

# THE PACK CORPORATION

## Briefing Materials on Business Results for the Second Quarter of the Year Ending December 31, 2025

September 19, 2025



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# Business Environment and Topics

## Business environment

- ◆ Despite the modest economic recovery, consumer spending remained weak compared with growth in wages and income due to the chronic price increases of food and other nondurables.
- ◆ Companies in the distribution and retail industries increasingly sought out business mergers and alliances.

## Topics

- ◆ Lower profits despite record high net sales due to capital and human resource investments
- ◆ Stock split and new stock offering
- ◆ Hikari Packs Ishikawa Co., Ltd. made subsidiary through acquisition of shares
- ◆ Full-year forecast consolidated business results were revised downward with no change in dividends

# 1. Business Results for the Second Quarter of the Year Ending December 31, 2025



# Summary of Business Results

Despite new record-high net sales, active investments in facilities and human resource resulted in lower profits.

(Million yen)

|   | Second quarter of<br>year ended<br>December 31, 2024 | Second quarter of<br>year ending December 31, 2025 |            |
|---|--|--|------------|
|   | Actual   | Actual   | YoY change |
| Net sales   | 46,617   | 47,385   | 1.6%       |
| Operating profit                                  | 3,525  | 2,863  | -18.8%     |
| Ordinary profit                                   | 3,662  | 3,038  | -17.0%     |
| Profit attributable to<br>owners of parent        | 2,999  | 2,428  | -19.0%     |
| Per share amount of<br>interim net profit (yen) * | 52.56  | 43.09  | -18.0%     |
| Dividend per share (yen)                          | 52.0   | 58.0   | 11.5%      |

- ◆ Sales of paper products were strong, contributing significantly to net sales.
- ◆ Active investments in facilities and human resource reduced profit.
- ◆ Dividends grew by 6 yen per share.

\* Effective July 1, 2025, we implemented a 3-for-1 stock split for common shares. Figures assume that the stock split took place at the start of the year ended December 31, 2024.

# Results by Segment

(Million yen)

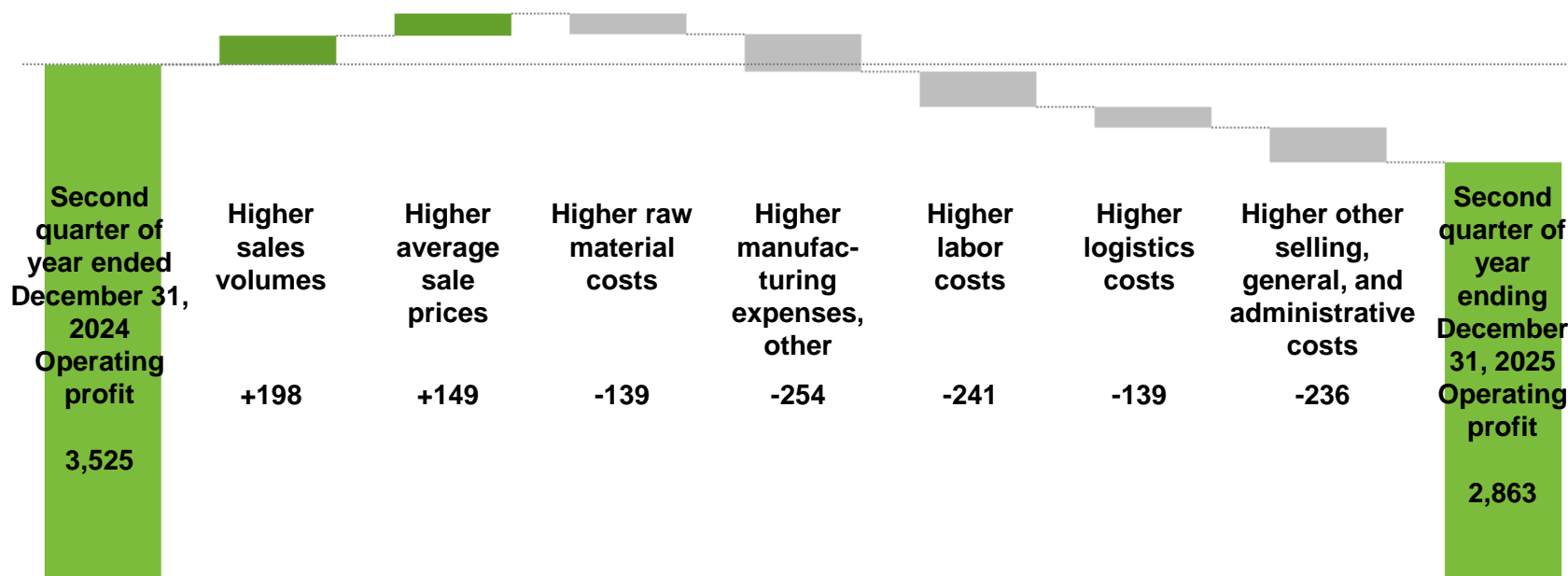
|                  |                  | Second quarter of year ended<br>December 31, 2024 |        | Second quarter of year ending December 31, 2025 |        |            |
|------------------|------------------|---|--------|---|--------|------------|
|                  |                  | Actual  | Share  | Actual  | Share  | YoY change |
| Net sales        |                  | 46,617  | 100.0% | 47,385  | 100.0% | 1.6%       |
|                  | Paper Products   | 33,322  | 71.5%  | 34,881  | 73.6%  | 4.7%       |
|                  | Paper bags       | 14,279  | 30.6%  | 14,485  | 30.6%  | 1.4%       |
|                  | Paper cartons    | 12,120  | 26.0%  | 12,704  | 26.8%  | 4.8%       |
|                  | Corrugated boxes | 5,926   | 12.7%  | 6,745   | 14.2%  | 13.8%      |
|                  | Printing         | 995   | 2.2%   | 945   | 2.0%   | -5.0%      |
|                  | Film Packaging   | 6,347   | 13.6%  | 6,337   | 13.4%  | -0.2%      |
|                  | Others           | 6,947   | 14.9%  | 6,166   | 13.0%  | -11.2%     |
| Operating profit |                  | 3,525   | 100.0% | 2,863   | 100.0% | -18.8%     |
|                  | Paper Products   | 3,164   | 89.7%  | 2,488   | 86.9%  | -21.4%     |
|                  | Film Packaging   | 403   | 11.4%  | 286   | 10.0%  | -28.9%     |
|                  | Others           | 519   | 14.7%  | 389   | 13.6%  | -25.0%     |
|                  | Adjustments      | -562  | -15.8% | -302  | -10.5% | -          |

- ◆ The Paper Products segment saw strong sales of paper cartons and corrugated boxes.
- ◆ The segment of Other saw a decline in sales of in-store supplies for the PAS system.
- ◆ An increase in selling, general, and administrative costs due to investments in facilities and human resources reduced operating profits in each segment.

# Factors Underlying Changes in Operating Profit

Sales volume grew thanks to cross-selling, but profit shrunk due to prior investments.

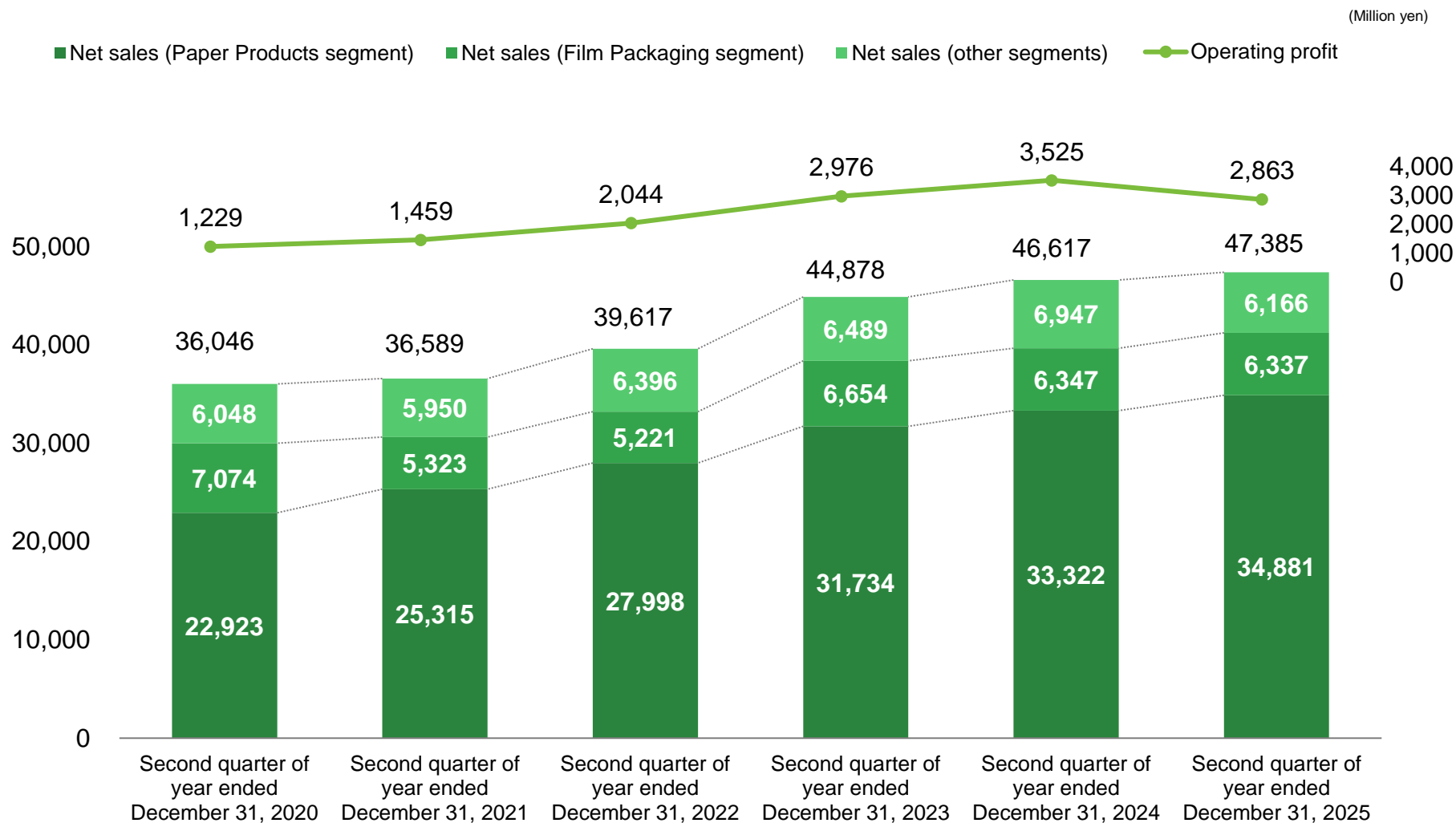
(Million yen)



- ◆ Sales volumes of paper cartons and corrugated boxes grew.
- ◆ Shifting to appropriate pricing and exerting additional efforts to sell high value added products increased the average sale price of paper products  
(prices for paper bags, paper cartons, and corrugated boxes rose 2.3%, 0.2%, and 1.7%, respectively)
- ◆ The key factor behind the higher other manufacturing expenses was depreciation for capital investments in machinery.
- ◆ The key factor behind the higher logistics costs was a contract for external warehouses necessitated by the transition in inventory control structure.
- ◆ The key factor behind higher other selling, general, and administrative costs was depreciation related to investments for renovations of the backbone system.

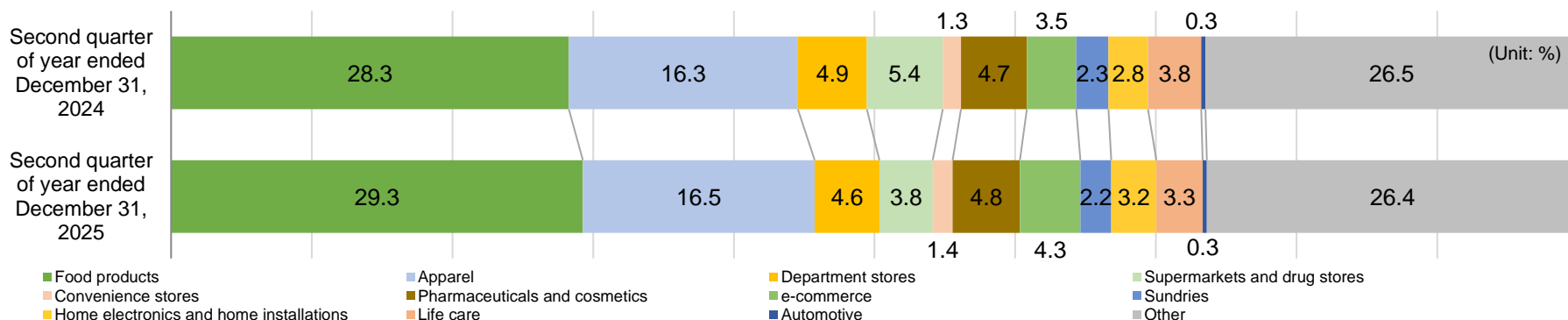
# Trends by Segment

Paper products contributed significantly to net sales





# Sales Composition



| (Million yen)                           | Second quarter of year ended December 31, 2024 |       | Second quarter of year ended December 31, 2025 |       |            |
|---|--|-------|--|-------|------------|
|   | Actual   | Share | Actual   | Share | YoY change |
| Food products                           | 13,201   | 28.3% | 13,894   | 29.3% | 5.2%       |
| Apparel                                 | 7,620  | 16.3% | 7,821  | 16.5% | 2.6%       |
| Department stores                       | 2,292  | 4.9%  | 2,203  | 4.6%  | -3.9%      |
| Supermarkets and drug stores            | 2,507  | 5.4%  | 1,806  | 3.8%  | -27.9%     |
| Convenience stores                      | 597  | 1.3%  | 641  | 1.4%  | 7.5%       |
| Pharmaceuticals and cosmetics           | 2,203  | 4.7%  | 2,271  | 4.8%  | 3.1%       |
| e-commerce *                            | 1,616  | 3.5%  | 2,025  | 4.3%  | 25.3%      |
| Sundries                                | 1,058  | 2.3%  | 1,020  | 2.2%  | -3.6%      |
| Home electronics and home installations | 1,291  | 2.8%  | 1,495  | 3.2%  | 15.8%      |
| Life care                               | 1,755  | 3.8%  | 1,558  | 3.3%  | -11.2%     |
| Automotive                              | 144  | 0.3%  | 151  | 0.3%  | 4.9%       |
| Other                                   | 12,333   | 26.5% | 12,496   | 26.4% | 1.4%       |

- ◆ In the food products market, sales of packages for the souvenir market, takeout packages for the food service industry, and food containers for the home meal replacement market were strong.
- ◆ Sales to department stores declined due to stagnant domestic spending and a plateau in spending by inbound tourists.
- ◆ Sales to supermarkets and drug stores were down due to specific contractual terms.
- ◆ Sales of food packages were strong in the convenience store market.
- ◆ In the e-commerce market, the sales volume went up due to reinforcement of the production systems for paper delivery bags and other delivery packages.
- ◆ In the home electronics and home installations market, sales of packaging materials for export and for home electronics grew.
- ◆ In the life care market, sales of packages for paper baby diapers declined.

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

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# Paper Products Segment

## <Cross-selling in growth markets boosted profit>

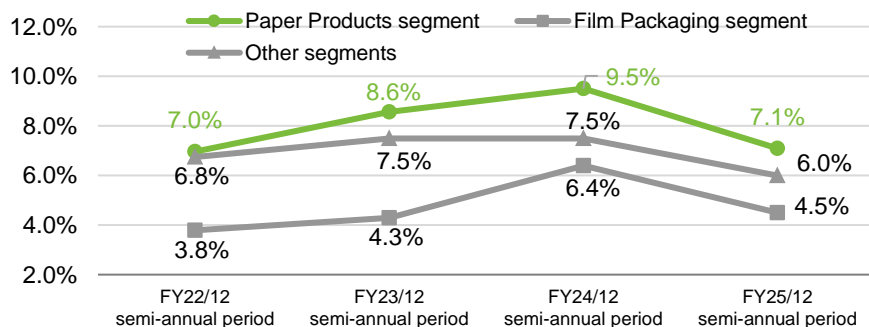
### Business environment

- ◆ Net sales at department stores nationwide declined for five consecutive months. Due to the lingering yen appreciation, inbound tourists continued to reflect declining purchases of expensive products, resulting in decreases in net sales and number of purchasers. While sales of food products have trended downward due to high prices, sales of confectioneries increased for three consecutive months based on strong sales of domestic and inbound souvenir demands.  
(Source: Japan Department Store Association "Sales Overview on Department Store Sales in Japan")
- ◆ The monthly online shopping expenditure per two-or-more-person household increased year on year for six consecutive months from January to June, reaching a record high.  
(Source: "Family Income and Expenditure Survey," Statistics Bureau of Japan)

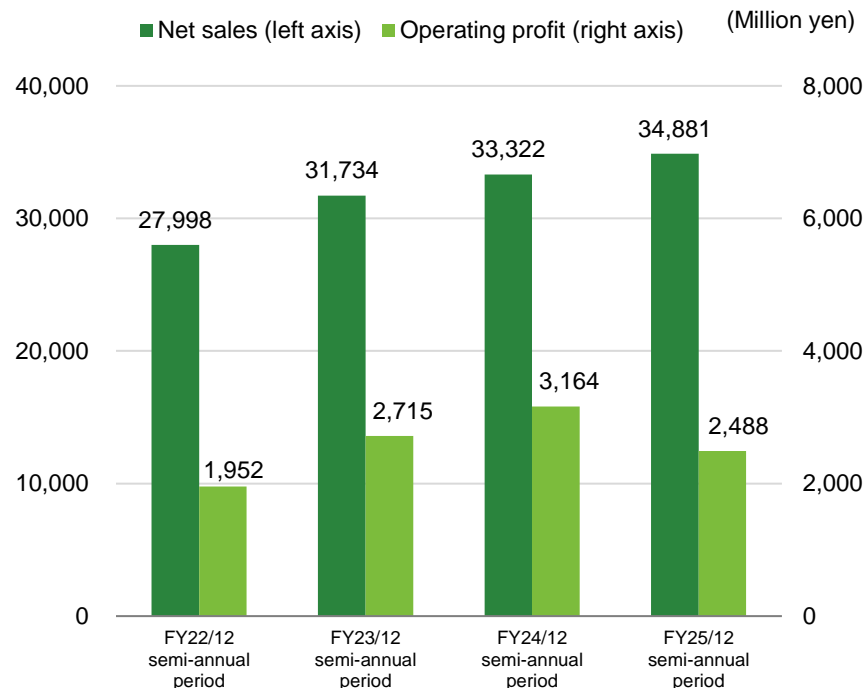
### Initiatives

- ◆ Capital investments in machinery and productivity improvements
- ◆ Diversification of products to cover a broad range of market needs
- ◆ Active efforts to offer proposals on eco-friendly materials and processing methods

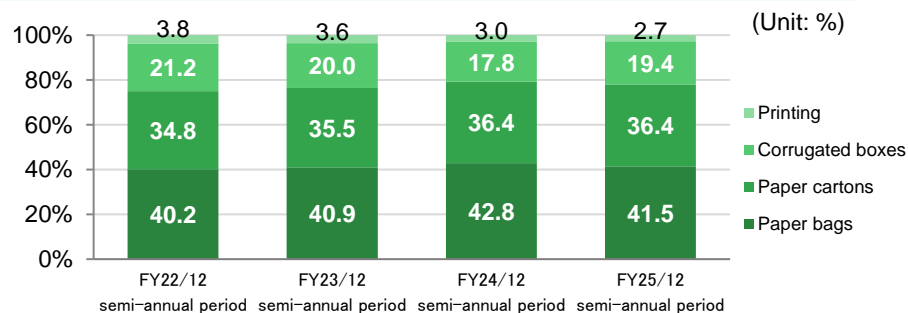
### Trends in operating profit margins



### Trends in net sales and operating profits



### Trends in sales composition in the Paper Products Segment



# Paper Products Segment (Paper Bags)

<Strong, thanks to diverse range of products and sales channels>

## Business environment

- ◆ Intensifying competition within the industry and declining consumer confidence make the ability to provide value a key aspect. → The need to shift to high value added specifications is higher than ever.
- ◆ In the US market, the so-called Trump tariffs have caused confusion in supply chains.
- ◆ Transportation efficiency improvements and human resources shortages have become issues. Logistics and packaging systems are under scrutiny.

## Initiatives

- ◆ Enhancements in production capacity and technologies at our plants
- ◆ Competitiveness enhancements through cultivation of new supply chains
- ◆ Strengthening development and production facilities for paper delivery bags
- ◆ Reinforcing proposals for high value added products centering on eco-friendly products

## Examples of developed products

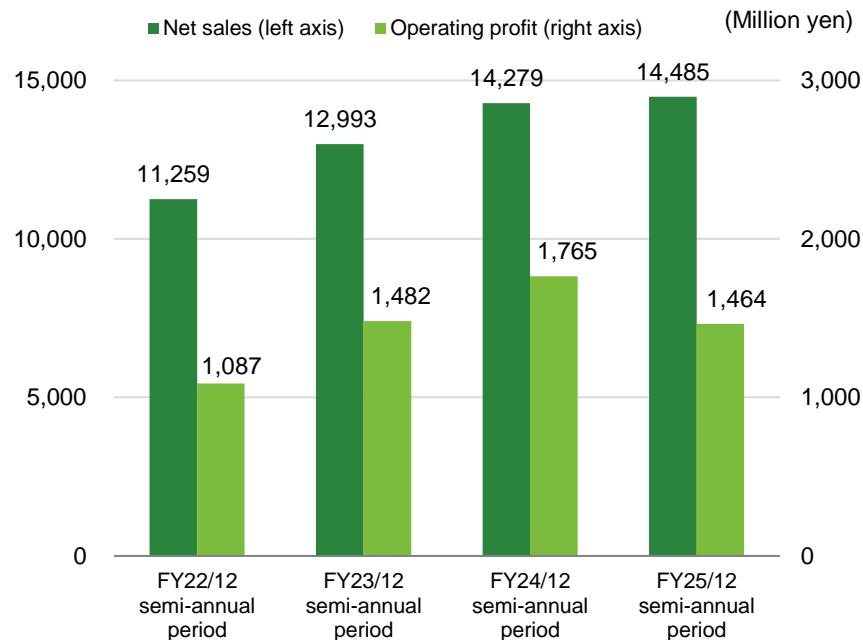


▲ Mixed paper with used clothes incorporating recycled cloth

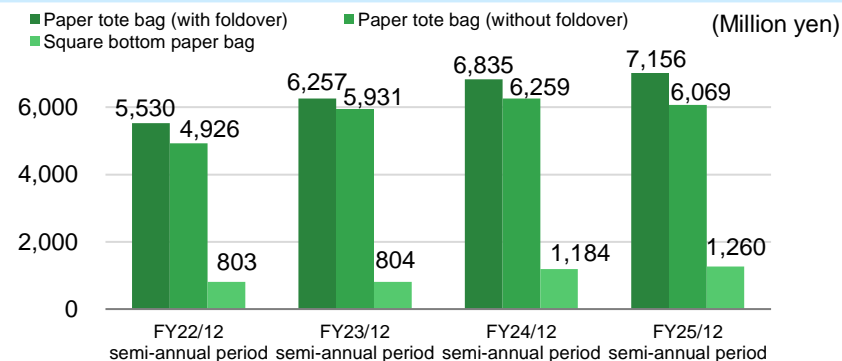


▲ Paper delivery bag compatible with automatic packaging machines

## Trends in net sales and operating profits



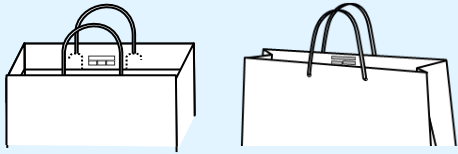
## Trends in net sales of paper tote bags by type



# [Reference] Examples of Types of Paper Bag

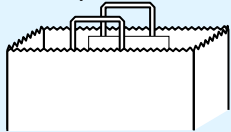
## ■ Paper tote bag (with foldover)

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)

## <Strong sales of paper cartons for the food products market>

### Business environment

- ◆ The food service industry, including fast food restaurants, performed well. Companies in the industry are strengthening sales channels for delivery and takeout.
- ◆ Labor shortages at food products manufacturing plants are growing. Outsourcing demand for assembly of paper cartons and setup of products is increasing.
- ◆ The need for materials and processing for compliance with the PFAS regulations are increasing.

### Initiatives

- ◆ Strengthening capital investments and technological development to expand sales of primary paper containers for food products (in response to the PFAS regulations)
- ◆ Putting additional effort into proposals for cross-selling that combines package sales with services that cover customers' labor shortages, such as assembly of paper cartons and packing of products

### Examples of developed products

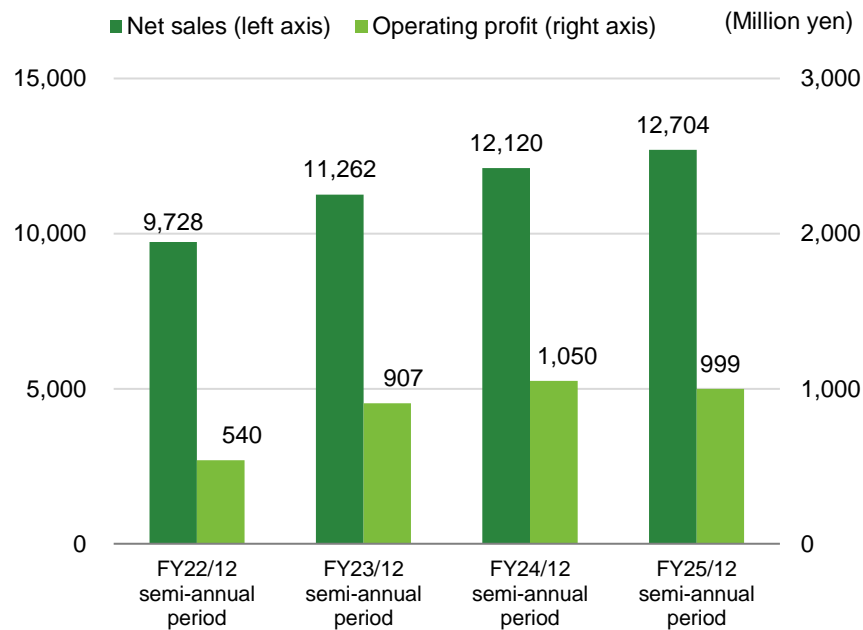


- ▶ A paper tray, as an alternative to a plastic tray, retains its tray shape due to its special structure.

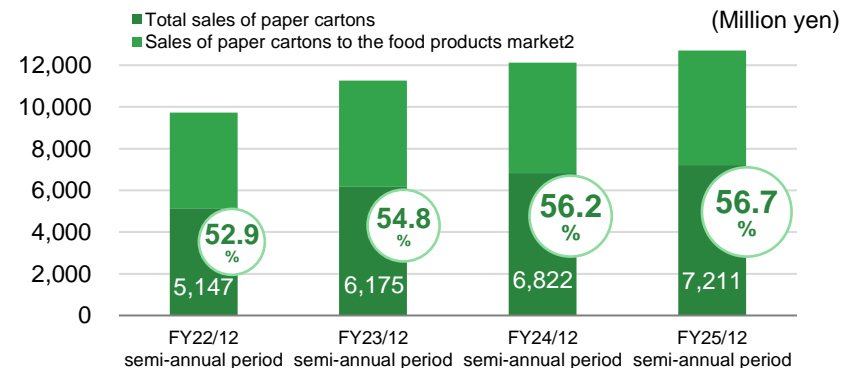


- ▶ Next-generation KAISONAL® oil-resistant coating makes the most of a seaweed-derived raw material.

### Trends in net sales and operating profits



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



# Paper Products Segment (Corrugated Boxes)

<Sales grew thanks to a range of products covering a wide range of markets>

## Business environment

- ◆ Production volumes in the corrugated boxes industry for the first six months of 2025 were 99.8% of the level for last year's corresponding period. Consumption for electric appliances and mechanical instruments was 101.3%; for mail order, home delivery, and relocation, consumption was 101.2%.

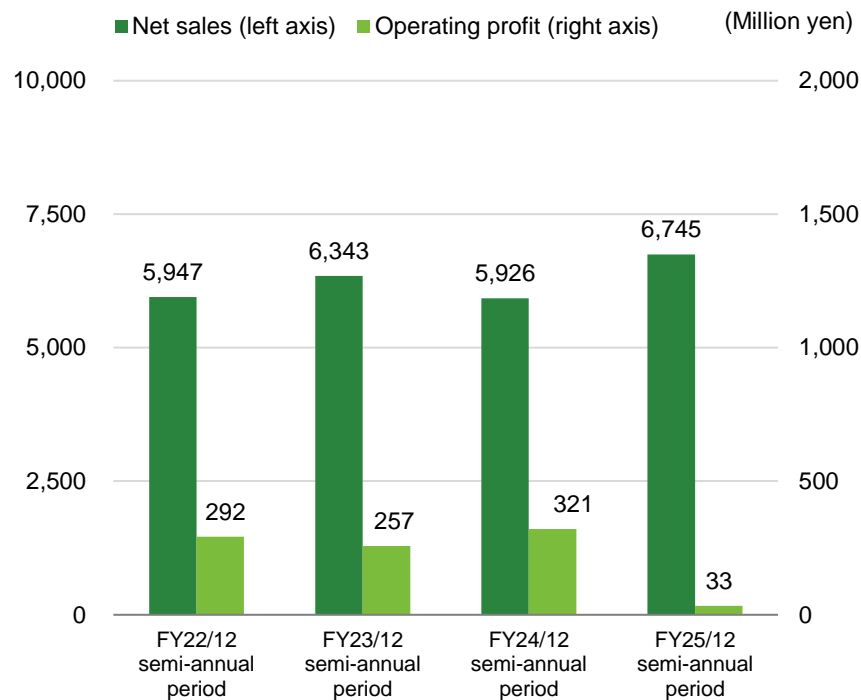
(Sources: Japan Corrugated Case Association "Corrugated Box Statistics")

- ◆ The B-to-C market is increasingly dependent on e-commerce. This market increasingly demands proposals for labor-saving and transportation efficiency improvements at packaging sites.

## Initiatives

- ◆ Strengthening production capacity for delivery materials for the e-commerce market
- ◆ Putting additional effort into development and proposals for delivery materials for the B-to-C market
- ◆ Strengthening development and proposals for corrugated cushioning materials as an alternative to plastic cushioning materials
- ◆ Developing proprietary manufacturing technologies that differentiate us from competitors, such as production of large-sized products

## Trends in net sales and operating profits



▲ Corrugated-box products "Extra-large corrugated boxes," among the largest manufactured in Japan



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



▲ Corrugated pad, an alternative to plastic cushioning materials, achieved by capitalizing on our strengths in design



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



# Film Packaging Segment

## <Positive flexible packaging sales trends>

### Business environment

- ◆ In response to unchanging societal demand for eco-friendliness, shopping bags used to transport purchases have increasingly been replaced by plastic-free bags and bags made of eco-friendly materials.
- ◆ With regard to baby paper sanitary products, local brands have emerged in overseas markets in Asia. In the domestic market, those products performed less well against the backdrop of shrinking populations.
- ◆ Growing demand in the home meal replacement market has increased demand for flexible packaging for food products.

### Initiatives

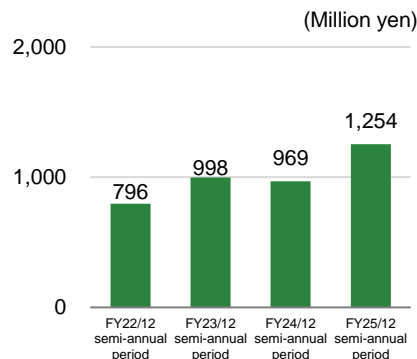
- ◆ Offering beautifully decorated packages by leveraging the most advanced high-definition flexographic printers with low environmental impact
- ◆ Putting additional effort into further thinning of films and proposals for recycled and biomass materials
- ◆ Strengthening sales of flexible packaging in various markets, with a focus on the food products market

### Examples of developed products

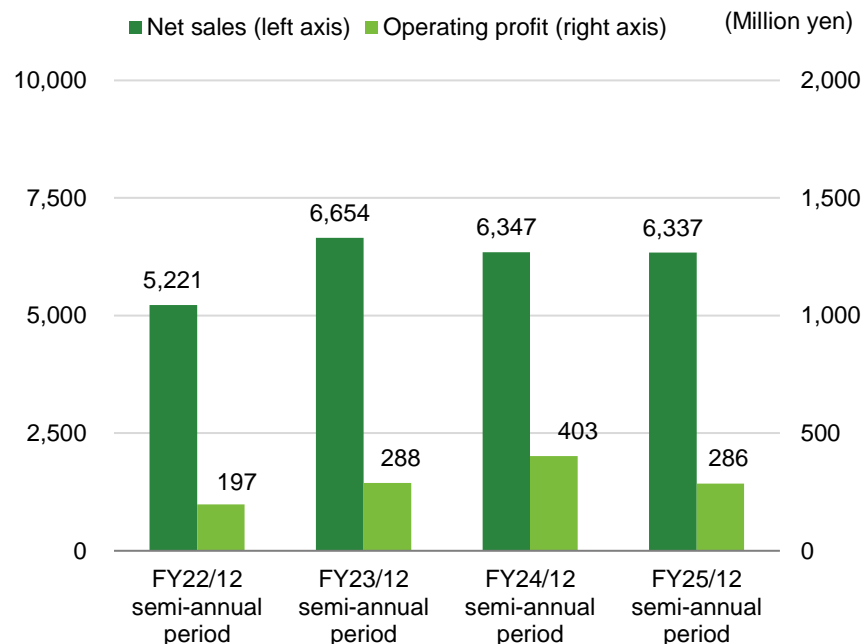


- ▲ Totally film-free flexible paper packaging with barrier performance

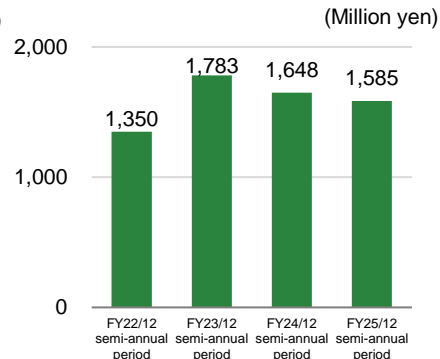
### Trends in net sales of flexible packagings



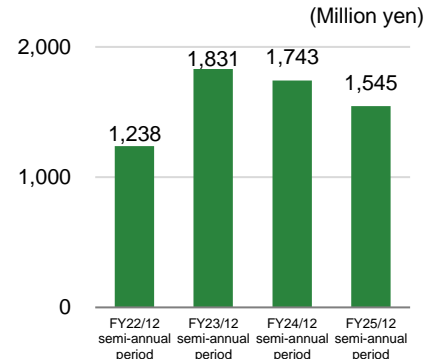
## Trends in net sales and operating profits



### Trends in net sales of plastic tote bags



### Trends in net sales of external packages for disposable diapers



# Other Sectors (PAS (Pack Assortment Service System), sewn products, and other products)

<Lower results due to specific contracts in the distribution and retail markets>

## Business environment

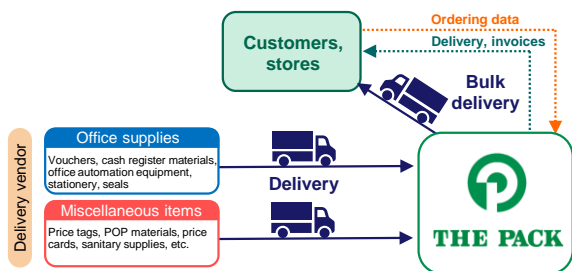
- ◆ As spending by inbound tourists plateaued and demand was satisfied, demand for gift-wrapping materials and promotion material has declined.
- ◆ Sluggish sales in department stores reduced demand for in-store supplies and office supplies
- ◆ Industry reorganization is underway in part of the distribution and retail markets.

## Initiatives

- ◆ Strengthening proposals for sewn products with low environmental impact incorporating recycled and natural materials
- ◆ 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

## PAS (Pack Assortment Service System)



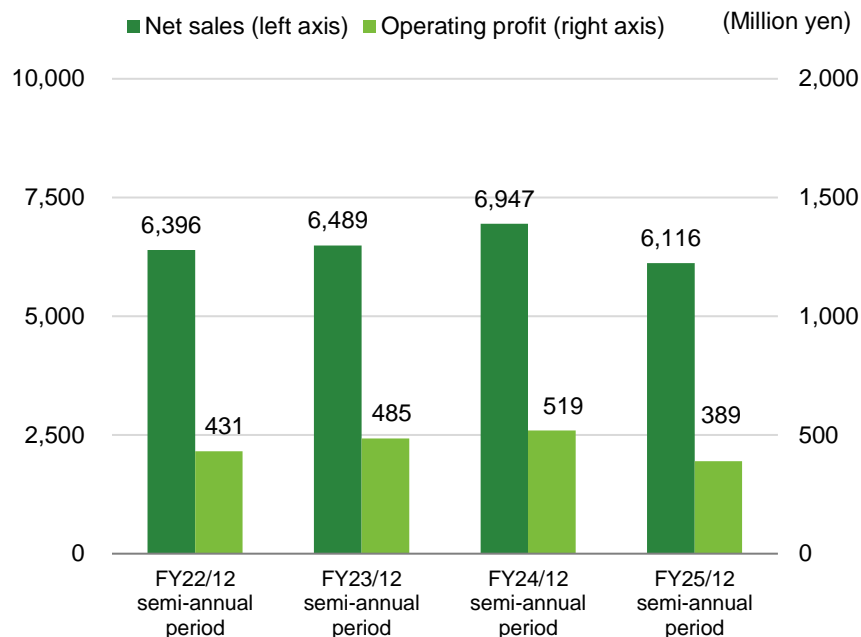
▲ Streamlining logistics via bulk delivery also helps reduce CO<sub>2</sub> emissions.

## Examples of eco-friendly sewn products

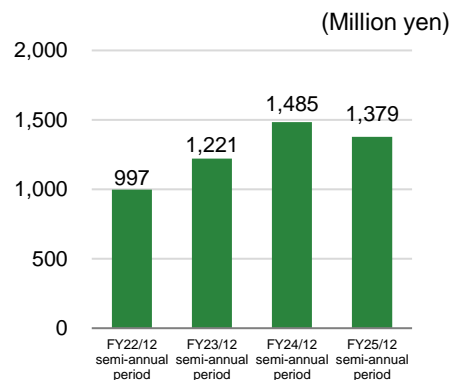


▲ Recycled Tetron Cotton, a material made by recycling materials such as cotton and polyester scraps from factories

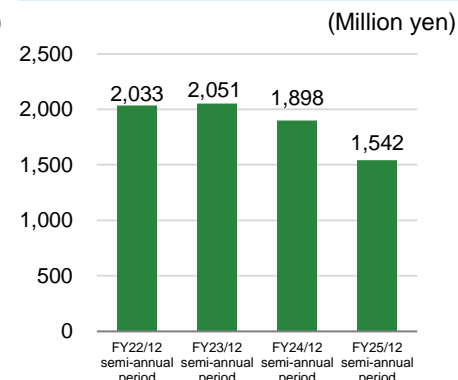
## Trends in net sales and operating profits



## Trends in net sales of sewn products



## Trends in net sales of PAS (Pack Assortment Service System)





# Balance Sheet

(Million yen)

|                    |  | Year ended<br>December 31, 2024 | Second quarter of year ended<br>December 31, 2025 |
|--------------------|--|---------------------------------|---|
|                    |  | Actual                          | Actual  |
| <b>Assets</b>      |  | <b>103,292</b>                  | <b>98,532</b>                                     |
|                    | Current assets                         | 60,043                          | 55,354  |
|                    | Non-current assets                     | 43,248                          | 43,177  |
|                    | Property, plant, and equipment         | 30,166                          | 30,342  |
|                    | Intangible assets                      | 3,384                           | 3,894   |
|                    | Investments and other assets           | 9,697                           | 8,941   |
| <b>Liabilities</b> |  | <b>28,806</b>                   | <b>23,421</b>                                     |
|                    | Current liabilities                    | 27,766                          | 21,914  |
|                    | Non-current liabilities                | 1,040                           | 1,507   |
| <b>Net assets</b>  |  | <b>74,485</b>                   | <b>75,110</b>                                     |
|                    | Shareholders' equity                   | 71,437                          | 72,665  |
|                    | Accumulated other comprehensive income | 3,022                           | 2,426   |
|                    | Share acquisition rights               | 25                              | 18  |

# Cash Flow

(Million yen)

| Main items                                   | Second quarter of year ended<br>December 31, 2024 | Second quarter of year ended<br>December 31, 2025 |
|--|---|---|
|  | Actual  | Actual  |
| Cash flows from operating activities         | 6,301   | 5,435   |
| Profit before income taxes                   | 4,381   | 3,524   |
| Depreciation                                 | 1,006   | 1,403   |
| Cash flows used in investment activities     | -97   | 884   |
| Purchase of property, plant, and equipment   | -1,958  | -1,530  |
| Purchase of intangible assets                | -635  | -607  |
| Purchase of investment securities            | -519  | -13   |
| Proceeds from sales of investment securities | 802   | 779   |
| Cash flows used in financing activities      | -2,084  | -1,378  |
| Cash dividends paid                          | -1,046  | -1,239  |
| Cash and cash equivalents at end of period   | 22,210  | 21,399  |

- ◆ Depreciation increased due to active capital investments in manufacturing facilities and backbone system renovations.
- ◆ Revenue posted from sales of cross-held shares
- ◆ Policies for stable dividends maintained

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

(Revised)



# Forecasts of Business Results

New record-high net sales were set; the pressing issue is profits.

(Million yen)

|  | Year ended<br>December 31, 2024 | Year ending December 31, 2025<br>(released August 12) |                     |
|--|---------------------------------|---|---------------------|
|  | Actual                          | Forecasts of<br>Business Results                      | Forecast YoY change |
| Net sales                                  | 101,461                         | 103,000   | 1.5%                |
| Operating profit                           | 8,009                           | 7,300   | -8.9%               |
| Ordinary profit                            | 8,285                           | 7,600   | -8.3%               |
| Profit attributable to<br>owners of parent | 6,316                           | 6,100   | -3.4%               |
| Basic earnings per share<br>(yen) *        | 111.17                          | 108.26  | -2.6%               |
| Year-end dividend per<br>share (yen) *     | 22.00                           | 22.00   | ±0%                 |

- ◆ New record-high net sales were set thanks to cross-selling centering on paper products.
- ◆ Profit declined due to increases in depreciation and expenses for external warehouses required by the transition of the inventory control structure.
- ◆ The year-end dividend remains unchanged at 66.0 yen (22.0 yen accounting for date of stock split) from the previous forecast, regardless of the dividend payout ratio benchmark.

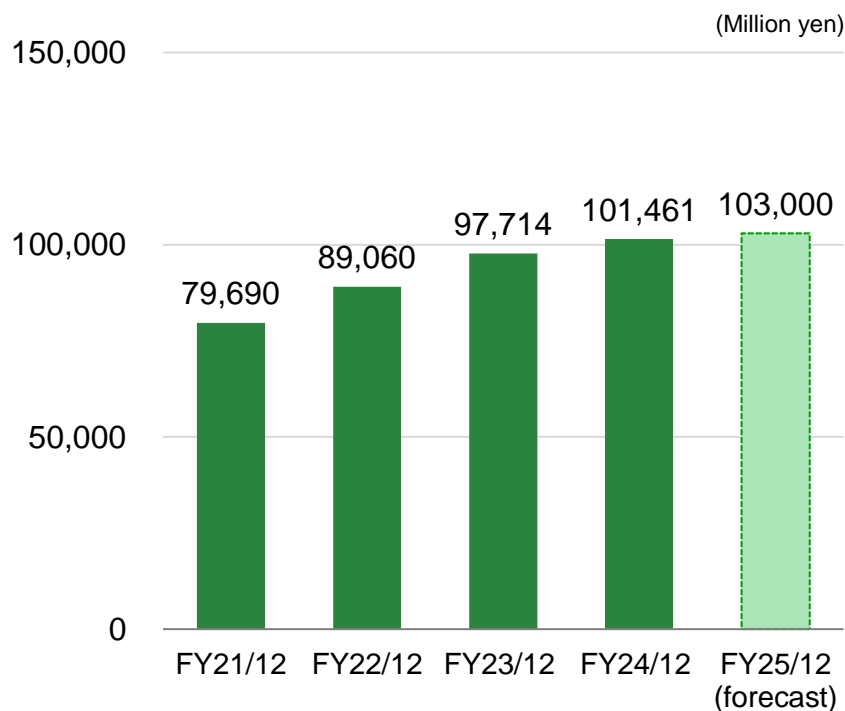
\* Effective July 1, 2025, we implanted a 3-for-1 stock split for common shares. Figures assume that the stock split took place at the start of the year ended December 31, 2024 (Dividend figures given above are year-end dividends per share).

# Trends in Consolidated Business Results

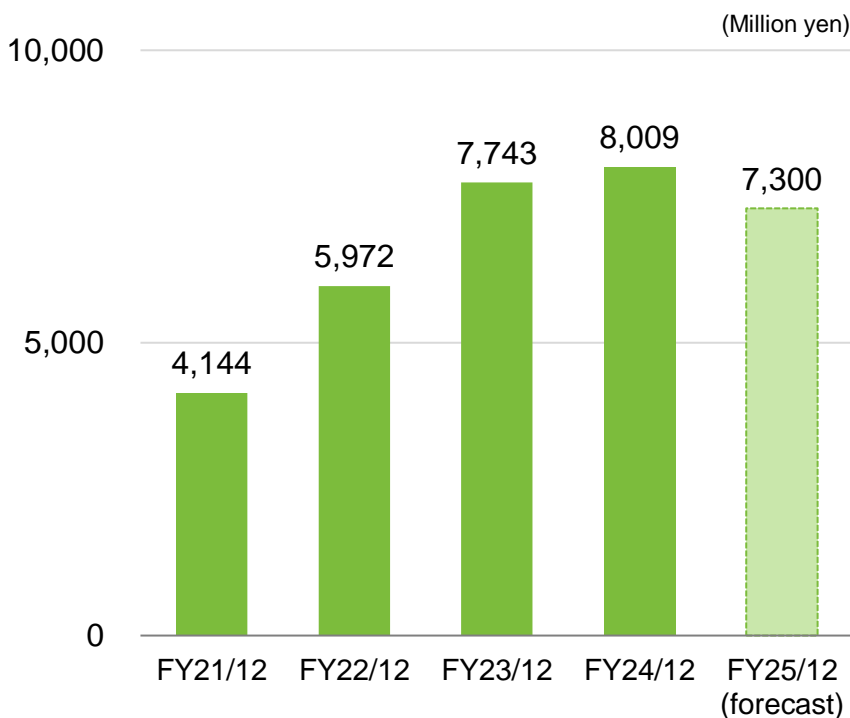
(Million yen)

|                  | Year ended<br>December 31,<br>2021 | Year ended<br>December 31,<br>2022 | Year ended<br>December 31,<br>2023 | Year ended<br>December 31,<br>2024 | Forecast for year<br>ending December<br>31, 2025 |
|------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| Net sales        | 79,690                             | 89,060                             | 97,714                             | 101,461                            | 103,000  |
| Operating profit | 4,144                              | 5,972                              | 7,743                              | 8,009                              | 7,300  |

Trends in net sales



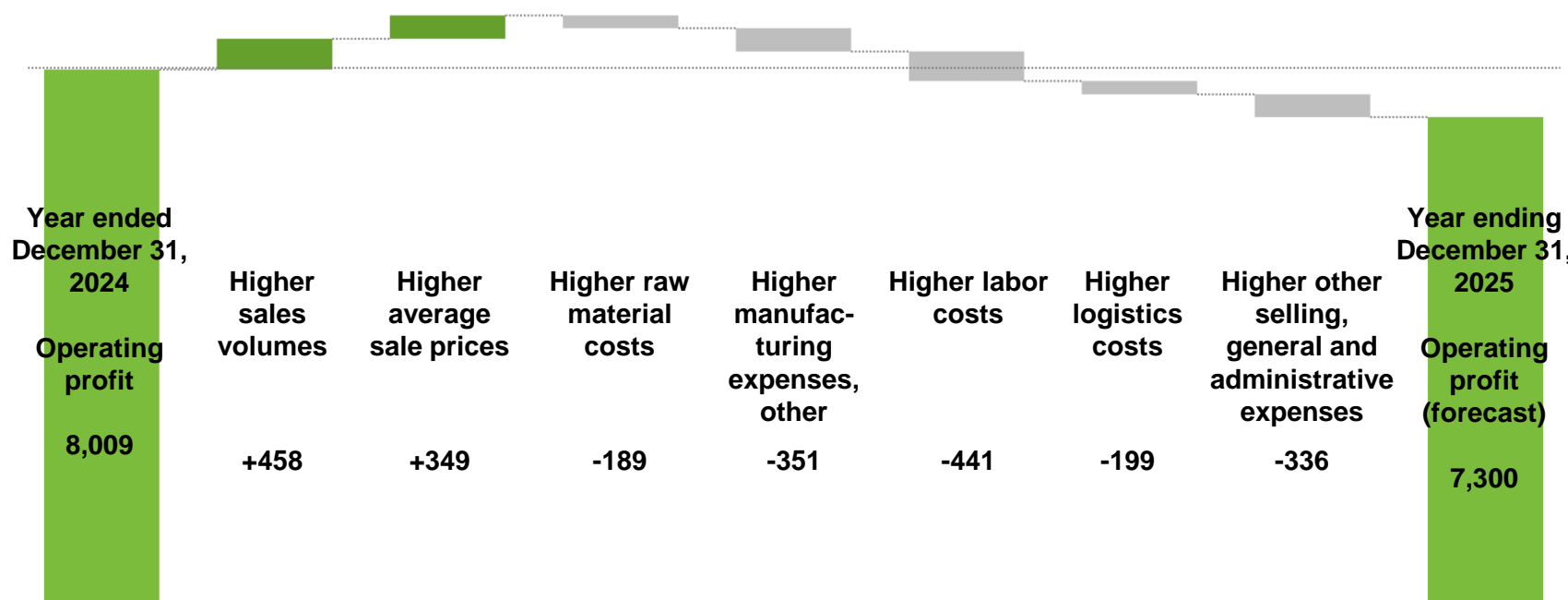
Trends in operating profit



# Major Factors Underlying Projected Changes in Operating Profit

Efforts to promote further sales expansion and productivity improvement

(Million yen)



- ◆ Expanding the product lineup and proposals intended to generate cross-selling should boost market share in new markets and expand sales volumes in new markets.
- ◆ Labor costs are expected to rise, driven primarily by workforce expansion and wage growth.
- ◆ Depreciation associated with capital investments in machinery for productivity improvement increased.
- ◆ Depreciation associated with backbone system renovations and the cost of contracts for external warehouses necessitated by the inventory control structure transition were also incurred.

### 3. Progress on the Medium-Term Management Plan



# Quantitative Progress on the Medium-Term Management Plan

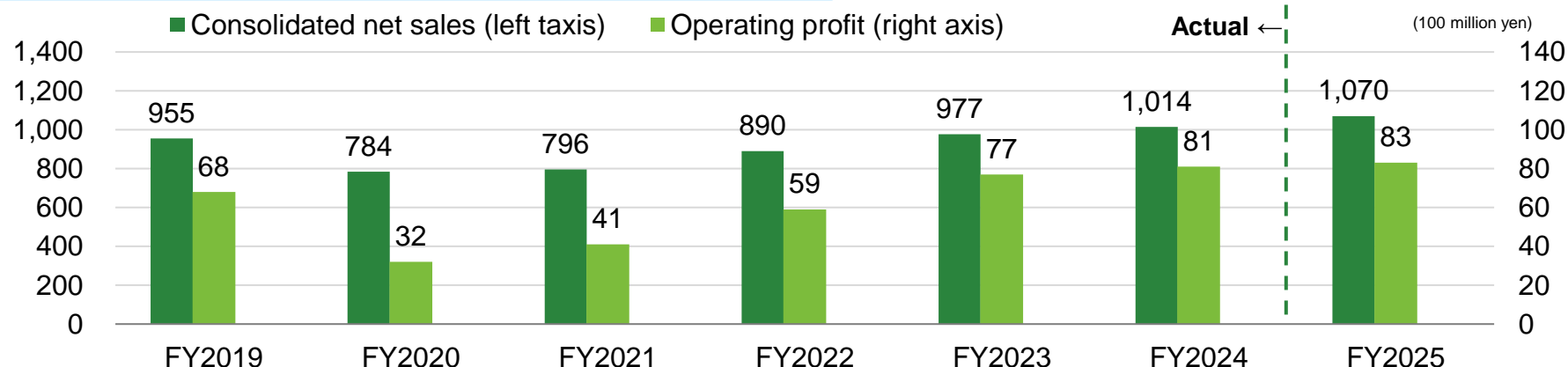
**FY2025 targets**  
\*Revised upward in  
February 2024

## Progress status

**Consolidated net sales: 107.0 billion yen; operating profit: 8.3 billion yen**  
**ROE: 8% or higher; ROIC: 8% or higher**

- ◆ All initiatives were implemented as planned. We expect to achieve the full-year quantitative targets.
  - Orders for paper cartons for food products and transportation packaging materials are trending up thanks to raised production capacity.
  - We are working to increase sales channels by cultivating new customers.

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



|  | FY2024              |                   |                      | FY2025              |                    |                      |
|--|---------------------|-------------------|----------------------|---------------------|--------------------|----------------------|
|  | Semi-annual, actual | Full-year, actual | Semi-annual progress | Semi-annual, actual | Full-year, planned | Semi-annual progress |
| Consolidated net sales                 | 466                 | 1,014             | 45.9%                | 473                 | 1,070              | 44.2%                |
| Operating profit                       | 35                  | 80                | 43.8%                | 28                  | 83                 | 33.7%                |
| Ratio of operating profit to net sales | 7.6%                | 7.9%              | -                    | 6.0%                | 7.8%               | -                    |



# Progress Status of Quantitative Targets in Medium-Term Management Plan (by market and by product type)

## Overview

- ◆ Thanks to production capacity enhancements, profits increased for paper cartons in the food products market and for paper bags and corrugated boxes in the e-commerce market.
- ◆ In the general distribution, retail, and other markets, despite lower profits, we expanded the customer base.

## Quantitative target by market

(100 million yen)

|                                       | FY2024<br>semi-annual period<br>(actual) | FY2025<br>semi-annual period<br>(actual) | YOY change | FY2025<br>full-year, planned |
|---------------------------------------|--|--|------------|------------------------------|
| Food products (*)                     | 133                                      | 136                                      | 2.3%       | 320                          |
| e-commerce, mail order, logistics (*) | 74                                       | 84                                       | 13.5%      | 180                          |
| General distribution, retail, etc.    | 259                                      | 254                                      | -1.9%      | 570                          |
| Total                                 | 466                                      | 473                                      | 1.6%       | 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)

|                  | FY2024<br>semi-annual period<br>(actual) | FY2025<br>semi-annual period<br>(actual) | YOY change | FY2025<br>full-year, planned |
|------------------|--|--|------------|------------------------------|
| Paper bags       | 142                                      | 144                                      | 1.4%       | 315                          |
| Paper cartons    | 121                                      | 127                                      | 4.8%       | 270                          |
| Corrugated boxes | 59                                       | 67                                       | 13.8%      | 150                          |
| Film packaging   | 63                                       | 63                                       | -0.2%      | 145                          |
| Other            | 69                                       | 61                                       | -11.2%     | 190                          |
| Total            | 466                                      | 473                                      | 1.6%       | 1,070                        |

# Progress on Growth Strategies in the Food Products Market

## Quantitative progress

(100 million yen)

| FY2024<br>semi-annual<br>period<br>(actual) | FY2025                 |            |                       |
|---|------------------------|------------|-----------------------|
|   | Semi-annual,<br>actual | YOY change | Full-year,<br>planned |
| 133   | 136                    | 2.3%       | 320                   |

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

(100 million yen)

|   | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|---|--|--|------------|
| All paper cartons in the market                           | 73.0                                     | 77.3                                     | 5.9%       |
| Primary containers for food products                      | 41.7                                     | 43.1                                     | 3.4%       |
| (Reference)<br>All paper bags in the food products market | 35.7                                     | 34.0                                     | -4.8%      |

## Showcasing at FOOMA JAPAN 2025



The Pack showcased our products at FOOMA JAPAN 2025, among the world's major exhibitions for the food products industry. The event drew 110,827 visitors over the course of four days. Many attendees visited The Pack's exhibition booth, where we presented problem-solving case studies for package use drawn from the food products industry, introduced various products, and demonstrated robot-based item sorting.

We presented our capabilities as a one-stop provider of optimal packaging solutions addressing various customer issues, including cost reductions, efficiency enhancements, and labor shortages. In this way we are pursuing further growth in this market.

## Overview of Progress

### ◆ Efforts are underway to create order-receiving opportunities through various solutions proposals.

- Orders for paper cartons and flexible packaging remain strong.
- The product lineup is being expanded through M&A initiatives.

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

(100 million yen)

| * For food products market only | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|---------------------------------|--|--|------------|
| Film packaging                  | 7.0                                      | 7.4                                      | 5.7%       |

### ◆ Development of environmental impact reducing materials and processing, and sales expansion of FSC® products (FSC® C020517)

(100 million yen)

| * For food products market only | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|---------------------------------|--|--|------------|
| FSC® products                   | 25.9                                     | 26.9                                     | 3.9%       |

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

#### Progress in logistics and processing business

- The Company began operating a new base in western Japan in January 2025, in addition to the one in eastern Japan.
- Both the customer base and numbers of orders received have steadily grown: from 21 in 2024 to 46 in 2025.

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

## Quantitative progress

(100 million yen)

| FY2024<br>semi-annual<br>period<br>(actual) | FY2025                 |            |                       |
|---|------------------------|------------|-----------------------|
|   | Semi-annual,<br>actual | YOY change | Full-year,<br>planned |
| 74  | 84                     | 13.5%      | 190                   |

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

(100 million yen)

|                          | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|--------------------------|--|--|------------|
| Paper delivery bags      | 5.9                                      | 8.1                                      | 37.3%      |
| Other delivery materials | 4.4                                      | 11.5                                     | 2.6 times  |

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

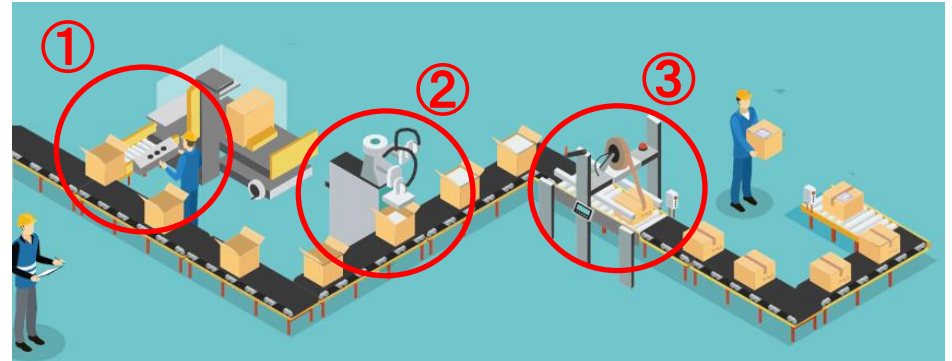
(100 million yen)

|                                | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|--------------------------------|--|--|------------|
| Reinforced<br>corrugated boxes | 4.7                                      | 4.9                                      | 4.3%       |

## Overview of Progress

- ◆ Orders have been favorable due to capital investments and supply chain enhancements.
  - Research and development efforts related to materials and machinery were increased in response to customer logistics issues.

### Research and development for labor-saving and automation systems



- ① **Assembly and feed equipment for product packages and delivery materials**
  - Designing and developing equipment for automating and streamlining packaging work tailored to specific customer needs
  - Developing materials that enhance work efficiency and better safeguard products based the properties of specific facilities
- ② **Construction of automatic packaging and labor-saving mechanisms for products**
  - Developing and proposing packaging design specifications suited to automation systems designed to meet processing conditions and handle specific products/materials, including plastic delivery bags, paper delivery bags, individual packaging boxes, and corrugated cases.
- ③ **Sealing and label attachment**
  - Planning and developing system linkage of a sealing machine for applying tape and other such tasks and equipment for attaching shipment labels or associated processing for corrugated cases, delivery bags, and individual packaging boxes

The Company proposes plans and develops equipment in accordance with customer specific products and operations.

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

## Quantitative progress

(100 million yen)

| FY2024<br>semi-annual<br>period<br>(actual) | FY2025                 |            |                       |
|---|------------------------|------------|-----------------------|
|   | Semi-annual,<br>actual | YOY change | Full-year,<br>planned |
| 259   | 254                    | -1.9%      | 570                   |

## Overview of Progress

- ◆ Profits in the distribution and retail market declined due to certain orders.
- ◆ Orders from new customers increased following expansion of production capacity for paper products.

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

(100 million yen)

| General distribution and retail market; other markets | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|---|--|--|------------|
| Paper bags  | 71.0                                     | 70.3                                     | -1.0%      |
| (Reference)<br>Film packaging                         | 36,2                                     | 36.0                                     | -1.0%      |

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

|                                       | FY2030 target | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) |
|---------------------------------------|---------------|--|--|
| Number of activities per year (times) | 15            | 5  | 5  |
| Number of participants (persons)      | 500           | 124                                      | 102                                      |
| Number of supporting companies        | 300           | 115                                      | 144                                      |

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

(100 million yen)

|   | FY2023<br>semi-annual<br>period (actual) | FY2024<br>semi-annual<br>period (actual) | FY2025<br>semi-annual<br>period (actual) | YOY change |
|---|--|--|--|------------|
| Sewn bags, gift packaging materials, etc. | 12.2                                     | 14.9                                     | 13.8                                     | -7.4%      |

# Progress on Human Capital Strategy

## Overview

- ◆ Continuation of efforts to secure and develop human resources and maximize corporate value
  - Promoting recruitment, wage increases, and workplace improvements
  - Strengthening junior employee education and DX-based productivity improvements

## Securing diverse human resources

|                                 | FY2024<br>semi-annual period<br>(actual) | FY2025<br>semi-annual period<br>(actual) |
|---------------------------------|--|--|
| Career hires                    | 19                                       | 13                                       |
| Referrals and “comeback” hiring | 5  | 3  |

## Human resource development

- Organized education programs tailored to specific work types and levels  
Training already implemented during the first half of FY2025
  - ◆ Pre-employment training, new employee training, manager skills training, etc.
  - ◆ DX training (third term)  
FY2024: Implemented program to develop certain human resources and to output results (to approx. 150 employees).  
FY2025: Continuing training leading to improved operational efficiency in advance of system upgrade (for approx. 130 employees)
  - ◆ Continued to hold study meetings for enhancing knowledge on products

## Creating better working environments

- Initiatives targeting enhanced understanding by the employee association (labor representatives)  
Implementing study meetings on salaries, evaluation, and related issues for employees participating in the labor-management council to encourage a better understanding and more effective discussions
- Efforts to promote health management  
Informing employees of various programs, including financial aid for comprehensive medical examinations and programs operated jointly with the Health Insurance Society

## Enhancing employee engagement

- Consecutive wage increases
 

|          |                  |
|----------|------------------|
| FY2024   | 5.50% on average |
| (FY2023) | 4.51% on average |
- Making the most of the engagement survey  
Plans to provide workplace improvement training in 2025 based on analysis results
- 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<br>number of<br>participants<br>as of<br>December 31,<br>2024 | Actual<br>number of<br>participants<br>as of June 30,<br>2025 | Progress | FY2025<br>planned |
|--|--|---|----------|-------------------|
| Personnel planning for all workers including permanent employees, contract employees, and part-time workers. | 1,836  | 1,933   | 100.7%   | 1,920             |

- Activities to strengthen sales human resources in eastern Japan
- Addition of 69 employees from Hikari Packs Ishikawa Co., Ltd., a Group company since April
- Productivity enhancements achieved through human resource development and placement of the right people in the right places while adding to sales and manufacturing employees

# Progress with Financial Strategies

## Overview

- ◆ Implement plans while responding to environmental changes in markets
  - Efforts to strengthen production capacity for mainstream products and M&A activities targeting growth markets have proceeded according to plans.
  - New initiatives will be addressed to enhance corporate value in the mid- to long-term.

## Capital investments

(100 million yen)

|                       |   | Initial plan<br>(FY2023-2025) | FY2023-2024 actual | FY2025 planned | FY2024 semi-annual period (actual) |
|-----------------------|---|-------------------------------|--------------------|----------------|------------------------------------|
| Strategic investments | Reinforcing the capacity to produce paper cartons | 20.0                          | 20.4               | 3.0            | 0.2                                |
|                       | Reinforcing the capacity to produce paper bags    | 30.0                          | 27.3               | 11.5           | 5.4                                |
|                       | Streamlining or lobar savings                     | 11.0                          | 2.3                | 1.6            | 0.7                                |
|                       | Energy or resource savings                        | 2.0                           | 0.5                | -              | -                                  |
|                       | Other   | 2.0                           | 2.1                | 0.3            | 0.2                                |
|                       | <b>Total strategic investments</b>                | <b>65.0</b>                   | <b>52.6</b>        | <b>16.4</b>    | <b>6.5</b>                         |
|                       | Maintaining plant facilities                      | 20.0                          | 9.7                | 10.6           | 0.7                                |
| Land acquisition      | Plant site near Osaka Plant                       | -                             | 19.0               | -              | -                                  |
|                       | Plant site near Tokyo Plant                       | -                             | 7.4                | -              | -                                  |
|                       | Reconstruction of headquarters building           |                               | 10.0               | -              | -                                  |
|                       | <b>Total</b>                                      | <b>85.0</b>                   | <b>98.7</b>        | <b>27.0</b>    | <b>7.2</b>                         |

## Renovations of the backbone system

(100 million yen)

|   | FY2025 planned | FY2024 semi-annual period (actual) | FY2023 to FY2025 planned |
|---|----------------|------------------------------------|--------------------------|
| Amount invested to renovate the backbone system | 10.0           | 4.7                                | 20.0                     |

## M&A

- In February 2025, we purchased shares of Hikari Packs Ishikawa Co., Ltd., a manufacturer of paper cartons for food products and confectioneries in Ishikawa Prefecture, making the company a subsidiary. In the market for food products packaging, a growth market, we plan to achieve continuing growth by expanding production capacity and our lineup of paper cartons.

[Corporate Overview]

|                 |  |
|-----------------|--|
| Company Name    | Hikari Packs Ishikawa Co., Ltd.  |
| Address         | 2-6-6, Nango-machi, Kaga City, Ishikawa, 922-0821, Japan                           |
| Representative  | Director Kazuhiko Yoshiyama  |
| Business        | Manufacture and sale of paper cartons; planning, design, and printing of packaging |
| Capital         | 3 million yen  |
| Established     | August 11, 1993  |
| Sales in FY2024 | 960 million yen  |

## Capital policies and shareholder returns

- Under the capital policies set forth in the Medium-Term Management Plan, the Company resolved to **purchase treasury shares up to 1 billion yen (900,000 shares)** to **enhance shareholder returns and capital efficiency**. (Purchase period: February 13 to December 31, 2025)
- A 1-for-3 stock split with a date of record of June 30, 2025, was implemented to **establish an environment that facilitates investments and further expand investor layers**. The stock split **will maintain shareholder benefits**. **The year-end dividend forecast was revised upward**. [Increased to 66 yen (announced May 20, 2025) from the previous forecast: 64 yen (announced May 12, 2025)]
- At a meeting of the Board of Directors held on August 29, 2025, the Company determined to offer new shares for purchase by investors. We plan to **enhance mid- to long-term corporate value** by offering Company shares, enhancing the free float ratio, and expanding shareholder tiers.

## 4. 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  |             |                                  |        |        |        |        |        |        |        |        |        |       |
|---|---|--|-------------|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| ① Promoting eco-friendly product planning and technological development | <div>◆ <b>Increasing the proportion of net sales*1 of FSC® products (paper bags, paper cartons, and corrugated boxes) to 50% or more</b></div> <div><ul style="list-style-type: none"><li>Putting more efforts into proposals for the shift to paper packaging</li><li>Increasing the number of FSC® certified suppliers</li><li>Accelerating development of new paper-based materials and products</li></ul></div> <div><p>*1 Net sales = the whole Paper Products segment of The Pack Corporation on a non-consolidated basis (FSC® C020517)</p><p>&lt;First half of FY2025 actual&gt;</p><ul style="list-style-type: none"><li>Sales as of June 30, 2025 : 6.21 billion yen (up 4.6% year-on-year)</li><li>Sales as of June 30, 2024: 5.93 billion yen</li></ul></div> | <div><table><thead><tr><th>Fiscal Year</th><th>Proportion of Net Sales (%)</th></tr></thead><tbody><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></tbody></table><p>(tons)</p></div> | 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%   |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| ② Reducing environmental impact throughout our business activities      | <div>◆ <b>Reducing CO<sub>2</sub> 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)</b></div> <div><ul style="list-style-type: none"><li>Switching to machines with high energy efficiency</li><li>Shifting to renewable energy for power used (including purchase of renewable energy)</li><li>Expanding the use of solar panels</li></ul></div> <div><p>&lt;First half of FY2025 actual&gt;</p><ul style="list-style-type: none"><li>Start of calculations of CO2 emissions for Group companies (Scope 1+2)</li><li>Plants switched to high-efficiency facilities</li></ul></div>  | <div><table><thead><tr><th>Fiscal Year</th><th>CO<sub>2</sub> Emissions (tons)</th></tr></thead><tbody><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></tbody></table></div>      | Fiscal Year | CO <sub>2</sub> Emissions (tons) | FY2021 | 14,894 | FY2022 | 15,399 | FY2023 | 16,756 | FY2024 | 16,149 | FY2030 | 8,997 |
| Fiscal Year   | CO <sub>2</sub> Emissions (tons)  |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| FY2021  | 14,894  |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| FY2022  | 15,399  |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| FY2023  | 16,756  |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| FY2024  | 16,149  |  |             |                                  |        |        |        |        |        |        |        |        |        |       |
| FY2030  | 8,997   |  |             |                                  |        |        |        |        |        |        |        |        |        |       |



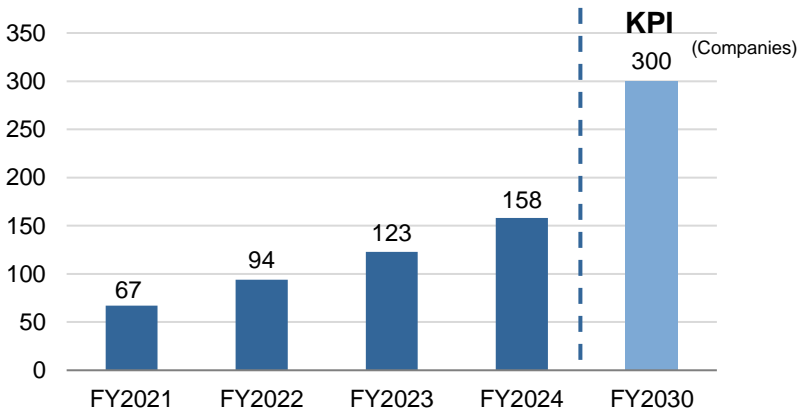
# Progress on Sustainable Management

## Materiality KPIs

| Materiality  | KPIs and action plans  | Targets for FY2030 and actual results for the past four years  |             |                               |                                 |        |        |      |        |      |        |        |        |       |        |   |     |        |    |     |
|--|--|--|-------------|-------------------------------|---------------------------------|--------|--------|------|--------|------|--------|--------|--------|-------|--------|---|-----|--------|----|-----|
| ③ Contributing to environmental conservation and preservation          | <div>◆ <b>Increasing the number of The Pack Forest® Environment Fund activities per year to 15 and the number of participants to 500</b></div> <div><ul style="list-style-type: none"><li>Increasing the number of activities by finding new locations for conducting activities</li><li>Making more publicity efforts to local residents and inviting general participants</li><li>Strengthening customer invitation activities</li></ul></div> <div>&lt;First half of FY2025 actual&gt;<ul style="list-style-type: none"><li>As of June 30, 2025: 5 activities and 102 participants</li><li>As of June 30, 2024: 4 activities and 124 participants</li></ul></div> | <div><div>■ Number of activities per year</div><div>● Number of participants per year</div><div>KPI</div><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>111</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></div> | Fiscal Year | Number of activities per year | Number of participants per year | FY2021 | 0      | 0    | FY2022 | 4    | 111    | 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  | 111  |             |                               |                                 |        |        |      |        |      |        |        |        |       |        |   |     |        |    |     |
| FY2023   | 9  | 253  |             |                               |                                 |        |        |      |        |      |        |        |        |       |        |   |     |        |    |     |
| FY2024   | 8  | 230  |             |                               |                                 |        |        |      |        |      |        |        |        |       |        |   |     |        |    |     |
| FY2030   | 15   | 500  |             |                               |                                 |        |        |      |        |      |        |        |        |       |        |   |     |        |    |     |
| ④ Promoting diverse work styles that encourage all employees to thrive | <div>◆ <b>Increasing the percentage of women managers (section manager or above) to 15% or more</b></div> <div><ul style="list-style-type: none"><li>Increasing the percentage of women in university graduate recruits to 35% or more</li><li>Establishing systems and environments that allow women to work for many years</li></ul></div> <div>&lt;First half of FY2025 actual&gt;<ul style="list-style-type: none"><li>Ratio of new female graduates hired from April 2025: 41.2%</li><li>Ratio of new female graduates hired from April 2024: 35.7%</li></ul></div>   | <div><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><div>KPI</div><div>15.0%</div></div>   | 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 FY2030 and actual results for the past four years  |             |                     |        |    |        |    |        |     |        |     |              |     |
|--|---|--|-------------|---------------------|--------|----|--------|----|--------|-----|--------|-----|--------------|-----|
| ⑤ Co-creating brand value with our customers | <div>◆ Increasing the number of companies*<sup>2</sup> supporting The Pack Forest® Environment Fund to 300</div> <div><ul style="list-style-type: none"><li>Enhancing tools for activity introduction and inviting companies to support activities</li></ul></div> <div><p>*<sup>2</sup>Companies that have a record of sales are counted.</p><p>&lt;First half of FY2025 actual&gt;</p><ul style="list-style-type: none"><li>As of June 30, 2025: 144 (up 25.2% year-on-year)</li><li>As of July 30, 2024: 115</li></ul></div> | <div><table><caption>Number of companies supporting The Pack Forest Environment Fund</caption><thead><tr><th>Fiscal Year</th><th>Number of Companies</th></tr></thead><tbody><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>FY2030 (KPI)</td><td>300</td></tr></tbody></table></div> | Fiscal Year | Number of Companies | FY2021 | 67 | FY2022 | 94 | FY2023 | 123 | FY2024 | 158 | FY2030 (KPI) | 300 |
| Fiscal Year                                  | Number of Companies   |  |             |                     |        |    |        |    |        |     |        |     |              |     |
| FY2021                                       | 67  |  |             |                     |        |    |        |    |        |     |        |     |              |     |
| FY2022                                       | 94  |  |             |                     |        |    |        |    |        |     |        |     |              |     |
| FY2023                                       | 123   |  |             |                     |        |    |        |    |        |     |        |     |              |     |
| FY2024                                       | 158   |  |             |                     |        |    |        |    |        |     |        |     |              |     |
| FY2030 (KPI)                                 | 300   |  |             |                     |        |    |        |    |        |     |        |     |              |     |

## Communication with stakeholders

### Communication with investors

- ◆ **Attentive individual response to institutional investors**
  - Invitations to the Packaging Laboratory in Tokyo

|                     | 2021 | 2022 | 2023 | 2024 | 2025<br>(as of July 30) |
|---------------------|------|------|------|------|-------------------------|
| Individual meetings | 34   | 19   | 39   | 29   | 19                      |
| Laboratory guide    | 1    | 1    | 6    | 6    | 4                       |

- ◆ Initiatives for individual investors are being considered.

### Release of Integrated Report and Sustainability Report



Integrated Report  
2025



[https://www.thepack.co.jp/dcms\\_media/other/integratedreport2025.pdf](https://www.thepack.co.jp/dcms_media/other/integratedreport2025.pdf)

Sustainability Report  
2025



[https://www.thepack.co.jp/dcms\\_media/other/sustainabilityreport2025.pdf](https://www.thepack.co.jp/dcms_media/other/sustainabilityreport2025.pdf)

## 5. Reference Materials



# Corporate Overview

|                            |   |
|----------------------------|---|
| <b>Name</b>                | THE PACK CORPORATION  |
| <b>Founded</b>             | May 1952 (shares listed September 1991; listed on TSE Prime Market April 2022)  |
| <b>Headquarters</b>        | 9-3 Higashiobase 2-chome, Higashinari-ku, Osaka, Osaka Prefecture   |
| <b>Lines of business</b>   | Planning, manufacturing and sale of paper bags, folding paper cartons, corrugated boxes, film packaging, etc.   |
| <b>Executives</b>          | Naoki Nakamura, President and CEO, seven other directors (including three outside directors), and four auditors (including two outside auditors)  |
| <b>Number of employees</b> | 1,239 consolidated, 866 nonconsolidated   |
| <b>Group companies</b>     | Nine consolidated subsidiaries (in Japan, the United States, and China)   |
| <b>Main banks</b>          | MUFG Bank, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Mizuho Bank   |
| <b>Main shareholders</b>   | Morita Memorial Welfare Foundation 11.07%, The Master Trust Bank of Japan (trust account) 7.12%, partner companies' stock ownership program 6.76%, BBH for Fidelity Low-Priced Stock Fund (Standing proxy: MUFG Bank, Ltd.) 6.50%, Custody Bank of Japan (trust account) 5.19%, Custody Bank of Japan (Resona re-trust account/Hokuetsu Corporation retirement benefits trust account) 3.88%, Daio Paper Corporation 3.05%, MUFG Bank 2.63%, Shichijo Paper Trading Co., Ltd. 2.52%, Morita Shoji Corporation 2.20% |

(As of December 31, 2024)

# The Pack Group (Nine 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.



Hikari Packs  
Ishikawa Co., Ltd.



## Overseas subsidiaries

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



The Pack  
(Shanghai)  
Corporation

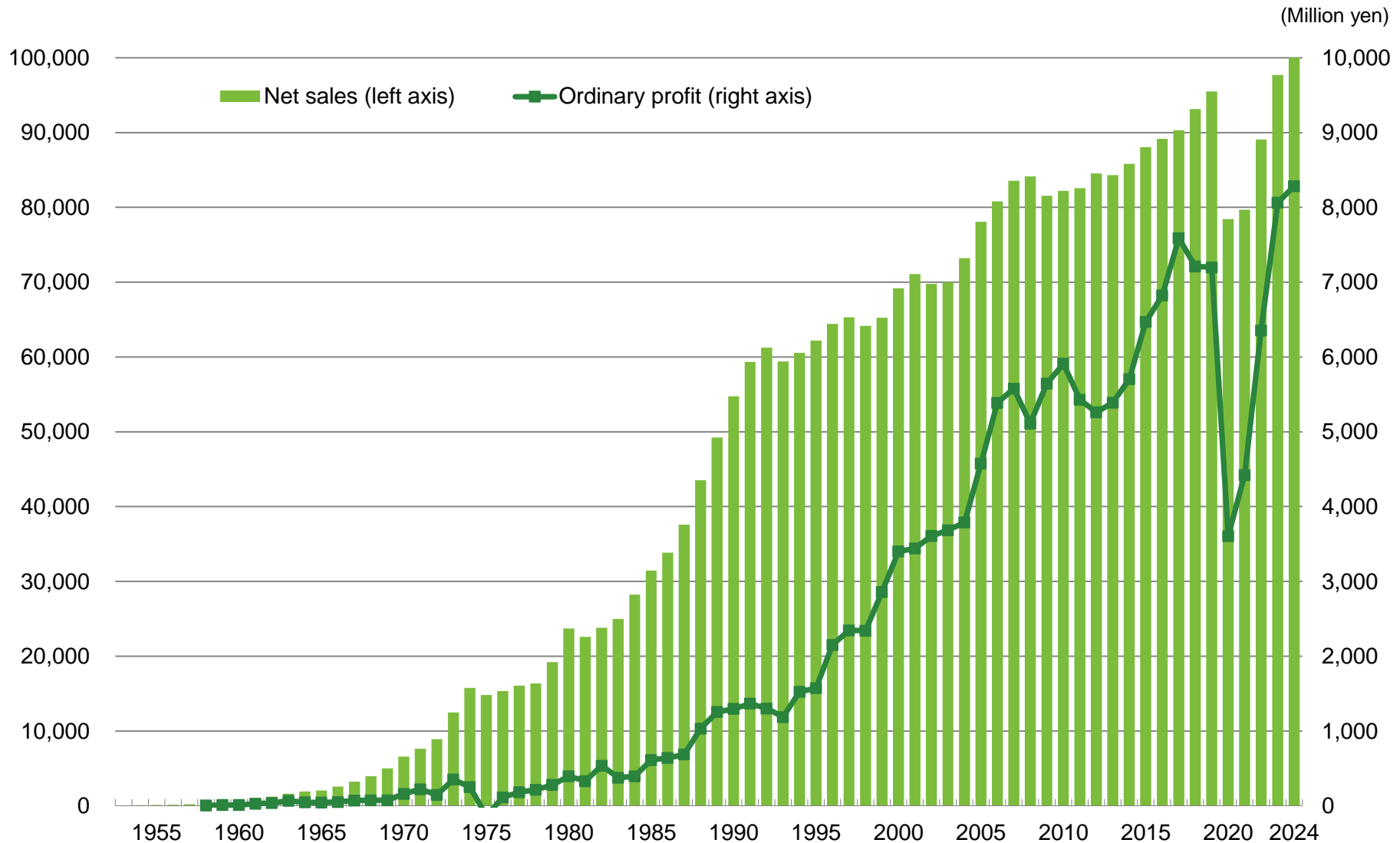


U.S. consolidated  
subsidiary

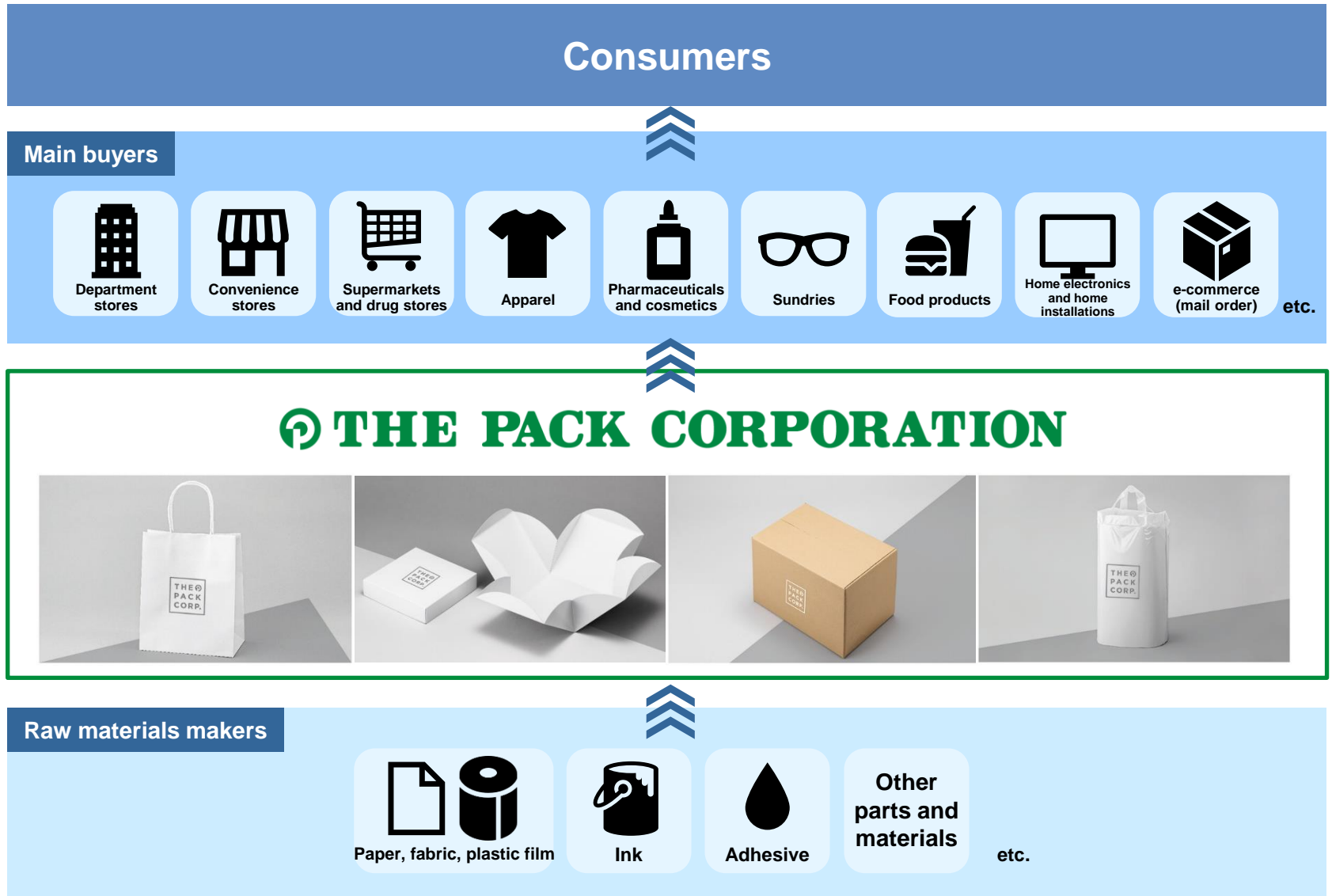
The Pack America  
Corporation



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



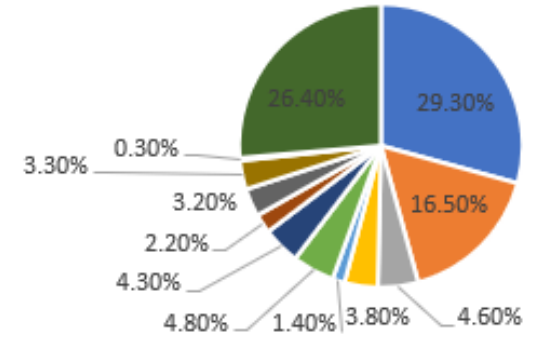




# Distribution Structure for Major Products





# 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:<br/>approx. 15,000 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>  <p>(As of June 30, 2025)</p> <ul style="list-style-type: none"> <li>Food products</li> <li>Apparel</li> <li>Department stores</li> <li>Supermarkets and drug stores</li> <li>Convenience stores</li> <li>Pharmaceuticals and cosmetics</li> <li>e-commerce (mail order)</li> <li>Sundries</li> <li>Home electronics and home installations</li> <li>Life care</li> <li>Automotive</li> <li>Other</li> </ul>  <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"> <li>◆ (Full support structure)<br/>Solutions proposed by joint efforts of the sales, research and planning, engineering, and design sections</li> <li>◆ (Thorough expertise and access to large body of information)<br/>Operating one of Japan's largest packaging labs</li> </ul> <p>⇒ <u>Providing solutions only a general package maker can provide</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 (881 m<sup>2</sup>)



Packaging Laboratory Osaka (990 m<sup>2</sup>)



Packaging Laboratory Fukuoka (89 m<sup>2</sup>)



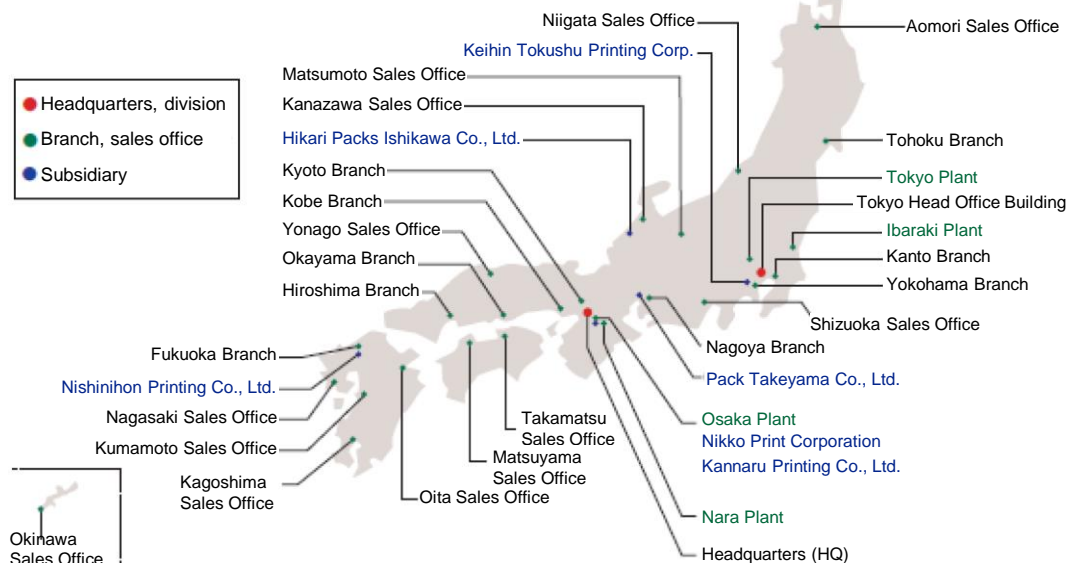
# The Pack's Strengths (3)

## 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

#### Manufacturing

##### Printing plant



##### Paper bag plant



##### Film packaging plant



##### Paper cartons plant



##### Corrugated board plant



#### Nationwide direct sales structure

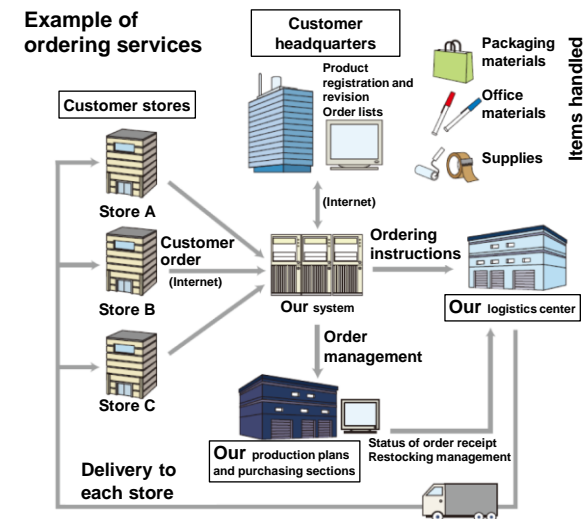
#### Logistics

#### Products

#### Customers across Japan






# The Pack's Strengths (4) (5)

| Strength                       | Specifics  |
|--------------------------------|--|
| 4. Quality control structure   | <ul style="list-style-type: none"> <li>◆ Groupwide quality management systems are ISO 9001-certified.</li> <li>◆ The Tokyo and Osaka plants <u>have earned FSSC 22000 international food-safety management system certification.</u></li> <li>◆ Based on a policy of improving customer satisfaction through enhanced quality, we strive to earn customer trust by delivering safe, reliable products.</li> </ul>  |
| 5. IT-driven customer networks | <ul style="list-style-type: none"> <li>◆ Delivering packaging materials, supplies, and other products as an integrated service           <ul style="list-style-type: none"> <li>⇒ <u>Streamlined logistics based on combined deliveries also helps cut CO<sub>2</sub> emissions.</u></li> </ul> </li> <li>◆ Offering Pack-Web web-ordering services           <ul style="list-style-type: none"> <li>⇒ <u>Streamlining customers' ordering operations</u></li> </ul> </li> </ul> |





# ESG Initiatives (1)

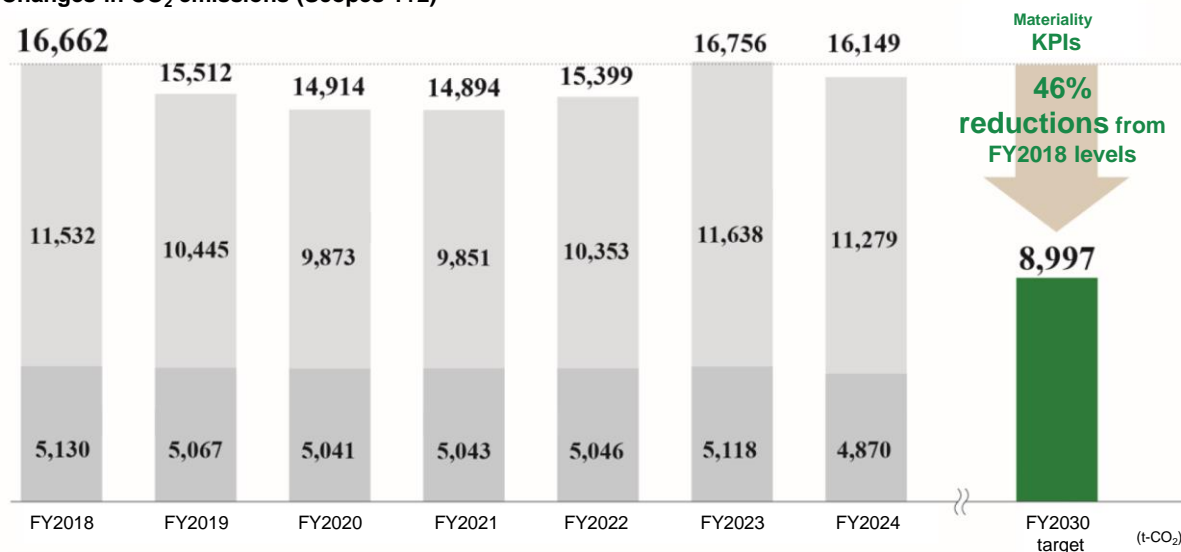
| Initiatives  | Specifics  |
|--|--|
| <p data-bbox="108 287 564 476">1. Planning and proposing packages to support social contribution activities</p> <p data-bbox="127 1048 324 1119">Relationship to the SDGs</p> <div data-bbox="115 1159 531 1285">    </div> | <p data-bbox="633 279 1769 358">◆ Sales begin for KAISONAL<sup>®</sup> (eco-friendly next-generation oil-resistant coating).</p> <p data-bbox="660 386 1738 494">KAISONAL<sup>®</sup> is a coating agent made from seaweed-derived raw material to meet increasing demands for takeout food packages and reduced environmental impact.</p> <p data-bbox="660 501 1742 572">PFAS-free, plastic-free primary paper packaging coated with this agent offer oil-resistance equal to conventional oil-proof packaging.</p> <p data-bbox="660 615 1773 686">This alternative to plastic takeout food packages satisfies demands in the food products market.</p> <div data-bbox="674 722 1290 1106">  </div> <p data-bbox="1344 751 1619 779">&lt;Product features&gt;</p> <ul data-bbox="1344 786 1827 1086" style="list-style-type: none"> <li>• Incorporates safe, seaweed-derived raw material</li> <li>• Plastic-free, biodegradable</li> <li>• PFAS-free, styrene-free, acrylic-free</li> <li>• Oil resistance equivalent to conventional oil-resistant packaging</li> </ul> <p data-bbox="660 1158 1425 1229">Read the The Pack blog for more product information.<br/> <a href="https://www.thepack.co.jp/blog/products/a197">https://www.thepack.co.jp/blog/products/a197</a></p> <div data-bbox="1476 1159 1591 1270">  </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 CO<sub>2</sub> emission reduction targets by FY2030  
⇒ Reducing CO<sub>2</sub> emissions (Scopes 1+2) by 46% from the FY2018 level

Changes in CO<sub>2</sub> emissions (Scopes 1+2)



Relationship to the SDGs



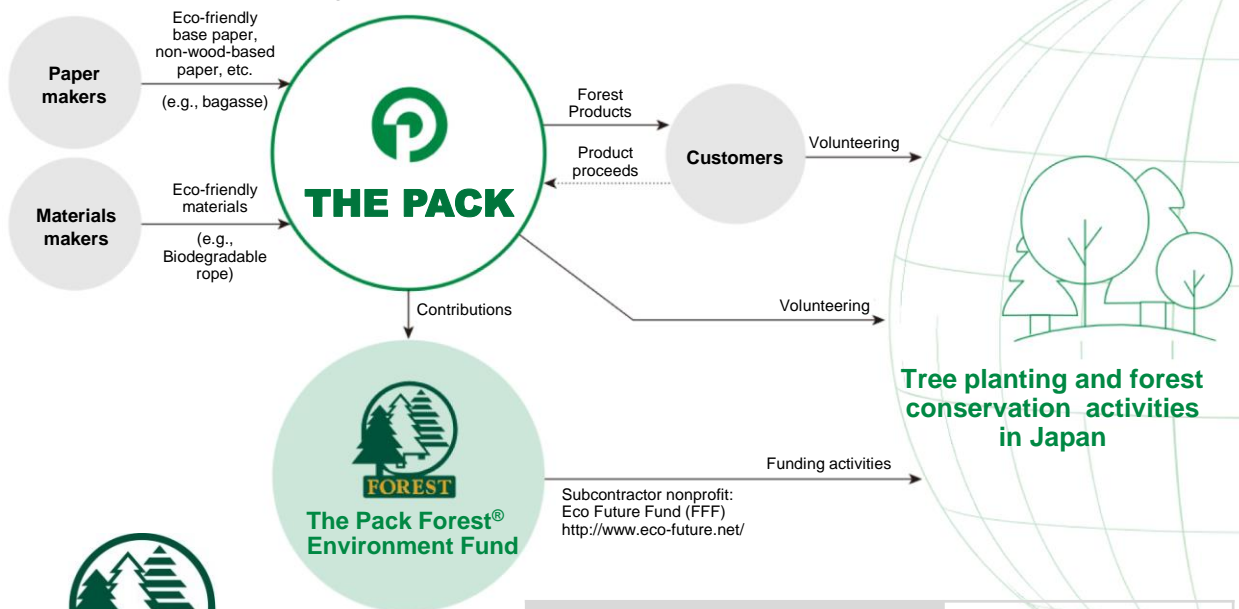
# ESG Initiatives (3)

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

Relationship to the SDGs



- ◆ 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                  | 209 million yen |
| Trees planted                      | 23,693          |
| Total participants                 | 7,660           |
| Planted land area                  | 19.57 Ha        |
| CO <sub>2</sub> emissions absorbed | 2,258.87 t      |




(Totals as June 30, 2025)

# ESG Initiatives (4)

| Initiatives   | Specifics  |
|---|--|
| <p>4. Human Resource Development and Workplace Development</p>  | <ul style="list-style-type: none"> <li>◆ 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.</li> <li>◆ Chosen by the Certified Health &amp; Productivity Management Outstanding Organizations Recognition Program 2025 (for the seven consecutive year)<br/>Thorough health checkups and secondary examinations, smoking cessation challenge, stress checks, health training, etc.</li> <li>◆ Adoption and use of evaluation and support programs to help improve skills<br/>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.</li> </ul> |
| <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> | <div> </div> <div> <pre> graph LR     WS[Wage structure] &lt;--&gt; HR[HR system (career development stage)]     HR &lt;--&gt; HRD[HR development meetings (decisions on treatment)]     HRD &lt;--&gt; WS     HR &lt;--&gt; TR[Training programs Management by objectives]     HRD &lt;--&gt; TR     TR &lt;--&gt; AR[Action requirements]     TR &lt;--&gt; HE[HR evaluation]     AR &lt;--&gt; HE     </pre> <p><b>Operation</b></p> </div> <ul style="list-style-type: none"> <li>◆ Making the most of diverse human resources<br/>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.</li> </ul>   |



## ESG Initiatives (5)

| Initiatives  | Specifics  |
|--|--|
| <p>5. Social contribution activities</p>   | <ul style="list-style-type: none"> <li>◆ As part of our environmental education initiatives, in cooperation with the city of Higashi-Osaka, we organize hands-on manufacturing classes at elementary schools.</li> </ul> <div data-bbox="645 368 1777 644">  </div> <ul style="list-style-type: none"> <li>◆ Supporting the Kansai Philharmonic Orchestra</li> <li>◆ Donations to Yoshinoyama Hoshoukai</li> <li>◆ Sponsoring the Kids Earth Fund</li> <li>◆ Supporting regions affected by the 2024 Noto Earthquake through disaster relief donation</li> </ul> |
| <p>Relationship to the SDGs</p> <div data-bbox="123 1133 540 1262">  </div> | <ul style="list-style-type: none"> <li>◆ Providing a lecturer to Oshigoto (Job) Fair</li> </ul> <div data-bbox="660 976 1105 1303">  </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, 2025. It is not intended to solicit investment in securities issued by the Company. In addition, this document was prepared based on data as of June 30, 2025.

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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