Financial Results

for the Six Months Ended September 30,2025

Nov 5, 2025

FP Corporation

Securities code: 7947

Cautions for Handling This Material

FPCO

We have paid extremely close attention to the information provided and contained in the handouts. The forward-looking statements included in the information are our estimates based on the information available at the time of publication, and therefore contain potential risks and uncertainties.
Therefore, changes in a number of factors could cause actual results to differ materially from the future prospects described.

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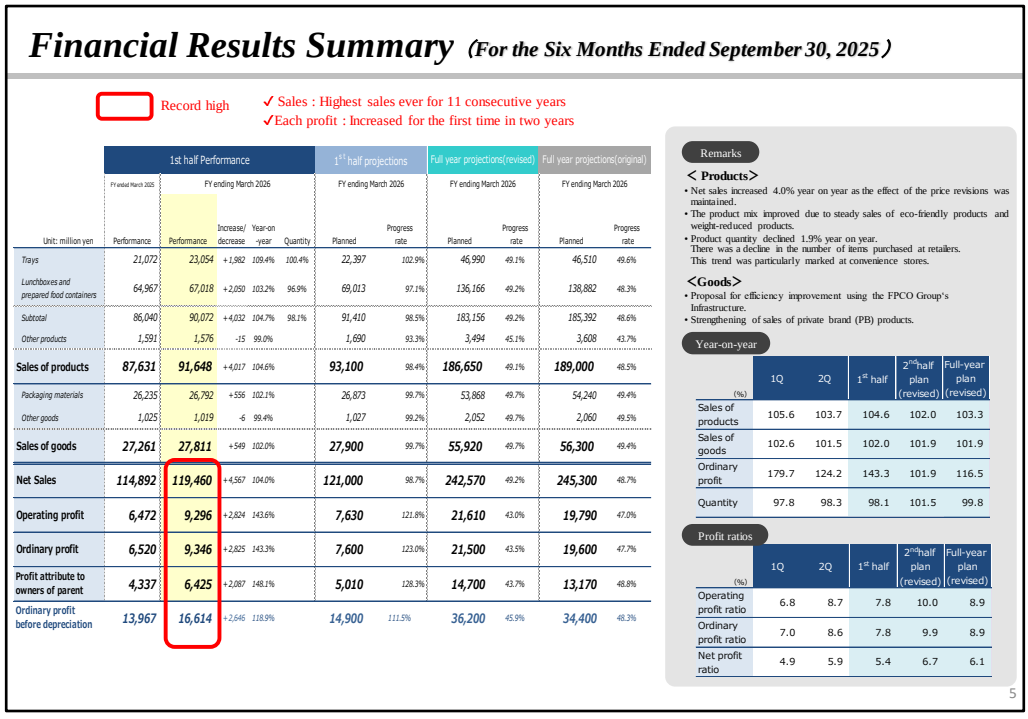

Financial Results Summary (For the Six Months Ended September 30, 2025)

Record high

✓Sales : Highest sales ever for 11 consecutive years
✓Each profit : Increased for the first time in two years

Unit: million yen	1st half Performance FY ended March 2025 Performance	1st half Performance FY ending March 2026 Performance	Increase/ decrease	Year-on -year	Quantity	1st half projections FY ending March 2026 Planned	Progress rate	Full year projections(revised) FY ending March 2026 Planned	Progress rate	Full year projections(original) FY ending March 2026 Planned	Progress rate
Trays	*21,072*	*23,054*	*+1,982*	*109.4%*	*100.4%*	*22,397*	*102.9%*	*46,990*	*49.1%*	*46,510*	*49.6%*
Lunchboxes and prepared food containers	*64,967*	*67,018*	*+2,050*	*103.2%*	*96.9%*	*69,013*	*97.1%*	*136,166*	*49.2%*	*138,882*	*48.3%*
Subtotal	*86,040*	*90,072*	*+4,032*	*104.7%*	*98.1%*	*91,410*	*98.5%*	*183,156*	*49.2%*	*185,392*	*48.6%*
Other products	*1,591*	*1,576*	*-15*	*99.0%*		*1,690*	*93.3%*	*3,494*	*45.1%*	*3,608*	*43.7%*
Sales of products	***87,631***	***91,648***	*+4,017*	*104.6%*		***93,100***	*98.4%*	***186,650***	*49.1%*	***189,000***	*48.5%*
Packaging materials	*26,235*	*26,792*	*+556*	*102.1%*		*26,873*	*99.7%*	*53,868*	*49.7%*	*54,240*	*49.4%*
Other goods	*1,025*	*1,019*	*-6*	*99.4%*		*1,027*	*99.2%*	*2,052*	*49.7%*	*2,060*	*49.5%*
Sales of goods	***27,261***	***27,811***	*+549*	*102.0%*		***27,900***	*99.7%*	***55,920***	*49.7%*	***56,300***	*49.4%*
Net Sales	***114,892***	***119,460***	*+4,567*	*104.0%*		***121,000***	*98.7%*	***242,570***	*49.2%*	***245,300***	*48.7%*
Operating profit	***6,472***	***9,296***	*+2,824*	*143.6%*		***7,630***	*121.8%*	***21,610***	*43.0%*	***19,790***	*47.0%*
Ordinary profit	***6,520***	***9,346***	*+2,825*	*143.3%*		***7,600***	*123.0%*	***21,500***	*43.5%*	***19,600***	*47.7%*
Profit attribute to owners of parent	***4,337***	***6,425***	*+2,087*	*148.1%*		***5,010***	*128.3%*	***14,700***	*43.7%*	***13,170***	*48.8%*
Ordinary profit before depreciation	***13,967***	***16,614***	*+2,646*	*118.9%*		***14,900***	*111.5%*	***36,200***	*45.9%*	***34,400***	*48.3%*

Remarks

< Products>

- Net sales increased 4.0% year on year as the effect of the price revisions was maintained.
- The product mix improved due to steady sales of eco-friendly products and weight-reduced products.
- Product quantity declined 1.9% year on year.
  There was a decline in the number of items purchased at retailers.
  This trend was particularly marked at convenience stores.

<Goods>

- Proposal for efficiency improvement using the FPCO Group's Infrastructure.
- Strengthening of sales of private brand (PB) products.

Year-on-year

(%)	1Q	2Q	1st half	2nd half plan (revised)	Full-year plan (revised)
Sales of products	105.6	103.7	104.6	102.0	103.3
Sales of goods	102.6	101.5	102.0	101.9	101.9
Ordinary profit	179.7	124.2	143.3	101.9	116.5
Quantity	97.8	98.3	98.1	101.5	99.8

Profit ratios

(%)	1Q	2Q	1st half	2nd half plan (revised)	Full-year plan (revised)
Operating profit ratio	6.8	8.7	7.8	10.0	8.9
Ordinary profit ratio	7.0	8.6	7.8	9.9	8.9
Net profit ratio	4.9	5.9	5.4	6.7	6.1

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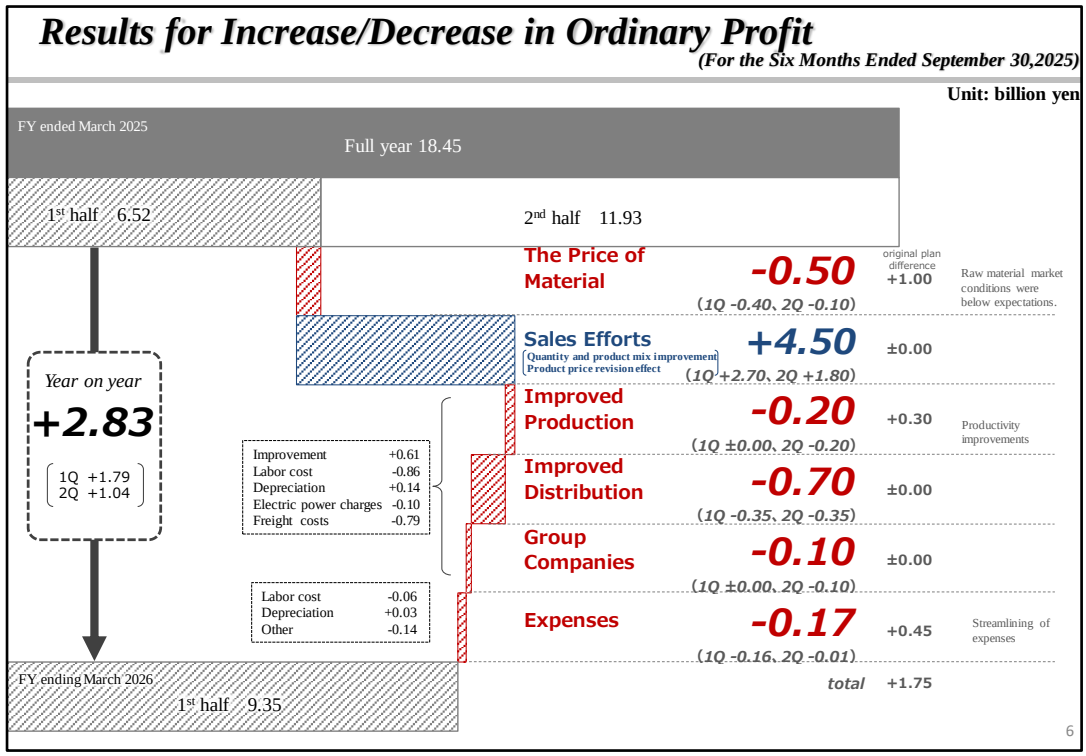
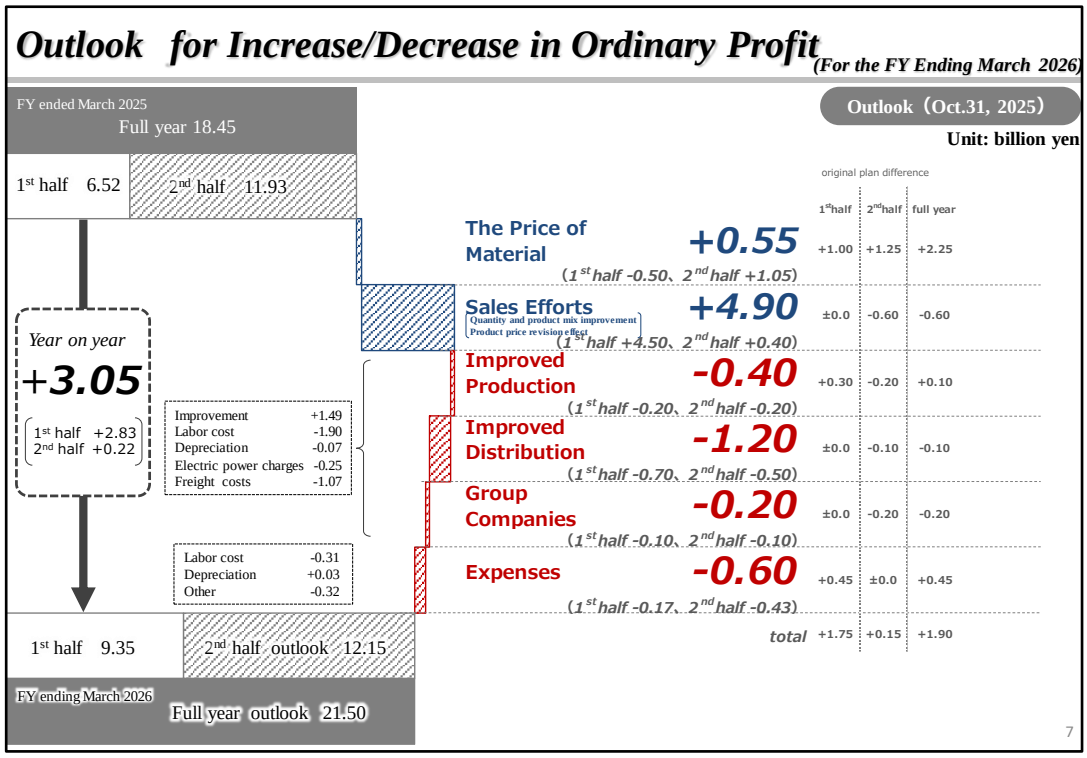
I am Isao Ikegami. I am the Executive Vice President and Director, Executive General Manager of Finance and Accounting Division of FP Corporation.
Thank you for taking the time out of your busy schedules to join us here today.
I will now go over the results for the first six months of the fiscal year ending March 31, 2026.
Net sales increased for the 11th consecutive year to 119,460 million yen, up 4% year on year.
Operating profit was 9,296 million yen, up 43.6% year on year and 21.8% above the projection.
Ordinary profit stood at 9,346 million yen, up 43.3% year on year and 23% above the projection.
Profit attributable to owners of parent was 6,425 million yen, up 48.1% year on year and 28.3% above the projection.
All profit figures increased for the first time in two fiscal years, to reach new record highs.
Net sales of the products we manufacture increased 4.6% year on year to 91,648 million yen due to product price revisions.
Price increases have penetrated across the industry as a whole.
Sales volume of products decreased 1.9% year on year.
It was affected by the year-on-year decrease in the number of items purchased at retailers, which is a reflection of the high prices.
Currently, there are signs that demand for prepared food may recover, mainly at supermarkets.
Further, an increase in senior households led to use of our products in new markets, such as those of frozen food as well as hospital food and nursing care food.



Ordinary profit in the first half was 9,350 million yen, a year-on-year increase of 2,830 million yen.
This is a breakdown of it.
There was a negative 1.67 billion yen impact, mainly from rising raw material costs and labor expenses. Meanwhile, there was a positive 4.5 billion yen impact due to sales efforts involving price revisions.
The increased costs were absorbed due to price pass-through measures and the improvement of productivity.
Ordinary profit is 1.75 billion yen greater than the projection for the first half.
The main factors were an increase of 1.0 billion yen attributed to raw material prices, which remained high but below initial projections, 0.3 billion yen due to productivity improvements, and 0.45 billion yen that we saved by streamlining to limit the increase of expenses.



In light of our first half results and the current conditions, we revised our full-year forecast upward by 1.9 billion yen, from the initially forecast 19.6 billion yen to 21.5 billion yen.

The first half results exceeded the initial forecast by 1.75 billion yen.

We project that we will exceed the initial forecast by 0.15 billion yen in the second half.

This is partly because the effects of the price revisions peaked in the first half, partly because raw material prices are forecast to remain lower than initially projected while still hovering at a high level, and partly because sales at retail stores including convenience stores are recovering.

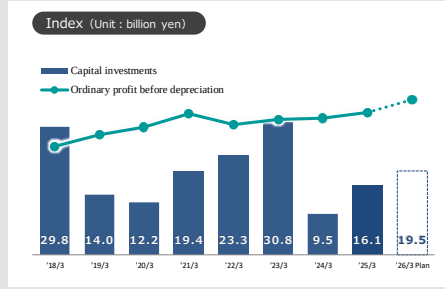
Regarding capital efficiency, ROE is expected to exceed 9% due to the achievement of the revised plan.

Capital Investments and R&D Costs *(For the Six Months Ended September 30, 2025)*

Unit: million yen	1st half performance: FY ended March 2025 Performance	1st half performance: FY ending March 2026 Performance	Increase / decrease	Year-on-year	1st half projections: FY ending March 2026 Planned	Progress rate	Full year projections: FY ending March 2026 Planned	Progress rate
Tangible fixed assets	*8,384*	*7,724*	*-659*	*92.1%*	*9,000*	*85.8%*	*18,900*	*40.9%*
Intangible fixed assets	*193*	*160*	*-32*	*83.0%*	*200*	*80.3%*	*600*	*26.8%*
Capital investments	***8,578***	***7,885***	*-692*	*91.9%*	***9,200***	*85.7%*	***19,500***	*40.4%*
Depreciation	***7,447***	***7,268***	*-179*	*97.6%*	***7,300***	*99.6%*	***14,700***	*49.4%*
Research and development costs	***762***	***874***	*+111*	*114.6%*	***920***	*95.1%*	***1,780***	*49.1%*

Unit: milion yen

Major Capital Investments	Launch of operation	Total investment	Results for Six Months	Plan in period
■Investment in original products:Improving production capacity and quality of Eco APET products				
Eco PET materials:Increase in the productivity (Kanto, Chubu)		1,018	218	1,018
Eco PET materials:Reinforcement of the production capacity (Kanto, Nishinihon PET-Bottle recycle Co., Ltd.)		861	147	861
Eco APET products:Reinforcement of the production capacity		1,059	199	1,059
■Investment corresponding to expansion of the sales quantity: Stable supply, Efficiency improvement, Maintenance of working environment				
Introduction of automation facilities			190	542
Reinforcement of the production capacity of Conventional material products			705	1,022
■Chikusei Warehouse	Dec. 2026	1,473	–	69
■Molds			864	1,989
■IT investments			267	539



Capital investments were 7,885 million yen compared to the projected 9,200 million yen.
They mainly included investments to improve productivity and increase our production capacity of eco-friendly products, as well as automation investments.
Deprecation was 7,268 million yen when it was projected to be 7,300 million yen.
Our full-year projection for capital investments remains unchanged.
We will aggressively invest in growth and R&D to maximize profit from high value-added materials and enhance our corporate value.

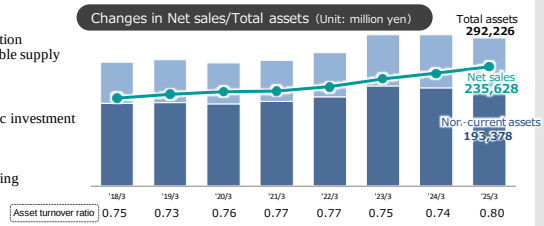
Balance Sheet (For the Six Months Ended September 30, 2025)

Unit: million yen	Previous consolidated fiscal year FY ended March 2025 2025/3/31	Results for Six Months FY ending March 2026 2025/6/30	Increase/ decrease	Year-on-year	Breakdown of main increases and decreases	
Current assets	*98,847*	*101,498*	*+2,650*	*102.7%*	*Cash and deposits* *Notes and accounts receivable-trade*	*+1,762* *+888*
Noncurrent assets	*193,378*	*194,522*	*+1,144*	*100.6%*		
Total assets	***292,226***	***296,020***	*+3,794*	*101.3%*		
Current liabilities	*84,372*	*83,696*	*-676*	*99.2%*		
Noncurrent liabilities	*53,739*	*54,378*	*+639*	*101.2%*		
Total liabilities	***138,111***	***138,074***	*-36*	*100.0%*		
Net assets	***154,114***	***157,946***	*+3,831*	*102.5%*	*Retained earnings*	*+3,191*
Total liabilities and net assets	***292,226***	***296,020***	*+3,794*	*101.3%*		
Equity ratio	***52.5%***	***53.1%***				

Assets
- Strategic investments for boosting the production capacity of original products and ensuring stable supply
- Strengthening of cooperation with business partners through the use of infrastructure

Liabilities
- Utilization of borrowing as capital for strategic investment

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



Asset turnover ratio	'18/3	'19/3	'20/3	'21/3	'22/3	'23/3	'24/3	'25/3
	0.75	0.73	0.76	0.77	0.77	0.75	0.74	0.80

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Regarding the balance sheet, a full cycle of infrastructure development has been completed through proactive investment.
We will continue to improve efficiency using our infrastructure.

Cash Flows (For the Six Months Ended September 30, 2025)

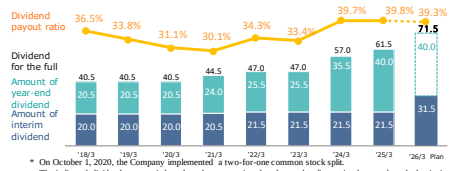
(Unit: million yen)	Results for Six Months		
	FY ended March 2025	FY ending March 2026	
	Performance	Performance	Breakdown of main items
CF from operating activities	11,637	11,613	Income before income taxes 9,284 Depreciation 7,268 Income taxes paid -3,512
CF from investing activities	- 8,205	- 6,798	Purchase of property, plant and equipment -6,699 Expenditures for mergers and acquisitions -201
Free cash flows	3,431	4,815	
CF from financing activities	- 9,262	- 3,052	Proceeds from long-term borrowings 7,000 Repayments of long-term borrowings -6,241 Dividends paid -3,232
Net increase(decrease)in cash and cash equivalents	- 5,830	1,762	
Cash and cash equivalents at end of period	18,269	20,782	

CF from operating activities
- Reflecting the effect of the price revisions
- Securing profit through sales of original products and weight-reduced products

CF from investing activities
- Strategic investments for constructing bases for future earnings
- M&A to expand products and services and leverage logistics infrastructure

CF from financing activities
- Enhancing shareholder returns through progressive dividends with a target payout ratio of 40%

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, 2018

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Cash flows from operating activities remained stable partly due to the effect of the price revisions.
We will use the acquired cash to execute growth investments for the future and implement initiatives to achieve diversification, such as overseas strategies and the development of applications for the new OPP.
We will enhance shareholder returns by balancing them with growth investments.
We increased the interim dividend by 10 yen from the initial plan to 31.5 yen.
We plan to pay a year-end dividend of 40 yen, making the annual dividend 71.5 yen.
We will maintain our basic policy of paying progressive dividends, not reducing dividends, in principle.
Our dividend payout ratio target will continue to be 40%.
This concludes my reports on the first-half results and full-year outlook for the fiscal year ending March 31, 2026.
Thank you for your attention.

To Increase Corporate Value

Chairman, Representative Director and Group Representative

Morimasa Sato

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I am Morimasa Sato, Chairman, Representative Director and Group Representative.
Thank you very much for taking the time out of your busy schedules to join us here today.
My explanation will follow the table of contents. The theme is "To Increase Corporate Value."

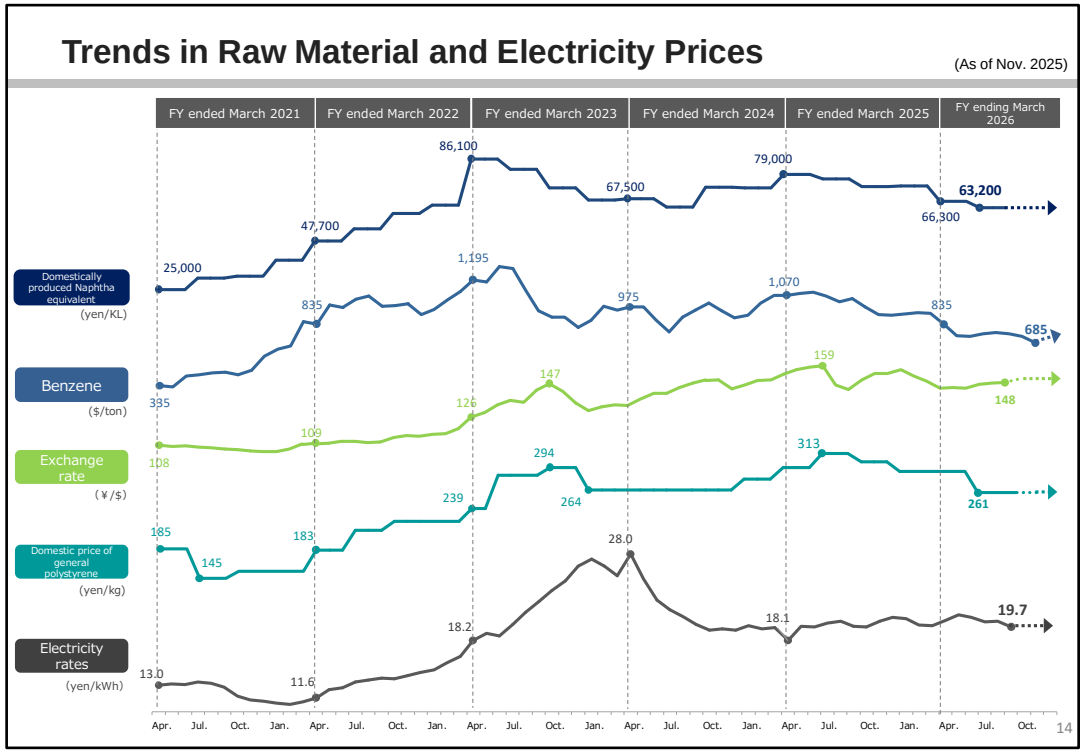
01. Market Conditions

02. Eco-Friendly Strategies

03. FPCO Group's infrastructure

04. Developing Applications for New OPP Sheet

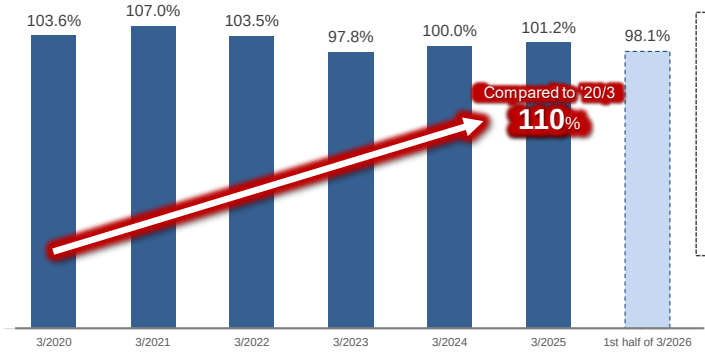
05. To Increase Corporate Value



I will explain the market conditions.
As you know, raw material prices have been declining gradually but have been stable at a level that is higher than before.
However, they have been slightly lower than our initial projections. This trend will probably continue into the second half.

Status of Product Sales Volume

YoY (%)



FY ended March 2025
1Q: 101.8%
2Q: 103.0%
3Q: 101.1%
4Q: 98.8%
--> Eco-friendly products remained strong.
--> Growth of snapping clamshell containers with integrated lids
--> Number of operating days: (-1 day) Growth of snapping clamshell containers with integrated lids

FY ending March 2026
1Q: 97.8%
2Q: 98.3%
--> Consecutive YoY decline in the number of items purchased at retailers

Movement restrictions imposed due to COVID-19
Growth of home meal replacement demand
Reactionary decrease
Increase in a wide range of prices mainly including food prices

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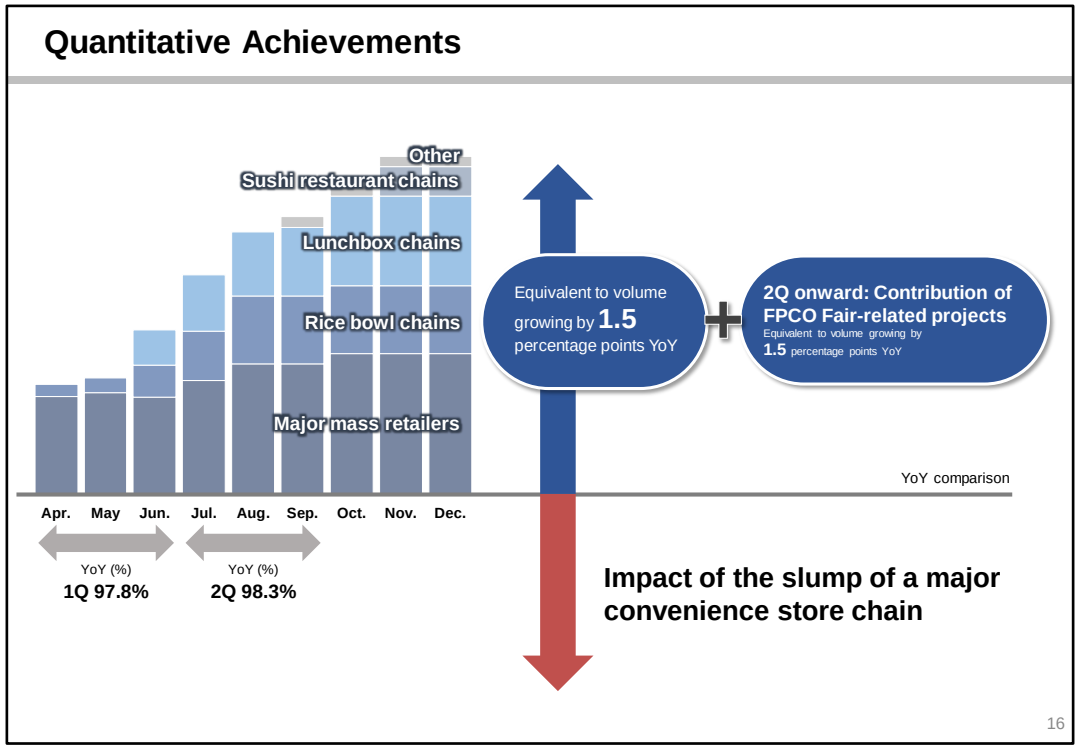
On the other hand, the first half product sales volume was 98.1% of the previous year, falling below 100%.
The greatest factor in this is the number of items sold being below the previous year at many supermarkets, reflecting the increase in food prices.



The situation is growing worse, particularly at convenience stores.
At a major convenience store chain, the sales volume was below 95% of the previous year. This had a significant impact.
On the other hand, as the slide shows, we held the FPCO Fair in April this year and subsequently received many new projects.
Accordingly, sales volume is projected to exceed 100% in the second half.
In October, it was 103.2% of the previous year.
I think that this pace will be maintained.

Frozen Hospital and Nursing Care Meals, a Growth Market

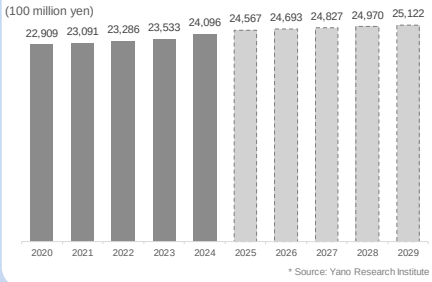
Trends in the hospital and nursing care meal market

Market size: **2.4** trillion yen (FY2024)

The market is expanding due to the aging of society

The issue is the labor shortage

Hospital meals + Food service for elderly facilities + Home-delivered lunchbox meals



* Source: Yano Research Institute

Retainable containers -> Use of one-way containers

Eliminates the need to wash dishes
(which is 40% of time spent working in the kitchen)

Cooking in facilities -> Replaced with frozen lunchboxes

Suitable for advance preparation
Ready to serve simply by heating
Suitable for long-term storage

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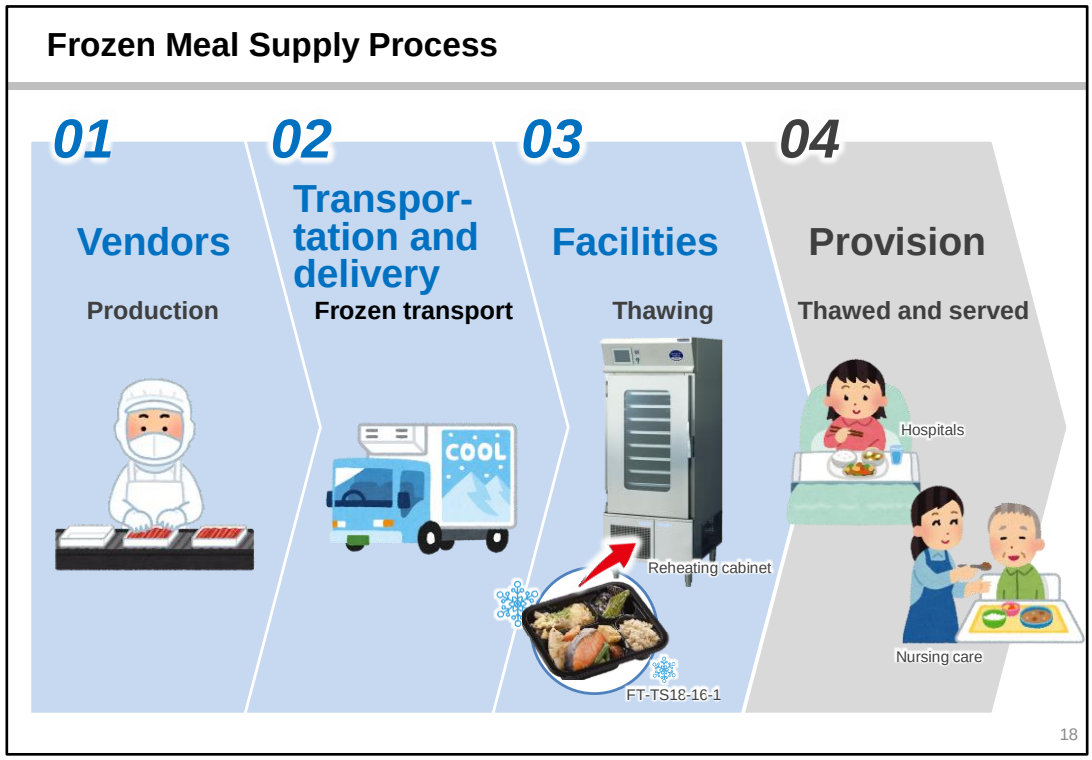
At the same time, a new market is being established.
It has become extremely difficult to deliver hospital food in a chilled state three times a day and 365 days a year.
Some hospitals have already started cooking a day's worth of food on Monday and cooking 1.5 days' worth of food each day from Tuesday to Friday, freezing the extra to enable cooking staff to take two days off a week.



They defrost and serve the cooked food. This style of production and provision has begun to be used.
The keyword is freezing.
This market is expanding alongside the progress in freezer and defrosting machine technologies.

Development of Two Technologies for Cold-resistant Containers

01. Development of cold-resistant PPiP-talc®, a new material

FT Deliple Kaku

Point 1 **More than 25% reduction in the use of plastics compared to cold-resistant PP**

Point 2 **More resistant to breakage at refrigerated temperatures than cold-resistant PPF**

Point 3 **A lineup of 12 product series containing a total of 33 items**

Resistant to breakage even in frozen environments

02. Established fixed-position forming technology through vacuum-pressure thermoforming.

The forming cycle is approx. half that of thermoforming

FT Hanakomachi 18-13-1 (34)

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In this context, we were able to establish the new PPiP-talc technology.
Using this technology, we evenly blend two inorganic materials, one whose particles have a very sharp shape, and the other whose particles are round.
The former increases the strength of containers while the latter increases their flexibility.
The greatest problem with frozen products is that their containers break when dropped.
Features of the containers made using this technology include their resistance to breakage and their effect reducing plastic use.
We believe that this technology is not easy to realize.
We had to build a new plant to manufacture the masterbatch material that is a blend of the two inorganic materials.
In addition, as shown in the photo at the bottom right, hospital food plates need to look like traditional dishes with printing in fixed positions.
Previously, both FP Corporation and our competitors used thermoforming machines.
However, we have established a fixed-position forming technology that utilizes a vacuum pressure forming machine.
This method makes it possible to manufacture products twice as fast as before.
This new technology has enabled us to enter the frozen food market. We believe that we created it at just the right time.

Example Customers in the Frozen Food Market

Supermarkets

Companies in Chugoku/Shikoku

Industrial catering

Silver Life Co., Ltd.

Convenience stores

Major frozen food manufacturer

Musashino Foods Co., Ltd.

Frozen food manufacturer

Hospital and nursing care food

Nissin Healthcare Food Service Co., Ltd.

Cold-resistant PPF frozen food container sales: approx. 1.5 billion yen ('25/3)

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At supermarkets, fresh fish and fresh meat have also begun to be sold frozen in their respective sections.
The same is happening to prepared food.
Further, supermarkets themselves have begun to freeze and offer prepared food in addition to selling products from major frozen food manufacturers.
This market is not so large at present, but we believe it will expand rapidly.

01. Market Conditions

02. Eco-Friendly Strategies

03. FPCO Group's infrastructure

04. Developing Applications for New OPP Sheet

05. To Increase Corporate Value

Effects of Expansion of “Store-to-Store Recycling”

* Source: Supermarket whitepaper for FY2025 from the National Supermarket Association of Japan

Collaborative Eco Store Declaration

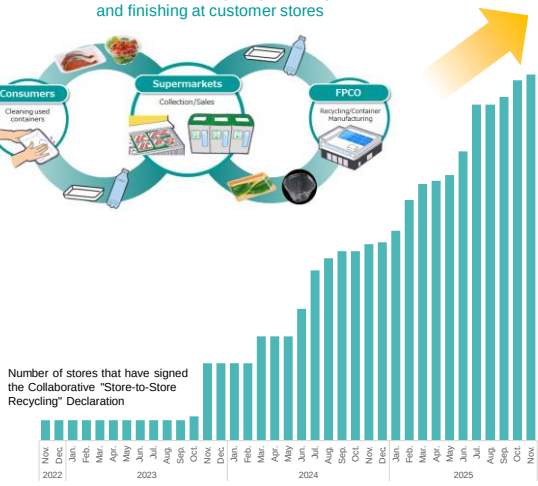
4,434 *stores of* ***130*** *companies*

* As of November 2025

Increasing the number to ***5,000*** *stores within the year*

* Total number of supermarkets in Japan: Approx. 23,000

“Store-to-Store recycling” starting and finishing at customer stores



Increase in the procurement of eco-friendly raw materials

(Weight of collected containers: 10,300 tons in '22/3 --> 11,000 tons in '25/3)

Wider adoption of eco-friendly products

(63.6 billion yen in '22/3 --> 91.3 billion yen in '25/3)

Contribution to the reduction of CO_2 emissions

(172,000 tons in '22/3 --> 209,000 tons in '25/3)

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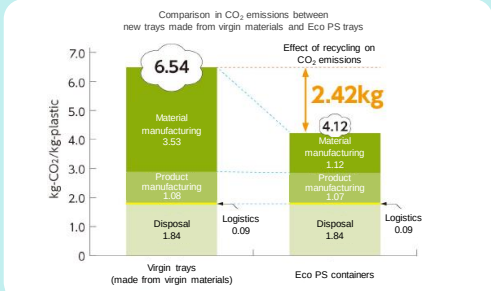
I will explain our eco-friendly strategies.
In the Store-to-Store recycling system, food trays and PET bottles used at a store are collected at the store and delivered to us, and we recycle them so that they will be used at the same store again.
We intend to expand this recycling loop that starts and ends at the same store.
We proposed this initiative to supermarkets, and we announced our collaborative Eco Store Declaration with 130 companies.
The number of stores has grown to 4,434. We expect it will exceed 5,000 within the year.
This recycling loop is being expanded with the cooperation of many supermarkets.
Previously, supermarket just installed collection boxes. This was not enough to enable consumers to fully understand the significance of this initiative.
We have now made this point clear to them. Accordingly, the initiative is continuing to expand.

Reduction of CO_2 Emissions Achieved through Eco Products

Eco PS containers

CO_2 emission reduction effect

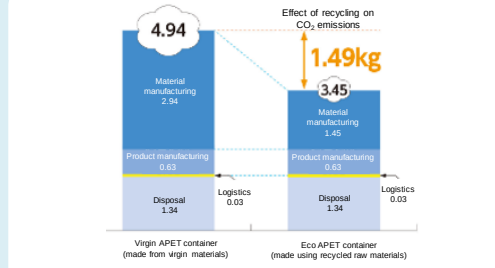
37%



Eco APET and Eco OPET containers

CO_2 emission reduction effect

30%



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I will move on to explain the reduction of CO_2 emissions with eco-friendly products. The CO_2 emissions from these products are 37% lower than the emissions from PS containers made from virgin materials and 30% lower in the case of APET and OPET. Based on the amount of these products that each supermarket has used, we calculate how much the supermarket has contributed to the reduction of CO_2 emissions.

We have set targets and are working with the companies to publish a collaborative declaration with them with the goal of continuing to expand our efforts and reduce CO_2 emissions.

Essentially this is their declaration that they will proactively use our eco-friendly products.

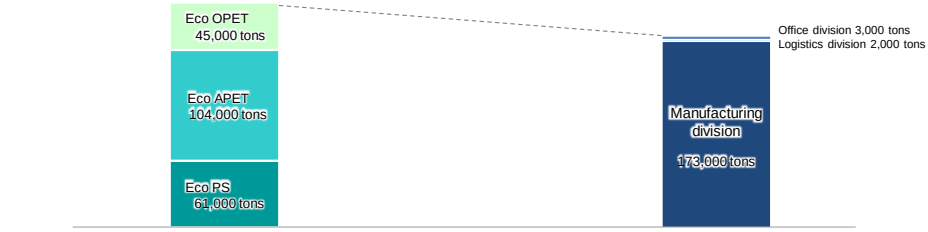
Contributions to CO_2 Reductions through Eco-friendly Products

CO_2 emissions that can be avoided by manufacturing and selling eco-friendly products

FY ended March 2024 **202,000 tons** → FY ended March 2025 **209,000 tons**

The Group's CO2 emissions

FY ended March 2024 **187,000 tons** → FY ended March 2025 **179,000 tons**



Factors increasing the reduction of CO_2 emissions

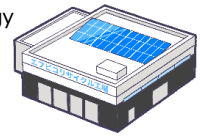
① Introduction of renewable energy through solar power generation
CO_2 emissions reduction of Eco PS products *30*% ▶ *37*%

② Strong sales of Eco-friendly products
106.2% (YoY change in FY ended March 2025 (Based on the quantity))

Expansion of sales of eco-friendly products

Factors decreasing CO_2 emissions

Use of renewable energy
Promotion of energy efficiency



November 5, 2025
Generation of solar power started at Chubu Plant 1

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I will explain the annual CO_2 reduction achieved by our eco-friendly products.
These products reduce CO_2 emissions by 37% compared to PS containers made from virgin materials and by 30% in the case of APET and OPET.
CO_2 emissions avoided by our manufacturing and sale of eco-friendly products have exceeded 200,000 tons per year.
Scope 1 and 2 CO_2 emissions from our business are 179,000 tons.
This means that the CO_2 emissions avoided by manufacturing and selling eco-friendly products are greater than the CO_2 emissions from our business.
I think that, globally, companies like us are rare.

Sales of Eco-friendly Products and Weight of Collected Plastic Resources

Eco product sales

91.3 billion yen

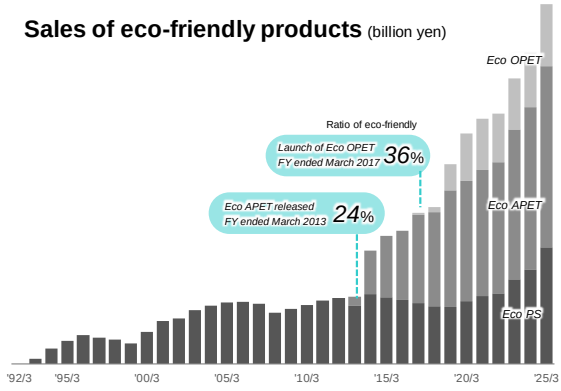
(FY ended March 2025)

Ratio of eco-friendly
(in terms of number of containers)

51%

(FY ended March 2025)

Sales of eco-friendly products (billion yen)



Collection and recycling

Amount collected and recycled
(Containers and PET bottles)

90,000 tons

(fiscal year ended March 31, 2025)

Ratio of collected products to sold products in terms of weight

42%

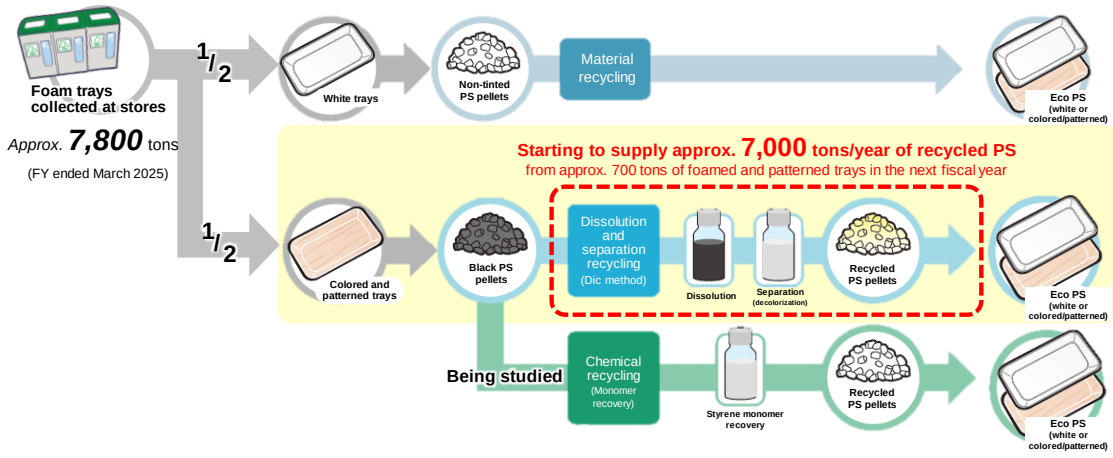
(fiscal year ended March 31, 2025)

25

We collect used plastics.
We collect trays from 10,000 supermarkets using trucks that are empty after products are delivered.
There are various other collection routes, such as municipal ones.
We process those used plastics, which are called post-consumer materials. We process 90,000 tons of them into the raw materials of eco-friendly products.
This is equal to 42% of the total weight of all the plastics we sell.
We are a company that collects and recycles 42% of the plastics it sells, in terms of weight.

For the Expansion of Sales of Eco PS Products

Dissolution and separation recycling **will result in an approx. 30% increase in sales of Eco PS products in terms of the number of cases in and after the next fiscal year**



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About half of the collected trays are white and the other half are colored.
Previously, colored trays were not recycled into trays. They were recycled in a different way.
We have begun to recycle about one-third of these trays using DIC Corporation's de-inking technology. The plan had been for the plant for this process to begin operating in April, but this was delayed to September.
The plan is to supply about 7,000 tons of eco-friendly materials next year by removing the ink from collected colored trays using DIC Corporation's technology.

01. Market Conditions

02. Eco-Friendly Strategies

03. FPCO Group's infrastructure

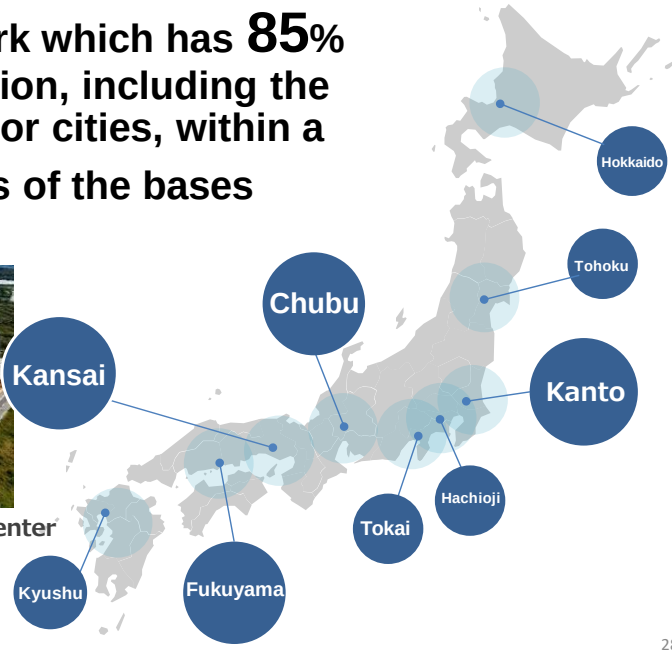
04. Developing Applications for New OPP Sheet

05. To Increase Corporate Value

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



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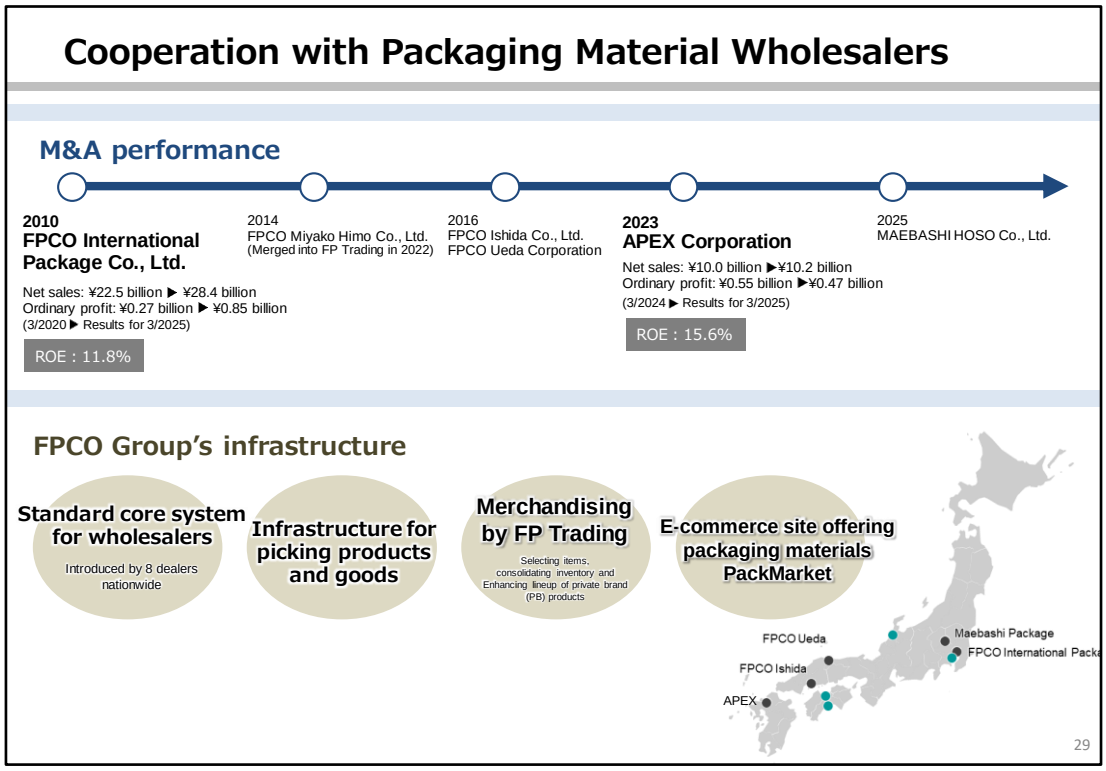
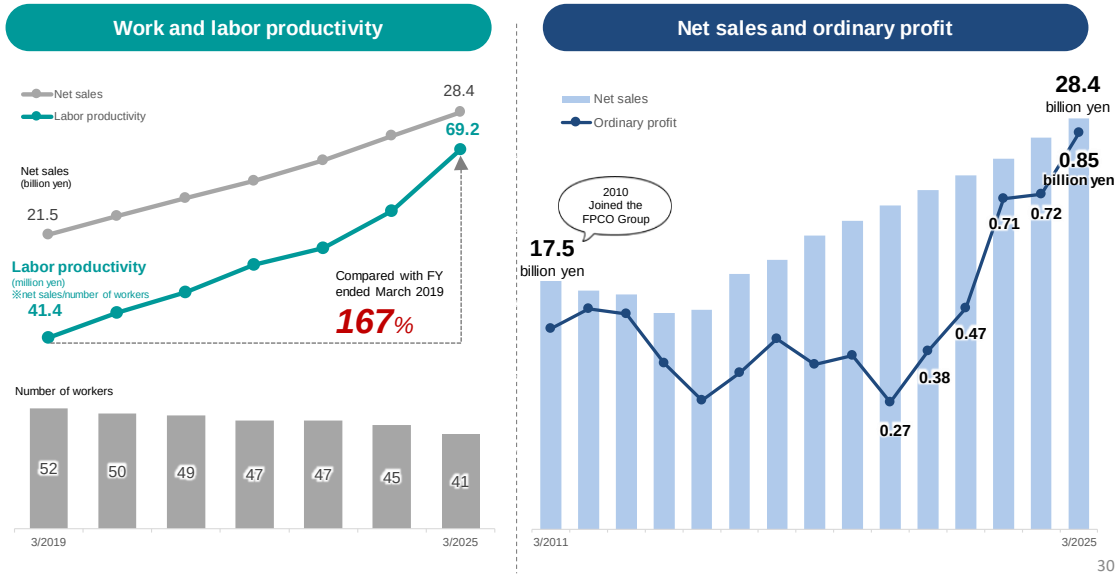
I will move on to explain the FPCO Group's infrastructure.
We established a delivery center in Kansai.
As a result, if we draw circles with a 100 km radius around our distribution centers across Japan, we can see the logistics network we have established covers 85% of the total population of Japan.



We propose efficient operations using this network to wholesalers.
At present, we have five packaging material wholesalers in the Group.
First, FPCO International Package became a group company.
This was followed by FPCO Ishida, FPCO Ueda, and APEX.
Further, in 2025, we acquired MAEBASHI HOSO because there were no successors to take over the company.
We brought it into the Group as the Gunma Sales Office of FPCO International Package.

Performance of FPCO International Packaging

Expanding the growth model, which uses the Group's infrastructure, into wholesalers



I think that a wholesaler who did not have any successors to take over the company deciding to transfer its business to us is significant.
A catalyst for this was FPCO International Package achieving a recovery in its business. This is shown in the graph on the slide.
Net sales were17.5 billion yen when the acquisition was conducted.
It is expected that net sales will exceed 30 billion yen this fiscal year.
Additionally, the use of our system has improved labor productivity to 167%.
This means that the company has created a cycle of increasing net sales while decreasing the number of workers.
In light of this, wholesalers who do not have successors have begun to actively consider joining the FPCO Group.

M&A: LSSPI (Overseas)

Lee Soon Seng Plastic Industries Sdn. Bhd.
Location: Malaysia
Date of stock acquisition: August 31, 2022
Total acquisition price: Approx. 16.7 billion yen (FP Corporation: Approx. 6.7 billion yen)
Ownership ratio: Mitsui & Co., Ltd. owns 60% and FP Corporation owns 40%
Net sales: 7.9 billion yen (3/2025) *Sales share (domestic : overseas): 6:4

APET cup
(with a strawless lid)

Fruit trays

OPS food pack

Heat-resistant PP container
(leak-proof)

Step.1

Three-year plan:double productivity

- Introduction of molding machines, extruders, and other new equipment
- Improvement of product development technologies
- 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

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Overseas, we jointly acquired LSSPI in Malaysia together with Mitsui & Co., Ltd.
The ownership ratio is that Mitsui & Co., Ltd. owns 60% of LSSPI, and we own 40%.
We have established a three-year plan for doubling productivity.
Productivity has improved steadily, mainly through the replacement of molding machines and the expansion of equipment.
However, doubling productivity means that we have to double sales, which is not easy.
At present, the sales volume has increased by about 15%.
Accordingly, we are able to handle the workload with fewer personnel.

01. Market Conditions

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04. Developing Applications for New OPP Sheet

05. To Increase Corporate Value

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

Successful development of FPCO's proprietary new formable OPP

Standard OPP

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

FPCO-proprietary new OPP

Single-layer sheet

New OPP sheet

- Thickness: 150 to 300 microns
- Applications in food containers: Resistant to a wide range of temperatures, permitting use for frozen food containers and heat-resistant ones
- Applications in industrial products: Expected to be used in mobility vehicle parts, etc.
- Planned production site: New plant in Bando (Bando-shi, Ibaraki)

* For illustrative purposes only

Single-layer sheet

Multi-layer plate

Multi-layer OPP plate

- Thickness 1 to 3 mm
- Types of products to be developed
  - : Launch of a high-rigidity plate planned in early 2027
  - : Launch of an easily formable plate planned in early 2029
- Applications in industrial products:
  Expected to have applications in construction materials, housing equipment materials, solar cells, etc.
- Planned production site: Kannabe Plant (Fukuyama-shi, Hiroshima)

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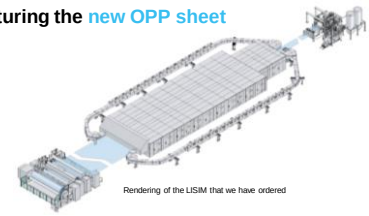
I will explain development of applications for the new OPP sheet.
We have been manufacturing and selling OPET, which is PET sheet that has been oriented biaxially.
FP Corporation is the only company in the world that manufactures and sells this sheet.
Our goal in the development of this OPET using the orientation technology was to increase its heat resistance temperature.
Standard OPET's heat resistance temperature is 60 degrees Celsius.
We increased this to 80 degrees, the same as OPS.
As a result, we not only achieved a heat resistance temperature of 80 degrees but also succeeded in making it able to endure cold temperatures as low as -40 degrees.
At present, 99.9% of the OPET we produce is sold as products, partly reflecting the growing demand for frozen foods.
To further enhance this technology, we began to study how to orient polypropylene when we established the Comprehensive Research Institute ten years ago.
We found that we were able to create a new sheet with very interesting properties.
We are making preparations regarding this at the moment.
Standard OPP films are used mainly for the packaging of snack foods.
Films and sheets differ in terms of their thickness. Generally, the thickness of what we call a film is less than 100 microns (0.1 millimeter) while sheets are 100 microns (0.1 millimeter) thick or thicker.
We have established a technology for manufacturing biaxially oriented polypropylene (OPP) sheets with a thickness of 150 to 300 microns.
By laminating this sheet, we have also succeeded in molding highly resilient plates with even more interesting properties.
We are now engaged in marketing activities for these two products.

Outlook of New OPP Business

April 2024	Successful development of a new OPP sheet announced
November 2024	Order placed for LISIM, a device for manufacturing the new OPP sheet
September 2025	Order placed for a device for manufacturing multi-layer OPP plate
Around spring 2026	Amount of investment for the new plant in Bando to be determined, and briefing on the business to be held
Early 2027	Commercial production to be started with the device for manufacturing multi-layer OPP plate (Kannabe Plant) A high-rigidity-type product featuring multiple layers of special OPP films planned to be launched
2028	LISIM, the device for manufacturing the new OPP sheet, scheduled to begin operating (new plant in Bando) Easily formable type of multi-layer OPP plate planned to be launched



Rendering of the LISIM that we have ordered

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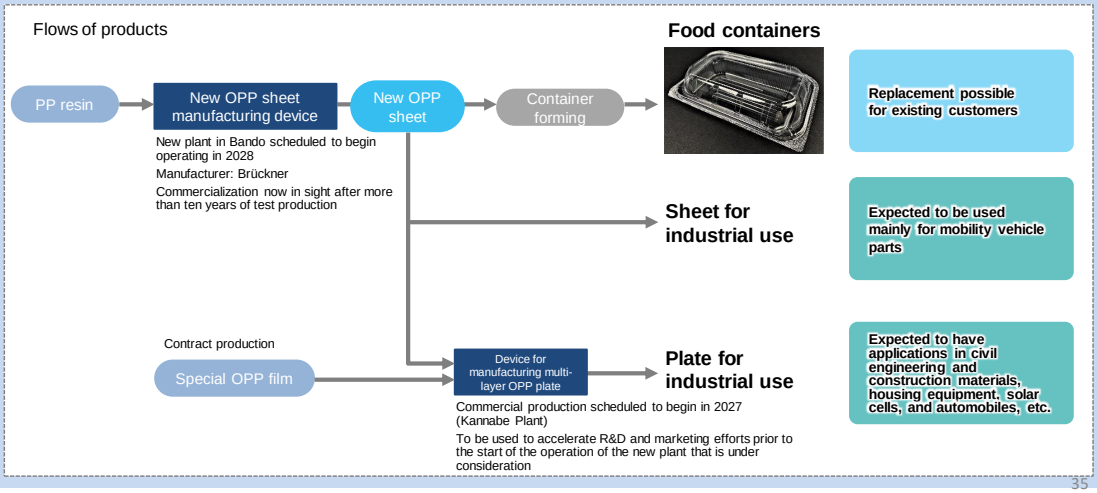
The orientation line for manufacturing the biaxially oriented sheet, shown on the right side of the slide, is more than 160 meters long.
Combined with the equipment before and after it, a 200-meter-long pillar-less space is required for the line.
We are designing a new plant which can accommodate two of these orientation lines. We plan to build it in Bando City, Ibaraki.
The amount that we will invest in this is expected to be finalized in January or February of next year.
We expect it to be around 45 billion yen. It may be a little greater considering the rapidly soaring cost of construction and the difficulty of the construction.
We have also placed orders for the sheet manufacturing equipment and the equipment to laminate the sheets.
The laminating equipment will be introduced first.
For example, it is possible to create a 2.5-millimeter-thick plate if 50 biaxially oriented films with a thickness of 50 microns each are laminated.
We plan to launch this plate first.
Later, when the new plant has been completed, we will manufacture, for example, 3-millimeter-thick plate by laminating ten 300-micron sheets and launch this onto the market.

Overview of the New OPP Business

- As a growth investment contributing to ROE improvement, we set selling prices that reflect costs, including depreciation.
- Moving toward a higher profit rate, with an operating profit ratio of 10% as a standard
- Reducing investment risk through the sharing of facilities by the food container manufacturing plant and logistics backup functions



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These are applications of the new OPP sheet.
It will of course be used for food containers, and various other highly interesting applications are possible.

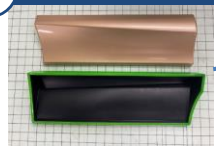
Applications of the New OPP Sheet

Developed by FPCO

In-mold product

Developed by FPCO

Overlay-molded products



Future applications of the new OPP sheet
(for illustration purposes only)

Source: Quoted from Toyota Europe Newsroom, a website of Toyota Motor Corporation
https://newsroom.toyota.eu/new-land-cruiser-200/

Benefits of the new OPP sheet

- **Increased rigidity and resistance to shock**
  =>Thin-walling and lightweighting of products, or reduction of resin material costs.
- **Mono-material molded products made possible by using decorative labels made by decorating the new OPP sheet and using PP as the molding resin**

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For example, it has the potential to be used for automotive parts.
Using what is called “Light-transmitting printing,” a new prototype shown in the slide uses our sheet as the outermost layer.

Applications of the Multi-layer OPP Plate

Expected to create high added value by replacing conventional materials

Developed by FPCO

Multi-layer OPP plate

Civil engineering and construction material

Housing equipment material

Solar cell material

Benefits of multi-layer OPP plate

- **PP100%**
  => Light weight (low specific gravity) and high recyclability
- **Superior physical property balance (high rigidity and high toughness)**
  => Enables PP to replace conventional materials that previously could not be used due to insufficient physical properties.
  Contributing to the growing trend toward mono-material products

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Further, this sheet may also change construction methods.
I think that the first line will probably be used for manufacturing sheets for this application.
Regarding automotive use, we assume that the sheet will begin to be used for models to be launched in three to four years.
Therefore, we will begin consideration starting with the sheet that will be manufactured on the first line, which will be used for industrial applications.
I think that the sheet will be used for automotive applications after the second line is introduced.
The new sheet has various applications, and its added value is higher than expected.
We would like to use it for the most profitable applications.
For example, if using it to manufacture food containers is not profitable, we may limit its use for food containers.
At present, we have considered this matter a great deal.

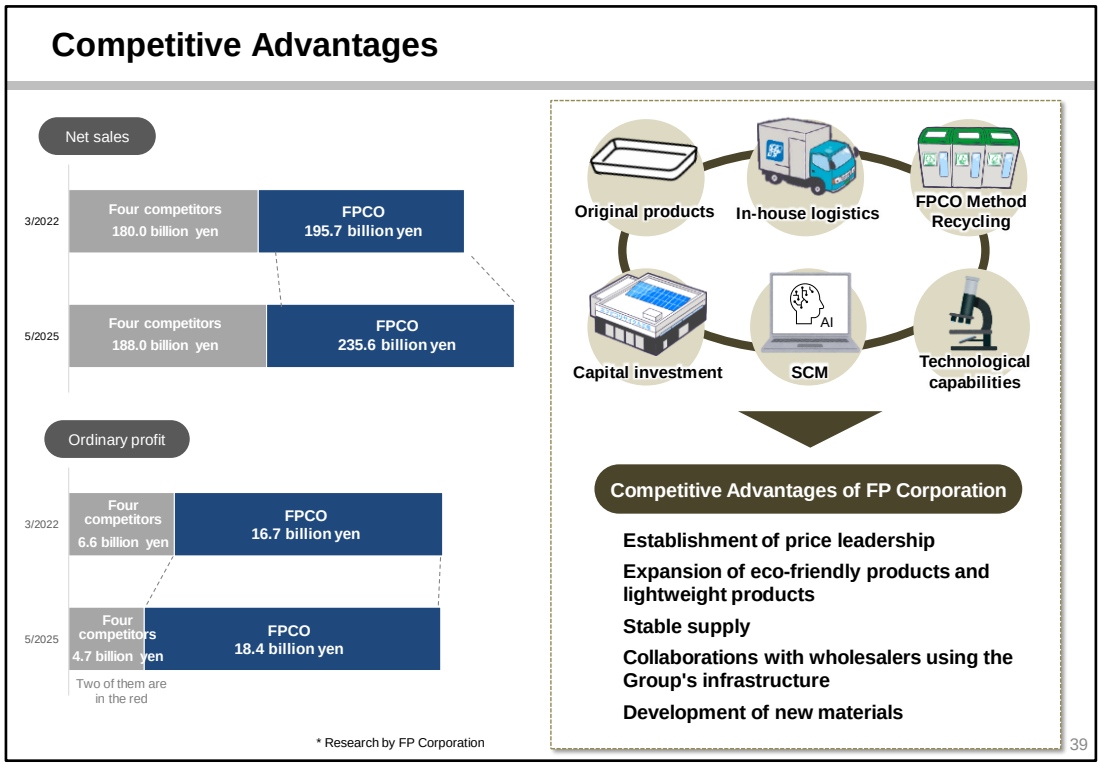
01. Market Conditions

02. Eco-Friendly Strategies

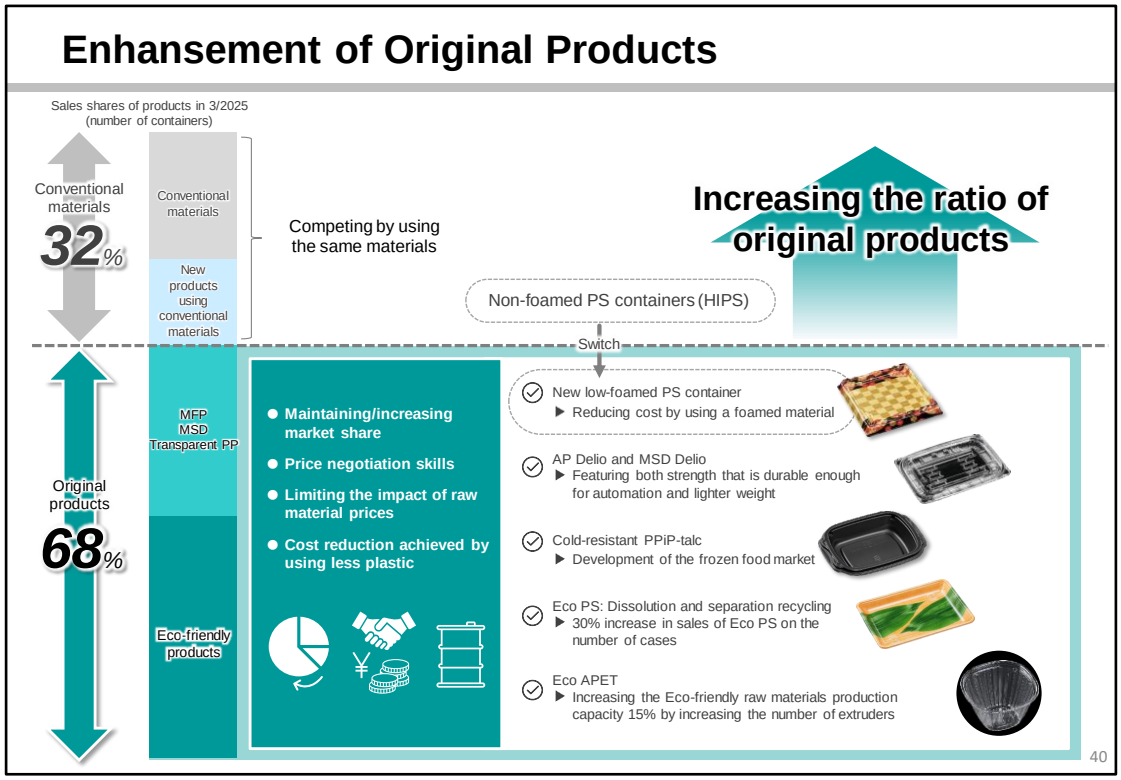
03. FPCO Group's infrastructure

04. Developing Applications for New OPP Sheet

05. To Increase Corporate Value



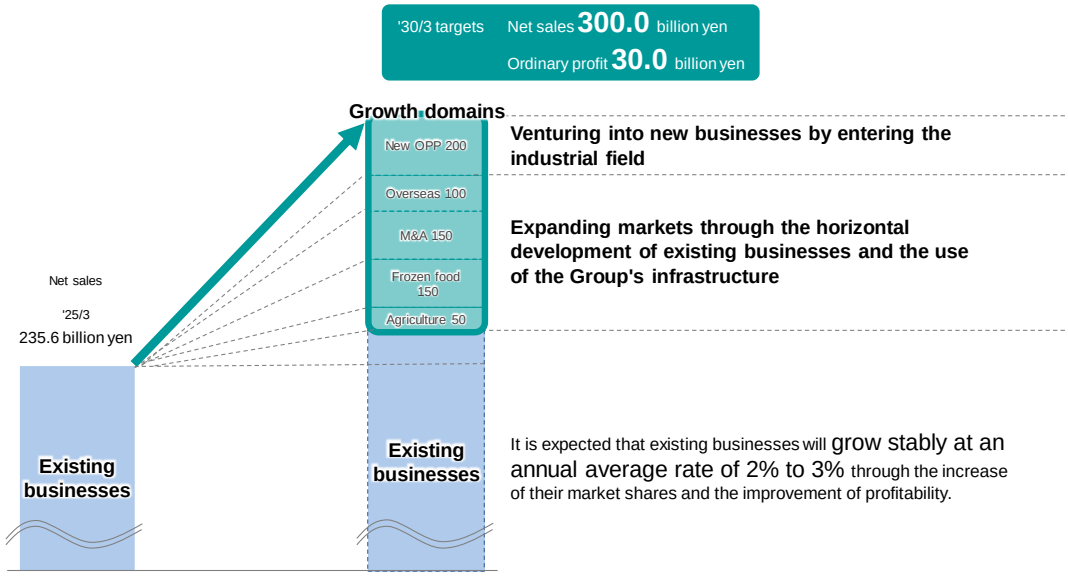
I will move on to explain our competitive advantages.
The graphs on the slide show comparisons of our net sales and ordinary profit and those of four of our competitors in the fiscal year ended Mach 31, 2022 and the fiscal year ended Mach 31, 2025.
We refer to our company and the four competitors as the five major companies.
In just those three years, the difference has grown significantly.
In particular, we were able to take the lead in the revision of prices to respond to the changes affecting the entire industry, such as the rising prices of raw materials and electricity. I think that this point was proven by the three most recent price revisions.
External factors such as the rising prices of raw materials and electricity do not affect our competitiveness within the industry.
It is just a matter of what the profit or loss for that period will be.
However, we believe that the market will no longer grow rapidly.
Despite this environment, the differences between us and our competitors are widening.
For example, in response to the rice price increases, customers requested that we revise container sizes.
The price increases led to the rice used in sushi being reduced from 18 grams to 16 grams, and it was requested that we develop smaller sushi containers.
To fulfill this request, we invested in more than 80 molds.
No other manufacturer in the industry is able to do that.
This, combined with the successful development of the new technology, will allow us to take a greater lead.



Currently, 68% of the products we sell are products that other companies cannot manufacture, including eco-friendly products.
The proportion of our competing products that use the same materials as our rivals is 32%.
We expect that when we complete the introduction of New OPP products, the percentage of our products they cannot manufacture will increase from 68% to 72% or 75%, for example.
Further, demand for eco-friendly products is growing in response to the Collaborative Store-to-Store Eco Store Declaration, and we believe that the ratio will rise further.

Growth Strategy

Aiming to achieve near-double-digit growth through the expansion of business domains in addition to stable growth in existing businesses



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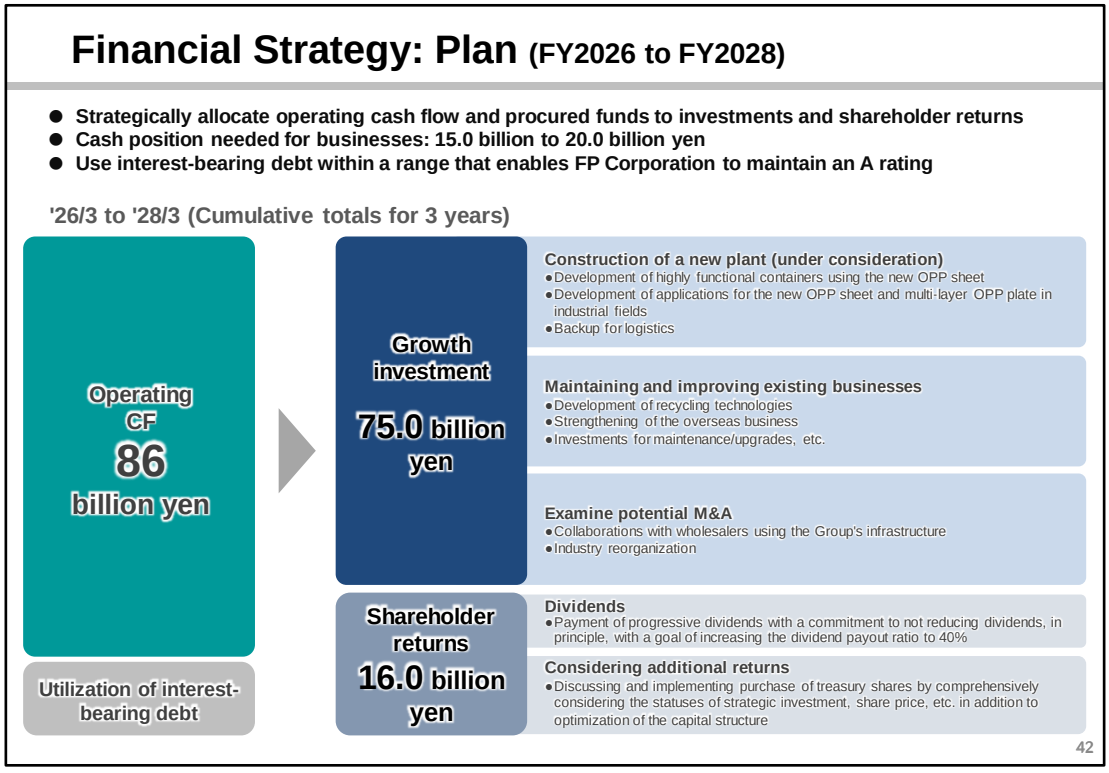
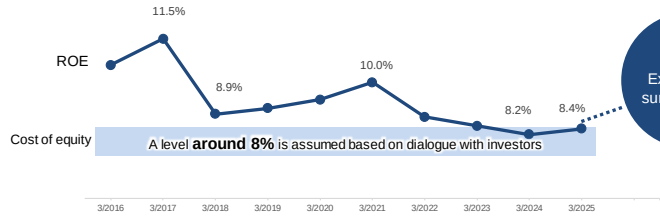
Setting aside the numeric figures, we would like to take a greater lead in technologies and investments, including investments in new markets.



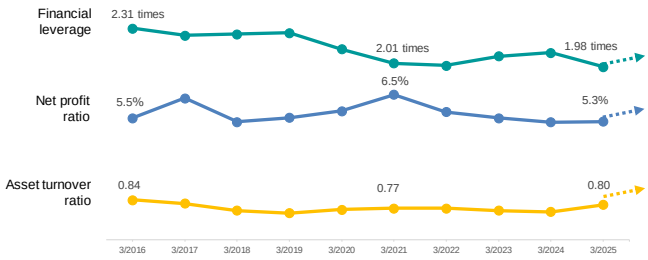
As the slide shows, we are continuing to invest around 20 billion yen.
Regarding the 45 to 50 billion yen investment that I explained earlier today, it is fully possible to invest this much over a period of around three years.
Through these and other actions, we will access new markets.

Initiatives to Improve ROE

Trends in ROE



Trends in ROE components



Towards the medium- to long-term improvement of ROE

Profitability improvement
- Price leadership against sharp rises in raw material prices
- Acquisition of market share in the frozen food market
- Growth of overseas business
- Increasing profit with the new OPP

Improvement of asset efficiency
- Strengthening collaborations with packaging wholesalers using the Group's infrastructure
- Promoting M&A and industry restructuring

Financial leverage
- Effective utilization of interest-bearing debt
- Increasing shareholder return through progressive dividends

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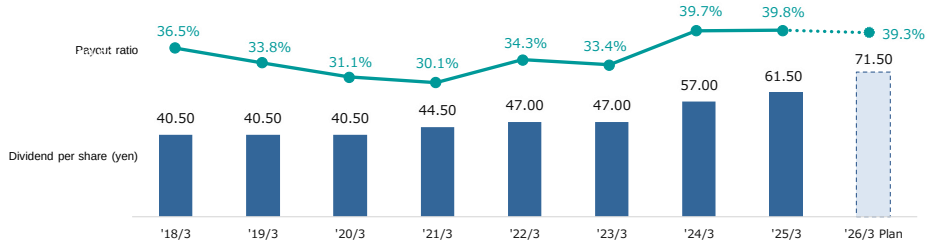
ROE declined slightly, but we think it will probably return to the 9% level this fiscal year.

Shareholder returns

- **Dividend policy**
  Paying progressive dividends with a commitment not to cut dividends, in principle and the goal of increasing the dividend payout ratio to 40%
  Aiming to stably increase the amount of dividends in response to the medium- to long-term growth in profit
  - ▶ **The dividend per share for the FY ending March 2026 has been increased by 10 yen from the initially planned amount to 71.50 yen.**
  - ▶ **Increasing dividends by increasing earnings per share**
- **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.



Unit: billion yen	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025
Dividends	3.3	3.3	3.3	3.7	3.8	3.8	4.6	5.0
Purchase of treasury share	–	–	–	4.0	–	–	3.0	–
Total	3.3	3.3	3.3	7.7	3.8	3.8	7.6	5.0
Total return ratio	36.5%	33.8%	31.1%	62.7%	34.3%	33.4%	65.1%	39.8%

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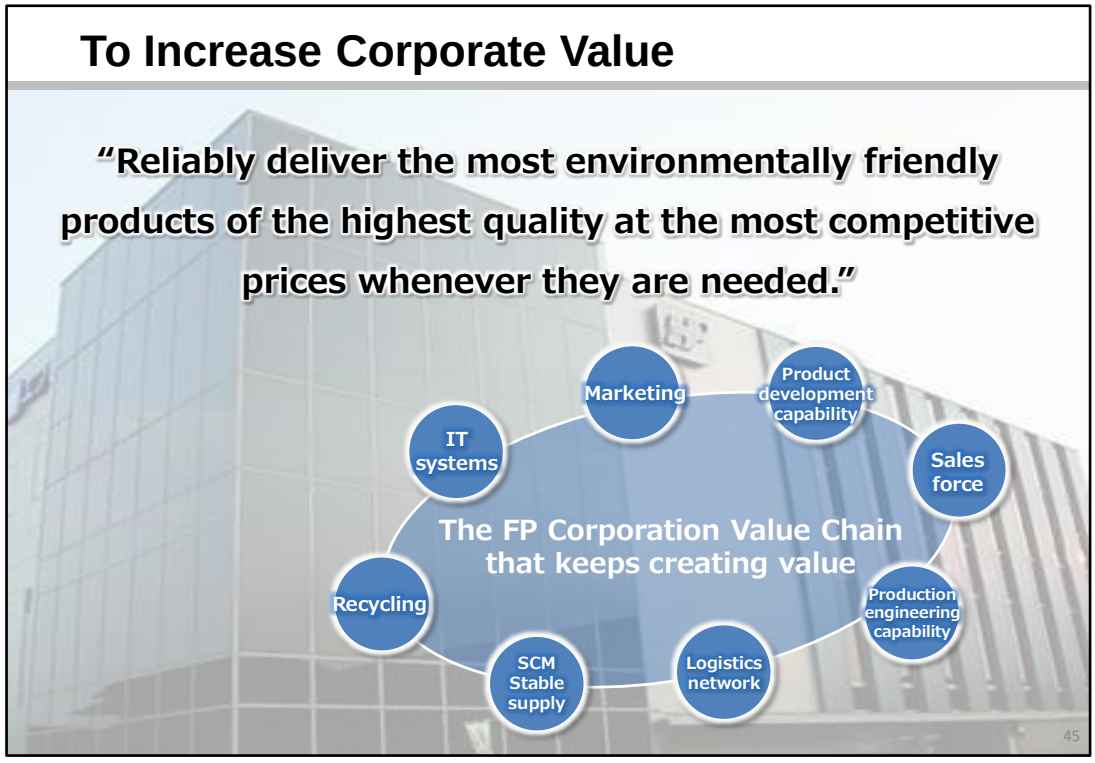
We have increased dividends by 10 yen. Our policy is to pay progressive dividends with the goal of increasing the dividend payout ratio to 40%.



We believe that we will steadily achieve growth if we continue to be uncompromising in our pursuit of our motto, reliably delivering the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed.
We are very much counting on your continued support.
This is the end of my explanation.
Thank you for your attention.

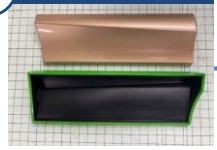
Applications of the New OPP Sheet

Developed by FPCO

In-mold product

Developed by FPCO

Overlay-molded products



Future applications of the new OPP sheet
(for illustration purposes only)

Source: Quoted from Toyota Europe Newsroom, a website of Toyota Motor Corporation
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Benefits of the new OPP sheet

- **Increased rigidity and resistance to shock**
  =>Thin-walling and lightweighting of products, or reduction of resin material costs.
- **Mono-material molded products made possible by using decorative labels made by decorating the new OPP sheet and using PP as the molding resin**

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I am Hiroshi Ogawa. I am the Executive Vice President, a Director, and the Executive General Manager of the Global Trading Division.
I will give an additional explanation about the status of the development of the new OPP sheet.
Samples are displayed in this venue. Regarding the sheet, we are now engaged in R&D for decorative films, focusing on films for the mobility industry.
We have introduced our product to most Japanese mobility manufacturers.
In some cases, this has led to Joint Development Agreements (JDAs), and in other cases where a JDA has not yet been finalized, we are in the process of providing numerous samples to various film manufacturers for their evaluation and consideration.
To give you an idea of the situation, in a car, this part is called the central cluster.
It often includes the car navigation system at its center.
To demonstrate that we can manufacture parts with such complex shapes, we have produced the molds in-house and are currently creating and supplying samples to mobility manufacturers.
This is a solid black injection-molded product.
Suppose that you wanted to decorate it.
Painting it, for example, would be very expensive, and it would have a significant environmental impact.
For these reasons, mobility manufacturers tend to avoid painting as much as possible.
An alternative measure is to print on the back side of the sheet we developed and use it for molded products.
Another alternative is integrated molding—inserting the sheet directly into the mold.
The result is a molded product like this.
The elimination of the need to paint is not the only benefit.

Using a sheet that is 150 microns or thicker results in an excellent balance between impact resistance and rigidity.
Compared to existing sheets, this sheet has an outstanding balance of physical properties.
Accordingly, using this sheet for molded products makes it possible for the injection molded base material to have thinner dimensions.
In addition, if polypropylene collected through post-consumer recycling is used for this base material, it may be possible for automotive manufacturers to use it as a recycled material that conforms to the European regulations they aim to comply with.
Accordingly, mobility manufacturers are interested in it.
Regarding Light-transmitting printing, I think you can see the letters because the sample is illuminated now.
When the light is turned off, however, the letters disappear.
And they appear again when the light is on.
For example, letters can be displayed on a car bumper when light passes through it.
In other words, automotive manufacturers are pursuing designs like this for future automobiles.
For example, they are trying to decorate bumpers with letters displayed on them, such as their names and “Please, go first.”
Our OPP sheet has been highly evaluated as a material that is transparent, decorative, and formable that can be leveraged to design the cars of the future.
There are various molding methods.
This sample was completed quite recently.
Even the back is decorated.
This is a key technological point.
The decoration technology, forming technology, and physical properties of the newly developed sheet have been praised.
Currently, we are steadily engaged in R&D efforts, and we are striving to commercialize it as a construction material as quickly as possible.
I cannot tell you here what development efforts we are engaged in with which customers. However, commercialization is in sight.
We appreciate your patience.