

THE PACK CORPORATION

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

Corporate overview (as of December 31, 2025)

Headquarters	2-9-3, Higashiobase, Higashinari-ku, Osaka City, 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	1,223 (consolidated, December 2025); 850 (nonconsolidated, December 2025)
Annual sales	103.1 billion yen (consolidated, December 2025)
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 Group Companies:	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 Group Companies:	The Pack America Corporation The Pack (Shanghai) Corp. The Pack (Changshu) Co., Ltd.

* The Pack Corporation absorbed consolidated subsidiary Nikko Print Corporation through an absorption-type merger effective January 1, 2026.

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



Sustainability <https://www.thepack.co.jp/en/sustainability.html>



THE PACK CORPORATION

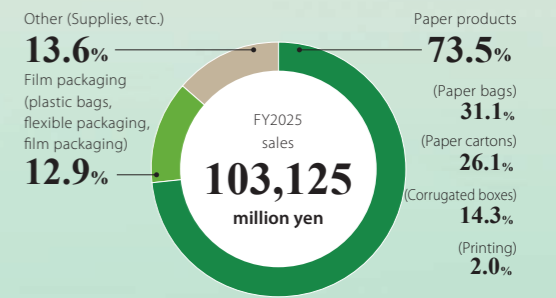
Sustainability Report

2026





Shares of sales



Paper bags

Corrugated boxes

Paper cartons

Flexible packaging

Film packaging

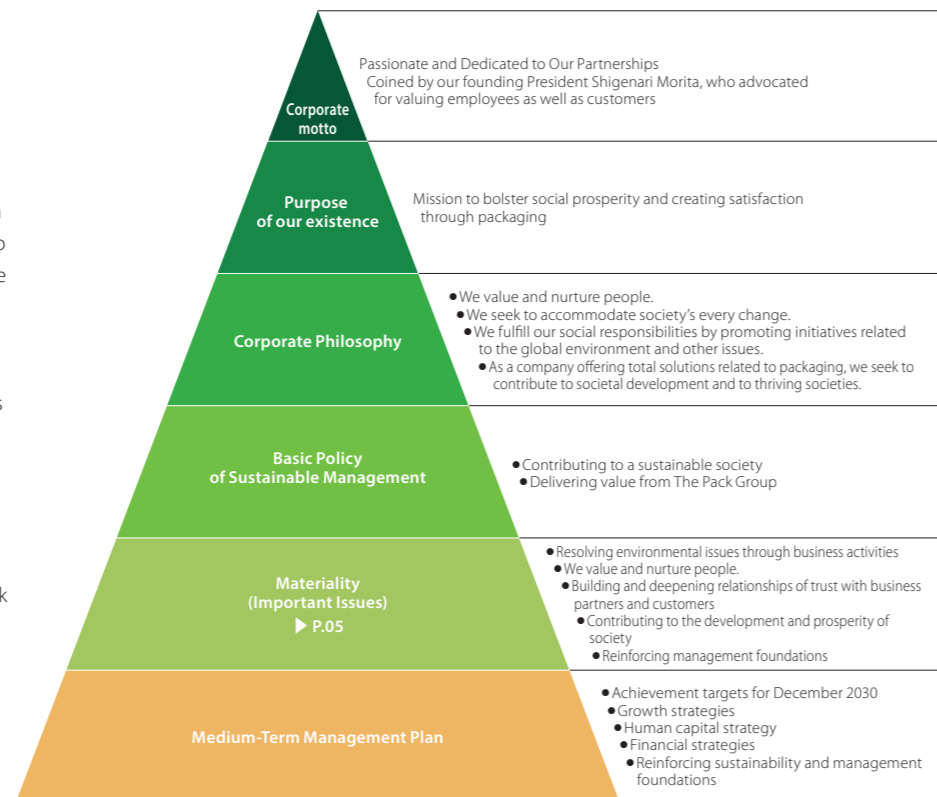
Plastic bags

Mission to bolster social prosperity and creating satisfaction through packaging

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.

Philosophy Structure of The Pack Group



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Editorial Policy

Starting from this year, the CSR Report has been renamed the Sustainability Report. The Sustainability Report has been prepared to communicate to stakeholders in detail the efforts of The Pack Corporation to realize a sustainable society while also raising its corporate value.

Period covered by this Report: While this Report basically covers the period of FY2025 (January 1 – December 31, 2025), it includes some information from before and after this period.

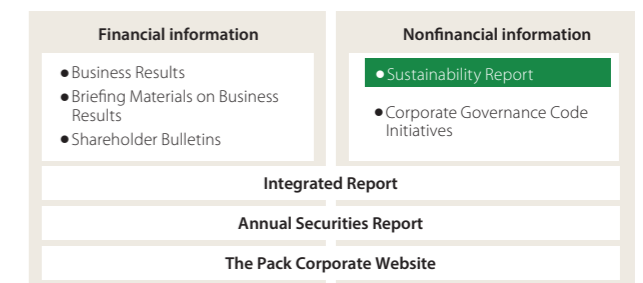
Published figures: Totals may not match the sum of individual components due to rounding.

Organization covered by this Report: The Pack Corporation

Section preparing this Report and contact point: IR & Public Relations Department, The Pack Corporation

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Disclosure structure



Top Message

Deepening our commitment to social responsibility after a year in office

One year has passed since I took office as President and CEO of The Pack Corporation. During this time, I've heard a wide range of viewpoints from ongoing dialogue with numerous stakeholders, including shareholders and investors, customers, business partners, and employees across Japan. This has given me a stronger sense of the dramatic changes occurring in our business environment and reaffirmed my understanding of the high expectations The Pack Group inspires. Even more strongly than before, I feel that fulfilling our social responsibilities in the best possible faith is the essence of our reason for being as a corporation.

Today, amid ever-growing awareness of environmental, social, and governance (ESG) issues, strengthening sustainability across the supply chain is shifting from a corporate ideal into a pressing obligation. As a manufacturer of packages—products that play key roles in everyday lives—we are responsible for our environmental and social impacts across product life cycles.

In addition, the level of sustainability demanded by our customers, including global enterprises and major domestic customers, is steadily growing. We need to ensure transparency in procurement routes, consider human rights in the supply chain, and demonstrate practical and quantitative roadmaps to realize carbon neutrality by 2050. Rather than simply costs or burdens, I see these strict requirements as seeds of evolution, raising our ability to be chosen by the market and boosting our competitive strength. I am confident that we provide value in how we identify solutions that surpass expectations instead of simply meeting demands.

Recognizing clearly this social responsibility as a package manufacturer, we will fulfill our duties by promoting sustainable management with an even deeper commitment.

Results of major initiatives in FY2025 and related issues

We launched full-scale sustainable management in FY2022 and set materiality KPIs as targets to achieve by FY2030. Under the previous Medium-Term Management Plan, which covered the period through 2025, we implemented a wide range of measures under the banner of achieving our corporate purpose through growth strategies, human capital strategies, and other efforts. I would like to report on the results of some of the major initiatives undertaken in FY2025.

On the topic of the environment, our development measures have generated steady results. At the conclusion of a multiyear

development process, we brought to market the eco-friendly Kaisonal® oil-resistant coating process, which is made from seaweed materials and uses no perfluoroalkyl or polyfluoroalkyl substances (PFAS). It is anticipated that Kaisonal® will revolutionize the coating process by enabling sufficient oil resistance possible even for paper containers that use no plastic film. In FY2025, we focused on raising awareness of this product, and going forward, we seek to expand its adoption and use in the marketplace.

Under The Pack Forest® Environment Fund, which symbolizes our environmental initiatives, we concluded a contract on the 10th tree-planting site in Wakayama Prefecture. In addition to contributing to forest conservation, these activities promote the cocreation of brand value with customers by increasing the number of supporter firms.

In relation to societal issues, we have focused on making work more comfortable and improving wellbeing. We will maintain efforts to retain employees and diversify human resources in the workplace by improving remuneration and expanding various workplace programs. As of the end of FY2025, the percentage of managers accounted for by women had improved to 8.8% (up 22.2% from the previous year), 139.1% of eligible male employees took childcare leave (up 59.0% year on year), and the number of continuously employed employees was 104 (up 40.5% year on year). Step-by-step, we are steadily transforming into an organization made stronger through diversity.

Lastly, on the topic of governance, we initiated efforts to promote supply chain risk management based on global standards, including establishing a framework for promoting these activities and formulating a roadmap.

At the same time, certain related issues also have become clear. Although we made steady progress on the ratio of sales of FSC®-certified products, which reached 21.5% as of FY2025, achieving the FY2030 target ratio of 50% will require accelerating efforts to promote the use of FSC®-certified products in areas where the ratio remains relatively low—for example, corrugated boxes. Business expansion has slightly increased our total CO₂ emissions. Despite the difficulty of undertaking large-scale upgrades to energy-saving equipment at this time given the looming reconstruction of the Osaka and Nara plants, we will consider measures in areas like energy conservation and use of renewable energy after the reconstruction is complete. We will promote practical improvement measures on this matter, which we consider a serious topic.

A new Medium-Term Management Plan for the period through 2030

The new Medium-Term Management Plan announced in February

2026 sets a lofty target for the period through 2030: rapid growth, by an average of 3% or more per year, to 120 billion yen in consolidated net sales and 10 billion yen in operating profit. To achieve these targets, we must continue to strengthen our sustainable management measures.

First, on the topic of environmental initiatives, we will provide high-value-added products to realize a circular society. One of our strengths is our status as a manufacturer selling directly to customers. We will leverage this strength to promote the advanced use of recycled materials and encourage a shift to monomaterial structures that make recycling easier, while maintaining existing efforts to move away from plastic materials. Through specialized human resource development and investment in R&D, we will enhance efforts to facilitate cocreation in tandem with our customers in areas ranging from materials development to product design.

In social initiatives, we're focusing in particular on addressing labor shortages. Through package designs that allow more efficient work and expanding use of our secondary packaging facilities across Japan, we will provide an environment that allows customers to concentrate on their core businesses even in the face of challenging work shortages that can lead customers to miss out on opportunities for growth.

It's a company's people who provide its true support. We recognize improving employee engagement and employee wellbeing as essential to maximizing productivity. While revising evaluation programs to encourage taking on challenges and enhancing HR development programs, we plan to make more time available for creative work by harnessing digital transformation (DX) to improve business efficiency. We planning on 4 billion yen in human capital investment over five years to implement these measures. To make the efficacy and results of these measures visible, we have set the targets for FY2030 of a total engagement survey score of 70 points (vs. 57 points in FY2025), net sales per employee of 98 million yen (vs. 84 million yen in FY2025), and operating profit per employee of 8.1 million yen (vs. 5.9 million yen in FY2025).

In the sphere of governance, enhancement of risk management serves as a pillar of the new Medium-Term Management Plan to ensure sustained growth. While maintaining the existing quality control system and approach to supply chain risk management, we will build even stronger management systems. Additionally, we will respond to geopolitical risk, enhance information security, and accelerate business continuity planning (BCP) initiatives to build an environment in which all stakeholders can engage with us with peace of mind.

Message to stakeholders

As a manager, I think constantly about how to link corporate value directly to our sustainability initiatives. Reducing our environmental impact will improve production efficiency and costs, while identifying and devising solutions to society's challenges will create new markets and drive profits. Expanding awareness of the corporate purpose throughout the organization will bring together highly capable human resources who share in the organization's goals. As a leader of this organization, I will continue to guide it forward to generate a virtuous cycle of sustainability and profit. In-depth engagement with stakeholders is key to accelerating these efforts; also essential are clearly identifying stakeholder expectations and building relationships of trust through dialogue. I consider dialogue with employees in particular to be the top priority. By broadening awareness and understanding of this vision throughout the organization, I plan to establish an environment in which all employees understand in their hearts how their work contributes to corporate value and our capacity to give back to society. I believe that a company in which employees can pursue challenges with a sense of pride is one that will deliver the greatest value to you.

This Report provides a highly transparent disclosure of our current state and our aims. We will strive to achieve further evolution based on the candid opinions of our stakeholders. It is my heartfelt wish that The Pack Corporation will continue to enjoy the support of our stakeholders.

Naoki Nakamura

President and CEO



Materiality

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	<ul style="list-style-type: none"> Promoting eco-friendly product planning and technological development Reducing environmental impact throughout our business activities Contributing to environmental conservation and preservation 	<ul style="list-style-type: none"> 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 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 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	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 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 study groups in which manufacturing sites participate 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 	
		G	Theme 03 Building and enhancing relations of trust with our business partners and customers	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 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 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
Theme 04 Contributing to social development and prosperity			<ul style="list-style-type: none"> Providing solutions to increasingly diverse social issues 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Securing soundness, transparency, and efficiency in management 	<ul style="list-style-type: none"> 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 		
		<ul style="list-style-type: none"> Promoting supply chain risk management 	<ul style="list-style-type: none"> 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 		

Materiality KPIs

A set of Materialities (important issues) was identified in 2022. In September 2023, we established KPIs on five of these materiality issues we deemed were of particular importance to increasing our social and economic value. We will aim to achieve all five of these KPIs by FY2030.

Materiality KPIs and results over the past five years

Major themes	Materiality (Important issues)	KPIs, action plans	2021	2022	2023	2024	2025
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 • Strengthening proposals to shift to paper packaging • Expanding numbers of FSC®-certified suppliers • Accelerating development of new materials and products based on paper materials	13.2%	17.4%	20.2%	21.1%	21.5%
	Reducing environmental impact throughout our business activities	Reducing CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018 (targeting 8,997 t in FY2030, compared to 16,662 t in FY2018) • Switching to highly energy-efficient machinery • Switching to renewable energy (including renewable energy purchases) • Expanding use of solar panels	14,894 t	15,399 t	16,756 t	16,149 t	16,319 t
	Contributing to environmental conservation and preservation	Implementing 15 The Pack Forest® Environment Fund activities, with 500 participants per year • Expanding capacity through new site development • Enhancing activities to strengthen awareness among local residents and seeking volunteers from the general public • Enhancing activities to invite customer participation	0 0	4 111	9 253	8 230	8 273
Theme 02 Valuing and nurturing people	Promoting diverse work styles that encourage all employees to thrive	Increasing women's percentage of managers (managers or above) to 15% or more • Increasing the percentage of women among new graduate hires to 35% or more • Developing systems and environments through which women can continue to work over the long term	4.9%	6.7%	6.3%	7.2%	8.8%
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 the tools used to introduce activities and providing support for them	67	94	123	158	177

*1 Sales: The Pack (nonconsolidated) paper products business as a whole (FSC® C020517) *2 Number of companies with sales results

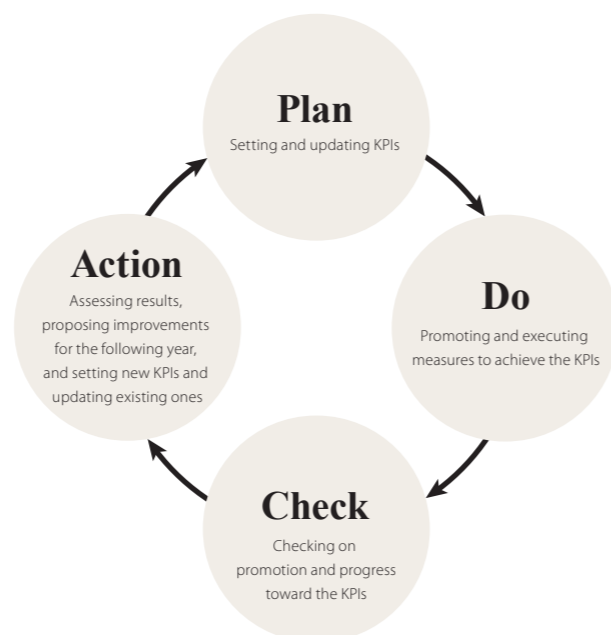
KPI management

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.



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.

Basic policy on environmental philosophy in environmental activities

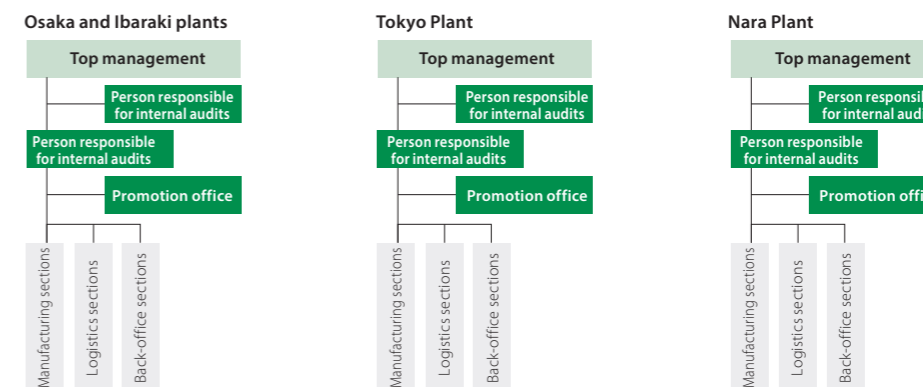
1. We will promote the development of safe, environmentally friendly products and technologies.
2. We will utilize resources and energy efficiently and work to minimize and recycle waste.
3. We will pursue customer satisfaction through environmental activities.
4. We will actively participate in local and national environmental protection campaigns.

Environmental management organization (as of January 2026)

Our four plants in Japan, the head quarters, and procurement and sales sections have built an environmental management organization to improve environmental performance in accordance with international standards. The head quarters and procurement and sales sections completed ISO certification maintenance activities at the end of December 2025 and continue to conform to the basic approach to environmental management required under ISO 14001 (e.g., compliance, continual improvement, and clarification of responsibilities and authority). Starting in FY2026, we will migrate to our own environmental management system based on these concepts to ensure strict compliance, and develop a system to ensure the continual functioning of corrective and preventive measures to address environmental risks during the transitional period through the end of 2026.

Environmental management organization (ISO14001)

Each plant is developing a system to ensure reliable everyday management and compliance, centered on the individual responsible for environmental management.



Environmental targets (ISO14001)

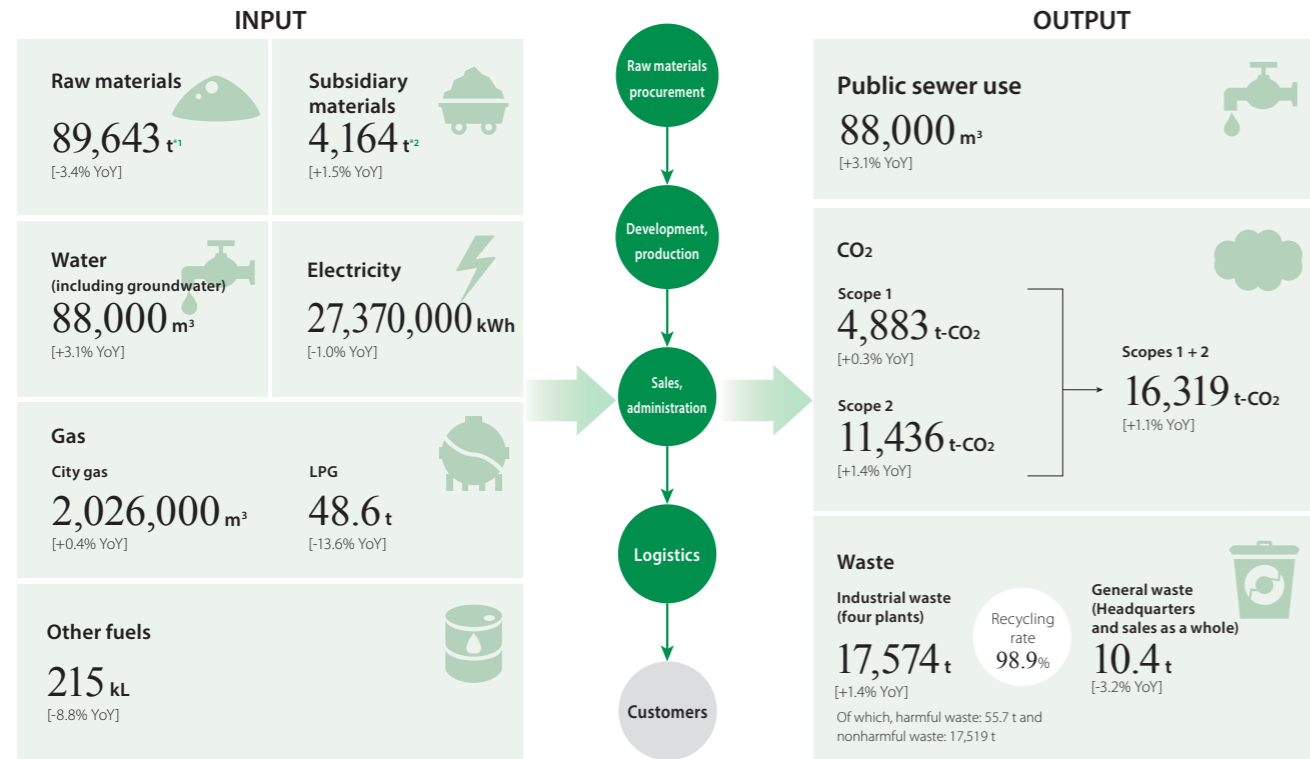
Organization	Measures	FY2025			FY2026
		Target	Performance	Result	Target
Osaka Plant	Energy conservation	Reducing CO ₂ intensity: Reductions to below actual FY2024 figures	-0.0%	○	Reducing CO ₂ intensity: Reduction to below actual FY2025 figure
Ibaraki Plant		-1.9%	○		
Tokyo Plant	Energy conservation	Reducing CO ₂ intensity: Reducing by 29.7% vs. FY2012	-31.7%	○	Reducing CO ₂ intensity: Reducing by 1.0% vs. FY2025
Nara Plant	Energy conservation	Reducing CO ₂ intensity: Reductions of 3.0% vs. FY2024	-3.5%	○	Reducing CO ₂ intensity: Reductions of 3.0% vs. FY2025

Striving to reduce environmental impact

Environmental impact of production activities

We're ascertaining and striving to minimize the overall environmental impact of our production activities.

Note: The data shown is for the four plants (Osaka, Nara, Tokyo, and Ibaraki), headquarters and sales group.



¹ Based on volumes purchased (four plants)
² Based on volumes consumed (four plants)

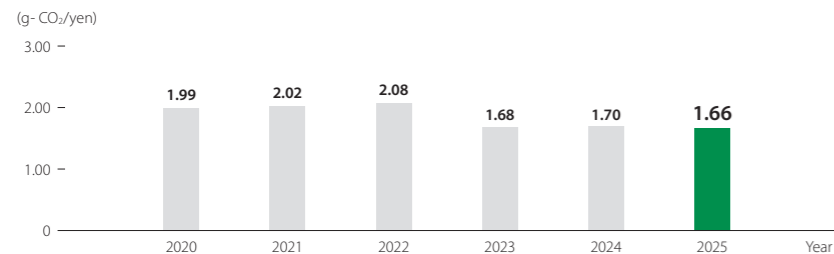
Sales volumes



CO₂ emissions intensity

CO₂ emissions intensity refers to the volume of CO₂ emitted from certain business activities. We calculate CO₂ emissions intensity based on domestic plant processing volumes and CO₂ emissions from domestic plants, the headquarters and sales as a whole. This is used as a general indicator of energy conservation because it is unaffected by changes in sales or production volume. CO₂ emissions intensity decreased in FY2025. We plan to maintain various energy conservation activities, especially at the plants.

Four plants (per yen of processing)

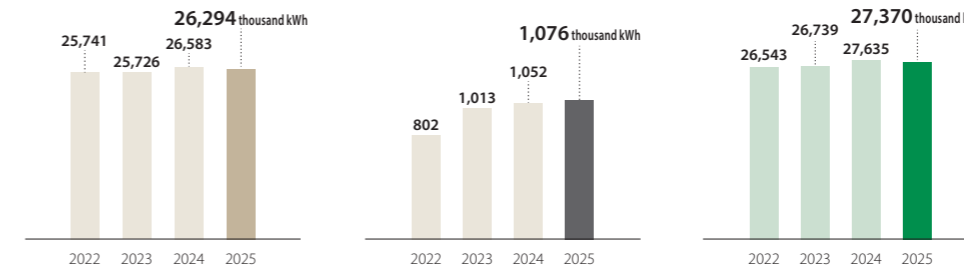


Quantitative changes

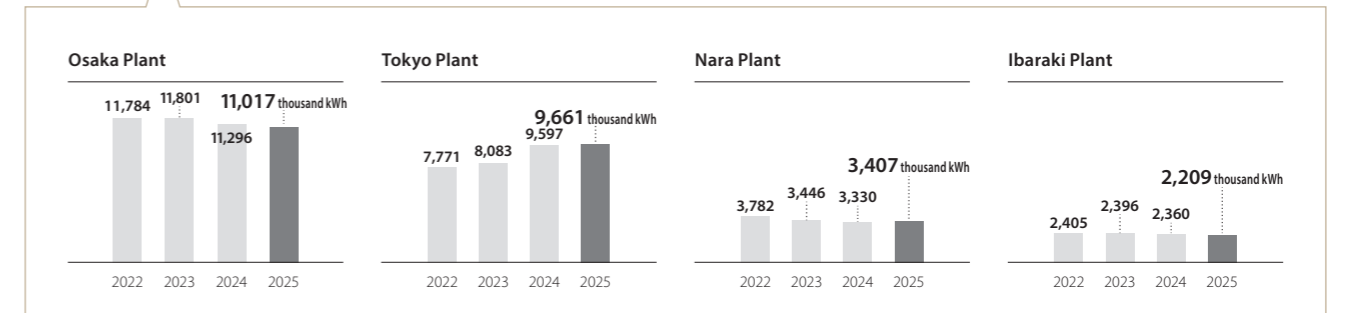
The headquarters, sales group, and four plants are striving to conserve energy through means such as adopting high-efficiency equipment. We're also striving to reduce industrial waste and increase recycling rates.

Electricity use

Total for all four plants + Headquarters and sales as a whole = Companywide



* Excludes power generated from solar power equipment installed by the Company itself.
* Emissions coefficients of individual power companies have been standardized to calculate fluctuations in emissions.
* Includes power used under renewable-energy plans.



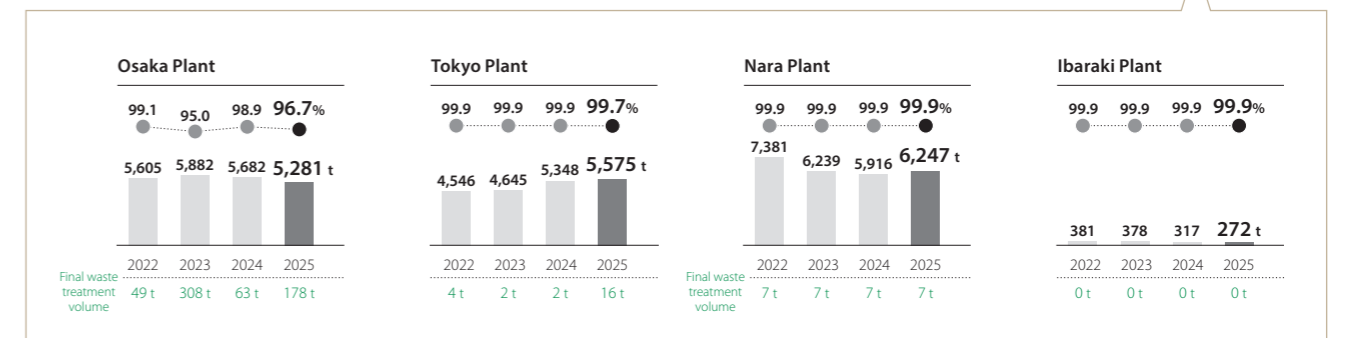
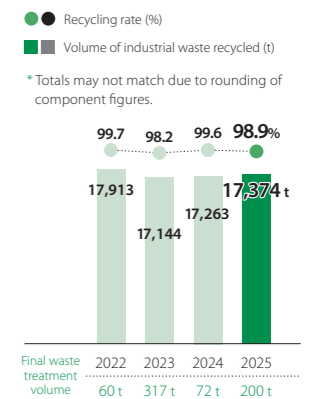
Recycling of industrial waste

Each plant recycles as much industrial waste as possible in an effort to reduce the amount of waste ultimately disposed of. Part of the industrial waste from the loss of manufacturing paper and chemical product packaging, and part of the packaging materials that were used as raw and subsidiary materials are now reused in the market as recycled packaging materials, etc.

Some industrial waste that cannot be recycled is recycled into solid fuels and other useful resources.



Total for all four plants



Appropriate management of chemical substances

The chemical substances we use in manufacturing processes are ascertained for each site and duly managed in accordance with internal standards and applicable laws and regulations. Pursuant to the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the PRTR Act), we ascertain and notify the competent authorities of the emissions and

transport volumes of chemical substances handled in volumes of 1 t or over per year. We also appropriately manage chemical substances of which less than 1 t is handled per year, based on safety data sheets (SDSs). In FY2025, one type of chemical substance was subject to reporting at the Nara Plant. The table below shows emissions and transport volumes for chemical substances subject to notification under the PRTR Act in the past four years.

Notification of Class I Designated Chemical Substances under the PRTR Act (Nara Plant)

(kg)

Chemical substance	Index	2022	2023	2024	2025
Boron compounds	Emissions (air, water, soil, landfill)	0.0	0.0	0.0	0.0
	Transport (transport to sewer)	4.7	4.7	4.7	4.7
	Transport (transport out of business site)	14	14	14	14
Total		18.7	18.7	18.7	18.7

Putting water resources to more effective use

The water used at the Tokyo Plant for washing printing ink, paint, and adhesives in the manufacturing process is recycled using a water treatment facility for use as toilet flushing water. This helps conserve tap water and counters water shortages by making more efficient use of our limited water resources.

Fuel conversion at the Ibaraki Plant

In 2024, the Ibaraki Plant switched from kerosene boilers to liquefied petroleum gas (LPG). LPG is a clean energy source, with combustion emissions containing virtually no substances harmful to the environment or to human health. This fuel switch is expected to help control substances that cause global warming and acid rain. In addition to reducing CO₂ emissions and costs, the switch has eliminated the risk of kerosene leaks in to soil and groundwater.

Osaka headquarters building earns Kinki Branch Encouragement Award in Carbon Neutral Awards

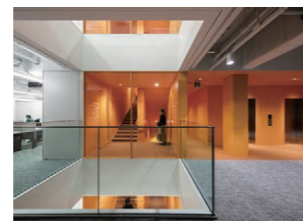
The headquarters building, which was completed in March 2023, was granted the Kinki Branch Encouragement Award in the 13th Carbon Neutral Awards in 2025 in recognition of its environmental performance. This award is presented for buildings and building utilities that make outstanding contributions to achieving a carbon-neutral society. The headquarters building is certified ZEB Ready in recognition of its energy-saving technologies, including a natural ventilation system, a high thermal insulating exterior, solar panels, and high-efficiency air conditioning. This highly energy-efficient eco-friendly building earned this award as a shining example of an energy-saving office building that helps realize a carbon-neutral society.

Building evaluations

- Zero-emission building accreditation (ZEB Ready, highest BELS evaluation)
- CASBEE accreditation (CASBEE S Rank [highest evaluation])
- CASBEE Wellness Office S Rank (voluntary registration)

Eco-friendly technologies employed

- Natural ventilation and lighting using eco voids at the building center
- Solar panels for power generation
- High-thermal-insulating exterior walls and low-E windows to lessen the air conditioning burden
- Automatic dimming of LED lighting in offices via motion and light sensors
- Air volume control of heat exchangers based on changes in office occupancy (CO₂ levels)



Natural ventilation and lighting using eco voids



Rooftop solar panels

Awards received

- Winner, office section, FY2023 Osaka Environmentally Friendly Architecture Awards
- Silver Prize and Commissioned Jury Prize, 57th Japan Sign Design Awards
- Bronze Prize, Kukan Design Award 2024
- 2025 IEIJ Kansai Good Lighting Encouraging Award
- iF Design Award 2025



Headquarters building

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.

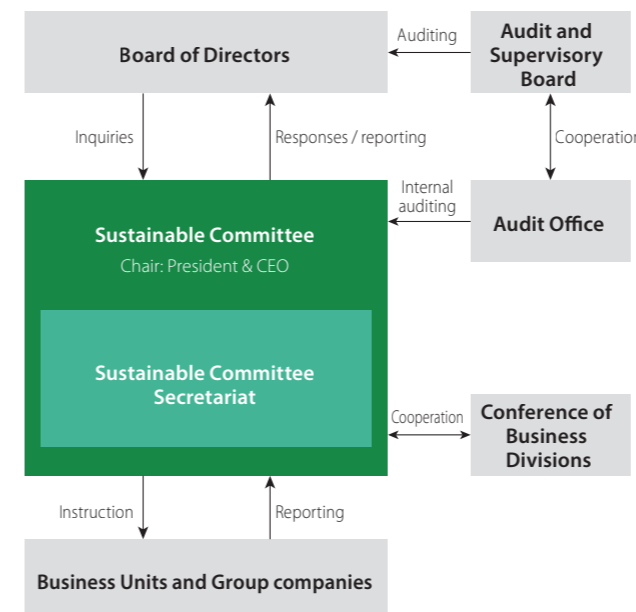
The Audit and Supervisory Board and the Audit Office provide supplemental audits related to these initiatives.

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 CO ₂ emissions and energy conservation regulations	Reducing CO ₂ 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	Growing demand for low carbon products	Risks Declining demand for existing high carbon products	Increasing demand for low carbon products (paper products)	Projections suggest that customers and consumers would move away from existing high carbon products toward low carbon products.	Low
			Opportunities Increasing demand for low carbon products (paper products)		High	
		Promotion of switching from plastic to paper products	Opportunities 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	
		Growing demand for recycling materials	Risks 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	Declining corporate brand value due to inadequate environmental measures	Risks 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	
			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.
	Physical Risks Opportunities 4°C scenario	Acute	Increasing frequency and scale of weather-related disasters	Risks 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	Increasing numbers of days of fierce heat	Risks 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
Improved business sustainability through environmental measures			Opportunities 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	<ul style="list-style-type: none"> 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. Improving the efficiency of lighting, air conditioning, boilers, and other equipment
Growth in demand for low carbon products Promoting the switch from plastic to paper products	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	4,883	0.7%
Scope 2	11,436	1.6%
Scope 3	698,528	97.7%
Supply chain emissions	714,847	100.0%

Scope 3 emissions categories

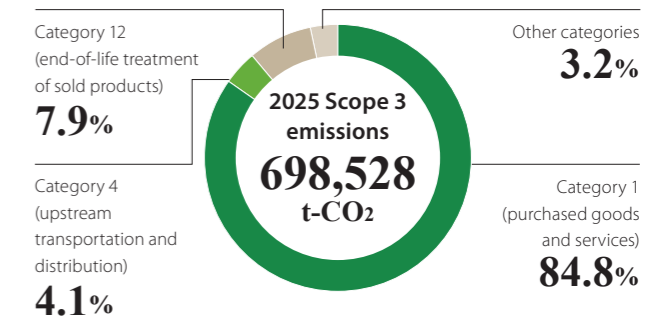
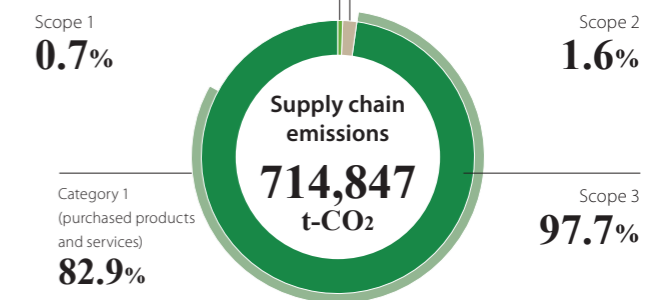
Category	Emissions (t-CO ₂)	Share of Scope 3 emissions
1 Purchased goods and services	592,611	84.8%
2 Capital goods	10,083	1.5%
3 Activities related to fuel and energy not included in Scopes 1 and 2	3,069	0.5%
4 Upstream transportation and distribution	28,878	4.1%
5 Waste generated by operations	1,037	0.2%
6 Business travel	654	0.1%
7 Employee commuting	759	0.1%
8 Upstream leased assets	-	-
9 Downstream transportation and distribution	5,820	0.8%
10 Processing of sold products	250	0.0%
11 Use of sold products	-	-
12 End-of-life treatment of sold products	55,367	7.9%
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments	-	-
Total Scope 3 emissions	698,528	100.0%

CO₂ emission reduction target (Scopes 1 and 2)

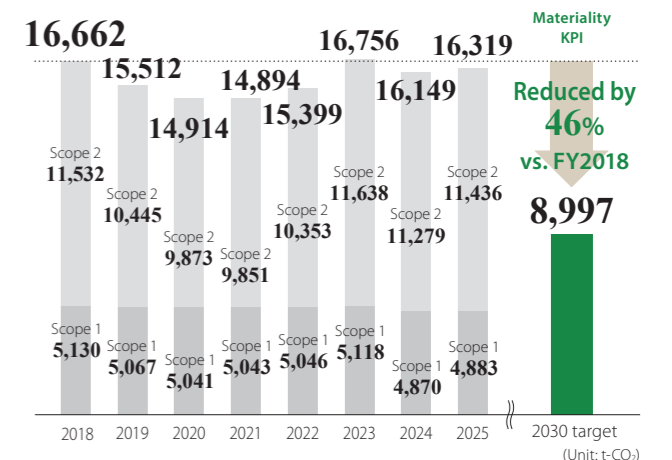
[Target] By 2030, we hope to reduce CO₂ emissions (Scopes 1 and 2) by 46% vs. FY2018.

[Scope 1 and 2 results] In 2025, activities to conserve energy at the four plants in Japan reduced CO₂ emissions per yen of work by 2.4% year-on-year (CO₂ emissions intensity 1.66 g-CO₂/yen of work).

We plan to continue these activities in 2026 and beyond while promoting CO₂ emissions reductions from other approaches, such as considering the use of high-efficiency equipment and expanding the use of CO₂-free energy.

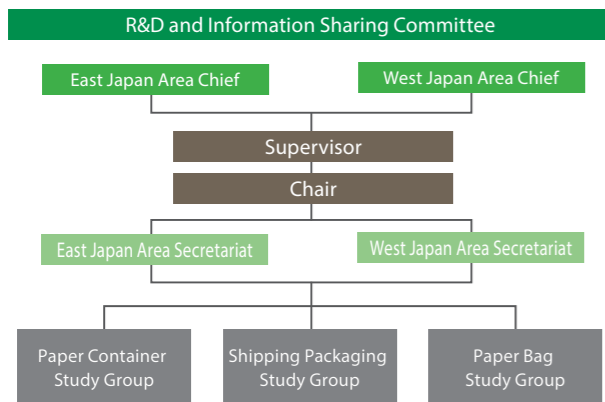
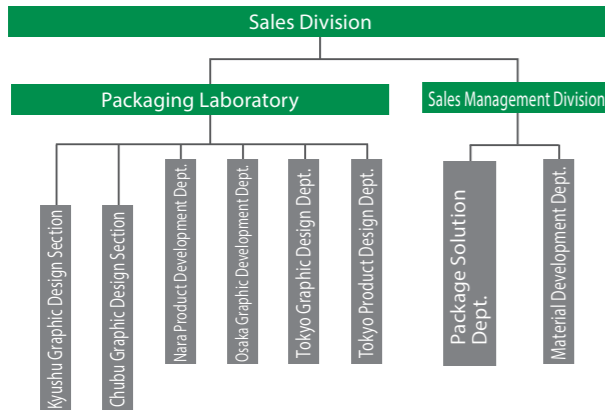


Trends in CO₂ emissions (Scopes 1 and 2)



Product development structure for environmentally-friendly products

Demand for environmentally-friendly packaging is growing as we strive to achieve a sustainable society. We conduct research and development of environmentally-friendly products from the perspectives of materials, design, and technology. Core product development is handled by the Packaging Laboratory and by the Sales Management Division, and combined they develop new products to meet the needs of customers and the market as part of the Sales Division, which maintains direct contact with customers.



Packaging Laboratory

Working with the manufacturing sections, this creative section is in charge of the structural design and graphic design of packages, chiefly for paper products. Its staff of about 70 people nationwide brings together varied insights and ideas to manufacture products to meet customer needs. It develops high value added packages designed to reduce environmental impact through designs that reduce weight and conserve resources while proposing eco-friendly inks and single-material structures that are more readily recycled.

Material Development Dept.

This section works with materials makers and research institutions to develop new materials with functions and features to meet customer needs while keeping up with market trends.

Package Solution Dept.

This department analyzes issues on customer packaging lines and proposes optimal packaging solutions for more efficient and rational packaging. It seeks to build long-term partnerships not just by providing packaging materials but also contributing to solutions for customer challenges.

R&D and Information Sharing Committee

With their memberships selected from creative, sales, manufacturing, and other sections, study groups have been established for research and new product development in the three segments of paper containers, paper bags, and shipping packages. Companywide meetings are held twice a year to announce and share information on research results and products developed, and are organized into practical themes that reflect multifaceted information sources such as market trends, customer needs, and social issues.

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

The Pack has earned FSC® Chain-of-Custody certification for paper and paper products using FSC®-certified materials and managed raw materials. This means that our customers can use packages made of raw materials from properly managed FSC®-certified forests and recycled resources. In 2023, we identified achieving a ratio of sales of FSC®-certified products (paper bags, paper containers, corrugated boxes) to total sales^{*1} of 50% or more as a materiality KPI. In 2025, sales of FSC®-certified products grew 3.6% year-on-year, while sales to the food products market increased by 2.4%. We will continue to fulfill

our corporate responsibilities to nature and to society through the sales of FSC®-certified products.

FSC®-certified products as a percentage of sales

	2021	2022	2023	2024	2025	Materiality KPI 2030 target
Percentage (%)	13.2	17.4	20.2	21.1	21.5	50% or more

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

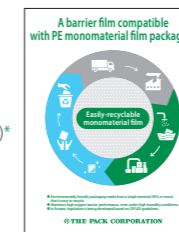
New product and equipment introduction

A barrier film compatible with easily-recyclable PE monomaterial film packaging

We developed an easily-recyclable monomaterial eco-friendly film packaging. Earlier products used PET, PA, or PET or PA compounds as base materials; this product realizes a monomaterial film packaging structure that uses only PE base materials. The high oxygen-barrier performance of the film makes it suitable for use in packages such as pet food and shampoo pouches.

Product features

- Made of easily-recyclable monomaterial (95% or more)
- Maintains high oxygen-barrier performance, even under high humidity conditions.
- Meets Circular Economy for Flexible Packaging (CEFLEX)* guidelines for compatibility with regulations under development in Europe.



* Meets the requirements of the EU Packaging and Packaging Waste Regulation (PPWR), which calls for all film packaging to be designed for recycling.

Water-based flexography printers introduced for paper cartons

We introduced water-based flexography printers for paper cartons to reduce environmental impact. Their energy-efficient design helps reduce CO₂ emissions from printing processes.

They use eco-friendly water-based inks that contain nearly zero organic solvents and emit very few volatile organic compounds. Since they do not use the photoinitiators contained in UV offset printing ink, they reduce impact on the human body to improve worker and consumer safety.

An eco-friendly next-generation oil-resistant coating process

We developed our Kaisonal® oil-resistant coating process based on materials derived from seaweed to meet the growing demands for takeout food packaging and to reduce their environmental impact. As an interior coating for paper trays, this solution realizes paper containers free of perfluoroalkyl and polyfluoroalkyl substances (PFAS) and plastics while providing oil-resistant performance equivalent to petroleum-based coatings. The Kaisonal® oil-resistant coating process will meet demand in the food products market for alternatives to plastic takeout packages.

Product features

- Uses highly safe seaweed-derived raw materials.
- Plastic-free and biodegradable
- Free of PFAS, styrene, and acrylic
- Provides oil-resistance equivalent to petroleum-based coatings.



Sample packages (internal coating)

Story Behind the development of the Kaisonal® oil-resistant coating process

I worked on the development of the Kaisonal® next-generation oil-resistant coating process for about two years, starting in 2023. Before, the major oil-resistant coating processes for paper containers had been film lamination, petroleum-based oil-resistant coatings, and oil-resistant coating containing fluorine. Amid growing demand for more eco-friendly solutions, we began developing with the goal of creating an oil-resistant coating entirely free of petroleum products.

Oil-resistant coating processes pose clear performance standards, which we knew we needed to meet. At the same time, a condition of this project was to develop a coating process that wouldn't place undue burdens on the environment, one based on food-safe additives and free of petroleum-based materials. This limited our options. In the development process, through repeated trial and evaluation, we adjusted the formula and other features over and over, and finally came up with a product that offered real-world oil-resistant performance and met all the other requirements.

We faced issues related not just to performance, but to suitability for processing on paper container production lines. We resolved these issues these by optimizing equipment conditions, processing methods, and other parameters in close cooperation with the engineering team.

As a result of the trial and error evaluations, we eventually cleared all performance, environmental, and mass-production requirements and brought to market paper containers treated with Kaisonal®.

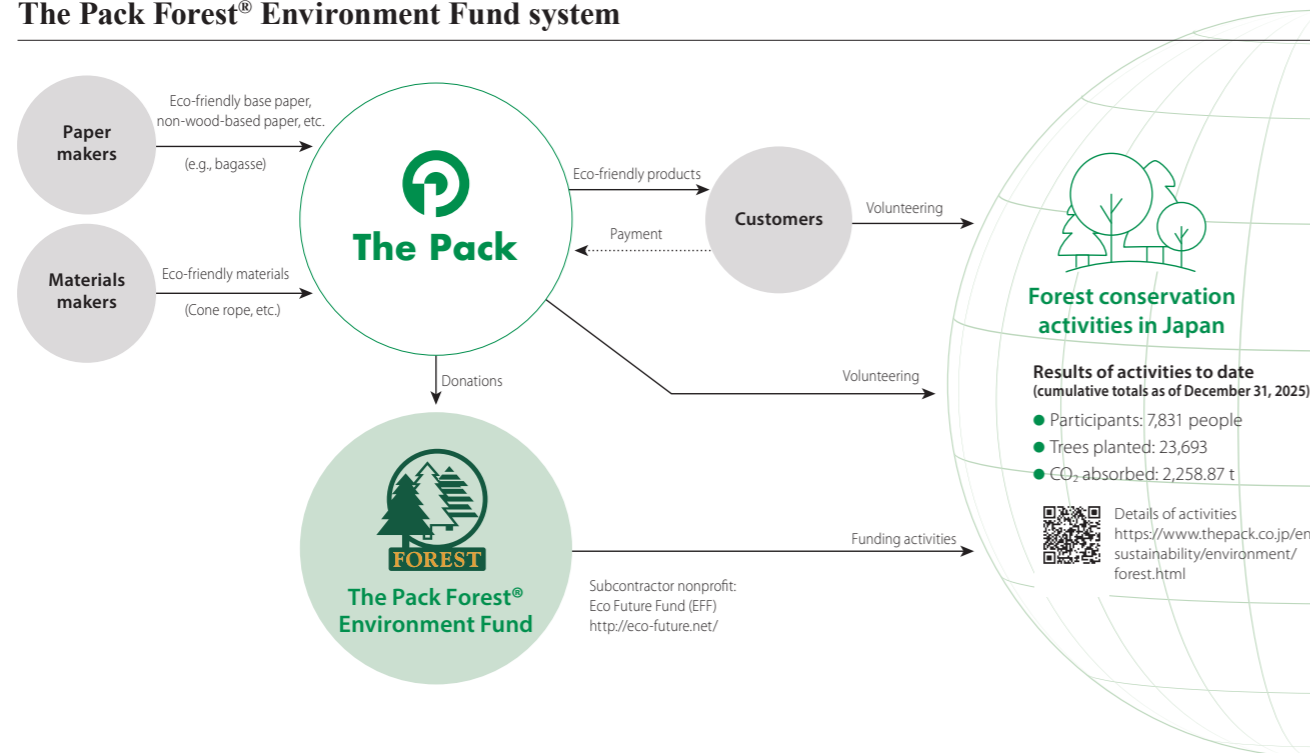


TH, Material Development Dept.

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 ten 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

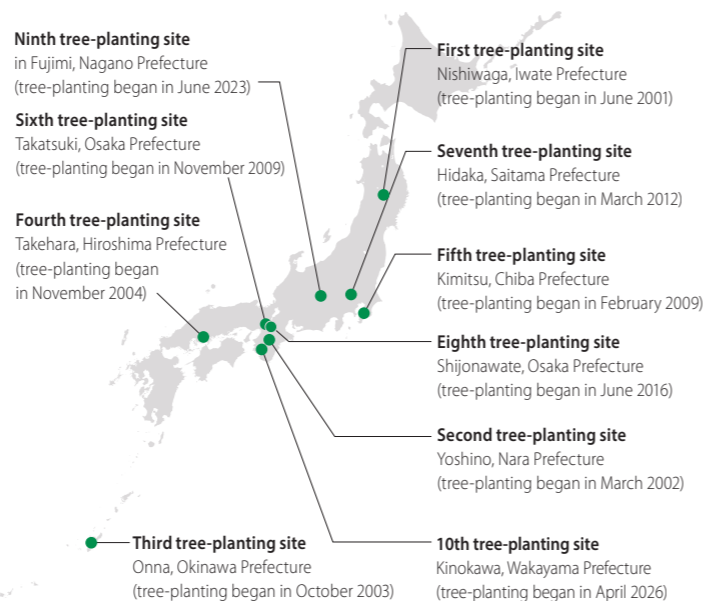


The Forest Mark

The Forest Mark is our original logo for The Pack Forest® Environment Fund and forest conservation and tree-planting activities. It can be printed on packages certified as Forest Products to help customers inform consumers of their contributions to forest conservation activities.



Tree-planting sites



Activities of The Pack Forest® Environmental Fund in 2025

No.	Activity period	Location	Details	Participants
1	March 2025	Takehara, Hiroshima Prefecture	Tree planting	72
2	April 2025	Hidaka, Saitama Prefecture	Tree planting	13
3	April 2025	Shijonawate, Osaka Prefecture	Thinning	13
4	May 2025	Fujimi, Nagano Prefecture	Tree planting	4*
5	August 2025	Takehara, Hiroshima Prefecture	Cutting undergrowth	55
6	October 2025	Yoshino, Nara Prefecture	Thinning	49
7	October 2025	Shijonawate, Osaka Prefecture	Thinning	16
8	November 2025	Yoshino, Nara Prefecture (PAL Forest)	Cutting undergrowth	51
Total				273

* Activities cancelled due to rain; activities conducted with a small number of related parties only

Feature Second tree-planting site: Yoshino, Nara Prefecture

Forest conservation activities began in March 2002 at our second tree-planting site in Yoshino, Nara Prefecture. The diverse range of trees planted on this site since the first activities include Japanese horse chestnut, Mizunara or water oak (*Quercus crispula*), Japanese zelkova, Japanese beech, and Japanese mountain cherry (*Prunus jamasakura*), for a cumulative total of 3,800 trees. As a cosponsor since the start of Genki Mori in Mt. Yoshino, we also welcome volunteers from the general public.

While the local forestry cooperative plays a leading role in choosing the locations and other specifics of the activity each year, the main task for the past few years has been thinning to help revive degraded forests. The 2025 activities also involved thinning work to remove 126 trees due to poor growth and to facilitate the growth of healthy trees. Of the total of 49 participants, the number of volunteers from the general public was 24, more than the previous year, suggesting that the activity is becoming better known in the community. Following the activities, those who expressed interest had the opportunity to make log chairs.

We remain deeply committed to working with our communities to revive our forests.



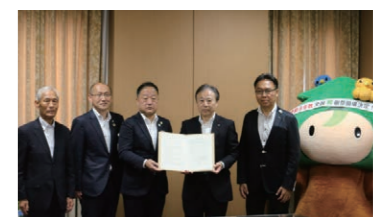
Group photo

Contract concluded on 10th tree-planting site

After deciding to join the corporate forests program promoted by Wakayama Prefecture, on June 3, 2025, we joined with Wakayama Prefecture, the city of Kinokawa, and the Eco Future Fund for a signing ceremony held at the Wakayama Prefecture offices.

The ceremony marked the establishment of The Pack Forest Kinokawa no Mori in Kinokawa, Wakayama Prefecture as our 10th tree-planting site.

We're currently pursuing forest-conservation activities, including tree planting and weeding, on this 0.4 ha site in the woods. The first activities were held in April 2026. The purpose of these activities is to strengthen environmental awareness among employees while contributing to local communities.



Signing ceremony

Trend in activity results

	2021*	2022	2023	2024	2025	Materiality KPI 2030 target
Annual activities (times)	0	4	9	8	8	15
Annual participants (persons)	0	111	253	230	273	500

* Activities cancelled due to the COVID-19 pandemic

Valuing and nurturing people

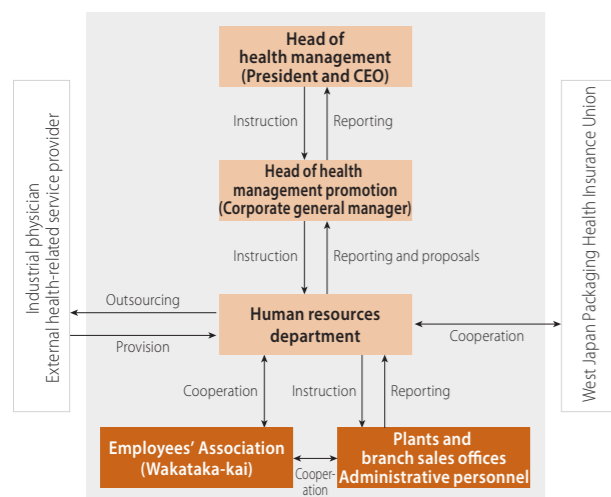
Health management

Since announcing our health management plan in March 2017, the Company has implemented initiatives to maintain and promote the health of our employees and their families. One benefit of health management is the rise in labor productivity expected as an outcome, which will further contribute to Company development.

Health management structure

We work with internal and external organizations, primarily Human Resources, to implement various measures.

■ The Pack Corporation ■ Policy-implementing departments ■ Policy-promoting departments □ External unions, services



Overview of the Certified Health & Productivity Management Outstanding Organizations Recognition Program and our ranking

The Certified Health & Productivity Management Outstanding Organizations Recognition Program is a program that recognizes major corporations and small and medium-sized enterprises (SMEs) that practice particularly outstanding health management, through initiatives reflecting community health issues and efforts toward good health as promoted by the Nippon Kenko Kaigi.

Assessment of The Pack's health management (FY2025 application)

Overall ranking: **2801-2850** out of 4175 companies
 Overall assessment: **45.3** ↓1.8 (points from the previous score of 47.1)



Thorough health checkups and secondary examinations

We provide regular health checkups for all employees. In FY2024, 100% of employees received regular health checkups, while 70.4% received secondary exams. More than one-fifth of our employees, or 22.1%, were eligible for secondary examinations.

To increase the percentage of employees undergoing secondary examinations, we provide all employees with paid time off (unpaid for those not paid monthly salaries) for the time needed to undergo examinations during working hours. We will continue to develop environments that make it easier to get health checkups.

* Part-time employees are not included because they may join and leave the company throughout the year.

Regular health checkups

(checkup period: April 1 of year indicated – March 31 of following calendar year)

	FY2022		FY2023		FY2024	
	Persons	%	Persons	%	Persons	%
Examined	883	100.0	928	100.0	965	100.0
Unexamined	0	0.0	0	0.0	0	0
Total	883	100.0	928	100.0	965	100.0
Persons who underwent secondary examinations	208	23.6	222	23.9	213	22.1

Secondary examinations

(checkup period: April 1 of year indicated – March 31 of following calendar year)

	FY2022		FY2023		FY2024	
	Persons	%	Persons	%	Persons	%
Examined	69	33.2	72	32.4	150	70.4
Unexamined	139	66.8	150	67.6	63	29.6
Resigned after being informed	0	0.0	0	0.0	0	0.0
Total	208	100.0	222	100.0	213	100.0

Smoking cessation challenge

We're promoting a smoking cessation challenge program for the health of employees and their families. The Human Resources Dept. plays a leading role in surveying the smoking status of employees and raising awareness of smoking cessation programs and other initiatives of the Health Insurance Society.

Percentage of employees who smoke

	April 2022		October 2023		July 2025	
	Persons	%	Persons	%	Persons	%
Smokers	298	23.7	336	25.5	350	27.4

Healthcare training

To establish healthier and more comfortable workplaces, we held physical and mental healthcare training for all employees. This training deepened employee awareness of mental and physical health by providing basic knowledge related to stress management, women's health, menopause, and other topics. The training also helped employees better understand their colleagues' health, in addition to their own.

Occupational health and safety management

We practice occupational health and safety management to provide safe, healthy workplaces for all employees, and are striving to enhance safety measures in manufacturing workplaces in particular.

Establishing and using an occupational health and safety management system manual

We have prepared an occupational health and safety management system manual to establish safe and healthy workplaces based on active improvements in occupational health and safety performance and to prevent job-related injuries and illness at manufacturing sites. Additionally, we developed systems to minimize occupational health and safety risks by preparing and enhancing subordinate documents under the manual on topics like training and education, risk assessments, and managing change.

Operations based on this manual began at our four plants in Japan in 2025. This change has integrated activities previously carried out by each plant independently, making it easier to share matters related to improvements and specific issues. Additionally, under the new system, the results of annual activities and issues for the following year at each plant are reported to the Manufacturing General Manager for use as foundations for further improvements across the organization.

Other initiatives in FY2025

Risk assessment	Compliance with chemical regulations
Near-miss/prevention activities	5S activities
Legal compliance	Health and safety patrols

Subsidies for complete medical checkups

In 2025, to maintain and improve employee health, we began providing partial subsidies for copayments on complete medical checkups for employees aged 35 or older who are members of the health insurance society and dependent family members aged 35 or older.

Stress checks

We ask all employees, including part-time employees, to undergo annual stress checks. We aim to identify any mental-health concerns swiftly through analysis of individual groups of employees, in addition to encouraging eligible persons to receive in-person guidance from a physician based on the results of their stress checks. We will also analyze rates of persons with high stress levels by business site, to contribute to improvements in individual sections.

Stress checks

	Subject: all employees				
	2021	2022	2023	2024	2025
Number undergoing stress checks (persons)	1,215	1,206	1,233	1,290	1,291
Rate of undergoing stress checks (%)	97.4	96.9	96.0	98.6	98.7

Enhancing health and safety education

Previously, each plant implemented its own health and safety education. Since FY2025, we have provided safety education based on the manual established on standardized topics at the four plants in Japan for both newly appointed forepersons and newly hired employees.

Data on past on-the-job accidents showed that employees with less than three years' tenure had higher accident rates. In response, we're striving to raise safety awareness through quarterly health and safety education for employees who meet this description.

Enhancing response to on-the-job accidents

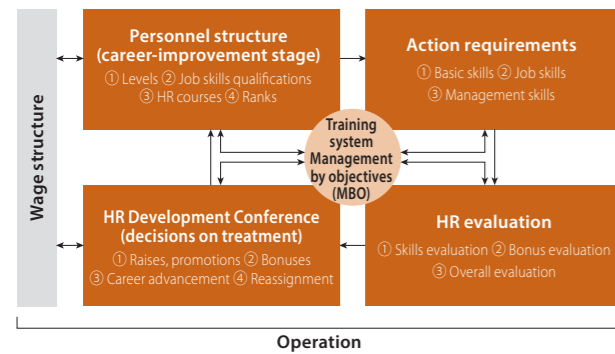
In the event of an on-the-job accident, discussions are held at the four plants in Japan not just to share information but to review incidents, issues, and countermeasures to enable response across the whole organization. The number of on-the-job accidents at the four plants in Japan dropped from FY2024 to FY2025. We will continue to work to prevent accidents through an ongoing plan-do-check-act (PDCA) cycle to eliminate all on-the-job accidents.

Training and other programs to support skills development

Under the HR system adopted in 2020, The Pack Group is making progress on developing workplaces in which employees can grow. We will enhance training, support and evaluation programs to support skills development to enable highly motivated employees to perform at their best.

Overview of our human resource system

We introduced a new human resources system in 2020 to create a workplace where people can thrive. In the salary structure, the requirements for salary increases and promotions have been made clearer. We are increasing lifetime annual income by reviewing salaries and retirement benefits for younger employees and employees who continue to work after retirement. As part of the evaluation system, the Human Resources Development Council holds evaluation meetings throughout the company in an effort to make evaluations as open and accurate as possible.



Career design training

Previously, career design training focused on post-retirement planning for employees at the threshold ages of 55 and 58. Since 2025, however, to help employees get an earlier start on planning their careers, the subject ages also include employees turning 30 and 45. In addition to taking stock of careers and formulating medium- to long-term action plans at each age, this training program seeks to foster awareness of asset building for the future.

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 and allowing employees to work together while 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 in each year thereafter. In FY2025, 44 trainees took part in a two-day online training program and 13 topical assignments. Plans call for training 20 newly appointed section managers and other employees in 2026.

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. We plan to use this system, which involves employees enhancing the information in their own profiles, as a tool for stimulating internal communication.

HR Development Conference

Based on the results of the performance reviews, talent development meetings are held throughout the company. At these meetings, we share information about top talent throughout the company and discuss ways to evaluate employees fairly and appropriately. It is also an opportunity to evaluate the management skills of participating managers.

Skills improvement support program

To encourage employee self-improvement, we provide economic assistance for activities such as learning English and Chinese, earning Microsoft Office Specialist, Japan Chamber of Commerce and Industry (Nissho) Bookkeeping, and other qualifications, and Nikkei Test taking. 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.

Number of persons who used the skills-improvement support program (total)

	2021	2022	2023	2024	2025
Number of persons who used the program (total)	9	23	21	20	24

Digital transformation (DX) training

Promoting digital transformation (DX) is essential to making organizations more competitive. We launched DX training in 2023. That year, some 700 trainees improved their DX knowledge by attending a half-year e-learning program. In 2024 and 2025, around 130 selected DX promotion team members learned more about DX literacy and skills and how to use generative AI. We plan to continue our DX training to develop a corps of DX promotion human resources, improve business efficiency, and encourage wider use of DX in the individual duties performed by employees.

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)

	2021	2022	2023	2024	2025
All permanent full-time employees (persons)	841	835	840	862	850
Women permanent full-time employees (persons)	167	171	181	198	212
Percentage accounted for by women (%)	19.9	20.5	21.5	23.0	24.9

Women as a percentage of permanent full-time employees (new graduates) hired

(Figures for each fiscal year are as of April 1)

	2021	2022	2023	2024	2025
All permanent full-time employees hired (persons)	13	20	28	42	34
Women permanent full-time employees hired (persons)	6	7	14	15	14
Percentage accounted for by women (%)	46.2	35.0	50.0	35.7	41.2

Women as a percentage of managerial personnel (managers and above)

(Figures for each fiscal year are as of December 31)

	2021	2022	2023	2024	2025	Materiality KPI 2030 target
All permanent full-time employees hired (persons)	206	209	206	194	181	
Women permanent full-time employees hired (persons)	10	14	13	14	16	
Percentage accounted for by women (%)	4.9	6.7	6.3	7.2	8.8	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)

	2024	2025
Regular workers (%)	73.7	74.4
Nonregular workers (%)	59.6	56.9
All workers (%)	56.6	59.2

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

Comprehensive reduced working hours program

This program allows employees whose circumstances involve responsibilities such as caring for children aged three or older, 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.

Users of the comprehensive reduced working hours program

	2021	2022	2023	2024	2025
Users (persons)	10	9	12	10	13

The Pack's own maternity and paternity leave program

Numbers and percentages of employees taking childcare leave

(Figures for each fiscal year are as of December 31)

		2021	2022	2023	2024	2025
Women	Number of employees taking childcare leave (persons)	15	11	10	15	17
	Percentage of employees taking childcare leave (%)	100.0	100.0	100.0	100.0	100.0
Men	Number of employees taking childbirth and childcare leave (persons)	0	3	10	21	32
	Percentage of employees taking childbirth and childcare leave (%)	0	13.0	40.0	87.5	139.1*

* The total exceeds 100% because it spans more than one fiscal year.

The Pack's own maternity and paternity leave program

In April 2022, we introduced our own maternity and paternity leave program to make it easier for permanent employees whose spouses give birth 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.

Referral employment program

In 2022, we adopted a referral employment program to hire those referred by current and future Company employees. The goal is to hire human resources on a stable basis who will stay with the organization over the long term, by preventing mismatches.

Referral hires (Figures for each fiscal year are as of December 31)
 Note: Only permanent, full-time employees at the time of hiring are shown (excluding those who resigned at the end of the fiscal year in which employment began).

	2022	2023	2024	2025
Number (employees)	2	8	6	4

Technical trainees from Vietnam

The Technical Internship Program helps human resources from developing countries to bring back to their home countries the skills and techniques they have acquired while working in Japan, thus contributing to the development of their home countries in the future. With a view to making an international contribution and employing foreign workers in the future, we have been accepting Vietnamese technical apprentices since 2019.

Currently, the trainees are making printing boxes at the printing

Revised rules on periodic raises

In 2025, in support of diverse workstyles, we made employees whose days worked previously had not qualified for regular raises due to maternity and paternity leave, childcare leave, or long-term care leave eligible for regular raises. This revision of the system is intended to encourage employees to continue working with a strong sense of engagement over the long term.

Employment of those with disabilities

The company opened an office in Kainan City, Wakayama Prefecture, in April 2022 to support the employment of people with disabilities. A total of six people have started here, who are involved in manual processing of paper bags and paper containers. We will continue to develop and improve the working environment so that employees can work in a safe environment with a sense of satisfaction. In addition, we will strive for continued employment with the cooperation of support schools in the prefecture.

Employment rate of those with disabilities (Figures for each fiscal year are as of March 31)

	2021	2022	2023	2024	2025
Employment rate (%)	1.8	1.6	2.1	1.9	2.0

press manufacturing site. They are enthusiastic about their work, and each of them is working daily on practical training to achieve their goals.

Numbers of trainees accepted (Figures for each fiscal year are as of December 31)

	2021	2022	2023	2024	2025
Trainees (persons)	10	5	5	5	5

Improving employee engagement

The Pack considers its employees to be a vital asset for our businesses. We will develop an environment in which employees can grow by doing rewarding work while sharing a common purpose.

Engagement survey

Based on the conviction that strengthening employee engagement contributes directly to corporate growth, The Pack has undertaken employee engagement surveys of all employees, including part-timers, since 2023.

These surveys seek the candid opinions of employees in response to questions in five categories, including the nature of the work done, compensation, and interpersonal relations within the workplace.

Based on the survey results, we work ceaselessly to improve employee engagement. In 2025, these efforts included legal and regulatory compliance checks and video training on harassment.

The survey also included questions to check for the occurrence of harassment, and the Human Resources Department holds interviews based on the results. This is intended to detect, at the earliest possible instance, serious cases of harassment that could lead to whistleblowing reports.

Engagement survey response rates

	2023	2024	2025
Response rate (%)	77.6	78.6	98.6



Theme 03

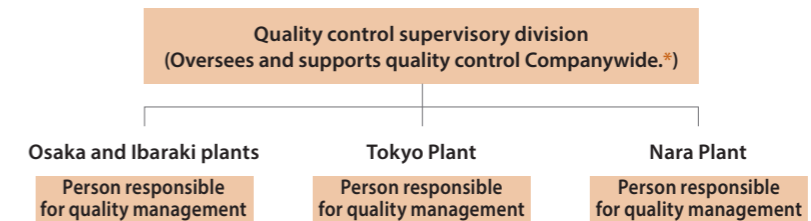
Building and enhancing relations of trust with our business partners and customers

Quality control

The Pack has established a quality control organization to maintain and supply high-quality products, perform ongoing training and education and other activities related to quality and safety, and consider measures to consider and incorporate complaints and irregularities. Under the direct supervision of the President, the Quality Control Supervisory Division is an autonomous section charged with quality oversight and supervision. It works with quality control sections at the manufacturing sites to improve product quality across the organization. We're 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.

Quality control organization chart

The quality control organization is centered on quality control organizations at four domestic plants. The Quality Control Supervisory Division oversees and supports overall quality control while working closely with headquarters and the procurement and sales groups to harmonize quality control standards and improve operations organization-wide. In this way, we strive to prevent quality deviations and human error.



* Including headquarters, procurement, and sales

A Quality Policy

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.

Certification

Four domestic plants have earned ISO 9001 certification to deliver stable quality on a sustained and sustainable basis. Through management structures based on a quality management system, we undertake thoroughgoing day-to-day management while striving to achieve sustained improvements in quality. In addition, the Osaka and Tokyo plants, which produce food packages, have earned FSSC 22000 international food safety standard certification for their production of high-quality products and ensuring stable supplies, for safety and peace of mind in the food industry. They carry out regular operations based on this standard. In addition to regular review by external certifying agencies, we're increasing opportunities for quality improvements through proactive internal audits.

Traceability

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

- Using traceable raw materials
- Recording and retaining details of individual manufacturing processes
- 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:

- Use of urgent reporting systems for immediate sharing of information Companywide
- 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.

Internal auditing

For internal audits, quality sections undertake careful reviews from an independent perspective to provide opportunities to identify issues and propose improvements on matters that may be easy to overlook in self-inspections. (Internal audits were carried out at 25 facilities in FY2025)

We've established a system capable of swift detection and resolution of any quality-related issues among the issues identified, and proposed improvements.

Results of 2025 quality activities

Seeking to provide products with ever higher levels of quality, The Pack implements regular quality improvement activities. We've identified quality improvement months all year long and provide quality control training and awareness-raising activities for employees. Other activities seek to strengthen customer satisfaction by achieving higher quality across the entire supply chain, include announcing and thoroughly communicating quality-related information, holding seminars, and holding quality meetings with partner companies and Group companies in Japan.

Joint quality meeting with a partner company



Agenda: Sharing individual companies' quality policies, causes of complaints and improvement measures, etc.
Participating companies: 47 in total, at three plants
Participants: 72 persons

Quality month lectures

Agenda: Six seminars, including a seminar on various topics and answers to everyone's science questions
Seminars held: 14 in total, at four plants

Domestic Group quality meetings



Agenda: Sharing quality information, examples of complaints, plant tours, etc.
Participating companies: six Group companies in Japan
Participants: 18 persons

Four-plant joint quality meetings

Agenda: 4M change information, quality proposals, etc.
Meetings held: 7 times

Voice Comments from a staff member promoting quality activities

I see quality as a key corporate activity that supports not just product value, but customer trust. The Quality Control Supervisory Division promotes quality improvements across The Pack Group. It's also responsible for quality control across the supply chain, encompassing manufacturing both subcontractors and Company plants. In 2025, we focused on enhancing inspections and quality guidance at overseas subcontractor plants and audits of domestic subcontractors. We also held quality training study meetings Groupwide and quality conferences to which we invited partner companies and materials suppliers. These activities sought to share quality information and raise quality awareness. Furthermore, through risk assessments, we're making progress on visualizing and avoiding potential risks in manufacturing processes and supply systems. These sustained efforts are generating steady results in the form of strengthening quality awareness across the supply chain and preventing quality issues.



K.U., Quality Control Supervisory Division

Co-creation with customers and partners

Our business activities are based on joint efforts with customers and suppliers. We will continue working to deepen trust and our relationships with all our partners.

Proposing support for The Pack Forest® Environment Fund

Since 2000, The Pack has contributed a share of some sales of eligible products to The Pack Forest® Environment Fund to support forest conservation activities at ten planting sites across Japan.^{*1}

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 2025, 177 companies supported the Fund, and 63 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.

	2021	2022	2023	2024	2025	Materiality KPI 2030 target
Supporting firms (companies) ^{*2}	67	94	123	158	177	300

^{*1} See p. 17-18 for details of forest conservation activities.
^{*2} Only companies with actual results are counted.

Package development to contribute solutions to social issues

As a company offering total solutions related to packaging, we produce packages and services to contribute to solutions to social needs and issues.

Packaging facilities begin operating in eastern and western Japan

In response to the social challenges posed by a rapidly shrinking population of workers, The Pack has begun operating a secondary food packaging facility in Kawasaki, Kanagawa Prefecture. This facility uses a robotic packaging system in which precision robotic arms automatically sort products in real time, based on product images and video processing. This makes it possible to maintain a stable supply of products to customers while maintaining productivity, even in the face of labor shortages. Automation also cuts the burden of staffing adjustments for peaks and troughs, improves operating efficiency, and helps cut costs. Another secondary packaging facility opened in Wakayama Prefecture in 2025.

We will support solutions for customers in the food products industry through one-stop solutions for package manufacture and supply and packaging work.



A robotic arm at the Kawasaki packaging facility

Voice Comments from a member of sales staff who proposed the secondary packaging center

The labor shortage is also a pressing issue among our customers, many of whom are considering outsourcing labor-intensive work like packaging so that they can devote themselves to producing their products and boosting production volumes. Package manufacturers often handle manufacturing while outsourcing packaging to specialist vendors. Given this state of affairs, our one-stop approach, which involves handling all processes from package manufacture to packaging, is attracting customer attention. One customer, a snack manufacturer, previously had a single staff member handle all tasks from ordering boxes, making requests to packaging contractors, and arranging snack shipments, to collecting and adjusting completed products, all in accordance with their snack production plans. With the launch of our secondary packaging center, manufacturers can now deliver sorted products simply by providing instructions on snack manufacturing plans, required quantities, and delivery times. The customer was very impressed by how this has greatly reduced their workload.



T.M., Tokyo Sales Division No. 2

Contributing to social development and prosperity

Social contribution activities

As a member of the community ourselves, we engage in a wide range of activities to build relationships of trust and to move forward alongside other members of our local communities.

Hands-on manufacturing classes

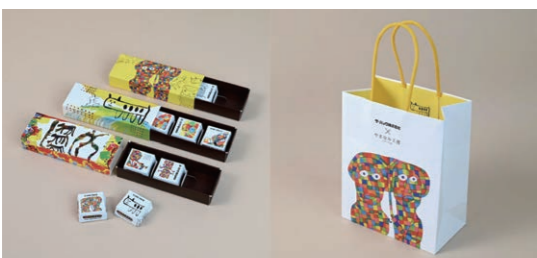
The city of Higashi-Osaka, where the Osaka Plant is located, is one of Japan's leading manufacturing centers. It produces a wide range of products that support society. The city is currently promoting a "Monozukuri no Machi Higashi-Osaka" ("Higashi-Osaka: A City of Manufacturing") program, including hands-on manufacturing classes for elementary-school students, contracted to the nonprofit Higashi-Osaka Organization for Region Innovation (<https://npo-higashiosaka.org/>). Having participated in this program since its launch in FY2002, we send employees to schools each year to share in the enjoyment of manufacturing alongside students. In 2025, we visited six schools in the city to provide a total of 185 students with paper-bag making experience. We will continue to contribute to the development of future leaders.

Results of this activity to date (cumulative totals through the end of FY2025)

Student participants	16,503 (15,962 through visiting classes, 541 through watching a video)
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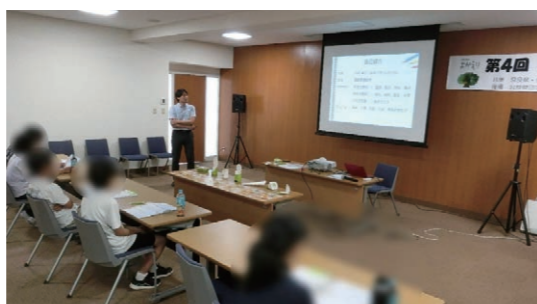
Our partnership with Atelier Yamanami

Atelier Yamanami (<http://a-yamanami.jp/>), a facility in Shiga Prefecture, supports people with disabilities. Its unique, distinctive artworks are gaining a reputation across Japan and the world as works of contemporary art. In support of Atelier Yamanami's vision, we use its artworks in exhibition packages and inform visitors at our booth about its activities.



Sending instructors to a job fair

Company employees participated as instructors in the third job fair organized by the Nara Prefecture nonprofit Okaeri (<https://npo-okaeri.net/>). Targeting junior high school students living with foster parents, family homes, and homes for children in Nara Prefecture, the job fair seeks to inspire them to find their own future pathways and careers through talks by working adults. This marked our first involvement with the job fair. The second time we participated, a total of 17 attending students learned about the specifics of this work and the rewards it returns. We view these efforts as contributions to career education within the community.



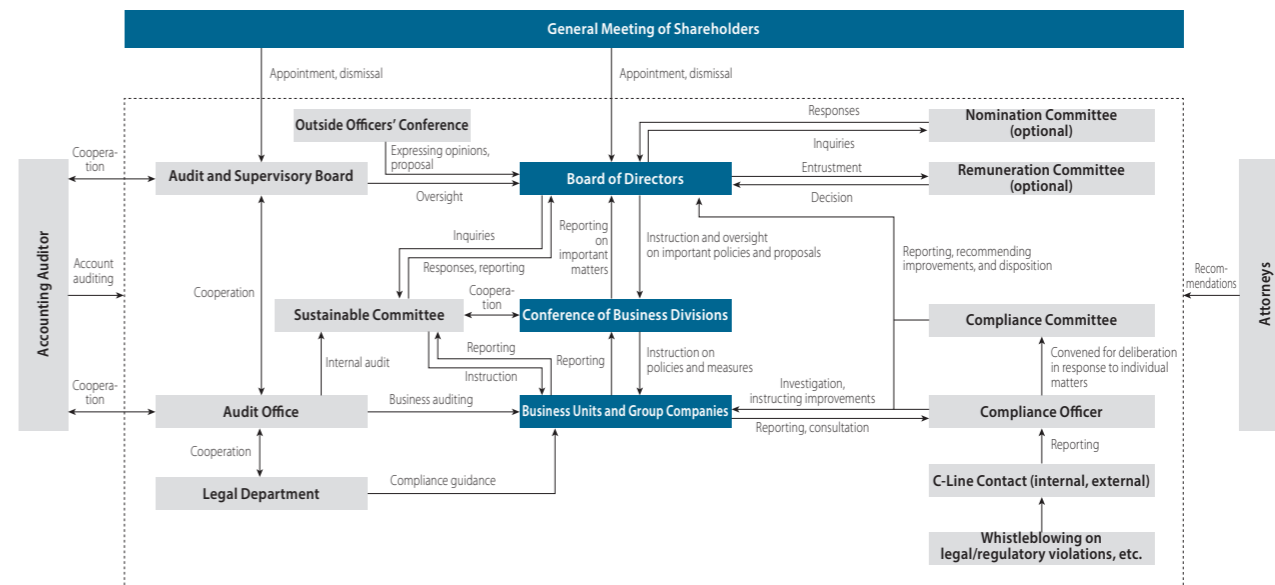
Work experience event for middle school students at the Ibaraki Plant

In response to a request from the Hitachi City Board of Education, the Ibaraki Plant held a work experience event for middle school students. On the day of the event, to provide learning opportunities to help children choose future careers, students learned about the specifics of manufacturing processes and quality control through hands-on experience with tasks related to printing, bagging, and quality control.

Enhancing management foundations

We're keenly aware of the importance of corporate governance. On that basis, we're developing structures to improve management efficiency, establish sound corporate ethics, and monitor management activities to ensure that all these responsibilities are effectively discharged. We're also striving to increase corporate value over the medium to long term through proactive efforts to ensure compliance with the Corporate Governance Code.

Corporate governance structure



As a company with an Audit and Supervisory Board, we ensure soundness and transparency in management through oversight of the performance of the duties of the Board of Directors by independent Statutory Auditors and the Audit and Supervisory Board.

The Board of Directors has nine members, including three outside Directors. The Audit and Supervisory Board has four members, including two outside Statutory Auditors. To ensure fairness, transparency, and objectivity in procedures related to the nomination of Directors and operating officers and decisions on matters such as remuneration, we have established the optional bodies of a Nomination Committee and a Remuneration Committee.

The membership of each committee consists of Directors appointed by the Board of Directors. Outside Directors, one of whom

serves as chairperson, make up the majority of each committee. The Nomination Committee deliberates as an advisory body to the Board on matters related to the nomination of Directors and Corporate Officers. The Remuneration Committee is delegated authority by the Board for deliberations and decision-making on matters related to the remuneration of Directors and Corporate Officers.

Other efforts whereby we strive to enhance our corporate governance structure include the addition of an executive officer system to improve management efficiency and execute business through dynamic decision-making. We have also established a Board of Outside Officers to allow the exchange of opinions among outside Directors and outside Statutory Auditors and recommendations to the Board of Directors, thereby enhancing Board oversight functions.

Activities status of committee

	Board of Directors	Audit and Supervisory Board	Outside Officers' Conference	Nomination Committee	Remuneration Committee
Role	Making decisions on major management issues and overseeing the conduct of the business	Monitoring and supervising business execution of Directors and decision-making processes of the Board of Directors	Information sharing and awareness raising among the independent Outside Officers	Deliberations and recommendations on matters related to the appointment or dismissal of Directors and Corporate Officers	Deliberations and decision making on matters relating to the remuneration of Directors and Corporate Officers
Personnel composition as of FY2026	Eight members (including three from outside the company)	Four members (including two from outside the company)	Three Outside Directors, two Outside Corporate Auditors	Five Directors (including three from outside the company)	Five Directors (including three from outside the company)
Number of meetings held in FY2025	17 times/year	13 times/year	6 times/year	4 times/year	4 times/year
Contents	Appropriate decision-making and management supervision are carried out based on the wealth of business experience of Internal Directors in the Company and the objective and professional perspectives of Outside Directors.	Management soundness is ensured from the perspective of full-time Corporate Auditors based on their experience in the Company and from the objective and professional perspectives of Outside Corporate Auditors.	The exchange of information and awareness raising among independent Outside Officers provides effective supervision of management from an independent and objective perspective.	With a majority of independent Outside Officers, including the Chairperson, the Committee deliberates on proposals for the appointment and removal of Directors and the selection of Representative Director and Corporate Officers. It also makes recommendations in response to requests from the Board.	With a majority of independent Outside Officers, including the Chairperson, the Committee deliberates and makes decisions concerning compensation for Directors and Corporate Officers.

Sustainable Committee

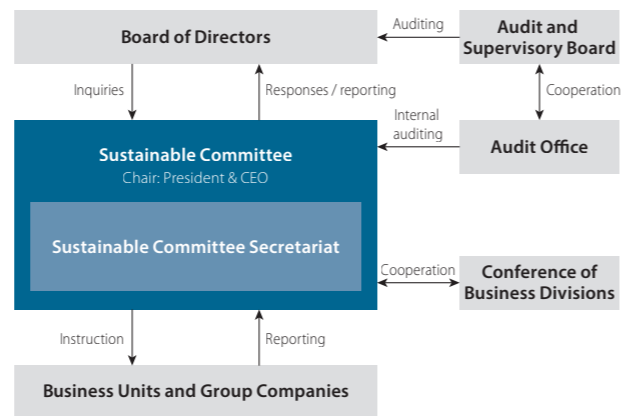
In January 2023, we established the Sustainable Committee under the Board of Directors to address efforts to promote sustainable management within the Group.

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.

Sustainable Committee structural chart



Use of independent Outside Directors and Outside Corporate Auditors

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.

The role of Outside Directors and Outside Corporate Auditors is to enhance the effectiveness of corporate governance at our company by using their expertise and experience to provide supervision and auditing from a neutral standpoint.

Conforming to the Corporate Governance Code

Basic policy on corporate governance

The Company is strongly aware of the importance of corporate governance and will strive to improve management efficiency and establish corporate ethics. Our basic policy is to establish a system to

monitor the proper conduct of management activities and to promptly disclose important information that serves the common interests of our shareholders.

Conforming to the Corporate Governance Code

The Company's corporate governance is described in the Tokyo Stock Exchange Corporate Governance Report. We also publish our initiatives regarding the Corporate Governance Code, which describes the status of corporate governance, on our corporate website. Here you can find information not just on the principles for

which disclosure is required in the Corporate Governance Report, but initiatives regarding all principles.

Corporate Governance
<https://www.thepack.co.jp/en/company/corporategovernance.html>



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 Statutory Auditors.

Assessment method	Questionnaires on the efficacy of the Board of Directors are distributed to all Directors and Statutory 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

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>



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.

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. In 2025, online training to strengthen awareness was provided to all employees, and a subsequent survey was carried out to assess employee understanding. We plan to continue to revise the details of this training to strengthen awareness still further going forward.

FY2025 awareness raising training Subjects: all employees

Theme	Percentage completing training (%)	Percentage giving correct answers (%)
Code of Conduct	99.4	96.0
Anticorruption	98.6	-
Preventing harassment	98.6	80.1

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.