

Financial Summary for the Fiscal Year Ended March 31, 2026



Full year YoY (%)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
240.5 billion yen (+4.9 billion yen +2.1%)	21.6 billion yen (+3.1 billion yen +17.0%)	21.8 billion yen (+3.3 billion yen +18.0%)	14.9 billion yen (+2.4 billion yen +19.1%)

The previous record highs for net sales and profits were surpassed. Net sales have increased for 16 consecutive years, operating profit and ordinary profit have increased for two consecutive years, and profit attributable to owners of parent has increased for four consecutive years

1st half YoY (%)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
119.5 billion yen (+4.6 billion yen +4.0%)	9.3 billion yen (+2.8 billion yen +43.6%)	9.3 billion yen (+2.8 billion yen +43.3%)	6.4 billion yen (+2.1 billion yen +48.1%)

Effect of price revisions* amid persistently high materials prices
Product quantity decreased 1.9% due to weak retail sales.

2nd half YoY (%)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
121.0 billion yen (+0.3 billion yen +0.2%)	12.3 billion yen (+0.3 billion yen +2.7%)	12.4 billion yen (+0.5 billion yen +4.1%)	8.4 billion yen (+0.3 billion yen +3.6%)

Price revisions were completed.
There was progress in the expansion of sales, mainly in supermarkets, which resulted in a 1.3% increase in product quantity.

Shareholder returns

- ✓ Annual dividends were 73.00 yen per share (with an interim dividend of 31.50 yen and a year-end dividend of 41.50 yen).
- ✓ Dividend payout ratio 39.7%

* Price revision announcements: (1) 10% or higher price increase announced in Oct. 2021, (2) 15% or higher price increase announced in Apr. 2022, (3) 15% or higher price increase announced in Apr. 2024

1

Mr. Isao Ikegami: I am Isao Ikegami, 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 fiscal year ended March 31, 2026. Full-year net sales were 240,500 million yen. Operating profit stood at 21,600 million yen. Ordinary profit was 21,800 million yen. Profit attributable to owners of parent was 14,900 million yen.

The previous record highs for net sales and profits were surpassed.

In the first half, we revised prices amid persistently high materials prices.

We increased prices three times in the last four years and reconfirmed our price leadership in the industry.

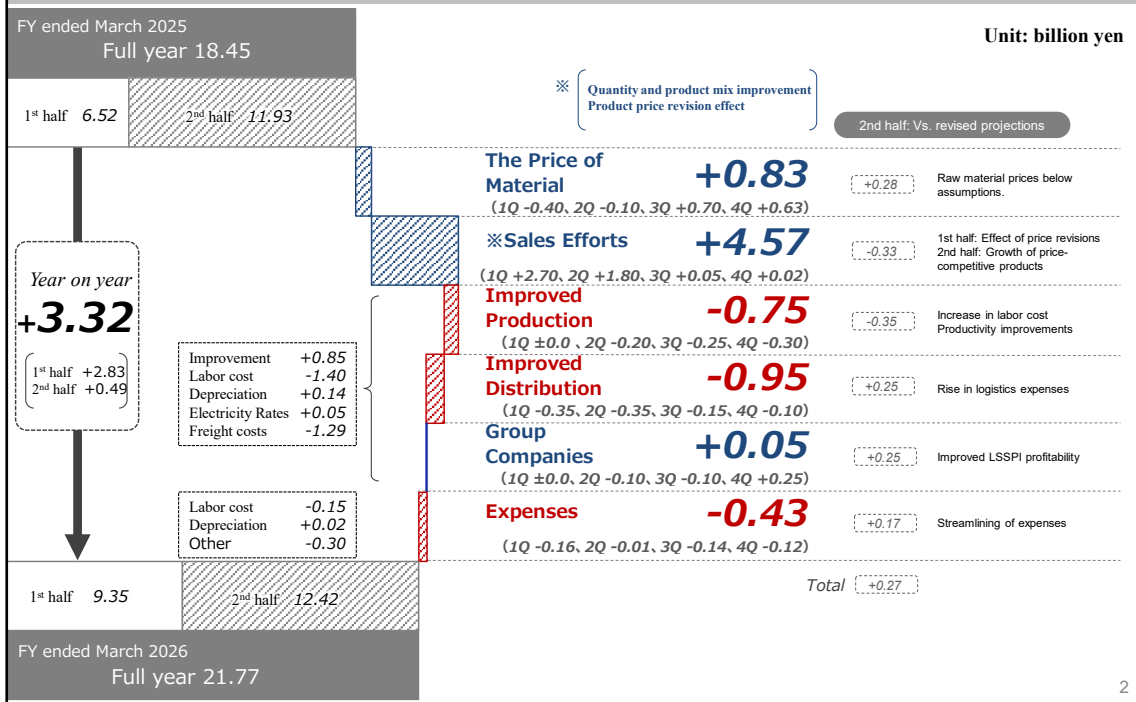
However, product quantity declined 1.9% due to weaker consumer spending in the retail market.

In the second half, sales increased even without the effects of the price revisions.

Sales quantity turned around, up 1.3% year on year, driven mainly by expanded sales to supermarkets.

Regarding shareholder returns, we plan to pay annual dividends of 73 yen per share, with a dividend payout ratio of 39.7%.

Results for Increase/Decrease in Ordinary Profit (For the FY Ended March 2026)



Ordinary profit in the fiscal year ended March 31, 2026 was 21,770 million yen, a year-on-year increase of 3,320 million yen.

The increase was mainly a result of raw material prices and sales efforts, which had a positive impact of 5,450 million yen.

At the same time, increases in labor cost and logistics expenses had a negative impact of 2,130 million yen.

Raw material prices remained high into the second half, but they settled at a stable level.

Additionally, we were able to absorb the increase in costs, including labor costs and logistics expenses, by passing them on via prices. This enabled us to improve profitability.

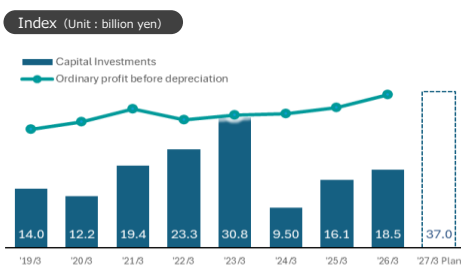
Ordinary profit was 270 million yen above the revised budget we announced on October 31 last year.

Capital Investments and R&D Costs (Results and Projections)



Unit: million yen	Results for Full year				Full year projections		
	FY ended March 2025	FY ended March 2026		FY ending March 2027			
	Performance	Performance	Increase / decrease	Year-on-year	Plan	Increase / decrease	Year-on-year
Tangible fixed assets	15,761	17,997	+2,236	114.2%	36,500	+18,502	202.8%
Intangible fixed assets	351	534	+183	152.2%	500	-34	93.5%
Capital investments	16,112	18,532	+2,419	115.0%	37,000	+18,467	199.7%
Depreciation	14,751	14,594	-157	98.9%	14,500	-94	99.4%
Research and development costs	1,543	1,903	+360	123.3%	(TBD)	-	-

Major Capital Investments	Commencement of operation	Total investment amount	(Million yen)	
			FY ended March 2026 Full-year results	FY ending March 2027 Full-year projections
■ Investments related to products made from existing materials				
Installation of automated equipment			554	495
Chikusei Warehouse	December 2026	1,473	47	1,033
Mold			1,714	1,980
■ Investment in new OPP, a new material				
Bando Plant and Distribution Center (tentative name)	To be completed in Sept. 2028	58,000 (estimate)	4,739	22,023
Layering (lamination) line at the Kannabe Plant	November 2026	1,497	457	1,076
■ IT investment			666	504



Capital investments in the fiscal year ended March 31, 2026 stood at approx. 18,500 million yen while depreciation was approx. 14,600 million yen.

They are almost on par with the projections.

Major investments are related to the new OPP, a new material that we have developed.

We project that we will invest 37,000 million yen during the fiscal year ending March 2027.

As a major capital investment, we plan to invest approx. 22,000 million yen in the construction of the Bando Plant and Distribution Center.

We expect to invest a total of approx. 58,000 million yen in these facilities over five years.

We will provide details of this plan later, in the new OPP briefing session.

Balance Sheet (For the FY Ended March 2026)



We used strong infrastructure to establish a barrier to entry and maintained sound financial standing.

- A vertically integrated business model in which we own manufacturing, logistics, and recycling facilities
Productivity improved by using state-of-the-art plants and distribution centers and investing in automation
- Stable equity ratio maintained
Very sound financial standing supporting strategic investments, indicated by the A rating we have acquired
- Control of inventories
Inventory optimization to achieve both the stable supply of products and zero stockouts, supporting food infrastructure.

	Previous consolidated fiscal year	Results for Full year			
	FY ended March 2025	FY ended March 2026			
Unit: million yen	2025/3/31	2026/3/31	Increase/decrease	Year-on-year	Breakdown of main increases and decreases
Current assets	98,847	105,439	+6,591	106.7%	Cash and deposits +6,458
Noncurrent assets	193,378	198,622	+5,244	102.7%	Construction in progress (including a new OPP manufacturing equipment: +5,196) +5,923
Total assets	292,226	304,062	+11,836	104.1%	
Current liabilities	84,372	86,218	+1,846	102.2%	Short-term borrowings +986
Noncurrent liabilities	53,739	52,672	-1,066	98.0%	Long-term borrowings -1,028
Total liabilities	138,111	138,891	+779	100.6%	
Net assets	154,114	165,171	+11,056	107.2%	Retained earnings +9,088
Total liabilities and net assets	292,226	304,062	+11,836	104.1%	
Equity ratio	52.5%	54.1%			

4

This slide shows the balance sheet.

We will continue to strive to strengthen barriers to entry and maintain sound financial standing using our strong infrastructure.

A key feature of our assets is our business model, in which we own manufacturing, logistics, and recycling facilities.

These assets have given us an overwhelming competitive advantage over other companies.

At the same time, we will maintain our very sound financial standing to facilitate advantageous funding and strategic investments, with a stable equity ratio.

Cash Flows (For the FY Ended March 2026)



We maximized our corporate value by allocating the cash we generated to growth investments and shareholder returns.

- **Stable cash flows from operating activities**
Largest share in the food container market, generating stable cash flows. This market is unlikely to be affected by the economy
- **Cash flows from investing activities aimed at the next stage of growth**
We aggressively and strategically invested to build an unparalleled manufacturing and logistics network.
- **Cash flows from financing activities that support stable shareholder returns and growth investments**
We paid progressive dividends with a target dividend payout ratio of 40%, while maintaining financial soundness.

(Unit: million yen)	Results for Full year			
	FY ended March 2025	FY ended March 2026		
	Performance	Performance	Breakdown of main items	
CF from operating activities	27,919	29,981	Profit before income taxes	21,457
			Depreciation	14,594
			Income taxes paid	-6,576
CF from investing activities	- 14,929	- 16,594	Purchase of property, plant and equipment	-16,012
			(including new OPP sheet manufacturing equipment: -4,496)	
			Expenditures for mergers and acquisitions	-201
Free cash flows	12,990	13,386		
CF from financing activities	- 18,070	- 6,928	Dividends paid	-5,778
Net increase(decrease)in cash and cash equivalents	- 5,079	6,458		
Cash and cash equivalents at end of period	19,020	25,478		

5

We are able to obtain stable cash flows from operating activities through the sale of food containers, which are unlikely to be affected by the economy. This is one of our strengths.

We will continue to allocate the cash to growth investments, including investments in the Bando Plant, and shareholder returns.

We will thus strive to maximize our corporate value.

Financial forecasts

- **The environment for procuring raw materials has remained uncertain due to the growing tensions in the Middle East.**
We expect to be able to continue stable product supply until the end of June.
We will monitor changes in the situation, carefully examine the prospects regarding the stable supply of products, and then announce financial forecasts promptly.

Price revisions

- **We will pass on the soaring prices of raw materials, etc. through product price revisions.**
By doing this, we will maintain and improve profitability.
We announced price revisions on April 30. We will increase prices by 20% or more, effective for shipments from June 1.

Shareholder return forecast

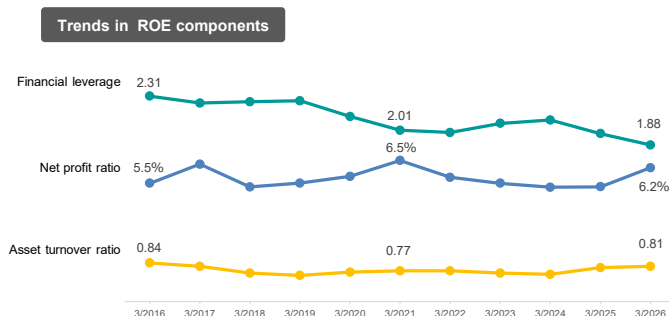
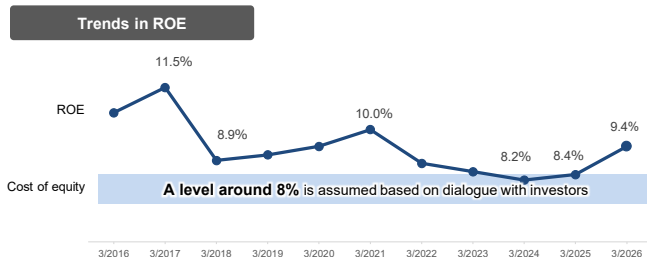
- ✓ **We plan to pay dividends of 73.00 yen per share based on our progressive dividend policy.**

We expect to continue to supply products stably until the end of June.
We will announce our consolidated forecasts for the current fiscal year once stable product supply can be assured and reasonable calculations become possible.

Initiatives to Improve ROE



We will increase ROE over the medium to long term by investing aggressively in growth to increase revenue.



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

Regarding ROE, we will improve capital efficiency by investing aggressively in growth to increase revenue.

ROE had remained in the 8% range in the last few years due to high raw material prices. It recovered to 9.4% due to the improvement of productivity and the effects of price revisions.

While raw material prices have again begun to rise at present, we will maintain and improve profitability by enhancing productivity and revising prices flexibly.

We will also strengthen cooperation with packaging material wholesalers leveraging the Group's infrastructure to improve the asset efficiency and productivity of the entire supply chain.

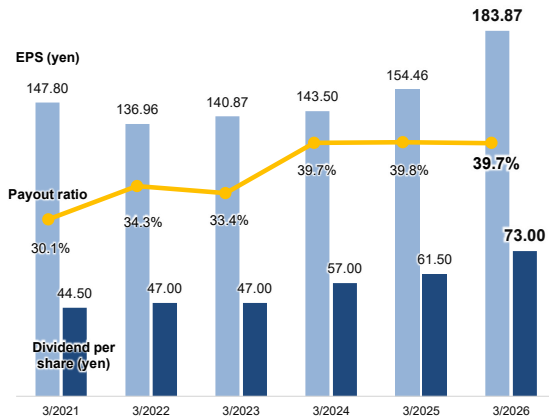
Further, we aim to increase ROE stably over the medium to long term through the growth of overseas business and the increase of revenue with the new OPP.

Shareholder returns



We will increase medium-term profit by increasing the earning power of our main business, aiming to further enhance shareholder return.

Our shareholder return policy



Investing in growth to increase earnings per share

- ▶ Since the fiscal year ended March 2022, we have revised prices to address the ongoing increase in raw material prices.
- ▶ Fiscal year ended March 2026: Record-high profit

Dividend policy

- ▶ Fiscal year ended March 2024: We increased the dividend payout ratio from 30% to 40%.
- ▶ Fiscal year ended March 2025: Progressive dividends

Acquisition of treasury shares

- ▶ Fiscal year ended March 2021: 4,000 million yen
- ▶ Fiscal year ended March 2024: 3,000 million yen

For shareholder returns, we will first increase the earning power of our main business to drive medium-term profit growth and enhance dividends. To achieve this, we will earn a return that exceeds the cost of capital in each business.

Impact of the Middle East Situation



The prices of crude oil, naphtha, and other materials have soared due to the Middle East situation.

The prices of all of our major materials, PS, PET, and PP, have increased by around 100 yen/kg (from April 2026).

We expect to maintain a stable supply through the end of June.

We will make every effort to ensure a stable supply of products, including using recycled materials.

Based on the current market conditions, **we will first increase our prices by 20% or more for shipments starting June 1.**

We will announce our financial forecasts once the situation stabilizes and the outlook for a stable supply of raw materials becomes clearer.

9

Mr. Morimasa Sato: I am Morimasa Sato, Chairman, Representative Director and Group Representative.

As explained earlier, we achieved record-high performance in the fiscal year ended March 31, 2026.

Dividends increased 1.50 yen in the second half. Annual dividends will be 73 yen, an increase of 11.50 yen from the previous fiscal year.

Regarding the impact of the Iran situation, we have been asked, "How long can you continue stable product supply under the current circumstances?"

In light of the information we have received from raw material manufacturers and others, our answer right now is, "Until the end of June."

However, the situation is changing from moment to moment.

Among the solvents that have been a particular concern, the supply of toluene, which is used for printing, has begun to recover slightly according to the latest information.

We hear that the situation has begun to improve, with supply from China resuming.

Regarding raw material prices, the price of domestic naphtha for January to March has been set at 65,800 yen.

At present, it has been around 110,000 yen.

At the same time, the crude oil price temporarily rose to a level above 110 dollars. It is around 108 dollars at present.

It remains uncertain whether the price will stay at this level or rise further as the Strait of Hormuz continues to be closed.

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10

Normally, we would ask for price revisions based on raw material prices, assuming stable product supply. Currently, however, it is expected that the prices of raw materials will steadily increase across the board from April onward.

Specifically, the prices of raw materials such as polystyrene, polyethylene terephthalate (PET), and polypropylene are forecast to increase by at least 100 yen per kilogram. Accordingly, we are announcing a price increase of more than 20 percent for shipments from June 1.

In the plastics industry as a whole, a 30% or higher price increase has been announced for most products, including wraps.

We are less affected by the price increases because PSP is foamed and therefore requires less raw material, and also because approx. 30% of our trays are eco-friendly products made from recycled materials.

The most affected products are the non-foamed ones, including PET products. Virgin materials account for only 20% of raw materials used in the extrusion process for these products.

Half of the remaining 80% are materials recycled from PET bottles.

This year, these recycled materials are expected to be slightly cheaper than in the previous fiscal year.

Therefore, if we were to calculate considering only virgin materials, the price would likely increase by 25 to 30 percent, but our eco-friendly products are made from 100% recycled materials.

Considering that virgin materials are 20% of the materials used in the extrusion process, the price increase is only around 20%.

This is why we have decided to announce the price increase of 20% today.

Impact of the Middle East Situation



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We will announce our financial forecasts once the situation stabilizes and the outlook for a stable supply of raw materials becomes clearer.

11

However, we are unable to create a full-year forecast right now.

It is uncertain whether raw material prices will continue to hover around their current level or fluctuate, at least in the coming six months.

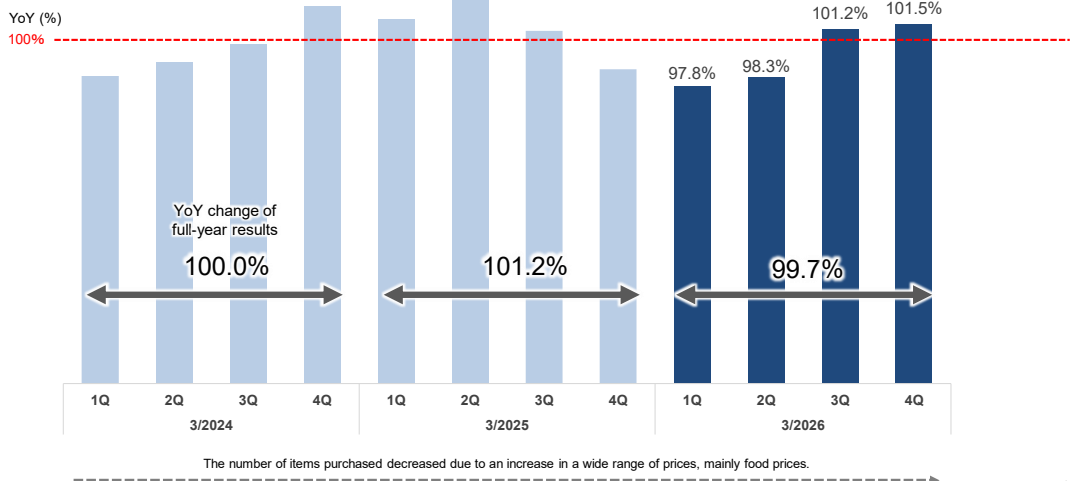
We will determine our business performance forecasts based on the raw material prices at the point in time when stable product supply can be assured.

We will announce the forecasts once we have a clearer view of whether crude oil prices will stabilize in the 60 to 80 dollar range or at a higher or lower level.

Recovery of Product Sales Volume



Despite consumers becoming more cautious about spending due to inflation, sales volumes have recently started to recover, mainly in the supermarket sector.



Let me talk about market conditions.

Shipping quantity decreased compared to the fourth quarter of the fiscal year before last.

This is because the number of items purchased at supermarkets decreased remarkably, reflecting food price increases that have continued since the year before last.

Further, shipments to convenience stores also began to decline around June of last year.

This situation remains unchanged at present.

We offset this by focusing our efforts on sales activities and winning market share of products for supermarkets.

As a result, sales volume recovered to above 100% from the third quarter.

Respond to Changing Needs



Shortage of labor ▶ Containers that are compatible with the use of machines



Sharply rising raw material prices ▶ Making appearance and price attractive



13

Customer needs have changed.

Backroom operations are being streamlined as more production is shifted to process centers (PCs) and central kitchens.

There were also moves to review product sizes and weights in response to the increase of food ingredient prices.

We have responded to these needs by adding 91 molds to six series. These include products with finely adjusted size variations and lunch containers with one pocket instead of two.

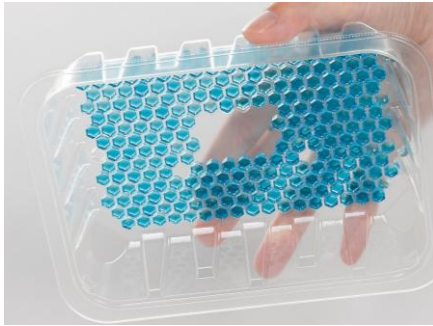
As a result, the sales volume took a positive turn in the third quarter.

In the supermarket sector, right now, we have achieved growth of approx. 4%.

New Products to Increase the Top Line (1): Addressing the Labor Shortage



Drip Pocket: A New Product Helping Customers Reduce Costs



PSP will also be released soon!

Point

Adds value to general-purpose containers through patented molding technology that enables precise shapes and drip retention using surface tension.

- ▶ No need for absorbent paper
- ▶ Reduces labor by eliminating pad placement

14

We have developed a new product named Drip Pocket.

This product uses surface tension to retain liquid, which makes absorbent paper unnecessary.

I myself believed that this was possible using a solid material, but I did not expect that it would be possible to make a product with this fine structure from foamed PS. I was very surprised.

In the backroom operations of supermarkets, laying out absorbent paper is not a high-profile task. In a PC where the operations are consolidated, however, several workers are continually doing this task for up to two hours. Accordingly, this product is attracting a great deal of attention, and experiments have begun at many work sites.

The strength of PSP decreases slightly when it is molded finely. We are therefore conducting wrap film testing to make improvements.

We expect to be able to release a series of products in June.

With this product, absorbent paper is sometimes unnecessary, and when still needed, lower-absorption paper can be used.

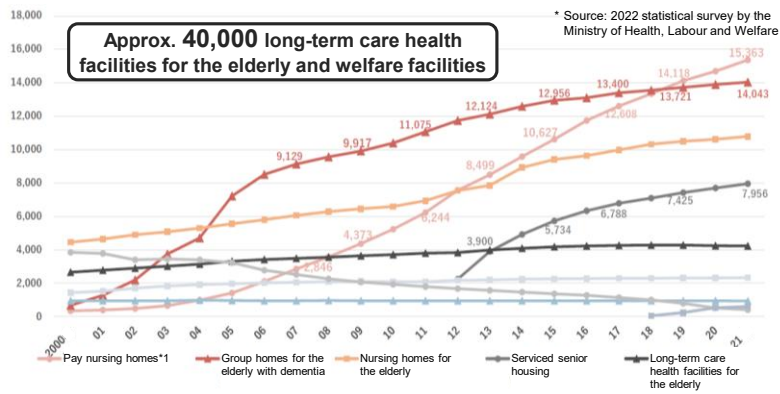
The cost reduction effects of Drip Pocket are apparent.

It also eliminates the task of laying out absorbent paper, so we believe it will contribute greatly to the streamlining of operations at supermarkets.

Frozen Medical and Nursing Care Food, a Growth Market



While the overall population is declining, the elderly population continues to grow, driving changes in food service operations. Addressing the increasingly severe labor shortage has become an urgent issue.



15

I will explain the growth market.
 The nursing care market has continued to expand.
 In this market, there is the problem of the labor shortage.

Frozen Medical and Nursing Care Food, a Growth Market



There has been progress in the transition from **returnable containers** to **single-use containers** due to the labor shortage

Returnable containers

- Dishwashing accounts for 40% of kitchen operations.
- Meals must be prepared every time.



Single-use containers

- Reduction of washing work
- Use of frozen lunchboxes

Suitable for planned advance preparation
Suitable for long-term storage
No plating required before serving
Ready to serve simply by heating



16

Conventionally, returnable containers are used to serve freshly cooked meals 365 days a year.

The containers are collected after use, washed, and used again. We are reaching the limits of this method now.

This is expected to result in a major shift to frozen food, which can be prepared in advance and stored.

Development of cold-resistant PPIP-talc[®], a new material

A lineup of 12 product series containing a total of 33 items

Point 1 Reduction of plastic usage

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

Point 2 Resistance to shock

Superior resistance to breakage at freezing temperatures compared with cold-resistant PP

Point 3 Heat resistance

Heat resistance temperature of +130°C

The products can be used in a wide range of temperatures, from frozen storage to microwave heating.



FT-TS



Reflecting the trends in this growth market, we have developed containers that reduce plastic usage by more than 25 percent. The greatest problem with frozen food is containers breaking. Frozen food ingredients are very hard and sharp. They could be seen as weapons to us. Preventing container breakage is very difficult, but we succeeded in solving this issue.

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

Point 1 Productivity improvements

Manufacturing speed is approx. **two** times faster than conventional thermoforming

Point 2 Visual quality

Patterned trays that look like real tableware make the table look gorgeous



Further, we have also established a fixed-position forming technology, which ensures that the patterns on the containers are always in the same position.

Examples of Use in Food Services for Nursing Care Facilities

WJU Food Systems Okinawa Factory

3,000 meals per day are manufactured and delivered to nursing care facilities in Okinawa

- By using heat-resistant containers, it is possible to manufacture and rapidly freeze food for seven days over a five-day period. One day of food is made on Monday and 1.5 days of food are made Tuesday through Friday. This means workers can take two days off every week.



Large reheater



Using these technologies, the WJU Food Systems Okinawa Factory prepares 3,000 meals a day.

This factory makes one day of food on Monday and 1.5 days of food on Tuesday through Friday, which enables workers to take Saturdays and Sundays off.

The introduction of the five-day work week has made it easier to attract human resources.

The large device shown in the third photo from the left on the slide is called a thawer.

Thawer technologies have evolved greatly, and we expect that the frozen food market will continue to expand.

Example Customers in the Frozen Food Market



Supermarkets



Companies in Chugoku/Shikoku



LIFE CORPORATION

Frozen food manufacturer



Musashino Foods Co., Ltd.

Industrial catering



Silver Life Co., Ltd

Hospital and nursing care food



Nissin Healthcare Food Service Co., Ltd.

Expansion is also underway to major frozen food manufacturers and convenience stores

20

Freezing equipment has begun to be introduced on supermarkets' sales floors for perishable items, including fresh fish, fresh meat and prepared food. Frozen foods have been deemed valuable again in the supermarket market, and there have been developments in the freezing technologies for making them.

As a result, supermarkets have introduced frozen food sections on their sales floors separately from those for products from major frozen food manufacturers.

Accordingly, it is expected that the frozen food market will expand in the future. There is also progress occurring in terms of the enhancement of product lines and the development of technologies.

“Store to Store Recycling” Starting and Finishing at the Same Store



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



21

I will explain our eco-friendly strategies.

We collect food trays and PET bottles used at a store and then recycle them so that they will actively be used again as materials at the same store.

We have named this store-centered recycling network initiative the Store-to-Store initiative.

Expansion of Store-to-Store

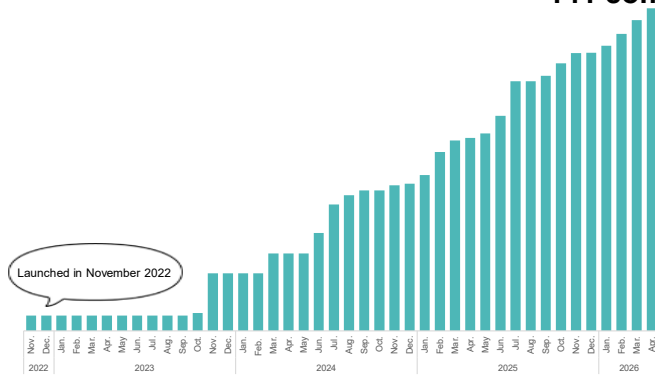
* Source: Supermarket whitepaper for FY2025 from the National Supermarket Association of Japan



More than 5,000 stores have signed the Collaborative Eco Store Declaration!

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

As of April 2026
**5,261 stores of
141 companies**



The goal is to expand it to 10,000 stores of 300 companies

22

We have announced the Collaborative Eco Store Declaration with the supermarkets working on the Store-to-Store recycling initiative with us. As of the end of April, we are collaborating with 5,261 stores run by 141 companies.

Last month, we announced our Collaborative Eco Store Declaration with Daiei, and at their request, we held a press conference.

We would like to expand this program to 10,000 stores run by 300 companies as quickly as possible.

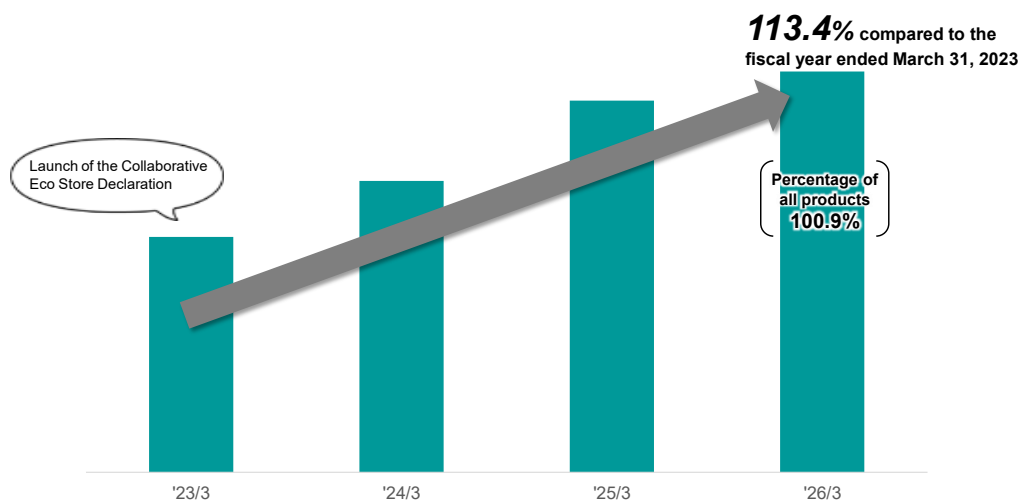
Growth of Eco-friendly Products



More supermarkets choose eco-friendly products.

Eco-friendly products sales volume

Eco-friendly products



23

In line with our Collaborative Eco Store Declaration, we set targets for contributing to the reduction of CO₂ emissions by using eco-friendly products. As a result, the sales volume of eco-friendly products has increased to approx. 113% since the launch of the Collaborative Eco Store Declaration initiative in the fiscal year ended March 31, 2023.

Reduction of CO₂ Emissions Achieved through Eco Products

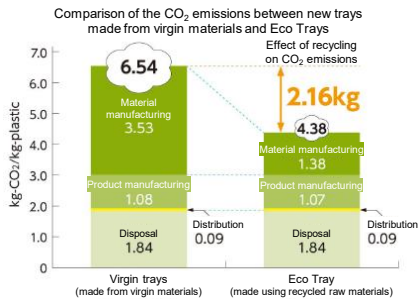


Eco PS containers

CO₂ emission reduction effect
Products shipped on April 1, 2026 and beyond



33%

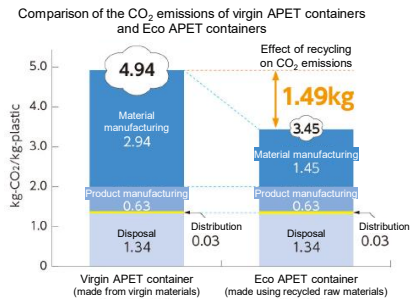


Eco APET and Eco OPET containers

CO₂ emission reduction effect



30%

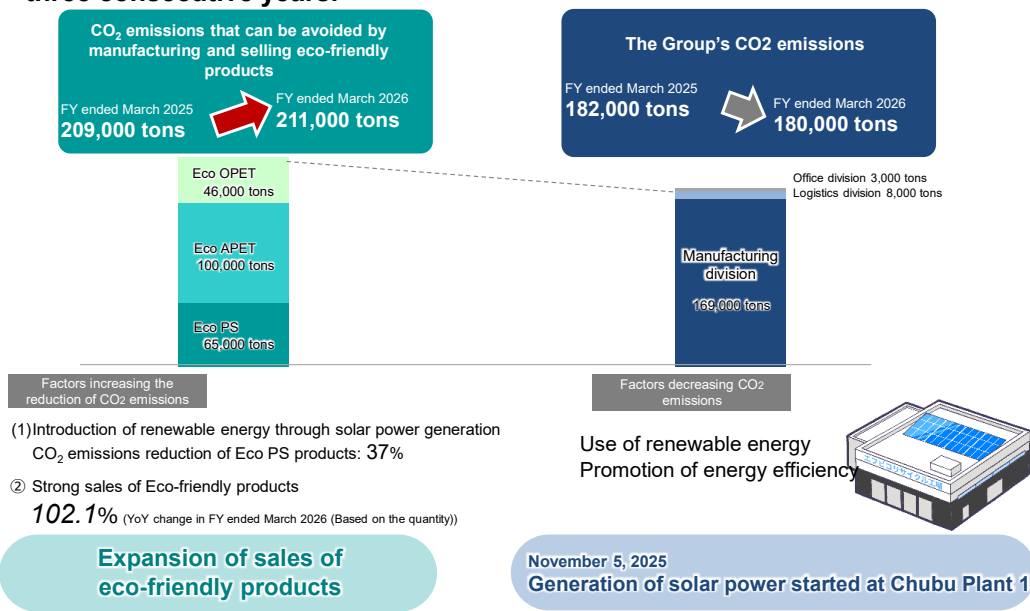


CO₂ emissions from eco-friendly products are approx. 33% lower for eco PSP containers and approx. 30% lower for eco APET and OPET containers compared with products made from virgin materials.

Contributions to CO₂ Reductions through Eco-friendly Products



CO₂ reductions achieved through the manufacture and sale of eco-friendly products have exceeded the Group's business-related CO₂ emissions for three consecutive years.



Manufacturing and selling eco-friendly products makes it possible to reduce CO₂ emissions by 211,000 tons per year compared to only manufacturing and selling products made from virgin materials.

In addition, we have been able to reduce the CO₂ emissions from our business activities to 180,000 tons, partly due to the installation of a new solar power generation system.

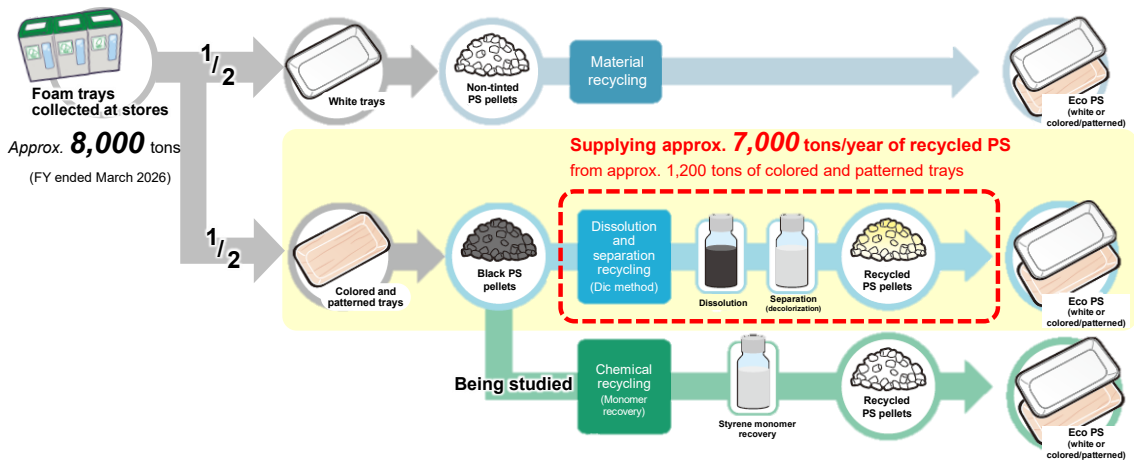
Accordingly, the CO₂ reduction achieved through the manufacture and sale of eco-friendly products has exceeded the CO₂ emissions from our business activities.

Globally, it is rare for manufacturers to implement initiatives like this, and we believe it is very meaningful.

For the Expansion of Sales of Eco PS Products



Dissolution and separation recycling: Temporarily suspended as priority is being placed on securing virgin materials



26

About half of the trays we collect are colored trays.

While we recycle white trays into eco-friendly materials and then into trays, colored trays are recycled into products other than eco-friendly trays.

It was planned that a new plant would begin operating in April last year using DIC's technology, and it was expected to supply approx. 10,000 tons of eco-friendly materials per year.

However, just as the start of manufacturing came in sight around the autumn of last year, we were affected by the Iran situation. At present, we have suspended the plant's operations as the manufacturing of virgin materials is our top priority.

We plan to resume plant operations once a stable supply can be assured.

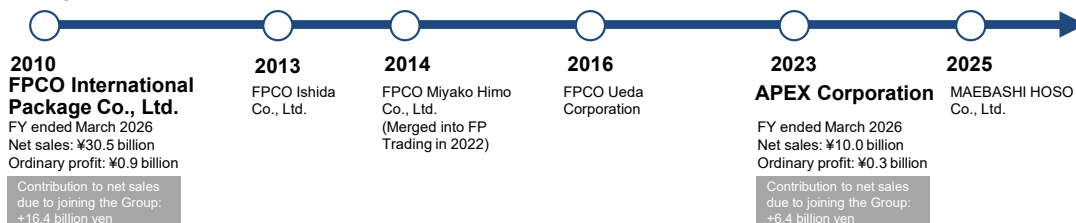
This is expected to increase the supply of eco-friendly materials by approx. 7,000 tons per year.

Cooperation with Packaging Material Wholesalers



Enhancing wholesalers' operations using the Group's infrastructure to drive revenue growth

M&A performance



FPCO Group's infrastructure



Using the FPCO Group's infrastructure, we have been bringing packaging material wholesalers into the Group since 2010.

We had FPCO International Package Co., Ltd., FPCO Ishida Co., Ltd., FPCO Miyako Himo Co., Ltd., FPCO Ueda Corporation, and APEX Corporation join the Group.

We were particularly pleased to be joined by MAEBASHI HOSO Co., Ltd., our newest member. This company offered to join the FPCO Group because of a lack of successors.

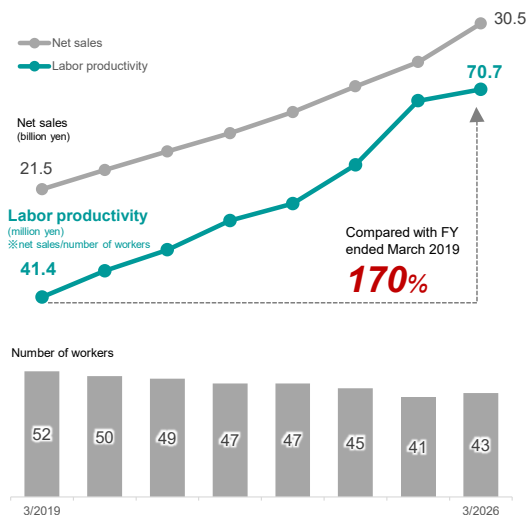
Currently, it is the Gunma Sales Office of FPCO International Package.

Performance of FPCO International Packaging

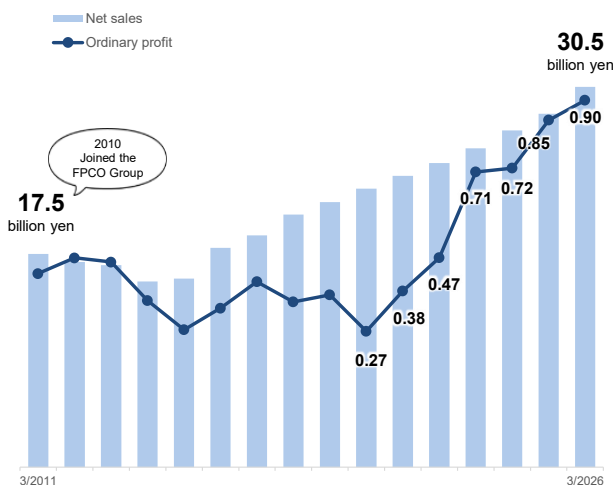


Expanding the growth model, which uses the Group's infrastructure, into wholesalers

Work and labor productivity



Net sales and ordinary profit



28

Partly reflecting this, the business performance of FPCO International Package has been growing remarkably.

Its net sales have finally exceeded 30 billion yen, and ordinary profit has exceeded 0.9 billion yen.

It is particularly important that, while net sales have been growing, the number of workers involved in operations has decreased, as shown by the graph on the left side of the slide.

Recently, the number of employees increased due to the addition of the Gunma Sales Office, as I mentioned earlier.

From the viewpoint of labor productivity, net sales per worker increased by approx. 70% over the last eight years.

The standard system for packaging material wholesalers that we developed has contributed greatly to this growth.

Our system has been introduced by not only the four Group companies but also four external packaging material wholesalers that have no capital relationships with us.

By leveraging our infrastructure, including this system, we will further strengthen collaboration with packaging material wholesalers through FP Trading's merchandising capabilities and the PackMarket e-commerce business.

By doing this, we will expand the lineup of materials and consumables available from the FPCO Group.

LSSPI (Overseas)



Steady progress in the improvement of productivity

There has been progress in improving both sales and profit, and LSSPI is expected to start contributing to earnings in the fiscal year ending March 2027

Lee Soon Seng Plastic Industries Sdn. Bhd.

Location: Malaysia
Ownership ratio: Mitsui & Co., Ltd. owns 60% and FP Corporation owns 40%
Sales share (domestic : overseas): 6:4



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

- ▶ Deepening marketing
- ▶ Accelerating the development of containers with new designs that are tailored to market needs

Step. 3

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

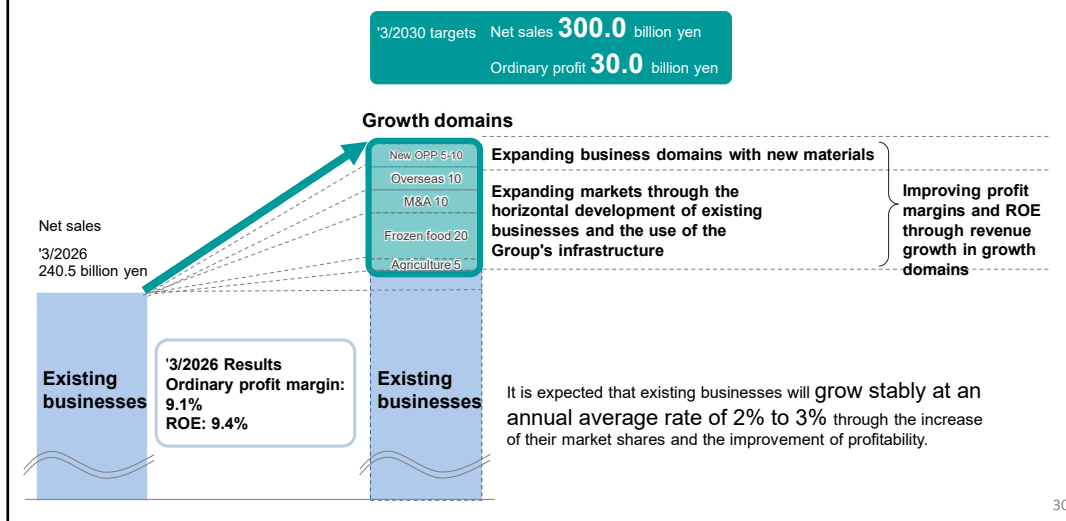
29

Overseas, we jointly acquired Lee Soon Seng Plastic Industries Sdn. Bhd. (LSSPI) in Malaysia with Mitsui & Co., Ltd. three and a half years ago. LSSPI is growing rapidly at present, and sales are also increasing. Recently, the company has raised prices in response to soaring material costs. However, since LSSPI has significantly improved its productivity compared with its competitors, we believe its lead in the industry will widen further.

Growth Strategy



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



I will explain our growth strategy.

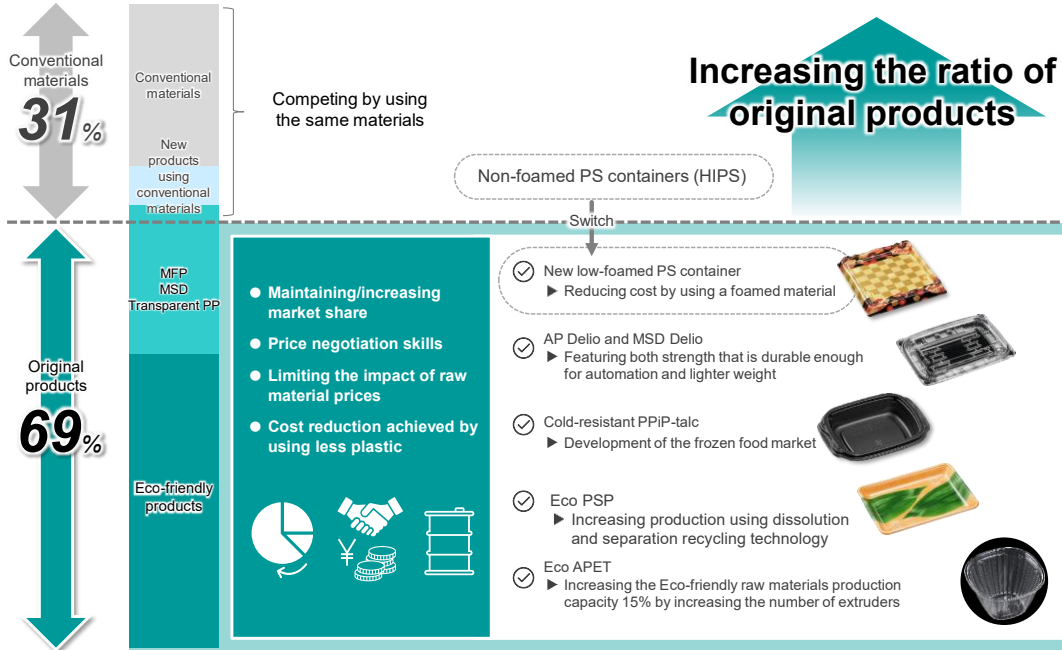
In addition to achieving the continued growth of existing businesses, we will also cultivate new markets.

For example, we expect continued growth in the frozen food-related business as I mentioned earlier, and we believe the new OPP, which I will discuss later in the press conference, has the potential to expand to a scale of 15.0 billion yen per production line.

Enhancement of Original Products



FY2026/3 Product Sales Composition
(number of containers)



31

The most important thing about our business is that 69% of the products we ship are FPCO-exclusive original products.

We are the only supplier of the eco-friendly products and other materials. Accordingly, products using the same materials as our competitors account for only 31% of our total shipments.

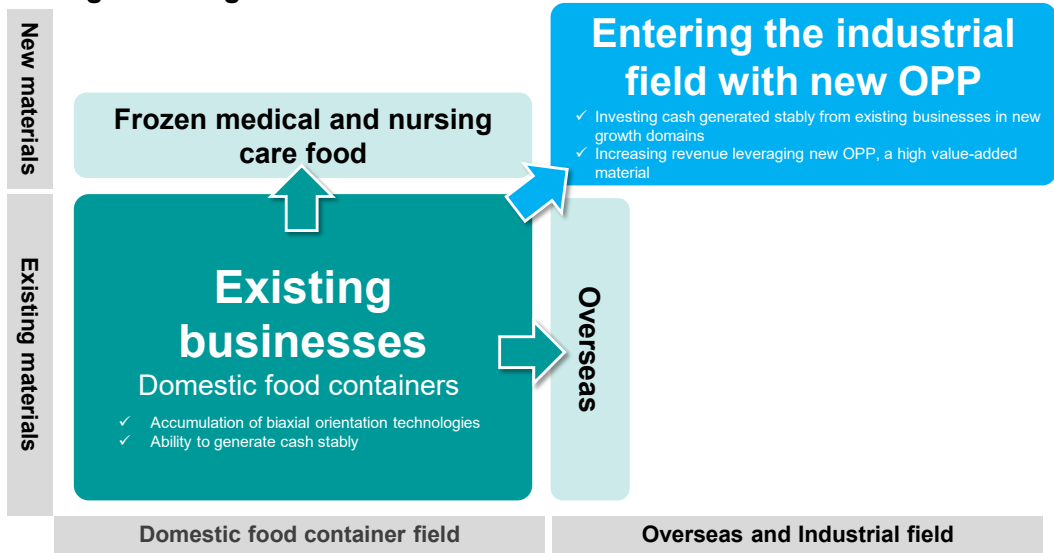
The new OPP is also an FPCO-exclusive product.

We would like to continue increasing the percentage of FPCO-exclusive products.

Multi-layered Business Portfolio



By establishing a multi-layered business portfolio leveraging our technological capabilities and our ability to generate stable cash flows, which we have cultivated through our existing businesses, we build a stronger earnings base.



32

We believe that our business in the field of frozen food will definitely expand into the field of medical and nursing care food.

We will also provide new OPP materials to new industries.

We believe it is difficult for us to take all of these initiatives on our own.

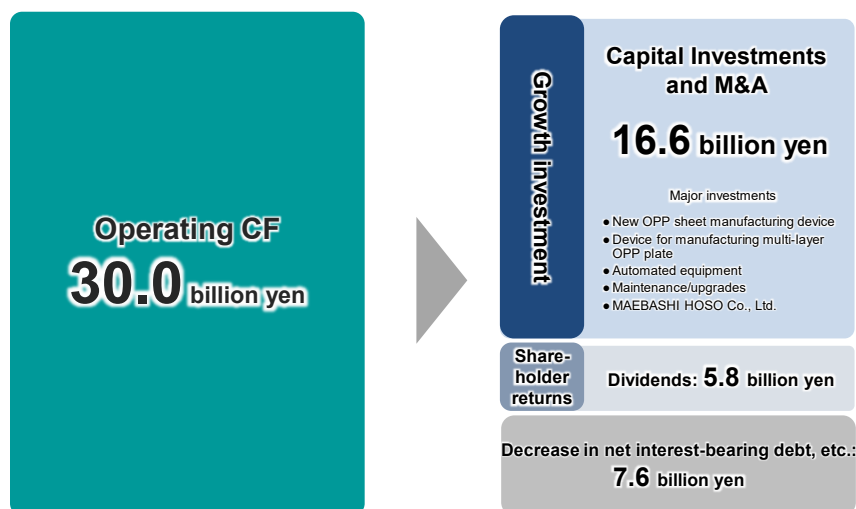
We will see how much we can do within FPCO while considering collaborations with partners.

Financial Strategy: Achievements (FY2026)



- Cash flow from operating activities was used for capital investments and M&A, which target future growth and stable supply, as well as for shareholder return
- Utilizing debt while maintaining financial stability

2025/4 - 2026/3



33

I will move on to explain cash flows.

Cash flows from operating activities are 30.0 billion yen at present. We have used the cash to provide shareholder returns, invest in growth, and reduce interest-bearing debt.

Last year, we reduced net interest-bearing debt by 7.6 billion yen.

Financial Strategy: Plan (FY2027 to FY2029)



- Allocating funds to investments and shareholder return strategically using cash flows from operating activities and financing
- Cash position needed for businesses: 15.0 billion to 20.0 billion yen
- Use interest-bearing debt within a range that enables FP Corporation to maintain an A rating

'27/3 to '29/3 (Cumulative totals for 3 years)



We will continue to invest over the coming three to four years. We plan to use 88.0 billion yen of cash from operating activities and interest-bearing debt to make growth investments of 100.0 billion yen and also pay shareholder returns in the next three years.

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%**

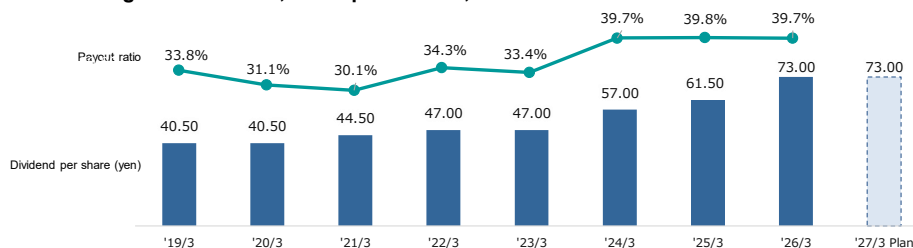
Aiming to stably increase the amount of dividends in response to the medium- to long-term growth in profit

- ▶ Dividends per share for the FY ending March 2027 will be **73.00 yen** based on the progressive dividend policy.

- ▶ 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	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025	3/2026
Dividends	3.3	3.3	3.7	3.8	3.8	4.6	5.0	5.9
Purchase of treasury share	-	-	4.0	-	-	3.0	-	-
Total	3.3	3.3	7.7	3.8	3.8	7.6	5.0	5.9
Total return ratio	33.8%	31.1%	62.7%	34.3%	33.4%	65.1%	39.8%	39.7%

35

The dividend payout ratio was 40%.

Last fiscal year, we were able to increase dividends by 11.50 yen per share compared to the fiscal year before last.

We would like to maintain this policy.

To Increase Corporate Value



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



36

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.

Development of New OPP (1) : Development of Biaxially Oriented PET (OPET)

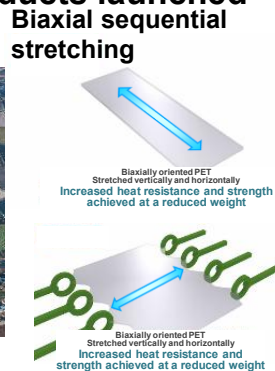


Around 2007 Start of biaxially oriented PET (OPET) research

April 2012 Completion of the Kanto Yachiyo Plant
Introduction of OPET production facilities

December 2012 World's first thermoformed OPET
products launched

Kanto Yachiyo Plant



I will explain the background behind the development of the new OPP.

This “O” stands for “oriented.”

In our industry, we use OPS as a material for transparent lids.

It is made by biaxially orienting a polystyrene sheet.

This improves transparency and provides heat resistance up to 80 ° C, making it suitable for microwavable lids.

We began manufacturing containers from a material called PET.

PET features excellent oil resistance.

In contrast, OPS has very poor oil resistance.

This means that if you microwave an OPS container with fried chicken in it, for example, it may get a hole in it due to the heat of the oil.

This will not happen with PET because it is highly oil resistant.

However, it has low heat resistance

The heat resistance of normal PET bottles is only around 60 ° C, and they get soft when hot water is poured into them.

It is widely known that the heat resistance of PET increases when it is biaxially oriented.

However, once PET is biaxially oriented, it becomes difficult to stretch further, even when heated.

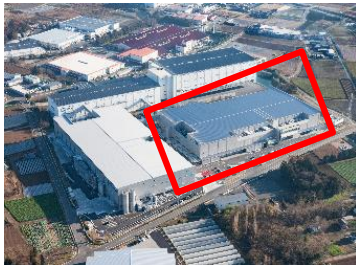
This makes molding extremely difficult, as molding involves heating the material and stretching it into shape.

**Development of New OPP (1) :
Development of Biaxially Oriented PET (OPET)**

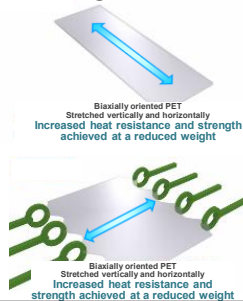


- Around 2007** **Start of biaxially oriented PET (OPET) research**
- April 2012** **Completion of the Kanto Yachiyo Plant
Introduction of OPET production facilities**
- December 2012** **World's first thermoformed OPET
products launched**

Kanto Yachiyo Plant



Biaxial sequential stretching



OPET products

We began research the biaxial orientation of PET in around 2001. We introduced equipment for stretching PET in 2012. This equipment is approx. 100 meters long. Accordingly, we constructed the Yachiyo Plant, which has a 100-meter-long pillarless space, and began manufacturing OPET there. Specifically, we use the sequential biaxial stretching method. The material is first stretched in the machine direction by varying roller speeds and then gripped and stretched in the transverse direction. We had great difficulty with this. We could barely manufacture any usable products in the first year after the plant was completed. Manufacturing finally became possible, and we launched the world's first OPET product onto the market in December 2012. At present, we manufacture 28,000 tons of OPET products annually using four manufacturing lines with sequential stretching equipment, two in Kanto and two in Chubu. Thankfully, 99.9% of the 28,000 tons of manufactured products are sold. Heat resistance improved from 60 ° C to 80 ° C, making the material suitable for bento lids. It also enabled the manufacture of snap-lock hinged lid containers. It will not get a hole in it, even if it is microwaved with fried chicken in it, for example. In addition, stretching has also increased its cold resistance, and the containers will not break, even at -40 ° C. As a result, it is well suited for frozen food containers. Currently, we are meeting demand at full manufacturing capacity.

Development of New OPP(2) : Development of OPP at the FPCO Comprehensive Research Institute



December 2014

Completion of FPCO Comprehensive Research Institute
Introduction of the KARO stretching device for R&D



Approx. 10 years

April 2024

Successful development of the new OPP sheet and
OPP multi-layer plate announced



Comprehensive Research Institute



KARO stretching device for R&D

39

When we launched this product, polypropylene became our next challenge. Polypropylene is an excellent resin with superior chemical resistance, but it has some shortcomings.

One is that it is difficult to make the material transparent. Second, because it is soft, it hangs down when heat is applied during molding, a phenomenon known as drawdown.

Accordingly, the products themselves are soft, and it was not easy to practically use polypropylene.

We thought that biaxial orientation would increase its strength.

Therefore, we introduced the KARO stretching device for R&D when we established the Comprehensive Research Institute.

This experimental device was developed by Brückner, the world's largest manufacturer of stretching machines. It records data on the effects of different temperatures, heating conditions, stretching ratios, and stretching speeds, enabling the results to be reproduced on a stretching line.

Development of New OPP(2) : Development of OPP at the FPCO Comprehensive Research Institute



December 2014

Completion of FPCO Comprehensive Research Institute
Introduction of the KARO stretching device for R&D



Approx. 10 years

April 2024

Successful development of the new OPP sheet and
OPP multi-layer plate announced



Comprehensive Research Institute



KARO stretching device for R&D

40

We spent approx. 10 years collecting a broad range of data. As a result, we are now in a position to commercialize OPP (biaxially oriented polypropylene). The properties of the stretched sheet are highly distinctive. We have developed a very interesting material.

We then created something even more interesting by laminating the sheets and producing a plate made entirely of polypropylene.

We will use the OPP sheet for food applications. Additionally, with the laminated plate, we plan to expand into industrial applications, a new area for us.

We are investing a considerable amount in this project, but it has been formally approved by the Board of Directors.

I said earlier that the line for sequentially stretching PET is 100 meters long. The stretching line for this latest project requires a 200-meter-long pillarless space, so it is a huge investment project.

Table of Contents

- 01. Overview of the New OPP**
- 02. Superiority of the New OPP**
- 03. Overview of Capital Investment**
- 04. Timeline**
- 05. Marketing**

Mr. Hiroshi Ogawa: I am Hiroshi Ogawa. I am the Executive Vice President, a Director, and the Executive General Manager of the Global Trading Division. I will explain our new OPP business.

What is the New OPP?

Successful development of two unique materials that are the first of their kind in the world.

Ultra-rigid biaxially oriented polypropylene sheet (New OPP sheet)

Single-layer sheet

- Thickness: 150 to 300 microns
- For food container applications: Suitable for a wide temperature range, from frozen to heat-resistant applications.
- For industrial applications: Expected use in mobility-related components and other applications.



New OPP sheet transparent container sample

Ultra-rigid biaxially oriented polypropylene plate (OPP multi-layer plate)

Multi-layer plate

- Thickness 1 to 4 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
- Industrial applications: Expected to have applications in construction materials, housing equipment materials, automobiles, etc.



Decorative molded product using OPP multi-layer plate

Standard OPP

- Thickness: 30 to 50 microns
- Applications: Flexible food packaging materials, etc.



42

I will start with an overview of the new OPP.

OPP has been used widely in the form of biaxially oriented polypropylene film for flexible food packaging.

We have developed materials that are truly one-of-a-kind in the world.

We have succeeded in developing two types of material: ultra-high-rigidity biaxially oriented polypropylene sheet (new OPP sheet) and ultra-high-rigidity biaxially oriented polypropylene plate (OPP multi-layer plate).

The greatest difference between the new OPP sheet and typical OPP films is that the new OPP sheet is much thicker, ranging from 150 to 300 microns.

This thickness is generally needed to make food containers.

Accordingly, we aimed to develop a polypropylene sheet that could be biaxially oriented to this thickness.

In the development process, we found that sheets of this thickness have excellent mechanical properties.

We found that it was possible to make a very interesting and extremely rigid polypropylene plate by laminating the sheets to make plates between one and four millimeters thick.

As a result, we succeeded in developing these two materials, and they have been well received by our customers.

Background to the Development of the Technology



Many manufacturers
have entered the market

Standard OPP

(Thickness: 30 to 50 microns)

✓ **Not thick enough for forming***

* Changing the shape of a sheet or other product using an external force (or heat)

Uniquely developed
by FPCO

New OPP sheet

(Thickness: 150 to 300 microns)

✓ **Increased thickness that makes forming possible**
✓ **Superior balance of physical properties**

Uniquely developed
by FPCO

OPP multi-layer plate

(Thickness: 1 to 4 mm)

01. R&D on sheet thicknesses suitable for food containers

02. Accumulation of stretching technologies through OPET products (launched in 2012)

03. Collaborations with specialized manufacturers in each field

Barriers to entry

New OPP-related patents are pending.

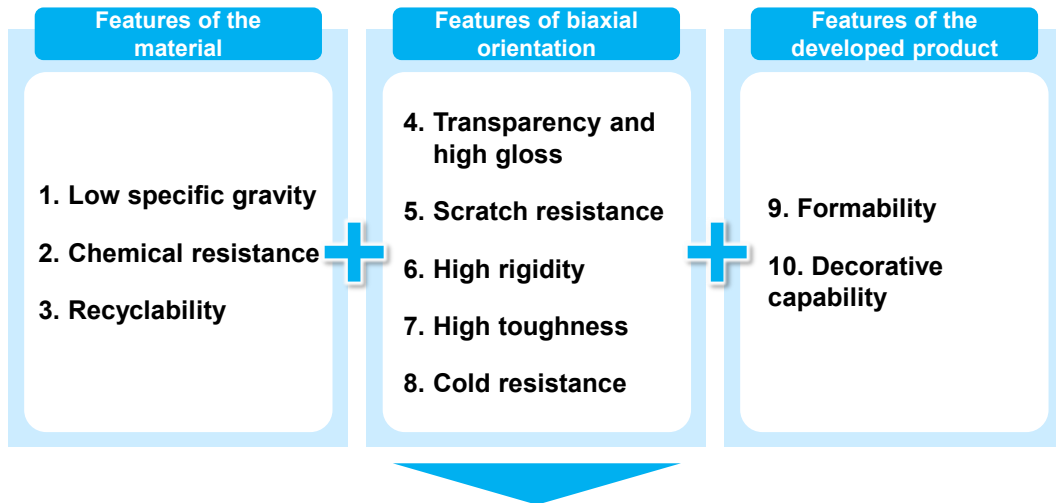
43

I will explain the background behind the development of the technology. While we were engaged in R&D with sheet thicknesses appropriate for food containers, we began to find that it could be used for various components.

Material Properties



10 features of the new OPP sheet and OPP multi-layer plate



Expected to have applications in civil engineering and construction materials, industrial equipment components, solar cells, automobiles and other fields

44

I will move on to explain the superiority of the material.

We explain ten features of both the new OPP sheet and OPP multi-layer plate to our customers.

First, one feature of polypropylene is that it is the plastic with the lowest specific gravity, 0.9.

Polypropylene is also chemical resistant and highly suitable for material recycling.

Accordingly, automotive manufacturers proactively use polypropylene.

There has been growing demand, not only from automakers but also from many other industries, to improve the environmental performance of products through the material recycling of polypropylene.

We have identified five features achieved through biaxial orientation.

Major features include transparency and high gloss, as well as scratch resistance, high rigidity, high toughness, and cold resistance, achieved through biaxial orientation.

The developed product also has several unique features.

One is that the material remains formable despite being biaxially oriented, as it was designed with food container applications in mind.

In addition, printing further enhances its decorative capabilities.

Based on these characteristics, we expect the new OPP sheet and OPP multi-layer plate to have applications in civil engineering and construction materials, housing equipment, device industry components, solar cells, automobiles and other fields.

Advantages of the New OPP Sheet for Food Containers



Comparison of transparent container materials

		New OPP (Biaxially oriented PP product)	OPS (Biaxially oriented PS product)	APET (Amorphous PET)	OPET (Biaxially oriented PET product)	Transparent PP (Amorphous PP)
Transparency		○	○	○	○	△
Heat resistance		110°C	80°C	60°C	80°C	110°C
Cold resistance	-30°C	○	△	×	○	×
Container weight at equivalent strength	○ Light × Heavy	○	△	×	△	×
Oil resistance		○	×	○	○	○

45

For food applications, the new OPP sheet meets all the requirements for transparent containers and offers excellent heat resistance of up to 110 ° C. Therefore, we believe that this opens the door to new possibilities for food containers in new fields.

Advantages of In-mold Lamination

(1) Improvement in physical property balance
(Rigidity + Impact resistance)



Injection-molded product

To ensure strength,



Thickness is necessary



High-performance resins
are necessary



Difficult to use low-quality
recycled materials



Laminated OPTENA in-mold decorated product

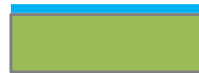
Laminated OPTENA enables products with a
significantly improved balance of physical
properties.



Thin-walling and lightweighting are possible



Use of lower-grade resins is possible



Use of recycled materials* is possible

*About the use of recycled materials

- ✓ Helps manufacturers respond to the EU's proposed End of Life Vehicles Regulations (Proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles)
- ✓ Cooperating in the Construction of a Circular Economy System (Program Director: Kohzo Ito, distinguished professor at the University of Tokyo) in the Phase 3 of the Strategic Innovation Promotion Program (SIP) by providing recycled materials to participating organizations

46

At the same time, we are considering the potential industrial applications for the new OPP sheet.

One example is in-mold lamination.

We have found that various applications for products become possible by laminating an injection-molded product with the new OPP sheet.

Specifically, even when an injection-molded component requires a certain thickness to ensure strength, laminating it with the new OPP sheet, which has an outstanding balance of physical properties, makes it possible to reduce the thickness and weight of the base material.

Conventionally, ensure strength and prevent breakage, materials need to be mixed with rubber, and expensive resins are necessary.

However, laminating products with our sheet eliminates the need to use high value-added polypropylene, making it possible to use a lower-grade resin.

Advantages of In-mold Lamination

(1) Improvement in physical property balance
(Rigidity + Impact resistance)



Injection-molded product

To ensure strength,



Thickness is necessary



High-performance resins
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Difficult to use low-quality
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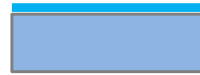


Laminated OPTENA in-mold decorated product

Laminated OPTENA enables products with a
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Use of lower-grade resins is possible



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47

Further, even when lower-quality recycled materials are used, laminating them with our sheet makes it possible to maintain the required strength.

In the automotive field, for example, there is movement toward setting a higher percentage of recycled materials to be used in vehicles under the EU's proposed End of Life Vehicles Regulations (Proposal for a Regulation on circularity requirements for vehicle design and on management of end-of-life vehicles).

The new OPP sheet is likely to be a solution to complying with this regulation, and automotive manufacturers are interested in it.

In fact, the SIP initiative is being implemented in Japan as a part of industry-government-academia collaboration exploring new approaches to end-of-life vehicles.

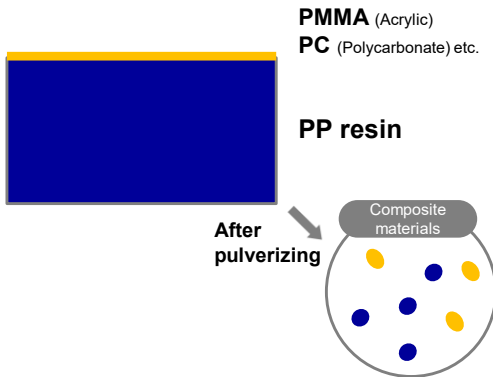
In this project, we provide recycled materials that we have collected, and participating organizations are evaluating their potential applications by laminating them with the sheet.

Advantages of In-mold Lamination

(2): Mono-material Structure

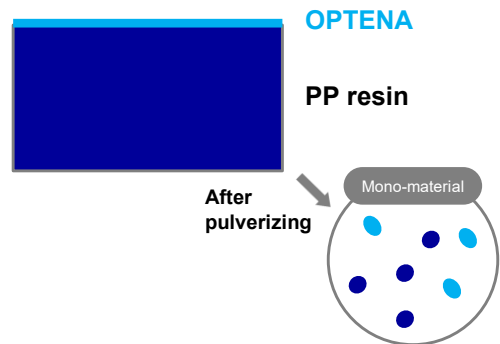


Conventional in-mold product



✓ Because they are composite materials, it is difficult to recycle them after use.

Laminated OPTENA in-mold decorated product



✓ Recycling the products after use is easy because the surface layer and the base material are all PP materials.

48

Another advantage of in-mold lamination is that the sheet can also be used as a decorative film.

The currently used decorative films are laminated with an acrylic or polycarbonate sheet to add rigidity and scratch resistance. When these films are pulverized, however, they become composite materials, which are difficult to recycle.

When laminated with OPTENA, the pulverized material is essentially 100% polypropylene, although some ink will remain.

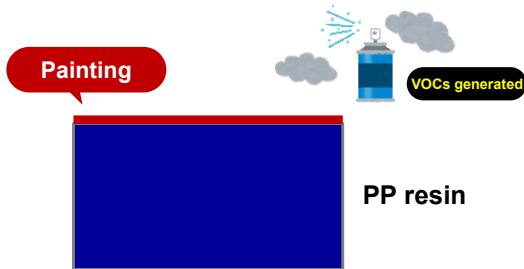
This means that it can be recycled.

Advantages of In-mold Lamination

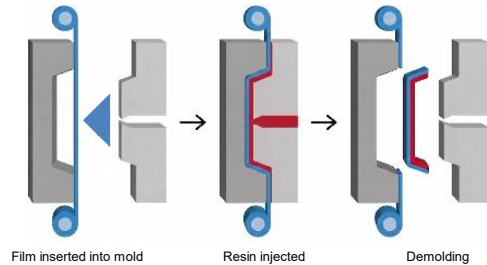
(3) Paintless Process and Higher Surface Quality



Injection molded products + Painting



Laminated OPTENA in-mold product



- ✓ A painting process is necessary after injection molding
- ✓ Environmental impact of the VOCs* generated during painting
- ✓ Uneven paint finish possible

- ✓ Paintless process
- ✓ Molding and decoration can be performed simultaneously
- ✓ Higher surface quality

*Volatile organic compounds

49

Another feature is decoration through printing.

A printed film is placed in a mold and molded together with an injection-molded part to form a decorative component.

With conventional products, injection-molded products are painted in many cases. This involves the generation of VOCs, which is deemed problematic. Accordingly, the number of customers who want to avoid painting has been increasing.

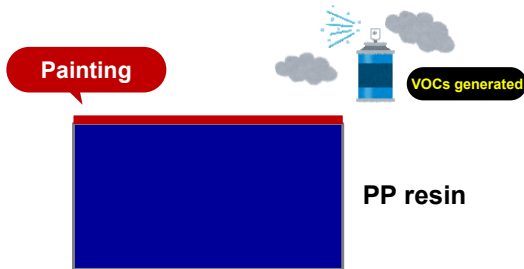
Using our product makes it possible to simultaneously mold and decorate a product, with no need for painting, while also improving the surface quality. These benefits have been well received.

Advantages of In-mold Lamination

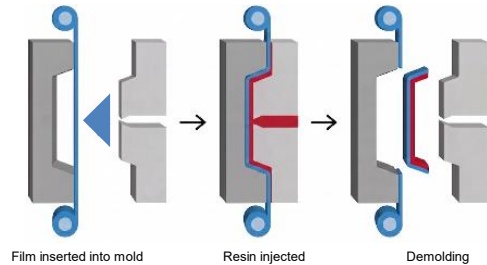
(3) Paintless Process and Higher Surface Quality



Injection molded products + Painting



Laminated OPTENA in-mold product



- ✓ A painting process is necessary after injection molding
- ✓ Environmental impact of the VOCs* generated during painting
- ✓ Uneven paint finish possible

- ✓ Paintless process
- ✓ Molding and Decoration can be performed simultaneously
- ✓ Higher surface quality

*Volatile organic compounds

50

Please watch this video on our new OPP.

It will help you understand its toughness in particular.

It starts with high rigidity and cold resistance.

This 1.4-millimeter-thick OPP multi-layer plate was stored at a temperature of -40°C for 24 hours and then hit with a hammer, but it does not break.

This demonstrates its high rigidity and toughness. When hit with the pointed tip of the crowbar, it gets a hole, but it does not break.

When hit with the flat side, however, it does not break, and it is not damaged in any way.

The next part is about its high rigidity and drillability.

You can drill holes in it, just like wood.

Our customers are surprised at its high toughness. No matter how much you bend it, it will not get damaged or turn white.

It is hard, but it can be bent like rubber. This property also surprises our customers.

This 2.5-millimeter-thick test piece will not turn white or break even when bent.

Next, high rigidity and cutting performance.

It can be cut like a wooden board using a jigsaw. This material is thus highly workable.

Overview of the Bando Plant



Bando Plant and Distribution Center (tentative name)

Increasing new OPP sheet manufacturing and logistics capacity

Completion: September 2028

Total investment: Approx. 58.0 billion yen (estimate)

* Including approx. 41.0 billion yen related to new OPP

* Including approx. 17.0 billion yen for logistics investments

Total floor area: 83,103.51 m²



51

I will provide an overview of our capital investments.

The Bando Plant will be both a distribution center and the new OPP sheet manufacturing plant.

It will be completed in September 2028. The total amount invested will be 58.0 billion yen.

We have yet to finalize the amount we will invest in equipment, etc., but the 58.0 billion yen will consist of 41.0 billion yen related to the new OPP and 17.0 billion yen related to logistics.

The total floor area will be approximately 83,103 square meters.

LISIM, a Production Line for the New OPP Sheet

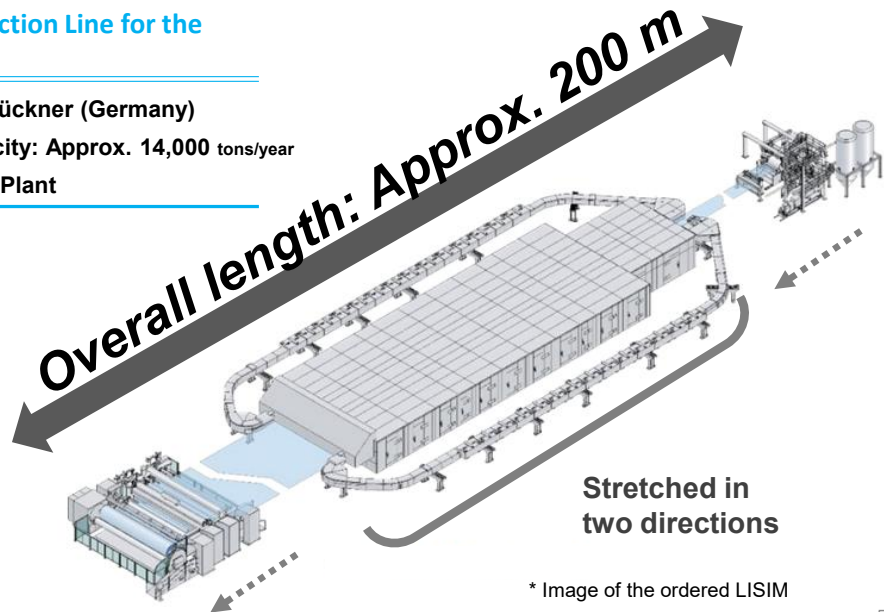


LISIM, a Production Line for the New OPP Sheet

Manufacturer: Brückner (Germany)

Production capacity: Approx. 14,000 tons/year

Location: Bando Plant

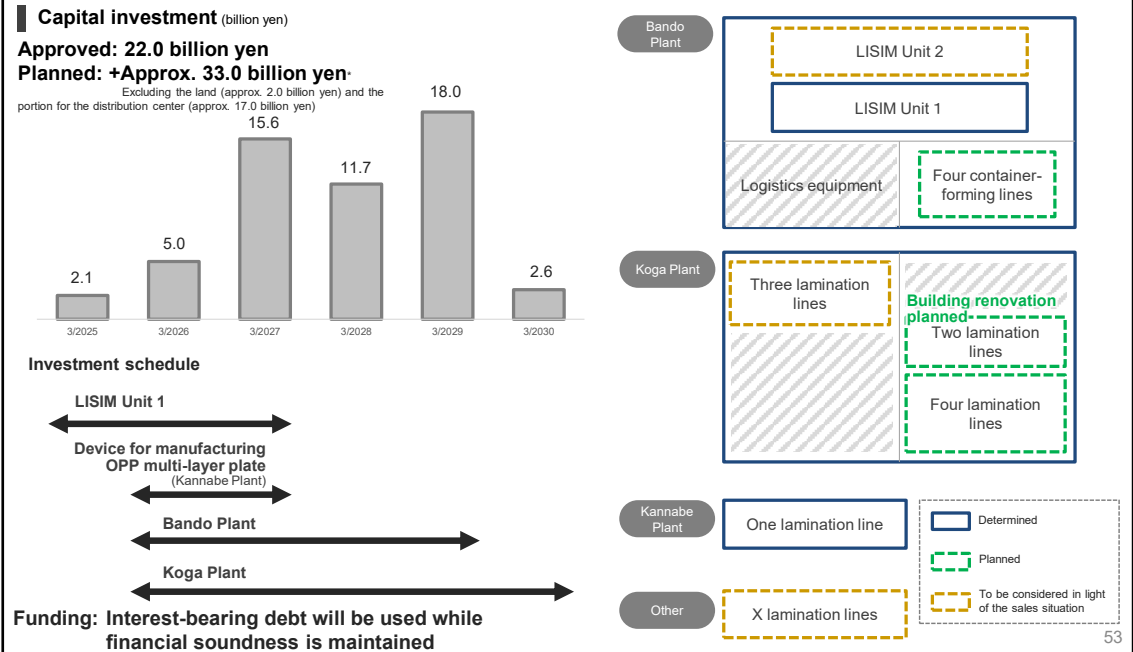


52

The new OPP sheet production line (hereafter, "LISIM") to be installed at the Bando Plant is supplied by Brückner. Its production capacity is approx. 14,000 tons per year.

The total length of this machine is 200 meters. The plant is designed for two production lines.

New OPP-related Capital Investments



As for capital investments related to the new OPP, we plan to invest approx. 33.0 billion yen mainly in machines and electric equipment, in addition to 22.0 billion yen for the construction of the plant.

The items in blue boxes on the right side of the slide have been determined. They include the Bando Plant building and LISIM Unit 1.

We are working out the details for container-forming machines and other equipment at present. They are expected to be finalized around August or September.

Our latest announcement also includes information about the Koga Plant. This was approved by our Board of Directors in March.

A property with an existing building is being offered for sale in Koga. We have decided to acquire it because it is conveniently located within 30 minutes by car from the Bando Plant.

We plan to install lamination lines for the manufacturing of OPP multi-layer plate in the Koga Plant.

Right now, our plan is to install six manufacturing devices.

We believe that we will be able to install another three lines in the future.

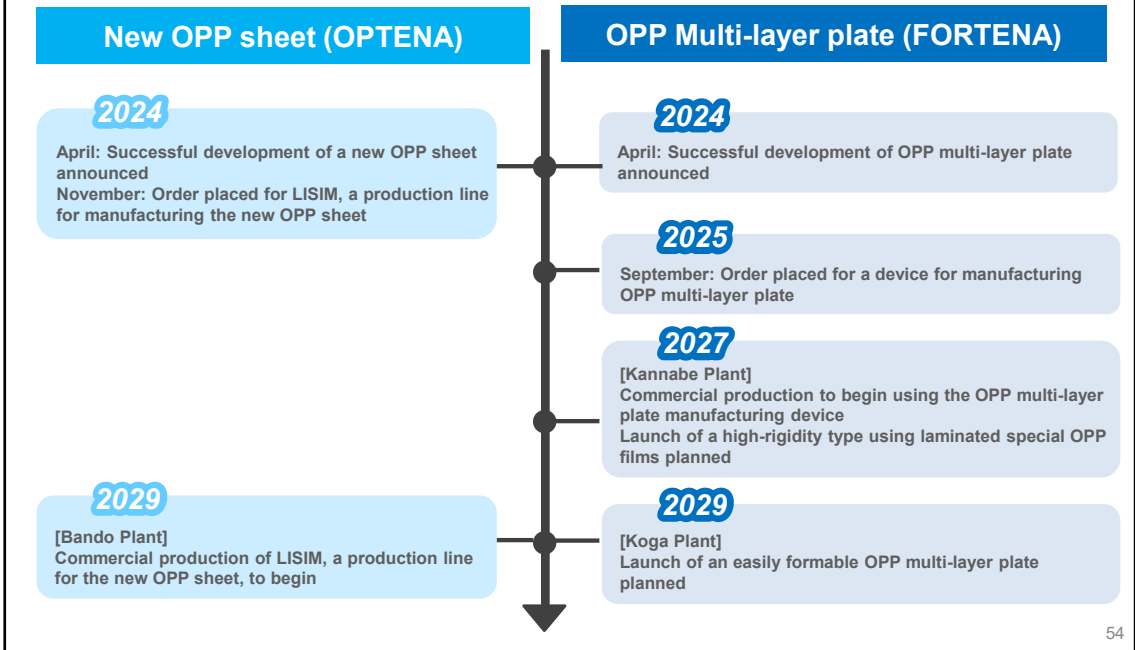
Regarding the investment schedule, we have already ordered the LISIM Unit 1.

We have also ordered a device for manufacturing OPP multi-layer plates. It is scheduled to be delivered to the Kannabe Plant within the year.

We just received approval of the Bando Plant today, and we will begin the necessary procedures.

The Koga Plant is in a similar situation.

Timeline



I will explain the timeline.

We announced the successful development of OPTENA, the new OPP sheet, in 2024. In November of the same year, we placed an order for the LISIM production line for manufacturing the new OPP sheet.

The building will be built and the manufacturing machines will be installed in 2028. We will tune the machines with the goal of beginning commercial production in 2029.

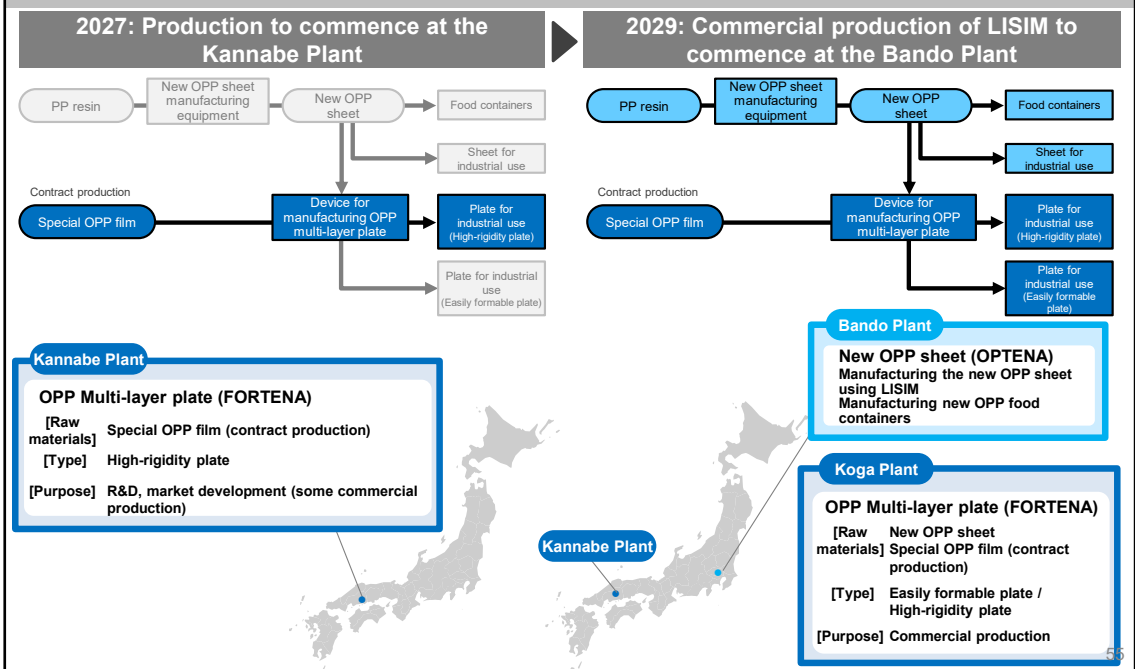
We announced the successful development of FORTENA, the OPP multi-layer plate, in 2024.

We placed an order for a device for the manufacturing of the OPP multi-layer plate in 2025. It is scheduled to be delivered within the year.

After we tune this device, we will begin commercial production in 2027, and we plan to launch a high-rigidity-type product featuring multiple layers of special OPP films.

We expect the Koga Plant to begin operating in 2029.

Steps Leading to the Launch of the Business



I will detail the steps to the launch of the business.

We will first introduce one device for the manufacturing of OPP multi-layer plates at the Kannabe Plant within this year.

We will begin film manufacturing using this single device in 2027, and we plan to manufacture plates for industrial use by laminating layers of special OPP film. We will introduce only this one unit at the Kannabe Plant. Accordingly, our plan is to use it for R&D and marketing, as well as for some commercial production.

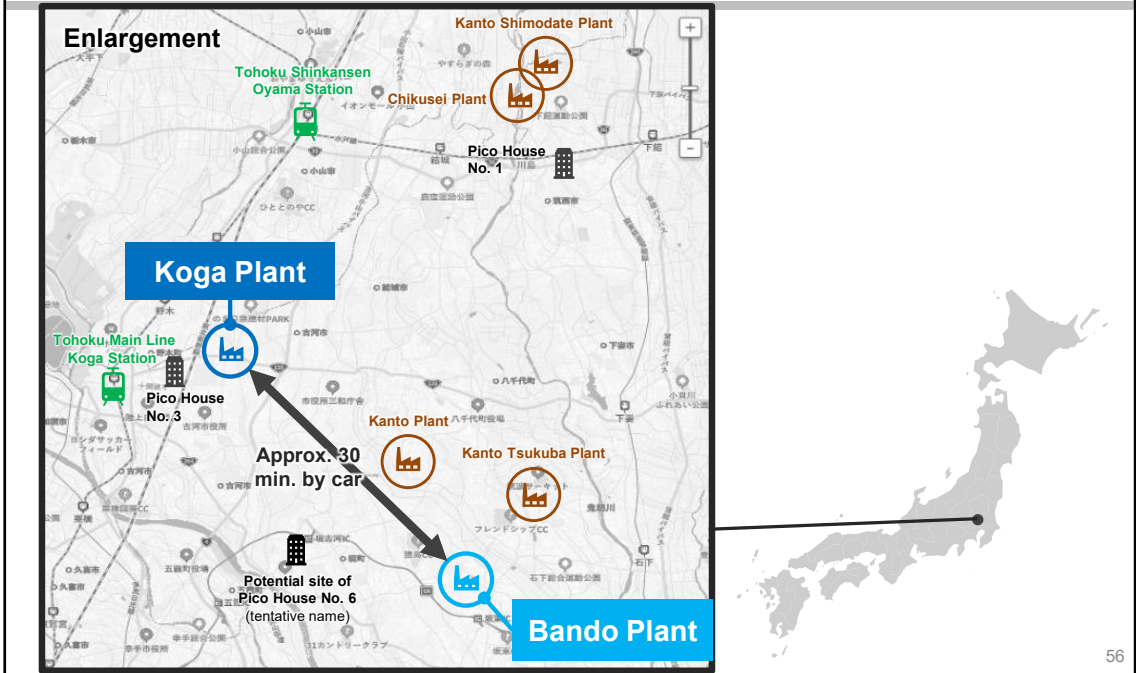
When we begin commercial production using LISIM at the Bando Plant in 2029, we will start to manufacture food containers using the sheets manufactured there. We will also use the sheets in industrial applications.

We will also produce plates using the manufacturing device, and these plates will have industrial and other applications.

The plates will come in two types, a high-rigidity plate and an easily formable one.

We will first begin manufacturing high-rigidity plates in 2027.

Locations of the Koga Plant and the Bando Plant



Let's look at the locations of the plants.

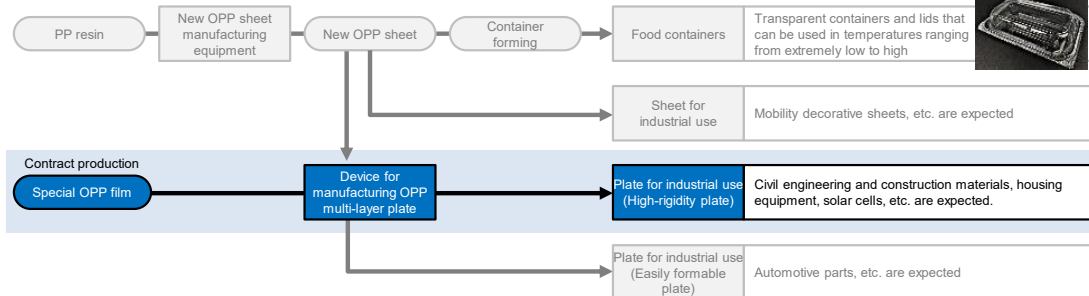
The map on the slide shows the locations of the Bando Plant and the Koga Plant.

The two plants are a 30-minute drive from each other, and there is a cluster of FPCO plants in this area.

2027: OPP Multi-layer Plate (FORTENA) — High-rigidity Plate —



Flows of products



Comparison with the properties of alternative materials

	FORTENA	Iron	Aluminum	FRP	PC	CFRP
Specific gravity (g/cm ³)	0.9	7.8	2.7	1.5	1.2	1.5-1.7
Thickness of products with equivalent stiffness	2.5	0.6	1.0	2.0	3.5	0.4
Weight ratio	0.48	1.0	0.57	0.64	0.90	0.14
Recyclability	○	○	○	×	×	×

57

I will explain about the high-rigidity FORTENA OPP multi-layer plate we will begin manufacturing in 2027.

We expect there to be applications in the fields of civil engineering and construction materials, housing equipment, base materials for solar cells, and other fields.

The key point lies in its properties compared to alternative materials.

The table at the bottom compares it with iron, aluminum, FRP (thermosetting reinforced plastics), PC (polycarbonate), and CFRP (carbon fiber).

Let's look at iron as an example. Generally, iron plates used in vehicles are 600 microns thick.

Our FORTENA OPP multi-layer plate needs to be 2.5 millimeters thick to be as rigid as a 600-micron-thick iron plate.

However, the specific gravity of FORTENA is 0.9, compared to iron's 7.8. This means that if the weight of the iron is 1.0, the weight of FORTENA would be 0.48, which is around half.

FORTENA is also lighter than aluminum, FRP, and polycarbonate. Most notably, its weight is about half that of polycarbonate.

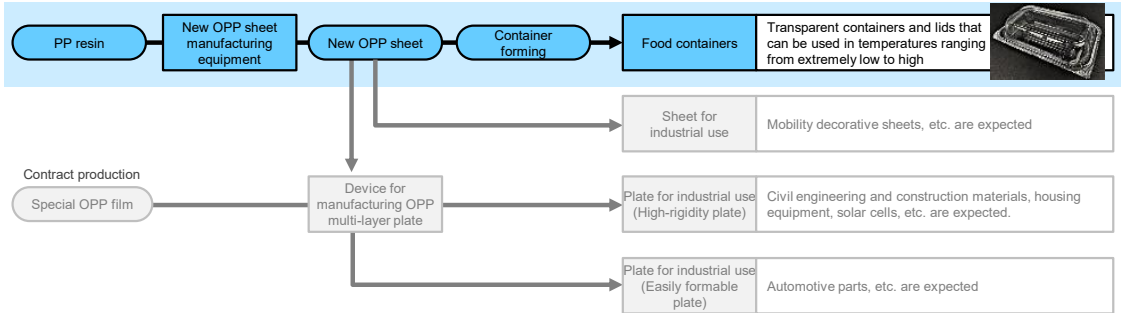
Carbon fiber is lightweight and tough, but it has recyclability issues.

FRP, polycarbonate, and carbon fiber are difficult to recycle, but FORTENA is recyclable like aluminum and iron, which is a great advantage.

2029: Planned Launch of New OPP Food Containers



Flows of products



Comparison of transparent container materials

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

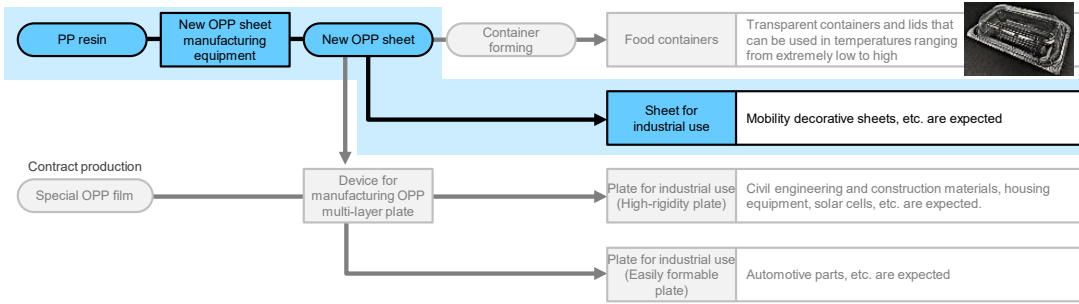
58

We plan to start forming the new OPP food containers in 2029.
The heat resistance of the containers is 110 ° C.

2029: New OPP sheet (OPTENA)



Flows of 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/>

I will move on to explain the industrial applications of OPTENA, the new OPP sheet.

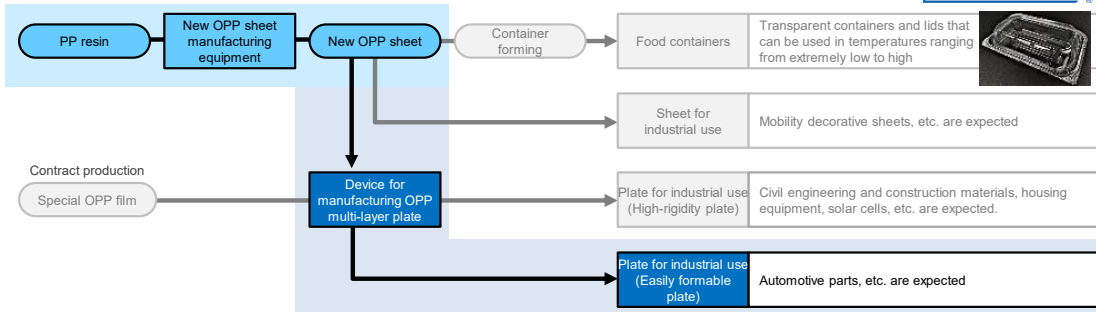
We will purchase polypropylene resin, manufacture the new OPP sheet using LISIM at the Bando Plant, and sell it for industrial applications.

We expect it to be used as a decorative sheet for injection-molded products, including in-mold and overlay-molded products.

2029: OPP Multi-layer Plate (FORTENA) — Easily Formable Plate —



Flows of products



Developed by FPCO OPP multi-layer plate



Civil engineering and construction materials



Housing equipment materials



Automobiles



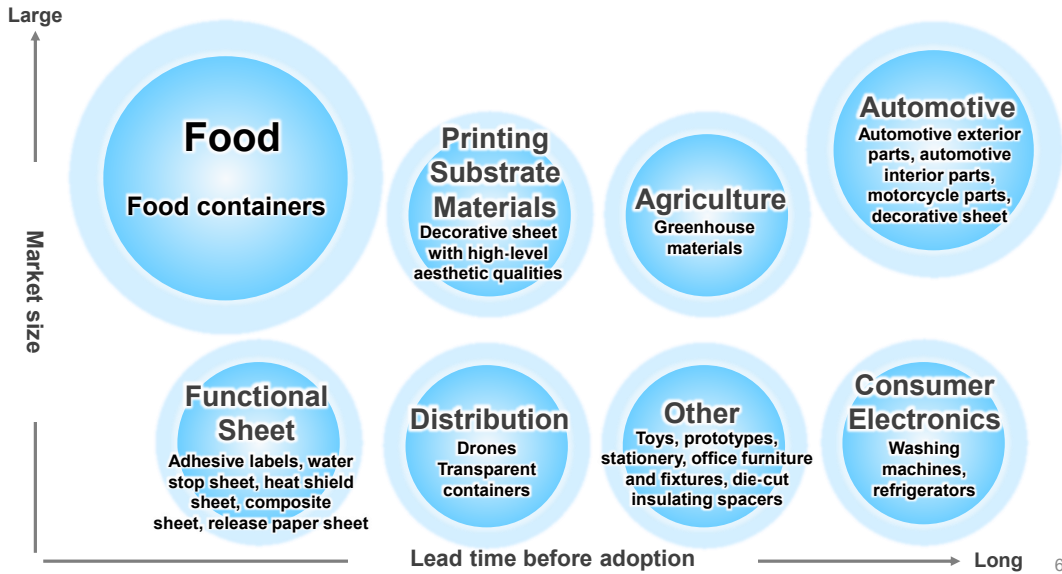
Source: Quoted from AWIN, a website of Giken Co., Ltd. <https://a-win.jp/lineup/>

As for the easily formable type of FORTENA, we can make highly transparent plates by laminating layers of the new OPP sheet. We believe this will enable it to have applications in automobiles, in addition to applications in civil engineering and construction materials and housing equipment.

Target Markets for the New OPP Sheet (OPTENA)



Applications in 21 areas across 8 fields under examination

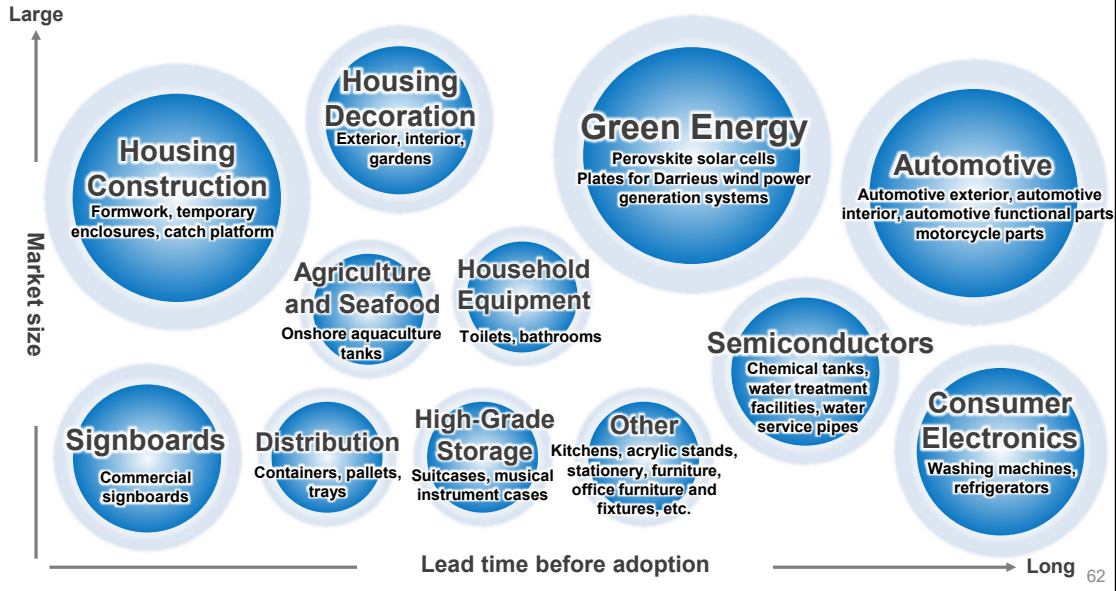


Regarding the target markets for OPTENA, the new OPP sheet, we are examining applications in 21 areas in 8 fields. In addition to food containers, our decorative sheet for automobiles has received very positive feedback from automakers. We are also considering its use in high-grade greenhouse materials for agriculture, heat shield sheets, release paper sheets, and other applications. We are currently taking on challenges on a number of fronts.

Target Markets for the OPP Multi-layer Plate (FORTENA)

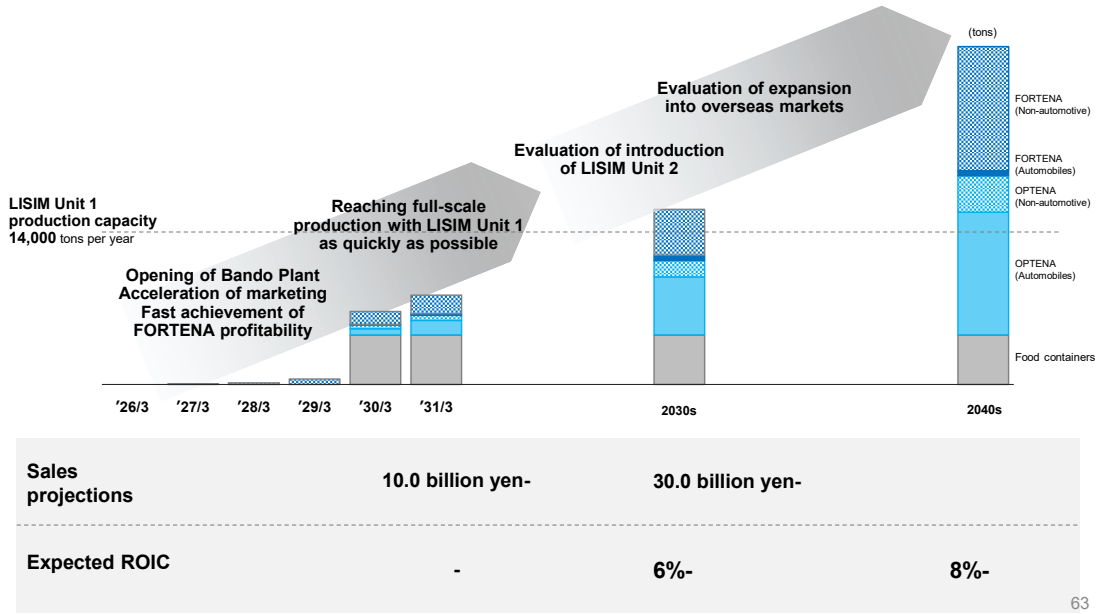


Applications in 31 areas across 12 fields under examination



These are the target markets for the FORTENA OPP multi-layer plate. We assume it will be used as housing construction materials, housing decoration materials, base materials for Perovskite solar cells, and materials for automobiles and their components. We also expect there to be applications in the fields of agriculture, fisheries, housing equipment, commercial signboards and other fields. We are currently conducting marketing activities.

New OPP Sales Forecast



Now, the sales forecast.

LISIM will begin operating in the fiscal year ending March 2030. Before that, we will push forward with the marketing of the high-rigidity type of FORTENA using the Kannabe Plant.

We are currently working toward a rapid ramp-up when operations begin in the fiscal year ending March 2030.

Starting with expected sales of around 10.0 billion yen, we plan to introduce LISIM Unit 2 in around 2033 to 2034, targeting a market of 30.0 billion yen or more at that point.

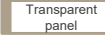







We will also consider expansion to overseas markets.

Example Initiative: Obayashi Corporation



Temporary enclosures being tested at the Bando Plant construction site

Expected benefits

01.   Weather resistance and rigidity that make it possible for the panels to be used on construction sites in tough environments	03.  Prevention of collisions at the corners of construction sites
02.   Lighter weight compared to existing products Workload mitigation	04.  Transmits light at night facilitating safety and preventing crime
	05.   Can be recycled as PP resin after being used the targeted number of times

Let me detail some example initiatives.

I will start with a joint initiative with Obayashi Corporation.

We are using temporary enclosures experimentally at the Bando Plant construction site.

These are used to surround factory sites, and at present, we have developed two types of enclosures, white type and transparent type.

The key points are weather resistance and toughness of the panels that make it possible for them to be used on construction sites in tough environments.

These panels are hard to break and lightweight, so they reduce workload.

They are much lighter than conventional products, such as iron and transparent polycarbonate panels. We therefore believe that they will help reduce the workload and make transportation to construction sites easier.

Transparent panels are used for the corner in the photo on the slide. This helps prevent collisions at corners, for example.

In addition, semi-transparent panels transmit light at night. This offers benefits such as improved security and an increase in the ease of noticing approaching vehicles.

Further, both the transparent and white panels are made from PP resin, allowing repeated material recycling.

Example Initiative: GIKEN Co., Ltd.



In the automotive field, we are developing aero parts (including spoilers and garnishes) and other accessory parts.

Expected benefits

01. Significant weight reduction

02. Recyclability

03. Paintless process

04. Rigidity and formability



Front spoiler

Garnish

* Photo: Current products

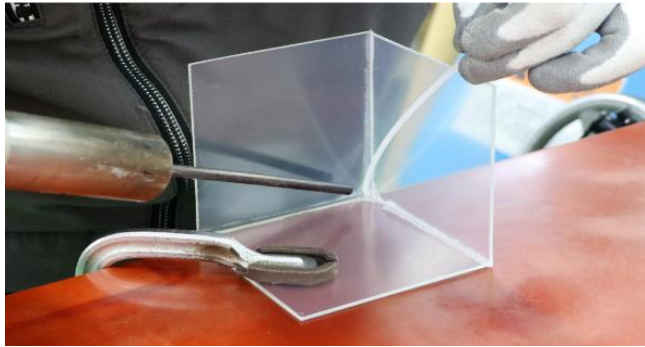
Source: Quoted from AWIN, a website of Giken Co., Ltd.
<https://a-win.giken.co.jp/333mca/>

The next example is an initiative with GIKEN Co., Ltd.

It is expected that using our material for aero parts, such as front spoilers and garnishes, will make it possible to significantly reduce their weight and improve recyclability.

Currently, in many cases, engineering plastics are used for these parts, but our materials offer further enhanced recyclability, and are appreciated for enabling paintless processes, sufficient rigidity, and formability.

**Example Initiative:
FUJIWARA CHEMICAL ENGINEERING Co., LTD.**



Conducted welding tests on FORTENA

Expected benefits

- 01.** Chemical tanks: Easy visual detection of water leakage
- 02.** Agricultural applications: Use as molds for forming crops, enabled by a property that lets light through
- 03.** Fusing with general-purpose PP: A smart solution for customers who want to visually check inside their equipment

FORTENA was featured in a column by FUJIWARA CHEMICAL ENGINEERING

透明なのに溶接できるPP：世界初 結晶OPPプレート「FORTENA」が変える装置設計

想定される応用分野

この装置分野で課題を克服するのには、次のような応用です。

<p>薬液タンク</p> <ul style="list-style-type: none"> 薬液の色漏れ確認 薬液の性状や結晶状態の確認 異物やナニカも物の検出 	<p>高圧純水タンク</p> <ul style="list-style-type: none"> 洗浄後の汚れ具合の確認 異物への検出 異物作人の検出確認
<p>水産物処理</p> <ul style="list-style-type: none"> 収穫後の品質確認 フィルター詰りの確認 メンテナンス機内の確認 	<p>半導体製造装置</p> <ul style="list-style-type: none"> 材料タンク 薬液供給システム クリーンルーム内での検出

Column URL:
<https://fuji-chemicaleng.co.jp/fortena-transparent-pp-welding/>

This slide shows our initiative with FUJIWARA CHEMICAL ENGINEERING Co., LTD.

We requested that they conduct welding using FORTENA.

The results indicate that FORTENA has the potential to be used for some semiconductor enclosures.

We were also given ideas for potential applications, such as the visual confirmation of the absence of leaks in chemical tanks and the creation of star-shaped watermelons by taking advantage of FORTENA's light-transmitting properties.

Further, because the material can be fused with general-purpose PP, we have received positive feedback on its ability to make existing equipment transparent for visual inspection.

Example Initiative: Honda Motor Co., Ltd.



Jan. 2026: Used for the windscreen of a Honda CRF450 RALLY during the 2026 Dakar Rally



* Photo:
Windscreen made from FORTENA

Points that were appreciated

01. Significant weight reduction improves steering (-30 g/sheet)

02. Superior balance of physical properties, including high rigidity and impact resistance prevents breakage due to impact.

03. High workability prevents cracking around bolt attachment points

04. Despite being a PP material, high transparency is achieved

I will explain our initiative with Honda Motor Co., Ltd., which we are announcing for the first time today.

FORTENA was used for the windscreen during the 2026 Dakar Rally in January 2026.

Previously, this component was made from polycarbonate, but the use of FORTENA significantly reduced its weight.

It is said that a 1-gram difference in weight significantly changes steering in a rally. A 34-gram weight reduction achieved with FORTENA significantly improved steering.

Further, the material's features include high rigidity and impact resistance, which prevents breakage due to impact.

In events such as the Paris-Dakar Rally, which can be up to 8,000-km long, polycarbonate may crack at the bolt mounting points.

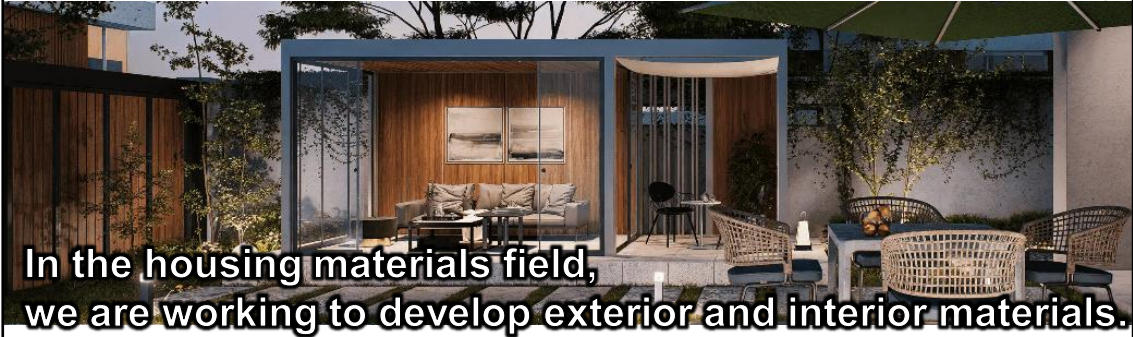
FORTENA will not break, and it will not get a lot of scratches, either.

FORTENA does not develop cracks around bolt mounting points and achieves high transparency despite being a polypropylene material. We have received positive feedback regarding these characteristics.

Example Initiative: TAKASHO CO., LTD.



*Illustrative image



In the housing materials field, we are working to develop exterior and interior materials.

Expected benefits

- 01. Superior balance of physical properties**
- 02. Resistance to breakage due to collision with an object outdoors**
- 03. Safe and reliable with a low probability of fragmentation**

68

TAKASHO CO., LTD. is a customer that owns a brand of exterior materials. FORTENA features an excellent balance of physical properties, making it resistant to breakage even when struck by objects outdoors. It is possible for reinforced glass to break when various objects are blown about during a typhoon or similar weather event. Our product has been highly valued for its resistance to breakage. Because it is less likely to produce fragments when damaged, it has been highly valued for its safety and reliability.

**Example Initiative:
Onshore Aquaculture Equipment Manufacturers**



We are examining the development of an onshore aquaculture tank using FORTENA

	FORTENA tank	Standard PP tank	FRP tank	Concrete tank
Transparency	Yes Visual inspection inside the tank is possible	Almost no transparency	No	No
Waterproof paints	Not required	Not required	Initial coating and regular maintenance are required	Initial coating and regular maintenance are required
Recycling	Possible	Possible	Not possible	Not possible

69

FORTENA has also earned high marks among multiple onshore aquaculture equipment manufacturers and is attracting considerable interest.

Mostly, FRP and concrete tanks are used for onshore aquaculture, but in some cases, tanks made from common polypropylene are also used.

Looking at transparency, our product provides a benefit that is unavailable with the other materials.

Because it is transparent, it enables users to see inside the tank from the side.

FRP tanks need to be regularly recoated with waterproof paints. Concrete tanks also need to be recoated because algae adheres to their insides.

When FORTENA is used, however, the waterproof coatings are not required.

Additionally, FRP and concrete tanks are difficult to recycle.

Tanks made from FORTENA are transparent and are recyclable, and they do not require waterproof coatings. This makes onshore aquaculture equipment one of the most promising applications for FORTENA.