Financial Results

for the Six Months Ended September 30,2022

FP Corporation

November 4, 2022

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.
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Financial Results
for the Six Months Ended September 30, 2022

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, 2022)

Unit: million yen	1st half Performance							1st half projections			Full year projections		
	FY ended March 2022		FY ending March 2023					FY ending March 2023			FY ending March 2023		
	Performance	Percentage	Performance	Percentage	Increase/decrease	Year-on-year	Quantity	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate
Trays	*19,559*	*20.1*	*19,785*	*19.3*	*+226*	*101.2%*	*94.6%*	*20,660*	*20.0*	*95.8%*	*42,820*	*20.2*	*46.2%*
Lunchboxes and prepared food containers	*54,237*	*55.7*	*58,691*	*57.2*	*+4,453*	*108.2%*	*100.0%*	*58,330*	*56.4*	*100.6%*	*120,920*	*57.0*	*48.5%*
Subtotal	*73,797*	*75.8*	*78,477*	*76.5*	*+4,679*	*106.3%*	*98.1%*	*78,990*	*76.4*	*99.4%*	*163,740*	*77.2*	*47.9%*
Other products	*1,566*	*1.6*	*1,964*	*1.9*	*+398*	*125.4%*		*1,810*	*1.8*	*108.6%*	*3,630*	*1.7*	*54.1%*
Sales of products	75,364	77.4	80,442	78.4	+5,077	106.7%		80,800	78.1	99.6%	167,370	78.9	48.1%
packaging materials	*20,995*	*21.6*	*21,127*	*20.6*	*+131*	*100.6%*		*21,610*	*20.9*	*97.8%*	*42,630*	*20.1*	*49.6%*
Other goods	*1,008*	*1.0*	*992*	*1.0*	*−15*	*98.5%*		*1,000*	*1.0*	*99.3%*	*2,000*	*0.9*	*49.6%*
Sales of goods	22,003	22.6	22,119	21.6	+116	100.5%		22,610	21.9	97.8%	44,630	21.1	49.6%
Net Sales	97,367	100.0	102,562	100.0	+5,194	105.3%		103,410	100.0	99.2%	212,000	100.0	48.4%
Operating profit	8,548	8.8	6,072	5.9	−2,475	71.0%		5,050	4.9	120.3%	16,400	7.7	37.0%
Ordinary profit	8,907	9.1	6,409	6.2	−2,497	72.0%		5,400	5.2	118.7%	17,000	8.0	37.7%
Profit attribute to owners of parent	5,803	6.0	4,131	4.0	−1,672	71.2%		3,560	3.4	116.0%	11,230	5.3	36.8%
Ordinary profit before depreciation and armotization	*15,632*		*13,437*		*−2,194*	*86.0%*		*12,420*		*108.2%*	*31,380*		*42.8%*

Record high

Highest sales ever for 8 consecutive years

◇Sales

Products>

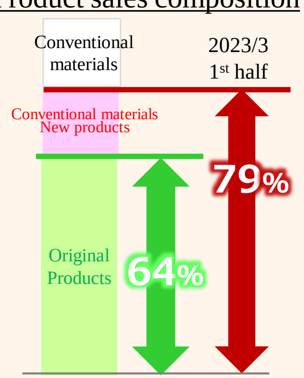
・Reactionary fall of general-purpose containers for fresh food.
・Shipments of prepared food containers were firm.

- First product price revisions (announced in October 2021):
  Effects reflected.
- Second product price revisions (announced in April 2022):
  Negotiations completed. Early partial revisions to begin in 2Q.
  Activities to expand sales to be resumed in 3Q or thereafter.

Goods>

- Expansion of sales channels through Pack Market, an e-commerce site.

◇Product sales composition

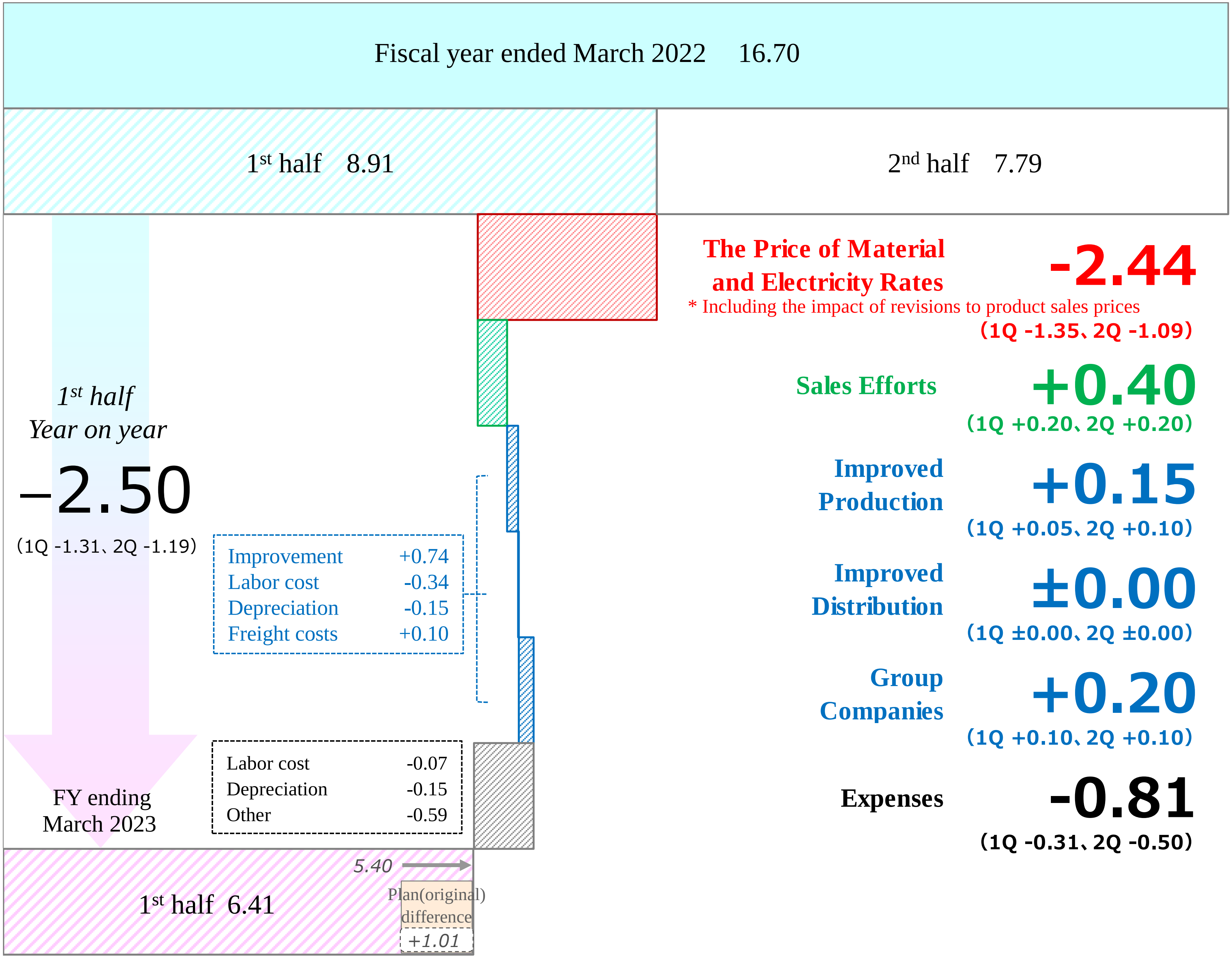


◇Year-on-year

	1Q results	2Q results	1st half results	Full year plan (original)
Sales of products	104.9%	108.5%	106.7%	110.3%
Quantity	98.1%	98.2%	98.1%	103.0%
Compared to FY2021	104.2%	104.6%	104.4%	
Ordinary profit	69.4%	74.3%	72.0%	101.8%
Ordinary profit ratio	6.0%	6.5%	6.2%	8.0%

Results for Increase/Decrease in Ordinary Profit (For the Six Months Ended September 30, 2022)

Unit: billion yen



Plan(original) difference
+1.01

Early realization of second price increases

Outlook for Increase/Decrease in Ordinary Profit

Outlook (Oct.30)

Unit: billion yen

Fiscal year ended March 2022 16.70

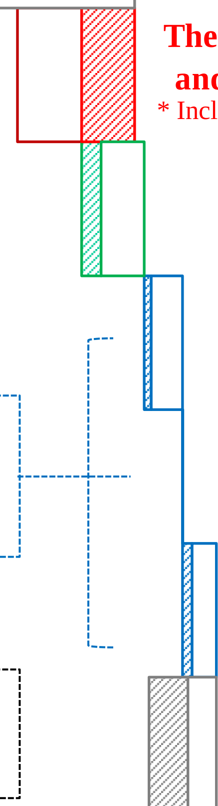
1st half 8.91

2nd half 7.79

Year on year

+0.30

1st half -2.50
2nd half +2.80



Improvement	+2.45
Labor cost	-0.66
Depreciation	-0.39
Freight costs	+0.10

Labor cost	-0.17
Depreciation	-0.34
Other	-0.89

The Price of Material and Electricity Rates **-1.10**
* Including the impact of revisions to product sales prices
(1st half -2.44、2nd half +1.34)

Sales Efforts **+1.30**
(1st half +0.40、2nd half +0.90)

Improved Production **+0.80**
(1st half +0.15、2nd half +0.65)

Improved Distribution **±0.00**
(1st half ±0.00、2nd half ±0.00)

Group Companies **+0.70**
(1st half +0.20、2nd half +0.50)

Expenses **-1.40**
(1st half -0.81、2nd half -0.59)

Plan(original) difference	1st half difference	Changes in the 2nd half outlook
±0.0	+1.01	-1.01
	Early realization of second price increases	Further rise in electricity rates also expected

FY ending March 2023

5.40 →

1st half 6.41

Plan(original) difference +1.01

2nd half outlook 10.59

← 11.60

Plan(original) difference -1.01

Fiscal year ending March 2023 17.00

Capital Investments and R&D Costs (Result for the Six Months Ended September 30, 2022)

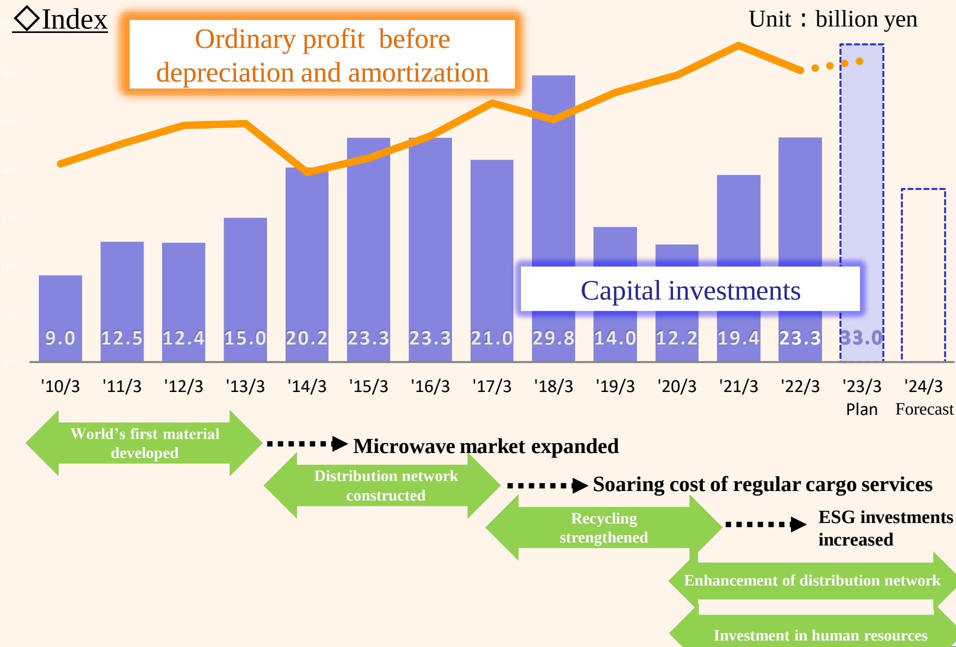
Unit: million yen	FY ended March 2022 Performance	1st half performance: FY ending March 2023 Performance	Increase / decrease	Year-on-year	1st half projections: FY ending March 2023 Planned	Progress rate	Full year projections: FY ending March 2023 Planned	Progress rate
Tangible fixed assets	*14,860*	*20,593*	*+5,732*	*138.6%*	*24,000*	*85.8%*	*32,800*	*62.8%*
Intangible fixed assets	*182*	*276*	*+93*	*150.9%*	*90*	*306.7%*	*200*	*138.0%*
Capital investments	15,043	20,869	+5,825	138.7%	24,090	86.6%	33,000	63.2%
Depreciation and amortization costs	6,725	7,027	+302	104.5%	7,020	100.1%	14,380	48.9%
Research and development costs	563	613	+50	109.0%	718	85.5%	1,397	43.9%

Major Capital Investments

Unit: million yen

		Total investment	Plan in period	1st half performance
Investment in original products: Improving production capacity and quality of Eco APET products				
◆ Eco APET materials:Increase in the productivity (Kanto, Chubu)		393	393	31
◆ Eco APET materials:Reinforcement of the production capacity (Nishinihon PET-Bottle recycle Co., Ltd.)		754	754	6
Investment corresponding to expansion of the sales quantity: Stable supply, Efficiency improvement, Maintenance of working environment				
◆ Introduction of automation facilities			76	–
◆ Reinforcement of the production capacity of Conventional material products		1,149	1,149	682
◆ Rebuilding of Chubu Plant 1	Operations commenced in May 2022	8,530	5,529	5,570
	(After reduction entry	6,301	3,301	3,341)
◆ Kansai Plant and Kansai Hub Center	Buildings completed in Sept. 2022 To be operated in Feb. 2023	25,261	17,238	10,607
◆ Pico House No.5	Completed in Sep. 2022	2,173	1,548	1,549
◆ Enhancement of Group companies' production sites Expansion of cardboard factory	To be completed in Jan. 2024	3,173	341	419
◆ Molds			1,710	888
◆ IT investments			568	329

◇Index



Balance Sheet

(Result for the Six Months Ended September 30, 2022)

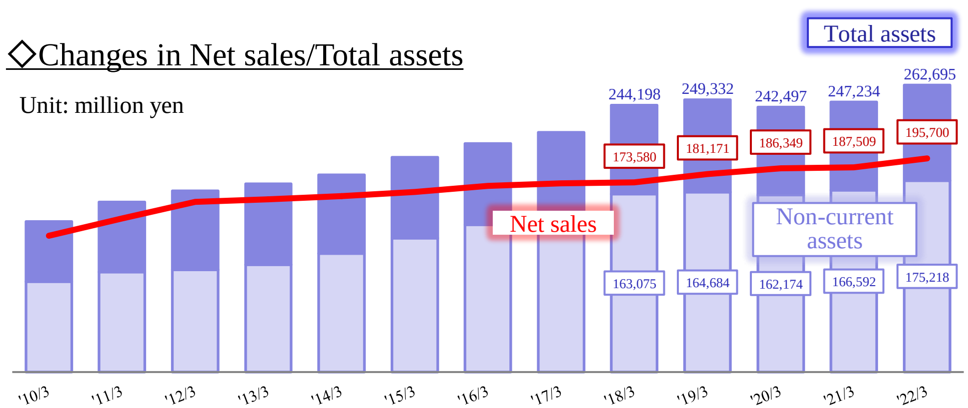
Unit: million yen	Previous consolidated fiscal year FY ended March 2022 As of March 31,2022	First half of the consolidated fiscal year FY ending March 2023 As of September 30,2023	Increase/ decrease	Year-on-year	Breakdown of main increases and decreases	
Current assets	87,477	105,267	＋17,789	120.3%	Cash and deposits	＋9,638
					Notes and accounts receivable-trade	＋3,893
					Merchandise and finished goods	＋1,563
					Raw materials and supplies	＋965
Noncurrent assets	175,218	195,540	＋20,322	111.6%	Buildings and structures, net	＋22,039
					Construction in progress	△9,610
					Investment securities（LSSPI）	＋6,835
Total assets	262,695	300,807	＋38,111	114.5%		
Current liabilities	76,807	89,383	＋12,575	116.4%	Accounts payable - trade	＋3,021
					Short-term loans payable	＋1,841
					Accounts payable - other	＋9,195
Noncurrent liabilities	53,432	76,990	＋23,557	144.1%	Long-term loans payable	＋23,464
Total liabilities	130,239	166,373	＋36,133	127.7%		
Net assets	132,455	134,434	＋1,978	101.5%	Retained earnings	＋2,044
Total liabilities and net assets	262,695	300,807	＋38,111	114.5%		
	Equity ratio	*44.5%*				

■ 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, 2022)

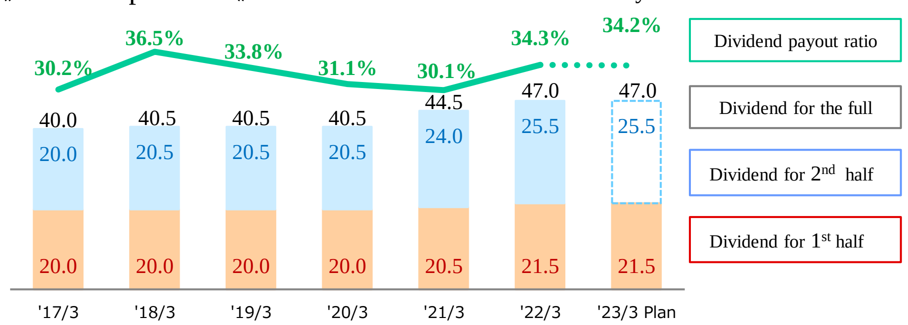
Unit: million yen	Results for 1st half: FY ended March 2022 Performance	FY ending March 2023 Performance	Breakdown of main items	
CF from operating activities	9,274	6,785	Profit before income taxes	6,137
			Depreciation	7,027
			Decrease (increase) in notes and accounts receivable - trade	-3,839
			Decrease (increase) in inventories	-2,532
CF from investing activities	−9,114	−19,615	Purchase of property, plant and equipment	-12,833
			Purchase of shares of an associate (LSSPI)	-6,800
Free cash flows	159	−12,829		
CF from financing activities	1,535	22,468	Proceeds from long-term loans payable	33,000
			Repayment of long-term loans payable	-7,693
			Repayments of lease obligations	-719
			Cash dividends paid	-2,084
Net increase(decrease)in cash and cash equivalents	1,695	9,638		
Cash and cash equivalents at end of period	19,580	29,383		

■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
Borrowing for strategic investments
Continuously stable dividend

《Dividend per share》 Unit：yen



* 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.

To Increase Corporate Value

Chairman, Representative Director and Group Representative

Morimasa Sato

FP CORPORATION

Contents

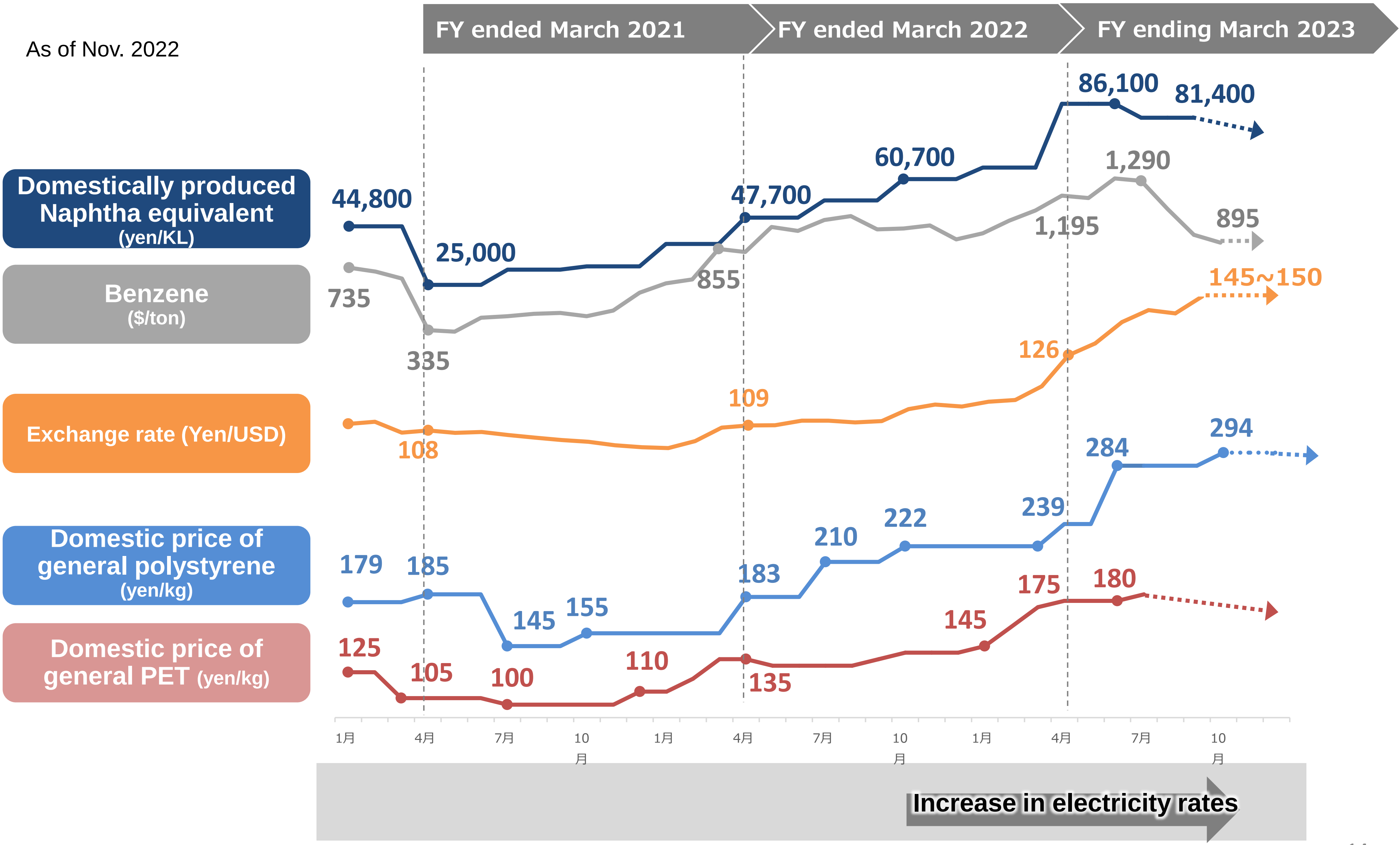
- Raw Material Prices ／Price Revision
- Market Conditions
- Eco-Friendly Strategies
- Stable Supply
- Strategic Investment
- Growth Strategy

Raw Material Prices
Price Revision

FPCO

Sharp Rises in Raw Material Prices

As of Nov. 2022



Price Revision

FY ended March 2022		FY ending March 2023	
3Q	4Q	1Q	2Q

First product price revisions → Presentation of estimates → Prices revised one by one

Announced on Oct. 29
Increases of at least 10% were applied, starting from products shipped on Dec. 1.

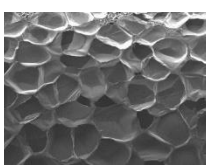
Second product price revisions → Presentation of estimates → Prices revised one by one

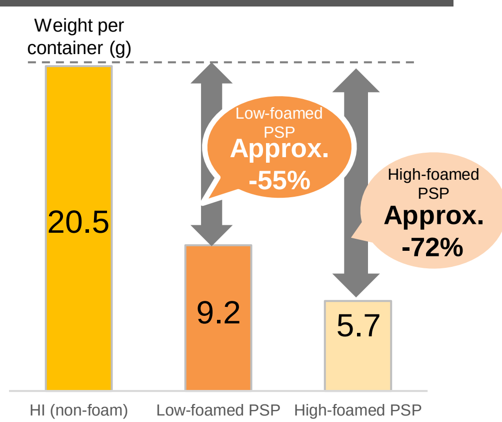
Announced on Apr. 28
Increases of at least 15% were applied, starting from products shipped on Jun. 1.

Utilization of products that use less plastics

Non-foam --> Foam materials

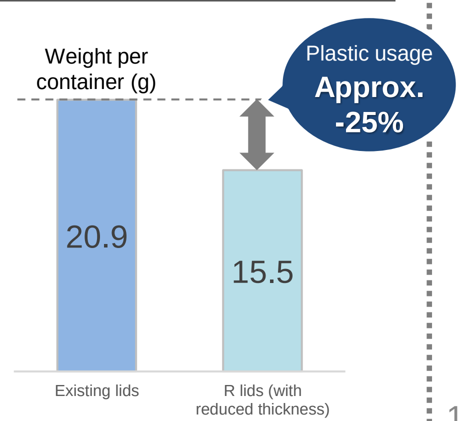
Kagayaki Stage 2-5



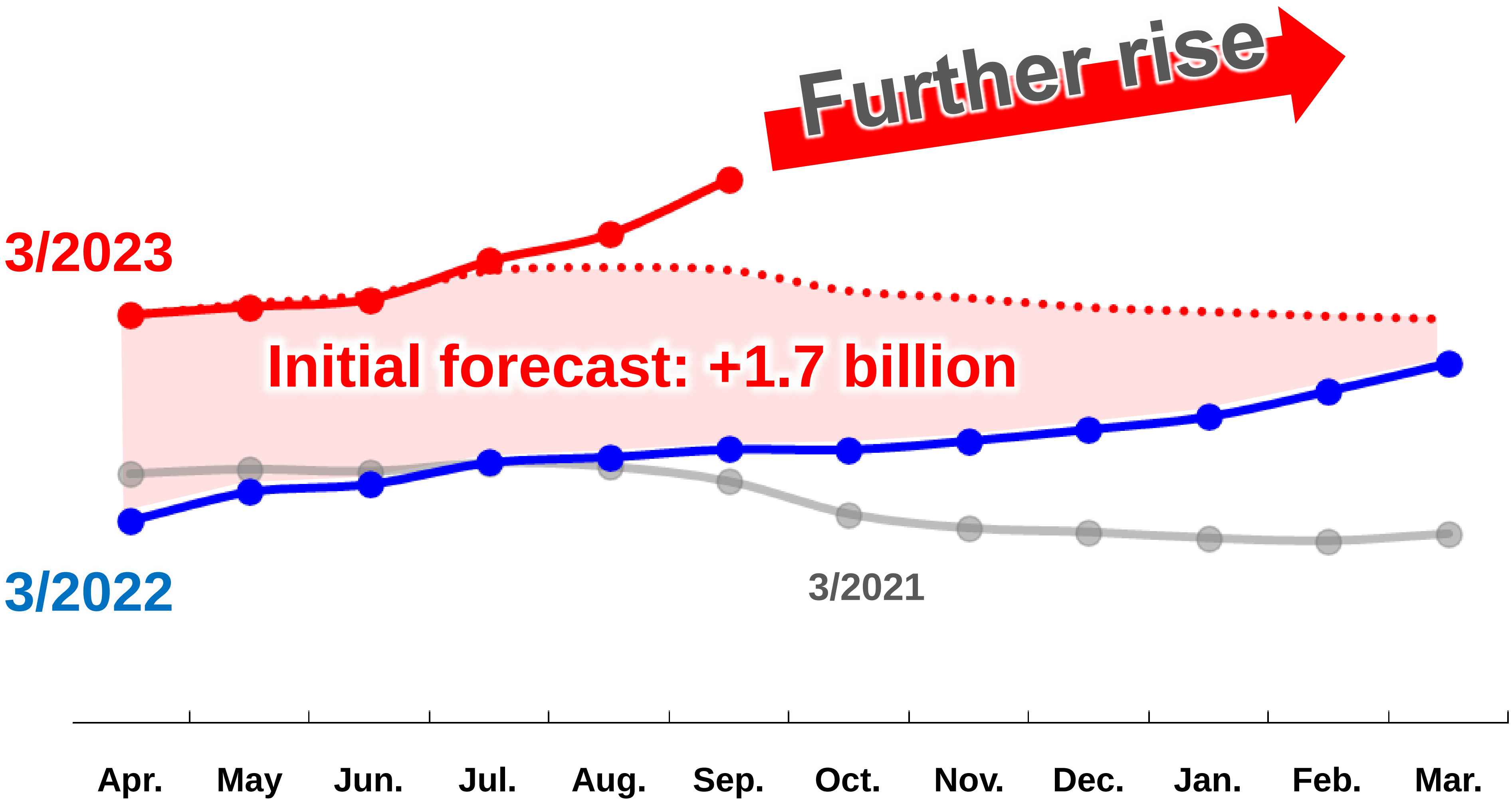


Thickness reduction of transparent lids

S Stage 24-17



Rising Electric Power Prices



Proposals for Having Customers' Products Sell Well

Effect

- Emphasizing that the food is in season
- Freshness
- A voluminous appearance
- Finished appearance
- Perceived as being good value for money
- Beauty and flavor

Function

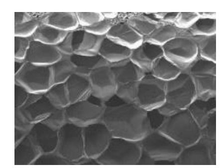
- Reduction of operation costs
- Tapeless
- Preventing movement of food items inside
- Transportation efficiency and compatibility with production line
- Leak-proof
- Resistant to hot and cold and thermally insulating

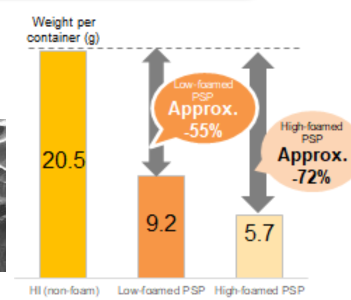
Effective CO_2 reduction

CO2 emissions

-30%

Reducing plastic usage



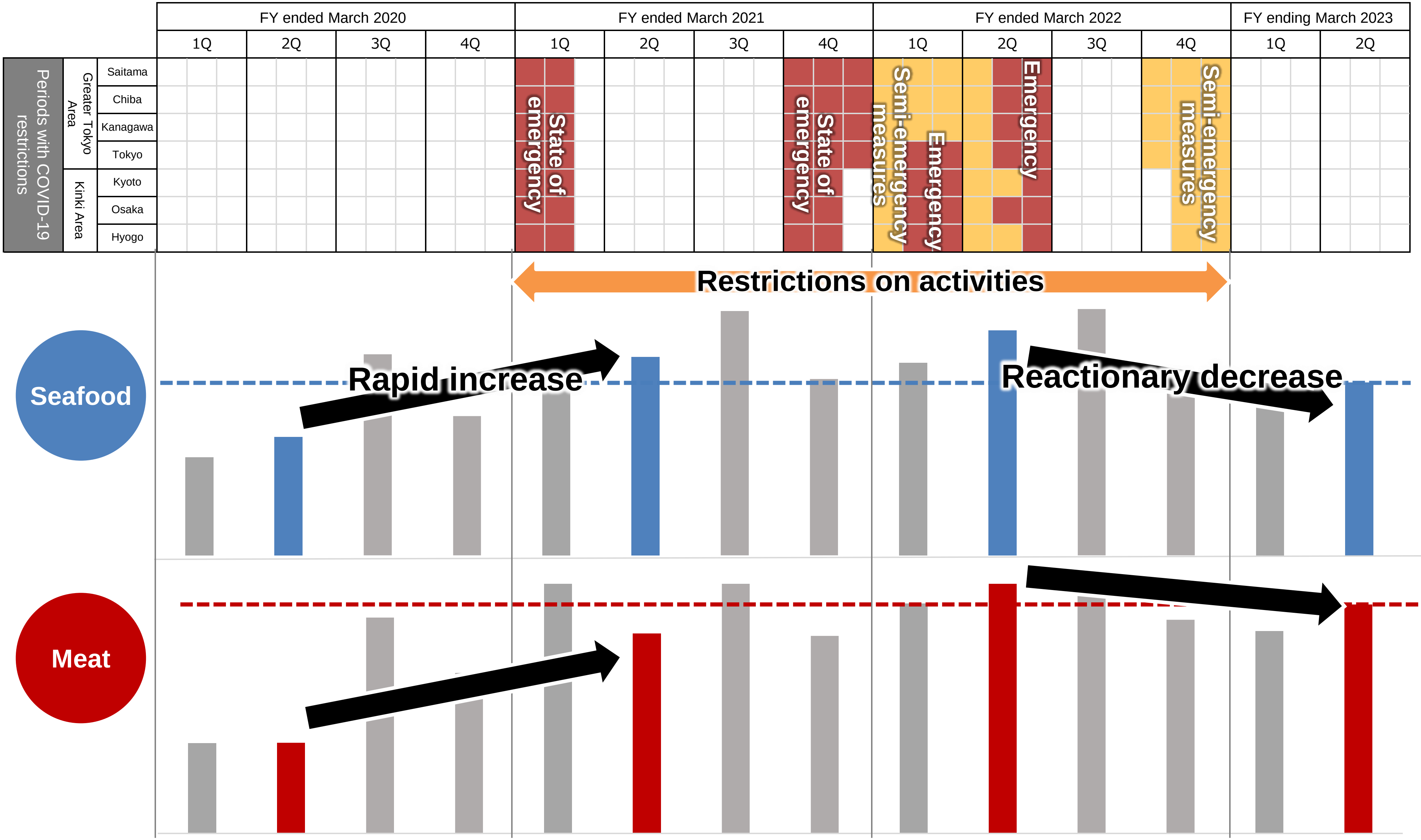


Market Conditions

FPCO

Trends in the Fresh Food Segment

Source: Japan Supermarkets Association (all stores, net sales)



Eating out
Expansion of the Market for Takeout and Delivered Food

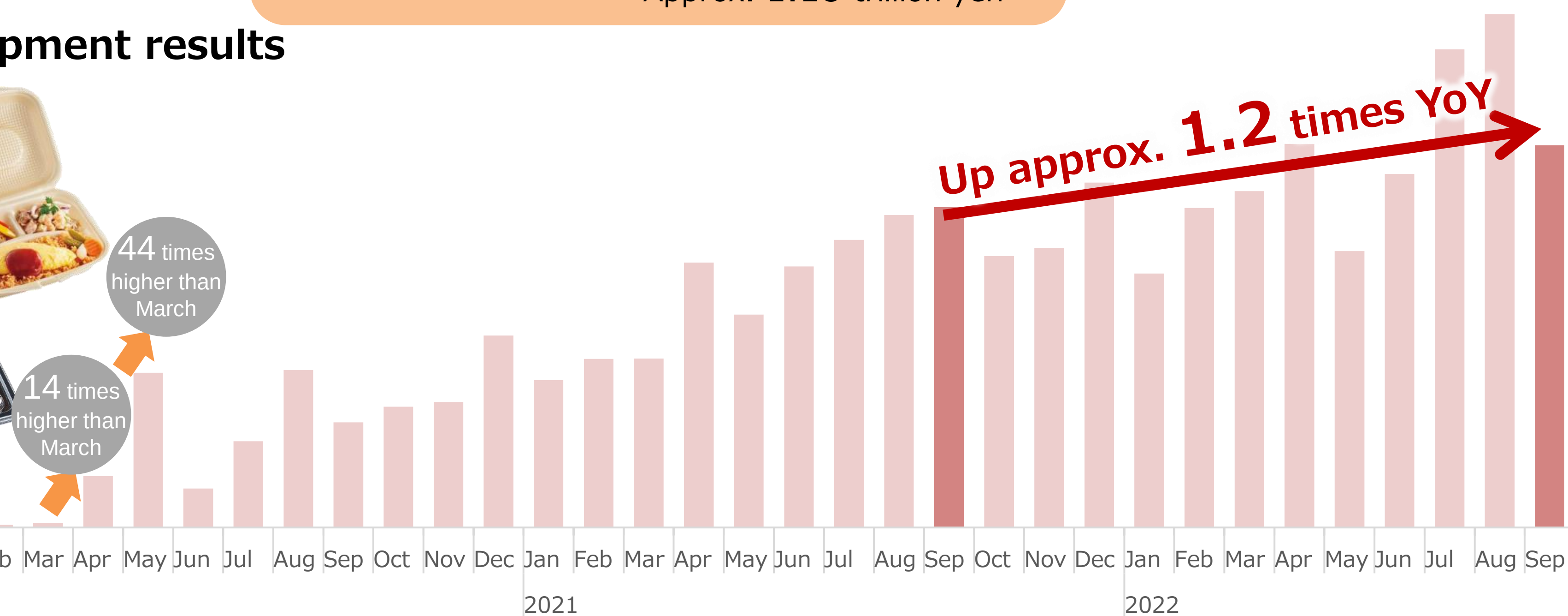
Source: Japan Ready made Meal Association "Ready made Meal White Paper 2021"
Source: Fuji Keizai, Gaishoku Sangyo Marketing Binran 2021

Eating out
Approx. 18.2 trillion yen
(2020)

Eating out at home
(2021)
Size of the takeout food market
Approx. 1.45trillion yen
Delivered food market
Approx. 1.18 trillion yen

Home meal replacement
Approx. 10.1trillion yen
(2021)

DLV Series shipment results

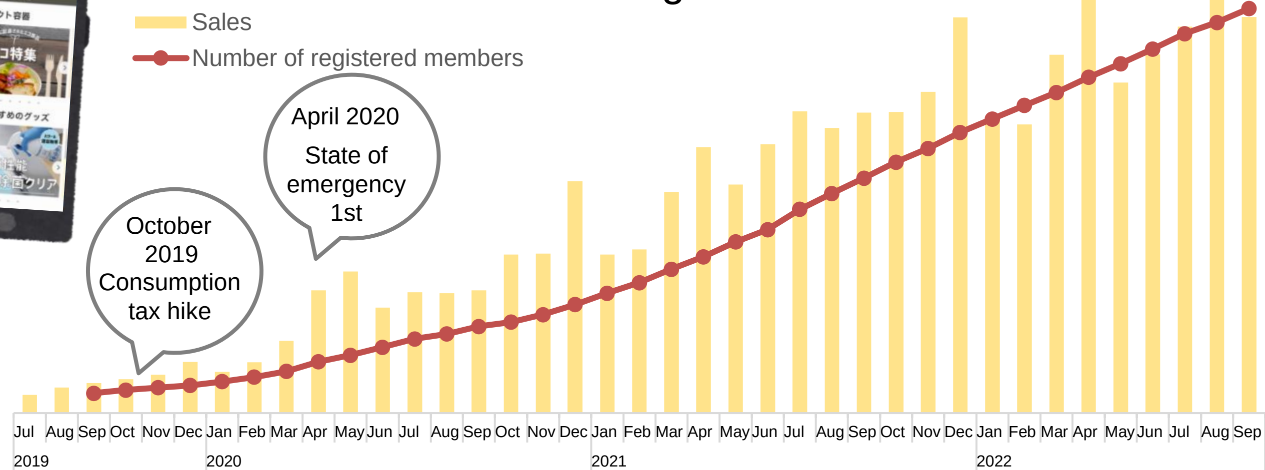


rapid growth → Business Expansion → Market Establishment

Expansion of New Sales Channels

E-commerce site offering packaging materials PackMarket

Sales/Number of registered members



Monthly sales: Approx. **120** million yen

No. of registered items: Approx. **13,300**

Including approx. **7,700** products

(As of September 2022)

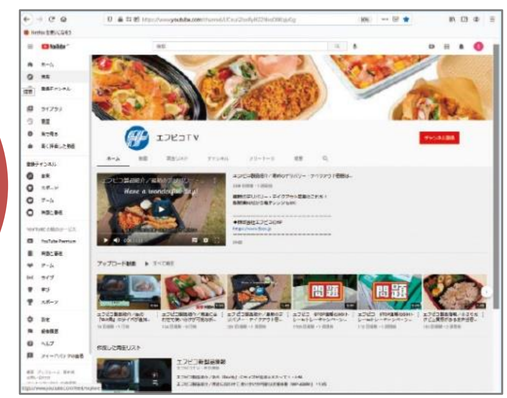
Web marketing
Advertising and SEO

Provision of information via social media

LINE

Instagram

YouTube



Eating out Expansion of New Sales Channels

FP Trading

Product merchandising and procurement capabilities

パック マーケット PACK MARKET

×

FPCO Miyako Himo

Ability to sell products

to packaging material wholesalers and users

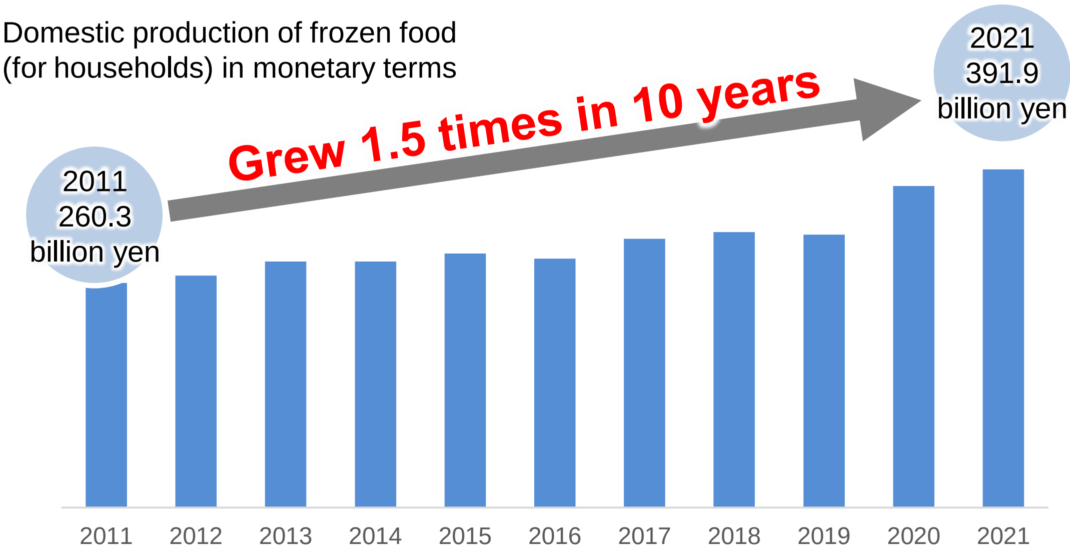
Effective date of the merger
July 1, 2022

- **Improving the ability to sell materials and consumables**
- **Strengthening cooperation with packaging material wholesalers across Japan**

Expansion of Frozen Food Market

Source: Japan Frozen Food Association
Gyokai Doko Search (industry trend search)
(https://gyokai-search.com/3-chilled-food.html)

Domestic production of frozen food (for households) in monetary terms



Improved freezing technologies
Smaller machines

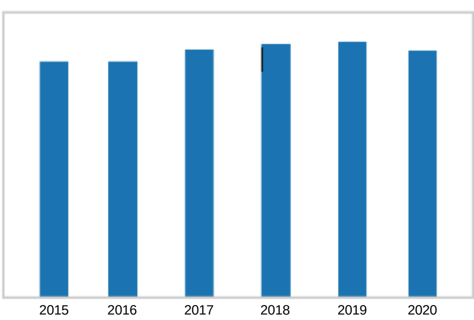
Labor shortage

A solution to food loss

Before

Major NB manufacturers (Apparatus industry)

Total sales of 11 major frozen food companies



✚ New Entrants

Changes in supermarkets

Sales floor expansion, shift to PB products, changes to packaging form

Changes in business category

Stores specializing in frozen foods emerging one after another

Changes in sales method

Frozen food vending machines and e-commerce

Expansion of Frozen Food Market

Optimal Materials

Eco OPET

Cold resistance

Resistant to breakage even in frozen environments

Environmental considerations

Eco Mark and "Recycled from PET bottles" engraved on products

Multi FP

Cold and heat resistance

Endures temperatures between -40ºC and +110ºC

Thermally insulating

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

Cold-resistant PPi-talc

Strength

Equivalent to cold-resistant PP

Environmental considerations

Use of less plastic than cold-resistant PP

Optimal packaging forms

Launch of standard three-side sealed bags

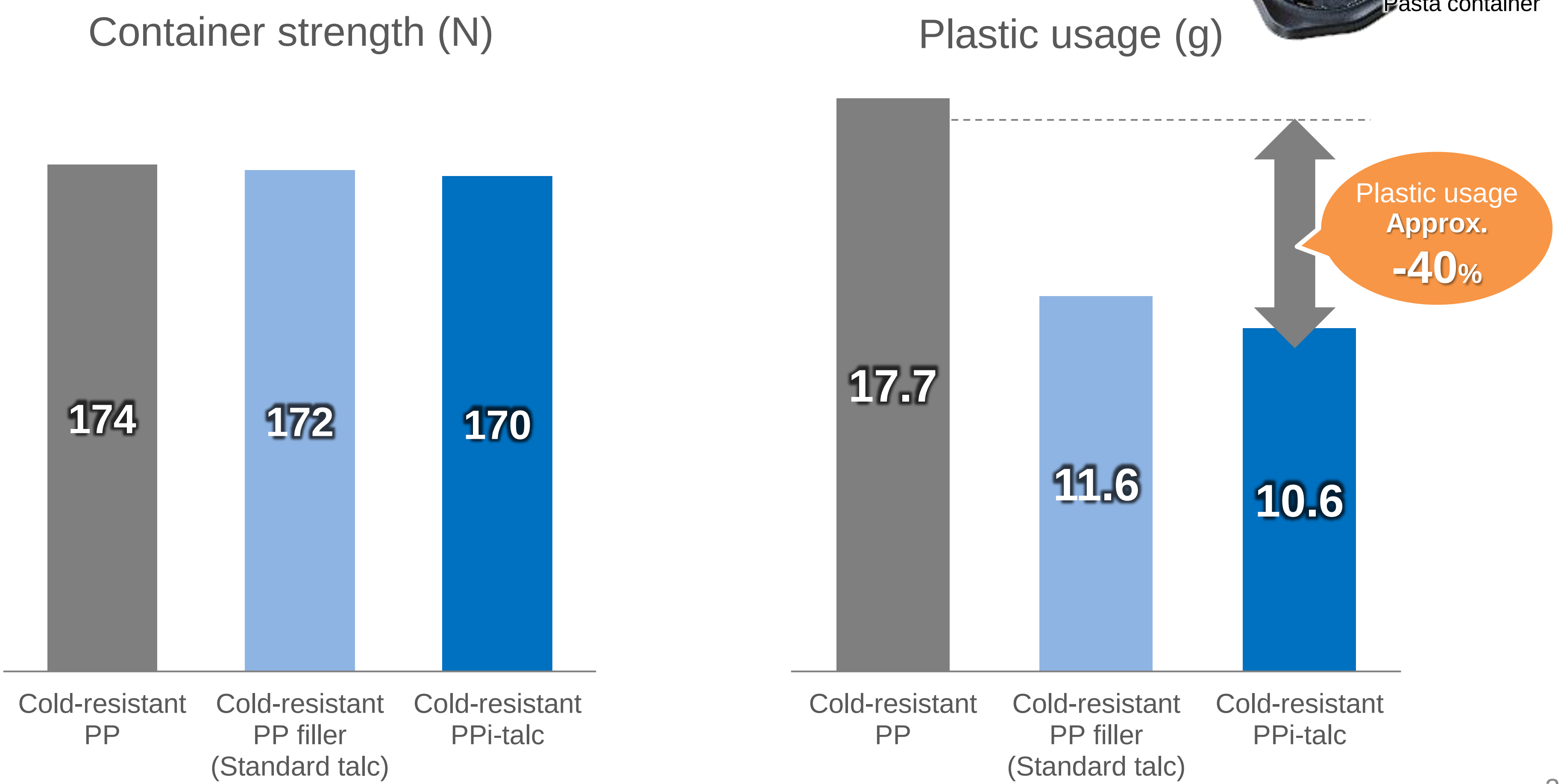
Heat sealed sides

- August 2022 -
- 3 sizes

Top seal packaging

- Flat-shaped containers
- Bucket compatibility

Reducing plastic usage while maintaining the strength

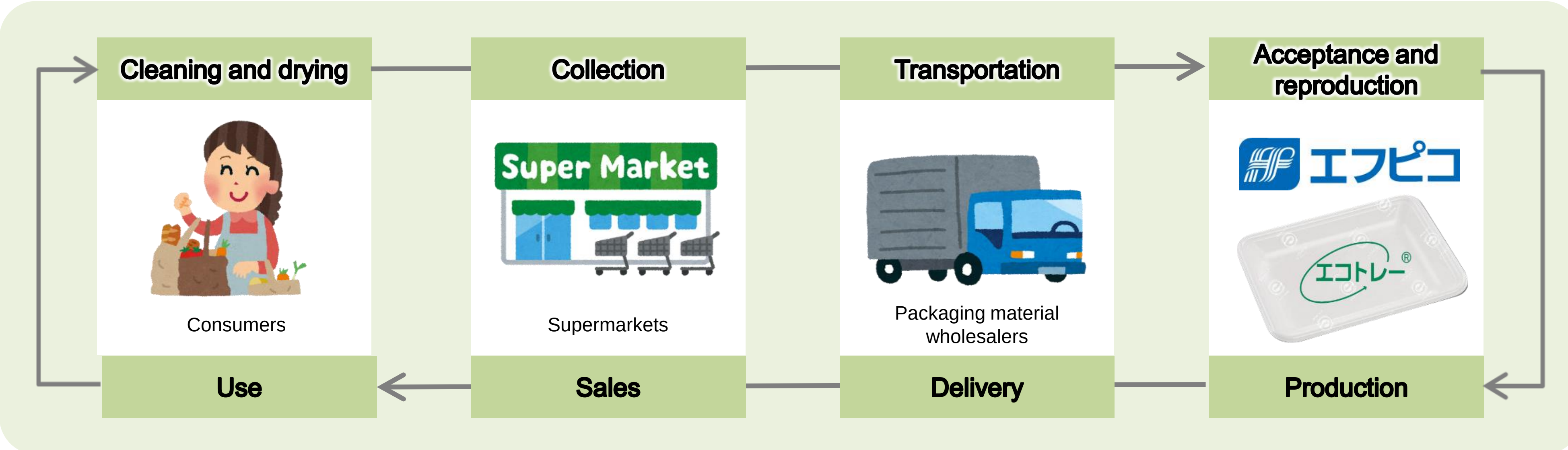


Eco-Friendly Strategies

FPCO

FPCO Method of Recycling

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND



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**
2011	**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

Collection bases

Initially
6 stores

Start from Fukuyama City / Osaka City

Approx.
30 years

As of Sep,2022
approx. **10,300 bases**

Having Eco Products Appeal to Consumers (1)

Companies having their use of eco products appeal to customers on sales floors (As of Oct. 2022)

4,410 stores of **151** companies

Companies considering having their use of eco products appeal to customers on sales floors **63** companies

Targets

7,000 stores of **300** companies

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

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

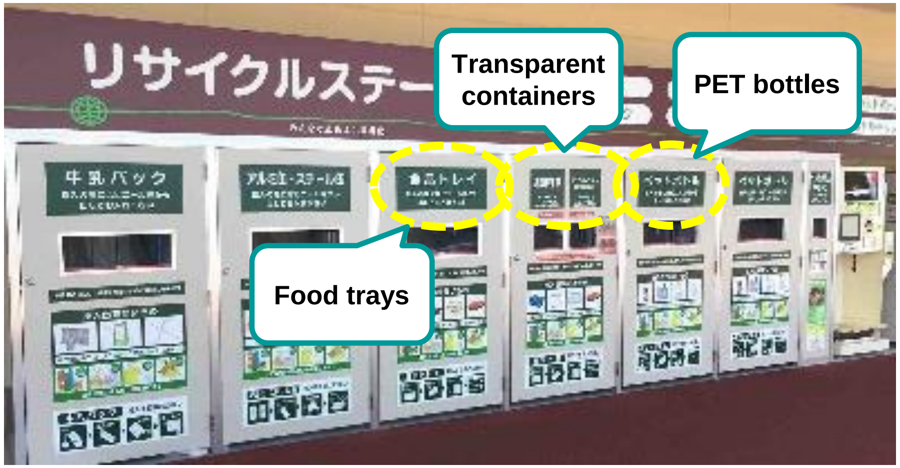
Amount of collected containers/ bottles

		Results for FY ended March 2019	Results for FY ended March 2020	Results for FY ended March 2021	Results for FY ended March 2022	Forecasts for FY ending March 2023
Containers (Foamed PS and transparent containers) 	Collected from: Supermarkets Specified corporations Aprrox.10,000 sites (Transparent containers: Approx. 5,400 sites)	8,700t (Approx. 1.8 billion units)	9,200t (Approx. 2.0 billion units)	10,000t (Approx. 2.1 billion units)	10,300t (Approx. 2.2 billion units)	10,600t (Approx. 2.2 billion units)
PET bottles 	Collected from: Specified corporations Supermarkets Business-related sources	67,000t (Approx. 2.7 billion units)	73,500t (Approx. 2.9 billion units)	75,000t (Approx. 3.0 billion units)	73,000t (Approx. 2.9 billion units) * Some plants were repaired.	82,000t (Approx. 3.2 billion units)
Total amount collected		75,700t	82,700t (109%)	85,000t (103%)	83,300t (98%)	92,600t (111%)
Ratio of the amount of recycling of used products to product sales volume		42%	44%	42%	40%	43%

For Greater Volumes and Higher Quality

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Requesting stores to set up collection boxes



Collection points

Approx. **10,300** sites

Collection points of transparent containers included in the above

Approx. **5,500** sites

(As of September 30, 2022)

Awareness-raising activities for quality improvement

Message from the store manager

It would be very helpful if you could wash them clean! Thank you very much for your cooperation!

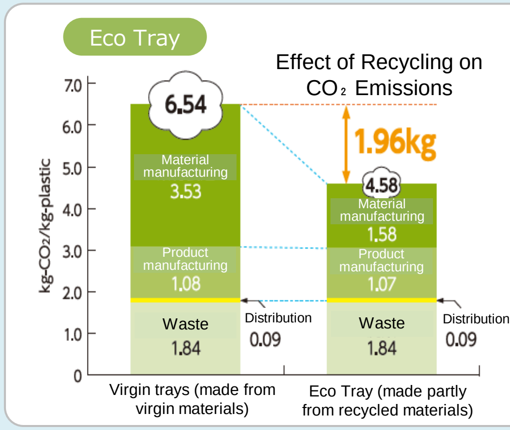
Tackling Climate Change by Reducing CO2 Emissions Using Eco Products

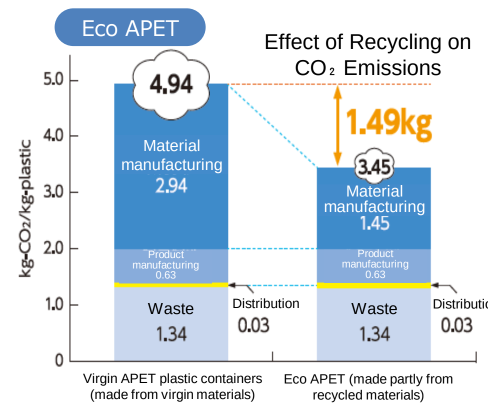
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

CO_2 emissions

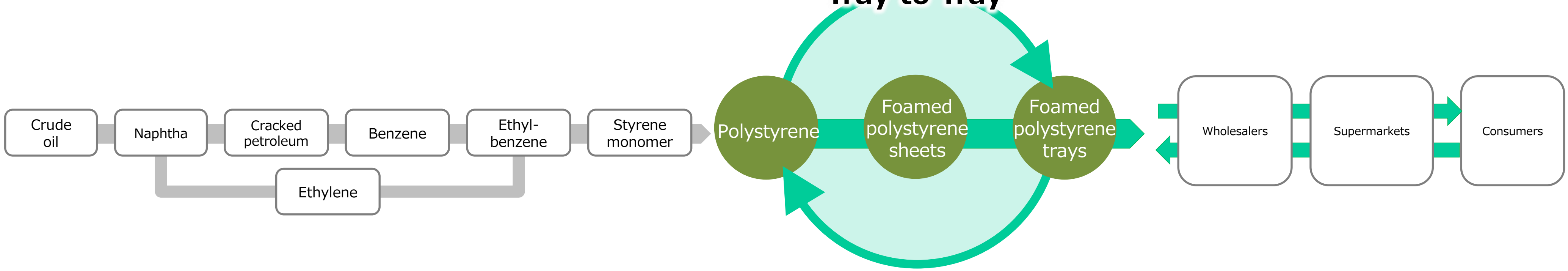
-30%

In FY ended March 2022, CO_2 emissions were cut by 170,000 tons
(Eco Tray: 41,000 tons, Eco APET: 89,000 tons, Eco OPET: 41,000 tons)

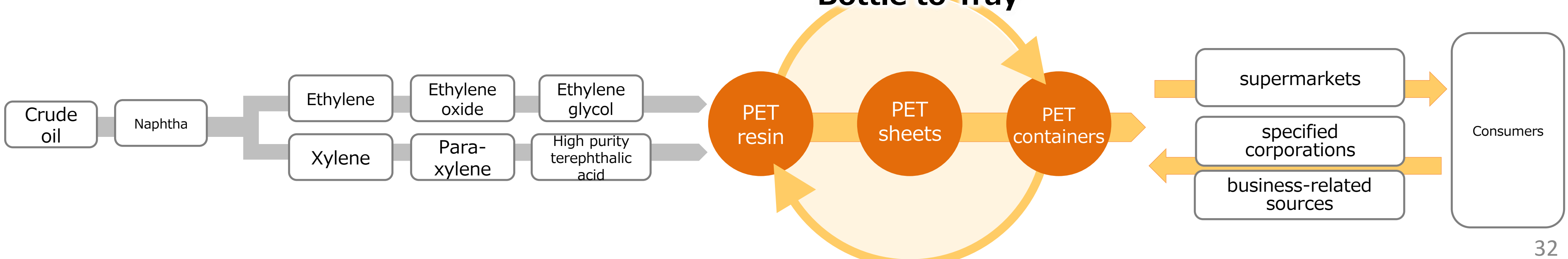




Tray to Tray



Bottle to Tray



Examples of Posters Displayed at Supermarkets

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Posters displayed at

Approx. 6,120

stores across Japan

(As of Sep 2022)

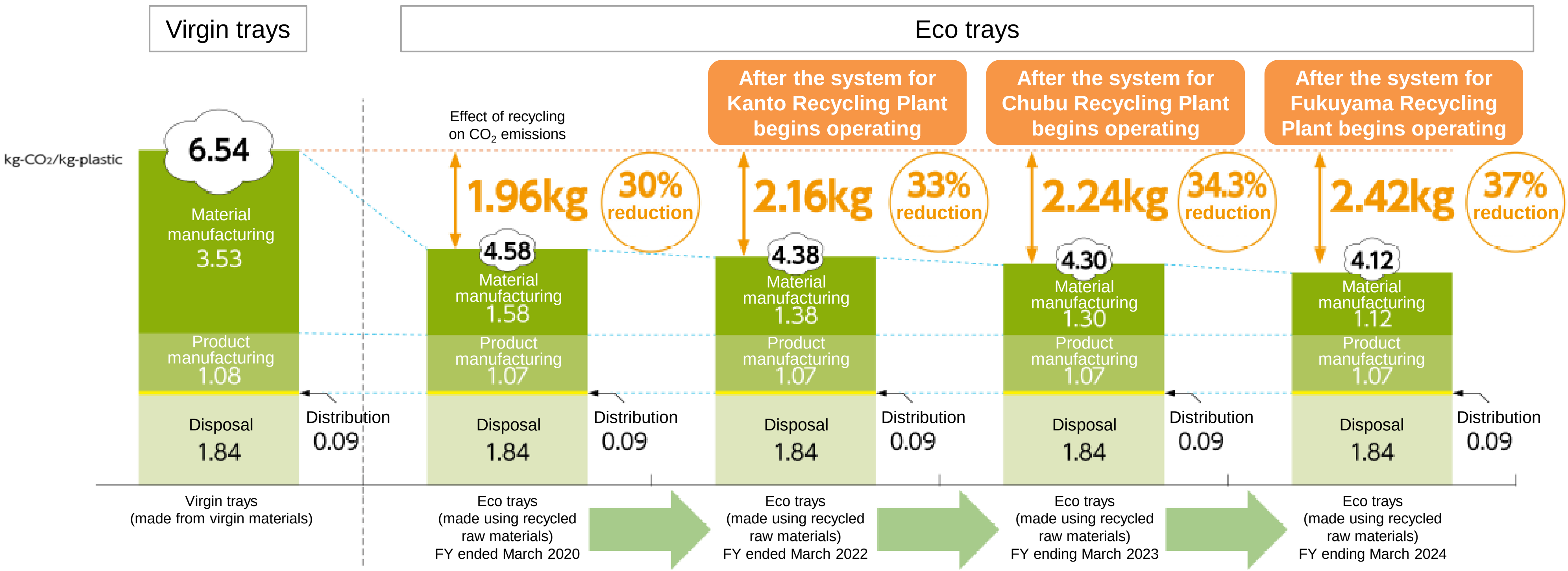
Posters displayed by the Aeon Group

FY ended Feb. 2016

CO_2 emissions reduced by approx. **6,250** tons in 5 years

FY ended Feb. 2021

Increasing CO_2 Reduction Effect through Collaboration in Solar Power Generation



System for Kanto Recycling Plant Operation commenced in March 2022

System for Chubu Recycling Plant Operation commenced in October 2022

System for Fukuyama Recycling Plant Commencement of operation planned in the summer of 2023

Aiming for zero CO_2 emissions from the process of manufacturing recycled materials

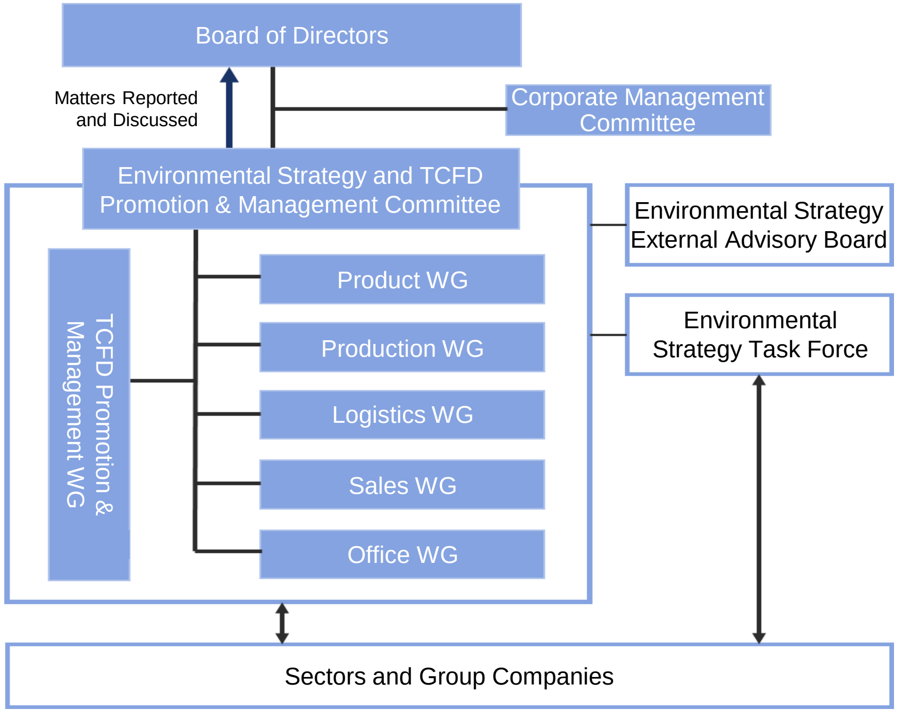
Declaration of Support for the TCFD Recommendations

TCFD: Task Force on Climate-related Financial Disclosures

- The TCFD is a special organization that was established by the Financial Stability Board in response to a request from the G20.
- It recommends that companies and other entities disclose information about climate change-related risks and opportunities.

Governance	Promotion structure and monitoring system
Strategy	Scenario analysis
Risk Management	Integration with company-wide risk management
Metrics and Targets	Medium- and long-term environmental targets

(Promotion structure) FP Corporation Eco Action 2.0

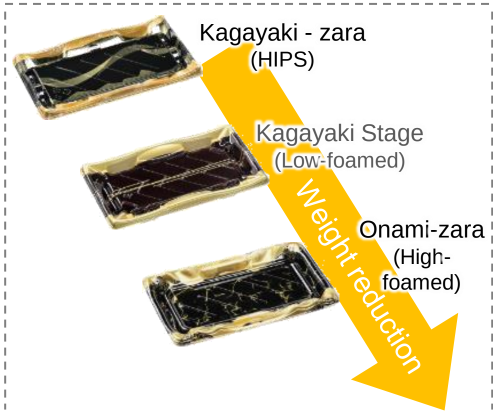


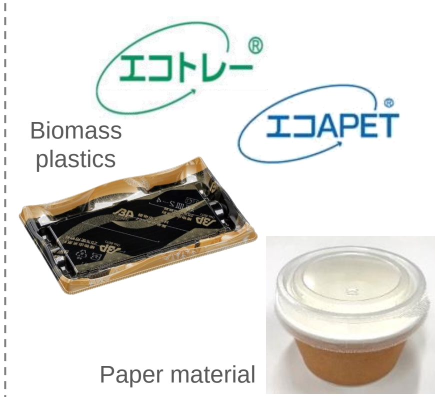
Quantitative Environmental Goals Set by Retail Companies

Of 184 subjects, 78 companies have set quantitative environmental goals. (Research by FP Corporation in Jul. 2022)

	Reducing CO_2 emissions	Reducing plastic usage	Choosing environmentally friendly materials	Reducing food loss
SM Company A	Achieving net zero CO_2 emissions from operation of the Group's stores by 2050		Using 100% environmentally friendly plastics for containers of its original products by 2050	
SM Company B	Reducing the total amount of CO_2, etc. emitted from stores to zero, and switching 50% of electricity consumed at stores to one from renewable energy sources by 2030	A goal to be achieved by 2025 ahead of achieving the 2030 goal for the overall Group of reducing use of disposable plastics in business activities by half from the 2018 level		
SM Company C	Reducing CO_2 emissions by 30% (from the FY2013 level) by 2030	Reducing plastic containers and packages by 80% (from the FY2018 level) by 2030		Reducing food loss by 50% (from the FY2018 level) and increasing food recycling rate to 70%, by 2030

FPCO





Tsuma: shredded radish for sashimi

Diversification of Materials and Research into Recycling Technologies

New materials

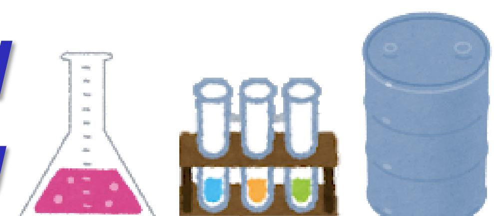
Biomass-based plastics
(Plant-derived materials)

Paper pulp mold

Recycling technologies

Material recycling

Chemical recycling



CO_2 Reduction with Biomass-based Plastic Products

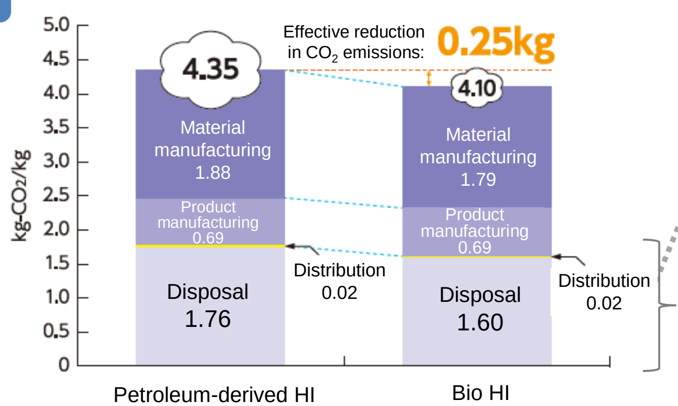
- **Bio-HIPS and Bio-PPF: Released in June 2020**
- **Made from 25% plant derived materials/ Registered with Japan BioPlastics Association**

Bio-HIPS

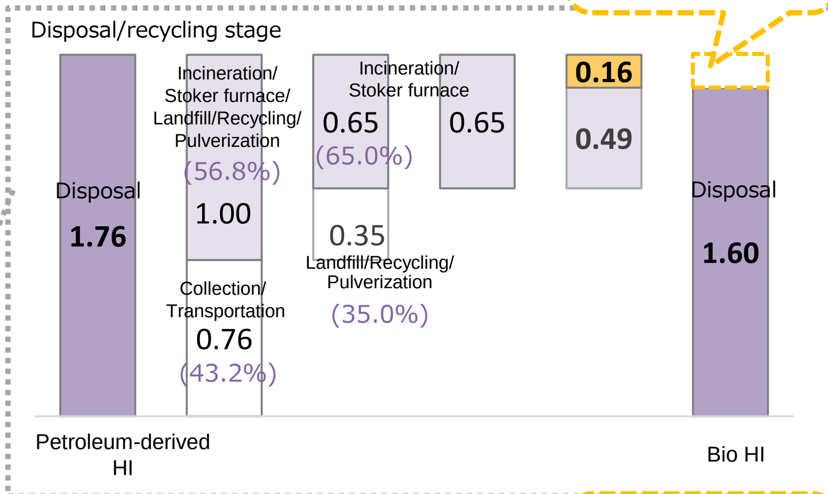
CO_2 emissions

−5.75%

Comparison of CO_2 Emissions for Petroleum-Derived HI and Bio-Derived HI



CO_2 reduction effect **3.68%** of the entire lifecycle

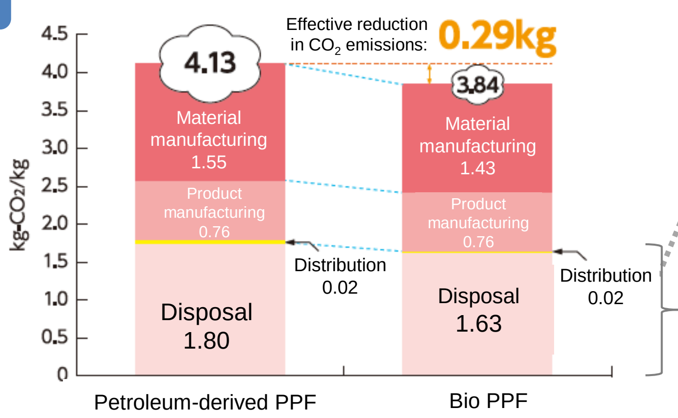


Bio-PPF

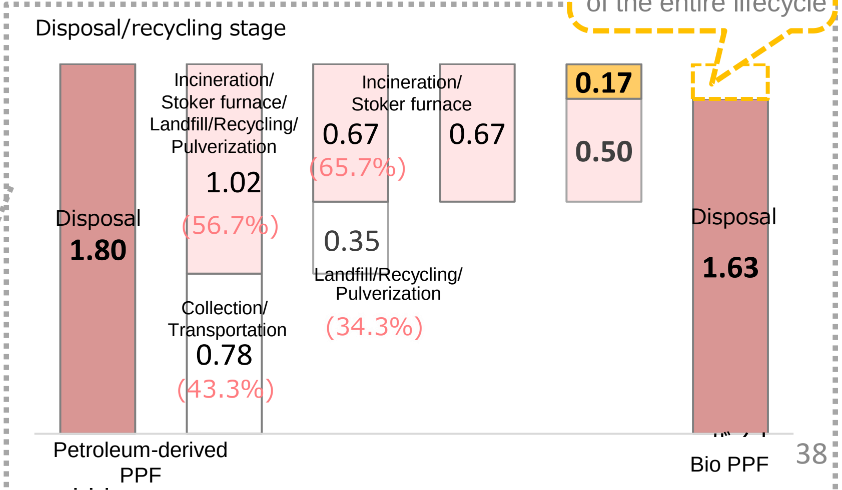
CO_2 emissions

−7.02%

Comparison of CO_2 Emissions for Petroleum-Derived PPF and Bio-Derived PPF



CO_2 reduction effect **4.12%** of the entire lifecycle



Development of Paper Trays and Paper Containers

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Paper trays

Uses FSC®-certified paper

FSC
www.fsc.org
ミックス
紙 | 責任ある森林管理を支えています
FSC® C163782

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

※Mix label : This product is made of material from well-managed,FSC®-certified forests and other controlled sources.

Waterproof and oilproof

Supports wrapping machines

Paper-bowl Series

Paper lunchbox (bamboo paper)

(Main body)

(Lid)

Development of Paper Trays and Paper Containers

Addition of 3 sizes of paper trays

+

Released in September

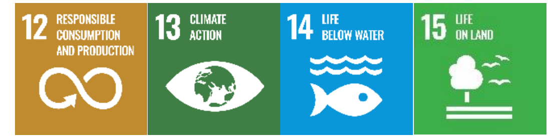
* The width of all the trays is 196 mm.

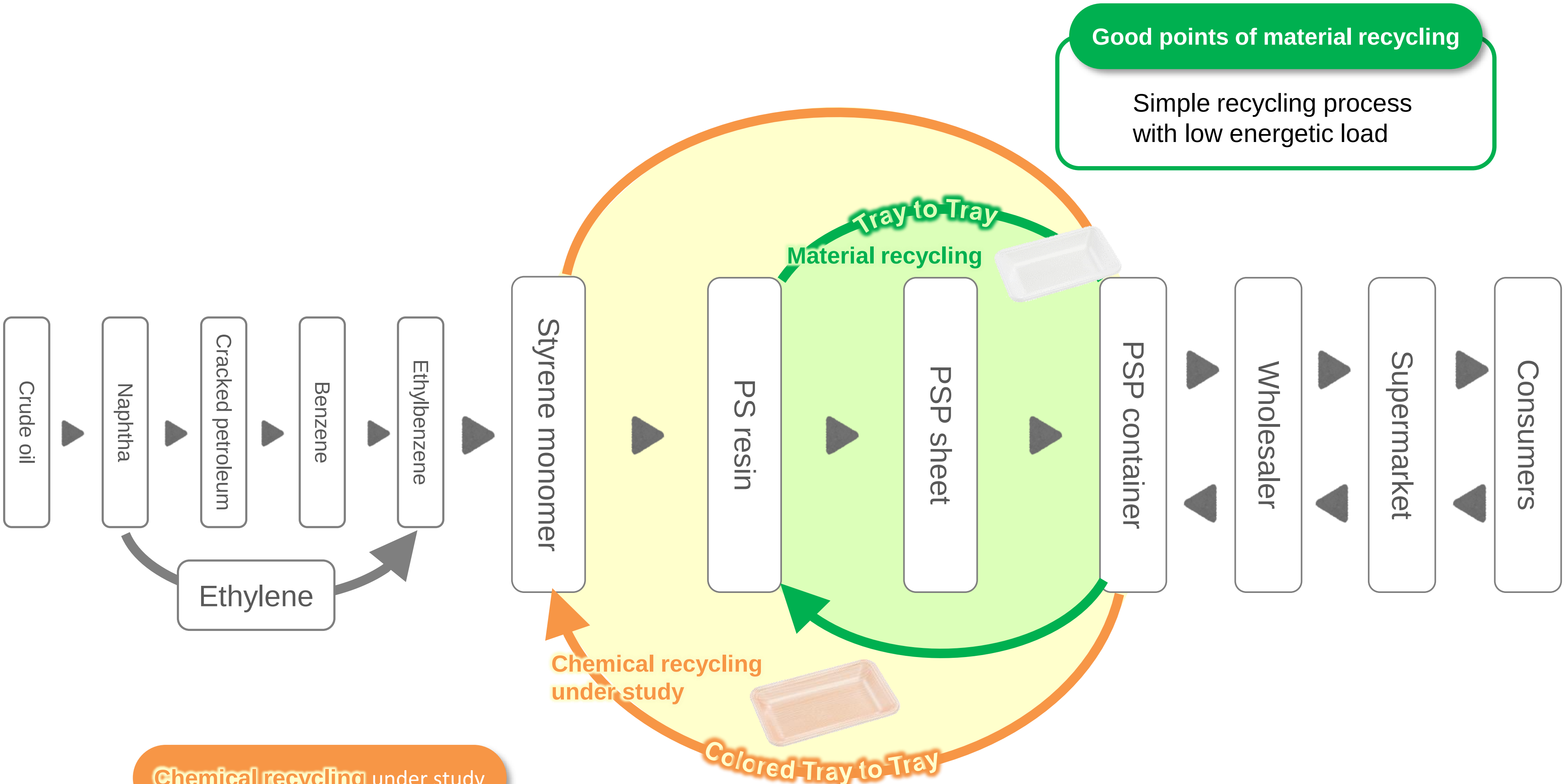
Launch of sushi containers (bamboo paper) in 2 sizes

It has been decided that these trays will be used by a U.S. supermarket. They are also planned to be released in Japan as standard products.

Tray: Bamboo paper
Lid: Eco APET (existing lid for Onami-zara)

Considering Collaborating with DIC Corporation to Realize Chemical Recycling

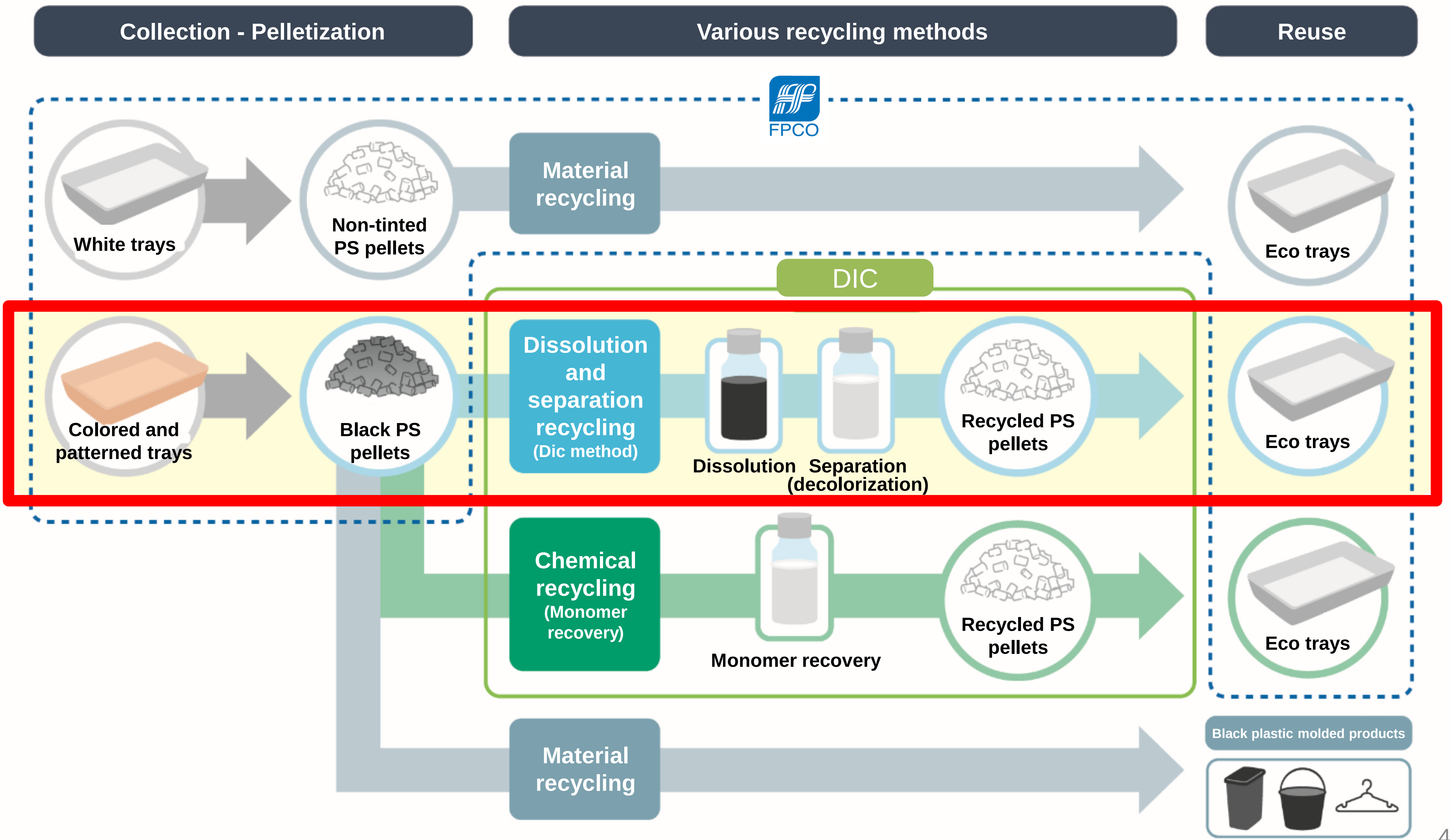




Chemical recycling under study

- High decontamination capability
- Energetic load is low because it is chemical recycling into styrene monomer.

Collaboration with DIC under Consideration: Dissolution and Separation Recycling



Diversity Management Making Maximal Use of Capabilities

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Sorting plant Used food trays, transparent containers, and PET bottles

Manufacturing Molding, assembly, inspection, and packaging of food trays

Special subsidiary (FPCO Ducks Co.) and business locations providing Type-A Support for Continuous Employment (FPCO Ai Pack Co.)

Attempts to expand occupational domains

General factories and logistics sites in the FPCO Group

In the FPCO Group as of March 2022

Number of employees with disabilities	**365**
Adjusted number of employees with disabilities	**621.5**
Ratio of employees with disabilities	**12.6%**

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)
- September 2022
  Toyo Keizai Inc.
  Ranked 2nd in ratio of employees with disabilities
- June 2022
  Ministry of Health, Labour and Welfare
  Certification of outstanding small- and medium-sized businesses concerning efforts to hire more people with disabilities ("MONISU" certification) (FPCO Ducks Corporation)

障害者雇用 中小事業主認定 もにす

SDGs Support for Customers in their Employment of People with Disabilities

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

With FPCO’s support, employment was created for

760 people at **51** locations mainly at customers’ workplaces

As of September 2022

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

Floor Hockey Activity: Interactions between People with and without Disabilities

8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES


17th National Floor Hockey Competition

Award, certification, and registration for
Floor Hockey Activity

■ Mar. 2019 (Tokyo)
Barrier-free Minds Support Company Registration

■ Dec. 2018 (Japan Sports Agency) Continued to be certified
Sports Yell Company Certification

■ Nov. 2018 (Tokyo) Continued to be certified
Tokyo Sports Promotion Company Certification

■ Feb. 2018 (Tokyo Voluntary Action Center)
3rd Corporate Volunteer Awards

東京都「心のバリアフリー」サポート企業 登録証

SPORTS YELL COMPANY 2022

TOKYO 東京都スポーツ推進企業 2021 認定

SDGs Creation of the FP Corp. Environmental Fund

The FP Corp. Environment Fund

1990:	The FPCO method of recycling starts. To date, recycling activities have continued for approx. 30 years
Mar. 2020:	The FP Corp. Environment Fund is established. The Group begins to subsidize organizations which act to resolve future social issues.

Working with other companies, NPOs, research and educational institutions, and other organizations

Activities of Organizations Subsidized (Some of the Activities)

A total of 137 employees of the FPCO Group also participated in these activities as volunteers.

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> 26

Shonan Cleanaid Forum (Kanagawa)

<Details of the activities>

Beach cleanup activities on the natural coast of Kanagawa

<Number of employees who participated> 47

SDGs 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 752,280sets**

1st donation	(May 29,2020 -)	60,800sets
2nd donation	(Jul.25,2020 -)	81,600sets
3rd donation	(Sept.30,2020 -)	81,600sets
4th donation	(Dec.17,2020 -)	80,000sets
5th donation	(Feb.26,2021 -)	80,000sets
6th donation	(Sep.1,2021 -)	92,000sets
7th donation	(Oct.27,2021 -)	92,000sets
8th donation	(Jan.31,2022 -)	92,000sets
9th donation	(Apr.12,2022 -)	92,280sets

Kobe Bussan

Nestlé Japan

Hagoromo Foods

FPCO

SDGs ESG Evaluation

Continuously selected to be a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index, which are ESG indexes (June 2021)
Selected for the first time to be a constituent of the FTSE Blossom Japan Sector Relative Index (March 2022)

FTSE4Good

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

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

Selected to be a constituent of the MSCI Japan Empowering Women (WIN) Select Index (December 2021)

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

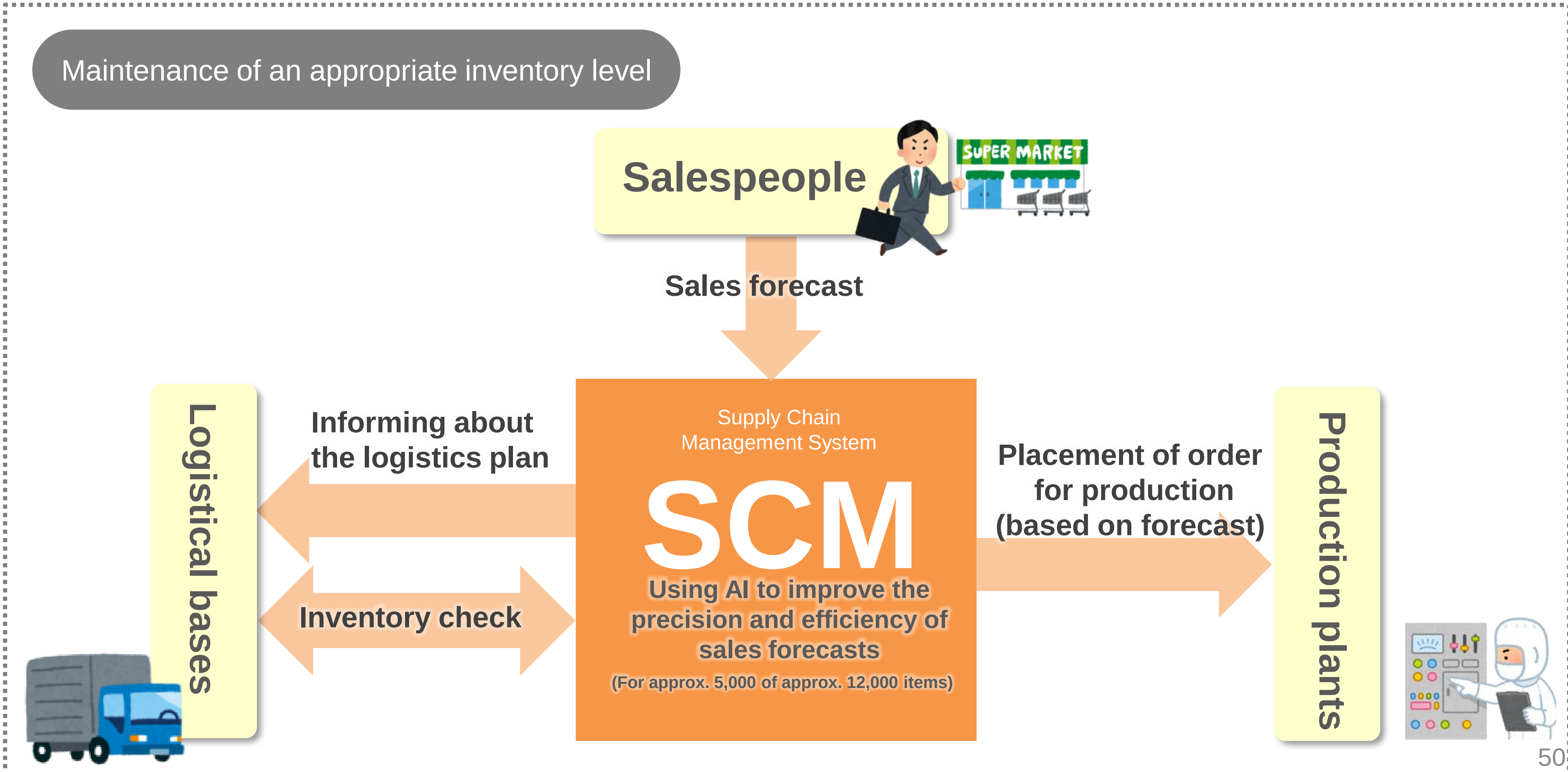
An index developed by MSCI Inc., which is comprised of companies strongly promoting gender diversity in the workplace

Stable Supply

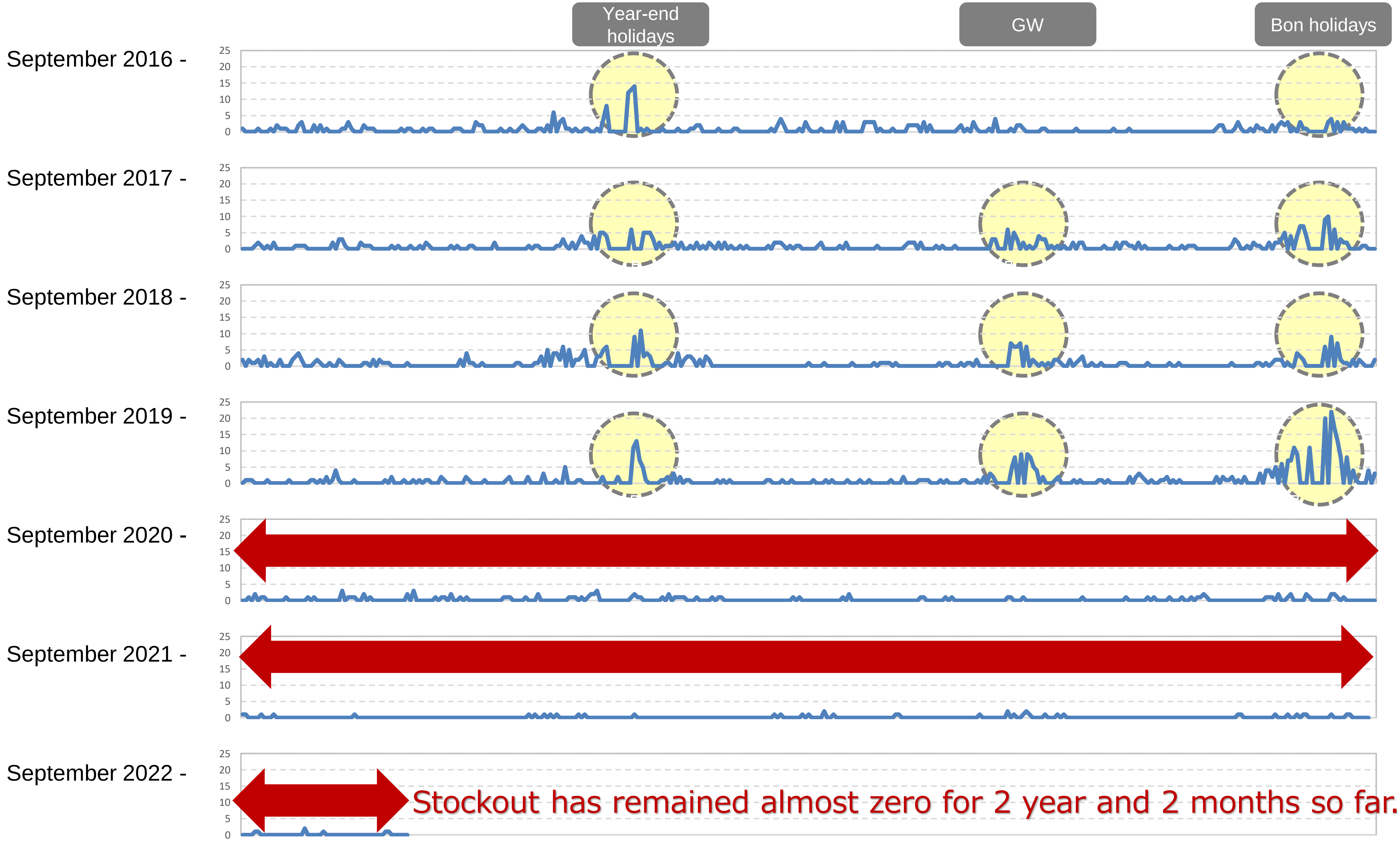
FPCO

Stable Supply – Supporting Safe, Secure Dietary Life

- **A lineup of approx. 12,000 items**
- **Maintenance of an appropriate inventory level**



Stable Supply -- Number of Cases of Stockout

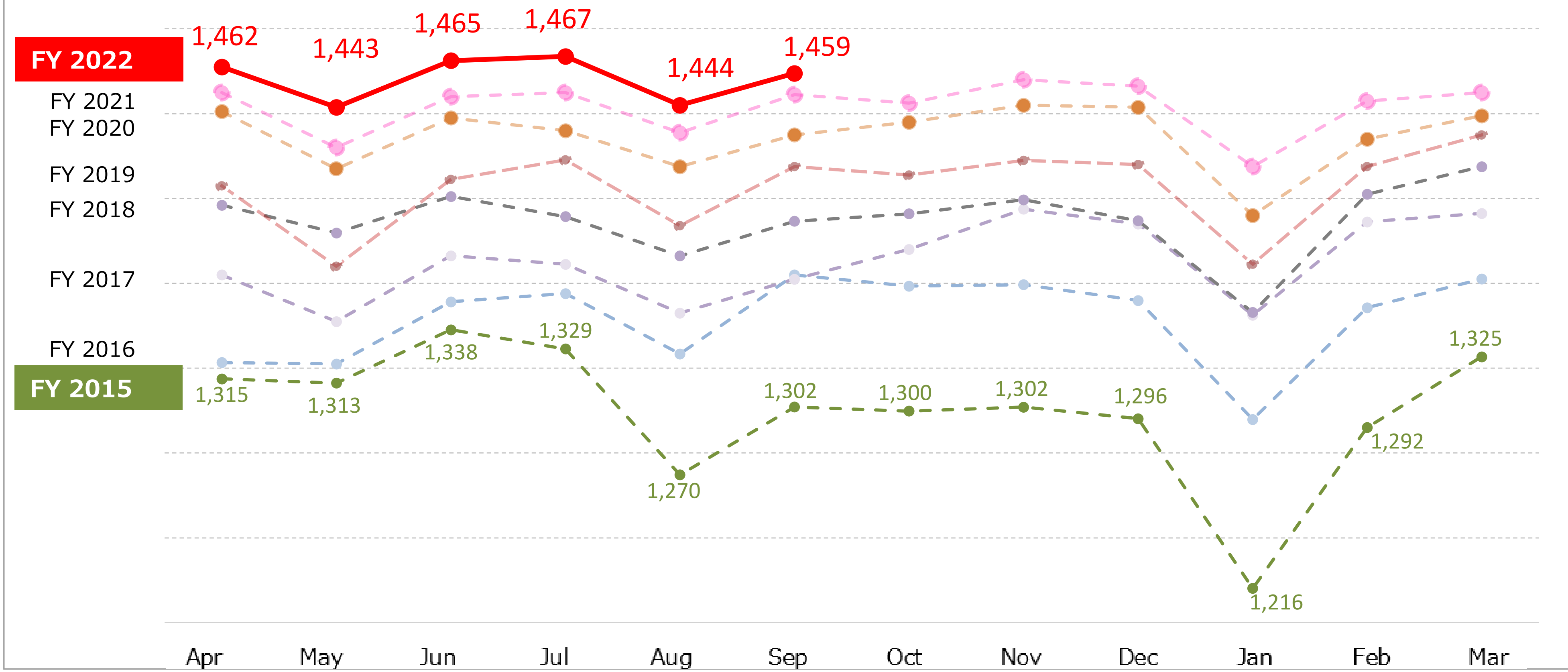


Actions for Suppressing Soaring Logistics Expenses (Distribution of Sales)

Increase ratio of private services	September, 2022	**97.7%**
Increase load efficiency per truck	1st half of FY2022 Compared with the level in 1st half of FY2015	**111.0%**

<load efficiency per truck>

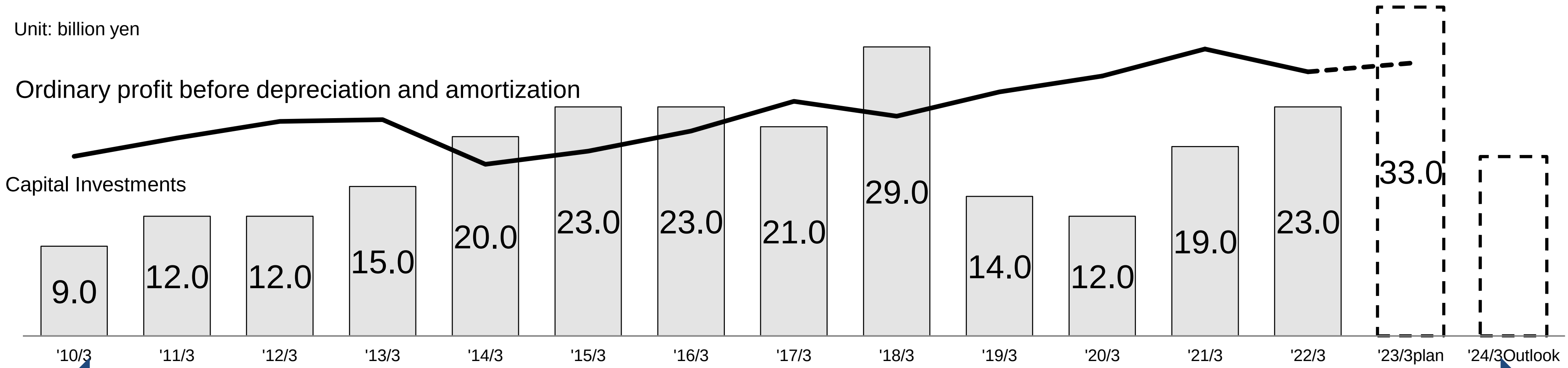
(Sai* per truck) * 1 sai = 0.027826474 m^3



Strategic Investment

FPCO

FPCO's Strategic Investment



Annual investment of approx. 20.0 billion yen

Development of the world's first materials

2010: Launch of Multi FP products
2012: Launch of Multi Solid products
2012: Launch of Eco APET products
2012: Launch of OPET products
2012: Launch of New Transparent PP products
2014: Launch of PPi-talc products
2022: Launch of cold-resistant PPi-talc products

Expansion of the microwavable and frozen food markets

Enhancement of production and recycling

2012: Kanto Yachiyo Plant
2016: Chubu Eco PET Plant
2017: Kanto Eco PET Plant
2018: FPCO ALRight Plant
2018: FPCO Gravure Plant
2022: Chubu Plant I
2023: Kansai Plant

Increase of ESG investments

Enhancement of distribution network

2014: Fukuyama Cross Dock Center
2014: Hachioji Hub Center
2020: Kyushu Hub Center expanded
2020: Fukuyama Hub Center expanded
2021: Chubu Cross Dock Center expanded
2023: Kansai Hub Center

Soaring cost of regular cargo services

Investment in human resources

2014: FPCO Research Center and Human Resources Development and Training Center
2018: Hiroshima Sales Office
2019: Headquarters of FPCO International Package Co., Ltd.
PicoHouse dormitories for single employees (total number of units: 473)
2017: PicoHouse No.1 (150 units)
PicoHouse No.2 (102 units)
2020: PicoHouse No.3 (63 units)
PicoHouse No.4 (18 units)
2022: PicoHouse No.5 (140 units)

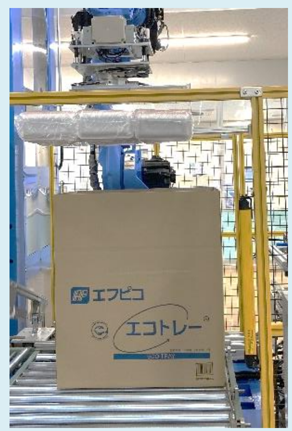
Labor shortage

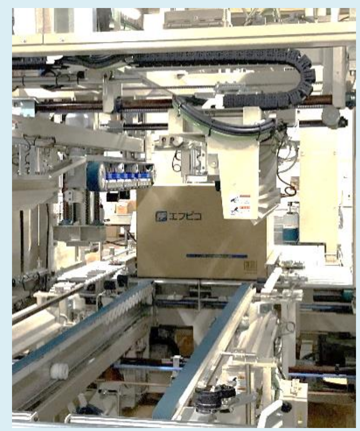
Start of Operation of Chubu Plant I

Commencement of operation: May 2022
Investment: 8,530 million yen (After reduction entry 6,301 million yen)
Total floor area: 20,810.61 m^2

Latest automated equipment introduced

Acceptance of raw materials → Supply to the production line → Molding → Packaging → Warehousing



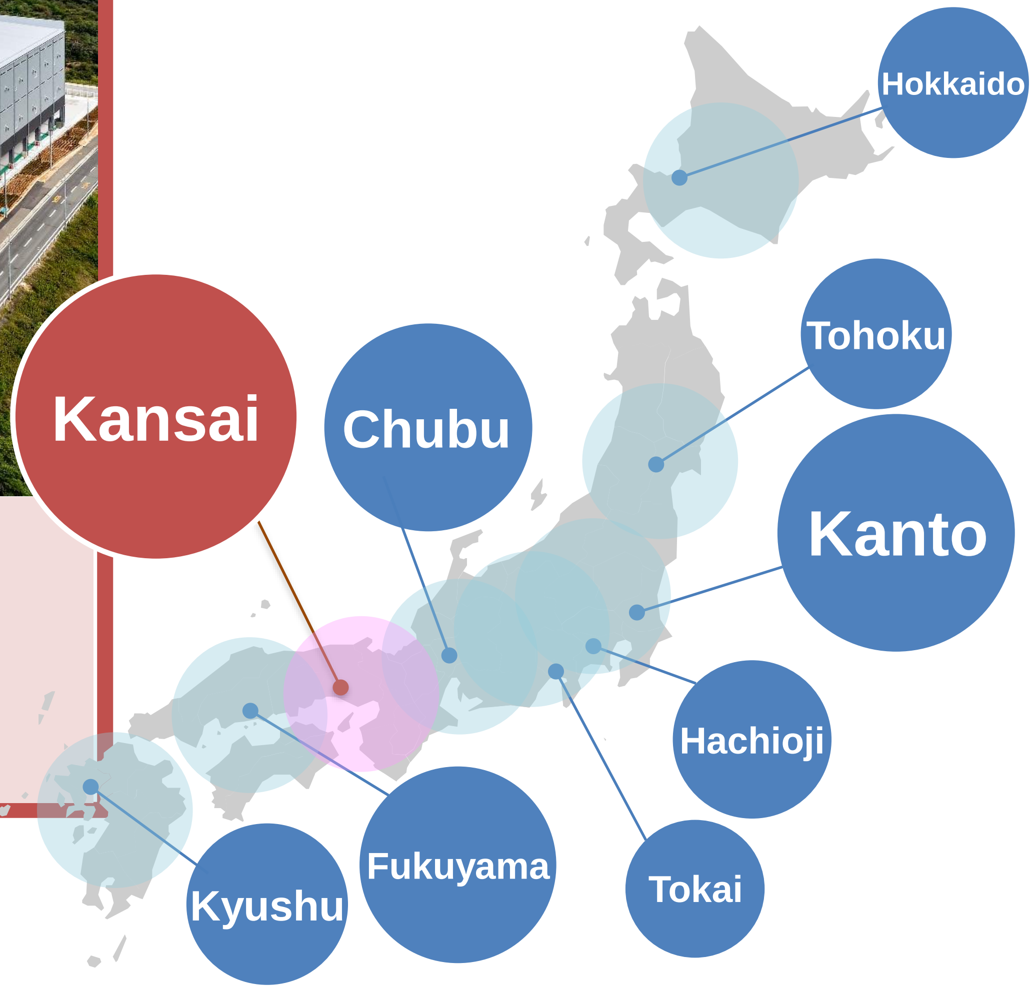


New Bases in Kansai (Kansai Plant and Kansai Hub Center)

Building completion: Sept. 2022
Start of operation scheduled: Feb. 2023
Investment: 25,261 million yen
Total floor area: 79,511.10 m^2

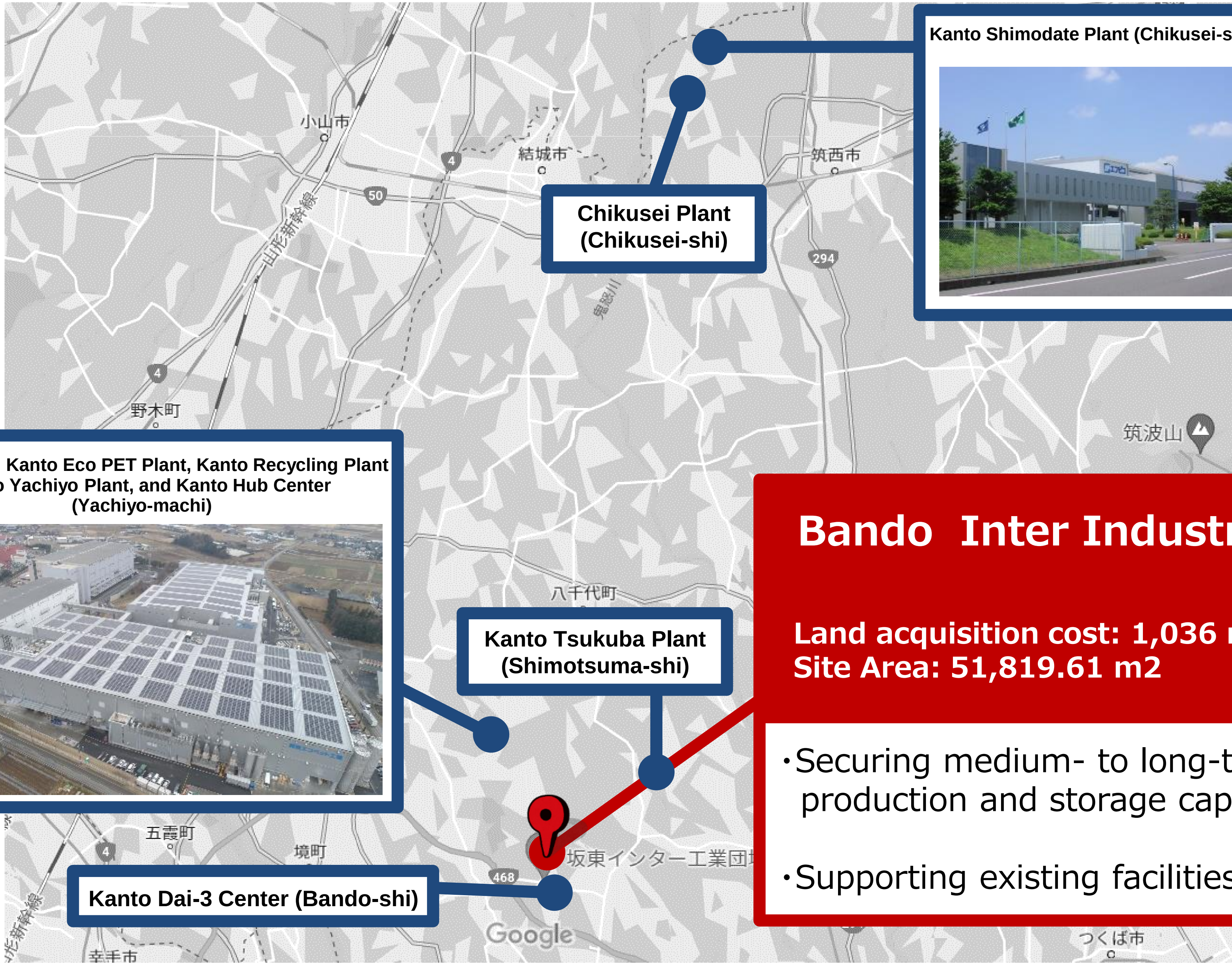
Approx. 30% of logistics capacity and production capacity transferred from the Fukuyama area

Completed a network which has 70% of the total population, including the populations of major cities, within a 150 km radius of the bases



Sept. 2022: Additional acquisition of a separate piece of land in the industrial park
Land acquisition cost: 940 million yen
Site area: 29,136.58 m^2

Acquisition of a Site to Build a Plant and Distribution Center in Ibaraki



Bando Inter Industrial Park

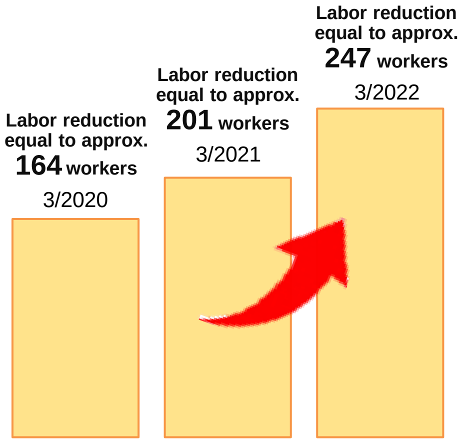
(Bando-shi)

Land acquisition cost: 1,036 million yen
Site Area: 51,819.61 m2

- Securing medium- to long-term production and storage capacity
- Supporting existing facilities

Investment in Human Resources (1):Automation

Manufacturing Division



- Case packing robots 22 units
- Automatic dusting and packaging machines 8 units
- Automatic packaging machines 95 units (3/2022) → 110 units (Planned in 3/2023)

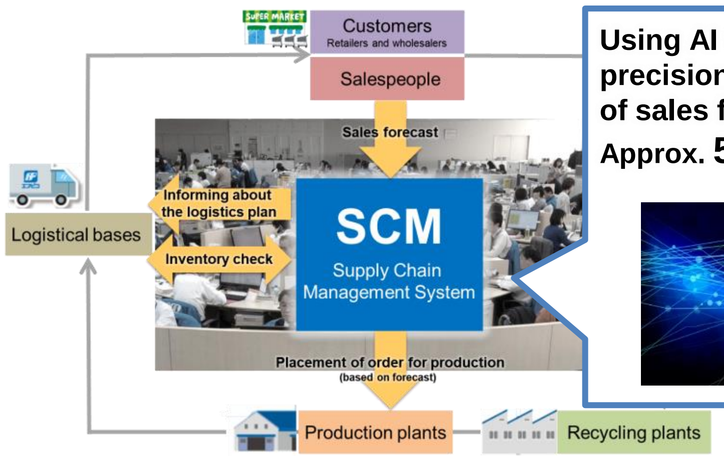
Logistics Division

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

AGV (automated guided vehicle)
29 units
3/2022

AGF (automated guided forklift)
Introduce 2 units (3/2022) → 6 units (Planned in 3/2023)

SCM Division



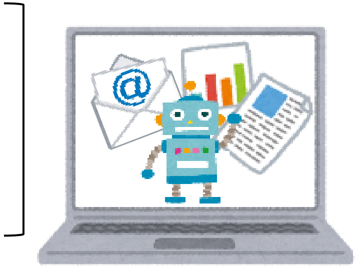
Using AI to improve the precision and efficiency of sales forecasts

Approx. 5,000 items

Information system

Reduction of approx. 31,000 work hours/year 3/2022

Program development	Approx. 15,000 hours
Using RPA	Approx. 13,000 hours
Improvement of existing functions and operations	Approx. 3,000 hours



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

PicoHouse dormitories for single employees

No. 5
140 units

Completion scheduled in September 2022
Location：Ono-shi, Hyogo

PicoHouse No. 1 to No. 5 Total number of units: **473**

Group homes for people with disabilities

20 units

Completed in April 2020
Location: Fukuyama, Hiroshima Pref.

Home･CO Pearl

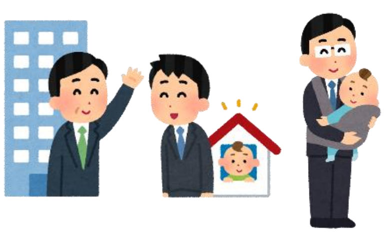
Floor plan: First floor

To be used for study support, support for therapeutic education, etc. by the local community

A residential space where residents live together

Promotion of active participation of women

1. The target **percentage of employees in main career tracks that are women is 30% or more** of all employees to be hired from 2022
2. Increasing the **number of managers that are women to 50 or more** (including 5 or more section managers or higher-ranked managers) by 2026
3. Increasing the **percentage of childcare leave taken by eligible male employees to 30% or higher** by 2026



Promotion of health and productivity management

March 2022
Selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category)

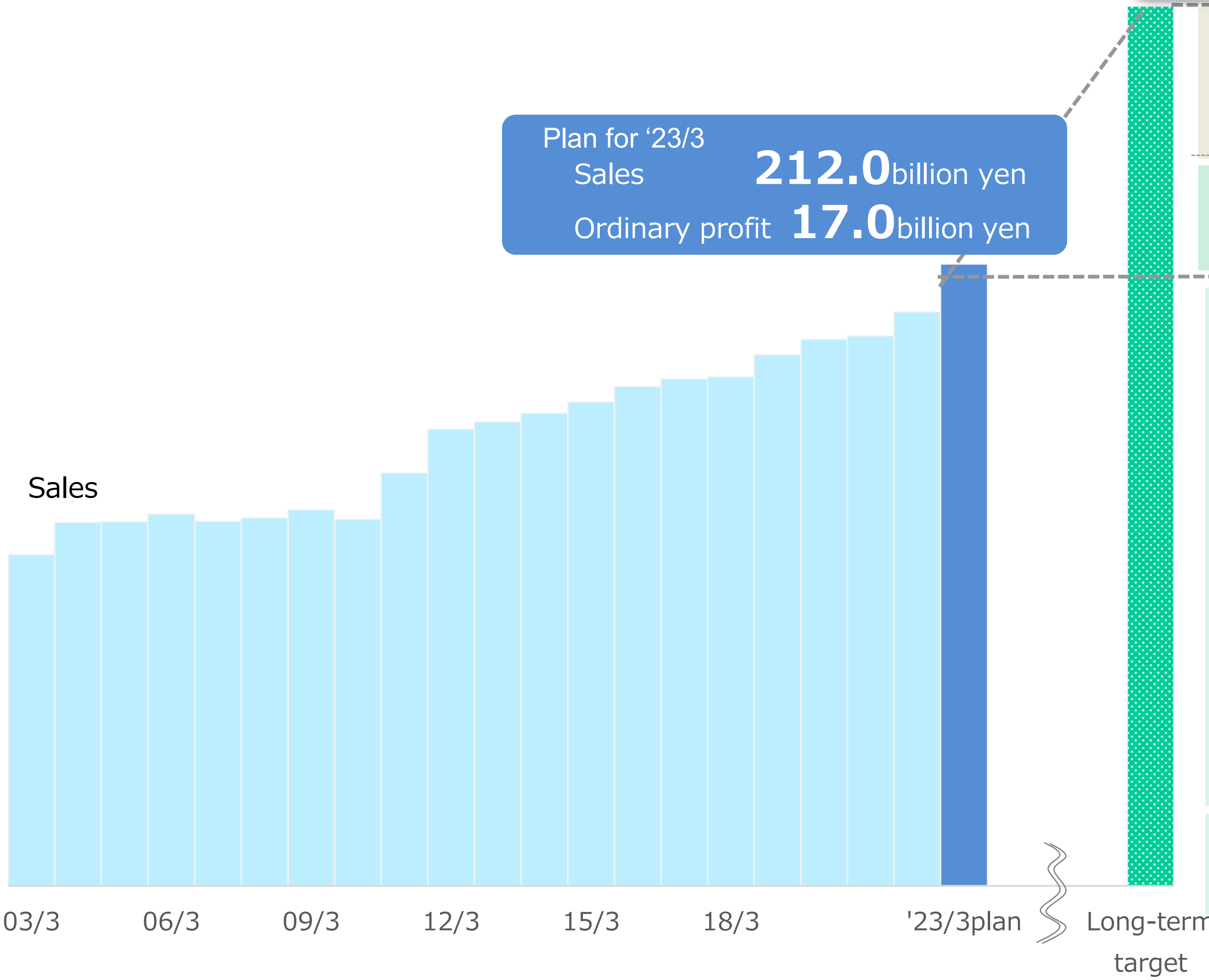
2022
健康経営優良法人
Health and productivity

Growth Strategy

FPCO

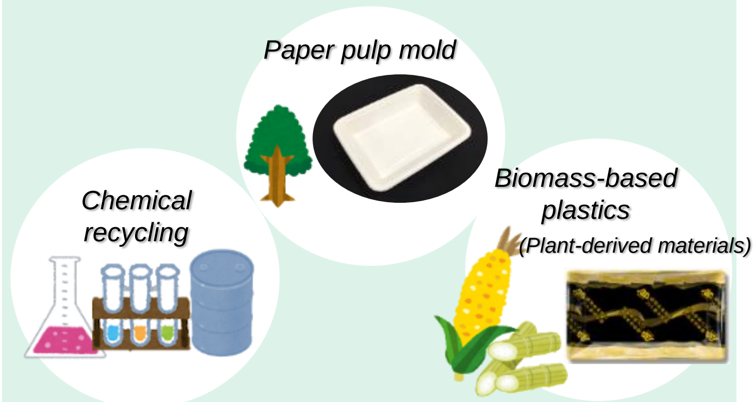
FPCO Growth Strategy

Long-term target
Sales **300.0** billion yen
Ordinary profit **30.0** billion yen



Commodities +60.0 billion	**Overall packaging materials**
Products +40.0 billion	**New markets** (delivery, food service, frozen food, etc.) **Market share increase**

R&D for recycling and alternative materials

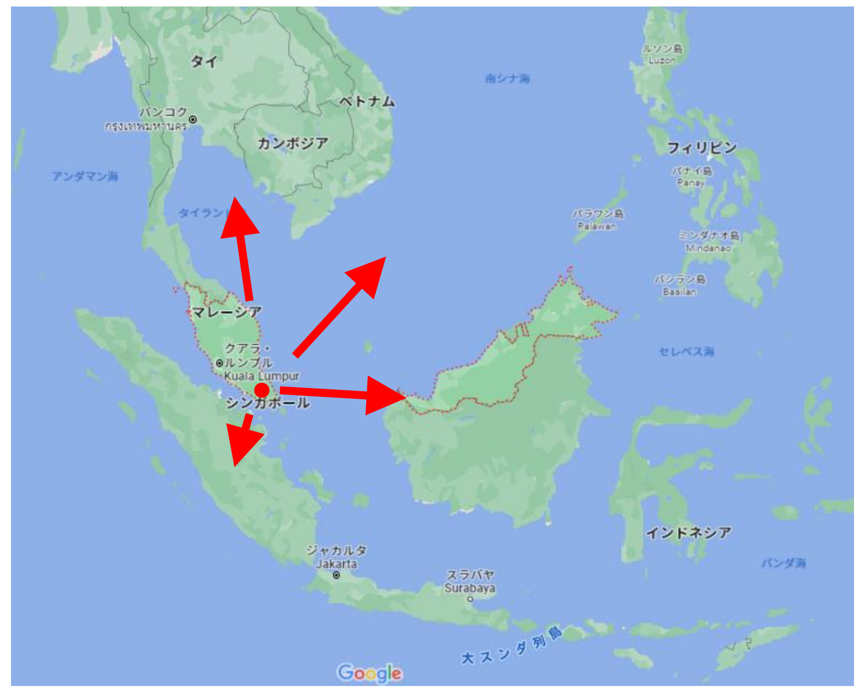


Considering M&A

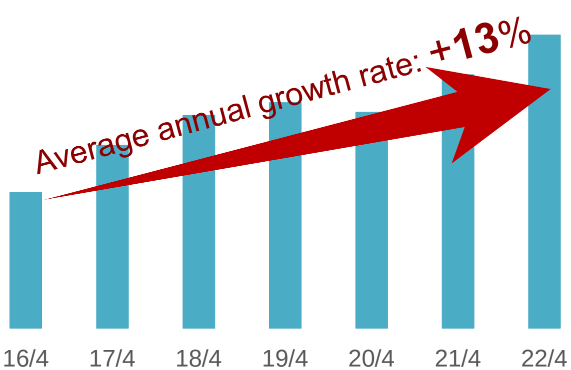
* Changed to the Accounting Standard for Revenue Recognition in FY ended Mar. 2022

Investment to Make LSSPI an Equity-Method Affiliate <Overview>

Company name	Lee Soon Seng Plastic Industries Sdn. Bhd.
Business outline	Manufacture and sale of simplified food containers. Malaysia's largest company engaging in this business. Ref) Financial results of SCGM Bhd. for the fiscal year ended Apr. 30, 2022 Net sales: 8,740 million yen, Net profit: 948 million yen
Number of employees	488 (As of September 2022)
Acquisition price	Total acquisition price: Approx. 16.7 billion yen (FP Corporation: Approx. 6.7 billion yen)
Shareholders (Shareholding ratio)	Mitsui & Co., Ltd.: 60% (Expertise in overseas business management and sales expansion) FP Corporation: 40% (Productivity improvement)
Schedule	May 9, 2022: Conclusion of share transfer agreement August 20, 2022: Resolution passed at the general shareholders' meeting of SCGM August 31, 2022: Share acquisition



Net sales of SCGM



Examples of products

OPS (hood pack)

PP (cup)

PET (cup)

Investment to Make LSSPI an Equity-Method Affiliate <Benefits>

Southeast Asia Population increase and economic growth	▶	**Expanding market of functional containers**
Production at a single plant (Relocated to a new plant in 2019)	▶	**All things to manage are within sight.**
Plenty of space Existence of old production facilities	▶	**Productivity can be improved significantly by applying knowledge and expertise.**
Dispersed buyers (Up to 2% to 3%)	▶	**Low dependence on customers**

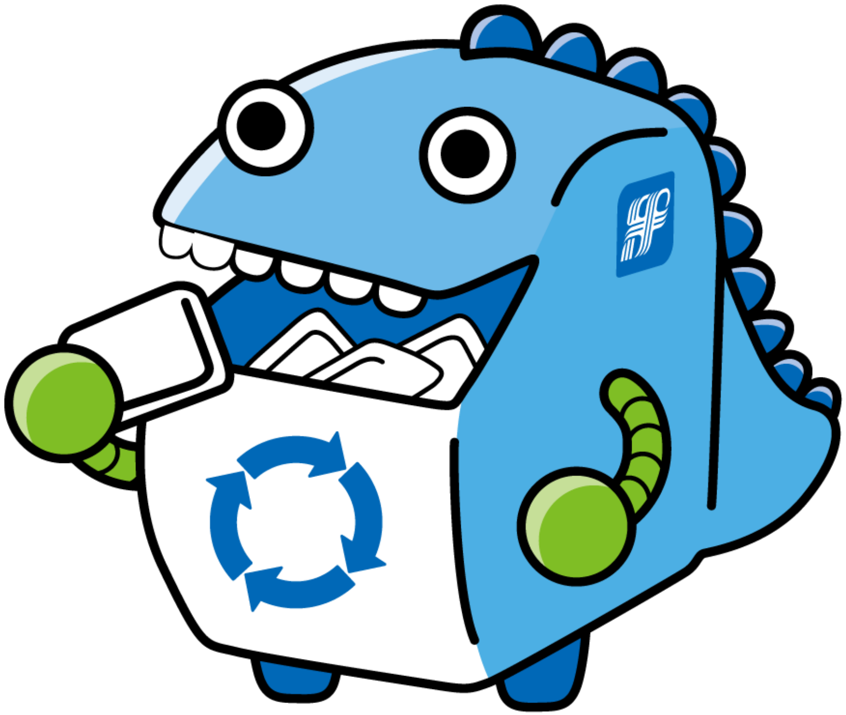
60th Anniversary Mascot Character

Solicited from FPCO Group employees and their families

Total number of applications: 983

Number of voters in the Group-wide selection

4,641



Personality and characteristics

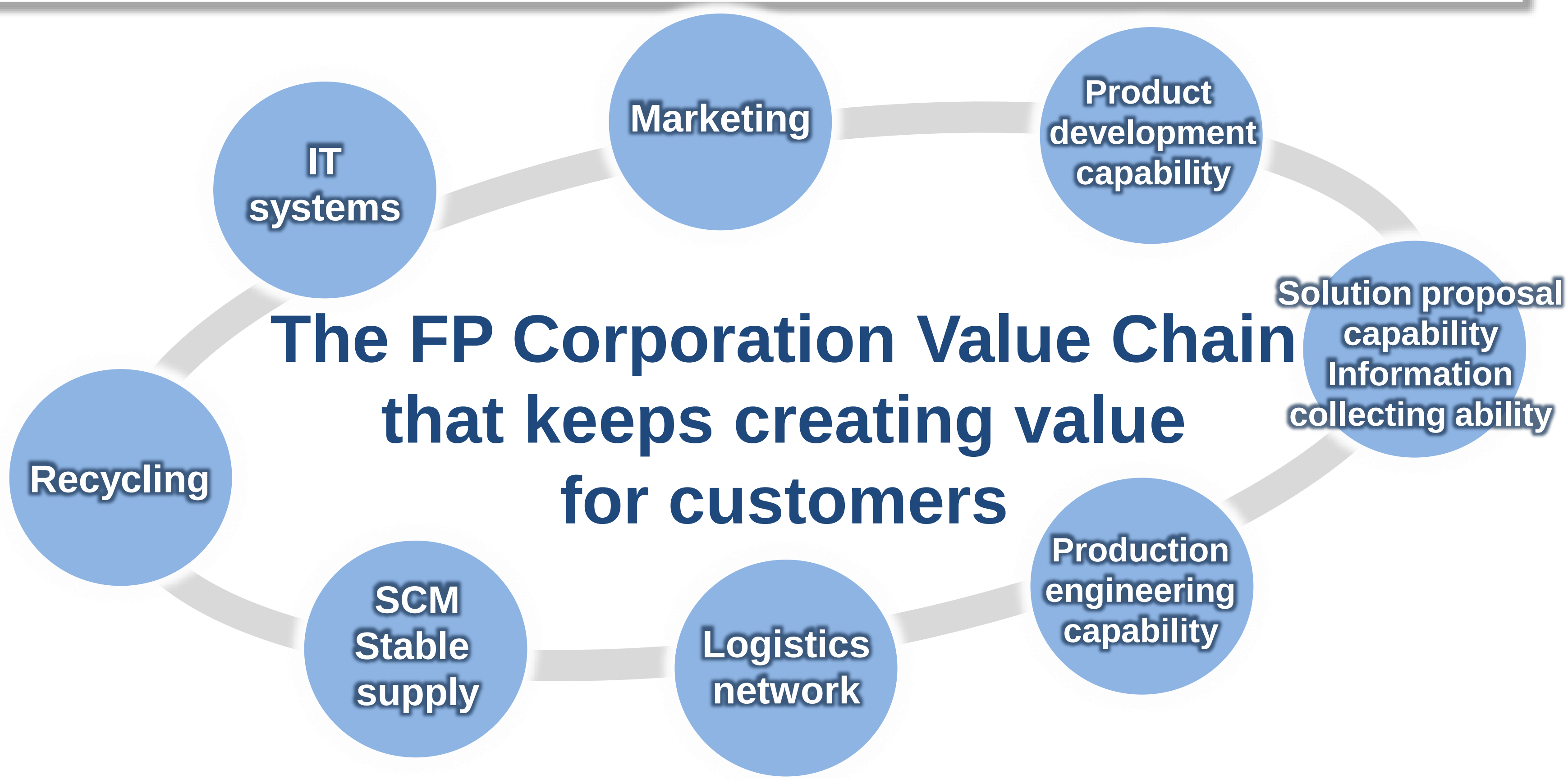
- 100,000,005 years old
- Loves clean trays
- The four arrows on the tummy signifies the unity of four parties.
- It makes a sound like "pico pico" when it walks.

FPCO Group's mascot

Pico-saurus

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."



Supporting Data

Explanation of terms

PS : Polystyrene	**PET** : Polyethylene terephthalate	**PP** : Polypropylene

Multi FP (MFP) : An formed PS (polystyrene) container with cold and heat resistance to temperatures between -40ºC and +110ºC and with superior oil and acid resistance and thermal insulation (sales commenced in 2010).

Multi Solid (MSD) : A non-formed PS (polystyrene) container with a heat resistance temperature of +110ºC 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).

New transparent PP container : A transparent PP container with a heat resistance temperature of +110ºC, which has achieved the same transparency as OPS using standard-grade polypropylene raw material(sales commenced in 2012).

OPS container : A conventional transparent container with a heat resistance temperature of +80ºC that is molded from the bi-axially oriented polystyrene sheets.

Cold-resistant PPi-talc container : A container that uses less plastic than conventional cold-resistant PP filler containers while maintaining the strength of the conventional containers (sales commenced in 2022)

Eco Tray : 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).

Eco APET : 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).

Eco OPET : A recycled OPET transparent container molded from the bi-axially oriented PET sheets, which use the same raw materials as an Eco APET container.
Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container.
Heat resistance temperature of +80ºC (sales commenced in 2016).

Bio-HIPS container : HIPS (non-foamed polystyrene) container containing 25% of plant-derived materials (sales commenced in 2020).

Bio-PPF container : Polypropylene with fillers (PPF) container containing 25% of plant-derived materials (sales commenced in 2020).

FSC® : 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.

Distribution Center : Ships products by unit of case

Picking Center : Conduct picking operations for products and goods by small lots and ship

Sorting Center : 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: +110ºC
- ☆ High oil resistance
- ★ Foam is hard and resistant to weight reduction.
- ★ Low firmness
- ★ Low cold resistance
- ★ Difficult to make transparent

PPi-talc

- ☆ The same strength with less plastic

New transparent PP

- ☆ Heat-resistant: +110ºC
- ☆ High oil resistance
- ☆ Same transparency as OPS

PS: polystyrene

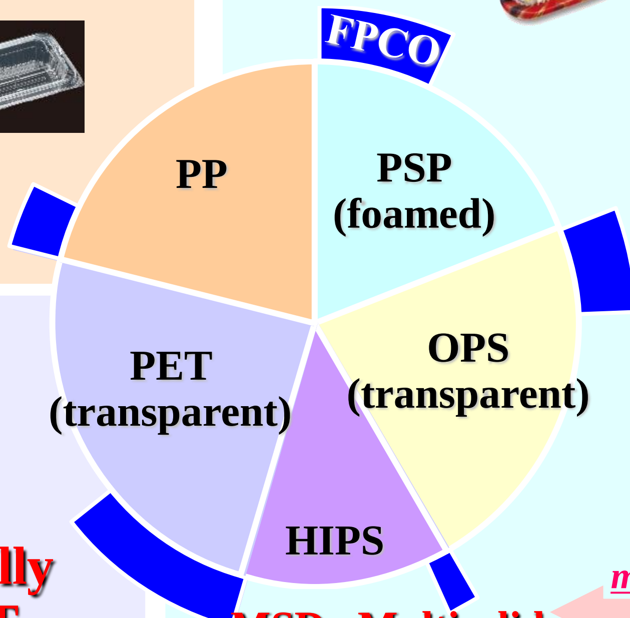
PSP: foamed polystyrene

- ☆ Easy to mold
- ☆ Low raw material ratio
- ☆ Weight reduction is possible
- ☆ High insulation
- ★ Low heat resistance: +80ºC
- ★ 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 +110ºC
- ☆ High firmness
- ☆ Weight reduction is possible



Recycling of multi-FP remnants

MSD: Multisolid

Non-foaming polystyrene

PET: polyethylene terephthalate

- ☆ Resin introduced last
- ☆ High transparency
- ☆ High oil resistance
- ★ Low heat-resistance: +60ºC
- ★ Heavy

OPET: Biaxially stretched PET

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

OPS: oriented polystyrene

- ☆ Transparent
- ☆ Heat-resistant: +80ºC
- ★ Low oil resistance
- ★ Limited weight reduction

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

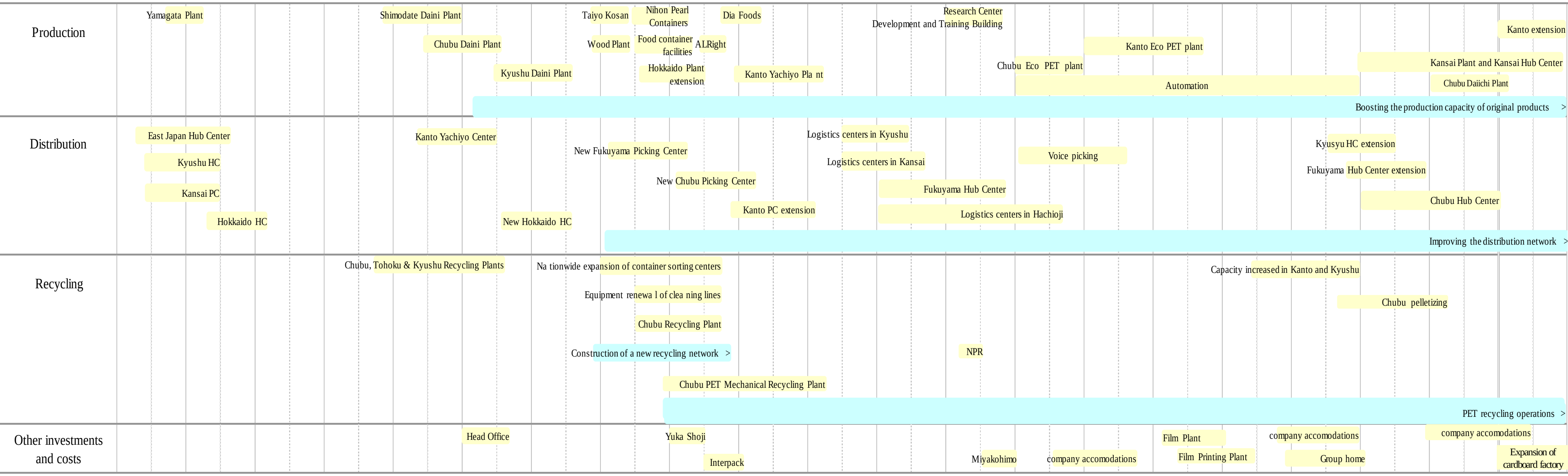
Factors influencing Ordinary Profit

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
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	100.5	101.1
The Price of Material		-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-37.0	-25.0						
							Decrease in raw material prices		+78.0					Decrease in raw material	+31.0
							Raw material price increase		-19.0	-23.0	-37.0	-15.5	-46.0	-7.0	
Sales Price		-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+32.0	+6.5		Naphtha formula	-11.0
							1st product price reduction		-44.0		Product price correction		+15.0	+16.0	
							2nd product price reduction		-19.0		Price war on general-purpose products		-13.0	-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	+14.5	+19.5
	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	
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	+4.0	+12.0
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	+1.5
Group Companies									+5.0	+5.5	+5.0	+1.0	-1.0	-1.5	+5.5
	Profit from the sale of artwork			+1.0	-1.0			+4.0	-4.0				Subsidies	+6.5	-1.7
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	-22.0	-17.6
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	+0.5	+39.2
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	101.1	140.3

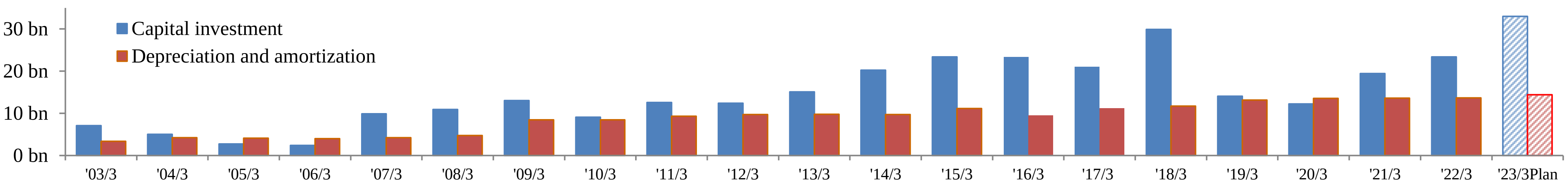
	'17/3			'18/3			'19/3			'20/3			'21/3			'22/3			'23/3 Plan		
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year
Ordinary Profit for previous year	66.3	74.0	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	77.9	167.0
The Price of Material	+20.0	+3.0	+23.0							+2.5	+5.2	+7.7	+11.0	+3.0	+14.0						
				-13.0	-13.0	-26.0	-14.8	-15.5	-30.3							-9.9	-36.1	-46.0	-24.4	+13.4	-11.0
Sales Price	-12.5	-11.0	-23.5																		
				-	+4.5	+4.5	+13.6	+28.0	+41.6	+10.5	-	+10.5									
Sales Efforts	+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	+6.0	+17.0	+4.0	+9.0	+13.0
Improved Production	+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	-1.5	+2.0	+1.5	+6.5	+8.0
Improved Distribution	-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	+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	+2.0	+5.0	+7.0
	-3.7	+0.8	-2.9																		
Cost increase	-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	-8.1	-5.9	-14.0
Total increase/decrease	+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	-30.3	-26.8	-25.0	+28.0	+3.0
Ordinary profit	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	77.9	167.0	64.1	105.9	170.0

Trends in Capital Investment and R&D Costs



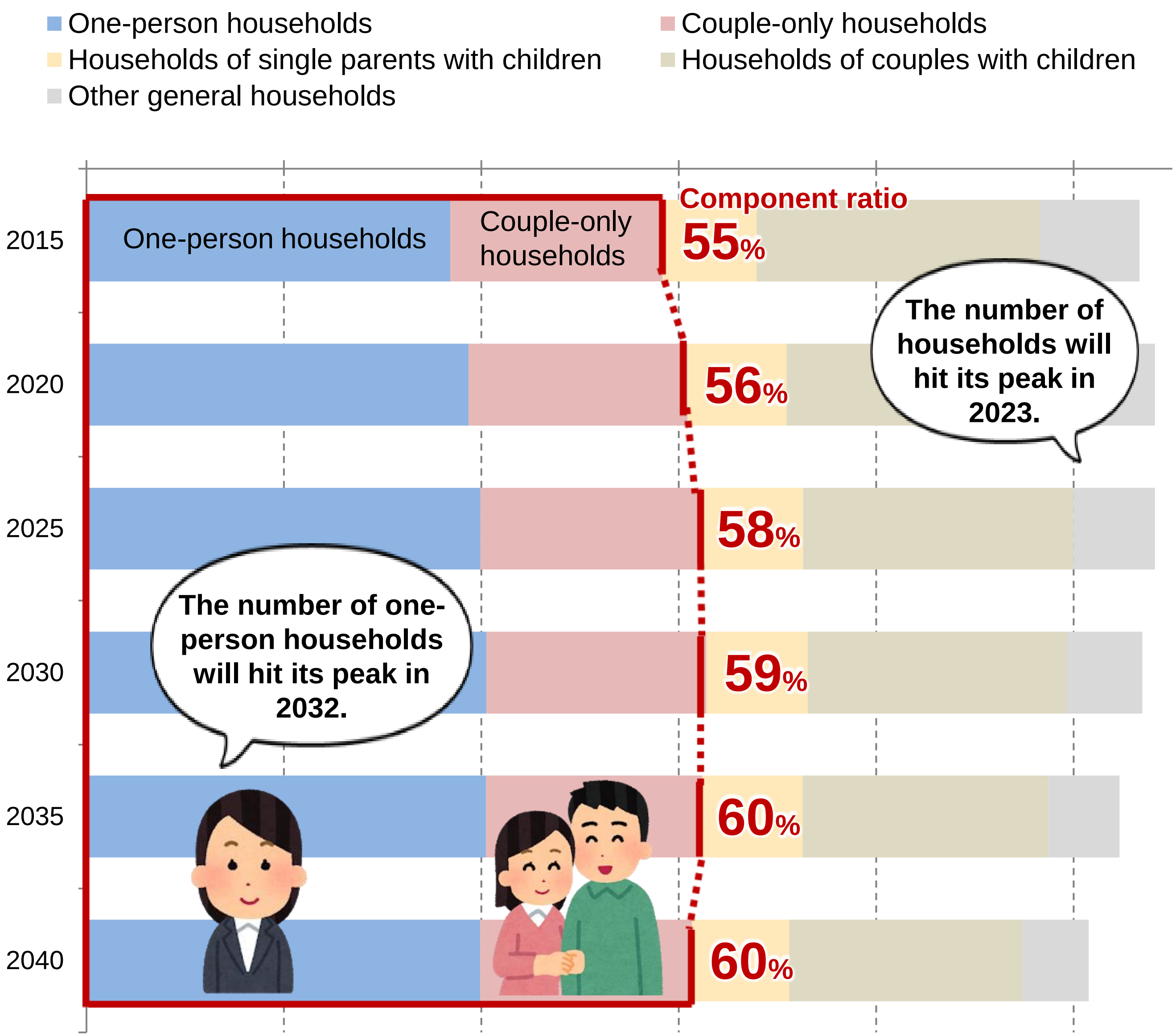
Unit : million yen

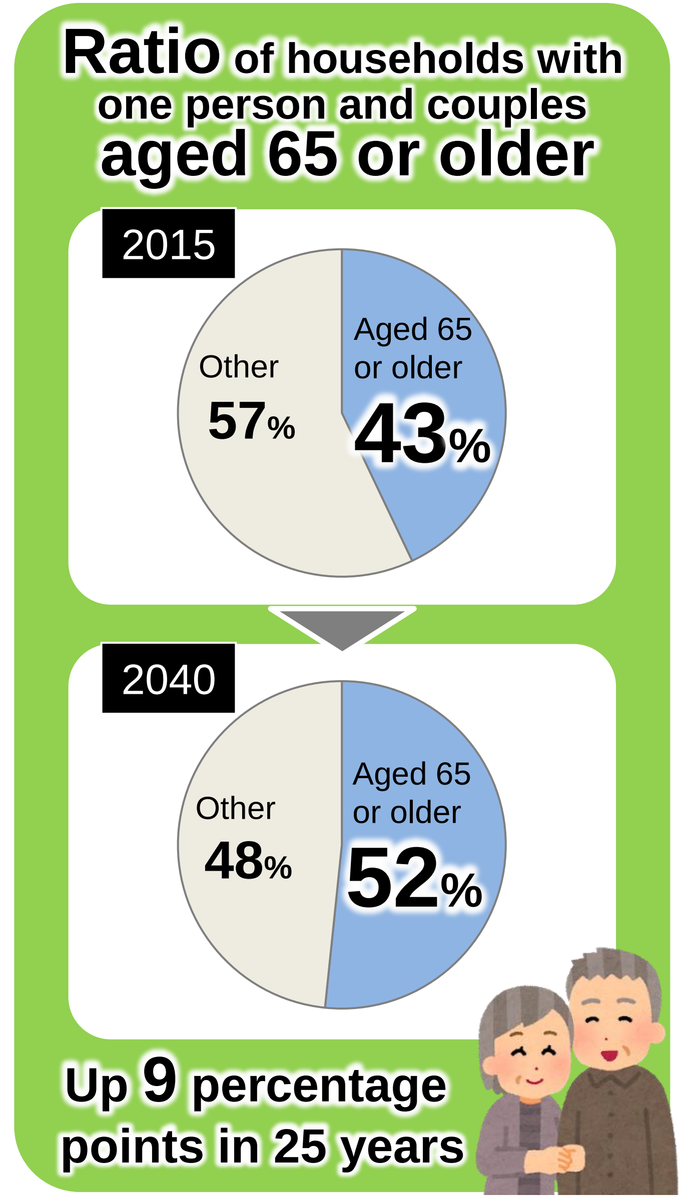
	FY ended March 2003	FY ended March 2004	FY ended March 2005	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ended March 2021	FY ended March 2022	FY ending March 2023 Plan
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	23,361	33,000
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	23,084	32,800
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	595	525	306	277	200
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	2,028	1,710
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	13,636	14,380
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	1,154	1,397



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

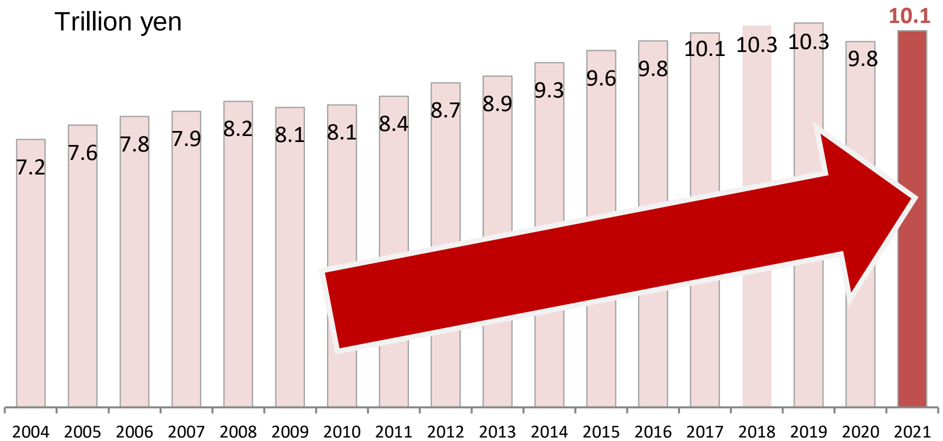
Changes in the Number of Households





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

FY2021
Home meal replacement
Approx. 10.1 trillion yen

Cooking at home:
Approx. 36.8 trillion yen

Eating out:
Approx. 18.2 trillion yen

Major food manufacturers

Markets expected to grow in the future

Frozen food for households
Approx. 0.39 trillion yen
2021

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

Delivery
Approx. 1.18 trillion yen
2021

Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

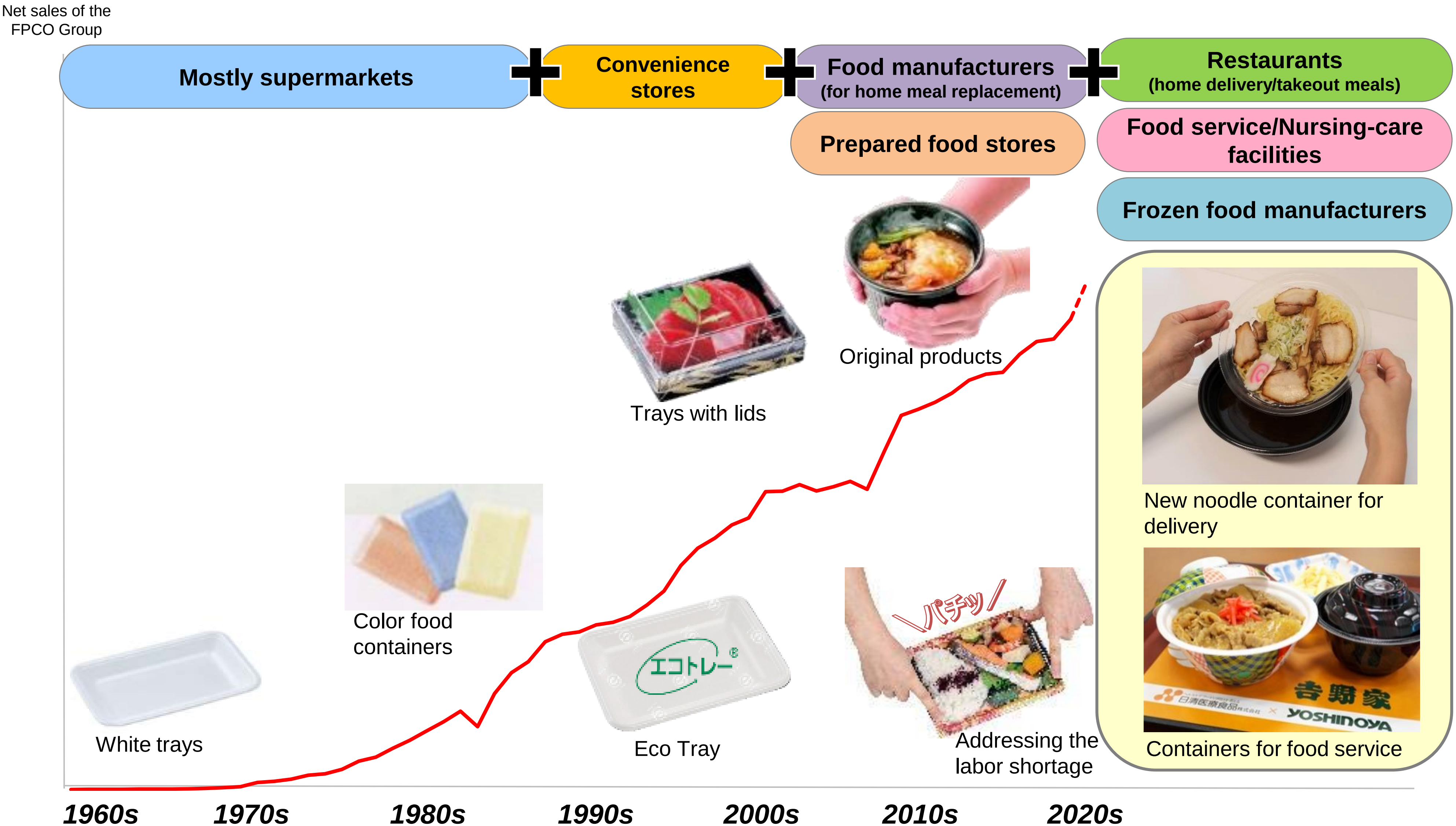
Takeout
Approx. 1.45 trillion yen
2021

Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021
* Size of the takeout food market excluding delicatessen shops and other shops that overlap with the conventional market

Food service for elderly facilities
Approx. 0.96 trillion yen
2020

Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

Expanding Market

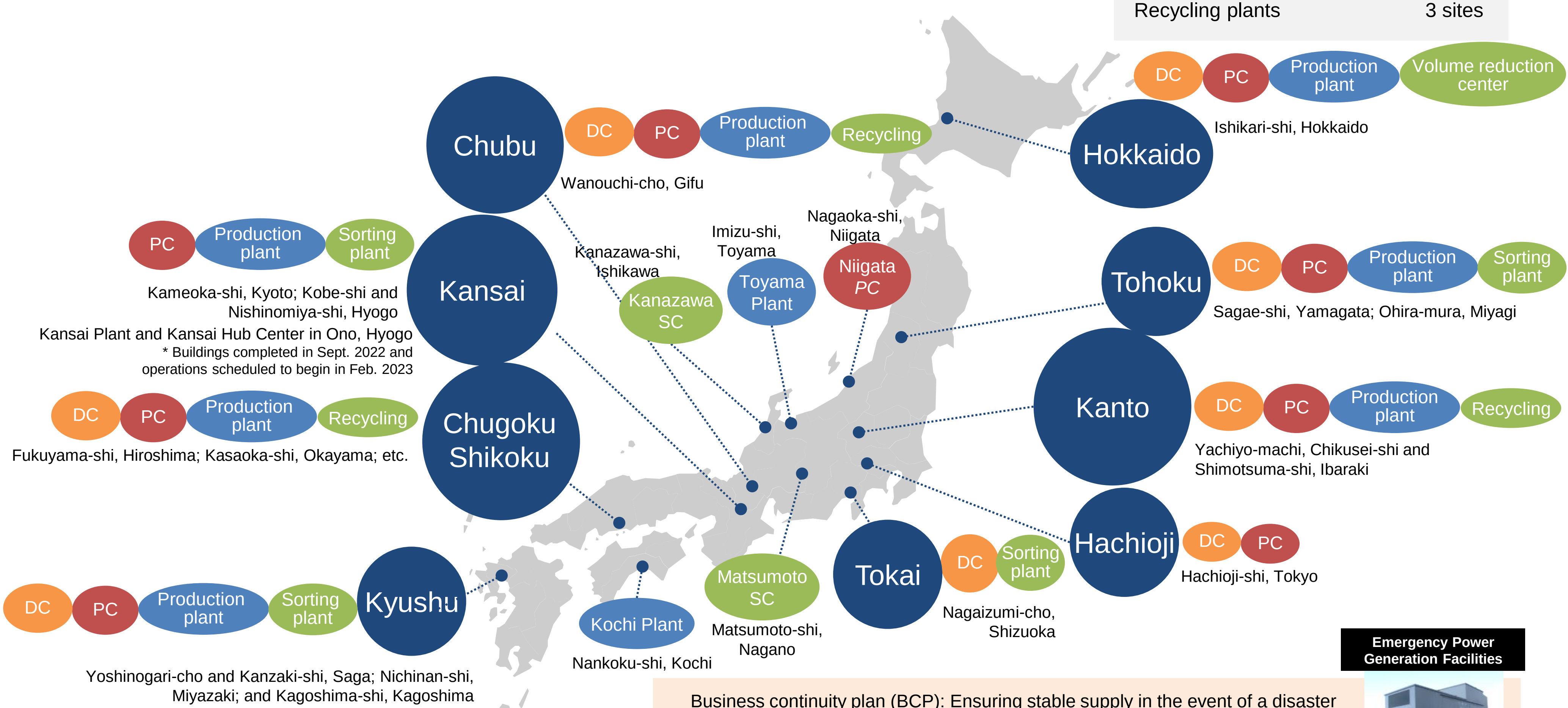


Nationwide Production and Logistics Network

FPCO can produce and deliver on an area-specific basis

Completed a network which has 70% of the total population, including the populations of major cities, within a 150 km radius of the bases

Production plant	19 sites
Distribution Center	8 sites
Picking Centers	10 sites
Sorting plants	10 sites
Recycling plants	3 sites



Emergency Power Generation Facilities

Business continuity plan (BCP): Ensuring stable supply in the event of a disaster

Emergency power generator installed at all of our 21 logistics facilities in Japan

Providing 72 hours' worth of electricity and a fuel stockpile

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

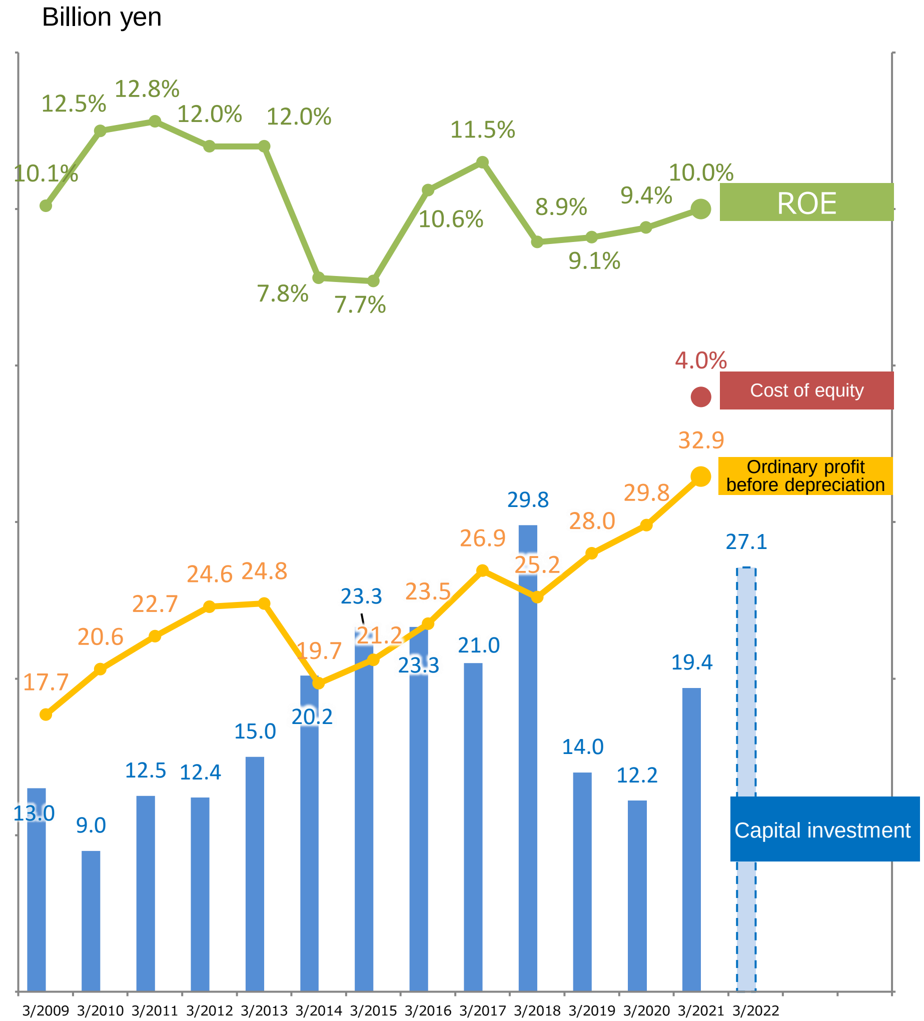
  [Priority investment areas]
  - Market demand for recycled and eco-friendly products
  - Establishing a system for stable supply

- **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**

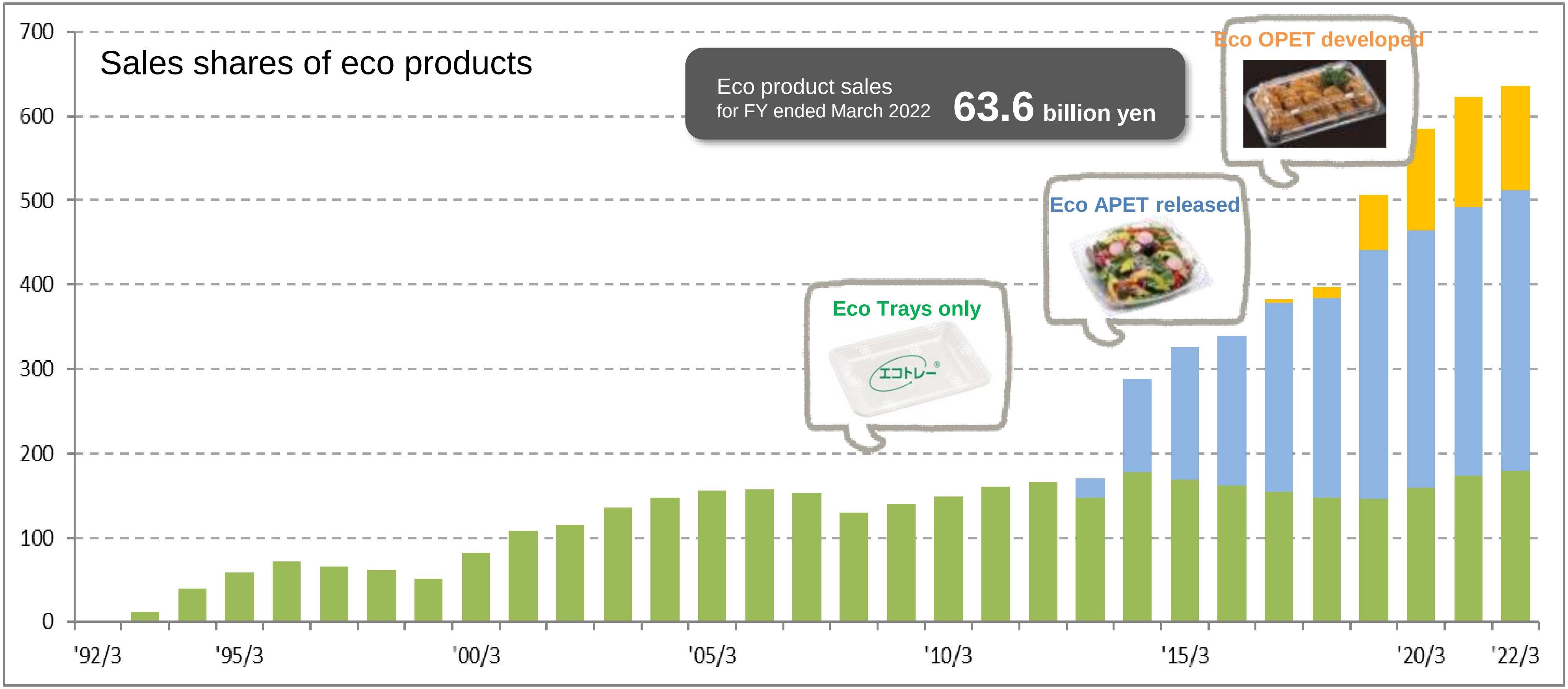


Governance structure

Unit: People

	2019.6	2020.6	2021.6	2022.6
Organization Form	Company with an Audit & Supervisory Committee			
Total Number of the Directors	17	17	18	17
Number of independent outside directors included in the above	2	3	4	6
(Percentage)	11.8%	17.6%	22.2%	35.3%
All members of the Nomination Consultation Committee (Established in Feb. 2021)	－	－	3	3
Number of independent outside directors included in the above	－	－	1 (Chair)	2 (Including the chair)
(Percentage)	－	－	33.3%	66.7%
All members of the Remuneration Consultation Committee (Established in May 2020)	－	3	3	3
Number of independent outside directors included in the above	－	1 (Chair)	1 (Chair)	2 (Including the chair)
(Percentage)	－	33.3%	33.3%	66.7%

Investment in Recycling and Ratio of Eco Products



Ratio of eco products to all products On quantity basis, full year	'13/3 24%	'22/3 44%
Ratio of Eco PET and OPET products On quantity basis, full year	'14/3 52%	100%
Supply capacity of recycled PET materials (thousand tons)	'11/3 10	'23/3 outlook 65

Ocean Plastic Pollution: Trends in the World and Japan

	Global trends	Trends in Japan
2017	**China** — **Notification of waste import restrictions to WTO**	
2018	**G7** — **Ocean Plastics Charter**	
2019		**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**
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	**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		Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan): *Milestone*
Taking into account the full environmental impacts of alternatives, significantly reducing the unnecessary use of single-use plastics.	**Reduce**	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.
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.	**Reuse & Recycle**	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.
Working with industry to increase recycled content by at least 50% in plastic products where applicable by 2030.	**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.

* Created by FPCO based on data from the Ministry of the Environment

Collaboration with Related Ministries, Agencies and Organizations

	Actions of related ministries, agencies and organizations	FPCO's involvement
Ministry of the Environment	● **Plastic resources recycling strategy** Presentation on Japan's plastic resource recycling strategy planned at the G20 Summit in June 2019 ● **Plastics Smart** Encouraging smart use of plastics and communicating such uses worldwide	○ **Participation in a subcommittee as an industrial association** ○ **Publication of Tray to Tray and Bottle to Tray recycling on the campaigns page**
Ministry of the Economy, Trade and Industry	● **Clean Ocean Material Alliance** A syndicate of companies implementing proper waste management and 3R actions for plastic products and accelerating innovation for resolving marine plastic issues	○ **Participation in the alliance as a leading member**
Ministry of Agriculture, Forestry and Fisheries	● **Call for plastic resource recycling declarations** Collecting and showcasing examples of voluntary actions taken by companies and associations in the food industry	○ **Publication of actions for recycling, reducing and raising awareness on the ministry's website**
Keidanren (Japan Business Federation)	● **Plastic-related Innovation for SDGs** 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	○ **Publication of actions for recycling, reducing and raising awareness on Keidanren's website**
Initiative	● **Japan Climate Initiative** 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	○ **Announcement of participation during the foundation**

【 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

Kanto Eco PET plant
Completed in August 2017

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.