

Business Results for the Year Ended December 31, 2023

[Japan GAAP] (Consolidated)

February 9, 2024

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Expected date of annual shareholders' meeting: March 28, 2024

Expected starting date of dividend payment: March 29, 2024

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Preparation of supplementary financial document: Yes

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

(Rounded down to million yen)

1. Consolidated business results for the year ended December 31, 2023 (January 1, 2023 through December 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 31, 2023	97,714	9.7	7,743	29.7	8,063	26.9	5,652	39.3
Year ended December 31, 2022	89,060	11.8	5,972	44.1	6,353	43.6	4,058	43.7

(Note) Comprehensive income Year ended December 31, 2023: 7,059 million yen (up 61.8%)
 Year ended December 31, 2022: 4,362 million yen (up 31.2%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2023	297.07	296.86	8.3	8.3	7.9
Year ended December 31, 2022	213.55	213.38	6.4	7.0	6.7

(Reference) Investment earnings/loss on equity-method Year ended December 31, 2023: - million yen
 Year ended December 31, 2022: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended December 31, 2023	98,847	71,156	71.9	3,736.44
Year ended December 31, 2022	94,365	65,371	69.2	3,436.46

(Reference) Owner's equity As of December 31, 2023: 71,111 million yen
 As of December 31, 2022: 65,324 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended December 31, 2023	4,443	(3,962)	(1,407)	17,812
Year ended December 31, 2022	5,380	(3,762)	(1,124)	18,653

2. Dividends

	Dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended December 31, 2022	–	30.00	–	35.00	65.00	1,235	30.4	1.9
Year ended December 31, 2023	–	35.00	–	55.00	90.00	1,712	30.3	2.5
Year ending December 31, 2024 (forecast)	–	52.00	–	66.00	118.00		35.1	

**3. Forecast of consolidated results for the year ending December 31, 2024
(January 1, 2024 through December 31, 2024)**

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (accumulated)	46,300	3.2	3,100	4.1	3,300	4.8	2,800	31.2	147.12
Full year	101,000	3.4	8,100	4.6	8,400	4.2	6,400	13.2	336.27

***Notes**

- (1) Material changes in subsidiaries during this period (changes in scope of consolidations resulting from change in subsidiaries): None
- (2) Changes in accounting policies, accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies based on revisions of the accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of the accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)

As of December 31, 2023: 19,900,000 shares	As of December 31, 2022: 19,900,000 shares
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 - 2) Number of treasury shares at the end of fiscal year

As of December 31, 2023: 868,136 shares	As of December 31, 2022: 890,661 shares
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 - 3) Average number of shares

As of December 31, 2023: 19,027,232 shares	As of December 31, 2022: 19,005,422 shares
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***The current financial summary is not subject to audit by certified public accountants or auditing firms.**

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

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

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1. Overview of Operational Results

(1) Operational Results

During the consolidated fiscal year under review, with COVID-19 downgraded to a Class 5 infectious disease and COVID restrictions lifted, Japan's economy saw growing demand for in-person dining and accommodations as a result of more people going out. The recovering trend in manufacturing also continued, and the economy shows a gentle recovering trend driven by factors including a recovery in inbound tourism demand and wage hikes. Nevertheless, factors including the lingering effects of high oil prices and exchange rate fluctuations spurred inflation in daily commodities and materials, and the overall outlook remains uncertain.

Spending on services such as transportation, healthcare, and entertainment is rising in the United States, where employment conditions are favorable and real wages are rising. At the same time, monetary tightening continues as an effort to control inflation, and concerns about a potential downturn in the economy persist.

China's economy recovered rapidly at the start of the year due to the lifting of the nation's zero-COVID policy, but then slowed toward the year end due to factors such as a significant drop in investment in real estate development, centered on residential properties, and a slowdown in exports.

Against such a backdrop, The Pack Group is working as a team to improve business performance through means including efforts to develop new markets, aggressive capital investments, and improved quality control under the Medium-Term Management Plan's slogan, "Evolution—Start of purpose-based management and Sustainable Management."

In the consolidated fiscal year under review, net sales grew 9.7% year on year to ¥97,714 million; operating profit grew 29.7% to ¥7,743 million; ordinary profit grew 26.9% to ¥8,063 million; and profit attributable to owners of parent grew 39.3% to ¥5,652 million.

The business performance for each segment is given below.

(Paper Products)

The paper products segment accounted for 71.0% of Group consolidated sales during the fiscal year under review.

Sales of paper bags, which accounted for 30.3% of consolidated sales, rose by 13.0% to 29,653 million yen, buoyed by continuing recovery in domestic consumer spending and tourism demand in a year entirely free of COVID restrictions.

Sales of folding paper cartons, which accounted for 25.6% of consolidated sales, grew by 12.2% to 25,000 million yen. Sales of cartons for takeout/delivery food products and sales of cartons mainly for food products to the souvenirs sector remained strong.

Sales of corrugated boxes, which accounted for 12.7% of consolidated sales, grew by 1.7% to 12,419 million yen due to continuing strong sales to the manufacturing and e-commerce sectors.

Printing sales, which accounted for 2.4% of consolidated sales, grew 6.4% to 2,325 million, driven by strong sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment rose 10.3% to 69,399 million yen. Operating profit rose by 28.6% to 6,858 million yen.

(Film Packaging)

The film packaging segment accounted for 14.1% of Group consolidated sales during the fiscal year under review. Segment sales were up 15.1% to 13,798 million yen: sales of disposable diaper products and flexible film packaging for food products remained strong, while sales to the e-commerce and specialty retail store segments were steady. Operating profit increased by 46.7% to 856 million yen.

(Other Businesses)

Other businesses accounted for 14.9% of Group consolidated sales in the fiscal year under review. Despite lower sales related to COVID-19 vaccinations, sales in this segment grew by 2.7% to 14,516 million yen thanks to sales of sewn bags and nonwoven bags to specialty retail stores. Operating profit grew by 19.7% to 1,267 million yen.

(2) Financial Position

Assets totaled 98,847 million yen at the end of 2023, up 4,481 million yen from the end of 2022. Major factors included increases of 2,022 million yen in buildings and structures, net; 2,284 million yen in land; 1,635 million yen in intangible assets; 1,381 million yen in investment securities; and a decrease of 4,400 million yen in securities.

Liabilities fell by 1,303 million yen to 27,691 million yen. Major factors were an increase of 575 million yen in electronically recorded obligations-operating and a decrease of 1,951 million yen in retirement benefit liability.

Net assets grew by 5,785 million yen to 71,156 million yen. Key factors were increases of 4,321 million yen in retained earnings and 1,026 million yen in valuation difference on available-for-sale securities.

(3) Cash Flows

The balance of cash and cash equivalents at the end of 2023 was down 4.5%, or 840 million yen, from the end of 2022, to 17,812 million yen.

<Cash flows from operating activities>

Operating activities provided net cash of 4,443 million yen in the consolidated fiscal year under review (down 17.4% from 5,380 million yen in 2022). The principal factors were profit before income taxes of 7,941 million yen, depreciation of 2,082 million yen, contribution to the employee retirement benefits trust of 1,900 million yen, and payment of 2,244 million yen in income taxes.

<Cash flows from investing activities>

Investing activities during the consolidated fiscal year under review used net cash of 3,962 million yen (vs. 3,762 million yen in 2022). The principal factors were outlays of 9,000 million yen for the purchase of securities, 5,581 million yen for purchasing property, plant, and equipment, and 1,702 million yen for purchasing intangible assets. Proceeds from sales of securities were 12,500 million yen.

<Cash flows from financing activities>

Due mainly to 1,334 million yen in cash dividends paid, financing activities used net cash of 1,407 million yen (vs. 1,124 million yen in 2022).

Reference: Cash flow indicators

Fiscal years ended	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
Capital adequacy ratio	66.0	71.4	70.9	69.2	71.9
Capital adequacy ratio based on market prices	84.7	64.3	58.6	48.6	65.2
Interest-bearing debt to cash flow ratio	0.0	0.1	0.0	0.0	0.0
Interest coverage ratio	2,257.9	2,572.9	5,405.8	2,935.1	4,273.4

Notes:

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

(4) Outlook

The Japanese economy is expected to continue its gentle recovery driven by domestic demand. Nevertheless, the future outlook remains uncertain due to factors such as the risk of economic downturn overseas, chiefly in China, financial and capital market fluctuations, inflationary pressures, an increasingly severe labor shortage, and increasing geopolitical risks in Ukraine and the Middle East.

In light of these business conditions, by formulating a sustainable management policy, The Pack Group will strive to achieve further improvements in customer satisfaction and business performance as a provider of comprehensive packaging solutions, based on its mission of bolstering social prosperity and creating satisfaction through packaging.

2. Basic Approach to Selecting Accounting Standards

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

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

(Million yen)

	Previous fiscal year (As of December 31, 2022)	Current fiscal year (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	16,163	16,322
Notes and accounts receivable-trade	23,886	24,654
Securities	12,500	8,100
Merchandise and finished goods	6,015	7,038
Work in process	1,032	1,058
Raw materials and supplies	1,108	981
Other	792	936
Allowance for doubtful accounts	(14)	(11)
Total current assets	61,484	59,080
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,132	8,154
Machinery, equipment, and vehicles, net	5,641	6,443
Tools, furniture and fixtures, net	348	347
Land	8,539	10,823
Construction in progress	3,068	1,632
Total property, plant and equipment	23,729	27,401
Intangible assets	1,044	2,679
Investments and other assets		
Investment securities	6,746	8,127
Retirement benefit asset	-	385
Deferred tax assets	421	106
Other	992	1,116
Allowance for doubtful accounts	(53)	(51)
Total investments and other assets	8,106	9,685
Total non-current assets	32,881	39,766
Total assets	94,365	98,847

(Million yen)

	Previous fiscal year (As of December 31, 2022)	Current fiscal year (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,370	13,890
Electronically recorded obligations-operating	6,689	7,264
Current portion of long-term loans payable	25	25
Income taxes payable	1,349	1,397
Provision for bonuses	291	322
Provision for bonuses for directors (and other officers)	45	52
Other	3,283	3,652
Total current liabilities	26,054	26,605
Non-current liabilities		
Long-term loans payable	34	9
Retirement benefit liability	2,294	343
Deferred tax liabilities	431	664
Other	178	67
Total non-current liabilities	2,939	1,085
Total liabilities	28,994	27,691
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,166	3,156
Retained earnings	60,654	64,975
Treasury shares	(2,661)	(2,593)
Total shareholders' equity	63,713	68,092
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,391	2,417
Deferred gains or losses on hedges	(3)	(2)
Foreign currency translation adjustment	89	235
Remeasurements of defined benefit plans	134	369
Total accumulated other comprehensive income	1,611	3,018
Share acquisition rights	46	45
Total net assets	65,371	71,156
Total liabilities and net assets	94,365	98,847

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

(Million yen)

	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Net sales	89,060	97,714
Cost of sales	67,382	72,949
Gross profit	21,677	24,765
Selling, general and administrative expenses	15,705	17,021
Operating profit	5,972	7,743
Non-operating income		
Interest income	128	150
Dividend income	136	145
Rent income	46	39
Compensation income	65	–
Other	51	31
Total non-operating income	428	367
Non-operating expenses		
Interest expenses	1	1
Cost of lease revenue	20	5
Compensation for damages	9	–
Loss on investments in partnership	–	8
Foreign exchange losses	8	30
Other	6	3
Total non-operating expenses	47	48
Ordinary profit	6,353	8,063
Extraordinary income		
Gain on sales of investment securities	66	0
Gain on sales of non-current assets	1	0
State subsidy	–	49
Total extraordinary income	67	49
Extraordinary losses		
Loss on sales on non-current assets	0	–
Loss on retirement of non-current assets	40	122
Loss on valuation of investments securities	65	–
Loss on sales of investment securities	65	–
Impairment loss	323	–
Loss on reduction of non-current assets	–	49
Total extraordinary losses	495	171
Profit before income taxes	5,925	7,941
Income taxes-current	1,947	2,276
Income taxes-deferred	(72)	12
Total income taxes	1,875	2,288
Profit	4,050	5,652
Loss attributable to non-controlling interests	(8)	–
Profit attributable to owners of parent	4,058	5,652

Consolidated Statement of Comprehensive Income

(Million yen)

	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Profit	4,050	5,652
Other comprehensive income		
Valuation difference on available-for-sale securities	179	1,026
Deferred gains or losses on hedges	(4)	1
Foreign currency translation adjustment	189	145
Remeasurements of defined benefit plans, net of tax	(51)	234
Total other comprehensive income	312	1,407
Comprehensive income	4,362	7,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,370	7,059
Comprehensive income attributable to non-controlling interests	(7)	–

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (from January 1, 2022 to December 31, 2022)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,164	57,640	(2,704)	60,654
Changes in items during period					
Dividends of surplus			(1,045)		(1,045)
Profit attributable to owners of parent			4,058		4,058
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(3)		42	39
Purchase of shares of consolidated subsidiaries		5			5
Net changes in items other than shareholders' equity		-			-
Total changes in items during period	-	2	3,013	42	3,058
Balance at end of current period	2,553	3,166	60,654	(2,661)	63,713

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	1,212	0	(98)	185	1,300
Changes in items during period					
Dividends of surplus					-
Profit attributable to owners of parent					-
Purchase of treasury shares					-
Disposal of treasury shares					-
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity	178	(4)	188	(51)	311
Total changes in items during period	178	(4)	188	(51)	311
Balance at end of current period	1,391	(3)	89	134	1,611

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	63	13	62,032
Changes in items during period			
Dividends of surplus			(1,045)
Profit attributable to owners of parent			4,058
Purchase of treasury shares			(0)
Disposal of treasury shares			39
Purchase of shares of consolidated subsidiaries			5
Net changes in items other than shareholders' equity	(17)	(13)	280
Total changes in items during period	(17)	(13)	3,338
Balance at end of current period	46	-	65,371

Current fiscal year (from January 1, 2023 to December 31, 2023)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,166	60,654	(2,661)	63,713
Changes in items during period					
Dividends of surplus			(1,331)		(1,331)
Profit attributable to owners of parent			5,652		5,652
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(9)		68	59
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity					–
Total changes in items during period	–	(9)	4,321	68	4,379
Balance at end of current period	2,553	3,156	64,975	(2,593)	68,092

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	1,391	(3)	89	134	1,611
Changes in items during period					
Dividends of surplus					–
Profit attributable to owners of parent					–
Purchase of treasury shares					–
Disposal of treasury shares					–
Purchase of shares of consolidated subsidiaries					–
Net changes in items other than shareholders' equity	1,026	1	145	234	1,407
Total changes in items during period	1,026	1	145	234	1,407
Balance at end of current period	2,417	(2)	235	369	3,018

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	46	–	65,371
Changes in items during period			
Dividends of surplus			(1,331)
Profit attributable to owners of parent			5,652
Purchase of treasury shares			(0)
Disposal of treasury shares			59
Purchase of shares of consolidated subsidiaries			–
Net changes in items other than shareholders' equity	(1)		1,405
Total changes in items during period	(1)	–	5,785
Balance at end of current period	45	–	71,156

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit before income taxes	5,925	7,941
Depreciation	1,992	2,082
Impairment loss	323	–
Increase (decrease) in allowance for doubtful accounts	5	(5)
Increase (decrease) in provision for bonuses	23	31
Increase (decrease) in provision for bonuses for directors and other officers	13	7
Increase (decrease) in retirement benefit liability	(213)	285
Decrease (increase) in net defined benefit asset	–	(385)
Contribution to the employee retirement benefits trust	–	(1,900)
Interest and dividend income	(264)	(296)
Interest expenses	1	1
Loss (gain) on investments in partnership	–	8
Loss (gain) on sales of non-current assets	(0)	(0)
Loss on retirement of non-current assets	40	122
Loss on reduction of non-current assets	–	49
State subsidy	–	(49)
Loss (gain) on sales of investment securities	(0)	(0)
Loss (gain) on valuation of investment securities	65	–
Decrease (increase) in notes and accounts receivable-trade	(2,825)	(692)
Decrease (increase) in inventories	(1,704)	(914)
Increase (decrease) in notes and accounts payable-trade	3,264	66
Other, net	68	37
Subtotal	6,715	6,390
Interest and dividend income received	275	298
Interest expenses paid	(1)	(1)
Income taxes paid	(1,608)	(2,244)
Net cash provided by (used in) operating activities	5,380	4,443
Cash flows from investing activities		
Purchase of securities	(10,000)	(9,000)
Proceeds from sales of securities	12,000	12,500
Purchase of property, plant, and equipment	(3,109)	(5,581)
Proceeds from sales of property, plant, and equipment	3	0
Purchase of intangible assets	(433)	(1,702)
Payments for asset retirement obligations	–	(52)
Purchase of investment securities	(2,357)	(36)
Proceeds from sales of investment securities	204	1
Payments for leasehold and guarantee deposits	(39)	(212)
Proceeds from state subsidy	–	49
Other, net	(29)	70
Net cash provided by (used in) investment activities	(3,762)	(3,962)
Cash flows from financing activities		
Repayments of long-term loans payable	(25)	(25)
Cash dividends paid	(1,043)	(1,334)
Other, net	(55)	(48)
Net cash provided by (used in) financing activities	(1,124)	(1,407)
Effect of exchange rate change on cash and cash equivalents	91	86
Net increase (decrease) in cash and cash equivalents	585	(840)
Cash and cash equivalents at beginning of period	18,067	18,653
Cash and cash equivalents at end of period	18,653	17,812

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable

Changes in Accounting Policies

Not applicable

Segment and Other Information

1. Segment overview

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

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

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

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

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

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

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

3. Information concerning net sales and profit or loss by reportable segment and breakdown information on revenues
Previous fiscal year (from January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	26,252	–	26,252	–	26,252	–	26,252
Folding paper cartons	22,283	–	22,283	–	22,283	–	22,283
Corrugated boxes	12,210	–	12,210	–	12,210	–	12,210
Printing	2,186	–	2,186	–	2,186	–	2,186
Film packaging	–	11,988	11,988	–	11,988	–	11,988
Other	–	–	–	14,138	14,138	–	14,138
Revenues from contracts with customers	62,932	11,988	74,921	14,138	89,060	–	89,060
Other revenues	–	–	–	–	–	–	–
Sales to external customers	62,932	11,988	74,921	14,138	89,060	–	89,060
Intersegment sales and transfers	–	–	–	–	–	–	–
Total	62,932	11,988	74,921	14,138	89,060	–	89,060
Segment profit	5,333	583	5,917	1,059	6,976	(1,004)	5,972
Segment assets	46,706	7,590	54,297	7,632	61,929	32,436	94,365
Other items							
Depreciation	1,573	292	1,866	78	1,944	48	1,992
Increases in property, plant and equipment and intangible assets	1,592	480	2,073	122	2,196	1,409	3,605

Notes:

- “Other businesses” includes supplies and other goods.
- The adjustments are as follows:
 - The -1,004 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -1,016 million yen. Corporate expenses primarily involve the parent company’s Administrative Department.
 - The 32,436 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company’s surplus assets under management (cash and deposits of 11,565 million yen and securities of 12,500 million yen), long-term investments (investment securities of 6,270 million yen), and the parent company’s land of 2,100 million yen.
 - Adjustments to depreciation are related to the parent company’s head office assets.
- Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

Current fiscal year (from January 1, 2023 to December 31, 2023)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	29,653	—	29,653	—	29,653	—	29,653
Folding paper cartons	25,000	—	25,000	—	25,000	—	25,000
Corrugated boxes	12,419	—	12,419	—	12,419	—	12,419
Printing	2,325	—	2,325	—	2,325	—	2,325
Film packaging	—	13,798	13,798	—	13,798	—	13,798
Other	—	—	—	14,516	14,516	—	14,516
Revenues from contracts with customers	69,399	13,798	83,197	14,516	97,714		97,714
Other revenues	—	—	—	—	—	—	—
Sales to external customers	69,399	13,798	83,197	14,516	97,714	—	97,714
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	69,399	13,798	83,197	14,516	97,714	—	97,714
Segment profit	6,858	856	7,715	1,267	8,983	(1,239)	7,743
Segment assets	54,790	8,847	63,637	8,023	71,661	27,186	98,847
Other items							
Depreciation	1,537	364	1,901	142	2,044	38	2,082
Increases in property, plant and equipment and intangible assets	6,576	927	7,503	733	8,237	(830)	7,406

Notes:

1. "Other businesses" includes supplies and other goods.
2. The adjustments are as follows:
 - (1) The -1,239 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -1,251 million yen. Corporate expenses primarily involve the parent company's Administrative Department.
 - (2) The 27,186 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company's surplus assets under management (cash and deposits of 10,495 million yen and securities of 8,100 million yen), long-term investments (investment securities of 7,564 million yen), and the parent company's land of 1,027 million yen.
 - (3) Adjustments to depreciation and increases in property, plant and equipment and intangible assets are related to the parent company's head office assets.
3. Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

[Related information]

Previous fiscal year (from January 1, 2022 to December 31, 2022)

1. Product- and service-specific information

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

2. Region-specific information

(1) Net sales

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

(2) Property, plant, and equipment

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

3. Information specific to major customers

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

Current fiscal year (from January 1, 2023 to December 31, 2023)

1. Product- and service-specific information

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

2. Region-specific information

(1) Net sales

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

(2) Property, plant, and equipment

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

3. Information specific to major customers

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

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

Previous fiscal year (from January 1, 2022 to December 31, 2022)

(Million yen)

	Reportable segment			Other businesses	Companywide/ elimination	Total
	Paper Products	Film Packaging	Subtotal			
Impairment loss	323	–	323	–	–	323

Current fiscal year (from January 1, 2023 to December 31, 2023)

Not applicable

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

Not applicable

[Information on gain on negative goodwill by reportable segment]

Not applicable

Revenue recognition

A breakdown of the information on revenue derived from contracts with customers is provided under Segment and Other Information in (5) Notes to Consolidated Financial Statements.

Per Share Information

(Yen)

	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Net assets per share	3,436.46	3,736.44
Basic earnings per share	213.55	297.07
Diluted earnings per share	213.38	296.86

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

	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,058	5,652
Amounts not available to common shareholders (million yen)	–	–
Profit attributable to owners of parent related to common shares (million yen)	4,058	5,652
Average number of shares outstanding during the period (thousand shares)	19,005	19,027
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	–	–
Increase in number of common shares (thousand shares)	15	13
(of which share acquisition rights (thousand shares))	(15)	(13)
Antidilutive securities excluded from diluted earnings per share calculations		–

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

Item	Previous fiscal year (from January 1, 2022 to December 31, 2022)	Current fiscal year (from January 1, 2023 to December 31, 2023)
Total net assets (million yen)	65,371	71,156
Deduction on total net assets (million yen)	46	45
(of which share acquisition rights) (million yen)	(46)	(45)
(of which non-controlling interests) (million yen)	(–)	(–)
Net assets applicable to common shares (million yen)	65,324	71,111
Number of common shares used in calculation of net assets per share (thousand shares)	19,009	19,031

Material Subsequent Events

Purchase of treasury shares

In its meeting held February 9, 2024, the Company Board of Directors resolved to purchase treasury shares as outlined below, pursuant to Article 156 of the Companies Act, as applied under Article 165, Paragraph 3 of that Act.

1. Reason for treasury shares purchase

As part of the capital policies established in the Medium-Term Management Plan, the Company will purchase treasury shares for purposes including enhancing returns to shareholders and improving capital efficiency.

2. Details of this purchase

- | | |
|---|---|
| (1) Class of shares to be purchased: | Company common stock |
| (2) Total number of shares to be purchased: | up to 300,000 shares
(1.57% of total shares issued and outstanding
[not including treasury shares]) |
| (3) Total price of purchase of shares: | up to 1,000 million yen |
| (4) Period of purchase: | February 13 – December 31, 2024 |
| (5) Method of purchase: | Market purchase on the Tokyo Stock Exchange |