

**THE PACK CORPORATION**

# Medium-Term Management Plan 2026-2030

February 13, 2026



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01

# Positioning of the New Medium-Term Management Plan

# Positioning of the New Medium-Term Management Plan

Transitioning to high-quality growth through business expansion and improved capital efficiency

## Preceding Medium-Term Management Plan (2023-2025)

**Slogan: Evolution**

Start of Purpose-Based Management and Sustainable Management

Period devoted to efforts to broaden the value we provide

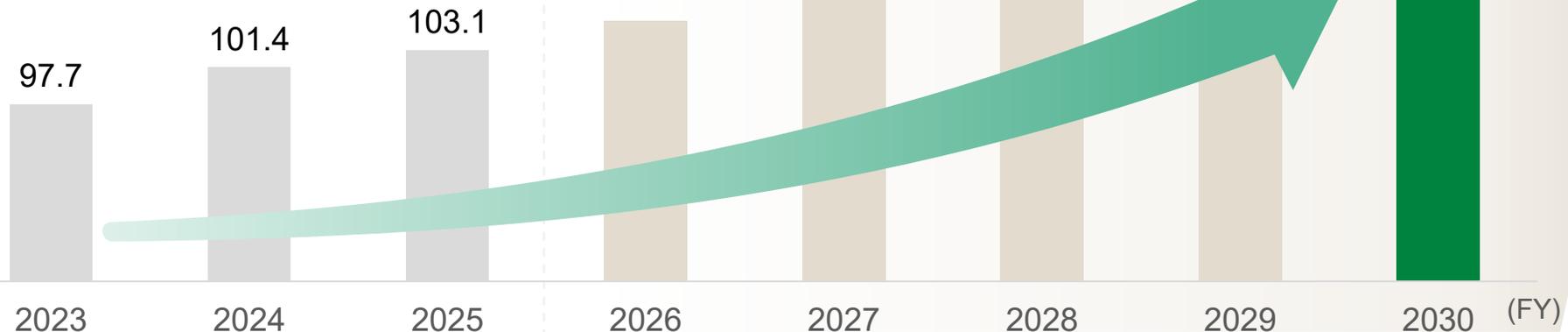
## New Medium-Term Management Plan (2026-2030)

**Slogan: Solidifying the Groundwork to Realize Our Purpose**

Period devoted to building business foundations for the next generation and strengthening ties with stakeholders

## Consolidated net sales

(Billion yen)



**Realizing our Purpose**

Mission of bolstering social prosperity and creating satisfaction through packaging

02

# Review of the Preceding Medium-Term Management Plan 2023-2025

# Review of the Preceding Medium-Term Management Plan (2023-2025) - Major KPIs -

Toward stable growth following a swift recovery from COVID-19

KPI	FY2022 results	FY2025 results	Previous Medium-Term Management Plan target	vs. Plan targets	Key points	Performance trends
Consolidated net sales	89.0 billion yen	103.1 billion yen	107.0 billion yen	96.4 %	<ul style="list-style-type: none"> <li>Demand growth driven by recovering personal consumption (2023-2024)</li> <li>Economic and demand downturn due to inflation (2025)</li> <li>One paper carton maker made a subsidiary (2025)</li> </ul>	<p>103.1 billion yen</p>
Operating profit (Operating profit margin)	5.9 billion yen (6.71%)	7.2 billion yen (6.99%)	7.0 billion yen Revised upward in Feb. 2024 ↓ 8.3 billion yen (7.76%)	86.7 %	<ul style="list-style-type: none"> <li>Price normalization completed as planned (2023-2024)</li> <li>Profits declined due to higher depreciation associated with capital investments and backbone system upgrades, along with higher sales and administrative costs associated with expansion of logistics functions (2025)</li> </ul>	<p>7.2 billion yen</p>
ROE	6.38 %	7.96 %	8.00 %		<ul style="list-style-type: none"> <li>ROE falling short of plans but above anticipated cost of equity</li> </ul>	<p>7.96%</p>
ROIC	6.36 %	6.48 %	8.00 %			<p>6.48%</p>

# Review of the Preceding Medium-Term Management Plan (2023-2025) - Growth strategies -

Promoting product development and new customer development tailored to each market

KPI	FY2022 results	FY2025 results	Previous Medium-Term Management Plan target	vs. Plan targets	Key points
Food products market sales	25.0 billion yen	32.0 billion yen	32.0 billion yen	100.0%	<ul style="list-style-type: none"> <li>Expanded new customer development and strengthened relationships with existing customers</li> <li>Demand downturn due to inflation and raw materials costs (2025)</li> <li>Bundled sales grew with product lineup expansion</li> </ul>
Sales to the e-commerce/logistics market	14.0 billion yen	17.7 billion yen	18.0 billion yen	98.3%	<ul style="list-style-type: none"> <li>Growth in sales of thin delivery materials (paper bags, corrugated boxes)</li> <li>Growth in share of major customers achieved through supply capacity enhancements</li> <li>Increased business opportunities with new customers achieved through developments in materials handling</li> </ul>
Sales to the retail and other markets	50.0 billion yen	53.4 billion yen	57.0 billion yen	93.7%	<ul style="list-style-type: none"> <li>Migration to paper and price normalization contributed to results (2023-2024).</li> <li>Inbound tourism and price/forex trends impacted results.</li> <li>Achieved steady growth despite tariffs in overseas markets.</li> </ul>

Results achieved	Ongoing initiatives	Further initiatives
<p><b>Growth in sales of primary containers for food products</b></p> <p>Strong growth in orders received due to capital investments, quality improvements, and expertise accumulation; accelerated efforts to expand sales channels</p>	<p><b>Materials/product development</b></p> <p>PFAS-free oil-resistant coating brought to market; continuing efforts to expand sales</p> <p><b>Growing solutions proposals</b></p> <p>Promoting sales growth by harnessing distribution and processing facilities and automated packing machinery</p>	<p><b>Overseas business growth</b></p> <p>Enhancing efforts to achieve further growth in overseas markets, centered on overseas subsidiaries</p> <p><b>Bundled sales</b></p> <p>Room remains for bundled sales in the food products market; enhancing sales measures and environmental improvements</p>

# Review of the Preceding Medium-Term Management Plan (2023-2025) - Growth strategies -

Expanded supply capacity achieved through capital investments led to growth in each segment.

KPI	FY2022 results	FY2025 results	Previous Medium-Term Management Plan target	vs. Plan targets	Key points
Paper bag sales	26.2 billion yen	32.0 billion yen	31.5 billion yen	101.6%	<ul style="list-style-type: none"> <li>Growth in sales to food and beverage, tourism, and retail industries</li> <li>Expanded supply capacity for paper delivery bags and shopping bags contributed to sales growth.</li> </ul>
Paper carton sales	22.2 billion yen	26.9 billion yen	27.0 billion yen	99.6%	<ul style="list-style-type: none"> <li>Sales channels expanded, with positive response to our capacity to propose solutions to the souvenir market</li> <li>Success with active sales enhancements targeting demand for migration to paper containers</li> </ul>
Corrugated box sales	12.2 billion yen	14.7 billion yen	15.0 billion yen	98.0%	<ul style="list-style-type: none"> <li>Growth in sales of delivery materials for e-commerce via improved supply capacity</li> <li>Declining overseas demand for materials related to home electronics and vehicles</li> <li>Efforts to promote transition from wood and plastic to corrugated packing materials</li> </ul>
Film packaging sales	11.9 billion yen	13.3 billion yen	14.5 billion yen	91.7%	<ul style="list-style-type: none"> <li>Challenges in the sanitary products market due to the rise of local brands in Asia and Japan's shrinking population</li> <li>Growth in film packaging sales in the food products market</li> </ul>

## Results achieved

### Paper cartons lineup expansion

Expanding both the lineup and supply capacity through capital investments, M&A, and quality improvements, which contributed significantly to sales channel expansion

### Paper bag supply capacity increased

Met demand from major customers through capital investment and productivity improvements

## Ongoing initiatives

### Tray and molded pulp container initiatives

Supply network enhancements to achieve further growth through QC system development and cost reduction efforts

### Growth in sales of reinforced corrugated boxes

Achieving continuing sales growth by capitalizing on our design capabilities against backdrop of growing demand for paper shipping materials

## Further initiatives

### Growing the film packaging business

Need to restructure growth strategies through means such as the use of water-based flexography printers and expanded film packaging sales

### Supply chain normalization

Establishing optimal supply chains from profitability, productivity, and QC perspectives

# Review of the Preceding Medium-Term Management Plan (2023-2025) - Human capital strategies -

Creating a comfortable workplace for our diverse workforce through continuous compensation improvements and systemic enhancements

KPI	FY2022 results	FY2025 results	Previous Medium-Term Management Plan target	vs. Plan targets	Key points
Employees (Includes permanent full-time employees, contracted employees, and part-time employees.)	1,797	1,939	1,920	101.0%	<ul style="list-style-type: none"> <li>Ongoing hiring of new graduates and midcareer hires</li> <li>Development of various systems tailored to diverse work styles</li> </ul>
Women as a percentage of permanent full-time employees	21.2%	24.9%	25.0%		<ul style="list-style-type: none"> <li>Advancing proactive hiring and promotion</li> <li>Developing various systems under the Act on the Promotion of Women's Active Engagement in Professional Life</li> </ul>
Women as a percentage of managerial personnel (managers and above)	9.6%	8.9%	10.0%		

Results achieved	Ongoing initiatives	Further initiatives
<p><b>Wage hikes and enhanced benefits</b></p> <p>Regular raises of approx. 5%/year continued during the period of the previous Medium-Term Management Plan.</p>	<p><b>HR development</b></p> <p>Implementing tiered training programs, DX HR development, etc.; further accelerating the development of next-generation HR and DX promotion</p>	<p><b>Employee engagement</b></p> <p>Continuing to address balancing comfortable work with increased productivity</p>
<p><b>Diverse work styles</b></p> <p>Retention improved with progress on systems improvements intended to promote the advancement of women and long-term employees.</p>	<p><b>Evaluation systems</b></p> <p>Striving to make evaluation systems more sophisticated and continually improve their precision</p>	<p><b>Normalization of HR placement</b></p> <p>Optimizing the employee balance, promoting the positions and roles of women in the workplace, and assigning employees based on their skills and aptitude</p>

# Review of the Preceding Medium-Term Management Plan (2023-2025) - Financial strategies -

Steady shareholder returns and investments for the future

## Previous Medium-Term Management Plan targets (three years)

<b>Funds on hand</b>	<b>Capital investment, strategic investment</b>	<b>24.5 billion yen</b>
	Paper carton production capacity enhancements	2.0 billion yen
<b>Net cash generated by operating activities</b>  <b>20.0 billion yen</b>	Paper bag production capacity enhancements	3.0 billion yen
	Other equipment (including repair and replacement)	5.5 billion yen
	M&A	10.0 billion yen
	Backbone system	2.0 billion yen
	Human capital investment	2.0 billion yen
	<b>Shareholder returns</b>	<b>8.0 billion yen</b>
	Dividends (dividend payout ratio 35% or higher)	6.0 billion yen
	Purchase of treasury shares (two years, up to 1.0 billion yen each)	2.0 billion yen
	<b>Total</b>	<b>32.5 billion yen</b>

## Previous Medium-Term Management Plan results (three years)

<b>Funds on hand</b>	<b>Capital investment, strategic investment</b>	<b>16.9 billion yen</b>
	Paper carton production capacity enhancements	2.3 billion yen
<b>Net cash generated by operating activities</b>  <b>18.4 billion yen</b>	Paper bag production capacity enhancements	4.3 billion yen
	Other equipment (including repair and replacement)	4.8 billion yen
	M&A	0.4 billion yen
	Backbone system	3.6 billion yen
	Human capital investment	1.5 billion yen
	<b>Shareholder returns</b>	<b>7.7 billion yen</b>
	Dividends (dividend payout ratio 35% or higher)	5.7 billion yen
	Purchase of treasury shares (two years, up to 1.0 billion yen each)	2.0 billion yen
	<b>Total</b>	<b>24.6 billion yen</b>

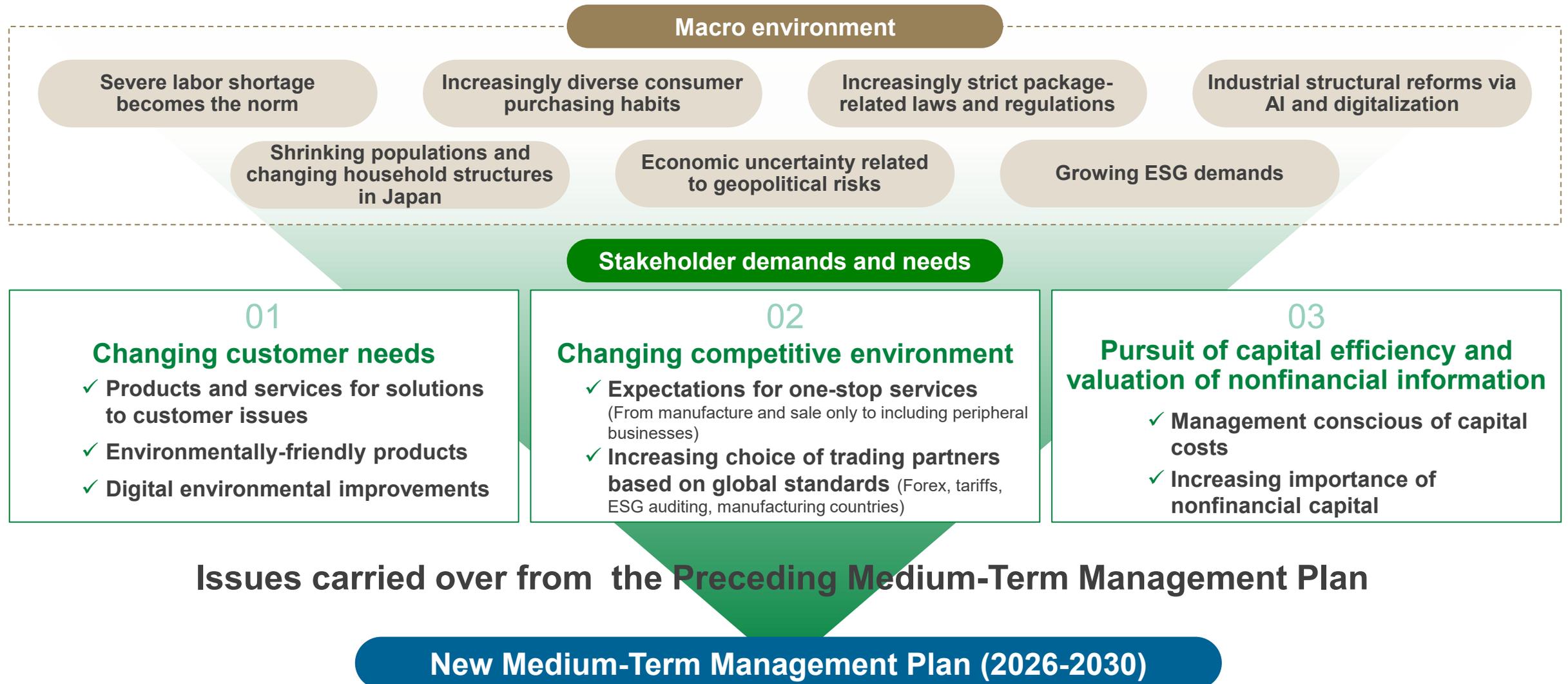
### Other

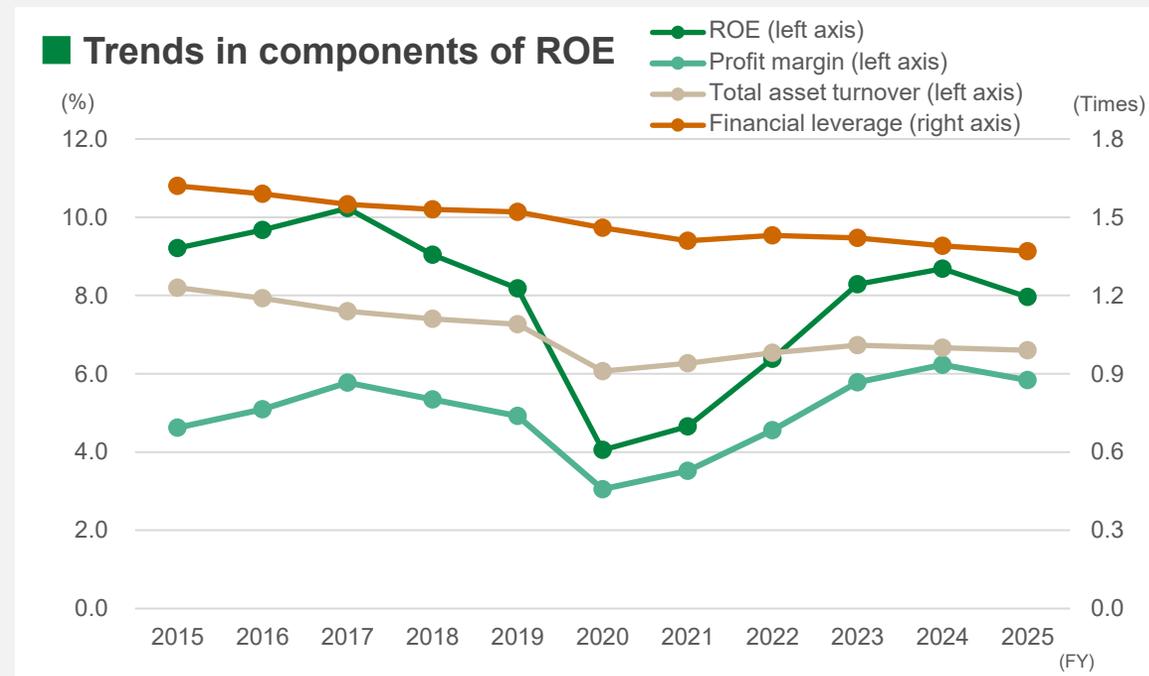
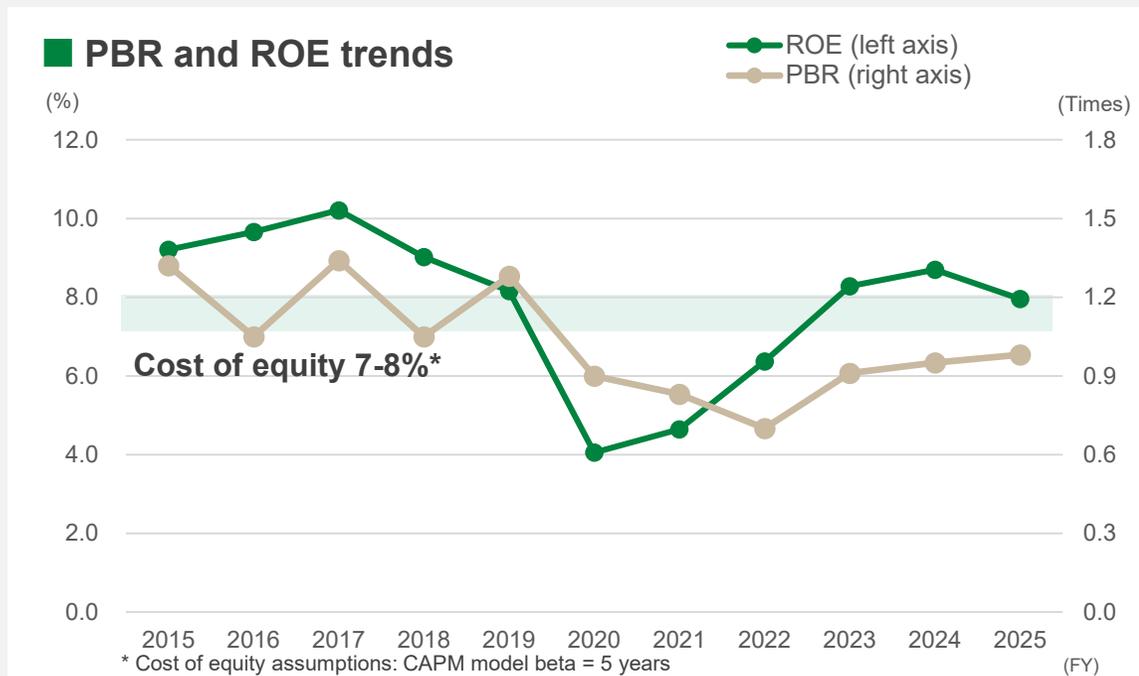
- Improved percentage of floating stock through stock splits and sale in FY2025
- Shareholder returns implemented as planned

03

# Our Understanding of the Issues

## Risks and opportunities on which the new Medium-Term Management Plan is based





## Understanding of current status

- While ROE exceeded the cost of equity during the period of the previous Medium-Term Management Plan, PBR trended around 1.
- We recognize considerable room for improvements in asset and capital efficiency.
- PER is trending around 11-12 in general; activities for earning proper valuation are inadequate.

## Issues

- Fostering expectations for growth through further increases in profitability, capital efficiency improvements, and IR and SR activities.

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# New Medium-Term Management Plan 2026-2030

## - Basic policies -

Building robust business and management foundations to achieve sustainable growth

Growth strategy policy	Human capital strategy policy	Financial strategy policy
Providing value exceeding customer expectations by maximizing our strengths as a manufacturer conducting direct sales	Inspiring the best of individual strengths to build a strong organization for continuous growth	Improving capital efficiency while also investing in growth

## Enhancing sustainability and management foundations

Enhancing corporate systems to achieve sustained growth in corporate value



## - Targets -

Toward high-quality management to realize virtuous cycle of growth and returns

### Growth

#### Consolidated net sales



### Efficiency

#### ROE



### Profitability

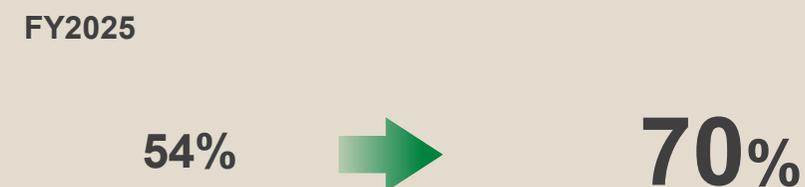
#### Operating profit



\* Operating profit margin in parentheses ( )

### Shareholder returns

#### Total payout ratio



\* Management targeting equity ratio of 60-65%, an appropriate level

# Overview of the New Medium-Term Management Plan (2026-2030)

## - Strategy-specific KPIs -

Periodic monitoring and ongoing improvements

Growth strategy		Human capital strategy		Financial strategy	
<b>Sales by product</b>		<b>Engagement survey KPI</b>		<b>Shareholder returns</b>	
	(FY2025 → FY2030)		(FY2025 → FY2030)		
Paper bags	32.0 → <b>35.0</b> billion yen	Total score	57 → <b>70</b> pts.	Dividend payout ratio	<b>40%</b> <cumulative dividends> (Previous Medium-Term Management Plan target: 35% or higher)
Paper cartons	26.9 → <b>35.0</b> billion yen	<b>Productivity KPIs</b>		Purchase of treasury shares	Targeting <b>10.0</b> billion yen (five-year cumulative) (Previous Medium-Term Management Plan target: up to 2.0 billion yen in two years)
Corrugated boxes	14.7 → <b>18.0</b> billion yen		(FY2025 → FY2030)	Total payout ratio	<b>70%</b> (Previous Medium-Term Management Plan target: 50%)
Film packaging	13.3 → <b>15.0</b> billion yen	Net sales/employee	84 → <b>98</b> million yen	<b>Balance Sheet management</b>	
Other	16.2 → <b>17.0</b> billion yen	Operating profit / employee	5.9 → <b>8.1</b> million yen	Equity ratio	<b>60-65%</b> (Dec. 2025 result 73.9%)

**Initiatives and challenges associated with sustainability and management foundations**

Environmentally-friendly product planning and technology development

Quality maintenance and improvements achieved through joint efforts with suppliers

Making the Board of Directors more effective

Human capital strategy measures

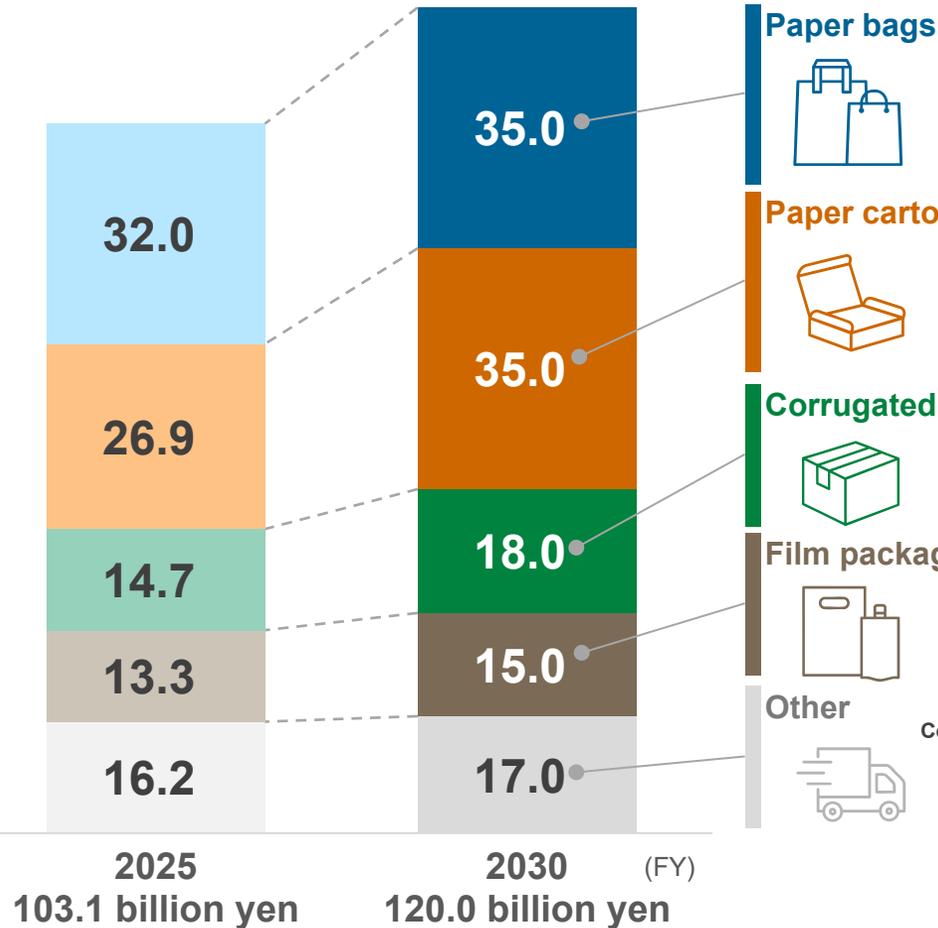
Strengthening risk management systems

Strengthening compliance systems

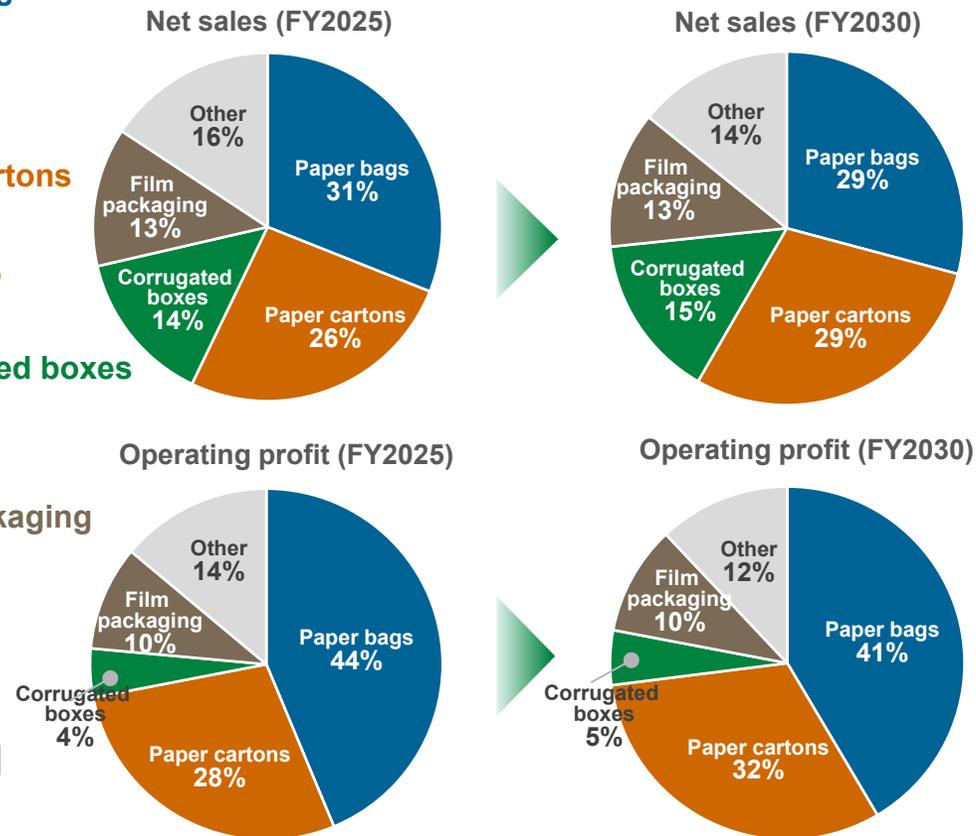
## Basic policy

Providing value exceeding customer expectations by maximizing our strengths as a manufacturer conducting direct sales

### Consolidated net sales (billion yen)



### Composition of consolidated net sales and operating profit



### Other KPIs (FY2025 → FY2030)

#### Food products market sales

32.0 → 40.0 billion yen

#### E-commerce market sales

17.7 → 21.0 billion yen

#### Retail and other market sales

53.4 → 59.0 billion yen

#### Overseas sales

7.4 → 9.0 billion yen

#### Film packaging sales

2.6 → 5.0 billion yen

## Strategic growth driven by bundled sales and total solutions

Our strengths and opportunities	Growth strategy	Measures	Investment in growth (35.0 billion yen)						
			Human capital	Infra-structure	Capital investment	Labor saving	IT	R&D	
 <p><b>Paper bags</b></p> <ul style="list-style-type: none"> <li>Steady demand in food products, e-commerce, and overseas markets</li> <li>Growing demand for high-quality solutions</li> <li>Extensive lineup and advanced supply capabilities</li> </ul>	<div style="border: 1px dashed gray; padding: 10px;"> <p><b>Expanding sales channels</b></p> <ul style="list-style-type: none"> <li>Accelerating bundled sales</li> <li>Overseas market development</li> <li>New product development</li> <li>New business creation</li> </ul> <p><b>Profitability improvement</b></p> <ul style="list-style-type: none"> <li>Expanding added value</li> <li>Strengthening manufacturer functions</li> <li>Cost optimization</li> <li>Productivity improvement</li> </ul> </div>	<ul style="list-style-type: none"> <li>Expanding sales channels in food products, e-commerce, and overseas markets</li> <li>Pursuit of productivity and efficiency</li> <li>Strengthening sales systems in overseas markets through staff and facility enhancements</li> </ul>	●	●		●			
 <p><b>Paper cartons</b></p> <ul style="list-style-type: none"> <li>Growing need for solutions to the labor shortage in the food products market</li> <li>Rise of new markets for which existing equipment is usable</li> <li>Extensive expertise, lineup, and development capabilities</li> </ul>			<ul style="list-style-type: none"> <li>Accelerating paper carton sales expansion through distribution and processing businesses</li> <li>Expansion of use of water-based flexography printers</li> <li>Sales expansion for food product primary containers</li> </ul>	●	●		●		●
 <p><b>Corrugated boxes</b></p> <ul style="list-style-type: none"> <li>Steady demand in the e-commerce market</li> <li>Needs for migration to paper and reducing workload in shipping materials</li> </ul>			<ul style="list-style-type: none"> <li>Sales-channel expansion in e-commerce and shipping material fields</li> <li>Productivity improvements through labor and power saving</li> <li>Promoting bundled sales to existing customers</li> </ul>	●	●	●	●		
 <p><b>Film packaging</b></p> <ul style="list-style-type: none"> <li>Expanding opportunities for entry due to external environmental changes</li> <li>Potential for bundled sales to existing customers</li> </ul>			<ul style="list-style-type: none"> <li>Accelerating sales expansion for film packaging through distribution and processing businesses</li> <li>Expansion of use of water-based flexography printers</li> <li>Promoting development of low-environmental-impact materials and products</li> </ul>	●					●
 <p><b>Other</b></p> <ul style="list-style-type: none"> <li>Needs for one-stop services</li> <li>Demand for cloth products with lower environmental impacts</li> <li>Appearance of undeveloped domains in the printing business</li> </ul>			<ul style="list-style-type: none"> <li>Strengthening logistics and order-receipt systems</li> <li>Service development to lessen customer workloads</li> <li>New market development in the printing business</li> </ul>	●		●		●	

# Human Capital Strategy - Basic policy, priority themes - THE PACK CORPORATION

## Basic policy

Inspiring the best of individual strengths to build a strong organization for continuous growth

### Priority themes for promoting the human capital strategy

#### 01 Hiring, placement

- Systematic hiring of human resources able to support growth domains
- Appropriate placement through talent management
- Enhancement and diversification of midcareer hiring

#### 02 Skills development

- Developing environments for training highly skilled human resources
- Training human resources to lead innovation
- Developing systems to support autonomous learning and growth

#### 03 Utilization

- Building systems to evaluate results and challenges
- Expanding opportunities for growth and challenges to enable career building
- Fostering systems and cultures in which diverse human resources can thrive

#### 04 Comfortable work

- Developing environments in which everyone can work with vitality
- Promoting initiatives to improve wellbeing

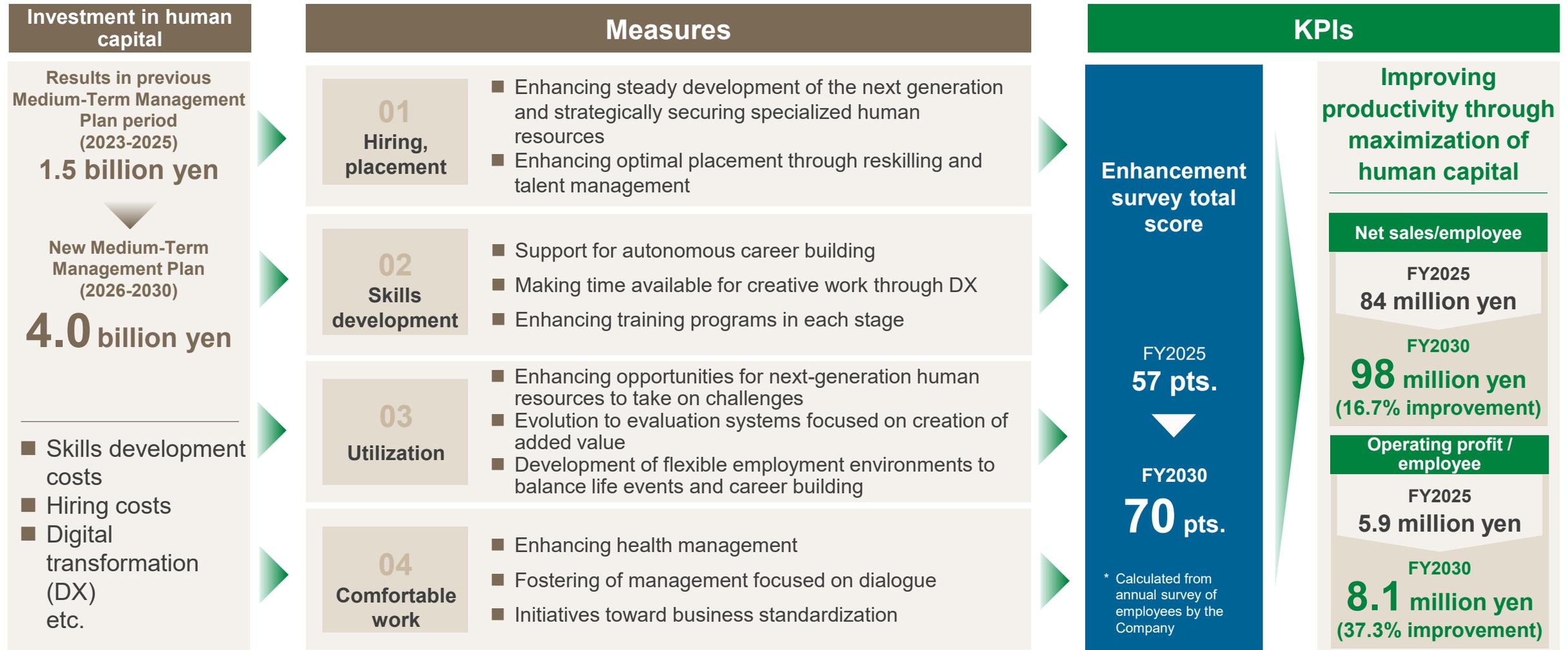
## Increasing employee engagement

Toward human capital that supports sustained organizational growth

Evolving into an organization with increased productivity to achieve the targets of the new Medium-Term Management Plan

# Human Capital Strategy - Measures and KPIs -

Visualization of various surveys and pursuit of effective measures through the plan-do-check-act (PDCA) cycle



**Basic policy**

**Improving capital efficiency while also investing in growth**

**Management conscious of capital costs**

By increasing profitability and improving capital efficiency, maintaining ROE of 8% or more and continually creating value exceeding capital costs

**Capital structure optimization**

Optimizing the capital structure by strategically using debt financing, while maintaining a robust financial standing

**Shareholder returns to optimize the balance sheet**

Seeing swift resolution of the PBR level of less than one as a top priority, shifting to a shareholder returns policy to increase corporate value and optimize the balance sheet

**FY2025 results**

**New Medium-Term Management Plan targets**

ROE	7.96%	Maintained at 8% or higher, while aiming for 10%
Dividend payout ratio	38.6%	40% (cumulative dividends)
Purchase of treasury shares	2.0 billion yen (result during period of previous Medium-Term Management Plan)	Targeting 10.0 billion yen (five-year cumulative)
Total payout ratio	54%	70%

## Financial logic to increase corporate value

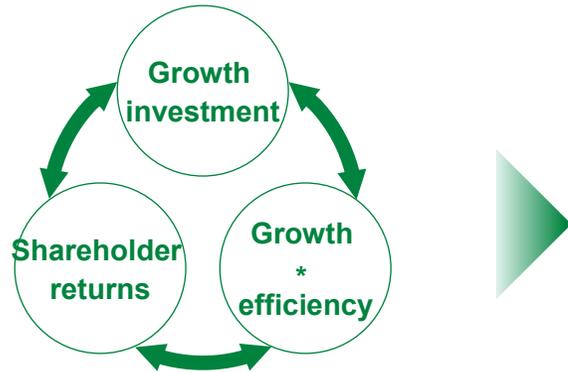
### Drivers of PBR improvement

### Strategic levers



# Financial Strategy - Capital allocation -

Balancing growth and efficiency through optimal funds allocation for investment in growth and shareholder returns, using net cash generated by operating activities and utilizing debt financing



## Period covered by the New Medium-Term Management Plan (2026-2030)

### Period covered by preceding Medium-Term Management Plan (2023-2025)

<b>Net cash generated by operating activities</b> <b>18.4 billion yen</b>	<b>Growth investment</b> <b>16.9 billion yen</b>	
Depreciation 7.5 billion yen  Net profit, etc. 18.0 billion yen		
Sale of securities/investment securities (net) <b>11.2 billion yen</b>	Dividends 5.7 billion yen	Purchase of treasury shares 2.0 billion yen
	Other 5.1 billion yen	

Cash inflows

Cash outflows

<b>Net cash generated by operating activities</b> Approx. <b>44.0 billion yen</b>
Depreciation Approx. <b>15.0 billion yen</b>
Net profit, etc Approx. <b>29.0 billion yen</b>

Cash inflows

<b>Added value</b>
<b>Growth investment</b> Approx. <b>35.0 billion yen</b>
Dividends Approx. <b>12.0 billion yen</b>
Purchase of treasury shares Approx. <b>10.0 billion yen</b>

Cash outflows

Debt financing Approx. <b>13.0 billion yen</b>
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Other investments in growth (including M&A)

- Rebuilding the Nara Plant
- Plant capital investment (machinery, warehouses, GHG reductions)
- DX investment
- Human capital investment
- R&D

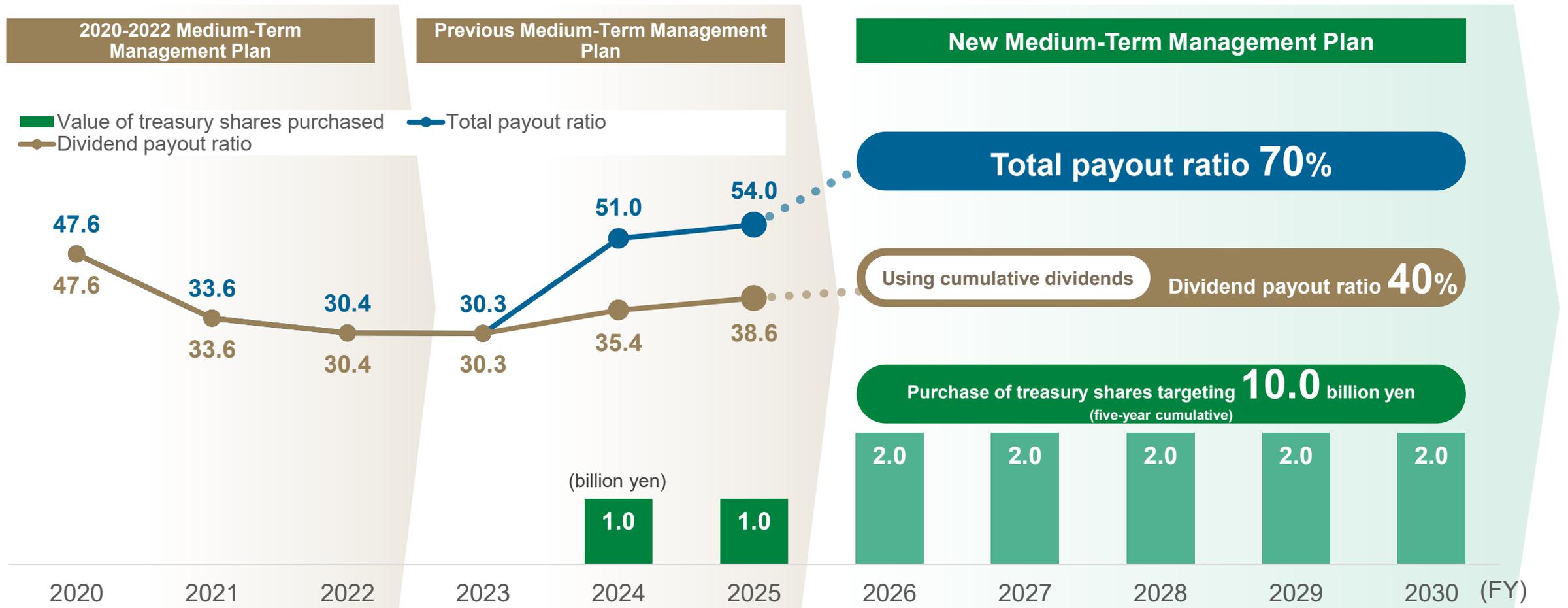
Dividend payout ratio  
**40%** (cumulative dividends)

Purchase of treasury shares

**Total payout ratio**  
**70%**

Providing shareholder returns at an unprecedented level by transforming balance sheet management conscious of capital efficiency

## Trend in shareholder returns



In addition to enhancing fundamental value, we strive to be a company that receives fair evaluation in the capital markets through dialogue with shareholders and investors.

## Expanding awareness

- Communicating information through diverse media
- Exhibiting at events to attract investors

## Disclosure

- Website and IR site updates
- Enhancing IR materials such as Briefing Materials on Business Results

## Promoting understanding/ dialogue

- Creating opportunities for proactive dialogue with shareholders and investors
- Holding small meetings, plant tours, etc.

## Internal feedback

- Sharing feedback and identifying issues in the Board of Directors
- Examining and implementing measures toward solutions

## Basic policy

### Enhancing corporate systems to achieve sustained growth in corporate value

- Promoting measures targeting each of the KPIs identified (final year: FY2030) based on materialities (important issues) to achieve the corporate Purpose
- Developing and implementing new measures that link offensive (increased profitability) and defensive (reduced risk) approaches

	Environment (E)	Society (S)	Governance (G)
<b>Our materialities</b>	<ul style="list-style-type: none"> <li>■ Delivering solutions to environmental issues through our business activities</li> </ul>	<ul style="list-style-type: none"> <li>■ Valuing and nurturing people</li> <li>■ Building and enhancing relations of trust with our business partners and customers</li> <li>■ Contributing to social development and prosperity</li> </ul>	<ul style="list-style-type: none"> <li>■ Enhancing management foundations</li> </ul>
<b>Measures under the new Medium-Term Management Plan</b>	<p><b>Promoting eco-friendly product planning and technological development</b></p> <ul style="list-style-type: none"> <li>■ Proposing alternative surface processing technologies to replace plastic laminates</li> <li>■ Developing eco-friendly plastic packaging</li> </ul>	<p><b>Human capital strategy measures</b></p> <ul style="list-style-type: none"> <li>■ See pp. 20-21.</li> </ul> <p><b>Maintaining and improving quality through joint efforts with business partners</b></p> <ul style="list-style-type: none"> <li>■ Improving quality by enhancing quality control structures</li> </ul>	<p><b>Strengthening risk management</b></p> <ul style="list-style-type: none"> <li>■ Implementing a supply chain risk management structure</li> <li>■ Formulating a Business Continuity Plan (BCP) and implementing business continuity management (BCM)</li> <li>■ Information security enhancement</li> <li>■ Promoting compliance education</li> <li>■ Improving evaluations in CSR auditing</li> </ul>
<b>Materiality KPIs (through FY2030)</b>	<ol style="list-style-type: none"> <li>① Sales of FSC®-certified products (paper bags, paper cartons, corrugated boxes) accounting for at least 50% of total sales</li> <li>② CO<sub>2</sub> emissions (Scopes 1, 2) reduced by 46% vs. FY2018</li> <li>③ The Pack Forest® Environment Fund activities total 15 activities/year with 500 participants</li> </ol>	<ol style="list-style-type: none"> <li>① Women accounting for at least 15% of managerial personnel (managers and above)</li> <li>② Increasing number of companies supporting The Pack Forest® Environment Fund to 300</li> </ol>	<p><b>Making the Board of Directors more effective</b></p> <p><b>Strengthening compliance systems</b></p>