Innovation Challenge 2024, a competition held in Vietnam to develop plastic recycling technologies. We will continue to work with other partner companies to demonstrate this technology.



Environmental vision and KPIs

In addition to addressing climate change, we aim to achieve various KPIs in order to solve environmental issues while also achieving sustainable business growth.



* We will gradually raise our GHG emissions reduction targets, aiming to achieve net-zero GHG emissions by 2050.

Speedy Launch of Newly Developed Products



Reasons for selecting the materiality items

One of FSG's strengths lies in the ability to develop both packaging materials and machinery that uses them. What supports this strength is our capability to satisfy customer demand by combining various technologies and to evaluate and verify the results. This capability enables us to launch newly developed products in a short period of time.

Regarding the KPI of the Materiality

We will realize speedy developments by effectively combining the high-level verification capabilities of FSG with its wide range of technologies to launch many new projects for packaging materials and for machinery, where its strengths lie.

[Main responsible department]
Executive officer in charge of each business;
Intellectual Property Center
[Deliberating body in charge]
Development Council;
Intellectual Property Strategy Council

Our ideals and long-term vision

- Effectively combining the high-level verification capabilities of FSG with its wide range of technologies to create many new-launch projects for packaging materials and for machinery, where its strengths lie, as well as system solutions that utilize both

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- SSL: Speeding up product-launch processes by working with partner companies for sustainable product development (environmental responsiveness + functionality + economic efficiency) Number of newly launched products: 20 or more per year (100 or more by the end of FY2026)
- PSL: Added "streamlining and space saving" to the KPI development perspective of "automation and labor saving"
- Pouches: 15 projects per year to replace bottles with soft pouches from environmental and functional perspectives
- Machinery: Evaluating the results of collaboration with each business or package development project
- IP: 20 cases or more hypotheses per year (75 cases or more in 3 years) offered as a result of intellectual property landscaping (IPL) mainly concerning development themes

Results of FY2024 initiatives

- SSL: 26 projects for RecShrink, 7 projects for Label-to-Label
- Pouches: 3 projects in Japan, 2 projects in the Americas, 12 projects in Thailand
- PSL: Redefinition of KPI content
- Machinery: 4 cases on packaging materials + machinery theme in progress

Main initiatives

- SSL: Developing a label system that "improves transportation and storage efficiency" and promoting businesses that "enhance environmental friendliness and contribute to sustainability"
- PSL: Developing automation and labor-saving systems
- Pouches: Collaborating with filling machine manufacturers and implementing pouch-filling and OEM business strategies
- Machinery: Developing necessary machinery in line with the strategy of each business or package development project
- IP: Establishing IP strategies that support the four existing businesses and new development projects and utilizing IPL in formulating and promoting business and development strategies

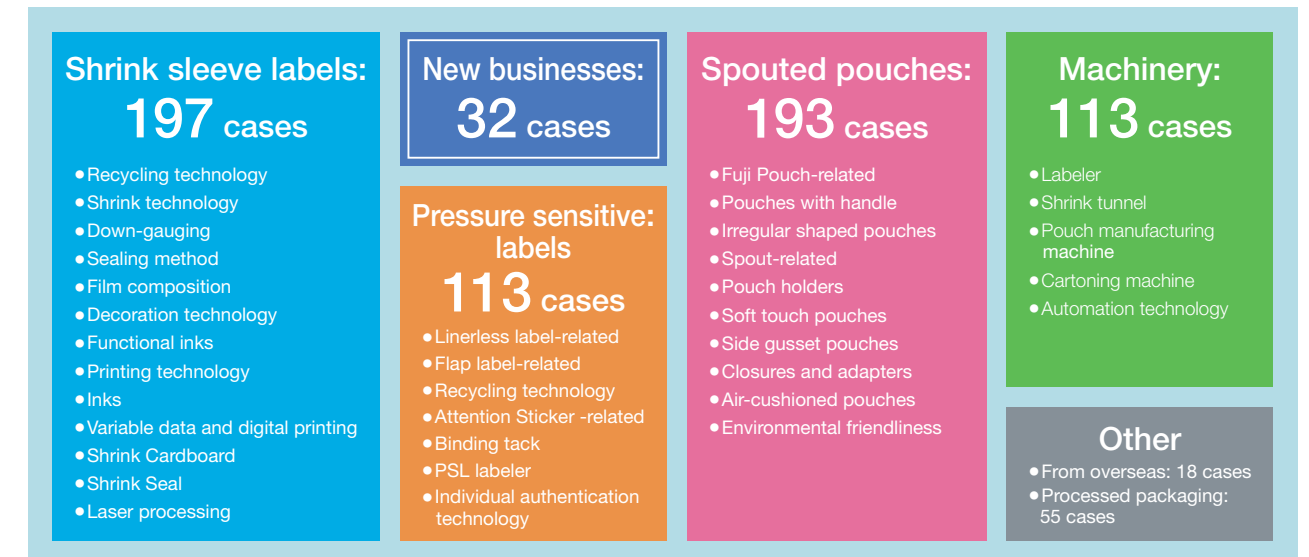
Value to society

- Improvement of labor shortage and labor-saving
- Reduction of energy consumption and materials loss
- Realization of a sustainable society
- Realization of smart work through system solutions
- Creation of high-value-added system solutions

Selective and focused investments aimed at enhancing FSG's competitive advantage

At FSG, development and investment in IP is discussed based on the IP portfolio, with the aim of linking IP investment to an enhanced competitive advantage for a stronger market position. In order to review our IP portfolio in line with the business strategies of each business and make appropriate

and effective investments, our IP division also participates in discussions and strengthens governance, contributing to accelerating development and quickly bringing developed products to market.



Measures to strengthen IP governance are considered under the leadership of the IP division so that IP investments will bring us competitive advantages and help increase our competitiveness. Those measures are proposed and

implemented in a timely manner according to the current layer of business decisions or the challenges faced by each business.

Intellectual property (IP) activities that support FSG

To realize our vision "Our Value to People and the Planet," FSG has positioned its intellectual property (IP) as an intangible asset that is effective for its sustainable growth. To ensure fair decisions and operations in corporate management, the Group has in place an IP governance system led by the Intellectual Property Center so that FSG's intellectual property is effectively utilized by each deliberating body and business division.

1. Intellectual Property Center

As an organization inside Fuji Seal International (FSI), this Center integrates FSG's IP-related departments. It has 15 IP Center personnel who work to ensure the appropriate protection and effective utilization of FSG's intellectual property overall, as well as promoting IP strategy proposal activities utilizing IP landscaping (IPL). The center collaborates with the IP staff of each business division.

2. Promoting the use of IP landscaping

At FSG, we refer to all analytical materials that combine IP and non-IP information that IP Center personnel submit to management and business departments as "IPL*" and encourage their use in all business situations. We carry out a wide range of IPL activities, from one-page documents with graphs showing competitors' business and application trends to measures that summarize market information, competitors' development status, and hypotheses about the possibility of other companies entering the market, in order to consider the future potential of a development theme. The point is not to create IPL materials but to encourage utilization of the contents of the IPL to make business decisions. We believe that the mission of the IP Center in promoting IPL is to provide

business managers and executives with the information they need when they need it.

3. Intellectual Property Strategy Council

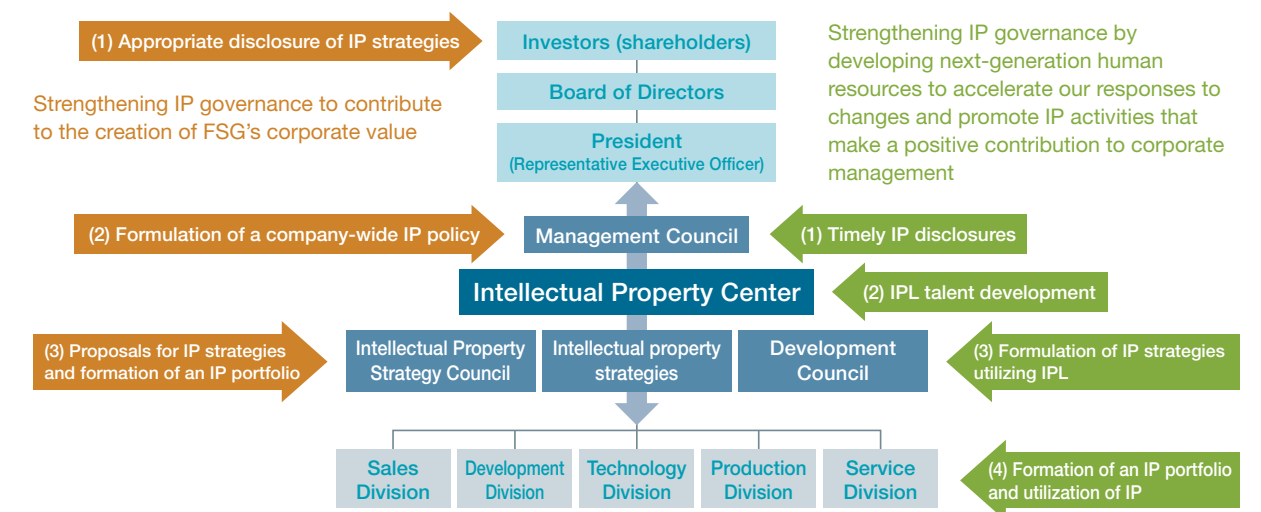
Each business has an Intellectual Property Strategy Council, which comprises the manager of the business, developers, and the IP staff and meets every month. The council formulates and promotes IP strategies in line with each business's development and business policies. Members actively discuss strategies for growth through IP investment, including patent applications, the acquisition and utilization of patent rights, and the formulation of business and IP strategies utilizing IPL.

4. Discussions in the Management Council

At FSG, the management team is responsible for utilizing the Group's intellectual properties and making intellectual property investments in line with the Group's growth strategies. The Management Council, which comprises management team members, proactively discusses intellectual property strategies and issues raised by the IP Division. The decisions are not only communicated to each business unit by the responsible managers, but the implementation status is also monitored and supervised by the IP Division.

5. Involvement in the Global Development Council

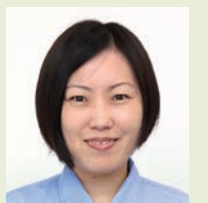
The Global Development Council, organized by FSI, discusses proposals submitted on IP strategies for the fields of both new and existing products, as well as those proposals' applications to business strategy, while utilizing IPL.



VOICE

Making IPL an essential tool for business decisions

The FSG Intellectual Property Center has two dedicated IPL personnel, including myself, who collect and analyze intellectual property and non-intellectual property information on a daily basis. Even when working on the same project, new perspectives, questions, and information can cause the IPL to constantly transform itself. At first, I would add new perspectives on my own, but discussing it with business members results in adding the perspective of the business department, and when I watch it gradually take shape and see the final IPL being used by the business manager in making business decisions, I feel an even greater sense of contributing meaningfully to the company. Recently, we have increasingly been receiving IPL-related ideas and suggestions from our business divisions, even without prompting from IP Center personnel. This makes me feel that, although slowly, IPL is becoming a familiar tool for FSG. I hope to continue making proactive proposals and contribute to FSG's business activities.



Azusa Nakanishi
AIPF-certified
Intellectual Property Analyst
Intellectual Property Center

Creation of Next-generation Businesses



Reasons for selecting the materiality items

FSG is constantly driving the evolution of the packaging industry by creating new packaging in response to changes in containers and distribution, including succeeding in the world's first practical application of "20 μm packaging material" and "biomass film." As technology evolves, it is essential to create next-generation businesses that maximize our strengths.

Regarding the KPI of the Materiality

To achieve our sales target of more than 350 billion yen under FSG.30, we will create new businesses and proactively take on projects that will contribute to sales as soon as possible.

[Main responsible department]
Business Development Division;
Corporate Planning Division
[Deliberating body in charge]
Development Council; Board of Directors

Our ideals and long-term vision

- Create projects to promote new businesses other than the existing businesses (Shrink Sleeve Labels, Pressure Sensitive Labels, Spouted Pouches)

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Building a platform for next-generation businesses
- Number of projects created from the platform: At least 3 projects by FY2026
- Number of newly started businesses: 1 project by FY2026

Results of FY2024 initiatives

- In the process of building a platform for next-generation businesses
- Number of projects created from the platform: 1 created, 1 in deliberation
- Preparations underway for the plan to start a new business during FY2025

Main initiatives

- Implementing two α Development Council-led projects
 - Completing prototype aPT Tube machines, making capital investment in the first machine, and starting product development with Brand Owner
 - Starting deliberation of container design and equipment development for a new aPT format
- Promoting the Deep IS business for "constructing new business models that will be effective in the next generation"
 - Developing individual authentication technology and new technologies based thereon
 - Entering overseas markets

Value to society

- Development of containers that provide head-on solutions to two global social issues: plastic waste and global warming
- Establishment of a closed-loop recycling system
- Employees' Waku-Waku, Society's Waku-Waku

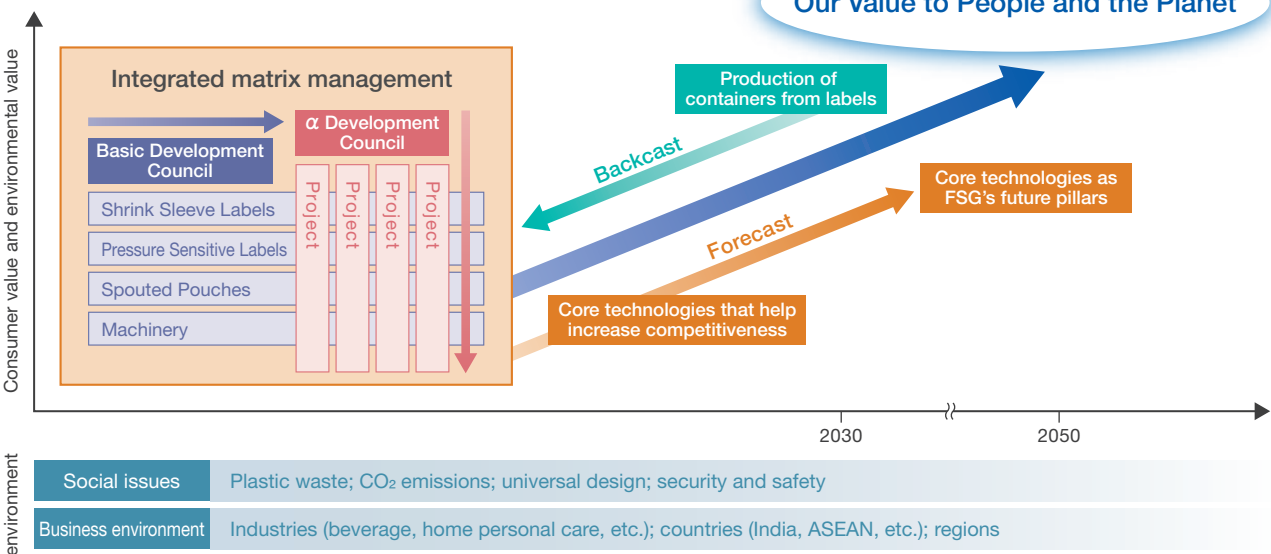
New business creation initiatives

We have reviewed the structure of our Development Council in order to create new businesses. In addition to the **Basic Development Council** that has been held previously, we added the **α Development Council**, which started in 2021.

The Basic Development Council will mainly focus on technological development of conventional businesses of Shrink Sleeve labels products, pressure-sensitive labels, and

pouches, reinforcing FSG's core technologies so as to strengthen existing businesses. On the other hand, the α Development Council aims to use the technology developed by the Basic Development Council as a catalyst, sparking synergy with other technologies to generate new business opportunities. We have designed the system in this way to allow new core technologies to be born out of the process.

Development Council system from 2021 onward



In 2024, the α Development Council produced a core technology based on a new concept that utilizes existing core technologies. We have also succeeded in creating unique

themes that take into consideration environmental and consumer values.

FY2024 initiatives

The current international situation surrounding plastics is seeing a movement to regulate the total amount of plastic used. This could be one way of reducing CO₂ emissions and solving problems such as plastic waste, but with each country taking a different stance, global regulation is currently impossible. We believe it is becoming increasingly important for us to fulfill our extended producer responsibility.

FSG.30 aims to create a next-generation business model. As the Business Development Division, we believe it is important that the primary containers we develop from now on incorporate mechanisms that can help solve the plastic problem from the design stage onwards. These include using recycled materials and making containers fully recyclable after use. It is important that these not only deliver environmental value but also improve consumer value so that we may broadly promote them.

Achieving both environmental and consumer value through aPT_packaging

Environmental value of aPT_packaging

- ① Utilizing recycled PET (PCR) beverage containers
 - ➔ Reduction of the amount of virgin plastic used
 - ➔ Reduction of CO₂ emissions
- ② Establishing a closed-loop recycling scheme for items other than beverage PET containers
 - ➔ Mechanical recycling/chemical recycling technology (existing)
 - ➔ Reduction of plastic waste
- ③ Repurposing PIR material generated by BO into aPT_packaging
 - ➔ In line with Scope 1 and 2 targets

Consumer value of aPT_packaging

- ① New formulation value with PET sealant
 - ➔ New formulation with improved acid, alkali, and solvent resistance
 - ➔ Active ingredients, extracts, etc. do not adsorb to the sealant.
- ② Improved usability
 - ➔ Uniform thickness achieved with film container → Easy to squeeze
 - ➔ Easy to fold → Easy to squeeze out
- ③ Transparent packaging
 - ➔ Transparency typical of PET containers → Directly conveys the appeal of the contents (sizzling, etc.)

Further improving the performance of rapid prototyping

We facilitate the creation of new businesses by following a development cycle of idea creation, design, prototyping, evaluation, and feedback. The most time-consuming step in this cycle is prototyping. The typical approach of our industry is creating prototype models using 3D CAD, but the film packaging we are aiming to develop cannot be completed with 3D CAD models alone. We have developed elemental technologies for 3D CAD, adhesion, modeling resin, etc. and have discovered a method of assessing physical properties

without creating a mold. Their development helps more than double the speed of the development cycle.

Also, this fiscal year, we have been able to use 3D CAD models for some of the mold parts, allowing us to conduct various studies without modifying the mold.

Improved performance of rapid prototyping contributes to speeding up the cycle of trial and error, thereby reducing the time required for development and increasing the likelihood of new business being created.

Ongoing initiatives for achievement

In the field of new-business creation, FSG aims to expand into the primary container sector by utilizing its powerful core technologies.

- ① Development of film packaging using closed-loop recyclable materials **Recycle**
 - ➔ r-PET material (recycled PET from beverage bottles)
- ② Active participation in establishing a closed-loop recycling system **Recycle**
 - ➔ Establishment of the world's first system for recycling PET derived from non-beverage containers
- ③ Development of film packaging that can be used in place of rigid plastic containers **Reduce**
- ④ Development of functional dispensers that complement the usability of film packaging **Reduce**
- ⑤ Realization of safe and secure packaging **Safety**

To achieve these goals, we will not rely only on our own technologies but will seek partnership with a wide range of parties, including those from other industries, to proactively develop products and by doing so, aim to take our first step toward achieving sales of three billion yen in new fields by FY2025.

Open Dialogue with Stakeholders



Reasons for selecting the materiality items

FSG strives to increase its engagement with various stakeholders through the timely disclosure of not only financial information but also non-financial information. We place particular importance on strengthening our relationships of trust with our stakeholders through dialogue to clearly understand the level of each stakeholder's expectations and to meet those expectations, thereby providing assurance that we are delivering meaningful value.

Regarding the KPI of the Materiality

We will establish a system to provide accurate and timely information in both Japanese and English to all stakeholders, both financial and non-financial, across the entire Group. This will increase engagement with stakeholders and lead to improved evaluations from external evaluation agencies.

[Main responsible department]
Investor Relations, Branding division
[Deliberating body in charge]
Group Sustainability Committee

Our ideals and long-term vision

- Increasing our corporate value through our interactive dialogue with stakeholders

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Number of investor-relations (IR) and shareholder-relations (SR) interviews: 120 or more per year
- Number of interviews between employees and directors: 4 per year

Results of FY2024 initiatives

- Number of investor-relations (IR) and shareholder-relations (SR) interviews held: 160 times
- Number of reports submitted to Board of Directors meetings and internal financial results briefings on feedback given during investor interviews: 4 times

Main initiatives

- Operating the Group Sustainability Committee
- Issuing the Integrated Report and the ESG Data Book in a timely manner
- Disclosing flash reports, supplementary financial results briefing materials, and timely disclosure documents in both Japanese and English at the same time
- Holding interviews between management and investors proactively

Value to society

- Facilitation of all stakeholders' understanding of FSG
- Provision of investment opportunities to shareholders and investors

FY2024 initiatives

Intended for investors

- Held two financial results briefings (in May and November) via Zoom Webinar
- Number of investor-relations (IR) and shareholder-relations (SR) interviews held: 160 times
- Enhanced dialogue with management's active involvement in IR and SR interviews
- Enhanced disclosure of corporate management with heightened awareness of capital costs, business strategies, and ESG information through supplementary financial results briefing materials and corporate governance reports
- Disclosed supplementary financial results briefing materials in both Japanese and English on our website at the same time

Intended for employees

- Held quarterly internal financial results briefings for the management team of each region with the participation of directors
- Number of reports submitted to Board of Directors meetings and internal financial results briefings on feedback given during investor interviews: 4 times
- Shared views on our company from an investor's perspective at a Value Seminar on one occasion

Ongoing initiatives for achievement

FSG strives to continuously have open and active two-way dialogue with all stakeholders, including shareholders and investors.

Information disclosure

We disclose both financial information and non-financial information, including information about management strategies, management issues, risks, and governance, appropriately as required by law and regulations. We also make timely and fair disclosures outside the scope of the legal and regulatory requirements as much as possible.

Intended for customers

- Participated in exhibitions around the world

Region	Exhibition name	Period	Location	No. of exhibitors
Europe	Achema	June 10-14, 2024	Frankfurt, Germany	Approx. 2,840
Americas	Pack Expo	November 3-6, 2024	Chicago, the U.S.	2,700
	Expo Pack Mexico	June 4-6, 2024	Mexico City, Mexico	700
ASEAN	ProPak Asia	June 12-15, 2024	Bangkok (Thailand)	1,800
	ProPak Ha Noi	November 6-9, 2024	Hanoi, Vietnam	300
	ProPak Ho Chi Minh	April 3-5, 2024	Ho Chi Minh City (Vietnam)	341
	Allpack	October 9-10, 2024	Jakarta (Indonesia)	Approx. 1,500
Japan	Sustainable Material Expo (Tokyo)	October 29-31, 2024	Chiba (Japan)	1,003
	Interphex Week Tokyo	June 26-28, 2024	Tokyo (Japan)	Approx. 900

In FY2024 as well, we disclosed Our Credo, management strategies, and an overview of FSG.30 mainly on our website and in supplementary financial results briefing materials. In addition, we made efforts to actively disclose our initiatives related to our Basic Policy for Corporate Governance, S sustainability, Human Capital, and the Environment. From now on too, we will continue our efforts to provide even more transparent corporate information and share our corporate value in a timely, accurate, and consistent manner.

Stable Supply (including BCP)



Reasons for selecting the materiality items

FSG is engaged in businesses classified as essential, such as beverages, HPC (home personal care), and medical care. Since we offer products indispensable to daily living, we believe that it is our social responsibility to ensure a stable supply of these products both in normal and emergency situations.

Regarding the KPI of the Materiality

By promoting a safe and secure working environment throughout FSG by implementing the Group's OHS Management System, we aim for zero lost time accidents for 365 days at one or more factories in each business region. Rather than being content with only fulfilling the conventional function of an order reception center, we will build a future-oriented ordering and reception system to establish a comprehensive business continuity planning (BCP) system that secures a competitive position in the market from the perspective of our customers.

[Main responsible department]
Executive officer in charge of each region
[Deliberating body in charge]
Executive officer meeting

Our ideals and long-term vision

- Fulfilling our responsibility for product supply as an essential business

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Japan: Maintaining the supply chain based on autonomous Occupational Health And Safety (OHS) management
- Americas: Constantly fulfilling our responsibility for a stable supply with an OTIF (on-time and in-full) of 95% or more
- Europe: Setting specific (Scope 1, 2 and 3) GHG emissions targets
- ASEAN: Tracking and improving figures for key metrics (numbers of occupational accidents and filed complaints, monetary metrics, and OTIF)

Results of FY2024 initiatives

- Japan: The Safety Management Department conducted OHS compliance audits and OHS management talent development
- Americas: Conducted monitoring and progress management of OTIF at each location
- Europe: Promoted BCP measures in major businesses. Decided to make an additional investment in the new factory in Italy to build a production system. Conducted Scope 1 and 2 monitoring of GHG emissions
- ASEAN: Started tracking of KPIs

Main initiatives

- Japan: Conducting OHS compliance audits and developing OHS management talent
- Americas: [SSL] - Establishing a backup system for three SSL factories, including promoting the introduction of flexography [PSL] - Establishing and maintaining the BCP network utilizing external partners and our Europe region [Pouches] - Establishing and maintaining the BCP network utilizing our Japan and Europe regions
- Europe: Adopting a multiple-supplier system, building a multiple-location production system, and formulating and implementing GHG reduction action plans
- ASEAN: Formulating a safety investment budget and implementing safety measures at designated sites, planning equipment renewal investments, visualizing the impact of occupational and other accidents, and providing guidance to raise a sense of urgency to take preventive measures

Value to society

- Provision of a secure, safe and comfortable work environment
- Sustainable supply of secure and safe products
- Contribution to secure and safe local communities
- Provision of people-friendly, high-value-added products and services

FY2024 initiatives and ongoing initiatives for achievement

Japan

In FY2024, with the aim of achieving independent OHS management, OHS audits were conducted by the OHS and Accident Prevention Department, rather than by an external organization, at eight domestic bases (Tsukuba, Nabari, Yuki, Yamagata, Ube, CMO, SSC, and Toride). Regarding observations and suggested improvements, we have created a corrective plan and are proceeding with improvement activities in a planned manner while also identifying the essential issues and implementing countermeasures. In FY2025, the Department will again take the lead in checking legal amendments, updating audit sheets, and conducting OHS audits.

Furthermore, with the aim of achieving independent OMS management from FY2024, members of the OHS and Accident Prevention Department and other personnel are taking part in external seminars and conducting on-the-job training.

Europe

We decided to make an additional investment in the new factory in Italy to build a production system, and operations began in May 2025. As part of our efforts to achieve our GHG emission reduction targets, we are implementing energy-saving activities at all our factories in Europe, including the renewal of oxidizers and the optimization of compressors. At the same time, we are moving towards 100% renewable energy in Germany and introducing solar power generation in Italy which is likely to achieve net zero from 2025.



New factory in Italy

Americas

DAY1 investment for the North Carolina Factory is completed, increasing shrink sleeve label production. As a further expansion, a DAY2 investment plan is underway. At the Indiana Factory, we are making investments to realize the necessary production volume for pressure sensitive labels, and we expect to increase production by 20%. For spouted pouches, FY2024 will be the preliminary stage where we will focus on improving the top line, and we are planning a BCP from FY2026 onwards.

ASEAN

We hold monthly meetings regarding safety, disaster prevention, and the environment, and we comprehensively manage our activities through activity reports and IFR/ISR values. To prevent workplace safety complacency, we regularly conduct mutual audits between our factories to strengthen safety. During Safety and Disaster Prevention Month, we reminded all employees of the importance of safety and disaster prevention, and we asked each employee to share their daily efforts and awarded outstanding ones.



Each person writes down their efforts on sticky notes and posts/shares them

Fair and Transparent Transactions



Reasons for selecting the materiality items

FSG places emphasis on reliable and trustworthy transactions with our customers and business partners. We consider it important to realize fair and transparent transactions with our partners carefully selected based not only on pricing but also on a comprehensive evaluation of their quality management and quality assurance systems, experience, capabilities, performance, and social standing.

Regarding the KPI of the Materiality

Through sustainability dialogue and daily transactions with Strategic Sustainability Partners, we will work together to solve the challenges faced by our customers and society, thereby achieving responsible production and consumption practices.

[Main responsible department]
Sustainability Subcommittee (Supply Chain)
[Deliberating body in charge]
Group Sustainability Committee

Our ideals and long-term vision

- Building a sustainable supply chain in line with the FSG Code of Ethics and Request Letter to FSG Business Partners (the Group Supplier Code of Conduct)

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Conducting sustainability dialogue with Strategic Sustainability Partners: 100%

Results of FY2024 initiatives

- Completed selection of Strategic Sustainability Partners

Main initiatives

- Providing Sustainable Supply Chain Lecture for FSG's purchasing personnel
- Conducting a Sustainable Supply Chain Questionnaire Survey targeting suppliers with whom we place a high priority on sustainability
- Informing business partners about the Group Supplier Code of Conduct, Sustainable Supply Chain Guidebook, and the Consultation Hotline
- Having dialogue on sustainability with business partners

Value to society

- Protection of our business partners' rights
- Responsible manufacturing and consumption processes (raw materials, procurement, manufacturing, sales, and consumption)
- Sound corporate activities that serve as a model for others
- Respect for human rights

FY2024 initiatives

FSG believes that deepening mutual understanding and building relationships of trust with business partners are extremely important in achieving the goals set by FSG.30. The sustainable supply chain concept is essential to building a stable supply chain together with our business partners and resolving the issues faced by our customers and society. This is not limited to the Strategic Sustainability Partners that have been designated as KPIs this time.

According to the results of the Sustainable Supply Chain Questionnaire Survey conducted in FY2023, all items generally exceeded the required standards. Based on the

results of this survey, in order to further deepen our efforts while narrowing the focus to co-creation with customers to solve social issues, we have established a new KPI: "Engaging in dialogue with Strategic Sustainability Partners."

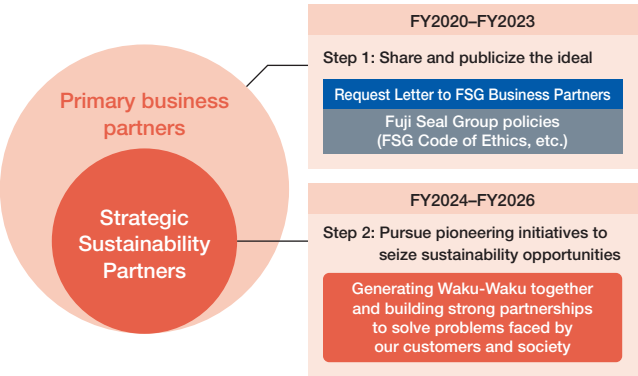
When selecting these business partners with whom we place a high priority on sustainability, we first understood their initiatives based on survey results and sustainability disclosure information, and then we strategically selected business partners who will work with us in our co-creation efforts and will likely maintain or grow high transaction volumes long into the future.

Ongoing initiatives for achievement

As in the past, dialogue with our business partners will be important in developing products that extend "Our Value to People and the Planet" and to build a system for stable supply of these products.

As part of this effort, we plan in FY2025 to conduct a Sustainable Supply Chain Questionnaire Survey targeting our Strategic Sustainability Partners and major business partners. By conducting this survey globally, rather than by region as previously the case, we will reduce the burden on our business partners and build a system that can be managed centrally across the entire Group. Additionally, we will hold a sustainable supply chain briefing for our business partners and FSG's purchasing personnel to explain FSG's approach to realizing a sustainable supply chain before the survey and also another briefing after the survey to provide feedback on the survey results.

Through surveys, briefings, and daily transactions, we aim to build better relationships that will allow us to contribute to society while working together to mutually improve our corporate value.



Promotion of Information Security Measures



Reasons for selecting the materiality items

FSG protects and responsibly manages confidential information entrusted to us by our customers and business partners, as well as personal information handled by FSG. We also believe that it is important to eliminate risks that threaten business continuity such as cyber attacks.

Regarding the KPI of the Materiality

FSG regards the leakage of confidential information (including information of business partners) as the most important management risk. We believe that it is critical to continue to improve information security measures, aiming to establish protection systems that ensures zero information leakage.

[Main responsible department]
Legal & Risk Management division
[Deliberating body in charge]
FSI Board of Directors

Our ideals and long-term vision

- Establishing an information security system to protect personal data and other information obtained in relation with our customers, business partners, and other stakeholders, including information about new products

Key performance indicator (KPI) targets for FY2026 to be achieved to fulfill the long-term vision

- Number of serious cases of information leakage: 0

Results of FY2024 initiatives

- Number of serious cases of information leakage: 0

Main initiatives

- Implementing appropriate information security measures (maintaining and ensuring an adequate level of information security throughout the Group)
- Maintaining an effective emergency response system in case of an information security incident

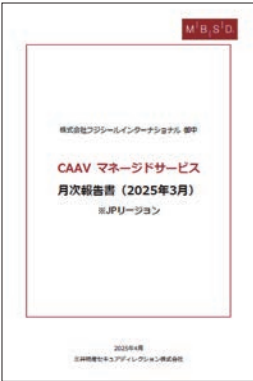
Value to society

- Protection of confidential information of customers and business partners, including new product information
➡ Provide safe and secure packaging in a stable manner
- Protection of all personal information handled by FSG

FY2024 initiatives

Maintaining and ensuring security levels across the entire Group

Given the recent increase and sophistication of cyber attacks, FSG believes it is necessary to proactively monitor the vulnerabilities of IT assets across the Group so that appropriate measures can be taken. To this end, with the support of a cybersecurity specialist company, we began implementing ASM (Attack Surface Management)¹ and credential monitoring in December 2024. With the introduction of ASM, FSG now centrally maps the websites it owns, detects and understands vulnerabilities, and monitors the status of credential information² leakage, taking appropriate action when necessary in a timely manner.



ASM Monthly Report

¹ ASM is a series of processes to discover and investigate IT assets that are accessible from outside the organization (the Internet) and continuously detect and evaluate the risks, such as vulnerabilities, which exist in those assets.

² Credential information refers to all information used for authentication. This includes IDs, passwords, PIN numbers, and data used for biometric authentication, among others.

Maintaining an effective emergency response system in case of an information security incident

In preparation for the unlikely event of a cyber attack, each region has established a crisis response manual for such a risk event and conducts operation drills.

Ongoing initiatives for achievement

Governance

FSG has established the Information Security Policy within its Group Sustainability Basic Policy. As part of the Group-wide risk management, FSI regularly discusses information security and cybersecurity at its Board of Directors and Group Compliance Committee meetings, which are held four times a year. During these discussions, the meeting bodies receive reports on the security status within the Group (such as the results of ASM and credential monitoring), review information security across the Group, and work to strengthen it by referring to guidelines from the Ministry of Economy, Trade and Industry and the Information-technology Promotion Agency (IPA).

Strategy (risks and opportunities)

FSG recognizes that suspension of business activities due to cyber attacks or the leakage of confidential information of customers and business partners, including new product information, and loss of trust in the Company due to the leakage of personal information handled by FSG both pose significant risks to FSG. At the same time, we believe that by strengthening our cybersecurity measures and reinforcing our management of information assets such as confidential information and personal information, we can maintain and improve trust in FSG and achieve business growth.

Risk management

At FSG, we formulate information security rules for each region for building and operating IT systems as well as manage risks related to information security.

With this as the base, we are introducing and implementing ASM and other systems to monitor the ICT security status of the entire Group.

Corporate Governance

Corporate Governance System

FSG transitioned to a “Company with a Nominating Committee, etc.” (then called “Company with Committees”) as early as 21 years ago in June 2004. This company structure, based on the so-called monitoring model, was introduced following revisions to the Commercial Code that took effect in April 2003. It is considered an institutional design with high management transparency, in which supervision of management and execution of business are separate. As of May 2, 2025, only 97 of the listed companies in Japan had adopted this system.

The Nominating Committee considers and makes decisions on the appointment and dismissal of director and executive officer candidates in light of the standards for appointment with the aim of contributing to the establishment of appropriate management systems for the Group. This committee also deliberates and submits proposals on the nomination of officers of FSG companies from the perspectives of enhancing Group management and developing next-generation human resources.

To ensure transparency in Group management, the Remuneration Committee deliberates and decides on the remuneration of not only FSI directors and executive officers but also officers of other FSG companies, in accordance with the Basic Policy on Remunerations and other matters, from the perspectives of enhancing Group management and developing next-generation human resources. To ensure that remunerations serve as a strong motivator for achieving FSG.30, we reviewed the remuneration system in FY2024 to improve fairness and transparency, deliberated and examined the incentive effects of remuneration, and revised the system and levels of remuneration.

The Nominating Committee and Remuneration Committee, both chaired by CEO Shigeko Okazaki, are composed of four members each: one inside director and three outside directors.

The Audit Committee has been established to secure legitimate, appropriate and efficient operations of the Group, which means operations based on the annual policy and medium- to long-term management policy. The Audit Committee, chaired by Outside Director Yuichi Seki, is composed of three outside directors.

Enhancement of the executive function

At FSI, each executive officer is delegated by the Board of Directors to make decisions on the execution of business operations and to execute the business operations under the overall supervision of the CEO and COO. Immediately after transitioning to a company with a Nominating Committee, etc., FSI appointed women and foreign nationals as executive officers, thereby promoting corporate management from diverse perspectives.

In FY2021, the Company adopted a matrix management structure that combines the two axes of business and region. By appointing an executive officer for each business and region, the Company has speeded up decision-making and business execution to respond flexibly to the challenges it faces. In FY2025, the Company appointed executive officers in charge of its three new businesses, in addition to the existing four. The Company also revised its Articles of Incorporation to increase the maximum number of executive officers from 14 to 20, enabling the strengthening of executive functions for the future development of new businesses.

Effective Governance

The Board of Directors consists of six directors, including three independent outside directors (as of the close of the General Meeting of Shareholders held in June 2023). Diversity of the members is also taken into consideration. The inside directors are highly experienced in different fields: overall corporate management, including management strategies, managing a business company of the Group, and operating overseas businesses.

Each of the three outside directors has extensive knowledge as a lawyer, certified public accountant, safety, disaster prevention and manufacturing manager, mainly in the technology development area, and a senior executive of a publicly traded company. One of the six directors is a woman. Although all of the directors are Japanese nationals, they have extensive knowledge, experience and capabilities in a broad range of areas, including overseas business experience.

In FY2025, the Company reduced the maximum number of directors specified in Article 17 (“Number of Directors”) of its Articles of Incorporation from 15 to 10 in order to align with its current business development and scale. We will strengthen the Group’s corporate governance by constantly reviewing our governance system.

Assessment of board effectiveness

All FSI directors respond to an annual questionnaire survey regarding the self-assessment of the Board of Directors’ effectiveness. The board then deliberates on the survey results and issues to be addressed.

The surveys and deliberations conducted in April 2023 and April 2024 referred to the Japanese Ministry of Economy, Trade and Industry’s Guidance for Collaborative Value Creation 2.0, which was revised in August 2022, and focused on eight items of guidance regarding governance given in the Guidance. The opinions of the board members on the assessment of the board’s current status and issues to be addressed were summarized. Specifically, the board reflected on its efforts and assessment of each of the following items and identified and discussed the issues to be addressed: (1) Division of roles and functions between the board of directors and top management, (2) Ensuring the strength of the board, (3) Skills and diversity of CEOs and top management, (4) Skills and diversity of outside directors, (5) Monitoring strategic decisions, (6) Shareholder return and reinvestment policies, (7) Compensation policies, and (8) Reviewing board effectiveness and identifying priority items.

In FY2024, the board did not conduct a questionnaire survey on the directors’ self-assessment of effectiveness. Instead, board members engaged in specific individual improvement activities for their individual issues based on the results of the previous self-assessment.

Remuneration of directors and executive officers

FSI has established the Remuneration Committee to ensure management transparency of the Group.

To maintain transparency and independence, the Remuneration Committee consists of four members: three outside directors and one inside director.

The Remuneration Committee is responsible for the following: establishing the policy for determining the individual remuneration of directors and executive officers; setting their specific remuneration; and determining the assessment of company-wide performance targets related to the determination of performance-linked remuneration of executive officers and individual performance targets for each executive officer.

The Remuneration Committee has established the following policy for setting the specific individual remuneration received by directors and executive officers.

(a) Basic policy on remunerations

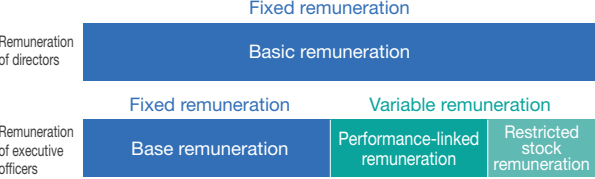
The remuneration of the Company’s directors and executive officers should encourage them to perform their duties in line with the Group’s slogan and serve as a strong motivator for achieving the Group’s vision and the management plan FSG.30 to increase corporate value sustainably in line with the Group’s corporate philosophy.

- 1) The remuneration system must enable and reward diverse and talented human resources in agreement with FSG’s corporate philosophy.
- 2) The remuneration system must encourage the achievement of performance targets based on the management strategy for sustainable growth.
- 3) The remuneration system must encourage the sustainable enhancement of corporate value and share profits with shareholders.
- 4) The decision-making process for the remuneration system should be objective and transparent.

(b) Overview of the remuneration system

- 1) Procedures
The remuneration policy, remuneration system, and performance-linked system for directors and executive officers are deliberated and decided by the Remuneration Committee, which consists of a majority of outside directors.
- 2) Composition of remuneration
Directors, including outside directors, receive only base remuneration as fixed remuneration, while executive officers receive base remuneration and variable remuneration consisting of performance-linked remuneration as a short-term incentive and restricted stock remuneration as a medium- to long-term incentive.
- 3) Base remuneration
The base remuneration of executive officers is individually determined through deliberation by the Remuneration Committee in consideration of the job description, importance of job responsibilities, and career history of each executive officer, as well as the Company’s dividend performance and business environment.
- 4) Performance-linked remuneration
Performance-linked remuneration is aimed at serving as a short-term incentive for the achievement of management plans and is provided to encourage each executive officer to demonstrate their diverse abilities. It is paid at an appropriate percentage set by the Remuneration Committee based on the degree of achievement of the targets to be achieved in a single fiscal year. This remuneration varies from around 0% to 30% of the total remuneration. Calculation items include consolidated sales and operating profit margin for a single fiscal year, financial indicators important in terms of management strategies, and non-financial indicators such as environmental and human resource development indicators.
- 5) Restricted stock remuneration
Restricted stock remuneration is paid to executive officers as an incentive to align their economic interests with those of the shareholders and increase the Group’s corporate value in the medium to long term. It is granted at a fixed time each year, with the number of shares granted determined through deliberation by the Remuneration Committee based on each executive officer’s job description and importance of job responsibilities, as well as the stock price level and other factors.

Concept of remuneration



Management



From left: Yuichi Seki, Tatsundo Maki, Kimihiko Uemura, Shigeko Okazaki, Yoichi Okazaki, and Hideaki Umeda (As of June 24, 2025)

Tatsundo Maki Outside Director
Independent Director
Born on September 14, 1972

Brief history
April 1997: Joined Asahi & Co. (currently KPMG AZSA LLC)
April 2000: Registered as a Certified Public Accountant
April 2009: Representative Partner, SCS Global LLC (present)
October 2012: Representative Director, SCS Global Consulting K.K. (present)
June 2017: Director, Fuji Seal International, Inc. (present)
February 2025: Outside Director, Hioki E.E. Corporation (present)
Length of service as an outside director
8 years

Shigeko Okazaki Outside Director
Born on April 5, 1957

Brief history
August 1990: Joined Fuji Seal International, Inc.
December 1999: Director, Fuji Seal Europe Ltd.
January 2001: General Manager of the Corporate Planning Center, Fuji Seal International, Inc.
December 2001: Director, American Fuji Seal, Inc.
June 2002: Director, Fuji Seal International, Inc.
November 2002: Director, Fuji Seal Europe S.A.S.
June 2004: Director and Executive Officer, Fuji Seal International, Inc.
October 2004: Director, Fuji Seal, Inc.
March 2007: President and Representative Director, Fuji Seal Europe S.A.S.
March 2008: Director, Representative Executive Officer, and President, Fuji Seal International, Inc.
March 2010: President and Representative Director, Soho KK (present)
July 2012: Chairperson, PAGO AG (currently Fuji Seal Switzerland AG)
June 2020: Director, Representative Executive Officer, President, and CEO, Fuji Seal International, Inc.
June 2021: Director, Representative Executive Officer, Chairperson, and CEO, Fuji Seal International, Inc.
March 2023: Director, Representative Executive Officer, President, and CEO, Fuji Seal International, Inc. (present)

Yuichi Seki Outside Director
Independent Director
Born on June 28, 1953

Brief history
April 1978: Joined Kobe Steel, Ltd.
June 2011: Senior Managing Director, General Manager of the Technical Development Group, Kobe Steel, Ltd.
June 2012: Executive Vice President and Representative Director, OSAKA Titanium technologies Co., Ltd.
June 2014: President and Representative Director, OSAKA Titanium technologies Co., Ltd.
June 2019: Director, Fuji Seal International, Inc. (present)
June 2021: Corporate Auditor, Fuji Seal, Inc. (present)
Length of service as an outside director
6 years

Yoichi Okazaki Outside Director
Born on July 26, 1982

Brief history
October 2012: Joined Fuji Seal International, Inc.
January 2017: General Manager of the Machinery Segment, PAGO Etikettiersysteme GmbH (currently Fuji Seal Germany GmbH)
February 2019: Representative Director and President, PAGO Etikettiersysteme GmbH
January 2020: General Manager of the Corporate Planning Division, Fuji Seal International, Inc.
February 2022: General Manager of the Machinery Division, Fuji Seal, Inc.
June 2022: Executive Officer, Fuji Seal International, Inc.
December 2022: Representative Director and President, Fuji Seal B.V. (present)
June 2023: Director and Executive Officer, Fuji Seal International, Inc.
June 2025: Director, Executive Officer, Vice President, COO and in charge of the Europe region, Fuji Seal International, Inc. (present)

Kimihiko Uemura Outside Director
Independent Director
Born on November 15, 1958

Brief history
April 1987: Registered as a lawyer; joined Midosuji Legal Profession Corporation
April 1993: Partner, Midosuji Legal Profession Corporation (present)
June 2013: Outside Auditor, METAWATER Co., Ltd.
March 2024: Outside Auditor, Konoike Construction Co., Ltd. (present)
June 2025: Director, Fuji Seal International, Inc. (present)
Length of service as an outside director
–

Hideaki Umeda Outside Director
Born on December 31, 1971

Brief history
April 1997: Joined Fuji Seal International, Inc.
February 2013: Corporate Planning Manager, Paris Branch, Fuji Seal International, Inc.
August 2014: Factory Manager, Fuji Seal Europe Ltd.
March 2016: Production Director, Fuji Seal Europe S.A.S.
July 2018: Director, American Fuji Seal, Inc. (present)
April 2021: Executive Officer, Fuji Seal International, Inc.
June 2025: Director and Executive Officer in charge of the Shrink Sleeve Labels Division, Fuji Seal International, Inc. (present)

Executive Officers



Shigeko Okazaki
Representative Executive Officer,
President and CEO



Yoichi Okazaki
Executive Officer,
Vice President, COO and in charge
of the European region



Hideaki Umeda
Executive Officer
in charge of the Shrink Sleeve
Labels Division



Takeshi Kyogane
Executive Officer
in charge of the Pressure Sensitive
Labels Division and the Japan region



Masahisa Fukuda
Executive Officer
In charge of the Spouted Pouches
Division and the ASEAN region



Satoru Kawasaki
Executive Officer
in charge of the American region



Fumiaki Takahashi
Executive Officer
in charge of Legal Affairs and
Risk Management



Marieke Sauer-Ploegmakers
Executive Officer
in charge of Human Resources



Honey Hiranand Vazirani
Executive Officer
in charge of India region



Sachiko Yashiro
Executive Officer
in charge of Finance



Norio Satake
Executive Officer
in charge of the Deep IS Business



Yoshinori Inagawa
Executive Officer
in charge of the aPT Business



Hideki Omae
Executive Officer
in charge of the CMO Business

Standards for Appointment of Directors

The Nominating Committee appoints candidates for directors based on the Standards for Appointment of Directors as shown right:

Field	Items
Basis	Practices our mission statement / Participatory Awareness / Capability to detect changes
Formulation of strategies	Show one's vision / Formulates and decides strategies / Capability of setting goals
Implementation of initiatives to solve challenges	Capability of implementation and practice / Capability of analyzing problems / Capability of detecting risks / Leadership
Leadership	Capability to respond to changes / Determination to take on new challenges
Traits	Credibility within the Company / Credibility outside the Company / Gaining credibility
Experience and knowledge	Achievements in developing new business fields / Positive track record/ expertise and experience

Skill Chart

Skills	Reason for selection	Number of applicable directors
Corporate management	In order to realize the Group's vision "Our Value to People and the Planet" and establish and implement growth strategies as a leading packaging company amid a dramatically changing business environment, we require directors with experience and a track record in management.	6
Sustainability and environmental management	In order to become a company that contributes to realizing a sustainable society by solving ESG issues with packaging, we require directors with knowledge of decarbonization, eco-design, diversity, and work-life balance, as well as the ability to promote initiatives in those areas.	4
Marketing	In order to achieve sustainable growth in the packaging market, we require directors with experience in consistently listening to the market and customers, understanding the essence of their needs, and growing alongside them.	5
Manufacturing and development	In order to develop eco-friendly packaging to achieve a circular society, we require directors with a track record in promoting various innovations, solid knowledge in the fields of technology, quality, and the environment, and experience in strategic planning based on an understanding of those fields.	4
Global business	In order to accelerate global business expansion and enhance profitability, we require directors with overseas business management experience and extensive knowledge and experience in overseas lifestyles, cultures, and business environments to address local needs.	5
Human resource development	A human resource strategy capable of maximizing the potential of every employee as they adapt to change and grow is needed to achieve sustainable growth. We require directors with solid knowledge in the field of human resource development, including promoting diversity, as well as experience in strategic planning based on an understanding of those fields.	6
Financial strategy	To build a strong financial base, promote growth investments (including M&As) for the sustainable enhancement of corporate value, and increase shareholder returns, we require directors with solid knowledge in the fields of finance and accounting, as well as experience in strategic planning based on an understanding of those fields.	5
Compliance, governance, and risk management	Establishing an appropriate governance system is the foundation for sustainable enhancement of corporate value needed by society. To enhance the effectiveness of the Board of Directors' management supervision, we require directors with solid knowledge in the fields of corporate governance, risk management, and compliance, as well as experience in strategic planning based on an understanding of those fields.	6
Digital transformation (DX) promotion	To create exciting new value and maintain and strengthen competitiveness in the market, we require directors capable of driving change utilizing data and digital technology.	2

Name	Outline of expectations	Expected skills & experience
Tatsundo Maki	He has extensive experience and wide-ranging knowledge of accounting, finance, and tax affairs, gained through his career as a certified public accountant. We expect him to provide appropriate advice regarding the Company's overall management from an independent standpoint and contribute to strengthening corporate governance.	<ul style="list-style-type: none">●Corporate management●Global business●Financial strategy●Compliance, governance, and risk management
Yuichi Seki	He has extensive knowledge as a supervisor of safety, disaster preparedness and manufacturing primarily in the fields of manufacturing and development, as well as experience as senior executive of a publicly traded company. We expect him to provide appropriate advice regarding the Company's overall management from an independent standpoint and contribute to strengthening corporate governance.	<ul style="list-style-type: none">●Corporate management●Manufacturing and development●Human resource development●Compliance, governance, and risk management
Kimihiko Uemura	As a lawyer, he is well-versed in overall corporate legal affairs, including the Companies Act. Through his experience serving as an outside executive of other companies, he has gained a broad perspective not limited to the Company's related industries. Therefore, we expect him to provide appropriate advice regarding the Company's overall management from an independent standpoint and contribute to strengthening corporate governance.	<ul style="list-style-type: none">●Corporate management●Sustainability and environmental management●Human resource development●Compliance, governance, and risk management
Shigeko Okazaki	As CEO of the Group, she has extensive experience and wide-ranging knowledge of management overall, including management strategies, and strives to strengthen the Board of Directors' decision-making and supervisory functions effectively. We expect her to appropriately supervise overall Group management and contribute to sustainable growth and enhancement of corporate value of the Group based on her experience and achievements.	<ul style="list-style-type: none">●Corporate management●Sustainability and environmental management●Human resource development●Promotion of digital transformation (DX)
Yoichi Okazaki	Through his experience as a business and region manager, he has acquired the knowledge and capabilities necessary for his role as a director of the Company. He contributes his experience in formulating company-wide strategies and promoting innovations to discussions at board meetings. He appropriately supervises the management of the entire Group and strives to strengthen the Board of Directors' decision-making and supervisory functions effectively.	<ul style="list-style-type: none">●Corporate management●Marketing●Global business●Promotion of digital transformation (DX)
Hideaki Umeda	In addition to his extensive experience operating overseas businesses, he has abundant experience and wide-ranging knowledge of management overall as manager of the Group's business companies and strives to strengthen the Board of Directors' decision-making and supervisory functions effectively. We expect him to appropriately supervise overall Group management and contribute to sustainable growth and enhancement of corporate value of the Group based on his experience and achievements.	<ul style="list-style-type: none">●Corporate management●Manufacturing and development●Global business●Human resource development

Messages from Outside Directors

The financial power that holds the key to achieving FSG.30

The Fuji Seal Group has always aimed to conduct business with an emphasis on capital costs, but the Tokyo Stock Exchange's request has motivated the Group to review its approach. I think it was very good that the Group began making efforts to reduce capital costs so that the return on equity (ROE) would exceed them and that the Group identified the desired figures through dialogue with investors instead of simply following a formula. In recent years, investor relations, including such communication with outside parties, have become quite extensive, which I feel has helped reduce information asymmetry.

Regarding FSG.30, the new management plan, financial actions such as capital allocation are crucial. Instead of leaving everything to the front line, it is necessary to put all the Group's efforts together to work on them. On the other hand, another important role of finance is to quantify and utilize "invisible assets" such as brand, customer assets, human capital, sustainability management, and intellectual property. This fiscal year, a new person has been appointed as the executive officer in charge of finance. I hope that he will proactively develop measures to achieve FSG.30 by maximizing the Fuji Seal Group's resources and look forward to seeing innovative ideas and knowhow.



Tatsundo Maki
Outside Director
(serving for 8 years)

Make finely tuned decisions according to the business phase

FSG.30, the new management plan, includes an investment plan of 100 billion yen. As of FY2024, the Group decided on investments of approximately 17 billion yen. Currently, the Group is implementing initiatives tailored to the situation of each region, such as constructing new plants and expanding the capacity of existing plants. I believe these measures fully satisfy the conditions for investing in growth projects in terms of both timing and content. Meanwhile, the investments to date have focused on steady strengthening of the four existing businesses, which is one of our three growth strategies. However, we are making efforts for the next growth phase by investing in improving the foundations for the other two strategies, namely expansion of product markets and target areas and creation of new business models that will lead to the next generation. Going forward, I anticipate that large capital investments and M&A deals will arise. I look forward to the next step while carefully monitoring the review process.

I understand that FSG.30 is a management plan for developing a new growth model that is not an extension of the existing model. Since new businesses involve many uncertainties, it is important not to use the same metrics for them as for existing businesses. I believe the key to success is for the Company to decide how long it can wait and how much it can invest in the meantime and to determine or evaluate new businesses.



Yuichi Seki
Outside Director
(serving for 6 years)

Moving further ahead with appropriate risk management

I have been newly appointed as outside director. I would first like to thoroughly gather information on the Fuji Seal Group's businesses and products and make the right decisions to improve the Company by leveraging my expertise as a lawyer.

Governance problems often emerge at a global company like the Fuji Seal Group because its overseas bases are not adequately overseen by the headquarters. Then, how should risk be managed? Stay closely attuned to developments in the country or region to quickly capture relevant information and respond with speed. Maintain close communication with the heads of each region. Prioritize risks since it is difficult to address every risk perfectly. I believe these are the three key points. Having bases around the world also means that risks can be diversified. For the Fuji Seal Group, this, along with their robust supply chains in each area, is a great strength.

Outside directors are supposed to be neutral and impartial, as well as act as a check on management. However, fear of risk alone achieves nothing. Let's work together to make this happen. I hope to contribute in that way.



Kimihiko Uemura
Outside Director
(newly appointed)

Risk Management

FSG has established the Group Risk Management Rules, which define its basic policy and management systems to address the various risks that may arise in the course of business. The Group Risk Management Rules not only provide for a disaster prevention system and a crime prevention and security system but also define the organizational structures and roles of the Group Risk Response Headquarter and the Regional Risk Response Headquarter as crisis management bodies in the event of an emergency, accident, or incident.

Risk management in ordinary times

In ordinary times, FSG's basic framework for risk management requires that potential risks be periodically identified and located on (regional and Group-wide) risk maps according to their level of impact on management and likelihood of realization and that systems be established to address those risks, based on the risk maps. Each year, we use risk maps to share risk awareness and constantly

consider responses to these risk events (avoidance, transfer, reduction, acceptance, etc.) and implement action plans in order to improve the Group's risk responsiveness.

Risk management in times of emergency

On the other hand, in the event of an emergency (when an incident occurs), a Group Risk Response Headquarter will be established at the regional and Group levels, as needed, to ensure a swift and appropriate response across the Group.

FSG has established a Group-wide emergency contact network to ensure that in the unlikely event of a risk event or incident, it is reported to management as quickly as possible depending on the impact and importance of the risk. Business chats are currently used as the form of communication. This enables us to quickly share information and risk awareness and respond and provide instructions swiftly, regardless of where incidents occur within the Group—both domestically and internationally—and regardless of where the management team members are located.

TOPICS

To establish a risk management system that functions in times of emergency

In FY2024, FSG distinguished between risks that should be addressed within each region and risks that should be addressed by the entire Group and reviewed and simplified the risk reporting standards within the Group to address each risk swiftly and appropriately.

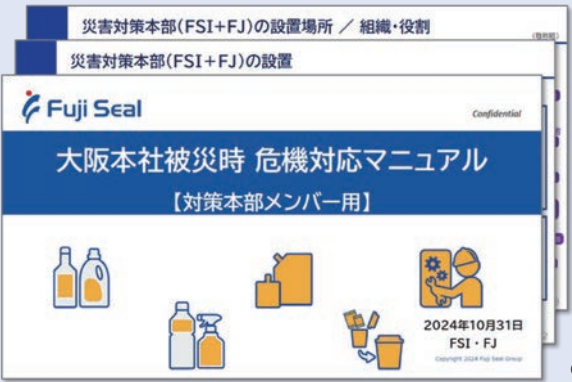
Each region has created a Crisis Response Manual (Emergency Action Manual) for each of the five risk events recognized as most important in the risk map. These manuals outline who should do what and when as the initial response (actions to be taken over about a week) to an incident. ("Cyberattacks," which are described under "Promotion of Information Security Measures" on page 42 of this Integrated Report, are incidents covered in the manual.)

Not only have these Crisis Response Manuals been established, they have also been used for drills, the

implementation of which is monitored by FSI's Board of Directors. These manuals also include emergency contact information and details on external support systems, such as local IT vendors and law firms, depending on the risk event.

FSI created and updates the Osaka Headquarters Crisis Response Manual, which is designed to maintain and secure the Group's head office functions, assuming that the head office suffers damage in the event of a major earthquake in the Nankai Trough or another disaster.

At FSG, in addition to building risk management mechanisms that distinguish between normal and emergency risks, we strive to improve and enhance our risk management framework so that the frameworks function effectively in the event of an incident or crisis.



Crisis Response Manual

Compliance

Fuji Seal Group (FSG) Code of Ethics

As a global firm, FSG has established and published the FSG Code of Ethics, positioning compliance, which is a prerequisite for business activities, as the most important management issue. The FSG Code of Ethics defines the universal values to be observed and followed by each director, executive officer, senior management member, and employee of FSG (hereinafter, "FSG Personnel") from a corporate ethics perspective as Ethical Standards and establishes a Code of Conduct to sincerely implement them.

FSG Ethical Standards

1. Compliance of Laws, Regulations, Rules and Policies, and Honest and Ethical Business practice

FSG's policy is to comply with all applicable laws and regulations of the countries and regions in which FSG conducts its business and to conduct its business in an honest and ethical manner.

FSG Personnel shall comply with all applicable laws and regulations, as well as all internal company rules and policies (hereinafter "LAWS") related to their business activities. It is the responsibility of FSG Personnel to understand, implement and comply with all the requirements of LAWS.

2. Relationship with Stakeholders

Pursuing sustainable growth and increasing corporate value through sound business activities is the basis of FSG's responsibility to stakeholders, including customers, employees, business partners, shareholders, and society.

FSG recognizes that FSG's business activities have direct and indirect impact on society, therefore, the business practices of FSG require that business decisions give due consideration to the interests of its stakeholders.

FSG Personnel will conduct the business of FSG accordingly.

3. Appreciating Diversity

FSG conducts its business worldwide. Conduct which is socially and professionally acceptable in one culture or region may be viewed differently in another region.

Therefore, FSG Personnel are required to understand the cultural and regional differences while performing their duties.

4. Principles of Business Execution

FSG Personnel will make each business decisions in good faith, based on sufficient information and with confidence that they are the best interest of FSG. FSG Personnel will also verify that these decisions fulfill at least each the following conditions:

1) Legal and fair decision making (the decision complies with LAWS)

2) No conflict of interest (no personal interest or self-dealing transactions exist)

3) Have clear scope of responsibility (the decision is made within the scope of authority granted by the respective company)

4) Prudent decision (the decision is made based on sufficient information, and only after exercising reasonable diligence to acquire familiarity with the concerned facts as much as possible)

5) Consideration in good faith (reasonable confidence in the respective company's best choice)

6) No abuse of discretion (the decision is made based on the reasonable exercise of discretion)

compliance-related action plans for FSG as a whole; and monitoring the implementation of those action plans. Specifically, the committee establishes a Group Compliance Slogan and deliberates on and considers annual topics and initiatives while monitoring compliance-related issues.

Each region has also established a Compliance Committee to promote compliance management within the region.

To spread the values aimed at in the FSG Code of Ethics

FSG distributes Compliance Cards to all Group executives and employees for educational purposes. In FY2024, we created a video summary of the FSG Code of Ethics in the 11 languages of the countries where FSG companies are located and integrated it with our e-learning system. Additionally, we provided training to managers and other personnel on ethical conduct, diversity, equity, and inclusion (DE&I), harassment, and anti-bribery and corruption.

In addition to distributing Compliance Cards and holding training sessions and seminars, we engage in the following ongoing activities: raising awareness through Family Festivals and company anniversary celebrations, displaying awareness posters in workplaces, and publishing articles about compliance in our in-house newsletter.

Each year at the Family Festival, top management reminds employees of the phrase written on the Compliance Card: "Can you explain that judgment (action) of yours to your family (loved ones)?" This phrase means that the Company believes it is important to continue a style of open management that can be explained to one's family and supported by one's family.

Consultation Hotline

To detect injustices, such as human rights infringements and harassment, as well as bribery and other compliance-related problems as early as possible and respond appropriately and promptly to them, we have in place a whistleblowing system (Consultation Hotline), which allows employees to report suspected cases directly to their company. Under this system, consultation requests and reports are accepted not only by the relevant in-house departments (including the Group Internal Audit Office) but also by external law offices and specialist companies.

The Consultation Hotline operates while ensuring complete confidentiality and preventing any disadvantageous treatment of whistleblowers. The system can be used anonymously. The status of acceptance of whistleblowing reports is regularly reported to the Group Compliance Committee, the Board of Directors, and the Audit Committee to improve Group compliance and risk management. In FY2024, we surveyed the operational status and actual implementation of whistleblowing systems in each region and reported and deliberated on the results at meetings of the Group Compliance Committee.

In order to quickly detect and understand issues that arise within the Group and take appropriate responses in a timely manner, we will continue to enhance our whistleblowing system and ensure its effectiveness.

Group-wide compliance management system

FSI has in place the Group Compliance Committee to promote and support compliance management throughout the Group.

The Group Compliance Committee submits reports and deliberation requests on important issues related to compliance to the Board of Directors. The duties under the responsibility of this committee include devising and deciding on organizations and systems related to compliance; deliberating on the revision and abolishment of provisions in the FSG Code of Ethics; developing and finalizing

The Fuji Seal Group (FSG) cherishes the vision “Our Value to People and the Planet,” aiming to add “Our proactive impact to realize the Regenerative Society.” Our Mission is defined as follows: “Fuji Seal will impact to realize the Circular Society that brings peace and happiness to all through packaging.”

To achieve these ideals of ours, we constantly review our sustainability management system.

Organizational structure and roles of the Group Sustainability Committee

The aim of the Group Sustainability Committee (established in December 2020) is to promote and support sustainability management in the Group.

Group Sustainability Committee

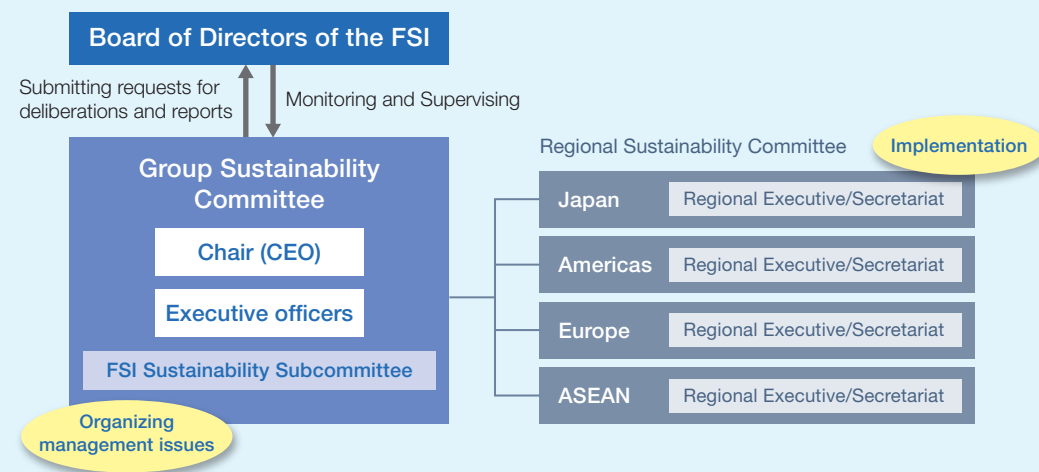
The Group Sustainability Committee serves as the hub for the promotion of FSG’s sustainability management by considering and formulating basic policies (including reviewing materiality items); submitting proposals and reports to the Board of Directors on action plans, their results, and other sustainability-related matters; and managing and monitoring the progress of sustainability management. The Committee is chaired by the CEO and consists of all executive officers. The FSI Sustainability Subcommittee has been established as its subordinate organization.

FSI Sustainability Subcommittee

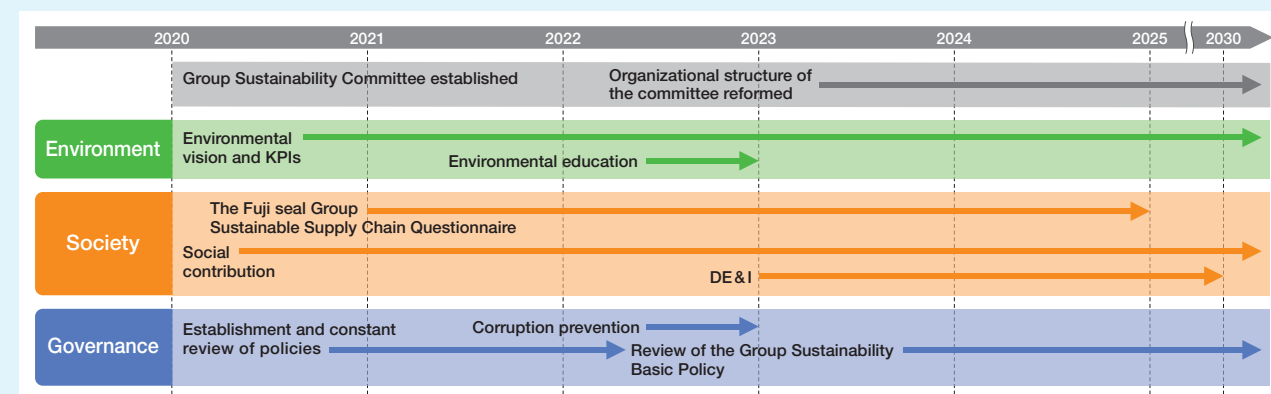
The FSI Sustainability Subcommittee will support the deliberations and activities of the Group Sustainability Committee by drafting and proposing basic policies to the Committee and will also work in cooperation with the Regional Sustainability Committee to manage and monitor the progress of each measure and regional KPI as well as implement various policies such as CO₂ reduction.

Furthermore, in each region, we have in place a Regional Sustainability Committee chaired by the executive officer in charge of the region to enforce the Group policies, build and operate execution frameworks, and implement measures.

Chart of the organizational structure of the Group Sustainability Committee



Priority items



ESG

FY2024 External Evaluation

To achieve our vision, various external organizations have highly rated us as a company that promotes initiatives to help realize a sustainable society.

We are actively committed to obtaining such external ratings as indicators of the outcomes of the activities of the Group Sustainability Committee.

EcoVadis

EcoVadis is Third-party organization which provides holistic sustainability ratings service of companies via a global cloud-based SaaS platform.

The EcoVadis Rating covers a broad range of non-financial management systems including Environmental, Labor & Human Rights, Ethics and Sustainable Procurement impacts. Each company is rated on the material issues as they pertain to their company's size, location and industry.

Winning the silver medal in FY2024 (silver medal winners account for only the top 15%)

*Our company has consistently earned Silver or higher medals from 2021 through 2025.



Sedex

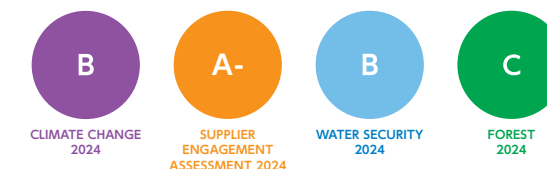
Sedex is a platform for sharing data on various social responsibilities in supply chains, such as responsibilities concerning working conditions, human rights, the environment, and business ethics. On this platform, information is disclosed to our customers in Japan and abroad about each of our factories, based on their reports.



CDP

CDP is a not-for-profit organization established in the UK in 2000 that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP's global disclosure system is renowned for presenting highly influential data, which are used by major purchasing companies.

CDP 2024 assessment results



FTSE Blossom

Japan Sector Relative Index

FSG has been selected since FY2021



S&P/JPX Carbon Efficient Index

FSG has been selected since FY2019



FTSE Blossom Japan Index

FSG has been selected since FY2021



SOMPO Sustainability Index

FSG has been selected since FY2021



MSCI Japan Empowering Women Index (WIN)

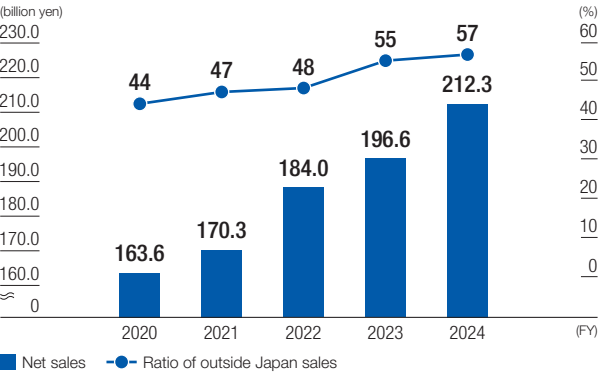
FSG has been selected since FY2019

2024 CONSTITUENT MSCJ JAPAN
EMPOWERING WOMEN INDEX (WIN)

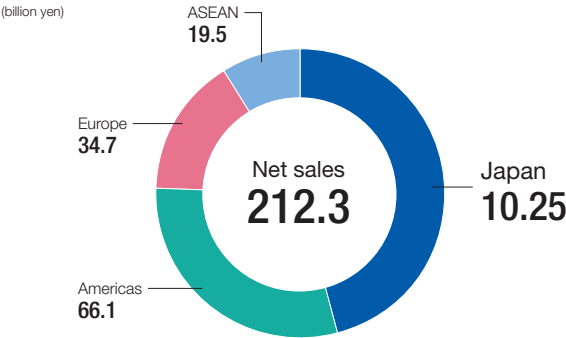
*THE INCLUSION OF FUJII SEAL INTERNATIONAL, INC IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF FUJII SEAL INTERNATIONAL, INC BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Financial Highlights

Net sales / Ratio of outside Japan sales

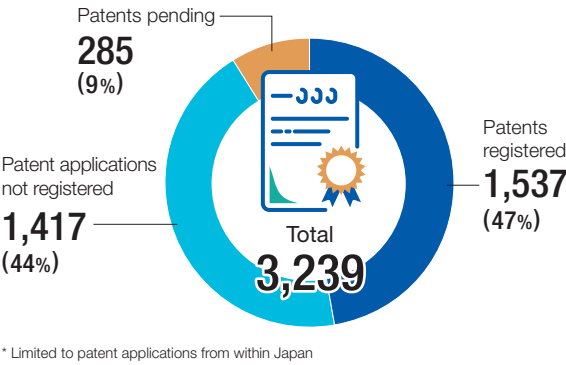


Net sales by Segment (FY2024)

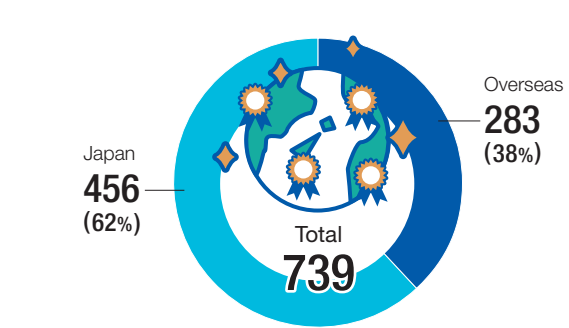


Non-financial Highlights

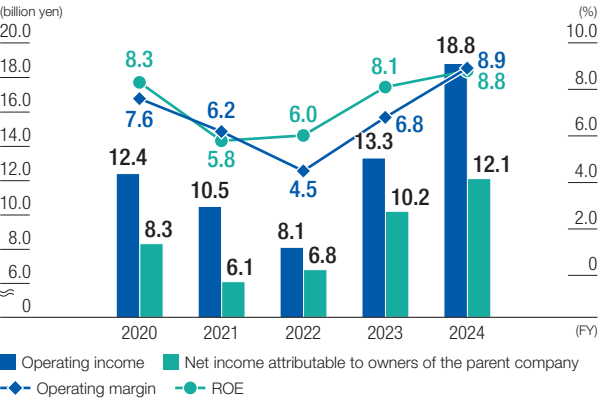
No. of patents applied for (accumulation from 1973) (as of the end of March 2025)



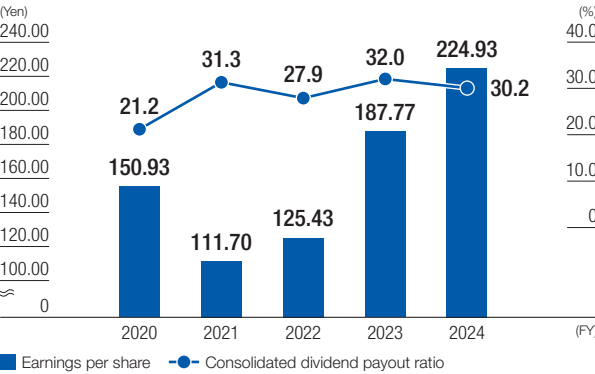
No. of patents held (in Japan / Overseas) (as of the end of March 2025)



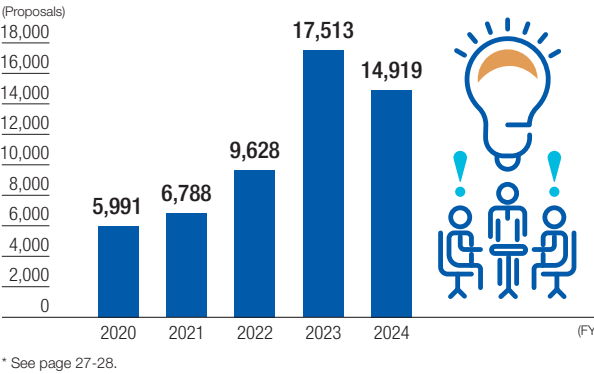
Operating income / Net income attributable to owners of the parent company/ Operating margin / ROE



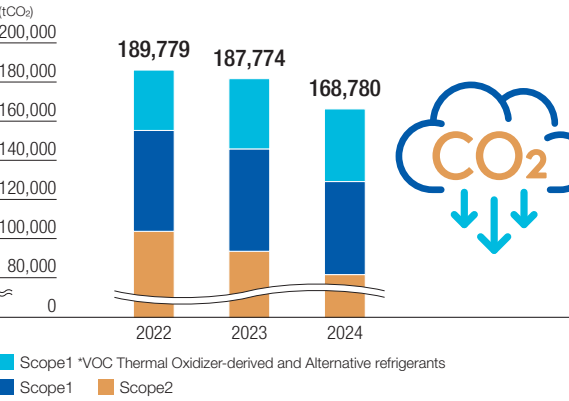
Earnings per share / Consolidated dividend payout ratio



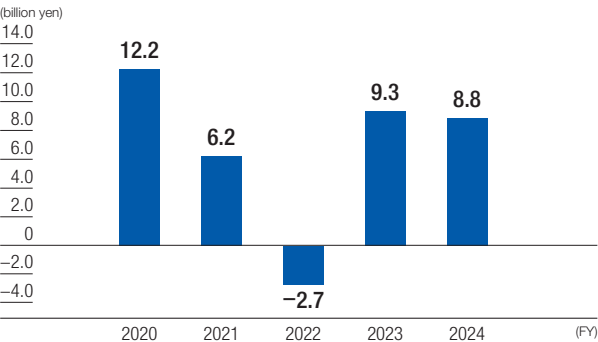
No. of proposals submitted in the Idea Bank Program



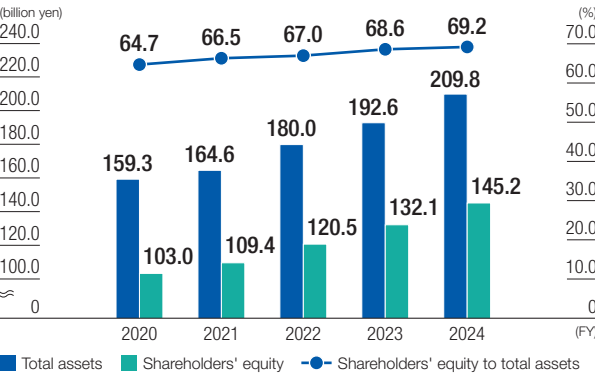
CO2 emissions trends



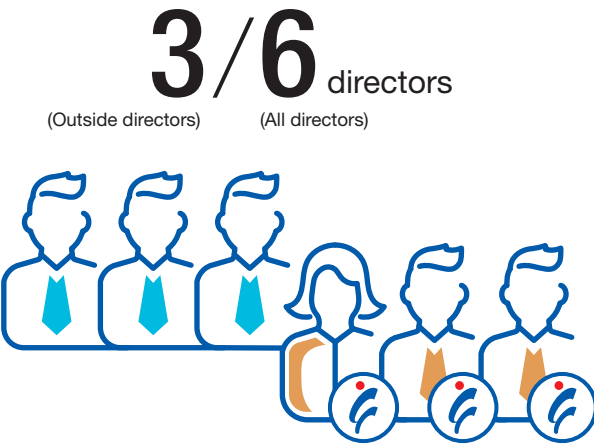
Free cash flow



Total assets /Shareholders' equity/ Shareholders' equity to total assets



Outside directors (elected at the General Meeting of Shareholders on June 24, 2025)



Business deployment areas (as of March 31, 2025)



Realizing sustainable growth through ongoing dialogue with investors

Sachiko Yashiro Executive Officer in charge of Finance



» Using experience in finance and corporate management to accomplish our targets

I joined the Company in April 2025 and was appointed Executive Officer in charge of Finance in June. To briefly introduce my professional background, I started my career in banking. After working for approximately 15 years, joined a foreign-affiliated general electronics manufacturer and most recently, I worked for a domestic beverage manufacturer.

Over the past 30 years I have been working in finance and accounting, I have experienced many changes, especially in the relationships with shareholders. A major turning point was the publication in 2014 of the Ministry of Economy, Trade and Industry's report on the project "Competitiveness and Incentives for Sustainable Growth: Building Favorable Relationships between Companies and Investors," commonly known as the "Ito Review." What particularly caught my attention was the recommendation to set a benchmark of 8% ROE (return on equity) as a KPI (key performance indicator), to manage companies with an awareness of capital costs, and to place importance on dialogue with investors. Then, in 2023, the Tokyo Stock Exchange requested that companies maintain a PBR (price-to-book ratio) of 1.0x or more, which accelerated the realization of the Ito Review. In this environment, the Fuji Seal Group has set targets in its management plan "FSG.30" of 350 billion yen in sales, double-digit percentages for ROE and operating profit margin, and a PBR of 1.5x or more. My main mission is to figure out how to achieve these targets.

» Regarding cash allocation

I believe that in order to achieve sustainable growth, it is important for companies, investors, and debt providers (funding providers such as banks and bondholders) to work together as one. We will utilize the cash earned from our

businesses and debts such as loans to make investments and return value to shareholders. It is important to find a balance in how this circulation of funds is carried out. I would like to continue to communicate with investors in order to find a balance that will contribute to increasing our corporate value.

» Promoting understanding of financial KPIs within the Company

Needless to say, dialogue with stakeholders is important, but dialogue within the company is also important. Accordingly, I held two internal briefings on our KPIs by the end of June 2025, where I explained the importance of profits and cash flow for increasing corporate value. I will continue to strive to communicate carefully so that employees can deepen their understanding of financial KPIs before carrying out their daily work.

As our Group conducts business globally, collaboration with financial personnel in each region is becoming increasingly important. Moreover, as we aim to expand into new countries, I would like to continue our discussions on how to build a global financial structure, including on cash management.

» Actively investing in "human capital"

To achieve the goals of FSG.30, we plan to make solid investments in "human capital" through training that shares our Group's values and the development of executive candidates. As one of our Group slogans states, "We call a heated discussion on creation 'trust,'" exposure to different cultures may lead to a "heated discussion," from which new products, technologies, and services are born. In that sense, DE&I is a source of growth and must continue to be valued.

Finally, our company achieved sales of 200 billion yen for the first time in FY2024. We will work as a company to achieve the goals set in FSG.30.

Review of FY2024

Looking back on FY2024

FY2024 was a very important year for us as it was the first year of our new management plan "FSG.30." In terms of the business environment, inflation in the Americas showed signs slowing down, and the Japanese economy was also on a gradual track to recovery, which was favorable for our company. Meanwhile, geopolitical tensions continued, making the situation very unpredictable.

In this context, the company-wide initiatives and profitability improvement measures implemented in each region were successful, and both consolidated sales and consolidated operating profit reached record highs, making for an promising start.

In particular, the consolidated operating profit margin increased gradually from 4.5% in FY2022 and 6.8% in FY2023 to 8.9% and is steadily approaching the double-digit consolidated operating profit margin, a KPI set in FSG.30.

FY2023's return on equity (ROE) rose from 8.1% to 8.8%, and is approaching double digits as a KPI set in FSG.30.

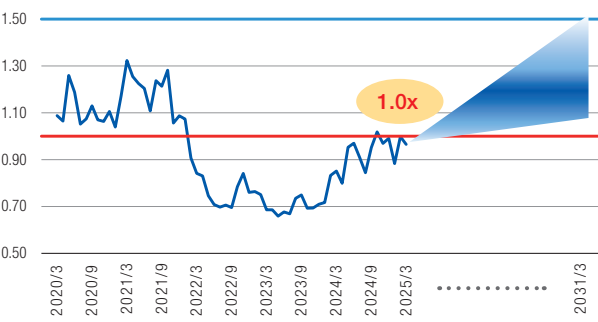
Due to this favorable performance, consolidated operating cash flow reached a record high of 21.3 billion yen, and we have steadily increased our earning power. Consequently, our equity ratio was 69.2%, and we continue to maintain a solid financial position.

However, there are still challenges we must address in order to accomplish FSG.30. The first challenge is to improve the CCC,* which we have been working on for some time. We aim to further improve by having each region set goals and having the Board of Directors regularly monitor the measures being taken to achieve them and their progress.

Trends in PER



Trends in PBR



The second challenge is to achieve a PBR of 1.5x or more, another KPI in FSG.30. In this regard, the PBR was approximately 1.0x as of the end of March 2025, a slight improvement compared to approximately 0.9x as of March 2024.

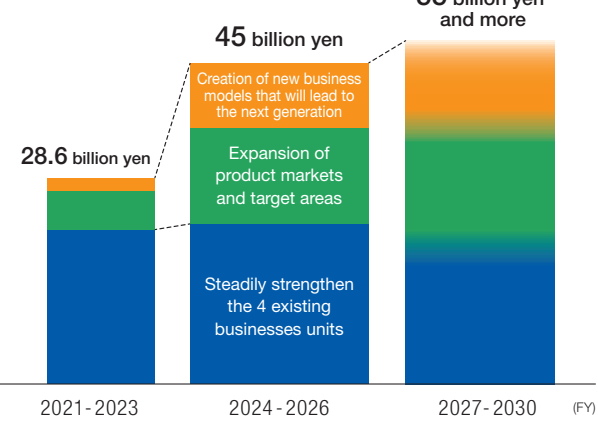
* CCC: Cash Conversion Cycle

Aiming to achieve a PBR of 1.5x or more

In FY2025, the second year of FSG.30, we will focus on (1) expanding future profits, (2) improving capital efficiency, and (3) pursuing an optimal capital structure in order to achieve a PBR of 1.5x or more, as detailed below.

(1) To expand future profits, we will steadily advance the capital allocation outlined in FSG.30. Regarding growth investments, we aim to invest 45 billion yen from FY2024 to FY2026 and 55 billion yen from FY2027 to FY2030, a total of 100 billion yen. In the first year, FY2024, we made growth investments of 17 billion yen, progressing smoothly at approximately 17%. We will continue to make growth investments beyond FY2025 to ensure profit expansion.

FSG.30 Investment Plan



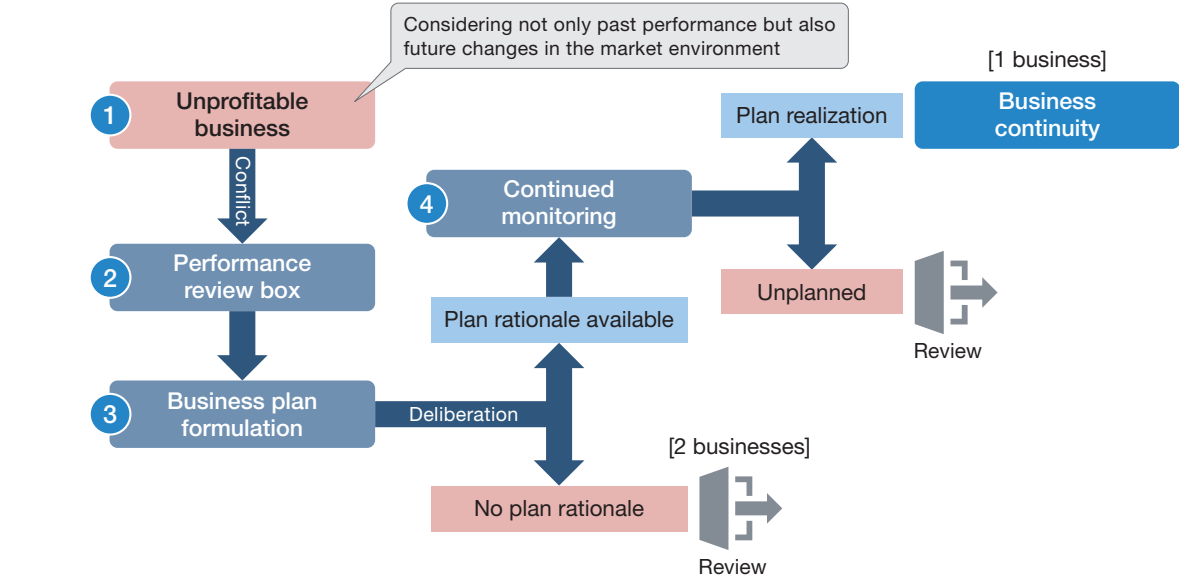
100 billion yen between FY2024 and FY2030
Expanding the scale of investment from the previous medium-term plan

Major investment projects for FY2024

(based on the Board of Directors resolutions)

Region	Project name	Amount
Japan	Construction of New Factory in Yamagata	Approximately 17 billion yen
Americas	North Carolina Factory DAY2 investment	
	Indiana Factory Investment in printing machines for pressure sensitive labels	
	Expansion of Italian Factory	
Europe	Poland Factory Investment in printing machines for shrink sleeve and pressure sensitive labels	

Business portfolio review framework

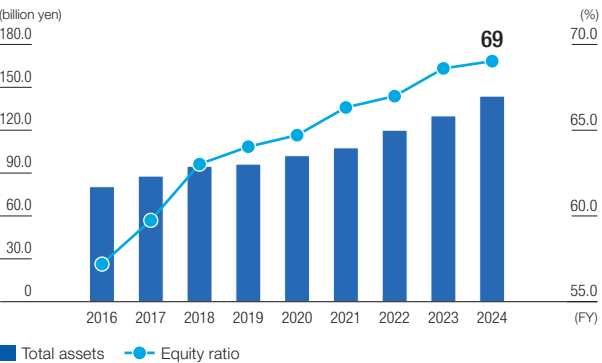


- (2) To improve capital efficiency, we reviewed our business portfolio and have considered not only currently unprofitable businesses and assets, but also businesses that have the potential to become unprofitable in the future. As a result, two businesses were revised, one business achieved profitability, and one factory was closed. We will continue to shift to more profitable businesses in order to increase ROE and further improve capital efficiency.
- (3) As mentioned above, in pursuit of an optimal capital structure, the Company's performance over the past few years has been favorable, resulting in an equity ratio of approximately 70% and a debt-to-equity ratio of 0.07x. This will enable us to invest with financial leverage going forward while maintaining a stable financial base. Additionally, in August 2024, we decided to acquire 3 billion yen of treasury stock and have already made the acquisition.* We will continue to pursue an optimal capital structure with the goal of returning 50 billion yen in total to shareholders by FY2030.

By continuing these initiatives until FY2030, we will achieve a double-digit ROE and improve PER, ensuring the realization of a PBR of 1.5x or more.

* Acquisition of approximately 3 billion yen of treasury stock completed in May 2025

Total Assets/Equity Ratio

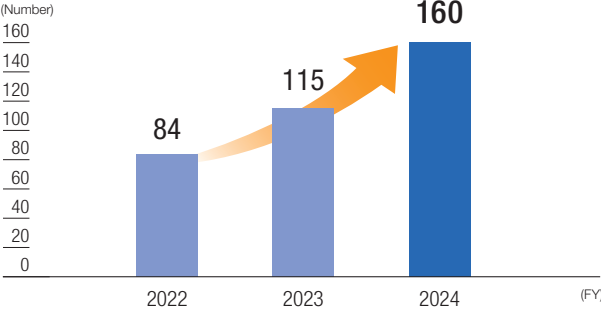


Improving the opportunities and quality of dialogues

We have been enhancing our investor relations (IR) activities since FY2023, and in FY2024 we had 160 opportunities to engage in dialogue with various investors from Japan and abroad. We hope to continue to improve the opportunities and quality of these dialogues, eliminate information asymmetry, and gain the trust of the stock market, which will lead to a reduction in our cost of shareholder's equity. Moreover, through dialogue with investors, we received a variety of input into our business and financial strategies. The input obtained was shared and discussed at quarterly Board of Directors meetings and used as a reference for formulating our management strategies. We believe that by incorporating real investor perspective gained through these dialogues, we were able to engage in more multifaceted discussions.

Looking at the whole of FY2024, the stock price rose by around 20%. However, we do not believe that the Company's record high performance is reflected in its stock price. Investors have also pointed out that it is difficult to see the connection between our growth investments and our equity story. We will clearly indicate this in future disclosure materials and dialogues and will carefully show our investors the path to accomplishing FSG.30. We believe that this will lead to an increase in our corporate value.

Number of IR meetings held



Message from the Financial Officer in Each Region

Japan

In order to accomplish FSG.30, the Japan region is working to achieve sustainable growth, increased profitability, improve CCC and return on invested capital (ROIC) as financial indicators. We aim to increase profitability and ROIC by optimizing our business portfolio, streamlining low-profit businesses, and concentrating management resources on growth businesses, in addition to optimizing inventory management and reviewing payment terms.



Ryo Seike
in charge of Corporate Planning in Japan

Moreover, there is a shift from management centered on profit-and-loss statements to more balanced decision-making that also takes into account balance sheets and cash flow. In terms of inventory optimization, we aim to reduce inventory volume and improve financial soundness by strengthening collaboration between procurement, production, and sales departments, standardizing parts, shortening lead times, and reducing labor hours and automating operations through digital transformation. We are also promoting company-wide awareness through regular progress reports at major meetings, town halls, and training sessions.

Americas

To accomplish FSG.30, we will proactively consider and implement strategic investments in the Americas market, clearly set financial KPIs, and conduct regular monitoring. We aim to increase value from both a defensive and offensive perspective, and will support sustainable growth even in a rapidly changing business environment by using strategic M&A and other means.



Hiroto Tanaka
in charge of Finance in the Americas

In order to achieve the goals of FSG.30 for our internal employees, we would like to promote the creation of an environment where employees can enjoy their work and feel a sense of fulfillment, and we will also introduce a retention plan. We would like to transform our organization into one in which everyone can take action independently, sharing the importance of achieving our goals, and being conscious of the balance between "accuracy" and "efficiency."

In FY2025, we would like to first take action and then flexibly correct course through trial and error. We would like to proactively take on meaningful challenges so that in the future we can even laugh about our failures, while reviewing our rules to keep up with the times and fulfilling our accountability.

Europe

In FSG.30, we aim to improve existing businesses, particularly in terms of profitability, and launch new businesses through M&A and other means. In Europe, we have improved our CCC indicators by reviewing our business portfolio and strengthening our negotiating power with business partners. Going forward, we will adopt a systematic approach towards our sales targets as well.



Tetsushi Kondo
in charge of Finance in Europe

In FY2024, we achieved an improvement in profitability, which had been a long-standing issue, and coupled with the opening of our new factory in Italy, we saw improvements in both sales and profits. This made us feel proud of our industry leadership and enabled us to think positively. We will also develop and implement a proactive tax strategy, incorporating it into cash flow optimization measures, while setting priorities according to potential risks for each country and business. By standardizing processes and improving efficiency through digital transformation, we will create an environment in which employees in the finance field can work long-term, taking into account their individual career plans.

ASEAN

In ASEAN, we are working to make necessary investments and improve capital efficiency to achieve the goals of FSG.30. In FY2024, we enhanced our capital efficiency by improving profitability and reviewing our business portfolio. Going forward, we will focus on shortening CCC while also making carefully selected investments in growth areas.



Kenichiro Yoshiki
in charge of Finance in ASEAN

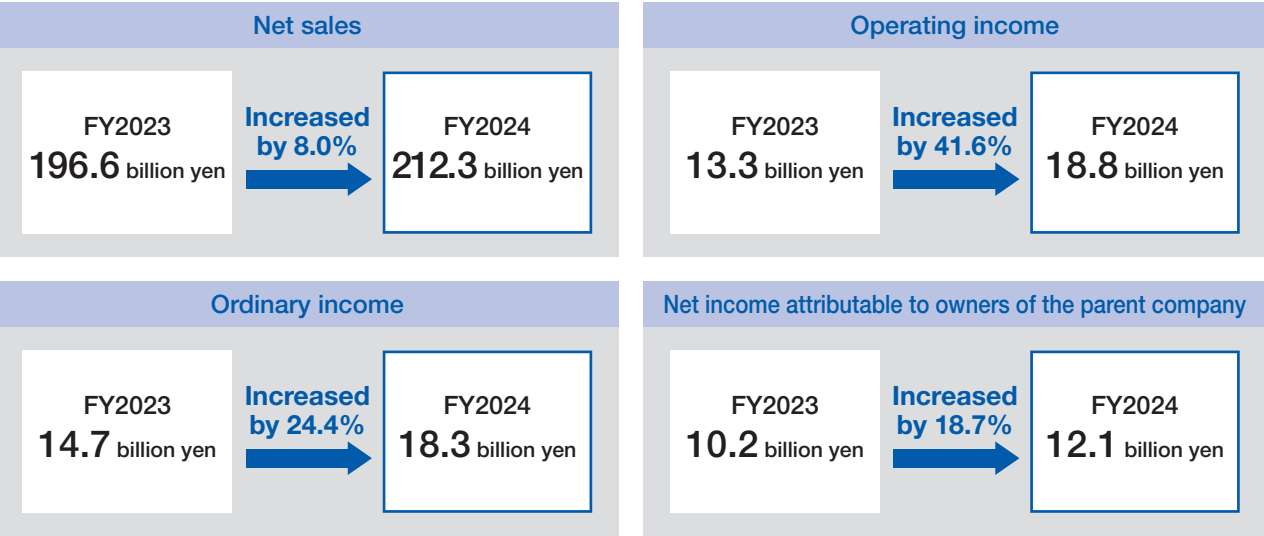
We will continue to engage in dialogue with local management so that all employees can understand the goals and take responsibility for achieving them. In FY2025, we plan to hold town hall meetings and other forms of interactive communication. By linking strategies with daily operations, we increase the sense of contribution among employees on-site and put all our efforts together to achieve our goals.

In FY2025, we will strive to improve not only profitability but also asset efficiency, and it will be important to make timely and appropriate investments that will enhance our ability to respond to customer needs. To increase the accuracy of investment decisions and the probability of success, we will thoroughly evaluate and verify the effects before and after each investment.

Consolidated Results (Profit/Loss) for FY2024

In FY2024, the management environment surrounding the Fuji Seal Group remained uncertain due to ongoing geopolitical tensions around the world, despite the easing of inflation in the Americas and the gradual recovery in the Japanese economy. In this environment, FSG continues to strive for sustainable growth alongside our customers and to increase corporate value, guided by Our Credo, “Each day

with renewed commitment, we create new value through packaging.” We have also continued to set “Our Value to People and the Planet” as Our Vision, aiming to continuously increase corporate value alongside all stakeholders, including customers, employees, business partners, shareholders, and society.



Cash Flows

Cash and cash equivalents at the end of FY2024 were 29,051 million yen, an increase of 6,263 million yen from the end of FY2023. The main details are as follows:

Cash flows		
(Unit: Million yen)		
	End of FY2024	
Balance of cash and deposits at the beginning of the fiscal year	22,788	
Cash flows from operating activities	21,339	Net income before income taxes: +17,870; Depreciation: +8,750; increase (decrease) in trade payables: (1,900); income taxes paid: (4,865)
Cash flows from investing activities	△ 12,459	Payments into time deposits: (6,252); purchase of property, plant and equipment: (6,648)
Cash flows from financing activities	△ 3,417	Borrowings: 2,703; purchase of treasury shares: (1,922); dividends paid: (4,000)
Effect of exchange rate change	800	
Balance of cash and deposits at the end of the fiscal year	29,051	
Free cash flows	8,880	

Management Indicator Targets

About FSG.30

In order to make appropriate decisions in response to changes and continue to grow, the Fuji Seal Group formulated FSG.30 = Fuji Seal Sustainable Growth 2030 Strategy in May 2024, with the seven-year period up to 2030 positioned as a turning point. Under FSG.30, our consolidated management targets for the fiscal year ending March 2031 are as follows: net sales of 350 billion yen or more and a double-digit operating profit margin. FY2024 was the first year of the strategy period. In FY2025, the second year of the strategy period, we will continue the various initiatives to achieve the FSG.30 targets.

To tackle this challenge, the Group will leverage the following as it strives to continue to grow: 1) the ability to respond flexibly and agilely with local manufacturing, sales and development systems to meet the diverse packaging needs of customers who are leading the global market, and to deploy the technologies and experience cultivated in other regions; 2) the ability to respond to and verify market

demands and to provide QCD through the possession of integrated technology covering materials technology, production, customer applications, and after-sales service; and 3) the strong relationships with innovative global customers cultivated through the above abilities. In particular, building strong relationships with customers is essential for developing in-demand packages. We will promote the creation of collaborative and co-creative initiatives born from mutual dialogue.

Overview of FSG.30

FSG.30 was formulated to realize the future vision of the Group. We will accelerate our global efforts to implement the three business strategies for sustainable growth by utilizing our strengths—excellent customers, global presence, and strong production capabilities—as well as the business foundation we have built thus far—comprising finance, human capital, governance, intellectual property (IP) strategies, and coexistence with the environment.

Dividends

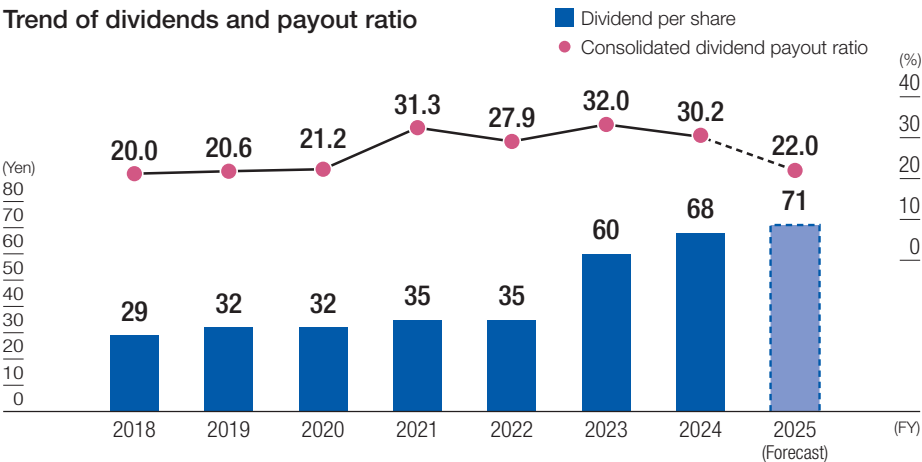
By providing packaging, we aim to contribute to achieving a circular and sustainable society where all people can live with smiles and peace of mind, thereby increasing our corporate value. We recognize that our top management priority is offering continuous and stable profit returns to shareholders based on our consolidated business performance for each fiscal year. For these reasons, we have adopted the following approaches to profit distribution:

- Invest in continuous growth (technology development, human resource development, capital investment, M&A).
- Aim to achieve a consolidated dividend payout ratio of 30%, in principle, and to stably and continuously increase the amount of dividend per share in comprehensive consideration of the DOE level, changes in the business environment, and other factors.
- Build a stable financial foundation in preparation for emergencies and acquiring and disposing of treasury stock flexibly.

In FY2024, net income ended at a record high thanks to the contribution of ongoing profitability improvement measures in each region. The year-end dividend for the fiscal year ended March 2025 was decided at the meeting of the Board of Directors on May 22, 2025, to be 38 yen per share, taking into consideration our basic policy on profit distribution and business performance for said fiscal year. As a result, the annual dividend for the fiscal year ended March 2025, including the interim dividend (30 yen per share), will be 68 yen per share, with a consolidated payout ratio of 30.2%.

For the fiscal year ending March 2026, we are planning to provide an annual dividend of 71 yen per share. This brings the projected consolidated dividend payout ratio for the fiscal year ending March 2026 to 22.0%. This is due to the exclusion of the one-off effects regarding Fuji Seal Switzerland AG from the source of dividends, as we would like to use them for growth investments to achieve FSG.30. The payout ratio will be 30.2% when excluding these effects.

Trend of dividends and payout ratio



Summary of Consolidated Financial Results (1)

Fiscal year	2020	2021	2022	2023	2024
Net sales (million yen)	163,635	170,321	184,035	196,624	212,345
YoY growth (%)	1.7	4.1	8.1	6.8	8.0
Gross profit (million yen)	31,298	30,638	29,677	35,855	44,989
YoY growth (%)	0.0	-2.1	-3.1	20.8	25.5
Ratio of gross profit to net sales (%)	19.1	18.0	16.1	18.2	21.2
Operating income (million yen)	12,428	10,572	8,194	13,309	18,844
YoY growth (%)	-1.6	-14.9	-22.5	62.4	41.6
Operating margin (%)	7.6	6.2	4.5	6.8	8.9
Ordinary income (million yen)	12,104	10,600	8,426	14,732	18,323
YoY growth (%)	-6.2	-12.4	-20.5	74.8	24.4
Ordinary income to net sales (%)	7.4	6.2	4.6	7.5	8.6
Net income (million yen)	8,375	6,117	6,869	10,277	12,199
YoY growth (%)	-4.9	-27.0	12.3	49.6	18.7
Net income to net sales (%)	5.1	3.6	3.7	5.2	5.7
Earnings per share (yen)	150.93	111.70	125.43	187.77	224.93
Shareholders' equity (million yen)	103,080	109,492	120,571	132,142	145,269
Total assets (million yen)	159,367	164,646	180,004	192,684	209,822
Shareholders' equity to total assets (%)	64.7	66.5	67.0	68.6	69.2
Return on equity (ROE) (%)	8.3	5.8	6.0	8.1	8.8
Shareholders' equity per share (yen)	1,869.58	1,999.85	2,201.40	2,435.66	2,707.95
Net sales by Product	(million yen)				
Shrink sleeve labels	92,671	99,877	112,642	119,347	130,882
(Composition ratio)	56.6%	58.6%	61.2%	62.4%	61.6%
Pressure sensitive labels	21,073	17,398	16,697	16,014	17,167
(Composition ratio)	12.9%	10.2%	9.1%	8.1%	8.1%
Other labels	1,390	—	—	—	—
(Composition ratio)	0.8%	—	—	—	—
Spouted pouches	22,906	23,246	25,865	26,443	28,882
(Composition ratio)	14.0%	13.6%	14.1%	13.4%	13.6%
Machinery	12,558	15,949	15,945	18,829	21,114
(Composition ratio)	7.7%	9.4%	8.7%	9.6%	9.9%
Contract packaging for pharmaceuticals and others	8,633	—	—	—	—
(Composition ratio)	5.3%	—	—	—	—
Other	4,401	13,849	12,884	15,990	14,298
(Composition ratio)	2.7%	8.1%	7.0%	6.4%	6.7%

* From FY2021, "Pharmaceutical and other order-customized packaging" and "Other labels" are included in "Other."

By segment						(Unit: Million-yen)
Net sales by Segment						
Japan	92,990	92,305	97,135	98,861	102,545	
(External customers)	(91,286)	(90,457)	(95,194)	(96,784)	(99,923)	
Americas	35,899	42,261	50,149	57,882	66,176	
(External customers)	(35,888)	(42,254)	(50,111)	(57,873)	(66,172)	
Europe	18,760	27,658	28,118	31,140	34,721	
(External customers)	(14,802)	(23,742)	(24,468)	(26,807)	(29,449)	
PAGO	8,201	—	—	—	—	
(External customers)	(7,980)	—	—	—	—	
ASEAN	16,145	16,237	17,460	18,089	19,541	
(External customers)	(13,678)	(13,866)	(14,261)	(15,159)	(16,801)	
Eliminations	-8,361	-8,141	-8,828	-9,350	-10,639	
Operating income by segment						
Japan	8,145	7,597	7,623	8,779	9,892	
Americas	3,650	3,539	1,749	3,368	6,489	
Europe	767	-837	-1,079	801	2,132	
PAGO	-494	—	—	—	—	
ASEAN	642	341	94	482	937	
Eliminations	-282	-68	-193	-122	-608	
Foreign exchange rates applied to overseas subsidiaries						
USD (yen)	106.76	109.90	131.62	140.67	151.69	
EUR (yen)	121.88	129.91	138.14	152.11	164.05	

* From FY2021, "PAGO" is included in "Europe."

Summary of Consolidated Financial Results (2)

Fiscal year	2020	2021	2022	2023	2024
(Profitability)					
Return on equity (ROE)	8.3%	5.8%	6.0%	8.1%	8.8%
Return on assets (ROA)	7.8%	6.5%	4.9%	7.9%	9.1%
(Safety)					
Current ratio	201.7%	208.1%	200.9%	221.2%	236.7%
Ratio of long-term capita	58.1%	54.7%	55.9%	54.1%	50.0%
Debt equity ratio (times)	0.12	0.11	0.10	0.06	0.07
Interest coverage ratio (times)	317.6	217.4	79.4	50.2	116.5
Cash flows (million yen)					
Cash flows from operating activities	18,847	14,021	8,269	19,930	21,339
Cash flows from investing activities	-6,582	-7,804	-11,014	-10,568	-12,459
Cash flows from financing activities	-2,088	-4,834	-5,793	-4,338	-3,417
Capital expenditure breakdown (million yen)	5,916	10,503	11,068	7,032	7,549
Capital expenditure breakdown by region (million yen)					
Japan	3,527	3,988	4,302	2,802	2,772
Americas	1,317	3,720	5,478	2,747	2,932
Europe	605	728	541	959	1,340
PAGO	109	—	—	—	—
ASEAN	699	1,934	722	508	616
Depreciation breakdown (million yen)	8,056	8,069	7,738	8,366	8,750
Depreciation breakdown by region (million yen)					
Japan	3,996	3,963	3,165	3,430	3,376
Americas	2,029	1,795	2,336	2,747	2,986
Europe	940	1,433	1,208	1,146	1,356
PAGO	395	—	—	—	—
ASEAN	886	891	1,051	1,058	1,051
R&D expenses (million yen)	2,394	2,493	2,464	2,524	2,603
Employees (Person)	5,741	5,892	5,767	5,692	5,639

* From FY2021, "PAGO" is included in "Europe."

Consolidated Balance Sheet

(Unit: Million-yen)					
Fiscal Year	2020	2021	2022	2023	2024
Assets:					
Current assets:	93,734	101,126	110,023	117,064	133,075
Cash and time deposits	21,688	25,860	22,034	22,806	34,394
Notes and accounts receivable	40,973	40,854	45,951	50,695	52,849
Electronically recorded monetary claims	8,686	10,206	11,353	12,628	12,583
Merchandise and finished products	8,537	7,772	9,142	10,227	11,184
Work in process	3,458	4,127	5,239	6,033	6,699
Raw materials and supplies	6,762	7,956	11,140	9,093	9,739
Other	3,837	4,533	5,353	5,684	5,860
Allowance for doubtful accounts	-210	-183	-192	-105	-236
Noncurrent assets:	65,632	63,519	69,981	75,620	76,747
Tangible fixed assets:	54,881	55,958	61,989	62,774	65,097
Buildings and structures	22,714	21,131	21,345	26,182	26,365
Machinery, equipment and vehicles	20,044	18,976	19,335	21,185	20,782
Land	6,257	6,989	8,346	8,748	8,991
Other	5,865	8,861	12,962	6,657	8,957
Intangible fixed assets:	1,501	1,510	1,549	2,383	2,187
Consolidation adjustment	159	107	50	997	871
Other	1,342	1,402	1,498	1,386	1,316
Investments and other assets	9,249	6,050	6,442	10,462	9,462
Total Assets	159,367	164,646	180,004	192,684	209,822
Liabilities:					
Current liabilities:	46,474	48,596	54,769	52,917	56,220
Notes and accounts payable	13,104	13,758	15,279	17,474	15,811
Electronically recorded monetary obligations	11,655	11,179	12,254	11,118	11,565
Short-term debts	5,416	4,382	9,034	4,020	6,000
Current portion of long-term debt	1,085	5,038	2,699	756	751
Income taxes payable	991	817	1,000	1,960	1,801
Accrued bonuses	1,713	1,630	1,591	2,246	2,598
Other	12,508	11,790	12,910	15,340	17,693
Long-term liabilities:	9,811	6,557	4,663	7,624	8,332
Long-term debts	5,115	2,387	56	1,841	2,781
Net defined benefit liabilities	2,594	2,630	2,791	2,865	2,751
Other long-term liabilities	2,102	1,538	1,815	2,916	2,799
Total liabilities	56,286	55,153	59,432	60,542	64,553
Net assets:					
Shareholders' equity:					
Common stock	5,990	5,990	5,990	5,990	5,990
Capital surplus	6,584	6,603	6,600	6,599	6,625
Retained earnings	93,372	97,677	102,629	110,990	119,188
Treasury stock	-7,537	-8,512	-8,479	-9,556	-11,230
Total shareholders' equity	98,410	101,758	106,740	114,024	120,574
Accumulated other comprehensive income:					
Unrealized gains on available-for-sale securities	1,318	1,297	1,773	1,342	1,006
Deferred gains or losses on hedges	—	—	—	-3	0
Foreign currency translation adjustment	1,815	6,259	11,898	16,781	23,423
Remeasurements of defined benefit plans	1,535	176	158	-1	265
Total accumulated other comprehensive income	4,670	7,733	13,830	18,118	24,695
Total net assets	103,080	109,492	120,571	132,142	145,269
Total liabilities and net assets	159,367	164,646	180,004	192,684	209,822

Consolidated Profit and Loss Statement

(Unit: Million-yen)					
Fiscal Year	2020	2021	2022	2023	2024
Net sales	163,635	170,321	184,035	196,624	212,345
Cost of sales	132,337	139,683	154,358	160,768	167,356
Gross profit	31,298	30,638	29,677	35,855	44,989
Selling, general and administrative expenses	18,869	20,066	21,482	22,546	26,145
Operating income	12,428	10,572	8,194	13,309	18,844
Non-operating income:	221	254	542	2,012	638
Interest income	14	24	122	352	293
Dividend income	63	70	78	82	100
Foreign exchange gains	—	—	2	1,409	—
Other	143	159	338	167	244
Non-operating expenses:	544	225	310	590	1,159
Interest expenses	67	72	100	382	261
Foreign exchange losses	389	35	—	—	779
Other	88	117	210	208	117
Ordinary income	12,104	10,600	8,426	14,732	18,323
Extraordinary income	1,231	266	147	68	103
Extraordinary losses	1,706	1,416	840	938	556
Income before income taxes	11,629	9,449	7,733	13,862	17,870
Income taxes – current	3,889	3,202	2,604	3,731	5,503
Income taxes – deferred	-634	129	-1,740	-147	167
Net income attributable to owners of the parent company	8,375	6,117	6,869	10,277	12,199
Other comprehensive income	-217	3,063	6,097	4,287	6,577
Comprehensive income	8,157	9,180	12,966	14,565	18,776

Consolidated Cash Flows

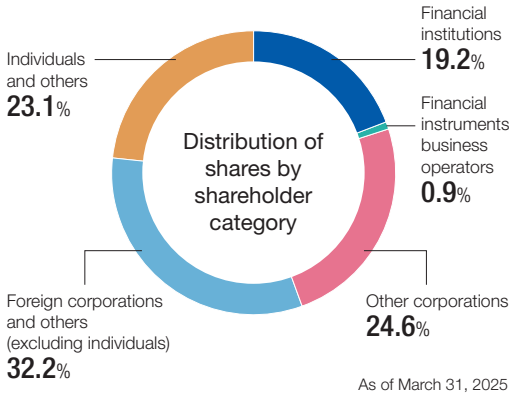
(Unit: Million-yen)					
Fiscal Year	2020	2021	2022	2023	2024
Cash flows from operating activities	18,847	14,021	8,269	19,930	21,339
Cash flows from investing activities	-6,582	-7,804	-11,014	-10,568	-12,459
Cash flows from financing activities	-2,088	-4,834	-5,793	-4,338	-3,417
Effect of exchange rate changes on cash and cash equivalents	30	1,172	1,781	415	800
Net increase (decrease) in cash and cash equivalents	10,207	2,555	-6,757	5,440	6,263
Cash and cash equivalents at beginning of the period	11,342	21,549	24,105	17,347	22,788
Cash and cash equivalents at the end of the period	21,549	24,105	17,347	22,788	29,051

Dividends to Shareholders

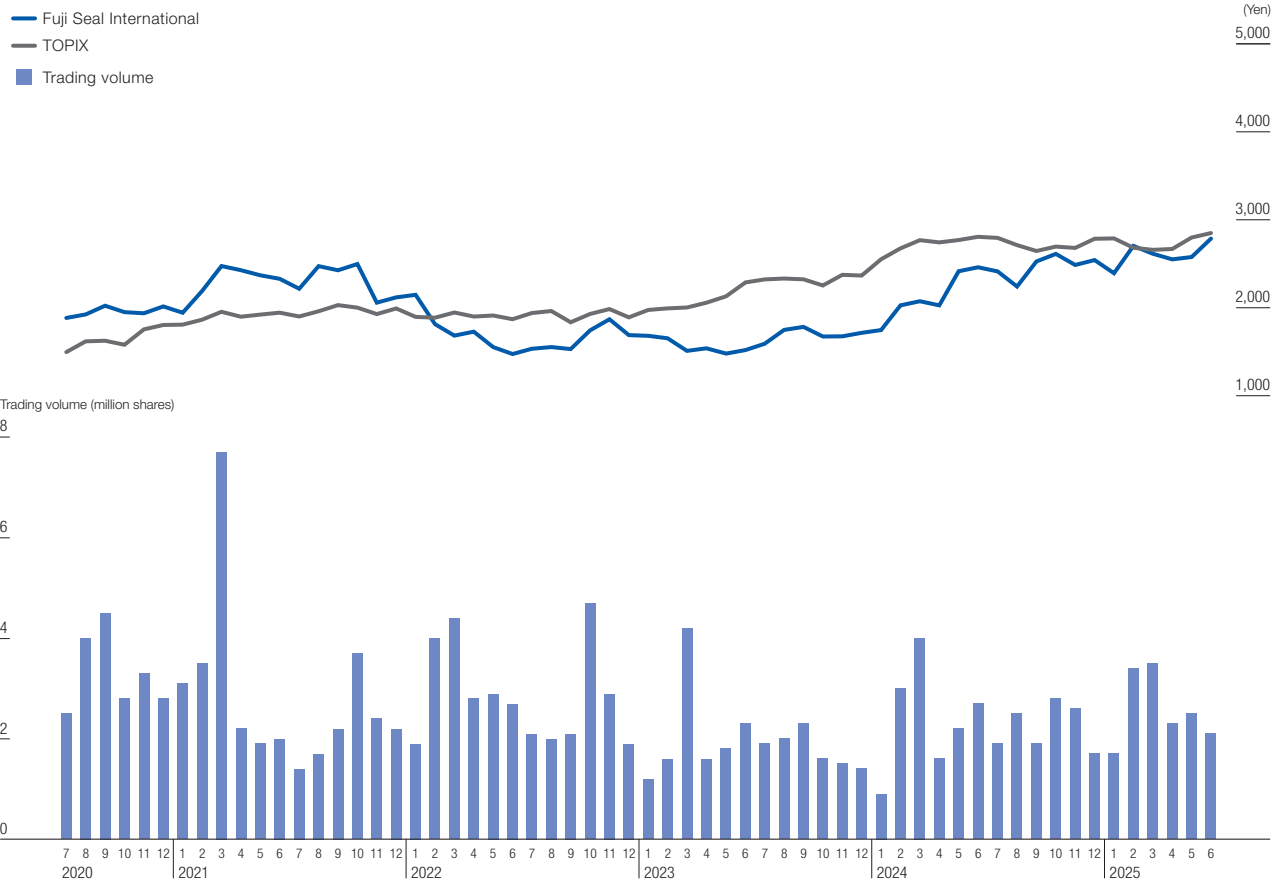
Fiscal Year	2020	2021	2022	2023	2024
Cash dividends per share (yen)	32	35	35	60	68
Total dividends (million yen)	1,771	1,916	1,916	3,287	4,000
Consolidated net sales (million yen)	163,635	170,321	184,035	196,624	212,345
Consolidated net income (million yen)	8,375	6,117	6,869	10,277	12,199
Net income per share (yen)	150.93	111.70	125.43	187.77	224.93
Consolidated dividend payout ratio	21.2%	31.3%	27.9%	32.0%	30.2%
Average number of shares outstanding during the period (Share)	55,489,651	54,764,416	54,764,711	54,735,245	54,236,144

As of March 31, 2025

Shareholders and Stock Information	
Stock Code	7864
Company Name	FUJI SEAL INTERNATIONAL, INC.
Established	October, 1958
Date of Stock Listing	December 25, 2003 (First Section of Tokyo Stock Exchange*) * Transitioned to the Prime Market on April 4, 2022 October 28, 1997 (JASDAQ)
Type of Business	Other manufacturing industries
Listed Stock Exchanges	Tokyo Stock Exchange
Date of Fiscal Year End	March 31
Interim Dividend System	Available
Unit Shares	100 shares
Number of Shares Outstanding	60,161,956 shares
Number of Shareholders	19,787 persons



Stock Price and Trading Volume Trends



As of March 31, 2025

Company Information	
Company Name	Fuji Seal International, Inc.
Established	October 18, 1958 (Founded in 1897) *Renamed from Fuji Seal Co.Ltd. on October 1, 2004, due to conversion to a holding company.
Capital Stock	5.99 billion yen
Consolidated Net Sales	212.345 billion yen
Representative	Shigeko Okazaki, Director, Representative Executive Officer, President and CEO
Main Businesses	Formulating and implementing management strategies of the entire Fuji Seal Group, auditing the Group's business management, and executing other managerial functions as a holding company. *The Fuji Seal Group is a global packaging solutions company that provides complete systems, including shrink sleeve labels, pressure sensitive labels and spouted pouches, as well as the necessary machines and services to apply them.
Number of Employees	Fuji Seal International: 48 (1); Fuji Seal Group (consolidated): 5,639 (310) *The number of employees refers to full-time employees. The number of part-time and contract employees as of the end of the fiscal year is shown in parentheses and is not included in the total.
Head Office	Osaka Head Office: 4-1-9 Miyahara, Yodogawa-ku, Osaka City 532-0003, Japan TEL: +81-6-6350-1080

As of March 31, 2025

Principal Shareholders			
Name	Address	Number of shares held	Ratio of shares held to the total number of shares outstanding (excluding treasury stock) (%)
Soho KK	Suita City, Osaka, Japan	7,803	14.4
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity Air, 1-8-1 Akasaka, Minato-ku, Tokyo, Japan	6,660	12.3
Fuji Seal Foundation	4-1-9 Miyahara, Yodogawa-ku, Osaka City, Japan	4,800	8.9
Custody Bank of Japan, Ltd. (Trust account)	1-8-12 Harumi, Chuo-ku, Tokyo, Japan	2,997	5.5
State Street Bank and Trust Company 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	One Congress Street, Suite 1, Boston, Massachusetts, U.S.A. (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	2,611	4.8
Hiroko Fujio	Suita City, Osaka, Japan	1,784	3.3
Innovation of FUJI Foundation	4-1-9 Miyahara, Yodogawa-ku, Osaka City, Japan	1,780	3.3
RBC IST 15 PCT Non Lending Account-Client Account (Standing Proxy: Citibank, N.A., Tokyo Branch)	7th Floor, 155 Wellington Street West Toronto, Ontario, Canada, M5V 3L3 (6-27-30 Shinjuku, Shinjuku-ku, Tokyo, Japan)	1,329	2.5
JP Morgan Chase Bank 385632 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 Bank Street, Canary Wharf, London, E14 5JP, United Kingdom (Shinagawa Intercity Tower A, 2-15-1 Konan, Minato-ku, Tokyo, Japan)	1,326	2.5
BBH for UMB BK, Natl Association-Global Alpha Intl Small Cap Fund LP (Standing Proxy: MUFG Bank, Ltd.)	747 3rd Ave. FL 2, New York, New York 10017, U.S.A. (2-7-1 Marunouchi, Chiyoda-ku, Tokyo, Japan)	1,192	2.2
Total	-	32,286	59.7

Notes: 1. Of the abovementioned number of shares held, the number of shares held in trusts is as follows:
The Master Trust Bank of Japan, Ltd. (Trust account) 6,658,000 shares
Custody Bank of Japan, Ltd. (Trust account) 2,992,000 shares
These shares consist of 4,756,000 shares for investment trusts, 594,000 shares for pension trusts, and 4,300,000 shares for other trusts.
2. The number of treasury shares held by the Company is 6,075,000 (excluding 440,000 held in the employee stock option plan (ESOP) trust account), which is not indicated in the above table of principal shareholders.
3. Shares in the name of Soho KK are effectively held by Shigeko Okazaki. In addition to this, Shigeko Okazaki holds 243,000 shares of the Company's stock.
4. An amendment to a Substantial Shareholding Report dated November 20, 2024, available for public inspection, indicates that Burgundy Asset Management Ltd. held the following number of shares as of November 15, 2024. However, the Company has been unable to confirm the number of shares substantially held by Burgundy Asset Management Ltd. as of March 31, 2025, and therefore, said company is not included in the above table of principal shareholders.
For reference, the details of said Substantial Shareholding Report amendment are shown below.

Name	Address	Number of share certificates held	Percentage of share certificates held (%)
Burgundy Asset Management Ltd.	Suite 4510, 181 Bay Street, Toronto, Ontario M5J 2T3, Canada	3,042	5.1

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The cover design was chosen from among 20 diverse submissions received from in-house designers around the world. From these, this design was selected as it represents the image of FSG.30 and is appropriate for this year's integrated report.

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<https://www.fujiseal.com/en>



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