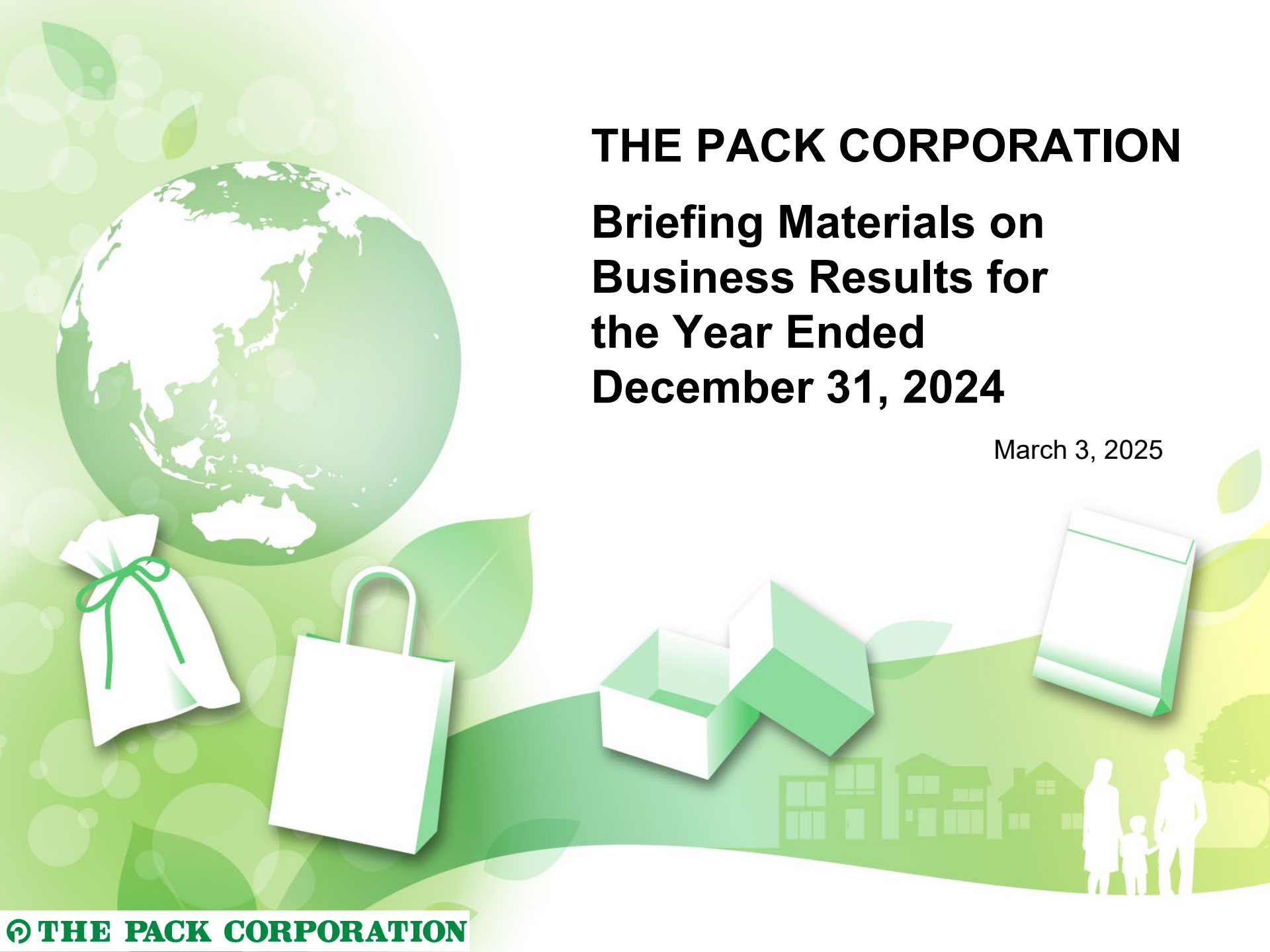


THE PACK CORPORATION

Briefing Materials on Business Results for the Year Ended December 31, 2024

March 3, 2025



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Topics

- ◆ The Japanese economy has gradually recovered due to spending by inbound tourists and robust capital investments. At the same time, it has been adversely affected by soaring prices attributable to rising energy costs and yen devaluation, creating lingering circumstances in which price increases outstrip wage growth. The outlook for consumer spending remains uncertain.
- ◆ The Pack achieved record figures for net sales, operating profit, ordinary profit, and profit. Higher value added order-receiving activities based on proposal-based sales to solve customer issues increased sales of paper products, contributing significantly to net sales and profit.
- ◆ Dividend per share grew to 118 yen (up by 28 yen from the previous fiscal year).
- ◆ The progress toward achievement of numerical targets under the Medium-Term Management Plan (FY2023-2025) has been substantially as planned.

1. Business Results for the Year Ended December 31, 2024



Summary of Business Results

Consolidated net sales exceeded 100 billion yen, a new record high.

(Million yen)

	Year ended December 31, 2023	Year ended December 31, 2024	
	Actual	Actual	YoY change
Net sales	97,714	101,461	3.8%
Operating profit	7,743	8,009	3.4%
Ordinary profit	8,063	8,285	2.8%
Profit attributable to owners of parent	5,652	6,316	11.7%
Basic earnings per share (yen)	297.07	333.52	12.3%
Dividend per share (yen)	90.00	118.00	31.1%

- ◆ We achieved consolidated net sales of 100 billion yen by promoting proposal-based sales and cross-selling.
- ◆ We absorbed cost increases by normalizing sales prices and strengthening high value added product sales.
- ◆ We reduced cross-held shares.

Results by Segment

(Million yen)

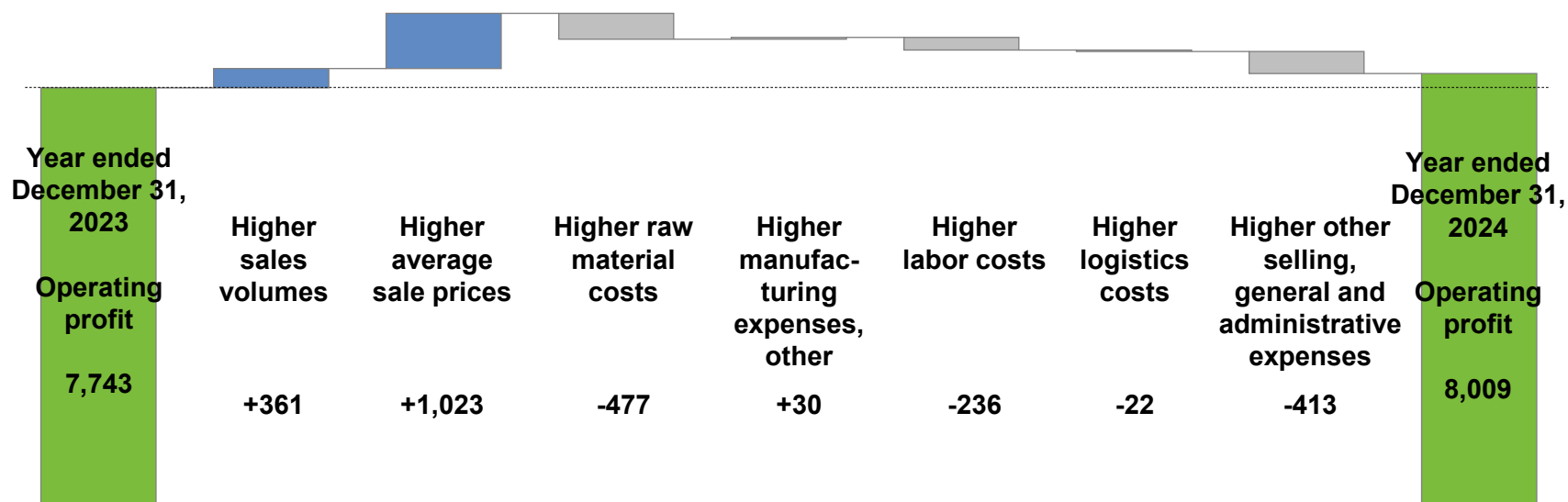
		Year ended December 31, 2023		Year ended December 31, 2024		
		Actual	Share	Actual	Share	YoY change
Net sales		97,714	100.0%	101,461	100.0%	3.8%
	Paper Products	69,399	71.0%	73,114	72.1%	5.4%
	Paper bags	29,653	30.3%	32,214	31.8%	8.6%
	Paper cartons	25,000	25.6%	25,882	25.5%	3.5%
	Corrugated boxes	12,419	12.7%	13,027	12.8%	4.9%
	Printing	2,325	2.4%	1,990	2.0%	-14.4%
	Film Packaging	13,798	14.1%	13,499	13.3%	-2.2%
	Others	14,516	14.9%	14,846	14.6%	2.3%
Operating profit		7,743	100.0%	8,009	100.0%	3.4%
	Paper Products	6,858	88.6%	7,168	89.5%	4.5%
	Film Packaging	856	11.0%	933	11.7%	9.0%
	Others	1,267	16.4%	1,261	15.7%	-0.5%
	Adjustments	-1,239	-16.0%	-1,354	-16.9%	-

- ◆ The Paper Products segment posted growth in both net sales and profit due to strong sales of paper cartons for the food products market and paper bags for retail businesses, attributable in turn to spending by inbound tourists and recovering personal consumption.
- ◆ Sales of corrugated boxes grew due to recovery in sales of packing materials for transportation.
- ◆ Profits for film packaging products grew due to productivity improvements. However, the volume of such products consumed declined in line with growing environmental awareness.

Factors Underlying Changes in Operating Profit

Sales volumes grew due to rising average sales prices

(Million yen)



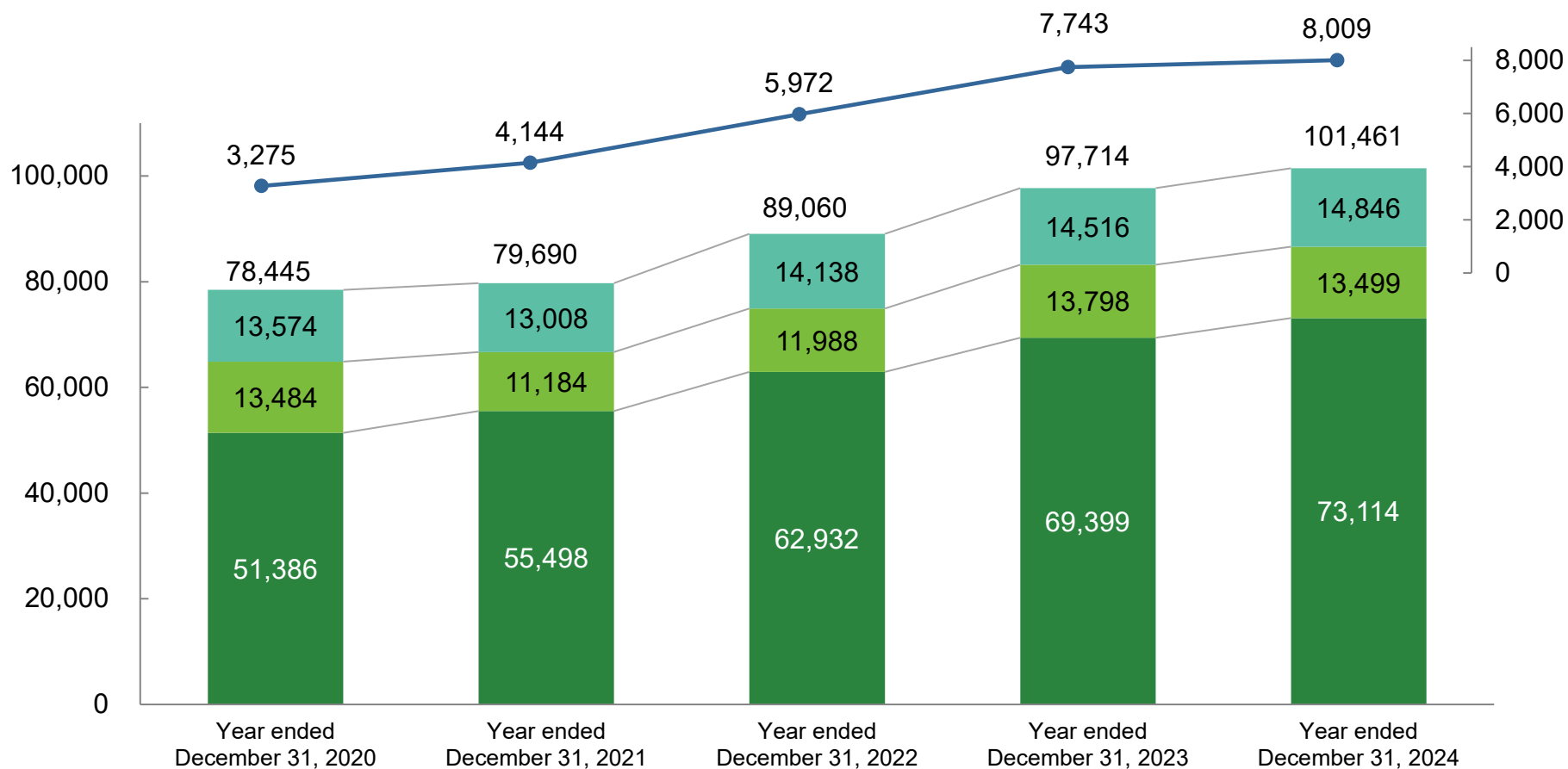
- ◆ Sales volumes increased thanks to strong consumer spending.
- ◆ Average sales prices rose due to normalization of sales prices and efforts to promote sales of high value added products.
- ◆ Capital investments intended to improve production efficiency increased.

Trends by Segment

Net sales and operating profit reached record highs
(compared to the semi-annual period of the preceding fiscal year)

(Million yen)

■ Net sales (Paper Products segment) ■ Net sales (Film Packaging segment) ■ Net sales (other segments) —●— Operating profit



Sales Composition



	Year ended December 31, 2023		Year ended December 31, 2024		
	Actual	Share	Actual	Share	YoY change
(Million yen)					
Food products	27,438	28.1%	29,160	28.7%	6.3%
Apparel	16,187	16.6%	17,390	17.1%	7.4%
Department stores	4,910	5.0%	5,103	5.0%	4.0%
Supermarkets and drug stores	5,502	5.6%	5,089	5.0%	-7.5%
Convenience stores	1,184	1.2%	1,158	1.3%	-2.2%
Pharmaceuticals and cosmetics	4,743	4.9%	4,632	4.6%	-2.3%
e-commerce *	2,834	2.9%	3,663	3.6%	29.3%
Sundries	1,939	2.0%	2,151	2.1%	10.9%
Home electronics and home installations	2,888	3.0%	2,778	2.7%	-3.8%
Life care	3,744	3.8%	3,454	3.4%	-7.7%
Automotive	330	0.3%	298	0.3%	-9.7%
Other	26,014	26.6%	26,578	26.2%	2.2%

- ◆ In the food products market, sales of packages for the food service industry and for the souvenir market were strong.
- ◆ In the apparel market, sales of paper bags for brick-and-mortar shops and high value added paper bags were strong.
- ◆ Sales to department stores trended positive, driven by robust consumer spending and inbound tourism demand.
- ◆ Sales to the e-commerce market were strong due to new orders for delivery packages, including paper delivery bags.
- ◆ In the sundries market, sales of gifting packages were strong.
- ◆ Sales to the life care market declined as a proportion of total sales due to weak sales to specific users of products for overseas markets.

* e-commerce refers to the e-commerce platform segment. e-commerce sales on vendor sites are counted as part of their individual business segments.

Paper Products Segment

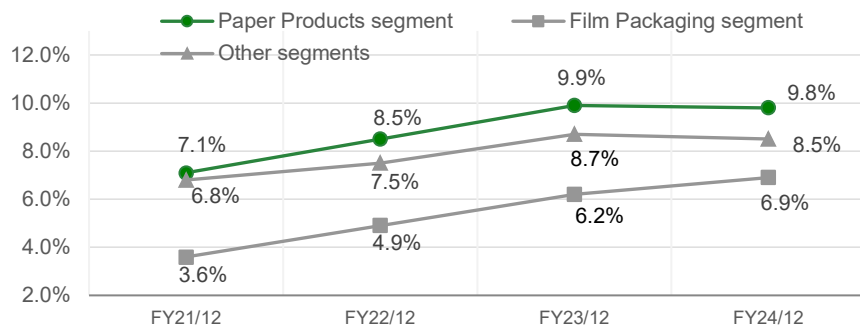
Business environment

- ◆ Nationwide department store sales for 2024 were up 6.8% year on year, marking year-on-year increases for four consecutive years. The number of tax-free buyers was up 74.3%, a new record high. These buyers were the largest contributor to sales of high value added products. In the food products market, while pullbacks in consumer spending were noted in part due to soaring prices, confectionery sales grew slightly thanks to gifting and inbound demand. (Source: Japan Department Store Association "Preliminary Reports on Department Store Sales in Japan" for January to December, 2024)
- ◆ The monthly on-line shopping expenditure per two-or-more-person household increased year on year for the twelfth consecutive month, marking a record high. (Source: "Family Income and Expenditure Survey," Statistics Bureau of Japan)

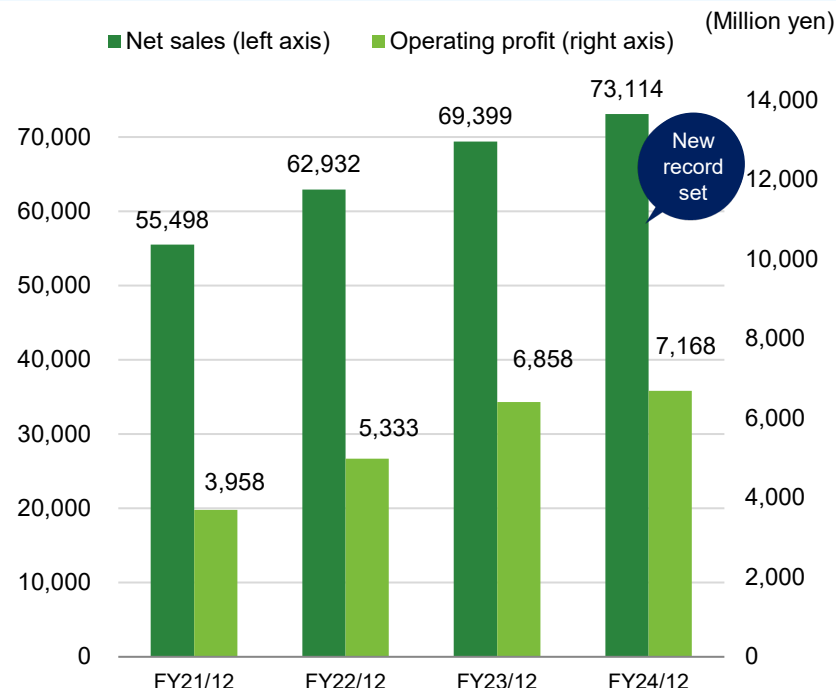
Initiatives

- ◆ Promoting productivity improvement through capital investments
- ◆ Diversifying the line of products to cover a wider range of market needs
- ◆ Putting in more efforts for products and services that are eco-friendly or serve as solutions to problems such as labor shortages
- ◆ Strengthening cross-selling

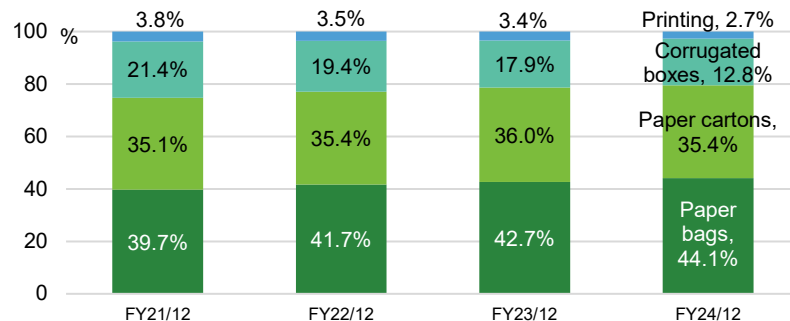
Trends in operating profit margins



Trends in net sales and operating profits



Trends in sales composition in the Paper Products Segment



Paper Products Segment (Paper Bags)

Business environment

- ◆ Sales of high value added products for inbound tourists to Japan have been strong thanks to yen devaluation.
- ◆ In response to declining consumer confidence in the domestic markets and intensifying competition within the industry, retail businesses are taking initiatives to enhance brand values.
→ The need has grown to shift to packages with high value added specifications.
- ◆ Society is increasingly demanding eco-friendliness.
- ◆ Since improving transportation efficiency and securing workers are urgent issues, efforts to reform logistics and packaging systems are now underway.

Initiatives

- ◆ Expanding production capacity and enhancing productivity through capital investments
- ◆ Strengthening supply stability by building domestic and overseas supply chains
- ◆ Focusing on proposing high value added products centering on eco-friendly products
- ◆ Strengthening the development of paper delivery bags, which improve transportation efficiency and work efficiency, and the ability to propose solutions applicable to packaging sites

Examples of developed products

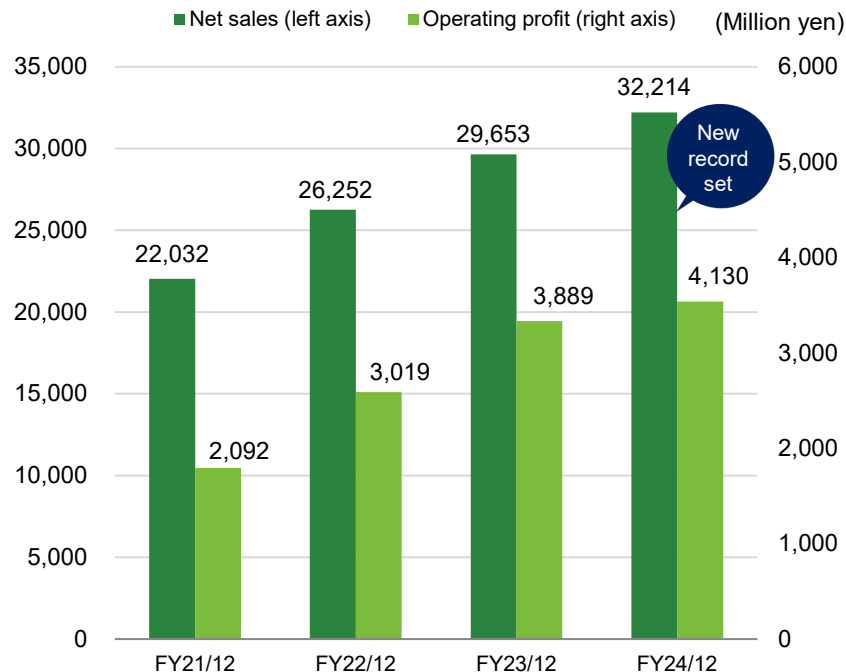


▲ Original base paper 100% made from recycled paper

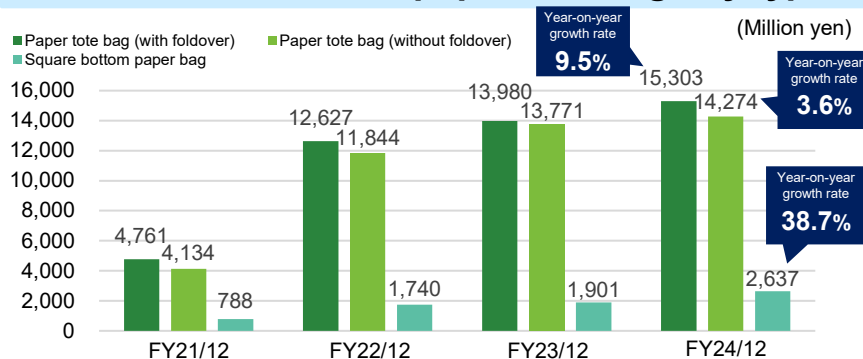


▲ Paper delivery bag compatible with automatic packaging machines

Trends in net sales and operating profits



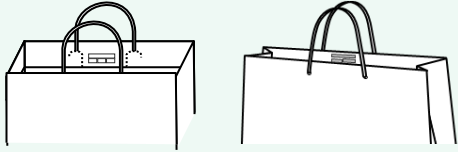
Trends in net sales of paper tote bags by type



[Reference] Examples of Types of Paper Bag

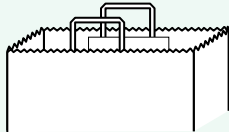
■ Paper tote bag (with foldover)

Bag with upper edges folded inside. The folded edges add strength to the bag, making reuse more likely.



■ Paper tote bag (without foldover)

Bag with its serrated upper edges. These highly cost-efficient bags are ideal for mass production.



■ Square bottom paper bag and flat paper bag

These bags are often used for home delivery or for primary food wrapping. It is possible to attach double-sided adhesive tape and/or provide oil resistance to them according to their applications.



Paper Products Segment (Paper Cartons)

Business environment

- ◆ Demand in the domestic tourism market was high due to inbound tourists.
- ◆ The food service industry, including the souvenir market and fast food restaurants, is showing strong performance.
- ◆ In response to increasingly serious labor shortages, demand is on the rise for outsourcing manual work such as preparation of paper cartons and setup of products.
- ◆ With society increasingly demanding eco-friendliness, the shift to plastic-free wrapping is advancing.

Initiatives

- ◆ Expanding the lineup of primary paper containers, the targets of which are the home meal replacement market and the takeout food market
- ◆ Focusing on the development of PFAS-free coating (in response to the PFAS regulations)
- ◆ Focusing on the development of proposals for cross-selling that additionally include offering services that complement labor shortages of customers, such as in the assembly of paper cartons and packing of products
- ◆ Advancing decisively with efforts to shift to resource-saving products with lower environmental impact and to paper packages

Examples of developed products

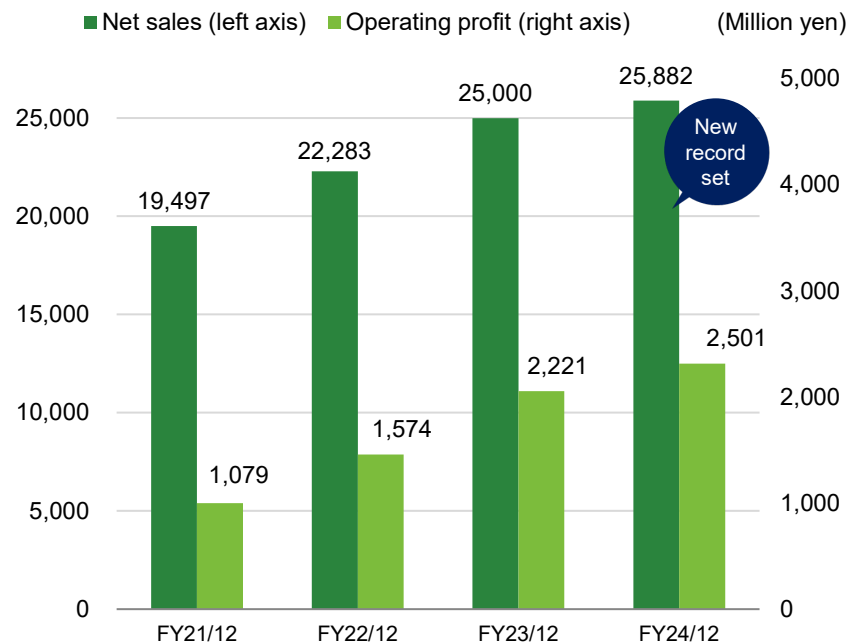


▲ Paper food container with a fog-resistant window to replace plastic containers

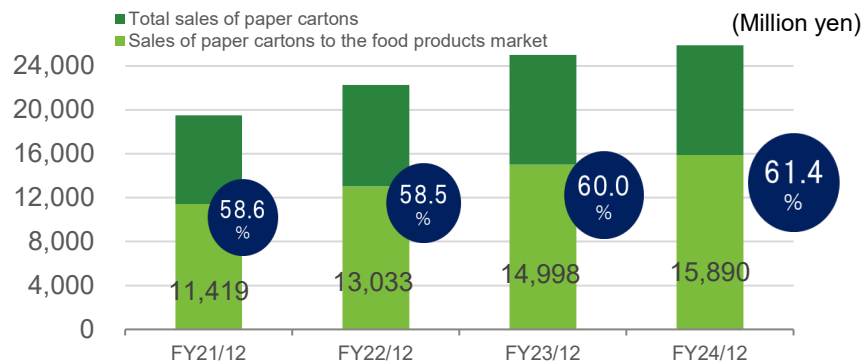


▲ Draw-formed paper tray to replace plastic trays

Trends in net sales and operating profits



Trends in net sales and sales composition to the food products market



Paper Products Segment (Corrugated Boxes)

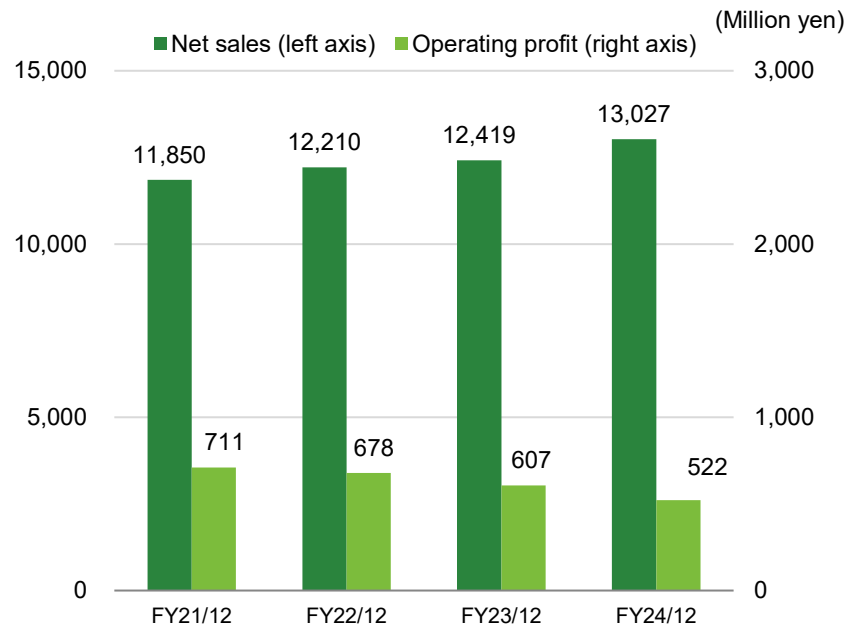
Business environment

- ◆ Production volumes in the corrugated box industry for 2024 was 98.9% of last year's level.
- ◆ By segment, consumption of those for electric appliances and mechanical instruments was 100.4% of last year's level and on a recovery trend, whereas the figure for mail order, home deliveries, and moving was 99.0%.
(Source: Japan Corrugated Case Association, "Corrugated Box Statistics")
- ◆ In Europe, restrictions on the use of plastic packaging materials are being introduced in a stepwise manner.
→ Demand for corrugated cushioning materials and corrugated transportation packaging materials will rise.

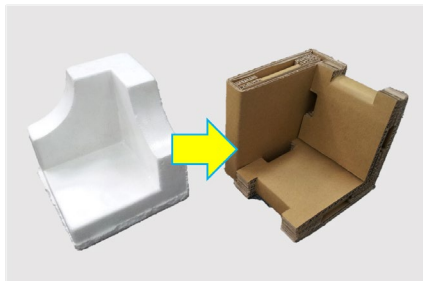
Initiatives

- ◆ Putting more efforts into developing and proposing corrugated cushioning materials and corrugated transportation packaging materials
- ◆ Developing our own production technologies for differentiation, such as to enable production of large-sized products
- ◆ Focusing on making proposals for total solutions, which may include solutions to improve packaging lines
- ◆ Further enhancing quality and technical capabilities

Trends in net sales and operating profits



▲ Corrugated packaging material for large, heavy items



▲ Corrugated cushioning material to replace styrofoam cushioning material



▲ Totally paper-made cushioned envelop CC-PACK® featuring flexibility and cushioning achieved using a special material composition



▲ Corrugated boxes produced by printing by use of high-definition flexographic printers

Film Packaging Segment

Business environment

- ◆ As societal demand for eco-friendly products grows stronger, the shopping bags used to transport purchases are increasingly becoming plastic-free.
- ◆ Overseas demand for paper baby diapers, which comes mainly from China, is decreasing due to the emergence of local brands and a decline in number of children. In Japan, high value added products to correspond to narrowly segmented needs have been increasingly focused on in development.
- ◆ In Europe, restrictions on the use of plastic packaging materials have been tightened and require using recyclable materials.

Initiatives

- ◆ Offering beautifully decorated packages by introducing the most advanced high-definition flexographic printers with low environmental impact
- ◆ Putting more efforts into development of recyclable raw fabric in collaboration with raw fabric suppliers
- ◆ Focusing on development and sales expansion of paper film packaging, the base material of which is paper

Examples of developed products

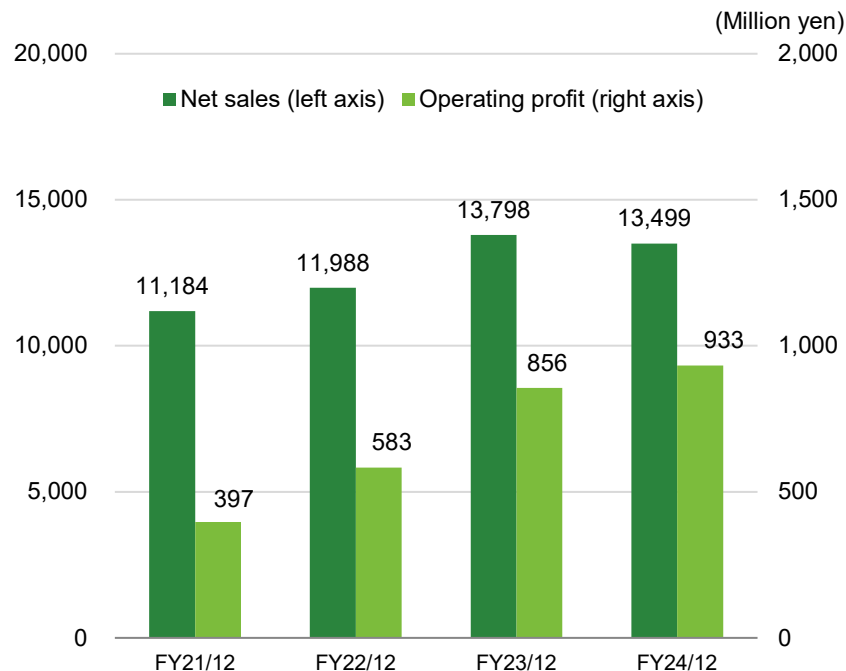


▲ ecoKARA-series films utilizing eggshells

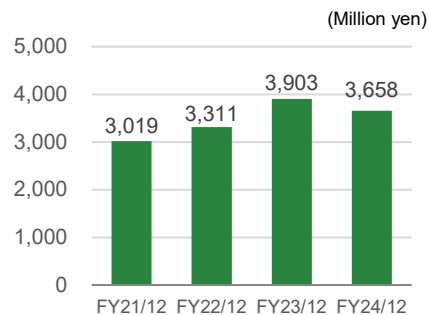


▲ Totally film-free flexible paper packaging with barrier performance

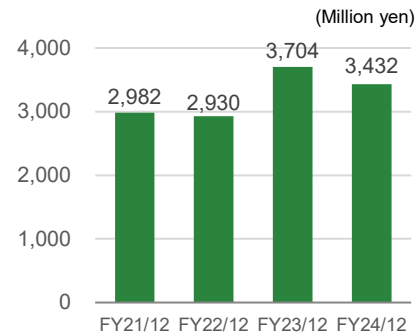
Trends in net sales and operating profits



Trends in net sales of plastic tote bags



Trends in net sales of external packages for disposable diapers



Other Sectors

Business environment

- ◆ Sales promotion events intended to attract customers are well received.
→ Demand for gift-wrapping materials and sales-promotion materials is increasing.
- ◆ Due to growing environmental consciousness, the introduction of sewn packages (eco-friendly bags and gift wrapping), which have high added value and can be reused, is on the increase.
- ◆ Demand for in-store supplies and office supplies used in department stores is increasing as department store sales are favorable

Initiatives

- ◆ Promoting sales of sewn products that have lower environmental impact
- ◆ Making more effort to propose projects developed by fully leveraging the ability to conceive ideas and designs
- ◆ Improving the logistics efficiency of PAS (Pack Assortment Service System*) for department stores and specialty retail stores

* Combined delivery system for miscellaneous and consumable supplies

Examples of eco-friendly sewn products

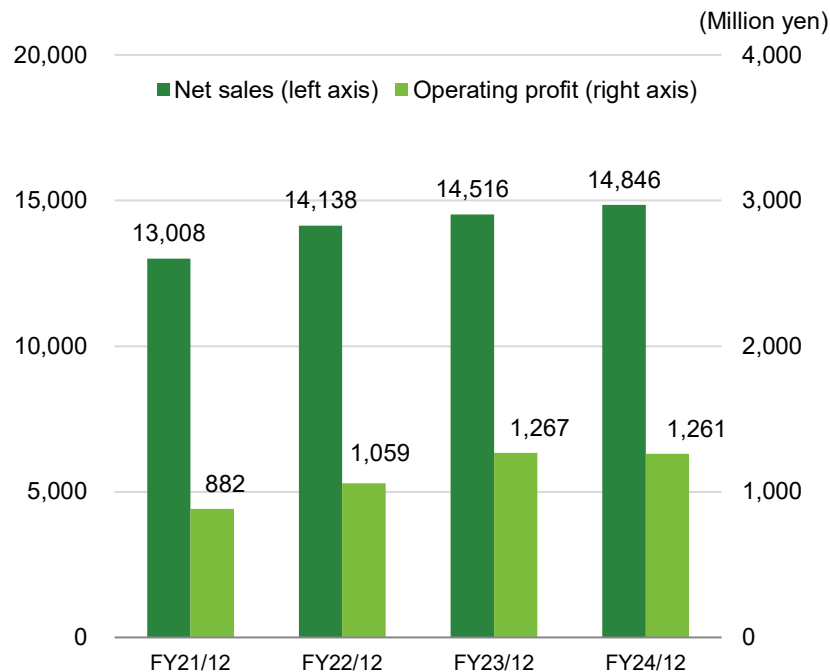


▲ Recycled Tetron Cotton, a material made by recycling materials such as cotton and polyester scraps from factories

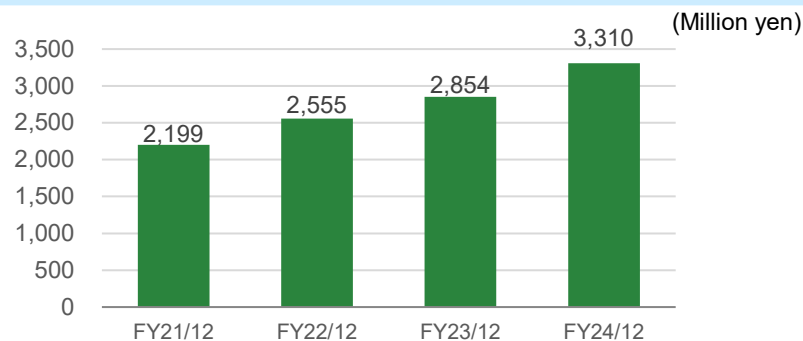


▲ A sewn bag that can be used in three ways as shown above. This bag can be used as gift wrapping and a tote bag, thus encouraging its reuse.

Trends in net sales and operating profits



Trends in net sales of sewn products



Balance Sheet

(Million yen)

		Year ended December 31, 2023	Year ended December 31, 2024
		Actual	Actual
Assets		98,847	103,292
	Current assets	59,080	60,043
	Non-current assets	39,766	43,248
	Property, plant, and equipment	27,401	30,166
	Intangible assets	2,679	3,384
	Investments and other assets	9,685	9,697
Liabilities		27,691	28,806
	Current liabilities	26,605	27,766
	Non-current liabilities	1,085	1,040
Net assets		71,156	74,485
	Shareholders' equity	68,092	71,437
	Accumulated other comprehensive income	3,018	3,022
	Share acquisition rights	45	25
	Non-controlling interests	-	-

Cash Flow

(Million yen)

Main items	Year ended December 31, 2023	Year ended December 31, 2024
	Actual	Actual
Cash flows from operating activities	4,443	7,101
Profit before income taxes	7,941	9,160
Depreciation and impairment losses	2,082	2,416
Cash flows used in investment activities	-3,962	-5,436
Purchase of property, plant, and equipment	-5,581	-4,768
Purchase of intangible assets	-1,702	-919
Purchase of investment securities	-36	-609
Proceeds from sales of investment securities	1	988
Cash flows used in financing activities	-1,407	-3,041
Cash dividends paid	-1,334	-2,032
Purchase of treasury shares	-0	-1,013
Cash and cash equivalents at end of period	17,812	16,656

- ◆ Capital investments were proactively conducted (purchase of machinery for manufacturing, acquisition of a land next to the Tokyo Plant, and rebuilding of the building of Keihin Tokushu Printing).
- ◆ Shareholder returns were increased as operating activities provided larger positive cash flows than in the previous fiscal year.
- ◆ Treasury shares were purchased.

2. Forecast of Business Results for the Year Ending December 31, 2025



Forecasts of Business Results

The highest-ever year-end net sales and profit are forecast

(Million yen)

	Year ended December 31, 2024	Year ending December 31, 2025	
	Actual	Forecasts of Business Results	Forecast YoY change
Net sales	101,461	105,000	3.5%
Operating profit	8,009	8,300	3.6%
Ordinary profit	8,285	8,600	3.8%
Profit attributable to owners of parent	6,316	6,500	2.9%
Basic earnings per share (yen)	333.52	346.08	3.8%
Dividend per share (yen)	118.00	122.00	3.4%

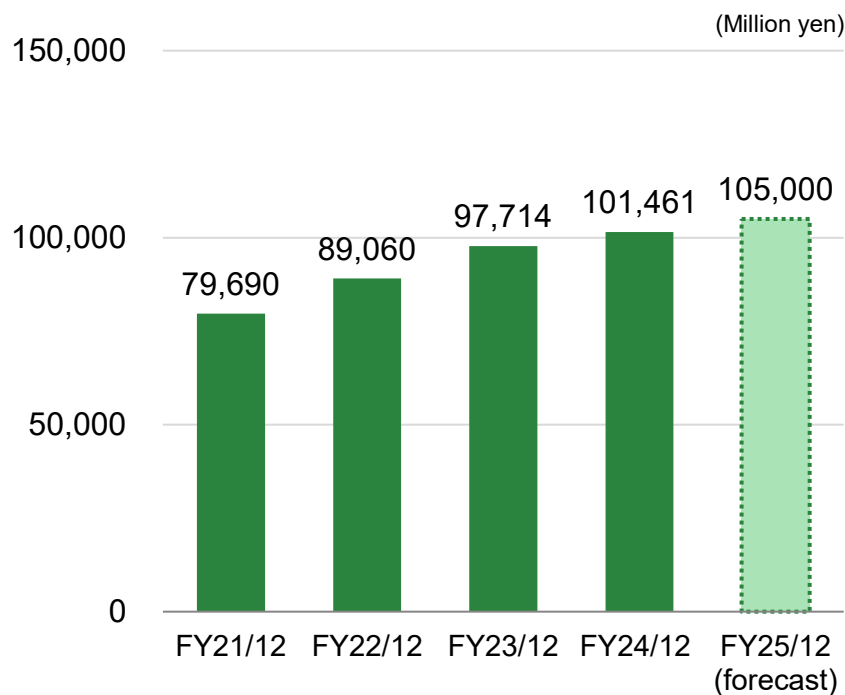
- ◆ Growth in both net sales and profit is forecast through further expansion of product lineup and promotion of proposal-based sales to solve customers' problems.
- ◆ New record highs were achieved for both Operating profit and ordinary profit.
- ◆ Dividend per share grew to 122 yen.

Trends in Consolidated Business Results

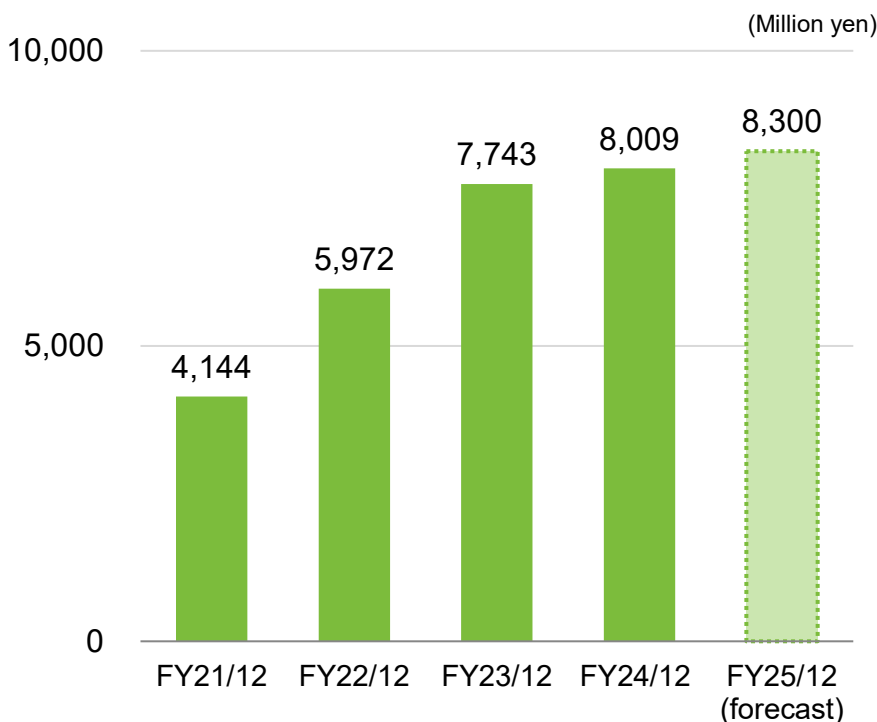
(Million yen)

	Year ended December 31, 2021	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024	Forecast for year ending December 31, 2025
Net sales	79,690	89,060	97,714	101,461	105,000
Operating profit	4,144	5,972	7,743	8,009	8,300

Trends in net sales



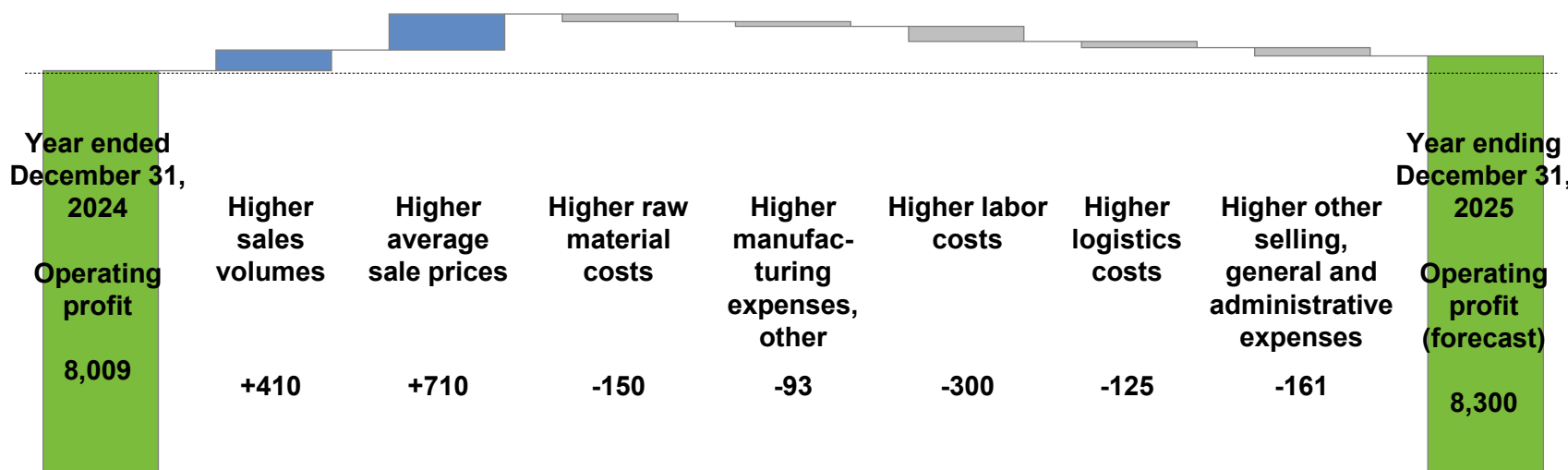
Trends in operating profit



Major Factors Underlying Projected Changes in Operating Profit

Efforts to strengthen sales of paper products are expected to boost profits.

(Million yen)



- ◆ Sales volumes are expected to grow through entry into new markets and expansion of market shares thanks to product lineup expansion and proposals that would lead to cross-selling.
- ◆ Average sales prices are expected to increase through proposals for eco-friendly products and high value added products that help customers solve their issues.
- ◆ Labor costs are expected to rise, driven primarily by workforce expansion and wage increases.
- ◆ Capital investments in machinery for productivity improvement are expected to increase.

3. Progress on Sustainable Management



Progress on Sustainable Management

Materiality KPIs

◆ Five KPIs were established with a goal of achieving these KPIs by FY2030. The following shows action plans and actual results for the past four years:

Materiality	KPIs and action plans	Targets for FY2030 and actual results for the past four years												
Promoting eco-friendly product planning and technological development	<p>◆ Increasing the proportion of net sales*¹ of FSC® products (paper bags, paper cartons, and corrugated boxes) to 50% or more</p> <ul style="list-style-type: none">Putting more efforts into proposals for the shift to paper packagingIncreasing the number of FSC® certified suppliersAccelerating development of new paper-based materials and products <p>*¹ Net sales = the whole Paper Products segment of The Pack Corporation on a non-consolidated basis (FSC® C020517)</p> <p><Accomplishments for FY2024/12></p> <ul style="list-style-type: none">Achieved a 9.8% year-on-year increase in sales of FSC® productsAchieved a 9.7% year-on-year increase in sales to the food products market	<table><tr><th>Fiscal Year</th><th>Proportion of Net Sales (%)</th></tr><tr><td>FY2021</td><td>13.2%</td></tr><tr><td>FY2022</td><td>17.4%</td></tr><tr><td>FY2023</td><td>20.2%</td></tr><tr><td>FY2024</td><td>21.1%</td></tr><tr><td>FY2030</td><td>50.0%</td></tr></table>	Fiscal Year	Proportion of Net Sales (%)	FY2021	13.2%	FY2022	17.4%	FY2023	20.2%	FY2024	21.1%	FY2030	50.0%
Fiscal Year	Proportion of Net Sales (%)													
FY2021	13.2%													
FY2022	17.4%													
FY2023	20.2%													
FY2024	21.1%													
FY2030	50.0%													
Reducing environmental impact throughout our business activities	<p>◆ Reducing CO₂ emissions (Scopes 1+2) by 46% from the level of FY2018 (16,662 tons in FY2018 to a target of 8,997 tons in FY2030)</p> <ul style="list-style-type: none">Switching to machines with high energy efficiencyShifting to renewable energy for power used (including purchase of renewable energy)Expanding the use of solar panels <p><Accomplishments for FY2024/12></p> <ul style="list-style-type: none">Reduced CO₂ emissions (Scopes 1+2) by 3.62% year on year through actions such as replacing the office lighting with LEDs and improving the efficiency of plant facilities against the backdrop of record net sales	<table><tr><th>Fiscal Year</th><th>CO₂ Emissions (tons)</th></tr><tr><td>FY2021</td><td>14,894</td></tr><tr><td>FY2022</td><td>15,399</td></tr><tr><td>FY2023</td><td>16,756</td></tr><tr><td>FY2024</td><td>16,149</td></tr><tr><td>FY2030</td><td>8,997</td></tr></table>	Fiscal Year	CO ₂ Emissions (tons)	FY2021	14,894	FY2022	15,399	FY2023	16,756	FY2024	16,149	FY2030	8,997
Fiscal Year	CO ₂ Emissions (tons)													
FY2021	14,894													
FY2022	15,399													
FY2023	16,756													
FY2024	16,149													
FY2030	8,997													

Progress on Sustainable Management

Materiality KPIs

Materiality	KPIs and action plans	Targets for FY2030 and actual results for the past four years																		
Contributing to environmental conservation and preservation	<p>◆ Increasing the number of The Pack Forest® Environment Fund activities per year to 15 and the number of participants to 500</p> <ul style="list-style-type: none">Increasing the number of activities by finding new locations for conducting activitiesMaking more publicity efforts to local residents and inviting general participantsStrengthening customer invitation activities <p><Accomplishments for FY2024/12></p> <ul style="list-style-type: none">Conducted eight activities (plus one planned but rained out)Increased the acceptable number of allowed general participants (45 people participated)	<p>KPI</p> <table><thead><tr><th>Fiscal Year</th><th>Number of activities per year</th><th>Number of participants per year</th></tr></thead><tbody><tr><td>FY2021</td><td>0</td><td>0</td></tr><tr><td>FY2022</td><td>4</td><td>11</td></tr><tr><td>FY2023</td><td>9</td><td>253</td></tr><tr><td>FY2024</td><td>8</td><td>230</td></tr><tr><td>FY2030</td><td>15</td><td>500</td></tr></tbody></table>	Fiscal Year	Number of activities per year	Number of participants per year	FY2021	0	0	FY2022	4	11	FY2023	9	253	FY2024	8	230	FY2030	15	500
Fiscal Year	Number of activities per year	Number of participants per year																		
FY2021	0	0																		
FY2022	4	11																		
FY2023	9	253																		
FY2024	8	230																		
FY2030	15	500																		
Promoting diverse work styles that encourage all employees to thrive	<p>◆ Increasing the percentage of women managers (section manager or above) to 15% or more</p> <ul style="list-style-type: none">Increasing the percentage of women in university graduate recruits to 35% or moreEstablishing systems and environments that allow women to work for many years <p><Accomplishments for FY2024/12></p> <ul style="list-style-type: none">Achieved 35.7% for the percentage of women in university graduate recruits (maintained 35% or more for five consecutive years)Achieved 23.0% for the percentage of women in permanent employees (marking the fourth consecutive yearly increase)	<p>KPI</p> <table><thead><tr><th>Fiscal Year</th><th>Percentage of women managers</th></tr></thead><tbody><tr><td>FY2021</td><td>4.9%</td></tr><tr><td>FY2022</td><td>6.7%</td></tr><tr><td>FY2023</td><td>6.3%</td></tr><tr><td>FY2024</td><td>7.2%</td></tr><tr><td>FY2030</td><td>15.0%</td></tr></tbody></table>	Fiscal Year	Percentage of women managers	FY2021	4.9%	FY2022	6.7%	FY2023	6.3%	FY2024	7.2%	FY2030	15.0%						
Fiscal Year	Percentage of women managers																			
FY2021	4.9%																			
FY2022	6.7%																			
FY2023	6.3%																			
FY2024	7.2%																			
FY2030	15.0%																			

Progress on Sustainable Management

Materiality KPIs

Materiality	KPIs and action plans	Targets for the fiscal year ending March 31, 2030 and actual results for the past four years												
Co-creating brand value with our customers	<p>◆ Increasing the number of companies*2 supporting The Pack Forest® Environment Fund to 300</p> <ul style="list-style-type: none">Enhancing tools for activity introduction and inviting companies to support activities <p>*2 Companies that have a record of sales are counted.</p> <p><Accomplishments for FY2024/12></p> <ul style="list-style-type: none">Achieved a new record number of supporting companies 24 companies by the end of 2019 → 158 companies by the end of 2024	<p>(Companies)</p> <table><tr><th>Fiscal Year</th><th>Number of Companies</th></tr><tr><td>FY2021</td><td>67</td></tr><tr><td>FY2022</td><td>94</td></tr><tr><td>FY2023</td><td>123</td></tr><tr><td>FY2024</td><td>158</td></tr><tr><td>KPI (FY2030)</td><td>300</td></tr></table>	Fiscal Year	Number of Companies	FY2021	67	FY2022	94	FY2023	123	FY2024	158	KPI (FY2030)	300
Fiscal Year	Number of Companies													
FY2021	67													
FY2022	94													
FY2023	123													
FY2024	158													
KPI (FY2030)	300													

Efforts to promote permeation of the philosophy for sustainability management; and activities accomplished in line with the philosophy

- ◆ **The Pack continues efforts to promote permeation of the philosophy for sustainability management throughout the Company, its Group companies, and partner companies, and implements a range of activities based on the philosophy.**

[Efforts to permeate the philosophy]

Publish a bulletin called SHINKA aimed at permeation of sustainability management

Publish the Sustainability Report and the Integrated Report

Distribute videos inside the Company (on the code of conduct and on prohibition of corruptive acts)

Promote permeation of the philosophy through quality control group activities (by providing materiality-related themes)

[Accomplished activities]

Training
(for the initial year, tiered by levels, and company-wide)

Improvement based on the results of engagement surveys (implemented workplace improvement training)

Improved workers' employment conditions (increased base pay and introduced new types of leave and allowance)

Encouraged men to take childcare leave (taken by 87.5% of eligible workers)

Promoted health management (by offering support for vaccinations and encouraging secondary health examinations)

Enhanced work safety and sanitation (established manuals for manufacturing sites)

Utilization of various employment programs (hired seven employees through the referral employment program)

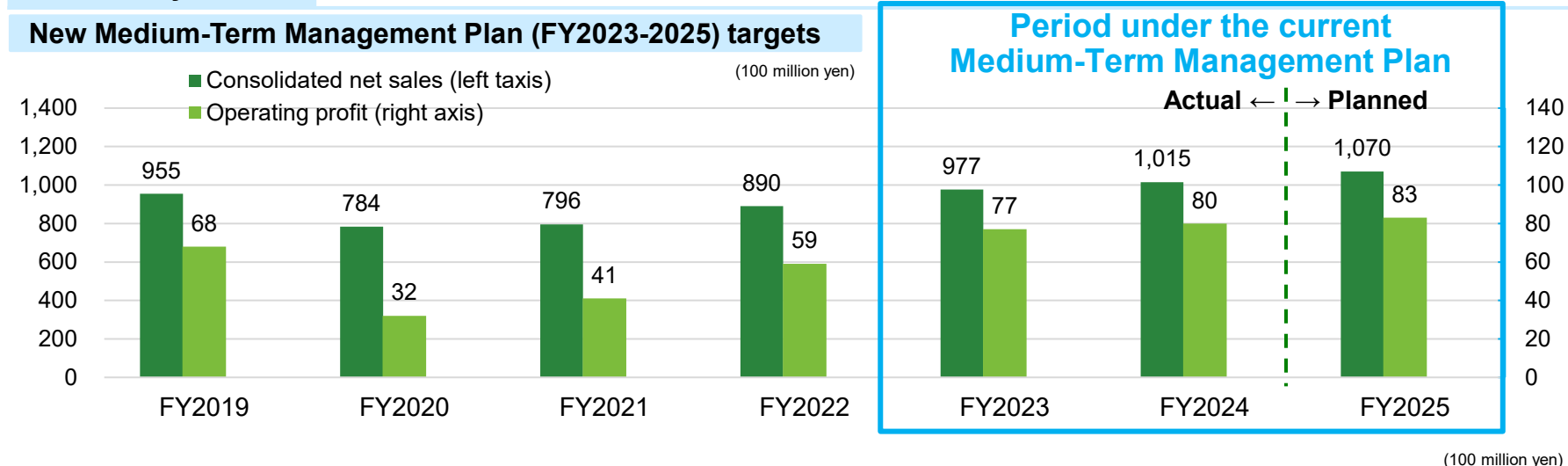
Quality enhancement in supply chains (held quality meetings with the Group companies in Japan and joint quality meetings with partner companies)

4. Progress on the Medium-Term Management Plan



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



	FY2023	FY2024			
	Full-year, actual	Full-year, planned	Full-year, actual	Achievement rate against the plan	YOY change
Consolidated net sales	977	1,010	1,015	100.5%	3.8%
Operating profit	77	81	80	98.8%	3.4%
Ratio of operating profit to net sales	7.9%	8.0%	7.9%		
ROE	8.3%	8.0%	8.7%		
ROIC	7.6%	8.0%	7.5%		

Quantitative Progress on the Medium-Term Management Plan

Overview

- ◆ Achieved significant growth in sales to the food products market and the e-commerce market, which are growing
 - ◇ Capital investments and sales activities propelled growth.
 - ◇ In the field of paper bags, sales of delivery bags to the e-commerce market and tote bags to the retail market were strong.

Quantitative target by market

(100 million yen)

	FY2022 actual	FY2023 actual	FY2024 actual	YOY change	FY2025 target
Food products (*)	250	282	303	7.4%	320
e-commerce, mail order, logistics (*)	140	147	163	10.9%	180
General distribution, retail, etc.	500	548	549	0.2%	570
Total	890	977	1,015		1,070

(*) 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)

	FY2022 actual	FY2023 actual	FY2024 actual	YOY change	FY2025 target
Paper bags	265	297	322	8.4%	315
Paper cartons	222	250	259	3.6%	270
Corrugated boxes	122	124	130	4.8%	150
Film packaging	119	138	135	-2.2%	145
Other	162	168	169	0.6%	190
Total	890	977	1,015	3.9%	1,070

Progress on Growth Strategies in the Food Products Market

Quantitative progress

(100 million yen)

FY2023 actual	FY2024 actual	FY2025 target	YOY change
282	303	320	7.4%

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

(100 million yen)

Net sales to the food products market	FY2022 actual	FY2023 actual	FY2024 actual	YOY change
All paper cartons in the market	130.3	150.0	159.4	6.3%
Primary containers for food products	69.1	77.2	87.5	13.3%
(Reference) All paper bags in the food products market	66.3	76.9	81.2	5.6%

- Growth in sales of primary containers for food products greatly contributed to the strong results.
- Initiatives to solve issues in the souvenir confectionery, food service, and home meal replacement markets were successful.

Stable supply → supply capacity enhancement through capital investments and supply chain enhancement

Added values → diversified product lineups and promotion of proposals on various designs

Eco-friendly approaches → Shift to paper, PFAS-free solutions, and printing of low environmental impact

◆ Growth in sales of and cross-selling of film packaging

(100 million yen)

Net sales to this market	FY2022 actual	FY2023 actual	FY2024 actual	YOY change
Film packaging	12.0	13.3	14.8	11.3%

- Orders increased due to proposals made for cross-selling with paper cartons and paper bags.
- Proposals on added value enabled by the development of products including paper-based film packaging proved successful.
- The Company is seeking to respond to widely-varied demand in the food products market in addition to offering primary food packaging.

Overview of Progress

- ◆ Expanded sales by leveraging our strengths and implementing strategies
 - ◇ Sales volumes increased due to strong sales to existing customers and market share expansion through sales activities.
 - ◇ An increased number of new products were added through diverse initiatives enabled by capital investments and product development.

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

(100 million yen)

Net sales to this market	FY2022 actual	FY2023 actual	FY2024 actual	YOY change
FSC® products	40.6	50.3	55.1	9.5%

- Sales grew due to high environmental consciousness among customers.
- Enhanced development of PFAS-free and plastic-free materials

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

- The food products setup business has performed well, helping to resolve labor shortage issues.
- In addition to the setup base in eastern Japan, the Company started the operation of one in western Japan in January 2025, and aims to add several bases in other locations.
- We're striving to become a one-stop supplier of food packages mainly for confectioneries and to achieve better business results by winning orders for products that customers haven't ordered.



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

Quantitative progress

(100 million yen)

FY2023 actual	FY2024 actual	FY2025 target	YOY change
147	163	180	10.9%

Overview of Progress

- ◆ Various initiatives to respond to the growth and demand of the market have paid off, leading to significant growth.
 - ◇ Expanded supply capacities for paper delivery bags and thin delivery materials resulted in expanded market share.
 - ◇ Development of automation technologies continues in joint efforts with customers.

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

(Million yen)

Net sales to the food products market	FY2023 actual	FY2024 actual	FY2025 actual	YOY change
Paper delivery bags	8.8	9.8	16.4	67.3%
Other delivery materials	2.8	4.5	6.6	46.7%

- 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 to areas where demand is high.
- Sales of thin delivery paper materials increased while sales of plastic delivery bags declined.
- Many of our proposals aiming for added values and workability improvement by leveraging our capabilities to design crossover subjects were adopted.

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

(Million yen)

Net sales to this market	FY2023 actual	FY2024 actual	FY2025 actual	YOY change
Reinforced corrugated boxes	9.7	9.8	9.2	-6.1%

- While affected by the current market environment, we have sustained sales efforts by highlighting our internal design and proposal capabilities, and saw an increase in the volume of orders for new products.
- We have expanded business opportunities by increasing our capacity for manufacturing large-sized packaging materials suitable for heavy items.

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

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

- Proposals beyond the realm of materials contributed to acquisition of new customers and market share expansion.
- Joint efforts with customers have continued. We offer the capacity to design both machines and products, a key strength.

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

- We exhibited products at TOKYO PACK 2024, held at Tokyo Big Sight (Tokyo International Exhibition Center) (October 23 to 25, 2024).
- This exhibition introduced our automatic packaging machines, which have plastic-free specifications, and paper delivery bags 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. It provided us with a chance to explore business opportunities with new customers.

Proposing an automatic paper delivery bag packaging system



Paper delivery bag + automatic packaging machine
= automatic paper delivery bag packaging system

Just putting products on a conveyor is enough to continuously package them in paper bags.

Point 1 Automatic packaging in delivery bags, which has been difficult, is enabled.

Point 2 Bags of appropriate sizes are selected as the lengths of products are automatically detected (the front-end size is fixed).

Point 3 Delivery slips can be attached by an automatic labeler (this requires a label producing system as an option).

Progress on Growth Strategies in the General Distribution Market, the Retail Market, and Other Markets

Quantitative progress

(100 million yen)

FY2023 actual	FY2024 actual	FY2025 target	YOY change
548	549	570	0.2%

Overview of Progress

- ◆ Sales steadily grew as the Group's base business amid changing external environments.
 - ◇ The distribution and retail markets have shown strong performance thanks to inbound tourism, etc. The shift to paper also contributed to performance.
 - ◇ Improvements in productivity and production capacity attributable to capital investments to increase paper bag production capacity have contributed to expanded market shares.

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

(100 million yen)

Net sales to this market	FY2022 actual	FY2023 actual	FY2024 actual	YOY change
Paper bags	131.0	153.0	160.0	4.6%
(Reference) Film packaging	70.8	81.6	77.7	-4.8%

- This market continues to shift to plastic-free and paper products. The growth in sales of paper bags exceeded the decline in sales of plastic bags.
- Product lineups and supply capabilities contributed to successful response to surging demand driven primarily by inbound tourism.
- Sales of high value added products were strong in response to surging demand for paper bags for events and sales promotions.

◆ Providing products consistent with the 3Rs (Recycle, Reuse, and Reduce)

- Sewn bags (for example, eco-friendly bags) that promote reuse and high value added gift packaging materials continued to sell well.

(100 million yen)

Net sales to this market	FY2022 actual	FY2023 actual	FY2024 actual	YOY change
Sewn bags, gift packaging materials, etc.	25.6	28.5	33.1	16.1%

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

	FY2030 target	FY2023 actual	FY2024 actual
Number of activities per year (times)	15	9	8
Number of participants (persons)	500	253	230
Number of supporting companies	300	123	158

- 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.
- New business opportunities through collaboration are created.

◆ Cultivating ASEAN sales channels

- Global companies have access to larger trading zones and hold larger share in the market than before in the ASEAN countries.
 - Market shares grew due to strengthened capabilities of production, logistics, and quality control in the Japanese market.
 - Sales grew in overseas markets due to strengthened supply chains.
 - The trading zone has been expanded in joint efforts with Group companies in China and the United States.
- Efforts on import
 - We help customers with their overseas businesses by offering the level of quality and services developed in the Japanese market.
 - Sales of materials for overseas stores and overseas plants have been expanding.

Progress on Human Capital Strategy

Overview

- ◆ **We continued undertaking initiatives to secure and make the most of the potential represented by human resources capable of supporting Company growth.**
 - ◇ **Revised systems and wage increases improved employment conditions.**
 - ◇ **We enhanced human resources development programs.**

Securing diverse human resources

	FY2023 actual	FY2024 actual
Career hires	35	27
Referrals and “comeback” hiring	15	9

	FY2023 actual	FY2024 actual	FY2025 target
Women as a percentage of permanent full-time employees	22.9%	24.4%	25.0%
Women as a percentage of managerial personnel (section managers or above)	8.8%	9.7%	10.0%

Human resource development

- We provide training and education programs, including newly introduced programs suited to different levels.
 - ◆ Pre-employment training, new employee training, and section manager skills training
Career design training (at the age of 55), career advancement training (at the age of 58), training intended for directors, etc.
 - ◆ Workplace improvement training
 - ◆ DX training (the second term)
A program to develop human resources selected in training in the first term in the previous fiscal year and to output results was provided (to around 150 people)
 - ◆ Efforts to develop the capacity to produce total solutions concerning packages
Holding study meetings, developing and providing product databases and video tools.

Creating better working environments

- We revised the rules for wages for employees rehired under the reemployment system.
- Employee benefits were enhanced (such as inclusion of financial support for vaccinations and comprehensive medical examinations).
- The Pack's own maternity and paternity leave program was formally introduced (after experimentally introduced in 2022).

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 December 31, 2024	FY2025 planned
Personnel planning for all workers including permanent employees, contract employees, and part-time workers.	1,836	1,836	1,920

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

Progress with Financial Strategies

Overview

- ◆ We have undertaken various initiatives to enhance our growth potential and corporate value.
 - ◇ We implemented facility reinforcement plans for the food products and e-commerce markets and have made additional investments to respond to demand.
 - ◇ We implemented a measure to increase shareholder returns as planned and enhanced information provision by publishing an integrated report.

Capital investments

(100 million yen)

		Initial plan (FY2023- 2025)	FY2023 actual	FY2024 actual	FY2025 planned	Total
Strategic investments	Reinforcing the capacity to produce paper cartons	20.0	7.9	12.5	2.5	22.9
	Reinforcing the capacity to produce paper bags	30.0	7.8	19.5	16.5	43.8
	Streamlining or labor savings	11.0	1.2	1.1	10.0	12.3
	Energy or resource savings	2.0	0.4	0.1	0.3	0.8
	Other	2.0	0.1	2.0	1.3	3.4
	Total strategic investments	65.0	17.4	35.2	30.6	83.2
Maintaining plant facilities		20.0	5.6	4.1	10.6	20.3
Land acquisition	Plant site near Osaka Plant	-	19.0	0.0	-	19.0
	Plant site near Tokyo Plant	-	3.8	3.6	-	7.4
Reconstruction of headquarters building			10.0	0.0	0.0	10.0
Total		85.0	55.8	42.9	41.2	139.9

Main capital investments actually carried out in FY2024

Paper cartons: Facilities for the food products market
 Paper bags: Eco-friendly printers
 Facilities for the e-commerce market

Main capital investments actually carried out in FY2025

Paper cartons: Facilities for the e-commerce market
 Paper bags: Automated and labor saving facilities
 Facilities for the distribution market
 Eco-friendly printers

Renovations of the backbone system

(100 million yen)

	FY2024 planned	FY2024 actual	FY2023 to FY2025 planned
Amount invested to renovate the backbone system	10	8.4	20

Human resource investments

FY2024 actual: 290 million yen
 Human resource development and recruitment: 80 million yen
 Wage increases: 210 million yen

Returns to shareholders

	FY2024 planned	FY2024 actual
Purchase of treasury shares	Planned under the annual upper limit of one billion yen	Executed for treasury shares of around one billion yen
Dividend payout ratio	Planned to maintain 35%	35.4%
Total payout ratio	Dividends of 2.2 billion yen Total payout ratio of 50%	Dividends of around 2.2 billion yen Total payout ratio of 51%

- We will carry out planned measures also in FY2025.

5. Reference Materials



Corporate Overview

Name	THE PACK CORPORATION
Founded	May 1952 (shares listed September 1991; listed on TSE Prime Market April 2022)
Headquarters	9-3 Higashiobase 2-chome, Higashinari-ku, Osaka, Osaka Prefecture
Lines of business	Planning, manufacturing and sale of paper bags, folding paper cartons, corrugated boxes, film packaging, etc.
Executives	Hideaki Yamashita, President and CEO, eight other directors (including three outside directors), and four auditors (including two outside auditors)
Number of employees	1,196 consolidated, 862 nonconsolidated
Group companies	Eight consolidated subsidiaries (in Japan, the United States, and China)
Main banks	MUFG Bank, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Mizuho Bank
Main shareholders	Morita Memorial Welfare Foundation 11.8%, The Master Trust Bank of Japan (trust account) 7.25%, partner companies' stock ownership program 6.71%, BBH for Fidelity Low-Priced Stock Fund (principle all-sector sub-portfolio) 6.56%, Custody Bank of Japan (trust account) 5.53%, Custody Bank of Japan (Resona re-trust account/Hokuetsu Corporation retirement benefits trust account) 3.88%, Custody Bank of Japan (trust account 4) 3.78%, Daio Paper Corporation 3.05%, MUFG Bank 2.63%

(As of December 31, 2024)

The Pack Group (Eight Consolidated Subsidiaries)

The Pack Corporation

Headquarters
(Osaka)



Tokyo Head Office
Building



Osaka Plant



Nara Plant



Tokyo Plant



Ibaraki Plant



(All sites have earned ISO 9001 and ISO 14001 certification.)

Domestic subsidiaries

Keihin Tokushu
Printing Corp.



Nikko Print Corporation



Pack Takeyama Co.,
Ltd.



Nishinihon Printing
Co., Ltd.



Kannaru Printing
Co., Ltd.



Overseas subsidiaries

Consolidated subsidiaries in China
The Pack (Changshu) Co., Ltd.



The Pack
(Shanghai)
Corporation

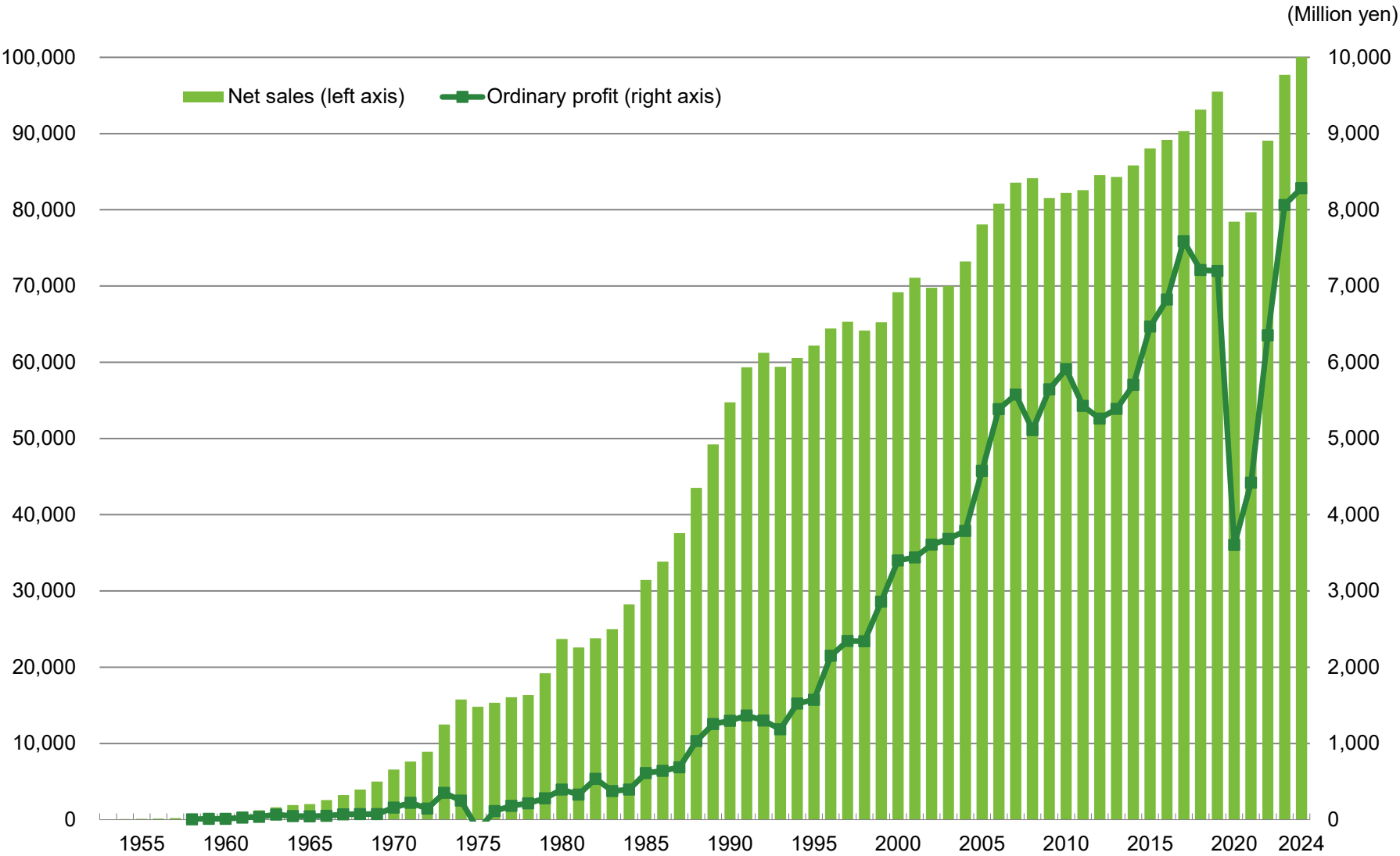


U.S. consolidated
subsidiary

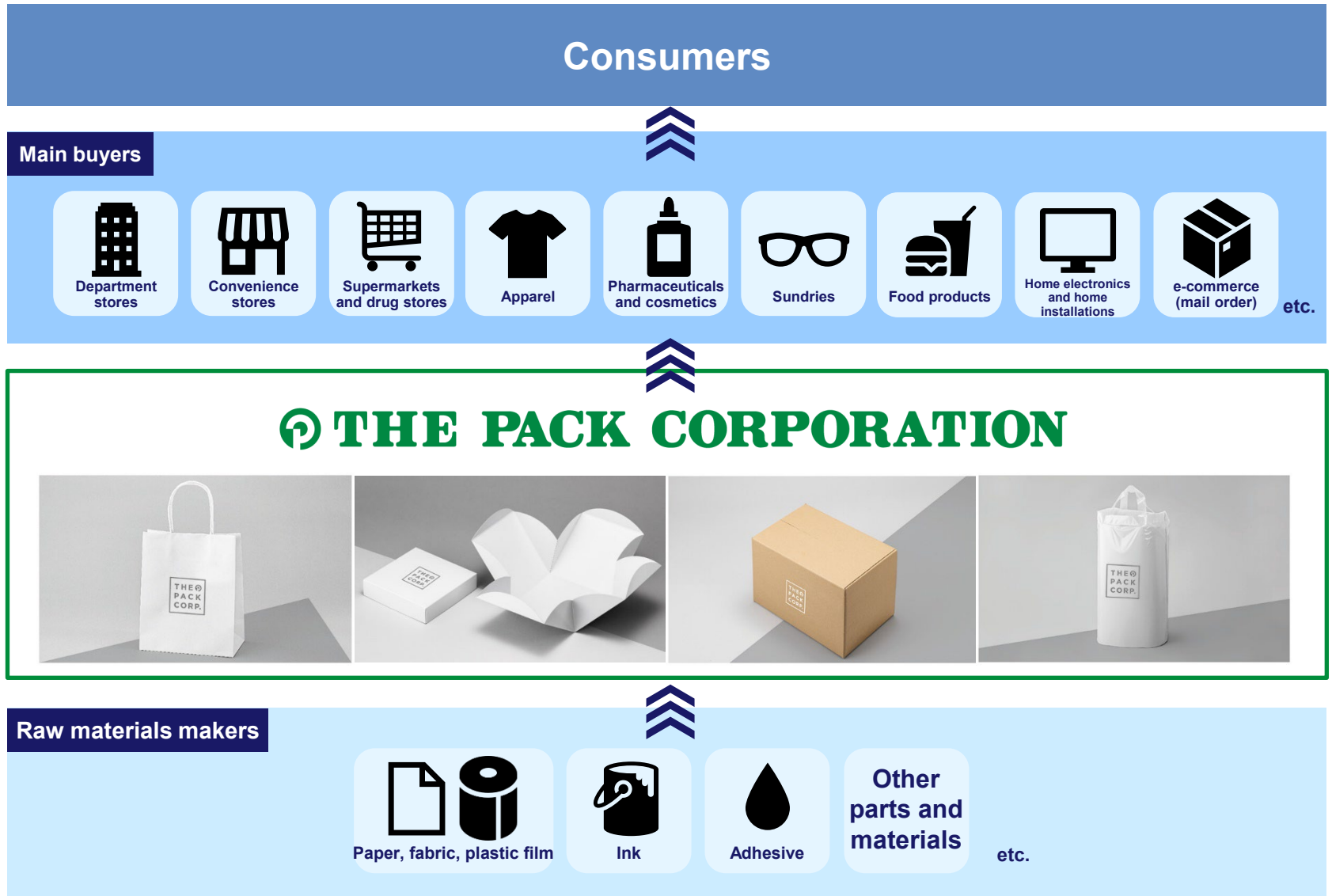
The Pack America
Corporation





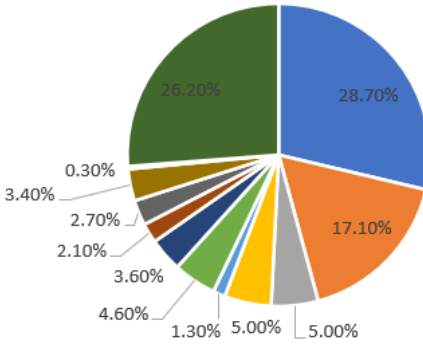


Trends in Net Sales and Ordinary Profit (Consolidated) from the Company's Founding (1952) through 2024



Distribution Structure for Major Products



The Pack's Strengths (1)

Strength	Specifics
<p>1. A wide-ranging customer base</p>  <p>Apparel and other goods</p>  <p>e-commerce</p>	<p>◆ Transaction counterparties: approx. 14,000 companies</p> <p>Food products, department stores, specialty stores, large retailers, general retailers, convenience stores, fast food, apparel, home electronics manufacturers, e-commerce, etc.</p> <p>⇒ <u>A customer base resistant to the negative effects of downturns in specific industries</u></p> <div data-bbox="1130 664 1845 792"> <ul style="list-style-type: none"> Food products Convenience stores Home electronics and home installations Apparel Pharmaceuticals and cosmetics Life care Department stores e-commerce (mail order) * Automotive Supermarkets and drug stores Sundries Other </div>  <p>(As of December 31, 2024)</p>  <p>Food products</p>  <p>Consumer industries</p>

The Pack's Strengths (2)

Strength	Specifics
2. A total packaging solutions provider	<ul style="list-style-type: none"> ◆ (Full support structure) Solutions proposed by joint efforts of the sales, research and planning, engineering, and design sections ◆ (Thorough expertise and access to large body of information) Operating one of Japan's largest packaging labs <p>⇒ <u>Delivering consulting-based solutions in response to the wide-ranging needs of customers</u></p>



The Pack's Strengths (2)

■ The Packaging Laboratories

We operate three permanent showrooms—Tokyo, Osaka, and Fukuoka—which each feature a focus on packages.

Exhibiting collections of packages from around the world, these showrooms help visitors grasp packaging trends and determine the specifications for their packages. Each year, the Packaging Laboratories welcome some 2,300 visitors from some 1,200 companies.



Packaging Laboratory Tokyo



Packaging Laboratory Osaka



Packaging Laboratory Fukuoka



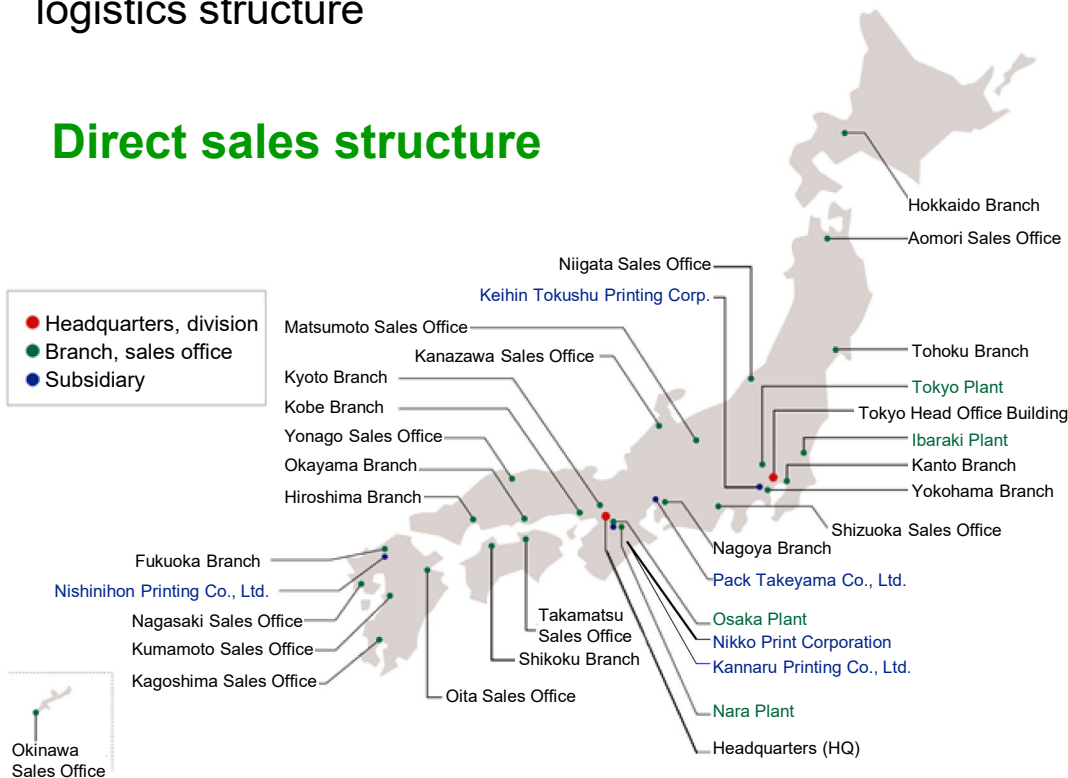
The Pack's Strengths (3)

Strength

Specifics

3. Integrated manufacturing, sales, and logistics structure

Direct sales structure



Teamwork among our four domestic plants, Group companies, and subcontractor plants also helps manage the risk of disasters and accidents.

The Pack Group

Printing plant



Film packaging plant



Corrugated board plant



Manufacturing

Paper bag plant



Paper cartons plant



Nationwide direct sales structure

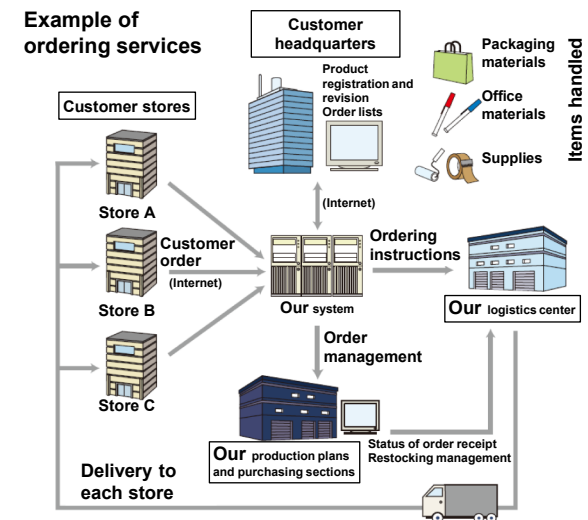
Logistics

Products

Customers across Japan

The Pack's Strengths (4) (5)

Strength	Specifics
4. Quality control structure	<ul style="list-style-type: none"> ◆ Groupwide quality management systems are ISO 9001-certified. ◆ The Tokyo and Osaka plants <u>have earned FSSC 22000 international food-safety management system certification.</u> ◆ Based on a policy of improving customer satisfaction through enhanced quality, we strive to earn customer trust by delivering safe, reliable products.
5. IT-driven customer networks	<ul style="list-style-type: none"> ◆ Delivering packaging materials, supplies, and other products as an integrated service <ul style="list-style-type: none"> ⇒ <u>Streamlined logistics based on combined deliveries also helps cut CO₂ emissions.</u> ◆ Offering Pack-Web web-ordering services <ul style="list-style-type: none"> ⇒ <u>Streamlining customers' ordering operations</u>



ESG Initiatives (1)

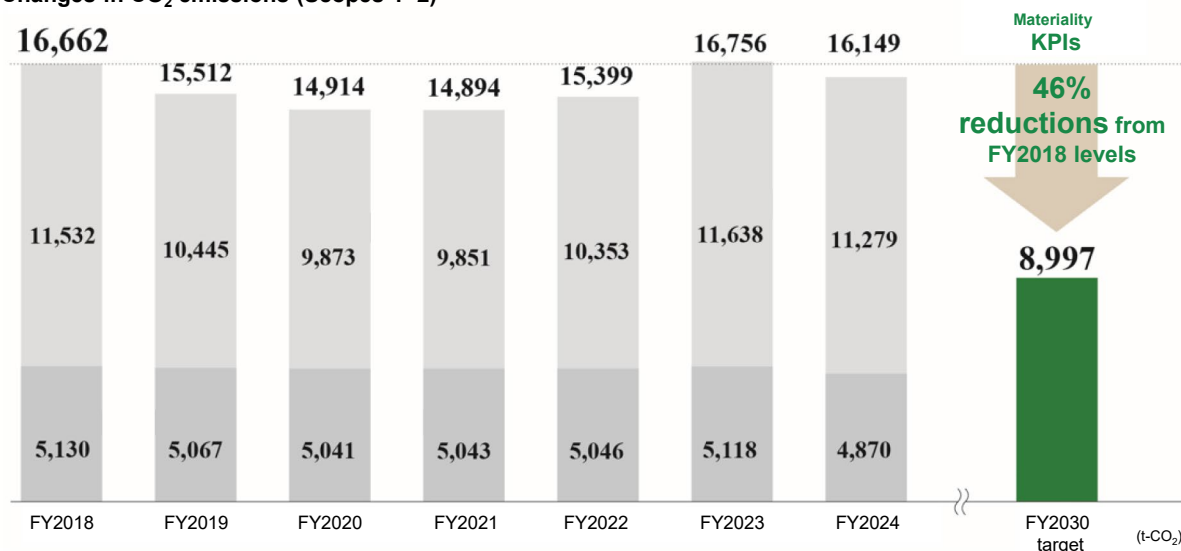
Initiatives	Specifics
<p>1. Planning and proposing packages to support social contribution activities</p> <p>Relationship to the SDGs</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>1 NO POVERTY</p> </div> <div style="text-align: center;"> <p>2 ZERO HUNGER</p> </div> <div style="text-align: center;"> <p>10 REDUCED INEQUALITIES</p> </div> </div>	<p>◆ <u>Support social contribution activity of a client through our development team's planning and package proposal</u> ~Case study involving planning and proposing the packaging for Chikiri Shimizu Shoten Dashi (broth) Gift collaborated with TFT*~</p> <p style="text-align: right;">* TABLE FOR TWO International, a non-profit organization</p> <p>Our planner and designer planned and designed the package in development of the client's new product.</p> <p>Along with a package proposal, we proposed participation in the TFT program where a part of the price of each product is donated to buy meals for one school lunch for Asian and African children. Support social contribution activity of a client</p> <p>Received the grand prize in the Rookie Section of the “TABLE FOR TWO Award 2024”</p> <div style="text-align: center;"> </div> <p>▲ A design conveying the hope that a line started from chopsticks held by the hand of an adult will be finally connected to a spoon held by a child</p> <div style="background-color: #D9F7D9; padding: 10px; margin-top: 20px;"> <div style="display: flex; align-items: center;"> <h2 style="margin: 0;">TABLE FOR TWO</h2> </div> <p>The TABLE FOR TWO program is a program offered by the specified non-profit corporation TABLE FOR TWO International (https://www.tablefor2.org/). When a product under this program is purchased, 20 yen of the price of the product is donated to buy meals for one school lunch for children around the world suffering from famine. The donation is used for providing school lunches and supporting the vegetable farms productivity improvement program mainly in five countries (Kenya, Tanzania, Rwanda, Uganda, and the Philippines) in Eastern Africa and Southeastern Asia.</p> </div>

ESG Initiatives (2)

2. Environmental initiatives

- ◆ All plants and sites in Japan had earned ISO 14001 certification as of 2006.
- ◆ Continuing to reduce the use of materials appearing on the Pollutant Release and Transfer Register (PRTR) and in industrial waste
- ◆ Developing and expanding sales of eco-friendly products and FSC® products
- ◆ We fulfill our obligations as a core member of the Japan Clean Ocean Material Alliance, which promotes activities across the economy to develop and promote innovative substitutes based on public-private partnerships to reduce ocean plastic waste.
- ◆ Promoting the use and spread of renewable energy by investing in renewable energy funds
- ◆ Disclosing information according to TCFD and setting CO₂ emission reduction targets by FY2030
⇒ Reducing CO₂ emissions (Scopes 1+2) by 46% from the FY2018 level

Changes in CO₂ emissions (Scopes 1+2)



Relationship to the SDGs



ESG Initiatives (3)

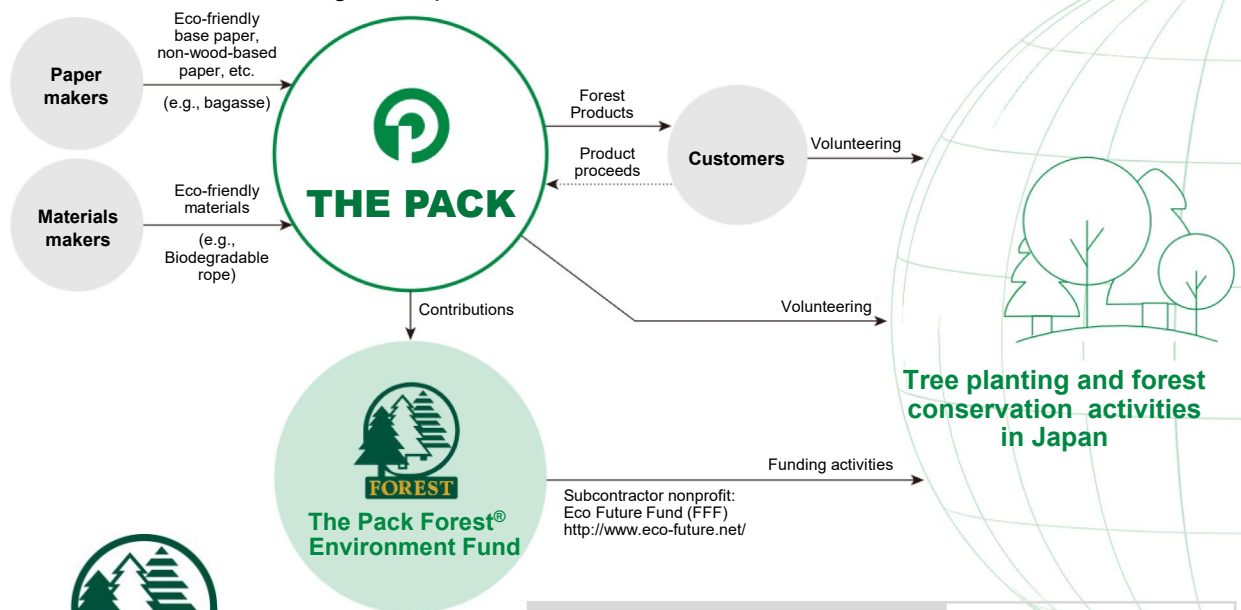
3. Activities of The Pack Forest® Environment Fund (forest conservation activities)

Relationship to the SDGs



Specifics

- ◆ In 2000, we established an independent The Pack Forest® Environment Fund and launched volunteer activities to plant and thin forested areas. Currently we have nine planting sites across Japan.
- ◆ We contribute a portion of the sales from eco-friendly products to the Forest Environment Fund.
- ◆ Operation of the Fund is subcontracted to the nonprofit Eco Future Fund (EFF).
- ◆ We carry out forest conservation activities with the participation of not just The Pack employees, but customers and the general public.


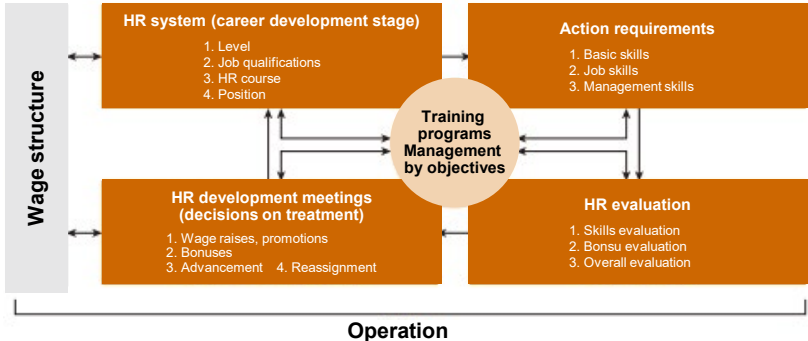


The Pack Forest Mark




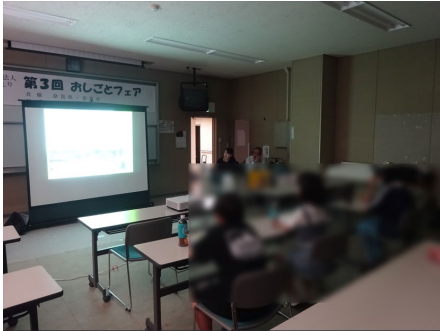
Funds contributed	204 million yen
Trees planted	22,853
Total participants	7,558
Planted land area	19.03 Ha
CO ₂ emissions absorbed	2,113.67 t

(Totals as December 31, 2024)

ESG Initiatives (4)

Initiatives	Specifics
<p>4. Human Resource Development and Workplace Development</p> <p>Relationship to the SDGs</p> <div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> </div>	<ul style="list-style-type: none"> ◆ In accordance with our Company Motto, “Passionate and Dedicated to Our Partnerships,” and our Corporate Philosophy, “We Value and Nurture People,” we are implementing initiatives to contribute to employee welfare, including human resource development, support for childcare and long-term care, and employment stability. ◆ Chosen by the Certified Health & Productivity Management Outstanding Organizations Recognition Program 2024 (for the sixth consecutive year) Thorough health checkups and secondary examinations, smoking cessation challenge, stress checks, health training, etc. ◆ Adoption and use of evaluation and support programs to help improve skills In 2020, we adopted a new HR system, which includes integrated management of employee information using a talent management system, fair and appropriate evaluation through HR development meetings, and economic assistance with earning official qualifications through the skills improvement support program, among other activities. <div>  <p>健康経営優良法人 2024 Health and productivity</p> </div> <div>  <p>The diagram illustrates the HR system flow. On the left, a vertical grey bar labeled 'Wage structure' is connected by double-headed arrows to two orange boxes. The top box is 'HR system (career development stage)' with sub-points: 1. Level, 2. Job qualifications, 3. HR course, 4. Position. The bottom box is 'HR development meetings (decisions on treatment)' with sub-points: 1. Wage raises, promotions, 2. Bonuses, 3. Advancement, 4. Reassignment. To the right of these boxes is a central circle labeled 'Training programs Management by objectives'. This circle is connected by double-headed arrows to the two orange boxes and to another orange box on the right labeled 'Action requirements' with sub-points: 1. Basic skills, 2. Job skills, 3. Management skills. Below the 'Action requirements' box is another orange box labeled 'HR evaluation' with sub-points: 1. Skills evaluation, 2. Bonus evaluation, 3. Overall evaluation. Double-headed arrows connect 'Action requirements' and 'HR evaluation'. A bracket at the bottom of the entire diagram is labeled 'Operation'.</p> </div> <ul style="list-style-type: none"> ◆ Making the most of diverse human resources Promoting women in the workplace, comprehensive program of shortened working hours, improving the employment conditions of post-retirement employees and part-time employees, encouraging men to take childcare leave, opening the Kainan Office to employ people with disabilities, adoption of a referral employment program, etc.

ESG Initiatives (5)

Initiatives	Specifics
5. Social contribution activities	<ul style="list-style-type: none"> ◆ As part of our environmental education initiatives, in cooperation with the city of Higashi-Osaka, we organize hands-on manufacturing classes at elementary schools. <div>  </div> <ul style="list-style-type: none"> ◆ Supporting the Kansai Philharmonic Orchestra ◆ Donations to Yoshinoyama Hoshoukai ◆ Sponsoring the Kids Earth Fund ◆ Supporting regions affected by the 2024 Noto Earthquake through disaster relief donation
Relationship to the SDGs	<div>    </div> <div>  </div> <p>Oshigoto Fair is an event aimed at junior high schoolers who live with foster families in small-scale foster group homes known as family homes and in group homes for children in Nara Prefecture. Its objective is to serve as an opportunity for them to listen to the stories of working adults and choose suitable future paths and occupations.</p>

Note

This document is intended to provide information on management policies and business results for the second quarter of the year ended December 31, 2024. It is not intended to solicit investment in securities issued by the Company. In addition, this document was prepared based on data as of December 31, 2024.

Views, forecasts, and other information contained in this document are based on the Company's judgments at the time the document was prepared. No guarantees are made concerning the accuracy or completeness of such information. The contents of this document are subject to change without notice.

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