



April 8, 2022

**Consolidated Financial Results for the Fiscal Year Ended February 28, 2022 (FY2/22)****[Japanese GAAP]**

Company name: NAKAMOTO PACKS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 7811

URL: <https://www.npacks.co.jp/>

Representative: Jun Kawata, President

Contact: Takayuki Ashihara, Executive Officer, General Manager of Finance Department

Tel: +81-6-6762-0431

Scheduled date of Annual General Meeting of Shareholders: May 25, 2022

Scheduled date of filing of Annual Securities Report: May 26, 2022

Scheduled date of payment of dividend: May 26, 2022

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for institutional investors and securities analysts)

*(All amounts are rounded down to the nearest million yen)***1. Consolidated Financial Results for FY2/22 (March 1, 2021 – February 28, 2022)****(1) Consolidated results of operations** (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2/22	40,485	12.4	2,332	35.9	2,585	47.7	1,470	11.8
FY2/21	36,033	5.7	1,715	11.9	1,750	8.8	1,315	21.2

Note: Comprehensive income FY2/22: 1,942 million yen (up 35.0%) FY2/21: 1,438 million yen (up 60.1%)

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
FY2/22	179.94	-	10.8	7.9	5.8
FY2/21	160.99	-	10.5	5.9	4.8

Reference: Equity in earnings of affiliates FY2/22: - million yen FY2/21: 2 million yen

Note: Diluted earnings per share is not presented since there is no dilutive share.

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2022	33,934	15,676	42.2	1,753.79
As of Feb. 28, 2021	31,784	14,222	40.9	1,590.02

Reference: Equity capital As of Feb. 28, 2022: 14,332 million yen As of Feb. 28, 2021: 12,994 million yen

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2/22	3,340	(1,628)	(782)	4,792
FY2/21	2,436	(1,728)	477	3,707

**2. Dividends**

	Dividends per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2/21	-	28.00	-	29.00	57.00	465	35.4	3.7
FY2/22	-	29.00	-	33.00	62.00	506	34.5	3.7
FY2/23 (forecast)	-	31.00	-	31.00	62.00		33.1	

**3. Consolidated Forecast for FY2/23 (March 1, 2022 – February 28, 2023)**

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	21,186	4.7	1,267	(8.2)	1,307	(14.8)	818	(4.6)	100.18
Full year	42,500	5.0	2,546	9.2	2,600	0.6	1,529	4.0	187.16

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

- 1) Changes in accounting policies due to revisions in accounting standards, others: None  
 2) Changes in accounting policies other than 1) above: None  
 3) Changes in accounting-based estimates: None  
 4) Restatements: None

(3) Number of issued shares (common stock)

- 1) Number of shares issued at the end of the period (including treasury shares)  
 As of Feb. 28, 2022: 8,173,320 shares As of Feb. 28, 2021: 8,173,320 shares
- 2) Number of treasury shares at the end of the period  
 As of Feb. 28, 2022: 1,067 shares As of Feb. 28, 2021: 1,067 shares
- 3) Average number of shares during the period  
 FY2/22: 8,172,253 shares FY2/21: 8,172,276 shares

**Reference: Summary of Non-consolidated Financial Results**

**1. Non-consolidated Financial Results for FY2/22 (March 1, 2021 – February 28, 2022)**

(1) Non-consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2/22	30,285	6.5	1,346	35.3	1,722	40.4	1,186	42.0
FY2/21	28,439	0.3	995	(9.5)	1,226	(10.0)	835	(9.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2/22	145.17	-
FY2/21	102.24	-

Note: Diluted earnings per share is not presented since there is no dilutive share.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Feb. 28, 2022	28,389	12,874	45.3	1,575.43
As of Feb. 28, 2021	27,511	12,174	44.3	1,489.73

Reference: Shareholders' equity As of Feb. 28, 2022: 12,874 million yen As of Feb. 28, 2021: 12,174 million yen

\* The current financial report is not subject to the audits by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts and other special items

Cautionary statement with respect to forecasts

Forward-looking statements in these materials are based on certain assumptions judged to be valid and information currently available to Nakamoto Packs. These statements are not promises by Nakamoto Packs regarding future performance. Actual performance may differ significantly from these forecasts for a number of reasons. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 for forecast assumptions and notes of caution for usage.

How to view supplementary information at the financial results meeting

Nakamoto Packs plans to hold an information meeting for institutional investors and analysts on Friday, April 15, 2022. Materials to be distributed at this event will be available on the Nakamoto Packs website immediately thereafter.

## Contents of Attachments

1. Overview of Results of Operations	2
(1) Results of Operations	2
(2) Financial Position	3
(3) Cash Flows	3
(4) Outlook	4
2. Basic Approach to the Selection of Accounting Standards	5
3. Consolidated Financial Statements and Notes	6
(1) Consolidated Balance Sheet	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income	8
Consolidated Statement of Comprehensive Income	9
(3) Consolidated Statement of Changes in Equity	10
(4) Consolidated Statement of Cash Flows	12
(5) Notes to Consolidated Financial Statements	14
Going Concern Assumption	14
Additional Information	14
Segment Information	14
Per Share Information	14
Subsequent Events	14

## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year ended on February 28, 2022, the operating environment was challenging due to the COVID-19 pandemic. There is still no end in sight for this crisis as the recent increase in infections worldwide due to a new variant has resulted in new states of emergency and other pandemic safety measures. In addition, the business climate is expected to remain extremely difficult because of the rising price of resources, foreign exchange movements and increasing geopolitical risk because of events in Eastern Europe.

The activities of the Nakamoto Packs Group are guided by the themes of “using modified ecological technologies to alter the world of packaging, increasing sales of N brand products, retaining a commitment to environmental responsibility, and maximizing customer satisfaction by going back to the basics.” Priorities include developing and selling products (environmentally responsible packaging) with a lower environmental burden, using coating technologies for the development and sale of functional packaging, maintaining a stable supply of products, lowering expenses, manufacturing products more efficiently, and improving the quality of products. There were also numerous measures for realigning and optimizing manufacturing operations. We started operating a production line for extruded PET sheets, started operations at the new Vietnam factory, and in China moved the production activities of Langfang Zhongben Package Co., Ltd. from Langfang plant, where environmental regulations make business expansion difficult, to Cangzhou Nakamoto Huaxiang New Materials Co., Ltd.

Due to these activities, sales increased 12.4% to 40,485 million yen. Operating profit increased 35.9% to 2,332 million yen, ordinary profit increased 47.7% to 2,585 million yen and profit attributable to owners of parent increased 11.8% to 1,470 million yen.

Results of operations for product categories were as follows.

#### Food Packaging and Containers

Sales increased in many categories, including packaging for frozen food, dairy products and other food products sold at supermarkets, the result of stable demand for prepared food items and products used for preparing meals at home; materials used in take-out and delivery food containers and trays, which are used in many applications; and for agricultural products. In the convenience store sector, sales of food container packaging materials increased and there was a recovery in sales of some packaging and containers used for food products sold at department stores. As a result, sales in this category increased 9.4% to 25,999 million yen. The gross profit increased 17.7% to 2,991 million yen because of an improvement in production efficiency and higher profit margins at group companies.

#### IT and Industrial Materials

Sales of some materials decreased because of the global semiconductor shortage. Sales were firm for film and packaging materials used in electronic component production processes and for production process film used in the smartphone, telecommunications infrastructure, and automotive electric and electronic component sectors. There were also higher sales of heavy-duty bags used by manufacturers of chemicals. In addition, sales of materials used for e-commerce applications increased and there were higher sales of automotive interior materials following the worldwide decline in automobile sales in the previous fiscal year. Other highlights of this category are development projects utilizing printing technologies and the increasing number of prototypes involving next-generation batteries, substrates and other products. The result was a 19.5% increase in sales to 5,848 million yen and the gross profit was up 30.3% to 1,758 million yen.

#### Consumer Product Packaging and Materials

There was a big increase in sales of kitchen and hygiene products with significant contributions to growth from new products including a cutting board sheet and kitchen mat. These new products help shorten and simplify the preparation of meals at home, a growing market as people have more meals at home because of the pandemic. Sales of vacuum storage bags increased because of a new customer and strong sales on TV shopping channels. In the home improvement, furniture and eco product category, sales of seasonal products were strong, including condensation prevention products. As a result, sales increased 30.5% to 4,293 million yen and the gross profit was up 22.6% to 1,323 million yen.

**Printing Sheets for Building Materials**

Orders declined for some sheets used for furniture because of a shortage of processed materials used to make furniture, but sales outside Japan increased. In the residential construction category, sales of functional building materials used in houses and apartment buildings increased. Sales increased 14.4% to 1,908 million yen and gross profit increased 19.0% to 287 million yen.

**Pharmaceuticals and Health Care**

Sales to hospitals of packaging materials for transfusions were strong but total sales in the hospital sector were down because there were no orders for pandemic protective apparel that were submitted for bids. In the transdermal patch sector, there was a temporary decline in sales as some customers ended sales of items using Nakamoto Packs materials and the composition of separation film was reexamined. The result was a 16.1% decrease in sales to 1,315 million yen. The gross profit increased 12.2% to 302 million yen because of strong sales of transdermal patches in relatively high price ranges.

**Others**

Sales of machinery increased and there was an increase in sales of heavy packaging materials at Mikunishiko Co., Ltd., which became a consolidated subsidiary in July 2020. As a result, sales increased 33.6% to 1,119 million yen and the gross profit increased 6.6% to 226 million yen.

**(2) Financial Position****Assets**

Total assets increased 2,149 million yen from the end of the previous fiscal year to 33,934 million yen at the end of the current fiscal year.

Current assets increased 1,977 million yen to 18,801 million yen. This was mainly due to increases of 1,158 million yen in cash and deposits, 245 million yen in electronically recorded monetary claims-operating and 1,087 million yen in inventories, while there was a decrease of 518 million yen in notes and accounts receivable-trade.

Non-current assets increased 171 million yen to 15,132 million yen. This was mainly due to an increase of 168 million yen in property, plant and equipment resulting from the purchase of equipment for increasing output capacity.

**Liabilities**

Total liabilities increased 694 million yen to 18,257 million yen.

Current liabilities increased 698 million yen to 15,674 million yen. This was mainly due to increases in notes and accounts payable-trade of 579 million yen, electronically recorded obligations-operating of 120 million yen, short-term borrowings of 179 million yen, income taxes payable of 337 million yen, while there was a decrease in current portion of long-term borrowings of 361 million yen.

Non-current liabilities decreased 4 million yen to 2,582 million yen. This was mainly due to a decrease of 59 million yen in retirement benefit liability, while there were increases of 26 million yen in long-term borrowings and 32 million yen in lease obligations.

**Net assets**

Net assets increased 1,454 million yen to 15,676 million yen. This was mainly due to a 996 million yen increase in retained earnings due to profit attributable to owners of parent and other items, and increases of 331 million yen in foreign currency translation adjustment and 115 million yen in non-controlling interests.

**(3) Cash Flows**

Cash and cash equivalents (hereinafter "net cash") at the end of the current fiscal year were 4,792 million yen, up 1,084 million yen over the end of the previous fiscal year.

The cash flow components and the main reasons for changes are as described below.

#### Cash flows from operating activities

Net cash provided by operating activities was 3,340 million yen (compared with net cash provided of 2,436 million yen in the previous fiscal year). Positive factors include profit before income taxes of 2,388 million yen, depreciation of 1,312 million yen, a decrease in trade receivables of 352 million yen, an increase in trade payables of 590 million yen and an increase in accrued consumption taxes of 153 million yen, which offset negative factors including foreign exchange gains of 138 million yen, an increase in inventories of 997 million yen and income taxes paid of 480 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was 1,628 million yen (compared with net cash used of 1,728 million yen in the previous fiscal year). Although there were positive factors including proceeds from sales of property, plant and equipment of 13 million yen, there were negative factors including payments of 1,522 million yen for the purchase of property, plant and equipment (production processing equipment, etc.).

#### Cash flows from financing activities

Net cash used in financing activities was 782 million yen (compared with net cash provided of 477 million yen in the previous fiscal year). Although there were positive factors including net increase in short-term borrowings of 99 million yen and proceeds from long-term borrowings of 729 million yen, there were negative factors including repayments of long-term borrowings of 1,063 million yen and dividends paid of 472 million yen.

#### **(4) Outlook**

Although the pandemic will continue to affect the Japanese economy, the recovery to normal economic and social activities is expected to continue. However, the outlook for the economy remains uncertain because of negative consumer sentiment caused by inflation, the Ukraine crisis, rising prices of resources and other events that may hold down the growth of the Japanese economy.

For the fiscal year ending on February 28, 2023, we forecast a 5.0% increase in net sales to 42,500 million yen, a 9.2% increase in operating profit to 2,546 million yen, a 0.6% increase in ordinary profit to 2,600 million yen and a 4.0% increase in profit attributable to owners of parent to 1,529 million yen. This forecast uses an exchange rate of 17.20 yen to the yuan for yuan-denominated sales which are not yet converted to yen.

Manufacturing and logistics expenses are rising as higher prices of crude oil and other resources push up the cost of electricity, gas, ink, adhesives, solvents and many other items used for production. The cost of sales and selling, general and administrative expenses are expected to increase along with the upturn in these expenses. To reduce the impact of these rising expenses on our earnings, we are further raising production efficiency, lowering the use of petroleum-derived ink and taking other actions. However, there may be an impact on results of operations if expenses rise more than expected or we are unable to raise prices of our products in step with increasing expenses.

In the Food Packaging and Containers category, sales are expected to remain firm for take-out and delivery food containers and other packaging suitable for many applications because of strong demand for prepared food items and products used for preparing meals at home. Demand for packaging involving eating out and various forms of entertainment is expected to recover if pandemic restrictions are eased. Furthermore, we forecast more growth in orders for environmentally responsible and functional packaging materials. However, there may be an impact on the performance of this category if there are pandemic-related restrictions on economic activity or there is a downturn in consumer sentiment caused by higher prices of food due to global events.

In the IT and Industrial Materials category, we expect a continuation of strong sales, primarily for the Nakamoto Packs Group's film for electronic component production processes because of increasing demand for electronic components backed by the start of 5G services and the increasing use of electric and electronic components in automobiles. However, there may be an impact on the performance of this category if there are the prolonged semiconductor shortage and supply chain disruptions caused by global events.

The Nakamoto Packs Group will remain focused on the goal of "increasing sales of N brand products, retaining a commitment to environmental responsibility and maximizing customer satisfaction by going back to the basics" during the fiscal year ending on February 28, 2023. We will take full advantage of the expertise acquired over

many years for the effective use of production and environmental equipment. The goals are to establish a presence in more markets in Japan, China and the United States and to continue growing. Group companies are also determined to increase sales of internally developed products and concentrate on quality assurance in order to achieve greater customer satisfaction. We are also firmly committed to responsible corporate citizenship. By focusing on these activities, we aim to build relationships rooted in trust with all stakeholders and achieve the sustained growth of our corporate value.

## **2. Basic Approach to the Selection of Accounting Standards**

We adopt Japanese GAAP because most of our stakeholders are shareholders, creditors and business partners located in Japan, and we do not necessarily have to raise funds from overseas capital markets.

We will nevertheless consider applying International Financial Reporting Standards (IFRS) in light of future trends in our foreign investor ownership ratio and application of IFRS by our industry peers.

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

	(Thousands of yen)	
	FY2/21	FY2/22
	(As of Feb. 28, 2021)	(As of Feb. 28, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,723,389	4,881,766
Notes and accounts receivable-trade	7,963,960	7,445,477
Electronically recorded monetary claims-operating	1,692,349	1,938,071
Merchandise and finished goods	1,998,233	2,592,447
Work in process	367,224	591,295
Raw materials and supplies	839,592	1,109,095
Other	244,440	249,493
Allowance for doubtful accounts	(5,557)	(6,151)
<b>Total current assets</b>	<b>16,823,633</b>	<b>18,801,496</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	5,932,018	6,422,501
Machinery, equipment and vehicles, net	2,963,111	2,633,976
Land	3,140,388	3,138,364
Leased assets, net	387,658	441,813
Construction in progress	308,841	259,430
Other, net	247,261	251,536
<b>Total property, plant and equipment</b>	<b>12,979,278</b>	<b>13,147,623</b>
<b>Intangible assets</b>		
Other	366,847	378,068
<b>Total intangible assets</b>	<b>366,847</b>	<b>378,068</b>
<b>Investments and other assets</b>		
Investment securities	762,295	760,444
Long-term loans receivable	9,013	12,715
Deferred tax assets	234,949	222,683
Other	635,962	638,410
Allowance for doubtful accounts	(27,145)	(27,245)
<b>Total investments and other assets</b>	<b>1,615,075</b>	<b>1,607,007</b>
<b>Total non-current assets</b>	<b>14,961,201</b>	<b>15,132,699</b>
<b>Total assets</b>	<b>31,784,835</b>	<b>33,934,195</b>



	(Thousands of yen)	
	FY2/21 (As of Feb. 28, 2021)	FY2/22 (As of Feb. 28, 2022)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	3,657,837	4,237,559
Electronically recorded obligations-operating	3,622,878	3,743,291
Short-term borrowings	4,826,012	5,005,923
Current portion of long-term borrowings	1,038,827	677,386
Lease obligations	65,437	86,533
Income taxes payable	250,750	588,636
Provision for bonuses	222,966	221,977
Other	1,291,191	1,113,543
<b>Total current liabilities</b>	<b>14,975,902</b>	<b>15,674,852</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,818,362	1,845,177
Lease obligations	341,565	374,489
Deferred tax liabilities	31,772	42,857
Retirement benefit liability	230,172	171,153
Other	164,943	149,123
<b>Total non-current liabilities</b>	<b>2,586,816</b>	<b>2,582,802</b>
<b>Total liabilities</b>	<b>17,562,718</b>	<b>18,257,655</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,057,468	1,057,468
Capital surplus	1,158,408	1,166,402
Retained earnings	10,360,425	11,356,927
Treasury shares	(1,101)	(1,101)
<b>Total shareholders' equity</b>	<b>12,575,200</b>	<b>13,579,696</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	139,478	126,580
Deferred gains or losses on hedges	(2,382)	(89)
Foreign currency translation adjustment	275,793	607,472
Remeasurements of defined benefit plans	5,924	18,785
<b>Total accumulated other comprehensive income</b>	<b>418,812</b>	<b>752,748</b>
<b>Non-controlling interests</b>	<b>1,228,103</b>	<b>1,344,095</b>
<b>Total net assets</b>	<b>14,222,116</b>	<b>15,676,540</b>
<b>Total liabilities and net assets</b>	<b>31,784,835</b>	<b>33,934,195</b>

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

	(Thousands of yen)	
	FY2/21	FY2/22
	(Mar. 1, 2020 – Feb. 28, 2021)	(Mar. 1, 2021 – Feb. 28, 2022)
Net sales	36,033,596	40,485,133
Cost of sales	30,337,612	33,595,278
Gross profit	5,695,983	6,889,855
Selling, general and administrative expenses	3,980,002	4,557,396
Operating profit	1,715,981	2,332,458
Non-operating income		
Interest income	3,416	5,794
Dividend income	15,860	16,989
Share of profit of entities accounted for using equity method	2,373	-
Rental income from land and buildings	29,363	33,553
Insurance claim income	10,603	14,503
Foreign exchange gains	-	146,048
Other	116,538	152,524
Total non-operating income	178,154	369,413
Non-operating expenses		
Interest expenses	70,591	67,437
Foreign exchange losses	36,434	-
Other	36,771	48,727
Total non-operating expenses	143,797	116,164
Ordinary profit	1,750,338	2,585,706
Extraordinary income		
Gain on sales of non-current assets	449	1,160
Gain on sales of investment securities	4,921	1,095
Gain on bargain purchase	227,983	-
Total extraordinary income	233,355	2,256
Extraordinary losses		
Loss on sales of non-current assets	104	474
Loss on retirement of non-current assets	52,042	33,647
Impairment loss	-	30,059
Extra retirement payments	-	134,889
Loss on step acquisitions	99,206	-
Total extraordinary losses	151,353	199,071
Profit before income taxes	1,832,340	2,388,891
Income taxes - current	428,423	810,753
Income taxes - deferred	15,559	21,323
Total income taxes	443,982	832,076
Profit	1,388,357	1,556,814
Profit attributable to non-controlling interests	72,739	86,321
Profit attributable to owners of parent	1,315,618	1,470,493

**Consolidated Statement of Comprehensive Income**

	(Thousands of yen)	
	FY2/21	FY2/22
	(Mar. 1, 2020 – Feb. 28, 2021)	(Mar. 1, 2021 – Feb. 28, 2022)
Profit	1,388,357	1,556,814
Other comprehensive income		
Valuation difference on available-for-sale securities	40,904	(13,758)
Deferred gains or losses on hedges	(7,976)	4,497
Foreign currency translation adjustment	3,597	381,770
Remeasurements of defined benefit plans, net of tax	15,805	12,860
Share of other comprehensive income of entities accounted for using equity method	(2,377)	-
Total other comprehensive income	49,952	385,370
Comprehensive income	1,438,310	1,942,185
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,362,183	1,804,428
Comprehensive income attributable to non-controlling interests	76,126	137,756

**(3) Consolidated Statement of Changes in Equity**

FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,057,468	1,158,408	9,502,455	(1,039)	11,717,292
Changes during period					
Dividends of surplus	-	-	(457,648)	-	(457,648)
Profit attributable to owners of parent	-	-	1,315,618	-	1,315,618
Purchase of treasury shares	-	-	-	(61)	(61)
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	-	857,969	(61)	857,907
Balance at end of period	1,057,468	1,158,408	10,360,425	(1,101)	12,575,200

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	102,517	3,305	276,306	(9,881)	372,247
Changes during period					
Dividends of surplus	-	-	-	-	-
Profit attributable to owners of parent	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	-
Net changes in items other than shareholders' equity	36,960	(5,687)	(513)	15,805	46,565
Total changes during period	36,960	(5,687)	(513)	15,805	46,565
Balance at end of period	139,478	(2,382)	275,793	5,924	418,812

	Non-controlling interests	Total net assets
Balance at beginning of period	330,339	12,419,879
Changes during period		
Dividends of surplus	-	(457,648)
Profit attributable to owners of parent	-	1,315,618
Purchase of treasury shares	-	(61)
Change in ownership interest of parent due to transactions with non-controlling interests	-	-
Net changes in items other than shareholders' equity	897,763	944,329
Total changes during period	897,763	1,802,237
Balance at end of period	1,228,103	14,222,116

FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,057,468	1,158,408	10,360,425	(1,101)	12,575,200
Changes during period					
Dividends of surplus	-	-	(473,990)	-	(473,990)
Profit attributable to owners of parent	-	-	1,470,493	-	1,470,493
Purchase of treasury shares	-	-	-	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	7,993	-	-	7,993
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	7,993	996,502	-	1,004,496
Balance at end of period	1,057,468	1,166,402	11,356,927	(1,101)	13,579,696

	Accumulated other comprehensive income				
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	139,478	(2,382)	275,793	5,924	418,812
Changes during period					
Dividends of surplus	-	-	-	-	-
Profit attributable to owners of parent	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	-	-	-	-
Net changes in items other than shareholders' equity	(12,897)	2,293	331,679	12,860	333,935
Total changes during period	(12,897)	2,293	331,679	12,860	333,935
Balance at end of period	126,580	(89)	607,472	18,785	752,748

	Non-controlling interests	Total net assets
Balance at beginning of period	1,228,103	14,222,116
Changes during period		
Dividends of surplus	-	(473,990)
Profit attributable to owners of parent	-	1,470,493
Purchase of treasury shares	-	-
Change in ownership interest of parent due to transactions with non-controlling interests	-	7,993
Net changes in items other than shareholders' equity	115,991	449,927
Total changes during period	115,991	1,454,424
Balance at end of period	1,344,095	15,676,540

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY2/21	FY2/22
	(Mar. 1, 2020 – Feb. 28, 2021)	(Mar. 1, 2021 – Feb. 28, 2022)
Cash flows from operating activities		
Profit before income taxes	1,832,340	2,388,891
Depreciation	1,053,138	1,312,487
Amortization of goodwill	28,638	28,638
Impairment loss	-	30,059
Gain on bargain purchase	(227,983)	-
Loss (gain) on step acquisitions	99,206	-
Share of loss (profit) of entities accounted for using equity method	(2,373)	-
Increase (decrease) in allowance for doubtful accounts	(3,606)	693
Increase (decrease) in provision for bonuses	(30,058)	(989)
Increase (decrease) in retirement benefit liability	(45,543)	(40,487)
Interest and dividend income	(19,276)	(22,783)
Interest expenses	70,591	67,437
Foreign exchange losses (gains)	91	(138,094)
Loss (gain) on sales of investment securities	(4,921)	(1,095)
Loss on retirement of non-current assets	52,042	33,647
Loss (gain) on sales of non-current assets	(345)	(686)
Decrease (increase) in trade receivables	(194,614)	352,913
Decrease (increase) in inventories	(258,796)	(997,415)
Increase (decrease) in trade payables	302,513	590,853
Increase (decrease) in accrued consumption taxes	(83,762)	153,230
Other, net	302,843	106,095
Subtotal	2,870,124	3,863,396
Interest and dividends received	21,831	21,386
Interest paid	(70,330)	(64,557)
Income taxes paid	(385,576)	(480,055)
Net cash provided by (used in) operating activities	2,436,048	3,340,170
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,541,162)	(1,522,448)
Proceeds from sales of property, plant and equipment	801	13,835
Payments for retirement of property, plant and equipment	(5,291)	(4,799)
Purchase of intangible assets	(67,576)	(36,952)
Purchase of investment securities	(17,844)	(18,583)
Proceeds from sales of investment securities	5,770	2,595
Loan advances	-	(6,000)
Collection of loans receivable	2,181	2,297
Payments into time deposits	-	(73,384)
Payments of guarantee deposits	(4,708)	(1,086)
Proceeds from refund of guarantee deposits	832	5,479
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	72,605	-
Other, net	(173,787)	10,132
Net cash provided by (used in) investing activities	(1,728,178)	(1,628,915)

	(Thousands of yen)	
	FY2/21	FY2/22
	(Mar. 1, 2020 – Feb. 28, 2021)	(Mar. 1, 2021 – Feb. 28, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,123,955	99,861
Proceeds from long-term borrowings	729,000	729,294
Repayments of long-term borrowings	(849,592)	(1,063,919)
Repayments of lease obligations	(67,520)	(61,465)
Purchase of treasury shares	(61)	-
Dividends paid	(457,440)	(472,849)
Dividends paid to non-controlling interests	(720)	(6,303)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(7,467)
Net cash provided by (used in) financing activities	477,620	(782,850)
Effect of exchange rate change on cash and cash equivalents	(20,746)	156,588
Net increase (decrease) in cash and cash equivalents	1,164,744	1,084,992
Cash and cash equivalents at beginning of period	2,542,645	3,707,389
Cash and cash equivalents at end of period	3,707,389	4,792,381

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

Not applicable.

**Additional Information**

Impact of the COVID-19 pandemic on accounting estimates

The Nakamoto Packs Group believes that the recovery to normal economic and social activities will continue even as the effects of the pandemic remain.

Determining an accurate prediction for the end of the impact of the pandemic is difficult. However, at this time, we believe that the pandemic will have only a small effect on accounting estimates for the impairment of non-current assets, the recoverability of deferred tax assets and other items.

If there are any changes involving the pandemic infection status or the economic environment, there may be an effect on the financial position and results of operations of the Nakamoto Packs Group.

**Segment Information**

Segment information is omitted because the Group's business segments are a single segment of the printing business.

**Per Share Information**

(Yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Net assets per share	1,590.02	1,753.79
Earnings per share	160.99	179.94

Notes: 1. Diluted earnings per share is not presented since there is no dilutive share.

2. The basis of calculating the earnings per share is as follows:

(Thousands of yen)

	FY2/21 (Mar. 1, 2020 – Feb. 28, 2021)	FY2/22 (Mar. 1, 2021 – Feb. 28, 2022)
Earnings per share		
Profit attributable to owners of parent	1,315,618	1,470,493
Amounts not attributable to common shareholders	-	-
Profit attributable to common shareholders of parent	1,315,618	1,470,493
Average number of common shares during the period (Shares)	8,172,276	8,172,253

**Subsequent Events**

Not applicable.

*This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*