April 30, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 <under Japanese GAAP>

Company name:	FP CORPORATION		
Stock exchange listing:	Tokyo Stock Exchange		
Stock code:	7947	URL:	https://www.fpco.jp/
Representative:	Morimasa Sato, Representative Director, Chairman		
Contact:	Isao Ikegami, Executive Vice President and Director, Executive General Manager of Finance and Accounting Division Tel. +81-8-4953-1145		

Scheduled date for ordinary general meeting of shareholders: June 26, 2024
Scheduled date for commencement of dividend payments: June 7, 2024
Scheduled date for filing of securities report: June 27, 2024
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	222,100	5.1	16,429	(1.6)	16,780	(3.2)	11,724	1.7
March 31, 2023	211,285	8.0	16,703	5.2	17,328	3.7	11,529	2.9

(Note) Comprehensive income: Fiscal year ended March 31, 2024: 12,485 million yen (8.0%)
Fiscal year ended March 31, 2023: 11,558 million yen (4.0%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	143.50	–	8.2	5.6	7.4
March 31, 2023	140.87	–	8.5	6.2	7.9

(Reference) Shares of (profit) loss of entities accounted for using equity method: Fiscal year ended March 31, 2024: -197 million yen
Fiscal year ended March 31, 2023: 71 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	298,580	145,844	48.6	1,795.71
March 31, 2023	298,623	140,171	46.7	1,703.56

(Reference) Equity: As of March 31, 2024: 145,132 million yen
As of March 31, 2023: 139,432 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2024	29,176	(10,711)	(17,013)	23,707
March 31, 2023	20,071	(34,306)	16,745	22,255

2. Dividends

	Dividend per share					Total dividend	Dividend payout ratio	Dividend on equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	–	21.50	–	25.50	47.00	3,846	33.4	2.8
March 31, 2024	–	21.50	–	35.50	57.00	4,629	39.7	3.3
Fiscal year ending March 31, 2025 (forecast)	–	21.50	–	35.50	57.00		38.0	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six-month cumulative period	116,000	6.7	6,400	(8.3)	6,500	(10.2)	4,361	(14.9)	53.96
Year ending March 31, 2025	236,000	6.3	17,800	8.3	18,000	7.3	12,122	3.4	149.98

* Notes

(1) Changes of important subsidiaries during the period (change in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates, and restatement
- (i) Changes in accounting policies accompanying amendments to accounting standards, etc.: No
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(3) Number of shares outstanding (common stock)
- (i) Number of shares outstanding at end of period (including treasury shares)
  As of March 31, 2024: 84,568,424 shares As of March 31, 2023: 84,568,424 shares
- (ii) Number of treasury shares at the end of the period
  As of March 31, 2024: 3,746,423 shares As of March 31, 2023: 2,720,596 shares
- (iii) Average number of shares outstanding during the period (consolidated cumulative period)
  Fiscal year ended March 31, 2024: 81,702,710 shares Fiscal year ended March 31, 2023: 81,843,319 shares

(Reference) Overview of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(1) Non-Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	176,292	2.7	9,464	0.1	11,207	(10.7)	8,160	(14.5)
March 31, 2023	171,582	8.4	9,454	(4.6)	12,548	(24.1)	9,543	(27.9)

	Net income per share (basic)	Net income per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2024	99.87	–
March 31, 2023	116.60	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2024	270,851	115,478	42.6	1,428.80
March 31, 2023	272,921	113,660	41.6	1,388.68

(Reference) Equity As of March 31, 2024: 115,478 million yen
As of March 31, 2023: 113,660 million yen

* This summary of financial statements is outside the scope of audit procedures by certified public accountants and audit firm.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to (2) Projections of 1. Overview of Consolidated Results of Operations, Etc. on page 7.

(Financial results briefing session and how to obtain the supplementary documents for financial results)

The Company will hold a financial results briefing session for financial analysts and institutional investors on May 8, 2024 (Wednesday). The financial results briefing will be held in person and also streamed live. Materials used for the presentations of the financial results and the video of the presentations given at the analyst meeting are planned to be posted at the Company's official website on the following dates.
- Materials used for the presentations of the financial results: Wednesday, May 8, 2024
- Video of the presentations given at analyst meeting: Wednesday, May 15, 2024

Accompanying Materials – Contents

1. Overview of Consolidated Results of Operations, Etc.

(1) Overview of Consolidated Results of Operations and Financial Situation for the Fiscal Year Ended March 31, 2024

1) Overview of Consolidated Results of Operations for the Fiscal Year Ended March 31, 2024

(Net sales and profits)

[Net sales and profits for the consolidated fiscal year under review] (Million yen)

	Results for the previous fiscal year	Results for the fiscal year under review	YoY change	YoY (%)
Net sales	211,285	222,100	+10,814	105.1%
Sales of products	166,060	171,653	+5,593	103.4%
Sales of goods	45,225	50,446	+5,221	111.5%
Operating profit	16,703	16,429	(274)	98.4%
Ordinary profit (*1)	17,328	16,780	(548)	96.8%
Profit attributable to owners of parent	11,529	11,724	+195	101.7%
Ordinary profit before depreciation	31,509	31,833	+323	101.0%

Net sales and sales volume of products

Net sales increased 5.1% or 10,814 million yen year on year to 222,100 million yen, reaching a new record high. This chiefly reflects the completion of the two product price revisions to maintain prices and an increase in sales of goods, including goods from APEX Corporation (Headquarters: Chuo-ku, Fukuoka-shi; hereinafter, “APEX”), which was made a consolidated subsidiary on September 29, 2023.

The sales volume of products has been trending toward recovery since September 2023, when it began to increase year on year. The sales volume of products increased 0.3% year on year in the third quarter and 2.6% year on year in the fourth quarter because proposal-based sales activities which had been suspended to prioritize activities for increasing prices began to produce results, despite the continued impact of the decrease in the number of items bought at supermarkets amid the ongoing increase in the prices of food and a wide range of other goods. Sales volume of products grew 8.3% from the pre-pandemic fiscal year ended March 31, 2020 and the compound annual growth rate (CAGR) from the aforesaid fiscal year stood at 2.0%. The CAGR of eco-friendly products (Eco Tray, Eco APET and Eco OPET) remained strong during the above period, standing at 3.4%.

[Growth rate of products]

	First quarter	Second quarter	Third quarter	Fourth quarter	Full-year results
YoY change (volume)	98.4%	99.2%	100.3%	102.6%	100.0%
Compared with FY ended March 2020	108.8%	108.3%	108.0%	108.0%	108.3%
CAGR for 4 years	2.1%	2.0%	1.9%	2.0%	2.0%

Major factors for increase/decrease of ordinary profit

Ordinary profit decreased by 548 million yen year on year. Factors causing ordinary profit to increase included the second product price revisions (announced on April 28, 2022), the improvement effect of each division and the strong sales of products with high added value, including eco-friendly products and new low-foamed containers. Factors causing ordinary profit to decrease included increases in the prices of raw materials and electricity, which have remained high, and in the utility costs of upstream manufacturers. Other factors for the decrease include an increase in labor costs that were the result of a significant wage increase implemented to secure and retain human resources, as well as an increase in depreciation at Kansai Plant and the Kansai Hub Center that started operating in the previous fiscal year. The Company increased these expenses to invest in reinforcing the management base for the future and developing an even more stable supply structure. This initiative has begun to produce results, including a decrease in employee turnover and countermeasures against the 2024 problems in logistics.

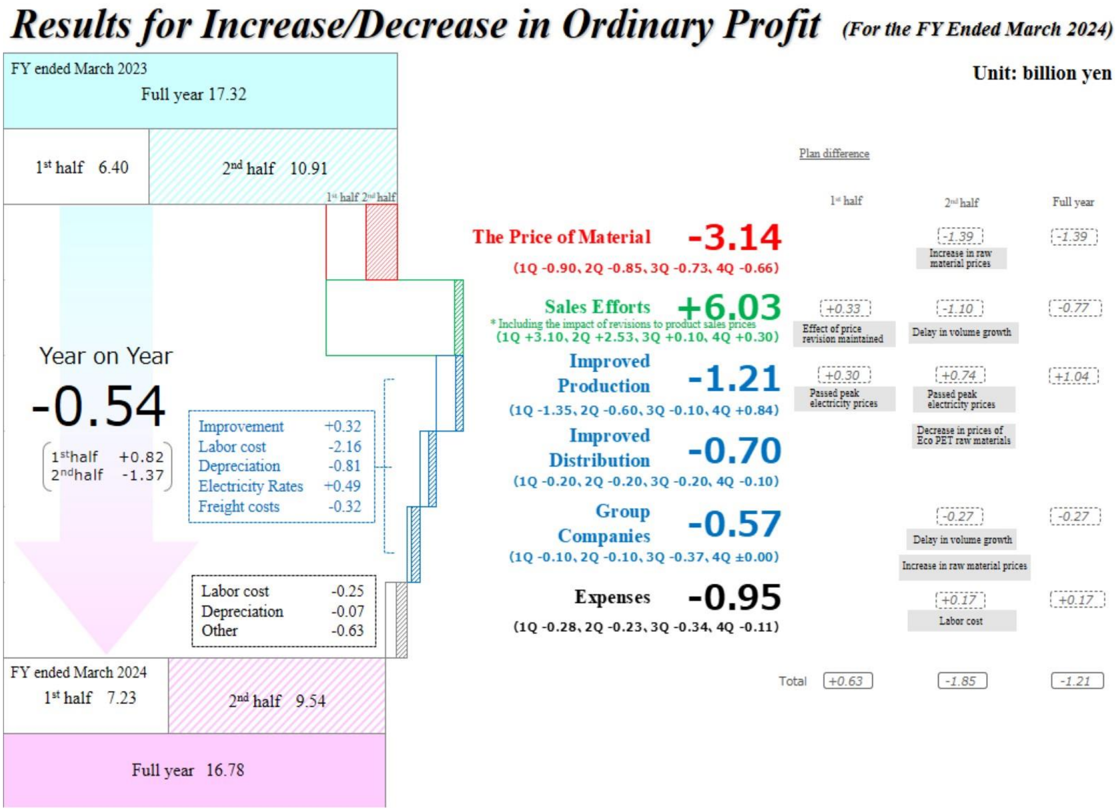
For the fourth quarter of the fiscal year under review, ordinary profit increased 269 million yen year on year. The rise of materials prices was more than offset by the increase of the sales volume of products and the resultant improvements in each segment.

Ordinary profit compared to the projection

Ordinary profit fell 1,219 million yen short of the initial projection. This resulted mainly from a greater-than-expected increase in the prices of naphtha and benzene in the third quarter and thereafter and a partial acceptance of an increase in raw material purchase prices reflecting the increase in upstream manufacturers’ utility costs although the effects of the two product price revisions, which had been implemented by the previous consolidated fiscal year, were maintained.

In addition, while expenses including labor costs and depreciation increased, improvements have been made in each segment reflecting the growth in sales volume of products that started in the third quarter of the consolidated fiscal year under review.

(*1) Factor for the increase/decrease of ordinary profit

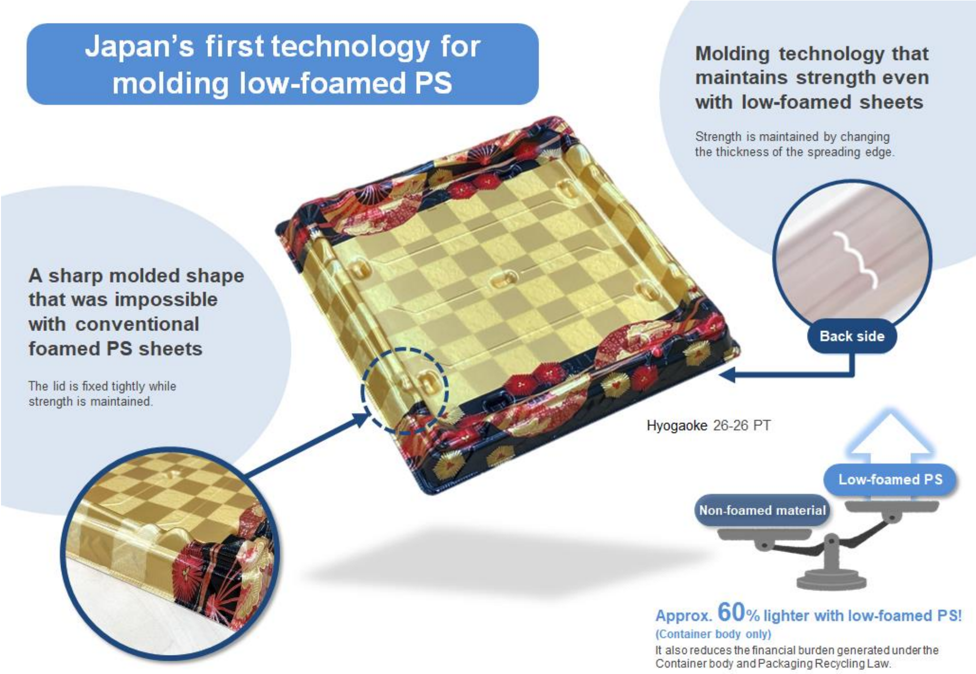


(Sales activities)

While prices of raw materials, electricity and other goods have continued rising, the Group has been proposing containers featuring use of less plastics, which is enabled by using new technologies. The new low-foamed PS containers, the first low-foamed containers in Japan whose weight is much lighter than non-foamed containers, were created by combining the foaming technologies of Sekisui Kasei Co., Ltd. (Headquarters: Kita-ku, Osaka-shi) and the Company's proprietary mold design technology based on double-sided vacuum molding. This has made it possible to reduce the weight of the large sushi container (*2) by approx. 60% (container only) compared with a non-foamed container while maintaining the same strength and sharp shape as the Company's former non-foamed containers. The sales volume of large sushi containers (including non-foamed containers) increased 46% year on year in the second half, due in part to the effect of reduction of the commission for recycling under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging. Further, by using this technology, the Company has launched sushi and sashimi containers that are 40% to 50% lighter and is expanding their sales.

At the FPCO Fair 2024 held in April 2024, the Company exhibited newly developed cold-resistant PPiP-talc containers intended to be used in the frozen food market. These containers feature a 25% reduction in the plastic used compared to the existing cold-resistant PP products. This is made possible by blending two inorganic materials. These new containers are equivalent to existing products in terms of resistance to cold and shock, top-to-bottom compressive strength, and weight. In addition, achievements due to the research of the Comprehensive Research Institute, which has celebrated its 10th anniversary, have begun to emerge in various forms, including a 40% increase in the glossiness of Multi FP, which had been requested by many, and the improvement of gold color production that was enabled by studying inks once again. As a countermeasure to address the recent labor shortage, the Company proposed products that are compatible with automation and the use of machines at process centers, where the production and delivery of food is completed in a single location, and in the back rooms of supermarkets. In addition, sales of the sashimi container with a gentle slope on the presentation side have continued to increase, mainly due to its ability to streamline work processes, which leads to the elimination of the labor shortage, in addition to the reduction of customers' costs by reducing the tsuma that is required.

(*2) A large sushi container (new low-foamed PS container) featuring a significant reduction in the use of plastics.



(Production)

The Group is striving to improve productivity through initiatives that include improvements in capacity utilization and automation. It is also taking steps to further improve product safety by acquiring FSSC 22000 certification. At the same time, it is giving hazard simulation training and other safety education as well.

Regarding automation, the Group has succeeded in reducing workload and saving labor at Chubu Plant 1 and the Kansai Plant by using automated guided vehicles to transport roll stocks, molds and films and arm robots for splicing roll stocks. In addition, the Group raised wages for working-level employees and increased the number of holidays they receive per year in April 2023, in its efforts to secure and retain personnel. These measures have produced certain effects, including a year-on-year decrease in employee turnover.

(Logistics)

The Group has built a logistics network that covers 85% of the total population within a 100 km radius of each of its nine distribution centers all over Japan (Hokkaido, Tohoku, Kanto, Hachioji, Tokai, Chubu, Kansai, Fukuyama and Kyushu).

To reduce logistics expenses, the Group delivers products and goods using a private service, which enables it to reduce transportation costs compared to a route delivery service. The Group also uses pallet transportation and strives to increase the loading efficiency of each truck. The Group has been utilizing automated guided vehicles and automated guided forklift trucks at distribution centers to deal with the labor shortage. It has also increased wages for working-level employees and raising freight rates to secure more personnel and vehicles.

The Standards for Improving Working Hours, etc. of Automobile Drivers (improvement standard notification) came into force on April 1, 2024 under the Act on the Arrangement of Related Acts to Promote Work Style Reform. In response, not only the logistics segment but also the Group as a whole including production and sales is addressing the 2024 problems in the logistics industry. The number of trucks whose drivers spend more than 13 hours at work have decreased significantly due to the start of operations at the Kansai Hub Center. In addition, the use of sorters and dedicated pallets and the consolidation of loading and unloading areas have begun to produce effects, including a reduction in the number of trucks whose drivers spend more than two hours waiting and loading. In addition, to address situations where it is difficult to secure vehicles for long-distance transportation, the Company will continue to promote local production based on demand, divide the area into east and west to minimize the movement of products between Kanto and Fukuyama, and take other measures to increase supply stability.

(Overseas business)

Regarding Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia; hereinafter, “LSSPI”), which became an equity method affiliate in August 2022, the Company is striving to improve its productivity through capital investment, including using the Company's idle equipment and introducing an inventory control system. While the demand for food containers in Southeast Asia is expected to grow due to the population increase and rising income levels, the Company is aiming to improve LSSPI's competitiveness in Southeast Asia and to maximize its profits.

(Initiatives aimed at realizing a recycling-based, sustainable society)

The FPCO Group considers climate change and marine plastic waste to be material issues that must be addressed and promotes the following initiatives to resolve them.

(a) Promotion of recycling

The Group has been forging ahead with the "Tray to Tray" FPCO method of recycling since it began to collect used containers at six supermarkets in 1990. Since 2012, the Group has also been working on Bottle to Transparent Container, a project for recycling used PET bottles (plastic bottles) into transparent containers, such as containers for salad. The project has continued to expand, with the number of collection points having exceeded 10,680 as of March 31, 2024.

In recent years users themselves have been setting environmental targets and implementing initiatives to achieve them voluntarily, reflecting their growing environmental awareness, and the circle of Store to Store recycling, in which the trays and PET bottles used and sold at a store are collected at the same store as resources, recycled into food trays and transparent containers and used actively again by the same store, is being widened. A series of collaborations to expand this Store to Store recycling have been started, with Chugoku CGC Co., Ltd. (Headquarters: Asaminami-ku, Hiroshima-shi) in November 2022, with EVERY Co., Ltd. (Headquarters: Fukuyama-shi, Hiroshima) in October 2023, with Kyushu CGC Co., Ltd. (Headquarters: Hakata-ku, Fukuoka-shi) in November 2023 and with Tohoku CGC Co., Ltd. (Headquarters: Yahaba-cho, Shiwa-gun, Iwate) in March 2024. As a result of actions taken to achieve environmental targets, the amount of trays and PET bottles collected by users has increased and sales of eco-friendly products, which help reduce CO_2 emissions, have also increased.

(b) Initiatives to address climate change issues

The Group has set medium- to long-term targets aimed at achieving carbon neutrality by 2050. The Group has disclosed its governance, strategies, and other initiatives for achieving these targets in accordance with the TCFD Recommendations.

The Group is taking steps to reduce CO_2 emissions from its business locations, including the introduction of renewable energy and energy-efficient equipment. At the same time, to reduce CO_2 emissions from the entire supply chain, the Group is promoting sales of eco-friendly products, which effectively reduce CO_2 emissions by 30% compared to petroleum-derived products free of recycled materials.

Regarding the introduction of renewable energy, solar power generation facilities began operating in Kansai region in March 2024, in addition to ones that have been installed at the plants in Kanto and Chubu regions. This will enable the use of renewable energy for all processes of the manufacturing of recycled materials at the Group's used tray recycling plants and is expected to increase the CO_2 reduction effect of Eco Tray from 30% to 37%, starting from ones to be shipped on July 1, 2024.

(c) Research and development of recycling methods and alternative materials

Based on the idea that the expansion and promotion of recycling is an effective measure for tackling the climate change issues and marine plastic waste, the Group will continue to surely implement the FPCO method of "Tray to Tray" and "Bottle to Transparent Container recycling", which is based on established recycling technologies and systems for products made of monomaterial.

The Company is studying dissolution and separation recycling and chemical recycling in collaboration with DIC Corporation (Headquarters: Chuo-ku, Tokyo; hereinafter, "DIC") for the complete circular recycling of foamed polystyrene containers. These research efforts are aimed at achieving the closed loop recycling of colored and patterned foamed polystyrene containers, which would be recycled into daily necessities, sundry goods and other items, into the Company's products. Dissolution and separation recycling operations are expected to start at the Yokkaichi Plant of DIC in November 2024. This will enable the Group to secure an additional 10,000 tons of recycled materials every year, making it possible to increase Eco Tray sales approx. 30%.

The Group will continue expanding the research and studies of recycling methods and collecting information about new materials, such as paper and biomass materials, by assuming that technologies will continue to progress. At the same time, the Group will develop containers with low environmental impact, with the aim of achieving a recycling-based, sustainable society.

(Initiatives on ESG and SDGs)

The Group is implementing initiatives for achieving SDGs, including recycling of resources and promotion of active participation of diverse human resources, and striving to disclose more ESG information.

The Company launched The FP Corp. Environment Fund in March 2020 to extend financial support to organizations which engage in activities in the three areas of the protection of the environment, environmental education and research and activities to resolve issues surrounding food and to provide food support. The Company is subsidizing 17 organizations in the fiscal year ending March 31, 2025. In addition, the Company also has Group employees participate in those organizations' activities as part of its efforts to build a sustainable society together with people from local communities.

The Group's human resources with disabilities engage in core operations, including manufacturing of food containers and sorting of used food containers. As of March 2024, the employment rate for employees with disabilities in the FPCO Group has reached 12.6% according to the calculation method prescribed by Japanese law.

Concerning the promotion of the active participation of women and their career advancement, the Company published its general employers action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace in the Ministry of Health, Labour and Welfare's database of companies promoting the active participation of women and their career advancement, aiming to expand the occupational domains of female employees, to aid women in remaining employed and to increase the number of women in managerial positions. The Company set the target ratio of general female employees at 30% or more among general employees to be hired from 2022 onwards and the target number of female managers at 50 or more by 2026. The Company has also made it mandatory for eligible male employees to take childcare leave and has set a target of increasing the percentage of childcare leave taken by male employees at 50% or higher by the end of March 2025. The Company is implementing these and a range of other initiatives. As a result, in April 2024, 31% of all round employees who joined the Company were women. As of the end of March 2024, the Company had 57 female managers and 21.7% of male employees entitled to childcare leave took it during the fiscal year ended March 31, 2024.

To promote good health among employees, the Company strives to improve the workplace environment while also implementing the Workplace Health Promotion Project, in which every initiative and all available information are taken and used to improve health, in its efforts to improve employees' vitality and productivity.

As a result of these initiatives, the Company has been selected as a constituent of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index by FTSE Russell, as well as the MSCI Japan Empowering Women (WIN) Select Index by MSCI Inc., and recognized under the 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) by the Ministry of Economy, Trade and Industry.

2) Overview of Financial Situation in the Fiscal Year Ended March 31, 2024

Consolidated assets at the end of the fiscal year under review totaled 298,580 million yen, down 43 million yen from the end of the previous fiscal year. That was mainly due to a 5,311 million yen increase in notes and accounts receivable – trade that resulted from the fact that the final day of the fiscal year under review was a non-business day for financial institutions, and a 6,558 million yen decrease in property, plant and equipment, mainly reflecting depreciation.

Consolidated liabilities amounted to 152,735 million yen, down 5,716 million yen from the end of the previous fiscal year. This was mainly due to an 8,882 million yen decrease in loans (short-term loans payable and long-term loans payable), mainly the result of their repayment, and a 3,212 million yen increase of income taxes payable.

Consolidated net assets totaled 145,844 million yen, up 5,673 million yen from the end of the previous fiscal year. This change mainly reflected the profit attributable to owners of parent of 11,724 million yen, dividends of surplus of 3,847 million yen, and an increase in treasury shares of 2,951 million yen, which was mainly the result of the purchase of treasury shares.

3) Overview of Cash Flows in the Fiscal Year Ended March 31, 2024

Consolidated cash and cash equivalents (hereinafter, "cash") at the end of the fiscal year under review totaled 23,707 million yen, up 1,451 million yen from the end of the previous fiscal year.

The status of cash flows from the respective activities and the causes are described as follows.

(Cash flows from operating activities)

Net cash provided by operating activities came to 29,176 million yen, up 9,104 million yen from a year earlier.

This resulted primarily from a cash increase, mainly reflecting profit before income taxes of 16,984 million yen, depreciation of

15,052 million yen, a shrinkage in inventories of 1,369 million yen, and an increase in income taxes payable of 5,318 million yen, as well as a cash decrease following an increase in notes and accounts receivable – trade of 5,121 million yen and income taxes paid of 5,766 million yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 10,711 million yen, down 23,594 million yen from the previous fiscal year.

This was due mainly to 11,352 million yen spent on the purchase of property, plant and equipment including production equipment.

(Cash flows from financing activities)

Net cash used in financing activities came to 17,013 million yen (16,745 million yen in cash was provided a year earlier).

This primarily reflected proceeds from long-term loans payable of 60 million yen, repayment of long-term loans payable of 14,895 million yen, purchase of treasury shares of 3,050 million yen, repayment of lease obligations of 1,188 million yen, and cash dividends paid of 3,846 million yen.

(2) Projections

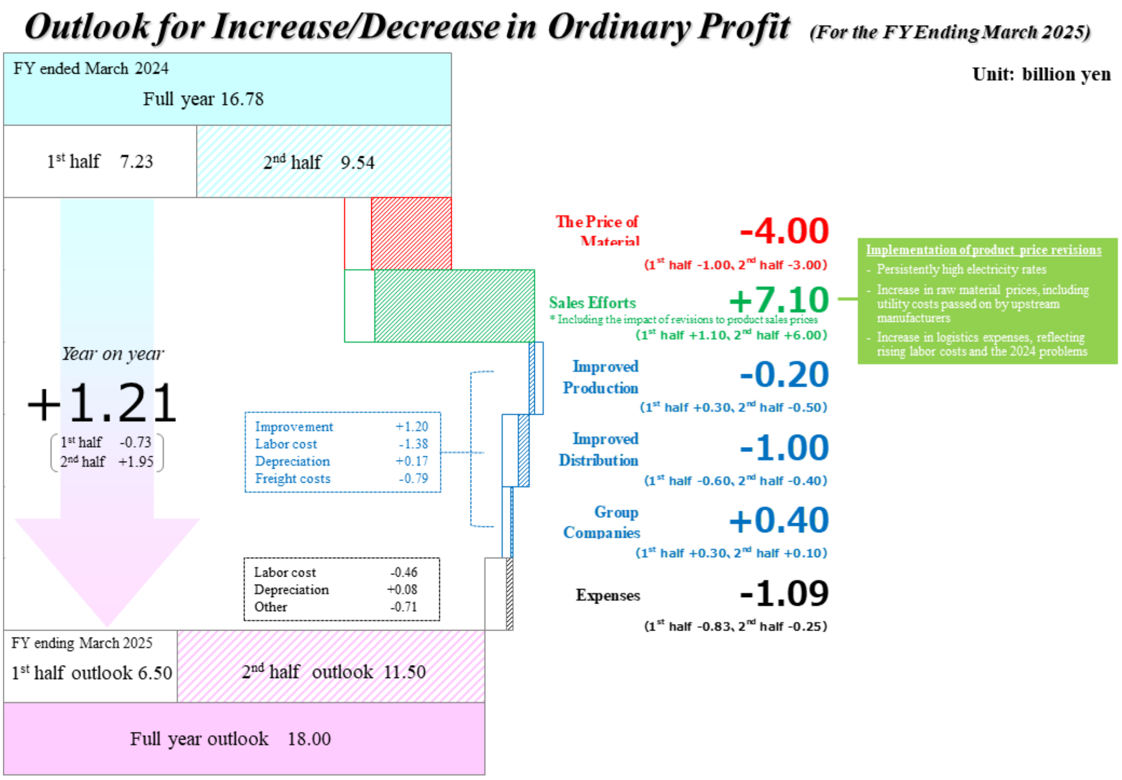
Consolidated forecasts for the fiscal year ending March 31, 2025 are as follows. (*3)

[Consolidated forecasts for the fiscal year ending March 31, 2025] (Million yen)

	Results for the previous fiscal year	Forecast for the fiscal year under review	YoY change	YoY (%)
Net sales	222,100	236,000	+13,899	106.3%
Sales of products	171,653	179,810	+8,156	104.8%
Sales of goods	50,446	56,190	+5,743	111.4%
Operating profit	16,429	17,800	+1,370	108.3%
Ordinary profit (*3)	16,780	18,000	+1,219	107.3%
Profit attributable to owners of parent	11,724	12,122	+397	103.4%
Ordinary profit before depreciation	31,833	32,800	+966	103.0%

The forecast mentioned above reflects judgments based on currently available information, and actual financial results and position may be affected by various other factors. Information that should be disclosed will be announced as soon as it arises.

(*3) Forecasts on increase/decrease of ordinary profit



In response to soaring raw material prices, the Company announced and implemented a series of revisions of prices of products manufactured by the Company in October 2021 and April 2022. However, electricity rates later increased rapidly and have remained at an unprecedented high level. The prices of naphtha and benzene produced in Japan have also remained at a high level, and the price of polystyrene, a key material of the Group's products, and the prices of raw materials as a whole have continued to rise, including utility costs passed on by upstream manufacturers. Further, labor costs, logistics expenses and other expenses have increased, due to the 2024 problems in the logistics industry. In these circumstances, it is extremely difficult to absorb this increase through the Group's internal efforts. Accordingly, the Group has announced price revisions for all of the products it manufactures itself, increasing prices 15% or more starting with the products to be shipped on July 1, 2024.

On the sales front, the sales volume is expected to grow, mainly the volume of eco-friendly products and products which use less plastic, against the backdrop of continued rising environmental awareness and the rising prices of everything. Above all, eco-friendly products have continued to grow in volume. In addition, inquiries about the new low-foamed PS containers with reduced weight (reduced use of plastics) are increasing, and the Company is enhancing its product lineup and proposing that customers switch from non-foamed containers. Moreover, the Group will push forward with the productization of new technologies, including the technology to make a high-gloss Multi FP and cold-resistant PPiP-Talc. The Group is stepping up active efforts to expand sales towards the market for frozen food and for hospital food and nursing care food, where the Group will strive to boost its sales in the future.

On September 29, 2023, the Company acquired additional shares of APEX and made APEX a consolidated subsidiary. Efforts will be made to reduce costs, improve management efficiency, and at the same time, improve services for existing customers using the Group's infrastructure. The Company will also work to expand sales of packaging materials and consumables, as well as food containers, aiming to enter markets that it could not cultivate deeply before, by increasing the competitiveness of APEX.

Through such value creation proposals and the creation of new markets combined with the research and development of recycling technologies, M&A, and other initiatives, the Group will aim to achieve sustainable growth.

(Explanations of terms)

Eco Tray:	A recycled, foamed polystyrene container for which polystyrene containers collected at supermarkets or similar places and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
Eco APET:	A recycled polyethylene terephthalate (PET) transparent container for which PET transparent containers collected at supermarkets or similar places, PET bottles and scrap pieces collected within plants are used as raw materials. Heat resistance temperature of +60ºC (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 (a conventional transparent container molded from the bi-axially oriented polystyrene sheets). Heat resistance temperature of +80ºC (sales commenced in 2016).
Multi FP:	A foamed PS container with cold and heat resistance to temperatures between -40ºC and +110ºC and with superior oil resistance and thermal insulation (sales commenced in 2010).
Cold-resistant PPiP-talc:	A cold-resistant PP filler container, which uses 25% less plastic than conventional cold-resistant PP due to the blending of two inorganic materials. It is equivalent to existing products in terms of resistance to cold and shock, top-to-bottom compressive strength and weight.
FSSC22000:	An international standard for food safety management systems, which is aimed at providing safe food for consumers
Dissolution and separation recycling:	A method with which black PS pellets produced through material recycling are dissolved and decolored to produce recycled PS materials for food containers. Developed by DIC Corporation, this is the first technology of its kind in the world.

(3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

The FPCO Group regards providing shareholders with an appropriate return on their investment as one of its most important goals. We will make continuous and stable dividend payments while increasing our profitability and improving our financial standing. We will maintain retained earnings as sources for the flexible strengthening of management and strategic investment in business expansion.

Regarding its shareholder return policy, the Group announced the change of its dividend policy and the revision of its dividend forecast (dividend increase) on January 31, 2024. In line with this, the target ratio of consolidated dividend payout to profit attributable to owners of parent for the fiscal year ended March 31, 2024 was increased from 30% to 40%, with a plan to pay an interim dividend of 21.5 yen per share and a year-end dividend of 35.5 yen per share, an increase of 10 yen, for the fiscal year under review. As a result, the consolidated payout ratio is 39.7%. For the next fiscal year, we will be paying a dividend of 57 yen per share to ensure the continuity of dividend payments as in the fiscal year under review, expecting a consolidated payout ratio of 38.0%. In addition, the Company announced it would purchase treasury shares on January 31, 2024 and purchased a cumulative total of 1,049,400 treasury shares for a total of 2,999,903,149 yen during the period from February 5 to 21, 2024. We will continue to take initiatives aimed at improving capital efficiency and enhancing shareholder returns.

2. Management Policy

(1) Management's Basic Principle

Based on the management philosophies of "Hands-on Approach" and "Customer First," FP Corporation consistently focuses on the environment, safety, security and health. We operate our businesses to provide products, services and proposals that respond to a broad array of customer and expectations. We are also making efforts to spread our FPCO recycling method ("Tray-to-Tray" and "Bottle-to-Transparent Container") to build a recycling-oriented society.

The Group will aim to become "a corporate group that creates comfortable dietary lives for customers through food containers" and pursue "reliably deliver the most environmentally friendly products of the highest quality," "at the most competitive prices," "whenever they are needed." We will continue to create value for customers by further strengthening our value chain, where our marketing, product development capability, ability to make suggestions, manufacturing technologies, logistics network, stable supply ensured by SCM, recycling, and IT systems all complement each other. In doing so, we will aim for sustainable growth and the medium to long term improvement in our corporate value in our management efforts.

(2) Targeted Management Indicators

As per the Group's consolidated management targets, we aim to achieve net sales of 300,000 million yen and ordinary profit of 30,000 million yen. We have defined the ratio of ordinary profit to net sales and net income per share as our consolidated management indicators and set their targets at 10% or higher and at 250 yen respectively. Our dividend policy has set a target of achieving a ratio of consolidated dividend payout to profit attributable to owners of parent of the Group of 40%.

(3) Business Environment

The food container market continued to grow in line with the market for home meal replacements, centering on boxed meals and prepared food, amid the recent increases in single-person households and in two-income households. The market for takeout and delivered food has taken root during the COVID-19 pandemic. It is expected to continue to grow. Similarly, the markets for frozen food, which may be preserved for long periods, and for hospital food and nursing care food, including food deliveries to elderly people, should also continue to expand.

Meanwhile, against the backdrop of a labor shortage, the food retail industry is under pressure to increase efficiency and save labor. It is also facing significant changes, including hikes in raw materials, staffing and logistics costs, mounting hygienic demand for food safety and reassurance, and growing public interest in reducing CO_2 emissions and marine plastic waste.

In response, to contribute to greater safety and reassurance in consumption, the Group makes proposals to contribute to the improvement of customers' productivity using containers, create value for customers using containers, and as a result, contribute to the increase of their income.

(4) Challenges to Be Addressed

(i) Environmentally friendly operation

As the industry leader, the Group aims to build a sustainable world by achieving a recycling-oriented society through our business activities centering on FPCO recycling methods of "Tray to Tray" and "Bottle to Transparent Container".

To cut CO_2 emissions, the Group has set medium to long term targets of achieving carbon neutrality by 2050. The Group has disclosed its governance, strategies, and other initiatives for achieving these targets in accordance with the TCFD Recommendations. The Group is taking steps to reduce CO_2 emissions from its business locations, including the introduction of renewable energy and energy-efficient equipment. At the same time, to reduce CO_2 emissions from the entire supply chain, the Group is promoting sales of eco-friendly products, which effectively reduce CO_2 emissions by 30% compared to petroleum-derived products free of recycled materials.

Regarding the introduction of renewable energy, solar power generation facilities, which have been installed at the Group's plants in Kanto and Chubu regions, have begun operating. The Group also introduced solar power generation facilities in the Kansai region in March 2024. This will enable the use of renewable energy for all processes of the manufacturing of recycled materials at the Group's used tray recycling plants and is expected to increase the CO_2 reduction effect of Eco Tray from 30% to 37%, starting with the products to be shipped on July 1, 2024.

On the assumption that technologies will continue to advance, we will study different recycling methods and collect information on paper, biomass and other new materials. Through the design and development of environment-conscious products with one of the lowest levels of environmental impact in the industry, we will implement various measures such as reducing and recycling industrial waste generated from business activities. In addition, the FP Corporation Environment Fund was established in March 2020. It offers financial support to non-profit and other organizations conducting activities with a focus on environmental conservation. Some Group employees participate in those organizations' activities. It is part of the Group's efforts to build a sustainable society together with local communities.

(ii) Attracting and retaining workers

The Group understands that the most important element in business continuity is to attract and retain excellent workers. Our efforts in the past several years include a review of the retirement benefit program, as well as revisions to various allowances at manufacturing companies in the Group. Wages for working-level employees of the Group's manufacturing and logistics companies were raised as much as 10.7% on average and the number of holidays at manufacturing companies was also increased. These measures have been in effect since April 2023 and have produced certain results, that is, there has been a decrease in employee turnover and employees' work-life balances have improved. In the fiscal year ending March 31, 2025, wages will be raised again, by around 5% on average, and efforts to secure and retain human resources will be continued.

(iii) Technological innovation and development of new products

The Group has developed products that meet the needs of customers by introducing state-of-the-art production facilities and replacing equipment, and by promoting comprehensive technological innovation by making products lighter and developing new functions and materials to provide customers with high quality and value added products, as well as products with enhanced functions.

(iv) Suggestions on marketing and value creation

The food market is changing constantly. For example, the market for takeout and delivered food has taken root, and that for frozen food continues to grow. In response to these changes, the Group makes optimal suggestions and develops new products on the basis of customer needs and issues identified.

We also support clients taking environmentally friendly actions through the reduction of CO_2 emissions, improving work productivity to deal with labor shortages, or working to cut logistics costs by providing FPCO's logistics network. We provide these and other comprehensive solutions to issues shared within the retail industry.

(v) Enhancement of supply system

We operate our nationwide production and logistics network and our supply chain management system, aiming to ensure stable supply and to optimize the total cost. The inauguration of the Kansai Plant and the Kansai Hub Center meant the completion of a production and logistics network that covers 85% of the total population, including the populations of major cities within a 100 km radius from each of our distribution centers. In addition, the Group has introduced industrial robots in production, and voice-activated picking systems, unmanned carriers (AGVs), unmanned forklifts (AGFs,) and shipment systems with automatic sorters in distribution, thereby saving labor and improving work productivity.

(vi) Management emphasizing social responsibility

The Group actively deploy personnel with disabilities to main operations such as the manufacturing of food containers and the sorting of used food containers that have been collected. We will also support our business partners and others in creating jobs for people with disabilities.

In order to aid our clients' business continuity, we have installed an emergency power generator at all of our 22 major logistics facilities in Japan. Thus, we have established a system that will provide 72 hours' worth of electricity. As a company that supports the foundations for food, we strive to maintain our logistics functions even in the event of power failure caused by a disaster or other reasons, and to ensure stable supply.

(vii) Enhancement of intellectual property rights

To ensure uniqueness and differentiation advantage of our products in the market, we apply for patents, utility model rights and design registrations, to enhance corporate value through the acquisition of intellectual property rights.

(viii) Promoting decent work

We are aware that providing the Group's individual employees with an environment that allows them to display their abilities and characteristics to the fullest degree in order to fulfill their roles and feel fulfilled and satisfied while working vigorously is a management issue that leads to enhanced corporate value. Based on this awareness, we are pushing forward with initiatives to enable employees to work in diverse ways in accordance with their lifestyles. They include the introduction of a program for staggered working hours, an obligation to take paid leave for five consecutive days, the introduction of an hourly paid leave program, and the introduction of a program that permits employees to choose their mandatory retirement age from 60 to 65. We will further work towards recognition as one of the White 500 enterprises under the Certified Health & Productivity Management Outstanding Organizations Recognition Program. We are stepping up Group-wide efforts to have our subsidiaries recognized as Certified Health & Productivity Management Outstanding Organizations in the small and medium enterprises category and to have them certified under other programs.

3. Basic Approach to Selection of Accounting Standards

The Group has decided to adopt Japanese Accounting Standards for the time being. However, we plan to conform to IFRS (International Financial Reporting Standards) as appropriate upon consideration of domestic developments and the situation in other countries.

4. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,255	23,707
Notes and accounts receivable - trade	42,002	*1 47,314
Merchandise and finished goods	24,711	23,850
Work in process	119	142
Raw materials and supplies	5,024	4,913
Accounts receivable - other	6,625	4,836
Other	701	786
Allowance for doubtful accounts	(28)	(34)
Total current assets	101,413	105,516
Non-current assets		
Property, plant and equipment		
Buildings and structures	170,102	169,988
Accumulated depreciation	(71,006)	(75,939)
Buildings and structures, net	99,095	94,049
Machinery, equipment and vehicles	89,422	93,265
Accumulated depreciation	(54,837)	(61,101)
Machinery, equipment and vehicles, net	34,584	32,164
Land	37,754	38,039
Lease assets	3,411	3,173
Accumulated depreciation	(1,733)	(1,808)
Lease assets, net	1,677	1,364
Construction in progress	1,608	2,751
Other	22,108	22,373
Accumulated depreciation	(17,535)	(18,008)
Other, net	4,572	4,365
Total property, plant and equipment	179,293	172,735
Intangible assets		
Goodwill	224	698
Other	1,536	2,892
Total intangible assets	1,760	3,590
Investments and other assets		
Investment securities	10,898	10,959
Deferred tax assets	4,067	3,884
Other	1,215	1,914
Allowance for doubtful accounts	(25)	(21)
Total investments and other assets	16,156	16,738
Total non-current assets	197,210	193,063
Total assets	298,623	298,580

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,530	28,893
Short-term loans payable	14,909	14,388
Commercial papers	18,000	18,000
Lease obligations	1,031	899
Accounts payable - other	10,873	8,104
Income taxes payable	3,241	2,927
Accrued consumption taxes	567	3,780
Provision for bonuses	3,011	3,154
Provision for directors’ bonuses	167	191
Other	5,551	5,862
Total current liabilities	83,883	86,201
Non-current liabilities		
Long-term loans payable	67,251	58,889
Lease obligations	815	608
Deferred tax liabilities	–	359
Provision for directors’ retirement benefits	130	147
Provision for executive officers’ retirement benefits	96	100
Net defined benefit liability	5,139	5,315
Other	1,134	1,113
Total non-current liabilities	74,568	66,534
Total liabilities	158,452	152,735
Net assets		
Shareholders’ equity		
Capital stock	13,150	13,150
Capital surplus	15,552	15,573
Retained earnings	115,126	123,003
Treasury shares	(5,531)	(8,483)
Total shareholders’ equity	138,298	143,244
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,075	1,621
Foreign currency translation adjustment	(25)	83
Remeasurements of defined benefit plans	84	182
Total accumulated other comprehensive income	1,134	1,888
Non-controlling interests	738	712
Total net assets	140,171	145,844
Total liabilities and net assets	298,623	298,580

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	211,285	222,100
Cost of sales	*2 145,821	*2 155,014
Gross profit	65,463	67,085
Selling, general and administrative expenses	*1 *2 48,760	*1 *2 50,656
Operating profit	16,703	16,429
Non-operating income		
Interest income	2	2
Dividends income	108	80
Share of profit of entities accounted for using equity method	71	–
Subsidy income	71	149
Rent income	87	93
Gain on sales of scraps	186	150
Consumption tax difference	9	97
Other	371	326
Total non-operating income	908	900
Non-operating expenses		
Interest expenses	137	158
Share of loss of entities accounted for using equity method	–	197
Depreciation	19	19
Commission for purchase of treasury shares	–	50
Other	126	123
Total non-operating expenses	283	548
Ordinary profit	17,328	16,780
Extraordinary income		
Gain on sales of non-current assets	–	*3 127
Gain on sales of investment securities	346	–
Subsidy income	–	*5 703
Gain on step acquisitions	–	207
Total extraordinary income	346	1,039
Extraordinary losses		
Loss on sales and retirement of non-current assets	*4 745	*4 146
Loss on tax purpose reduction entry of non-current assets	–	*5 688
Total extraordinary losses	745	835
Profit before income taxes	16,930	16,984
Income taxes - current	5,439	5,137
Income taxes - deferred	(115)	114
Total income taxes	5,324	5,252
Profit	11,606	11,731
Profit attributable to non-controlling interests	76	7
Profit attributable to owners of parent	11,529	11,724

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	11,606	11,731
Other comprehensive income		
Valuation difference on available-for-sale securities	(207)	546
Remeasurements of defined benefit plans, net of tax	184	98
Share of other comprehensive income of entities accounted for using equity method	(24)	108
Total other comprehensive income	(47)	753
Comprehensive income	11,558	12,485
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,481	12,477
Comprehensive income attributable to non-controlling interests	76	7

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,545	107,443	(5,561)	130,577
Changes of items during period					
Dividends of surplus			(3,846)		(3,846)
Profit attributable to owners of parent			11,529		11,529
Purchase of treasury share				(0)	(0)
Disposal of treasury shares		7		30	37
Net changes of items other than shareholders' equity					
Total changes of items during period	–	7	7,683	29	7,720
Balance at end of current period	13,150	15,552	115,126	(5,531)	138,298

(Million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,283	–	(100)	1,182	695	132,455
Changes of items during period						
Dividends of surplus						(3,846)
Profit attributable to owners of parent						11,529
Purchase of treasury share						(0)
Disposal of treasury shares						37
Net changes of items other than shareholders' equity	(207)	(25)	184	(47)	43	(4)
Total changes of items during period	(207)	(25)	184	(47)	43	7,715
Balance at end of current period	1,075	(25)	84	1,134	738	140,171

Fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,552	115,126	(5,531)	138,298
Changes of items during period					
Dividends of surplus			(3,847)		(3,847)
Profit attributable to owners of parent			11,724		11,724
Purchase of treasury share				(2,999)	(2,999)
Disposal of treasury shares		21		47	69
Net changes of items other than shareholders' equity					
Total changes of items during period	–	21	7,877	(2,951)	4,946
Balance at end of current period	13,150	15,573	123,003	(8,483)	143,244

(Million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,075	(25)	84	1,134	738	140,171
Changes of items during period						
Dividends of surplus						(3,847)
Profit attributable to owners of parent						11,724
Purchase of treasury share						(2,999)
Disposal of treasury shares						69
Net changes of items other than shareholders' equity	545	108	98	753	(26)	727
Total changes of items during period	545	108	98	753	(26)	5,673
Balance at end of current period	1,621	83	182	1,888	712	145,844

(4) Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	16,930	16,984
Depreciation	14,180	15,052
Increase (decrease) in provision for bonuses	242	130
Increase (decrease) in provision for directors’ bonuses	1	23
Increase (decrease) in allowance for doubtful accounts	(50)	(12)
Increase (decrease) in provision for directors’ retirement benefits	(646)	17
Increase (decrease) in provision for executive officers’ retirement benefits	23	3
Increase (decrease) in net defined benefit liability	(51)	104
Interest and dividends income	(110)	(83)
Interest expenses	137	158
Share of loss (profit) of entities accounted for using equity method	(71)	197
Loss (gain) on step acquisitions	–	(207)
Loss (gain) on sales and retirement of non-current assets	735	10
Loss on tax purpose reduction entry of non-current assets	–	688
Loss (gain) on sales of investment securities	(346)	–
Subsidy income	–	(703)
Decrease (increase) in notes and accounts receivable - trade	(3,036)	(5,121)
Decrease (increase) in inventories	(5,574)	1,369
Decrease (increase) in accounts receivable - other	(882)	420
Increase (decrease) in notes and accounts payable - trade	2,648	974
Increase (decrease) in other assets/liabilities	1,866	(766)
Increase (decrease) in accrued consumption taxes	(2,118)	5,318
Other, net	620	454
Subtotal	24,498	35,014
Interest and dividend income received	110	83
Interest expenses paid	(134)	(155)
Income taxes paid	(4,403)	(5,766)
Net cash provided by (used in) operating activities	20,071	29,176
Cash flows from investing activities		
Purchase of property, plant and equipment	(27,774)	(11,352)
Proceeds from sales of property, plant and equipment	445	770
Purchase of intangible assets	(569)	(448)
Proceeds from sales of investment securities	756	305
Purchase of shares of an associate	(6,964)	(1)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(309)
Other, net	(200)	324
Net cash provided by (used in) investing activities	(34,306)	(10,711)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
		(Million yen)
Cash flows from financing activities		
Proceeds from long-term loans payable	38,000	6,000
Repayment of long-term loans payable	(16,005)	(14,895)
Purchase of treasury shares	(0)	(3,050)
Repayments of lease obligations	(1,369)	(1,188)
Cash dividends paid	(3,845)	(3,846)
Dividends paid to non-controlling interests	(33)	(33)
Other, net	0	–
Net cash provided by (used in) financing activities	16,745	(17,013)
Net increase (decrease) in cash and cash equivalents	2,510	1,451
Cash and cash equivalents at beginning of period	19,745	22,255
Cash and cash equivalents at end of period	22,255	23,707

(5) Notes to Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Consolidated Balance Sheet

*1. Bills that matured on the closing date of the consolidated fiscal year

The accounting treatment of bills that matured on the closing date of the consolidated fiscal year was processed on the date of bill clearance. Given that the closing date of the consolidated fiscal year under review was a non-business day of financial institutions, the balance as of the closing date of the consolidated fiscal year includes bills that will mature on the closing date of the next consolidated fiscal year.

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Notes receivable	–	3,631

2. Overdraft agreements and agreements for loan commitments

The Company and its consolidated subsidiaries have concluded overdraft agreements and agreements for loan commitments for the effective procurement of operating funds. The unexercised outstanding of loans as of the end of March 31, 2023 and 2024 under these agreements is as follows:

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Total of overdraft limit and loan commitments	50,150	50,150
Exercised outstanding	364	364
Difference	49,786	49,786

Consolidated Statement of Income

*1. Of selling, general and administrative expenses, the major expense items and their amounts are as follows:

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Warehousing and carrying charges	18,431	19,053
Remuneration for officers	837	948
Salaries for employees	8,909	9,544
Provision for reserve for bonuses to officers	167	191
Provision for reserve for bonuses	1,534	1,481
Retirement benefit expenses	457	397
Provision for reserve for officer's retirement	33	21
Provision for reserve for executive officer's retirement	23	25
Depreciation	3,980	4,417
Provision for allowance for doubtful accounts	(11)	(10)

*2. Total research and development costs included in selling, general and administrative expenses as well as manufacturing costs

(Million yen)

Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
1,295	1,483

*3. Details of gain on sales of non-current assets are as follows:

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Land	–	127
Total	–	127

*4. Details of loss on sales and retirement of non-current assets are as follows:

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
(Loss on retirement of non-current assets)		
Buildings and structures	355	2
Machinery, equipment and vehicles	139	47
Construction in progress	19	–
Other	78	84
Subtotal	593	133
(Loss on sales of non-current assets)		
Buildings and structures	–	2
Machinery, equipment and vehicles	29	5
Land	119	5
Other	2	–
Subtotal	151	13
Total	745	146

*5. Subsidy income and loss on tax purpose reduction entry of non-current assets

Subsidy income is a subsidy for attracting businesses which was granted by the prefectural government of Hyogo.

The amount of loss on tax purpose reduction entry of non-current assets was deducted directly from the purchase price reflecting the above subsidy income.

Revenue Recognition

A breakdown of revenue generated from contracts with customers

The Group has a single segment, the simplified food container business, and the table below shows a breakdown of revenue by product line.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Products		
Trays	41,199	41,943
Lunchboxes and prepared food containers	121,191	125,915
Other products	3,669	3,794
Subtotal	166,060	171,653
Goods		
Packaging materials	43,114	48,035
Other goods	2,111	2,411
Subtotal	45,225	50,446
Total	211,285	222,100

Segment Information

Fiscal year ended March 31, 2023 and fiscal year ended March 31, 2024

As the Group has a single segment of the simplified food container business, the description is omitted.

Per Share Information

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets per share (yen)	1,703.56	1,795.71
Net income per share (yen)	140.87	143.50

(Notes)

1. Diluted net income per share was not presented because there was no dilution for the fiscal year.
2. The basis for estimating net income per share is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to owners of parent (million yen)	11,529	11,724
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent and attributable to common stock (million yen)	11,529	11,724
Average number of common stocks outstanding during the year (thousands of shares)	81,843	81,702

Important Subsequent Events

Not applicable

Omission of Notes

As the necessity of disclosing other notes to consolidated financial statements in these consolidated financial results is considered insignificant, the disclosure is omitted.