

**3. Forecast of consolidated results for the year ending December 31, 2021
(January 1, 2021 through December 31, 2021)**

(% change from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	81,000	3.3	3,800	16.0	4,000	10.9	2,700	12.9	142.17

(Note) Revision from most recently announced forecast of results: None

***Notes**

- (1) Material changes in subsidiaries during this quarterly cumulative period (changes in scope of consolidations resulting from change in subsidiaries): None
- (2) Application of special account processing in preparation of quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies based on revisions of the accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of the accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

(4) Number of issued and outstanding shares (common stock)

1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)	2Q, year ending December 31, 2021	19,900,000 shares	Year ended December 31, 2020	19,900,000 shares
2) Number of treasury shares at the end of fiscal year	2Q, year ending December 31, 2021	904,897 shares	Year ended December 31, 2020	909,347 shares
3) Average number of shares (quarterly cumulative)	2Q, year ending December 31, 2021	18,992,624 shares	2Q, year ended December 31, 2020	18,982,396 shares

***The quarterly financial summary is not subject to audits by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Forward-looking statements regarding future performance are based on assumptions regarding various factors affecting business performance and information available to the Company's management as of the date the materials were prepared. Actual results may differ significantly from forecasts.

Also see "Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements" on p. 3 of the Attachments concerning forward-looking statements.

Contents of Attachments

1.	Qualitative Summary of Business Results for the Period Under Review	2
(1)	Description of Operational Results	2
(2)	Description of Financial Position	3
(3)	Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements	3
2.	Quarterly Consolidated Financial Statements and Notes	4
(1)	Quarterly Consolidated Balance Sheet	4
(2)	Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	6
(3)	Consolidated Statement of Cash Flows	8
(4)	Notes to Quarterly Consolidated Financial Statements	9
	(Going Concern Assumption)	9
	(Significant Changes in Shareholders' Equity)	9

1. Qualitative Summary of Business Results for the Period Under Review

(1) Description of Operational Results

In the cumulative period through the second quarter of the consolidated fiscal year under review, the Japanese economy experienced sustained, albeit gradual, recovery in personal consumption, even as the COVID-19 pandemic reheated with the spread of variants of the virus. A look at retail sales shows improvements in supermarket sales and slowing in the decline of customers visiting convenience stores, along with improving department store sales. The pattern of market polarization remained in place, with delayed recovery in the food service and leisure industries alongside strong demand for businesses serving homebound consumers.

Business activity continues to strengthen in the United States. Progress with COVID-19 vaccinations has boosted both opportunities for consumers to venture out and recovery in personal consumption, centered on service industries. China's economy maintained a steady overall recovery, founded on the country's success in containing COVID-19; however, retail recovery has been modest, and recovery in travel, leisure, and other service sectors has been delayed.

Under the slogan "Refreshed and Moving Forward," group companies worked collectively to increase earnings by venturing into new markets, making substantial capital expenditures, and improving quality management. Nevertheless, the continuing COVID-19 pandemic affected business performance.

During the quarter under review, net sales grew 2.2% year on year to ¥36,844 million; operating profit rose by 18.7% to ¥1,459 million; ordinary profit was up 16.4% to ¥1,600 million; and profit attributable to owners of parent rose by 23.8% to ¥1,069 million.

The business performance for each segment is given below.

(Paper Products)

The paper products segment accounted for 68.8% of consolidated sales in the second quarter. Sales of paper bags, which accounted for 26.3% of consolidated sales, declined due to slowing consumer spending attributable to the COVID-19 pandemic and the decision by certain customers to begin charging fees for paper bags. The Pack (Shanghai) Corporation and The Pack America Corp., both overseas subsidiaries, recorded strong performance, with paper bag net sales year on year growing 1.8% to ¥9,684 million.

Sales of folding paper cartons, which accounted for 23.9% of consolidated sales, grew 17.9% to 8,806 million yen. Sales of cartons for takeout/delivery food products remained firm.

Sales of corrugated boxes, which accounted for 15.7% of consolidated sales, grew 17.4% to 5,778 million yen, driven by firm sales to manufacturers and the e-commerce sector.

Printing sales, which accounted for 2.9% of consolidated sales, rose by 3.7% to 1,058 million. Both Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION recorded strong sales.

Overall, sales in this segment rose by 10.5% to 25,327 million yen. Operating profit grew by 18.6% to 1,416 million yen.

(Film Packaging)

The film packaging segment accounted for 14.4% of consolidated sales in the period under review. Segment sales fell 24.7% to 5,323 million yen due to declining sales of disposable diaper products, lower sales to specialty retail stores in Japan due to COVID-19, and the impact of mandatory fees for plastic shopping bags that went into effect on July 1 last year. Operating profit fell 33.5% to 163 million yen.

(Other Businesses)

Other businesses accounted for 16.8% of consolidated sales in the period under review. Sales grew 2.4% to 6,192 million yen, with signs of recovery in sales of miscellaneous supplies to large retailers and strong sales by Kannaru Printing Co., Ltd. Operating profit for Other Businesses rose 45.4% to 378 million yen, due in part to improvements in distribution costs.

(2) Description of Financial Position

1) Assets, liabilities, and net assets

Assets totaled 82,469 million yen at the end of the period under review, down 1,086 million yen from the end of 2020. Major factors included increases of 2,926 million yen in cash and deposits, 602 million yen in securities, and 348 million yen in investment securities and a decline of 5,527 million yen in notes and accounts receivable-trade.

Liabilities fell 1,949 million yen to 21,866 million yen. The primary factors were decreases of 1,734 million yen in notes and accounts payable-trade and 321 million yen in electronically recorded obligations-operating.

Net assets grew by 863 million yen to 60,603 million yen. The key factors were increases of 499 million yen in retained earnings and 220 million yen in valuation difference on available-for-sale securities.

2) Cash Flow

The balance of cash and cash equivalents in the cumulative period through the quarter under review was down 1,016 million yen (5.3%) from the same period of the previous year to 18,151 million yen.

Cash flow from operating activities

Cash flow from operating activities in the period under review was 6,143 million yen (vs. 2,903 million yen in the same period of the previous year). Positive cash flow effects included 1,595 million yen in income before income taxes and minority interests, a 2,089 million yen decrease in trade payables, and a 207 million yen increase in inventories. Negative cash flow effects included a 5,577 million yen decrease in trade receivables and 1,007 million yen in depreciation.

Cash flow from investment activities

Cash flow used in investment activities in the period under review was 2,764 million yen (vs. 1,414 million yen in the same period of the previous year). The negative effects on cash flow of factors such as 5,005 million yen in the purchase of securities and 1,801 million yen in the purchase of property, plant, and equipment outweighed the positive effects of factors such as 4,402 million yen in proceeds from sales of securities.

Cash flow from financing activities

Cash flow used in financing activities in the period under review was 523 million yen (vs. 608 million yen in the same period of the previous year). Contributing factors included 569 million yen in cash dividends paid.

(3) Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements

Consolidated business forecasts remain unchanged from the information announced February 5, 2021.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Million yen)

	Previous fiscal year (As of December 31, 2020)	Second quarter of this fiscal year (As of June 30, 2021)
Assets		
Current assets		
Cash and deposits	13,234	16,161
Notes and accounts receivable – trade	20,731	15,203
Securities	9,099	9,702
Merchandise and finished goods	4,958	5,122
Work in process	763	865
Raw materials and supplies	830	784
Other	555	694
Allowance for doubtful accounts	(13)	(18)
Total current assets	50,160	48,516
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,284	6,310
Machinery, equipment, and vehicles, net	6,989	6,614
Tools, furniture and fixtures, net	355	364
Land	8,302	8,302
Construction in progress	616	960
Total property, plant and equipment	22,547	22,552
Intangible assets	190	593
Investments and other assets		
Investment securities	9,104	9,452
Deferred tax assets	583	468
Other	1,022	935
Allowance for doubtful accounts	(53)	(49)
Total investments and other assets	10,657	10,807
Total non-current assets	33,395	33,953
Total assets	83,556	82,469

(Million yen)

	Previous fiscal year (As of December 31, 2020)	Second quarter of this fiscal year (As of June 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	11,183	9,449
Electronically recorded obligations – operating	5,330	5,008
Current portion of long-term loans payable	30	29
Income taxes payable	55	584
Allowance for bonuses	230	257
Allowance for bonuses for directors (and other officers)	18	17
Other	3,506	3,154
Total current liabilities	20,356	18,500
Non-current liabilities		
Long-term loans payable	-	72
Deferred tax liabilities	485	472
Retirement benefit liability	2,758	2,636
Other	214	184
Total non-current liabilities	3,459	3,365
Total liabilities	23,816	21,866
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,164
Retained earnings	55,860	56,360
Treasury shares	(2,717)	(2,703)
Total shareholders' equity	58,861	59,374
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	987	1,207
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(310)	(186)
Remeasurements of defined benefit plans	112	121
Total accumulated other comprehensive income	790	1,142
Share acquisition rights	65	63
Non-controlling interests	22	22
Total net assets	59,739	60,603
Total liabilities and net assets	83,556	82,469

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Cumulative period through second quarter

(Million yen)

	Cumulative period through second quarter of previous fiscal year (from January 1, 2020 to June 30, 2020)	Cumulative period through second quarter of this fiscal year (from January 1, 2021 to June 30, 2021)
Net sales	36,046	36,844
Cost of sales	27,549	28,182
Gross profit	8,496	8,661
Selling, general and administrative expenses		
Freightage and packing expenses	1,864	1,784
Salaries and allowances	1,939	1,961
Director compensation	220	213
Provision of allowance for doubtful accounts	12	2
Provision of allowance for bonuses	121	130
Provision of allowance for bonuses for directors (and other officers)	19	16
Retirement benefit expenses	142	139
Depreciation	171	186
Rent expenses	1,376	1,289
Other	1,396	1,477
Total selling, general and administrative expenses	7,266	7,202
Operating profit	1,229	1,459
Non-operating income		
Interest income	51	52
Dividend income	51	44
Rent income	27	26
Foreign exchange gains	15	13
Other	20	17
Total non-operating income	165	154
Non-operating expenses		
Interest expenses	0	0
Cost of lease revenue	4	4
Sales discounts	2	2
Other	11	5
Total non-operating expenses	19	13
Ordinary profit	1,375	1,600
Extraordinary income		
Gain on sales of non-current assets	15	-
Total extraordinary income	15	-
Extraordinary losses		
Loss on sales on non-current assets	0	-
Loss on retirement of non-current assets	29	4
Loss on valuation of investment securities	55	-
Total extraordinary losses	86	4
Profit before income taxes	1,305	1,595
Income taxes-current	307	524
Income taxes-deferred	135	3
Total income taxes	443	528
Profit	861	1,067
Profit (loss) attributable to non-controlling interests	(2)	(2)
Profit attributable to owners of parent	863	1,069

Quarterly Consolidated Statement of Comprehensive Income

Cumulative period through first quarter

(Million yen)

	Cumulative period through second quarter of previous fiscal year (from January 1, 2020 to June 30, 2020)	Cumulative period through second quarter of this fiscal year (from January 1, 2021 to June 30, 2021)
Profit	861	1,067
Other comprehensive income		
Valuation difference on available-for-sale securities	(606)	220
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(38)	124
Remeasurements of defined benefit plans, net of tax	38	8
Total other comprehensive income	(607)	353
Comprehensive income	254	1,421
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	257	1,421
Comprehensive income attributable to non-controlling interests	(2)	(0)

(3) Consolidated Statement of Cash Flows

(Million yen)

	Cumulative period through second quarter of previous fiscal year (from January 1, 2020 to June 30, 2020)	Cumulative period through second quarter of this fiscal year (from January 1, 2021 to June 30, 2021)
Cash flow from operating activities		
Profit before income taxes	1,305	1,595
Depreciation	830	1,007
Increase (decrease) in allowance for doubtful accounts	5	0
Increase (decrease) in allowance for bonuses	(10)	26
Increase (decrease) in allowance for bonuses for directors (and other officers)	(23)	(1)
Increase (decrease) in retirement benefit liability	(126)	(110)
Interest and dividend income	(103)	(97)
Interest expenses	0	0
Loss (gain) on sales of non-current assets	(15)	-
Loss on retirement of non-current assets	29	4
Loss (gain) on valuation of investment securities	55	-
Decrease (increase) in trade receivables	9,778	5,577
Decrease (increase) in inventories	(1,146)	(207)
Increase (decrease) in trade payables	(6,314)	(2,089)
Other, net	(463)	357
Subtotal	3,804	6,065
Interest and dividend income received	102	92
Interest expenses paid	(0)	(0)
Income taxes paid	(1,002)	(14)
Cash flow from operating activities	2,903	6,143
Cash flow from investing activities		
Purchase of securities	(3,500)	(5,005)
Proceeds from sales of securities	4,500	4,402
Collection of loans receivable	2	13
Purchase of property, plant, and equipment	(1,456)	(1,801)
Proceeds from sales of property, plant, and equipment	28	-
Purchase of intangible assets	(4)	(434)
Purchase of investment securities	(1,014)	(42)
Proceeds from sales of investment securities	-	7
Payments for leasehold and guarantee deposits	(13)	(11)
Other, net	43	106
Cash flow from investing activities	(1,414)	(2,764)
Cash flow from financing activities		
Proceeds from long-term loans payable	-	100
Repayments of long-term loans payable	(28)	(28)
Cash dividends paid	(568)	(569)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(4)	-
Other, net	(6)	(25)
Cash flow from financing activities	(608)	(523)
Effect of exchange rate change on cash and cash equivalents	(20)	71
Net increase (decrease) in cash and cash equivalents	860	2,926
Cash and cash equivalents at beginning of period	18,307	15,224
Cash and cash equivalents at end of period	19,168	18,151

(4) Notes to Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Changes in Shareholders' Equity)

Not applicable.