

# Quarterly Report

2023

(Third 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.

## Contents

	Page
[Cover page] .....	2
Part 1. Corporate information .....	3
1. Corporate overview .....	3
1. Trends in major management indicators .....	3
2. Lines of business.....	3
2. Business overview .....	4
1. Business and other risks.....	4
2. Management analysis of financial standing, business results, and cash flow .....	4
3. Major business contracts, etc. ....	6
3. Information on filing company.....	7
1. Information on stock, etc. ....	7
2. Directors .....	8
4. Financial information .....	9
1. Quarterly Consolidated Financial Statements .....	10
2. Other .....	18
Part 2. Information concerning guarantor of filing company .....	19
 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, 2023
Quarterly accounting period:	Third quarter of 72nd term (July 1 – September 30, 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	Third quarter of consolidated 71st term (cumulative)	Third quarter of consolidated 72nd term (cumulative)	71st term
Fiscal period	January 1 – September 30, 2022	January 1 – September 30, 2023	January 1, 2022 – December 31, 2022
Net sales (million yen)	60,481	67,586	89,060
Ordinary profit (million yen)	3,592	4,727	6,353
Profit attributable to owners of parent (million yen)	2,250	3,205	4,058
Comprehensive income (loss) (million yen)	2,646	4,379	4,362
Net assets (million yen)	63,655	68,476	65,371
Total assets (million yen)	87,082	94,107	94,365
Basic earnings per share (yen)	118.43	168.46	213.55
Diluted earnings per share (yen)	118.33	168.34	213.38
Capital adequacy ratio (%)	73.0	72.7	69.2

Term	Third quarter of consolidated 71st term (cumulative)	Third quarter of consolidated 72nd term (cumulative)
Fiscal period	July 1 – September 30, 2022	July 1 – September 30, 2023
Basic earnings per share (yen)	43.58	56.30

Note: 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 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.

#### (1) Business performance

In the cumulative period through the third quarter of the consolidated fiscal year under review, Japan's economy moved into the post-COVID era owing to COVID being downgraded to a Category 5 infection, and demand for face-to-face service industries such as eating out and lodging increased. In addition, the trend toward recovery in the manufacturing industry has continued, while the economy has been on a gradual recovery trend with the recovery on inbound tourism and associated demand and wage rises. Stay-at-home demand saturated, while the prolonged impact of soaring crude oil prices and exchange rate fluctuations led to increases in prices of daily necessities and materials, leaving future conditions remaining uncertain.

In the United States, the employment environment remains favorable, real wages are rising, and the consumption of services such as transportation, healthcare, and entertainment is growing. However, monetary tightening aimed at curbing inflation continues, raising concerns about an economic recession.

In China, exports increased at the beginning of the year as the Zero COVID policy was lifted. However, a decline in the investment in real estate development, including housing, and a slump in exports may slow the Chinese economy.

Within this context, the Group has adopted "Evolution—Start of purpose-based management and Sustainable Management" as the slogan for our Medium-Term Management Plan, which aims to achieve consolidated net sales of 107,000 million yen and operating income of 7,000 million yen for the fiscal year ending December 31, 2025. Toward this goal, group companies worked collectively to increase earnings by venturing into new markets, making substantial capital expenditures, and improving quality management.

Due to these efforts, during the cumulative period through the third quarter of the consolidated fiscal year under review, net sales grew by 11.7% year on year to 67,586 million yen ; operating profit rose 37.5% year on year to 4,500 million yen; ordinary profit grew 31.6% year on year to 4,727 million yen; and profit attributable to owners of parent improved 42.4% year on year to 3,205 million yen.

The business performance for each segment is reviewed below.

#### (i) Paper Products

The paper products segment accounted for 70.7% of consolidated sales during the period under review. Sales of paper bags, which accounted for 29.1% of consolidated sales, rose alongside growing domestic consumer spending and continued recovery in tourism demand, with net sales growing 14.5% year on year to 19,678 million yen.

Sales of folding paper cartons, which accounted for 25.5% of consolidated sales, grew 15.2% year on year to 17,239 million yen. This was due to strong sales of cartons for takeout/delivery food products and strong performance in the market for souvenirs, mainly food.

Sales of corrugated boxes, which accounted for 13.6% of consolidated sales, grew 3.1% year on year to 9,184 million yen as sales to manufactures and package sales to the e-commerce market remained at the same level as the previous year.

Printing sales, which accounted for 2.5% of consolidated sales, rose 7.5% year on year to 1,693 million yen based on firm sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment grew 12.1% year on year to 47,796 million yen. Operating profit rose 37.3% year on year to 4,206 million yen.

(ii) Film Packaging

In the film packaging segment, which accounted for 14.7% of consolidated sales during the period under review, net sales rose 22.3% year on year to 9,926 million yen. This was due to continued strong sales of disposable diaper products and flexible film packaging for food products, as well as strong sales to mail order enterprises and specialty stores, due mainly to recovery in consumer spending and inbound tourism consumption in association with an increase in the number of foreign visitors to Japan. Operating profit grew by 44.0% year on year to 456 million yen.

(iii) Other Businesses

Other businesses in the period under review accounted for 14.6% of consolidated sales. While COVID-19 vaccine-related sales declined, sales of sewn products and non-woven bags to specialty stores were firm. Net sales grew by 1.5% year on year to 9,864 million yen. Operating profit rose 18.2% year on year to 741 million yen.

(2) Analysis of Financial Position

Assets totaled 94,107 million yen at the end of the third quarter of the consolidated fiscal year under review, down 258 million yen from the end of the previous consolidated fiscal year. Major factors included growth of 2,050 million yen in buildings and structures, 1,909 million yen in land, 1,528 million yen in intangible assets, 1,377 million yen in merchandise and finished goods, and declines of 5,219 million yen in notes and accounts receivable-trade and 2,900 million yen in securities.

Liabilities totaled 25,630 million yen at the end of the third quarter of consolidated fiscal year under review, down 3,363 million yen from the end of the previous consolidated fiscal year. The primary factors were declines of 2,260 million yen in notes and accounts payable-trade and 560 million yen in income taxes payable.

Net assets totaled 68,476 million yen at the end of the third quarter of consolidated fiscal year under review, up 3,105 million yen from the end of the previous consolidated fiscal year. Key factors included increases of 1,873 million yen in retained earnings and 897 million 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 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 288 million yen.

(6) Major Facilities

The reconstruction of our head office building, which was in the planning stage at the end of the previous consolidated fiscal year, was completed in the cumulative period through the third quarter. As a result, buildings and structures increased by 2,305 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, 2023)	Current number of shares issued as of the filing date (November 9, 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)
July 1 – September 30, 2023	-	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, 2023).

(i) Shares issued and outstanding

As of June 30, 2023

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 867,800	-	-
Shares with full voting rights (other)	Common stock 19,024,800	190,248	-
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	-	190,248	-

Note: The shares of common stock under “Shares in less than one trading unit” include 96 shares of treasury shares owned by the Company.

(ii) Treasury shares, etc.

As of June 30, 2023

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	867,800	-	867,800	4.36
Total	-	867,800	-	867,800	4.36

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 third quarter of the consolidated fiscal period under review (July 1 – September 30, 2023) and the cumulative period through the third quarter of the consolidated period under review (January 1 – September 30, 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)	Second quarter of current fiscal year (as of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	16,163	16,496
Notes and accounts receivable-trade	*23,886	*18,667
Securities	12,500	9,600
Merchandise and finished goods	6,015	7,392
Work in process	1,032	1,230
Raw materials and supplies	1,108	1,016
Other	792	1,106
Allowance for doubtful accounts	(14)	(17)
<b>Total current assets</b>	<b>61,484</b>	<b>55,492</b>
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,132	8,183
Machinery, equipment, and vehicles, net	5,641	6,440
Tools, furniture, and fixtures, net	348	352
Land	8,539	10,448
Construction in progress	3,068	1,412
<b>Total property, plant, and equipment</b>	<b>23,729</b>	<b>26,837</b>
Intangible assets	1,044	2,572
Investments and other assets		
Investment securities	6,746	7,934
Deferred tax assets	421	202
Other	992	1,121
Allowance for doubtful accounts	(53)	(54)
<b>Total investments and other assets</b>	<b>8,106</b>	<b>9,204</b>
<b>Total non-current assets</b>	<b>32,881</b>	<b>38,614</b>
<b>Total assets</b>	<b>94,365</b>	<b>94,107</b>

(Million yen)

	Previous fiscal year (as of December 31, 2022)	Third quarter of current fiscal year (as of September30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	*14,370	*12,110
Electronically recorded obligations-operating	*6,689	*6,368
Current portion of long-term loans payable	25	25
Income taxes payable	1,349	788
Provision for bonuses	291	842
Provision for bonuses for directors (and other officers)	45	32
Other	3,283	2,670
Total current liabilities	26,054	22,838
Non-current liabilities		
Long-term loans payable	34	15
Deferred tax liabilities	431	465
Retirement benefit liability	2,294	2,231
Other	178	79
Total non-current liabilities	2,939	2,792
Total liabilities	28,994	25,630
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,166	3,156
Retained earnings	60,654	62,528
Treasury shares	(2,661)	(2,592)
Total shareholders' equity	63,713	65,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,391	2,288
Deferred gains or losses on hedges	(3)	6
Foreign currency translation adjustment	89	362
Remeasurements of defined benefit plans	134	128
Total accumulated other comprehensive income	1,611	2,785
Share acquisition rights	46	45
Total net assets	65,371	68,476
Total liabilities and net assets	94,365	94,107

(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, 2022 to September 30, 2022)	Cumulative period through third quarter of current fiscal year (from January 1, 2023 to September 30, 2023)
Net sales	60,481	67,586
Cost of sales	46,015	50,678
Gross profit	14,465	16,907
Selling, general and administrative expenses		
Freightage and packing expenses	2,839	2,943
Salaries and allowances	2,826	3,131
Directors' compensation	315	399
Provision of allowance for doubtful accounts	8	9
Provision for bonuses	364	442
Provision for directors' bonuses	20	29
Retirement benefit expenses	187	179
Depreciation	284	363
Rent expenses	2,055	2,247
Other	2,289	2,659
Total selling, general and administrative expenses	11,192	12,407
Operating profit	3,273	4,500
Non-operating income		
Interest income	93	117
Dividend income	76	76
Rent income	36	30
Compensation income	65	-
Foreign exchange gains	21	-
Other	44	23
Total non-operating income	336	247
Non-operating expenses		
Interest expenses	1	2
Cost of lease revenue	6	3
Loss on investments in partnerships	-	8
Foreign exchange loss	-	3
Other	8	3
Total non-operating expenses	17	20
Ordinary profit	3,592	4,727
Extraordinary income		
Gain on sales of investment securities	0	0
Gain on sales of non-current assets	1	0
Government subsidies	-	49
Total extraordinary income	1	49
Extraordinary losses		
Loss on sales on non-current assets	0	-
Loss on retirement of non-current assets	21	42
Loss on valuation of investment securities	23	-
Loss on sales of investment securities	64	-
Impairment loss	*188	-
Loss on reduction of non-current assets	-	49
Total extraordinary losses	298	92
Profit before income taxes	3,296	4,684
Income taxes-current	1,133	1,607
Income taxes-deferred	(86)	(127)
Total income taxes	1,047	1,479
Profit	2,248	3,205
Profit (loss) attributable to non-controlling interests	(1)	-
Profit attributable to owners of parent	2,250	3,205

Quarterly Consolidated Statement of Comprehensive Income  
Cumulative period through third quarter

(Million yen)

	Third quarter of previous fiscal year (from January 1, 2022 to September 30, 2022)	Third quarter of current fiscal year (from January 1, 2023 to September 30, 2023)
Profit	2,248	3,205
Other comprehensive income		
Valuation difference on available-for-sale securities	6	897
Deferred gains or losses on hedges	15	10
Foreign currency translation adjustment	386	272
Remeasurements of defined benefit plans, net of tax	(11)	(6)
Total other comprehensive income	397	1,173
Comprehensive income	2,646	4,379
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,647	4,379
Comprehensive income attributable to non-controlling interests	(0)	-

[Notes]

(Additional information)

While the potential for COVID-19 to affect Group performance may continue for the foreseeable future, we assume that the current recovery trend will continue into the year ending December 31, 2023 and beyond. This assumption serves as the basis for accounting estimates, including those for impairments of non-current assets and recoverability of deferred tax assets. The COVID-19 pandemic continues to pose many uncertainties. Future changes in the business environment may affect our financial position and operational results.

(Quarterly Consolidated Balance Sheet)

\* In accounts processing of notes and other transaction documents maturing on the last day of the quarterly consolidated accounting period, we process settlements of accounts based on the dates of exchange or other transactions involving the notes.

Since the last day of the third quarter of the consolidated fiscal year under review was a holiday for financial institutions, notes and other transaction documents maturing on the last day of the next quarterly consolidated accounting period are included in the balance at the end of the quarterly consolidated accounting period.

	Previous consolidated fiscal year (December 31, 2022)	Third quarter of consolidated fiscal year under review (September 30, 2023)
Notes receivable	246 million yen	250 million yen
Notes payable	165 million yen	97 million yen
Electronically recorded obligations – operating	187 million yen	207 million yen

(Quarterly Consolidated Statement of Comprehensive Income)

\* Impairment loss

First three quarters of previous 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.

First three quarters of current fiscal year (from January 1, 2023 to September 30, 2023)

Not applicable



(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, 2022 to September 30, 2022)	Cumulative period through third quarter of current fiscal year (from January 1, 2023 to September 30, 2023)
Depreciation	1,432 million yen	1,540 million yen

(Shareholders' Equity)

Cumulative period through third quarter of previous 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, 2022	September 2, 2022	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, 2023 to September 30, 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
August 7, 2023 annual shareholders' meeting	Common stock	666	35.00	June 30, 2023	September 4, 2023	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, 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.

II. Cumulative period through third quarter of current fiscal year (from January 1, 2023 to September 30, 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	19,678	-	19,678	-	19,678	-	19,678
Folding paper cartons	17,239	-	17,239	-	17,239	-	17,239
Corrugated boxes	9,184	-	9,184	-	9,184	-	9,184
Printing	1,693	-	1,693	-	1,693	-	1,693
Film Packaging	-	9,926	9,926	-	9,926	-	9,926
Others	-	-	-	9,864	9,864	-	9,864
Revenue from contracts with customers	47,796	9,926	57,722	9,864	67,586	-	67,586
Other revenue	-	-	-	-	-	-	-
Sales to external customers	47,796	9,926	57,722	9,864	67,586	-	67,586
Intersegment sales and transfers	-	-	-	-	-	-	-
Subtotal	47,796	9,926	57,722	9,864	67,586	-	67,586
Segment profit	4,206	456	4,662	741	5,404	(903)	4,500

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

2. The adjustment amount of -903 million yen to segment profit includes 9 million yen in elimination of intersegment transactions and -912 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

(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, 2022 to September 30, 2022)	Third quarter of current fiscal year (from January 1, 2023 to September 30, 2023)
(1) Basic earnings per share	118.43 yen	168.46 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	2,250	3,205
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	2,250	3,205
Average number of shares outstanding during the period (thousand shares)	19,004	19,025
(2) Diluted earnings per share	118.33	168.34
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	15	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**

In its meeting held August 7, 2023, the Board of Director resolved to pay interim dividends for the 72nd term (from January 1, 2023 to December 31, 2023) to shareholders recorded in the final shareholder registry of June 30, 2023, as follows:

- (i) Total amount of dividends 666 million yen
- (ii) Amount per share 35.00 yen
- (iii) Effective date of claims for payment and payment start date September 4, 2023

**Part 2. Information concerning guarantor of filing company**

Not applicable

Independent Auditor's Report on Quarterly Review

November 9, 2023

To: The Board of Directors,  
THE PACK CORPORATION

**Ernst & Young ShinNihon LLC**  
**Osaka Office**

Yasuhiro Kamimae, 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, 2023) and for the cumulative period through the third quarter of the consolidated period under review (January 1 – September 30, 2023), 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 2023 (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, 2023, 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, as auditors, duly report to the Statutory Auditors and to the Audit and Supervisory Committee on our compliance with the rules of professional ethics in Japan regarding independence; on matters that could reasonably be deemed to affect our independence; on the nature of measures taken to eliminate such impediments, if any; and on the nature of safeguards applied to mitigate such impediments to acceptable levels, if any.

## 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, 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 third quarter of 72nd term (July 1 – September 30, 2023) meets the requirements of the Financial Instruments and Exchange Act of Japan.

**2. Special notes**

We found no other matters worthy of note.