



THE PACK CORPORATION

Financial Results Briefing for the Second Quarter of the Year Ending December 31, 2025

September 25, 2025

Event Summary

[Company Name]	THE PACK CORPORATION	
[Company ID]	3950-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Second Quarter of the Year Ending December 31, 2025	
[Fiscal Period]	FY2025 Q2	
[Date]	September 25, 2025	
[Number of Pages]	35	
[Time]	10:00 – 10:48 (Total: 48 minutes, Presentation: 34 minutes, Q&A: 14 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Naoki Nakamura Ikuo Shimomura	President and CEO Director and Corporate General Manager

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Presentation

Moderator: It is now the scheduled time, so we will begin the Financial Results Briefing for the Second Quarter of the Fiscal Year Ending December 31, 2025, for THE PACK CORPORATION. We sincerely appreciate your taking time out of your busy schedules to attend our earnings briefing today.

First, allow me to introduce the two company representatives present. To your left is our President and CEO, Naoki Nakamura.

Nakamura: Thank you very much. It's a pleasure to be here.

Moderator: And to your right is our Director and Corporate General Manager, Ikuo Shimomura. Thank you for joining us.

Today's briefing is being held at our Tokyo head office building and is also being streamed live online. The session is scheduled to last for one hour. We will be presenting based on the financial results materials disclosed on our website on September 19.

Following the order of the agenda in the presentation materials, Mr. Nakamura will cover the topics section, Mr. Shimomura will explain the Q2 results for the fiscal year ending December 2025 as well as the full-year forecast, and Mr. Nakamura will then return to present the progress of the medium-term management plan and our sustainability initiatives. After that, we will move on to the Q&A session.

Now, let's begin with the topics section. Mr. Nakamura, please go ahead.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



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



Copyright© 2025 The Pack Corporation. All Rights Reserved.

3

Nakamura: Once again, my name is Nakamura. Thank you for your time.

Let me begin with the business environment and key topics. As outlined here, there are two main points regarding the business environment. One, as you are all aware, is the significant lack of momentum in consumer sentiment. This has had a considerable impact on our company, given that we serve a large number of retail clients.

The second point, as stated here, concerns the ongoing consolidation and business alliances within the retail and distribution sectors. In the first half of FY2025, there were cases where, due to specific client circumstances, their market coverage shrank. That is what we are referring to in this context.

We have listed four key topics. Despite the challenging environment, we managed to close the first half period having once again achieved record-high sales. In addition, we conducted a stock split and secondary offering. Third, we acquired shares in Hikari Packs Ishikawa Co., Ltd., making it a subsidiary. Fourth, regrettably, we announced a downward revision to our full-year consolidated earnings forecast, but have maintained our dividend payout. That concludes the topics section.

Moderator: Next, Mr. Shimomura will explain the financial results for Q2 of the fiscal year ending December 2025. Over to you.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



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 year ended December 31, 2024	Second quarter of 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 owners of parent	2,999	2,428	-19.0%
Per share amount of 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.



Copyright© 2025 The Pack Corporation. All Rights Reserved.

5

Shimomura: My name is Shimomura, and I am in charge of the Corporate Division. Thank you for your attention. I will now provide an overview of the financial results for Q2 of FY2025. Please refer to page five of the presentation materials, which contains the summary of results.

Net sales came to JPY47.385 billion, representing an increase of approximately 1.6%. However, operating profit was JPY2.863 billion, and ordinary profit was JPY3.038 billion, resulting in a YoY decline. While we achieved revenue growth centered around paper products, factors such as capital investment and labor-related costs, including wage increases, led to a decline in earnings.

As for dividends, we have maintained our original plan, increasing the dividend by JPY6 from the previous fiscal year to JPY58. Please note that we conducted a one-for-three stock split on July 1 of this year.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com



Results by Segment

(Million yen)

	Second quarter of year ended 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.



Copyright© 2025 The Pack Corporation. All Rights Reserved.

6

Next is the table showing performance by product segment.

Our core paper products, which account for just over 70% of total sales, saw steady performance in areas such as paper cartons for food-related uses and shipping packaging materials for e-commerce. However, in other segments, we saw a decline in sales of general-use supplies for department stores and mass retailers.

As I touched upon earlier, increases in capital investment and labor-related costs have been the main contributors to profit decline across segments.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Factors Underlying Changes in Operating Profit

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



- ◆ 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.

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

7

Next slide, please. This graph summarizes the factors behind changes in operating profit for the first half of FY2025.

Our company handles a variety of products, including paper bags, boxes, corrugated cardboard, and film. So, the outcome largely reflects our product mix. Compared to the same period last year, however, the growth in both sales volume and pricing was somewhat limited.

On the other hand, as mentioned earlier, we faced a heavier depreciation burden due to capital investment in manufacturing equipment, as well as labor-related investments. In addition, we incurred costs from utilizing new external warehouses and amortization related to the replacement of our core IT systems. As a result, operating profit declined by approximately JPY662 million YoY.

Support

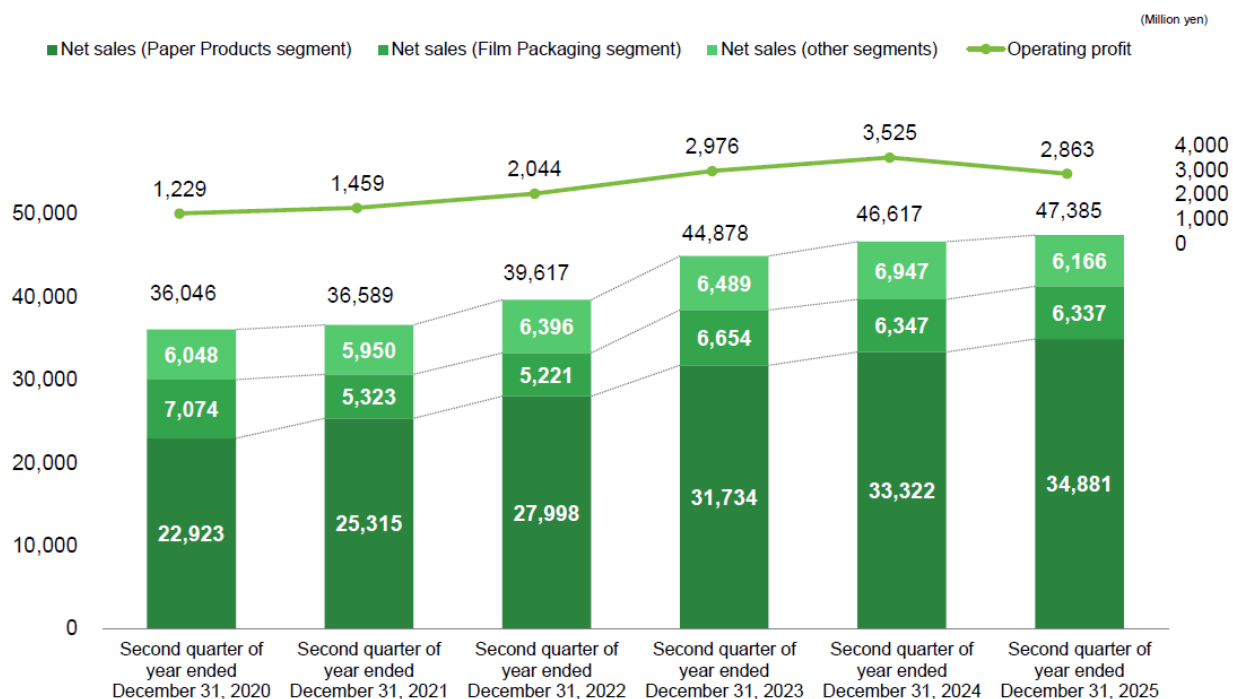
Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

Trends by Segment

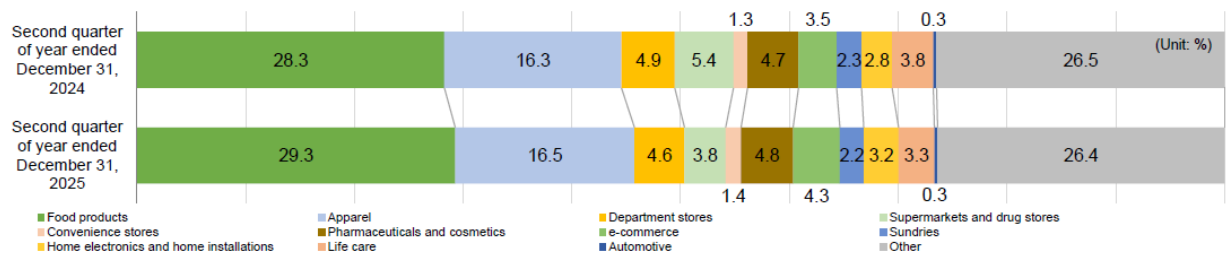
Paper products contributed significantly to net sales



This slide summarizes the trend in performance by product segment for the first half, from 2020 onward.

As shown, the growth rate for the paper products segment—the dark green area at the bottom of the bar graph—was 4.7%. The composition ratio of this segment has been gradually increasing over the past few years and rose by approximately 2.1 percentage points compared to the previous year.

Sales Composition



(Million yen)	Second quarter of year ended December 31, 2024		Second quarter of year ended December 31, 2025		YoY change
	Actual	Share	Actual	Share	
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.

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

9

Moving on to slide nine, this classifies our sales performance by client industry.

Sectors such as apparel, food, convenience stores, e-commerce, and home electronics showed steady growth. In contrast, sales declined in department stores, supermarkets, drugstores, and the life care sector.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support

support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

Paper Products Segment

<Cross-selling in growth markets boosted profit>

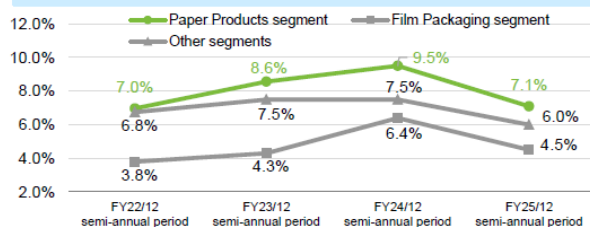
Business environment

- ◆ 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)

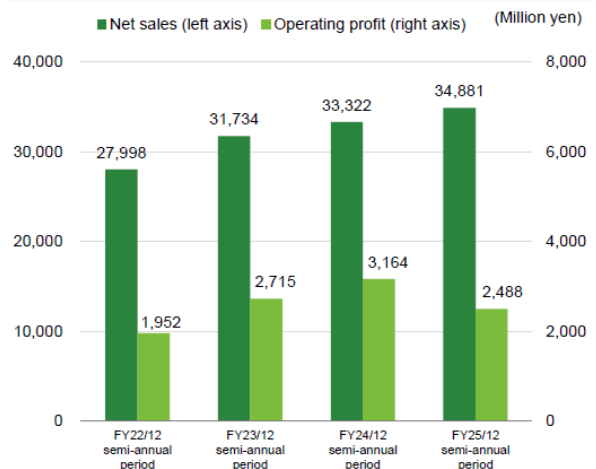
Initiatives

- ◆ 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

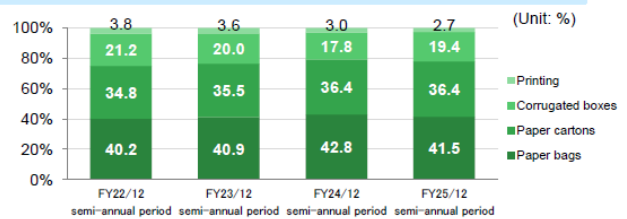
Trends in operating profit margins



Trends in net sales and operating profits



Trends in sales composition in the Paper Products Segment



THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

10

Now we move into the product-specific section of the presentation materials. The industry environment is outlined here.

At present, we are working to improve productivity through proactive investment in equipment and to expand our product offerings. At the same time, we are continuing to make active proposals that address rising environmental awareness.

Our ability to offer a combination of products—including paper bags, paper cartons, and corrugated boxes—is a distinctive strength of the Company. We expect the share of paper products in our total sales to continue growing in the future. Therefore, we aim to achieve a growth rate that exceeds the scale of our investments as quickly as possible.

For your reference, the operating margin of the overall paper product business stood at 7.1% for the first half of FY2025.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

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.

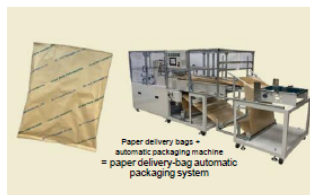
Initiatives

- ◆ 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

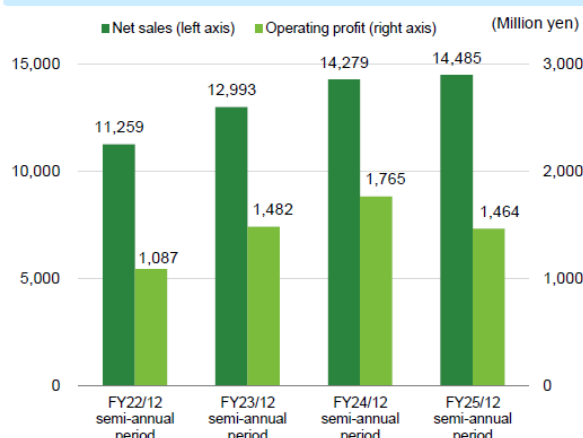


▲ Mixed paper with used clothes incorporating recycled cloth

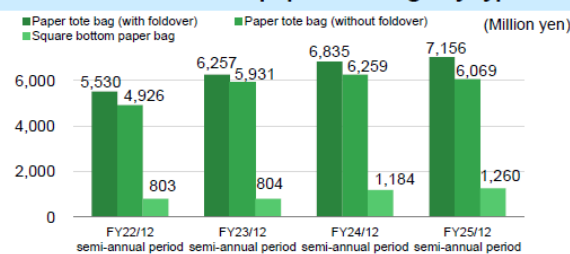


▲ Paper delivery bag compatible with automatic packaging machines

Trends in net sales and operating profits



Trends in net sales of paper tote bags by type



THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

11

Next, I would like to explain the section on paper bags within our paper products business.

In addition to further enhancing the production capacity and technological capabilities of our in-house factories, we are also working to strengthen our supply chain by actively leveraging external contractors. We are advancing development and equipment investment in paper-based delivery bags, which contribute to improved transportation and work efficiency. Furthermore, we are focusing on expanding proposals for high value-added products, including those that address environmental concerns, as part of our ongoing efforts to drive sales expansion.

Sales in this category for Q2 grew by 1.4%, reaching JPY14.485 billion. As I mentioned briefly during the previous briefing, the bottom-right section of slide 11 provides a breakdown of sales performance by type of paper bag for your reference.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

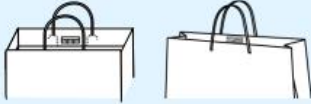
Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

[Reference] Examples of Types of Paper Bag

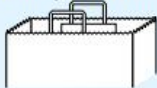
■ Paper bag with turned-over top

Paper bag with turned-over top.
The turned-over top add strength to the bag, making reuse more likely.



■ Paper bag without turned-over top

Paper bag with serrated top.
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.



Speaking generally, as shown on slide 12, paper bags with turned-over top are often used for items such as jewelry, cosmetics, and high-end apparel. On the other hand, for confections, food items, or casual apparel, the more common type is the bag with serrated top.

There is also another category, namely the square bottom paper bags without handles. These are mainly used for home delivery packaging or as small bags that directly contain food. In our classification, these are categorized as square bottom paper bags. Although this is based on results at the halfway point of the fiscal year, we are seeing growth in both the paper bag with turned-over top and the square bottom paper bag without handles.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support

support@scriptsasia.com

Paper Products Segment (Paper Cartons)

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

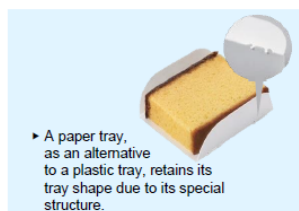
Business environment

- ◆ 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.

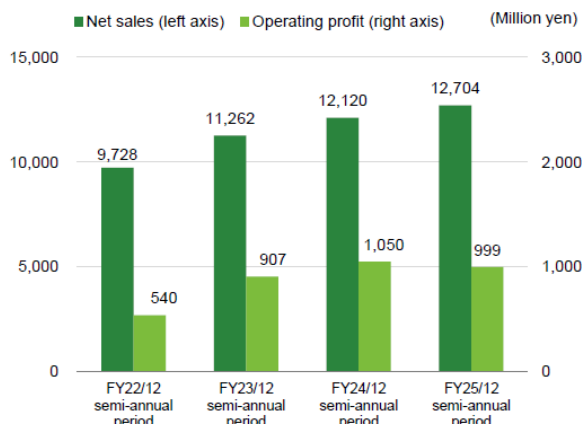
Initiatives

- ◆ 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

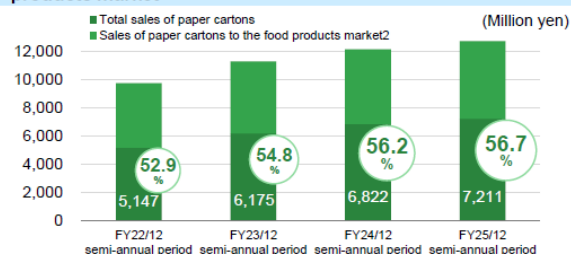
Examples of developed products



Trends in net sales and operating profits



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



THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

13

Now let me move on to the section on paper cartons within our paper products business.

The industry environment is as outlined here. Demand for various food-related packaging continues to be steady. However, we are facing ongoing challenges in securing sufficient workers for manual tasks such as assembling cartons and packing products.

Our company has traditionally focused on the sales of paper containers, especially those for food-related applications, and we have continued to invest in equipment. Given the situation I just described, we are currently concentrating not only on selling packaging but also on offering services that address labor shortages, such as carton assembly and product packing. As a result, we are currently seeing a significant increase in related transactions. Additionally, with regard to environmental compliance, we are steadily preparing to respond to PFAS regulations and fluorine restrictions.

As shown in this graph, the order environment remains strong, similar to what we observed for paper bags. Sales in the paper carton category grew by 4.8% YoY, reaching JPY12.704 billion.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

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%.

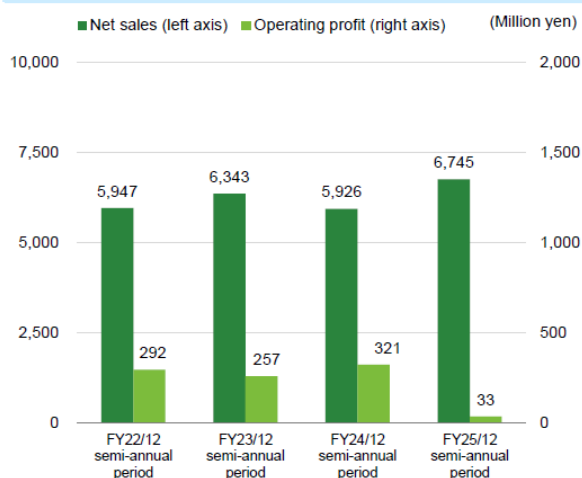
(Sources: Japan Corrugated Case Association "Corrugated Box Statistics")

- ◆ 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

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

14

Next is the section on corrugated cardboard products. The industry environment is described in the slide.

We are working to expand our production capacity for delivery materials used in the e-commerce market while also strengthening our development and proposal capabilities in this category. Although this has long been one of our strengths, we are focusing on developing cushioning materials made from corrugated cardboard that use minimal plastic. We are also emphasizing sales of large-format cardboard products by utilizing our in-house manufacturing facilities.

Sales in this category grew by 13.8%, reaching JPY6.745 billion. However, recently, the composition of sales has shifted toward lower-margin products. Additionally, due to intensified competition within the industry, we are seeing a trend of declining gross profit margins. This trend is similar in other categories as well. Going forward, we will continue working to improve profitability by enhancing the value-added features of our products and promoting sales of competitively strong offerings.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support

support@scriptsasia.com

Film Packaging Segment

<Positive flexible packaging sales trends>

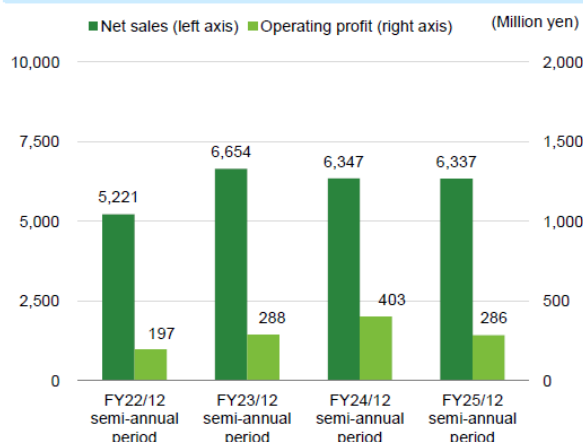
Business environment

- ◆ 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

Trends in net sales and operating profits

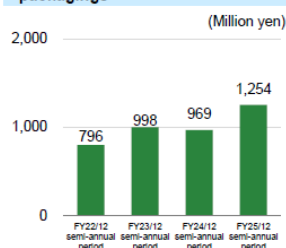


Examples of developed products

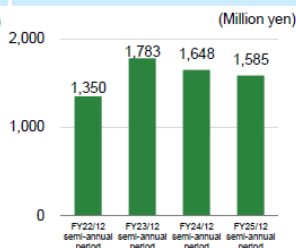


▲ Totally film-free flexible paper packaging with barrier performance

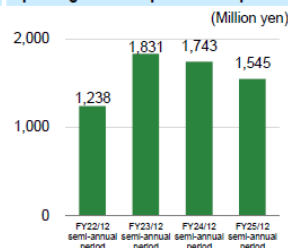
Trends in net sales of flexible packagings



Trends in net sales of plastic tote bags



Trends in net sales of external packages for disposable diapers



© THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

15

Now moving on to the film packaging business. In this segment, demand for plastic carry bags—including shopping bags—has been on a downward trend, driven by continued societal demands for environmental responsibility.

Another key product in this segment is paper-based sanitary products, specifically outer packaging for disposable diapers. Japanese-made products were once highly popular, and we experienced strong demand. However, the rise of local brands in China, coupled with demographic decline, has led to stagnation and weak performance in this area.

In response, we are making aggressive proposals using our proprietary, environmentally friendly, high-definition flexographic printing presses. We are also reinforcing initiatives around thinner film, as well as recycled and biomass materials.

Sales for this segment in Q2 came to JPY6.337 billion, showing a slight decline. That said, as shown in the table at the bottom of the slide, while the total sales volume is still relatively small, sales of flexible packaging and film packaging for food—an area we are focusing on as part of our multi-material sales strategy—are steadily increasing.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

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

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

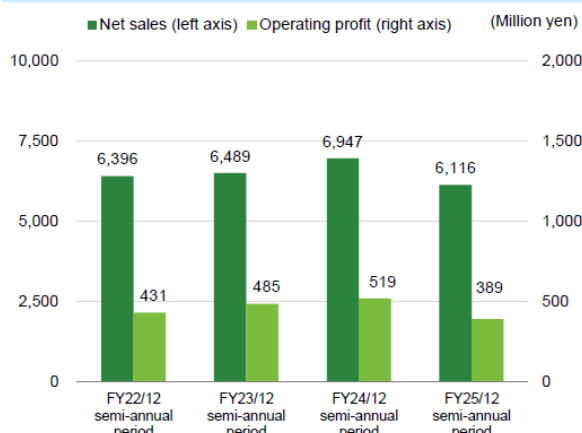
Business environment

- ◆ 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

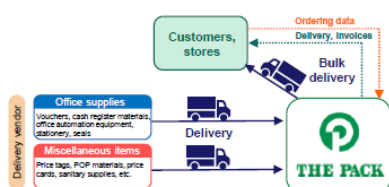
Initiatives

- ◆ 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

Trends in net sales and operating profits



PAS (Pack Assortment Service System)



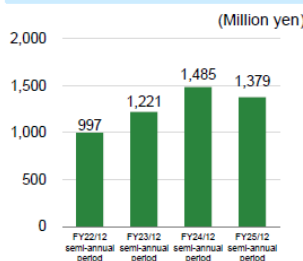
▲ Streamlining logistics via bulk delivery also helps reduce CO₂ emissions.

Examples of eco-friendly sewn products

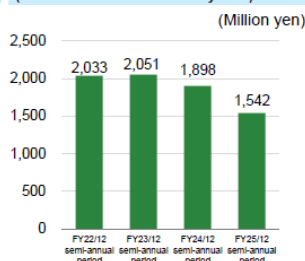


▲ Recycled Tetron Cotton, a material made by recycling materials such as cotton and polyester scraps from factories

Trends in net sales of sewn products



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



Copyright© 2025 The Pack Corporation. All Rights Reserved.

16

© THE PACK CORPORATION

Finally, let me explain the “other” business segment.

This segment includes products that do not fall under the previously discussed categories of cartons, bags, cardboard, or film. For example, it includes non-woven and cloth bags, labels, ribbons, and general-use supplies. This section summarizes the performance of these items.

In terms of results, we saw a partial loss of market share due to industry restructuring among some of our clients. Additionally, we experienced some impact from specific cases involving withdrawal from unprofitable transactions. As a result, sales in this segment for Q2 totaled JPY6.116 billion.

Support

Japan	050.5212.7790
Tollfree	0120.966.744

Email Support support@scriptsasia.com



Balance Sheet

(Million yen)

	Year ended December 31, 2024	Second quarter of year ended December 31, 2025
	Actual	Actual
Assets	103,292	98,532
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
Liabilities	28,806	23,421
Current liabilities	27,766	21,914
Non-current liabilities	1,040	1,507
Net assets	74,485	75,110
Shareholders' equity	71,437	72,665
Accumulated other comprehensive income	3,022	2,426
Share acquisition rights	25	18



Copyright© 2025 The Pack Corporation. All Rights Reserved.

17

Next slide, please. This is the balance sheet, presented as shown. There are no particular comments to add here.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Cash Flow

(Million yen)

Main items	Second quarter of year ended December 31, 2024	Second quarter of year ended 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

This next slide is a simplified summary of our cash flow.

The key points are as follows: In operating cash flow, depreciation expenses have increased due to investments in machinery and the replacement of our core system. In investment cash flow, we recorded income of JPY884 million, primarily due to the sale of cross-held shares.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

Forecasts of Business Results

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

(Million yen)

	Year ended December 31, 2024	Year ending December 31, 2025 (released August 12)	
	Actual	Forecasts of 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 owners of parent	6,316	6,100	-3.4%
Basic earnings per share (yen) *	111.17	108.26	-2.6%
Year-end dividend per 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).

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

20

Now, I will discuss the forecast for the current fiscal year ending December 2025.

We are forecasting net sales of JPY103 billion and operating profit of JPY7.3 billion, with the rest of the figures as shown on the slide. Please note that due to the stock split we implemented, the figures are not directly comparable to prior years. As for dividends, we plan to maintain the same year-end payout amount as the previous fiscal year.

Going forward, we intend to steadily achieve these results by leveraging our strength in integrated, multi-material sales.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

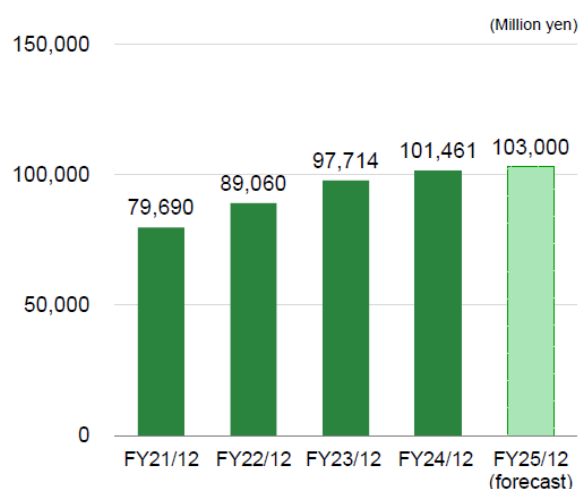
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

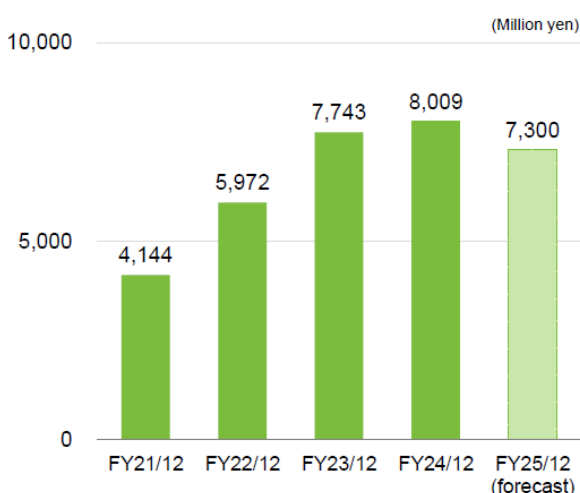
Trends in Consolidated Business Results

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

Trends in net sales



Trends in operating profit



THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

21

This slide shows the full-year forecast along with the performance trends over the past five years. While we have issued a downward revision this time, we are still aiming to achieve five consecutive years of revenue growth and are continuing efforts to improve operating profit.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

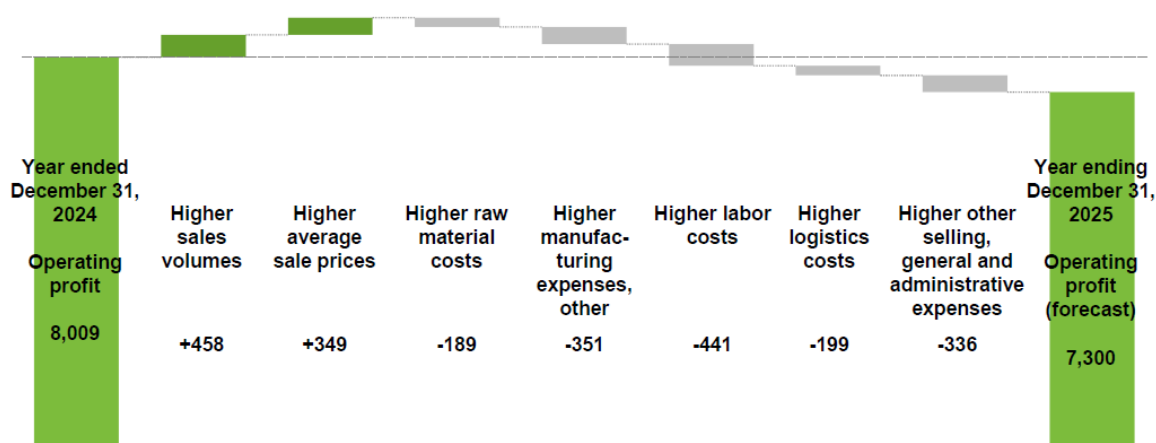
Email Support support@scriptasia.com

SCRIPTS
Asia's Meetings, Globally

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.

This next slide outlines the factors currently identified as influencing the full-year change in operating profit.

First, we aim to secure revenue through product line expansion, the integrated proposals I mentioned earlier, and active development of new customers. At the same time, while we do expect an increase in labor-related investment and amortization costs, our key challenge will be to minimize the extent of profit decline through improvements in productivity and sales margins.

There remains some uncertainty regarding the magnitude and timing of future increases in raw material and logistics costs. However, we intend to offset these impacts by enhancing productivity and promptly passing costs through to selling prices.

That concludes my presentation. Thank you very much.

Moderator: Next, Mr. Nakamura will explain the progress of our medium-term management plan. Over to you.

Quantitative Progress on the Medium-Term Management Plan

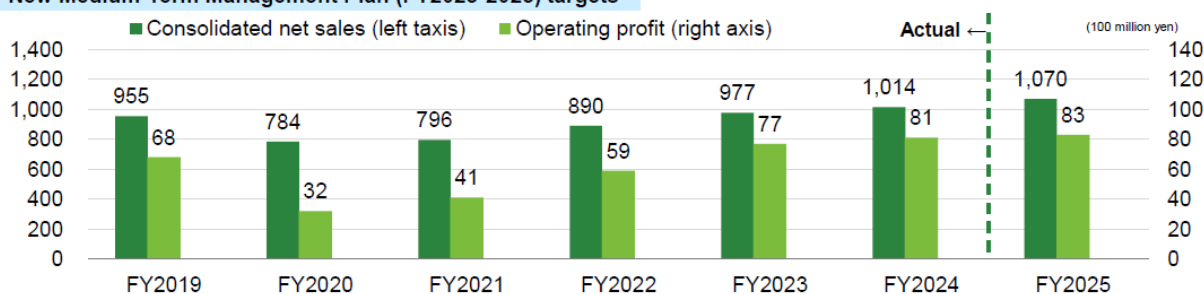
FY2025 targets
*Revised upward in February 2024

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

Progress status

- ◆ 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%	-

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

24

Nakamura: I'm Nakamura. I will now speak on the progress of our medium-term management plan.

As mentioned earlier, for the first half of the fiscal year, we recorded JPY47.3 billion in net sales and JPY2.8 billion in operating profit. From here, I would like to go into further detail on those results.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

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 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change	FY2025 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 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change	FY2025 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



Copyright© 2025 The Pack Corporation. All Rights Reserved.

25

This section highlights the outcomes from two areas where the Company has been focusing its efforts: the food industry and the e-commerce sector.

In the food industry, shown in the upper portion of the slide, we achieved a JPY300 million increase in revenue. In the e-commerce sector, we saw an even greater gain of JPY1 billion, which exceeded our expectations and can be considered a very positive result. The lower part of the slide breaks down the results by product type. The segment with a significant negative impact was the "other" category, as Mr. Shimomura explained earlier. That area pulled down the overall results.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Progress on Growth Strategies in the Food Products Market

Quantitative progress				Overview of Progress			
(100 million yen)							
FY2024 semi-annual period (actual)	FY2025 Semi-annual, actual	YOY change	Full-year, planned	◆ 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.			
133	136	2.3%	320				
◆ Sales expansion of primary containers for food products and efforts related to paper trays and molded pulp containers				◆ Growth in sales of and cross-selling of film packaging			
(100 million yen)				(100 million yen)			
	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change	* For food products market only	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change
All paper cartons in the market	73.0	77.3	5.9%	Film packaging	7.0	7.4	5.7%
Primary containers for food products	41.7	43.1	3.4%	◆ Development of environmental impact reducing materials and processing, and sales expansion of FSC® products (FSC® C020517)			
(Reference) All paper bags in the food products market	35.7	34.0	-4.8%				
Showcasing at FOOMA JAPAN 2025				* For food products market only	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change
 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.				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.			

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

26

Digging deeper into the food sector, the JPY300 million gain I just mentioned can be broken down as follows—please look at the red middle portion of the slide. The area above it shows a 5.9% increase in paper cartons. This refers to boxes, which saw notable growth. Of that, the subcategory of primary containers—boxes that directly contain food—for which we increased production capacity, showed a 3.4% increase.

However, on the other hand, paper bags used in the food industry, such as for stores located in department store food halls, declined by JPY170 million. So, while the net increase was JPY300 million, we consider the sales performance in paper cartons—a focus area for us—to be progressing in line with plan.

Another product area we want to strengthen is flexible packaging, shown on the right side of the slide—this refers to film. This segment grew 5.7%, but it has not yet matured into a core pillar of the business. I personally see this as an area where further effort is needed.

In the bottom right corner, we have what we refer to as our “solution proposals,” which Mr. Shimomura also touched on earlier. This involves situations where we deliver boxes to customers, who then assemble them and fill them with items like confectionery. However, due to labor shortages, this process has become difficult. Our proposal is to provide a solution to that problem, and we are currently working aggressively to promote this offering. Do we have the video ready?

Video narration: This is THE PACK Food Assort Center. At THE PACK, we offer outsourced food setup services to help address labor shortages in the food industry. At our base in Kawasaki City, Kanagawa Prefecture, we have introduced a proprietary assortment system that uses robots to automatically package various types of confectionery.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

The pre-stacked boxes are automatically supplied in sequence, placed one by one into trays, and then transported along a linear conveyor. A product recognition camera photographs each item as it moves along the conveyor. Through image recognition, it determines the orientation and position of the packaging, after which a robotic arm picks up the product and arranges it accurately before packing.

Nakamura: Currently, we have one site in the Kanto region and one in Kansai. We plan to launch a second Kansai site within this year. We are also exploring potential locations in Kyushu, Tohoku, and Hokkaido.

This initiative has been extremely well received. While we had previously proposed such assembly services, recently the response has been exceptionally strong. Our demonstration at FOOMA JAPAN, shown in the lower left of the slide, also contributed to this momentum. We've received a large number of inquiries, and our existing center is now operating at full capacity.

We also have many partner companies, so we intend to use this center symbolically, as a showcase, and leverage this system to increase orders for paper cartons. That's our goal.

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

Quantitative progress

FY2024 semi-annual period (actual)	FY2025 (100 million yen)		
	Semi-annual, actual	YOY change	Full-year, planned
74	84	13.5%	190

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.

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

	(100 million yen)		
	FY2024 semi-annual period (actual)	FY2025 semi-annual 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 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change
Reinforced corrugated boxes	4.7	4.9	4.3%

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 on 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.

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

27

Next, I'd like to discuss the expansion of our business in the e-commerce and online retail markets. In the first half of the year, we recorded a JPY1 billion increase in this area. The majority of that growth came from a 37.3% increase in sales of delivery bags.

At our company, we often use the term "integrated sales" or "multi-material sales." As many of you may have noticed as consumers, when you order something online, it usually arrives in a cardboard box. In the past, people would often say things like, "Why did they ship a single pen in such a big box?" But don't you think that's changed quite a bit recently? Small items are now being packaged in appropriately sized packaging—

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

and not necessarily in cardboard. Instead, they're often shipped in paper bags or in packaging that falls somewhere in between. I'd like you to understand that we're the ones providing exactly those types of solutions, and this is where we're seeing growth.

One of our customers once told us, "I thought you were just a cardboard company. I didn't know you could do paper bags too." But this isn't limited to just a few major clients—it's a trend we believe can be widely applied across the board. So we expect this growth to continue in the near term.

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

Quantitative progress				Overview of Progress			
(100 million yen)							
FY2024 semi-annual period (actual)	FY2025			◆ 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.			
	Semi-annual, actual	YOY change	Full-year, planned				
259	254	-1.9%	570				
◆ Promoting additional proposals that would expand market share for paper bags and promote the shift to paper				◆ Promoting social contributions alongside customers (The Pack Forest® Environment Fund)			
(100 million yen)							
General distribution and retail market; other markets	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change		FY2030 target	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)
Paper bags	71.0	70.3	-1.0%	Number of activities per year (times)	15	5	5
(Reference) Film packaging	36.2	36.0	-1.0%	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 semi-annual period (actual)	FY2024 semi-annual period (actual)	FY2025 semi-annual period (actual)	YOY change			
Sewn bags, gift packaging materials, etc.	12.2	14.9	13.8	-7.4%			

Now, regarding the segment broadly classified as "Others," as I've mentioned repeatedly, the negative impact we've seen here has largely been due to circumstances on the client side. From that perspective, I believe that this year's performance was affected by several negative factors coinciding during the first half. Some of these are temporary, and since the actual activities at the site level have been progressing according to plan, we do feel a degree of confidence from the results achieved thus far. Of course, this applies to the current fiscal year, but we also have a strong sense that from next fiscal year onward, we can achieve significant renewed growth.

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 semi-annual period (actual)	FY2025 semi-annual period (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 number of participants as of December 31, 2024	Actual number of participants as of June 30, 2025	Progress	FY2025 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

Next, I will provide an update on our human capital strategy.

People have always been a central focus for us, ever since our founding. What we’re doing now is modernizing and systematizing that core value to ensure progress. We’ve continued to devote efforts to human resource development, but among these initiatives, the one we’re placing particular emphasis on is our DX training, which has now entered its third term. We are now in a phase where we are working to concretely develop DX talent—people who can help solve issues within each division using digital tools. I personally have high expectations for this program moving into the next fiscal year, and I intend to closely monitor its progress.

The rest of the details are as outlined in the materials.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

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 (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
Total strategic investments		65.0	52.6	16.4	6.5
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	-	-
Total		85.0	98.7	27.0	7.2

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.



Copyright© 2025 The Pack Corporation. All Rights Reserved.

30

Now, I will speak about the progress of our financial strategy. The highlighted area in this section is our capital investment, which is progressing according to plan. In the first half of FY2025, we invested JPY650 million, and we expect to reach the full-year target of JPY1.6 billion by combining this with the planned investments in the second half of FY2025.

Among these initiatives, I'd like to touch on what's mentioned in the upper right of the slide—the consolidation of Hikari Packs Ishikawa, a company located in Ishikawa Prefecture. You may not be familiar with their operations, but let me explain: they manufacture what are called paper rigid box—these are rigid, pre-assembled boxes often used for traditional Japanese confectionery packaging. Personally, I was very eager for us to acquire this company. This type of product has enduring demand. It's not a new category by any means, but it continues to have a strong presence. While many traditional Japanese sweets come in simple packaging, the highest-quality ones—though you may not realize it—come in boxes like the ones used for that well-known smartphone. Yes, this company has the machines capable of producing boxes of that caliber. I'm not saying this to boast, but rather to underscore the potential here. Even with standard rigid boxes, we believe there is significant room for market expansion.

In fact, we previously introduced one of these paper rigid box machines at our own company. But they're not easy to operate. People often think you can just buy a machine and hit a button to get it running—but it's not that simple. These machines require a certain finesse. Frankly, I'd like to say a word or two to the packaging machinery industry about that. They don't run smoothly right out of the box. That said, we're already starting to see some synergies from sharing that technical know-how, and I believe there's considerable potential here. I hope you'll look forward to developments in this area. That concludes the explanation for slide 30.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



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	◆ Increasing the proportion of net sales^{*1} of FSC® products (paper bags, paper cartons, and corrugated boxes) to 50% or more - Putting more efforts into proposals for the shift to paper packaging - Increasing the number of FSC® certified suppliers - Accelerating development of new paper-based materials and products ^{*1} Net sales = the whole Paper Products segment of The Pack Corporation on a non-consolidated basis (FSC® C020517) <First half of FY2025 actual> - Sales as of June 30, 2025 : 6.21 billion yen (up 4.6% year-on-year) - Sales as of June 30, 2024: 5.93 billion yen	<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>	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	◆ Reducing CO₂ emissions (Scopes 1+2) by 46% from the level of FY2018 (16,662 tons in FY2018 to a target of 8,997 tons in FY2030) - Switching to machines with high energy efficiency - Shifting to renewable energy for power used (including purchase of renewable energy) - Expanding the use of solar panels <First half of FY2025 actual> - Start of calculations of CO₂ emissions for Group companies (Scope 1+2) - Plants switched to high-efficiency facilities	<table><thead><tr><th>Fiscal Year</th><th>CO₂ 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>	Fiscal Year	CO ₂ Emissions (tons)	FY2021	14,894	FY2022	15,399	FY2023	16,756	FY2024	16,149	FY2030	8,997
Fiscal Year	CO ₂ Emissions (tons)													
FY2021	14,894													
FY2022	15,399													
FY2023	16,756													
FY2024	16,149													
FY2030	8,997													

Lastly, I'll touch on the progress of our sustainable management initiatives.

We've structured these into separate materiality KPIs. First, regarding FSC-certified products—we've seen FSC certification become increasingly mainstream. It gained a lot of attention during the Olympics and similar events. We plan to continue putting strong emphasis on growing this part of our business. The current status is shown in the graph.

Second, we are committed to reducing the overall environmental impact of our business activities. We're tackling this together across both our manufacturing and sales operations, in an integrated manner.

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	◆ Increasing the number of The Pack Forest® Environment Fund activities per year to 15 and the number of participants to 500 - Increasing the number of activities by finding new locations for conducting activities - Making more publicity efforts to local residents and inviting general participants - Strengthening customer invitation activities <First half of FY2025 actual> - As of June 30, 2025: 5 activities and 102 participants - As of June 30, 2024: 4 activities and 124 participants	Number of activities per year Number of participants per year KPI 500 <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>	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	◆ Increasing the percentage of women managers (section manager or above) to 15% or more - Increasing the percentage of women in university graduate recruits to 35% or more - Establishing systems and environments that allow women to work for many years <First half of FY2025 actual> - Ratio of new female graduates hired from April 2025: 41.2% - Ratio of new female graduates hired from April 2024: 35.7%	KPI 15.0% <table><thead><tr><th>Fiscal Year</th><th>Percentage of women managers</th></tr></thead><tbody><tr><td>FY2021</td><td>4.9%</td></tr><tr><td>FY2022</td><td>6.7%</td></tr><tr><td>FY2023</td><td>6.3%</td></tr><tr><td>FY2024</td><td>7.2%</td></tr><tr><td>FY2030</td><td>15.0%</td></tr></tbody></table>	Fiscal Year	Percentage of women managers	FY2021	4.9%	FY2022	6.7%	FY2023	6.3%	FY2024	7.2%	FY2030	15.0%						
Fiscal Year	Percentage of women managers																			
FY2021	4.9%																			
FY2022	6.7%																			
FY2023	6.3%																			
FY2024	7.2%																			
FY2030	15.0%																			



Copyright© 2025 The Pack Corporation. All Rights Reserved.

33

Third is The Pack Forest, which is our in-house foundation initiative. We plan to expand these activities. Although there was a slight decline last year, we are making progress in securing locations, and I believe we can achieve our 2030 goals ahead of schedule.

Fourth, we have committed to increasing the proportion of women in management roles to 15%. Based on that target, we've been actively increasing our recruitment of women. Our employee turnover rate has also decreased significantly. In particular, the number of women who take maternity leave and return to work has increased greatly. For these reasons, I believe this goal is well within reach.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



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	◆ Increasing the number of companies^{*2} supporting The Pack Forest® Environment Fund to 300 - Enhancing tools for activity introduction and inviting companies to support activities ^{*2}Companies that have a record of sales are counted. <First half of FY2025 actual> - As of June 30, 2025: 144 (up 25.2% year-on-year) - As of July 30, 2024: 115	<table><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 Target)</td><td>300</td></tr></tbody></table>	Fiscal Year	Number of Companies	FY2021	67	FY2022	94	FY2023	123	FY2024	158	FY2030 (KPI Target)	300
Fiscal Year	Number of Companies													
FY2021	67													
FY2022	94													
FY2023	123													
FY2024	158													
FY2030 (KPI Target)	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 (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

Sustainability Report 2025



https://www.thepack.co.jp/dcms_media/other/sustainabilityreport2025.pdf

THE PACK CORPORATION

Copyright© 2025 The Pack Corporation. All Rights Reserved.

34

Fifth, we are working on co-creating brand value with our customers, with a target of reaching 300 partner companies. At the current pace, we are confident that this goal is achievable as well. The rest is as described in the presentation materials. That concludes my remarks.

Moderator: Thank you very much. That concludes the Company's presentation.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

SCRIPTS
Asia's Meetings, Globally

Question & Answer

Moderator [M]: We will now move on to the Q&A session. We'll begin with questions from those attending here in person, and then take questions from those joining us online. Please go ahead with your questions.

Kojima [Q]: Thank you very much for the detailed presentation. I'm Kojima from Bunseki Koho Laboratory. Since this is your first time appearing in this kind of setting as President, I'd like to ask about that. I understand you've taken over partway through the medium-term plan, and I get the sense that your main role now is to see that through. But now that you're in this position, what kind of direction or personal touch do you intend to bring? What do you plan to change, and what do you plan to keep the same?

Nakamura [A]: Thank you for the question, Mr. Kojima. Yes, what I'm aiming for—this is something that's been said many times as a kind of catchphrase—but I really want us to be a comprehensive packaging manufacturer. Packaging materials cover a vast range, and while our strength lies in products closely tied to retail, I want to expand that lineup. Now, when I say "expand," I'm referring to things like the paper rigid boxes I mentioned earlier—there are already many items that we outsource and release under our name. But I'd like to turn more of those into core parts of our own business. That's what I'm thinking.

For example, things that are more familiar—like film, or paper cartons—these each require specific machinery to turn into final products. So while carefully assessing each case, we'll continue making capital investments. My aim is to increase the number of these core business pillars and solidify our portfolio overall.

Starting this Saturday, I'll actually be going to the US for about 10 days. Part of the trip is to visit and support our team in New York and attend meetings there. I'll also be going to Las Vegas, where there's a packaging materials trade show. I plan to spend a full three days walking through the entire event. I want to get a clear sense of where packaging materials are heading. Honestly, I don't think company leadership has attended these kinds of shows much in the past—not that I'm criticizing the past, of course. But I believe I need to feel the direction of the industry for myself, otherwise I won't be able to properly evaluate the ideas that come up from within the Company. So, I want to go see things firsthand.

There may be some scary or unsettling things, and I may sense some negative currents in the world, but I want to face those head-on. And at the same time, I want to look for anything that could turn into a positive. Does that answer your question?

Kojima [Q]: It sounds like you're heading out to find new seeds to plant, so to speak.

Nakamura [A]: That's right. There are already plenty of things in sight, but the question is how to cultivate them—how to add value to them as a company. That's something I'm also thinking about. I want to get a sense of the bigger picture.

Kojima [Q]: I see. It already feels like you're engaged in a pretty wide range of initiatives and services, but are there any specific areas where you're envisioning new pillars for the business?

Nakamura [A]: Right. I think it would be difficult for any one area to generate hundreds of billions of yen in revenue on its own. That said, there may be opportunities for us to pursue that scale through things like M&A.

Take film, for example—as I mentioned earlier, we had JPY700 million in sales in the first half of FY2025. Actually, we've been selling film since I joined the Company. Over more than 30 years, it's only grown to a little over JPY1 billion annually. We've talked about it a lot, but in reality, it didn't receive the resources it needed from management to be passed to the sales team. That's how I see it in hindsight.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptsasia.com

Sometimes people ask, “Isn’t it fine even if you don’t have your own factory?” But in this industry, I firmly believe that if you’re not a manufacturer, you won’t survive. Work only goes to the companies that have production capacity. So going forward, I think there will be different kinds of decisions to make—whether to build things ourselves, or go the M&A route. But I want to evaluate each product from that kind of perspective.

Moderator [M]: Thank you very much. Now, we’ll move on to questions from those joining us online.

Fujiwara [Q]: This is Fujiwara from Sompo Asset Management. Thank you for your presentation.

I have two questions. The first concerns the solution proposals that were discussed on slide 26. You mentioned that you’ve recently seen a sharp increase in inquiries from customers. Could you elaborate a bit more on the background behind that and its sustainability? And second, regarding M&A—would you say there’s a healthy pipeline of opportunities out there? And also, how do these deals usually come about? Are they mostly brought to you, or do you go out and find them yourselves? That’s all from me.

Nakamura [M]: Thank you for your questions. So first, regarding the solution proposals—could you clarify a bit more what you’d like to know?

Fujiwara [Q]: Sure. You mentioned there’s been a significant increase in interest and demand. I’d like to understand whether that’s mainly due to macro trends, like the growing need for labor-saving solutions, or if it’s more because your company’s own recognition and reputation in this area have improved. Also, regarding sustainability—do you think this demand will continue to grow? I’d appreciate your thoughts on that.

Nakamura [A]: I think, as you rightly pointed out, the broader social and economic environment has definitely given this a big push. We’ve proposed similar solutions in the past, but the response used to be—honestly—not very positive. Clients would say, “We can do it ourselves,” or “We’ll just assemble boxes when things are quiet.” But now, they just can’t get the manpower. I think it varies somewhat by region, but I’d say that 70% or more of the shift is due to these external trends.

What we’ve done is provide timely and accurate proposals, and we also made early investments—like the robotic systems you saw in the video. I think, if I may say so, that kind of presentation had a strong impact.

Right now, we’re seeing especially strong interest from the confectionery sector. It’s an industry with big seasonal fluctuations—Valentine’s Day, White Day, the winter season—demand spikes significantly at those times. So those peak periods often create bottlenecks, and that in turn becomes an entry point for us. In fact, we’ve had a number of recent cases where we’ve been brought in exactly at those moments. Ideally, of course, we’d like to have stable, year-round products. But in reality, we often start by stepping in during those seasonal surges. From there, we try to build longer-term relationships. We definitely want to expand further.

As for your second question—about M&A. Well, I have to be a little careful about what I can say here. We do, of course, work with intermediary firms that help identify opportunities. But also—this is just my personal stance—I want us to be proactive. If there’s a company we genuinely want, I believe it’s important that we approach them ourselves. That’s something I’d like to see us doing more of. Not just waiting to be presented with a stack of “matchmaking profiles,” so to speak.

Fujiwara [Q]: So from what you’re saying, it sounds like, until now, it hasn’t been very common for your company to take the initiative in approaching potential acquisition targets?

Nakamura [A]: As far as I know, that’s probably correct. That may have just been the prevailing approach in the past. But now, when I’m thinking through our strategies—for paper bags, for boxes—I always try to keep that in mind. And when I come across something that fits, I want to take bold and proactive steps.

Support

Japan 050.5212.7790

Tollfree 0120.966.744

Email Support support@scriptasia.com

Fujiwara [M]: Thank you very much.

Moderator [M]: Thank you. With that, we will conclude the Q&A session. Thanks to everyone's cooperation, we've been able to complete today's briefing smoothly. We sincerely appreciate your participation.

This concludes THE PACK CORPORATION's Financial Results Briefing for Q2 of the Fiscal Year Ending December 2025. Thank you very much for joining us today.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
2. *Portions of the document where the audio is obscured by technical difficulty are marked with [TD].*
3. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company, or [M] neither asks nor answers a question.*
4. *This document has been translated by SCRIPTS Asia.*

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com



Disclaimer

SCRIPTS Asia reserves the right to edit or modify, at its sole discretion and at any time, the contents of this document and any related materials, and in such case SCRIPTS Asia shall have no obligation to provide notification of such edits or modifications to any party. This event transcript is based on sources SCRIPTS Asia believes to be reliable, but the accuracy of this transcript is not guaranteed by us and this transcript does not purport to be a complete or error-free statement or summary of the available data. Accordingly, SCRIPTS Asia does not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information contained in this event transcript. This event transcript is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal.

In the public meetings and conference calls upon which SCRIPTS Asia's event transcripts are based, companies may make projections or other forward-looking statements regarding a variety of matters. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the applicable company's most recent public securities filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are accurate and reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the anticipated outcome described in any forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE PUBLIC MEETING OR CONFERENCE CALL. ALTHOUGH SCRIPTS ASIA ENDEAVORS TO PROVIDE ACCURATE TRANSCRIPTIONS, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE TRANSCRIPTIONS. IN NO WAY DOES SCRIPTS ASIA OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BY ANY PARTY BASED UPON ANY EVENT TRANSCRIPT OR OTHER CONTENT PROVIDED BY SCRIPTS ASIA. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S PUBLIC SECURITIES FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS. THIS EVENT TRANSCRIPT IS PROVIDED ON AN "AS IS" BASIS. SCRIPTS ASIA DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, AND ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT.

None of SCRIPTS Asia's content (including event transcript content) or any part thereof may be modified, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of SCRIPTS Asia. SCRIPTS Asia's content may not be used for any unlawful or unauthorized purposes.

The content of this document may be edited or revised by SCRIPTS Asia at any time without notice.

Copyright © 2025 SCRIPTS Asia K.K. ("SCRIPTS Asia"), except where explicitly indicated otherwise. All rights reserved.

Support

Japan 050.5212.7790
Tollfree 0120.966.744

Email Support support@scriptsasia.com

