

## Key Takeaways from the Q&A Session of the FY3/2025 Financial Briefing

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Date and Time	May 12, 2025, 11:00 AM - 12:00 PM (JST)	
Venue	Online	
Presenters	Yoshizumi Nishi,	Senior Managing Executive Officer, Member of the Senior Executives Meeting
	Hironobu Yamasaki,	Managing Executive Officer, Member of the Senior Executives Meeting

### Questions and Answers

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**Question:** Could you elaborate on the current progress and future strategies regarding price revisions?

**Answer:** Negotiations for price revisions of corrugated products have been almost completed, and nearly half of the initially planned increase has been implemented. We will continue to consider future price revisions while monitoring the economic situation. Given the social circumstances, we believe there is an understanding of the need to pass on the increase in fixed costs.

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**Question:** In light of free cash flow considerations, how might you reassess your capital investment strategy?

**Answer:** The ongoing capital investments are proceeding as planned, but for new projects, we recognize that it will be important to take the external environment into account.

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**Question:** Could you provide a detailed breakdown of your capital investment plans?

**Answer:** The main projects planned for completion this fiscal year include the expansion of the building at our Tokyo Plant (approximately 7 billion yen), fuel conversion at the Kanazu Mill (approximately 6.5 billion yen), heat countermeasures at the corrugated packaging and folding carton plants (approximately 2.5 billion yen), and the Shimizu Plant renewal (approximately 4.5 billion yen). In Germany, at TRICOR, the new Goch plant is expected to be completed this fiscal year (approximately 25 billion yen). These figures represent the estimated total investment amounts. Additionally, maintenance and updates at existing facilities require 50 to 60 billion yen annually.

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**Question:** What are the factors contributing to the projected decline in profits for the Overseas Business this fiscal year?

**Answer:** A key factor appears to be the economic downturn in Europe. However, we expect some improvement in China.

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**Question:** What are the reasons for the negative outlook in overseas flexible packaging?

**Answer:** The shift of trade flows from Singapore to the domestic market is expected to lead to overlaps with the domestic flexible packaging segment.

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**Question:** What is the outlook for the volume of domestic corrugated products?

**Answer:** The food sector, including fresh produce, is on a recovery trend, and we plan a 2% increase from the previous year.

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**Question:** What is the outlook for the price of old corrugated containers?

**Answer:** Last year, prices generally trended upward throughout the year, but they showed a slight decline towards the end of the fiscal year. For the current fiscal year, we are assuming that prices will remain flat at the level observed at the end of the previous fiscal year.

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**Question:** How do you perceive the level of the forecasted operating profit for this fiscal year?

**Answer:** We consider it the minimum level. We aim to secure a profit margin of 4%.

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