

Business Results for the Second Quarter of the Year Ending December 31, 2025 (Six Months) [Japan GAAP] (Consolidated)

August 12, 2025

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Supplementary financial documents: Yes
 Results briefing: Yes (for institutional investors and securities analysts)

(Rounded down to million yen)

1. Consolidated business results for the second quarter of the year ending December 31, 2025 (six months) (January 1, 2025 through June 30, 2025)

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

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--------------------------------|-------------|-----|------------------|--------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Six months ended June 30, 2025 | 47,385 | 1.6 | 2,863 | (18.8) | 3,038 | (17.0) | 2,428 | (19.0) |
| Six months ended June 30, 2024 | 46,617 | 3.9 | 3,525 | 18.4 | 3,662 | 16.3 | 2,999 | 40.6 |

(Note) Comprehensive income Second quarter of year ending December 31, 2025 (six months): 1,833 million yen (down 38.9%)
 Second quarter of year ended December 31, 2024 (six months): 3,002 million yen (up 2.0%)

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Six months ended June 30, 2025 | 43.09 | 43.07 |
| Six months ended June 30, 2024 | 52.56 | 52.53 |

(Note) The Company implemented a stock split at a ratio of three common shares to one with an effective date of July 1, 2025.
 Calculations of basic earnings per share and diluted earnings per share are based on the assumption that the stock split took place at the beginning of the fiscal year ended December 31, 2024.

(2) Consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio |
|--------------------------------|--------------|-------------|------------------------|
| | Million yen | Million yen | % |
| Six months ended June 30, 2025 | 98,532 | 75,110 | 76.2 |
| Year ended December 31, 2024 | 103,292 | 74,485 | 72.1 |

(Reference) Owner's equity Six months ended June 30, 2025: 75,092 million yen
 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 | — | 58.00 | | | |
| Year ending December 31, 2025 (forecast) | | | — | 22.00 | — |

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

The Company implemented a stock split at a ratio of three common shares to one with an effective date of July 1, 2025. The figures given for the year ending December 31, 2025 (forecast) are those after the stock split; “—” refers to the total annual dividend. The year-end dividend per share for the year ending December 31, 2025 (forecast), without the stock split would be 66.00 yen.

3. Forecast of consolidated results for the year ending December 31, 2025
(January 1, 2025 through December 31, 2025)

(Full year %: 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 |
| Full year | 103,000 | 1.5 | 7,300 | (8.9) | 7,600 | (8.3) | 6,100 | (3.4) | 108.26 |

(Notes) 1. Revision from most recently announced forecast of results: Yes

Consolidated business forecasts have been revised. For more information, refer to the Notice Concerning Revisions to Full-Year Consolidated Business Forecasts announced today (i.e., August 12, 2025).

2. The Company implemented a stock split at a ratio of three common shares to one with an effective date of July 1, 2025. For basic earnings per share in the forecast of consolidated results, the figure after the stock split is presented. The figure for basic earnings per share without the stock split would be 324.79 yen.

***Notes**

(1) Material changes in scope of consolidation during the period: None

(2) Application of special account processing in preparation of six-month consolidated 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

(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) | Six months ended June 30, 2025 | 59,700,000 shares | Year ended December 31, 2024 | 59,700,000 shares |
| 2) Number of treasury shares at the end of fiscal year | Six months ended June 30, 2025 | 3,306,948 shares | Year ended December 31, 2024 | 3,355,092 shares |
| 3) Average number of shares (cumulative from the beginning of the fiscal year) | Six months ended June 30, 2025 | 56,367,373 shares | Six months ended June 30, 2024 | 56,813,178 shares |

(Note) The Company implemented a stock split at a ratio of three common shares to one with an effective date of July 1, 2025.

Calculations of number of issued and outstanding shares at the end of fiscal year (including treasury shares), number of treasury shares at the end of fiscal year and average number of shares (cumulative from the beginning of the fiscal year) are based on the assumption that the stock split took place at the beginning of the fiscal year ended December 31, 2024.

***The six-month financial summary is not subject to audits by certified public accountants or auditing firms.**

***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 "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. Qualitative Information Concerning Business Results for the Six-Month Period Under Review

(1) Description of Operational Results

During the six-month period under review, Japan's economy maintained a course of gentle recovery, due mainly to improvement in income conditions, the government's economic stimulation measures, and growth in spending by tourists from abroad. Nevertheless, compared to wage and income growth, the recovery in consumer spending was relatively weak due to the continually rising cost of consumer goods, including food products. Under these circumstances, additional US tariffs pose a major risk that may directly and indirectly dampen Japan's economy.

In the US, while price increases affected consumer behavior, the unemployment rate remained at historically low levels. Fundamentals supporting consumer spending remained solid. There are concerns, however, that consumer confidence may weaken for various reasons, including falling stock prices and uncertainty related to tariff policies.

In China, the real estate market remained stagnant; uncertainty over trade conflicts with the US has affected the economy. Nevertheless, domestic spending gradually recovered due to economic measures and social support measures of the government.

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 a single united team to boost business results. Efforts undertaken to date include new market development and improved quality controls. Due partly to proactive investments in physical and human capital, during the six-month period under review, net sales grew by 1.6% year on year to 47,385 million yen; operating profit declined by 18.8% to 2,863 million yen; ordinary profit declined by 17.0% to 3,038 million yen; and profit attributable to owners of parent fell by 19.0% to 2,428 million yen.

The business performance for each segment is given below.

(Paper Products)

During the six-month period under review, the paper products segment accounted for 73.6% of consolidated sales. In sales of paper bags, which accounted for 30.6% of consolidated sales, those to the food, tourism, and retail businesses grew, driven by continuing strong consumption by inbound tourism. The Pack America Corp. continued to post strong sales, which grew by 1.4% year on year to 14,485 million yen.

Sales of paper cartons, which accounted for 26.8% of consolidated sales, grew by 4.8% to 12,704 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 rose 13.8% to 6,745 million yen, accounting for 14.2% of consolidated sales.

In the area of printing, despite efforts to respond to new demand centered on printing of packaging, sales, accounting for 2.0% of consolidated sales, fell by 5.0% to 945 million yen.

Overall, sales in this segment grew 4.7% to 34,881 million yen. Operating profit fell by 21.4% to 2,488 million yen.

(Film Packaging)

The film packaging segment accounted for 13.4% of consolidated sales during the six-month period under review. Segment sales were down 0.2% year on year to 6,337 million yen as sales to specialty retail stores decreased with the migration from film to paper packaging. Operating profit in this segment was down 28.9% to 286 million yen.

(Other Businesses)

Other businesses accounted for 13.0% of consolidated sales during the six-month period 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 11.2% in segment sales to 6,166 million yen. Operating income fell by 25.0% to 389 million yen.

(2) Description of Financial Position

(i) Assets, liabilities, and net assets

Total assets at the end of the six-month period under review stood at 98,532 million yen, down 4,759 million yen from the end of the previous fiscal year. Major factors included declines of 7,777 million yen in notes and accounts receivable-trade and 3,015 million yen in securities, offset by an increase of 5,742 million in cash and deposits.

Liabilities declined by 5,384 million yen to 23,421 million yen. Major factors included declines of 3,138 million yen in notes and accounts payable-trade and 1,928 million yen in electronically recorded obligations-operating.

Net assets grew by 625 million yen to 75,110 million yen. Major factors included an increase of 1,173 million yen in retained earnings, offset by declines of 277 million yen in valuation differences on available-for-sale securities and 298 million yen in foreign currency translation adjustments.

(ii) Cash flow

The balance of cash and cash equivalents at the end of the six-month period under review was down 3.7% year on year, or 811 million yen, to 21,399 million yen.

(Cash flow from operating activities)

Cash flow from operating activities during the six-month period under review resulted in net cash provided of 5,435 million yen (compared to net cash provided of 6,301 million yen in the previous corresponding six-month period). Factors contributing to this figure include the recording of 3,524 million yen in profit before income taxes, a decrease of 7,810 million yen in notes and accounts receivable-trade, and depreciation of 1,403 million yen. These factors more than offset the decrease of 5,044 million yen in notes and accounts payable-trade and increase of 389 million yen in inventories.

(Cash flow used in investment activities)

Cash flow used in investment activities during the six-month period under review resulted in net cash provided of 884 million yen (compared to net cash used of 97 million yen in the previous corresponding six-month period). This figure reflects various factors, including 5,515 million yen in proceeds from sales of securities and 316 million yen provided by collection of loans receivable, despite 3,000 million yen used in purchase of securities, 1,530 million yen used in the purchase of property, plant, and equipment, and 607 million yen used in the purchase of intangible assets.

(Cash flow used in financing activities)

Cash flow used in financing activities during the six-month period under review resulted in net cash used of 1,378 million yen (compared to net cash used of 2,084 million yen in the previous corresponding six-month period). This figure reflects various factors, including cash dividends paid of 1,239 million yen and repayments of long-term loans payable of 64 million yen.

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

Consolidated business forecasts have been changed from those announced February 12, 2025. For more information, refer to the Notice Concerning Revisions to Full-Year Consolidated Business Forecasts announced today (on August 12, 2025).

2. Six-month Consolidated Financial Statements and Notes**(1) Six-month Consolidated Balance Sheet**

(Million yen)

| | Previous fiscal year (as of December 31, 2024) | Six-month period under review (as of June 30, 2025) |
|---|---|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 15,167 | 20,909 |
| Notes and accounts receivable-trade | 25,346 | 17,569 |
| Securities | 8,499 | 5,484 |
| Merchandise and finished goods | 7,121 | 7,651 |
| Work in process | 1,260 | 1,211 |
| Raw materials and supplies | 986 | 972 |
| Other | 1,671 | 1,585 |
| Allowance for doubtful accounts | (11) | (29) |
| Total current assets | 60,043 | 55,354 |
| Non-current assets | | |
| Property, plant, and equipment | | |
| Buildings and structures, net | 8,399 | 8,418 |
| Machinery, equipment, and vehicles, net | 9,114 | 8,744 |
| Tools, furniture, and fixtures, net | 339 | 317 |
| Land | 11,180 | 11,238 |
| Construction in progress | 1,133 | 1,623 |
| Total property, plant, and equipment | 30,166 | 30,342 |
| Intangible assets | 3,384 | 3,894 |
| Investments and other assets | | |
| Investment securities | 8,058 | 7,419 |
| Retirement benefit asset | 627 | 748 |
| Deferred tax assets | 110 | 147 |
| Other | 955 | 682 |
| Allowance for doubtful accounts | (55) | (56) |
| Total investments and other assets | 9,697 | 8,941 |
| Total non-current assets | 43,248 | 43,177 |
| Total assets | 103,292 | 98,532 |

(Million yen)

| | Previous fiscal year (as of December 31, 2024) | Six-month period under review (as of June 30, 2025) |
|--|---|--|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 13,966 | 10,827 |
| Electronically recorded obligations-operating | 7,149 | 5,220 |
| Current portion of long-term loans payable | 33 | 33 |
| Income taxes payable | 1,774 | 1,218 |
| Provision for bonuses | 358 | 296 |
| Provision for bonuses for directors (and other officers) | 56 | 28 |
| Other | 4,427 | 4,290 |
| Total current liabilities | 27,766 | 21,914 |
| Non-current liabilities | | |
| Long-term loans payable | 49 | 488 |
| Retirement benefit liability | 335 | 361 |
| Deferred tax liabilities | 620 | 595 |
| Other | 34 | 60 |
| Total non-current liabilities | 1,040 | 1,507 |
| Total liabilities | 28,806 | 23,421 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 2,553 | 2,553 |
| Capital surplus | 3,161 | 3,164 |
| Retained earnings | 69,259 | 70,432 |
| Treasury shares | (3,536) | (3,485) |
| Total shareholders' equity | 71,437 | 72,665 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,035 | 1,758 |
| Deferred gains or losses on hedges | 3 | 0 |
| Foreign currency translation adjustment | 561 | 262 |
| Remeasurements of defined benefit plans | 421 | 405 |
| Total accumulated other comprehensive income | 3,022 | 2,426 |
| Share acquisition rights | 25 | 18 |
| Total net assets | 74,485 | 75,110 |
| Total liabilities and net assets | 103,292 | 98,532 |

(2) Six-month Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Six-month Consolidated Statement of Income

Six-month period

(Million yen)

| | Preceding six-month period (from January 1, 2024 to June 30, 2024) | Six-month period under review (from January 1, 2025 to June 30, 2025) |
|--|--|---|
| Net sales | 46,617 | 47,385 |
| Cost of sales | 34,719 | 35,667 |
| Gross profit | 11,898 | 11,717 |
| Selling, general and administrative expenses | | |
| Freightage and packing expenses | 1,948 | 1,949 |
| Salaries and allowances | 2,258 | 2,342 |
| Directors' compensation | 252 | 271 |
| Provision of allowance for doubtful accounts | 88 | 18 |
| Provision for bonuses | 172 | 159 |
| Provision for directors' bonuses | 25 | 27 |
| Retirement benefit expenses | 99 | 110 |
| Depreciation | 188 | 387 |
| Rent expenses | 1,460 | 1,583 |
| Other | 1,878 | 2,002 |
| Total selling, general and administrative expenses | 8,373 | 8,854 |
| Operating profit | 3,525 | 2,863 |
| Non-operating income | | |
| Interest income | 60 | 74 |
| Dividend income | 69 | 82 |
| Rent income | 19 | 20 |
| Other | 11 | 31 |
| Total non-operating income | 160 | 208 |
| Non-operating expenses | | |
| Interest expenses | 1 | 4 |
| Cost of lease revenue | 2 | 3 |
| Foreign exchange losses | 13 | 13 |
| Commission for purchase of treasury shares | 2 | - |
| Other | 3 | 12 |
| Total non-operating expenses | 23 | 33 |
| Ordinary profit | 3,662 | 3,038 |
| Extraordinary income | | |
| Gain on sales of investment securities | 681 | 488 |
| Gain on sales of non-current assets | 56 | 0 |
| Total extraordinary income | 737 | 488 |
| Extraordinary losses | | |
| Loss on sales on non-current assets | 10 | 0 |
| Loss on retirement of non-current assets | 7 | 1 |
| Total extraordinary losses | 18 | 2 |
| Profit before income taxes | 4,381 | 3,524 |
| Income taxes-current | 1,290 | 1,063 |
| Income taxes-deferred | 91 | 31 |
| Total income taxes | 1,381 | 1,095 |
| Profit | 2,999 | 2,428 |
| Profit attributable to owners of parent | 2,999 | 2,428 |

Six-month Consolidated Statement of Income

Six-month period

(Million yen)

| | Preceding six-month period (from January 1, 2024 to June 30, 2024) | Six-month period under review (from January 1, 2025 to June 30, 2025) |
|---|--|---|
| Profit | 2,999 | 2,428 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (364) | (277) |
| Deferred gains or losses on hedges | 3 | (3) |
| Foreign currency translation adjustment | 376 | (298) |
| Remeasurements of defined benefit plans, net of tax | (13) | (15) |
| Total other comprehensive income | 2 | (595) |
| Comprehensive income | 3,002 | 1,833 |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | 3,002 | 1,833 |

(3) Six-month Consolidated Statement of Cash Flows

(Million yen)

| | Preceding six-month period (from January 1, 2024 to June 30, 2024) | Six-month period under review (from January 1, 2025 to June 30, 2025) |
|---|--|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 4,381 | 3,524 |
| Depreciation | 1,006 | 1,403 |
| Amortization of goodwill | — | 4 |
| Increase (decrease) in allowance for doubtful accounts | (42) | 18 |
| Increase (decrease) in provision for bonuses | (2) | (62) |
| Increase (decrease) in provision for bonuses for directors and other officers | (26) | (27) |
| Increase (decrease) in retirement benefit liability | (29) | (239) |
| Decrease (increase) in net defined benefit asset | (53) | 114 |
| Interest and dividend income | (129) | (157) |
| Interest expenses | 1 | 4 |
| Loss (gain) on investment limited partnership | (0) | (1) |
| Loss (gain) on sales of non-current assets | (45) | 0 |
| Loss on retirement of non-current assets | 7 | 1 |
| Loss (gain) on sales of investment securities | (681) | (488) |
| Decrease (increase) in notes and accounts receivable-trade | 5,703 | 7,810 |
| Decrease (increase) in inventories | (444) | (389) |
| Increase (decrease) in notes and accounts payable-trade | (2,846) | (5,044) |
| Other, net | 584 | 379 |
| Subtotal | 7,383 | 6,851 |
| Interest and dividend income received | 137 | 165 |
| Interest expenses paid | (1) | (4) |
| Income taxes paid | (1,218) | (1,576) |
| Net cash provided by (used in) operating activities | 6,301 | 5,435 |
| Cash flows used in investment activities | | |
| Payments into time deposits | — | (500) |
| Purchase of securities | (3,500) | (3,000) |
| Proceeds from sales of securities | 5,600 | 5,515 |
| Purchase of property, plant, and equipment | (1,958) | (1,530) |
| Proceeds from sales of property, plant, and equipment | 88 | 5 |
| Purchase of intangible assets | (635) | (607) |
| Purchase of investment securities | (519) | (13) |
| Proceeds from sales of investment securities | 802 | 779 |
| Collection of loans receivable | 35 | 316 |
| Payments for leasehold and guarantee deposits | (16) | (22) |
| Other, net | 8 | (60) |
| Net cash provided by (used in) investment activities | (97) | 884 |
| Cash flows used in financing activities | | |
| Repayments of long-term loans payable | (12) | (114) |
| Cash dividends paid | (1,046) | (1,239) |
| Purchase of treasury shares | (334) | — |
| Decrease (increase) in deposits for purchase of treasury shares | (668) | — |
| Other, net | (22) | (25) |
| Net cash provided by (used in) financing activities | (2,084) | (1,378) |
| Effect of exchange rate change on cash and cash equivalents | 278 | (198) |
| Net increase (decrease) in cash and cash equivalents | 4,398 | 4,743 |
| Cash and cash equivalents at beginning of period | 17,812 | 16,656 |
| Cash and cash equivalents at end of period | 22,210 | 21,399 |

(4) Notes to Six-month 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.

(Going Concern Assumption)

Not applicable

(Significant Changes in Shareholders' Equity)

Not applicable

(Six-month Consolidated Statement of Cash Flows)

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

| | (Million yen) | |
|---|--|--|
| | Preceding six-month period (from January 1, 2024 to June 30, 2024) | Six-month period under review (from January 1, 2025 to June 30, 2025) |
| Cash and deposits | 20,221 | 20,909 |
| Time deposits with deposit terms of more than three months | (10) | (510) |
| Securities redeemable within three months from the date of purchase | 1,999 | 1,000 |
| Cash and cash equivalents | 22,210 | 21,399 |

(Segment and Other Information)

[Segment information]

I. Preceding six-month period (from January 1, 2024 to June 30, 2024)

1. Net sales and profit or loss and breakdown of profit by reportable segment

(Million yen)

| | Reportable segment | | | Other businesses (Note 1) | Total | Adjustment (Note 2) | Amount posted in the Six-month Consolidated Statement of Income (Note 3) |
|---|--------------------|-------------------|----------|------------------------------|--------|------------------------|--|
| | Paper Products | Film Packaging | Subtotal | | | | |
| Net sales | | | | | | | |
| Paper bags | 14,279 | — | 14,279 | — | 14,279 | — | 14,279 |
| Paper cartons | 12,120 | — | 12,120 | — | 12,120 | — | 12,120 |
| Corrugated boxes | 5,926 | — | 5,926 | — | 5,926 | — | 5,926 |
| Printing | 995 | — | 995 | — | 995 | — | 995 |
| Film Packaging | — | 6,347 | 6,347 | — | 6,347 | — | 6,347 |
| Others | — | — | — | 6,947 | 6,947 | — | 6,947 |
| Revenue from contracts with customers | 33,322 | 6,347 | 39,669 | 6,947 | 46,617 | — | 46,617 |
| Other revenue | — | — | — | — | — | — | — |
| Sales to external customers | 33,322 | 6,347 | 39,669 | 6,947 | 46,617 | — | 46,617 |
| Intersegment sales and transfers | — | — | — | — | — | — | — |
| Subtotal | 33,322 | 6,347 | 39,669 | 6,947 | 46,617 | — | 46,617 |
| Segment profit | 3,164 | 403 | 3,568 | 519 | 4,088 | (562) | 3,525 |

(Notes) 1. "Others" includes supplies and other goods.

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

3. Segment profit is adjusted against operating profit on the Six-month Consolidated Statement of Income.

II. Six-month period under review (from January 1, 2025 to June 30, 2025)

1. Net sales and profit or loss and breakdown of profit by reportable segment

(Million yen)

| | Reportable segment | | | Other businesses (Note 1) | Total | Adjustment (Note 2) | Amount posted in the Six-month Consolidated Statement of Income (Note 3) |
|---|--------------------|-------------------|----------|------------------------------|--------|------------------------|--|
| | Paper Products | Film Packaging | Subtotal | | | | |
| Net sales | | | | | | | |
| Paper bags | 14,485 | — | 14,485 | — | 14,485 | — | 14,485 |
| Paper cartons | 12,704 | — | 12,704 | — | 12,704 | — | 12,704 |
| Corrugated boxes | 6,745 | — | 6,745 | — | 6,745 | — | 6,745 |
| Printing | 945 | — | 945 | — | 945 | — | 945 |
| Film Packaging | — | 6,337 | 6,337 | — | 6,337 | — | 6,337 |
| Others | — | — | — | 6,166 | 6,166 | — | 6,166 |
| Revenue from contracts with customers | 34,881 | 6,337 | 41,218 | 6,166 | 47,385 | — | 47,385 |
| Other revenue | — | — | — | — | — | — | — |
| Sales to external customers | 34,881 | 6,337 | 41,218 | 6,166 | 47,385 | — | 47,385 |
| Intersegment sales and transfers | — | — | — | — | — | — | — |
| Subtotal | 34,881 | 6,337 | 41,218 | 6,166 | 47,385 | — | 47,385 |
| Segment profit | 2,488 | 286 | 2,775 | 389 | 3,165 | (302) | 2,863 |

(Notes) 1. “Others” includes supplies and other goods.

2. The adjustment amount of -302 million yen for segment profit includes -51 million yen in elimination of intersegment transactions and -250 million yen in Companywide costs, which are not allocated to individual reportable segments. Companywide costs consist mainly of costs related to parent-company administrative sections.

3. Segment profit is adjusted against operating profit on the Six-month Consolidated Statement of Income.

(Material Subsequent Events)

(Stock split and corresponding partial amendment of the Articles of Incorporation)

The Company implemented a stock split and made a corresponding partial amendment of the Articles of Incorporation as of July 1, 2025 based on a resolution at a meeting of the Board of Directors held May 30, 2025.

1. Purpose of the stock split

The purpose of the stock split is to offer an environment that facilitates investment and thereby broaden the range of eligible investors by reducing the investment unit.

2. Overview of stock split

(1) Method

With a record date set to June 30, 2025, common stock held by shareholders on that date was split at a ratio of three shares for one.

(2) Numbers of shares resulting from the stock split

| | |
|---|-------------|
| (i) Total number of issued and outstanding shares before the stock split | 19,900,000 |
| (ii) Number of shares to be increased by the stock split | 39,800,000 |
| (iii) Total number of issued and outstanding shares after the stock split | 59,700,000 |
| (iv) Total number of authorized shares after the stock split | 230,000,000 |

(3) Dates pertaining to stock split

| | |
|-----------------------------------|---------------|
| (i) Record date announcement date | June 13, 2025 |
| (ii) Record date | June 30, 2025 |
| (iii) Effective date | July 1, 2025 |

(4) Impact on per-share information

The impact on per-share information is described in the relevant section.

3. Partial amendment of the Articles of Incorporation corresponding to the stock split

(1) Reason for amendment

Due to this stock split, based on the provisions of Article 184, Paragraph 2 of the Companies Act, the Company amended the total number of authorized shares specified in Article 6 of the Articles of Incorporation effective July 1, 2025.

(2) Details of the amendment

The details of the amendment are as follows:

(The amendments are underscored.)

| Before amendment | After amendment |
|--|---|
| (Total Number of Authorized Shares) Article 6. The total number of authorized shares to be issued by the Company shall be <u>77,000,000</u> . | (Total Number of Authorized Shares) Article 6. The total number of authorized shares to be issued by the Company shall be <u>230,000,000</u> . |

(Note) This stock split leaves the Company's capital unchanged.