

Quarterly Report

2022
(First quarter of 71st term)

© THE PACK CORPORATION

Quarterly Report

1. This document is the print version of the Quarterly Report submitted via the Electronic Disclosure for Investors' NETwork (EDINET), pursuant to Article 27-30-2 of the Financial Instruments and Exchange Act of Japan, to which a table of contents and pagination have been added.
2. The quarterly review attached to the Quarterly Report submitted via EDINET and the letter of confirmation submitted alongside the Quarterly Report are appended to the end of this document.

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Quarterly accounting period:	First quarter of 71st term (January 1 – March 31, 2022)
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English name:	THE PACK CORPORATION
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Part 1. Corporate information

1. Corporate overview

1. Trends in major management indicators

Term	First quarter of consolidated 70th term (cumulative)	First quarter of consolidated 71st term (cumulative)	70th term
Fiscal period	January 1 – March 31, 2021	January 1 – March 31, 2022	January 1, 2021 – December 31, 2021
Net sales (million yen)	17,832	19,098	79,690
Ordinary profit (million yen)	837	1,040	4,422
Profit attributable to owners of parent (million yen)	568	717	2,824
Comprehensive income (loss) (million yen)	980	831	3,325
Net assets (million yen)	60,149	62,388	62,032
Total assets (million yen)	82,067	85,205	87,422
Basic earnings per share (yen)	29.92	37.78	148.71
Diluted earnings per share (yen)	29.88	37.75	148.53
Capital adequacy ratio (%)	73.2	73.2	70.9

- Notes: 1. Trends in key management indicators for the reporting company are not provided because the Company prepares quarterly consolidated financial statements.
2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020) and related guidance have been applied since the beginning of the first quarter of the consolidated fiscal period under review. Figures for the cumulative period through the first quarter of the previous consolidated fiscal year and for the previous consolidated fiscal year reflect the retroactive application of these accounting standards.

2. Lines of business

No material changes occurred in the lines of business pursued by the Group (i.e., the Company and its affiliates) during the cumulative period through the first quarter of the consolidated fiscal year under review.

No changes affecting major affiliates emerged.

2. Business overview

1. Business and other risks

During the cumulative period through the first quarter of the consolidated fiscal period under review, no new business or other risks were incurred. Additionally, no material changes arose with respect to the business and other risks presented in the Securities Report for the preceding fiscal year.

The business impact of the COVID-19 pandemic will continue to be closely monitored.

2. Management analysis of financial standing, business results, and cash flow

Forward-looking statements in the text below are based on judgments made as of the end of the quarter of the consolidated fiscal period under review.

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and related guidance (“Revenue Recognition Accounting Standard and related guidance” hereinafter) have been applied since the beginning of the first quarter of the consolidated fiscal period under review. Comparison and analysis with the cumulative period through the same quarter of the previous consolidated fiscal year and with the previous consolidated fiscal year reflect the retroactive application of the Revenue Recognition Accounting Standard and related guidance. Details are described under “4. Financial Information: 1. Quarterly Consolidated Financial Statements: Notes (Changes in Accounting Policies).”

(1) Business performance

In the first quarter of the consolidated fiscal year under review, Japan’s economy resumed a downward trend in consumer spending due to quasi-states of emergency, and other priority measures were enacted in numerous regions in response to the rapid spread of the COVID-19 omicron variant. Nevertheless, the impact proved milder than that of the status of emergency in the previous year, and the economy witnessed a gradual recovery. Various factors continue to generate uncertainty, including the domestic and international economic impact of new COVID-19 variants, geopolitical issues such as trends in raw material prices resulting from the Ukrainian crisis and other developments, and the impact of US monetary policy.

In the United States, progress with COVID-19 vaccinations prompted more people to venture out of their homes, and the resulting recovery in consumer spending, centered on the services industries led to continued growth in business activity. While China’s economy got off to a strong start, the effects of the COVID-19 pandemic, including lockdowns in Shanghai based on the nation’s zero-COVID policy, have led to concerns for slowing economic activity.

The COVID-19 pandemic also affected Group business performance. However, based on the slogan “Marking Our 70th Anniversary with Rapid Progress,” group companies worked collectively to increase earnings by venturing into new markets, making substantial capital expenditures, and improving quality management.

During the first quarter of the consolidated fiscal year under review, net sales grew by 7.1% year on year to 19,098 million yen; operating profit rose 15.7% to 908 million yen; ordinary profit grew 24.2% to 1,040 million yen; and profit attributable to owners of parent improved 26.3% to 717 million yen.

The business performance for each segment is reviewed below.

(i) Paper Products

The paper products segment accounted for 70.4% of consolidated sales in the first quarter. Sales of paper bags, which accounted for 28.2% of consolidated sales, are recovering from a sales slump attributable to earlier slowing in consumer spending. The overseas subsidiaries The Pack (Shanghai) Corporation and The Pack America Corp. recorded strong performance, with net sales of paper bags growing 11.4% year on year to 5,376 million yen.

Sales of folding paper cartons, which accounted for 24.1% of consolidated sales, grew 9.9% to 4,609 million yen. Sales of cartons for takeout/delivery food products and to the e-commerce sector remained firm. The Pack (Shanghai) Corporation also recorded strong sales to manufacturers.

Driven by solid sales to the manufacturing and e-commerce sectors, sales of corrugated boxes, which accounted for 15.4% of consolidated sales, grew 5.0% to 2,951 million yen.

Printing sales, which accounted for 2.7% of consolidated sales, rose 1.7% to 510 million yen based on strong sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment grew 9.1% to 13,448 million yen. Operating profit rose 17.9% to 876 million yen.

(ii) Film Packaging

The film packaging segment accounted for 14.1% of consolidated sales during the quarter under review. Segment sales were up 4.4% to 2,691 million yen despite declining sales of disposable diaper products. These results reflected strong sales of flexible film packaging for food product packages and strong performance by The Pack America Corp. Operating profit, however, fell 14.6% to 83 million yen.

(iii) Other Businesses

Other businesses in the quarter under review accounted for 15.5% of consolidated sales. Despite declining sales of miscellaneous supplies to major retailers, Kannaru Printing Co., Ltd. recorded strong sales of miscellaneous supplies to medical institutions. This, combined with the strong performance of The Pack America Corp., resulted in sales growth of 1.2% to 2,959 million yen and 10.2% growth in operating profit to 197 million yen, attributable in part to improvements in logistics costs.

(2) Analysis of Financial Position

Assets totaled 85,205 million yen at the end of the quarter under review, down 2,217 million yen from the end of 2021. Major factors included increases of 1,759 million yen in cash and deposits and 1,005 million yen in securities offset by declines of 4,361 million yen in notes and accounts receivable-trade and 942 million yen in investment securities.

Liabilities fell 2,573 million yen to 22,816 million yen. The primary factors were declines of 1,818 million yen in notes and accounts payable-trade and 577 million yen in income taxes payable.

Net assets grew by 356 million yen to 62,388 million yen. The key factors were increases of 242 million yen in retained earnings and 133 million yen in foreign currency translation adjustment.

(3) Management policies, management strategies, etc.

No material changes occurred in the Group's established management policies, management strategies, or other plans during the cumulative period through the first quarter of the consolidated fiscal period under review.

(4) Major business and financial issues

No material changes arose with regard to major business or financial issues during the cumulative period through the first quarter of the consolidated fiscal period under review.

(5) Research and development activities

The total research and development costs recorded during the cumulative period through the first quarter of the consolidated fiscal period under review amounted to 87 million yen.

3. Major business contracts, etc.

No major business contracts, etc. were concluded and no associated decisions were made during the cumulative period through the first quarter of the consolidated fiscal period under review.

3. Information on filing company

1. Information on stock, etc.

(1) Total number of shares, etc.

(i) Total number of shares

Class	Total number of authorized shares
Common stock	77,000,000
Total	77,000,000

(ii) Shares issued and outstanding

Class	Current number of shares issued as of the end of the first quarter (March 31, 2022)	Current number of shares issued as of the filing date (May 11, 2022)	Name of exchange on which shares are listed or financial instruments trading industry association with which shares are registered and authorized	Details
Common stock	19,900,000	19,900,000	Tokyo Stock Exchange Prime Market	One trading unit consists of 100 shares.
Total	19,900,000	19,900,000	-	-

Note: While Company shares had been listed on the First Section of the Tokyo Stock Exchange, in accordance with the revised Tokyo Stock Exchange market categories effective April 4, 2022, the exchange on which shares are listed has been renamed the Prime Market of the Tokyo Stock Exchange.

(2) Information on stock acquisition rights, etc.

(i) Stock option plan details

Not applicable

(ii) Information on other stock acquisition rights, etc.

Not applicable

(3) Information on exercise of bonds with stock acquisition rights and strike price adjustment terms, etc.

Not applicable

(4) Trends in total shares issued and outstanding, capital, etc.

Date	Increase (decrease) in total shares issued and outstanding (thousand shares)	Balance of total shares issued and outstanding (thousand shares)	Increase (decrease) in capital (million yen)	Balance of capital (million yen)	Increase (decrease) in capital reserve (million yen)	Balance of capital reserve (million yen)
January 1 – March 31, 2022	-	19,900	-	2,553	-	2,643

(5) Major shareholders

Omitted because the quarter under review is the first quarter of the fiscal year

(6) Voting rights

Since the specifics of the shareholder register cannot be confirmed, the status of voting rights as of the end date of the first quarter under review cannot be described here. Accordingly, the status of voting rights given below is based on the shareholder register as of the previous basis date (December 31, 2021).

(i) Shares issued and outstanding

As of December 31, 2021

Category	Number of shares	Number of voting rights	Details
Non-voting shares	-	-	-
Shares with restricted voting rights (e.g., treasury shares)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Shares with full voting rights (e.g., treasury shares)	(Treasury shares)	-	-
	Common stock 904,900		
Shares with full voting rights (other)	Common stock 18,987,700	189,877	-
Shares in less than one trading unit	Common stock 7,400	-	This refers to shares in lots numbering fewer than 100 shares (one trading unit).
Total shares issued and outstanding	19,900,000	-	-
Total shareholder voting rights	-	189,877	-

Note: The shares of common stock under “Shares in less than one trading unit” include 17 shares of treasury shares owned by the Company.

(ii) Treasury shares, etc.

As of December 31, 2021

Name or title of owner	Address of owner	Number of shares held in own name	Number of shares held in other names	Total number of shares held	Rate of shares held as a percentage of total shares issued and outstanding (%)
(Treasury shares owned by the Company) THE PACK CORPORATION	9-9 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan	904,900	-	904,900	4.55
Total	-	904,900	-	904,900	4.55

2. Directors

Not applicable

4. Financial information

1. How quarterly consolidated financial statements are prepared

The Company's quarterly consolidated financial statements are prepared based on the Ordinance on the Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements (Cabinet Office Ordinance No. 64 of 2007).

2. Audit certification

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the Company's quarterly consolidated financial statements for the first quarter of the consolidated fiscal period under review (January 1 – March 31, 2022) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2022) were subjected to a quarterly review by Ernst & Young ShinNihon LLC.

1. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (as of December 31, 2021)	First quarter of current fiscal year (as of March 31, 2022)
Assets		
Current assets		
Cash and deposits	15,077	16,837
Notes and accounts receivable-trade	21,003	16,642
Securities	12,006	13,011
Merchandise and finished goods	4,768	5,199
Work in process	867	921
Raw materials and supplies	794	875
Other	934	783
Allowance for doubtful accounts	(13)	(14)
Total current assets	55,438	54,257
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,169	6,094
Machinery, equipment, and vehicles, net	6,159	5,861
Tools, furniture and fixtures, net	348	380
Land	8,539	8,539
Construction in progress	1,441	1,580
Total property, plant and equipment	22,658	22,456
Intangible assets	643	677
Investments and other assets		
Investment securities	7,405	6,463
Deferred tax assets	416	492
Other	907	906
Allowance for doubtful accounts	(48)	(47)
Total investments and other assets	8,682	7,814
Total non-current assets	31,984	30,948
Total assets	87,422	85,205

(Million yen)

	Previous fiscal year (as of December 31, 2021)	First quarter of current fiscal year (as of March 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,235	10,417
Electronically recorded obligations-operating	5,521	5,818
Current portion of long-term loans payable	25	25
Income taxes payable	991	413
Provision for bonuses	267	690
Provision for bonuses for directors (and other officers)	32	14
Other	3,206	2,418
Total current liabilities	22,279	19,797
Non-current liabilities		
Long-term loans payable	60	53
Deferred tax liabilities	440	429
Retirement benefit liability	2,434	2,382
Other	176	153
Total non-current liabilities	3,110	3,019
Total liabilities	25,390	22,816
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,163
Retained earnings	57,640	57,883
Treasury shares	(2,704)	(2,686)
Total shareholders' equity	60,654	60,914
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,212	1,192
Deferred gains or losses on hedges	0	4
Foreign currency translation adjustment	(98)	34
Remeasurements of defined benefit plans	185	181
Total accumulated other comprehensive income	1,300	1,414
Share acquisition rights	63	46
Non-controlling interests	13	13
Total net assets	62,032	62,388
Total liabilities and net assets	87,422	85,205

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)	Cumulative period through first quarter of current fiscal year (from January 1, 2022 to March 31, 2022)
Net sales	17,832	19,098
Cost of sales	13,578	14,541
Gross profit	4,253	4,557
Selling, general and administrative expenses		
Freightage and packing expenses	882	897
Salaries and allowances	829	837
Directors' compensation	106	113
Provision of allowance for doubtful accounts	0	(0)
Provision for bonuses	168	208
Provision for directors' bonuses	7	7
Retirement benefit expenses	69	58
Depreciation	88	90
Rent expenses	622	664
Other	691	771
Total selling, general and administrative expenses	3,468	3,649
Operating profit	785	908
Non-operating income		
Interest income	25	22
Dividend income	0	3
Rent income	13	12
Compensation income	-	65
Foreign exchange gains	6	6
Other	10	25
Total non-operating income	57	137
Non-operating expenses		
Interest expenses	0	0
Cost of lease revenue	2	2
Other	1	2
Total non-operating expenses	4	4
Ordinary profit	837	1,040
Extraordinary income		
Gain on sales of non-current assets	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on retirement of non-current assets	3	5
Loss on sales of investment securities	-	21
Total extraordinary losses	3	27
Profit before income taxes	834	1,013
Income taxes-current	359	375
Income taxes-deferred	(92)	(79)
Total income taxes	266	295
Profit	567	717
Profit (loss) attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	568	717

Quarterly Consolidated Statement of Comprehensive Income
Cumulative period through first quarter

(Million yen)

	First quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)	First quarter of current fiscal year (from January 1, 2022 to March 31, 2022)
Profit	567	717
Other comprehensive income		
Valuation difference on available-for-sale securities	298	(19)
Deferred gains or losses on hedges	1	3
Foreign currency translation adjustment	108	133
Remeasurements of defined benefit plans, net of tax	4	(3)
Total other comprehensive income	412	114
Comprehensive income	980	831
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	980	831
Comprehensive income attributable to non-controlling interests	0	0

[Notes]

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition and related guidance)

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021) (“Accounting Standard for Revenue Recognition and related guidance” hereinafter) have been applied since the beginning of the first quarter of the consolidated fiscal period under review. Accordingly, revenue is now recognized in the amount expected to be received in exchange for goods or services at the point in time at which control of promised goods or services shift to the customer.

Before, in transactions in which the Group functioned as an agent (i.e., supplying products to customers), all payments received from the customer were recognized as revenues. Now, following this change, revenues are recognized as the net amount after deducting the amount to be paid to our supplier from payments made by the customer.

In principle, the quarterly consolidated financial statements and annual consolidated financial statements herein reflect the retroactive application of this change to quarters in the previous fiscal year and to the previous consolidated fiscal year.

Compared to previous account processing, the change has resulted in a decrease of 138 million yen in each of net sales and cost of sales for the cumulative period through the first quarter of the previous consolidated fiscal year.

(Application of the Accounting Standard for Fair Value Measurement and related standards)

The Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019; “Accounting Standard for Fair Value Measurement” hereinafter) and related standards have been applied since the beginning of the first quarter of the consolidated fiscal period under review. Pursuant to the transitional handling described in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policies specified in the Accounting Standard for Fair Value Measurement and related standards will be applied to future accounts. This change does not affect the quarterly consolidated financial statements.

(Additional information)

No material changes have emerged with regard to the assumptions described under “Important Accounting Estimates” in the Securities Report for the previous consolidated fiscal year for accounting estimates related to the impact of the COVID-19 pandemic.

(Quarterly Consolidated Statement of Cash Flows)

No Quarterly Consolidated Statement of Cash Flows has been prepared for the cumulative period through the first quarter of the consolidated fiscal year under review. Depreciation (including depreciation of intangible assets) for the cumulative period through the first quarter of the consolidated fiscal year under review is reviewed below.

	Cumulative period through first quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)	Cumulative period through first quarter of current fiscal year (from January 1, 2022 to March 31, 2022)
Depreciation	495 million yen	467 million yen

(Shareholders' Equity)

Cumulative period through first quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)

1. Cash dividends paid

Resolution	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Basis date	Effective date	Source of dividends
March 25, 2021 annual shareholders' meeting	Common stock	569	30.00	December 31, 2020	March 26, 2021	Retained earnings

2. Dividends for which the basis date falls in the cumulative period through the first quarter of the consolidated fiscal year but for which the effective date postdates the end of the first quarter of the consolidated fiscal year
Not applicable

Cumulative period through first quarter of current fiscal year (from January 1, 2022 to March 31, 2022)

1. Cash dividends paid

Resolution	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Basis date	Effective date	Source of dividends
March 30, 2022 annual shareholders' meeting	Common stock	474	25.00	December 31, 2021	March 31, 2022	Retained earnings

2. Dividends for which the basis date falls in the cumulative period through the first quarter of the consolidated fiscal year but for which the effective date postdates the end of the first quarter of the consolidated fiscal year
Not applicable

(Segment and Other Information)

Segment information

I. Cumulative period through first quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)
Net sales and profit or loss and breakdown of profit by reportable segment

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the Quarterly Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	4,825	-	4,825	-	4,825	-	4,825
Folding paper cartons	4,193	-	4,193	-	4,193	-	4,193
Corrugated boxes	2,809	-	2,809	-	2,809	-	2,809
Printing	502	-	502	-	502	-	502
Film Packaging	-	2,577	2,577	-	2,577	-	2,577
Others	-	-	-	2,924	2,924	-	2,924
Revenue from contracts with customers	12,331	2,577	14,908	2,924	17,832	-	17,832
Other revenue	-	-	-	-	-	-	-
Sales to external customers	12,331	2,577	14,908	2,924	17,832	-	17,832
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	12,331	2,577	14,908	2,924	17,832	-	17,832
Segment profit	743	98	841	179	1,021	(235)	785

Notes: 1. "Other" includes supplies and other sundry items.

2. The adjustment amount of -235 million yen to segment profit includes 3 million yen in elimination of intersegment transactions and -238 million yen in Companywide costs, which are not allocated to individual reporting segments. Companywide costs consist mainly of costs related to parent-company administrative sections.

3. Segment profit is adjusted against operating profit on the Quarterly Consolidated Statement of Income.

II. Cumulative period through first quarter of current fiscal year (from January 1, 2022 to March 31, 2022)

1. Net sales and profit or loss and breakdown of profit by reportable segment

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the Quarterly Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	5,376	-	5,376	-	5,376	-	5,376
Folding paper cartons	4,609	-	4,609	-	4,609	-	4,609
Corrugated boxes	2,951	-	2,951	-	2,951	-	2,951
Printing	510	-	510	-	510	-	510
Film Packaging	-	2,691	2,691	-	2,691	-	2,691
Others	-	-	-	2,959	2,959	-	2,959
Revenue from contracts with customers	13,448	2,691	16,139	2,959	19,098	-	19,098
Other revenue	-	-	-	-	-	-	-
Sales to external customers	13,448	2,691	16,139	2,959	19,098	-	19,098
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	13,448	2,691	16,139	2,959	19,098	-	19,098
Segment profit	876	83	960	197	1,157	(249)	908

Notes: 1. "Other" includes supplies and other sundry items.

2. The adjustment amount of -249 million yen to segment profit includes 3 million yen in elimination of intersegment transactions and -252 million yen in Companywide costs, which are not allocated to individual reporting segments. Companywide costs consist mainly of costs related to parent-company administrative sections.

3. Segment profit is adjusted against operating profit on the Quarterly Consolidated Statement of Income.

2. Changes in reportable segments

As noted under changes to accounting policies, the Accounting Standard for Revenue Recognition and related guidance have been applied since the beginning of the first quarter of the consolidated fiscal period under review, resulting in a change in methods of account processing related to revenue recognition. Methods for calculating business segments profit or loss have changed accordingly. Segment information for the first quarter of the previous consolidated fiscal year is presented based on the revised methods for calculating profit or loss.

(Per Share Information)

Presented below are basic earnings per share, diluted earnings per share, and the basic assumptions underlying the calculations thereof.

Item	First quarter of previous fiscal year (from January 1, 2021 to March 31, 2021)	First quarter of current fiscal year (from January 1, 2022 to March 31, 2022)
(1) Basic earnings per share	29.92 yen	37.78 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	568	717
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	568	717
Average number of shares outstanding during the period (thousand shares)	18,990	18,996
(2) Diluted earnings per share	29.88 yen	37.75 yen
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	23	21
Antidilutive securities excluded from diluted earnings per share calculations for which material changes have occurred since the end of the previous consolidated fiscal year	-	-

(Material Subsequent Events)

Not applicable

2. Other

Not applicable

Part 2. Information concerning guarantor of filing company

Not applicable

Independent Auditor's Report on Quarterly Review

May 11, 2022

To: The Board of Directors,
THE PACK CORPORATION

**Ernst & Young ShinNihon LLC
Osaka Office**

Masahiko Naka, Designated Limited Liability Partner, Managing Partner
Certified Public Accountant

Ryoichi Hayama, Designated Limited Liability Partner, Managing Partner
Certified Public Accountant

Auditor's conclusions

We reviewed the quarterly consolidated financial statements for THE PACK CORPORATION included in Financial Information for the first quarter of the consolidated fiscal period under review (January 1 – March 31, 2022) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2022), based on the relevant Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, and Notes to the Consolidated Financial Statements. Our review was carried out in accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

Our quarterly review found that the quarterly consolidated financial statements referred to above conform to generally accepted standards for the preparation of quarterly consolidated financial statements in Japan. The review found no irregularities in the state of finances as of March 31, 2022, or in business results for the cumulative period through the first quarter of the consolidated period ended on that date for THE PACK CORPORATION and its consolidated subsidiaries.

Evidence for the auditor's conclusions

We undertook our quarterly review in accordance with generally accepted principles for quarterly reviews in Japan. Our responsibilities under these principles for quarterly reviews are described under "Auditor's responsibilities in quarterly review of financial statements." In accordance with rules of professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and meet all other ethical requirements for auditors. We believe we have obtained sufficient and appropriate evidence for our conclusions.

Responsibilities of management and of Statutory Auditors and the Audit and Supervisory Committee regarding quarterly financial statements

Management is responsible for appropriately preparing and presenting quarterly consolidated financial statements in accordance with generally accepted standards for the preparation of quarterly consolidated financial statements in Japan. This includes the implementation and maintenance of internal controls deemed necessary by management to enable the preparation and fair presentation of quarterly consolidated financial statements free of material misstatements, whether attributable to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the validity of the quarterly financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with generally accepted standards for the preparation of quarterly consolidated financial statements in Japan.

The Statutory Auditors and the Audit and Supervisory Committee are responsible for monitoring the performance of the duties of the directors in implementing and maintaining the financial reporting process.

Responsibilities of the auditor for quarterly reviews of quarterly consolidated financial statements

Our responsibility is to express in the Report on Quarterly Review our conclusions concerning the quarterly consolidated financial statements from an independent standpoint based on the quarterly review.

In accordance with generally accepted principles for quarterly reviews in Japan, we implement the following measures through the quarterly review process based on our judgment as specialists and in the professional spirit of skeptical inquiry:

- We question parties, consisting mainly of members of management and persons with responsibility for matters related to finance and accounting, and implement analytical and other quarterly review procedures. In accordance with audit principles generally accepted in Japan, the scope of procedures for quarterly reviews is narrower than for annual audits.
- If any material uncertainties are identified with regard to phenomena or circumstances that could raise material doubts concerning the going-concern assumption, we reach a conclusion on whether the quarterly consolidated financial statements meet the requirements for quarterly consolidated financial statements generally accepted in Japan or present any grounds for believing that they may not present information fairly, based on the evidence obtained. If any material uncertainties are recognized regarding the going-concern assumption, we must urge in our report on quarterly results that the notes to the quarterly consolidated financial statements include description concerning material uncertainties and, if description in the notes to the quarterly consolidated financial statements concerning material uncertainties is inappropriate, our audit conclusions concerning the quarterly consolidated financial statements shall be negative or indicate a conditional approval. The auditor's conclusions are based on evidence obtained through the date of the quarterly review report; future events or conditions may render it impossible for the Company to continue as a going concern.
- We assess whether the presentation and notes in the quarterly consolidated financial statements present grounds to believe they may not meet the requirements for quarterly consolidated financial statements generally accepted in Japan. We also assess the presentation, structures, and content of the quarterly financial statements, including related notes and whether the quarterly financial statements are free of any factors suggesting they do not accurately present the underlying transactions and accounting facts.
- We obtain evidence concerning financial information on the Company and its consolidated subsidiaries to serve as the basis for our conclusions concerning the quarterly consolidated financial statements. We are responsible for instruction, oversight, and implementation related to quarterly reviews of the quarterly consolidated financial statements. We are solely responsible for our audit conclusions.

We report to the Statutory Auditors and the Audit and Supervisory Committee on the scope and timing of the planned quarterly review and any material discoveries made during the quarterly review process.

We duly report to the Statutory Auditors and the Audit and Supervisory Committee on our independence in accordance with the rules of professional ethics in Japan, on matters that could reasonably be deemed to affect the independence of our auditors, and the nature of any safeguards taken to eliminate or mitigate any such impediments.

Conflicts of interest

Our firm and managing partners have no interest in the Company or in its consolidated subsidiaries that require disclosure pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes: 1. The original of the above quarterly review report is retained separately by the Company (i.e., the organization filing the Quarterly Report).
2. XBRL data is not subject to quarterly review.

[Cover page]

Document filed:	Confirmation Letter
Legal basis:	Article 24-4-8, Paragraph 1 of the Financial Instruments and Exchange Act
Submitted to:	Director-General, Kinki Local Finance Bureau
Filing date:	May 11, 2022
Company name (Japanese):	ザ・パック株式会社
English name:	THE PACK CORPORATION
Name and title of representative:	Hideaki Yamashita, President & CEO
Name and title of CFO:	Not applicable
Location of head office:	9-9 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan
Locations where this document is available for public inspection:	THE PACK CORPORATION (20F, OAP Tower, 8-30 Tenmabashi 1-chome, Kita-ku, Osaka, Japan) Tokyo Stock Exchange (2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo, Japan)

1. Matters related to the propriety of the content of the Quarterly Report

President and CEO Hideaki Yamashita has confirmed that the information divulged in the Company's Quarterly Report for the first quarter of 71st term (January 1 – March 31, 2022) meets the requirements of the Financial Instruments and Exchange Act of Japan.

2. Special notes

We found no other matters worthy of note.