[Translation for Reference and Convenience Purposes Only]

Please note that the following is an unofficial English translation of Japanese original text of Notice of Convocation of the 110th 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
June 1, 2023

To Our Shareholders:

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

Convocation of the 110th Ordinary General Meeting of Shareholders

We are pleased to announce that the 110th Ordinary General Meeting of Shareholders of Toyo Seikan Group Holdings, Ltd. will take place on June 23, 2023, 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/

[Website for materials for general meetings of shareholders (only in Japanese)]

https://d.sokai.jp/5901/teiji/

[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 22, 2023, Japan time.

* * *

1. Time and date: 10:00 a.m., Friday, June 23, 2023

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 110th term (from April 1, 2022 to March 31, 2023) 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 110th term (from April 1, 2022 to March 31, 2023)

Items to be resolved:

Proposal 1: Appropriation of surplus
Proposal 2: Election of nine (9) Directors
Proposal 3: Election of one (1) Audit and Supervisory Board Member
Proposal 4: Revision to the amount of director compensation
Proposal 5: Amendment to the performance-linked equity compensation plan for directors

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 notify of the fact and the details of such revision on the websites listed above.

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Contents:

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Reference Documents for the 110th 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 fiscal 2022 (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: 8,193,860,370 yen

As the Company has already paid an interim dividend of 44 yen per share, the aggregate amount of annual dividend for the year under review will be 89 yen per share.

3) Effective date of the distribution of surplus: June 26, 2023

<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

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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 110th 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 110th 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	13 out of 13 times (100.0%)	5
2	Masakazu Soejima	Director and Executive Officer; Head of Corporate Strategy; Accounting, Finance, Investor Relations, and Group Procurement Strategy	Reelection	13 out of 13 times (100.0%)	6
3	Kazuo Murohashi	Director and Executive Officer; Human Resources, HR Development, Group Sustainability and Group Risk & Compliance	Reelection	13 out of 13 times (100.0%)	6
4	Kouki Ogasawara	Director and Executive Officer; Secretariat, General Affairs, Legal Affairs, IT, and Group Information Management	Reelection	13 out of 13 times (100.0%)	5
5	Takuji Nakamura	Director and Executive Officer; Head of Group Technical Development; Head of Innovation Incubation Office	Reelection	13 out of 13 times (100.0%)	3
6	Kei Asatsuma	Director	Reelection Outside Independent	13 out of 13 times (100.0%)	7
7	Mami Taniguchi	Director	Reelection Outside Independent	13 out of 13 times (100.0%)	4
8	Toshikazu Koike	Director	Reelection Outside Independent	13 out of 13 times (100.0%)	3
9	Kenzo Oguro	-	New election Outside Independent	-	-

Notes: 1. "Independent" marked in the above table means that the relevant candidates are 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 Kei Asatsuma, Mami Taniguchi and Toshikazu Koike as Independent Directors with the Tokyo Stock Exchange (TSE) under the TSE's independent criteria, and will notify the TSE of the appointment of Kenzo Oguro to Independent Director.

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<Reference> Director Candidates' Skills Matrix

The matrix shows 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:

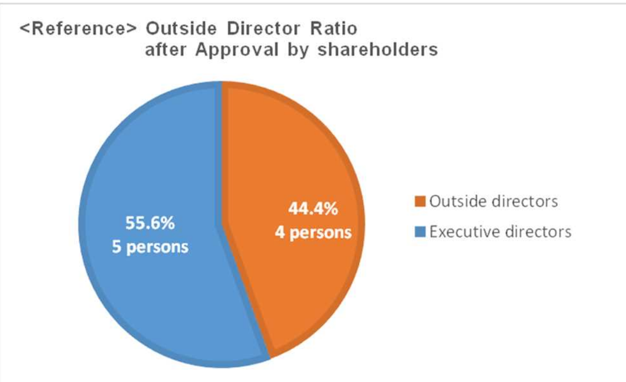
- Corporate Management (Experience as President)
- Financing / Accounting
- General & Legal Affairs / Compliance / Risk Management
- Internationality / Overseas Operations
- Management Strategy / M&A
- Personnel & Labor Affairs / Human Resource Development
- Production / Technology / R&D / Innovation.

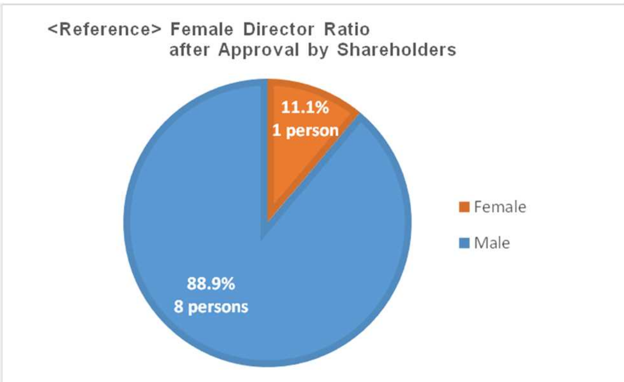
We have also selected two other domains related to our initiatives to address the major issues stated in the Mid-Term Management Plan 2025 for the five years from 2021 to 2025:

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

Name	Corporate Management (Experience as President)	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		✓		✓	✓				
Kazuo Murohashi			✓			✓		✓	
Kouki Ogasaw ara			✓						✓
Takuji Nakamura							✓		✓
Kei Asatsuma			✓	✓	✓				
Mami Taniguchi				✓		✓		✓	
Toshikazu Koike	✓			✓	✓	✓		✓	
Kenzo Oguro		✓		✓	✓				

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





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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
(Age)</th><th>Career summary, status, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="3">1</td><td rowspan="2">Ichio Otsuka
(Nov. 24, 1959)
(63)

Reelection

Board meeting attendance:
13 out of 13times
(100.0%)

Company share ownership:
42,300 shares

Potential share ownership:
19,103 shares

Period in office:
5 years</td><td>Apr. 1983 Joined the Company
Jun. 2005 Plant Manager, Hiroshima Plant
Jun. 2006 Executive Vice President of Asia Packaging Industries (Vietnam) Co., Ltd.
Jun. 2007 General Manager, Production Technology Department, Production & Operations Division
Jun. 2009 General Manager, Quality Assurance Department, Production & Operations Division
Jun. 2011 General Manager, International Operations Department, International Operations Division
Apr. 2012 President of Next Can Innovation Co., Ltd.
Apr. 2013 Operating Officer of Toyo Seikan Co., Ltd.; In charge of Management of Next Can Innovation Co., Ltd.
Apr. 2014 Operating Officer; In charge of Business Development and CSR General Manager, Corporate Planning Department and International Business Development Department
Jun. 2014 In charge of Business Development and CSR General Manager, Corporate Planning Department
Apr. 2015 Executive Officer; In charge of Corporate Strategy and Investor Relations General Manager, Corporate Planning Department
Apr. 2016 Director and Senior Executive Officer of Toyo Seikan Co., Ltd. (Assistant to President)
Jun. 2016 President and Representative Director of Toyo Seikan Co., Ltd.
Apr. 2018 Special Advisor
Jun. 2018 President and Representative Director (up to present)
Apr. 2019 Chairman of Group Risk and Compliance Committee (up to present) Chairman of Group Environment Committee
Jun. 2020 Chairman of Group CSR Committee
Apr. 2022 Chairman of Group Sustainability Committee (up to present)</td></tr>
<tr><td>Significant concurrent position:
–</td></tr>
<tr><td colspan="2">Reason for nomination as Director:
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 & operations, international operations and corporate planning.</td></tr>
</table>

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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
(Age)</th><th>Career summary, status, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="3">2</td><td rowspan="2">Masakazu Soejima
(Nov. 23, 1965)
(57)

Reelection

Board meeting attendance:
13 out of 13 times
(100.0%)

Company share ownership:
3,900 shares

Potential share ownership:
12,226 shares

Period in office:
6 years</td><td>Apr. 1988 Joined the Company
Apr. 2012 Director, Can Machinery Holdings, Inc. (up to present)
Apr. 2013 General Manager, Accounting & Finance Department
May 2015 General Manager, Corporate Planning Department
Apr. 2016 Operating Officer
Jun. 2017 Director (up to present)
In charge of Corporate Strategy and Investor Relations
Apr. 2019 Executive Officer (up to present)
Head of Corporate Strategy; In charge of Investor Relations and Group Procurement
Apr. 2020 Head of Corporate Strategy; In charge of Accounting, Finance, Investor Relations and Group Procurement Strategy (up to present)</td></tr>
<tr><td>Significant concurrent position:
- Director, Nippon Closures Co., Ltd.</td></tr>
<tr><td colspan="2">Reason for nomination as Director:
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.</td></tr>
<tr><td rowspan="3">3</td><td rowspan="2">Kazuo Murohashi
(Sep. 24, 1963)
(59)

Reelection

Board meeting attendance:
13 out of 13 times
(100.0%)

Company share ownership:
8,800 shares

Potential share ownership:
12,226 shares

Period in office:
6 years</td><td>Apr. 1986 Joined the Company
Jun. 2009 Plant Manager, Shimizu Plant, Production & Operations Division
Oct. 2010 Plant Manager, Shizuoka Plant, Production & Operations Division
Apr. 2012 General Manager, HR Department, Corporate Administration Division
Apr. 2013 General Manager, General Affairs and HR Department, Corporate Administration Division, Toyo Seikan Co., Ltd.
Jul. 2015 General Manager, HR Department, Corporate Administration Division, Toyo Seikan Co., Ltd.
Apr. 2016 General Manager, HR Department
Apr. 2017 Operating Officer
Jun. 2017 Director (up to present)
In charge of General Affairs and Human Resources
Jun. 2018 In charge of Secretariat and Human Resources
Jun. 2019 In charge of Secretariat, Human Resources and Group Risk & Compliance
Oct. 2019 Head of Risk Management Administration Office
Apr. 2020 Executive Officer (up to present)
In charge of CSR, Human Resources, HR Development and Group Risk & Compliance
Apr. 2023 In charge of Human Resources, HR Development, Group Sustainability and Group Risk & Compliance (up to present)</td></tr>
<tr><td>Significant concurrent position:
–</td></tr>
<tr><td colspan="2">Reason for nomination as Director:
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.</td></tr>
</table>

Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
4	**Kouki Ogasawara** (Nov. 6, 1965) (57) Reelection Board meeting attendance: 13 out of 13 times (100.0%) Company share ownership: 7,300 shares Potential share ownership: 12,226 shares Period in office: 5 years	Apr. 1988 Joined the Company Apr. 2013 General Manager, General Affairs Department Apr. 2017 Operating Officer Jun. 2018 Director (up to present) In charge of General Affairs and Legal Affairs Apr. 2020 Executive Officer (up to present) In charge of Secretariat, General Affairs, Legal Affairs, IT and Group Information Management (up to present) Significant concurrent position: –
	Reason for nomination as Director: 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.	
5	**Takuji Nakamura** (Dec. 27, 1963) (59) Reelection Board meeting attendance: 13 out of 13 times (100.0%) Company share ownership: 4,600 shares Potential share ownership: 12,226 shares Period in office: 3 years	Apr. 1988 Joined Toyo Kohan Co., Ltd. Aug. 2004 General Manager of Films Producing Department, Toyo Kohan Co., Ltd. Apr. 2009 General Manager of Laminating Department, Toyo Kohan Co., Ltd. Apr. 2010 Plant Manager of Laminating & Film Producing Plant, Toyo Kohan Co., Ltd. Apr. 2012 Chief of Films Division / In charge of Production Operations / General Manager of Films Department, Toyo Kohan Co., Ltd. Jan. 2013 General Manager of Technology Planning Department, Toyo Kohan Co., Ltd. Apr. 2016 Operating Officer / In charge of Technical Development, Toyo Kohan Co., Ltd. Apr. 2017 Deputy Chief of Technical Development, Toyo Kohan Co., Ltd. Apr. 2018 Chief of R&D Center, Toyo Kohan Co., Ltd. Apr. 2019 Operating Officer of the Company Head of Innovation Incubation Office (up to present) Deputy Head of Group Technical Development Nov. 2019 Head of Group Technical Development (up to present) Apr. 2020 Executive Officer (up to present) Jun. 2020 Director (up to present) Significant concurrent position: –
	Reason for nomination as Director: 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.	

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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
(Age)</th><th>Career summary, status, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="3">6</td><td rowspan="2">Kei Asatsuma
(Sep. 5, 1970)
(52)

Reelection
Outside
Independent

Board meeting attendance:
13 out of 13 times
(100.0%)

Company share ownership:
None

Period in office:
7 years</td><td>Apr. 1997 Admitted to bar (Daiichi Tokyo Bar Association) (up to present)
Joined Nagashima & Ohno (currently, Nagashima Ohno & Tsunematsu) (up to present)
Jan. 2005 Partner of Nagashima Ohno & Tsunematsu (up to present)
Jun. 2016 Director of the Company (up to present)</td></tr>
<tr><td>Significant concurrent position:
- Lawyer (Partner of Nagashima Ohno & Tsunematsu)</td></tr>
<tr><td colspan="2">Reason for nomination and major role expected as Outside Director:
We have determined that Mr. Kei Asatsuma is qualified to act as Outside Director of the Company for the expert knowledge and extensive experience he has acquired as a lawyer. 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 legal risks. 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. Although he has not been directly involved in corporate management, except serving as an outside director, we have concluded that he is capable of properly performing duties of Outside Director for the above-mentioned reason.</td></tr>
</table>

<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
(Age)</th><th>Career summary, status, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="3">7</td><td rowspan="2">**Mami Taniguchi**
(Jun. 8, 1966)
(57)

Reelection
Outside
Independent

Board meeting attendance:
13 out of 13 times
(100.0%)

Company share ownership:
None

Period in office:
4 years</td><td>Apr. 1996 Assistant Professor, Department of Economics, Hiroshima University of Economics
Apr. 1999 Associate Professor, Department of Economics, Hiroshima University of Economics
Apr. 2000 Associate Professor, Department of Management Studies, Graduate School of Social Sciences, Hiroshima University
Apr. 2003 Associate Professor, School of Commerce and Graduate School of Commerce, Waseda University
Apr. 2007 Associate Professor, Graduate School of Commerce, Waseda University
Apr. 2008 Professor, Faculty of Commerce and Graduate School of Commerce, Waseda University (up to present)
Jun. 2019 Director of the Company (up to present)</td></tr>
<tr><td>Significant concurrent position:
- Professor, Faculty of Commerce and Graduate School of Commerce, Waseda University</td></tr>
<tr><td colspan="2">**Reason for nomination and major role expected as Outside Director:**
We have determined that Ms. Mami Taniguchi is qualified to act as Outside Director of the Company for the knowledge and extensive experience she has acquired as a university professor in international business administration and diversity. 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.</td></tr>
</table>

Candidate No.	Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
8	**Toshikazu Koike** (Oct. 14, 1955) (67) Reelection Outside Independent Board meeting attendance: 13 out of 13 times (100.0%) Company share ownership: 2,300 shares Period in office: 3 years	Apr. 1979 Joined Brother Industries, Ltd. Oct. 1992 Director, Brother International Corporation (U.S.A.) Jan. 2000 President and Director, Brother International Corporation (U.S.A.) Jun. 2004 Director, Brother Industries, Ltd. Jan. 2005 Chairman and Director, Brother International Corporation (U.S.A.) Apr. 2005 Director and Executive Officer, Brother Industries, Ltd. Apr. 2006 Senior Executive Officer, Brother Industries, Ltd. Jun. 2006 Representative Director and Senior Executive Officer, Brother Industries, Ltd. Jun. 2007 President and Representative Director, Brother Industries, Ltd. Jun. 2018 Chairman and Representative Director, Brother Industries, Ltd. Jun. 2020 Director of the Company (up to present) Jun. 2022 Chairman and Director, Brother Industries, Ltd. (up to present) Significant concurrent position: - Chairman and Director, Brother Industries, Ltd. - Outside director (Audit and supervisory committee member), YASKAWA Electric Corporation
	Reason for nomination and major role expected as Outside Director: We have determined that Mr. Toshikazu Koike is qualified to act as Outside Director of the Company for 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. 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 group-wide strategies and global business strategies. 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.	

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<table>
<tr><th>Candidate No.</th><th>Name
(Date of birth)
(Age)</th><th>Career summary, status, responsibilities and significant concurrent positions</th></tr>
<tr><td rowspan="3">9</td><td rowspan="2">Kenzo Oguro
(May 3, 1970)
(53)

New election
Outside
Independent

Company share ownership:
None</td><td>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)</td></tr>
<tr><td>Significant concurrent position:
- Certified public accountant
- Representative Director, Yamato Partners Corporation
- Representative partner, Yamato Audit Corporation
- Auditor, TOKYO MOKUZAI SOHGO ICHIBA Co., Ltd.
- Auditor, PureteQ Japan K.K.</td></tr>
<tr><td colspan="2">Reason for nomination and major role expected as Outside Director:
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 over many years as an M&A advisor while managing various global projects. 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&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.</td></tr>
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Notes:
1. There are no special interests between the Company and each of the above-named candidates for Directors.
2. Kei Asatsuma, Mami Taniguchi, Toshikazu Koike and Kenzo Oguro are candidates for Outside Directors.
3. 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 Kei Asatsuma, Mami Taniguchi and Toshikazu Koike. 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 three candidates is approved at the 110th Ordinary General Meeting of Shareholders, the Company will extend these agreements.
    2) If the election of Kenzo Oguro is approved at the shareholders meeting, the Company will conclude with him an liability limitation agreement with the same content as the above-mentioned one.
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 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.
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 Kei Asatsuma, Mami Taniguchi and Toshikazu Koike as Independent Directors with the Tokyo Stock Exchange (TSE) under the TSE’s independent criteria, and will notify

the TSE of the appointment of Kenzo Oguro to Independent Director.

7. "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.
8. The age of each candidate is as of the date of the 110th Ordinary General Meeting of Shareholders.

Proposal 3: Election of one (1) Audit and Supervisory Board Member

At the close of the 110th Ordinary General Meeting of Shareholders, the term of office of one existing member of the Audit and Supervisory Board (Shoichi Ikuta) will expire, while Toshitaka Uesugi will resign from the Audit and Supervisory Board.

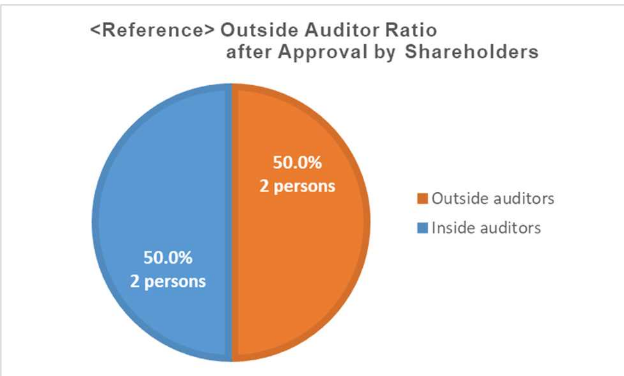
We ask for shareholders' approval to decrease the number of seats in the Audit and Supervisory Board by one to four and to appoint a new Audit and Supervisory Board Member, as we have concluded that the Board will maintain its audit functions effectively even under the four-member structure in light of the current conditions of the Company's audit scheme, including the coordination between the Board and the Company's internal audit division.

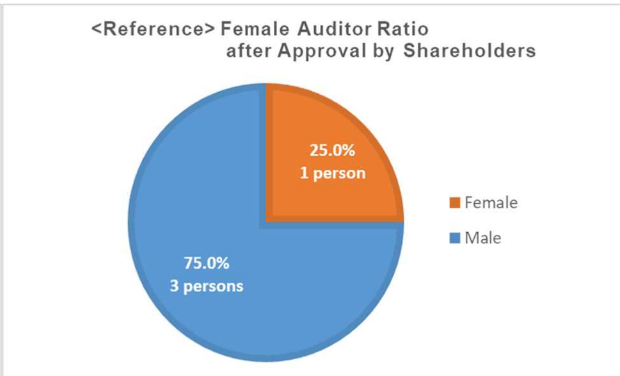
The Audit and Supervisory Board has already approved this proposal.

The candidate for Audit and Supervisory Board Member is as follows:

Name (Date of birth) (Age)	Career summary, status, responsibilities and significant concurrent positions
Takehiro Noma (Mar. 9, 1971) (52) New election Company share ownership: None	Apr. 1994 Joined the Company May 2018 General Manager of Corporate Planning Department, Toyo Seikan Co., Ltd. Apr. 2022 Director, Toyo Aerosol Industry Co., Ltd.(up to present) (Significant concurrent position) –
Reason for nomination for Audit and Supervisory Board Member: We have determined that Mr. Takehiro Noma is qualified to serve as Audit and Supervisory Board Member of the Company for the abundant experience and extensive knowledge and insight he has acquired through many years of service in the Company's corporate planning division and the management of group companies.	

Notes:
1. There are no special interests between the Company and Takehiro Noma.
2. Takehiro Noma will resign from the position of director for Toyo Aerosol Industry Co., Ltd. as of June 19, 2023.
3. Takehiro Noma will assume the position of auditor for Nippon Tokan Package Co., Ltd. as of June 16, 2023, for Nippon Closures Co., Ltd. as of June 19, 2023, for TOMATEC Co., Ltd. as of June 21, 2023, and for Tokan Kogyo Co., Ltd. and Mebius Packaging Co., Ltd. as of June 27, 2023.
4. The age of each candidate is as of the date of the 110th Ordinary General Meeting of Shareholders.
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 of Takehiro Noma is approved, he will be the insured of the relevant insurance contract, which is expected to be renewed with the same terms and conditions during his term of office.





[Translation for Reference and Convenience Purposes Only]

<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[(1)] and Outside Audit and Supervisory Board Members[(2)] (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[(4)] within the past three years at a major business partner[(3)] 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[(5)] 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[(6)] 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).

Notes:

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 Ordinance 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.

[Translation for Reference and Convenience Purposes Only]

Proposal 4: Revision to the amount of director compensation

The compensation for Directors of the Company is comprised of basic compensation (fixed amount, paid in cash), bonus (performance-linked, paid in cash) and performance-linked equity compensation. As for the cash compensation (basic compensation and bonus), we determine the amount in accordance with the resolution of the 108th ordinary general meeting of shareholders, held on June 25, 2021: the total amount of annual cash compensation for Directors shall be no more than 330 million yen, including up to 55 million yen for Outside Directors, excluding the employee salary portion for Directors concurrently serving as employees.

On May 12, 2023, in addition to the ongoing Medium-Term Management Plan 2025, we launched the Capital Efficiency Initiative 2027, a new initiative to increase returns on capital. To provide a greater incentive for Directors to achieve the targets we have set in the mid-term plan and the new initiative, as well as to ensure that the compensation amount is enough to recruit and retain internal and external management talent who contributes to continuous growth in corporate value, we have come to decide to enhance our performance-linked compensation scheme.

We therefore ask for shareholders' approval to increase the maximum total amount of annual cash compensation for Directors to 490 million yen (including up to 80 million yen for Outside Directors, excluding the employee salary portion for Directors concurrently serving as employees).

We consider that this revision is appropriate, as the Board of Directors has approved the revision with comprehensive consideration of our business scale, director compensation policy and compensation amounts, and the current number and future estimated number of Directors, taking account of the report of the Company's Governance Committee, a voluntary advisory body consisting of the representative director and the four independent outside directors.

Our current policy for determining the details of compensation for individual directors is described in the 110th term business report of this document (page 46 to 47). We will partially change the policy, as stated in the appendix below, if the proposed revision is approved by our shareholders. We also consider that the proposed revision is necessary and reasonable to provide compensation for Directors in accordance with the amended policy.

The Board of Directors currently has nine members, including four outside directors, and the number will remain unchanged (nine, including four outside directors) if Proposal 2 (Election of nine (9) Directors) is approved as proposed.

Appendix:

Policy for determining the details of compensation for individual directors

1. Basic policy

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

   The scheme shall:
   1) be for the sake of the realization of the Group's management philosophy (the management policy, creed and vision);
   2) provide an appropriate level of director compensation that enables the Company to secure highly capable directors;
   3) be able to foster a sense of contribution to a medium- to long-term improvement in business performance and corporate value;
   4) be transparent and objective and tied to the Group's business performance;
   5) allow the directors to share perspectives on profitability with shareholders and foster awareness of shareholder-oriented management; and
   6) contribute to encouraging appropriate risk-taking in business operations.

2. 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 positons and responsibilities.

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

   * 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 targeted 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.

4. 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 judge 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.

5. 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 one or more representative directors and one or more independent outside directors, and shall be determined by the Board of Directors based on the committee's report, within the maximum total amount of annual compensation approved by the general shareholders meeting. Provided that the President of the Company may determine the matters related to the amounts and calculation methods under the delegation of the Board of Directors and 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.

Proposal 5: Amendment to the performance-linked equity compensation plan for directors

1. Reasons for the proposal and basis for the appropriateness of the proposed amendment

The compensation for Directors of the Company is comprised of basic compensation (fixed amount, paid in cash), bonus (performance-linked, paid in cash) and performance-linked equity compensation. With respect to the performance-linked equity compensation, the 108th ordinary general meeting of shareholders, held on June 25, 2021, approved the introduction of an equity compensation plan for directors using a board benefit trust (the “Plan”), and the Plan has been in place up to now.

The Plan stipulates the weight of each of the performance-linked indicators that are linked to the number of points granted to Directors (the basis for calculating the number of shares to be delivered to Directors), and the currently applied weights were determined by the resolution of the 108th ordinary general meeting of shareholders.

In this proposal, we ask for shareholders’ approval to amend the Plan in order to allow the Board of Directors to determine the weights of the performance-linked indicators. We also ask our shareholders to agree to leave the decision on detailed matters of the Plan to the discretion of the Board of Directors within the framework of the Plan described in section 2 below. There will be no changes other than the above from the existing Plan, which was approved by the 108th ordinary general meeting of shareholders.

The Plan is designed to motivate the Company’s Directors to contribute to mid- to long-term growth in earnings and corporate value by clearly linking their compensation to the Company’s business performance and stock value and allowing them to share benefits and risks arising from stock price fluctuations with shareholders. As mentioned in section 2-(2) below, the Plan has set up three performance-linked indicators: the return on equity and EBITDA on a consolidated basis and the non-financial, sustainability index, which are linked to the number of points granted to Directors. The proposed amendment will allow us to flexibly determine what weight to allocate to each indicator in response to rapidly changing business conditions and in light of our targets and goals. We therefore consider that the amendment is appropriate.

The Board of Directors resolved at its meeting held on May 13, 2022 the policy for determining the details of compensation for individual directors (the outline is described on page 46 to 47 in the 110th term business report of this document). The proposed amendment is necessary and reasonable to provide compensation for Directors in line with the policy, and from this point of view, we consider that this proposal is appropriate.

If proposal 4 (Revision to the amount of director compensation) is approved as proposed, we will partially change the above-mentioned policy (the policy for determining the details of compensation for individual directors) as stated in the appendix to proposal 4. We also consider that the proposed amendment is necessary and reasonable to provide compensation for Directors in accordance with the amended policy.

The Board of Directors has approved the amendment, taking account of the report of the Company’s Governance Committee, a voluntary advisory body consisting of the representative director and the four independent outside directors.

The Board of Directors currently has nine members, including four outside directors, and among them, the number of directors who are eligible for the equity compensation under the Plan (directors other than outside directors; hereinafter in this proposal referred to as "Eligible Directors") is five. Both the number of the Board members and that of Eligible Directors will remain unchanged, nine (including four outside directors) and five, respectively, if proposal 2 (Election of nine (9) Directors) is approved as proposed.

2. Content of the Plan after the proposed amendment

(1) Outline of the Plan

The Plan is an equity compensation plan in which the shares of the Company to be delivered to Eligible Directors are acquired by a trust that the Company establishes to place funds necessary for the Plan (“Trust”) (The Trust was already established when the Plan started in 2021.) and awarded to such directors through the Trust according to the number of points given to each of them by the Company. The outline of the Plan is shown in the table below, while the details of the Plan are described in section 2-(3) and thereafter. All the details stated below, except for section 2-(2), remain unchanged from what was approved by the 108th ordinary general meeting of shareholders.

a)	Persons eligible for the Plan	Eligible Directors
b)	Applicable Period < See Section 2-(3). >	From fiscal 2021 (year ended March 2022) through fiscal 2025 (year ending March 2026) (Note: The period may be extended based on a resolution of the Board of Directors by setting an additional period of up to five years for every resolution.)
c)	Maximum total amount of money contributed by the Company as funds to acquire shares of the Company necessary for delivery to Eligible Directors during Applicable Period < See Section 2-(3). >	JPY 500 million (Note: If the Applicable Period is extended, the maximum total amount for the additional period will be JPY 100 million multiplied by the number of additional years.)
d)	Method of acquisition of shares of the Company < See Section 2-(3). >	Through disposal of treasury shares by the Company or acquisition from the stock market (including after-hours trading)
e)	Maximum total number of points granted to Eligible Directors < See Section 2-(4). >	100,000 points per fiscal year
f)	Maximum total number of shares of the Company delivered to Eligible Directors for Applicable Period < See Section 2-(4). >	Equivalent to the maximum total number of points (100,000) multiplied by the number of fiscal years in the Applicable Period (The number of points is converted to the number of shares at a rate of one share per point. The maximum total number of shares delivered to the Eligible Directors for the initial Applicable Period of five years is 500,000.) Note: The point conversion rate may be adjusted in the event of a share split, a reverse share split or a share allotment without contribution.
g)	Criteria for granting points < See Section 2-(4). >	The number of points given to each director is determined based on their positions and responsibilities and the performance-linked indicators (the Company's consolidated ROE and EBITDA and the non-financial sustainability index*).
h)	Timing of delivery of the shares to Eligible Directors < See Section 2-(4). >	At the time of retirement, in principle

* The sustainability index represents the general progress of the Eco Action Plan 2030, our environmental activity guidelines, and other ESG-related activities.

(2) Amendment to the Plan

We intend to amend the determination of number of points granted to Eligible Directors. Under the existing Plan, which was approved by the 108th ordinary general meeting of shareholders, the number of points granted to an Eligible Director is calculated by multiplying points determined based on the director's position and responsibility by a performance-linked coefficient that varies from 0.5 to 1.5 depending on the performance-linked indicators. The performance-linked indicators are the Company's 1) return on equity (consolidated), 2) EDITDA (consolidated) and 3) non-financial, sustainability index, and the existing Plan sets the weight of each of the indicators at 50%, 40% and 10%, respectively. After the amendment, the Board of Directors shall determine the weights of the performance-linked indicators (and we plan to set the weights of the indicators at 40%, 30% and 30%, respectively, to calculate the number of points corresponding to the compensation for three years from fiscal 2023, the year ending March 2024).

(3) Maximum total amount of money to be contributed by the Company

The Company establishes the Trust with Eligible Directors as beneficiaries, as stated in section 2-(4)-iii) below, and the initial period of the Trust is approximately five years. The Company contributes up to a total of JPY 500 million to the Trust as the funds necessary to acquire shares to be delivered to Eligible Directors who are in office during the initial five-year period of the Plan from fiscal 2021 (year ended March 2022) through fiscal 2025 (year ending March 2026) ("Applicable Period") under the Plan. The Trust acquires shares of the Company using the funds entrusted by the Company, through the disposal of treasury shares by the Company or the acquisition from the stock market (including after-hours trading).

Note: The amount of money that is entrusted to the Trust by the Company includes, in addition to the above-mentioned funds for acquiring the Company's shares, the estimated amount of trust fees, trust administrator fees, and other necessary expenses. The Plan has also been applied to operating officers who have entered into a delegation contract with the Company, and the funds to acquire shares to be delivered to such officers are also held in the Trust.

The Company may extend the Applicable Period, upon a resolution of the Board of Directors, setting an additional period of up to five fiscal years for every resolution and continue the Plan accordingly (the extension includes the case where the trusted assets are transferred to a newly established trust with the same purpose of the Trust in order to, in effect, extend the period of the Trust; the same applies below). In such case, the Company will contribute additional funds to the Trust to acquire shares to be delivered to Eligible Directors under the Plan for the additional period, and continue granting points and delivering shares as described in section 2-(4) below. The maximum total amount of the additional funds is JPY 100 million multiplied by the number of additional years.

If the Applicable Period is not extended as mentioned above and therefore the Plan does not continue, and if there are Eligible Directors in office who have been granted points at the expiration of the period of the Trust, the trust period may be extended until such directors retire and receive the shares they are entitled to.

(4) Calculation method and maximum number of shares to be delivered to Eligible Directors

i) Determination of number of points granted to Eligible Directors

Following the share delivery rules established by the Board of Directors, the Company will grant points to an Eligible Director on the date set forth in the rules during the trust period. The number of points is calculated by multiplying points determined based on the director's position and responsibility by a performance-linked coefficient that varies from 0.5 to 1.5 depending on the performance-linked indicators*.

* The performance-linked indicators are the Company's 1) return on equity (consolidated), 2) EDITDA (consolidated) and 3) non-financial, sustainability index, and we will determine the weights of the indicators based on the resolution of the Board of Directors (we plan to set the weights of the three indicators at 40%, 30% and 30, respectively, to calculate the number of points corresponding to the compensation for three years from fiscal 2023, the year ending March 2024). The total number of points granted by the Company to Eligible Directors shall not exceed 100,000 per year.

ii) Delivery of shares corresponding to the number of points granted

Each of the Eligible Directors will receive shares of the Company according to the number of points they have been granted, as described in section 2-(4)-i) above, following the procedures described in section 2-(4)-iii) below. However, Eligible Directors who resign for a reason other than the expiration of their term of office (excluding the case where the Board of Directors determines the resignation is due to a compelling reason, such as occupational injury or illness) will lose all or part of the points already granted, and the shares corresponding to the eliminated points will not be delivered.

The number of points is converted to the number of shares at a rate of one share per point. Therefore, the maximum total number of shares delivered to Eligible Directors will be equivalent to the maximum total number of points (100,000) multiplied by the number of fiscal years in the Applicable Period (the maximum total number of shares to be delivered for the initial Applicable Period of five years is 500,000). However, if there is a share split, a reverse split of shares, or an allotment of shares without contribution regarding the Company's stock, the point conversion rate may be adjusted according to the conditions of such transaction.

iii) Delivery of shares to Eligible Directors

Each of the Eligible Directors will, at the time of their retirement in principle, acquire a beneficial interest in the Trust by following the prescribed procedures and receive the shares, as described in section 2-(4)-ii) above, from the Trust as a beneficiary of the Trust.

However, a certain portion of the above-mentioned shares may be sold and exchanged for cash by the Trust in order to allow the Company to withhold income and other taxes, and then the benefit related to the portion may be delivered in cash instead of shares. If shares of the Company held in the Trust are sold as a result of accepting a tender offer or liquidated for other reasons, the benefit may be delivered in cash instead of shares as well.

(5) Exercise of voting rights

No voting rights attached to shares of the Company held in the Trust will be exercised during the trust period in order to ensure the neutrality of management.

(6) Treatment of dividends

The dividends related to the shares of the Company held in the Trust will be received by the Trust and used to acquire shares of the Company and to pay the trustee fees and other expenses related to the Trust.

(7) Other relevant matters of the Plan

Other relevant matters are to be determined within the scope of the description of sections 2-(1) through 2-(6) above, taking the purpose of the Plan into consideration.

The 110th Term Business Report

(From April 1, 2022, to March 31, 2023)

I. Current Status of the Group

1. Progress and Results of Business Operations

The Japanese economy showed signs of recovery during the fiscal year under review (fiscal 2022) with the gradually reduced impact of the COVID-19 pandemic, which helped the country's economic and social activities to return to normal. The economic outlook, however, remained uncertain due to the prolonged conflict between Russia and Ukraine, the rapid rise in raw material and energy prices and the depreciation of the yen.

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

(in millions of yen, except for percentage changes)

	FY2021 (March 2022)	FY2022 (March 2023)	YOY	YOY (%)
Net sales	821,565	906,025	84,460	10.3
Operating income	34,114	7,396	-26,717	-78.3
Operating income margin	4.2%	0.8%	-3.3%	−
Ordinary income	45,712	13,770	-31,941	-69.9
Extraordinary income	18,426	―	-18,426	−
Extraordinary losses	4,046	―	-4,046	−
Profit attributable to owners of parent	44,422	10,363	-34,058	-76.7

On a consolidated basis, net sales increased 10.3% from the year earlier to 906,025 million yen. Sales of packaging containers, including beverage cans and PET bottles, grew mainly due to the impact of summer heat wave. Sales of steel plate for automotive rechargeable batteries showed a favorable growth. Sales of can and can-end making machinery also remained strong with the growing global demand for beverage cans, following the shift from plastic packaging to alternatives, which has been promoted by the concern over marine plastic pollution. Our efforts to pass on increased raw material costs to customers were also positive factors of the net sales growth. Operating income dropped 78.3% from the year earlier to 7,396 million yen despite our cost pass-through and cost reduction efforts amid the rise in raw material and energy prices. Ordinary income fell 69.9% from the previous year to 13,770 million yen as a result of a decrease in equity in earnings of affiliates, among others. Profit attributable to owners of parent declined 76.7% year-on-year to 10,363 million yen.

The overall operating results by segment were as follows.

(in millions of yen, except for percentage changes)

Business segment	Net sales				Operating income			
	FY2021 (Mar. 2022)	FY2022 (Mar. 2023)	YOY	YOY (%)	FY2021 (Mar. 2022)	FY2022 (Mar. 2023)	YOY	YOY (%)
Packaging	500,395	544,401	44,006	8.8	11,282	-10,765	-22,047	—
Engineering, filling, and logistics	167,113	198,373	31,260	18.7	9,927	8,768	-1,159	-11.7
Steel plate related	75,077	86,512	11,434	15.2	2,680	4,653	1,972	73.6
Functional materials related	48,594	45,729	-2,865	-5.9	5,378	2,025	-3,353	-62.3
Real estate related	7,976	7,734	-242	-3.0	4,742	4,276	-465	-9.8
Other businesses	22,408	23,274	865	3.9	1,890	482	-1,408	-74.5
Adjustment	–	–	–	–	-1,787	-2,044	-256	–
Total	821,565	906,025	84,460	10.3	34,114	7,396	-26,717	-78.3

[Packaging business]

The Group's packaging business generated 544,401 million yen in net sales, up 8.8% year-on-year, and 10,765 million yen in operating loss, compared to operating income of 11,282 million yen for the previous year.

1) Manufacturing and sales of metal packaging

Sales of metal packaging products increased from the previous year. Domestic sales remained strong with increased purchase orders from existing customers for beer cans due to design changes and from new customers for cans for carbonated soft drinks. Sales of cans for beer and health drinks grew in Thailand. Our efforts to pass on increased raw material costs to customers in Japan and abroad also contributed to the segment performance.

2) Manufacturing and sales of plastic packaging

Overall sales of plastic packaging products grew from the previous year. Sales of PET bottles and caps for tea drinks grew due to sales promotion campaigns by customers and the impact of summer heat wave, while sales of plastic bottles for foods, detergents and other household products remained largely unchanged from the previous year. Sales of containers for cooked rice, pouches for curry and cups for coffee shops increased. Our efforts to pass on higher raw material costs to product prices also supported the favorable results.

3) Manufacturing and sales of paper products

Overall sales of paper products exceeded those for the previous year due to the efforts to pass on increased raw material costs to customers and an increase in demand for paper cups used in leisure activities and at coffee shops under eased movement restrictions to control the spread of COVID-19.

4) Manufacturing and sales of glass packaging

Sales of glass packaging products increased from the previous year due to the efforts to pass on higher raw material costs to customers as well as the sales growth of tableware, including glass bottles for *seishu* (refined sake) and beer mugs used at restaurants, as COVID-19 movement restrictions were eased.

[Engineering, filling, and logistics businesses]

The Group's engineering, filling, and logistics businesses generated 198,373 million yen in net sales, up 18.7% year-on-year, and 8,768 million yen in operating income, down 11.7% year-on-year.

1) Engineering business

Sales of this category were significantly higher than in the year earlier due to strong sales of can and can-end making machinery in overseas markets, which has been backed by the growing demand for beverage cans amid the ongoing shift from plastic packaging to alternatives with the concern over marine plastic waste. The depreciation of the yen also contributed to substantial sales growth in the category.

2) Contract filling business

Overall sales of this category exceeded the previous year's level. In Japan, TOYO PACK KIYAMA Co., Ltd., a subsidiary for beverage contract filling, became a consolidated subsidiary and began to contribute to the Group's sales from the fiscal year under review. In Thailand, an expansion in contract-filling operations for fruit juice also supported the sales growth.

3) Logistics business

Sales of trucking and warehousing services declined from the previous year.

[Steel plate related business]

Net sales increased 15.2% year-on-year to 86,512 million yen with an operating income of 4,653 million yen, up 73.6% year-on-year.

The growth in sales was attributed to the efforts to pass on higher raw material costs to customers and the impact of yen's depreciation despite a decline in order volume.

Sales of materials for electrical and electronic components grew over the year as demand rose for automotive rechargeable battery materials.

Sales of materials for automotive and industrial machinery parts decreased from the previous year with lower demand for materials for driving system components.

As for materials for construction and household electric appliances, sales of bathroom interior materials increased.

[Functional materials related business]

Net sales dropped 5.9% year-on-year to 45,729 million yen, with operating income decreasing 62.3% to 2,025 million yen.

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

Optical functional films showed lower sales than in the year earlier due to the impact of worsening market conditions for flat panel displays.

Sales of pigments increased over the previous year.

[Real estate related business]

Net sales from leasing of office buildings and commercial facilities declined 3.0% year-on-year to 7,734 million yen, and operating income from this segment fell 9.8% to 4,276 million yen.

[Other businesses]

This segment (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 23,274 million yen in net sales, up 3.9% year-on-year, and 482 million yen in operating income, down 74.5% year-on-year.

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

In Japan, net sales increased 6.3% year-on-year to 699,416 million yen, while operating loss was 6,482 million yen, compared to operating income of 18,240 million yen for the previous year.

In Asia (including Thailand, China and Malaysia), net sales increased 20.9% year-on-year to 73,880 million yen, while operating income declined 29.8% year-on-year to 5,716 million yen.

As for other regions, including the U.S., net sales increased 29.2% year-on-year to 132,729 million yen, and operating income grew 3.5% to 7,876 million yen from the year earlier.

As of the end of March 2023, the number of consolidated subsidiaries of the Company was 72 (up one from the year earlier), while that of affiliates accounted for under the equity method was 4 (unchanged). The change in consolidated subsidiaries during the fiscal year under review is as follows:

- Company added to consolidated subsidiaries:
  - TOYO PACK KIYAMA Co., Ltd.

2. Capital Investment

1) Capital investment made during the fiscal year under review amounted to 65,842 million yen. Total investment by segment and major projects during the year are as follows:

[Packaging business]	30,297 million yen
▶Toyo Seikan Co., Ltd.	
▪Production facilities for beverage cans (Ishioka Plant and other plants)	
[Engineering, filling, and logistics businesses]	18,499 million yen
[Steel plate related business]	12,375 million yen
▶Toyo Kohan Co., Ltd.	
▪Production facilities for nickel-plated steel sheet (Kudamatsu Plant)	
[Functional materials related business]	2,517 million yen
[Real estate related business]	1,234 million yen
[Other businesses]	736 million yen

2) There were no major facilities whose construction completed during the fiscal year under review.

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

[Packaging business]
▶Toyo Seikan Co., Ltd.
▪Production facilities for beverage cans (Ishioka Plant and other plants)

[Steel plate related business]
▶Toyo Kohan Co., Ltd.
▪Production facilities for nickel-plated steel sheet (Kudamatsu Plant)

3. Financing

Not applicable.

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 is now changing beyond expectations, as various social issues to address are emerging. The COVID-19 pandemic has also significantly changed people's lifestyles.

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 also formulated the Mid-Term Management Plan 2025 for the five years from fiscal 2021. In May 2023, we 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"

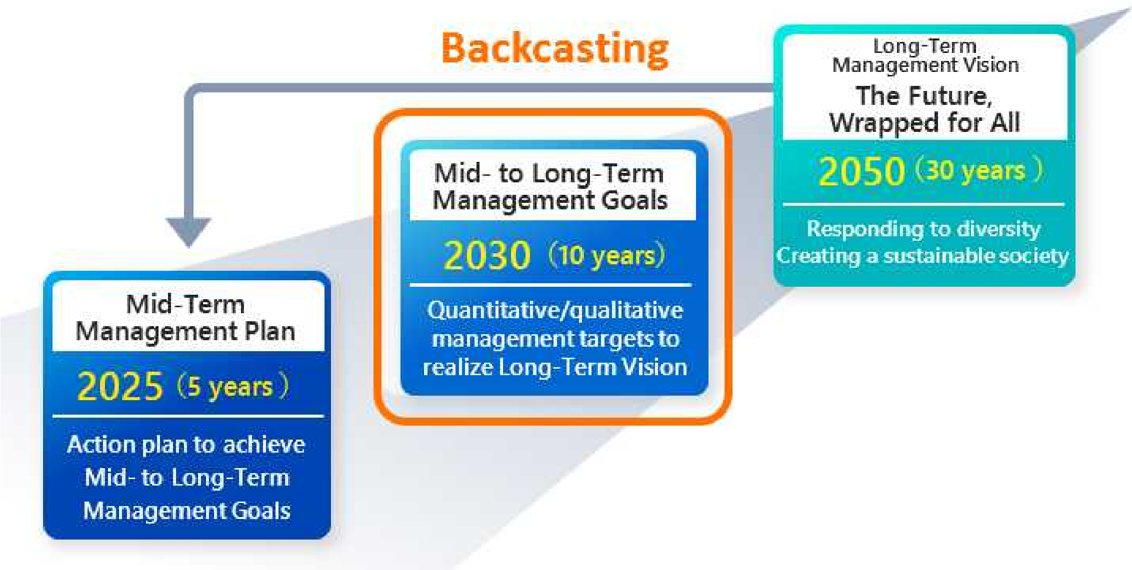
The new long-term vision has set a goal as to what we aim and want to be: a “daily living platform” for people all over the world to live safe, secure and fulfilling lives. It aims for a society that accepts differences and diversity to allow individual people to value their own lives and a society that 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.

[Translation for Reference and Convenience Purposes Only]

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 new Long-Term Management Vision.



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

Financial value	Net sales: 1 trillion yen Operating income: 80 billion yen
Social and environmental value	1. Key targets of Eco Action Plan 2030 Zero-Carbon Society To be carbon-neutral by 2050 ・50% less CO2 emissions from operations (Scope 1 & 2) ・30% less CO2 emissions from supply chain (Scope 3) * Compared to FY2019 Zero-Waste Society ・30% less use of exhaustible resources ・40% less use of fossil resources for plastic products * Compared to FY2013 Society Coexisting with Nature ・30% cut in water consumption for operations * Compared to FY2013 2. Building a sustainable value chain 3. Creating a workplace that allows members with various characteristics to develop and demonstrate their own abilities

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.

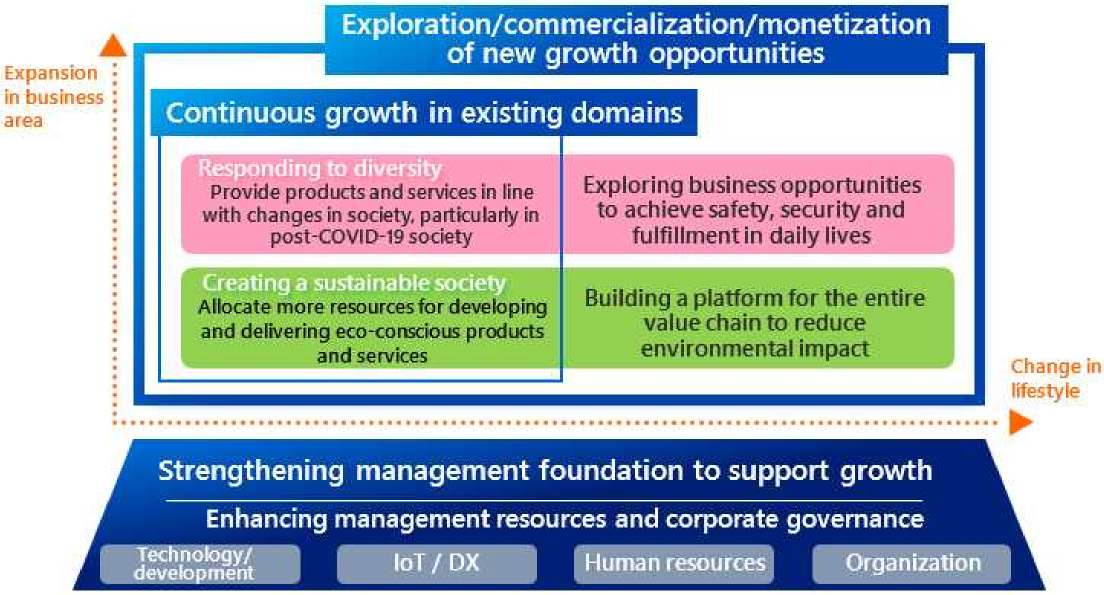
8.3 Mid-Term Management Plan 2025

We are in the third year of 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.

<State of progress>

- As part of our efforts to move toward a plastic-free society, we are promoting the sales of aluminum can making equipment mainly in overseas markets.
- In March 2022, aiming to expand our filling business, TOYO PACK KIYAMA Co., Ltd., which was newly established in Japan in November 2020, started its operation. In China, Toyo Pack (Changshu) Co., Ltd. expanded its production capacity.
- In April 2023, aiming to expand our logistics business, we launched Kumagaya Logistics Center of Toyo Mebius Co., Ltd. as a next-generation warehouse to reduce environmental impact, enhance logistics service for our customers and promote "white logistics."
- We are adding our production capacity of rechargeable battery materials (nickel-plated steel sheet) for electric and hybrid vehicles to contribute to a zero-carbon society.

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.

<State of progress>

■ We are developing new businesses to create the Group's future core businesses.

- We have developed SiGRIN, a gradient index microlens for medical catheters, using our glass container manufacturing technologies, and supplied it to a medical device manufacturer overseas. We aim to support people's health maintenance and enhancement by globally expanding our business in the life science field.

■ We are exploring business opportunities to solve social issues through capital and business alliances with startups.

- Investment in NovoTec Group Pte. Ltd.
  The Group has invested in Singapore-based NovoTec Group Pte. Ltd., which aims to enhance medical services through establishing an integrated platform across multiple hospitals in Southeast Asia and other areas. With this investment, we aim to explore business opportunities in the healthcare field and enter the healthcare product market in the region, and will help create a society where all people have access to high-quality healthcare with a feeling of security.
- Partnership with DAIZ Inc.
  The Group has developed technologies for filling, packaging, and transporting food products over many years for its packaging business. By providing these technologies to DAIZ Inc., a Japanese company that develops and produces germinated soybean-derived vegetable meat, we aim to address social issues such as reducing environmental impact and solving the food crisis.
- Partnership with Agnavi Inc.
  The Group has developed TSUME-TARO, a small size can filling equipment rental service. In alliance with Agnavi Inc., which sells various brands of Japanese sake in single-serve cans, we provide sake breweries with our containers and filling service to meet diversifying needs in society as well as to facilitate rural revitalization.
- Partnership with Cellusion Inc.
  Utilizing the technologies accumulated over many years in its packaging business, the Group has developed Wellbag, the world's first closed-system spheroid-forming bag. We have been offering the newly developed containers to Cellusion Inc., a Japanese startup conducting research and development for the implementation of corneal endothelial regeneration using iPS cells, with an aim to contribute to the development of regenerative medicine. Since July 2022, we have also been supplying Wellbag to pharmaceutical companies, universities and research institutions in Japan.

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.

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- We have concluded a business alliance agreement with UACJ Corporation, a Japanese comprehensive aluminum manufacturer operating globally, to promote a "can-to-can" closed-loop recycling system for aluminum cans.[*1] Leveraging technologies and know-hows of the two parties, we will aim to develop and provide aluminum cans with higher environmental value to reduce CO2 emissions in the entire beverage container supply chain.

Note 1: A process of recycling used aluminum cans back into aluminum cans

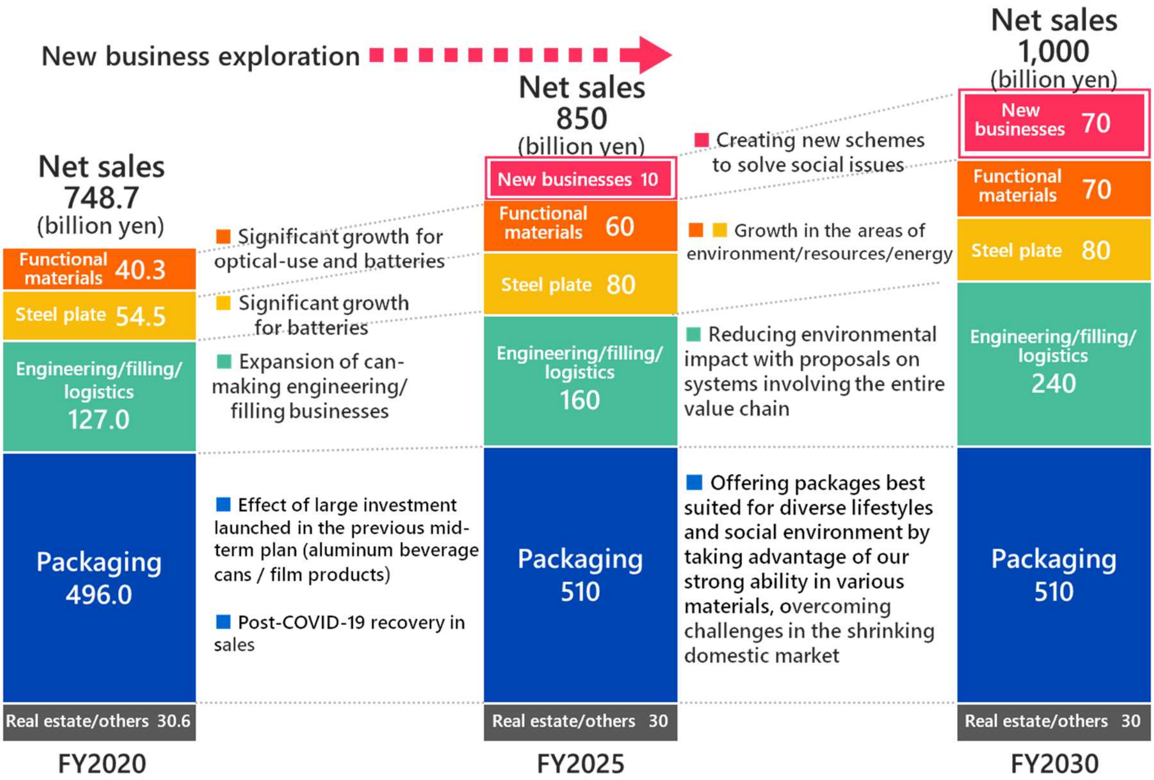
- Nippon Closure Co., Ltd. has begun a joint study on the technical feasibility of “cap-to-cap” closed loop recycling for PET bottle caps*2 with Asahi Group Japan, Ltd., which manages beverage operations and businesses specialized in sustainability, and Sojitz Pla-Net Corporation, Japan’s leading plastics trading company, which is collecting the latest information on recycling technology around the world. We will address social issues related to the recycling of plastic resources through leveraging the strength of the three partners.

  Note 2: A process of recycling used PET bottle caps back into PET bottle caps.

- We have received approval from the Science Based Targets initiative (SBTi), a global environmental initiative, for our CO2 reduction targets, which are now recognized as aligned with its 1.5°C scenario. The targets, which are part of the Eco Action Plan 2030, our mid- to long-term environmental targets, are to reduce emissions from our operations (Scope 1 & 2) by 50% and those from our supply chain (Scope 3) by 30% by 2030 from 2019 levels.
- In July 2021, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to fully understand the impacts of risks and opportunities caused by climate change on the Group’s operations. In May 2022, we conducted a scenario analysis that covered metal and plastic containers of our domestic packaging business. In March 2023, we conducted an additional scenario analysis with an expanded scope that also included glass and paper containers of our domestic packaging business and products of our steel plate related and functional materials related businesses. As a result, we identified the risk of higher operating costs due to carbon taxes on greenhouse gas (GHG) emissions under the 1.5 and 2°C scenarios and recognized that we can reduce operating costs by achieving GHG emission reduction targets in our Eco Action Plan 2030. Regarding an opportunity related to climate change, the analysis results showed a potential for a significant increase in demand for nickel-plated steel sheet of our steel plate related business, materials for rechargeable batteries used in electric and hybrid vehicles. Going forward, we will expand the scope of our scenario analysis to all our business areas, including overseas operations.

[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: ■ Investment to reduce environmental impact and increase environmental value ■ Developing a system for the entire value chain, beyond the traditional framework of packaging manufacturing ■ 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."	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.

(in billions of yen, except for percentages)

	FY 2020 (March 2021)	FY 2021 (March 2022)	FY 2022 (March 2023) (Year under review)	Target for FY 2025 (March 2026)
Net sales	748.7	821.5	906.0	850
Operating income	26.6	34.1	7.3	50
EBITDA	73.7	85.4	60.3	110
ROE	2.6%	7.0%	1.6%	5.0%

Notes 1. 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 net sales target for fiscal 2025 is in accordance with these standards, which is estimated to have lowered the net sales target by approximately 20 billion yen.

2. 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.

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For the year under review (fiscal 2022), the Company has decided to pay an annual dividend of 89 yen (consisting of an interim dividend of 44 yen and a year-end dividend of 45 yen). Both the total return ratio and the consolidated payout ratio for the year under review will be 156.4 percent.

8.4 Capital Efficiency Initiative 2027

We have launched the Capital Efficiency Initiative 2027, a new initiative to pursue both our growth strategy and capital and financial strategy in order to achieve business management that pays close attention to our capital costs and stock price.

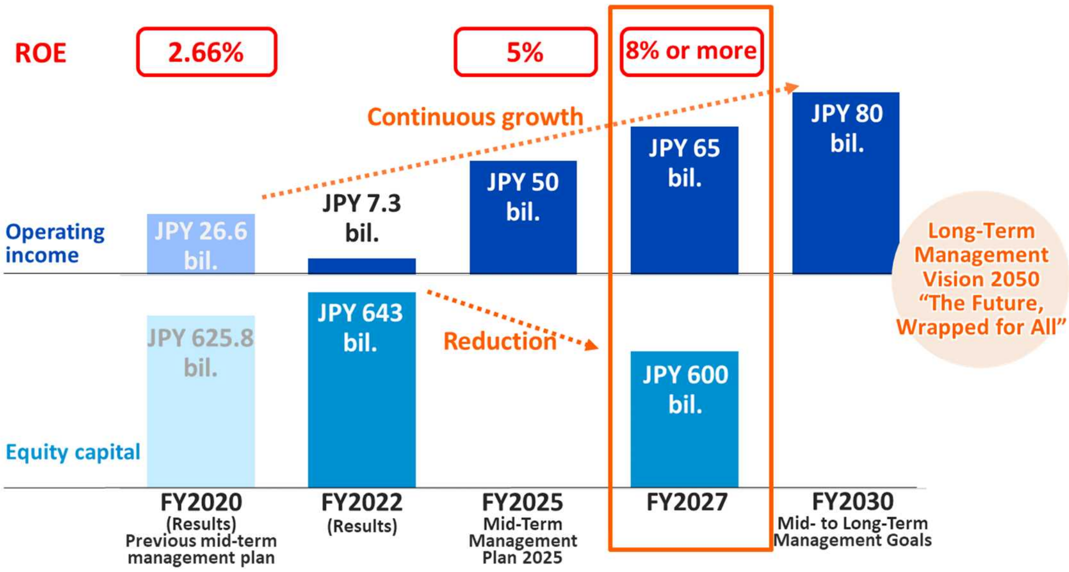
[Basic approaches]

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.

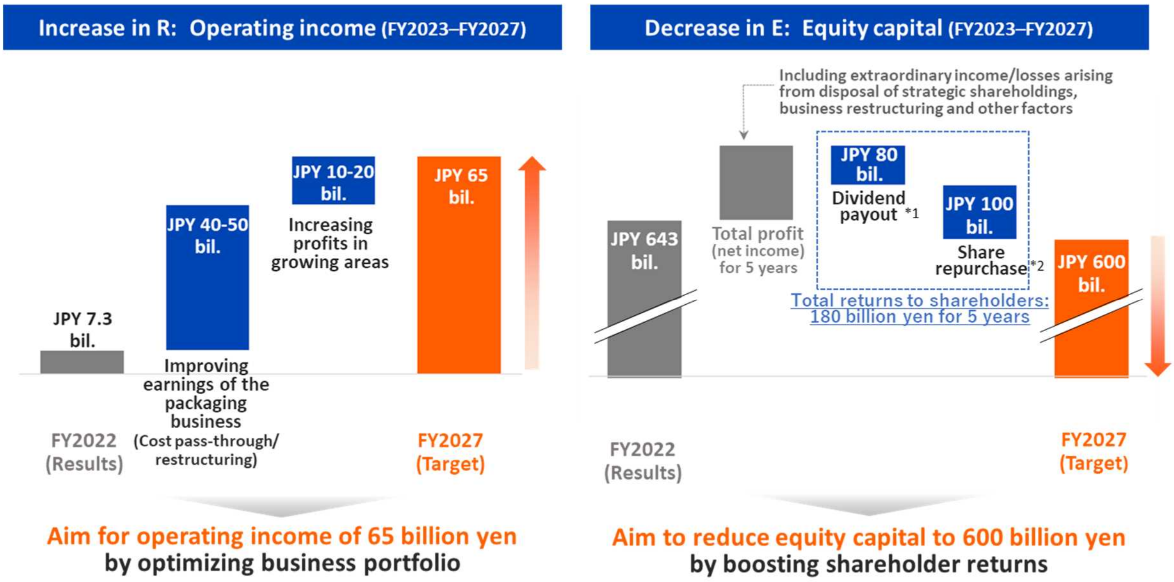
		FY2022 (Results)	FY2025	FY2027	FY2030
Earnings (billion yen)	Net sales	906.0	850 *1	– [1,050] (For reference)	1,000 *1
	Operating income	7.3	50	65	80
	EBITDA	60.3	110	120	–
	Profit (Net income)	10.3	35	48	
Returns on capital (billion yen)	ROE (%)	1.6%	5.0%	8.0% or more	
	Equity capital (Additional target)	643.0	–	600	
		FY2022 (Results)	FY2021-2025	FY2023-2027	
Returns to share-holders	Consolidated payout ratio (%) (Dividend per share)	156% (89 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% (–)	Target 80% or more (9.2 billion yen worth already repurchased)	Total repurchase for 5 years: 100 billion yen *3	

Notes 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.
3. We plan to repurchase a total of 60 billion yen worth of shares during the period of the current mid-term management plan. While the repurchase amount for the FY2026-2027 period is expected to be around 40 billion yen, it will be finally determined based on the shareholder return policy of the next mid-term management plan. On May 12, 2023, the Company resolved at the Board of Directors meeting to repurchase up to 20 billion yen worth (or 13 million) of shares during fiscal 2023.

[Translation for Reference and Convenience Purposes Only]

[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).



Notes 1. 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.

2. We plan to repurchase a total of 60 billion yen worth of shares during the period of the current mid-term management plan. While the repurchase amount for the FY2026-2027 period is expected to be around 40 billion yen, it will be finally determined based on the shareholder return policy of the next mid-term management plan.

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.

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 now.

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 fundraising to investment activities and shareholder returns.

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)

	FY2019 (March 2020)	FY2020 (March 2021)	FY2021 (March 2022)	FY2022 (March 2023) (Year under review)
Net sales	790,814	748,724	821,565	906,025
Operating income	27,271	26,667	34,114	7,396
Ordinary income	28,412	27,326	45,712	13,770
Profit (Loss) attributable to owners of parent	-520	15,946	44,422	10,363
Profit (Loss) per share	-2.71 yen	84.79 yen	240.61 yen	57.07 yen
Total assets	1,025,095	1,036,081	1,082,282	1,165,216
Net assets	624,513	651,639	664,291	671,338
Net asset per share	3,184.56 yen	3,327.70 yen	3,510.20 yen	3,541.25 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)	Share of voting rights (%)	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 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, etc.
Bangkok Can Manufacturing Co., Ltd.	1,800 (million Thai baht)	99.9 [99.9]	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

Notes: 1. The share of indirect voting rights is shown in parentheses in the column of the "Share of voting rights."

2. The status of specific wholly owned subsidiary as of the end of the fiscal 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	573,178 million yen

11. Major Operations (as of March 31, 2023)

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, 2023)

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 (Shouo-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)
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, 2023)

1) Employees of the Group

Business segment	Number of employees	Year-on-year change in number
Packaging business	11,040 [1,834]	-56 [-37]
Engineering, filling, and logistics businesses	4,805 [673]	+272 [-49]
Steel plate related business	1,523 [115]	+21 [+13]
Functional materials related business	1,261 [91]	-24 [-20]
Real estate related business	8 [3]	+1 [±0]
Other businesses	851 [98]	-14 [-7]
Corporate (common)	488 [29]	+18 [+9]
Total	19,976 [2,843]	+218 [-91]

Notes: 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	359 [25]	+12 [+9]	43.4	17.3
Female	129 [4]	+6 [±0]	38.8	13.3
Total	488 [29]	+18 [+9]	42.1	16.2

Notes: 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, 2023)

Lender	Loan amount (million yen)
Sumitomo Mitsui Banking Corporation	94,201
Sumitomo Mitsui Trust Bank, Limited	29,046
MUFG Bank, Ltd.	16,022

15. Other Material Matters Concerning Current Status of the Group

Not applicable.

[Translation for Reference and Convenience Purposes Only]

II. Current Status of the Company

1. Equity of the Company (as of March 31, 2023)

1) Number of shares authorized: 450,000,000 shares
2) Number of shares issued: 202,862,162 shares
3) Number of shareholders: 18,040
4) Major shareholders (Top ten):

Name	Number of shares held (in thousands)	Ownership ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	24,832	13.6
Toyo College of Food Technology	16,492	9.1
Toyo Institute of Food Technology	12,499	6.9
Custody Bank of Japan, Ltd. (Trust account)	8,230	4.5
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	6,702	3.7
Fukoku Mutual Life Insurance Company	5,600	3.1
Sumitomo Mitsui Banking Corporation	5,000	2.7
The Gunma Bank, Ltd.	4,219	2.3
STATE STREET BANK CLIENT OMNIBUS OM04 (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, Custody service department)	4,082	2.2
Toyo Ink SC Holdings Co., Ltd.	3,798	2.1

Notes: 1. In addition to the above-stated shares, the Company holds 20,776,376 shares of treasury stock.
2. The 20,776,376 treasury shares are excluded from the total shares issued in calculation of the ownership ratio.
3. The shares of the Company held by the board benefit trust for directors are not included in the treasury shares.

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

	Number of shares delivered	Number of persons delivered
Directors (excluding Outside Directors)	13,783	1

Notes: 1. The details of the Company's equity compensation scheme are provided in section 3.3 Compensation for Directors and Audit and Supervisory Board Members.
2. The above table shows the number of shares delivered to a resigned director of the Company.

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 cancelled shares: Common shares of the Company

Number of cancelled shares: 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

ii) Share repurchase

The Company resolved a share repurchase and related matters at the Board of Directors Meeting held on May 12, 2023. The details of the share repurchase program are as follows:

Class of shares to be purchased:	Common shares of the Company
Number of purchasable shares:	Up to 13,000,000 shares (7.1% of the total number of shares issued, excluding treasury shares)
Total purchase price:	Up to 20,000,000,000 yen
Period of purchase:	From May 15, 2023 to March 29, 2024

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, 2023)

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 Group Procurement Strategy - Director of Nippon Closures Co., Ltd.
Director	Kazuo Murohashi	- Executive Officer - CSR, Human Resources, HR Development and Group Risk and Compliance
Director	Kouki Ogasawara	- Executive Officer - Secretariat, General Affairs, Legal Affairs, IT and Group Information Management
Director	Takuji Nakamura	- Executive Officer - Head of Group Technical Development - Head of Innovation Incubation Office
Director	Kei Asatsuma	- Lawyer (Partner of Nagashima Ohno & Tsunematsu)
Director	Hiroshi Suzuki	- Certified tax accountant
Director	Mami Taniguchi	- Professor, Faculty of Commerce / Graduate School of Commerce, Waseda University
Director	Toshikazu Koike	- Chairman and director of Brother Industries, Ltd. - Outside director (Audit and supervisory committee member) of YASKAWA Electric Corporation
Standing Audit and Supervisory Board Member	Toshitaka Uesugi	- 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. - Auditor of Toyo Institute of Food Technology
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.

Title	Name	Responsibility and significant concurrent positions
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	Shoichi Ikuta	- Chairman, Financial Management Forums, Inc.
Audit and Supervisory Board Member	Ikuko Akamatsu	- Certified public accountant - Certified fraud examiner - Director 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.

Notes: 1. Kei Asatsuma, Hiroshi Suzuki, Mami Taniguchi and Toshikazu Koike are Outside Directors.
2. Fuminari Hako, Shoichi Ikuta and Ikuko Akamatsu are Outside Audit and Supervisory Board Members.
3. The Company has registered Kei Asatsuma, Hiroshi Suzuki, Mami Taniguchi, Toshikazu Koike, Fuminari Hako, Shoichi Ikuta and Ikuko Akamatsu as Independent Directors with the Tokyo Stock Exchange (TSE) under the TSE's independent criteria.
4. Fuminari Hako, Audit and Supervisory Board Member, is a CPA and certified tax accountant and has considerable insight into finance and accounting.
5. Ikuko Akamatsu, Audit and Supervisory Board Member, is a CPA and certified fraud examiner and has considerable insight into finance and accounting.
6. Resignation from significant concurrent position during the fiscal year under review is as follows:

Title	Name	Significant concurrent positions	Date of resignation
Audit and Supervisory Board Member	Ikuko Akamatsu	Outside director of CAWACHI LIMITED	June 14, 2022

7. Shinsei Bank, Limited changed its name to SBI Shinsei Bank, Limited on January 4, 2023.

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 decision of directors' compensation

The Company's Board of Directors adopted in its meeting held on May 13, 2022 the policy for deciding the details of compensation for individual directors. Prior to the resolution, the Board has consulted with the Governance Committee of the Company, 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 details of compensation for individual directors for the fiscal year under review have been determined in accordance with the directors' compensation policy by receiving a report from the Governance Committee based on prior consultation with the Committee by the Representative Director of the Company on the matter.

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 positons 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 and operating income margin, both on a consolidated basis, which we select as key performance indicators (KPIs).

The target for consolidated net sales is equivalent to the estimated net sales for the relevant fiscal year we announce in the summary of financial results for the previous year, while that for consolidated 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 targeted 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 (TSE) with annual sales of 500 billion to 1 trillion yen to judge the appropriateness of our compensation structure, taking into consideration the results of surveys on directors' compensation, among others.

We adopt a composition of 60% basic, 20% short-term performance-linked, and 20% 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 one or more representative directors and one or more independent outside directors, and shall be decided by the Board of Directors based on the committee's report within the range of compensation amount approved by the shareholders meeting.

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				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)	11 (5)	214 (45)	- (-)	- (-)	5 (-)	32 (-)	6 (-)	33 (-)	280 (45)
Audit and Supervisory Board Members (of the above, outside auditors)	6 (3)	82 (32)	2 (-)	8 (-)	- (-)	- (-)	- (-)	- (-)	91 (32)
Total (of the above, outside directors and auditors)	17 (8)	296 (78)	2 (-)	8 (-)	5 (-)	32 (-)	6 (-)	33 (-)	371 (78)

Notes: 1. The 108th Ordinary General Meeting of Shareholders held on June 25, 2021 resolved that the total amount of compensation paid to Directors shall be no more than 330 million yen per year, including up to 55 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 108th Ordinary General Meeting of Shareholders was eleven (including five outside directors).

The 108th Ordinary General Meeting of Shareholders also resolved that the Company would introduce, in addition to the cash compensation system, a performance-linked equity compensation scheme, in which the Company would contribute up to 500 million yen for five fiscal years for the scheme to acquire its shares to be delivered to Directors (other than Outside Directors), and in which 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 six as of the close of the 108th 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 “Non-cash compensation” in the above table, the "Amount" shows the amount of a provision for the performance-linked equity compensation recorded for the fiscal year under review, and may differ from the actual amount paid to the eligible directors. For reference, the actual amount of non-cash compensation paid for fiscal 2021 was 93 million yen, against the provision of 82 million yen for the year.
4. Under the “Basic compensation” for Directors in the above table, the “Number of persons” includes two Directors (including an Outside Director) who retired due to the expiration of term of office upon the close of the 109th Ordinary General Meeting of Shareholders held on June 24, 2022, and the “Amount” includes the compensation paid to the Directors.
5. Under the “Non-cash compensation” for Directors in the above table, the “Number of persons” includes a Director who retired due to the expiration of term of office upon the close of the 109th Ordinary General Meeting of Shareholders held on June 24, 2022, and the “Amount” includes the compensation paid to the Director.
6. Under the “Basic compensation” for Audit and Supervisory Board Members in the above table, the “Number of persons” includes a member who retired due to the expiration of term of office upon the close of the 109th Ordinary General Meeting of Shareholders held on June 24, 2022, and the “Amount” includes the compensation paid to the auditor.
7. 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 decision of directors’ compensation.

   The performance-linked compensation paid for the year under review (fiscal 2022) was based on the KPIs for the year, for which the actual consolidated net sales and operating income margin* were 906,025 million yen and 0.70 percent, respectively, against their targets of 890 billion yen and 4.19 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 1.6 percent and 60.3 billion yen, respectively, which did not meet their respective targets stated in the Mid-Term Management Plan 2025. The sustainability index was rated as “B” (the middle of the five grades of S, A, B, C, and D) which has been determined based on the achievement of environmental targets set in the Eco Action Plan 2030, and an estimated figure corresponding to the rating was used to calculate the amount of provision for the performance-linked equity compensation for the year under review.

   * The actual operating income margin as a KPI for directors’ compensation determination takes into account the impact of impairment losses, and thus becomes lower than the operating income margin based on the published statement of income.
8. 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 decision of directors’ compensation. The status of delivery of shares for the fiscal 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 fiscal year under review.
9. 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 compensation 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 within the range of compensation amount approved by the shareholders meeting. The delegation to the president is on the grounds that the president is deemed appropriate to evaluate duties of individual directors while taking overall business performance of the Company into consideration.

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	Chairman and director of Brother Industries, Ltd. Outside director (Audit and supervisory committee member) of YASKAWA Electric Corporation

Notes: 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.

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	Director of the Japanese Institute of Certified Public Accountants Outside auditor of SBI Shinsei Bank, Limited Outside director of CAWACHI LIMITED Outside director (Audit and supervisory committee member) of Mitsubishi UFJ Securities Holdings Co., Ltd.

Notes: 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. Shinsei Bank, Limited changed its name to SBI Shinsei Bank, Limited on January 4, 2023.
5. There are no special interests between the Company and SBI Shinsei Bank, Limited.
6. There are no special interests between the Company and CAWACHI LIMITED.
7. Resignation from a significant concurrent position during the fiscal year under review is as follows:

Name	Significant concurrent positions	Date of resignation
Ikuko Akamatsu	Outside director of CAWACHI LIMITED	June 14, 2022

8. There are no special interests between the Company and Mitsubishi UFJ Securities Holdings Co., Ltd.

3) Major activities in the fiscal 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	13 out of 13 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.
Hiroshi Suzuki	Outside Director	13 out of 13 times	—	With the expert knowledge and extensive experience he has acquired while serving in the Tokyo Regional Taxation Bureau, National Tax Agency, over 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 mainly for matters related to taxation and accounting 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 the Group's tax treatment related to tax systems and investments. 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	13 out of 13 times	―	With the expert knowledge and extensive experience she has acquired as a university professor in international business administration and diversity, 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 management structure and overseas operations, including human capital. 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	13 out of 13 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 financial strategies 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.
Fuminari Hako	Outside Audit and Supervisory Board Member	13 out of 13 times	16 out of 16 times	He has properly expressed opinions from a professional viewpoint as a CPA and certified tax accountant.
Shoichi Ikuta	Outside Audit and Supervisory Board Member	13 out of 13 times	16 out of 16 times	He has properly expressed opinions based on his abundant experience and broad knowledge acquired while working with government agencies and private corporations.

Ikuko Akamatsu	Outside Audit and Supervisory Board Member	12 out of 13 times	16 out of 16 times	She has properly expressed opinions from a professional viewpoint as a CPA.

Note: 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: Sohken Nichiei Audit Corporation

4.2 Audit fees

		Payment Amount (million yen)
1)	Amount of audit fees to be paid to the Accounting Auditor for the fiscal year under review	58
2)	Amount of monetary and other economic benefits to be paid to the Accounting Auditor by the Company and its subsidiaries	213

Notes: 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 of 1) of 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 fiscal 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 audit 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 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 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, for a period of time set forth by the relevant regulations in an appropriate and easy-to-search manner, in a hard copy or electronic form, 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 for controlling 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 at 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 to serve as dedicated audit assistants who assist Audit and Supervisory Board Members with their execution of duties. The number of audit assistants required shall be determined based on prior discussion with Audit and Supervisory Board Members.

b) Audit assistants shall be given directions and orders 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 at 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 ideas with the President and Representative Director, the internal audit division and the accounting auditor of the Company.

b) When recognizing problems 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 them to formulate remedial measures.

c) The Company and its group companies shall record without delay expenses that have 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 for eliminating 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 organized crime groups by taking a firm stand against them and decisively rejecting 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 fiscal 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, conducts internal audits on the effectiveness, efficiency and legality of the Group’s business operations from an objective perspective independent from individual departments that conduct operations, and reports audit results to the Board of Directors, management meetings and the Audit and Supervisory Board of the Company. The Audit and Supervisory Board Members have formulated the Group Monitoring Platform Concept, as described below, to share audit plans and results and enhance other cooperative activities among auditors and internal audit divisions of the Company and its group companies, and thereby conduct audits efficiently.

- Human Resource Development

  Clarify the skills and knowledge required of the auditors and the internal audit division staff of the Company and its group companies, and develop a system to educate them.

- Education

  The internal audit division staff of the Company and its group companies also attend the training programs for newly appointed auditors and for the Group's auditors, depending on themes of the programs.

- Use of artificial intelligence and information technology

  The auditors and the internal audit division staff of the Company and its group companies share a common system utilizing artificial intelligence and technologies to efficiently prepare audit reports.

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.

With respect to the COVID-19 situation, we are taking comprehensive measures for the entire group, including foreign subsidiaries, by establishing a group-wide COVID-19 crisis management committee consisting of directors and officers of the Company and its group companies, which meets as appropriate, and by sharing information about the current situation of infection and governmental measures through the Group's internal database on a daily basis. To ensure the continuity of the Group's operations related to food, beverages and household products, which are essential for maintaining social functions, while protecting the health of employees, the committee has been leading the efforts to contain the spread of infection through promoting working from home at the head office and other business offices and steadily implementing preventive measures at production facilities.

3) Compliance

The Group carries 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 also 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.

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 "Group Companies Management Regulations," an important decision for a group company is 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

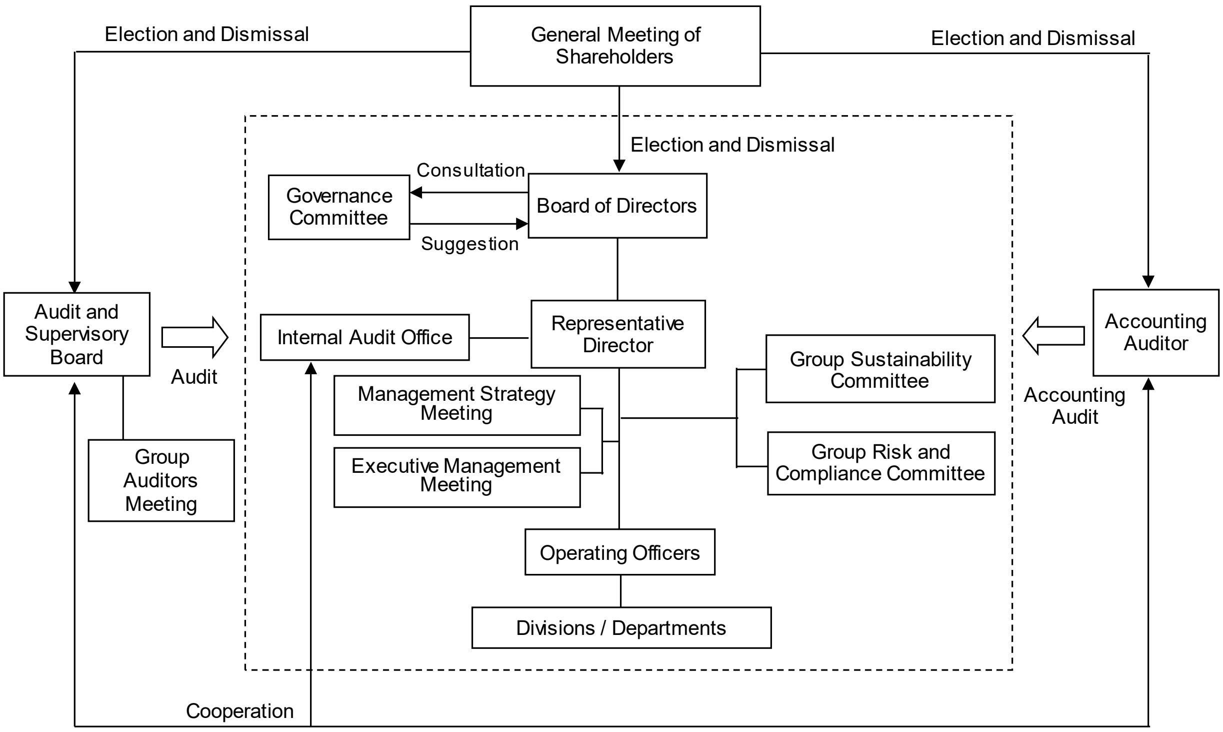
Audit and Supervisory Board Members, including outside Audit and Supervisory Board Members, have checked and supervised the business execution status through holding Audit and Supervisory Board Meetings (16 times during the year under review) and receiving report on important management issues at the 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 five members (including three 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 for the purpose of distinguishing and clarifying responsibilities for decision-making/supervisory functions and business execution. To develop the basic management policy and take necessary measures swiftly and appropriately for strong management, 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, Executive Officers, 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 nine 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. The meeting is held seven times a year, in principle, to 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

<u>Mid-Term Management Plan and related matters</u>

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 also formulated the Mid-Term Management Plan 2025 for the five years from fiscal 2021. On May 12, 2023, we 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.

<u>Enhancing corporate governance</u>

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 distinguish and clarify responsibilities for decision-making/supervision and business execution. 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, Executive Officers, 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. 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, conducts internal audits on the effectiveness, efficiency and legality of the Group's business operations from an objective perspective independent from individual departments that conduct operations, and reports audit results to the Board of Directors, management meetings and the Audit and Supervisory Board of the Company. The Audit and Supervisory Board Members have formulated the Group Monitoring Platform Concept, as described below, to share audit plans and results and enhance other cooperative activities among auditors and internal audit divisions of the Company and its group companies, and thereby conduct audits efficiently.

- Human Resource Development

  Clarify the skills and knowledge required of the auditors and the internal audit division staff of the Company and its group companies, and develop a system to educate them.

- Education

  The internal audit division staff of the Company and its group companies also attend the training programs for newly appointed auditors and for the Group's auditors, depending on themes of the programs.

- Use of artificial intelligence and information technology

  The auditors and the internal audit division staff of the Company and its group companies share a common system utilizing artificial intelligence and technologies to efficiently prepare audit reports.

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.

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, 2023)

	March 2023 *(in millions of yen)*
Assets	
Current assets	
Cash and deposits	99,704
Notes and accounts receivable—trade, and contract assets	229,221
Electronically recorded monetary claims—operating	31,630
Merchandise and finished goods	123,630
Work in process	23,096
Raw materials and supplies	51,581
Other	38,133
Allowance for doubtful accounts	(3,299)
Total current assets	593,697
Non-current assets	
Property, plant and equipment	
Buildings and structures	117,205
Machinery, equipment and vehicles	133,431
Land	81,338
Construction in progress	26,966
Other	15,006
Total property, plant and equipment	373,948
Intangible assets	25,124
Investments and other assets	
Investment securities	124,087
Retirement benefit asset	21,411
Deferred tax assets	12,548
Other	17,891
Allowance for doubtful accounts	(3,492)
Total investments and other assets	172,446
Total non-current assets	571,519
Total assets	1,165,216

[Translation for Reference and Convenience Purposes Only]

	March 2023
	(in millions of yen)
Liabilities	
Current liabilities	
Notes and accounts payable—trade	120,243
Short-term borrowings	54,309
Income taxes payable	3,490
Provision for bonuses for directors	418
Provision for pollution load levy	100
Other	112,342
Total current liabilities	290,903
Non-current liabilities	
Long-term borrowings	125,029
Deferred tax liabilities	8,298
Provision for special repairs	5,400
Provision for pollution load levy	2,085
Provision for directors' retirement benefits	1,212
Provision for share awards for directors	191
Retirement benefit liability	49,070
Other	11,687
Total non-current liabilities	202,974
Total liabilities	493,878
Net assets	
Shareholders' equity	
Capital stock	11,094
Capital surplus	11,468
Retained earnings	586,252
Treasury shares	(38,946)
Total shareholders' equity	569,869
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	42,335
Deferred gains or losses on hedges	10
Foreign currency translation adjustment	25,719
Remeasurements of defined benefit plans	5,115
Total accumulated other comprehensive income	73,181
Non-controlling interests	28,287
Total net assets	671,338
Total liabilities and net assets	1,165,216

Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

	March 2023
	(in millions of yen)
Net sales	906,025
Cost of sales	819,500
Gross profit	86,525
Selling, general and administrative expenses	79,128
Operating income	7,396
Non-operating income	
Interest income	496
Dividend income	2,395
Rent income	1,094
Foreign exchange gains	1,036
Share of profit of entities accounted for using equity method	6,794
Other	5,195
Total non-operating income	17,013
Non-operating expenses	
Interest expenses	1,400
Rent expenses on non-current assets	1,096
Loss on retirement of non-current assets	1,416
Dismantling and removal expenses	1,209
Other	5,516
Total non-operating expenses	10,639
Ordinary income	13,770
Profit before income taxes	13,770
Income taxes—current	6,963
Income taxes—deferred	(3,879)
Total income taxes	3,083
Profit	10,687
Profit attributable to non-controlling interests	323
Profit attributable to owners of parent	10,363

Consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(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	596,286	(38,974)	579,875
Changes during period					
Dividends of surplus			(19,847)		(19,847)
Profit (Loss) attributable to owners of parent			10,363		10,363
Change in scope of consolidation			(549)		(549)
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				29	29
Net changes in items other than shareholders' equity					
Total changes during period	—	—	(10,033)	28	(10,005)
Balance at end of period	11,094	11,468	586,252	(38,946)	569,869

	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	40,199	(266)	12,440	5,099	57,472	26,943	664,291
Changes during period							
Dividends of surplus							(19,847)
Profit (Loss) attributable to owners of parent							10,363
Change in scope of consolidation							(549)
Purchase of treasury shares							(0)
Disposal of treasury shares							29
Net changes in items other than shareholders' equity	2,136	276	13,279	15	15,708	1,343	17,052
Total changes during period	2,136	276	13,279	15	15,708	1,343	7,046
Balance at end of period	42,335	10	25,719	5,115	73,181	28,287	671,338

[Translation for Reference and Convenience Purposes Only]

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)

Number of companies added to consolidated subsidiaries: 1

TOYO PACK KIYAMA Co., Ltd. was added to the consolidated financial statements for the year under review since its importance increased.

(2) Non-consolidated subsidiaries

The 13 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 Enertechno Co., Ltd. / TOSYALI TOYO CELIK ANONIM SIRKETI / PT FUJI TECHNICA INDONESIA)

The non-consolidated subsidiaries (ISHIKAWA INK CO., LTD. and 12 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
Next Can Innovation Co., Ltd.
Bangkok Can Manufacturing Co., Ltd.
Toyo Seikan (Thailand) Co., Ltd.
Crown Seal Public Co., Ltd.
Toyo Pack (Changshu) 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.

ii) Derivatives — Valued at fair value.

iii) Inventories — Principally valued at cost using the weighted-average method (the valuation is subject to the carrying value reduction method based on decreased profitability).

(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 has adopted the deferral method for hedging activities. Forward exchange contracts that satisfy the requirements of "*furiate-shori*," an exceptional accounting treatment for foreign exchange contracts, are subject to the treatment.

ii) Method and period of goodwill amortization

Goodwill is amortized under the straightforward depreciation method 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) Application of Group Tax Sharing System

The Company and some of its consolidated subsidiaries have adopted the Group Tax Sharing System from the fiscal year under review.

iv) 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 Changes in Accounting Policies

[Application of implementation guidance on accounting standards for fair value measurement]

The Company has adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021) from the beginning of the fiscal year under review, and, in accordance with the transitional treatment set forth in Section 27-2 of the ASBJ guidance, the Company's accounting procedures are and will be based on the new accounting policy prescribed by the ASBJ guidance. The accounting policy change had no impact on the consolidated financial statements for the year under review.

♦ Note to Accounting Estimates

[Matters regarding the impairment of non-current assets]

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

Property, plant and equipment:	373,948 million yen
Intangible assets:	25,124 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 office 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 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 has made efforts to pass on increased raw material costs to its product prices and, based on the progress of the efforts to date, it expects to be able to implement more price increases although the material costs are likely to remain high.

With respect to the impact of the COVID-19 pandemic, economic and social activities have gradually been returning to their normal levels as governments have eased COVID-19 related restrictions on movement and dining out. However, we do not expect the market environment to return to its pre-pandemic state as new living and working style, including teleworking, have spread in the society.

Considering the potential impact of the above-mentioned factors on our business plans, we have estimated future cash flows.

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

The timing and amount of cash flows may be affected by uncertainties of future changes in economic conditions, and 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. Therefore, the key assumptions described in the previous section (2), which are based on the best estimate, may differ from the results depending on the COVID-19 situation and economic conditions going forward.

♦ Note to Consolidated Balance Sheet

1. Accumulated depreciation on property, plant and equipment: 1,282,593 million yen

2. Guaranteed loans

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

- Employees (housing loans): 237 million yen
- TOSYALI TOYO CELIK ANONIM SIRKETI (bank loans): 31,209 million yen (233 million dollars)
- TOSYALI TOYO CELIK ANONIM SIRKETI (L/C transactions): 3,740 million yen (28 million dollars)

♦ Note to Consolidated Statement of Changes in Equity

1. Matters concerning 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*1	202,862	—	—	202,862
Treasury shares				
Common shares*2-4	21,291	0	18	21,273

Notes: 1. The Company cancelled 20,000 thousand of treasury shares on April 7, 2023, under the resolution of the Board of Directors meeting held on March 31, 2023, and the number of shares issued has decreased to 182,862 thousand.

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

3. The breakdown of increase in treasury shares:
   - Purchase of shares in odd lots: 0 thousand shares

4. The breakdown of decrease in treasury shares:
   - Provision of shares of the Company held by the board benefit trust for directors: 18 thousand shares

2. Matters concerning 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 24, 2022	Common shares	11,835	65.00	March 31, 2022	June 27, 2022
Board of Directors Meeting on October 31, 2022	Common shares	8,011	44.00	September 30, 2022	December 5, 2022

Notes: 1. The total payout resolved at the Ordinary General Meeting of Shareholders on June 24, 2022 includes dividends of 33 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 October 31, 2022 includes dividends of 21 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 fiscal 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 23, 2023	Common shares	Retained earnings	8,193	45.00	March 31, 2023	June 26, 2023

Note: The total payout to be 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.

♦ 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 used mainly for financing business transactions and capital investment.

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. Matters concerning 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.

(in millions of yen)

	Carrying value	Fair value	Difference
Investment securities*2			
1) Bonds held to maturity	8,000	7,954	(45)
2) Available-for-sale securities	91,606	91,606	–
Total—assets	99,606	99,560	(45)
Long-term borrowings	125,029	123,943	(1,085)
Total—liabilities	125,029	123,943	(1,085)
Derivatives*3			
Without application of hedge accounting	(504)	(504)	–
With application of hedge accounting	16	16	–
Total derivatives	(487)	(487)	–

Notes: 1. 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.

2. “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	FY2022 (March 2023)
Unlisted shares	24,481
Investments in equity of subsidiaries and affiliates	10,892

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

3. Matters concerning the 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	91,606	–	–	91,606
Total—assets	91,606	–	–	91,606
Derivatives*	–	(487)	–	(487)

* 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	—	7,954	—	7,954
Total—assets	—	7,954	—	7,954
Long-term borrowings	—	123,943	—	123,943
Total—liabilities	—	123,943	—	123,943

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 has traded 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) Long-term borrowings

The fair values of long-term borrowings are in accordance with their present values, which are calculated by discounting the total of principal and interest at an expected interest rate for a new, similar loan, and they 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	16,601	4,544	2,321	82,671
Commercial facilities	2,373	723	235	16,909
Others	13,190	2,067	2,141	48,416
Total	32,165	7,335	4,698	147,997

Notes:
1. "Carrying value" is acquisition costs of assets, net of accumulated depreciation expenses and impairment loss.
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 fiscal 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 business	Engineering, filling, and logistics businesses	Steel plate related business	Functional materials related business	Real estate related business	Subtotal		
Revenue from contracts with customers	544,401	195,077	86,512	45,729	—	871,721	23,274	894,995
Other revenue	—	3,296	—	—	7,734	11,030	—	11,030
Sales to external customers	544,401	198,373	86,512	45,729	7,734	882,751	23,274	906,025

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:

	FY2022 (March 2023)
Receivables arising from contracts with customers	251,890 million yen
Contract assets	8,960 million yen
Contract liabilities	43,501 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: 3,541.25 yen
Profit per share: 57.07 yen

Note: The Company has introduced a board benefit trust for directors since the previous fiscal year (fiscal 2021), and the shares of the Company held by the trust are included in treasury shares that are deducted from the total number of shares issued at the end of the year under review 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 under review 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 496 thousand shares, and the average number of treasury shares during the year under review was 503 thousand shares.

♦ Note to Significant Subsequent Events

[Cancellation of treasury shares]

On March 31, 2023, the Company resolved at the Board of Directors meeting the cancellation of treasury shares and related matters under the provision of Article 178 of the Companies Act. The details of the cancellation are described below.

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

[Share repurchase]

On May 12, 2023, 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 13,000,000 shares (7.1% of the total number of shares issued, excluding treasury shares)
(4) Total purchase price:	Up to 20,000 million yen
(5) Period of purchase:	From May 15, 2023 to March 29, 2024
(6) Method of purchase:	Open market trading on the Tokyo Stock Exchange through a discretionary account for share repurchase

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

[Translation for Reference and Convenience Purposes Only]

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(As of March 31, 2023)

	March 2023 *(in millions of yen)*
Assets	
Current assets	
Cash and deposits	46,257
Short-term loans receivable	39,359
Accounts receivable	11,453
Other	1,033
Allowance for doubtful accounts	(1,374)
Total current assets	96,729
Non-current assets	
Property, plant and equipment	
Buildings	16,968
Tools, furniture and fixtures	671
Land	6,957
Other	527
Total property, plant and equipment	25,125
Intangible assets	1,850
Investments and other assets	
Investment securities	92,781
Shares of subsidiaries and associates	299,585
Long-term loans receivable from subsidiaries and associates	56,445
Deferred tax assets	1,508
Other	253
Allowance for doubtful accounts	(1,101)
Total investments and other assets	449,473
Total non-current assets	476,449
Total assets	573,178

[Translation for Reference and Convenience Purposes Only]

	March 2023
	(in millions of yen)
Liabilities	
Current liabilities	
Short-term borrowings	25,148
Accounts payable	6,345
Accrued expenses	2,611
Income taxes payable	32
Deposit	29,221
Provision for bonuses for directors	35
Other	248
Total current liabilities	63,642
Non-current liabilities	
Long-term borrowings	115,784
Provision for retirement benefits	174
Asset retirement obligations	582
Provision for share awards for directors	191
Other	4,080
Total non-current liabilities	120,811
Total liabilities	184,454
Net assets	
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	261
Reserve for special investment in businesses developing new business	34
General reserve	328,441
Retained earnings brought forward	43,722
Total other retained earnings	372,459
Total retained earnings	375,233
Treasury shares	(38,946)
Total shareholders' equity	348,742
Valuation and translation adjustments	
Valuation difference on available-for-sale securities	39,981
Total valuation and translation adjustments	39,981
Total net assets	388,724
Total liabilities and net assets	573,178

Non-Consolidated Statement of Income

(From April 1, 2022 to March 31, 2023)

	March 2023
	(in millions of yen)
Operating revenue	
Management fee income from subsidiaries and associates	3,961
Income from operations consignment by subsidiaries and associates	5,917
Dividends from subsidiaries and associates	5,470
Real estate lease revenue	5,719
Total operating revenue	21,068
Operating expenses	
Real estate lease expenses	2,945
General and administrative expenses	12,772
Total operating expenses	15,717
Operating income	5,350
Non-operating income	
Interest and dividend income	3,389
Foreign exchange gains	1,693
Other	436
Total non-operating income	5,519
Non-operating expenses	
Interest expenses	634
Dismantling and removal expenses	1,209
Other	145
Total non-operating expenses	1,989
Ordinary income	8,880
Profit before income taxes	8,880
Income taxes—current	1,062
Income taxes—deferred	(105)
Total income taxes	957
Profit	7,923

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

(From April 1, 2022 to March 31, 2023)

(in millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus	Retained earnings						Treasury shares	Total shareholders' equity
		Legal capital surplus	Legal retained earnings	Other retained earnings				Total 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			
Balance at beginning of period	11,094	1,361	2,773	263	52	328,441	55,627	387,157	(38,974)	360,638
Changes during period										
Reversal of reserve for tax purpose reduction entry of non-current assets				(1)			1	–		–
Reversal of reserve for special investment in businesses developing new business					(17)		17	–		–
Dividends of surplus							(19,847)	(19,847)		(19,847)
Profit							7,923	7,923		7,923
Disposal of treasury shares									29	29
Purchase of treasury shares									(0)	(0)
Net changes in items other than shareholders' equity										
Total changes during period	–	–	–	(1)	(17)	–	(11,905)	(11,924)	28	(11,895)
Balance at end of period	11,094	1,361	2,773	261	34	328,441	43,722	375,233	(38,946)	348,742

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

(From April 1, 2022 to March 31, 2023)

(in millions of yen)

	Valuation and translation adjustments		
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	Total net assets
Balance at beginning of period	38,013	38,013	398,651
Changes during period			
Reversal of reserve for tax purpose reduction entry of non-current assets			–
Reversal of reserve for special investment in businesses developing new business			–
Dividends of surplus			(19,847)
Profit			7,923
Disposal of treasury shares			29
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	1,968	1,968	1,968
Total changes during period	1,968	1,968	(9,927)
Balance at end of period	39,981	39,981	388,724

[Translation for Reference and Convenience Purposes Only]

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

As a holding company, the Company is mainly obliged to provide management guidance and contract services to its subsidiaries based on contracts. Since the subsidiaries will receive benefits as the Company fulfills its obligations over time, the Company recognizes revenue considering that these performance obligations are satisfied over a certain period of time. The consideration for such transactions 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

(1) Hedge accounting method

The Company has adopted the deferral method for hedging activities. Forward exchange contracts and other contracts that satisfy the requirements of "*furiate-shori*," an exceptional accounting treatment for foreign exchange contracts, are subject to the treatment.

(2) Application of Group Tax Sharing System

The Company has adopted the Group Tax Sharing System from the fiscal year under review.

♦ Note to Changes in Accounting Policies

[Application of implementation guidance on accounting standards for fair value measurement]

The Company has adopted the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No.31, June 17, 2021) from the beginning of the fiscal year under review, and, in accordance with the transitional treatment set forth in Section 27-2 of the ASBJ guidance, the Company's accounting procedures are and will be based on the new accounting policy prescribed by the ASBJ guidance. The accounting policy change had no impact on the non-consolidated financial statements for the year under review.

♦ 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: 2,475 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 plan and other business plans for 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.

With respect to the impact of the COVID-19 pandemic, economic and social activities have gradually been returning to their normal levels as governments have eased COVID-19 related restrictions on movement and dining out. However, we do not expect the market environment to return to its pre-pandemic state as new living and working style, including teleworking, have spread in the society.

Considering the potential impact of the above-mentioned factors on our business plans, we have estimated future cash flows.

(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 changes 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. Therefore, the key assumptions described in the previous section (2), which are based on the best estimate, may differ from the results depending on the COVID-19 situation and economic conditions going forward.

♦ Note to Non-Consolidated Balance Sheet

(in millions of yen)

1. Accumulated depreciation on property, plant and equipment:	33,118
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.):	28,304
▪ Stolle Machinery Company, LLC (lease contract):	1,192
▪ Stolle Machinery (Guangdong) Co., Ltd. (loans, etc.):	220
▪ Stolle Europe Ltd. (advances received):	1,823
▪ TOYO PACK KIYAMA Co., Ltd. (loans, etc.):	6,022
▪ Polytech America, LLC (lease contract):	181
3. Monetary receivables due from subsidiaries and associates:	47,340
4. Monetary payables due to subsidiaries and associates:	33,368

♦ Note to Non-Consolidated Statement of Income

Volume of trading with subsidiaries and associates	(in millions of yen)
Operating revenue:	16,472
Operating expenses:	73
Amount of non-operating transactions:	1,151

♦ 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	21,291	0	18	21,273

Notes: 1. The Company cancelled 20,000 thousand of treasury shares on April 7, 2023 under the resolution of the Board of Directors meeting held on March 31, 2023.

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

3. The breakdown of increase in treasury shares:

• Purchase of shares in odd lots: 0 thousand shares

4. The breakdown of decrease in treasury shares:

• Provision of shares of the Company held by the board benefit trust for directors: 18 thousand shares

♦ Note to Tax-Effect Accounting

1. Breakdown of deferred tax assets and liabilities by cause

	(in millions of yen)
Deferred tax assets	
Shares of subsidiaries and associates	15,088
Excessive depreciation	1,367
Loss on valuation of shares of subsidiaries and associates	8,189
Other	2,224
Subtotal of deferred tax assets	26,869
Valuation allowance related to total deductible temporary differences	(9,245)
Subtotal of valuation allowance	(9,245)
Total of deferred tax assets	17,624
Deferred tax liabilities	
Valuation difference on available-for-sale securities	(15,707)
Reserve for tax purpose reduction entry of non-current assets	(115)
Assets adjusted for gains or losses on transfer	(172)
Other	(121)
Total of deferred tax liabilities	(16,116)
Net deferred tax assets	1,508

2. Accounting for national and local corporation taxes or tax effect accounting related to these taxes

The Company transitioned from the Consolidated Taxation System to the Group Tax Sharing System from the fiscal year under review. Following the transition, the Company processes and discloses the accounting for national and local corporation taxes and tax effect accounting pursuant to the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (ASBJ Practical Issues Task Force No. 42, August 12, 2021).

♦ 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	3,853

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	37,745

Notes: 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.

3. Loan guarantees for the Company

Attribute	Balance at end of period (million yen)
Subsidiary	43,236

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: 2,140.68 yen
Profit per share: 43.64 yen

Note: The Company has introduced a board benefit trust for directors since the previous fiscal year (fiscal 2021), and the shares of the Company held by the trust are included in treasury shares that are deducted from the total number of shares issued at the end of the year under review 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 under review 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 496 thousand shares, and the average number of treasury shares during the year under review was 503 thousand shares.

♦ Note to Significant Subsequent Events

[Cancellation of treasury shares]

On March 31, 2023, the Company resolved at the Board of Directors meeting the cancellation of treasury shares and related matters under the provision of Article 178 of the Companies Act. The details of the cancellation are described below.

(1) Class of cancelled shares: Common shares of the Company

(2) Number of cancelled shares: 20,000,000 shares (9.9% of the total number of shares issued before the cancellation)

(3) Date of cancellation: April 7, 2023

(4) Total number of shares issued after the cancellation: 182,862,162 shares

[Share repurchase]

On May 12, 2023, 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 13,000,000 shares (7.1% of the total number of shares issued, excluding treasury shares)

(4) Total purchase price: Up to 20,000 million yen

(5) Period of purchase: From May 15, 2023 to March 29, 2024

(6) Method of purchase: Open market trading on the Tokyo Stock Exchange through a discretionary account for share repurchase

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