Walden Research Japan

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NAKAMOTO PACKS (7811)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY02/2025		49,132	2,871	2,908	2,010	225.39	66.00	2,165.73
FY02/2026		49,635	2,961	3,054	2,175	245.07	71.00	2,376.42
FY02/2027CoE		55,000	3,874	4,000	2,566	289.75	82.00	-
FY02/2026	YoY	1.0%	3.1%	5.0%	8.2%	-	-	-
FY02/2027CoE	YoY	10.8%	30.8%	31.0%	17.9%	-	-	-
Consolidated Half Year (Million Yen)		**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**	**EPS (Yen)**	**DPS (Yen)**	**BPS (Yen)**
Q1 to Q2 FY02/2026		24,986	1,611	1,567	1,059	-	-	-
Q3 to Q4 FY02/2026		24,649	1,350	1,486	1,115	-	-	-
Q1 to Q2 FY02/2027		28,068	2,454	2,499	1,641	-	-	-
Q3 to Q4 FY02/2027CoE		26,931	1,419	1,500	924	-	-	-
Q1 to Q2 FY02/2027	YoY	12.3%	52.4%	59.4%	54.8%	-	-	-
Q3 to Q4 FY02/2027CoE	YoY	9.3%	5.1%	0.9%	(17.1%)	-	-	-

Source: Company data; calculations by WRJ

1.0 Executive Summary (25 November 2026)

Growth as a Converter

NAKAMOTO PACKS, which has a strong focus on its role as a converter (a company that processes materials to impart new properties and functions), continues to create added value by leveraging its coating and lamination technologies to impart customer-required properties and functions to films, paper and other materials. Its profitability stems not merely from material processing but also from its technological expertise and processing capabilities, enabling it to become involved from the prototyping stage of customers' new product development through the verification and establishment of processing methods to mass production. These capabilities extend from food packaging to high-performance materials for semiconductors, electronic components and mobile devices, while the Company is also pursuing expansion into new areas, including secondary battery-related applications. Recently, improvements in profitability have become evident, supported by enhanced profitability in the core Food Packaging & Containers and an improved sales mix in IT & Industrial Materials. Furthermore, the PD Coater has commenced operations to facilitate a smooth transition from development and prototyping to mass production of high-performance materials, including those for secondary battery-related applications. By applying its proprietary know-how across different fields while building on established processing technologies, the Company expects to create new earnings opportunities. The Company has set an operating profit target of ¥4,500m for FY02/2029 and a long-term target of ¥5,700m, equivalent to approximately 1.5 times and 1.9 times the FY02/2026 actual level, respectively.

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2.0 Company Profile

Clean & Safe: Continuing to challenge new possibilities with consideration for the environment

Company Name	NAKAMOTO PACKS CO., LTD. Company Website IR NEWS Share Price (Japanese)
Established	21 December 1988
Listing	20 October 2023: Tokyo Stock Exchange Standard Market (ticker: 7811) 4 April 2022: Tokyo Stock Exchange Prime Market 5 September 2017: Tokyo Stock Exchange 1st section 3 March 2016: Tokyo Stock Exchange 2nd section
Capital	¥1,057m (as of the end of August 2026)
No. of Shares	8,920,791 shares, including 61,683 treasury shares (as of the end of August 2026)
Main Features	● A Converter that imparts new properties and functions to materials ● Expansion of IT & Industrial Materials, including high-performance films for semiconductors and electronic components ● Developing eco-friendly packaging materials and secondary battery-related materials
Representative	President and Representative Director: Jun Kawata
Major Shareholders	Nakamoto Co., Ltd. 6.88%, Nakamoto Second Co., Ltd. 4.15%, Masami Someya 3.01%, Yuko Kawata 2.97%, the Employee Shareholding Association 2.90% (as of the end of August 2026, excluding treasury shares)
Head Office	Osaka-city, Osaka-prefecture, JAPAN
No. of Personnel	Consolidated: 883 (as of the end of February 2026)

Source: Company data

3.0 Corporate Philosophy

People-Centered, Technology-Oriented Management

The corporate philosophy of NAKAMOTO PACKS centers on people and seeks to create value for society through technological capabilities. The Company's corporate motto, which emphasizes that business is built on people, people are guided by their hearts and an enjoyable workplace is created through effort, dedication and harmony among employees, reflects the values that have been upheld since its founding. These values reflect the belief that corporate growth depends not only on facilities and capital but also on the character, cooperativeness and integrity of each employee. In particular, the emphasis on an enjoyable workplace suggests that the Company values mutual trust among employees and job satisfaction, rather than focusing solely on the pursuit of profits.

The Company also sets forth behavioral guidelines that emphasize integrity, creativity and ingenuity, self-development, cooperation, dedication, social contribution and technological advancement. These principles are also reflected in its business strategy. While food packaging is its original business, the Company applies its coating and lamination technologies, developed over many years, to high-performance fields such as semiconductors, electronic components and mobile devices, while also pursuing expansion into new areas, including secondary battery-related applications. As a converter that imparts properties and functions required by customers to materials, the Company needs not only processing technologies but also the ability to understand customer requirements and resolve technical challenges at every stage, from the initial stages of customers' new product development through prototyping and the verification and establishment of processing methods and conditions to mass production. Its emphasis on differentiation through functionality and quality can be viewed as a reflection of its corporate culture, which values creativity, ingenuity and technological advancement.

Furthermore, the Company's Clean & Safe philosophy is another important pillar of its management policy, emphasizing environmental considerations and the pursuit of new possibilities. In addition to the safety and hygiene required for food packaging, the Company has recently stepped up efforts to reduce environmental impact, promoting the development of products that combine environmental considerations with enhanced convenience, such as label-free thermal top seals, barrier-coated paper and microwave-compatible packaging materials. These initiatives appear to go beyond regulatory compliance, reflecting the Company's philosophy of becoming an enterprise that is needed by society.

In addition, the emphasis on self-development and cooperation aligns closely with the culture of a manufacturer that values human resource development and the accumulation of technological expertise. Continuous improvement activities at production sites and the transfer of technical skills play important roles in supporting the Company's strengths in high-mix, low-volume production and its ability to accommodate specification changes for individual customers. In particular, applying knowledge gained through prototyping to mass production and extending processing technologies to new applications require the accumulation of experience and know-how among engineers, as well as close cooperation between development departments and production sites. These human and technological foundations can be viewed as underpinning the Company's capabilities as a converter.

In other words, the Company's corporate philosophy is built on respect for human resources, integrity in manufacturing, the creation of added value through technological innovation, coexistence with the environment and contributions to society. Its current business strategy, which seeks to expand into growth areas through the application of processing technologies to high-performance materials and the development of proprietary brands while maintaining a stable business foundation centered on food packaging, can also be seen as rooted in these principles.

Company History (Excerpt)

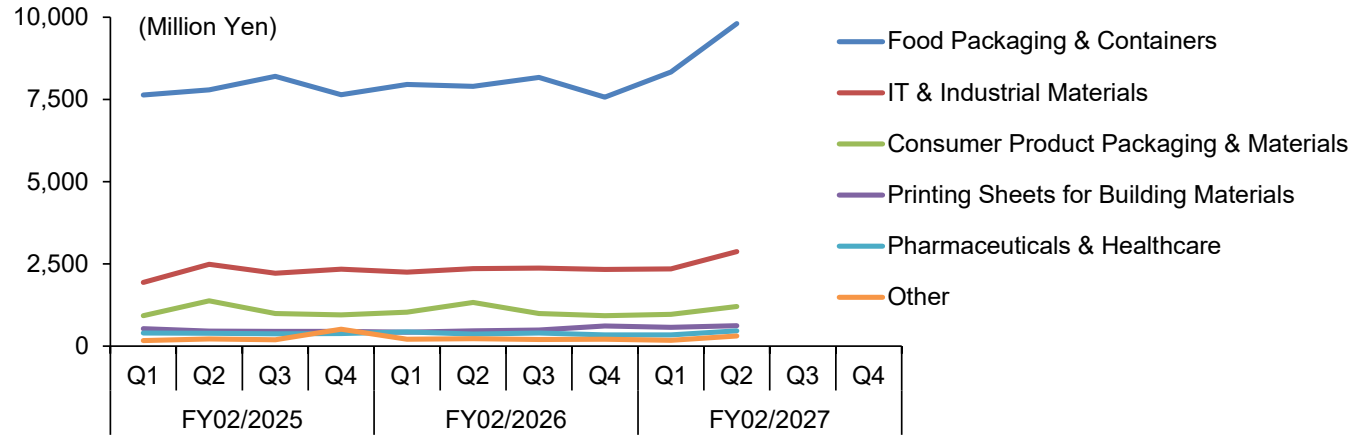
Date	Event
May 1941	Founded in Taiwan as a paper sales business; established Takahiro Shokai
October 1950	After the end of World War II, returned to Japan and established Yamamoto Yoshiten Co., Ltd. (trade name changed to Nakamoto Yoshiten Co., Ltd. the following year)
April 1956	Expanded paper printing and processing through business with Clover Dairy Co., Ltd.
February 1959	Introduced a gravure rotary press
1981	Launched patterned food trays ahead of the industry
October 1995	Established Langfang Nakamoto Packaging Co., Ltd. in Hebei Province, China
1997	Introduced a clean coater at the Saitama Plant
December 2005	Acquired R Co., Ltd. and made a full-scale entry into the lifestyle materials field
March 2006	Established Nakamoto Inshokan Co., Ltd. and entered the building materials field
April 2009	Established NI Packs Co., Ltd. (currently Nakamoto Fine Pack Co., Ltd.) and entered the container molding field
From 2010	Registered various PET-related patents
March 2016	Listed on the 2nd Section of the Tokyo Stock Exchange
September 2017	Designated for the 1st Section of the Tokyo Stock Exchange
February 2018	Established Nakamoto Packs USA, Inc. in Nashville, the United States, and expanded into the U.S. market
May 2020	Established NAKAMOTO PACKS VIETNAM near Da Nang in central Vietnam, aiming to expand overseas operations and diversify risk
April 2022	Transitioned to the Prime Market
April 2023	Established RN Smart Packaging Co., Ltd., a joint venture with Ricoh Company, Ltd. for planning, development and sales of functional packaging materials including label-less thermal packaging
October 2023	Transitioned to the Tokyo Stock Exchange Standard Market
October 2023	Conducted a tender offer for MICS Chemical Co., Ltd.
February 2024	Made MICS Chemical Co., Ltd. a wholly owned subsidiary
August 2024	Changed the trade name of MICS Chemical Co., Ltd. to Nakamoto Advanced Film Co., Ltd.

4.0 Recent Trading and Prospects

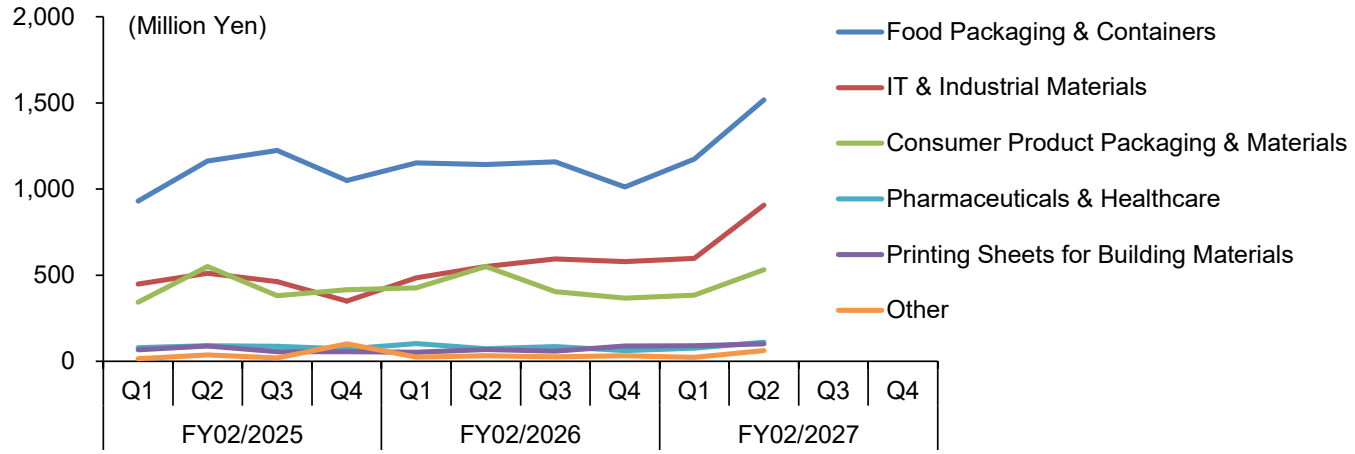
Q1 to Q2 (March–August) FY02/2027

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥28,068m (up 12.3% YoY), operating profit ¥2,454m (up 52.4%), recurring profit ¥2,499m (up 59.4%) and profit attributable to owners of parent ¥1,641m (up 54.8%), while the operating profit margin came in at 8.7% (up 2.3% points). Both mainstay fields, Food Packaging & Containers and IT & Industrial Materials, achieved increases in sales and gross profit. In particular, the gross profit margin in IT & Industrial Materials reached 28.7% (up 6.3% points), contributing significantly to the improvement in the Company's overall profitability.

Sales by Product Application



Gross Profit by Product Application

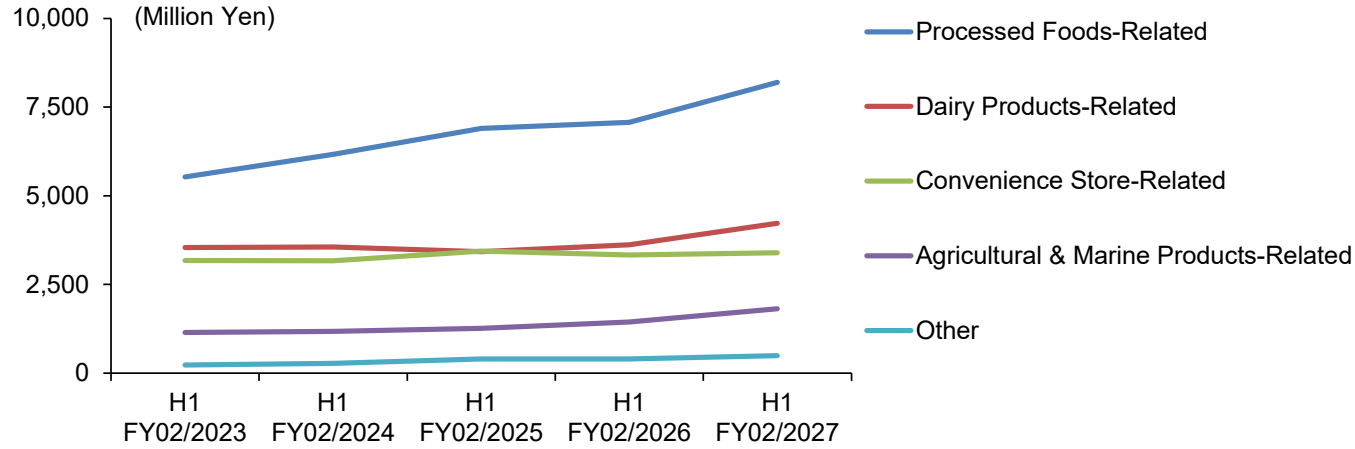


Source: Company data; calculations by WRJ

Food Packaging & Containers (64.7% of Sales and 48.3% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥18,146m (up 14.4%), gross profit ¥2,692m (up 17.3%) and the gross profit margin 14.8% (up 0.4% points). In Food Packaging & Containers, packaging materials for dairy products, processed marine products, frozen foods and prepared foods account for the majority of sales. As the Company's mainstay business, it benefits from relatively stable demand linked to daily necessities. In recent years, the Company has also made progress in expanding its range of environmentally friendly packaging materials and functional packaging materials.

Food Packaging & Containers: Sales by Main Product Types



Source: Company data; calculations by WRJ

Sales of packaging materials for dairy products (such as cheese), frozen foods and processed marine and livestock products have been strong, along with packaging materials for tofu, food packs for agricultural products, paper-related products and top seals. Paper-related products refer to packaging materials that use paper as the base material, while top seals are lid materials used to seal the openings of food containers. Meanwhile, packaging materials for convenience stores have increasingly shifted toward unprinted materials, reducing the added value traditionally generated by the printing process. However, since October 2026, some customers have begun returning to printed packaging materials, and the Company expects a recovery in orders in H2 (September–February).

Concerns over raw material supply and prices arising from the situation in the Middle East have prompted customers to bring forward orders, leading to improved profitability through higher production facility utilization rates. Although some pullback following these advance orders is expected in H2 (September–February), expanding demand for paper-related products and other products is expected to support sustained order growth beyond these temporary factors.

Through coating, lamination and other processing technologies, the Company imparts properties required for food packaging to materials, creating added value through its capabilities as a converter. In particular, in paper-related products, its equipment capabilities to handle large-diameter raw materials and heavy rolls of base materials, supported by its long history of paper printing and processing, are a source of competitiveness. According to the Company, these equipment specifications are highly valued by customers, leading to expanding orders for printing on paper containers for fast-food restaurants and certain convenience stores, as well as extrusion lamination processing undertaken by affiliated subsidiaries.

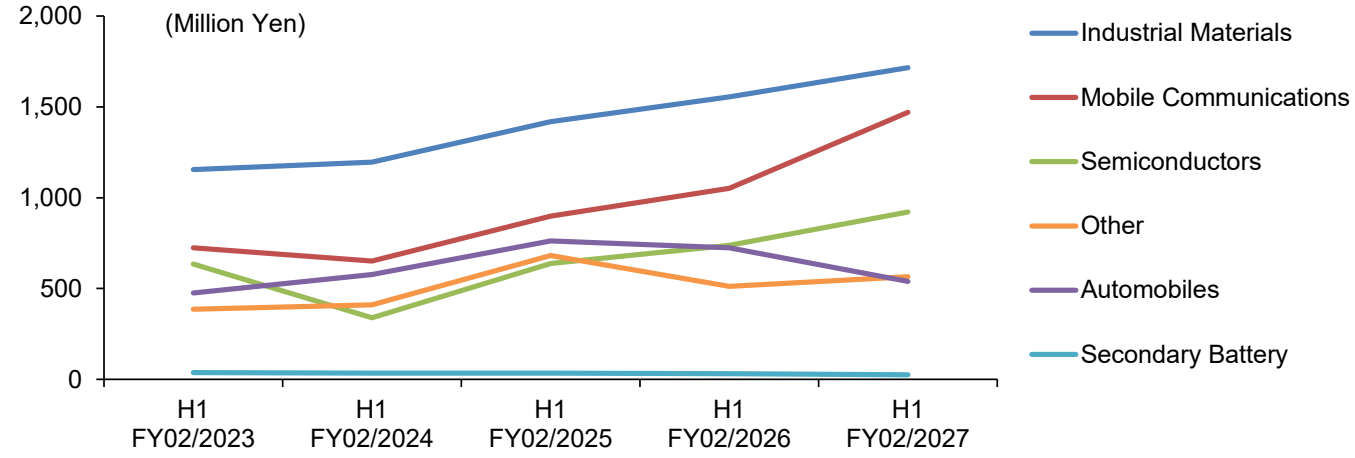
Furthermore, the Company is expanding sales of functional and environmentally friendly packaging materials, including label-free thermal top seals, which contribute to reducing plastic consumption, minimizing food loss and improving productivity. Through NAKAMOTO ADVANCED FILM (formerly MICS Chemical), which became a wholly owned subsidiary on 1 February 2024, the Company is also strengthening its earnings base in functional films, in addition to food packaging films and bags. These initiatives seek to create added value not only through conventional printing and processing but also by imparting new functions to materials and advancing processing technologies.

In addition, RN Smart Packaging, established on 3 April 2023 (51% owned by Ricoh Company, Ltd. and 49% by the Company, an equity-method affiliate), is expanding its range of high-value-added solutions, including label-free thermal packaging. Label-free thermal printing is increasingly being adopted for salads, prepared foods and frozen boxed meals sold at convenience stores, contributing to reduced environmental impact and labor savings by reducing the need for conventional label application. In addition, Sumarange, which uses a special ink applied to film to provide a function that automatically releases steam during microwave heating, began to be adopted for frozen boxed meals in October 2026. According to the Company, RN Smart Packaging is expected to turn profitable in FY02/2027 and plans to continue expanding applications to various packaging formats, including top seals. These developments also illustrate the Company's strengths as a converter, leveraging its processing technologies to resolve challenges in customers' packaging processes and create new earnings opportunities.

IT & Industrial Materials (18.7% of Sales and 27.0% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥5,234m (up 13.4%), gross profit ¥1,504m (up 45.3%) and the gross profit margin 28.7% (up 6.3% points). These results indicate that IT & Industrial Materials contributed significantly to the Company's overall sales and profit growth. In particular, the substantial improvement in the gross profit margin is noteworthy.

IT & Industrial Materials: Sales by Main Product Types



Source: Company data; calculations by WRJ

IT & Industrial Materials encompasses a wide range of high-performance materials used in semiconductors, electronic components, mobile devices such as smartphones and industrial films, with a focus on high-value-added products that leverage the Company's strengths in coating and lamination technologies. Recently, the sales mix has improved, supported by strong sales in mobile-related applications, including smartphones, semiconductor and electronic component-related applications and industrial materials for e-commerce-related applications. In particular, in the field of high-performance materials for semiconductors, electronic components and mobile devices, the Company's ability to handle processes from development and prototyping to mass production, in addition to its processing technologies that meet customers' requirements for functionality and quality, is a source of added value as a converter.

The substantial improvement in the gross profit margin is attributable not only to an improved sales mix but also to revisions to manufacturing processes, changes in coating material formulations and improvements in production speeds and facility utilization rates. These initiatives have resulted in improved production efficiency and better absorption of fixed costs. The combination of expanding sales of high-value-added products and improvements in production operations has contributed to a substantial increase in the gross profit margin.

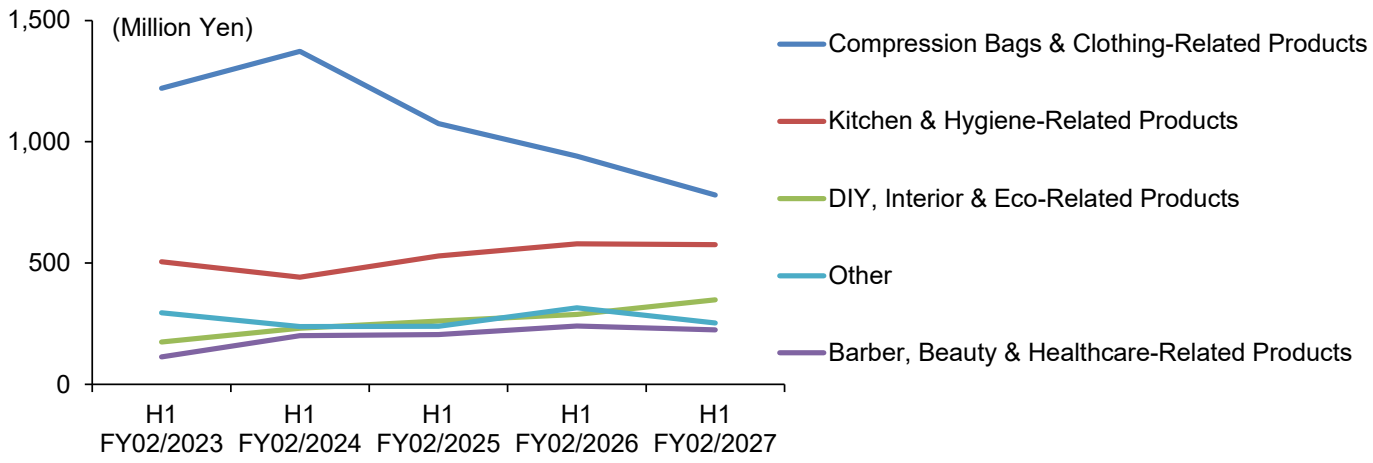
Looking ahead to H2 (September–February), firm orders are expected in mobile-related applications, supported by processing technologies that meet demand for lighter and thinner smartphones, the Company's ability to supply both adhesive-coated films and NS Sepa release films used to protect adhesive surfaces and facilitate their removal, as well as expanded production capacity. Meanwhile, electronic component-related applications are also expected to continue performing strongly. The mobile-related business illustrates the Company's strengths as a converter, enabling it to capture earnings opportunities by becoming involved from the early stages of customers' new product development and responding to new technical requirements, without relying on volume growth in the overall smartphone market. On the other hand, the Company indicates that trends in the sales mix and facility utilization will be important factors in determining whether the high gross profit margin can be maintained in H2 (September–February).

IT & Industrial Materials is positioned as one of the key growth areas in the Medium-Term Management Plan 2027 (FY02/2027-FY02/2029). In particular, the Company's efforts to strengthen its secondary battery-related business warrant attention. The PD coater commenced operations at the new Saitama plant at the end of September 2026, enhancing the Company's capabilities to handle processes from the early stages of customers' development projects through process verification, prototyping and initial production. The Company is also strengthening its R&D functions, with a view to expanding into high-performance materials for semiconductors and electronic components, in addition to secondary battery-related applications. These initiatives are aimed at extending the coating and lamination technologies developed over many years to new applications, while strengthening the Company's capabilities as a converter that becomes involved from customers' development stages through to mass production. In other words, IT & Industrial Materials is becoming increasingly important as a field that supports the Company's medium- to long-term profit growth, alongside Food Packaging & Containers.

Consumer Product Packaging & Materials (7.8% of Sales and 16.4% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥2,185m (down 7.6%), gross profit ¥916m (down 6.2%) and the gross profit margin 41.9% (up 0.6% points). Consumer Product Packaging & Materials encompasses products related to compression bags and clothing, kitchen and hygiene products, DIY, interior and eco-friendly products, as well as personal grooming, beauty and healthcare products. Major product examples include storage boxes with integrated compression bags, cutting board sheets, heat-shielding stickers for outdoor air conditioning units and waffle-textured cleaning sheets. While this field benefits from a certain degree of stability supported by demand for consumer products, its performance is sensitive to changes in product competitiveness, sales channels and the competitive environment.

Consumer Product Packaging & Materials: Sales by Main Product Types



Source: Company data; calculations by WRJ

Sales of certain compression bag and clothing-related products declined due to a reduction in airtime allocated to TV shopping programs, while sales of storage-related products and anti-mite products also decreased. Meanwhile, in kitchen and hygiene products, the Company's proprietary products with high profit margins performed steadily, while sales of kitchen mats increased in DIY, interior and eco-friendly products. In personal grooming, beauty and healthcare products, hair coloring products and other items also performed steadily. These mixed trends across product categories resulted in declines in sales and gross profit.

Notably, Consumer Product Packaging & Materials is closely associated with e-commerce sales, resulting in a substantial burden of SG&A expenses, including advertising and promotional expenses and sales commissions. Although the gross profit margin remains high, operating profit is susceptible to promotional expenses, indicating a business structure in which the high gross profit margin does not necessarily translate directly into a high operating profit margin. In addition, according to the Company, the Company has not launched a major hit product in recent years, while competitors have been quick to introduce similar products, making continuous new product development increasingly important. Furthermore, this business handles many imported products, making exchange rate fluctuations a factor affecting profitability. Intensifying competition resulting from the direct entry of Chinese manufacturers into the Japanese market is also affecting profitability. Looking ahead, the Company plans to improve profitability through cost reductions and differentiation by leveraging its own manufacturing and development facilities in Vietnam, as well as the introduction of new products and expansion of sales channels.

Printing Sheets for Building Materials (4.3% of Sales and 3.4% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥1,197m (up 34.6%), gross profit ¥191m (up 58.3%) and the gross profit margin 16.0% (up 2.3% points). Printing Sheets for Building Materials encompasses building materials with functional surface coatings and products for various construction materials, mainly for residential applications. While this field is affected by trends in the housing market and construction demand, it involves imparting functions such as surface finishing, design appeal and durability to materials, positioning it as one of the areas that leverage the Company's coating technologies.

Despite challenging conditions for housing starts, the Company achieved increases in sales and gross profit, supported by higher sales of wallpaper printing and building materials with functional surface coatings, as well as orders for new projects. The gross profit margin has also been improving. Looking ahead, the Company plans to focus on the renovation market in response to declining housing starts, while seeking further improvements in profitability through the acquisition of new projects and strengthened sales activities.

Pharmaceuticals & Healthcare (2.9% of Sales and 3.4% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥812m (up 0.6%), gross profit ¥188m (up 7.0%) and the gross profit margin 23.2% (up 1.3% points). Sales in Pharmaceuticals & Healthcare comprise products for transdermal patches, hospitals and over-the-counter pharmaceuticals, with major product examples including release films (release liners) for medicated patches, packaging bags for petri dishes and light-shielding covers for infusion bags. Although Pharmaceuticals & Healthcare is relatively small in scale compared with Food Packaging & Containers and IT & Industrial Materials, it faces stringent quality control and safety requirements, positioning it as one of the areas that leverage the Company's packaging and film processing technologies.

While sales of infusion-related packaging materials for hospitals have remained firm, sales of products for transdermal patches and medical packaging bags have declined. As a result, sales growth in Pharmaceuticals & Healthcare remained limited. However, the gross profit margin improved, resulting in an increase in gross profit. Looking ahead, the Company plans to continue expanding sales of newly developed infusion-related packaging materials, for which demand has remained firm.

Other (1.7% of Sales and 1.5% of Gross Profit)

In Q1 to Q2 (March–August) FY02/2027, sales came in at ¥490m (up 9.1%), gross profit ¥85m (up 48.8%) and the gross profit margin 17.3% (up 4.7% points). Sales in Other comprise applications that do not fall under any of the five categories: Food Packaging & Containers, IT & Industrial Materials, Consumer Product Packaging & Materials, Printing Sheets for Building Materials and Pharmaceuticals & Healthcare. Its impact on the Company's overall performance is therefore limited.

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Sales	**12,328**	**24,986**	**37,634**	**49,635**	**12,767**	**28,068**	**-**	**-**	**+3,081**
Cost of Sales	10,083	20,322	30,640	40,497	10,420	22,488	-	-	+2,165
Gross Profit	2,245	4,663	6,994	9,137	2,347	5,579	-	-	+915
SG&A Expenses	1,494	3,052	4,626	6,176	1,547	3,124	-	-	+72
Operating Profit	**750**	**1,611**	**2,368**	**2,961**	**799**	**2,454**	**-**	**-**	**+843**
Non-Operating Balance	(54)	(43)	0	93	20	44	-	-	+88
Recurring Profit	**696**	**1,567**	**2,368**	**3,054**	**820**	**2,499**	**-**	**-**	**+931**
Extraordinary Balance	149	140	273	318	-	-	-	-	(140)
Profit before Income Taxes	845	1,708	2,642	3,372	820	2,499	-	-	+791
Total Income Taxes	279	579	895	1,097	271	811	-	-	+231
NP Belonging to Non-Controlling SHs	11	68	78	99	6	47	-	-	(21)
Profit Attributable to Owners of Parent	**554**	**1,059**	**1,667**	**2,175**	**542**	**1,641**	**-**	**-**	**+581**
Sales YoY	+6.1%	+2.5%	+2.2%	+1.0%	+3.6%	+12.3%	-	-	-
Operating Profit YoY	+36.4%	+3.2%	+0.2%	+3.1%	+6.6%	+52.4%	-	-	-
Recurring Profit YoY	+31.4%	(3.6%)	+1.3%	+5.0%	+17.8%	+59.4%	-	-	-
Profit Attributable to Owners of Parent YoY	+4.3%	(15.0%)	+2.6%	+8.2%	(2.2%)	+54.8%	-	-	-
Gross Profit Margin	18.2%	18.7%	18.6%	18.4%	18.4%	19.9%	-	-	+1.2%
SG&A Ratio	12.1%	12.2%	12.3%	12.4%	12.1%	11.1%	-	-	(1.1%)
Operating Profit Margin	6.1%	6.4%	6.3%	6.0%	6.3%	8.7%	-	-	+2.3%
Recurring Profit Margin	5.6%	6.3%	6.3%	6.2%	6.4%	8.9%	-	-	+2.6%
Profit Attributable to Owners of Parent Margin	4.5%	4.2%	4.4%	4.4%	4.2%	5.8%	-	-	+1.6%
Corporate Tax Rate	33.1%	33.9%	33.9%	32.5%	33.1%	32.5%	-	-	(1.5%)

Income Statement	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Sales	**12,328**	**12,657**	**12,648**	**12,001**	**12,767**	**15,300**	**-**	**-**	**+2,642**
Cost of Sales	10,083	10,239	10,317	9,857	10,420	12,067	-	-	+1,828
Gross Profit	2,245	2,418	2,330	2,143	2,347	3,232	-	-	+814
SG&A Expenses	1,494	1,557	1,573	1,550	1,547	1,577	-	-	+19
Operating Profit	**750**	**860**	**756**	**593**	**799**	**1,654**	**-**	**-**	**+794**
Non-Operating Balance	(54)	10	43	92	20	24	-	-	+13
Recurring Profit	**696**	**871**	**800**	**685**	**820**	**1,679**	**-**	**-**	**+808**
Extraordinary Balance	149	(8)	132	44	-	-	-	-	+8
Profit before Income Taxes	845	862	933	730	820	1,679	-	-	+816
Total Income Taxes	279	299	316	201	271	540	-	-	+240
NP Belonging to Non-Controlling SHs	11	57	10	20	6	40	-	-	(16)
Profit Attributable to Owners of Parent	**554**	**505**	**607**	**508**	**542**	**1,098**	**-**	**-**	**+593**
Sales YoY	+6.1%	(0.8%)	+1.6%	(2.5%)	+3.6%	+20.9%	-	-	-
Operating Profit YoY	+36.4%	(14.9%)	(5.7%)	+16.9%	+6.6%	+92.3%	-	-	-
Recurring Profit YoY	+31.4%	(20.5%)	+12.3%	+20.4%	+17.8%	+92.7%	-	-	-
Profit Attributable to Owners of Parent YoY	+4.3%	(29.4%)	+61.0%	+32.0%	(2.2%)	+117.3%	-	-	-
Gross Profit Margin	18.2%	19.1%	18.4%	17.9%	18.4%	21.1%	-	-	+2.0%
SG&A Ratio	12.1%	12.3%	12.4%	12.9%	12.1%	10.3%	-	-	(2.0%)
Operating Profit Margin	6.1%	6.8%	6.0%	4.9%	6.3%	10.8%	-	-	+4.0%
Recurring Profit Margin	5.6%	6.9%	6.3%	5.7%	6.4%	11.0%	-	-	+4.1%
Profit Attributable to Owners of Parent Margin	4.5%	4.0%	4.8%	4.2%	4.2%	7.2%	-	-	+3.2%
Corporate Tax Rate	33.1%	34.7%	33.9%	27.6%	33.1%	32.2%	-	-	(2.6%)

Source: Company data; calculations by WRJ

Sales by Product Application (Cumulative / Quarterly)

Sales by Product Application	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Food Packaging & Containers	7,960	15,859	24,037	31,607	8,337	18,146	-	-	+2,287
IT & Industrial Materials	2,256	4,615	6,993	9,329	2,355	5,234	-	-	+619
Consumer Product Packaging & Materials	1,035	2,365	3,359	4,284	973	2,185	-	-	(179)
Printing Sheets for Building Materials	424	889	1,379	1,995	576	1,197	-	-	+307
Pharmaceuticals & Healthcare	434	807	1,210	1,554	347	812	-	-	+5
Other	217	449	654	864	177	490	-	-	+40
Sales	**12,328**	**24,986**	**37,634**	**49,635**	**12,767**	**28,068**	**-**	**-**	**+3,081**
Food Packaging & Containers	1,152	2,295	3,453	4,465	1,174	2,692	-	-	+396
IT & Industrial Materials	484	1,035	1,630	2,209	597	1,504	-	-	+468
Consumer Product Packaging & Materials	426	977	1,382	1,749	384	916	-	-	(60)
Printing Sheets for Building Materials	53	121	181	270	90	191	-	-	+70
Pharmaceuticals & Healthcare	103	176	262	325	77	188	-	-	+12
Other	25	57	84	116	23	85	-	-	+27
Gross Profit	**2,245**	**4,663**	**6,994**	**9,137**	**2,347**	**5,579**	**-**	**-**	**+915**
Food Packaging & Containers	14.5%	14.5%	14.4%	14.1%	14.1%	14.8%	-	-	+0.4%
IT & Industrial Materials	21.5%	22.4%	23.3%	23.7%	25.4%	28.7%	-	-	+6.3%
Consumer Product Packaging & Materials	41.2%	41.3%	41.1%	40.8%	39.5%	41.9%	-	-	+0.6%
Printing Sheets for Building Materials	12.5%	13.6%	13.1%	13.6%	15.6%	16.0%	-	-	+2.3%
Pharmaceuticals & Healthcare	23.7%	21.9%	21.7%	21.0%	22.2%	23.2%	-	-	+1.3%
Other	11.5%	12.7%	12.8%	13.4%	13.0%	17.3%	-	-	+4.7%
Gross Profit Margin	**18.2%**	**18.7%**	**18.6%**	**18.4%**	**18.4%**	**19.9%**	**-**	**-**	**+1.2%**

Sales by Product Application	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Food Packaging & Containers	7,960	7,899	8,178	7,570	8,337	9,809	-	-	+1,910
IT & Industrial Materials	2,256	2,359	2,378	2,336	2,355	2,879	-	-	+520
Consumer Product Packaging & Materials	1,035	1,330	994	925	973	1,212	-	-	(118)
Printing Sheets for Building Materials	424	465	490	616	576	621	-	-	+156
Pharmaceuticals & Healthcare	434	373	403	344	347	465	-	-	+92
Other	217	232	205	210	177	313	-	-	+81
Sales	**12,328**	**12,657**	**12,648**	**12,001**	**12,767**	**15,300**	**-**	**-**	**+2,642**
Food Packaging & Containers	1,152	1,143	1,158	1,012	1,174	1,518	-	-	+375
IT & Industrial Materials	484	551	595	579	597	907	-	-	+356
Consumer Product Packaging & Materials	426	551	405	367	384	532	-	-	(19)
Printing Sheets for Building Materials	53	68	60	89	90	101	-	-	+33
Pharmaceuticals & Healthcare	103	73	86	63	77	111	-	-	+38
Other	25	32	27	32	23	62	-	-	+30
Gross Profit	**2,245**	**2,418**	**2,330**	**2,143**	**2,347**	**3,232**	**-**	**-**	**+814**
Food Packaging & Containers	14.5%	14.5%	14.2%	13.4%	14.1%	15.5%	-	-	+1.0%
IT & Industrial Materials	21.5%	23.4%	25.0%	24.8%	25.4%	31.5%	-	-	+8.1%
Consumer Product Packaging & Materials	41.2%	41.4%	40.7%	39.7%	39.5%	43.9%	-	-	+2.5%
Printing Sheets for Building Materials	12.5%	14.6%	12.2%	14.4%	15.6%	16.3%	-	-	+1.6%
Pharmaceuticals & Healthcare	23.7%	19.6%	21.3%	18.3%	22.2%	23.9%	-	-	+4.3%
Other	11.5%	13.8%	13.2%	15.2%	13.0%	19.8%	-	-	+6.0%
Gross Profit Margin	**18.2%**	**19.1%**	**18.4%**	**17.9%**	**18.4%**	**21.1%**	**-**	**-**	**+2.0%**

Source: Company data; calculations by WRJ

Balance Sheet (Quarterly)

Balance Sheet	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	Cons.Act Q1	Cons.Act Q2	Cons.Act Q3	Cons.Act Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Cash and Deposits	7,542	7,323	7,537	7,657	7,102	8,527	-	-	+1,204
Trade Receivables and Contract Assets	8,694	8,692	8,532	8,593	8,385	9,218	-	-	+525
Electronically Recorded Monetary Claims-operating	3,047	3,644	3,725	3,542	3,842	4,075	-	-	+430
Merchandise and Finished Goods	3,311	3,354	3,285	3,226	3,351	3,486	-	-	+132
Work in Process	454	415	423	439	568	560	-	-	+145
Raw Materials and Supplies	1,113	1,026	1,089	1,061	1,371	1,473	-	-	+447
Other	436	438	388	719	461	452	-	-	+13
Current Assets	**24,601**	**24,894**	**24,982**	**25,240**	**25,083**	**27,794**	**-**	**-**	**+2,899**
Tangible Assets	13,108	12,864	12,734	12,618	13,129	13,186	-	-	+321
Intangible Assets	402	378	357	344	331	322	-	-	(56)
Investments and Other Assets	1,996	2,023	2,058	2,320	2,296	2,473	-	-	+449
Fixed Assets	**15,508**	**15,267**	**15,150**	**15,282**	**15,756**	**15,982**	**-**	**-**	**+715**
Total Assets	**40,110**	**40,162**	**40,132**	**40,523**	**40,840**	**43,776**	**-**	**-**	**+3,614**
Notes and Accounts Payable – Trade	4,626	4,407	4,412	4,070	4,557	4,634	-	-	+227
Electronically Recorded Obligations-operating	4,125	4,245	4,334	4,027	3,159	3,638	-	-	(606)
Short-term Borrowings	4,209	4,209	3,609	3,609	4,109	4,900	-	-	+691
Current Portion of Long-term Borrowings	938	912	972	945	1,003	976	-	-	+63
Other	2,257	2,381	2,188	2,282	2,083	2,443	-	-	+61
Current Liabilities	**16,157**	**16,155**	**15,517**	**14,934**	**14,913**	**16,593**	**-**	**-**	**+437**
Long-term Borrowings	3,218	2,949	3,238	3,011	3,293	3,058	-	-	+109
Other	390	374	358	484	323	473	-	-	+99
Fixed Liabilities	**3,608**	**3,324**	**3,597**	**3,495**	**3,616**	**3,532**	**-**	**-**	**+208**
Total Liabilities	**19,766**	**19,480**	**19,114**	**18,429**	**18,530**	**20,126**	**-**	**-**	**+646**
Shareholders' Equity	**18,079**	**18,445**	**18,749**	**19,257**	**19,470**	**20,589**	**-**	**-**	**+2,144**
Other	2,264	2,236	2,268	2,835	2,839	3,060	-	-	+823
Net Assets	**20,343**	**20,681**	**21,018**	**22,093**	**22,310**	**23,650**	**-**	**-**	**+2,968**
Total Liabilities & Net Assets	**40,110**	**40,162**	**40,132**	**40,523**	**40,840**	**43,776**	**-**	**-**	**+3,614**
Equity Capital	19,353	19,646	19,976	21,028	21,244	22,543	-	-	+2,897
Interest Bearing Debt	8,365	8,070	7,819	7,565	8,405	8,935	-	-	+864
Net Debt	823	747	282	(91)	1,303	407	-	-	(340)
Equity Ratio	48.2%	48.9%	49.8%	51.9%	52.0%	51.5%	-	-	-
Net Debt Equity Ratio	4.3%	3.8%	1.4%	(0.4%)	6.1%	1.8%	-	-	-
ROE (12 months)	10.9%	9.4%	10.6%	10.8%	10.7%	13.1%	-	-	-
ROA (12 months)	7.7%	7.1%	7.2%	7.6%	7.9%	9.5%	-	-	-
Days for Inventory Turnover	44	43	42	44	46	42	-	-	-
Quick Ratio	100%	99%	104%	109%	104%	107%	-	-	-
Current Ratio	152%	154%	161%	169%	168%	168%	-	-	-

Source: Company data; calculations by WRJ

Cash Flow Statement (Cumulative)

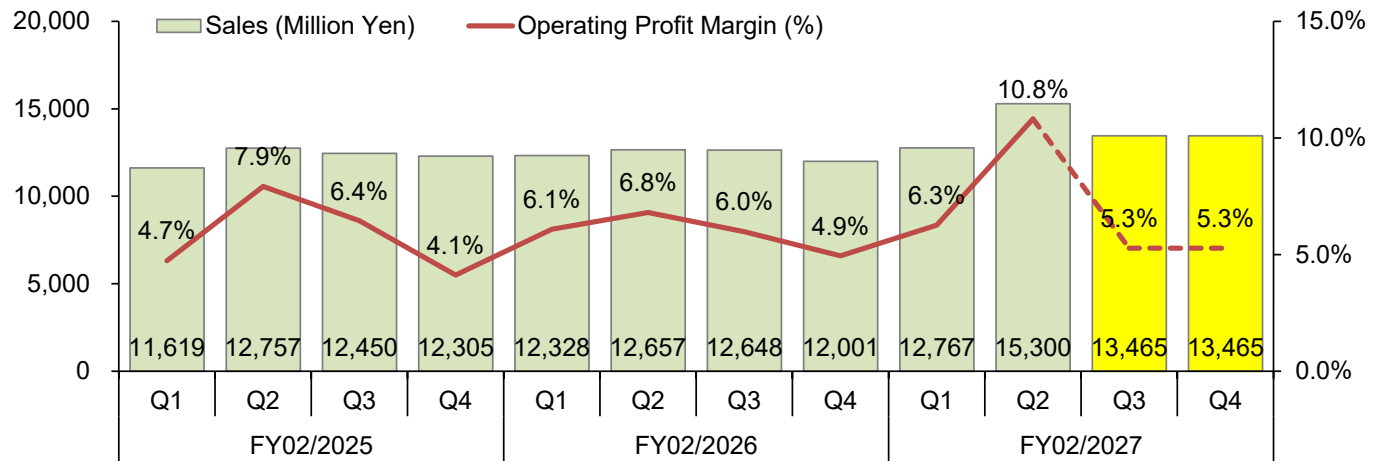
Cash Flow Statement	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	Cons.Act Q1	Cons.Act Q1 to Q2	Cons.Act Q1 to Q3	Cons.Act Q1 to Q4	YoY
(Million Yen)	02/2026	02/2026	02/2026	02/2026	02/2027	02/2027	02/2027	02/2027	Net Chg.
Operating Cash Flow	-	949	-	2,552	-	829	-	-	(119)
Investing Cash Flow	-	(720)	-	(1,272)	-	(958)	-	-	(237)
Operating Cash Flow and Investing Cash Flow	**-**	**228**	**-**	**1,280**	**-**	**(128)**	**-**	**-**	**(356)**
Financing Cash Flow	-	(423)	-	(1,277)	-	902	-	-	+1,325

Source: Company data; calculations by WRJ

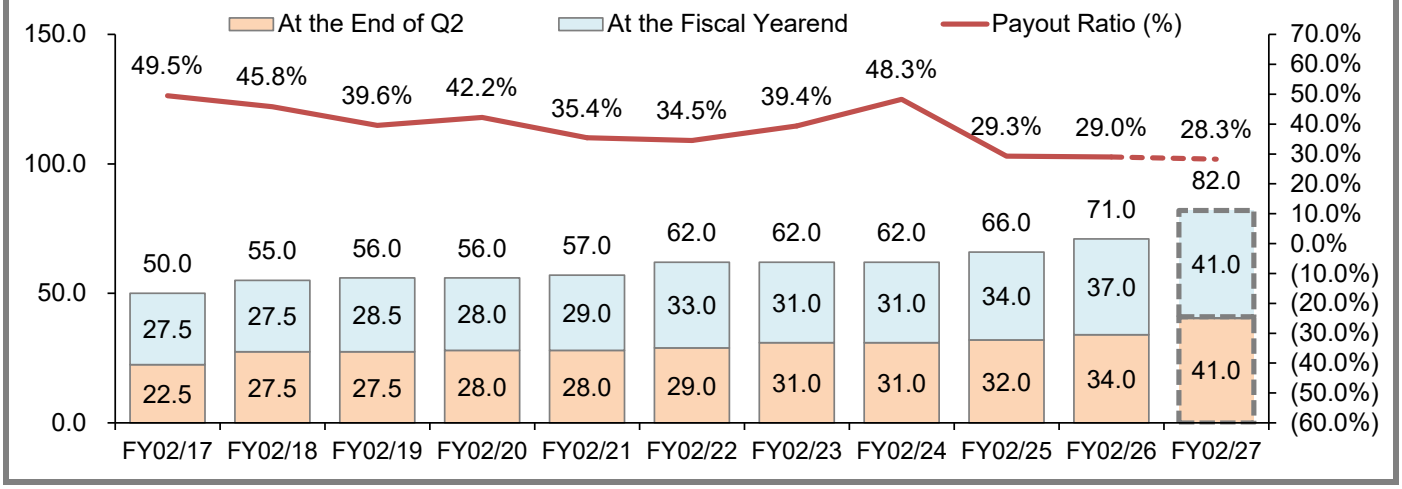
Company Forecast for FY02/2027

The latest Company forecast for FY02/2027, announced on 14 September 2026, remains unchanged, calling for sales of ¥55,000m (up 10.8% YoY), operating profit of ¥3,874m (up 30.8%), recurring profit of ¥4,000m (up 31.0%) and profit attributable to owners of parent of ¥2,566m (up 17.9%), with an operating profit margin of 7.0% (up 1.1% points).

Sales and Operating Profit Margin



Annual Dividend and Payout Ratio



Source: Company data; calculations by WRJ (Q3 and Q4 FY02/2027: Company forecast for H2 allocated equally)

Furthermore, the planned annual dividend also remains unchanged at ¥82.0 per share for FY02/2027 (¥41.0 at the end of Q2 and ¥41.0 at the fiscal yearend; payout ratio: 28.3%). This represents an increase of ¥11.0 per share from the annual dividend of ¥71.0 for FY02/2026 (¥34.0 at the end of Q2 and ¥37.0 at the fiscal yearend; payout ratio: 29.0%). Notably, the Company has not reduced its annual dividend since reporting its first financial results following its listing in FY02/2017, continuing to provide shareholder returns in line with earnings growth.

While an operating profit margin of 10.8% was achieved in Q2 (June–August), the forecast for H2 (September–February) calls for an operating profit margin of only 5.3%. Factors cited include higher costs for raw materials, inks, solvents, electricity and fuel, as well as an expected decline in production facility utilization rates due to a reaction to the brought-forward demand in Food Packaging & Containers during Q1 to Q2 (March–August). In addition, Q4 (December–February), which includes the yearend and New Year holidays and the fiscal yearend month of February, has fewer operating days, which is expected to reduce production facility utilization rates and affect profitability. The forecast also factors in a decline in the gross profit margin associated with higher procurement prices for customer-charged supplied materials and expectations of weaker demand in Consumer Product Packaging & Materials.

In the business environment, crude oil price fluctuations amid heightened uncertainty in the Middle East are likely to affect prices of petroleum-derived raw materials and solvents, representing a risk of higher manufacturing costs. In particular, rising prices and unstable supplies of solvents used in gravure printing and coating processes are cited as potential factors contributing to short-term fluctuations in profitability.

However, the Company is implementing structural measures to address these external risks from a medium- to long-term perspective. Specifically, it is promoting reductions in raw material consumption through thinner materials, single-material designs through mono-material packaging, the use of biomass materials and shifting to paper-based materials, strengthening initiatives that combine environmental considerations with reduced raw material consumption. The Company has also clearly indicated its policy of gradually reducing dependence on solvents in manufacturing processes through the promotion of toluene-free and water-based processes.

These measures go beyond merely controlling costs in the short term and are aimed at transforming the business structure into one that is less susceptible to fluctuations in crude oil market conditions. Although it is difficult to control crude oil prices themselves, the Company is working to reduce risks at each stage of product design, material composition and processing operations. From a medium- to long-term perspective, these initiatives are expected to enhance the Company's earnings resilience. Even amid continued uncertainty in the external environment, the Company is making progress in addressing these challenges.

Company Forecast for FY02/2027 and Actual Results

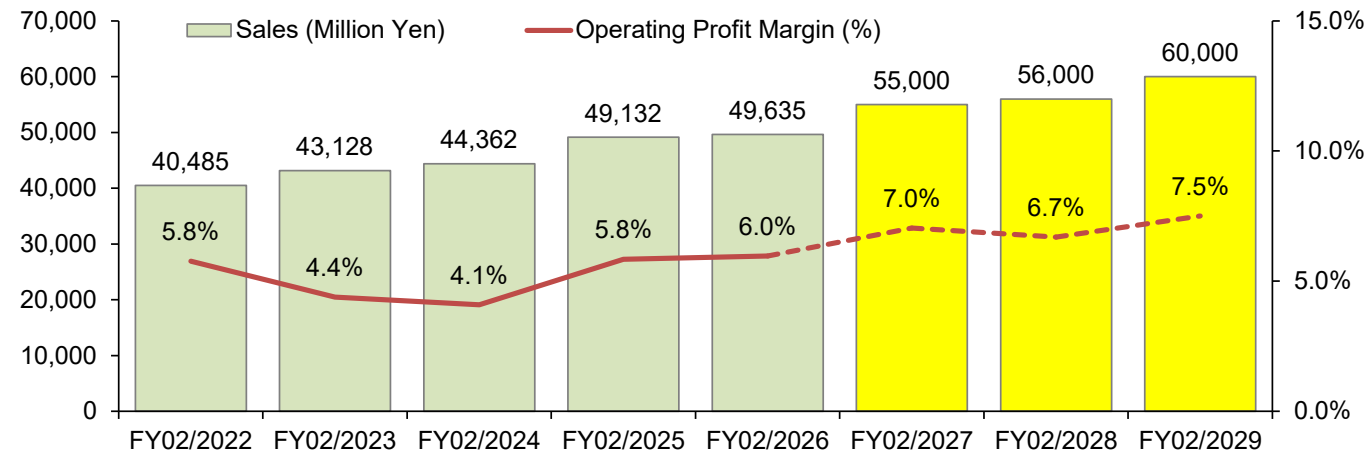
Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY02/2027CoE	10-Apr-26	Q4 Results	52,000	3,265	3,450	2,183
FY02/2027CoE	10-Jul-26	Q1 Results	52,000	3,265	3,450	2,183
FY02/2027CoE	14-Sep-26	Revision	55,000	3,874	4,000	2,566
		Amount of Gap	3,000	609	550	383
		Rate of Gap	5.8%	18.7%	15.9%	17.5%
FY02/2027CoE	13-Oct-26	Q2 Results	55,000	3,874	4,000	2,566
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY02/2027CoE	10-Apr-26	Q4 Results	52,000	3,265	3,450	2,183
FY02/2027CoE	13-Oct-26	Q2 Results	55,000	3,874	4,000	2,566
		Amount of Gap	3,000	609	550	383
		Rate of Gap	5.8%	18.7%	15.9%	17.5%
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q1 to Q2 FY02/2027CoE	10-Apr-26	Q4 Results	25,500	1,548	1,652	1,062
Q1 to Q2 FY02/2027CoE	10-Jul-26	Q1 Results	25,500	1,548	1,652	1,062
Q1 to Q2 FY02/2027CoE	14-Sep-26	Revision	28,000	2,400	2,480	1,600
		Amount of Gap	2,500	852	828	538
		Rate of Gap	9.8%	55.0%	50.1%	50.7%
Q1 to Q2 FY02/2027Act	13-Oct-26	Q2 Results	28,068	2,454	2,499	1,641
		Amount of Gap	68	54	19	41
		Rate of Gap	0.2%	2.3%	0.8%	2.6%
Q1 to Q2 FY02/2027CoE	10-Apr-26	Q4 Results	25,500	1,548	1,652	1,062
Q1 to Q2 FY02/2027Act	13-Oct-26	Q2 Results	28,068	2,454	2,499	1,641
		Amount of Gap	2,568	906	847	579
		Rate of Gap	10.1%	58.6%	51.3%	54.5%
Consolidated Half Year (Million Yen)	**Date**	**Event**	**Sales**	**Operating Profit**	**Recurring Profit**	**Profit Attributable to Owners of Parent**
Q3 to Q4 FY02/2027CoE	10-Apr-26	Q4 Results	26,500	1,717	1,798	1,121
Q3 to Q4 FY02/2027CoE	10-Jul-26	Q1 Results	26,500	1,717	1,798	1,121
Q3 to Q4 FY02/2027CoE	14-Sep-26	Revision	27,000	1,474	1,520	966
		Amount of Gap	500	(243)	(278)	(155)
		Rate of Gap	1.9%	(14.2%)	(15.5%)	(13.8%)
Q3 to Q4 FY02/2027CoE	13-Oct-26	Q2 Results	26,931	1,419	1,500	924
		Amount of Gap	(69)	(55)	(20)	(42)
		Rate of Gap	(0.3%)	(3.7%)	(1.3%)	(4.3%)
Q3 to Q4 FY02/2027CoE	10-Apr-26	Q4 Results	26,500	1,717	1,798	1,121
Q3 to Q4 FY02/2027CoE	13-Oct-26	Q2 Results	26,931	1,419	1,500	924
		Amount of Gap	431	(298)	(298)	(197)
		Rate of Gap	1.6%	(17.4%)	(16.6%)	(17.6%)

Source: Company data; calculations by WRJ

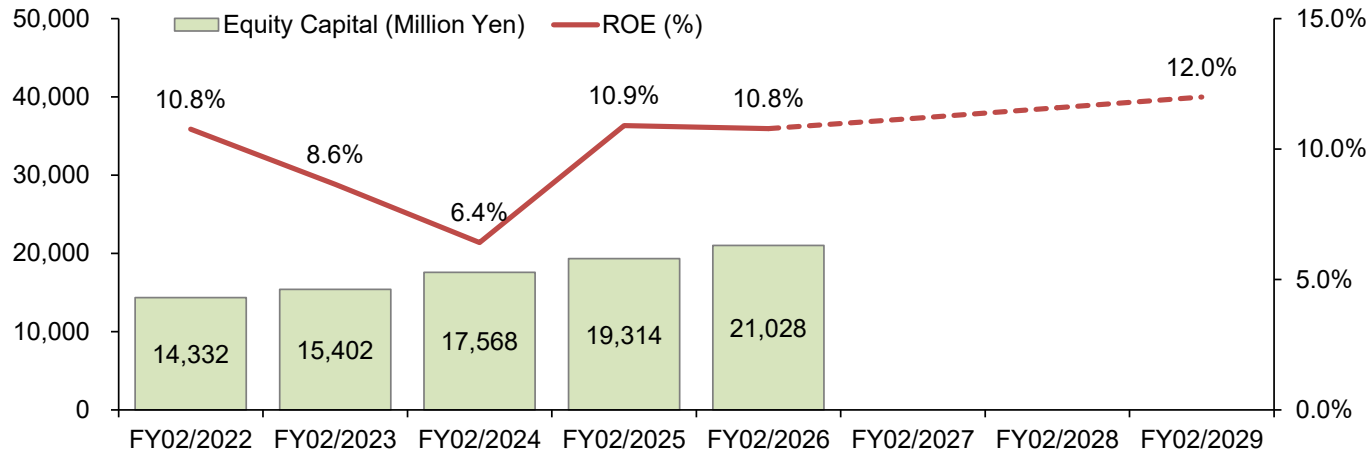
Medium- to Long-Term Earnings Outlook

Under the Medium-Term Management Plan 2027 (FY02/2027-FY02/2029), announced on 16 April 2026, the Company aims to achieve sales of ¥60,000m, operating profit of ¥4,500m and an operating profit margin of 7.5% in FY02/2029, the final year of the plan. These targets imply compound annual growth rates (CAGRs) of 6.5% in sales and 15.0% in operating profit. Furthermore, the Company also aims to achieve ROE of 12% or higher (FY02/2026 actual: 10.8%). Meanwhile, its long-term financial targets, which incorporate earnings from contract processing of secondary battery-related materials as a converter, call for sales of ¥70,000m, operating profit of ¥5,700m and an operating profit margin of 8.1%.

Medium-Term Management Plan 2027 (FY02/2027-FY02/2029): Sales and Operating Profit Margin



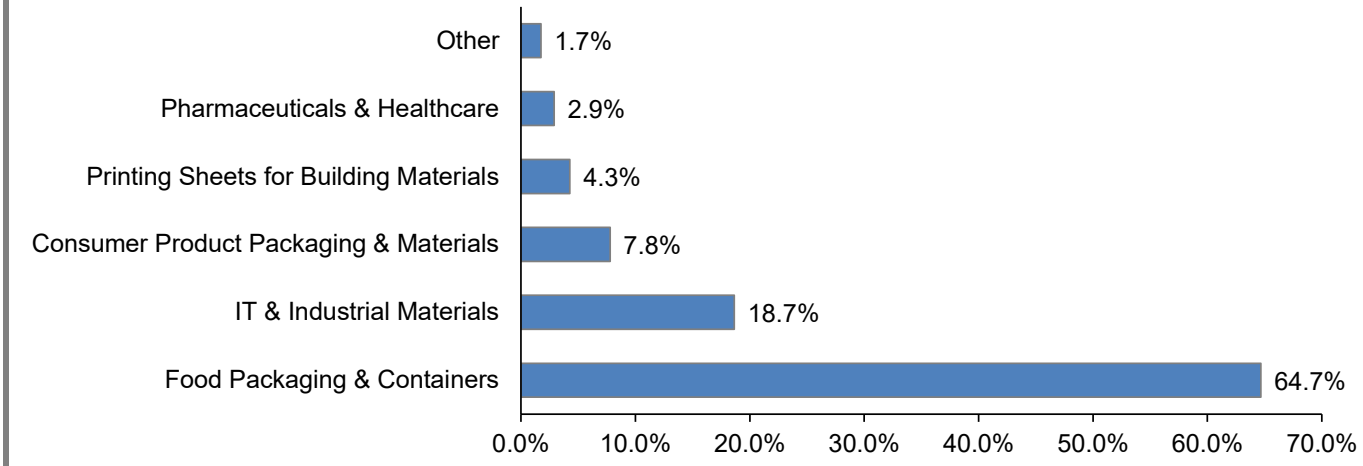
Medium-Term Management Plan 2027 (FY02/2027-FY02/2029): Minimum ROE Target for FY02/2029



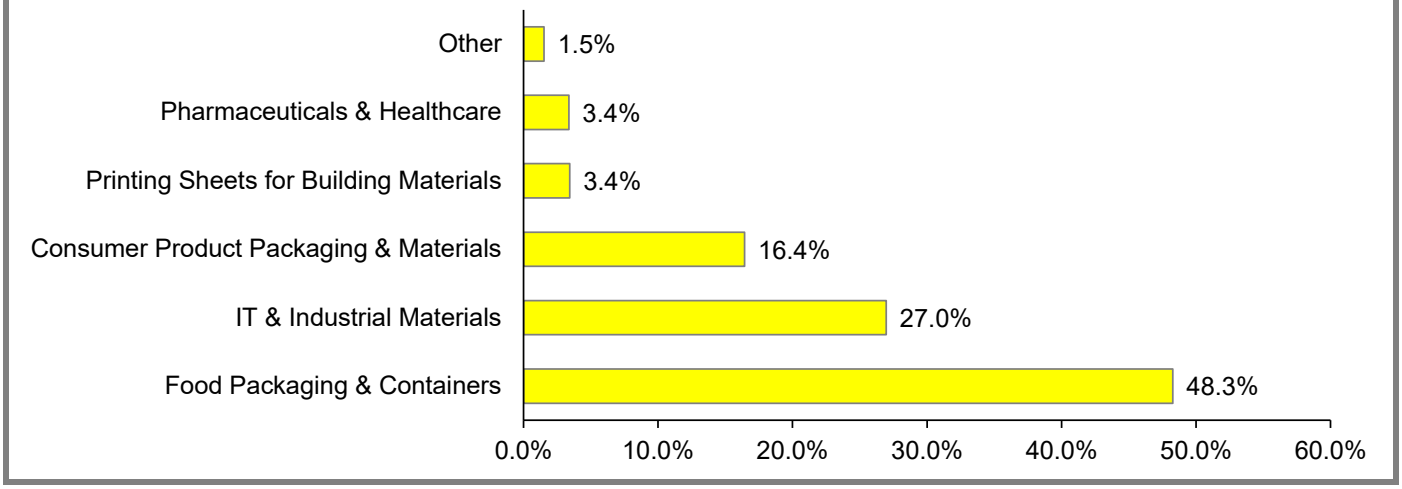
Source: Company data; calculations by WRJ

The long-term financial targets also include achieving ROE of 13% or higher. Meanwhile, the Company forecast for FY02/2027 was revised upward on 14 September 2026 to sales of ¥55,000m and operating profit of ¥3,874m, already exceeding the first-year targets set when the medium-term management plan was formulated (sales of ¥52,000m and operating profit of ¥3,250m). In particular, forecast operating profit is now 19.2% above the first-year target, indicating that the plan is progressing ahead of schedule. The Company is considering reviewing its medium-term management plan, including targets for FY02/2028 and beyond, although the details and timing of the revision have yet to be determined. Accordingly, while the current targets should remain the benchmark until a formal revision is announced, attention will focus on the extent to which the recent improvements in profitability can be sustained after the reaction to temporary brought-forward demand.

Q1 to Q2 (March–August) FY02/2027: Sales Composition by Product Application



Q1 to Q2 (March–August) FY02/2027: Gross Profit Composition by Product Application



Source: Company data; calculations by WRJ

Based on the Company's results for Q1 to Q2 (March–August) FY02/2027, Food Packaging & Containers accounted for 64.7% of sales and 48.3% of gross profit, while IT & Industrial Materials accounted for 18.7% of sales and 27.0% of gross profit. Meanwhile, Consumer Product Packaging & Materials accounted for 7.8% of sales and 16.4% of gross profit. However, Consumer Product Packaging & Materials bears a relatively high burden of SG&A expenses, suggesting that the contributions of Food Packaging & Containers and IT & Industrial Materials at the operating profit level are greater than their respective shares of gross profit. Under this business composition, Food Packaging & Containers serves as the foundation supporting medium- to long-term profit growth, while IT & Industrial Materials is becoming increasingly important as a growth driver.

Under the Medium-Term Management Plan 2027 (FY02/2027-FY02/2029), the Company has outlined a policy of investing in new growth areas in addition to expanding existing businesses. In particular, expansion into secondary battery-related applications is positioned as a core initiative. The PD coater commenced operations at the new Saitama plant at the end of September 2026, strengthening the Company's capabilities to handle processes from the early stages of customers' development projects through process verification, prototyping and initial production, with the equipment positioned between its existing small multi-coater and mass production coaters. The Company is also considering using the PD coater to expand into high-performance materials for semiconductors and electronic components, environmental and decarbonization applications and medical and healthcare applications, in addition to secondary battery-related applications.

Furthermore, the Company plans to establish an R&D Center (research and development facility) within the new Saitama plant during FY02/2027. By integrating the functions of its existing Technology Development Department and Analysis Center and promoting the development of new products and formulations, the Company aims to strengthen its R&D structure. These initiatives are expected to accelerate prototyping and verification of processing conditions in response to customer requirements, while enhancing the Company's integrated capabilities from development through to mass production. The Company is also working to raise awareness of its proprietary technologies through its own brand, nbass (NAKAMOTO: super speed for best answer), which is expected to support joint development with customers and the acquisition of new projects.

In secondary battery-related applications, the Company is examining equipment specifications in preparation for the introduction of a new mass production coater in 2028. At present, orders related to secondary batteries consist mainly of spot projects, and earnings contributions from mass production have not yet materialized on a full scale. However, the Company aims to progress toward future mass production projects by becoming involved from the early stages of customers' development activities. In particular, earnings expansion in new growth areas, including secondary battery-related applications, is positioned as an important factor in achieving the long-term financial targets. Looking ahead, attention will focus on the adoption of products developed through prototyping projects, progress in the transition to mass production and the recovery of capital investments.

Meanwhile, the expansion of environmentally friendly products is also positioned as an important pillar of the medium- to long-term growth strategy. The Company aims to reduce environmental impact while enhancing added value in customers' packaging processes, and RN Smart Packaging is also expected to turn profitable in FY02/2027. By imparting functions to materials, these initiatives address customer challenges beyond conventional printing and processing. Further expansion in product adoption is expected to create new earnings opportunities.

In terms of its production structure, the Company is also promoting the optimization of production sites through the establishment of a new SCM Department (SCM: Supply Chain Management). The Company has formulated a Five-Year SCM Plan through 2030, under which it intends to optimize production processes and logistics by managing domestic production sites from a group-wide perspective. Specifically, the plan includes reviewing production allocation based on the production capacity and equipment characteristics of each site, reducing logistics costs, shortening delivery lead times and lowering inventory levels. By shifting from optimization at individual sites to group-wide optimization, the Company aims to improve productivity and strengthen its earnings base. These initiatives can be positioned as measures supporting profit growth without relying solely on sales expansion.

The Company also maintains an active approach toward M&A. During the previous medium-term management plan, it expanded its business scope through initiatives including the acquisition of MICS Chemical as a wholly owned subsidiary. Under the current Medium-Term Management Plan 2027 (FY02/2027-FY02/2029), the Company is examining multiple potential transactions, according to management, positioning M&A aimed at strengthening existing businesses and expanding into new growth areas as part of its growth investments. However, specific transactions and their potential earnings contributions have not yet been disclosed, and future developments warrant attention.

Overall, the Company aims to achieve medium- to long-term profit growth by pursuing multiple initiatives, including improving profitability in IT & Industrial Materials, expanding into high-performance materials such as secondary battery-related applications, strengthening its R&D structure, optimizing production sites and pursuing M&A, while maintaining and expanding Food Packaging & Containers as a stable earnings base. In particular, strengthening its capabilities as a converter that becomes involved from the early stages of customers' development projects and provides integrated support from prototyping and process development through to mass production underpins both improvements in the profitability of existing businesses and expansion into new growth areas. Progress in these initiatives is expected to strengthen the Company's medium- to long-term earnings power.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Sales	**40,485**	**43,128**	**44,362**	**49,132**	**49,635**	**55,000**	**+5,364**
Cost of Sales	33,595	36,646	37,712	40,528	40,497	44,726	+4,228
Gross Profit	6,889	6,482	6,649	8,604	9,137	10,274	+1,136
SG&A Expenses	4,557	4,590	4,834	5,733	6,176	6,400	+223
Operating Profit	**2,332**	**1,892**	**1,815**	**2,871**	**2,961**	**3,874**	**+912**
Non-Operating Balance	253	313	526	37	93	126	+32
Recurring Profit	**2,585**	**2,206**	**2,341**	**2,908**	**3,054**	**4,000**	**+945**
Extraordinary Balance	(196)	(95)	(687)	(61)	318	-	-
Profit before Income Taxes	2,388	2,110	1,653	2,847	3,372	-	-
Total Income Taxes	832	720	630	771	1,097	-	-
NP Belonging to Non-Controlling SHs	86	104	(34)	65	99	-	-
Profit Attributable to Owners of Parent	**1,470**	**1,285**	**1,057**	**2,010**	**2,175**	**2,566**	**+390**
Sales YoY	+12.4%	+6.5%	+2.9%	+10.8%	+1.0%	+10.8%	-
Operating Profit YoY	+35.9%	(18.9%)	(4.1%)	+58.2%	+3.1%	+30.8%	-
Recurring Profit YoY	+47.7%	(14.7%)	+6.1%	+24.2%	+5.0%	+31.0%	-
Profit Attributable to Owners of Parent YoY	+11.8%	(12.6%)	(17.7%)	+90.1%	+8.2%	+17.9%	-
Gross Profit Margin	17.0%	15.0%	15.0%	17.5%	18.4%	18.7%	+0.3%
SG&A Ratio	11.3%	10.6%	10.9%	11.7%	12.4%	11.6%	(0.8%)
Operating Profit Margin	5.8%	4.4%	4.1%	5.8%	6.0%	7.0%	+1.1%
Recurring Profit Margin	6.4%	5.1%	5.3%	5.9%	6.2%	7.3%	+1.1%
Profit Attributable to Owners of Parent Margin	3.6%	3.0%	2.4%	4.1%	4.4%	4.7%	+0.3%
Corporate Tax Rate	34.8%	34.1%	38.1%	27.1%	32.5%	-	-

Source: Company data; calculations by WRJ

Sales by Product Application

Sales by Product Application (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Food Packaging & Containers	25,999	27,283	28,659	31,283	31,607	-	-
IT & Industrial Materials	5,848	6,711	6,757	8,991	9,329	-	-
Consumer Product Packaging & Materials	4,293	4,554	4,697	4,258	4,284	-	-
Printing Sheets for Building Materials	1,908	2,114	2,048	1,908	1,995	-	-
Pharmaceuticals & Healthcare	1,315	1,311	1,403	1,568	1,554	-	-
Other	1,119	1,152	794	1,121	864	-	-
Sales	**40,485**	**43,128**	**44,362**	**49,132**	**49,635**	**55,000**	**+5,364**
Food Packaging & Containers	2,991	2,759	2,862	4,365	4,465	-	-
IT & Industrial Materials	1,758	1,688	1,492	1,773	2,209	-	-
Consumer Product Packaging & Materials	1,323	1,310	1,669	1,690	1,749	-	-
Printing Sheets for Building Materials	287	349	294	268	270	-	-
Pharmaceuticals & Healthcare	302	252	257	331	325	-	-
Other	226	122	72	175	116	-	-
Gross Profit	**6,889**	**6,482**	**6,649**	**8,604**	**9,137**	**10,274**	**+1,136**
Food Packaging & Containers	11.5%	10.1%	10.0%	14.0%	14.1%	-	-
IT & Industrial Materials	30.1%	25.2%	22.1%	19.7%	23.7%	-	-
Consumer Product Packaging & Materials	30.8%	28.8%	35.5%	39.7%	40.8%	-	-
Printing Sheets for Building Materials	15.0%	16.5%	14.4%	14.1%	13.6%	-	-
Pharmaceuticals & Healthcare	23.0%	19.2%	18.3%	21.1%	21.0%	-	-
Other	20.2%	10.6%	9.1%	15.6%	13.4%	-	-
Gross Profit Margin	**17.0%**	**15.0%**	**15.0%**	**17.5%**	**18.4%**	**18.7%**	**+0.3%**

Source: Company data; calculations by WRJ

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Cash and Deposits	4,881	5,103	7,532	7,642	7,657	-	-
Trade Receivables and Contract Assets	7,445	7,767	8,354	8,917	8,593	-	-
Electronically Recorded Monetary Claims-operating	1,938	2,239	2,598	2,989	3,542	-	-
Merchandise and Finished Goods	2,592	2,831	2,895	3,266	3,226	-	-
Work in Process	591	370	348	428	439	-	-
Raw Materials and Supplies	1,109	1,335	1,030	1,077	1,061	-	-
Other	243	231	379	392	719	-	-
Current Assets	**18,801**	**19,880**	**23,139**	**24,714**	**25,240**	**-**	**-**
Tangible Assets	13,147	12,830	12,987	12,730	12,618	-	-
Intangible Assets	378	369	487	428	344	-	-
Investments and Other Assets	1,607	1,499	1,868	2,101	2,320	-	-
Fixed Assets	**15,132**	**14,698**	**15,343**	**15,260**	**15,282**	**-**	**-**
Total Assets	**33,934**	**34,578**	**38,483**	**39,974**	**40,523**	**-**	**-**
Notes and Accounts Payable – Trade	4,237	4,160	4,806	4,842	4,070	-	-
Electronically Recorded Obligations-operating	3,743	3,925	4,269	4,038	4,027	-	-
Short-term Borrowings	5,005	5,312	4,913	4,209	3,609	-	-
Current Portion of Long-term Borrowings	677	673	850	880	945	-	-
Other	2,010	1,544	2,015	2,250	2,282	-	-
Current Liabilities	**15,674**	**15,616**	**16,854**	**16,220**	**14,934**	**-**	**-**
Long-term Borrowings	1,845	1,802	2,715	2,920	3,011	-	-
Other	737	690	416	519	484	-	-
Fixed Liabilities	**2,582**	**2,493**	**3,132**	**3,440**	**3,495**	**-**	**-**
Total Liabilities	**18,257**	**18,109**	**19,987**	**19,661**	**18,429**	**-**	**-**
Shareholders' Equity	**13,579**	**14,509**	**16,381**	**17,828**	**19,257**	**-**	**-**
Other	2,096	1,959	2,114	2,485	2,835	-	-
Net Assets	**15,676**	**16,469**	**18,496**	**20,313**	**22,093**	**-**	**-**
Total Liabilities & Net Assets	**33,934**	**34,578**	**38,483**	**39,974**	**40,523**	**-**	**-**
Equity Capital	14,332	15,402	17,568	19,314	21,028	-	-
Interest Bearing Debt	7,528	7,788	8,479	8,010	7,565	-	-
Net Debt	2,646	2,685	946	368	(91)	-	-
Equity Ratio	42.2%	44.5%	45.7%	48.3%	51.9%	-	-
Net Debt Equity Ratio	18.5%	17.4%	5.4%	1.9%	(0.4%)	-	-
ROE (12 months)	10.8%	8.6%	6.4%	10.9%	10.8%	-	-
ROA (12 months)	7.9%	6.4%	6.4%	7.4%	7.6%	-	-
Days for Inventory Turnover	47	45	41	43	43	-	-
Quick Ratio	79%	82%	94%	102%	109%	-	-
Current Ratio	120%	127%	137%	152%	169%	-	-

Source: Company data; calculations by WRJ

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
Operating Cash Flow	3,340	1,547	3,458	2,353	2,552	-	-
Investing Cash Flow	(1,628)	(775)	(2,533)	(1,156)	(1,272)	-	-
Operating Cash Flow and Investing Cash Flow	**1,711**	**772**	**925**	**1,197**	**1,280**	**-**	**-**
Financing Cash Flow	(782)	(683)	(32)	(1,240)	(1,277)	-	-

Source: Company data; calculations by WRJ

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act FY 02/2022	Cons.Act FY 02/2023	Cons.Act FY 02/2024	Cons.Act FY 02/2025	Cons.Act FY 02/2026	Cons.CoE FY 02/2027	YoY Net Chg.
No. of Shares FY End (thousand shares)	8,173	8,173	8,921	8,921	8,921	-	-
Net Profit / EPS (thousand shares)	8,172	8,172	8,232	8,918	8,878	-	-
Treasury Shares FY End (thousand shares)	1	1	1	2	72	-	-
Earnings Per Share	179.94	157.27	128.48	225.39	245.07	289.75	-
Earnings Per Share (Fully Diluted)	-	-	-	-	-	-	-
Book Value Per Share	1,753.79	1,884.69	1,969.69	2,165.73	2,376.42	-	-
Dividend Per Share	62.00	62.00	62.00	66.00	71.00	82.00	-
Per Share Data (After Adjustments for Split) (Yen)	**Cons.Act FY 02/2022**	**Cons.Act FY 02/2023**	**Cons.Act FY 02/2024**	**Cons.Act FY 02/2025**	**Cons.Act FY 02/2026**	**Cons.CoE FY 02/2027**	**YoY Net Chg.**
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	179.94	157.27	128.48	225.39	245.07	289.75	-
Book Value Per Share	1,753.79	1,884.69	1,969.69	2,165.73	2,376.42	-	-
Dividend Per Share	62.00	62.00	62.00	66.00	71.00	82.00	-
Payout Ratio	34.5%	39.4%	48.3%	29.3%	29.0%	28.3%	-

Source: Company data; calculations by WRJ

Disclaimer

The information presented herein has been compiled in report format by Walden Research Japan, which has summarized the “IR information” disclosed by the subject company from a neutral and professional standpoint. “IR information” refers specifically to: (1) the content of one-on-one interviews conducted with the Company by us, (2) briefings for institutional investors, (3) timely disclosure materials and (4) information published on the Company’s website.

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