

Business Results for the First Quarter of the Year Ending December 31, 2025

[Japan GAAP] (Consolidated)

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Company: **The Pack Corporation**
 Stock code: 3950
 Representative: Naoki Nakamura, President & CEO
 Contact: Ikuo Shimomura, Director, Corporate General Manager
 TEL: +81-6-4967-1221
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 Results briefing: None

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 URL: <https://www.thepack.co.jp>

(Rounded down to million yen)

1. Consolidated business results for the first quarter of the year ending December 31, 2025

(January 1, 2025 through March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of year ending December 31, 2025	22,951	1.1	1,277	(20.9)	1,320	(21.0)	994	(32.8)
First quarter of year ended December 31, 2024	22,694	5.9	1,613	13.5	1,670	11.9	1,479	47.8

(Note) Comprehensive income First quarter of year ending December 31, 2025: 638 million yen (down 66.0%)
 First quarter of year ended December 31, 2024: 1,880 million yen (58.1%)

	Quarterly basic earnings per share	Quarterly diluted earnings per share
	Yen	Yen
First quarter of year ending December 31, 2025	52.92	52.90
First quarter of year ended December 31, 2024	77.70	77.64

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
First quarter of year ending December 31, 2025	96,191	73,906	76.8
Year ended December 31, 2024	103,292	74,485	72.1

(Reference) Owner's equity First quarter of year ending December 31, 2025: 73,880 million yen
 First quarter of year ended December 31, 2024: 74,459 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	—	52.00	—	66.00	118.00
Year ending December 31, 2025	—				
Year ending December 31, 2025 (forecast)		58.00	—	64.00	122.00

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

3. Forecast of consolidated results for the year ending December 31, 2025

(January 1, 2025 through December 31, 2025)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second half (accumulated)	49,000	5.1	3,600	2.1	3,800	3.8	3,100	3.3	165.05
Full year	105,000	3.5	8,300	3.6	8,600	3.8	6,500	2.9	346.08

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

*Notes

- (1) Material changes in scope of consolidation during this quarterly cumulative period: None
- (2) Application of special account processing in preparation of quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies based on revisions of the accounting standard: Yes
 - 2) Changes in accounting policies other than ones based on revisions of the accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

(Note) For more information, see “2. Quarterly Consolidated Financial Statements and Notes: (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on p. 8 of the Attachments.

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

1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)	1Q, year ending December 31, 2025	19,900,000 shares	Year ended December 31, 2024	19,900,000 shares
2) Number of treasury shares at the end of fiscal year	1Q, year ending December 31, 2025	1,112,316 shares	Year ended December 31, 2024	1,118,364 shares
3) Average number of shares (quarterly cumulative)	1Q, year ending December 31, 2025	18,784,654 shares	1Q, year ended December 31, 2024	19,036,057 shares

*** Review of the attached Quarterly Consolidated Financial Statements by a certified public accountant or auditing firm: None**

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

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

Also see “1. Overview of Operational Results: (3) Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements” on p. 3 of the Attachments concerning forward-looking statements.

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1. Overview of Operational Results

(1) Quarterly Operational Results

In the first quarter of the consolidated fiscal year under review, Japan's economy saw ongoing improvement in income conditions, as corporations acted to reflect rising costs in prices. Consumption by inbound travelers continued to grow. Nevertheless, consumer purchasing power remained constrained by the ongoing Ukraine crisis, tariffs and reciprocal tariffs prompted by US actions, and ongoing high prices.

In the United States, while the economy remained stable, driven mainly by personal consumption, consumer confidence declined against a backdrop of various factors, including falling stock prices and uncertainty related to tariff policies, generating concerns about an economic slowdown and inflationary pressures.

In China, the real estate market remained stagnant. Amid expectations of additional U.S. tariffs on China, appetite for investment among private companies and consumer spending remained sluggish.

Under these conditions, in the period ending December 2025, the Group seeks to achieve net sales of 107,000 million yen and operating profit of 8,300 million yen under the slogan of its Medium-Term Management Plan: "Evolution: Start of Purpose-Based Management and Sustainable Management." The entire Group has operated as one team to boost business results through efforts including new market development, improved quality controls, and proactive investment in physical and human capital. During the first quarter of the consolidated fiscal year under review, net sales grew by 1.1% year on year to 22,951 million yen; operating profit decreased by 20.9% to 1,277 million yen; ordinary profit decreased by 21.0% to 1,320 million yen; and profit attributable to owners of parent fell 32.8% to 994 million yen.

The business performance for each segment is given below.

(Paper Products)

In the first quarter, the paper products segment accounted for 73.6% of consolidated sales. Sales of paper bags, which accounted for 31.0% of consolidated sales, to the food, tourism, and retail businesses grew, driven by continuing growth in consumption by inbound tourism. Sales of The Pack America Corp. also trended strongly, growing by 1.7% year on year to 7,126 million yen.

Sales of folding paper cartons, which accounted for 26.5% of consolidated sales, grew by 2.6% to 6,069 million yen. Contributing factors included strong sales to the souvenirs market, chiefly in cartons for food products, as well as strong sales of cartons for takeout/delivery food products and packages for the e-commerce market.

Robust sales of packages for e-commerce and corrugated boxes for shipping in the manufacturing sector drove sales of corrugated boxes, which accounted for 14.1% of consolidated sales, up 12.2% to 3,232 million yen.

Despite new demand centered on printing of packaging, printing sales, which accounted for 2.0% of consolidated sales, fell by 4.9% to 463 million yen due to slow sales by Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment grew 3.7% to 16,892 million yen. Operating profit fell by 13.0% to 1,255 million yen.

(Film Packaging)

The film packaging segment accounted for 13.9% of consolidated sales during the first quarter under review. Segment sales were up 2.5% year on year to 3,192 million yen due to recovering sales of products to the e-commerce segment and to specialty retail stores. Operating profit in this segment, however, was down 8.4% to 148 million yen.

(Other Businesses)

Other businesses accounted for 12.5% of consolidated sales in the first quarter under review. Reduced sales of supplies for Pack Assortment Service System (PAS: integrated outsourcing systems designed to handle tasks from manufacturing and

procurement through inventory control and delivery of packaging materials) resulted in a year-on-year decrease of 13.0% in segment sales, to 2,865 million yen. Operating income fell by 29.9% to 168 million yen.

(2) Quarterly Financial Position

Assets totaled 96,191 million yen at the end of the first quarter under review, down 7,100 million yen from the end of 2024. Major contributing factors included declines of 6,693 million yen in notes and accounts receivable-trade and 499 million yen in securities.

Liabilities fell by 6,521 million yen to 22,285 million yen. Primary factors were declines of 3,379 million yen in notes and accounts payable-trade, 1,902 million yen in electronically recorded obligations-operating, and 1,084 million yen in income taxes payable.

Net assets decreased by 578 million yen to 73,906 million yen. Key factors were decreases of 245 million yen in retained earnings, 203 million yen in foreign currency translation adjustment, and 139 million yen in valuation difference on available-for-sale securities.

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

Consolidated business forecasts remain unchanged from the information announced on February 12, 2025.

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

(Million yen)

	Previous fiscal year (as of December 31, 2024)	First quarter of current fiscal year (as of March 31, 2025)
Assets		
Current assets		
Cash and deposits	15,167	15,236
Notes and accounts receivable-trade	25,346	18,652
Securities	8,499	8,000
Merchandise and finished goods	7,121	7,406
Work in process	1,260	1,380
Raw materials and supplies	986	1,022
Other	1,671	1,250
Allowance for doubtful accounts	(11)	(29)
Total current assets	60,043	52,918
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	8,399	8,505
Machinery, equipment, and vehicles, net	9,114	8,968
Tools, furniture and fixtures, net	339	324
Land	11,180	11,238
Construction in progress	1,133	1,446
Total property, plant and equipment	30,166	30,483
Intangible assets	3,384	3,432
Investments and other assets		
Investment securities	8,058	7,790
Net defined benefit asset	627	719
Deferred tax assets	110	151
Other	955	751
Allowance for doubtful accounts	(55)	(55)
Total investments and other assets	9,697	9,357
Total non-current assets	43,248	43,273
Total assets	103,292	96,191

(Million yen)

	Previous fiscal year (as of December 31, 2024)	First quarter of current fiscal year (as of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,966	10,586
Electronically recorded obligations-operating	7,149	5,246
Current portion of long-term loans payable	33	83
Income taxes payable	1,774	689
Provision for bonuses	358	905
Provision for bonuses for directors (and other officers)	56	20
Other	4,427	3,332
Total current liabilities	27,766	20,865
Non-current liabilities		
Long-term loans payable	49	544
Retirement benefit liability	335	374
Deferred tax liabilities	620	455
Other	34	44
Total non-current liabilities	1,040	1,419
Total liabilities	28,806	22,285
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,161	3,164
Retained earnings	69,259	69,013
Treasury shares	(3,536)	(3,517)
Total shareholders' equity	71,437	71,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,035	1,896
Deferred gains or losses on hedges	3	(0)
Foreign currency translation adjustment	561	357
Remeasurements of defined benefit plans	421	413
Total accumulated other comprehensive income	3,022	2,667
Share acquisition rights	25	25
Total net assets	74,485	73,906
Total liabilities and net assets	103,292	96,191

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2024 to March 31, 2024)	Cumulative period through first quarter of current fiscal year (from January 1, 2025 to March 31, 2025)
Net sales	22,694	22,951
Cost of sales	16,928	17,251
Gross profit	5,766	5,699
Selling, general and administrative expenses		
Freightage and packing expenses	942	941
Salaries and allowances	929	1,002
Directors' compensation	127	125
Provision of allowance for doubtful accounts	96	17
Provision for bonuses	255	282
Provision for directors' bonuses	12	13
Retirement benefit expenses	45	54
Depreciation	99	192
Rent expenses	733	770
Other	908	1,021
Total selling, general and administrative expenses	4,152	4,422
Operating profit	1,613	1,277
Non-operating income		
Interest income	30	37
Dividend income	10	12
Rent income	9	10
Foreign exchange gains	3	—
Other	5	8
Total non-operating income	59	68
Non-operating expenses		
Interest expenses	0	0
Cost of lease revenue	1	1
Foreign exchange gains or losses	—	22
Other	0	0
Total non-operating expenses	2	25
Ordinary profit	1,670	1,320
Extraordinary income		
Gain on sales of investment securities	510	94
Gain on sales of non-current assets	—	0
Total extraordinary income	510	94
Extraordinary losses		
Loss on sales of non-current assets	—	0
Loss on retirement of non-current assets	6	0
Total extraordinary losses	6	0
Profit before income taxes	2,175	1,414
Income taxes-current	771	564
Income taxes-deferred	(75)	(143)
Total income taxes	695	420
Profit	1,479	994
Profit (loss) attributable to non-controlling interests	0	—
Profit attributable to owners of parent	1,479	994

Quarterly Consolidated Statement of Comprehensive Income

Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2024 to March 31, 2024)	Cumulative period through first quarter of current fiscal year (from January 1, 2025 to March 31, 2025)
Profit	1,479	994
Other comprehensive income		
Valuation difference on available-for-sale securities	230	(139)
Deferred gains or losses on hedges	3	(4)
Foreign currency translation adjustment	174	(203)
Remeasurements of defined benefit plans, net of tax	(6)	(8)
Total other comprehensive income	401	(355)
Comprehensive income	1,880	638
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,880	638

(3) Notes to Quarterly Consolidated Financial Statements**(Changes in accounting policies)**

(Application of the Accounting Standard for Current Income Taxes and other applicable standards)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied from the start of the first quarter of the consolidated fiscal year under review.

The provisional handling specified in the provisions of Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the provisions of Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) have been applied for revisions related to the accounting classifications of income tax (taxation on other comprehensive income). This change in accounting policies has had no effect on the consolidated financial statements.

For changes related to revised handling in the consolidated financial statements of carryover for tax purposes of gains/losses on sale arising in connection with sale of assets such as stock in subsidiaries among consolidated companies, the 2022 Revised Guidance has been applied since the start of the first quarter of the consolidated fiscal year under review. This change in accounting policies has been applied retroactively. Quarterly consolidated financial statements for the preceding quarter and consolidated financial statements for the preceding consolidated fiscal year reflect this retroactive application.

This change has had no effect on quarterly consolidated financial statements for the preceding quarter or the consolidated financial statements for the preceding consolidated fiscal year.

(Segment and Other Information)

Segment overview

I First quarter of previous consolidated fiscal year (from January 1 through March 31, 2024)**1. Information on amounts of sales and profit/loss and breakdown of revenues by segment**

(Million yen)

	Reportable segment			Other businesses Note 1	Total	Adjustment Note 2	Amount posted in the Quarterly Consolidated Statement of Income Note 3
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	7,005	—	7,005	—	7,005	—	7,005
Folding paper cartons	5,913	—	5,913	—	5,913	—	5,913
Corrugated boxes	2,881	—	2,881	—	2,881	—	2,881
Printing	487	—	487	—	487	—	487
Film packaging	—	3,113	3,113	—	3,113	—	3,113
Other	—	—	—	3,292	3,292	—	3,292
Revenues from contracts with customers	16,289	3,113	19,402	3,292	22,694	—	22,694
Other revenues	—	—	—	—	—	—	—
Sales to external customers	16,289	3,113	19,402	3,292	22,694	—	22,694
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	16,289	3,113	19,402	3,292	22,694	—	22,694
Segment profit	1,442	161	1,604	239	1,843	(229)	1,613

- (Note) 1. “Other businesses” includes supplies and other goods.
 2. The adjustments are as follows:
 (1) The -229 million yen adjustment to segment profit includes the elimination of 3 million yen in intersegment transactions not allocated to reportable segments and corporate expenses of -233 million yen. Corporate expenses primarily involve the parent company’s Administrative Department.
 3. Segment profit is adjusted for consistency with the operating profit stated in the quarterly consolidated statement of income.

II First quarter of current consolidated fiscal year (from January 1 through March 31, 2025)

1. Information on amounts of sales and profit/loss and breakdown of revenues by segment

(Million yen)

	Reportable segment			Other businesses Note 1	Total	Adjustment Note 2	Amount posted in the Quarterly Consolidated Statement of Income Note 3
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	7,126	—	7,126	—	7,126	—	7,126
Folding paper cartons	6,069	—	6,069	—	6,069	—	6,069
Corrugated boxes	3,232	—	3,232	—	3,232	—	3,232
Printing	463	—	463	—	463	—	463
Film packaging	—	3,192	3,192	—	3,192	—	3,192
Other	—	—	—	2,865	2,865	—	2,865
Revenues from contracts with customers	16,892	3,192	20,085	2,865	22,951	—	22,951
Other revenues	—	—	—	—	—	—	—
Sales to external customers	16,892	3,192	20,085	2,865	22,951	—	22,951
Intersegment sales and transfers	—	—	—	—	—	—	—
Total	16,892	3,192	20,085	2,865	22,951	—	22,951
Segment profit	1,255	148	1,403	168	1,571	(294)	1,277

- (Note)
1. “Other businesses” includes supplies and other goods.
 2. The adjustments are as follows:
 - (1) The -294 million yen adjustment to segment profit includes the elimination of 44 million yen in intersegment transactions not allocated to reportable segments and corporate expenses of -250 million yen. Corporate expenses primarily involve the parent company’s Administrative Department.
 3. Segment profit is adjusted for consistency with the operating profit stated in the quarterly consolidated statement of income.

(Significant Changes in Shareholders’ Equity)

Not applicable

(Going Concern Assumption)

Not applicable

(Quarterly Consolidated Statement of Cash Flows)

No Quarterly Consolidated Statement of Cash Flows was prepared for the first quarter of the consolidated fiscal year under review. Depreciation (including depreciation on non-current assets) in the first quarter of the consolidated fiscal year under review is shown below.

	Cumulative period through first quarter of previous fiscal year (from January 1 through March 31, 2024)	Cumulative period through first quarter of current fiscal year (from January 1 through March 31, 2025)
Depreciation	488 million	687 million