

May 13, 2025

To Whom It May Concern:

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Notice Concerning of Introduction an incentive plan for Employees

Fuji Seal International, Inc. (the “Company”) hereby announces that it has decided to introduce an incentive plan (the “Plan”) for global employees, which was resolved at a meeting of the board of directors held on May 13, 2025. Details regarding the implementation timing, duration, and total value of shares to be acquired under this plan will be disclosed as soon as it is determined.

1. Regarding the introducing the Plan

- 1) The Company has introduced the Plan with the aim of enhancing engagement among employees, both domestic and international, who are responsible for the execution of its business plan called “FSG.30.” as well as to attract and retain talented personnel. Moreover, the plan is intended to promote their heightened awareness of medium- to long-term results.
- 2) The Plan adopts the ESOP (Employee Stock Ownership Plan) Trust system (the ESOP Trust).

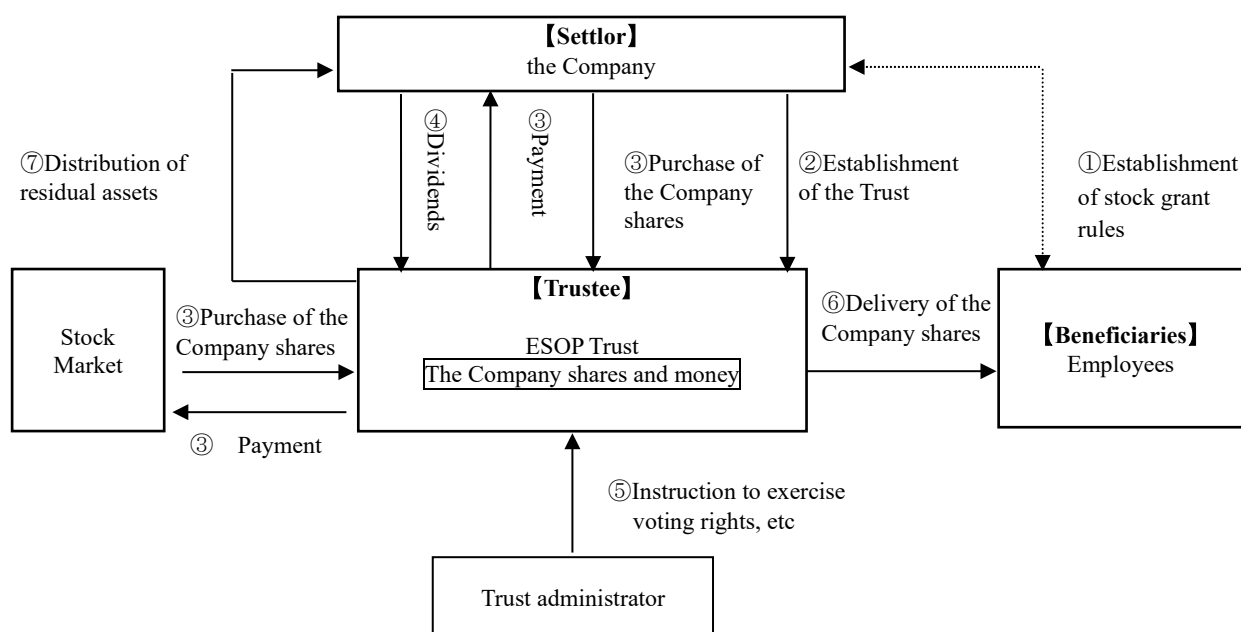
The ESOP Trust is an employee incentive plan modeled after the ESOP system in the United States. Under this plan, shares of the Company acquired by the ESOP Trust are granted to employees who meet certain predetermined criteria, in accordance with the provisions set forth in the stock grant rules established in advance.

It should be noted that all funds required for the acquisition of the Company’s shares by the ESOP Trust will be contributed by the Company, and therefore, no financial burden will be placed on the employees.

- 3) Through the introduction of the Plan, employees will be able to receive economic benefits linked to increases in the Company’s stock price, which is expected to encourage greater awareness of stock performance in the execution of their duties and to enhance their motivation to work.

In addition, voting rights associated with the Company’s shares held as trust assets under the ESOP Trust are exercised in a manner that reflects the intentions of employees who are prospective beneficiaries. This framework is considered an effective means of increasing corporate value by promoting employees’ participation in corporate management.

2. Outline of the Plan



- ① The Company will establish stock grant rules in connection with the introduction of the Plan.
- ② The Company will contribute funds and establish the ESOP Trust under which employees who meet the eligibility criteria will be designated as beneficiaries.
- ③ In accordance with instructions from the trustee, the ESOP Trust will use the funds contributed in item ② to acquire, during the trust period, a number of shares of the Company that are expected to be granted to the beneficiaries. Such shares will be acquired either from the stock market or from the Company (through the disposal of treasury shares).
- ④ Dividends will be paid on the shares of the Company held within the ESOP Trust, in the same manner as for other shares of the Company.
- ⑤ With respect to the shares held in the ESOP Trust, throughout the trust period, the trust administrator shall provide instructions regarding the exercise of shareholder rights, including voting rights, and the ESOP Trust shall exercise such rights in accordance with those instructions.
- ⑥ Shares of the Company will be granted to employees who meet certain predetermined requirements, in accordance with the stock grant rules.
- ⑦ Upon the termination of the ESOP Trust, any residual assets remaining after distribution to the beneficiaries will revert to the Company, within the scope of the reserve for trust-related expenses, after deducting the funds used for acquiring the shares.

Note:

During the trust period, should there be a risk of a shortage in the number of shares held within the ESOP Trust, or a shortfall in funds required to cover trustee compensation and trust-related expenses, the Company may make additional monetary contributions to the ESOP Trust.