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Press Release

Ichio Otsuka
President and Representative Director
Toyo Seikan Group Holdings, Ltd.
(Code: 5901, First Section of Tokyo Stock Exchange)

Contact:
Shinichiro Asada
General Manager of General Affairs Department
Phone: +81-3-4514-2001

Supplemental Information Regarding Proposals for the 108th Ordinary General Meeting of Shareholders

Toyo Seikan Group Holdings, Ltd. (the “Company”) has confirmed that Institutional Shareholder Services Inc. (“ISS”), a proxy advisory firm, has issued an English report recommending a vote “for” Proposal 7 and Proposal 8 of the 108th Ordinary General Meeting of Shareholders (the “**Ordinary General Meeting of Shareholders**”) to be held on June 25, 2021. The Company has also confirmed that Glass Lewis & Co., LLC (“GL”) has issued an English report recommending the vote “for” Proposal 9. The contents of the opinion of the Board of Directors (the “Board of Directors”) regarding Proposal 7, Proposal 8 and Proposal 9 are as stated in the Notice of Convocation of the Ordinary General Meeting of Shareholders, and the Board of Directors “opposes” those proposals. Therefore, the Company would like to supplement and explain the relevant matters as follows in light of the reports by ISS and GL. We would like to ask our shareholders for their understanding with respect to these proposals after reviewing the following.

1. Opinion of the Company on Proposal 7: Revision to a Portion of the Articles of Incorporation (Abolish *Sodanyaku* / *Komon* System) (Shareholder Proposal)

Although ISS recommends a vote “for” Proposal 7, which is a shareholder proposal, the Board of Directors “opposes” that proposal.

ISS claims that, citing an example of the other company, *sodanyaku* and *komon*, etc., have a negative impact on company management and that the continued appointment of former management as *sodanyaku* or *komon*, etc., hinders the ability of companies to secure candidates to serve as outside directors in general. However, this argument does not apply to the Company, and this argument does not indicate that the *sodanyaku/komon*, etc., system is an obstacle to corporate governance of the Company.

The Company has appointed people who are well known in the industry and have a wealth of knowledge as its sodanyaku or komon, etc., to help improve the Company's social reputation and take part in the activities of industry groups and other external activities. At the same time, the Company does not use the sodanyaku/komon, etc., system without cautious consideration. The Company only uses the sodanyaku/komon, etc., system when it needs to utilize their wealth of experience, insight, and personal connections, and the Company has ensured that the operation of such system is appropriate.

The Company does not currently have any sodanyaku or komon. This is proof that the Company properly operates the sodanyaku/komon, etc., system by using the system only when that is truly necessary. That can be attributed to the fact that more than one-third of the Board of Directors is composed of independent outside directors, and the Board of Directors appropriately supervises the operation of the sodanyaku/komon, etc., system.

The honorary chairperson of the Company is well known in industry groups, etc., and has an irreplaceable wealth of networks and expertise, so the Company believes that utilizing the honorary chairperson in external activities at industry groups, etc., will improve the Company's social reputation and contribute to the interests of the Company. As a matter of course, the honorary chairperson does not attend any meetings related to management decision-making and does not intervene in or adversely affect management decision-making at the Company in any way.

ISS also points out the transparency of the relationships between former senior executives and the Company as a reason for recommending that this proposal be endorsed. However, the Company believes that it has ensured sufficient transparency by widely disclosing the sodanyaku/komon, etc., system to its shareholders through stipulating the system in its Articles of Incorporation, disclosing its sodanyaku/komon, etc., in its corporate governance reports, and having the Board of Directors, of which more than one-third is composed of independent outside directors, supervise the operation of the system.

The Company will continue to consider initiatives that will contribute to further improving the confidence of its shareholders in the Company's sodanyaku/komon, etc., system, but such improvement will not be realized by revising the Articles of Incorporation as proposed in this proposal.

Given the above, the Board of Directors opposes Proposal 7.

2. Opinion of the Company on Proposal 8: Implementation of Share Buyback (Shareholder Proposal)

Although ISS recommends a vote "for" Proposal 8, which is a shareholder proposal, the Board of Directors "opposes" that proposal.

On May 14, 2021, the Company announced "Mid-Term Management Plan 2025"(the "New Mid-Term Management Plan") with an awareness that returning profits to shareholders is one of the most important management issues. The New Mid-Term Management Plan sets out a policy that, during the period from FY 2021 to FY 2025, the target total return payout ratio will be 80%, the target consolidated dividend payout ratio will be at least 50%, the dividend amount will be JPY 46

per share at minimum and that will be increased, and the Company will implement share repurchase in an agile manner (in principle, extraordinary profits or losses arising from the disposal of assets will not be taken into account when calculating the total return payout ratio and the consolidated dividend payout ratio).

The above policy was established by the Board of Directors to enable the Company to secure a certain level of liquidity funds in hand and make the investments set out in the New Mid-Term Management Plan under circumstances where the outlook for the global economy is uncertain due to the recent spread of COVID-19. The Company will, based on the packaging business, expand its value chain in the areas of engineering, filling and distribution and seek growth of optical-use and battery materials in the steel plate-related and functional materials-related operations, as well as to create new mechanisms for solving social issues in new business fields. Based on that policy, the Company intends to make investments totaling JPY 330 billion as described below, all of which are necessary for the maintenance and improvement of the Company's corporate value over the medium- to long-term.

Purpose		Expected Amount (billion yen)	Reference
Exploring, commercializing and monetizing new growth opportunities	Main purpose of investment - Investment to reduce environmental impact and increase environmental value - Developing a system for the entire value chain, beyond the traditional framework of packaging manufacturing - Seeking activities to create and grow new businesses, including cooperation with business partners and start-ups, focusing on the areas of “food and health,” “comfortable living” and “environment, resources and energy”	160	
Seeking continuous growth in existing business domains	Enhancing foundation for existing core business areas	150	Seek to realize more labor-saving facilities with lower environmental impact at the time of equipment renewal
Enhancing management foundation	Advancing IoT and DX initiatives, developing new technologies and human resources, etc.	20	
Total		330	

* The above-mentioned current plan may be reviewed and changed in actual investment decisions and their implementation depending on conditions of business opportunities, such as progress and timing of projects.

This proposal is an attempt to prioritize returning a large amount of profits to shareholders in the short term over the Company's ability to address business risks and its need for funds for growth. ISS is of the opinion that a share buyback of up to JPY 24 billion would not have a major impact in the Company's operations. However, the proposing shareholder stated that the Company should repurchase JPY 100 billion of its own shares over three years, and proposed that, as a first step, the Company repurchase JPY 24 billion of its own shares over one year as shown in this proposal. Even if the Company were able to secure JPY 24 billion in funds during a period of one year, it would be difficult to secure JPY 100 billion in funds over three years and allocate that to the repurchase of its own shares, for the reason that the Company should avoid as much as possible raising funds by borrowing at this time in order to maintain the borrowing capacity to respond to emergencies in light of the current situation and other reasons. The Company believes that, under the policy set forth in the New Mid-Term Management Plan, striking an appropriate balance between returning profits to shareholders, investing in growth, and preparing for future risks will contribute to the enhancement of the Company's corporate value over the medium to long term.

The Board of Directors opposes Proposal 8 because it might damage the corporate value of the Company from a medium- to long-term perspective.

3. Opinion of the Company on Proposal 9: Revisions to a Portion of the Articles of Incorporation (Disclosure of Management Strategy based on the Task Force on Climate-Related Financial Disclosures (TCFD)) (Shareholder Proposal)

Although GL recommends a vote "for" Proposal 9, which is a shareholder proposal, the Board of Directors "opposes" that proposal.

The Company's group has been actively involved in environment-related initiatives, and the Company has been actively working to disclose environment-related information by, for example, disclosing those initiatives on its website referring to the GRI Sustainability Reporting Standards, an international standard, as well as in its annual CSR report referring to ISO 26000 (Guidance on Social Responsibility), which is also an international standard.

In May 2021, the Company revised the goals in the Eco Action Plan 2030 and it decided to aim to be carbon-neutral as a long-term goal in its environmental vision.

In addition, as announced on June 14, 2021, the Company plans to express its support for the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) in July 2021 in order to further promote the disclosure of information on environment-related initiatives.

In its report, GL expressed an opinion that stipulating the requirement for the Company to report annually in accordance with the TCFD recommendations in its Articles of Incorporation is not overly onerous on the Company and is not particularly problematic.

However, since the IFRS Foundation is currently in the process of developing a unified disclosure framework for sustainability, including climate change, it is necessary to constantly and carefully consider the appropriate form of information disclosure for environment-related initiatives in light of future trends. As is evident from the fact that the Company is planning to express its support for

the recommendations of the TCFD, the Company fully understand its significance and take a proactive position on it, but if, as proposed in this proposal, the framework of disclosure to be relied upon is limited to the TCFD as set forth in the Articles of Incorporation. This might hinder the implementation of further desirable measures in the future and is not appropriate.

The Board of Directors therefore opposes Proposal 9.