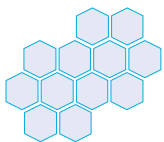




Results of Operations for the Fiscal Year Ended February 29, 2024

April 16, 2024

Jun Kawata, President

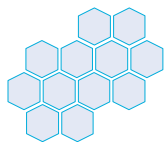


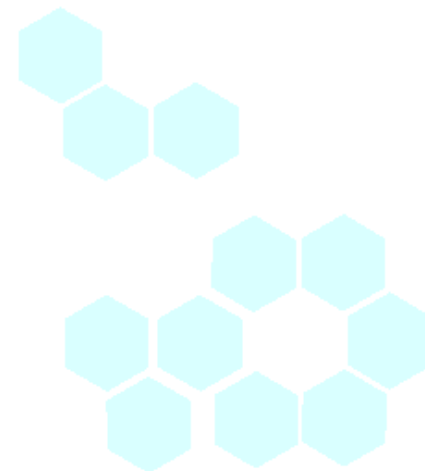
1.	FY2/24 Financial Summary	...	P.3
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2.	FY2/25 Outlook	...	P.21
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3.	Key Initiatives in FY2/25	...	P.31
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4.	Reference	...	P.35
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FY2/24 Financial Summary

FY2/24 Results of operations

Consolidated sales increased but operating profit were down.

Consolidated sales: 44,362 million yen (+2.9% YoY)

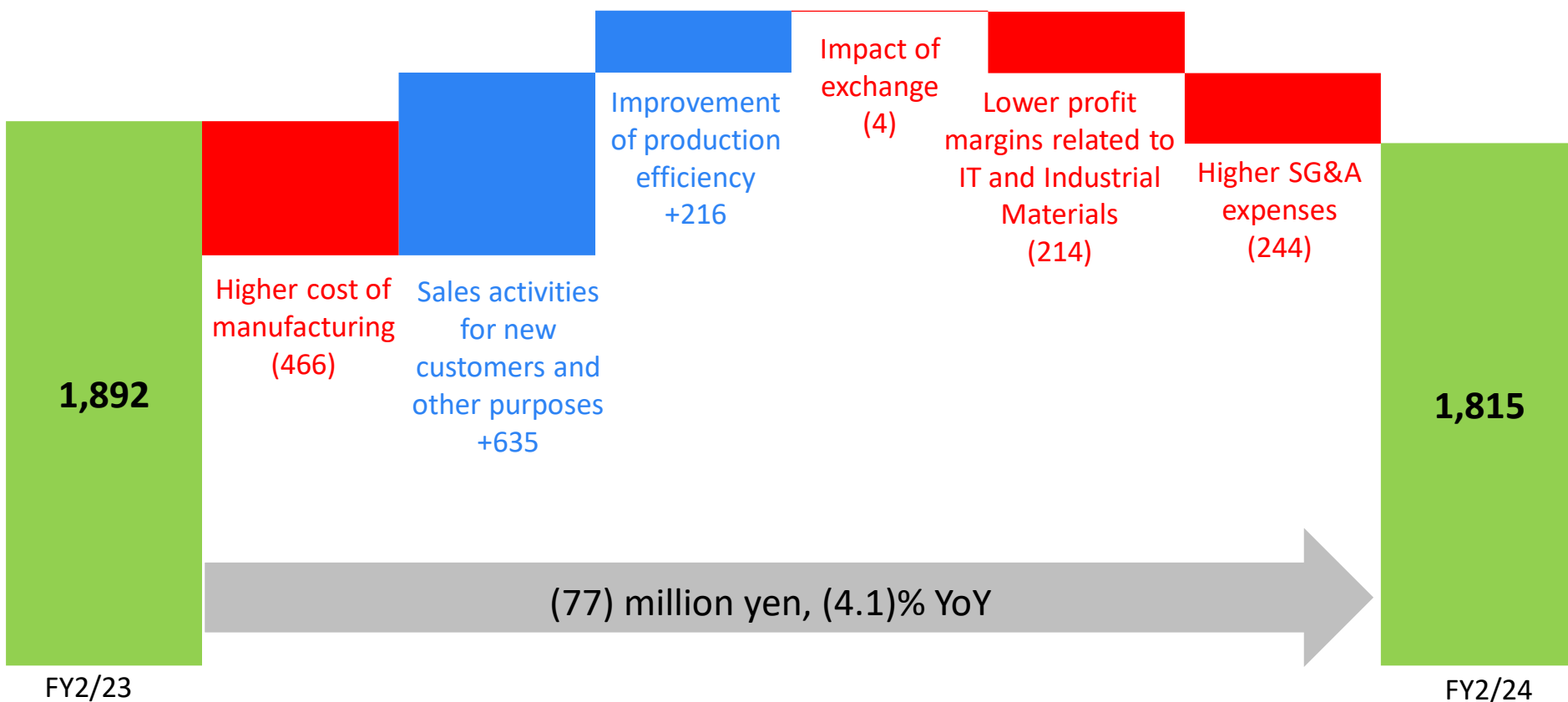
Consolidated operating profit: 1,815 million yen (-4.1% YoY)

- ☀ Sales in the food packaging and containers category increased due to firm sales of food packaging mainly for agricultural products and frozen foods.
- ☔ In the IT and industrial materials category, earnings declined due to a sharp drop in production volumes as a result of weak market conditions, mainly for products used in electronic components, and inventory adjustments by customers.
- ☔ Earnings decreased because of higher costs for ink, utilities and other components of the cost of manufacturing products.
- ☀ The parent company experienced sluggish operating profits, but the sales and operating profits of its domestic and overseas subsidiaries reached an all-time high.

Change in Operating Profit (YoY)

Consolidated Operating Profit

(Millions of yen)
Note: All amounts are rounded down to the nearest million yen



Financial Highlights of FY2/24

(Consolidated)

(Millions of yen; (% to sales))

	FY2/23 Results	FY2/24					
		Results	YoY change		Plan	Vs. plan	
			Amount	%		Amount	%
Net sales	43,128	44,362	+1,233	+2.9%	44,800	(437)	(1.0)%
Gross profit	6,482 (15.0%)	6,649 (15.0%)	+166	+2.6%	6,870 (15.3%)	(220)	(3.2)%
Selling, general and administrative expenses	4,590 (10.6%)	4,834 (10.9%)	+244	+5.3%	5,065 (11.3%)	(230)	(4.6)%
Operating profit	1,892 (4.4%)	1,815 (4.1%)	(77)	(4.1)%	1,805 (4.0%)	+10	+0.6%
Ordinary profit	2,206 (5.1%)	2,341 (5.3%)	+135	+6.1%	1,900 (4.2%)	+441	+23.2%
Profit attributable to owners of parent	1,285 (3.0%)	1,057 (2.4%)	(227)	(17.7)%	1,253 (2.8%)	(195)	(15.6)%

Capital expenditures*1	1,067	1,191	+124	+11.7%	1,415	(223)	(15.8)%
Depreciation*2	1,306 (3.0%)	1,293 (2.9%)	(12)	(1.0)%	1,468 (3.3%)	(174)	(11.9)%

*1. Construction in progress is not included in capital expenditures. *2. Amortization of goodwill is not included.

Note: Exchange rate for FY2/24: 19.9 yen/yuan; 141.8 yen/dollar

Special Factors

Special factors related to MICS Chemical Co., Ltd.	Factors specific to NPG Japan Co., Ltd.
Non-operating income Share of profit of entities accounted for using equity method 395 million yen Extraordinary income Gain on bargain purchase 410 million yen Extraordinary losses Loss on step acquisitions 200 million yen	Extraordinary losses Impairment losses 523 million yen Provision for loss on liquidation of subsidiaries and associates 187 million yen

(Millions of yen)

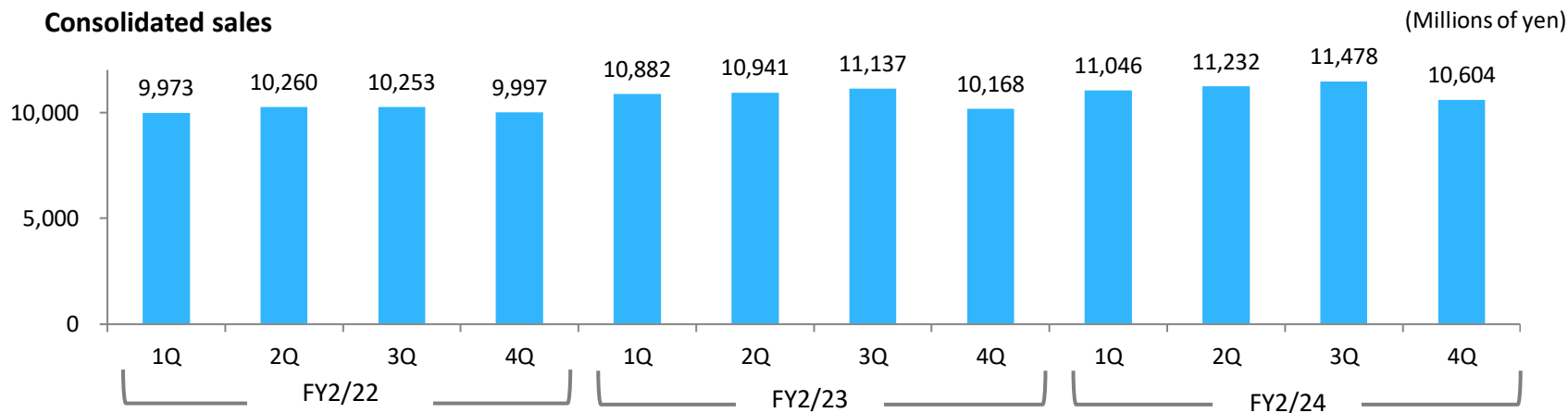
	FY2/24			FY2/23	
	Net of special factors	Results	Difference	Results	Difference
Non-operating income/expenses	131	526	(395)	313	(182)
Ordinary profit	1,946	2,341	(395)	2,206	(259)
Extraordinary income/losses	(186)	(687)	+501	(95)	(90)
Profit attributable to owners of parent	1,374	1,057	+317	1,285	+88

Financial Highlights of FY2/24

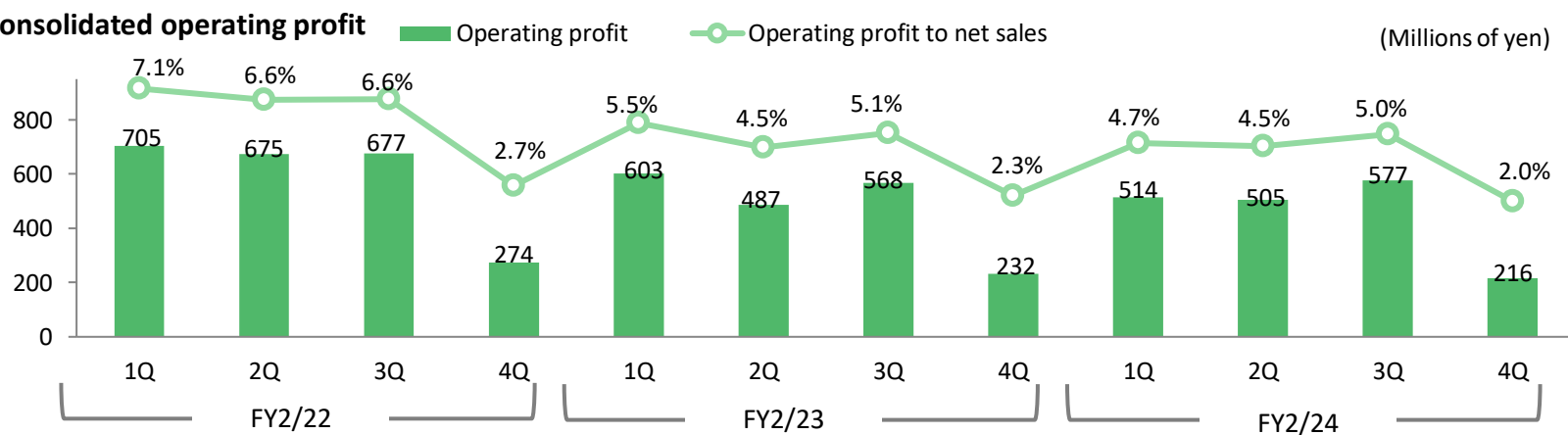
Quarterly sales and operating profit

- Sales were higher than one year earlier in each quarter of FY2/24, but operating profit decreased year on year in FY2/24 mainly because of the higher cost of manufacturing.
- Production volume declined significantly due to the impact of the IT and Industrial Materials category.

Consolidated sales



Consolidated operating profit

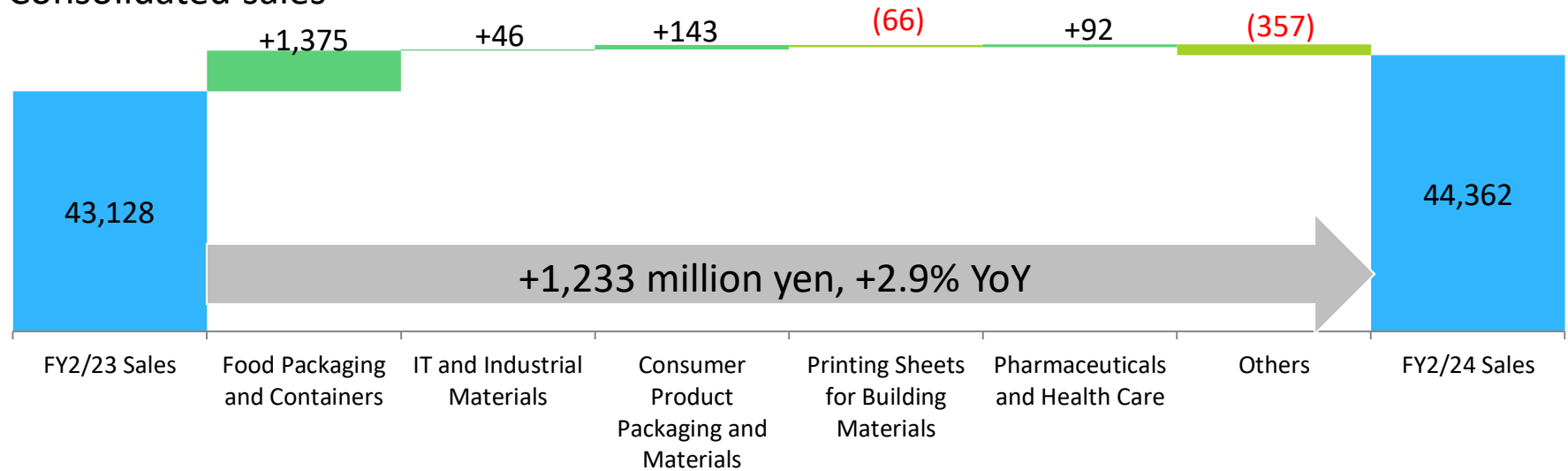


Change in Net Sales and Operating Profit (YoY) NAKAMOTO PACKS CO.,LTD.

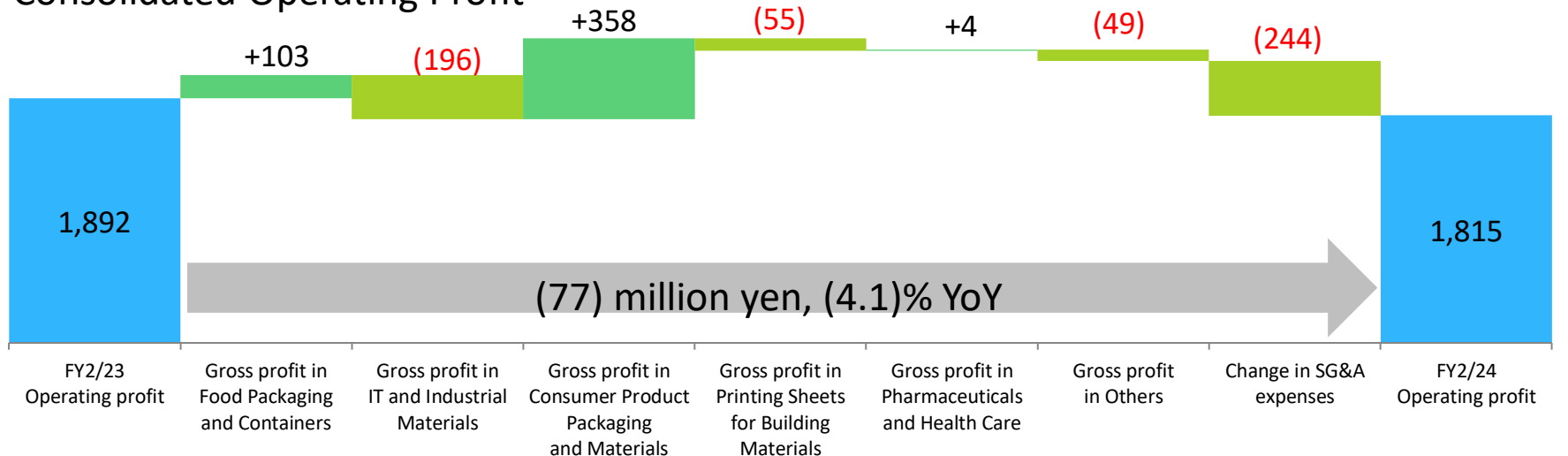
(Millions of yen)

Consolidated sales

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



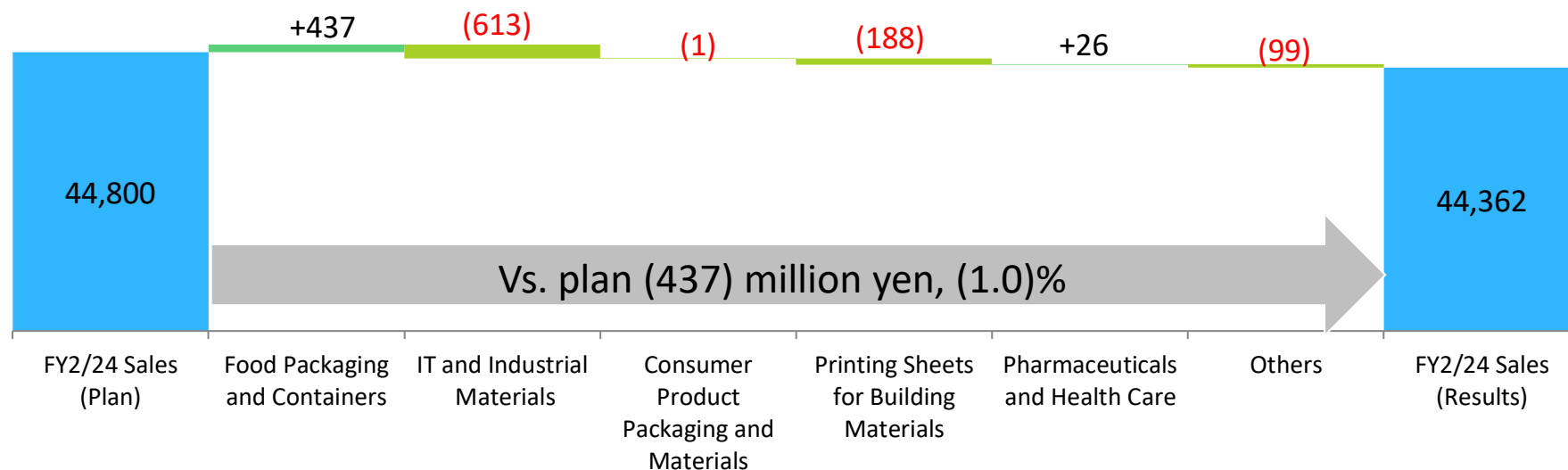
Consolidated Operating Profit



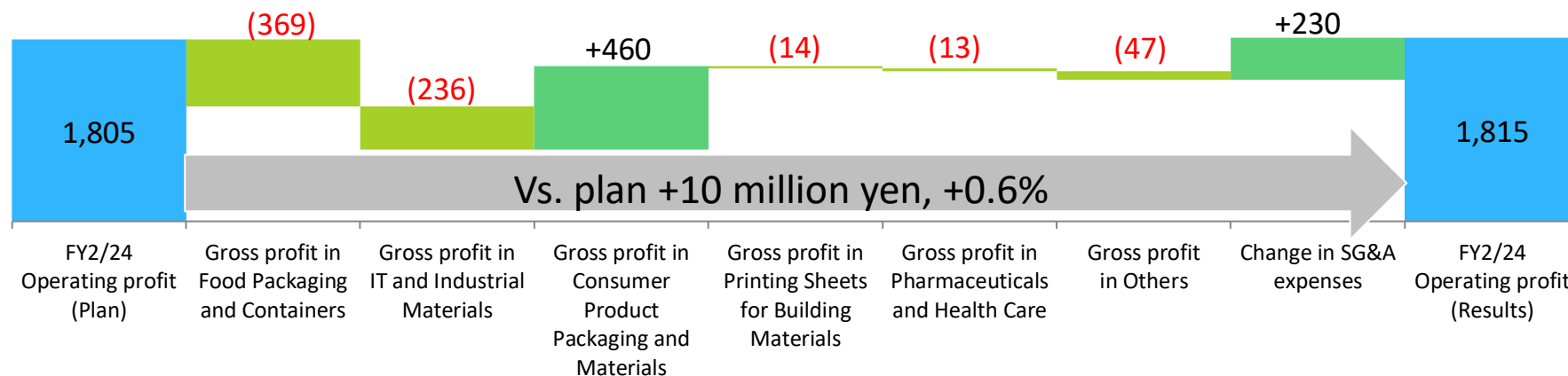
Change in Net Sales and Operating Profit (Vs. Plan) NAKAMOTO PACKS CO.,LTD.

Consolidated sales

(Millions of yen)
Note: All amounts are rounded down to the nearest million yen



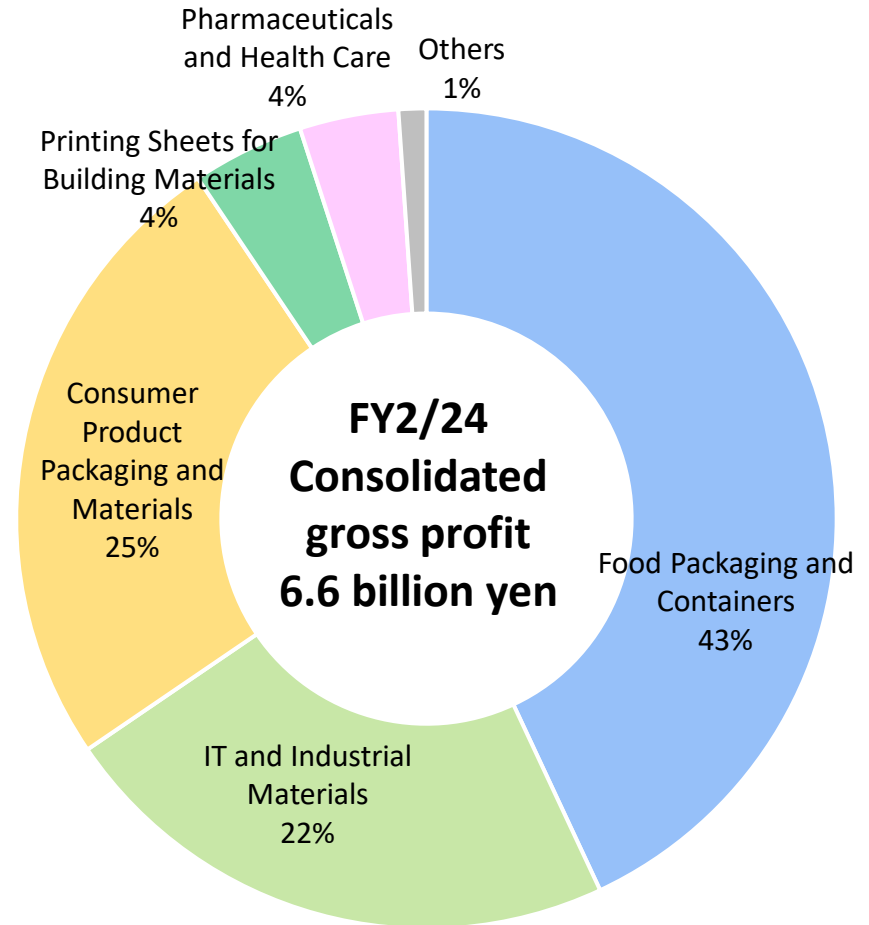
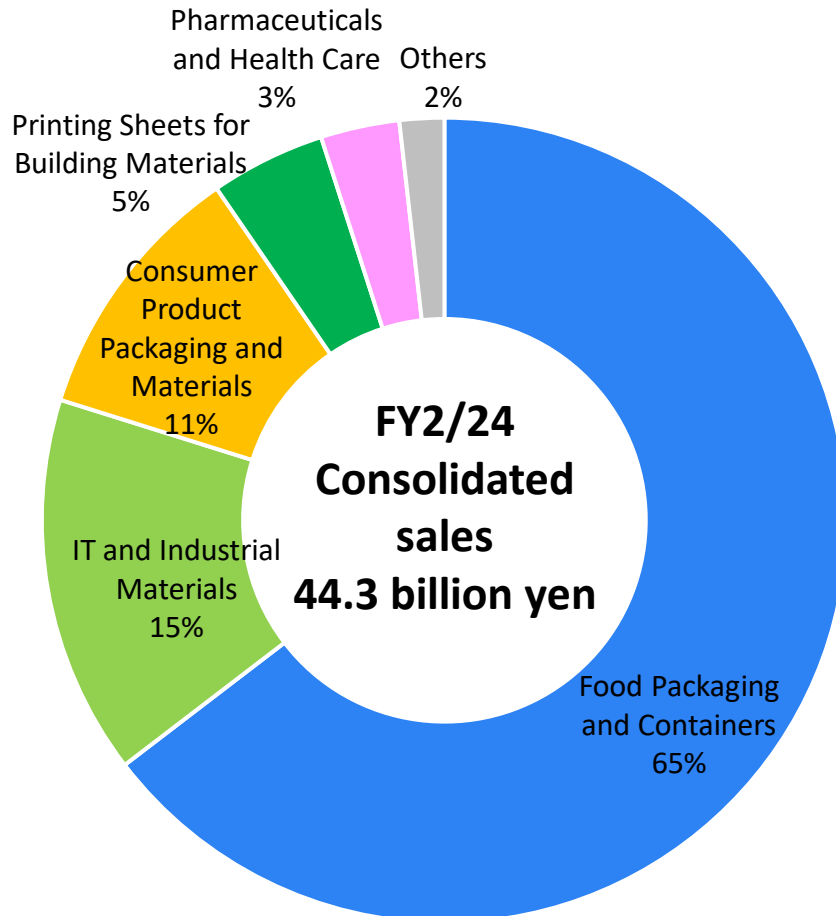
Consolidated operating profit



Sales and Gross Profit Composition for Product Applications

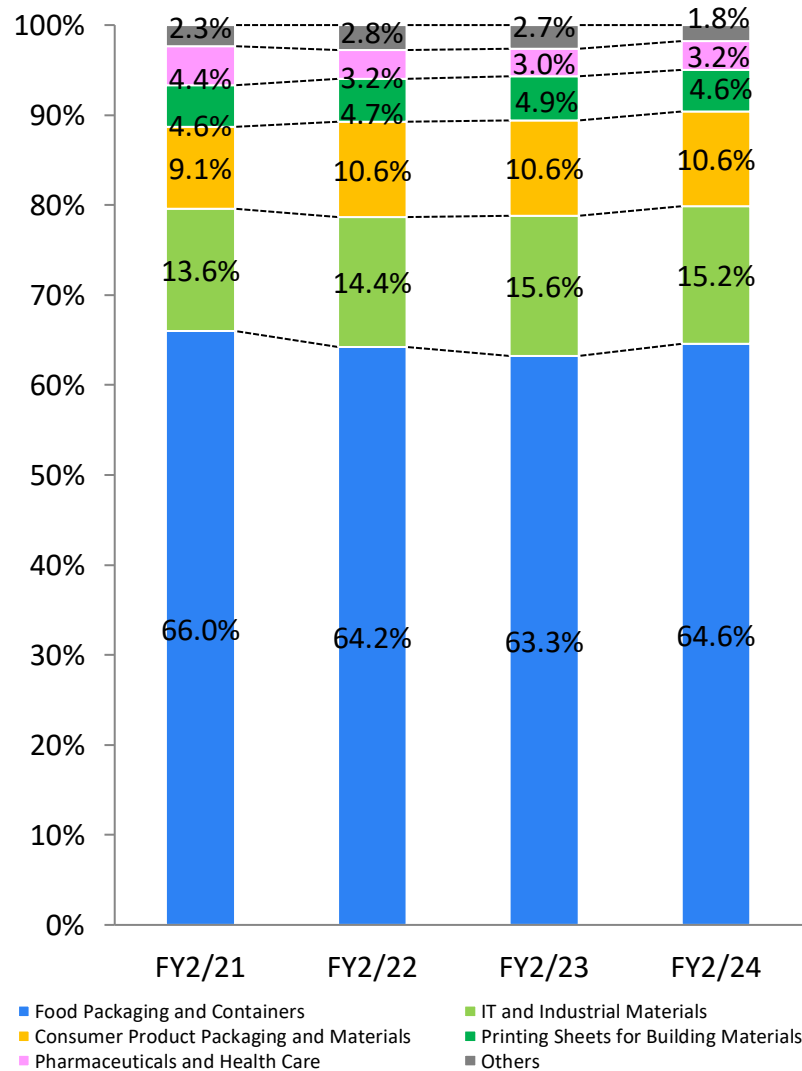


NAKAMOTO PACKS CO.,LTD.

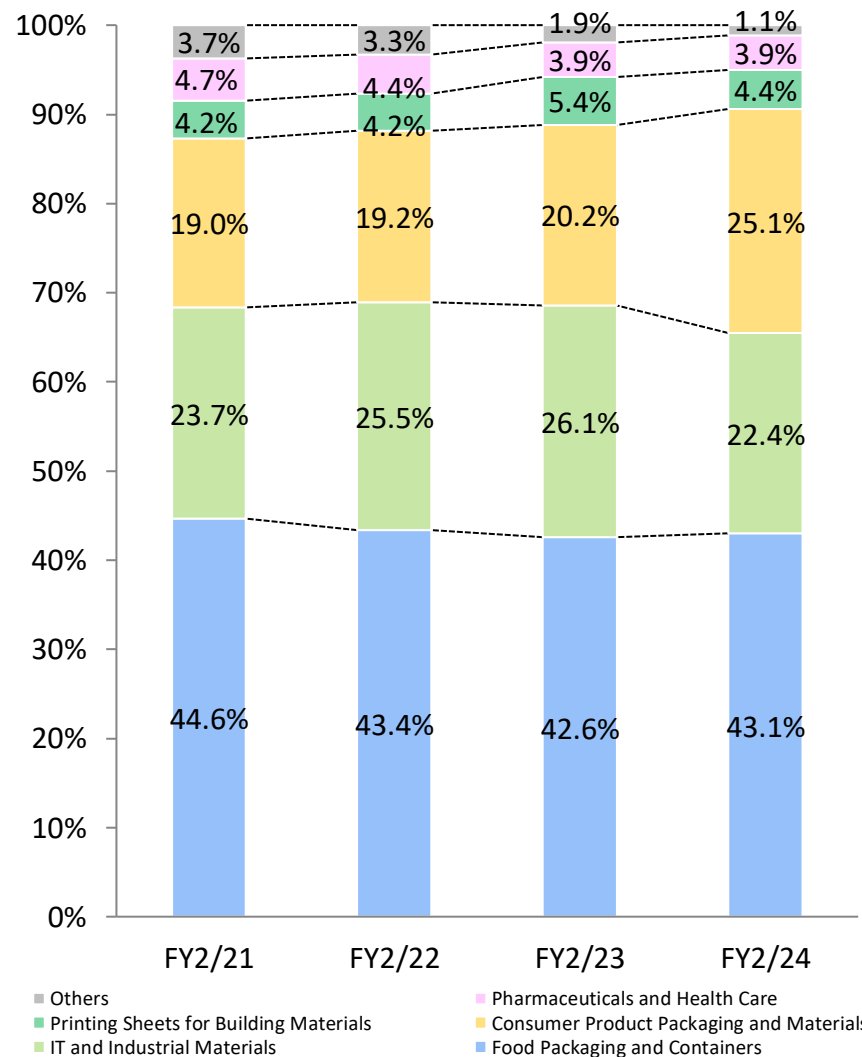


Trends in Sales and Gross Profit Composition for Product Applications

Consolidated sales

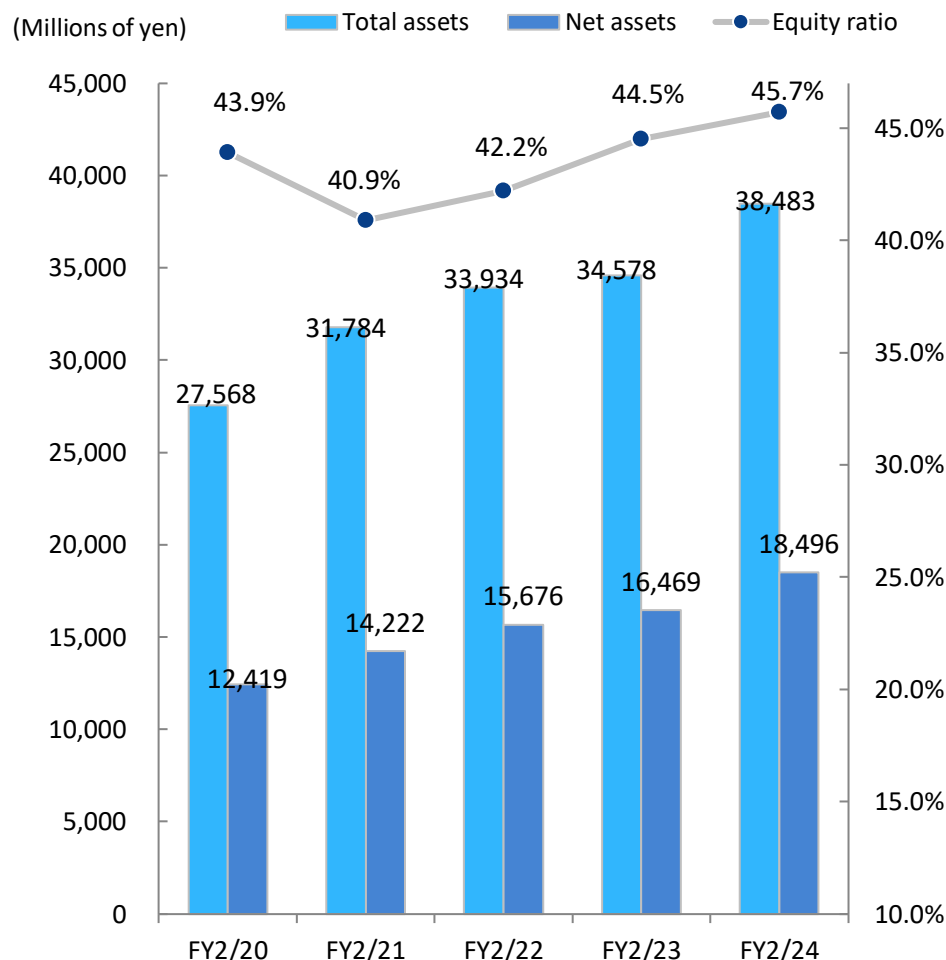


Consolidated gross profit

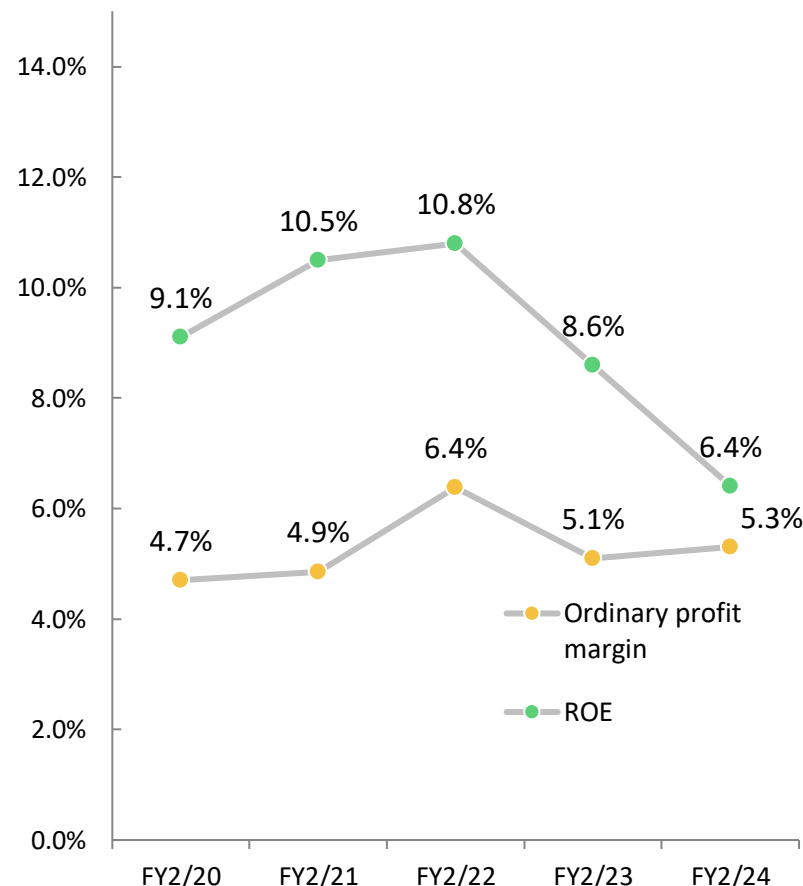


Financial soundness continues to improve, backed by strong sales and earnings

Total assets, net assets and equity ratio



Ordinary profit margin and ROE

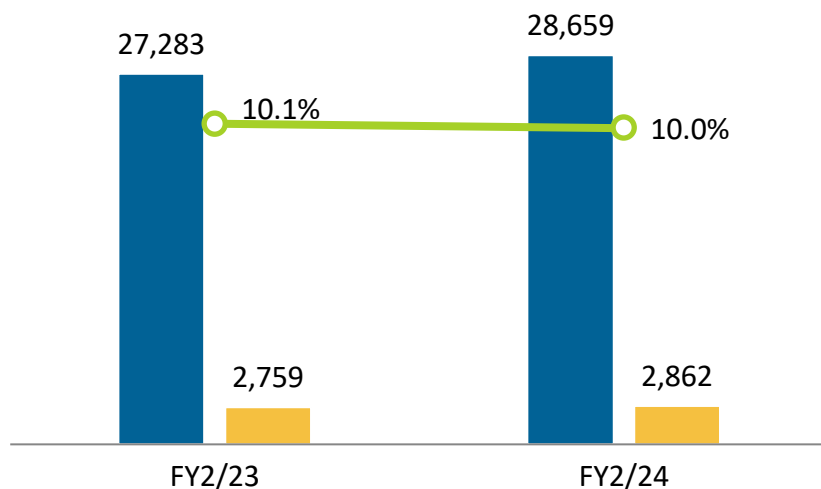


Applications – Food Packaging and Containers NAKAMOTO PACKS CO.,LTD.

Food Packaging and Containers

(Millions of yen)

■ Sales ■ Gross profit ○ Gross profit margin



Examples of final products



Pasta container



Prepared food container (bento)

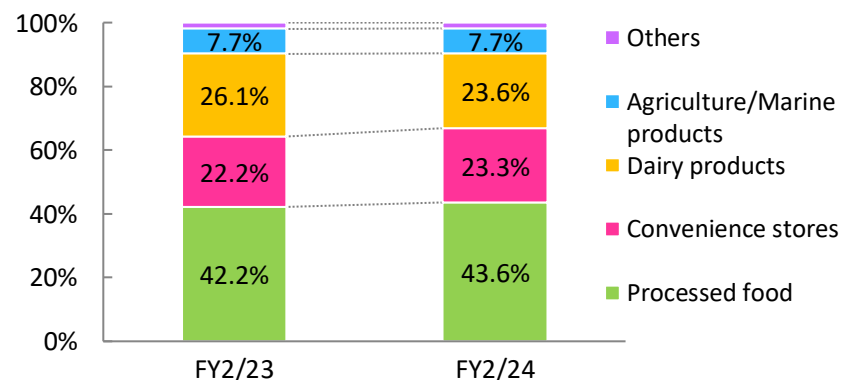


Beverage container lid

■ Sales in major product categories

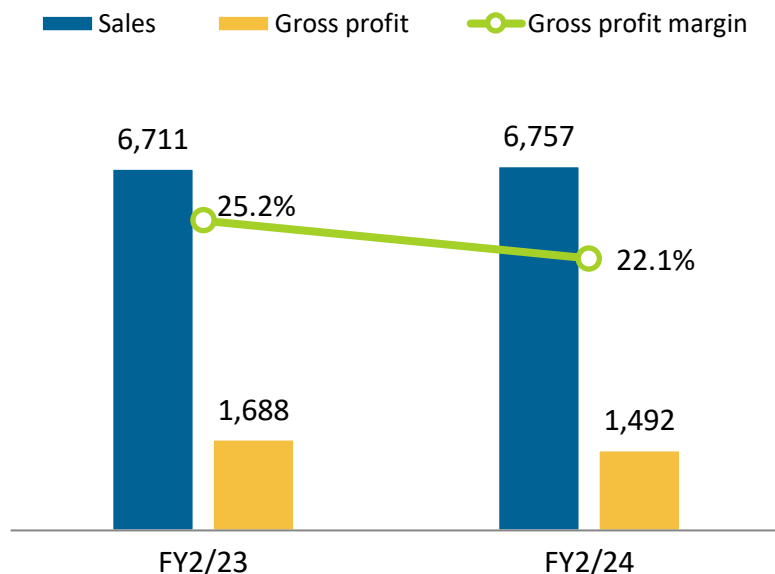
Processed food	<ul style="list-style-type: none"> Strong sales of packaging materials for frozen foods Higher orders for catering trays
Dairy products	<ul style="list-style-type: none"> Lower sales of some products for yogurt, a category with a strong performance in FY2/23
Convenience stores	<ul style="list-style-type: none"> Higher orders for no-label thermal top seals
Agriculture/ Marine products	<ul style="list-style-type: none"> Strong sales of packaging for agricultural products

■ Sales composition for major categories (consolidated)



IT and Industrial Materials

(Millions of yen)



Examples of final products



Films for production processes

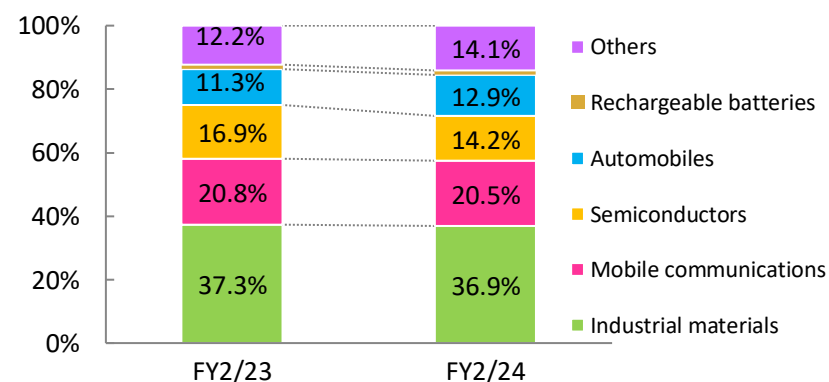


NS Separator

Sales in major product categories

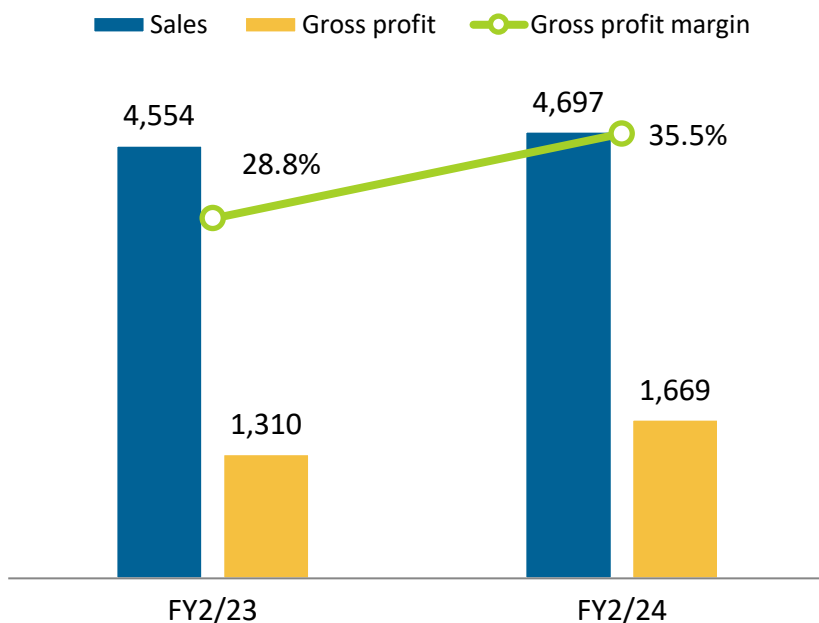
Industrial materials	<ul style="list-style-type: none"> Lower sales of some materials for heavy duty bags for petrochemicals and other products
Mobile communications	<ul style="list-style-type: none"> Sales down because of inventory adjustments on the part of customers.
Semiconductors	<ul style="list-style-type: none"> A sharp drop in production volumes due to weak market conditions mainly products used in electronic component
Automobiles	<ul style="list-style-type: none"> Orders for automotive interior materials are on a recovery trend
Rechargeable batteries	<ul style="list-style-type: none"> Currently one-time orders only
Others	<ul style="list-style-type: none"> Increase in various development projects

Sales composition for major categories (consolidated)



Consumer Product Packaging and Materials

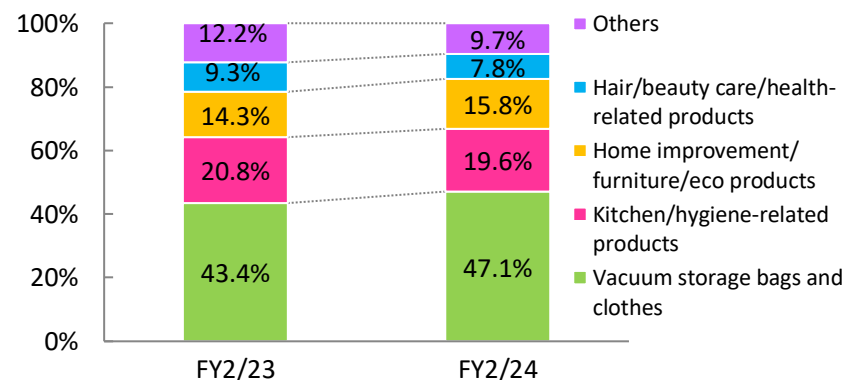
(Millions of yen)



■ Sales in major product categories

Vacuum storage bags and clothes	• Higher sales of products sold on TV shopping channels
Kitchen/hygiene-related products	• Lower sales of hygiene products sold at home improvement stores
Home improvement/furniture/eco products	• Strong sales of seasonal products such as heat shield cover for air conditioner and thermal insulation sheets
Hair/beauty care/health-related products	• Steady growth in hair dyeing products (combs, gloves)

■ Sales composition for major categories (consolidated)



Examples of final products



AC outdoor unit thermal insulation sealing



A cutting board sheet that can be used in a frying pan sheet too



Waffle sheet scrubber

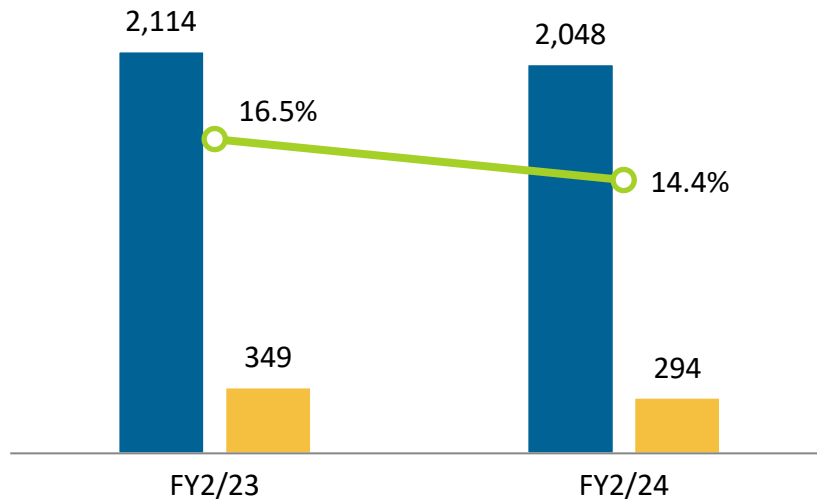
Applications

– Printing Sheets for Building Materials

Printing Sheets for Building Materials

(Millions of yen)

■ Sales ■ Gross profit ○ Gross profit margin



Examples of final products



Kitchen



Closet

■ Sales in major product categories

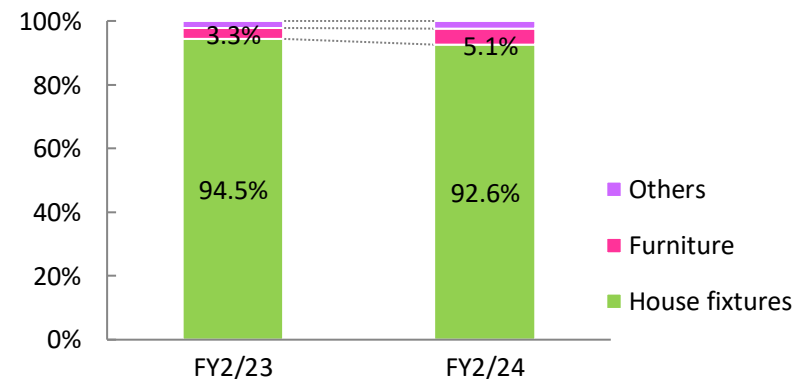
House fixtures	<ul style="list-style-type: none"> Sales decreased because of sluggish sales of functional surface coatings processing for houses and apartment buildings, and production adjustments of printing for interior materials for houses.
Furniture	<ul style="list-style-type: none"> Orders involving exported furniture decreased

■ 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)

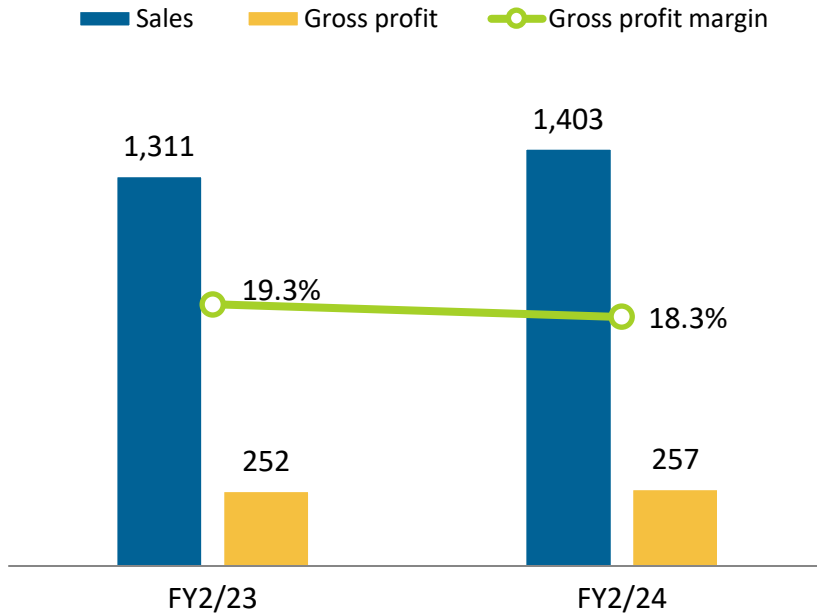


Applications

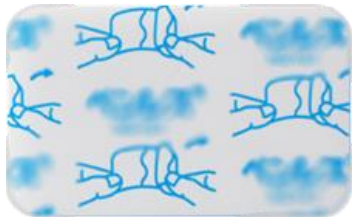
– Pharmaceuticals and Health Care

Pharmaceuticals and Health Care

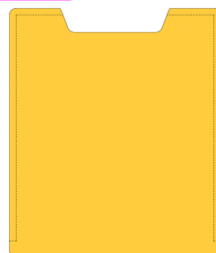
(Millions of yen)



Examples of final products



Anesthesia tape

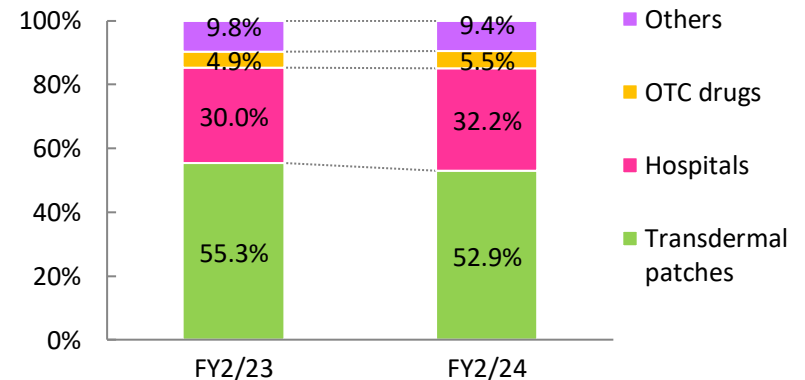


Shading cover for transfusion bags

Sales in major product categories

Transdermal patches	• Overseas sales of transdermal patches increased
Hospitals	• Firm sales of materials involving transfusions
OTC drugs	• Sales of packaging for OTC drugs were firm.

Sales composition for major categories (consolidated)



Assets and Liabilities

(Consolidated)

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

		As of Feb. 28, 2023		As of Feb. 29, 2024	
				YoY change	Major factors
	Current assets	19,880 (57.5%)	23,139 (60.1%)	+3,259	Cash and deposits +2,429, Electronically recorded monetary claims-operating +358, Notes and accounts receivable-trade, and contract assets +586, Other +146, Inventories (263)
	Non-current assets	14,698 (42.5%)	15,343 (39.9%)	+645	Property, plant and equipment +157, Intangible assets+118, Investments and other assets +369
Total assets		34,578 (100.0%)	38,483 (100.0%)	+3,905	
	Current liabilities	15,616 (45.2%)	16,854 (43.8%)	+1,238	Notes and accounts payable-trade +645, Electronically recorded obligations-operating +343, Lease liabilities +144, Current portion of long-term borrowings +176, Provision for loss on liquidation of subsidiaries and associates +187, Other +165, Short-term borrowings (399)
	Non-current liabilities	2,493 (7.2%)	3,132 (8.1%)	+639	Long-term borrowings +913, Lease liabilities (216)
Total liabilities		18,109 (52.4%)	19,987 (51.9%)	+1,877	
Total net assets		16,469 (47.6%)	18,496 (48.1%)	+2,027	Capital surplus +1,321, Retained earnings +550, Valuation difference on available-for-sale securities +125
Total liabilities and net assets		34,578 (100.0%)	38,483 (100.0%)	+3,905	
Net interest-bearing debt		3,087 (8.9%)	1,275 (3.3%)	(1,811)	Cash and deposits +2,429, Long-term borrowings +1,090, Short-term borrowings (399)

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

Cash Flows

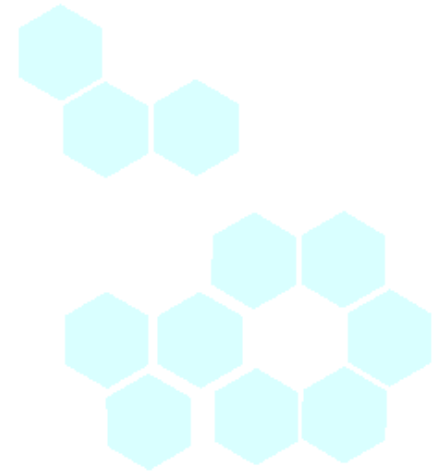


NAKAMOTO PACKS CO.,LTD.

(Consolidated)

(Millions of yen)

		FY2/23 Results	Results	FY2/24 Components
	Cash flows from operating activities	1,547	3,458	Profit before income taxes +1,653, Impairment losses +628, Depreciation +1,293, Loss on step acquisitions +200, Increase in provision for loss on liquidation of subsidiaries and associates +187, Decrease in inventories +560, Increase in trade payables +573, Gain on bargain purchase (469), Increase in trade receivables (213), Share of profit of entities accounted for using equity method (347), Income taxes paid (699)
	Cash flows from investing activities	(775)	(2,533)	Proceeds from sale of non-current assets +3, Purchase of non-current assets (1,085), Purchase of investment securities (1,282), Other (151)
Free cash flows		772	925	
Cash flows from financing activities		(683)	(32)	Proceeds from long-term borrowings +1,862, Net decrease in short-term borrowings (425), Cash dividends paid (506), Repayments of long-term borrowings (773)
Effect of exchange rate change on cash and cash equivalents		139	69	
Net increase (decrease) in cash and cash equivalents		227	961	
Cash and cash equivalents at beginning of period		4,792	5,019	
Increase in cash and cash equivalents due to share exchange		-	1,465	
Cash and cash equivalents at end of period		5,019	7,446	



FY2/25 Outlook

Current Performance and Outlook (Overview)



NAKAMOTO PACKS CO.,LTD.

Food Packaging and Containers

FY2/24

- Strong sales in food packaging mainly for agricultural products and frozen foods
- Orders increased for prepared food (bento) and catering trays, as well as no-label thermal top seals.
- Sales contribution of the Yamanashi Plant of Nakamoto Fine Pack

IT and Industrial Materials

- Orders for automotive interior materials are on a recovery trend
- Production volume declined significantly due to sluggish market conditions, mainly for products used in electronic components, and inventory adjustments by customers.

Consumer Product Packaging and Materials

- Strong sales of vacuum bags and other storage products on TV shopping channels
- Strong sales of seasonal products such as heat shield cover for air conditioner and thermal insulation sheets

Printing Sheets for Building Materials

- Lower sales due to production adjustments of functional surface coatings and printing for interior materials for houses

Pharmaceuticals and Health Care

- Strong sales of materials involving transfusions
- Overseas sales of transdermal patches increased

FY2/25 and afterward

- The Yamanashi plant of Nakamoto Fine Pack, which was acquired last year, and MICS Co., Ltd., which was made a subsidiary, contribute to sales and profits.
- Expect orders for environmentally responsible packaging materials such as no label thermal top seals to increase.
- Will continue to raise prices and make improvements to offset the continuing increase in the cost of manufacturing

- A recovery in sales of materials for e-commerce and industrial materials like heavy bags
- Significant recovery in demand for products used in electronic materials is not expected to happen soon
- Prototypes and mass production in growing market sectors

- Growth in sales of the new “Goodna” brand, which prevents soiling and makes household chores easier, centered on the theme of preventive cleaning



- Improve production efficiency of existing products
- Create new types of functional building materials

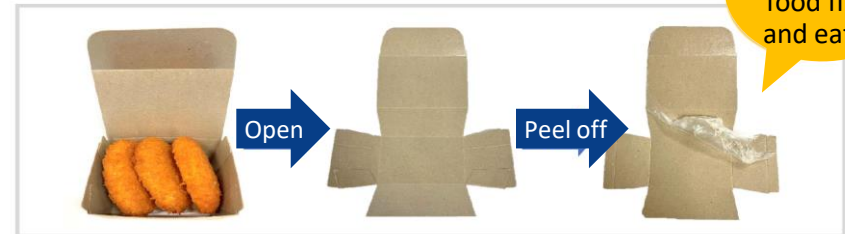
- Focus on capturing new orders involving transfusions

The heat sealing PET business was transferred to Mikunishiko

After slashing deficit by **approximately 75 million yen**, Mikunishiko aiming for profitability by 2025.



- POINT 1** Wrap the food in film to keep your hands clean.
- POINT 2** Eco-friendly because it can be disposed of separately.
- POINT 3** The laminate can be peeled off to print on food surfaces.



Recommended for products such as



Speeding up the development and sale of environmentally responsible products at Mikunishiko

Nakamoto Fine Pack Yamanashi plant effectively achieved profitability in its first fiscal year.

Sales: about 980 million yen, Ordinary profit: about **-10** million yen
(Operating loss due to unexpected machinery replacements and depreciation)

Period: April to December 2023 (nine months)

Expect higher sales and profits starting this fiscal year



Major improvements:

1. Significant reduction in mold changeover time
2. Reduction of shot time

Replacing old machines with different types;
achieved significant productivity gains

Discontinued the extrusion business at the end of August 2023,
Sale of extruders and sheet extrusion machines completed by the
end of February 2024.



Commenced operations in October 2020. Continued to incur annual losses,
with a loss of 300 million yen in the previous fiscal year.

After the business suspension, production and sales of N brands (NAK-A-PET,
NC-PET) will continue at contracted production plants. (An impairment due to
the suspension of about 100 million yen was recognized in FY2/24.)

Carefully evaluate new business ventures from various perspectives,
focusing on those with potential for quick returns.

RN Smart Packaging's no label thermal top seal won the Grand Prize in the 2023 Nikkei Superior Products & Services Awards.

Direct printing to various media is possible.

→ Smaller environmental impact

No need for labels or stickers.

Reduces plastic usage

→ Streamlines of work processes

Reduces the steps of applying labels or stickers and changing base paper rolls



No label thermal top seal (Photo)

→ Reduces inventory by standardizing packaging materials, etc.

On-demand product printing eliminates the need for individual product roll stock.

Boosts productivity in various sectors, especially retail and distribution.

MICS Chemical became a wholly owned subsidiary via TOB and stock exchange on February 1, 2024.

Location		Togo-cho, Aichi-gun, Aichi
Business		Manufacture and sale of multilayer films
Capital		100 million yen
FY3/24	Sales	2,879 million yen
	Ordinary profit	127 million yen



Example of actual packaging



Salmon



Sausage



Corn



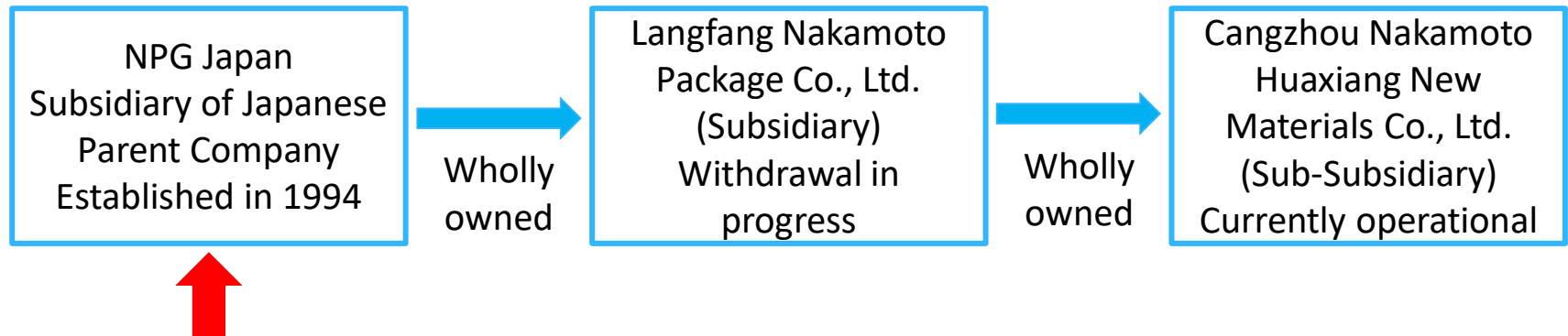
Whipped cream



Filmics Shu-Lock ECO
(Deodorizing and odor control properties)

Aiming to boost revenue and profits by strengthening sales, production, and development through synergy with the Nakamoto Group.

Transfer of NPG Japan's shares Gradual withdrawal from the North China region



NPG Japan plans to transfer all its shares to current employees of Cangzhou Nakamoto Huaxiang New Materials. (Expecting an extraordinary loss of about 710 million yen)

○ Reasons for withdrawal

1. Cangzhou Nakamoto Huaxiang's exports to Japan remain strong, while post-COVID sales in China have collapsed.
2. Withdrawal determined in response to China's economic slowdown and country risk.

Gradually exit North China while profitable and shift operations to Vietnam.

FY2/25 Outlook

(Consolidated)

(Millions of yen; (% to sales))

	FY2/24 Results	Plan	FY2/25	
			YoY change	
			Amount	%
Net sales	44,362	48,000	+3,637	+8.2%
Gross profit	6,649 (15.0%)	7,880 (16.4%)	+1,230	+18.5%
Selling, general and administrative expenses	4,834 (10.9%)	5,680 (11.8%)	+845	+17.5%
Operating profit	1,815 (4.1%)	2,200 (4.6%)	+384	+21.2%
Ordinary profit	2,341 (5.3%)	2,500 (5.2%)	+158	+6.8%
Profit attributable to owners of parent	1,057 (2.4%)	1,582 (3.3%)	+524	+49.6%

Projected exchange rate: 20.3 yen/yuan; 142.0 yen/dollar

Plan for Capital Expenditures and Depreciation Expenses



NAKAMOTO PACKS CO.,LTD.

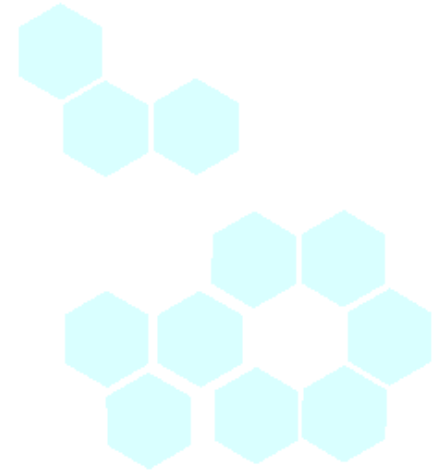
(Consolidated)

(Millions of yen; (% to sales))

	FY2/24 Results	Plan	FY2/25	
			YoY change	
			Amount	%
Capital expenditures	1,191 (2.7%)	1,417 (3.0%)	+225	+18.9%
Depreciation	1,293 (2.9%)	1,324 (2.8%)	+31	+2.4%

Major capital expenditures in FY2/25

Project	Description	Investment (Millions of yen)
Factory equipment update/replacement	Printing machine (Nabari), molding machine (Nakamoto Fine Pack), Clean environment construction (Mikunishiko) and others	About 920
IT/System service equipment	Solar power system (Nabari), Primary IT system and others	About 30
Air conditioning equipment	Air conditioning equipment (Nabari, Ryugasaki, Nakamoto Inshokan Co., Ltd. and others)	About 150
Inspection/measurement/analysis equipment	Inspection, measurement and analysis equipment (Nabari, Saitama, Technology development and others)	About 150
Others	Purchases of land and business-use vehicles	About 150

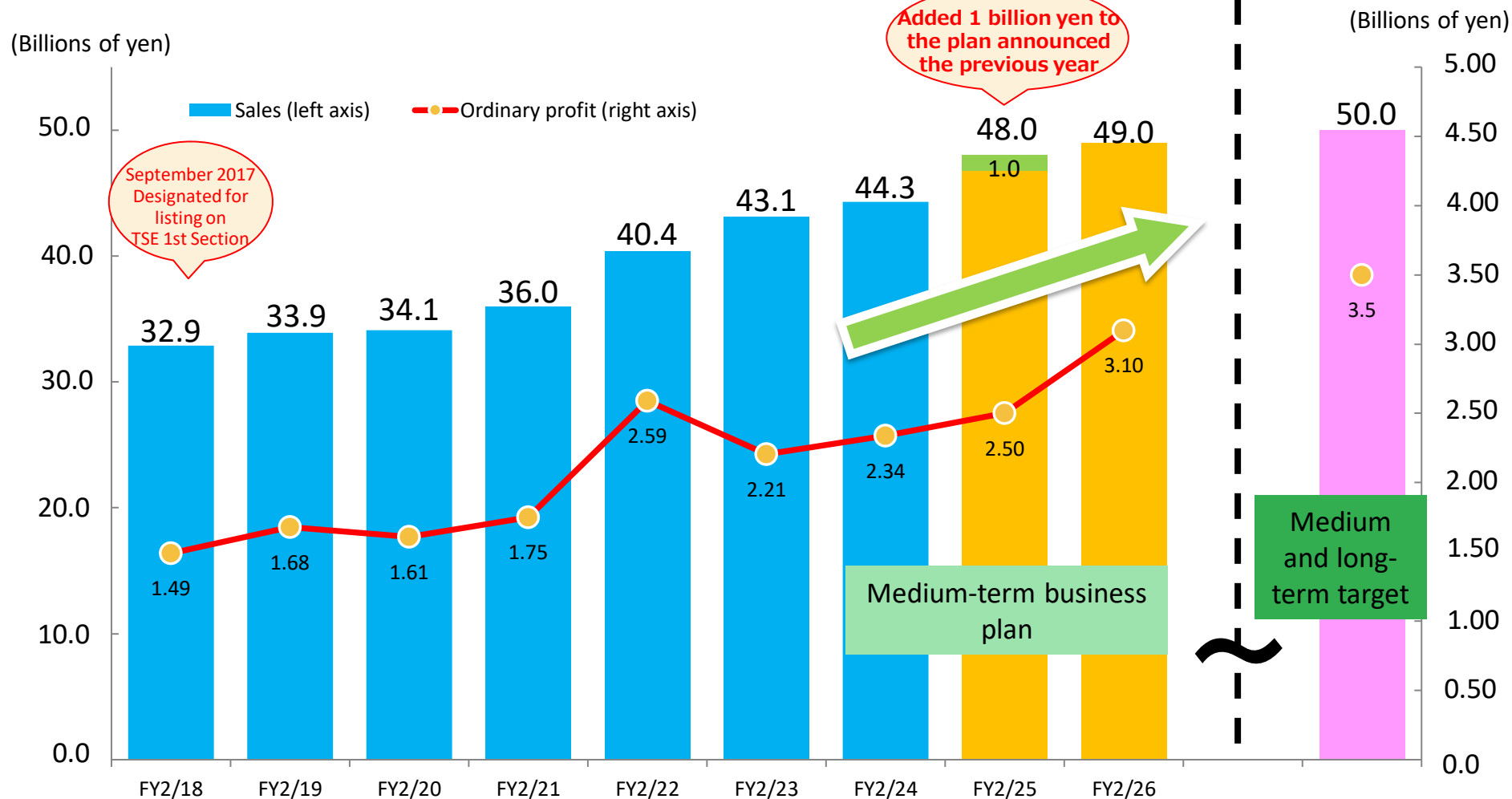


Key Initiatives in FY2/25

1. Environmental responsibility
2. M&A activity
3. Higher earnings and optimization of the overseas business
4. More investments and development activities for IT and industrial materials
5. Strengthen technological progress to improve productivity and product quality
6. Improve efficiency by updating the primary IT system

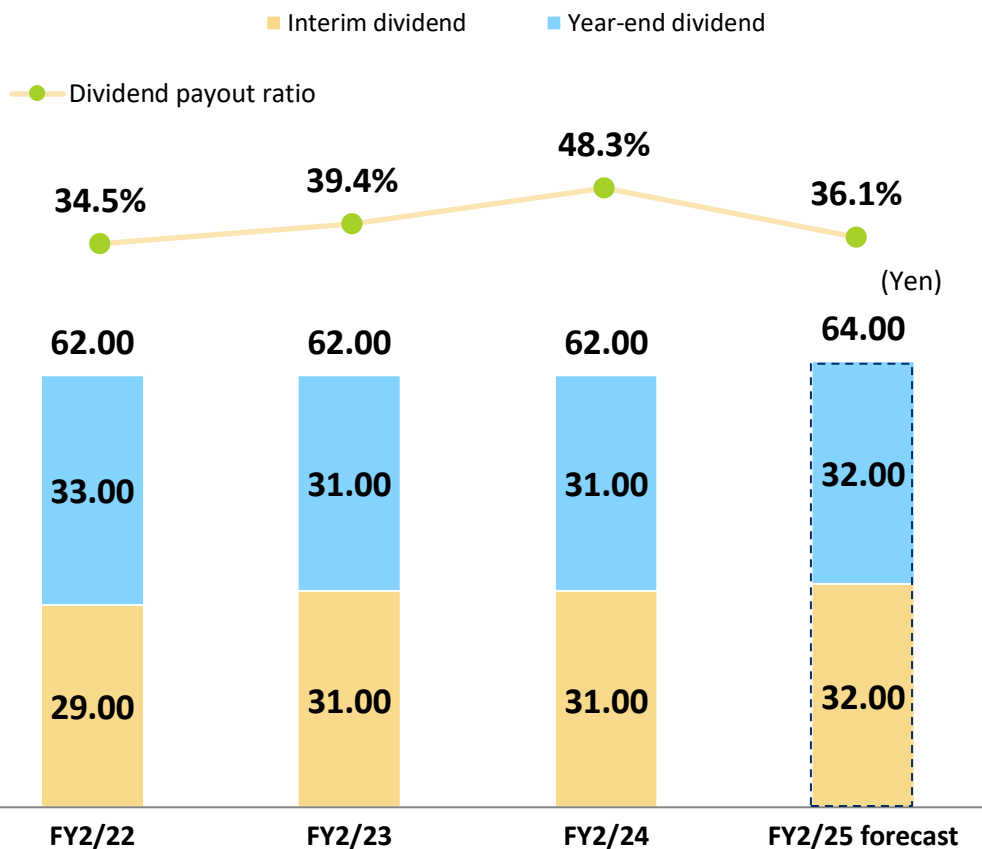
Medium-term Goals (Consolidated)

Aim at medium to long term sales of 50 billion yen and ordinary profit of 3.5 billion yen.



*All sales and earnings targets for FY2/23 and afterward incorporate the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29).

- Forecast annual dividend of 64 yen per share for FY2/25, an increase of 2 yen per share



Shareholder special benefit plan

Eligible shareholders

Shareholders and beneficial shareholders of record as of the end of February in each year who own at least one unit (100 shares) of Nakamoto Packs stock

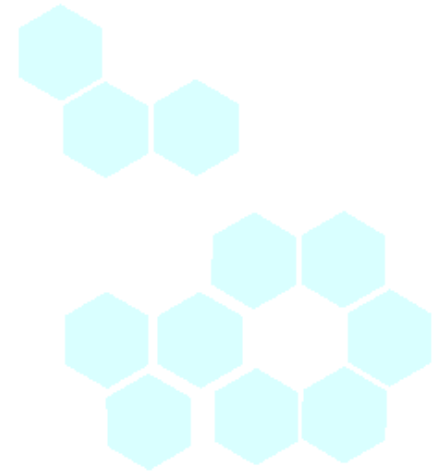
Description of shareholder benefits

100 to 199 shares	QUO card (¥1,000)
200 shares or more	QUO card (¥2,000)

Date of delivery

End of May in each year (tentative)

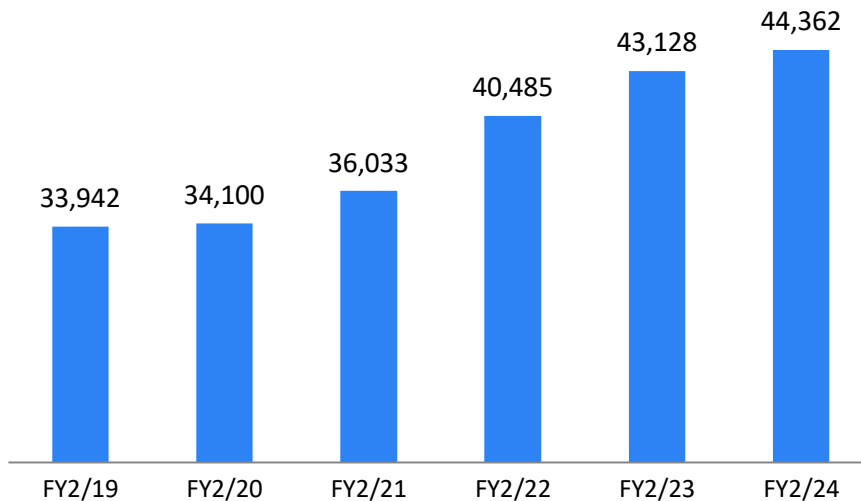




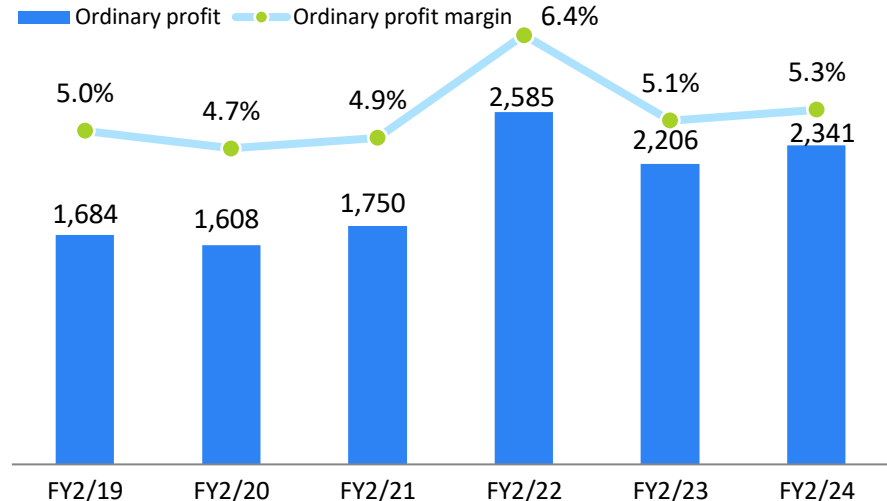
Reference

Trends and Results 1/2

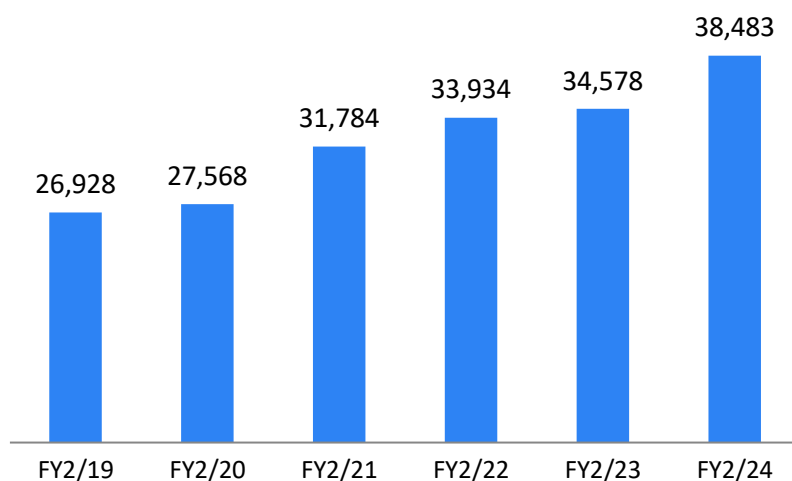
Consolidated net sales (Millions of yen)



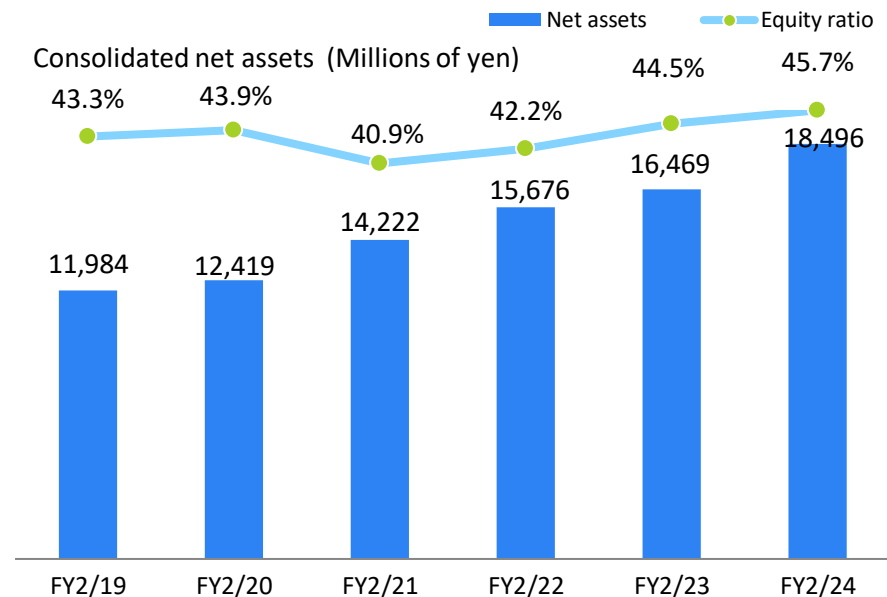
Consolidated ordinary profit (Millions of yen)



Consolidated total assets (Millions of yen)

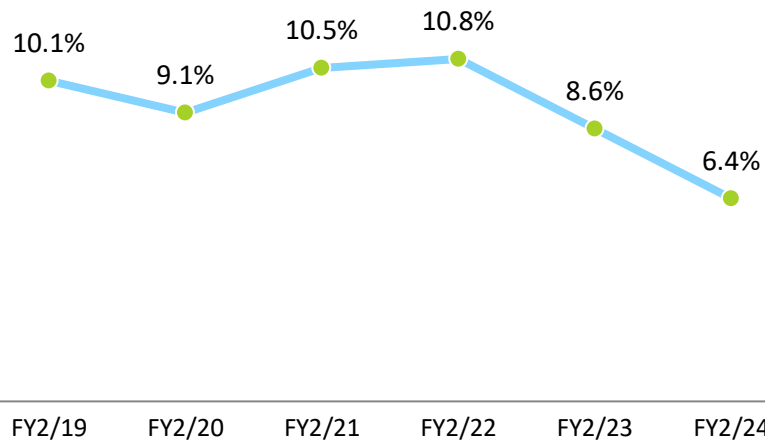


Consolidated net assets (Millions of yen)

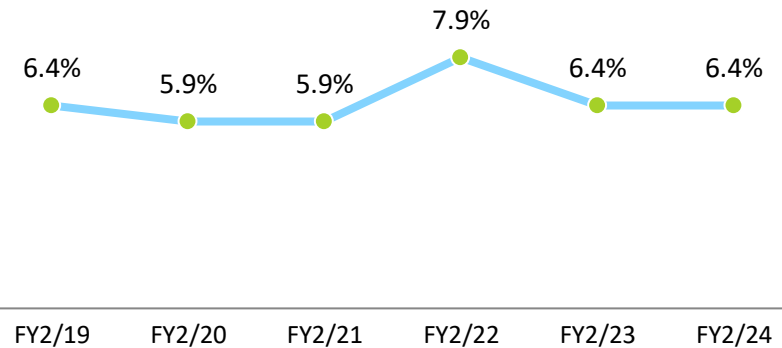


Trends and Results 2/2

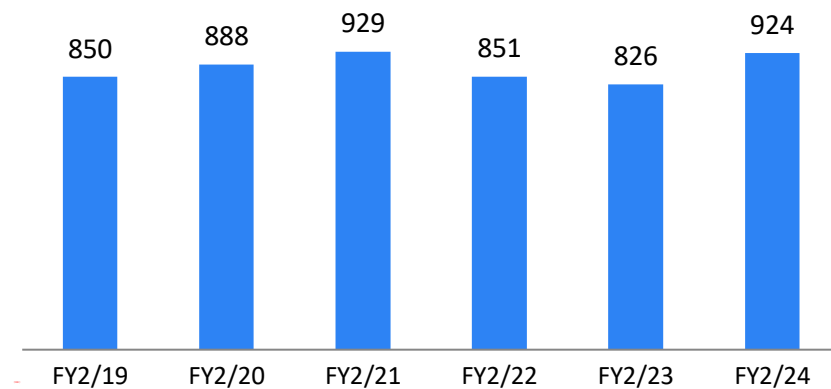
Consolidated ROE



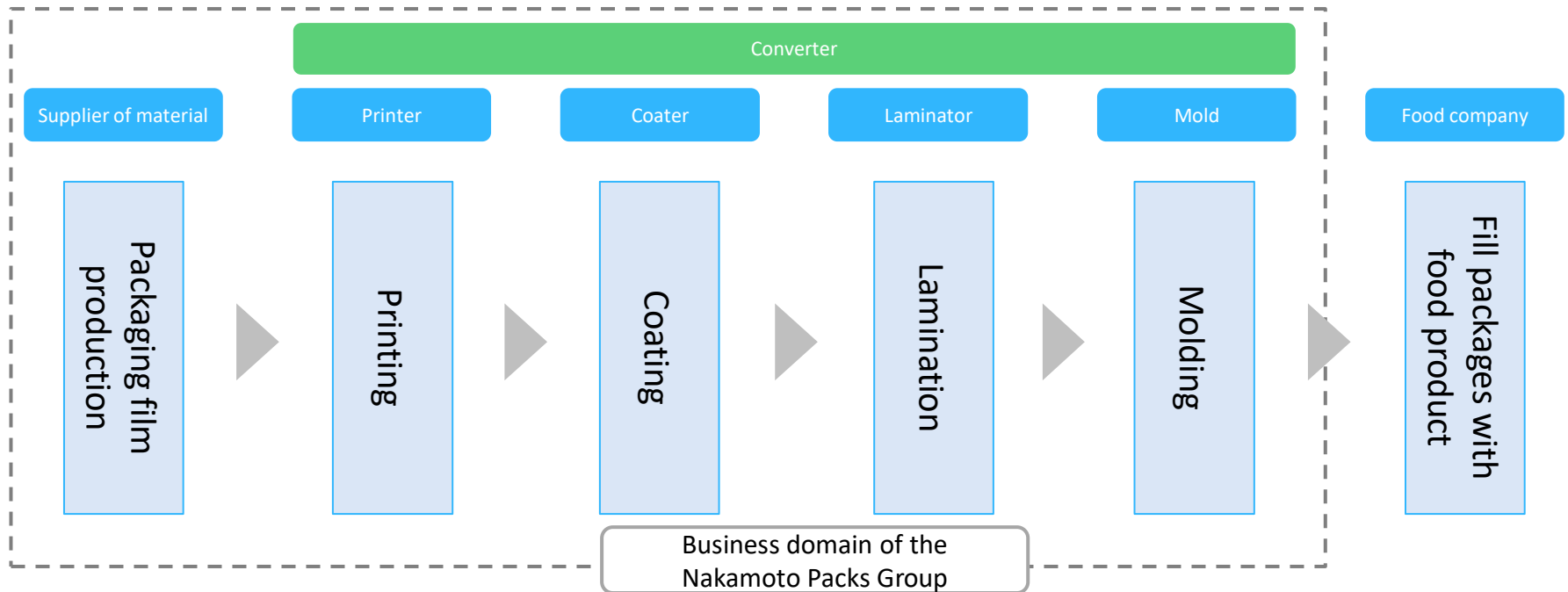
Consolidated ROA



Number of consolidated employees (persons)



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.