

Consolidated Financial Results for the Nine Months Ended December 31, 2024

<under Japanese GAAP>

Company name: FP CORPORATION
 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 7947 URL: <https://www.fpcj.co.jp/>
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Scheduled date for commencement of dividend payments: –
 Supplementary documents for financial results: Yes
 Financial results briefing: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 – December 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	
Period ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	181,606	6.4	14,912	10.3	14,990	8.0	10,099	4.6
December 31, 2023	170,760	4.9	13,524	(4.6)	13,881	(5.6)	9,654	(1.6)

(Note) Comprehensive income: Period ended December 31, 2024: 10,764 million yen (6.2%)

Period ended December 31, 2023: 10,133 million yen (3.2%)

	Net income per share (basic)	Net income per share (diluted)
Period ended	Yen	Yen
December 31, 2024	124.93	–
December 31, 2023	117.93	–

(Note) The provisional accounting method pertaining to business combinations was determined on March 31, 2024. The values for the nine months ended December 31, 2023 reflect the content of the determined provisional accounting method.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2024	302,930	152,066	50.0	1,871.76
March 31, 2024	298,580	145,844	48.6	1,795.71

(Reference) Equity: As of December 31, 2024: 151,333 million yen

As of March 31, 2024: 145,132 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	21.50	–	35.50	57.00
Fiscal year ending March 31, 2025	–	21.50	–		
Fiscal year ending March 31, 2025 (forecast)				35.50	57.00

(Note) Revisions to dividend forecasts published most recently: No

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
Year ending March 31, 2025	236,000	6.3	17,800	8.3	18,000	7.3	12,122	3.4
								149.98

(Note) Revisions to consolidated business performance forecasts published most recently: No

* Notes

- (1) Important changes in the scope of consolidation during the period: No
- (2) Application of particular accounting treatment concerning preparation of quarterly consolidated financial statements: No
- (3) 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 |
- (4) Number of shares outstanding (common stock):
- | | |
|---|-------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) | |
| As of December 31, 2024: | 84,568,424 shares |
| As of March 31, 2024: | 84,568,424 shares |
| (ii) Number of treasury shares at the end of the period | |
| As of December 31, 2024: | 3,717,694 shares |
| As of March 31, 2024: | 3,746,423 shares |
| (iii) Average number of shares outstanding during the period (consolidated cumulative period) | |
| Nine Months ended December 31, 2024: | 80,839,238 shares |
| Nine Months ended December 31, 2023: | 81,861,982 shares |

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporations: No

* 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 “1. Overview of Consolidated Results of Operations, Etc.; (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results” on page 6 of the “Accompanying Materials.”

(How to obtain supplementary documents for results)

Documents for financial results are published on the Company’s website as soon as they are announced.

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1. Overview of Consolidated Results of Operations, Etc.

(1) Overview of Operating Results

(Net sales and profits)

For the third quarter

(Million yen)

	Third quarter ended December 31, 2023	Third quarter ended December 31, 2024	YoY	
			Change	(%)
Net sales	62,033	66,713	4,680	107.5%
Sales of products	47,140	51,215	4,075	108.6%
Sales of goods	14,893	15,498	605	104.1%
Operating profit	6,542	8,439	1,897	129.0%
Ordinary profit	6,645	8,469	1,824	127.4%
Profit attributable to owners of parent	4,531	5,761	1,229	127.1%

For the first nine months

(Million yen)

	First nine months ended December 31, 2023	First nine months ended December 31, 2024	YoY	
			Change	(%)
Net sales	170,760	181,606	10,846	106.4%
Sales of products	132,622	138,846	6,224	104.7%
Sales of goods	38,137	42,759	4,622	112.1%
Operating profit	13,524	14,912	1,387	110.3%
Ordinary profit	13,881	14,990	1,108	108.0%
Profit attributable to owners of parent	9,654	10,099	445	104.6%

Net sales and sales volume of products

- Third quarter of the consolidated fiscal year under review

Sales of products increased 8.6% year on year, mainly because the effects of the price revisions were reflected. The sales volume of products increased 1.1% year on year. The sales volume of products remained steady despite the approx. 1% decrease that was due to users' switching from combinations of separate lids and container bodies to snapping clamshell containers with integrated lids, which was carried out as a part of cost optimization efforts associated with the product price revisions, as well as the year-on-year decline in the sales volumes for supermarkets and other users, which resulted from the increase of prices of products offered at stores.

- First nine months of the consolidated fiscal year under review

Sales of products increased 4.7% year on year as forecast. This was mainly the result of the price revisions and the increase in sales volume. Sales of goods remained steady due in part to the contributions of the M&A activity involving APEX. As a result, net sales reached a record high. Sales volume of products increased 1.9% year on year. Among them, sales of Eco-friendly products (Eco Tray, Eco APET and Eco OPET) remained strong, having increased 7.6% year on year.

Major factors for increase/decrease of ordinary profit

- Third quarter of the consolidated fiscal year under review

While the increase of raw material prices and logistics costs, including the utility costs passed on by upstream manufacturers, preceded, ordinary profit increased 1,824 million yen year on year, reflecting the price revisions. As a result, the ordinary profit margin has improved steadily, by 4.1% in the first quarter, 7.2% in the second quarter and 12.7% in the third quarter.

- First nine months of the consolidated fiscal year under review

Ordinary profit was as projected, at 14,990 million yen, a year-on-year increase of 1,108 million yen. The increase mainly reflects strong sales of products whose features include weight reduction and eco-friendly products, which resulted in ordinary profit increasing 4,320 million yen, in addition to the effects of the price revisions. However, there were factors that decreased profit, including the increase in raw material prices including the utility costs passed on by upstream manufacturers, whose impact was a 1,950 million yen decrease, the increase in logistics costs, whose impact was an 850 million yen decrease, and an increase in expenses that was a result of the change in the time of year the FPCO Fair is held, whose impact was a 310 million

yen decrease.

(Sales activities)

While raw material prices continue to soar, the Group has stepped up its efforts to develop products featuring a reduced use of plastics and is reducing costs through weight reduction. Through these initiatives, the Group proposes the products to customers as products with lower purchase prices, and at the same time, it is expanding their sales as highly profitable strategic products. In particular, the Group is switching from non-foamed containers to low-foamed ones. Most notably, the sales volume of large sushi containers which feature an approx. 60% (container body only) weight reduction compared to conventional non-foamed PS containers increased significantly, rising 37.4% year on year from April to December 2024. Thus, the market shares of the products increased.

Further, amid the growing movement toward the consolidation of the production of lunchboxes and prepared foods at process centers or central kitchens instead of preparing them at stores, which is a reflection of the labor shortage, the Group is promoting the development of products that are compatible with automation and the use of machines. In addition, the Group developed new general-purpose prepared food containers featuring an average weight reduction of 10.3% compared to conventional products, which was achieved while keeping them strong enough to endure automatic lid closers. The Group began to launch 232 SKUs using 88 molds onto the market, one by one, in September 2024. It is expected that switching to these new products will result in an approx. 680 tons per year reduction in plastic use.

(Production)

Regarding automation, the Group is reducing labor and employees' workloads by using automated guided vehicles and arm robots at its main plants. Further, the Group is also experimentally introducing small box-packing robots, which are able to handle a wider range of products than conventional units, aiming to increase automation and production efficiency. The Group also continued to promote local production based on demand by improving the accuracy of its supply chain management (SCM). It thus reduced the movement of products between Ibaraki and Hiroshima by 54% year on year (April to December 2024).

(Logistics)

The Group as a whole, including production and sales and not just the logistics segment, is addressing the 2024 problem in the logistics industry. With the beginning of operations of the Kansai Hub Center, the Group completed a logistics network that has 85% of the total population of Japan within a 100 km radius of one of its distribution centers across the country, establishing an efficient logistics system. As a result, the number of trucks whose drivers spend more than 13 hours at work has been reduced to zero. In addition, the use of sorters and dedicated pallets and the consolidation of loading and unloading areas has led to a significant reduction in the number of trucks whose drivers spend more than two hours waiting and loading.

(Overseas business)

Regarding equity method affiliate Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia; hereafter, "LSSPI"), the Company worked to improve productivity by making capital investments, including investments in molding machines and extruders, and introducing an inventory control system and production control system, and LSSPI secured a profit as an individual company. While the demand for food containers is expected to grow due to the increasing population and rising incomes, the Company is first focusing its efforts on increasing its market share in Malaysia. Going forward, the Company will further improve the competitiveness of LSSPI, aiming to increase profits.

(Status of new material development)

Regarding the ultra-high-rigidity biaxially oriented polypropylene sheet (hereafter the new OPP sheet), which the Company announced that it succeeded in developing in April 2024, the Company placed an order for a new OPP sheet manufacturing device in November of the same year. The Company is considering the construction of a new plant in Bando City, Ibaraki, with the aim of having it begin operating in the second half of 2027.

This new OPP sheet has a balance of physical properties, including superior rigidity and impact resistance over a wide range of temperatures, from very low to high temperatures, in addition to excellent transparency, heat resistance, cold resistance and oil resistance. The material's properties enable it to be used in many industrial applications, instead of being limited to only use in food containers, such as frozen food containers. Further, 1-3 mm-thick laminated sheet made by heat-fusing the new OPP sheets

features high rigidity, impact resistance, and high ductility despite its light weight. It also excels in terms of its decorativeness while maintaining a high degree of transparency. Accordingly, there is potential for the expansion of the applications for the new OPP sheet into the area of replacing some aluminum or steel plates, FRP, polycarbonate sheet, CFRP and other materials. The Company will develop applications for the new OPP sheet as a high value-added material in a wide range of industrial fields. In addition, because its main material is polypropylene, its creation as a mono-material helps improve its recyclability. The Company will also leverage the high rigidity and impact resistance of the new OPP sheet to contribute to the reduction of the use of plastics and develop new markets by showcasing its appeal as a highly functional material with superior environmental compatibility.

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

(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 in 1990. As of December 31, 2024, there are 11,000 collection points for this project. 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.

In recent years, supermarkets themselves have been setting environmental targets and implementing initiatives to achieve them voluntarily, reflecting growing social environmental awareness, and the circle of “Store to Store recycling” is being widened. As of January 31, 2025, more than 2,500 stores of 84 companies participate in collaborations to expand “Store to Store recycling,” which started in November 2022. Moreover, to increase awareness of recycling, the Group proactively communicates with local communities and consumers by teaching classes at elementary schools and other schools and venues. As a result of these activities, the amount of trays and PET bottles collected has increased, and sales of eco-friendly products, which help reduce CO₂ emissions, have also increased. From April to December 2024, the eco-friendly product sales composition was 50% (in terms of quantity). The Group will continue to pursue the achievement of both the functionality of containers and sustainability in its ongoing efforts to establish a sustainable society.

(b) Initiatives to address climate change issues

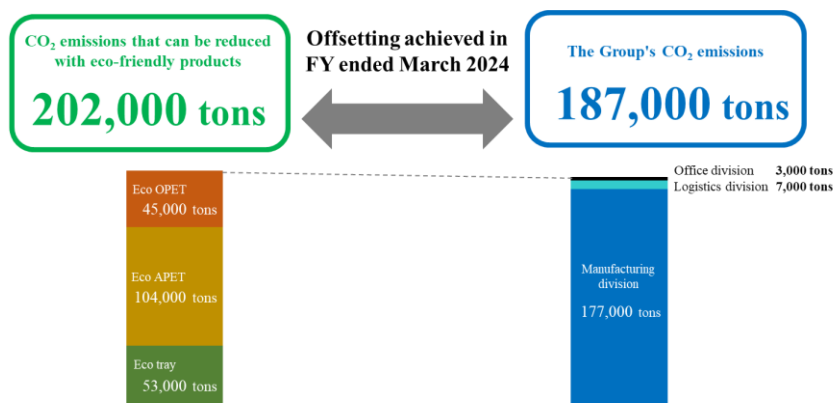
The Group has set medium- to long-term targets aimed at achieving carbon neutrality by 2050 under FP Corporation Eco Action 2.0 and has disclosed it in accordance with the TCFD Recommendations.

Under this plan, the Group set the target of achieving CO₂ reductions through the manufacturing and sale of eco-friendly products that exceeds the CO₂ emissions from the Group’s business activities. The Group achieved this target one year ahead of schedule, in the fiscal year ended March 31, 2024. (*1)

This was because the CO₂ reduction for Eco Trays increased from 30% to 34.2% in the fiscal year ended March 31, 2024 due to the introduction of renewable energy through solar power generation, because the CO₂ reduction for Eco PET products achieved through increased use of Eco PET raw materials increased from 30% to 33.9% in the fiscal year ended March 31, 2024, and because sales of Eco-friendly products were strong.

Furthermore, solar power generation facilities in the Kansai area began operating in March 2024, making it possible to power all of the recycled raw material production processes at used tray recycling plants using renewable energy. This had the effect of increasing the CO₂ emissions reduction effect of Eco Tray products to 37%, starting with the products shipped on July 1, 2024. Going forward, the Group will continue promoting the sale of Eco-friendly products with a CO₂ reduction effect and working to reduce CO₂ emissions throughout the entire supply chain.

(*1) Contributions to CO₂ reductions through Eco-friendly products



(c) Research and development of recycling methods

The Group began to implement an initiative together with DIC Corporation (Headquarters: Chuo-ku, Tokyo; hereinafter, “DIC”) in November 2020, aiming to achieve the complete circular recycling of foamed polystyrene containers. The goal of this initiative is to achieve the closed-loop recycling of colored and patterned foamed polystyrene containers, which have traditionally been recycled into daily necessities, sundry goods and other items. In November 2024, dissolution and separation recycling operations started at DIC’s Yokkaichi Plant. This will result in an increase in the supply quantity of eco-friendly raw materials, which is expected to lead to an approximately 30% increase in the sales volume of Eco Trays from April 2025. Going forward, the Group will continue its efforts to achieve complete circular recycling by developing technologies for chemical recycling with the goal of having the facility begin operating in 2026, while increasing the volume of recycled materials from material recycling processes.

(Initiatives on ESG and SDGs)

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.

To promote good health among employees, the Company strives to implement the Workplace Health Promotion Project, in which every initiative and all available information are taken and used to improve health, and also to improve the workplace environment. As a result of these initiatives, the Company has been recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) for three consecutive years. Going forward, the Group will continue stepping up initiatives, aiming for recognition of the entire Group under the Certified Health & Productivity Management Outstanding Organizations Recognition Program.

Regarding the evaluation of ESG, the Company continued to be 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.

(2) Overview of Financial Position

1) State of assets, liabilities and net assets

Consolidated assets at the end of the third quarter under review totaled 302,930 million yen, up 4,350 million yen from the end of the previous fiscal year. This was mainly due to a 7,966 million yen decrease in cash and deposits and a 10,740 million yen increase in notes and accounts receivable - trade that was a result of the increase in net sales.

Consolidated liabilities amounted to 150,864 million yen, down 1,870 million yen from the end of the previous fiscal year. This was mainly due to a 6,024 million yen increase in notes and accounts payable-trade due to increased procurement, primarily raw materials, and an 8,106 million yen decrease in loans payable (short-term loans payable and long-term loans payable), mainly as a result of their repayment.

Consolidated net assets totaled 152,066 million yen, up 6,221 million yen from the end of the previous fiscal year. This change mainly reflected an increase of 10,099 million yen due to the recording of profit attributable to owners of parent, and a decrease of 4,607 million yen due to dividends of surplus.

2) State of cash flows

Consolidated cash and cash equivalents (hereinafter “cash”) at the end of the third quarter under review totaled 15,740 million

yen, with a decrease of 8,359 million yen from the end of the previous fiscal year offset by an increase of 393 million yen as a result of a change in the fiscal year end of a consolidated subsidiary.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 15,552 million yen (19,415 million yen in cash was provided a year earlier).

This primarily reflected a cash increase due to profit before income taxes of 14,874 million yen, depreciation of 11,118 million yen, and an increase in notes and accounts payable – trade of 5,931 million yen, as well as a cash decrease following an increase in notes and accounts receivable – trade of 10,551 million yen and income taxes paid of 4,979 million yen.

(Cash flows from investing activities)

Net cash used in investing activities reached 10,366 million yen (8,313 million yen in cash was used a year earlier).

This was due mainly to 9,955 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 13,545 million yen (9,420 million yen in cash was used a year earlier).

This primarily reflected proceeds from long-term loans payable of 2,000 million yen, repayment of long-term loans payable of 10,106 million yen and cash dividends paid of 4,578 million yen.

(3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results

Regarding the forecast of consolidated results, the results forecasts for the full year that were announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 on April 30, 2024 remain unchanged. It is expected that record second-half financial results will be achieved, mainly due to the expansion of sales of containers featuring a reduced use of plastics and the effects of the price revisions.

(Explanations of terms)

Eco Tray:	A recycled, foamed polystyrene (PS) 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 (sales commenced in 2012). Heat resistance temperature of +60°C
Eco OPET:	A recycled oriented PET (OPET) transparent container molded from the bi-axially PET sheets, which use the same raw materials as an Eco APET (sales commenced in 2016) 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 +80°C
FRP:	Fiber-reinforced plastic
CFRP:	Carbon-fiber-reinforced plastic
Store to Store recycling:	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.
Dissolution and separation recycling:	A method with which black polystyrene pellets produced through material recycling are dissolved and decolorized to produce recycled polystyrene materials for food containers. Developed by DIC Corporation, this is the first technology of its kind in the world.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter of the current consolidated fiscal year (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	23,707	15,740
Notes and accounts receivable - trade	47,314	58,055
Merchandise and finished goods	23,850	23,935
Work in process	142	72
Raw materials and supplies	4,913	5,902
Other	5,623	5,879
Allowance for doubtful accounts	(34)	(33)
Total current assets	105,516	109,552
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,049	93,658
Machinery, equipment and vehicles, net	32,164	31,925
Land	38,039	40,577
Leased assets, net	1,364	1,438
Other, net	7,116	5,178
Total property, plant and equipment	172,735	172,778
Intangible assets		
Goodwill	698	589
Other	2,892	2,754
Total intangible assets	3,590	3,344
Investments and other assets	16,738	17,254
Total non-current assets	193,063	193,377
Total assets	298,580	302,930
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,893	34,917
Short-term loans payable	14,388	15,420
Commercial papers	18,000	18,000
Income taxes payable	2,927	2,794
Provision for bonuses	3,154	1,686
Provision for directors' bonuses	191	147
Other	18,646	20,158
Total current liabilities	86,201	93,125
Non-current liabilities		
Long-term loans payable	58,889	49,751
Provision for directors' retirement benefits	147	165
Provision for executive officers' retirement benefits	100	100
Net defined benefit liability	5,315	5,510
Other	2,081	2,211
Total non-current liabilities	66,534	57,738
Total liabilities	152,735	150,864

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter of the current consolidated fiscal year (As of December 31, 2024)
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,573	15,578
Retained earnings	123,003	128,523
Treasury shares	(8,483)	(8,418)
Total shareholders' equity	143,244	148,834
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,621	1,432
Foreign currency translation adjustment	83	910
Remeasurements of defined benefit plans	182	156
Total accumulated other comprehensive income	1,888	2,499
Non-controlling interests	712	733
Total net assets	145,844	152,066
Total liabilities and net assets	298,580	302,930

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(First three quarters period)

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2023 - December 31, 2023)	First nine-month period of current fiscal year (April 1, 2024 - December 31, 2024)
Net sales	170,760	181,606
Cost of sales	119,306	125,387
Gross profit	51,453	56,218
Selling, general and administrative expenses	37,929	41,306
Operating profit	13,524	14,912
Non-operating income		
Interest income	1	3
Dividends income	79	89
Gain on sales of scraps	119	124
Subsidy income	122	0
Other	406	326
Total non-operating income	729	543
Non-operating expenses		
Interest expenses	118	141
Share of loss of entities accounted for using equity method	159	245
Other	94	78
Total non-operating expenses	372	465
Ordinary profit	13,881	14,990
Extraordinary income		
Gain on sales of non-current assets	127	—
Gain on step acquisitions	207	—
Total extraordinary income	335	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	86	116
Total extraordinary losses	86	116
Profit before income taxes	14,130	14,874
Income taxes - current	4,259	4,994
Income taxes - deferred	221	(274)
Total income taxes	4,481	4,720
Profit	9,649	10,153
Profit (loss) attributable to non-controlling interests	(5)	54
Profit attributable to owners of parent	9,654	10,099

(Quarterly Consolidated Statement of Comprehensive Income)
(First three quarters period)

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2023 - December 31, 2023)	First nine-month period of current fiscal year (April 1, 2024 - December 31, 2024)
Profit	9,649	10,153
Other comprehensive income		
Valuation difference on available-for-sale securities	328	(189)
Remeasurements of defined benefit plans, net of tax	(0)	(26)
Share of other comprehensive income of entities accounted for using equity method	156	827
Total other comprehensive income	484	611
Comprehensive income	10,133	10,764
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,139	10,710
Comprehensive income attributable to non- controlling interests	(5)	54

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2023 - December 31, 2023)	First nine-month period of current fiscal year (April 1, 2024 - December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	14,130	14,874
Depreciation	11,340	11,118
Increase (decrease) in provision for bonuses	(1,411)	(1,511)
Increase (decrease) in provision for directors' bonuses	(26)	(43)
Increase (decrease) in allowance for doubtful accounts	(3)	(2)
Increase (decrease) in provision for directors' retirement benefits	11	16
Increase (decrease) in provision for executive officers' retirement benefits	(3)	0
Increase (decrease) in net defined benefit liability	191	193
Interest and dividends income	(81)	(92)
Interest expenses	118	141
Share of loss (profit) of entities accounted for using equity method	159	245
Loss (gain) on step acquisitions	(207)	–
Loss (gain) on sales and retirement of non-current assets	(48)	86
Decrease (increase) in notes and accounts receivable - trade	(11,848)	10,551
Decrease (increase) in inventories	1,839	(964)
Decrease (increase) in accounts receivable - other	982	(56)
Increase (decrease) in notes and accounts payable - trade	3,937	5,931
Other, net	6,128	1,113
Subtotal	25,208	20,498
Interest and dividend income received	81	178
Interest expenses paid	(107)	(145)
Income taxes paid	(5,767)	(4,979)
Net cash provided by (used in) operating activities	19,415	15,552
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,414)	(9,955)
Proceeds from sales of property, plant and equipment	759	69
Proceeds from sales of investment securities	303	61
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(309)	–
Other, net	(651)	(542)
Net cash provided by (used in) investing activities	(8,313)	(10,366)
Cash flows from financing activities		
Proceeds from long-term loans payable	6,000	2,000
Repayment of long-term loans payable	(10,674)	(10,106)
Repayments of lease obligations	(896)	(826)
Cash dividends paid	(3,817)	(4,578)
Other, net	(33)	(33)
Net cash provided by (used in) financing activities	(9,420)	(13,545)
Net increase (decrease) in cash and cash equivalents	1,680	(8,359)
Cash and cash equivalents at beginning of period	22,255	23,707
Increase (decrease) in cash and cash equivalents resulting from change in closing dates of consolidated subsidiaries	–	393
Cash and cash equivalents at end of period	23,936	15,740

(4) Notes to Quarterly Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Notes on Any Significant Change in the Value of Shareholders' Equity

Not applicable

Notes on Segment Information, Etc.

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

Important Subsequent Events

Not applicable