Financial Results

for the Six Months Ended September 30,2024

Nov 6, 2024

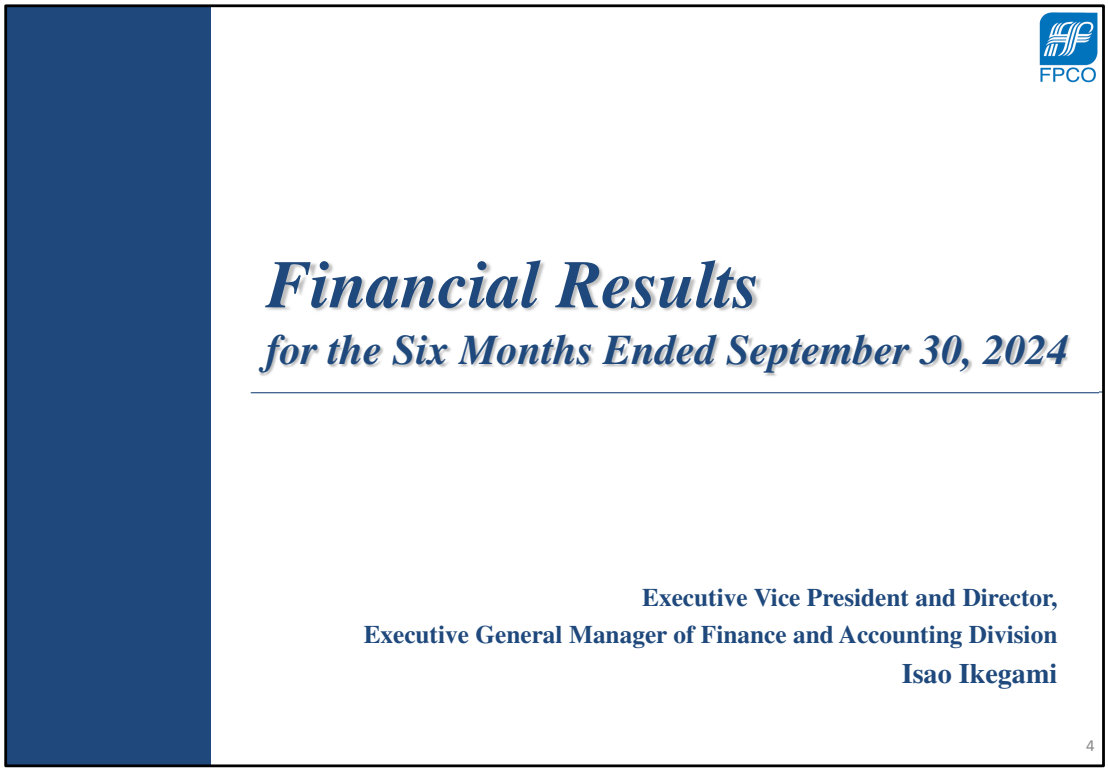
FP Corporation

Securities code: 7947

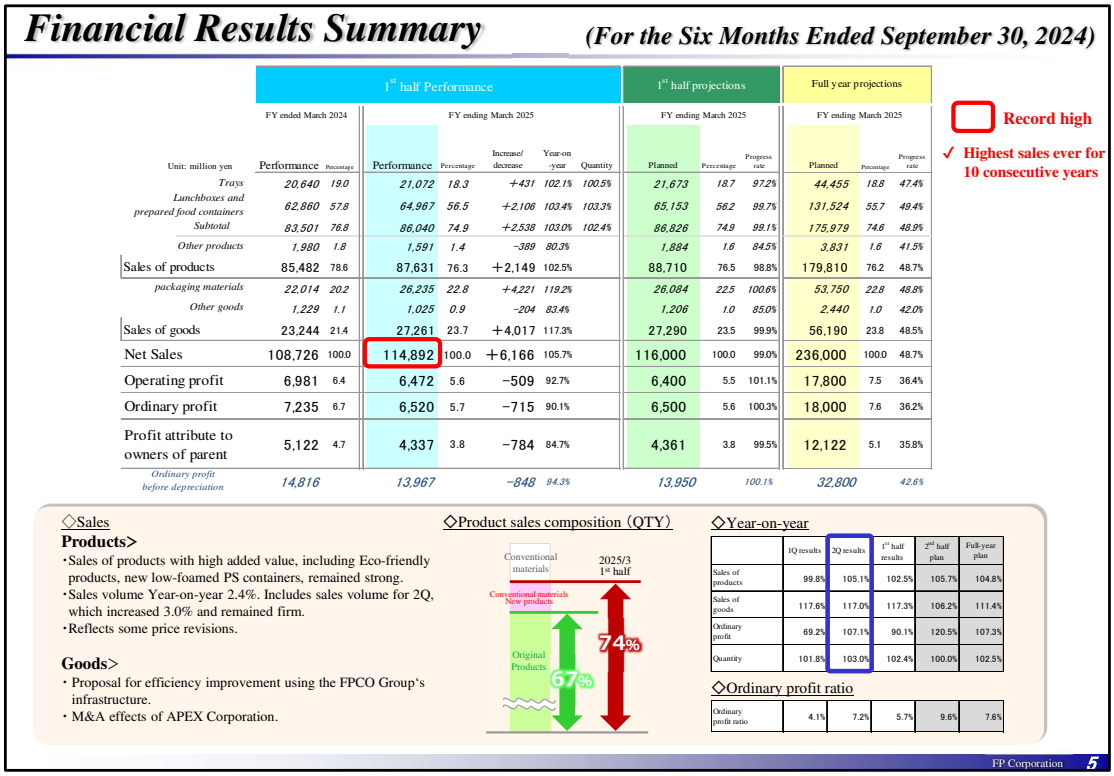
Cautions for Handling This Material

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.

Table of Contents



I am Isao Ikegami. I am the Executive Vice President and Director, Executive General Manager of Finance and Accounting Division of FP Corporation.
Thank you for taking the time out of your busy schedules to join us here today.
I will now go over the results for the first six months of the fiscal year ending March 31, 2025.



First, please look at the figures in the blue box in the lower right.
In 2Q, sales of our products increased 5.1% year on year.
Sales of goods remained steady, up 17% year on year, due in part to the effects of M&A of APEX.
Ordinary profit in 2Q increased 7.1% year on year mainly because the effects of the price revisions were partially reflected.
Product shipment quantity remained steady, up 1.8% year on year in 1Q and 3% year on year in 2Q. It is expected to remain on the same level in the 2nd half.

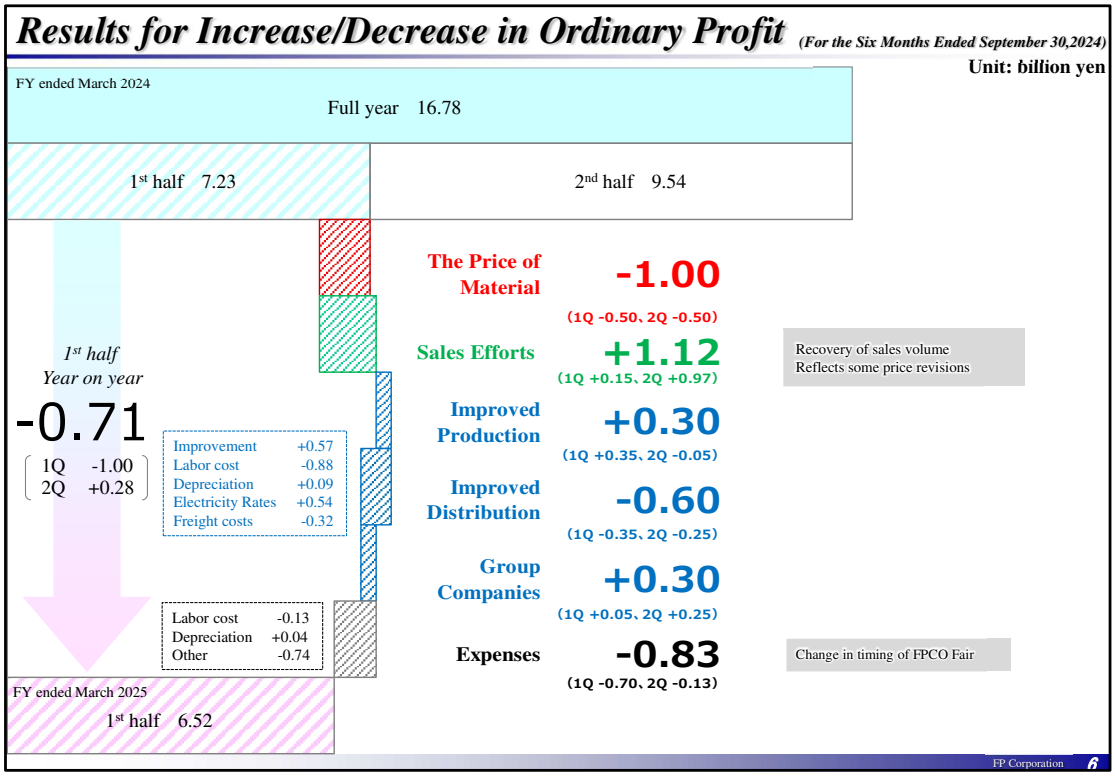
First-half net sales increased 5.7% year on year, to 114,892 million yen. It increased for the tenth consecutive term and reached a record high.

Operating profit was 6,472 million yen, down 7.3 year on year and exceeding the plan by 1.1%.

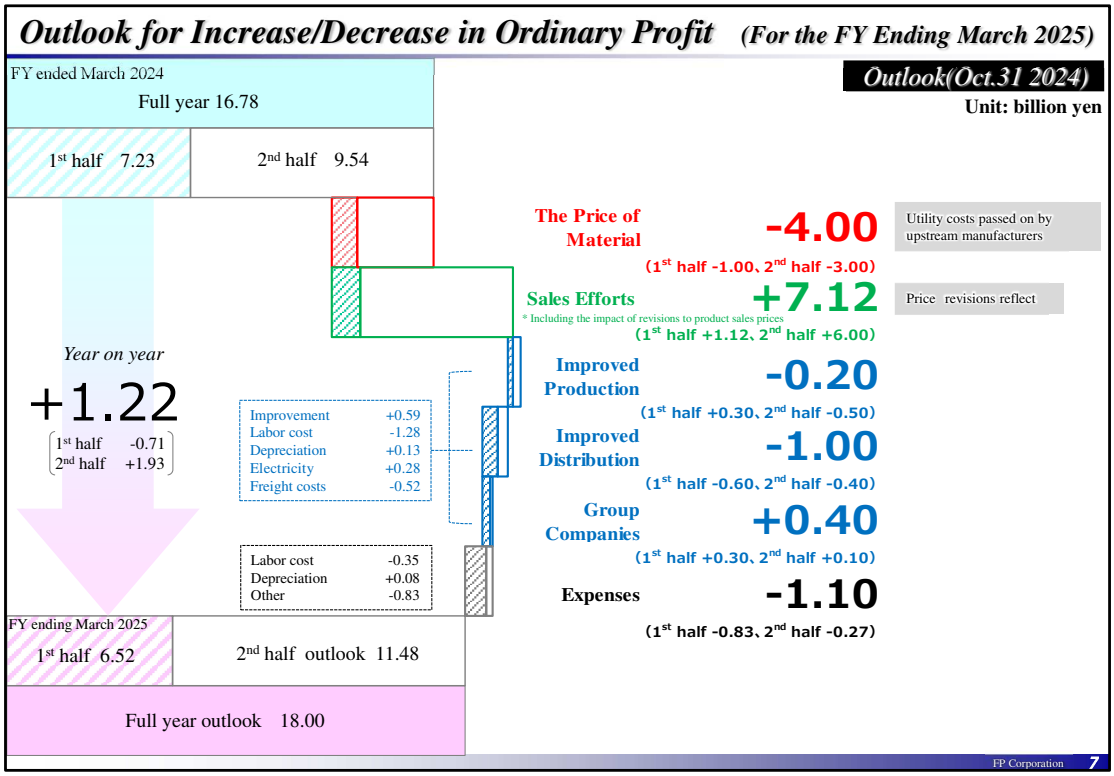
Ordinary profit was 6,520 million yen, down 9.9 year on year and exceeding the plan by 0.3%.

Profit attributable to owners of parent was 4,337 million yen, down 15.3% year on year and falling 0.5% short of the plan.

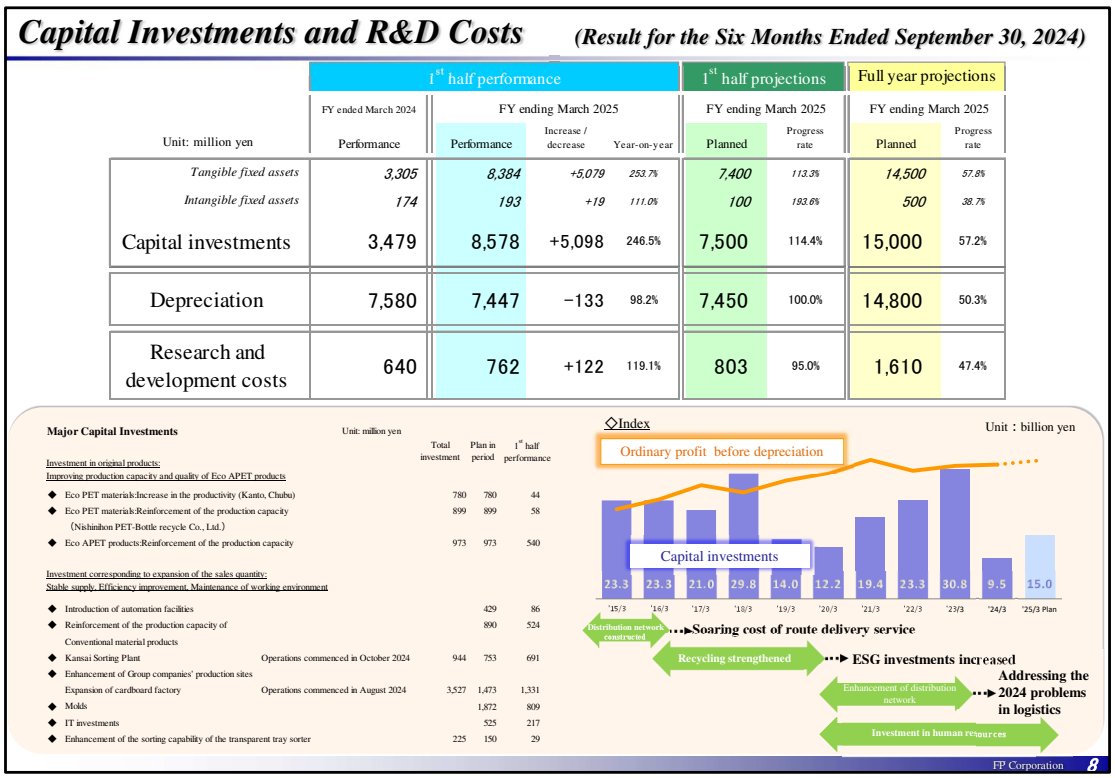
Amid the continued surge in raw material prices, we are stepping up the development of products that reduce plastic usage. By achieving cost reductions through lighter-weight designs, we are working to improve profitability.



First-half ordinary profit decreased 0.71 billion yen year on year as planned at the beginning of the fiscal year.
I will now explain the major factors for the change.
The impact of rising raw material cost was -1.0 billion yen.
The impact of sales efforts was +1.12 billion yen due to a recovery of sales volume and because the effects of the product price revisions were partially reflected.
The impact of increased distribution cost was -0.6 billion yen.
The impact of expenses was -0.83 billion yen. This included -0.31 billion yen as the impact of the change in the time of year when the FPCO Fair was held.
Ordinary profit in 1Q decreased 1.0 billion yen year on year.
In 2Q, it increased 0.28 billion yen because the effects of the product price revisions were partially reflected.



I will explain the outlook for full-year ordinary profit.
The initial forecast value of 18.0 billion yen remains unchanged.
We expect 2nd-half ordinary profit to increase, up 1.93 billion yen, and reach a record high due to the effects of the price revisions.



The initially planned amount of capital investments remains unchanged at 15,000 million yen for the full year.

Balance Sheet

(For the Six Months Ended September 30, 2024)

Unit: million yen

	Previous consolidated fiscal year	1st half of the consolidated fiscal year			
	FY ended March 2024	FY ending March 2025			
	As of March 31,2024	As of September 30, 2024	Increase/ decrease	vs. Mar. '24	Breakdown of main increases and decreases
Current assets	105,516	96,322	−9,194	91.3%	Cash and deposits -5,437 Notes and accounts receivable-trade -4,115
Noncurrent assets	193,063	194,363	+1,299	100.7%	Buildings and structures, net +683
Total assets	298,580	290,686	−7,894	97.4%	
Current liabilities	86,201	80,600	−5,600	93.5%	Notes and accounts payable - trade -1,582 Short-term loans payable -1,545
Noncurrent liabilities	66,534	62,419	−4,114	93.8%	Long-term loans payable -4,266
Total liabilities	152,735	143,020	−9,715	93.6%	
Net assets	145,844	147,666	+1,821	101.2%	Retained earnings +1,497
Total liabilities and net assets	298,580	290,686	−7,894	97.4%	
	Equity ratio	*50.6%*			

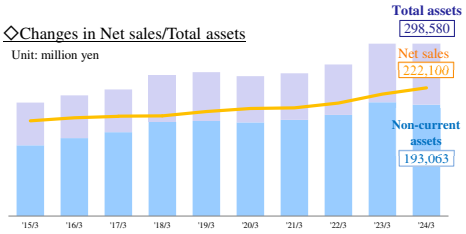
■ Assets — Strategic investments for boosting the production capacity of original products and ensuring stable supply
Utilization of infrastructure to propose efficiency improvements to business partners

■ Liabilities — Utilization of borrowing as capital for strategic investment

■ Net assets — Maintaining A-grade rating for low-cost funding
Strengthening shareholder returns.

◇Changes in Net sales/Total assets

Unit: million yen



FP Corporation 9

Through proactive investment, a full cycle of infrastructure development has been completed.
We will continue to suggest utilizing our infrastructure for improving the management efficiency of our business partners.

Cash Flows

(For the Six Months Ended September 30, 2024)

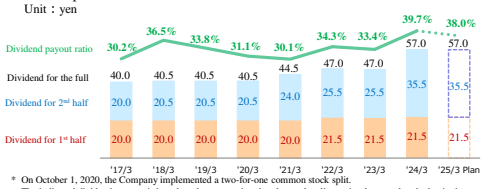
Unit: million yen	FY ended March 2024 Performance	Results for 1st half Performance	FY ending March 2025 Breakdown of main items	
CF from operating activities	14,021	11,637	Income before income taxes	6,472
			Depreciation	7,447
			Income taxes paid	-2,473
CF from investing activities	−6,912	−8,205	Purchase of property, plant and equipment	-7,767
Free cash flows	7,109	3,431		
CF from financing activities	−7,162	−9,262	Repayment of long-term loans payable	-5,811
			Cash dividends paid	-2,867
Net increase(decrease)in cash and cash equivalents	−52	−5,830		
Cash and cash equivalents at end of period	22,202	18,269		

■ 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

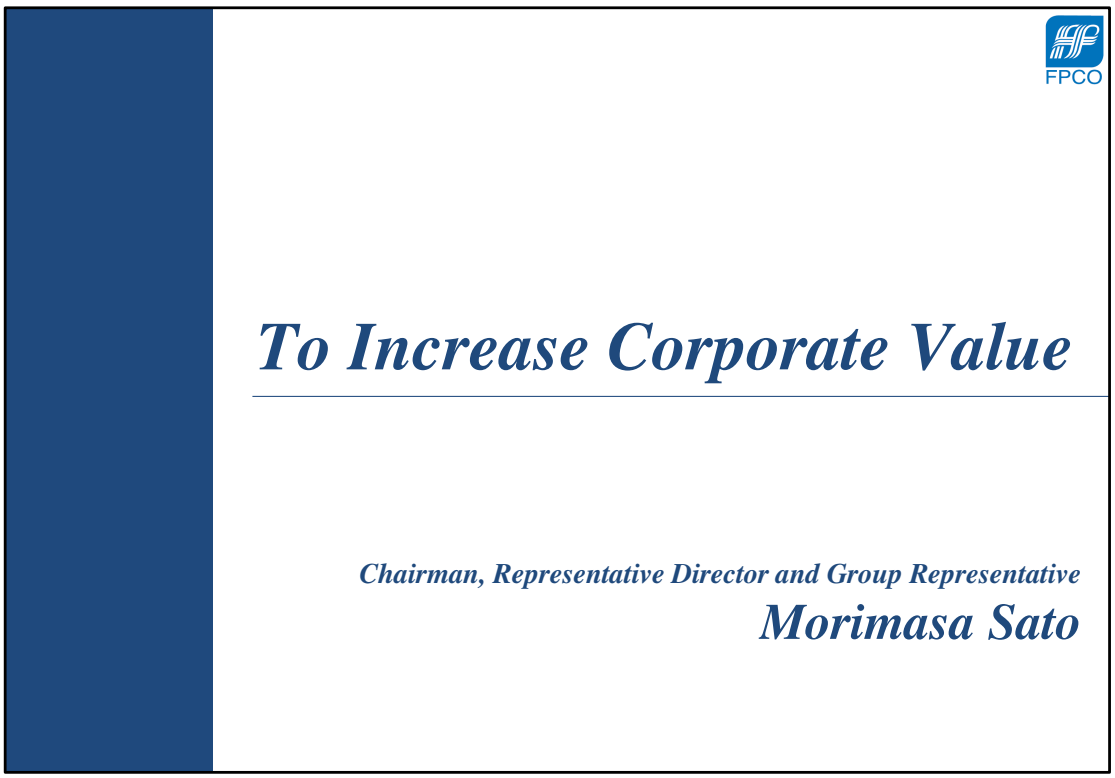
■ CF from financing activities
January 2024 Increase in dividend payout ratio 30% → 40%
February 2024 Acquisition of treasury shares conducted 3 billion yen

《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

Cash flows from operating activities remained stable due to the sales expansion of eco-friendly products and lightweight containers.
The target consolidated payout ratio is 40%. We will consider agile and flexible returns.
The planned amount of interim dividend is 21.5 yen, that of the year-end dividend is 35.5 yen, giving a planned full-year dividend of 57 yen.
This concludes my reports on the 1st-half results and full-year outlook for the fiscal year ending March 31, 2025.
Thank you for your attention.



I am Morimasa Sato, Chairman, Representative Director and Group Representative.
Thank you very much for your time today.

Table of Contents

I will explain our current conditions.

I will start with the product price revisions.

Product Price Revisions

April, 2024

To Our Business Partners

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.

Released on April 30, 2024

1. Target items and rate of increase

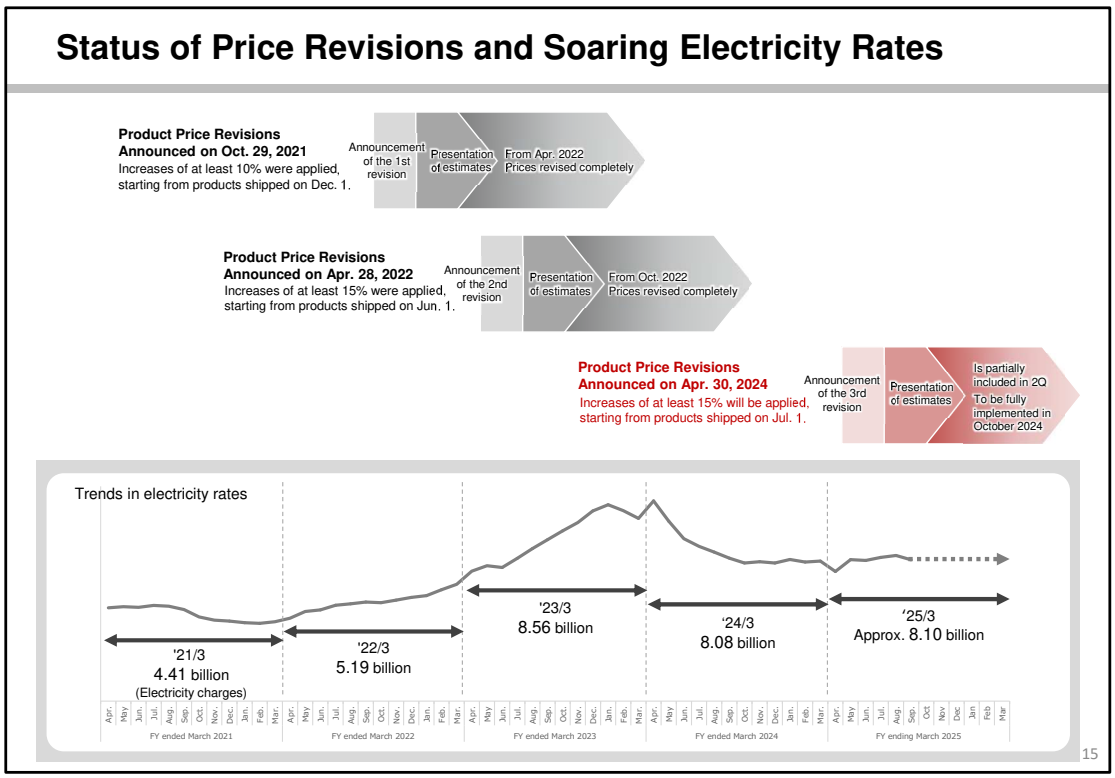
All products: 15% or higher

2. Time of revision

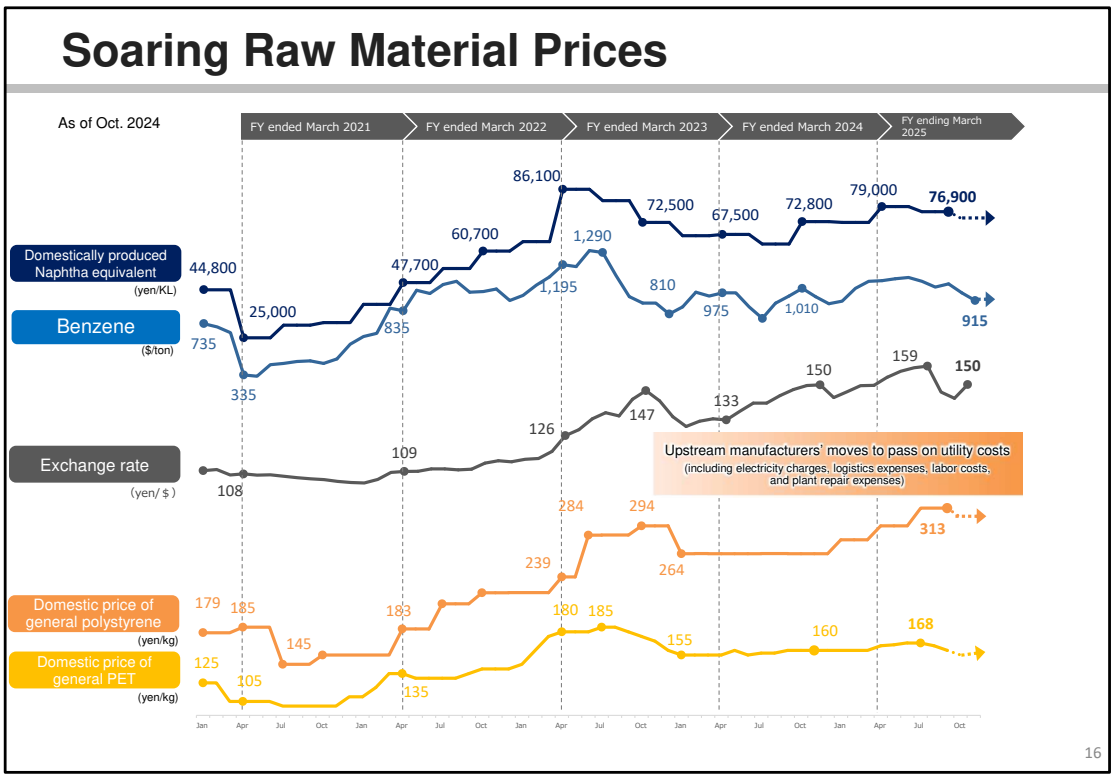
New prices will apply starting from products shipped on July 1, 2024.

14

On April 30, we announced that prices would be increased by 15% or more starting with the products shipped on July 1.
We have increased prices three times in three years, a first in the industry.



I will explain why the third price increase was necessary.
The upper part of the slide shows when we announced the past two product price revisions.
The graph in the lower part indicates trends in electricity rates.
The past two revisions reflected soaring raw material prices. At the time of the second price revisions, electricity rates rose significantly.
Electricity charges had long been around 4.0 billion yen.
They soared to 8.5 billion yen.
They will probably end up around 8.0 billion yen this year.
This doubling of the 4.0 billion yen in charges was not reflected in the previous revision.
This applies to all industries.
Raw material manufacturers requested that we accept price increases reflecting higher utility costs in addition to the higher prices of naphtha, etc. This is why we decided to revise prices a third time.
As a result, while we couldn't cover the full amount, we were able to increase prices to a satisfactory extent.
Profit declined 1.0 billion yen in 1Q. However, it turned upward approx. 0.3 billion yen in 2Q (three months).
We began to apply the new prices starting with the products shipped on July 1, and a part of it has been reflected in 2Q. The full amount of the revisions will be reflected in October in the 2nd half.
Therefore, we believe that we will achieve record-high results in the 2nd half.
The greatest reason for the success of the third price revisions was that companies in the industry and wholesalers moved in step with each other.
Actually, a generational change has taken place at most companies in the industry.
New leaders will stay in their positions for at least ten years, so I think that their experience with the third price revisions is significant for the industry.



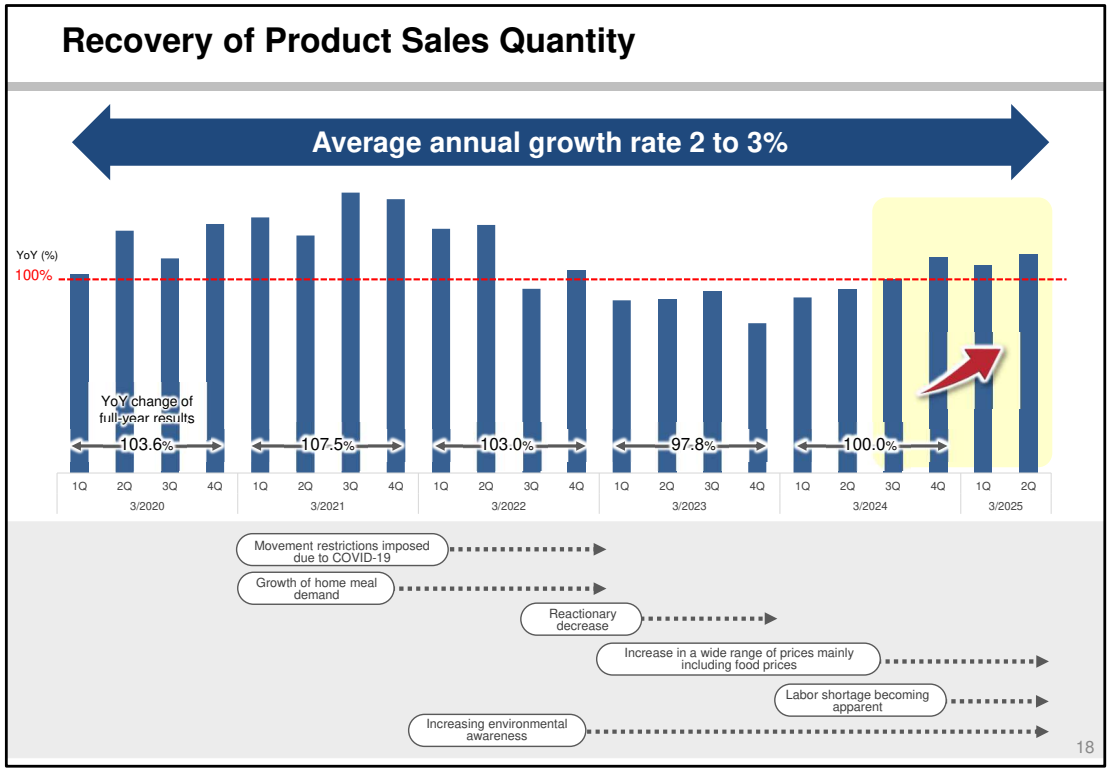
On the other hand, the rise of raw material prices has slowed down a little.
The price of domestically produced Naphtha has also been declining slightly.
We don’t know how the petrochemistry trends will change, but as long as the present trends continue, the steep rise of raw material prices is unlikely.

01. Price Revisions/Raw Material Trends

02. Competitive Advantages of FP Corporation

- Product Development
- Eco-Friendly Strategies
- Stable Supply

03. Growth Strategy



I will explain our current conditions.
There was special demand during the COVID-19 pandemic. After the end of the pandemic, sales of fresh food declined significantly at supermarkets. These sales, including sales of prepared food, have begun to recover.

Supermarket chains that have 50 or more stores are facing a serious labor shortage. They cannot prepare their products in the back areas of their stores.
They invested to build factories called process centers and consolidate their processes there to increase efficiency.
In factories, each one of the steps shown in the upper part of the slide have been automated, including feeding containers, dishing out, lidding and top seal packaging, labeling, and transportation.
Various manufacturers are developing machines for automating the individual steps, instead of the entire process.
This means that our containers need to be compatible with these machines.
Exchanging information with machine manufacturers, we are developing containers which will be the recommended containers to be used with their machines.

Addressing Labor Shortages (2)
Container that Reduces Tsuma (Shredded Radish)

Container that reduces tsuma (Shredded radish)

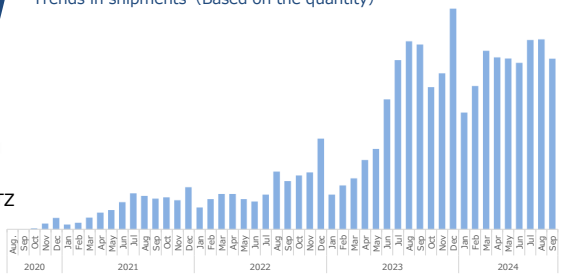
S Stage

Chokakubachi TZ

Tsuma 80g

Tsuma 0g

Trends in shipments (Based on the quantity)



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

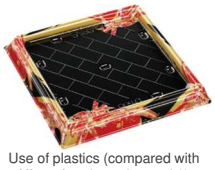
20

Containers with no tsuma have been fully established.
Conversely, sashimi without tsuma has begun to be considered normal.
This is also mainly a result of the labor shortage.

Reducing Plastic Usage (1)
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 PS containers (HIPS)

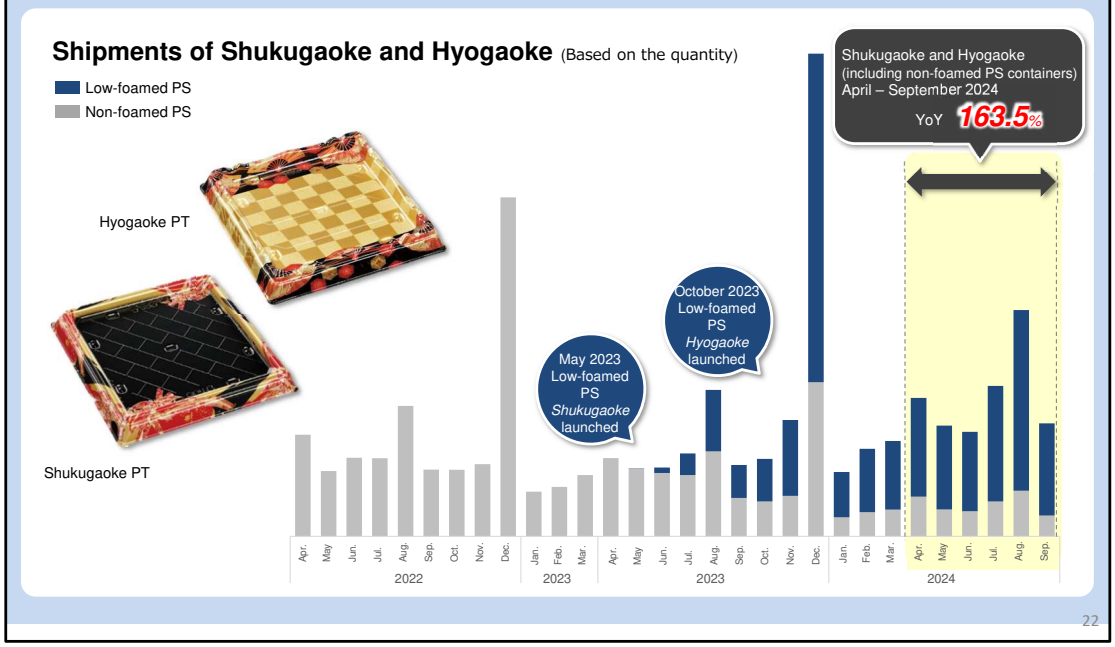
Shukugaoke PT	Hyogaoke PT	Ryokaku	Reikaku
			
Use of plastics (compared with HI product (container only))			
Approx. 60% reduction	***Approx. 60% reduction***	***Approx. 40% reduction***	***Approx. 50% reduction***

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

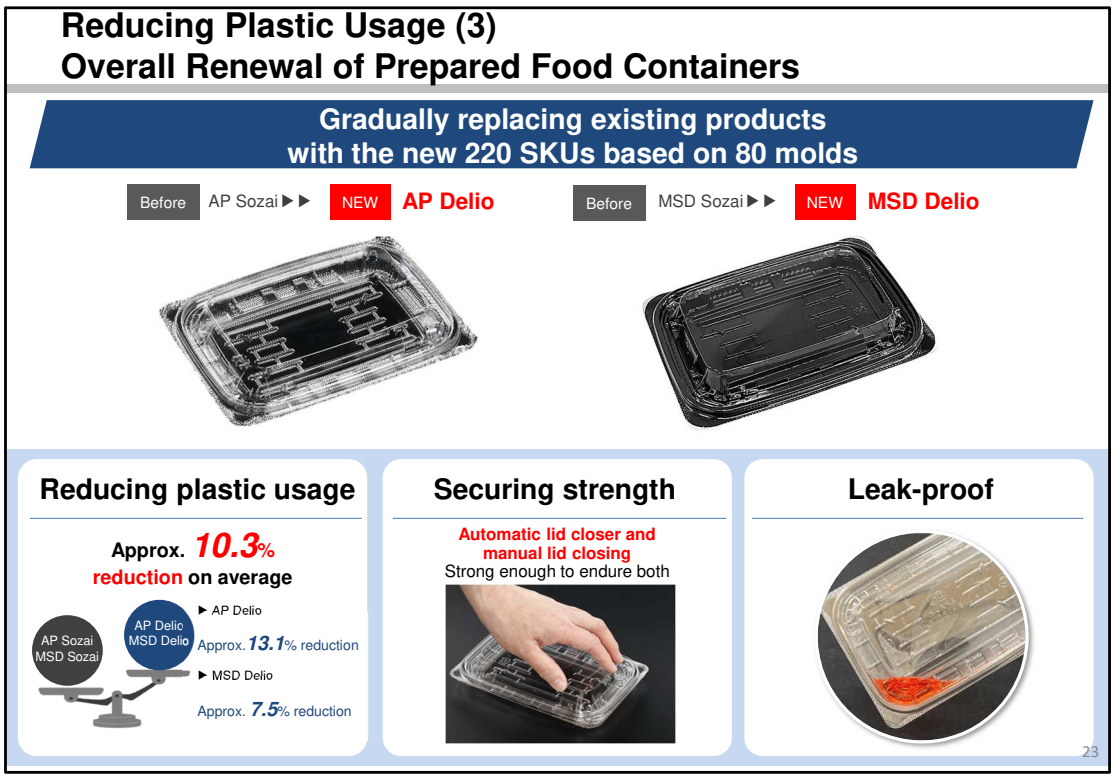
21

To reduce plastic usage, we have developed a highly innovative low-foaming technology.
The slide shows Oke containers for sushi.
By switching large containers such as these from the previous solid HIPS containers to low-foamed PS containers, we can reduce their weight by approx. 60% and the amount of resources we use will be approx. 40% of what was used previously.

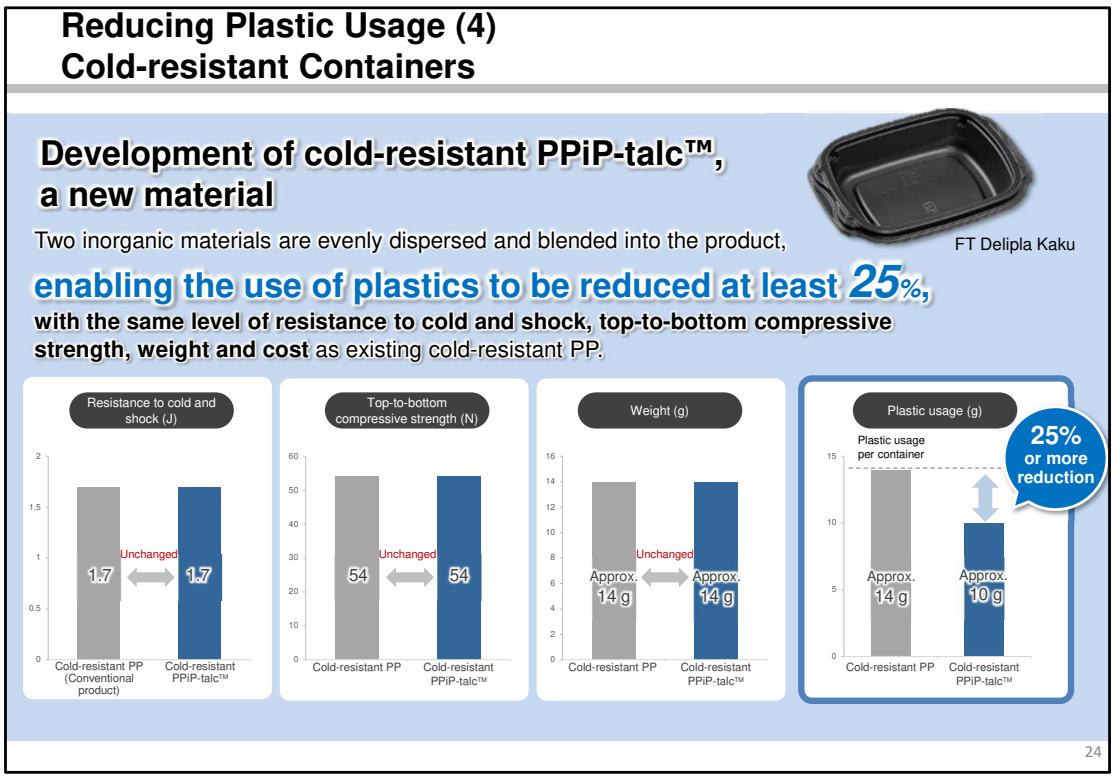
Reducing Plastic Usage (2)
Growth of Low-foamed PS Oke Series Products



Around October 2023 we launched the low-foamed PS Oke series of containers that we have developed.
Shipments of these containers and non-foamed containers in 1st half 2024, including during the Bon holiday, grew 63.5% year on year.
There was a peak in December 2023, and we believe replacement will progress even further in December 2024.
We have clearly been capturing competitors' market shares.

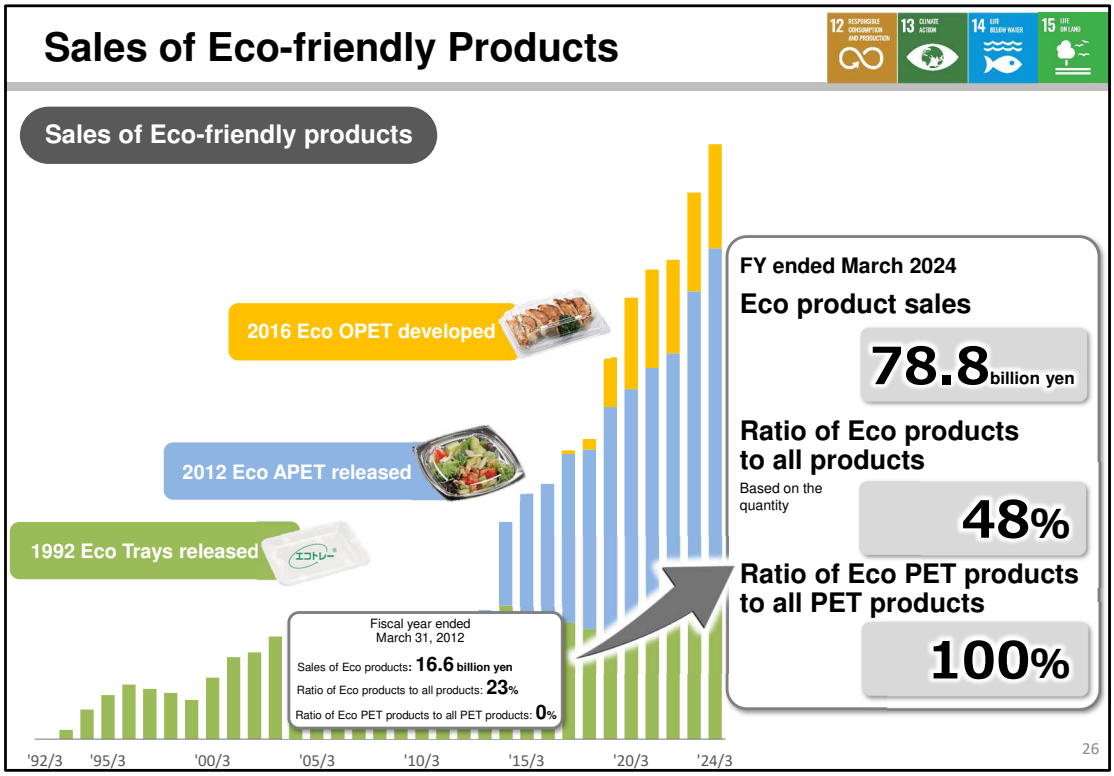


I will explain general-purpose prepared food containers.
Reducing thickness is the only way to reduce the weight of transparent containers.
Advanced technologies are required to reduce the thickness while also making them strong.
It now appears that an approx. 13.1% weight reduction is possible using our technology, so we will replace all general-purpose prepared food containers.
Plastic usage will be reduced by approx. 10.3% on average because we also have Multi Solid containers.
We plan to finish replacing all of the 220 SKUs by the spring of 2025.
This means we need to remake as many as 80 molds. We are probably the only manufacturer that can do this at once.
This is possible due to the large quantity we can sell.
Replacing all of the molds will enable us to reduce the weight of general-purpose prepared food containers, approx. 10.3%, including the transparent containers that are used most widely.
We believe that being able to invest in molds allows us to differentiate ourselves from others.



We expect frozen food to be even more widespread.
We believe that the recent labor shortage has made it difficult to continue collecting, washing, and delivering containers for nursing care food and hospital food every day as had been done previously.
As such, demand for frozen food will certainly increase.
In response, we have developed a technology that enables us to reduce the amount of plastics used in cold-resistant containers made from polypropylene more than 25%.
Products using this technology will probably begin to be used by major food manufacturers and frozen food manufacturers in 2025.
I think our accumulation of technologies such as these will begin to produce effects.

I will explain sales of eco-friendly products.



The ratio of eco-friendly products to all products has grown to 48%.
In just the 1st half, it was 51%.
Transparent Eco APET containers are often used for cold noodles.
Demand for them rose in the 1st half partly because of the extreme heat in the summer of 2024.
Eco-friendly products increased by 7.8%, and the majority of them are Eco APET products.
As a result, the ratio of eco-friendly products exceeded 50% in the 1st half.
Although the ratio may be below 50% in the 2nd half, this shows the extent to which they have grown.

At present, we are proposing that supermarkets proactively use our eco-friendly products.
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 whenever possible.
This is the "Store to Store recycling" that starts and ends at the same store.

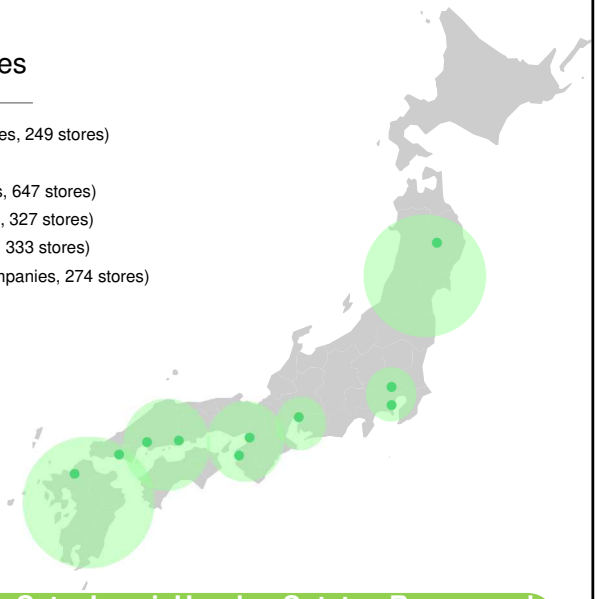
Increase of Companies/Stores under Declaration of “Store to Store Recycling” Collaboration

80 companies, ***2,295*** stores

Nov. 2022	**Chugoku CGC Co., Ltd.** (15 companies, 249 stores)
Oct. 2023	**EVERY Co., Ltd.** (45 stores)
Nov. 2023	**Kyushu CGC Co., Ltd.** (23 companies, 647 stores)
Mar. 2024	**Tohoku CGC Co., Ltd.** (11 companies, 327 stores)
Jun. 2024	**Kansai CGC Co., Ltd.** (23 companies, 333 stores)
Jul. 2024	**RETAIL PARTNERS Co., Ltd.** (3 companies, 274 stores)
Jul. 2024	**YAOKO Co., Ltd.** (189 stores)
Aug. 2024	**OKUWA Co., Ltd.** (152 stores)
Sep. 2024	**Aoki Super Co., Ltd.** (51 stores)
Sep. 2024	**Odakyu Shoji Co., Ltd.** (28 stores)


Joint Press Conference with Chugoku CGC

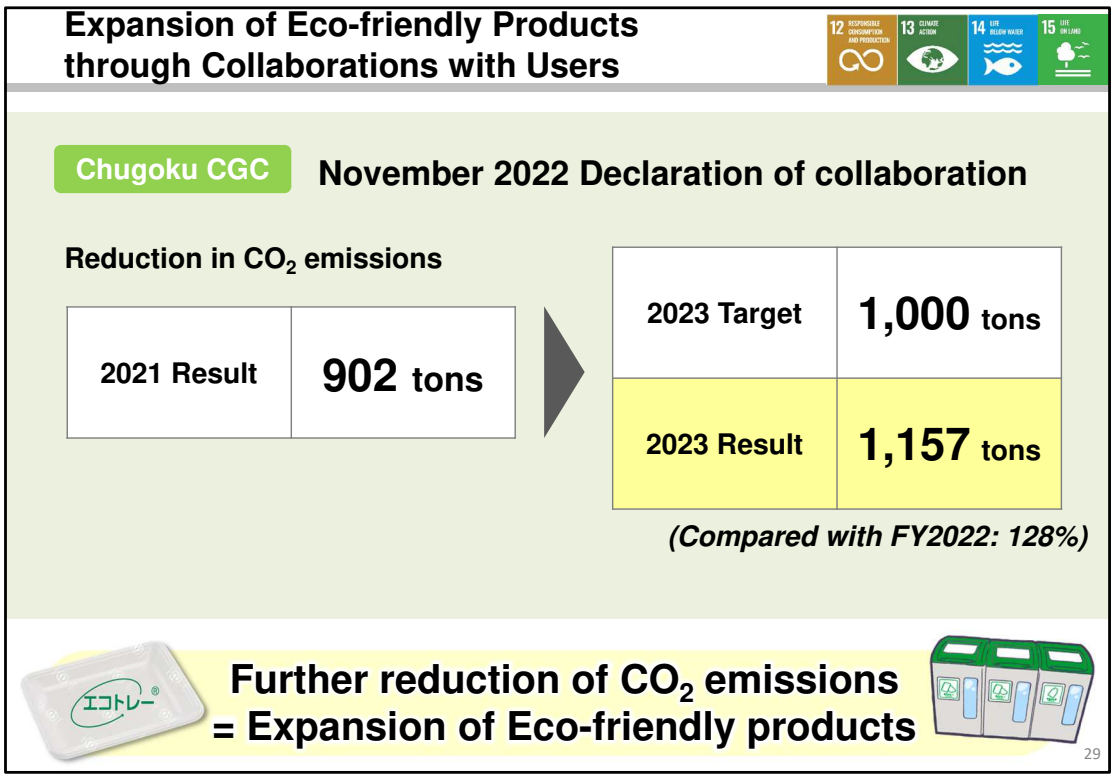

Joint Press Conference with RETAIL PARTNERS



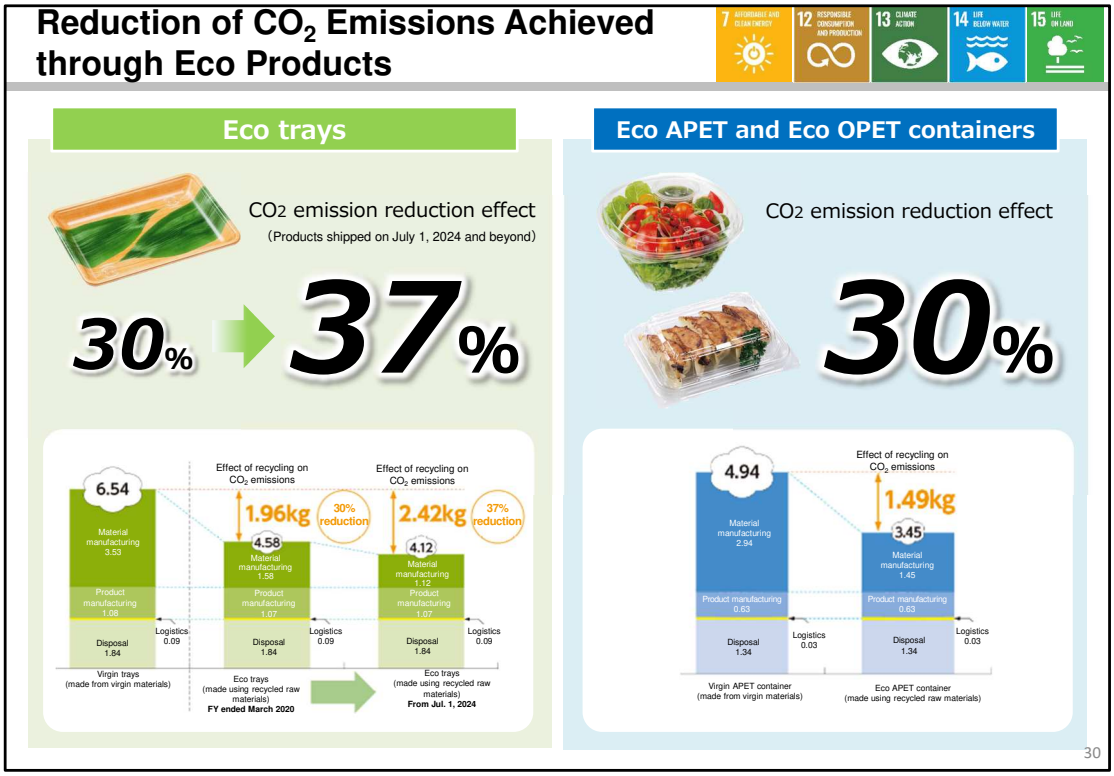
Coordination is under way to include Sato, Izumi, Uoroku, Sotetsu Rosen, and others in the declaration of collaboration.

28

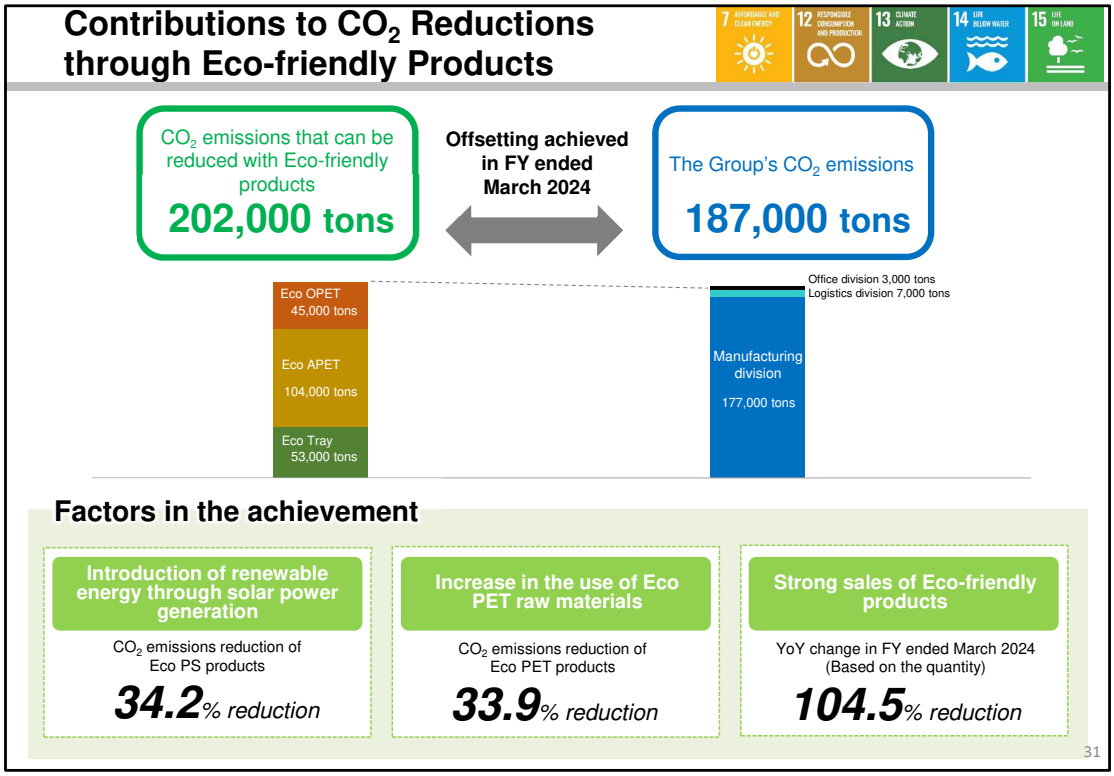
We asked supermarkets to participate in the “Store to Store recycling,” and many supermarkets agreed to cooperate with us.
At present, 80 companies operating nearly 2,300 stores have declared that they will collaborate with us in promoting eco-friendly activities.



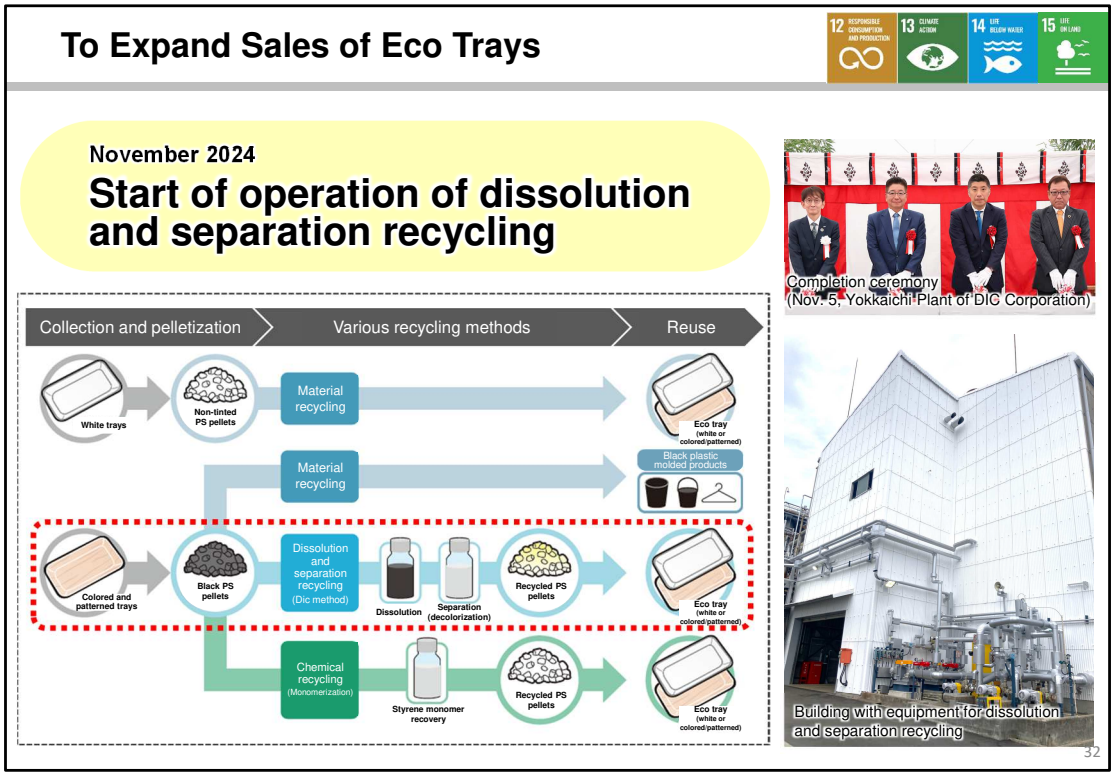
In the announced collaboration, a CO_2 emission reduction target is set, and the contribution to CO_2 emission reduction through the use of eco-friendly products will demonstrate.
For example, Chugoku CGC set the target of increasing its reduction of CO_2 emissions from 902 tons in 2021 to 1,000tons in 2023.
The actual reduction in CO_2 emissions in 2023 was 1,157 tons, up 28% from the FY2021 level.
They used another 28 percent of our eco-friendly products. This means that they replaced 128% of containers with our eco-friendly products.
A decade ago, a declaration of collaboration which forces customers to use our products would have been impossible. However, through these declarations, companies must announce that they are using environmentally conscious products to gain approval from consumers.



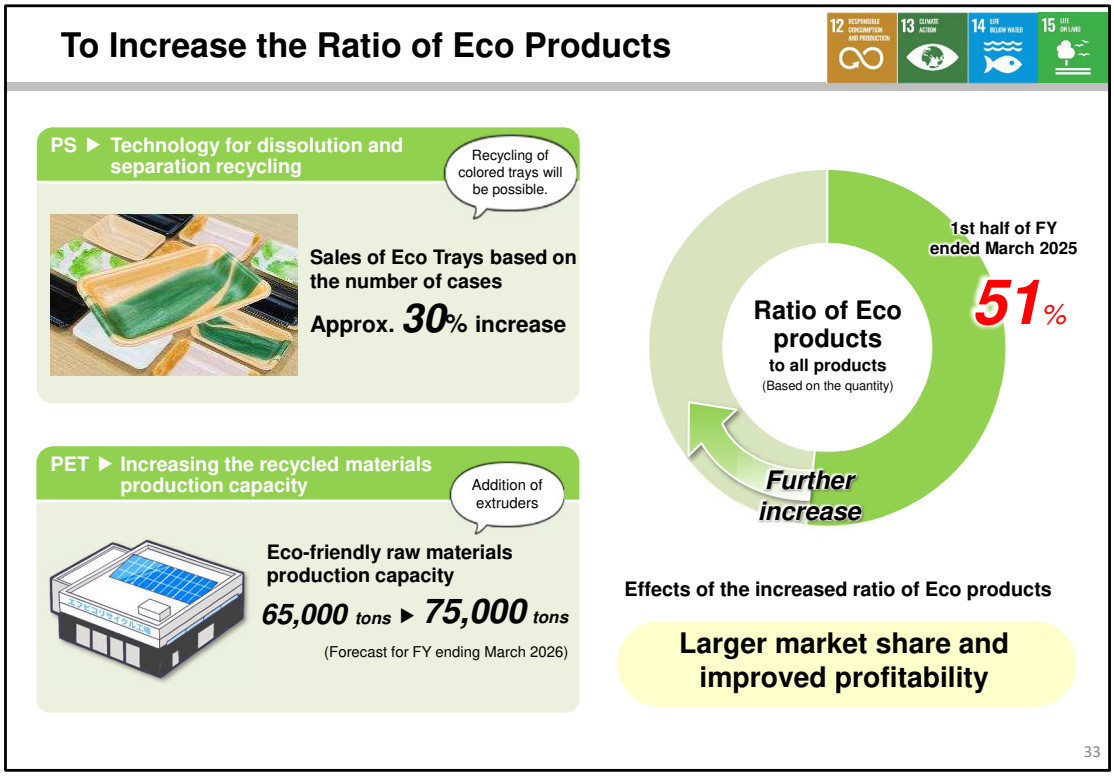
I will explain the reduction of CO_2 emissions achieved through the eco-friendly products. All of our recycling plants in Kanto, Chubu, and Fukuyama operate on solar electricity from March 2024.
As a result, the Eco trays CO_2 emissions reduction rate increased from 30% to 37%, starting with the products that were shipped on July 1, when the replacement of product inventory was completed.



Rigorous calculations last fiscal year enabled us to learn that our manufacturing and sales of eco-friendly products reduced CO_2 emissions by 202,000 tons compared to the use of virgin materials.
Scope 1 and 2 CO_2 emissions from our business activities were 187,000 tons last year. However, by manufacturing and selling eco-friendly products, we have managed to reduce CO_2 emissions beyond our own emissions and have announced this achievement.
We achieved this one year ahead of schedule.



We issued a press release about the completion ceremony for the dissolution and separation recycling plant with DIC.
About half of the trays we collect are colored and patterned trays and the other half are white ones.
We recycle white trays into Eco Trays through material recycling and sell them.
Colored and patterned trays were recycled into other products such as the bodies of home appliances.
However, DIC has developed a dissolution and separation technology for removing only the inks from colored and patterned trays.
We held a completion ceremony for the plant.
It will begin operating. We will deliver 1,200 tons of the approx. 4,000 tons of colored and patterned trays that we collect to DIC, and DIC will remove the inks from them.
From April 2025, they will begin to supply approx. 10,000 tons of recycled raw materials, including the above.



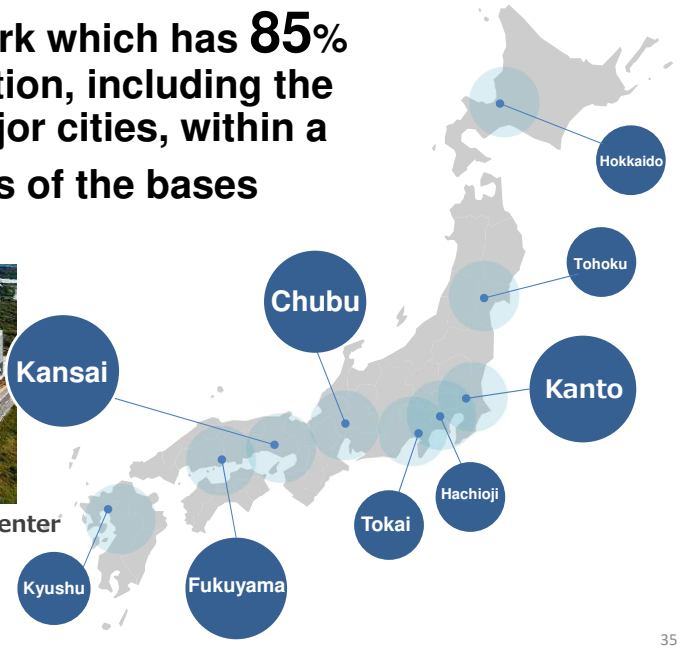
The dissolution and separation recycling technology will lead to an approx. 30% increase in the number of cases of foamed PS Eco Trays sold and an increase in the ratio of eco-friendly products at FP Corporation.
We believe this is a significant development because it will further increase the eco-friendly product options available to supermarkets which have signed onto the declaration of collaboration.
We will also increase the capacity of the PET recycling plant in Kanto.
The ratio of eco-friendly products increased to 51% in the 1st half. We expect that it will rise to from 55% to 56%.

I will explain the advantages of our infrastructure.

Nationwide Logistics Network

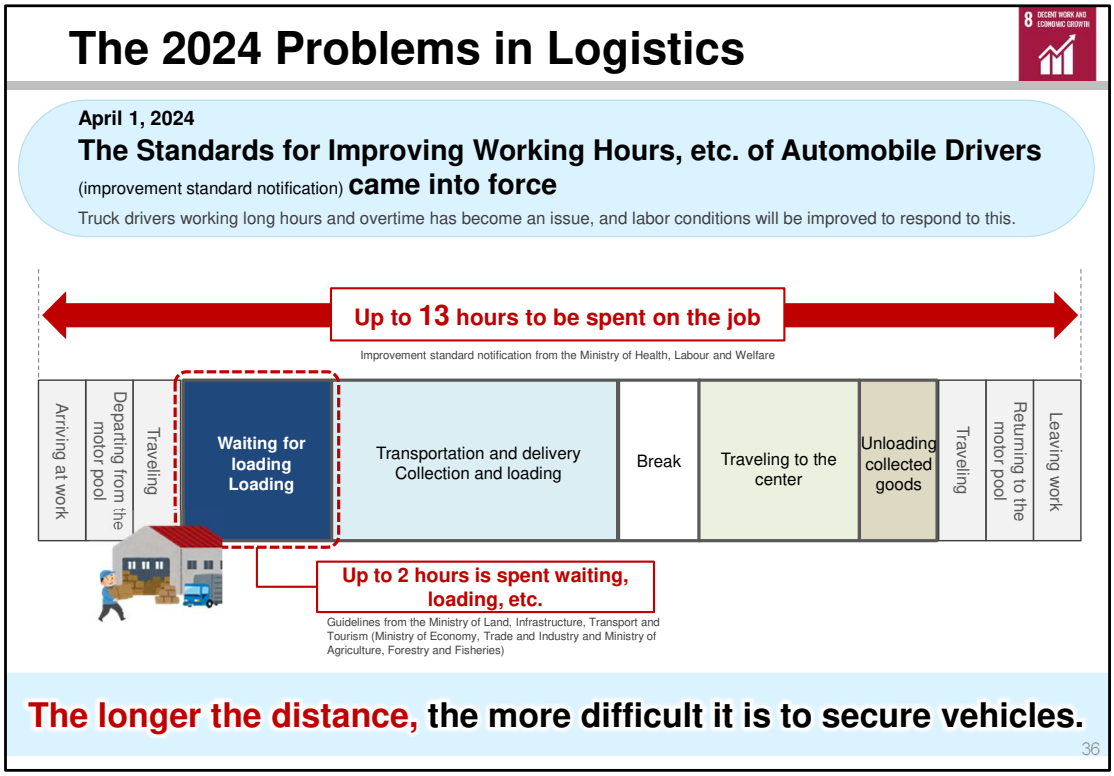
Completed a network which has 85% of the total population, including the populations of major cities, within a 100 km radius of the bases

Kansai Plant and Kansai Hub Center
Commencement of operation: January 2023
Investment: 26,670 million yen
Total floor area: 79,883.65 m2



35

Following the completion of the Kansai Hub Center, if we draw circles with a 100 km radius around our distribution centers across Japan, we can see the logistics network we have established covers 85% of the total population of Japan.



The point regarding the 2024 problem that we must be most careful about is that drivers must not spend more than 13 hours working per day. Delivery distance impacts this greatly.

Addressing the 2024 problems in logistics

Up to 13 hours to be spent on the job — **Jan. 2023: Commencement of operation of Kansai Hub Center**

	November 2022	September 2024
Fukuyama Hub Center	34 units	0 unit
Kansai Hub Center	–	0 unit
Total	**34 units**	**0 unit**

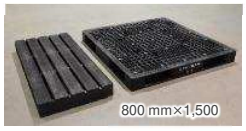
There is no longer any long-distance travel from the Fukuyama Hub Center to the Kansai area, which resulted in a **reduction** of **the number of trucks whose drivers spend more than 13 hours at work.**

Up to 2 hours spent waiting, loading, etc. — **Use of sorters and dedicated pallets for transportation and the consolidation of loading and unloading areas**

	September 2023	September 2024
Number of trucks operated per day	680 units	700 units
Number of trucks whose drivers spend more than two hours waiting and loading which are included in the above	**230 units**	**24 units**

The use of sorters and dedicated pallets for transportation 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



37

Before the Kansai Hub Center was completed, our products were delivered from the Fukuyama Hub Center to the Wakayama, Mie, and Osaka areas, and 34 routes required that drivers spend more than 13 hours working.
Currently there are no routes like this because all of them been transferred to the Kansai Hub Center.
The 13 hours also include loading time.
There were 230 trucks whose loading time was two hours or longer. We reduced this to 24 by devising various creative measures.

Increase in Logistics Costs

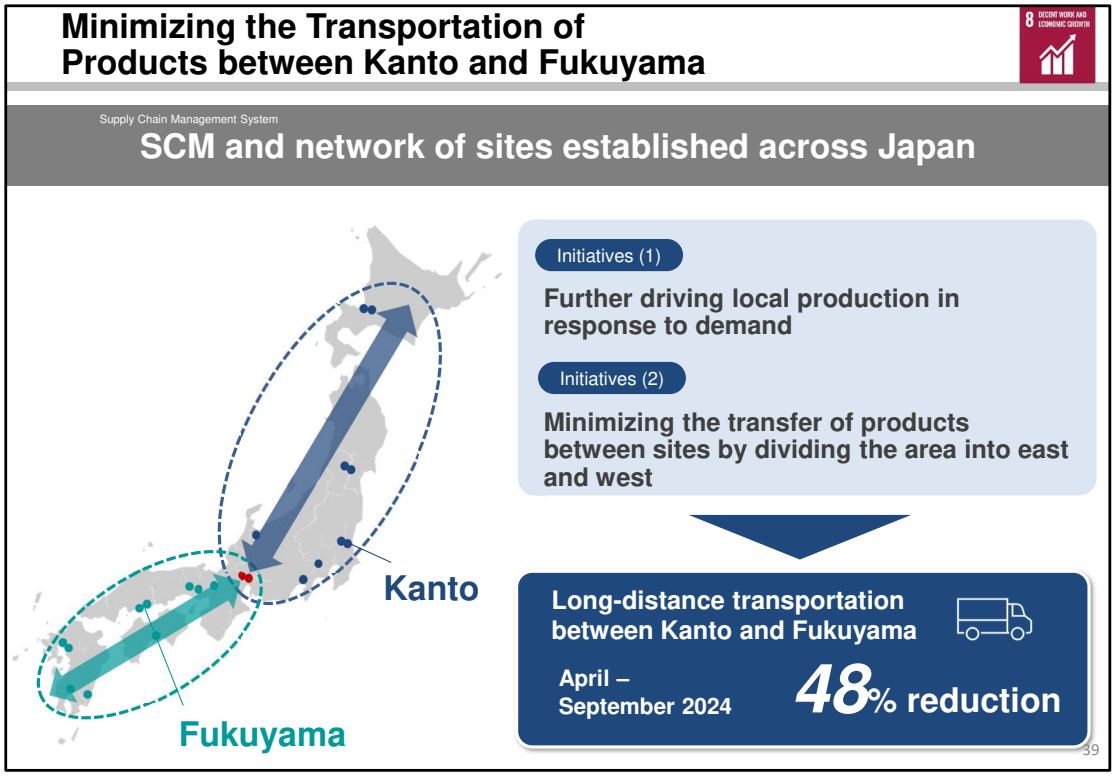
Increase in costs for long-distance/additional transportation

Year-on-year changes in the cost of vehicles

Peak season	Delivery for sales		Transfer of goods between sites	
	Number of vehicles	Over cost	Number of vehicles	Over cost
Year-end holidays (December 2023)	102.5%	**103.0%**	112.1%	**339.3%**
GW (May 2024)	100.1%	**110.5%**	105.4%	**381.6%**
Bon holidays (August 2024)	103.5%	**105.5%**	103.0%	**694.9%**

38

Further, we also face soaring truck prices and the difficulty of securing vehicles.
Urgent transportation arrangements during the year-end holiday or similar times will cause us to incur additional costs.
During the Bon holiday in 2024, the cost increased to six times what it was in 2023.
Urgent transportation arrangements cannot be made without paying these costs.



We have divided the area into east and west with an overlap in Chubu. We are reducing long-distance transportation between Kanto and Fukuyama.
As a result, transportation between Kanto and Fukuyama from April to September, including during the Bon holiday, was reduced by about half.
This reduced costs drastically, by approx. 70% most recently.
The presence of production bases evenly distributed across the country makes this division possible.

01. Price Revisions/Raw Material Trends

02. Competitive Advantages of FP Corporation

- Product Development
- Eco-Friendly Strategies
- Stable Supply

03. Growth Strategy

40

I will explain our growth strategy.

Medium- and Long-term Targets

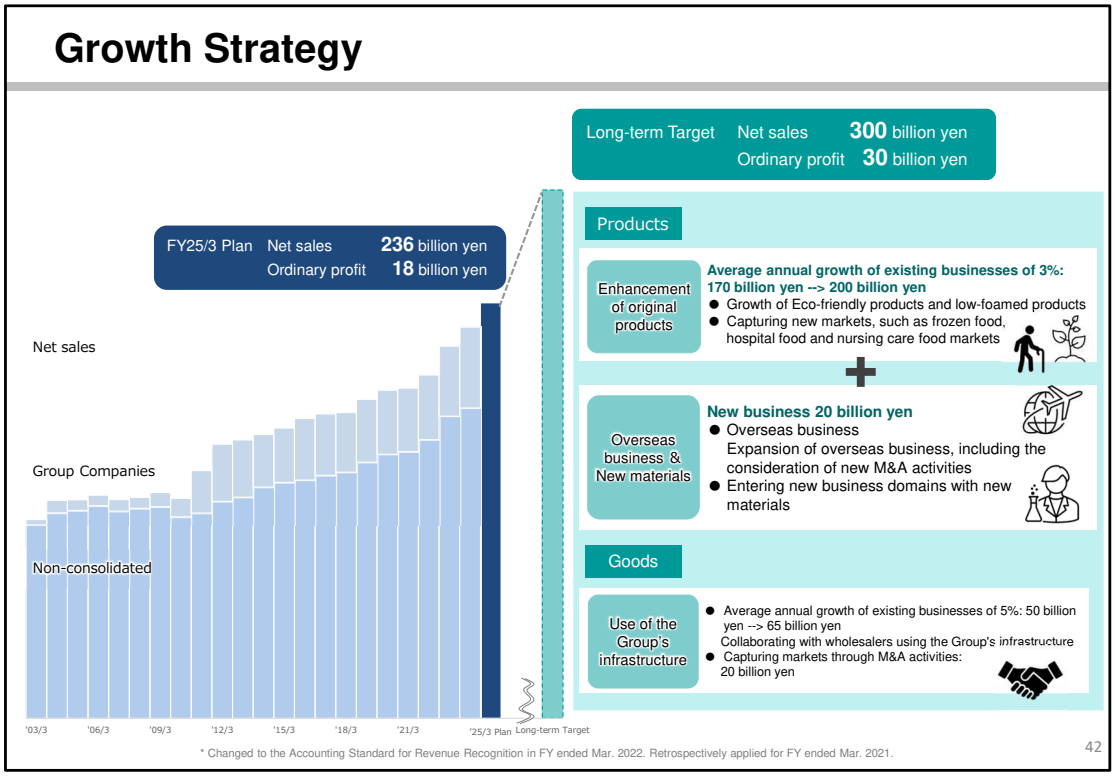
- **Achieving net sales of 300 billion yen, ordinary profit of 30 billion yen, and improvement of ROE to 11% by 3/2030**
- **Shareholder returns**
  Dividend payout ratio of 40%, aiming to increase dividends in response to the medium- to long-term growth of profit
  Considering acquisition of treasury 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	7.6%	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	57 yen Aiming to increase dividends in response to medium- to long-term profit growth	
Purchase of treasury share	30	Consider flexible stock buybacks	

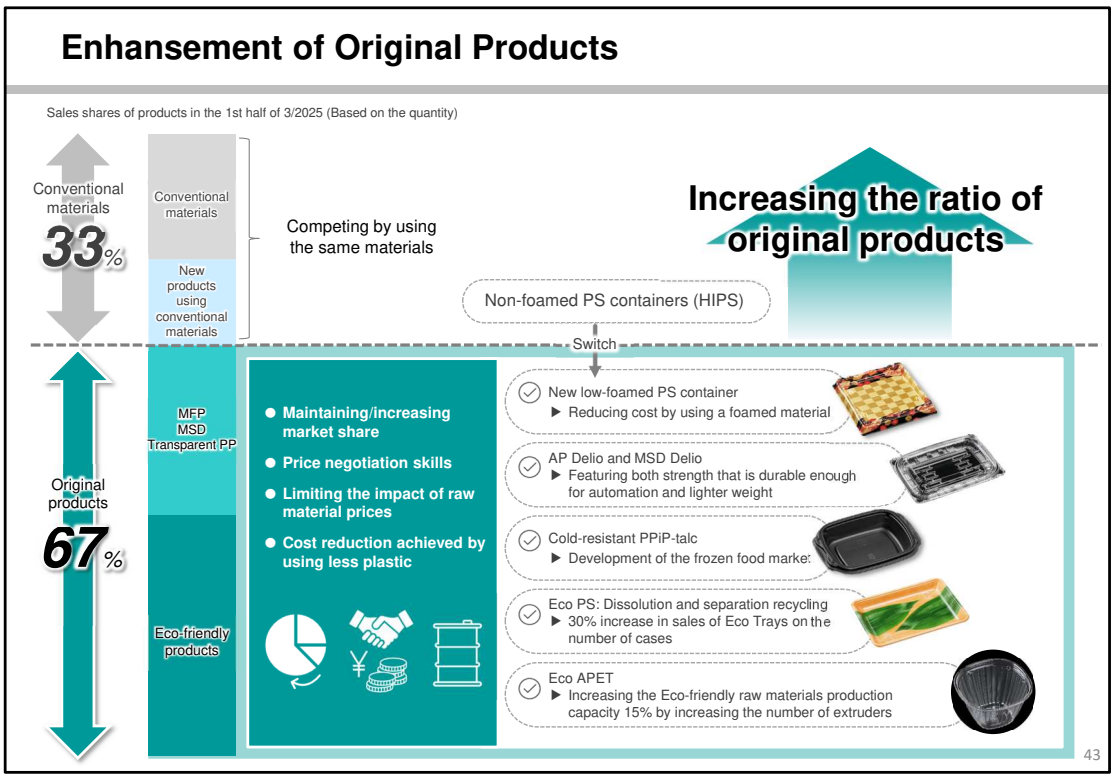
* The equity figures are as of the beginning of fiscal year.

41

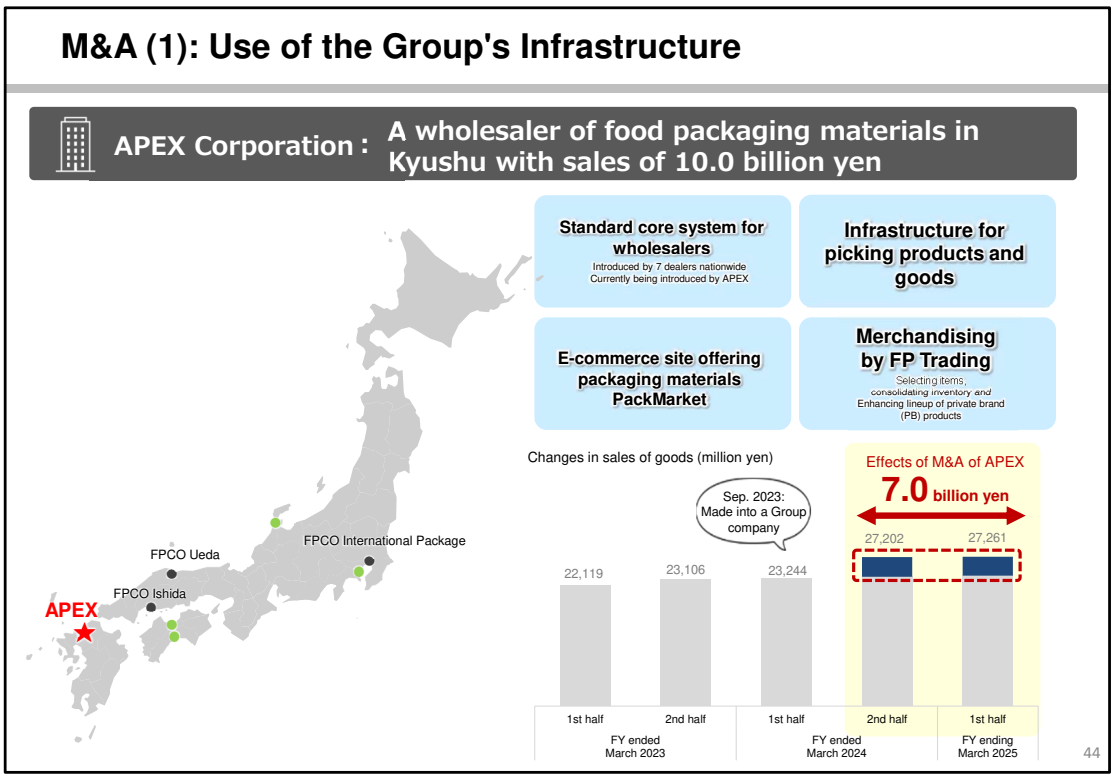
We aim to achieve net sales of 300.0 billion yen, ordinary profit of 30.0 billion yen and improvement of ROE to 11% by 3/2030.
In our shareholder return policy, we have increased the dividend payout ratio from 30% to 40%.



I will explain how we will achieve our targets.
At present, sales of products is 170.0 billion yen. We believe we can increase this to 200.0 billion yen.



Our products are increasingly used in the frozen food, nursing care and hospital food and supermarkets have constructed factories called process centers.
Supermarkets with factories begin the in-house production of products which sell well, and sweets have begun to be included in these products.
We didn't have much of a presence in the sweets market, but when supermarkets start making their own sweets, that market suddenly becomes part of ours.
Including these factors, our market continues to expand.
We will combine various technologies to achieve an increase to 200.0 billion yen.

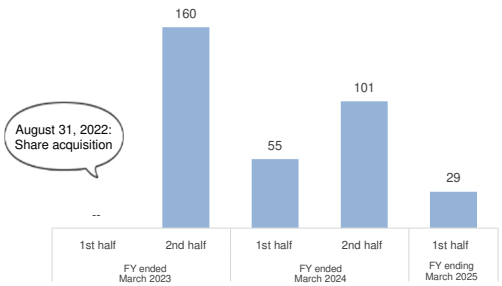


We have acquired APEX, the No. 2 food packaging material wholesaler in Kyushu, through an M&A activity.
As a result, the Group has four wholesalers now.
In addition, we have developed a standard core system for wholesalers. It is used by four dealers with no capital relationship with us in addition to the four Group companies.
The system is highly aligned with our products and the products of FP Trading. It has a mechanism in which the more our logistics infrastructure is used, the smaller the logistics burden borne by dealers will be.
Our Group company FPCO International Package is a wholesaler. The size of their business is approx. 28.0 billion yen.
Using our logistics infrastructure, this company performs extremely efficient management and it has captured new markets.
As a result, its ordinary profit quickly rose from 400 million yen to 700 million yen.
Various wholesalers recognize that the company’s management is this efficient.
It is likely that more wholesalers will join our Group. They will determine that, overall, joining our Group will impact them positively.
FPCO International Package has dispatched a person to be the president at APEX.
Since a person who has experienced the major change at FPCO International Package has become president, APEX will also definitely change in two to three years.
With this shift, if there are dealers who do not have successors, they might consider joining FPCO Group as one of good options.

M&A (2): LSSPI (Overseas)

Lee Soon Seng Plastic Industries Sdn. Bhd.
Location: Malaysia
Total acquisition price: Approx. 16.7 billion yen
(FP Corporation: Approx. 6.7 billion yen)
Shareholding ratio：Mitsui & Co., Ltd.: 60%、FP Corporation: 40%
Net sales: 8.0 billion yen (3/2024)
*Sales share (domestic：overseas): 6:4

40% equity stake in net profit (million yen)



Step.1

Three-year plan:double productivity

- Introduction of molding machines, extruders, and other new equipment
- 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

45

Two years have passed since we acquired LSSPI jointly with Mitsui & Co., Ltd.
Various machines that were ordered have finally begun to be delivered.
Next year, we will probably achieve the double productivity step in the three-year plan.
We thought that our elemental technologies for preventing fogging and for extremely elaborate molding with the lid snapped shut would be received well in overseas countries, too. Now we are becoming sure of it.
This will differentiate the companies from their local competitors.
Next year, this should result in a virtuous circle in which the molding machines are replaced, precision and productivity is further enhanced, and sales increase accordingly.
It took more than a year after order placement before the extruders and molding machines were delivered.
Next year is a promising year, mainly because new machines have begun to be introduced.
Next year or the year after next, we will see how we will operate in Southeast Asia with LSSPI as our base.

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.

FPCO-proprietary new OPP

New OPP
(ultra-high-rigidity biaxially oriented polypropylene sheet)

Single-layer 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.**

* For illustrative purposes only

Single layer

New OPP laminated sheet

Laminated sheet

Lamination

- Thickness 1 to 3 mm
- **Applications:**

(Industrial fields) **Automotive parts, home furnishings/appliances, solar cells, logistics materials, etc. are assumed.**

46

I will explain the development of the new OPP.
A new technology for biaxially oriented polypropylene sheet is now in sight.
By laminating this sheet, we can create a completely new material. Therefore, we are engaged in talks with various companies from the automotive and other industries.
Some people have requested that we release the product as quickly as possible. Therefore, we are designing a plant that will be constructed in Bando City, Ibaraki.
Based on the plant design, we will probably learn how much we will need to invest within the month, and we will need to make an investment decision.
In light of the recent situation, we expect the cost per unit to be 1.5 times that of the Kansai Plant.

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

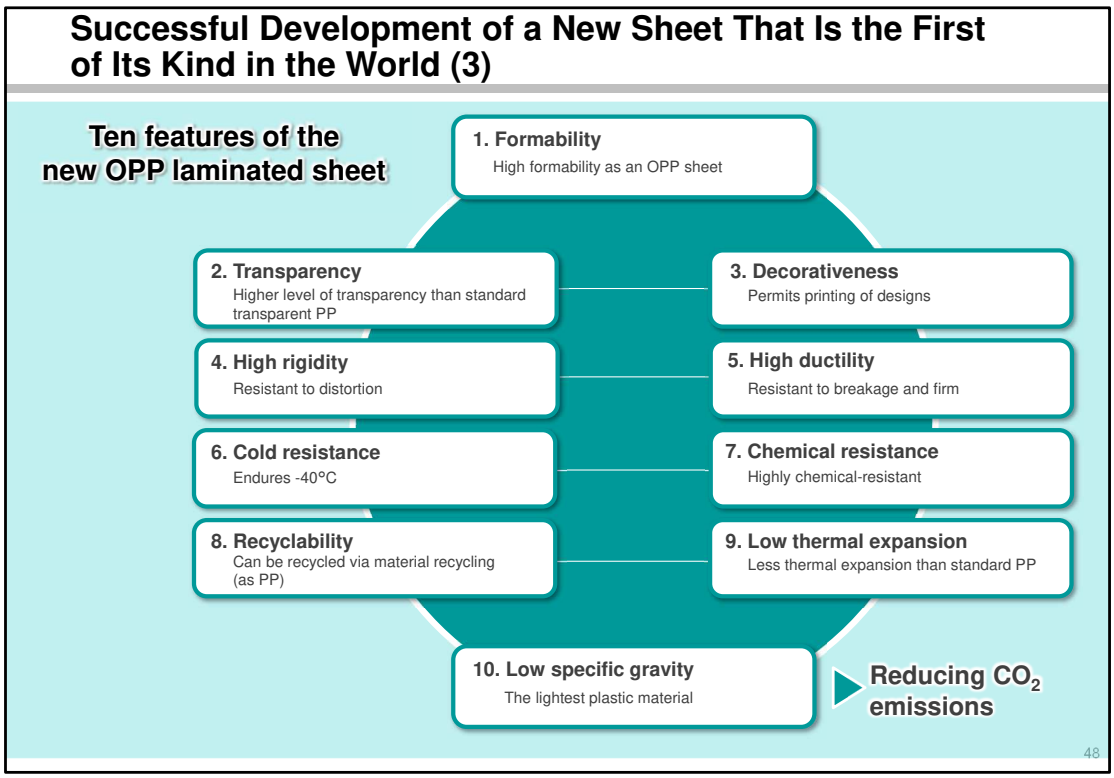
Superiority of the new OPP in the field of food containers

Comparison of transparent container materials

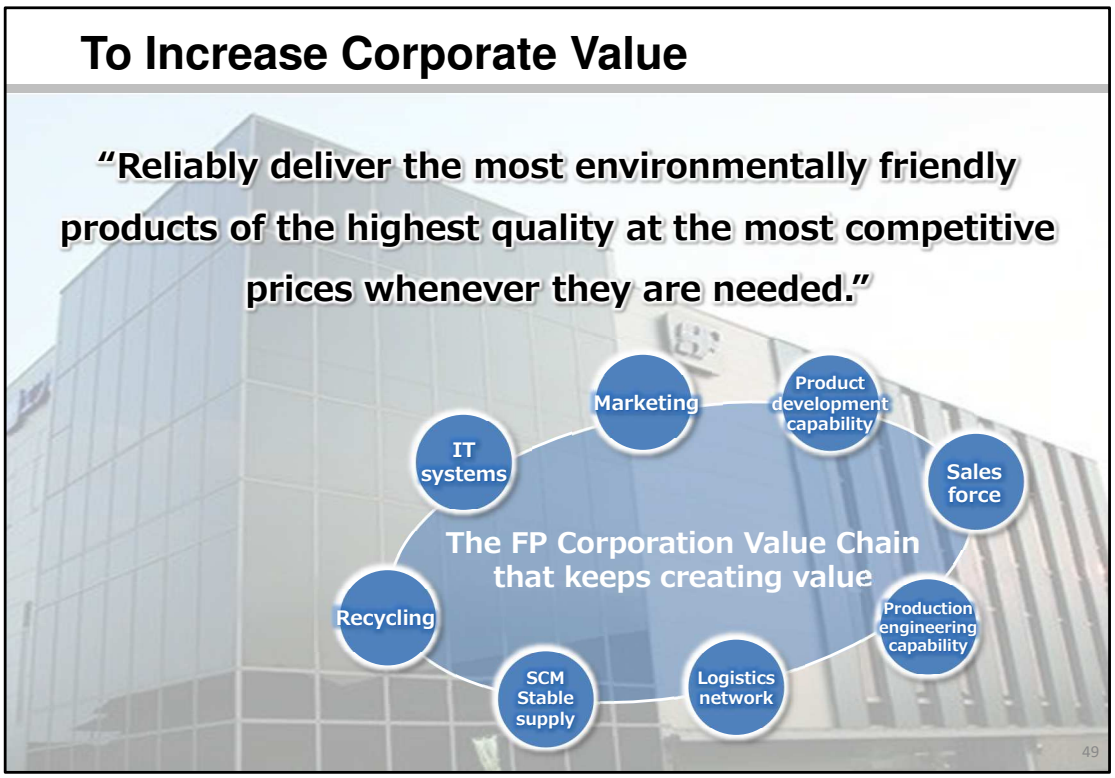
		New OPP (Biaxially oriented PP)	**OPS** (Biaxially oriented PS)	**APET** (Non-oriented PET)	**OPET** (Biaxially oriented PET)	**Transparent PP** (Non-oriented PP)
Transparency		○	○	○	○	△
Heat resistance		**110°C**	80°C	60°C	80°C	110°C
Cold resistance	-18°C	○	△	×	○	×
	-30°C	○	△	×	○	×
Container weight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

47

The slide shows a table for comparing transparent container materials.
In the container industry, there has never been any material with a ○ in all of the items.
We think that the biaxially oriented polypropylene sheet is really a great achievement.



Further, the sheet has features that no material for industrial use has ever possessed, such as formability, transparency, decorativeness, high rigidity, high ductility, cold resistance, chemical resistance, and recyclability.
Members of the project team find it interesting to work on this sheet.
This will be our next pillar, but it will not necessarily be completed by FP Corporation alone. It will take nearly three years from building the plant to releasing the product. Therefore, we will think about what to do with what partners.



Based on this, we would like to continue to grow by reliably deliver the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed.
Thank you very much for your time.