

Please note that the following is an unofficial English translation of Japanese original text of Notice of Convocation of the 111th Ordinary General Meeting of Shareholders of Toyo Seikan Group Holdings, Ltd. The Company provides this translation for reference and convenience purposes only, without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Securities Code: 5901  
May 30, 2024

**To Our Shareholders:**

Ichio Otsuka  
President  
Toyo Seikan Group Holdings, Ltd.  
2-18-1 Higashi-Gotanda, Shinagawa-ku,  
Tokyo

## Convocation of the 111th Ordinary General Meeting of Shareholders

We are pleased to announce that the 111th Ordinary General Meeting of Shareholders of Toyo Seikan Group Holdings, Ltd. will take place on June 21, 2024, as described below.

We have posted the content of the reference documents and related materials for the shareholders meeting on the following websites, in accordance with the legal provisions concerning electronic provision of materials for general meetings of shareholders.

[Official website of Toyo Seikan Group Holdings, Ltd.]

<https://www.tskg-hd.com/en/ir/stocks/meeting/>

[Tokyo Stock Exchange's "Listed Company Search"]\*

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

\* Access the Listed Company Search of the Tokyo Stock Exchange through the link above, enter the company name ("Toyo Seikan Group Holdings") or security code ("5901") and click "Search" to find our company's page. Then, select "Basic information" and, on the following page, select the tab named "Documents for public inspection/PR information" and click the button to access "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting."

If you are unable to attend the shareholders meeting, please review the reference documents and exercise your voting rights, electronically or in writing (by mail), by 5:15 p.m., Thursday, June 20, 2024, Japan time.

\* \* \*

- 1. Time and date:** 10:00 a.m., Friday, June 21, 2024
- 2. Place:** 2F Meeting Room, Osaki Forest Building, 2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo, Japan

### 3. Agenda items

**Items to be reported:**

- 1) Business report and consolidated financial statements for the 111th term (from April 1, 2023 to March 31, 2024) and results of audit of the consolidated financial statements by the Accounting Auditor and the Audit and Supervisory Board
- 2) Non-consolidated financial statements for the 111th term (from April 1, 2023 to March 31, 2024)

**Items to be resolved:**

- Proposal 1: Appropriation of surplus
- Proposal 2: Election of nine (9) Directors
- Proposal 3: Election of two (2) Audit and Supervisory Board Members
- Proposal 4: Election of Accounting Auditor

**4. Important matters related to voting**

- 1) If you exercise your voting rights in writing (by mail) and if there is no indication of approval or disapproval on any agenda item on the voting form, you will be deemed to have expressed your approval on such agenda item.
  - 2) If you vote multiple times by electronic means (the Internet, etc.), the most recent vote will be deemed valid.
  - 3) If you vote both by electronic means (the Internet, etc.) and in writing (by mail), the vote exercised by electronic means (the Internet, etc.) will be deemed valid, regardless of the time or date of arrival of the votes.
  - 4) If you intend to vote by proxy, one other shareholder with voting rights may attend the shareholders meeting as your proxy. Please note, however, that such shareholder will be required to submit a written authority to act as proxy.
- When you attend the meeting, please present the enclosed Voting Form at the reception of the venue on the date of the meeting.
  - If there is any revision to the information contained in the above-mentioned reference documents, we will announce the revision on the websites listed above.

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## **Reference Documents for the 111th General Meeting of Shareholders**

### **Proposal 1: Appropriation of surplus**

We submit the following proposal for the appropriation of surplus.

#### **1. Matters concerning the year-end dividend**

Rewarding shareholders is one of our most important management issues. Following our basic dividend policy of ensuring stable and constant payment, we will distribute dividends for the five years from fiscal 2021 to 2025 in accordance with the following criteria stated in our Mid-Term Management Plan 2025: i) we aim for a payout ratio of 50 percent or higher on a consolidated basis, and ii) we set a minimum annual dividend of 46 yen per share and will gradually increase the amount.

Based on the above-mentioned policy, we have decided to distribute the year-end dividend for the year under review as follows:

- 1) Type of dividend property: Cash
- 2) Allotment of dividend property to shareholders and its total amount  
Year-end dividend for the Company's common shares: 45 yen per share  
Total amount of payout: 7,832,604,735 yen  
As the Company has already paid an interim dividend of 45 yen per share, the aggregate amount of annual dividend for the year under review will be 90 yen per share.
- 3) Effective date of the distribution of surplus: June 24, 2024

#### **<Reference> Shareholder return policy of the Mid-Term Management Plan 2025**

We will distribute profit to our shareholders with a target total return ratio of 80 percent during the period of the Mid-Term Management Plan 2025.

- i) Dividend  
We aim for a payout ratio of 50 percent or higher on a consolidated basis. We set a minimum annual dividend of 46 yen per share and will gradually increase the amount.
- ii) Share repurchase  
We will implement share repurchase in an agile manner.

Note: The extraordinary income and losses arising from the disposal of assets are not taken into account, in principle, when we calculate the total return ratio and the consolidated payout ratio.

#### **2. Matters concerning the appropriation of surplus**

We ask our shareholders to approve a partial reversal of general reserve in order to allow for various measures to implement our capital strategy, including the stable and constant payment of dividends and the cancellation of treasury shares.

- 1) Item and amount of surplus to decrease  
General reserve: 40,000,000,000 yen
- 2) Item and amount of surplus to increase  
Retained earnings brought forward: 40,000,000,000 yen

## Proposal 2: Election of nine (9) Directors

The term of office of the nine existing directors of the board, including four outside directors, will expire at the close of the 111th Ordinary General Meeting of Shareholders. We thus ask our shareholders to approve the appointment of nine new directors, including four outside directors, as listed below:

### Candidates for Directors of the Company

No.	Name	Current position and responsibilities at the Company		Board meeting attendance during the 111th term	Period in office (years)
1	Ichio Otsuka	President and Representative Director; Chairman of Group Sustainability Committee; Chairman of Group Risk and Compliance Committee	Reelection	12 out of 12 times (100.0%)	6
2	Masakazu Soejima	Director and Senior Executive Officer; Head of Corporate Strategy; Accounting, Finance, Investor Relations and Procurement Strategy	Reelection	12 out of 12 times (100.0%)	7
3	Takuji Nakamura	Director and Senior Executive Officer; Head of Technical Development; Innovation Promotion	Reelection	12 out of 12 times (100.0%)	4
4	Kazuo Murohashi	Director and Executive Officer; Human Resources, HR Development, Sustainability and Risk & Compliance	Reelection	11 out of 12 times (91.7%)	7
5	Kouki Ogasawara	Director and Executive Officer; General Affairs, Legal Affairs, IT and Information Management	Reelection	12 out of 12 times (100.0%)	6
6	Mami Taniguchi	Director	Reelection Outside Independent	12 out of 12 times (100.0%)	5
7	Kenzo Oguro	Director	Reelection Outside Independent	9 out of 9 times (100.0%)	1
8	Mizuho Taneoka	-	New election Outside Independent	-	-
9	Yoshihiro Ikegawa	-	New election Outside Independent	-	-

- Note:
1. Kenzo Oguro assumed office as Director at the 110th Ordinary General Meeting of Shareholders held on June 23, 2023. The total number of the Board of Directors meetings he could attend was nine (9).
  2. "Independent" marked in the above table means that the relevant candidate is independent from the Company on the basis of both the independent criteria of the Tokyo Stock Exchange (TSE) and those of the Company.
  3. The Company has registered Mami Taniguchi and Kenzo Oguro as Independent Directors with the TSE under the TSE's independent criteria, and will notify the TSE of the appointment of Mizuho Taneoka and Yoshihiro Ikegawa to Independent Director.

<Reference> Director Candidates' Skills Matrix

The matrix shows below the skills and specialty domains strongly expected of directors of the Company.

We have selected seven core domains fundamental to the management of a holding company:

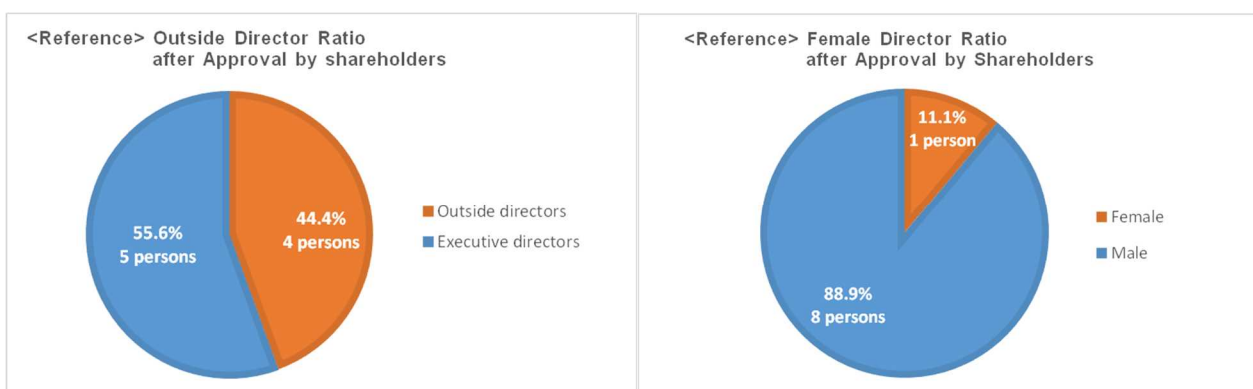
- Corporate Management
- Financing / Accounting
- General & Legal Affairs / Compliance / Risk Management
- Internationality / Overseas Operations
- Management Strategy / M&A
- Personnel & Labor Affairs / Human Resource Development
- Production / Technology / R&D / Innovation.

We have also selected two other domains related to our initiatives to address the major issues stated in the Mid-Term Management Plan 2025 for the five years from 2021 to 2025:

- Environment / CSR / Diversity
- Information Systems / IoT / DX.

Name	Corporate Management	Financing / Accounting	General&Legal Affairs / Compliance / Risk Management	Internationality / Overseas Operations	Management Strategy / M&A	Personnel&Labor Affairs / Human Resources Development	Production / Technology / R&D / Innovation	Environment / CSR / Diversity	Information Systems / IoT / DX
Ichio Otsuka	✓			✓	✓		✓		
Masakazu Soejima		✓		✓	✓				
Takuji Nakamura							✓		✓
Kazuo Murohashi			✓			✓		✓	
Kouki Ogasawara			✓						✓
Mami Taniguchi				✓		✓		✓	
Kenzo Oguro		✓		✓	✓				
Mizuho Taneoka	✓	✓		✓	✓				
Yoshihiro Ikegawa	✓			✓	✓			✓	

Note: This matrix does not indicate all fields of expertise and experience of each director candidate.



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Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
1	<p style="text-align: center;"><b>Ichio Otsuka</b> (Nov. 24, 1959) (64)</p> <p style="text-align: center;">Reelection</p> <p>Board meeting attendance: 12 out of 12 times (100.0%)</p> <p>Company share ownership: 47,600 shares</p> <p>Potential share ownership: 26,297 shares</p> <p>Period in office: 6 years</p>	<p>Apr. 1983    Joined the Company</p> <p>Jun. 2005    Plant Manager, Hiroshima Plant</p> <p>Jun. 2006    Executive Vice President of Asia Packaging Industries (Vietnam) Co., Ltd.</p> <p>Jun. 2007    General Manager, Production Technology Department, Production &amp; Operations Division</p> <p>Jun. 2009    General Manager, Quality Assurance Department, Production &amp; Operations Division</p> <p>Jun. 2011    General Manager, International Operations Department, International Operations Division</p> <p>Apr. 2012    President of Next Can Innovation Co., Ltd.</p> <p>Apr. 2013    Operating Officer of Toyo Seikan Co., Ltd.; In charge of Management of Next Can Innovation Co., Ltd.</p> <p>Apr. 2014    Operating Officer; In charge of Business Development and CSR General Manager, Corporate Planning Department and International Business Development Department</p> <p>Jun. 2014    In charge of Business Development and CSR General Manager, Corporate Planning Department</p> <p>Apr. 2015    Executive Officer; In charge of Corporate Strategy and Investor Relations General Manager, Corporate Planning Department</p> <p>Apr. 2016    Director and Senior Executive Officer of Toyo Seikan Co., Ltd. (Assistant to President)</p> <p>Jun. 2016    President and Representative Director of Toyo Seikan Co., Ltd.</p> <p>Apr. 2018    Special Advisor</p> <p>Jun. 2018    President and Representative Director (up to present)</p> <p>Apr. 2019    Chairman of Group Risk and Compliance Committee (up to present) Chairman of Group Environment Committee</p> <p>Jun. 2020    Chairman of Group CSR Committee</p> <p>Apr. 2022    Chairman of Group Sustainability Committee (up to present)</p> <p>Significant concurrent position: -</p>
<p><b>Reason for nomination as Director:</b> We have determined that Mr. Ichio Otsuka is qualified to lead the management of the Group for his track record as President of the Company in addition to the years of experience and extensive knowledge he has accumulated in the divisions of production &amp; operations, international operations and corporate planning.</p>		

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Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
2	<p><b>Masakazu Soejima</b> (Nov. 23, 1965) (58)</p> <p>Reelection</p> <p>Board meeting attendance: 12 out of 12 times (100.0%)</p> <p>Company share ownership: 4,500 shares</p> <p>Potential share ownership: 16,830 shares</p> <p>Period in office: 7 years</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2012 Director, Can Machinery Holdings, Inc. (up to present)</p> <p>Apr. 2013 General Manager, Accounting &amp; Finance Department</p> <p>May 2015 General Manager, Corporate Planning Department</p> <p>Apr. 2016 Operating Officer</p> <p>Jun. 2017 Director (up to present) In charge of Corporate Strategy and Investor Relations</p> <p>Apr. 2019 Executive Officer Head of Corporate Strategy; In charge of Investor Relations and Procurement</p> <p>Apr. 2020 Head of Corporate Strategy; In charge of Accounting, Finance, Investor Relations and Procurement Strategy</p> <p>Apr. 2024 Senior Executive Officer (up to present) Head of Corporate Strategy; In charge of Accounting, Finance, Investor Relations and Procurement Strategy (up to present)</p> <hr/> <p>Significant concurrent position: - Director, Toyo Seikan Co., Ltd.</p>
<p><b>Reason for nomination as Director:</b> We have determined that Mr. Masakazu Soejima is qualified to lead the management of the Group for the vast experience and extensive knowledge he has accumulated while serving in the accounting and corporate planning divisions over many years.</p>		
3	<p><b>Takuji Nakamura</b> (Dec. 27, 1963) (60)</p> <p>Reelection</p> <p>Board meeting attendance: 12 out of 12 times (100.0%)</p> <p>Company share ownership: 5,700 shares</p> <p>Potential share ownership: 16,830 shares</p> <p>Period in office: 4 years</p>	<p>Apr. 1988 Joined Toyo Kohan Co., Ltd.</p> <p>Aug. 2004 General Manager of Films Producing Department, Toyo Kohan Co., Ltd.</p> <p>Apr. 2009 General Manager of Laminating Department, Toyo Kohan Co., Ltd.</p> <p>Apr. 2010 Plant Manager of Laminating &amp; Film Producing Plant, Toyo Kohan Co., Ltd.</p> <p>Apr. 2012 Chief of Films Division; In charge of Production Operations; General Manager of Films Department, Toyo Kohan Co., Ltd.</p> <p>Jan. 2013 General Manager of Technology Planning Department, Toyo Kohan Co., Ltd.</p> <p>Apr. 2016 Operating Officer; In charge of Technical Development, Toyo Kohan Co., Ltd.</p> <p>Apr. 2017 Deputy Chief of Technical Development, Toyo Kohan Co., Ltd.</p> <p>Apr. 2018 Chief of R&amp;D Center, Toyo Kohan Co., Ltd.</p> <p>Apr. 2019 Operating Officer of the Company Head of Innovation Incubation Office Deputy Head of Technical Development</p> <p>Nov. 2019 Head of Technical Development</p> <p>Apr. 2020 Executive Officer</p> <p>Jun. 2020 Director (up to present)</p> <p>Oct. 2023 Head of Technical Development; In charge of Innovation Promotion (up to present)</p> <p>Apr. 2024 Senior Executive Officer (up to present)</p> <hr/> <p>Significant concurrent position: -</p>
<p><b>Reason for nomination as Director:</b> We have determined that Mr. Takuji Nakamura is qualified to lead the management of the Group for the vast experience and extensive knowledge he has accumulated while serving in technical development-related divisions over many years.</p>		



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Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
4	<p><b>Kazuo Murohashi</b> (Sep. 24, 1963) (60)</p> <p>Reelection</p> <p>Board meeting attendance: 11 out of 12 times (91.7%)</p> <p>Company share ownership: 9,600 shares</p> <p>Potential share ownership: 16,830 shares</p> <p>Period in office: 7 years</p>	<p>Apr. 1986 Joined the Company</p> <p>Jun. 2009 Plant Manager, Shimizu Plant, Production &amp; Operations Division</p> <p>Oct. 2010 Plant Manager, Shizuoka Plant, Production &amp; Operations Division</p> <p>Apr. 2012 General Manager, HR Department, Corporate Administration Division</p> <p>Apr. 2013 General Manager, General Affairs and HR Department, Corporate Administration Division, Toyo Seikan Co., Ltd.</p> <p>Jul. 2015 General Manager, Human Resources Department, Corporate Administration Division, Toyo Seikan Co., Ltd.</p> <p>Apr. 2016 General Manager, Human Resources Department</p> <p>Apr. 2017 Operating Officer</p> <p>Jun. 2017 Director (up to present) In charge of General Affairs and Human Resources</p> <p>Jun. 2018 In charge of Secretariat and Human Resources</p> <p>Jun. 2019 In charge of Secretariat, Human Resources and Risk &amp; Compliance</p> <p>Oct. 2019 Head of Risk Management Administration Office</p> <p>Apr. 2020 Executive Officer (up to present) In charge of CSR, Human Resources, HR Development and Risk &amp; Compliance</p> <p>Apr. 2023 In charge of Human Resources, HR Development, Sustainability and Risk &amp; Compliance (up to present)</p> <p>Significant concurrent position: -</p>
<p><b>Reason for nomination as Director:</b> We have determined that Mr. Kazuo Murohashi is qualified to lead the management of the Group for the vast experience and extensive knowledge he has accumulated while serving in the human resources and personnel administration divisions over many years.</p>		
5	<p><b>Kouki Ogasawara</b> (Nov. 6, 1965) (58)</p> <p>Reelection</p> <p>Board meeting attendance: 12 out of 12 times (100.0%)</p> <p>Company share ownership: 8,100 shares</p> <p>Potential share ownership: 16,830 shares</p> <p>Period in office: 6 years</p>	<p>Apr. 1988 Joined the Company</p> <p>Apr. 2013 General Manager, General Affairs Department</p> <p>Apr. 2017 Operating Officer</p> <p>Jun. 2018 Director (up to present) In charge of General Affairs and Legal Affairs</p> <p>Apr. 2020 Executive Officer (up to present) In charge of Secretariat, General Affairs, Legal Affairs, IT and Information Management</p> <p>Apr. 2024 In charge of General Affairs, Legal Affairs, IT and Information Management (up to present)</p> <p>Significant concurrent position: -</p>
<p><b>Reason for nomination as Director:</b> We have determined that Mr. Kouki Ogasawara is qualified to lead the management of the Group for the vast experience and extensive knowledge he has accumulated while serving in the general affairs division over many years.</p>		

Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
6	<p><b>Mami Taniguchi</b> (Jun. 8, 1966) (58)</p> <p>Reelection Outside Independent</p> <p>Board meeting attendance: 12 out of 12 times (100.0%)</p> <p>Company share ownership: None</p> <p>Period in office: 5 years</p>	<p>Apr. 1996 Assistant Professor, Department of Economics, Hiroshima University of Economics</p> <p>Apr. 1999 Associate Professor, Department of Economics, Hiroshima University of Economics</p> <p>Apr. 2000 Associate Professor, Department of Management Studies, Graduate School of Social Sciences, Hiroshima University</p> <p>Apr. 2003 Associate Professor, School of Commerce and Graduate School of Commerce, Waseda University</p> <p>Apr. 2007 Associate Professor, Graduate School of Commerce, Waseda University</p> <p>Apr. 2008 Professor, Faculty of Commerce and Graduate School of Commerce, Waseda University (up to present)</p> <p>Jun. 2019 Director of the Company (up to present)</p> <hr/> <p>Significant concurrent position: - Professor, Faculty of Commerce and Graduate School of Commerce, Waseda University</p>
<p><b>Reason for nomination and major role expected as Outside Director:</b> We have determined that Ms. Mami Taniguchi is qualified to act as Outside Director of the Company for the vast knowledge and extensive experience she has acquired as a university professor in international business administration and strategic human resources (diversity management, human capital management). With her knowledge and experience and from an objective perspective independent from the Company's management, she is expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support for general management issues of the Group. When elected, she will be involved in the nomination of candidates for directors and auditors and the determination of compensation for directors and operating officers, among other issues, as a member of the Company's Governance Committee, a voluntary advisory body, from an objective and independent viewpoint. Although she has not been directly involved in corporate management, except serving as an outside director, we have concluded that she is capable of properly performing duties as Outside Director for the above-mentioned reason.</p>		

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Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
7	<p><b>Kenzo Oguro</b> (May 3, 1970) (54)</p> <p>Reelection Outside Independent</p> <p>Board meeting attendance: 9 out of 9 times (100.0%)</p>	<p>Apr. 1995 Joined Asahi Glass Co., Ltd. (currently AGC Inc.) Oct. 1998 Joined Aoyama Audit Corporation Apr. 2002 Registered as a certified public accountant (up to present) Sep. 2004 Joined PricewaterhouseCoopers Consultants (Shenzhen) Limited, Shanghai Branch Feb. 2008 Joined PwC Advisory Co., Ltd. (currently PwC Advisory LLC) Jan. 2013 Established Bianca LLC Representative partner of Bianca LLC (up to present) Nov. 2014 Co-established Yamato Audit Corporation Representative partner of Yamato Audit Corporation (up to present) Jan. 2017 Established Yamato Partners Corporation Representative Director, Yamato Partners Corporation (up to present) Jun. 2023 Director of the Company (up to present)</p>
	<p>Company share ownership: 600 shares</p> <p>Period in office: 1 year</p>	<p>Significant concurrent position:</p> <ul style="list-style-type: none"> <li>- Certified public accountant</li> <li>- Representative Director, Yamato Partners Corporation</li> <li>- Representative partner, Yamato Audit Corporation</li> <li>- Auditor, TOKYO MOKUZAI SOHGO ICHIBA Co., Ltd.</li> <li>- Auditor, PureteQ Japan K.K.</li> </ul>
	<p><b>Reason for nomination and major role expected as Outside Director:</b> We have determined that Mr. Kenzo Oguro is qualified to act as Outside Director of the Company for the expert knowledge and extensive experience he has acquired as a certified public accountant, and as an M&amp;A advisor while managing various global projects over many years. With his knowledge and experience and from an objective perspective independent from the Company's management, he is expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support mainly for matters related to accounting and M&amp;A. When elected, he will be involved in the nomination of candidates for directors and auditors and the determination of compensation for directors and operating officers, among other issues, as a member of the Company's Governance Committee, a voluntary advisory body, from an objective and independent viewpoint.</p>	

[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
8	<p><b>Mizuho Taneoka</b> (May. 24, 1956) (68)</p> <p>New election Outside Independent</p> <p>Company share ownership: 3,000 shares</p>	<p>Apr. 1980    Joined Sumitomo Corporation Sep. 2010    Joined Sumitomo Light Metal Industries, Ltd. Oct. 2012    Executive Officer, Sumitomo Light Metal Industries, Ltd. Oct. 2013    Executive Officer, UACJ Corporation Apr. 2017    Managing Executive Officer, UACJ Corporation Jun. 2017    Director and Managing Executive Officer, UACJ Corporation Apr. 2018    Director and Senior Managing Executive Officer, UACJ Corporation Jun. 2018    Representative Director and Senior Managing Executive Officer, UACJ Corporation Apr. 2020    Director and Senior Managing Executive Officer, UACJ Corporation                   President and Director, Tri-Arrows Aluminum Holding Inc. Apr. 2021    Director, UACJ Corporation</p> <p>Significant concurrent position: -</p>
<p><b>Reason for nomination and major role expected as Outside Director:</b> We have determined that Mr. Mizuho Taneoka is qualified to act as Outside Director of the Company for the vast knowledge and extensive experience he has acquired as a corporate manager both in Japan and abroad while serving in sales and business management positions over many years. With his knowledge and experience and from an objective perspective independent from the Company's management, he is expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support for various matters, including the development of overseas operations and new businesses. When elected, he will be involved in the nomination of candidates for directors and auditors and the determination of compensation for directors and operating officers, among other issues, as a member of the Company's Governance Committee, a voluntary advisory body, from an objective and independent viewpoint.</p>		

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Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
9	<b>Yoshihiro Ikegawa</b> (Jul. 2, 1960) (63)  New election Outside Independent  Company share ownership: None	Apr. 1983    Joined Mitsubishi Kasei Kogyo Kabushiki Kaisha Apr. 2014    Executive Officer, Mitsubishi Chemical Corporation Dec. 2015    Executive Officer, Mitsubishi Chemical Holdings Corporation (currently, Mitsubishi Chemical Group Corporation) Apr. 2018    Managing Corporate Executive Officer, Mitsubishi Chemical Holdings Corporation Apr. 2019    Director, Mitsubishi Chemical Corporation Apr. 2021    Representative Corporate Executive Officer and Managing Corporate Executive Officer, Mitsubishi Chemical Holdings Corporation (currently, Mitsubishi Chemical Group Corporation) Apr. 2022    Executive Vice President, Mitsubishi Chemical Holdings Corporation Representative Director, Mitsubishi Chemical Corporation Apr. 2023    Director, Mitsubishi Chemical Corporation
		Significant concurrent position: -
	<p><b>Reason for nomination and major role expected as Outside Director:</b>            We have determined that Mr. Yoshihiro Ikegawa is qualified to act as Outside Director of the Company for the vast knowledge and extensive experience he has acquired as a corporate manager both in Japan and abroad while serving in corporate strategy divisions for many years. With his knowledge and experience and from an objective perspective independent from the Company's management, he is expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support for various matters concerning portfolio management and strategy development. When elected, he will be involved in the nomination of candidates for directors and auditors and the determination of compensation for directors and operating officers, among other issues, as a member of the Company's Governance Committee, a voluntary advisory body, from an objective and independent viewpoint.</p>	

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- Note:
1. There are no special interests between the Company and each of the above-named candidates for Directors.
  2. Mami Taniguchi, Kenzo Oguro, Mizuho Taneoka and Yoshihiro Ikegawa are candidates for Outside Directors.
  3. Taneoka Mizuho was an executive member of UACJ Corporation, which is a specified associated service provider (major business partner) of the Company, during the past 10 years, and his position and responsibilities during his service in the company are stated in “Career summary, status, responsibilities and significant concurrent positions” in the table above. He resigned from the executive position at UACJ Corporation in June 2021.
  4. Outline of Liability Limitation Agreement with Outside Directors:
    - 1) In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has signed an agreement which limits the liability under Article 423, Paragraph 1 of the Companies Act, individually with Mami Taniguchi and Kenzo Oguro. The maximum amount of liability based on the agreement shall be the higher of either 10 million yen or the amount set by the Companies Act. If the election of the aforementioned Mami Taniguchi and Kenzo Oguro is approved at the 111th Ordinary General Meeting of Shareholders, the Company will extend these agreements.
    - 2) If the election of Mizuho Taneoka and Yoshihiro Ikegawa is approved at the shareholders meeting, the Company will conclude with them an liability limitation agreement with the same content as the above-mentioned one.
  5. The Company has entered into a liability insurance contract with an insurance company for directors, auditors, operating officers and managers of the Company and its group companies in accordance with Article 430-3, Paragraph 1 of the Companies Act. The contract covers compensation for damages and court costs incurred in the event that claims for damages are made by shareholders, companies, employees or other third parties due to the insured's business activities during the insurance period. If the election or reelection of the candidates listed above is approved, they will be the insured of the relevant insurance contract, which is expected to be renewed with the same terms and conditions during their term of office.
  6. “Independent” marked in the above table means that the relevant candidate is independent from the Company on the basis of both the independent criteria of the Tokyo Stock Exchange (TSE) and those of the Company.
  7. The Company has registered Mami Taniguchi and Kenzo Oguro as Independent Directors with the TSE under the TSE's independent criteria, and will notify the TSE of the appointment of Mizuho Taneoka and Yoshihiro Ikegawa to Independent Director.
  8. “Potential share ownership” refers to the number of shares equivalent to the points expected to be granted to each Director under the equity compensation plan using a stock benefit trust for Directors.
  9. The age of each candidate is as of the date of the 111th Ordinary General Meeting of Shareholders.

### Proposal 3: Election of two (2) Audit and Supervisory Board Members

At the close of the 111th Ordinary General Meeting of Shareholders, the term of office of two existing members of the Audit and Supervisory Board (Fuminari Hako and Ikuko Akamatsu) will expire.

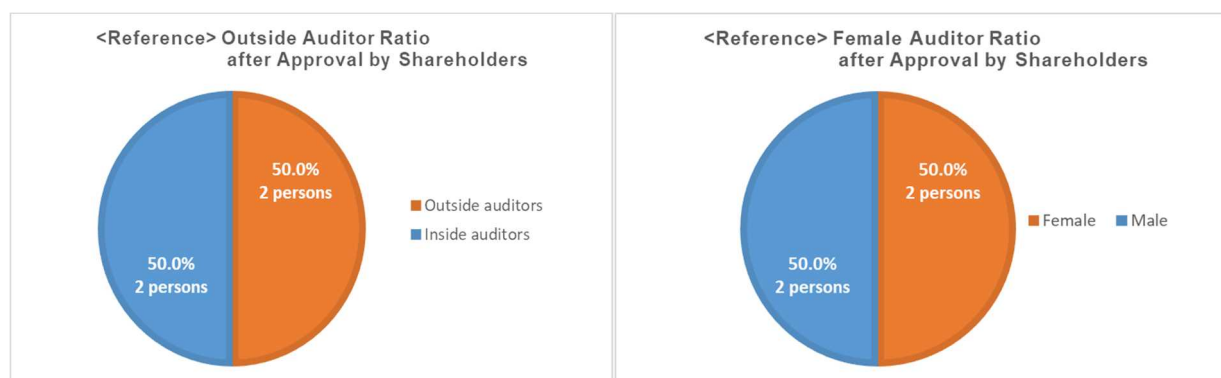
We ask for shareholders' approval to appoint two new Audit and Supervisory Board Members (two outside auditors).

The Audit and Supervisory Board has already approved this proposal.

The candidates for Audit and Supervisory Board Members are as follows:

No.	Name	Current position and responsibility at the Company		Attendance at Board of Directors Meetings during the 111th term	Attendance at Audit and Supervisory Board Meetings during the 111th term
1	Ikuko Akamatsu	Audit and Supervisory Board Member	Reelection Outside Independent	12 out of 12 times (100.0%)	15 out of 15 times (100.0%)
2	Kaoru Hattori	—	New election Outside Independent	—	—

- Note:
1. "Independent" marked in the above table means that the relevant candidate is independent from the Company on the basis of both the independent criteria of the Tokyo Stock Exchange (TSE) and those of the Company.
  2. The Company has registered Ikuko Akamatsu as Independent Auditor with the TSE under the TSE's independent criteria, and will notify the TSE of the appointment of Kaoru Hattori to Independent Director.



[Translation for Reference and Convenience Purposes Only]

Candidate No.	Name (Date of birth)	Career summary and significant concurrent positions
1	<b>Ikuko Akamatsu</b> (Feb. 27, 1968) (56)  Reelection Outside Independent  Board meeting attendance: 12 out of 12 times (100.0%)	Jan. 1995 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) Apr. 1997 Registered as certified public accountant (up to present) Apr. 2008 Registered as certified fraud examiner (up to present) Dec. 2010 Chief Researcher, Management Training and Consulting Division, Institute of Management, SANNO University Apr. 2019 Senior Researcher, Management Training and Consulting Division, Institute of Management, SANNO University Jul. 2019 Council member, The Japanese Institute of Certified Public Accountants (up to present) Jun. 2020 Audit and Supervisory Board Member of the Company (up to present)
	Audit & Supervisory Board meeting attendance: 15 out of 15 times (100.0%)  Company share ownership: None  Period in office: 4 years	Significant concurrent position: - Certified public accountant - Certified fraud examiner - Council member of the Japanese Institute of Certified Public Accountants - Outside auditor of SBI Shinsei Bank, Limited - Outside director (Audit and supervisory committee member) of Mitsubishi UFJ Securities Holdings Co., Ltd. - Outside director of Nippon Kayaku Co., Ltd.
	<p><b>Reason for nomination for Outside Audit and Supervisory Board Member:</b>                      We have determined that Ms. Ikuko Akamatsu is qualified to serve as Outside Audit and Supervisory Board Member of the Company for the specialized knowledge and extensive experience she has accumulated as a certified public accountant and a certified fraud examiner. Although she has not been directly involved in corporate management, except serving as an outside auditor or an outside director, we determined that she is capable of properly performing duties as Outside Audit and Supervisory Board Member for the above-mentioned reason.</p>	



Candidate No.	Name (Date of birth)	Career summary and significant concurrent positions
2	<b>Kaoru Hattori</b> (Jan. 14, 1972) (52)  New election Outside Independent	Apr. 1997 Admitted to bar (Daini Tokyo Bar Association) Joined Nishi & Partners Attorneys and Counselors at Law Aug. 2002 Re-register to bar (Daini Tokyo Bar Association) Joined Asahi Koma Law Office (currently Nishimura & Asahi) Apr. 2007 Joined Nagashima Ohno & Tsunematsu (up to present) Dec. 2017 Ad hoc member, the Industrial Structure Council, Ministry of Economy, Trade and Industry (up to present) Mar. 2018 Trustee, The Sasakawa Peace Foundation (up to present)
	Company share ownership: None	Significant concurrent position: - Lawyer (Partner of Nagashima Ohno & Tsunematsu) - Trustee of The Sasakawa Peace Foundation
	<b>Reason for nomination for Outside Audit and Supervisory Board Member:</b> We have determined that Ms. Kaoru Hattori is qualified to serve as Outside Audit and Supervisory Board Member of the Company for the specialized knowledge, especially on Antitrust and Competition Law, and extensive experience she has accumulated as a lawyer. Although she has not been directly involved in corporate management, we determined that she is capable of properly performing duties as Outside Audit and Supervisory Board Member for the above-mentioned reason.	

- Note:
1. There are no special interests between the Company and each candidate above.
  2. Ikuko Akamatsu and Kaoru Hattori are the candidates for Outside Audit and Supervisory Board Members.
  3. Outline of Liability Limitation Agreement with Outside Audit and Supervisory Board Members:
    - 1) In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has signed an agreement which limits the liability under Article 423, Paragraph 1 of the Companies Act, with Ikuko Akamatsu. The maximum amount of liability based on the agreement shall be the higher of either 10 million yen or the amount set by the Companies Act. If the election of the aforementioned Ikuko Akamatsu is approved at the 111th Ordinary General Meeting of Shareholders, the Company will extend this agreement.
    - 2) If the election of Kaoru Hattori is approved at the shareholders meeting, the Company will conclude with her a liability limitation agreement with the same content as the above-mentioned agreement.
  4. The Company has entered into a liability insurance contract with an insurance company for directors, auditors, operating officers and managers of the Company and its group companies in accordance with Article 430-3, Paragraph 1 of the Companies Act. The contract covers compensation for damages and court costs incurred in the event that claims for damages are made by shareholders, companies, employees or other third parties due to the insured's business activities during the insurance period. If the reelection or election of the two candidates above is approved, they will be the insured of the relevant insurance contract, which is expected to be renewed with the same terms and conditions during their term of office.
  5. "Independent" marked in the above table means that the relevant candidate is independent from the Company on the basis of both the independent criteria of the Tokyo Stock Exchange (TSE) and those of the Company.
  6. The Company has registered Ikuko Akamatsu as Independent Auditor with the TSE under the TSE's independent criteria, and will notify the TSE of the appointment of Kaoru Hattori to Independent Auditor.
  7. The age of each candidate is as of the date of the 111th Ordinary General Meeting of Shareholders.

<Reference> Independence Criteria for Outside Directors and Auditors of the Company

The Company has established the “Independence Criteria for Outside Directors and Auditors” to clearly set the criteria for independence to be fulfilled by Outside Directors<sup>(1)</sup> and Outside Audit and Supervisory Board Members<sup>(2)</sup> (collectively, “Outside Directors and Auditors”).

**Independence Criteria**

The Outside Directors and Auditors shall not fall under any of the following:

- a) A person who is, or was within the past ten years, a Director (excluding an Outside Director), Audit and Supervisory Board Member (excluding an Outside Audit and Supervisory Board Member) or employee of the Company and its consolidated subsidiaries (collectively, the “Group”);
- b) A person who executes or executed business<sup>(4)</sup> within the past three years at a major business partner<sup>(3)</sup> of the Group or at a company or entity of which the Group is a major business partner;
- c) A person who is, or was within the past three years, a major shareholder<sup>(5)</sup> of the Company (in the case where such major shareholder is a corporation, a person who executes or executed business of such corporation) or a person who executes or executed business of a company or entity of which the Group is a major shareholder;
- d) A lawyer, certified public accountant, certified tax accountant or other consultant who receives or received in any of the past three fiscal years from the Group cash and/or other property worth more than 10 million yen annually in addition to director compensation;
- e) A person who is, or was within the past three years, an employee, partner or associate of a law firm, auditing firm, tax accountant firm or other consulting company of which the Group is a major client;
- f) A person who receives or received in any of the past three fiscal years donations exceeding 10 million yen annually from the Group, or a person who executes business of a corporation or organization which receives or received in any of the past three fiscal years such donations; or
- g) A spouse or a relative within the second degree of kinship of any of the following individuals:
  - 1) A person who is, or was within the past three years, a Director, Audit and Supervisory Board Member or important employee<sup>(6)</sup> of the Group; or
  - 2) A person who falls under the above b), c), d), e) or f) (if such person is an employee, this applies only to an important employee).

Note:

1. Outside Director refers to an outside director as set forth under Article 2, Paragraph 15 of the Companies Act.
2. Outside Audit and Supervisory Board Member refers to an outside auditor as set forth under Article 2, Paragraph 16 of the Companies Act.
3. “Major business partner” means:
  - 1) in any of the past three fiscal years, i) a business counterparty with whom the Group performed transactions (sales or purchase) of an amount exceeding 2% of the annual consolidated net sales of the Group or ii) a business counterparty whose group performed with the Group transactions (sales or purchase) of an amount exceeding the higher of 100 million yen or 2% of the annual consolidated net sales of such group; or
  - 2) a financial institution group from which the Group borrows funds, if the outstanding amount of borrowings from such financial institution group exceeds 2% of the Group’s consolidated total assets as of the end of the previous fiscal year.
4. “Person who executes business” refers to a person who executes business as defined under Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act.
5. “Major shareholder” refers to a shareholder who directly or indirectly owns 10% or more of the total voting rights.
6. “Important employee” refers to an employee at or above a general manager level.

#### Proposal 4: Election of Accounting Auditor

As the term of office of Fujimi Audit Corporation as the Company's accounting auditor will expire at the close of the 111th Ordinary General Meeting of Shareholders, we ask for shareholders' approval to appoint a new accounting auditor.

Amid recent changes in business environments, the Audit and Supervisory Board has determined that KPMG AZSA LLC, the candidate, better meets the standards expected as an accounting auditor in various aspects, including independence, expertise, quality management and global audit capabilities, in view of the Toyo Seikan Group's long-term vision, mid- to long-term management goals and mid-term management plan. The board also considers that the candidate will bring a fresh perspective to the audit process. Taking all these factors into account, the board has concluded that the candidate is ideally suited to serving as the Company's accounting auditor.

The candidate for accounting auditor is as follows:

(As of March 31, 2024)

Name	KPMG AZSA LLC	
Location of principal office	1-2 Tsukudo-cho, Shinjuku-ku, Tokyo	
History	Jul. 1969	Asahi & Co. established.
	Jul. 1985	Asahi & Co. and Shinwa Audit Corporation (established in December 1974) merged to form Asahi Shinwa & Co.
	Oct. 1993	Asahi Shinwa & Co. and Inoue Saito Eiwa Audit Corporation (established in April 1978) merged to form Asahi & Co.
	Jan. 2004	Asahi & Co. and AZSA & Co. (established in February 2003) merged to form KPMG AZSA & Co.
	Jul. 2010	Transitioned to a limited liability audit corporation and changed the company name to KPMG AZSA LLC.
Company profile	Capital:	3,000 million yen
	Number of employees:	
	Certified public accountants (CPAs):	3,029
	CPA candidates who passed CPA exam:	1,195
	Audit assistant professionals:	1,869
	Administration staff:	756
	Total:	6,849
	Number of clients for audit and assurance services:	3,405 (companies)

## The 111th Term Business Report

(From April 1, 2023, to March 31, 2024)

### I. Current Status of the Group

#### 1. Progress and Results of Business Operations

The Japanese economy continued to pick up at a moderate pace during the year under review (fiscal 2023) as economic and social activities gradually recovered from the impact of the COVID-19 pandemic to return to normal. The outlook, however, remains uncertain due to unstable international conditions, rises in prices and volatile currency fluctuations.

Under such conditions, the Toyo Seikan Group has reported its business results for the year under review as described below.

(in millions of yen, except for percentage changes)

	FY2022 (March 2023)	FY2023 (March 2024)	YOY	YOY (%)
Net sales	906,025	950,663	44,637	4.9
Operating income	7,396	33,850	26,453	357.6
Operating income margin	0.8%	3.6%	2.7%	-
Ordinary income	13,770	38,740	24,970	181.3
Extraordinary income	-	1,588	1,588	-
Extraordinary losses	-	5,988	5,988	-
Profit attributable to owners of parent	10,363	23,083	12,719	122.7

On a consolidated basis, net sales increased 4.9% from the year earlier to 950,663 million yen as a result of efforts to pass on raw material cost increases to customers mainly in our packaging business, as well as the impact of currency fluctuations. Operating income surged 357.6% year on year to 33,850 million yen. Our cost pass-through efforts and cost cutting activities to respond to soaring raw material and energy prices paid off, although the sales of magnetic disk aluminum substrates in our functional materials related business remained weak due to sluggish market conditions. Ordinary income jumped 181.3% year on year to 38,740 million yen due to foreign exchange gains despite a fall in equity in earnings of affiliates. As a result, profit attributable to owners of parent rose 122.7% year on year to 23,083 million yen, although impairment losses were recorded for the year.

The overall operating results by segment were as follows:

(in millions of yen, except for percentage changes)

Business segment	Net sales				Operating income			
	FY2022 (Mar. 2023)	FY2023 (Mar. 2024)	YOY	YOY (%)	FY2022 (Mar. 2023)	FY2023 (Mar. 2024)	YOY	YOY (%)
Packaging	544,401	588,352	43,950	8.1	-10,765	14,460	25,226	-
Engineering, filling, and logistics	198,373	203,671	5,297	2.7	8,768	9,422	654	7.5
Steel plate related	86,512	87,942	1,430	1.7	4,653	7,271	2,617	56.2
Functional materials related	45,729	39,276	-6,453	-14.1	2,025	28	-1,996	-98.6
Real estate related	7,734	7,897	163	2.1	4,276	4,577	300	7.0
Other businesses	23,274	23,523	249	1.1	482	1,098	616	127.7
Adjustment	-	-	-	-	-2,044	-3,008	-964	-
Total	906,025	950,663	44,637	4.9	7,396	33,850	26,453	357.6

### **[Packaging business]**

The packaging business recorded 588,352 million yen in net sales, up 8.1% year-on-year, and 14,460 million yen in operating income, compared to operating loss of 10,765 million yen for the previous year.

#### 1) Metal packaging

Sales of metal packaging increased from the year earlier. Domestic sales performed well with additional purchase orders for beverage cans for new products in the beer and chuhai cocktail categories as well as for coffee drinks. Our efforts to pass on increased raw material costs to customers both in Japan and abroad also contributed to the segment performance.

#### 2) Plastic packaging

Sales of plastic packaging increased from the year earlier as a result of progress in raw material cost pass-through and an increase in sales of PET bottles for mineral water due to the intense heat of summer.

#### 3) Paper packaging

Sales of paper packaging increased from the year earlier as a result of progress in raw material cost pass-through and an increase in sales of beverage paper cups, as people's activities returned closer to pre-pandemic levels.

#### 4) Glass packaging

Sales of glass packaging increased from the year earlier as a result of progress in raw material cost pass-through and an increase in sales of glassware, such as beer mugs for restaurants, as people's activities returned closer to pre-pandemic levels.

### **[Engineering, filling, and logistics businesses]**

The engineering, filling and logistics businesses recorded 203,671 million yen in net sales and 9,422 million yen in operating income, up 2.7% and 7.5% year-on-year, respectively.

#### 1) Engineering

Sales of engineering operations largely remained unchanged from the year earlier. Positive currency effects offset a decline in sales of can and can-end making machinery for overseas markets after the previous year's surge caused by soaring global demand for beverage cans in the plastic-free movement.

#### 2) Contract filling

Sales of contract filling operations increased from the year earlier as the volume of tea drink products grew following the start-up of new beverage filling lines in Japan while overseas sales of drink products were favorable.

#### 3) Logistics

Sales of trucking and warehousing operations increased from the year earlier.

### **[Steel plate related business]**

The steel plate related business recorded 87,942 million yen in net sales and 7,271 million yen in operating income, up 1.7% and 56.2% year-on-year, respectively.

The growth in sales was attributed to the efforts to pass on higher raw material costs to customers despite a decline in sales volume.

In the electrical and electronics component category, materials for automotive rechargeable batteries performed well.

In the can stock category, food can export decreased.

In the automotive and industrial machinery component category, sales of materials for driving system parts decreased.

In the construction and home electronics category, sales of bathroom interior materials remained steady.

**[Functional materials related business]**

The functional materials related business recorded 39,276 million yen in net sales and 28 million yen in operating income, down 14.1% and 98.6% year-on-year, respectively.

Sales of aluminum substrates for magnetic disks plunged due to a lower sales volume of the products used for hard disks at data centers.

Sales of optical functional films increased due to improving market conditions for flat panel displays.

Sales of glaze for enamel products increased from the year earlier.

**[Real estate related business]**

Leasing of office buildings and commercial facilities recorded 7,897 million yen in net sales and 4,577 million yen in operating income, up 2.1% and 7.0% year-on-year, respectively.

**[Other businesses]**

Other businesses (including manufacturing and sales of automotive press dies, machinery and appliances, hard alloys and agricultural-use materials; sales of petroleum products; and non-life insurance agency business) recorded 23,523 million yen in net sales and 1,098 million yen in operating income, up 1.1% and 127.7% year-on-year, respectively.

The Group's operating results by region are as follows:

In Japan, net sales increased 6.0% year-on-year to 741,312 million yen, while operating income was 20,476 million yen, compared to operating loss of 6,482 million yen for the previous year.

In Asia, including Thailand, China and Malaysia, net sales increased 3.2% year-on-year to 76,262 million yen, while operating income rose 24.7% year-on-year to 7,127 million yen.

In the other regions, including the U.S., net sales increased 0.3% year-on-year to 133,088 million yen, while operating income declined 19.9% year-on-year to 6,312 million yen.

As of the end of March 2024, the number of consolidated subsidiaries of the Company was 72 (unchanged), while that of affiliates accounted for under the equity method was 4 (unchanged).

## 2. Capital Investment

- 1) Capital investment implemented during the year under review amounted to 50,574 million yen. Total investment by segment and major projects during the year are as follows:

**[Packaging business]** 26,679 million yen

▶ Toyo Seikan Co., Ltd.

- Production facilities for beverage cans (Ishioka Plant and other plants)

**[Engineering, filling, and logistics businesses]** 7,958 million yen

**[Steel plate related business]** 12,629 million yen

▶ Toyo Kohan Co., Ltd.

- Production facilities for nickel-plated steel sheet (Kudamatsu Plant)

**[Functional materials related business]** 3,047 million yen

**[Real estate related business]** 128 million yen

**[Other businesses]** 394 million yen

- 2) Major facilities that were completed during the year under review:

**[Steel plate related business]**

▶ Toyo Kohan Co., Ltd.

- Production facilities for nickel-plated steel sheet (Kudamatsu Plant)

- 3) Ongoing construction and expansion of major facilities as of the end of the year under review:

**[Packaging business]**

▶ Toyo Seikan Co., Ltd.

- Production facilities for beverage cans (Ishioka Plant and other plants)

## 3. Financing

The Company raised 10 billion yen by issuing its first unsecured corporate bonds (green bonds) with inter-bond pari passu clause to enhance its commitment to "developing and offering products and services that are environmentally sound" and "contributing to environmental protection," which are two key issues of Toyo Seikan Group's Materiality.

## 4. Transfer of Business, Absorption-Type or Incorporation-Type Company Split

Not applicable.

## 5. Business Taken Over from Other Companies

Not applicable.

## 6. Succession of Rights and Obligations with Respect to Business of Other Companies through Absorption-Type Merger or Split

Not applicable.

## 7. Acquisition and Disposal of Shares and Other Equity Interests or Stock Acquisition Rights in Other Companies

Not applicable.

## 8. Issues to Address

For over 100 years since its founding, the Toyo Seikan Group has contributed to the society by providing packaging and other products and services that are essential to people's daily lives.

The environment surrounding the Group has been changing beyond expectations in recent years, as various social issues to address have been emerging.

Under these circumstances, in May 2021, we formulated a long-term management vision looking to the fiscal year 2050, the Long-Term Management Vision 2050 "The Future, Wrapped for All," in order to think about the society and the global environment from a long-term perspective to maximize the value we offer to all our stakeholders. Toward the realization of this vision, we have set the Mid- to Long-Term Management Goals 2030, which are quantitative and qualitative management targets to be achieved by 2030. As an action plan to achieve the Mid- to Long-Term Management Goals 2030, we have formulated the Mid-Term Management Plan 2025 for the five years from fiscal 2021. In May 2023, we also launched the Capital Efficiency Initiative 2027 as an initiative to increase returns on capital by pursuing both our growth strategy and capital and financial strategy.

The outline is as follows.

### 8.1 Long-Term Management Vision 2050 "The Future, Wrapped for All"

The long-term vision has set a goal as to what we aim and want to be: a "daily living platform" for people all over the world to live safe, secure and fulfilling lives. It aims for a society that accepts differences and diversity to allow individual people to value their own lives and a society that continues to allow people to live happily into the future without harming the environment.

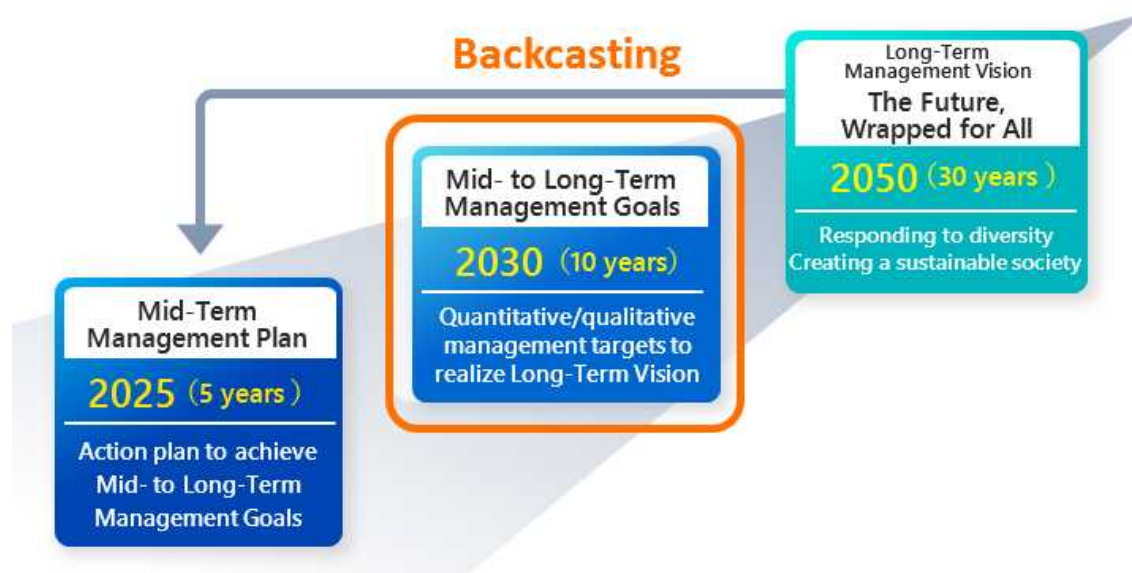
To this end, we will combine all abilities of the Group in the fields of "food and health," "comfortable living" and "environment, resources and energy" and utilize the technologies and know-how we have developed in material development, package processing and engineering to promote open innovation, internet of things and digital transformation. We will also work together with partners, including customers and suppliers, who have the same aim, creating new value that changes the society beyond the boundaries of packaging manufacturing.





## 8.2 Medium- to Long-Term Management Goals 2030

The following is an overview of the Mid- to Long-Term Management Goals 2030, which have been set as quantitative and qualitative management targets to be achieved by 2030 in order to realize the Long-Term Management Vision.



### Financial and social/environmental targets toward 2030 to increase corporate value

<b>Financial value</b>	<p><b>Net sales: 1 trillion yen</b> <b>Operating income: 80 billion yen</b></p>
<b>Social and environmental value</b>	<p><b>1. Key targets of Eco Action Plan 2030</b></p> <p><b>Zero-Carbon Society</b> To be carbon-neutral by 2050  <ul style="list-style-type: none"> <li>• 50% less CO2 emissions from operations (Scope 1 &amp; 2)</li> <li>• 30% less CO2 emissions from supply chain (Scope 3)</li> </ul> <small>* Compared to FY2019</small></p> <p><b>Zero-Waste Society</b>  <ul style="list-style-type: none"> <li>• 30% less use of exhaustible resources</li> <li>• 40% less use of fossil resources for plastic products</li> </ul> <small>* Compared to FY2013</small></p> <p><b>Society Coexisting with Nature</b>  <ul style="list-style-type: none"> <li>• 30% cut in water consumption for operations</li> </ul> <small>* Compared to FY2013</small></p> <p><b>2. Building a sustainable value chain</b></p> <p><b>3. Creating a workplace that allows members with various characteristics to develop and demonstrate their own abilities</b></p>

Note: In November 2021, we upwardly revised the major CO2 reduction targets of our Eco Action Plan 2030 as follows, aiming to obtain approval from the Science Based Targets initiative (SBTi)\* on the revised targets as aligned to the 1.5°C scenario. In March 2023, the revised targets were approved by the SBTi under its updated 1.5°C-aligned criteria.

Revision of CO2 reduction targets:

- Emissions from our operations (Scope 1 & 2): raised from 35% to 50%
- Emissions from our supply chain (Scope 3): raised from 20% to 30%

\* The SBTi is a global environmental initiative to validate companies' GHG emissions reduction targets that are consistent with scientific evidence.

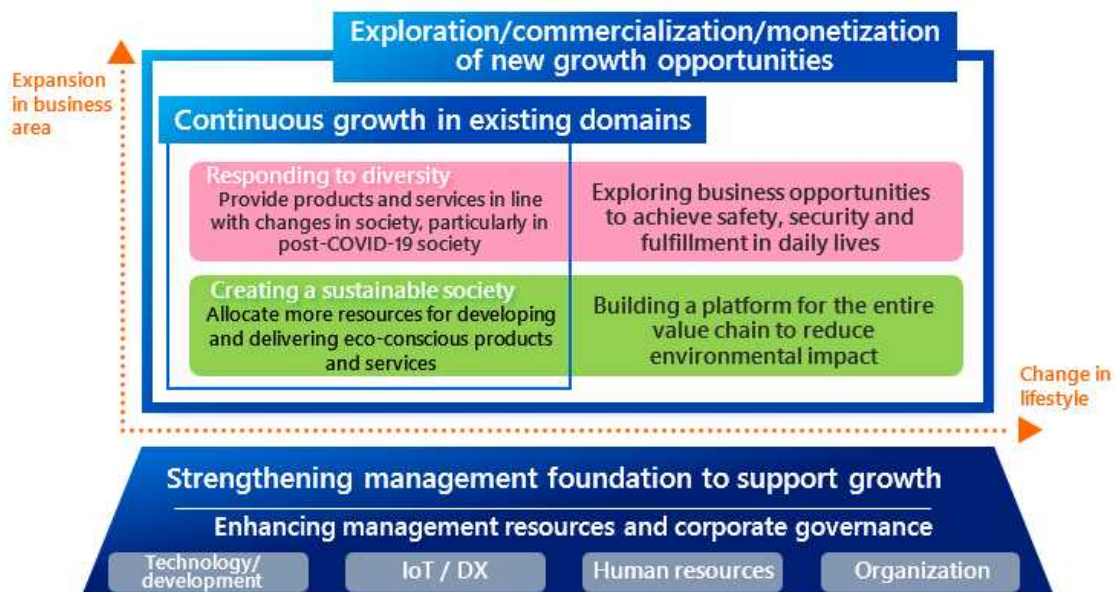
### 8.3 Mid-Term Management Plan 2025

We have formulated the Mid-Term Management Plan 2025 (the "Mid-Term Management Plan") for the five years from fiscal 2021, an action plan to achieve the Mid- to Long-Term Management Goals 2030. The overview and the current progress of the Mid-Term Management Plan are as follows.

#### [Basic policy]

Under the Mid-Term Management Plan, we will pursue a continuous growth toward the "daily living platform" by working on three key issues to create a society we envision in the Long-Term Management Vision 2050.

#### [Three key issues and measures]



#### 1) Continuous growth in existing business domains

We will aim to achieve continuous growth in our existing domains by drastically changing our business portfolio, without being bound by our traditional business structure, based on the two pillars of our long-term vision, "responding to diversity" and "creating a sustainable society," and from the perspective of continuous development.

#### 2) Exploring, commercializing and monetizing new growth opportunities

In response to diversifying needs and emerging issues in the society, such as changes in lifestyles and efforts to reduce environmental impact, we will offer a new social infrastructure by creating new businesses in the areas of "food and health," "comfortable living" and "environment, resources and energy," based on the technologies we have accumulated in material development, package processing and engineering.

#### 3) Enhancing management foundation to support growth

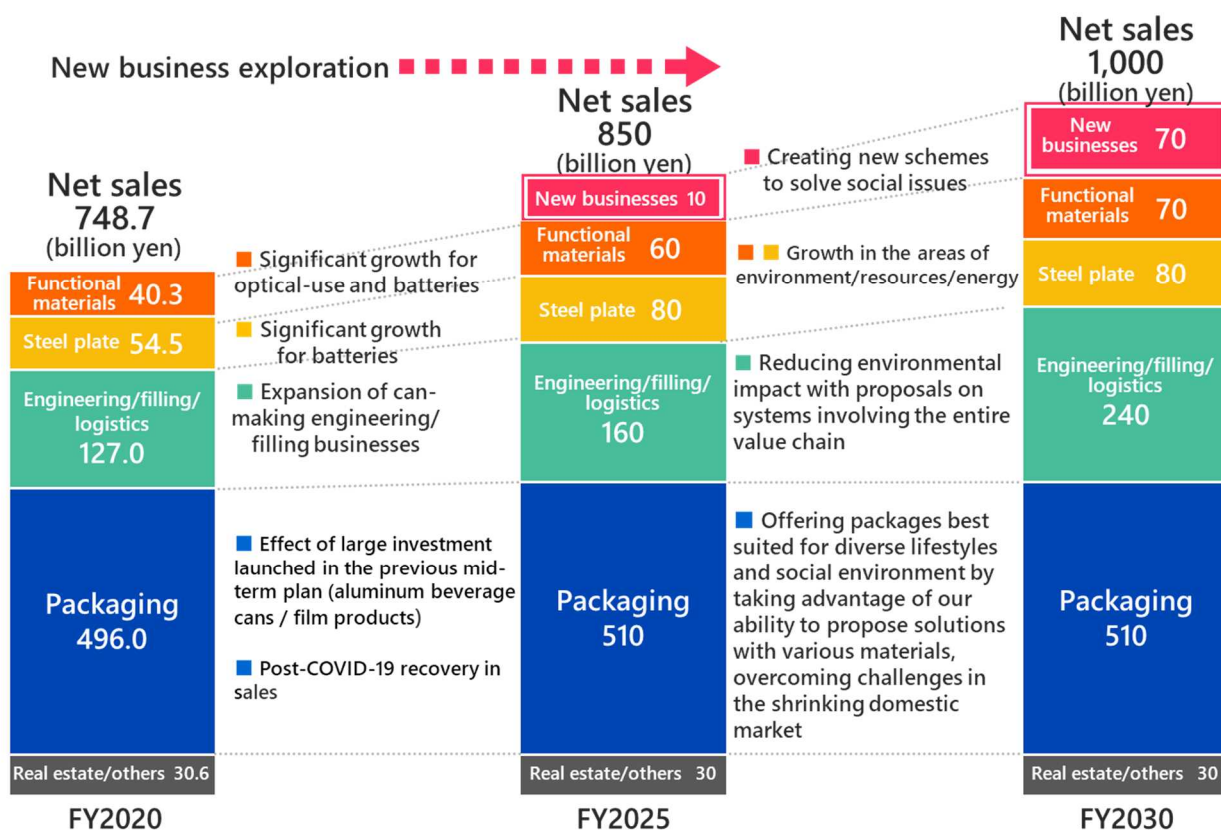
We will enhance our management resources and strengthen our corporate governance to achieve a continuous growth.

- Technology and development  
Promote research and development activities to create new businesses through cooperation with partners and exploration of new technologies.
- Internet of things (IoT) and digital transformation (DX)  
Make use of digital technology to transform the value chain and expand business domains.

- Human resources  
Develop a human resources platform that leads to new value creation.
- Organization  
Strengthen corporate governance to earn the trust of society.

**[Road map toward continuous growth]**

Based on our packaging business, we will expand our value chain in the areas of engineering, filling and logistics while seeking growth of optical-use and battery materials in our steel plate related and functional materials related operations. In new business fields, we will also create new schemes to solve social issues. With these strategies in place, we aim for net sales of one trillion yen for fiscal 2030 on a consolidated basis.



**[Investment and financial policies]**

We will use the cash generated from business operations and asset reduction initiatives to fund investment in future growth and platform enhancement.

1) Investment

Approximately 330 billion yen of investment (including M&A) toward the "daily living platform"

Purpose		Approximate amount (billion yen)	Remarks
Expansion of business opportunities in new growth areas and domains	Major investment purposes: <ul style="list-style-type: none"> <li>■ Investment to reduce environmental impact and increase environmental value</li> <li>■ Developing a system for the entire value chain, beyond the traditional framework of packaging manufacturing</li> <li>■ Seeking activities to create and grow new businesses, including cooperation with business partners and start-ups, focusing on the areas of "food and health," "comfortable living" and "environment, resources and energy"</li> </ul>	160	
Continuous growth in existing business domains	Enhancing foundation for existing core business areas	150	Replacement of equipment will be implemented in a manner that enables environmental impact reduction and labor saving.
Enhancement of management foundation	Advancing IoT and DX initiatives, developing new technologies and human resources, etc.	20	
Total		330	

Note: The breakdown in the above table is as of the time the plan was developed, and subject to revision based on the state of progress, the timing of business opportunities, and other factors before making investment decisions.

2) Capital for investment

- Approximately 380 billion yen in operating cash flow that we expect to generate during the period of the Mid-Term Management Plan
- Approximately 40 billion yen in proceeds from the sale of so-called strategic shareholdings. The proceeds will be invested in growth areas.

**[Financial targets]**

For fiscal 2025, the final year of the Mid-Term Management Plan, we aim to achieve 850 billion yen in net sales and 50 billion yen in operating income with an EBITDA of 110 billion yen and an ROE of 5 percent.

Note: While the Company plans to sell strategic shareholdings, including cross-shareholdings, worth approximately 40 billion yen during the period of the Mid-Term Management Plan, the impact of the share disposal is not taken into account in the financial targets above.

**[Policy of rewarding shareholders]**

We will distribute profit to our shareholders with a target total return ratio of 80 percent during the period of the Mid-Term Management Plan.

1) Dividend

- Aim for a payout ratio of 50 percent or higher on a consolidated basis.
- Set a minimum annual dividend of 46 yen per share and gradually increase the amount.

2) Share repurchase

- Implement share repurchase in an agile manner.

Note: The extraordinary income and losses arising from the disposal of assets are not taken into account, in principle, when we calculate the total return ratio and the consolidated payout ratio.

**8.4 Capital Efficiency Initiative 2027**

We have been implementing the Capital Efficiency Initiative 2027, which outlines measures for the period from fiscal 2023 to fiscal 2027 to pursue both our growth strategy and capital and financial strategy, aiming to achieve management that is conscious of the cost of capital and stock price.

**[Basic approaches]**

We will promote both growth strategy and capital and financial strategy to increase returns on capital.

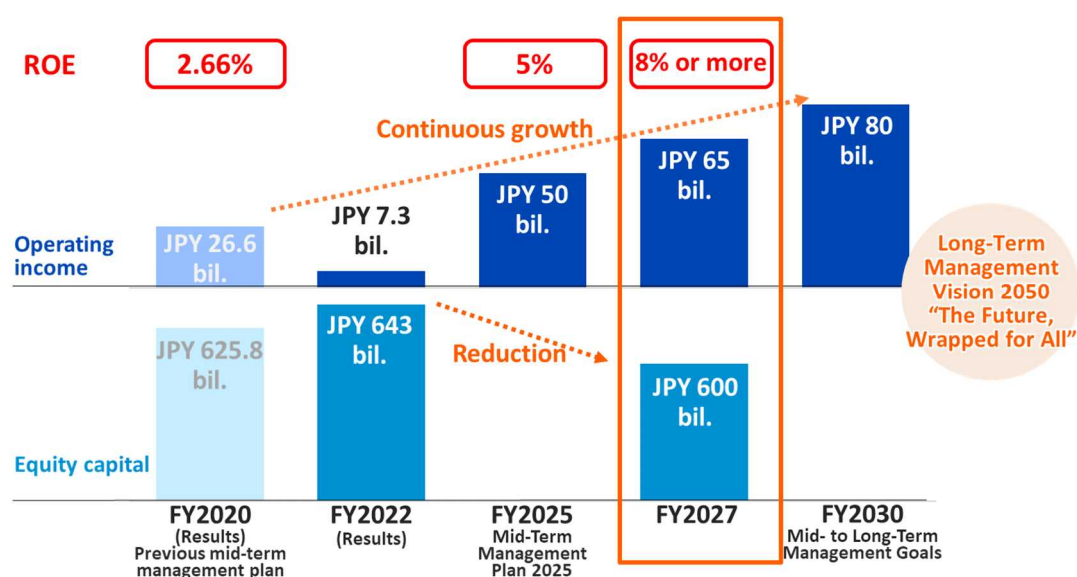
1) Growth strategy: Optimizing business portfolio

- Allocate more resources to growth areas of the engineering, filling, and logistics, steel plate related and functional materials related businesses.
- Seek appropriate cost pass-through and streamline and restructure unprofitable operations mainly in the domestic packaging business.

2) Capital and financial strategy: Improving asset efficiency

- Substantially increase returns to shareholders through dividend payment and share buybacks, which we have gradually enhanced.
- Further reduce “strategic shareholdings” (including cross-shareholdings).
- Reduce assets in unprofitable operations and streamline real estate management (disposal and adding value).

[Setting key performance indicators (KPIs)]



We will reduce equity capital while seeking the FY2027 operating income target, which has been set under the assumptions of the ongoing Mid-Term Management Plan 2025, aiming to achieve an ROE of 8% or more, a return that exceeds the shareholders' equity cost.

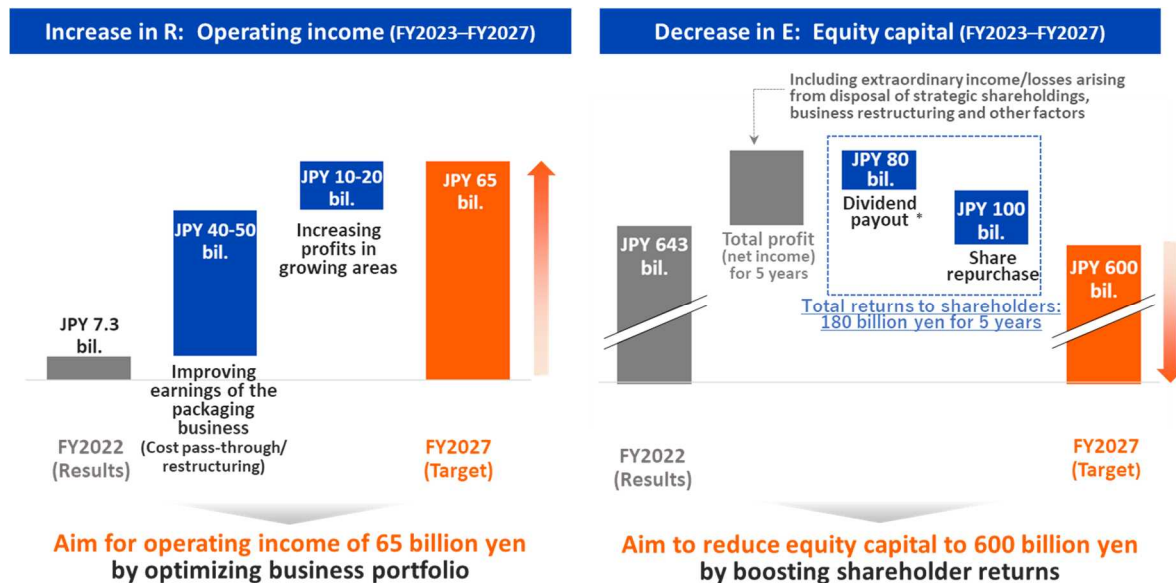
		FY2022	FY2023	FY2024 (Forecast)	FY2025 (Target)	FY2027 (Target)	FY2030 (Target)
Earnings (billion yen)	Net sales	906.0	950.6	950.0	850 *1	[1,050] (For reference)	1,000 *1
	Operating income	7.3	33.8	36.0	50	65	80
	EBITDA	60.3	89.2	93.0	110	120	-
	Profit (Net income)	10.3	23.0	27.5	35	48	-
Returns on capital (billion yen)	ROE (%)	1.6%	3.5%	4.2%	5.0%	8.0% or more	-
	Equity capital	643.0	665.1	645.0	-	600	-
		FY2022	FY2023	FY2024 (Forecast)	FY2021-2025 (Target)	FY2023-2027 (Target)	
Returns to shareholders	Consolidated payout ratio (%) (Dividend per share)	156.4% (89 yen)	68.8% (90 yen)	57.6% (91 yen)	Target 50% or more (Minimum 46 yen, to be gradually increased)	Same as left Total payout for 5 years: 80 billion yen *2	
	Total return ratio (%) (Share repurchase)	156.4% (-)	155.4% (20 billion yen worth)	166.7% (30 billion yen worth)	Target 80% or more	Total repurchase for 5 years: 100 billion yen	

- Note: 1. The sales targets for FY2025 and FY2030 have remained unchanged since the current sales growth reflects the impact of currency fluctuations and efforts to pass on higher energy costs to customers, among other factors.
2. The dividends for FY2026 and FY2027 are assumptions based on the planned level for FY2025, and the dividend plans for the years will be determined based on actual earnings.



**[Measures to achieve an ROE of 8% or more]**

We aim to achieve an ROE of 8% or more by increasing profits (R) and lowering equity capital (E).



Note: The dividends for FY2026 and FY2027 are assumptions based on the planned level for FY2025, and the dividend plans for the years will be determined based on actual earnings.

1) Optimizing business portfolio

We will accelerate cost pass-through efforts and the restructuring of unprofitable operations mainly in the domestic packaging business and achieve business expansion in growth areas, in order to meet FY2027 operating income target.

<Progress in fiscal 2023>

- Mainly in our packaging business, we examined unprofitable operations and allocated management resources to growth areas as well as made progress in efforts to pass on raw material cost increases to customers.
- To expand our contract beverage filling business in Asia, one of our growth areas, Toyo Seikan (Thailand) Co., Ltd. invested approximately 5.5 billion yen to increase its capacity of beverage filling. The new equipment started in December 2023.
- In the steel plate related business, we invested a total of approximately 15.5 billion yen to expand production of automotive rechargeable battery materials, for which demand has been growing significantly. The new and additional equipment started operation during the period between November 2023 and January 2024.
- To expand our filling business in Asia, a market with growth potential, we concluded a share transfer agreement to acquire a controlling stake in Premier Centre Group Sdn. Bhd., which offers OEM and ODM services mainly for home and personal care products in Malaysia.

<Future actions>

- We will continue cost pass-through efforts mainly for our packaging business to cover past and ongoing increases in energy costs and expected future increases in logistics and personnel expenses.
- We will allocate more management resources to growth areas while reducing costs through labor saving efforts.
- We will boost investment in production of automotive rechargeable battery materials and beverage filling operations, which are expected to continue to grow.
- We aim to increase sales of optical functional films (in our functional materials related business) in China.

## 2) Boosting shareholder returns

We will substantially increase returns to shareholders, which we have gradually enhanced, to achieve an ROE of 8% or more with an additional share repurchase of around 100 billion yen for five years from fiscal 2023.

### <Progress in fiscal 2023>

- For the year under review (fiscal 2023), we repurchased own shares worth 20 billion yen. The annual dividend and the total return ratio for the year will be 90 yen per share and 155.4%, respectively.

### <Future actions>

- For the following fiscal year (fiscal 2024), we currently expect to repurchase shares worth 30 billion yen and to pay an annual dividend of 91 yen per share.

## 3) Cash allocation (FY2023 – FY2027)

Seeking business growth and higher returns on capital, we will strategically allocate funds obtained from operating cash flows and through asset disposal and financing to investment activities and shareholder returns.

### <Progress in fiscal 2023>

- We raised 10 billion yen by issuing the Company's first corporate bond (green bond) to optimize financing and improve financial efficiency through the use of debt financing.
- We have examined whether to dispose of real estate assets, invest more in them for conversion of use, or maintain the status quo, taking account of rates of return and other conditions of individual assets.

### <Future actions>

- We plan to sell 60 billion yen worth of shares out of our strategic shareholdings from fiscal 2021 to fiscal 2027. According to the plan, we sold 25 billion yen worth of the holdings by the year under review and will sell the remaining as early as possible from fiscal 2024.
- We will implement real estate restructuring based on our examination mentioned above from fiscal 2024 onward.

Although the business environment surrounding the Group is likely to become more challenging in the years ahead, we will continue to pursue a continuous growth by ensuring the implementation of the measures in the Medium-Term Management Plan 2025 and the Capital Efficiency Initiative 2027 in order to enhance corporate value for our shareholders.



## 9. Asset Condition and Profit and Loss for the Recent Years

(in millions of yen except for per-share amounts)

	FY2020 (March 2021)	FY2021 (March 2022)	FY2022 (March 2023)	FY2023 (March 2024) (Year under review)
Net sales	748,724	821,565	906,025	950,663
Operating income	26,667	34,114	7,396	33,850
Ordinary income	27,326	45,712	13,770	38,740
Profit (Loss) attributable to owners of parent	15,946	44,422	10,363	23,083
Profit (Loss) per share	84.79 yen	240.61 yen	57.07 yen	130.15 yen
Total assets	1,036,081	1,082,282	1,165,216	1,180,233
Net assets	651,639	664,291	671,338	697,132
Net asset per share	3,327.70 yen	3,510.20 yen	3,541.25 yen	3,832.36 yen

Note: Since the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, issued on March 31, 2020) and other applicable accounting standards to its consolidated financial statements from fiscal 2021, the figures for assets and earnings for fiscal 2021 and thereafter in the above table are based on these standards.

## 10. Material Status of the Parent Company and Subsidiaries

### 1) Parent company

Not applicable.

### 2) Significant subsidiaries

Company name	Capital (million yen)	Voting right ownership (%)	Major operations
Toyo Seikan Co., Ltd.	1,000	100.0	Manufacturing and sales of metal and plastic packaging products
Toyo Kohan Co., Ltd.	5,040	100.0	Manufacturing and sales of tinplate, steel sheets, surface-treated steel sheets and functional materials
Tokan Kogyo Co., Ltd.	1,531	100.0	Manufacturing and sales of paper and plastic containers
Nippon Closures Co., Ltd.	500	100.0	Manufacturing and sales of metal and plastic caps
Mebius Packaging Co., Ltd.	1,000	100.0	Manufacturing and sales of plastic packaging products
Toyo Glass Co., Ltd.	960	100.0	Manufacturing and sales of glass bottles
Toyo Aerosol Industry Co., Ltd.	315	100.0	Contract filling and sales of aerosol products and general liquid-filled products
TOMATEC Co., Ltd.	310	100.0	Manufacturing and sales of glaze, pigment, gel coat and trace-element fertilizer
Nippon Tokan Package Co., Ltd.	700	55.0 [55.0]	Manufacturing and sales of corrugated paper products and paper container products
Bangkok Can Manufacturing Co., Ltd.	1,800 (million Thai baht)	74.8 [74.8]	Manufacturing and sales of beverage cans
Crown Seal Public Co., Ltd.	528 (million Thai baht)	47.6 [47.6]	Manufacturing and sales of metal and plastic caps
Stolle Machinery Company, LLC	—	100.0 [100.0]	Manufacturing and sales of can and can-end production machinery and related services

[Translation for Reference and Convenience Purposes Only]

- Note: 1. The share of indirect voting rights is shown in parentheses in the column of the “Voting right ownership.”
2. In the year under review, Toyo Seikan Co., Ltd., a consolidated subsidiary of the Company, sold part of its stake in Bangkok Can Manufacturing Co., Ltd. This decreased the total percentage of Toyo Seikan’s voting rights from 99.9% to 74.8%.
3. The status of specific wholly owned subsidiary as of the end of the year under review is as follows.

Name of the subsidiary	Toyo Seikan Co., Ltd.
Address of the subsidiary	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
Carrying value of the shares in the subsidiary on the Company’s balance sheet	191,650 million yen
Total assets of the Company	578,584 million yen

### 11. Major Operations (as of March 31, 2024)

Business segment	Major operations
Packaging business	Manufacturing and sales of metal packaging, plastic packaging, paper products and glass packaging
Engineering, filling, and logistics businesses	Manufacturing and sales of machinery and equipment related to packaging containers; contract manufacturing and sales of beverage-filled, aerosol and general liquid-filled products; and trucking and warehousing services
Steel plate related business	Manufacturing and sales of steel plate and related processed products
Functional materials related business	Manufacturing and sales of aluminum substrates for magnetic disks, optical functional films, glaze, pigment, gel coat and trace-element fertilizer
Real estate related business	Leasing of office buildings and commercial properties
Other businesses	Manufacturing and sales of automotive press dies, machinery and appliances, hard alloys, and agricultural-use materials; sales of petroleum products; and non-life insurance agency business

### 12. Major Offices and Plants (as of March 31, 2024)

Company name	Major facilities	
Toyo Seikan Group Holdings, Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
Toyo Seikan Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Chitose (Chitose-shi), Sendai (Miyagino-ku, Sendai-shi), Ishioka (Ishioka-shi), Kuki (Kuki-shi), Saitama (Yoshimi-cho, Hiki-gun), Yokohama (Tsurumi-ku, Yokohama-shi), Shizuoka (Makinohara-shi), Toyohashi (Toyohashi-shi), Shiga (Higashi-Omi-shi), Ibaraki (Ibaraki-shi), Osaka (Izumisano-shi), Hiroshima (Mihara-shi), Kiyama (Kiyama-cho, Miyaki-gun)
Toyo Kohan Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plant	Kudamatsu (Kudamatsu-shi)
Tokan Kogyo Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Atsugi (Ayase-shi), Shizuoka (Kakegawa-shi), Komaki (Komaki-shi), Fukuoka (Miyawaka-shi)
Nippon Closures Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Ishioka (Ishioka -shi), Hiratsuka (Hiratsuka-shi), Komaki (Komaki-shi), Okayama (Shoo-cho, Katsuta-gun)
Mebius Packaging Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Ibaraki (Goka-machi, Sashima-gun), Kawasaki (Kawasaki-ku, Kawasaki-shi), Settsu (Settsu-shi), Izumisano (Izumisano-shi)

[Translation for Reference and Convenience Purposes Only]

Toyo Glass Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Chiba (Kashiwa-shi), Shiga (Konan-shi)
Toyo Aerosol Industry Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Tsukuba (Ryugasaki-shi), Kawagoe (Kawagoe-shi), Mie (Iga-shi)
TOMATEC Co., Ltd.	Head Office	2-1-27 Oyodo Kita, Kita-ku, Osaka-shi, Osaka
	Plants	Osaka (Kita-ku, Osaka-shi), Komaki (Komaki-shi), Kyushu (Nakama-shi)
Nippon Tokan Package Co., Ltd.	Head Office	2-18-1 Higashi-Gotanda, Shinagawa-ku, Tokyo
	Plants	Sendai (Taiwa-cho, Kurokawa-gun), Fukushima (Iwaki-shi), Ibaraki (Goka-machi, Sashima-gun), Koga (Koga-shi), Tochigi (Sakura-shi), Saitama (Soka-shi), Sagamihara (Minami-ku, Sagamihara-shi), Atsugi (Ayase-shi), Shizuoka (Kakegawa-shi), Aichi (Anjo-shi), Shiga (Kusatsu-shi), Osaka (Settsu-shi), Fukuoka (Shingu-machi, Kasuya-gun)
Bangkok Can Manufacturing Co., Ltd.	Head Office	Thailand (Pathumthani)
	Plants	Thailand (Pathumthani/Ayutthaya)
Crown Seal Public Co., Ltd.	Head Office	Thailand (Pathumthani)
	Plant	Thailand (Pathumthani)
Stolle Machinery Company, LLC	Head Office	United States (Delaware)
	Plants	United States (Colorado/Ohio)

### 13. Employees (as of March 31, 2024)

#### 1) Employees of the Group

Business segment	Number of employees		Year-on-year change in number	
Packaging business	10,948	[1,814]	-92	[-20]
Engineering, filling, and logistics businesses	4,633	[688]	-172	[+15]
Steel plate related business	1,519	[111]	-4	[-4]
Functional materials related business	1,235	[73]	-26	[-18]
Real estate related business	6	[0]	-2	[-3]
Other businesses	841	[45]	-10	[-53]
Corporate (common)	491	[33]	+3	[+4]
Total	19,673	[2,764]	-303	[-79]

Note: 1. "Number of employees" consists of the number of employees who are working within the Group as of the date above, excluding those who are seconded to companies outside the Group and including those who are seconded from companies outside the Group to any of the group companies. In addition to the number of employees, the number of temporary workers is shown in [ ] as an annual average.

2. The temporary workers include contract employees, associate employees and part-time workers, and exclude temps dispatched from staffing agencies.

3. The employees in the category of "Corporate (common)" refer to the employees who belong to administrative departments that cannot be classified under any specific business segment.

#### 2) Employees of the Company

Number of employees		Year-on-year change in number	Average age (years)	Average years of service
Male	353 [21]	-6 [-4]	43.3	17.1
Female	138 [4]	+9 [±0]	39.1	13.3
Total	491 [25]	+3 [-4]	42.1	16.0

Note: 1. "Number of employees" consists of the number of employees who are working within the Group as of the date above, excluding those who are seconded to companies outside of the Group and including those who are seconded from companies outside of the Group to any of the group

companies. In addition to the number of employees, the number of temporary workers is shown in [ ] as an annual average.

2. The temporary workers include contract employees, associate employees and part-time workers, and exclude temps dispatched from staffing agencies.
3. All employees of the Company are classified under the "Corporate (common)" category in the table of the previous section 13 (1).

#### 14. Major Lenders (as of March 31, 2024)

Lender	Loan amount (million yen)
Sumitomo Mitsui Banking Corporation	98,402
Sumitomo Mitsui Trust Bank, Limited	23,316
MUFG Bank, Ltd.	18,776

#### 15. Other Material Matters Concerning Current Status of the Group

- 1) On February 29, 2024, the Company entered into a share transfer agreement with PC Manufacturing Solutions Holdings Sdn. Bhd. to acquire a controlling stake in Premier Centre Group Sdn. Bhd., a company mainly engaged in contract filling of home and personal care products in Malaysia.
- 2) From the first quarter of fiscal 2024 (year ending March 2025), the Company changed the status of Crown Seal Public Co., Ltd. ("CSC") from a consolidated subsidiary to an affiliate accounted for using the equity method. Back in 2007, the Company changed the status of CSC from an affiliate accounted for using the equity method to a consolidated subsidiary to actively engage in CSC's decision-making in management. However, as a result of changes in CSC's management, including board structure, the Company has recently acknowledged that it no longer has substantial control over CSC and decided to change the CSC's status back to an affiliate accounted for using the equity method.

## II. Current Status of the Company

### 1. Equity of the Company (as of March 31, 2024)

- 1) Number of shares authorized: 450,000,000 shares
- 2) Number of shares issued: 175,862,162 shares
- 3) Number of shareholders: 18,047
- 4) Major shareholders (Top ten):

Name	Number of shares held (in thousands)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	21,274	12.2
Toyo College of Food Technology	16,492	9.5
Toyo Institute of Food Technology	12,499	7.2
Custody Bank of Japan, Ltd. (Trust account)	7,790	4.5
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	6,148	3.5
Fukoku Mutual Life Insurance Company	5,600	3.2
Sumitomo Mitsui Banking Corporation	5,000	2.9
STATE STREET BANK CLIENT OMNIBUS OM04 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody service department)	4,531	2.6
The Gunma Bank, Ltd.	4,219	2.4
artience Co., Ltd.	3,798	2.2

Note: 1. The 1,804,279 treasury shares are excluded from the total shares issued in calculation of the ownership ratio.

2. The treasury shares do not include the shares held by the board benefit trust for directors.

3. Toyo Ink SC Holdings Co., Ltd. changed its name to artience Co., Ltd. on January 1, 2024.

- 5) Status of shares delivered to directors as compensation for performance of their duties for the year under review

There are no applicable items to be reported under this section. The details of the Company's equity compensation scheme are provided in section 3.3 Compensation for Directors and Audit and Supervisory Board Members.

- 6) Other material information about the equity

- i) Cancellation of treasury shares

The Company completed a cancellation of treasury shares based on the resolution of the Board of Directors Meeting held on March 31, 2023. The details of the cancellation are as follows:

Class of shares cancelled:	Common shares of the Company
Number of shares cancelled:	20,000,000 shares (9.9% of the total number of shares issued before the cancellation)
Total number of shares issued after the cancellation:	182,862,162 shares
Date of cancellation:	April 7, 2023

[Translation for Reference and Convenience Purposes Only]

ii) Share repurchase

The Company completed a share repurchase program based on the resolution of the Board of Directors Meeting held on May 12, 2023. The details of the share repurchase program are as follows:

Class of shares purchased:	Common shares of the Company
Number of shares purchased:	8,027,200 shares
Total purchase price:	19,999,930,850 yen
Period of purchase:	From August 4, 2023 to November 28, 2023 (trade date basis)

iii) Cancellation of treasury shares

The Company completed a cancellation of treasury shares based on the resolution of the Board of Directors Meeting held on December 22, 2023. The details of the cancellation are as follows:

Class of shares cancelled:	Common shares of the Company
Number of shares cancelled:	7,000,000 shares (3.8% of the total number of shares issued before the cancellation)
Total number of shares issued after the cancellation:	175,862,162 shares
Date of cancellation:	December 29, 2023

iv) Share repurchase

The Company resolved a share repurchase and related matters at the Board of Directors Meeting held on May 14, 2024. The details of the share repurchase program are as follows:

Class of shares to be purchased:	Common shares of the Company
Number of shares to be purchased:	Up to 17,000,000 shares (9.8% of the total number of shares issued, excluding treasury shares)
Total purchase price:	Up to 30,000,000,000 yen
Period of purchase:	From May 15, 2024 to March 31, 2025

**2. Stock Acquisition Rights**

Not applicable.

### 3. Directors and Auditors of the Company

#### 3.1 Directors and Audit and Supervisory Board Members (as of March 31, 2024)

Title	Name	Responsibility and significant concurrent positions
President and Representative Director	Ichio Otsuka	- Chairman of Group Sustainability Committee - Chairman of Group Risk and Compliance Committee
Director	Masakazu Soejima	- Executive Officer - Head of Corporate Strategy - Accounting, Finance, IR and Procurement Strategy - Director of Nippon Closures Co., Ltd.
Director	Kazuo Murohashi	- Executive Officer - Human Resources, HR Development, Sustainability and Risk & Compliance
Director	Kouki Ogasawara	- Executive Officer - Secretariat, General Affairs, Legal Affairs, IT and Information Management
Director	Takuji Nakamura	- Executive Officer - Head of Technical Development - Innovation Promotion
Director	Kei Asatsuma	- Lawyer (Partner of Nagashima Ohno & Tsunematsu)
Director	Mami Taniguchi	- Professor, Faculty of Commerce / Graduate School of Commerce, Waseda University
Director	Toshikazu Koike	- Director and Chairman of Brother Industries, Ltd. - Outside director (Audit and supervisory committee member) of YASKAWA Electric Corporation
Director	Kenzo Oguro	- Certified public accountant - Representative Director of Yamato Partners Corporation - Representative partner of Yamato Audit Corporation - Auditor of TOKYO MOKUZAI SOHGO ICHIBA Co., Ltd. - Auditor of PureteQ Japan K.K.
Standing Audit and Supervisory Board Member	Shunji Tanaka	- Auditor of Toyo Seikan Co., Ltd. - Auditor of Toyo Kohan Co., Ltd. - Auditor of Toyo Glass Co., Ltd. - Auditor of Toyo Aerosol Industry Co., Ltd.
Standing Audit and Supervisory Board Member	Takehiro Noma	- Auditor of Tokan Kogyo Co., Ltd. - Auditor of Nippon Closures Co., Ltd. - Auditor of Mebius Packaging Co., Ltd. - Auditor of TOMATEC Co., Ltd. - Auditor of Nippon Tokan Package Co., Ltd.
Audit and Supervisory Board Member	Fuminari Hako	- Certified public accountant / Certified tax accountant (Representative partner of Reson Partners Tax Accountant Corporation) - Outside director (Audit and supervisory committee member) of Showa Chemical Industry Co., Ltd.
Audit and Supervisory Board Member	Ikuko Akamatsu	- Certified public accountant - Certified fraud examiner - Council member of the Japanese Institute of Certified Public Accountants - Outside auditor of SBI Shinsei Bank, Limited - Outside director (Audit and supervisory committee member) of Mitsubishi UFJ Securities Holdings Co., Ltd. - Outside director of Nippon Kayaku Co., Ltd.

Note: 1. Kei Asatsuma, Mami Taniguchi, Toshikazu Koike and Kenzo Oguro are Outside Directors.

2. Fuminari Hako and Ikuko Akamatsu are Outside Audit and Supervisory Board Members.

3. The Company has registered Kei Asatsuma, Mami Taniguchi, Toshikazu Koike, Kenzo Oguro, Fuminari Hako and Ikuko Akamatsu as Independent Directors with the Tokyo Stock Exchange (TSE) under the TSE's independent criteria.
4. Shunji Tanaka and Takehiro Noma, Standing Audit and Supervisory Board Members, have experience as officers managing the Company's group companies and considerable insight into finance and accounting.
5. Fuminari Hako, Audit and Supervisory Board Member, is a certified public accountant and certified tax accountant and has considerable insight into finance and accounting.
6. Ikuko Akamatsu, Audit and Supervisory Board Member, is a certified public accountant and certified fraud examiner and has considerable insight into finance and accounting.
7. Toshitaka Uesugi resigned from his position as Standing Audit and Supervisory Board Member upon the close of the 110th Ordinary General Meeting of Shareholders held on June 23, 2023.
8. Resignation from significant concurrent position during the year under review is as follows:

Title	Name	Significant concurrent positions	Date of resignation
Director	Masakazu Soejima	Director of Nippon Closures Co., Ltd.	March 31, 2024

### 3.2 Outline of Liability Insurance Contract for Directors

The Company has entered into a liability insurance contract with an insurance company for directors, auditors, operating officers and managers of the Company and its group companies in accordance with Article 430-3, Paragraph 1 of the Companies Act. The contract covers compensation for damages and court costs to be borne by the insured in the event that claims for damages are made by shareholders, companies, employees or other third parties due to the insured's business activities during the insurance period. The full premiums of the insurance are borne by the Company and its group companies, not by the insured.

### 3.3 Compensation for Directors and Audit and Supervisory Board Members

#### 1) Policy for the determination of directors' compensation

The Company's Board of Directors adopted in its meeting held on June 23, 2023 the policy for determining the details of compensation for individual directors. Prior to the resolution, the Board has consulted with the Company's Governance Committee, a voluntary advisory body consisting of the representative director and the independent outside directors, and received a report from the committee.

The Board has confirmed that the determination method and the determined details of compensation for individual directors for the year under review are consistent with the directors' compensation policy and that the report from the Governance Committee has been reflected in the determination process, as required in the policy.

The details of the policy are as follows:

#### a) Basic policy

The compensation scheme for the directors of the Company shall be based on the following basic policy.

The scheme shall:

- i) Be for the sake of the realization of the Group's management philosophy (the management policy, creed and vision);
- ii) Provide an appropriate level of director compensation that enables the Company to secure highly capable directors;
- iii) Be able to foster a sense of contribution to a medium- to long-term improvement in business performance and corporate value;
- iv) Be transparent and objective and tied to the Group's business performance;
- v) Allow the directors to share perspectives on profitability with shareholders and foster awareness of shareholder-oriented management; and
- vi) Contribute to encouraging appropriate risk-taking in business operations.



- b) Determination of the amounts of basic compensation (in cash) as well as the timing and conditions of payment of the compensation

The basic compensation for directors shall be paid in cash every month as a fixed compensation and the amount for each director shall be determined according to their positions and responsibilities.

- c) Determination of the details of performance-linked compensation and the method of calculating the compensation amount as well as the timing and conditions of payment of the compensation

The performance-linked compensation consists of performance-linked bonus (paid in cash) as a short-term incentive and performance-linked equity compensation using a board benefit trust system as a mid- to long-term incentive.

The performance-linked bonus is paid to executive directors in June of each year, aiming to raise awareness of financial performance improvement for each fiscal year. The bonus amount is calculated based on the degree of achievement of each year's financial target measured with net sales, operating income and operating income margin, all on a consolidated basis, which we select as key performance indicators (KPIs).

The target net sales and operating income are determined by the Board of Directors every year based on the estimated net sales and operating income for the relevant fiscal year we announce in the summary of financial results for the previous year, while the target operating income margin\* is set at the level of "the recent five-year average plus 0.5 percent."

Note\*: The operating income margin target is set within the range from minus 2% to plus 5% of "the simple average of annual operating margins for the past five years plus 0.5%."

The performance-linked equity compensation is paid in shares of the Company to executive directors at the time of their retirement. The number of shares delivered to each director corresponds to the number of points given to the director based on the position and responsibility of the director and the degree of achievement of three performance indicators we set as KPIs related to our mid- to long-term management plan to motivate the directors to contribute to growth in corporate value over the mid- to long-term. The three indicators are ROE, EBITDA and a sustainability index.

The targets of the performance indicators are decided upon the approval of the Board of Directors through examination by the Governance Committee. The target levels of ROE and EBITDA are set based on the financial targets in the mid- to long-term management plan, while the sustainability index target is determined by taking account of the general progress of ESG related activities, including the implementation of the Eco Action Plan 2030, our environmental action guidelines.

- d) Determination of the mix of the compensation components for individual directors

The determination of the mix of compensation components for executive directors shall be based on the premise that the director compensation is set at an appropriate level that allows the Company to secure talented executives who can contribute to continuous development of the Group's business, in accordance with its management philosophy. The mix shall be determined according to the directors' respective duties and responsibilities so as to provide an appropriate incentive to improve financial performance, taking account of the business environment surrounding the Company and the compensation structures of peer group companies that are shown by external surveys.

As a benchmark peer group, we refer to manufacturing companies listed on the Prime Market of the Tokyo Stock Exchange with annual sales of 500 billion to 1 trillion yen to determine the appropriateness of our compensation structure, taking into consideration the results of surveys on directors' compensation, among others.

We adopt a composition of 50% basic, 33% short-term performance-linked, and 17% mid- to long-term performance-linked compensation (based on the standard performance).

Directors who are not executive directors will receive only basic compensation based on their responsibilities.

e) Determination of the details of compensation for individual directors

In order to ensure transparency and objectivity, the types of director compensation and their mix, amounts and calculation methods shall be discussed in advance by the Governance Committee, a voluntary advisory body consisting of the representative director(s) and the independent outside director(s), and shall be determined by the Board of Directors based on the committee's report. The amounts shall be determined up to the maximum total amount of annual compensation approved by the general shareholders meeting. Provided that the President of the Company may determine the amounts and calculation methods under the delegation of the Board of Directors based on the report of the Governance Committee.

With respect to compensation amounts for individual directors, the President of the Company shall determine the amount of basic compensation of each director as well as the amount of performance-linked bonus and the number of points for performance-linked equity compensation of each executive director under the delegation of the Board of Directors based on the decision of the Board of Directors on the types of director compensation and their mix, amounts and calculation methods.

2) Total amount of compensation for Directors and Audit and Supervisory Board Members

	Basic compensation		Bonus (in cash)				Non-cash compensation		Total Amount (million yen)
	Fixed		Fixed		Performance-linked		Performance-linked		
	Number of persons	Amount (million yen)	Number of persons	Amount (million yen)	Number of persons	Amount (million yen)	Number of persons	Amount (million yen)	
Directors (of the above, outside directors)	10 (5)	204 (43)	- (-)	- (-)	5 (-)	131 (-)	5 (-)	41 (-)	377 (43)
Audit and Supervisory Board Members (of the above, outside auditors)	6 (3)	67 (24)	2 (-)	8 (-)	- (-)	- (-)	- (-)	- (-)	76 (24)
Total (of the above, outside directors and auditors)	16 (8)	271 (67)	2 (-)	8 (-)	5 (-)	131 (-)	5 (-)	41 (-)	453 (67)

Note: 1. The 110th Ordinary General Meeting of Shareholders held on June 23, 2023, resolved that the total amount of compensation paid to Directors shall be no more than 490 million yen per year, including up to 80 million yen per year for Outside Directors, excluding the employee salary portion for Directors concurrently serving as employees. The number of Directors at the close of the 110th Ordinary General Meeting of Shareholders was nine (including four outside directors).

The 108th Ordinary General Meeting of Shareholders held on June 25, 2021, also resolved that the Company would introduce, in addition to the cash compensation system, a performance-linked equity compensation scheme, and the 110th Ordinary General Meeting of Shareholders adopted a partial revision of the scheme. In the scheme, the Company contributes up to 500 million yen for five fiscal years to acquire its shares to be delivered to Directors (other than Outside Directors), and the maximum total number of points granted to Directors (other than Outside Directors) shall be 100,000 points per fiscal year (one point is equivalent to one share). The number of eligible directors for the scheme was five as of the close of the 110th shareholders meeting.

2. The 104th Ordinary General Meeting of Shareholders held on June 27, 2017, resolved that the total amount of compensation paid to Audit and Supervisory Board Members shall be no more than 110 million yen per year. The number of Audit and Supervisory Board Members at the close of the 104th Ordinary General Meeting of Shareholders was five (including three Outside Audit and Supervisory Board Members).

3. Under the "Basic compensation" for Directors in the above table, the "Number of persons" includes an outside director who retired due to the expiration of term of office upon the close of the 110th Ordinary General Meeting of Shareholders held on June 23, 2023, and the "Amount" includes the compensation paid to the outside director.

4. Under the "Basic compensation" for Audit and Supervisory Board Members in the above table, the "Number of persons" includes a standing auditor who resigned from the position and an outside auditor who retired due to the expiration of term of office upon the close of the 110th Ordinary General Meeting of Shareholders held on June 23, 2023, and the "Amount" includes the compensation paid to these two auditors.

5. As for the details of the performance indicators to determine the performance-linked compensation

(KPIs), the reasons for selecting these indicators, and the calculation method of the performance-linked compensation, please refer to the item c) of the previous section 1) Policy for the determination of directors' compensation.

The performance-linked compensation paid for the year under review (fiscal 2023) was based on the KPIs for the year, for which the actual consolidated net sales, operating income and operating income margin\* were 950,663 million yen, 33,850 million yen and 3.56 percent, respectively, against their targets of 950 billion yen, 23 billion yen and 3.54 percent, respectively. The performance-linked equity compensation paid for the year under review was also based on the KPIs for the year, for which the actual consolidated ROE and EBITDA were 3.5 percent and 89.2 billion yen, respectively, which did not meet their respective targets stated in the Mid-Term Management Plan 2025. The sustainability index was rated as "A" out of the five grades of S, A, B, C, and D. The rating has been determined based on the achievement of environmental targets set in the Eco Action Plan 2030.

\* The actual operating income margin as a KPI for directors' compensation determination takes into account the impact of impairment losses, and thus may become lower than the operating income margin based on the published statement of income.

6. The non-cash compensation is paid in shares of the Company. For the conditions of share allotment and other details, please refer to the item c) of the previous section 1) Policy for the determination of directors' compensation. The status of delivery of shares for the year under review is shown in the previous section 1 (5) Status of shares delivered to directors as compensation for performance of their duties for the year under review. We had reported a provision of 33 million yen for non-cash compensation for directors for the previous fiscal 2022 in the year's (the 110th term) business report, while the amount of such non-cash compensation actually paid was 32 million yen.
7. With respect to the compensation amount for individual directors, Ichio Otsuka, President of the Company, has determined the amounts of basic compensation for each director, performance-linked cash compensation (bonus) for each executive director, and bonus for each outside director under the delegation of the Board of Directors based on its decision on the types of director compensation and their mix, amounts and calculation methods. The Board of Directors' decision is in accordance with the report issued by the Governance Committee based on prior discussion on the compensation amount for individual directors, and the amount has been determined up to the maximum total compensation amount approved by the shareholders meeting. The delegation to the president is on the grounds that the president is deemed appropriate to determine the compensation amount for individual directors by taking into consideration overall business performance of the Company and duties of individual directors.

### 3.4 Outside directors and auditors

- 1) Significant positions concurrently held by Outside Directors (in the case where the relevant director executes business or serves as an outside director or auditor at a corporation other than the Company)

Name	Significant concurrent positions outside the Company
Kei Asatsuma	Lawyer (Partner of Nagashima Ohno & Tsunematsu)
Toshikazu Koike	Director and Chairman of Brother Industries, Ltd. Outside director (Audit and supervisory committee member) of YASKAWA Electric Corporation
Kenzo Oguro	Representative Director of Yamato Partners Corporation Representative partner of Yamato Audit Corporation Auditor of TOKYO MOKUZAI SOHGO ICHIBA Co., Ltd. Auditor of PureteQ Japan K.K.

- Note:
1. There are no special interests between the Company and Nagashima Ohno & Tsunematsu.
  2. There are no special interests between the Company and Brother Industries, Ltd.
  3. There are no special interests between the Company and YASKAWA Electric Corporation.
  4. There are no special interests between the Company and Yamato Partners Corporation.
  5. There are no special interests between the Company and Yamato Audit Corporation.
  6. There are no special interests between the Company and TOKYO MOKUZAI SOHGO ICHIBA Co., Ltd.
  7. There are no special interests between the Company and PureteQ Japan K.K.

- 2) Significant positions concurrently held by Outside Audit and Supervisory Board Members (in the case where the relevant auditor executes business or serves as an outside director or auditor at a corporation other than the Company)

Name	Significant concurrent positions outside the Company
Fuminari Hako	Certified public accountant / Certified tax accountant (Representative partner of Reson Partners Tax Accountant Corporation) Outside director (Audit and supervisory committee member) of Showa Chemical Industry Co., Ltd.
Ikuko Akamatsu	Council member of the Japanese Institute of Certified Public Accountants Outside auditor of SBI Shinsei Bank, Limited Outside director (Audit and supervisory committee member) of Mitsubishi UFJ Securities Holdings Co., Ltd. Outside director of Nippon Kayaku Co., Ltd.

- Note:
1. There are no special interests between the Company and Reson Partners Tax Accountant Corporation.
  2. There are no special interests between the Company and Showa Chemical Industry Co., Ltd.
  3. There are no special interests between the Company and the Japanese Institute of Certified Public Accountants.
  4. There are no special interests between the Company and SBI Shinsei Bank, Limited.
  5. There are no special interests between the Company and Mitsubishi UFJ Securities Holdings Co., Ltd.
  6. There are no special interests between the Company and Nippon Kayaku Co., Ltd.

3) Major activities in the year under review

Each Outside Director sufficiently fulfilled management supervisory functions by providing advice and making proposals in a proper and timely manner to ensure the validity and appropriateness of decision-making by the Board of Directors.

Each Outside Audit and Supervisory Board Member sufficiently fulfilled auditing functions by expressing questions and opinions necessary for deliberations at the Board of Directors meetings as well as exchanging opinions and discussing audit matters at the Audit and Supervisory Board meetings.

Name	Position	Record of attendance		Status regarding the expression of opinion and the performance of duties to fulfill expected roles as outside directors and auditors
		Board of Directors Meeting	Audit and Supervisory Board Meeting	
Kei Asatsuma	Outside Director	12 out of 12 times	—	With the expert knowledge and extensive experience he has acquired as a lawyer, he has been expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support mainly for matters related to legal risks from an objective perspective independent from the Company's management. He has properly performed his duties to secure the validity and appropriateness of the Company's decision-making by providing supervision and advisory support, in particular for legal risks in the Group's transactions. As a member of the Governance Committee, he has also engaged in discussions on the nomination of executive candidates and the remuneration of directors and officers from an independent and objective standpoint.
Mami Taniguchi	Outside Director	12 out of 12 times	—	With the expert knowledge and extensive experience she has acquired as a university professor in international business administration and strategic human resource management, including diversity and human capital, she has been expected to provide supervision and advisory support for general management issues from an objective perspective independent from the Company's management. She has expressed opinions on a wide range of management issues in a systematic and practical way, thereby contributing to continuous growth of the Group and further increase in its corporate value. She has properly performed her duties to secure the validity and appropriateness of the Company's decision-making by providing supervision and advisory support, in particular for the Group's capital efficiency initiative and overseas operations, including human capital management. As a member of the Governance Committee, she has also engaged in discussions on the nomination of executive candidates and the remuneration of directors and officers from an independent and objective standpoint.

Toshikazu Koike	Outside Director	12 out of 12 times	—	With the broad range of knowledge and extensive experience he has acquired as an executive manager for many years at an international corporate group, where he has been instrumental in developing its core businesses, he has been expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support for various matters, including group-wide strategies and global business strategies. He has properly performed his duties to secure the validity and appropriateness of the Company's decision-making by providing supervision and advisory support, in particular for the Group's capital efficiency initiative and overseas operations, from an executive manager's perspective. As a member of the Governance Committee, he has also engaged in discussions on the nomination of executive candidates and the remuneration of directors and officers from an independent and objective standpoint.
Kenzo Oguro	Outside Director	9 out of 9 times	—	With the expert knowledge and extensive experience he has acquired as a certified public accountant and as an M&A advisor managing various global projects for many years, he has been expected to contribute to continuous growth of the Group and further increase in its corporate value by providing supervision and advisory support for matters related to accounting and M&A from an objective perspective independent from the Company's management. He has properly performed his duties to secure the validity and appropriateness of the Company's decision-making by providing supervision and advisory support, in particular for growth strategies and governance systems in M&A projects. As a member of the Governance Committee, he has also engaged in discussions on the nomination of executive candidates and the remuneration of directors and officers from an independent and objective standpoint.
Fuminari Hako	Outside Audit and Supervisory Board Member	12 out of 12 times	15 out of 15 times	He has properly expressed opinions from a professional viewpoint as a certified public accountant and certified tax accountant.
Ikuko Akamatsu	Outside Audit and Supervisory Board Member	12 out of 12 times	15 out of 15 times	She has properly expressed opinions from a professional viewpoint as a certified public accountant and certified fraud examiner.

- Note: 1. Since Kenzo Oguro assumed the role of Outside Director at the 110th Ordinary General Meeting of Shareholders held on June 23, 2023, the total number of Board of Directors meetings he could attend was nine.
2. In addition to the above-mentioned meetings, the Outside Audit and Supervisory Board Members, along with other members of the Audit and Supervisory Board, have actively been

engaged in activities such as exchanging views and opinions with directors and auditors of major group companies and the accounting auditor of the Company.

4) Outline of the limited liability agreements

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has signed with each Outside Director and Outside Audit and Supervisory Board Member an agreement which limits the liability under Article 423, Paragraph 1 of the Companies Act. Based on the agreement, the maximum amount of liability for each of them shall be the higher of either 10 million yen or the amount set by the Companies Act.

**4. Accounting Auditor**

**4.1 Name of Accounting Auditor:** Fujimi Audit Corporation

Note: Sohken Nichiei Audit Corporation merged with Nagoya Audit Corporation and Seinan Audit Corporation and changed the name to Fujimi Audit Corporation as of October 2, 2023.

**4.2 Auditor's fees**

(in millions of yen)

Category	Amount of fees for audit and assurance services	Amount of fees for non-audit services
The Company	58	2
Consolidated subsidiaries	154	—
Total	212	2

- Note:
1. The audit agreement entered into by the Company and the Accounting Auditor does not clearly distinguish between audit fees derived from audits under the Companies Act and that derived from audits under the Financial Instruments and Exchange Act, and practically cannot do so. Therefore, the payment amount under “Amount of fees for audit and assurance services” for the Company in the above table shows the combined amount of such audit fees.
  2. The Audit and Supervisory Board carefully examined the Accounting Auditor's explanation of the accounting audit plan for the year under review, the results of the previous year's audit work, the implementation status of its audit activities, and the calculation basis for its audit fee estimates. Based on the explanation, the Board has determined that the amount of fees to be paid to the Accounting Auditor is appropriate and has approved it.

Among the Company's major subsidiaries, Bangkok Can Manufacturing Co., Ltd., Crown Seal Public Co., Ltd. and Stolle Machinery Company, LLC have been subject to statutory audits (limited only to audits under the Companies Act or the Financial Instruments and Exchange Act, or any foreign law equivalent to the foregoing Japanese laws) by certified public accountants or audit corporations other than the Company's Accounting Auditor, including those who hold foreign licenses equivalent to licenses required for the foregoing entities in Japan.

**4.3 Fees for non-audit services**

The Company paid Fujimi Audit Corporation fees for a comfort letter for an issuance of corporate bonds.

**4.4 Company's policy for the decision on dismissal or non-reappointment of the Accounting Auditor**

If the Audit and Supervisory Board determines that the Accounting Auditor has become significantly inappropriate for the Company's accounting auditor, including the case where the Accounting Auditor has violated any of its professional obligations, neglected its duties or committed any misconduct, the board shall dismiss the Accounting Auditor with its unanimous consent in accordance with the provisions of Article 340, paragraph 1 of the Companies Act.

In addition, if the Accounting Auditor cannot properly perform its duties due to the occurrence of circumstances that impair qualification and/or independence of the Accounting Auditor, or if the board determines that the replacement of the Accounting Auditor should be reasonable to enhance the

appropriateness of audits, the board shall determine a proposal for the dismissal or refusal of reelection of the Accounting Auditor, which will be submitted to the General Meeting of Shareholders.

## **5. System to Ensure Appropriateness of Business and Its Operating Status**

### **5.1 System to Ensure Appropriateness of Business**

The Company's Board of Directors has resolved the following to establish systems and frameworks that ensure the appropriateness of business operations.

- 1) System to ensure that business execution by directors and employees of the Company and its group companies complies with laws and regulations and the Articles of Incorporation
  - a) The Company shall formulate the Toyo Seikan Group Code of Conduct and Guidelines of Behavior, which provide standards for directors, operating officers, and employees of the Company and its group companies (collectively "Officers and Employees") to comply with laws and regulations, the Articles of Incorporation and corporate ethics.
  - b) The Company shall establish the Group Risk and Compliance Committee, which governs the entire Group's commitment to compliance. Under the supervision of the Committee, the Company shall provide training opportunities for Officers and Employees to fully understand compliance-related issues.
  - c) The Company and its group companies shall develop a system of reporting and consultation about compliance issues for the prevention, early detection and correction of compliance violations. They shall establish internal and external compliance hotlines to provide a means for their employees to directly report law violations and alleged non-compliance, and set rules for operating the hotline system.
- 2) System to retain and manage information regarding business execution by directors of the Company and its group companies
  - a) In accordance with laws and regulations and internal regulations, the Company and its group companies shall record and retain all information related to the execution of duties by their directors, including minutes of shareholders meetings, board of directors meetings and management meetings, deliberation records and approval documents, in a hard copy or electronic form, in an appropriate and easy-to-search manner, for a period of time set forth by the relevant regulations, to allow their directors and Audit and Supervisory Board Members to access such information at all time.
  - b) The Company shall oversee information management of the Company and its group companies under the supervision of the Group Risk and Compliance Committee, and formulate information management rules to ensure appropriate information control across the Group.
- 3) Rules and framework to control the risk of loss to the Company and its group companies
  - a) The Company shall formulate the Group Risk and Crisis Management Regulations and establish a group-wide risk and crisis management framework under the supervision of the Group Risk and Compliance Committee. Through this framework, the Company shall check the risk management status at each group company and take necessary measures to make improvements and corrections.
  - b) In the event of any unforeseen circumstances, the Company shall establish a crisis management headquarters that supervises group companies' emergency control action, or relevant group companies shall individually establish a crisis management headquarters, as appropriate, to prevent and minimize the spread of damage to the entire Group.
- 4) System to ensure efficient business execution by directors of the Company and its group companies
  - a) The Company shall stipulate matters to be resolved and reported at its Board of Directors meetings, which shall be held once per month in principle, and at other times as needed, to make appropriate and quick decisions on important issues related to the Group's management policies, management strategies and business execution.
  - b) The Company shall stipulate matters to be deliberated and reported at its management meetings, which shall be held three times per month in principle, and at other times as needed, to discuss issues related to important business execution by the Company and its group companies and thereby improve the efficiency and effectiveness of deliberations at its Board of Directors meetings. Each group company shall also set up management meetings in principle to improve the efficiency and effectiveness of deliberations at its board of directors meetings.
  - c) Business operations based on decisions by the board of directors of the Company or its individual



group companies shall be implemented by departments in charge and examined and corrected by relevant directors as needed in accordance with the rules on division of duties and approval authorities formulated by the Company or by its individual group companies based on prior consultation with the Company.

- 5) Other systems to ensure appropriate business operations of the Company and its group companies
  - a) As the holding company that controls the businesses of the entire Group, the Company shall check and review business details and performance of its group companies by holding regular meetings with each group company.
  - b) The Company shall formulate the Rules for the Management and Administration of Group Companies and develop a framework for managing and supporting its group companies, including a business operation reporting system, to ensure appropriate management of each group company.
  - c) The internal audit division of the Company shall audit the internal control systems of the Company and its group companies and report the results to the President.
  - d) The Company and its group companies shall establish and operate necessary and appropriate internal control systems to ensure proper financial reporting in accordance with the Financial Instruments and Exchange Act and other applicable laws and regulations.
- 6) System related to assignment of audit assistants; and matters related to ensuring their independence from directors and the effectiveness of Audit and Supervisory Board Members' directions
  - a) Directors shall assign employees who assist Audit and Supervisory Board Members with their execution of duties. The number of the assistants required shall be determined in consultation with Audit and Supervisory Board Members.
  - b) Audit assistants shall be directed only by Audit and Supervisory Board Members, not by directors, in performing their duties. Evaluations of audit assistants shall be conducted by Audit and Supervisory Board Members, while their assignment, dismissal and reassignment shall be determined by directors with the consent of the Audit and Supervisory Board.
- 7) System related to reports to Audit and Supervisory Board Members by Officers and Employees
  - a) Officers and Employees shall, through reporting channels such as management meetings, report to Audit and Supervisory Board Members appropriately on important matters that might have an impact on business operations or performance of the Company and its group companies. Notwithstanding the foregoing, Audit and Supervisory Board Members may, whenever necessary, request reports from Officers and Employees and attend important meetings on individual business operations of the Company and its group companies.
  - b) The internal audit division of the Company shall regularly hold meetings with Audit and Supervisory Board Members to report the status of internal auditing, compliance and risk management of the Company and its group companies.
  - c) The Company and its group companies shall establish a reporting system that allows Officers and Employees to report to Audit and Supervisory Board Members appropriately on compliance-related issues.
  - d) The Company and its group companies shall establish a system to ensure that no Officers and Employees suffer detrimental treatment due to their reporting to Audit and Supervisory Board Members.
- 8) Other systems to ensure effective audits by Audit and Supervisory Board Members
  - a) Audit and Supervisory Board Members shall strive to fulfill and improve their duties by mutually exchanging information and opinions with the President, the internal audit division and the accounting auditor of the Company.
  - b) When identifying weaknesses in the development and operation of the Company's internal control system, Audit and Supervisory Board Members may give their opinions to the Board of Directors and request that the Board of Directors formulate remedial measures against the weaknesses.
  - c) The Company and its group companies shall process without delay expenses incurred during the execution of duties by their Audit and Supervisory Board Members, by taking into account the opinion of relevant Audit and Supervisory Board Member(s), except for expenses recognized as unnecessary for the execution of their duties.
- 9) Basic principles and framework to eliminate the influence of organized crime groups
  - a) The Company and its group companies shall have no association whatsoever with organized crime

groups and related parties that threaten social order and security. The Company and its group companies shall eliminate any relationship with such organizations by taking a firm stand against them and decisively reject any illegal request.

- b) The Company and its group companies shall stipulate how to cope with organized crime groups in their respective corporate codes of conduct and guidelines, and share it with Officers and Employees and other stakeholders of the Group. The Company and its group companies shall establish a framework that enables them to, under the supervision of their respective general affairs departments, take prompt action against organized crime groups whenever necessary by gathering relevant information from police organizations and other authorities concerned and cooperating closely with those authorities and attorneys.

## 5.2 Operating Status of System to Ensure Appropriateness of Business

Summarized below is the operating status of the system to ensure the appropriateness of business in the year under review.

### 1) Overall internal control system

The Company and its group companies develop and operate an internal control system. Its operation status is checked by the Legal Department of the Company every year and reported to the Board of Directors and management meetings of the Company. In order to examine the effectiveness of the internal control system, the Internal Audit Office, which operates directly under the President of the Company, and internal audit divisions of the Company's group companies conduct internal audits on the effectiveness, efficiency and legality of the Group's business operations and report audit results to the Board of Directors, management meetings and the Audit and Supervisory Board of the Company. The audit and supervisory board members of the Company and its group companies strive to increase the effectiveness and efficiency of audits and develop human resources for auditing by enhancing cooperation with their internal audit divisions, such as sharing information and opinions about material risks and audit plans and results.

### 2) Risk management

The Company and its group companies reinforce their risk management systems based on the "Group Risk and Crisis Management Regulations," which have been formulated to prevent the risks that could have an impact on business continuity, achieve a stable foundation for their business management, and, in the event of a crisis, quickly restore and resume operation. The Company has established the Group Risk and Compliance Committee to supervise risk control, crisis management and compliance across the Group. The Committee checks information related to material risks and takes necessary action to improve situations and prevent risk occurrence. In addition, the Company and its group companies individually develop crisis management rules and crisis response manuals and review their risk management status under their respective management systems.

### 3) Compliance

The Group has carried out compliance activities, such as Group Risk and Compliance Committee meetings and various training programs, with a flexible, cross-organizational approach to ensure compliance awareness and prevent violations.

The Company and its group companies endeavor to ensure that employees are properly informed of the compliance hotlines and that these hotlines are easy to use. The information received through the hotlines is investigated and addressed by the relevant division under the instruction of the officer in charge of compliance, and then reported to the Group Risk and Compliance Committee.

The Company has worked on activities to grasp the full scope of generally assumed compliance risks, identify compliance risks related to the Group's business operations, and thereby establish an appropriate compliance promotion system based on the concept of a risk-based approach.

The Company has also designated April 20 as Day of Renewed Commitment to Competition Law Compliance, to further strengthen the Group's systems for compliance with laws and regulations. On the day every year, presidents of the Company and its group companies send all employees a message to remind them about their compliance responsibilities.

### 4) Governance Committee

The Company has established the Governance Committee, which consists of the representative director and the four independent outside directors, to further enhance corporate governance. The committee is designed for more objective, transparent and timely decision-making of the Board of

Directors regarding such issues as the appointment of representative directors and director and auditor candidates and the remuneration of directors and officers.

5) Management of group companies

Based on the Rules for the Management and Administration of Group Companies, important decisions for a group company are discussed by such group company's management meeting before being discussed at a management meeting of the Company.

The Company regularly holds meetings with major group companies, including the Group Management Promotion Committee, to share and discuss business issues across the Group.

6) Performance of duties by Audit and Supervisory Board Members

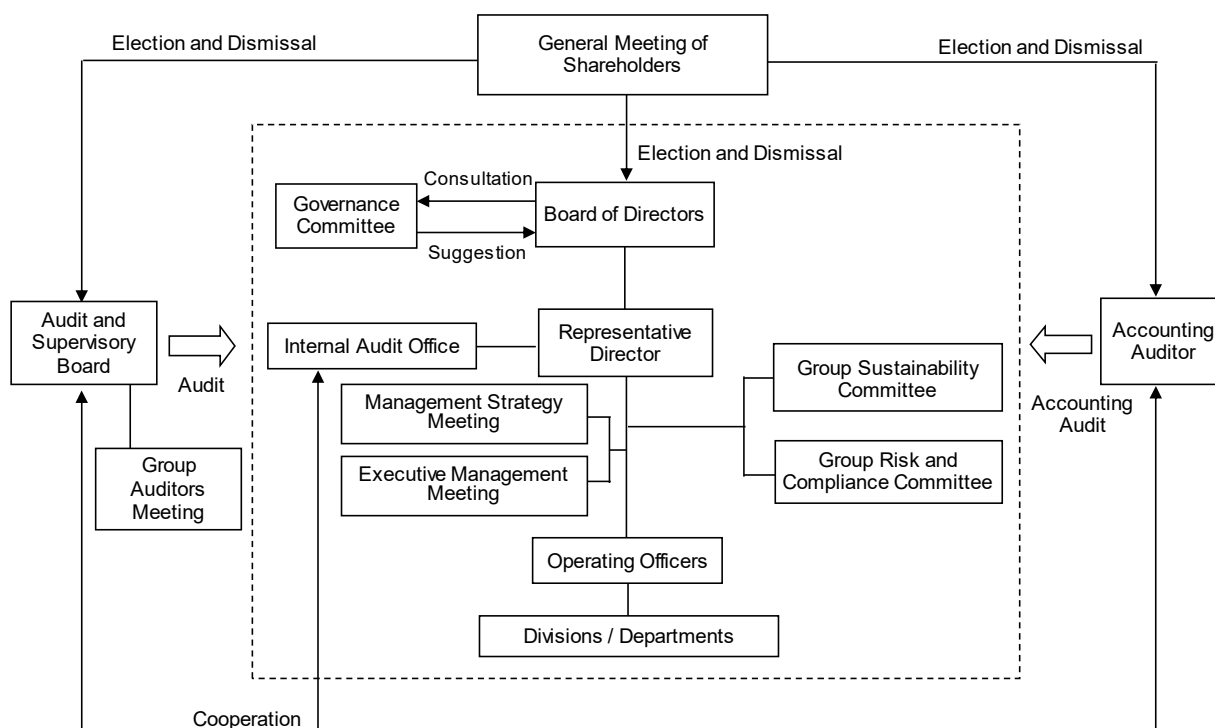
Audit and Supervisory Board Members, including outside Audit and Supervisory Board Members, check and supervise the business execution status through holding Audit and Supervisory Board Meetings (15 times during the year under review) and receiving report on important management issues at the Board of Directors meeting and the management meeting that is attended by Standing Audit and Supervisory Board Members.

Audit and Supervisory Board Members, including outside Audit and Supervisory Board Members, appropriately share management issues with directors and auditors of major group companies and the accounting auditor of the Company through regular meetings and other opportunities to exchange opinions.

<Reference>

The corporate governance structure of the Company is as follows:

The Company's Corporate Governance Structure



**Board of Directors**

The Board of Directors, established as a management decision-making and supervising body, is composed of nine members (including four outside Directors) and meets once a month in principle. The term of office of the Directors is set at one year in order to clarify their management responsibility and to flexibly establish a management system that can swiftly respond to changes in business environment. The Article of Incorporation of the Company stipulates that the number of seats on the Board of Directors shall not exceed fifteen.

### **Audit and Supervisory Board**

The Audit and Supervisory Board is responsible for auditing important management issues. It is composed of four members (including two outside Audit and Supervisory Board Members) and meets once a month in principle.

### **Management Strategy Meeting / Executive Management Meeting**

The Company has introduced an operating officer system to clarify responsibilities for management decision-making/supervisory functions and business execution function. To ensure more effective management through the development of the basic management policies and implementation of necessary measures swiftly and appropriately, it regularly conducts the Management Strategy Meeting and the Executive Management Meeting; the former is held on a monthly basis and comprised of full-time Directors, Heads in charge of key organizational functions, and Executive Officers, while the latter is scheduled twice a month in principle and attended by full-time Directors, Heads in charge of key organizational functions, the Chief of Corporate R&D, and Presidents of major group companies.

Standing Audit and Supervisory Board Members attend both the Management Strategy Meeting and the Executive Management Meeting to present their opinions as appropriate.

### **Internal Audit Office**

The Internal Audit Office (consisting of eight employees including three certified internal auditors) has been established as an independent organization under the direct control of the Representative Director, and works closely with the Accounting Auditor and Audit and Supervisory Board Members by exchanging information and opinions in order to enhance the effectiveness of audits.

### **Governance Committee**

The Company has established the Governance Committee, a voluntary consultative body consisting of the representative director and the four independent outside directors, to further enhance corporate governance. The committee is designed for more objective, transparent and timely decision-making of the Board of Directors regarding such issues as the appointment of representative directors and director and auditor candidates and the remuneration of directors and officers.

### **Group Auditors Meeting**

The Company has established the Group Auditors Meeting, aiming to facilitate information sharing among the audit and supervisory board members of the Company and its group companies and enhance their relationships. Through the meeting, they secure the efficiency and effectiveness of their duties.

### **Group Sustainability Committee**

The Group Sustainability Committee develops and manages the framework to promote sustainability activities and implement sustainability initiatives in order to drive sustainability management across the Group.

### **Group Risk and Compliance Committee**

The Group Risk and Compliance Committee supervises risk management, crisis management and compliance across the Group. Its responsibilities include confirming information on significant risks and preventing, mitigating and correcting risk situations.

## **6. Basic Policy for Control of the Company (the “Basic Policy”)**

### **6.1 Outline of the Basic Policy**

The Company believes that those who control decisions on its financial and business policies need to understand the source of the Company's corporate value and be able to constantly and stably generate and improve the corporate value and, in turn, the common interests of its shareholders.

The Company would not necessarily reject a large-scale acquisition of its shares if such acquisition could contribute to its corporate value and shareholders' common interests. The Company also believes that the final decision as to whether or not accepting a proposal of acquisition that leads to a change in control of the Company should be made based on the overall shareholders' intention.

However, there have been quite a few large-scale share acquisitions performed with a purpose that could result in obvious damage to the target company's value and its shareholders' common interests as well as other negative outcomes. If a buyer who acquires massive amount of shares in the Company never understands the source of its corporate value nor has the capability to maintain and increase the source over the medium- to long-term, the Company's value and its shareholders' common interests would be impaired.

Since such buyer is not appropriate to gain control over decisions about the Company's financial and business policies, the Company will take appropriate measures against such proposals, if any, in accordance with the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, by requesting such buyer to provide necessary and sufficient information for shareholders to make an appropriate decision on whether or not to accept the proposed large-scale share acquisition, disclosing the opinions of the Board of Directors, and securing the time and information necessary for shareholders to consider the matter.

### **6.2 Details of specific activities that contribute to the implementation of the Basic Policy**

#### Mid-Term Management Plan and related matters

In May 2021, we formulated a long-term management vision looking to the fiscal year 2050, the Long-Term Management Vision 2050 "The Future, Wrapped for All," in order to think about the society and the global environment from a long-term perspective to maximize the value we offer to all our stakeholders. Toward the realization of this vision, we have set the Mid- to Long-Term Management Goals 2030, which are quantitative and qualitative management targets to be achieved by 2030. As an action plan to achieve the mid- to long-term goals, we have formulated the Mid-Term Management Plan 2025 for the five years from fiscal 2021. In May 2023, we also announced the Capital Efficiency Initiative 2027 as an initiative to increase returns on capital by pursuing both our growth strategy and capital and financial strategy.

#### Enhancing corporate governance

We believe that the enhancement of corporate governance under the Group's management philosophy, including its management policy, creed, and vision, is one of the most important management issues in improving our corporate value and continuing new development and evolution while contributing to the society through our business activities. Based on this point of view, we have formulated the “Basic Corporate Governance Policy” to continuously address this issue.

##### 1) Holding company structure

Under a holding company structure, the Group has been operating flexibly and effectively by setting clear management strategies and goals for the entire group and optimizing the allocation of management resources across the Group. This allows the Group to separate the functions for the development of management strategies from the business execution functions as well as to establish a more definite management responsibility structure.

##### 2) Structures of outside directors and auditors

The Company has set the “independence criteria for outside directors and auditors” in order to clarify independence standards based on which its outside directors and auditors are designated as Independent Directors and Independent Audit and Supervisory Board Members of the Company.

The Board of Directors is composed of nine members, four of whom are Independent Outside Directors. The Independent Outside Directors therefore represent more than one-third of the Board members. The Director's term of office is set as one year in order to clarify the Directors'

management responsibility and flexibly establish a management system that can swiftly respond to changes in business environment.

In addition to active discussions at the Board meetings, the outside Directors and Audit and Supervisory Board Members provide monitoring on management with an objective view of an outsider, which ensures that the surveillance function for the Company's management structure works effectively.

### 3) Executive structure

The Company has introduced an operating officer system to ensure management efficiency and flexibility as well as to clarify responsibilities for management decision-making/supervisory functions and business execution function. To ensure more effective management through the development of the basic management policies and implementation of necessary measures swiftly and appropriately, it conducts on a monthly basis the Management Strategy Meeting, which consists of full-time Directors, Heads in charge of key organizational functions, and Executive Officers. The Company also holds twice a month in principle the Executive Management Meeting, which is attended by full-time Directors, Heads in charge of key organizational functions, the Chief of Corporate R&D, and Presidents of major group companies. Standing Audit and Supervisory Board Members attend both the Management Strategy Meeting and the Executive Management Meeting and present their opinions as appropriate. The Company provides its directors and officers with training opportunities as needed to support them in acquiring and continuously updating necessary knowledge for appropriate performance of their duties.

The Company has also established the Governance Committee, a voluntary consultative body consisting of the representative director and the four independent outside directors to further enhance corporate governance. The committee is designed for more objective, transparent and timely decision-making of the Board of Directors regarding such issues as the appointment of representative directors and director and auditor candidates and the remuneration of directors and officers.

### 4) Structure of internal control system operation

The Company and its group companies develop and operate an internal control system. Its operation status is checked by the Legal Department of the Company every year and reported to the Board of Directors and management meetings of the Company. In order to examine the effectiveness of the internal control system, the Internal Audit Office, which operates directly under the President of the Company, and internal audit divisions of the Company's group companies conduct internal audits on the effectiveness, efficiency and legality of the Group's business operations and report audit results to the Board of Directors, management meetings and the Audit and Supervisory Board of the Company. The audit and supervisory board members of the Company and its group companies strive to increase the effectiveness and efficiency of audits and develop human resources for auditing by enhancing cooperation with their internal audit divisions, such as sharing information and opinions about material risks and audit plans and results.

The Group will pursue the enhancement of corporate governance with the aforementioned measures, increasing the corporate value of the Company and, in turn, generating and improving the common interests of its shareholders.

## 6.3 The Board of Directors' judgment on the specific measures and grounds for the judgment

The Company's mid-term management plan and various other measures to strengthen corporate governance have been formulated to continuously enhance its corporate value and the common interests of its shareholders, and therefore they are fully in line with the Basic Policy of the Company.

With the above-mentioned facts, it is obvious that the goal of the specific activities described above is not to maintain the status of Directors and Audit and Supervisory Board Members of the Company but to contribute to its corporate value and, in turn, the common interests of its shareholders.

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Note: The amounts of money and the numbers of shares stated in this Business Report are rounded down to the nearest unit. The ratios are rounded off to the nearest unit.

## Consolidated Financial Statements

### Consolidated Balance Sheet

(As of March 31, 2024)

	<b>March 2024</b>
	<i>(in millions of yen)</i>
<b>Assets</b>	
Current assets	
Cash and deposits	90,019
Notes and accounts receivable—trade, and contract assets	248,148
Electronically recorded monetary claims—operating	28,855
Merchandise and finished goods	123,168
Work in process	18,413
Raw materials and supplies	48,281
Other	32,525
Allowance for doubtful accounts	(4,000)
Total current assets	585,411
Non-current assets	
Property, plant and equipment	
Buildings and structures	114,828
Machinery, equipment and vehicles	141,167
Land	80,122
Construction in progress	19,689
Other	14,564
Total property, plant and equipment	370,372
Intangible assets	22,488
Investments and other assets	
Investment securities	148,412
Retirement benefit asset	30,181
Deferred tax assets	7,497
Other	19,436
Allowance for doubtful accounts	(3,566)
Total investments and other assets	201,961
Total non-current assets	594,822
<b>Total assets</b>	<b>1,180,233</b>

	<b>March 2024</b>
	<i>(in millions of yen)</i>
<b>Liabilities</b>	
Current liabilities	
Notes and accounts payable—trade	115,955
Short-term borrowings	56,248
Income taxes payable	10,527
Provision for bonuses for directors	602
Provision for pollution load levy	95
Other	87,145
Total current liabilities	270,573
Non-current liabilities	
Bonds payable	10,000
Long-term borrowings	123,325
Deferred tax liabilities	14,177
Provision for special repairs	5,839
Provision for pollution load levy	1,648
Provision for directors' retirement benefits	1,172
Provision for share awards for directors	256
Retirement benefit liability	43,501
Other	12,608
Total non-current liabilities	212,527
<b>Total liabilities</b>	<b>483,101</b>
<b>Net assets</b>	
Shareholders' equity	
Capital stock	11,094
Capital surplus	11,969
Retained earnings	539,313
Treasury shares	(5,158)
Total shareholders' equity	557,219
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	59,803
Deferred gains or losses on hedges	(4)
Foreign currency translation adjustment	33,931
Remeasurements of defined benefit plans	14,206
Total accumulated other comprehensive income	107,937
Non-controlling interests	31,976
Total net assets	697,132
<b>Total liabilities and net assets</b>	<b>1,180,233</b>



**Consolidated Statement of Income**

(From April 1, 2023 to March 31, 2024)

	<b>March 2024</b>
	<i>(in millions of yen)</i>
Net sales	950,663
Cost of sales	831,937
Gross profit	118,725
Selling, general and administrative expenses	84,874
Operating income	33,850
Non-operating income	
Interest income	1,405
Dividend income	2,591
Rental income	976
Foreign exchange gains	5,170
Share of profit of entities accounted for using equity method	1,633
Other	3,753
Total non-operating income	15,531
Non-operating expenses	
Interest expenses	3,515
Rental expenses on non-current assets	1,348
Loss on retirement of non-current assets	2,173
Other	3,604
Total non-operating expenses	10,641
Ordinary income	38,740
Extraordinary income	
Gain on sales of investment securities	1,588
Extraordinary losses	
Impairment losses	5,988
Profit before income taxes	34,340
Income taxes—current	10,602
Income taxes—deferred	(289)
Total income taxes	10,313
Profit	24,026
Profit attributable to non-controlling interests	943
Profit attributable to owners of parent	23,083

## **Consolidated Statement of Changes in Equity**

(From April 1, 2023 to March 31, 2024)

(in millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,094	11,468	586,252	(38,946)	569,869
Changes during period					
Change in ownership interest of parent due to transactions with non-controlling interests		500			500
Transfer from retained earnings to capital surplus		53,786	(53,786)		-
Dividends of surplus			(16,236)		(16,236)
Profit (Loss) attributable to owners of parent			23,083		23,083
Purchase of treasury shares				(20,001)	(20,001)
Disposal of treasury shares				3	3
Cancellation of treasury shares		(53,786)		53,786	-
Net changes of items other than shareholders' equity					
Total changes during period	-	500	(46,938)	33,788	(12,650)
Balance at end of period	11,094	11,969	539,313	(5,158)	557,219

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	42,335	10	25,719	5,115	73,181	28,287	671,338
Changes during period							
Change in ownership interest of parent due to transactions with non-controlling interests							500
Transfer from retained earnings to capital surplus							-
Dividends of surplus							(16,236)
Profit (Loss) attributable to owners of parent							23,083
Purchase of treasury shares							(20,001)
Disposal of treasury shares							3
Cancellation of treasury shares							-
Net changes of items other than shareholders' equity	17,467	(14)	8,211	9,091	34,755	3,688	38,444
Total changes during period	17,467	(14)	8,211	9,091	34,755	3,688	25,793
Balance at end of period	59,803	(4)	33,931	14,206	107,937	31,976	697,132

## **Notes to Consolidated Financial Statements**

### **◆ Significant Matters That Serve as the Basis for Preparing Consolidated Financial Statements**

#### **1. Scope of Consolidation**

(1) Number of consolidated subsidiaries and names of significant consolidated subsidiaries

Number of consolidated subsidiaries: 72

(Toyo Seikan Co., Ltd. / Toyo Kohan Co., Ltd. / Tokan Kogyo Co., Ltd. / Nippon Closures Co., Ltd. / Toyo Glass Co., Ltd. / Mebius Packaging Co., Ltd. / Toyo Aerosol Industry Co., Ltd. / TOMATEC Co., Ltd. / Can Machinery Holdings, Inc. / 63 other subsidiaries)

(2) Non-consolidated subsidiaries

The 12 non-consolidated subsidiaries, including ISHIKAWA INK CO., LTD., are excluded from the scope of consolidation since their respective total assets, sales, profit or loss (the portion corresponding to the equity held by the Company) and retained earnings (the portion corresponding to the equity held by the Company) are relatively small and have no significant impact on the consolidated financial statements.

#### **2. Application of the Equity Method**

Number of associates accounted for using the equity method: 4

(Asia Packaging Industries (Vietnam) Co., Ltd. / T&T Enerotechno Co., Ltd. / TOSYALI TOYO CELIK ANONIM SIRKETI / PT FUJI TECHNICA INDONESIA)

The non-consolidated subsidiaries (ISHIKAWA INK CO., LTD. and 11 others) and associates (Takeuchi Hi-Pack Co., Ltd., and 2 others) are not accounted for using the equity method since they have no significant importance and their respective profit or loss (the portion corresponding to the equity held by the Company) and retained earnings (the portion corresponding to the equity held by the Company) have no significant impact on the consolidated financial statements.

As for associates accounted for using the equity method with a book-closing date that is different from the book-closing date for consolidated accounting, the financial statements they prepared for their own fiscal years are used for the consolidated financial statements.

#### **3. Book-Closing Date for Accounting of Consolidated Subsidiaries**

Of the consolidated subsidiaries, 32 companies (including 6 companies stated below) close their accounts on December 31. Because the difference between their book-closing date and the book-closing date for consolidated accounting is three months or less, the financial statements they prepared for their own fiscal years are used for the consolidated financial statements.

Stolle Machinery Company, LLC  
Toyo Seikan (Thailand) Co., Ltd.  
Toyo Pack (Changshu) Co., Ltd.  
Bangkok Can Manufacturing Co., Ltd.  
Next Can Innovation Co., Ltd.  
Crown Seal Public Co., Ltd.

As for important transactions performed during the period between their closing date (December 31) and the consolidated closing date (March 31), necessary adjustments are made for the purposes of consolidated accounting.

#### **4. Accounting Policies**

(1) Valuation bases and methods for major assets

i) Securities

Bonds held to maturity: Valued at amortized cost by the straight-line method.

Available-for-sale securities

Securities excluding stocks and others without quoted market prices:

Valued at fair value. (The valuation gains and losses are all recorded in the net assets section. The cost of securities sold is calculated using the moving-average method.)

Stocks and others without quoted market prices:

Valued at cost using the moving-average method.

[Translation for Reference and Convenience Purposes Only]

- ii) Derivatives Valued at fair value.
  - iii) Inventories Valued primarily using the weighted-average cost method. (The cost is written down to fair value on the balance sheet when profitability declines.)
- (2) Depreciation and amortization methods of major assets
- i) Property, plant and equipment (excluding leased assets)  
Depreciated using the straight-line method.
  - ii) Intangible assets (excluding leased assets)  
Amortized using the straight-line method.
  - iii) Leased assets (related to non-ownership-transfer financial lease transactions)  
Depreciated over the lease period using the straight-line method with no residual value.
- (3) Accounting standards for major reserves
- i) Allowance for doubtful accounts  
The allowance for doubtful accounts is provided at an estimated amount of uncollectible receivables based on the actual rate of bad-debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.
  - ii) Provision for directors' bonuses  
The provision for directors' bonuses is provided at an amount that is expected to be sufficient to cover payouts of bonuses to Directors.
  - iii) Provision for share awards for directors  
The provision for directors' share awards is provided based on the estimated amount of share benefit obligations as of the end of the fiscal year under review in order to cover the future delivery of shares of the Company to Directors (other than Outside Directors) and operating officers.
  - iv) Provision for special repairs  
The provision for periodic repairs of glass furnaces is provided at an amount equivalent to the portion of the estimated cost for the next repair that corresponds to the elapsed time.
  - v) Provision for pollution load levy  
The provision for pollution load levy is provided at the amount of pollution load levy payable in the future that is reasonably estimated according to the amount of pollutant emission pursuant to the Law Concerning Pollution-Related Health Damage Compensation and Other Measures.
- (4) Accounting standards for revenue and expenses
- Concerning revenue from contracts with customers of the Company and its group companies, the content of primary performance obligations in relevant businesses and the timing of fulfillment of the performance obligations are as follows.
- The Group's businesses mainly consist of the packaging business, the engineering, filling, and logistics businesses, the steel plate related business, the functional materials related business, and the real estate related business. The performance obligations of the packaging business are the manufacturing and delivery of packaging made of metal, plastic, paper, and glass, and the performance obligations of the engineering, filling, and logistics businesses are the manufacturing and delivery of machinery and equipment related to packaging containers, the contract manufacturing and delivery of filled products, and cargo transportation. The performance obligations of the steel plate related business are the manufacturing and delivery of steel plate and related products, while those of the functional materials related business are the manufacturing and delivery of functional materials such as aluminum substrates for magnetic disks, optical functional films, frit, pigment, and gel coat.
- These performance obligations are generally fulfilled upon the transfer of promised goods or services to customers, and the Company recognizes revenue in an amount that it expects to receive in exchange for those goods or services. For domestic transactions, revenue is recognized at the time of shipment if the period from the time of shipment to the time of transfer of the control of the shipped item or product to the customer is a normal length of time.

Some contracts in the packaging business and the filling business provide that raw materials purchased from a customer should be processed and sold back to the customer. In such transactions, revenue is recognized in the net amount received from the customer, less the raw material prices paid to the customer.

Some of the Company's consolidated subsidiaries offer rebates on goods and products they sell subject to the achievement of their target sales volume or sales amount. In such cases, the transaction prices are the consideration promised from customers in the contract, less the estimated amount of relevant rebates. Such rebates are estimated based on the mode approximation method in consideration of the contract terms and conditions, and are recognized only when it is highly probable that no significant reversal will occur.

The consideration promised from customers is usually collected within one year from the time when the goods or services are transferred to the customers, and does not include significant financing components.

(5) Other significant matters in preparing the consolidated financial statements

i) Hedge accounting method

The Company adopts the deferral hedge accounting, in principle. Certain hedge transactions, such as foreign exchange forward contracts, are treated by adopting a Japanese exceptional hedge accounting method (called *furiate-shori*) if such transactions meet the requirements of the method.

ii) Method and period of goodwill amortization

Goodwill is amortized in an equal amount over a period of five to ten years. If the value of goodwill is insignificant, the goodwill is amortized at once in the fiscal year in which it is recognized.

iii) Accounting procedure regarding employees' retirement benefits

The amount of retirement benefit obligations after deducting the plan assets was reported as "Retirement benefit liability," based on the projected retirement benefits as of the end of the fiscal year under review. In calculating the retirement benefit obligations, the benefit formula basis is used to allocate the projected retirement benefits to the years of service up to the end of the fiscal year under review.

Prior service cost is amortized at one time in the fiscal year in which such cost is incurred.

Actuarial gains or losses are amortized on a straight-line basis from the following year of the fiscal year of recognition over a period (10 years) within the average remaining service years for employees at the time of recognition.

Unrecognized actuarial gains or losses are reported as remeasurements of defined benefit plans under "Accumulated other comprehensive income" in the net assets section after adjusting tax effects.

#### ◆ Note to Accounting Estimates

[Impairment of non-current assets]

##### 1. Amount recorded in the consolidated financial statements for the year under review

Impairment loss:	5,988 million yen
Property, plant and equipment:	370,372 million yen
Intangible assets:	22,488 million yen

##### 2. Information on the details of important accounting estimates related to identified items

- (1) Calculation method of the amounts recorded in the consolidated financial statements for the year under review

The Group estimates the future cash flows of an asset group in which it identifies signs of impairment, and, if it concludes the profitability of such asset group is unlikely to recover, it reduces the carrying value of the asset group to a recoverable amount and posts the reduction in the value as an impairment loss. The Group's assets are grouped based on management accounting categories (by plant or by business category for operational assets and by property for leasing assets and idle assets). The recoverable amount of an asset group is the greater of its value in use or net selling price. The value in use is calculated by discounting the future cash flows with a pre-tax discount rate based on the weighted average cost of capital, while the net selling value is determined as equivalent to the estimated disposal value.

- (2) Key assumptions used in the calculation of the amounts recorded in the consolidated financial statements for the year under review

The calculation of future cash flows uses several factors stated in the mid-term management plan and other business plans for individual reporting units of the Group. These plans include certain assumptions based on past experiences and growth rates and current economic prospects.

The Company will continue efforts to pass on increased raw material and energy costs to its product prices, as those costs are likely to remain high. We have reflected these assumptions and their potential effects into our business plan to estimate future cash flows.

- (3) Impact on the consolidated financial statements for the following fiscal year

While key assumptions are based on the best estimate, the timing and amount of cash flows may be affected by uncertainties of future fluctuations in economic conditions. If the actual timing and amount of cash flows differ from estimates, this may have a material impact on the consolidated financial statements for the following fiscal year.

#### ◆ Note to Consolidated Balance Sheet

##### 1. Accumulated depreciation on property, plant and equipment: 1,318,752 million yen

##### 2. Guaranteed loans

The Company has provided credit guarantees on loans from financial institutions as follows:

▪ TOSYALI TOYO CELIK ANONIM SIRKETI (bank loans):	38,386 million yen (253 million dollars)
▪ TOSYALI TOYO CELIK ANONIM SIRKETI (L/C transactions):	2,778 million yen (18 million dollars)

◆ Note to Consolidated Statements of Income

1. Extraordinary losses

(1) Impairment losses

The Group posted impairment losses on the following asset group.

(in millions of yen)

Location	Uses of assets	Type of assets	Impairment amount (million yen)	Recoverable amount
Toyo Aerosol Industry Co., Ltd. Tsukuba Plant (Ryugasaki-shi, Ibaraki)	Production facilities for aerosol products and general liquid-filled products, etc.	Buildings and structures, machinery, equipment and vehicles, land, construction in progress, and others	2,285	Net selling value
Toyo Aerosol Industry Co., Ltd. Mie Plant (Iga-shi, Mie)	Production facilities for aerosol products and general liquid-filled products, etc.	Buildings and structures, machinery, equipment and vehicles, and land	2,476	Value in use
Tokan Kogyo Co., Ltd. (Komaki-shi, Aichi and other locations)	Production facilities for plastic products, etc.	Buildings and structures, machinery, equipment and vehicles, and others	1,226	Net selling value

The Group classifies owned assets based on management accounting categories; business assets are mainly classified by plant or by business category, while leasing assets and idle assets are classified by property.

The Group estimated the future cash flow of the asset groups for which profitability significantly declined. As for an asset group whose profitability is unlikely to recover, its carrying value is reduced to a recoverable amount, and the reduction amount is posted as an impairment loss under extraordinary losses.

The recoverable amount for individual asset groups were based on their values in use or net selling prices; the values in use are calculated by discounting the future cash flow with a discount rate of 8.6-8.9 percent, in principle, while the net selling prices are determined according to the estimated disposal values.

The following table describes the details of the impairment loss (5,988 million yen) posted under extraordinary losses.

(in millions of yen)

Location	Buildings & structures	Machinery, equipment & vehicles	Land	Construction in progress	Other (of Property, plant and equipment)	Intangible assets	Total
Toyo Aerosol Industry Co., Ltd. Tsukuba Plant	1,094	544	602	2	41	0	2,285
Toyo Aerosol Industry Co., Ltd. Mie Plant	873	507	1,096	-	-	-	2,476
Tokan Kogyo Co., Ltd.	330	832	-	-	63	-	1,226
Total	2,298	1,883	1,698	2	104	0	5,988

◆ **Note to Consolidated Statement of Changes in Equity**

**1. Class and total number of shares issued**

(All numbers are in thousands)

Class of shares	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Shares issued				
Common shares <sup>1</sup>	202,862	-	27,000	175,862
Treasury shares				
Common shares <sup>2, 3, 4</sup>	21,273	8,027	27,002	2,298

Note: 1. The total number of common shares issued decreased by 27,000 thousand due to the cancellation of treasury shares by the Company in accordance with Article 178 of the Companies Act.

2. The number of treasury shares includes shares of the Company held by the board benefit trust for directors (496 thousand shares at beginning of period and 494 thousand shares at end of period).

3. The breakdown of increase in treasury shares:

- Purchase of shares under Article 156 of the Companies Act as applied by replacing terms pursuant to Article 165, Paragraph 3 of the act: 8,027 thousand shares
- Purchase of shares in odd lots: 0 thousand shares

4. The breakdown of decrease in treasury shares:

- Cancellation of shares pursuant to Article 178 of the Companies Act: 27,000 thousand shares
- Provision of shares of the Company held by the board benefit trust for directors: 2 thousand shares

**2. Dividends**

(1) Amount of dividends paid

Resolution on the payment	Class of shares	Total payout (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 23, 2023	Common shares	8,193	45.00	March 31, 2023	June 26, 2023
Board of Directors Meeting on November 6, 2023	Common shares	8,042	45.00	September 30, 2023	December 1, 2023

Note: 1. The total payout resolved at the Ordinary General Meeting of Shareholders on June 23, 2023 includes dividends of 22 million yen for the shares of the Company held by the board benefit trust for directors.

2. The total payout resolved at the Board of Directors meeting on November 6, 2023 includes dividends of 22 million yen for the shares of the Company held by the board benefit trust for directors.

(2) Dividends with a record date belonging to the year under review whose effective date for payment falls in the following fiscal year

Resolution on the payment	Class of shares	Dividend resource	Total payout (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders on June 21, 2024	Common shares	Retained earnings	7,832	45.00	March 31, 2024	June 24, 2024

Note: The total payout to be resolved at the Ordinary General Meeting of Shareholders on June 21, 2024 includes dividends of 22 million yen for the shares of the Company held by the board benefit trust for directors.



## ◆ Note to Financial Instruments

### 1. Status of financial instruments

#### (1) Policy on treatment of financial instruments

The Toyo Seikan Group only uses highly secured financial assets for its fund management. It raises funds necessary for implementing its business plan primarily through bank loans and bond issuances. The cash management service (CMS) is also effectively utilized for the appropriate management of Group's funds. The Group engages in derivatives trading only for the purpose of hedging currency risk and interest rate risk, among other risks, arising from its business activities, and uses derivatives only based on actual demand and not based on speculation.

#### (2) Details of financial instruments, their risks and related risk management system

Since notes and accounts receivable, which are operating receivables, and electronically recorded monetary claims are exposed to customer credit risk, we regularly check due dates and balances for each business partner and the credit status of major business partners. For several operating receivables denominated in foreign currencies, their currency risk is hedged using forward exchange contracts.

We also use currency swaps to hedge currency risk for certain foreign currency-denominated loans to consolidated subsidiaries.

Investment securities are mainly held-to-maturity bonds and shares of the companies with which we have business relationships. As most of them are exposed to market risk, we control the risk by regularly monitoring market prices and financial and other conditions of the issuers and the business partners.

Notes and accounts payable are operating debts, and most of them are due within a year. For several operating debts denominated in foreign currencies, their currency risk is hedged using forward exchange contracts.

Borrowings are mainly used to finance business transactions and capital investment, and corporate bonds are issued to finance additional expenditures and refinance funds necessary for the eligible projects under the green finance framework.

Derivatives trading is managed through a mutual check between the executing division and the accounting division and by monitoring derivatives positions with individual counterparties, and the trading status is regularly reported to the Board of Directors (derivatives are used only based on actual demand and not based on speculation to aim for capital gains). We engage in derivatives transactions only with major financial institutions with high creditworthiness in order to reduce credit risk arising from the transactions.

Operating debts and borrowings are exposed to liquidity risk, which is managed by the Group's finance division by formulating and renewing financing plans, maintaining liquidity at or above a certain level, and concluding a commitment line agreement with financial institutions.

### 2. Fair values of financial instruments

The table below indicates carrying values and fair values of financial assets and liabilities on the consolidated balance sheet and the difference between carrying and fair values as of the end of the fiscal year under review. Notes to "cash" are omitted, and notes to the following are also omitted since these items are settled in the short term and their fair values approximate their carrying values: deposits, notes and accounts receivable, electronically recorded monetary claims, notes and accounts payable, short-term borrowings, and income taxes payable.

(in millions of yen)

	Carrying value	Fair value	Difference
Investment securities* <sup>1</sup>			
1) Bonds held to maturity	7,000	6,952	(47)
2) Available-for-sale securities	114,693	114,693	-
Total—assets	121,693	121,645	(47)
Bonds payable	10,000	10,091	91
Long-term borrowings	123,325	122,144	(1,180)
Total—liabilities	133,325	132,236	(1,089)
Derivatives* <sup>2</sup>			
Without application of hedge accounting	(1,782)	(1,782)	-
With application of hedge accounting	(6)	(6)	-
Total derivatives	(1,789)	(1,789)	-

Note: 1. “Stocks and other securities without quoted market prices” are not included in “investment securities.”  
The amounts of these financial instruments recorded on the consolidated balance sheet are as follows:

(in millions of yen)

Category	FY2023 (March 2024)
Unlisted shares and other securities	26,718
Investments in capital of subsidiaries and associates	11,425

2. Receivables and payables arising from derivative transactions are shown as a total net amount, and net payables are presented in parentheses.

### 3. Breakdown of fair values of financial instruments by fair value hierarchy level

The fair values of financial instruments are classified into the following three levels depending on the observability and significance of the input used in the fair value measurement.

Level 1: Fair values measured by observable inputs that reflect quoted prices for identical assets or liabilities in active markets

Level 2: Fair values measured by inputs other than those included in Level 1 among observable valuation inputs

Level 3: Fair values measured by unobservable valuation inputs

If multiple inputs with a significant impact are used for the fair value measurement of a financial instrument, the fair value of the financial instrument is classified to the lowest priority level of fair value measurement.

#### (1) Financial instruments recorded at fair value on the consolidated balance sheet

(in millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	114,693	-	-	114,693
Total—assets	114,693	-	-	114,693
Derivatives*	-	(1,789)	-	(1,789)

\* Receivables and payables arising from derivative transactions are shown as a total net amount, and net payables are presented in parentheses.

(2) Financial instruments not recorded at fair value on the consolidated balance sheet

(in millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Bonds held to maturity				
- Corporate bonds	-	6,952	-	6,952
Total—assets	-	6,952	-	6,952
Bonds payable	-	10,091	-	10,091
Long—term borrowings	-	122,144	-	122,144
Total—liabilities	-	132,236	-	132,236

Note: Description of the valuation methods and inputs used in fair value measurements:

i) Investment securities

The fair values of listed stocks are based on their quoted market prices. Since listed stocks are traded in active markets, their fair values are classified as Level 1. On the other hand, the fair values of corporate bonds held by the Company are classified as Level 2 because they are not considered to be quoted prices in active markets due to low trading frequency in the market.

ii) Derivatives

The fair values of derivatives are determined as the prices presented by financial institutions with which the Group trades derivatives. Since they are not considered to be quoted prices in active markets, the fair values of derivatives are classified as Level 2.

Currency swaps are used to hedge loans extended by the Company to its consolidated subsidiaries. As these inter-company transactions are offset in the Group's financial statements, hedging accounting is not applied to the transactions.

iii) Bonds payable

The fair value of bonds payable is determined as their present values, which is calculated by discounting the total of principal and interest at an expected interest rate for a new, similar bond. Bonds payable are classified as Level 2.

iv) Long-term borrowings

The fair values of long-term borrowings are determined as their present values, which are calculated by discounting the total of principal and interest at an expected interest rate for a new, similar loan. Long-term borrowings are classified as Level 2.

◆ Note to Leasing Property

The Company and several consolidated subsidiaries own office buildings (including land) and commercial facilities for leasing in Tokyo and other regions. The carrying values, revenue, expenses and fair values of these properties are described in the following table.

(in millions of yen)

Use of properties	Carrying value	Revenue	Expenses	Fair value
Office buildings	15,843	4,634	2,384	85,419
Commercial facilities	2,391	739	233	18,140
Others	13,043	2,206	1,002	52,063
Total	31,277	7,580	3,619	155,623

- Note:
1. "Carrying value" is acquisition costs of assets, net of accumulated depreciation expenses and impairment losses.
  2. "Revenue" includes rent income, while "Expenses" include depreciation expenses, repair expenses, insurance premiums, and taxes and dues.
  3. Fair values as of the end of the year under review are mainly based on real estate appraisal reports or real estate inspection reports provided by external real estate appraisers.

◆ **Note to Revenue Recognition**

**1. Breakdown of revenue from contracts with customers**

The breakdown of revenue from contracts with customers is as follows:

(in millions of yen)

	Reportable segments						Other*	Total
	Packaging	Engineering, filling, and logistics	Steel plate related	Functional materials related	Real estate related	Subtotal		
Revenue from contracts with customers	588,352	201,193	87,942	39,276	-	916,764	23,523	940,288
Other revenue	-	2,477	-	-	7,897	10,375	-	10,375
Sales to external customers	588,352	203,671	87,942	39,276	7,897	927,140	23,523	950,663

Note\*: "Other" refers to businesses that do not belong to any of the reportable segments and includes manufacturing and sales of automotive press dies and hard alloys, and non-life insurance agency business.

"Other revenue" refers to rent revenue and any other income included in the scope of the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

**2. Basic information for understanding revenue from contracts with customers**

Basic information for understanding revenue from contracts with customers is provided in the previous section, Significant Matters That Serve as the Basis for Preparing Consolidated Financial Statements - 4. Accounting Policies (4) Accounting standards for revenue and expenses.

**3. Information for understanding the amounts of revenue for the fiscal year under review and for the following fiscal year and thereafter**

Contract liabilities mainly consist of consideration received from customers before the delivery of products, and are included in other current liabilities on the consolidated balance sheet.

Receivables arising from contracts with customers and contract assets and liabilities for the fiscal year under review are as follows:

	FY2023 (March 2024)
Receivables arising from contracts with customers	269,664 million yen
Contract assets	7,339 million yen
Contract liabilities	11,634 million yen

The amount of revenue recognized for the fiscal year under review that includes the contract liability balance as of the beginning of the period is immaterial. In addition, the amount of revenue recognized for the fiscal year under review from performance obligations fulfilled in previous periods is immaterial.

◆ **Note to Per Share Information**

Net assets per share: 3,832.36 yen

Profit per share: 130.15 yen

Note: The Company has provided an equity compensation plan for directors using a board benefit trust for directors, and the shares of the Company held by the trust are included in treasury shares that are deducted from the year-end number of shares issued in the calculation of net assets per share. The shares of the Company held by the trust are also included in treasury shares that are deducted from the average number of shares issued during the year in the calculation of profit per share. The number of treasury shares held by the trust at the end of the year under review was 494 thousand shares, and the average number of treasury shares during the year under review was 495 thousand shares.

◆ **Note to Significant Subsequent Events**

[Share repurchase]

On May 14, 2024, the Company resolved at the Board of Directors meeting a share repurchase and related matters under Article 156 of the Companies Act as applied by replacing terms pursuant to Article 165, Paragraph 3 of the Act. The details of the share repurchase program are described below.

- |                                      |  |
|--------------------------------------|--|
| (1) Reason for the share repurchase: | To maximize the corporate value with a sound financial condition and a higher capital efficiency, thereby promoting investment in future growth opportunities. |
| (2) Class of shares to be purchased: | Common shares of the Company   |
| (3) Number of purchasable shares:    | Up to 17,000,000 shares (9.8% of the total number of shares issued, excluding treasury shares)   |
| (4) Total purchase price:            | Up to 30,000 million yen   |
| (5) Period of purchase:              | From May 15, 2024 to March 31, 2025  |
| (6) Method of purchase:              | Open market trading on the Tokyo Stock Exchange through a discretionary account for share repurchase   |

◆ **Other Note**

[Acquisition of share in Premier Centre Group Sdn. Bhd.]

On February 29, 2024, the Board of Directors of the Company resolved to enter into a share transfer agreement with PC Manufacturing Solutions Holdings Sdn. Bhd. to acquire a controlling stake in Premier Centre Group Sdn. Bhd. ("PCG"), a company mainly engaged in contract filling of home and personal care products in Malaysia. The share acquisition will be completed in late May to turn PCG into a subsidiary of the Company.

1. Outline of the planned business combination

1) Name of company to be acquired and its main business

Company name: Premier Centre Group Sdn. Bhd.

Main business: Contract filling of home and personal care products

2) Major reasons for business combination

Given that Malaysia's population is projected to continue to increase into the future, we expect that the country's home and personal care market, PCG's main business domain, will maintain stable growth. We also expect to create synergies and new markets, with continued relationships with PCG's major customers, by combining PCG's technologies in liquid preparation and filling with our technologies in developing and manufacturing packaging containers.

3) Date of business combination

Late May 2024 (expected date of share acquisition)

4) Legal form of business combination

Share acquisition with cash consideration

5) Name of company after business combination

There will be no changes to company names.

6) Percentage of voting rights to be acquired by the Company

Voting rights held immediately before the business combination: None

Voting rights acquired on the date of business combination: 100%

Voting rights after the business combination: 100%

7) Basis for determining the acquiring company

The Company provides cash consideration for the acquisition.

2. Acquisition cost and its breakdown by type of consideration

[Translation for Reference and Convenience Purposes Only]

Consideration for acquisition: 75 million U.S. dollars, in cash (11,368 million yen, expected)

Acquisition cost: 75 million U.S. dollars

The acquisition cost may be modified to a value that is determined based on PCG's balance sheet as of the end of December 2023, which is completed after the share transfer agreement is concluded.

3. Major fees and expenses related to the acquisition

Advisory fees and commissions: 252 million yen (expected)

4. Amount of goodwill recognized, reason for its recognition, and amortization method and period

These matters have not been determined at this time.

5. Amounts of assets to be received and liabilities to be assumed at the date of the business combination, and their major components

These matters have not been determined at this time.

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Note: Yen amounts shown in the Consolidated Financial Statements are rounded down to the nearest million yen.

## **Non-Consolidated Financial Statements**

### **Non-Consolidated Balance Sheet**

(As of March 31, 2024)

**March 2024**  
(in millions of yen)

<b>Assets</b>	
Current assets	
Cash and deposits	32,425
Short-term loans receivable from subsidiaries and associates	38,138
Accounts receivable	5,868
Other	936
Allowance for doubtful accounts	(1,570)
Total current assets	75,799
Non-current assets	
Property, plant and equipment	
Buildings	15,834
Tools, furniture and fixtures	567
Land	6,947
Other	754
Total property, plant and equipment	24,102
Intangible assets	1,601
Investments and other assets	
Investment securities	114,123
Shares of subsidiaries and associates	299,585
Long-term loans receivable from subsidiaries and associates	64,015
Other	316
Allowance for doubtful accounts	(959)
Total investments and other assets	477,081
Total non-current assets	502,785
Total assets	578,584

	<b>March 2024</b>
	<i>(in millions of yen)</i>
<b>Liabilities</b>	
Current liabilities	
Short-term borrowings	15,648
Accounts payable	3,569
Accrued expenses	2,416
Income taxes payable	476
Deposits received from subsidiaries and associates	43,311
Provision for bonuses for directors	130
Other	401
Total current liabilities	65,953
Non-current liabilities	
Bonds payable	10,000
Long-term borrowings	115,136
Deferred tax liabilities	5,262
Provision for retirement benefits	254
Asset retirement obligations	582
Provision for share awards for directors	256
Other	4,087
Total non-current liabilities	135,578
Total liabilities	201,531
<b>Net assets</b>	
Shareholders' equity	
Capital stock	11,094
Capital surplus	
Legal capital surplus	1,361
Total capital surplus	1,361
Retained earnings	
Legal retained earnings	2,773
Other retained earnings	
Reserve for tax purpose reduction entry of non-current assets	260
Reserve for special investment in businesses developing new business	34
General reserve	288,441
Retained earnings brought forward	22,317
Total other retained earnings	311,053
Total retained earnings	313,826
Treasury shares	(5,158)
Total shareholders' equity	321,123
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	55,943
Deferred gains or losses on hedges	(14)
Total valuation and translation adjustments	55,929
Total net assets	377,052
Total liabilities and net assets	578,584



**Non-Consolidated Statement of Income**

(From April 1, 2023 to March 31, 2024)

	<b>March 2024</b>
	<i>(in millions of yen)</i>
<b>Operating revenue</b>	
Management fee income from subsidiaries and associates	4,428
Income from operations consignment by subsidiaries and associates	6,374
Dividends from subsidiaries and associates	4,134
Real estate lease revenue	5,783
Total operating revenue	20,720
<b>Operating expenses</b>	
Real estate lease expenses	2,942
General and administrative expenses	13,994
Total operating expenses	16,936
<b>Operating income</b>	<b>3,783</b>
<b>Non-operating income</b>	
Interest and dividend income	4,234
Foreign exchange gains	2,565
Other	432
Total non-operating income	7,232
<b>Non-operating expenses</b>	
Interest expenses	1,296
Other	170
Total non-operating expenses	1,467
<b>Ordinary income</b>	<b>9,548</b>
<b>Extraordinary income</b>	
Gain on sales of investment securities	894
<b>Profit before income taxes</b>	<b>10,443</b>
Income taxes—current	1,748
Income taxes—deferred	79
<b>Total income taxes</b>	<b>1,828</b>
<b>Profit</b>	<b>8,615</b>

[Translation for Reference and Convenience Purposes Only]

**Non-Consolidated Statement of Changes in Equity (1/2)**

(From April 1, 2023 to March 31, 2024)

(in millions of yen)

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings						Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings					
						Reserve for tax purpose reduction entry of non-current assets	Reserve for special investment in businesses developing new business	General reserve	Retained earnings brought forward		
<b>Balance at beginning of period</b>	11,094	1,361	-	1,361	2,773	261	34	328,441	43,722	375,233	
Changes during period											
Transfer from retained earnings to capital surplus			53,786	53,786					(53,786)	(53,786)	
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)			1	-	
Reversal of general reserve								(40,000)	40,000	-	
Dividends of surplus									(16,236)	(16,236)	
Profit									8,615	8,615	
Purchase of treasury shares											
Disposal of treasury shares											
Cancellation of treasury shares			(53,786)	(53,786)							
Net changes in items other than shareholders'											
<b>Total changes during period</b>	-	-	-	-	-	(1)	-	(40,000)	(21,405)	(61,406)	
<b>Balance at end of period</b>	11,094	1,361	-	1,361	2,773	260	34	288,441	22,317	313,826	

[Translation for Reference and Convenience Purposes Only]

### **Non-Consolidated Statement of Changes in Equity (2/2)**

(From April 1, 2023 to March 31, 2024)

(in millions of yen)

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
<b>Balance at beginning of period</b>	(38,946)	348,742	39,981	—	39,981	388,724
Changes during period						
Transfer from retained earnings to capital surplus		-				-
Reversal of reserve for tax purpose reduction entry of non-current assets		-				-
Reversal of general reserve		-				-
Dividends of surplus		(16,236)				(16,236)
Profit		8,615				8,615
Purchase of treasury shares	(20,001)	(20,001)				(20,001)
Disposal of treasury shares	3	3				3
Cancellation of treasury shares	53,786	-				—
Net changes in items other than shareholders' equity			15,961	(14)	15,947	15,947
<b>Total changes during period</b>	<b>33,788</b>	<b>(27,618)</b>	<b>15,961</b>	<b>(14)</b>	<b>15,947</b>	<b>(11,671)</b>
<b>Balance at end of period</b>	<b>(5,158)</b>	<b>321,123</b>	<b>55,943</b>	<b>(14)</b>	<b>55,929</b>	<b>377,052</b>

## **Notes to Non-Consolidated Financial Statements**

### **◆ Note to Significant Accounting Policies**

#### **1. Valuation bases and methods for securities**

- (1) Bonds held to maturity:  
Valued based on amortized cost (straight-line method).
- (2) Shares of subsidiaries and associates:  
Valued at cost using the moving-average method.
- (3) Available-for-sale securities  
Securities excluding stocks and others without quoted market prices:  
Valued at fair value. (The valuation gains and losses are all recorded in the net assets section.  
The cost of securities sold is calculated using the moving-average method.)  
Stocks and others without quoted market prices:  
Valued at cost using the moving-average method.

#### **2. Valuation basis and method for derivatives**

Valued using the fair value method.

#### **3. Depreciation and amortization methods of non-current assets**

- (1) Property, plant and equipment (excluding leased assets):  
Depreciated using the straight-line method.
- (2) Intangible assets:  
Amortized using the straight-line method.
- (3) Leased assets (related to non-ownership-transfer finance lease transactions):  
Depreciated over the lease period using the straight-line method with no residual value.

#### **4. Accounting standards for reserves**

- (1) Allowance for doubtful accounts  
The allowance for doubtful accounts is provided at an estimated amount of uncollectible receivables based on the actual rate of bad debts for ordinary receivables, and on the estimated recoverability for specific doubtful receivables.
- (2) Provision for directors' bonuses  
The provision for directors' bonuses is provided at an amount that is expected to be sufficient to cover payouts of bonuses to Directors.
- (3) Provision for retirement benefits  
The provision for retirement benefits is provided at an amount calculated based on the projected benefit obligations at the end of the fiscal year under review.
- (4) Provision for share awards for directors  
The provision for directors' share awards is provided based on the estimated amount of share benefit obligations as of the end of the fiscal year under review in order to cover the future delivery of shares of the Company to Directors (other than Outside Directors) and operating officers.

#### **5. Accounting standards for revenue and expenses**

The Company, as the holding company of the Group, is obliged to provide management guidance and contract services for its subsidiaries based on contracts, and the subsidiaries receive benefits as the Company fulfills its obligations over time. The Company therefore recognizes revenue from such services as consideration for performance obligations to be fulfilled over a certain period of time. The consideration for such services does not include any significant financing components.

In addition, revenue from dividends received from subsidiaries is recognized when the rights to receive the dividends are established, and rent revenue from real estate is recognized evenly over the entire contract period.

## 6. Other important matters in preparing the non-consolidated financial statements

### Hedge accounting method

The Company adopts the deferral hedge accounting, in principle. Certain hedge transactions, such as foreign exchange forward contracts, are treated by adopting a Japanese exceptional hedge accounting method (called furiate-shori) if such transactions meet the requirements of the method.

### ◆ Note to Accounting Estimates

[Allowance for doubtful accounts]

#### 1. Amount recorded in the non-consolidated financial statements for the year under review

Allowance for doubtful accounts: 2,529 million yen

#### 2. Information on the details of important accounting estimates related to identified items

- (1) Calculation method of the amounts recorded in the non-consolidated financial statements for the year under review

The allowance for doubtful accounts is provided at an estimated amount of uncollectible receivables based on the actual rate of bad-debt for ordinary receivables, and on the estimated recoverability for specific doubtful receivables. The recorded allowance for doubtful accounts is mainly related to loans receivable from subsidiaries and associates of the Company. The amount is calculated by deducting the recoverable value determined based on the most recently available financial statements of the relevant subsidiaries and associates and the discounted present value of estimated future cash flows from the relevant loan amount.

- (2) Key assumptions used in the calculation of the amounts recorded in the non-consolidated financial statements for the year under review

The calculation of future cash flows uses several factors stated in the mid-term management plans and other business plans of individual subsidiaries and associates to which the loans are extended. These plans include certain assumptions based on past experiences and growth rates and current economic prospects.

- (3) Impact on the non-consolidated financial statements for the following fiscal year

The timing and amount of cash flows may be affected by uncertainties of future fluctuations in economic conditions, and if the actual timing and amount of cash flows differ from estimates, this may have a material impact on the amount of allowance for doubtful accounts recorded in the non-consolidated financial statements for the following fiscal year. Although the key assumptions described in (2) are based on the best estimate, actual conditions could diverge from these assumptions.

◆ **Note to Non-Consolidated Balance Sheet**

(in millions of yen)

1. Accumulated depreciation on property, plant and equipment:	34,151
2. Guarantee of liabilities	
The Company has guaranteed loans from financial institutions and other liabilities for the following subsidiaries:	
▪ Stolle Machinery Company, LLC (loans, etc.):	39,570
▪ Stolle Machinery Company, LLC (lease contract):	1,134
▪ Stolle Machinery (Guangdong) Co., Ltd. (loans, etc.):	284
▪ Tokan Trading Corporation (trade payables):	23
▪ TOYO PACK KIYAMA Co., Ltd. (loans, etc.):	5,547
▪ Polytech America, LLC (lease contract):	125
3. Monetary receivables due from subsidiaries and associates:	6,245
4. Monetary payables due to subsidiaries and associates:	2,601

◆ **Note to Non-Consolidated Statement of Income**

Volume of trading with subsidiaries and associates	(in millions of yen)
Operating revenue:	16,048
Operating expenses:	151
Amount of non-operating transactions:	1,705

◆ **Note to Non-Consolidated Statement of Changes in Equity**

Matters concerning class and total number of treasury shares

(All numbers are in thousands)

Class of shares	Number of shares at beginning of period	Increase during period	Decrease during period	Number of shares at end of period
Common shares	21,273	8,027	27,002	2,298

Note: 1. The number of treasury shares includes shares of the Company held by the board benefit trust for directors (496 thousand shares at beginning of period and 494 thousand shares at end of period).

2. The breakdown of increase in treasury shares:

- Purchase of shares under Article 156 of the Companies Act as applied by replacing terms pursuant to Article 165, Paragraph 3 of the act: 8,027 thousand shares
- Purchase of shares in odd lots: 0 thousand shares

3. The breakdown of decrease in treasury shares:

- Cancellation of shares pursuant to Article 178 of the Companies Act: 27,000 thousand shares
- Provision of shares of the Company held by the board benefit trust for directors: 2 thousand shares

◆ **Note to Tax-Effect Accounting**

**1. Breakdown of deferred tax assets and liabilities by cause**

<b>Deferred tax assets</b>	(in millions of yen)
Shares of subsidiaries and associates	15,088
Excessive depreciation	1,548
Loss on valuation of shares of subsidiaries and associate	8,041
Allowance for doubtful accounts	774
Other	1,279
Subtotal of deferred tax assets	26,732
Valuation allowance related to total deductible temporary differences	(9,288)
Subtotal of valuation allowance	(9,288)
Total of deferred tax assets	17,444
<b>Deferred tax liabilities</b>	
Valuation difference on available-for-sale securities	(22,404)
Reserve for tax purpose reduction entry of non-current assets	(114)
Assets adjusted for gains or losses on transfer	(172)
Other	(15)
Total of deferred tax liabilities	(22,706)
Net deferred tax liabilities	(5,262)

◆ **Note to Transactions with Related Parties**

**Subsidiaries**

1. Transactions with related parties

Attribute	Company name	Ownership of voting rights (Parent's share)	Relationship with the related party	Description of transactions	Transaction amount (million yen)
Subsidiary	Toyo Seikan Co., Ltd.	Direct 100%	Business management/ Concurrent post of officers	Management fee/ Contract service fee *1	3,882

Note: 1. The fee amount is determined based on certain reasonable standards for the purpose of business management.

2. Loan guarantees by the Company

Attribute	Balance at end of period (million yen)
Subsidiary	46,686

Note: 1. The Company provides guarantees on bank loans to subsidiaries.

2. The Company provides guarantees on rent for the remaining lease period of subsidiaries' lease agreements.

[Translation for Reference and Convenience Purposes Only]

3. Loan guarantees for the Company

Attribute	Balance at end of period (million yen)
Subsidiary	31,589

Note: Subsidiaries provide guarantees on bank loans to the Company.

◆ **Note to Revenue Recognition**

Basic information for understanding revenue from contracts with customers is provided in the previous section, 5. Accounting standards for revenue and expenses in Note to Significant Accounting Policies.

◆ **Note to Per Share Information**

Net assets per share: 2,172.42 yen  
Profit per share: 48.58 yen

Note: The Company has provided an equity compensation plan for directors using a board benefit trust for directors, and the shares of the Company held by the trust are included in treasury shares that are deducted from the year-end number of shares issued in the calculation of net assets per share. The shares of the Company held by the trust are also included in treasury shares that are deducted from the average number of shares issued during the year in the calculation of profit per share. The number of treasury shares held by the trust at the end of the year under review was 494 thousand shares, and the average number of treasury shares during the year under review was 495 thousand shares.

◆ **Note to Significant Subsequent Events**

[Share Repurchase]

See the Note to Consolidated Financial Statements (Note to Significant Subsequent Events).

◆ **Other note**

[Acquisition of shares in Premier Centre Group Sdn. Bhd.]

See the Note to Consolidated Financial Statements (Other note).

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Note: Yen amounts shown in the Non-Consolidated Financial Statements are rounded down to the nearest million yen.