

# ***Financial Results***

## ***for the Fiscal Year Ended March 2024***

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***May 8, 2024***

***FP Corporation***

*Securities code: 7947*

# *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.

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# *Financial Results*

## *for the Fiscal Year Ended March 31, 2024*

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# Financial Results Summary (For the FY Ended March 2024)

Unit: million yen	Results for Full year							Full year projections		
	FY ended March 2023		FY ended March 2024					FY ended March 2024		
	Performance	Percentage	Performance	Percentage	Increase/ decrease	Year-on -year	Quantity	Planned	Percentage	Progress rate
Trays	41,199	19.5	41,943	18.9	+744	101.8%	99.3%	43,600	19.7	96.2%
Lunchboxes and prepared food	121,191	57.4	125,915	56.7	+4,724	103.9%	100.4%	128,000	57.8	98.4%
Subtotal	162,390	76.9	167,859	75.6	+5,468	103.4%	100.0%	171,600	77.5	97.8%
Other products	3,669	1.7	3,794	1.7	+124	103.4%		3,900	1.8	97.3%
Sales of products	166,060	78.6	171,653	77.3	+5,593	103.4%		175,500	79.3	97.8%
packaging materials	43,114	20.4	48,035	21.6	+4,920	111.4%		43,700	19.7	109.9%
Other goods	2,111	1.0	2,411	1.1	+300	114.2%		2,100	0.9	114.8%
Sales of goods	45,225	21.4	50,446	22.7	+5,221	111.5%		45,800	20.7	110.1%
Net Sales	211,285	100.0	222,100	100.0	+10,814	105.1%		221,300	100.0	100.4%
Operating profit	16,703	7.9	16,429	7.4	-274	98.4%		17,350	7.8	94.7%
Ordinary profit	17,328	8.2	16,780	7.6	-548	96.8%		18,000	8.1	93.2%
Profit attribute to owners of	11,529	5.5	11,724	5.3	+195	101.7%		11,808	5.3	99.3%
Ordinary profit before depreciation	31,509		31,833		+323	101.0%		33,200		95.9%



Record high

✓ Highest sales ever for  
14 consecutive years

## ◇Sales

### Products

- Sales of products with high added value, including eco-friendly products, new low-foamed PS containers, and products for prepared food, remained strong.
- Increased sales effects of the second product price revisions (announced in April 2022) .
- Despite fewer supermarket purchases due to higher prices, sales volume has been recovering since September 2023, marking a year-on-year increase.

### Goods

- Penetration of revised prices
- Proposal for efficiency improvement using the FPCO Group's infrastructure
- M&A effects of APEX Corporation

## ◇Product sales composition



## ◇Year-on-year

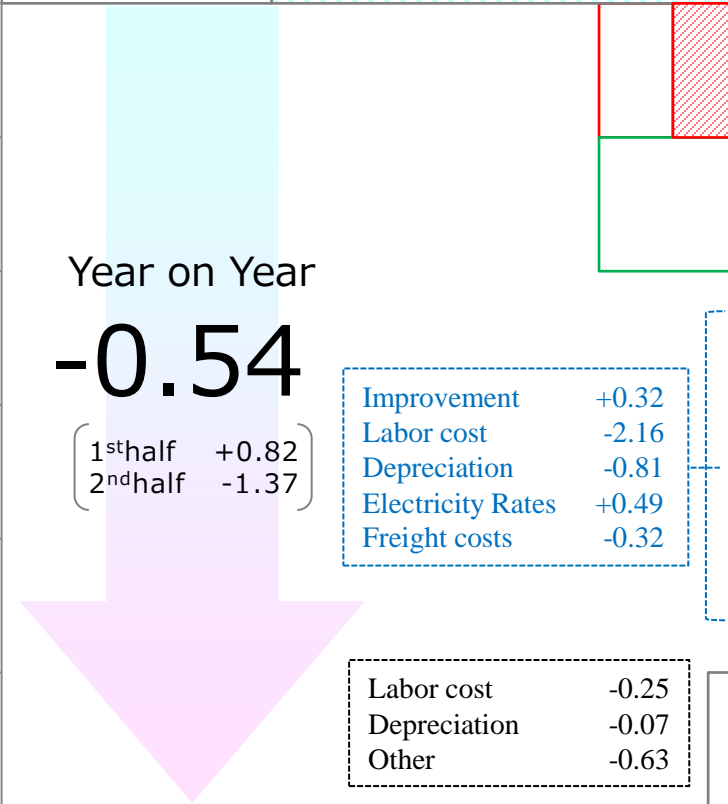
	1Q results	2Q results	3Q results	4Q results	Full-year plan
Sales of products	108.7%	104.0%	99.4%	102.2%	103.4%
Quantity	98.4%	99.2%	100.3%	102.6%	100.0%
Compared to FY2020	108.8%	108.3%	108.0%	108.0%	108.3%
Compound annual growth rate (CAGR)	2.1%	2.0%	1.9%	2.0%	2.0%
Ordinary profit	109.1%	116.2%	80.2%	110.3%	96.8%
Ordinary profit ratio	6.1%	7.2%	10.7%	5.6%	7.6%

# Results for Increase/Decrease in Ordinary Profit (For the FY Ended March 2024)

FY ended March 2023	
Full year 17.32	

Unit: billion yen

1 <sup>st</sup> half 6.40	2 <sup>nd</sup> half 10.91
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FY ended March 2024	
1 <sup>st</sup> half 7.23	2 <sup>nd</sup> half 9.54

Full year 16.78	
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**The Price of Material -3.14**

(1Q -0.90, 2Q -0.85, 3Q -0.73, 4Q -0.66)

**Sales Efforts +6.03**

\* Including the impact of revisions to product sales prices  
(1Q +3.10, 2Q +2.53, 3Q +0.10, 4Q +0.30)

**Improved Production -1.21**  
(1Q -1.35, 2Q -0.60, 3Q -0.10, 4Q +0.84)

**Improved Distribution -0.70**  
(1Q -0.20, 2Q -0.20, 3Q -0.20, 4Q -0.10)

**Group Companies -0.57**  
(1Q -0.10, 2Q -0.10, 3Q -0.37, 4Q ±0.00)

**Expenses -0.95**  
(1Q -0.28, 2Q -0.23, 3Q -0.34, 4Q -0.11)

Plan difference

	1 <sup>st</sup> half	2 <sup>nd</sup> half	Full year
		-1.39	-1.39
Increase in raw material prices			
	+0.33	-1.10	-0.77
Effect of price revision maintained			
	+0.30	+0.74	+1.04
Passed peak electricity prices			
Decrease in prices of Eco PET raw materials			
		-0.27	-0.27
Delay in volume growth			
Increase in raw material prices			
		+0.17	+0.17
Labor cost			
Total	+0.63	-1.85	-1.21

# Capital Investments and R&D Costs (For the FY Ended March 2024)

Unit: million yen	Results for Full year					Full year projections	
	FY ended March 2023	FY ended March 2024				FY ended March 2024	
	Performance	Performance	Increase / decrease	Year-on-year		Planned	Progress rate
Tangible fixed assets	30,121	9,098	-21,022	30.2%		12,500	72.8%
Intangible fixed assets	732	493	-239	67.4%		500	98.7%
Capital investments	30,853	9,591	-21,261	31.1%		13,000	73.8%
Depreciation	14,180	15,052	+871	106.1%		15,200	99.0%
Research and development costs	1,295	1,483	+187	114.5%		1,506	98.5%

## Major Capital Investments

Unit: million yen

### Investment in original products:

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

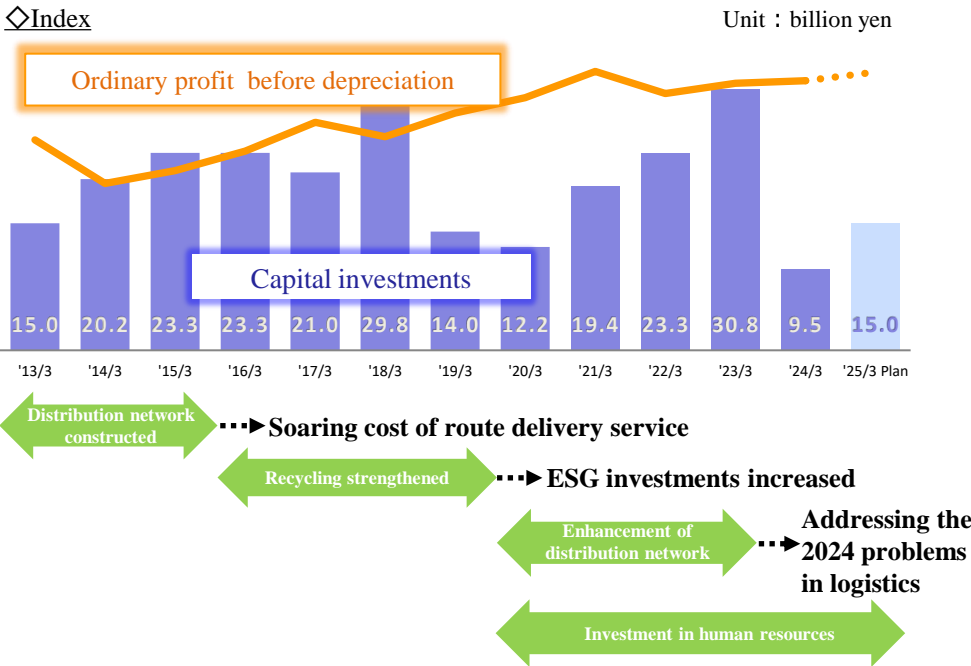
	Total investment	Plan in period	Results for Full year
◆ Eco PET materials:Increase in the productivity (Kanto, Chubu)	547	547	307
◆ Eco PET materials:Reinforcement of the production capacity (Nishinihon PET-Bottle recycle Co., Ltd.)	455	455	206
◆ Eco APET products:Reinforcement of the production capacity	240	240	191

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

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

◆ Introduction of automation facilities		294	176	
◆ Reinforcement of the production capacity of Conventional material products		1,777	1,579	1,078
◆ Kansai Sorting Plant	To be completed in Sep. 2024	944	391	209
◆ Enhancement of Group companies' production sites				
Expansion of cardboard factory	To be completed in Aug. 2024	3,527	986	1,338
◆ Molds			1,785	1,436
◆ IT investments			720	628

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# Balance Sheet (For the FY Ended March 2024)

Unit: million yen	Previous consolidated fiscal year	Consolidated fiscal year under review				
	FY ended March 2023 As of March 31, 2023	As of March 31, 2024	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases	
Current assets	101,413	105,516	+4,103	104.0%	Notes and accounts receivable-trade	+5,311
Noncurrent assets	197,210	193,063	-4,146	97.9%	Buildings and structures, net	-5,046
					Machinery, equipment and vehicles, net	-2,419
					Intangible assets including goodwill	+1,829
Total assets	298,623	298,580	-43	100.0%		
Current liabilities	83,883	86,201	+2,317	102.8%	Notes and accounts payable-trade	+2,362
Noncurrent liabilities	74,568	66,534	-8,033	89.2%	Long-term loans payable	-8,361
Total liabilities	158,452	152,735	-5,716	96.4%		
Net assets	140,171	145,844	+5,673	104.0%	Retained earnings	+7,877
					Treasury shares	-2,951
Total liabilities and net assets	298,623	298,580	-43	100.0%		

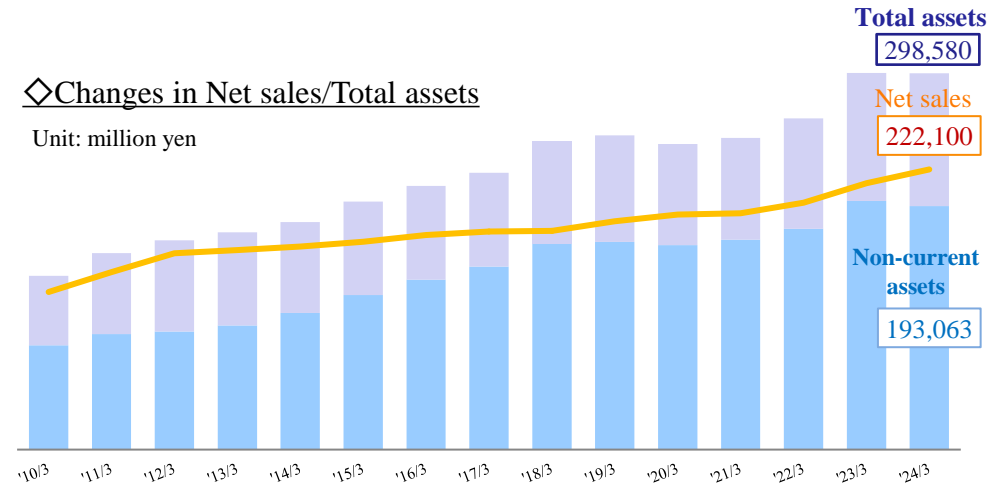
Equity ratio

48.6%

- Assets Strategic investments for boosting the production capacity of original products and ensuring stable supply  
Utilization of infrastructure to propose efficiency improvements to business partners
- Liabilities Utilization of borrowing as capital for strategic investment
- Net assets Increase of dividend payout ratio and enhancement of shareholder return through acquisition of treasury shares

## ◇Changes in Net sales/Total assets

Unit: million yen



# Cash Flows (For the FY Ended March 2024)

Unit: million yen	Results for Full year		
	FY ended March 2023 Performance	Performance	FY ended March 2024 Breakdown of main items
CF from operating activities	20,071	29,176	Profit before income taxes 16,894 Depreciation 15,052 Decrease (increase) in notes and accounts receivable - trade -5,121
CF from investing activities	-34,306	-10,711	Purchase of property, plant and equipment -11,352
Free cash flows	-14,234	18,464	
CF from financing activities	16,745	-17,013	Proceeds from long-term loans payable 6,000 Repayment of long-term loans payable -14,895 Purchase of treasury shares -3,050 Repayments of lease obligations -1,188 Cash dividends paid -3,846
Net increase(decrease)in cash and cash equivalents	2,510	1,451	
Cash and cash equivalents at end of period	22,255	23,707	

## ■ CF from operating activities

Ensuring profit by selling original products and streamlining efforts

## ■ CF from investing activities

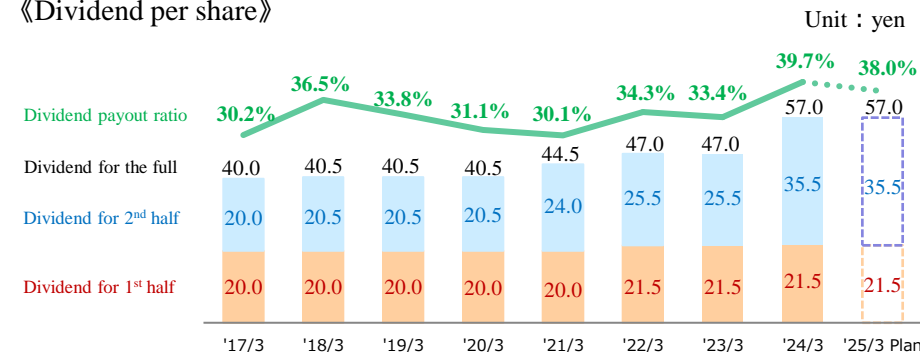
Strategic investment to construct the bases to make a profit for future M&A to expand products and services and leverage logistics infrastructure

## ■ CF from financing activities

Increase of dividend payout ratio and enhancement of shareholder return through acquisition of treasury shares

\*Acquisition of treasury shares conducted in February 2024

## 《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

# *Plan*

## *for the Fiscal Year Ending March 2025*

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# Outline of Plan for Account Settlement (For the FY Ending March 2025)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March 2024		FY ending March 2025				FY ending March 2025			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	41,943	18.9	44,455	18.8	+2,511	106.0%	21,673	18.7	+1,032	105.0%
Lunchboxes and prepared food containers	125,915	56.7	131,524	55.7	+5,608	104.5%	65,153	56.2	+2,292	103.6%
Subtotal	167,859	75.6	175,979	74.6	+8,119	104.8%	86,826	74.9	+3,324	104.0%
Other products	3,794	1.7	3,831	1.6	+36	101.0%	1,884	1.6	-96	95.1%
Sales of products	171,653	77.3	179,810	76.2	+8,156	104.8%	88,710	76.5	+3,227	103.8%
packaging materials	48,035	21.6	53,750	22.8	+5,714	111.9%	26,084	22.5	+4,069	118.5%
Other goods	2,411	1.1	2,440	1.0	+28	101.2%	1,206	1.0	-23	98.0%
Sales of goods	50,446	22.7	56,190	23.8	+5,743	111.4%	27,290	23.5	+4,045	117.4%
Net Sales	222,100	100.0	236,000	100.0	+13,899	106.3%	116,000	100.0	+7,273	106.7%
Operating profit	16,429	7.4	17,800	7.5	+1,370	108.3%	6,400	5.5	-581	91.7%
Ordinary profit	16,780	7.6	18,000	7.6	+1,219	107.3%	6,500	5.6	-735	89.8%
Profit attribute to owners of parent	11,724	5.3	12,122	5.1	+397	103.4%	4,361	3.8	-761	85.1%
Ordinary profit before depreciation	31,833		32,800		+966	103.0%	13,950		-866	94.2%

## ◇Sales

**Products>** - Expanding sales of eco friendly products and weight-reduced products  
 - An increase in sales resulting from product price revisions is expected  
 - Proposing highly functional products, for instance to the frozen food market and to the market for hospital meals and meals served at nursing care facilities  
 Quantity: Rising 2.5% year-on-year

**Goods>** - Proposal for efficiency improvement using the FPCO Group's infrastructure  
 M&A effects of APEX Corporation

## ■ Comparisons with the previous year's result

	1 <sup>st</sup> half plan	2 <sup>nd</sup> half plan	Full-year plan
Sales of products	103.8%	105.7%	104.8%
Quantity	105.0%	100.0%	102.5%
Ordinary profit	89.8%	120.5%	107.3%
Ordinary profit ratio	5.6%	9.6%	7.6%

# Outlook for Increase/Decrease in Ordinary Profit (For the FY Ending March 2025)

FY ended March 2024

Unit: billion yen

Full year 16.78

1<sup>st</sup> half 7.23

2<sup>nd</sup> half 9.54

Year on year

+1.21

(1<sup>st</sup> half -0.73  
2<sup>nd</sup> half +1.95)

Improvement +1.20  
Labor cost -1.38  
Depreciation +0.17  
Freight costs -0.79

Labor cost -0.46  
Depreciation +0.08  
Other -0.71

The Price of Material -4.00

(1<sup>st</sup> half -1.00, 2<sup>nd</sup> half -3.00)

Sales Efforts +7.10

\* Including the impact of revisions to product sales prices  
(1<sup>st</sup> half +1.10, 2<sup>nd</sup> half +6.00)

Improved Production -0.20

(1<sup>st</sup> half +0.30, 2<sup>nd</sup> half -0.50)

Improved Distribution -1.00

(1<sup>st</sup> half -0.60, 2<sup>nd</sup> half -0.40)

Group Companies +0.40

(1<sup>st</sup> half +0.30, 2<sup>nd</sup> half +0.10)

Expenses -1.09

(1<sup>st</sup> half -0.83, 2<sup>nd</sup> half -0.25)

## Implementation of product price revisions

- Persistently high electricity rates
- Increase in raw material prices, including utility costs passed on by upstream manufacturers
- Increase in logistics expenses, reflecting rising labor costs and the 2024 problems

FY ending March 2025

1<sup>st</sup> half outlook 6.50

2<sup>nd</sup> half outlook 11.50

Full year outlook 18.00



# Planned Capital Investment and R&D Cost (For the FY Ending March 2025)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2024	FY ending March 2025			FY ending March 2025		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	9,098	14,500	+5,401	159.4%	7,400	+4,094	223.9%
Intangible fixed assets	493	500	+6	101.3%	100	-74	57.3%
Capital investments	9,591	15,000	+5,408	156.4%	7,500	+4,020	215.5%
Depreciation	15,052	14,800	-252	98.3%	7,450	-130	98.3%
Research and development costs	1,483	1,610	+127	108.5%	803	+163	125.4%

## Major Capital Investments

### Investment in original products:

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

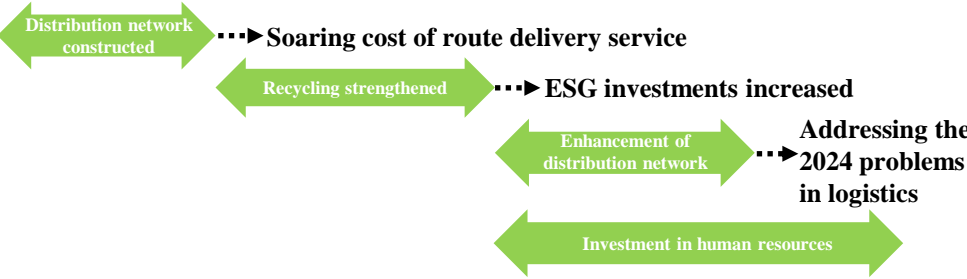
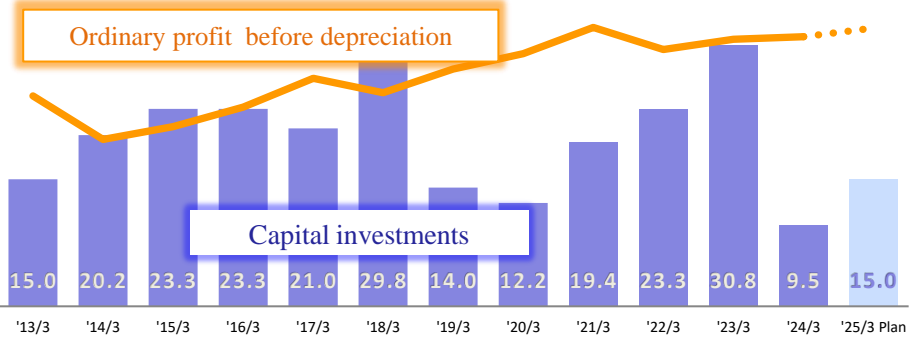
◆ Eco PET materials:Increase in the productivity (Kanto, Chubu)	780	780
◆ Eco PET materials:Reinforcement of the production capacity (Nishinon PET-Bottle recycle Co., Ltd.)	899	899
◆ Eco APET products:Reinforcement of the production capacity	973	973

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

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

◆ Introduction of automation facilities		429	
◆ Reinforcement of the production capacity of Conventional material products		890	
◆ Kansai Sorting Plant	To be completed in Sep. 2024	944	753
◆ Enhancement of Group companies' production sites Expansion of cardboard factory	To be completed in Aug. 2024	3,527	1,473
◆ Molds		1,872	
◆ IT investments		525	

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# *To Increase Corporate Value*

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*Chairman, Representative Director and Group Representative*

*Morimasa Sato*

## **01. External environment**

## **02. Competitive Advantages of FP Corporation**

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ M&A

## **03. Growth Strategy/Financial Strategy**

## **04. Development of a New OPP Sheet**

## **01. External environment**

## **02. Competitive Advantages of FP Corporation**

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ M&A

## **03. Growth Strategy/Financial Strategy**

## **04. Development of a New OPP Sheet**

# Product Price Revisions

Released on April 30, 2024

To Our Business Partners

April, 2024

FP CORPORATION

## Request for Price Revisions

Dear Business Partners, Thank you for your continued support of FP Corporation.

In October 2021, and in April 2022, FP Corporation (“we,” the “Company”) announced requests for price revisions for its manufactured products and implemented it. Since then, however, electricity rates have risen sharply, and have remained at an unprecedented high level. In addition, due to trends in crude oil prices and the progressive depreciation of the yen, domestic naphtha and benzene prices have remained in a high range, and the prices of raw materials such as polystyrene (which is a main raw material for Group products) have continued to rise, including the passing-on of utility costs by upstream manufacturers. Labor and logistics costs are also increasing due to the impact of new labor regulations that took effect in April 2024 in Japan.

Under these circumstances, the Company has engaged in streamlining initiatives across all of its operations including automation in its production operations, the improvement of carrying efficiency in its logistics operations, and ensuring an appropriate number of product items, in addition to expanding procurement volumes of used containers and other recovered raw materials. However, it is extremely difficult for us to absorb the steep rise in electricity costs and raw material prices through internal efforts alone.

We therefore regretfully request implementation of price revisions for our products as follows, and ask for your understanding and cooperation.

Sincerely yours,

### 1. Target items and rate of increase

All products: 15% or higher

### 2. Time of revision

New prices will apply starting from products shipped on July 1, 2024.

The details of the price revision will be explained in person, during a visit by our sales representative.

## 1. Target items and rate of increase

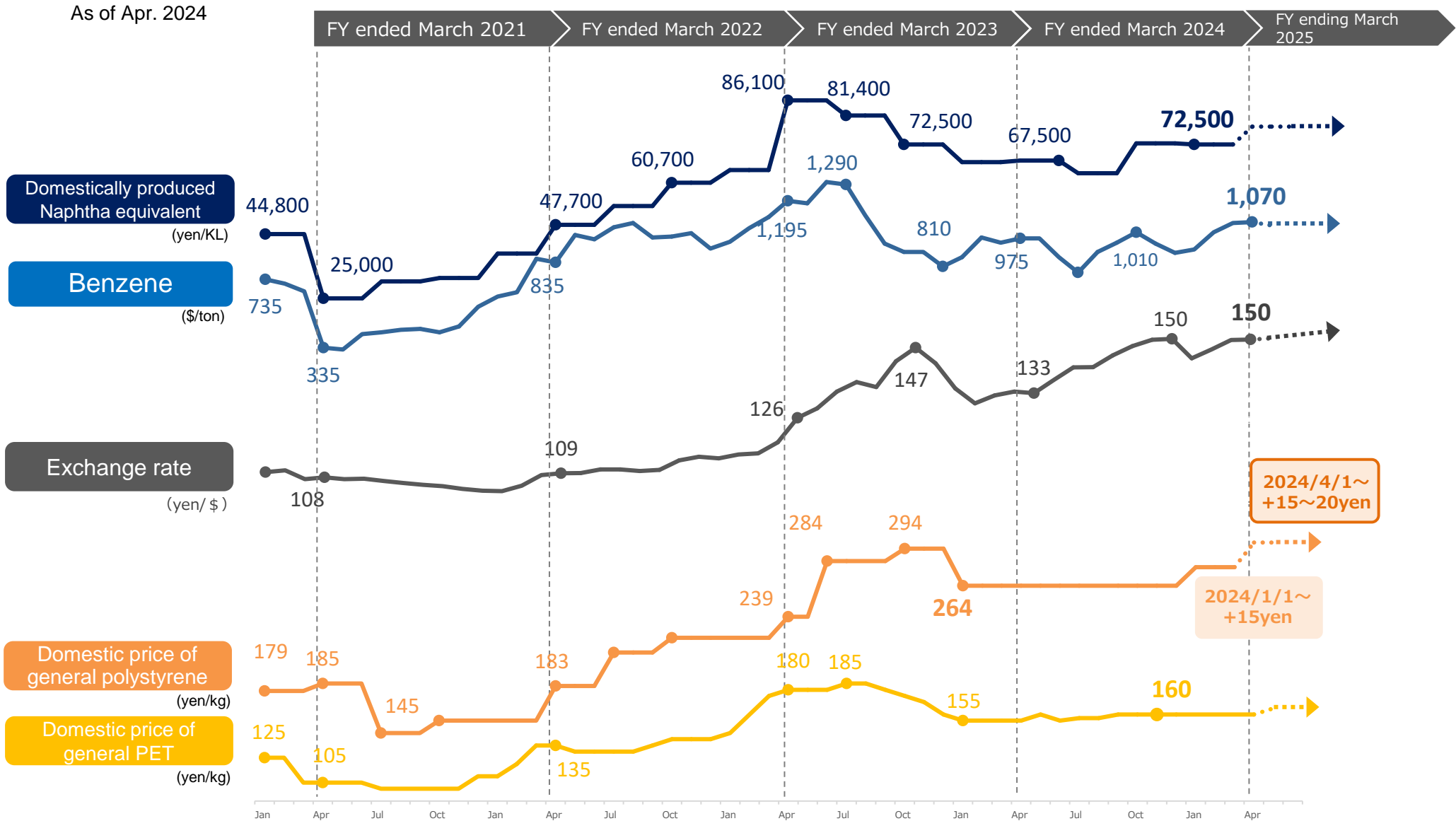
**All products: 15% or higher**

## 2. Time of revision

**New prices will apply starting from products shipped on July 1, 2024.**

# Soaring Raw Material Prices

As of Apr. 2024



# Status of Price Revisions and Soaring Electricity Rates

### Product Price Revisions

**Announced on Oct. 29, 2021**

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

Announcement of the 1st revision

Presentation of estimates

From Apr. 2022  
Prices revised completely

### Product Price Revisions

**Announced on Apr. 28, 2022**

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

Announcement of the 2nd revision

Presentation of estimates

From Oct. 2022  
Prices revised completely

### Product Price Revisions

**Announced on Apr. 30, 2024**

Increases of at least 15% will be applied, starting from products shipped on Jul. 1.

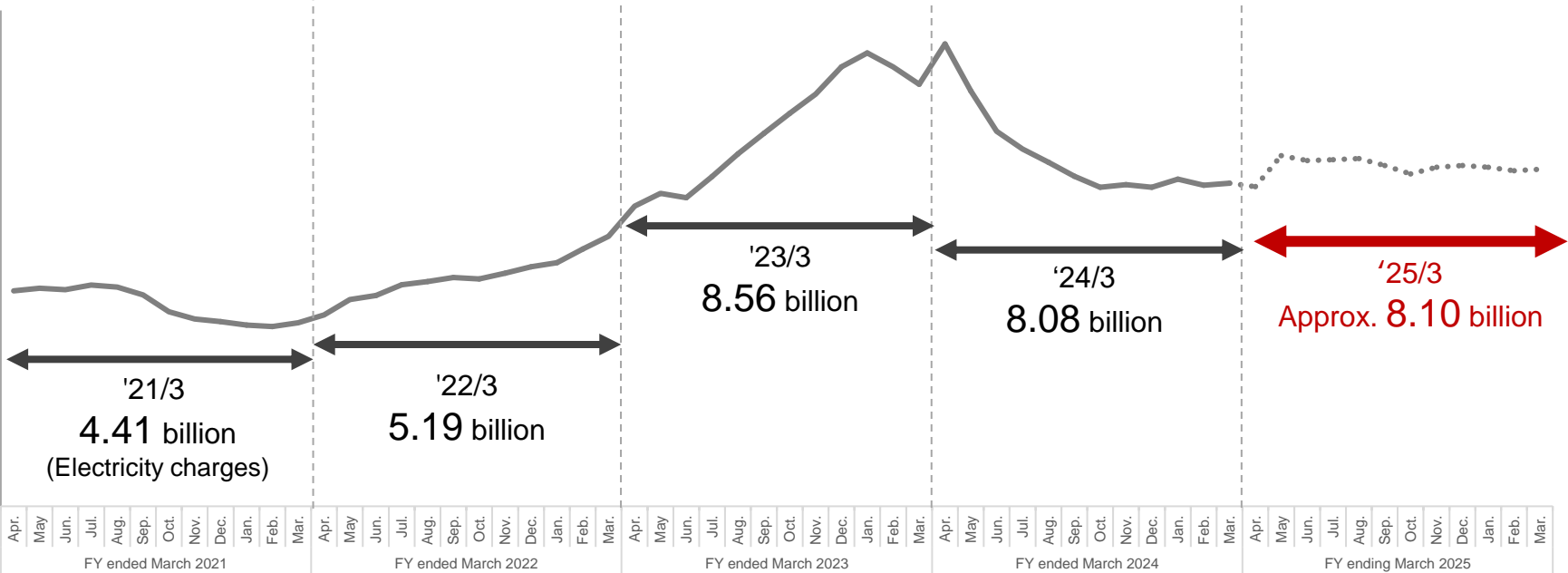
Announcement of the 3rd revision

Presentation of estimates

To be implemented in July 2024

### ●Trends in electricity rates

Unit : yen



01. External environment

## 02. Competitive Advantages of FP Corporation

- ▶ **Product Development**
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ M&A

03. Growth Strategy/Financial Strategy

04. Development of a New OPP Sheet



# Response to Automation and Mechanization

## — Compatibility with Machines an Important Factor —

### Rapid acceleration of automation and mechanization reflecting **the labor shortage**

Common manufacturing process at Deli process centers

Feeding containers

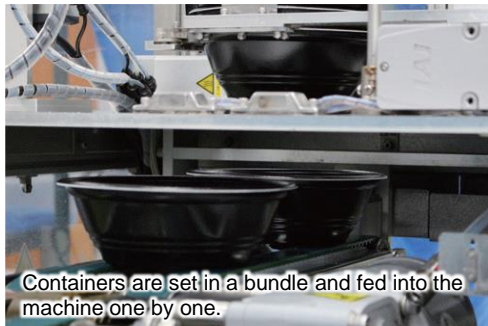
Dishing out

Lidding and top seal packaging

Labeling

transportation

#### Automatic tray feeder

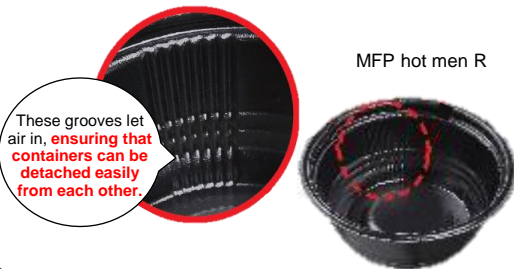


Containers are set in a bundle and fed into the machine one by one.

- Compatible with containers of various sizes and shapes
- Capable of working in conjunction with multiple devices (such as filling machines)

Proposals

Containers which can be detached easily from each other



MFP hot men R

#### Automatic rice server



Rice is shaped using a resin mold.

- Reduces the number of production-line workers by up to three workers
- Able to serve food in containers of various shapes

Proposals

The Containers are good for in store usage and also suitable for production line in PCs.



MSD Layer

#### Automatic lidding machine and top seal packaging machine

Automatic lidding machine  
Lids are snapped into the containers automatically.



- Accurate positioning of lids
- Lids snapped on using finely-tuned movements

Proposals

Strong containers that are resistant to deformation



AP Delio

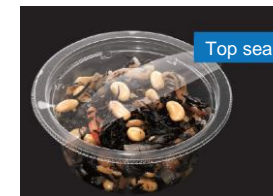
Top seal packaging machine



- Capable of handling up to 1,500 packs/hour

Proposals

Containers with lids snapped into place internally, permitting the concurrent use of top seals and lids



Top seal



Lid

AP-TS Maru

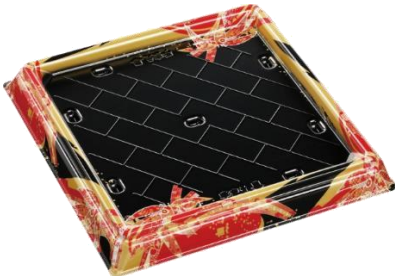
# New Technology (1): Reduction of the Use of Plastics (Low-foamed PS Containers)

**New low-foamed PS container**  
with low-foamed PS sheets and molding technology

**Up to approx. 60% reduction in the use of plastics** compared to non-foamed containers (HIPS)



Shukugaoke PT



Use of plastics (compared with  
HI product (container only))

**Approx. 60%  
reduction**

Hyogaoke PT



**Approx. 60%  
reduction**

Ryokaku



**Approx. 40%  
reduction**

Reikaku



**Approx. 50%  
reduction**

Continuing to **expand the series of low-foamed PS containers**

# Lower Costs for Users Enabled by Reducing the Use of Plastics

## Reducing contract fees under the Containers and Packaging Recycling Law

Unit cost of the contract fee  
per 1 kg (retail)

FY2023  
31.20 yen → FY2024  
34.12 yen

Unit cost of  
contract fee  
Up 109% YoY



- When approx. 1.08 million containers are used  
(estimate for FY2024, compared with FY2023)

**Non-foamed containers**

A cost increase of **120,000 yen**  
**per year** reflecting a rise in unit cost of  
recycling operation contract fees

**Containers featuring the reduced use of plastics**

Cost reduction of **830,000 yen**  
**per year** even with a rise in the unit cost of  
recycling operation contract fees

**YoY change of Shukugaoke and Hyogaoke:**  
**99% in H1, 146% in H2**

FY ended March 2024  
Including HIPS

# New Technology (2): Containers Featuring the Reduced Use of Plastics (Cold-resistant Containers)

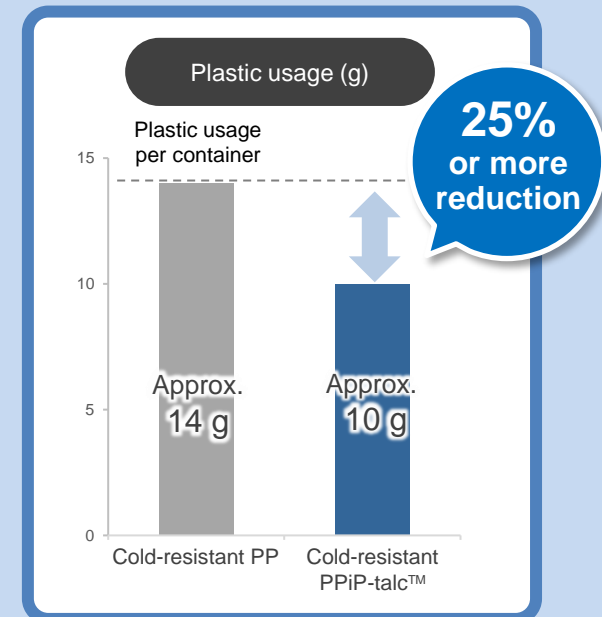
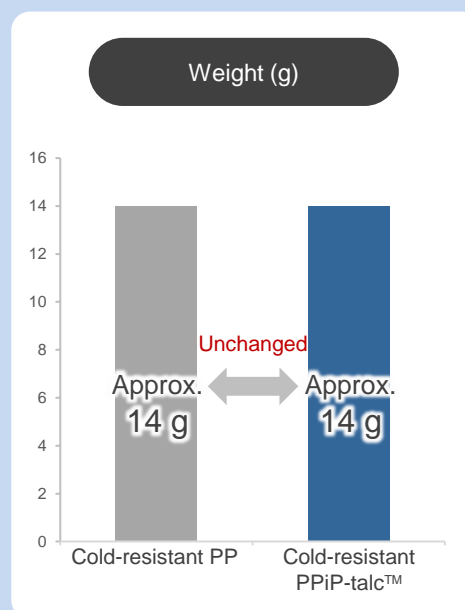
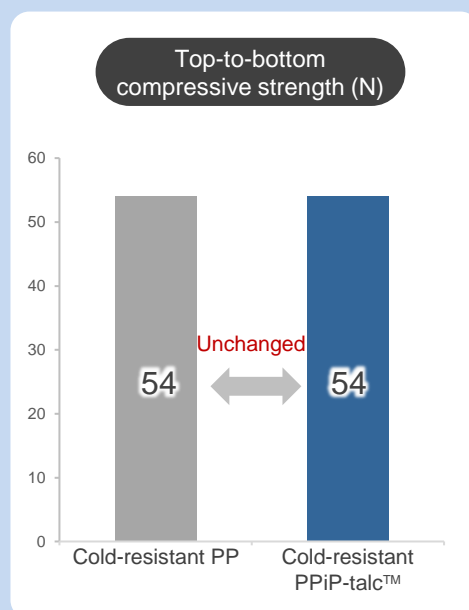
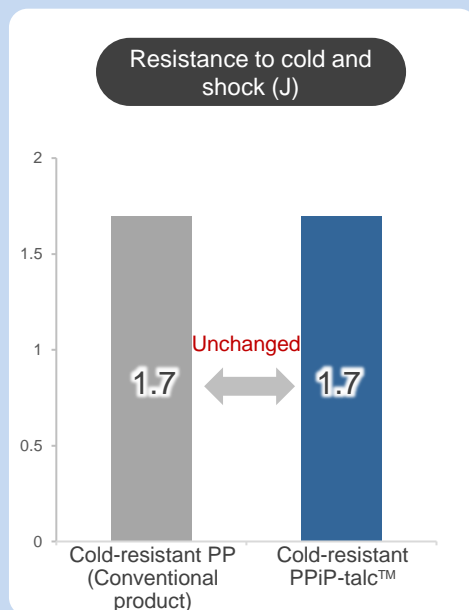
## Development of cold-resistant PPiP-talc™, a new material

Two inorganic materials are evenly dispersed and blended into the product,

**enabling the use of plastics to be reduced at least 25%,** with the same level of resistance to cold and shock, top-to-bottom compressive strength, weight and cost as existing cold-resistant PP.



FT Delipla Kaku





# New Technology (3): High-gloss Containers

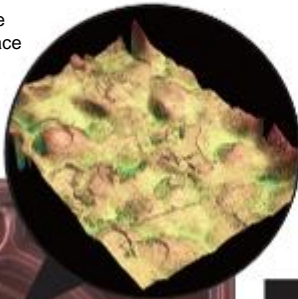
## Making Multi FP highly glossy



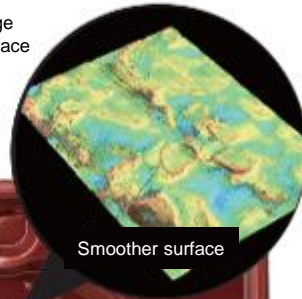
**Glossiness**  
increased **40%**  
by increased smoothness of  
Multi FP rolls

Glossiness increased **40%** **Patent Pending**  
by studying sheets

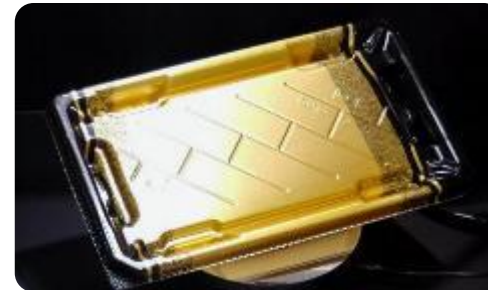
3D image  
of the surface



3D image  
of the surface



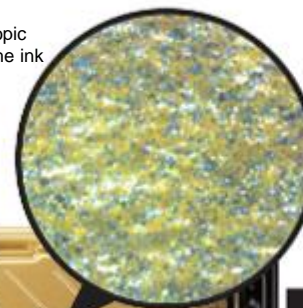
## Making gold inks highly glossy



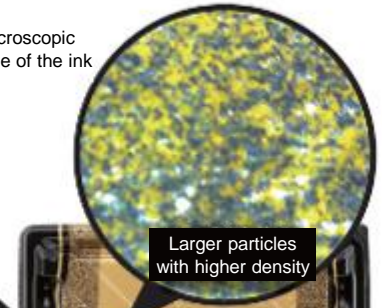
**Glossiness**  
increased **10%**  
by restudying gold ink particles

Glossiness increased **10%** **FPCO's first**  
by studying inks

Microscopic  
image of the ink



Microscopic  
image of the ink



# Lower Operation Costs for Users

Container that reduces tsuma  
(Shredded radish)



S Stage



Chokakubachi TZ

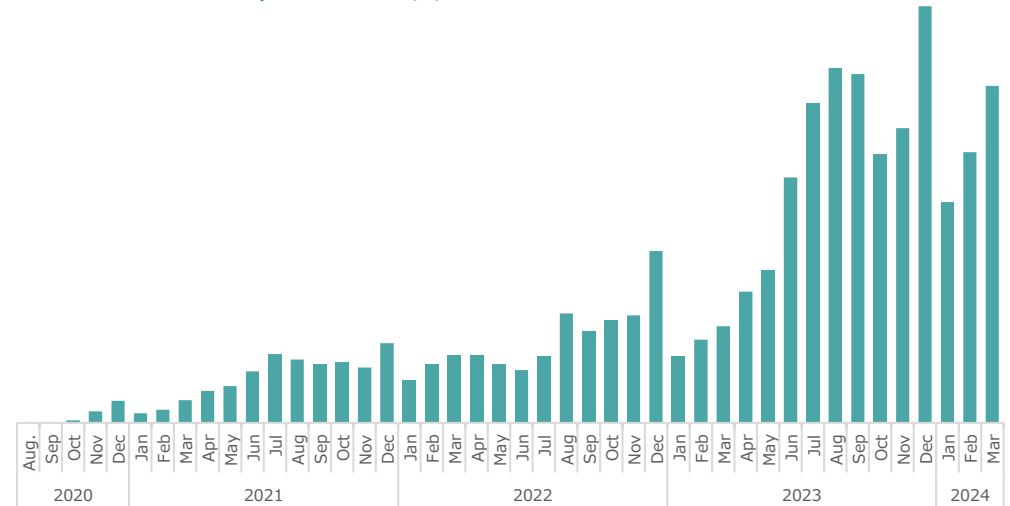
Tsuma

**80g**

Tsuma

**0g**

● Trends in shipments (By pieces of containers)



## ① Reducing time spent dishing out



Time spent preparing sashimi/day  
**8MH → 6MH**

**Approx. 8 million yen saved every month**

\* Examples for Kansai Company A (160 stores)

\* MH (man/person-hour productivity): Work time assuming that all the work was done by a single person.

## ② Saving cost of tsuma



**Approx. 6 million yen saved every month**

\* Examples for Kansai Company A (160 stores)

## ③ Reducing food loss



**Selling tsuma separately**

01. External environment

## 02. Competitive Advantages of FP Corporation

- ▶ Product Development
- ▶ **Eco-Friendly Strategies**
- ▶ Stable Supply
- ▶ M&A

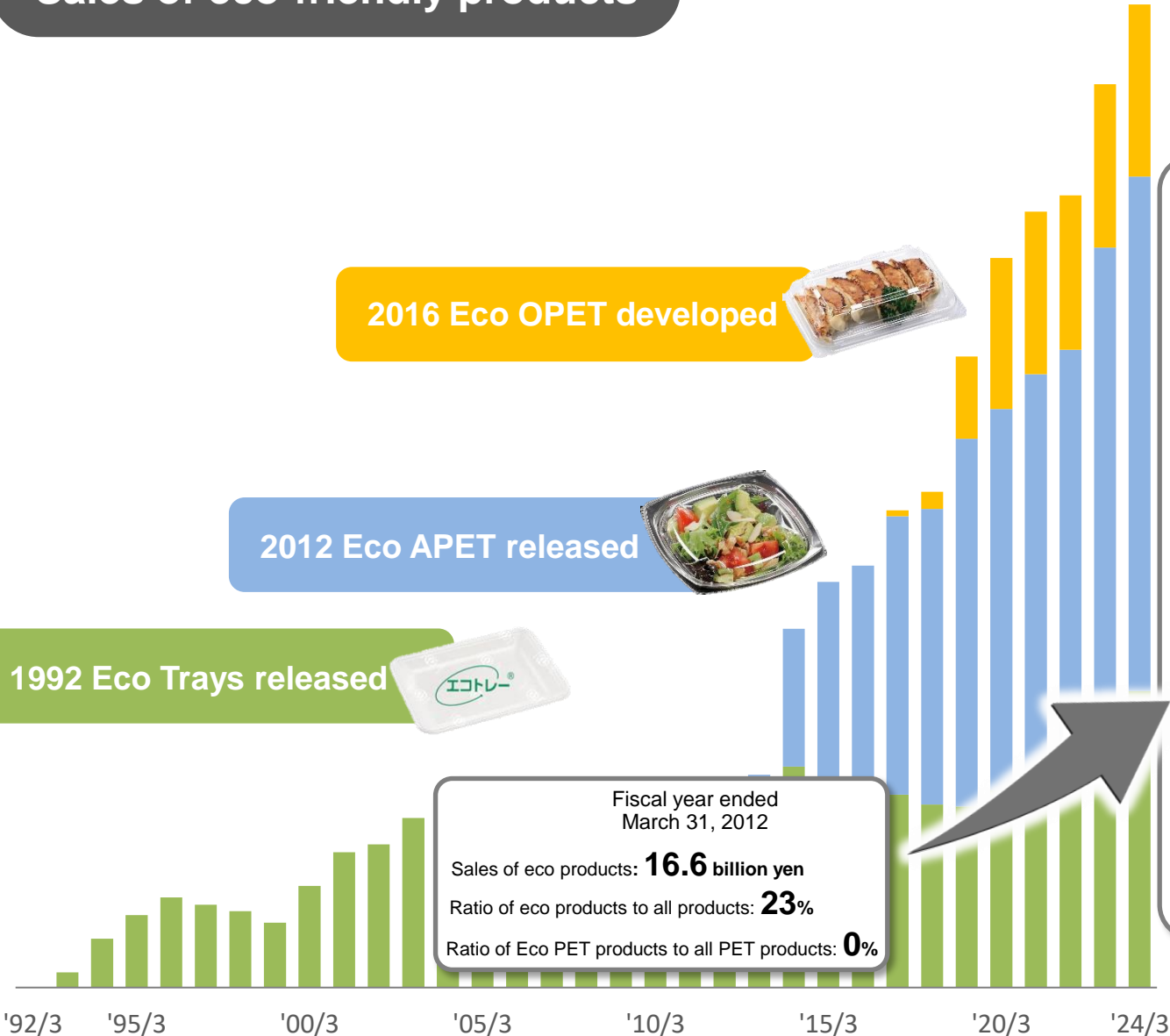
03. Growth Strategy/Financial Strategy

04. Development of a New OPP Sheet

# Sales of Eco-friendly Products



## Sales of eco-friendly products





# Reduction of CO<sub>2</sub> Emissions Achieved through Eco Products



CO<sub>2</sub> emissions avoided in FY ended March 2024: **186,000 tons**

## Eco trays



CO<sub>2</sub> reduction effect

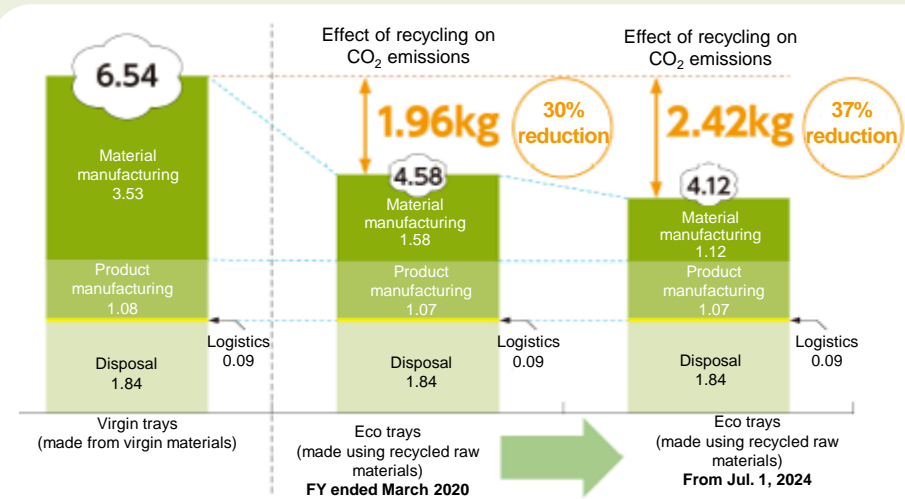
**30%**

Products shipped on July 1, 2024 and beyond

**37%**

Commencement of solar power generation system operations

March 2022 Kanto Recycling Plant  
October 2022 Chubu Recycling Plant  
March 2024 Fukuyama Recycling Plant

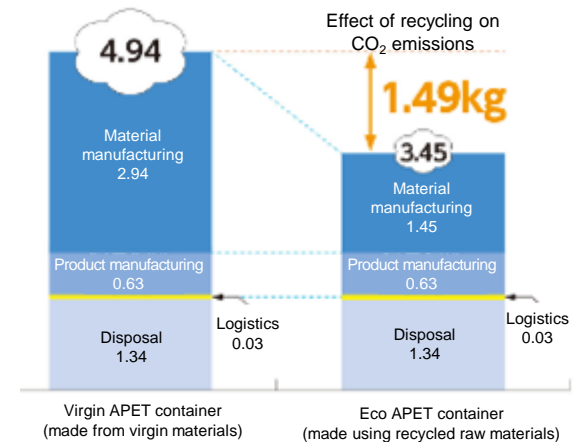


## Eco APET and Eco OPET containers



CO<sub>2</sub> reduction effect

**30%**



# Store-to-Store Recycling Starting and Finishing at the Same Store



**Trays and PET bottles used at a store are collected at the same store as resources, recycled into food trays and transparent containers, and used again by the same store actively.**



# Collaborations with Users to Drive Closed Loop Recycling



2022

2023

2024

**Nov.**  
**Chugoku CGC Co., Ltd.**  
(FY2023 target)

Reduction in CO<sub>2</sub> emissions

902 tons

► **1,000 tons**

Volume of trays collected

324 tons

► **450 tons**

Volume of PET bottles collected

214 tons

► **1,150 tons**

**Oct.**  
**EVERY Co., Ltd.**  
(FY2024/6 target)

Reduction in CO<sub>2</sub> emissions

691 tons

► **750 tons**

Volume of trays collected

142 tons

► **150 tons**

Volume of PET bottles collected

266 tons

► **300 tons**

**Nov.**  
**Kyushu CGC Co., Ltd.**  
(FY2024 target)

Reduction in CO<sub>2</sub> emissions

1,130 tons

► **1,300 tons**

**Mar.**  
**Tohoku CGC Co., Ltd.**  
(FY2024 target)

Reduction in CO<sub>2</sub> emissions

2,987 tons

► **3,600 tons**

**Moves to set environmental targets  
and take the initiative in working on  
closed loop recycling are increasing  
among the users themselves.**

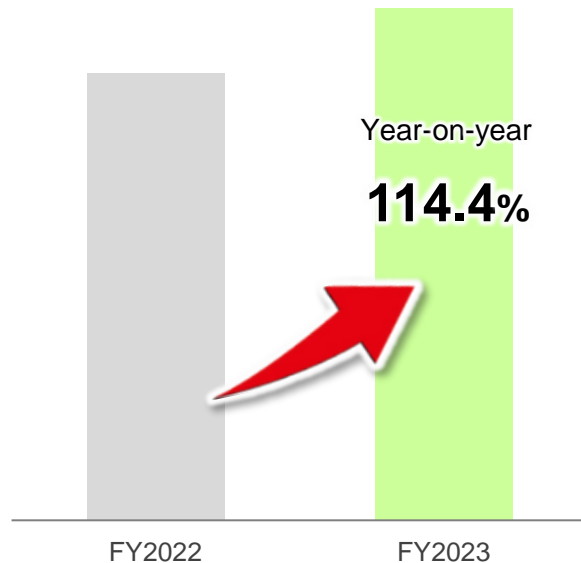


# Collaborations with Users to Drive Closed Loop Recycling

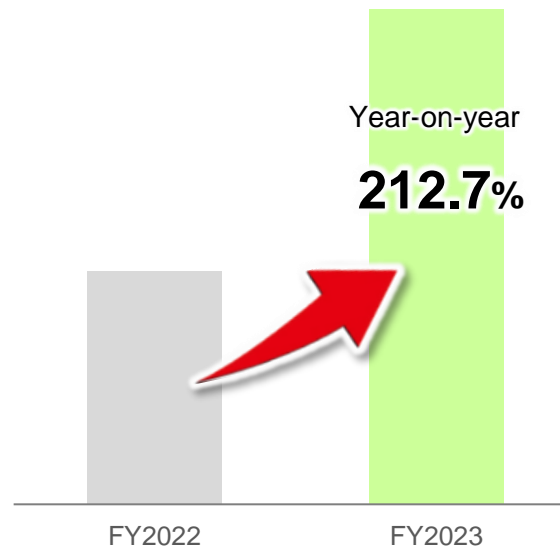


- Results at FRESTA CO., LTD., a Member of Chugoku CGC CO., LTD.

Volume of trays collected



Volume of PET bottles collected



Reduction in CO<sub>2</sub> emissions



## Reduction in CO<sub>2</sub> emissions of Chugoku CGC CO., LTD.

FY2021 Result: 902 tons

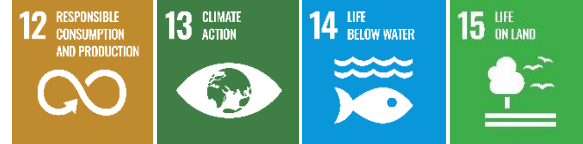
FY2023 Target: 1,000 tons



**Result: 1,157 tons** [Compared with FY2021: 128%]



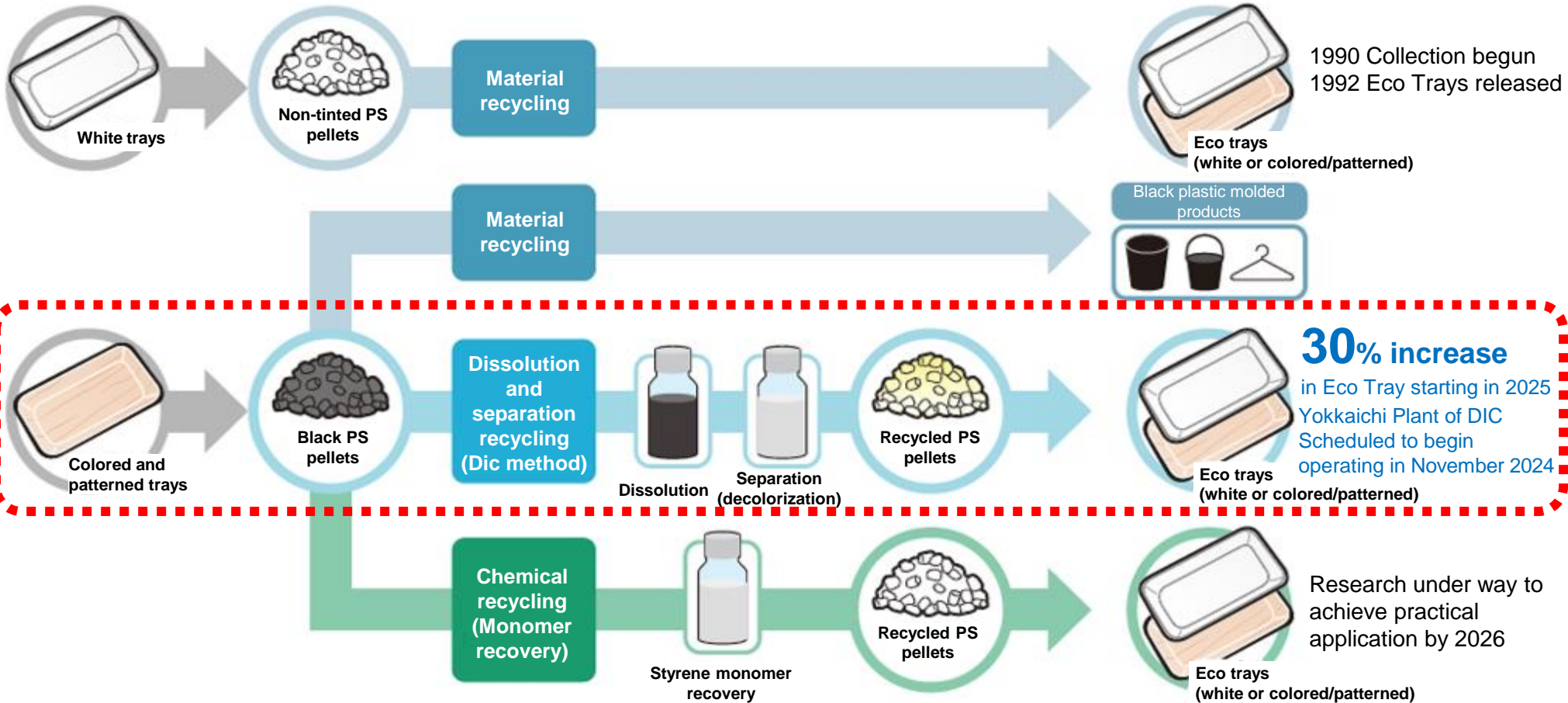
# Towards Complete Recycling of Polystyrene



Collection and pelletization

Various recycling methods

Reuse



Research underway towards  
the complete recycling of polystyrene



# Eco-friendly Products ratio to exceed Over 50%

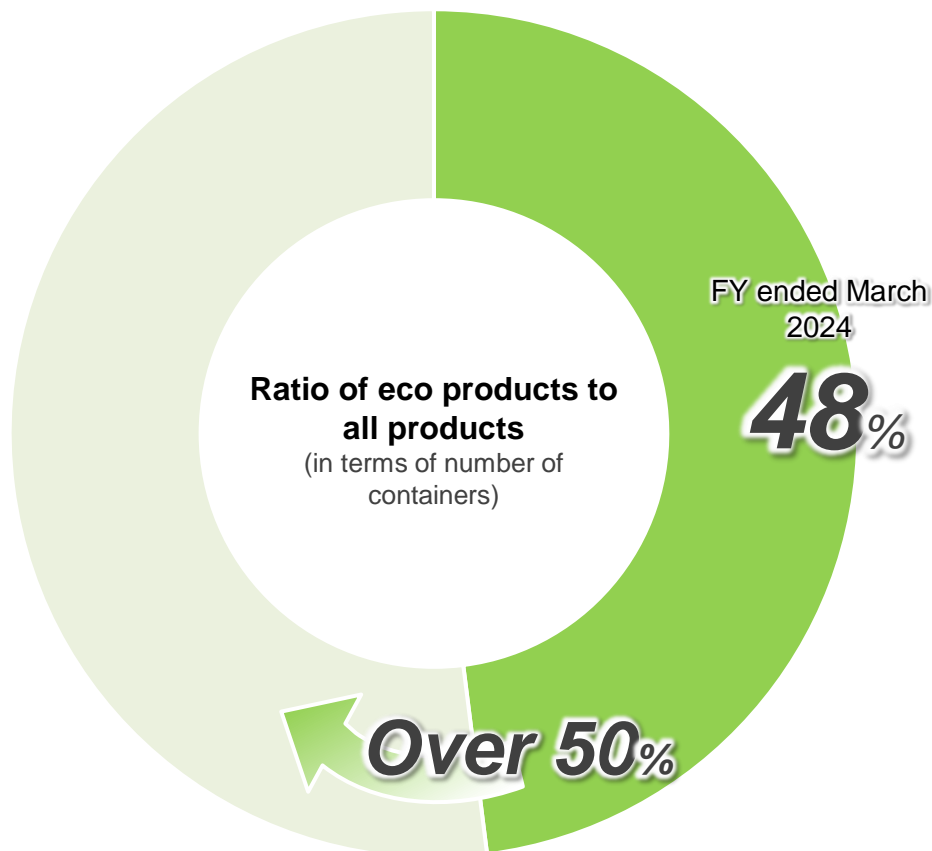


Growth achieved by increasing the ratio of eco-friendly products

Increase market share



Improving profitability



PSP

Dissolution and separation recycling planned to start in November 2024 at the Yokkaichi Plant of DIC



Number of cases sold  
**Approx. 30% increase**

PET

Increasing the recycled materials production capacity



Production capacity  
**65,000 tons** ▶ **75,000 tons**  
(Forecast for FY ending March 2026)

01. External environment

## 02. Competitive Advantages of FP Corporation

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ **Stable Supply**
- ▶ M&A

03. Growth Strategy/Financial Strategy

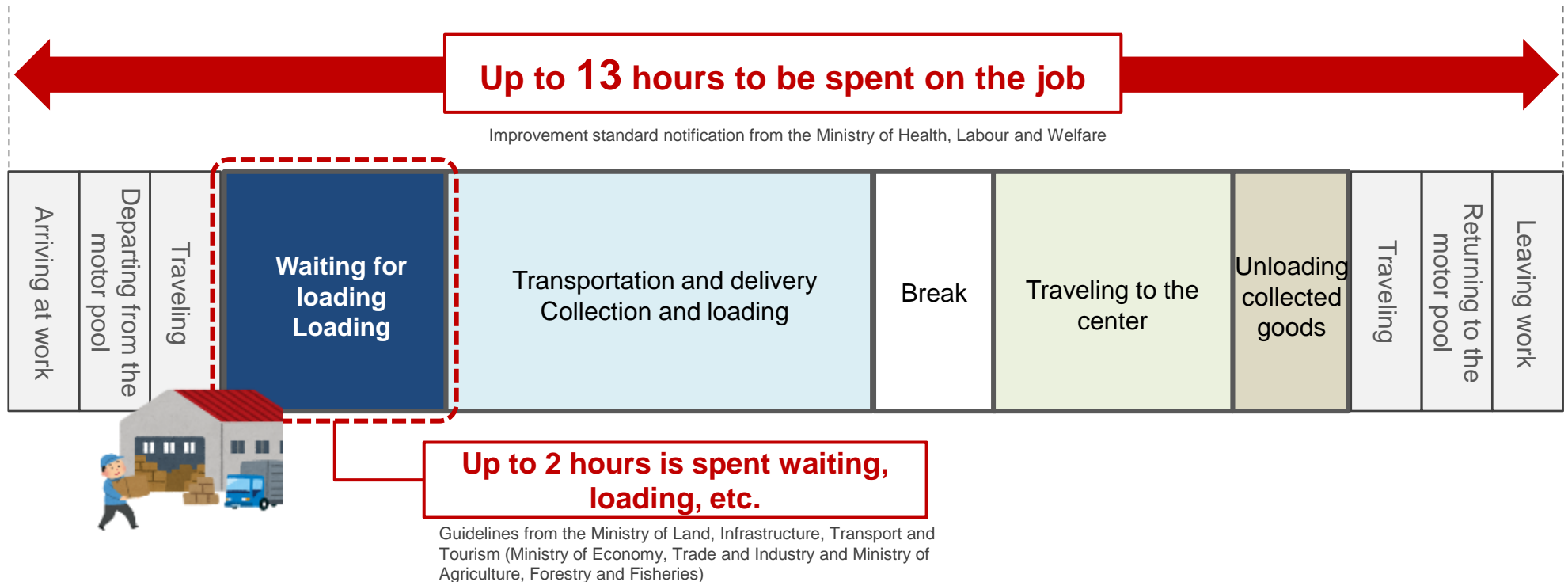
04. Development of a New OPP Sheet

# The 2024 Problems in Logistics

April 1, 2024

## The Standards for Improving Working Hours, etc. of Automobile Drivers (improvement standard notification) **came into force**

Truck drivers working long hours and overtime has become an issue, and labor conditions will be improved to respond to this.



**The longer the distance, the more difficult it is to secure vehicles.**



# Increase in Logistics Costs

## Increase in costs for long-distance/additional transportation



Regular  
shipping costs



Additional  
shipping costs

### Cost of vehicles in the year-end busy period (Dec.)

	1) Delivery for sales		
	Number of vehicles	Over cost	
	(unit)	(thousand yen)	Cost per vehicle (yen/vehicle)
December 2022	15,750	30,500	1,937
December 2023	16,150	31,400	1,944
YoY	+400	+900	+8
Year-on-year	<b>102.5%</b>	<b>103.0%</b>	100.4%

2) Transfer of goods between sites		
Number of vehicles	Over cost	
(unit)	(thousand yen)	Cost per vehicle (yen/vehicle)
3,300	<b>11,200</b>	3,394
3,700	<b>38,000</b>	10,270
+400	+26,800	+6,876
<b>112.1%</b>	<b>339.3%</b>	302.6%

# Nationwide Logistics Network

Completed a network which has **85%** of the total population, including the populations of major cities, within a **100 km** radius of the bases

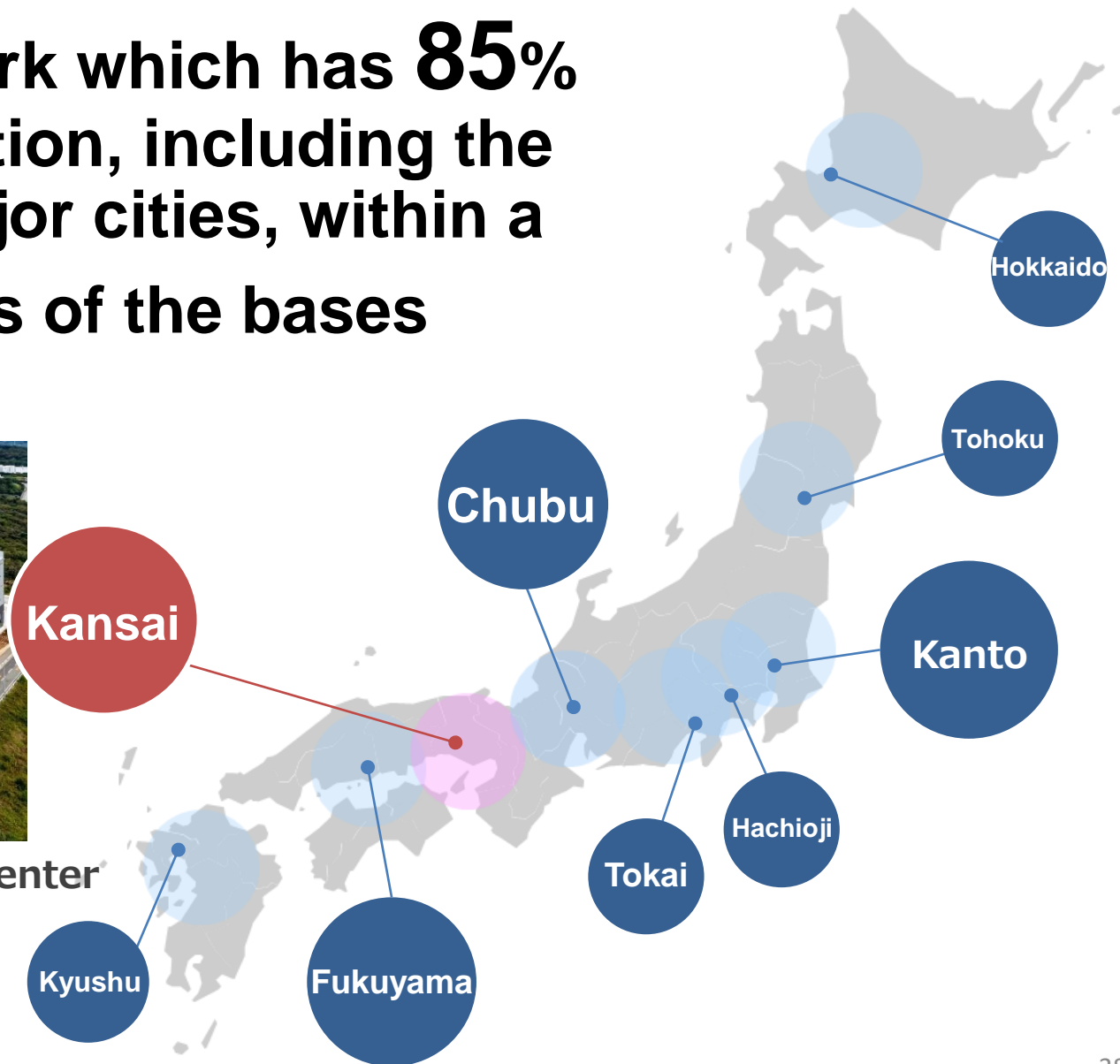


**Kansai Plant and Kansai Hub Center**

Commencement of operation: January 2023

Investment: 26,670 million yen

Total floor area: 79,883.65 m<sup>2</sup>



# The 2024 Problems in Logistics (1)

Up to 13 hours to be spent on the job

Jan. 2023: Commencement of operation of Kansai Hub Center

	November 2022	March 2024
Fukuyama Hub Center	34 units	0 unit
Kansai Hub Center	—	0 unit
Total	34 units	0 unit

There is no longer any long-distance travel from the Fukuyama Hub Center to the Kansai area, which resulted in a **reduction of the number of trucks whose drivers spend more than 13 hours at work.**

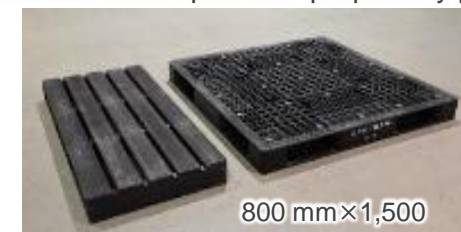
Up to 2 hours spent waiting, loading, etc.

Use of sorters and dedicated pallets and consolidation of loading and unloading areas

	September 2023	March 2024
Number of trucks operated per day	680 units	680 units
Number of trucks whose drivers spend more than two hours waiting and loading which are included in the above	230 units	27 units

The use of sorters and dedicated pallets and loading with forklifts instead of manual loading has resulted in a **reduction of the number of trucks whose drivers spend more than two hours waiting and loading.**

Studied and developed new proprietary pallets



# The 2024 Problems in Logistics (2)

Supply Chain  
Management System

## SCM and Network of sites established across Japan

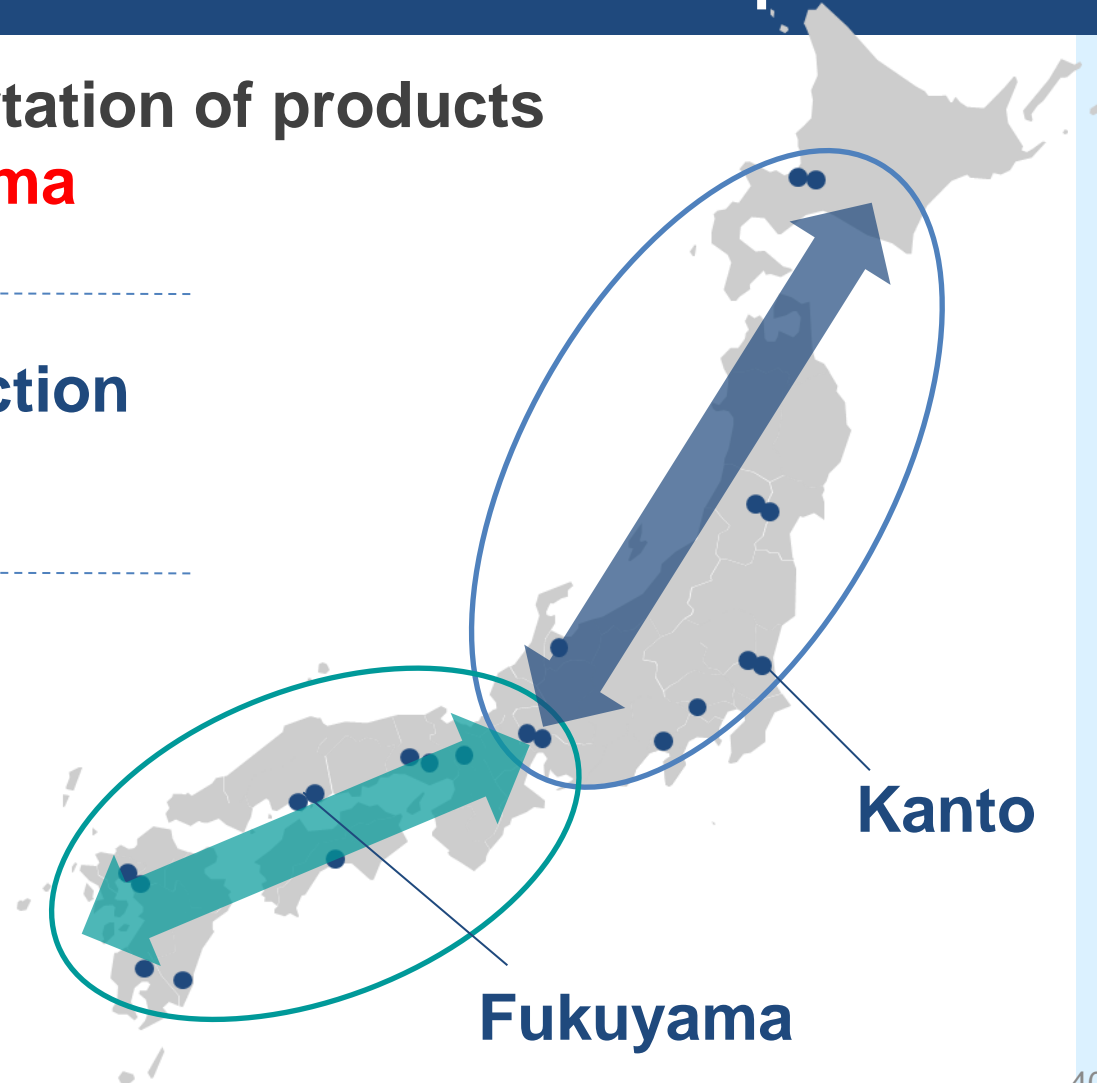
For minimizing the transportation of products  
**between Kanto and Fukuyama**

### Production

Further driving local production  
in response to demand

### Site-to-site transfer

Streamlining transfer of  
goods between sites by  
dividing the area into east  
and west



# Investment to Attract and Retain Human Resources (1): Automation and Labor Reduction



Reducing labor for simply moving goods



Reducing labor for frequent tasks

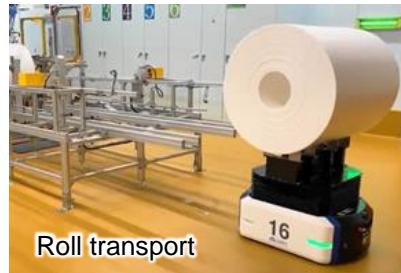


Lightening heavy work

## Manufacturing division



Roll acceptance



Roll transport



Roll set up



Packing

## Logistics division



Automated Guided Vehicles (AGV)



Sorter



Automated Guided Forklift (AGF)

- AGV (Automated Guided Vehicle)  
33 units ('24/3)
- AGF (Automated Guided Forklift)  
6 units ('24/3)
- Sorter  
Introduced at 5 centers

## Effects of automation

Improvement of work  
environment

Expansion of occupational  
domains

Transfer of manpower to value-  
added operations

# Investment to Attract and Retain Human Resources (2): Improvement of Treatment



FY 2019

Expansion of retirement benefit system

FY 2021

Improvement of salary levels  
(revision of late-night work allowances, etc.)

FY 2024

- Significant salary level revisions averaging 10.7%
- Increase in starting salary
- Increase in the number of holiday days



- ✓ **Turnover at manufacturing and logistics companies decreased by 63 persons.**

('23/3: 221 persons --> '24/3: 158 persons)

\* Personal reasons only/ Results for the period from April to a payroll closing date in March

- ✓ **Better work-life balance**



01. External environment

## 02. Competitive Advantages of FP Corporation

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ **M&A**

03. Growth Strategy/Financial Strategy

04. Development of a New OPP Sheet

# Joined by APEX as a New Group Company

## APEX Corporation

**A wholesaler of food packaging materials in Kyushu with sales of 10.0 billion yen**

Nov. 2018 Reorganized into an equity-method affiliate



**Sep. 2023: Made into a Group company**



### **Standard core system for wholesalers**

Introduced by 6 dealers nationwide/Being introduced by 1 dealer

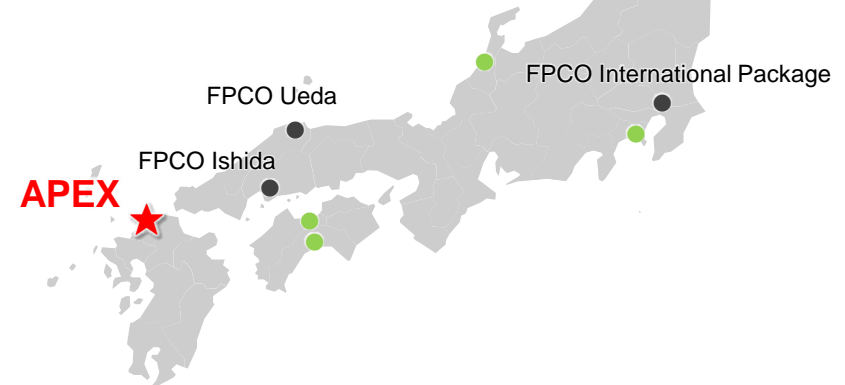
### **Infrastructure for picking products and goods**

### **E-commerce site offering packaging materials PackMarket**

### **Merchandising by FP Trading**

Selecting items, consolidating inventory and Enhancing lineup of private brand (PB) products

**Strengthening the competitiveness by using the FPCO Group's infrastructure**





# Use of FPCO Infrastructure by Wholesalers(1): "Wholesaler's Distribution Network for the Last Mile"

## FPCO

Products



Goods



Delivered in  
minimum lots



## Wholesaler

Picking containers in units of  
bags for each store and sector



Users



## MBS x Wholesaler's distribution network

## FPCO

Picking containers in  
units of bags for each  
store and sector



## Wholesaler

Containers  
picked by FPCO



Materials and  
consumables picked  
by the wholesaler



Users



## Benefits for wholesalers

Reduced  
picking work  
(Addressing  
labor shortages)

Inventory cost  
reduction

Lower risk of  
slow-moving  
inventory

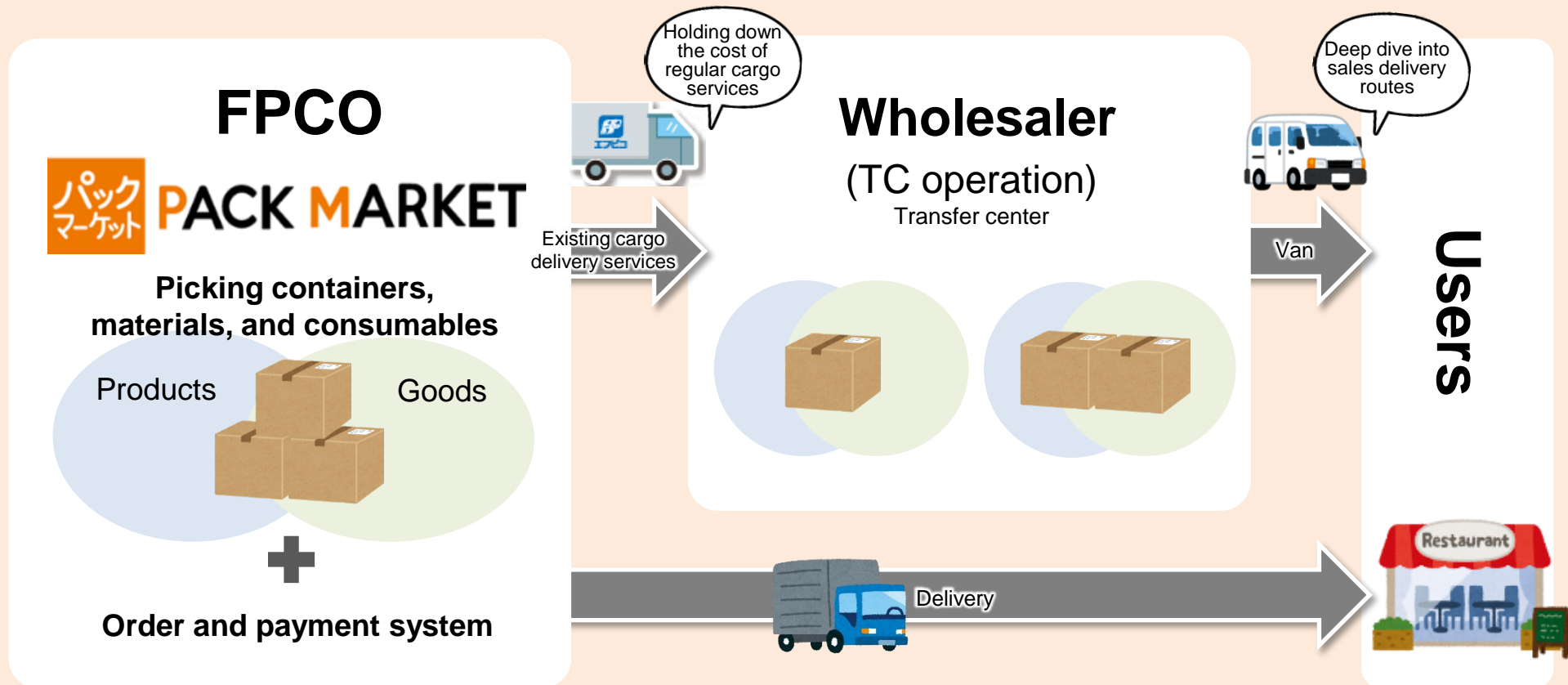
Productivity  
improved by  
securing space

Reduced risk of  
stockout

# Wholesaler Use of FPCO Infrastructure (2): Entry Into to New Markets

Expanding markets involving small-lot orders that could not be approached before, such as restaurants

## Pack Market x Wholesaler's distribution network



# State of LSSPI Initiatives

## Lee Soon Seng Plastic Industries Sdn. Bhd.

Total acquisition price: Approx. 16.7 billion yen

(FP Corporation: Approx. 6.7 billion yen)

Shareholding ratio : Mitsui & Co., Ltd.: 60% , FP Corporation: 40%

Date of share acquisition : August 31, 2022



### Step.1

## Three-year plan:double productivity

- ▶ FPCO know-how speeds up molding operations
- ▶ Automation and labor saving

### Step.2

## Gaining overwhelming market share in Malaysia and Singapore

### Step.3

## Becoming a cornerstone in the Southeast Asian market, which is expected to expand further

01. External environment

02. Competitive Advantages of FP Corporation

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ M&A

**03. Growth Strategy/Financial Strategy**

04. Development of a New OPP Sheet

# Today's Key Messages

## Medium- and Long-term Targets

We aim to achieve net sales of 300 billion yen, ordinary profit of 30 billion yen and improvement of ROE to 11% by 3/2030.

In the long term, we aim to break the ROE record, which is 13%.

We will improve profitability by expanding eco-friendly products and low-foamed containers and recover the up-front investments we have made to date.

## Financial Strategy

We were able to address the 2024 problems in time by improving our logistics network.

Capital investments in existing businesses were completed, but we are proceeding with research aiming to enter new growth fields.

Using the stable cash flows from operating activities and procuring funds, we will strategically allocate funds to investments including M&A activities and shareholder return. We will consider additional return depending on the cash position.

## Growth

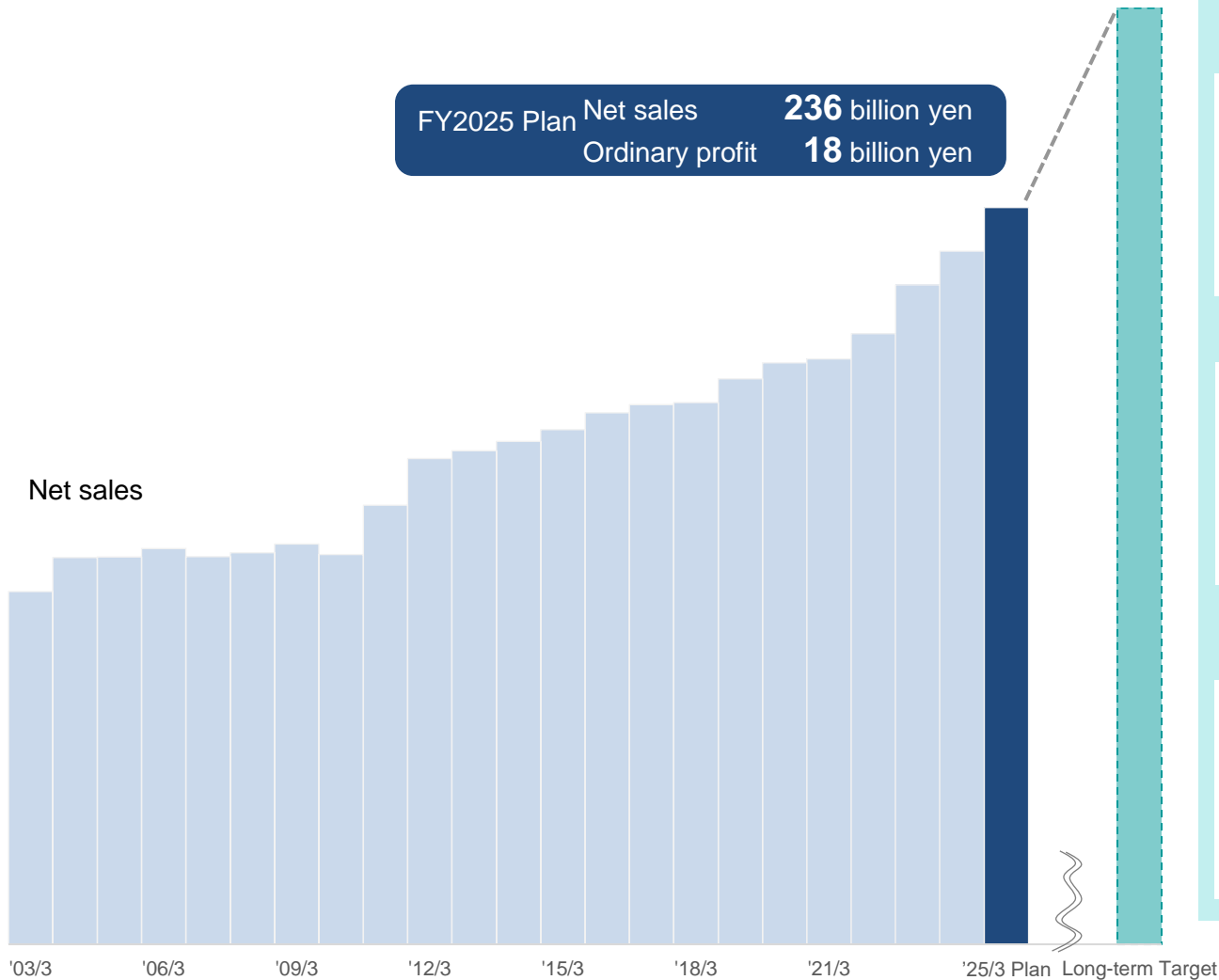
Japan: We will work to achieve growth in the frozen food, hospital food and nursing care food markets, where demand is expected to grow due to the labor shortage.

Overseas: We will push forward with overseas strategies, including new M&A activities and the review of the investment ratio in LSSPI.

**Morimasa Sato**

Chairman, Representative Director and Group Representative

# Growth Strategy



## Products

**Average annual growth of existing businesses of 3%: 170 billion yen --> 200 billion yen**

- Growth of eco-friendly products and low-foamed products
- Capturing new markets, such as frozen food, hospital food and nursing care food markets



## New business 20 billion yen

- Overseas business  
Expansion of overseas business, including the consideration of new M&A activities
- Entering new business domains with new materials

## Goods

- Average annual growth of existing businesses of 5%: 50 billion yen --> 65 billion yen  
Collaborating with wholesalers using the Group's infrastructure
- Capturing markets through M&A activities: 20 billion yen

\* Changed to the Accounting Standard for Revenue Recognition in FY ended Mar. 2022. Retrospectively applied for FY ended Mar. 2021.

# Medium- and Long-term Targets

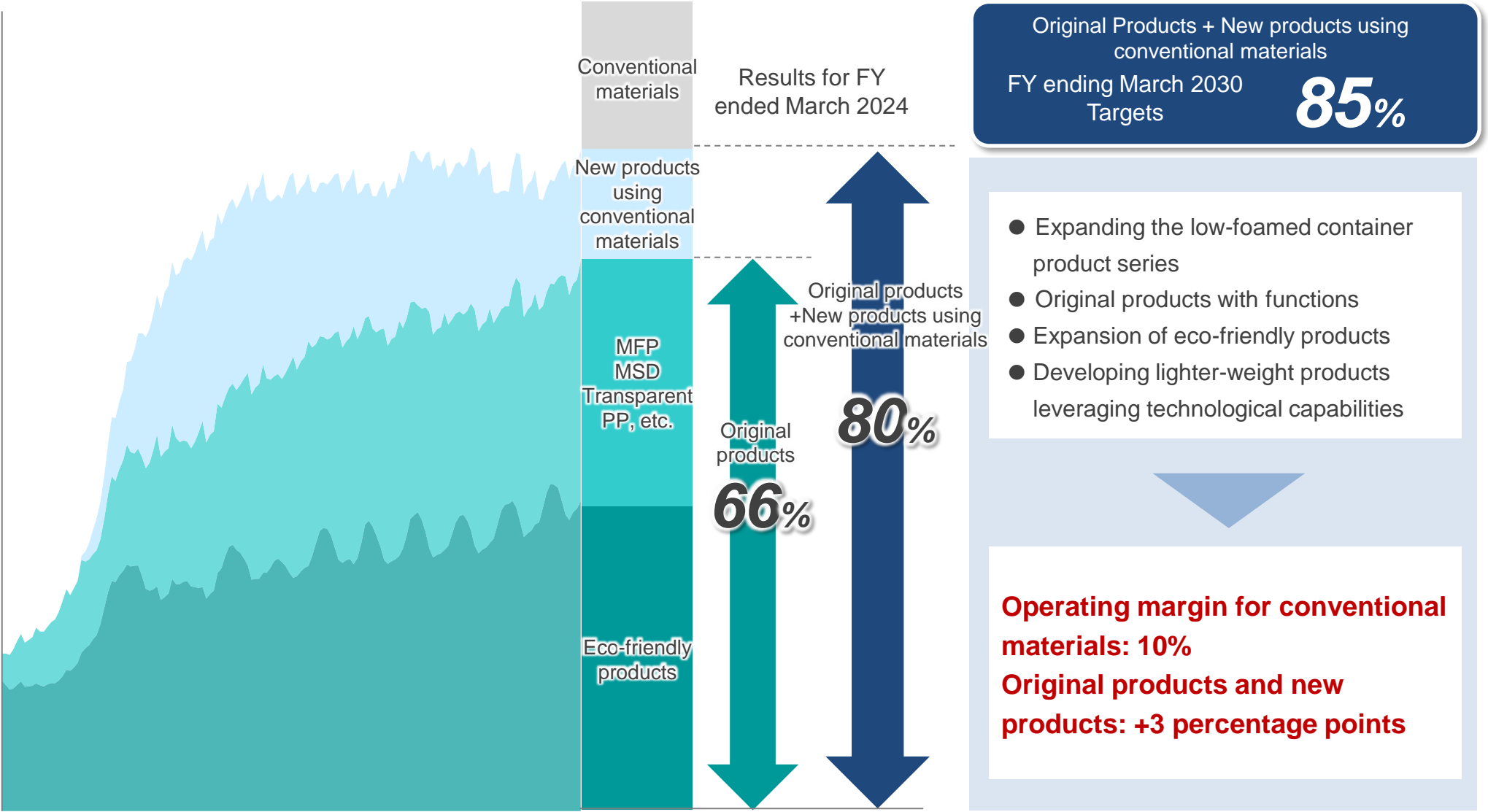
- **Aiming to achieve net sales of 300 billion yen, ordinary profit of 30 billion yen and the improvement of ROE to 11% by 3/2030**  
**Aiming to break the ROE record, which is 13%, in the long term**
- **Shareholder returns**  
**Changed dividend payout ratio from 30% to 40%, aiming to increase dividends in response to the medium- to long-term growth of profit**  
**Considering acquisition of treasury shares in light of cash position**
- **Recovering up-front investments to achieve the growth of net sales and to improve the profit rate**

Unit: billion yen	FY2024 Results	FY2025 Plan	FY2030 Target
Net sales	222.1	236	300
Ordinary profit	16.8	18	30
Ordinary profit ratio	7.5%	7.6%	10.0%
Net profit	11.7	12.1	21.0
ROE	8.2%	8.4%*	11.0%
Dividends (Per share information)	57 yen Changed dividend payout ratio from 30% to 40%	57 yen Aiming to increase dividends in response to medium- to long-term profit growth	
Purchase of treasury share	30	Consider flexible stock buybacks	

\* The equity figures are as of the beginning of fiscal year.

# Improving Profitability by Expanding Original Products and New Products

Sales shares of products

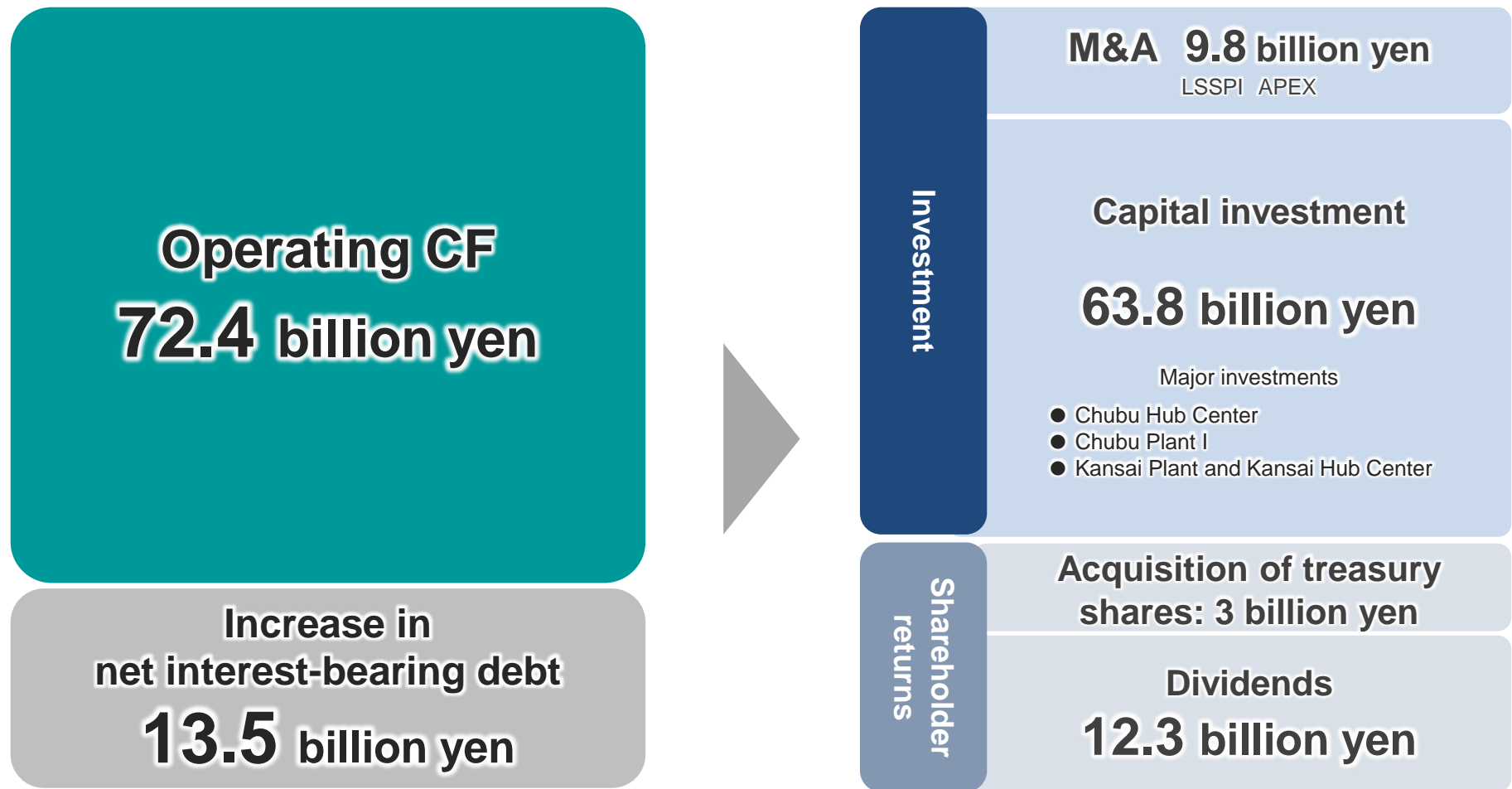




# Financial Strategy: Achievements (FY2022 to FY2024)

- Cash flow from operating activities was used for capital investments and M&A, which target future growth and stable supply, as well as for shareholder return
- Using borrowed money while considering financial safety

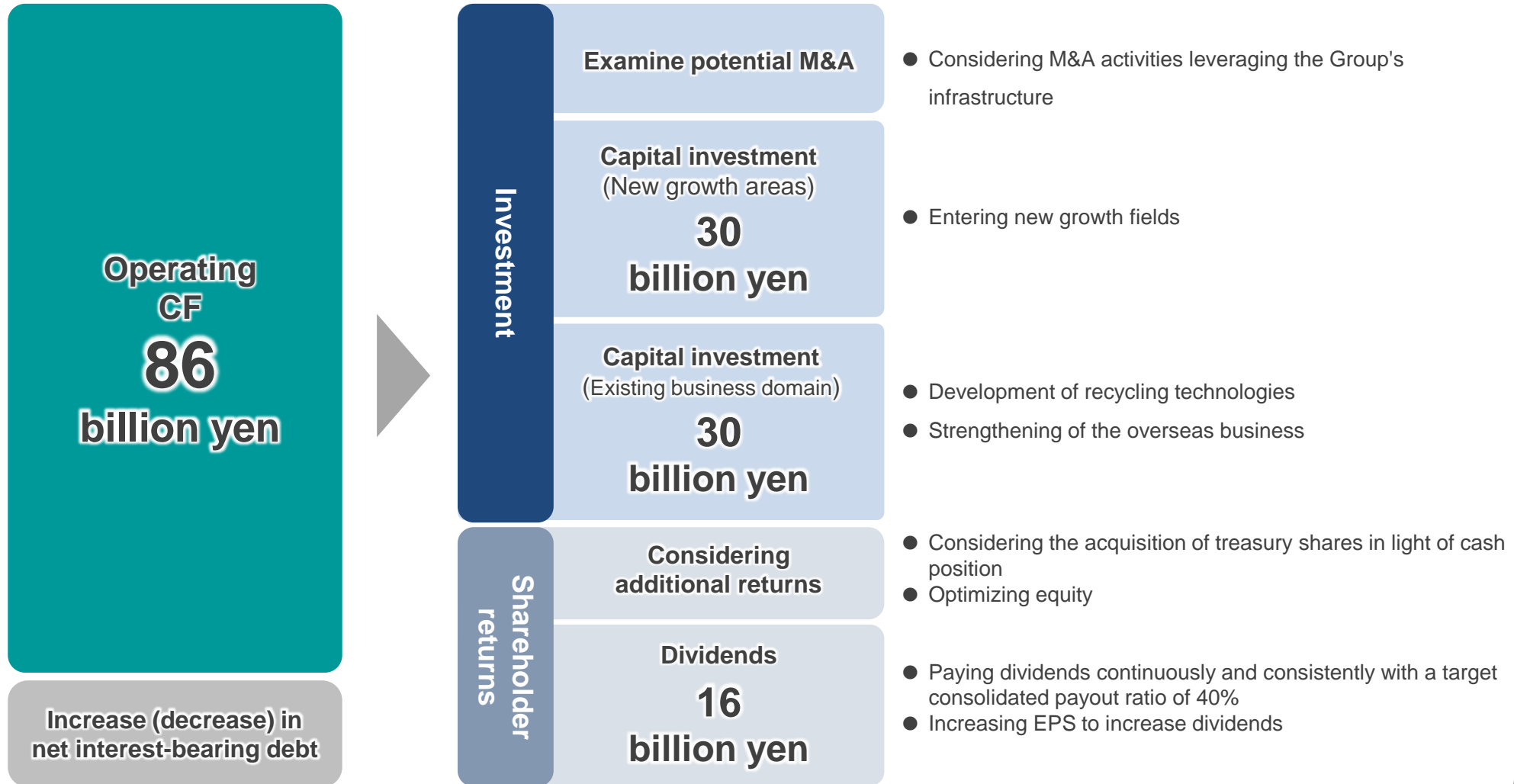
'22/3 to '24/3 (Cumulative totals for 3 years)



# Financial Strategy: Plan (FY2025 to FY2027)

- Strategically allocate operating cash flow and procured funds to investments and shareholder returns

'25/3 to '27/3 (Cumulative totals for 3 years)



# Shareholder returns

## ● Changes in the dividend policy

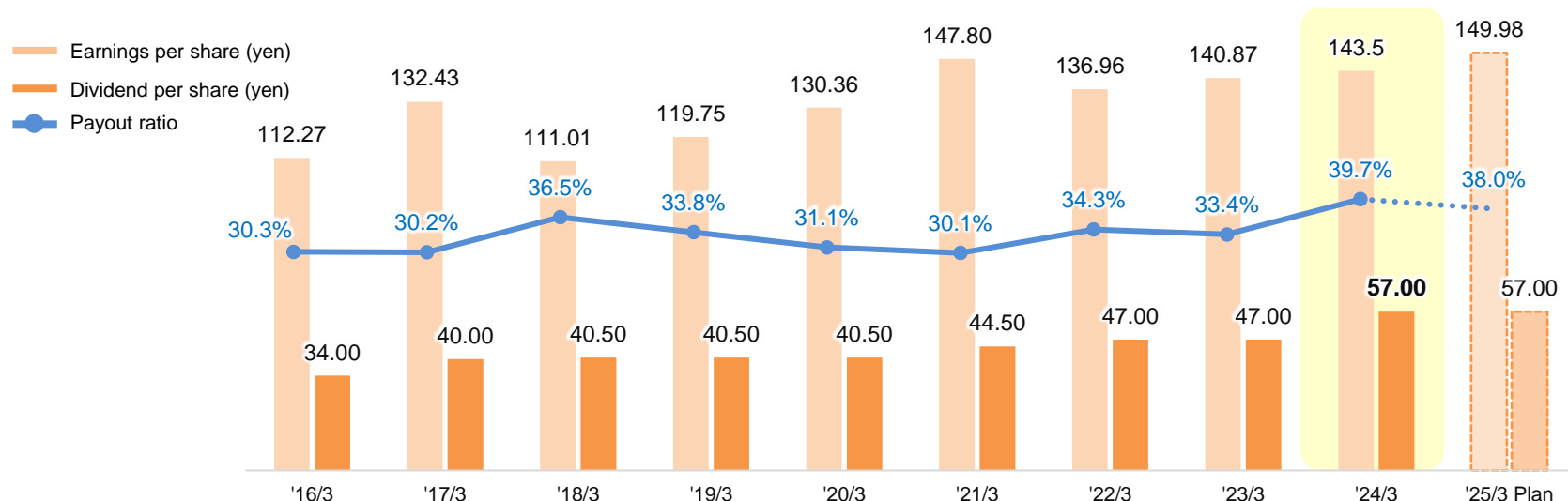
**Changed** the target consolidated payout ratio **from 30% to 40%** and paying dividends continuously and stably

▶ **Increased** dividend per share 10 yen year on year, **to 57 yen** (3/2024)

## ● Acquisition of treasury shares

Agile and flexible returns will be considered while maintaining financial soundness and taking into account strategic investments, stock price levels, etc.

▶ **Acquired treasury shares worth 3 billion yen** (February 2024) **to increase returns to the shareholders and bolster capital efficiency**



Unit: billion yen	3/2016	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024
Dividends	2.8	3.3	3.3	3.3	3.3	3.7	3.8	3.8	4.6
Purchase of treasury share	—	—	—	—	—	4.0	—	—	3.0
Total	2.8	3.3	3.3	3.3	3.3	7.7	3.8	3.8	7.6
Total return ratio	30.3%	30.2%	36.5%	33.8%	31.1%	62.7%	34.3%	33.4%	65.1%

## 01. External environment

## 02. Competitive Advantages of FP Corporation

- ▶ Product Development
- ▶ Eco-Friendly Strategies
- ▶ Stable Supply
- ▶ M&A

## 03. Growth Strategy/Financial Strategy

## 04. Development of a New OPP Sheet

# Successful Development of a New Sheet That Is the First of Its Kind in the World (1)

## Successful development of FPCO's proprietary new OPP (biaxially oriented polypropylene sheet)

### Standard OPP

- Thickness: 30 to 50 microns
- Applications: Soft food packaging material, etc.



Single-layer sheet



### New OPP

(ultra-high-rigidity biaxially oriented polypropylene sheet)

- Thickness: 150 to 300 microns
- Applications:  
(Food containers) Replacing existing materials  
(Industrial fields) Automotive parts, chemical-resistant home appliance parts and other applications are assumed.

### New OPP laminated sheet

- Thickness 1 to 3 mm
- Applications:  
(Industrial fields) Automotive parts, home furnishings/appliances, solar cells, logistics materials, etc. are assumed.

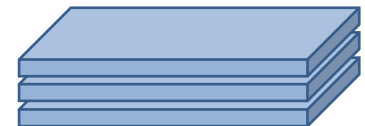
Laminated sheet

\* For illustrative purposes only

Single layer



Lamination



FPCO-  
proprietary  
new OPP

# Successful Development of a New Sheet That Is the First of Its Kind in the World (2)

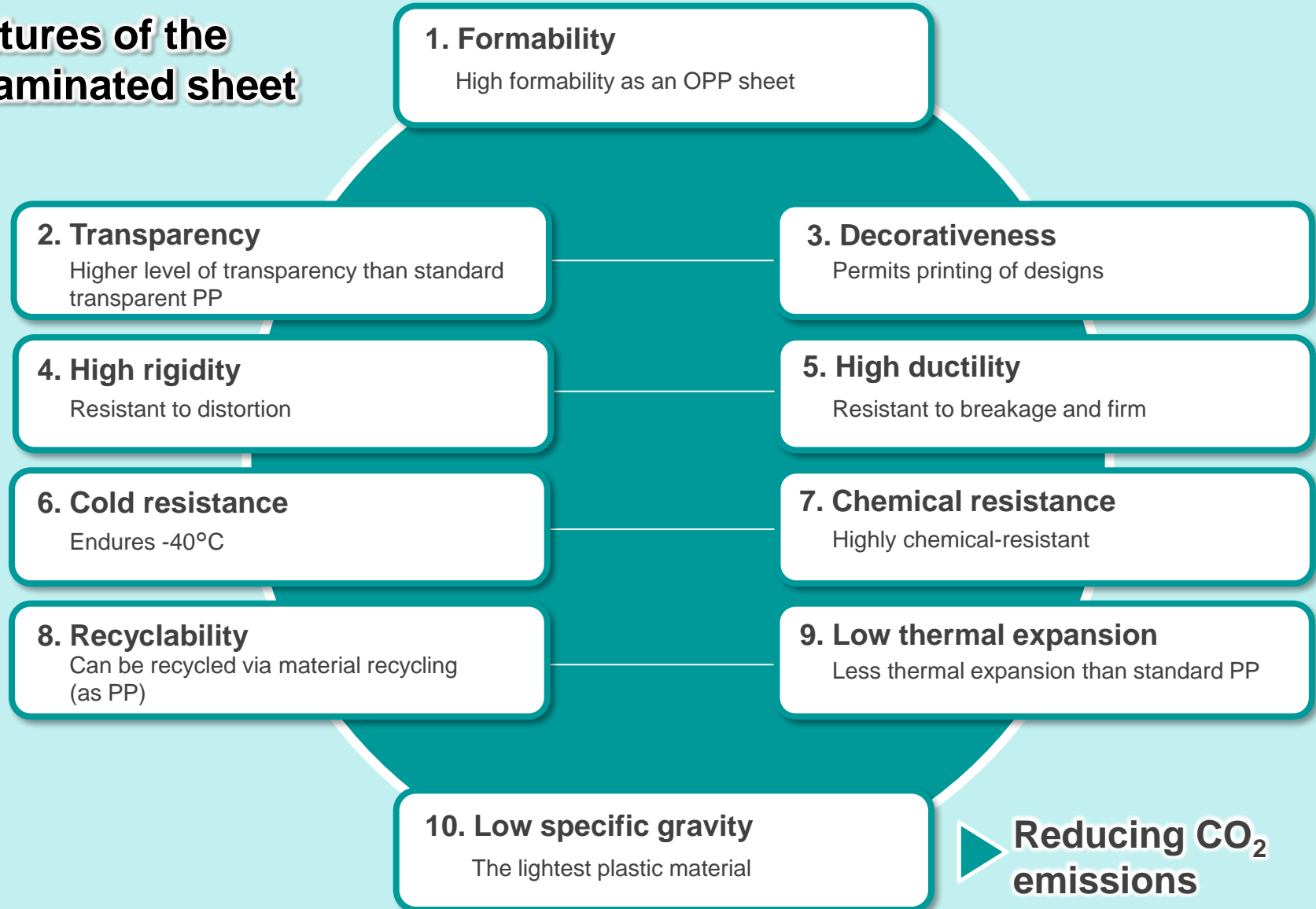
## Superiority of the new OPP in the field of food containers

### Comparison of transparent container materials

		New OPP (Biaxially oriented PP)	OPS (Biaxially oriented PS)	APET (Non-oriented PET)	OPET (Biaxially oriented PET)	Transparent PP (Non-oriented PP)
Transparency		○	○	○	○	△
Heat resistance		110°C	80°C	60°C	80°C	110°C
Cold resistance	-18°C	○	△	×	○	×
	-30°C	○	△	×	○	×
Container weight when the same strength	○ Light × Heavy	○	△	×	△	×
Oil resistant		○	×	○	○	○

# Successful Development of a New Sheet That Is the First of Its Kind in the World (3)

## Ten features of the new OPP laminated sheet



# Successful Development of a New Sheet That Is the First of Its Kind in the World (4)

## The possibilities of the new OPP and new OPP laminated sheet in industrial fields

### Applications for the new OPP

#### 1. Paint-less decorative bumper

- Easily recyclable
- Higher rigidity permits weight reduction and the use of less plastic, resulting in cost reduction.



#### 2. Chemical-resistant home appliance parts

- Higher chemical resistance
- Higher rigidity permitting weight reduction
- Glossiness increased by decorative film



### Applications for the new OPP sheet

#### 1. Automotive roof material



#### 2. Perovskite Solar cell sheet base material



#### 3. Suitcase



#### 4. Alternative to frosted glass

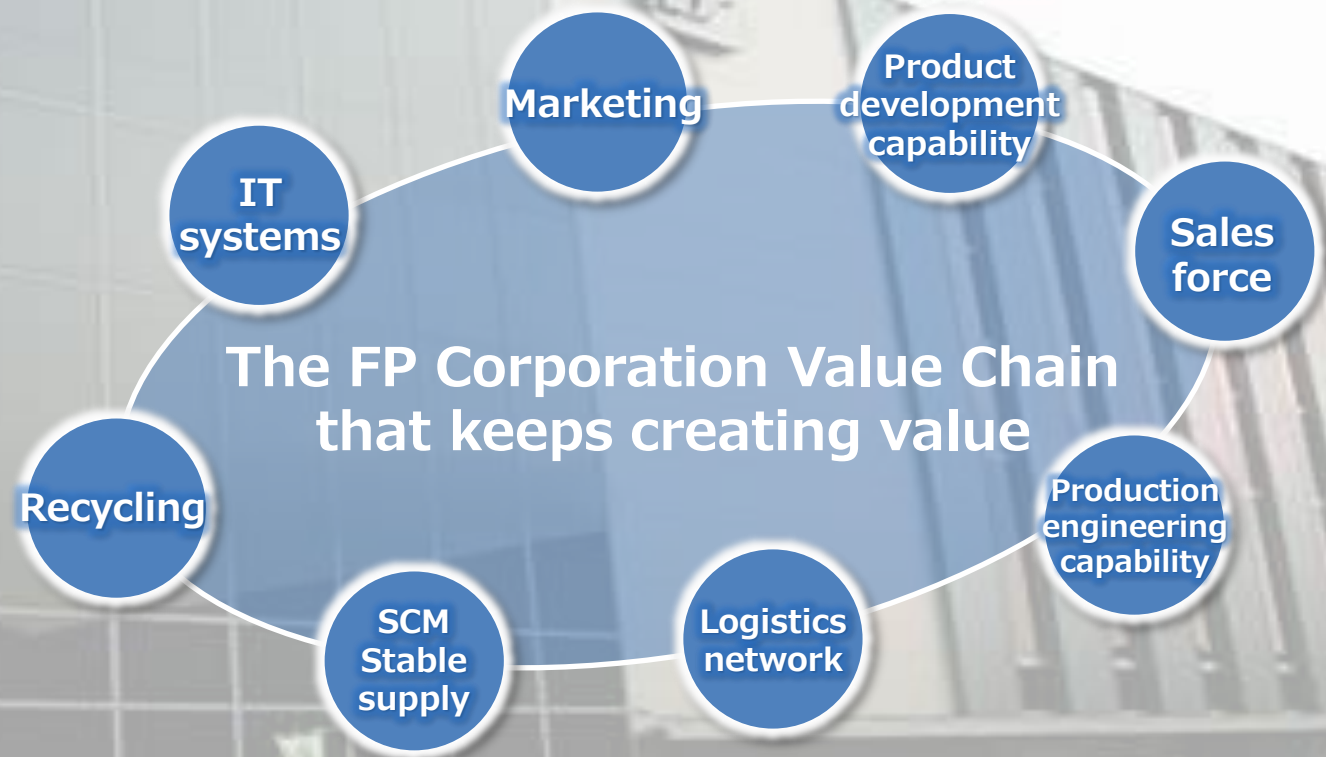
#### 5. Decorative panels for vans and trucks





# To Increase Corporate Value

**“Reliably deliver the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed.”**



# *Supporting Data*

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# Explanation of Terms

PS	Polystyrene
PET	Polyethylene Terephthalate
PP	Polypropylene
Eco trays	A recycled expanded 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 container	A recycled PET transparent container for which PET transparent containers and PET bottles collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 2012). Heat resistance temperature of +60°C.
Eco OPET container	A recycled oriented PET (OPET) transparent container molded from the bi-axially OPET sheets, which use the same raw materials as an Eco APET container (sales commenced in 2016) Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container. Heat resistance temperature of +80°C.
New low-foamed PS container	A foamed PS container featuring reduced use of plastics while maintaining the same strength and sharp shape as non-foamed containers. It is lighter than a non-foamed container by 50% to 60%.
Multi FP (MFP) container	A foamed PS container with cold and heat resistance to temperatures between -40°C and +110°C and with superior oil resistance and thermal insulation (sales commenced in 2010).
Multi Solid (MSD) container	A non-foamed PS container, which has achieved a sharp shape while maintaining the characteristics of the Multi FP by using scraps of materials from the Multi FP (sales commenced in 2012). Heat resistance temperature of +110°C.
Transparent PP container	A transparent PP container with a heat resistance temperature of +110°C, which has achieved the same transparency as OPS using standard-grade polypropylene raw material (sales commenced in 2012).
Cold-resistant PPiP-talc container	A cold-resistant PP filler container, which uses 25% less plastic than conventional cold-resistant PP due to the blending of two inorganic materials. It is equivalent to existing products in terms of resistance to cold and shock, top-to-bottom compressive strength and weight.
OPS transparent container	A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.
HIPS container	A non-foamed PS container with superior rigidity and moldability. A heat resistance temperature of +90°C.
Dissolution and separation recycling	A method with which black polystyrene (PS) pellets produced through material recycling are dissolved and decolorized to produce recycled PS materials for food containers. It is the world's first technology, developed by DIC Corporation. (Scheduled to begin operating in November 2024)
Process center (PC)	A facility where the production and delivery of food is completed in a single location
Distribution Center	Logistics center for processes from acceptance of products and commodities to acceptance of orders, allocation of vehicles, shipment, and collection of trays
Hub Center	Delivery center where multiple buildings are connected via a sorter system for automatic sorting and consolidation for shipment.
Distribution Center (DC)	A logistics division that ships cases to packaging material wholesalers.
Picking Center (PC)	A logistics division that picks and ships items in small lots to supermarkets.
Sorting Plant	A recycling site where foamed PS containers collected from stores are sorted into white containers and containers of other colors, and transparent containers collected from stores are sorted according to materials such as PS, PET and PP.

# Trends in Results (1)

\* Changed to the Accounting Standard for Revenue Recognition in FY ended Mar. 2022. Retrospectively applied for FY ended Mar. 2021.

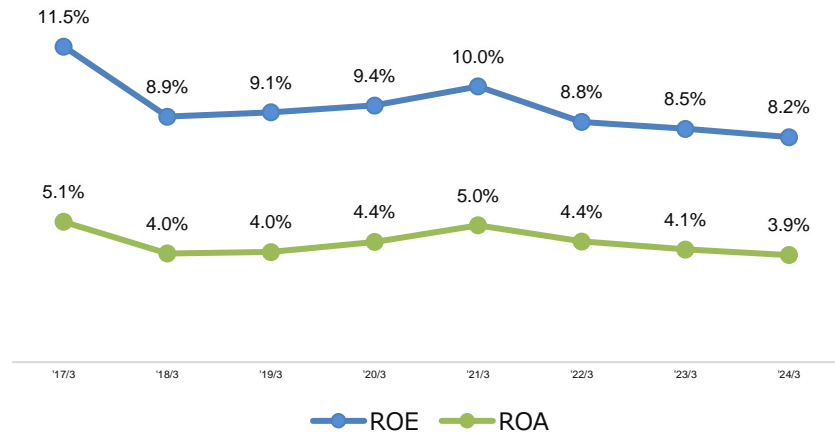
Million yen

	3/2017	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024
Net sales	172,858	173,580	181,171	186,349	187,509	195,700	211,285	222,100
Operating profit	15,176	12,884	13,949	15,507	18,763	15,884	16,703	16,429
Ordinary profit	15,742	13,548	14,861	16,274	19,381	16,703	17,328	16,780
Net profit	10,953	9,178	9,901	10,777	12,211	11,206	11,529	11,724
Ordinary profit before depreciation	26,926	25,255	28,031	29,807	32,991	30,340	31,509	31,833
Ratio of ordinary profit to net sales	9.1%	7.8%	8.2%	8.7%	10.3%	8.5%	8.2%	7.6%
ROE	11.5%	8.9%	9.1%	9.4%	10.0%	8.8%	8.5%	8.2%
Return on assets (ROA)	5.1%	4.0%	4.0%	4.4%	5.0%	4.4%	4.1%	3.9%
ROIC	5.8%	4.5%	4.8%	5.4%	6.6%	5.2%	4.8%	4.8%
WACC	—	—	—	—	5.01%	4.51%	4.41%	4.32%
EPS (yen/share)	132.43	111.01	119.75	130.36	147.80	136.96	140.87	143.50
Dividends (yen/share)	40.00	40.50	40.50	40.50	44.50	47.00	47.00	57.00
Payout ratio	30.2%	36.5%	33.8%	31.1%	30.1%	34.3%	33.4%	39.7%
Purchase of treasury shares	—	—	—	—	3,999	—	—	2,999
Total assets	219,481	244,147	249,332	242,497	247,234	262,695	298,623	298,580
Net assets	99,721	106,219	112,198	119,301	124,980	132,455	140,171	145,844
Cash and deposits	18,144	15,659	19,151	20,288	17,884	19,745	22,255	23,707
Interest-bearing debt	80,551	91,991	91,402	80,341	73,459	80,171	102,006	92,785
Equity ratio	45.3%	43.4%	44.8%	49.0%	50.3%	50.2%	46.7%	48.6%
Capital investment	21,060	29,891	14,038	12,214	19,412	23,361	30,853	9,591
Depreciation	11,183	11,706	13,170	13,532	13,609	13,636	14,180	15,052
Research and development expenses	1,223	1,197	1,159	1,229	1,195	1,154	1,295	1,483
Ratio of original products	52.3%	55.7%	59.2%	60.5%	62.0%	61.9%	63.6%	66.1%
Inventory turnover in months	1.47	1.53	1.54	1.48	1.44	1.44	1.56	1.57
Amount of containers and bottles collected for recycling (t)	36,631	55,262	75,730	82,629	85,070	83,330	91,350	91,500
Number of collection points for recycling	9,200	9,150	9,260	9,390	9,800	10,000	10,500	10,680

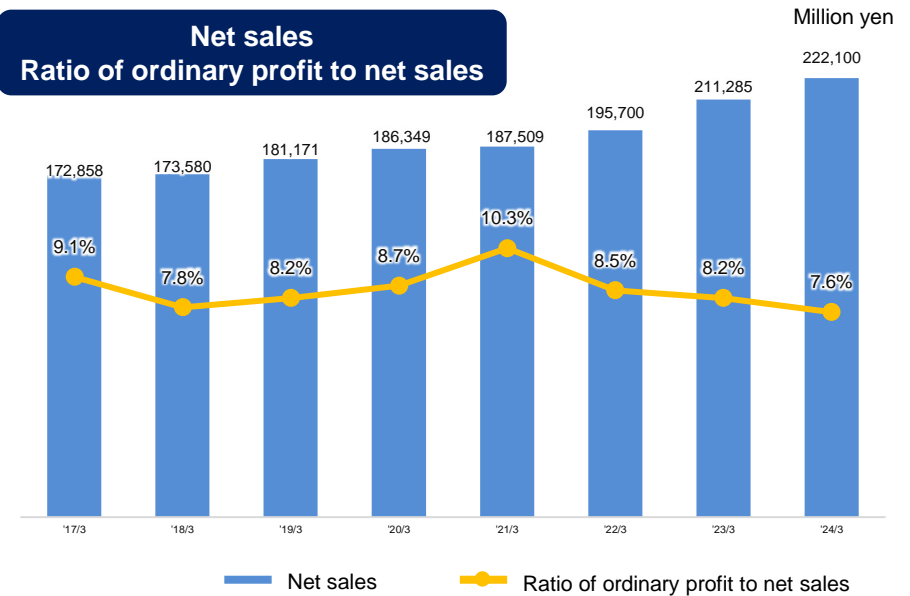
# Trends in Results (2)

\* Changed to the Accounting Standard for Revenue Recognition in FY ended Mar. 2022. Retrospectively applied for FY ended Mar. 2021.

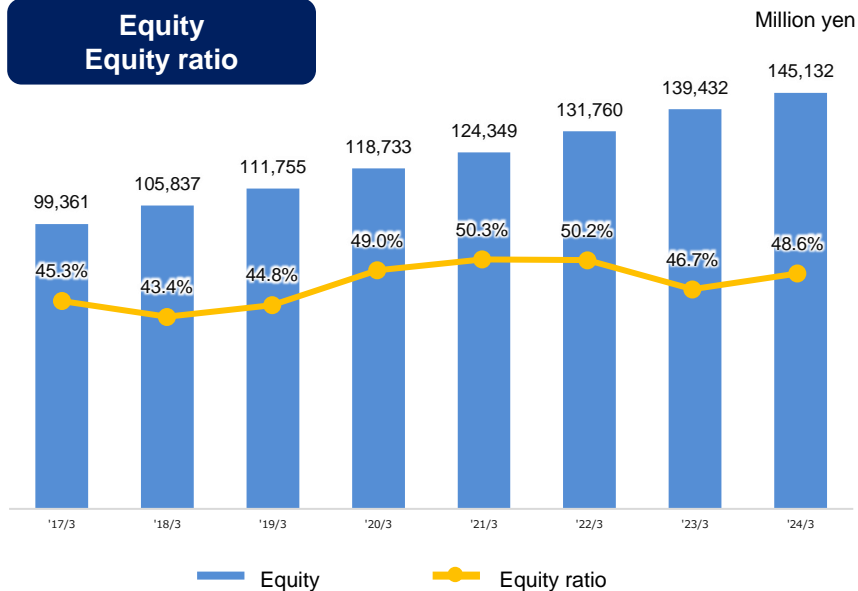
## ROE ROA



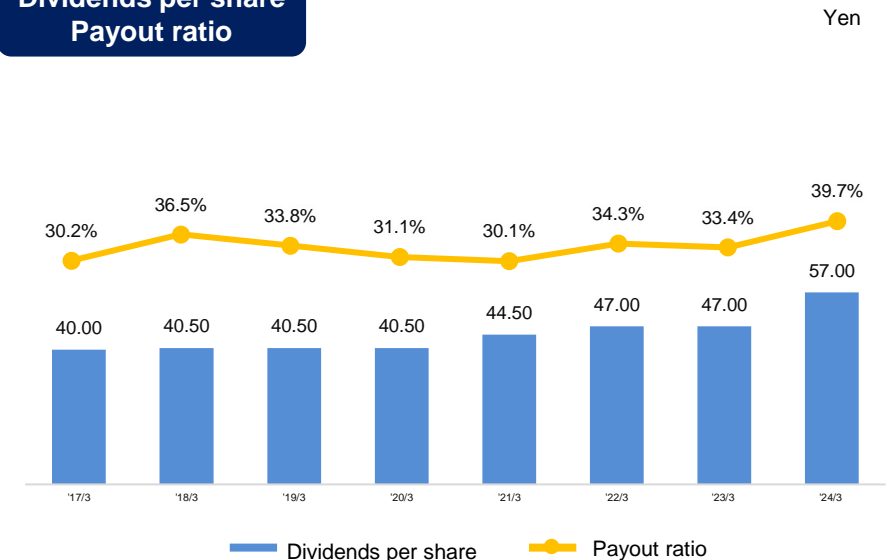
## Net sales Ratio of ordinary profit to net sales



## Equity Equity ratio



## Dividends per share Payout ratio

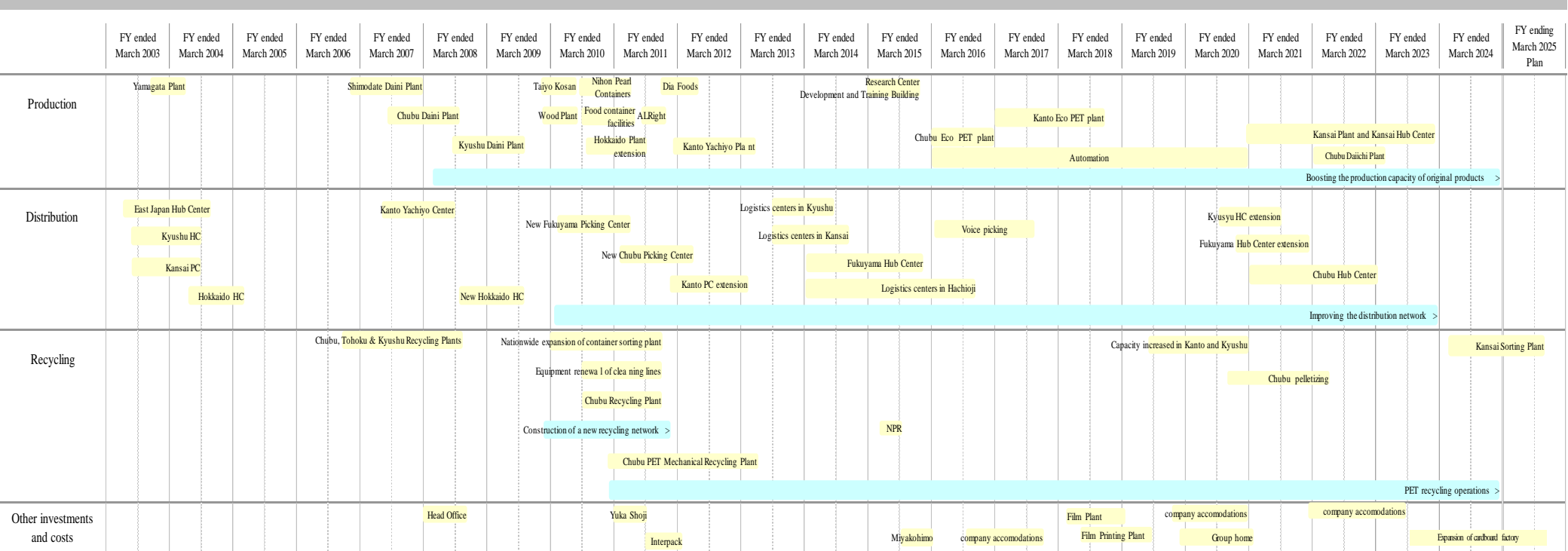


# Factors influencing Ordinary Profit

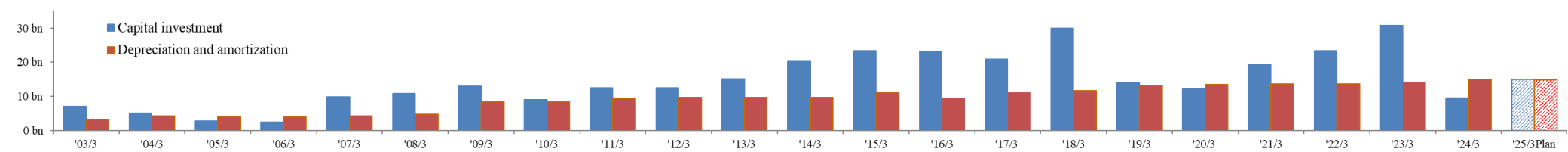
Unit:100 million yen

	'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			23/3			24/3			25/3Plan					
															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	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	100.5	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	77.9	167.0	64.0	109.1	173.2	72.3	95.4	167.8			
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 prices	+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					-13.0	-13.0	-26.0	-14.8	-15.5	-30.3									-9.9	-36.1	-46.0	-24.4	+23.8	-0.6							
Sales Price	-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+32.0	+6.5	Naphtha formula	-11.0		-12.5	-11.0	-23.5																											
						1st product price reduction		-44.0		Product price correction		+15.0	+16.0					-	+4.5	+4.5	+13.6	+28.0	+41.6	+10.5	-	+10.5																		
						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																														
	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	+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	+6.0	+17.0	+4.0	+3.5	+7.5				+56.3	+4.0	+60.3	+11.0	+60.0	+71.0
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	+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	-1.0	+0.5	-19.5	+7.4	-12.1	+3.0	-5.0	-2.0		
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	-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	-	-	-	-4.0	-3.0	-7.0	-6.0	-4.0	-10.0		
Group Companies								+5.0	+5.5	+5.0	+1.0	-1.0	-1.5	+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	+2.0	+10.9	+12.9	-2.0	-3.7	-5.7	+3.0	+1.0	+4.0			
	Profit from the sale of artwork	+1.0	-1.0				+4.0	-4.0				Subsidies	+6.5	-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	-22.0	-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	-8.1	-5.9	-14.0	-5.1	-4.4	-9.5	-8.3	-2.5	-10.9			
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	+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	+31.3	+6.3	+8.2	-13.7	-5.4	-7.3	+19.5	+12.1			
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	79.1	78.3	157.4	68.3	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	109.2	173.3	72.3	95.4	167.8	65.0	115.0	180.0			

# Trends in Capital Investment and R&D Costs



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	23,361	30,853	9,591	15,000
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	30,121	9,098	14,500
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	595	525	306	277	732	493	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	2,028	1,753	1,436	1,872
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	14,180	15,052	14,800
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	1,295	1,483	1,610



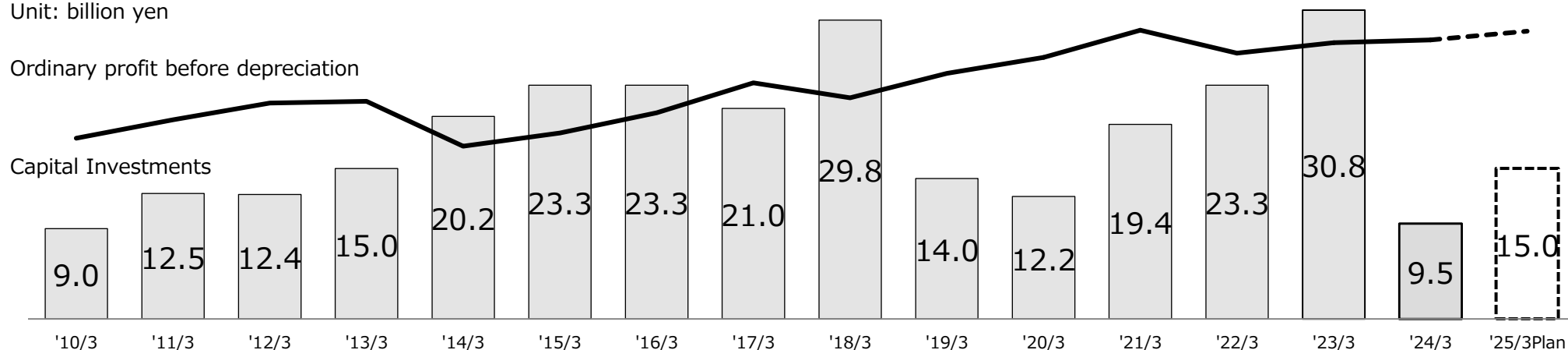
\* Since 2009/03, capital investment have been included procurement through lease.

# Strategic Investment

Unit: billion yen

Ordinary profit before depreciation

Capital Investments



**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

2012: Chubu Picking Center  
 2014: Fukuyama Cross Dock Center  
 2014: Hachioji Distribution Center  
 2020: Kyushu Distribution 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**



# Promotion of Dialogue with Shareholders

## ● Explanatory meetings for institutional investors (FY2023 to FY2024)

Date	Name	Details	Main speakers
Meetings related to financial results			
November	Q2 financial results briefing	Performance forecasts and initiatives to enhance corporate value	Chairman and Representative Director President and Representative Director
May	Financial results briefing		Executive Vice President and Director (in charge of finance, accounting and IR)
Other events			
December 2022	Small meeting with domestic securities companies	Performance trends and growth strategies	Chairman and Representative Director
January 2023	Plant tours for domestic securities companies and investors	Tours of facilities such as manufacturing plants, logistics facilities and recycling plants	Executive Vice President and Director (in charge of finance, accounting and IR), general managers of divisions
February 2023	Conference with domestic securities companies and overseas investors	Performance trends and growth strategies	Chairman and Representative Director, Executive Vice President and Director (in charge of finance, accounting and IR)
June 2023	Top meeting with domestic securities companies	Performance trends, growth strategies and product experiences	Chairman and Representative Director, Executive Vice President and Director (in charge of finance, accounting and IR)
September 2023	Explanatory meeting for domestic investment trusts and individual investors	Improving the visibility of the FPCO method of recycling	Person in charge of IR, general managers of divisions
December 2023	Plant tours for domestic investment trusts and investors	Tours of facilities such as manufacturing plants, logistics facilities and recycling plants, growth strategies	Executive Vice President and Director (in charge of finance, accounting and IR), general managers of divisions
March 2024	Conference with domestic securities companies and overseas investors	Performance trends and growth strategies	Chairman and Representative Director, Executive Vice President and Director (in charge of finance, accounting and IR)

## ● Outline of individual dialogue events (FY2023 to FY2024)

Total number of companies with which we engaged in dialogue	Outline of investors	Person(s) from FP Corporation hosting the event
Approx. 400 companies	Domestic and overseas institutional investors with a wide range of investment styles focused on medium- to long-term investments People specialized in diverse fields (analysts, fund managers, people responsible for ESG matters, etc.)	Chairman and Representative Director, President and Representative Director, Independent Outside Director, Executive Vice President and Director (in charge of finance, accounting and IR), Senior Vice President and Director (in charge of general affairs and personnel), Sustainability Promotion Department

## ● Individual plant tours (FY2023 to FY2024)

Total number of companies that we provided tours to	Sites where tours were given	Person(s) from FP Corporation hosting the event
Approx. 20 companies	Kanto, Chubu, Kansai and Fukuyama	Executive Vice President and Director (in charge of finance, accounting and IR), general managers of divisions

# World's First Sheets and Materials

## PP: polypropylene

- ☆ Heat-resistant: +110°C
- ☆ High oil resistance
- ★ Difficult to foam and to reduce the weight
- ★ Low stiffness
- ★ Low cold resistance
- ★ Difficult to make transparent

## Cold-resistant PPiP-talc

- ☆ 25% reduction in the use of plastics compared to cold-resistant PP, an existing product
- ☆ It is equivalent to existing products in terms of resistance to cold and shock, top-to-bottom compressive strength and weight.

## 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

## New transparent PP

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

## PET: polyethylene terephthalate

- ☆ High transparency
- ☆ High oil resistance
- ★ Low heat-resistance: +60°C
- ★ Relative density is greater

## OPET: Biaxially oriented PET

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

## MSD: Multisolid Non-foaming polystyrene

## 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 stiffness
- ☆ Weight reduction is possible

## Recycling of multi-FP remnants

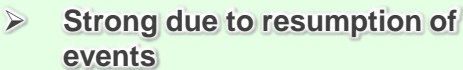
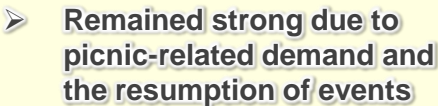
## OPS: oriented polystyrene

- ☆ 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). 70

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

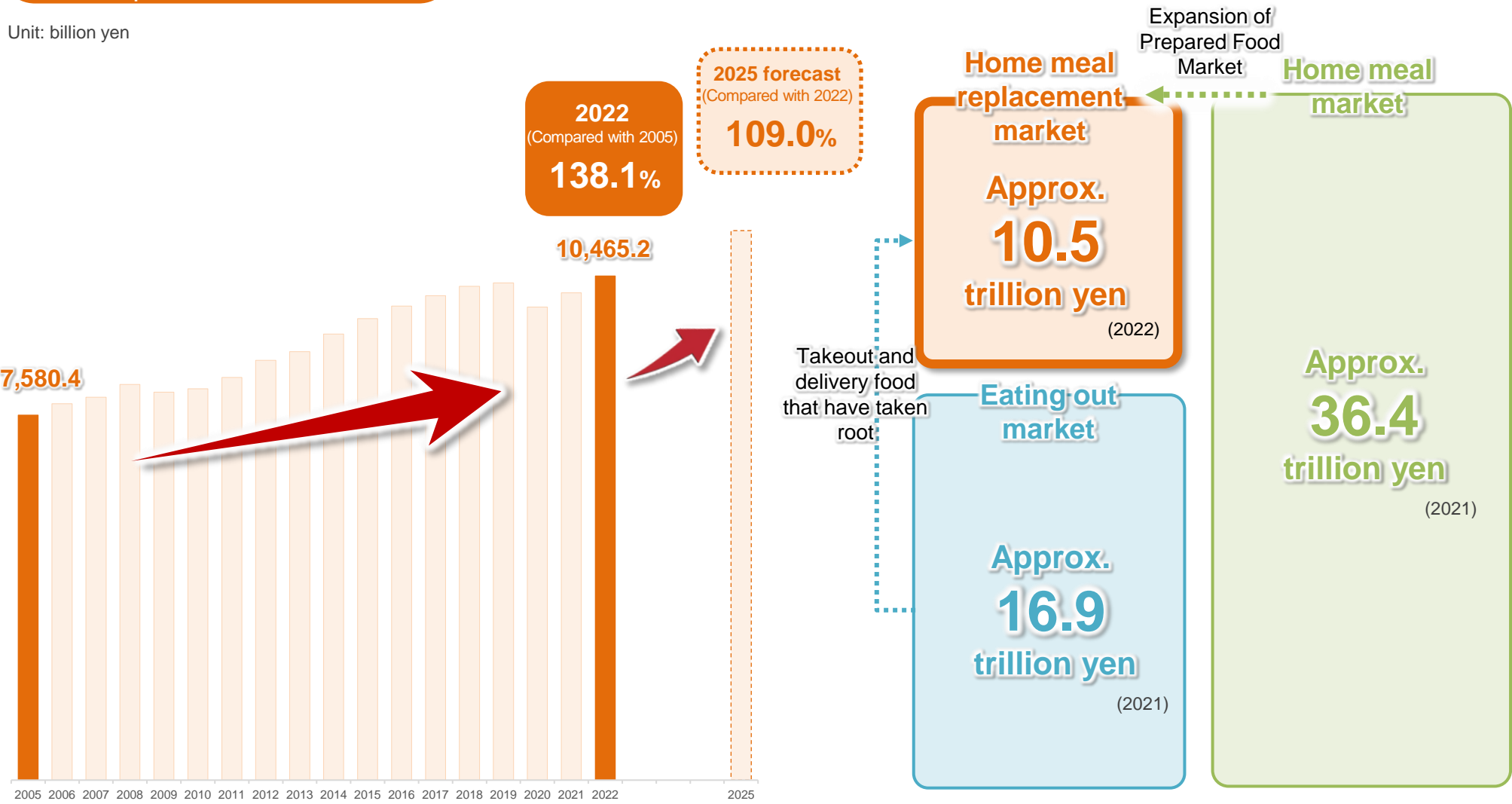


# Expansion of Home Meal Replacement Market

Source: Japan Ready made Meal Association "Ready made Meal White Paper 2023"

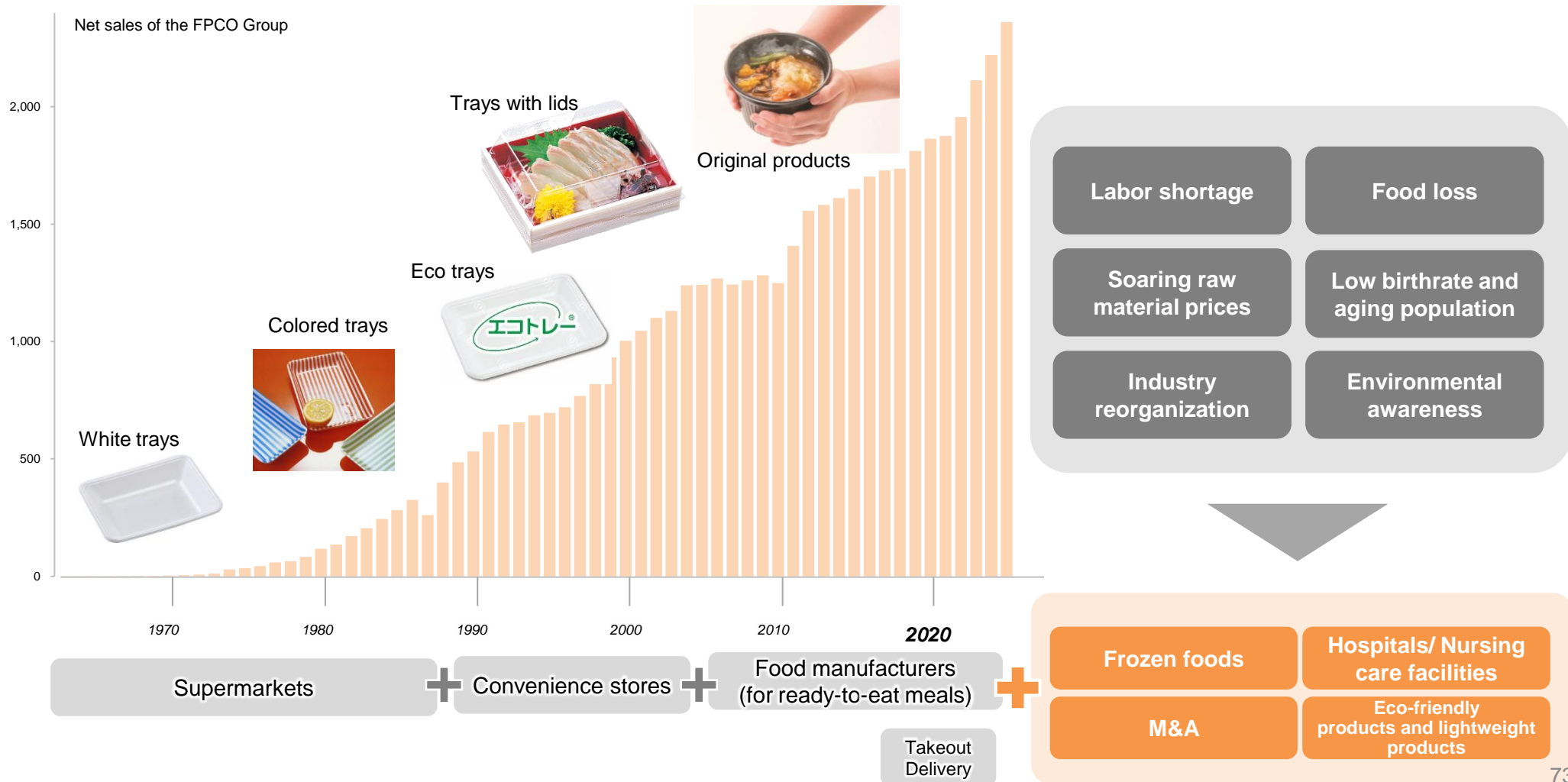
## Trend in Scale of Home Meal Replacement Market

Unit: billion yen

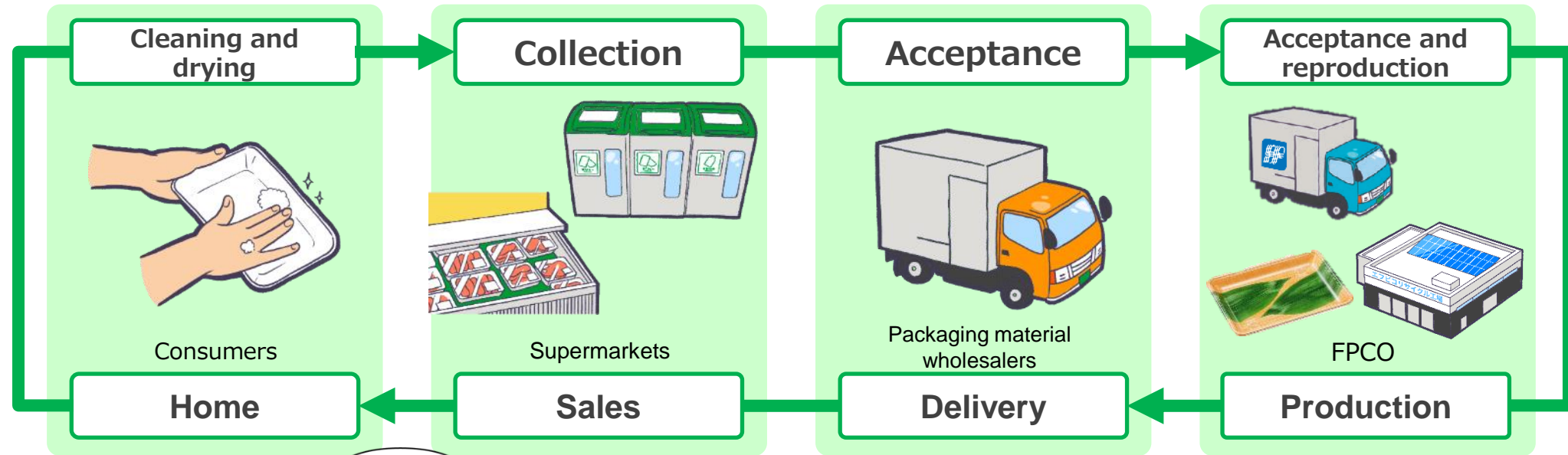


# Trends in the Food Container Market and Enhancement of the Performance of Our Business

Providing products in response to market changes/creating products that change the market



# FPCO Method of Recycling



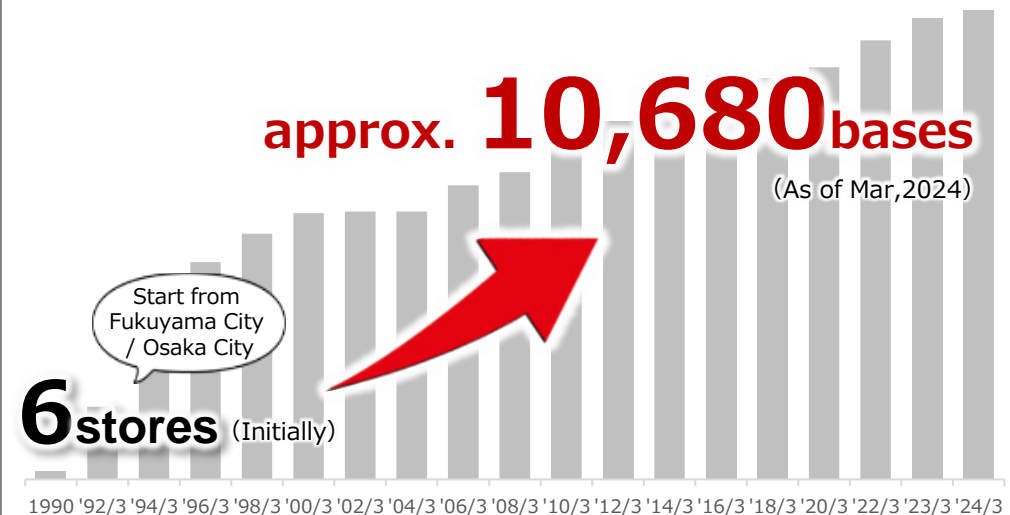
## History

- 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**
- 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

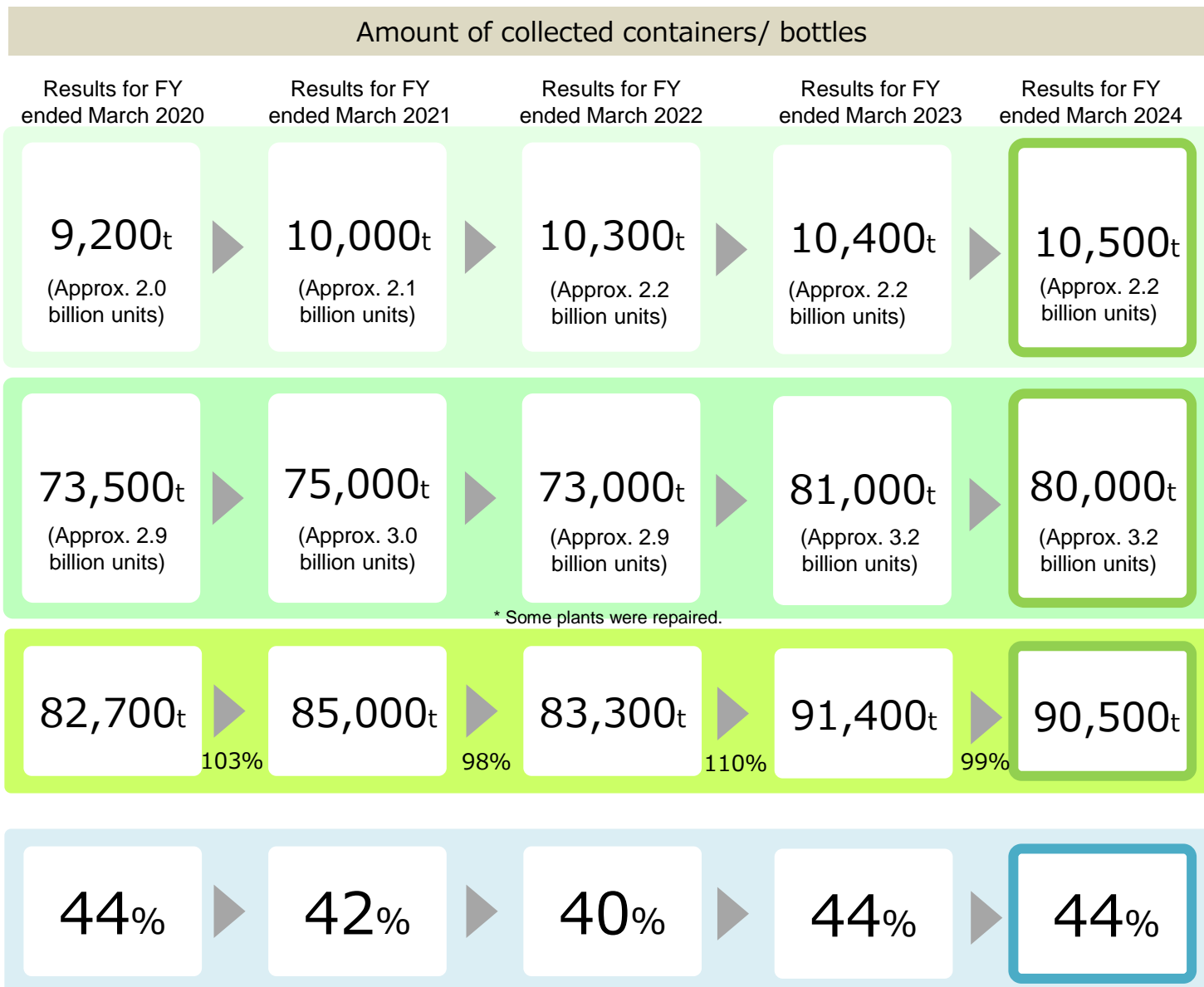




# Collection of Plastic Resources



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



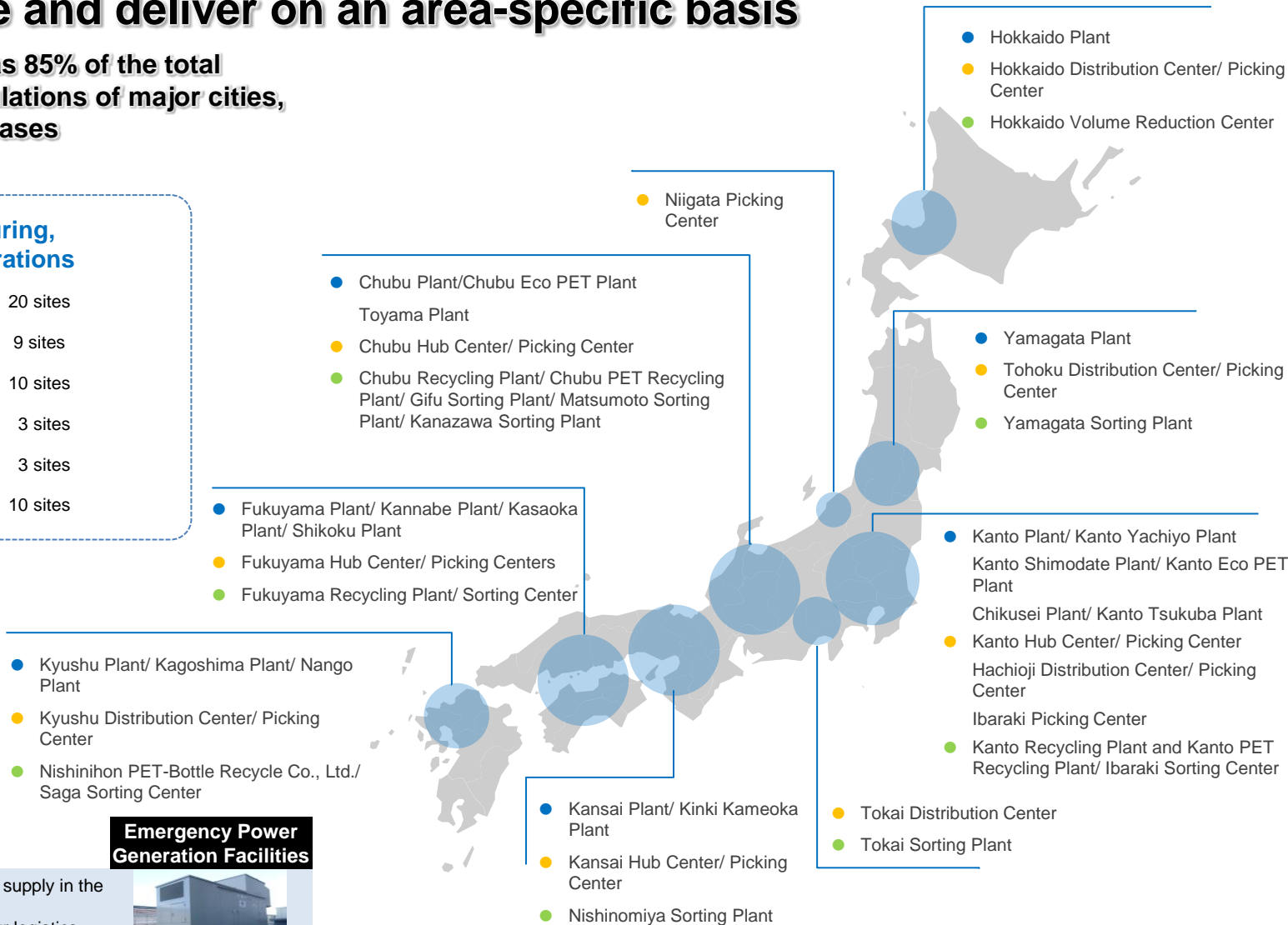
# Nationwide Production and Logistics Network

## FPCO can produce and deliver on an area-specific basis

Completed a network which has 85% of the total population, including the populations of major cities, within a 100 km radius of the bases

### FPCO's network for manufacturing, distribution and recycling operations

● Production Plants	20 sites
● Distribution and Hub Centers	9 sites
● Picking Centers	10 sites
● Recycling Plants	3 sites
● PET Recycling Plants	3 sites
● Sorting and Volume Reduction Plants	10 sites



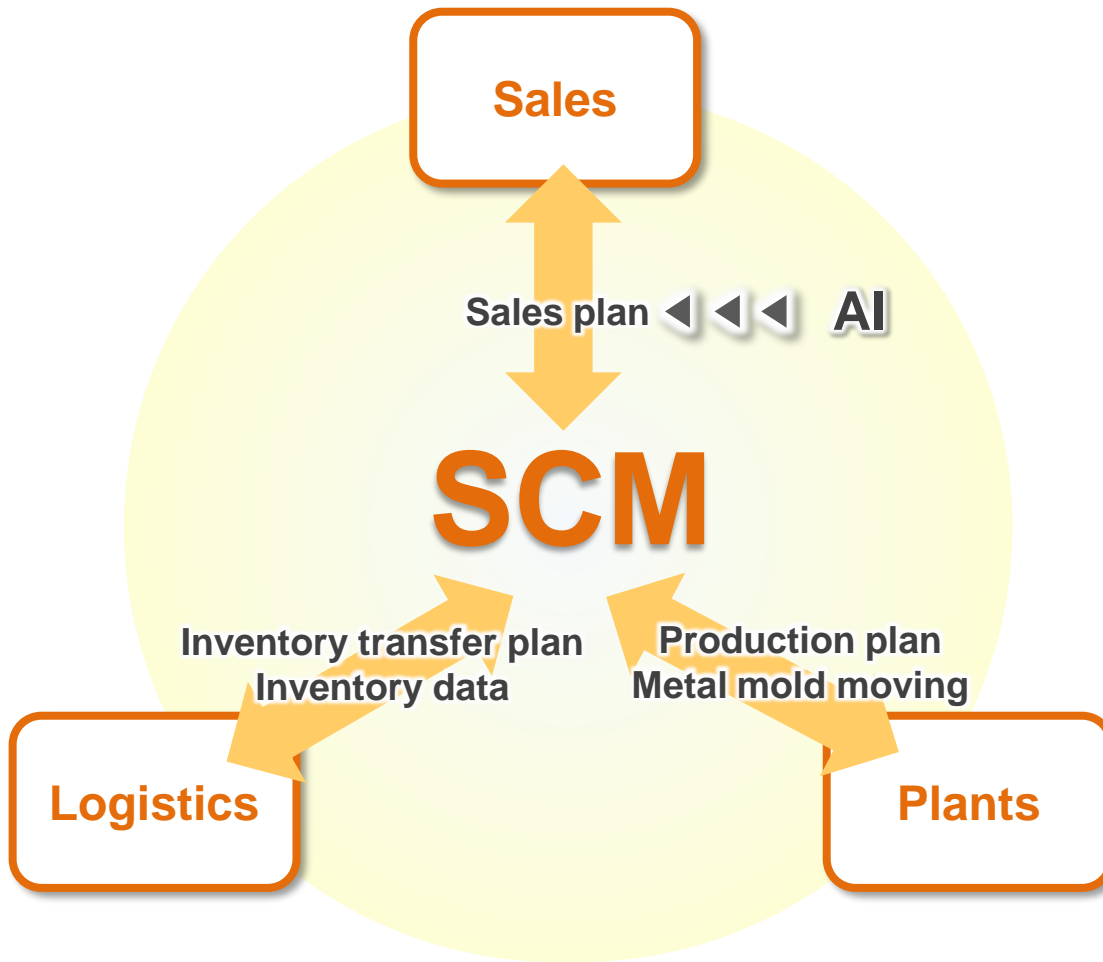
### Emergency Power Generation Facilities

Business continuity plan (BCP): Ensuring stable supply in the event of a disaster  
Emergency power generator installed at all of our logistics facilities in Japan  
Power supply for 72 hours ensured





# Supply Chain Management (SCM) System



**Stable supply  
for supporting safe,  
secure dietary life**

- ✓ A lineup of approx. 12,000 items
- ✓ Maintenance of an appropriate inventory level
- ✓ Using AI to improve the precision and efficiency of sales forecasts

# Actions for Suppressing Soaring Logistics Expenses

Ratio of private services

March, 2024

97.7%

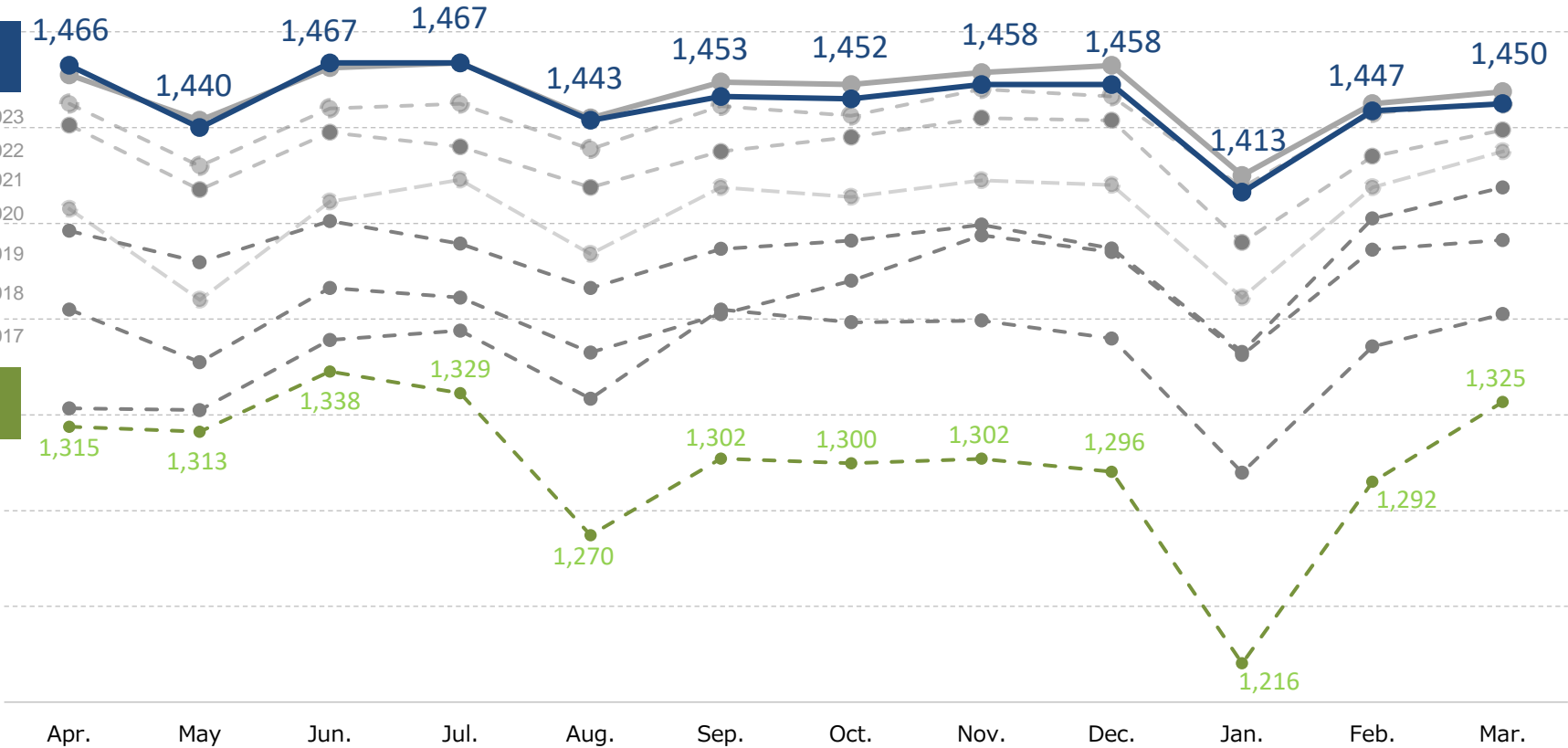
Loading efficiency per truck **111.6%** FY ended March 2024 compared to FY ended March 2016

(Sai\* per truck) \* 1  
Sai ≈ 0.0278m<sup>3</sup>  
Sai is Japanese logistics unit.

FY ended March 2024

FY ended March 2023  
FY ended March 2022  
FY ended March 2021  
FY ended March 2020  
FY ended March 2019  
FY ended March 2018  
FY ended March 2017

FY ended March 2016



# ESG Assessments by External Rating Agencies

## Rating

FTSE (UK)

(March 2022)

(June 2023)

**3.2** → **3.8**

MSCI (USA)

(January 2022)

(March 2023)

**BB** → **BB**

S&P CSA (USA)

(September 2022)

(September 2023)

**38** → **40**

CDP (UK)

(December 2022) (February 2024)

**A-** → **A**



SUSTAINALYTICS (The Netherlands)

(November 2022)

(December 2023)

**14.4** → **13.9**

\* The lower, the better

## ESG Indexes



FTSE4Good



FTSE Blossom  
Japan Index



FTSE Blossom  
Japan Sector  
Relative Index

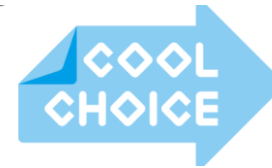


**2023** CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

Morningstar  
Japan ex-REIT Gender Diversity  
Tilt Index (GenDi J)

# Evaluations by Other External Organizations and Other Activities

## External evaluation



## Environmental groups in which FP Corporation participates



# Diversity Management Making Maximal Use of Capabilities

## Playing key roles in FPCO Group's core operations

Number of employees with disabilities

393

Adjusted number of employees with disabilities

662

Ratio of employees with disabilities

12.6%

(March, 2024)



Manufacturing

Molding, assembly, inspection, and packaging of food trays



Sorting plant

Used food trays, transparent containers

## Support for Customers in their Employment of People with Disabilities

With FPCO's support, employment was created for

760 people at 53 locations

mainly at customers' workplaces

(March, 2024)



## ● Evaluation concerning employment of workers with disabilities

- ▶ January 2019 Ministry of Health, Labour and Welfare FY2018 People with Disabilities Active Company Certification (FPCO Ducks Corporation)
- ▶ 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)
- ▶ September 2023 Toyo Keizai Inc. Ranked 2<sup>nd</sup> in ratio of employees with disabilities





# FP Corp. Environment Fund



The FP Corp. Environment Fund

1990

The FPCO method of recycling starts.

Mar. 2020

The FP Corp. Environment Fund is established.  
The Group begins to subsidize organizations which act to resolve future social issues.

Subsidization made in the past

FY 2021: 10 organizations

FY 2022: 14 organizations

FY 2023: 14 organizations

FY 2024: 22 organizations

FY 2025: 17 organizations



## Activities of Organizations Subsidized (Some of the Activities)

The FPCO Group also participated in these activities as volunteers.

### ● Setonaikai Ujishima Club (Hiroshima prefecture)



Activities

Annual activities to  
clean up Ujishima Island

### ● Shonan Cleanaid Forum (Kanagawa prefecture)



Activities

Project to promote  
beach cleaning activities  
of picking up, sorting,  
and studying trash

# Information on Facility Tours

[Accepted at any time]  
Corporate Planning Department:  
03-5325-7756

Visitors can view state-of-the-art **production**, **logistics**, and **recycling**

