

# *Financial Results*

## *for the Six Months Ended September 30, 2021*



FP Corporation  
November 4, 2021

# ***Cautions for Handling This Material***

We have paid extremely close attention to the information provided and contained in the handouts. The forward-looking statements included in the information are our estimates based on the information available at the time of publication, and therefore contain potential risks and uncertainties.

Therefore, changes in a number of factors could cause actual results to differ materially from the future prospects described.

Information contained in the handouts for this session **must not be quoted, reprinted or copied without our prior permission.**

## **◆ Results and Plan**

Executive Vice President and Director,

Executive General Manager of Finance and Accounting Division      Isao Ikegami      . . .      4

## **◆ For Expansion of Corporate Value**

President and Representative Director      Morimasa Sato      . . .      15

◆ Supporting Data      . . .      81

# ***Financial Results*** ***for the Six Months Ended September 30, 2021***

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**Executive Vice President and Director,  
Executive General Manager of Finance and Accounting Division  
Isao Ikegami**



# Financial Results Summary

(For the Six Months Ended September 30, 2021)

|   | 1st half Performance |            |                      |            |                       |                  |          | 1 <sup>st</sup> half projections |            |                  | Full year projections(original) |            |                  | Full year projections (revised) |            |                  |
|---|----------------------|------------|----------------------|------------|-----------------------|------------------|----------|----------------------------------|------------|------------------|---------------------------------|------------|------------------|---------------------------------|------------|------------------|
| Unit: million yen                                       | FY ended March 2021  |            | FY ending March 2022 |            |                       |                  |          | FY ending March 2022             |            |                  | FY ending March 2022            |            |                  | FY ending March 2022            |            |                  |
|   | Performance          | Percentage | Performance          | Percentage | Increase/<br>decrease | Year-on<br>-year | Quantity | Planned                          | Percentage | Progress<br>rate | Planned                         | Percentage | Progress<br>rate | Planned                         | Percentage | Progress<br>rate |
| Trays   | 18,995               | 20.7       | 19,559               | 20.1       | +564                  | 103.0%           | 102.9%   | 20,034                           | 20.7       | 97.6%            | 41,223                          | 21.1       | 47.4%            | 41,223                          | 21.1       | 47.4%            |
| Lunchboxes and<br>prepared food containers              | 51,542               | 56.1       | 54,237               | 55.7       | +2,694                | 105.2%           | 107.4%   | 54,661                           | 56.5       | 99.2%            | 109,088                         | 55.9       | 49.7%            | 109,088                         | 55.9       | 49.7%            |
| Subtotal  | 70,537               | 76.8       | 73,797               | 75.8       | +3,259                | 104.6%           | 105.8%   | 74,695                           | 77.2       | 98.8%            | 150,311                         | 77.1       | 49.1%            | 150,311                         | 77.1       | 49.1%            |
| Other products  | 1,489                | 1.6        | 1,566                | 1.6        | +77                   | 105.2%           |          | 1,504                            | 1.6        | 104.2%           | 3,088                           | 1.6        | 50.7%            | 3,088                           | 1.6        | 50.7%            |
| Sales of products                                       | 72,026               | 78.4       | 75,364               | 77.4       | +3,337                | 104.6%           |          | 76,200                           | 78.8       | 98.9%            | 153,400                         | 78.7       | 49.1%            | 153,400                         | 78.7       | 49.1%            |
| packaging materials                                     | 19,046               | 20.7       | 20,995               | 21.6       | +1,949                | 110.2%           |          | 19,713                           | 20.4       | 106.5%           | 39,903                          | 20.5       | 52.6%            | 39,903                          | 20.5       | 52.6%            |
| Other goods   | 778                  | 0.8        | 1,008                | 1.0        | +229                  | 129.4%           |          | 786                              | 0.8        | 128.2%           | 1,696                           | 0.9        | 59.4%            | 1,696                           | 0.9        | 59.4%            |
| Sales of goods  | 19,824               | 21.6       | 22,003               | 22.6       | +2,178                | 111.0%           |          | 20,500                           | 21.2       | 107.3%           | 41,600                          | 21.3       | 52.9%            | 41,600                          | 21.3       | 52.9%            |
| Net Sales ※   | 91,851               | 100.0      | 97,367               | 100.0      | +5,515                | 106.0%           |          | 96,700                           | 100.0      | 100.7%           | 195,000                         | 100.0      | 49.9%            | 195,000                         | 100.0      | 49.9%            |
| Operating profit  | 8,311                | 9.0        | 8,548                | 8.8        | +237                  | 102.9%           |          | 8,780                            | 9.1        | 97.4%            | 19,600                          | 10.1       | 43.6%            | 17,400                          | 8.9        | 49.1%            |
| Ordinary profit   | 8,564                | 9.3        | 8,907                | 9.1        | +342                  | 104.0%           |          | 9,100                            | 9.4        | 97.9%            | 20,200                          | 10.4       | 44.1%            | 18,000                          | 9.2        | 49.5%            |
| Profit attribute to<br>owners of parent                 | 5,653                | 6.2        | 5,803                | 6.0        | +149                  | 102.7%           |          | 5,840                            | 6.0        | 99.4%            | 12,900                          | 6.6        | 45.0%            | 11,530                          | 5.9        | 50.3%            |
| Ordinary profit before<br>depreciation and amortization | 15,386               |            | 15,632               |            | +245                  | 101.6%           |          | 15,890                           | 98.4%      |                  | 33,960                          | 46.0%      |                  | 31,760                          | 49.2%      |                  |

**Record high**

Highest-ever first-half sales achieved in 7 consecutive years

First-half operating profit, ordinary profit, and profit attribute to owners of parent grew for 3 consecutive years

※Accounting Standard for Revenue Recognition is applied from FY2022.

Some accounting categories are reclassified and applied retroactively in the fiscal year ended March 2021.

<Amount of financial impact on 1<sup>st</sup> half of FY2021> Sales: JPY 4,543 mil. (Trading: JPY 1,883 mil. Sales commission: JPY2,660 mil.)

## ■Sales

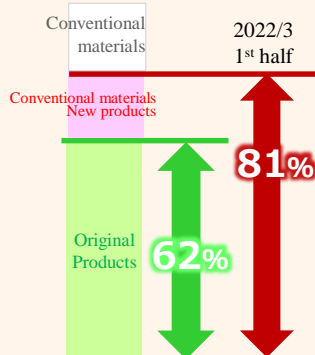
### Products

- Strong shipments of containers for supermarkets.
- Takeout and delivery market expanded.
- Firm shipments of environmentally friendly products

### Goods

- Utilization of E-commerce site "PACK MARKET", to expand sales of sanitary and other goods.

## ◇Product sales composition



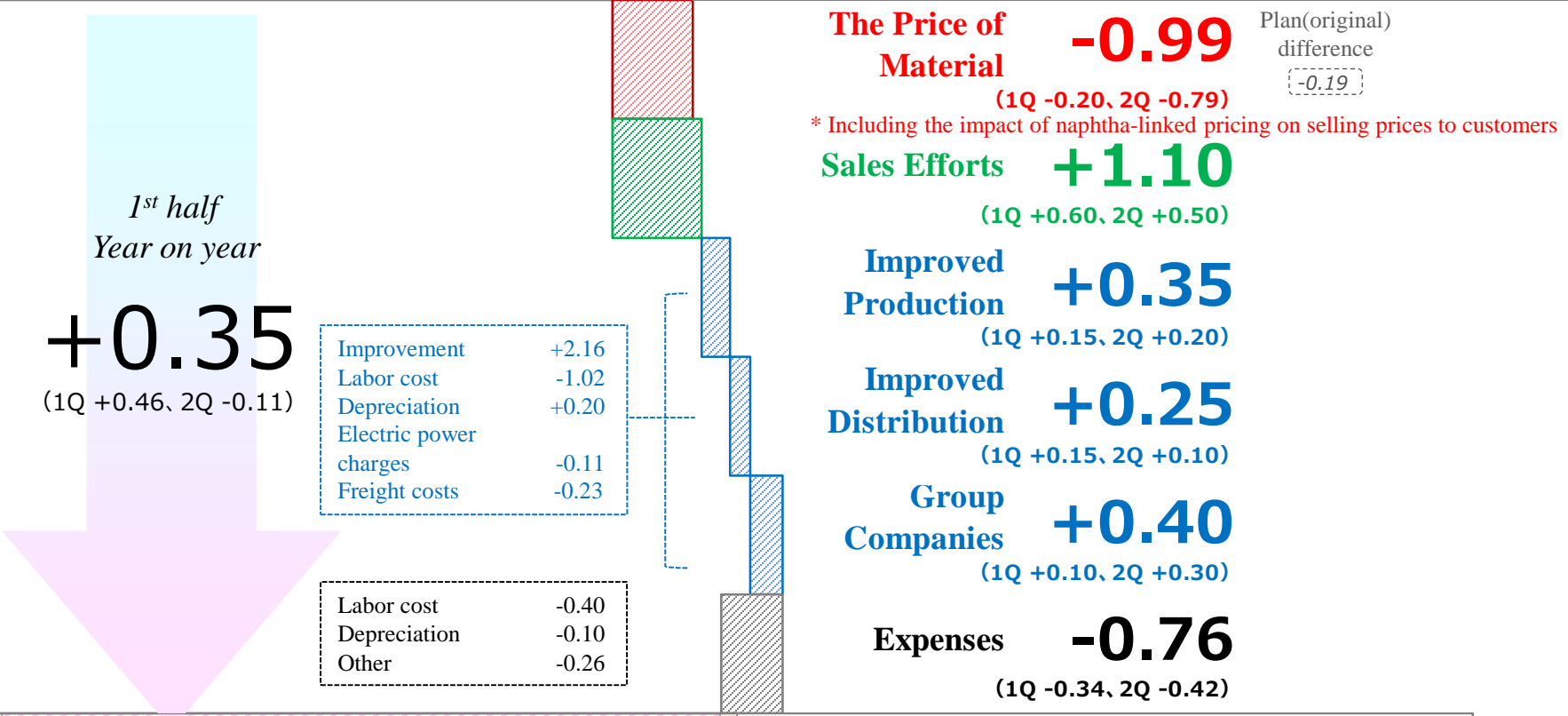
## ◇Year-on-year

|                       | 1Q results | 2Q results | 1 <sup>st</sup> half results | 2 <sup>nd</sup> half plan(revised) | Full year plan(revised) |
|-----------------------|------------|------------|------------------------------|------------------------------------|-------------------------|
| Sales of products     | 104.4%     | 104.9%     | 104.6%                       | 104.4%                             | 104.5%                  |
| Quantity              | 105.6%     | 106.0%     | 105.8%                       | 104.5%                             | 105.2%                  |
| Ordinary profit       | 112.0%     | 97.5%      | 104.0%                       | 84.1%                              | 92.9%                   |
| Ordinary profit ratio | 9.0%       | 9.3%       | 9.1%                         | 9.3%                               | 9.2%                    |

# Results for Increase/Decrease in Ordinary Profit (For the Six Months Ended September 30, 2021)

Unit: billion yen

|                                    |                            |
|------------------------------------|----------------------------|
| Fiscal year ended March 2021 19.38 |                            |
| 1 <sup>st</sup> half 8.56          | 2 <sup>nd</sup> half 10.82 |



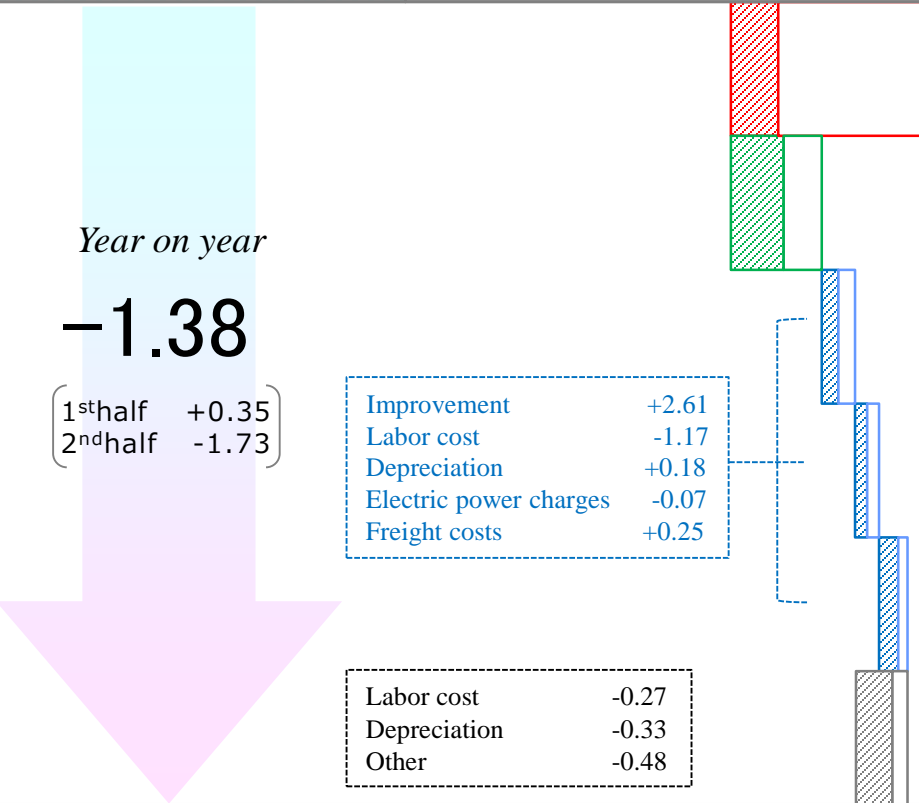
|                           |                                   |
|---------------------------|-----------------------------------|
| 1 <sup>st</sup> half 8.91 | 2 <sup>nd</sup> half outlook 9.09 |
|---------------------------|-----------------------------------|

|                                     |  |
|-------------------------------------|--|
| Fiscal year ending March 2022 18.00 |  |
|-------------------------------------|--|

# Outlook for Increase/Decrease in Ordinary Profit

Outlook( Oct.29) Unit: billion yen

|                                    |                |
|------------------------------------|----------------|
| Fiscal year ended March 2021 19.38 |                |
| 1st half 8.56                      | 2nd half 10.82 |



The Price of Material -4.00

(1st half -0.99, 2nd half -3.01)

\* Including the impact of naphtha-linked pricing on selling prices to customers

Sales Efforts +1.90

(1st half +1.10, 2nd half +0.80)

Improved Production +0.70

(1st half +0.35, 2nd half +0.35)

Improved Distribution +0.50

(1st half +0.25, 2nd half +0.25)

Group Companies +0.60

(1st half +0.40, 2nd half +0.20)

Expenses -1.08

(1st half -0.76, 2nd half -0.32)

| Plan(original) difference | 1st half difference | Changes in the 2nd half outlook |
|---------------------------|---------------------|---------------------------------|
| -2.20                     | -0.19               | -2.01                           |

The impact of the revision of product prices announced on October 29, 2021 is not factored into the revised performance forecast due to the difficulty of determining the amount of impact at the present time.

|                               |      |                                       |                              |       |                                       |       |
|-------------------------------|------|---------------------------------------|------------------------------|-------|---------------------------------------|-------|
| 1 <sup>st</sup> half          | 8.91 | Plan(original)<br>difference<br>-0.19 | 2 <sup>nd</sup> half outlook | 9.09  | Plan(original)<br>difference<br>-2.01 | 11.10 |
|                               |      | 9.10                                  |                              |       |                                       |       |
| Fiscal year ending March 2022 |      |                                       |                              | 18.00 | Plan(original)<br>difference<br>-2.20 | 20.20 |

# Capital Investments and R&D Costs

(Result for the Six Months Ended September 30, 2021)

| Unit: million yen                   | 1st half performance |                      |                     |              | 1 <sup>st</sup> half projections |               | Full year projections |               |
|-------------------------------------|----------------------|----------------------|---------------------|--------------|----------------------------------|---------------|-----------------------|---------------|
|                                     | FY ended March 2021  | FY ending March 2022 |                     |              | FY ending March 2022             |               | FY ending March 2022  |               |
|                                     | Performance          | Performance          | Increase / decrease | Year-on-year | Planned                          | Progress rate | Planned               | Progress rate |
| Tangible fixed assets               | 8,025                | 14,860               | +6,835              | 185.2%       | 13,600                           | 109.3%        | 26,600                | 55.9%         |
| Intangible fixed assets             | 178                  | 182                  | +4                  | 102.6%       | 300                              | 61.0%         | 500                   | 36.6%         |
| Capital investments                 | 8,203                | 15,043               | +6,839              | 183.4%       | 13,900                           | 108.2%        | 27,100                | 55.5%         |
| Depreciation and amortization costs | 6,821                | 6,725                | -96                 | 98.6%        | 6,790                            | 99.0%         | 13,760                | 48.9%         |
| Research and development costs      | 562                  | 563                  | +0                  | 100.1%       | 665                              | 84.7%         | 1,335                 | 42.2%         |

## Major Capital Investments

Unit: million yen

### Investment in original products:

#### Improving production capacity and quality of Eco APET products

- ◆ Eco APET materials: Increase in the productivity (Kanto, Chubu)
- ◆ Eco APET materials: Quality improvement by pelletizing (Chubu)

### Investment corresponding to expansion of the sales quantity:

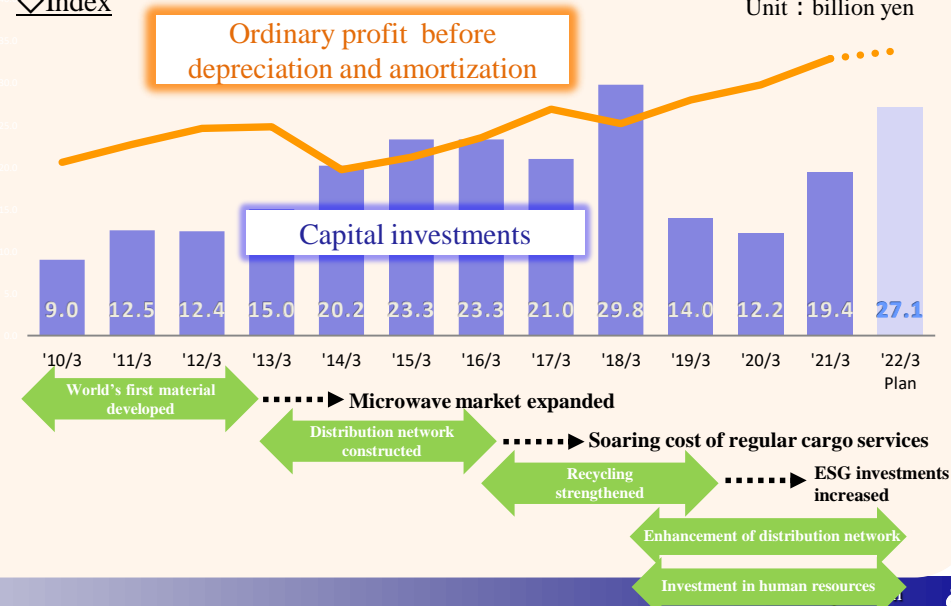
#### Stable supply, Efficiency improvement, Maintenance of working environment

- ◆ Introduction of automation facilities
- ◆ Capacity enhancement for foamed PS products
- ◆ Reinforcement of the production capacity of Conventional material products
- ◆ Chubu Hub Center expansion
- ◆ Rebuilding of Chubu Plant 1
- ◆ Kansai Plant and Kansai Hub Center
- ◆ Pico House No.5
- ◆ Molds
- ◆ IT investments

Total investment Plan in period 1st half performance

## ◇Index

Unit : billion yen



# Balance Sheet

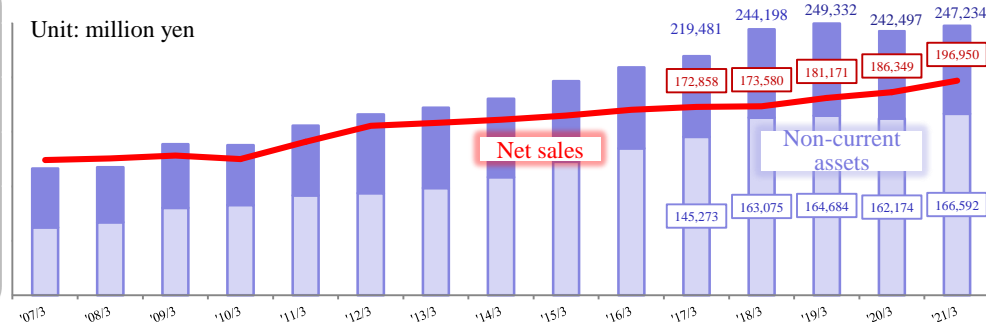
(Result for the Six Months Ended September 30, 2021)

| Unit: million yen                | Previous consolidated fiscal year           | First half of the consolidated fiscal year |                       |                  |  |
|----------------------------------|---|--|-----------------------|------------------|--|
|                                  | FY ended March 2021<br>As of March 31, 2021 | As of September 30, 2022                   | Increase/<br>decrease | Year-on-<br>year | Breakdown of<br>main increases and decreases   |
| Current assets                   | 80,641                                      | 86,752                                     | + 6,111               | 107.6%           | Cash and deposits + 1,695<br>Notes and accounts receivable-trade + 2,911<br>Merchandise and finished goods + 240<br>Raw materials and supplies + 415 |
| Noncurrent assets                | 166,592                                     | 174,866                                    | + 8,274               | 105.0%           | Buildings and structures, net + 3,600<br>Machinery, equipment and vehicles, net + 594  |
| Total assets                     | 247,234                                     | 261,619                                    | + 14,385              | 105.8%           |  |
| Current liabilities              | 78,527                                      | 82,580                                     | + 4,053               | 105.2%           | Accounts payable - trade + 1,832<br>Income taxes payable - 2,351   |
| Noncurrent liabilities           | 43,726                                      | 50,115                                     | + 6,389               | 114.6%           | Long-term loans payable + 6,007  |
| Total liabilities                | 122,253                                     | 132,696                                    | + 10,442              | 108.5%           |  |
| Net assets                       | 124,980                                     | 128,923                                    | + 3,942               | 103.2%           | Retained earnings + 3,840<br>Capital surplus + 57  |
| Total liabilities and net assets | 247,234                                     | 261,619                                    | + 14,385              | 105.8%           |  |

Equity ratio 49.0%

- Assets Strategic investments for boosting the production capacity of original products and ensuring stable supply
- Liabilities Utilization of borrowing as capital for strategic investment
- Net assets Strengthening of the management structure  
Preparation for expanding business flexibly

## ◇Changes in Net sales/Total assets



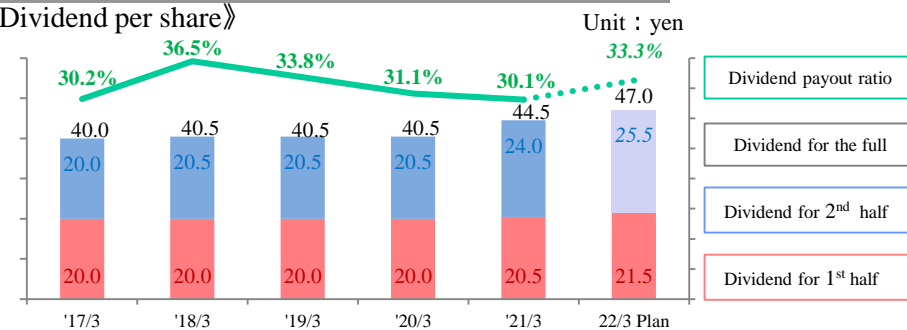
# Cash Flows

(Result for the Six Months Ended September 30, 2021)

| Unit: million yen                                  | FY ended March 2021<br>Performance | Results for 1st half |   |
|--|------------------------------------|----------------------|---|
|  |                                    | Performance          | FY ending March 2022<br>Breakdown of main items   |
| CF from operating activities                       | 13,053                             | 9,274                | Profit before income taxes 8,554<br>Depreciation 6,725<br>Loss on tax purpose reduction entry of non-current assets 2,229<br>Decrease (increase) in notes and accounts receivable - trade -2,903<br>Decrease (increase) in inventories -688 |
| CF from investing activities                       | -7,321                             | -9,114               | Purchase of property, plant and equipment -8,985  |
| Free cash flows                                    | 5,731                              | 159                  |   |
| CF from financing activities                       | -5,911                             | 1,535                | Proceeds from long-term loans payable 14,000<br>Repayment of long-term loans payable -9,672<br>Repayments of lease obligations -795<br>Cash dividends paid -1,963   |
| Net increase(decrease)in cash and cash equivalents | -179                               | 1,695                |   |
| Cash and cash equivalents at end of period         | 20,108                             | 19,580               |   |

- CF from operating activities  
Ensuring profit by selling original products and streamlining efforts
- CF from investing activities  
Strategic investment to construct the bases to make a profit for future
- CF from financing activities  
Continuously stable dividend  
Treasury shares acquired for improving capital efficiency and providing shareholder returns

《Dividend per share》



\* On October 1, 2020, the Company implemented a two-for-one common stock split.  
The indicated dividend amount is based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2017.

***Original Plan***  
***for the Fiscal Year Ending March 2022***

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# Outline of Plan for Account Settlement

(For the FY Ending March 2022)

| Unit: million yen                          | Results for Full year |            | Full year projections |            |                       |                  | First half projections |            |                       |                  |
|--|-----------------------|------------|-----------------------|------------|-----------------------|------------------|------------------------|------------|-----------------------|------------------|
|  | FY ended March 2021   |            | FY ending March 2022  |            |                       |                  | FY ending March 2022   |            |                       |                  |
|  | Performance           | percentage | Planned               | percentage | increase/<br>decrease | Year-on<br>-year | Planned                | percentage | increase/<br>decrease | Year-on<br>-year |
| Trays                                      | 39,046                | 20.8       | 41,223                | 21.1       | +2,176                | 105.6%           | 20,034                 | 20.7       | +1,039                | 105.5%           |
| Lunchboxes and<br>prepared food containers | 104,681               | 55.8       | 109,088               | 55.9       | +4,406                | 104.2%           | 54,661                 | 56.5       | +3,118                | 106.1%           |
| Subtotal                                   | 143,728               | 76.7       | 150,311               | 77.1       | +6,582                | 104.6%           | 74,695                 | 77.2       | +4,158                | 105.9%           |
| Other products                             | 3,058                 | 1.6        | 3,088                 | 1.6        | +30                   | 101.0%           | 1,504                  | 1.6        | +14                   | 101.0%           |
| Sales of products                          | 146,786               | 78.3       | 153,400               | 78.7       | +6,613                | 104.5%           | 76,200                 | 78.8       | +4,173                | 105.8%           |
| packaging materials                        | 39,043                | 20.8       | 39,903                | 20.5       | +859                  | 102.2%           | 19,713                 | 20.4       | +667                  | 103.5%           |
| Other goods                                | 1,679                 | 0.9        | 1,696                 | 0.9        | +16                   | 101.0%           | 786                    | 0.8        | +7                    | 101.0%           |
| Sales of goods                             | 40,723                | 21.7       | 41,600                | 21.3       | +876                  | 102.2%           | 20,500                 | 21.2       | +675                  | 103.4%           |
| Net Sales ※                                | 187,509               | 100.0      | 195,000               | 100.0      | +7,490                | 104.0%           | 96,700                 | 100.0      | +4,848                | 105.3%           |
| Operating profit                           | 18,763                | 10.0       | 19,600                | 10.1       | +836                  | 104.5%           | 8,780                  | 9.1        | +468                  | 105.6%           |
| Ordinary profit                            | 19,381                | 10.3       | 20,200                | 10.4       | +818                  | 104.2%           | 9,100                  | 9.4        | +535                  | 106.3%           |
| Profit attribute to<br>owners of parent    | 12,211                | 6.5        | 12,900                | 6.6        | +688                  | 105.6%           | 5,840                  | 6.0        | +186                  | 103.3%           |

Ordinary profit before  
depreciation and amortization

32,991

33,960

+968 102.9%

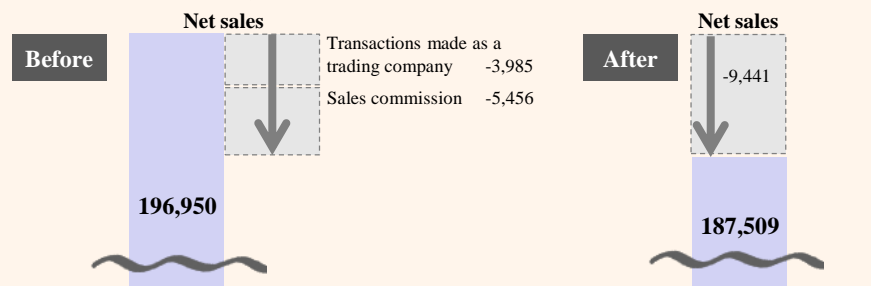
15,890

+503 103.3%

\*After the change of the revenue recognition standard/ After the reclassification of items

## Impact of the change of the revenue recognition standard (fiscal year ended March 31, 2021)

(Million yen)



## Comparisons with the previous year's plan

|                       | 1st half plan | 2nd half plan | Full-year plan |
|-----------------------|---------------|---------------|----------------|
| Sales of products     | 105.8%        | 103.3%        | 104.5%         |
| Quantity              | 107.0%        | 104.0%        | 105.5%         |
| Ordinary profit       | 106.3%        | 102.6%        | 104.2%         |
| Ordinary profit ratio | 9.4%          | 11.3%         | 10.4%          |



# Outlook for Increase/Decrease in Ordinary Profit (For the FY Ending March 2022)

Outlook(Apr 28 2021)

Unit: billion yen

FY ended March 2021 19.38

1<sup>st</sup> half 8.56

2<sup>nd</sup> half 10.82

Year on year  
**+0.82**

(1<sup>st</sup>half +0.54  
2<sup>nd</sup>half +0.28)

|                        |       |
|------------------------|-------|
| Improvement            | +2.61 |
| Labor cost             | -1.17 |
| Depreciation           | +0.18 |
| Electric power charges | -0.07 |
| Freight costs          | +0.25 |

|              |       |
|--------------|-------|
| Labor cost   | -0.27 |
| Depreciation | -0.33 |
| Other        | -0.48 |

FY ending  
March 2022

1<sup>st</sup> half outlook 9.10

2<sup>nd</sup> half outlook 11.10

Full year outlook 20.20

**The Price of Material -1.80**

(1<sup>st</sup> half -0.80, 2<sup>nd</sup> half -1.00)

\* Including the impact of naphtha-linked pricing on selling prices to customers

**Sales Efforts +1.90**

(1<sup>st</sup> half +1.10, 2<sup>nd</sup> half +0.80)

**Improved Production +0.70**

(1<sup>st</sup> half +0.35, 2<sup>nd</sup> half +0.35)

**Improved Distribution +0.50**

(1<sup>st</sup> half +0.25, 2<sup>nd</sup> half +0.25)

**Group Companies +0.60**

(1<sup>st</sup> half +0.40, 2<sup>nd</sup> half +0.20)

**Expenses -1.08**

(1<sup>st</sup> half -0.76, 2<sup>nd</sup> half -0.32)

# Planned Capital Investment and R&D Cost

(For the FY Ending March 2022)

| Unit: million yen                   | Results for Full year | Full year projections |                     |              | First half projections |                     |               |
|-------------------------------------|-----------------------|-----------------------|---------------------|--------------|------------------------|---------------------|---------------|
|                                     | FY ended March 2021   | FY ending March 2022  |                     |              | FY ending March 2022   |                     |               |
|                                     | Performance           | Planned               | Increase / decrease | Year-on-year | Planned                | Increase / decrease | Progress rate |
| Tangible fixed assets               | 19,105                | 26,600                | +7,494              | 139.2%       | 13,600                 | +5,574              | 169.5%        |
| Intangible fixed assets             | 306                   | 500                   | +193                | 163.0%       | 300                    | +121                | 168.4%        |
| Capital investments                 | 19,412                | 27,100                | +7,687              | 139.6%       | 13,900                 | +5,696              | 169.4%        |
| Depreciation and amortization costs | 13,609                | 13,760                | +150                | 101.1%       | 6,790                  | -31                 | 99.5%         |
| Research and development costs      | 1,195                 | 1,335                 | +139                | 111.7%       | 665                    | +102                | 118.1%        |

## Major capital investments

unit: million yen

### Investment in original products:

#### Improving production capacity and quality of Eco APET products

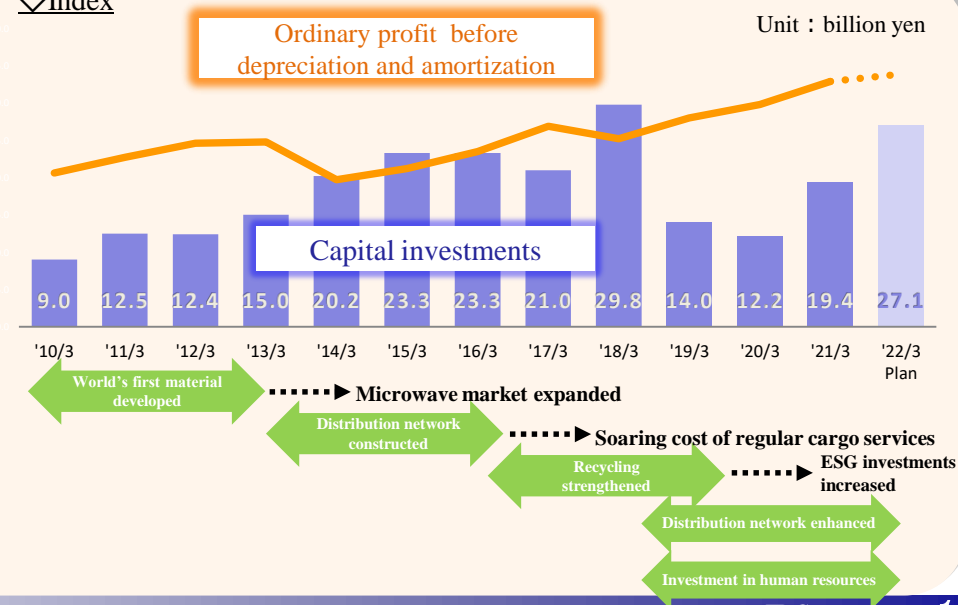
|  |       |       |
|--|-------|-------|
| ◆ Eco APET materials: Increase in productivity (Kanto, Chubu)    | 1,135 | 1,135 |
| ◆ Eco APET materials: Quality improvement by pelletizing (Chubu) | 793   | 73    |

### Investment corresponding to expansion of the sales quantity:

#### Stable supply, Efficiency improvement, Maintenance of working environment

|   |                                |        |       |
|---|--------------------------------|--------|-------|
| ◆ Introduction of automation facilities   |                                |        | 224   |
| ◆ Capacity enhancement for PSP products   |                                | 1,222  | 1,222 |
| ◆ Reinforcement of the production capacity of Conventional materials New products |                                | 625    | 625   |
| ◆ Chubu Cross Dock Center extension   | To be inaugurated in Sep. 2021 | 5,285  | 3,290 |
| ◆ Rebuilding of Chubu Plant 1   | To be inaugurated in May 2022  | 6,693  | 2,198 |
| ◆ New plant and the distribution center of the new facility in Hyogo              | To be inaugurated in Sep. 2022 | 25,261 | 6,718 |
| ◆ Pico House No.5   | To be inaugurated in Sep. 2022 | 2,305  | 185   |
| ◆ Molds   |                                |        | 1,852 |
| ◆ IT investments  |                                |        | 635   |

## ◇Index



# *To Increase Corporate Value*

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President and Representative Director

Morimasa Sato



株式会社 **IFCO**

# Contents

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- **Market Conditions**
- **Stable Supply**
- **Actions for Recycling and the SDGs**
- **Streamlining of Logistics**
- **Strategic Investment**
- **Growth Strategy**

# Market Conditions



# Retail Industry

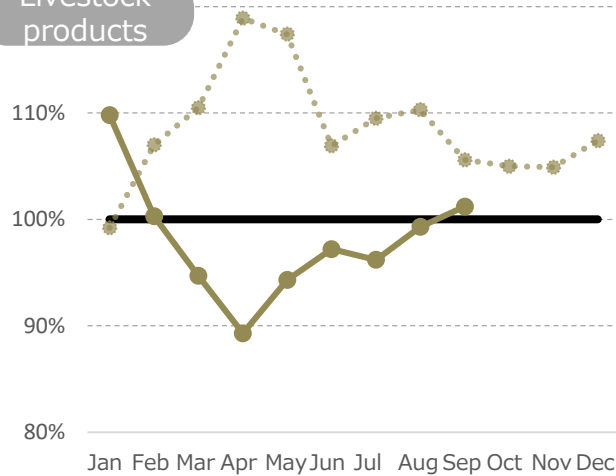
····· 2020

—●— 2021

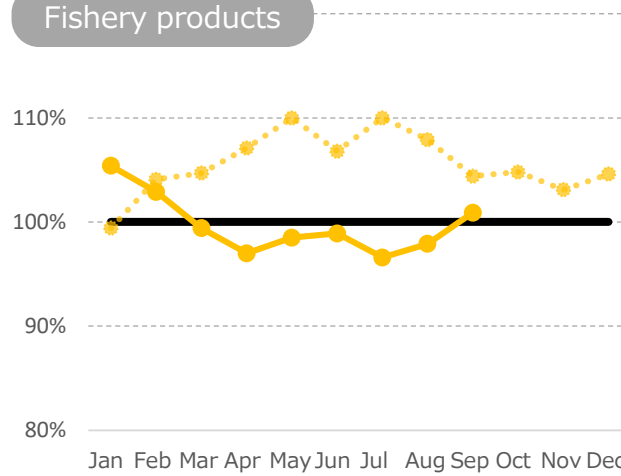
## Supermarkets

Source: Japan Supermarkets Association  
(Year-on-year changes in sales at existing stores)

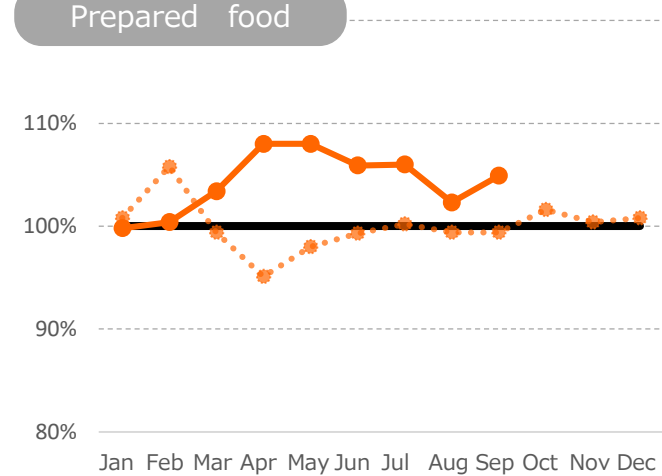
### Livestock products



### Fishery products



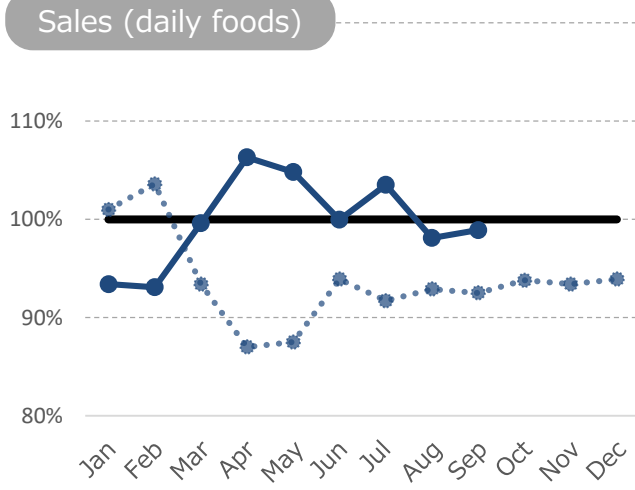
### Prepared food



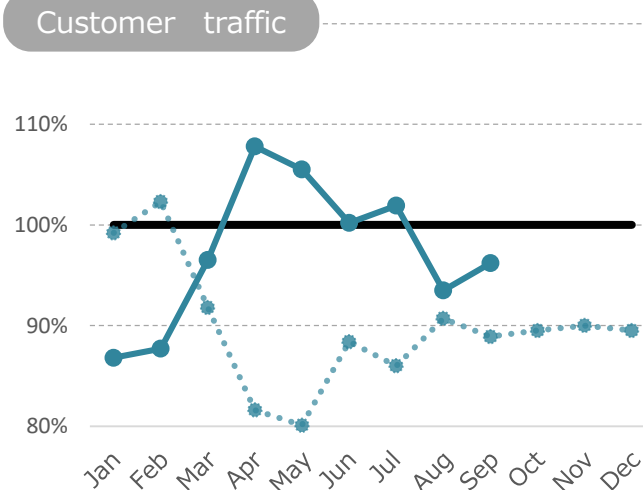
## Convenience stores

Source: Japan Franchise Association  
(Year-on-year changes at existing stores)

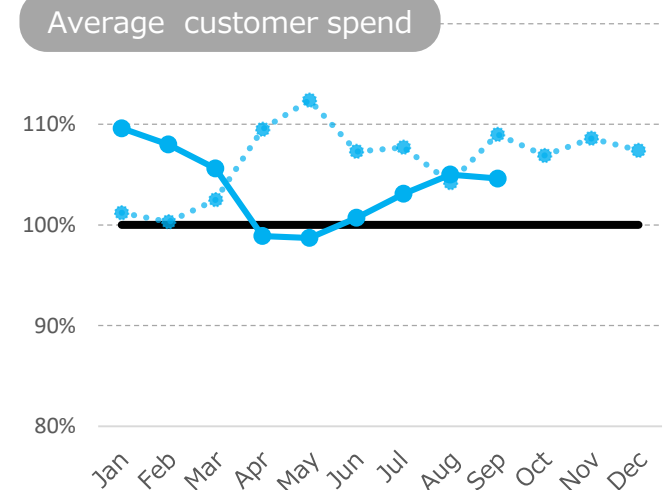
### Sales (daily foods)



### Customer traffic



### Average customer spend



# Takeout and Delivery

Eating out

Approx. **26.0** trillion yen  
(2019)

Eating out at home



Home meal replacement

Approx. **9.8** trillion yen  
(2020)

Size of the  
takeout food market

Approx. **1.25** trillion yen  
(2020)

Takeout



Delivery



Food delivery service operator

Delivered  
food market

Approx. **0.46** trillion yen  
(2020)

**With**  
dine-in areas

Fast food

Family restaurants

Restaurants

**Without**  
dine-in areas

Delivery-only establishment

Ghost restaurant

Food trucks

# Suggesting Added Value

## Good taste

Two-tier structure

Prevents noodles from becoming soggy soon  
Prevents rice from getting sticky



## Quality retention

Inner snap-lock lid

Leak-proof

Stack & Connect design

Prevents collapsing



## Differentiation

Wood-like box-type containers

Adding a touch of class



## Expansion

Color variations

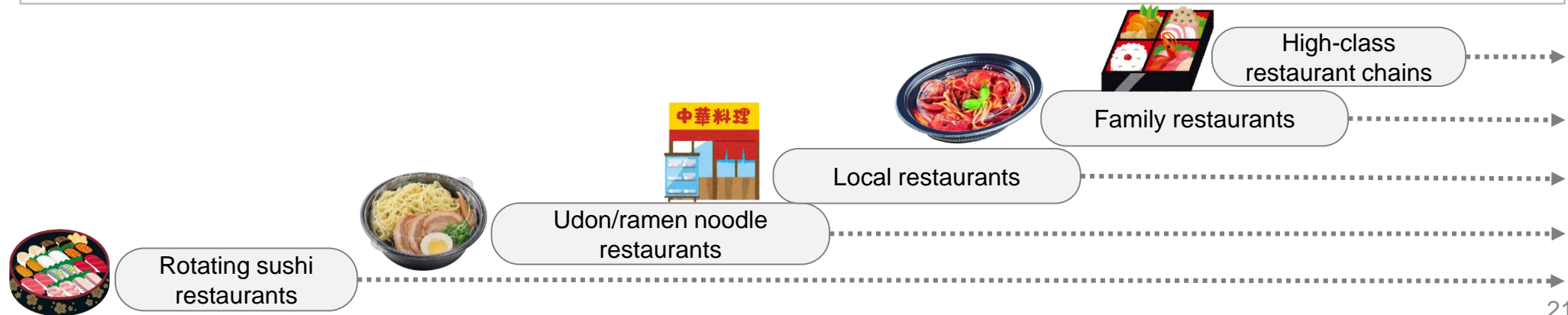
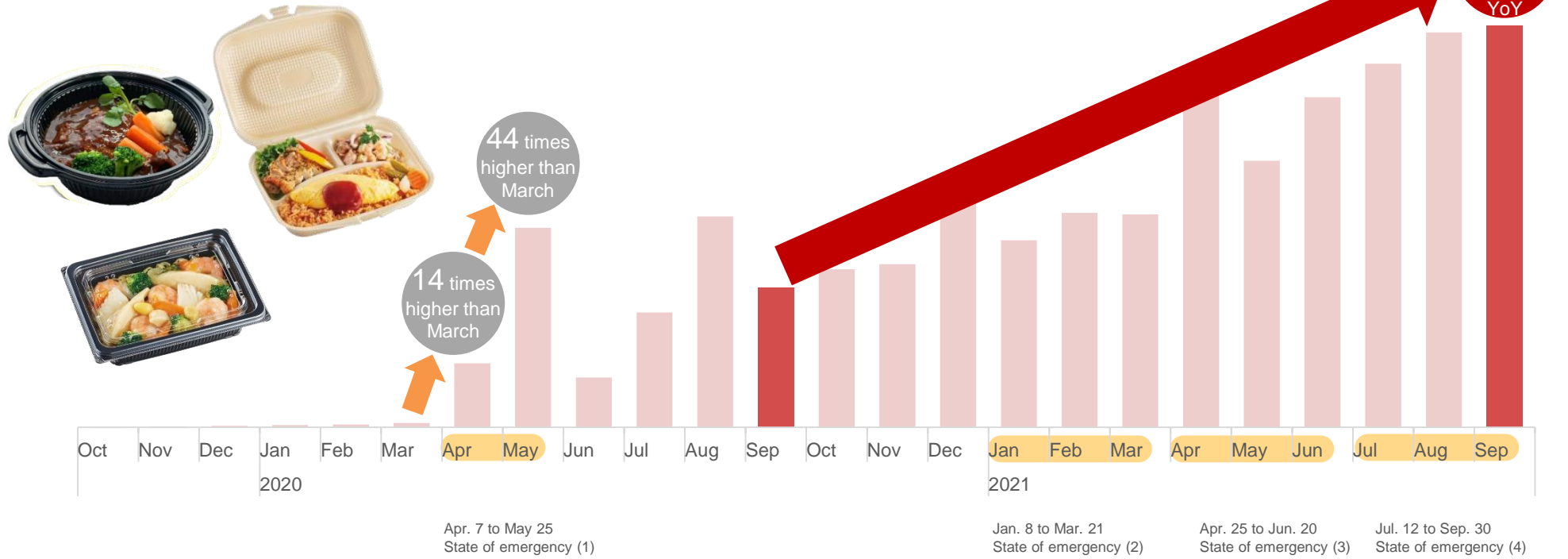
Social media worthy





# For a Wider Variety of Restaurants and Menus

## DLV Series shipment results



# Initiatives to Improve Visibility: (1)Pack Market

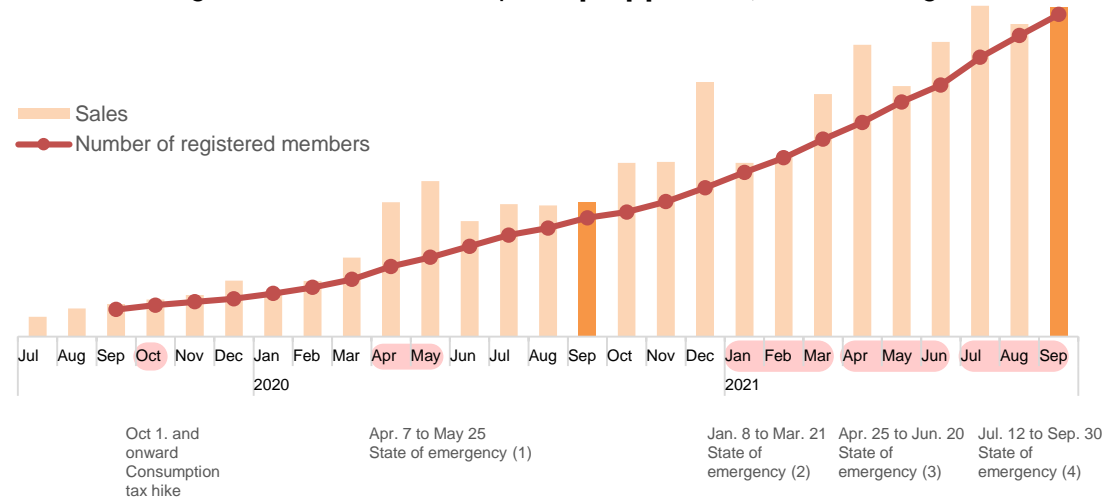
## E-commerce site offering packaging materials



## Sales and number of registered members

Sales in Sept. **Up approx. 2.4 times YoY**

No. of registered members in Sept. **Up approx. 1,100 from Aug.**



## Web marketing

Advertising and SEO



## Radio commercials

Broadcast on NACK5, an FM radio station,  
during Apr. to Sept. 2021  
5 times a week (Mon., Tue., Thurs., Fri., and Sat.)

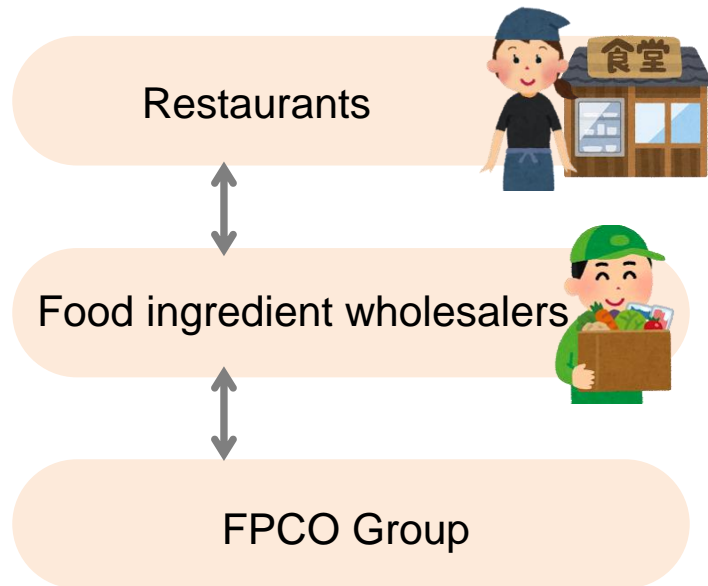


## Official app

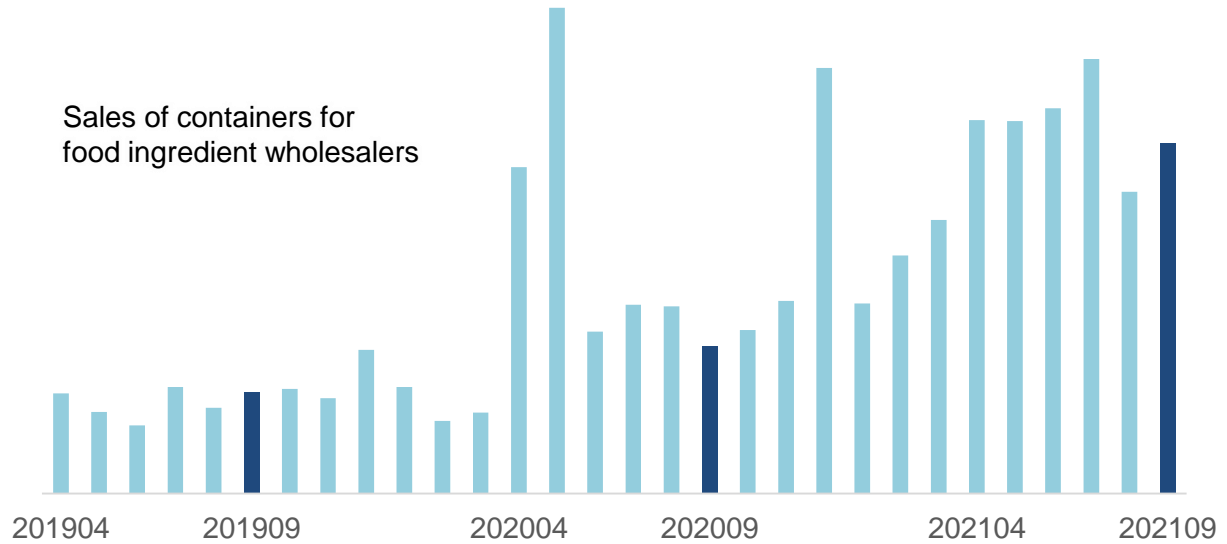
Released on Jul. 21, 2021



# New Sales Channel to the Restaurant Industry and Collaborations with Food Ingredient Wholesalers



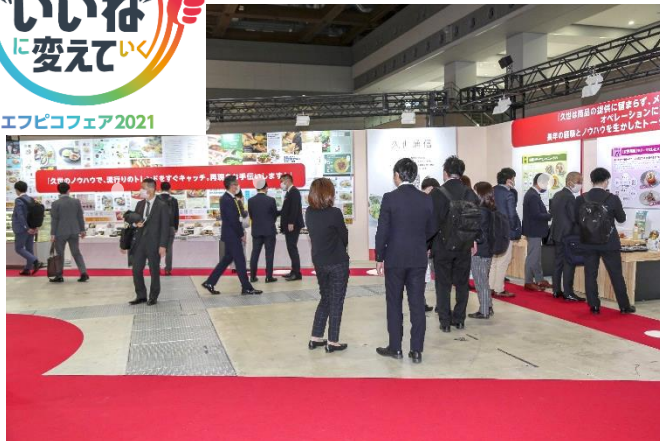
Sales of containers for food ingredient wholesalers



Up approx. **2** times YoY

Up approx. **3.5** times from Sept. 2019

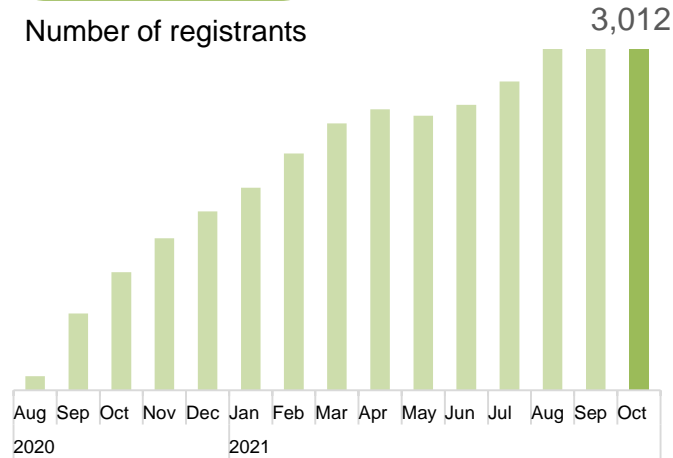
FPCO Fair 2021: Booth run in collaboration with Kuze Co., Ltd.



# Initiatives to Improve Visibility: (2) Branding

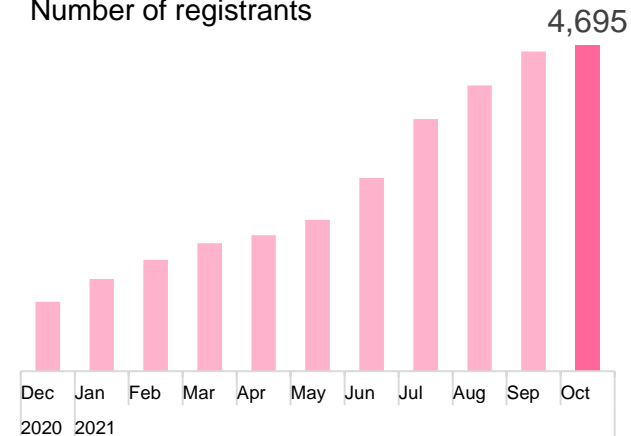
## LINE

Number of registrants



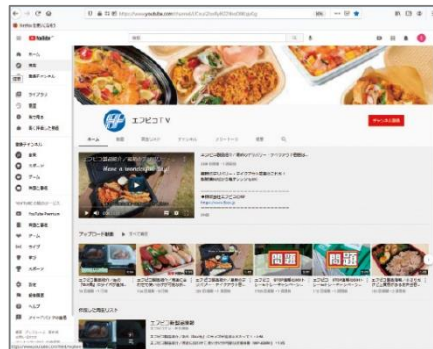
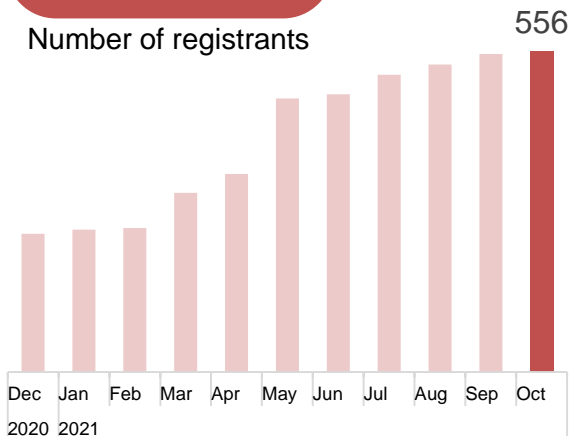
## Instagram

Number of registrants



## YouTube

Number of registrants



## LINE

@629njlmr



New product information is delivered on Tuesdays and Fridays.

## Instagram

fpco.info



Information about new products and delicious food is posted every day.

## YouTube

FPCO TV



Videos introducing new products and recycling activities



# Stable Supply

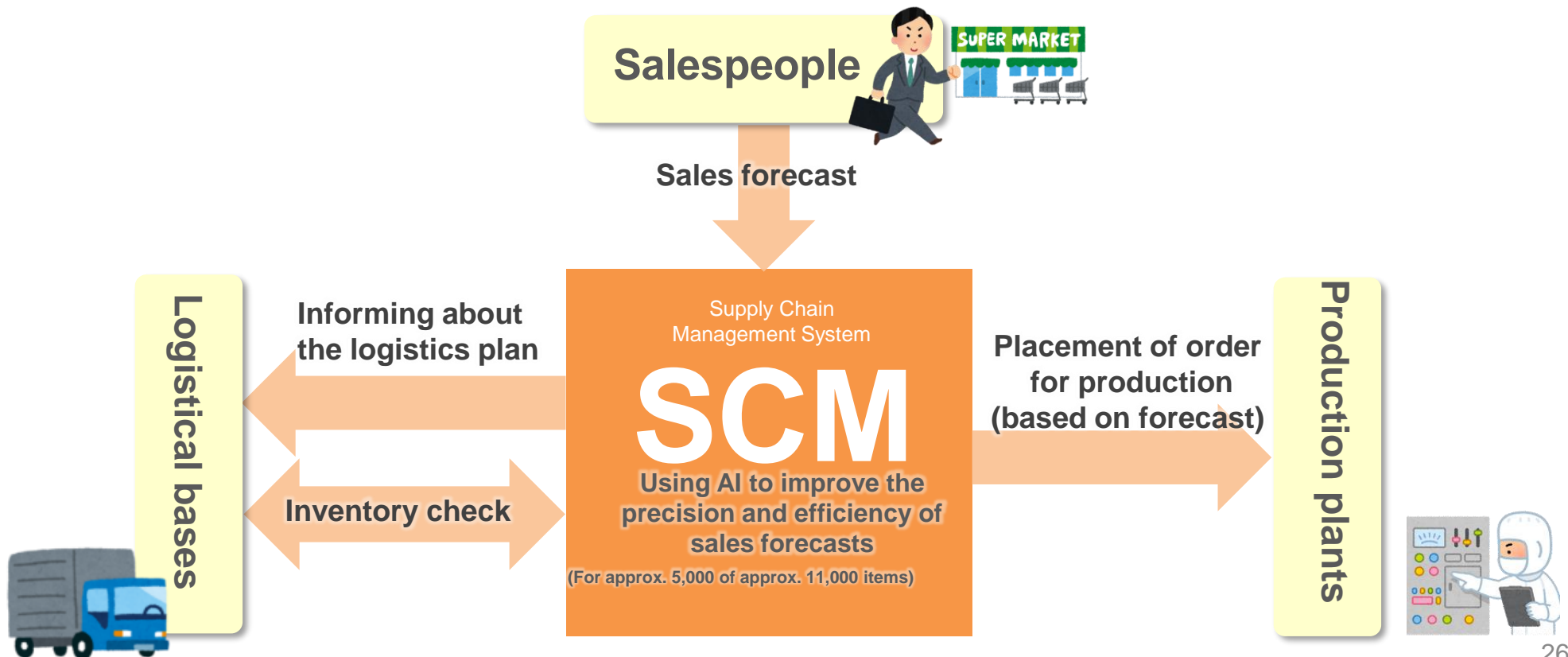


# Stable Supply – Supporting Safe, Secure Dietary Life

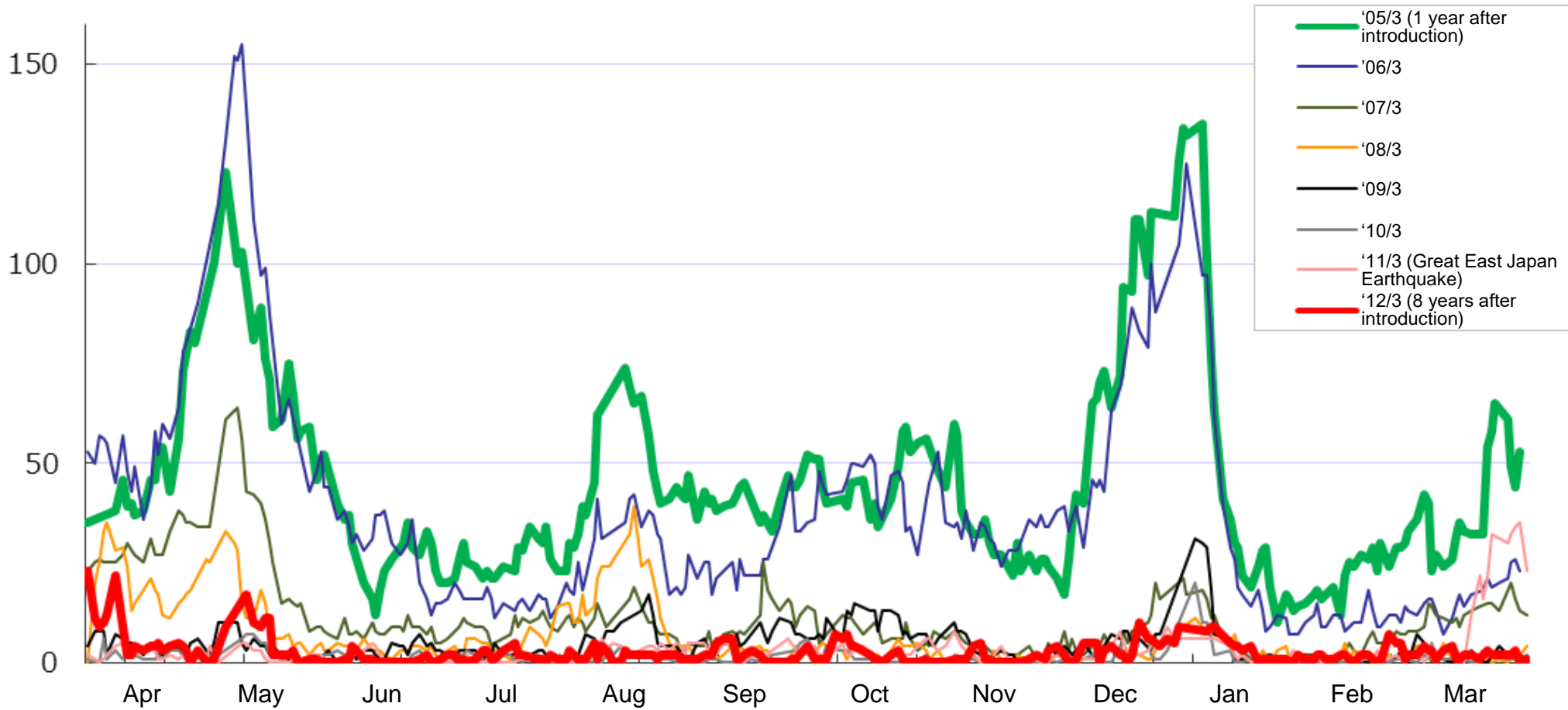
✓ A lineup of approx. 11,000 items

✓ Maintenance of an appropriate inventory level

Maintenance of an appropriate inventory level

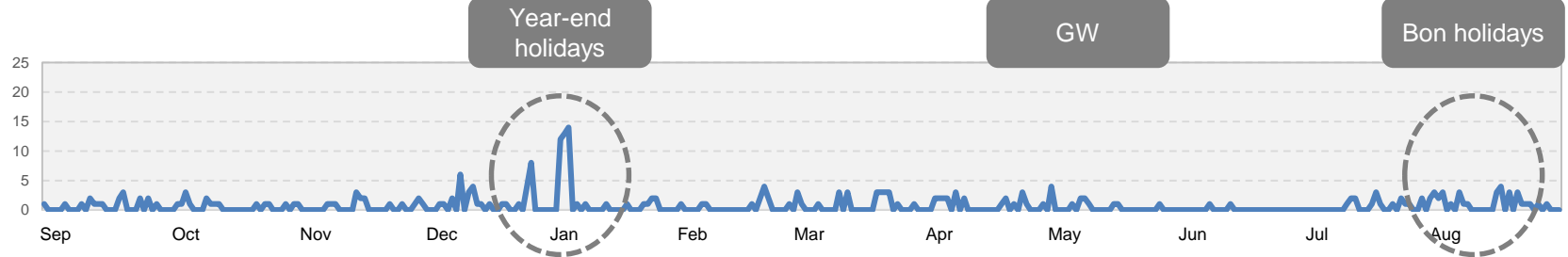


# Stable Supply -- Number of Cases of Stockout (1)

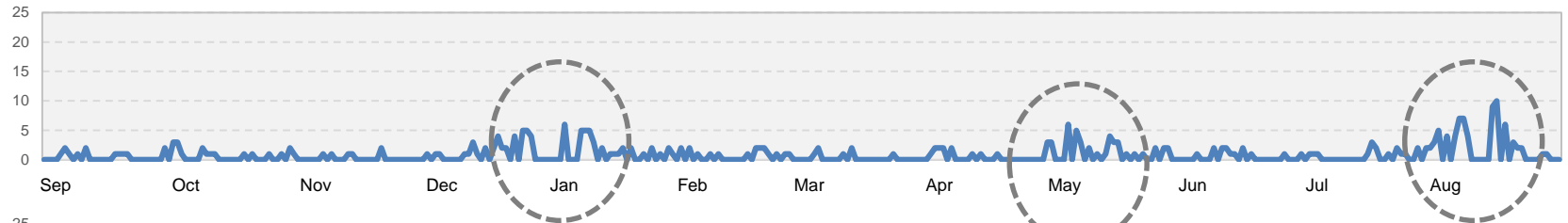


# Stable Supply -- Number of Cases of Stockout (2)

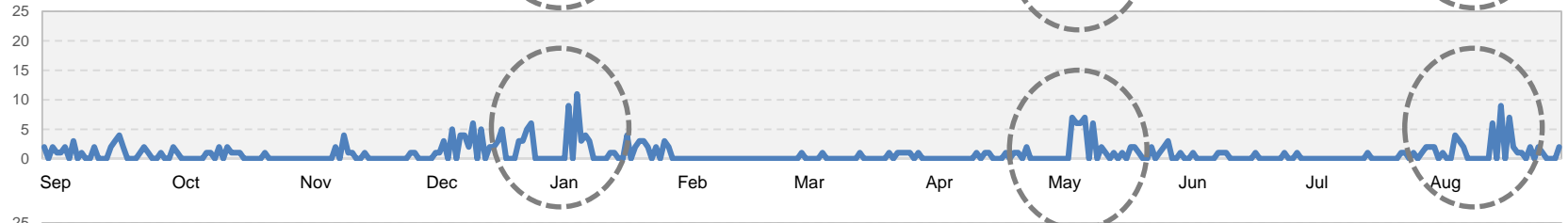
September 2016 -



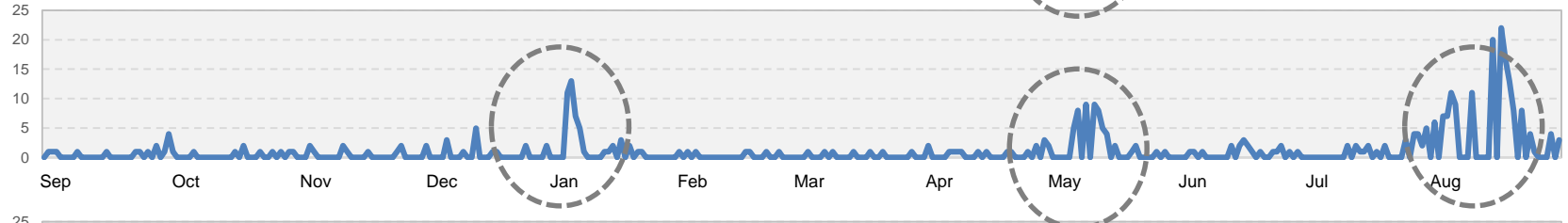
September 2017 -



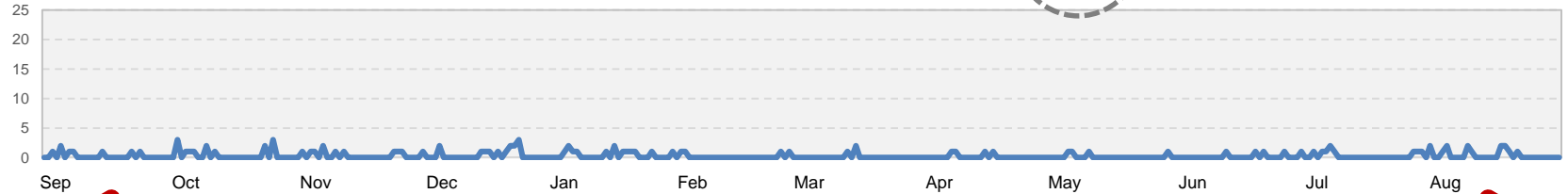
September 2018 -



September 2019 -



September 2020 -



← Almost zero stockout throughout the year →



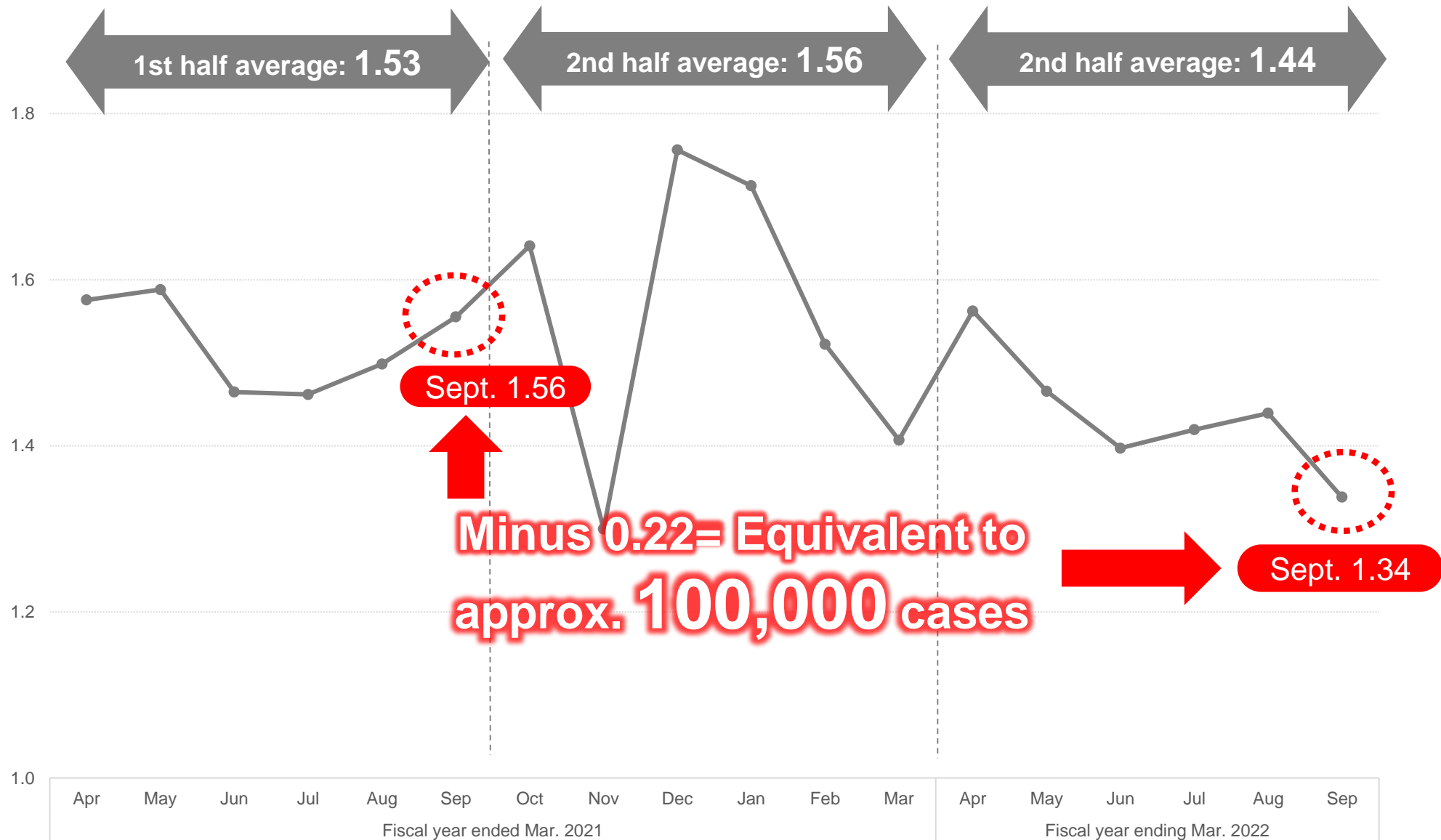
# Stable Supply -- Number of Cases of Stockout of Former Hinomaru Products



# Inventory Turnover Period

High-foamed PSP

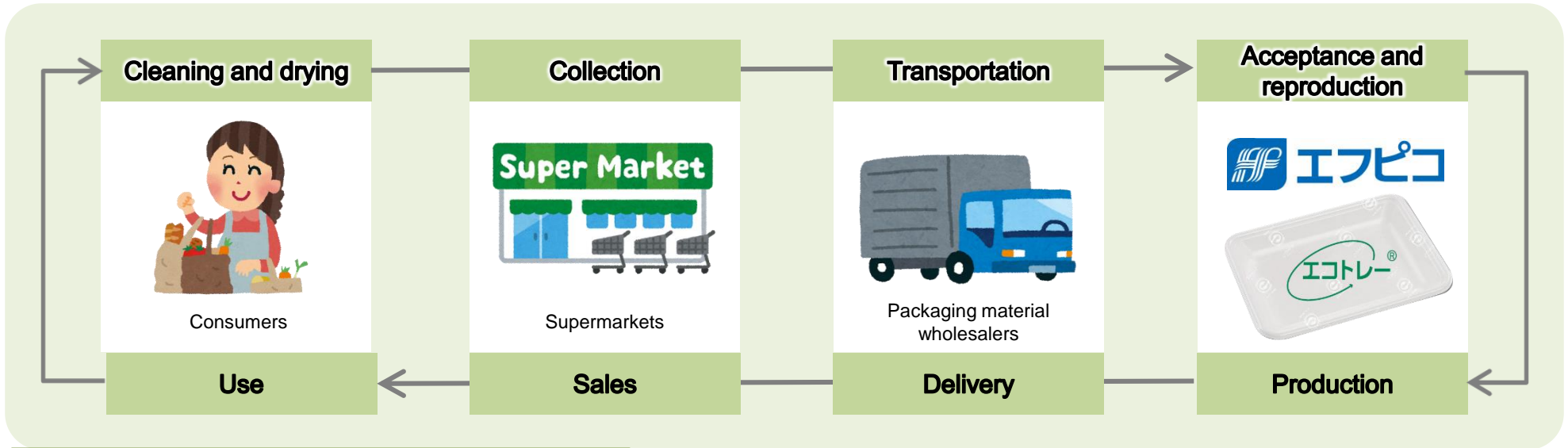
(Months)



# Actions for Recycling and the SDGs



# FPCO Method of Recycling



## History

- 1980 Garbage problem in Hiroshima
- 1990 Boycott against McDonald's in the U.S.
- 1990 Launch of recycling with FPCO method**
- 1992: Release of Eco Trays**
- 1995 Establishment of the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
- 1997 Kyoto Protocol
- 2008 Launch of transparent container recycling**
- 2010 Launch of PET bottle recycling**
- 2012: Release of Eco APET**
- 2015 Paris Agreement
- 2021: Establishment of the Act on Promotion of Resource Circulation for Plastics

Replacement of containers with paper packages

Initially  
**6 stores**

Approx.  
**30 years**

As of Sep, 2021

approx. **9,900 bases**

Collection  
bases

Start from  
Fukuyama City  
/ Osaka City



# Eco Tray / Eco APET CO<sub>2</sub> Reduction

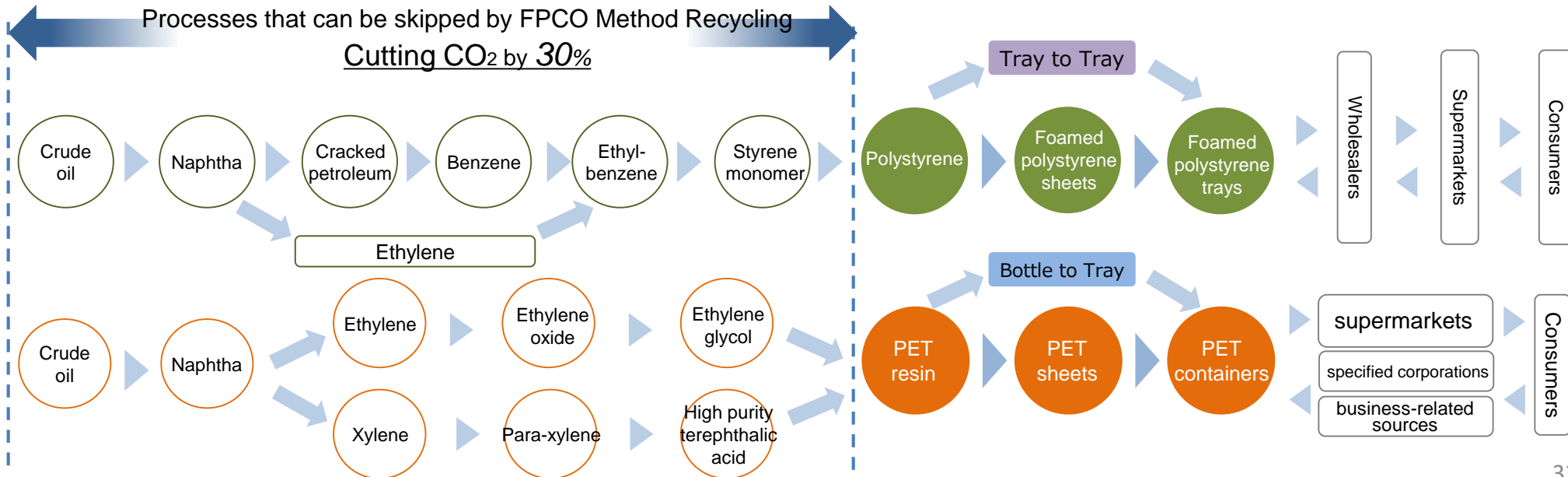
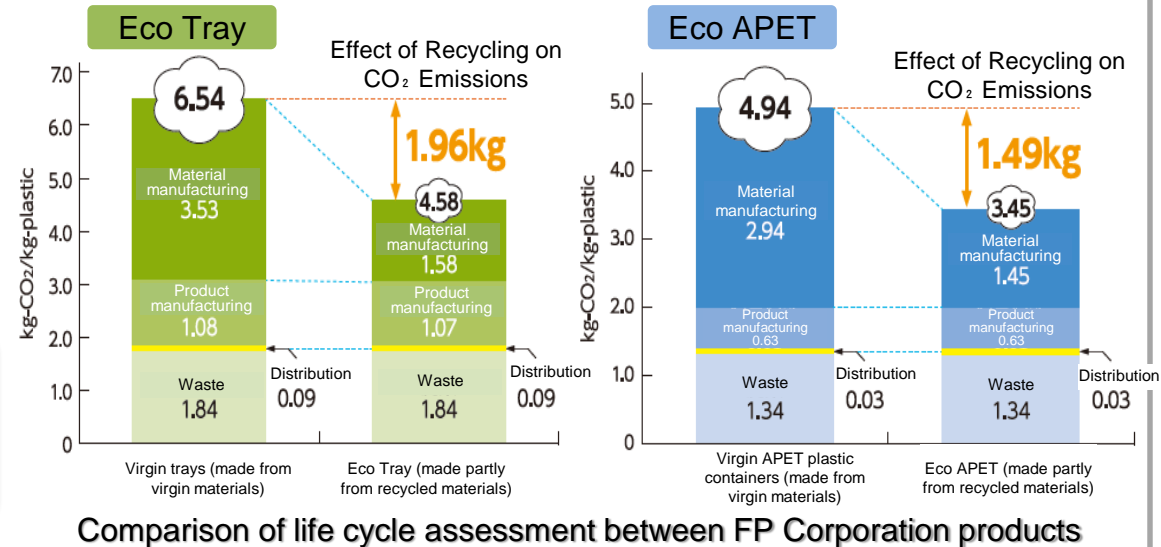


## CO<sub>2</sub> emissions

**-30%**



In FY ended March 2021, CO<sub>2</sub> emissions  
were cut by **170,000 tons**  
(Eco Tray: 40,000 tons, Eco APET: 86,000 tons,  
Eco OPET: 44,000 tons)





# Examples of Posters Displayed at Supermarkets



## Posters displayed at Approx. 5,850 stores across Japan

(As of Sep, 2021)

### Posters displayed by the Aeon Group

FY ended Feb. 2016



CO<sub>2</sub> emissions  
reduced by  
approx. 6,250  
tons in 5 years

FY ended Feb. 2021



# Activities for Promoting Recycling



2019

They are not disposable.  
Let's do *Tray Recycling!*



2020

Let's turn used trays  
into resources through  
*Tray Recycling.*



2021

Let's reduce CO<sub>2</sub> emissions  
through *Tray Recycling!*



Poster design renewal

Poster displayed at

approx. **7,700** stores

(by 232 companies as of end of Sep. 2021)



# Plaque of Gratitude Commemorating the 30th Anniversary of FPCO Method of Recycling



Companies to which we sent  
the *plaque of gratitude*

**399** companies

| Type of company                | Number of companies |
|--------------------------------|---------------------|
| Corporate users                | 275                 |
| Packaging material wholesalers | 99                  |
| Logistics partner companies    | 25                  |

## Acknowledgment

For involvement in the collection of food trays over many years, and extensive cooperation with our FPCO Method Recycling activities for recycling the Earth's resources based on four-party collaboration On the occasion of FPCO Method Recycling's 30th Anniversary, we present this commemorative plaque as an expression of our gratitude.

(Full text of the message inscribed on the appreciation plaque)



# Having Eco Products Appeal to Consumers (1)



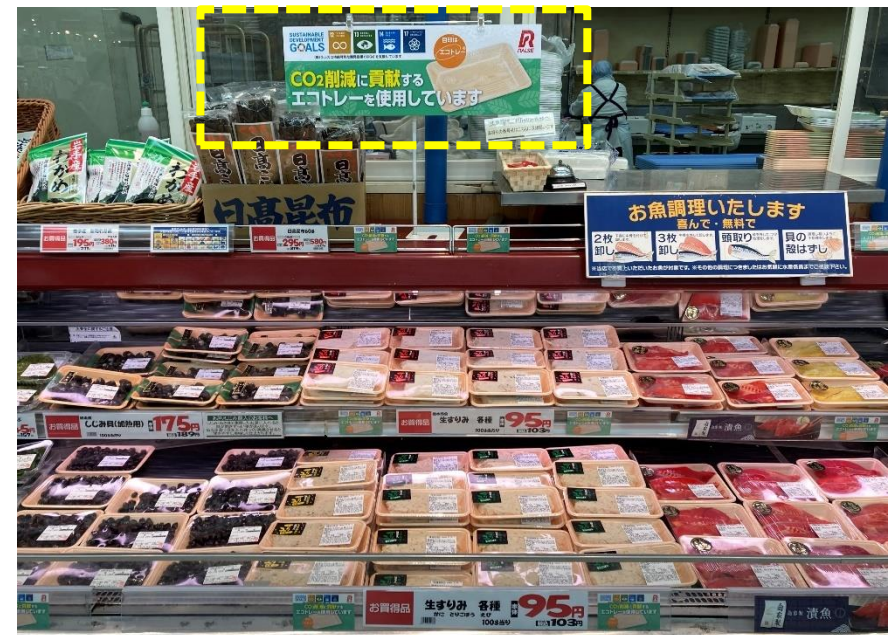
## Company F

A company operating a total of 59 stores mainly in Hiroshima



## Company R

A company operating a total of 74 stores mainly in Hokkaido



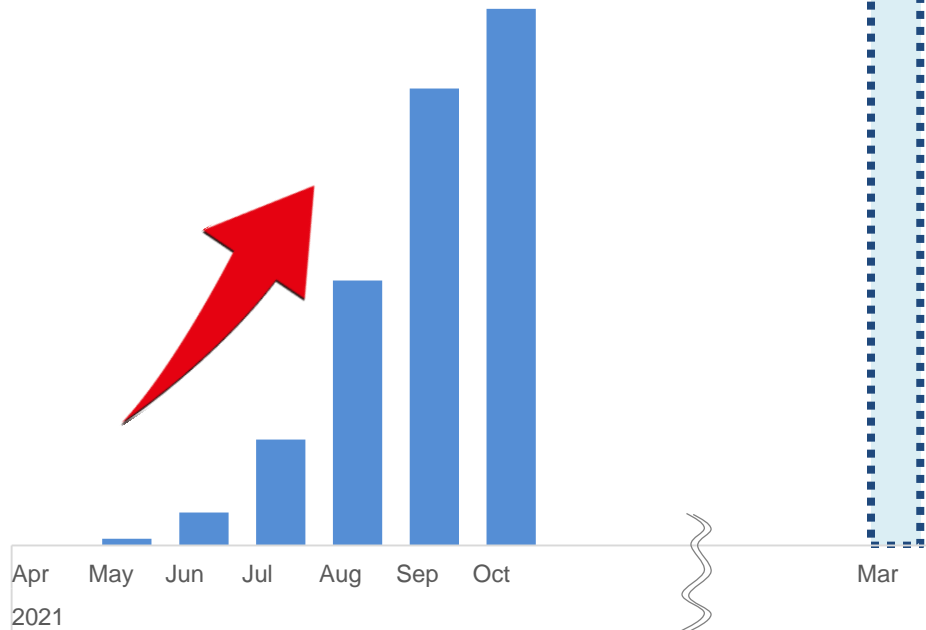
# Having Eco Products Appeal to Consumers (1)



Number of companies and stores having eco products appeal on sales floors

Target for March  
100 companies  
2,000 stores

As of October  
81 companies  
881 stores



Existing methods



In-store posters



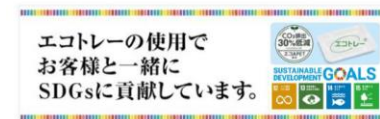
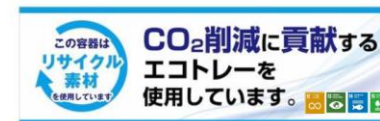
Website



CSR Report

Having them appeal to consumers on sales floors

SUSTAINABLE DEVELOPMENT GOALS





# Having Eco Products Appeal to Consumers (2)



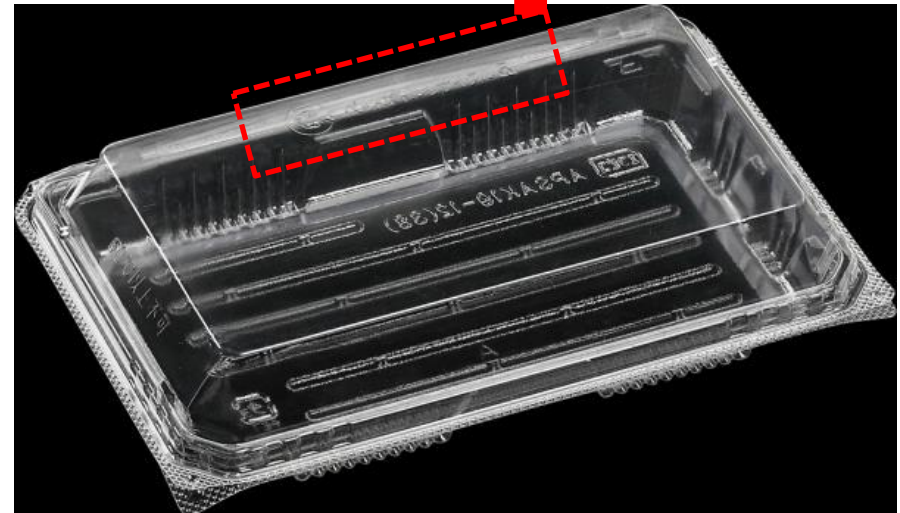
**Eco Mark** and "**Recycled from PET bottles**" engraved on eco products to facilitate identification for eco products

Eco Tray



Engraved on all Eco Trays

Eco APET / Eco OPET



To be engraved on other products, one by one, starting from hot sellers

# Having Eco Products Introduced by More Customers

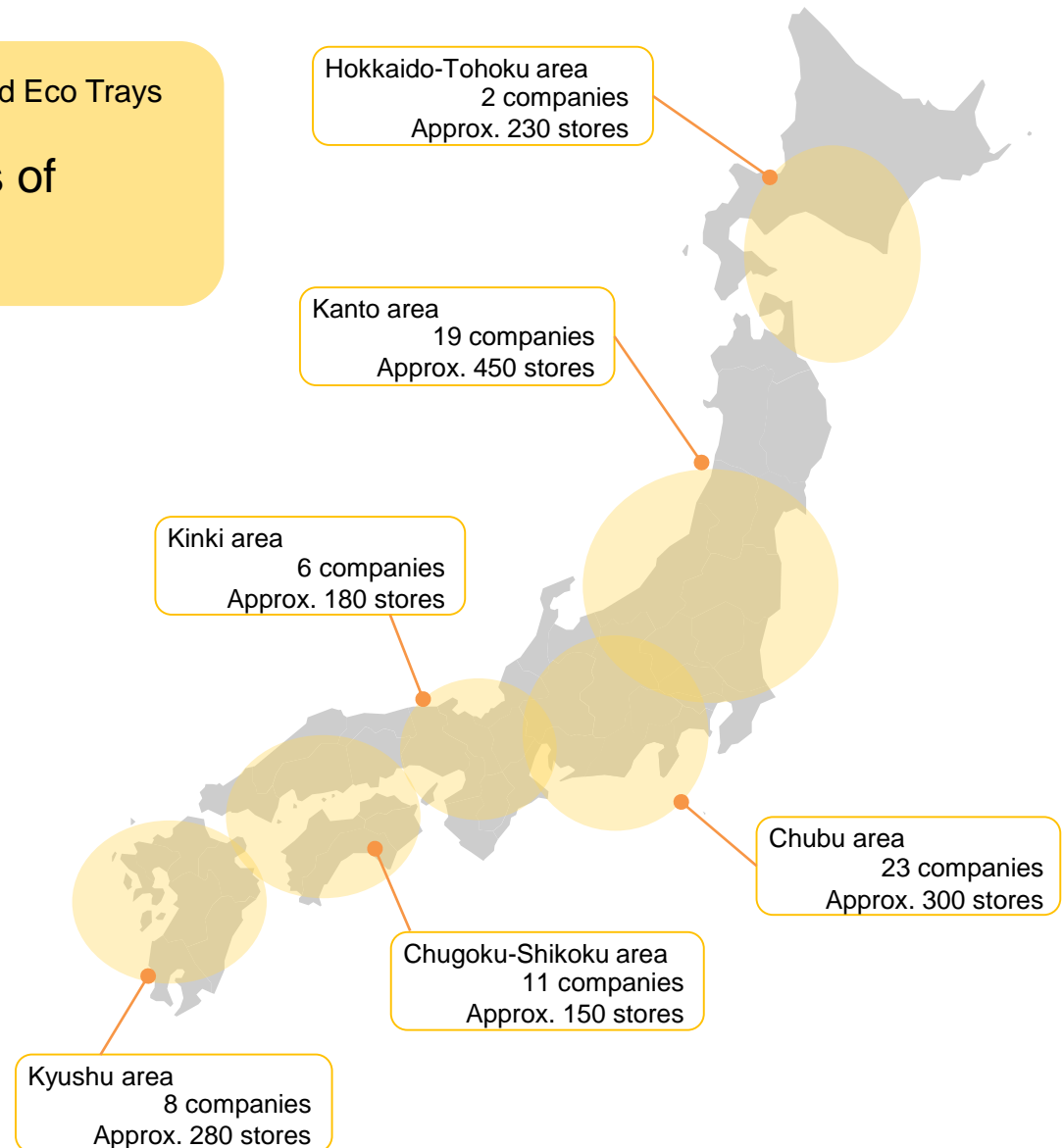
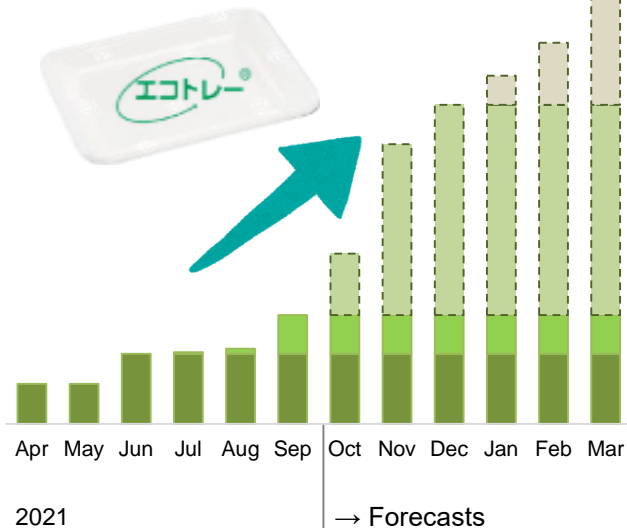
April 2021 to March 2022



Number of companies and stores that newly introduced Eco Trays

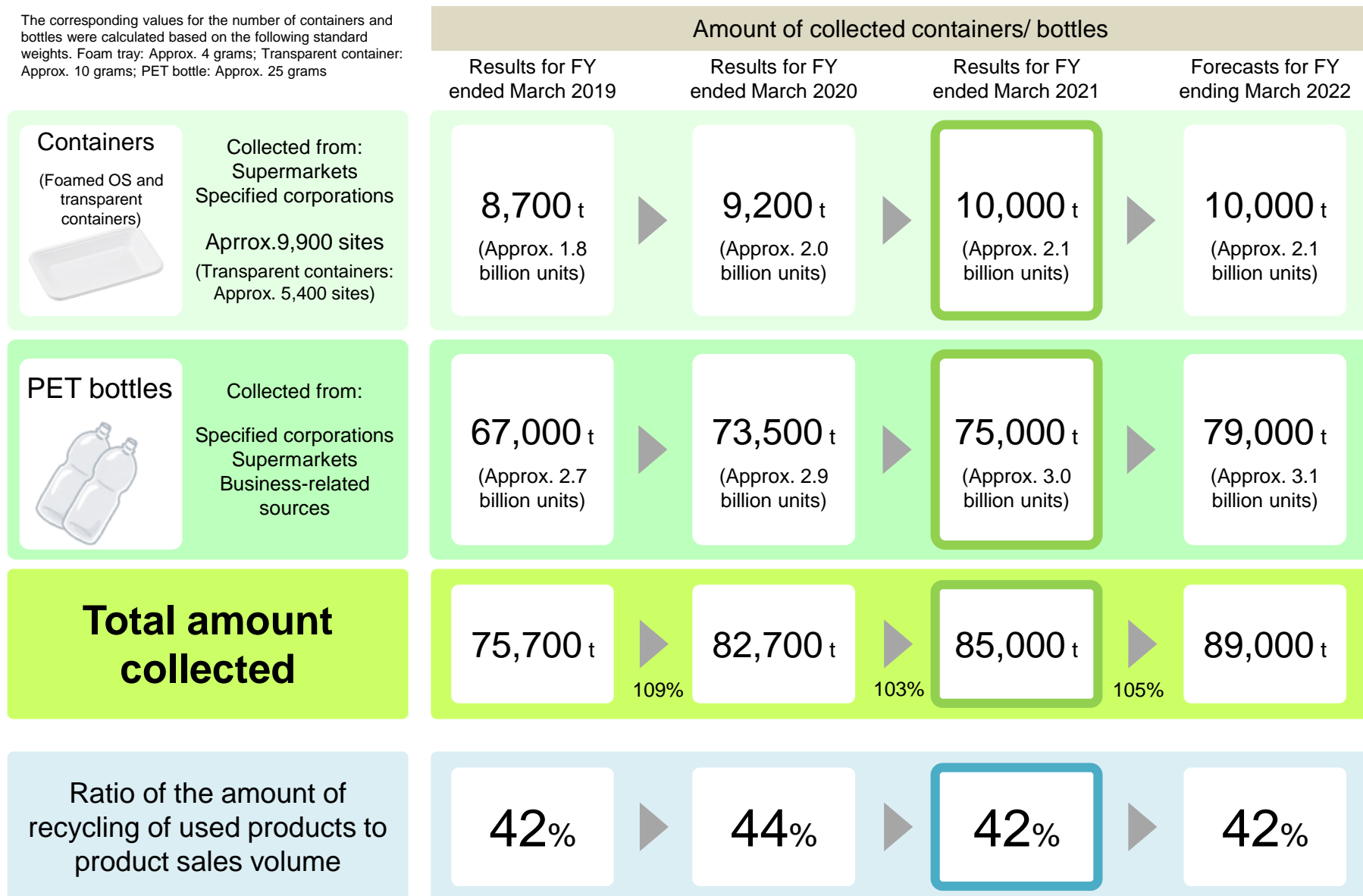
Total: Approx. **1,600** stores of  
approx. **69** companies

Number of shipments of Eco Trays (cases) to companies newly introducing them



# Collection of Plastic Resources

The corresponding values for the number of containers and bottles were calculated based on the following standard weights. Foam tray: Approx. 4 grams; Transparent container: Approx. 10 grams; PET bottle: Approx. 25 grams



# Trends of Laws and Regulations

## -- Act on Promotion of Resource Circulation for Plastics

(Promulgated in June 2021, to come into force in April 2022)

### (1) Design and manufacturing phase



Changing plastic products' designs into eco-friendly ones

**Eco-friendly products** conforming to guidelines on the eco-friendly design of plastic products were **certified by the national government for the first time**, so that consumers can choose such products.

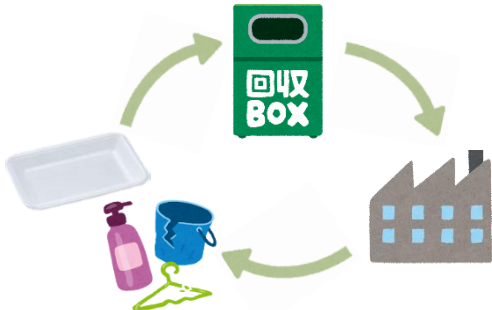
### (2) Sales and provision phase



Reducing disposable plastics

**Rationalizing use of disposable plastics** by retailers, service providers, etc. to accelerate changes to consumers' lifestyles

### (3) Emission, collection, and recycling phase



Collecting and recycling emitted plastics

**Promoting efficient collection and recycling of all plastics**

Regarding used plastics, there will be a special provision, under which the national government's certification of manufacture's plans, etc., makes permission under the Waste Management Act unnecessary.

# Carbon Offset Declaration Through Recycling



FY2019 (fiscal year ending March 31, 2020)

Effective CO2 reduction  
from sale of eco products

Production division  
CO2 emissions

**160,000 tons** < **168,000 tons**

FY2022 (fiscal year ending March 31, 2023)

Effective CO2 reduction  
from sale of eco products

Production division  
CO2 emissions

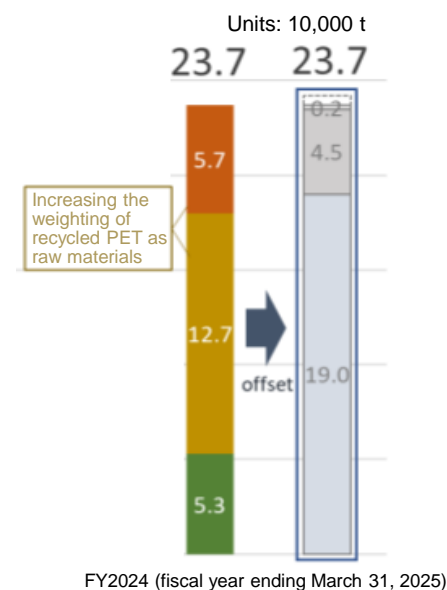
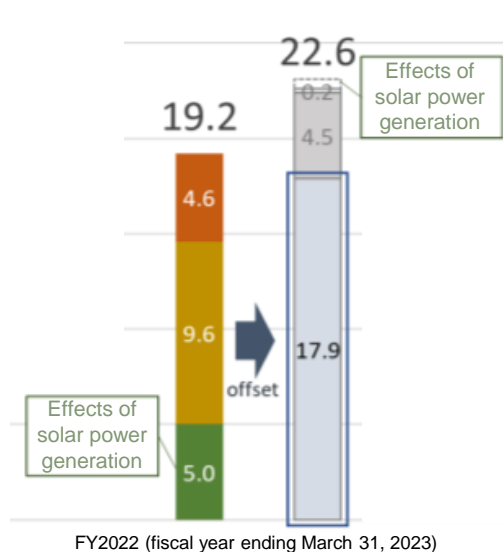
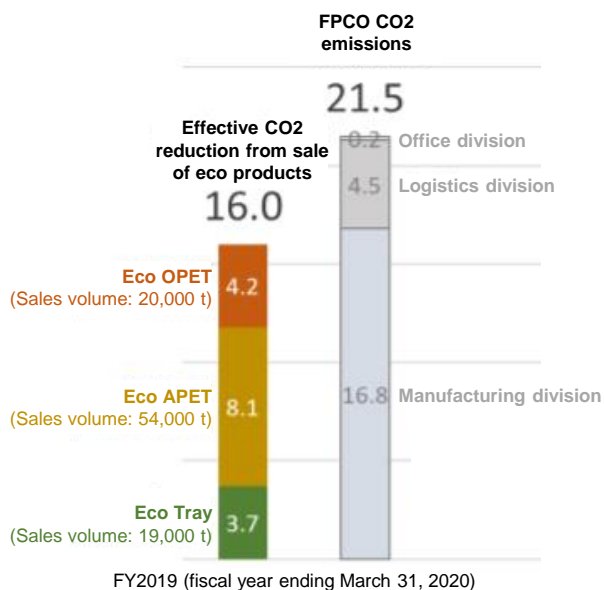
**192,000 tons** ↔ **179,000 tons** **Balance**

FY2024 (fiscal year ending March 31, 2025)

Effective CO2 reduction  
from sale of eco products

CO2 emissions from  
manufacturing, logistics,  
and offices

**237,000 tons** ↔ **237,000 tons** **Balance**



Initiatives for  
achieving targets

Increasing the volume of used trays and  
PET bottles collected

Increasing the composition ratio of  
recycled raw materials used in Eco APET  
and Eco OPET products

Introducing renewable energy proactively

Considering introduction of chemical recycling

A video entitled "Carbon Offsetting Declaration Through Recycling" is available at the following. (Japanese only)

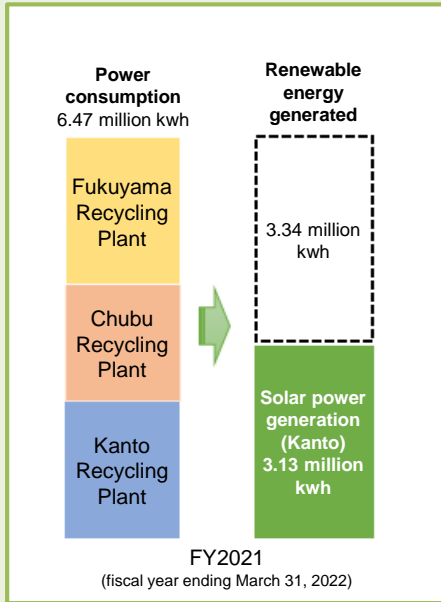
<https://www.fpcj.jp/blog/2021/03/31/401>



# For Achieving Targets under the FPCO Carbon Offsetting Declaration Through Recycling

## Collaboration in Solar Power Generation

### -- Conclusion of PPA with Mitsui & Co. Plant Systems, Ltd.



Started in FY2021  
(fiscal year ending March 31, 2022)

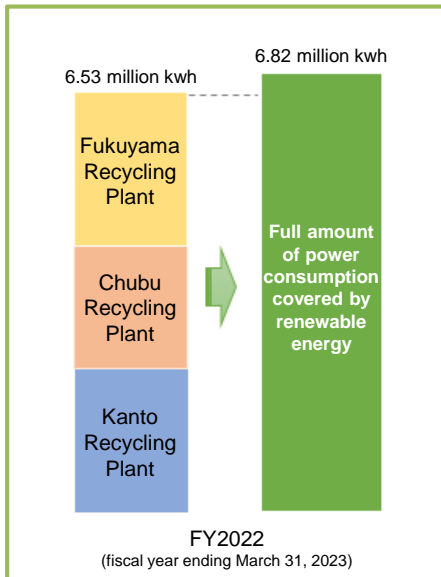
Solar power generation in Kanto area

Enabling procurement of renewable energy equivalent to the total energy consumption of the Kanto Recycling Plant



[Facility locations]

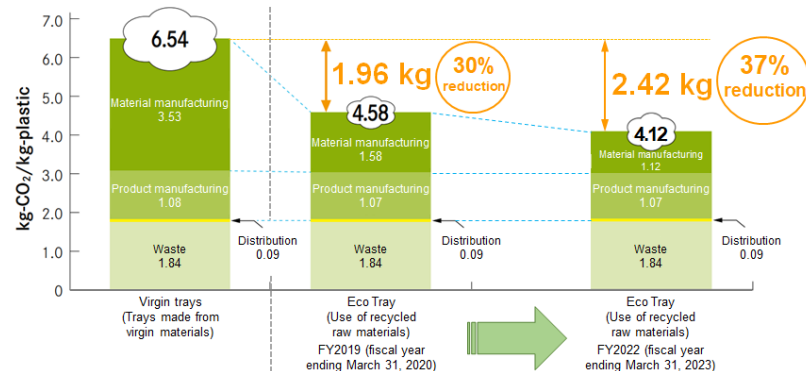
- ◆ Kanto Eco PET Plant (Yachiyo-machi, Yuki-gun, Ibaraki)
  - Generation capacity: Approx. 1.4 MW
  - Planned annual output: 1.49 million kWh
  - Annual reduction in CO2 emissions: Approx. 660 t-CO2
  - Scheduled date of commencement of contracted operation: February 2022
- ◆ Kanto Yachiyo Plant (same as above)
  - Generation capacity: Approx. 1.5 MW
  - Annual reduction in CO2 emissions: 1.64 million kWh
  - Annual reduction in CO2 emissions: Approx. 730 t-CO2
  - Scheduled date of commencement of contracted operation: February 2022



Started in FY2022  
(fiscal year ending March 31, 2023)

Considering solar power generation in Chubu and Kansai areas

Aiming to achieve zero CO2 emissions from the process of manufacturing recycled materials at all foam tray recycling plants, including Chubu Recycling Plant and Fukuyama Recycling Plant





# Diversification of Materials and Research into Recycling Technologies

## New materials

### Biomass-based plastics (Plant-derived materials)



### Paper pulp mold



## Recycling technologies

### Material recycling



### Chemical recycling



# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (1)

- ✓ **Bio-HIPS and Bio-PPF:** Released in June 2020
- ✓ **Made from 25% plant derived materials/ Registered with Japan BioPlastics Association**

## Bio-HIPS

CO<sub>2</sub> emissions

**-5.75%**



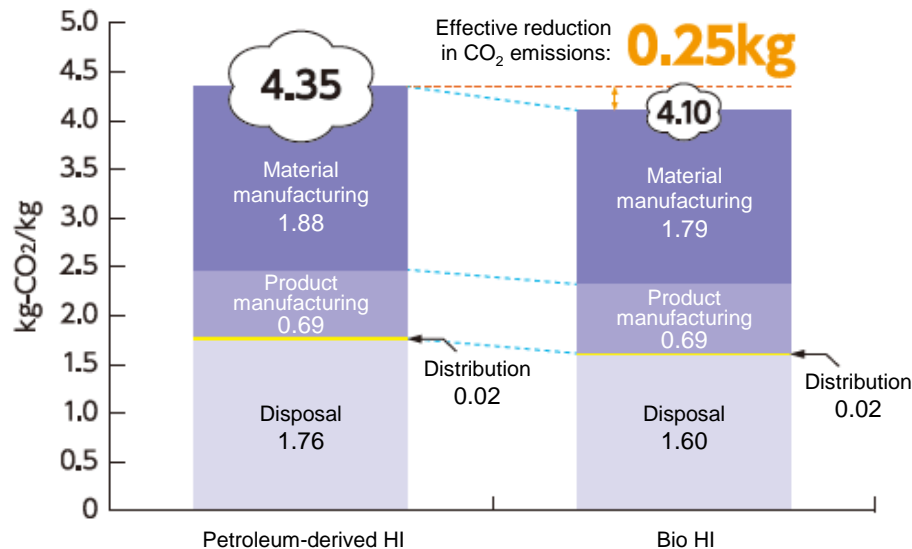
## Bio-PPF

CO<sub>2</sub> emissions

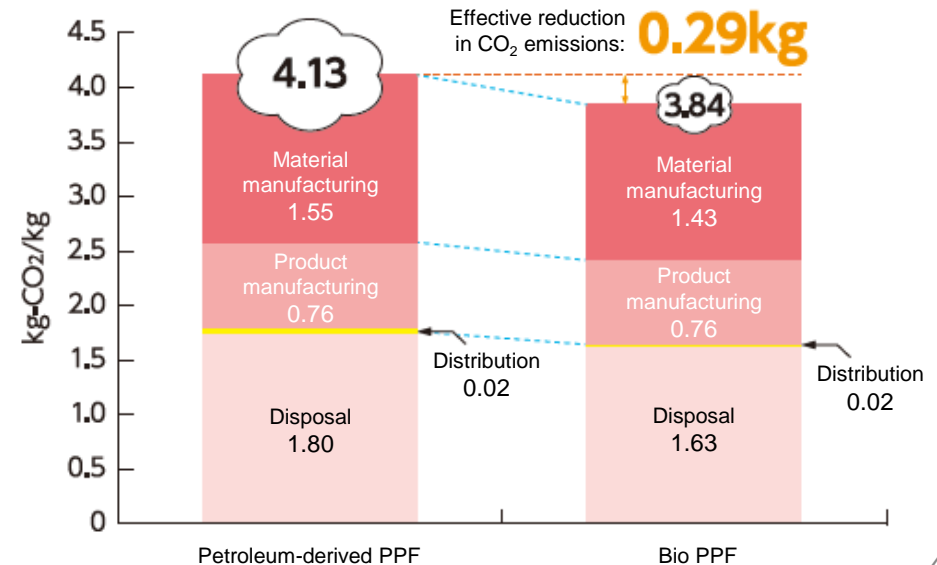
**-7.02%**



Comparison of CO<sub>2</sub> Emissions for Petroleum-Derived HI and Bio-Derived HI



Comparison of CO<sub>2</sub> Emissions for Petroleum-Derived PPF and Bio-Derived PPF



# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (2)

## Bio-HIPS

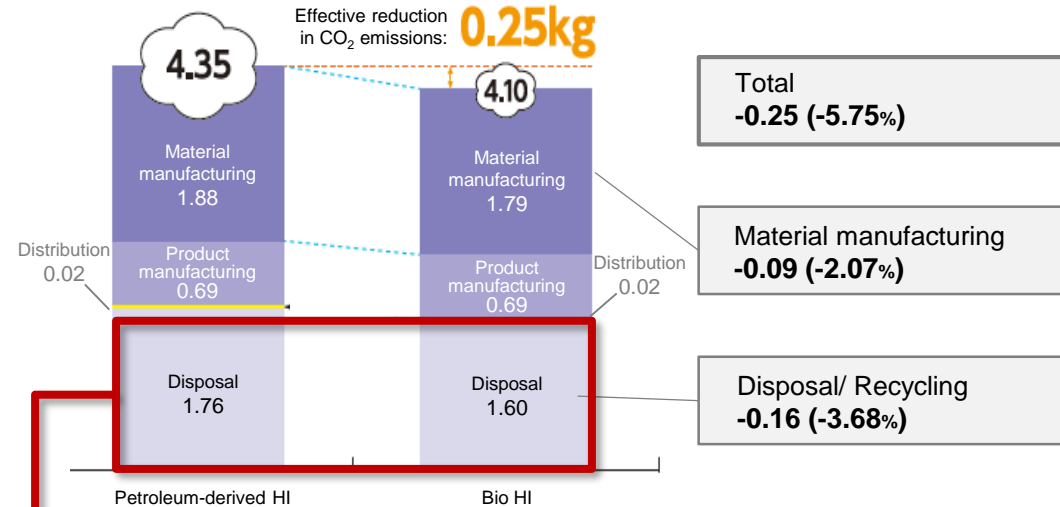


CO<sub>2</sub> emissions

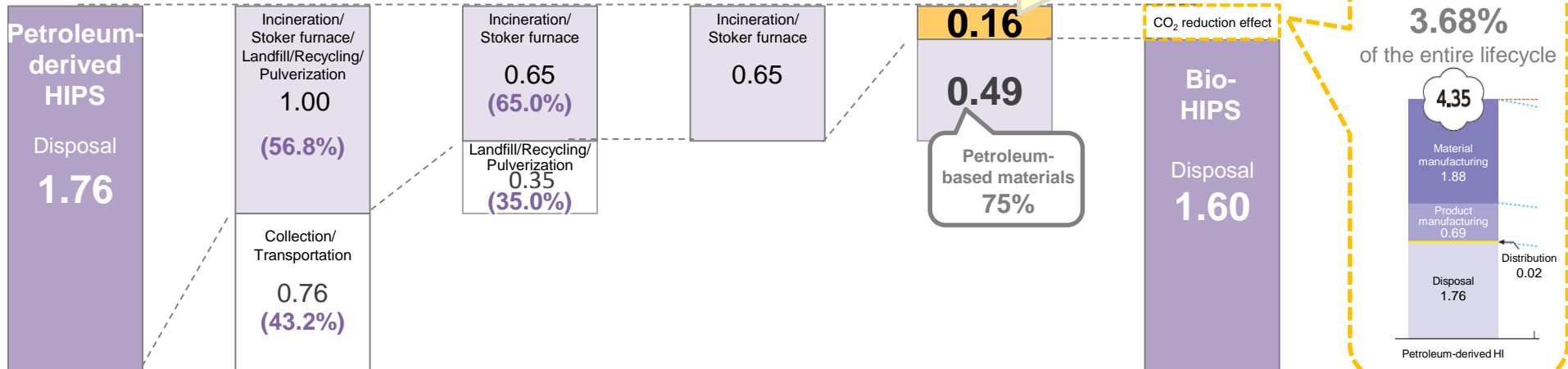
**-5.75%**



Calculated based on "Plastic thermoformed products for food" in Product Category Rules (PCR) for Type-III environmental label (EcoLeaf)  
Comparison of CO<sub>2</sub> Emissions for Petroleum-Derived HI and Bio-Derived HI



### Disposal/recycling stage



# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (3)

Bio PPF



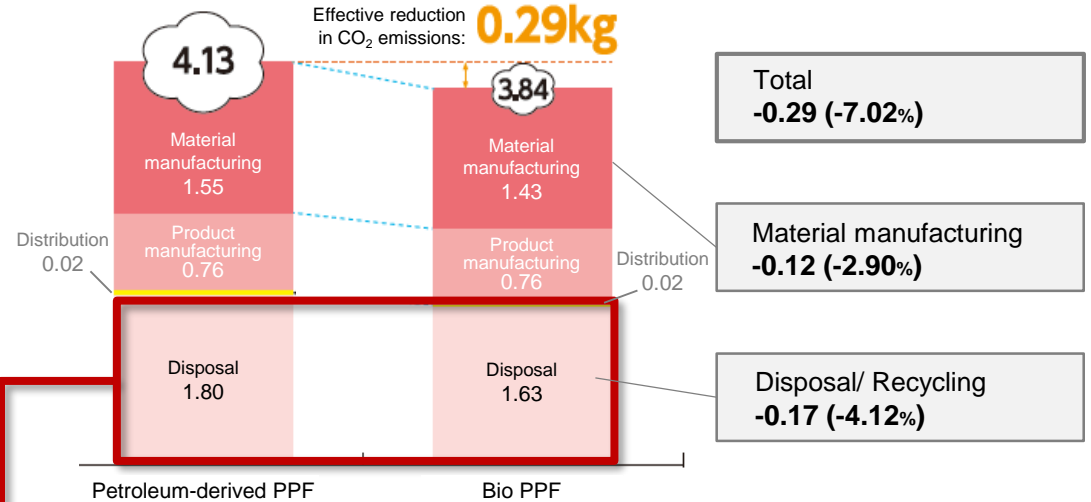
CO<sub>2</sub>排出量

-7.02%

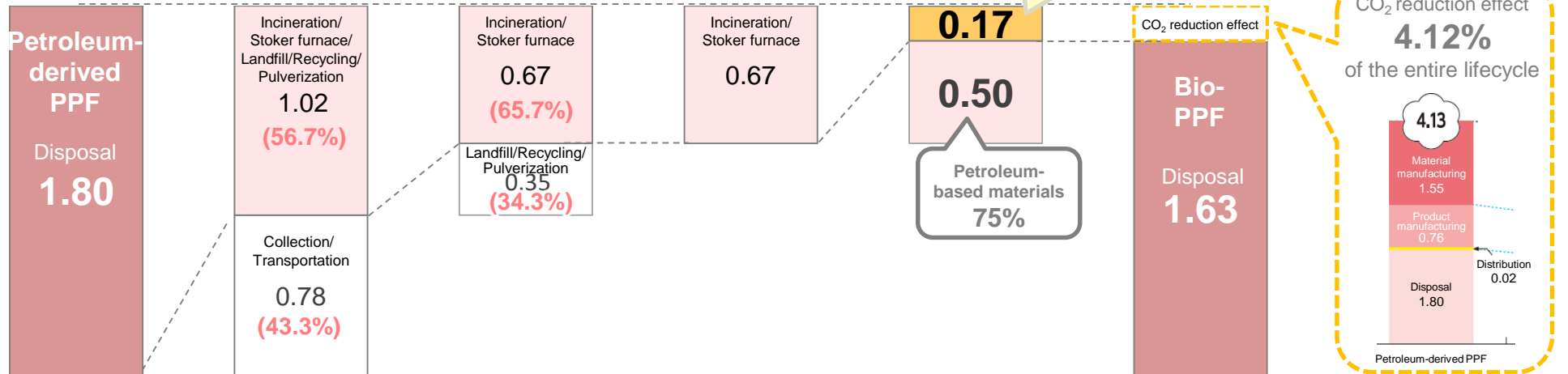


Calculated based on "Plastic thermoformed products for food" in Product Category Rules (PCR) for Type-III environmental label (EcoLeaf)

Comparison of CO<sub>2</sub> Emissions for Petroleum-Derived PPF and Bio-Derived PPF



Disposal/recycling stage

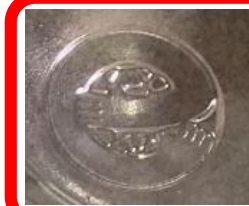




# Introduction of Biomass Products by Shinobu Foods Products Co., Ltd.



"Recycled from PET bottles" engraved



**Eco Mark** engraved  
on the top surface



**BP**  
(No.608)

Mark of certification by  
Japan BioPlastics  
Association engraved

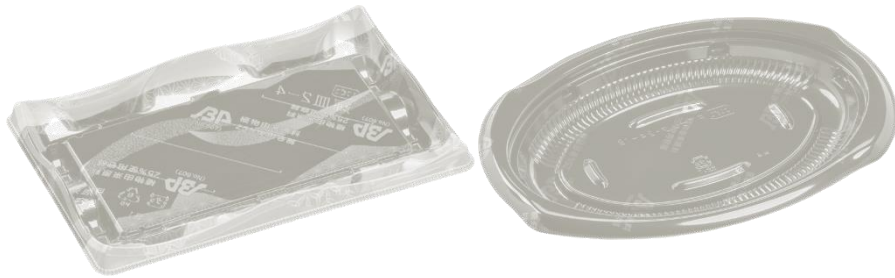
## [From the official website of Shinobu Foods Products]

- Initiatives on containers made of biomass plastics: 14 items adopted for national brand (NB) lunchboxes (main bodies) (73% of 19 items)
- Initiatives on containers made of recycled materials: 13 items adopted for NB lunchboxes (lids) (69% of 19 items)

# Diversification of Materials and Research into Recycling Technologies

## New materials

### Biomass-based plastics (Plant-derived materials)



### Paper pulp mold



## Recycling technologies

### Material recycling



### Chemical recycling



# Development of Paper Trays and Paper Containers

## Paper trays



## Paper lunchbox (bamboo paper)



## Kanto Tsukuba Plant Introduction of Production Line for Paper Trays and Paper Containers



## Features of Product

Uses FSC®-certified paper



FSC®CoC certification  
(FSC®C163782)  
already obtained at all  
offices and paper tray  
production plant

Waterproof and oilproof



Supports wrapping machines





# 10 Principles and 70 Criteria for FSC Certification



## Principle 10: Implementation of management activities

- Secure update
- Prior use of indigenous species
- Non-use of genetically modified organisms
- Limitation of fertilizers, agricultural chemicals, and biological controls
- Waste disposal
- Preservation of soil



## Principle 1: Compliance with laws

- Commercial and corporate registration
- Ownership and use rights of land
- Tax payment
- Countermeasures against illegal activities
- Anti-corruption



## Principle 2: Workers' rights and employment conditions

- Gender equality
- Health and safety
- Minimum wage
- Education and training
- Workers' compensation



## Principle 3: Indigenous peoples' rights

- Dialogues with indigenous peoples
- Guarantee of traditional rights
- Identification and conservation of important places
- Protection of intellectual property

## Principle 9: High Conservation Value (HCV)

- Dialogues with stakeholders
- Investigation and identification of high conservation value
- Policies and action plan for conservation
- Monitoring of HCV



## Principle 8: Monitoring and assessment

- Determination of procedures and methods
- Recording of monitoring implementations
- Reflection of analysis results in the plan
- Disclosure of results
- Sales management



## Principle 7: Management planning

- Philosophies and policies
- Goal setting
- Development of a concrete plan
- Disclosure of a management plan
- Involvement by stakeholders



## Principle 6: Environmental values and impacts

- Environmental impact assessment
- Conservation of endangered species and their habitat ranges
- Conservation of old-growth forests
- Conservation of rivers and mountain streams
- Prohibition to convert natural forests



## Principle 5: Benefits from forests

- Diversification of resources to be used
- Sustainable extraction of resources
- Prior use of local services
- Profitability



## Principle 4: Community relations

- Identification of local stakeholders
- Dialogues with local communities
- Contribution to local economies
- Grievance resolution
- Fair compensation



# Descriptive Texts About FSC



## Usable text samples

**"Forest Conservation Mark"**

**"eco-friendly (paper)"**

**"environmentally friendly (paper)"**

**"(paper) protecting the environment"**

**"ecological (paper)"**



## Inappropriate expression samples and concepts

**"The FSC forests certification leads to contribution to solution of global warming/global environmental issues"**

Not directly related to solutions of environmental issues that are beyond the responsible penetration of forest management

**"Employment of FSC-certified products leads to CO2 reduction/absorption"**

The effects of certified forests in CO2 absorption are not scientifically proven.

**"The FSC is an institution that examines (authenticates/certifies) forest certification"**

The FSC is an international non-profitable organization that operates the forest certification system. Its examination, authentication, and certification are implemented by different organizations.

**"The FSC is working to conserve environment/FSC-certified paper leads to conservation of the environment"**

Conservation means protection in an untouched state. Considering the actual activities of the FSC, "preservation" is preferable because it means protection while using.

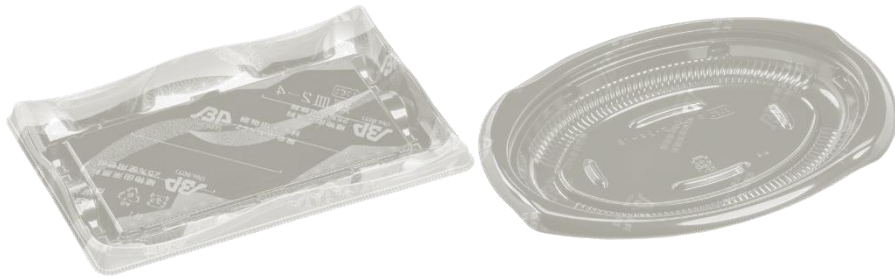
**Contribution to preservation of biodiversity, etc.**

If an ecosystem service verified for FM certification is within the range of certification, it can be advertised.

# Diversification of Materials and Research into Recycling Technologies

## New materials

### Biomass-based plastics (Plant-derived materials)



### Paper pulp mold



## Recycling technologies

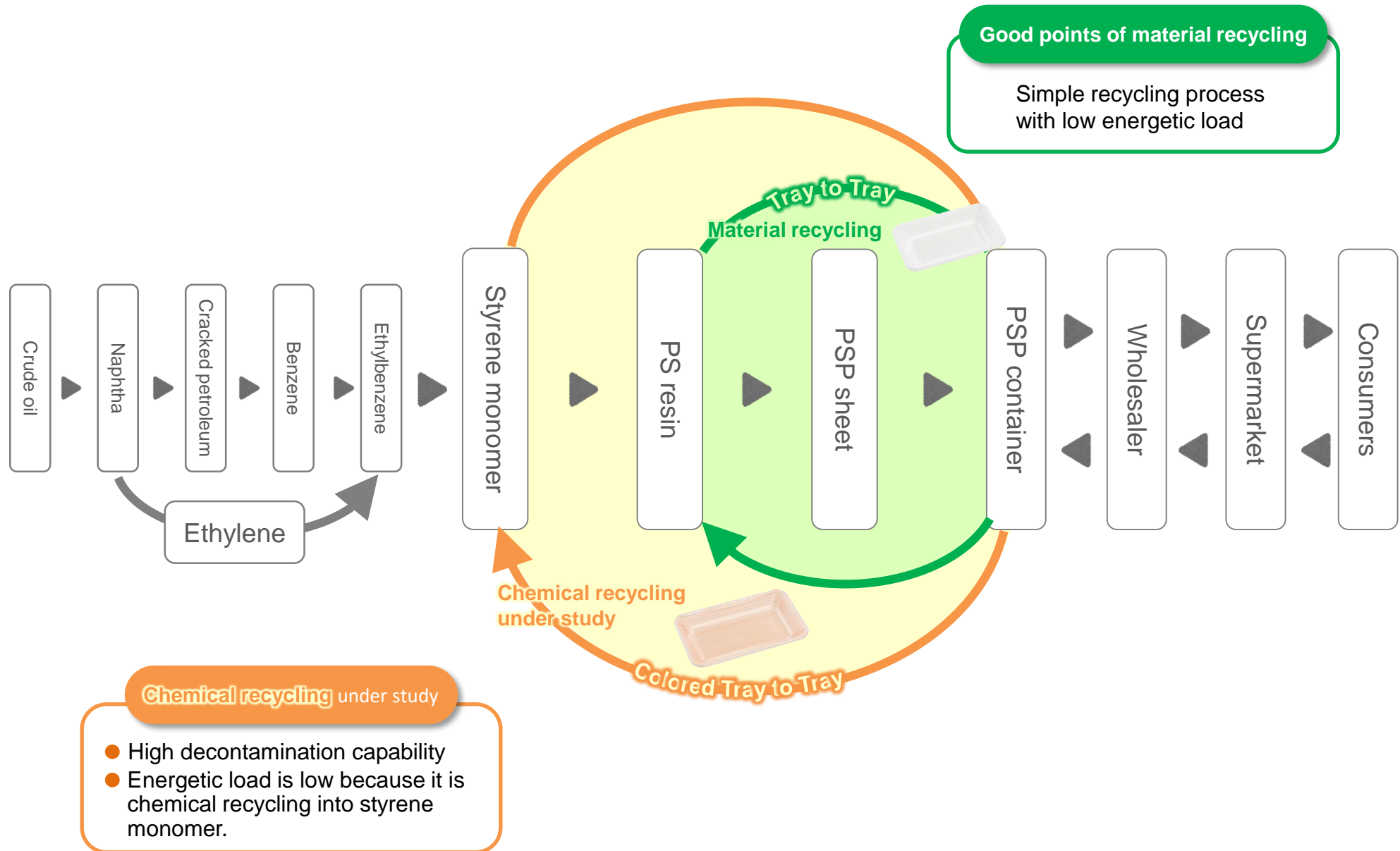
### Material recycling



### Chemical recycling



# Considering Collaborating with DIC Corporation to Realize Chemical Recycling



# Diversity Management Making Maximal Use of Capabilities



Sorting of used trays  
at **10** facilities



Production of wood-like box-type  
containers and secondary  
processing at **7** facilities



Manufacturing of containers  
(foamed and transparent)  
at **3** facilities

In the FPCO Group as of March 2020

|   |              |
|---|--------------|
| <b>Number of employees with disabilities</b>          | <b>362</b>   |
| <b>Adjusted number of employees with disabilities</b> | <b>618.5</b> |
| <b>Ratio of employees with disabilities</b>           | <b>12.7%</b> |

## Recognition concerning employment of workers with disabilities

- January 2019  
Ministry of Health, Labour and Welfare  
**FY2018 People with Disabilities Active Company Certification**  
(FPCO Ducks Corporation)
- October 2020  
Toyo Keizai Inc.  
**Ranked 2<sup>nd</sup> in ratio of employees with disabilities**





# Support for Customers in their Employment of People with Disabilities

With FPCO's support, employment was created for

**751** people at **50** locations mainly at customers' workplaces  
Sep.30 2021

Seasoning prepared meat



Processing agricultural products



Inspecting and weighing fruits and vegetables



Processing prepared food



Cleaning containers



Washing towels



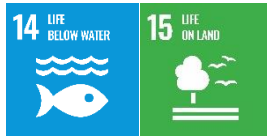
Sorting marine products



Reducing the volume of used paper



# Creation of the FP Corp. Environmental Fund



FPCO has been working on recycling for **approx. 30 years** since the FPCO method of recycling was started in 1990.

▼  
We will cooperate with companies, NPOs, research and education institutions, and others.



Subsidizing organizations  
which act to solve future social issues

**FY ended Mar. 2021**

**Total applications received: 72 Subsidized projects:**

**Grant period**

Oct. 1, 2020 to Mar. 31, 2021

**Size of grants**

Up to 1 million yen per year per project

**Total amount of grants**

7.82 million yen

**FY ending Mar. 2022**

**Total applications received: 53 Subsidized projects:**

**Grant period**

Apr. 1, 2021 to Mar. 31, 2022 \*Up to 3 years

**Size of grants**

Up to 2 million yen per year per project

**Total amount of grants**

21.17 million yen

# Activities of Organizations Subsidized by the FP Corp. Environment Fund (Some of the Activities)

Activities in FY ended Mar. 2021

## Miyajima Network (Hiroshima)



<Details of the activities>

Cleaning up the coast and inland area of Miyajima Island and activities for protecting the marine ecosystem

<Number of employees who participated> 53

## Shonan Cleanaid Forum (Kanagawa)



<Details of the activities>

Beach cleanup activities on the natural coast of Kanagawa

<Number of employees who participated> 13

## Arakawa Clean Aid Forum (Tokyo)



<Details of the activities>

Education through the experience of cleaning up the Arakawa River, which is aimed at resolving the issue of marine plastic waste

<Number of employees who participated> 6

## Biwako Trust (Shiga)

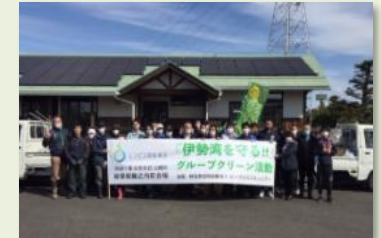


<Details of the activities>

Surveys of microplastics in Lake Biwa and the education of younger generations

<Number of employees who participated> 4

## People's Community (Gifu)



<Details of the activities>

Collection of garbage from the Kisogawa River, fact-finding surveys of the river, and awareness-raising activities

<Number of employees who participated> 11

A total of **87** employees of the FPCO Group also participated in these activities as volunteers.





# Donations to Children's Cafeterias Nationwide



## Donation of simple food containers



Donated to: Children's cafeterias all over Japan supported by Zenkoku Kodomo Shokudo Shien Center Musubie, an NPO which supports children's cafeterias all over the country, and local networks of children's cafeterias all over the country

Donations: **Total 476,000 sets**

|   |             |
|---|-------------|
| 1 <sup>st</sup> donation (May 29 - ):   | 60,800 sets |
| 2 <sup>nd</sup> donation (Jul. 25 - ):  | 81,600 sets |
| 3 <sup>rd</sup> donation (Sept. 30 - ): | 81,600 sets |
| 4 <sup>th</sup> donation (Dec. 17 - ):  | 80,000 sets |
| 5 <sup>th</sup> donation (Feb. 26 - ):  | 80,000 sets |
| 6 <sup>th</sup> donation (Sep. 1 - ):   | 92,000 sets |

Kobe  
Bussan

Nestlé  
Japan

Hagoromo  
Foods

FPCO

## Donation of three-layered masks



Scope of eligibility:

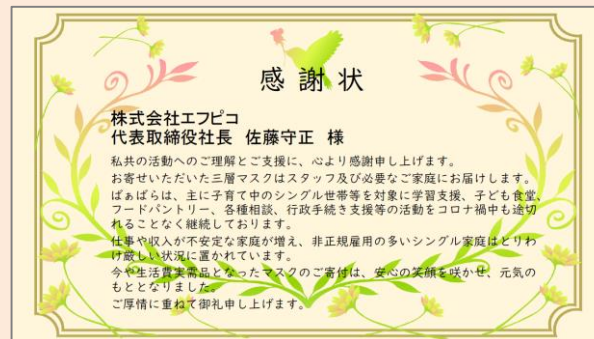
Children's cafeterias nationwide

Donated items:

Three-layered masks (BFE, PFE 99% or higher)  
2,000 masks per organization × 200 organizations

**Total: 400,000 masks**

Sent sequentially as of December 7





# ESG Evaluation

**Continuing to be selected to be a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index ESG indexes** (June 2021)



FTSE4Good

FPCO is one of **1,045 companies** in the world



FTSE Blossom Japan

FPCO is one of **204 companies** in Japan

Indexes developed by FT Russel of the London Stock Exchange Group, which reflect the performance of companies taking excellent Environmental, Social and Governance (ESG) measures

|                      |                            | Jun. 2020   | Jun. 2021   |
|----------------------|----------------------------|-------------|-------------|
| <b>Total score</b>   |                            | <b>3.63</b> | <b>3.63</b> |
| <b>Environmental</b> |                            | 3.89        | 3.67        |
|                      | Climate Change             | 4           | 3           |
|                      | Pollution and Resources    | 5           | 5           |
|                      | Supply Chain               | 3           | 3           |
|                      | Water Security             | 4           | 4           |
| <b>Social</b>        |                            | 3.63        | 3.88        |
|                      | Health and Safety          | 3           | 3           |
|                      | Human Rights and Community | 3           | 5           |
|                      | Labor Standards            | 4           | 4           |
|                      | Supply Chain               | 4           | 4           |
| <b>Governance</b>    |                            | 3.4         | 3.4         |
|                      | Corporate Governance       | 4           | 4           |
|                      | Risk Management            | 3           | 3           |

# Provision of Information -- Actions for Recycling

## Government

The FPCO method of recycling introduced at the website of the Japan Partnership for Circular Economy

### 4者一体によるエフピコ方式のリサイクル



The FPCO method of recycling was introduced as one of 29 noteworthy initiatives, which were selected from among 130 circular economy initiatives disclosed at the website of the Japan Partnership for Circular Economy.

\* The Japan Partnership for Circular Economy (J4CE) was founded on March 2, 2021 by the Ministry of the Environment, Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation) for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives in response to the accelerating global trend toward a circular economy.

## Overseas

Participation in Circularity 21, an online event for promoting exchange of information and networking aimed at building a circular society



We participated in Circularity 21, an online event for promoting exchange of information and networking aimed at building a circular society. This event is hosted by GreenBiz, a U.S. firm that plans media events.

More than 130 speakers, companies, and organizations from across the world ran booths at this event. We introduced our recycling initiatives aimed at building a circular society.

\* The video we provided at the event is available for viewing on FPCO TV of YouTube.

English: <https://www.youtube.com/watch?v=TuHNQP0JIU>

Japanese: <https://youtu.be/w53jPFBsaCw>

## Business partners

Participation in an SDGs event held with our business partners



Ito Yokado, Marukome, and FP Corporati on participated in a project to try solving social issues by reducing the environmental impact with customers, with the leading role played by new employees from Ito Yokado Yokohama Bessho.

We introduced the FPCO method of Tray to Tray recycling via exhibits, original video, quiz rally, and others.

## Consumers

Online plant tour given to elementary school students



We gave an **Online Recycling Plant Tour** in August. To elementary school students, we explained how we recycle used food trays and transparent containers, which are put into collection boxes at supermarkets, in easy-to-understand manners through quizzes and a video.

# Streamlining of Logistics



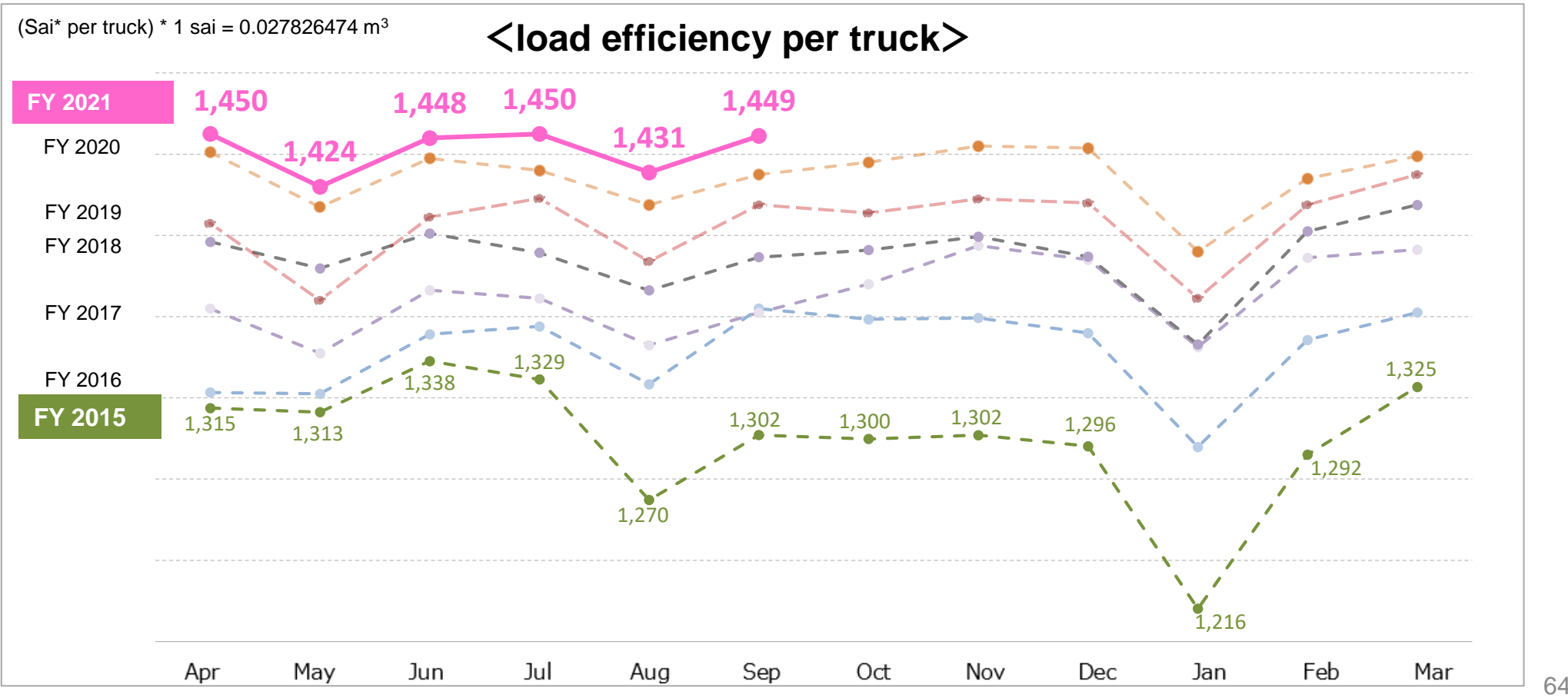
# Actions for Suppressing Soaring Logistics Expenses (Distribution of Sales)

Increase ratio of private services      September, 2021

97.6%

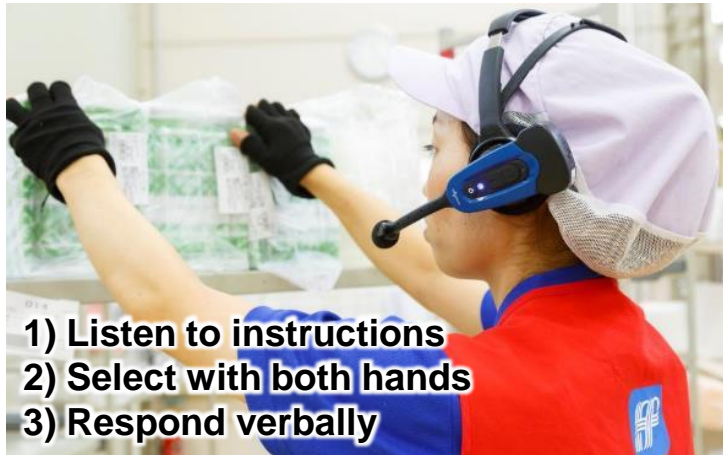
Increase load efficiency per truck      1st half of FY2021  
Compared with the level  
in 1st half of FY2015

110.0%

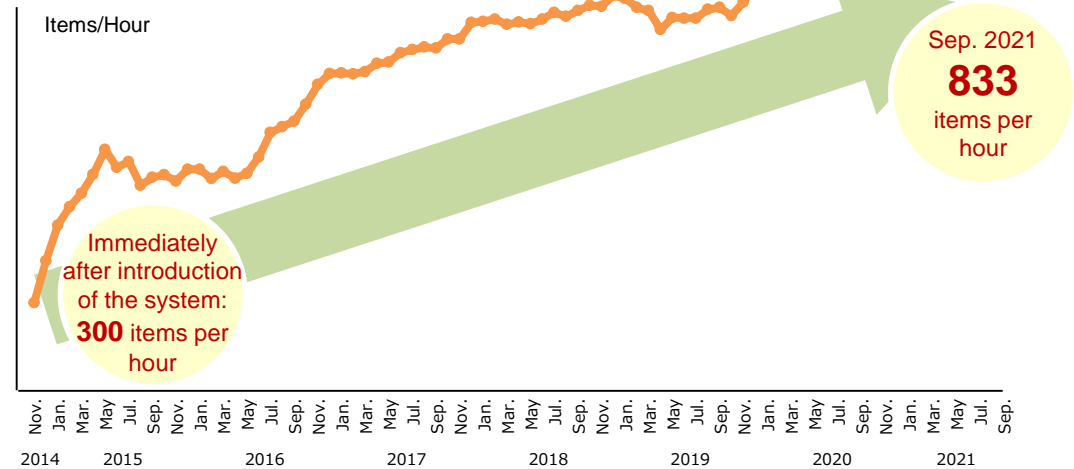


# Efficiency Improvement (Logistics Division)

## Voice Picking

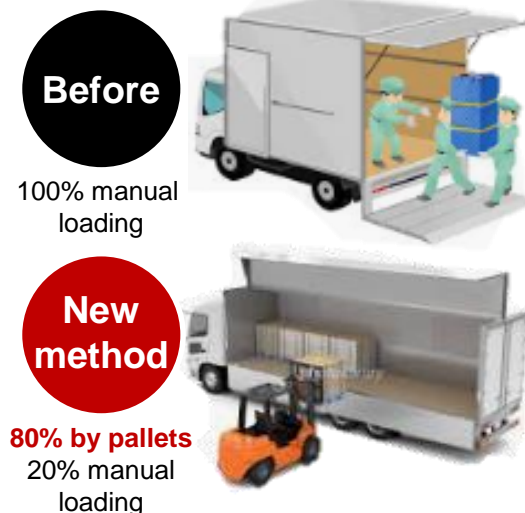


Productivity enabled by voice picking

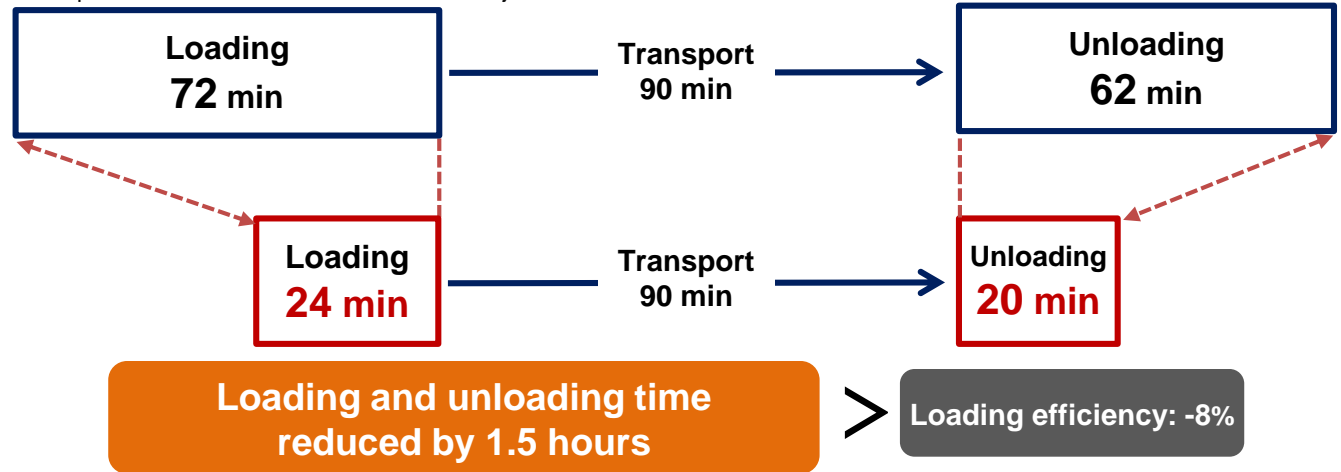


## Pallet Transportation (Transportation to other bases)

Conducted on 5 routes in Mar. 2021



Example: Kanto Distribution Center → Hachioji Distribution Center





# Enhancing the Logistics Network

**Chubu Hub Center**



Completion scheduled in Sept. 2021  
Investment: 5,855 million yen  
Total floor area: 27,575 m2



**Chubu Hub Center**  
(Building 1 of 1st Center)

**Chubu Hub Center**  
(Building 2 of 1st Center)

**Chubu Eco PET Plant**  
(Chubu Plant 3, Chubu Plant 4)

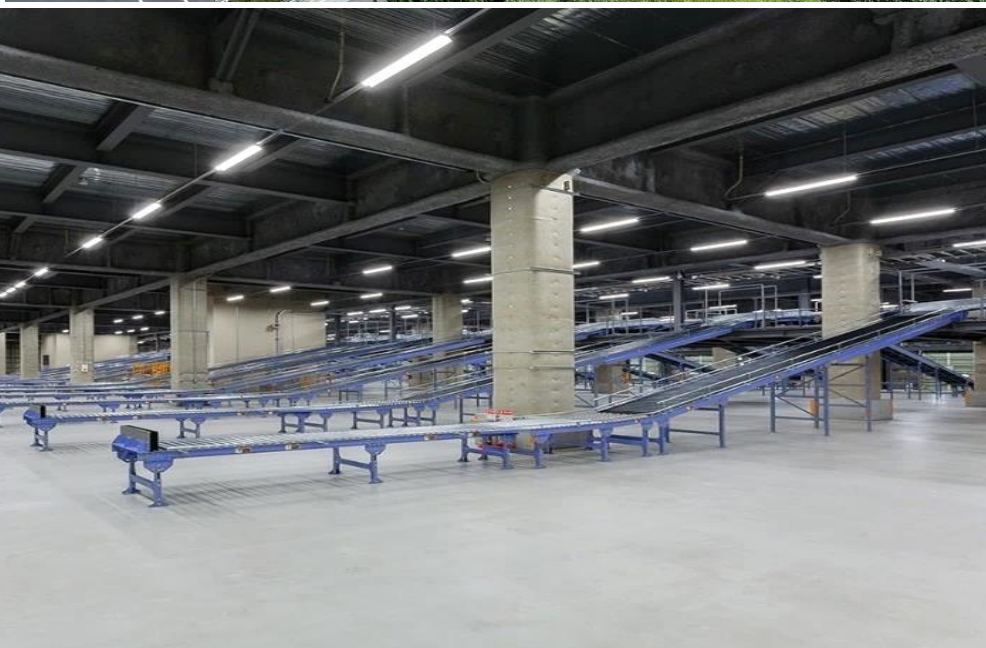
Percentage of products in Japan  
that are sorted automatically

Approx. **62%** (Kanto, Hachioji, Fukuyama)



After the new centers come into operation

Approx. **75%** (Kanto, Hachioji, Fukuyama, [Chubu](#))



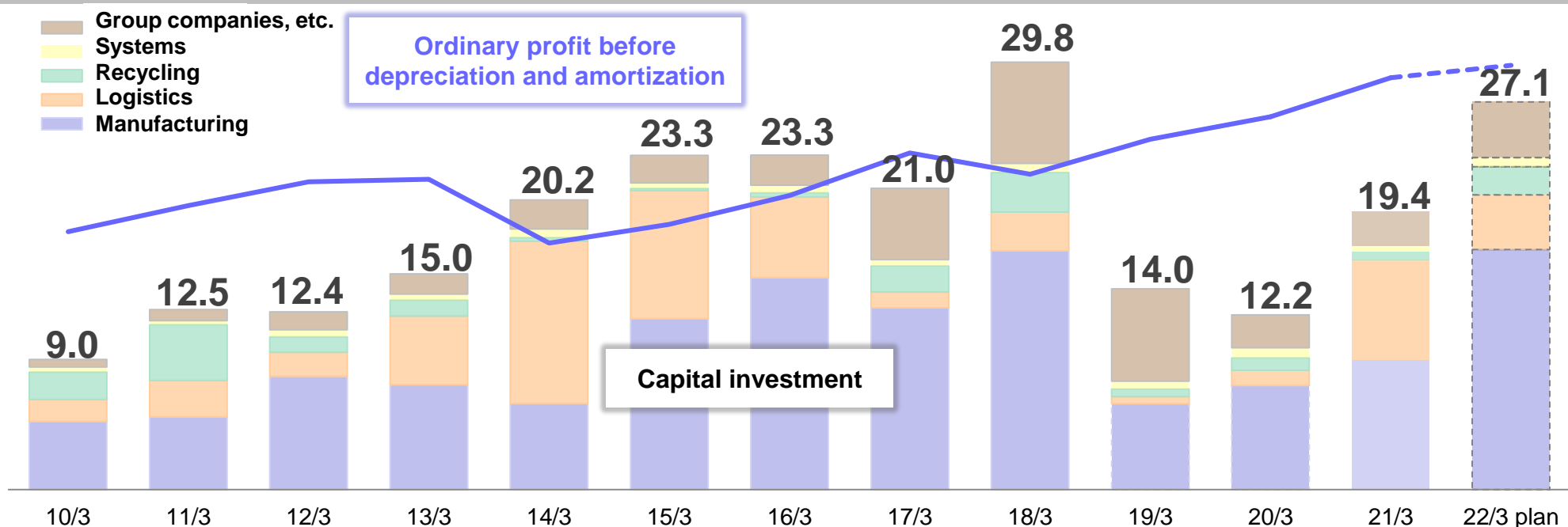


# Strategic Investment



# FPCO's Strategic Investment

Unit: billion yen



World's first materials developed

2010: Launch of Multi FP (MFP)  
 2012: Launch of Multi Solid (MSD)  
 2012: Launch of Eco APET  
 2012: Launch of OPET  
 2012: Launch of New Transparent PP

Microwave market expanded

Distribution network constructed

2014: Fukuyama Cross Dock Center  
 2015: Hachioji Distribution Center

Soaring cost of regular cargo services

Recycling strengthened

2016: Chubu Eco PET plant  
 2018: Kanto Eco PET plant

ESG investment increased

Distribution network enhanced

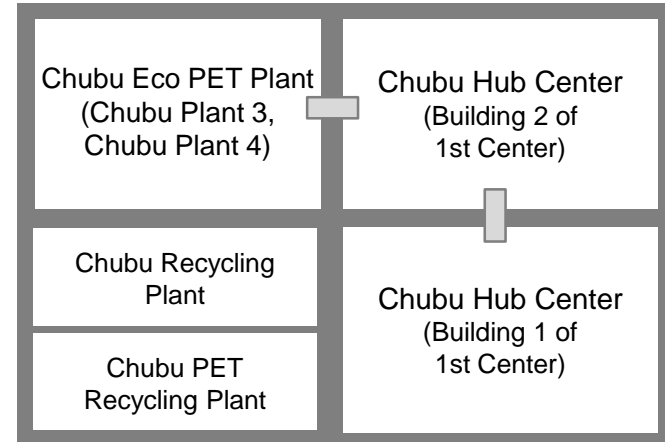
2020: Kyushu Distribution Center expanded  
 2020: Fukuyama Distribution Center expanded  
 2020: Chubu Distribution Center expanded  
 2022: Distribution Center of the New Facility in Hyogo (tentative name)

Investment in human resources

# Construction of Chubu Plant 1

## Chubu Plant I

Completion scheduled in  
May 2022  
Investment: 8,049 million yen  
Total floor area: 20,902 m<sup>2</sup>



# Construction of Kansai Plant and Kansai Hub Center

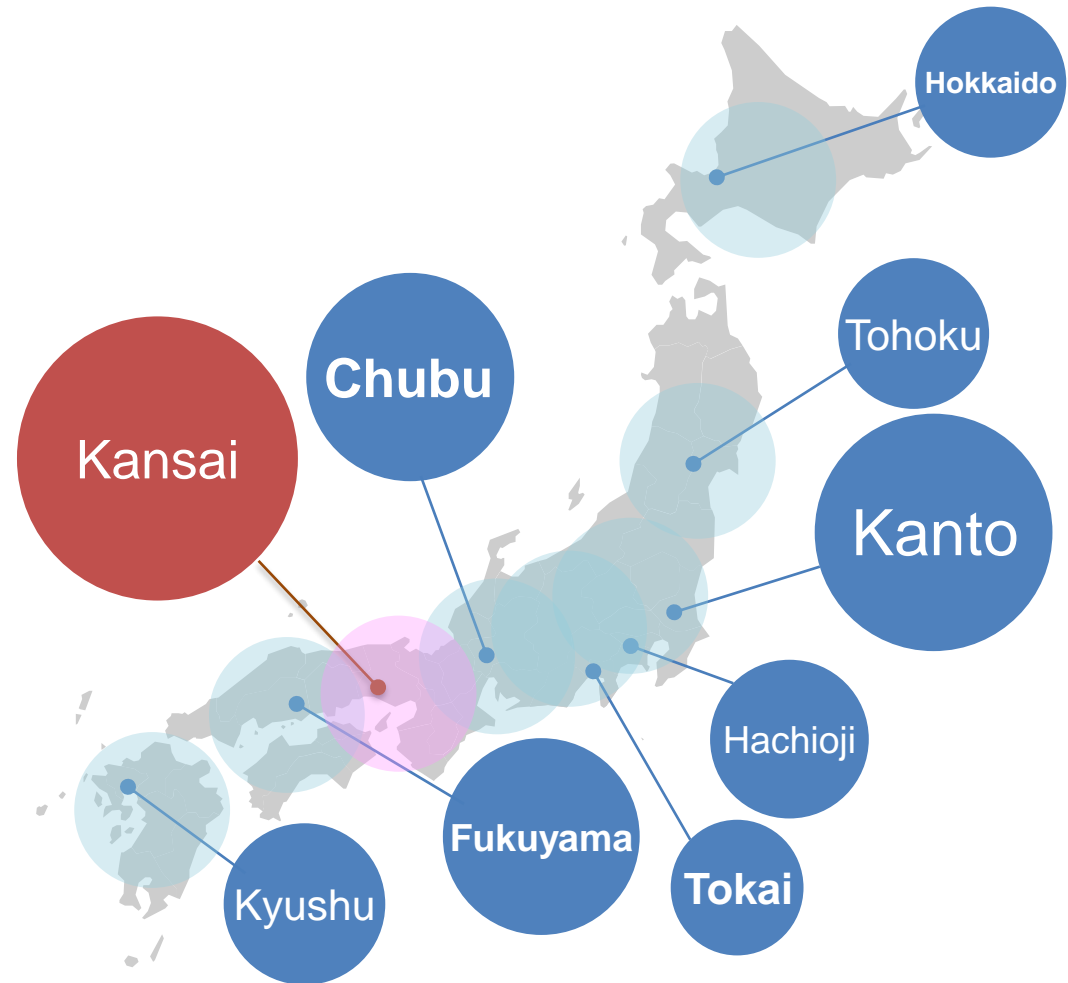


Approx. 30% transferred from Fukuyama area

Increasing **logistics capacity** and **production capacity** in the Kinki area

|                              |  |
|------------------------------|--|
| <b>Completion scheduled:</b> | <b>September 2022</b>                          |
| <b>Investment:</b>           | <b>25.3 billion yen</b>                        |
| <b>Address:</b>              | Hyogo Ono Industrial Estate,<br>Ono-shi, Hyogo |
| <b>Building overview:</b>    | Four story steel frame<br>construction         |
| <b>Site area:</b>            | Approximately 48,000 m <sup>2</sup>            |
| <b>Gross floor area:</b>     | Approximately 79,511 m <sup>2</sup>            |

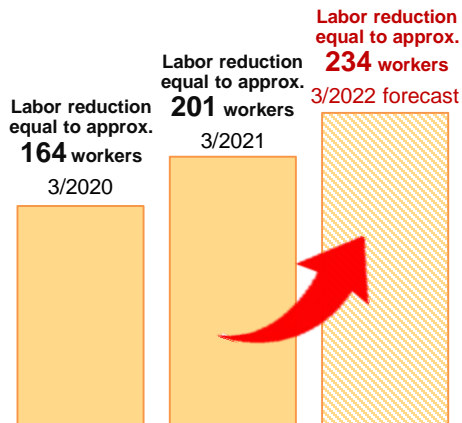
Completion of a network which covers **70%** of the total population, including the populations of major cities, within **150 km** radius from each base





# Investment in Human Resources (1): Automation

## Manufacturing Division



- Case packing robots 21 units
- Automatic dusting and packaging machines 8 units
- Automatic packaging machines 56 units → **67 units**  
3/2021 Planned in 3/2022

## Logistics Division



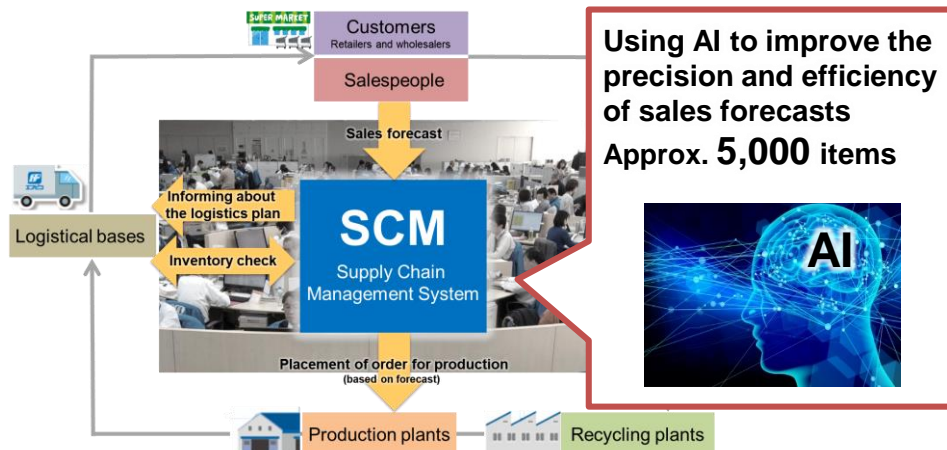
AGV (automated guided vehicle)  
29 units → **33 units**  
3/2021 Planned in 3/2022



Reducing labor with unmanned, laser-guided operations for transferring and storing pallets

AGF (automated guided forklift)  
Introduce 2 units  
3/2021

## SCM Division



## Use of RPA

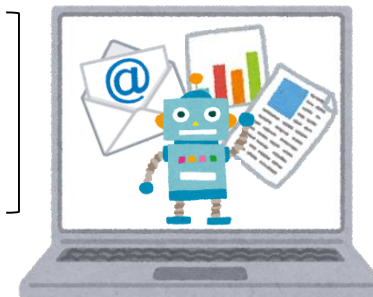
Automation of operations with robots

Reduction of approx. **11,400 work hours/year** 3/2021

Using RPA Approx. 8,700 hours  
Improvement of existing functions and operations  
Approx. 2,700 hours

→ Expected to reduce work hours

by approx. **20,000/year** 3/2022 forecast





# Investment in Human Resources (2): Development of Working Environment

## PicoHouse dormitories for single employees



## Group homes for people with disabilities



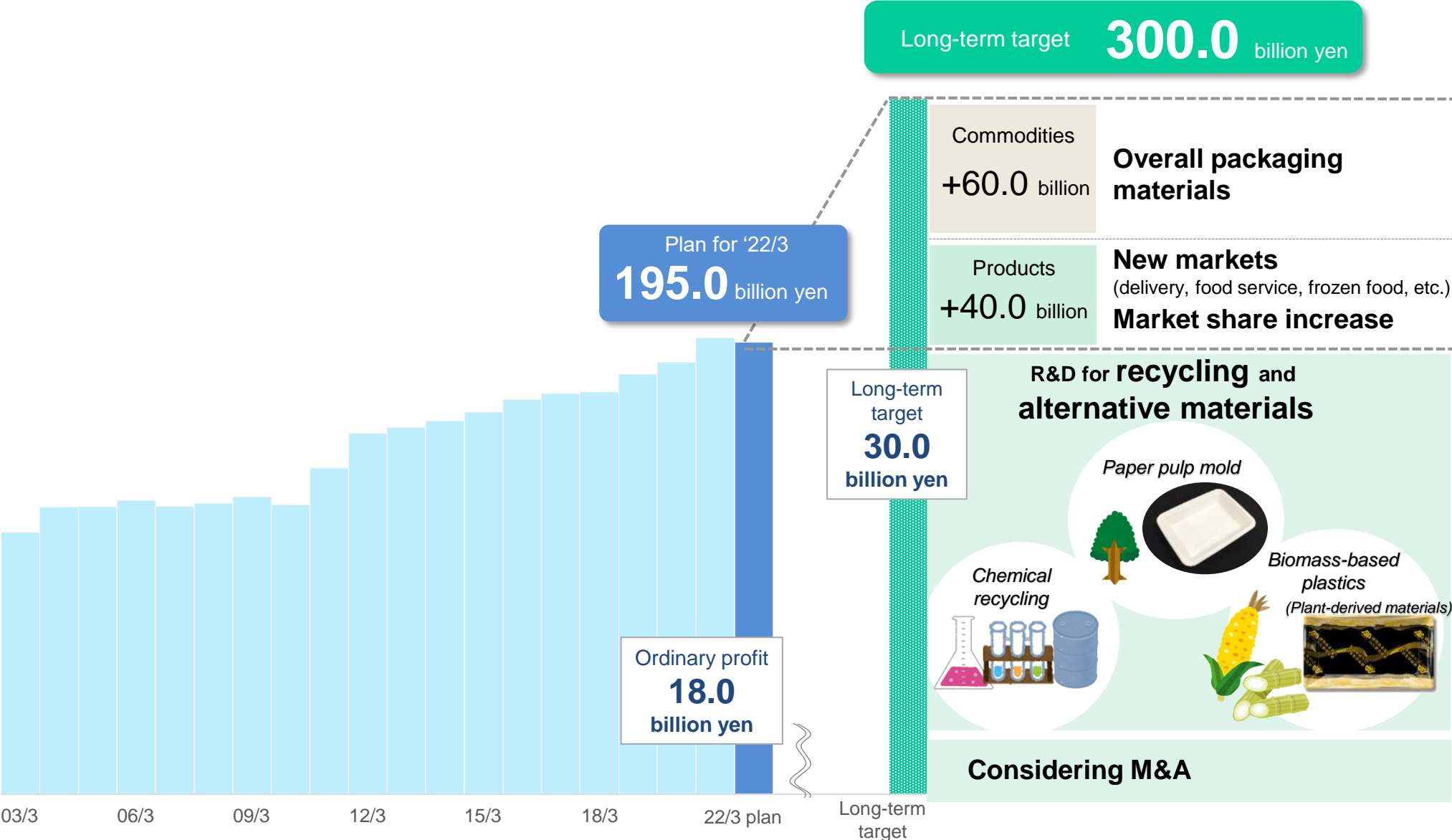
## Changes to programs and standards

1. Introduction of requirement to **take five consecutive days of paid leave (Smile Leave)** (FY2018)
2. **Revision of the retirement benefit programs** at some group companies (FY2018)
3. **Pay standard raised** at some group companies (FY2019)
4. Introduction of **a teleworking** program (FY2020)
5. Introduction of **special leave for volunteer activities** (FY2020)
6. Introduction of **a selective retirement system** (FY2021)

# Growth Strategy



# FPCO Growth Strategy



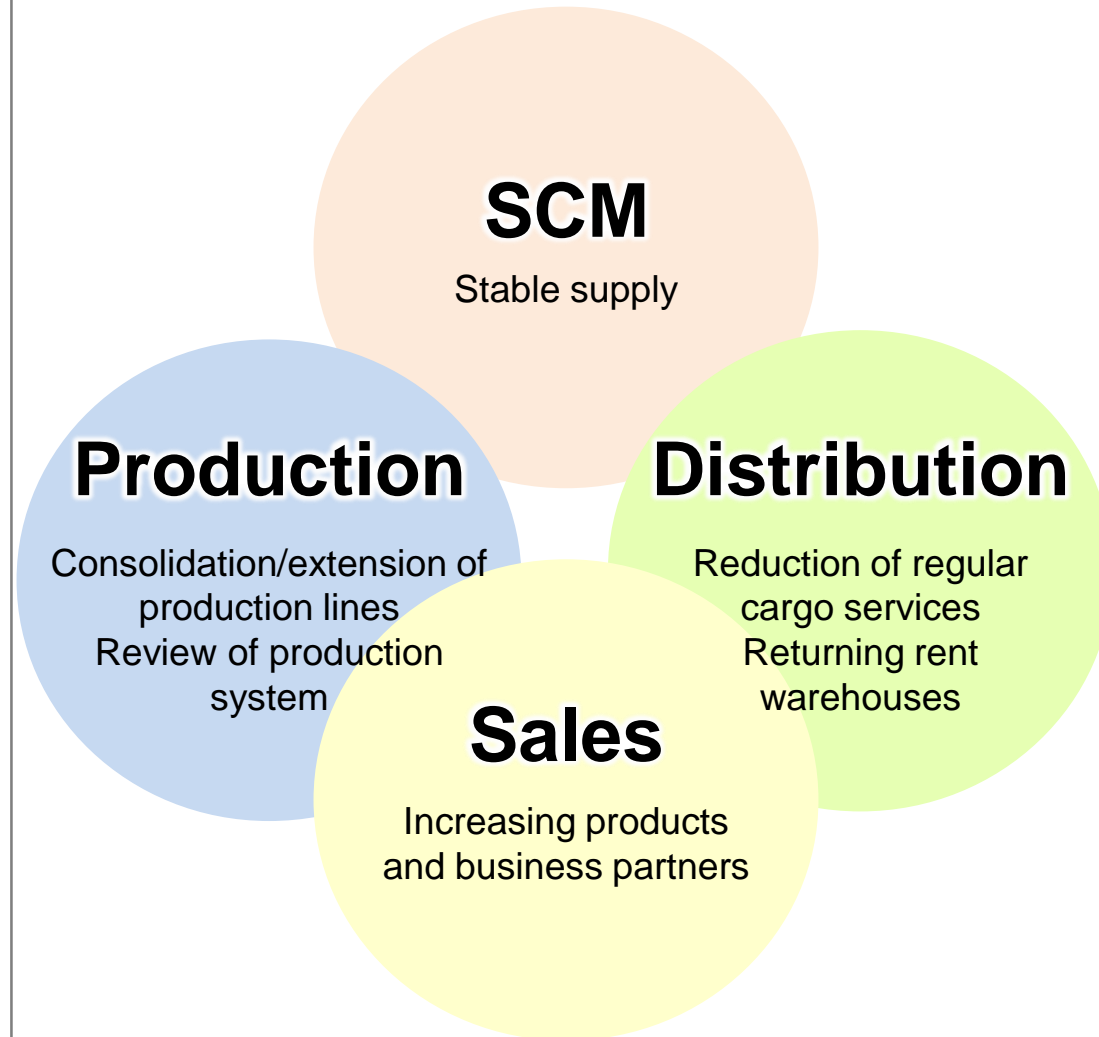
\* Changed to the Accounting Standard for Revenue Recognition in FY ending Mar. 2022

# M&A -- Business Transfer from Sekisui Hinomaru

|                                  |  |   |
|----------------------------------|--|---|
| Name:                            | Sekisui Hinomaru K.K.  |   |
| Locations:                       | (Head offices)   | Kumamoto and Fukuoka                            |
|                                  | (Sales offices)  | Fukuoka, Kagoshima, Hiroshima, Osaka, and Tokyo |
|                                  | (Plants)   | Saga and Ibaraki                                |
| Transferred business:            | Molding business   |   |
| Products                         | Lineup of PSP trays, including for fishcakes, dried-salted fish, and spicy cod roe                             |   |
| Sales:                           | Approx. 5.2 billion yen (Molding business only)  |   |
| Number of transferred employees: | 139 (38 salespeople and 101 plant/warehouse workers)<br>* Including contract employees and part-time employees |   |
| Transfer date:                   | October 1, 2020  |   |



## Effects of Infrastructure Integration



# Streamlining Logistics of Former Hinomaru Products

- ✓ Reducing the cost of regular cargo services using **our own delivery vehicles**
- ✓ Reducing transportation cost by **increasing load efficiency** of our own delivery vehicles
- ✓ Reducing warehousing cost by **returning rent warehouses**



Improvement: Approx. **300** million yen/year



# Actual Examples of Products in the Frozen Food Market

## Actual examples of products from Hankyudelica-I. Inc.

Delivered in a frozen state by vendor

FPCO Fair 2021



Shipping quantity in 2020 400% compared to last year

Grilled chicken with seven vegetables with an orange sauce  
498 yen



## Multi FP, an original material from FPCO

Cold and heat resistance

Endures temperatures between -40°C and +110°C

Heat retention

Retains heat and good taste

Thermally insulating

The container is not hot even immediately after the food is heated.



Hamburger with six vegetables with a demiglace sauce  
498 yen



Grilled salmon with seven vegetables with cream sauce  
498 yen



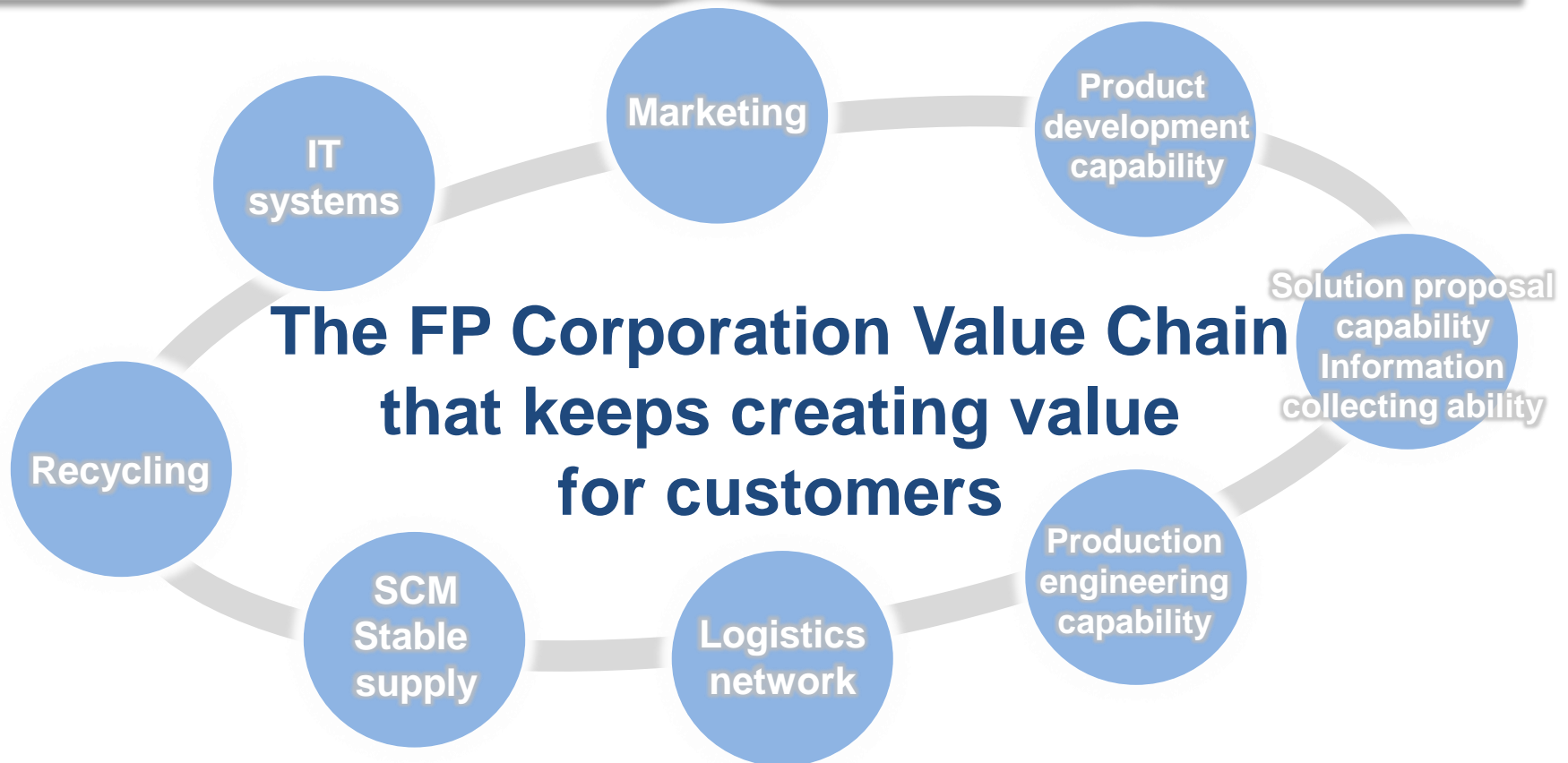
Tofu hamburger with six vegetables  
498 yen



Grilled chicken with seven vegetables with tomato sauce  
498 yen

# To Increase Corporate Value

“We ensure that we reliably deliver the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed.”

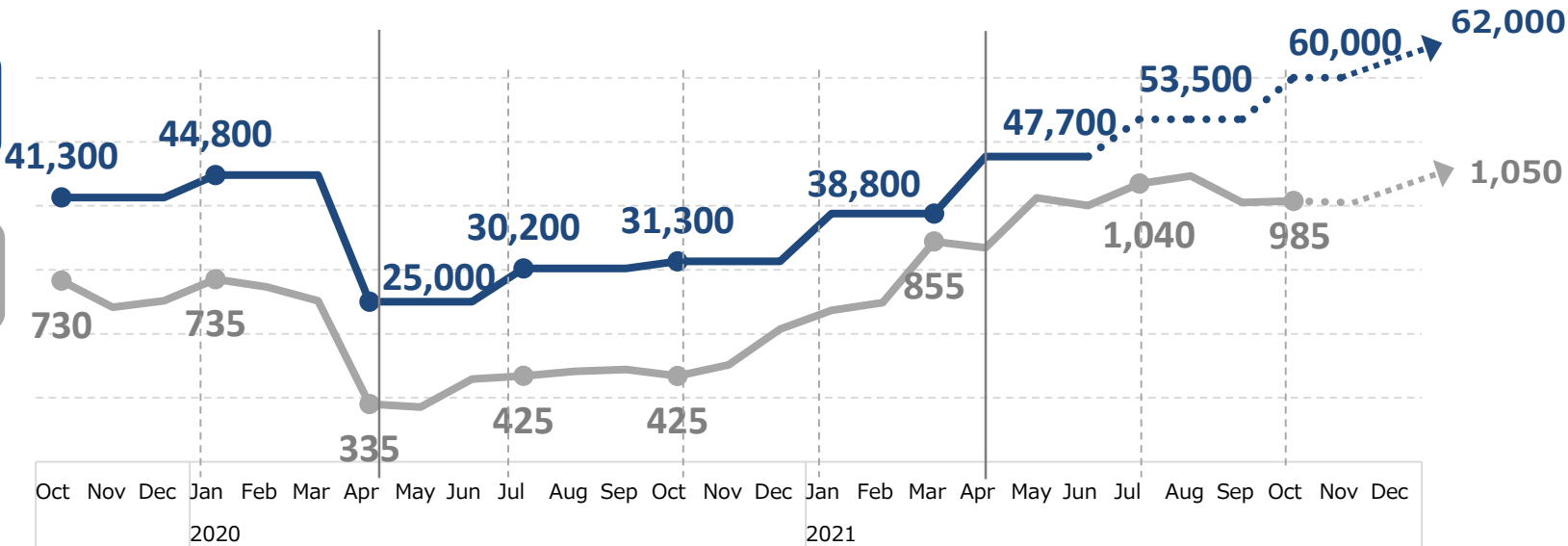


# Trends in Raw Material Prices

As of Oct, 2021

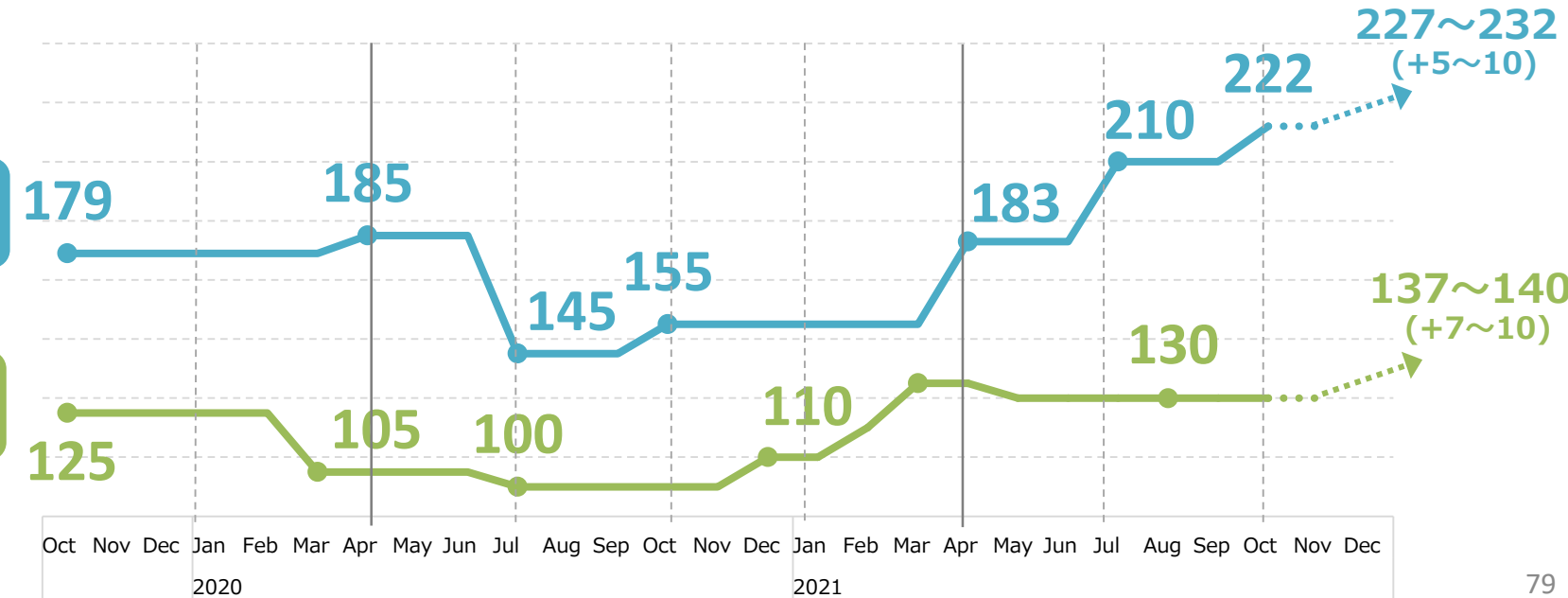
Domestically  
produced Naphtha  
equivalent (yen/KL)

Benzene  
(\$/ton)



Domestic price of  
general polystyrene  
(yen/kg)

Domestic price of  
general PET (yen/kg)



# Price Revision

2021 年 10 月吉日

お取引先各位

株式会社エフピコ

価格改定をお願い

謹啓 貴社ますますご清栄のこととお慶び申し上げます。平素はひとかたならぬご愛顧を賜り厚く御礼申し上げます。

さて、弊社グループ製品主要原料であるポリスチレンの価格が 2021 年 4 月、7 月、10 月と 3 回にわたり上昇しております。足元では川上原料である国産ナフサ、ベンゼン等の価格高騰が続いており、ポリスチレンをはじめ原料全般において更なる値上がりが予想されます。

このような状況下、弊社といたしましては使用済み容器など回収原料の調達量拡大に加え、生産部門における自動化や物流部門における積載効率改善などあらゆる部門で合理化の取り組みを実施しておりますが、大幅な原料価格の高騰を自助努力で吸収することが極めて困難な状況にあります。

つきましては、誠に不本意ではございますが、下記のとおり弊社製品の価格改定実施をお願いしたく、何卒事情ご賢察の上、ご理解ご協力を賜りますようお願い申し上げます。

謹白

記

## 1. 対象品目・価格改定幅

弊社製造製品全般 : 10%以上

※一部製品につきましては、別途上記とは異なる価格改定をお願いする場合もございます。

## 2. 実施時期

2021 年 12 月 1 日出荷分より

※なお、価格改定の詳細につきましては、弊社営業担当者がお伺いした上でご説明申し上げます。

以 上

## 1. Target items and rate of increase

All products we manufacture:  
10% or higher

## 2. Time of revision

New prices will apply starting from  
products shipped on December 1, 2021.

# *Supporting Data*

---



# Explanation of terms

|                                     |  |            |                              |           |                 |
|-------------------------------------|--|------------|------------------------------|-----------|-----------------|
| <b>PS</b>                           | : Polystyrene  | <b>PET</b> | : Polyethylene terephthalate | <b>PP</b> | : Polypropylene |
| <b>Multi FP (MFP)</b>               | : An formed PS (polystyrene) container with cold and heat resistance to temperatures <u>between -40°C and +110°C</u> and with superior oil and acid resistance and thermal insulation (sales commenced in 2010).   |            |                              |           |                 |
| <b>Multi Solid (MSD)</b>            | : A non-formed PS (polystyrene) container with <u>a heat resistance temperature of +110°C</u> that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP(sales commenced in 2012).   |            |                              |           |                 |
| <b>New transparent PP container</b> | : A transparent PP container with <u>a heat resistance temperature of +110°C</u> , which has achieved the same transparency as OPS using standard-grade polypropylene raw material(sales commenced in 2012).   |            |                              |           |                 |
| <b>OPS container</b>                | : A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.   |            |                              |           |                 |
| <b>Eco Tray</b>                     | : A recycled foamed polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).  |            |                              |           |                 |
| <b>Eco APET</b>                     | : A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).  |            |                              |           |                 |
| <b>Eco OPET</b>                     | : A recycled OPET transparent container molded from the bi-axially oriented PET sheets, which use the same raw materials as an Eco APET container.<br>Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container.<br>Heat resistance temperature of +80°C (sales commenced in 2016). |            |                              |           |                 |
| <b>Bio-HIPS container</b>           | : HIPS (non-foamed polystyrene) container containing 25% of plant-derived materials (sales commenced in 2020).   |            |                              |           |                 |
| <b>Bio-PPF container</b>            | : Polypropylene with fillers (PPF) container containing 25% of plant-derived materials (sales commenced in 2020).  |            |                              |           |                 |
| <b>FSC®</b>                         | : Forest Stewardship Council® (FSC®) is an international non-profit organization established to promote responsible management forests in the world. FSC sets standards based on principles on responsible forest management, which are supported by the agreement of stakeholders in the environment, social, and economic fields.        |            |                              |           |                 |
| <b>Distribution Center</b>          | : Ships products by unit of case   |            |                              |           |                 |
| <b>Picking Center</b>               | : Conduct picking operations for products and goods by small lots and ship   |            |                              |           |                 |
| <b>Sorting Center</b>               | : Sorts PS containers collected from stores according to white and other colors, and transparent containers collected from stores according to materials such as PS, PET and PP.   |            |                              |           |                 |

# World's First Sheets and Materials

## PP: polypropylene

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Foam is hard and resistant to weight reduction.
- ★ Low firmness
- ★ Low cold resistance
- ★ Difficult to make transparent



## New transparent PP

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Same transparency as OPS

## PET: polyethylene terephthalate

- ★ Resin introduced last
- ★ High transparency
- ★ High oil resistance
- ★ Low heat-resistance: +60°C
- ★ Heavy

## OPET: Biaxially stretched PET

- ★ High transparency
- ★ High oil resistance
- ★ Same heat-resistance as OPS: +80°C
- ★ Weight can be reduced by stretching
- ★ Difficult to mold

## PS: polystyrene



## PSP: foamed polystyrene

- ★ Easy to mold
- ★ Low raw material ratio
- ★ Weight reduction is possible
- ★ High insulation
- ★ Low heat resistance: +80°C
- ★ Low oil resistance



## MFP: multi FP

: foamed polystyrene

- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ Weight reduction is possible

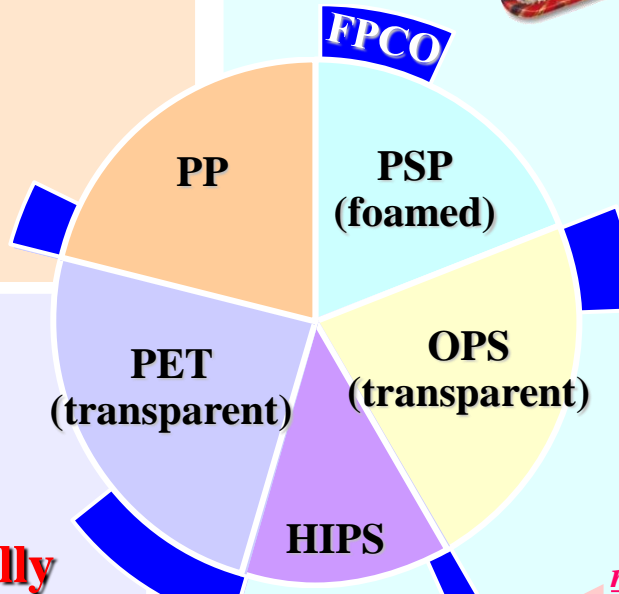


## Recycling of multi-FP remnants

## MSD: Multisolid Non-foaming polystyrene

## OPS: oriented polystyrene

- ★ Transparent
- ★ Heat-resistant: +80°C
- ★ Low oil resistance
- ★ Limited weight reduction



\* The pie chart at the center represents the share by material (on weight basis). 3

# Trends in original products development

'11/3

'21/3

Feb. 2010: Market release of the **Multi FP (MFP)**



Feb. 2012: Market release of the **Multi Solid (MSD)**



May 2012: Market release of the **Eco APET**



Nov. 2010

**Chubu PET Recycling Plant**

Jun. 2014

**Nishinihon PET-Bottle  
Recycle Co., Ltd.**

March 2016

**Chubu Eco PET Plant**

Aug. 2017

**Kanto Eco PET Plant**

Nov. 2012: Market release of the **OPET**



Jul. 2012

**Kanto Yachiyo Plant**

Jun. 2012: Market release of **New Transparent PP**



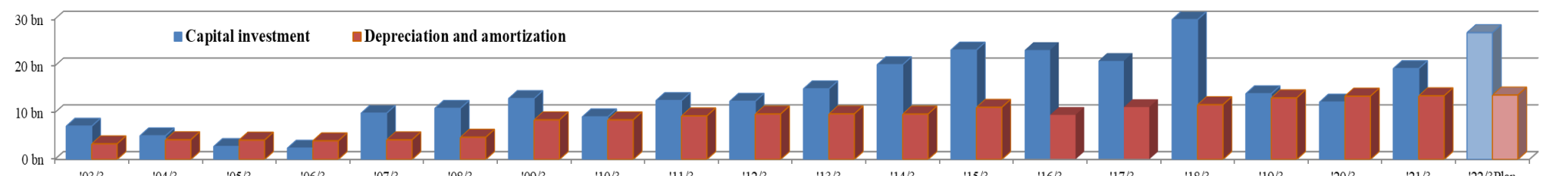
# Factors influencing Ordinary Profit

Unit:100 million yen

|                                   | '03/3  | '04/3 | '05/3 | '06/3 | '07/3 | '08/3                           | '09/3 | '10/3 | '11/3 | '12/3                | '13/3 | '14/3 | '15/3                           |          |           | '16/3    |          |           | '17/3    |          |           | '18/3    |          |           | '19/3    |          |           | '20/3    |          |           | '21/3    |          |           | '22/3 Plan |          |           |      |
|-----------------------------------|--|-------|-------|-------|-------|---------------------------------|-------|-------|-------|----------------------|-------|-------|---------------------------------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|----------|----------|-----------|------------|----------|-----------|------|
|                                   |  |       |       |       |       |                                 |       |       |       |                      |       |       | 1st half                        | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half | 2nd half | Full year | 1st half   | 2nd half | Full year |      |
| Ordinary Profit for previous year | 63.1   | 28.6  | 33.6  | 36.3  | 66.5  | 81.2                            | 64.5  | 92.9  | 122.2 | 134.7                | 149.5 | 151.2 | 51.1                            | 49.4     | 100.5     | 47.4     | 53.6     | 101.1     | 66.3     | 74.0     | 140.3     | 79.1     | 78.3     | 157.4     | 66.3     | 69.2     | 135.5     | 64.8     | 83.8     | 148.6     | 74.4     | 88.3     | 162.7     | 85.6       | 108.2    | 193.8     |      |
| The Price of Material             | -6.0   | -13.8 | -36.5 | -10.0 | -13.0 | -39.5                           | -37.0 | -25.0 |       |                      |       |       |                                 |          |           |          |          |           |          |          |           |          |          |           |          |          |           |          |          |           |          |          |           | -9.9       | -30.1    | -40.0     |      |
|                                   |  |       |       |       |       | Decrease in raw material prices |       | +78.0 |       |                      |       |       | Decrease in raw material prices |          |           | +16.0    | +15.0    | +31.0     | +20.0    | +3.0     | +23.0     |          |          |           |          |          |           | +2.5     | +5.2     | +7.7      | +11.0    | +3.0     | +14.0     |            |          |           |      |
|                                   |  |       |       |       |       | Raw material price increase     |       | -19.0 | -23.0 | -37.0                | -15.5 | -46.0 | -7.0                            | -        | -7.0      |          |          |           |          |          |           | -13.0    | -13.0    | -26.0     | -14.8    | -15.5    | -30.3     |          |          |           |          |          |           |            |          |           |      |
| Sales Price                       | -25.0  | +7.7  | +29.2 |       | +4.0  | +9.0                            | +38.0 | +25.0 |       | +32.0                | +6.5  |       | Naphtha formula                 |          |           | -3.0     | -8.0     | -11.0     | -12.5    | -11.0    | -23.5     |          |          |           |          |          |           |          |          |           |          |          |           |            |          |           |      |
|                                   |  |       |       |       |       | 1st product price reduction     |       | -44.0 |       |                      |       |       | +15.0                           | +14.0    | +2.0      | +16.0    |          |           |          |          | -         | +4.5     | +4.5     | +13.6     | +28.0    | +41.6    | +10.5     | -        | +10.5    |           |          |          |           |            |          |           |      |
|                                   |  |       |       |       |       | 2nd product price reduction     |       | -19.0 |       |                      |       |       | -13.0                           | -10.0    | -3.0      | -13.0    |          |           |          |          |           |          |          |           |          |          |           |          |          |           |          |          |           |            |          |           |      |
| Sales Efforts                     | Raw material replacement and lighter-weight products |       |       | +2.0  | +8.0  | +8.6                            | +11.8 | +24.5 | +20.0 | New material effects |       |       | +8.0                            | +4.5     | +10.0     | +14.5    |          |           |          |          |           |          |          |           |          |          |           |          |          |           |          |          |           |            |          |           |      |
|                                   | Increase in quantity/ improvements to product mix    |       |       | +45.0 |       | +17.5                           | +5.8  | +3.0  | +7.0  | +6.0                 | +21.5 | +15.0 | +21.0                           | +1.0     | -         | +4.0     | +4.0     | +8.5      | +11.0    | +19.5    | +10.5     | +12.5    | +23.0    | +6.0      | +3.2     | +9.2     | +4.5      | +7.2     | +11.7    | +3.5      | +5.0     | +8.5     | +7.2      | +9.8       | +17.0    | +11.0     | +8.0 |
| Improved Production               | +2.4   | -0.6  | -2.0  | +6.0  | +8.7  | +3.0                            | +2.5  | +9.5  | +12.0 | +9.0                 | +2.5  | +1.0  | +0.5                            | +3.5     | +4.0      | +5.0     | +7.0     | +12.0     | +3.2     | +1.1     | +4.3      | -3.2     | -4.0     | -7.2      | -0.5     | -        | -0.5      | +1.0     | +1.5     | +2.5      | -1.5     | +3.5     | +2.0      | +3.5       | +3.5     | +7.0      |      |
| Improved Distribution             | +0.3   | -14.0 | +12.2 | +5.5  | +8.0  | +5.7                            | +5.0  | +9.5  | +8.0  | +4.0                 | +1.5  | +1.0  | -                               | -1.0     | -1.0      | -        | +1.5     | +1.5      | -3.0     | -2.7     | -5.7      | +0.5     | +1.0     | +1.5      | -1.5     | -3.0     | -4.5      | -4.0     | -3.5     | -7.5      | -0.5     | +1.5     | +1.0      | +2.5       | +2.5     | +5.0      |      |
| Group Companies                   |  |       |       |       |       |                                 |       | +5.0  | +5.5  | +5.0                 | +1.0  | -1.0  | -                               | -1.5     | -1.5      | +3.0     | +2.5     | +5.5      | +2.0     | +3.0     | +5.0      | -        | +1.5     | +1.5      | +0.5     | +1.5     | +2.0      | +2.0     | +0.1     | +2.1      | -0.7     | +6.5     | +5.8      | +4.0       | +2.0     | +6.0      |      |
|                                   | Profit from the sale of artwork                      |       |       | +1.0  | -1.0  |                                 |       | +4.0  | -4.0  |                      |       |       | Subsidies                       |          |           | +5.9     | +0.6     | +6.5      | -1.4     | -0.3     | -1.7      | -3.7     | +0.8     | -2.9      |          |          |           |          |          |           |          |          |           |            |          |           |      |
| Cost increase                     | -6.2   | -19.3 | -3.2  | +4.2  | -7.4  | -9.7                            | -15.6 | -12.7 | -11.5 | -13.2                | -15.3 | -17.0 | -11.6                           | -10.4    | -22.0     | -9.2     | -8.4     | -17.6     | -3.7     | -2.4     | -6.1      | -3.1     | -2.3     | -5.4      | -3.3     | -3.6     | -6.9      | -5.9     | -3.8     | -9.7      | -4.3     | -4.4     | -8.7      | -7.6       | -3.2     | -10.8     |      |
| Total increase/decrease           | -34.5  | +5.0  | +2.7  | +30.2 | +14.7 | -16.7                           | +28.4 | +29.3 | +12.5 | +14.8                | +1.7  | -51.0 | -3.7                            | +4.2     | +0.5      | +18.9    | +20.3    | +39.2     | +12.8    | +4.3     | +17.1     | -12.8    | -9.1     | -21.9     | -1.5     | +14.6    | +13.1     | +9.6     | +4.5     | +14.1     | +11.2    | +19.9    | +31.1     | +3.5       | -17.3    | -13.8     |      |
| Ordinary profit                   | 28.6   | 33.6  | 36.3  | 66.5  | 81.2  | 64.5                            | 92.9  | 122.3 | 134.7 | 149.5                | 151.2 | 100.5 | 47.4                            | 53.6     | 101.1     | 66.3     | 74.0     | 140.3     | 79.1     | 78.3     | 157.4     | 66.3     | 69.2     | 135.5     | 64.8     | 83.8     | 148.6     | 74.4     | 88.3     | 162.7     | 85.6     | 108.2    | 193.8     | 89.1       | 90.9     | 180.0     |      |

# Trends in Capital Investment and R&D Costs

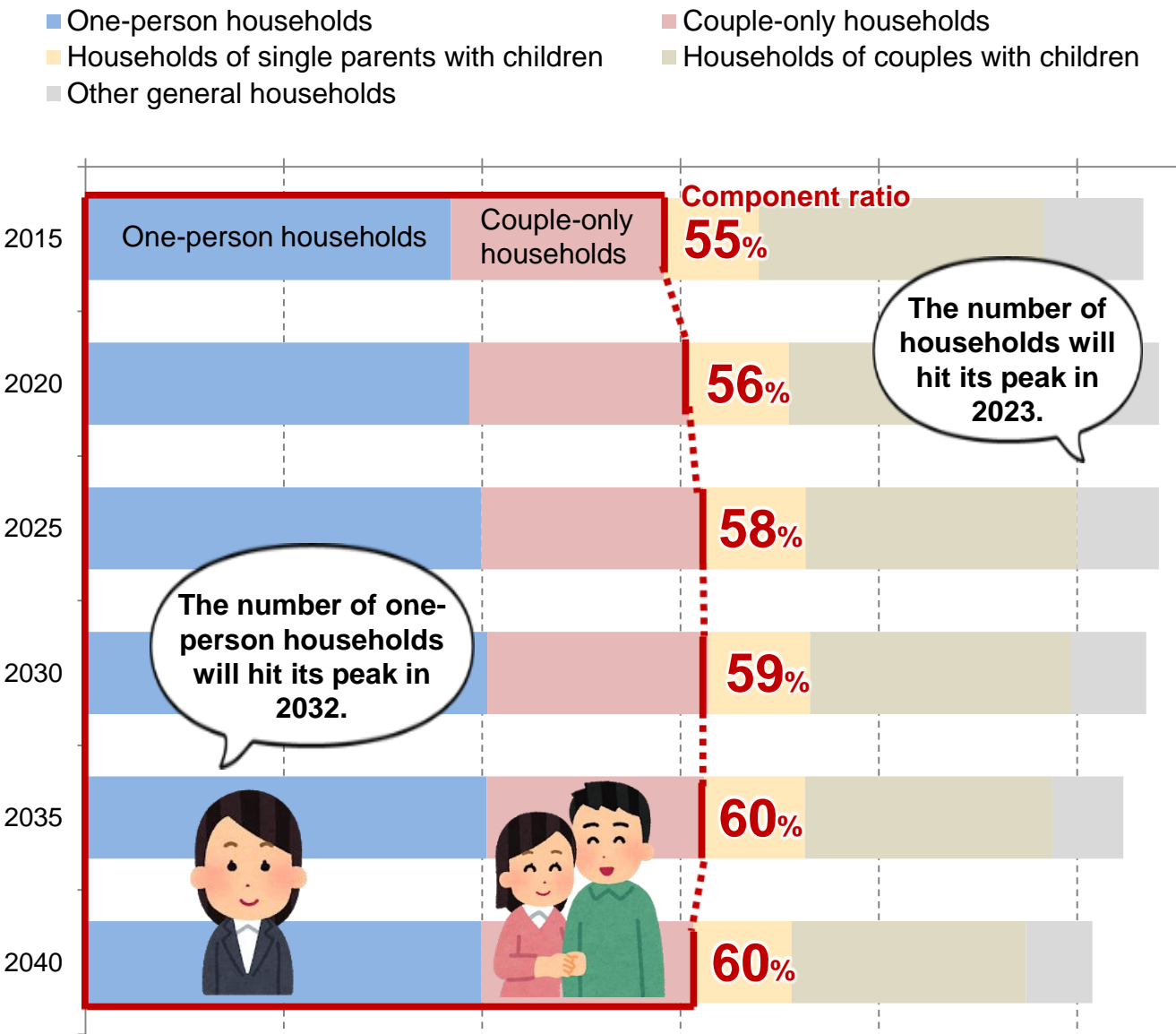
|                               | FY ended<br>March 2003 | FY ended<br>March 2004 | FY ended<br>March 2005 | FY ended<br>March 2006                  | FY ended<br>March 2007 | FY ended<br>March 2008               | FY ended<br>March 2009                             | FY ended<br>March 2010 | FY ended<br>March 2011   | FY ended<br>March 2012                                   | FY ended<br>March 2013                 | FY ended<br>March 2014      | FY ended<br>March 2015 | FY ended<br>March 2016 | FY ended<br>March 2017 | FY ended<br>March 2018 | FY ended<br>March 2019 | FY ended<br>March 2020                 | FY ended<br>March 2021             | FY ending<br>March 2022<br>Plan |
|-------------------------------|------------------------|------------------------|------------------------|---|------------------------|--------------------------------------|--|------------------------|--------------------------|--|--|-----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|--|------------------------------------|---------------------------------|
| Production                    | Yamagata Plant         |                        |                        | Shimodate Daini Plant                   | Chubu Daini Plant      |                                      | Taiyo Kosan  | Nihon Pearl Containers | Dia Foods                | "FPCO Research Center" Development and Training Building |  |                             | Chubu Eco PET plant    | Kanto Eco PET plant    |                        |                        |                        |  | Kansai Plant and Kansai Hub Center | Chubu Daichi Plant              |
| Distribution                  | East Japan Hub Center  | Kyushu HC              | Kansai PC              |   | Kanto Yachiyo Center   |                                      | New Fukuyama Picking Center                        |                        | New Chubu Picking Center |  | Logistics centers in Kyushu            | Logistics centers in Kansai |                        | Voice picking          |                        |                        |                        | Kyusyu HC extension                    | Fukuyama HC extension              | Chubu Hub Center                |
| Recycling                     |                        |                        |                        | Chubu, Tohoku & Kyushu Recycling Plants |                        |                                      | Na tionwide expansion of container sorting centers |                        |                          |  |  |                             |                        |                        |                        |                        |                        | Capacity increased in Kanto and Kyushu |                                    | Chubu pelletizing               |
| Other investments and costs   |                        |                        |                        |   | Tokai HC               | Head Office and building in Fukuyama |  | Yuka Shoji             |                          | Land for logistics centers in Kyushu                     | Land for logistics centers in Kansai   |                             | Miyakohimo             | company accomodations  | Film Plant             | Film Printing Plant    | company accomodations  |  | company accomodations              |                                 |
|                               |                        |                        |                        |   |                        | Land for New Kanto Plant             | Land and building in Chubu                         | Interpack              |                          |  | Land for logistics centers in Hachioji |                             |                        |                        |                        |                        |                        |  | Group home                         |                                 |
| Unit : million yen            |                        |                        |                        |   |                        |                                      |  |                        |                          |  |  |                             |                        |                        |                        |                        |                        |  |                                    |                                 |
| Capital investment            | 7,096                  | 5,037                  | 2,742                  | 2,394                                   | 9,885                  | 10,909                               | 13,007   | 9,090                  | 12,585                   | 12,423   | 15,087                                 | 20,257                      | 23,377                 | 23,383                 | 21,060                 | 29,891                 | 14,038                 | 12,214                                 | 19,412                             | 27,100                          |
| Tangible                      | 6,138                  | 4,248                  | 2,621                  | 2,156                                   | 9,523                  | 10,655                               | 12,166   | 8,827                  | 12,352                   | 12,093   | 14,783                                 | 19,750                      | 23,051                 | 23,058                 | 20,790                 | 29,342                 | 13,442                 | 11,688                                 | 19,105                             | 26,600                          |
| Intangible                    | 958                    | 789                    | 120                    | 238                                     | 362                    | 254                                  | 841  | 263                    | 233                      | 329  | 303                                    | 506                         | 325                    | 324                    | 269                    | 549                    | 595                    | 525                                    | 306                                | 500                             |
| Figures for molds only        | 780                    | 460                    | 436                    | 550                                     | 771                    | 609                                  | 1,892  | 1,507                  | 1,833                    | 1,946  | 1,425                                  | 2,151                       | 2,416                  | 1,777                  | 2,028                  | 1,485                  | 1,462                  | 1,870                                  | 1,426                              | 1,852                           |
| Depreciation and amortization | 3,339                  | 4,210                  | 4,134                  | 3,965                                   | 4,194                  | 4,742                                | 8,467  | 8,461                  | 9,316                    | 9,728  | 9,746                                  | 9,703                       | 11,136                 | 9,526                  | 11,183                 | 11,706                 | 13,170                 | 13,532                                 | 13,609                             | 13,760                          |
| Research and development      | 654                    | 628                    | 689                    | 751                                     | 895                    | 913                                  | 965  | 1,035                  | 1,101                    | 1,051  | 1,062                                  | 1,148                       | 1,105                  | 1,242                  | 1,223                  | 1,197                  | 1,159                  | 1,229                                  | 1,195                              | 1,335                           |



\* Since 2009/03, capital investment have been included procurement through lease.

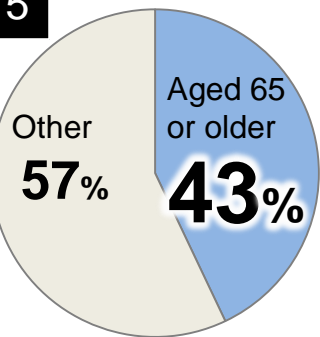


# Changes in the Number of Households

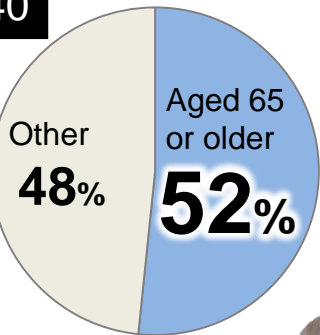


## Ratio of households with one person and couples aged 65 or older

2015



2040

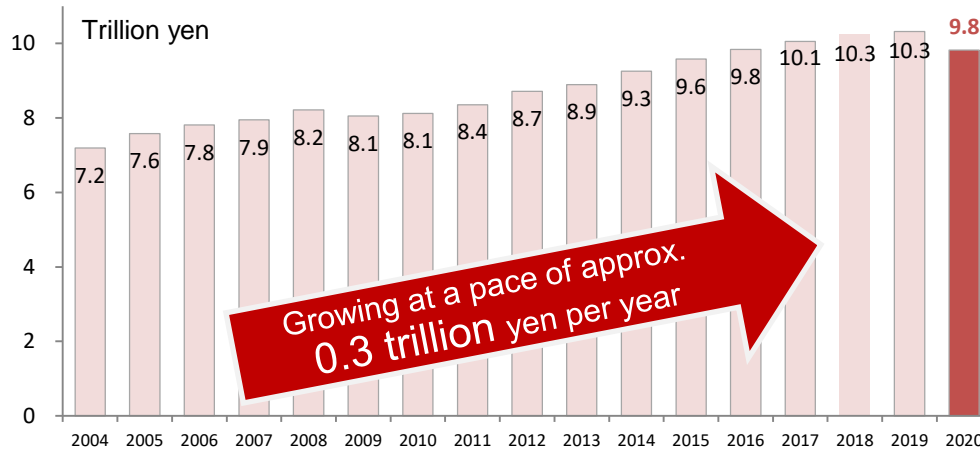


Up 9 percentage points in 25 years



Source: The graph was prepared by FPCO based on data from the National Institute of Population and Social Security Research.

# Trend in Scale of Home Meal Replacement Market



Source: Prepared by FPCO based on data from the Japan Ready Made Meal Association's White Paper on Ready Made Meals, the Japan Food Service Association, and FPCO's own estimates

FY2020  
**Home meal replacement**  
Approx.  
**9.8 trillion yen**

Cooking at home:  
Approx. 36.4 trillion yen



Eating out:  
Approx. 26.0 trillion yen



Major food manufacturers



## Markets expected to grow in the future

### Frozen food for households

Approx. **0.37** trillion yen  
2020



Source: Japan Frozen Food Association, Production and Consumption of Frozen Food in Japan

### Delivery

Approx. **0.46** trillion yen  
2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

### Takeout

Approx. **1.25** trillion yen  
2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

### Food service for elderly facilities

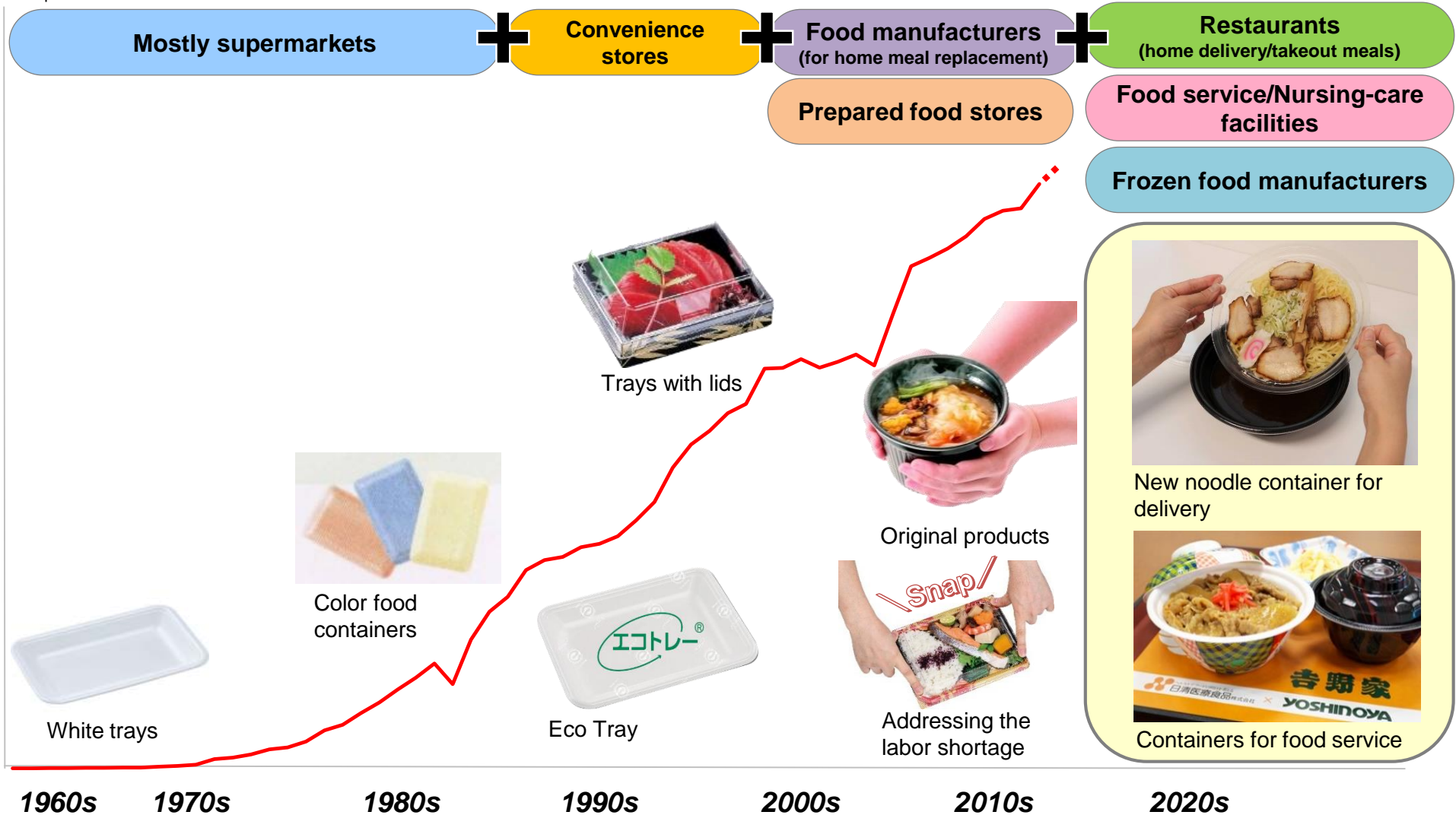
Approx. **0.96** trillion yen  
2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

# Expanding Market

Net sales of the  
FPCO Group





# Hospital/ Nursing Care and Frozen Food as New Markets

## Hospital/ Nursing care



The number of people who received Minna-no Nichiyobi (Sunday for Everyone) food services

Approx.  
**14%**

As of Jul. 31, 2019

Approx. **60,000**  
/Approx. 420,000



Approx.  
**57%**

As of Nov. 30, 2019

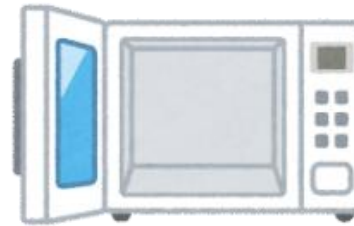
Approx. **240,000**  
/Approx. 420,000

## Frozen food

MFP that ensures safety and reassurance when heating the food

With superior thermal insulation, MFP ensures

**safety and reassurance**



It's hot inside, but not on the outside.



**OPET**,  
which is strong during frozen distribution

With superior cold resistance, OPET lids are

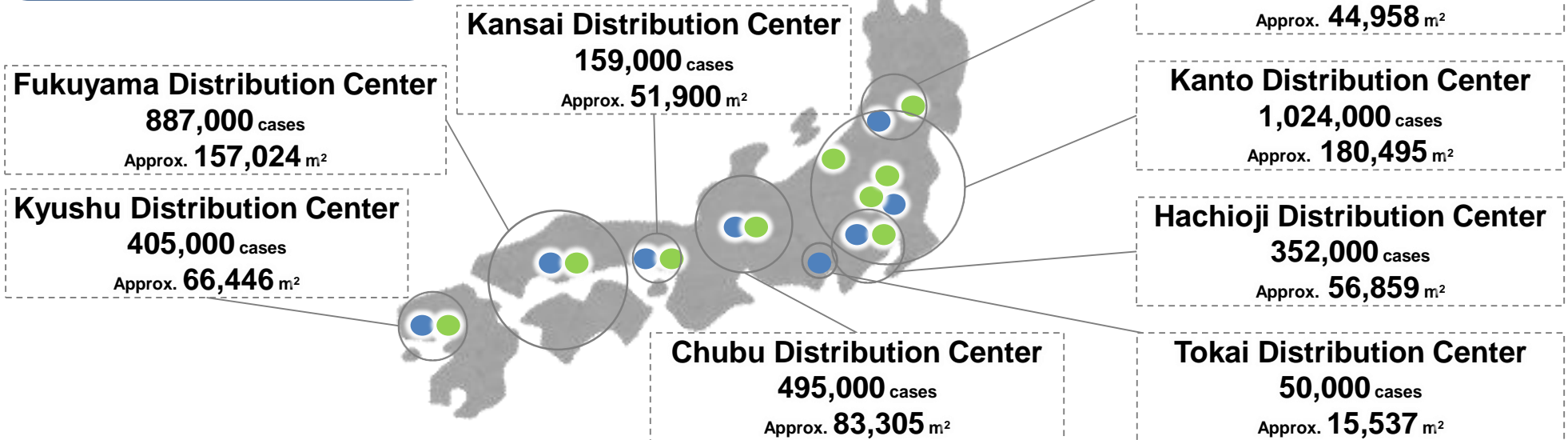
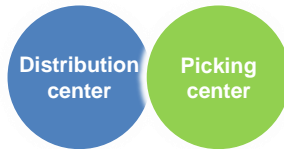
**hard to break.**



# Business Continuity Plan (BCP)

## Logistics network across the country

Inventory storage capacity:  
Approx. **3.76** million cases  
Total floor area: Approx. **680,990** m<sup>2</sup>  
As of October 2021



## For uninterrupted logistics operations in the event of a disaster

- Power supply for **72 hours** ensured
- Emergency power generators are installed and fuel for them is stored at all major logistics bases across Japan.
- Two emergency drills conducted annually involving power generator

Emergency power generator



Fuel tank





# Capital Investment and Cash Flows

## Cash flows from operating activities

### Capital investment: Goal of 18 to 25 billion yen

Enhance the system for supplying high value-added products from the perspective of medium- and long-term growth

#### [Priority investment areas]

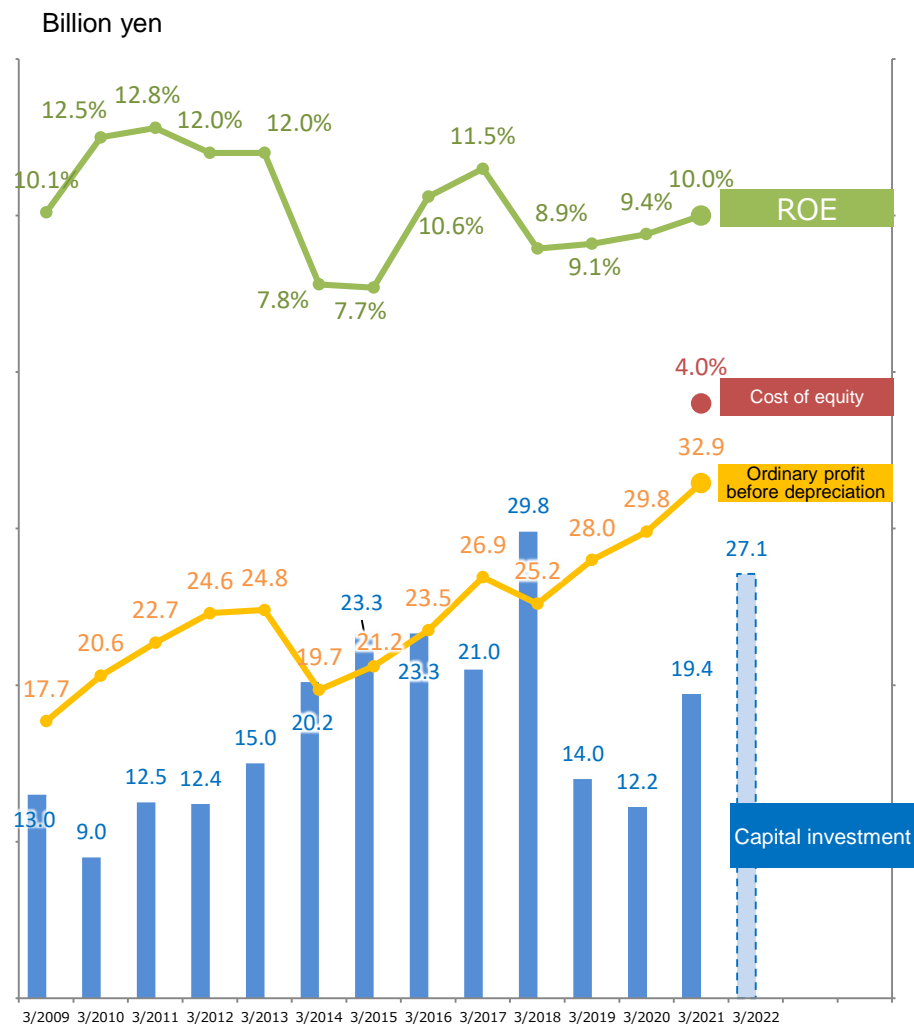
- Market demand for recycled and eco-friendly products
- Establishing a system for stable supply

### Consolidated payout: Goal of 30%

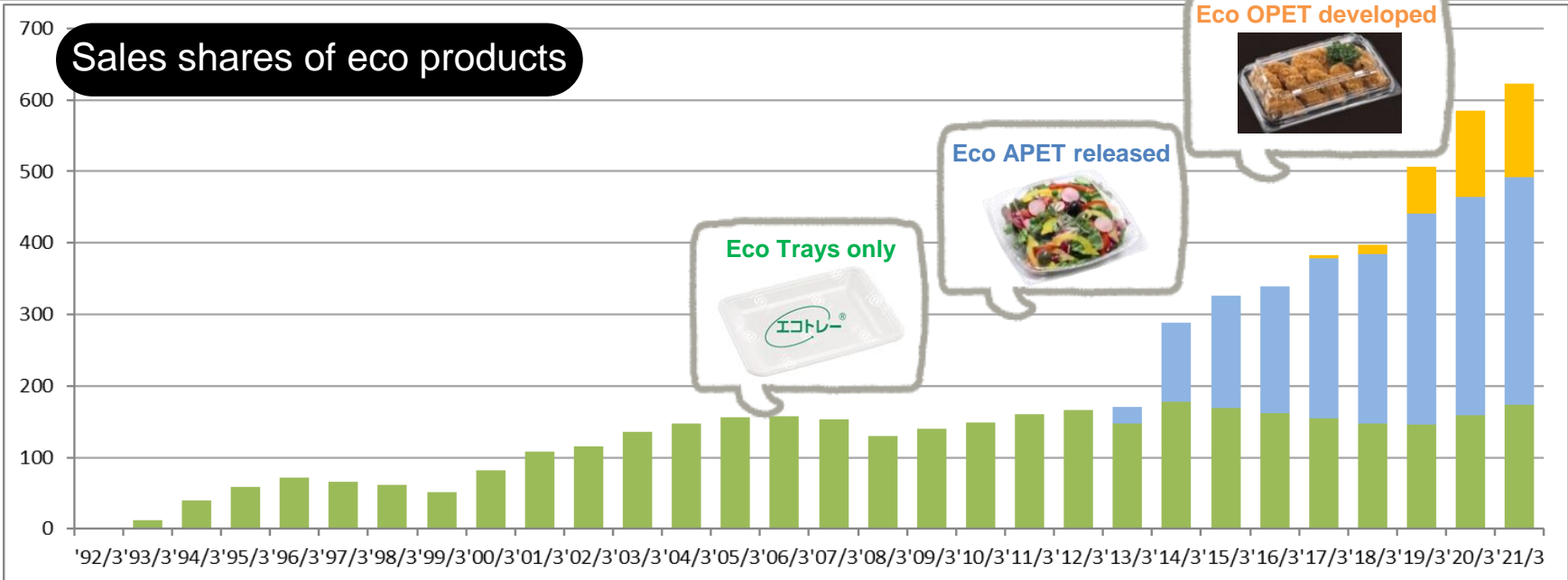
Stable and continuous payment of dividends  
Maximization of earnings per share

### Acquisition of treasury shares

### Adjustment of interest-bearing debt



# Investment in Recycling and Ratio of Eco Products



Eco product sales for FY ended March 2021

**62.2 billion yen**

|   | 11/3      | 12/3 | 13/3 | 14/3 | 15/3       | 16/3 | 17/3 | 18/3      | 19/3  | 20/3 | 21/3      |
|---|-----------|------|------|------|------------|------|------|-----------|---|------|-----------|
| Investments in recycling (billion yen)                    | Chubu 2.9 |      |      |      | Kyushu 0.8 |      |      | Kanto 3.2 | Capacity increased in Kyushu 0.7<br>Capacity increased in Kanto 0.1 |      | Chubu 0.8 |
| Supply capacity of recycled PET materials (thousand tons) | 10        |      | 20   |      |            | 30   |      | 50        |   | 57   | 60        |

11-year total amount of investment

**8.5 billion yen**  
(Machinery only)

**20.0 billion yen**  
(Machinery + land and buildings)



# Ocean Plastic Pollution: Trends in the World and Japan

## Global trends



2017 **China** Notification of waste import restrictions to WTO

2018 **G7** Ocean Plastics Charter

2019

2021 **Amendment to the Basel Convention**  
Some waste plastics are subject to export regulations.

<Specific examples of plastics exempted from the regulations>

- (1) Plastics in pellets
- (2) Plastics in a flake or fluff form which is almost colorless and transparent or in a single color
- (3) Plastic sheets, rolls, and bales discharged from product manufacturing process, etc.
- (4) Foamed polystyrene (PS) ingots

## Trends in Japan



**MOE** Comprehensive strategy for plastic material recycling

(Excerpt of milestones)

- Reusing and recycling **60%** of containers and packages **by 2030**
- Making effective use of **100%** of used plastics, such as through reuse and recycling, **by 2035**
- Introducing **approx. 2.0 million tons** of bioplastics **by 2030**

### Act on Promotion of Resource Circulation for Plastics

[Voluntary collection by manufacturers and distributors]

- Manufacturers, distributors, etc. create **plans on voluntary collection and recycling** of products, etc.
- Businesses certified by the competent minister will **no longer need to receive a permit** under the provisions of the Waste Management and Public Cleaning Act.

# Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan)

## Ocean Plastics Charter endorsed at Charlevoix G7 Summit in Canada

Taking into account the full environmental impacts of alternatives, significantly reducing the unnecessary use of single-use plastics.

Working with industry towards 100% reusable, recyclable, or, where viable alternatives do not exist, recoverable, plastics by 2030

Working with industry and other levels of government, to recycle and reuse at least 55% of plastic packaging by 2030 and recover 100% of all plastics, including thermal recovery, by 2040.

Working with industry to increase recycled content by at least 50% in plastic products where applicable by 2030.

### Reduce

## Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan): *Milestone*

We aim to **reduce emissions of single-use plastics (containers and packaging) by 25% in cumulative total by 2030** through the understanding, cooperation and collaboration of consumers and people from all quarters and all levels of civil society, while taking into account the environmental impacts of alternatives.

We aim to change the designs of plastic containers, packaging and products into those that make separation technologically easy and permit reuse or recycling, while also trying to secure their functions by 2025. (Even where this is difficult, we will aim to ensure thermal recoverability).

We aim to **recycle or reuse 60% of plastic containers and packaging by 2030 and make 100% effective use of used plastics, including thermal recovery (when recycle or reuse is difficult from the technical or economical perspective), by 2035**, through cooperation and collaboration with people from all quarters and all levels of civil society.

### Reuse & Recycle

### Recycling/ Biomass plastics

We aim to **recycle twice the volume of plastics by 2030** by promoting the understanding, cooperation and collaboration of different groups of the public including the government and local municipalities.

We aim to **introduce as much biomass plastics as possible (approx. 2 million tons) by 2030** by promoting the understanding, cooperation and collaboration of people from all quarters and all levels of civil society.

# Collaboration with Related Ministries, Agencies and Organizations

|   | Actions of related ministries, agencies and organizations   | FPCO's involvement   |
|---|---|--|
| Ministry of the Environment                     | <ul style="list-style-type: none"> <li>● <b>Plastic resources recycling strategy</b><br/>Presentation on Japan's plastic resource recycling strategy planned at the G20 Summit in June 2019</li> <li>● <b>Plastics Smart</b><br/>Encouraging smart use of plastics and communicating such uses worldwide</li> </ul> | <ul style="list-style-type: none"> <li>○ <b>Participation in a subcommittee as an industrial association</b></li> <li>○ <b>Publication of Tray to Tray and Bottle to Tray recycling on the campaigns page</b></li> </ul> |
| Ministry of the Economy, Trade and Industry     | <ul style="list-style-type: none"> <li>● <b>Clean Ocean Material Alliance</b><br/>A syndicate of companies implementing proper waste management and 3R actions for plastic products and accelerating innovation for resolving marine plastic issues</li> </ul>  | <ul style="list-style-type: none"> <li>○ <b>Participation in the alliance as a leading member</b></li> </ul>   |
| Ministry of Agriculture, Forestry and Fisheries | <ul style="list-style-type: none"> <li>● <b>Call for plastic resource recycling declarations</b><br/>Collecting and showcasing examples of voluntary actions taken by companies and associations in the food industry</li> </ul>  | <ul style="list-style-type: none"> <li>○ <b>Publication of actions for recycling, reducing and raising awareness on the ministry's website</b></li> </ul>  |
| Keidanren (Japan Business Federation)           | <ul style="list-style-type: none"> <li>● <b>Plastic-related Innovation for SDGs</b><br/>Collecting and showcasing examples of actions taken by businesses and associations for encouraging the recycling of plastic resources and for helping address the issue of marine plastic waste</li> </ul>                  | <ul style="list-style-type: none"> <li>○ <b>Publication of actions for recycling, reducing and raising awareness on Keidanren's website</b></li> </ul>   |
| Initiative                                      | <ul style="list-style-type: none"> <li>● <b>Japan Climate Initiative</b><br/>A network of Japanese entities committed to joining the front line of the global push for decarbonization and taking positive actions to combat climate change</li> </ul>  | <ul style="list-style-type: none"> <li>○ <b>Announcement of participation during the foundation</b></li> </ul>   |



# 【 Information on the Facility Tour 】

Contact: Takashima at the Corporate Planning Department  
(TEL)+81-3-5325-7756 (MAIL)ir\_7947@fpco-net.co.jp  
at a convenient time for you.

*An opportunity to take a look at the state-of-the-art  
**Production, Distribution, Recycling** operations*

**Kanto** 30 minutes from Koga station on JR East Lines.



OPET production facilities



**Hachioji** 20 minutes from Akigawa station on JR East Lines.



**Fukuyama** 30 minutes from Fukuyama station on JR West Lines.



**Chubu** 20 minutes from Gifuhashima station on JR Tokai Lines.



PET Mechanical Recycling plant