

Business Results for the Year Ended December 31, 2020 [Japan GAAP] (Consolidated)

February 5, 2021

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

(Rounded down to million yen)

1. Consolidated business results for the year ended December 31, 2020 (January 1, 2020 through December 31, 2020)

(1) Consolidated operational results (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended December 31, 2020	78,445	(17.9)	3,275	(52.2)	3,606	(49.9)	2,392	(49.1)
Year ended December 31, 2019	95,502	2.6	6,850	(1.1)	7,199	(0.2)	4,700	(5.4)

(Note) Comprehensive income Year ended December 31, 2020: 2,368 million yen (down 50.3%)
Year ended December 31, 2019: 4,763 million yen (up 13.2%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2020	126.01	125.85	4.1	4.2	4.2
Year ended December 31, 2019	243.89	243.50	8.2	8.2	7.2

(Reference) Investment earnings/loss on equity-method Year ended December 31, 2020: - million yen
Year ended December 31, 2019: - million yen

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended December 31, 2020	83,556	59,739	71.4	3,141.09
Year ended December 31, 2019	88,446	58,495	66.0	3,076.27

(Reference) Owner's equity As of December 31, 2020: 59,651 million yen
As of December 31, 2019: 58,371 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended December 31, 2020	3,158	(5,013)	(1,214)	15,228
Year ended December 31, 2019	6,599	(4,136)	(3,319)	18,307

2. Dividends

	Dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of total dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
Year ended December 31, 2019	-	25.00	-	30.00	55.00	1,043	22.6	1.8
Year ended December 31, 2020	-	30.00	-	30.00	60.00	1,138	47.6	1.9
Year ending December 31, 2021 (forecast)	-	25.00	-	25.00	50.00		35.2	

3. Forecast of consolidated results for the year ending December 31, 2021

(January 1, 2021 through December 31, 2021)(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second half (accumulated)	36,500	1.3	1,400	13.8	1,600	16.3	1,100	27.3	57.92
Full year	81,000	3.3	3,800	16.0	4,000	10.9	2,700	12.9	142.17

*Notes

- (1) Material changes in subsidiaries during this period (changes in scope of consolidations resulting from change in subsidiaries): None
- (2) Changes in accounting policies, accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies based on revisions of the accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of the accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)
As of December 31, 2020: 19,900,000 shares As of December 31, 2019: 19,900,000 shares
 - 2) Number of treasury shares at the end of fiscal year
As of December 31, 2020: 909,347 shares As of December 31, 2019: 925,347 shares
 - 3) Average number of shares
As of December 31, 2020: 18,986,206 shares As of December 31, 2019: 19,273,418 shares

***The current financial summary is not subject to audit by certified public accountants or auditing firms.**

***Explanation regarding appropriate use of business forecasts and other special instructions**

Note concerning forward-looking statements

Forecasts regarding future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. They do not represent guarantees by the Company regarding future performance. Actual results may differ significantly from forecasts for various reasons.

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1. Overview of Operational Results

(1) Operational Results

Japan's economy in the consolidated fiscal year under review was marked by extreme challenges associated with the COVID-19 pandemic. While economic activity resumed gradually, subsequent waves of infections dampened recovery in consumer spending. The outlook for the economy remains unclear.

The United States economy is recovering, with alternating loosening and strengthening of restrictions. The continuing spread of COVID-19 and, in part, escalating tensions with China, mean the future outlook is unclear. In contrast, with economic activity resuming ahead of other countries, driven largely by domestic demand and exports, China's economy experienced steady recovery in consumer spending and continually improving conditions.

In 2020, under the slogan "Gather the strengths of our group, and progress forward with tenacity," group companies worked collectively to increase earnings by venturing into new markets, making substantial capital expenditures, and improving quality management. Nevertheless, the continuing COVID-19 pandemic affected business performance.

Net sales fell 17.9% year on year to ¥78,445 million; operating profit fell 52.2% to ¥3,275 million; ordinary profit fell 49.9% to ¥3,606 million; and profit attributable to owners of parent fell 49.1% to ¥2,392 million.

The business performance for each segment is given below.

(Paper Products)

The paper products segment in 2020 accounted for 65.5% of consolidated sales. Sales of paper bags, which accounted for 27.4% of consolidated sales, declined by 26.6% to 21,471 million yen, due to slowing consumer spending attributable to the COVID-19 pandemic and lower sales at overseas subsidiaries, also affected by COVID-19.

Sales of folding paper cartons, which accounted for 22.0% of consolidated sales, fell 6.1% to 17,237 million yen. Sales of cartons for takeout/delivery food products and to the e-commerce sector were firm; however, sales to specialty retail stores in Japan fell, due to COVID-19.

Sales of corrugated boxes, which accounted for 13.5% of consolidated sales, increased 1.1% to 10,625 million yen, a result of firm sales to the e-commerce sector.

Printing sales, which accounted for 2.6% of consolidated sales, decreased 7.3% to 2,051 million. This was the result of lower sales at Keihin Tokushu Printing Corp. and NIKKO PRINT CORPORATION.

Overall, sales in this segment fell 14.9% to 51,386 million yen. Operating profit fell 40.7% to 3,124 million yen.

(Film Packaging)

The film packaging segment accounted for 17.2% of consolidated sales in 2020. Segment sales fell 31.4% to 13,484 million yen due to declining sales of disposable diaper products, lower sales to specialty retail stores in Japan due to COVID-19, and the impact of a mandatory charge for plastic shopping bags that went into effect on July 1, 2020. Operating profit fell 50.9% to 511 million yen.

(Other Businesses)

Other businesses accounted for 17.3% of consolidated sales in 2020. Sales fell 12.3% to 13,574 million yen due to lower sales of miscellaneous supplies to large retailers. Operating profit fell 49.8% to 748 million yen.

(2) Financial Position

Assets totaled 83,556 million yen at the end of 2020, down 4,890 million yen from the end of 2019. Major factors included a decline of 1,083 million yen in cash and deposits and a decline of 3,986 million yen in notes and accounts receivable-trade. Liabilities fell 6,135 million yen to 23,816 million yen. The primary factors were decreases of 3,821 million yen in notes and accounts payment-trade, 999 million yen in income taxes payable, and 889 million yen in retirement benefit liability.

Net assets grew by 1,244 million yen to 59,739 million yen. The key factor was an increase of 1,253 million yen in retained earnings.

(3) Cash Flows

The balance of cash and cash equivalents at the end of 2020 fell 3,079 million yen, or 16.8%, from the end of 2019 to 15,228 million yen.

<Cash flows from operating activities>

Operating activities provided net cash of 3,158 million yen (down 52.1% from net cash provided of 6,599 million yen in 2019). The principal factors were profit before income taxes of 3,566 million yen, depreciation of 1,850 million yen, and income taxes paid of 1,965 million yen.

<Cash flows from investing activities>

Investing activities used net cash of 5,013 million yen (net cash used of 4,136 million yen in 2019). The principal factors were outlays of 8,099 million yen for the purchase of securities and 2,939 million yen for the purchase of property, plant, and equipment, while there were proceeds from sales of securities of 6,999 million yen.

<Cash flows from financing activities>

Due mainly to 1,136 million yen for cash dividends paid, financing activities used net cash of 1,214 million yen (net cash used of 3,319 million yen in 2019).

Reference: Cash flow indicators

Fiscal years ended	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020
Capital adequacy ratio	63.6	65.1	65.5	66.0	71.4
Capital adequacy ratio based on market prices	67.1	87.2	69.1	84.7	64.3
Interest-bearing debt to cash flow ratio	0.0	0.0	0.1	0.0	0.1
Interest coverage ratio	7,883.0	8,274.9	833.2	2,257.9	2,572.9

Notes:

- Cash flow indices are calculated as follows using consolidated figures:
Capital adequacy ratio: Owner's equity/Total assets
Capital adequacy ratio based on market prices: Market capitalization/Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flows
Interest coverage ratio: Operating cash flows/Interest payments
- Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of issued and outstanding shares at the end of the fiscal year, net of treasury shares.
- Interest-bearing debt includes all liabilities on the consolidated balance sheet incurring interest.
- Operating cash flows and interest payments, respectively, are taken from "Net cash provided by (used in) operating activities" and "Interest expenses paid" on the consolidated statement of cash flows.

(4) Outlook

Japan's economy is expected to recover in 2021, but only moderately. Amid ongoing concerns over COVID-19, household and corporate anxiety is expected to remain significant. In the markets in which The Pack is active, starting in the second half of 2021, depending on the scope of infections, we expect the timely and widespread distribution of effective vaccines to restore normal economic activity. While prospects remain uncertain, we anticipate improvements in the overall economy. We expect consumers to continue remaining homebound, boosting e-commerce spending and sales of related supplies.

In this management environment, under the slogan of its Medium-Term Management Plan, ("Management Focused on Environmental Responsiveness"), The Pack Group has established a five-pronged growth strategy: 1) Initiatives related to the shift to paper; 2) promoting sales growth for food products, pharmaceuticals, cosmetics, and the e-commerce sector; 3)

strengthening sales of folding paper cartons; 4) expanding business domains; 5) strengthening productivity and promoting workstyle reforms. The Group will work to strengthen customer satisfaction and increase earnings as a company offering total packaging solutions.

2. Basic Approach to Selecting Accounting Standards

The Pack Group will continue to prepare consolidated financial statements based on Japanese accounting standards. This will allow comparisons to previous years and to financial data for other companies. We will take appropriate action with regard to the application of International Financial Reporting Standards (IFRS), accounting for the relevant factors in play in Japan and other countries.

3. Consolidated Financial Statement and Notes**(1) Consolidated Balance Sheet**

(Million yen)

	Previous fiscal year (As of December 31, 2019)	Current fiscal year (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	14,317	13,234
Notes and accounts receivable-trade	24,717	20,731
Securities	10,000	9,099
Merchandise and finished goods	5,675	4,958
Work in process	931	763
Raw materials and supplies	887	830
Other	501	555
Allowance for doubtful accounts	(13)	(13)
Total current assets	57,017	50,160
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	6,523	6,284
Machinery, equipment, and vehicles, net	5,468	7,163
Tools, furniture and fixtures, net	164	181
Land	8,397	8,302
Construction in progress	226	616
Total property, plant and equipment	20,781	22,547
Intangible assets	169	190
Investments and other assets		
Investment securities	8,842	9,104
Deferred tax assets	774	583
Other	911	1,022
Allowance for doubtful accounts	(50)	(53)
Total investments and other assets	10,478	10,657
Total non-current assets	31,429	33,395
Total assets	88,446	83,556

(Million yen)

	Previous fiscal year (As of December 31, 2019)	Current fiscal year (As of December 31, 2020)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,005	11,183
Electronically recorded obligations-operating	5,763	5,330
Current portion of long-term loans payable	48	30
Income taxes payable	1,055	55
Provision for bonuses	283	230
Provision for bonuses for directors (and other officers)	43	18
Other	3,449	3,506
Total current liabilities	25,648	20,356
Non-current liabilities		
Long-term loans payable	30	-
Deferred tax liabilities	504	485
Retirement benefit liability	3,648	2,758
Other	118	214
Total non-current liabilities	4,302	3,459
Total liabilities	29,951	23,816
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,164
Retained earnings	54,607	55,860
Treasury shares	(2,765)	(2,717)
Total shareholders' equity	57,560	58,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,462	987
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(283)	(310)
Remeasurements of defined benefit plans	(367)	112
Total accumulated other comprehensive income	811	790
Share acquisition rights	93	65
Non-controlling interests	29	22
Total net assets	58,495	59,739
Total liabilities and net assets	88,446	83,556

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income**

(Million yen)

	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Net sales	95,502	78,445
Cost of sales	72,381	60,130
Gross profit	23,121	18,314
Selling, general and administrative expenses	16,270	15,039
Operating profit	6,850	3,275
Non-operating income		
Interest income	107	100
Dividend income	122	114
Rent income	54	54
Foreign exchange gains	31	50
Other	66	56
Total non-operating income	382	376
Non-operating expenses		
Interest expenses	2	1
Cost of lease revenue	10	9
Sales discounts	5	4
Compensation for damages	0	11
Loss on insurance cancellation	2	11
Other	12	6
Total non-operating expenses	33	45
Ordinary profit	7,199	3,606
Extraordinary income		
Gain on sales of investment securities	—	36
Gain on sales of non-current assets	2	25
Insurance income	83	-
Total extraordinary income	86	62
Extraordinary losses		
Loss on sales on non-current assets	3	3
Loss on retirement of non-current assets	28	41
Loss on valuation of investments securities	—	55
Demolition cost of non-current assets	190	-
Impairment loss	164	-
Total extraordinary losses	386	101
Profit before income taxes	6,899	3,566
Income taxes-current	2,120	1,005
Income taxes-deferred	78	172
Total income taxes	2,199	1,177
Profit	4,700	2,389
Profit (loss) attributable to non-controlling interests	0	(3)
Profit attributable to owners of parent	4,700	2,392

Consolidated Statement of Comprehensive Income

(Million yen)

	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Profit	4,700	2,389
Other comprehensive income		
Valuation difference on available-for-sale securities	177	(474)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(35)	(26)
Remeasurements of defined benefit plans, net of tax	(79)	480
Total other comprehensive income	62	(21)
Comprehensive income	4,763	2,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,766	2,371
Comprehensive income attributable to non-controlling interests	(2)	(3)

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (from January 1, 2019 to December 31, 2019)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,166	50,871	(723)	55,867
Changes in items during period					
Dividends of surplus			(964)		(964)
Profit attributable to owners of parent			4,700		4,700
Purchase of treasury shares				(2,049)	(2,049)
Disposal of treasury shares		0		8	9
Additional purchase of shares of subsidiaries		(2)			(2)
Net changes in items other than shareholders' equity					—
Total changes in items during period	—	(2)	3,735	(2,041)	1,692
Balance at end of current period	2,553	3,164	54,607	(2,765)	57,560

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	1,282	0	(249)	(287)	745
Changes in items during period					
Dividends of surplus					—
Profit attributable to owners of parent					—
Purchase of treasury shares					—
Disposal of treasury shares					—
Additional purchase of shares of subsidiaries					—
Net changes in items other than shareholders' equity	179	0	(34)	(79)	65
Total changes in items during period	179	0	(34)	(79)	65
Balance at end of current period	1,462	0	(283)	(367)	811

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	81	81	56,775
Changes in items during period			
Dividends of surplus			(964)
Profit attributable to owners of parent			4,700
Purchase of treasury shares			(2,049)
Disposal of treasury shares			9
Additional purchase of shares of subsidiaries			(2)
Net changes in items other than shareholders' equity	12	(51)	27
Total changes in items during period	12	(51)	1,719
Balance at end of current period	93	29	58,495

Current fiscal year (from January 1, 2020 to December 31, 2020)

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	2,553	3,164	54,607	(2,765)	57,560
Changes in items during period					
Dividends of surplus			(1,138)		(1,138)
Profit attributable to owners of parent			2,392		2,392
Purchase of treasury shares					-
Disposal of treasury shares		(0)		47	47
Additional purchase of shares of subsidiaries		(0)			(0)
Net changes in items other than shareholders' equity					-
Total changes in items during period	-	(0)	1,253	47	1,301
Balance at end of current period	2,553	3,164	55,860	(2,717)	58,861

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of current period	1,462	0	(283)	(367)	811
Changes in items during period					
Dividends of surplus					-
Profit attributable to owners of parent					-
Purchase of treasury shares					-
Disposal of treasury shares					-
Additional purchase of shares of subsidiaries					-
Net changes in items other than shareholders' equity	(474)	(0)	(26)	480	(20)
Total changes in items during period	(474)	(0)	(26)	480	(20)
Balance at end of current period	987	0	(310)	112	790

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	93	29	58,495
Changes in items during period			
Dividends of surplus			(1,138)
Profit attributable to owners of parent			2,392
Purchase of treasury shares			-
Disposal of treasury shares			47
Additional purchase of shares of subsidiaries			(0)
Net changes in items other than shareholders' equity	(28)	(7)	(56)
Total changes in items during period	(28)	(7)	1,244
Balance at end of current period	65	22	59,739

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Cash flows from operating activities		
Profit before income taxes	6,899	3,566
Depreciation	1,713	1,850
Impairment loss	164	-
Demolition cost of non-current assets	190	-
Increase (decrease) in allowance for doubtful accounts	(28)	3
Increase (decrease) in provision for bonuses	2	(52)
Increase (decrease) in provision for bonuses for directors and other officers	0	(24)
Increase (decrease) in retirement benefit liability	(259)	(199)
Interest and dividend income	(230)	(215)
Interest expenses	2	1
Loss (gain) on sales of non-current assets	0	(21)
Loss on retirement of non-current assets	28	41
Loss (gain) on sales of investment securities	-	(36)
Loss (gain) on valuation of investment securities	-	55
Decrease (increase) in notes and accounts receivable-trade	(150)	3,977
Decrease (increase) in inventories	(268)	940
Increase (decrease) in notes and accounts payable-trade	19	(4,258)
Other, net	464	(733)
Subtotal	8,549	4,895
Interest and dividend income received	247	229
Interest expenses paid	(2)	(1)
Income taxes paid	(2,195)	(1,965)
Net cash provided by (used in) operating activities	6,599	3,158
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	64	-
Purchase of securities	(7,500)	(8,099)
Proceeds from sales of securities	4,000	6,999
Collection of loans receivable	4	6
Purchase of property, plant and equipment	(1,492)	(2,939)
Proceeds from sales of property, plant and equipment	3	147
Purchase of intangible assets	(52)	(59)
Purchase of investment securities	(160)	(1,029)
Proceeds from sales of investment securities	1,000	47
Payments for leasehold and guarantee deposits	(12)	(179)
Other, net	11	92
Net cash provided by (used in) investment activities	(4,136)	(5,013)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(66)	-
Repayments of long-term loans payable	(169)	(48)
Cash dividends paid	(966)	(1,136)
Payments from change in ownership interests in subsidiaries that do not result in change in scope of consolidation	(50)	(4)
Purchase of treasury shares	(2,049)	-
Other, net	(17)	(25)
Net cash provided by (used in) financing activities	(3,319)	(1,214)
Effect of exchange rate change on cash and cash equivalents	(16)	(9)
Net increase (decrease) in cash and cash equivalents	(873)	(3,079)
Cash and cash equivalents at beginning of period	19,181	18,307
Cash and cash equivalents at end of period	18,307	15,228

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable

Segment and Other Information

1. Segment overview

The reportable segments of The Pack Group are the smallest units for which separate financial information can be obtained and for which regular examinations are performed by the Board of Directors to determine resource allocation and evaluate operational results.

The Group is engaged primarily in the manufacture and sale of paper bags, folding paper cartons, corrugated boxes, and plastic bags.

Based on the nature of the products, there are two reportable segments: Paper Products and Film Packaging.

The Group's major products are paper bags, folding paper cartons, corrugated boxes, and printing in the Paper Products segment and plastic bags and garment bags in the Film Packaging segment.

2. Method to determine net sales, profit or loss, assets, liabilities and other items by reportable segment

Accounting methods used for the reportable segments are generally the same as the methods used for preparation of the consolidated financial statements.

Profit for reportable segments is stated on an operating profit basis.

3. Information concerning net sales, profit or loss, assets, liabilities and other items by reportable segment

Previous fiscal year (from January 1, 2019 to December 31, 2019)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Sales to external customers	60,353	19,666	80,019	15,483	95,502	-	95,502
Intersegment sales and transfers	-	-	-	-	-	-	-
Total	60,353	19,666	80,019	15,483	95,502	-	95,502
Segment profit	5,265	1,042	6,307	1,492	7,800	(949)	6,850
Segment assets	41,605	9,736	51,341	7,292	58,634	29,812	88,446
Other items							
Deprecation	1,345	306	1,651	52	1,703	10	1,713
Increases in property, plant and equipment and intangible assets	1,294	535	1,830	31	1,861	72	1,933

Notes:

- "Other businesses" includes supplies and other goods.
- The adjustments are as follows:
 - The -949 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -961 million yen. Corporate expenses primarily involve the parent company's Administrative Department.
 - The 29,812 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company's surplus assets under management (cash and deposits of 10,845 million yen and securities of 10,000 million yen), long-term investments (investment securities of 8,396 million yen), and the parent company's land of 569 million yen.
 - Adjustments to depreciation and increases in property, plant and equipment and intangible assets are related to the parent company's head office assets.
- Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

Current fiscal year (from January 1, 2020 to December 31, 2020)

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the consolidated financial statements (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Sales to external customers	51,386	13,484	64,870	13,574	78,445	-	78,445
Intersegment sales and transfers	-	-	-	-	-	-	-
Total	51,386	13,484	64,870	13,574	78,445	-	78,445
Segment profit	3,124	511	3,635	748	4,384	(1,109)	3,275
Segment assets	40,835	7,965	48,800	6,750	55,551	28,005	83,556
Other items							
Depreciation	1,462	331	1,794	47	1,841	8	1,850
Increases in property, plant and equipment and intangible assets	3,297	392	3,690	57	3,748	-	3,748

Notes:

1. "Other businesses" includes supplies and other goods.
2. The adjustments are as follows:
 - (1) The -1,109 million yen adjustment to segment profit includes the elimination of intersegment transactions of 12 million yen not allocated to reportable segments and corporate expenses of -1,121 million yen. Corporate expenses primarily involve the parent company's Administrative Department.
 - (2) The 28,005 million yen adjustment to segment assets represents corporate assets not allocated to reportable segments. Corporate assets mainly include the parent company's surplus assets under management (cash and deposits of 9,621 million yen and securities of 9,099 million yen), long-term investments (investment securities of 8,722 million yen), and the parent company's land of 561 million yen.
 - (3) Adjustments to depreciation and increases in property, plant and equipment and intangible assets are related to the parent company's head office assets.
3. Segment profit is adjusted for consistency with the operating profit stated in the consolidated statement of income.

Per Share Information

(Yen)

	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Net assets per share	3,076.27	3,141.09
Basic earnings per share	243.89	126.01
Diluted earnings per share	243.50	125.85

(Note) 1. The basic assumptions for calculating basic earnings per share and diluted earnings per share are as follows:

	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Basic earnings per share		
Profit attributable to owners of parent (million yen)	4,700	2,392
Amounts not available to common shareholders (million yen)	-	-
Profit attributable to owners of parent related to common shares (million yen)	4,700	2,392
Average number of shares outstanding during the period (thousand shares)	19,273	18,986
Diluted earnings per share		
Adjustment to profit attributable to owners of parent (million yen)	-	-
Increase in number of common shares (thousand shares)	31	24
(of which share acquisition rights (thousand shares))	(31)	(24)
Antidilutive securities excluded from diluted earnings per share calculations		-

2. The basic assumptions for calculating net assets per share are as follows:

Item	Previous fiscal year (from January 1, 2019 to December 31, 2019)	Current fiscal year (from January 1, 2020 to December 31, 2020)
Total net assets (million yen)	58,495	59,739
Deduction on total net assets (million yen)	123	87
(of which share acquisition rights) (million yen)	(93)	(65)
(of which non-controlling interests) (million yen)	(29)	(22)
Net assets applicable to common shares (million yen)	58,371	59,651
Number of common shares used in calculation of net assets per share (thousand shares)	18,974	18,990

Material Subsequent Events

Not applicable