

Business Results for the Year Ended December 31, 2021 [Japan GAAP] (Consolidated)

February 7, 2022

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Expected date of annual shareholders' meeting: March 30, 2022

Expected starting date of dividend payment: March 31, 2022

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Preparation of supplementary financial document: Yes

Results briefing: Yes (for institutional investors and securities analysts)

(Rounded down to million yen)

1. Consolidated business results for the year ended December 31, 2021 (January 1, 2021 through December 31, 2021)

(1) Consolidated operational results (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 31, 2021	80,177	2.2	4,144	26.6	4,422	22.6	2,824	18.1
Year ended December 31, 2020	78,445	(17.9)	3,275	(52.2)	3,606	(49.9)	2,392	(49.1)

(Note) Comprehensive income Year ended December 31, 2021: 3,325 million yen (up 40.4%)

Year ended December 31, 2020: 2,368 million yen (down 50.3%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2021	148.71	148.53	4.6	5.2	5.2
Year ended December 31, 2020	126.01	125.85	4.1	4.2	4.2

(Reference) Investment earnings/loss on equity-method Year ended December 31, 2021: - million yen

Year ended December 31, 2020: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended December 31, 2021	87,422	62,032	70.9	3,261.64
Year ended December 31, 2020	83,556	59,739	71.4	3,141.09

(Reference) Owner's equity As of December 31, 2021: 61,955 million yen

As of December 31, 2020: 59,651 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended December 31, 2021	7,217	(3,460)	(1,029)	18,067
Year ended December 31, 2020	3,155	(5,013)	(1,214)	15,224

2. Dividends

	Dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Year ended December 31, 2020	Yen -	Yen 30.00	Yen -	Yen 30.00	Yen 60.00	Million yen 1,138	% 47.6	% 1.9
Year ended December 31, 2021	-	25.00	-	25.00	50.00	1,044	33.6	1.6
Year ending December 31, 2022 (forecast)	-	30.00	-	30.00	60.00		32.6	

**3. Forecast of consolidated results for the year ending December 31, 2022
(January 1, 2022 through December 31, 2022)**

(% change from the previous corresponding period)

	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
First half (accumulated)	38,000	-	1,600	-	1,900	-	1,300	-	68.43
Full year	83,000	-	4,700	-	5,000	-	3,500	-	184.25

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) and other standards will apply from the beginning of the year ending December 31, 2022. Forecasts of consolidated results represent figures after the application of these standards, and changes from the previous corresponding period are omitted.

***Notes**

- (1) Material changes in subsidiaries during this period (changes in scope of consolidations resulting from change in subsidiaries): None
- (2) 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
- (3) Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)

As of December 31, 2021: 19,900,000 shares	As of December 31, 2020: 19,900,000 shares
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 - 2) Number of treasury shares at the end of fiscal year

As of December 31, 2021: 904,917 shares	As of December 31, 2020: 909,347 shares
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 - 3) Average number of shares

As of December 31, 2021: 18,993,765 shares	As of December 31, 2020: 18,986,206 shares
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***The current financial summary is not subject to audit by certified public accountants or auditing firms.**

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

Note concerning forward-looking statements

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. They do not represent guarantees by the Company regarding future performance. Actual results may differ significantly from forecasts for various reasons.

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1. Overview of Operational Results

(1) Operational Results

Japan's economy in the consolidated fiscal year under review was marked by repeated cycles of slowdowns and recoveries as restrictions on human activity and movement were repeatedly lifted, then enacted once again in response to states of emergency declared by the national government and demands for measures to slow the spread of COVID-19 from local governments. The anticipated economic stimulus of the long-awaited Tokyo Olympics proved limited because the games were held without spectators. An economic slowdown continued for the entire year. While consumer spending recovered toward the end of the year as the pandemic slowed, the outlook remains unclear.

The United States economy saw recovery in consumer spending, primarily in the service industries. Progress with vaccinations increased opportunities for consumer activity. Corporate activities also continued to grow. However, the spread of the omicron variant toward the end of the year led to a rapid increase in COVID-19 case rates and once again constrained activity. Due to China's success in controlling the spread of the virus, the Chinese economy continued to recover at a steady pace. Nevertheless, in light of policies to rectify inequalities and more stringent regulations on electric power, the outlook remains uncertain.

While the COVID-19 pandemic affected Group business performance, we sought to improve business results under the slogan "Refreshed and Moving Forward." The measures taken included Groupwide efforts to develop new markets, proactive capital investments, and improvements in quality control.

As a result, in the consolidated fiscal year under review, net sales grew 2.2% year on year to ¥80,177 million; operating profit grew 26.6% to ¥4,144 million; ordinary profit grew 22.6% to ¥4,422 million; and profit attributable to owners of parent grew 18.1% to ¥2,824 million.

The business performance for each segment is given below.

(Paper Products)

The paper products segment accounted for 69.2% of consolidated sales in 2021. Sales of paper bags, which accounted for 27.5% of consolidated sales, rose by 2.6% to 22,032 million yen, buoyed by gradual recovery from a sales decline due to slower consumer spending in Japan, as well as by stronger sales at the overseas subsidiaries The Pack (Shanghai) Corporation and The Pack America Corp.

Sales of folding paper cartons, which accounted for 24.3% of consolidated sales, grew 13.1% to 19,497 million yen. Sales of cartons for takeout/delivery food products remained solid. Sales to manufacturers by The Pack (Shanghai) Corporation were also strong.

Sales of corrugated boxes, which accounted for 14.8% of consolidated sales, grew 11.5% to 11,850 million yen, a result of strong sales to the manufacturing and e-commerce sectors.

Printing sales, which accounted for 2.6% of consolidated sales, grew 3.9% to 2,131 million, driven by strong sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment rose 8.0% to 55,511 million yen. Operating profit rose by 26.7% to 3,958 million yen.

(Film Packaging)

The film packaging segment accounted for 14.0% of consolidated sales in 2021. Segment sales fell 17.1% to 11,184 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 a mandatory fee for plastic shopping bags that went into effect on July 1, 2020. Operating profit fell 22.4% to 397 million yen.

(Other Businesses)

Other businesses accounted for 16.8% of consolidated sales in 2021. Despite steady sales of miscellaneous supplies to large retailers and strong sales of miscellaneous supplies to medical facilities by Kannaru Printing Co., Ltd., lower sales by

NISHINIHON PRINTING Co., Ltd. and The Pack (Shanghai) Corporation led to a 0.7% decline in overall sales to 13,481 million yen. Nevertheless, operating profit rose by 17.9% to 882 million yen thanks to decrease in logistics costs.

(2) Financial Position

Assets totaled 87,422 million yen at the end of 2021, up 3,866 million yen from the end of 2020. Major factors included growth of 1,843 million yen in cash and deposits and 2,906 million yen in securities, partially offset by a decrease of 1,698 million yen in investment securities.

Liabilities rose by 1,574 million yen to 25,390 million yen. The primary factors were increases of 1,051 million yen in notes and accounts payment-trade and 935 million yen in income taxes payable.

Net assets grew by 2,292 million yen to 62,032 million yen. The key factor was an increase of 1,780 million yen in retained earnings.

(3) Cash Flows

The balance of cash and cash equivalents at the end of 2021 rose 2,843 million yen to 18,067 million yen, a 18.7% gain from the end of 2020.

<Cash flows from operating activities>

Operating activities provided net cash of 7,217 million yen (up 128.7% from 3,155 million yen in 2020). The principal factors were profit before income taxes of 4,214 million yen, depreciation of 2,029 million yen, and income taxes paid of 502 million yen.

<Cash flows from investing activities>

Investing activities accounted for net cash of 3,460 million yen (vs. 5,013 million yen in 2020). The principal factors were outlays of 9,505 million yen for the purchase of securities and 3,219 million yen for the purchase of property, plant, and equipment, while proceeds from sales of securities were 9,607 million yen.

<Cash flows from financing activities>

Due mainly to 1,045 million yen in cash dividends paid, financing activities used net cash of 1,029 million yen (vs. 1,214 million yen in 2020).

Reference: Cash flow indicators

Fiscal years ended	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Capital adequacy ratio	65.1	65.5	66.0	71.4	70.9
Capital adequacy ratio based on market prices	87.2	69.1	84.7	64.3	58.6
Interest-bearing debt to cash flow ratio	0.0	0.1	0.0	0.1	0.0
Interest coverage ratio	8,274.9	833.2	2,257.9	2,572.9	5,405.8

Notes:

- Cash flow indices are calculated as follows using consolidated figures:
 Capital adequacy ratio: Owner's equity/Total assets
 Capital adequacy ratio based on market prices: Market capitalization/Total assets
 Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flows
 Interest coverage ratio: Operating cash flows/Interest payments
- Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued and outstanding shares at the end of the fiscal year, net of treasury shares.
- Interest-bearing debt includes all liabilities on the consolidated balance sheet incurring interest.
- Operating cash flows and interest payments, respectively, are taken from "Net cash provided by (used in) operating activities" and "Interest expenses paid" on the consolidated statement of cash flows.

(4) Outlook

Rising COVID-19 case rates due to the omicron variant are expected to impact Japan's economy in 2022. However, the course of this variant in both South Africa and parts of Europe indicates infections may peak after about one month and level off fairly quickly, which would lead to consumer spending recovery thereafter.

In light of these business conditions, under the slogan of the Medium-Term Management Plan—Management Focused on Environmental Responsiveness—The Pack Group established a five-pronged growth strategy: 1) Initiatives related to the shift to paper; 2) promoting sales growth for food products, pharmaceuticals, cosmetics, and the e-commerce sector; 3) strengthening sales of folding paper cartons; 4) expanding business domains; and 5) strengthening productivity and promoting workstyle reforms. The Group will work to strengthen customer satisfaction and increase earnings as a company offering total packaging solutions.

2. Basic Approach to Selecting Accounting Standards

The Pack Group will continue to prepare consolidated financial statements based on Japanese accounting standards. This will allow comparisons to previous years and to financial data for other companies. We will take appropriate action with regard to the application of International Financial Reporting Standards (IFRS), accounting for the relevant factors in play in Japan and other countries.

3. Consolidated Financial Statement and Notes**(1) Consolidated Balance Sheet**

(Million yen)

	Previous fiscal year (As of December 31, 2020)	Current fiscal year (As of December 31, 2021)
Assets		
Current assets		
Cash and deposits	13,234	15,077
Notes and accounts receivable-trade	20,731	21,003
Securities	9,099	12,006
Merchandise and finished goods	4,958	4,768
Work in process	763	867
Raw materials and supplies	830	794
Other	555	934
Allowance for doubtful accounts	(13)	(13)
Total current assets	50,160	55,438
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,284	6,169
Machinery, equipment, and vehicles, net	6,989	6,159
Tools, furniture and fixtures, net	355	348
Land	8,302	8,539
Construction in progress	616	1,441
Total property, plant and equipment	22,547	22,658
Intangible assets	190	643
Investments and other assets		
Investment securities	9,104	7,405
Deferred tax assets	583	416
Other	1,022	907
Allowance for doubtful accounts	(53)	(48)
Total investments and other assets	10,657	8,682
Total non-current assets	33,395	31,984
Total assets	83,556	87,422

(Million yen)

	Previous fiscal year (As of December 31, 2020)	Current fiscal year (As of December 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	11,183	12,235
Electronically recorded obligations-operating	5,330	5,521
Current portion of long-term loans payable	30	25
Income taxes payable	55	991
Provision for bonuses	230	267
Provision for bonuses for directors (and other officers)	18	32
Other	3,506	3,206
Total current liabilities	20,356	22,279
Non-current liabilities		
Long-term loans payable	-	60
Deferred tax liabilities	485	440
Retirement benefit liability	2,758	2,434
Other	214	176
Total non-current liabilities	3,459	3,110
Total liabilities	23,816	25,390
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,164
Retained earnings	55,860	57,640
Treasury shares	(2,717)	(2,704)
Total shareholders' equity	58,861	60,654
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	987	1,212
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(310)	(98)
Remeasurements of defined benefit plans	112	185
Total accumulated other comprehensive income	790	1,300
Share acquisition rights	65	63
Non-controlling interests	22	13
Total net assets	59,739	62,032
Total liabilities and net assets	83,556	87,422

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

(Million yen)

	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Net sales	78,445	80,177
Cost of sales	60,130	61,170
Gross profit	18,314	19,007
Selling, general and administrative expenses	15,039	14,862
Operating profit	3,275	4,144
Non-operating income		
Interest income	100	108
Dividend income	114	114
Rent income	54	53
Foreign exchange gains	50	0
Other	56	42
Total non-operating income	376	320
Non-operating expenses		
Interest expenses	1	1
Cost of lease revenue	9	9
Sales discounts	4	4
Compensation for damages	11	17
Other	17	10
Total non-operating expenses	45	42
Ordinary profit	3,606	4,422
Extraordinary income		
Gain on sales of investment securities	36	18
Gain on sales of non-current assets	25	5
Total extraordinary income	62	24
Extraordinary losses		
Loss on sales on non-current assets	3	-
Loss on retirement of non-current assets	41	92
Loss on valuation of investments securities	55	-
Loss on sales of investment securities	-	31
Impairment loss	-	108
Total extraordinary losses	101	232
Profit before income taxes	3,566	4,214
Income taxes-current	1,005	1,408
Income taxes-deferred	172	(7)
Total income taxes	1,177	1,401
Profit	2,389	2,813
Profit (loss) attributable to non-controlling interests	(3)	(11)
Profit attributable to owners of parent	2,392	2,824

Consolidated Statement of Comprehensive Income

(Million yen)

	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Profit	2,389	2,813
Other comprehensive income		
Valuation difference on available-for-sale securities	(474)	224
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	(26)	213
Remeasurements of defined benefit plans, net of tax	480	72
Total other comprehensive income	(21)	511
Comprehensive income	2,368	3,325
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,371	3,334
Comprehensive income attributable to non-controlling interests	(3)	(9)

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (from January 1, 2020 to December 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,164	54,607	(2,765)	57,560
Changes in items during period					
Dividends of surplus			(1,138)		(1,138)
Profit attributable to owners of parent			2,392		2,392
Purchase of treasury shares					-
Disposal of treasury shares		(0)		47	47
Additional purchase of shares of subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					-
Total changes in items during period	-	(0)	1,253	47	1,301
Balance at end of current period	2,553	3,164	55,860	(2,717)	58,861

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	1,462	0	(283)	(367)	811
Changes in items during period					
Dividends of surplus					-
Profit attributable to owners of parent					-
Purchase of treasury shares					-
Disposal of treasury shares					-
Additional purchase of shares of subsidiaries					-
Net changes in items other than shareholders' equity	(474)	(0)	(26)	480	(20)
Total changes in items during period	(474)	(0)	(26)	480	(20)
Balance at end of current period	987	0	(310)	112	790

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	93	29	58,495
Changes in items during period			
Dividends of surplus			(1,138)
Profit attributable to owners of parent			2,392
Purchase of treasury shares			-
Disposal of treasury shares			47
Additional purchase of shares of subsidiaries			(0)
Net changes in items other than shareholders' equity	(28)	(7)	(56)
Total changes in items during period	(28)	(7)	1,244
Balance at end of current period	65	22	59,739

Current fiscal year (from January 1, 2021 to December 31, 2021)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,164	55,860	(2,717)	58,861
Changes in items during period					
Dividends of surplus			(1,044)		(1,044)
Profit attributable to owners of parent			2,824		2,824
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		0		13	13
Additional purchase of shares of subsidiaries					-
Net changes in items other than shareholders' equity					-
Total changes in items during period		0	1,780	13	1,793
Balance at end of current period	2,553	3,164	57,640	(2,704)	60,654

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	987	0	(310)	112	790
Changes in items during period					
Dividends of surplus					-
Profit attributable to owners of parent					-
Purchase of treasury shares					-
Disposal of treasury shares					-
Additional purchase of shares of subsidiaries					-
Net changes in items other than shareholders' equity	224	0	212	72	510
Total changes in items during period	224	0	212	72	510
Balance at end of current period	1,212	0	(98)	185	1,300

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	65	22	59,739
Changes in items during period			
Dividends of surplus			(1,044)
Profit attributable to owners of parent			2,824
Purchase of treasury shares			(0)
Disposal of treasury shares			13
Additional purchase of shares of subsidiaries			-
Net changes in items other than shareholders' equity	(1)	(9)	499
Total changes in items during period	(1)	(9)	2,292
Balance at end of current period	63	13	62,032

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Profit before income taxes	3,566	4,214
Depreciation	1,850	2,029
Impairment loss	-	108
Increase (decrease) in allowance for doubtful accounts	3	(5)
Increase (decrease) in provision for bonuses	(52)	36
Increase (decrease) in provision for bonuses for directors and other officers	(24)	13
Increase (decrease) in retirement benefit liability	(199)	(220)
Interest and dividend income	(215)	(223)
Interest expenses	1	1
Loss (gain) on sales of non-current assets	(21)	(5)
Loss on retirement of non-current assets	41	92
Loss (gain) on sales of investment securities	(36)	12
Loss (gain) on valuation of investment securities	55	-
Decrease (increase) in notes and accounts receivable-trade	3,977	(178)
Decrease (increase) in inventories	940	152
Increase (decrease) in notes and accounts payable-trade	(4,258)	1,173
Other, net	(733)	301
Subtotal	4,895	7,503
Interest and dividend income received	229	217
Interest expenses paid	(1)	(1)
Income taxes paid	(1,969)	(502)
Net cash provided by (used in) operating activities	3,155	7,217
Cash flows from investing activities		
Purchase of securities	(8,099)	(9,505)
Proceeds from sales of securities	6,999	9,607
Purchase of property, plant, and equipment	(2,939)	(3,219)
Proceeds from sales of property, plant, and equipment	147	8
Purchase of intangible assets	(59)	(514)
Purchase of investment securities	(1,029)	(136)
Proceeds from sales of investment securities	47	135
Payments for leasehold and guarantee deposits	(179)	(21)
Other, net	99	186
Net cash provided by (used in) investment activities	(5,013)	(3,460)
Cash flows from financing activities		
Proceeds from long-term loans payable	-	100
Repayments of long-term loans payable	(48)	(45)
Cash dividends paid	(1,136)	(1,045)
Payments from change in ownership interests in subsidiaries that do not result in change in scope of consolidation	(4)	-
Other, net	(25)	(38)
Net cash provided by (used in) financing activities	(1,214)	(1,029)
Effect of exchange rate change on cash and cash equivalents	(9)	115
Net increase (decrease) in cash and cash equivalents	(3,083)	2,843
Cash and cash equivalents at beginning of period	18,307	15,224
Cash and cash equivalents at end of period	15,224	18,067

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable

Segment and Other Information

1. Segment overview

The reportable segments of The Pack Group are the smallest units for which separate financial information can be obtained and for which regular examinations are performed by the Board of Directors to determine resource allocation and evaluate operational results.

The Group is engaged primarily in the manufacture and sale of paper bags, folding paper cartons, corrugated boxes, and plastic bags.

Based on the nature of the products, there are two reportable segments: Paper Products and Film Packaging.

The Group's major products are paper bags, folding paper cartons, corrugated boxes, and printing in the Paper Products segment and plastic bags and garment bags in the Film Packaging segment.

2. Method to determine net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting methods used for the reportable segments are generally the same as the methods used for preparation of the consolidated financial statements.

Profit for reportable segments is stated on an operating profit basis.

3. Information concerning net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (from January 1, 2020 to December 31, 2020)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Sales to external customers	51,386	13,484	64,870	13,574	78,445	-	78,445
Intersegment sales and transfers	-	-	-	-	-	-	-
Total	51,386	13,484	64,870	13,574	78,445	-	78,445
Segment profit	3,124	511	3,635	748	4,384	(1,109)	3,275
Segment assets	40,835	7,965	48,800	6,750	55,551	28,005	83,556
Other items							
Depreciation	1,462	331	1,794	47	1,841	8	1,850
Increases in property, plant and equipment and intangible assets	3,297	392	3,690	57	3,748	-	3,748

Notes:

- "Other businesses" includes supplies and other goods.
- The adjustments are as follows:
 - The -1,109 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -1,121 million yen. Corporate expenses primarily involve the parent company's Administrative Department.
 - The 28,005 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company's surplus assets under management (cash and deposits of 9,621 million yen and securities of 9,099 million yen), long-term investments (investment securities of 8,722 million yen), and the parent company's land of 561 million yen.
 - Adjustments to depreciation are related to the parent company's head office assets.
- Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

Current fiscal year (from January 1, 2021 to December 31, 2021)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Sales to external customers	55,511	11,184	66,696	13,481	80,177	-	80,177
Intersegment sales and transfers	-	-	-	-	-	-	-
Total	55,511	11,184	66,696	13,481	80,177	-	80,177
Segment profit	3,958	397	4,355	882	5,238	(1,093)	4,144
Segment assets	42,674	6,964	49,642	7,088	56,727	30,695	87,422
Other items							
Depreciation	1,657	305	1,963	59	2,022	7	2,029
Increases in property, plant and equipment and intangible assets	2,058	370	2,428	167	2,596	45	2,641

Notes:

1. "Other businesses" includes supplies and other goods.
2. The adjustments are as follows:
 - (1) The -1,093 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -1,105 million yen. Corporate expenses primarily involve the parent company's Administrative Department.
 - (2) The 30,695 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company's surplus assets under management (cash and deposits of 11,040 million yen and securities of 12,006 million yen), long-term investments (investment securities of 7,045 million yen), and the parent company's land of 603 million yen.
 - (3) Adjustments to depreciation and increases in property, plant and equipment and intangible assets are related to the parent company's head office assets.
3. Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

[Related information]

Previous fiscal year (from January 1, 2020 to December 31, 2020)

1. Product- and service-specific information

This is omitted here because similar information is provided under segment information.

2. Region-specific information

(1) Net sales

This is omitted here because sales to external customers in Japan account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant, and equipment

This is omitted here because the amount for property, plant, and equipment located in Japan accounts for more than 90% of the amount for property, plant, and equipment on the consolidated balance sheet.

3. Information specific to major customers

This is omitted here because no single external customer sales to whom account for 10% or more of net sales on the consolidated statement of income exists.

Current fiscal year (from January 1, 2021 to December 31, 2021)

1. Product- and service-specific information

This is omitted here because similar information is provided under segment information.

2. Region-specific information

(1) Net sales

This is omitted here because sales to external customers in Japan account for more than 90% of net sales on the consolidated statement of income.

(2) Property, plant, and equipment

This is omitted here because the amount for property, plant, and equipment located in Japan accounts for more than 90% of the amount for property, plant, and equipment on the consolidated balance sheet.

3. Information specific to major customers

This is omitted here because no single external customer sales to whom account for 10% or more of net sales on the consolidated statement of income exists.

[Information on impairment loss on fixed assets by reportable segment]

Previous fiscal year (from January 1, 2020 to December 31, 2020)

Not applicable

Current fiscal year (from January 1, 2021 to December 31, 2021)

(Million yen)

	Reportable segment			Other businesses (Note)	Companywide/ elimination	Total
	Paper Products	Film Packaging	Subtotal			
Impairment loss	108	-	108	-	-	108

(Note) Indicates impairment loss related to assets for business use.

[Information on amortization of goodwill and unamortized balances by reportable segment]

Not applicable

[Information on gain on negative goodwill by reportable segment]

Not applicable

Per Share Information

(Yen)

	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Net assets per share	3,141.09	3,261.64
Basic earnings per share	126.01	148.71
Diluted earnings per share	125.85	148.53

(Notes) 1. The basic assumptions for calculating basic earnings per share and diluted earnings per share are as follows:

	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	2,392	2,824
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	2,392	2,824
Average number of shares outstanding during the period (thousand shares)	18,986	18,993
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	24	22
(of which share acquisition rights (thousand shares))	(24)	(22)
Antidilutive securities excluded from diluted earnings per share calculations		-

2. The basic assumptions for calculating net assets per share are as follows:

Item	Previous fiscal year (from January 1, 2020 to December 31, 2020)	Current fiscal year (from January 1, 2021 to December 31, 2021)
Total net assets (million yen)	59,739	62,032
Deduction on total net assets (million yen)	87	77
(of which share acquisition rights) (million yen)	(65)	(63)
(of which non-controlling interests) (million yen)	(22)	(13)
Net assets applicable to common shares (million yen)	59,651	61,955
Number of common shares used in calculation of net assets per share (thousand shares)	18,990	18,995

Material Subsequent Events

Not applicable