

Financial Results

for the Six Months Ended September 30, 2020



2020 CONSTITUENT MSCI日本株
女性活躍指数 (WIN)



平成27年度
地球温暖化防止活動環境大臣表彰



FP Corporation
October 30, 2020

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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◆ **Results and Plan**

Executive Vice President and Director,

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

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Financial Results
for the Six Months Ended September 30, 2020

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

Financial Results Summary

(For the Six Months Ended September 30, 2020)

Unit: million yen	1 st half Performance						1 st half projections			Full year projections(original)			Full year projections(revised)			
	FY ended March 2020		FY ending March 2021				FY ending March 2021			FY ending March 2021			FY ending March 2021			
	Performance	Percentage	Performance	Percentage	Increase/decrease	Year-on-year	Quantity	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate
Trays	17,674	19.0	19,753	20.5	+2,079	111.8%	110.6%	18,625	19.6	106.1%	37,775	19.9	52.3%	40,370	20.7	48.9%
Lunchboxes and prepared food containers	51,573	55.5	53,539	55.5	+1,965	103.8%	103.5%	52,755	55.6	101.5%	105,530	55.5	50.7%	108,087	55.4	49.5%
Subtotal	69,247	74.5	73,292	76.0	+4,044	105.8%	105.9%	71,380	75.2	102.7%	143,305	75.4	51.1%	148,457	76.1	49.4%
Other products	1,581	1.7	1,342	1.4	-238	84.9%		1,520	1.6	88.3%	2,895	1.5	46.4%	2,743	1.4	48.9%
Sales of products	70,829	76.2	74,634	77.4	+3,805	105.4%		72,900	76.8	102.4%	146,200	76.9	51.0%	151,200	77.5	49.4%
packaging materials	19,216	20.7	18,814	19.5	-402	97.9%		19,230	20.3	97.8%	38,340	20.2	49.1%	38,163	19.6	49.3%
Other goods	2,856	3.1	2,946	3.1	+90	103.2%		2,770	2.9	106.4%	5,460	2.9	54.0%	5,637	2.9	52.3%
Sales of goods	22,072	23.8	21,760	22.6	-312	98.6%		22,000	23.2	98.9%	43,800	23.1	49.7%	43,800	22.5	49.7%
Net Sales	92,901	100.0	96,395	100.0	+3,493	103.8%		94,900	100.0	101.6%	190,000	100.0	50.7%	195,000	100.0	49.4%
Operating profit	7,094	7.6	8,311	8.6	+1,216	117.1%		7,820	8.2	106.3%	16,700	8.8	49.8%	17,500	9.0	47.5%
Ordinary profit	7,445	8.0	8,564	8.9	+1,119	115.0%		8,110	8.5	105.6%	17,400	9.2	49.2%	18,200	9.3	47.1%
Profit attribute to owners of parent	4,842	5.2	5,653	5.9	+811	116.8%		5,213	5.5	108.5%	11,290	5.9	50.1%	11,690	6.0	48.4%
Ordinary profit before depreciation and amortization	14,148		15,386		+1,238	108.8%		14,969		102.8%	31,296		49.2%	32,100		47.9%

 Record high

Highest-ever first-half sales achieved in 6 consecutive years

First-half operating profit, ordinary profit, and profit attribute to owners of parent grew for two consecutive years

■ Sales

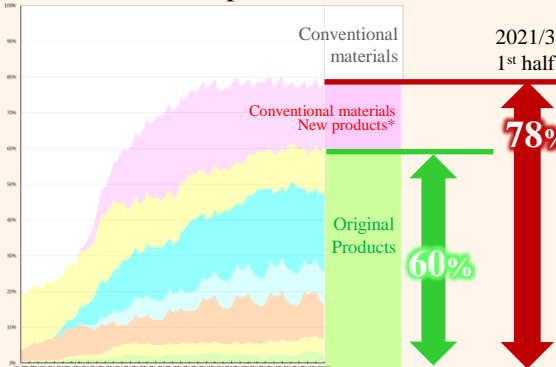
Products

- Rise in demand for fresh food, home-delivered food and takeout food following expansion of the stay-at-home economy
- Strong sales of recycled Eco Trays
- Shift from buffet style to food items in containers

Goods

- Utilization of E-commerce site "PACK MARKET", to expand sales to small scale customers who purchase our products by small lots

◇ Product sales composition



◇ Year-on-year

	1Q results	2Q results	1 st half results	2 nd half plan(revised)	Full year plan(revised)
Sales of products	107.2%	103.6%	105.4%	106.3%	105.9%
Quantity	106.8%	104.9%	105.9%	108.5%	107.2%
Ordinary profit	124.8%	108.2%	115.0%	109.1%	111.8%
Ordinary profit ratio	8.1%	9.6%	8.9%	9.8%	9.3%

Impact of the business transfer from Sekisui Hinomaru on Oct. 1

Result for Increase/Decrease in Ordinary Profit (For the Six Months Ended September 30, 2020)

Unit: billion yen

Fiscal year ended March 2020 16.27

1st half 7.44

2nd half 8.83

1st half
Year on year
+1.12
(1Q +0.76, 2Q +0.36)

Improvement	+0.06
Labor costs	-0.42
Depreciation	-0.06
Electric power changes	+0.14
Freight costs	+0.01

Labor costs	-0.12
Depreciation	-0.02
Other	-0.29

The Price of Material **+1.10**
(1Q +0.40, 2Q +0.70)

* Including the impact of naphtha-linked pricing on selling prices to customers

Sales Efforts **+0.72**
(1Q +0.50, 2Q +0.22)

Improved Production **-0.15**
(1Q ±0.00, 2Q -0.15)

Improved Distribution **-0.05**
(1Q -0.05, 2Q ±0.00)

Group Companies **-0.07**
(1Q +0.08, 2Q -0.15)

Increased Expenses **-0.43**
(1Q -0.17, 2Q -0.26)

Plan(original) difference

+0.32

+0.05

+0.08

1st half 8.56

Plan(original) difference

+0.45

8.11

2nd half Outlook 9.64

Fiscal year ending March 2021 18.20

Outlook for Increase/Decrease in Ordinary Profit

Outlook(Oct. 30)

Unit: billion yen

Fiscal year ended March 2020 16.27

1st half 7.44

2nd half 8.83

The Price of Material +1.45

(1st half +1.10, 2nd half +0.35)

* Including the impact of naphtha-linked pricing on selling prices to customers

Sales Efforts +1.37

(1st half +0.72, 2nd half +0.65)

Improved Production -0.05

(1st half -0.15, 2nd half +0.10)

Improved Distribution -0.10

(1st half -0.05, 2nd half -0.05)

Group Companies +0.13

(1st half -0.07, 2nd half +0.20)

Increased Expenses -0.87

(1st half -0.43, 2nd half -0.44)

Plan(original) difference

-0.15

1st half difference

+0.32

Changes in the 2nd half outlook

-0.15

+0.25

+0.05

+0.20

+0.13

+0.08

+0.05

Improvement +0.78
Labor costs -0.81
Depreciation -0.14
Electric power changes +0.14
Freight costs +0.01

Labor costs -0.21
Depreciation -0.15
Other -0.51

Year on year

+1.93

1st half +1.12
2nd half +0.81

1st half 8.56

Plan(original) difference

+0.45

8.11

2nd half Outlook 9.64

Plan(original) difference

+0.35

9.29

Fiscal year ending March 2021 18.20

Plan(original) difference

+0.80

17.40

Capital Investments and R&D Costs

(Result for the Six Months Ended September 30, 2020)

Unit: million yen	1 st half performance				1 st half projections		Full year projections	
	FY ended March 2020	FY ending March 2021			FY ending March 2021		FY ending March 2021	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	4,429	8,025	+3,596	181.2%	10,400	77.2%	22,850	35.1%
Intangible fixed assets	181	178	-3	98.2%	200	89.1%	450	39.6%
Capital investments	4,610	8,203	+3,593	177.9%	10,600	77.4%	23,300	35.2%
Depreciation and amortization costs	6,702	6,821	+118	101.8%	6,860	99.4%	13,900	49.1%
Research and development costs	597	562	-34	94.2%	646	87.1%	1,312	42.9%

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)
- ◆ Eco APET products: Reinforcement of the production capacity of molding machines
- ◆ Land for a new plant (in Kansai) Acquired in May 2020

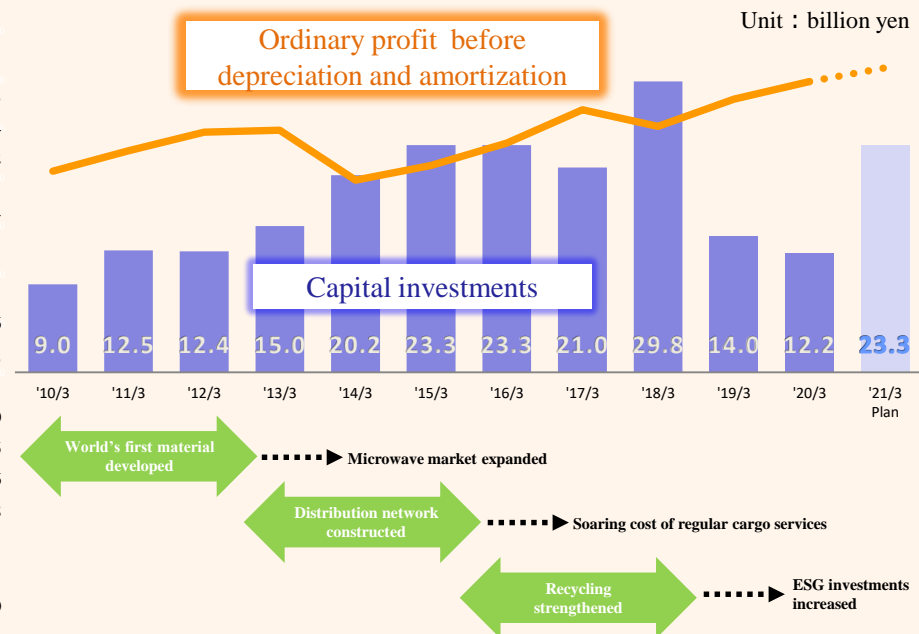
Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

- ◆ Introduction of automation facilities
- ◆ Reinforcement of the production capacity of Conventional materials New products
- ◆ Kyusyu Distribution Center extension Inaugurated in Sep. 2020
- ◆ Fukuyama Distribution Center extension To be inaugurated in Nov. 2020
- ◆ Chubu Distribution Center extension To be inaugurated in Sep. 2021
- ◆ Group home Inaugurated in Apr. 2020
- ◆ Company dormitories for single employees in Fukuyama Inaugurated in Oct. 2020
- ◆ Molds
- ◆ IT investments

Total investment Plan in period 1st half performance

◇ Index



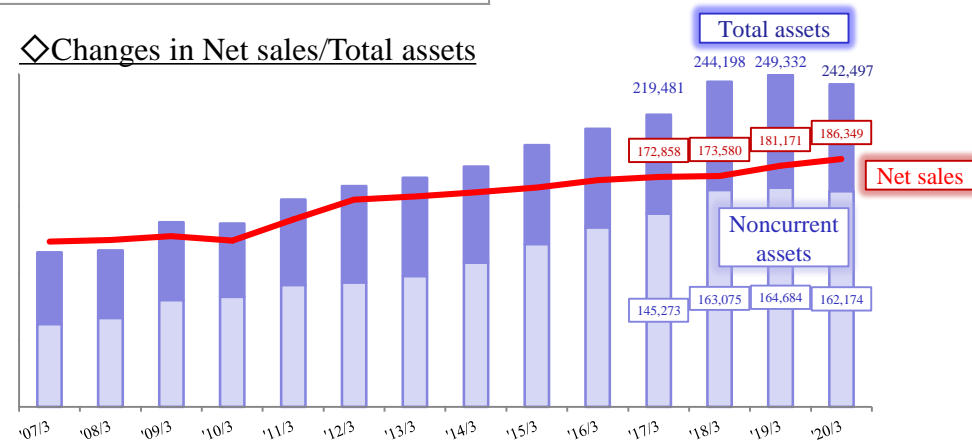
Balance Sheet

(Result for the Six Months Ended September 30, 2020)

Unit: million yen	Previous consolidated fiscal year	1 st half of the consolidated fiscal year			
	FY ended March 2020 As of March 31, 2020	As of September 30, 2020	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	80,322	81,003	+680	100.8%	Notes and accounts receivable-trade +2,035 Merchandise and finished goods -966 Raw materials and supplies -559
Noncurrent assets	162,174	164,175	+2,001	101.2%	Lands +2,022
Total assets	242,497	245,179	+2,681	101.1%	
Current liabilities	79,569	76,252	-3,317	95.8%	Accounts payable - trade +769 Short-term loans payable -4,701 Provision for bonuses +269
Noncurrent liabilities	43,626	45,076	+1,449	103.3%	Long-term loans payable +1,709
Total liabilities	123,196	121,328	-1,867	98.5%	
Net assets	119,301	123,850	+4,549	103.8%	Retained earnings +938 Treasury shares +3,478
Total liabilities and net assets	242,497	245,179	+2,681	101.1%	

Equity ratio 50.3%

◇Changes in Net sales/Total assets



- 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

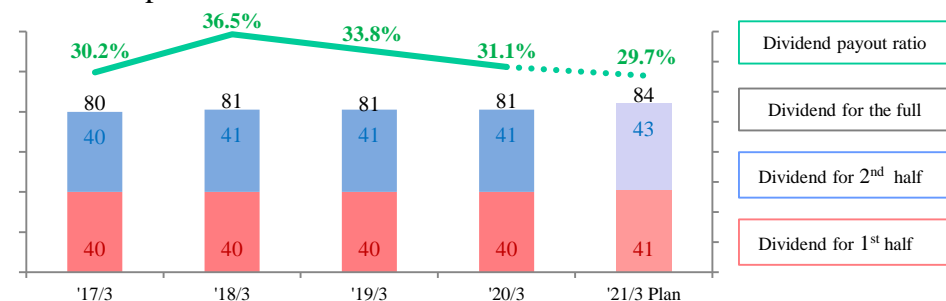
Cash Flows

(Result for the Six Months Ended September 30, 2020)

Unit: million yen	Results for 1 st half		
	FY ended March 2020 Performance	Performance	FY ending March 2021 Breakdown of main items
CF from operating activities	12,906	13,053	Income before income taxes 8,347 Depreciation 6,821 Increase (decrease) in notes and accounts receivable - trade -2,045 Increase (decrease) in inventories 1,500
CF from investing activities	-5,373	-7,321	Purchase of property, plant and equipment -7,007
Free cash flows	7,532	5,731	
CF from financing activities	-8,824	-5,911	Proceeds from long-term loans payable 11,900 Repayment of long-term loans payable -14,892 Repayments of lease obligations -1,190 Cash dividends paid -1,694
Net increase(decrease)in cash and cash equivalents	-1,291	-179	
Cash and cash equivalents at end of period	17,860	20,108	

- 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》



* The stock split effective on October 1, 2020 is not reflected in the amounts of dividends.

To Increase Corporate Value

President

Morimasa Sato



株式会社 **IFCO**

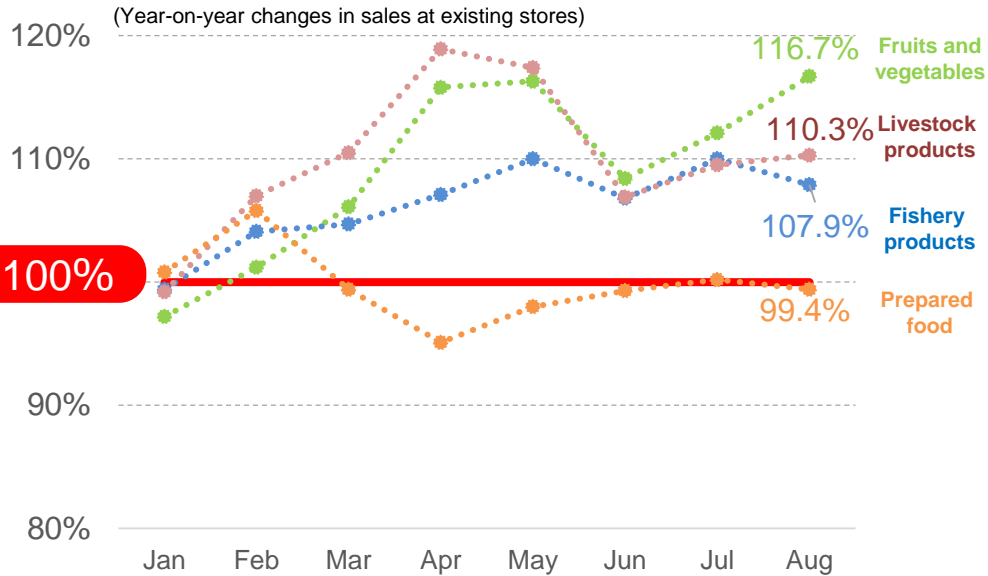
- **Impact of COVID-19 Coronavirus**
- **Actions for Recycling and the SDGs**
- **Streamlining of Logistics**
- **Strategic Investment**
- **Growth Strategy**

Impact of COVID-19 Coronavirus



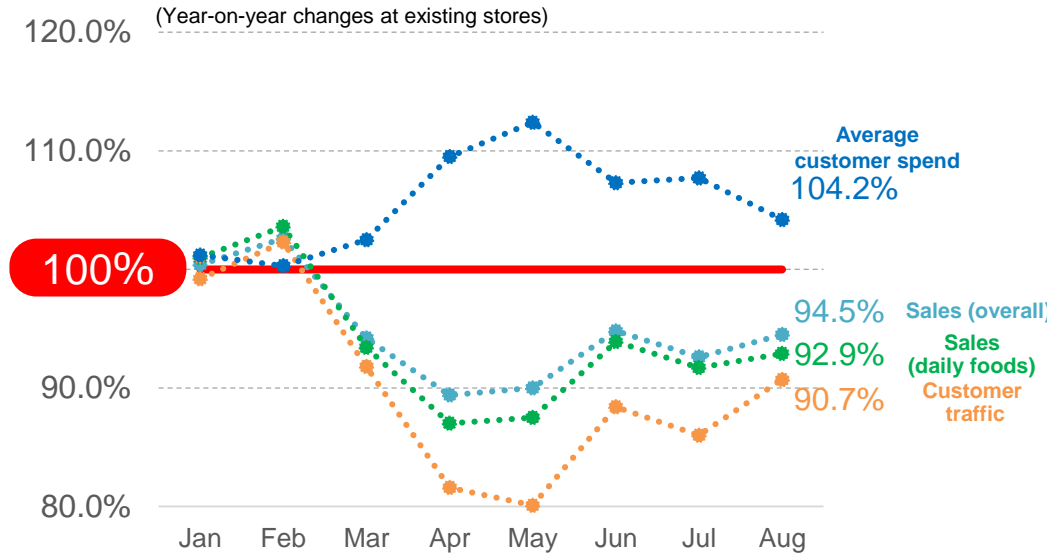
Impact of COVID-19 Coronavirus: Retail Industry

Supermarkets



Source: Japan Supermarkets Association

Convenience stores



Source: Japan Franchise Association

Wholesalers and supermarkets

108%

Sales of FPCO products in the first six months of the fiscal year ending March 31, 2021

* Non-consolidated basis

Convenience stores

96%

Trend in Container Demand

Up



Increased opportunities to cook at home

Ready-to-cook meat



Increased opportunities to cook at home

Ready-to-cook fish



Containers that are easy to open and close
→ Addressing the labor shortage

Snap-lock hood pack



Leak-proof/insulating

Containers for home delivery and takeout meals

Down



Items for picnics and events






Items for train lunches and meetings



Impact of COVID-19 Coronavirus: Takeout and Delivered Food

FY2019
Home meal replacement market
 Approx.
10.3 trillion yen

- Eating out:**
Approx. 26.0 trillion yen 
- Eating at home:**
Approx. 35.9 trillion yen 
- Major food manufacturers** 

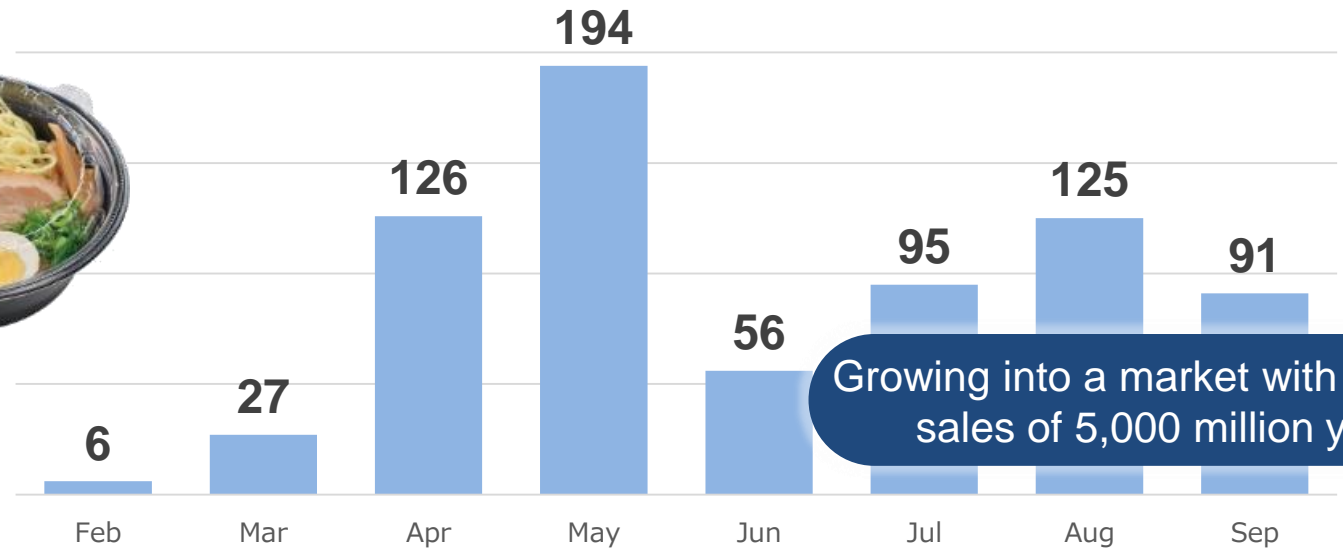
Sources) Home meal replacement and eating at home: Source: Data from Japan Ready-Made Meal Association: White Paper on Ready-Made Meals
 Eating out: Japan Food Service Association

Food delivery service providers



Sales of containers for takeout and delivered food (New)

Unit: million yen



Growing into a market with annual sales of 5,000 million yen

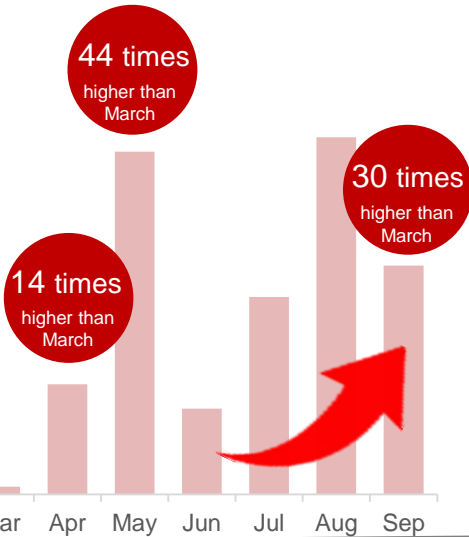
Launch of New Products for Takeout and Delivered Food

DLV Men

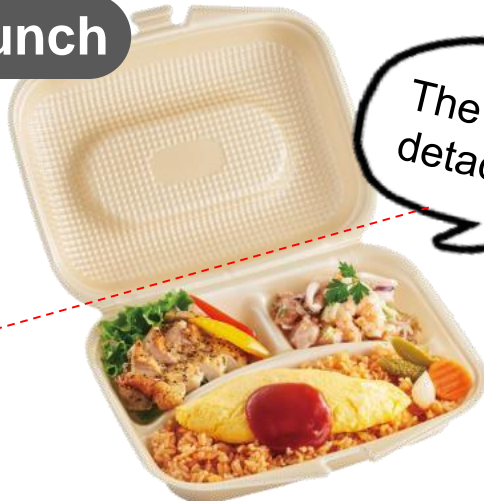
Developed jointly with Demae-can



Shipment of DLV Men containers



DLV Lunch



The lid can be detached.

DLV Rectangular



Multiple sizes and shapes to choose from



DLV Oval



DLV Deli



Leak-proof



Does not slide easily



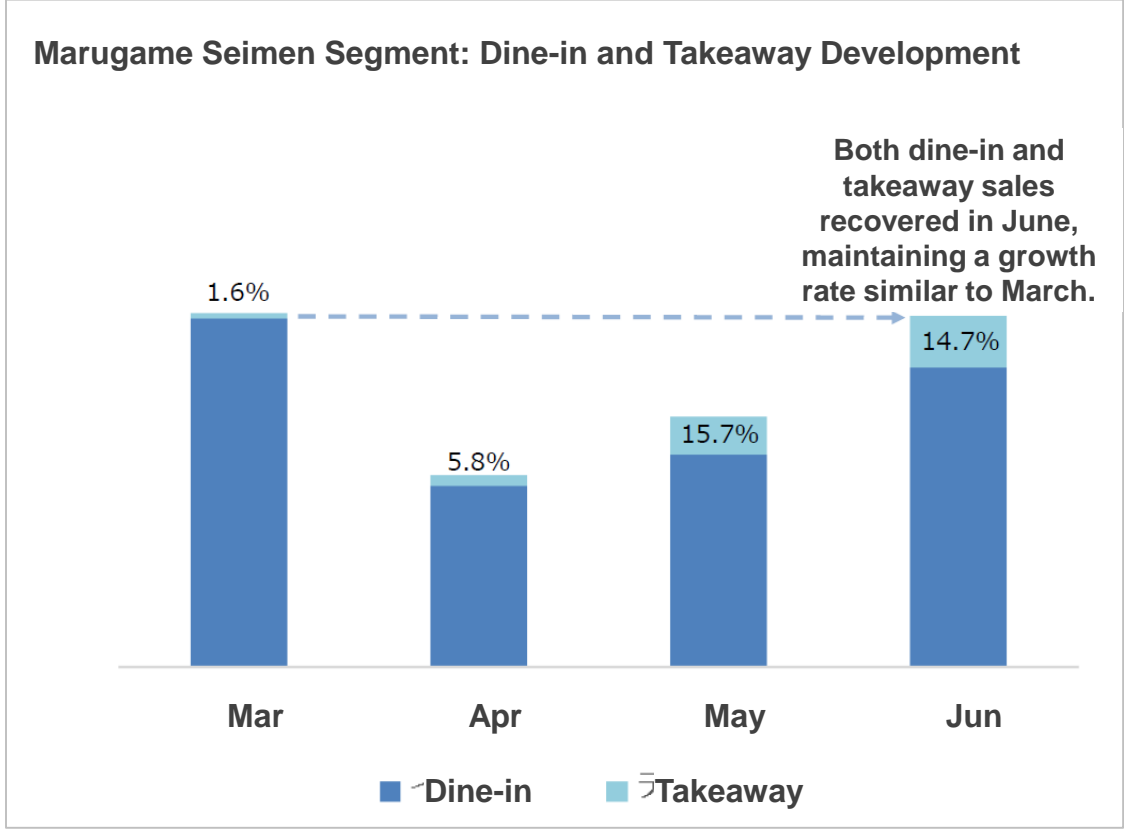
Container for Takeout Food Adopted by Toridoll(Marugame Seimen)



丸亀製麺
「お持ち帰りでも もちもち」おいしさの訳。

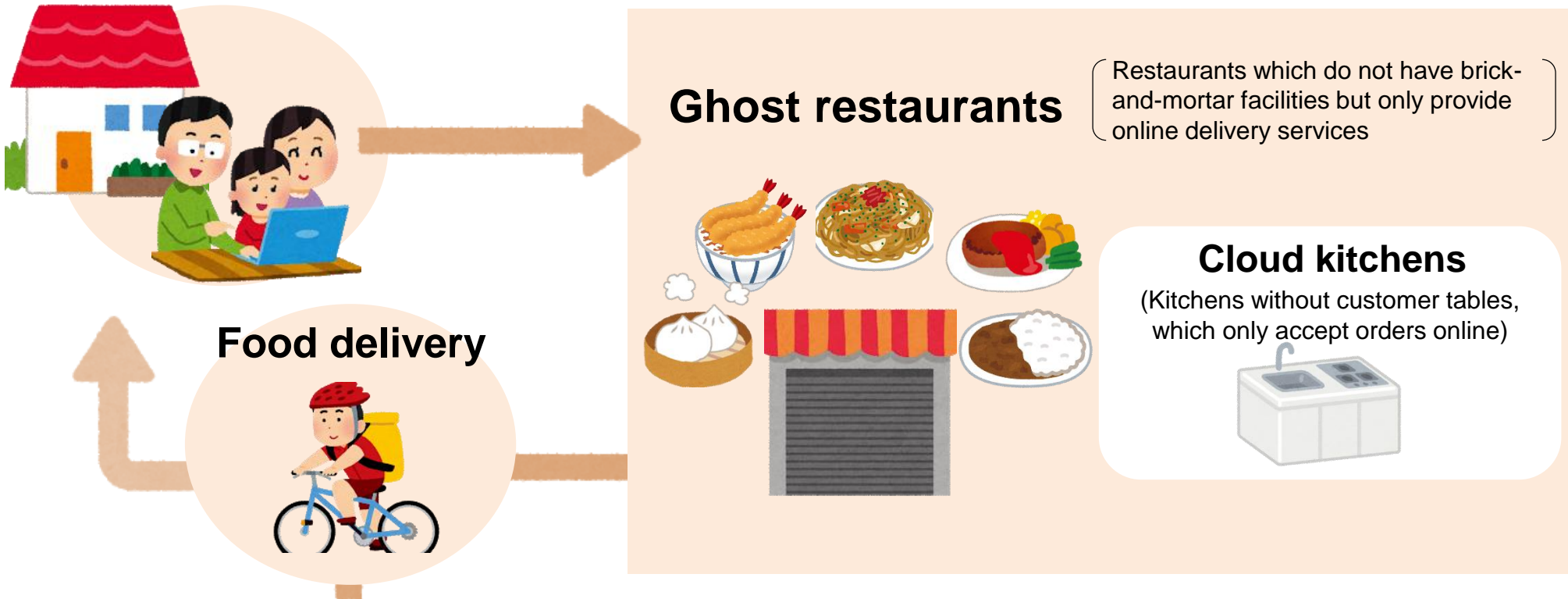


- 一 打ち立て**
お店でもお持ち帰りでも、
そのお店ごとに
粉から打った
打ち立てのうどんを
提供しています。
- 二 茹でたて**
お店と同じに、
ご注文ごとに茹でたてを
ご用意します。
- 三 ご提供の工夫**
うどんとだしを分けて
提供いたします。



Source: Toridoll Holdings Corporation financial results for the first quarter of the fiscal year ending March 2021

A New Style of Takeout and Delivery Business



Major restaurant chain facilities exclusively for home delivery and takeout services



Food trucks



Pack Market, an E-Commerce Site for Packaging Materials



Small customers
Growing demand for
take-out food

パックマーケット PACK MARKET

麺類向けのデリバリー特化型容器
DLV 麺容器

ECサイトはこちら

デリバリー麺容器

NEW

58セット これからはじめる方へ

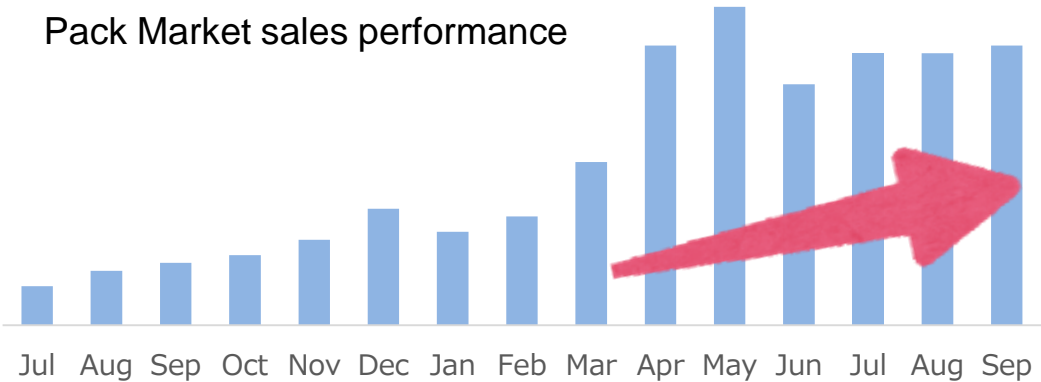
テイクアウトデリバリー容器シリーズ

テイクアウト容器の定番!
ドリスシリーズ

食品添加物の除菌・消臭剤
除菌WATER
クロラス 除菌ウォーター

Products with growing demand due to the impact of the coronavirus

Pack Market sales performance



Containers for delivery and take-out food



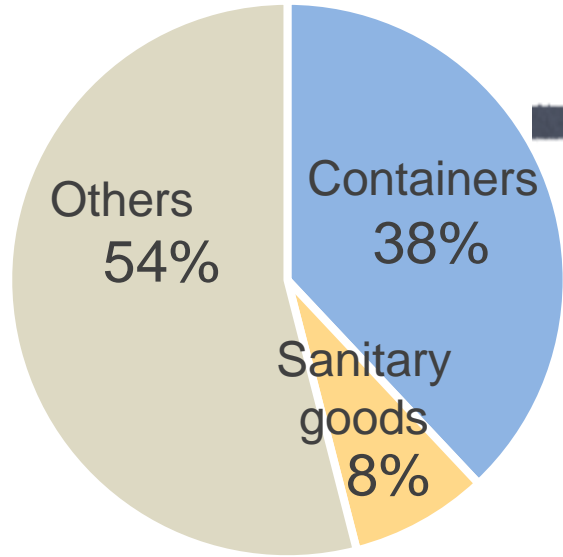
Sanitary goods



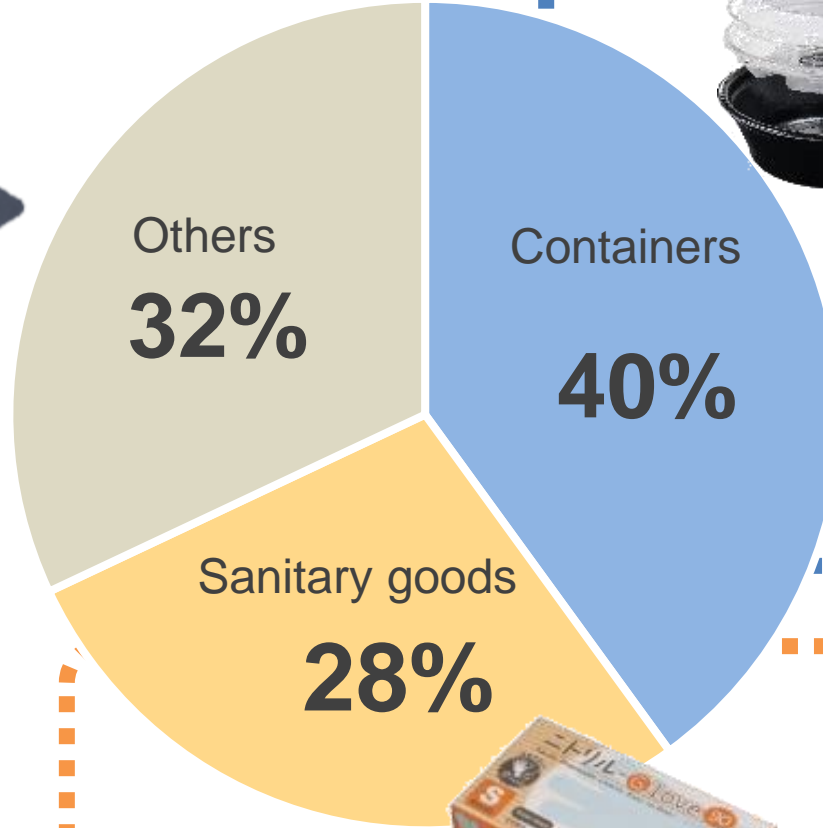
Pack Market, an E-Commerce Site for Packaging Materials

E-commerce site sales composition

January



September



Items selling well



DLV Men



SA and PPSA



MSD Colina Deli

Items selling well



Nitrile Gloves



Jokin Water (sterilizing liquid)

Stable Supply – Supporting Safe, Secure Dietary Life



Salespeople

Sales forecast

Supply Chain Management System
SCM

Using AI to improve the precision and efficiency of sales forecasts

From Oct. 2019 onwards:
Trial operation for approx. 3,500 items

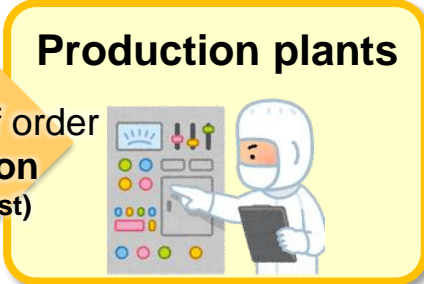
From Mar. 2020 onwards:
Full-scale operation for approx. 5,100 items



Logistical bases

Informing about the logistics plan

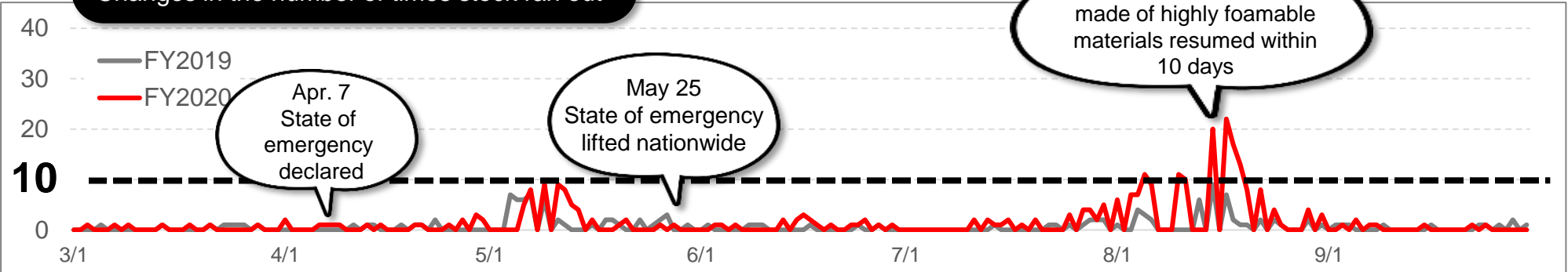
Inventory check



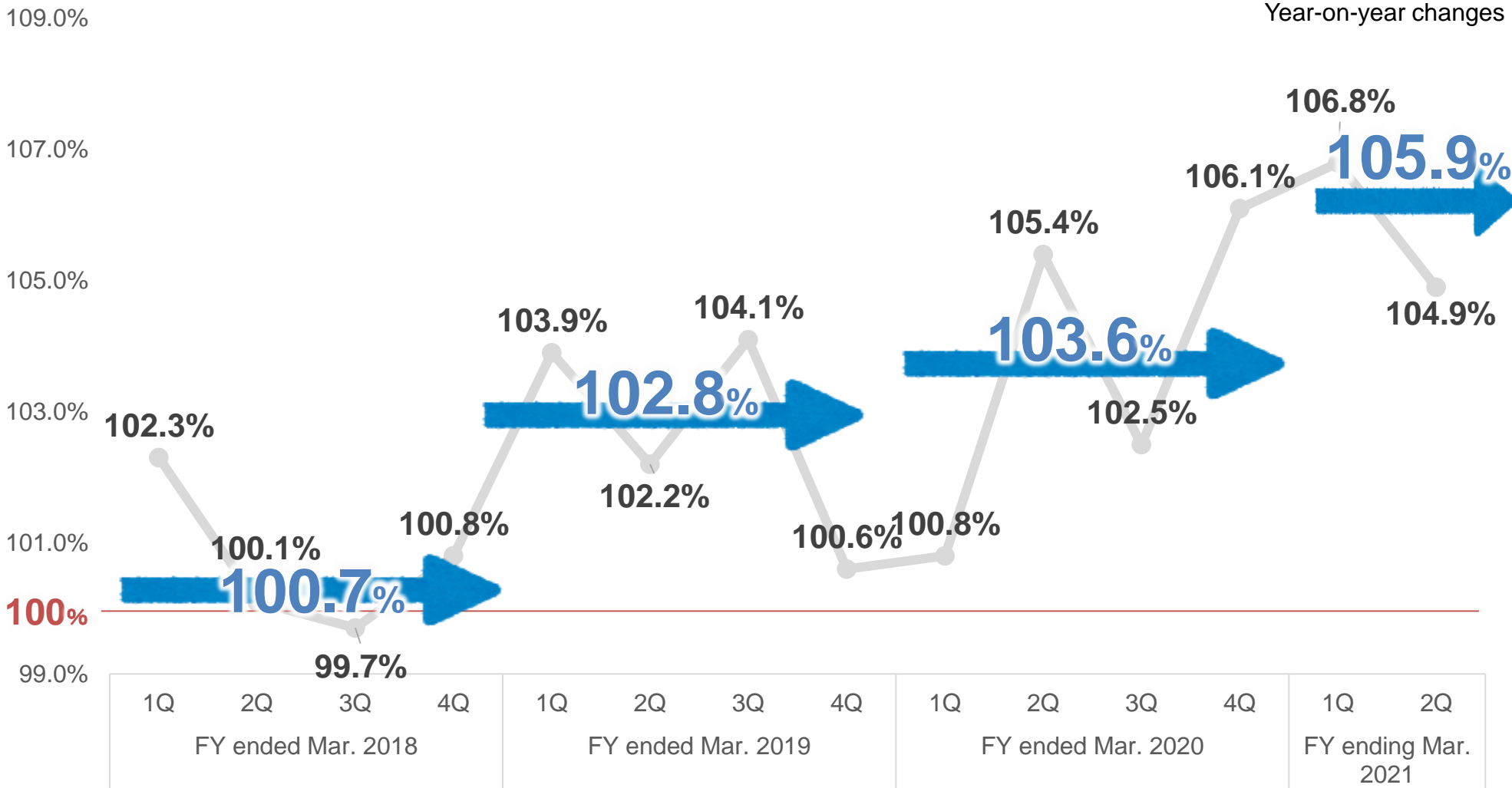
Production plants

Placement of order for production (based on forecast)

Changes in the number of times stock ran out



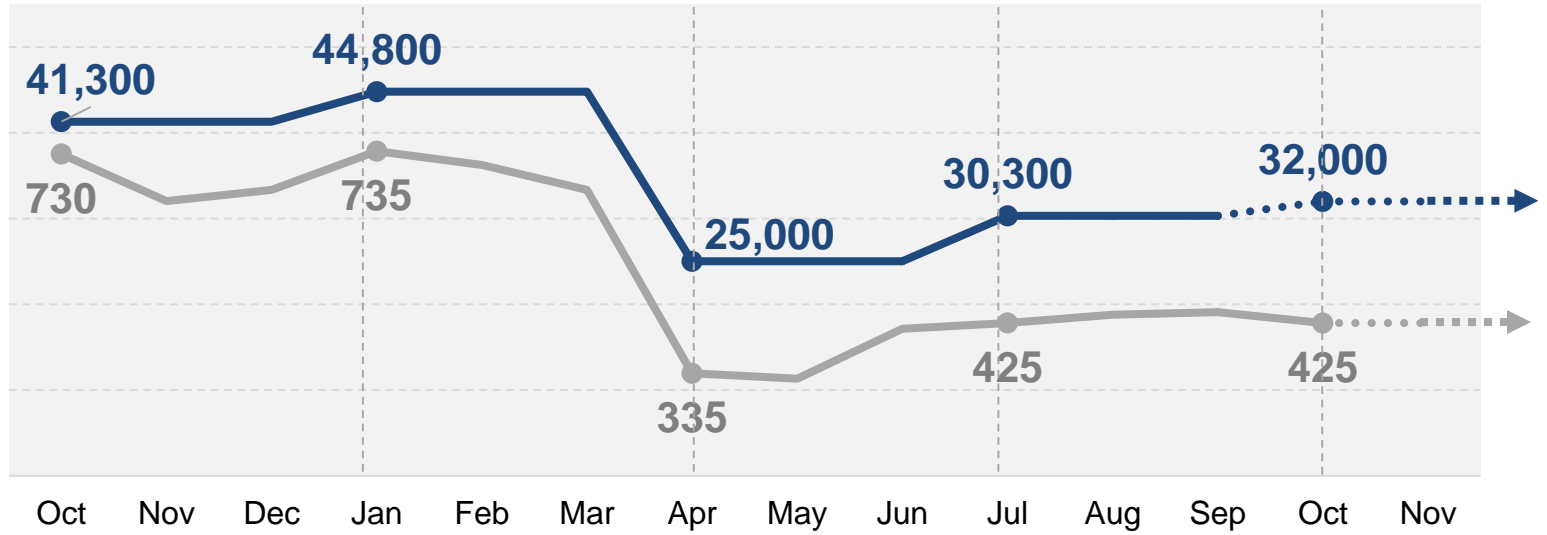
Changes in the Growth Rate of Product Sales Quantity



Trends in Raw Material Prices

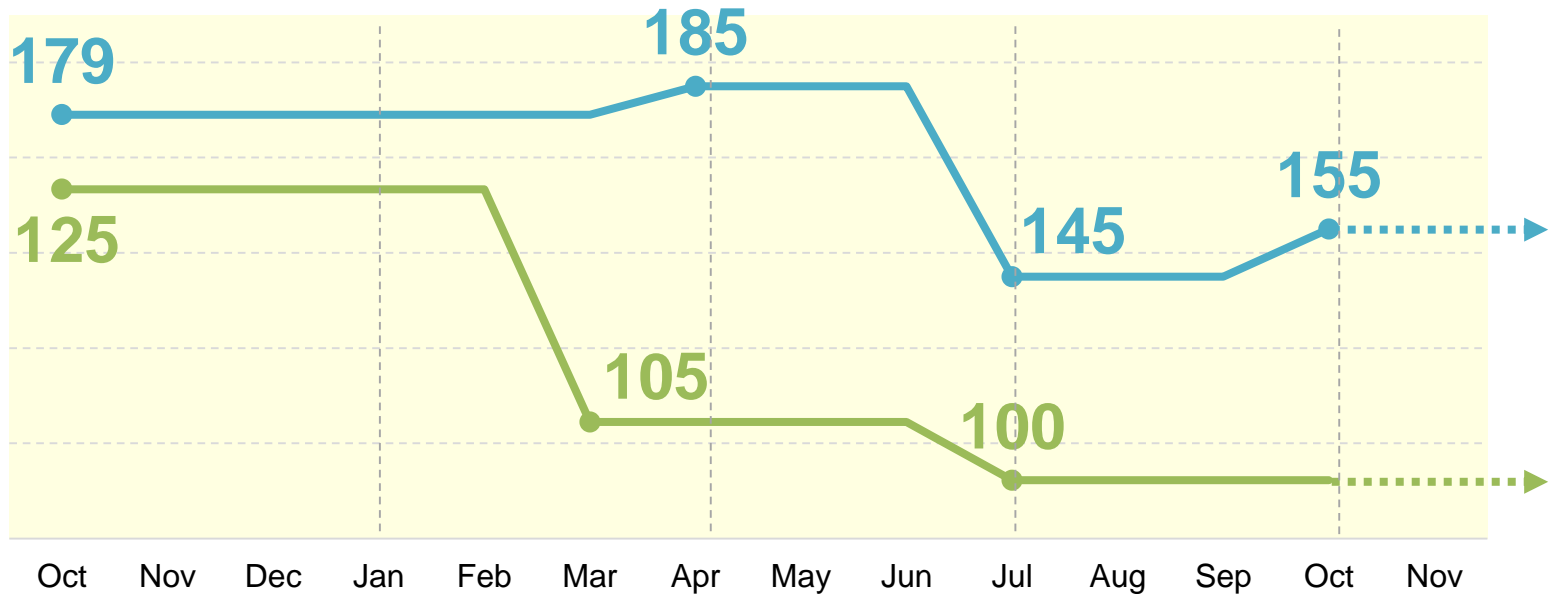
Domestically produced Naphtha equivalent (yen/KL)

Benzene (\$/ton)



Domestic price of general polystyrene (yen/kg)

Domestic price of general PET (yen/kg)



Actions for Recycling and the SDGs



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

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**

G20 JAPAN 2019



■ Summit in Osaka

“Osaka Blue Ocean Vision”

Reducing additional pollution by marine plastic litter to **zero by 2050**

■ Ministerial Meeting on Energy Transitions and the Global Environment for Sustainable Growth

FPCO selected as an exhibitor at the G20 Innovation Exhibition, an outdoor exhibition hosted by the Government of Japan

Functions of Plastics

Hygienic



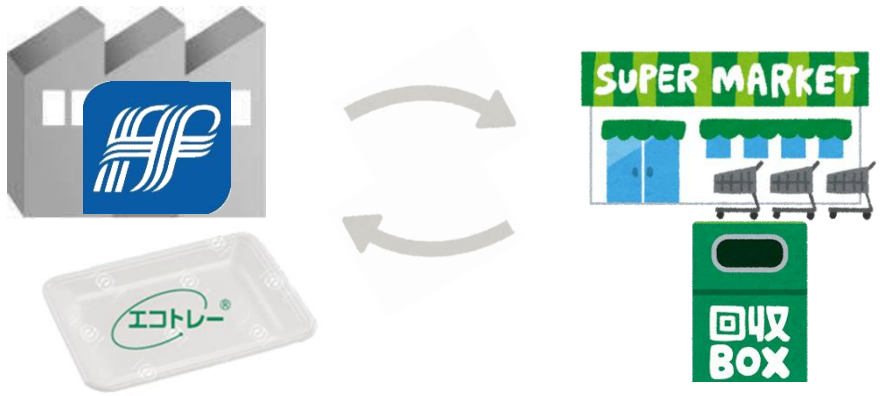
Maintains good taste



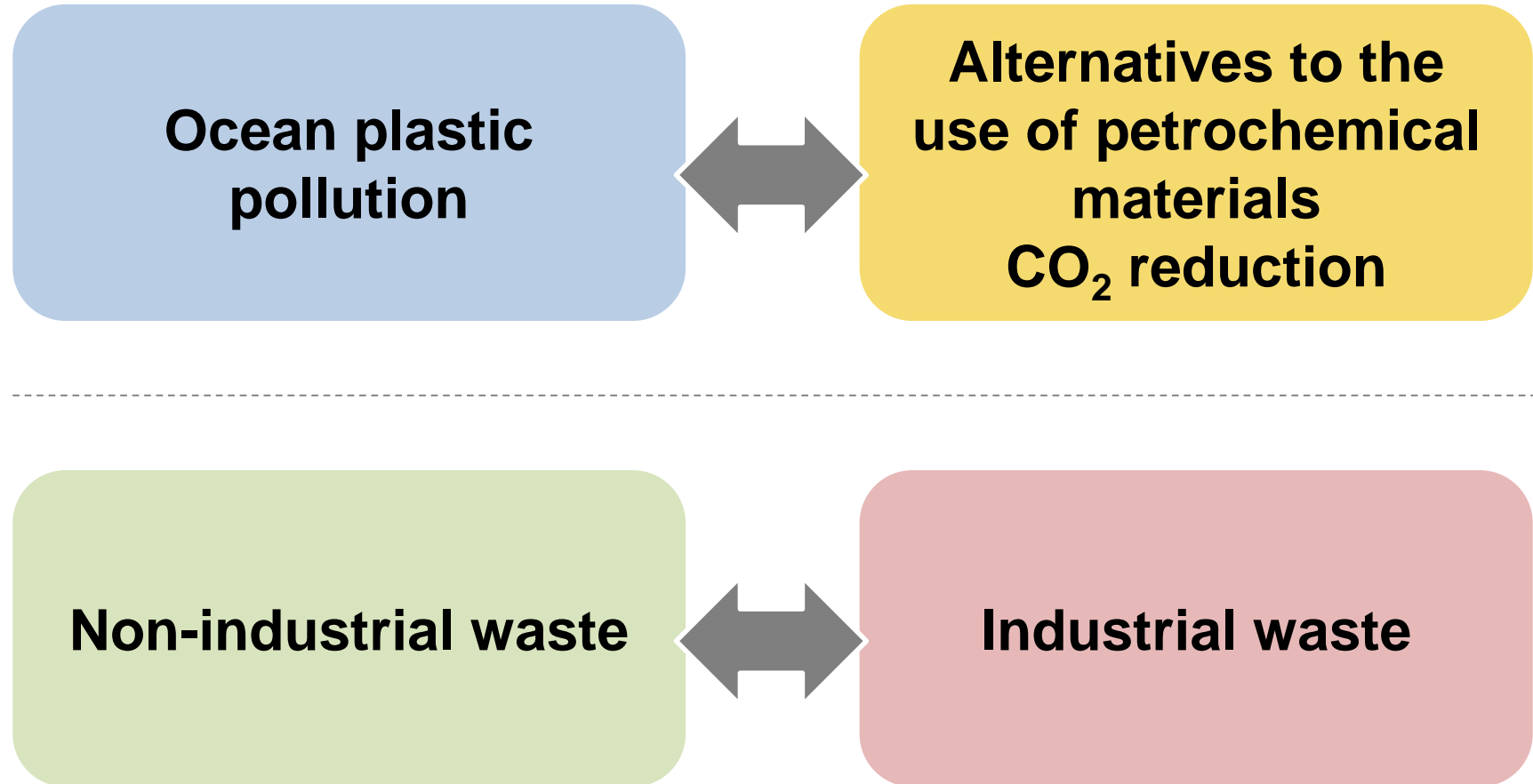
Quality retention



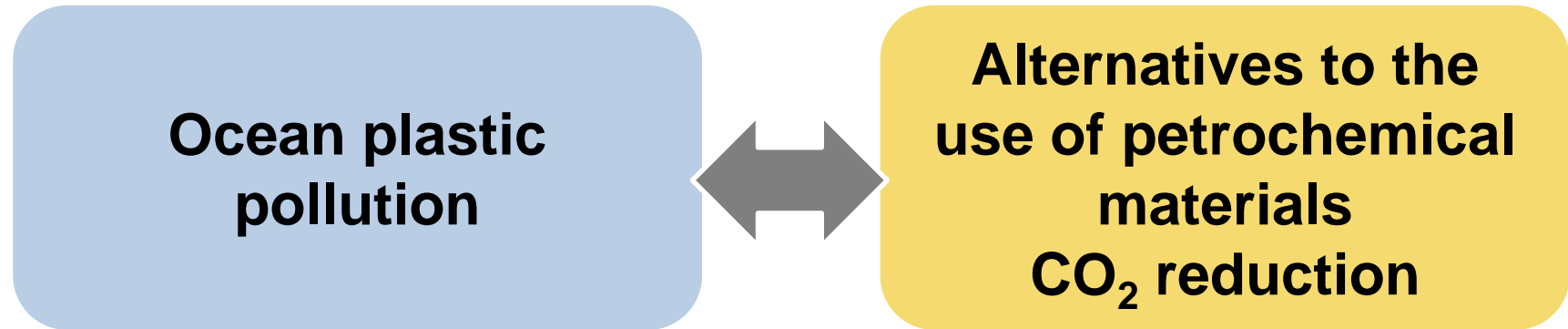
Recyclable



Issues to Be Considered Separately



Issues to Be Considered Separately (1)



- **Bio-PE and bio-PET are no different from petrochemical-derived PE and PET.**
→ They are not a solution to ocean plastic pollution.
- **With some exceptions, biodegradable plastics do not degrade in the ocean.**

What are Bioplastics?

Biomass-based plastics

Plastics made from biomass raw materials

- Bio-PET
- Bio-PE
- Bio-PP, etc.

(Biodegradability: No)

- Polylactic acid (PLA)
- PHBH
- Bio-PBS, etc.

Biodegradable plastics

Plastics biodegraded by microorganisms

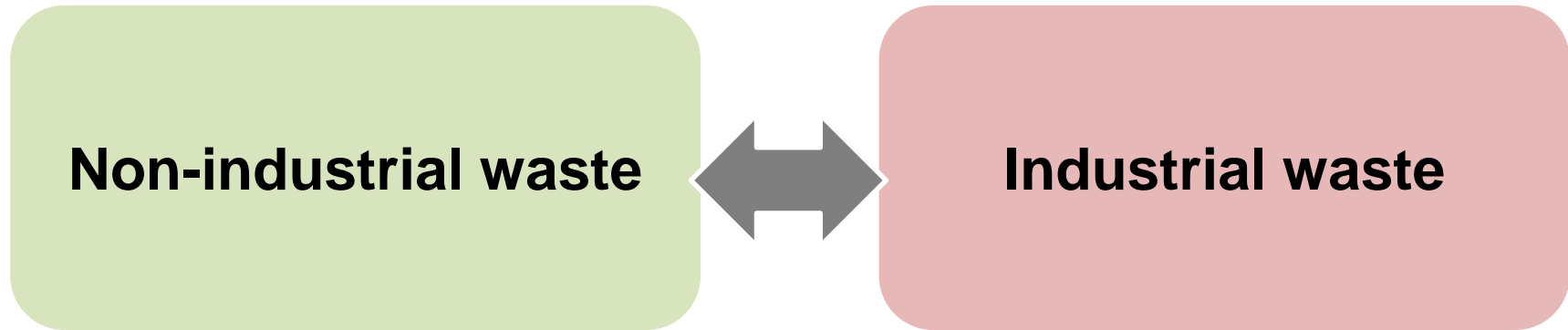
- PCL
- PBS, etc.

(Petrochemical resins)

Bioplastics

- Biomass is a term used to express the amount (mass) of biological (bio) resources. Generally, it refers to renewable organic resources of biological origin excluding fossil resources.
- Biodegradability is the capacity to be degraded into water and carbon dioxide by microorganisms in the earth or water. Initially, the predominant bioplastic was polylactic acid (PLA), and its biodegradability was its big appeal. As a result, **the idea that bioplastics are biodegradable** became widespread, and there are still many people who think so. Actually, however, some petroleum-derived plastics are biodegradable while some other bioplastics are NOT biodegradable.

Issues to Be Considered Separately (2)



- **Non-industrial waste** is treated appropriately by municipal governments.

Incinerated together with food waste
→ Efficient use of heat is an issue.

- The problem is **industrial waste**.

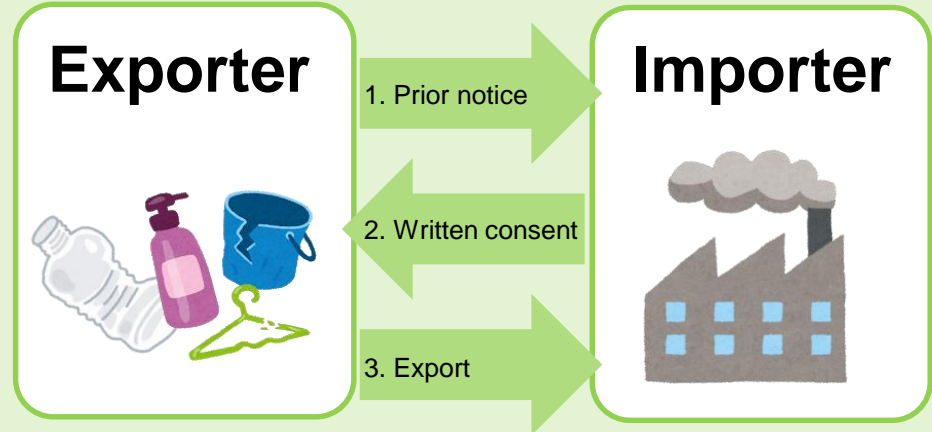
Trends in Laws and Regulations: Amended Basel Convention

Amended Basel Convention (To come into force in Jan. 2021)

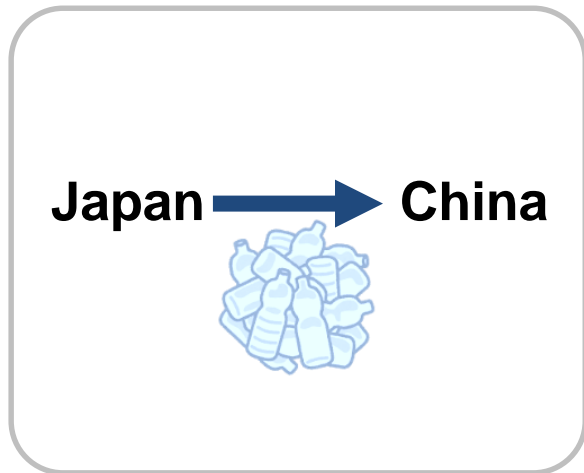
The export of some types of plastic waste will be subject to control.

Specific examples of plastics which will not be subject to control

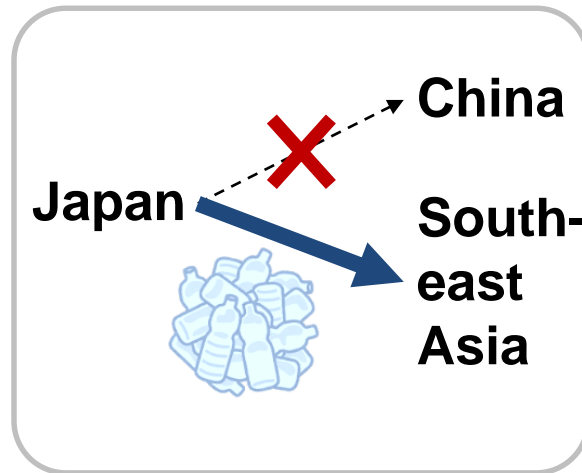
- 1) Pelletized plastics
- 2) Plastic flakes or fluff which are mostly colorless and transparent or in a single color
- 3) Plastic sheets, rolls, and bales emitted from product manufacturing processes, etc.
- 4) Foamed polystyrene (PS) in an ingot form



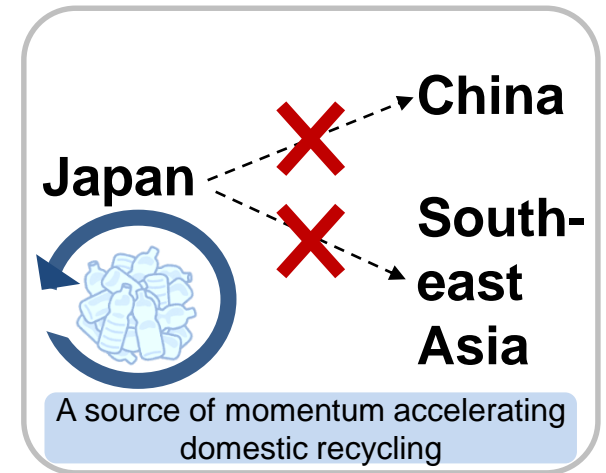
Before 2017



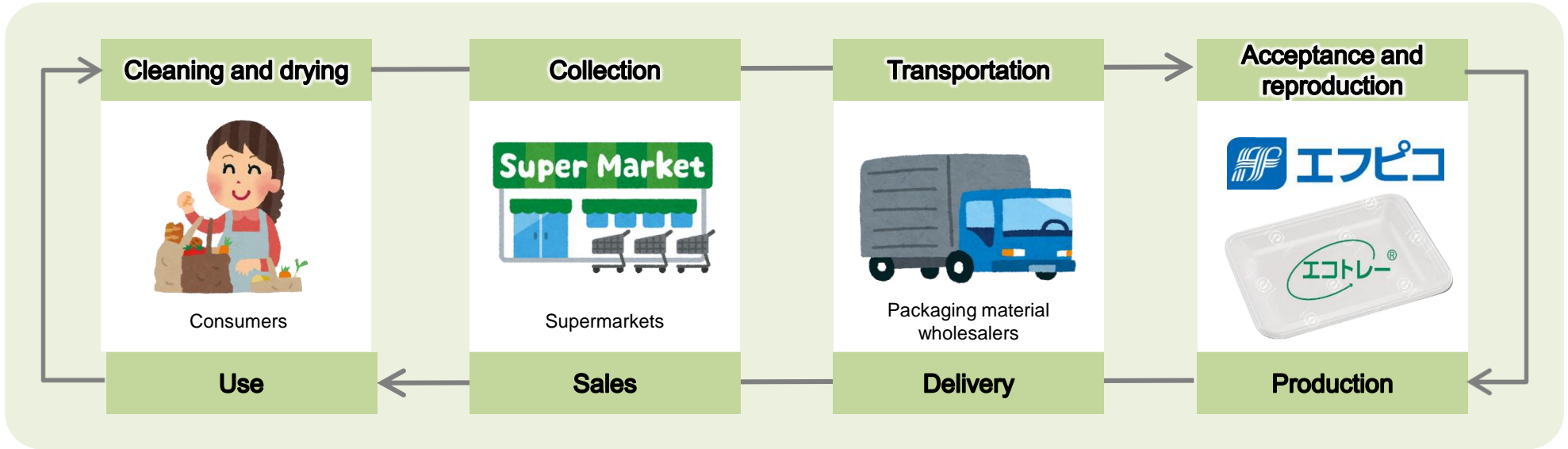
2017 -
Chinese import regulations



2021 -
Basel Convention comes into force



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**
- 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**
- 2010 **Launch of PET bottle recycling**
- 2015 Paris Agreement

Replacement of containers with paper packages

Initially

6 stores

Collection bases

Start from Fukuyama City / Osaka City

Approx. **30 years**



As of Sep. 2020

approx. **9,600 bases**



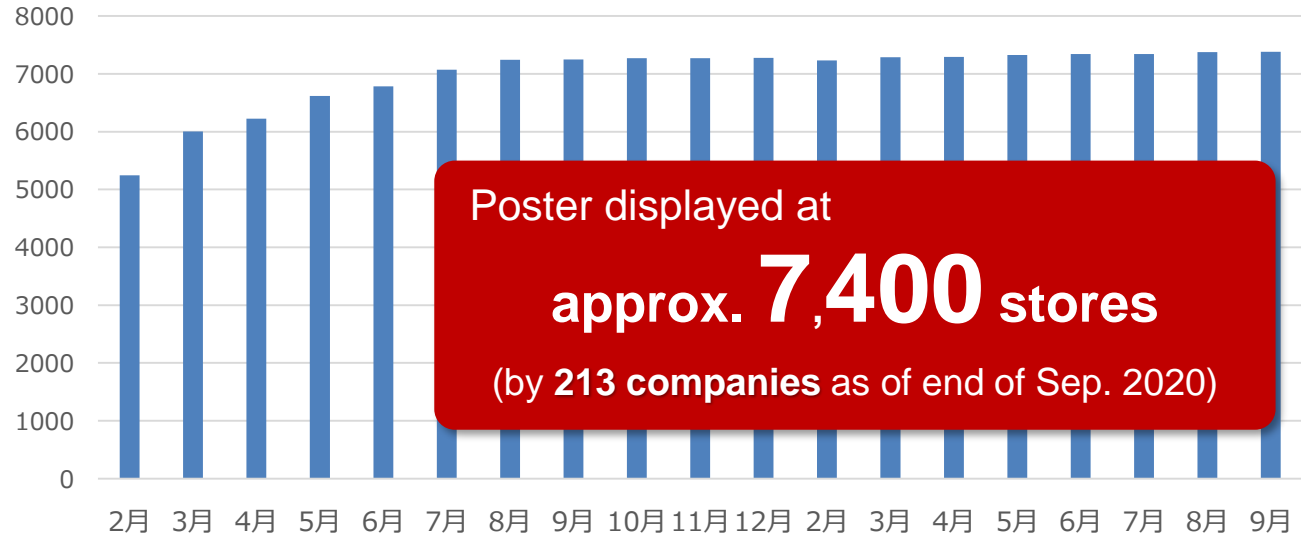
Activities for Promoting Recycling



Poster



Number of stores at which the poster is displayed



Sticker



Plastic Resource Recycling Measures

Main measures based on the basic direction of future plastic resource recycling measures (excerpts)

October 20, 2020

II. Main measures

2. Effective, efficient, sustainable recycling

(2) Expanding and advancing collection and recycling of plastic resources

(i) Collection and recycling of plastic resources from households

(Segregated collection by municipal governments)

- Collect more resources by establishing waste segregation rules which are easy for consumers to understand and building an environment which enables people to **recycle plastic containers, packaging, and products together** and do the sorting and other intermediate processing, which are now done by both municipal governments and recycling business operators, in an integrated manner, **aiming for effective, efficient recycling.**

(Voluntary collection by business operators)

- For this purpose, **build an environment which permits manufacturers and distributors to collect plastic containers, packaging, and products from consumers and recycle them, voluntarily and smoothly**
- In addition, **provide support needed for the various measures taken by business operators to increase the amount of resources they collect, including incentives for consumers to cooperate in segregation, aiming for the expansion of voluntary collection.**

Specifically, it is suggested that support for the expansion of voluntary collection be provided, **such as helping to build business models and introduce infrastructure equipment for various measures to increase the amount of resources they collect, including the granting of bonus points to consumers.**

Expanding the range of waste to be collected separately by municipal governments



PET bottles and white trays

Plastic products

Incentives for consumers to cooperate in collection and support for business operators in their measures to collect more resources



Consumers



Manufacturers



Distributors



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 (number) of recycled containers/bottles

Results for FY ended March 2019

Results for FY ended March 2020

Target for FY ending March 2021

Approx. **1.8**
billion units
(8,700 tons)

Approx. **2.0**
billion units
(9,200 tons)

Approx. **2.1**
billion units
(10,000 tons)

Approx. **2.7**
billion units
(67,000 tons)

Approx. **2.9**
billion units
(73,500 tons)

Approx. **3.0**
billion units
(75,000 tons)

42%

44%

45%

Containers
(Foamed PS and transparent containers)

Collected from:

supermarkets,
specified corporations

approx. **9,600** sites



PET bottles

Collected from:

specified corporations,
supermarkets,
business-related sources



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



Ministry of the Environment
(Comprehensive strategy for plastic material recycling)

By 2030, 60% of plastic containers and packages will be recycled or reused.
By 2035, all used plastics will be utilized 100% effectively, including heat recovery.

Eco Tray / Eco APET CO₂ Reduction

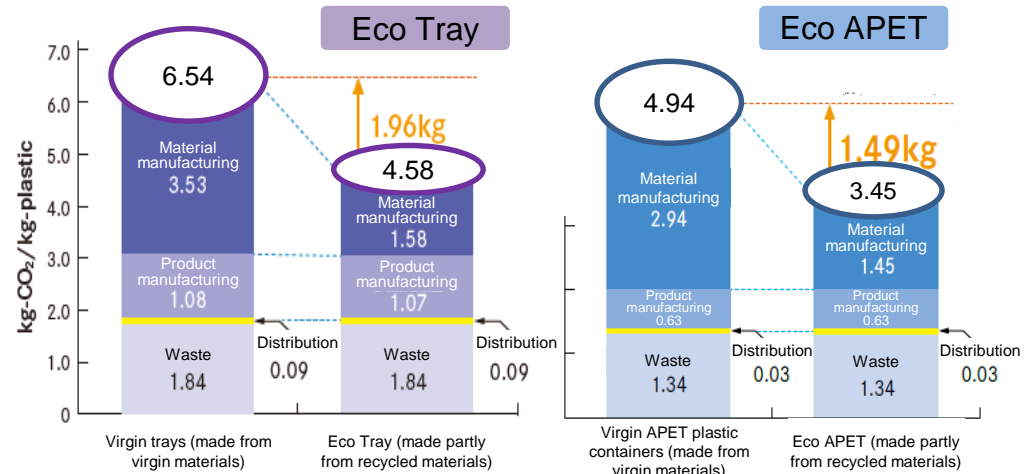


CO₂ emissions

-30%



In FY ended March 2020, CO₂ emissions were cut by **160,000 tons**
 (Eco Tray: 37,000 tons, Eco APET: 80,000 tons, Eco OPET: 42,000 tons)

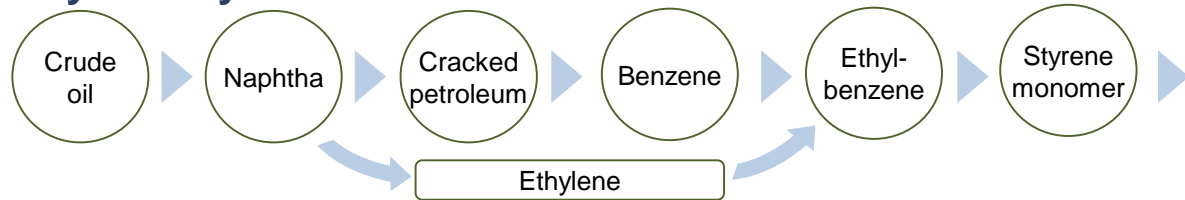


Comparison of life cycle assessment between FP Corporation products

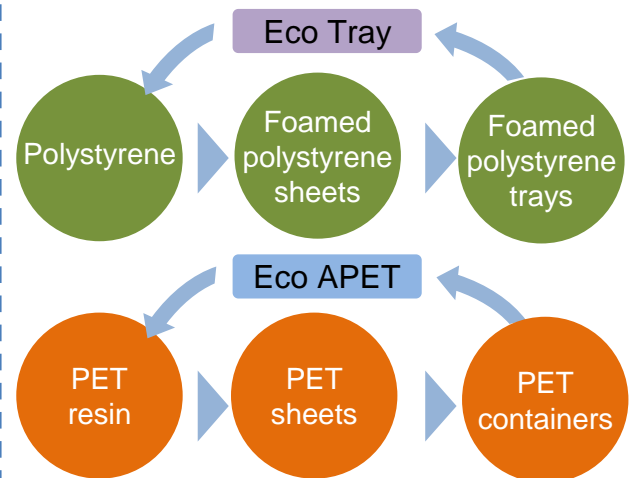
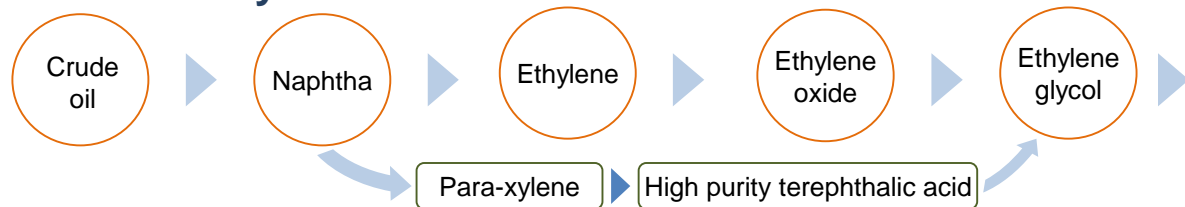
Processes that can be skipped by FPCO Method Recycling

Cutting CO₂ by **30%**

Tray to Tray



Bottle to Tray



Examples of Posters Displayed at Supermarkets



Posters displayed at Approx. 5,444 stores across Japan

(As of September 30, 2020)

Posters displayed by the Aeon Group

FY ended Feb. 2016



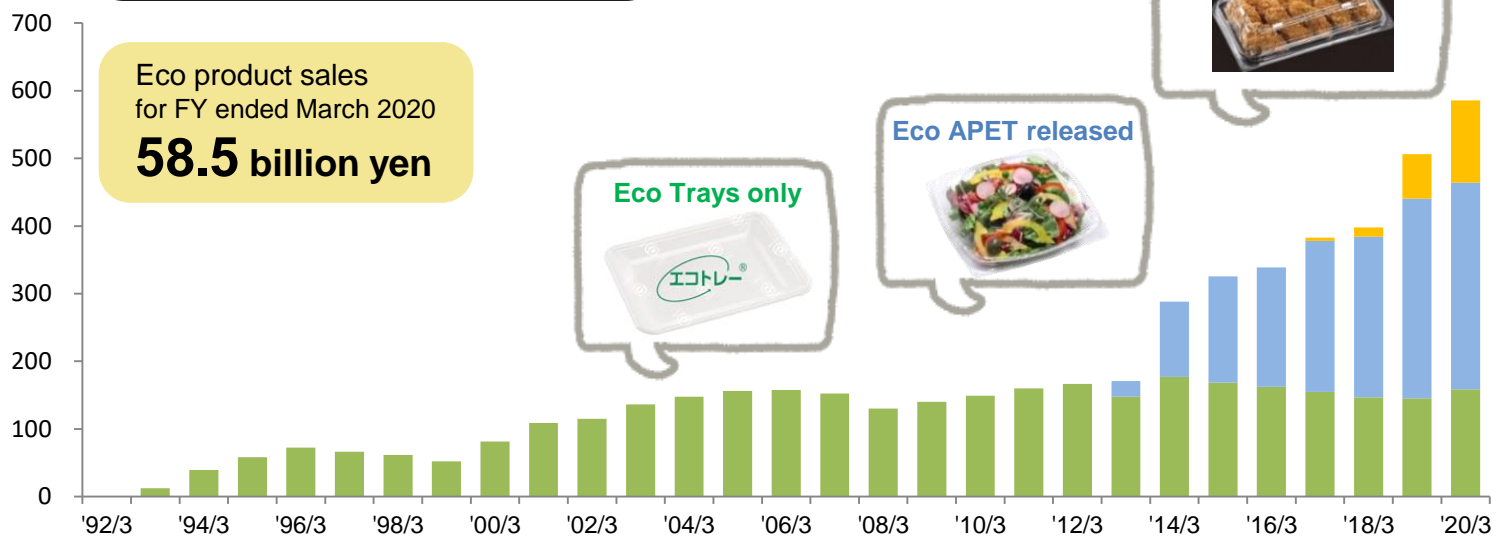
CO₂ emissions reduced by approx. 5,139 tons in 4 years

FY ended Feb. 2020



Investment in Recycling and Ratio of Eco Products

Sales shares of eco products



Percentage of products that are FPCO eco products

- Company S in Kansai: 78%
- Company I in Kansai: 67%
- Company H in Kansai: 61%
- Company M in Chugoku and Shikoku: 73%
- Company I in Chugoku and Shikoku: 57%

On weight basis

	11/3	12/3	13/3	14/3	15/3	16/3	17/3	18/3	19/3	20/3	21/3	...	24/3
Investments in recycling (billion yen)	Chubu 2.9				Kyushu 0.8			Kanto 3.2		Capacity increased in Kyushu 0.7 Capacity increased in Kanto 0.1	Chubu 0.8		
Supply capacity of recycled PET materials (thousand tons)	10		20			30		50	57	60			
Ratio of eco products to all products <small>On quantity basis, 4Q</small>		26%	39%	37%	37%	37%	37%	43%	45%	47%			50%
Ratio of Eco PET and OPET products <small>On quantity basis, 4Q</small>		—	52%	53%	59%	68%	70%	96%	99%	100%			100%

Creation of the FP Corp. Environmental Fund



FPCO, since it started the FPCO method of recycling in 1990, has been engaged in recycling activities for **approx. 30 years.**

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



エフピコ環境基金
The FP Corp. Environment Fund

Subsidizing organizations which act to solve future social issues

FY2020

Total applications received: 72
Subsidized projects: 10

Outline of grants offered in FY2021

Subsidized organization	Location	Details of the activities
Koueki-no Furusato Dsukuri Tsuruoka, a specified non-profit corporation	Yamagata	Environmental protection activities through SPOGOMI (trash picking as a sport) competitions
Nakoso Machizukuri Support Center, a specified non-profit corporation	Fukushima	Activities for improving the agricultural environment, which are carried out in collaboration with people with disabilities, local students, and others
Chaus, a specified non-profit corporation	Gunma	Environmental protection and educational activities through the observation of the upstream migration of salmon and release of juvenile salmon
Nanasato, a specified non-profit corporation	Saitama	Helping people with disabilities participate in activities including the recycling of timber from forest thinning and other waste
Pirika, a general incorporated association	Tokyo	Fact-finding surveys of marine plastics, analysis of the mechanisms of their outflow
Arakawa Clean Aid Forum, a specified non-profit corporation	Tokyo	Education through the experience of cleaning up the Arakawa River, which is aimed at resolving the issue of marine plastic waste
Shonan Cleanaid Forum, an NPO	Kanagawa	Beach cleanup activities on the natural coast of Kanagawa
People's Community, a specified non-profit corporation	Gifu	Collection of garbage from the Kisogawa River, fact-finding surveys of the river, and awareness-raising activities
Biwako Trust, a specified non-profit corporation	Shiga	Surveys of microplastics in Lake Biwa and the education of younger generations
Miyajima Network, a specified non-profit corporation	Hiroshima	Cleaning up the coast and inland area of Miyajima Island and activities protecting the marine ecosystem

Grant period

Apr. 1, 2021 to Mar. 31, 2022

* Applications for grant periods longer than 1 year are also accepted (up to 3 years)

Application period

Oct. 1, 2020 to Dec. 28, 2020

Size of grants

Up to 2 million yen per year per project

Donation of Simplified Food Containers to Children's Cafeterias All Over Japan



Kobe
Bussan

Hagoromo
Foods

Nestlé
Japan

FPCO

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

Containers donated: Containers for boxed meals and soups: 224,000 sets

1 st donation (May 29 -):	60,800 sets
2 nd donation (Jul. 25 -):	81,600 sets
3rd donation (Sept. 30 -):	81,600 sets



Diversification of Materials and Research into Recycling Technologies

New materials

Paper pulp mold



Biomass-based plastics (Plant-derived materials)



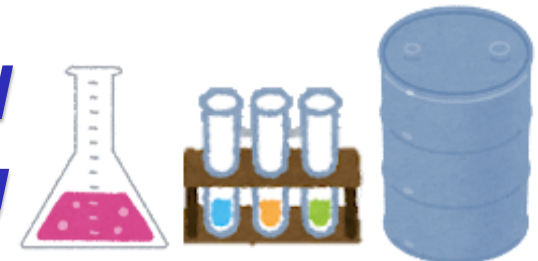
- Bio-HIPS/Bio-PPF
- Registered with Japan BioPlastics Association
- Made from 25% plant-derived materials

Recycling technologies

Material recycling



Chemical recycling



ESG Evaluation

Continuing to be selected to be a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index ESG indexes (June 2020)



FTSE4Good

FPCO is one of **1,075 companies** in the world



FTSE Blossom Japan

FPCO is one of **196 companies** in Japan

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

		Jun. 2019	Jun. 2020
Total score		3.44	3.63
Environmental	Climate Change	5	4
	Pollution and Resources	4	5
	Supply Chain	3	3
	Water Security	4	4
	Social	3.75	3.63
Governance	Health and Safety	3	3
	Human Rights and Community	4	3
	Labor Standards	4	4
	Supply Chain	4	4
	Governance	2.8	3.4
	Corporate Governance	4	4
	Risk Management	2	3

ESG Evaluation

Environmental



2018: Certified by the DBJ Environmentally Rated Loan Program



対策活動実践・普及部門

2015: Granted the Minister of the Environment Award for Global Warming Prevention Activity



2011: Recognized as an Eco-First company



2010: Gold Prize awarded in the 1st Eco Mark Awards



2006: Granted the highest prize in the Product Category in the 1st Minister of the Environment Award for the Promotion of 3R Practices in Containers and Packaging

Social

2020 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

2020: Continued to be selected to be a constituent of the MSCI Japan Empowering Women (WIN) Select Index, which represent leading companies that promote and maintain gender diversity



2016
攻めのIT経営銘柄
Competitive IT Strategy Company

2016: Selected as a Competitive IT Strategy Company



2016: Participation in the Ai Support Campaign



2015: Chosen to be included in the Diversity Management Selection 100



障害者雇用優良企業
厚生労働省 2012

2012: Granted the Heartful Ribbon Mark Certification, for companies displaying excellence regarding the employment of the disabled

Streamlining of Logistics

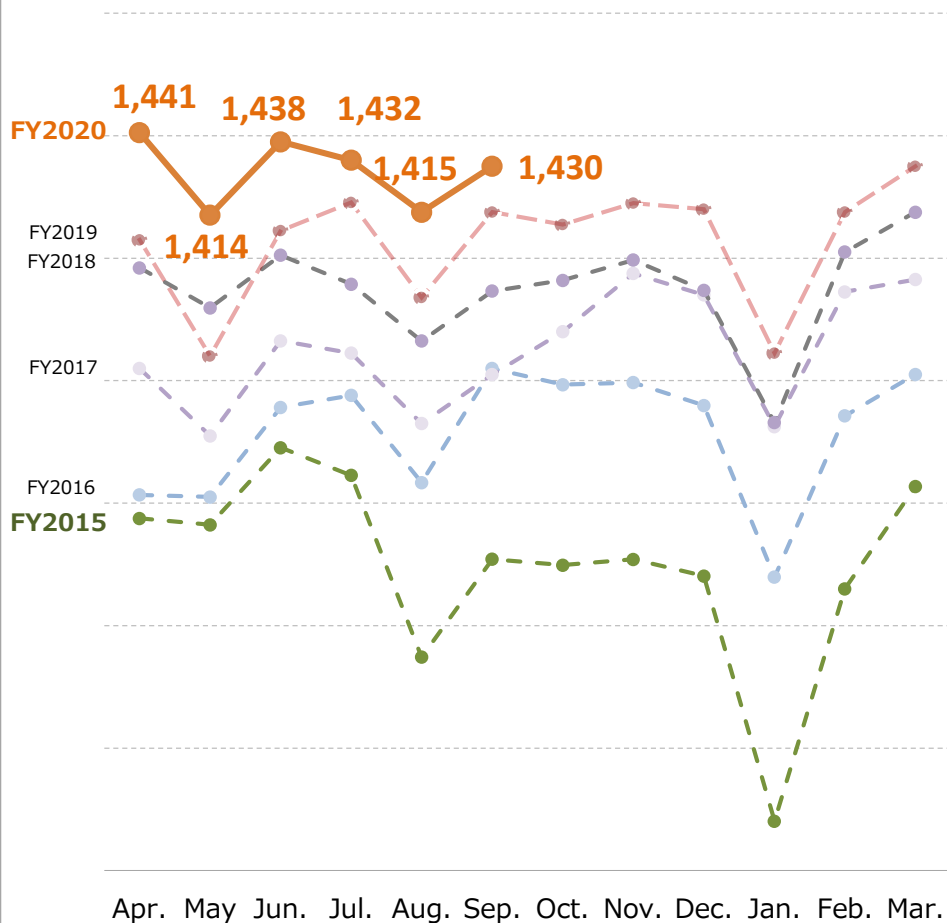


Actions for Suppressing Soaring Logistics Expenses (Distribution of Sales)

Increase load efficiency per truck

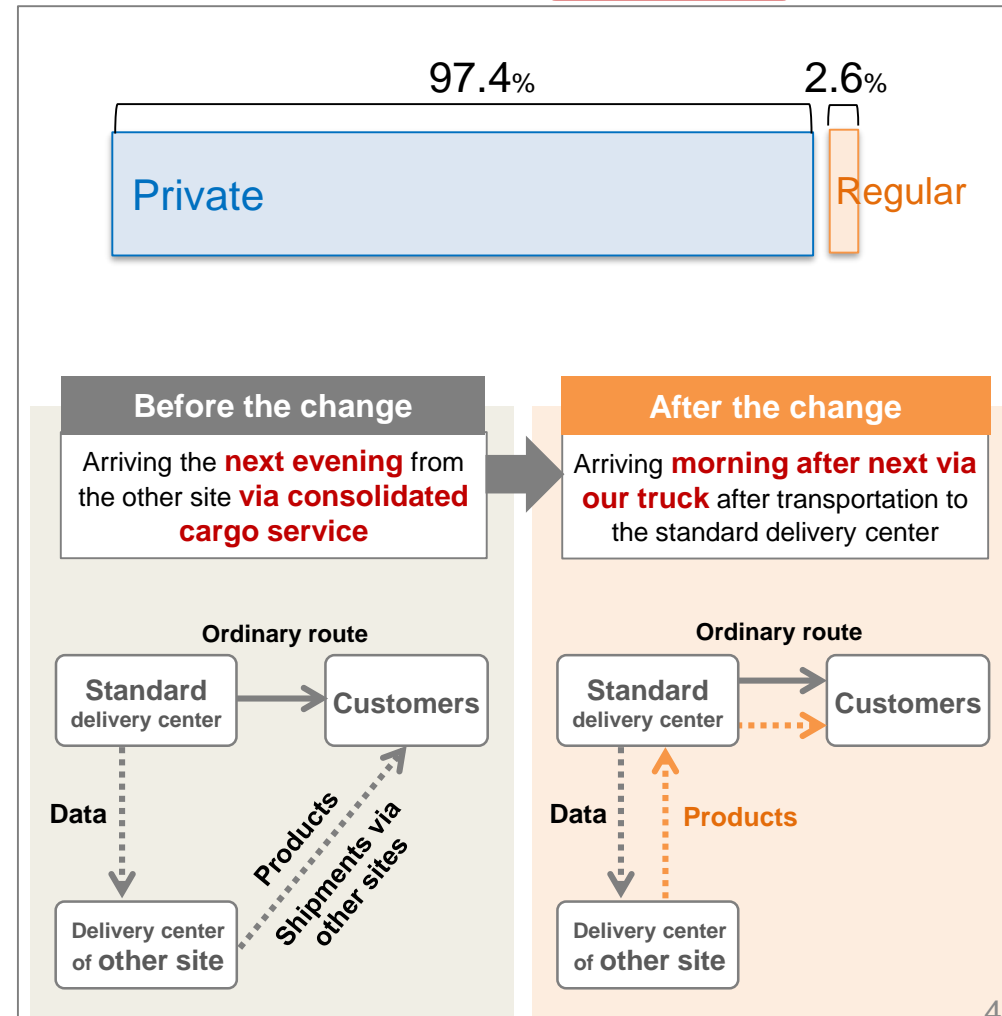
FY2020 1sthalf **Up 9.0%** from FY2015 1sthalf level

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



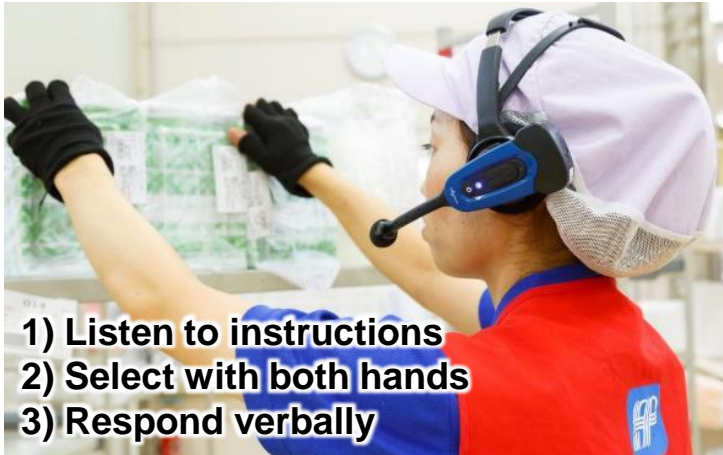
Increase ratio of private services

Sep. 2019 **96.9%** ▶ Sep. 2020 **97.4%**

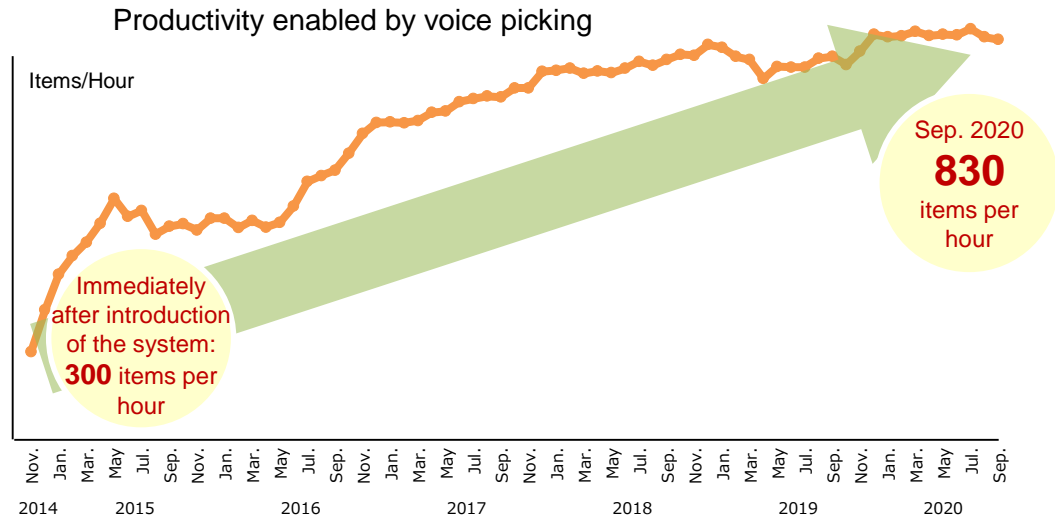


Efficiency Improvement (Logistics Division)

Voice Picking



- 1) Listen to instructions
- 2) Select with both hands
- 3) Respond verbally



Pallet Transportation (Transportation to other bases)

Conducted on 5 routes in Sep. 2020

Before

100% manual loading

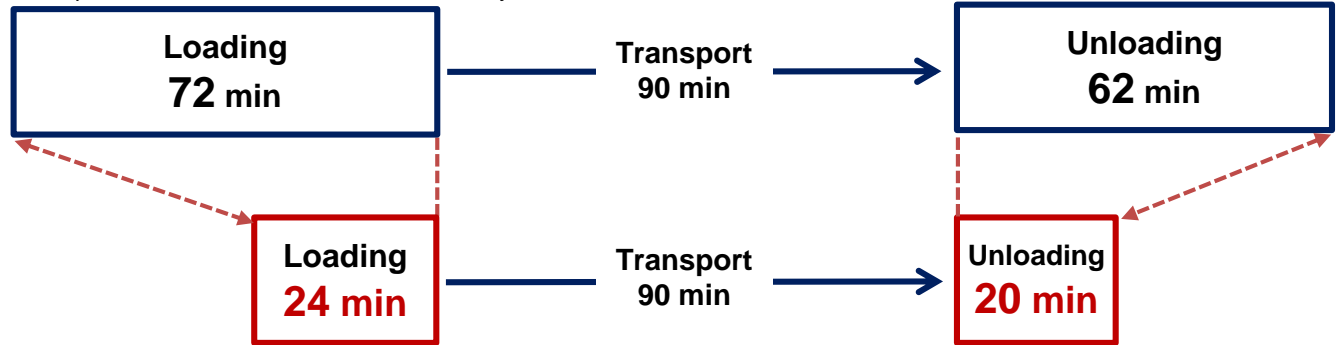


New method

80% by pallets
20% manual loading



Example: Kanto Distribution Center → Hachioji Distribution Center

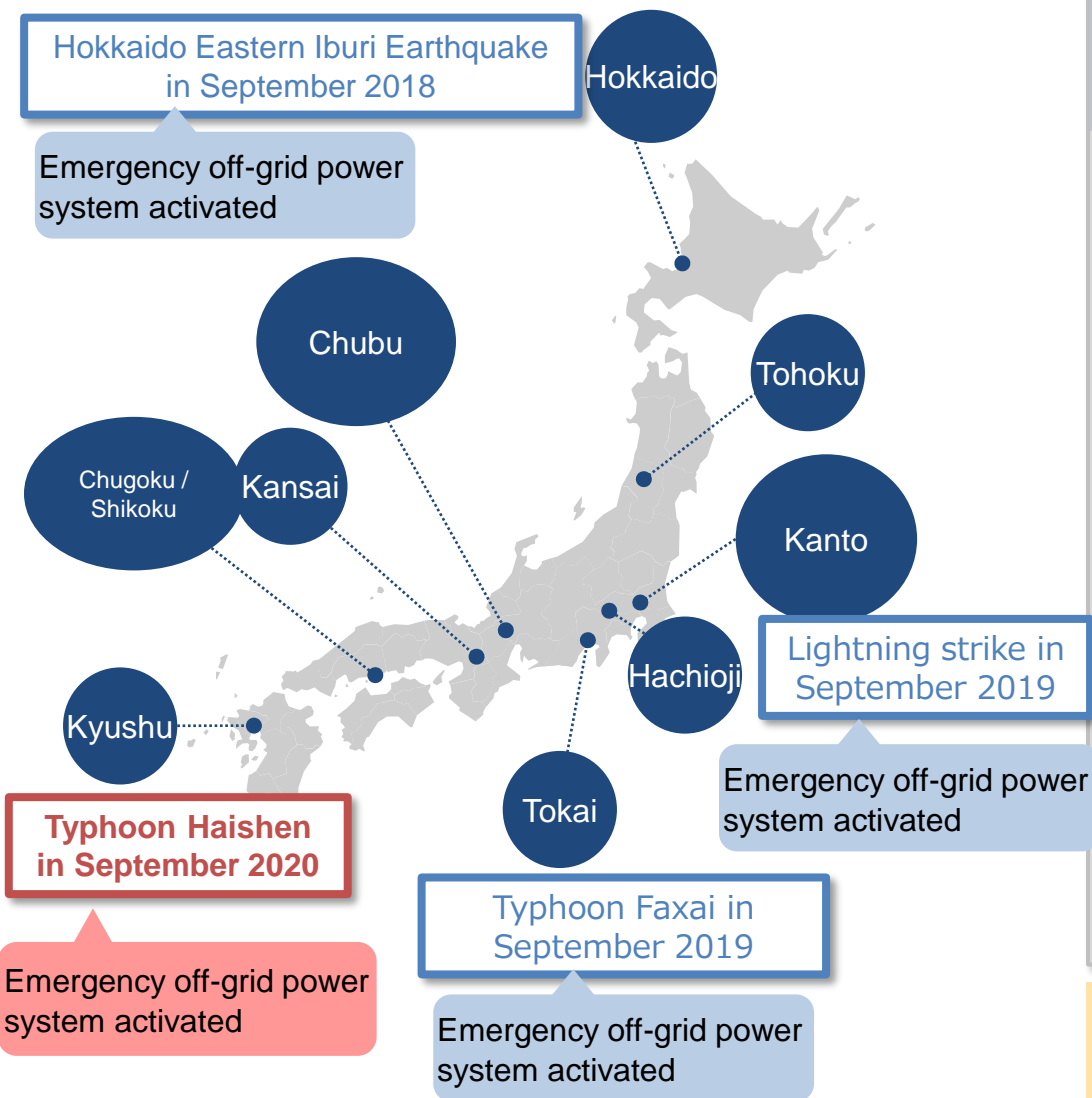


Loading and unloading time reduced by 1.5 hours

> Loading efficiency: -8%

Natural Disasters and BCP

Most recent natural disasters



Business Continuity Plan (BCP) for uninterrupted logistics operations in the event of a disaster

- Power supply for **72 hours** ensured
- Emergency power generators are installed and fuel for them is stored at all major logistics bases across Japan.
- Two emergency drills conducted annually involving power generator

Emergency power generator



Fuel tank



→ Installation at group companies' bases is also considered.

December 2019

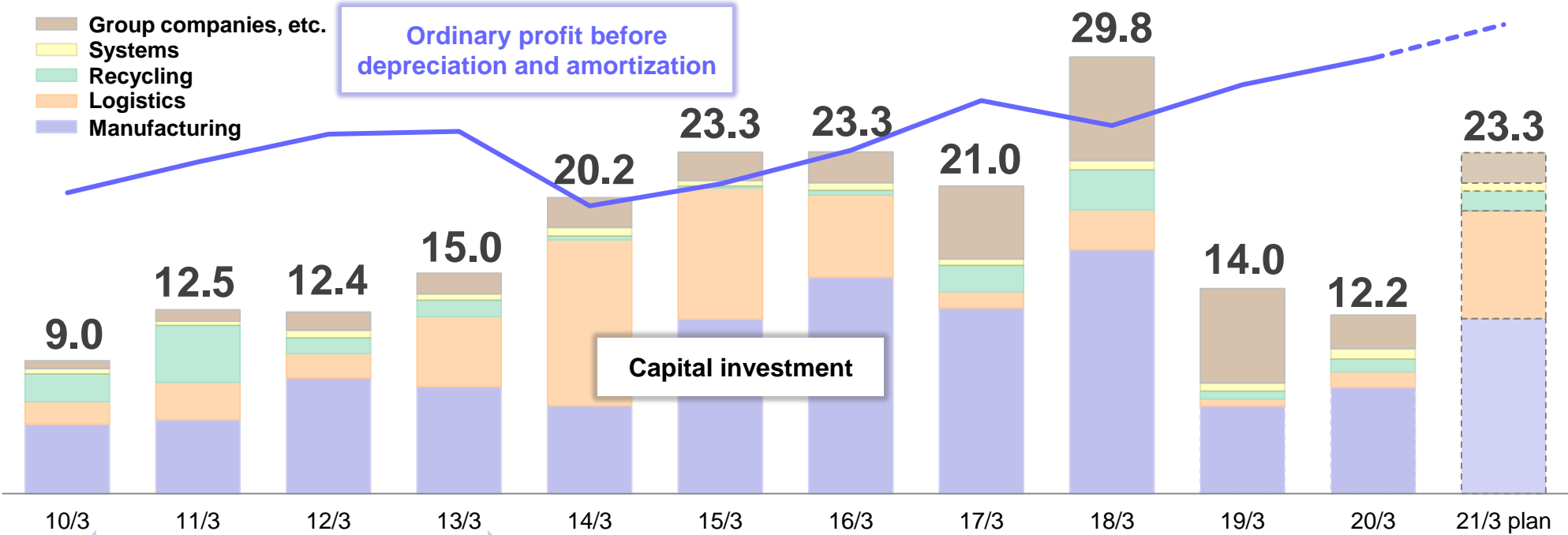
Loan received from the Development Bank of Japan under the DBJ BCM Rated Loan Program

Strategic Investment



FPCO's Strategic Investment

Unit: billion yen



World's first materials developed

Microwave market expanded

- 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

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
- 2018: 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

Investment in human resources

Enhancing the Logistics Network



**Kyushu
Distribution Center**

Completion scheduled in Sept. 2020
Investment: 659 million yen
Total floor area: 3,554 m²



**Fukuyama
Distribution Center**

Completion scheduled in Nov. 2020
Investment: 4,345 million yen
Total floor area: 23,722 m²



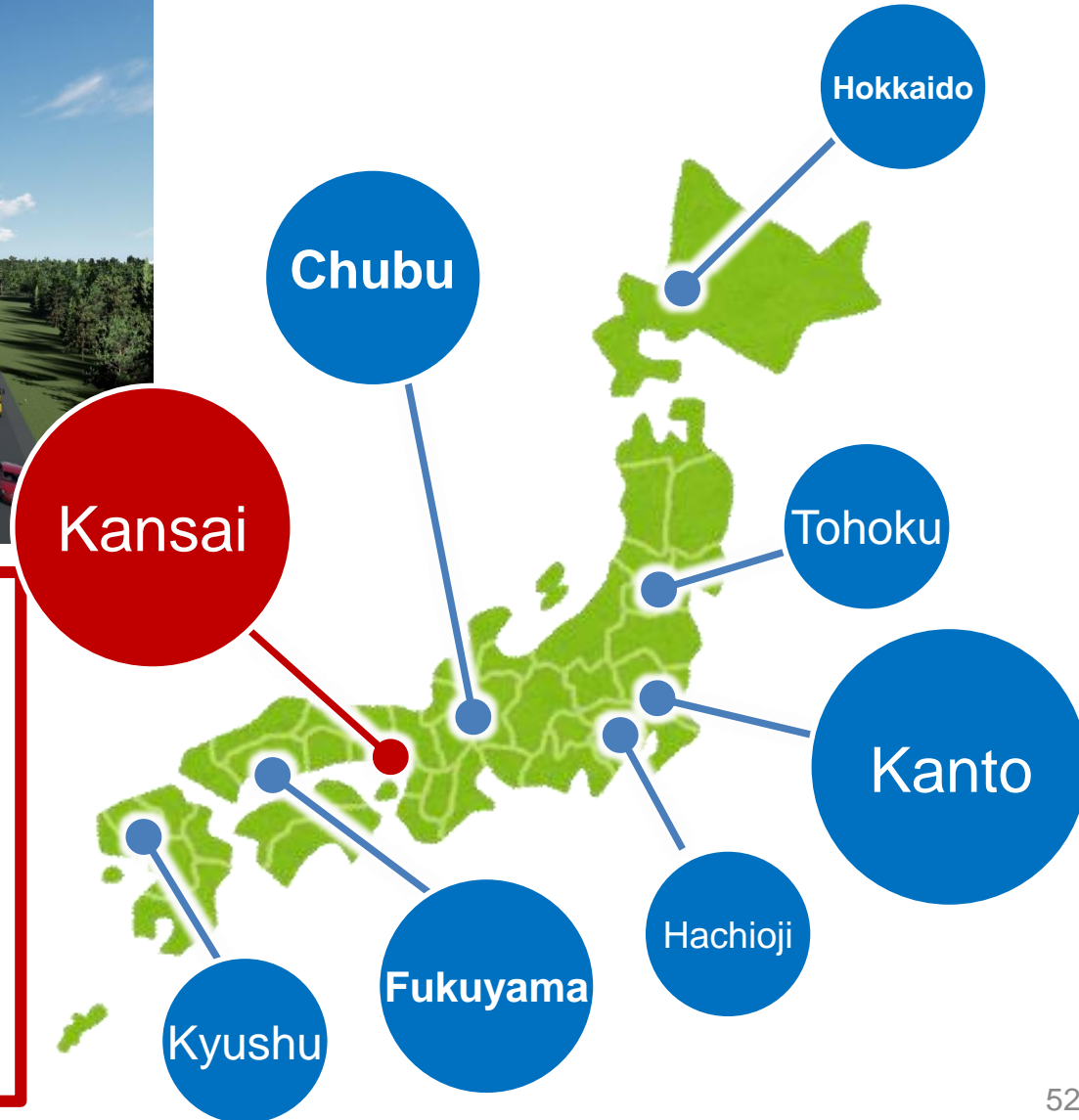
**Chubu
Distribution Center**

Completion scheduled in Sep. 2021
Investment: 5,285 million yen
Total floor area: 27,575 m²

Introducing an automated sorting system, or sorter, to Chubu, following Kanto, Fukuyama, and Hachioji



Land for a New Plant Acquired in Hyogo



Increasing logistics capacity in the Kinki area

(Located between Chubu and Fukuyama)

- Reducing delivery time and minimizing logistics costs
- Enhancement of business continuity and supply stability in a disaster

Increasing production capacity

- Plan to introduce extrusion and molding lines

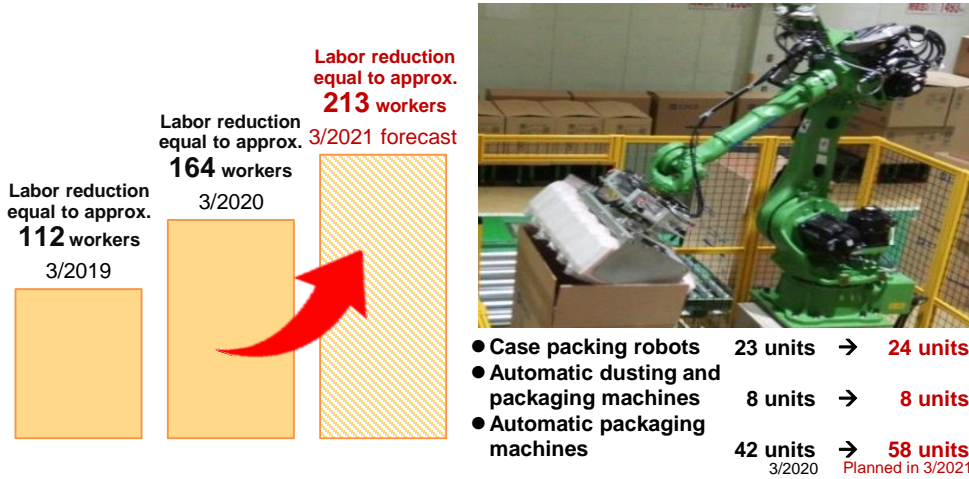
Location: Hyogo-Ono Industrial Park in Ono, Hyogo Pref.

Site area: Approx. 48,000 m²

* Plan to construct Pico House, a dormitory for single employees, in the neighborhood of the plant

Investment in Human Resources (1): Automation

Manufacturing Division



Logistics Division



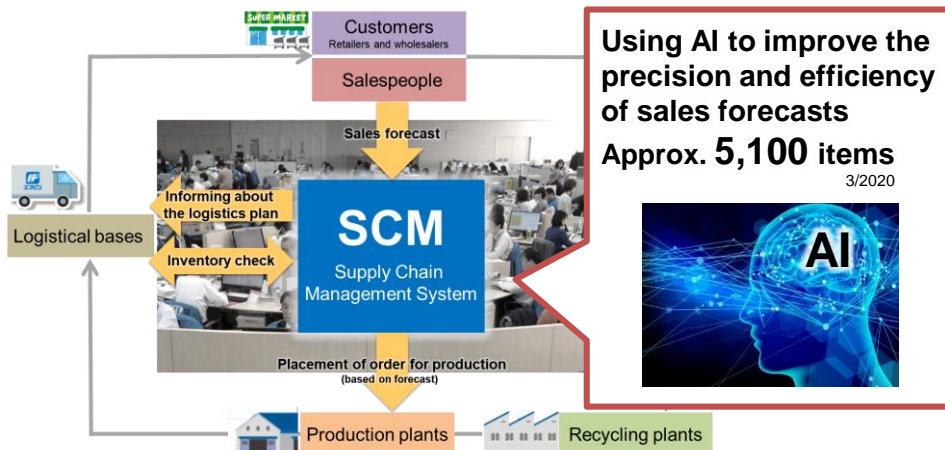
AGV (automated guided vehicle)
29 units → 33 units
3/2020 Planned in 3/2021



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

AGF (automated guided forklift)
Introduce 2 units
3/2021

SCM Division



Use of RPA

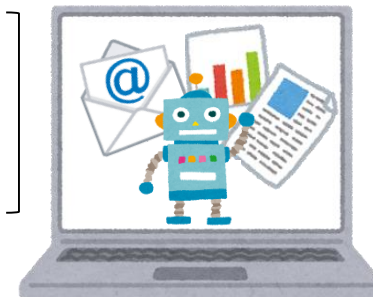
Automation of operations with robots

Reduction of approx. 6,000 work hours/year 3/2020

- Using RPA Approx. 4,000 hours
- Improvement of existing functions and operations Approx. 2,000 hours

→ Expected to reduce work hours

by approx. 10,000/year 3/2021 forecast



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



Pico House bachelors' dormitories



4 Pico House buildings: **333 units in total** (plan)

Group homes for people with disabilities



Floor plan: First floor



To be used for study support, support for therapeutic education, etc. by the local community



A residential space where residents live together



Changes to programs and standards

1. Fiscal year ended March 2019
Introduction of requirement **to take five consecutive days of paid leave** (Smile Leave)
2. Fiscal year ended March 2019
Revision of the retirement benefit programs at some group companies
3. Fiscal year ended March 2020
Pay standard raised at some group companies
4. Fiscal year ending March 2021
Introduction of a teleworking program
5. Fiscal year ending March 2021
Introduction of special leave for volunteer activities

Promotion of active participation of women

Targets

1. Maintaining the percentage of women among new career-track employees at **30% or higher** from 2019 onward
2. Promoting **50 women** to managerial positions by 2022



Diversity Management Making Maximal Use of Capabilities



Sorting of used trays at **10** facilities



Production of wood-like box-type containers and secondary processing at **7** facilities



Manufacturing of containers (foamed and transparent) at **3** facilities

In the FPCO Group as of March 2020

Number of employees with disabilities	358
Adjusted number of employees with disabilities	615
Ratio of employees with disabilities	13.3%

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 2019
Toyo Keizai Inc.
Ranked 2nd in ratio of employees with disabilities
* Ranked 1st for four consecutive years (2014-2017)



Support for Customers in their Employment of People with Disabilities



With FPCO's support, employment was created for

667 people at **50** locations mainly at customers' workplaces

Sep.2020

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



Floor Hockey Activity: Interactions between People with and without Disabilities



Award, certification, and registration for Floor Hockey Activity

- Mar. 2019 (Tokyo Metropolitan) **Barrier-free Minds Support Company Registration**
- Dec. 2018 (Japan Sports Agency) **Sports Yell Company Certification**
- Nov. 2018 (Tokyo Metropolitan) **Tokyo Sports Promotion Company Certification**
- Feb. 2018 (Tokyo Voluntary Action Center) **3rd Corporate Volunteer Awards**

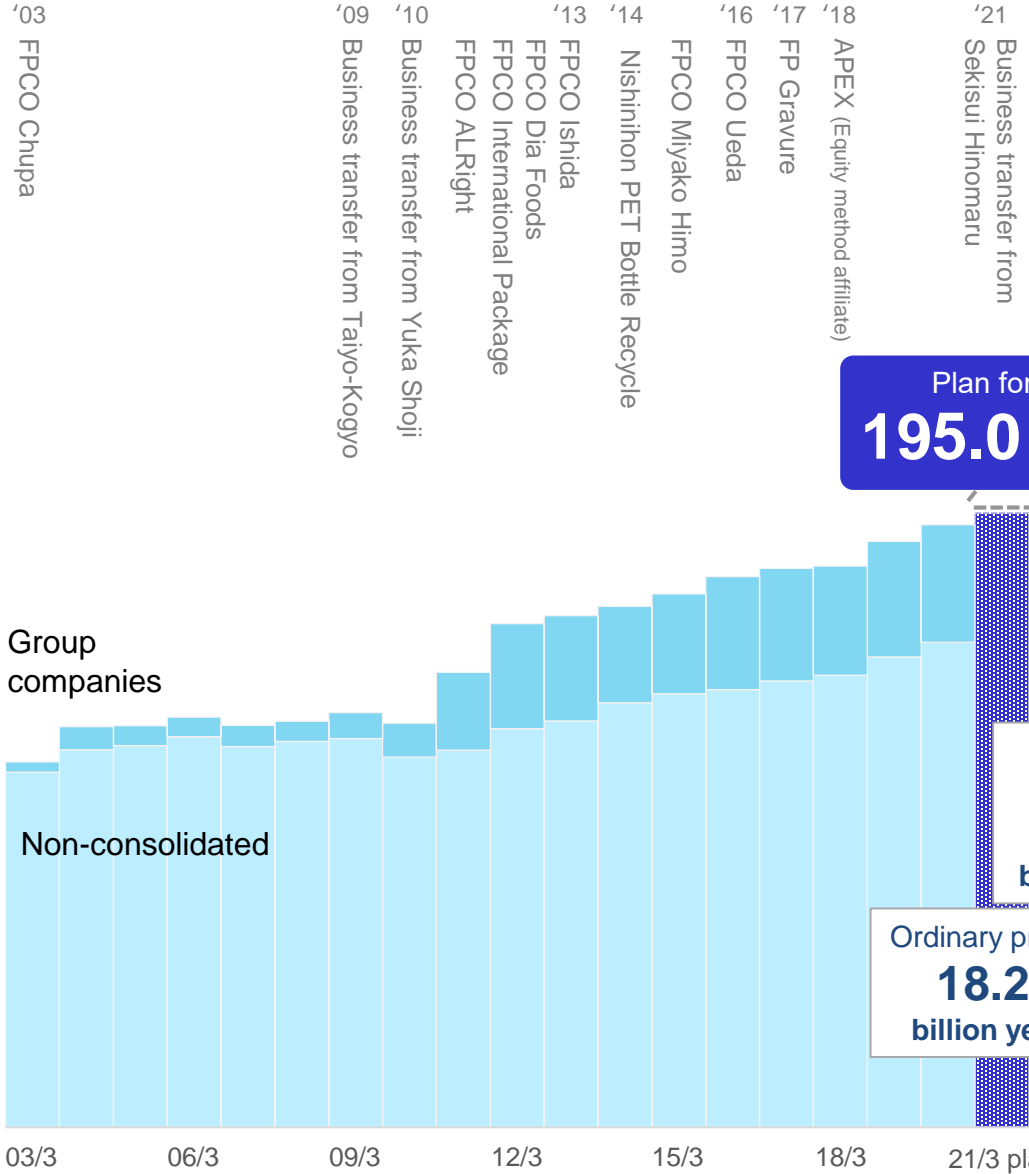


Growth Strategy



FPCO Growth Strategy

'03 FPCO Chupa



Long-term target **300.0** billion yen

Commodities
+60.0 billion

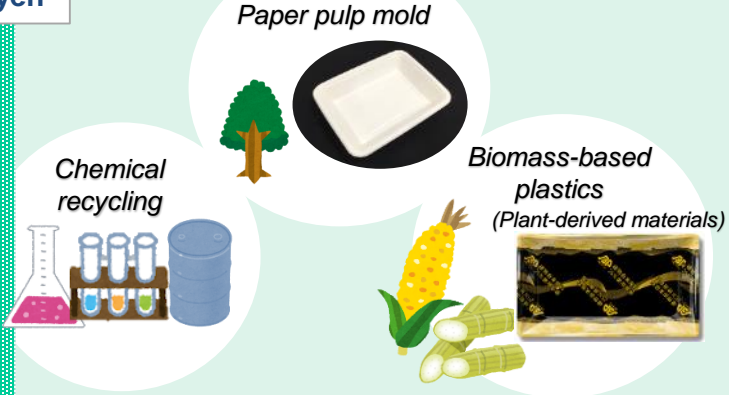
Overall packaging materials

Products
+40.0 billion

New markets
(delivery, food service, frozen food, etc.)
Market share increase

Long-term target
30.0 billion yen

R&D for recycling and alternative materials



Capital Investment and Cash Flows

Cash flows from operating activities

Capital investment: Goal of 18 to 20 billion yen

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

[Priority investment areas]

- Investment in the commercialization of the world's first material
- Market demand for environmentally friendly materials and products

Consolidated payout: Goal of 30%

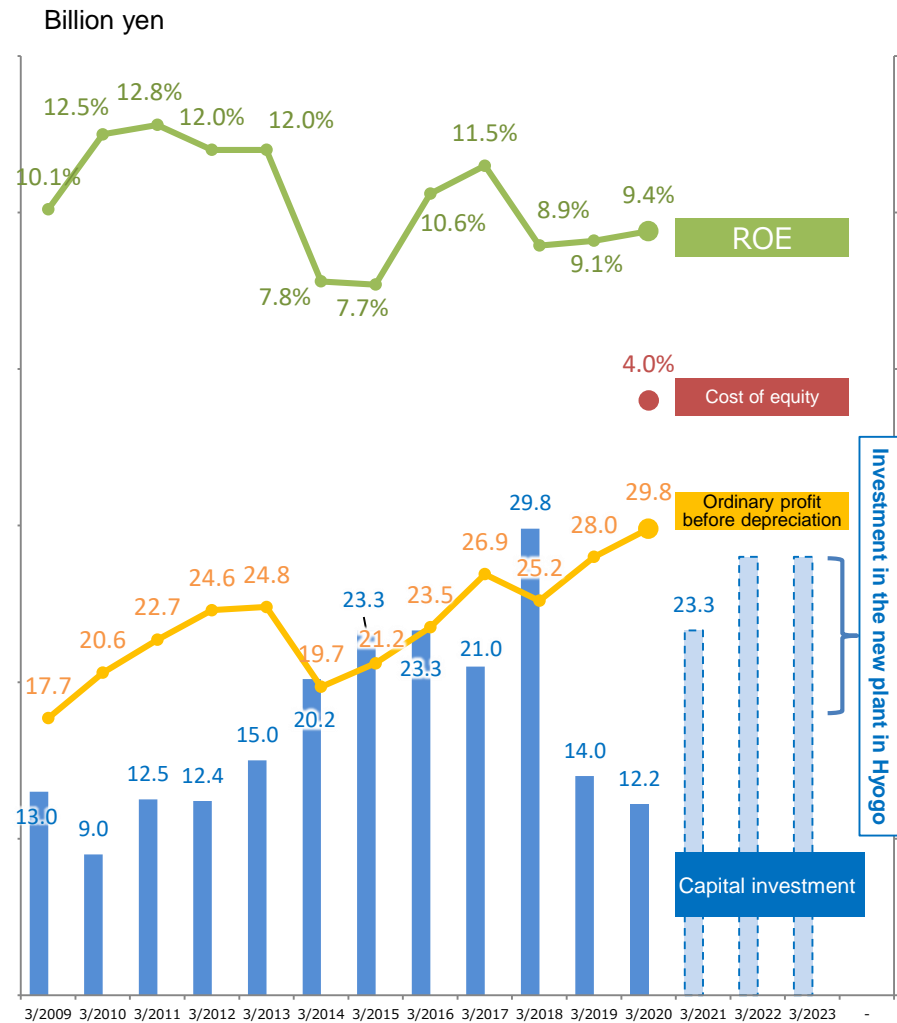
Stable and continuous payment of dividends
Maximization of earnings per share

Acquisition of treasury shares

To be determined by the share price

Adjustment of interest-bearing debt

Effective use of interest-bearing debt and assurance of safety



Overview of 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
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



Synergetic effects

Products

Lineup of PSP trays, including for fishcakes, dried-salted fish, and spicy cod roe

Business partners

Trades with food processors

Raw materials
Production
Logistics
SCM

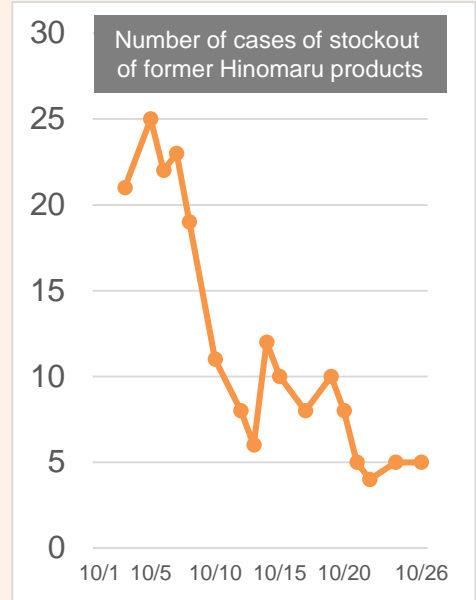
Cost reduction enabled by leveraging benefits of scale

Productivity improvement enabled by sharing expertise

Expected Improvements Due to Infrastructure Integration

Production

- ✓ Effective use of plant spaces → Higher production capacity
- ✓ Weight reduction of products → Cutting raw material costs and conserving resources
E.g.: General-purpose tray of the same size 3.88g → 3.10g (approx. 20% reduction)
- ✓ Higher compatibility between machines and molds → Productivity improvement and reduction of costs for transportation between bases
- ✓ Increased number of shots per hour and improved capacity utilization



Logistics

- ✓ Use of our own trucks (private services) → Reduction of transportation costs
- ✓ Changing the inner volume of cardboard cases → Making them easier for female and older drivers to carry.

SCM

- ✓ Demand forecasting, production planning, and inventory control through SCM → Stable supply ensured even during peak periods

Sales and management

- ✓ Revenue management of products and commodities of each item number → Product mix improvement

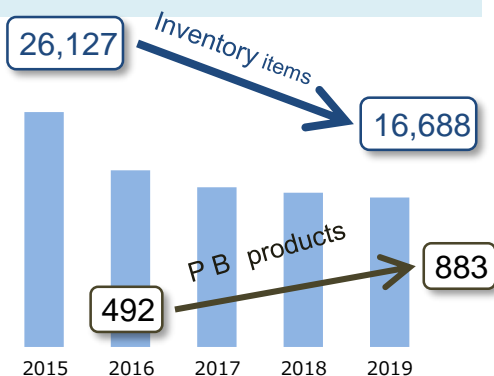
Start of Operation for the New Business Model

Product purchase

MD

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

FPCO Trading



FPCO Group's infrastructure

Group's wholesalers

Strength in locally based sales

FPCO International Package
FPCO Ueda
FPCO Ishida
APEX
FPCO Miyako Himo

Leading wholesalers in different regions

Nationwide logistics network

Information system

Suggestion of a Wholesaler-Standard Mission-Critical System

Features

- ✓ A wealth of features exclusively designed for the operations of packaging material wholesalers
- ✓ Quicker sharing of information with the FPCO Group

➔ Permits significant streamlining and visualization of operations

Developing a system based on existing workflows ▶ Reviewing workflows based on the system

7 major functions

Seamless sharing with FPCO Real-time sharing of estimates and order placement/acceptance information, etc.	Streamlined EDI EDI templates WEB-EDI system	WMS Warehouse management system, processing for warehousing and delivery, etc.
SCM Feature automatically calculating order quantity	Electronic business forms Paperless feature	BI Feature for freely analyzing vast amounts of data
Sales and purchasing system Features for everything from order acceptance/placement to payment Inventory control feature		

Plan to introduce the system in group wholesalers and major packaging material wholesalers in each region



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 between -40°C and +110°C and with superior oil and acid resistance and thermal insulation (sales commenced in 2010).
- Multi Solid (MSD)** : A non-formed PS (polystyrene) container with a heat resistance temperature of +110°C 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).
- OPET transparent Container** : A polyethylene terephthalate transparent container with a heat resistance temperature of +80°C . That is molded from biaxially stretched PET sheets, with superior oil and acid resistance and transparency. achieving the same thermal insulation as the OPS.
- New transparent PP container** : A transparent PP container with a heat resistance temperature of +110°C, which has achieved the same transparency as OPS using standard-grade polypropylene raw material(sales commenced in 2012).
- PPSA Series** : A snap-lock hood pack made from a transparent PP container with a heat resistance temperature of +110°C
- OPS container** : A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.
- 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).
- Cross Dock Center** : A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.
- 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.

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



PS: polystyrene



PSP: foamed polystyrene

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



New transparent PP

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

PET: polyethylene terephthalate

- ★ 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



MFP: multi FP

: foamed polystyrene

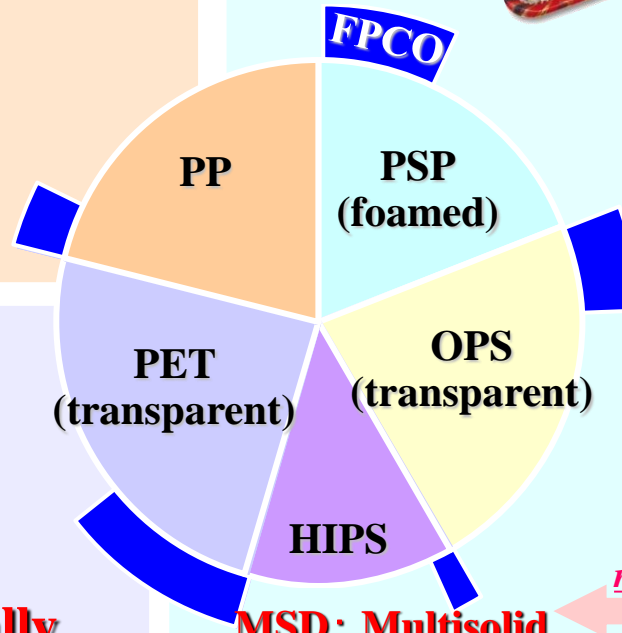
- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ Weight reduction is possible



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).

Trends in original products development

'11/3 > '12/3 > '13/3 > '14/3 > '15/3 > '16/3 > '17/3 > '18/3 > '19/3 > '20/3

Feb. 2010: Market release of the **Multi FP (MFP)**



Feb. 2012: Market release of the **Multi Solid (MSD)**



May 2012: Market release of the **Eco APET**



Nov. 2010

Chubu PET Recycling Plant

Jun. 2014

**Nishinohon PET-Bottle
Recycle Co., Ltd.**

March 2016

Chubu Eco PET Plant

Aug. 2017

Kanto Eco PET Plant

Nov. 2012: Market release of the **OPET**



Jul. 2012

Kanto Yachiyo Plant

Jun. 2012: Market release of **New Transparent PP**



Factors influencing Ordinary Profit

Unit:100 million yen

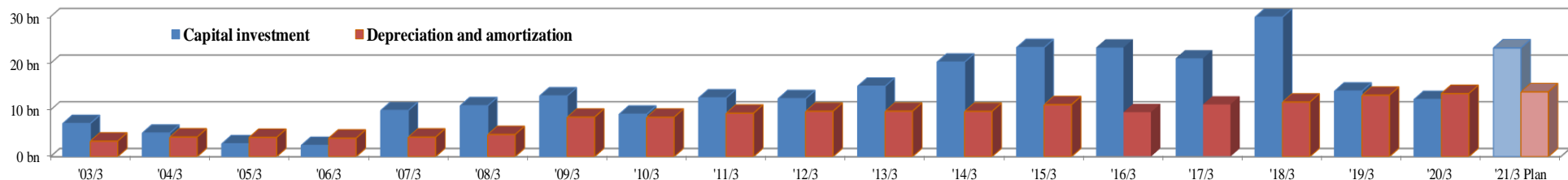
	'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3	'13/3	'14/3	'15/3			'16/3			'17/3			'18/3			'19/3			'20/3			'21/3 Plan						
														1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd 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	51.1	49.4	100.5	47.4	53.6	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				
The Price of Material	-6.0	-13.8	-36.5	-10.0	-13.0	Decrease in raw material prices		-78.0	Decrease in raw material prices					+16.0	+15.0	+31.0	+20.0	+3.0	+23.0				+2.5	+5.2	+7.7	+11.0	+3.5	+14.5									
						Raw material price increase		-19.0	-23.0	-37.0	-15.5	-46.0	-7.0	-	-7.0				-13.0	-13.0	-26.0	-14.8	-15.5	-30.3													
Sales Price	-25.0	+7.7	+29.2	+4.0		+9.0	+38.0	+25.0	+32.0		+6.5	Naphtha formula			-3.0	-8.0	-11.0	-12.5	-11.0	-23.5																	
					1st product price reduction		-44.0	Product price correction		+15.0	+14.0	+2.0	+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	-10.0	-3.0	-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	+4.5	+10.0	+14.5				+8.5	+11.0	+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	+6.5	+13.7
	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	+4.0																				
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	+0.5	+3.5	+4.0	+5.0	+7.0	+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	+1.0	-0.5				
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	-1.0	-	+1.5	+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	-0.5	-1.0				
Group Companies	Profit from the sale of artwork		+1.0	-1.0			+4.0	-4.0					-1.0	-	-1.5	-1.5	+3.0	+2.5	+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	+2.0	+1.3			
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	-11.6	-10.4	-22.0	-9.2	-8.4	-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				
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	-3.7	+4.2	+0.5	+18.9	+20.3	+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	+8.1	+19.3				
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	47.4	53.6	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	96.4	182.0				

Trends in Capital Investment and R&D Costs

	FY ended March 2003	FY ended March 2004	FY ended March 2005	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ended March 2017	FY ended March 2018	FY ended March 2019	FY ended March 2020	FY ending March 2021 Plan
Production	Yamagata Plant				Shimodate Daini Plant			Taiyo Kosan	Nihon Pearl Containers	Dia Foods			"FPCO Research Center" Development and Training Building						
					Chubu Daini Plant			Wood Plant	Food container facilities	ALRight					Kanto Eco PET plant				
							Kyushu Daini Plant		Hokkaido Plant extension	Kanto Yachiyo Plant				Chubu Eco PET plant					
																			Automation
																			Strengthening of transparent containers >
Distribution	East Japan Hub Center					Kanto Yachiyo Center													
		Kyushu HC						New Fukuyama Picking Center								Voice picking			
		Kansai PC							New Chubu Picking Center										
													Fukuyama Cross Dock Center						
																			Improving the distribution network >
Recycling						Chubu, Tohoku & Kyushu Recycling Plants													
Other investments and costs																			

Unit : million yen

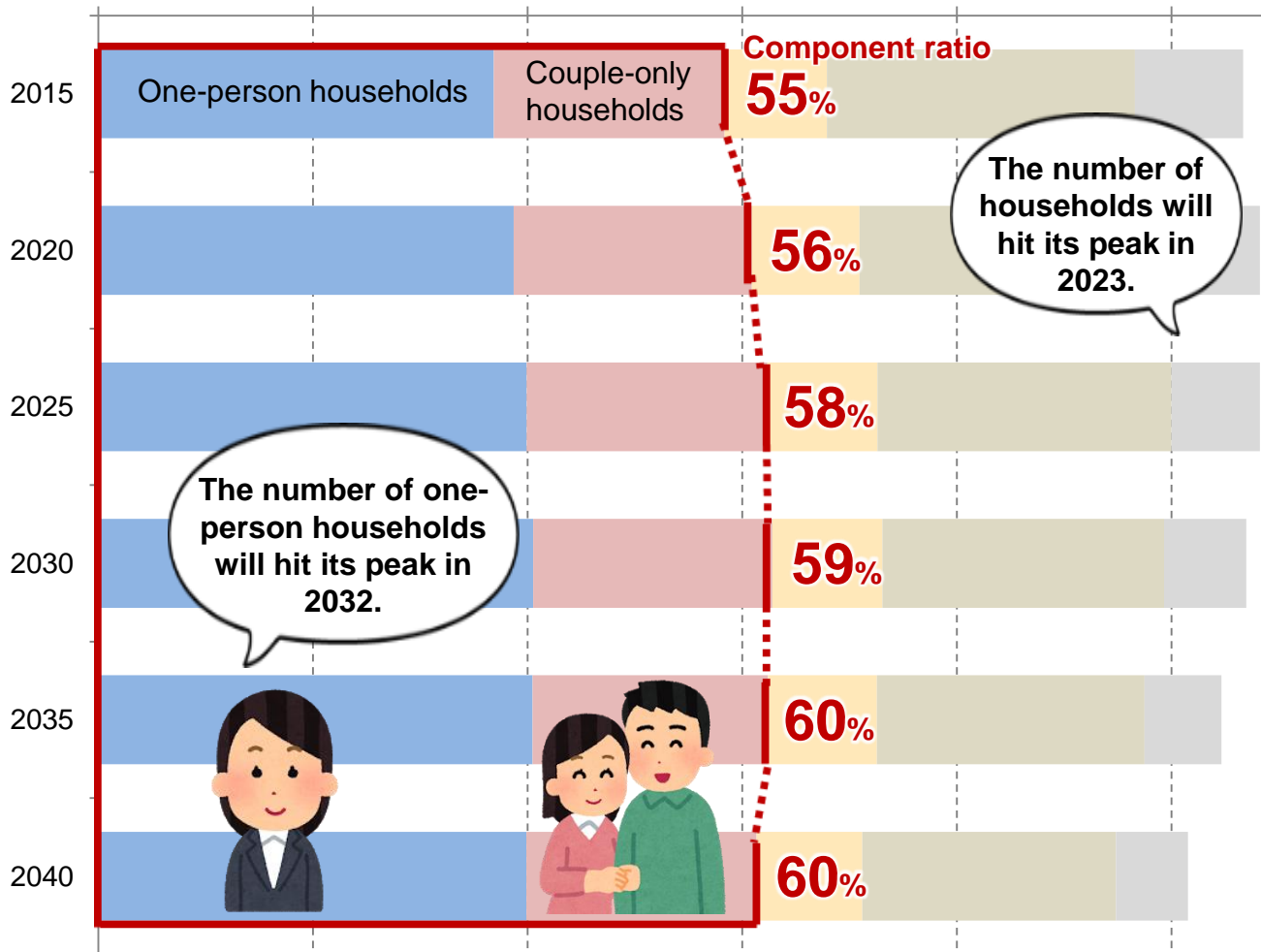
Capital investment	7,096	5,037	2,742	2,394	9,885	10,909	13,007	9,090	12,585	12,423	15,087	20,257	23,377	23,383	21,060	29,891	14,038	12,214	23,300
Tangible	6,138	4,248	2,621	2,156	9,523	10,655	12,166	8,827	12,352	12,093	14,783	19,750	23,051	23,058	20,790	29,342	13,442	11,688	22,850
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	595	525	450
Figures for molds only	780	460	436	550	771	609	1,892	1,507	1,833	1,946	1,425	2,151	2,416	1,777	2,028	1,485	1,462	1,870	1,870
Depreciation and amortization	3,339	4,210	4,134	3,965	4,194	4,742	8,467	8,461	9,316	9,728	9,746	9,703	11,136	9,526	11,183	11,706	13,170	13,532	13,900
Research and development	654	628	689	751	895	913	965	1,035	1,101	1,051	1,062	1,148	1,105	1,242	1,223	1,197	1,159	1,229	1,312



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

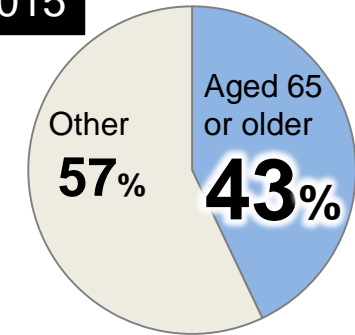
Changes in the Number of Households

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

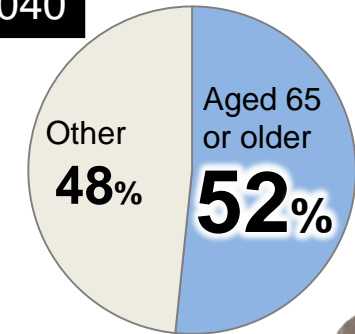


Ratio of households with one person and couples aged 65 or older

2015



2040

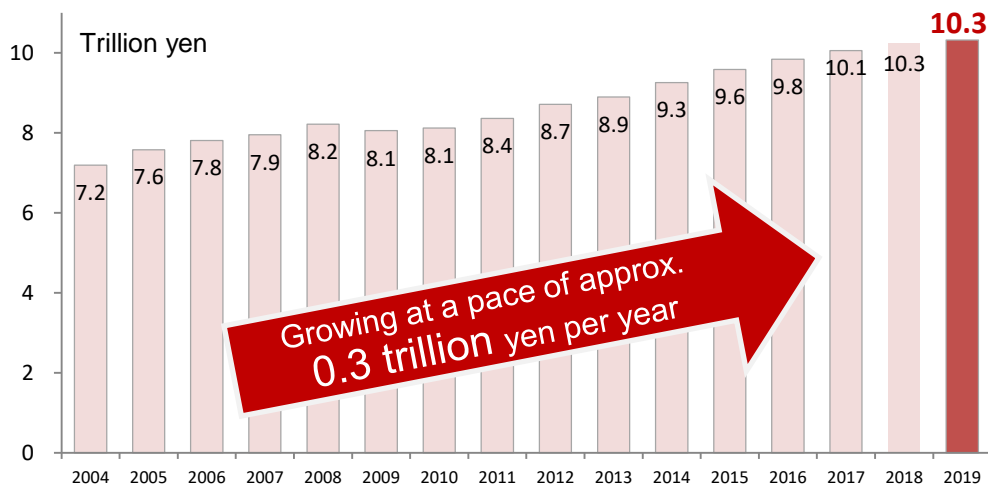


Up 9 percentage points in 25 years



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

FY2019
Home meal replacement
 Approx.
10.3 trillion yen

Cooking at home:
 Approx. 35.9 trillion yen



Eating out:
 Approx. 26.0 trillion yen



Major food manufacturers



Markets expected to grow in the future

Frozen food for households

Approx. **0.32** trillion yen
 2019



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

Delivery

Approx. **0.33** trillion yen
 2020 (Forecast)



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2020

Takeout

Approx. **0.88** trillion yen
 2020 (Forecast)



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2020

Food service for elderly facilities

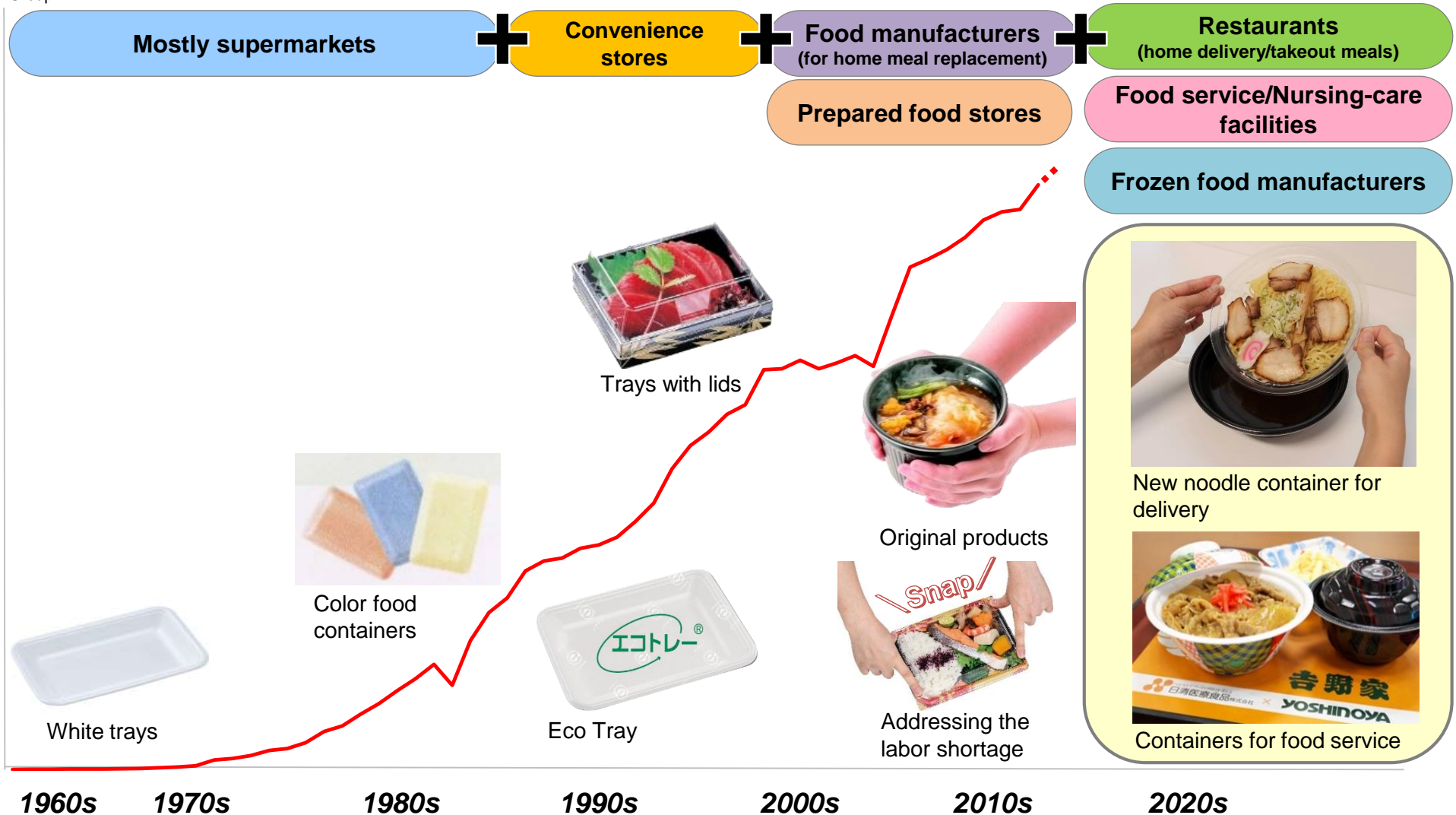
Approx. **1.16** trillion yen
 2017 (Forecast)



Source: Fuji Keizai, Koureisha Muke Shokuhin Shijo-no Shorai Tembo 2017 (Future Outlook for the Market of Food for the Elderly 2017)

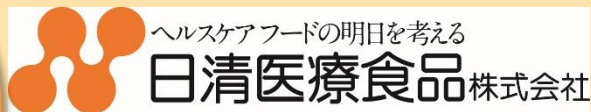
Expanding Market

Net sales of the
FPCO Group



Hospital/ Nursing Care and Frozen Food as New Markets

Hospital/ Nursing care



The number of people who received Minna-no Nichiyobi (Sunday for Everyone) food services

Approx.
14%

As of Jul. 31, 2019

Approx. **60,000**
/Approx. 420,000

Approx.
57%

As of Nov. 30, 2019

Approx. **240,000**
/Approx. 420,000

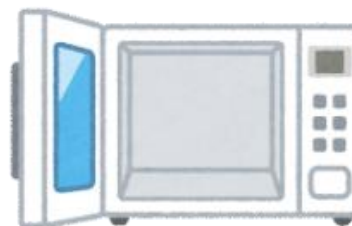


Frozen food

MFP that ensures safety and reassurance when heating the food

With superior thermal insulation, MFP ensures

safety and reassurance



It's hot inside,
but not on the
outside.



OPET,
which is strong during frozen distribution

With superior cold resistance, OPET lids are

hard to break.



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



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.

