THE PACK CORPORATION

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Financial Results Briefing for the Second Quarter of the Year Ending December 31,2026

September 1, 2026

.Event Summary

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[Venue]	Webcast
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[Participants]	
[Number of Speakers]	2 Naoki Nakamura — President and CEO Ikuo Shimomura — Managing Director and Corporate General Manager

Presentation

Moderator: It is time to commence the Financial Results Briefing for Q2 of the Fiscal Year Ending December 2026 for THE PACK CORPORATION. Thank you very much to everyone here today for taking time out of your busy schedules to attend our information session.

First, let me introduce the two representatives from our company. On your left is Naoki Nakamura, our President and CEO.

Nakamura: Good morning, I am Naoki Nakamura. Thank you.

Moderator: To my right is Ikuo Shimomura, Managing Director and Corporate General Manager.

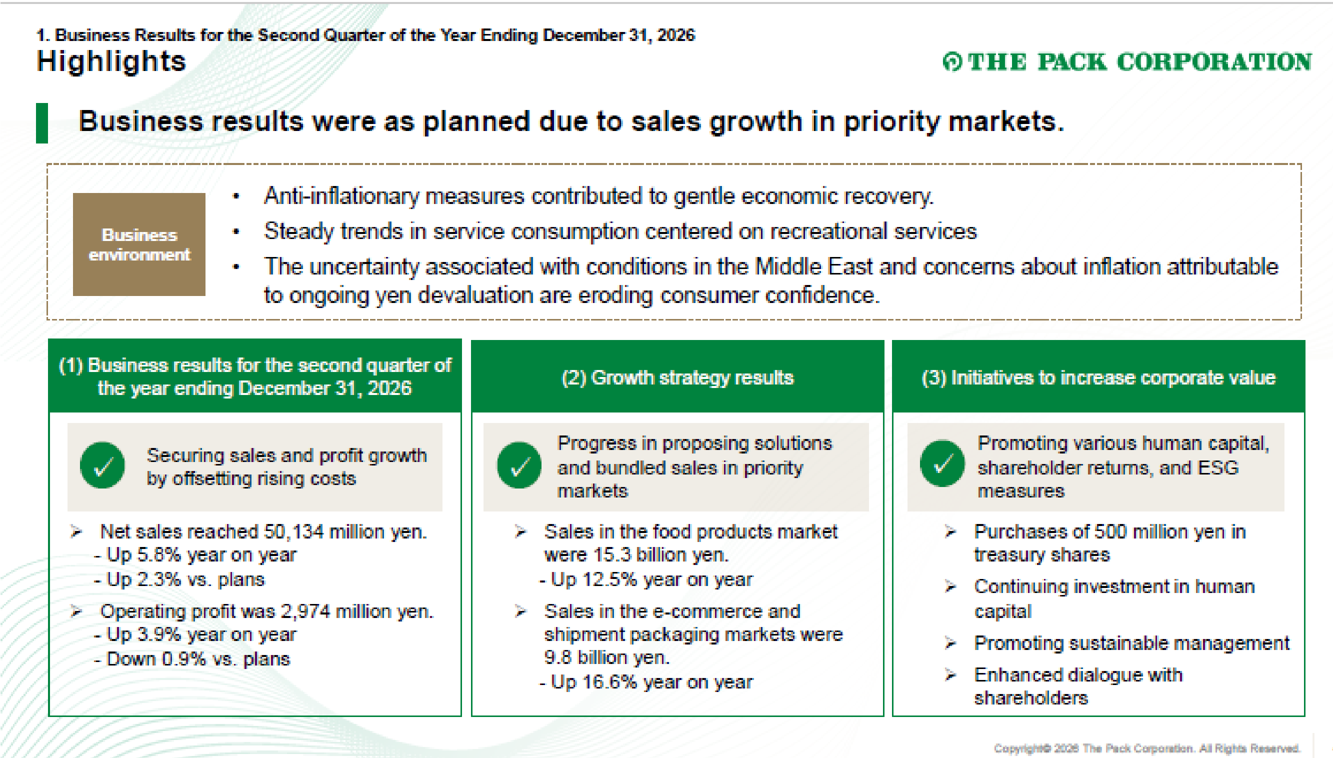
Shimomura: This is Shimomura.

Moderator: Thank you.

Today's information session is being held at our Tokyo headquarters building, and we are also streaming it live online. The session is expected to last one hour, and we will provide an explanation based on the financial results presentation materials we posted on our website on August 31. Following the outline of the presentation materials, Shimomura will explain the financial results for Q2 of FY2026 and the full-year forecast, while Nakamura will discuss progress on our growth strategy and initiatives to enhance corporate value.

After that, we will have a question-and-answer session. During the question-and-answer session, we will also take questions from those participating online, as well as from those in the audience. Since we are only accepting questions via audio during this online session, please use the “raise hand” button at the bottom of the screen when you are ready to ask a question. We will unmute you one by one. I will explain this in more detail at a later time.

Now, I would like to begin with page three of the financial results presentation, the results for Q2 of FY2026 and the full-year forecast. Shimomura will provide the explanation. Thank you.



Shimomura: I am Ikuo Shimomura from the Corporate Headquarters. Once again, thank you for your participation. First, I would like to report on our financial results for Q2 of the fiscal year ending December 2026.

Overall, our financial results were largely in line with our plans. I would like hightlight three key points.

First, net sales rose 5.8% YoY to JPY50.134 billion, slightly exceeding our forecast. Operating profit also increased by 3.9% YoY, reaching JPY2.974 billion. This fell slightly short of the target. Although we experienced increases in costs including raw material and labor costs, we were able to absorb those increases.

In addition, regarding the food sector and the e-commerce and shipping packaging sectors, areas on which we are focusing as part of our growth strategy, first strategy is to go beyond simply selling bags and boxes and to offering solutions that address challenges in packaging as a whole. Another strategy is integrated sales, where a single sales representative provides a one-stop solution for a variety of packaging materials, such as bags, boxes, film, and corrugated cardboard. By implementing these measures, we were able to steadily secure new orders.

Finally, regarding the third point, we have listed four initiatives aimed at enhancing corporate value. The first is the repurchase of treasury stock. We carried out this matter as planned. This year's budget is JPY2 billion, and for H1, it amounts to approximately JPY500 million. Second, we have continued to develop the skills of our employees, who are the driving force behind our company's growth. Third, as I will discuss later in this presentation, we have also implemented various measures to promote sustainable management. Fourth, we will strengthen dialogue with investors. While our focus has traditionally been on institutional investors, we have also been increasing opportunities to present our company to individual investors.

Summary of Business Results

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Business results trended as planned.

(Million yen)	Second quarter of year ended December 31, 2025	Second quarter of year ending December 31, 2026	
	Actual	Actual	YoY change
Net sales	47,385	**50,134**	5.8%
Operating profit	2,863	**2,974**	3.9%
Operating profit margin	6.04%	5.93%	–
Ordinary profit	3,038	**3,076**	1.2%
Profit attributable to owners of parent	2,428	**2,038**	-16.1%
Basic earnings per share (yen)	43.09	**36.70**	-14.8%
Dividend per share (yen)*	19.33	**17.00**	–

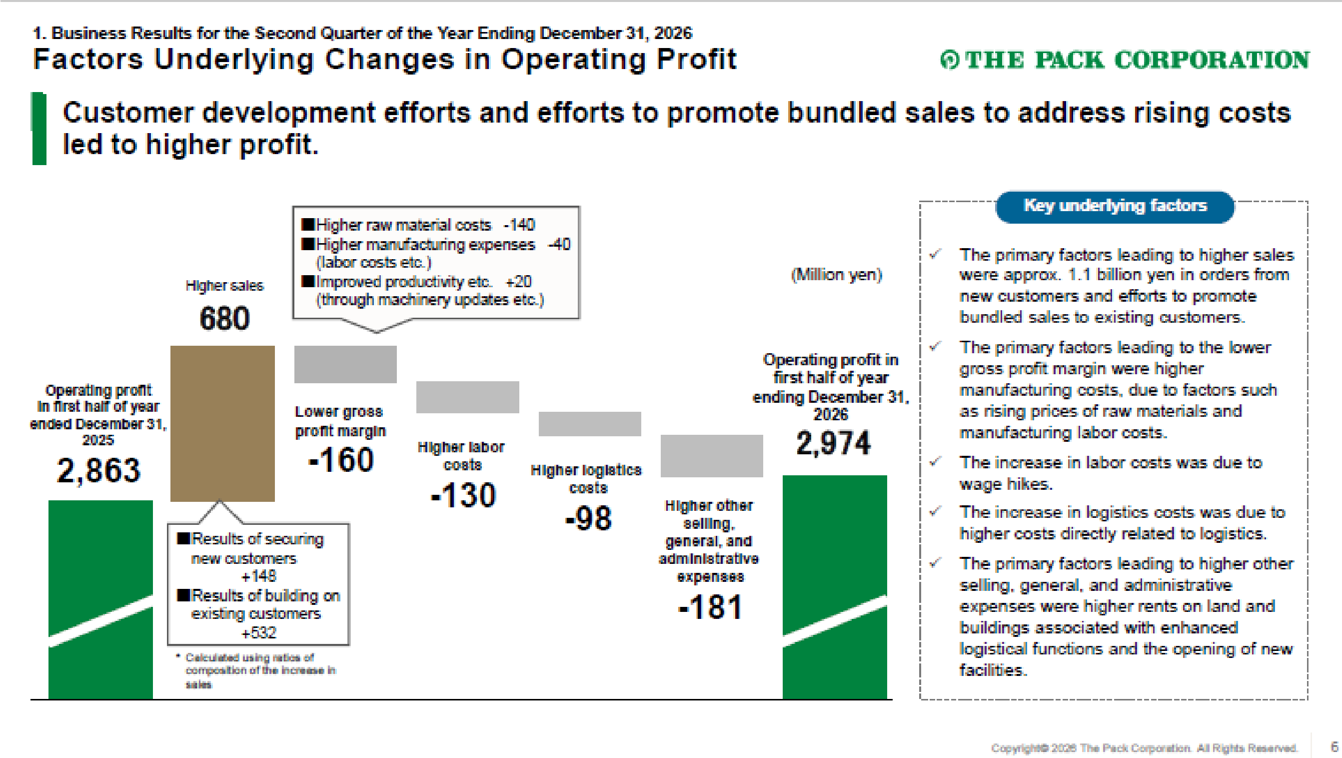
* Effective July 1, 2025, we implemented a 3-for-1 stock split for common shares.
The figure given for the dividend per share at the end of the second quarter of the fiscal year ended December 31, 2025, reflects the stock split.

Review of second quarter	
Net sales	✓ Sales grew in the priority markets of food products, e-commerce, and shipment packaging.
Operating profit	✓ Profit increased due to higher sales and expanded sales of high-value-added products. ✓ Operating profit was up year on year as we continued to make human capital and capital investments. * We recorded gains on sales of cross-shareholdings in the previous fiscal year (490 million yen).
Shareholder returns	✓ Purchased treasury shares (500 million yen)

This is a summary of our performance.

As I mentioned earlier, our financial results for H1 are proceeding largely as planned. Net sales and operating profit are as shown here. Although there is a difference in net income compared to last year, this is attributable to gains from the sale of strategic shareholdings carried out last year.

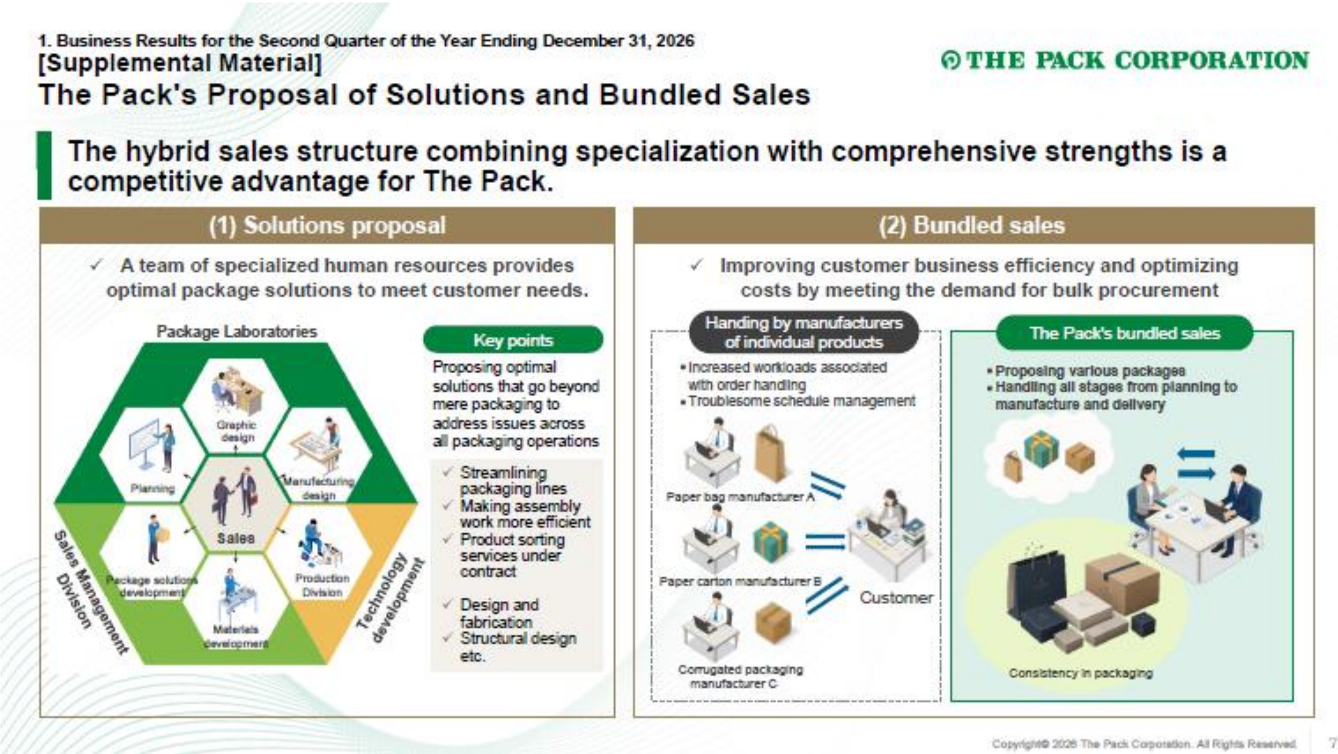
As for the dividend, we have set it at JPY17, as planned. On the right, you'll find a summary of Q2; please take a look at that as well.



This page summarizes the factors contributing to the change in operating profit for H1.

As I mentioned earlier, while we faced various cost pressures, including rising raw material costs, we were able to offset these increases in H1 of the fiscal year by securing new business partners and improving sales efficiency through enhanced cross-selling.

We have been actively working on price adjustments, but during this period, there was a slight time lug until the price was passed through. This is reflected in a decline in the gross profit margin. In addition, while we incurred costs associated with the increase in logistics facilities as our business expanded, we believe that the effects of price adjustments, which began to take effect in H1 of the fiscal year, will be more than enough to offset these costs for the full fiscal year.



We have added a page with additional explanations here. As I mentioned briefly earlier, I have attached a brief presentation outlining our company's key features: solution proposals and cross-selling.

First, regarding our solution proposals, our fundamental approach is not merely to sell the materials you order, but to offer solutions that address challenges across the entire packaging process. While it goes without saying that we offer suggestions regarding the format, design, and material selection tailored to the products inside, we aim to take on a consulting role regarding packaging, that is, to provide proposals to our clients while taking into account the actual operations at the sites where the products will be used.

Another one is cross-selling. We do not limit ourselves to selling individual items such as paper bags, paper boxes, film, and corrugated cardboard. Instead, we have established a system in which a single sales representative can provide a comprehensive range of packaging materials. This approach allows us to develop a business that benefits both parties: it enhances convenience for our customers and improves sales efficiency for our company. In this way, we engage in such business that brings the advantage to both parties. We hope you will come to understand that these are the defining characteristics and strengths of The Pack.

THE PACK CORPORATION

[Supplemental Material]

Boosting Name Recognition and Creating Contact Points with Prospective Customers by Exhibiting at Trade Shows

Exhibiting at TOKYO PACK 2026

- The Pack will exhibit October 14-16 at TOKYO PACK 2026 at Tokyo Big Sight.
- We plan to boost name recognition by communicating our comprehensive strengths and special capabilities at this international packaging trade show to a broad audience. The trade show covers various fields, centered on packaging materials, containers, and packaging machinery, and various aspects, ranging from procurement through production, sales, consumption, waste, recycling, materials handling, and logistics.

- This initiative will expand entry points to the sales process, create contact points and sales opportunities for new customers, and grow business performance, generating future growth.

Although this is a bit of a promotional announcement, we will be exhibiting at TOKYO PACK 2026, which will be held this year at Tokyo Big Sight, as an opportunity to showcase our company's features and strengths I mentioned earlier. If you have the chance, I'd appreciate it if you could take a look. Thank you.

Performance by Product

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Growing demand for materials for e-commerce and shipment packaging drove higher sales and profits, particularly in the Paper Products segment.

	(Million yen)	Second quarter of year ended December 31, 2025	Second quarter of year ending December 31, 2026		
		Actual	Actual	Composition	YoY change
Net sales	Paper Products	34,881	36,767	73.3%	5.4%
	Paper bags	14,485	14,882	29.7%	2.7%
	Paper cartons	12,704	12,759	25.4%	0.4%
	Corrugated boxes	6,745	8,403	16.8%	24.6%
	Printing	945	721	1.4%	-23.7%
	Printing	6,337	6,364	12.7%	0.4%
	Others	6,166	7,002	14.0%	13.6%
Operating profit	Paper Products	2,488	2,782	93.5%	11.8%
	Film Packaging	286	333	11.2%	16.4%
	Others	389	529	17.8%	35.9%
	Adjustments	-302	-671	-22.5%	-

Topics

- ✓ Domestic sales of paper bags held steady. Overseas sales grew, centered on North America and China.
- ✓ Sales of paper cartons remined steady for both the souvenir market and the market for primary containers for food products and cartons for takeout/delivery food products.
- ✓ Robust sales of food product packages, including packaging for the takeout market, coupled with sales of corrugated boxes for the e-commerce and shipment packaging sectors, drove sharp growth in sales of corrugated boxes.
- ✓ Film packaging sales growth with increased demand for events and expanded sales of flexible packaging for food products
- ✓ Other businesses expanded their sales for products used by recreation facilities and for sewn products for gifts.

Next, I will explain the results by variety.

Driven by growing demand for materials used in e-commerce and shipping packaging, we have seen increased revenue and profits, particularly in our paper products business. In our company's case, the paper products business accounts for just over 70% of our revenue. Paper bags account for nearly 30% of that total. Sales of paper bags grew by 2.7% compared to the previous quarter, reflecting steady performance both domestically and internationally.

The next highest category is paper cartons, that is, boxes made of cardboard or paperboard. Currently, sales of paper boxes made from thin corrugated materials, such as cardboard and paperboard, are growing significantly. Our company organizes its segments by material type. For that reason, these results are included in the cardboard, which will be discussed next. Although the growth rate for paper cartons has seen a slight increase of 0.4%, orders themselves have continued to trend steadily this year as well.

And then there's the cardboard business. As I mentioned earlier, there are some positive factors at play, and sales of e-commerce and shipping packaging materials are performing well. While it can be quite difficult to distinguish between paper cartons and cardboard, if we combine the two, growth for H1 was just under 9%, specifically, 8.8%.

Next is the film packaging business. We are placing a strong emphasis on this as part of our integrated sales strategy. In addition to film packaging for food products, sales of take-home bags for various events were strong.

The other is our "other business." "Other businesses" refers to items not covered in the explanation so far, such as non-woven fabrics, sewn fabric products—that is, sewn items—and eco-bags, as well as other types of sewn bags like these. In addition, there is what we refer to as the PAS System, which is a vendor business that provides bundled deliveries of packaging materials. These products are categorized in "other businesses." Although the composition of our other businesses, as well as sales costs and product mix, have changed slightly, this segment is also performing well, with a YoY increase of 13.6%.

1. Business Results for the Second Quarter of the Year Ending December 31, 2026

Summary of Performance by Priority Market

THE PACK CORPORATION

Sales expansion chiefly in the food products and apparel markets

	(Million yen)	Second quarter of year ended December 31, 2025	Second quarter of year ending December 31, 2026		
		Actual	Actual	Composition	YoY change
Food products	Snacks, food products, convenience stores	14,536	15,363	30.6%	5.7%
e-Commerce	e-Commerce*	2,025	1,943	3.9%	-4.1%
Retail	Department stores	2,203	2,174	4.3%	-1.3%
	Apparel	7,821	8,400	16.8%	7.4%
	Supermarkets, drug stores	1,806	2,033	4.1%	12.5%
	Pharmaceuticals, cosmetics	2,271	2,235	4.5%	-1.6%
	Sundries	1,020	1,251	2.5%	22.6%
Other	Other	15,703	16,735	33.3%	6.5%
	Total	47,385	50,134	100%	—

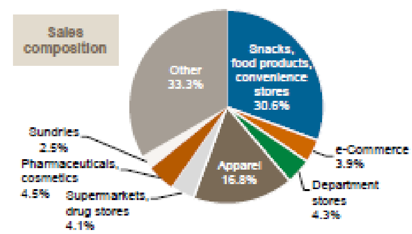
Topics

[Food products] Proposing packaging material solutions for the souvenir snacks market and enhancing bundled sales to expand sales

[e-Commerce] Although sales declined for customers selling only through e-commerce, enhanced proposals to individual markets for e-commerce and shipment packaging use contributed to sales of corrugated packages.

[Retail] Sales of high-value-added products grew, chiefly to the apparel market.

[Other] New customer development and efforts to promote bundled sales led to sales growth.



* e-Commerce includes customers selling via e-commerce platforms. Sales via customers' own websites are included in sales by each customer industry.
* Other includes the home electronics, automotive, life care, and intermediate industries

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So far, we've been discussing each product individually. From this point on, we will provide an overview by industry.

We have categorized them broadly. First, the top section is designated for snacks, food, and convenience store items. When I say "convenience store" here, just think of the containers of hot snacks sold near the register, such as French fries and fried chicken. In this category, sales were strong, particularly for souvenir sweets sold in department store basements, as well as at train stations and airports.

Then there's EC, online store. While our company's overall orders for e-commerce materials were very strong, the figures presented here are limited to those from mall-type e-commerce platforms, that is, customers that specialize exclusively in e-commerce. Due in part to one-time factors, revenue declined slightly during H1 of the fiscal year.

As stated in the document, we continue to receive a steady stream of orders in the apparel and general merchandise categories as well. Furthermore, we believe that across other markets as a whole, we were successful in acquiring new customers and effectively promoting cross-selling.

Financial Summary

THE PACK CORPORATION

Promoting balance sheet management through investments in growth and enhanced shareholder returns

(Million yen)

Assets	Year ended December 31, 2025	Second quarter of year ending December 31, 2026	Change
Current assets	61,667	53,521	-8,145
Cash and deposits	26,061	22,004	-4,056
Accounts receivable−trade	24,809	18,357	-6,452
Inventories	9,445	10,559	1,114
Other	1,352	2,599	1,247
Non-current assets	42,544	45,002	2,457
Property, plant, and equipment	30,352	33,646	3,294
Intangible assets	4,310	4,558	247
Investments and other assets	7,881	6,797	-1,084
Total assets	104,212	98,524	-5,688

Liabilities, net assets	Year ended December 31, 2025	Second quarter of year ending December 31, 2026	Change
Current liabilities	25,920	19,828	-6,091
Notes and accounts payable−trade	19,607	14,641	-4,966
Other	6,312	5,186	-1,125
Non-current liabilities	1,294	1,188	-106
Long-term loans payable	334	265	-69
Other	960	923	-37
Net assets	76,997	77,507	509
Shareholders' equity	74,186	74,553	366
Accumulated other comprehensive income	2,791	2,935	143
Total liabilities and net assets	104,212	98,524	-5,688

Here is an overview of our financial situation.

There were no significant changes during H1 of this year. However, as outlined in our current medium-term business plan, we are aiming to achieve higher capital efficiency. We will continue to operate with an appropriate financial balance while balancing growth investments with enhanced shareholder returns.

1. Business Results for the Second Quarter of the Year Ending December 31, 2026

Consolidated Statement of Cash Flows

THE PACK CORPORATION

Cash on hand decreased due to investments in growth and measures taken to boost working capital.

(Million yen)	Second quarter of year ended December 31, 2025 Actual	Second quarter of year ending December 31, 2026 Actual	Change
Cash flows from operating activities	5,435	3,649	-1,786
Profit before income taxes	3,524	3,006	-518
Depreciation	1,403	1,404	1
Cash flows used in investment activities	884	-4,653	-5,569
Purchase of property, plant, and equipment	-1,530	-5,106	-3,576
Purchase of intangible assets	-607	-534	73
Purchase of investment securities	-13	-42	-29
Proceeds from sales of investment securities	779	0	-779
Cash flows used in financing activities	-1,378	-3,243	-1,865
Cash dividends paid	-1,239	-1,222	17
Cash and cash equivalents at end of period	21,399	19,494	-1,905

Key underlying factors

- ✓ Cash flows from operating activities decreased due to increased inventories associated with sales expansion and the negative rebound after shorter accounts receivable collection cycle during the previous year.
- ✓ Investments increased due to enhanced production capacity and the acquisition of a site for the Nara Plant.
- ✓ Expenditures increased with the purchase of treasury shares.

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This is the consolidated cash flow statement.

The factors affecting these changes are listed on the right side of the page. During H1 of this fiscal year, we acquired land for a corrugated cardboard factory in Nara Prefecture that needs to be rebuilt due to its age. In addition, although this was also in line with our plan, we incurred expenses related to the repurchase of our own shares. That concludes this page.

Full-year Performance Forecasts

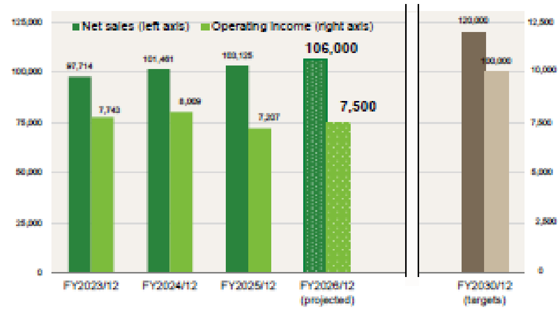
THE PACK CORPORATION

Appropriate pricing is projected to improve operating profit margin.

(Million yen)	Second quarter of year ended December 31, 2025	Year ending December 31, 2026 (announced August 12)	
	Actual	Performance (projected)	YoY change (projected)
Net sales	103,125	**106,000**	2.8%
Operating profit	7,207	**7,500**	4.1%
Operating profit margin	6.99%	**7.08%**	—
Ordinary profit	7,532	**7,700**	2.2%
Profit attributable to owners of parent	6,024	**5,300**	-12.0%
Basic earnings per share (yen)	107.13	**95.35**	-11.0%
Dividend per share (yen)	41.33	**42.00**	—

(Million yen)

Net sales and operating income trends



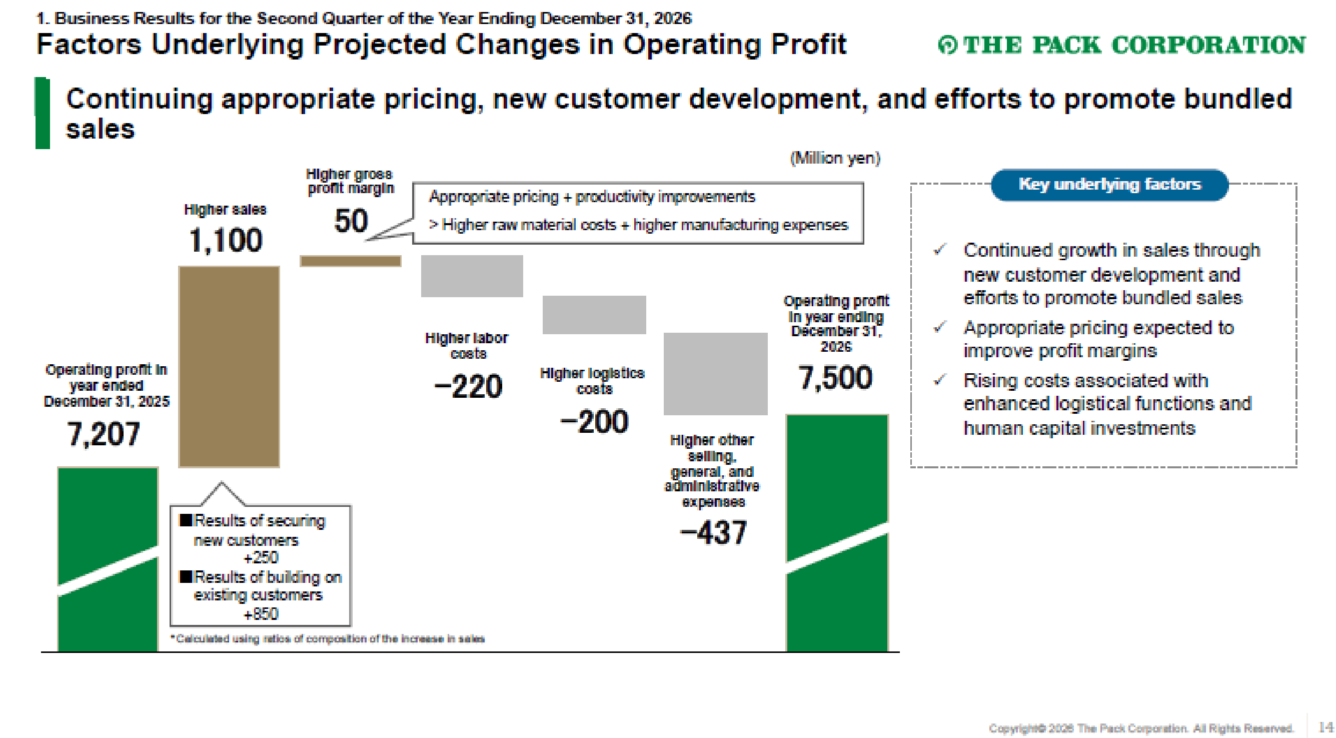
Key points of full-year forecasts

- ✓ Continued sales growth through new customer development and efforts to promote bundled sales
- ✓ Effects of appropriate pricing to contribute in the second half
- ✓ Continued stable shareholder returns (steadily increasing dividends)

This page shows our full-year earnings forecast for the current fiscal year.

Our currently disclosed full-year earnings forecast is JPY106 billion in sales and JPY7.5 billion in operating profit; there are no changes to this forecast at this time. As the effects of the price revision negotiations we have been conducting during H1 begin to materialize, we also anticipate an improvement in our operating profit margin.

Furthermore, while there will be a slight impact this fiscal year from the gain on the sale of strategic shareholdings recorded in the previous fiscal year, we will continue to provide stable returns to shareholders through our progressive dividend policy.

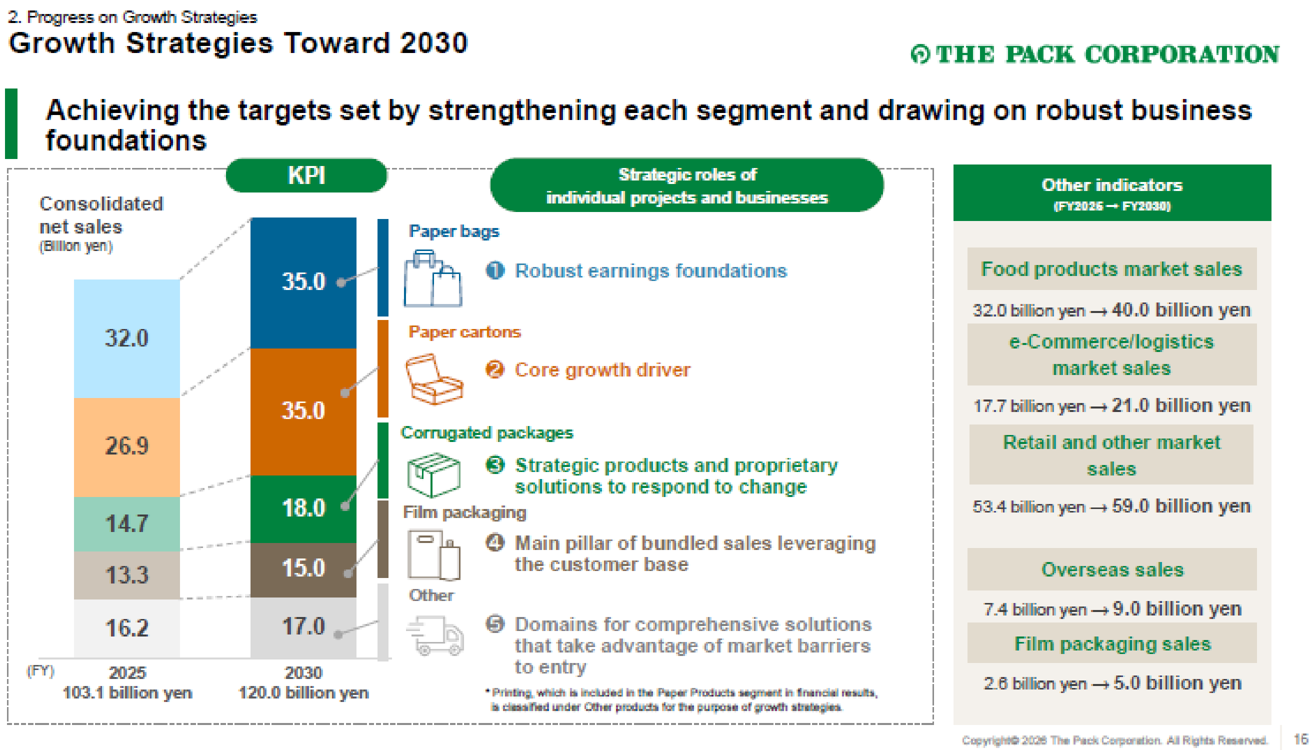


Finally, here is a summary of the factors affecting the change in full-year operating profit.

We will continue to seek out new customers and expand sales with our existing clients. While the effects of the price adjustment are beginning to show, there are currently signs of a second round of price increases for raw paper, which is a key raw material. We plan to continue monitoring these developments closely and, as necessary, promptly negotiate price adjustments. In addition, while we anticipate increases in labor costs due to wage hikes, investments in employee training, and higher logistics costs, among other factors, we expect our final operating profit to come in as planned.

That is all from me. Thank you.

Moderator: Next, on page 15 of the materials, Nakamura will explain the progress of our growth strategy. Thank you.

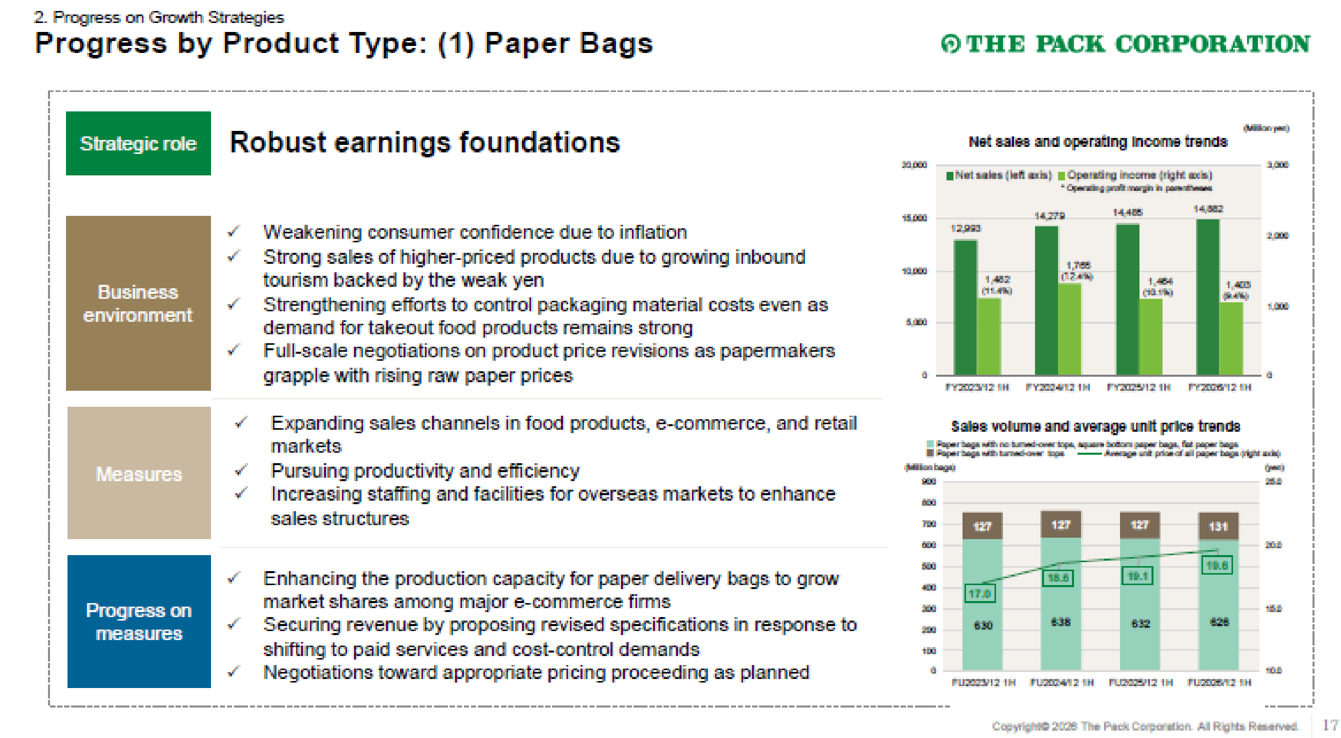


Nakamura: Once again, this is Nakamura. Thank you.

We have reprinted the information presented in the Mid-Term Management Plan. The graph on the left shows the KPIs. We will strive to achieve significant growth in each of our four major product lines. As our targets for 2030, we will proceed with the following breakdown: approximately JPY35 billion for paper bags, JPY35 billion for printed paper cartons, JPY18 billion for corrugated cardboard, and JPY15 billion for film packaging.

The key part here is the paper cartons section, which is marked in orange. One of our company's major goals is to bring the sales of paper bags and paper cartons on par with each other. As has long been the case, our flagship products are often said to be paper bags, but we have a plan to position paper cartons and paper bags as our two main flagship products.

In terms of the remaining market size, I believe the paper cartons market is worth over JPY1 trillion, so we have high hopes for it as a key driver of future growth. The target values and indicators for each market are listed in the right-hand third of the page. I'll come back to this later, so I'll skip the explanation for now.



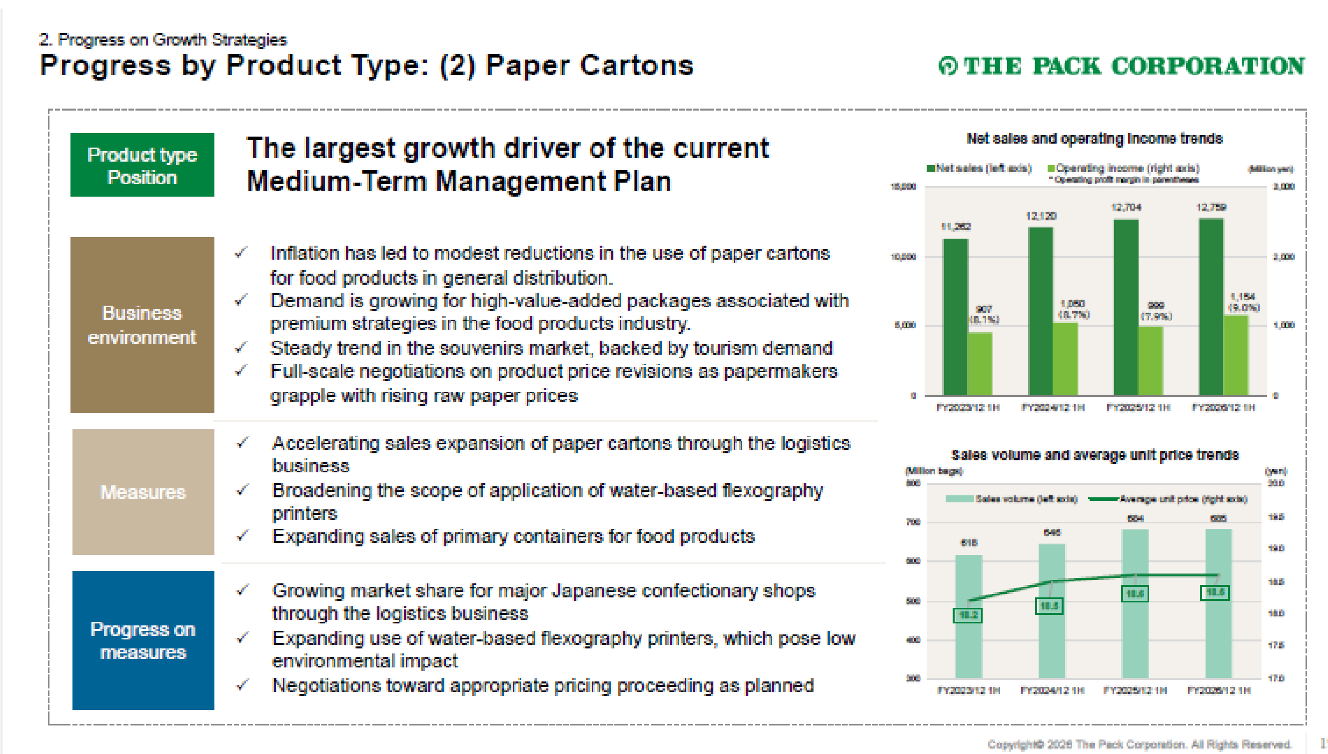
I would like to report on the progress by variety. First, let's talk about paper bags.

As Shimomura explained earlier, the figures are presented in a graph covering the past three years. Sales for H1 totaled JPY14.882 billion, representing a slight increase. Profits declined slightly due to factors such as the time lag associated with price adjustments, resulting in this situation.

The bottom right shows the sales volume and average unit price. Sales volume totaled 757 million units, which is on par with last year's figures. The average unit price has risen slightly to JPY19.60. I believe the effects of the price adjustment will become more apparent in H2, so please look forward to it.

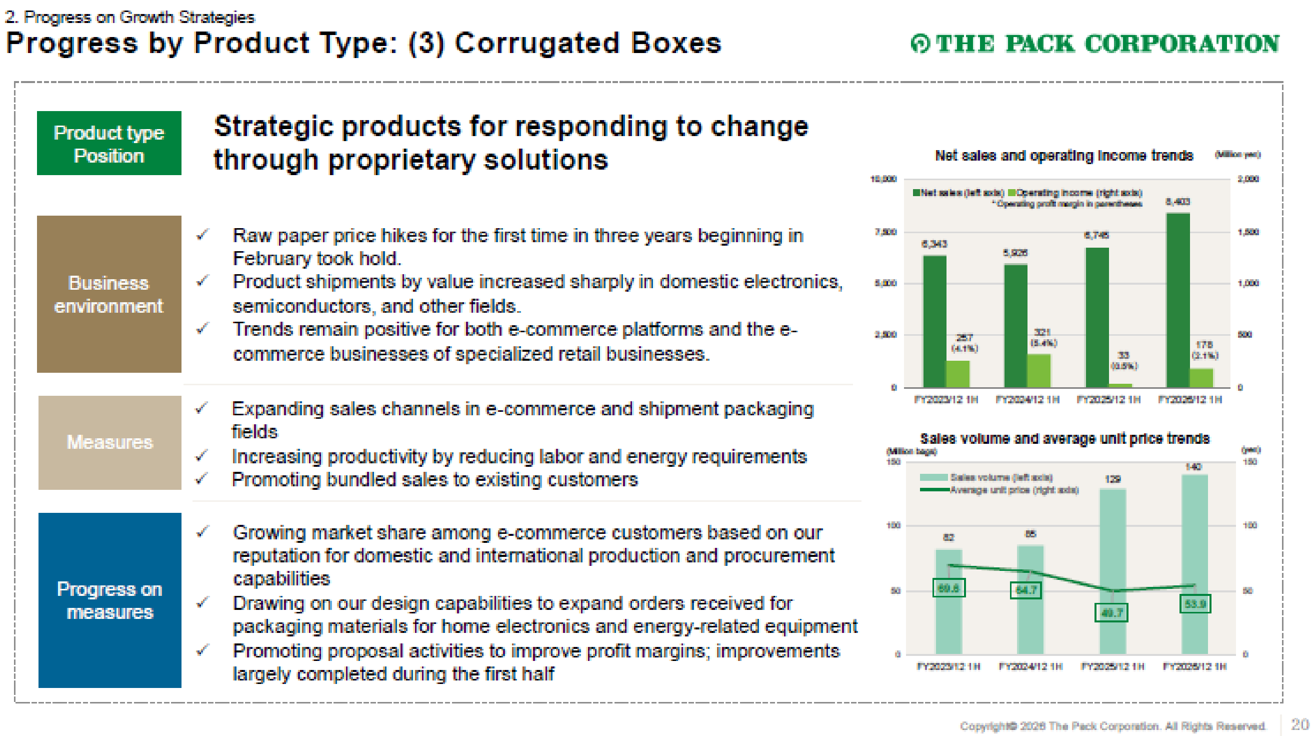
As for the details, the measures are listed on the left; in particular, demand for delivery bags is on the rise, so we plan to increase our production once again. I believe this will also contribute to our results in H2 of the fiscal year. This is a category in which we intend to continue striving to expand sales, building on our high market share.

Here are some examples of paper bag types. I include this every time, but please take a look at it later.



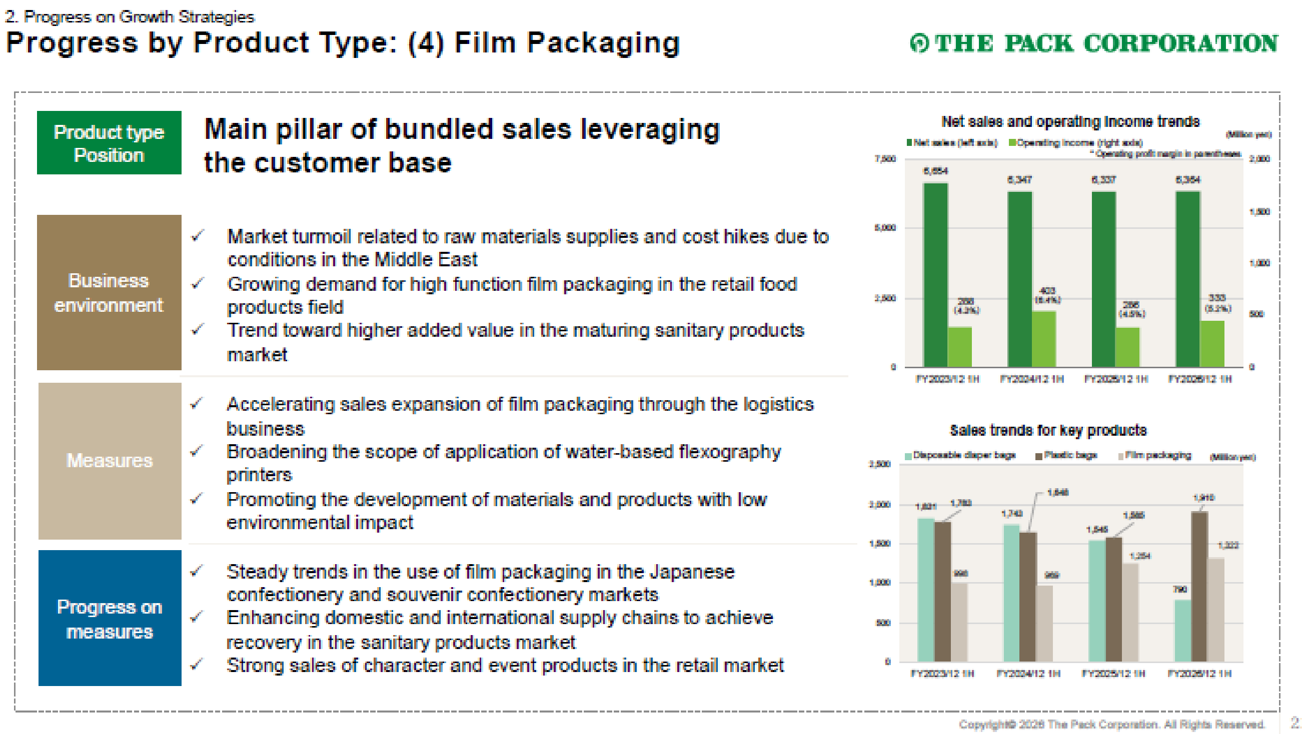
This is a paper cartons.

Revenue totaled JPY12.759 billion, representing an increase of JPY55 million, while operating profit was JPY1.154 billion, an increase of JPY155 million. With sales totaling JPY685 million units, H1 was extremely disappointing as a revenue driver. Just as with paper bags, there was a price adjustment for cardboard this past spring, the first in quite some time, and while we were swamped with work due to that, on the other hand, our proposals for assembly and packing services have been very well received, and we have a large number of orders that will be reflected in our results starting in H2 of the fiscal year. I'd like to explain that as well later on. This is a genre we'd like to pursue at an even higher level.



Next is cardboard.

Everything went very smoothly. Sales was JPY8.43 billion. Although profits were tough last year, it appears we have hit bottom. While the growth in e-commerce-related business was certainly a major factor, broadly speaking, orders for packaging materials, including packaging for electrical equipment, contributed significantly to the positive results. Things are going very well, and I think this trend will continue for the foreseeable future. In terms of the number of sheets and sales volume, we've reached 140 million cases, and the average unit price has also risen by more than JPY10 compared to last year.

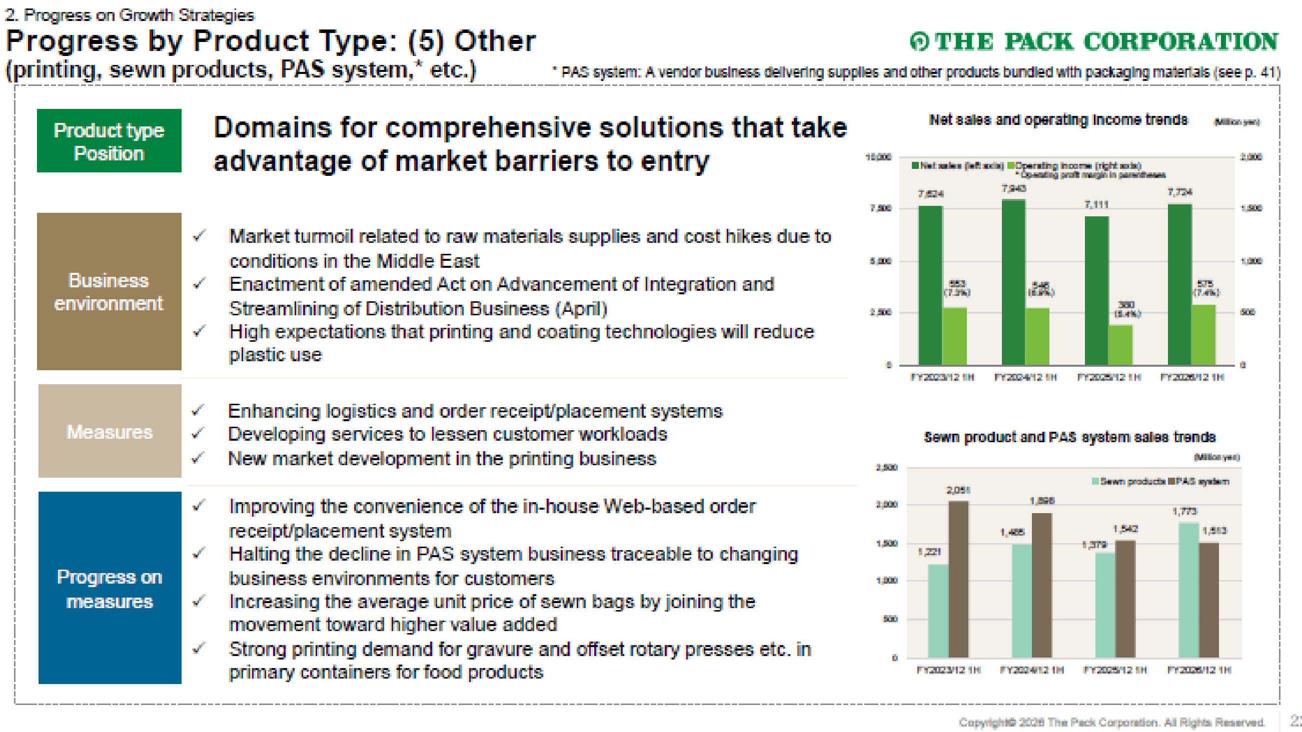


This is film packaging.

Sales remains virtually unchanged at JPY6.364 billion. There's a wide variety of products included here as well, but if you look at the bottom right, you'll get a good idea of how it all works. This is an outer bag packaging for disposable diapers. This category, shown in green, has been declining year after year, largely due to the declining birthrate and price reductions.

However, on the other hand, plastic bags have actually been growing in sales since last year, in the broadest sense, including items such as grocery bags. Sales of films in general, individual packaging for confectionery and beverage labels, which we refer to it as flexible packaging, remained strong; as a result, the overall film packaging business performance remained flat. I think this is another example of our comprehensive sales approach; I believe this category illustrates how we offset negative factors with positive ones to maintain a stable performance.

Since the sales for disposable diaper packaging has also reached a point where the downward trend is leveling off, we expect the positive growth in flexible packaging and plastic bags to take over from here on out. I also get the feeling that, as the number of plastic bags increases, people's aversion to the environmental impact of plastic bags has lessened compared to what it was a while back. Plastic bags are often a better fit for shops that sell character merchandise or general goods, and as a result, this category has been growing significantly. The other factors for the increase in the result is capturing the demand from the theme parks and similar sources.

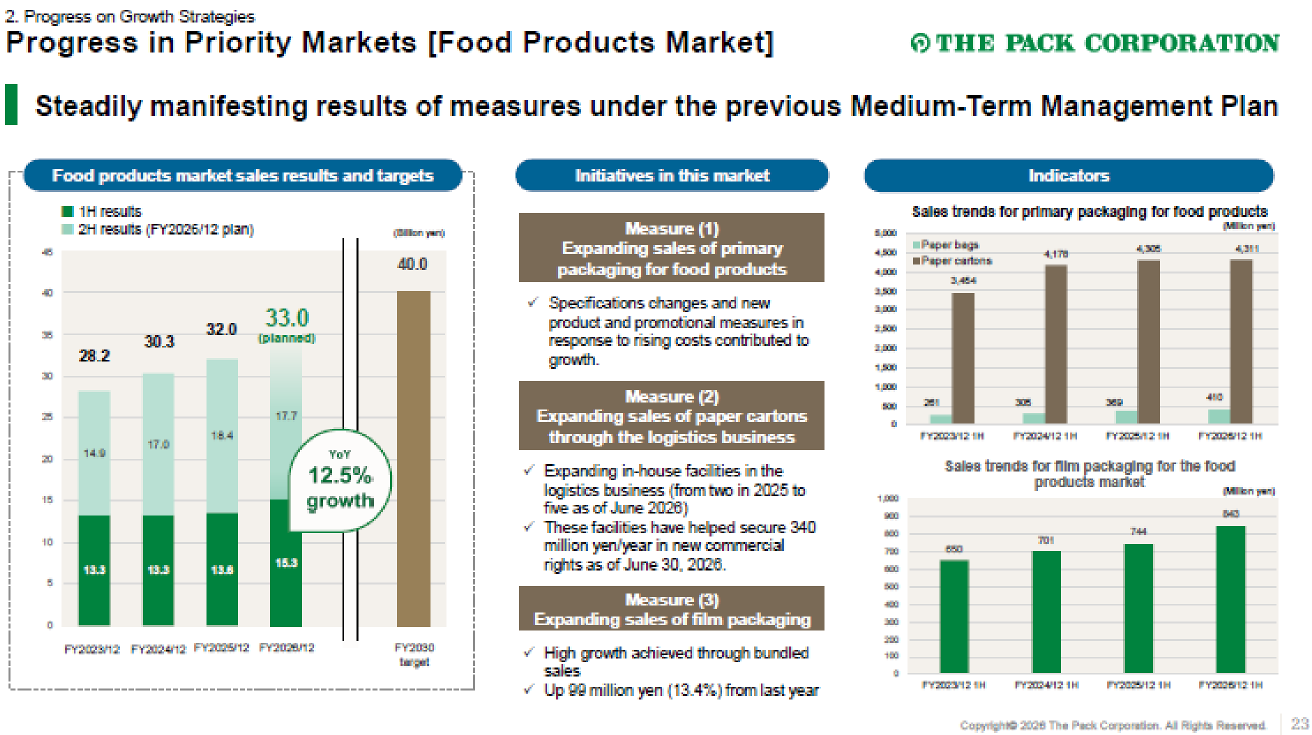


Let me explain what are included in Other as it includes various things.

The total sales came to JPY7.724 billion, so I think it's fair to say it remained virtually unchanged. A breakdown of the major items is provided in the lower right corner.

As noted in the upper right corner, the PAS system is a service that delivers all consumables along with the packaging materials. The trend up until last year was that this figure had fallen significantly. Since this resulted in the loss of some commercial rights due to alliances and realignments among our customers, it is a temporary setback.

On the other hand, sewn items, such as tote bags and drawstring bags, have become increasingly popular recently. These are frequently used these days, particularly for fashion-related gift bags or for promotional campaigns designed to make a strong, immediate impact, and their popularity is on the rise. We intend to continue focusing on the sale of products such as those in the side menu.



This explanation is organized by market. First, I would like to explain our progress in the food market.

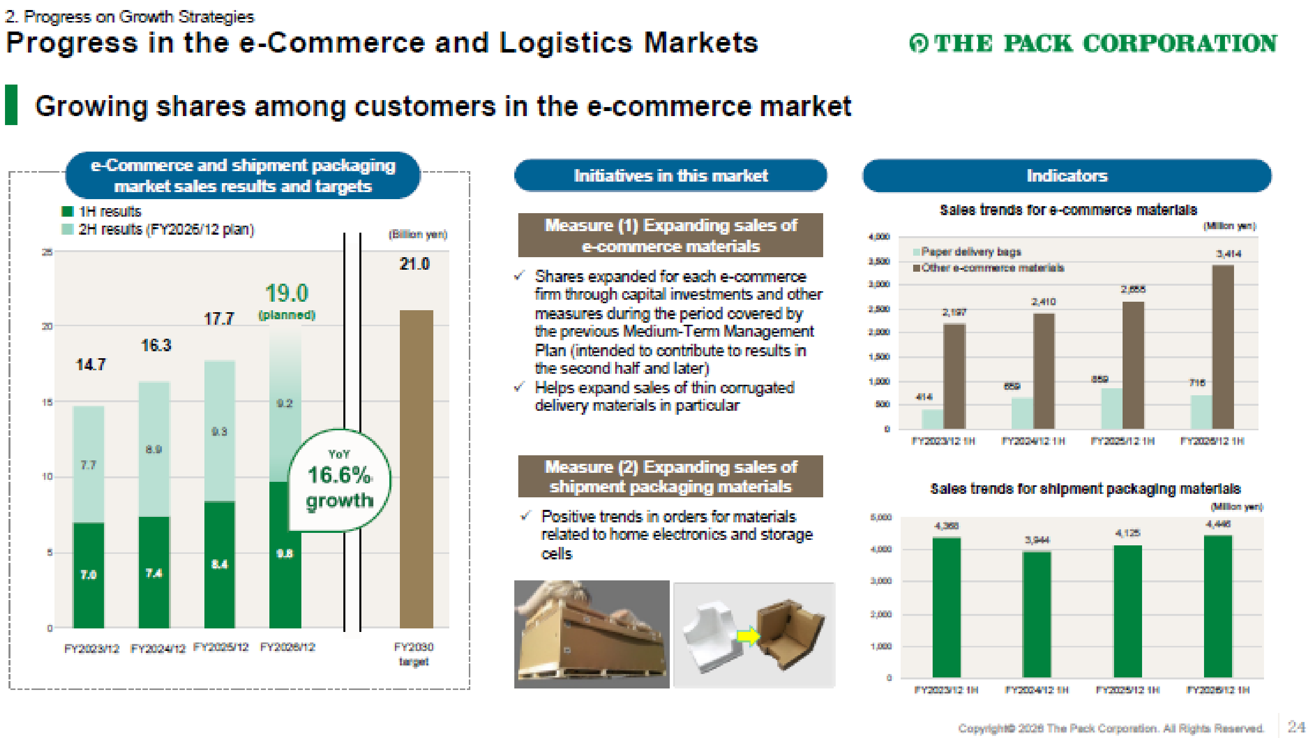
In H1 of this fiscal year, as shown by the dark green section in the lower half of the graph on the left, we saw steady growth in sales of 12.5%. I believe we are well on track to reach the target of JPY33 billion. We are on a steady course toward our goal of JPY40 billion.

Although the term “food” covers a very broad range, these are the initiatives being undertaken at this market, as noted in the center. One is expanding sales of primary food packaging. Primary packaging refers to packaging that comes into direct contact with food. Leveraging our expertise in paper processing, we introduced equipment several years ago to produce these types of products, and we have seen a steady increase in orders. We continue to see this product adopted by fast-food chains and in the hot food sections of convenience stores, and we boast an annual production volume of nearly 200 million units for this type of product. We intend to continue working toward expanding our lineup of these paper cartons.

As I briefly mentioned earlier, in the distribution and processing, part (2) has also been performing very strongly. We have opened our fifth domestic facility this year in Sapporo, which is equipped to handle everything from box assembly to product packing. At full capacity, this facility can produce more than 10 million cases across its five locations. Naturally, since we are proceeding with the sale of paper cartons to new customers as a package that includes Set-up Service , we believe this will contribute significantly to our sales.

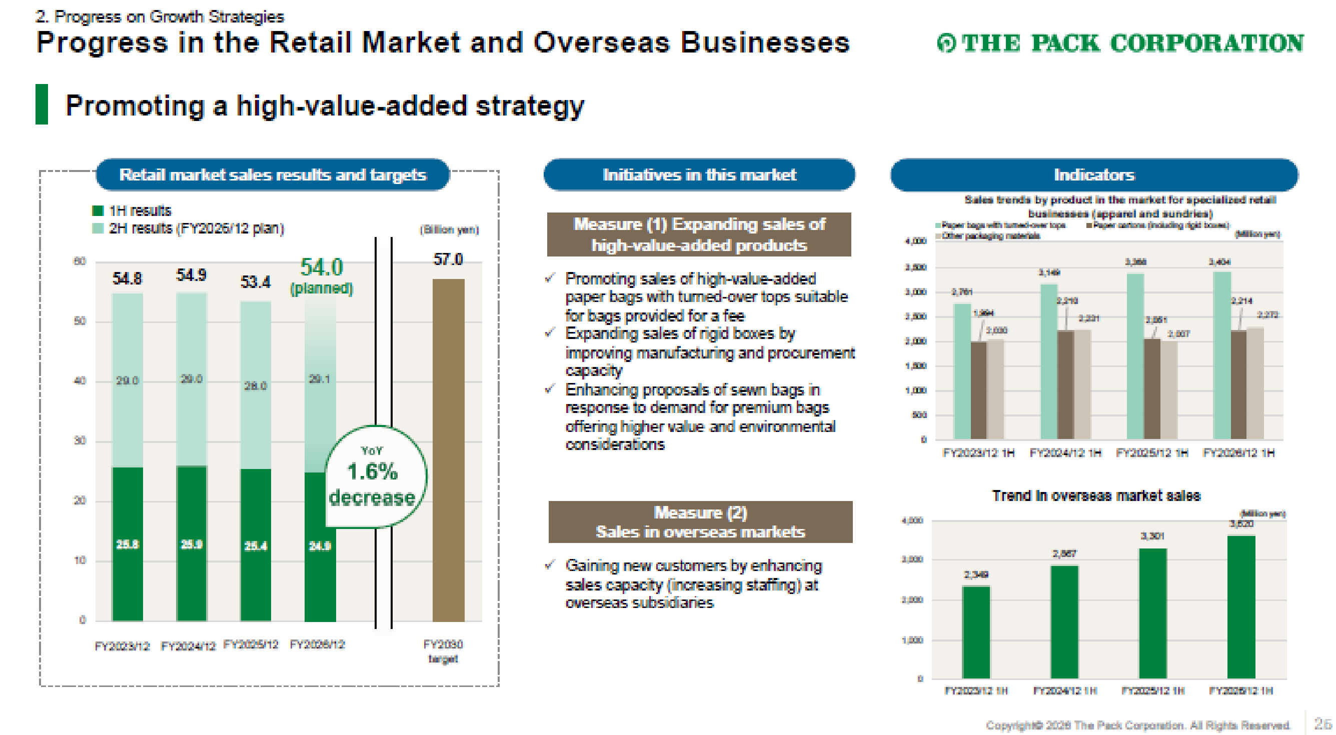
Next is expanding sales of flexible packaging. It is not uncommon for an increase in sales of paper cartons to naturally lead to an increase in film packaging sales as well. When planning new products, customers often start with the design, so we have high hopes that an increase in box sales will lead to growth in this area as well.

The graph on the right shows the trends in sales of primary packaging and flexible packaging. It has been performing steadily. We are looking to accelerate this even further.



Next, I would like to discuss our progress in the e-commerce and logistics markets.

Performance has been solid in H1, with growth of 16.6%. Materials primarily used for e-commerce, and materials for shipping and packaging materials, the two categories I mentioned earlier, have been the main drivers of these results. Regarding the shipping and packaging mentioned in item 2), it is noted as an order for materials related to home appliances and storage batteries. As you know, the data center sector within the AI business is experiencing significant growth, and since we supply materials to that sector, we expect this trend to continue over the next few years. The trend is shown in the graph on the right.



Here is an update on the distribution and retail market and our overseas operations.

We posted a slight loss in H1. I just explained the PAS system for vendor operations, but that ended up holding us back. There is measure one: Expanding sales of high-value-added products. I have also listed measure two for sales for overseas markets, as major initiatives. At this point, as I explained earlier when discussing the sale of sewn goods, we are seeing a trend among some discerning customers toward a renewed appreciation of packaging as a tool for expressing a brand's worldview.

Looking at the contents of this year's holiday, or so-called Christmas season, packages, it seems there's a growing trend toward even better offerings. Since packaging is, by its very nature, a consumable item, it's easily swept up in the tide of cost-cutting measures; however, I feel the pendulum has swung back slightly, so we're currently stepping up our efforts to propose solutions that address those needs.

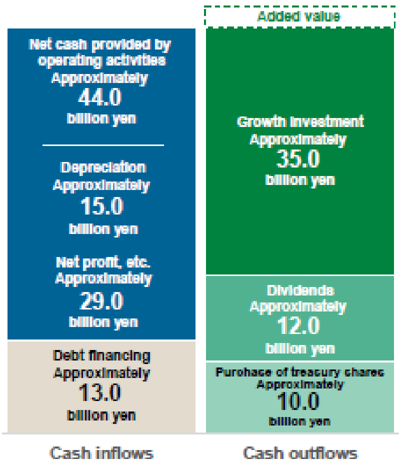
As mentioned earlier, sales in overseas markets are also progressing steadily. Sales in China have been particularly strong this year, and we have categorized this segment as the distribution and retail market as well. Although it is still not a particularly large subsidiary, we are continuing to support its growth, including by allocating additional personnel.

Overview of Capital Allocation Strategy

THE PACK CORPORATION

Initiating business infrastructure development for the next generation

New Medium-Term Management Plan (2026-2030)



2026 1H capital and strategic investments

Growth investments	
Paper carton manufacturing capacity enhancements	29 million yen
Paper bag manufacturing capacity enhancements	20 million yen
Streamlining, labor saving	17 million yen
Purchase of land (plant site)	3,841 million yen
Human capital investment	52 million yen
Other	163 million yen
Total	4,122 million yen

◆Completed purchase of land needed to renovate and expand the Nara Plant (June).

More than 50 years have passed since the current Nara Plant was built. This project is intended to enhance production capacity, improve working environments, and reduce labor and energy through plant automation and other measures.

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This is an expanded version of the overview of our capital allocation strategy as outlined in the medium-term plan.

There are no changes on the left side. We will strive to achieve both growth and capital efficiency while making effective use of debt.

And regarding the acquisition of land for the reconstruction of the Nara Plant, we made that announcement the other day, which is shown on the right. As for what happens from here on out, we will provide updates as appropriate when the time comes, so we ask for your understanding. In any case, the building is showing signs of aging. We don't just want to modernize the facility; we aim to create a state-of-the-art factory that boosts productivity and, as was the case recently in Kumamoto, contributes to ensuring employee safety and improving the work environment.

3. Initiatives to Increase Corporate Value

Progress in Human Capital Strategy

THE PACK CORPORATION

Realizing sustained growth through enhancement of human capital

	Status of initiatives
(1) Hiring and placement	● Steadily securing human resources and enhancing the assignment of the right people to the right places ・ Midcareer hires and continued-employment employees ・ Appropriate assignments using the talent management system
(2) Skills development	● Developing the human resources needed to lead reforms ・ Digital transformation (DX) training: Training continues to achieve the target level of 5% earning the status of business architects (human resources who play leading roles) From 1% of all employees in 2024 to 2.8% in 2025 ・ Skills improvement support program: Encouraging employees to earn DX promotion qualifications
(3) Utilization	● Developing systems and environments to harness diverse human resources ・ Promoting evaluation systems with a focus on creating added value ・ Developing workplaces where men and women can thrive together: encouraging men to take childcare leave etc., promoting the role of women in the workplace ・ Supporting career-building through career design training
(4) More comfortable work	● Promoting initiatives to improve wellbeing ・ Improving compensation: Revising detailed rules on regular raises and various allowances, raising wages (by 5.09% in FY2026), increasing subsidies for the employee stock ownership program ・ Health management: Appropriate labor management, healthcare training, expanding applicable scope of "F" leave, establishing new wellness leave

Nonconsolidated	2022	2023	2024	2025	2026 (as of June 30)
Midcareer hires (employees)	28	39	27	16	9
Continued-employment employees (employees)	58	67	74	104	106

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I will now discuss our initiatives to enhance corporate value.

We will strive to achieve sustainable growth by strengthening our human capital. Since this is also noted in the medium-term plan, I'd like to highlight some of our initiatives.

We are continuing to recruit experienced professionals this year as well. Given current trends, there will be an increasing need for professionals with specialized expertise, so we intend to maintain our commitment to actively recruiting such talent and enabling them to thrive in their roles.

Second on the list is in-house training. We have been conducting DX training for about three years, and as a result of these efforts, we have been able to develop DX talent across various departments; consequently, the use of AI and other technologies is currently advancing in various areas. We have high hopes for this. Through this training program, we aim to further strengthen our competitive advantage in terms of company quality compared to our competitors.

We also update our other initiatives as needed to keep pace with the times. At the very bottom are healthcare training, the expansion of the scope of F leave, and wellness leave, which was newly introduced in H1 of this year.

3. Initiatives to Increase Corporate Value

Progress in IR and SR Activities

THE PACK CORPORATION

Taking steps to ensure appropriate market valuations through effective two-way communication with shareholders and investors

	Status of initiatives
Expanding name recognition	● Communicating information via Web media ● Promoting interviews with financial journals, etc.
Disclosure	● Publishing Sustainability Report 2026 and Integrated Report 2026 ● Revising the Medium-Term Management Plan page on the website ● Making proactive disclosures through IR information services: Distributing Briefing Materials on Business Results and transcripts
Promoting understanding	● Expanding points of contact with individual investors ・ Web seminar: Held in July 2026 for 4,138 viewers ・ Company briefing video released on website ・ Continuing to enhance content to promote public understanding of The Pack ● Enhancing dialogue with institutional investors ・ 22 IR meetings held (January-June 2026) ・ Hosting tours of the Packaging Laboratories
Internal feedback	● Reporting details of dialogue with institutional investors to the Board of Directors at regular intervals

	2022	2023	2024	2025	2026 (as of June 30)
Individual meetings (meetings)	19	39	29	29	22
Packaging Laboratory tours (tours)	1	6	6	4	3

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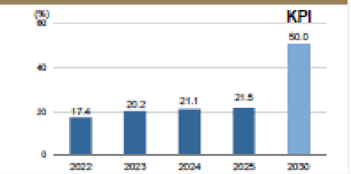
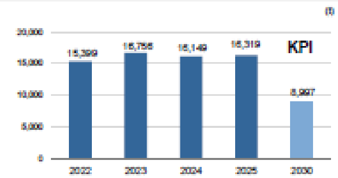
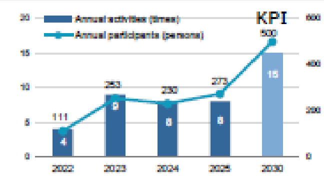
Here is an update on our IR and SR activities.

There are initiatives for “raising awareness” and “disclosing information.” Regarding the third point, expanding our engagement with individual investors, we held our first online seminar for individual investors at the end of July. I believe there were about 2,100 live viewers, and when combined with on-demand viewers, the total number of viewers has now exceeded 4,000. We are also strengthening our dialogue with institutional investors, and as of H1 of this year, the figures are on par with last year's. We will continue to actively engage in IR activities to raise awareness among everyone and foster a better understanding of our company.

Sustainability Improvement Initiatives

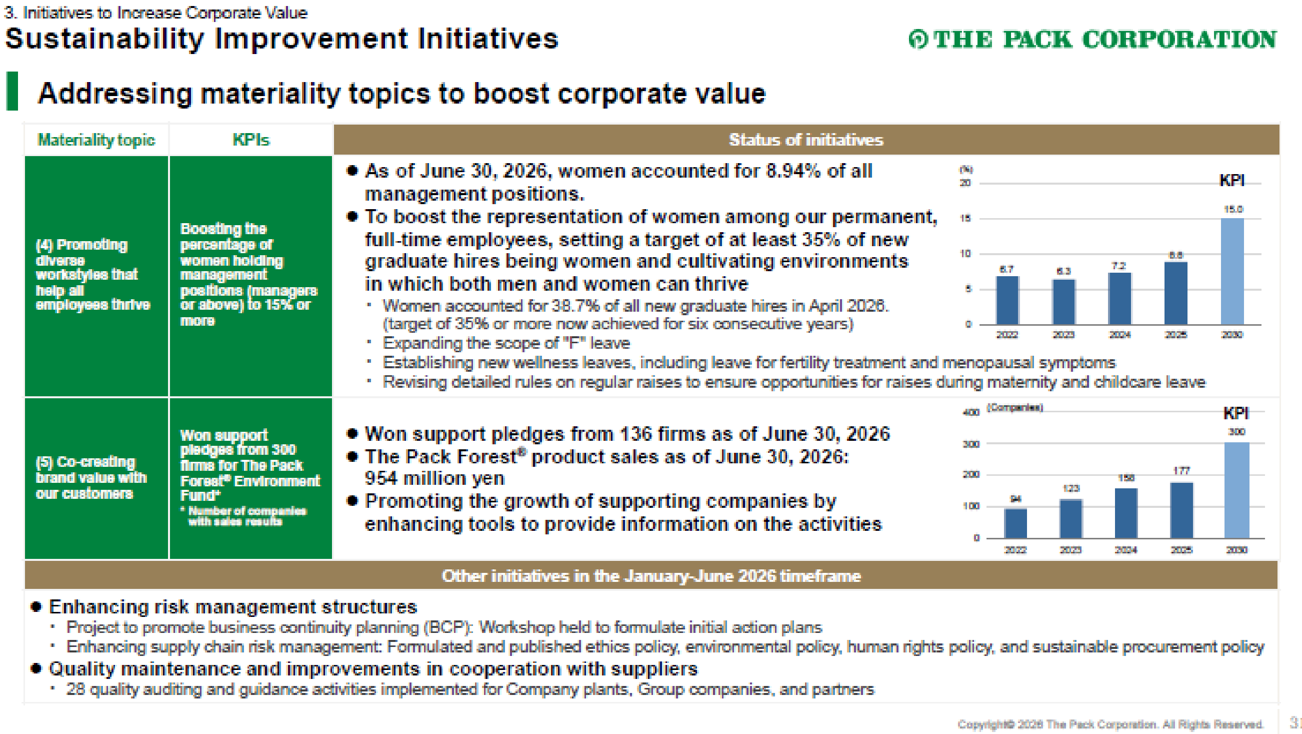
THE PACK CORPORATION

Addressing materiality topics to boost corporate value

Materiality topic	KPIs	Status of initiatives	
(1) Promoting eco-friendly product planning and technological development	Achieving 50% or better ratio of sales of FSC®-certified products (paper bags, paper cartons, corrugated boxes) to total sales* * Sales: The Pack (nonconsolidated) paper products business as a whole	● Sales of FSC®-certified products as of June 30, 2026: 6.27 billion yen (up 1.03% YoY) ● Enhancing supply structures for FSC®-certified products throughout the supply chain (FSC® C020517) ● Continuing to enhance proposals to switch to paper packages	
(2) Reducing environmental impact throughout our business activities	Reducing CO_2 emissions (Scopes 1 and 2) by 46% vs. FY2018 figures (targeting 8,997 t in FY2030)	● Scopes 1 + 2 emissions as of June 30, 2026: 8,540 t ● Continuing energy conservation measures in preparation for plant renovations and upgrades ・ Launched vacuum pump concentration projects at the Osaka and Tokyo plants ・ Continuing to transition to LED lighting at the Nara and Osaka plants ・ Launched solar panel expansion project at the Tokyo Plant	
(3) Contributing to environmental conservation and preservation	Implementing 15 The Pack Forest® Environmental Fund activities, with 500 participants, per year	● Forest conservation activity performance as of June 30, 2026 ・ Activities conducted five times First activity conducted at 10th afforestation site, in Kinokawa, Wakayama Prefecture ・ 161 individuals participated (including 20 customers and 49 members of the general public) ● Visits underway to develop the 11th afforestation site	

This page is about our sustainability effort.

This is also as stated in the medium-term plan. This page details the progress made by the FSC on CO2 emissions reduction and forest conservation activities, among other initiatives. We will firmly press for action regarding matters that are behind schedule. That is our position.



The percentage of women in management positions is 8.94%. While this won't happen overnight, 38.7% of the new hires this spring were women, meaning we have exceeded our target of 35% for the sixth consecutive year. In addition, to ensure our employees are satisfied, we aim to further enhance our internal policies and create an environment that encourages them to stay with the Company for the long term.

The "pack forest" is our company's system, and the number of participating companies is steadily increasing. The section below outlines the various initiatives we carried out during H1. We intend to continue strengthening our risk management framework and working with our business partners to maintain and improve quality.

That concludes the explanation, but finally, here is a video showing the set-up service that I mentioned earlier. It's very short, but we've received the footage that Shimomura mentioned at the beginning, the material to be shown at TOKYO PACK 2026, so I'd like to show you a portion of it. Here you go.

We bring the boxes made at the factory here and load them onto this machine as shown. This is what is known as a box-making machine; it is a machine designed so that the assembled boxes come out of it. Since it's quite difficult to automate the process of inserting dividers into the bottom of the boxes, and while the pace does vary depending on the shape, we're now taking over that task, which customers used to have to assemble themselves. In addition, in Kawasaki, we highlight the fact that our machines can handle the packing of products.

You might think, "Is that it?" but this is actually quite a hassle for our customers, so the fact that they can outsource it has been very well received. And I think it fits the times as well. I suspect that the main factors driving this trend are the difficulty in securing enough workers and the ability to cope with rising labor costs resulting from the use of machinery. Since many of our customers are small and medium-sized businesses, they often lack the space to install the machinery or the staff to operate it, so we've been receiving an overwhelmingly positive response. We will focus our efforts on this.

We have lots of other videos as well, so we hope you'll come visit us at TOKYO PACK 2026.

That concludes my presentation and explanation. Thank you.

Moderator: That is all from us.

Question & Answer

Moderator [M]: We will now take questions from the audience. First, we will take questions from those attending the event in person. We will then move on to those of you joining us online, so if you're participating online, could you please stay where you are for a moment and wait? Now, does anyone here in the audience have any questions? Please state your name before asking your question.

Fujiwara [Q]: Thank you for your presentation. My name is Fujihara from SOMPO Asset Management. I have three questions. First, based on what you've explained, the plan for H2 of the fiscal year seems somewhat conservative, or perhaps a bit on the low side. There are factors such as the impact of the price adjustments starting in H2 of the fiscal year, as well as the additional contribution from the assembly segment starting in H2, as you explained earlier. Also, I believe that it was in H2 of last year, there were instances where major clients in e-commerce and online retail experienced cyberattacks or system failures, which lowered the baseline. Given that, the figures obtained by subtraction look a bit weaker. Is there a specific reason for this?

Shimomura [A]: Thank you for the question. First, you are saying that the full-year forecast for H2 is perhaps a bit conservative. We have been conducting negotiations regarding price revisions throughout H1 of this fiscal year. Depending on the customer, there are various scenarios, such as changes starting with a new production lot, with a new product, or in a specific month, but generally speaking, revisions tended to take effect around April. Since we've seen some signs that things might be moving slightly ahead of schedule, to be honest, we're currently taking a somewhat conservative view of H2. Also, since August has already come to an end, we plan to promptly release any information we can share regarding Q3 or thereabouts. This is the first point. Next, regarding the spot factors, as you mentioned, we generally try to avoid discussing specific cases. However, as I mentioned earlier, there were figures showing less growth among our clients in the e-commerce sector, and our forecast has been slightly affected by that. Although that warehouse itself has already been restored, there are often shifts in business rights and a natural division of roles within the area at that time, so I think that's having a slight impact. However, as I mentioned earlier, orders for e-commerce and online retail, as well as shipping and packaging, have been very strong overall. Therefore, we hope to build on this momentum in H2 of the fiscal year and deliver results that exceed expectations. That is all from me.

Fujiwara [Q]: Regarding the section on the food market by segment on page 23, your plan calls for a YoY decline in revenue for H2 of the fiscal year. It's on the left side of page 23.

Shimomura [A]: While there are certainly various ways to categorize the food market, as far as current trends are concerned, I believe this is a category that can continue to perform in line with our plans. While I cannot provide an answer at this time, we intend to disclose the necessary information promptly when the time comes.

Fujiwara [Q]: Thank you. The remaining two questions are simple, so I'll cover them both at once. Second, you have secured the land for the Nara plant. When do you expect to be able to disclose details regarding the future construction plans, such as the timeline and investment amount?

Shimomura [A]: As President Nakamura mentioned earlier, we intend to disclose this information as soon as possible once the timing is right; however, as you are aware, construction costs are currently skyrocketing. We are currently engaged in various negotiations with several general contractors. Naturally, since we will also need to begin site preparation and other construction work, our goal is to complete construction and begin operations during this medium-term plan period; however, we are not yet at the stage where we can disclose the details regarding that. However, since this isn't something that will happen next year or the year after, we hope to present it as early as possible this year.

Fujiwara [Q]: Thank you. This is my last question, and I apologize if it's off-topic, but regarding cybersecurity initiatives, is there anything you're currently considering?

Shimomura [A]: As is to be expected, I feel a strong sense of urgency about this matter. Our business partners are also being significantly affected. In comparison, however, as a company that manufactures and sells packaging materials, we are inevitably a bit behind in some areas. Also, since there were very few instances of handling personal information, to be honest, we found ourselves constantly playing catch-up. This year, with the help of a new consulting firm, we are making plans and moving forward with initiatives such as software updates, while recognizing that the training of each and every employee remains our top priority.

Fujiwara [M]: Thank you for your presentation.

Shimomura [M]: Is it okay? Thank you.

Moderator [M]: Are there any other questions from the audience? Well, if there are no further questions, I'll move on to those joining us online. If you have any questions, please let us know by clicking the "Raise Hand" button at the bottom of the screen. I will connect you one by one. Now, if anyone has any questions, please feel free to ask. It seems there are no questions from those joining us online. Is that all right? Well, since there don't seem to be any questions, I'll conclude the question-and-answer session here. Thanks to everyone's cooperation, we were able to conclude the information session without a hitch. Thank you. With that, we will conclude the financial results briefing for Q2 of the fiscal year ending December 2026 of THE PACK CORPORATION. Thank you very much.

Company Representative [M]: Thank you.

Moderator [M]: For those of you here at the venue, we will be holding a tour of our packaging lab next, so please stay where you are and wait. We ask that those participating online please log out whenever you're ready. Thank you very much.

[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.*
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