

THE PACK CORPORATION

<https://www.thepack.co.jp/en/>

Headquarters	9-3, 2-chome, Higashiobase, Higashinari-ku, Osaka-shi, Osaka 537-8911, Japan Tel.: +81-6-4967-1221
Tokyo Head Office	2-8-4 Tomigaya, Shibuya-ku, Tokyo 151-0063, Japan Tel.: +81-3-3469-1221
Founded	1878
Incorporated	May 10, 1952
Capital	2,553,505,600 yen
Representative	Naoki Nakamura, President and CEO
Number of employees	1,196 (consolidated, as of December 2024); 862 (nonconsolidated, as of December 2024)
Annual sales	101.4 billion yen (consolidated, as of December 2024)
Shares traded on	Prime Market, the Tokyo Stock Exchange (securities code: 3950)
Lines of business	Planning, manufacturing, and sale of paper bags, paper cartons, corrugated boxes, film packaging, etc.
Offices and Plants	Headquarters: Osaka Tokyo Head Office: Tokyo Branches: Hokkaido, Tohoku, Kanto, Yokohama, Nagoya, Kyoto, Kobe, Okayama, Hiroshima, Shikoku, Fukuoka Sales offices: Aomori, Niigata, Shizuoka, Kanazawa, Matsumoto, Yonago, Takamatsu, Oita, Kumamoto, Kagoshima, Nagasaki, Okinawa Plants: Osaka, Nara, Tokyo, Ibaraki
Domestic subsidiaries:	Keihin Tokushu Printing Corporation Nikko Print Corporation Pack Takeyama Co., Ltd. Nishinohon Printing Co., Ltd. Kannaru Printing Co., Ltd. Hikari Packs Ishikawa Co., Ltd.
Overseas subsidiaries:	The Pack America Corporation The Pack (Shanghai) Corp. The Pack (Changshu) Co., Ltd.

URL



Official website
<https://www.thepack.co.jp/en/>



IR information
<https://www.thepack.co.jp/en/ir.html>



THE PACK CORPORATION

The Pack Group Integrated Report 2025

The Pack Group Integrated Report 2025



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Disclosure structure

Financial information	Nonfinancial information
Integrated Report	
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Annual Securities Report	
The Pack Corporate Website	

Philosophy Structure of The Pack Group

Our founding President Shigenari Morita articulated the following corporate motto: Passionate and Dedicated to Our Partnerships.

Mr. Morita made heartfelt efforts to achieve conditions conducive to employee satisfaction.

In his words: *A company exists to make its employees happy.*

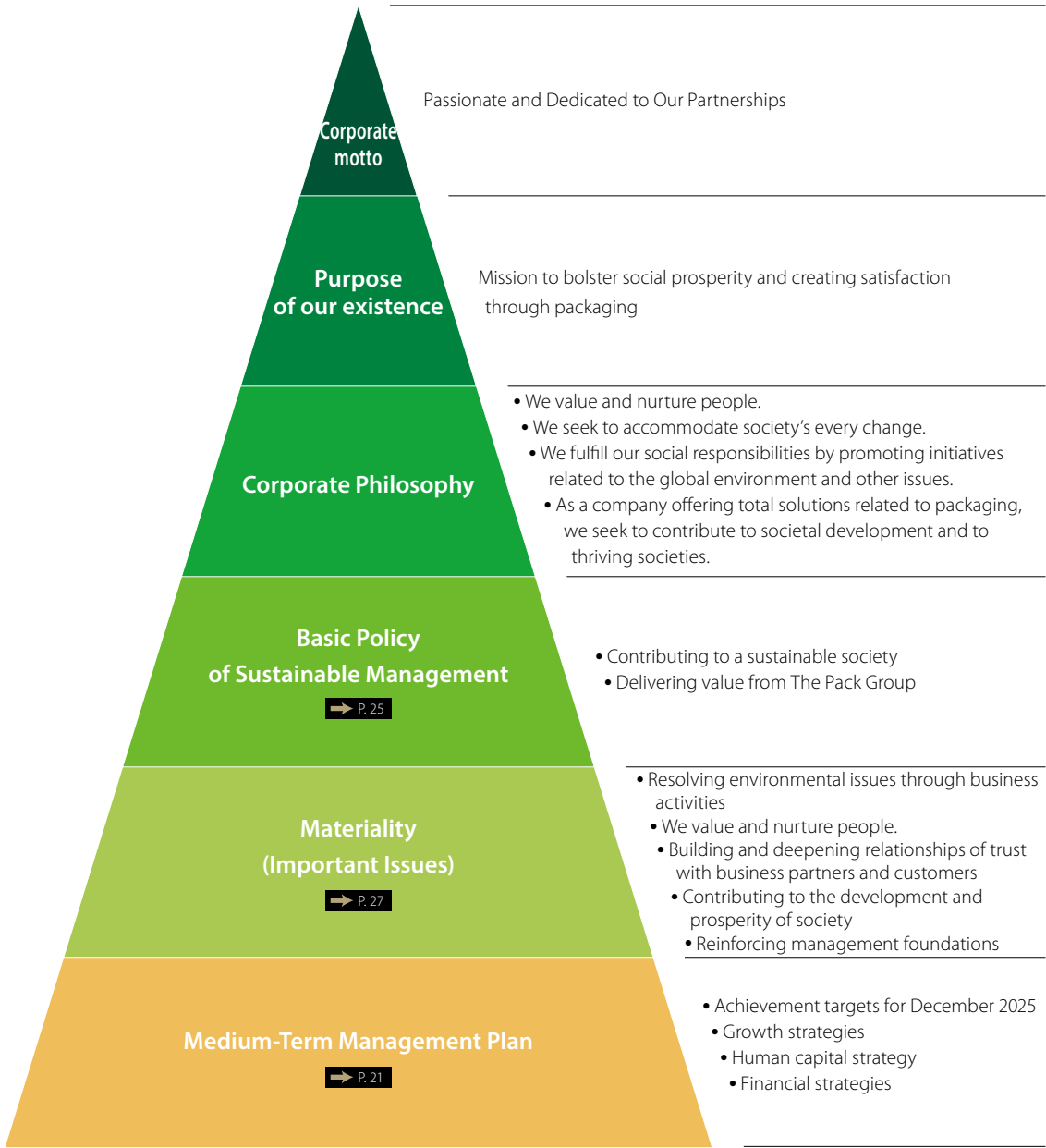
Over the more than 70 years since The Pack's founding, this corporate motto has permeated throughout the organization.

Today, it serves as the credo that drives the work of our numerous employees.

Based on this corporate motto, the Corporate Philosophy, which starts with the words *We value and nurture people*;

the Purpose, established in 2022 to promote sustainable management; and the Basic Policy of Sustainable Management

account for the remainder of our four-part corporate philosophy structure.



Top Message

I took office as President and CEO of The Pack Corporation on March 26, 2025. I ask for your support as I do all that I can to contribute to business growth.

Review of 2024

In FY2024, The Pack showed record high performance, with consolidated net sales of 101,461 million yen (up 3.8% year on year) and operating income of 8,009 million yen (up 3.4% YoY). That we have been able to achieve such results by continuing to adapt across the organization to changing market environments and the diverse needs of our customers inspires confidence. This progress is the result of steady efforts based on the Growth Strategy Medium-Term Management Plan launched in 2023. Packages for the food products and e-commerce markets in particular drove business performance.

In the food products market, which grew by 7.4% YoY, the capital investments we had made in paper cartons bore fruit, leading to sharp growth in sales volumes amid a pronounced trend toward paper primary food product containers. In particular, we have offered eco-friendly products and technologies through water-based flexography printing on paper food product trays and paper cartons, in addition to the FSC®-certified products that we have focused on for some time. These products have earned a good reputation, an achievement made possible by our stable supply structures for high quality products established through the combined efforts of the quality control, technology development, and materials development sections, with manufacturing sections playing a central role. Furthermore, to meet the needs of a snacks industry faced with labor shortages, we opened a Secondary Food Packaging Facility in the Tokyo area to assemble paper cartons and to box individually wrapped products. In addition to the manufacture and supply of packages, this facility makes it possible to offer a range of one-stop related services that improve customer productivity. We plan to open the second Secondary Food Packaging Facilities in the Kinki region during 2025 as part of efforts to introduce services that also use products other than paper cartons—products only we, as a comprehensive package producer, can offer. To enhance our competitive strengths still further, we invested about 1.3 billion yen in FY2024 to raise the paper carton production capacity. We plan further capital investments during 2025 to enhance the structures for rapid, effective response to future customer needs in the food products market.

In the e-commerce market, which grew by 10.9% YoY, sales of paper delivery bags and thin delivery materials grew sharply. In

response to growing environmental awareness and demand for greater transportation efficiency, use of plastic delivery bags and corrugated boxes is decreasing, while the shift to paper delivery bags and thin delivery materials accelerates. In response, we have boosted production capacity in eastern Japan, enhancing supply structures in an area of high demand. This resulted in YoY growth of about 67% in paper delivery bags. To address the labor shortages affecting packaging workplaces, we partnered with a machinery manufacturer to develop an automated packing system for paper delivery bags. This system makes it possible to package products in paper delivery bags simply by placing the products on a conveyer belt. We are proposing the system to customers as a solution to help save labor and improve business efficiency. While our ability to propose solutions has long had a strong reputation, I believe we are earning ever greater trust from customers by providing an extensive lineup and stable supply of shipping packages.

Topics and future outlook

We recorded stable results in 2024. However, many issues remain to be addressed to ensure continuing sustainable growth. Various domestic and international risks have emerged in the environment in which we do business, including concerns of a global economic downturn, fluctuating resource prices, climate change risks, and labor shortages. I am keenly aware of my important responsibility to lead the Group toward growth while ascertaining risks accurately, even in the face of such uncertainty. In FY2025, as part of efforts to promote sustainable management, we will focus in particular on achieving continuing growth in market share in our target markets and on enhancing human capital.

— Market share growth in target markets —

In the food products market, one of our most important target markets, we will grow our market share in the home meal replacement and food service industries. In the home meal replacement market, demand for switching to paper containers is growing against the backdrop of rising environmental awareness. We will grow sales across a wide range of fields by expanding our product lineup. The food service industry is already at a stage at which eco-friendly products are considered essential. The focus is turning to added value in areas like functionality and cost. As one example of our responses to these needs, in 2025, we developed the plastic-free Kaisonaru® oil-resistant coating process, which is compatible with PFAS regulations.

This innovative coating technology achieves high oil resistance using highly stable, natural materials. We will strengthen our

competitive advantages in the food service market by deploying this technology for paper takeout packages.

We will also strive to strengthen cost competitiveness and grow profits by making production processes more efficient while building safe, stable supply structures.

The success of these initiatives hinges on eliminating inefficiencies by rebuilding our business processes and organizational systems from a clean slate, without being based on past successes. In FY2025, we are enhancing staffing in the sales, development, and quality control sections to further strengthen the earnings base.

— Human capital enhancement —

Three years ago, we announced the goal of sustainable management, and have reflected this principle in our business activities. The process of identifying materiality issues reminds us that our human resources account for our most significant management capital, and for that reason we are prioritizing human capital enhancements. We will further accelerate these initiatives in FY2025.

First, we will employ diverse hiring methods to bring onboard highly capable human resources. We will revise the evaluation system and promote the development of systems for strengthening motivation to achieve growth, giving greater scope for all employees, from the youngest to retirees under the continuous employment program, to demonstrate their capabilities to the fullest.

In human resource development, we will focus on enhancing the digital transformation (DX) training and tiered training programs, which are now in their third year, and on developing human resources capable of using digital technologies and rapidly adapting to changing markets.

In addition, we will use engagement surveys to realize flexible work styles and promote workplace environmental improvements that reflect employee feedback.

Our corporate philosophy states that *We value and nurture people*. On that basis, we will build strong foundations to support sustainable growth through these initiatives.

Under the new Medium-Term Management Plan to be launched in FY2026, we will pursue corporate value by identifying growth strategies in target markets and human capital initiatives, keenly aware of the need to improve capital efficiency and provide returns to our shareholders. The entire organization will work as a team to build an environment to realize continuous growth in times of rising uncertainty.

Message to stakeholders

In line with our purpose of contributing to society through packaging, we will build positive relationships with our stakeholders. As we seek to inspire shareholder expectations for further growth by strengthening corporate value, we will provide rewarding working environments for our employees while helping them demonstrate their individual capabilities to the fullest. We will build relationships that allow us to grow alongside our business partners through fair and highly transparent transactions while striving to contribute to local communities as a responsible corporate citizen.

To deepen relationships with our stakeholders, we will broaden understanding of our philosophy and business activities through the proactive disclosure of both financial and nonfinancial information. The Board of Directors will focus on strengthening management soundness and transparency through decision-making, which contributes to consistent, long-term growth in corporate value.

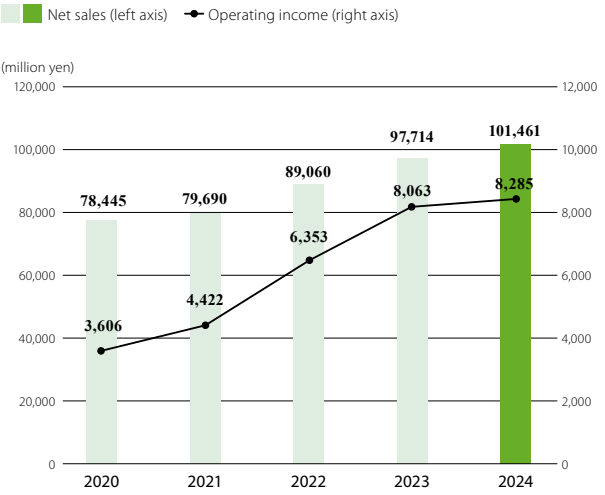
While fulfilling my responsibilities as President and CEO through the steady pursuit of these initiatives, I will maintain an approach of taking on challenges under a changing environment. We will meet stakeholder expectations by bolstering our corporate value and realizing continuous growth. We ask for your support in these efforts.

Naoki Nakamura

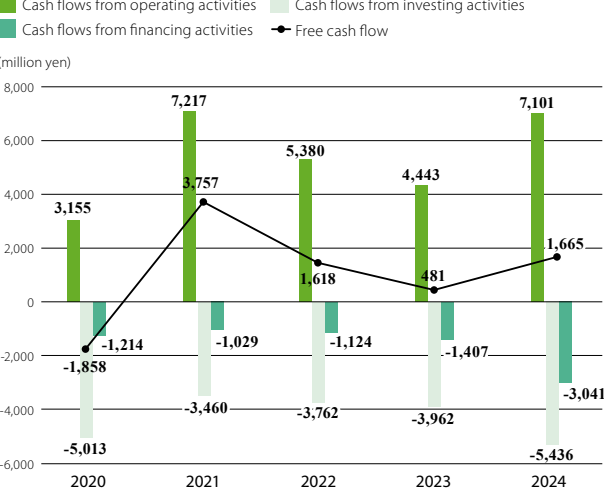
President and CEO



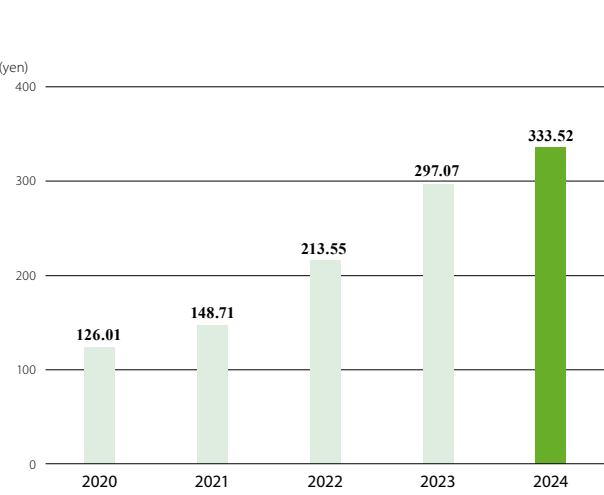
Trends in net sales and operating income Consolidated



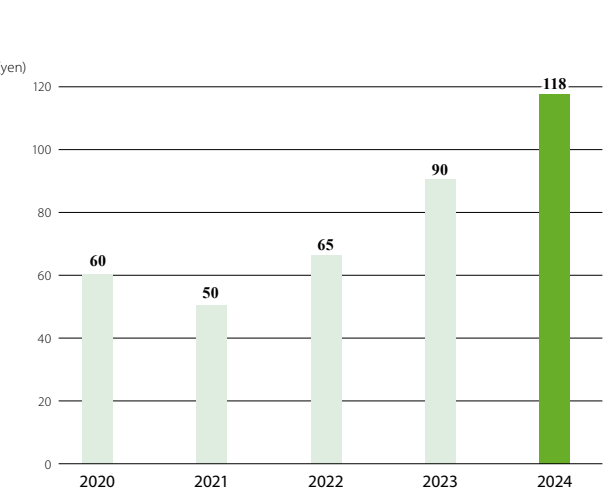
Trends in cash flows Consolidated



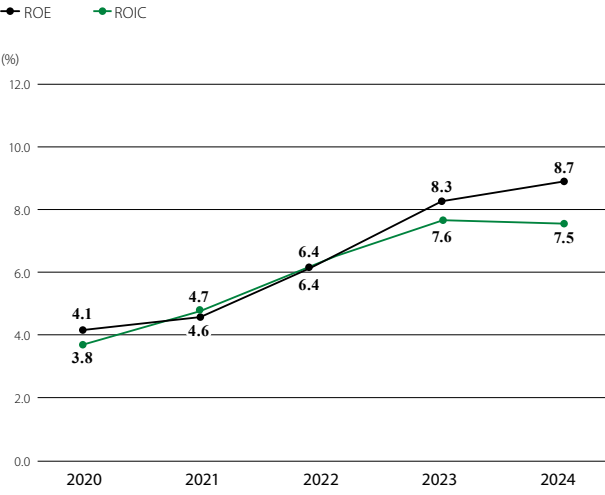
Basic earnings per share (EPS) Consolidated



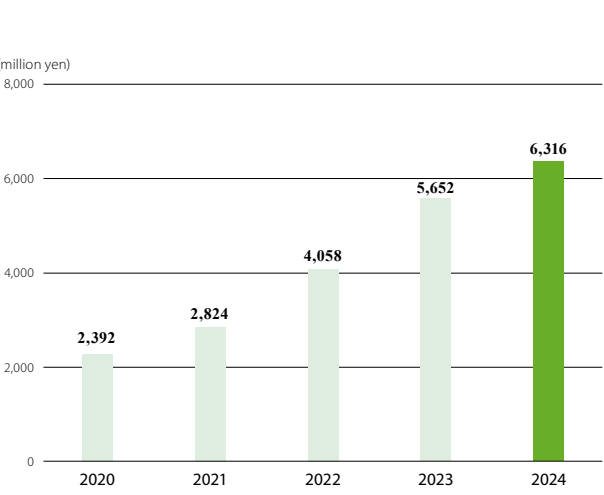
Dividends per share Consolidated



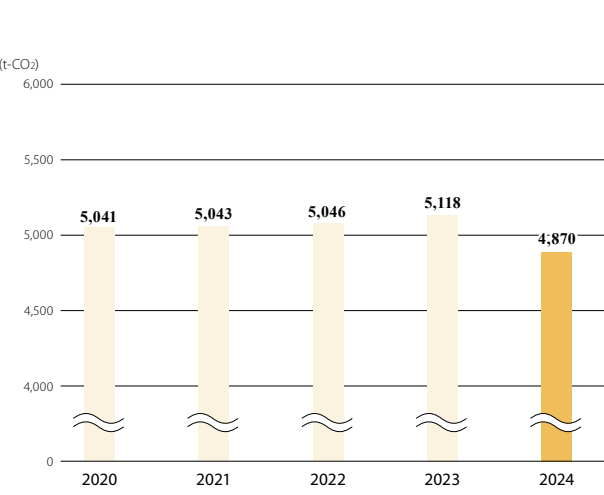
Trends in ROE and ROIC Consolidated



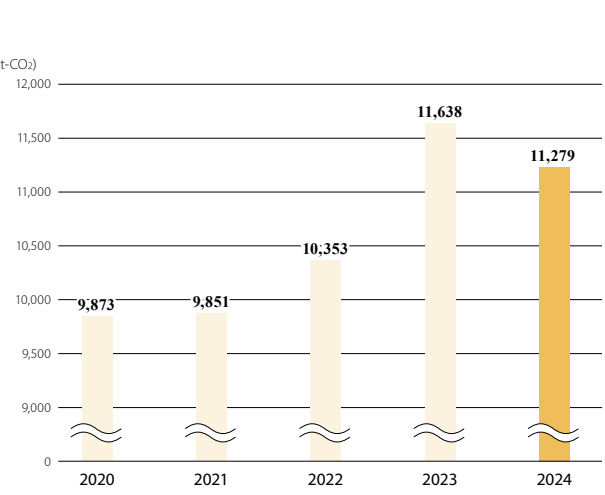
Profit attributable to owners of parent Consolidated



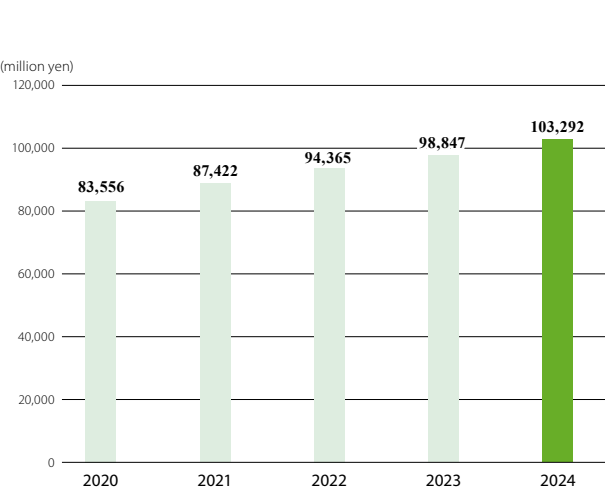
CO₂ emissions (Scope 1) Nonconsolidated



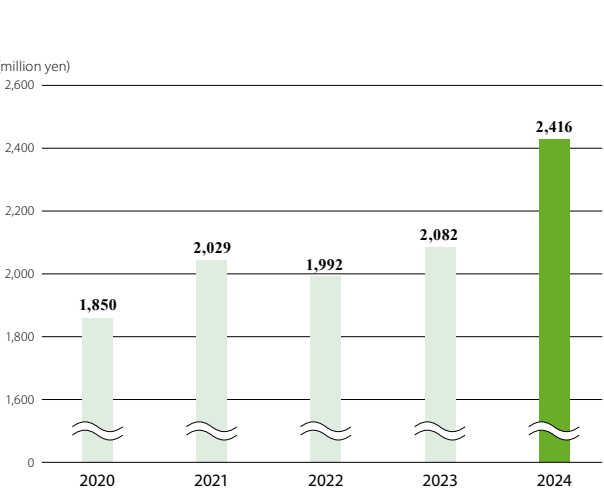
CO₂ emissions (Scope 2) Nonconsolidated



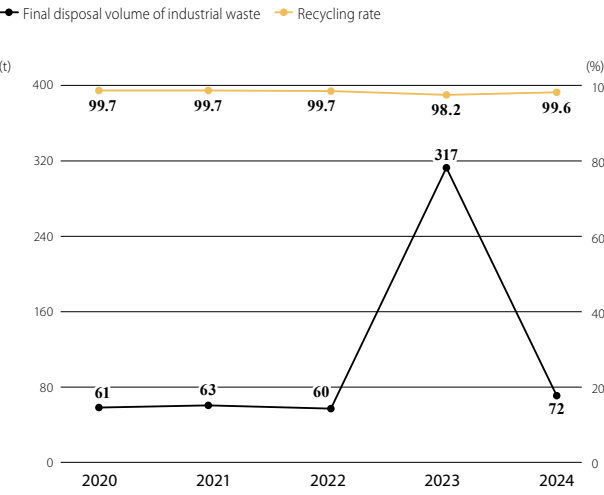
Total assets Consolidated



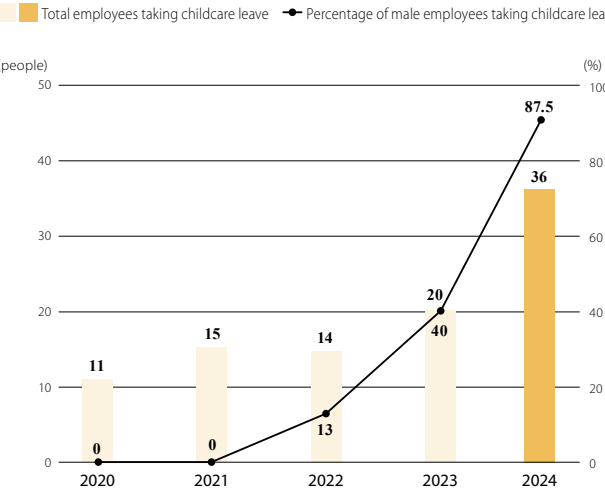
Depreciation Consolidated



Final disposal volume of industrial waste/recycling rate Nonconsolidated



Employees taking childcare leave, percentage of male employees taking childcare leave Nonconsolidated

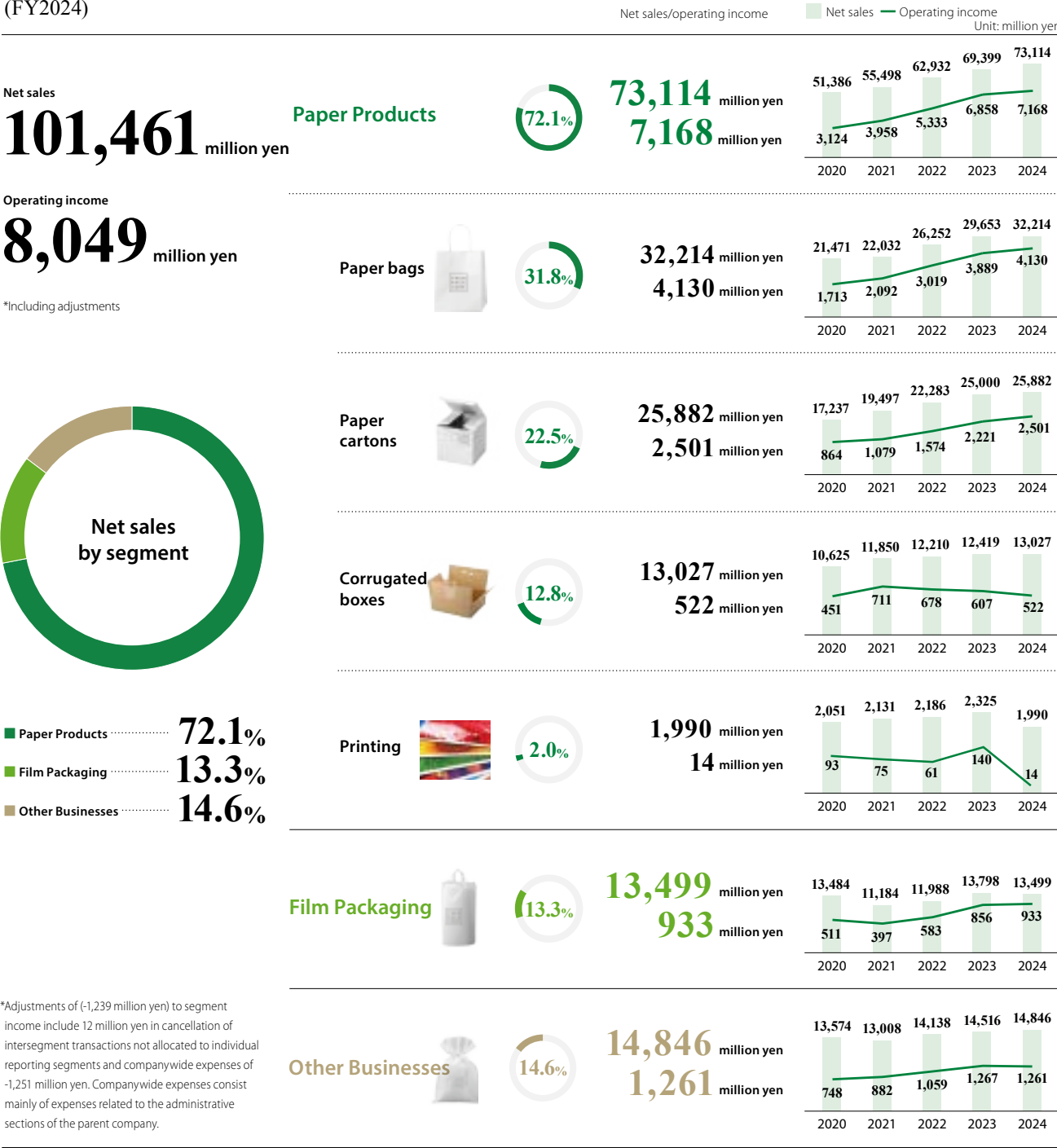


*1 The equity ratio is (equity capital / total assets), using financial results figures on a consolidated basis.
*2 Operating cash flow and interest payments represent cash flow from operating activities and interest paid on the consolidated statement of cash flows.

A provider of total packaging solutions

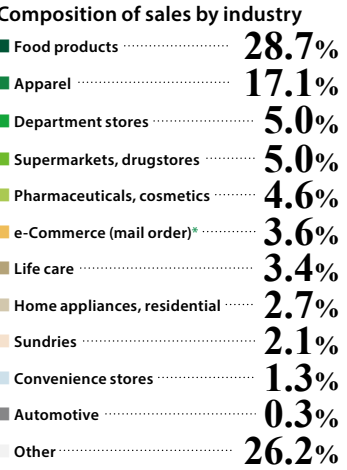
The Pack Group is a comprehensive packaging manufacturer engaged in handling a diverse range of packaging materials ranging from paper bags, paper cartons, and corrugated boxes to film packaging and wrapping materials made using other materials.

Net sales and operating income by segment (FY2024)



The Pack's diverse customer base

The Pack Group handles a highly diverse range of packages: from apparel shopping bags to packages for food, beverages, daily necessities, and sanitary products; paper bags for corporate and school use; and packaging materials for home deliveries. A key Group strength is its capacity to propose optimal packages and packaging solutions for a broad range of businesses and industries, not just single markets.



* The share of the e-commerce (mail order) industry consists of online malls. Sales for e-commerce by customers on their own websites are recorded under the customer's industry.

Food products market

Our products include boxes for Japanese- and Western-style snacks, shopping bags, gift wrapping, and film packaging for individual items. We have an extensive track record in takeout packages for foods purchased directly from convenience stores and restaurants.

Apparel, sundries

We provide packaging to help increase the customer brand value, including shopping bags, wrapping materials, and sales promotion novelties for department stores and apparel and sundry brands.

Living supplies

We have a track record in producing packages for a wide range of daily use items, including external packages for sanitary products, packaging materials for home appliances, and product packages for cosmetics and pharmaceuticals.

e-Commerce (mail order) market

We're quickly adding to our track record in the e-commerce market based on an extensive lineup of shipping materials used for mail-order items, including paper and plastic home delivery bags and corrugated delivery cartons.



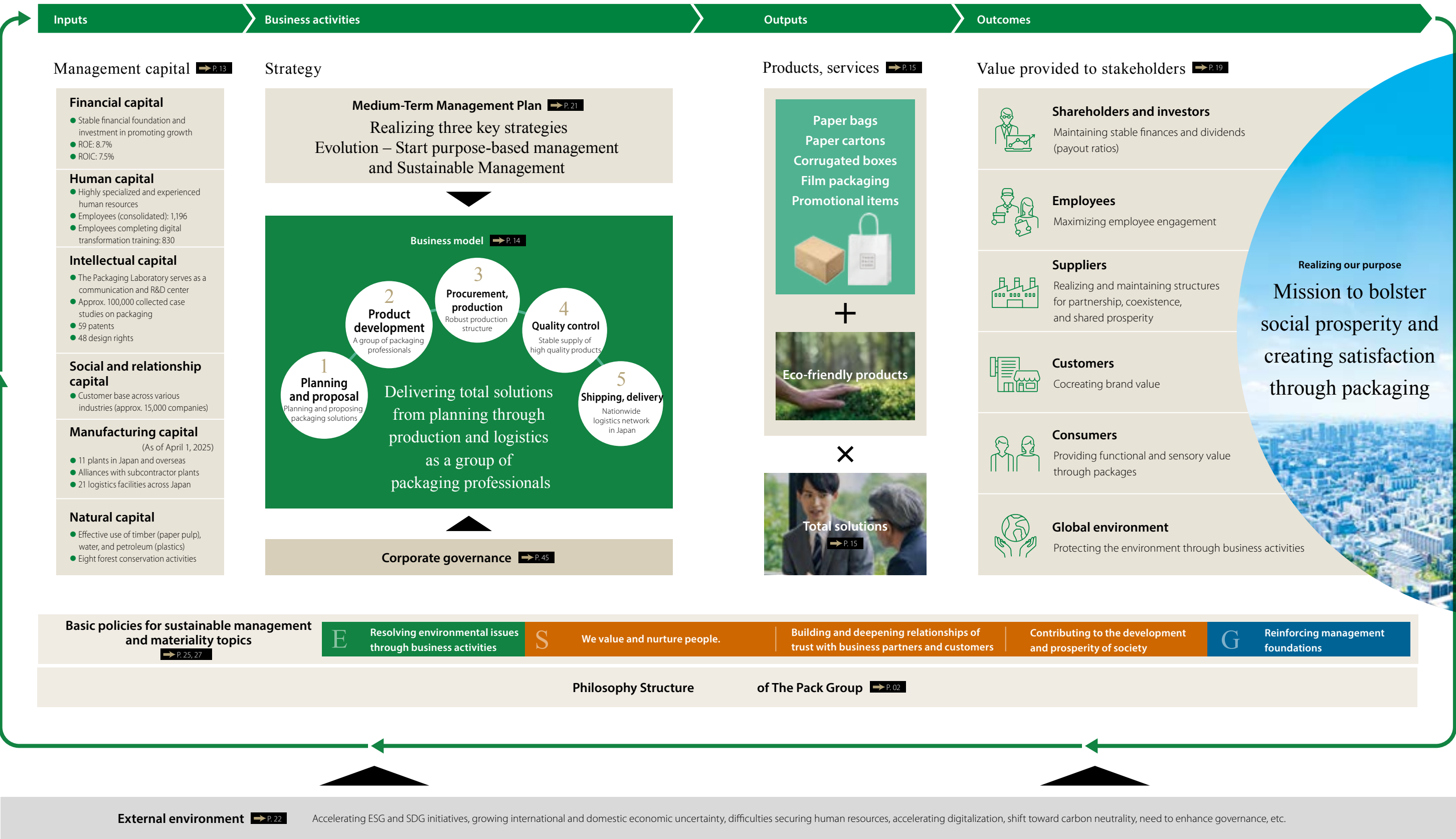
The Pack Group has developed numerous packaging and related services by focusing on customer needs while adapting to the changing times. The Group's progress is based on ceaseless product development efforts. Our history is truly one of developing products that meet customer needs.

Industry needs

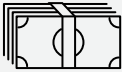
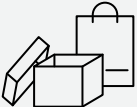


1950	1960	1970	1980	1990	2000	2010	2020
Founding and rapid growth powered by postwar economic recovery	Opening branches nationwide to expand sales channel	Manufacturing facilities expand with emergence as a pioneering figure in the bag industry.	Second start under the new company name, The Pack Corporation	Toward an organizational culture and system appropriate for a listed firm	Becoming an environmental, quality, and cost leader	Enhancing Group power to achieve medium-term targets	Promoting sustainable management
1952 Shigenari Morita founds Nippon Case Corporation in Osaka, Osaka Prefecture, and launches sales of paper cartons and apparel boxes. 1953 Sales expand nationwide, driven primarily by Yoshin color apparel boxes 1955 Hanazono Plant opens in Higashiosaka, Osaka Prefecture. Integrated in-house production begins for products ranging from corrugated boxes to apparel boxes. 1957 Production of paper shopping bags begins. 1959 Konoike Plant (now the Osaka Plant) opens in Higashiosaka; production facilities expanded; transformation to comprehensive packaging manufacturer.	1961 Tokyo Branch (now the Tokyo Head Office) opens in Chiyoda-ku, Tokyo. 1969 Nara Plant opens in Yamatokoriyama as a plant specializing in corrugated boxes. Urawa Plant, the first plant in the Kanto region, opens in Urawa, Saitama Prefecture, to serve the Tokyo market.	1971 Computer system introduced to begin the transition to digital management of customer and product information 1974 Mass production system for paper bags established with the adoption of roll-fed fully automatic paper bag machines at Osaka Plant 1979 Kanto Plant (soon renamed the Saitama Plant, now the Tokyo Plant) opens in Sakado, Saitama Prefecture to serve the eastern Japan market.	1981 Packaging Museum (now the Package Laboratory Osaka) opens at Konoike Plant (now the Osaka Plant). 1983 Company renamed The Pack Corporation 1984 PAS system developed 1987 The Pack America Corp. (now a consolidated subsidiary) established in the United States	1991 Ibaraki Plant opens to produce plastic bags in Hitachi, Ibaraki Prefecture. Shares listed on second section of the Osaka Securities Exchange 1998 Osaka Plant No.1 Building completed, new Packaging Materials Center (now the Package Laboratory Osaka) opens. 1999 Headquarters and Ibaraki Plant earn ISO 14001 certification.	2001 Osaka, Saitama (now Tokyo), and Ibaraki plants earn ISO 9001 (quality management) certification. 2003 Shares listed on first sections of Tokyo Stock Exchange and Osaka Securities Exchange Keihin Tokushu Printing Corp. established 2006 The Pack (Shanghai) Corporation established in Shanghai, China 2007 Nikko Print Corporation made subsidiary The Pack (Changshu) Co., Ltd. established in Changshu, China Osaka and Saitama (now Tokyo) plants earn FSC® CoC certification (FSC® C020517). 2009 Pack Takeyama Co., Ltd. established	2011 Tokyo Plant opens in Hidaka, Saitama Prefecture. 2014 Nishinihon Printing Co., Ltd. made subsidiary 2018 Kannaru Printing Co., Ltd. made subsidiary Related sections of Tokyo and Osaka plants earn FSSC 22000 (food safety) certification.	2021 Related sections of all plants in Japan earn FSC® CoC certification. 2022 Listing transferred to the Prime Market of the Tokyo Stock Exchange 2023 New headquarters building completed in Osaka 2025 Hikari Packs Ishikawa Co., Ltd. made subsidiary

The Pack Group has established a purpose and basic policy for realizing sustainable management and incorporated this purpose and policy into its corporate philosophy structure. Its mission is to bolster social prosperity and creating satisfaction through packaging by adapting to external circumstances and delivering products, services, and value to stakeholders through its business activities.



We create new management capital based on the outputs and outcomes of incorporating (investing in) six types of management capital into our business model. The Pack Group's key management capital consists of its solid financial foundations, creative human resources and knowhow, extensive customer base, structures that facilitate joint efforts with manufacturing subcontractors, and forest resources and related conservation activities.

Financial capital 	Solid financial foundations and investments to promote growth The Group boasts the leading market share in Japan in paper shopping bags and has demonstrated growth mainly in areas like the manufacture and sale of paper products and film packaging. We strive to pay stable dividends while enhancing corporate growth through expanding facilities, primarily facilities that produce paper cartons and paper bags, and by increasing both ROE and ROIC. FY2024 ROE 8.7 % FY2024 ROIC 7.5 %
Human capital 	Highly specialized and experienced human resources We employ tiered training programs and evaluation and support systems to enable each individual to demonstrate his or her abilities to the utmost. Our sales sections with wide-ranging package expertise and creative sections handling product design, manufacturing design, and planning propose optimal products for customers. Our manufacturing, quality control, and procurement sections support provision of a diverse range of high quality products while building on their own skills from day to day. Employees as of end of FY2024 (consolidated) 1,196 Employees completing digital transformation training: 830
Intellectual capital 	The Package Laboratories serving as a communication and R&D center, and an extensive database of proposals Our Package Laboratories in Tokyo, Osaka and Fukuoka collect and exhibit materials on more than 100,000 packages in total. Their individual sections cooperate in R&D on state-of-the-art packages. They also are developing proposal databases to share Groupwide in leveraging the latest information on packages to support sales activities. Collected case studies on packaging as of end of FY2024 Approx. 100,000 Patents held as of end of FY2024 59 Design rights held as of end of FY2024 48
Social and relationship capital 	A customer base that extends across various industries The Group deals with about 15,000 companies who form its extensive customer base. To meet various customer needs, we cooperate with numerous suppliers in Japan and worldwide in addition to our own plants, to deliver a wide range of packages from apparel shopping bags through packages and packaging solutions services for food and sanitary products, delivery bags, and promotional materials. We also implement various CSR activities in cooperation with local governments, communities, and nonprofits. Transaction counterparties in FY2024 Approx. 15,000
Manufacturing capital 	Alliances with domestic and overseas subcontractor plants and a network of logistics facilities across Japan We maintain a manufacturing infrastructure capable of meeting diverse customer needs through our 11 plants in Japan and overseas and alliances with subcontractor plants. We also employ risk management to enable stable supply of products through readiness for potential disasters and accidents. Our nationwide network of logistics facilities, including logistics centers on the sites of four domestic plants, enables efficient delivery. Plants in Japan and overseas (including Group plants) as of April 1, 2025 11 Logistics facilities in Japan as of April 1, 2025 21
Natural capital 	Effective use of natural resources and forest conservation activities In light of the fact that the Group's businesses are based on natural resources such as timber (paper pulp), water, and petroleum (plastics), we strive to lessen our environmental impact through means including effective use of resources, controlling waste, and promoting recycling. We also have carried out continuous forest conservation activities since 2001 and contribute to cyclical use of wood pulp. Forest conservation activities in FY2024 8 Trees planted in FY2024 947

The Pack Group's strengths include planning and proposal capabilities driven by specific customer needs and product development capabilities that track market trends. We deliver total solutions ranging from planning through production and logistics, leveraging our advanced technologies and extensive knowhow as a group of packaging professionals.

1 Planning and proposal

Sales

Sales planning

Package Laboratories

Planning and proposing packaging solutions for customers

- Responding swiftly to packaging inquiries through a nationwide network of business sites
- Total packaging solutions provided by knowledgeable, experienced sales personnel
- Package Laboratories that effectively function as communication centers and R&D facilities
- Plans and proposals developed by staff highly familiar with products and with packaging trends to help customers identify optimal packaging solutions

2 Product development

Graphic design

Manufacturing design

Materials development

A group of packaging professionals

- A total of some 75 graphic designers, industrial designers, and planners on staff nationwide
- A group of professional package developers, highly familiar with trends across a wide range of industries and businesses, to deliver high quality manufacturing
- R&D on new materials to meet ever-changing needs, including demand for eco-friendly materials

3 Procurement, production

Procurement

Production management

Production technology

A robust production structure based on joint efforts among our 10 plants in Japan and overseas and with subcontractor plants

*April 1, 2025

- Our network of plants in Japan and overseas and subcontractor plants employs risk management to prepare for potential disasters and accidents.
- Our production facilities can meet delivery times and cut logistics costs.
- We meet diverse needs based on joint efforts and sharing technologies and knowhow among plants.

4 Quality control

Quality assurance / quality control

Stable supply of high quality products

- Maintaining and improving high quality levels through production process controls based on product standards and activities to check and improve the quality of finished products
- Certified under ISO 9001 (quality management) and FSSC 22000 (food safety), our operations meet international standards. We also deliver the high quality customers expected of products made in Japan.

5 Shipping, delivery

Logistics

Sales and services

Nationwide logistics network in Japan

- Realizing efficient delivery through integrated management ranging from manufacturing through shipping at logistics centers located on the sites of four plants in Japan
- Enabling efficient delivery nationwide based on a network of 21 logistics facilities across Japan
- Enabling optimization of inventory and delivery timing through coordination with sales and service sections and manufacturing and logistics sections

The Pack Group’s extensive product lineup includes a wide range of packaging products—from paper bags to paper cartons, corrugated boxes, film packaging, and wrapping materials. This lineup is supported by a network of manufacturing sites across Japan.

Manufacturing sites and product lineup (As of April 1, 2025)

Group companies

Japan: 6 companies

Overseas: 3 companies

Manufacturing sites

Japan: 10 plants

Overseas: 1 plant



Kannaru Printing Co., Ltd.
Group company
(Paper cartons)
*Compatible with pharmaceutical products



Nishinihon Printing Co., Ltd.
Group company
(Paper bags, wrapping paper)



Osaka Plant
(Paper bags, paper cartons, film packaging)
*FSSC 22000 (food safety) certified (related sections)



Nikko Print Corporation
Group company
(Offset printing)
*Inside Osaka Plant



Ibaraki Plant
(Film packaging)



Tokyo Plant
(Paper bags, paper cartons)
*FSSC 22000 (food safety) certified (related sections)



Keihin Tokushu Printing Corp.
Group company
(Water-based gravure printing, UV offset rotary printing)



Pack Takeyama Co., Ltd.
Group company
(Paper bags)
*FSSC 22000 (food safety) certified (related sections)



The Pack (Changshu) Co., Ltd.
Group company
(Paper bags)



Nara Plant
(Corrugated boxes)



Hikari Packs Ishikawa Co., Ltd.
Group company
(Paper cartons, packaging supplies)

Paper bags

- Shopping bags
- Delivery bags
- Paper bags for food wrapping
- Wrapping bags



Paper cartons

- Primary food paper containers
- Product packages
- Gift boxes



Corrugated boxes

- Corrugated shipping boxes
- Large corrugated boxes
- Decorative corrugated boxes
- Reinforced corrugated boxes
- Cushioning materials



Film packaging

- Sanitary product packages
- Takeout bags
- Film packaging



Promotional materials

- Reusable shopping bags
- Gift wrapping bags
- Wrapping paper, ribbons, stickers
- Garment bags



Eco-friendly products

The Pack can propose and produce eco-friendly products in each category.

- ecoKARA®
- CC-PACK®
- Molded pulp
- Craft film packaging



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About The Pack

Value creation story

Strategy

Sustainability (ESG) initiatives

Group data

The Pack Group has worked diligently to offer solutions to various package-related challenges identified by talking with customers. In addition to approaches based on the packages themselves in aspects such as materials, processing methods, and structural and graphic design, we have established an extensive track record and expertise by enhancing solutions involving how the packages are used. This includes filling and wrapping lines. These pages introduce some of the solutions we offer as a provider of total packaging solutions.

Solutions in the package use phase



We offer a wealth of package ideas to make work more efficient, improve customer productivity, and reduce stress for package handling and use.

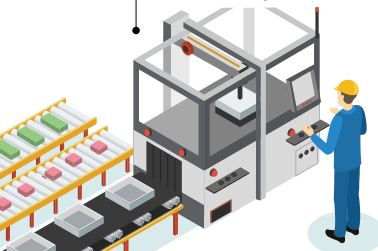
- Proposing packages with one-step assembly
- Proposing tools to simplify box assembly
- Proposing delivery of pre-assembled boxes (assembling boxes on behalf of customers)

We can handle labor-intensive work from box assembly to filling on behalf of our customers. By offering one-stop solutions from package production through product filling, we provide solutions for complex customer requirements for inventory and delivery management.



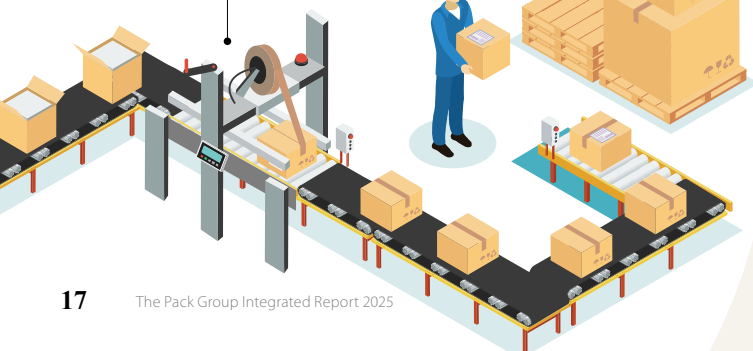
Presentation box assembly machinery

Assembling presentation boxes on automated boxing machines



Sealing corrugated cases

Sealing corrugated cases using automated sealers



*Conceptual diagram

Total packaging solutions

Solutions for the package production phase



We propose materials and processes that deliver the features required for packages based on their contents, uses, and other factors.

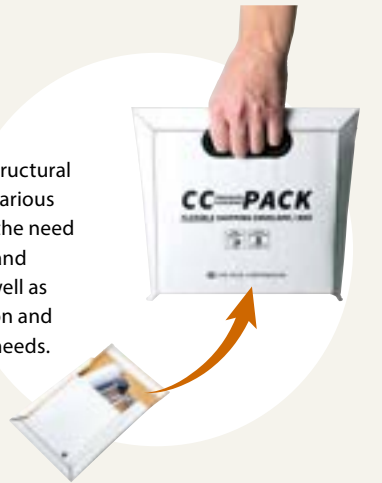
- Proposing oil-resistant paper and coatings for cartons used to directly hold greasy food products
- Proposing craft film packaging as eco-friendly food wrap
- Proposing special paper and surface treatments for packages that call for a premium look

Choosing optimal production sites and methods

Consisting of The Pack plants and subcontractors in Japan and overseas, our supply chain network proposes optimal production sites and methods based on production lot sizes, specifications, and other factors.

Structural design

We propose comprehensive structural designs to meet various needs, including the need for visual appeal and convenience, as well as product protection and other functional needs.



Graphic design

- Package design
- Production of in-store fixtures and displays
- Support for product planning and branding



Package Laboratories

(Tokyo, Osaka, Fukuoka)

Package Laboratories gather materials on various packages from around the world and serves as a package research and communication center.



Realizing our purpose

Mission to bolster social prosperity and creating satisfaction through packaging



The Pack Group recognizes the importance of building relationships based on trust with a diverse range of stakeholders. We understand the perspectives of individual stakeholders and propose environmental, social, and economic value based on carefully considered partnership roles. All members of the organization share the commitment to contributing to society through packages and packaging.

Shareholders and investors	Maintaining stable finances and dividends (payout ratios) The Pack Group makes decisions on dividends that account for maintenance of stable dividends and sufficient internal reserves. Internal reserves are intended to strengthen the financial constitution and meet funding demand for production facilities, R&D, and other needs. We believe they contribute to the stability and growth of shareholder dividends through future profits.
Employees	Maximizing employee engagement (realizing rewarding work and career planning) To broaden opportunities for diverse human resources to thrive, in addition to promoting improvements in working environments, forms, and systems, we seek to ensure appropriate assignments based on the effective use of our talent management system and other programs. We encourage individual and corporate growth and vitality through training and other opportunities for skills improvement and reskilling.
Suppliers	Realizing and maintaining structures for partnership, coexistence, and shared prosperity Announced in July 2022, The Pack Group's declaration of partnership building seeks to enhance coexistence, shared prosperity, and partnership throughout the supply chain. In addition to raising awareness of the content of the declaration both inside and outside the organization, we will also strive to increase value throughout the supply chain by smoothly putting it into practice.
Customers	Cocreating brand value As a group of packaging professionals, we propose optimal packages to customers. We propose solutions based on ascertaining customer needs and issues regarding not only the actual packages but also related aspects. Furthermore, we support customer environmental initiatives by offering eco-friendly products and we participate in product planning and sales methods, to cocreate brand value with customers.
Consumers	Providing functional and sensory value through packages The Pack Group develops products and services to meet ever-changing needs, based on planning and proposals reflecting the roles and values that consumers demand of packages. We supply packages that reduce consumer stress, such as shopping bags that make it easy to carry purchases and paper cartons and corrugated boxes that are easy to open and dispose of. We also add originality in design, materials, and forms, to propose packages that make products and brands more valuable. This creates sensory value and increases consumer satisfaction.
Global environment	Protecting the environment through business activities Based on our environmental philosophy—We will work to protect our irreplaceable environment and broadly contribute to society out of our deep respect for people and nature as well to inspire future generations—we have sought to reduce the environmental impact of production activities. We bring to life the environmental solutions demanded by society through the development and sale of eco-friendly products as well as forest conservation activities through The Pack Forest® Environment Fund.

The Pack Group will implement sustainable management based on our Purpose (fundamental mission) and Basic Policy of Sustainable Management and has set numerical targets to be achieved by the fiscal year ending December 31, 2025.

The three key strategies are linked to our response to materiality, and we will deliver the Group's unique value to society through sustainable growth.

Slogan

Evolution

—Start of purpose-based management and Sustainable Management—

Target of Fiscal Year 2025

Consolidated sales

107 billion yen

Operating income

8.3 billion yen

ROE

8% or more

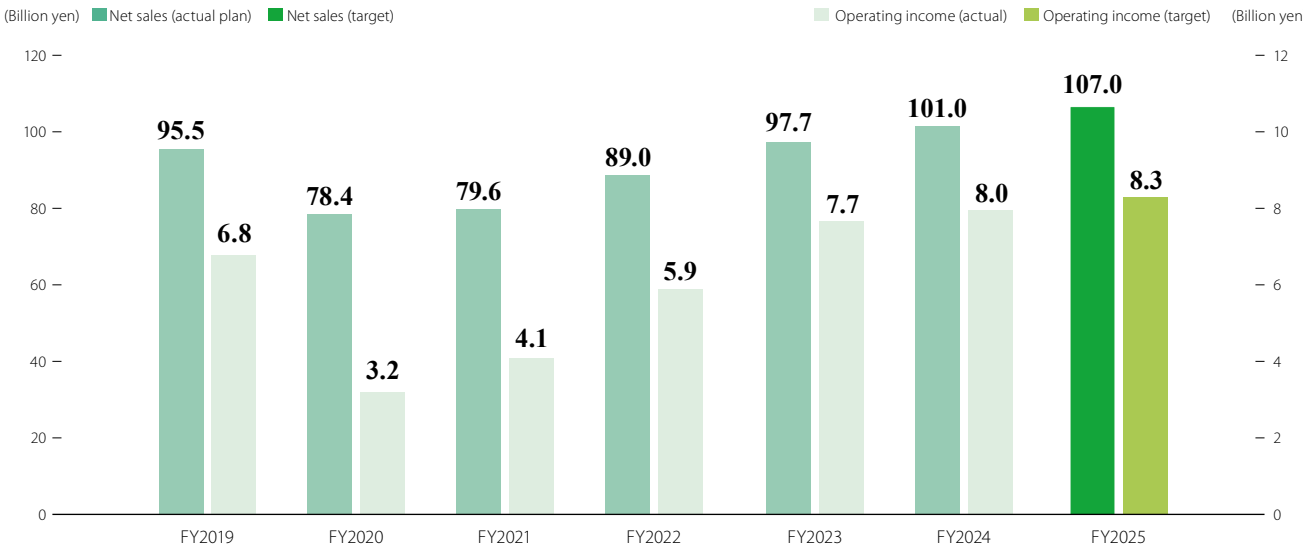
ROIC

8% or more

Numerical target achievement process

We will develop our business activities in line with our three strategies, with the goal of achieving consolidated sales of 107 billion yen. We will also strive to improve our return on equity (ROE) and return on invested capital (ROIC) in order to maintain stable relations with the Group's stakeholders, including business partners, shareholders and employees.

Since business results in FY2023 exceeded initial targets, the Group has revised upward the medium-term management plan's numerical targets and modified its policy on shareholder returns, aiming to increase corporate value even further. While aiming to maintain ROE and ROIC of 8% or more as indicators of return on capital, as returns to shareholders we will aim for a total payout ratio of 50% through increasing the dividend payout ratio and acquiring treasury shares.



FY2024 results and issues

Results

Capital investments and growth strategies bore fruit in the form of record net sales, operating income, ordinary income, and net income. We also sought to provide returns to shareholders in accordance with plans: The total payout ratio was 51% due to the decision to pay approximately 2.2 billion yen in dividends while maintaining a dividend payout ratio of 35.4% and acquiring 1 billion yen in treasury shares, as planned.

Issues

As wage increases lag behind inflation, uncertainty persists with regard to the continuing economic impact of low consumer confidence. In FY2025 and FY2026, we will implement various measures to meet the demands of the market, even amid such rising uncertainty.

Growth strategy

Focusing on target markets

We are selecting and prioritizing target markets to reflect contemporary trends. In the food products market, including fast food and convenience stores, we are expanding use of our products by testing to control quality risks, responding to demand for larger lot sizes and delivery use, and proposing simplification of packing and storage on the work floor and in stores. In the e-commerce, mail order market, and logistics industry, we are proposing overall packing line improvements to enhance productivity in customer work sites. We are growing sales by leveraging our strengths as a total packaging solutions provider, through means including integrated proposals of automatic packaging systems to save labor in addition to more efficient packages.



Sales growth powered by our strengths and strategic execution

Key points						
Sales volume grew thanks to favorable sales to existing customers and growth in market share powered by sales activities. New products grew in number amid diverse initiatives in capital investment and product development.						
Quantitative target		FY2022 result	FY2023 result	FY2024 result	FY2025 target	
		25 billion yen	28.2 billion yen	30.3 billion yen	32 billion yen	
Main initiatives	Growing sales of primary food product containers and addressing paper trays, molded pulp containers, and other products			Sales of primary food product containers in this market		
	1.				FY2024 8.75 billion yen	YoY 13.3% ↑
	2.	Sales growth of film packaging and bundled sales			Sales of film packaging in this market	
					FY2024 1.48 billion yen	YoY 11.3% ↑
3.	Development of materials and processes to reduce environmental impact; growing sales of FSC®-certified products (FSC® C020517)			Sales of FSC®-certified products in this market		
				FY2024 5.51 billion yen	YoY 9.5% ↑	
4.	Promoting solutions to contribute to labor savings, efficiency, and automation					
Focus	Secondary Food Packaging Facility using robotics begins full-fledged operation					
	In 2024, we opened a Secondary Food Packaging Facility in Kawasaki, Kanagawa Prefecture. This facility handles secondary food packaging automatically using precision robotic arms and cameras for real-time product photography and image processing, enabling stable supplies of products to customers while preventing productivity declines associated with the labor shortage. We are striving to grow our business results in the food products industry by manufacturing and supplying packages and using this system to provide one-stop secondary food packaging services.					
						

e-Commerce market, logistics industry

Various measures to respond to market growth and needs are bearing fruit in sharp growth.

Key points	- Growing market share by expanding the supply capacity for paper delivery bags and thin delivery materials - Continuing to pursue development in response to automation in partnership with customers				
Quantitative target	FY2022 result 14 billion yen	FY2023 result 14.7 billion yen	FY2024 result 16.3 billion yen	YoY 10.9%	FY2025 target 18 billion yen
Main initiatives	Sales of paper delivery bags in this market 1. Enhancing sales of delivery bags that can help improve customer transport efficiency FY2024 1.64 billion yen YoY 67.3% ↑				
	Sales of reinforced corrugated boxes in this market 2. Further growing sales of reinforced corrugated boxes suitable for heavy-cargo use FY2024 0.92 billion yen YoY -6.1% ↓				
	3. Development and sales expansion of automated packaging materials and processes				
	4. Enhancing solutions sales capable of contributing to labor saving by customers				
Focus	Exhibiting in Tokyo Pack 2024 We exhibited in Tokyo Pack 2024, held at the Tokyo Big Sight on October 23-25, 2024. In this trade show, which brings together companies and buyers involved in packaging materials, containers, packaging machinery, and services in various industries, we introduced automated packaging machinery and delivery bags that help reduce the use of plastic, leading to numerous business negotiations.  Paper delivery bag  Automated packaging machinery				

General distribution and retail market, other markets

Solid growth while adapting to the changing external environment in a core Group business

Key points	- The distribution and retail market remains active thanks to inbound demand and other factors. The shift to paper containers also contributes to higher sales. - Capital investment in paper bags is contributing to market share growth through higher productivity and increased production capacity.				
Quantitative target	FY2022 result 50 billion yen	FY2023 result 54.8 billion yen	FY2024 result 54.9 billion yen	YoY 0.2%	FY2025 target 57 billion yen
Main initiatives	Sales of paper bags in this market 1. Continuing to enhance solution sales to promote growth in paper bag market share and to promote the shift to paper containers FY2024 16 billion yen YoY 4.6% ↑				
	Sales of cloth bags and gift wrapping materials in this market 2. Sales of products suitable for recycling, reuse, and reduction (3R) FY2024 3.31 billion yen YoY 16.1% ↑				
	3. Promoting social contributions together with customers (The Pack Forest® Environment Fund activities)				
	4. Sales channel development in ASEAN				
Focus	Growing market share in ASEAN markets as a global enterprise Enhancements in manufacturing, logistics, and quality control capabilities are boosting market share in the Japanese market. We have increased sales in overseas markets by enhancing our supply chain. We are growing our sales territories in cooperation with Group companies in China and North America. Export initiatives We support the overseas businesses of our customers by providing quality and service based on our track record in the Japanese market. We are growing sales of materials to stores and plants overseas.				

Human capital strategy

Individual and corporate growth and activation

We are promoting measures to secure and develop diverse human resources and to improve working environments. Through efforts to improve employee engagement, we are also seeking to secure human resources to support growth and to maximize value.

Continually implementing various measures aimed at securing human resources to support growth and to maximize value

Key points	- System improvements and compensation improvements through wage hikes - Enhancing human resource development programs				
Quantitative target	Total employees, including permanent, full-time employees, contracted employees, and part-time employees	FY2022 result 1,797	FY2023 result 1,836	FY2024 result 1,836	FY2025 target 1,920
	Percentage of permanent, full-time employees who are women	21.2%	22.9%	24.4%	25.0%
	Percentage of women in management positions (managers or above)	7.6%	8.8%	9.7%	10.0%
Main initiatives	Measures to secure human resources 1. Enhancing midcareer hiring FY2024 midcareer hires: 27 2. Expanding hiring opportunities FY2024 referral hires: 9 3. Revising wage regulations and bonus evaluations for continuing employees 4. Continuing to raise wages FY2024: average 5.50% increase 5. Implementing surveys on job motivation and satisfaction and attempting improvements				

Details of human resource development initiatives → pp. 33-36

Financial strategy

Supporting continual and efficient growth through optimal plans on use of capital

Aiming to improve growth potential and increase corporate value, we are promoting proactive capital investment. In shareholder returns, we are targeting a total payout ratio of 50%.

Implementing measures to improve growth potential and increase corporate value

Key points	- Executing equipment expansion plans for the food products and e-commerce markets; making additional investments in response to demand - Executing shareholder returns measures according to plan; enhancing disclosure by publishing the Integrated Report																				
Capital investment	Initial plan (2023-2025)	FY2023 results	FY2024 results	FY2025 plans	Total																
	Enhancing paper carton production capacity	20.0	7.9	12.5	2.5	22.9															
	Enhancing paper bag production capacity	30.0	7.8	19.5	16.5	43.8															
	Streamlining and labor saving	11.0	1.2	1.1	10.0	12.3															
	Energy and resource conservation	2.0	0.4	0.1	0.3	0.8															
	Other	2.0	0.1	2.0	1.3	3.4															
	Capital investment plans	65.0	17.4	35.2	30.6	83.2															
Major capital investments made in FY2024 - Paper cartons: equipment for the food products market - Paper bags: eco-friendly printers, equipment for the e-commerce market																					
Strategic investment	Initial plan (2023-2025)	FY2023 results	FY2024 results																		
	Upgrading backbone system	20.0	13.0	8.4																	
	Human investment	20.0	9.8	2.9																	
(100 million yen)																					
Shareholder returns <table><tr><td></td><td>FY2023 results</td><td>Revised plans (2024-2025)</td><td>FY2024 results</td></tr><tr><td>Acquisition of treasury shares</td><td>—</td><td>Acquiring up to 1 billion yen/year in treasury shares</td><td>Approx. 1 billion yen</td></tr><tr><td>Dividend payout ratio</td><td>30%</td><td>Maintaining a ratio of 35% or higher</td><td>35.4%</td></tr><tr><td>Total payout ratio</td><td>Approx. 1.7 billion yen in dividends Total payout ratio of 30%</td><td>8 billion yen • FY2024: 2.2 billion yen in dividends; total payout ratio of 50% • FY2025: 2.2 billion yen in dividends; total payout ratio of 50%</td><td>Approx. 2.2 billion yen in dividends Total payout ratio of 51%</td></tr></table>							FY2023 results	Revised plans (2024-2025)	FY2024 results	Acquisition of treasury shares	—	Acquiring up to 1 billion yen/year in treasury shares	Approx. 1 billion yen	Dividend payout ratio	30%	Maintaining a ratio of 35% or higher	35.4%	Total payout ratio	Approx. 1.7 billion yen in dividends Total payout ratio of 30%	8 billion yen • FY2024: 2.2 billion yen in dividends; total payout ratio of 50% • FY2025: 2.2 billion yen in dividends; total payout ratio of 50%	Approx. 2.2 billion yen in dividends Total payout ratio of 51%
	FY2023 results	Revised plans (2024-2025)	FY2024 results																		
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Basic Policy of Sustainable Management

In 2023, we established the Basic Policy of Sustainable Management as a new management policy reflecting social and business environmental conditions.

We will deliver environmental, social, and economic value that only The Pack Group can offer, to realize a prosperous and sustainable society and bring satisfaction to people.

Basic Policy of Sustainable Management

As is expressed in The Pack Group's corporate motto, we are passionate and dedicated to our partnerships in all our activities. Furthermore, we pursue sustainable management in keeping with the purpose of our existence (purpose): to provide packaging solutions to contribute to a prosperous society and bring satisfaction to people. As a company offering total solutions related to packaging, we help solve the many issues facing our stakeholders through the creation of new value in packaging, thereby contributing to a prosperous and sustainable society. To this end, we strive to deliver environmental, social, and economic value that is unique to The Pack Group, based on sustained growth and the ability to adapt to social change.

Promotion structure

The Sustainable Committee (chaired by the President and CEO) addresses promotion of sustainable management within the Group.

Sustainable Committee

In January 2023, we established the Sustainable Committee under the Board of Directors to address efforts to promote sustainable management within the Group. The Sustainable Committee and its executive body, the Sustainable Committee Secretariat, work with the Conference of Business Divisions, Business Units, and Group companies to advise and make decisions on the operation and promotion of sustainable management, the formulation of policies on key issues, management of the progress of initiatives, and the incorporation of these policies into the medium-term management plan. The Sustainable Committee Secretariat promotes action plans and manages KPIs in collaboration with the Business Units and Group companies.

The Board of Directors consults with the Sustainable Committee to set policy and provide oversight. The Conference of Business Divisions will work with the Sustainable Committee to share information. Business Units and Group companies implement various measures and provide results and data. The Audit and Supervisory Board and the Audit Office provide supplemental audits related to these initiatives.



External environment (risks and opportunities)

To be able to adapt to any societal changes, the Group anticipates the following risks and opportunities. Corresponding materiality issues also are shown below.

○: Materiality issues corresponding to risks and opportunities

External factor	No.	Risk/opportunity	Item	Materiality (important issues)											
				Environment			Society						Governance		
				Promoting eco-friendly product planning and technological development	Reducing environmental impact throughout our business activities	Contributing to environmental conservation and preservation	Promoting employee health and safety	Developing and cultivating the capacity to offer total solutions related to packaging	Promoting diverse work styles that encourage all employees to thrive	Co-creating brand value with our customers	Maintaining and improving quality through joint efforts with business partners	Contributing to developing future generations and fostering environmental awareness	Providing solutions to increasingly diverse social issues	Securing soundness, transparency, and efficiency in management	Promoting supply chain risk management
Politics	1	Risk	Interruption of imports of raw materials or rising import costs due to disputes or national security policies												○
	2	Opportunity	Establishment of local-production/local-consumption models leveraging our robust supply chains in Japan, the United States, and China							○	○				○
	3	Opportunity	Increase in institutional investors through enhancement of ESG initiatives in line with laws, regulations, international standards, etc.	○				○					○	○	
Economics	4	Opportunity	Birth of new merchandise, services, and business models	○	○	○		○		○	○		○		
	5	Risk	Increasing costs of raw materials, manufacturing, and shipping		○										○
	6	Risk	Rising hedge costs in raw-materials procurement												○
	7	Opportunity	Building energy-saving supply chains		○	○									○
Society	8	Risk	Difficulty securing diverse human resources and partners				○	○	○		○		○		○
	9	Opportunity	Developing diverse human resources, increasing labor productivity				○	○	○				○		
	10	Opportunity	Growing demand for new product use	○						○	○				
	11	Opportunity	Creation of products and services emphasizing safety and reliability	○						○	○	○			
Technology	12	Risk	Declining purchases in brick-and-mortar stores, rising risks of information leaks, and increased response costs as new technologies spread and are widely adopted												○
	13	Opportunity	Reduced operation costs due to the arrival of new technologies and services					○		○			○		○
Environment	14	Risk	Rising tax burdens due to the adoption of carbon taxes	○	○	○				○		○			○
	15	Risk	Rising procurement costs due to changes in forestry resources	○	○	○				○		○			○
	16	Risk	Supply chain disruptions and production suspensions due to increasingly frequent natural disasters												○
	17	Opportunity	Growth in business opportunities due to move away from plastics	○	○	○		○		○		○			○
Legal	18	Risk	Increasing costs of adapting to legal, regulatory, and litigation risks											○	○
	19	Opportunity	Increasing corporate value through enhanced governance											○	○
	20	Opportunity	Birth of new business opportunities in response to enhanced laws or regulations	○						○					○

In 2022 the Group identified 12 materiality issues on five major themes. Specific materiality initiatives are shown below. We will promote and strengthen these activities and thereby contribute to a sustainable and prosperous society.

Identification process

A set of Materialities (important issues) was identified by the project members centering on the Sustainable Business Team established in January 2022. In July 2022, the Materialities were approved by the Board of Directors and finalized.

In September 2023, we established five materiality KPIs. We are promoting initiatives intended to achieve these KPIs by FY2030. We will strive toward sustained growth in corporate value by checking progress on, assessing, and updating these materiality issues and KPIs through the plan-do-check-act (PDCA) cycle.

Step 1

Organizing study meetings held by the Sustainable Business Team, which is a member of the project team that identifies materiality topics

The project team has at least one individual from each department responsible for topics such as sales, quality control, finance, legal affairs, human resources, general affairs, and business strategy. Multiple study meetings to date have strengthened the understanding of team members regarding terminology and sustainable management at other companies. Study meetings have also been held for executives to promote their understanding and discussion of initiatives to help build a narrative on sustainable management and value creation as well as initiatives related to the Task Force on Climate-related Financial Disclosures (TCFD).

Step 2

Reviewing the value chain and ascertaining our management capital (strengths)

We examined our value chain in great detail, identifying our unique qualities and points of differentiation from our competitors. Based on the findings, we identified our management capital: financial capital, manufacturing capital, human capital, intellectual capital, social and relationship capital, and natural capital.

Step 3

Identifying themes (issues) for maintaining and growing our management capital and defining initiatives for each issue

We studied how to maintain and grow management capital comprising these six types of capital and identified related issues. We also defined initiatives for each issue as it relates to the environment, customers, people and labor, local communities and society, and management.

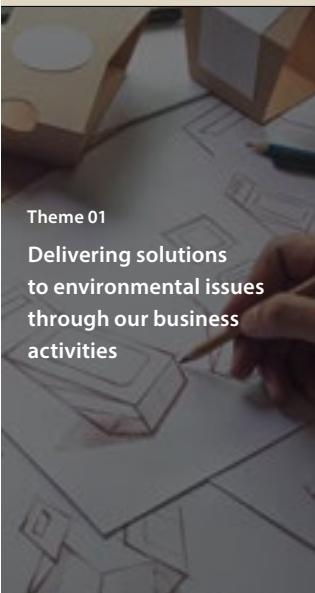
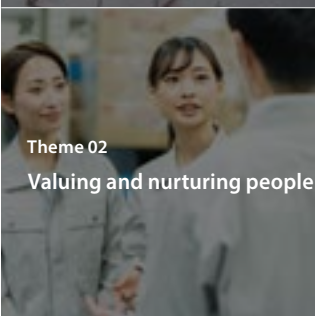
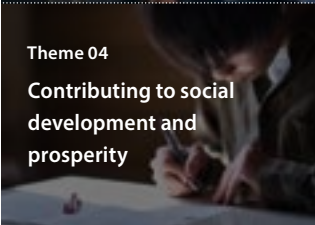
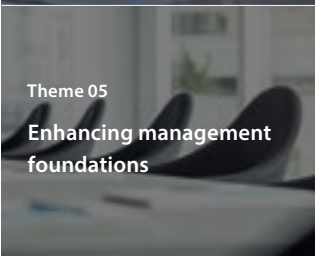
Step 4

Deciding on materiality topics based on their importance to stakeholders and to the Company

Step 5

Submitting the materiality topics through the Sustainable Committee to the Board of Directors for approval

List of Materiality issues organized from an ESG point of view

	Major themes	Materiality (Important Issues)	Initiatives		Association with SDGs	
E	 Theme 01 Delivering solutions to environmental issues through our business activities	Promoting eco-friendly product planning and technological development	- Developing, procuring, and supplying eco-friendly raw materials, including forestry-certified and mixed paper - Proposing packaging that requires reduced volumes of raw materials - Proposing solutions to improve work efficiency through use of our packaging	- Proposing alternative surface processing technologies to replace plastic laminates - Developing alternative paper packaging to replace plastic packaging - Developing reusable packaging - Developing eco-friendly plastic packaging	   	
		Reducing environmental impact throughout our business activities	- Purifying and reusing water used in manufacturing processes - Reducing CO₂ emissions (intensity)	- Transitioning to renewable energy - Appropriately managing industrial waste and reducing emissions; promoting recycling	   	
		Contributing to environmental conservation and preservation	- Preserving and restoring forest and mountain areas - Planting trees with consideration for ecosystems	- Establishing a new environment fund to support efforts such as the preservation and restoration of coasts and rivers - Investing in efforts that contribute to environmental conservation and preservation	   	
S	 Theme 02 Valuing and nurturing people	Promoting employee health and safety	- Maintaining and improving the health of employees and their families as set forth in the Health and Productivity Management Declaration - Implementing safety measures at manufacturing sites	Stockpiling disaster supplies to keep employees safe in the event of natural disasters	    	
		Developing and cultivating the capacity to offer total solutions related to packaging	- Using the Packaging Laboratory to foster an organization of specialists who support The Pack as a company offering total solutions related to packaging - Developing and utilizing databases on packaging expertise	- Improving business efficiency and enhancing proposal capabilities through digital transformation (DX) - Promoting product development through training sessions in which manufacturing sites participate		
		Promoting diverse work styles that encourage all employees to thrive	- Developing environments for work styles suited to employee lifestyles - Promoting an action plan to empower women in the workplace - Designing remuneration schemes to allow employees to work with peace of mind and other systems to secure post-retirement plans	- Developing teleworking environments and adopting communication tools - Developing employee skills and optimizing assignments through job rotations - Building a more open human resource evaluation system		
	 Theme 03 Building and enhancing relations of trust with our business partners and customers	Co-creating brand value with our customers	- Identifying and analyzing customer issues and providing solutions - Collecting information on packaging in Japan and overseas and communicating market developments and trends	- Providing multifaceted proposals on distribution and logistics solutions to achieve labor savings, automation, and mechanization - Proposing ways to participate in The Pack Forest® Environment Fund to preserve forests	     	
		Maintaining and improving quality through joint efforts with business partners	- Implementing joint development of production technologies and establishing mass production in partnership with production subcontractors - Improving quality by enhancing quality control structures	Establishing eco-friendly logistics systems		
 Theme 04 Contributing to social development and prosperity	Contributing to developing future generations and fostering environmental awareness	- Holding visiting classes for elementary school students - Participating in educational content (including online)	- Investing in efforts that contribute to the development of future generations - Participating in and supporting activities that lead to increased environmental awareness	    		
	Providing solutions to increasingly diverse social issues	- Achieving labor savings, automation, and reduced CO₂ emissions by promoting a PAS system - Developing packaging in a way that helps to address labor shortages - Proposing total solutions that combine packaging with packing and logistics equipment	- Support for activities that create jobs for people with disabilities and activities that assist them in becoming self-sufficient and finding employment - Supporting activities of children to support environmental protection			
G	 Theme 05 Enhancing management foundations	Securing soundness, transparency, and efficiency in management	- Improving corporate governance structures - Disclosing information on the status of initiatives related to all principles of the Corporate Governance Code - Strengthening management soundness through the G-Line (compliance line as the internal whistleblowing system)	- Implementing fair and objective decision-making processes for management appointments - Improving the quality of disclosure to shareholders and other stakeholders - Securing diversity among the Board of Directors		
		Promoting supply chain risk management	Strengthening supply chains that can respond to various procurement, production, and sales risks	- Enhancing resilience to ensure the appropriate operation of business continuity planning - Countering information leaks and system failures associated with cybersecurity risks		

In September 2023, we established five materiality KPIs. We are promoting initiatives intended to achieve these KPIs by FY2030. We will monitor our progress on and assess and update these KPIs through the plan-do-check-act (PDCA) cycle.

Materiality KPIs and results for the past five years

Major themes	Materiality (Important Issues)	KPI, action plan	2020	2021	2022	2023	2024
Theme 01 Delivering solutions to environmental issues through our business activities	Promoting eco-friendly product planning and technological development	Achieving a ratio of sales of FSC®-certified products (paper bags, paper cartons, corrugated boxes) to total sales of 50% or higher*1 ● Enhancing proposals for switching to plastic packages ● Growing numbers of FSC®-certified suppliers ● Accelerating the development of new materials and new products using paper materials	10.8%	13.2%	17.4%	20.2%	21.1%
	Reducing environmental impact throughout our business activities	Reducing CO ₂ emissions (Scopes 1 and 2) by 46% vs. FY2018 (targeting 8,997 t) ● Switching to energy-efficient machinery ● Switching to use of renewable energy (including purchasing renewable energy) ● Expanding use of solar panels	10.5% (14,914 t)	10.6% (14,894 t)	7.6% (15,399 t)	-0.6% (16,756 t)	3.1% (16,149 t)
	Contributing to environmental conservation and preservation	Implementing 15 The Pack Forest® Environment Fund activities, with 500 participants per year ● Increasing the number of activities possible through new development of activity sites ● Strengthening activities to raise awareness among local residents, and seeking participants from the general public ● Enhancing activities to attract customer participation	0 0	0 0	4 111	9 253	8 230
Theme 02 We value and nurture people.	Promoting diverse work styles that encourage all employees to thrive	Increasing the percentage of women in management positions (managers or above) to 15% or more ● Increasing the percentage of women who are new graduate hires to 35% or more ● Improving systems and environments to enhance women's long-term careers	5.3%	4.9%	6.7%	6.3%	7.2%
Theme 03 Building and enhancing relations of trust with our business partners and customers	Co-creating brand value with our customers	Earning the support of 300 firms for The Pack Forest® Environment Fund*2 ● Enhancing tools to publicize activities and seeking support for activities	44	67	94	123	158

*1 Sales: The Pack (nonconsolidated) paper products business as a whole *2 Number of companies with sales results

KPI management

The Sustainable Committee and the Sustainable Committee Secretariat, its executive arm, set and manage materiality KPIs. The Sustainable Committee Secretariat reports every half-year to the Sustainable Committee on progress toward the KPIs, ascertained in partnership with Business Units and Group companies. In addition, it assesses results each year, proposes improvements for the following year, and sets new KPIs and updates existing ones.

The Sustainable Committee works together with the Conference of Business Divisions to promote practical efforts targeting the KPIs in individual business sections.

Each business section employs the plan-do-check-act (PDCA) cycle to improve productivity across the organization and strives to achieve the KPIs.

A management structure has been established to promote and monitor progress toward the KPIs, striving toward fair assessment of individual business sections.

Plan
Setting and updating KPIs

Do
Promoting and executing measures to achieve the KPIs

Check
Promoting and checking on progress toward the KPIs

Action
Assessing results, proposing improvements for the following year, and setting new KPIs and updating existing ones

With long-term perspective, the Pack Group invests in and promotes growth drivers to achieve both financial and nonfinancial KPIs targeting materiality issues. The KPIs are set and verified to ensure that achievement of nonfinancial KPIs also contributes to achievement of financial KPIs.

Under the FY2023-2025 medium-term management plan, we are investing in human capital, intellectual capital, and manufacturing capital, sources of The Packs strengths, and promoting various related measures, as important strategies.

Important strategies

Important strategies under the current medium-term management plan

Investment in promotion of growth drivers toward achievement

Investment policies

Human capital

Important strategies

● Hiring and development

● Promoting diverse workstyles

● Expanding hiring opportunities and methods

● Ensuring appropriate wage structures. enhancing benefits

Intellectual capital

● Collecting, accumulating, and sharing market and sales information

● Enhancing package case studies

● Promoting digital transformation for timely sharing of market and sales information internally

● Enhancing both real-world (Package Laboratories, comprehensive information meetings) and digital (proposal databases, videos) approaches

Manufacturing capital

● Enhancing manufacturing facilities and equipment

● Strengthening supply chains

● Enhancing production capacity for paper bags and paper cartons at existing plants

● Labor saving, streamlining, energy conservation, resource conservation

Promotion policies

Target markets

Important strategies

● Growing business territories and domains

● New-market research and analysis

● Focusing on the food-product and e-commerce/mail order market/logistics industry

● Growing ASEAN sales channels

Products and services

● Enhancing product lineup

● Expanding into related businesses

● Focusing on development of primary food containers, delivery bags, and eco-friendly products

● Developing businesses in automatic packing machine, assembly, and sorting

Business model

● Corporate proposal-based sales

● Solutions-based sales

● Proposal activities including measures to increase customer brand value

● Solutions to environmental issues and the labor shortage

Contributions to achievement of KPIs

Materiality issues, nonfinancial KPIs

FY2030 targets

Delivering solutions to environmental issues through our business activities

● Achieving a ratio of sales of FSC®-certified products (paper bags, paper cartons, corrugated boxes) to total sales of 50% or higher

● Reducing CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018

● Implementing 15 The Pack Forest® Environment Fund activities, with 500 participants per year

Valuing and nurturing people

● Increasing women's percentage of managers (manager or above) to 15% or more

Building and enhancing relations of trust with our business partners and customers

● Earning the support of 300 firms for The Pack Forest® Environment Fund

Financial KPIs

FY2025 targets

Net sales

107 billion yen

Operating income

8.3 billion yen

ROE

8 % or more

ROIC

8 % or more

Cooperative structures to improve planning and proposal capabilities

The Pack's strengths lie in its capacity to plan and propose optimal package solutions for individual customers. Sales, product planning, and manufacturing sections apply each of their specializations to generate new products and services to meet diverse needs. We are earning customer trust through swift and flexible response utilizing our direct-sales systems as a comprehensive package producer.



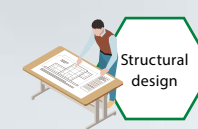
Sales
Communicates directly with customers and listens attentively to them. Cooperates with other sections to propose optimal plans based on needs identified. Sales includes about 250 persons across Japan.

Packaging Laboratory
Consists of two sections; the creative section handles tasks such as structural design of paper products and graphic design. The planning section collects the latest information from markets and inside the Group and supports proposals. The Packaging Laboratory consists of some 75 staff members across Japan.

Production Division
A technology development structure was built to supply packages to meet market needs from our own plants.

Sales Management Division
Materials development develops new materials that offer the functions and properties to meet various needs based on market trends, in cooperation with partners such as materials makers and research institutes. Package solutions development proposes optimal package solutions to realize efficiency and streamlining, by analyzing issues in customer packaging lines.

Case studies



Environment

Development of original shipping packaging materials that require no additional cushioning materials

In response to customer demands for more efficient packaging and delivery as well as the demand for improved environmental performance in the e-commerce market, we developed soft cushioning sheets that draw on the properties of thin paper, and CC-PACK® envelopes using these sheets. Since these packages can adapt to the thickness of their contents and do not require cushioning materials, they provide substantial benefits to both packaging work and the environment. These have been well received by numerous customers.



Environment

Development of next-generation eco-friendly oil-resistant coating

In response to growing demand for food takeout packages and the need to lessen environmental impact, we developed the Kaisonaru® oil-resistant coating made from seaweed. By coating the inside of paper trays, this process helps realize PFAS-free, plastic-free paper primary containers with the same level of oil resistance as previous products.



Society

Opening Secondary Food Packaging Facilities to support customers faced with labor shortages

The shrinking workforce has led to labor shortages in packing workplaces in the food products market. In response, we developed a structure capable of offering one-stop related services from manufacturing packages through secondary food packaging, by introducing secondary food packaging services. Package solutions development introduced systems to help save labor and improve efficiency across the packaging line through solutions including the deployment of robotic arms in the secondary food packaging workplace.



Environment

Development of water-based flexography printing technologies for paper cartons

In response to growing environmental awareness in the food products market, we developed a water-based flexography printing technology for paper cartons, achieving stable quality by optimizing printing and drying equipment and verification of suitability to raw paper. Since the water-based ink used contains virtually no organic solvents and emits few volatile organic compounds (VOCs), this technology helps reduce environmental impact while improving safety for workers and consumers.



Society

Development of production technologies for mass production of draw-formed paper trays

As customers in the food products industry increasingly demand eco-friendly solutions, technology development plays a central role in development of production technologies for draw-formed paper trays. The development of a mass-production structure in our own plants has made it possible to produce draw-formed paper trays that can be used to heat food products in the microwave straight from the freezer. We are proposing the use of these paper trays in place of plastic trays, chiefly to the home meal replacement industry.



Project details
<https://www.thepack.co.jp/blog/cases/a147>



Society

Winner of a 2024 Table for Two Award

The Packaging Laboratory's creative section improves the value of customer brands through the planning and proposal of package graphic designs and structural designs. An assistant in the sales section planned a product package for participation by Chikiri Shimizu Shoten in the Table for Two program, while the creative section contributed proposals for graphic and structural design based on this concept, and the proposal was eventually adopted by the customer. The design depicting a line starting from chopsticks in an adult's hand eventually reaching a spoon held by a child's hand won the grand prize in the Rookie Category of the 2024 Table for Two Awards as a graphic design that expresses the concepts behind the program and the product.

* The Table for Two Program from the nonprofit Table for Two International (<https://jp.tablefor2.org/>) is a program in which 20 yen from the price of each eligible product purchased is donated to fund school meals for hungry children around the world, as 20 yen is equivalent to one school lunch in the recipient country. The funds raised provide school meals and support gardening and productivity improvement programs, chiefly in five countries in East Africa and Southeast Asia (Kenya, Tanzania, Rwanda, Uganda, and the Philippines).

Human resource development to strengthen planning and proposal capabilities

The Pack's human resource development culture has been passed on from generation to generation since our founding, and our human resources have been the driving force behind our growth.

This was clearly demonstrated in the process of identifying materiality issues, as the Medium-Term Management Plan identifies enhancing human capital as a key strategy.

We will promote human capital investments with a focus on human resource management to support our strength of planning- and proposal-based sales.



Human resource development

Development activities
for all employees

Tiered education and training structure

We offer tiered educational programs to develop human resources capable of performing at every level, which are revised annually to reflect internal changes and results. We also include skills improvement as goal setting and evaluation targets for the semiannual management by objectives undertaken in each section. This is intended to maintain high motivation.

	Training	Reports, tests	Systems
Core management	● Upper management training		
Management positions	● Management skills training ● Evaluator training ● Training on seven types of practices ● Team leader training ● Field capability enhancement training		● Management skills testing
Midlevel	● Internal educational courses	Field improvement training (eligible sites only)	● Book reports
Young	● Year-three training ● Follow-up training		
New employees	● New employee training		

Leadership development **Teamwork enhancement**

Training on seven types of practices

To cultivate leadership and grow employees and the organization, the training was launched in 2021 based on Franklin R. Covey's book, *The Seven Habits of Highly Effective People*.

The goals include deepening communication within the workplace, strengthening teamwork, and mindfully seeking to establish win-win relationships. Training sessions for those in managerial positions began with 18 trainees in the first year and have continued with about 50-60 trainees each year since. In FY2024, 56 trainees took part in this training.

Skills improvement **Self-improvement**

Skills-improvement support program

To encourage employee self-improvement, we've established a skills-improvement support program that provides economic assistance for activities such as language learning and earning qualifications. English and Chinese lessons are provided under corporate contracts with major language schools operating across Japan. Those learning English also have the option of online lessons. In FY2024, 20 people used this program.

DX literacy improvement **Business efficiency improvement**

Digital transformation (DX) training

Promoting digital transformation (DX) is essential to making the organization more competitive. We launched DX training in 2023 as part of human resource development efforts under the medium-term management plan's human capital strategy. That year, about 700 trainees improved their DX knowledge through a half-year e-learning program. In 2024, about 130 DX promotion team members chosen from the previous year's assessment results learned more about DX literacy and skills and how to use DX in their work. We will continue with DX training in 2025 as we seek to improve business efficiency and develop DX promotion human resources.

Realizing a sustainable competitive organization

Building digital infrastructure for the future

Improving business efficiency and creating new value

Advancing new business models and customer experience

Organizational advancement **Individual growth**



Sales, creative,
manufacturing
(package planning and
manufacturing staff)
development

Building up expertise through research meetings

To develop new products, we have established research meetings for the three segments of paper cartons, bag production, and shipping packages. Participants are selected from the sales, creative, manufacturing, and other sections. These study meetings work on product development by selecting research themes from multifaceted perspectives, including market trends, customer needs, and social issues.

As members of the meetings work together across sectional boundaries, they can research and discuss things from different perspectives and generate more practical results.

Human resources from the creative sections with specialized qualifications in package technologies make the most of their knowledge to contribute to the meetings. This research helps build up the expertise needed to strengthen planning and proposal capabilities.

Study meetings to improve proposal capabilities

We hold regular study meetings, chiefly for young sales personnel, intended to improve proposal capabilities in sales sections. In these study meetings intended to teach the skills needed in sales activities, participants learn in practical ways about the distinguishing features of diverse products and key points for proposing them to customers. The meetings also aim to strengthen proposal capabilities directly related to practical solutions and customer service capabilities, through a deep understanding of the overall business flow and how to propose solutions to meet customer needs.

Using tools to strengthen sales capabilities

Targeting improved proposal capabilities and permeation of knowledge throughout sales sections, a dedicated team specializing in proposal operations provides sales personnel across Japan with information useful in their sales activities. This improves proposal capabilities and makes operations more efficient through centralization and swift distribution of information needed in the sales field, including proposal materials for individual products and market information. It also contributes to skills equalization and overall enhancement by sharing and standardizing the knowledge and knowhow that tends to vary among regions and individuals.

Securing and utilizing diverse human resources

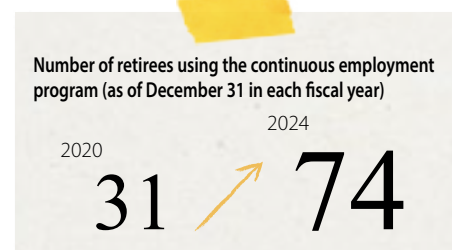
We are developing environments in which diverse human resources can demonstrate their individuality and capabilities to the fullest. We are also developing employment systems and leave programs to help all employees work with peace of mind, regardless of gender, age, and life stage.

Promoting midcareer hiring

We are focusing on midcareer hiring as well as the hiring of new graduates to secure highly capable human resources who have practical experience and specialized knowledge.

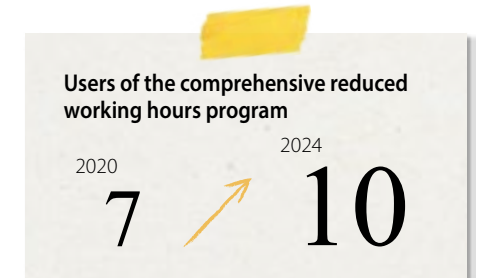
Encouraging the participation of retirees under the continuous employment program

We have introduced a program of continuous employment to the age of 65 years. Employees using this program, whose numbers are growing year by year, play important roles in supporting Company growth. Their wealth of experience and insights also contributes to passing skills on to future generations. We have steadily revised employment regulations since 2020 to allow employees to continue working with a strong sense of motivation.



Support for diverse workstyles (comprehensive reduced working hours program)

This program allows employees whose circumstances involve responsibilities such as caring for children, providing long-term care for family members, hospital treatment, or family support to choose from various forms of employment, including six-hour working days, seven-hour working days, or staggered working hours. The program was established to support diverse workstyles based on a comprehensive consideration of situations in which standard working hours may pose difficulties.



Evaluation systems and appropriate placement for personal growth

We have introduced a new human resources system to create workplaces where people can thrive. The salary structure clarifies requirements for salary increases and promotions, while the evaluation system employs a talent management system for the centralized management of human resources. The Human Resources Development Council holds evaluation meetings to make evaluations as open and accurate as possible.

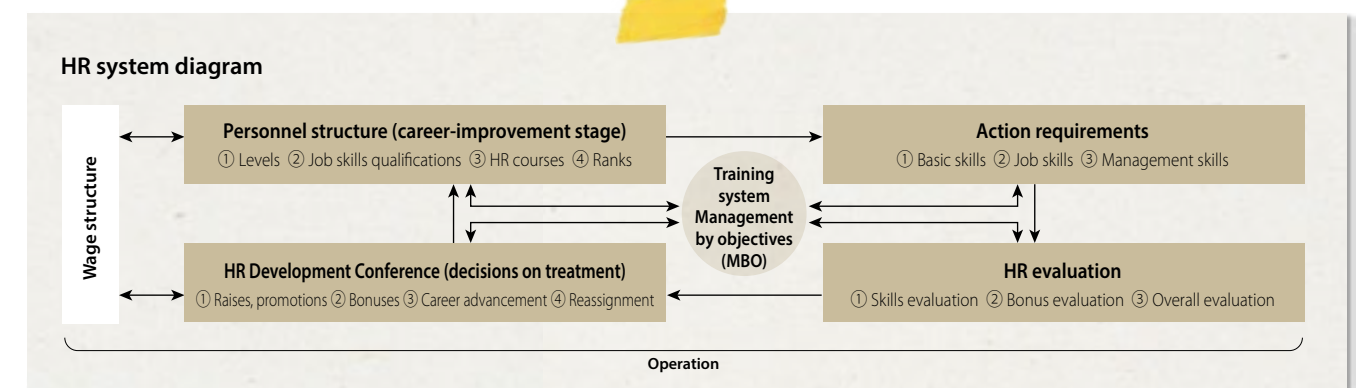


Talent management system

The talent management system introduced in 2022 centralizes employee information, including personal information, skills, past positions, awards received, training completed, HR evaluations, and management by objectives, to support the appropriate placement and development of human resources.

HR Development Conference

Talent development meetings are held throughout the company based on the results of performance reviews. At these meetings, we share information about top talent throughout the company and discuss ways to evaluate employees fairly and appropriately.



Building a rewarding working environment

Using engagement surveys to improve the working environment

Based on the conviction that strengthening employee engagement contributes directly to corporate growth, The Pack has conducted annual engagement surveys of employees, including part-time employees, since 2023. These surveys seek employees to candidly express opinions through questions in five categories, including work and interpersonal relationships in the workplace. We strive to improve employee engagement based on the survey results. Analysis of survey results showed that some sites needed to develop workplaces with higher levels of psychological safety. In response, about 260 personnel underwent group work training in 2024.



Major theme

Resolving environmental issues through business activities

Disclosure in accordance with TCFD recommendations

Recognizing the major impacts climate change would have on the Company and its stakeholders, The Pack has identified reducing environmental impact throughout our business activities as a key materiality issue. The following disclosures reflect Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The Pack will strive to provide appropriate disclosure to stakeholders by enhancing the content of disclosure in addition to further accelerating related initiatives.

Governance

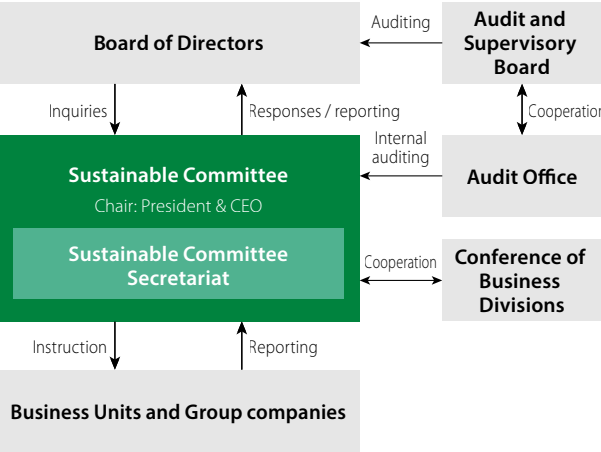
The Sustainable Committee (chaired by the President and CEO) under the Board of Directors manages and promotes response to climate change. The Sustainable Committee and the Sustainable Committee Secretariat, its executive arm, in partnership with the Conference of Business Divisions, Business Units, and Group companies, ascertain risks and opportunities associated with climate change, draft related targets, monitor and assess the state of related efforts, and submit reports and answers to the Board of Directors twice a year on the results of this process. While the Sustainable Committee meets twice annually in principle, it may meet at other times to address matters judged by the chairperson to be highly important or urgent.

The Board of Directors consults with and supervises the Sustainable Committee and makes decisions on targets.

Tasked with overseeing the executive organization, the Sustainable Committee Secretariat reviews anticipated risks and opportunities associated with climate change, identifies them and assesses their importance, and reviews their assessments. It also considers action plans and response policies and inspects and follows up on the state of execution periodically.

The Conference of Business Divisions consults with the Sustainable Committee to share information. Business Units and Group companies implement various measures and provide results and data.

The Audit and Supervisory Board and the Audit Office provide supplemental audits related to these initiatives.



Risk management

The Sustainable Committee reviews the risks and opportunities associated with climate change annually, assesses risks and opportunities based on various considerations, including their probability and impact and what recourses are available. In reviewing assessments of risks and opportunities, it refers to various scenarios provided by organizations such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), and interviews related business sections as necessary. Among the risks and opportunities associated with climate change, those considered to be highly important are reported to the Board of Directors through the Sustainable Committee. The Sustainable Committee drafts responses to risks and opportunities and manages the progress thereof in accordance with established guidelines.

Strategy

The Group has considered two scenarios, the 2°C scenario and 4°C scenario, for the year 2030, for a scope consisting of The Pack Corporation. In doing so, it referred to the scenarios of the IEA's World Energy Outlook, the IPCC's Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) scenarios, and various forecasts and plans issued by the Japanese government and other parties. Analyzing each event along the two axes of probability and impact, it assessed business risks and opportunities at three levels: high, medium, and low. We will increase the resilience of business activities by promoting optimal initiatives based on the important business risks and opportunities clarified through this process.

Key business risks and opportunities

Item	Event	Potential impact	Business impact	Assessment
Transitional Risks Opportunities 2°C scenario	Policy, legal	Risks Adopting carbon taxes Rising business costs, including the cost of fuel and raw materials, due to stricter regulations and carbon taxes	New tax burdens on emissions expected to be incurred with adoption of carbon taxes	High
		Opportunities More rigorous CO₂ emissions and energy conservation regulations Reducing CO₂ emissions intensity through the development of efficient logistics systems	Emissions intensity expected to be reduced by making the Company's logistics systems more efficient in partnership with leading logistics firms	Low
	Markets	Risks Growing demand for low carbon products Declining demand for existing high carbon products	Projections suggest that customers and consumers would move away from existing high carbon products toward low carbon products.	Low
		Opportunities Growing demand for low carbon products (paper products)		High
		Opportunities Promotion of switching from plastic to paper products Increased demand for paper products (bags, cartons)	Growing consumer movement away from plastic products to more eco-friendly paper products due to expanding environmental awareness	High
	Risks Growing demand for recycling materials Rising cost of used paper and other recycling materials	Projections suggest that market prices of used paper and other materials would rise as demand for recycling materials grows, leading to higher manufacturing costs.	Medium	
Reputation	Risks Declining corporate brand value due to inadequate environmental measures Changes in evaluations by stakeholders	Projections suggest that failure to adapt to climate change may lead to exclusion from investments, chiefly by institutional investors, and less favorable lending conditions from financial institutions. Despite the risk of fundraising obstacles, the impact might be controlled by enhancing disclosure and implementing measures to adapt to climate change.	Low	
Physical Risks Opportunities 4°C scenario	Acute	Risks Increasing frequency and scale of weather-related disasters Suspension of operations due to damage to Company facilities and supply chains	Projections suggest that the procurement of raw materials, product deliveries, and other activities may be affected by interruptions of logistics chains due to weather-related disasters.	Low
	Chronic	Risks Increasing numbers of days of fierce heat Inadequate electricity due to growing numbers of days of fierce heat Risks Rising air conditioning and other costs	Projections suggest that growth in demand for electricity due to growing numbers of days of fierce heat may threaten business continuity due to power failures and other consequences.	Low
		Opportunities Improved business sustainability through environmental measures Achieving differentiation from the competition and containing opportunity loss by ensuring a stable supply of products	Projections suggest that the Company can differentiate itself from the competition by increasing its business continuity by adapting to climate change to ensure a stable supply of products and to avoid shortages.	Low

Strengths and initiatives for addressing major opportunities

Event	Strengths and initiatives
Stricter regulations governing CO ₂ emissions and energy conservation	• Rebuilding the head office building to make it highly environmentally efficient • Establishing guidelines on adopting machinery and using machinery with a focus on efficiency • Adopting and expanding facilities to reduce environmental impact—for example, by installing solar power • Promoting the development of efficient logistics systems • Promoting contracts for CO₂-free electricity from renewables • Considering carbon offsets through the purchase of non-fossil-fuel certificates, etc.
Growth in demand for low carbon products Promoting the switch from plastic to paper products	• Together with boosting sales of FSC® and other Forest Products, actively proposing and expanding the lineup of other paper products • Moving ahead with the development of eco-friendly products and proposing their use as substitutes for plastic products
Increasing the sustainability of eco-friendly businesses	• Ensuring stable supplies and effective risk management for emergencies through joint efforts with our four plants in Japan, Group companies, and subcontractor plants • Promoting supply chain resiliency by developing new suppliers and strengthening relations with existing suppliers

Indicators and targets

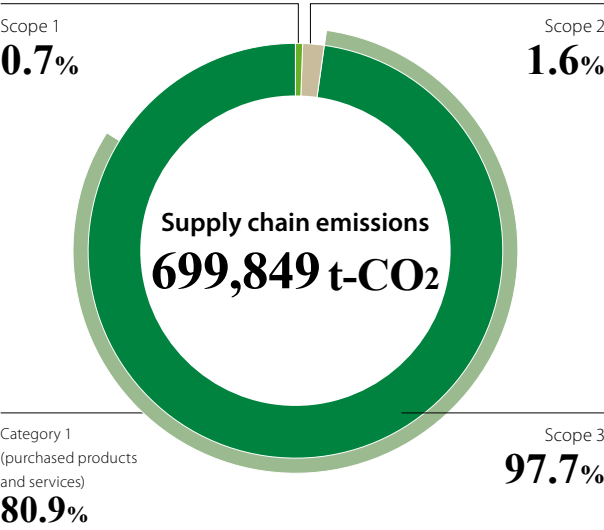
The Pack has established the following indicators and targets. Each business unit will strive to meet these targets under the oversight of the Sustainable Committee.

Supply chain CO₂ emissions results

We have determined that Scope 3, Category 1 emissions (from purchased products and services) account for 80.9% of total supply chain CO₂ emissions. In addition, we will consider ways to reduce total supply chain CO₂ emissions.

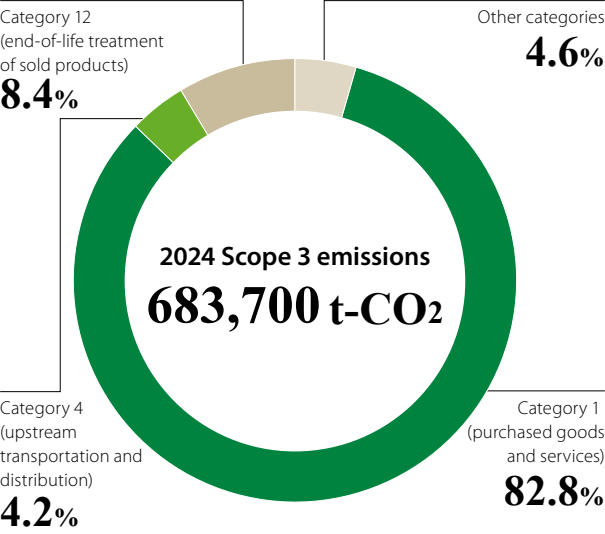
Emissions by scope

Scope	Emissions (t- CO ₂)	Ratio
Scope 1	4,870	0.7%
Scope 2	11,279	1.6%
Scope 3	683,700	97.7%
Supply chain emissions	699,849	100.0%



Scope 3 emissions categories

Category	Emissions (t- CO ₂)	Share of Scope 3 emissions
1 Purchased goods and services	566,381	82.8%
2 Capital goods	19,877	2.9%
3 Activities related to fuel and energy not included in Scopes 1 and 2	3,100	0.5%
4 Upstream transportation and distribution	28,752	4.2%
5 Waste generated by operations	837	0.1%
6 Business travel	443	0.1%
7 Employee commuting	1,339	0.2%
8 Upstream leased assets	—	—
9 Downstream transportation and distribution	5,216	0.8%
10 Processing of sold products	271	0.0%
11 Use of sold products	—	—
12 End-of-life treatment of sold products	57,484	8.4%
13 Downstream leased assets	—	—
14 Franchises	—	—
15 Investments	—	—
Total Scope 3 emissions	683,700	100.0%



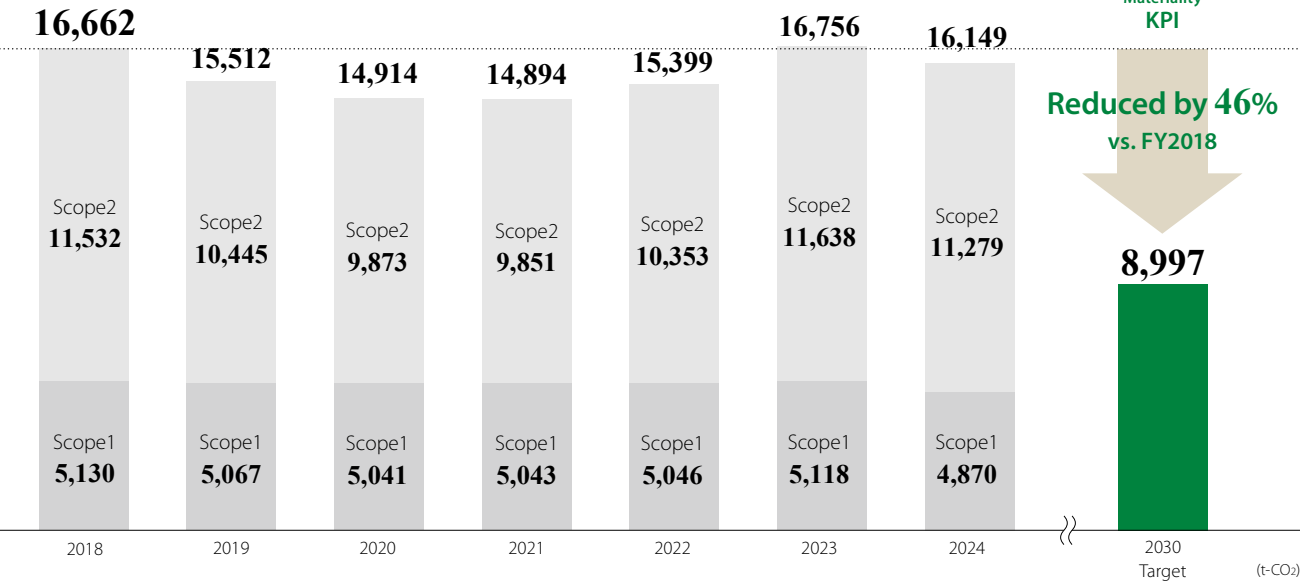
CO₂ emission reduction target (Scopes 1 and 2)

[Target] By 2030, we hope to reduce CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018.

[Scope 1 and 2 results] In 2024, even as sales reached record highs, Scope 1 and Scope 2 emissions decreased 3.6% year-on-year due to efforts such as switching to LED lighting in offices and use of more efficient plant equipment.

We will continue to invest in high-efficiency machinery and activities to conserve energy in 2025 and beyond. Additionally, we will promote various efforts to cut CO₂ emissions, including considering the expanded use of CO₂-free electricity.

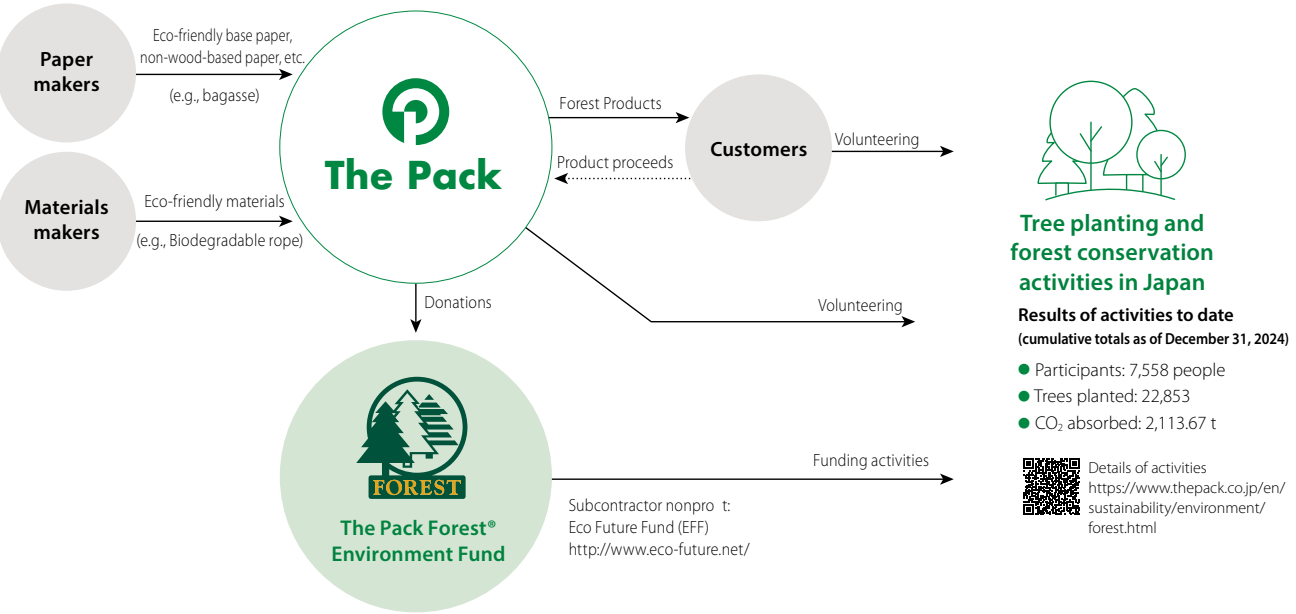
Trends in CO₂ emissions (Scopes 1 and 2)



Activities of The Pack Forest® Environment Fund

We've been developing eco-friendly products since 1993, contributing a portion of our sales to fund forestry conservation activities. In 2000, we established The Pack Forest® Environment Fund and launched volunteer activities to plant and thin forested areas. We also contribute funding for forestry conservation activities. A portion of this fund is allocated to purchasing saplings and other forestation resources. Several times a year we engage in joint activities with the nonprofit Eco Future Fund (EFF). To date, we've planted trees in nine locations across Japan, with the participation of not just The Pack employees but also customers, public agencies, nonprofits, and the general public. This activity also enables customers using eco-friendly products to contribute to forest conservation activities through their packages. In 2023, we identified as materiality KPIs undertaking 15 activities/year, with 500 participants, under The Pack Forest® Environment Fund and increasing the number of companies supporting The Pack Forest® Environment Fund to 300 companies. We remain committed to promoting and expanding these activities while planting trees on even more sites.

The Pack Forest® Environment Fund system



Trends in activity results

	2020*	2021*	2022	2023	2024	2030 target
Annual activities (times)	0	0	4	9	8	15
Annual participants (persons)	0	0	111	253	230	500

*Activities cancelled due to the COVID-19 pandemic

FSC®-certified products (paper bags, paper cartons, corrugated boxes) as a percentage of sales and related targets

The Pack has earned FSC® Chain-of-Custody certification for paper and paper products using FSC®-certified materials and controlled material. This means our customers can use packages made of raw materials from properly managed FSC®-certified forests and recycled materials. In 2023, we identified a ratio of sales of FSC®-certified products (paper bags, paper containers, corrugated boxes) to total sales of at least 50% as a materiality KPI.

FSC®-certified products (paper bags, paper cartons, corrugated boxes) as a percentage of sales						Materiality KPI
	2020	2021	2022	2023	2024	2030 target
Percentage (%)	10.8	13.2	17.4	20.2	21.2	50% or higher

*1 Sales = The Pack paper products business as a whole (nonconsolidated)

We value and nurture people.

Diverse human resources

With an emphasis on human resource development, The Pack maintains comfortable workplaces where diverse human resources can demonstrate their individuality and abilities. We will continue to respond to changes in society and develop attractive systems.

Promoting women in the workplace

We believe that an environment in which women can thrive is necessary if all employees are to work in comfort. In 2021, based on an analysis of various issues related to the creation of working environments where people can comfortably work over the long term, we established our targets for the future.

Action plan on promoting women in the workplace

- Plan period: April 1, 2021 – March 31, 2026
- Targets:
 - (1) Women accounting for at least 25% of permanent full-time employees
 - (2) Women accounting for at least 35% of permanent full-time employees (new graduates) hired
 - (3) Women accounting for at least 10% of managerial personnel (managers and above)
- Issues and initiatives: One issue we face is the low number of women personnel. This means that women account for a small percentage of managerial personnel. In addition to hiring based on an awareness of the gender of new graduates hired, we plan to implement training on understanding the issues of diversity, gender, and systemic bias.

Women as a percentage of permanent full-time employees (Figures for each fiscal year are as of December 31)						
	2020	2021	2022	2023	2024	2026 target
All permanent full-time employees (persons)	881	841	835	840	862	–
Women permanent full-time employees (persons)	176	167	171	181	198	–
Percentage accounted for by women (%)	20.0	19.9	20.5	21.5	23.0	25% or higher

Women as a percentage of permanent full-time employees (new graduates) hired (Figures for each fiscal year are as of December 31)						
	2020	2021	2022	2023	2024	2026 target
All permanent full-time employees hired (persons)	13	20	28	28	42	–
Women permanent full-time employees hired (persons)	6	7	14	14	15	–
Percentage accounted for by women (%)	46.2	35.0	50.0	50.0	35.7	35% or higher

Women as a percentage of managerial personnel (managers and above) (Figures for each fiscal year are as of December 31)							Materiality KPI
	2020	2021	2022	2023	2024	2026 target	2030 target
All permanent full-time employees hired (persons)	208	206	209	206	194	–	–
Women permanent full-time employees hired (persons)	11	10	14	13	14	–	–
Percentage accounted for by women (%)	5.3	4.9	6.7	6.3	7.2	10% or higher	15% or higher

Gender pay gap

The Pack applies a gender-neutral payroll structure. The key factors underlying the gap between male and female pay are average age, percentages in managerial positions, and overtime, shift work, late-night work, and other allowances in manufacturing workplaces, where men make up a large portion of the workforce. To eliminate this gap, we plan to promote highly capable women to managerial positions and to increase the percentage of women among new graduate hires for career track positions by emphasizing ability regardless of gender.

Women's pay as a percentage of men's pay (Figures for each fiscal year are as of December 31)		
	2023	2024
Regular workers (%)	75.1	73.7
Nonregular workers (%)	64.5	59.6
All workers (%)	55.8	56.6

Subject period: January 1 – December 31
Regular workers: Permanent full-time employees (including secondees currently posted outside the organization); nonregular workers: contracted employees, reemployees, part-time employees
Pay: Includes commuting allowance.

The Pack’s own maternity and paternity leave program

In April 2022, we introduced our own maternity and paternity leave to make it easier for men to take paternity leave. To support a spouse’s childbirth and childcare, employees are entitled to take 20 days of paid leave in single-day increments from one week before the planned birth date to one day before the child’s second birthday. In addition to parental leave, we have created an environment that makes it easier for employees to take leave.

Numbers and percentages of employees taking childcare leave (Figures for each fiscal year are as of December 31) * Subject: all employees excluding part-time employees

		2020	2021	2022	2023	2024
Number of employees taking childcare leave (persons)	Female	11	15	11	10	15
		100.0	100.0	100.0	100.0	100.0
Percentage of employees taking childcare leave (%)	Male	0	0	3	10	21
		0	0	13.0	40.0	87.5

Building and deepening a trustful relationship with business partners and customers

Quality control

The Pack has established a quality control organization to ensure high product quality, and performs ongoing training and education and other activities related to quality and safety, and considers measures to consider and reflect complaints and irregularities. A quality control supervisory division under the direct supervision of the President has been established as an autonomous section in charge of oversight and supervision quality. This division works with manufacturing quality control sections to improve product quality. In 2023, we established quality control and quality assurance departments within the quality control supervisory division. We are striving to improve quality from a broad perspective through efforts to meet customer needs and improve manufacturing workplaces based on the twin perspectives of quality assurance from the buyer’s point of view and quality control from the manufacturer’s point of view.

A Quality Policy: Increasing customer satisfaction through enhanced quality

The Pack strives to improve customer satisfaction by providing safe, reliable, high quality products to customers based on effective product design, development, manufacture, sales, and services, chiefly for its core business of packaging materials. This Quality Policy represents the foundations of our quality improvement activities and the basis of all our initiatives. In addition to meeting the requirements of laws, regulations, and other rules, we make every effort to ensure that the entire organization is aware of the importance of satisfying customer requirements.

Our thinking on quality

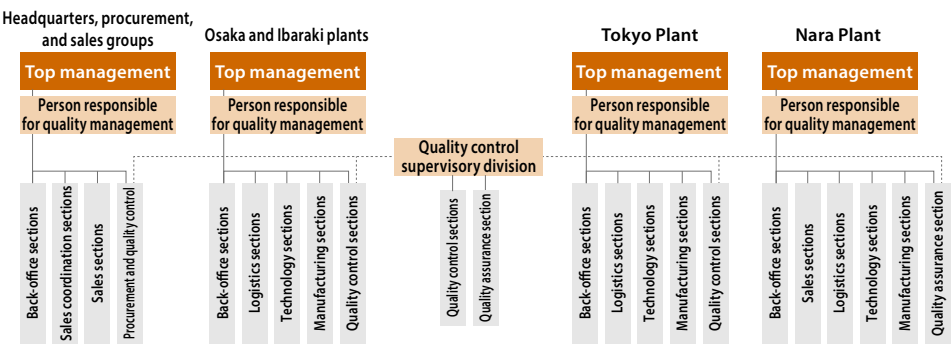
The Pack pursues quality to satisfy all our customers. It takes the following three steps to ensure high product quality:

- Thinking about quality first in product development and production
- Striving to improve customer satisfaction and functionality while ensuring stable supply
- Striving to build, maintain, and improve quality control systems

We also seek to strengthen product quality through ongoing joint efforts with manufacturing subcontractors. We investigate any quality deviations discovered and assess their effects on product quality and the scope of such impact, as well as thoroughly investigating their causes. We identify the underlying causes of such issues and take corrective measures to prevent their recurrence. We are currently building a structure to facilitate urgent reporting and immediate information sharing Companywide in response to complaints or irregularities involving products already delivered.

Quality control organization chart

A quality control organization has been established at four domestic plants and the headquarters, procurement, and sales groups to unify quality control and improve operations. The quality control supervisory division takes the lead in preventing quality deviations and human error.



Traceability

Our plants undertake the following comprehensive management, in accordance with management rules and procedures, based on traceability:

- 1 Using traceable raw materials
- 2 Recording and retaining details of individual manufacturing processes
- 3 Identifying conforming and nonconforming products at each manufacturing process, starting from raw materials acceptance

We also maintain the following systems to swiftly implement initial response, investigations, and countermeasures in the event of a quality issue:

- 1 Use of urgent reporting systems for immediate sharing of information Companywide
- 2 Securing advanced analytical instruments and technologies to identify causes

These management systems are part of our system for minimizing recalls by making it easy to identify the causes of any quality issues discovered in the steps from raw materials acceptance through each manufacturing process, storage, sale, and consumption.

Co-creation with customers and partners

Logistics Web truck reservations reception service

We recognize the impact on logistics of working hours regulations introduced in 2024 to be an important management topic. With reference to government guidelines, we are enhancing efforts to improve efficiency and reduce workloads on delivery drivers and logistics workplaces. In one such effort, our logistics center in Iruma-gun, Saitama Prefecture introduced a Web truck reservations reception service. Through this service, truck unloading schedules are received in advance to handle unloading work efficiently. This dramatically reduces the time drivers spend waiting for unloading at the logistics center, keeping the average time spent in the logistics center to about one hour. It also enables the center to ascertain the who, what, where, when, why, and how of logistics information in advance for more efficient unloading work.

Proposing support for The Pack Forest® Environment Fund

In 2023, we identified Earning the support of 300 firms for The Pack Forest® Environment Fund as a materiality KPI, and through our packages we are extending the range of contributions to forest conservation activities together with supporting customers. In 2024, 158 companies supported the Fund, and 66 customer personnel participated in the forest conservation activities. We will continue striving to grow the number of supporting firms, as we co-create brand value and foster environmental awareness in society through these activities.

The number of supporting firms						Materiality KPI
	2020	2021	2022	2023	2024	2030 target
Supporting firms (companies) *1	44	67	94	123	158	300

*1 Only companies with actual results are counted.

System for oversight by Outside Officers

The Company has appointed three Outside Directors and two Outside Corporate Auditors. All five have no personal, capital, or business relationships with our Company and are completely independent. The independence of Outside Directors is in accordance with the requirements of the Companies Act and the standards of the Tokyo Stock Exchange.

Based on their experience and sphere of expertise, Outside Directors contribute to increasing the efficacy of the Company's corporate governance through oversight from an objective, neutral point of view. One of the three Outside Directors are qualified as certified public accountants or tax accountants and possess specialized insights in these fields. Another Outside Director offers extensive business experience and insights with a company listed on the Tokyo Stock Exchange Prime Market from another industry. The other offers extensive experience and insights drawn from experience in finance.

Director skills and diversity

In light of the roles played by the Board of Directors in overseeing business operations and making important decisions, the Company deems it essential that the Board consist of members who possess a wide range of perspectives and advanced skills, based on their diverse experiences. Accordingly, it has established the following standards for the selection of Directors.

- 1 Directors must be able to make their best efforts to achieve sustained growth and medium- to long-term increases in corporate value based on the Group's corporate philosophy and policies.
 - 2 They must possess outstanding character, insights, and ethical standing befitting Directors.
 - 3 They must possess the drive and abilities needed to perform their duties as Directors with integrity.
 - 4 Outside Directors must possess insights and a wealth of experience in fields such as corporate management, the law, or financial accounting and must satisfy the requirements of Outside Directors under Article 2, Paragraph 15 of the Companies Act and the independence criteria established by the Company.
 - 5 Directors in executive positions (Representative Directors, the Chairperson, the President, Vice-Presidents, Executive Directors, and Managing Directors) must be chosen from among Directors who have career histories, abilities, leadership, medium- to long-term perspectives, and high ethical standing befitting representatives of the Company.
 - 6 They must not be disqualified from serving as Directors under laws or regulations.
- Candidates for Directors are chosen from among persons who satisfy the above standards and appointed by the Board of Directors following screening by the optional Nomination Committee.

Assessment of the efficacy of the Board of Directors

To improve the efficacy of the Board of Directors, we implement annual self-assessment surveys of all Directors and Corporate Auditors.

Assessment method	Questionnaires on the efficacy of the Board of Directors are distributed to all Directors and Corporate Auditors at a Board meeting each December. The efficacy of the Board is analyzed and assessed based on all answers collected from the completed questionnaires in a Board meeting in January of the following year. Efforts to make improvements are based on these findings.
Response format	Scoring, with spaces for freeform comments
Response method	Not anonymous

Executive remuneration structure

The Company's executive remuneration system is intended to maintain a competitive position within the industry while improving business results, continually strengthening corporate value, sharing profits with shareholders, and reflecting job responsibilities and results.

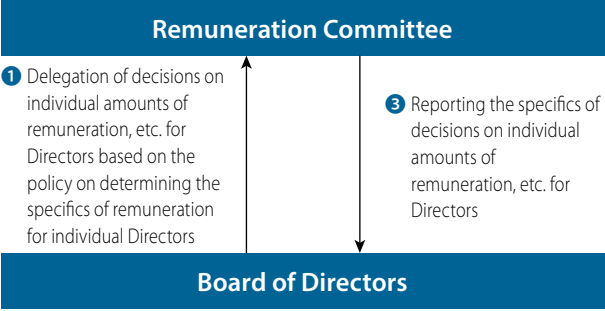
Remuneration system	Details
Fixed remuneration	Fixed remuneration figures are determined by considering the base compensation determined in accordance with the Director's position and responsibilities as remuneration for job execution. It is paid as a fixed monthly amount.
Bonuses (performance-linked remuneration)	Bonuses serve as an incentive to improve business results and increase corporate value over the short term. They are paid based on a fixed percentage of the indicator of annual consolidated operating income. The Remuneration Committee determines bonuses with consideration for the contribution of each Director to the businesses of which he or she is in charge, and they are paid at fixed times each year. This indicator was chosen because it makes it possible to verify objectively the results and responsibilities of the management team.
Share-based remuneration stock options (performance-linked remuneration)	The share-based remuneration stock options program awards share acquisition rights on Company stock to Directors as an incentive to improve business results and increase corporate value over the medium to long term based on shared awareness with shareholders of the risks and rewards of stock-price fluctuations. Only when the rate of growth in consolidated financial results (net sales and operating income) in the fiscal year in which the share acquisition rights were allotted was at least 100% vs. the previous fiscal year may a holder of share acquisition rights exercise all share acquisition rights allotted in that fiscal year. If the rate of growth was less than 100%, then only a portion of the share acquisition rights allotted in that fiscal year, based on the rate of growth, may be exercised. With the adoption of a share-based remuneration program based on transfer-restricted shares, stock options other than those already allotted have been discontinued. New options will not be issued.
Share-based remuneration program through transfer-restricted shares	The share-based remuneration program based on transfer-restricted shares is a remuneration program adopted to replace the share-based remuneration program of stock options. The goal is to enhance value-sharing with shareholders and contribute to mid- to long-term growth in corporate value. Based on a resolution of the Company Board of Directors, monetary remuneration claims are paid each business year as remuneration related to transfer-restricted shares. Each Director is allotted shares of Company common share through the payment of all monetary remuneration claims as investments in kind. Later, restrictions on the transfer of allotted shares are waived after the Director resigns.

The executive compensation decision-making process

A policy on determining specific compensation figures for individual Directors was approved by a resolution of the Board of Directors at its December 26, 2022, meeting. In accordance with this policy and the rules governing it, the Board delegated to the Remuneration Committee decisions on individual amounts of remuneration, etc. for Directors for the business year under review. The Remuneration Committee makes decisions on individual amounts of remuneration, etc. for Directors while verifying consistency with this policy and specific rules on such decisions.

The Board also checks to make sure that the method of deciding the specifics of individual remuneration, etc., and the specifics of such remuneration, etc., for Directors are consistent with this policy. The Board has determined that this remuneration does comply with the policy.

- 2 Decisions on individual amounts of remuneration, etc. for Directors based on the policy on determining the specifics of remuneration for individual Directors and specific rules on such decisions



➡ For details, refer to the Securities Report or the Corporate Governance Report.

Policy, verification, and exercise of voting rights concerning cross-shareholdings

The Company's basic policy is to avoid cross-shareholdings except when they contribute to sustained business growth and strengthen transaction relationships through joint efforts with the issuer company. The Board of Directors reviews the propriety of individual holdings in detail on a quarterly basis and strives to reduce shareholdings if they are judged not to comply with this policy based on consideration of perspectives such as the economic value and capital cost of each issue, strategic relations, and importance.

Voting rights on cross-shareholdings are exercised appropriately based on a close examination of the specifics of resolutions to determine whether they would contribute to increased shareholder value. In principle, we exercise voting rights properly on all resolutions.

Dialogue with shareholders and investors

The Pack holds briefings on financial results, meets with individual institutional investors, and engages in other activities to deepen understanding of various matters, including its business activities, management strategies, and ESG initiatives. The views of shareholders and investors gathered through such dialogues are reflected in management with the aim of increasing corporate value.

Compliance structure

In addition to enhancing internal systems, we respond to legal issues based on consultations with outside advising attorneys as necessary in individual cases. The Legal Department in the Corporate Division strives to enhance structures for management and education regarding matters such as laws, regulations, social norms, and contracts with counterparties.

C-Line (internal whistleblowing system)

We established the C-Line (Compliance Line) as a contact point for whistleblowing and consultations regarding violations of laws and regulations and similar incidents inside the Company. This system is intended to ensure fair and sound corporate management by raising awareness of compliance among all employees; preventing inappropriate actions, such as violations of laws and regulations; and swiftly detecting and rectifying any improprieties or problems.

Protection of personal information

We have established a Privacy Policy and Guidelines on the Protection of Personal Information, which concern matters including why and how we use personal information and how personal information is managed and safeguarded.

Compliance training and awareness raising

We draw on the corporate intranet and other means to communicate information for internal compliance training and to inform employees of legal information. We also strive to provide training on and to raise awareness of compliance through training and educational opportunities, including internal legal courses.

Corporate General Manager oversees compliance management in The Pack Group and maintains related systems. Corporate General Manager guides the Compliance Committee toward its goals to promote compliance at The Pack and its subsidiaries and appoints Committee members. In addition, Corporate General Manager maintains rules and implements periodic training on various topics to raise awareness of such topics among all related parties. These topics include harassment, mental health, and information security.

Risk management structure

We strive to maintain a systematic risk management structure to respond to risks in various areas, such as business, management, markets, and credit (including risk prevention), and to accurately ascertain, analyze, and address risks such as human risks, natural disasters, and both internal and external risks.

In the sphere of legal and regulatory compliance, we have established The Pack Group Code of Conduct to set forth principles to serve as standards for actions and judgments with which executives and employees of Group companies must comply.

➡ Code of Conduct
<https://www.thepack.co.jp/en/company/codeofconduct.html>

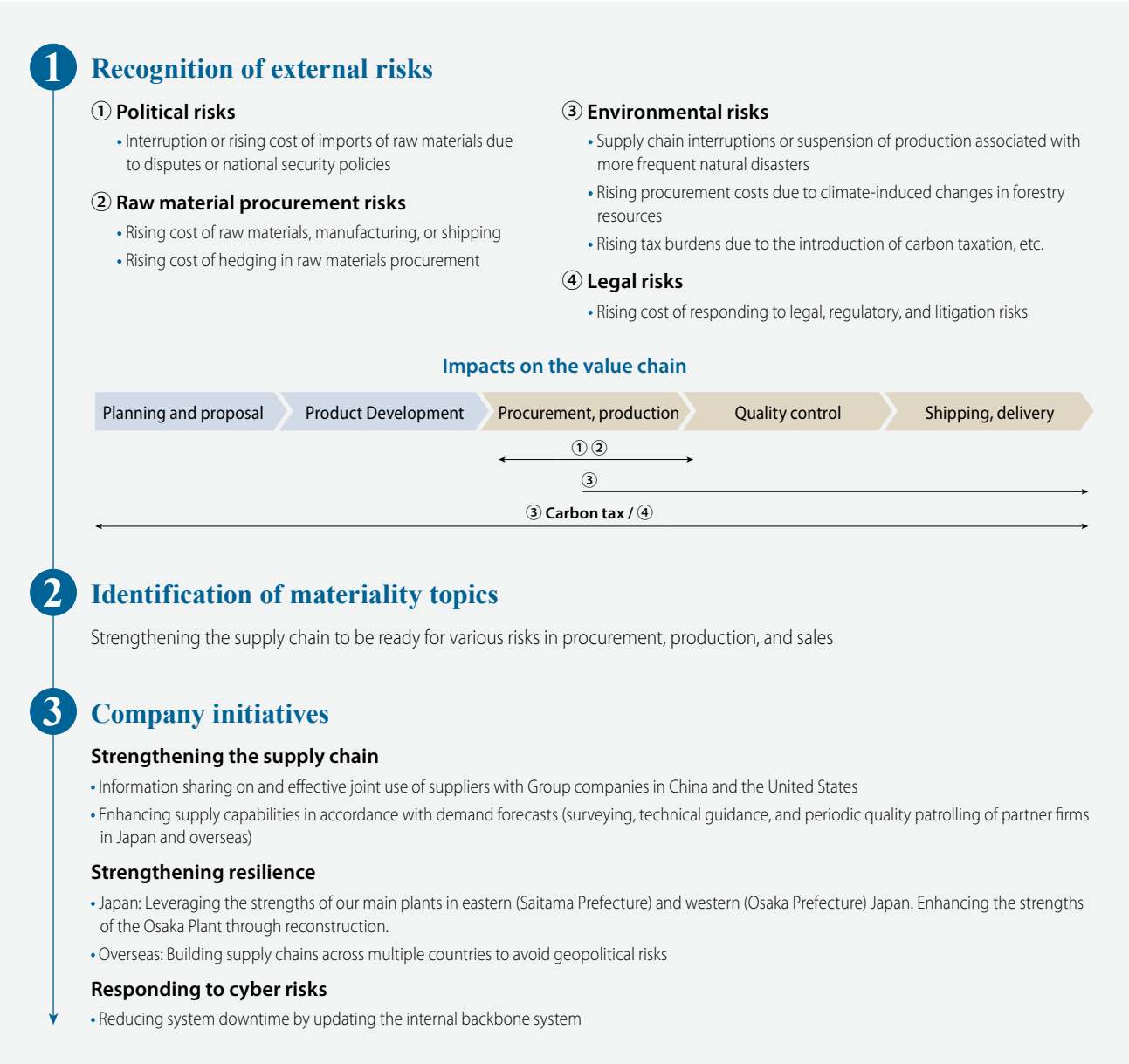
Internal controls

Pursuant to the Companies Act and the Enforcement Regulations to the Companies Act of Japan, we maintain the internal controls systems needed for efficient management by securing the propriety of business operations and pursuing business appropriately within the Company and at Group member companies.

➡ Basic Policy on Internal Controls
<https://www.thepack.co.jp/en/company/basicpolicyoninternalcontrols.html>

Promoting supply chain risk management

The Pack recognizes the importance of maintaining the continuity of production lines and supply chains in the face of uncertainty and unpredictability. We recognize external risks that threaten supply chain continuity and their impacts on the value chain and we consider such matters as part of important materiality topics. Touched on below are the related internal systems and efforts to promote supply chain risk management.





Teruo Takinoue
Chair and CEO

Career history

April 1984 Joined the Company
January 2008 General Manager, Osaka Production Division

March 2011 Director
January 2012 Deputy Divisional General Manager, Production Division

April 2014 Divisional General Manager, Packaging Products Division
March 2015 Managing Director
January 2017 Divisional General Manager, Production Division

March 2018 Senior Managing Director
March 2022 Vice President
March 2025 Chair and CEO (to present)



Norio Ashida
Managing Director
Divisional General Manager,
Production Division

Career history

April 1986 Joined the Company
January 2011 General Manager, Tokyo Sales Division No. 4

January 2015 Corporate Officer
January 2019 Managing Corporate Officer
January 2019 Divisional General Manager, Eastern Japan Sales Division
January 2019 Managing Director (to present)
March 2020 Deputy Divisional General Manager, Sales Division (to present)
March 2024 Divisional General Manager, Sales Division
March 2025 Divisional General Manager, Production Division (to present)



Ikuo Shimomura
Director
Corporate General Manager

Career history

April 1989 Joined the Company
January 2009 General Manager, Department No. 3, Tokyo Sales Division No. 3
January 2016 General Manager, Tokyo Sales Division No. 2

January 2021 Corporate Officer
January 2023 Deputy Divisional General Manager, Corporate Division
March 2024 Director (to present)
March 2024 Corporate General Manager (to present)



Kaoru Kasahara
Outside Director

Career history

March 1989 Joined Pigeon Corporation
February 2010 President and COO, Pigeonwill Corporation

February 2014 Corporate officer and Deputy Division Manager, Domestic Baby & Mother Care Business Division, Pigeon Corporation
February 2015 Corporate officer and Division Manager, Research and Development Division, Pigeon Corporation
February 2019 Director, Pigeon Manufacturing Ibaraki Corporation

March 2022 Director, the Company (to present)
April 2023 Outside Independent Director, Morozoff Ltd. (to present)



Naoki Nakamura
President and CEO

Career history

April 1989 Joined the Company
January 2008 General Manager, Department No. 3, Tokyo Sales Division No. 1
January 2013 General Manager, Chugoku-Shikoku Sales Division
January 2017 Corporate Officer
January 2017 General Manager, Kansai Sales Division No. 2
January 2019 Managing Corporate Officer
January 2019 General Manager, Western Japan Sales Division
January 2021 General Manager, Kyushu Sales Division
March 2024 Managing Director
March 2025 President and CEO (to present)



Ryuichi Watanabe
Managing Director
Divisional General Manager,
Sales Division

Career history

April 1987 Joined the Company
January 2016 Corporate Officer
January 2016 General Manager, Tokyo Sales Division No. 1
January 2019 Head, Sales Management Division (to present)
January 2021 General Manager, Tokyo Sales Division No. 2
March 2022 Managing Corporate Officer
March 2022 Divisional General Manager, Eastern Japan Sales Division
March 2025 Managing Director (to present)
March 2025 Divisional General Manager, Sales Division (to present)



Uichiro Nishio
Outside Director

Career history

March 1982 Registered as certified public accountant
December 1983 Registered as certified tax accountant
July 1999 Representative Partner, Seiwa Audit & Accounting Firm
July 2002 Representative Partner, Deloitte Touche Tohmatsu LLC
April 2005 Professor, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University (to present)
March 2015 Corporate Auditor, the Company
June 2015 Outside Corporate Auditor, Araya Industrial Co., Ltd. (to present)
June 2016 Outside Corporate Auditor, KMEW Co., Ltd. (to present)
March 2018 Director (to present)



Reiji Domoto
Outside Director

Career history

April 1986 Joined Sumitomo Bank, Limited
April 2011 Head, Kinki Corporate Institutions, SMBC Nikko Securities Inc.
April 2013 Head, Sembu Corporate Business Office, Sumitomo Mitsui Banking Corporation
April 2015 Executive Officer, Sumitomo Mitsui Banking Corporation
August 2019 Executive Officer, SMBC Nikko Securities Inc.
March 2021 Managing Executive Officer, SMBC Nikko Securities Inc.
August 2024 Established Two Wheels Consulting Co., Ltd.
March 2025 Representative Director, Two Wheels Consulting Co., Ltd. (to present)
March 2025 Director (to present)



Yasuhiro Takagi
Standing Corporate Auditor

Career history

April 1987 Joined the Company
January 2010 General Manager, Tokyo Purchasing Department, Purchasing Division
January 2012 General Manager, Purchasing Administration Department, Purchasing Division
January 2016 General Manager, Purchasing Division
March 2024 Standing Corporate Auditor (to present)



Haruyasu Ito
Standing Corporate Auditor

Career history

April 1984 Joined the Company
January 2016 General Manager, Section 2 of Tokyo Sales Division No. 2
January 2019 Managing Director, Kannaru Printing Co., Ltd.
March 2020 President and CEO, Kannaru Printing Co., Ltd.
February 2022 Director, the Company (to present)
March 2022 Deputy Divisional General Manager, Production Division (to present)
January 2023 In charge of Quality Management Control Dept.
March 2024 General Manager, Nara Production Division
March 2025 Standing Corporate Auditor (to present)



Hisayoshi Tamakoshi
Outside Corporate Auditor

Career history

April 1992 Registered as attorney-at-law
August 1998 Established Tamakoshi Law Firm (to present)
June 2013 Outside Corporate Auditor, Tomoshia Holdings Co., Ltd. (to present)
March 2015 Corporate Auditor, the Company (to present)



Norimasa Iwase
Outside Corporate Auditor

Career history

April 1983 Joined Nisshin Audit Corporation
March 1986 Registered as certified public accountant
November 1989 Registered as certified tax accountant
May 1992 Established Iwase CPA Office (to present)
March 2018 Corporate Auditor, the Company (to present)

Skills matrix

Name	Current post	Independence	Gender	Corporate management	Management planning, M&A	Sales, marketing	Manufacturing, technological development	Finance, accounting	Personnel, HR development	Legal, risk management	Overseas businesses, international experience	Sustainability
Teruo Takinoue	Chair and CEO		M	●			●			●		●
Naoki Nakamura	President and CEO		M	●		●				●		●
Norio Ashida	Managing Director		M	●		●					●	●
Ryuichi Watanabe	Managing Director		M	●		●					●	●
Ikuo Shimomura	Director		M	●	●	●		●	●	●		●
Uichiro Nishio	Outside Director	●	M		●			●		●		●
Kaoru Kasahara	Outside Director	●	F	●		●	●		●			●
Reiji Domoto	Outside Director	●	M	●	●	●		●				●

Definition of each category

Corporate management	Formulates and manages appropriate strategies and management policies to increase corporate value, based on assessments of business conditions subject to diverse change.
Management planning, M&A	Knowledgeable concerning markets and competitors or M&A activities; formulates and manages medium- to long-term management plans.
Sales, marketing	Highly knowledgeable concerning products and markets; accurately identifies customer needs and formulates and executes sales strategies to grow sales and earn profits.
Manufacturing, technological development	Possesses product knowledge and production knowhow and supervises productivity improvements and quality maintenance; promotes research and technology development.
Finance, accounting	Possesses extensive knowledge concerning finance, accounting, taxation, and related subjects and ascertains Company business conditions; solves related issues; formulates financial strategies.
Personnel, HR development	Highly experienced in organizational development and human resource training and development; promotes human-capital enhancement.
Legal, risk management	Knowledgeable of the law, governance, and compliance; promotes the establishment of appropriate governance systems to increase the efficacy of management oversight by the Board of Directors.
Overseas businesses, international experience	Possesses overseas work experience or overseas knowledge and formulates and oversees international business strategies.
Sustainability	Possesses sustainability management perspectives essential to sustained corporate growth and progress.

Financial data (consolidated)

Unit			FY2015	FY2016	FY2017	FY2018		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Business results	Net sales	Million yen	88,043	89,174	90,313	93,126		95,502	78,445	79,690	89,060	97,714	101,461
	Operating profit	Million yen	6,232	6,484	7,273	6,924		6,850	3,275	4,144	5,972	7,743	8,009
	Ordinary profit	Million yen	6,468	6,825	7,589	7,212		7,199	3,606	4,422	6,353	8,063	8,285
	Profit attributable to owners of parent	Million yen	4,067	4,540	5,209	4,968		4,700	2,392	2,824	4,058	5,652	6,316
	Return on equity (ROE)	%	9.2	9.7	10.2	9.0		8.2	4.1	4.6	6.4	8.3	8.7
	Return on invested capital (ROIC)	%	8.9	9.0	9.4	8.4		8.2	3.8	4.7	6.4	7.6	7.5
Financial standing	Total assets	Million yen	73,142	76,291	81,928	86,495		88,446	83,556	87,422	94,365	98,847	103,292
	Net assets	Million yen	45,412	48,603	53,457	56,775		58,495	59,739	62,032	65,371	71,156	74,485
	Capital adequacy ratio *1	%	62.0	63.6	65.1	65.4		66.0	71.4	70.9	69.2	71.9	72.1
	Interest-bearing debt *2	Million yen	0	0	0	315		79	30	85	60	34	83
	Capital investment	Million yen	1,657	1,124	1,543	1,218		1,933	3,748	2,637	3,605	7,406	6,123
	Depreciation	Million yen	1,777	1,784	1,645	1,761		1,713	1,850	2,029	1,992	2,082	2,416
Cash flow	Cash flows from operating activities *3	Million yen	4,882	6,597	6,873	6,742		6,599	3,155	7,217	5,380	4,443	7,101
	Cash flows from investing activities	Million yen	-2,840	-4,144	452	-4,705		-4,136	-5,013	-3,460	-3,762	-3,962	-5,436
	Cash flows from financing activities	Million yen	-1,744	-995	-992	-2,059		-3,319	-1,214	-1,029	-1,124	-1,407	-3,041
	Cash and cash equivalents at end of period	Million yen	11,451	12,900	19,228	19,181		18,307	15,224	18,067	18,653	17,812	16,656
Per-share information	Net assets per share (BPS)	yen	2,312.73	2,474.25	2,720.34	2,885.27		3,076.27	3,141.09	3,261.64	3,436.46	3,736.44	3,964.51
	Basic earnings per share (EPS)	yen	205.94	231.47	265.56	253.25		243.89	126.01	148.71	213.55	297.07	333.52
	Dividends per share	yen	50.00	50.00	50.00	50.00		55.00	60.00	50.00	65.00	90.00	118.00

Nonfinancial data (nonconsolidated)

Unit			FY2020	FY2021	FY2022	FY2023	FY2024
Environmental	CO ₂ emissions (Scope 1)	t-CO ₂	5,041	5,043	5,046	5,118	4,870
	CO ₂ emissions (Scope 2)	t-CO ₂	9,873	9,851	10,353	11,638	11,279
	CO ₂ emissions (Scope 3)	t-CO ₂	—	611,310	676,931	693,899	683,700
	CO ₂ emissions intensity (four plants)	g-CO ₂ /yen	1.99	2.02	2.08	1.68	1.70
	Electricity use	MWh	23,644	24,232	26,543	26,739	27,635
	City gas use	Km ³	1,978	1,998	1,978	2,010	2,017
	LPG gas use	t	4.8	7.3	12.7	13.0	56.2
	Other fuel use (kerosene, forklift diesel, and gasoline at four plants)	kL	179	177	172	170	85
	Renewable energy use	MWh	313.304	307.426	556.663	661.811	662.236
	Water use	Km ³	74	79	69	74	85
	Industrial waste emissions	t	17,653	18,407	17,973	17,461	17,335
	Recycling	t	17,592	18,344	17,913	17,144	17,263
	Recycling rate	%	99.7	99.7	99.7	98.2	99.6
	Sales of Forest Products	Million yen	1,276	1,606	2,105	2,574	2,791
	Sales of FSC®-certified products	Million yen	4,851	6,630	9,421	12,155	13,351
	Participants in forest conservation activities	Persons	0	0	111	253	230
	Number of forest conservation activities	Times	0	0	4	9	8

*1 The equity ratio is (equity capital / total assets), using financial results figures on a consolidated basis.
*2 Interest-bearing debt represents all liabilities on the consolidated balance sheet on which interest is paid.
*3 Operating cash flow and interest payments represent cash flow from operating activities and interest paid on the consolidated statement of cash flows.
*1 As of March 31 *2 During the examination period of April 1 through March 31 of the following year

Unit			FY2020	FY2021	FY2022	FY2023	FY2024
Social	Full-time employees (of which, women)	Persons	881 (176)	841 (167)	835 (171)	840 (181)	862 (198)
	Women as a percentage of full-time employees	%	20.0	19.9	20.5	21.5	23.0
	Managerial personnel (of which, women)	Persons	208 (11)	206 (10)	209 (14)	206 (13)	194 (14)
	Women as a percentage of managerial personnel	%	5.3	4.9	6.7	6.3	7.2
	Gender pay gap (full-time employees)	%	73.9	71.0	74.7	75.1	73.7
	Percentage of employees with disabilities*1	%	1.8	1.8	1.6	2.1	1.9
	Percentage of employees taking annual paid vacation	%	57.3	46.0	58.3	56.5	62.7
	Percentage of employees undergoing regular health checkups*2	%	100.0	100.0	100.0	100.0	100.0
	Percentage of employees undergoing stress checks	%	97.2	97.4	96.9	96.0	98.6
	Number of employees using skills-improvement support programs (total)	Persons	10	9	23	21	20
	Number of employees using comprehensive reduced working hours programs (total)	Persons	7	10	9	12	10
	Number of employees taking childcare leave (of which, men)	Persons	11 (0)	15 (0)	14 (3)	20 (10)	36 (21)
	Percentage of male employees taking childcare leave	%	0	0	13.0	40.0	87.5
	Students participating in hands-on manufacturing classes	Persons	541	267	431	309	274

Unit			FY2020	FY2021	FY2022	FY2023	FY2024
Governance	Number of Directors (of which, women)	Persons	9 (0)	9 (1)	9 (1)	9 (1)	8 (1)
	Percentage of directors who are women	%	—	11.1	11.1	11.1	12.5
	Number of Outside Directors	Persons	2	2	3	3	3
	Percentage of Outside Directors	%	22.2	22.2	33.3	33.3	37.5

Company overview

Name	The Pack Corporation
Representative	Naoki Nakamura, President and CEO
Address	Headquarters: 9-3, 2-chome, Higashiobase, Higashinari-ku, Osaka-shi, Osaka 537-8911, Japan
Founded	1878
Incorporated	May 10, 1952
Capital	2,553,505,600 yen
Number of employees	1,196 (consolidated), 862 (nonconsolidated)
Lines of business	Planning, manufacturing, and sale of paper bags, paper cartons, corrugated boxes, film packaging, etc.

Facilities and Group companies

- The Pack Corporation Headquarters, Tokyo Head Office
- Group company

Japan



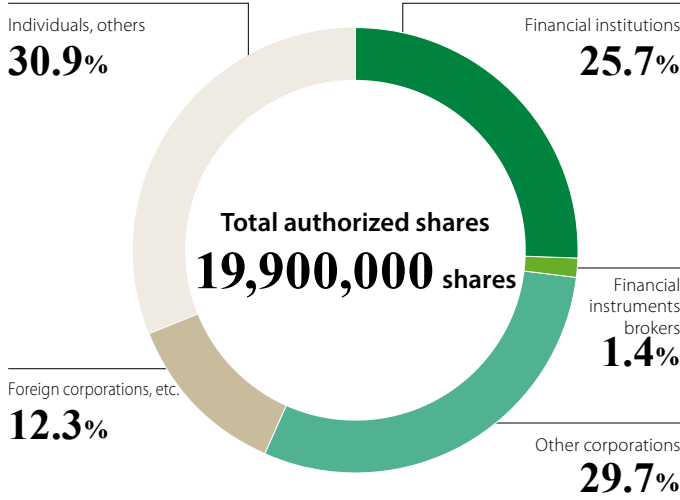
International



Share information

Listed exchange	Tokyo Stock Exchange Prime Market
Securities code	3950
Total authorized shares	77,000,000
Total shares issued and outstanding	19,900,000 (including 1,118,364 shares of treasury stock)
Shareholders	15,235
Basis date	December 31
Trading unit	100 shares

Distribution of owners



Major shareholders

Shareholder name	Shares held (thousand)	Percentage of shares held (%)
Morita Kinen Fukushizaidan	2,081	11.08
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,361	7.25
The Pack Trading Partners Stock Ownership Plan	1,261	6.71
BBH for Fidelity Low-Priced Stock Fund (Principal All Sector Subportfolio) (Standing proxy: MUFG Bank, Ltd.)	1,232	6.56
Custody Bank of Japan, Ltd. (Trust Account)	1,039	5.53
Custody Bank of Japan, Ltd. (re-entrusted by Resona Bank; Hokuetsu Corporation retirement benefits trust account)	729	3.88
Custody Bank of Japan, Ltd. (Trust Account 4)	710	3.78
Daio Paper Corporation	573	3.05
MUFG Bank, Ltd.	494	2.63
Shichijo Paper Trading Co., Ltd.	474	2.52
Total	9,959	53.03

*1 Numbers of shares are rounded to the nearest thousand.
*2 Despite holding 1,118,364 shares of treasury stock, the Company is not included among the major shareholders above. Calculations of percentages of shares held exclude treasury shares.
*3 Treasury shares are included under "Individuals, others" on the distribution of owners.