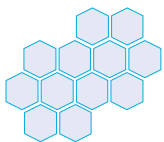




# Results of Operations for the First Half of the Fiscal Year Ending February 28, 2019

October 25, 2018

Jun Kawata, President



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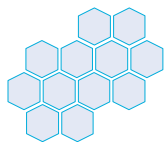
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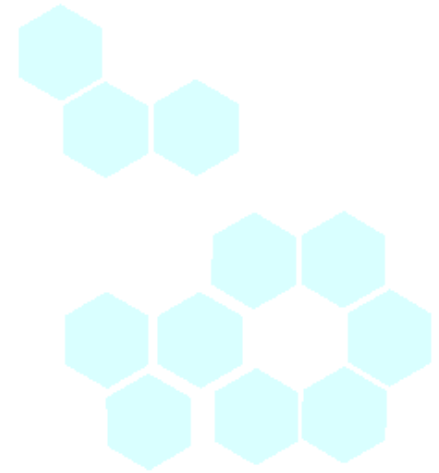
3.	Medium and Long-term Vision	• • •	P.20
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# 1H FY2/19 Financial Summary

## 1H FY2/19 Results of operations

Consolidated sales and operating profit **increased** and surpassed the initial plan.

Consolidated sales: 17,141 million yen (+5.1% YoY)

Consolidated operating profit: 889 million yen(+24.8% YoY)

Performance exceeded the plan mainly because **a large IT and Industrial Materials order** expected in the second half **was received in the first half**.

**Higher prices of raw materials** caused by the rising cost of crude oil had only a **negligible effect on earnings**.

## Construction of Saitama Plant III started in April 2018



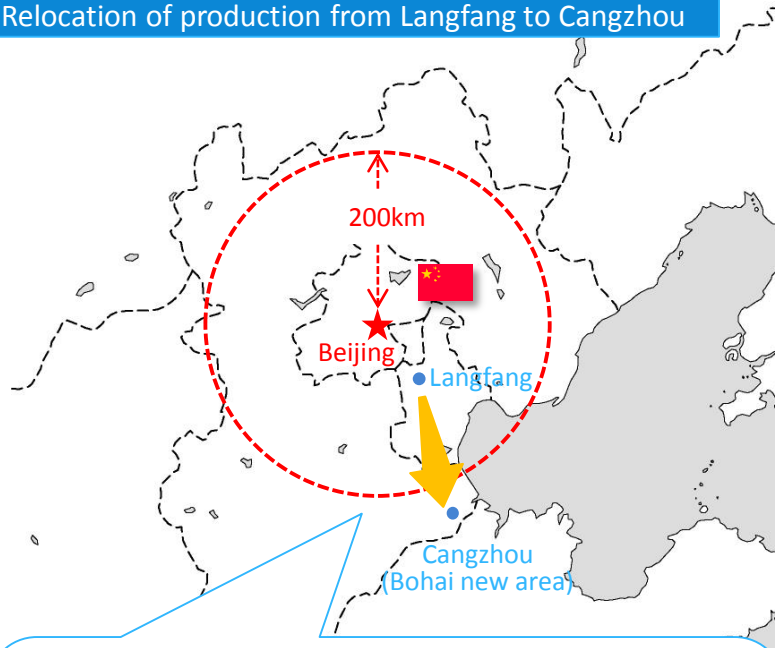
Construction is proceeding on schedule despite the shortage of construction workers in Japan. Completion is planned for September and preparations for the plant's machinery are under way.



# Highlights of the First Half of FY2/19

- Plan to move production to Cangzhou as Langfang imposes tighter environmental restrictions
- Operations have started at a newly established U.S. company in Nashville, Tennessee

## Relocation of production from Langfang to Cangzhou



### Cangzhou Nakamoto Huaxiang New Materials Co., Ltd.

- Established the new company in April 2018
- An administrative building and factory are under construction

## New company for North America operations



### Nashville Sales Office

- Established the new company in February 2018
- Operations have started with the goal of quickly becoming profitable

# Financial Highlights

(Consolidated)

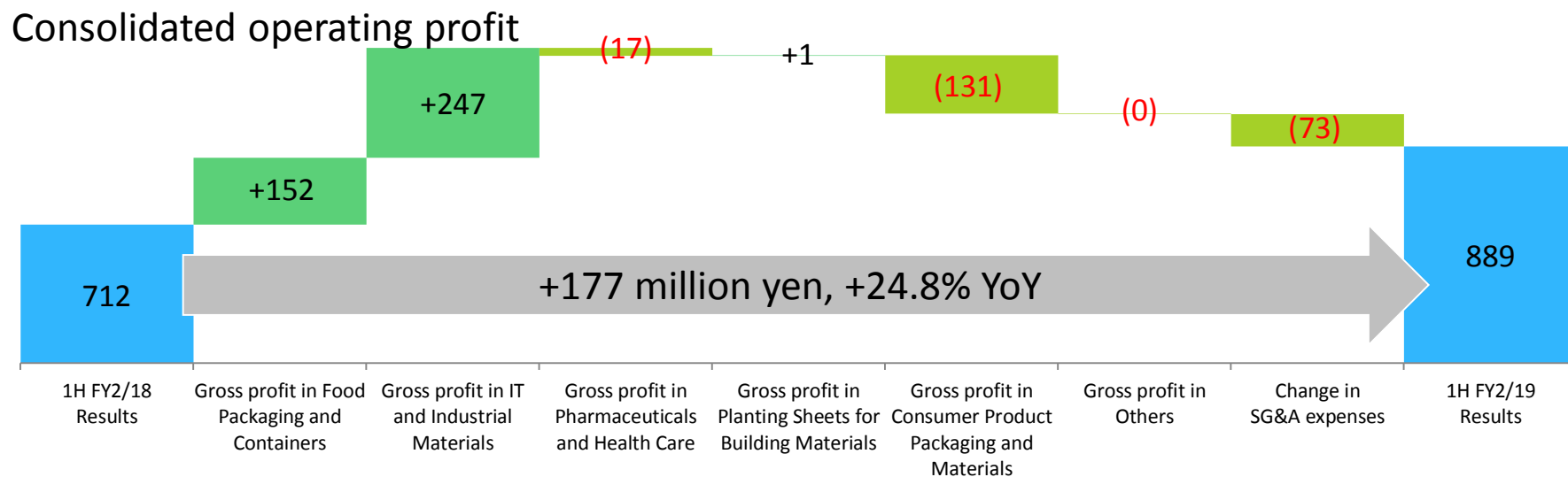
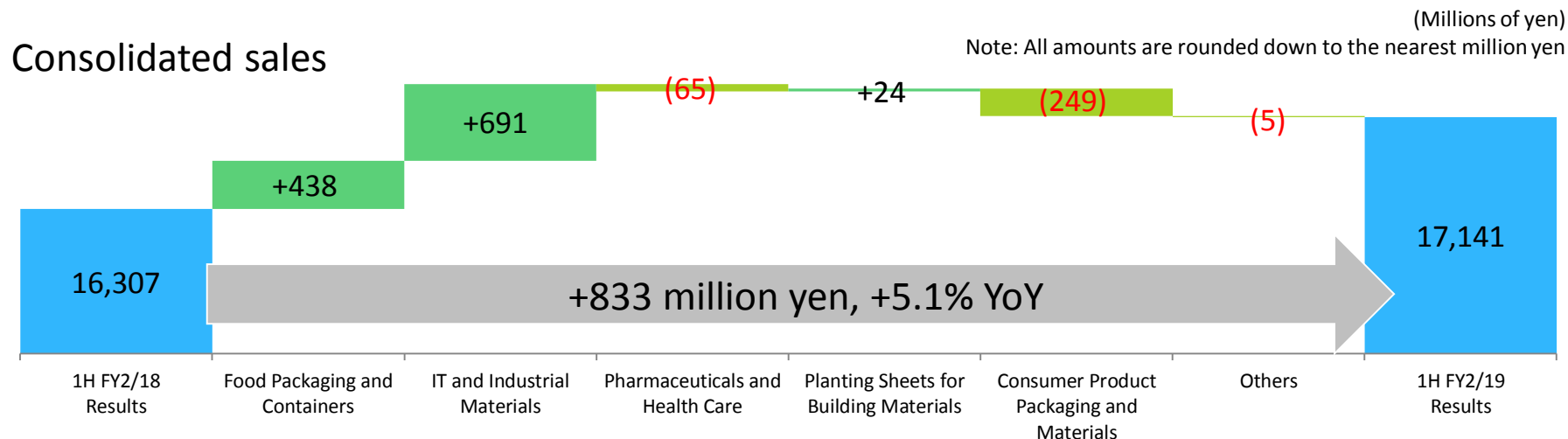
(Millions of yen; (% to sales))

	1H FY2/18 Results	1H FY2/19					
		Results	YoY change		Plan	Vs. plan	
			Amount	%		Amount	%
Net sales	16,307 (100.0%)	17,141 (100.0%)	+833	+5.1%	16,600 (100.0%)	+541	+3.3%
Gross profit	2,480 (15.2%)	2,731 (15.9%)	+250	+10.1%	2,550 (15.4%)	+181	+7.1%
Selling, general and administrative expenses	1,767 (10.8%)	1,841 (10.7%)	+73	+4.2%	1,830 (11.0%)	+11	+0.6%
Operating profit	712 (4.4%)	889 (5.2%)	+177	+24.8%	720 (4.3%)	+169	+23.6%
Ordinary profit	816 (5.0%)	922 (5.4%)	+106	+13.0%	780 (4.7%)	+142	+18.3%
Profit attributable to owners of parent	522 (3.2%)	602 (3.5%)	+79	+15.2%	480 (2.9%)	+122	+25.5%
R&D expenses	37 (0.2%)	37 (0.2%)	(0)	(1.8)%	37 (0.2%)	(0)	(1.6)%
Capital expenditures*	871 (5.3%)	318 (1.9%)	(553)	(63.5)%	996 (6.0%)	(678)	(68.1)%
Depreciation	453 (2.8%)	425 (2.5%)	(27)	(6.1)%	447 (2.7%)	(21)	(4.8)%

\* Construction in progress is not included in capital expenditures.

Note: Exchange rate for 1H FY2/19: 16.69 yen/yuan

# Change in Net Sales and Operating Profit (YoY)

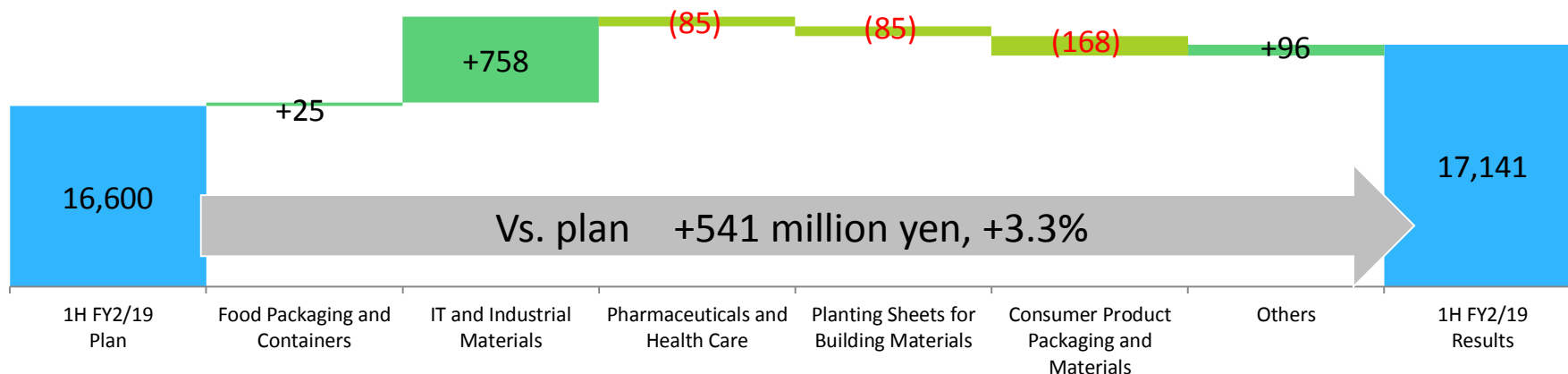


# Change in Net Sales and Operating Profit (Vs. Plan) NAKAMOTO PACKS CO.,LTD.

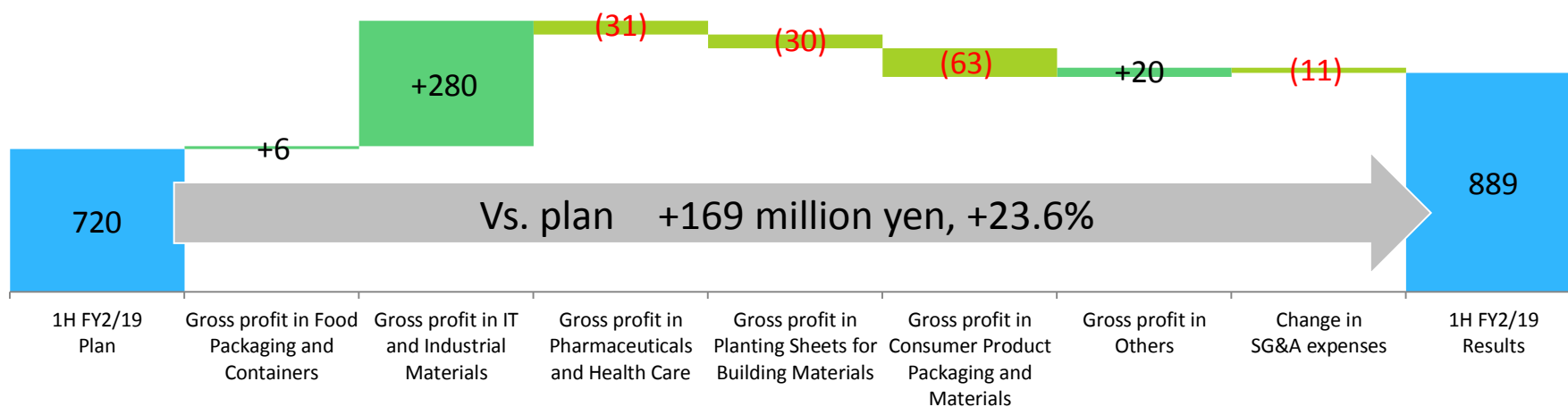
## Consolidated sales

(Millions of yen)

Note: All amounts are rounded down to the nearest million yen



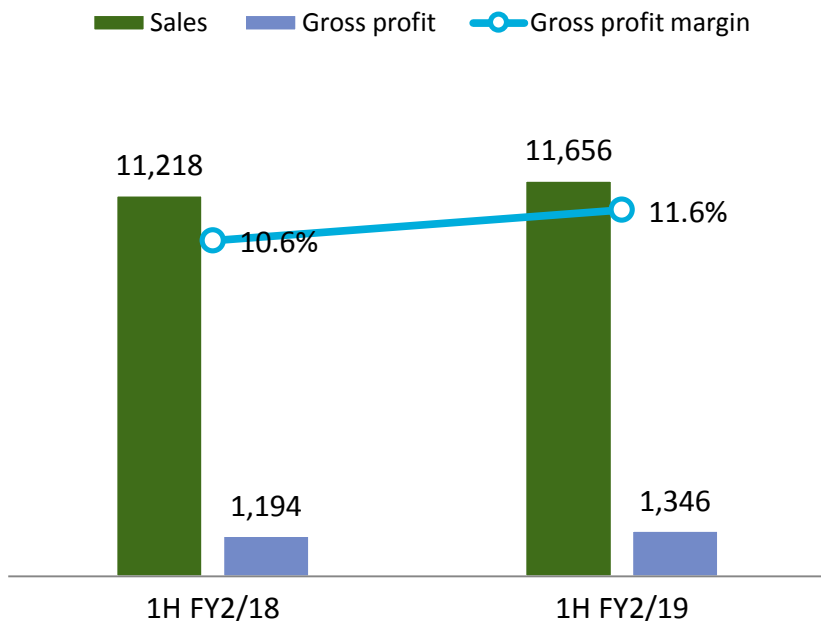
## Consolidated operating profit



# Applications – Food Packaging and Containers NAKAMOTO PACKS CO.,LTD.

## Food Packaging and Containers

(Millions of yen)



### Examples of final products



Pasta container



Prepared food container (bento)



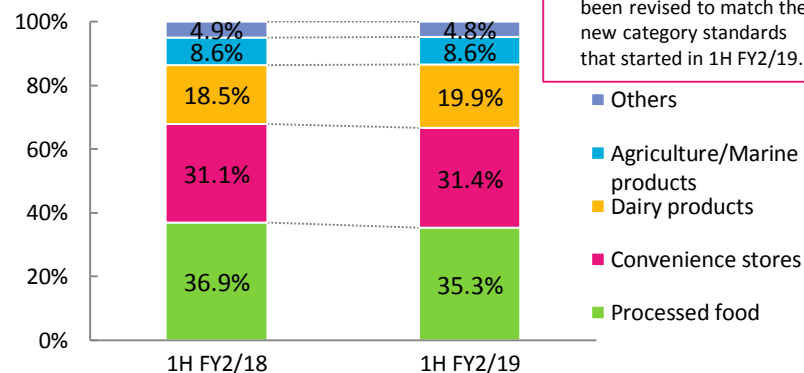
Image

Beverage container lid

### Sales in major product categories

Processed food	<ul style="list-style-type: none"> <li>Strong sales for take-out food packaging, containers for Japanese sweets and all other processed food categories</li> </ul>
Convenience stores	<ul style="list-style-type: none"> <li>Orders for items for pasta and prepared food remained firm</li> </ul>
Dairy products	<ul style="list-style-type: none"> <li>Firm sales for yogurt and cheese packaging</li> </ul>
Agriculture/ Marine products	<ul style="list-style-type: none"> <li>Received orders as planned for packaging for tomatoes, kiwis and other agricultural products</li> </ul>

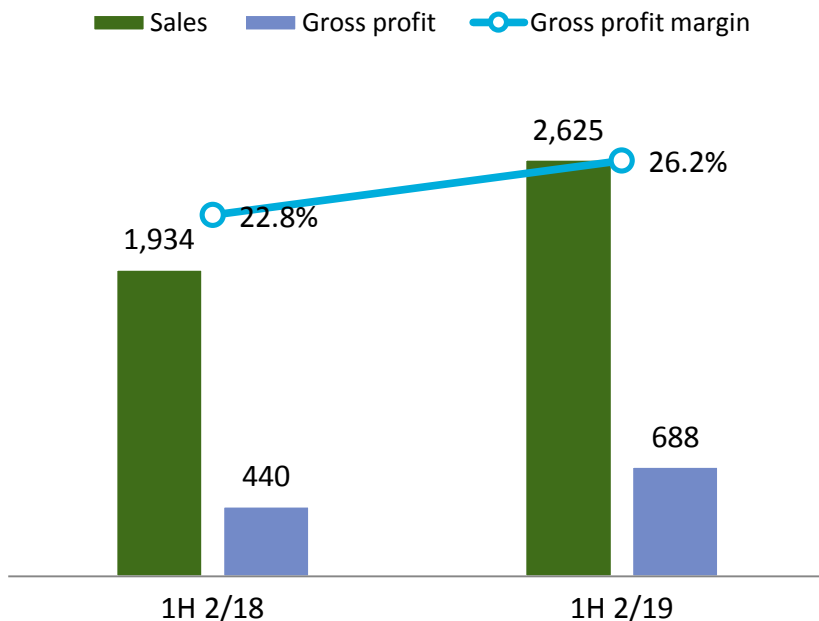
### Sales composition for major categories (Consolidated)



Note: 1H FY2/18 sales have been revised to match the new category standards that started in 1H FY2/19.

## IT and Industrial Materials

(Millions of yen)



### Examples of final products



Films for production processes

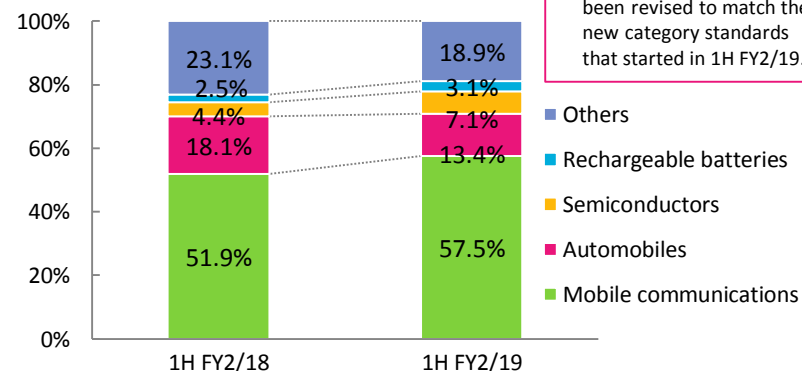


NS Separator

## Sales in major product categories

Mobile communications	<ul style="list-style-type: none"> <li>Big increase in sales due to a large order</li> <li>Strong sales of light blocking film printing</li> </ul>
Automobiles	<ul style="list-style-type: none"> <li>Orders for current products are consistently firm</li> </ul>
Semiconductors	<ul style="list-style-type: none"> <li>Firm orders for films used in electronic component production processes</li> </ul>
Rechargeable batteries	<ul style="list-style-type: none"> <li>Brief upturn in sales due to one-time orders</li> </ul>
Others	<ul style="list-style-type: none"> <li>No change in sales of electricity conductivity processes, electric wire covering film, industrial tape and other products</li> </ul>

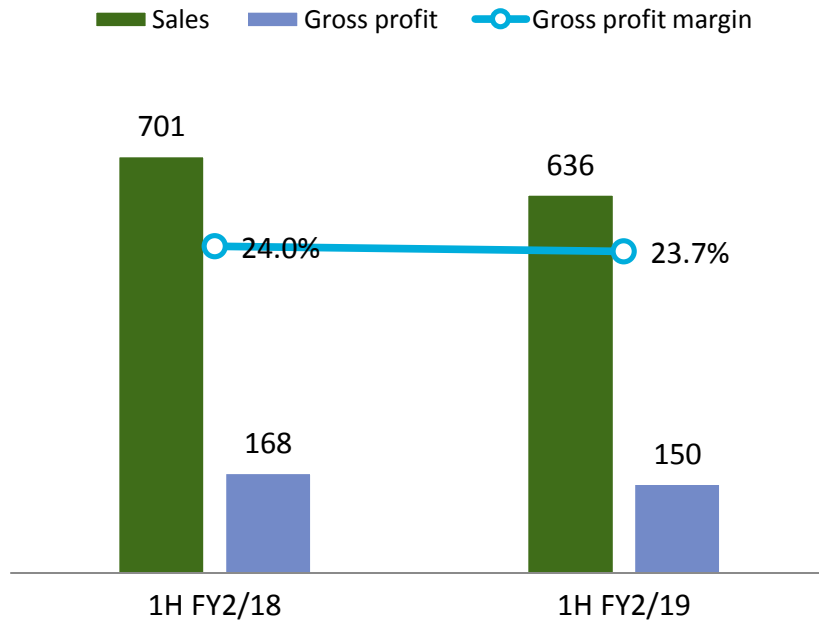
## Sales composition for major categories (Consolidated)



Note: 1H FY2/18 sales have been revised to match the new category standards that started in 1H FY2/19.

## Pharmaceuticals and Health Care

(Millions of yen)



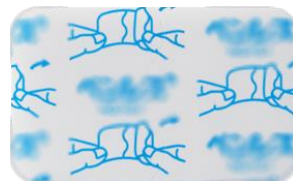
### Examples of final products



External bag for transdermal patch



Bandage

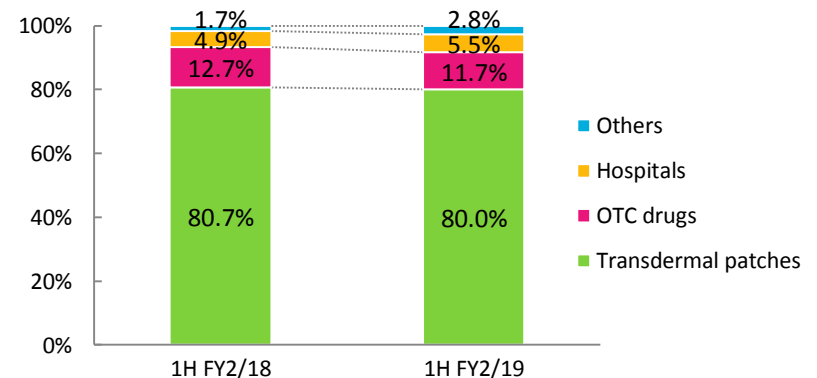


Anesthesia tape

### Sales in major product categories

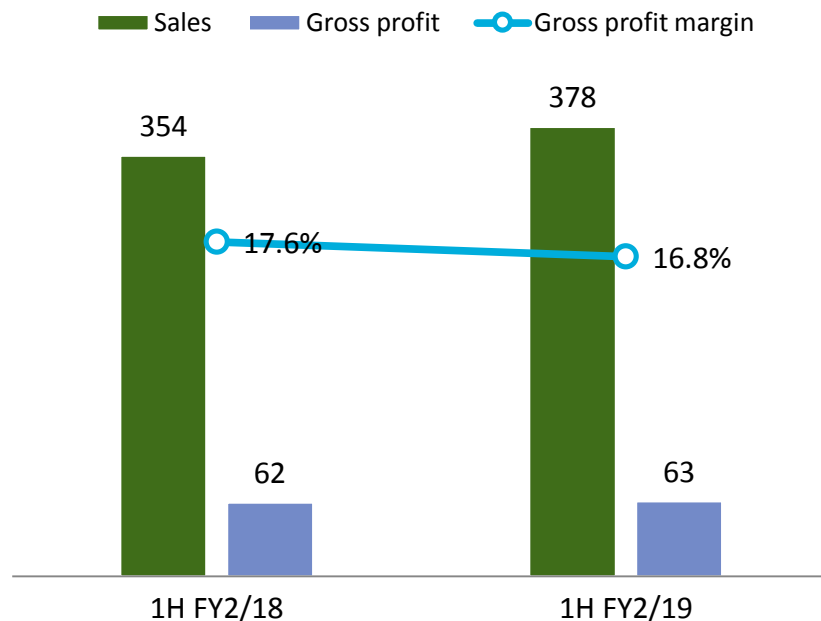
Transdermal patches	<ul style="list-style-type: none"> <li>Sales higher for separation film for generic drug transdermal patches</li> <li>Strength in the generic drug category held down sales of separation film for brand-name drugs</li> </ul>
OTC drugs	<ul style="list-style-type: none"> <li>Sales of packaging for OTC drugs decreased</li> </ul>
Hospitals	<ul style="list-style-type: none"> <li>Small sales increase mainly for packaging for hospital supplies</li> </ul>

### Sales composition for major categories (Consolidated)



## Printing Sheets for Building Materials

(Millions of yen)



### Examples of final products



Kitchen



Closet

## Sales in major product categories

### House fixtures

- For wallpaper and kitchen products, strong sales of decorative sheets and of decorative films using Nakamoto Packs' N coat synthetic paper
- Slow sales of products used in Japanese-style rooms, such as for sliding partitions and shoji paper

### Furniture

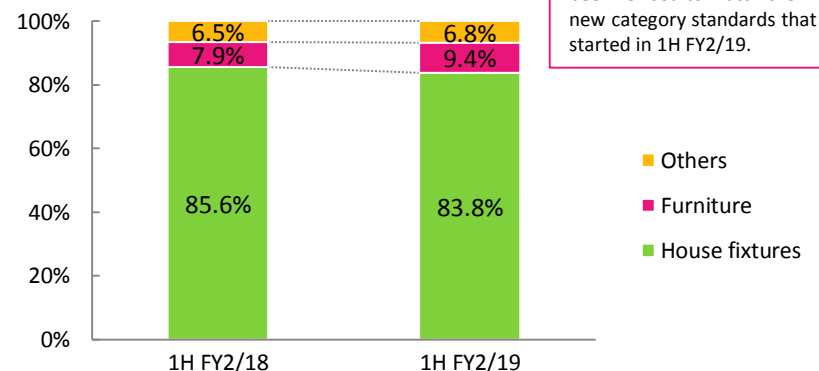
- Received new orders for materials used in furniture for the catalog/e-commerce market
- Sales (exports) of materials for overseas furniture rebounded following a downturn

## N coat

N coat is a polypropylene-based synthetic paper. Due to its excellent resistance to water, N coat is used primarily for vending machine labels and floor materials.



## Sales composition for major categories (Consolidated)



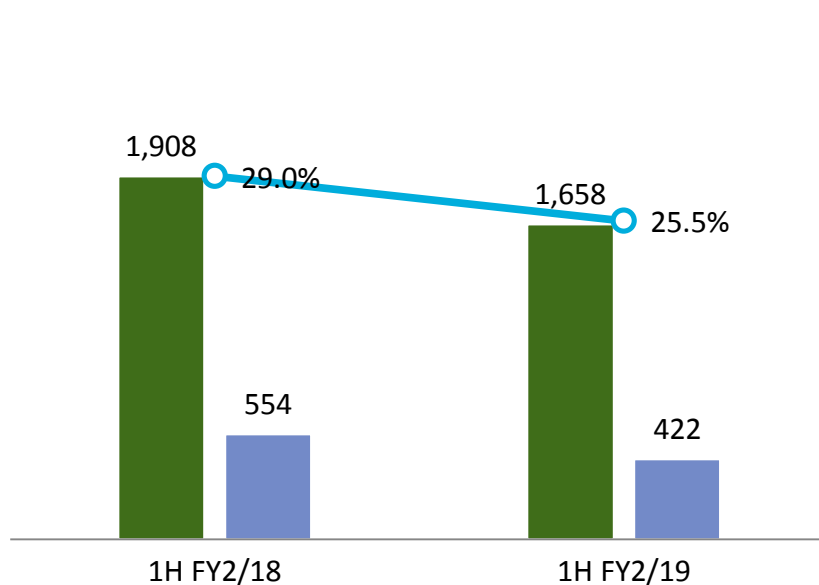
Note: 1H FY2/18 sales have been revised to match the new category standards that started in 1H FY2/19.



## Consumer Product Packaging and Materials

(Millions of yen)

■ Sales ■ Gross profit ● Gross profit margin



### Examples of final products



Insecticide vacuum storage bags

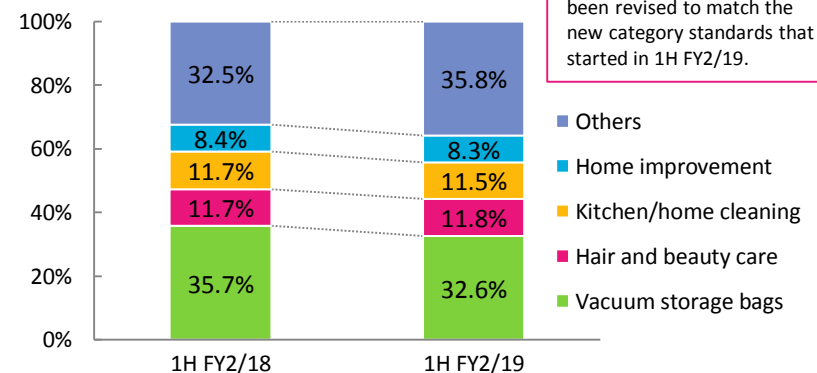


Home improvement product  
Mosaic tile

### Sales in major product categories

Vacuum storage bags	• Sales down as some customers reduced inventories due to revised inventory policies
Hair and beauty care	• Steady sales of materials for hair dyeing process (combs, gloves)
Kitchen/home cleaning	• Sales down because most kitchen material sales are lower-priced products
Home improvement	• No change in sales as a period of strong mosaic tile sales has ended
Others	• Firm sales of label film for a variety of consumer products • No change in sales of seasonal products

### Sales composition for major categories (Consolidated)



Note: 1H FY2/18 sales have been revised to match the new category standards that started in 1H FY2/19.

# Assets and Liabilities

(Consolidated)

(Millions of yen; (% to total liabilities and net assets))

		As of Feb. 28, 2018	As of Aug. 31, 2018		
				YoY change	Major factors
	Current assets	14,154 (54.6%)	14,113 (53.4%)	(41)	Cash and deposits (452) Electronically recorded monetary claims-operating +321 Inventories +48
	Non-current assets	11,781 (45.4%)	12,299 (46.6%)	+518	Property, plant and equipment +546
Total assets		25,935 (100.0%)	26,412 (100.0%)	+476	
	Current liabilities	11,664 (45.0%)	11,797 (44.7%)	+132	Electronically recorded obligations-operating (72) Income taxes payable +125 Provision for bonuses +68
	Non-current liabilities	2,761 (10.6%)	2,830 (10.7%)	+69	Long-term loans payable +95
Total liabilities		14,425 (55.6%)	14,627 (55.4%)	+202	
Total net assets		11,509 (44.4%)	11,784 (44.6%)	+274	Retained earnings +377
Total liabilities and net assets		25,935 (100.0%)	26,412 (100.0%)	+476	
Net interest-bearing debt		2,987 (11.5%)	3,576 (13.5%)	+588	Cash and deposits (452) Long-term loans payable +95

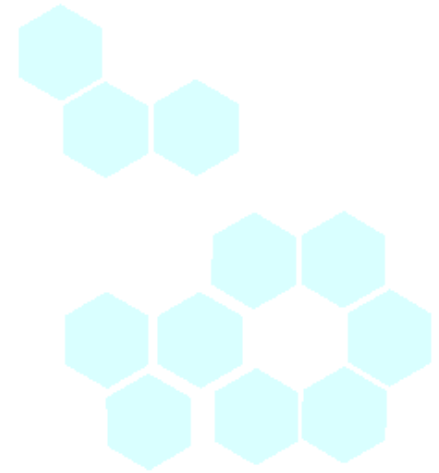
Net interest-bearing debt = Interest-bearing debt – Cash and deposits

# Cash Flows

(Consolidated)

(Millions of yen)

		1H FY2/18 Results	Results	1H FY2/19 Components
	Cash flows from operating activities	413	724	Profit before income taxes 919 Depreciation 425 Increase in notes and accounts receivable-trade (319) Income taxes paid (180)
	Cash flows from investing activities	(533)	(1,080)	Proceeds from sales of property, plant and equipment 12 Purchase of property, plant and equipment (1,052)
	Free cash flows	(119)	(355)	
	Cash flows from financing activities	(223)	(75)	Proceeds from long-term loans payable 530 Net increase in short-term loans payable 60 Repayments of long-term loans payable (434) Cash dividends paid (225)
	Effect of exchange rate change on cash and cash equivalents	(13)	(20)	
	Net increase (decrease) in cash and cash equivalents	(356)	(452)	
	Cash and cash equivalents at beginning of period	3,769	3,585	
	Cash and cash equivalents at end of period	3,412	3,132	



## FY2/19 Outlook

# FY2/19 Outlook

(Consolidated)

(Millions of yen; (% to sales))

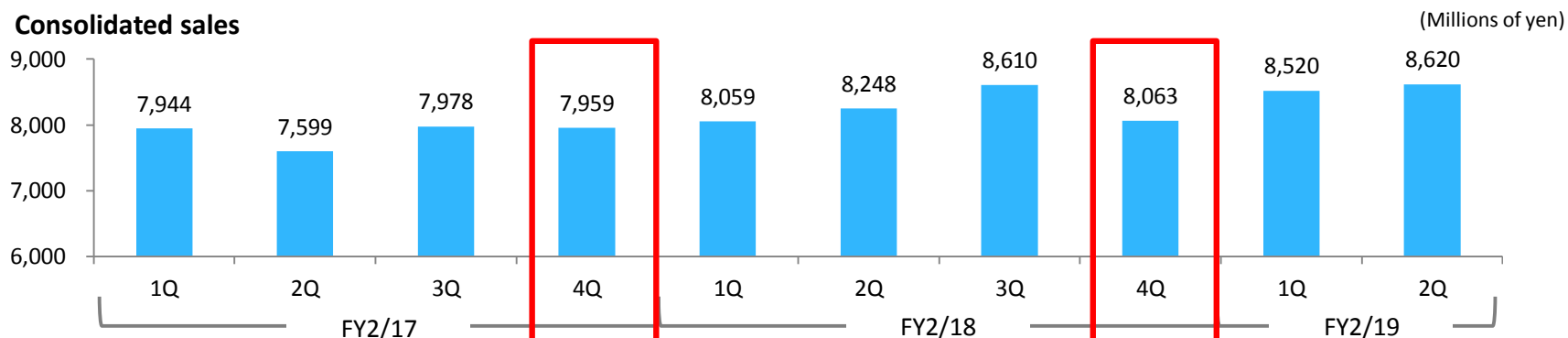
	FY2/18 Results	Plan	FY2/19	
			YoY change	
			Amount	%
Net sales	32,981 (100.0%)	34,500 (100.0%)	+1,518	+4.6%
Gross profit	4,904 (14.9%)	5,300 (15.4%)	+395	+8.1%
Selling, general and administrative expenses	3,573 (10.8%)	3,800 (11.0%)	+226	+6.4%
Operating profit	1,331 (4.0%)	1,500 (4.3%)	+168	+12.6%
Ordinary profit	1,486 (4.5%)	1,600 (4.6%)	+113	+7.6%
Profit attributable to owners of parent	981 (3.0%)	1,000 (2.9%)	+18	+1.9%

Projected exchange rate: 16.5 yen/yuan

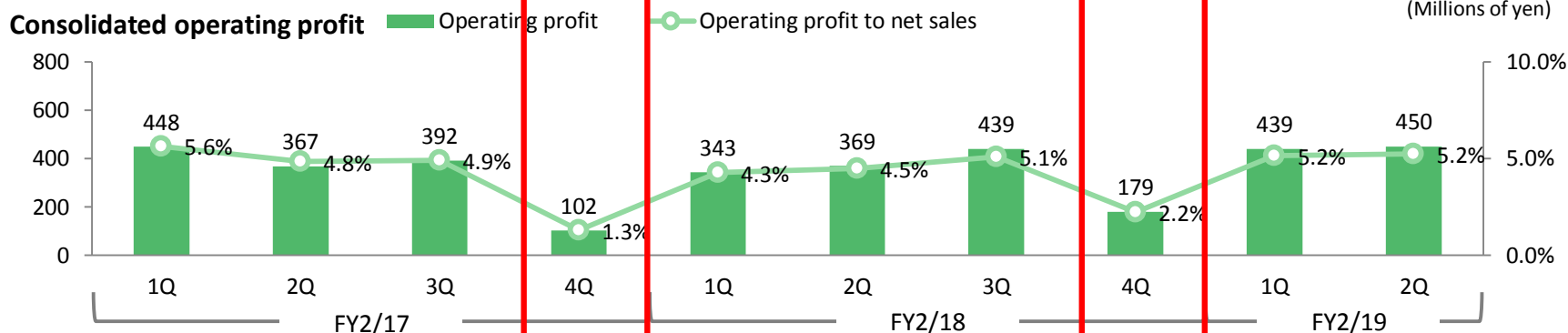
## Quarterly sales and operating profit

- The second half target will be difficult because a large IT and Industrial Materials order expected for the second half was received in the first half
- Anticipate higher expenses for raw materials, fuel, logistics and other items
- No FY2/19 contribution from the new Cangzhou Plant due to delays in starting operations
- Sales and earnings are unlikely to exceed the plan because sales and earnings are normally down in the fourth quarter of every fiscal year

### Consolidated sales



### Consolidated operating profit



# Plan for Capital Expenditures and Depreciation Expenses



NAKAMOTO PACKS CO.,LTD.

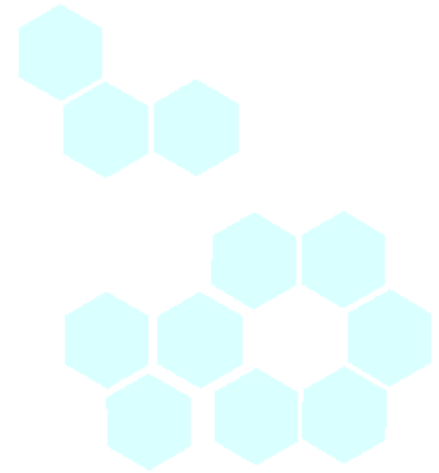
(Consolidated)

(Millions of yen; (% to sales))

	FY2/18 Results	Plan	FY2/19	
			YoY change	
			Amount	%
Capital expenditures	1,156 (3.5%)	2,450 (7.1%)	+1,294	+112.0%
Depreciation	940 (2.9%)	968 (2.8%)	+28	+3.0%
R&D expenses	76 (0.2%)	80 (0.2%)	+3	+4.8%

## Major capital expenditures in FY2/19

Company/plant	Description	Investment (Millions of yen) (Amounts paid)
Japan		
Saitama Plant III	Land, buildings, equipment and machinery (clean coater, etc.)	About 1,200
Nabari Plant Saitama Plant Printing plate factory	Equipment and machinery (small-diameter gravure, automatic register control system, etc.) Environmental systems (solar power and others) Replacement of production machinery (plate engraving machine)	About 500
Nakamoto Inshokan Co., Ltd.	New production machinery (spray coating machine), office	About 150
China		
Cangzhou Nakamoto Huaxiang New Materials Co., Ltd.	Land, buildings and associated construction work	About 350

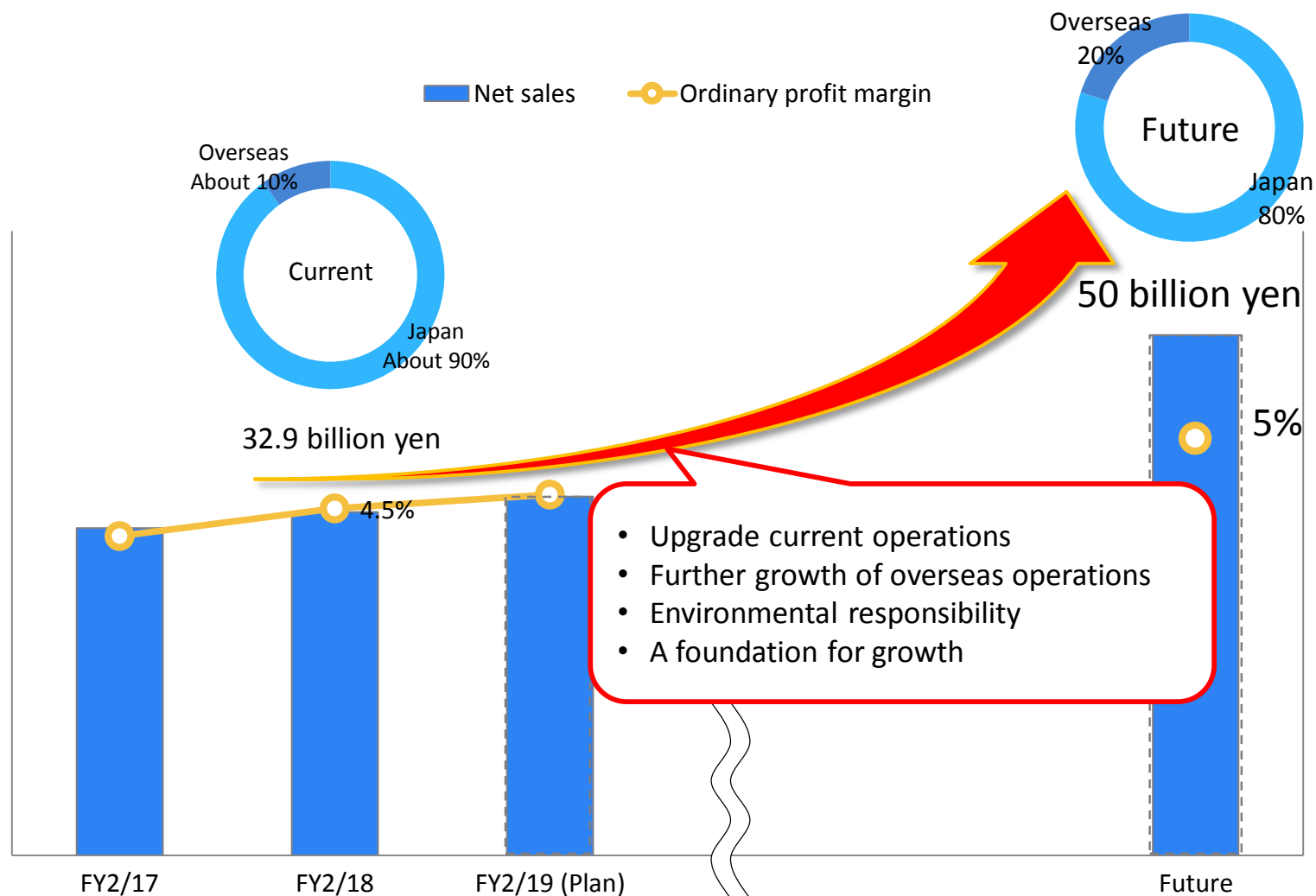


# The Nakamoto Packs Medium and Long-term Vision



# Medium and Long-term Vision

The goals are sales of 50 billion yen and an ordinary profit margin of 5%



1

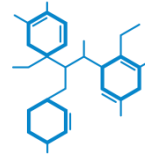
## Reinforce current operations



- Strengthen activities in the convenience store sector
- Make the functional materials business stronger (Quickly start production at Saitama Plant III)
- Stabilize the operations of subsidiaries in Japan
- Use the International Business Office to stabilize the operations of overseas subsidiaries and improve their financial soundness
- Maintain proper levels of inventories and reduce inventory losses

3

## Environmental responsibility



- Increase sales of N brand (PET) products (uses a single material and is thinner, lighter and stronger)
- Research to create food packaging that may extend shelf life
- Strengthen the recycling business
- More R&D expenditures
- More R&D personnel and faster pace of R&D programs

2

## Further growth of overseas operations



- Quickly start production at the Cangzhou Plant
- Build factories in countries other than China (China plus one and tariff measures)
- Recruit and fully utilize people in other countries
- Use the International Business Office to provide strong support for overseas operations

4

## A foundation for growth



- Relocate Corporate Planning Office to Tokyo to start new businesses faster and speed up M&A decisions
- Replace the primary IT system to speed up decision-making and improve manufacturing efficiency (by the end of 2021)
- Make IT investments for the use of IoT technology in manufacturing
- Recruit and train people for global business operations



# Reinforce Current Operations

# Reinforce Current Operations (1)

## Strengthen Activities in the Convenience Store Sector

- Use faster deliveries and higher quality for success in the steadily growing convenience store market

Examples of our products sold at convenience stores



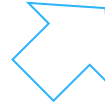
Pasta container



Prepared food container (bento)

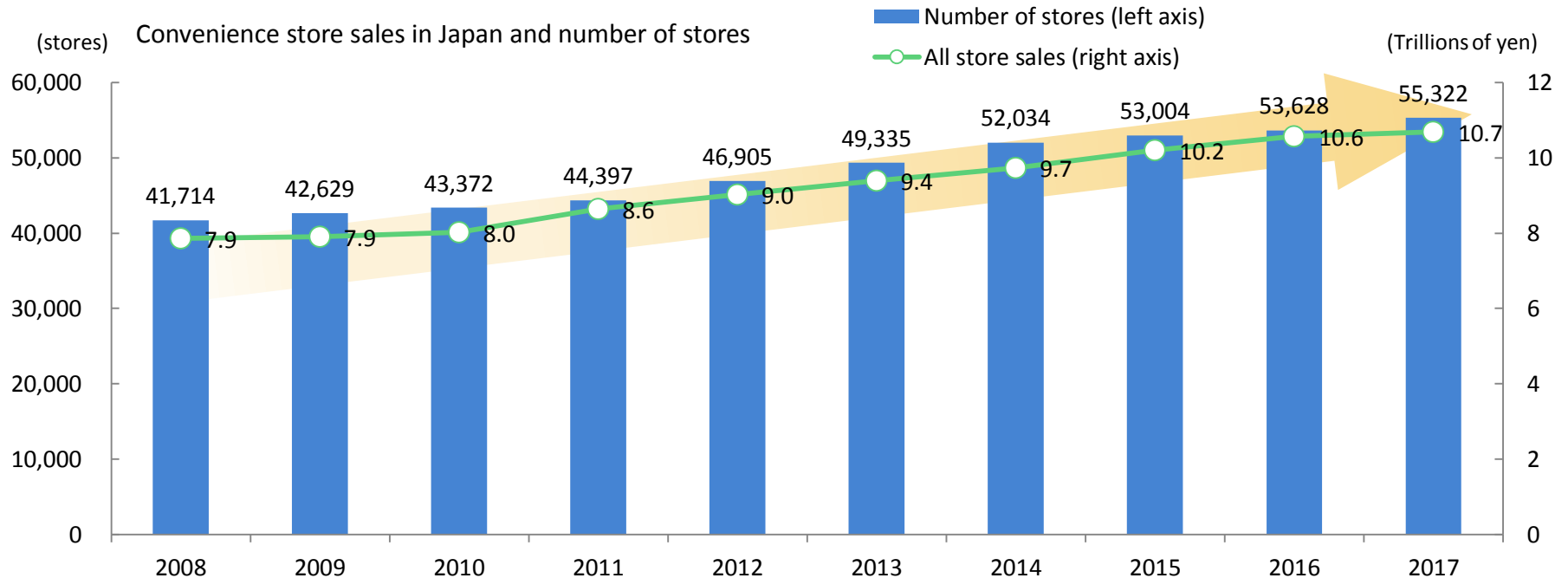


oden (Japanese stew) container



Convenience stores are increasing their lineups of food delivered daily and of frozen food and stepping up environmental activities. The result is more opportunities for Nakamoto Packs

Goals are increasing sales of N brand products, meeting demands for faster deliveries and improving the quality of products



Source : Statistical Survey of Convenience Stores, Japan Franchise Association

# Reinforce Current Operations (2)

Make the Functional Materials Business Stronger

Complete construction of Saitama Plant III and installation of machinery  
Operation scheduled to begin in December with full-scale operations to begin in March 2019



## Reasons for construction of the third plant

- Increase processing capacity because the volume of actual and potential orders is more than current capacity  
→Saitama Plant III will boost processing capacity by 30%
- The new plant will be used to build on expertise involving ultra-clean production environments to receive more orders for next-generation projects  
→Make the functional materials business more competitive



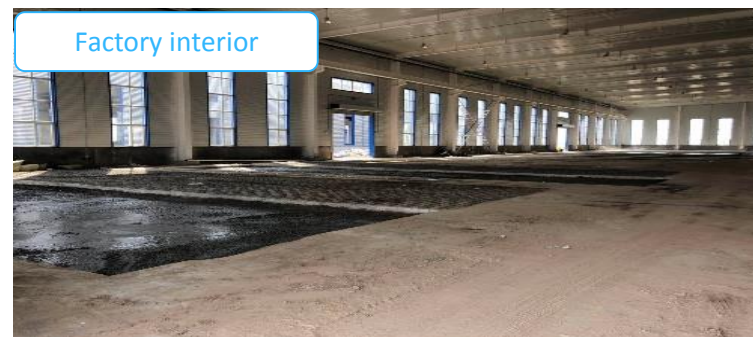
# Further Growth of Overseas Operations

# Further Growth of Overseas Operations (1)

## Construction of the Cangzhou Plant (Cangzhou Nakamoto Huaxiang New Materials Co., Ltd.)



Photos as of April 2018

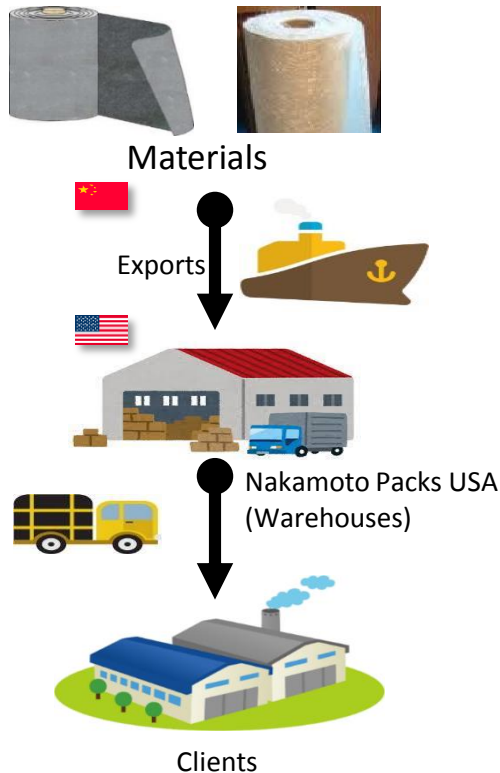


Photos as of September 2018

The exteriors of the administrative and factory buildings are complete. Interior work and the installation of machinery have been pushed back from the end of September to December because regulatory approvals are taking more time than expected.

→ Plan to receive regulatory approvals quickly in order to install machinery and start operations as soon as possible

## The automotive interior materials business



## U.S. tariff increases for imports from China

- 1 July 6, 2018 – Tariffs on imports from China of about \$34 billion 25% tariff on 818 items
  - 2 August 23, 2018 – Tariffs on imports from China of about \$16 billion 25% tariff on 333 items
  - 3 September 24, 2018 – Tariffs on imports from China of about \$200 billion 10% tariff on 5,745 items
  - 4 January 2019 – Higher tariff on an additional \$200 billion of imports planned  
Tariff to rise from 10% to 25% in three product categories
- Reference: U.S. imports from China were \$505.5 billion in 2017

The third stage of U.S. tariff hikes will result in tariffs on almost all Nakamoto Packs products made in China. However, the higher tariffs will not have a significant impact on results of operations at this time.

## China Plus One

Nakamoto Packs has started considering the construction of overseas factories in countries other than China and other measures for reducing vulnerability to risk factors involving China.





# Environmental Responsibility

## Environmental issues

- Conserve resources
- Lower CO2 emissions
- Ocean plastic/microplastic pollution
- Reduce food waste
- Combat air pollution
- Reduce industrial waste

## Environmental contributions of Nakamoto Packs business activities

- (1) Development and sale of recyclable PET resins (N brand)
  - ❑ NAK-A-PET (Thinner, lighter, stronger = Conserves resources, lowers CO2 emissions)
  - ❑ NC-PET (Conserves resources, lowers CO2 emissions and has outstanding heat resistance)
- (2) Food packaging that may extend food expiration dates helps reduce food waste
  - ❑ Coatings that shut out oxygen and moisture
  - ❑ Barrier film laminates and other films
- (3) Use of biodegradable ink and water-based ink and adhesives (reduces VOC)
- (4) Growth of the Nakamoto Packs pellet recycling business (reduce industrial waste)



# Material Development Technology (Internally Developed N Brand Products)

## ■ Development of PET products with distinctive characteristics by using PET modification technologies

The goal is to develop products that are thinner, stronger and more environmentally responsible

### NAK-A-PET

Features	(1) Thinner products (trays, etc.) due to high rigidity; conserves resources and reduces cost
	(2) More heat resistant than conventional A-PET (70°C to 100°C)
	(3) Recyclable material; designed for reduced environmental impact, food hygiene requirements and other characteristics
Applications	Trays mainly for confectionery products and agricultural products



### NC-PET

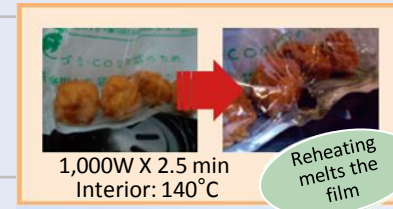
Features	(1) Outstanding heat resistance (220°C, if molded as needed)
	(2) Outstanding resistance to cold, retention of aromas and rigidity
Applications	Containers mainly for baked food items like gratin dishes and in-flight meals



### NS-PET

Features	(1) Heat sealing possible even with PET film
	(2) Retains aromas, creating a barrier for coffee and other items with a strong fragrance
	(3) Microwave-safe due to heat resistance
Applications	Take-out bags mainly for deep-fried food items

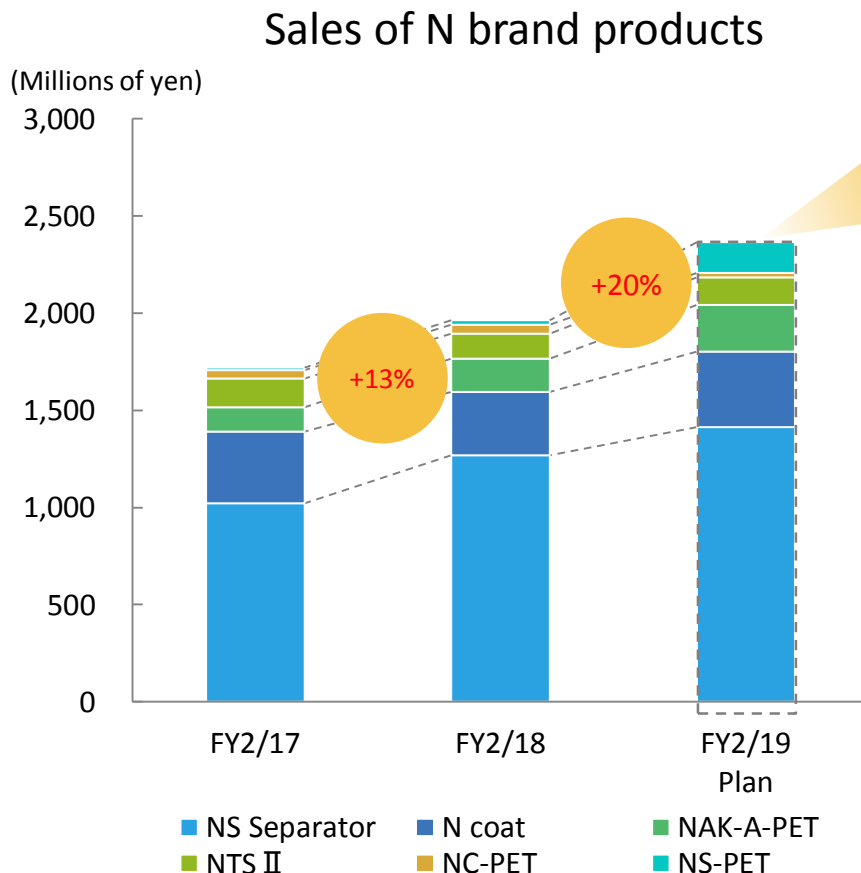
#### Conventional packaging



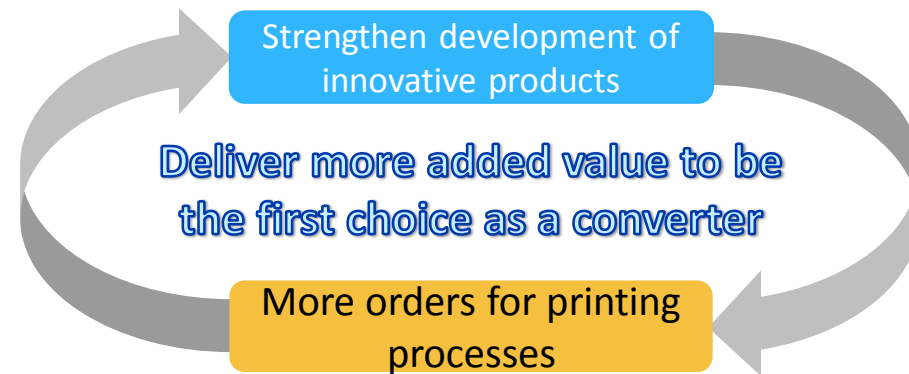
#### NS-PET packaging



- Increase environmental responsibility stature in the packaging industry by raising sales of N brand products



Goal is 5,000 million yen annual sales of N brand products





# A Foundation For Growth

- Tokyo relocation of the Corporate Planning Office, which is responsible for new businesses and M&A
- Plan to replace the primary IT system with work starting by the end of 2018

## ☆New roles of the Corporate Planning Office

Until Aug. 2018

- ◆ Budget management
- ◆ Internal meetings/conferences
- ◆ Investor relations (traveling to Tokyo)

Starting in Sep. 2018

- ◆ Budget management
- ◆ Internal meetings/conferences
- ◆ Investor relations
- + Primary IT system update
- + Studies for launching new businesses
- +China plus one studies
- + Examinations of potential M&A deals

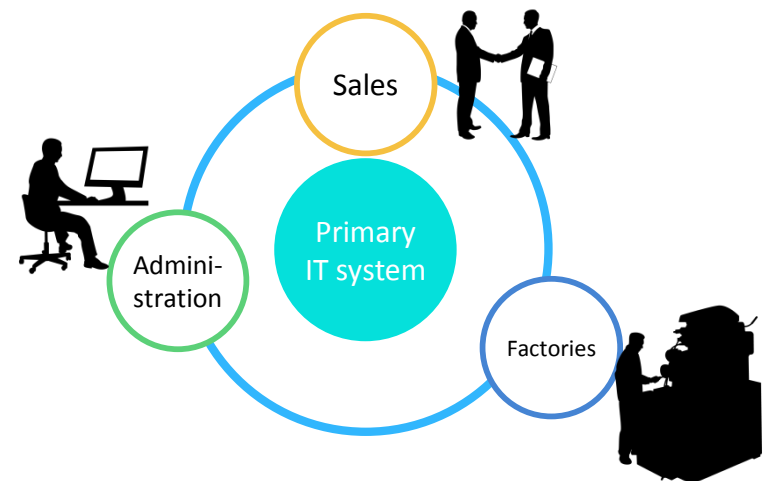
- Relocate to Tokyo, Japan's center of information and human resources
- Increase the number of people with specialized skills and knowledge

**Aim for growth that goes beyond existing business operations**

## ☆Objectives of replacing the primary IT system

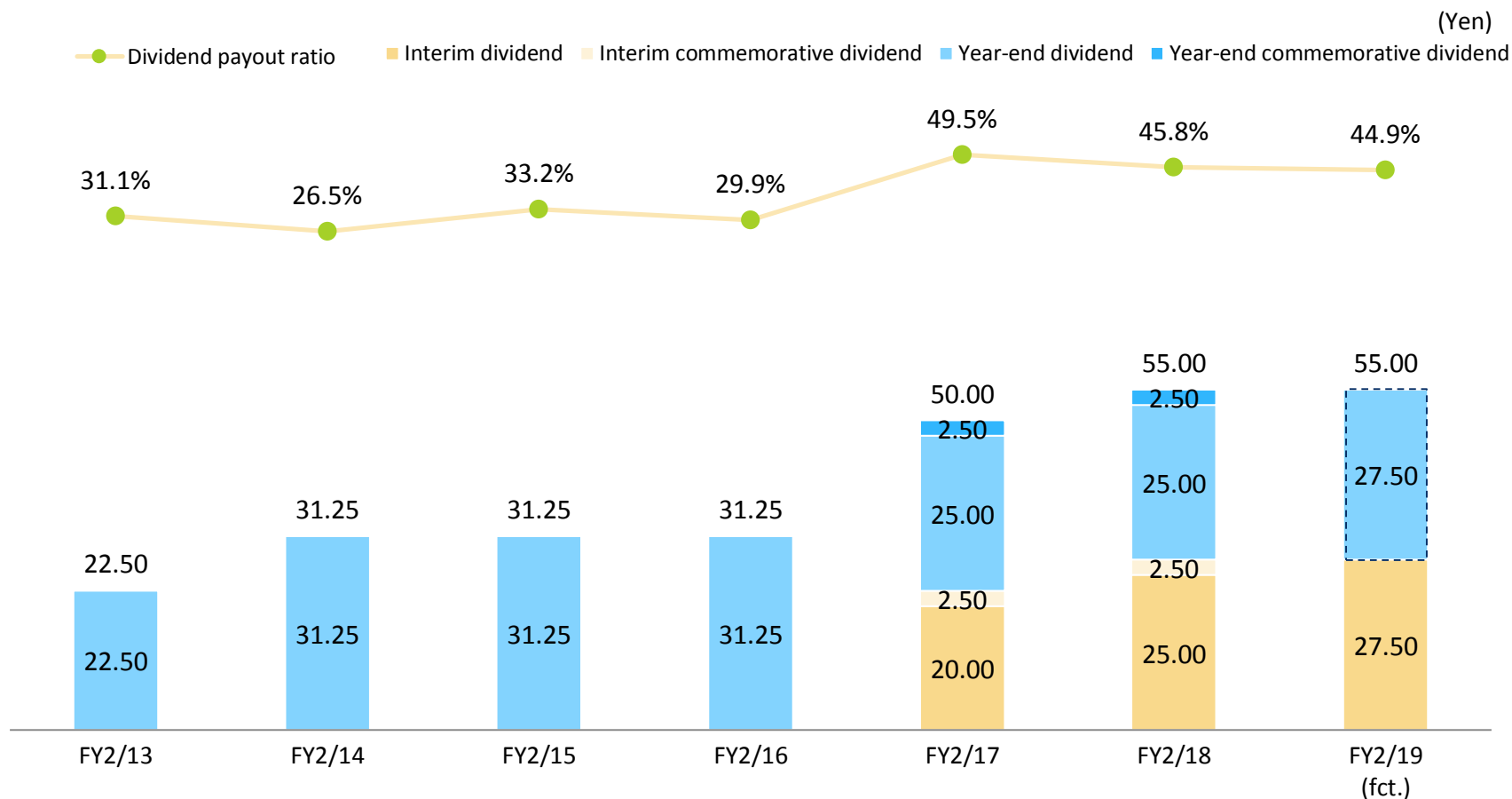
(Major elements of the IT system update (under consideration))

- Faster management decisions by quickly monitoring all performance indicators
- Use of supply chain management for efficient manufacturing and suitable inventory levels
- More efficient sales activities by effectively utilizing data
- Improve efficiency of business processes by reexamining tasks performed on a regular basis
- Reinforce management of the Nakamoto Packs Group
- Use the IoT for higher efficiency and better quality

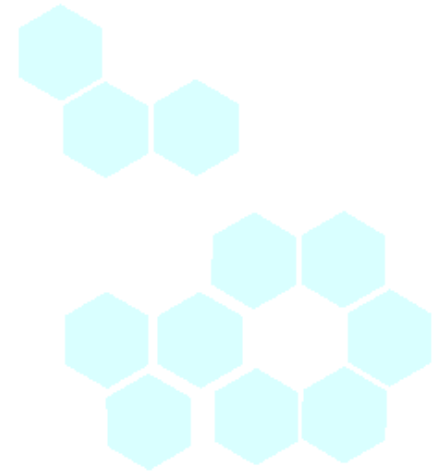


# Policy for Shareholder Distributions

- Maintain a stable dividend while retaining earnings as needed
- Plan to pay a FY2/19 dividend of 55 yen (first-half and year-end payments of 27.5 yen)



Note: There were stock splits of 1-to-200 in June 2015 and 1-to-2 in March 2018. The dividend per share in prior years has been adjusted to reflect these stock splits.



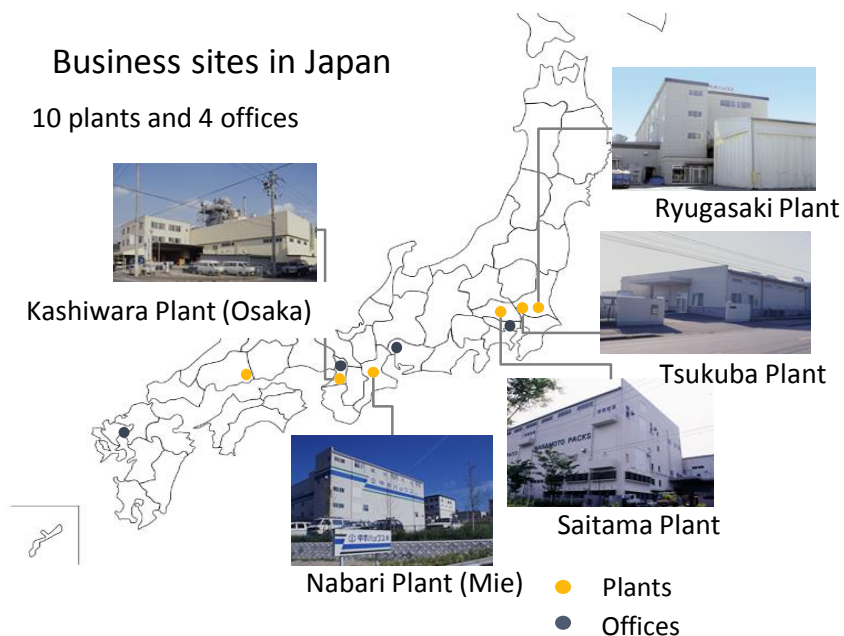
# Reference



# Company Overview

Company name	NAKAMOTO PACKS CO.,LTD.
Listing/code	TSE 1st Section/7811
Location	2-8, Karahori-cho, Tennoji-ku, Osaka
Representative	Takashi Nakamoto, Chairman Jun Kawata, President

Established	1950 (Funded in 1941)
Capital	1,057 million yen (As of Feb 28, 2018)
Number of employees	848 (Consolidated; as of Feb 28, 2018)
Group companies	13 consolidated subsidiaries (7 domestic and 6 overseas) 1 equity-method affiliate



## Business sites overseas

4 plants and 2 offices



Note: A subsidiary in Cangzhou is now under construction.

## Gravure printing

Direct printing using everything from ultra-thin film to thick sheets

## Coatings

Coatings for semiconductors, pharmaceuticals and other products made in an ultra-clean environment

## Lamination

Lamination of a variety of materials for applications ranging from food to automobiles

## End products

### Food Packaging and Containers



Containers and trays for prepared food



Packaging for dairy products, confectionery, tofu, ham, sausage and many other food products

### IT and Industrial Materials



PC and smartphones



Automotive interior materials

### Pharmaceuticals and Health Care



Pharmaceutical exterior packaging and individual packaging  
Separation films for compresses and other items

### Printing Sheets for Building Materials

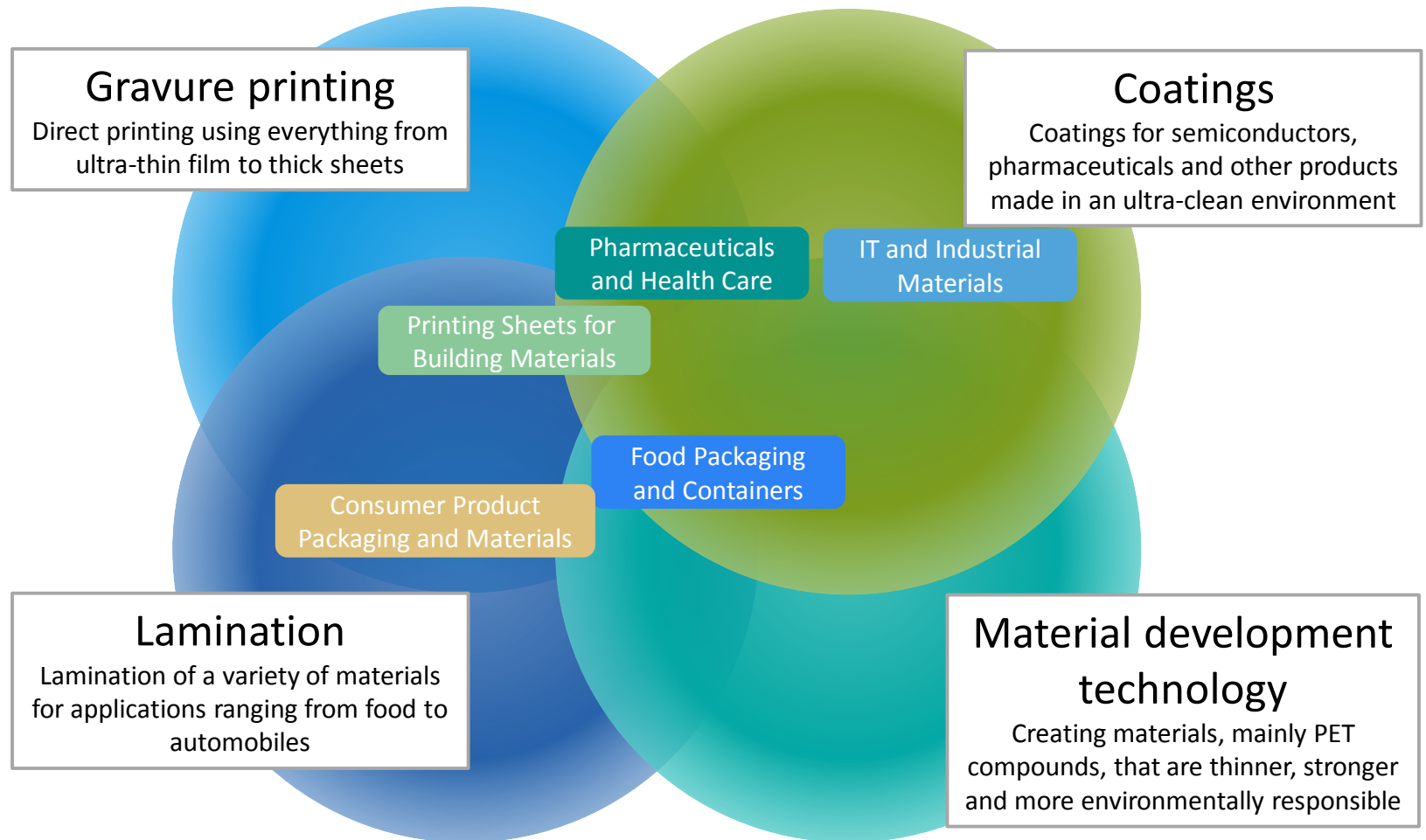


Paper products for furniture, sliding partitions and wallpaper  
**Consumer Product Packaging and Materials**

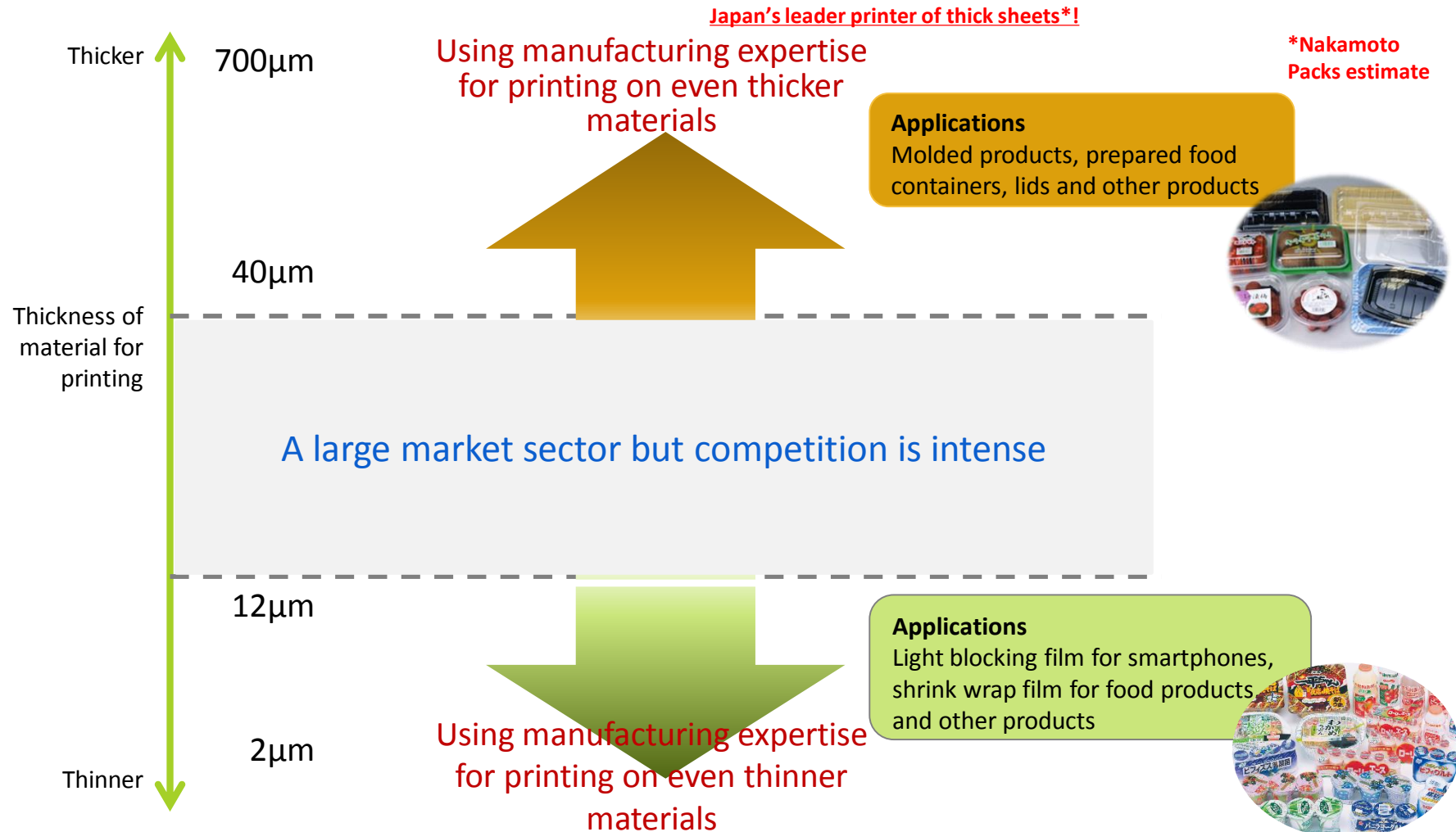


Futon vacuum storage bags and other consumer products

- Four core technologies make it possible to cover a broad spectrum of applications



- Refining technologies to become stronger in thickness categories where there are few competitors



- A framework capable of meeting a broad range of customer demands with speed and flexibility



Class 1,000 clean room

▲ Clean room (Saitama Plant)

- ✓ Going beyond outsourced processing by creating ideas for the best possible coating

- ✓ Nakamoto Packs itself manufactures and quickly modifies as needed coating, printing and other machinery
- ✓ Able to deliver the specifications that fulfill each customer's demands



▲ NS Separator

1 Integrated production in an ultra-clean environment

- ✓ Coating as well as slitting and lamination are all performed in a clean environment
- ✓ Class 1,000 (under 1 million and 0.1 micron particles per cubic meter) clean room at the new plant

2 Engineering skill for manufacturing and modifying machinery

4 Respond flexibly to customer needs

- ✓ Pay by the hour coating machine rental (Flexible rental scheme - starting from 1 hour)
- ✓ Extensive processing track record (Pharmaceuticals to electronic components)
- ✓ Ideal for small-lot prototype to mass production

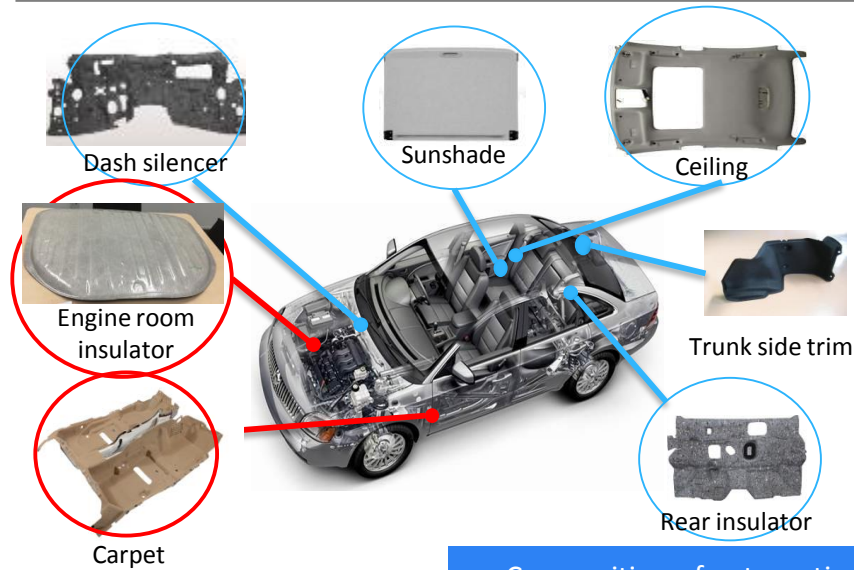
3 Highly advanced equipment  
Large processing capacity

- ✓ Various coating methods and ability to coat wide materials
- ✓ Corona treatment, UV processing and many other surface treatments
- ✓ 9 machines at 3 plants: Saitama, Nabari, Tsukuba
- ✓ 24-hour operations 360 days of the year
- ✓ The Nakamoto Packs branded NS separator, which has a long record of proven reliability



- Able to meet the demands of many applications by using dry lamination, thermal lamination and extrusion lamination technologies

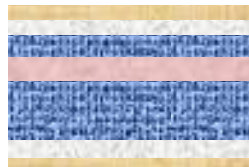
## Automobile interior materials (Thermal lamination)



### Composition of automotive interior ceiling material

Nonwoven fabric  
Special adhesive multilayer film  
Glass fiber  
Urethane foam  
Glass fiber  
Adhesive film  
Surface layer

←Our business domains









## NS-PET (Extrusion lamination)



▶ Extrusion lamination machine

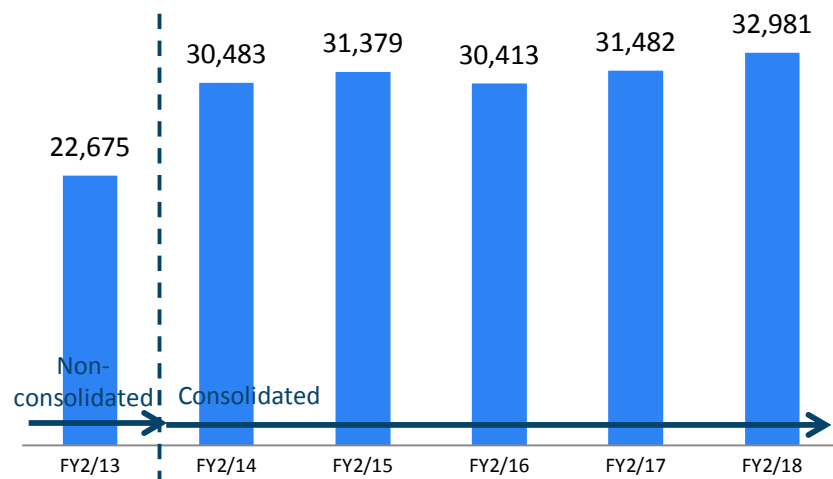
### ■ Extrusion lamination machine (Ryugasaki Plant II)

Use	Exclusively for production of NS-PET, a material developed by Nakamoto Packs
Output capacity	300 tons/month
Sales target	1.2 billion yen/year
Target applications	<ul style="list-style-type: none"> <li>• Packaging for convenience store deep-fried food items</li> <li>• Microwave-safe containers and other products</li> </ul>

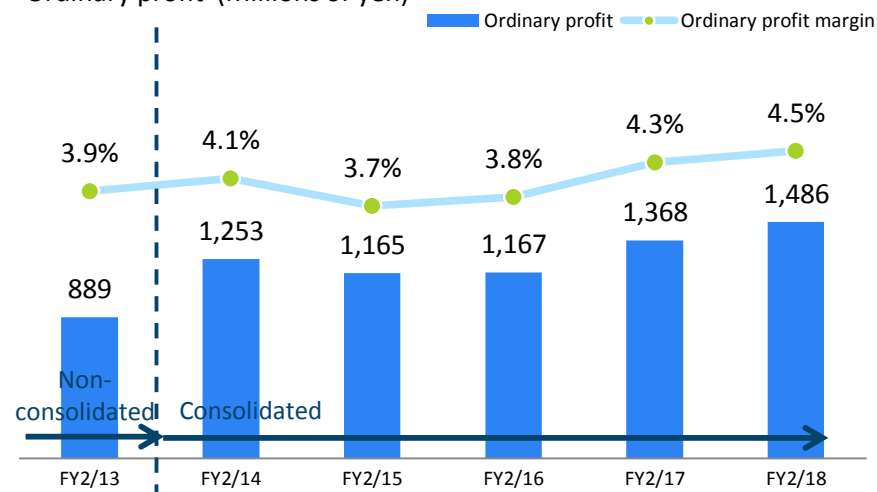
Brand name	Features	Applications	Finished products
<b>NAK-A-PET</b> (Polyester sheet with improved heat resistance)	(1) Thinner to conserve resources (2) Microwave-safe (3) Recyclable material; designed for reduced environmental impact, food hygiene requirements and other characteristics	<ul style="list-style-type: none"> <li>Lids for heat-resistant containers</li> <li>Food trays</li> <li>Electronic component trays</li> </ul>	
<b>NC-PET</b> (Polyester sheet with high resistance to heat and cold)	(1) Suitable for food prepared at high temperatures (2) Resistant to cold (3) High rigidity reduces weight	<ul style="list-style-type: none"> <li>Food containers heated with no cover (gratin items, etc.)</li> <li>Containers for food sterilized at high temperatures</li> </ul>	
<b>NS-PET</b> (Polyester film with thermal adhesion)	(1) Excellent heat sealing properties (2) Retains coffee and other aromas (3) Resistant to chemicals and oils	<ul style="list-style-type: none"> <li>Bags for take-out food (especially deep-fried items)</li> <li>Bags for coffee, tea and other beverages</li> </ul>	
<b>NTS II</b> (Moldable high-gloss polypropylene film)	(1) Produces containers with a glossy surface (2) High rigidity reduces necessary thickness of film (3) Heat resistant	<ul style="list-style-type: none"> <li>Food containers</li> </ul>	
<b>NS Separator</b> (Polyester separation film)	(1) Produced in a clean environment (2) Can be designed with specific peel adhesions	<ul style="list-style-type: none"> <li>Production of smartphones, LCDs and other items</li> <li>Separation film for transdermal patches</li> </ul>	
<b>N coat</b> (Polypropylene synthesized paper)	(1) Water resistant (2) Brilliant white and glossy finish (3) Outstanding smoothness and strength	<ul style="list-style-type: none"> <li>Beverage bottle labels</li> <li>Wallpaper</li> </ul>	

# Trends and Results 1/2

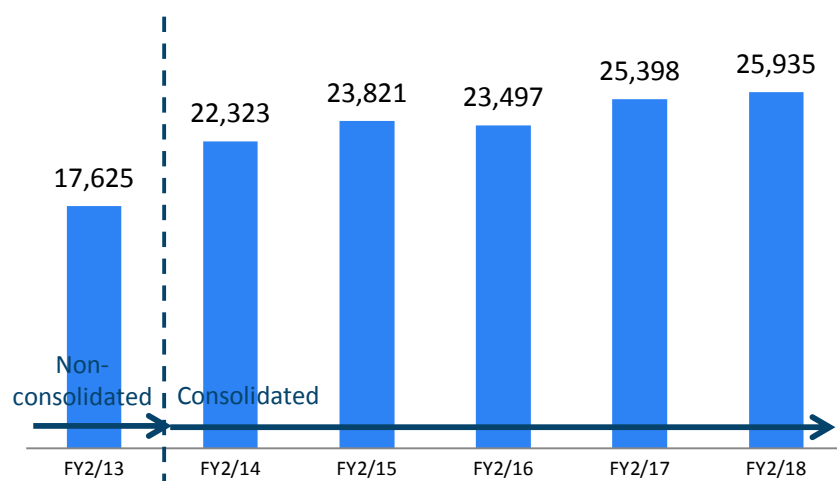
Net sales (Millions of yen)



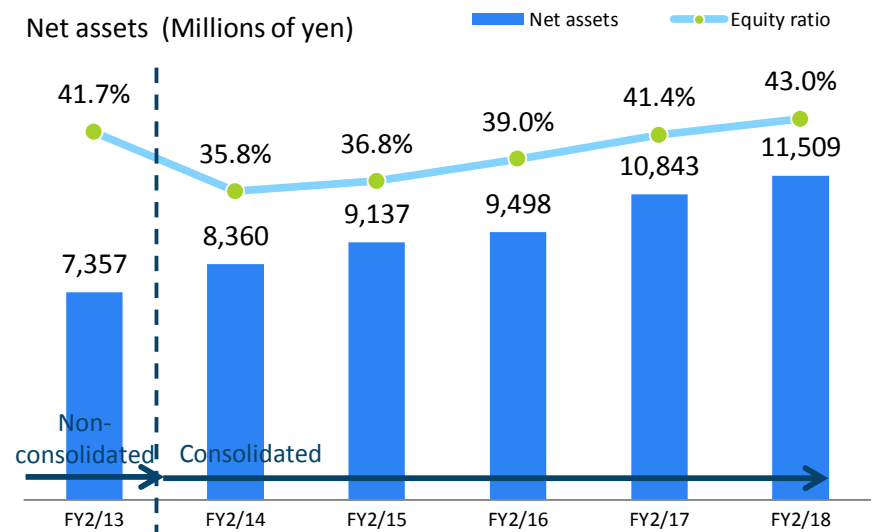
Ordinary profit (Millions of yen)



Total assets (Millions of yen)

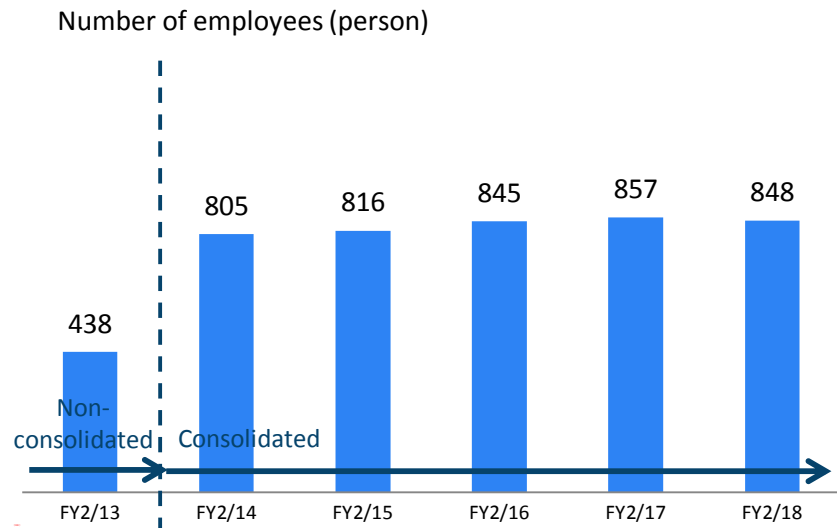
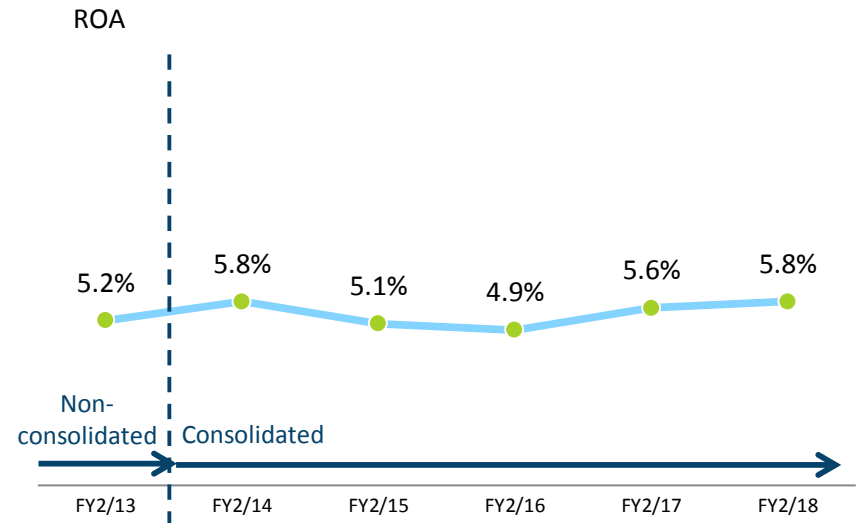
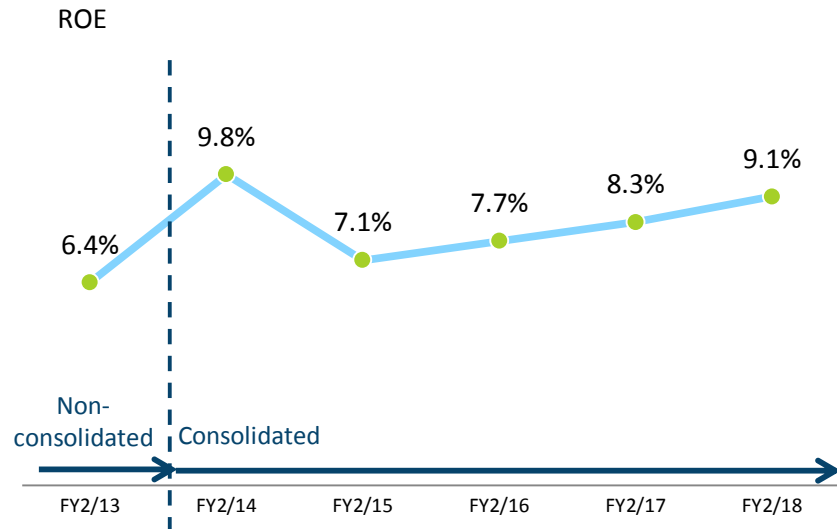


Net assets (Millions of yen)

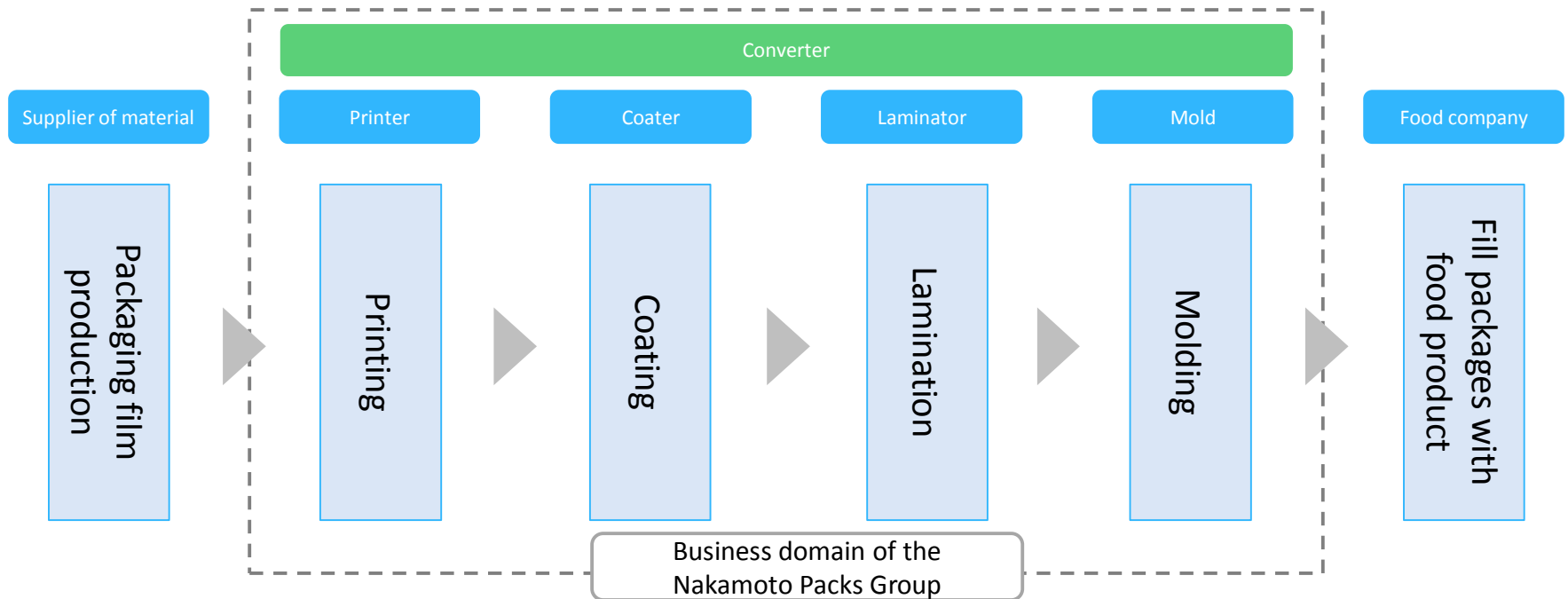




# Trends and Results 2/2



# Packaging Material Printing Process (Example)



Process	Explanation
Gravure printing	A form of intaglio printing (a plate with text, patterns and other items engraved in reverse is used for printing) produces very fine differences in color gradations.
Lamination (dry and thermal)	Adhesives are used to bond multiple layers of materials for the purpose of strengthening and adding functions to packaging materials.
Coating	A material is coated with a thin layer of a resin or other substance to protect the material and give it specific functions.
Molding	A plastic sheet is heated to alter its shape (for making a food container, tray, lid or other item) or the inflation method is used to fabricate a plastic film or sheet.

Dedicated to being a company that is kind to people and the environment  
-Clean & Safety-

## The Nakamoto Packs Motto

Our business depends on people. People depend on their hearts. An enjoyable company is the sum of diligence, dedication to serving others, and people.

## Our Code of Conduct

Use sincerity to earn even greater trust

Use perseverance to create innovative ideas

Always improve yourself and cooperate with others

Contribute to society through the spirit of co-existence and mutual prosperity

Be dedicated to improving technologies and overcoming challenges

Make good behavior and the spirit of gratitude a source of happiness

## Our Six Missions

We will listen with open minds to what our customers say

We will constantly acquire new technologies for printing, packaging and containers

We will maintain close internal and external lines of communication and deliver goods and services on time with speed and in good faith

We will be responsible for maintaining co-existence and mutual prosperity with our customers

We will attract more dedicated fans of our group by using work and systems that generate strong impressions

We will make the Nakamoto Packs Group an organization guided by the same destiny



### Precautions

This presentation was prepared for the purpose of providing information about Nakamoto Packs and is not a solicitation to buy or sell any particular security. All or part of the contents of this presentation may be corrected or revised without prior notice. This presentation contains statements about future performance. These statements are not guarantees concerning future performance and actual performance may differ from these statements due to a change in market conditions or some other reason.

