

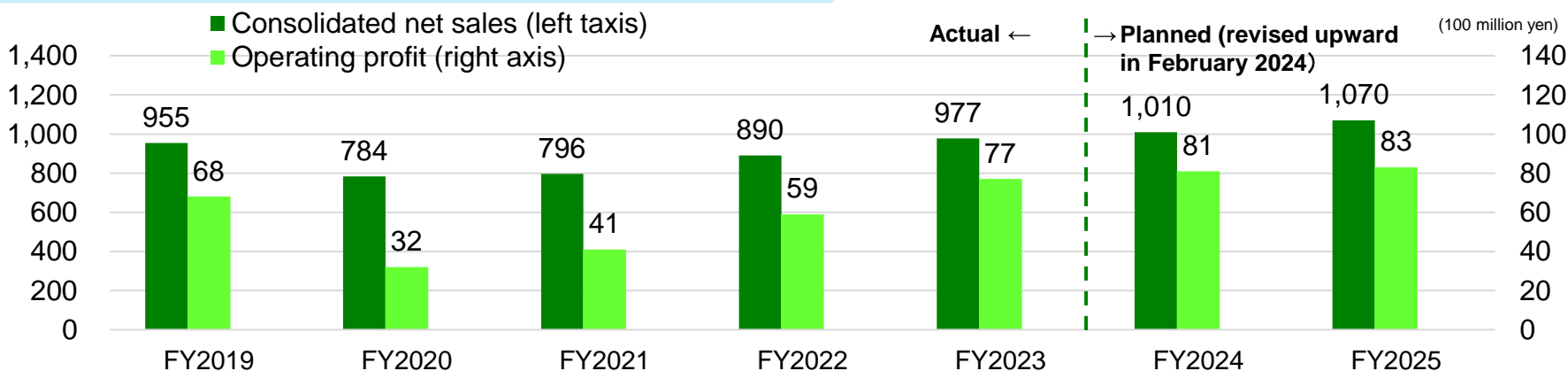
Progress on the Medium-Term Management Plan

September 2, 2024

Quantitative Progress on the Medium-Term Management Plan

Slogan	Evolution—Start of purpose-based management and Sustainable Management
FY2025 targets *Revised upward in February 2024	Consolidated net sales: 107.0 billion yen; operating profit: 8.3 billion yen ROE: 8% or higher; ROIC: 8% or higher

New Medium-Term Management Plan (FY2023-2025) targets



	FY2023			FY2024		
	Semi-annual, actual	Full-year, actual	Semi-annual progress	Semi-annual, actual	Full-year, planned	Semi-annual progress
Consolidated net sales	449	977	45.9%	466	1,010	46.1%
Operating profit	30	77	38.9%	35	81	43.2%
Ratio of operating profit to net sales	6.7%	7.9%	-	7.5%	8.0%	-

Quantitative Progress on the Medium-Term Management Plan

Overview

- ◆ Actual results have been favorably progressing toward the planned figures for FY2024
 - ◇ The growth of paper bags and paper cartons and in the food products market contributed to the results of the semi-annual period under review.
 - ◇ While market environments and demand for certain product categories remain uncertain, we expect to achieve the planned full-year figures.

Quantitative target by market

(100 million yen)

	FY2023 semi-annual, actual	FY2023 full-year, actual	Semi-annual progress	FY2024 semi-annual, actual	FY2024 full-year, actual	Semi-annual progress
Food products (*)	121	282	42.9%	133	300	44.3%
e-commerce, mail order, logistics (*)	70	147	47.6%	74	155	47.7%
General distribution, retail, etc.	258	548	47.1%	259	555	46.6%
Total	449	977	46.0%	466	1,010	46.1%

(*) The “food products” and “e-commerce, mail-order, logistics” markets were defined in consideration of the businesses of customers and the purposes of their use of products.

Quantitative target by product category

(100 million yen)

	FY2023 semi-annual, actual	FY2023 full-year, actual	Semi-annual progress	FY2024 semi-annual, actual	FY2024 full-year, actual	Semi-annual progress
Paper bags	130	297	43.7%	143	310	46.1%
Paper cartons	113	250	45.2%	121	265	45.6%
Corrugated boxes	63	125	50.4%	59	125	47.2%
Film packaging	67	138	48.6%	63	135	46.7%
Other	76	168	45.2%	80	175	45.7%
Total	449	977	46.0%	466	1,010	46.1%

Progress on Growth Strategies in the Food Products Market

Quantitative progress

(Million yen)

FY2023 semi-annual, actual	FY2024		FY2025 target
	Semi-annual, actual	Full-year planned	
121	133	300	320

◆ Sales expansion of primary containers for food products and efforts related to paper trays and molded pulp containers

(Million yen)

	FY2023 semi-annual, actual	FY2024 semi-annual, actual	YOY change
All paper cartons in the food products market	66.3	73.0	10.1%
Primary containers for food products	34.5	41.7	20.9%
(Reference) Paper bags in the food products market	33.5	35.7	6.6%

- Taking advantage of the ongoing shift to paper, we're striving to increase the number of orders received and to further expand our market reach.
- We will focus on development and validation in response to growth in numbers of projects requiring high functionality and high quality.
- Capital investments are advancing as planned. We are striving to begin operations contributing to business results earlier than originally planned.

Enhancing customer and industry recognition by showcasing products at exhibitions

<Showcasing at FABEX 2024>

- Our products were showcased at FABEX Tokyo 2024 held at Tokyo Big Sight (Tokyo International Exhibition Center) (April 10 to 12, 2024).
- This exhibition provided an opportunity to demonstrate the appeal of our packages and planning capabilities for the food products market at a venue where companies and buyers in the food service and home meal replacement industry gather. It led to lively business negotiations.



Overview of Progress

- ◆ All figures are trending up due to favorable progress on initiatives.
 - ◇ The number of orders received has increased following efforts to expand sales of developed products and promote cross-sales of products and peripheral services.
 - ◇ Capital investments related to products for the food products market have increased steadily.

◆ Sales expansion and cross-selling of film packaging

(Million yen)

* For food products market only	FY2023 semi-annual, actual	FY2024 semi-annual, actual	YOY change
Film packaging	6.5	7.0	7.7%

- In this segment, strengths in original high value added products, design proposals, and cross-selling with other products have boosted net sales.
- We intend to expand sales activities across Japan and to expand into food product areas beyond the confectionery industry.

◆ Developing materials and processes that help reduce environmental impact and expanding sales of FSC® products (FSC® C020517)

(Million yen)

* For food products market only	FY2023 semi-annual, actual	FY2024 semi-annual, actual	YOY change
FSC® products	22.7	25.9	14.1%

- We will continue to develop PFAS-free materials, plastic-free materials, and the corresponding new processes.

◆ Promoting proposals for solutions that contribute to labor savings, efficiency, and automation

- A setup base in Kanagawa Prefecture, which began operating in 2023, has recently launched full-scale operations and has begun receiving satisfactory order volumes.
- We are preparing to establish another setup base in western Japan and plan to bring it online during FY2024.

Photo: Setup base in Kanagawa Prefecture



Progress on Growth Strategies in the e-commerce, Mail Order, and Logistics Industries

Quantitative progress

(Million yen)

FY2023 semi-annual, actual	FY2024		FY2025 target
	Semi-annual, actual	Full-year planned	
70	74	154	180

◆ Enhancing sales efforts for delivery bags designed to contribute to transportation efficiency at customer sites.

(Million yen)

	FY2023 semi-annual, actual	FY2024 semi-annual, actual	YOY change
Paper delivery bags	3.5	5.9	68.6%
Other delivery materials	3.7	4.4	18.9%

- Backed by market demand, sales expansion efforts have paid off and led to the acquisition of new customers, primarily major companies.
- Capital investments in eastern Japan expanded our supply capacity in this area due to high demand.
- We are working to cultivate overseas suppliers and to strengthen competitiveness through technological partnerships.
- We will continue to make capital investments for the purpose of building a diverse lineup of products.

◆ Continuing to expand sales of reinforced corrugated boxes for heavy articles

(Million yen)

	FY2023 semi-annual, actual	FY2024 semi-annual, actual	YOY change
Reinforced corrugated boxes	5.5	4.7	-14.5%

- While current demand in this market appears weak, our sustained sales efforts are currently targeting customers by highlighting our internal design and proposal capabilities.

Overview of Progress

- ◆ We have received significant orders for delivery bags, a product area in which we have special strengths. This has been a driving force behind our growth in this market.
 - ◇ Capital investments in paper delivery bags and thin delivery boxes expanded our supply capacity.
 - ◇ Active R&D and sales activities have been conducted to response to demand for labor saving, automation, and efficiency enhancement.

◆ Development and sales expansion for materials and processes for automatic packaging

◆ We plan to exert greater effort into proposals that contribute to labor savings.

- Inquiries are growing not just from the logistics industry, but from manufacturers.
- Initiatives involving the transition to plastic-free materials in automatic packaging have made steady progress.
- We showed successful results in which we paired a product with the design of an automation line.



Paper delivery bag automatic packaging machine



Illustration of paper delivery bag processed by the machine

Enhancing customer and industry recognition by showcasing products at exhibitions

<Scheduled showcasing at TOKYO PACK 2024 (Tokyo International Packaging Exhibition)>

- Our products will be showcased at TOKYO PACK 2024 held at Tokyo Big Sight (Tokyo International Exhibition Center) (October 23 to 25, 2024).
- This exhibition, an opportunity to expand our presence in this industry, will introduce our automatic packaging machines, which have plastic-free specifications, at a venue that attracts companies and buyers who have been successful in various fields and are interested in packaging materials, containers, packaging machines, and related services.



(Reference) The Pack's booth at the Japan Pack 2023

Progress on Growth Strategies in the General Distribution Sector, the Retail Sector, and Other Sectors

Quantitative progress

(Million yen)

FY2023 semi-annual, actual	FY2024		FY2025 target
	Semi-annual, actual	Full-year planned	
258	259	556	570

◆ Promoting additional proposals that would expand market share for paper bags and promote the shift to paper

(Million yen)

General distribution sector, retail sector, and other sectors	FY2023 semi- annual, actual	FY2024 semi- annual, actual	YOY change
Paper bags	68.0	71.0	4.4%
(Reference) Film packaging	39.2	36.2	-7.7%

- Although the scope may vary, projects related to the shift to paper have led to continuous expressions of interest throughout the current period. We have been receiving orders at a favorable pace.
- Our product lineups and supply systems proved sufficient to respond to growth in inbound demand.
- We have promoted sales of high value added products in response to demand for paper bags for events and sales promotions.
- Large-scale investment in high-definition printers expanded our production capabilities.

◆ Cultivating ASEAN sales channels

- We plan to build supply chains optimized for the corresponding regions.
- We will make efforts to acquire access to trading zones through global companies, particularly in the luxury industry and the apparel industry.
- We will help Japanese companies export packages to Asian markets.

Overview of Progress

- ◆ Sales strategies and supply systems have met the challenges posed by changing market environments.
 - ◇ The distribution and retail sector have shown strong performance thanks to inbound tourism, etc. Sales of event products and high value added products have increased.
 - ◇ Improvements in productivity and production capacity attributable to capital investments to increase paper bag production capacity have progressed favorably.

◆ Promoting social contributions alongside customers (The Pack Forest® Environment Fund)

	FY2023 actual	FY2024 semi- annual, actual	FY2030 target
Number of activities per year (times)	9	5	15
Number of participants (persons)	253	124	500
Number of customers (persons)	65	25	-

- Due to growing awareness of the need to make environmental and social contributions, customers have begun to see the Fund as an opportunity for them to actively participate.

Enhancing customer and industry recognition by showcasing products at exhibitions

<Showcasing at the 14th COSME Tech 2024 Tokyo>

- Our products were showcased at the 14th COSME Tech 2024 Tokyo held at Tokyo Big Sight (Tokyo International Exhibition Center) (January 17 to 19, 2024).
- This exhibition was an opportunity for us to demonstrate the appeal of our high value added products, our wide range of paper packages, and our planning and proposal capabilities at an event that attracts companies and buyers related to cosmetics-related business products.
- Our efforts led to several business negotiations and deals.



Progress on Human Capital Strategy

Overview

- ◆ We have taken initiatives to secure and draw the maximum value from human resources that support Company growth.
 - ◇ Revised systems and wage increases have improved employment conditions.
 - ◇ We enhanced existing human resources development programs and added new programs.

Securing diverse human resources

	FY2023 semi-annual, actual	FY2024 semi-annual, actual
Career hires	29	19
Referrals and “comeback” hiring	8	5

Creating better working environments

- Improving the employment conditions of non-permanent employees
Revising rules regarding wages for post-retirement employees
We’re seeking to strengthen the motivation of employees of all generations.

Human resource development

- We provide educational programs, including newly introduced programs suited to different levels.
Training provided before and during the semi-annual period of FY2024:
Pre-employment training, new employee training, section manager skills training, among others
- ◆ Workplace improvement training (new)
Targeting enhanced workplace communication and harassment prevention, all participants work mutually to create an employee-friendly environment by participating in group work and talking to group members.
- ◆ DX training (the second term)
FY2023: Fostering the mindset of a non-IT specialist; discovering DX human resources (Around 700 people)
FY2024: Developing the human resources discovered; a program to output results (ongoing) (around 150 people)
- ◆ Efforts to develop the capacity to produce total solutions concerning packages
Study meetings are held to share the knowledge needed to sell ever-changing products and processes that grow increasingly complex. In addition, we are developing and providing applications and video tools.



Enhancing employee engagement

- Consecutive wage increases FY2024 5.50% on average (FY2023 5.01% on average)
- We encourage employees to join the employee stock ownership program and aim to increase awareness of management participation opportunities. We grant transfer-restricted share-based incentives under the employee stock ownership program.

Personnel planning

	Actual number of participants as of December 31, 2023	Actual number of participants as of June 30, 2024	Rate of growth	FY2025 planned
Personnel planning for all workers including permanent employees, contract employees, and part-time workers.	1,836 persons	1,866 persons	56.1%	1,920 persons

- Additional workers will be placed in sections involved in strengthening the sales force.

Progress with Financial Strategies

Overview

- ◆ We have taken various initiatives to enhance growth potential and corporate value.
 - ◇ We have made steady progress with facility reinforcement plans centering on paper bags and paper cartons for the food products market.
 - ◇ We are purchasing treasury shares as planned to increase shareholder returns and have published an integrated report.

Capital investments

		(Million yen)			
		Initial plan (FY2023-2025)	FY2023 actual	Planned for FY2024-2025	FY2024 semi-annual, actual
Strategic investments	Reinforcing the capacity to produce paper cartons	20.0	7.9	16.6	2.3
	Reinforcing the capacity to produce paper bags	30.0	7.8	20.7	11.7
	Streamlining or lobar savings	11.0	1.2	9.6	0.8
	Energy or resource savings	2.0	0.4	1.5	0.0
	Other	2.0	0.1	0.8	0.5
	Total strategic investments	65.0	17.4	49.2	15.3
Maintaining plant facilities		20.0	5.6	12.0	1.5
Land acquisition	Plant site near Osaka Plant	-	19.0	-	0.0
	Plant site near Tokyo Plant	-	3.8	-	0.0
Reconstruction of headquarters building			10.0	-	-
Total		85.0	55.8	61.2	16.8

M&A

- We are pursuing studies on two fronts: enhancing and expanding core businesses; and expanding business domains.

Renovations of the backbone system

- Investments to renovate the backbone system are scheduled for FY2025.
We will optimize the deployment of management resources while enhancing operations and management efficiency.

	(Million yen)		
	FY2024 planned	FY2024 semi-annual, actual	FY2023-2025 planned
Amount invested to renovate the backbone system	10	5.4	20

Human resource investments

- We will continue to invest proactively in hiring human resources, implementing wage increases, and developing human resources (e.g., training) in the current fiscal year.

Returns to shareholders

- We will purchase treasury shares under the annual upper limit of purchase set to one billion yen.
Actual results for the FY2024 January-June period Around 0.33 billion yen
We will purchase treasury shares as planned by the end of FY2024.
- Dialogue with investors and shareholders
We have released the Integrated Report to further understanding of the Company.