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(Stock Exchange Code 8061)

June 7, 2024

(Start date of electronic provision: May 31, 2024)

To Shareholders with Voting Rights:

Akihiko Sakurai
President and Chief Executive
Officer
Seika Corporation
3-3-1 Marunouchi, Chiyoda-ku, Tokyo

**NOTICE OF
THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 101st Annual General Meeting of Shareholders of Seika Corporation (the “Company”) will be held for the purposes as described below.

Measures for electronic provision are taken for the Meeting, and matters to be provided electronically are posted as “NOTICE OF THE 101ST ANNUAL GENERAL MEETING OF SHAREHOLDERS” on the websites below.

The Company’s website <https://www.seika.com/en/news/>

It is also posted on the website below besides the above one.

The Tokyo Stock Exchange’s website
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website of the Tokyo Stock Exchange above and enter the Company name or the securities code to search, then select “Basic information” followed by “Documents for public inspection/PR information” to peruse the information.

If you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m. on Tuesday, June 25, 2024, Japan time.

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. Japan time
- 2. Place:** LEVEL XXI Tokyo Kaikan Star Room at Urbannet Otemachi Building 21F located at 2-2-2 Otemachi, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 101st Fiscal Year (April 1, 2023 - March 31, 2024) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 101st Fiscal Year (April 1, 2023 - March 31, 2024)

Proposals to be resolved:

- Proposal 1:** Dividend of Surplus
- Proposal 2:** Election of six (6) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)
- Proposal 3:** Election of three (3) Directors Serving as Members of the Audit and Supervisory Committee
- Proposal 4:** Election of one (1) Substitute Director Serving as a Member of the Audit and Supervisory Committee
- Proposal 5:** Determination of Amounts and Details of Stock Remuneration, etc. for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)

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- ◎ We will not be giving out souvenirs to attending shareholders.
 - ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - ◎ “Notes to the Consolidated Financial Statements” in Consolidated Financial Statements and “Notes to the Non-consolidated Financial Statements” in Non-consolidated Financial Statements are not included in the paper copy to be sent to the shareholders who have requested it, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of the Company. Accordingly, the said paper copy is a part of the documents that have been audited by the Audit and Supervisory Committee and the Accounting Auditor in preparing their audit reports.
 - ◎ In the event of any amendments being made to the matters to be provided electronically, the amended contents will be posted on the websites where the original contents are posted.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Dividend of Surplus

Matters related to year-end dividends

The Company considers the return of profits to shareholders one of the most important management issues, and has a basic policy of paying a stable dividend.

While strengthening business foundations through efficient business operations across both an operational and financial perspective, and flexibly responding to funding needs for new business development, etc., the Company pays dividend with the target of a total return ratio of 45%.

Based on this policy for dividend, the Company proposes to pay a year-end dividend of 90 yen per share for the fiscal year ended March 31, 2024.

Accordingly, the annual dividend for the fiscal year ended March 31, 2024 will be 150 yen per share including the interim dividend of 60 yen already paid.

<Matters related to the year-end dividend>


- (1) Matters related to allocation of dividend property to shareholders and total amount thereof
90 yen per share of the Company's common stock and total 1,086,840,360 yen
- (2) Effective date of dividends from surplus
June 27, 2024

Proposal 2: Election of Six (6) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)


The terms of office of all six (6) Directors (excluding Directors Serving as members of the Audit and Supervisory Committee) will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of six (6) Directors (excluding Directors serving as members of the Audit and Supervisory Committee).


The candidates for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee) are as follows:


No.	Name		Current positions and responsibilities at the Company
1	[Reappointment]	Akihiko Sakurai	Representative Director President and CEO Chairman of the Board of Directors Member of the Remuneration Examination Committee
2	[Reappointment]	Yasumasa Kawana	Director Senior Managing Executive Officer in charge of planning
3	[Reappointment]	Hirohisa Masuda	Director Managing Executive Officer in charge of administration
4	[New appointment]	Noriyuki Takahashi	Managing Executive Officer in charge of sales and marketing General Manager, Business Operation Division
5	[Reappointment] [Outside] [Independent]	Kiyomi Miyata	Outside Director Chairperson of the Nomination Examination Committee Member of the Remuneration Examination Committee
6	[Reappointment] [Outside] [Independent]	Masanori Kagami	Outside Director Chairperson of the Remuneration Examination Committee Member of the Nomination Examination Committee


No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1		February 1989	
		April 2005	
		April 2009	
		April 2011	
		April 2013	
		April 2014	23,157
		June 2014	
		Akihiko Sakurai (January 10, 1959) [Reappointment]	April 2015
April 2016			
April 2018			
Representative Director; President and CEO (to present)			
[Reason for nomination as candidate for Director] Mr. Akihiko Sakurai has been in charge of the management of the Company as Representative Director, President and CEO since April 2018. The Company believes that he has led the Company in the right direction by making calm and appropriate judgments and actions while maintaining a challenging mindset, even in matters requiring difficult management decisions that arose from time to time. The situation surrounding the reform and growth based on the long-term growth strategy that started in fiscal year 2022 and the medium-term management plan released in fiscal year 2023 still do not allow for optimism. Thus, the Company has nominated him so that he can continue to fulfill his responsibilities as Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 Yasumasa Kawana (September 29, 1960) [Reappointment]	April 1984	10,979
		April 2010	
		April 2011	
		April 2013	
		July 2013	
		April 2015	
		April 2016	
		April 2017	
		June 2017	
		April 2019	
		October 2020	
		November 2020	
		October 2021	
		April 2022	
<p data-bbox="399 927 1268 960">[Reason for nomination as candidate for Director]</p> <p data-bbox="399 965 1268 1628">Mr. Yasumasa Kawana has been a Director of the Company since June 2017 and played a part in the management of the Company. From a perspective of business execution, he has served as an officer in charge and General Manager relating to group strategy and corporate planning, and also as President of the Company's consolidated subsidiary. Based on his broad experience and in-depth insight, he has a global and group-wide strategic mindset with a higher perspective, as well as excellent capabilities in organizational development and personnel training, and the Company believes that he is capable of driving innovation and growth for the Company. Thus, the Company has nominated him again as a Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
3	 Hirohisa Masuda (March 28, 1961) [Reappointment]	April 1983	Joined the Company	10,358
		April 2008	General Manager, Nagasaki Branch, Kyushu Business Operation Division	
		April 2013	General Manager, Strategical Planning Department, Corporate Planning Division; Deputy General Manager, Internal Audit Division	
		April 2014	Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region	
		April 2015	Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region	
		April 2016	Executive Officer; General Manager, Global Business Division; General Manager, Overseas Business Department	
		April 2017	Executive Officer, the Company; Representative Director and President, Nippon Daiya Valve Co., Ltd. (seconded)	
		April 2019	Senior Executive Officer, the Company Representative Director and President, Nippon Daiya Valve Co., Ltd. (seconded)	
		April 2022	Managing Executive Officer in charge of sales and marketing; General Manager, Business Operation Division, the Company	
		June 2022	Director; Managing Executive Officer in charge of sales and marketing; General Manager, Business Operation Division	
April 2024	Director; Managing Executive Officer in charge of administration (to present)			
[Reason for nomination as candidate for Director] Mr. Hirohisa Masuda has been playing a part in the management of the Company as Director since June 2022. In terms of business execution, he had led the solid performance most recently as General Manager of the Business Operation Division responsible for leading the entire sales department, and as President of Nippon Daiya Valve Co., Ltd., a consolidated subsidiary of the Company, until the end of March 2022. In addition, he has sufficient capability in management, including organizational development and human resource development. Accordingly, the Company believes that he is capable of contributing to the enhancement of the corporate value and sustainable development of the Company. Thus, the Company has nominated him again as a Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4		April 1985 Joined the Company	5,760
		April 2011 General Manager, Business Administration Department, Business Control Division; Manager, Shanghai Office	
		April 2012 General Manager, Business Administration Department, Business Control Division, the Company	
		April 2013 General Manager, Business Promotion Department, Business Control Division, the Company; President, Seika Shanghai Co., Ltd.	
		April 2014 Deputy General Manager, Corporate Planning Division; General Manager, Business Development Department, the Company; President, Seika Shanghai Co., Ltd.	
		April 2015 Executive Officer; Deputy General Manager, Corporate Planning Division, the Company; President, Seika Shanghai Co., Ltd.	
		April 2016 Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region, the Company; President, Seika Shanghai Co., Ltd.	
		April 2018 Executive Officer, the Company; Director and Deputy President, Shikishimakiki Corporation (seconded)	
		April 2019 Executive Officer, the Company; Representative Director and President, Shikishimakiki Corporation (seconded)	
		April 2021 Senior Executive Officer, the Company; Representative Director and President, Shikishimakiki Corporation (seconded)	
		April 2022 Senior Executive Officer; Deputy General Manager, Business Operation Division (responsible for the energy field), the Company	
		April 2024 Managing Executive Officer in charge of sales and marketing; General Manager, Business Operation Division (to present)	
		Noriyuki Takahashi (February 7, 1961) [New appointment]	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5		<p>April 1969 Joined HOSOKAWA MICRON CORPORATION December 1998 Director December 2003 Vice President December 2008 Representative Director, President February 2009 Director, The Japan Society Of Industrial Machinery Manufacturers June 2012 Vice Chairman, Hosokawa Powder Technology Foundation October 2014 Chairman, HOSOKAWA MICRON CORPORATION December 2017 Full-time Adviser January 2019 Adviser (Part-time) June 2020 Outside Director, the Company (to present)</p>	2,336
	<p>Kiyomi Miyata (March 14, 1947)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>[Reason for nomination as candidate for Outside Director and expected roles] Mr. Kiyomi Miyata has monitored and supervised the Company's management from an independent perspective as an Outside Director since June 2020. He has also been active as the Chairperson of the Nomination Examination Committee and a member of advisory bodies, fulfilling his duties appropriately. Mr. Miyata previously held important posts such as Representative Director and President of HOSOKAWA MICRON CORPORATION. Based on his extensive experience, he has a higher viewpoint and broad view and can be expected to provide advice and supervision from a perspective different from internal directors. Thus, the Company has nominated him again as an Outside Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
6	 Masanori Kagami (January 6, 1952) [Reappointment] [Outside] [Independent]	January 1980	Joined Nippon Yusoki Co., Ltd. (currently Mitsubishi Logisnext Co., Ltd.)	501
		June 2010	Director, Executive Officer Representative Director and President, Nichiyu MHI Forklift Co., Ltd.	
		April 2013	Director, Kitakanto Nichiyu Co., Ltd. (to present) Director, Senior Executive Officer, Mitsubishi Nichiyu Forklift Co., Ltd. (currently Mitsubishi Logisnext Co., Ltd.)	
		June 2015	Director, Managing Executive Officer	
		October 2017	Director, Executive Vice President, Mitsubishi Logisnext Co., Ltd.	
		June 2020	Director and Chairman; Chairman of the Board of Directors	
		June 2021	Senior Executive Advisor Vice Chairperson, Japan Industrial Vehicles Association Member, Kyoto Chamber of Commerce and Industry	
		June 2022	Outside Director, the Company (to present)	
[Reason for nomination as candidate for Outside Director and expected roles] Mr. Masanori Kagami has monitored and supervised the Company's management from an independent perspective as Outside Director since June 2022. He has also been active as the Chairperson of the Remuneration Examination Committee and a member of advisory bodies, fulfilling his duties appropriately. He has held important positions such as Director and Chairman of Mitsubishi Logisnext Co., Ltd. With his practical sense and a higher viewpoint backed by his experience, he can be expected to make proposals from a perspective different from internal directors. Thus, the Company believes that he is capable of contributing to the enhancement of management structure of the Company, and has nominated him again as an Outside Director.				

(Notes)

1. There are no special interests between the candidates and the Company.
2. Mr. Kiyomi Miyata and Mr. Masanori Kagami are candidates for Outside Director.
3. Mr. Kiyomi Miyata and Mr. Masanori Kagami are currently Outside Directors of the Company.
4. The term of office of Mr. Kiyomi Miyata as Outside Director will be four years at the conclusion of this Annual General Meeting of Shareholders.
5. The term of office of Mr. Masanori Kagami as Outside Director will be two years at the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into an agreement with Mr. Kiyomi Miyata and Mr. Masanori Kagami to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
7. The Company has registered Mr. Kiyomi Miyata and Mr. Masanori Kagami as independent directors with the Tokyo Stock Exchange.
8. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. All candidates are expected to be included as insured parties under the agreement. The Company intends to renew the agreement with the same terms and conditions at the next renewal.

Proposal 3: Election of three (3) Directors Serving as Members of the Audit and Supervisory Committee


The terms of office of all three (3) Directors Serving as Members of the Audit and Supervisory Committee will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Directors Serving as Members of the Audit and Supervisory Committee.


This proposal has been approved by the Audit and Supervisory Committee.

The candidates for Directors serving as members of the Audit and Supervisory Committee are as follows:

No.	Name		Current positions and responsibilities at the Company
1	[New appointment]	Tatsuhiko Hirayama	Executive Partner *Representative Director and President, Meinan Kyodo Energy (seconded) * Scheduled to retire on June 18, 2024
2	[Reappointment] [Outside] [Independent]	Yuko Shirai	Outside Director (Member of the Audit and Supervisory Committee) Member of the Nomination Examination Committee
3	[Reappointment] [Outside] [Independent]	Yoshihiko Nakamura	Outside Director (Member of the Audit and Supervisory Committee) Member of the Remuneration Examination Committee

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	 Tatsuhiko Hirayama (December 12, 1958) [New appointment]	<p>April 1984 Joined the Company</p> <p>April 2009 General Manager, Takamatsu Branch, Osaka Operations Division I</p> <p>April 2012 General Manager, Seika Shanghai Co., Ltd.; Manager, Shanghai Office, the Company (seconded)</p> <p>April 2014 General Manager, Hiroshima Branch, the Company</p> <p>April 2015 General Manager, Hiroshima Branch; General Manager, Tokuyama Branch</p> <p>April 2018 Assistant to General Manager, Business Control Division</p> <p>June 2018 Full-time Auditor</p> <p>June 2020 Senior Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region</p> <p>March 2021 Senior Executive Officer; Deputy General Manager, Business Control Division, Chemicals and Energy Plant Region, the Company; President, Meinan Kyodo Energy</p> <p>April 2021 Senior Executive Officer, the Company; Representative Director and President, Meinan Kyodo Energy (seconded)</p> <p>April 2022 Executive Partner, the Company; *Representative Director and President, Meinan Kyodo Energy (seconded) (to present) * Scheduled to retire on June 18, 2024</p> <p>[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee] Mr. Tatsuhiko Hirayama has been in charge of the management of Meinan Kyodo Energy, an affiliate of the Company as President until June 2024. In addition, he served as a Full-Time Auditor of the Company for two years until June 2020, and has background and aptitude for auditing and supervising to ensure the soundness of management, in addition to capability of corporate management. Furthermore, before and after serving as an auditor, he had long experience as a person responsible for sales and is well versed in the Company's business. Thus, the Company has newly nominated him as a Director and a member of the Audit and Supervisory Committee.</p>	9,960

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	 <p data-bbox="177 633 397 696">Yuko Shirai (February 11, 1954)</p> <p data-bbox="177 730 397 819">[Reappointment] [Outside] [Independent]</p>	<p data-bbox="402 268 1268 300">April 1986 Registered as attorney (Tokyo Bar Association)</p> <p data-bbox="402 304 1268 367">April 1991 Established Wing Law Office (formerly Shin-Yotsuya Law Office) (Partner)</p> <p data-bbox="402 371 1268 403">April 2004 Director, Kanto Federation of Bar Associations</p> <p data-bbox="402 407 1268 448">April 2005 Expert Committee Member and Conciliation Committee Member, Tokyo District Court</p> <p data-bbox="402 452 1268 483">May 2009 Chair, Shinjuku Ward Board of Education</p> <p data-bbox="402 488 1268 519">April 2010 Auditor, Japan Federation of Bar Associations</p> <p data-bbox="402 524 1268 555">April 2011 Auditor, Japan Intellectual Property Arbitration Center</p> <p data-bbox="402 560 1268 591">April 2012 Vice-President, Tokyo Bar Association</p> <p data-bbox="402 595 1268 627">October 2013 Chair, Shinjuku Ward Board of Education</p> <p data-bbox="402 631 1268 663">June 2015 Outside Director, the Company</p> <p data-bbox="402 667 1268 698">April 2016 Audit Commissioner, Shinjuku Ward, Tokyo (Part-time)</p> <p data-bbox="402 703 1268 734">April 2019 Chief Audit Commissioner (Part-time)</p> <p data-bbox="402 739 1268 770">June 2021 Independent Director, ANEST IWATA Corporation (to present)</p> <p data-bbox="402 775 1268 846">June 2022 Outside Director (Member of the Audit and Supervisory Committee), the Company (to present)</p>	4,083
	<p data-bbox="402 851 1461 913">[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee and expected roles]</p> <p data-bbox="402 918 1461 1153">Ms. Yuko Shirai has monitored and supervised the Company's management from an independent perspective as an Outside Director since June 2015, and she has also assumed an auditing function as a Director serving as a member of Audit & Supervisory Committee since June 2022. She has been fulfilling both of her duties appropriately. She has specialized knowledge and insight as an attorney, mainly relating to corporate legal affairs, as well as an objective perspective overlooking society in general. The Company judges that she will contribute to ensuring transparency and fairness from a perspective different from internal directors, and thus nominated her again as an Outside Director and a member of the Audit and Supervisory Committee.</p>		

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	 Yoshihiko Nakamura (November 28, 1956) [Reappointment] [Outside] [Independent]	October 2003 Partner, KPMG AZSA & Co. (currently KPMG AZSA LLC) June 2019 Retired July 2019 Established Certified Public Accountant Yoshihiko Nakamura Accounting Office (to present) June 2020 Outside Director, MITSUBISHI MOTORS CORPORATION (to present) June 2020 Outside Auditor, the Company June 2022 Outside Director (Member of the Audit and Supervisory Committee), the Company (to present)	200
<p>[Reason for nomination as candidate for Director serving as a member of the Audit and Supervisory Committee and expected roles] Mr. Yoshihiko Nakamura has served as an Outside Auditor of the Company since June 2020 and as an Outside Director serving as a member of the Audit and Supervisory Committee since June 2022. He has audited and supervised the legality and appropriateness of the Directors' execution of their duties, and contributed to ensuring the soundness of the management. As a certified public accountant, he has been involved in a number of corporate accounting audits and M&A projects, and has a high level of expertise in corporate accounting and auditing. The Company expects him to provide advice and supervision from a perspective different from internal directors, and thus nominated him again as an Outside Director and a member of the Audit and Supervisory Committee.</p>			

(Notes)

1. There are no special interests between the candidates and the Company.
2. Ms. Yuko Shirai and Mr. Yoshihiko Nakamura are candidates for Outside Directors.
3. Ms. Yuko Shirai and Mr. Yoshihiko Nakamura are currently Outside Directors of the Company.
4. The term of office of Ms. Yuko Shirai as Outside Director will be nine years and the term of office as Outside Director serving as a member of the Audit and Supervisory Committee will be two years at the conclusion of this Annual General Meeting of Shareholders.
5. The term of office of Mr. Yoshihiko Nakamura as Outside Director serving as a member of the Audit and Supervisory Committee will be two years at the conclusion of this Annual General Meeting of Shareholders.
6. The Company has entered into agreements with Ms. Yuko Shirai and Mr. Yoshihiko Nakamura to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
7. The Company has registered Ms. Yuko Shirai and Mr. Yoshihiko Nakamura as independent directors with the Tokyo Stock Exchange.
8. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. All candidates are expected to be included as insured parties under the agreement. The Company intends to renew the agreement with the same terms and conditions at the next renewal.

Proposal 4: Election of one (1) Substitute Director Serving as a Member of the Audit and Supervisory Committee

In order to prepare for a shortfall in the number of Directors serving as members of the Audit and Supervisory Committee prescribed by laws and regulations, the Company proposes the election of Ms. Sachiyo Kosugi as a Substitute Director serving as a member of the Audit and Supervisory Committee.

Furthermore, this resolution for election may be canceled by resolution of the Board of Directors with the consent of the Audit and Supervisory Committee, only before Ms. Sachiyo Kosugi's assumption of office.

This proposal has been approved by the Audit and Supervisory Committee.

The candidate for Substitute Director Serving as a Member of the Audit and Supervisory Committee is as follows:

Name (Date of birth)	Past experience and significant concurrent positions	Number of shares of the Company held
Sachiyo Kosugi (July 9, 1972)	October 2004 Registered as attorney (Dai-Ichi Tokyo Bar Association)	-
	October 2004 Associate, Nagashima Ohno & Tsunematsu	
	April 2009 Chief of Legal Affairs, Payment and Settlement Systems Department, Bank of Japan	
	July 2011 Worked for SoftBank Mobile Corp. (currently SoftBank Corp.)	
	October 2014 Deputy Associate Director, NISSIN FOODS HOLDINGS CO., LTD.	
	January 2016 Associate, Tokyo Aoi Law Office	
	July 2019 Counsel, T&K Partners (to present)	
	July 2023 Outside Director, TOA Xible Co., Ltd. (to present)	

(Notes)

1. There are no special interests between the candidate and the Company.
2. Ms. Sachiyo Kosugi is a candidate for a substitute Outside Director serving as a member of the Audit and Supervisory Committee, and if she assumes the office, the Company plans to register her as an independent director with the Tokyo Stock Exchange.
3. Ms. Sachiyo Kosugi possesses a wealth of experience as an attorney, and expertise and deep insight especially in the fields of finance, M&A, real estate and corporate legal affairs, etc. She has work experience in the department of legal affairs of Bank of Japan and general companies. It is inferred that she has high proficiency and affinity with practical work in business and expected to play an active part immediately in the Board of Directors and the Audit and Supervisory Committee as expected. As an independent Outside Director with the legal backbone, the Company has judged that she will contribute to securing the transparency and fairness of the Company by supervising and auditing the Company's overall management from a perspective different from internal directors, and thus nominated her as a substitute Director serving as a member of the Audit and Supervisory Committee.
Although she has no past experience involved in corporate management directly, the Company has judged that she will appropriately perform her duties as an Outside Director serving as a member of the Audit and Supervisory Committee for the reasons described above.
4. If Ms. Sachiyo Kosugi assumes the office of Outside Director serving as a member of the Audit and Supervisory Committee, the Company plans to enter into an agreement with her to limit her liability pursuant to Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.
5. The Company has entered into a directors and officers liability insurance agreement with an insurance company, which covers legal damages and litigation expenses borne by the insured. If Ms. Sachiyo Kosugi assumes the office of Outside Director serving as a member of the Audit and Supervisory Committee, she will be included as the insured under the agreement.

Proposal 5: Determination of Amounts and Details of Stock Remuneration, etc. for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)

1. Reasons for the proposal and rationale for the appropriateness of the proposed remuneration

Remuneration for Directors of the Company (excluding Directors serving as members of the Audit and Supervisory Committee and Outside Directors; the same applies hereinafter) comprises “fixed remuneration,” “bonus,” and “stock remuneration-type stock options.” However, as a result of deliberations on a remuneration plan that is appropriate for clarifying the linkage between remuneration for Directors and the Company’s performance and share value, and thereby to increase Directors’ awareness of contribution to enhancing the performance and increasing corporate value in the medium to long term, the Company proposes to newly introduce a performance-linked stock remuneration plan, under which the Company’s shares are delivered to the Company’s Directors (excluding Directors serving as members of the Audit and Supervisory Committee, Outside Directors, and non-residents of Japan) in accordance with their positions, level of achievement of performance targets, and other factors (hereinafter the “Plan”), instead of the “stock remuneration-type stock options.” In the 99th Annual General Meeting of Shareholders held on June 28, 2022, it was approved to set the remuneration for Directors at not more than 300 million yen per annum. The Company hereby proposes to pay the stock remuneration to Directors separately from this amount.

This proposal aims to increase Directors’ awareness of contribution to enhancing the Company’s performance and increasing corporate value in the medium to long term by clarifying the linkage between remuneration for Directors and the Company’s performance and share value, as well as by sharing returns and risks of changes in the stock price between Directors and shareholders. Accordingly, the Company believes that the contents of this proposal are appropriate.

If this proposal is approved and resolved, the Company shall abolish the remuneration under the “stock remuneration-type stock options,” which was approved in the 99th Annual General Meeting of Shareholders held on June 28, 2022, and shall not newly grant share acquisition rights to Directors.

If Proposal 2 “Election of six (6) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee)” is approved and resolved as originally proposed, the Company will have four Directors eligible for the Plan at the conclusion of this Annual General Meeting of Shareholders.

2. Amounts and the details of the remuneration, etc. under the Plan

(1) Overview of the Plan

The Plan is a stock remuneration plan whereby a trust acquires the Company’s shares using the amount equivalent to remuneration for Directors contributed by the Company, and whereby the Company’s shares and an amount of cash equivalent to the Company’s shares converted into cash (hereinafter, the “Company’s Shares, etc.”) are delivered and paid (hereinafter “Delivery, etc.”) to Directors, in accordance with their positions, level of achievement of performance targets, and other factors, through the trust. (For details, please see (2) below and paragraphs that follow.)

1) Persons eligible for the Delivery, etc. of the Company’s Shares, etc. subject to this proposal	<ul style="list-style-type: none"> Directors of the Company (excluding Directors serving as members of the Audit and Supervisory Committee, Outside Directors, and non-residents of Japan) 	
2) Effect of the Company’s shares subject to this proposal on the total number of shares issued and outstanding	Maximum amount of money to be contributed by the Company (as stated in (3) below)	<ul style="list-style-type: none"> Up to 240 million yen for a target period of four fiscal years (an amount to be determined by multiplying 60 million yen by the number of years in the target period) For the initial target period, the amount shall be 180 million yen for three fiscal years. (The initial target period shall be three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027.)
	Maximum number of the Company’s Shares, etc. subject to Delivery, etc. to Directors (as stated in (4) below)	<ul style="list-style-type: none"> Up to 160,000 shares for a target period of four fiscal years (a number of shares to be determined by multiplying 40,000 shares by the number of years in the target period) For the initial target period, the number of shares shall be 120,000 shares for three fiscal years (The initial target period shall be three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027), accounting for approximately 1% of the total number of the Company’s shares issued and outstanding (as of March 31, 2024; net of treasury shares).

	Acquisition method of the Company's shares (as stated in (3) below)	<ul style="list-style-type: none"> The Company's shares under the Plan shall be acquired from the stock market or the Company (disposal of treasury shares). (No dilution will occur as the Company's shares for the initial target period will be acquired from the stock market.)
3) Details of the conditions for achieving performance targets (as stated in (4) below)		<ul style="list-style-type: none"> Variable in the range of 0 to 150% in accordance with the level of achievement of performance targets in the medium-term management plan during the target period and other factors The indicators for assessing performance to be applied for the initial target period are ROE, market capitalization, and level of implementation of the medium-term management plan.
4) Timing of Delivery, etc. of the Company's Shares, etc. to Directors (as stated in (5) below)		<ul style="list-style-type: none"> When a Director resigns from the position of Director of the Company, in principle

(2) Trust period

The initial trust period shall be three years from August 2024 (planned) to August 2027 (planned). However, the trust period may be extended at the expiration of the trust period, as stated in (3) below.

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

The Plan shall cover four consecutive fiscal years as the target period. The initial target period of the Plan, which shall be implemented in this fiscal year, shall be three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2027 (hereinafter, the "Initial Target Period"; If the trust period is extended as stated below, every four-year period thereafter shall be the target period).

The Company shall establish a trust whose beneficiaries are Directors for a period corresponding to the target period (hereinafter, the "Trust"), by contributing cash up to 240 million yen in total for every target period (180 million yen for the initial period) as remuneration for Directors. The Trust shall acquire Company's shares from the stock market or the Company (disposal of treasury shares) using the trust money in accordance with instructions of the trust administrator (For the Initial Target Period of three fiscal years, shares are to be acquired from the stock market). During a target period, the Company shall grant points to Directors (as stated in (4) below), and when a Director retires from the position of Director, the Company shall make a Delivery, etc. of the Company's Shares, etc. corresponding to the number of these points from the Trust.

At the expiry of the trust period of the Trust, the Company may continue the Trust by modifying the trust agreement and making additional contributions. In such a case, the fiscal years subject to the medium-term management plan the Company holds at that time shall be the new target period, and the trust period of the Trust shall be extended by the number of years corresponding to the period. For each extended period, the Company shall make additional contributions within the maximum amount of trust money to be contributed to the Trust, which shall be approved and resolved at this Annual General Meeting of Shareholders. During the extended period, the Company shall continue granting points to Directors and the Trust shall continue Delivery, etc. of the Company's Shares, etc. However, if, in the case of making such additional contributions, the Company's shares (excluding the Company's shares corresponding to the points which have already been granted to Directors but for which Delivery, etc. has yet to be done) and money (hereinafter the "Remaining Shares, etc.") remain in the trust asset at the end date of the trust period before extension, the total amount of the Remaining Shares, etc. and the trust money to be additionally contributed shall be within the range to be approved and resolved at this Annual General Meeting of Shareholders. The trust period may be re-extended in the same way in the future, rather than only once.

In addition, if the trust agreement is not modified and no additional trust is made at the expiry of the trust period (or the expiry of the extended trust period, if the trust period has been extended as described above), no new points shall be granted to Directors after the expiry. However, the trust period of the Trust may be extended for a certain limited period until the Delivery, etc., of the Company's Shares, etc. to Directors who are likely to meet the beneficiary requirements is completed.

(4) Method of calculating the number of Company's Shares, etc. for Delivery, etc. to the Directors and maximum number thereof

The number of Company's Shares, etc. subject to Delivery, etc. to Directors shall be determined by the number of points granted to Directors at certain timing in each year in accordance with their positions, level of achievement of performance targets for each fiscal year in the medium-term management plan, and other factors. When a Director retires from the position of Director, Delivery, etc. of the Company's Shares, etc. shall be made in accordance with the number of points accumulated (hereinafter, the "Number of Accumulated Points").

One point shall be equivalent to a share of the Company's common stock. If any stock split or stock consolidation occurs on the Company's shares in the Trust during the trust period, the number of the Company's shares per point and the maximum number of the Company's Shares, etc. subject to Delivery, etc. from the Trust shall be adjusted in accordance with the ratio of stock split or consolidation.

The maximum number of points to be granted within the trust period of the Trust shall be 40,000 points per annum. In addition, the maximum number of the Company's Shares, etc. Directors may receive in Delivery, etc. from the Trust during the trust period of the Trust shall be the number of shares corresponding to the maximum number of points (hereinafter, "Maximum Number of Shares Delivered"). Accordingly, the Maximum Number of Shares Delivered corresponding to the Initial Target Period that covers three fiscal years shall be 120,000 shares.

If the Trust is continued as stated in (3), the Maximum Number of Shares Delivered for the extended trust period shall be 160,000 shares for four fiscal years. This Maximum Number of Shares Delivered has been determined taking into account the maximum amount of money contributed by the Company as stated in (3) above and with reference to the latest stock prices and other factors.

(5) Method and timing of Delivery, etc. of the Company's Shares, etc. to Directors

Directors who meet the beneficiary requirements shall receive Delivery, etc. of the number of Company's Shares, etc. corresponding to the Number of Accumulated Points determined based on (4) from the Trust when he/she retires from the position of Director of the Company. At that time, by following a prescribed beneficiary vesting procedure, the Director shall receive delivery of the Company's shares in the number corresponding to certain percentage of points (with any share less than one unit being rounded down) and payment of cash for the Company's shares corresponding to the remaining points in an amount equivalent to the converted value thereof after converting them into cash in the Trust.

If a Director becomes a non-resident of Japan during the trust period, in principle, all of the Company's shares corresponding to the Number of Accumulated Points that have been granted to the Director at that time shall be converted into cash in the Trust and the Director shall receive an amount of money equivalent to the converted value.

In addition, if a Director dies during the trust period, in principle, all of the Company's shares corresponding to the Number of Accumulated Points that have been granted to the Director at that time shall be converted into cash in the Trust and the heir of the Director shall receive an amount of money equivalent to the converted value.

(6) Voting rights related to the Company's shares in the Trust

Voting rights related to the Company's shares in the Trust shall not be exercised during the trust period, in order to ensure neutrality of the management.

(7) Handling of dividends of the Company's shares in the Trust

The dividends of the Company's shares in the Trust shall be received by the Trust and allocated to its trust fees and trust expenses.

(8) Other details of the Plan

Other details related to the Plan shall be determined at a meeting of the Board of Directors each time the Trust is established, the trust agreement is modified, or additional contributions to the Trust are made.

(Reference)

The Company plans to introduce a stock remuneration plan with the same details as the Plan for Executive Officers of the Company not concurrently serving as Directors of the Company.

(Reference) Diversity of the Board of Directors

If Proposal 2 and Proposal 3 as described in this Notice of Convocation are approved as proposed, the skill matrix of the Company's Board of Directors will be as follows.

Name	Independence	■ Male ◆ Female	Skills expected by the Company (knowledge, experience, abilities)						
			Corporate management/ business strategy	Finance / Accounting	Legal affairs / compliance	Industry knowledge / marketing	ESG, sustainability	International	
Directors (excluding Members of the Audit and Supervisory Committee)	Akihiko Sakurai		■	●		●	●	●	●
	Yasumasa Kawana		■	●	●		●	●	
	Hirohisa Masuda		■	●	●	●	●		
	Noriyuki Takahashi		■	●		●	●		●
	Kiyomi Miyata	●	■	●				●	●
	Masanori Kagami	●	■	●				●	●
Directors Serving as Members of the Audit and Supervisory Committee	Tatsuhiko Hirayama		■	●		●	●		●
	Yuko Shirai	●	◆			●		●	
	Yoshihiko Nakamura	●	■		●				●

Note: The table above does not present all skills possessed by each candidate.

(Appendix)

Business Report

(April 1, 2023 – March 31, 2024)

1. Overview of the Corporate Group

(1) Business Progress and Results

During the fiscal year under review, while the Japanese economy saw a normalization of economic activities as the COVID-19 pandemic came to a conclusion, the future outlook remained uncertain due to factors such as geopolitical risks that were heightening and materializing, persistently high resource and material prices, and concerns over economic impact of global financial tightening.

In this economic environment, the Group recorded net sales of 86,785 million yen, a decrease of 7.0% year on year, for the fiscal year under review due to a rebound from the delivery of large business projects in the previous fiscal year at the Company on a non-consolidated basis. Regarding profit, although selling, general and administrative expenses increased at the Company on a non-consolidated basis mainly due to expenses spent prior to the reinforcement of the corporate structure for business expansion, operating profit increased 20.3% year on year to 5,580 million yen mainly due to a significant increase in profit at domestic and overseas subsidiaries. On the other hand, ordinary profit decreased 0.5% year on year to 6,255 million yen and profit attributable to owners of parent decreased 10.2% year on year to 4,489 million yen, due to the recording in the previous fiscal year of negative goodwill as a result of acquisition of shares leading to conversion into equity method affiliate and gain on sale as a result of larger reduction of cross-shareholdings than the fiscal year under review.



The results by segment are as follows.

From the fiscal year under review, the Company revised segmentation of its business from the former “Power Plant,” “Chemicals and Energy Plant,” “Industrial Machinery” and “Global Business” to the following three segments: “Energy,” “Industrial Machinery” and “Product.” The year-on-year comparison is based on the segmentation after the revision.

[Energy Business]

Maintenance projects for power generation facilities remained strong for both electric power companies in the regions of Western Japan and private power generation for general industries in Tokyo metropolitan area, Kansai and other regions. However, net sales decreased 5.0% year on year to 29,701 million yen due to a rebound from the delivery of large new projects in the previous fiscal year, and segment income decreased 3.5% year on year to 1,984 million yen due to factors including the aforementioned increase in selling, general and administrative expenses at the Company on a non-consolidated basis mainly due to expenses spent prior to the reinforcement of the corporate structure.

[Industrial Machinery Business]

While net sales decreased 20.9% year on year to 27,604 million yen due to a rebound of delivery of large business project at the Company on a non-consolidated basis in the previous fiscal year, segment income was 150 million yen (profit of 0 million yen for the previous fiscal year), due mainly to the recovery of usual business activities and performance at some overseas consolidated subsidiaries, whose activities had been significantly restricted by the COVID-19 pandemic.

[Product Business]

Mainly due to the continued favorable performance of the Group companies such as the Tsurumi (Europe) GmbH Group, which mainly handles submersible pumps for construction in Europe and Nippon Daiya Valve Co., Ltd., which manufactures and sells diaphragm valves and other valves, in addition to the strong performance of measurement equipment business at the Company on a non-consolidated basis, net sales increased 8.5% year on year to 29,478 million yen and segment income increased 29.5% year on year to 3,378 million yen.

Overseas sales of the Group increased 12.2% year on year to 16,836 million yen, and accounted for 19.4% of the total net sales of the Group.

The amount of orders received and net sales of the Group by segment are as follow:

Segment	100 th fiscal year (FY2022)				101 st fiscal year (FY2023)			
	Amount of orders received		Net sales		Amount of orders received		Net sales	
	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)	Amount (in million yen)	Composition (%)
Energy	32,979	36.5	31,254	33.5	34,342	37.5	29,701	34.2
Industrial Machinery	26,669	29.6	34,892	37.4	25,959	28.3	27,604	31.8
Product	30,596	33.9	27,163	29.1	31,283	34.2	29,478	34.0
Total	90,245	100.0	93,311	100.0	91,585	100.0	86,785	100.0

(2) Capital Investments

There are no special matters to be noted.

(3) Financing

Funds required for the fiscal year under review were self-financed or financed through borrowings and were not procured through capital increase or bond issue.

In addition, to efficiently procure necessary funds, the Company has entered into a commitment line agreement of 5.0 billion yen in total with major financial institutions.

The Company has also established an uncommitted overdraft facility totaling 11.1 billion yen.

(4) Issues to Be Addressed

In the Medium-Term Management Plan, the Company has set “green environment” as the main theme of business activities and made it the most significant mission to support the sustainable generation of energy and industrial activities in harmony with the global environment and to bring about sustainable growth of the Company itself and enhancement of its corporate value by taking advantage of these efforts as a growth driver. In order to achieve the mission, the Company has set the following four items as the basic policy:

1) Realization of the management conscious of capital cost and stock price

Always be conscious of improvement of return on invested capital and implement reform of management, strategic resource allocation, risk management, optimization of business portfolio, and appropriate information disclosure.

2) Strengthening of group management

The head office will provide active and centralized support to group companies and thereby promote stability of corporate operations and strengthening of governance system.

3) Realization of management emphasizing human capital

Unlock the maximum value of human capital and contribute to improvement of corporate value through the actions including implementation of measures and training system to improve ability and motivation of employees and appropriate assignment of employees to maximize capacity of the organization.

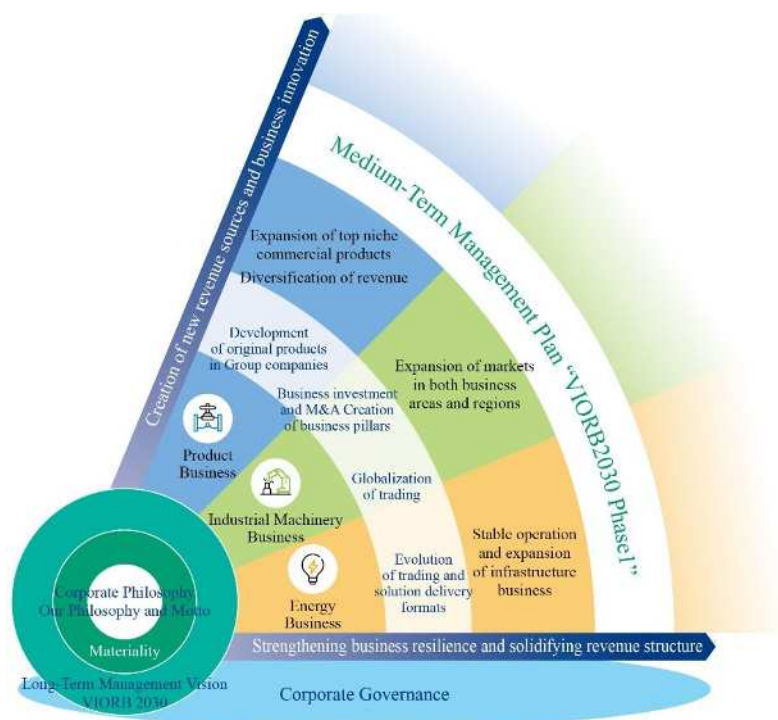
4) Enhancement of strategies and structure of each business segment

Set strategies based on the characteristic of each business segment, develop structures to analyze business environment and monitor growth effectively, and promote optimization of business from a medium- to long-term perspective.

The major sales strategies of each segment are as follows:

Energy	Stable operation and expansion of infrastructure business Development of insight into users' needs to expand commercial rights in the domain of decarbonization
Industrial Machinery	Expansion of markets in both business areas and regions Resolution of issues towards realization of a circular economy Proposals of automation that aligns to trends and needs of each industry
Product	Expansion of top niche commercial products related to advanced measuring instruments and digital transformation (DX) Further expansion of business into the semiconductor field Development of original products in Group companies












By regarding its growth strategy as shown in the model diagram to the right, the Company will strengthen its existing business foundation in parallel with creating a new revenue structure, to strengthen resilience of the Seika Group as a whole.



In addition, the Group has identified four “Themes of Materiality” and 12 important issues and it should address on a prioritized basis by analyzing how various social issues relate to and affect the Company’s business. By correlating materiality to management strategies and measures taken by the Sustainability Committee, the Company aims to resolve these issues through its business activities.

- | | |
|---|--|
| <p>“Resolving social issue through the business”</p> <ol style="list-style-type: none"> 1. Contributing to the global environment for the next generation 2. Contributing to sustainable growth of industry | <p>“Reinforcement of management base for sustainable growth”</p> <ol style="list-style-type: none"> 3. Prosperous coexistence with shareholders 4. Practicing transparent governance |
|---|--|

Subcommittees under the Sustainability Committee take responsibility for issues by theme, set specific initiatives to resolve them and KPIs to measure the achievement, and report the progress to the Sustainability Committee. The Sustainability Committee gives instructions on the policies to subcommittees and monitors their activities, in order to establish a system that will ensure that the purposes and sustainability management will be put into practice.

Sustainability Committee				
Monitoring ↓ ↑ Reporting				
	Theme of Materiality	Important Issues	Responsible subcommittee	Relevant SDGs
Resolving social issue through the business	 1. Contributing to the global environment for the next generation	<ul style="list-style-type: none"> ● Expansion of clean energy ● Decarbonization of thermal power generation ● Initiatives based on TCFD recommendations 	“Environmental Initiative” Subcommittee	   
	 2. Contributing to sustainable growth of industry	<ul style="list-style-type: none"> ● Promotion of energy and resource conservation ● Promotion of Digital Transformation ● Contributing to the sustainability of marine resources 		
Reinforcement of management base for sustainable growth	 3. Prosperous coexistence with shareholders	<ul style="list-style-type: none"> ● Improvement of employee engagement ● Promotion of diversity ● Coexistence with local society 	“Management that Values Employees” Subcommittee	 
	 4. Practicing transparent governance	<ul style="list-style-type: none"> ● Enhancement of corporate governance ● Enhancement of corporate governance ● Enhancing data security 	“Improving Management Quality” Subcommittee	

(5) Trends in Assets and Income

The trends in the business results and assets of the Group are as follow:

(In million yen, unless otherwise specified.)

Item	98 th fiscal year (FY2020)	99 th fiscal year (FY2021)	100 th fiscal year (FY2022)	101 st fiscal year (FY2023)
Gross sales	136,273	134,261	175,741	205,383
Net sales	71,933	85,307	93,311	86,785
Operating profit	2,581	3,824	4,636	5,580
Ordinary profit	2,906	3,879	6,286	6,255
Profit attributable to owners of parent	2,721	2,246	5,001	4,489
Profit per share (yen)	221.87	186.85	415.79	372.46
Net assets	29,889	31,101	35,736	43,180
Net assets per share (yen)	2,365.06	2,516.57	2,907.20	3,507.42
Total assets	97,458	104,865	79,990	118,543

Note: The Company adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the 99th fiscal year. Net sales for the 98th fiscal year were retrospectively restated to reflect these accounting standards. Following these accounting standards, net sales relating to transactions in which the Company acts as an agent represent the total sales less the cost of goods purchased. The total sales before the offset are presented as gross sales.

(6) Parent Company and Major Subsidiaries

1) Relations with parent company
Not applicable.

2) Major subsidiaries

Name	Capital	Capital investment ratio	Principal business
Nippon Daiya Valve Co., Ltd.	96 million (JPY)	100%	Manufacture and sale of industrial valves
Seika Digital Image CORPORATION	95 million (JPY)	100%	Sales of advanced measuring instruments and software
Shikishimakiki Corporation	96 million (JPY)	100%	Sales and installation of ships, internal combustion engines, fishing equipment, power generation equipment, etc.
Seika Daiya Engine Co., Ltd.	96 million (JPY)	100%	Sales and servicing of marine engines in Japan, and sales of related products
Seika Sangyo GmbH	1,533 thousand (EUR)	100%	Sales of forging machinery for the automotive industry, automotive robots, and industrial equipment related to surface mounting
Tsurumi (Europe) GmbH	550 thousand (EUR)	95%	Sales of submersible pumps
Tsurumi France S.A.S.	375 thousand (EUR)	(95%)	Sales and rental of submersible pumps and wastewater treatment and other environmental equipment
HYDREUTES, S.A.U.	60 thousand (EUR)	(95%)	Sales of submersible pumps and wastewater treatment and other environment-related equipment
MMPumps nv	158 thousand (EUR)	(95%)	Sales and rental of submersible pumps
Tsurumi UK Limited	100 (GBP)	(76%)	Holding company of Tsurumi Pumps UK Limited
Tsurumi Pumps UK Limited	50 thousand (GBP)	(76%)	Sales of submersible pumps
SEIKA MACHINERY, INC.	1,000 thousand (USD)	100%	Sales of industrial machinery mainly electronics board mounting equipment
SEIKA SHANGHAI CO., LTD.	47,744 thousand (CNY)	100%	Sales of industrial machinery and raw materials for synthetic fiber production
TIANJIN DAIYA VALVE CO., LTD.	16,175 thousand (CNY)	(100%)	Manufacture and sale of industrial valves
Seika Sangyo (Thailand) Co., Ltd.	20,000 thousand (THB)	49%	Sale of industrial machinery, electrical equipment and related materials, and after-sales service for these products
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	64,000 million (VDN)	100%	Sales of industrial machinery, electrical equipment and related materials, and after-sales service for these products

Name	Capital	Capital investment ratio	Principal business
NDV (Thailand) Co., Ltd.	20,000 thousand (THB)	(73.99)%	Manufacture and sale of industrial valves
FORMOSA SEIKA CORPORATION	10,000 thousand (NTD)	100%	Sale and import/export of various plants, machinery and equipment, environmental protection equipment, and chemical raw materials

- Notes: 1. Figures in parentheses in the Company's "capital investment ratio" column indicate the indirect investment ratio.
2. Although the percentage of voting rights held by the Company in Seika Sangyo (Thailand) Co., Ltd. does not exceed 50%, the said company is included as a subsidiary because it is effectively controlled by the Company.
3. There are no subsidiaries that fall under the category of a specified wholly owned subsidiary.
4. TAKEMOTO AND COMPANY LIMITED, which was a consolidated subsidiary at the end of the previous fiscal year, has been excluded from the scope of consolidation because the Company sold shares that it held in TAKEMOTO AND COMPANY LIMITED during the fiscal year under review. However, it is included in the scope of consolidation on the consolidated statement of income.
5. Obart Pumps Limited changed its name to Tsurumi Pumps UK Limited on September 1, 2023 and Marine Motors & Pumps N.V. changed its name to MMPumps nv on January 1, 2024, respectively.
6. Since NDV (Thailand) Co., Ltd. became material, it has been included in the scope of consolidation from the fiscal year under review.
7. FORMOSA SEIKA CORPORATION was established on November 10, 2023.

(7) Principal Business

The Group classifies its business into Energy, Industrial Machinery, and Product segments. Each segment is developing businesses related to the sale, maintenance, and servicing mainly of key facilities, ancillary equipment related to key facilities, and environmental protection equipment that are needed in respective fields, both in Japan and overseas.

The segments and their main products and services are as follows:

Segment	Main products and services
Energy	<ul style="list-style-type: none"> • Sale and maintenance of power generation equipment (nuclear, thermal and renewable energy) for business use and peripheral environmental protection equipment • Sale and promotion of equipment for carbon reduction, decarbonation and energy/resource conservation of thermal power generation equipment • Sale and maintenance of energy-related equipment that align to green growth strategies for fundamental industries supporting social infrastructure, such as oil, chemical and steel
Industrial Machinery	<ul style="list-style-type: none"> • Sale and maintenance of equipment and products that contribute to increased production efficiency and reduced environmental impacts, including energy conservation, resource conservation, labor saving, and introduction of DX, for plants in various industries • Sale of various materials including emerging materials and raw materials
Product	<ul style="list-style-type: none"> • Sale of global top niche advanced measuring instruments to realize decarbonization and energy conservation in various industries • Sale of surface mounting equipment for electronics industry and sale of circuit boards and other materials • Sale of highly unique and competitive products such as submersible pumps, engines and valves

(8) Principal Business Locations

1) Principal offices of the Company

Head office: Chiyoda-ku, Tokyo

Branch office: Osaka

Other branches: Nagoya, Hiroshima, Fukuoka, and other major cities in Japan and overseas

2) Principal offices of major subsidiaries

Nippon Daiya Valve Co., Ltd. (Shinagawa-ku, Tokyo)

Seika Digital Image CORPORATION (Bunkyo-ku, Tokyo)

Shikishimakiki Corporation (Sapporo, Hokkaido)

Seika Daiya Engine Co., Ltd. (Shinjuku-ku, Tokyo)

Seika Sangyo GmbH (Germany)

Tsurumi (Europe) GmbH (Germany)

Tsurumi France S.A.S. (France)

HYDREUTES, S.A.U. (Spain)

MMPumps nv (Belgium)

Tsurumi UK Limited (U.K.)

Tsurumi Pumps UK Limited (U.K.)

SEIKA MACHINERY, INC. (U.S.A.)

SEIKA SHANGHAI CO., LTD. (China)

TIANJIN DAIYA VALVE CO., LTD. (China)

Seika Sangyo (Thailand) Co., Ltd. (Thailand)

SEIKA SANGYO (VIETNAM) COMPANY LIMITED (Vietnam)

NDV (Thailand) Co., Ltd. (Thailand)

FORMOSA SEIKA CORPORATION (Taiwan)

(9) Employees

Department category	Number of employees (persons)	YoY change (persons)
Energy	152	+29
Industrial Machinery	163	-1
Product	571	-1
Corporate (common)	154	+1
Total	1,040	+28

- Notes:
1. The number of employees excludes employees seconded from the Group to companies outside the Group but includes employees seconded from companies outside the Group to the Group.
 2. The number of employees in the “Corporate (common)” row is the number of those belonging to administrative departments that cannot be categorized into specific departments.
 3. From the fiscal year under review, the Company’s business segments have been reclassified into “Energy,” “Industrial Machinery,” and “Product.” Figures for the previous fiscal year have been recalculated according to this new classification for the purpose of comparison.

(10) Main Lenders

There are no special matters to be noted.

2. Status of Shares

- (1) Total Number of Authorized Shares 37,705,800 shares
- (2) Total Number of Outstanding Shares 12,076,004 shares
(excluding 244,646 treasury shares)
- (3) Number of Shareholders 10,444 persons
(an increase of 2,710 from the previous fiscal year-end)

(4) Major Shareholders

Shareholder	Number of shares held (thousand shares)	Equity ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	969	8.03
Hikari Tsushin K.K.	891	7.38
UH Partners 2, Inc.	671	5.56
Mitsubishi Heavy Industries, Ltd.	413	3.42
MUFG Bank, Ltd.	400	3.31
Custody Bank of Japan, Ltd. (Trust Account)	296	2.46
Tsurumi Manufacturing Co., Ltd.	267	2.21
Sumitomo Mitsui Banking Corporation	234	1.94
TAIHEI DENGYO KAISHA, LTD.	234	1.94
TAKUMA CO., LTD.	206	1.71

Notes: 1. Quantities of less than one thousand shares are rounded down.

2. The Company holds 244,646 treasury shares, which are excluded from the above list of major shareholders. In addition, equity ownership is calculated excluding treasury shares.

- (5) Other Important Matters Concerning Shares
There are no special matters to be noted.

3. Company's Stock Acquisition Rights, etc.

(1) Stock Acquisition Rights Held by the Company's Directors (as of March 31, 2024)

Name (date of resolution)	Exercise period	Number of stock acquisition rights and number of holders	Class and number of shares	Issue price (yen)	Amount to be paid in upon exercise
1 st series of stock acquisition rights (June 24, 2016)	From August 10, 2016 to August 9, 2046	596 units 3 persons	11,920 shares of common stock	22,420 per unit	1 yen per share
2 nd series of stock acquisition rights (June 27, 2017)	From July 15, 2017 to July 14, 2047	423 units 3 persons	8,460 shares of common stock	38,420 per unit	1 yen per share
3 rd series of stock acquisition rights (June 26, 2018)	From July 14, 2018 to July 13, 2048	386 units 3 persons	7,720 shares of common stock	42,000 per unit	1 yen per share
4 th series of stock acquisition rights (June 25, 2019)	From July 13, 2019 to July 12, 2049	1,062 units 4 persons	21,240 shares of common stock	24,180 per unit	1 yen per share
5 th series of stock acquisition rights (June 24, 2020)	From July 23, 2020 to July 22, 2050	1,058 units 4 persons	21,160 shares of common stock	21,880 per unit	1 yen per share
6 th series of stock acquisition rights (June 24, 2021)	From July 17, 2021 to July 16, 2051	741 units 4 persons	14,820 shares of common stock	30,820 per unit	1 yen per share
7 th series of stock acquisition rights (June 28, 2022)	From July 16, 2022 to July 15, 2052	1,053 units 4 persons	21,060 shares of common stock	29,140 per unit	1 yen per share
8 th series of stock acquisition rights (June 27, 2023)	From July 15, 2023 to July 14, 2053	796 units 4 persons	15,920 shares of common stock	34,820 per unit	1 yen per share

- Notes: 1. Stock acquisition rights are granted to Directors (excluding Members of the Audit and Supervisory Committee and Outside Directors) as stock remuneration-type stock options.
2. Stock acquisition rights may be exercised only for a period of 10 days from the day immediately following the day on which the position of Director or Executive Officer of the Company was forfeited, and on a lump-sum basis.

(2) Stock Acquisition Rights Allotted to the Company's Executive Officers Who Are Not Directors during the Fiscal Year under Review

Name (date of resolution)	Exercise period	Number of stock acquisition rights and number of holders	Class and number of shares	Issue price (yen)	Amount to be paid in upon exercise
8 th series of stock acquisition rights (June 27, 2023)	From July 15, 2023 to July 14, 2053	658 units 7 persons	13,160 shares of common stock	34,820 per unit	1 yen per share

- Notes: 1. Stock acquisition rights are granted to Executive Officers who are not Directors as stock remuneration-type stock options.
2. Stock acquisition rights may be exercised only for a period of 10 days from the day immediately following the day on which the position of Director or Executive Officer of the Company was forfeited, and on a lump-sum basis.

The Company implemented a consolidation of shares at a ratio of one share for every five shares of its common stock with an effective date of October 1, 2017, and the number of shares for the purpose of stock acquisition rights have been adjusted accordingly.

4. Company Officers

(1) Names, etc. of Directors

Position	Name	Responsibilities and significant concurrent positions
Representative Director	Akihiko Sakurai	President and CEO Chairman of the Board of Directors Member of the Remuneration Examination Committee
Director	Yasumasa Kawana	Senior Managing Executive Officer in charge of planning
Director	Hirohisa Masuda	Managing Executive Officer in charge of sales and marketing General Manager, Business Operation Division
Director	Tomoaki Hasegawa	Senior Executive Officer in charge of administration Member of the Remuneration Examination Committee
Outside Director	Kiyomi Miyata	Chairperson of the Nomination Examination Committee Member of the Remuneration Examination Committee
Outside Director	Masanori Kagami	Chairperson of the Remuneration Examination Committee Member of the Nomination Examination Committee Outside Director, Kitakanto Nichiyu Co., Ltd.
Director Member of the Audit and Supervisory Committee	Masanori Abe	Chairman of the Audit and Supervisory Committee
Outside Director Member of the Audit and Supervisory Committee	Yuko Shirai	Member of the Nomination Examination Committee Independent Director, ANEST IWATA Corporation
Outside Director Member of the Audit and Supervisory Committee	Yoshihiko Nakamura	Member of the Remuneration Examination Committee Yoshihiko Nakamura, Certified Public Accountant, Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION

- Notes:
1. The Company appointed Mr. Masanori Abe as a Full-time Member of the Audit and Supervisory Committee in order to strengthen the auditing and supervisory functions of the Members of the Audit and Supervisory Committee, gather information from Directors (excluding Members of the Audit and Supervisory Committee), share information in the important meetings inside the company and enable sufficient coordination between the Internal Audit Division and the Audit and Supervisory Committee.
 2. Outside Director; Member of the Audit and Supervisory Committee Ms. Yuko Shirai is a qualified attorney.
 3. Outside Director; Member of the Audit and Supervisory Committee Mr. Yoshihiko Nakamura is a certified public accountant and has considerable knowledge of finance and accounting.
 4. The Company has registered Outside Directors Mr. Kiyomi Miyata, Mr. Masanori Kagami, Ms. Yuko Shirai and Mr. Yoshihiko Nakamura as Independent Officers with the Tokyo Stock Exchange.

(2) Summary of Agreements on Limitation of Liability

The Company has entered into an agreement with its Outside Directors and Directors Serving as Members of the Audit and Supervisory Committee to limit their liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Outline of the Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance (D&O Insurance) agreement with an insurance company under Article 430-3, Paragraph 1 of the Companies Act. This insurance agreement covers damages and litigation costs to be borne by the insured persons in the event of claims for damages as a result of actions taken by the insured in the course of execution of their duties. However, the insurance does not cover damage arising from the insured's criminal acts, or acts committed with the knowledge that they violate laws and regulations.

The scope of the insured under such insurance agreement includes Directors, executive officers, significant employees, and other persons of the Company, as well as officers of named subsidiaries, and the insured do not bear the premiums.

(4) Remuneration, etc. of Directors

1) Decision policy regarding the details of remuneration, etc. for individual Directors

Remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) of the Company consists of basic remuneration (fixed remuneration) based on internal regulations, as well as (with the exception of Outside Directors) bonuses linked to short-term performance, and (with the exclusion of Outside Directors) stock remuneration-type stock options linked to medium- to long-term performance. In order to conduct the management conscious of expanding Group revenue, bonuses are calculated by multiplying consolidated operating profit and consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes, by a calculation rate based on the achievement of the numerical targets for consolidated operating profit under the Medium-Term Management Plan and a factor depending on rank for payment.

Under the decision policy described above, remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) of the Company is paid based on regulations resolved by the Board of Directors after extensive discussions, and within the limit approved by resolution of the General Meeting of Shareholders.

Remuneration, etc. for Directors (with the exception of Directors Serving as Members of the Audit and Supervisory Committee) for the fiscal year under review is therefore deemed to be in accordance with the decision policy described above.

In order to reinforce fairness, transparency and accountability, the Company has established the Remuneration Examination Committee as a voluntary body under the Board of Directors. A majority of the members of the Remuneration Examination Committee are Independent Officers (Outside Directors).

Remuneration, etc. for individual Directors is decided by the Board of Directors after deliberation and recommendations by the Remuneration Examination Committee.

2) Resolutions of the General Meeting of Shareholders regarding remuneration, etc. for Directors

Remuneration for Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee) of the Company was limited to a maximum of 300 million yen per annum (including up to 30 million yen for Outside Directors) by resolution of the General Meeting of Shareholders held on June 28, 2022. At the time, six (6) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee; including two (2) Outside Directors) were subject to this resolution, but the limit of 300 million yen per annum was calculated on the premise of a maximum of eleven (11) Directors, which is the maximum number allowed under the Company's Articles of Incorporation.

Remuneration in the form of stock remuneration-type stock options was limited to a maximum of 60 million yen per annum by resolution of the General Meeting of Shareholders held on June 28, 2022. At this time, four (4) Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors) are subject to this resolution, but the limit of 60 million yen per annum is calculated on the premise of a maximum of eleven (11) Directors, which is the maximum number allowed under the Company's Articles of Incorporation, reduced by the number of Outside Directors.

Remuneration for Directors Serving as Members of the Audit and Supervisory Committee of the Company was limited to a maximum of 51 million yen per annum by resolution of the General Meeting of Shareholders held on June 28, 2022. At the time, three (3) Directors Serving as Members of the Audit and Supervisory Committee were subject to this resolution, and the limit of 51 million yen per annum was calculated on the premise of a maximum of four (4) Directors Serving as Members of the Audit and Supervisory Committee, which is the maximum number allowed under the Company's Articles of Incorporation.

3) Total amounts of remuneration, etc. for Directors

Office	Total remuneration (in million yen)	Total remuneration by type (in million yen)			Number of eligible recipients
		Fixed remuneration	Performance-linked remuneration	Non-monetary remuneration	
Directors (excluding Members of the Audit and Supervisory Committee) (of whom, Outside Directors)	292 (16)	141 (16)	123 (-)	27 (-)	6 (2)
Directors (Members of the Audit and Supervisory Committee) (of whom, Outside Directors)	36 (16)	36 (16)	-	-	3 (2)

- Notes:
1. Bonuses are paid to Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors) as performance-linked remuneration. In order to conduct the management conscious of expanding Group revenue, bonuses are calculated by multiplying consolidated operating profit and consolidated profit before income taxes, without consideration for the amount of size-based corporate taxes, by a calculation rate based on the achievement of the numerical targets for consolidated operating profit under the Medium-Term Management Plan and a factor depending on rank for payment. The target amount for consolidated operating profit of the fiscal year under review under the Medium-Term Management Plan is 3,670 million yen, and the actual record is 5,580 million yen. (Achievement rate 152.04%)
In addition, the actual record for consolidated profit before income taxes without consideration for the amount of size-based corporate taxes of the fiscal year under review is 6,565 million yen.
 2. Stock remuneration-type stock options are granted as non- monetary remuneration to Directors (excluding Directors Serving as Members of the Audit and Supervisory Committee and Outside Directors).
Details of the stock remuneration-type stock options and their granting are presented in 3. Company's Stock Acquisition Rights, etc.

(5) Outside Directors and Outside Auditors

1) Significant concurrent positions and relationship with the Company

Category	Name	Significant concurrent positions
Director	Masanori Kagami	Outside Director, Kitakanto Nichiyu Co., Ltd.
Director (Member of the Audit and Supervisory Committee)	Yuko Shirai	Independent Director, ANEST IWATA Corporation
Director (Member of the Audit and Supervisory Committee)	Yoshihiko Nakamura	Yoshihiko Nakamura, Certified Public Accountant, Accounting Office Outside Director, MITSUBISHI MOTORS CORPORATION

Note: The Company has business transactions with MITSUBISHI MOTORS CORPORATION, where Director (Member of the Audit and Supervisory Committee) Yoshihiko Nakamura holds a significant concurrent position.
There are no special relationships between the Company and any other companies where the Director and Directors (Members of the Audit and Supervisory Committee) hold significant concurrent positions.

2) Main Activities

Category	Name	Main activities
Director	Kiyomi Miyata	<p>Mr. Kiyomi Miyata attended all of the meetings of the Board of Directors held during the fiscal year under review, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value.</p> <p>He also serves as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as the Chairperson of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors.</p> <p>During the fiscal year under review, the Nomination Examination Committee met five times and the Remuneration Examination Committee met nine times, and Mr. Kiyomi Miyata attended all of these meetings.</p>
Director	Masanori Kagami	<p>Mr. Masanori Kagami attended 13 out of 14 meetings of the Board of Directors held during the fiscal year under review, expressing accurate views and provide useful opinions on matters ranging from overall management to sales-related issues, based on his extensive experience and insight as a business manager, and contributing to enhancing the Company's corporate value.</p> <p>He also serves as the Chairperson of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system, and as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors.</p> <p>During the fiscal year under review, the Nomination Examination Committee met five times and the Remuneration Examination Committee met nine times, and Mr. Masanori Kagami attended all of these meetings.</p>

Category	Name	Main activities
Director (Member of the Audit and Supervisory Committee)	Yuko Shirai	<p>Ms. Yuko Shirai attended all of the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held during the fiscal year under review, and provided advice not only from her professional perspective as an attorney but also from an objective perspective overlooking society in general, to ensure the transparency and fairness of the decisions made by the Board of Directors.</p> <p>She also serves as a member of the Nomination Examination Committee, which examines the selection process and evaluation of candidates for Representative Directors and Directors and reports the results to the Board of Directors.</p> <p>During the fiscal year under review, the Nomination Examination Committee met five times, and Ms. Yuko Shirai attended all of these meetings.</p>
Director (Member of the Audit and Supervisory Committee)	Yoshihiko Nakamura	<p>Mr. Yoshihiko Nakamura attended all of the meetings of the Board of Directors and meetings of the Audit and Supervisory Committee held during the fiscal year under review, and made comments from his professional perspective as a certified public accountant, to ensure the legality and validity of the decisions made by the Board of Directors as a member of the Audit and Supervisory Committee.</p> <p>In addition, he gave advice on the development of internal control of overseas subsidiaries of the Company based on his experience in auditing global companies at a leading auditing firm.</p> <p>He also serves as a member of the Remuneration Examination Committee, which provides opinions and recommendations on the assessment of bonuses for Directors and on the review of the executive remuneration system.</p> <p>During the fiscal year under review, the Remuneration Examination Committee met nine times, and Mr. Yoshihiko Nakamura attended all of these meetings.</p>

5. Accounting Auditor

(1) Accounting Auditor's Name
Meiko Audit Corporation

(2) Summary of Agreement on Limitation of Liability
The Company has entered into an agreement with the Accounting Auditor to limit said firm's liability pursuant to Article 423, Paragraph 1 of the Companies Act, and the limit for liability under said agreement shall be the minimum amount as stipulated by laws and regulations.

(3) Accounting Auditor's Compensation, etc.

1) Amount of compensation, etc. for the fiscal year under review	56 million yen
2) Total amount of cash and other property benefits payable by the Company and its subsidiaries to the Accounting Auditor	56 million yen

Notes: 1. The Audit and Supervisory Committee, based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, confirmed the details of the audit, the status of execution of duties, and changes in audit compensation of the Accounting Auditor, and examined the appropriateness of the audit time by item and the amount of compensation for the fiscal year under review. As a result, the Audit and Supervisory Committee has given its consent to the Accounting Auditor's compensation, etc. as prescribed in Article 399, Paragraph 1 of the Companies Act.

2. In the audit contract between the Company and the Accounting Auditor, it is not possible to make a reasonable differentiation between audit compensation based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the aggregate amount is shown in 1) above.

(4) Status of audit of subsidiaries' financial statements by auditing firms other than the Company's Accounting Auditor

Company name	Name of auditing firm, etc.
Seika Sangyo GmbH	PricewaterhouseCoopers
Tsurumi (Europe) GmbH	PricewaterhouseCoopers
Tsurumi France S.A.S.	PricewaterhouseCoopers
HYDREUTES, S.A.U.	Etl Spain Audit Services, S.L.
MMPumps nv	HLB Dodemont-Van Impe & Co BV CVBA
Tsurumi UK Limited	Kreston Reeves LLP
Tsurumi Pumps UK Limited	Kreston Reeves LLP
SEIKA MACHINERY, INC.	Century CPA & Co.
SEIKA SHANGHAI CO., LTD.	Shu Lun Pan CPAs LLP
Seika Sangyo (Thailand) Co., Ltd.	Professional Auditing Service Co., Ltd.
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	Crowe Vietnam Co., Ltd.

(5) Policy on Determination of Dismissal or Non-reappointment of Accounting Auditor
When the Accounting Auditor falls under any of the items stipulated in Article 340, Paragraph 1 of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor subject to the consent of all Members of the Audit and Supervisory Committee.

In this case, the Member selected by the Audit and Supervisory Committee shall report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be held after the dismissal.

In addition to the above, when it is recognized that there is a problem with the Accounting Auditor's execution of duties or that it is deemed reasonable to change the Accounting Auditor, the Audit and Supervisory Committee shall decide the content of a proposal for dismissal or non-reappointment of the Accounting Auditor.

6. Systems for Ensuring the Appropriateness of Business Operations

In order to ensure compliance with laws, regulations and the Articles of Incorporation, and to enhance corporate value through proper and efficient execution of business, under its corporate philosophy, “Contribute to Society Through the Expansion of Business,” the Company has established the systems to ensure proper business operations by the corporate group (hereinafter the “Group”) comprising the Company and its subsidiaries, as stipulated in the Companies Act and the Regulation for the Enforcement of the Companies Act. The Company partially amended the systems at the meeting of the Board of Directors held on December 7, 2023.

The details of the systems are as follows:

- (1) Systems to ensure that the execution of duties by Directors, Executive Officers and employees complies with laws, regulations and the Articles of Incorporation
 - i) Systems related to compliance
 - The Company shall establish a Compliance Manual and related regulations as a code of conduct for Directors, Executive Officers and employees, and the President and other Directors and Executive Officers shall take the lead in practicing this code of conduct, while also establishing a Compliance Managing Office under the direct control of the President, and striving to enhance awareness and understanding among employees.
 - The Company shall establish an Export Control Committee under the direct control of the President and Export Control Regulations, and appropriately implement security export controls.
 - The Company shall construct an internal reporting system, to ensure early detection of any compliance violation by a Director, Executive Officer or employee. The Company shall also establish and appropriately operate Internal Reporting System Regulations, to ensure that whistleblowers are not treated disadvantageously.
 - ii) Systems related to internal audit
 - The Company shall establish an Internal Audit Division under the direct control of the President, and Internal Controls and Audit Regulations, and conduct internal audits to evaluate the appropriateness of internal controls and their operation within the Group.
 - iii) Systems related to the elimination of antisocial forces
 - The Company shall stipulate in its Compliance Manual that it shall confront antisocial activities or forces and have no relationship with them. Should it be contacted by such groups, the Company shall respond systematically in cooperation with attorneys, the police, and other pertinent parties.
 - iv) Systems related to ensuring proper financial reporting
 - The Company shall establish a Basic Policy on Financial Reporting, and construct systems to ensure proper financial reporting in accordance with the requirements of the Financial Instruments and Exchange Act and other relevant laws and regulations.
- (2) System for the storage and management of information related to the execution of duties by Directors
 - i) System for the storage and management of information
 - The Company record in documentary or electronic form, and shall appropriately store and manage information related to the execution of duties by Directors in accordance with the Regulations of the Board of Directors, the Corporate Management Meeting Regulations and the Document Management Regulations, and make them available for inspection by Directors at all times.
- (3) Regulations and other systems for managing the risk of loss
 - i) Establishment of duties and authority
 - The Company shall establish Regulations of the Board of Directors, Corporate Management Meeting Regulations and Regulations on Various Sales Requests, etc. clarify the duties and necessary authority of Directors, Executive Officers and employees, and appropriately manage the risk associated with the execution of these duties.
 - ii) Risk management systems in each division
 - The Company shall establish an Organization Table, and construct systems to enable risk to be managed in accordance with the duties and responsibilities of each division.
 - iii) Information security systems

- The Company shall establish a Basic Policy on Information Security to ensure confidentiality, integrity and availability of information the Group handles, and construct systems where effectiveness of information security is ensured and maintained.
- iv) Company-wide risk management systems
- Company-wide risks and individual risks that affects the entire Company shall be comprehensively managed by the Corporate Management Meeting, including risk countermeasures and subsequent evaluation, etc.
- v) Auditing and monitoring systems
- The Internal Audit Division, under the direct control of the President, shall provide advice and recommendations to improve management systems for company-wide risks and individual risks, through auditing and monitoring.
- (4) Systems to ensure the efficient execution of duties by Directors
- i) Board of Directors
- In accordance with the Regulations of the Board of Directors, a meeting of the Board of Directors shall be held once a month, in principle, and extraordinary meetings shall be held as necessary.
- ii) Corporate Management Meeting
- In order to expedite the decision-making, the Company shall establish a Corporate Management Meeting, which shall be held at least twice a month in principle, to deliberate and make decisions on matters determined by the Board of Directors.
- iii) Executive Officer System
- The Company shall promote efficient management by strengthening the decision-making and supervisory functions of the Board of Directors through the use of the Executive Officer System and the delegation of Directors' authority for business execution to Executive Officers.
- (5) Systems to ensure the appropriateness of operations in the Group
- i) Systems for reporting to the Company on the execution of duties by Directors of subsidiaries
- The Company shall establish Regulations for the Support and Operation of Subsidiaries and Affiliates, designating the responsibilities and authority of each subsidiary, to achieve smoother Group operation and promote business.
 - The Company shall require the supervisor in charge of each subsidiary to report to the Company on matters related to the execution of business, based on the Regulations for the Support and Operation of Subsidiaries.
- ii) Regulations for managing the risk of loss at subsidiaries
- The Company shall require subsidiaries to construct risk management systems based on their individual businesses forms, management environments, etc.
- iii) Systems to ensure that the execution of duties by Directors of subsidiaries are efficiently executed
- The Company shall establish a Subsidiary and Affiliate Administration Department for the purpose of supporting corporate management by the Directors of its subsidiaries. The Company shall designate through regulations the scope of authority that it retains over the execution of business by Directors of subsidiaries.
- iv) Systems to ensure that the execution of duties by Directors and employees of subsidiaries complies with laws, regulations and the Articles of Incorporation
- The Company shall establish compliance systems at each subsidiary, based on each country's laws and regulations, etc., and endeavor to ensure thorough compliance across the Group.
 - In addition to dispatching its Directors and Auditors to oversee compliance, the Company shall construct systems to report to the Company promptly and appropriately on any issues that might arise.
- (6) Matters concerning the system for Directors and employees to assist the duties of the Audit and Supervisory Committee and the ensuring of independence of such Directors and employees from Directors excluding Members of the Audit and Supervisory Committee, and the effectiveness of instructions by the Audit and Supervisory Committee to, such Directors and employees

- i) Assisting employees and their independence
 - When requested by the Audit and Supervisory Committee to assign employees to assist in their duties, the Company shall assign employees for this purpose, and the said employees shall follow the instructions of the Audit and Supervisory Committee.
 - ii) Personnel decisions regarding assisting employees
 - The Company shall obtain the consent of the Audit and Supervisory Committee for the appointment of employees to assist the Audit and Supervisory Committee in their duties.
 - iii) Directors to assist
 - The Company shall not assign Directors to assist the duties of the Audit and Supervisory Committee.
- (7) System for reporting to the Audit and Supervisory Committee, guidelines to arrange and process advance payment and refund of expenses incurred in the execution of duties by the Audit and Supervisory Committee and expenses or liabilities incurred in the execution of other duties, and other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively
- i) Reporting systems
 - The Company shall secure systems so that, in the event that any Director, Executive Officer, employee or supervisor in charge of a subsidiary discovers any matter that may cause serious loss to the Group, or any compliance violation or improper act, the matter shall be reported to the Audit and Supervisory Committee.
 - ii) Audit expenses
 - Members of Audit and Supervisory Committee shall have the ability to arrange and process advance payment and refund of expenses incurred in the execution of their duties and liabilities.
 - iii) Other systems to ensure effective execution of duties by the Audit and Supervisory Committee
 - The Company shall develop systems to enable Members of Audit and Supervisory Committee to attend meetings of the Board of Directors and other important meetings to gain an understanding of the management decision-making process and the status of business execution.
 - Members of Audit and Supervisory Committee may, as necessary, request access to documents concerning important matters, etc., and request explanations from Directors, Executive Officers and employees.
 - The Company shall endeavor to secure and strengthen an effective auditing system for the Members of Audit and Supervisory Committee so that they can regularly exchange opinions with the President and Outside Directors, and regularly receive audit reports and cooperation from the Accounting Auditor and the Internal Audit Division.
 - The Audit and Supervisory Committee may instruct the Internal Audit Division on matters of auditing operation to assist its duties and the instructions shall not be affected by command and order of Directors other than the Members of Audit and Supervisory Committee.
 - The Company shall secure the system under which the status of the internal reporting within the Group is regularly reported to the Audit and Supervisory Committee.
- (8) System to ensure that persons who reported to the Audit and Supervisory Committee shall never receive disadvantageous treatment on the ground of the reporting.
- i) System to prevent the reporter from receiving disadvantageous treatment
 - The Company shall stipulate that any Director, Executive Officer and employee of the Group shall never receive disadvantageous treatment on the ground of reporting to the Audit and Supervisory Committee and make this stipulation thoroughly known.

7. Summary of the status of operation of the system to ensure the appropriateness of operations

The status of the development and operation of the Group's internal control system during the fiscal year under review is as described below. The Board of Directors of the Company makes efforts to develop and supervise an effective system.

In addition, the Company has established a system to ensure the appropriateness of operations of its subsidiaries by having them inquire in advance or report important matters of each company to the Company in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates.

1) Status of operations related to compliance

The Company's Compliance Managing Office conducted awareness building activities, mainly through education, to raise the compliance awareness of individuals and organizations belonging to the Group. The Internal Audit Division of the Company audited the status of compliance-related operations of the Group as appropriate, and provided guidance on any areas for improvement. In addition, the Company's Export Control Committee conducted appropriate security export control through prior examination of export projects based on laws and regulations, as well as internal education and audits for each of the Company's business departments.

As for the internal reporting system of the Group, in addition to the internal reporting contact point, we have established an external reporting contact point at an external law firm independent of the management team to ensure independence, and the system is operating appropriately.

2) Status of execution of duties by Directors and Executive Officers

The Company's Board of Directors comprises nine Directors (including three Directors Serving as Members of the Audit and Supervisory Committee), including four Outside Directors. During the fiscal year under review, the Board of Directors held 14 meetings, made decisions on important matters and supervised the execution of business by Directors and Executive Officers. Specific deliberation matters included discussion and resolution on establishment of the Sustainability Committee and identification of the Company's materiality, resolution on the share transfer of one of the existing consolidated subsidiaries and exclusion of the subsidiary from the scope of the consolidation resulted therefrom, discussion and resolution on revision of the regulation on the age requirement for Executive Officers, discussion on policies in responding to and matters to be disclosed on the requests from the Tokyo Stock Exchange for "realization of the management conscious of capital cost and stock price," and decisions on all these matters were made after careful and open discussions. The Company therefore considers that the Board of Directors is appropriately operated and the function it should have is working effectively.

The Nomination Examination Committee and the Remuneration Examination Committee, which the Company established as advisory bodies to the Board of Directors, assessed and deliberated on matters including the selection process and evaluation details of candidates for positions of Representative Director and Director, the selection process of candidates for positions of Executive Officer and evaluation details of candidates for positions of Executive Officer with titles among them, and revisions to and assessment of systems relating to the executive remuneration. The results of these deliberations were reported to the Board of Directors.

In addition, based on the results of the evaluation of the effectiveness of the Board of Directors, we held the "Meeting of Directors for Intensive Deliberations" to further enhance the effectiveness of the Board of Directors, and continued to deepen discussions on the direction of management strategy.

Furthermore, the Corporate Management Meeting, participated by Directors and Executive Officers appointed by the Board of Directors, was held 23 times, mainly engaging in discussions on growth strategy and other aspects of the Group, and contributed to the promotion of business management.

3) Status of administration and promotion of business of Group companies

The Company's Subsidiary and Affiliate Administration Department played a central role in administrating and promoting the business of subsidiaries and affiliates in Japan and overseas. In addition, in accordance with the Regulations for the Support and Operation of Subsidiaries and Affiliates, the Company required subsidiaries to report periodically on their operating results and financial position, and to inquire in advance important matters of the subsidiaries, which were implemented after deliberation and approval by the Company.

4) Status of internal control audits

As the management and supervision of subsidiaries in the Group is becoming increasingly important, the Company's Internal Audit Division conducted internal audits of all Company locations and major subsidiaries in Japan and overseas.

During the fiscal year under review, we focused on auditing the status of compliance and adherence to internal rules related to the work environment and sales management.

The results of the audits were compiled by the General Manager of the Internal Audit Division and reported to the President and the Audit and Supervisory Committee, and the President in turn reported them to the Board of Directors of the Company, which deliberated on the effectiveness of internal controls.

5) Status of execution of duties by the Audit and Supervisory Committee

Pursuant to laws and regulations, the Articles of Incorporation, the Rules of the Audit and Supervisory Committee and the Audit and Supervisory Standards of the Audit and Supervisory Committee, and based on the audit policy, the audit plan, the audit manner and division of roles which were resolved at the meeting of the Audit and Supervisory Committee, the Audit and Supervisory Committee, which comprises two Outside Directors Serving as Members of the Audit and Supervisory Committee and one internal Director, audits the appropriateness of the execution of duties by Directors by attending meetings of the Board of Directors and other important meetings, inspecting documents related to important matters, auditing the operations of the Company and its major subsidiaries, regularly receiving reports from and exchanging opinions with the Accounting Auditor and the Internal Audit Division, periodically meeting with the Representative Director and Outside Directors, and confirming the execution of duties by Directors in writing.

In addition, a meeting of the Audit and Supervisory Committee is held twice a month, in principle, to report, discuss and resolve important matters related to audit and supervisory.

Note: Fractions less than the indicated unit are rounded down in the amounts and the number of shares presented in this business report.

1 【Consolidated Financial Statements, etc.】

(1) 【Consolidated Financial Statements】

1) 【Consolidated Balance Sheet】

(In million yen)

	Current fiscal year (As of March 31, 2024)
(Assets)	118,543
Current assets	95,599
Cash and deposits	10,428
Notes and accounts receivable - trade, and contract assets	53,475
Investments in leases	34
Securities	100
Merchandise and finished goods	7,805
Work in process	442
Raw materials and supplies	1,708
Advance payments to suppliers	21,021
Other	736
Allowance for doubtful accounts	(153)
Non-current assets	22,943
Property, plant and equipment	4,658
Buildings and structures	1,084
Machinery, equipment and vehicles	252
Tools, furniture and fixtures	441
Fixed assets for rent, net	674
Leased assets	163
Land	2,039
Construction in progress	2
Intangible assets	642
Goodwill	156
Right to use facilities	118
Software	348
Other	18
Investments and other assets	17,642
Investment securities	16,413
Long-term loans receivable	34
Deferred tax assets	586
Other	637
Allowance for doubtful accounts	(30)
Total assets	118,543

(In million yen)

	Current fiscal year (As of March 31, 2024)
(Liabilities)	75,362
Current liabilities	70,146
Notes and accounts payable - trade	44,588
Short-term borrowings	7
Lease liabilities	41
Accounts payable - other	1,861
Income taxes payable	788
Advances received	20,791
Provision for bonuses	940
Provision for bonuses for directors	123
Other	1,003
Non-current liabilities	5,216
Long-term borrowings	18
Lease liabilities	133
Retirement benefit liability	2,558
Provision for retirement benefits for directors	22
Deferred tax liabilities	2,012
Other	470
(Net Assets)	43,180
Shareholders' equity	34,345
Share capital	6,728
Capital surplus	2,040
Retained earnings	25,992
Treasury shares	(415)
Accumulated other comprehensive income	7,918
Valuation difference on available-for-sale securities	6,509
Foreign currency translation adjustment	1,370
Remeasurements of defined benefit plans	38
Share acquisition rights	250
Non-controlling interests	666
Total liabilities and net assets	118,543

2) 【Consolidated Statement of Income】

(In million yen)

	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	86,785
Cost of sales	64,126
Gross profit	22,658
Selling, general and administrative expenses	17,078
Operating profit	5,580
Non-operating income	
Interest and dividend income	289
Gain on sale of securities	4
Share of profit of entities accounted for using equity method	310
Foreign exchange gains	54
Other	90
Total non-operating income	749
Non-operating expenses	
Interest expenses	13
Loss on sale of notes receivable - trade	5
Other	55
Total non-operating expenses	74
Ordinary profit	6,255
Extraordinary income	
Gain on sale of investment securities	204
Gain on sale of shares of subsidiaries and associates	16
Compensation income	56
Total extraordinary income	278
Extraordinary losses	
Loss on valuation of investment securities	87
Total extraordinary losses	87
Profit before income taxes	6,445
Income taxes - current	1,914
Income taxes - deferred	(55)
Total income taxes	1,858
Profit	4,587
Profit attributable to non-controlling interests	97
Profit attributable to owners of parent	4,489

3) 【Consolidated Statement of Changes in Equity】

Current fiscal year (From April 1, 2023 to March 31, 2024)

(In million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,728	2,040	22,813	(435)	31,146
Changes during period					
Dividends of surplus			(1,388)		(1,388)
Change in scope of consolidation			80		80
Profit attributable to owners of parent			4,489		4,489
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares			0	0	0
Exercise of share acquisition rights			(3)	22	18
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,178	19	3,198
Balance at end of period	6,728	2,040	25,992	(415)	34,345

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	3,140	692	15	3,847	218	524	35,736
Changes during period							
Dividends of surplus							(1,388)
Change in scope of consolidation							80
Profit attributable to owners of parent							4,489
Purchase of treasury shares							(2)
Disposal of treasury shares							0
Exercise of share acquisition rights							18
Net changes in items other than shareholders' equity	3,369	678	23	4,071	32	141	4,245
Total changes during period	3,369	678	23	4,071	32	141	7,443
Balance at end of period	6,509	1,370	38	7,918	250	666	43,180

Notes to the Consolidated Financial Statements

1. Notes, etc., to the Basis for Preparation of Consolidated Financial Statements

(1) Scope of consolidation

1) Number of consolidated subsidiaries	17
Names of consolidated subsidiaries	Nippon Daiya Valve Co., Ltd. Seika Digital Image CORPORATION Shikishimakiki Corporation Seika Daiya Engine Co., Ltd. Seika Sangyo GmbH Tsurumi (Europe) GmbH Tsurumi France S.A.S. HYDREUTES, S.A.U. MMPumps nv Tsurumi UK Limited Tsurumi Pumps UK Limited SEIKA MACHINERY, INC. Seika Shanghai Co., Ltd. TIANJIN DAIYA VALVE CO., LTD. Seika Sangyo (Thailand) Co., Ltd. SEIKA SANGYO (VIETNAM) COMPANY LIMITED NDV (Thailand) Co., Ltd.

TAKEMOTO AND COMPANY LIMITED, which was a consolidated subsidiary at the end of the previous fiscal year, has been excluded from the scope of consolidation because the Company sold shares that it held in TAKEMOTO AND COMPANY LIMITED during the fiscal year under review. However, it is included in the scope of consolidation on the consolidated statement of income.

Obart Pumps Limited changed its name to Tsurumi Pumps UK Limited on September 1, 2023 and Marine Motors & Pumps N.V. changed its name to MMPumps nv on January 1, 2024, respectively.

Since SEIKA SANGYO (VIETNAM) COMPANY LIMITED and NDV (Thailand) Co., Ltd. became material, they have been included in the scope of consolidation from the fiscal year under review.

2) Names, etc., of principal non-consolidated subsidiaries	
Principal non-consolidated subsidiaries	FORMOSA SEIKA CORPORATION
Reason for exclusion from the scope of consolidation	FORMOSA SEIKA CORPORATION was established in November 2023 and is currently under preparation for business commencement. As its total assets, net sales, profit and loss, and retained earnings, etc. have no significant effect on the consolidated financial statements, it has been excluded from the scope of consolidation.

(2) Application of the equity method

- 1) Number of non-consolidated subsidiaries to which the equity method is applied 0
- Not applicable.
As liquidation of Tozai Jitsugyo Co., Ltd. completed during the fiscal year under review, it has been excluded from the scope of application of the equity method.
- 2) Number of affiliates to which the equity method is applied 4
- Company names S-Tec Co., Ltd., Ten Feet Wright Inc., Meinan Kyodo Energy, TVE Co., Ltd.
- 3) Non-consolidated subsidiaries and affiliates to which the equity method is not applied
- Company name FORMOSA SEIKA CORPORATION
JAPAN EJECTOR ENGINEERING CO., LTD. and others
- Reason for not applying the equity method As the effect of the non-consolidated subsidiaries and affiliates to which the equity method is not applied on consolidated net income or loss and retained earnings, etc., is insignificant, and they have no significant effect on the consolidated financial statements as a whole, they have been excluded from the scope of application of the equity method.
- 4) Of the equity-method affiliates, with regard to companies with closing dates that differ from the consolidated closing date, financial statements regarding the fiscal years of each company are adopted.

(3) Fiscal years of consolidated subsidiaries

- 1) Of the consolidated subsidiaries, companies with closing dates that differ from the consolidated closing date are as follows.

Name of consolidated subsidiary	Closing date
Shikishimakiki Corporation	December 31
Seika Daiya Engine Co., Ltd.	December 31
Seika Sangyo GmbH	December 31
Tsurumi (Europe) GmbH	December 31
Tsurumi France S.A.S.	December 31
HYDREUTES, S.A.U.	December 31
MMPumps nv	December 31
Tsurumi UK Limited	December 31
Tsurumi Pumps UK Limited	December 31
SEIKA MACHINERY, INC.	December 31
Seika Shanghai Co., Ltd.	December 31
TIANJIN DAIYA VALVE CO., LTD.	December 31
Seika Sangyo (Thailand) Co., Ltd.	December 31
SEIKA SANGYO (VIETNAM) COMPANY LIMITED	December 31
NDV (Thailand) Co., Ltd.	December 31

For the preparation of consolidated financial statements, as the differences with the consolidated closing date do not exceed three months, the financial statements of these consolidated subsidiaries are used.

- 2) Necessary adjustments are made for significant discrepancies arising during transactions with consolidated subsidiaries due to differences in closing dates.

(4) Accounting policies

- 1) Evaluation standards and evaluation methods for significant assets

A. Securities

i. Securities - trading

Market value method

Additionally, the cost of sales is calculated based on the moving average method.

ii. Held-to-maturity bonds

Amortized cost method (straight-line method)

iii. Available-for-sale securities

a Securities other than shares, etc. that do not have a market price

Market value method

Additionally, valuation differences are treated entirely as a component of net assets, and cost of sales is calculated based on the moving average method.

b Shares, etc. that do not have a market price

Cost method based on the moving average method

Additionally, regarding investments in investment business partnerships, etc., valuations are made based on the corresponding amount of assets held in the partnership.

B. Derivatives

Market value method

C. Inventories

Cost method based on the first-in, first-out method (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability)

However, overseas consolidated subsidiaries primarily utilize the lower of cost or market value method on an individual basis, and domestic consolidated subsidiaries primarily

utilize the cost method on a weighted-average basis (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability).

- 2) Method of depreciation and amortization for significant depreciable assets
 - A. Property, plant, and equipment (excluding leased assets)

Declining-balance method

However, of rental assets, those based on lease agreements (uniform rental fee revenue), and buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), as well as facilities attached to buildings and structures acquired on or after April 1, 2016, and some consolidated subsidiaries utilize the straight-line method.
 - B. Intangible assets (excluding leased assets)

Straight line method

Additionally, regarding software for internal use, the straight line method is used over the internal useful life (five years).
 - C. Leased assets
 - Regarding finance lease transactions without transfer of ownership, the lease term is considered as the useful life, and the straight line method is adopted with residual value as zero.
 - 3) Recording standards for significant allowances
 - A. Allowance for doubtful accounts

To prepare for losses resulting from irrecoverable receivables, ordinary receivables are accounted for based on the historical write-off rate, and for specified receivables such as doubtful accounts, the estimated amount of irrecoverable debt based on recoverability are recorded individually.

 - B. Provision for bonuses

To prepare for payment of employee bonuses and bonuses for non-Director executive officers, the estimated amount of payment to be borne during the consolidated fiscal year under review is recorded.

 - C. Provision for bonuses for directors

To prepare for the payment of Directors' bonuses, the estimated amount of payment is recorded.

 - D. Provision for retirement benefits for directors

To prepare for the payment of retirement benefits to Directors at some of the consolidated subsidiaries, the estimated amount of payment based on internal regulations as of the end of the consolidated fiscal year under review is recorded.
 - 4) Amortization method and amortization period for goodwill
- Amortization is made in the straight line method over a period of five years.
- 5) Other significant matters for the preparation of consolidated financial statements
 - A. Accounting treatment for consumption taxes that are outside the scope of elimination, etc.

Consumption taxes and local consumption taxes that are outside the scope of elimination are processed as expenses for the consolidated fiscal year under review.

 - B. Recording standards for revenue and expenses
 - i. Details of main performance obligations in principal businesses and the timing at which the Company recognizes revenue

The Group is engaged in the sale, maintenance, and servicing of machinery and equipment in the fields of energy, industrial machinery and product as well as related equipment and ancillary products, both in Japan and overseas.

In the businesses in which the Company engages in the sale of products, the Company is obligated to deliver the ordered products under the contract with a customer, and as for the

timing at which these performance obligations are satisfied, the Company determines that control of products is transferred to customers when the products are delivered to the customer based on the contract with the customer. Accordingly, revenue from sales of products is recognized when such products are delivered to the customer. For transactions involving the provision of services, revenue is recognized at the completion of the service delivery when the Company satisfies the performance obligations based on the contract with the customer.

In addition, revenue from sales of products in which the Group acts as an agent is recognized at the net amount of the amount received.

Furthermore, revenue is measured at the amount of consideration promised with the customer under the contract less discounts, rebates, and returns.

ii. Recording standards regarding revenue for finance lease transactions

Revenue is recorded by the method of reporting net sales and cost of sales at the time of receiving lease fees.

C. Method of account treatment for retirement benefits

To prepare for payment of retirement expenses of employees, retirement benefit liability is recorded based on the estimated amounts as of the end of the consolidated fiscal year under review after elimination of the amount of pension assets from retirement benefit obligations. Actuarial differences are recorded as one-time expenses during the following consolidated fiscal year. Unrecognized actuarial differences and unrecognized past service costs are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under net assets net of tax.

Additionally, in calculation of retirement benefit obligations, concerning the attribution of estimated retirement benefit expenses to the period until the end of the consolidated fiscal year under review, the benefit formula standard is used.

Furthermore, domestic consolidated subsidiaries adopt the simplified method.

2. Notes on accounting estimates

Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statement for the consolidated fiscal year under review:
586 million yen

(2) Other information

Deferred tax assets are recognized for unused tax losses carried forward and future deductible temporary differences, to the extent that it is probable that future taxable income will be available. In the judgement of the probability of taxable income, the Company reasonably estimates the timing and amount of taxable income that may be available in the future and calculates the amount accordingly.

These estimates are subject to the influence of uncertain future economic situation and operating status of the Company. If the actual timing when the taxable income becomes available and the amount thereof differ from the estimates, the amount to be recognized in the consolidated financial statements in and after the following consolidated fiscal year may be significantly affected. In addition, changes in effective tax rates due to revisions of the taxation system may also significantly affect the amount to be recognized in the consolidated financial statements in and after the following consolidated fiscal year.

3. Notes to the consolidated balance sheet

(1) Assets pledged as collateral

Land	237 million yen
Buildings and structures	97 million yen
Total	334 million yen

(Debts related to the above)

Short-term borrowings	7 million yen
Long-term borrowings	18 million yen

Payment guarantees, etc.

(2) Total accumulated depreciation of property, plant, and equipment 5,050 million yen

(3) Contingent liabilities

A customer filed a lawsuit for damages against the Company, claiming for payment of a restoration cost of 479 million yen as a result of contract termination due to a failure to achieve the required performance for equipment. The Company received the bill of complaint related to the lawsuit on March 25, 2024. The Company will assert its legitimacy in legal procedures so that its legitimacy will be fully recognized. Since the amount of the future obligation is not reasonably estimable at the moment, the Company has not recorded provision for this contingent liabilities.

4. Notes to the consolidated statement of income

Gain on sale of shares of subsidiaries and associates

As a result of the sale of shares in TAKEMOTO AND COMPANY LIMITED, gain on sale of shares of subsidiaries and associates of 16 million yen, which was calculated based on the book value of the shares on the consolidated balance sheet, is recorded on the consolidated statement of income, while a loss on sale of shares of subsidiaries and associates of 309 million yen, which was calculated based on the book value of the shares on the non-consolidated balance sheet, is recorded on the non-consolidated statement of income.

5. Notes to the consolidated statement of changes in equity

(1) Type and total number of issued shares as of March 31, 2024

Common shares	12,320,650 shares
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(2) Dividends from surplus

1) Amount of dividends paid

A. The following was resolved at the Annual General Shareholders' Meeting on June 27, 2023.

Type of shares	Common shares
Total amount of dividends	663 million yen
Dividends per share	55 yen
Record date	March 31, 2023
Effective date	June 28, 2023

B. The following was resolved at the Board of Directors meeting on November 10, 2023.

Type of shares	Common shares
Total amount of dividends	724 million yen
Dividends per share	60 yen
Record date	September 30, 2023
Effective date	December 11, 2023

2) Of dividends with a record date in the consolidated fiscal year under review, those with an effective date in the following consolidated fiscal year

The following is planned to be resolved at the Annual General Shareholders' Meeting on June 26, 2024.

Type of shares	Common shares
Total amount of dividends	1,086 million yen
Source of dividends	Retained earnings
Dividends per share	90 yen
Record date	March 31, 2024
Effective date	June 27, 2024

(3) The type and number of shares subject to subscription rights to shares issued by the Company as of March 31, 2024

Common shares	171,120 shares
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6. Notes on financial instruments

(1) Status of financial instruments

For funds required for the performance of business, the Group conducts procurement primarily via indirect financing from bank borrowings.

Additionally, derivative transactions are used to avoid foreign exchange fluctuation risk on foreign currency-denominated debts and credits based on actual demand, and are not for speculative purposes.

Customer credit risk regarding notes and accounts receivable – trade and contract assets are managed by appropriately ascertaining the status of key transaction partners and managing balances and due dates on a per-partner basis, with the intent of early discovery and reduction of recoverability concerns resulting from deterioration, etc., in financial conditions.

Additionally, although foreign currency-denominated sales receivables are subject to foreign exchange fluctuation risk, hedging is made in principle via utilization of forward exchange contracts. Securities and investment securities are primarily shares, and investment trusts, and are held for the purposes of strengthening relationships with transaction partners, stabilizing capital, and trading. The market values of the above are ascertained on an ongoing basis.

The use of borrowings is for operating funds.

The Company prepares for liquidity risk by striving to ascertain the capital status of the overall Group on an ongoing basis, and via methods such as adjustment of long-term and short-term procurement balances in consideration of the market environment. The Company also secures means to conduct stable financing by establishing commitment lines and overdraft facilities, etc.

(2) Market value, etc., of financial instruments

Amounts recorded on the consolidated balance sheet as of March 31, 2024, market values, and differences are as follows. “Cash and deposits,” “notes and accounts receivable – trade, and contract assets,” “notes and accounts payable – trade,” and “short-term borrowings” are omitted because the settlement periods are short and the market values are essentially equal to the book values.

(In million yen)

	Amount recorded on the consolidated balance sheet	Market value	Difference
(1) Securities and investment securities (Note 1)	14,557	13,119	(1,438)
(2) Long-term borrowings	18	19	(0)
(3) Derivative transactions (Note 2)	(68)	(68)	-

(Note 1) Investment securities include the shares of the listed affiliates applicable to the equity method and the difference arose from the valuation of market value of the said shares.

Furthermore, unlisted securities (amount recorded on the consolidated balance sheet: 1,848 million yen) and investments (22 million yen) that do not have market values, and investments to partnerships and equivalent business entities which is recorded with the net amount corresponding to equity interests on the consolidated balance sheet (85 million yen) are not included in (1) Securities and investment securities above.

(Note 2) Derivative transactions are scheduled transactions such as forward exchange contracts, and debts and credits accrued from derivative transactions are presented on a net basis, whereas net debts in total are indicated in parentheses.

(Note 3) Market value information by level within the market value hierarchy

The market value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure market value.

Level 1 market value: Market value measured using observable inputs, i.e., quoted prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 market value: Market value measured using observable inputs other than Level 1 inputs.

Level 3 market value: Market value measured using unobservable inputs.

If multiple inputs are used that are significant to the market value measurement, the market value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

Assets

(1) Securities and investment securities

The market value of listed shares is measured using quoted prices. As listed shares are traded in active markets, their market value is classified as Level 1.

The market value of investment trusts is measured using benchmark prices. As the investment trusts are not frequently traded in markets and their prices are not regarded as the quoted prices in active markets, their market value is classified as Level 2.

Liabilities

(2) Long-term borrowings

The market value of long-term borrowings is calculated by discounting the estimated interest rate from the total amount of principal and interest categorized by certain period of time, assuming similar new borrowings, and is classified as Level 2.

Derivative transactions

(3) Derivative transactions

The market value of derivative transactions is measured using prices presented by counterparty financial institutions, and is classified as Level 2.

7. Notes on real estate for rent, etc.

(1) Status of real estate for rent, etc.

In Ageo City, Saitama Prefecture and in other regions, the Company holds land and buildings, etc., for rent. Rent income for the consolidated fiscal year under review was 22 million yen (rent revenue is recorded in non-operating income, and rent expenses are recorded in non-operating expenses).

(2) Market value of real estate for rent, etc.

Amount recorded on the consolidated balance sheet 576 million yen

Market value 387 million yen

Additionally, the amounts recorded on the consolidated balance sheet are amounts with accumulated depreciation and impairment loss eliminated from the cost of acquisition, and market values as of the end of the consolidated fiscal year under review are primarily amounts calculated by the Company based on assessed values of non-current assets for property tax purposes.

8. Notes on per share information

(1) Net assets per share 3,507.42 yen

(2) Profit per share 372.46 yen

9. Notes on revenue recognition

(1) Disaggregation of revenue from contracts with customers

(In million yen)

	Energy	Industrial Machinery	Product	Total
Revenue from contracts with customers	29,701	27,604	29,478	86,785
Net sales to external customers	29,701	27,604	29,478	86,785

(2) Useful information in understanding revenue

The useful information in understanding revenue is as described in “1. Notes, etc., to the Basis for Preparation of Consolidated Financial Statements; (4) Accounting policies; 5) Other significant matters for the preparation of consolidated financial statements; B. Recording standards for revenue and expenses.”

(3) Information in understanding revenue amounts for the current fiscal year and subsequent fiscal years

Balance of contract assets and contract liabilities, etc.

(In million yen)

	Current fiscal year	
	Balance at beginning of year	Balance at end of year
Obligations from contracts with customers	35,809	53,475
Contract assets	-	-
Contract liabilities	3,200	20,942

Obligations from contracts with customers are recorded as “notes and accounts receivable - trade, and contract assets” on the consolidated balance sheet.

Contract liabilities primarily represent consideration received from customers prior to delivery of products or provision of services, and are included in “advances received” and “other” under current liabilities on the consolidated balance sheet. Additionally, during the fiscal year ended March 31, 2024, the Company recognized revenue of 1,771 million yen that was included in the contract liabilities balance at the beginning of the fiscal year.

10. Other notes

(1) Amounts recorded on the consolidated financial statements

Displayed with amounts rounded down to the nearest display unit.

(2) Accounting treatment for notes matured on the final day of the fiscal year

Notes matured on the final day of the fiscal year are settled on their clearing days. As the final day of the fiscal year under review fell on a holiday for financial institutions, the following notes matured as of the same date have been included in the balance.

Notes receivable	329 million yen
Notes payable	622 million yen

2 【Non-Consolidated Financial Statements, etc.】

(1) 【Non-Consolidated Financial Statements】

1) 【Non-Consolidated Balance Sheet】

(In million yen)

	Current fiscal year (As of March 31, 2024)
(Assets)	95,561
Current assets	75,791
Cash and deposits	5,579
Notes receivable – trade	2,138
Accounts receivable - trade	44,776
Investments in leases	34
Securities	100
Merchandise	2,169
Advance payments to suppliers	20,700
Other	299
Allowance for doubtful accounts	(6)
Non-current assets	19,770
Property, plant and equipment	1,025
Buildings	147
Tools, furniture and fixtures	95
Fixed assets for rent, net	575
Leased assets	110
Land	78
Other	17
Intangible assets	233
Right to use facilities	118
Software	111
Other	4
Investments and other assets	18,510
Investment securities	12,283
Shares of subsidiaries and associates	5,383
Investments in capital of subsidiaries and associates	444
Long-term loans receivable from employees	22
Other	394
Allowance for doubtful accounts	(17)
Total assets	95,561

(In million yen)

	Current fiscal year (As of March 31, 2024)
(Liabilities)	68,175
Current liabilities	64,273
Notes payable - trade	3,953
Accounts payable - trade	35,800
Short-term borrowings	1,923
Lease liabilities	29
Accounts payable - other	905
Income taxes payable	347
Advances received	20,220
Provision for bonuses	709
Provision for bonuses for directors	123
Other	262
Non-current liabilities	3,901
Lease liabilities	92
Provision for retirement benefits	1,964
Deferred tax liabilities	1,816
Other	27
(Net assets)	27,386
Shareholders' equity	20,747
Share capital	6,728
Capital surplus	2,096
Legal capital surplus	2,096
Retained earnings	12,318
Other retained earnings	12,318
General reserve	6,600
Retained earnings brought forward	5,718
Treasury shares	(396)
Valuation and translation adjustments	6,389
Valuation difference on available-for-sale securities	6,389
Share acquisition rights	250
Total liabilities and net assets	95,561

2) 【Non-Consolidated Statement of Income】

(In million yen)

	Current fiscal year (From April 1, 2023 to March 31, 2024)
Net sales	57,050
Cost of sales	47,028
Gross profit	10,022
Selling, general and administrative expenses	8,119
Operating profit	1,902
Non-operating income	
Interest and dividend income	1,023
Foreign exchange gains	95
Gain on sale of securities	4
Other	47
Total non-operating income	1,171
Non-operating expenses	
Interest expenses	15
Loss on sale of notes receivable - trade	5
Other	25
Total non-operating expenses	47
Ordinary profit	3,026
Extraordinary income	
Gain on sale of investment securities	192
Gain on liquidation of subsidiaries and associates	106
Total extraordinary income	299
Extraordinary losses	
Loss on valuation of investment securities	85
Loss on sale of shares of subsidiaries and associates	309
Total extraordinary losses	395
Profit before income taxes	2,930
Income taxes - current	777
Income taxes - deferred	(120)
Total income taxes	656
Profit	2,273

3) 【Non-Consolidated Statement of Changes in Equity】

Current fiscal year (From April 1, 2023 to March 31, 2024)

(In million yen)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward	
Balance at beginning of period	6,728	2,096	2,096	6,600	4,836	11,436
Changes during period						
Dividends of surplus					(1,388)	(1,388)
Profit					2,273	2,273
Purchase of treasury shares						
Disposal of treasury shares					0	0
Exercise of share acquisition rights					(3)	(3)
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	—	882	882
Balance at end of period	6,728	2,096	2,096	6,600	5,718	12,318

	Shareholders' equity		Valuation and translation adjustments Valuation difference on available-for-sale securities	Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity			
Balance at beginning of period	(416)	19,844	3,103	218	23,165
Changes during period					
Dividends of surplus		(1,388)			(1,388)
Profit		2,273			2,273
Purchase of treasury shares	(2)	(2)			(2)
Disposal of treasury shares	0	0			0
Exercise of share acquisition rights	22	18			18
Net changes in items other than shareholders' equity			3,286	32	3,318
Total changes during period	19	902	3,286	32	4,220
Balance at end of period	(396)	20,747	6,389	250	27,386

Notes to the Non-consolidated Financial Statements

I. Notes to significant accounting policies

(1) Evaluation standards and evaluation methods for securities

1) Securities - trading

Market value method

Additionally, the cost of sales is calculated based on the moving average method.

2) Held-to-maturity bonds

Amortized cost method (straight-line method)

3) Shares of subsidiaries and associates

Cost method based on the moving average method

4) Available-for-sale securities

i. Securities other than shares, etc. that do not have a market price

Market value method

Additionally, valuation differences are treated entirely as a component of net assets, and cost of sales is calculated based on the moving average method.

ii. Shares, etc. that do not have a market price

Cost method based on the moving average method

Additionally, regarding investments in investment business partnerships, etc., valuations are made based on the corresponding amount of assets held in the partnership.

(2) Evaluation standards and evaluation methods for derivatives

Market value method

(3) Evaluation standards and evaluation methods for inventories

Cost method based on the first-in, first-out method (calculations for balance sheet amounts are made after write-downs on book value based on declines in profitability)

(4) Method of depreciation and amortization for non-current assets

1) Property, plant, and equipment (excluding leased assets)

Declining-balance method. However,

i. Low value depreciable assets acquired at a cost of 100 thousand yen or more and less than 200 thousand yen are evenly depreciated over three years.

ii. Of rental assets, those based on lease agreements (uniform rental fee revenue), and buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings), as well as facilities attached to buildings and structures acquired on or after April 1, 2016 utilize the straight-line method.

2) Intangible assets (excluding leased assets)

Straight line method. Additionally, regarding software for internal use, the straight line method is used over the internal useful life (five years).

3) Leased assets

Regarding finance lease transactions without transfer of ownership, the lease term is considered as the useful life, and the straight line method is adopted with residual value as zero.

(5) Recording standards for allowances

1) Allowance for doubtful accounts

To prepare for losses resulting from irrecoverable receivables, ordinary receivables are accounted for based on the historical write-off rate, and for specified receivables such as doubtful accounts, the estimated amount of irrecoverable debt based on recoverability are recorded individually.

2) Provision for bonuses

To prepare for payment of employee bonuses and bonuses for non-Director executive officers, the estimated amount of payment to be borne during the fiscal year under review is recorded.

- 3) Provision for bonuses for directors
To prepare for the payment of Directors' bonuses, the estimated amount of payment is recorded.
 - 4) Provision for retirement benefits
To prepare for the payment of retirement expenses of employees, provision for retirement benefits is recorded based on the estimated amounts of retirement benefit obligations and pension assets as of the end of the fiscal year under review.
In calculation of retirement benefit obligations, concerning the attribution of estimated retirement benefit expenses to the period until the end of the fiscal year under review, the benefit formula standard is used.
Actuarial differences are recorded as one-time expenses during the following fiscal year.
- (6) Other significant matters forming the basis of preparation of non-consolidated financial statements
- 1) Accounting treatment for consumption taxes that are outside the scope of elimination, etc.
Consumption taxes and local consumption taxes that are outside the scope of elimination are processed as expenses for the fiscal year under review.
 - 2) Recording methods of revenue and expenses
 - i. Details of main performance obligations in principal businesses and the timing at which the Company recognizes revenue
The Company is engaged in the sale, maintenance, and servicing of machinery and equipment in the fields of energy, industrial machinery and product, as well as related equipment and ancillary products, both in Japan and overseas.
In the businesses in which the Company engages in the sale of products, the Company is obligated to deliver the ordered products under the contract with a customer, and as for the timing at which these performance obligations are satisfied, the Company determines that control of products is transferred to customers when the products are delivered to the customer based on the contract with the customer. Accordingly, revenue from sales of products is recognized when such products are delivered to the customer. For transactions involving the provision of services, revenue is recognized at the completion of the service delivery when the Company satisfies the performance obligations based on the contract with the customer.
In addition, revenue from sales of products in which the Company acts as an agent is recognized at the net amount of the amount received.
Furthermore, revenue is measured at the amount of consideration promised with the customer under the contract less discounts, rebates, and returns.
 - ii. Recording standards regarding revenue for finance lease
Revenue is recorded by the method of reporting net sales and cost of sales at the time of receiving lease fees.
 - 3) Accounting treatment for retirement benefits
The method of accounting for unrecognized actuarial differences related to retirement benefits differs from the accounting methods in the consolidated financial statements.

2. Notes on accounting estimates

Recoverability of deferred tax assets

(1) Amount recorded in the non-consolidated financial statement for the fiscal year under review:

Deferred tax liabilities: 1,816 million yen

The amount of deferred tax assets before offsetting with deferred tax liabilities was 1,049 million yen.

(2) Other information

Deferred tax assets are recognized for unused tax losses carried forward and future deductible temporary differences, to the extent that it is probable that future taxable income will be available.

In the judgement of the probability of taxable income, the Company reasonably estimates the timing and amount of taxable income that may be available in the future and calculates the amount accordingly. These estimates are subject to the influence of uncertain future economic situation and operating status of the Company. If the actual timing when the taxable income becomes available and the amount thereof differ from the estimates, the amount to be recognized in the non-consolidated financial statements in and after the following fiscal year may be significantly affected. In addition, changes in effective tax rates due to revisions of the taxation system may also significantly affect the amount to be recognized in the non-consolidated financial statements in and after the following fiscal year.

3. Notes to the non-consolidated balance sheet

(1) Total accumulated depreciation of property, plant, and equipment 580 million yen

(2) Guarantee obligations

Guarantees for transactions with financial institutions, etc., of subsidiaries and associates

Seika Shanghai Co., Ltd. 227 million yen

SEIKA MACHINERY, INC. 151 million yen

Seika Digital Image CORPORATION 30 million yen

(3) Monetary claims and obligations of subsidiaries and associates

Short-term monetary claims 1,965 million yen

Short-term monetary obligations 2,559 million yen

Long-term monetary obligations 0 million yen

(4) Contingent liabilities

A customer filed a lawsuit for damages against the Company, claiming for payment of a restoration cost of 479 million yen as a result of contract termination due to a failure to achieve the required performance for equipment. The Company received the bill of complaint related to the lawsuit on March 25, 2024. The Company will assert its legitimacy in legal procedures so that its legitimacy will be fully recognized. Since the amount of the future obligation is not reasonably estimable at the moment, the Company has not recorded provision for this contingent liabilities.

4. Notes to the non-consolidated statement of income

(1) Transaction amounts with subsidiaries and associates

1) Net sales	6,766 million yen
2) Amount of purchase	3,073 million yen
3) Transaction amounts other than business transactions	
Dividend income	751 million yen
Other	459 million yen

(2) Gain on liquidation of subsidiaries and associates

As a result of the completion of the liquidation of Tozai Jitsugyo Co., Ltd., the Company recorded a difference between the net amount of assets and liabilities the Company accepted from the company and the shares in the company we held as gain on liquidation of subsidiaries and associates of 106 million yen.

5. Notes to the non-consolidated statement of changes in equity

Type and total number of treasury shares as of March 31, 2024

Common shares	244,646 shares
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6. Notes on tax effect accounting

Breakdown of major components of deferred tax assets and deferred tax liabilities

Deferred tax assets

Tax losses carried forward	2 million yen
Provision for retirement benefits	601 million yen
Loss on valuation of shares of subsidiaries and associates	424 million yen
Impairment losses	121 million yen
Provision for bonuses	217 million yen
Loss on valuation of investment securities	83 million yen
Share-based payment expenses	76 million yen
Loss on valuation of golf club membership	58 million yen
Accrued business taxes	34 million yen
Allowance for doubtful accounts	7 million yen
Other	124 million yen

Deferred tax assets - Subtotal	1,751 million yen
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Valuation allowance	(701) million yen
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Deferred tax assets – Total	1,049 million yen
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Deferred tax liabilities

Valuation difference on available-for-sale securities	2,817 million yen
Accrued dividends receivable	48 million yen

Deferred tax liabilities – Total	2,865 million yen
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Net deferred tax liabilities	1,816 million yen
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7. Notes on revenue recognition

(1) Disaggregation of revenue from contracts with customers

(In million yen)

	Energy	Industrial Machinery	Product	Total
Revenue from contracts with customers	29,730	22,596	4,723	57,050
Net sales to external customers	29,730	22,596	4,723	57,050

(2) Useful information in understanding revenue

The useful information in understanding revenue is as described in “1. Notes to significant accounting policies; (6) Other significant matters forming the basis of preparation of non-consolidated financial statements; 2) Recording methods of revenue and expenses.”

(3) Information in understanding revenue amounts for the current fiscal year and subsequent fiscal years

Balance of contract assets and contract liabilities, etc.

(In million yen)

	Current fiscal year	
	Balance at beginning of year	Balance at end of year
Obligations from contracts with customers	30,583	46,914
Contract assets	-	-
Contract liabilities	2,520	20,371

Obligations from contracts with customers are recorded as “notes receivable – trade” and “accounts receivable – trade” on the non-consolidated balance sheet.

Contract liabilities primarily represent consideration received from customers prior to delivery of products or provision of services, and are included in “advances received” and “other” under current liabilities on the non-consolidated balance sheet. Additionally, during the fiscal year ended March 31, 2024, the Company recognized revenue of 1,261 million yen that was included in the contract liabilities balance at the beginning of the fiscal year.

8. Notes on per share information

(1) Net assets per share	2,247.14 yen
(2) Profit per share	188.29 yen

9. Other notes

(1) Amounts recorded on the non-consolidated financial statements

Displayed with amounts rounded down to the nearest display unit.

(2) Accounting treatment for notes matured on the final day of the fiscal year

Notes matured on the final day of the fiscal year are settled on their clearing days. As the final day of the fiscal year under review fell on a holiday for financial institutions, the following notes matured as of the same date have been included in the balance.

Notes receivable	24 million yen
Notes payable	468 million yen