

Quarterly Report

2023

(First quarter of 72nd 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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Submitted to:	Director-General, Kinki Local Finance Bureau
Filing date:	May 11, 2023
Quarterly accounting period:	First quarter of 72nd term (January 1 – March 31, 2023)
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:	9-3 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:	9-3 Higashiobase 2-chome, Higashinari-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 (9-3 Higashiobase 2-chome, Higashinari-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	First quarter of consolidated 71st term (cumulative)	First quarter of consolidated 72nd term (cumulative)	71st term
Fiscal period	January 1 – March 31, 2022	January 1 – March 31, 2023	January 1, 2022 – December 31, 2022
Net sales (million yen)	19,098	21,424	89,060
Ordinary profit (million yen)	1,040	1,493	6,353
Profit attributable to owners of parent (million yen)	717	1,001	4,058
Comprehensive income (loss) (million yen)	831	1,189	4,362
Net assets (million yen)	62,388	65,926	65,371
Total assets (million yen)	85,205	91,698	94,365
Basic earnings per share (yen)	37.78	52.64	213.55
Diluted earnings per share (yen)	37.75	52.60	213.38
Capital adequacy ratio (%)	73.2	71.8	69.2

Notes: Trends in key management indicators for the reporting company are not provided because the Company prepares quarterly consolidated financial statements.

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.

(1) Business performance

In the first quarter of the consolidated fiscal year under review, Japan's economy showed signs of a modest recovery. Economic activity continued to return to normal in response to the lifting of COVID-19 restrictions as well as the effects of the economic stimulus measures. Nevertheless, prospects remain uncertain for various reasons, including exchange rate fluctuations and the soaring cost of raw materials and energy, attributable to international instability.

In the United States, despite signs of recovery in consumer spending, concerns emerged for the dampening effects on consumer spending of continuing high inflation and sharp increases in interest rates adopted to counter inflation. In China, with the easing of COVID-19 restrictions, consumer spending showed signs of recovery in food service, travel, and other industries. Recovery has been slower for sales at brick-and-mortar stores.

Under such conditions, in the period ending December 2025, the Group seeks to achieve net sales of 107,000 million yen and operating profit of 7,000 million yen under the slogan of its Medium-Term Management Plan: "Evolution: Start of Purpose-Based Management and Sustainable Management." The entire Group is working as one to boost business results through efforts including new market development, proactive capital investment, and improved quality control.

During the first quarter of the consolidated fiscal year under review, net sales grew by 12.2% year on year to 21,424 million yen; operating profit rose 56.6% to 1,422 million yen; ordinary profit grew 43.5% to 1,493 million yen; and profit attributable to owners of parent improved 39.5% to 1,001 million yen.

The business performance for each segment is reviewed below.

(i) Paper Products

The paper products segment accounted for 70.3% of consolidated sales in the first quarter. Thanks in part to recovering consumer spending and tourism demand in Japan, sales of paper bags, which accounted for 29.2% of consolidated sales, grew by 16.4% year on year to 6,256 million yen.

Sales of folding paper cartons, which accounted for 24.4% of consolidated sales, grew by 13.4% to 5,228 million yen, thanks to higher sales to the souvenirs market, chiefly in cartons for food products, and the positive effects of post-COVID demand recovery. Sales of cartons for takeout/delivery food products and to the e-commerce sector remained firm.

Driven by ongoing robust sales to the e-commerce and manufacturing sectors, sales of corrugated boxes, which accounted for 14.3% of consolidated sales, grew by 3.7% to 3,059 million yen.

Printing sales, which accounted for 2.4% of consolidated sales, rose 3.2% to 527 million yen based on strong sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment grew 12.1% to 15,072 million yen. Operating profit rose 44.4% to 1,265 million yen.

(ii) Film Packaging

The film packaging segment accounted for 15.7% of consolidated sales during the quarter under review. Segment sales were up 24.8% to 3,357 million yen thanks to strong sales of products to the e-commerce segment for apparel and other products and to specialty retail stores, in addition to positive trends in sales of disposable diaper products and flexible film packaging for food product packages. Operating profit was up 77.5% to 148 million yen.

(iii) Other Businesses

Other businesses in the quarter under review accounted for 14.0% of consolidated sales. Despite declining sales of products related to COVID-19 vaccines, strong sales of sewn products and nonwoven bags to specialty retail stores helped boost sales in this segment by 1.2% to 2,994 million yen. Operating profit rose by 14.8% to 226 million yen.

(2) Analysis of Financial Position

Assets totaled 91,698 million yen at the end of the quarter under review, down 2,667 million yen from the end of 2022. Major factors included increases of 683 million yen in cash and deposits and 1,740 million yen in land, offset by a decline of 5,376 million yen in notes and accounts receivable-trade.

Liabilities fell 3,222 million yen to 25,771 million yen. The primary factors were declines of 2,359 million yen in notes and accounts payable-trade and 689 million yen in income taxes payable.

Net assets grew by 555 million yen to 65,926 million yen. The key factors were increases of 335 million yen in retained earnings and 153 million yen in valuation difference on available-for-sale securities.

(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 92 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, 2023)	Current number of shares issued as of the filing date (May 11, 2023)	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)
January 1 – March 31, 2023	-	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, 2022).

(i) Shares issued and outstanding

As of December 31, 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 19,001,600	190,016	-
Shares in less than one trading unit	Common stock 7,800	-	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	-	190,016	-

Note: The shares of common stock under “Shares in less than one trading unit” include 61 shares of treasury shares owned by the Company.

(ii) Treasury shares, etc.

As of December 31, 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	9-3 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan	890,600	-	890,600	4.47
Total	-	890,600	-	890,600	4.47

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, 2023) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2023) 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, 2022)	First quarter of current fiscal year (as of March 31, 2023)
Assets		
Current assets		
Cash and deposits	16,163	16,847
Notes and accounts receivable-trade	23,886	18,510
Securities	12,500	12,100
Merchandise and finished goods	6,015	6,513
Work in process	1,032	1,161
Raw materials and supplies	1,108	1,076
Other	792	653
Allowance for doubtful accounts	(14)	(14)
Total current assets	61,484	56,848
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,132	6,026
Machinery, equipment, and vehicles, net	5,641	5,975
Tools, furniture and fixtures, net	348	332
Land	8,539	10,279
Construction in progress	3,068	2,886
Total property, plant and equipment	23,729	25,500
Intangible assets	1,044	1,152
Investments and other assets		
Investment securities	6,746	6,859
Deferred tax assets	421	420
Other	992	970
Allowance for doubtful accounts	(53)	(53)
Total investments and other assets	8,106	8,197
Total non-current assets	32,881	34,849
Total assets	94,365	91,698

(Million yen)

	Previous fiscal year (as of December 31, 2022)	First quarter of current fiscal year (as of March 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,370	12,010
Electronically recorded obligations-operating	6,689	6,710
Current portion of long-term loans payable	25	25
Income taxes payable	1,349	659
Provision for bonuses	291	757
Provision for bonuses for directors (and other officers)	45	19
Other	3,283	2,768
Total current liabilities	26,054	22,952
Non-current liabilities		
Long-term loans payable	34	28
Deferred tax liabilities	431	416
Retirement benefit liability	2,294	2,270
Other	178	103
Total non-current liabilities	2,939	2,819
Total liabilities	28,994	25,771
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,166	3,156
Retained earnings	60,654	60,990
Treasury shares	(2,661)	(2,618)
Total shareholders' equity	63,713	64,081
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,391	1,544
Deferred gains or losses on hedges	(3)	0
Foreign currency translation adjustment	89	122
Remeasurements of defined benefit plans	134	132
Total accumulated other comprehensive income	1,611	1,800
Share acquisition rights	46	45
Total net assets	65,371	65,926
Total liabilities and net assets	94,365	91,698

(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, 2022 to March 31, 2022)	Cumulative period through first quarter of current fiscal year (from January 1, 2023 to March 31, 2023)
Net sales	19,098	21,424
Cost of sales	14,541	16,055
Gross profit	4,557	5,369
Selling, general and administrative expenses		
Freightage and packing expenses	897	975
Salaries and allowances	837	894
Directors' compensation	113	113
Provision of allowance for doubtful accounts	(0)	0
Provision for bonuses	208	232
Provision for directors' bonuses	7	9
Retirement benefit expenses	58	57
Depreciation	90	118
Rent expenses	664	735
Other	771	809
Total selling, general and administrative expenses	3,649	3,946
Operating profit	908	1,422
Non-operating income		
Interest income	22	39
Dividend income	3	7
Rent income	12	10
Compensation income	65	-
Foreign exchange gains	6	13
Other	25	9
Total non-operating income	137	80
Non-operating expenses		
Interest expenses	0	0
Cost of lease revenue	2	1
Loss on investments in partnership	-	6
Other	2	1
Total non-operating expenses	4	9
Ordinary profit	1,040	1,493
Extraordinary income		
Gain on sales of non-current assets	0	-
Total extraordinary income	0	-
Extraordinary losses		
Loss on retirement of non-current assets	5	3
Loss on sales of investment securities	21	-
Total extraordinary losses	27	3
Profit before income taxes	1,013	1,489
Income taxes-current	375	558
Income taxes-deferred	(79)	(69)
Total income taxes	295	488
Profit	717	1,001
Profit (loss) attributable to non-controlling interests	(0)	-
Profit attributable to owners of parent	717	1,001

Quarterly Consolidated Statement of Comprehensive Income
Cumulative period through first quarter

(Million yen)

	First quarter of previous fiscal year (from January 1, 2022 to March 31, 2022)	First quarter of current fiscal year (from January 1, 2023 to March 31, 2023)
Profit	717	1,001
Other comprehensive income		
Valuation difference on available-for-sale securities	(19)	153
Deferred gains or losses on hedges	3	4
Foreign currency translation adjustment	133	32
Remeasurements of defined benefit plans, net of tax	(3)	(2)
Total other comprehensive income	114	188
Comprehensive income	831	1,189
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	831	1,189
Comprehensive income attributable to non-controlling interests	0	-

[Notes]

(Additional Information)

No material changes have emerged with regard to the assumptions described under “Additional information” 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, 2022 to March 31, 2022)	Cumulative period through first quarter of current fiscal year (from January 1, 2023 to March 31, 2023)
Depreciation	467 million yen	493 million yen

(Shareholders' Equity)

Cumulative period through first quarter of previous 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

Cumulative period through first quarter of current fiscal year (from January 1, 2023 to March 31, 2023)

1. Cash dividends paid

Resolution	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Basis date	Effective date	Source of dividends
March 28, 2023 annual shareholders' meeting	Common stock	665	35.00	December 31, 2022	March 29, 2023	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, 2022 to March 31, 2022)
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.

II. Cumulative period through first quarter of current fiscal year (from January 1, 2023 to March 31, 2023)

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	6,256	-	6,256	-	6,256	-	6,256
Folding paper cartons	5,228	-	5,228	-	5,228	-	5,228
Corrugated boxes	3,059	-	3,059	-	3,059	-	3,059
Printing	527	-	527	-	527	-	527
Film Packaging	-	3,357	3,357	-	3,357	-	3,357
Others	-	-	-	2,994	2,994	-	2,994
Revenue from contracts with customers	15,072	3,357	18,429	2,994	21,424	-	21,424
Other revenue	-	-	-	-	-	-	-
Sales to external customers	15,072	3,357	18,429	2,994	21,424	-	21,424
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	15,072	3,357	18,429	2,994	21,424	-	21,424
Segment profit	1,265	148	1,414	226	1,640	(218)	1,422

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

2. The adjustment amount of -218 million yen to segment profit includes 3 million yen in elimination of intersegment transactions and -221 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.

(Revenue Recognition)

A breakdown of revenue 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	First quarter of previous fiscal year (from January 1, 2022 to March 31, 2022)	First quarter of current fiscal year (from January 1, 2023 to March 31, 2023)
(1) Basic earnings per share	37.78 yen	52.64 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	717	1,001
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	717	1,001
Average number of shares outstanding during the period (thousand shares)	18,996	19,016
(2) Diluted earnings per share	37.75 yen	52.60 yen
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	21	13
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, 2023

To: The Board of Directors,
THE PACK CORPORATION

Ernst & Young ShinNihon LLC
Osaka Office

Kozaki Yasuhiro, 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, 2023) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2023), 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, 2023, 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 on the nature of any measures taken to eliminate any such impediments or safeguards taken to mitigate them to tolerable levels.

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, 2023
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:	9-3 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan
Locations where this document is available for public inspection:	THE PACK CORPORATION (9-3 Higashiobase 2-chome, Higashinari-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, 2023) meets the requirements of the Financial Instruments and Exchange Act of Japan.

2. Special notes

We found no other matters worthy of note.