



January 14, 2025

Consolidated Financial Results **for the Third Quarter of the Fiscal Year Ending February 28, 2025 (FY2/25)** **(Nine Months Ended November 30, 2024)**

[Japanese GAAP]

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Securities code: 7811

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of FY2/25 (March 1, 2024 – November 30, 2024)

(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 | % |
| Nine months ended Nov. 30, 2024 | 36,826 | 9.1 | 2,363 | 47.9 | 2,338 | 7.0 | 1,625 | 13.0 |
| Nine months ended Nov. 30, 2023 | 33,757 | 2.4 | 1,598 | (3.7) | 2,186 | 8.2 | 1,438 | 12.0 |

Note: Comprehensive income Nine months ended Nov. 30, 2024: 1,752 million yen (down 10.3%)

Nine months ended Nov. 30, 2023: 1,954 million yen (up 7.5%)

| | Earnings per share | Diluted earnings per share |
|---------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended Nov. 30, 2024 | 182.22 | - |
| Nine months ended Nov. 30, 2023 | 176.00 | - |

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 Nov. 30, 2024 | 40,925 | 19,680 | 45.8 | 2,099.63 |
| As of Feb. 29, 2024 | 38,483 | 18,496 | 45.7 | 1,969.69 |

Reference: Equity capital

As of Nov. 30, 2024: 18,725 million yen

As of Feb. 29, 2024: 17,568 million yen

2. Dividends

| | Dividends per share | | | | |
|-------------------|---------------------|--------|--------|----------|-------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| FY2/24 | - | 31.00 | - | 31.00 | 62.00 |
| FY2/25 | - | 32.00 | - | - | - |
| FY2/25 (forecast) | - | - | - | 34.00 | 66.00 |

Note: Revision to the most recently announced dividend forecast: Yes

3. Consolidated Forecast for FY2/25 (March 1, 2024 – February 28, 2025)

(Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-------------|-----|------------------|------|-----------------|------|---|------|--------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 48,000 | 8.2 | 2,780 | 53.2 | 2,750 | 17.4 | 1,900 | 79.7 | 213.04 |

Note: Revision to the most recently announced consolidated forecast: Yes

Nakamoto Packs has reviewed the recent performance trends and made revisions to consolidated forecast for the fiscal year ending February 28, 2025, which was announced on April 8, 2024.

For more information, please refer to the press release titled “Notice of Revisions to the Consolidated Forecast for FY2/25 (Upward Revision) and the Year-end Dividend Forecast (Dividend Increase)” dated today (January 14, 2025) (Japanese version only).

*** Notes**

(1) Significant changes in scope of consolidation during the period: None

Newly added: - Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to page 8 “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” for details.

(3) 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 |

(4) Number of issued shares (common stock)

- | | | | |
|---|------------------|----------------------|------------------|
| 1) Number of shares issued at the end of the period (including treasury shares) | | | |
| As of Nov. 30, 2024: | 8,920,791 shares | As of Feb. 29, 2024: | 8,920,791 shares |
| 2) Number of treasury shares at the end of the period | | | |
| As of Nov. 30, 2024: | 2,454 shares | As of Feb. 29, 2024: | 1,275 shares |
| 3) Average number of shares during the period | | | |
| 3Q FY2/25: | 8,918,639 shares | 3Q FY2/24: | 8,172,253 shares |

* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 3 for forecast assumptions and notes of caution for usage.

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1. Overview of Results of Operations

(1) Results of Operations

During the first nine months of the fiscal year, the economic activities in Japan recovered due to slow recovery in consumer spending and rising demand from foreign tourists in Japan. However, challenging conditions persist, including globally rising resource prices, instability in financial and capital markets, and the continued high-interest rate levels in Europe and the United States. The rising cost of manufacturing products due to high cost of energy and supply chain disruptions are having a negative impact on the operations of the Nakamoto Packs Group and making the outlook unclear.

The activities of the Nakamoto Packs Group are guided by the themes of “environmental responsibility, activities for improvements and the maximization of customer satisfaction by going back to the basics.” Priorities include developing and selling products with a lower environmental burden, lowering costs, manufacturing products more efficiently, and improving the quality of products.

Due to these activities, sales increased 9.1% to 36,826 million yen. Operating profit increased 47.9% to 2,363 million yen, ordinary profit increased 7.0% to 2,338 million yen and profit attributable to owners of parent increased 13.0% to 1,625 million yen.

Results of operations for product categories were as follows.

Food Packaging and Containers

Packaging for dairy products, frozen foods, and agricultural products showed strong performance, while the adoption of no-label thermal top seals, environmentally responsible packaging materials, has also advanced. Performance was also supported by the first contribution to sales and earnings of Nakamoto Advanced Film Co., Ltd. (formerly MICS Chemical Co., Ltd.), which became a consolidated subsidiary in February 2024. As a result, sales increased 8.3% to 23,638 million yen and gross profit increased 49.4% to 3,316 million yen.

IT and Industrial Materials

Sales increased 34.1% to 6,650 million yen and gross profit increased 28.2% to 1,424 million yen. Major reasons include favorable sales of materials used in smartphones and electronic component packaging materials, semiconductors, industrial materials, and more production of prototype materials for next-generation batteries.

Consumer Product Packaging and Materials

Sales decreased 10.1% to 3,305 million yen. Despite strong sales of in-house products with high profit margins, 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. The gross profit decreased 2.5% to 1,275 million yen.

Printing Sheets for Building Materials

Sales decreased 7.5% to 1,452 million yen. Sales of printed sheets used in newly constructed apartment buildings were strong but there were declines in orders for products used in stores and houses. The gross profit decreased 7.9% to 212 million yen.

Pharmaceuticals and Health Care

Sales to hospitals of medical packaging bags were firm and overseas sales of transdermal patches increased. The result was a 6.8% increase in sales to 1,179 million yen. The gross profit increased 27.7% to 259 million yen.

Others

Sales decreased 4.1% to 600 million yen since there were one-time sales of machinery in the same period of the previous fiscal year. The gross profit increased 47.0% to 74 million yen because of an increase in sales of general-purpose co-extruded multilayer nylon film bags made by Nakamoto Advanced Film (formerly MICS Chemical), newly consolidated in February 2024.

(2) Financial Position**Assets**

Total assets increased 2,441 million yen from the end of the previous fiscal year to 40,925 million yen at the end of the third quarter of the current fiscal year.

Current assets increased 2,483 million yen to 25,623 million yen. This was mainly due to increases of 1,455 million yen in notes and accounts receivable-trade, and contract assets, 578 million yen in electronically recorded monetary claims-operating and 384 million yen in inventories.

Non-current assets decreased 41 million yen to 15,302 million yen mainly due to decreases of 234 million yen in property, plant and equipment mainly due to depreciation and 52 million yen in intangible assets, while there was an increase of 245 million yen in investments and other assets.

Liabilities

Total liabilities increased 1,257 million yen to 21,244 million yen.

Current liabilities increased 732 million yen to 17,587 million yen. This was mainly due to increases of 401 million yen in notes and accounts payable-trade, 566 million yen in electronically recorded obligations-operating, 139 million yen in income taxes payable and 173 million yen in provision for bonuses, while there were decreases of 404 million yen in short-term borrowings and 222 million yen in other.

Non-current liabilities increased 524 million yen to 3,656 million yen. This was mainly due to increases of 416 million yen in long-term borrowings and 105 million yen in other.

Net assets

Net assets increased 1,183 million yen to 19,680 million yen. This was mainly due to a 1,063 million yen increase in retained earnings due to profit attributable to owners of parent and other items.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

Nakamoto Packs has reviewed the recent performance trends and made revisions to consolidated forecast for the fiscal year ending February 28, 2025, which was announced on April 8, 2024. In addition, we now plan to pay a year-end dividend of 34 yen per share, 2 yen higher than the previous forecast. The fiscal year dividend per share has been raised from 64 yen in the initial plan to 66 yen.

For more information, please refer to the press release titled “Notice of Revisions to the Consolidated Forecast for FY2/25 (Upward Revision) and the Year-end Dividend Forecast (Dividend Increase)” dated today (January 14, 2025) (Japanese version only).

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

| | (Thousands of yen) | |
|--|---------------------------------|--|
| | FY2/24 (As of Feb. 29, 2024) | Third quarter of FY2/25 (As of Nov. 30, 2024) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,532,988 | 7,617,020 |
| Notes and accounts receivable-trade, and contract assets | 8,354,549 | 9,810,249 |
| Electronically recorded monetary claims-operating | 2,598,289 | 3,177,014 |
| Merchandise and finished goods | 2,895,263 | 3,135,823 |
| Work in process | 348,658 | 398,485 |
| Raw materials and supplies | 1,030,584 | 1,124,584 |
| Other | 384,945 | 365,208 |
| Allowance for doubtful accounts | (5,313) | (5,356) |
| Total current assets | 23,139,967 | 25,623,028 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 6,240,851 | 6,028,246 |
| Machinery, equipment and vehicles, net | 2,392,079 | 2,343,149 |
| Land | 3,729,154 | 3,808,836 |
| Other, net | 625,459 | 572,999 |
| Total property, plant and equipment | 12,987,545 | 12,753,232 |
| Intangible assets | 487,728 | 435,260 |
| Investments and other assets | | |
| Other | 1,895,981 | 2,141,284 |
| Allowance for doubtful accounts | (27,265) | (27,265) |
| Total investments and other assets | 1,868,716 | 2,114,019 |
| Total non-current assets | 15,343,990 | 15,302,512 |
| Total assets | 38,483,958 | 40,925,540 |

| | (Thousands of yen) | |
|--|---------------------------------|--|
| | FY2/24 (As of Feb. 29, 2024) | Third quarter of FY2/25 (As of Nov. 30, 2024) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 4,806,732 | 5,207,804 |
| Electronically recorded obligations-operating | 4,269,105 | 4,835,902 |
| Short-term borrowings | 4,913,254 | 4,509,000 |
| Current portion of long-term borrowings | 850,082 | 911,128 |
| Income taxes payable | 283,854 | 423,006 |
| Provision for bonuses | 244,149 | 417,686 |
| Provision for loss on liquidation of subsidiaries and associates | 187,359 | 205,577 |
| Other | 1,300,456 | 1,077,889 |
| Total current liabilities | 16,854,995 | 17,587,994 |
| Non-current liabilities | | |
| Long-term borrowings | 2,715,818 | 3,132,318 |
| Retirement benefit liability | 107,390 | 110,014 |
| Other | 308,987 | 414,635 |
| Total non-current liabilities | 3,132,196 | 3,656,967 |
| Total liabilities | 19,987,191 | 21,244,962 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,057,468 | 1,057,468 |
| Capital surplus | 2,629,932 | 2,629,932 |
| Retained earnings | 12,696,002 | 13,759,230 |
| Treasury shares | (1,452) | (3,415) |
| Total shareholders' equity | 16,381,950 | 17,443,214 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 217,976 | 268,392 |
| Deferred gains or losses on hedges | 11,461 | (3,546) |
| Foreign currency translation adjustment | 880,761 | 947,543 |
| Remeasurements of defined benefit plans | 76,513 | 69,576 |
| Total accumulated other comprehensive income | 1,186,713 | 1,281,966 |
| Non-controlling interests | 928,102 | 955,396 |
| Total net assets | 18,496,766 | 19,680,578 |
| Total liabilities and net assets | 38,483,958 | 40,925,540 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Nine-month Period)**

| | (Thousands of yen) | |
|---|---|---|
| | First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023) | First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024) |
| Net sales | 33,757,615 | 36,826,964 |
| Cost of sales | 28,633,054 | 30,264,169 |
| Gross profit | 5,124,561 | 6,562,794 |
| Selling, general and administrative expenses | 3,526,170 | 4,199,364 |
| Operating profit | 1,598,390 | 2,363,430 |
| Non-operating income | | |
| Interest income | 9,058 | 7,998 |
| Dividend income | 11,271 | 16,331 |
| Share of profit of entities accounted for using equity method | 387,293 | - |
| Rental income from land and buildings | 19,282 | 16,969 |
| Foreign exchange gains | 117,696 | - |
| Other | 146,074 | 152,387 |
| Total non-operating income | 690,676 | 193,687 |
| Non-operating expenses | | |
| Interest expenses | 45,480 | 53,794 |
| Share of loss of entities accounted for using equity method | - | 19,218 |
| Depreciation of inactive non-current assets | 30,032 | 564 |
| Loss on liquidation of subsidiaries and associates | - | 113,814 |
| Foreign exchange losses | - | 7,468 |
| Other | 27,226 | 23,338 |
| Total non-operating expenses | 102,739 | 218,200 |
| Ordinary profit | 2,186,326 | 2,338,917 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 154 | 1,038 |
| Gain on bargain purchase | 59,140 | - |
| Total extraordinary income | 59,294 | 1,038 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 76,870 | 10,815 |
| Loss on valuation of investment securities | 47,558 | - |
| Extra retirement payments | - | 28,295 |
| Total extraordinary losses | 124,428 | 39,111 |
| Profit before income taxes | 2,121,193 | 2,300,845 |
| Income taxes | 554,631 | 637,100 |
| Profit | 1,566,562 | 1,663,744 |
| Profit attributable to non-controlling interests | 128,267 | 38,626 |
| Profit attributable to owners of parent | 1,438,294 | 1,625,118 |

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

| | (Thousands of yen) | |
|--|---|---|
| | First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023) | First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024) |
| Profit | 1,566,562 | 1,663,744 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 90,152 | 51,947 |
| Deferred gains or losses on hedges | 18,947 | (29,427) |
| Foreign currency translation adjustment | 284,112 | 73,619 |
| Remeasurements of defined benefit plans, net of tax | (5,492) | (6,936) |
| Total other comprehensive income | 387,719 | 89,201 |
| Comprehensive income | 1,954,281 | 1,752,946 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,792,461 | 1,720,371 |
| Comprehensive income attributable to non-controlling interests | 161,819 | 32,574 |

(3) Notes to Quarterly Consolidated Financial Statements**Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

The tax expense was calculated by first estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year, and multiplying that rate by the profit before income taxes for the first nine month.

Income taxes-deferred were included in and displayed with income taxes.

Segment Information**I. First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023)**

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

II. First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024)

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

Significant Changes in Shareholders' Equity

Not applicable.

Going Concern Assumption

Not applicable.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first nine months of FY2/25 has not been prepared. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months of each year is as follows.

| | (Thousands of yen) | |
|--------------------------|---|---|
| | First nine months of FY2/24 (Mar. 1, 2023 – Nov. 30, 2023) | First nine months of FY2/25 (Mar. 1, 2024 – Nov. 30, 2024) |
| Depreciation | 956,926 | 943,905 |
| Amortization of goodwill | 21,479 | - |

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.