

Semi-annual Securities Report

2024

(Interim period of the 73rd term)

© THE PACK CORPORATION

Semi-annual Securities Report

1. This document is the print version of the Semi-annual Securities 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 Report on Interim Review attached to the Semi-annual Securities Report submitted via EDINET and the letter of confirmation submitted alongside the Semi-annual Securities Report are appended to the end of this document.

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Document filed:	Semi-annual Securities Report
Legal basis:	Item 1 of the Table for Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act
Submitted to:	Director-General, Kinki Local Finance Bureau
Filing date:	August 9, 2024
Semi-annual accounting period:	Interim period of the 73rd term (January 1 – June 30, 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	Interim period of the 72nd term	Interim period of the 73rd term	72nd term
Fiscal period	January 1 – June 30, 2023	January 1 – June 30, 2024	January 1, 2023 – December 31, 2023
Net sales (million yen)	44,878	46,617	97,714
Ordinary profit (million yen)	3,147	3,662	8,063
Profit attributable to owners of parent (million yen)	2,133	2,999	5,652
Comprehensive income (loss) (million yen)	2,942	3,002	7,059
Net assets (million yen)	67,705	72,952	71,156
Total assets (million yen)	93,831	98,723	98,847
Basic earnings per share (yen)	112.16	157.69	297.07
Diluted earnings per share (yen)	112.08	157.60	296.86
Capital adequacy ratio (%)	72.1	73.9	71.9
Cash flow from (used in) operating activities (million yen)	5,066	6,301	4,443
Cash flow from (used in) investment activities (million yen)	(5,413)	(97)	(3,962)
Cash flow from (used in) financing activities (million yen)	(703)	(2,084)	(1,407)
Ending balance of cash and cash equivalents (million yen)	17,719	22,210	17,812

Note: Trends in key management indicators for the reporting company are not provided because the Company prepares semi-annual 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 semi-annual consolidated accounting period under review.

No changes affecting major affiliates emerged.

2. Business overview

1. Business and other risks

During the semi-annual consolidated accounting 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 semi-annual consolidated accounting period under review.

(1) Business performance

In the semi-annual period under review, Japan's economy appeared set to depart from deflationary patterns due to progress in passing on higher costs to buyers, supported by robust capital investments, strong spending by foreign visitors, and an overall recovery in consumption attributable to rising wages and fiscal policies. Nevertheless, due to soaring energy costs, the rising cost of imported goods driven by yen devaluation, and an extended period during which prices outstripped wage growth, households became more cautious about spending. Prospects for the economy remain uncertain.

In the United States, an environment supporting consumer spending continued, including strong consumer finances due to positive employment and income conditions, and high stock prices and yields. Thus, the US economy remained firm on the back of strong consumer spending.

In China, the slump in the real estate market continued. Despite the presentation of economic stimulus policies to halt the vicious cycle, consumer spending remained sluggish against a backdrop of discouraging employment and income conditions and declining consumer confidence.

Under these circumstances, the Group adopted "Evolution—Start of purpose-based management and Sustainable Management—" as the slogan for our Medium-Term Management Plan. This plan seeks to achieve consolidated net sales of 107,000 million yen and operating income of 8,300 million yen for the fiscal year ending December 31, 2025. Toward this goal, group companies worked as a team to increase earnings in various ways, including by venturing into new markets, making significant capital expenditures, and improving quality management.

Due to these efforts, during the semi-annual period under review, net sales grew 3.9% to 46,617 million yen; operating profit grew 18.4% to 3,525 million yen; ordinary profit grew 16.3% to 3,662 million yen; and profit attributable to owners of parent grew 40.6% to 2,999 million yen.

The business performance for each segment is reviewed below.

(i) Paper Products

The paper products segment accounted for 71.5% of consolidated net sales for the semi-annual period under review. Thanks in part to a gradual recovery in consumer spending and booming tourism demand, including inbound tourism, sales of paper bags, which accounted for 30.6% of consolidated sales, grew 9.9% year on year to 14,279 million yen.

Sales of paper cartons, which accounted for 26.0% of consolidated sales, grew 7.6% to 12,120 million yen. Contributing factors included strong sales to the market for souvenirs, 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 6.6% to 5,926 million yen due to revised package specifications for the e-commerce sector.

Printing sales, which accounted for 2.2% of consolidated sales, fell 12.3% to 995 million yen due to reduced hours of production as facilities were upgraded or replaced.

Overall, sales in this segment grew 5.0% to 33,322 million yen. Operating profit rose 16.5% year on year to 3,164 million yen.

(ii) Film Packaging

The film packaging segment accounted for 13.6% of consolidated sales for the semi-annual period under review. Segment sales were down 4.6% year on year to 6,347 million yen due to lower sales of products in mail order and to specialty retail stores with the migration from film to paper packaging.

Improvements in production efficiency helped soften this decline. Operating profit was up 39.7% to 403 million yen.

(iii) Other Businesses

Other businesses accounted for 14.9% of consolidated sales for the semi-annual period under review.

Strong sales of sewn products and non-woven bags to specialty retail stores helped boost sales in this segment by 7.1% to 6,947 million yen. Operating profit rose 7.0% to 519 million yen.

(2) Analysis of Financial Position

Total assets at the end of the semi-annual period under review were 98,723 million yen, down 124 million yen from the end of the previous fiscal year. Major factors included a decline of 5,569 million yen in notes and accounts receivable-trade, offset by increases of 3,898 million yen in cash and deposits and 888 million yen in machinery, equipment, and vehicles.

Liabilities fell 1,919 million yen to 25,771 million yen. The primary factors were declines of 2,190 million yen in notes and accounts payable-trade and 589 million yen in electronically recorded obligations-operating.

Net assets grew by 1,795 million yen to 72,952 million yen. Key factors included an increase of 2,083 million yen in retained earnings, offset by a decline of 364 million yen in valuation differences on available-for-sale securities.

(3) Cash flow

The balance of cash and cash equivalents at the end of the semi-annual period under review was up 25.3%, or 4,491 million yen year on year, to 22,210 million yen.

(Cash flow from operating activities)

Cash flow from operating activities in the semi-annual period under review stood at 6,301 million yen (compared to cash flow of 5,066 million yen in the preceding semi-annual period). Factors contributing to this figure include the recording of 4,381 million yen in profit before income taxes, a decrease of 5,703 million yen in notes and accounts receivable-trade, and depreciation of 1,006 million yen. These factors more than offset the decrease of 2,846 million yen in notes and accounts payable-trade and increase of 444 million yen in inventories.

(Cash flow used in investment activities)

Cash flow used in investment activities in the semi-annual period under review stood at 97 million yen (compared to cash flow used of 5,413 million yen in the preceding semi-annual period). This figure reflects various factors, including 3,500 million yen used in purchase of securities, 1,958 million yen used in purchase of property, plant, and equipment, and 635 million yen used in purchase of intangible assets, despite 5,600 million yen in proceeds from sales of securities.

(Cash flow used in financing activities)

Cash flow used in financing activities in the semi-annual period under review stood at 2,084 million yen (compared to net cash used of 703 million yen in the preceding semi-annual period). This figure reflects various factors, including cash dividends paid of 1,046 million yen, an increase of 668 million yen in deposits for purchase of treasury shares, and purchase of treasury shares of 334 million yen.

(4) Management policies, management strategies, etc.

No material changes occurred in the Group's established management policies, management strategies, or other plans during the semi-annual consolidated accounting period under review.

(5) Major business and financial issues

No material changes arose with regard to major business or financial issues during the semi-annual consolidated accounting period under review.

(6) Research and development activities

Total research and development costs recorded during the semi-annual consolidated accounting period under review amounted to 243 million yen.

3. Major business contracts, etc.

No major business contracts, etc. were concluded and no associated decisions were made during the semi-annual consolidated accounting 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 semi-annual accounting period (June 30, 2024)	Current number of shares issued as of the filing date (August 9, 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 – June 30, 2024	–	19,900	–	2,553	–	2,643

(5) Major shareholders

As of June 30, 2024

Name	Address	Shares owned (thousand)	Percentage of total shares issued and outstanding (not including treasury stock) (%)
Morita Kinen Fukushizaidan	1984-40 Nakatomigaoka 2-chome, Nara, Nara Prefecture	2,081	10.98
The Master Trust Bank of Japan, Ltd. (Trust Account)	Akasaka Intercity AIR, 8-1 Akasaka 1-chome, Minato-ku, Tokyo	1,348	7.11
The Pack Trading Partners Stock Ownership Plan	9-9 Higashiobase 2-chome, Higashinari-ku, Osaka, Japan	1,256	6.63
BBH for Fidelity Low-Priced Stock Fund (Principal All Sector Subportfolio) (Standing proxy: MUFG Bank, Ltd.)	245 Summer Street, Boston, Massachusetts 02210, USA (7-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan)	1,052	5.55
Custody Bank of Japan, Ltd. (Trust Account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo, Japan	975	5.14
Custody Bank of Japan, Ltd. (Trust Account 4)	8-12 Harumi 1-chome, Chuo-ku, Tokyo, Japan	876	4.62
Custody Bank of Japan, Ltd. (re-entrusted to Resona Bank; Hokuetsu Corporation retirement benefits trust account)	8-12 Harumi 1-chome, Chuo-ku, Tokyo, Japan	706	3.73
Daio Paper Corporation	60 Mishimakamiyacho 2-chome, Shikokuchuo, Ehime Prefecture, Japan	573	3.02
MUFG Bank, Ltd.	7-1 Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan	494	2.61
Shichijo Paper Trading Co., Ltd.	20-10 Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	474	2.50
Total	-	9,840	51.90

Note: In addition to the above, the Company holds 938,000 shares of treasury stock.

(6) Voting rights

(i) Shares issued and outstanding

As of June 30, 2024

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 938,800	–	–
Shares with full voting rights (other)	Common stock 18,953,100	189,531	–
Shares in less than one trading unit	Common stock 8,100	–	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	–	189,531	–

Note: The shares of common stock under “Shares in less than one trading unit” include 17 shares of treasury shares owned by the Company.

(ii) Treasury shares, etc.

As of June 30, 2024

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	938,800	–	938,800	4.72
Total	–	938,800	–	938,800	4.72

2. Directors

Not applicable

4. Financial information

1. How quarterly consolidated financial statements are prepared

The Company's semi-annual consolidated financial statements are prepared based on the Regulation on the Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Order No. 28 of 1976; "Regulation on Consolidated Financial Statements" hereinafter).

The Company prepares Type 1 semi-annual financial statements as per the provisions of Part III of the Regulation on Consolidated Financial Statements.

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 semi-annual consolidated financial statements for the semi-annual consolidated accounting period under review (January 1 – June 30, 2024) were subjected to an interim review by Ernst & Young ShinNihon LLC.

1. Semi-annual Consolidated Financial Statements

(1) Semi-annual Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (as of December 31, 2023)	Semi-annual period under review (as of June 30, 2024)
Assets		
Current assets		
Cash and deposits	16,322	20,221
Notes and accounts receivable-trade	*24,654	*19,084
Securities	8,100	6,499
Merchandise and finished goods	7,038	7,484
Work in process	1,058	1,147
Raw materials and supplies	981	907
Other	936	1,856
Allowance for doubtful accounts	(11)	(15)
Total current assets	59,080	57,186
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	8,154	8,014
Machinery, equipment, and vehicles, net	6,443	7,332
Tools, furnitures, and fixtures, net	347	321
Land	10,823	10,823
Construction in progress	1,632	1,995
Total property, plant, and equipment	27,401	28,488
Intangible assets	2,679	3,290
Investments and other assets		
Investment securities	8,127	8,014
Retirement benefit asset	385	438
Deferred tax assets	106	103
Other	1,116	1,206
Allowance for doubtful accounts	(51)	(4)
Total investments and other assets	9,685	9,758
Total non-current assets	39,766	41,537
Total assets	98,847	98,723

(Million yen)

	Previous fiscal year (as of December 31, 2023)	Semi-annual period under review (as of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	*13,890	*11,700
Electronically recorded obligations-operating	*7,264	*6,675
Current portion of long-term loans payable	25	22
Income taxes payable	1,397	1,481
Provision for bonuses	322	320
Provision for bonuses for directors (and other officers)	52	26
Other	3,652	4,557
Total current liabilities	26,605	24,782
Non-current liabilities		
Long-term loans payable	9	-
Retirement benefit liability	343	334
Deferred tax liabilities	664	609
Other	67	43
Total non-current liabilities	1,085	988
Total liabilities	27,691	25,771
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,156	3,161
Retained earnings	64,975	67,059
Treasury shares	(2,593)	(2,868)
Total shareholders' equity	68,092	69,906
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,417	2,052
Deferred gains or losses on hedges	(2)	1
Foreign currency translation adjustment	235	611
Remeasurements of defined benefit plans	369	355
Total accumulated other comprehensive income	3,018	3,020
Share acquisition rights	45	25
Total net assets	71,156	72,952
Total liabilities and net assets	98,847	98,723

(2) Semi-annual Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Semi-annual Consolidated Statement of Income
Cumulative period through six months

(Million yen)

	Preceding semi-annual period (from January 1, 2023 to June 30, 2023)	Semi-annual period under review (from January 1, 2024 to June 30, 2024)
Net sales	44,878	46,617
Cost of sales	33,587	34,719
Gross profit	11,291	11,898
Selling, general and administrative expenses		
Freightage and packing expenses	2,001	1,948
Salaries and allowances	2,208	2,258
Directors' compensation	265	252
Provision of allowance for doubtful accounts	4	88
Provision for bonuses	178	172
Provision for directors' bonuses	19	25
Retirement benefit expenses	144	99
Depreciation	256	188
Rent expenses	1,479	1,460
Other	1,755	1,878
Total selling, general and administrative expenses	8,314	8,373
Operating profit	2,976	3,525
Non-operating income		
Interest income	74	60
Dividend income	57	69
Rent income	20	19
Foreign exchange gains	14	–
Other	18	11
Total non-operating income	185	160
Non-operating expenses		
Interest expenses	1	1
Cost of lease revenue	2	2
Loss on investment limited partnership	6	–
Foreign exchange losses	–	13
Commission for purchase of treasury shares	–	2
Other	4	3
Total non-operating expenses	14	23
Ordinary profit	3,147	3,662
Extraordinary income		
Gain on sales of investment securities	–	681
Gain on sales of non-current assets	–	56
Government subsidies	49	–
Total extraordinary income	49	737
Extraordinary losses		
Loss on sales on non-current assets	–	10
Loss on retirement of non-current assets	18	7
Loss on reduction of non-current assets	49	–
Total extraordinary losses	67	18
Profit before income taxes	3,129	4,381
Income taxes-current	981	1,290
Income taxes-deferred	14	91
Total income taxes	995	1,381
Profit	2,133	2,999
Profit attributable to owners of parent	2,133	2,999

Semi-annual Consolidated Statement of Income
Semi-annual period

(Million yen)

	Preceding semi-annual period (from January 1, 2023 to June 30, 2023)	Semi-annual period under review (from January 1, 2024 to June 30, 2024)
Profit	2,133	2,999
Other comprehensive income		
Valuation difference on available-for-sale securities	623	(364)
Deferred gains or losses on hedges	6	3
Foreign currency translation adjustment	183	376
Remeasurements of defined benefit plans, net of tax	(4)	(13)
Total other comprehensive income	808	2
Comprehensive income	2,942	3,002
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,942	3,002

(3) Semi-annual Consolidated Statement of Cash Flows

(Million yen)

	Preceding semi-annual period (from January 1, 2023 to June 30, 2023)	Semi-annual period under review (from January 1, 2024 to June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,129	4,381
Depreciation	1,014	1,006
Increase (decrease) in allowance for doubtful accounts	1	(42)
Increase (decrease) in provision for bonuses	42	(2)
Increase (decrease) in provision for bonuses for directors and other officers	(23)	(26)
Increase (decrease) in retirement benefit liability	(49)	(29)
Decrease (increase) in net defined benefit asset	–	(53)
Interest and dividend income	(131)	(129)
Interest expenses	1	1
Loss (gain) on investment limited partnership	6	(0)
Loss (gain) on sales of non-current assets	–	(45)
Government subsidies	(49)	–
Loss on retirement of non-current assets	18	7
Loss (gain) on sales of investment securities	–	(681)
Loss on reduction of non-current assets	49	–
Decrease (increase) in notes and accounts receivable-trade	5,566	5,703
Decrease (increase) in inventories	(738)	(444)
Increase (decrease) in notes and accounts payable-trade	(2,857)	(2,846)
Other, net	162	584
Subtotal	6,143	7,383
Interest and dividend income received	132	137
Interest expenses paid	(1)	(1)
Income taxes paid	(1,208)	(1,218)
Net cash provided by (used in) operating activities	5,066	6,301
Cash flows used in investment activities		
Purchase of securities	(6,000)	(3,500)
Proceeds from sales of securities	6,500	5,600
Purchase of property, plant, and equipment	(4,351)	(1,958)
Proceeds from sales of property, plant, and equipment	–	88
Purchase of intangible assets	(1,465)	(635)
Purchase of investment securities	(18)	(519)
Proceeds from sales of investment securities	6	802
Collection of loans receivable	28	35
Payments for leasehold and guarantee deposits	(200)	(16)
Proceeds from government subsidies	49	–
Other, net	36	8
Net cash provided by (used in) investment activities	(5,413)	(97)
Cash flows used in financing activities		
Repayments of long-term loans payable	(12)	(12)
Cash dividends paid	(664)	(1,046)
Purchase of treasury shares	(0)	(334)
Decrease (increase) in deposits for purchase of treasury shares	–	(668)
Other, net	(26)	(22)
Net cash provided by (used in) financing activities	(703)	(2,084)
Effect of exchange rate change on cash and cash equivalents	117	278
Net increase (decrease) in cash and cash equivalents	(933)	4,398
Cash and cash equivalents at beginning of period	18,653	17,812
Cash and cash equivalents at end of period	*17,719	*22,210

[Notes]

(Semi-annual Consolidated Balance Sheet)

* Notes whose maturity date is the last day of each semi-annual period are settled on the settlement date for notes. Since the last day of the semi-annual period under review was a bank holiday, the balances of notes as of the end of the semi-annual period under review include the following notes whose maturity date was the last day of that period.

	(Million yen)	
	Previous fiscal year (as of December 31, 2023)	Semi-annual period under review (as of June 30, 2024)
Notes receivable-trade	257	249
Notes payable-trade	103	80
Electronically recorded obligations-operating	226	190

(Semi-annual Consolidated Statement of Cash Flows)

* Relationship between the ending balance of cash and cash equivalents and amounts of accounts shown on the semi-annual consolidated balance sheet:

	(Million yen)	
	Preceding semi-annual period (from January 1, 2023 to June 30, 2023)	Semi-annual period under review (from January 1, 2024 to June 30, 2024)
Cash and deposits	16,729	20,221
Time deposits with deposit terms of more than three months	(10)	(10)
Securities redeemable within three months from the date of purchase	1,000	1,999
Cash and cash equivalents	17,719	22,210

(Shareholders' Equity)

Preceding semi-annual period (from January 1, 2023 to June 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

2. Dividends for which the basis date falls in the previous semi-annual consolidated accounting period but for which the effective date postdates the end of the previous semi-annual consolidated accounting period

Resolution	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Basis date	Effective date	Source of dividends
August 7, 2023 annual shareholders' meeting	Common stock	666	35.00	June 30, 2023	September 4, 2023	Retained earnings

3. Significant fluctuations in shareholder's equity

Not applicable

Semi-annual period under review (from January 1, 2024 to June 30, 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 previous semi-annual consolidated accounting period but for which the effective date postdates the end of the previous semi-annual consolidated accounting period

Resolution	Class of stock	Total dividends (million yen)	Dividend per share (yen)	Basis date	Effective date	Source of dividends
August 6, 2024 annual shareholders' meeting	Common stock	985	52.00	June 30, 2024	September 3, 2024	Retained earnings

3. Significant fluctuations in shareholder's equity

The Company purchased 89,400 shares of the Company as treasury shares in accordance with a resolution passed by the Board of Directors on February 9, 2024. As a result, the number of treasury shares increased by 331 million yen during the semi-annual period under review to 2,868 million yen.

(Segment and Other Information)

Segment information

I. Preceding semi-annual period (from January 1, 2023 to June 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 Semi-annual Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	12,993	—	12,993	—	12,993	—	12,993
Paper cartons	11,262	—	11,262	—	11,262	—	11,262
Corrugated boxes	6,343	—	6,343	—	6,343	—	6,343
Printing	1,135	—	1,135	—	1,135	—	1,135
Film Packaging	—	6,654	6,654	—	6,654	—	6,654
Others	—	—	—	6,489	6,489	—	6,489
Revenue from contracts with customers	31,734	6,654	38,389	6,489	44,878	—	44,878
Other revenue	—	—	—	—	—	—	—
Sales to external customers	31,734	6,654	38,389	6,489	44,878	—	44,878
Intersegment sales and transfers	—	—	—	—	—	—	—
Subtotal	31,734	6,654	38,389	6,489	44,878	—	44,878
Segment profit	2,715	288	3,004	485	3,490	(513)	2,976

Notes: 1. "Others" includes supplies and other goods.

2. The adjustment amount of -513 million yen for segment profit includes 6 million yen in elimination of intersegment transactions and -519 million yen in Companywide costs, which are not allocated to individual reportable segments. Companywide costs consist mainly of costs related to parent-company administrative sections.

3. Segment profit is adjusted against operating profit on the Semi-annual Consolidated Statement of Income.

II. Semi-annual period under review (from January 1, 2024 to June 30, 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 Semi-annual Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	14,279	–	14,279	–	14,279	–	14,279
Paper cartons	12,120	–	12,120	–	12,120	–	12,120
Corrugated boxes	5,926	–	5,926	–	5,926	–	5,926
Printing	995	–	995	–	995	–	995
Film Packaging	–	6,347	6,347	–	6,347	–	6,347
Others	–	–	–	6,947	6,947	–	6,947
Revenue from contracts with customers	33,322	6,347	39,669	6,947	46,617	–	46,617
Other revenue	–	–	–	–	–	–	–
Sales to external customers	33,322	6,347	39,669	6,947	46,617	–	46,617
Intersegment sales and transfers	–	–	–	–	–	–	–
Subtotal	33,322	6,347	39,669	6,947	46,617	–	46,617
Segment profit	3,164	403	3,568	519	4,088	(562)	3,525

Notes: 1. “Others” includes supplies and other goods.

2. The adjustment amount of –562 million yen for segment profit includes 6 million yen in elimination of intersegment transactions and –569 million yen in Companywide costs, which are not allocated to individual reportable segments. Companywide costs consist mainly of costs related to parent-company administrative sections.

3. Segment profit is adjusted against operating profit on the Semi-annual Consolidated Statement of Income.

(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	Second quarter of previous fiscal year (from January 1, 2023 to June 30, 2023)	Second quarter of current fiscal year (from January 1, 2024 to June 30, 2024)
(1) Basic earnings per share	112.16 yen	157.69 yen
(Basic assumptions underlying calculations)		
Profit attributable to owners of parent (million yen)	2,133	2,999
Amounts not available to common shareholders (million yen)	—	—
Profit attributable to owners of parent related to common shares (million yen)	2,133	2,999
Average number of shares outstanding during the period (thousand shares)	19,023	19,024
(2) Diluted earnings per share	112.08	157.60
(Basic assumptions underlying calculations)		
Adjustment to profit attributable to owners of parent (million yen)	—	—
Increase in number of common shares (thousand shares)	13	11
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 6, 2024, the Board of Director resolved to pay interim dividends for the 73rd term (from January 1, 2024 to December 31, 2024) to shareholders recorded in the final shareholder registry of June 30, 2024, as follows:

- (i) Total amount of dividends 985 million yen
- (ii) Amount per share 52.00 yen
- (iii) Effective date of claims for payment and payment start date September 3, 2024

Part 2. Information concerning guarantor of filing company

Not applicable

Independent Auditor's Report on Interim Review of Semi-annual Consolidated Financial Statements

August 9, 2024

To: The Board of Directors,
THE PACK CORPORATION

Ernst & Young ShinNihon LLC
Osaka Office

Yasuhiro Kozaki, 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 semi-annual consolidated financial statements for THE PACK CORPORATION included in Financial Information for the semi-annual consolidated accounting period (January 1 – June 30, 2024), based on the relevant Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, 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 interim review found that the semi-annual consolidated financial statements referred to above meet the requirements of the corporate accounting standards generally accepted in Japan. The review found no irregularities in the state of finances as of June 30, 2024, or in business results or cash flows for the semi-annual consolidated accounting period ended on that date for THE PACK CORPORATION and its consolidated subsidiaries.

Evidence for the auditor's conclusions

We undertook our interim review in accordance with the principles for interim reviews generally accepted in Japan. Our responsibilities under these principles for interim reviews are described under "Auditor's responsibilities in interim review of semi-annual 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 semi-annual financial statements

Management is responsible for appropriately preparing and presenting semi-annual consolidated financial statements in accordance with corporate accounting standards generally accepted in Japan. This includes the implementation and maintenance of internal controls deemed necessary by management to enable the preparation and fair presentation of semi-annual consolidated financial statements free of material misstatements, whether attributable to fraud or error.

In preparing the semi-annual consolidated financial statements, management is responsible for assessing the validity of the semi-annual financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with corporate accounting standards generally accepted 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 interim reviews of semi-annual consolidated financial statements

Our responsibility is to express in the Report on Interim Review our conclusions concerning the semi-annual consolidated financial statements from an independent perspective based on the interim review.

In accordance with the principles for interim reviews generally accepted in Japan, we implement the following measures through the interim review process based on our judgment as specialists and in the spirit of skeptical professional inquiry:

- We question parties, consisting mainly of members of management and individuals responsible for matters related to finance and accounting, and implement analytical and other interim review procedures. In accordance with audit principles generally accepted in Japan, the scope of procedures for interim reviews is narrower than for annual audits.
- If any material uncertainties are identified with regard to phenomena or circumstances that may raise material doubts concerning the going-concern assumption, we reach a conclusion on whether the semi-annual consolidated financial statements meet the corporate accounting standards 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 are required to state in our report on interim results that the notes to the semi-annual consolidated financial statements include descriptions concerning material uncertainties. If the descriptions in the notes to the semi-annual consolidated financial statements concerning material uncertainties are inappropriate, our audit conclusions concerning the semi-annual consolidated financial statements must be negative or indicate conditional approval. The auditor's conclusions are based on evidence obtained through the date of the interim 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 semi-annual consolidated financial statements present grounds to believe they may not meet the corporate accounting standards generally accepted in Japan. We also assess the presentation, structures, and content of the semi-annual financial statements, including related notes and whether the semi-annual 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 semi-annual consolidated financial statements. We are responsible for instruction, oversight, and implementation related to interim reviews of the semi-annual 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 interim review and any material discoveries made during the interim 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; 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 interim review report is retained separately by the Company (i.e., the organization filing the Semi-annual Securities Report).
2. XBRL data is not subject to interim review.

[Cover page]

Document filed:	Confirmation Letter
Legal basis:	Article 24-5-2, Paragraph 1 of the Financial Instruments and Exchange Act
Submitted to:	Director-General, Kinki Local Finance Bureau
Filing date:	August 9, 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 Semi-annual Securities Report

President and CEO Hideaki Yamashita has confirmed that the information divulged in the Company's Semi-annual Securities Report for the 73rd-term interim period (January 1 – June 30, 2024) meets the requirements of the Financial Instruments and Exchange Act of Japan.

2. Special notes

We found no other matters worthy of note.