

Quarterly Report

2022

(Third 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.

Contents

	Page
[Cover page]	4
Part 1. Corporate information	5
1. Corporate overview	5
1. Trends in major management indicators	5
2. Lines of business.....	5
2. Business overview	6
1. Business and other risks.....	6
2. Management analysis of financial standing, business results, and cash flow	6
3. Major business contracts, etc.	8
3. Information on filing company.....	9
1. Information on stock, etc.	9
2. Directors	10
4. Financial information	11
1. Quarterly Consolidated Financial Statements.....	12
2. Other	21
Part 2. Information concerning guarantor of filing company	22
 Independent Auditor’s Report on Quarterly Review	
 Confirmation Letter	

[Cover page]

Document filed:	Quarterly Report
Legal basis:	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act
Submitted to:	Director-General, Kinki Local Finance Bureau
Filing date:	November 9, 2022
Quarterly accounting period:	Third quarter of 71st term (July 1 – September 30, 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
Location of head office:	9-9 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan
Telephone no.:	+81-6-4967-1221
Name of administrative contact:	Michihisa Fujii, Managing Director, Corporate Division
Nearest point of contact:	20F, OAP Tower, 8-30 Tenmabashi 1-chome, Kita-ku, Osaka, Japan
Telephone no.:	+81-6-4967-1221
Name of administrative contact:	Michihisa Fujii, Managing Director, Corporate Division
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)

Part 1. Corporate information

1. Corporate overview

1. Trends in major management indicators

Term	Third quarter of consolidated 70th term (cumulative)	Third quarter of consolidated 71st term (cumulative)	70th term
Fiscal period	January 1 – September 30, 2021	January 1 – September 30, 2022	January 1, 2021 – December 31, 2021
Net sales (million yen)	54,692	60,481	79,690
Ordinary profit (million yen)	2,245	3,592	4,422
Profit attributable to owners of parent (million yen)	1,512	2,250	2,824
Comprehensive income (loss) (million yen)	2,138	2,646	3,325
Net assets (million yen)	60,845	63,655	62,032
Total assets (million yen)	81,897	87,082	87,422
Basic earnings per share (yen)	79.62	118.43	148.71
Diluted earnings per share (yen)	79.52	118.33	148.53
Capital adequacy ratio (%)	74.2	73.0	70.9

Term	Third quarter of consolidated 70th term (cumulative)	Third quarter of consolidated 71st term (cumulative)
Fiscal period	July 1 – September 30, 2021	July 1 – September 30, 2022
Basic earnings per share (yen)	23.31	43.58

- 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 third 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 third 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 third 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; “Revenue Recognition Accounting Standard” hereinafter) and related guidance have been applied since the beginning of the first quarter of the consolidated fiscal period under review. Comparative analysis of the cumulative period through the same quarter of the previous consolidated fiscal year and of 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

During the cumulative period through the third quarter of the consolidated fiscal year under review, the rapid increase in July in numbers of COVID-19 cases involving the omicron variant failed to affect demand or traffic at department stores and major retailers. The Japanese government did not impose restrictions on movement; there was little change in numbers of consumers venturing out for leisure and travel purposes. Additionally, shortages of chips and other materials gradually eased, as did the impact of the earlier shortages on the automotive and home electronics industries. Nevertheless, conditions remained uncertain in Japan's economy for various reasons, including rising inflation in Japan due to soaring resource prices amid the prolonged Ukrainian crisis and other developments and the rapid devaluation of the yen spurred by differences in US and Japanese monetary policy.

Consumer spending in the United States maintained a course of recovery, especially in the service industry, and commercial activity continued to expand. However, the Fed's acceleration of interest rate hikes poses a recession risk and warrants caution. While China's economy got off to a strong start, economic activity slowed due to lockdowns in Shanghai prompted by the nation's zero-COVID policy. The extent of the recovery following after the easing of the lockdowns has been limited.

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

As a result, during the third quarter of the consolidated fiscal year under review, net sales grew by 10.6% year on year to 60,481 million yen; operating profit rose 59.9% to 3,273 million yen; ordinary profit grew 60.0% to 3,592 million yen; and profit attributable to owners of parent improved 48.8% to 2,250 million yen.

The business performance for each segment is reviewed below.

(i) Paper Products

The paper products segment accounted for 70.5% of consolidated sales in the third quarter. Sales of paper bags, which accounted for 28.4% of consolidated sales, grew thanks to recovering domestic consumer spending and tourism demand. Overseas subsidiary The Pack America Corp. recorded strong

performance. The Pack (Shanghai) Corporation experienced growth accompanying the devalued yen, resulting in a 19.3% increase in net sales year on year to 17,194 million yen.

Sales of folding paper cartons, which accounted for 24.8% of consolidated sales, grew 12.7% to 14,967 million yen. Sales of cartons for takeout/delivery food products and to the e-commerce sector remained strong, while demand continued to recover for souvenirs and other items.

Continued strong sales of CC-PACK resource-conserving packages to the e-commerce sector drove sales of corrugated boxes, which accounted for 14.7% of consolidated sales. Strong sales to the manufacturing sector contributed to growth of 3.1% to 8,907 million yen.

Printing sales, which accounted for 2.6% of consolidated sales, rose 3.4% to 1,575 million yen, driven by strong sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment grew 12.6% to 42,643 million yen. Operating profit rose 44.9% to 3,063 million yen.

(ii) Film Packaging

The film packaging segment accounted for 13.4% of consolidated sales during the period under review. Segment sales were up 2.0% to 8,117 million yen due to a recovery in sales of shopping bags as consumer spending recovered as well as strong sales of flexible film packaging for food products. This was despite a continuing decline in sales of disposable diaper products. Operating profit rose by 37.9% to 316 million yen.

(iii) Other Businesses

Other businesses in the period under review accounted for 16.1% of consolidated sales. Sales of miscellaneous supplies to department stores and major retailers are recovering, as are sales of sewn product bags to specialty retail stores. This, combined with similar strong performance by The Pack America Corp., resulted in sales growth of 9.6% to 9,719 million yen and 25.5% growth in operating profit to 627 million yen.

(2) Analysis of Financial Position

Assets totaled 87,082 million yen at the end of the quarter under review, down 340 million yen from the end of 2021. Major contributing factors included growth of 2,134 million yen in cash and deposits and 1,570 million yen in merchandise and finished goods, offset by a decline of 4,507 million yen in notes and accounts receivable-trade.

Liabilities fell 1,963 million yen to 23,426 million yen. The primary factors were declines of 1,081 million yen in notes and accounts payable-trade and 476 million yen in income taxes payable.

Net assets grew by 1,623 million yen to 63,655 million yen. Key factors were increases of 1,205 million yen in retained earnings and 385 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 third 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 third 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 third quarter of the consolidated fiscal period under review amounted to 188 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 third 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 third quarter (September 30, 2022)	Current number of shares issued as of the filing date (November 9, 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	-	-

(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)
July1 – September 30, 2022	-	19,900	-	2,553	-	2,643

(5) Major shareholders

Not presented for the third quarter

(6) Voting rights

Voting rights as of the end of the third quarter cannot be presented here because the details of the list of shareholders cannot be confirmed at this time. Accordingly, the information shown below is from the list of shareholders as of the most recent basis date (June 30, 2022).

(i) Shares issued and outstanding

As of June 30, 2022

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 890,600	-	-
Shares with full voting rights (other)	Common stock 19,001,900	190,019	-
Shares in less than one trading unit	Common stock 7,500	-	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	-	190,019	-

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 June 30, 2022

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	890,600	-	890,600	4.48
Total	-	890,600	-	890,600	4.48

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 second quarter of the consolidated fiscal period under review (April 1 – June 30, 2022) and the cumulative period through the second quarter of the consolidated period under review (January 1 – June 30, 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)	Second quarter of current fiscal year (as of September 30, 2022)
Assets		
Current assets		
Cash and deposits	15,077	17,212
Notes and accounts receivable-trade	21,003	16,496
Securities	12,006	13,504
Merchandise and finished goods	4,768	6,338
Work in process	867	1,034
Raw materials and supplies	794	977
Other	934	923
Allowance for doubtful accounts	(13)	(18)
Total current assets	55,438	56,467
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,169	6,124
Machinery, equipment, and vehicles, net	6,159	5,283
Tools, furnitures, and fixtures, net	348	346
Land	8,539	8,539
Construction in progress	1,441	2,541
Total property, plant, and equipment	22,658	22,835
Intangible assets	643	942
Investments and other assets		
Investment securities	7,405	5,416
Deferred tax assets	416	474
Other	907	999
Allowance for doubtful accounts	(48)	(52)
Total investments and other assets	8,682	6,837
Total non-current assets	31,984	30,614
Total assets	87,422	87,082

(Million yen)

	Previous fiscal year (as of December 31, 2021)	Third quarter of current fiscal year (as of September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	12,235	11,154
Electronically recorded obligations-operating	5,521	5,755
Current portion of long-term loans payable	25	25
Income taxes payable	991	514
Provision for bonuses	267	696
Provision for bonuses for directors (and other officers)	32	23
Other	3,206	2,424
Total current liabilities	22,279	20,593
Non-current liabilities		
Long-term loans payable	60	41
Deferred tax liabilities	440	418
Retirement benefit liability	2,434	2,245
Other	176	128
Total non-current liabilities	3,110	2,833
Total liabilities	25,390	23,426
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,160
Retained earnings	57,640	58,846
Treasury shares	(2,704)	(2,661)
Total shareholders' equity	60,654	61,899
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,212	1,218
Deferred gains or losses on hedges	0	16
Foreign currency translation adjustment	(98)	287
Remeasurements of defined benefit plans	185	174
Total accumulated other comprehensive income	1,300	1,696
Share acquisition rights	63	46
Non-controlling interests	13	12
Total net assets	62,032	63,655
Total liabilities and net assets	87,422	87,082

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

(Million yen)

	Cumulative period through third quarter of previous fiscal year (from January 1, 2021 to September 30, 2021)	Cumulative period through third quarter of current fiscal year (from January 1, 2022 to September 30, 2022)
Net sales	54,692	60,481
Cost of sales	41,882	46,015
Gross profit	12,810	14,465
Selling, general and administrative expenses		
Freightage and packing expenses	2,663	2,839
Salaries and allowances	2,782	2,826
Directors' compensation	318	315
Provision of allowance for doubtful accounts	4	8
Provision for bonuses	340	364
Provision for directors' bonuses	24	20
Retirement benefit expenses	207	187
Depreciation	282	284
Rent expenses	1,943	2,055
Other	2,195	2,289
Total selling, general and administrative expenses	10,763	11,192
Operating profit	2,047	3,273
Non-operating income		
Interest income	79	93
Dividend income	60	76
Rent income	40	36
Compensation income	-	65
Foreign exchange gains	14	21
Other	25	44
Total non-operating income	220	336
Non-operating expenses		
Interest expenses	1	1
Cost of lease revenue	6	6
Other	13	8
Total non-operating expenses	22	17
Ordinary profit	2,245	3,592
Extraordinary income		
Gain on sales of investment securities	5	0
Gain on sales of non-current assets	5	1
Total extraordinary income	11	1
Extraordinary losses		
Loss on sales on non-current assets	-	0
Loss on retirement of non-current assets	5	21
Loss on valuation of investment securities	-	23
Loss on sales of investment securities	-	64
Impairment loss	-	+188
Total extraordinary losses	5	298
Profit before income taxes	2,251	3,296
Income taxes-current	862	1,133
Income taxes-deferred	(119)	(86)
Total income taxes	742	1,047
Profit	1,509	2,248
Profit (loss) attributable to non-controlling interests	(3)	(1)
Profit attributable to owners of parent	1,512	2,250

Quarterly Consolidated Statement of Comprehensive Income
Cumulative period through third quarter

(Million yen)

	Third quarter of previous fiscal year (from January 1, 2021 to September 30, 2021)	Third quarter of current fiscal year (from January 1, 2022 to September 30, 2022)
Profit	1,509	2,248
Other comprehensive income		
Valuation difference on available-for-sale securities	469	6
Deferred gains or losses on hedges	0	15
Foreign currency translation adjustment	147	386
Remeasurements of defined benefit plans, net of tax	12	(11)
Total other comprehensive income	629	397
Comprehensive income	2,138	2,646
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,140	2,647
Comprehensive income attributable to non-controlling interests	(1)	(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 shifts 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 369 million yen in each of net sales and cost of sales for the cumulative period through the third 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 Comprehensive Income)

* Impairment loss

First three quarters of previous fiscal year (from January 1, 2021 to September 30, 2021)

Not applicable

First three quarters of current fiscal year (from January 1, 2022 to September 30, 2022)

The Group recorded impairment loss on the following asset group during the cumulative period through the third quarter of the consolidated fiscal year under review:

Location	Use	Type	Impairment loss (million yen)
Hidaka, Saitama Prefecture	Assets planned for sale	Machinery and equipment	188

In principle, the Group groups assets for business use used by the Company by the business site to which they belong and groups dormant assets and assets planned for sale for each property. Assets of affiliates are grouped on a per-company basis.

In accordance with a decision to sell the assets planned for sale shown above, impairment loss (188 million yen) was recorded as extraordinary losses during the cumulative period through the third quarter of the consolidated fiscal year under review, in the amount of the resulting decrease in book value to the recoverable value.

The recoverable value was measured using the net sale price and calculated based on the planned sale price.

(Quarterly Consolidated Statement of Cash Flows)

No Quarterly Consolidated Statement of Cash Flows was prepared for the third quarter. Shown below is depreciation (including depreciation of intangible assets) during the third quarter.

	Cumulative period through third quarter of previous fiscal year (from January 1, 2021 to September 30, 2021)	Cumulative period through third quarter of current fiscal year (from January 1, 2022 to September 30, 2022)
Depreciation	1,525 million yen	1,432 million yen

(Shareholders' Equity)

Cumulative period through third quarter of previous fiscal year (from January 1, 2021 to September 30, 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
August 5, 2021 annual shareholders' meeting	Common stock	474	25.00	June 30, 2021	September 2, 2021	Retained earnings

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

Cumulative period through third quarter of current fiscal year (from January 1, 2022 to September 30, 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
August 5, 2022 annual shareholders' meeting	Common stock	570	30.00	June 30, 2021	September 2, 2022	Retained earnings

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

(Segment and Other Information)

Segment information

I. Cumulative period through third quarter of previous fiscal year (from January 1, 2021 to September 30, 2021)

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	14,414	-	14,414	-	14,414	-	14,414
Folding paper cartons	13,282	-	13,282	-	13,282	-	13,282
Corrugated boxes	8,641	-	8,641	-	8,641	-	8,641
Printing	1,523	-	1,523	-	1,523	-	1,523
Film Packaging	-	7,959	7,959	-	7,959	-	7,959
Others	-	-	-	8,872	8,872	-	8,872
Revenue from contracts with customers	37,861	7,959	45,820	8,872	54,692	-	54,692
Other revenue	-	-	-	-	-	-	-
Sales to external customers	37,861	7,959	45,820	8,872	54,692	-	54,692
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	37,861	7,959	45,820	8,872	54,692	-	54,692
Segment profit	2,113	229	2,343	500	2,843	(796)	2,047

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

2. The adjustment amount of -796 million yen to segment profit includes 9 million yen in elimination of intersegment transactions and -805 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. Impairment loss or goodwill etc. on non-current assets by reporting segment

Not applicable

II. Cumulative period through third quarter of current fiscal year (from January 1, 2022 to September 30, 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	17,194	-	17,194	-	17,194	-	17,194
Folding paper cartons	14,967	-	14,967	-	14,967	-	14,967
Corrugated boxes	8,907	-	8,907	-	8,907	-	8,907
Printing	1,575	-	1,575	-	1,575	-	1,575
Film Packaging	-	8,117	8,117	-	8,117	-	8,117
Others	-	-	-	9,719	9,719	-	9,719
Revenue from contracts with customers	42,643	8,117	50,761	9,719	60,481	-	60,481
Other revenue	-	-	-	-	-	-	-
Sales to external customers	42,643	8,117	50,761	9,719	60,481	-	60,481
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	42,643	8,117	50,761	9,719	60,481	-	60,481
Segment profit	3,063	316	3,380	627	4,008	(734)	3,273

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

2. The adjustment amount of -734 million yen to segment profit includes 9 million yen in elimination of intersegment transactions and -743 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. Impairment loss or goodwill etc. on non-current assets by reporting segment

(Significant impairment loss on non-current assets)

Impairment loss was recorded on machinery and equipment in the Paper Products business segment. The amount of this impairment loss recorded was 188 million yen in the cumulative period through the third quarter of the consolidated fiscal year under review.

3. 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 third quarter of the previous consolidated fiscal year is presented based on the revised methods for calculating profit or loss.

(Revenue recognition)

A breakdown of revenues arising from contracts with customers is provided under [Notes] (Segment and Other Information).

(Per Share Information)

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

Item	Third quarter of previous fiscal year (from January 1, 2021 to September 30, 2021)	Third quarter of current fiscal year (from January 1, 2022 to September 30, 2022)
(1) Basic earnings per share	79.62 yen	118.43 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	1,512	2,250
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	1,512	2,250
Average number of shares outstanding during the period (thousand shares)	18,993	19,004
(2) Diluted earnings per share	79.52	118.33
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	23	15
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

In its meeting held August 5, 2022, the Board of Director resolved to pay interim dividends for the 71st term (from January 1, 2022 to December 31, 2022) to shareholders recorded in the final shareholder registry of June 30, 2022, as follows:

- (i) Total amount of dividends 570 million yen
- (ii) Amount per share 30.00 yen
- (iii) Effective date of claims for payment and payment start date September 2, 2022

Part 2. Information concerning guarantor of filing company

Not applicable

Independent Auditor's Report on Quarterly Review

November 9, 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 third quarter of the consolidated fiscal period under review (July 1 – September 30, 2022) and for the cumulative period through the third quarter of the consolidated period under review (January 1 – September 30, 2022), based on the relevant Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, and Notes to the Consolidated Financial Statements for the fiscal year 2022 (January 1 – December 31) 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 September 30, 2022, or in business results for the cumulative period through the third 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 the 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:	November 9, 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 third quarter of 71st term (July 1 – September 30, 2022) meets the requirements of the Financial Instruments and Exchange Act of Japan.

2. Special notes

We found no other matters worthy of note.