

# Business Results for the First Quarter of the Year Ending December 31, 2024 [Japan GAAP] (Consolidated)

May 8, 2024

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Expected filing date for quarterly securities report: May 13, 2024  
 Expected starting date of dividend payment: –  
 Quarterly supplementary financial documents: None  
 Quarterly results briefing: None

(Rounded down to million yen)

## 1. Consolidated business results for the first quarter of the year ending December 31, 2024 (January 1, 2024 through March 31, 2024)

(1) Consolidated operational results (cumulative) (% change from same quarter of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of year ending December 31, 2024	22,694	5.9	1,613	13.5	1,670	11.9	1,479	47.8
First quarter of year ended December 31, 2023	21,424	12.2	1,422	56.6	1,493	43.5	1,001	39.5

(Note) Comprehensive income First quarter of year ending December 31, 2024: 1,880 million yen (58.1%)  
 First quarter of year ended December 31, 2023: 1,189 million yen (43.0%)

	Quarterly basic earnings per share	Quarterly diluted earnings per share
	Yen	Yen
First quarter of year ending December 31, 2024	77.70	77.64
First quarter of year ended December 31, 2023	52.64	52.60

## (2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
First quarter of year ending December 31, 2024	97,122	72,010	74.1
Year ended December 31, 2023	98,847	71,156	71.9

(Reference) Owner's equity First quarter of year ending December 31, 2024: 71,969 million yen  
 Year ended December 31, 2023: 71,111 million yen

## 2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	35.00	–	55.00	90.00
Year ending December 31, 2024	–	–	–	–	–
Year ending December 31, 2025 (forecast)	–	52.00	–	66.00	118.00

(Note) Revision from most recently announced dividends forecast: None

**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
Second 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

(Note) Revision from most recently announced forecast of results: None

**\*Notes**

- (1) Material changes in subsidiaries during this quarterly cumulative period (changes in scope of consolidations resulting from change in subsidiaries): None
- (2) Application of special account processing in preparation of quarterly financial statements: None
- (3) 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

(4) Number of issued and outstanding shares (common stock)

1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)	1Q, year ending December 31, 2024	19,900,000 shares	Year ended December 31, 2023	19,900,000 shares
2) Number of treasury shares at the end of fiscal year	1Q, year ending December 31, 2024	860,349 shares	Year ended December 31, 2023	868,136 shares
3) Average number of shares (quarterly cumulative)	1Q, year ending December 31, 2024	19,036,057 shares	1Q, year ended December 31, 2023	19,016,433 shares

**\*The quarterly financial summary is not subject to audits by certified public accountants or auditing firms.**

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

Forward-looking statements regarding future performance are based on assumptions regarding various factors affecting business performance and information available to the Company's management as of the date the materials were prepared. Actual results may differ significantly from forecasts.

Also see "Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements" on p. 2 of the Attachments concerning forward-looking statements.

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## 1. Overview of Operational Results

### (1) Quarterly Operational Results

In the first quarter of the consolidated fiscal year under review, Japan's economy was supported by a recovery in consumption due to factors including rising wages and fiscal policies, robust capital investment, strong inbound consumption, and was on the brink of steering away from deflation due to progress in passing on increased costs to consumers through price increases. Nevertheless, prospects remain uncertain for various reasons, including soaring energy costs, the rising cost of imports driven by the devalued yen, and the effects on consumption of slower corporate capital investment due to financial normalization of Bank of Japan monetary policies.

The United States economy remained firm, centered on consumer spending, and employment conditions remained favorable, but there are concerns about a gradual slowdown in personal consumption as the inflation rate shows signs of slowing down against a backdrop of overheated domestic demand.

Amid growing uncertainties related to its economic policies, China continues to experience slow consumer spending. No policies have emerged to date to halt the vicious circle of the sustained slump in the real estate market.

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 8,300 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 5.9% year on year to 22,694 million yen; operating profit rose 13.5% to 1,613 million yen; ordinary profit grew 11.9% to 1,670 million yen; and profit attributable to owners of parent improved 47.8% to 1,479 million yen.

The business performance for each segment is given below.

#### (Paper Products)

In the first quarter, the paper products segment accounted for 71.8% of consolidated sales. Thanks in part to recovering consumer spending and booming tourism demand, including inbound tourism, sales of paper bags, which accounted for 30.9% of consolidated sales, grew by 12.0% year on year to 7,005 million yen.

Sales of folding paper cartons, which accounted for 26.1% of consolidated sales, grew by 13.1% to 5,913 million yen. Contributing factors included strong sales to the souvenirs market, chiefly in cartons for food products, as well as sales of cartons for takeout/delivery food products.

Despite robust sales to the manufacturing sector, following on from last year, sales of corrugated boxes, which accounted for 12.7% of consolidated sales, fell by 5.8% to 2,881 million yen due to revised package specifications for the e-commerce sector.

Printing sales, which accounted for 2.1% of consolidated sales, fell by 7.5% to 487 million yen owing to a drop in operation hours since productivity was improved following introduction of efficient facilities.

Overall, sales in this segment grew 8.1% to 16,289 million yen. Operating profit rose 14.0% to 1,442 million yen.

#### (Film Packaging)

The film packaging segment accounted for 13.7% of consolidated sales during the first quarter under review. Segment sales were down 7.3% year on year to 3,113 million yen due to lower sales of products to the e-commerce segment and to specialty retail stores, as a result of the migration to paper packaging. Improvements in production efficiency helped to restrain this decrease, and operating profit was up 8.5% to 161 million yen.

(Other Businesses)

Other businesses accounted for 14.5% of consolidated sales in the first quarter. Strong sales of sewn products and nonwoven bags to specialty retail stores helped boost sales in this segment by 9.9% to 3,292 million yen. Operating profit rose by 5.7% to 239 million yen.

**(2) Quarterly Financial Position**

Assets totaled 97,122 million yen at the end of the quarter under review, down 1,725 million yen from the end of 2023. Major factors included a decline of 4,693 million yen in notes and accounts receivable-trade, offset by an increase of 3,293 million yen in cash and deposits.

Liabilities fell 2,578 million yen to 25,112 million yen. The primary factors were declines of 2,194 million yen in notes and accounts payable-trade and 476 million yen in income taxes payable.

Net assets grew by 853 million yen to 72,010 million yen. The key factors were increases of 432 million yen in retained earnings and 230 million yen in valuation difference on available-for-sale securities.

**(3) Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements**

Consolidated business forecasts remain unchanged from the information announced February 9, 2024.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Million yen)

	Previous fiscal year (as of December 31, 2023)	First quarter of current fiscal year (as of March 31, 2024)
Assets		
Current assets		
Cash and deposits	16,322	19,616
Notes and accounts receivable-trade	24,654	19,960
Securities	8,100	6,000
Merchandise and finished goods	7,038	7,237
Work in process	1,058	1,205
Raw materials and supplies	981	966
Other	936	719
Allowance for doubtful accounts	(11)	(13)
Total current assets	59,080	55,692
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	8,154	8,084
Machinery, equipment, and vehicles, net	6,443	6,632
Tools, furniture and fixtures, net	347	344
Land	10,823	10,823
Construction in progress	1,632	1,847
Total property, plant and equipment	27,401	27,733
Intangible assets	2,679	3,190
Investments and other assets		
Investment securities	8,127	8,895
Net defined benefit asset	385	409
Deferred tax assets	106	113
Other	1,116	1,232
Allowance for doubtful accounts	(51)	(145)
Total investments and other assets	9,685	10,505
Total non-current assets	39,766	41,429
Total assets	98,847	97,122

(Million yen)

	Previous fiscal year (as of December 31, 2023)	First quarter of current fiscal year (as of March 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	13,890	11,696
Electronically recorded obligations-operating	7,264	7,173
Current portion of long-term loans payable	25	25
Income taxes payable	1,397	921
Provision for bonuses	322	815
Provision for bonuses for directors (and other officers)	52	20
Other	3,652	3,356
<b>Total current liabilities</b>	<b>26,605</b>	<b>24,009</b>
<b>Non-current liabilities</b>		
Long-term loans payable	9	3
Retirement benefit liability	343	333
Deferred tax liabilities	664	710
Other	67	55
<b>Total non-current liabilities</b>	<b>1,085</b>	<b>1,102</b>
<b>Total liabilities</b>	<b>27,691</b>	<b>25,112</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,553	2,553
Capital surplus	3,156	3,157
Retained earnings	64,975	65,408
Treasury shares	(2,593)	(2,569)
<b>Total shareholders' equity</b>	<b>68,092</b>	<b>68,549</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,417	2,647
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	235	409
Remeasurements of defined benefit plans	369	362
<b>Total accumulated other comprehensive income</b>	<b>3,018</b>	<b>3,420</b>
Share acquisition rights	45	40
<b>Total net assets</b>	<b>71,156</b>	<b>72,010</b>
<b>Total liabilities and net assets</b>	<b>98,847</b>	<b>97,122</b>

**(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, 2023 to March 31, 2023)	Cumulative period through first quarter of current fiscal year (from January 1, 2024 to March 31, 2024)
Net sales	21,424	22,694
Cost of sales	16,055	16,928
Gross profit	5,369	5,766
Selling, general and administrative expenses		
Freightage and packing expenses	975	942
Salaries and allowances	894	929
Directors' compensation	113	127
Provision of allowance for doubtful accounts	0	96
Provision for bonuses	232	255
Provision for directors' bonuses	9	12
Retirement benefit expenses	57	45
Depreciation	118	99
Rent expenses	735	733
Other	809	908
Total selling, general and administrative expenses	3,946	4,152
Operating profit	1,422	1,613
Non-operating income		
Interest income	39	30
Dividend income	7	10
Rent income	10	9
Foreign exchange gains	13	3
Other	9	5
Total non-operating income	80	59
Non-operating expenses		
Interest expenses	0	0
Cost of lease revenue	1	1
Loss on investments in partnership	6	-
Other	1	0
Total non-operating expenses	9	2
Ordinary profit	1,493	1,670
Extraordinary income		
Gain on sales of investment securities	-	510
Total extraordinary income	-	510
Extraordinary losses		
Loss on retirement of non-current assets	3	6
Total extraordinary losses	3	6
Profit before income taxes	1,489	2,175
Income taxes-current	558	771
Income taxes-deferred	(69)	(75)
Total income taxes	488	695
Profit	1,001	1,479
Profit (loss) attributable to non-controlling interests	-	0
Profit attributable to owners of parent	1,001	1,479



Quarterly Consolidated Statement of Comprehensive Income  
Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2023 to March 31, 2023)	Cumulative period through first quarter of current fiscal year (from January 1, 2024 to March 31, 2024)
Profit	1,001	1,479
Other comprehensive income		
Valuation difference on available-for-sale securities	153	230
Deferred gains or losses on hedges	4	3
Foreign currency translation adjustment	32	174
Remeasurements of defined benefit plans, net of tax	(2)	(6)
Total other comprehensive income	188	401
Comprehensive income	1,189	1,880
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,189	1,880
Comprehensive income attributable to non-controlling interests	—	—

**(3) Notes to Quarterly Consolidated Financial Statements**

**(Going Concern Assumption)**

Not applicable.

**(Significant Changes in Shareholders' Equity)**

Not applicable.