

Quarterly Report

2024

(First quarter of 73rd 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 13, 2024
Quarterly accounting period:	First quarter of 73rd term (January 1 – March 31, 2024)
Company name (Japanese):	ザ・パック株式会社
English name:	THE PACK CORPORATION
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Part 1. Corporate information

1. Corporate overview

1. Trends in major management indicators

Term	First quarter of consolidated 72nd term (cumulative)	First quarter of consolidated 73rd term (cumulative)	72nd term
Fiscal period	January 1 – March 31, 2023	January 1 – March 31, 2024	January 1, 2023 – December 31, 2023
Net sales (million yen)	21,424	22,694	97,714
Ordinary profit (million yen)	1,493	1,670	8,063
Profit attributable to owners of parent (million yen)	1,001	1,479	5,652
Comprehensive income (loss) (million yen)	1,189	1,880	7,059
Net assets (million yen)	65,926	72,010	71,156
Total assets (million yen)	91,698	97,122	98,847
Basic earnings per share (yen)	52.64	77.70	297.07
Diluted earnings per share (yen)	52.60	77.64	296.86
Capital adequacy ratio (%)	71.8	74.1	71.9

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.

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 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.

(i) 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.

(ii) 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.

(iii) 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) Analysis of 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) 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 122 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, 2024)	Current number of shares issued as of the filing date (May 13, 2024)	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, 2024	–	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, 2023).

(i) Shares issued and outstanding

As of December 31, 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 868,100	–	–
Shares with full voting rights (other)	Common stock 19,024,000	190,240	–
Shares in less than one trading unit	Common stock 7,900	–	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	–	190,240	–

Note: The shares of common stock under “Shares in less than one trading unit” include 36 shares of treasury shares owned by the Company.

(ii) Treasury shares, etc.

As of December 31, 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	868,100	–	868,100	4.36
Total	–	868,100	–	868,100	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 first quarter of the consolidated fiscal period under review (January 1 – March 31, 2024) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2024) 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, 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)
Liabilities		
Current liabilities		
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
Total current liabilities	26,605	24,009
Non-current liabilities		
Long-term loans payable	9	3
Retirement benefit liability	343	333
Deferred tax liabilities	664	710
Other	67	55
Total non-current liabilities	1,085	1,102
Total liabilities	27,691	25,112
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,156	3,157
Retained earnings	64,975	65,408
Treasury shares	(2,593)	(2,569)
Total shareholders' equity	68,092	68,549
Accumulated other comprehensive income		
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
Total accumulated other comprehensive income	3,018	3,420
Share acquisition rights	45	40
Total net assets	71,156	72,010
Total liabilities and net assets	98,847	97,122

(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	–	–

[Notes]

(Quarterly Consolidated Balance Sheet)

Notes and similar instruments maturing as of the ending date of the quarter are settled as of their dates of exchange, etc.

Because the date of the end of the first quarter of the consolidated fiscal period under review was a holiday for financial institutions, the following notes and similar instruments maturing as of this date of the quarter are included in the ending balances for the quarter.

	Previous fiscal year (as of December 31, 2023)	First quarter of current fiscal year (as of March 31, 2024)
Notes receivable	257 million yen	316 million yen
Notes payable	103 million yen	162 million yen
Electronically recorded obligations- operating	226 million yen	189 million yen

(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, 2023 to March 31, 2023)	Cumulative period through first quarter of current fiscal year (from January 1, 2024 to March 31, 2024)
Depreciation	493 million yen	488 million yen

(Shareholders' Equity)

Cumulative period through first quarter of previous 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

Cumulative period through first quarter of current fiscal year (from January 1, 2024 to March 31, 2024)

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, 2024 annual shareholders' meeting	Common stock	1,046	55.00	December 31, 2023	March 29, 2024	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, 2023 to March 31, 2023)
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.

II. Cumulative period through first quarter of current fiscal year (from January 1, 2024 to March 31, 2024)

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	7,005	–	7,005	–	7,005	–	7,005
Folding paper cartons	5,913	–	5,913	–	5,913	–	5,913
Corrugated boxes	2,881	–	2,881	–	2,881	–	2,881
Printing	487	–	487	–	487	–	487
Film Packaging	–	3,113	3,113	–	3,113	–	3,113
Others	–	–	–	3,292	3,292	–	3,292
Revenue from contracts with customers	16,289	3,113	19,402	3,292	22,694	–	22,694
Other revenue	–	–	–	–	–	–	–
Sales to external customers	16,289	3,113	19,402	3,292	22,694	–	22,694
Intersegment sales and transfers	–	–	–	–	–	–	–
Subtotal	16,289	3,113	19,402	3,292	22,694	–	22,694
Segment profit	1,442	161	1,604	239	1,843	(229)	1,613

Notes: 1. “Other” includes supplies and other sundry items.

2. The adjustment amount of –229 million yen to segment profit includes 3 million yen in elimination of intersegment transactions and –233 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, 2023 to March 31, 2023)	First quarter of current fiscal year (from January 1, 2024 to March 31, 2024)
(1) Basic earnings per share	52.64 yen	77.70 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	1,001	1,479
Amounts not available to common shareholders (million yen)	–	–
Profit attributable to owners of parent related to common shares (million yen)	1,001	1,479
Average number of shares outstanding during the period (thousand shares)	19,016	19,036
(2) Diluted earnings per share	52.60 yen	77.64 yen
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	–	–
Increase in number of common shares (thousand shares)	13	14
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 13, 2024

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, 2024) and the cumulative period through the first quarter of the consolidated period under review (January 1 – March 31, 2024), 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, 2024, 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 13, 2024
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, 2024) meets the requirements of the Financial Instruments and Exchange Act of Japan.

2. Special notes

We found no other matters worthy of note.