

Financial Results

for the Fiscal Year Ended March 2022



JPX-NIKKEI 400



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



平成27年度
地球温暖化防止活動環境大臣表彰



FP Corporation
May 6, 2022

Cautions for Handling This Material

We have paid extremely close attention to the information provided and contained in the handouts. The forward-looking statements included in the information are our estimates based on the information available at the time of publication, and therefore contain potential risks and uncertainties.

Therefore, changes in a number of factors could cause actual results to differ materially from the future prospects described.

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Executive General Manager of Finance and Accounting Division Isao Ikegami . . . 4

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Financial Results
for the Fiscal Year Ended March 31, 2022

**Executive Vice President and Director,
Executive General Manager of Finance and Accounting Division
Isao Ikegami**

Financial Results Summary (For the FY Ended March 2022)

Unit: million yen	Results for Full year							Full year revised projections (Oct.29)			Full year projections(original)		
	FY ended March 2021		FY ended March 2022				FY ended March 2022			FY ended March 2022			
	Performance	Percentage	Performance	Percentage	Increase/ decrease	Year-on -year	Quantity	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate
<i>Trays</i>	39,046	20.8	39,244	20.1	+197	100.5%	99.9%	41,223	21.1	95.2%	41,223	21.1	95.2%
<i>Lunchboxes and prepared food containers</i>	104,681	55.8	109,134	55.8	+4,452	104.3%	104.7%	109,088	55.9	100.0%	109,088	55.9	100.0%
<i>Subtotal</i>	143,728	76.7	148,378	75.8	+4,650	103.2%	103.0%	150,311	77.1	98.7%	150,311	77.1	98.7%
<i>Other products</i>	3,058	1.6	3,391	1.7	+333	110.9%		3,088	1.6	109.8%	3,088	1.6	109.8%
Sales of products	146,786	78.3	151,770	77.6	+4,983	103.4%		153,400	78.7	98.9%	153,400	78.7	98.9%
<i>packaging materials</i>	39,043	20.8	41,935	21.4	+2,891	107.4%		39,903	20.5	105.1%	39,903	20.5	105.1%
<i>Other goods</i>	1,679	0.9	1,994	1.0	+314	118.7%		1,696	0.9	117.6%	1,696	0.9	117.6%
Sales of goods	40,723	21.7	43,929	22.4	+3,206	107.9%		41,600	21.3	105.6%	41,600	21.3	105.6%
Net Sales※	187,509	100.0	195,700	100.0	+8,190	104.4%		195,000	100.0	100.4%	195,000	100.0	100.4%
Operating profit	18,763	10.0	15,884	8.1	-2,878	84.7%		17,400	8.9	91.3%	19,600	10.1	81.0%
Ordinary profit	19,381	10.3	16,703	8.5	-2,678	86.2%		18,000	9.2	92.8%	20,200	10.4	82.7%
Profit attribute to owners of parent	12,211	6.5	11,206	5.7	-1,004	91.8%		11,530	5.9	97.2%	12,900	6.6	86.9%
<i>Ordinary profit before depreciation and amortization</i>	32,991		30,340		-2,651	92.0%		31,760		95.5%	33,960		89.3%

 Record high

※ Accounting Standard for Revenue Recognition is applied from FY2022.

Some accounting categories are reclassified and applied retroactively in the fiscal year ended March 2021.

<Amount of financial impact on Full year of FY2021> Sales: JPY 9,441 mil. (Trading: JPY 3,985 mil. Sales commission: JPY5,456 mil.)

◇ Sales

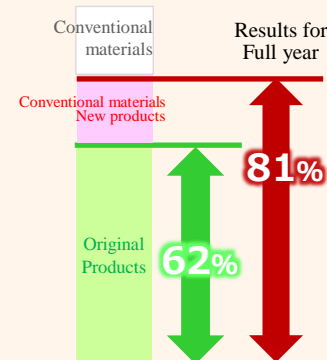
Products

- Reactionary fall of general-purpose containers for fresh food; Shipments of prepared food containers were firm.
- Takeout and delivery market expanded.
- Demand for environmentally friendly products grew.

Goods

- Utilization of E-commerce site "PACK MARKET", to expand sales of sanitary and other goods.

◇ Product sales composition



◇ Year-on-year

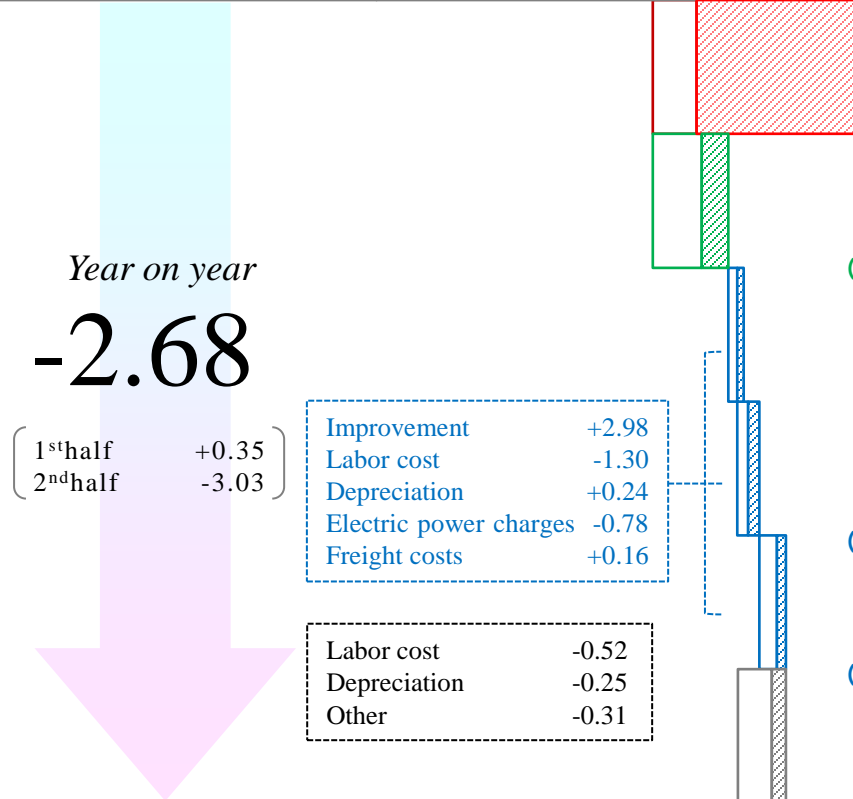
	1Q results	2Q results	3Q results	4Q results	Full-year results	Full year revised projections (Oct.29)
Sales of products	104.4%	104.9%	100.4%	104.5%	103.4%	104.5%
Quantity	105.6%	106.0%	99.3%	101.2%	103.0%	105.2%
Compared to FY2020	112.8%	111.2%	108.7%	110.0%	110.7%	
Ordinary profit	112.0%	97.5%	78.1%	59.3%	86.2%	92.9%
Ordinary profit ratio	9.0%	9.3%	10.7%	4.6%	8.5%	9.2%

Results for Increase/Decrease in Ordinary Profit (For the FY Ended March 2022)

FY ended March 2021

Unit: billion yen

Full year 19.38	
1 st half 8.56	2 nd half 10.82



The Price of Material -4.60
 (1Q -0.20, 2Q -0.79, 3Q -1.81, 4Q -1.80)
 * Including the impact of revisions to product sales prices

Sales Efforts +1.70
 (1Q +0.60, 2Q +0.50, 3Q +0.22, 4Q +0.38)

Improved Production +0.20
 (1Q +0.15, 2Q +0.20, 3Q ±0.00, 4Q -0.15)

Improved Distribution +0.50
 (1Q +0.15, 2Q +0.10, 3Q +0.10, 4Q +0.15)

Group Companies +0.60
 (1Q +0.10, 2Q +0.30, 3Q +0.10, 4Q +0.10)

Expenses -1.08
 (1Q -0.34, 2Q -0.42, 3Q -0.22, 4Q -0.10)

Outlook(Oct.29)
Difference

-0.60

Rise in raw material prices
Revisions to product sales prices
(Announced in Oct. 2021)

-0.20

Absence of strong profit from general-purpose products for fresh food
Growth in demand for products for takeout and delivered food

-0.50

Increase in electricity rates

Total -1.30

FY ended March 2022

1 st half 8.91	2 nd half 7.79
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Full year 16.70	
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Capital Investments and R&D Costs (For the FY Ended March 2022)

Unit: million yen	Results for Full year				Full year projections	
	FY ended March 2021	FY ended March 2022		FY ended March 2022		
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	19,105	23,084	+3,979	120.8%	26,600	86.8%
Intangible fixed assets	306	277	-29	90.3%	500	55.4%
Capital investments	19,412	23,361	+3,949	120.3%	27,100	86.2%
Depreciation and amortization costs	13,609	13,636	+26	100.2%	13,760	99.1%
Research and development costs	1,195	1,154	-41	96.6%	1,335	86.5%

Major Capital Investments

Unit: million yen

Investment in original products:

Improving production capacity and quality of Eco APET products

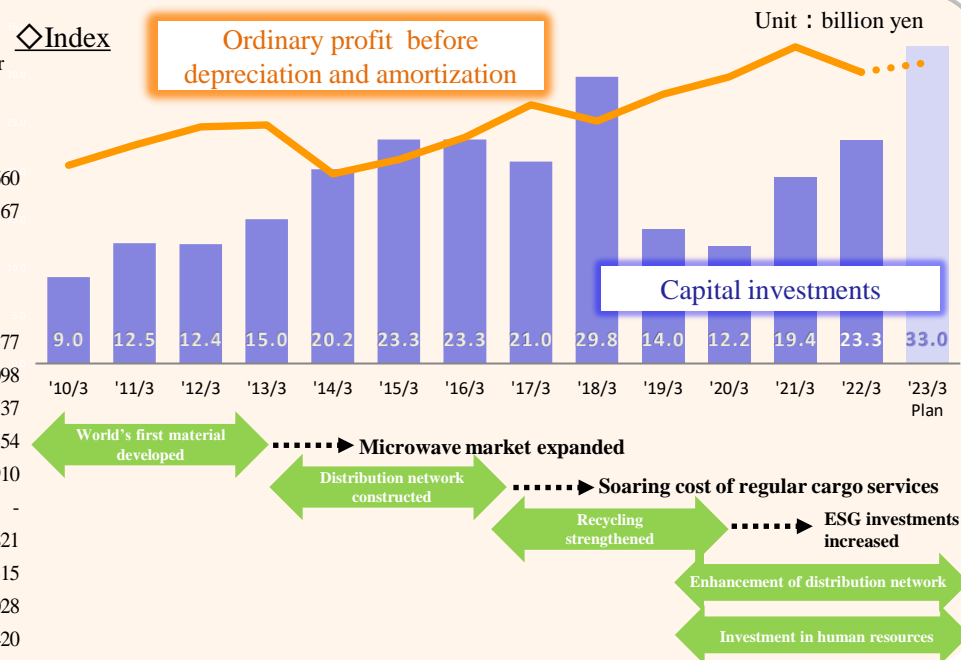
- ◆ Eco APET materials: Increase in the productivity (Kanto, Chubu)
- ◆ Eco APET materials: Quality improvement by pelletizing (Chubu)

Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

- ◆ Introduction of automation facilities
- ◆ Capacity enhancement for foamed PS products
- ◆ Reinforcement of the production capacity of Conventional material products
- ◆ Chubu Hub Center expansion
Completed in Sep. 2021
- ◆ Rebuilding of Chubu Plant 1
To be completed in May. 2022
(After reduction entry)
- ◆ Kansai Plant and Kansai Hub Center
To be completed in Sep. 2022
- ◆ Pico House No.5
To be completed in Sep. 2022
- ◆ Molds
- ◆ IT investments

	Total investment	Plan in period	Results for Full year	◇Index
◆ Introduction of automation facilities		224	377	
◆ Capacity enhancement for foamed PS products	1,222	1,222	1,098	
◆ Reinforcement of the production capacity of Conventional material products	625	625	537	
◆ Chubu Hub Center expansion	5,855	3,290	3,354	
◆ Rebuilding of Chubu Plant 1	8,049	2,198	2,910	
		5,820	-	
◆ Kansai Plant and Kansai Hub Center	25,261	6,718	6,821	
◆ Pico House No.5	2,305	185	315	
◆ Molds		1,852	2,028	
◆ IT investments		635	420	



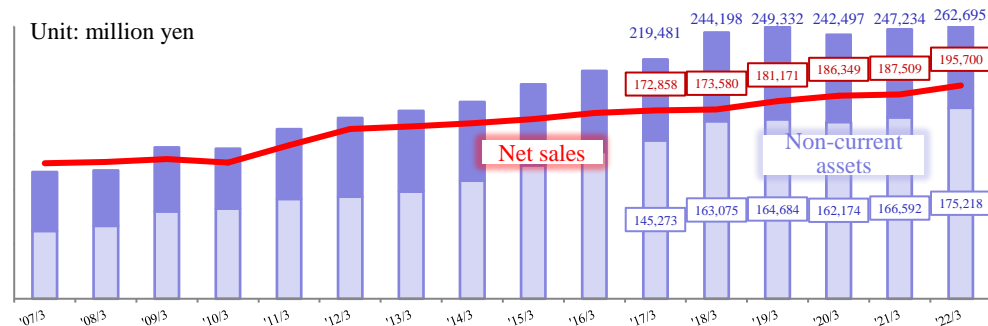
Balance Sheet (For the FY Ended March 2022)

Unit: million yen	Previous consolidated fiscal year	Consolidated fiscal year under review			
	FY ended March 2021 As of March 31, 2021	As of March 31, 2022	Increase/ decrease	FY ended March 2022 Year-on- year	Breakdown of main increases and decreases
Current assets	80,641	87,477	+6,836	108.5%	Cash and deposits +1,860 Notes and accounts receivable-trade +2,154 Merchandise and finished goods +1,076 Raw materials and supplies +791
Noncurrent assets	166,592	175,218	+8,625	105.2%	Construction in progress +7,805 Buildings and structures, net +2,056 Machinery, equipment and vehicles, net -420
Total assets	247,234	262,695	+15,461	106.3%	
Current liabilities	78,527	76,807	-1,720	97.8%	Accounts payable - trade +2,696 Short-term loans payable -2,192 Income taxes payable -2,115
Noncurrent liabilities	43,726	53,432	+9,706	122.2%	Long-term loans payable +9,065
Total liabilities	122,253	130,239	+7,986	106.5%	
Net assets	124,980	132,455	+7,475	106.0%	Retained earnings +7,484 Capital surplus +57
Total liabilities and net assets	247,234	262,695	+15,461	106.3%	

Equity ratio 50.2%

- Assets Strategic investments for boosting the production capacity of original products and ensuring stable supply
- Liabilities Utilization of borrowing as capital for strategic investment
- Net assets Strengthening of the management structure
Preparation for expanding business flexibly

◇Changes in Net sales/Total assets

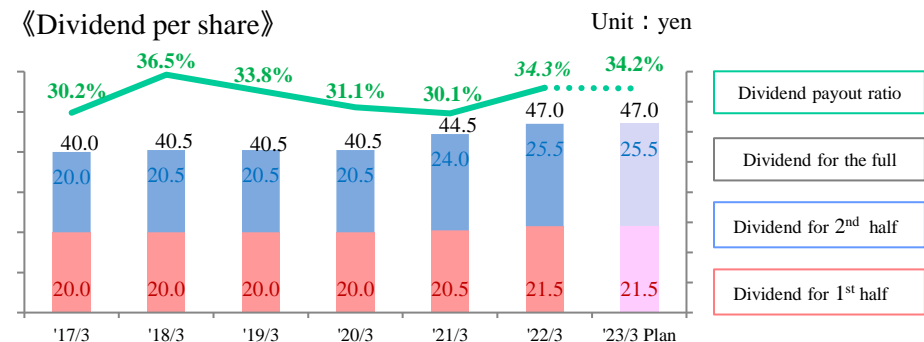


Cash Flows (For the FY Ended March 2022)

Unit: million yen	Results for Full year		
	FY ended March 2021 Performance	Performance	FY ended March 2022 Breakdown of main items
CF from operating activities	31,814	23,148	Profit before income taxes 16,458 Depreciation 13,636 Loss on tax purpose reduction entry of non-current assets 2,229 Fire loss 63 Decrease (increase) in notes and accounts receivable - trade -2,144 Decrease (increase) in inventories -1,884
CF from investing activities	-19,131	-22,866	Purchase of property, plant and equipment -23,246
Free cash flows	12,682	281	
CF from financing activities	-15,086	1,578	Proceeds from long-term loans payable 24,000 Repayment of long-term loans payable -17,126 Repayments of lease obligations -1,538 Cash dividends paid -3,723
Net increase(decrease)in cash and cash equivalents	-2,403	1,860	
Cash and cash equivalents at end of period	17,884	19,745	

- CF from operating activities**
 Ensuring profit by selling original products and streamlining efforts
- CF from investing activities**
 Strategic investment to construct the bases to make a profit for future
- CF from financing activities**
 Continuously stable dividend

《Dividend per share》



* On October 1, 2020, the Company implemented a two-for-one common stock split. The indicated dividend amount is based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2017.

Plan
for the Fiscal Year Ending March 2023

Outline of Plan for Account Settlement (For the FY Ending March 2023)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March 2022		FY ending March 2023				FY ending March 2023			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	39,244	20.1	42,820	20.2	+3,575	109.1%	20,660	20.0	+1,100	105.6%
Lunchboxes and prepared food containers	109,134	55.8	120,920	57.0	+11,785	110.8%	58,330	56.4	+4,092	107.5%
Subtotal	148,378	75.8	163,740	77.2	+15,361	110.4%	78,990	76.4	+5,192	107.0%
Other products	3,391	1.7	3,630	1.7	+238	107.0%	1,810	1.8	+243	115.5%
Sales of products	151,770	77.6	167,370	78.9	+15,599	110.3%	80,800	78.1	+5,435	107.2%
packaging materials	41,935	21.4	42,630	20.1	+694	101.7%	21,610	20.9	+614	102.9%
Other goods	1,994	1.0	2,000	0.9	+5	100.3%	1,000	1.0	-8	99.2%
Sales of goods	43,929	22.4	44,630	21.1	+700	101.6%	22,610	21.9	+606	102.8%
Net Sales	195,700	100.0	212,000	100.0	+16,299	108.3%	103,410	100.0	+6,042	106.2%
Operating profit	15,884	8.1	16,400	7.7	+515	103.2%	5,050	4.9	-3,498	59.1%
Ordinary profit	16,703	8.5	17,000	8.0	+296	101.8%	5,400	5.2	-3,507	60.6%
Profit attribute to owners of parent	11,206	5.7	11,230	5.3	+23	100.2%	3,560	3.4	-2,243	61.3%
Ordinary profit before depreciation and amortization	30,340		31,380		+1,039	103.4%	12,420		-3,212	79.5%

■ Sales

Products>

- Expanding sales of environmentally friendly products
- Proposing high function products for new markets, including those of home delivery and frozen food

Quantity : Rising 3% year-on-year

Trays : Expanding sales with a focus on environmentally friendly products

Lunchboxes and prepared food containers :

Proposing new products that will help create attractive sales floors and improve efficiency in the backyard, in addition to original products with functions such as cold and heat resistance

Goods>Strengthening sales to small-scale customers who purchase small lots, by making use of merchandising, logistics, and IT infrastructures

■ Comparisons with the previous year's plan

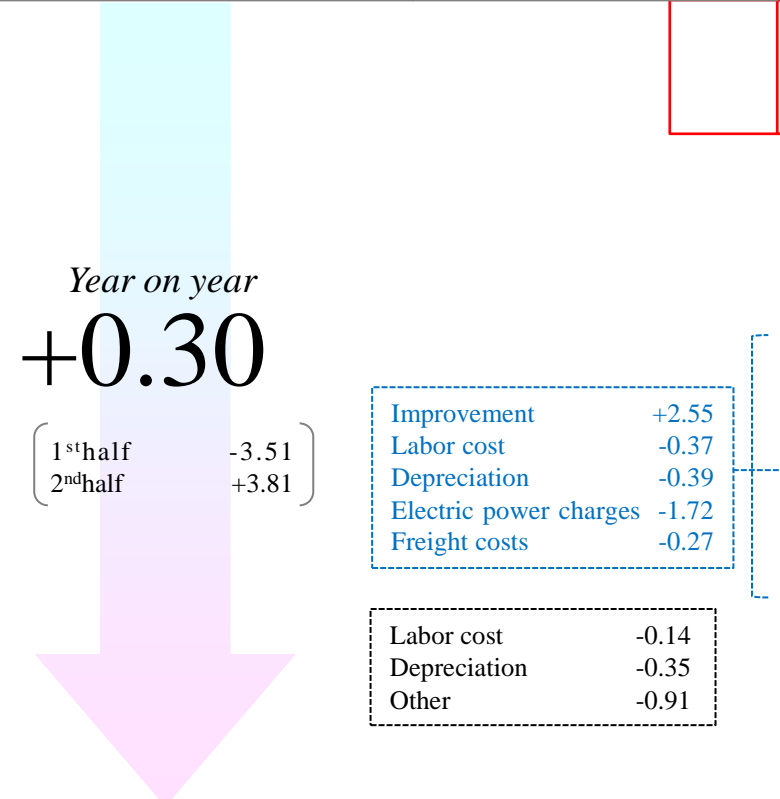
	1st half plan	2nd half plan	Full-year plan
Sales of products	107.2%	113.3%	110.3%
Quantity	102.5%	103.5%	103.0%
Ordinary profit	60.6%	148.8%	101.8%
Ordinary profit ratio	5.2%	10.7%	8.0%

Outlook for Increase/Decrease in Ordinary Profit (For the FY Ending March 2023)

Outlook (Apr 28 2022)
Unit: billion yen

FY ended March 2022
Full year 16.70

1st half 8.91 2nd half 7.79



The Price of Material +0.60
(1st half -2.30, 2nd half +2.90)
** Including the impact of revisions to product sales prices*

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

Improved Production -0.90
(1st half -1.00, 2nd half +0.10)

Improved Distribution ±0.00
(1st half ±0.00, 2nd half ±0.00)

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

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

Rise in raw material prices
Revisions to product sales prices
(Announced in Oct. 2021/Announced in Apr. 2022)

Growth in demand for eco-friendly products and other high-value added products

Increase in electricity rates
Productivity improvements

Rise in unit transportation costs
Productivity improvements

Sales increase at the Group's wholesalers, etc.

Sales increase at the Group's wholesalers, etc.

FY ending March 2023
1st half outlook 5.40 2nd half outlook 11.60

Full year outlook 17.00

Planned Capital Investment and R&D Cost (For the FY Ending March 2023)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2022	FY ending March 2023			FY ending March 2023		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	23,084	32,800	+9,715	142.1%	24,000	+9,139	161.5%
Intangible fixed assets	277	200	-77	72.2%	90	-92	49.2%
Capital investments	23,361	33,000	+9,638	141.3%	24,090	+9,046	160.1%
Depreciation and amortization costs	13,636	14,380	+743	105.5%	7,020	+294	104.4%
Research and development costs	1,154	1,397	+242	121.0%	718	+154	127.5%

Major Capital Investments

Investment in original products:

Improving production capacity and quality of Eco APET products

- ◆ Eco APET materials: Increase in the productivity (Kanto, Chubu) 393 393
- ◆ Eco APET materials: Reinforcement of the production capacity (Nishinon PET-Bottle recycle Co., Ltd.) 754 754

Investment corresponding to expansion of the sales quantity:

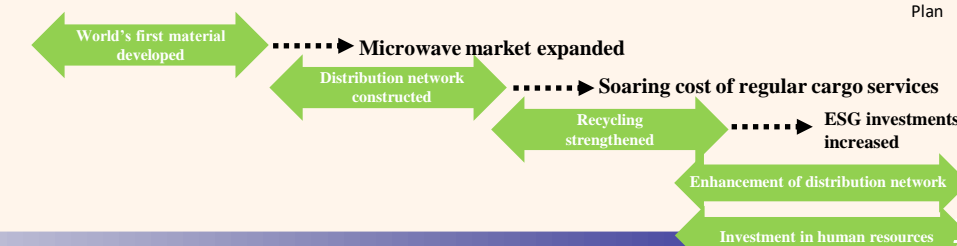
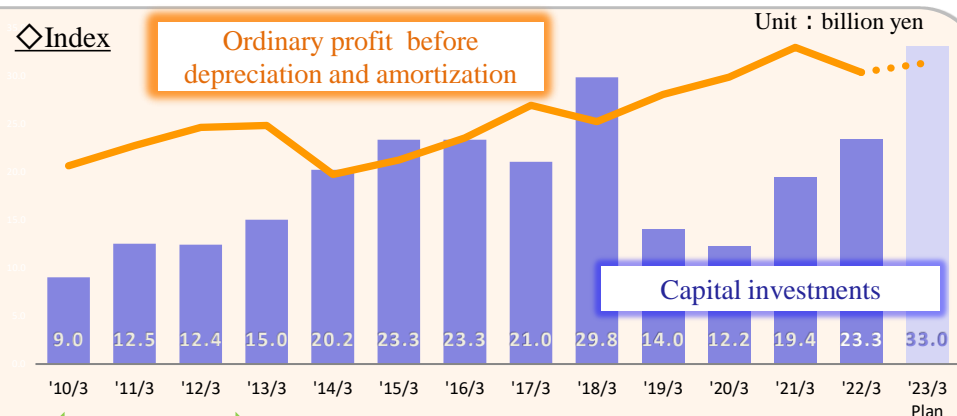
Stable supply, Efficiency improvement, Maintenance of working environment

- ◆ Introduction of automation facilities 76
- ◆ Reinforcement of the production capacity of Conventional material products 1,149 1,149
- ◆ Rebuilding of Chubu Plant 1 To be completed in May. 2022 (After reduction entry) 8,049 5,529 5,820 3,301
- ◆ Kansai Plant and Kansai Hub Center To be completed in Sep. 2022 25,261 17,238
- ◆ Pico House No.5 To be completed in Sep. 2022 2,305 1,548
- ◆ Enhancement of Group companies' production sites
- Expansion of cardboard factory To be completed in Jan. 2024 3,173 341
- ◆ Molds 1,710
- ◆ IT investments 568

Unit: million yen

Total investment Plan in period

◇ Index



To Increase Corporate Value

President and Representative Director

Morimasa Sato



FP CORPORATION

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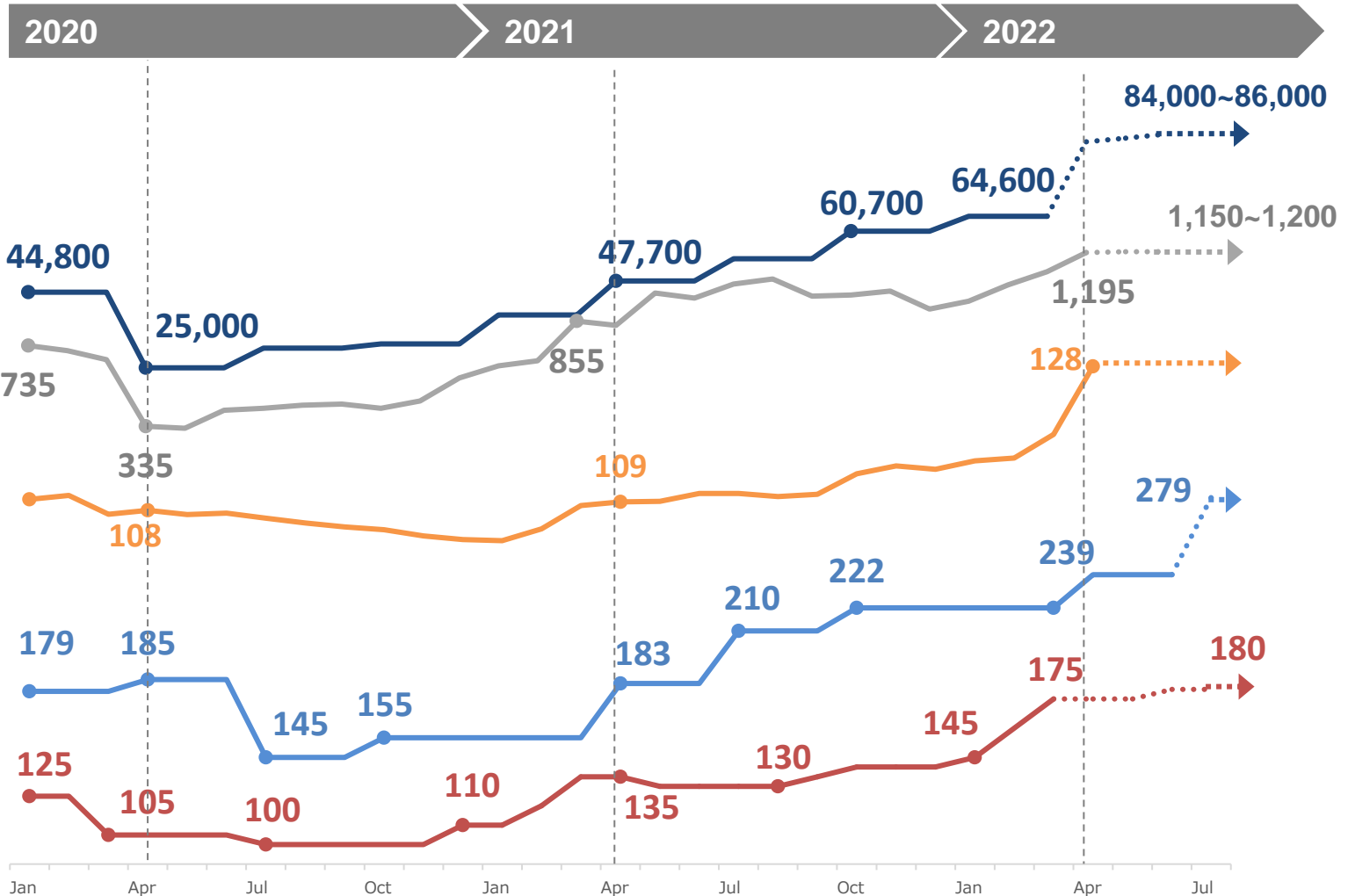
- **Raw Material Prices**
- **Market Conditions**
- **Eco-Friendly Strategies**
- **Stable Supply**
- **Strategic Investment**
- **Growth Strategy**

Raw Material Prices



Sharp Rises in Raw Material Prices

As of Apr, 2022



Increase in electricity rates

Sales prices of the Group's products

Price Revision (1)
(Announced in Oct. 2021)
From Dec. 1: Up 10% or higher

Price Revision (2)
(Announced in Apr. 2022)
From Jun. 1: Up 15% or higher

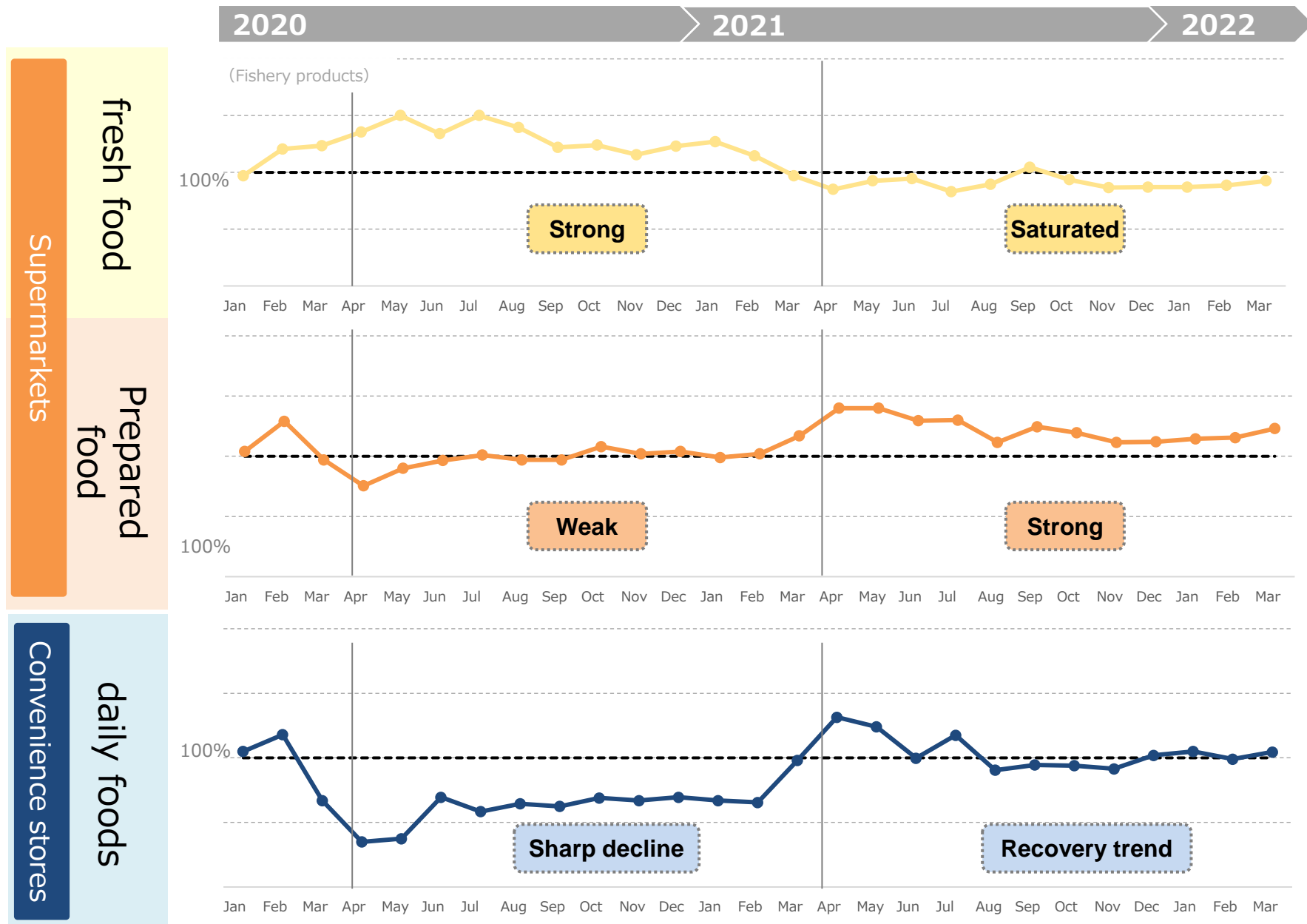
Market Conditions



Retail Industry

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

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



Eating out

Expansion of the Market for Takeout and Delivered Food

Source: Japan Ready made Meal Association
"Ready made Meal White Paper 2021"

Source: Fuji Keizai, Gaishoku Sangyo
Marketing Binran 2021

Eating out

Approx. **26.0** trillion yen
(2019)

Eating out at home

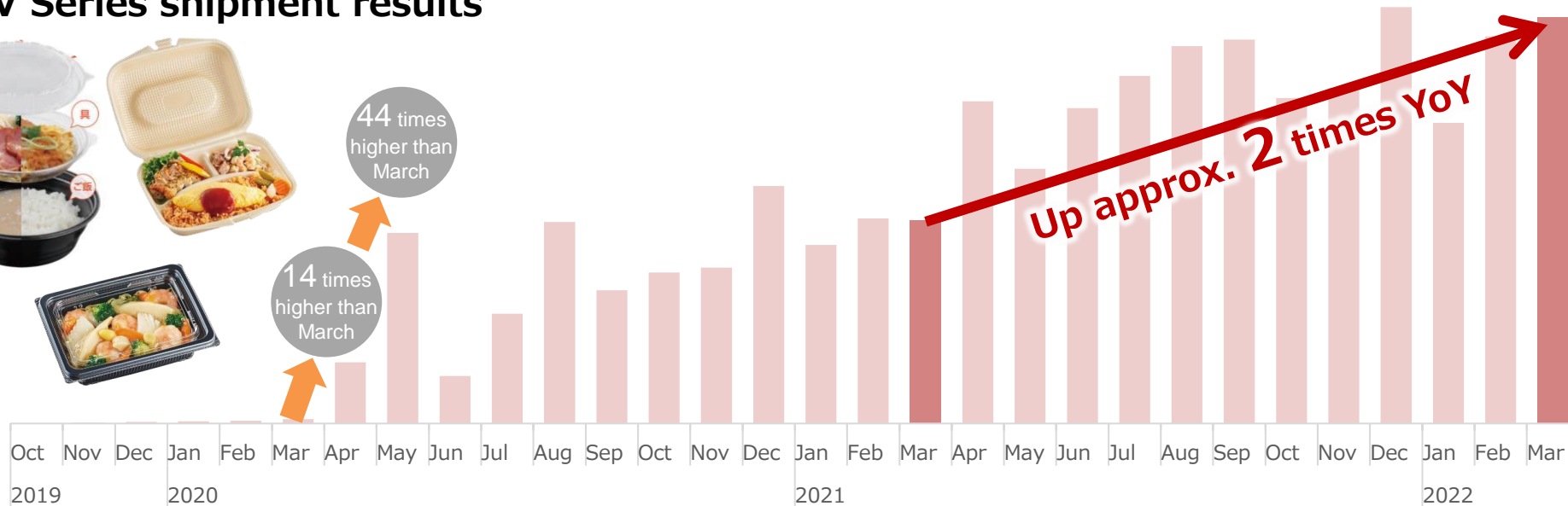
(2020)

Size of the takeout food market
Approx. 1.25 trillion yen
Delivered food market
Approx. 0.46 trillion yen

Home meal replacement

Approx. **9.8** trillion yen
(2020)

DLV Series shipment results



Apr. 7 to May 25
State of emergency (1)

Jan. 8 to Mar. 21
State of emergency (2)

Apr. 12 to Sep. 30
Semi-emergency measures (1)

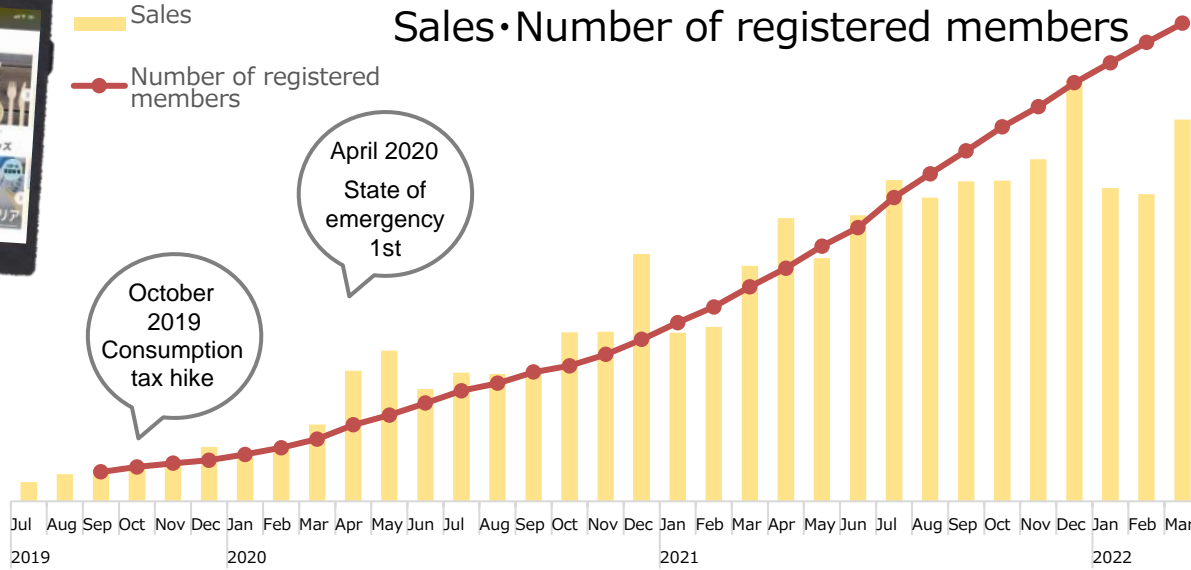
Apr. 25 to Sep. 30
State of emergency (3)

Jan 9 to Mar. 21
Semi-emergency measures (2)

Eating out

Expansion of New Sales Channels

E-commerce site offering packaging materials 「PackMarket」



Monthly sales: Approx. **100** million yen

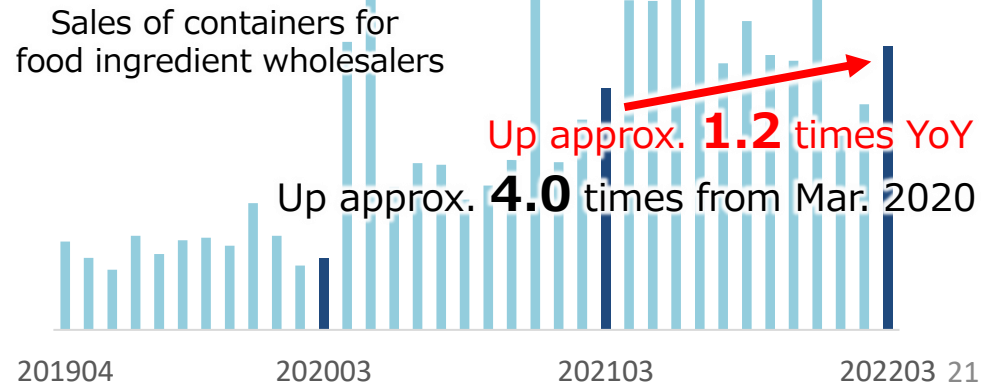
No. of registered items: Approx. **12,600**

Including approx. **7,200** products

(As of March 2022)

Web marketing Advertising and SEO

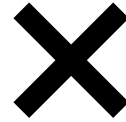
Collaborations with Food Ingredient Wholesalers



Eating out Expansion of New Sales Channels

FP Trading

**Product
merchandising and
procurement
capabilities**



FPCO Miyako Himo

**Ability to sell products
to packaging material wholesalers
and users**



**Effective date of the merger
July 1, 2022 (plan)**

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

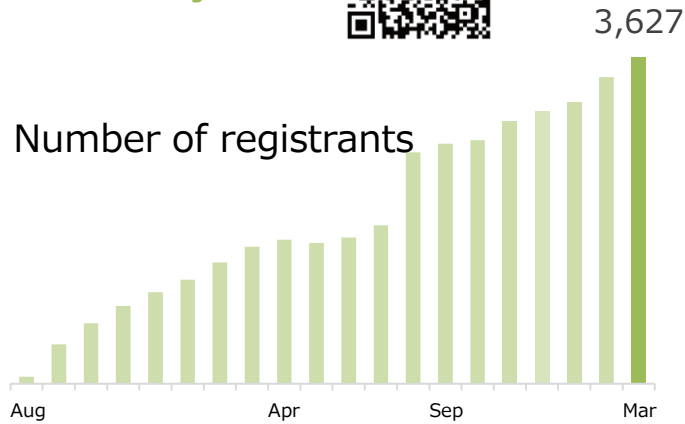
Initiatives to Improve Visibility

LINE

@629njlmr



Number of registrants

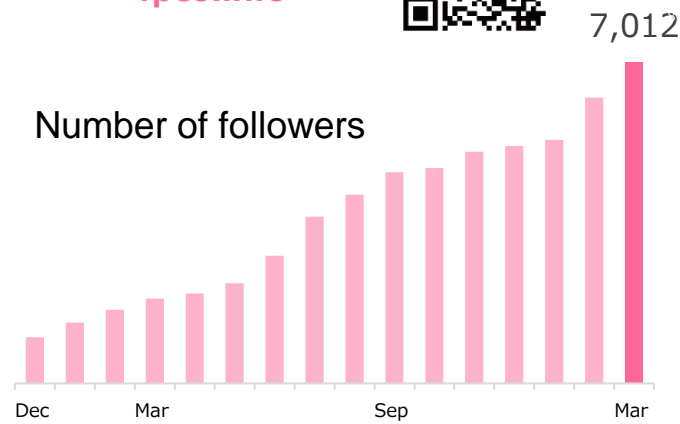


Instagram

fpc.info



Number of followers

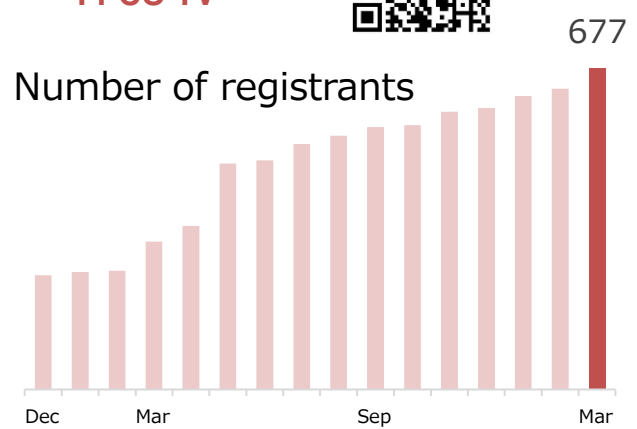


YouTube

FPCO TV



Number of registrants



Video showing containers' functions



Sharing trade show content



Campaign



Restaurant report



Expansion of Frozen Food Market

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

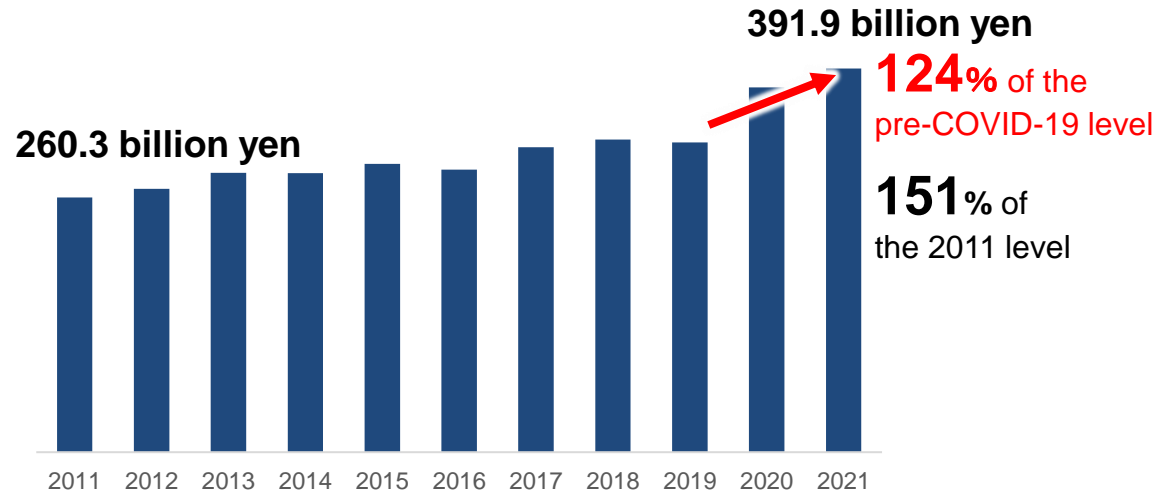
Lower frequency of store visits

Improved freezing technologies

A solution to food loss



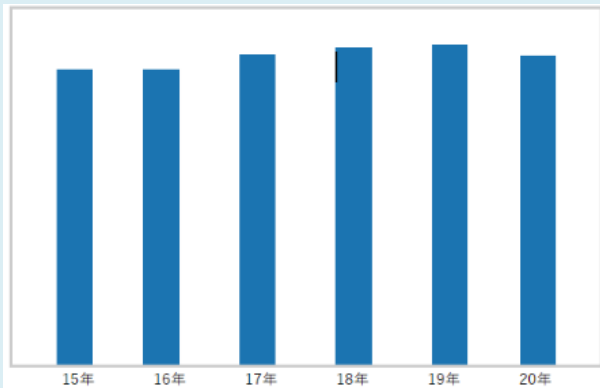
Domestic production of frozen food (for households) in monetary terms



Before

NB products from major manufacturers

Total sales of 11 major frozen food companies



New Entrants

PB products from supermarkets and convenience stores



Stores specializing in frozen foods



Vending machines



Proposing Optimal Materials for the Frozen Food Market

Eco OPET



Cold resistance

Resistant to breakage even in frozen environments

Environmental considerations

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

Multi FP



Cold and heat resistance

Endures temperatures between -40°C and +110°C

Thermally insulating

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

Cold-resistant PPI-talc



Strength

Equivalent to cold-resistant PP

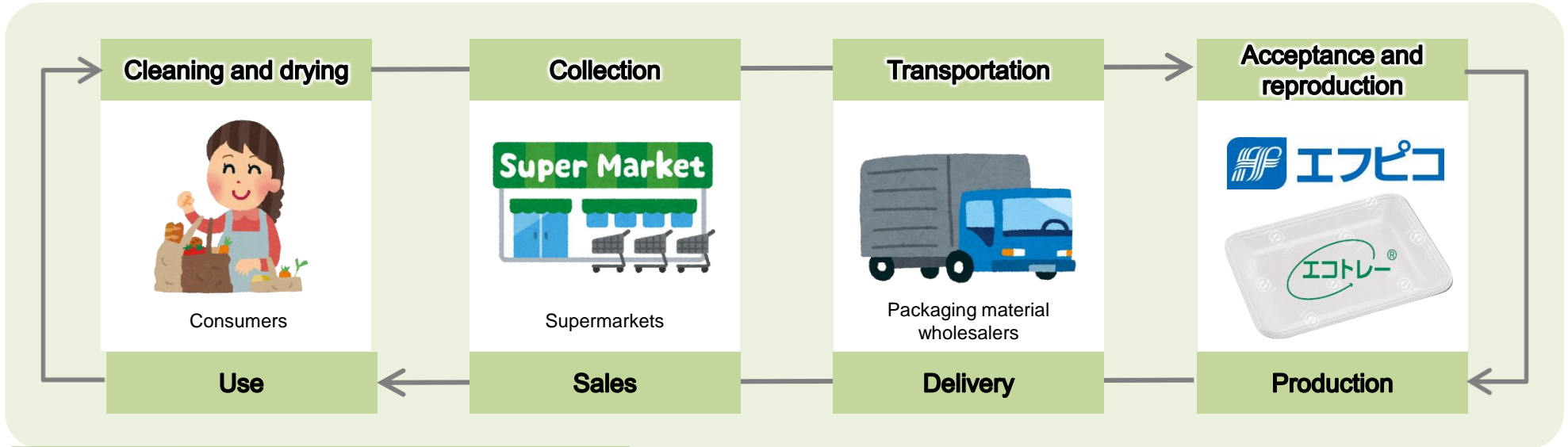
Environmental considerations

Use of less plastic than cold-resistant PP

Eco-Friendly Strategies



FPCO Method of Recycling



History

- 1980 Garbage problem in Hiroshima
- 1990 Boycott against McDonald's in the U.S.
- 1990 Launch of recycling with FPCO method**
- 1992: Release of Eco Trays**
- 1995 Establishment of the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
- 1997 Kyoto Protocol
- 2008 Launch of transparent container recycling**
- 2011 Launch of PET bottle recycling**
- 2012: Release of Eco APET**
- 2015 Paris Agreement
- 2021: Establishment of the Act on Promotion of Resource Circulation for Plastics

Replacement of containers with paper packages

Initially
6 stores

Collection bases

Start from
Fukuyama City
/ Osaka City

Approx.
30 years



As of Mar, 2022

approx. **10,000 bases**



Having Eco Products Appeal to Consumers (1)



Company F

A company operating a total of 59 stores mainly in Hiroshima

Sales floor



Collection box



Company R

A company operating a total of 74 stores mainly in Hokkaido



Having Eco Products Appeal to Consumers (1)



Companies having their use of eco products appeal to customers on sales floors

1,856 stores of **93** companies

(As of April 15, 2022)

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

98 companies

Targets

7,000 stores of **300** companies

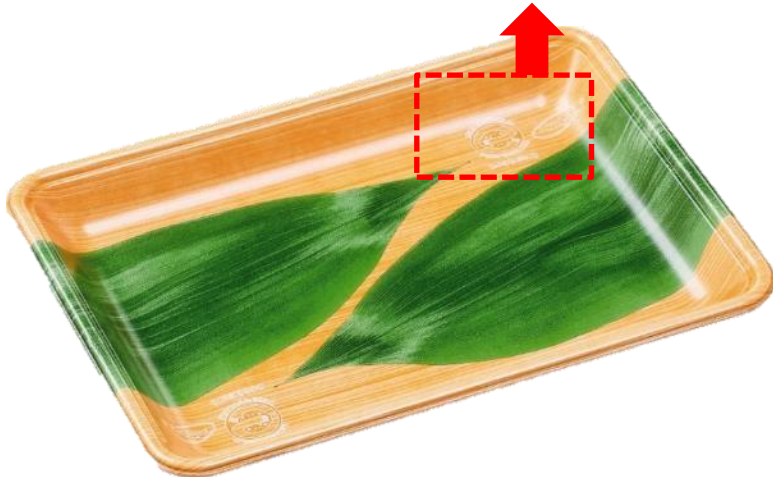


Having Eco Products Appeal to Consumers (2)



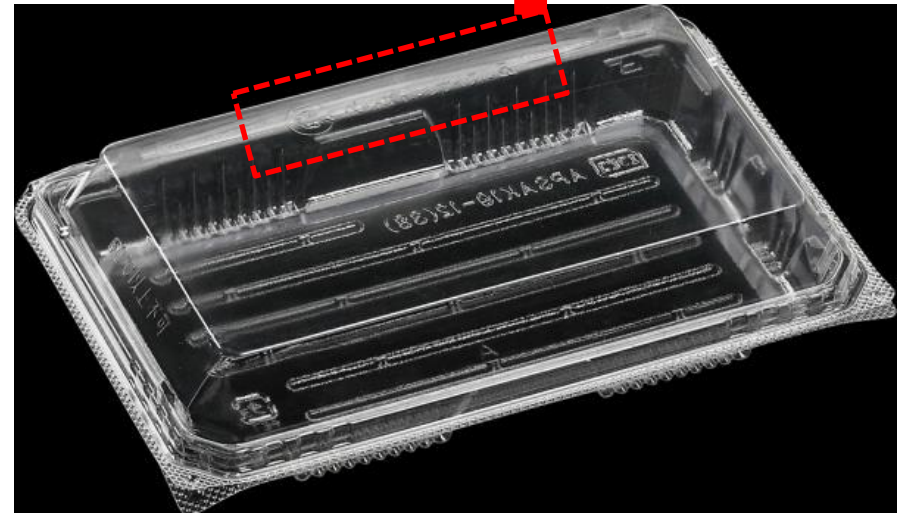
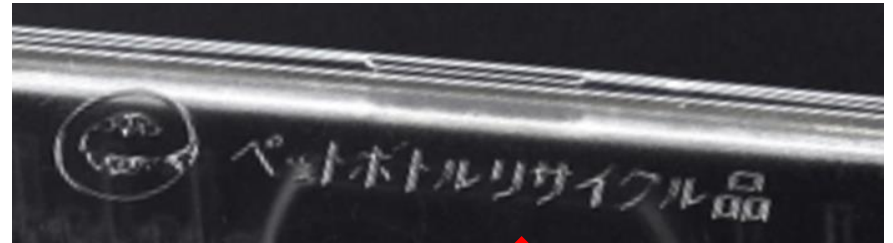
Eco Mark and **"Recycled from PET bottles"** engraved on eco products to facilitate identification for eco products

Eco Tray



Engraved on all Eco Trays

Eco APET / Eco OPET



To be engraved on other products, one by one, starting from hot sellers


Collection of Plastic Resources



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

Amount of collected containers/ bottles

Containers
(Foamed PS and transparent containers)



Collected from:
Supermarkets
Specified corporations

Approx. 10,000 sites
(Transparent containers:
Approx. 5,400 sites)

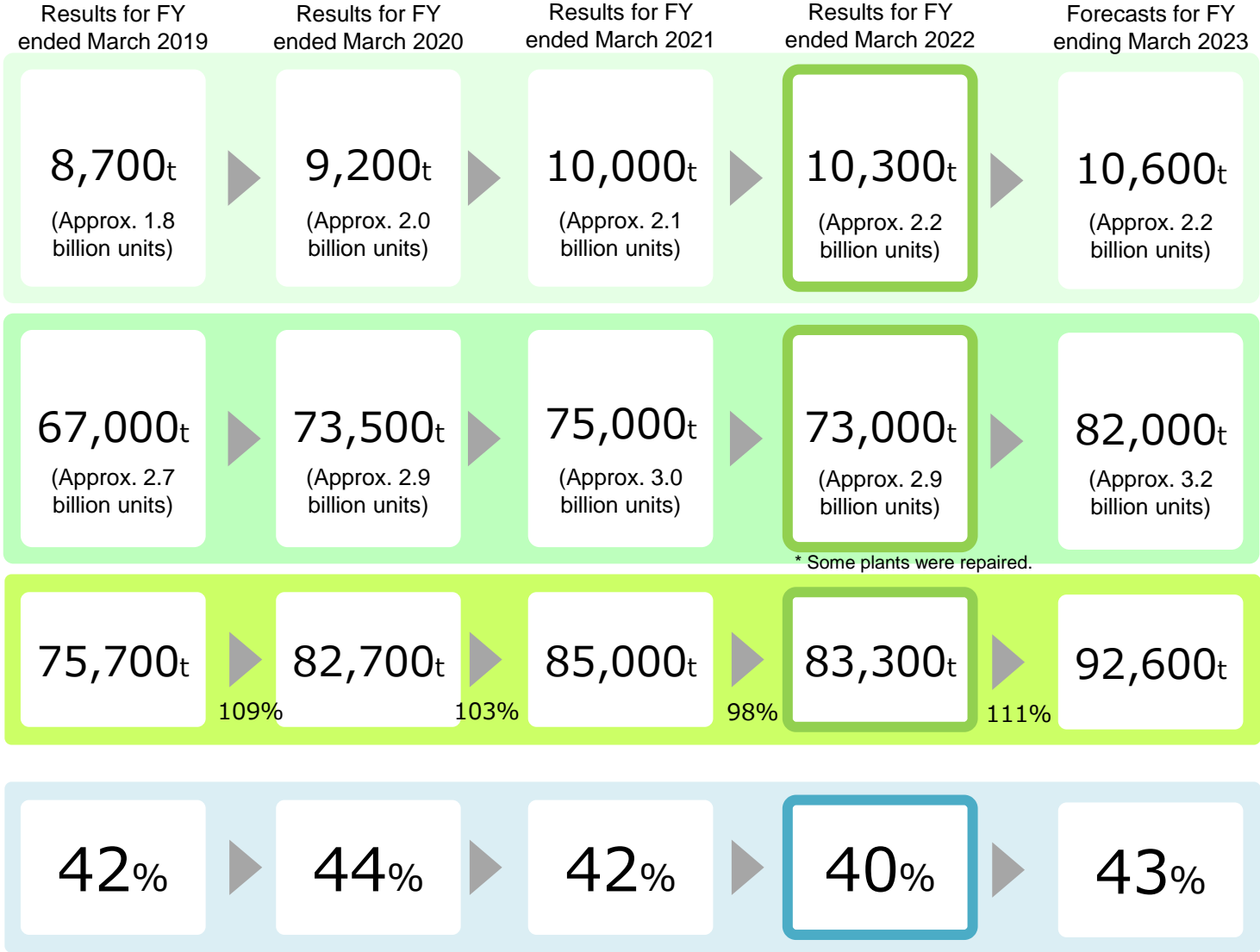
PET bottles



Collected from:
Specified corporations
Supermarkets
Business-related sources

Total amount collected

Ratio of the amount of recycling of used products to product sales volume



Tackling Climate Change by Reducing CO2 Emissions Using Eco Products

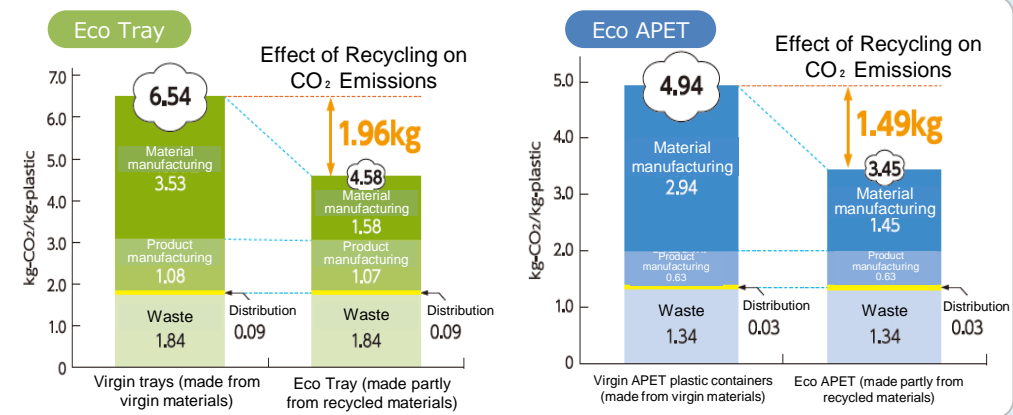


CO2 emissions

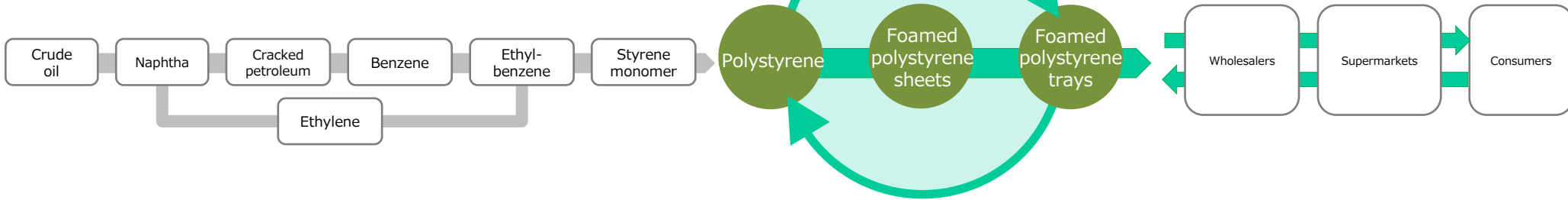
-30%



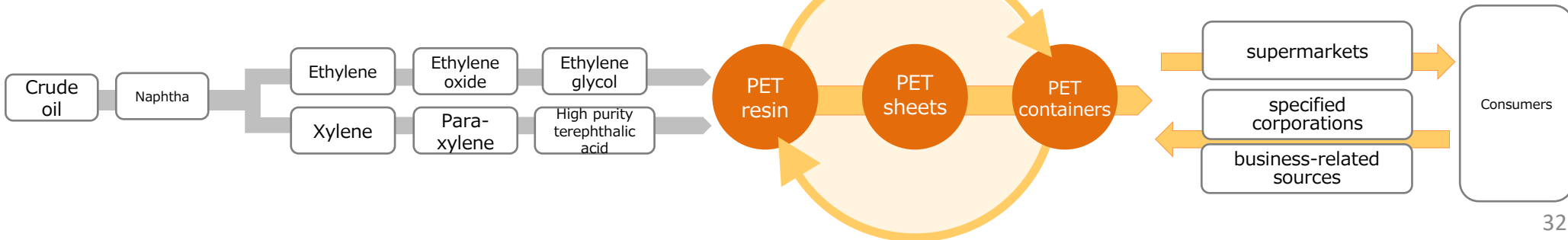
In FY ended March 2022, CO₂ emissions were cut by **170,000 tons**
 (Eco Tray: 41,000 tons, Eco APET: 89,000 tons, Eco OPET: 41,000 tons)



Tray to Tray



Bottle to Tray



Examples of Posters Displayed at Supermarkets



Posters displayed at Approx. 6,040 stores across Japan

(As of Mar, 2022)

Posters displayed by the Aeon Group

FY ended Feb. 2016

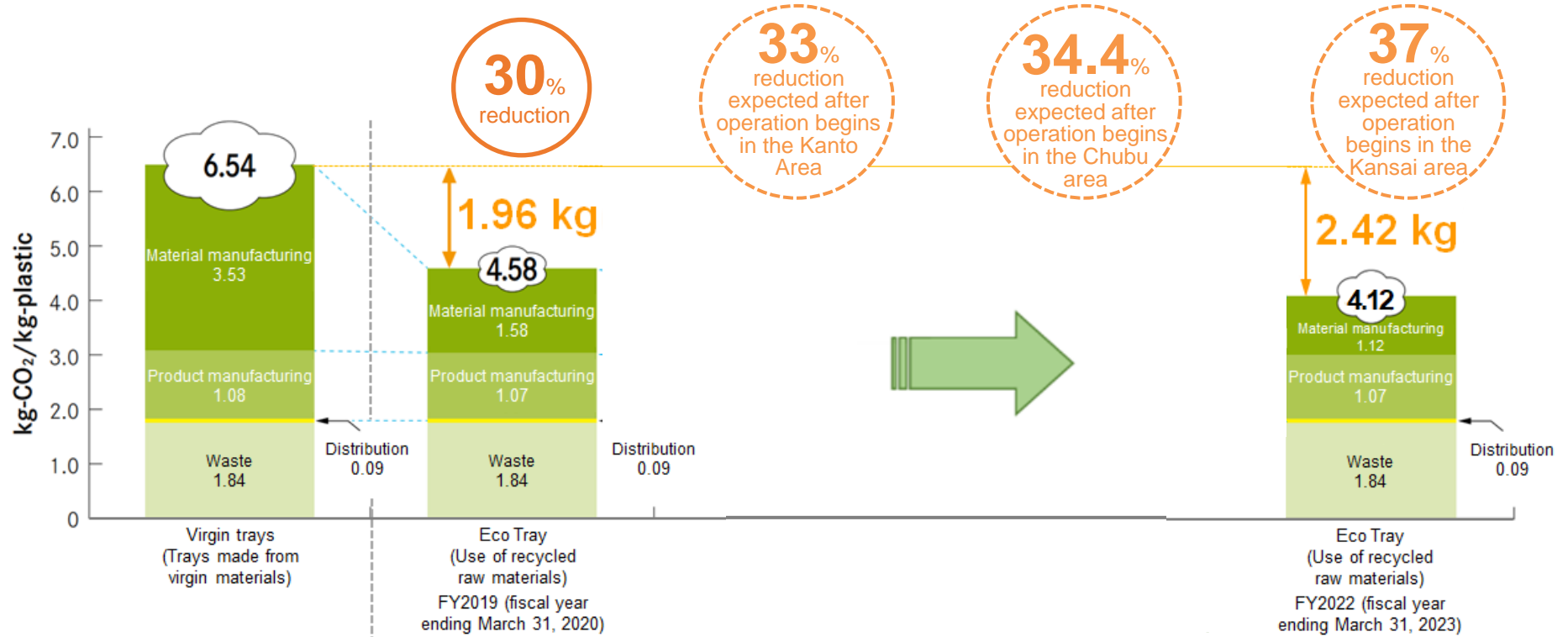


CO₂ emissions reduced by approx. 6,250 tons in 5 years

FY ended Feb. 2021



For Achieving Targets under the FPCO Carbon Offsetting Declaration Through Recycling
Collaboration in Solar Power Generation
-- Conclusion of PPA with Mitsui & Co. Plant Systems, Ltd.



Aiming to achieve zero CO2 emissions from the process of manufacturing recycled materials

Carbon Offset Declaration Through Recycling



FY2019 (fiscal year ending March 31, 2020)

Effective CO2 reduction from sale of eco products

Production division CO2 emissions

160,000 tons < **168,000 tons**

FY2022 (fiscal year ending March 31, 2023)

Effective CO2 reduction from sale of eco products

Production division CO2 emissions

192,000 tons ↔ **179,000 tons** (Balance)

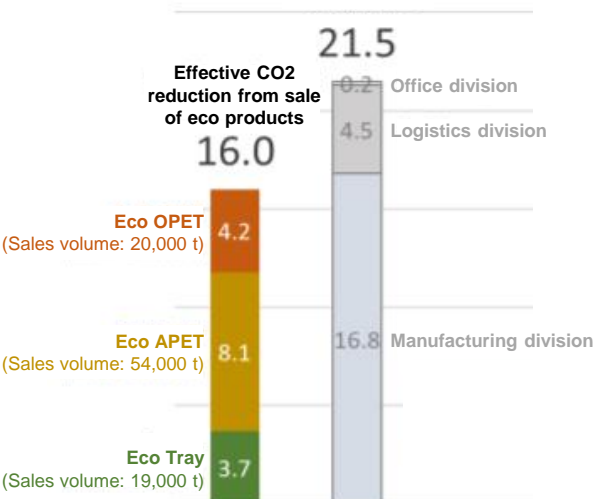
FY2024 (fiscal year ending March 31, 2025)

Effective CO2 reduction from sale of eco products

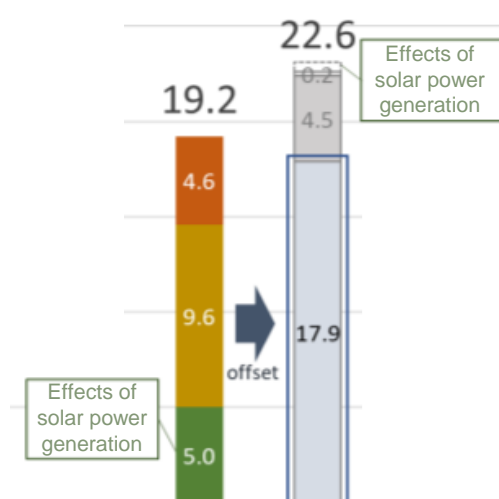
CO2 emissions from manufacturing, logistics, and offices

237,000 tons ↔ **237,000 tons** (Balance)

FPCO CO2 emissions

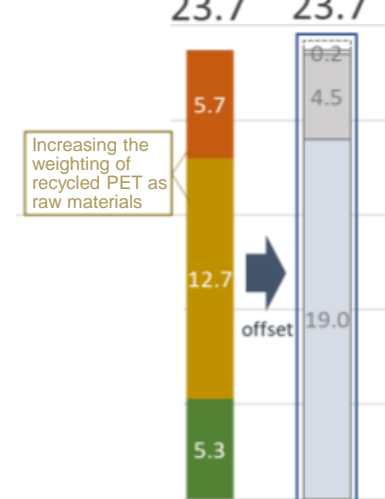


FY2019 (fiscal year ending March 31, 2020)



FY2022 (fiscal year ending March 31, 2023)

Units: 10,000 t



FY2024 (fiscal year ending March 31, 2025)

Initiatives for achieving targets

Increasing the volume of used trays and PET bottles collected

Introducing renewable energy proactively

Increasing the composition ratio of recycled raw materials used in Eco APET and Eco OPET products

Considering introduction of chemical recycling

A video entitled "Carbon Offsetting Declaration Through Recycling" is available at the following. (Japanese only)

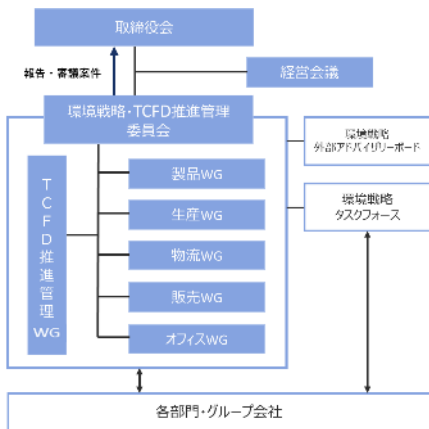
<https://www.fpcoco.jp/blog/2021/03/31/401>

Declaration of Support for the TCFD Recommendations

Governance

Structure enabling the Board of Directors to monitor climate-related risks and opportunities

(Organizational chart)



Strategy

Resilience of strategies based on the scenarios and impact on businesses

- Scenario analysis (2°C scenario and 4°C scenario)
- Estimation of financial impact

インパクト 評価項目	リスク	対応 行わない場合の 影響	気候シナリオへの対応
【2020年以降】 気候変動によるコスト上昇	気候変動によるコスト上昇	▼	製品生産に使用されるCO2削減 ・CO2削減のためのシステムを構築 ・再生原料を使用したエコ製品の拡大 製品生産に使用するエネルギー削減 ・再生エネルギーの活用 ・再生エネルギーの導入によるコスト削減 気候変動によるリスク ・気候変動によるリスクを評価し、リスクを軽減 ・気候変動によるリスクを評価し、リスクを軽減 ・気候変動によるリスクを評価し、リスクを軽減
【2020年以降】 プラスチック削減	プラスチック削減によるコスト上昇	▼	製品生産に使用するプラスチック削減 ・再生プラスチックの活用 ・プラスチックの削減によるコスト削減 製品生産に使用するプラスチック削減 ・再生プラスチックの活用 ・プラスチックの削減によるコスト削減
【2020年以降】 電力使用によるコスト上昇	電力使用によるコスト上昇	▼	製品生産に使用する電力削減 ・再生エネルギーの活用 ・電力使用の削減によるコスト削減 製品生産に使用する電力削減 ・再生エネルギーの活用 ・電力使用の削減によるコスト削減
【2020年以降】 気候変動によるリスク	気候変動によるリスク	▲	気候変動によるリスク ・気候変動によるリスクを評価し、リスクを軽減 ・気候変動によるリスクを評価し、リスクを軽減

Risk Management

Processes of identifying and assessing risks

- Identifying material issues and integrating them into company-wide risk management

	目指す姿	マテリアリティ (重要課題)	取り組み	関連するSDGs
食品トレーメーカーとして	持続可能な社会の構築	●CO2排出削減 ●プラスチックごみ問題の解決	・太陽光発電設備の導入 ・再生原料を使用したエコ製品の拡大 ・リサイクルボックスによる使用済み製品の回収 ・環境基金を通じた活動	
	安全・安心で豊かな食生活の創造	●新たな価値を提供する製品開発	・価値創出提案 ・新素材の研究開発 ・製品のプラスチック使用量削減 ・食品ロスの削減	
	「必要な時に確実に届ける」インフラの確立	●製品の安定供給	・サプライチェーンマネジメント (SCM) ・食糧危機の発生・物流ネットワーク構築 ・災害対策 (非常用自家発電設備と燃料備蓄、防災設備)	
社会の一員として	経営基盤の強化	●従業員の学習向上 ●デジタル化の推進 ●コーポレートガバナンス	・ダイバーシティワーク (健康・安全で働きがいのある仕事) の推進 ・人材育成などダイバーシティ経営 ・人材マネジメント (人事制度、各種研修プログラムの充実) ・業務全般におけるDX推進	
	地域社会との共生	●コミュニティへの参画	・リサイクル工場見学や出張授業の実施 ・環境基金を通じた地域社会と一体で進める環境活動 ・子ども食堂への物資提供	

Metrics and Targets

Indexes used to assess risks and opportunities

- By FY2031, we will reduce CO₂ emissions from all business activities (Scope 1 + 2) by 31% compared to FY2020.
- We will increase the reduction of CO₂ emissions from the use of Eco Products (Eco Trays, Eco APET, and Eco OPET) to 272,000 tons by FY2031. (Up 170% compared to FY2020)
- We aim to achieve net zero CO₂ (Scope 1 + 2) emissions from all business activities by FY2051.

More information is available on the following website.

<https://www.fpcu.jp/esg/environmenteffort/tcf.html>

Trends of Laws and Regulations

-- Act on Promotion of Resource Circulation for Plastics

(Promulgated in June 2021, to come into force in April 2022)

(1) Design and manufacturing phase



Changing plastic products' designs into eco-friendly ones

Eco-friendly products conforming to guidelines on the eco-friendly design of plastic products were **certified by the national government for the first time**, so that consumers can choose such products.

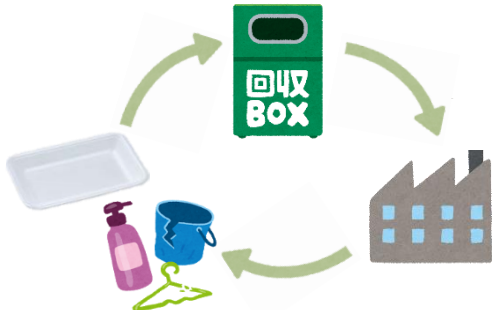
(2) Sales and provision phase



Reducing disposable plastics

Rationalizing use of disposable plastics by retailers, service providers, etc. to accelerate changes to consumers' lifestyles

(3) Emission, collection, and recycling phase



Collecting and recycling emitted plastics

Promoting efficient collection and recycling of all plastics

Regarding used plastics, there will be a special provision, under which the national government's certification of manufacturer's plans, etc., makes permission under the Waste Management Act unnecessary.

Reducing Plastic Usage

Retailing companies' plastic reduction targets

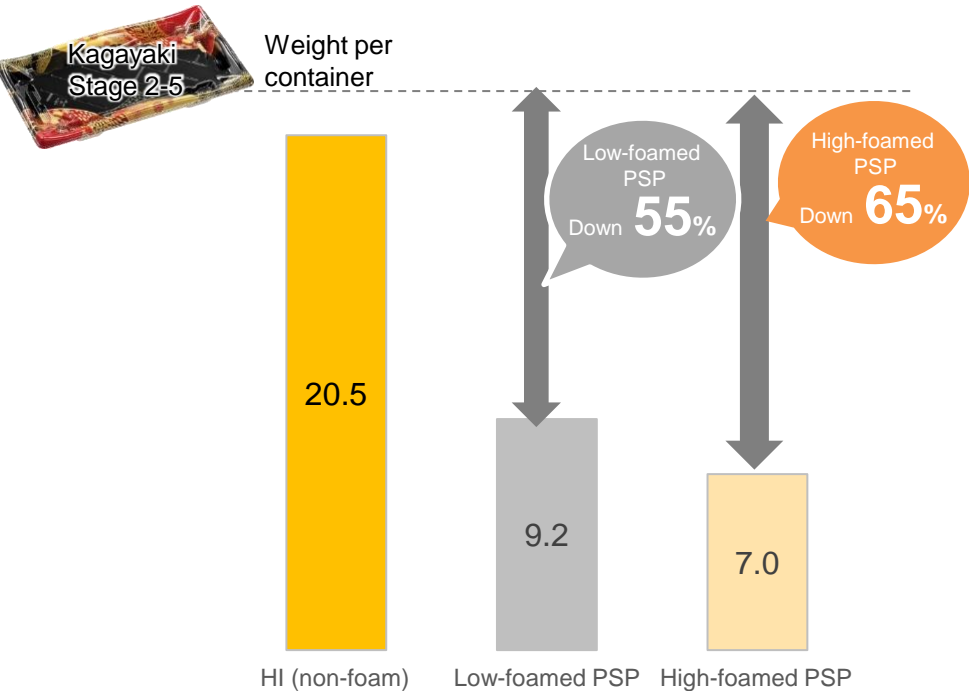
Retailing company A: **Reduce plastic usage by half** and use environmentally friendly materials for all PB products by 2030

Retailing company B: **Reduce plastic usage by 25%** and shift to recyclable materials by 2030

Retailing company C: **Reduce plastic usage by 30%** and use environmentally friendly materials for 50% of PB products by 2030

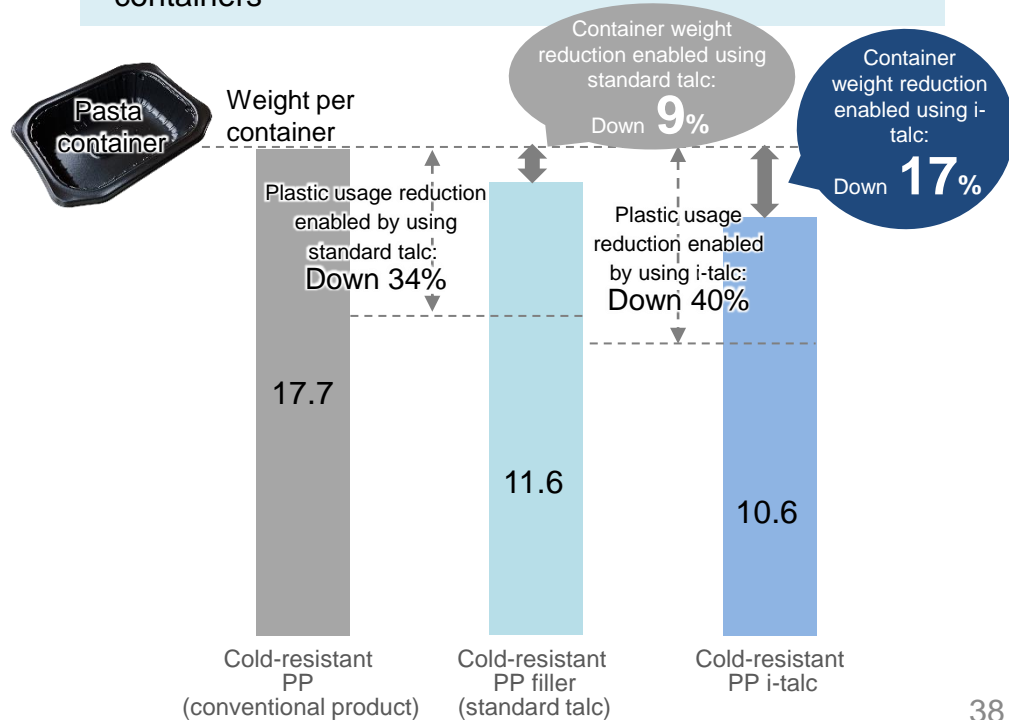
(1) HI · PSP Use of foam materials

Reducing plastic usage by using foam materials



(2) Cold-resistant PP Research and development of new materials

Reducing plastic usage while maintaining the strength of containers



Diversification of Materials and Research into Recycling Technologies

New materials

Biomass-based plastics (Plant-derived materials)



Paper pulp mold

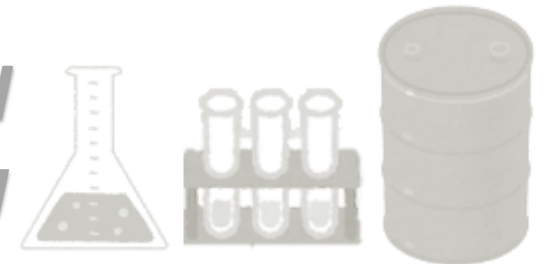


Recycling technologies

Material recycling



Chemical recycling



CO₂ Reduction with Biomass-based Plastic Products

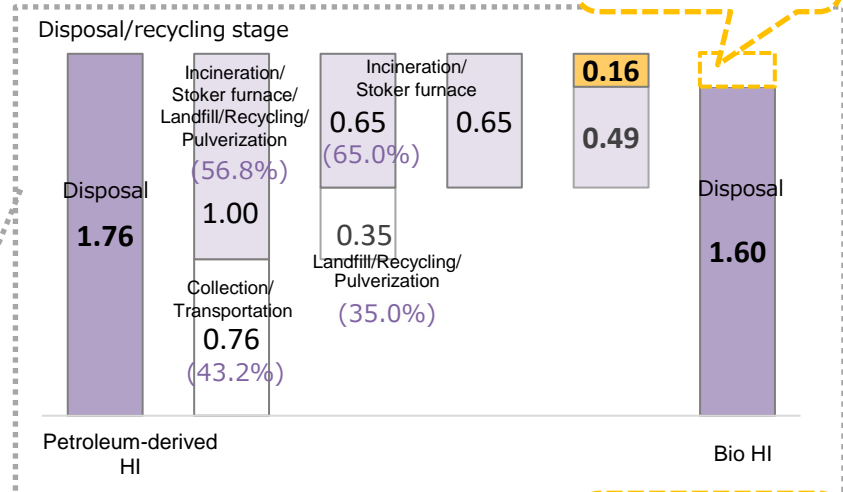
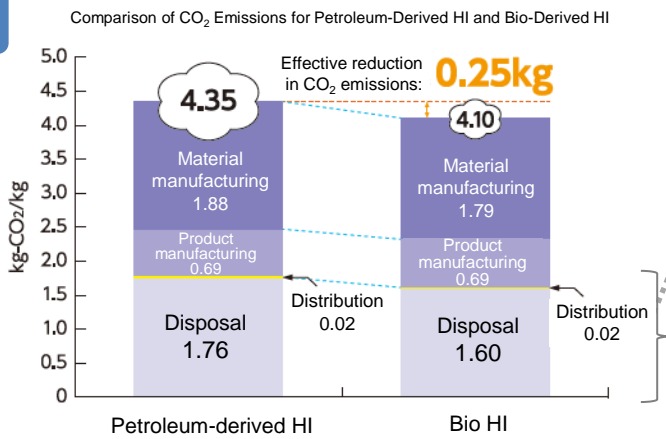
☑ Bio-HIPS and Bio-PPF: Released in June 2020

☑ Made from 25% plant derived materials/ Registered with Japan BioPlastics Association

CO₂ reduction effect
3.68%
of the entire lifecycle

Bio-HIPS

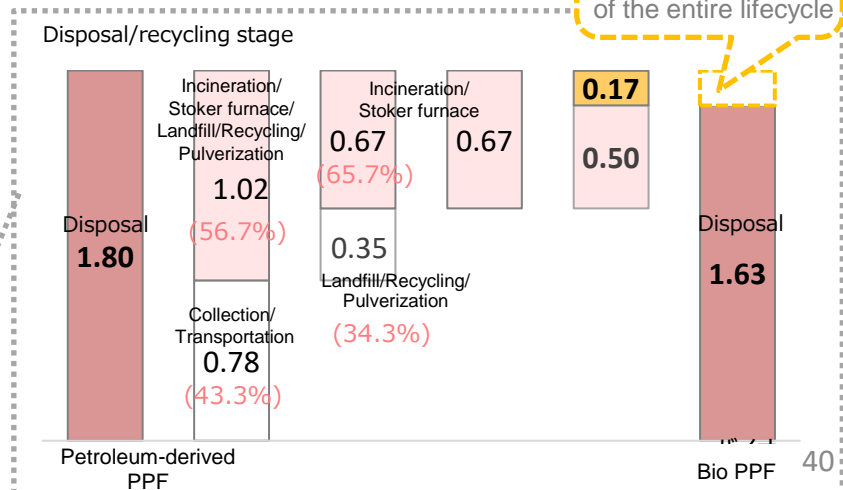
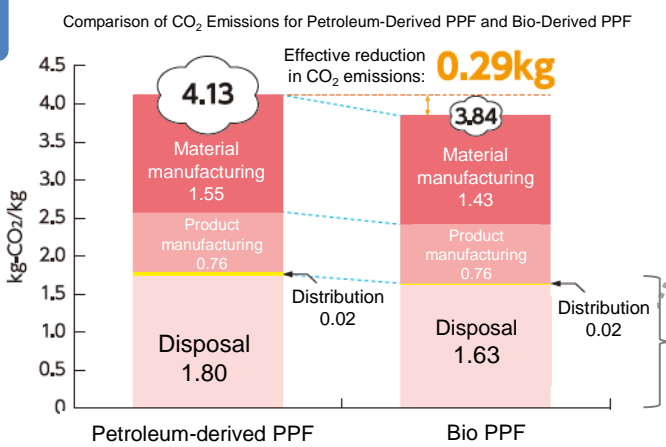
CO₂ emissions
-5.75%



CO₂ reduction effect
4.12%
of the entire lifecycle

Bio-PPF

CO₂ emissions
-7.02%



Introduction of Biomass Products by Shinobu Foods Products Co., Ltd.



"Recycled from PET bottles" engraved



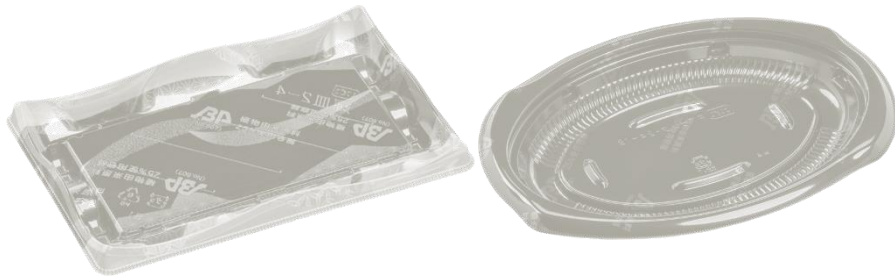
[From the official website of Shinobu Foods Products]

- Initiatives on containers made of biomass plastics: 14 items adopted for national brand (NB) lunchboxes (main bodies) (73% of 19 items)
- Initiatives on containers made of recycled materials: 13 items adopted for NB lunchboxes (lids) (69% of 19 items)

Diversification of Materials and Research into Recycling Technologies

New materials

Biomass-based plastics (Plant-derived materials)



Paper pulp mold

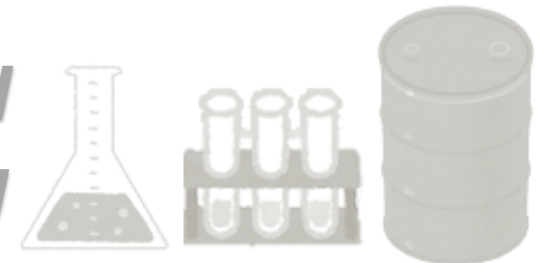


Recycling technologies

Material recycling



Chemical recycling



Development of Paper Trays and Paper Containers

Paper trays



Uses FSC®-certified paper



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

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

Waterproof and oilproof



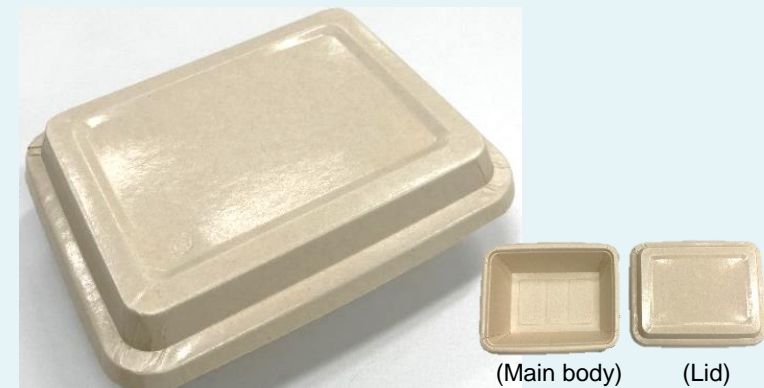
Supports wrapping machines



Paper-bowl Series



Paper lunchbox (bamboo paper)



Diversification of Materials and Research into Recycling Technologies

New materials

Biomass-based plastics (Plant-derived materials)



Paper pulp mold



Recycling technologies

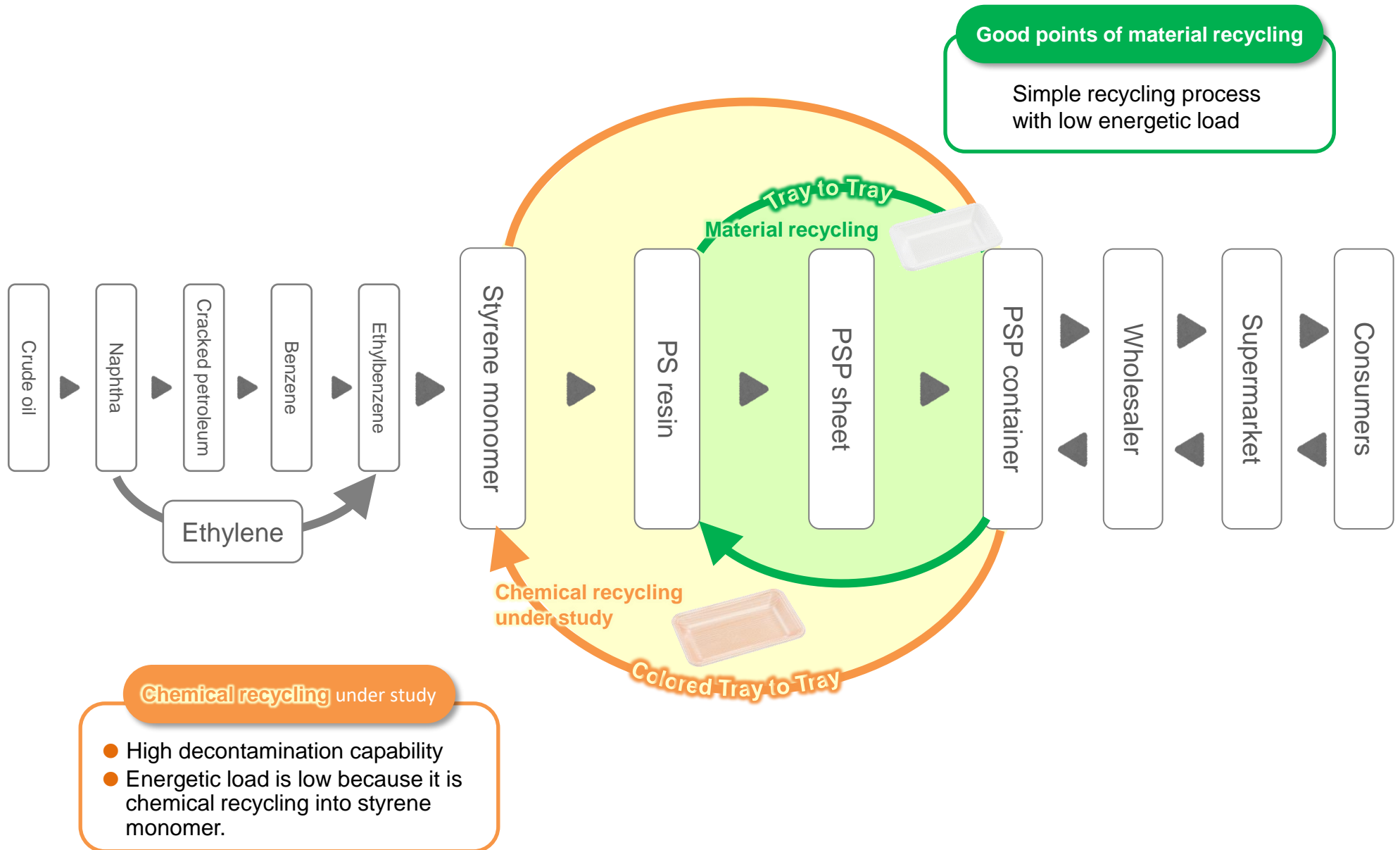
**Material
recycling**



**Chemical
recycling**



Considering Collaborating with DIC Corporation to Realize Chemical Recycling



Diversity Management Making Maximal Use of Capabilities



Sorting plant

Used food trays, transparent containers, and PET bottles



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

Manufacturing

Molding, assembly, inspection, and packaging of food trays



Attempts to expand occupational domains



General factories and logistics sites in the FPCO Group

In the FPCO Group as of March 2022

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

Recognition concerning employment of workers with disabilities

- January 2019
Ministry of Health, Labour and Welfare
FY2018 People with Disabilities Active Company Certification
(FPCO Ducks Corporation)
- October 2020
Toyo Keizai Inc.
Ranked 2nd in ratio of employees with disabilities



SDGs Support for Customers in their Employment of People with Disabilities



With FPCO's support, employment was created for

751 people at 50 locations

 mainly at customers' workplaces

As of March 2022

Seasoning prepared meat



Processing agricultural products



Inspecting and weighing fruits and vegetables



Processing prepared food



Cleaning containers



Washing towels



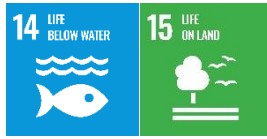
Sorting marine products



Reducing the volume of used paper



SDGs Creation of the FP Corp. Environmental Fund



The FP Corp. Environment Fund

1990: The FPCO method of recycling starts.
To date, recycling activities have continued for approx. 30 years

Mar. 2020: The FP Corp. Environment Fund is established.
The Group begins to subsidize organizations which act to resolve future social issues.

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

Activities of Organizations Subsidized (Some of the Activities)
A total of 137 employees of the FPCO Group also participated in these activities as volunteers.

Arakawa Clean Aid Forum (Tokyo)



<Details of the activities>
Education through the experience of cleaning up the Arakawa River, which is aimed at resolving the issue of marine plastic waste

<Number of employees who participated> 26

Shonan Cleanaid Forum (Kanagawa)



<Details of the activities>
Beach cleanup activities on the natural coast of Kanagawa

<Number of employees who participated> 47

Donation of simple food containers

Donated to: Children's cafeterias all over Japan supported by Zenkoku Kodomo Shokudo Shien Center Musubie, an NPO which supports children's cafeterias all over the country, and local networks of children's cafeterias all over the country



Donations: **Total 752,280sets**

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

Kobe
Bussan

Nestlé
Japan

Hagoromo
Foods

FPCO



SDGs Partnerships

Government

The FPCO method of recycling introduced at the website of the Japan Partnership for Circular Economy



Overseas

Participation in the Circularity 21, an international online event



Business partners

Participation in an SDGs event held with our business partners



Finance

Loan agreements with financial institutions aimed at pushing forward initiatives for the establishment of a sustainable society

- Sumitomo Mitsui Trust Bank, Limited
Fund procurement using positive impact finance

- Development Bank of Japan Inc.
Fund procurement using DBJ sustainability linked loans with engagement dialogue

SDGs ESG Evaluation

Continuously selected to be a constituent of the FTSE4Good Index Series and the FTSE Blossom Japan Index, which are ESG indexes (June 2021)

Selected for the first time to be a constituent of the FTSE Blossom Japan Sector Relative Index (March 2022)



FTSE4Good



FTSE Blossom
Japan



**FTSE Blossom
Japan Sector
Relative Index**

Indexes developed by FT Russell of the London Stock Exchange Group, which reflect the performance of companies taking excellent Environmental, Social and Governance (ESG) measures

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

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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

Stable Supply



Stable Supply – Supporting Safe, Secure Dietary Life

✓ A lineup of approx. 12,000 items

✓ Maintenance of an appropriate inventory level

Maintenance of an appropriate inventory level

Salespeople



Sales forecast

Informing about the logistics plan

Logistical bases



Inventory check

Supply Chain Management System

SCM

Using AI to improve the precision and efficiency of sales forecasts

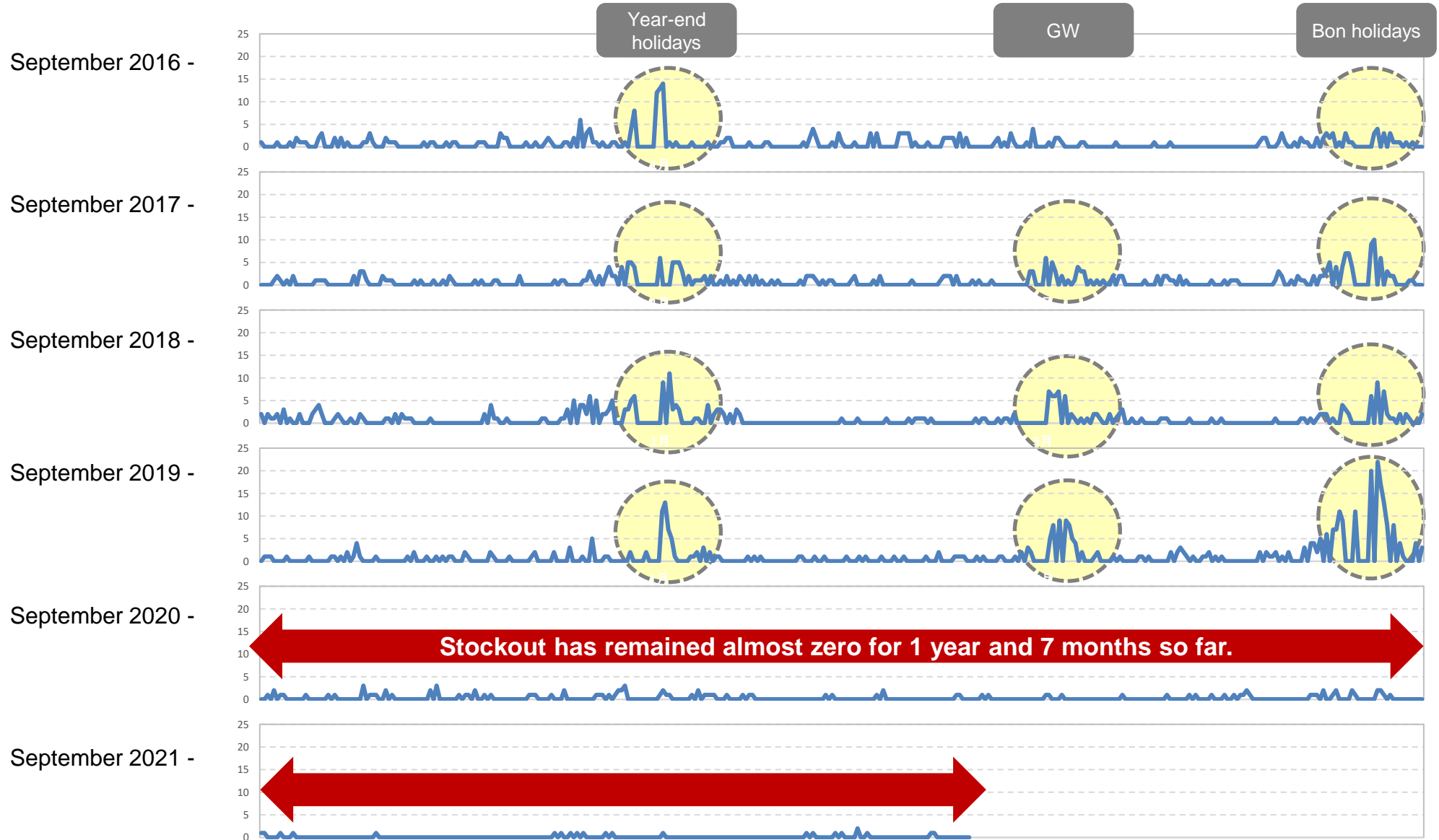
(For approx. 5,000 of approx. 12,000 items)

Placement of order for production (based on forecast)

Production plants



Stable Supply -- Number of Cases of Stockout



Actions for Suppressing Soaring Logistics Expenses (Distribution of Sales)

Increase ratio of private services March, 2022

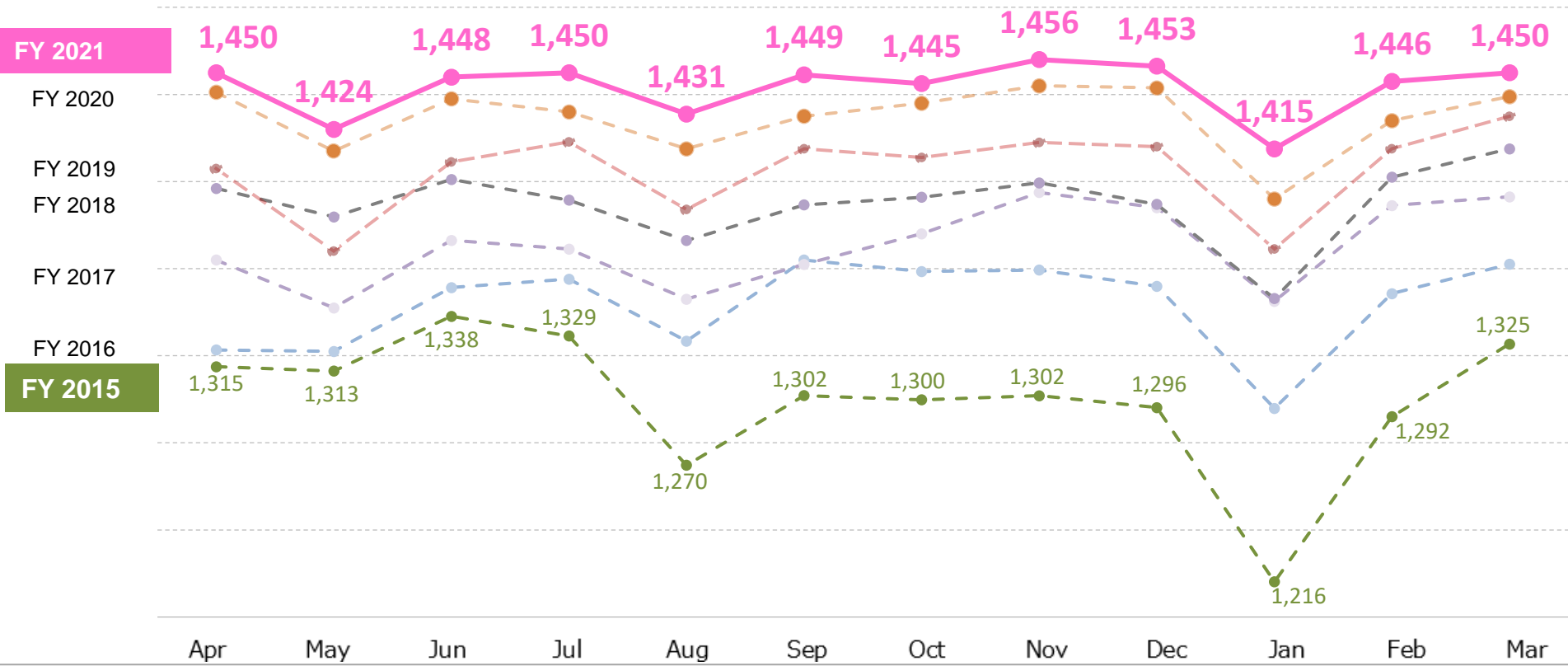
97.8%

Increase load efficiency per truck FY ended Mar. 2022 Comparison with FY ended Mar. 2016

111.0%

(Sai* per truck) * 1 sai = 0.027826474 m³

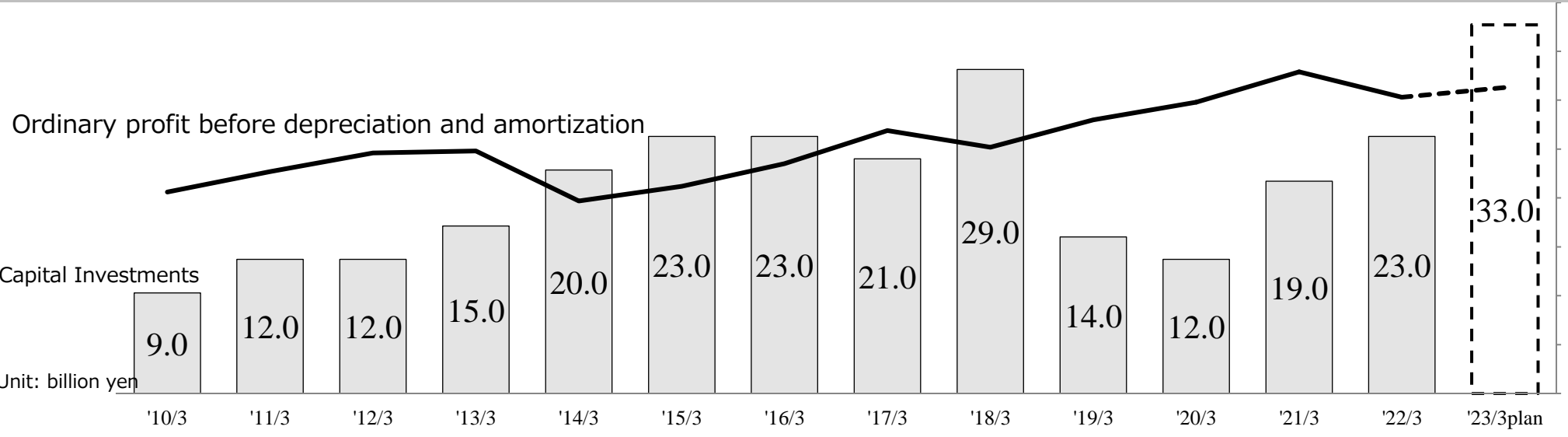
<load efficiency per truck>



Strategic Investment



FPCO's Strategic Investment



Annual investment of approx. 20.0 billion yen

World's first materials developed

- 2010: Launch of Multi FP (MFP)
- 2012: Launch of Multi Solid (MSD)
- 2012: Launch of Eco APET
- 2012: Launch of OPET
- 2012: Launch of New Transparent PP
- 2014: Launch of PPI-talc products
- 2022: Launch of cold-resistant PPI-talc products

▼

Expansion of the microwavable and frozen food markets

Distribution network constructed

- 2014: Fukuyama Cross Dock Center
- 2015: Hachioji Distribution Center

▼

Soaring cost of regular cargo services

Recycling strengthened

- 2016: Chubu Eco PET plant
- 2017: Kanto Eco PET plant

▼

ESG investment increased

Distribution network enhanced

- 2020: Kyushu Distribution Center expanded
- 2020: Fukuyama Distribution Center expanded
- 2020: Chubu Distribution Center expanded
- 2022: Kansai Distribution Center expanded

▼

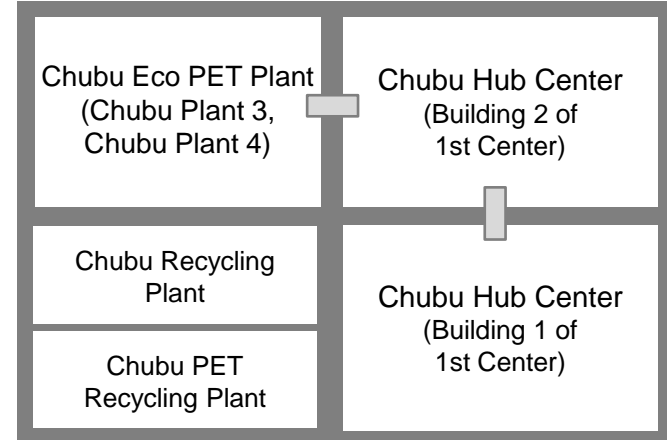
Investment in human resources

- PicoHouse dormitories for single employees
- Automated
- Changes to programs and standards

Construction of Chubu Plant 1

Chubu Plant I

Completion scheduled in May 2022
Investment: 8,049 million yen
(After reduction entry 5,820 million yen)
Total floor area: 20,902 m²



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

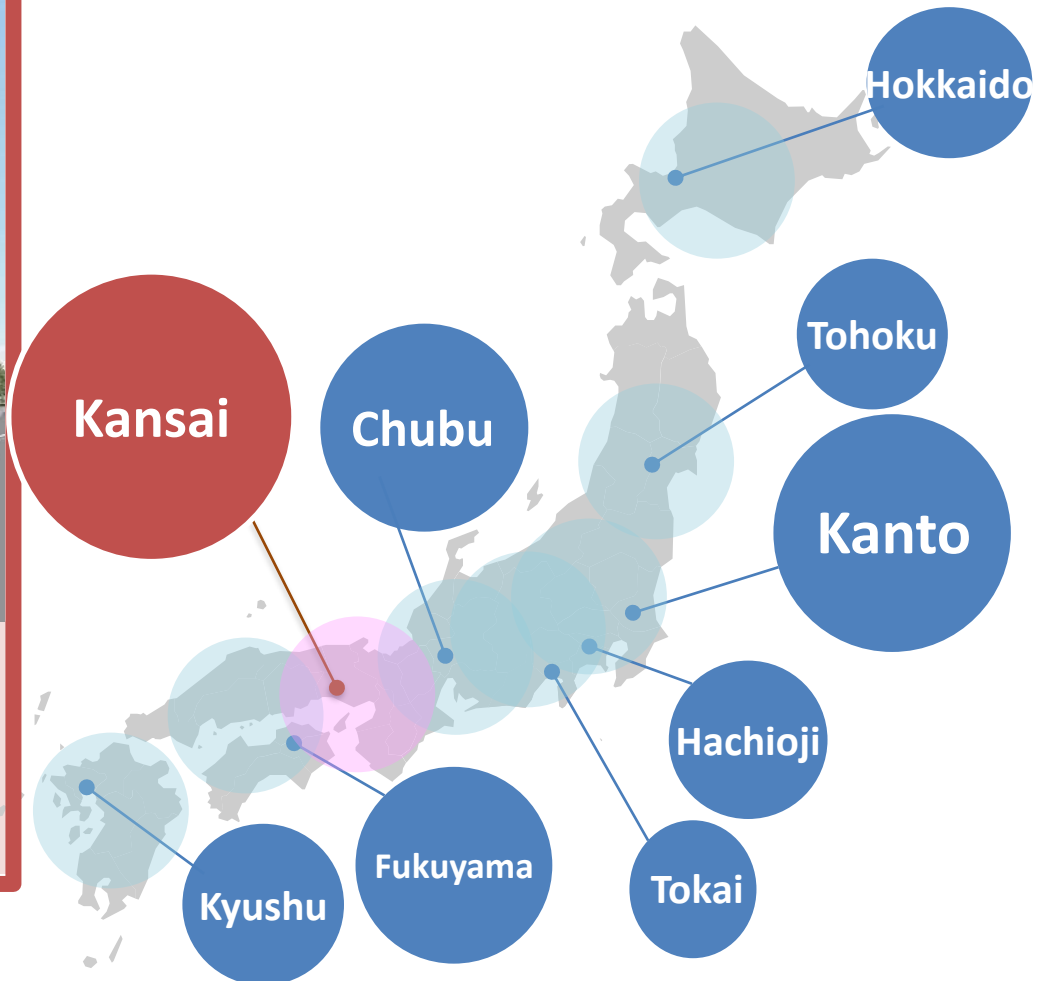
Kansai Plant and Kansai Hub Center



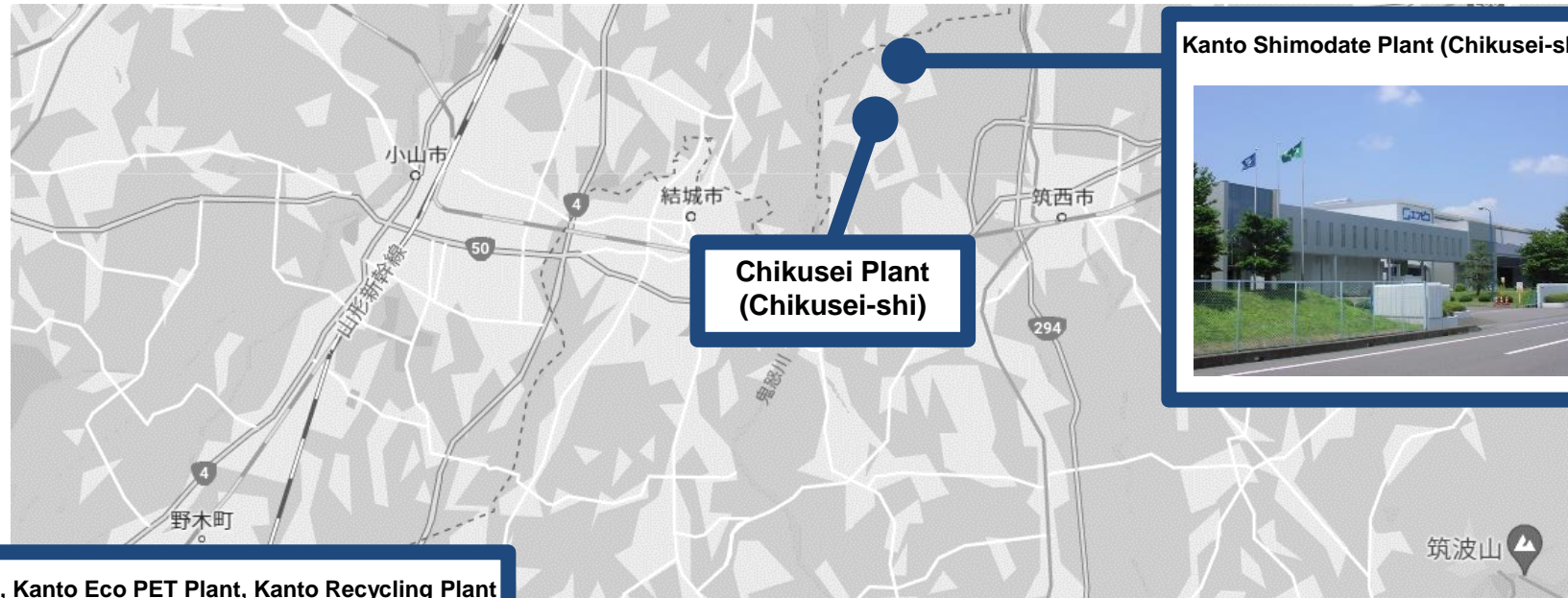
Completion scheduled: Sep. 2022
 Investment: 25.3 billion yen
 Gross floor area: Approximately 79,511 m²

- ✓ Approx. 30% of logistics capacity and production capacity transferred from the Fukuyama area
- ✓ Sept. 2022: Additional acquisition of a separate piece of land in the industrial park being planned
- ✓ Land acquisition cost: 940 million yen
- ✓ Site area: 29,130 m²

Completion of a network which covers **70%** of the total population, including the populations of major cities, within **150 km** radius from each base



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



**Chikusei Plant
(Chikusei-shi)**



**Kanto Tsukuba Plant
(Shimotsuma-shi)**

Kanto Dai-3 Center (Bando-shi)

Bando Inter Industrial Park

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

Location: Midori-no Sato, Bando-shi, Ibaraki

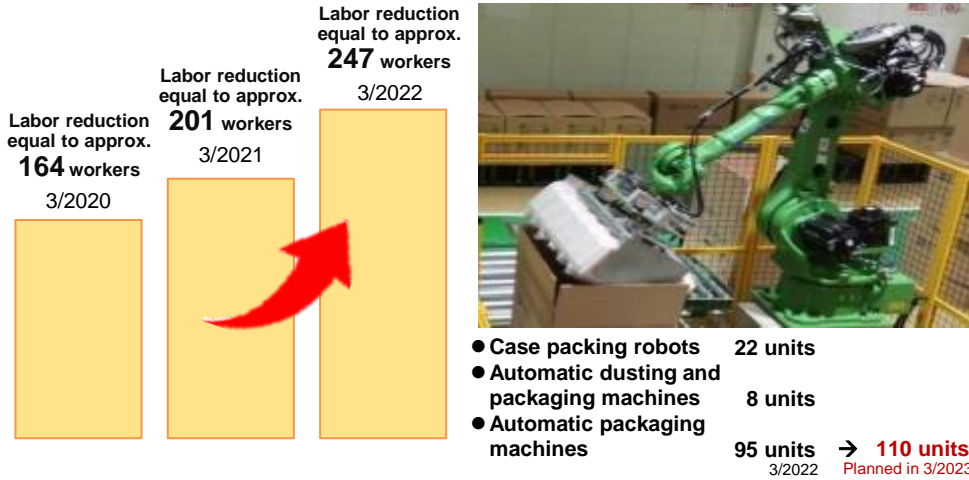
Bando Inter Industrial Park

Land acquisition cost: 1,036 million yen

Site Area: 51,810 m²

Investment in Human Resources (1):Automation

Manufacturing Division



Logistics Division



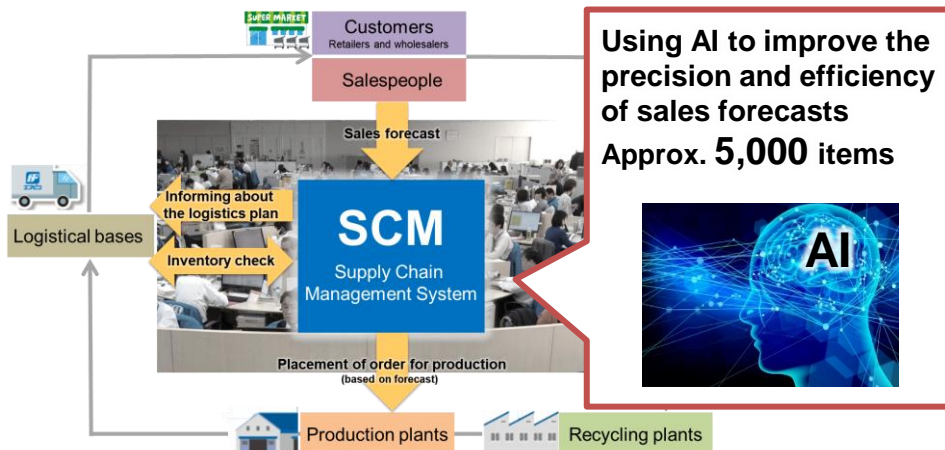
AGV (automated guided vehicle)
29 units
3/2022



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

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

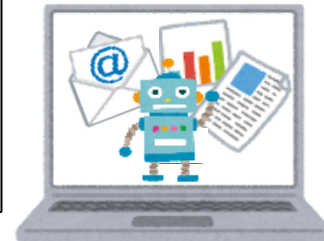
SCM Division



Information system

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

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



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



PicoHouse dormitories for single employees



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

Group homes for people with disabilities



Promotion of active participation of women

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



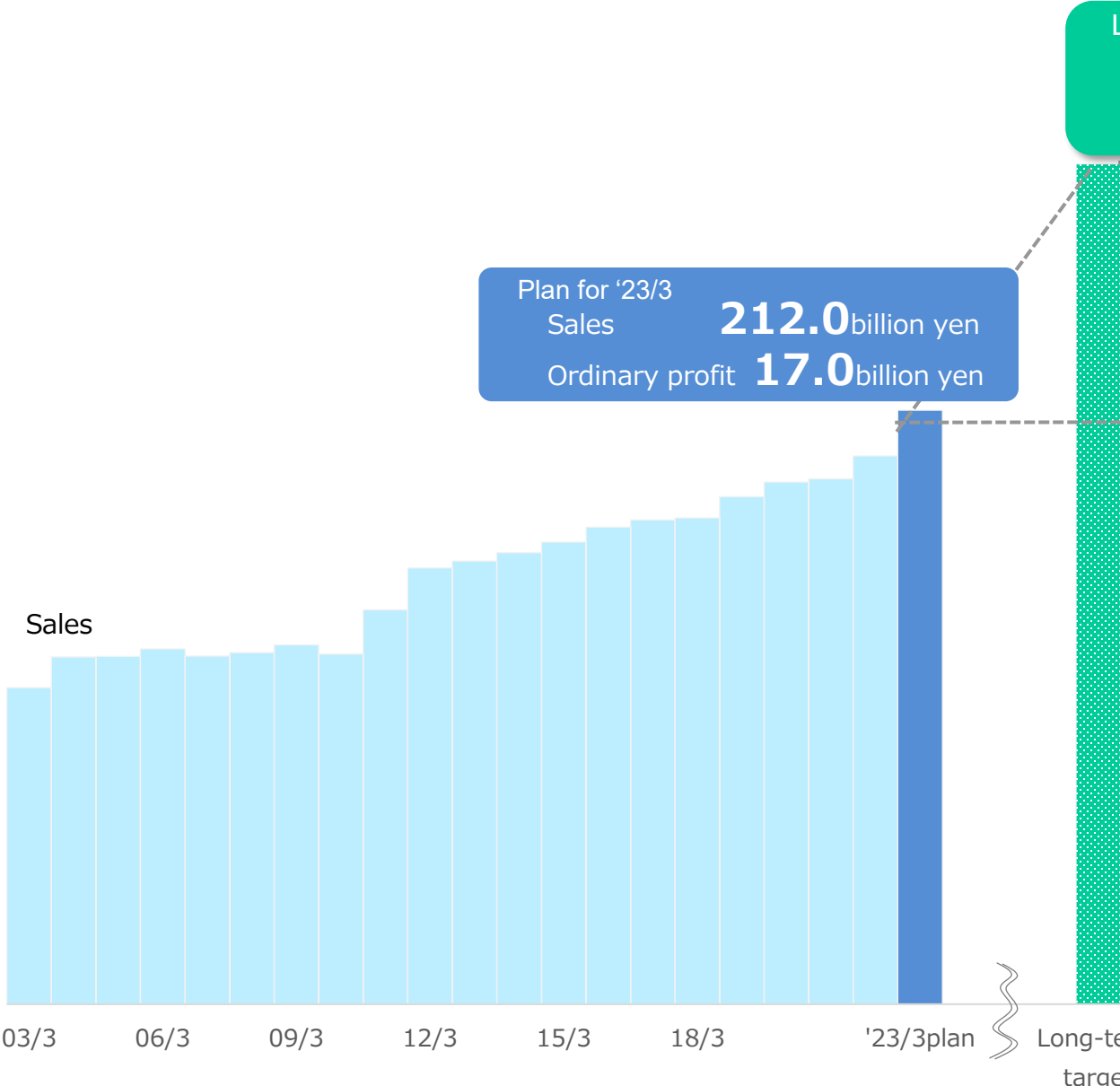
Changes to programs and standards

1. Introduction of requirement to **take five consecutive days of paid leave (Smile Leave)** (FY2018)
2. **Revision of the retirement benefit programs** at some group companies (FY2018)
3. **Pay standard raised** at some group companies (FY2019)
4. Introduction of **a teleworking program** (FY2020)
5. Introduction of **special leave for volunteer activities** (FY2020)
6. Introduction of **an hourly paid leave program** (FY2021)
7. Introduction of **a selective retirement system** (FY2021)

Growth Strategy



FPCO Growth Strategy



Plan for '23/3
Sales **212.0** billion yen
Ordinary profit **17.0** billion yen

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

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

R&D for recycling and alternative materials

- Chemical recycling
- Paper pulp mold
- Biomass-based plastics (Plant-derived materials)

Considering M&A

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

M&A -- Business Transfer from Sekisui Hinomaru

Name:	Sekisui Hinomaru K.K.
Locations:	(Head offices) Kumamoto and Fukuoka (Sales offices) Fukuoka, Kagoshima, Hiroshima, Osaka, and Tokyo (Plants) Saga and Ibaraki
Transferred business:	Molding business
Products	Lineup of PSP trays, including for fishcakes, dried-salted fish, and spicy cod roe
Sales:	Approx. 5.2 billion yen (Molding business only)
Number of transferred employees:	139 (38 salespeople and 101 plant/warehouse workers) * Including contract employees and part-time employees
Transfer date:	October 1, 2020



Effects of Infrastructure Integration

SCM Stable supply

Production Consolidation/extension of production lines
Review of production system

Sales Increasing products and business partners

Distribution Reduction of regular cargo services
Returning rent warehouses

Reducing the cost of regular cargo services using **our own delivery vehicles**

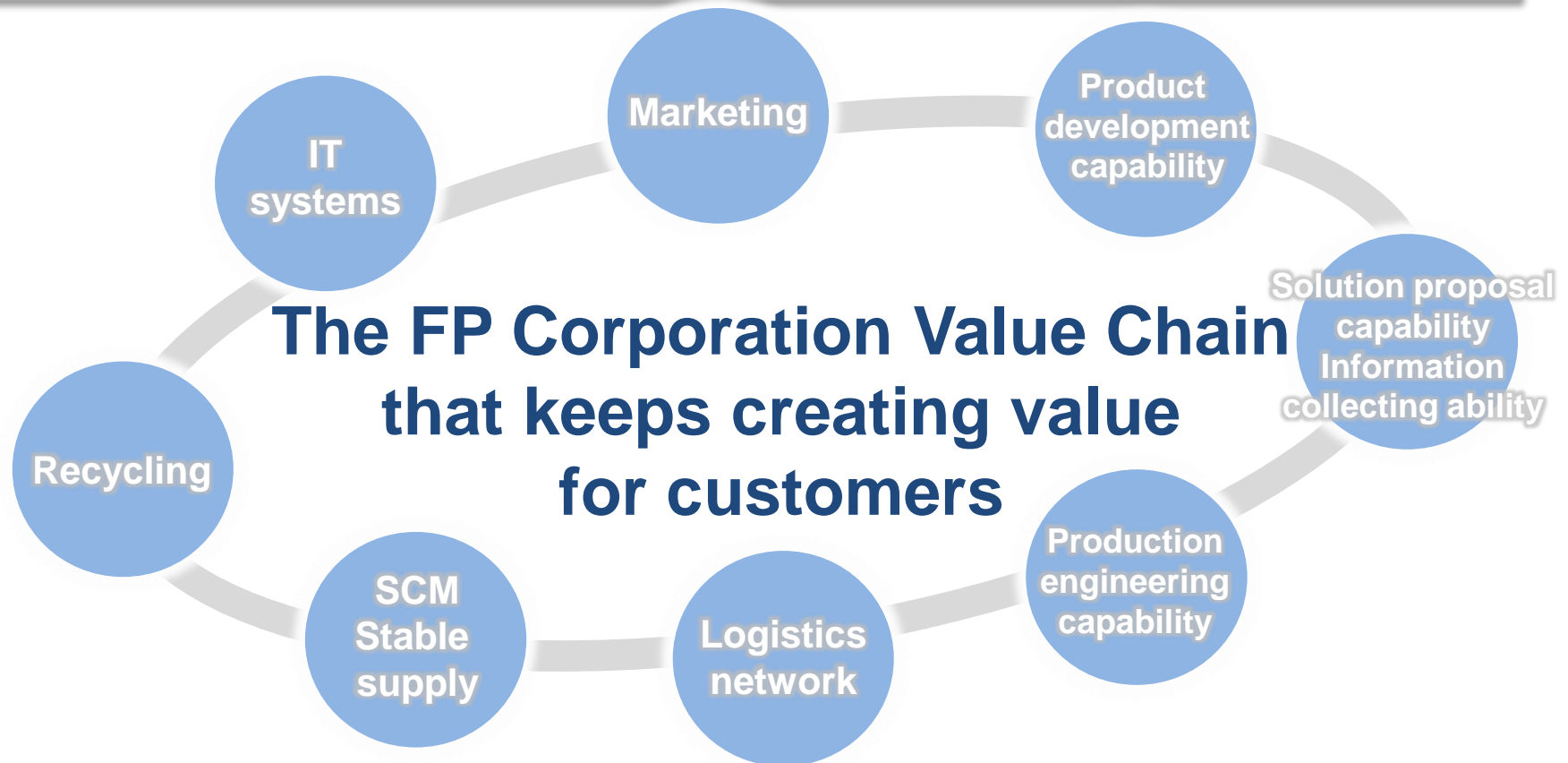
Reducing transportation cost by **increasing load efficiency** of our own delivery vehicles

Reducing warehousing cost by **returning rent warehouses**

Improvement:
Approx. 300 million yen/year

To Increase Corporate Value

“We ensure that we reliably deliver the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed.”



Supporting Data

Explanation of terms

PS	: Polystyrene	PET	: Polyethylene terephthalate	PP	: Polypropylene
Multi FP (MFP)	: An formed PS (polystyrene) container with cold and heat resistance to temperatures <u>between -40°C and +110°C</u> and with superior oil and acid resistance and thermal insulation (sales commenced in 2010).				
Multi Solid (MSD)	: A non-formed PS (polystyrene) container with <u>a heat resistance temperature of +110°C</u> that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP(sales commenced in 2012).				
New transparent PP container	: A transparent PP container with <u>a heat resistance temperature of +110°C</u> , which has achieved the same transparency as OPS using standard-grade polypropylene raw material(sales commenced in 2012).				
OPS container	: A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.				
Cold-resistant PPI-talc container	: A container that uses less plastic than conventional cold-resistant PP filler containers while maintaining the strength of the conventional containers (sales commenced in 2022)				
Eco Tray	: A recycled foamed polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).				
Eco APET	: A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).				
Eco OPET	: A recycled OPET transparent container molded from the bi-axially oriented PET sheets, which use the same raw materials as an Eco APET container. Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container. Heat resistance temperature of +80°C (sales commenced in 2016).				
Bio-HIPS container	: HIPS (non-foamed polystyrene) container containing 25% of plant-derived materials (sales commenced in 2020).				
Bio-PPF container	: Polypropylene with fillers (PPF) container containing 25% of plant-derived materials (sales commenced in 2020).				
FSC®	: Forest Stewardship Council® (FSC®) is an international non-profit organization established to promote responsible management forests in the world. FSC sets standards based on principles on responsible forest management, which are supported by the agreement of stakeholders in the environment, social, and economic fields.				
Distribution Center	: Ships products by unit of case				
Picking Center	: Conduct picking operations for products and goods by small lots and ship				
Sorting Center	: Sorts PS containers collected from stores according to white and other colors, and transparent containers collected from stores according to materials such as PS, PET and PP.				

World's First Sheets and Materials

PP: polypropylene

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

PPI-talc

- ☆ The same strength with less plastic



New transparent PP

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

PS: polystyrene



PSP: foamed polystyrene

- ☆ Easy to mold
- ☆ Low raw material ratio
- ☆ Weight reduction is possible
- ☆ High insulation
- ★ Low heat resistance: +80°C
- ★ Low oil resistance

MFP: multi FP

: foamed polystyrene

- ☆ Easy to mold
- ☆ Low raw material ratio
- ☆ High thermal insulation
- ☆ High oil resistance
- ☆ Resistant to a wide range of temperatures: -40 to +110°C
- ☆ High firmness
- ☆ Weight reduction is possible



PET: polyethylene terephthalate

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

OPET: Biaxially stretched PET

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

MSD: Multisolid
Non-foaming polystyrene



Recycling of multi-FP remnants

OPS: oriented polystyrene

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



* The pie chart at the center represents the share by material (on weight basis). 9

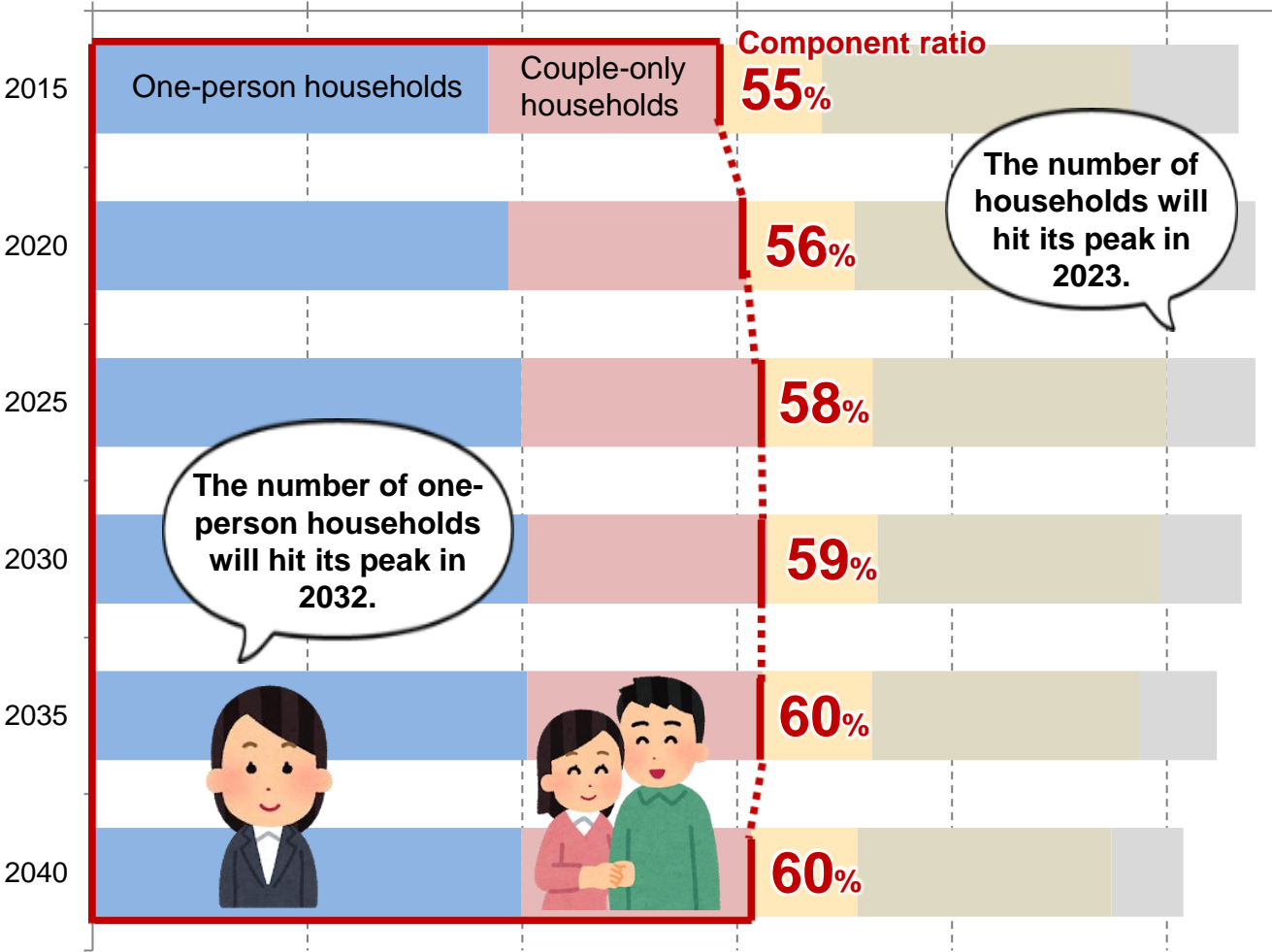
Factors influencing Ordinary Profit

Unit:100 million yen

	'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3	'13/3	14/3	15/3	16/3	'17/3			'18/3			'19/3			'20/3			'21/3			'22/3			'23/3 Plan				
																1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	
Ordinary Profit for previous year	63.1	28.6	33.6	36.3	66.5	81.2	64.5	92.9	122.2	134.7	149.5	151.2	100.5	101.1	66.3	74.0	140.3	79.1	78.3	157.4	66.3	69.2	135.5	64.8	83.8	148.6	74.4	88.3	162.7	85.6	108.2	193.8	89.1	77.9	167.0		
The Price of Material	-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-37.0	-25.0																													
						Decrease in raw material prices		+78.0						Decrease in raw material	+31.0	+20.0	+3.0	+23.0						+2.5	+5.2	+7.7	+11.0	+3.0	+14.0								
						Raw material price increase		-19.0	-23.0	-37.0	-15.5	-46.0	-7.0					-13.0	-13.0	-26.0	-14.8	-15.5	-30.3									-9.9	-36.1	-46.0	-23.0	+29.0	+6.0
Sales Price	-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+32.0	+6.5			Naphtha formula	-11.0	-12.5	-11.0	-23.5																			
						1st product price reduction		-44.0		Product price correction		+15.0	+16.0					-	+4.5	+4.5	+13.6	+28.0	+41.6	+10.5	-	+10.5											
						2nd product price reduction		-19.0		Price war on general-purpose products			-13.0	-13.0																							
Sales Efforts				Raw material replacement and lighter-weight products	+2.0	+8.0	+8.6	+11.8	+24.5	+20.0				New material effects	+8.0	+14.5																					
				Increase in quantity/improvements to product mix	+45.0	+17.5	+5.8	+3.0	+7.0	+6.0	+21.5	+15.0	+21.0	+1.0	+4.0	+19.5	+10.5	+12.5	+23.0	+6.0	+3.2	+9.2	+4.5	+7.2	+11.7	+3.5	+5.0	+8.5	+7.2	+9.8	+17.0	+11.0	+6.0	+17.0	+4.0	+9.0	+13.0
Improved Production	+2.4	-0.6	-2.0	+6.0	+8.7	+3.0	+2.5	+9.5	+12.0	+9.0	+2.5	+1.0	+4.0	+12.0	+3.2	+1.1	+4.3	-3.2	-4.0	-7.2	-0.5	-	-0.5	+1.0	+1.5	+2.5	-1.5	+3.5	+2.0	+3.5	-1.5	+2.0	-10.0	+1.0	-9.0		
Improved Distribution	+0.3	-14.0	+12.2	+5.5	+8.0	+5.7	+5.0	+9.5	+8.0	+4.0	+1.5	+1.0	-1.0	+1.5	-3.0	-2.7	-5.7	+0.5	+1.0	+1.5	-1.5	-3.0	-4.5	-4.0	-3.5	-7.5	-0.5	+1.5	+1.0	+2.5	+2.5	+5.0	-	-	-		
Group Companies								+5.0	+5.5	+5.0	+1.0	-1.0	-1.5	+5.5	+2.0	+3.0	+5.0	-	+1.5	+1.5	+0.5	+1.5	+2.0	+2.0	+0.1	+2.1	-0.7	+6.5	+5.8	+4.0	+2.0	+6.0	+2.0	+5.0	+7.0		
				Profit from the sale of artwork	+1.0	-1.0		+4.0	-4.0					Subsidies	+6.5	-1.7	-3.7	+0.8	-2.9																		
Cost increase	-6.2	-19.3	-3.2	+4.2	-7.4	-9.7	-15.6	-12.7	-11.5	-13.2	-15.3	-17.0	-22.0	-17.6	-3.7	-2.4	-6.1	-3.1	-2.3	-5.4	-3.3	-3.6	-6.9	-5.9	-3.8	-9.7	-4.3	-4.4	-8.7	-7.6	-3.2	-10.8	-8.1	-5.9	-14.0		
Total increase/decrease	-34.5	+5.0	+2.7	+30.2	+14.7	-16.7	+28.4	+29.3	+12.5	+14.8	+1.7	-51.0	+0.5	+39.2	+12.8	+4.3	+17.1	-12.8	-9.1	-21.9	-1.5	+14.6	+13.1	+9.6	+4.5	+14.1	+11.2	+19.9	+31.1	+3.5	-30.3	-26.8	-35.1	+38.1	+3.0		
Ordinary profit	28.6	33.6	36.3	66.5	81.2	64.5	92.9	122.3	134.7	149.5	151.2	100.5	101.1	140.3	79.1	78.3	157.4	66.3	69.2	135.5	64.8	83.8	148.6	74.4	88.3	162.7	85.6	108.2	193.8	89.1	77.9	167.0	54.0	116.0	170.0		

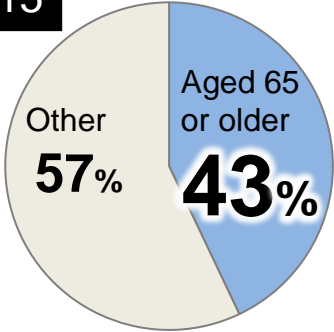
Changes in the Number of Households

- One-person households
- Couple-only households
- Households of single parents with children
- Other general households
- Households of couples with children

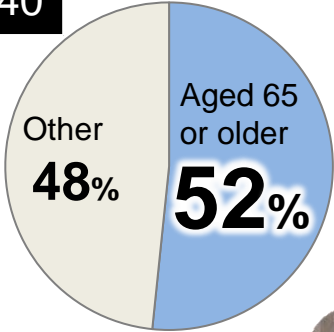


Ratio of households with one person and couples aged 65 or older

2015



2040

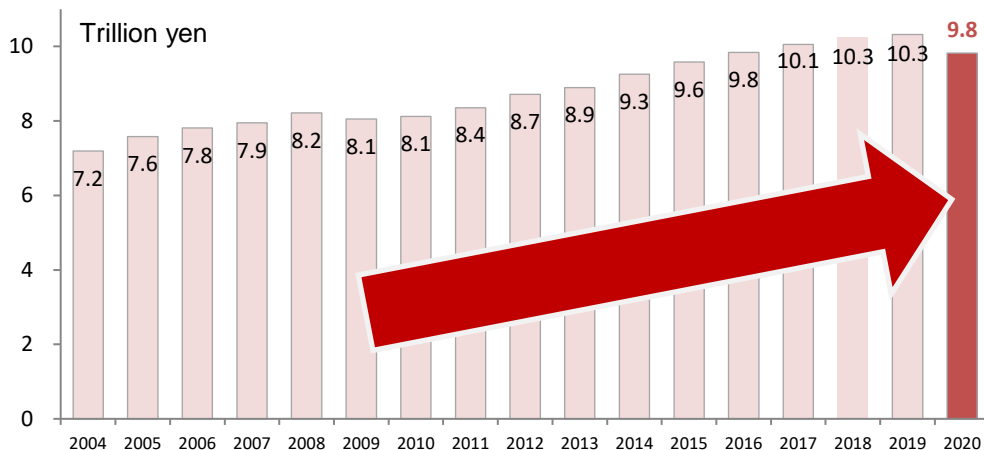


Up 9 percentage points in 25 years



Source: The graph was prepared by FPCO based on data from the National Institute of Population and Social Security Research.

Trend in Scale of Home Meal Replacement Market



Source: Prepared by FPCO based on data from the Japan Ready Made Meal Association's White Paper on Ready Made Meals, the Japan Food Service Association, and FPCO's own estimates

FY2020
Home meal replacement
 Approx.
9.8 trillion yen

Cooking at home:
 Approx. 36.4 trillion yen



Eating out:
 Approx. 26.0 trillion yen



Major food manufacturers



Markets expected to grow in the future

Frozen food for households

Approx. **0.39** trillion yen
 2021



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

Delivery

Approx. **0.46** trillion yen
 2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

Takeout

Approx. **1.25** trillion yen
 2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

Food service for elderly facilities

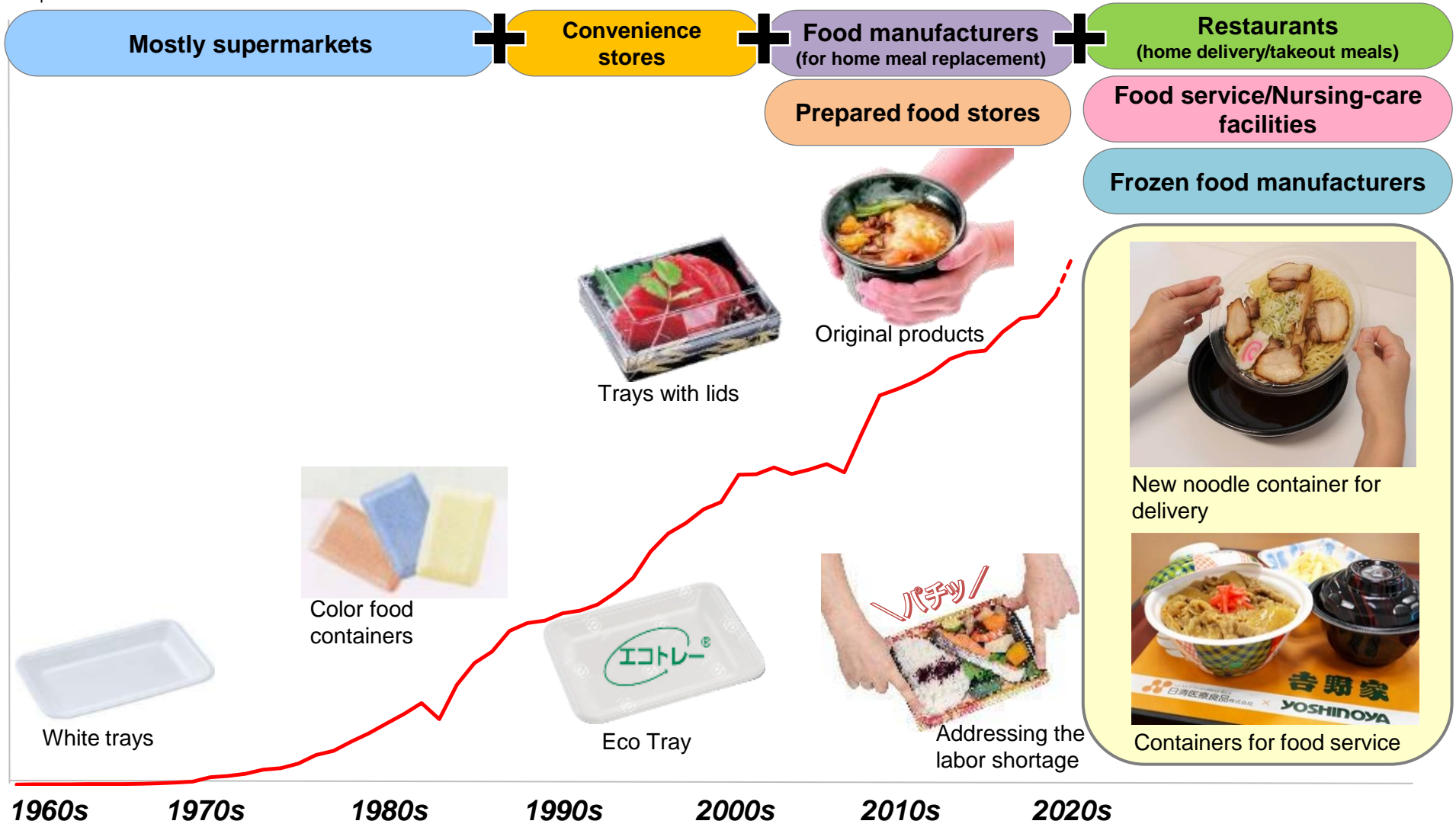
Approx. **0.96** trillion yen
 2020



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

Expanding Market

Net sales of the FPCO Group

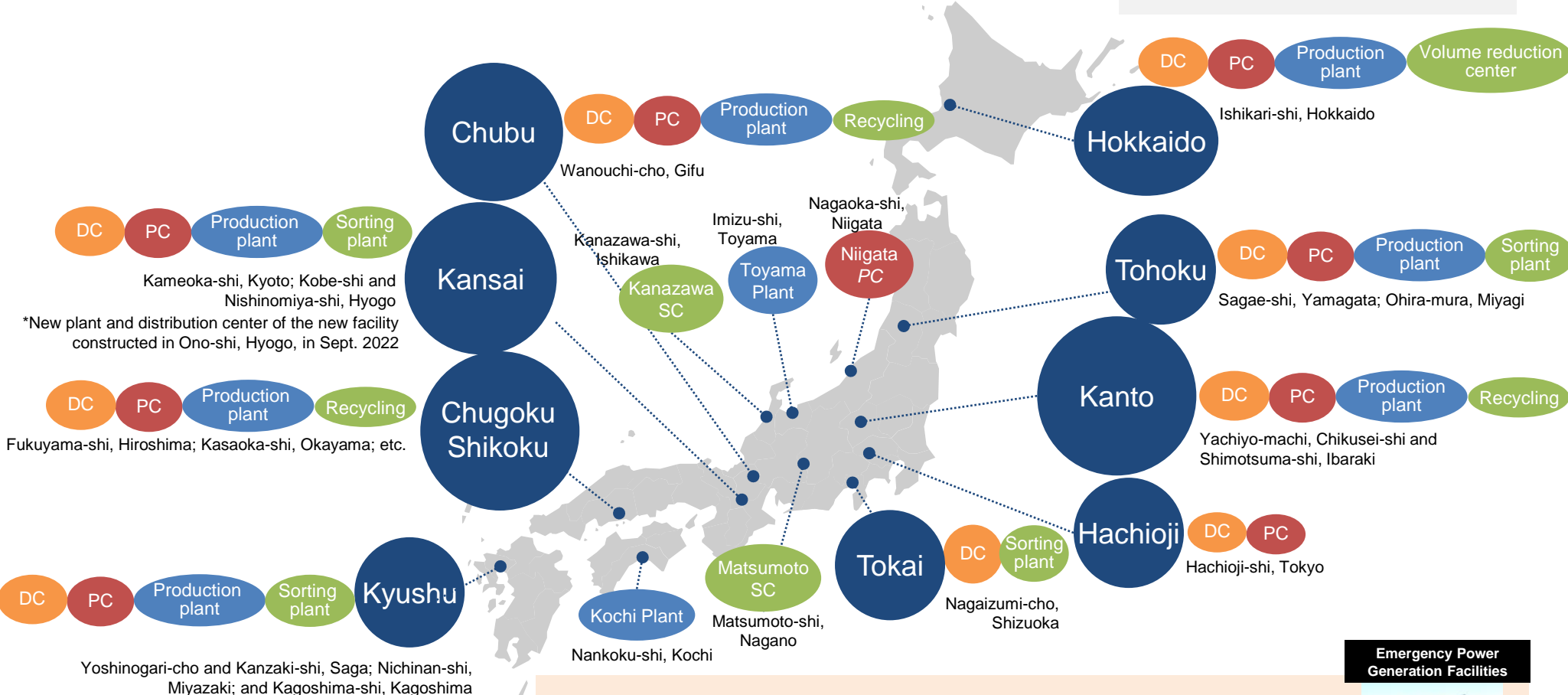


Nationwide Production and Logistics Network

FPCO can produce and deliver on an area-specific basis

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

Distribution Center	9 sites
Picking Centers	10 sites
Sorting plants	10 sites
Recycling plants	3 sites



Business continuity plan (BCP): Ensuring stable supply in the event of a disaster
Emergency power generator installed at all of our 21 logistics facilities in Japan
Providing **72 hours'** worth of electricity and a fuel stockpile

Emergency Power Generation Facilities



Capital Investment and Cash Flows

Cash flows from operating activities

Capital investment: Goal of 18 to 25 billion yen

Enhance the system for supplying high value-added products from the perspective of medium- and long-term growth

[Priority investment areas]

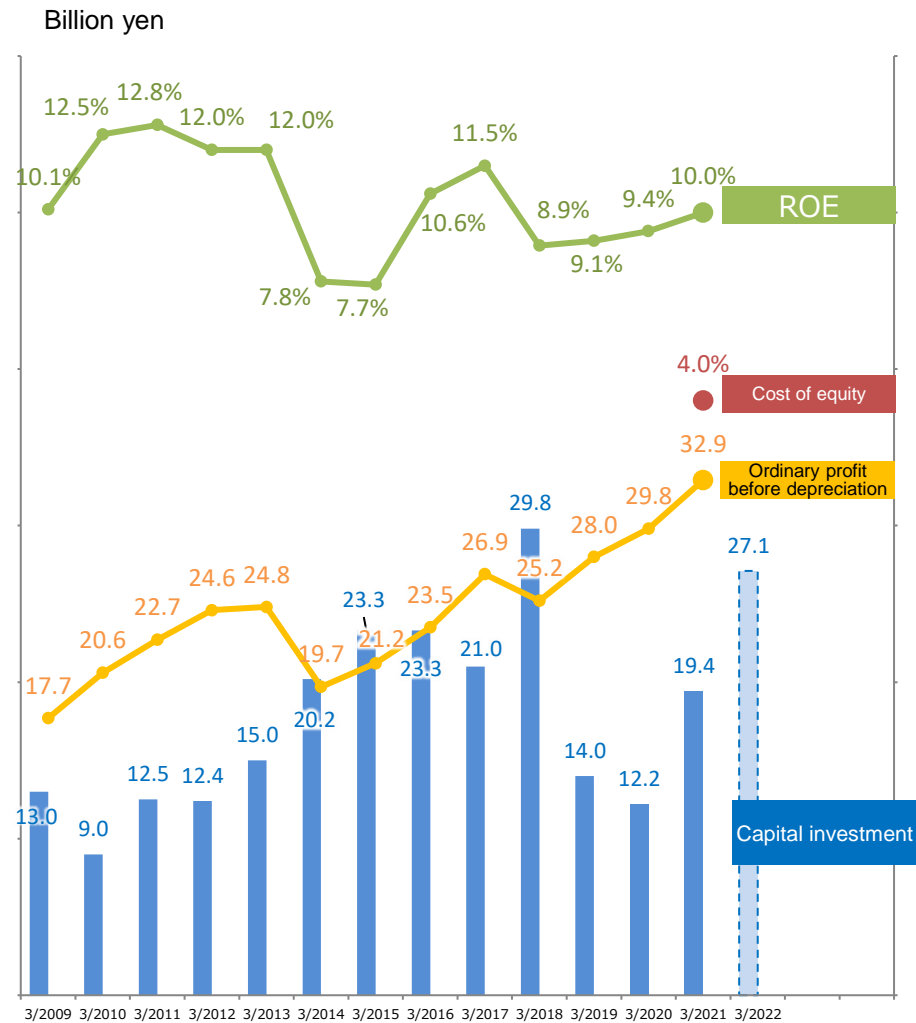
- Market demand for recycled and eco-friendly products
- Establishing a system for stable supply

Consolidated payout: Goal of 30%

Stable and continuous payment of dividends
Maximization of earnings per share

Acquisition of treasury shares

Adjustment of interest-bearing debt



Governance structure

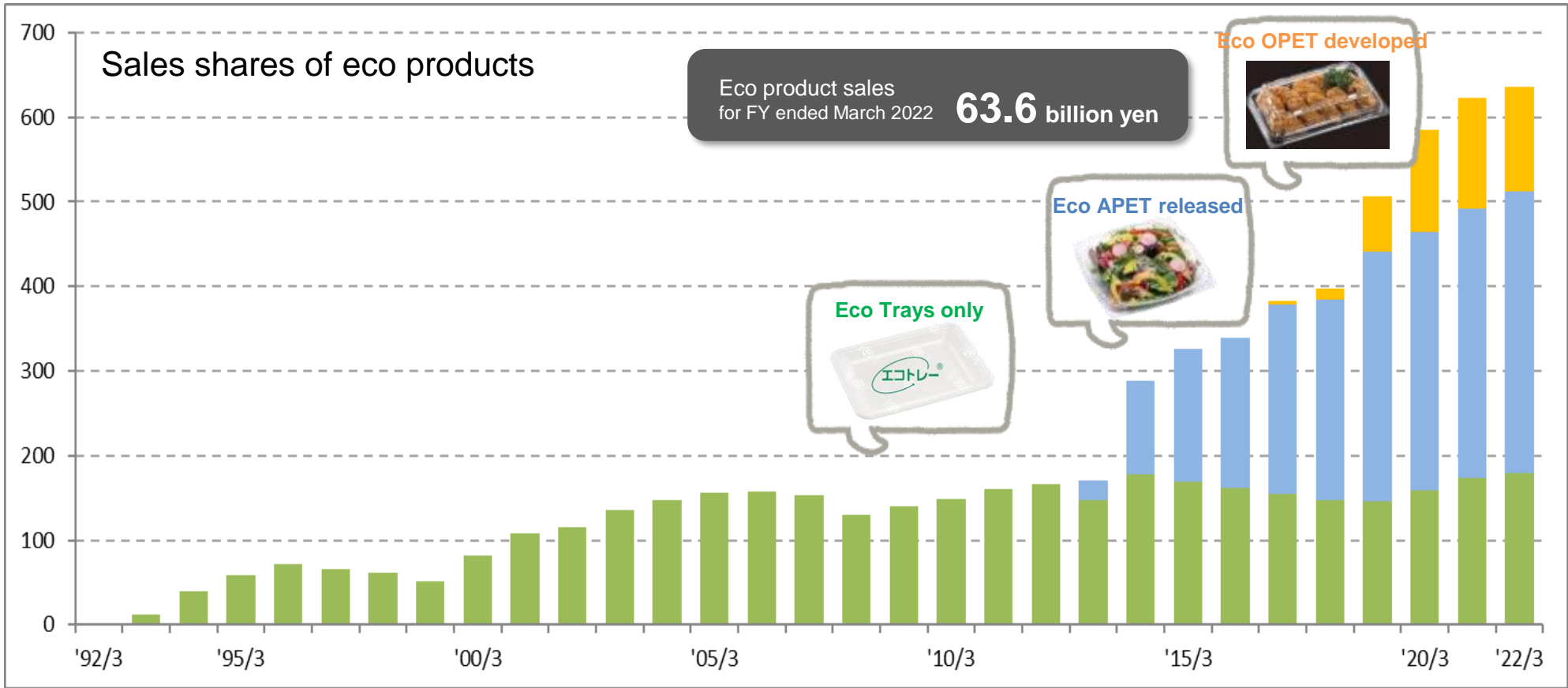
Unit: People

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

*Directors: Based on the assumption that all director candidates will be approved at the Annual Shareholder Meeting to be held in June 2022

Nomination and Compensation Committee: Resolution passed by the Board of Directors in March 2022

Investment in Recycling and Ratio of Eco Products



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

Ocean Plastic Pollution: Trends in the World and Japan

Global trends



2017 **China** Notification of waste import restrictions to WTO

2018 **G7** Ocean Plastics Charter

2019

2021 **Amendment to the Basel Convention**
Some waste plastics are subject to export regulations.

<Specific examples of plastics exempted from the regulations>

- (1) Plastics in pellets
- (2) Plastics in a flake or fluff form which is almost colorless and transparent or in a single color
- (3) Plastic sheets, rolls, and bales discharged from product manufacturing process, etc.
- (4) Foamed polystyrene (PS) ingots

Trends in Japan



MOE Comprehensive strategy for plastic material recycling

(Excerpt of milestones)

- Reusing and recycling **60%** of containers and packages **by 2030**
- Making effective use of **100%** of used plastics, such as through reuse and recycling, **by 2035**
- Introducing **approx. 2.0 million tons** of bioplastics **by 2030**

Act on Promotion of Resource Circulation for Plastics

[Voluntary collection by manufacturers and distributors]

- Manufacturers, distributors, etc. create **plans on voluntary collection and recycling** of products, etc.
- Businesses certified by the competent minister will **no longer need to receive a permit** under the provisions of the Waste Management and Public Cleaning Act.

Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan)

Ocean Plastics Charter endorsed at Charlevoix G7 Summit in Canada

Taking into account the full environmental impacts of alternatives, significantly reducing the unnecessary use of single-use plastics.

Working with industry towards 100% reusable, recyclable, or, where viable alternatives do not exist, recoverable, plastics by 2030

Working with industry and other levels of government, to recycle and reuse at least 55% of plastic packaging by 2030 and recover 100% of all plastics, including thermal recovery, by 2040.

Working with industry to increase recycled content by at least 50% in plastic products where applicable by 2030.

Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan): *Milestone*

Reduce

We aim to **reduce emissions of single-use plastics (containers and packaging) by 25% in cumulative total by 2030** through the understanding, cooperation and collaboration of consumers and people from all quarters and all levels of civil society, while taking into account the environmental impacts of alternatives.

Reuse & Recycle

We aim to change the designs of plastic containers, packaging and products into those that make separation technologically easy and permit reuse or recycling, while also trying to secure their functions by 2025. (Even where this is difficult, we will aim to ensure thermal recoverability).

We aim to **recycle or reuse 60% of plastic containers and packaging by 2030 and make 100% effective use of used plastics, including thermal recovery (when recycle or reuse is difficult from the technical or economical perspective), by 2035**, through cooperation and collaboration with people from all quarters and all levels of civil society.

Recycling/ Biomass plastics

We aim to **recycle twice the volume of plastics by 2030** by promoting the understanding, cooperation and collaboration of different groups of the public including the government and local municipalities.

We aim to **introduce as much biomass plastics as possible (approx. 2 million tons) by 2030** by promoting the understanding, cooperation and collaboration of people from all quarters and all levels of civil society.

Collaboration with Related Ministries, Agencies and Organizations

Actions of related ministries, agencies and organizations

FPCO's involvement

Ministry of the Environment

- **Plastic resources recycling strategy**
Presentation on Japan's plastic resource recycling strategy planned at the G20 Summit in June 2019
- **Plastics Smart**
Encouraging smart use of plastics and communicating such uses worldwide

- **Participation in a subcommittee as an industrial association**
- **Publication of Tray to Tray and Bottle to Tray recycling on the campaigns page**

Ministry of the Economy, Trade and Industry

- **Clean Ocean Material Alliance**
A syndicate of companies implementing proper waste management and 3R actions for plastic products and accelerating innovation for resolving marine plastic issues

- **Participation in the alliance as a leading member**

Ministry of Agriculture, Forestry and Fisheries

- **Call for plastic resource recycling declarations**
Collecting and showcasing examples of voluntary actions taken by companies and associations in the food industry

- **Publication of actions for recycling, reducing and raising awareness on the ministry's website**

Keidanren (Japan Business Federation)

- **Plastic-related Innovation for SDGs**
Collecting and showcasing examples of actions taken by businesses and associations for encouraging the recycling of plastic resources and for helping address the issue of marine plastic waste

- **Publication of actions for recycling, reducing and raising awareness on Keidanren's website**

Initiative

- **Japan Climate Initiative**
A network of Japanese entities committed to joining the front line of the global push for decarbonization and taking positive actions to combat climate change

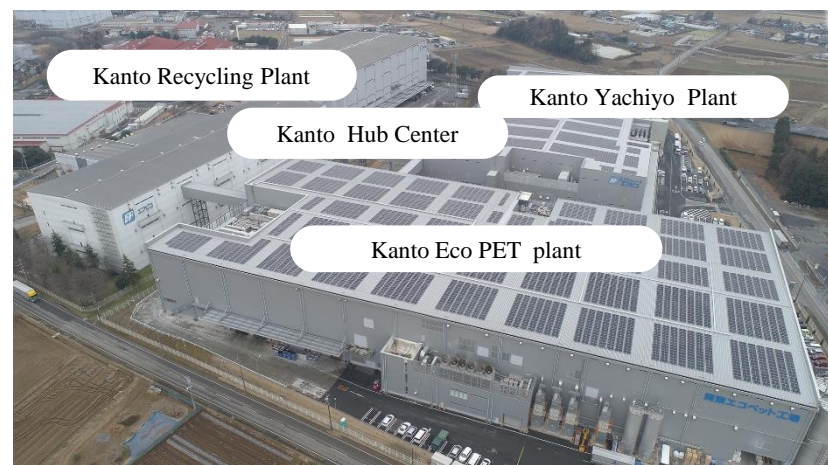
- **Announcement of participation during the foundation**

【 Information on the Facility Tour 】

Contact: Takashima at the Corporate Planning Department
(TEL)+81-3-5325-7756 (MAIL)ir_7947@fpco-net.co.jp
at a convenient time for you.

*An opportunity to take a look at the state-of-the-art
Production, Distribution, Recycling operations*

Kanto 30 minutes from Koga station on JR East Lines.



OPET production facilities



*Kanto Eco PET plant
Completed in August 2017*



Hachioji 20 minutes from Akigawa station on JR East Lines.



Fukuyama 30 minutes from Fukuyama station on JR West Lines.



Chubu 20 minutes from Gifuhashima station on JR Tokai Lines.



PET Mechanical Recycling plant