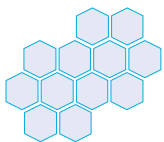




Results of Operations for the First Half of the Fiscal Year Ending February 28, 2025

October 17, 2024

Jun Kawata, President

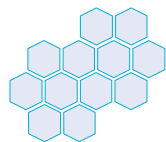


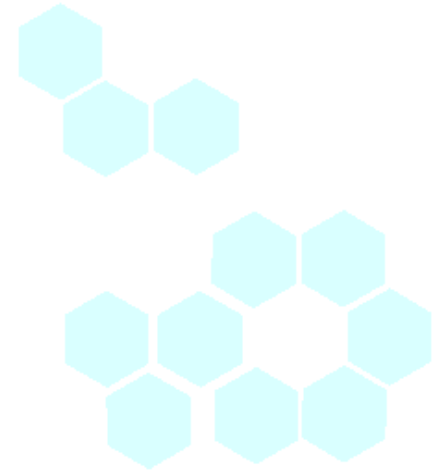
1.	1H FY2/25 Financial Summary	• • • P.3
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2.	FY2/25 Outlook	• • • P.18
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3.	Key Initiatives in FY2/25	• • • P.22
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4.	Reference	• • • P.30
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1H FY2/25 Financial Summary

1H FY2/25 Results of operations

Both 1H consolidated **sales** and **operating profit** were **higher and achieved new record highs**.

Consolidated sales: 24,376 million yen (+9.4% YoY)

Consolidated operating profit: 1,560 million yen (+53.0% YoY)

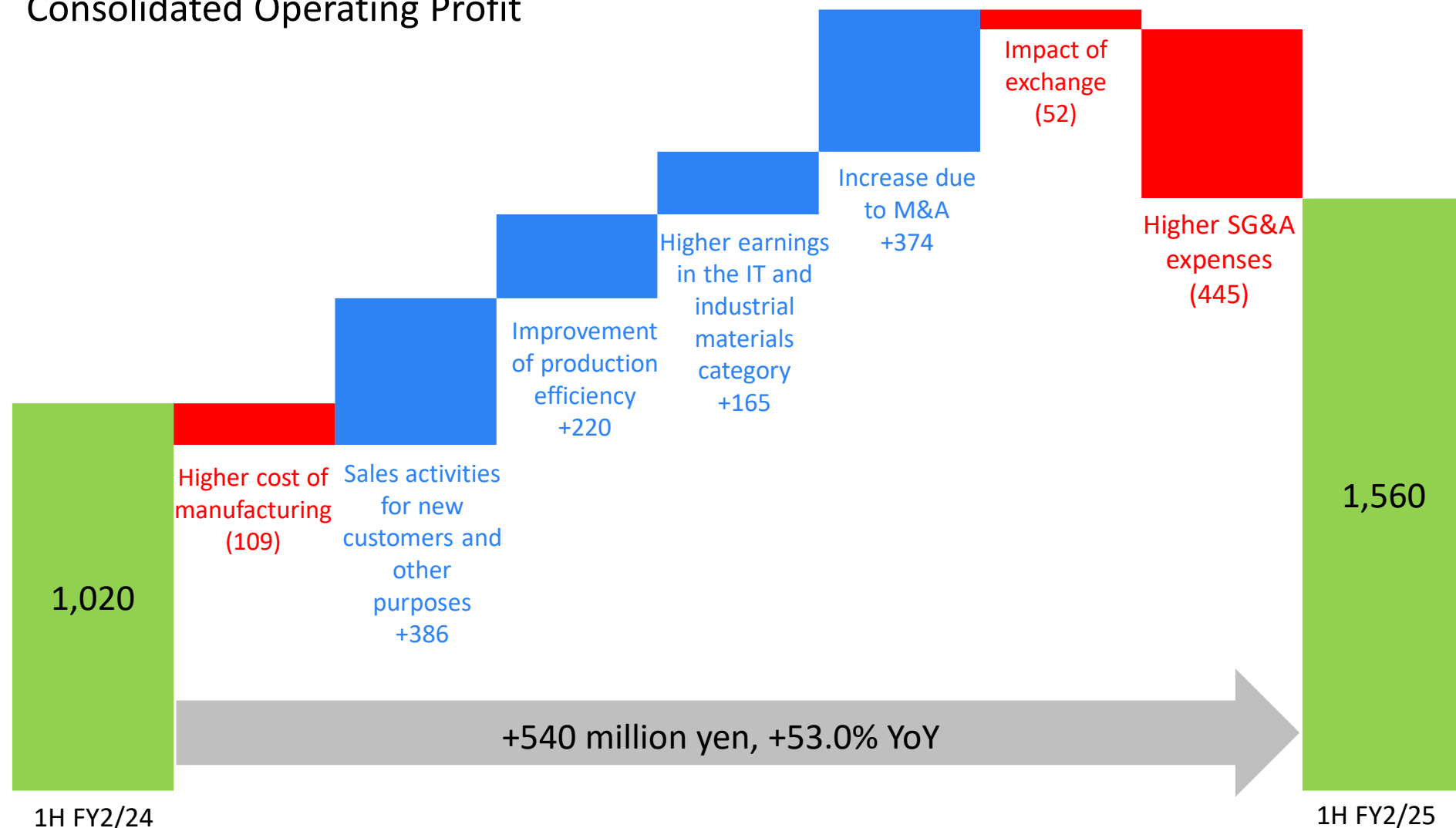
- ☀ Sales and earnings in the food packaging and containers category increased due to strong sales of food packaging for frozen food and contributions from subsidiaries in Japan.
- ☀ In the IT and industrial materials category, sales and earnings increased due to strong sales of materials used in smartphones and semiconductors and a recovery in sales of automotive interior materials.
- ☔ Sales of vacuum storage bags and other storage products decreased because TV shopping channels gave these products less air time due to a decline in purchases by consumers.

Change in Operating Profit (YoY)

(Millions of yen)

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

Consolidated Operating Profit



Financial Highlights of the First Half of FY2/25 NAKAMOTO PACKS CO.,LTD.

(Consolidated)

(Millions of yen; (% to sales))

	1H FY2/24 Results	1H FY2/25					
		Results	YoY change		Plan	Vs. plan	
			Amount	%		Amount	%
Net sales	22,279	24,376	+2,097	+9.4%	23,850	+526	+2.2%
Gross profit	3,344 (15.0%)	4,329 (17.8%)	+985	+29.5%	3,850 (16.1%)	+479	+12.5%
Selling, general and administrative expenses	2,323 (10.4%)	2,768 (11.4%)	+445	+19.2%	2,850 (11.9%)	(81)	(2.8)%
Operating profit	1,020 (4.6%)	1,560 (6.4%)	+540	+53.0%	1,000 (4.2%)	+560	+56.1%
Ordinary profit	1,213 (5.4%)	1,625 (6.7%)	+411	+33.9%	1,089 (4.6%)	+536	+49.3%
Profit attributable to owners of parent	685 (3.1%)	1,247 (5.1%)	+562	+82.0%	705 (3.0%)	+542	+77.0%

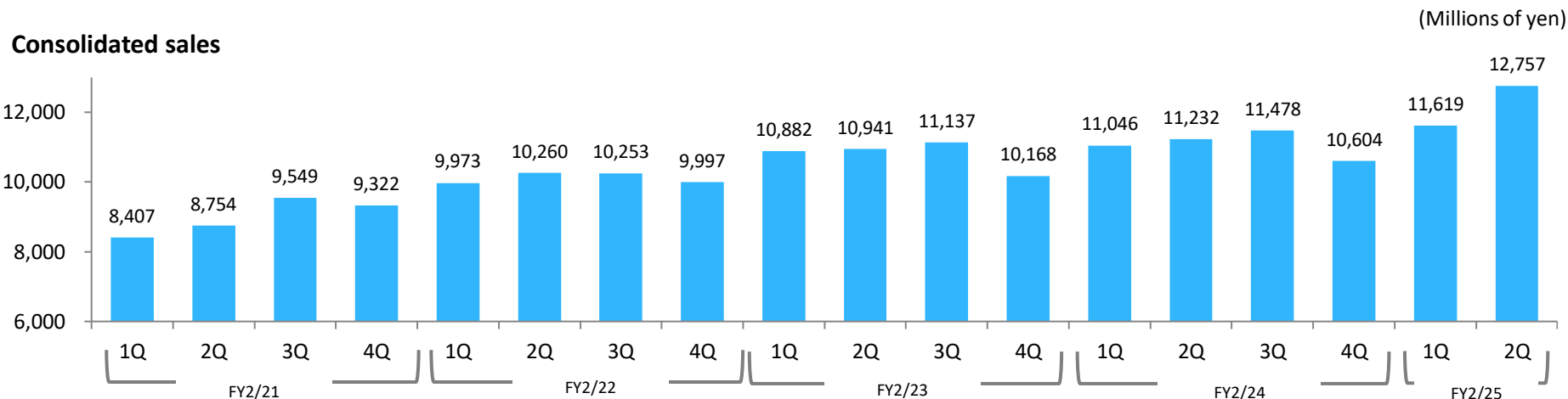
Capital expenditures*1	883 (4.0%)	864 (3.5%)	(18)	(2.1)%	795 (3.3%)	+69	+8.7%
Depreciation*2	625 (2.8%)	622 (2.6%)	(3)	(0.6)%	608 (2.6%)	+13	+2.2%

*1. Construction in progress is not included in capital expenditures. *2. Amortization of goodwill is not included. Note: Exchange rate for 1H FY2/25: 22.35 yen/yuan; 161.14 yen/dollar

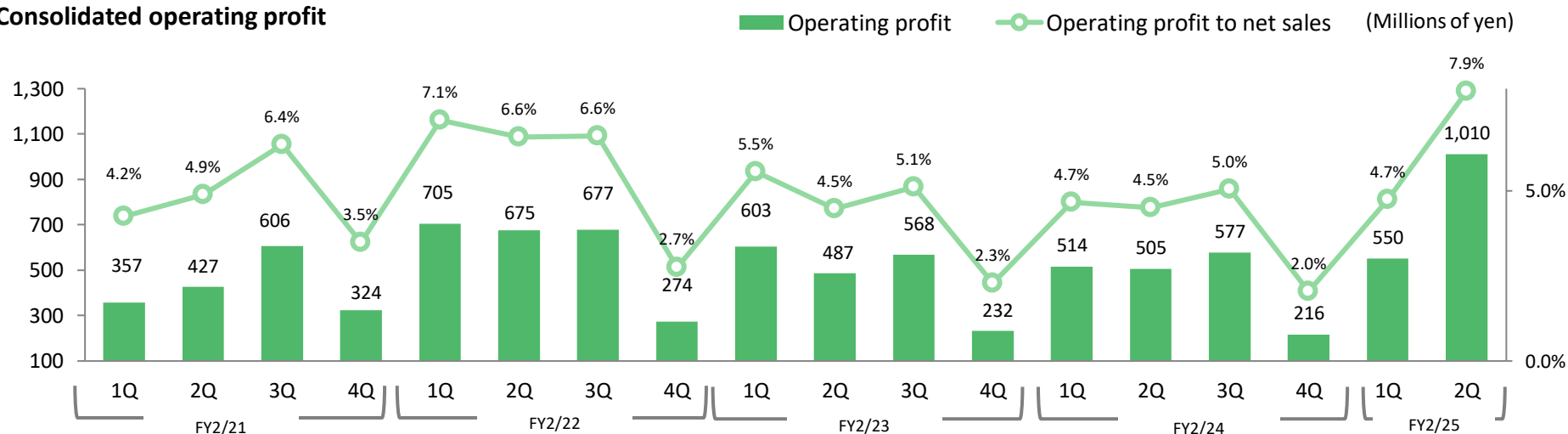
Financial Highlights of the First Half of FY2/25 NAKAMOTO PACKS CO.,LTD.

Quarterly sales and operating profit

- Sales and operating profit were higher than one year earlier due to strong sales of materials used in smartphones and semiconductors and contributions from subsidiaries in Japan and other countries.
- Sales and operating profit in the second quarter were at record highs. Also first half record highs.

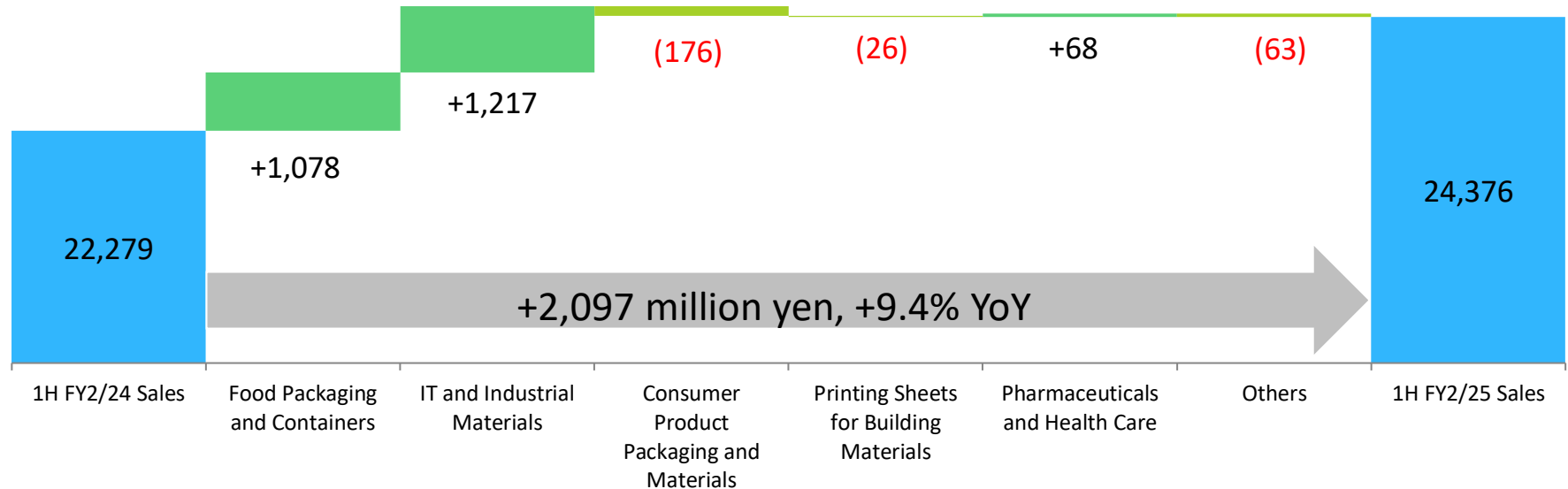


Consolidated operating profit

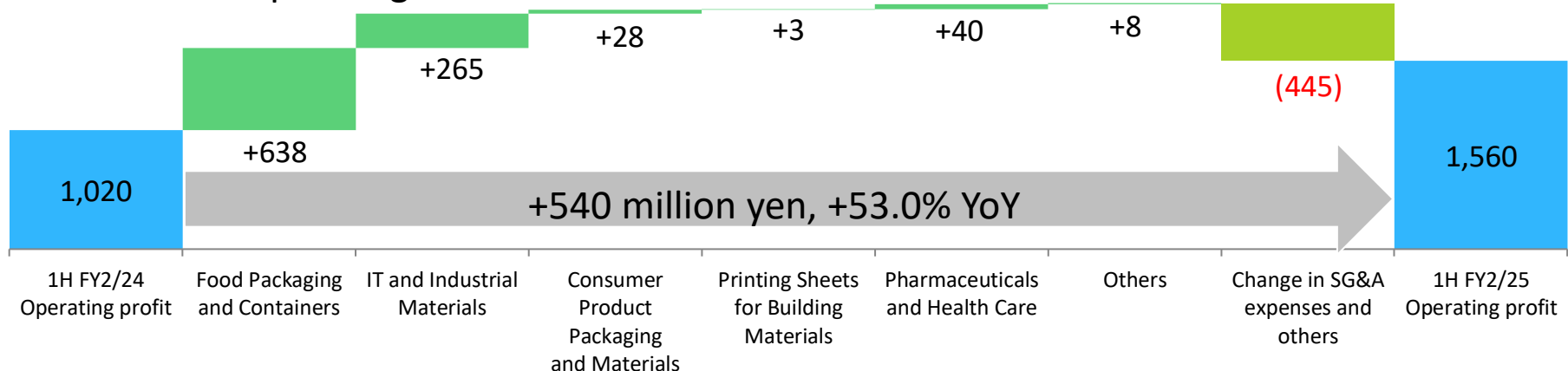


Change in Net Sales and Operating Profit (YoY) NAKAMOTO PACKS CO.,LTD.

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



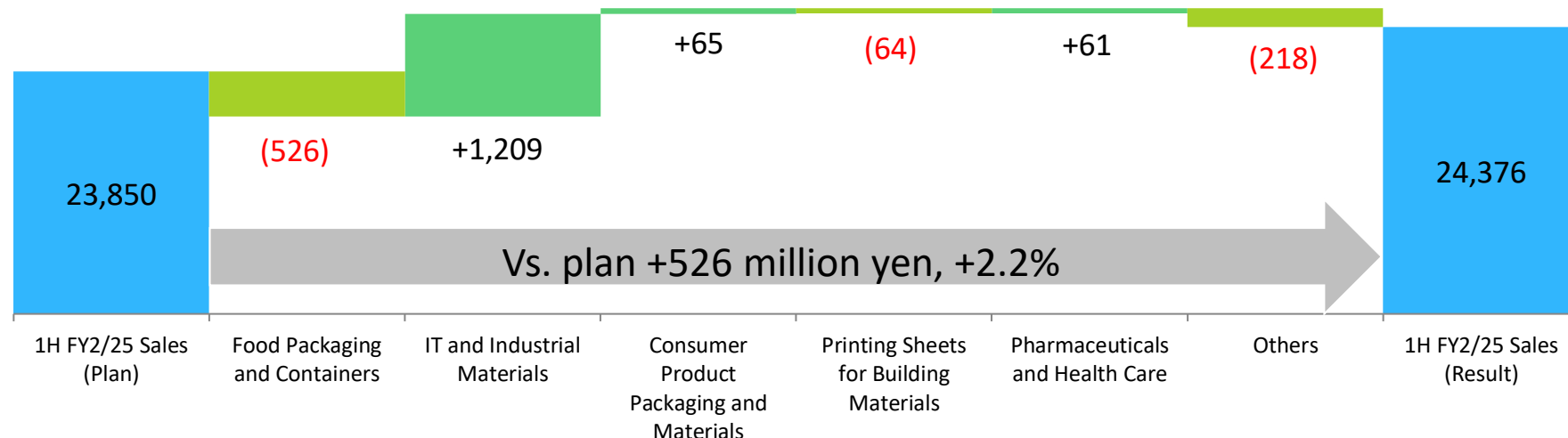
Consolidated Operating Profit



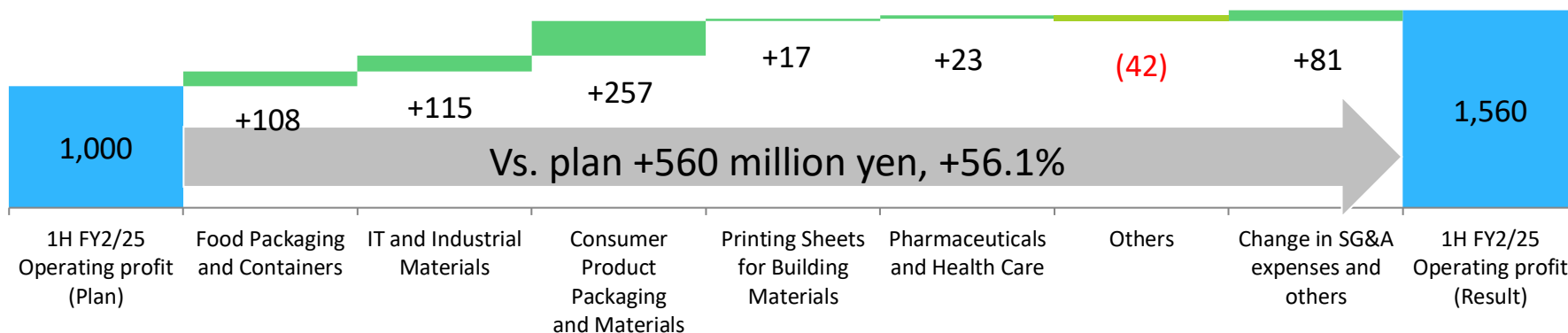
Change in Net Sales and Operating Profit (Vs. Plan) NAKAMOTO PACKS CO.,LTD.

Consolidated sales

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

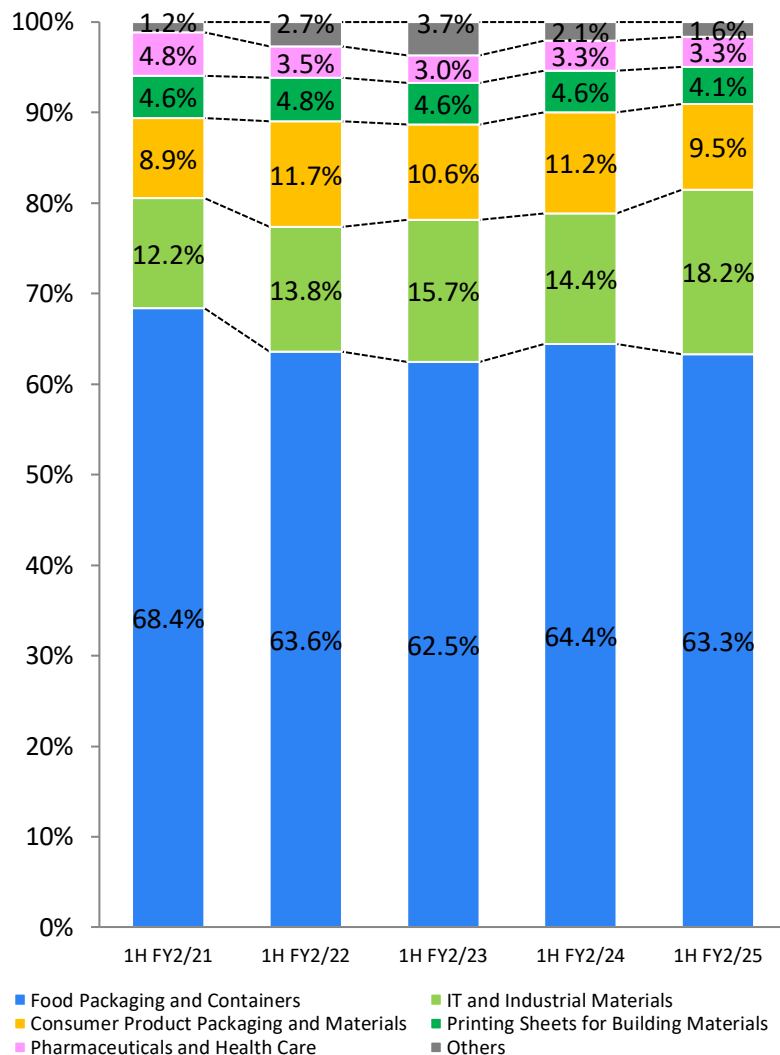


Consolidated operating profit

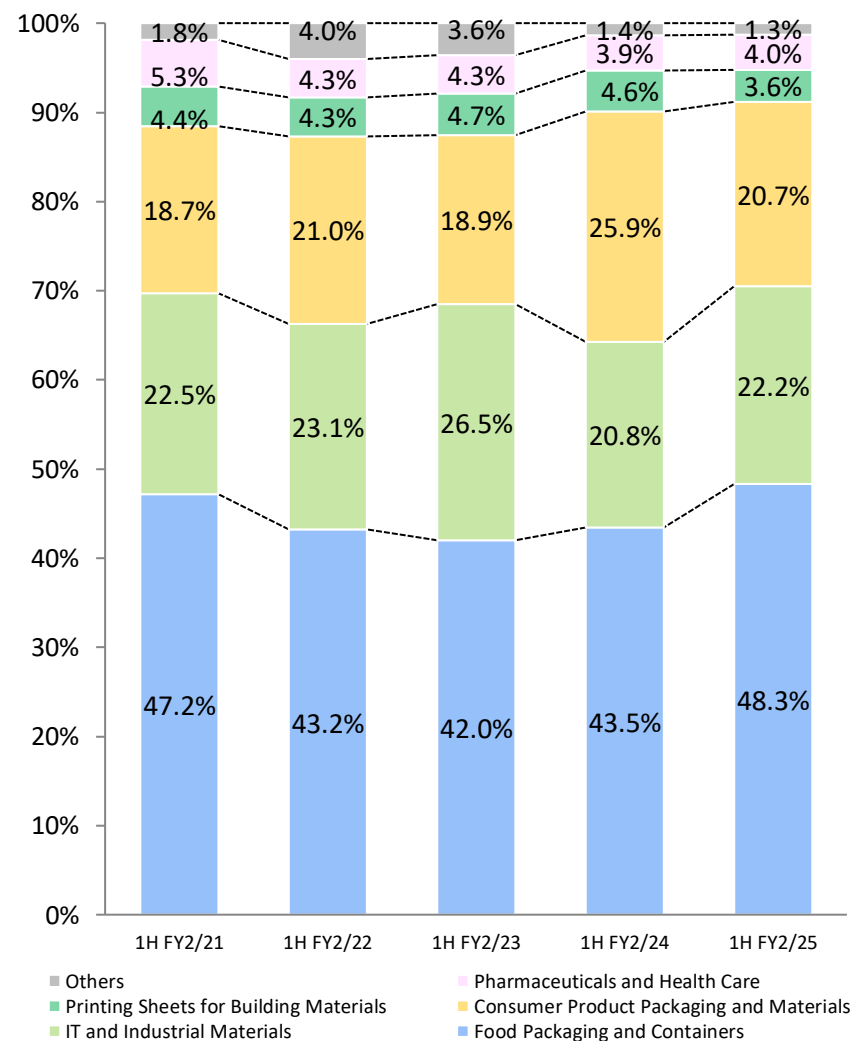


Trends in Sales and Gross Profit Composition for Product Applications

Consolidated sales



Consolidated gross profit

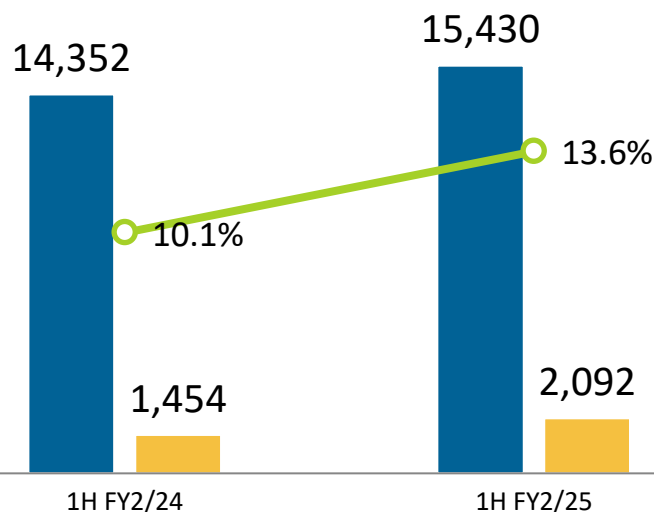


Applications – Food Packaging and Containers NAKAMOTO PACKS CO.,LTD.

Food Packaging and Containers

(Millions of yen)

■ Sales ■ Gross profit ○ Gross profit margin



Examples of final products



Pasta container



Prepared food container (bento)

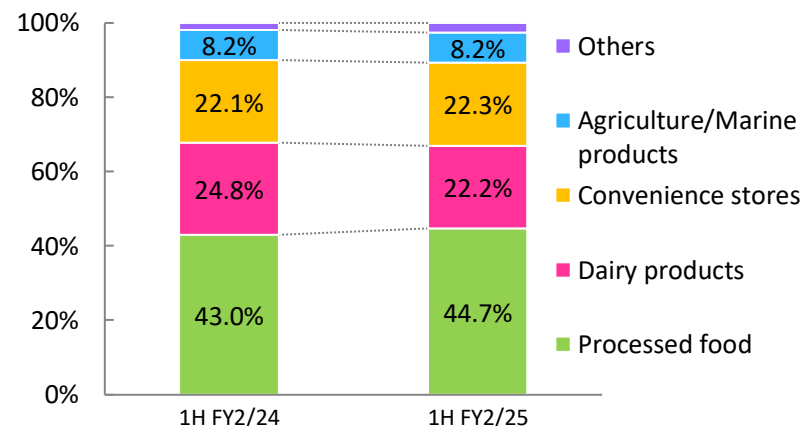


Beverage container lid

■ Sales in major product categories

Processed food	<ul style="list-style-type: none"> Strong sales of packaging materials for frozen foods Firm sales of packaging for prepared food
Dairy products	<ul style="list-style-type: none"> Lower sales of some products for yogurt, a category with a strong performance in FY2/24
Convenience stores	<ul style="list-style-type: none"> Higher demand for container molding and processing
Agriculture/ Marine products	<ul style="list-style-type: none"> Strong sales of packaging for agricultural products

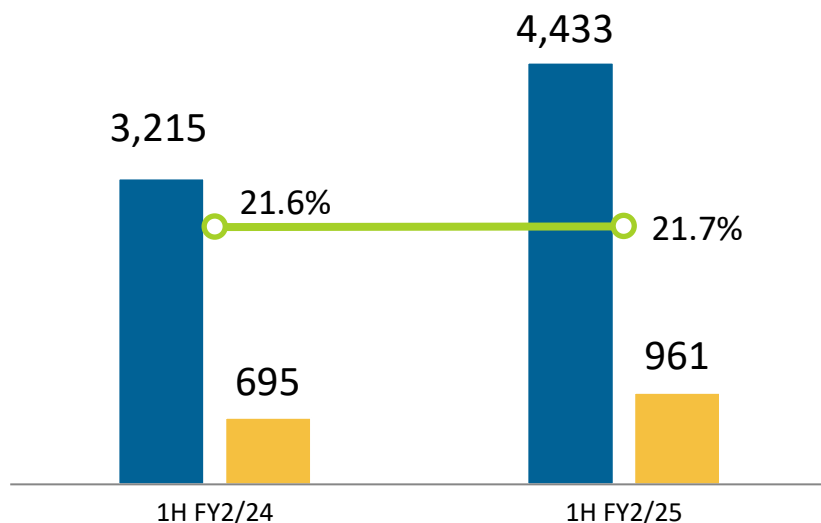
■ Sales composition for major categories (consolidated)



IT and Industrial Materials

(Millions of yen)

■ Sales ■ Gross profit ○ Gross profit margin



Examples of final products



Films for production processes

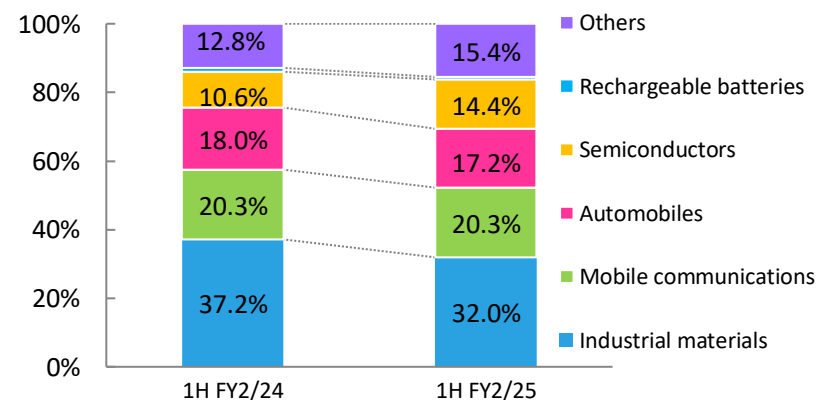


NS Separator

■ Sales in major product categories

Industrial materials	<ul style="list-style-type: none"> Strong sales of materials for heavy duty bags for petrochemicals and other products Sales of co-extruded multilayer nylon film bags for industrial materials increased
Mobile communications	<ul style="list-style-type: none"> Sales of materials used in smartphones increased
Semiconductors	<ul style="list-style-type: none"> Higher sales of some electronic component packaging materials
Automobiles	<ul style="list-style-type: none"> Sales of automotive interior materials are on a recovery trend
Rechargeable batteries	<ul style="list-style-type: none"> More production of prototype materials as well as one-time orders
Others	<ul style="list-style-type: none"> Increase in various development projects

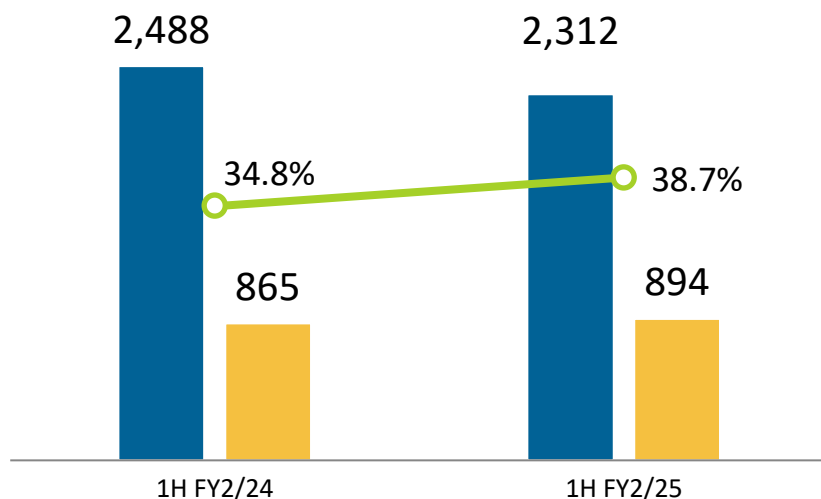
■ Sales composition for major categories (consolidated)



Consumer Product Packaging and Materials

(Millions of yen)

■ Sales ■ Gross profit ○ Gross profit margin



Examples of final products



AC outdoor unit thermal insulation sealing



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

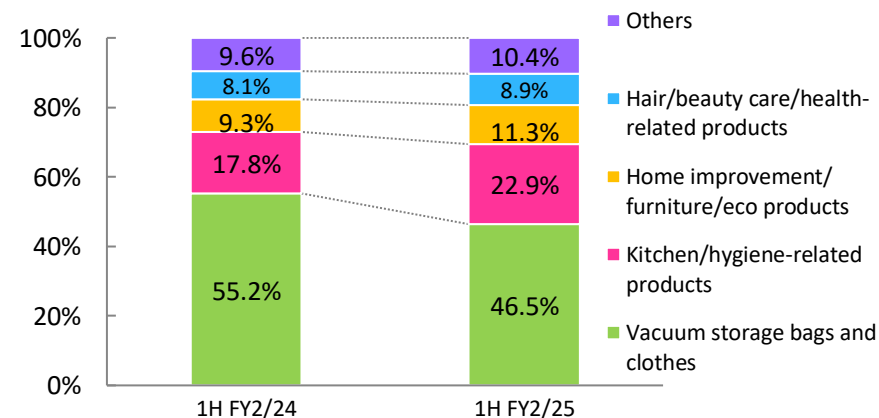


Waffle sheet scrubber

■ Sales in major product categories

Vacuum storage bags and clothes	• Sales decreased because TV shopping channels gave these products less air time due to a decline in purchases by consumers
Kitchen/hygiene-related products	• Strong sales of in-house products with high profit margins
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)



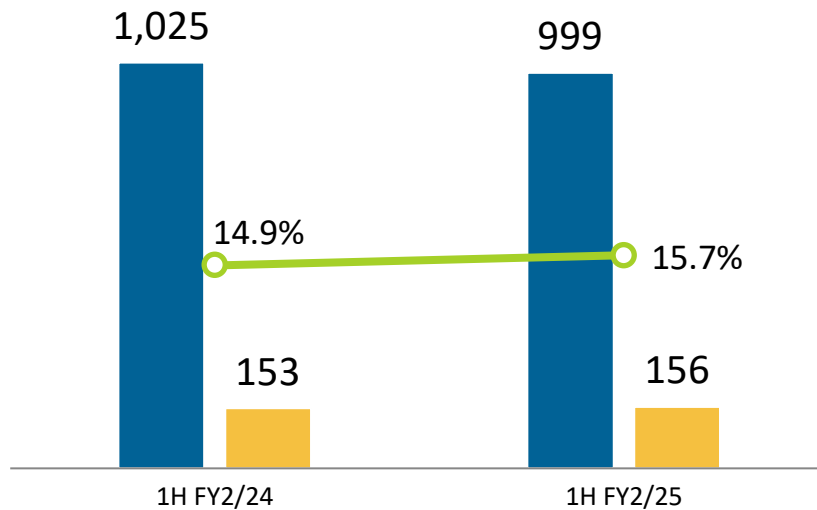
Applications

– 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

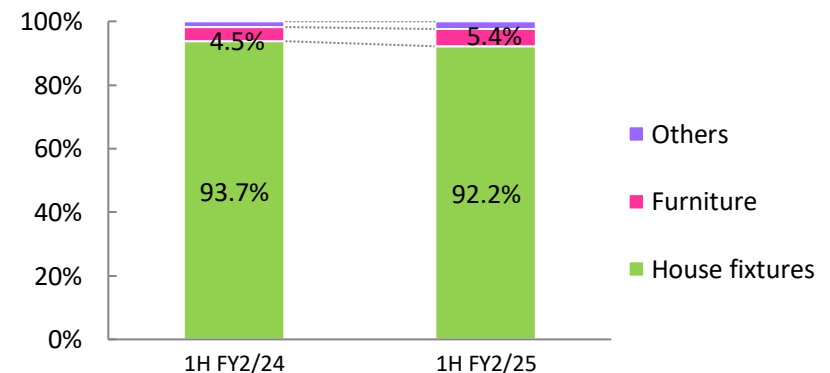
House fixtures	<ul style="list-style-type: none"> Sales of printed sheets used in apartment buildings were strong Declines in orders for products used in stores and houses
Furniture	<ul style="list-style-type: none"> Orders involving exported furniture were strong

■ 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)

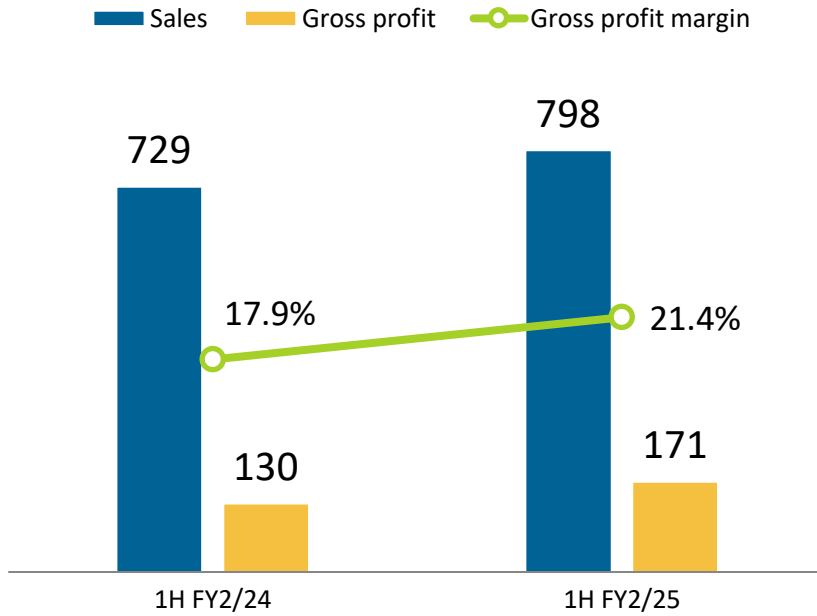


Applications

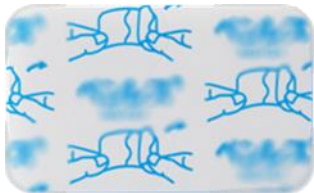
– Pharmaceuticals and Health Care

Pharmaceuticals and Health Care

(Millions of yen)



Examples of final products



Anesthesia tape

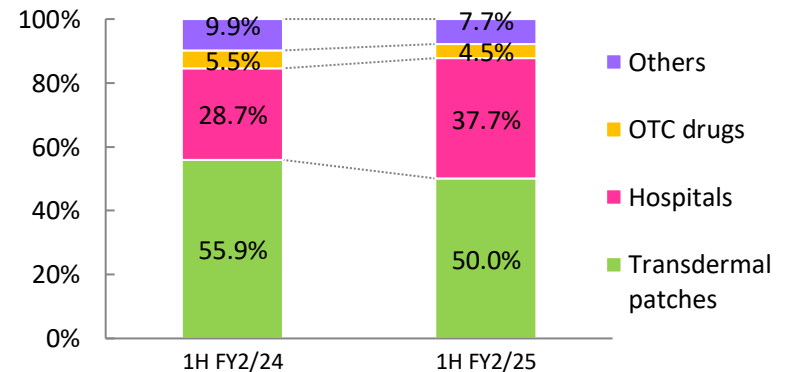


Shading cover for transfusion bags

■ Sales in major product categories

Transdermal patches	<ul style="list-style-type: none"> Overseas sales of transdermal patches increased A sharp rise in prices of raw materials for some products
Hospitals	<ul style="list-style-type: none"> Firm sales of materials involving transfusions
OTC drugs	<ul style="list-style-type: none"> Sales of packaging for OTC drugs decreased

■ Sales composition for major categories (consolidated)



Assets and Liabilities

(Consolidated)

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

		As of Feb. 29, 2024		As of Aug. 31, 2024	
				YoY change	Major factors
	Current assets	23,139 (60.1%)	24,810 (61.4%)	+1,670	Notes and accounts receivable-trade, and contract assets +1,168, Electronically recorded monetary claims-operating +529, Other +165, Cash and deposits (283)
	Non-current assets	15,343 (39.9%)	15,607 (38.6%)	+263	Investments and other assets +257
Total assets		38,483 (100.0%)	40,417 (100.0%)	+1,933	
	Current liabilities	16,854 (43.8%)	17,119 (42.4%)	+264	Notes and accounts payable-trade +99, Electronically recorded obligations-operating +328, Income taxes payable +192, Short-term borrowings (404)
	Non-current liabilities	3,132 (8.1%)	3,346 (8.3%)	+214	Long-term borrowings +110, Other +102
Total liabilities		19,987 (51.9%)	20,466 (50.6%)	+478	
Total net assets		18,496 (48.1%)	19,951 (49.4%)	+1,454	Retained earnings +971, Foreign currency translation adjustment +390
Total liabilities and net assets		38,483 (100.0%)	40,417 (100.0%)	+1,933	
Net interest-bearing debt		1,275 (3.3%)	1,314 (3.3%)	+38	Long-term borrowings +133, Cash and deposits (283), Short-term borrowings (404)

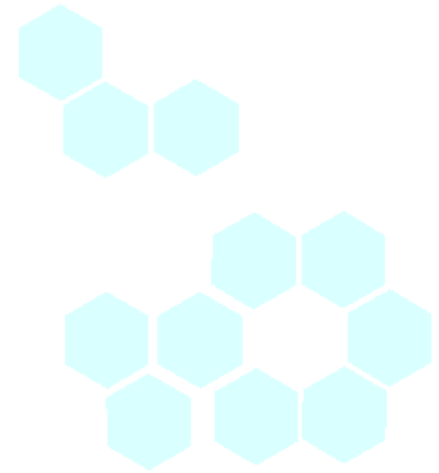
Net interest-bearing debt = Interest-bearing debt – Cash and deposits

Cash Flows

(Consolidated)

(Millions of yen)

		1H FY2/24 Results	Results	1H FY2/25 Components
	Cash flows from operating activities	1,515	666	Profit before income taxes +1,593, Depreciation +622, Loss on liquidation of subsidiaries and associates +113, Increase in trade payables +557, Increase in trade receivables (1,629) , Other (277), Income taxes paid (320)
	Cash flows from investing activities	(983)	(508)	Proceeds from sale of non-current assets +12, Purchase of non-current assets (512)
	Free cash flows	531	158	
	Cash flows from financing activities	(435)	(637)	Proceeds from long-term borrowings +600, Net decrease in short-term borrowings (453), Repayments of long-term borrowings (467), Cash dividends paid (276)
	Effect of exchange rate change on cash and cash equivalents	93	190	
	Net increase (decrease) in cash and cash equivalents	189	(289)	
	Cash and cash equivalents at beginning of period	5,019	7,446	
	Cash and cash equivalents at end of period	5,209	7,157	



FY2/25 Outlook

Current Performance and Outlook (Overview)



NAKAMOTO PACKS CO.,LTD.

Food Packaging and Containers

First half

- Strong sales in food packaging mainly for frozen foods
- Strong sales in food packaging for prepared food and agricultural products
- Improved performance of Nakamoto Fine Pack's Yamanashi Plant
- Contribution to sales and earnings of newly consolidated subsidiary Nakamoto Advanced Film Co., Ltd.

IT and Industrial Materials

- Orders for automotive interior materials are on a recovery trend
- Strong sales of materials used in smartphones and semiconductors and some electronic component packaging materials
- More production of prototype materials for next-generation batteries

Consumer Product Packaging and Materials

- Sales of vacuum storage bags and other storage products decreased because TV shopping channels gave these products less air time due to a decline in purchases by consumers.
- Strong sales of in-house products with high profit margins

Printing Sheets for Building Materials

- Sales of printed sheets used in apartment buildings were strong
- Declines in orders for printed products used in stores and houses

Pharmaceuticals and Health Care

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

Third quarter and afterward

- Strengthening activities for environmentally responsible and functional packaging
- Contributions to sales and earnings of Nakamoto Fine Pack's Yamanashi Plant and Nakamoto Advanced Film Co., Ltd.
- Will continue to raise prices and make improvements to offset the continuing increase in the cost of manufacturing

- Expect one-time demand for industrial materials
- Sales of materials used in smartphones and semiconductors are remaining strong
- Prototypes and volume production of products for next-generation batteries and other growing market categories

- Growth in sales of winter products
- Strengthen development and sales of new products

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

- Focus on capturing new orders involving transfusions

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%

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

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

Plan for Capital Expenditures and Depreciation Expenses



NAKAMOTO PACKS CO.,LTD.

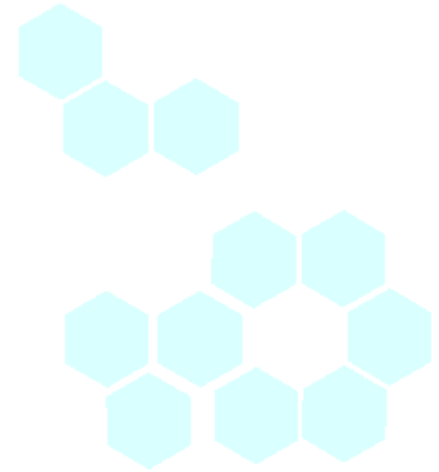
(Consolidated)

(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

Nakamoto Fine Pack Yamanashi plant achieved profitability

Date of acquisition	April 3, 2023
Business acquired	Food container molding business, which was part of the operations of NISSEY Co., Ltd.
April to December 2023	Net sales: About 980 million yen, Ordinary profit: About -10 million yen
January to June 2024	Net sales: About 720 million yen, Ordinary profit: About 10 million yen



Major improvements:

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

Replacing machines with different types of machines has significantly improved productivity

Topics 2

MICS Chemical became a wholly owned subsidiary on February 1, 2024 and changed its name to Nakamoto Advanced Film Co., Ltd. on August 1, 2024.

Sales: About 1,000 million yen, Ordinary profit: About 70 million yen

Period: February to June 2024 (five months)

Contributed to earnings beginning with the company's first year as a member of the Nakamoto Packs Group



Example of actual packaging



Salmon



Sausage



Corn

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

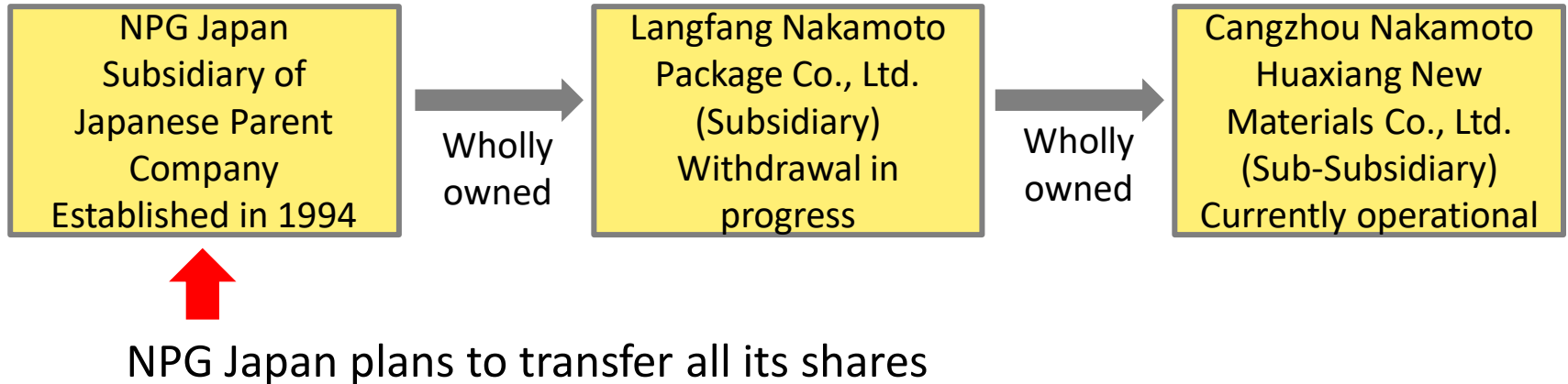
Primary IT system update

NAKAMOTO PACKS CO.,LTD.	New IT system completed in May 2024
Nakamoto Fine Pack, Nakamoto Inshokan Co., Ltd.	New IT system completed in July 2024
Santac Co., Ltd., Nakamoto Advanced Film Co., Ltd.	Studies under way for an update

Actions and Goals

1. Analyze problems after starting to use new IT systems and make improvements while using collaboration among different business units
2. Confirm benefits of new IT systems, such as real-time information management and paperless procedures
3. Use data utilization made possible by the new IT systems for progress with the digital transformation

Transfer of NPG Japan's shares



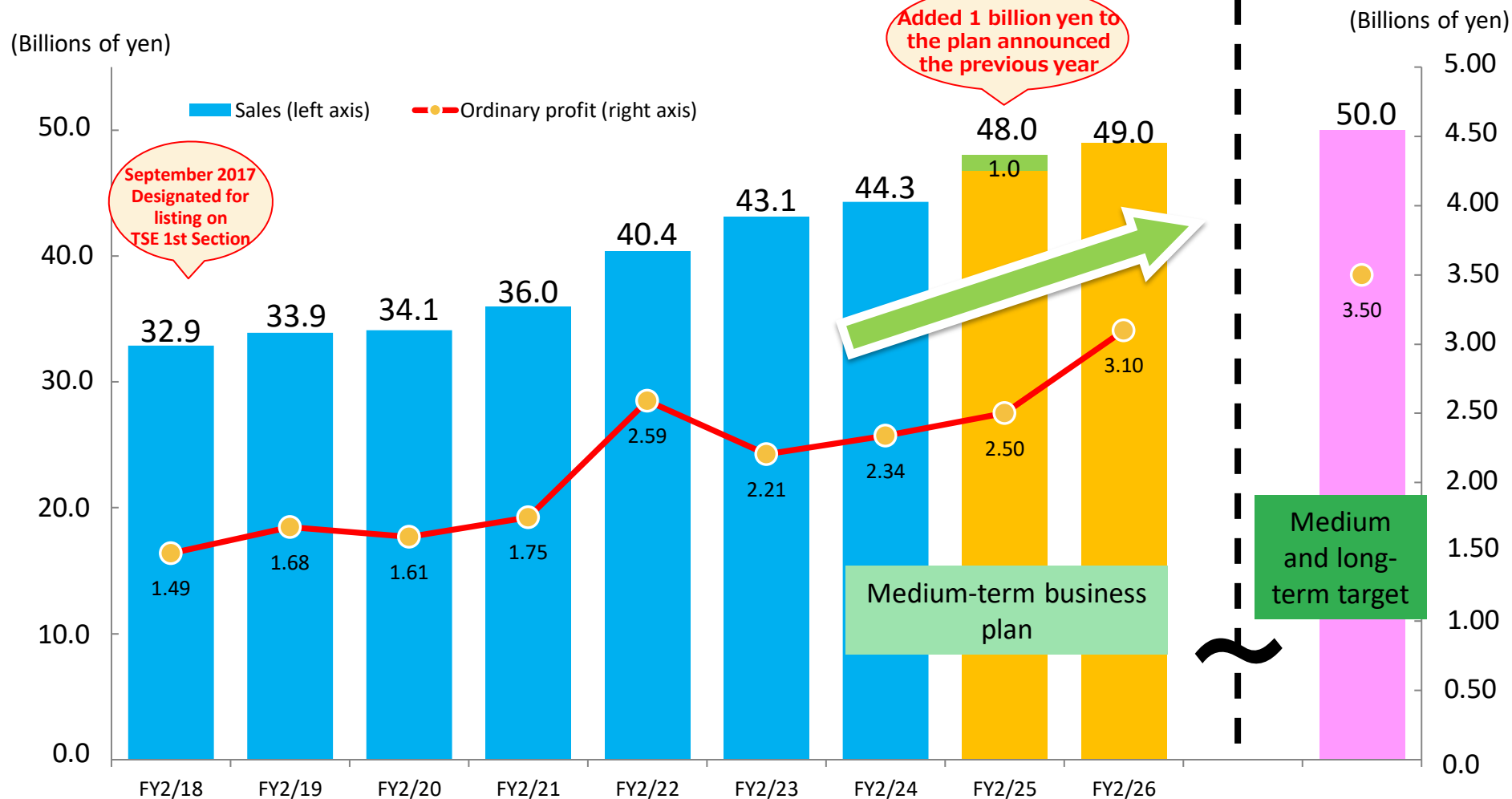
Reasons for withdrawal

1. Cangzhou Nakamoto Huaxiang is closely tied to Japan because 90% of its operations involve products for Japan
2. Reorganizing and optimizing operations from the standpoint of exposure to country risk

The termination of this business is an excellent opportunity to shift operations to Vietnam.

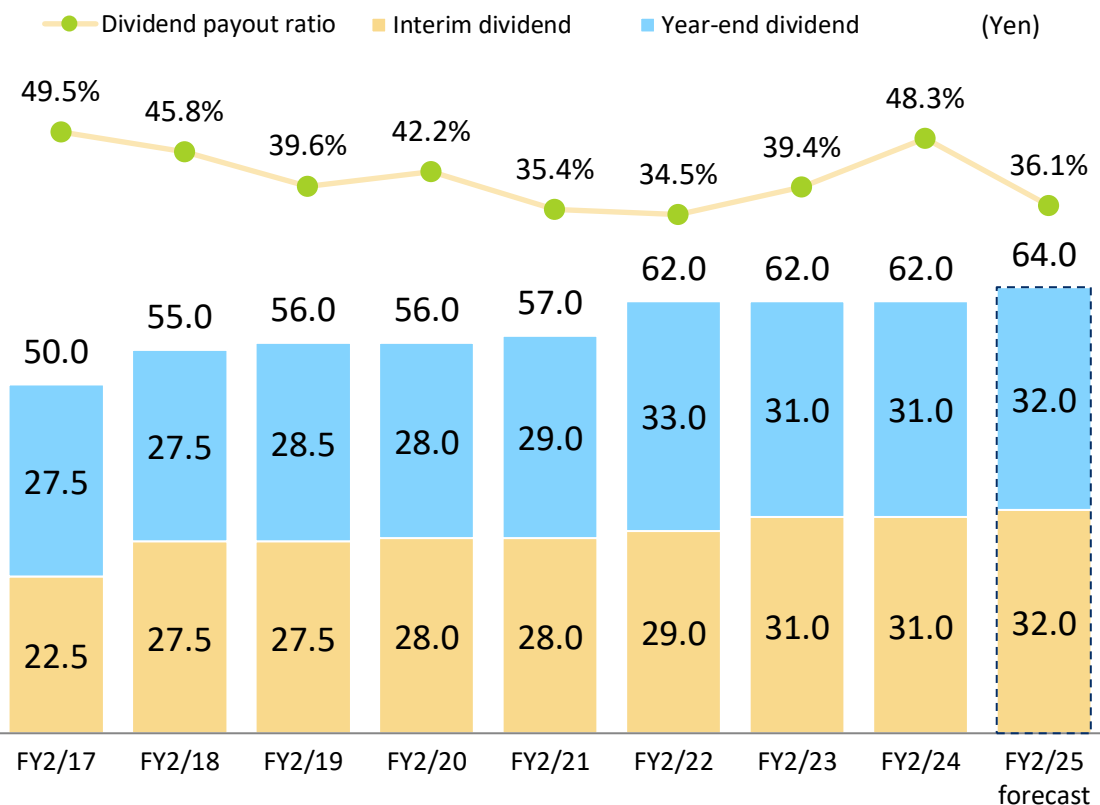
Medium-term Goals (Consolidated)

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).

■ Maintain a stable dividend while retaining earnings as needed



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

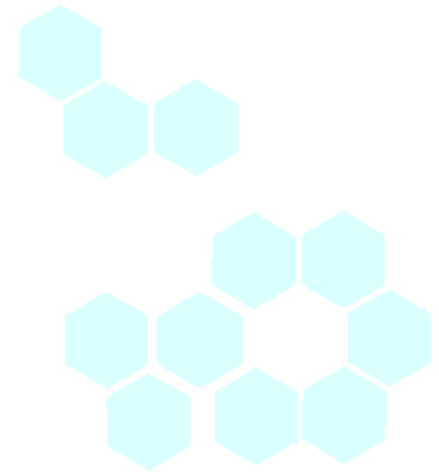
Description of shareholder benefits

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)

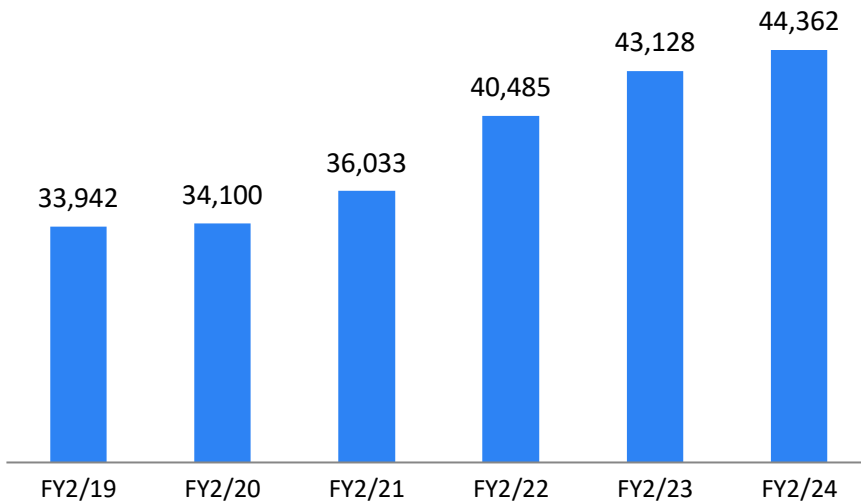




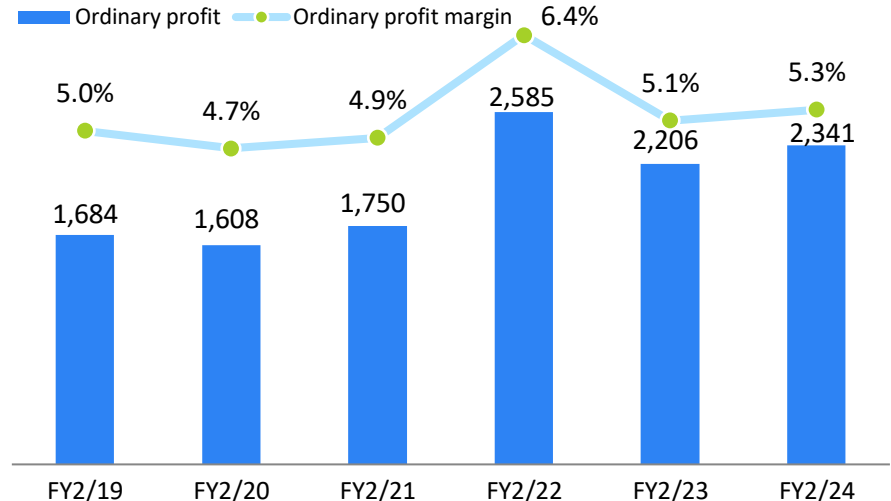
Reference

Trends and Results 1/2

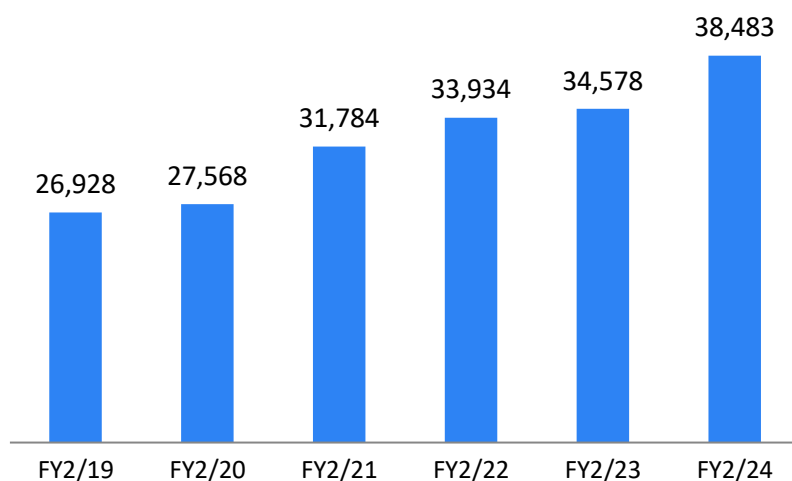
Consolidated net sales (Millions of yen)



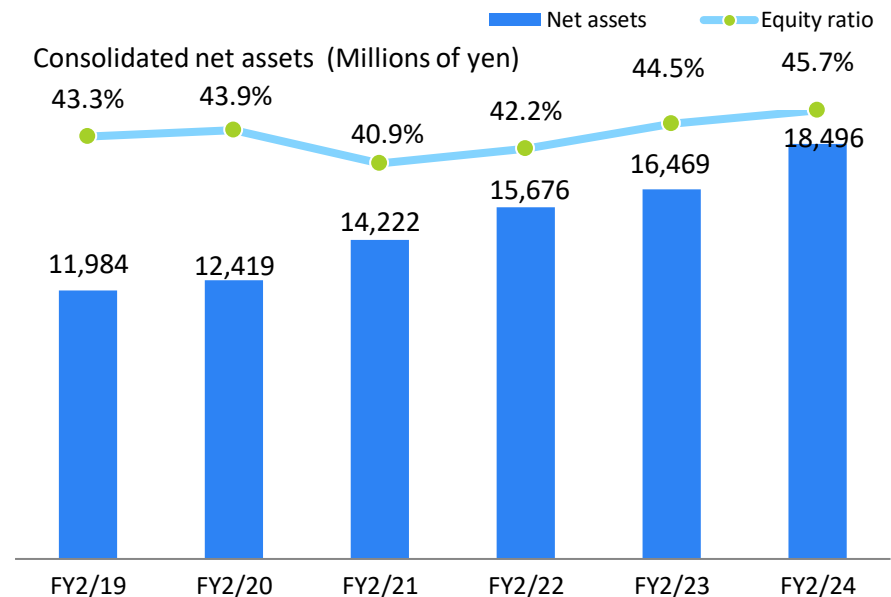
Consolidated ordinary profit (Millions of yen)



Consolidated total assets (Millions of yen)

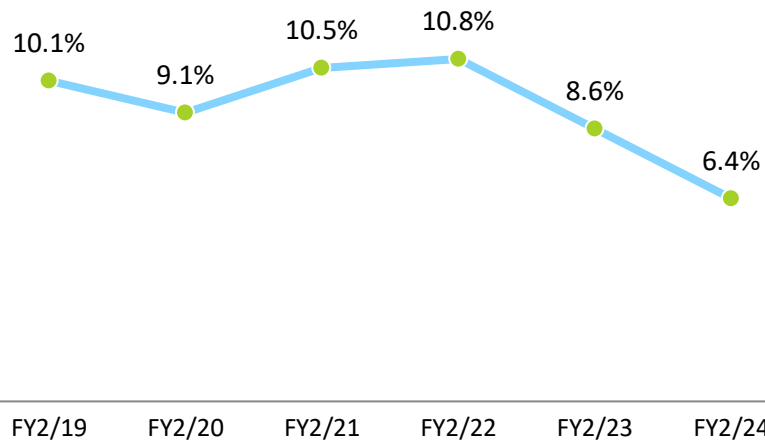


Consolidated net assets (Millions of yen)

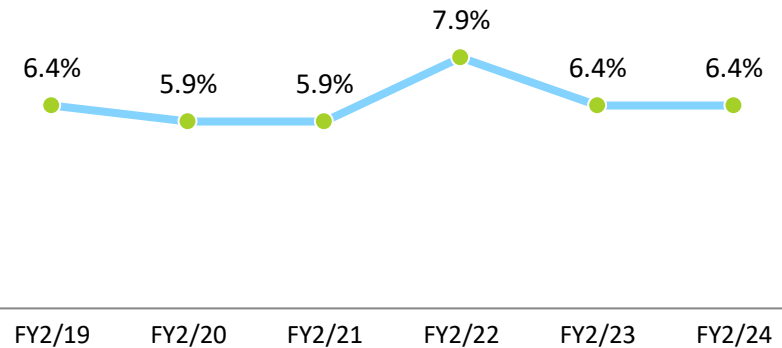


Trends and Results 2/2

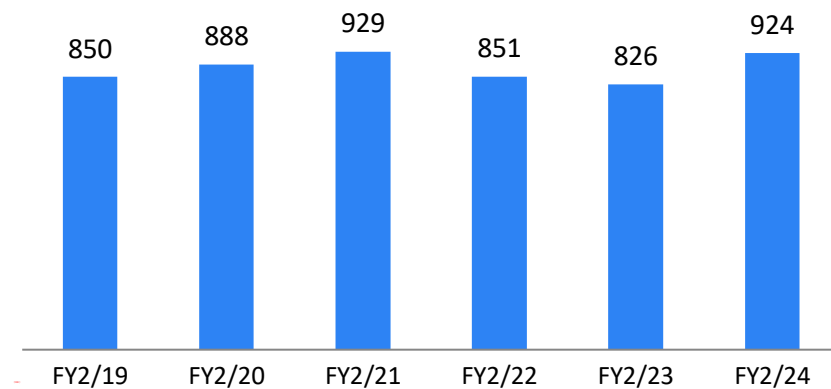
Consolidated ROE



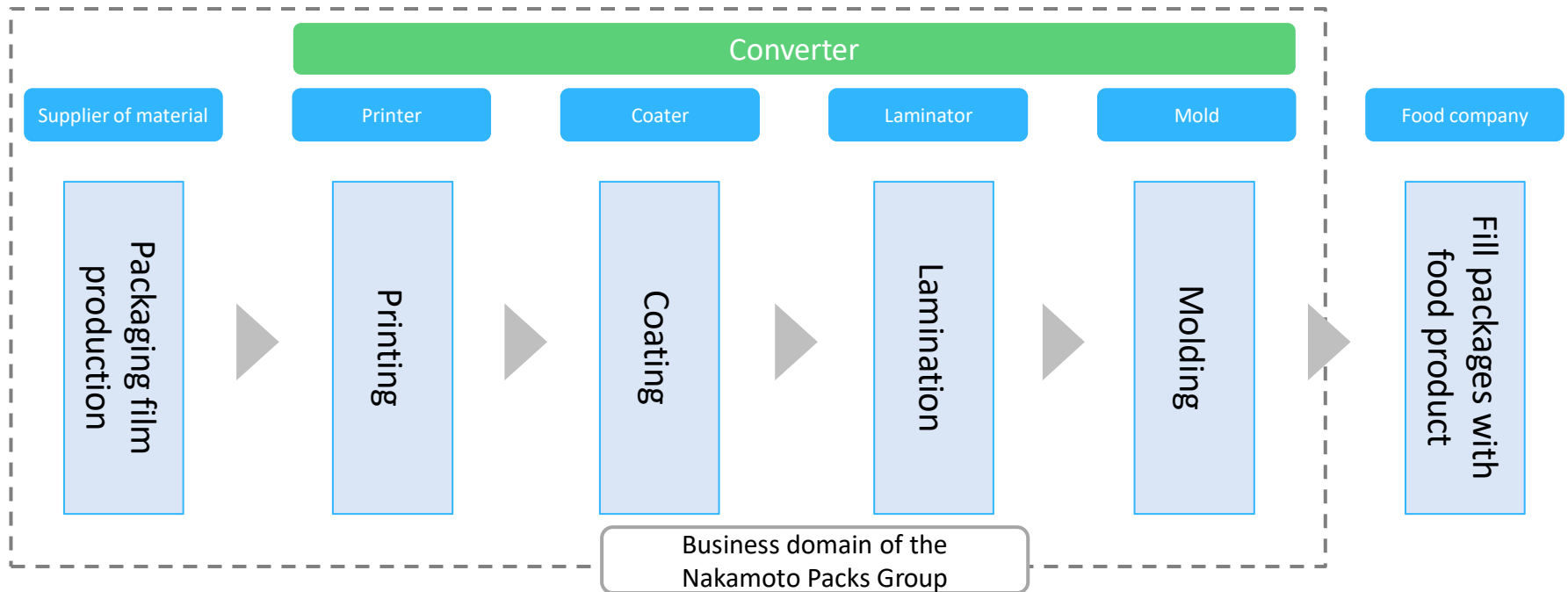
Consolidated ROA



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

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