

Results of Operations for the Fiscal Year Ended February 28, 2025

April 16, 2025 Jun Kawata, President





- 1 FY2/25 Financial Summary
- 2 FY2/26 Outlook
- 3 Key Initiatives in FY2/26
- 4 Reference



Financial Summary



FY2/25 Results of operations

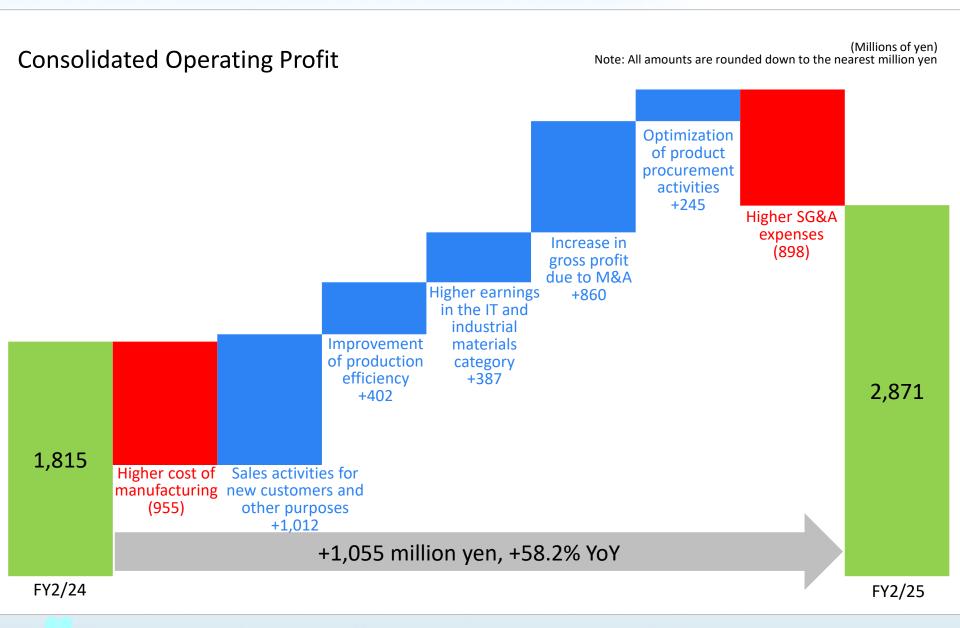
Both consolidated sales and operating profit were higher and achieved new record highs. (Consolidated sales highest for nine consecutive years. Sales and operating profit at Nakamoto Packs and subsidiaries in Japan and other countries also reached record highs.)

Consolidated sales: 49,132 million yen (+10.8% YoY) Consolidated operating profit: 2,871 million yen (+58.2% YoY)

- *Sales and earnings in the food packaging and containers category increased due to strong sales of food packaging for frozen food and agricultural products 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 improving sales of automotive interior materials.
- * Earnings in the consumer product packaging and materials category were higher due to strong sales of in-house products with high profit margins.

Change in Operating Profit (YoY)





Financial Highlights of FY2/25



(Consolidated) (Millions of yen; (% to sales))

			FY2/25				
	FY2/24 Results	Results	ults YoY change		Plan (Announced on	Vs. plan	
			Amount	%	January 14)	Amount	%
Net sales	44,362	49,132	+4,769	+10.8%	48,000	+1,132	+2.4%
Gross profit	6,649 (15.0%)	8,604 (17.5%)	+1,954	+29.4%	8,380 (17.5%)	+224	+2.7%
Selling, general and administrative expenses	4,834 (10.9%)	5,733 (11.7%)	+898	+18.6%	5,600 (11.7%)	+133	+2.4%
Operating profit	1,815 (4.1%)	2,871 (5.8%)	+1,055	+58.2%	2,780 (5.8%)	+91	+3.3%
Ordinary profit	2,341 (5.3%)	2,908 (5.9%)	+566	+24.2%	2,750 (5.7%)	+158	+5.8%
Profit attributable to owners of parent	1,057 (2.4%)	2,010 (4.1%)	+952	+90.1%	1,900 (4.0%)	+110	+5.8%
Capital expenditures*1	1,191 (2.7%)	1,296 (2.6%)	+104	+8.8%	1,417 (3.0%)	(121)	(8.6)%
Depreciation*2	1,293 (2.9%)	1,288 (2.6%)	(5)	(0.4)%	1,324 (2.8%)	(36)	(2.7)%

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

Note: Exchange rate for FY2/25: 21.63 yen/yuan; 158.17 yen/dollar

Financial Highlights of FY2/25



Quarterly sales and operating profit

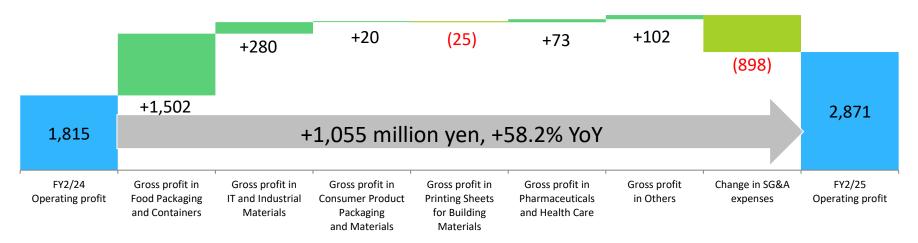
- Strong sales of materials used in smartphones and semiconductors.
- Sales and operating profit in FY2/25 were at record highs due to recordhigh sales and operating profit at Nakamoto Packs and subsidiaries in Japan and other countries.



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

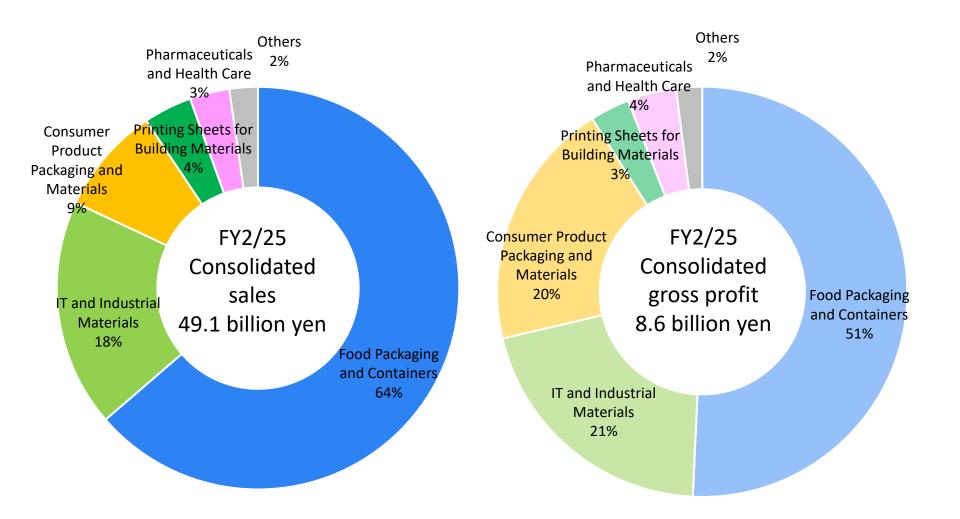


Consolidated operating profit



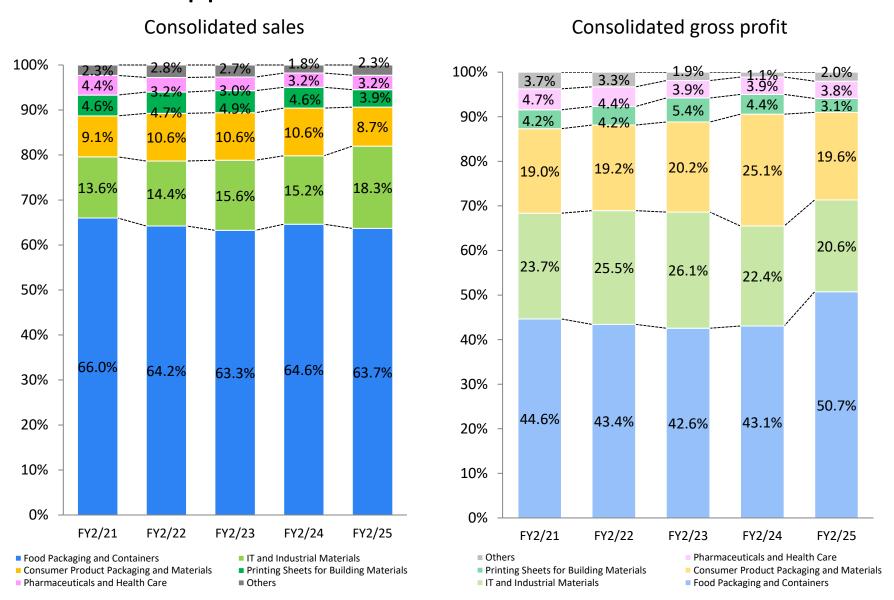
Sales and Gross Profit Composition for Product Applications





Trends in Sales and Gross Profit Composition for Product Applications

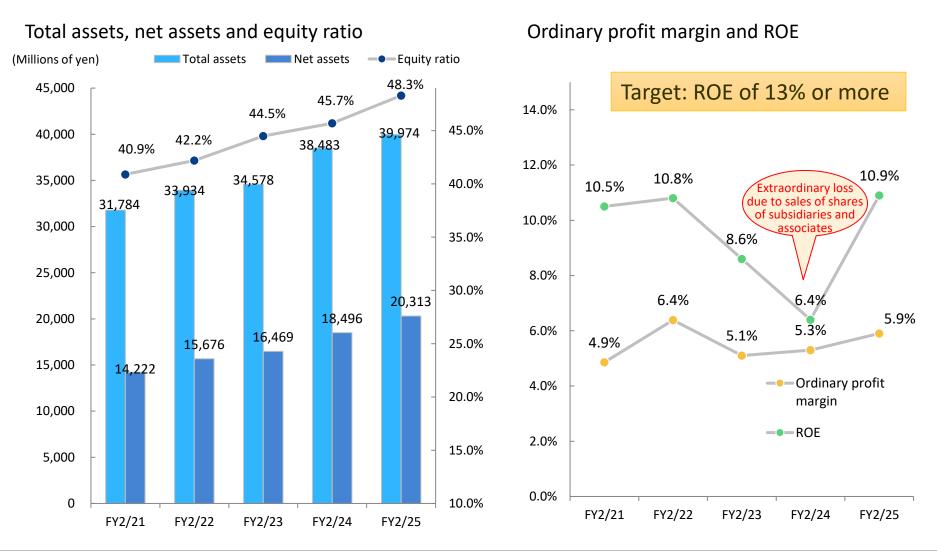




Financial Highlights

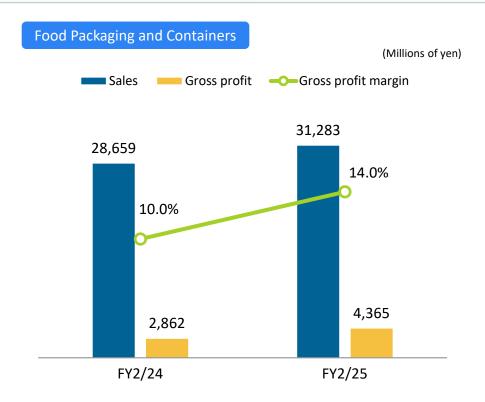


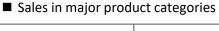
ROE returned to above 10% because of strong earnings



Applications – Food Packaging and Containers (\$\text{\$\text{NAKAMOTO PACKS CO.,LTD.}}\$







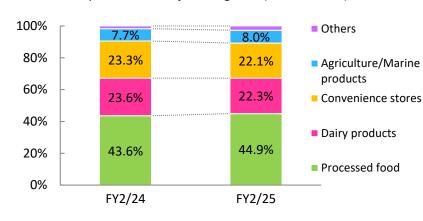
Processed food	 Strong sales of packaging materials for frozen foods Firm sales of packaging for prepared food Strong sales of packaging for sausages and other processed food
Dairy products	Firm sales of packaging for cheese products and consumer yogurt
Convenience stores	Higher demand for container molding and processing
Agriculture/ Marine products	Strong sales of packaging for agricultural products
	·



Pasta container

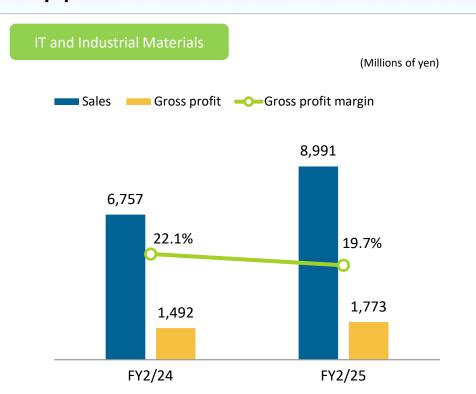
Prepared food container (bento)

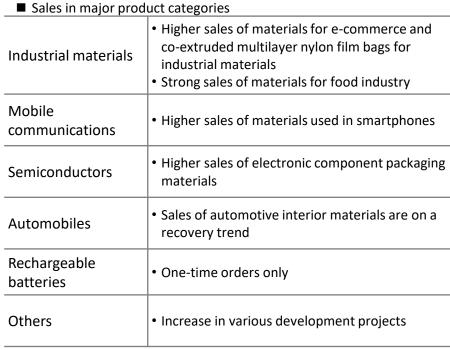
Beverage container lid/



Applications – IT and Industrial Materials







Examples of final products

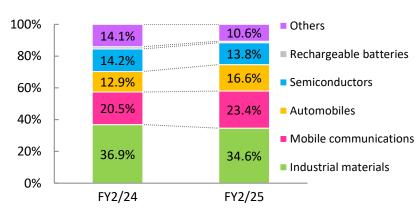


processes





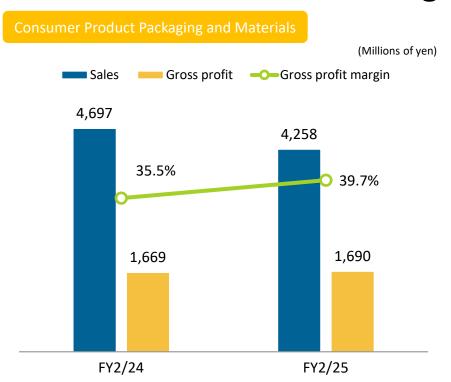
NS Separator



Applications

Consumer Product Packaging and Materials

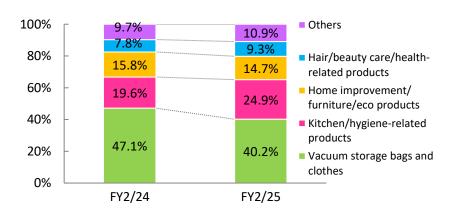




■ Sales in major product categories

Vacuum storage bags and clothes	Sales decreased because TV shopping channels gave these products less air time
Kitchen/hygiene- related products	Strong sales of in-house products with high profit margins
Home improvement/ furniture/eco products	Decline in orders for seasonal products such as thermal insulation sheets due to warm winter
Hair/beauty care/health-related products	Steady growth in hair dyeing products (combs, gloves)





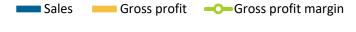
Applications

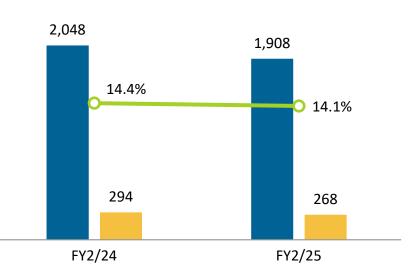
Printing Sheets for Building Materials



Printing Sheets for Building Materials







Examples of final products | Image: Closet | Cl

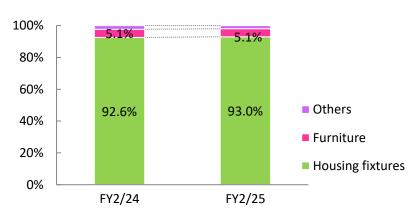
■ Sales in major product categories

House fixtures	 Strong performance of printing for wallpaper Decline in orders for printed building materials with functional surface coatings for houses
Furniture	Slight decrease in orders involving exported furniture

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.

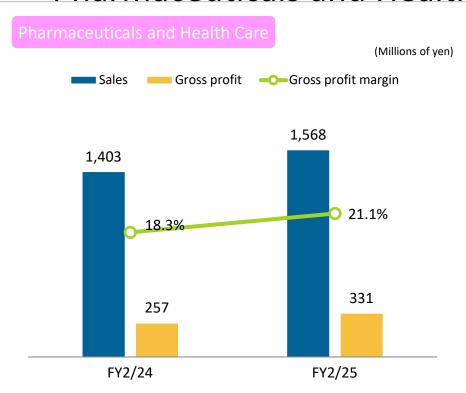


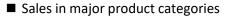


Applications

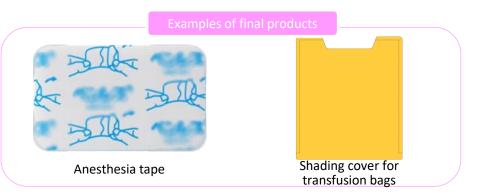
Pharmaceuticals and Health Care

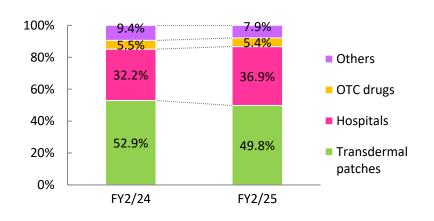






Transdermal patches	 Overseas sales of transdermal patches increased A sharp rise in prices of raw materials for some products
Hospitals	Firm sales of medical packaging bags
OTC drugs	Sales of packaging for OTC drugs decreased





Assets and Liabilities



(Consolidated)

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

		A (F.). 20, 2024		As of Feb. 28, 2025	
		As of Feb. 29, 2024		YoY change	Major factors
	Current assets	23,139 (60.1%)	24,714 (61.8%)	+1,574	Cash and deposits +109, Electronically recorded monetary claims-operating +391, Notes and accounts receivable-trade, and contract assets +562, Inventories +497
	Non-current assets	15,343 (39.9%)	15,260 (38.2%)	(83)	Investments and other assets +232, Property, plant and equipment (256), Intangible assets (59)
T	otal assets	38,483 (100.0%)	39,974 (100.0%)	+1,490	
	Current liabilities	16,854 (43.8%)	16,220 (40.6%)	(634)	Income taxes payable +169, Other +190, Electronically recorded obligations-operating (230), Short-term borrowings (704), Lease liabilities (151)
	Non-current liabilities	3,132 (8.1%)	3,440 (8.6%)	+308	Long-term borrowings +204, Lease liabilities +86
T	otal liabilities	19,987 (51.9%)	19,661 (49.2%)	(326)	
To	otal net assets	18,496 (48.1%)	20,313 (50.8%)	+1,816	Retained earnings +1,448, Foreign currency translation adjustment +271
_	tal liabilities and net sets	38,483 (100.0%)	39,974 (100.0%)	+1,490	
	et interest-bearing ebt	1,275 (3.3%)	632 (1.6%)	(642)	Cash and deposits +109, Long-term borrowings +204, Short-term borrowings (704)

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

Cash Flows



(Consolidated) (Millions of yen)

		FY2/24	FY2/25		
		Results	Results	Components	
	Cash flows from operating activities	3,458	2,353	Profit before income taxes +2,847, Depreciation +1,288, Loss on liquidation of subsidiaries and associates +135, Increase in trade receivables (904), Increase in inventories (416), Income taxes paid (735)	
	Cash flows from investing activities	(2,533)	(1,156)	Proceeds from sale of non-current assets +13, Purchase of non-current assets (production processing equipment, etc.) (1,164)	
Fre	e cash flows	925	1,197		
Cash flows from financing activities		(32)	(1,240)	Proceeds from long-term borrowings +1,200, Net decrease in short-term borrowings (739), Repayments of long-term borrowings (964), Repayments of lease liabilities (158), Cash dividends paid (561)	
Effect of exchange rate change on cash and cash equivalents		69	148		
Net increase (decrease) in cash and cash equivalents		961	105		
Cash and cash equivalents at beginning of period		5,019	7,446		
Increase in cash and cash equivalents due to share exchange		1,465	-		
Cash and cash equivalents at end of period		7,446	7,552		



- 1 FY2/25 Financial Summary
- FY2/26 Outlook
- 3 Key Initiatives in FY2/26
- 4 Reference



Current Performance and Outlook (Overview)



Food Packaging and Containers

FY2/25

- Strong sales of food packaging for dairy products, frozen food, and agricultural products
- Contribution to sales and earnings of newly consolidated subsidiary Nakamoto Advanced Film Co., Ltd.
- Adoption of no-label thermal top seals, environmentally responsible packaging materials, has advanced

IT and Industrial Materials

- Strong sales of materials used in smartphones and semiconductors and electronic component packaging materials
- Orders for automotive interior materials are on a recovery trend
- There were one-time orders 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
- Strong sales of in-house products with high profit margins

Printing Sheets for Building

Materials

- Strong performance of printing for wallpaper
- Decline in orders for printed building materials with functional surface coatings for houses

Pharmaceuticals and Health Care

- Overseas sales of transdermal patches increased
- Firm sales of medical packaging bags

FY2/26 and afterward

- Contributions to earnings from strengthening activities for environmentally responsible and functional packaging and increasing adoption of the no-label thermal top seals
- More growth and contributions to sales and earnings of Nakamoto Advanced Film Co., Ltd.
- Continue to make improvements to offset the continuing increase in the cost of manufacturing
- Orders for materials used in smartphones and semiconductors are expected to remain strong
- Prototypes and volume production of products for next-generation batteries and other growing market categories, and large investments in this sector
- Growth in sales of seasonal products
- Strengthen development and sales of new products (Also expect benefits from the yen's appreciation)



- Strengthen sales activities to increase orders for existing products
- Further improvement in production efficiency
- Create new types of functional building materials
- Focus on capturing new orders involving transfusions

Plan for Capital Expenditures and Depreciation Expenses



(Consolidated)

(Millions of yen; (% to sales))

		FY2/26			
	FY2/25 Results	Plan	YoY change		
	. Nesanes	Pidii	Amount	%	
Capital expenditures	1,296 (2.6%)	1,950 (3.8%)	+654	+50.5%	
Depreciation	1,288 (2.6%)	1,274 (2.5%)	(14)	(1.1)%	

Major capital expenditures in FY2/26

Project	Description	Investment (Millions of yen)
Factory equipment update/replacement	Purchase of land (Saitama), test coating machine (Saitama), production unit for vacuum storage bags (Vietnam), updates/improvements (Ryugasaki, Tsukuba, Nakamoto Inshokan Co., Ltd.) and others	About 1,650
IT/System service equipment	Primary IT system and others	About 20
Air conditioning equipment	Air conditioning equipment (Nabari, Saitama, Ryugasaki, Tsukuba)	About 90
Inspection/measurement/ analysis equipment	Inspection, measurement and analysis equipment (Nabari, Saitama, technology development and others)	About 150

FY2/26 Outlook

(Consolidated) (Millions of yen; (% to sales))

		FY2/26			
	FY2/25 Results	Plan	YoY change		
	ines u nts	Pidii	Amount	%	
Net sales	49,132	52,000	+2,867	+5.8%	
Gross profit	8,604 (17.5%)	9,395 (18.1%)	+790	+9.2%	
Selling, general and administrative expenses	5,733 (11.7%)	6,370 (12.3%)	+636	+11.1%	
Operating profit	2,871 (5.8%)	3,025 (5.8%)	+153	+5.4%	
Ordinary profit	2,908 (5.9%)	3,100 (6.0%)	+191	+6.6%	
Profit attributable to owners of parent	2,010 (4.1%)	2,011 (3.9%)	+ 0	+0.0%	

Projected exchange rate: 20.0 yen/yuan; 140.0 yen/dollar



- 1 FY2/25 Financial Summary
- 2 FY2/26 Outlook
- 3 Key Initiatives in FY2/26
- 4 Reference



Key Initiatives in FY2/26



- 1. Environmental responsibility
- 2. M&A activity
- 3. Higher earnings and optimization of the overseas business
- 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

Primary IT system Update



Production improvements resulting from the new IT systems

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.	New IT system completed in November 2024
Nakamoto Advanced Film Co., Ltd.	Studies under way for an update

Actions and Goals

- 1. Optimization of all factories and use of supply chain management (expected to be a major driver of growth)
- 2. Real-time information management and paperless procedures by using the new IT systems
- 3. Improvement programs and digital transformation by using data generated by the new IT systems
- 4. More upgrades of the new IT systems

M&A Activity (TOB and Share Exchange)



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.

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





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

M&A Activity (Joint Venture)



Joint Venture with Ricoh: RN Smart Packaging

No-label thermal packaging

Low environmental impact

- Containers use a smaller amount of plastics
- Extend shelf life
 - → Reduction of food loss

Higher productivity

- Direct printing of varying information
 - →Smaller inventory of printing paper rolls

Fewer SKUs

 Reduce inventory management





Barrier coated paper RESC[™]

Low environmental impact

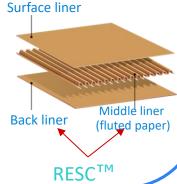
- Made of paper and biomass
 - → A next-generation packaging material that helps lower CO2 emissions and accomplish the SDGs

Many functions

Gas barrier, flavor barrier, oil resistant, easy to recycle

→ Keeps food fresh, retains moisture, good for storage, no odor leaks, prevents transfers of



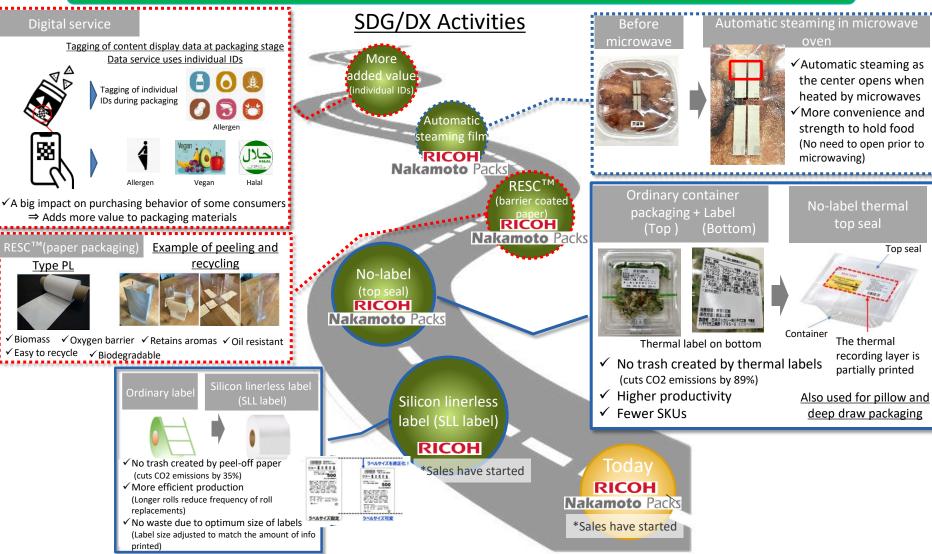


Started sales of top seals, mainly to convenience stores, and nationwide operations

M&A Activity (Joint Venture)



The RN Smart Packaging Roadmap



Growth Sectors (IT and Industrial Materials)



- Growth sectors x Nakamoto Packs superior technologies x Partners
- Internal production/modification of production machinery, outstanding speed

Optics, displays

- Polarized protection film
- Circular polarized protection film Transparent conductive film
- Surface processing film
- Foldable cover sheets.
- Precision improvement film
- Dispersion sheets

- Quantum dot sheets
- · Hard coat film
- Optically clear adhesive (OCA)
- Protection film
- FPD release film

Semiconductor production processes

- Back grinding tape
- Dicing tape
- Die bonding film
- Encapsulation release film
- Non-conductive adhesion film
- Masking tape
- Carrier tape
- Cover tape
- Process release film

Rechargeable batteries, solar batteries

- Lithium-ion battery separators Sealing film for solar cells
- Lithium-ion battery aluminum packages
- Electrode materials (Al, Cu)
- Carbon coated aluminum foil
- Front/back sheets for solar cells
- Barrier film for flexible solar cells

Electronic materials

- · Anisotropic conductive film
- Flexible copper clad laminate
- FPC release film
- Interlayer insulation film
- · Dry film photoresist
- · Solder resist film

- Uncoated release film
- · Thermal sheets
- Noise suppression sheets
- Electromagnetic wave shielding film
- Film capacitors
- Multilayer ceramic capacitor release

Target market sectors

- ✓ Semiconductor production process materials
- Electronic components for consumer products, automobiles, data centers
- Electrodes for rechargeable batteries (carbon coated aluminum foil)

Growth Sectors (Rechargeable Batteries)

Battery capacities

Hybrid electric vehicle battery

Plug-in hybrid electric vehicle battery

Battery electric vehicle battery



1kWh



10-20kWh



50-100kWh

Battery electric vehicles require a capacity that is 10 to 100 times higher than for other types of electric vehicles.

Growth Sectors (Rechargeable Batteries)



Carbon coated aluminum foil

Lithium-ion battery

Nickel-cobaltmanganese (NCM) battery

- Long driving range due to high energy density
- High unit cost of nickel and cobalt creates risk of rising price in the future

Lithium iron phosphate (LFP) battery

- Low cost due to inexpensive iron phosphate cathode and carbon anode (but value is low when recycled)
- Shorter driving range due to low energy density
- High resistance <u>lowers</u> <u>performance in cold</u> <u>weather</u>

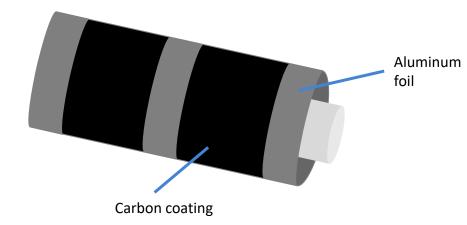
China is rapidly shifting to carbon coated aluminum foil

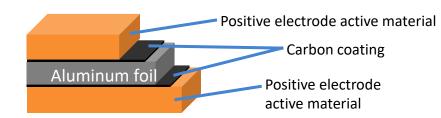
Advantages of carbon coated aluminum foil

- Improves electrode material bonds = Better conductivity
- Holds down internal resistance
- Increases mechanical strength
- Reduces corrosion of aluminum foil
- Longer battery life

Batteries	Carbon coating
Dry electrode	0
Lithium-sulfur	0
Semi-solid-state	0
All-solid-state	0

*Demand is expected in next-generation batteries too





Growth Sectors (IT and Industrial Materials)

STEP

03

2030~

2025~



Our goal is leadership as the converter in target markets

Establish a solid position in Japan Increase overseas production and sales

- Complete branding
- Establish a prominent position
- Business continuity planning in Japan
- More powerful quality assurance system
- Launch a functional materials business division

Manufacturing stage, global expansion

- Use coating machines with outstanding QCD
- Upgrade manufacturing and quality assurance system
- More advanced next-next-generation processing technologies
- Global marketing activities

STEP

02

A stronger infrastructure, branding

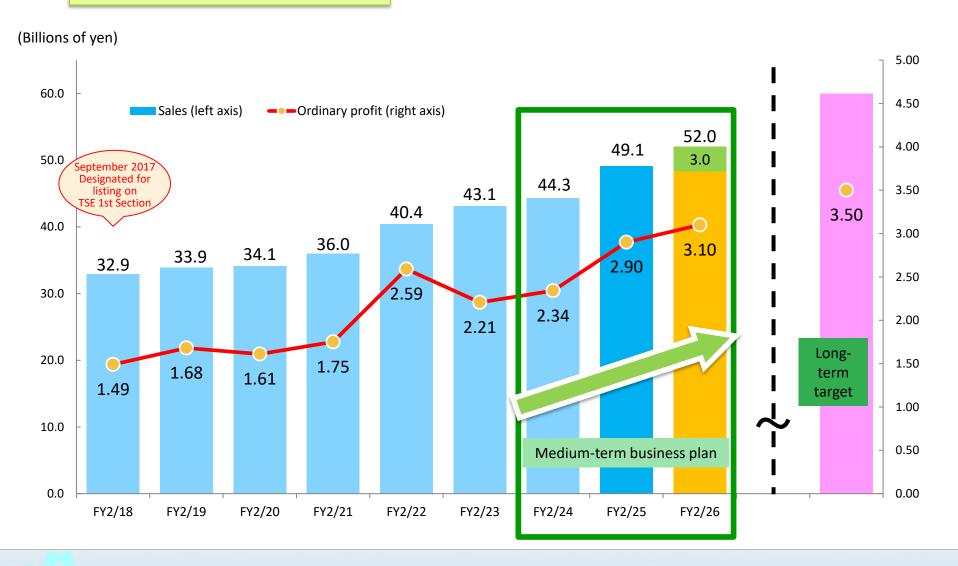
- Launch a development dept. for functional materials
- · Upgrade technologies by using test coating equipment
- Buy land for a new factory
- Make the Engineering Dept. even stronger
- Upgrade material design, testing and evaluation skills
- Involvement in customers' new products from the design stage
- Determination of specs for next-generation production machinery
- Use trade shows, industry periodicals and SNS to publicize the new functional materials business



Medium-term Goals (Medium-term Business Plan 2024)



Target: ROE of 13% or more



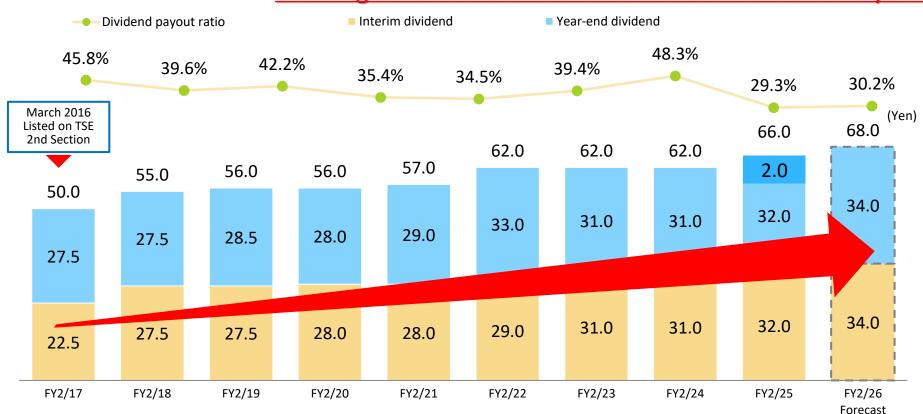
Policy for Shareholder Distributions



■ The policy is to distribute earnings to shareholders in an appropriate manner based on results of operations and maintaining dividend stability while retaining sufficient earnings needed for financial soundness for adapting to changes in the business climate and investments for more growth.

Forecast annual dividend of 68 yen per share for FY2/26, an increase of 2 yen per share

Planning to raise the dividend for the 10th consecutive year!



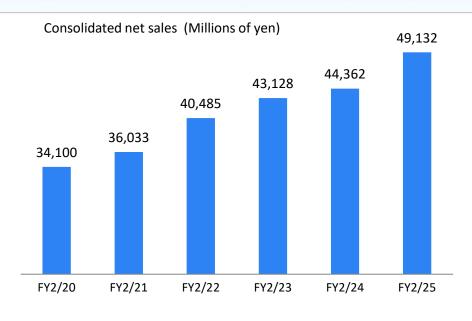


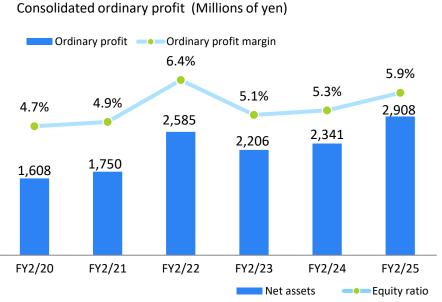
- 1 FY2/25 Financial Summary
- 2 FY2/26 Outlook
- 3 Key Initiatives in FY2/26
- 4 Reference

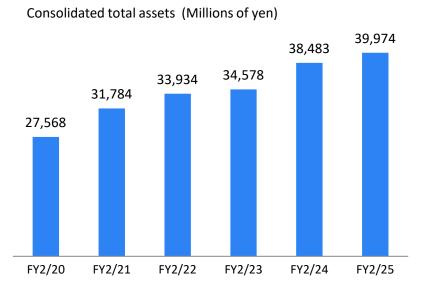


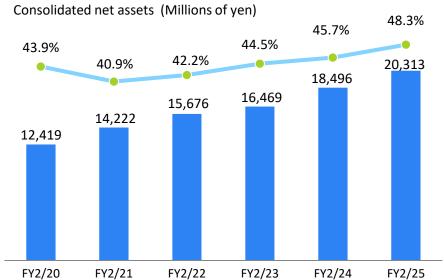
Trends and Results 1/2







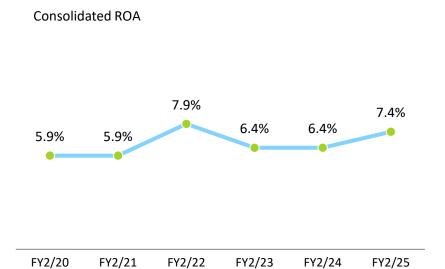




Trends and Results 2/2

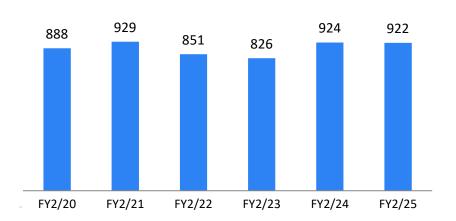








Number of consolidated employees (persons)



Shareholder Benefits



Shareholder special benefit plan

Purpose

The benefit plan was started with shareholders of record as of the end of February 2021 for the purpose of increasing the number of investors who hold Nakamoto Packs stock for a medium to long-term by making the stock even more appealing.

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

Shareholder benefits

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

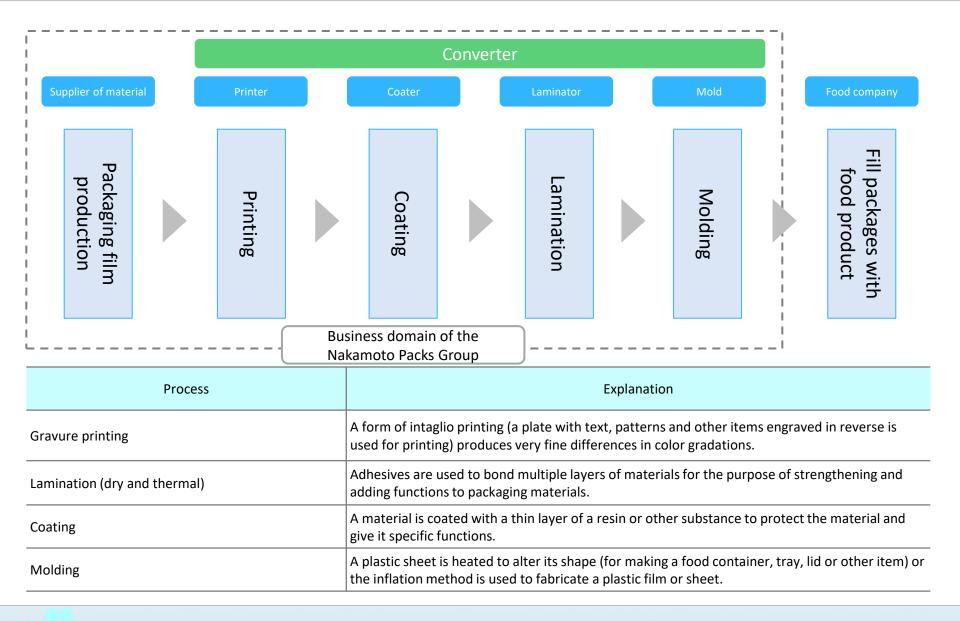
<u>Delivery</u>

End of May (tentative)



Packaging Material Printing Process (Example) \$\square\$ NAKAMOTO PACKS CO.,LTD.





Management Policies



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.