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.

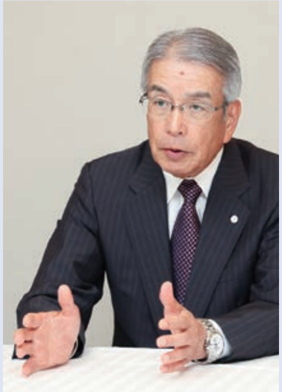
Regarding FSG.30, the new management plan, financial actions such as capital allocation are crucial. Instead of leaving everything to the front line, it is necessary to put all the Group's efforts together to work on them. On the other hand, another important role of finance is to quantify and utilize "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.



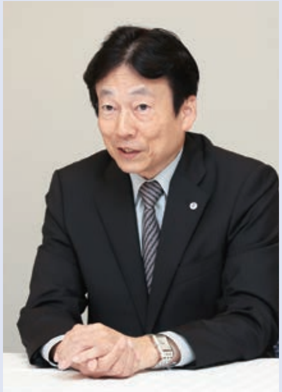
Yuichi Seki
Outside Director
(serving for 6 years)

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)