

Financial Results

for the Fiscal Year Ended March 2023



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FP Corporation
May 12, 2023

Cautions for Handling This Material

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

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

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Financial Results

for the Fiscal Year Ended March 31, 2023

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

Financial Results Summary (For the FY Ended March 2023)

	Results for Full year							Full year projections		
Unit: million yen	FY ended March 2022		FY ended March 2023					FY ended March 2023		
	Performance	Percentage	Performance	Percentage	Increase/ decrease	Year-on -year	Quantity	Planned	Percentage	Progre- rate
Trays	39,244	20.1	41,199	19.5	+1,954	105.0%	95.6%	42,820	20.2	96.2%
Lunchboxes and prepared food containers	109,134	55.8	121,191	57.4	+12,056	111.0%	99.0%	120,920	57.0	100.2%
Subtotal	148,378	75.8	162,390	76.9	+14,011	109.4%	97.8%	163,740	77.2	99.2%
Other products	3,391	1.7	3,669	1.7	+278	108.2%		3,630	1.7	101.1%
Sales of products	151,770	77.6	166,060	78.6	+14,289	109.4%		167,370	78.9	99.2%
packaging materials	41,935	21.4	43,114	20.4	+1,179	102.8%		42,630	20.1	101.1%
Other goods	1,994	1.0	2,111	1.0	+116	105.8%		2,000	0.9	105.6%
Sales of goods	43,929	22.4	45,225	21.4	+1,295	102.9%		44,630	21.1	101.3%
Net Sales	195,700	100.0	211,285	100.0	+15,585	108.0%		212,000	100.0	99.7%
Operating profit	15,884	8.1	16,703	7.9	+818	105.2%		16,400	7.7	101.9%
Ordinary profit	16,703	8.5	17,328	8.2	+625	103.7%		17,000	8.0	101.9%
Profit attribute to owners of parent	11,206	5.7	11,529	5.5	+322	102.9%		11,230	5.3	102.7%
Ordinary profit before depreciation and amortization	30,340		31,509		+1,169	103.9%		31,380		100.4%

Record high
✓ Highest sales ever for 13 consecutive years

◇Sales

Products

- Reactionary fall of general-purpose containers for fresh food.
- Sales of high value-added products for prepared food, takeout and delivered food as well as eco-friendly products were strong.
- Product price revisions.

First product price revisions (announced in October 2021):

Effects reflected.

Second product price revisions (announced in April 2022):

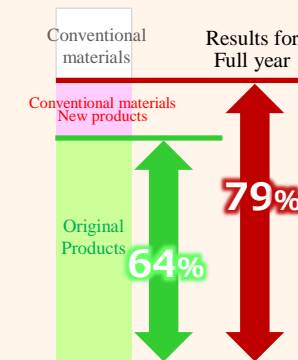
Effect of early partial revisions reflected in 2Q.

All effects of the increased prices reflected in 3Q.

Goods

- Ability to sell products enhanced through merger between FP Trading and FPCO Miyako Himo.
- Penetration of revised prices

◇Product sales composition



◇Year-on-year

	1Q results	2Q results	3Q results	4Q results	Full-year results
Sales of products	104.9%	108.5%	114.8%	108.8%	109.4%
Quantity	98.1%	98.2%	99.0%	95.7%	97.8%
Compared to FY2020	110.6%	109.2%	107.6%	105.3%	108.2%
Compound annual growth rate (CAGR)	3.4%	3.0%	2.5%	1.8%	2.7%
Ordinary profit	69.4%	74.3%	144.6%	127.4%	103.7%
Ordinary profit ratio	6.0%	6.5%	13.8%	5.4%	8.2%

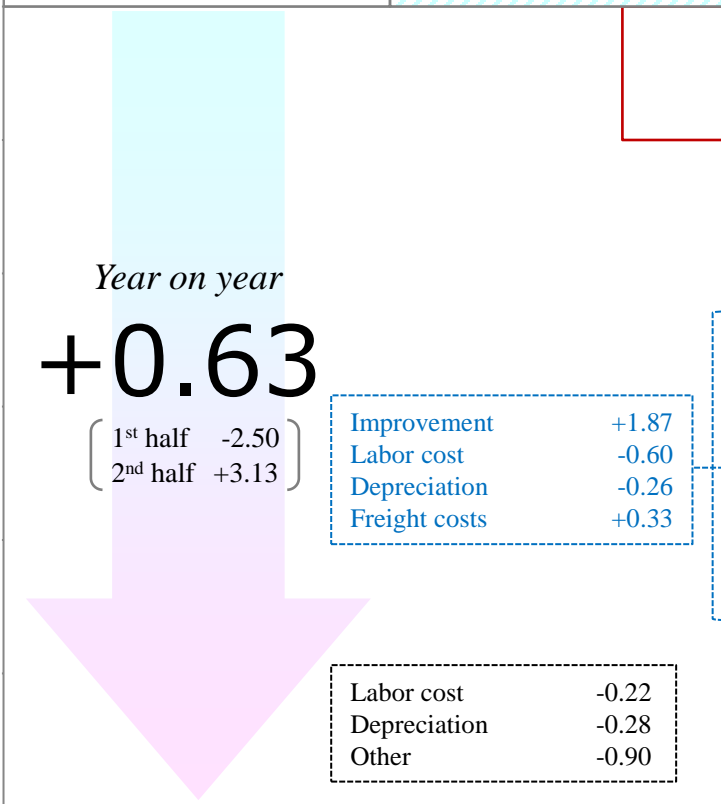
* Of which growth rate for eco-friendly products 102.5% year on year (109.3% compared to FY ended March 2020)

Results for Increase/Decrease in Ordinary Profit (For the FY Ended March 2023)

Unit: billion yen

FY ended March 2022	
Full year 16.70	

1 st half 8.91	2 nd half 7.79
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The Price of Material and Electricity Rates **-0.06**

* Including the impact of revisions to product sales prices
(1Q -1.35, 2Q -1.09, 3Q +1.85, 4Q +0.53)

Sales Efforts **+0.75**
(1Q +0.20, 2Q +0.20, 3Q +0.25, 4Q +0.10)

Improved Production **+0.05**
(1Q +0.05, 2Q +0.10, 3Q +0.05, 4Q -0.15)

Improved Distribution **±0.00**
(1Q ±0.00, 2Q ±0.00, 3Q ±0.00, 4Q ±0.00)

Group Companies **+1.29**
(1Q +0.10, 2Q +0.10, 3Q +0.79, 4Q +0.30)

Expenses **-1.40**
(1Q -0.31, 2Q -0.50, 3Q -0.38, 4Q -0.21)

Plan difference

+10.4

Early realization of second price increases
Raw materials prices slightly lower than the plan
Very significant increase in electricity rates

-5.5

Brisk sales of value-added products
Sales volume target not reached

-7.5

Automation for labor saving
Sales volume target not reached

+5.9

Penetration of revised prices

Total

+3.3

FY ended March 2023	
1 st half 6.41	2 nd half 10.92

Full year 17.33	
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Capital Investments and R&D Costs (For the FY Ended March 2023)

Unit: million yen	Results for Full year				Full year projections	
	FY ended March 2022	FY ended March 2023			FY ended March 2023	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	23,084	30,121	+7,036	130.5%	32,800	91.8%
Intangible fixed assets	277	732	+455	264.3%	200	366.2%
Capital investments	23,361	30,853	+7,492	132.1%	33,000	93.5%
Depreciation	13,636	14,180	+544	104.0%	14,380	98.6%
Research and development costs	1,154	1,295	+141	112.2%	1,397	92.7%

Major Capital Investments

Investment in original products:

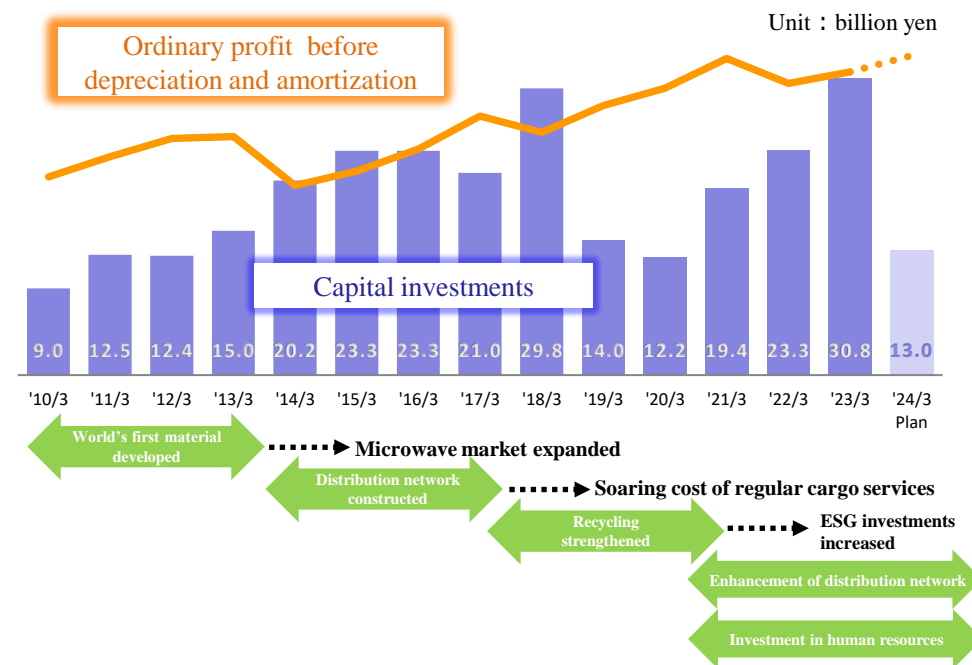
Improving production capacity and quality of Eco APET products

◆ Eco APET materials: Increase in the productivity (Kanto, Chubu)	393	393	138
◆ Eco APET materials: Reinforcement of the production capacity (Nishinoh PET-Bottle recycle Co., Ltd.)	754	754	27

Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

◆ Introduction of automation facilities	76	38
◆ Reinforcement of the production capacity of Conventional material products	1,149	901
◆ Rebuilding of Chubu Plant 1	Operations commenced in May. 2022 (After reduction entry)	8,530 5,529 5,570 (6,301) (3,301) (3,341)
◆ Kansai Plant and Kansai Hub Center	Operations commenced in Jan. 2023	26,670 17,238 17,832
◆ Pico House No.5	Completed in Sep. 2022	2,210 1,548 1,586
◆ Enhancement of Group companies' production sites		
Expansion of cardboard factory	To be completed in Aug. 2024	3,527 341 503
◆ Molds		1,710 1,753
◆ IT investments		568 739



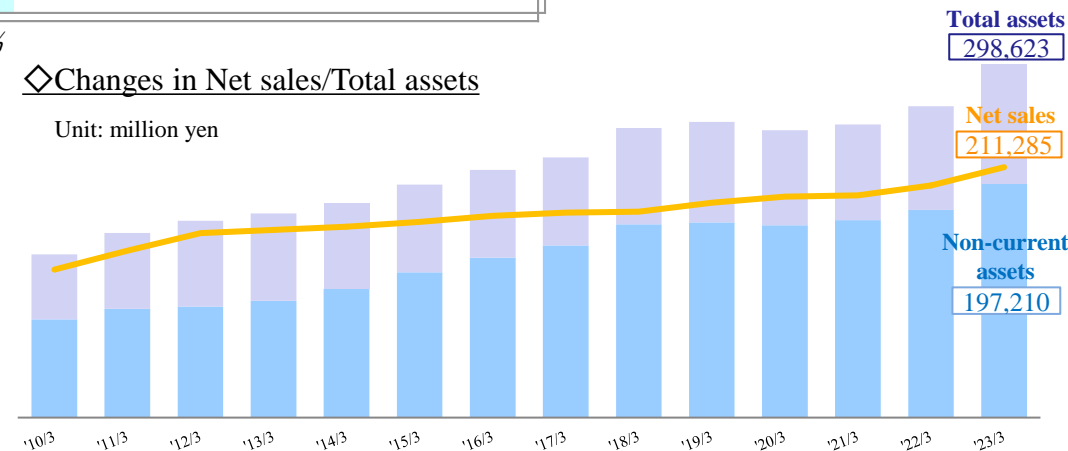
Balance Sheet (For the FY Ended March 2023)

Unit: million yen	Previous consolidated fiscal year	Consolidated fiscal year under review			
	FY ended March 2022 As of March 31, 2022	As of March 31, 2023	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	87,477	101,413	+13,935	115.9%	Cash and deposits +2,510 Notes and accounts receivable-trade +3,086 Merchandise and finished goods +4,134 Raw materials and supplies +1,429
Noncurrent assets	175,218	197,210	+21,992	112.6%	Buildings and structures, net +20,453 Machinery, equipment and vehicles, net +3,008 Land +1,510 Investment securities (LSSPI) +6,934
Total assets	262,695	298,623	+35,927	113.7%	
Current liabilities	76,807	83,883	+7,076	109.2%	Accounts payable - trade +2,648 Short-term loans payable +775 Accounts payable - other +4,195
Noncurrent liabilities	53,432	74,568	+21,135	139.6%	Long-term loans payable +21,219
Total liabilities	130,239	158,452	+28,212	121.7%	
Net assets	132,455	140,171	+7,715	105.8%	Retained earnings +7,683
Total liabilities and net assets	262,695	298,623	+35,927	113.7%	

Equity ratio 46.7%

◇Changes in Net sales/Total assets

Unit: million yen



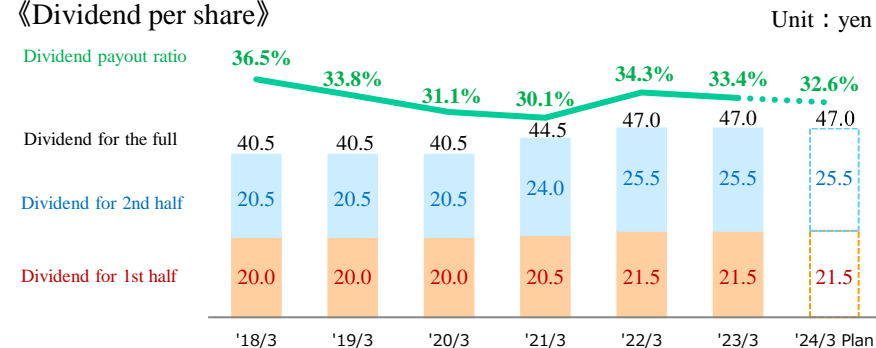
- Assets Strategic investments for boosting the production capacity of original products and ensuring stable supply
- Liabilities Utilization of borrowing as capital for strategic investment
- Net assets Strengthening of the management structure
Preparation for expanding business flexibly

Cash Flows (For the FY Ended March 2023)

Unit: million yen	Results for Full year		
	FY ended March 2022 Performance	Performance	FY ended March 2023 Breakdown of main items
CF from operating activities	23,148	20,071	Profit before income taxes 16,930 Depreciation 14,180 Decrease (increase) in notes and accounts receivable - trade -3,036 Decrease (increase) in inventories -5,574
CF from investing activities	-22,866	-34,306	Purchase of property, plant and equipment -27,774 Purchase of shares of an associate (LSSPI) -6,964
Free cash flows	281	-14,234	
CF from financing activities	1,578	16,745	Proceeds from long-term loans payable 38,000 Repayment of long-term loans payable -16,005 Repayments of lease obligations -1,369 Cash dividends paid -3,845
Net increase(decrease)in cash and cash equivalents	1,860	2,510	
Cash and cash equivalents at end of period	19,745	22,255	

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

《Dividend per share》



* On October 1, 2020, the Company implemented a two-for-one common stock split.
The indicated dividend amount is based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2018

Plan
for the Fiscal Year Ending March 2024

Outline of Plan for Account Settlement (For the FY Ending March 2024)

Unit: million yen	Results for Full year			Full year projections				First half projections			
	FY ended March 2023			FY ending March 2024				FY ending March 2024			
	Performance	percentage		Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	41,199	19.5		43,600	19.7	+2,400	105.8%	21,500	19.5	+1,714	108.7%
Lunchboxes and prepared food containers	121,191	57.4		128,000	57.8	+6,808	105.6%	64,100	58.3	+5,408	109.2%
Subtotal	162,390	76.9		171,600	77.5	+9,209	105.7%	85,600	77.8	+7,122	109.1%
Other products	3,669	1.7		3,900	1.8	+230	106.3%	1,950	1.8	-14	99.2%
Sales of products	166,060	78.6		175,500	79.3	+9,439	105.7%	87,550	79.6	+7,107	108.8%
packaging materials	43,114	20.4		43,700	19.7	+585	101.4%	21,450	19.5	+322	101.5%
Other goods	2,111	1.0		2,100	0.9	-11	99.5%	1,000	0.9	+7	100.7%
Sales of goods	45,225	21.4		45,800	20.7	+574	101.3%	22,450	20.4	+330	101.5%
Net Sales	211,285	100.0		221,300	100.0	+10,014	104.7%	110,000	100.0	+7,437	107.3%
Operating profit	16,703	7.9		17,350	7.8	+646	103.9%	6,250	5.7	+177	102.9%
Ordinary profit	17,328	8.2		18,000	8.1	+671	103.9%	6,600	6.0	+190	103.0%
Profit attribute to owners of parent	11,529	5.5		11,808	5.3	+278	102.4%	4,345	4.0	+213	105.2%
Ordinary profit before depreciation and amortization	31,509			33,200		+1,690	105.4%	14,180		+742	105.5%

■ Sales

Products>

- Expanding sales of environmentally friendly products
- Proposing high function products for new markets, including those of Takeout and delivery and frozen food
- Quantity: Rising 2.5% year-on-year
- Trays: Expanding sales with a focus on environmentally friendly products
- Lunchboxes and prepared food containers:
 - Work actively to expand sales to the takeout and delivered food market that has taken root under the pandemic, to the frozen food market and to markets of those for hospital food, nursing care food and others.

Goods> • Ability to sell products enhanced through merger between FP Trading and FPCO Miyako Himo.

■ Comparisons with the previous year's plan

	1st half plan	2nd half plan	Full-year plan
Sales of products	108.8%	102.7%	105.7%
Quantity	101.0%	104.0%	102.5%
Ordinary profit	103.0%	104.4%	103.9%
Ordinary profit ratio	6.0%	10.2%	8.1%

Outlook for Increase/Decrease in Ordinary Profit

(For the FY Ending March 2024)

FY ended March 2023

Full year 17.33

1st half 6.41

2nd half 10.92

Outlook(Apr 28 2023)

Unit: billion yen

Year on year
+0.67

(1st half +0.19
2nd half +0.48)

Investment in human resources
Raise the wage level for employees working for manufacturing and logistical operations by 10.7% on average

Improvement +1.41
Labor cost -2.17
Depreciation -0.94
Freight costs -0.30

Make an upfront investment in stable supply

Labor cost -0.38
Depreciation -0.08
Other -0.67

The Price of Material and Electricity Rates

+2.00

(1st half +2.00, 2nd half ±0.00)

* Including the impact of revisions to product sales prices

Sales Efforts

+1.80

(1st half +0.30, 2nd half +1.50)

Improved Production

-1.00

(1st half -1.00, 2nd half ±0.00)

Improved Distribution

-0.70

(1st half -0.40, 2nd half -0.30)

Group Companies

-0.30

(1st half -0.20, 2nd half -0.10)

Expenses

-1.13

(1st half -0.51, 2nd half -0.62)

FY ending March 2024

1st half outlook
6.60

2nd half outlook 11.40

Full year outlook 18.00

Planned Capital Investment and R&D Cost (For the FY Ending March 2024)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2023	FY ending March 2024			FY ending March 2024		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	30,121	12,500	-17,621	41.5%	5,000	-15,593	24.3%
Intangible fixed assets	732	500	-232	68.3%	200	-76	72.5%
Capital investments	30,853	13,000	-17,853	42.1%	5,200	-15,669	24.9%
Depreciation and amortization costs	14,180	15,200	+1,019	107.2%	7,580	+552	107.9%
Research and development costs	1,295	1,506	+210	116.2%	744	+130	121.2%

Major Capital Investments

Investment in original products:

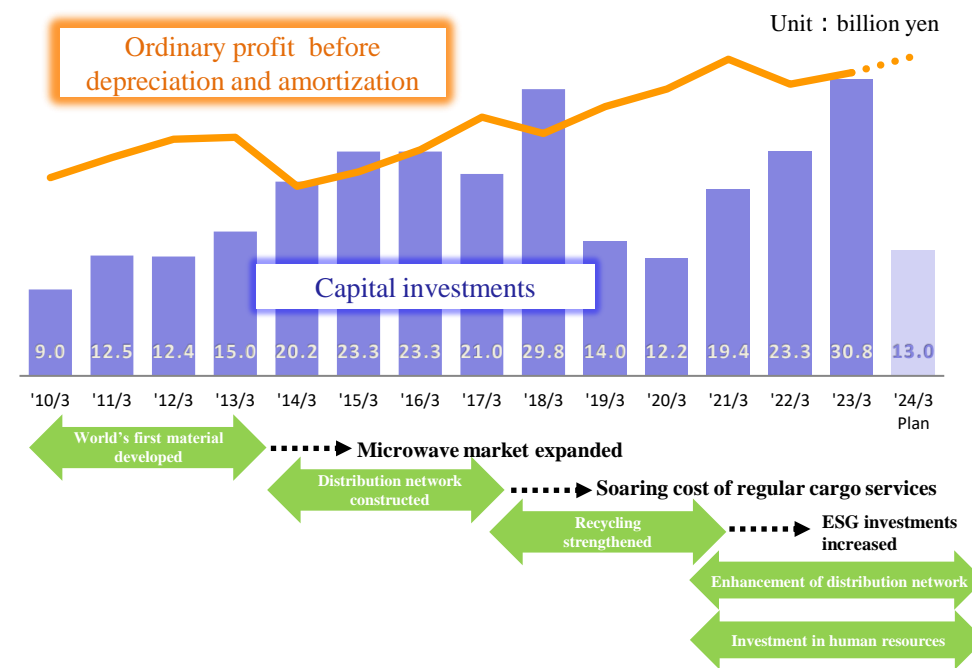
Improving production capacity and quality of Eco APET products

◆ Eco APET materials:Increase in the productivity (Kanto, Chubu)	547	547
◆ Eco APET materials:Reinforcement of the production capacity (Nishinihon PET-Bottle recycle Co., Ltd.)	455	455
◆ Eco APET products:Reinforcement of the production capacity	240	240

Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

◆ Introduction of automation facilities		294
◆ Reinforcement of the production capacity of Conventional material products		1,777
◆ Kansai Sorting Plant	To be completed in Sep. 2024	944
◆ Enhancement of Group companies' production sites		
Expansion of cardboard factory	To be completed in Aug. 2024	3,527
◆ Molds		1,785
◆ IT investments		720



To Increase Corporate Value

Chairman, Representative Director and Group Representative
Morimasa Sato



FP CORPORATION

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

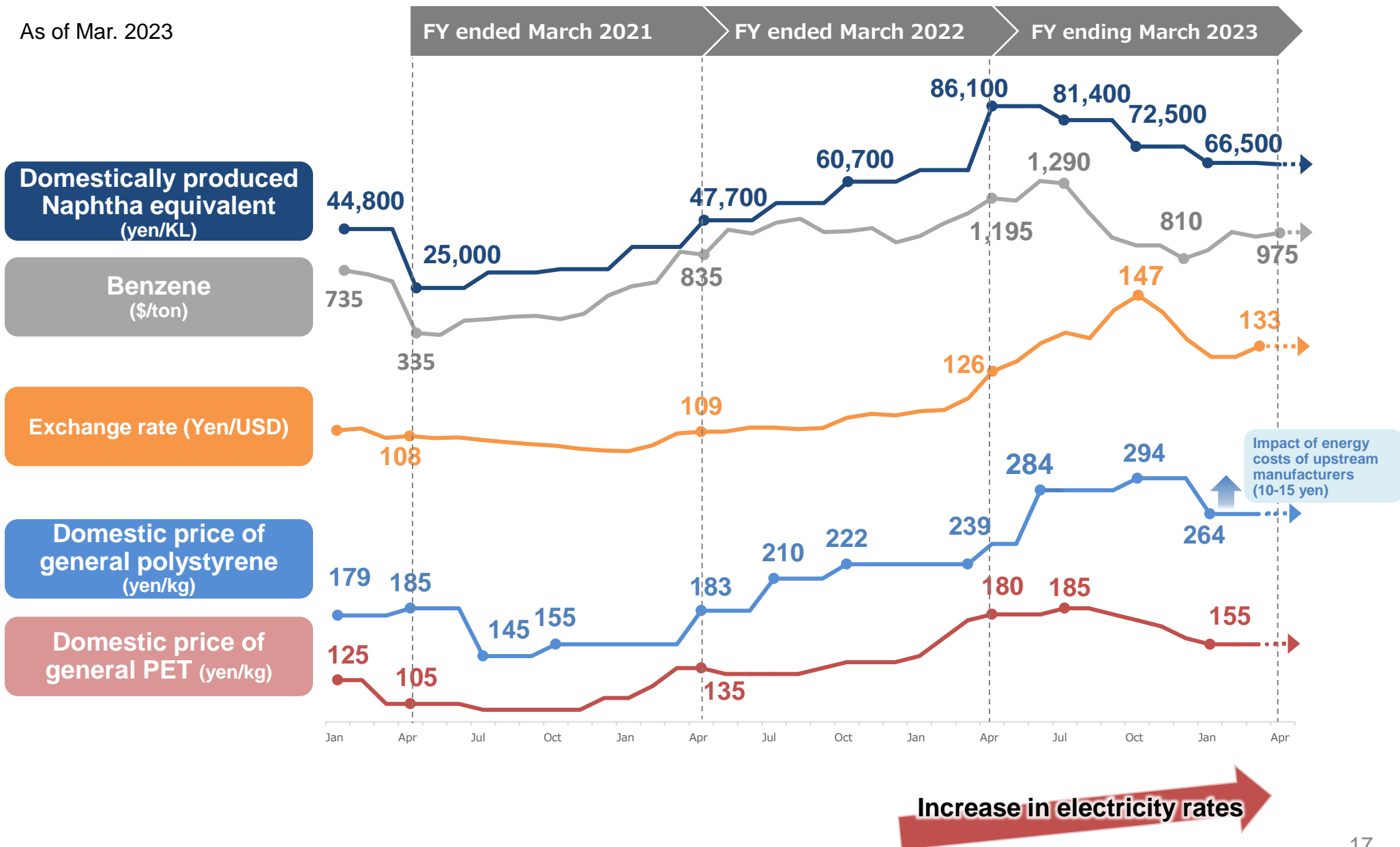
Raw Material Prices

Price Revision



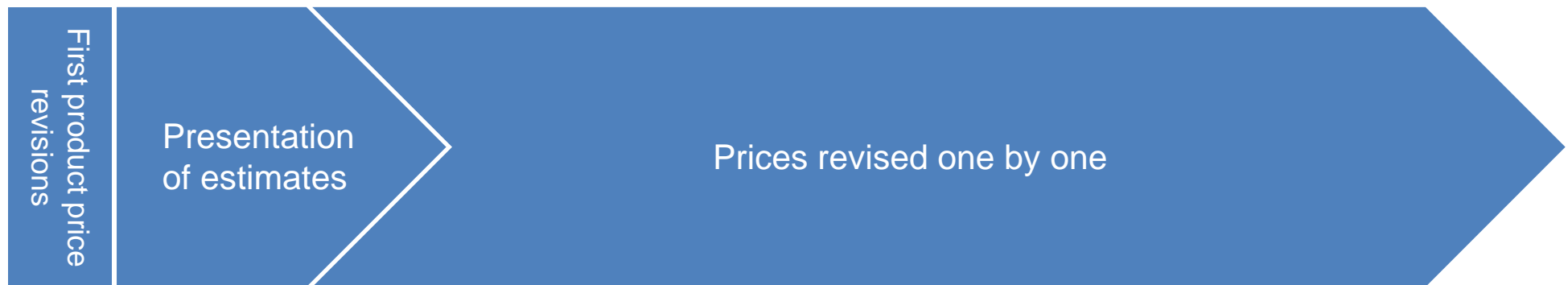
Soaring Raw Material Prices

As of Mar. 2023



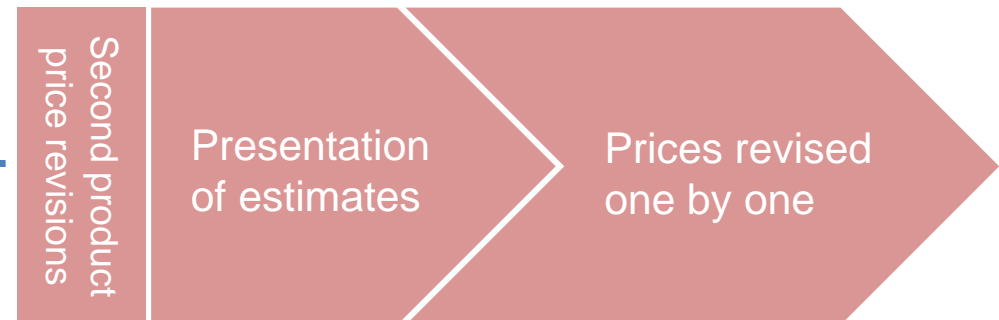
Price Revision

FY ended March 2022		FY ended March 2023	
3Q	4Q	1Q	2Q



Announced on Oct. 29

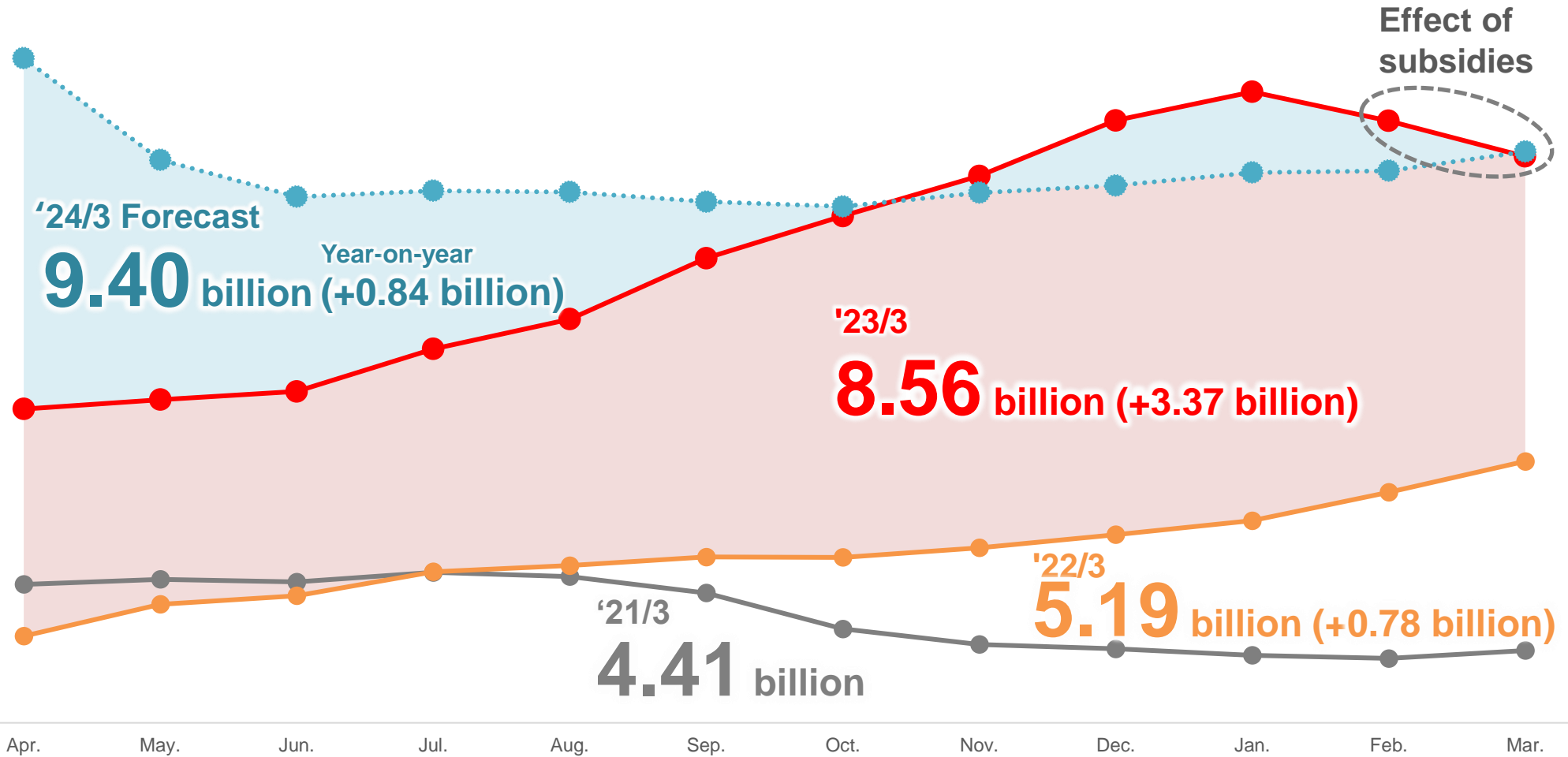
Increases of at least 10% were applied, starting from products shipped on Dec. 1.



Announced on Apr. 28

Increases of at least 15% were applied, starting from products shipped on Jun. 1.

Soaring Electric Power Prices



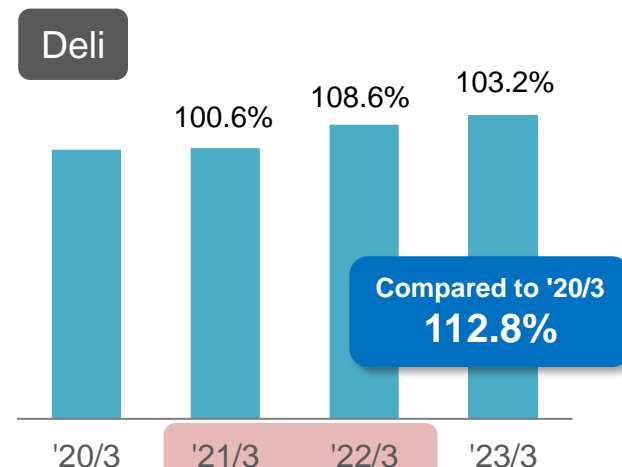
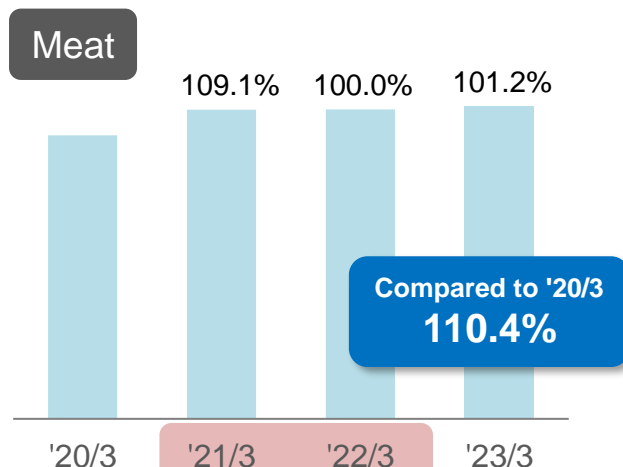
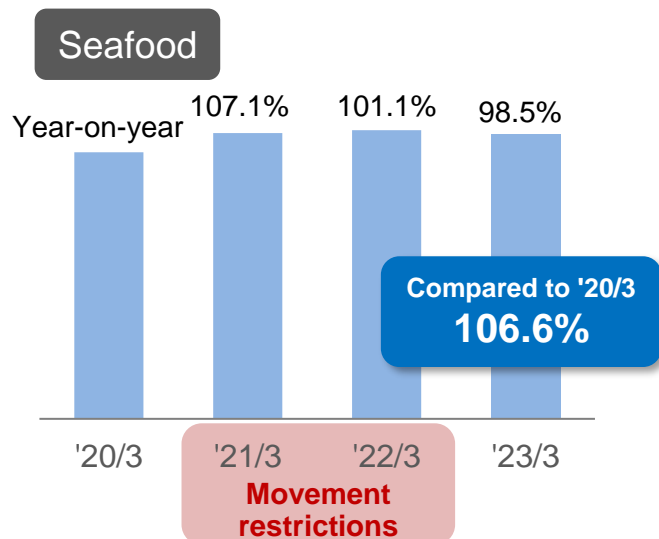
Market Conditions



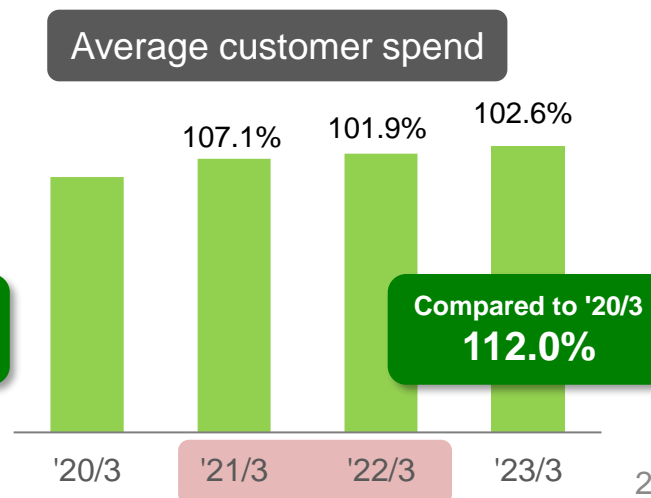
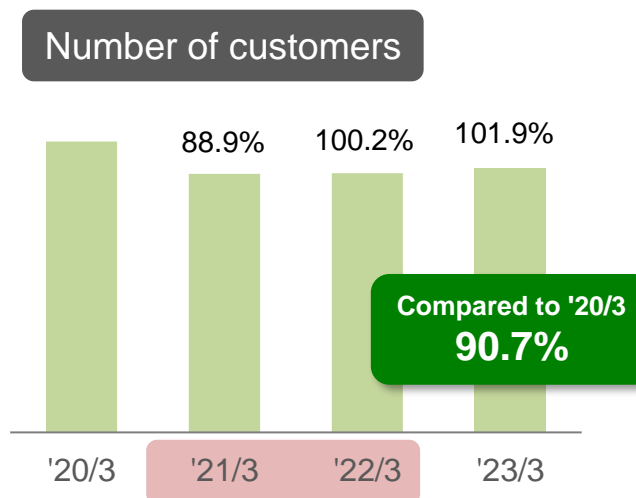
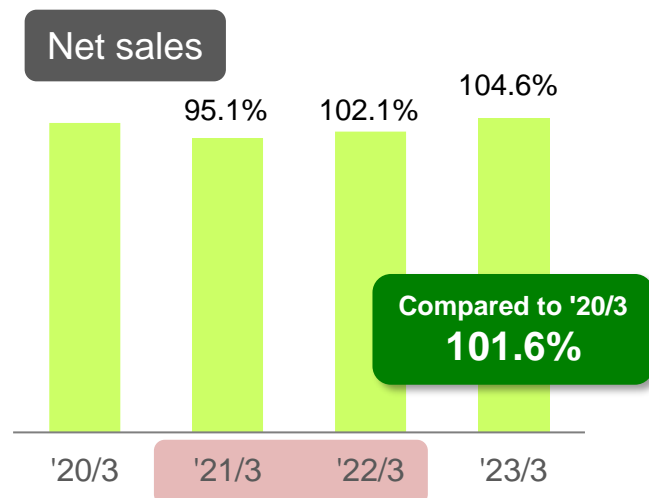
Market Trends

Source: Japan Supermarkets Association
Japan Franchise Association

Supermarket sales

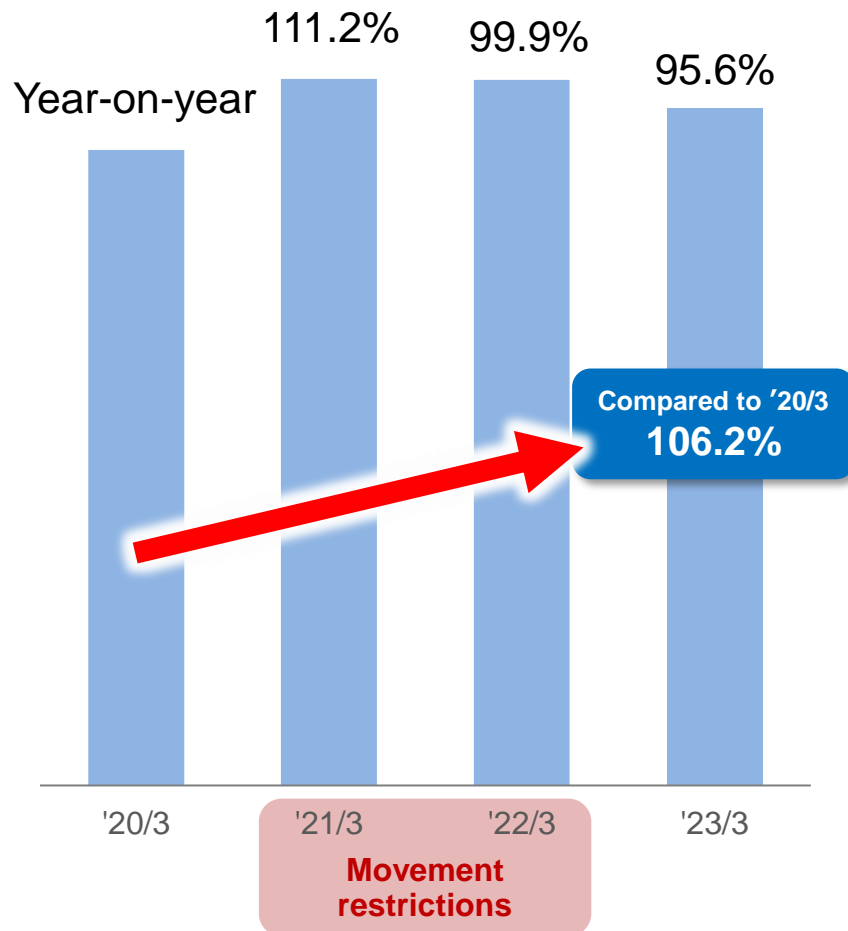


Convenience stores

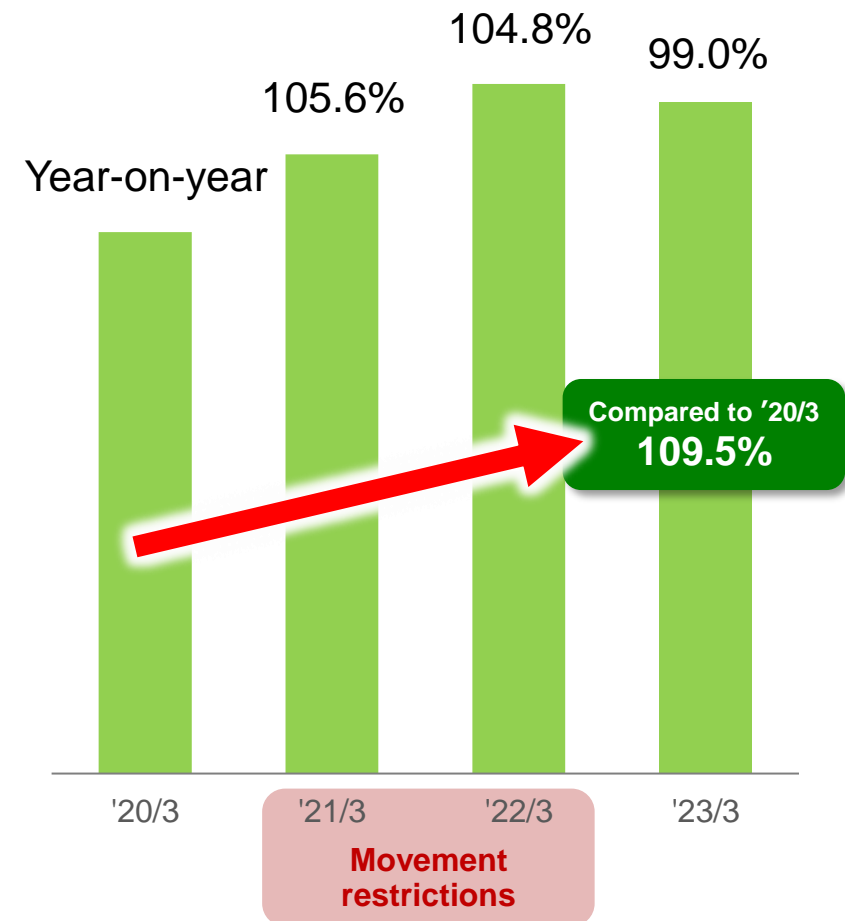


Change in Product Sales Volume

Trays



Lunch boxes and Prepared food containers



Proposals for Having Customers' Products Sell Well

Effect

Presenting seasonal food

Freshness

A voluminous appearance

Finished appearance

Perceived as being good value for money

Beauty and flavor



Function

Reduction of operation costs

Tapeless

Preventing movement of food items inside

Transportation efficiency and compatibility with production line

Leak-proof

Resistant to hot and cold and thermally insulating



"Snap!"



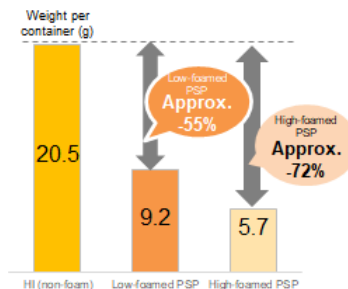
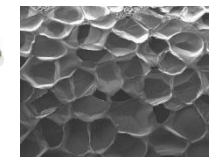
Effective CO₂ reduction

CO₂ emissions

-30%



Reducing plastic usage



FPCO Fair 2023



March 7-9, 2023
Tokyo Big Sight South Hall 1, 2
Approximately 13,000 visitors

Sudden changing market

Changing players
PC/CK* expansion

*Process center/Central kitchen

Expanding
frozen food
market

Required
environmental
response

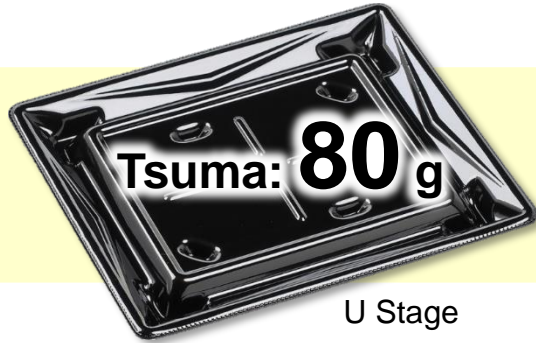
Hands-on experience

465 success stories
collected by sales staff



FPCO Fair 2023 Proposal

Lower costs for users



U Stage



U Stage Moridai

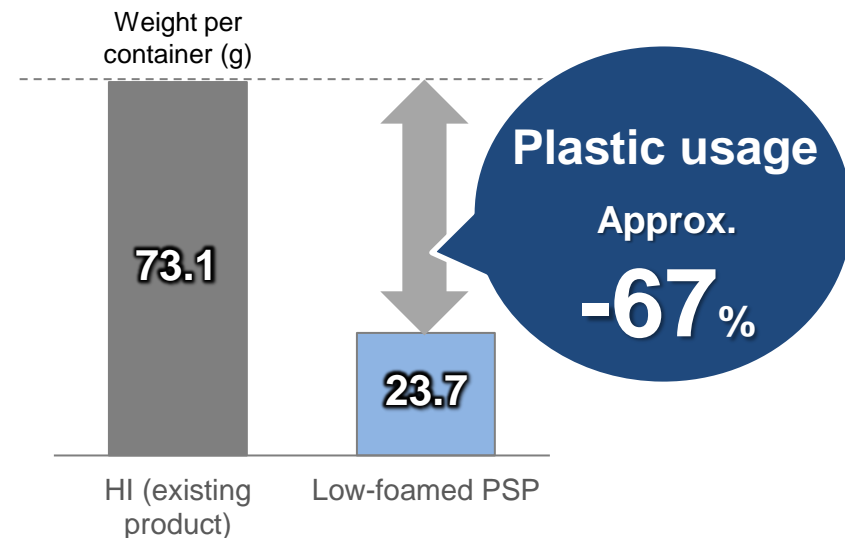


Chokakubachi TZ

*Tsuma: Sliced radish, usually used under sashimi
*Examples from Kansai Company A (160 stores)
*MH (man/hour productivity): Work time assuming that all the work was done by a single person.

- Effect of reducing tsuma : approx. **6 million yen** per month
- Improvement of productivity : **8MH** → **6 MH**

Reducing plastic usage



Expansion of Frozen Food Market

Many users are beginning pilot experiments

Four possibilities expected from frozen products

Operational transformation



Sales floor preparations are completed in time for store opening

Loss improvement



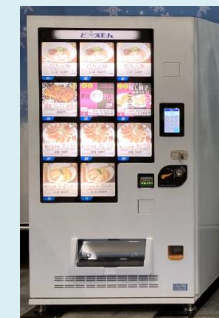
Opportunity loss, disposal loss, etc.

Seasonal food at anytime



Lock the good flavor of seasonal food and let people enjoy the taste at anytime

Extra outside store sales



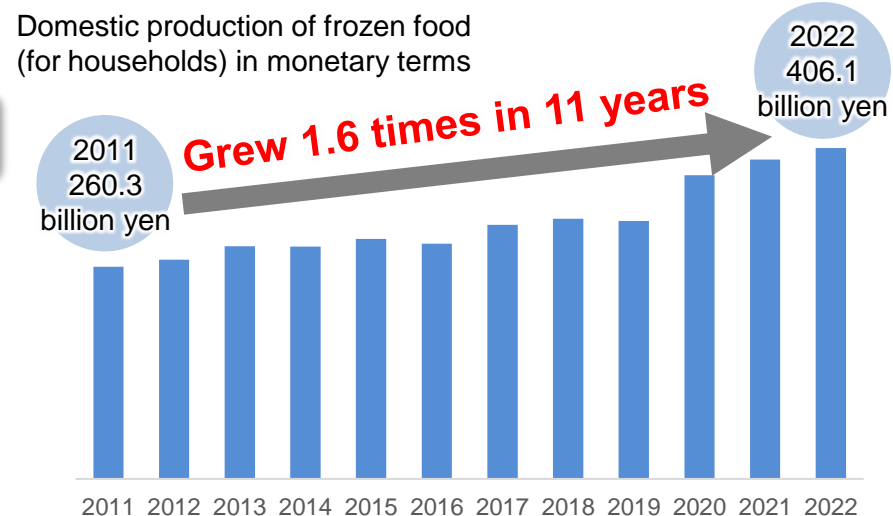
Secure sales after closing time

Social background

2022 best-seller ranking
Second freezer

**Advancement
of freezing
technologies**

**Frozen food
Vending
machines**



Frozen Food Packaging Materials: Standardized Products Enable Immediate Start

Optimal Materials

Eco OPET

Cold resistance

Resistant to breakage even in frozen environments

Environmental considerations

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



Multi FP

Cold and heat resistance

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

Thermally insulating

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



Cold-resistant PPI-talc

Strength

Equivalent to cold-resistant PP

Environmental considerations

Use of less plastic than cold-resistant PP



Optimal packaging forms

Launch of standard three-side sealed bags

Heat sealed sides



7 sizes

Top seal packaging



Flat-shaped containers

Bucket compatibility

みるみる

冷凍容器がわかる

包材
選びの

冷凍

強化書

冷凍の
プロに聞いた!

冷凍食品の
はじめ方!!

鮮魚・精肉・惣菜・他、徹底解説!

エフエフ

[illegible]

Eating out Expansion of the Market for Takeout and Delivered Food

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

Source: Fuji Keizai, Gaishoku Sangyo
Marketing Binran 2021

Eating out

Approx. **18.2** trillion yen
(2020)

Home dining experience

(2021)

Size of the takeout food market

Approx. 1.45trillion yen

Delivered food market

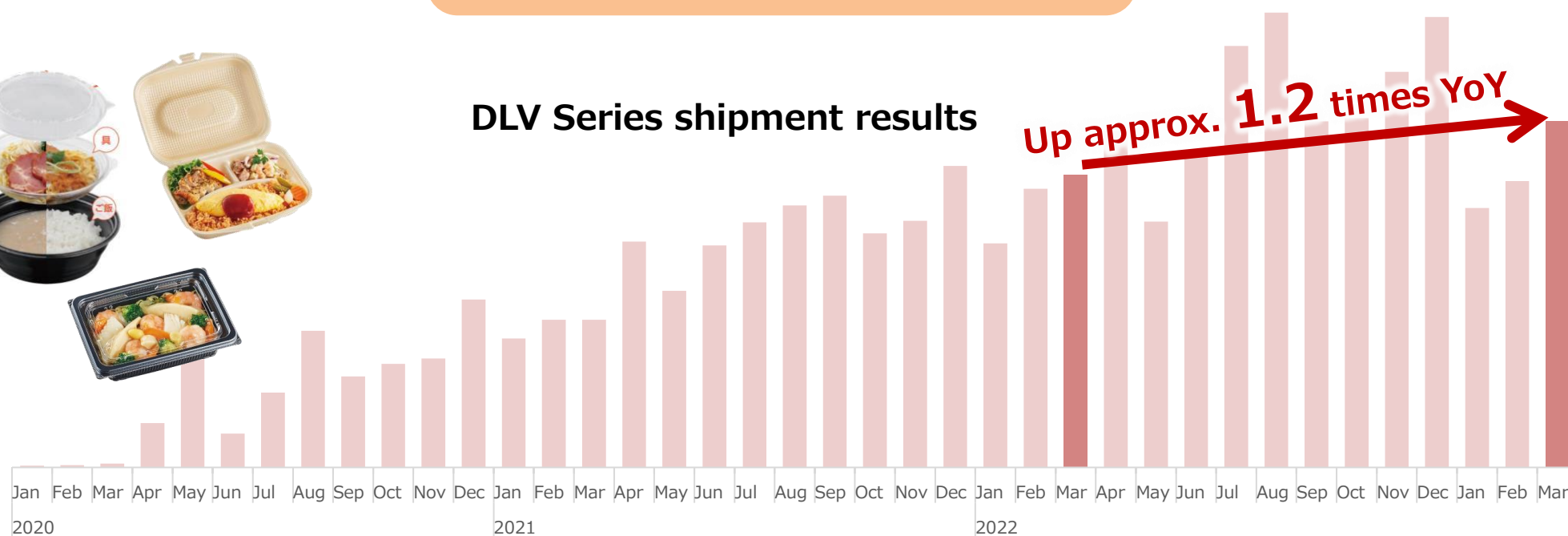
Approx. 1.18 trillion yen

Ready-to-eat meals

Approx. **10.1** trillion yen
(2021)



DLV Series shipment results



Up approx. **1.2** times YoY

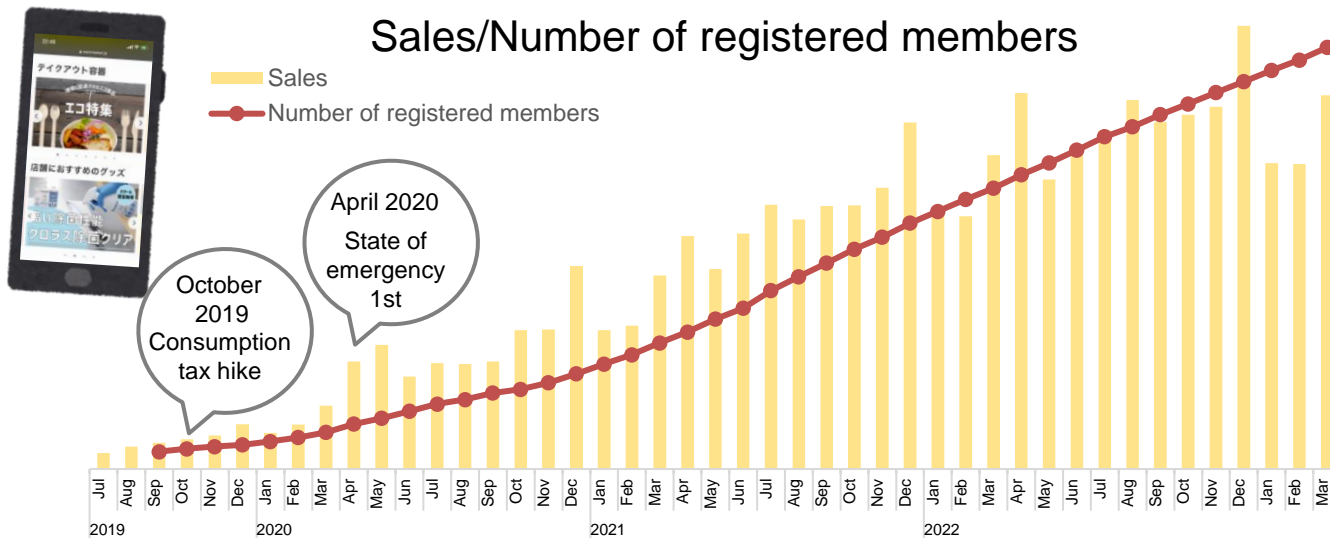
rapid
growth

Business Expansion

Market
Establishment

Expansion of New Sales Channels

E-commerce site offering packaging materials PackMarket



Monthly sales: Approx. **120** million yen

No. of registered items: Approx. **13,800**

Including approx. **8,400** products
(As of March 2023)

Web marketing
Advertising and SEO



July 2022: FPCO Trading and FPCO Miyako Himo Merger

FP Trading
Merchandising and
procurement
capabilities of goods



PACK MARKET



FPCO Miyako Himo
Power to sell goods
to packaging material wholesalers
and users

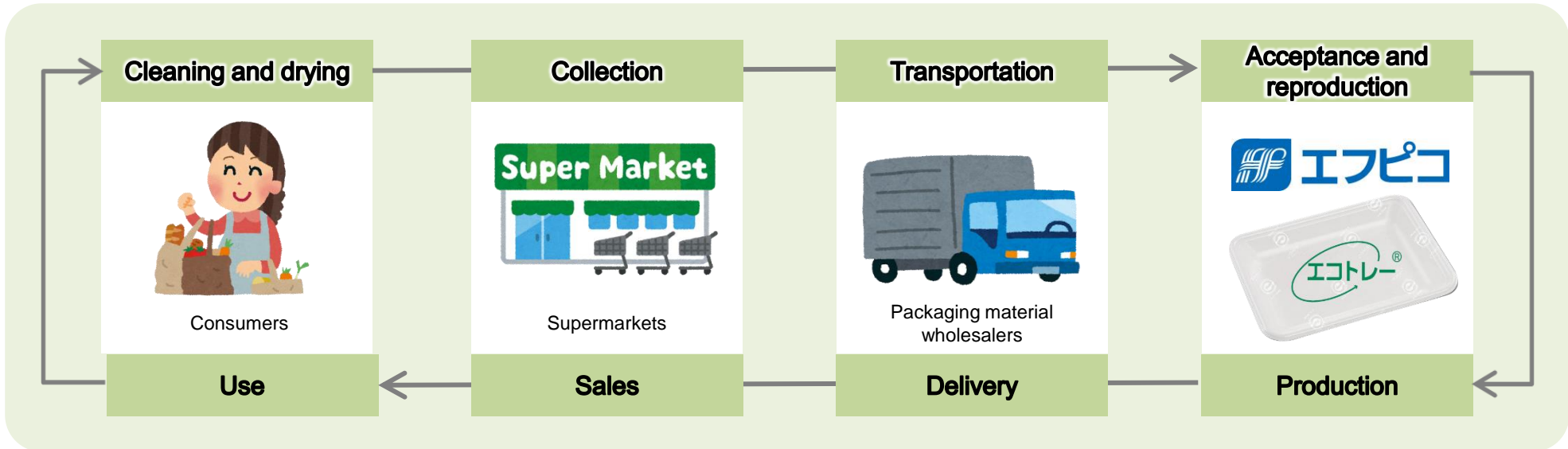


- Improving the ability to sell materials and consumables
- Strengthening cooperation with packaging material wholesalers across Japan

Eco-Friendly Strategies



FPCO Method of Recycling



History

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

Replacement of containers with paper packages

Initially
6 stores

Approx.
30 years

Collection
bases

Start from
Fukuyama City
/ Osaka City



As of Mar, 2023

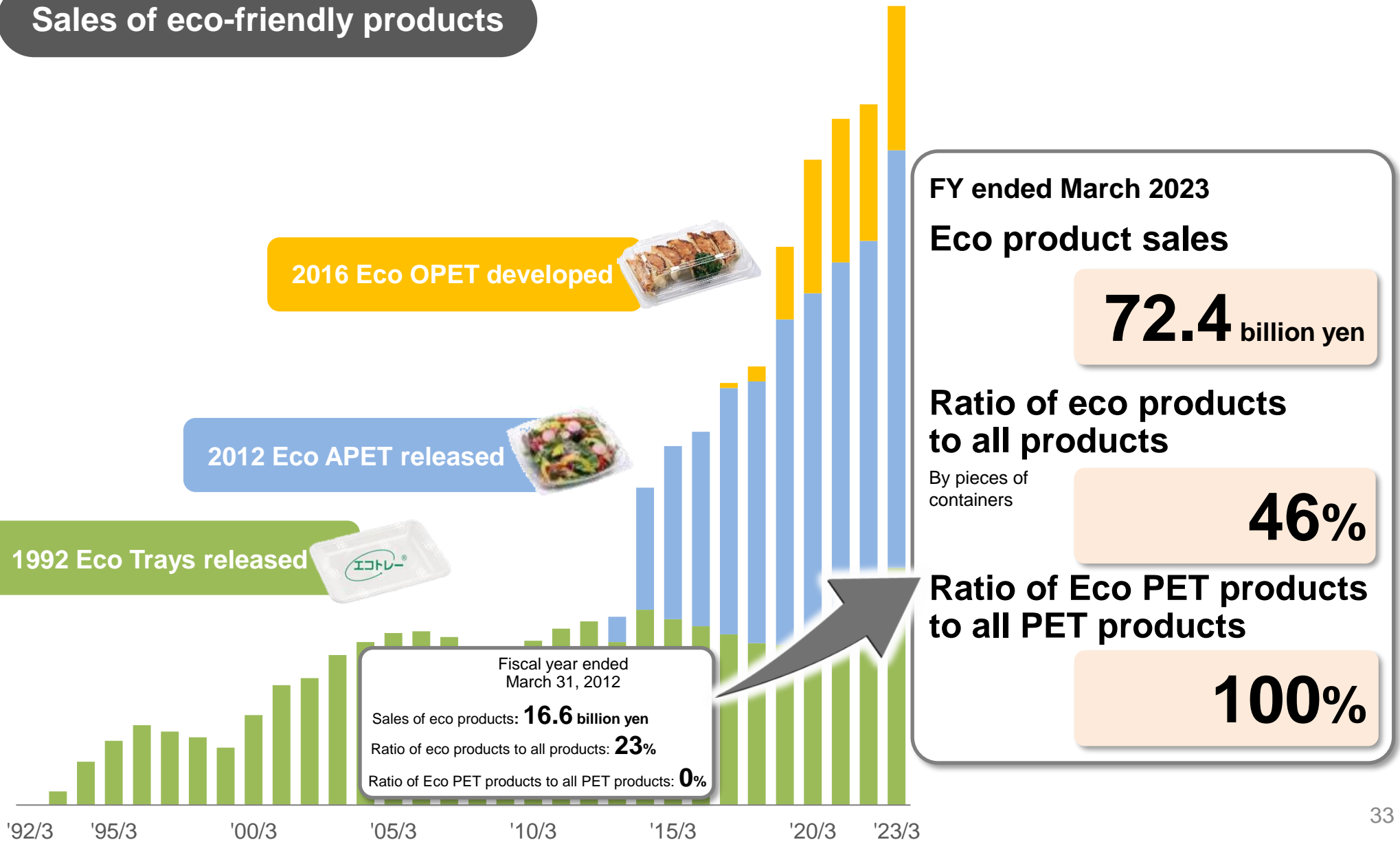
approx. **10,500 bases**



Sales of Eco-friendly Products



Sales of eco-friendly products



Collection of Plastic Resources

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

Amount of collected containers/ bottles

Results for FY ended March 2019 Results for FY ended March 2020 Results for FY ended March 2021 Results for FY ended March 2022 Results for FY ended March 2023

Containers

(Foamed PS and transparent containers)



Collected from:
Supermarkets
Specified corporations

8,700t

(Approx. 1.8 billion units)

9,200t

(Approx. 2.0 billion units)

10,000t

(Approx. 2.1 billion units)

10,300t

(Approx. 2.2 billion units)

10,400t

(Approx. 2.2 billion units)

PET bottles



Collected from:
Specified corporations
Supermarkets
Business-related sources

67,000t

(Approx. 2.7 billion units)

73,500t

(Approx. 2.9 billion units)

75,000t

(Approx. 3.0 billion units)

73,000t

(Approx. 2.9 billion units)

81,000t

(Approx. 3.2 billion units)

* Some plants were repaired.

Total amount collected

75,700t

109%

82,700t

103%

85,000t

98%

83,300t

110%

91,400t

Ratio of the volume of collected used products to that of sold products

42%

44%

42%

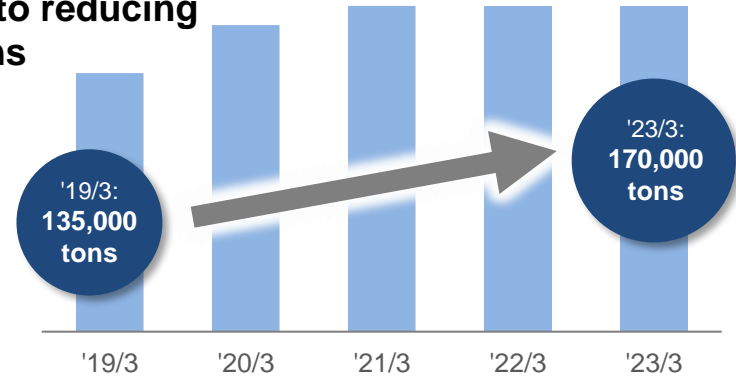
40%

44%

-30%



(tons)



Store-to-Store Horizontal Recycling



Items sold in the store that can be reused as resources are **collected by the store** for recycling and **then utilized within the store** after regeneration.

Supermarkets



Collected and sold at stores



Tray to Tray

Bottle to
transparent
container

FPCO



Recycling and manufacturing
of containers



For Greater Volumes and Higher Quality

Message from the store manager displayed by the boxes



Collection points

(As of March 31, 2023)

Including approx.
Approx. **10,500** sites **5,600** collection points
of transparent containers



It would be very helpful if
you could wash them clean!
Thank you very much for
your cooperation!

Creative measures devised on the position and shape of the slot



Having Eco Products Appeal to Consumers



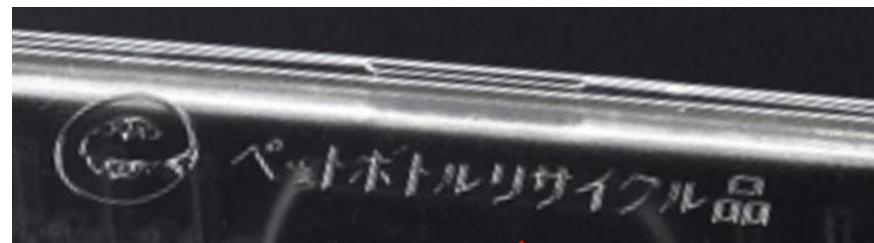
Eco Mark and **"Recycled from PET bottles"** engraved on eco products to facilitate identification for eco products

Eco Tray



Engraved on all Eco Trays

Eco APET / Eco OPET



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

Showing consumers the store's insistence on the Philosophy of Resource-Conserving



Transition in the number of installed stores

(As of March 2023)



Approx. 5,400 stores
(179 companies)

Examples of Posters Displayed at Supermarkets



Posters displayed at Approx. 6,250 stores across Japan

(As of Mar 2023)

Posters displayed by the Aeon Group

FY ended Feb. 2016



CO₂ emissions
reduced by
approx. 6,099
tons in 6 years

FY ended Feb. 2022



Strengthening Resource Recovery by Users



Company environmental policies (excerpt)

Kanto Company A	Foam tray store collections: 10 times more per store compared to FY2020
Kanto Company B	Strengthening of resource recycling: Started collection of transparent trays, strengthened PET bottle collection
Tohoku Company C	As a business responsibility, we aim to collect 100% of containers and packaging.
Chugoku Company D	To increase the amount of collected food trays by 50% compared to FY2019

Joint Press Conference with Chugoku CGC

(15 companies, 249 stores)

Held on November 29, 2022



Amount collected

(Trays and PET bottle)

2021 Result
538 t

2023 Target

1,600 t

Reduction in CO₂ emissions

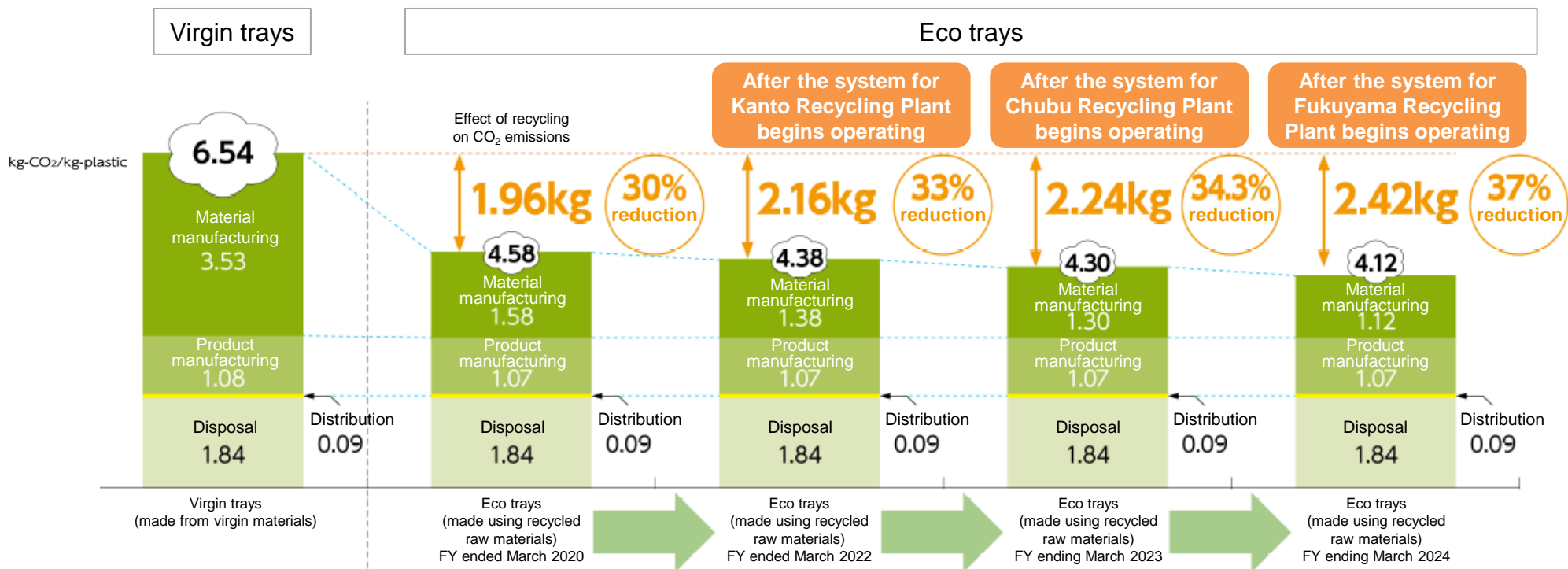
2021 Result
902 t

2023 Target

1,000 t



Increasing CO₂ Reduction Effect through Collaboration in Solar Power Generation



System for Kanto Recycling Plant
Operation commenced in March 2022



System for Chubu Recycling Plant
Operation commenced
in October 2022



System for Fukuyama Recycling Plant
Operation scheduled to start in March 2024



Aiming for zero CO₂ emissions from the process of manufacturing recycled materials



Diversification of Materials (1): Biomass plastic products

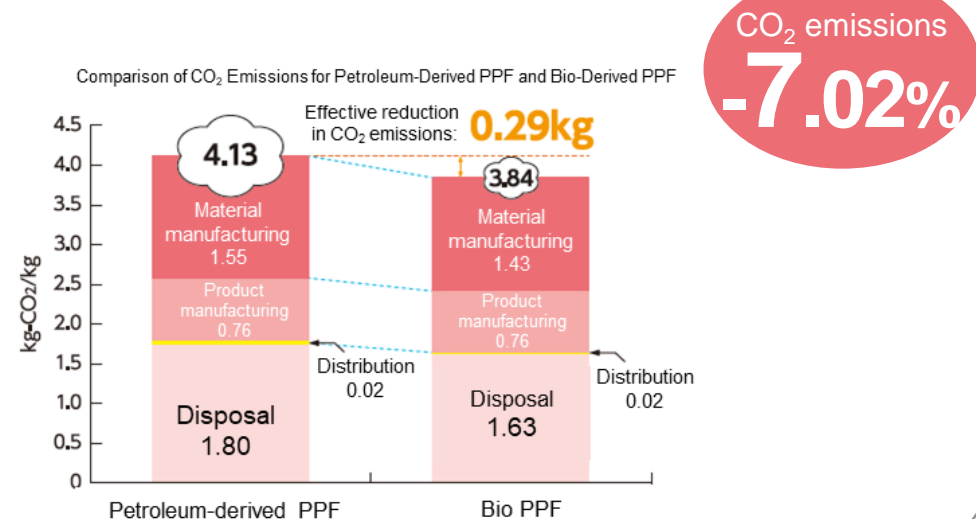
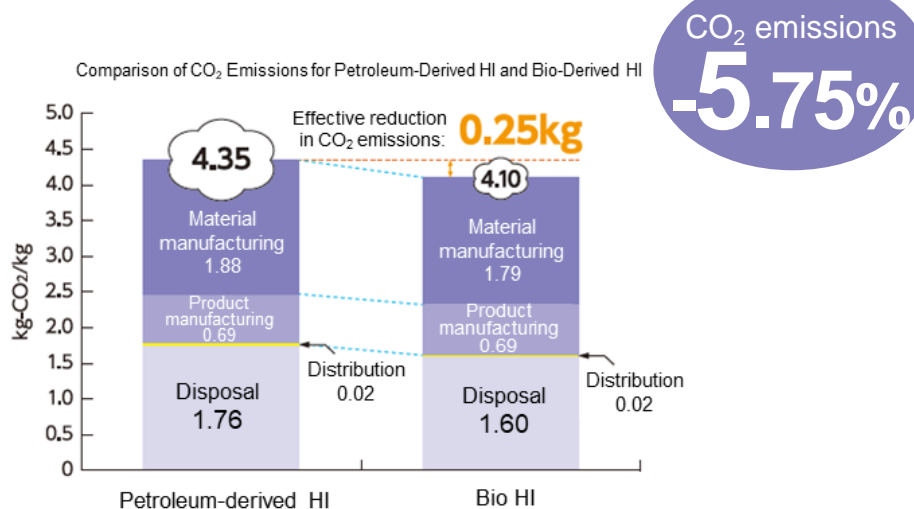
Bio-HIPS



Bio-PPF



- ✓ Bio-HIPS and Bio-PPF: Released in June 2020
- ✓ Made from 25% plant derived materials/ Registered with Japan BioPlastics Association



Diversification of Materials (2): Paper products

Addition of sizes of paper trays



Paper-bowl Series



Paper lunchbox (bamboo paper)



Sushi containers (bamboo paper)

Adopted by a U.S. supermarket.
Released as standard products in Japan .



Diversity Management Making Maximal Use of Capabilities

Sorting plant

Used food trays, transparent containers



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

Manufacturing

Molding, assembly, inspection, and packaging of food trays



Attempts to expand occupational domains



General factories and logistics sites in the FPCO Group

In the FPCO Group as of March 2023

Number of employees with disabilities	365
Adjusted number of employees with disabilities	620.5
Ratio of employees with disabilities	12.5%

Evaluation concerning employment of workers with disabilities

- January 2019
Ministry of Health, Labour and Welfare
FY2018 People with Disabilities Active Company Certification(FPCO Ducks Corporation)
- September 2022
Toyo Keizai Inc.
Ranked 2nd in ratio of employees with disabilities
- June 2022
Ministry of Health, Labour and Welfare
Certification of outstanding small- and medium-sized businesses concerning efforts to hire more people with disabilities (“MONISU” certification) (FPCO Ducks Corporation)



Support for Customers in their Employment of People with Disabilities

With FPCO's support, employment was created for

760 people at **52** locations mainly at customers' workplaces
As of March 2023

Seasoning prepared meat



Processing agricultural products



Inspecting and weighing fruits and vegetables



Processing prepared food



Cleaning containers



Washing towels



Sorting marine products



Reducing the volume of used paper



Floor Hockey Activity: Interactions between People with and without Disabilities

The tournament was held for the first time in three years (since 2019)



FPCO Cup 17th National Floor Hockey Competition



FPCO Cup 11th Universal Floor Hockey West Japan Tournament



Award, certification, and registration for Floor Hockey Activity

- Mar. 2019 (Tokyo)
Barrier-free Minds Support Company Registration
- Feb. 2018 (Tokyo Voluntary Action Center)
3rd Corporate Volunteer Awards
- Nov. 2022 (Tokyo) certified for five consecutive years
Tokyo Sports Promotion Company Certification
- Dec. 2022 (Japan Sports Agency) certified for five consecutive years
Sports Yell Company Certification



Creation of the FP Corp. Environmental Fund



The FP Corp. Environment Fund

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

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

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

Activities of Organizations Subsidized (Some of the Activities)

The FPCO Group also participated in these activities as volunteers.

Miyajima Network (Hiroshima prefecture)



Activities
Maintaining the marine environment and protecting the ecosystem of Miyajima Island and the surrounding area

Shonan Cleanaid Forum (Kanagawa prefecture)



Activities
Project to clean up beaches in Kanagawa .

Donations to Children's Cafeterias Nationwide



Donation of simple food containers

The Company provides containers for boxed meals and soup to support children's cafeterias which are supported by Zenkoku Kodomo Shokudo Shien Center Musubie, jointly with Kobe Bussan Co., Ltd. and Nestlé Japan Ltd., which are business partners of the Company.

Total donations: 789,460 sets

2020	2021	2022	2023
(1) May. 60,800 sets	(5) Mar. 80,000 sets	(8) Jan. 92,000 sets	(10) Feb. 37,180 sets
(2) Jul. 81,600 sets	(6) Sep. 92,000 sets	(9) Apr. 92,280 sets	
(3) Sep. 81,600 sets	(7) Oct. 92,000 sets		
(4) Dec. 80,000 sets			

Donated items



ESG Assessments

CDP (Carbon Disclosure Project)



Climate change score

2021

2022

"B" → "A-"

ESG index (as of May 2023)



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2022 CONSTITUENT MSCI Japan shares
MSCI Japan Empowering Women Index (WIN)

Strategic Investment

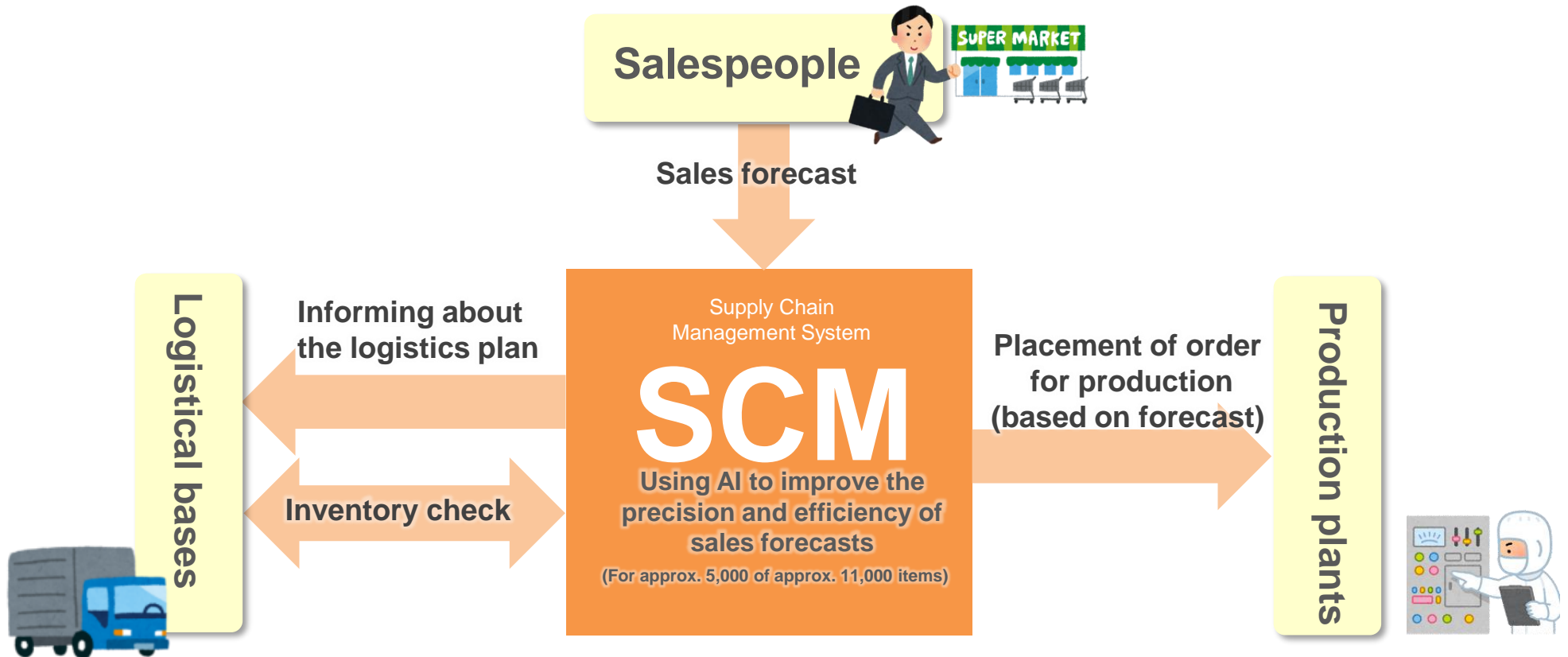
Stable Supply



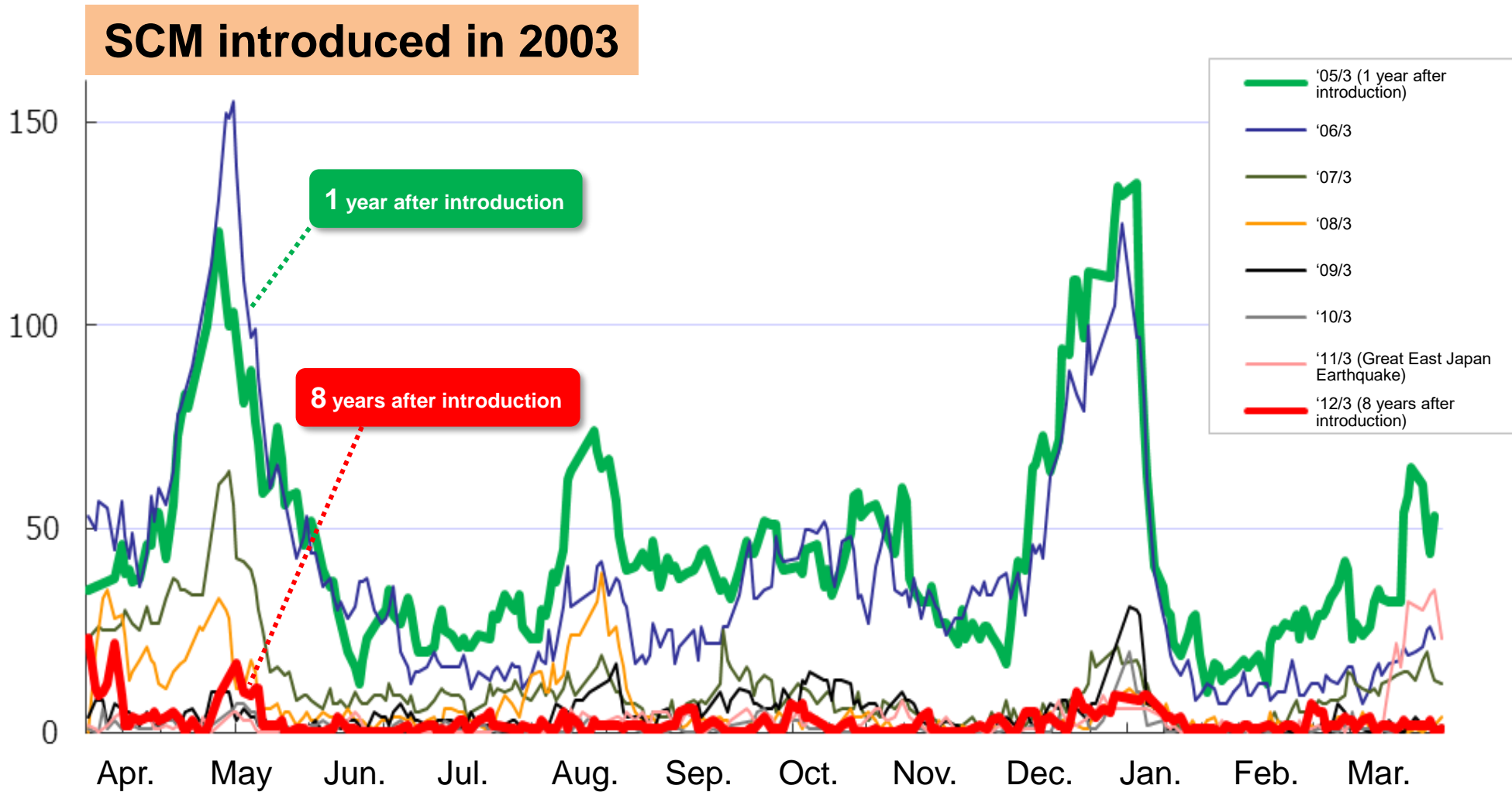
Stable Supply – Supporting Safe, Secure Dietary Life

A lineup of approx. 11,000 items

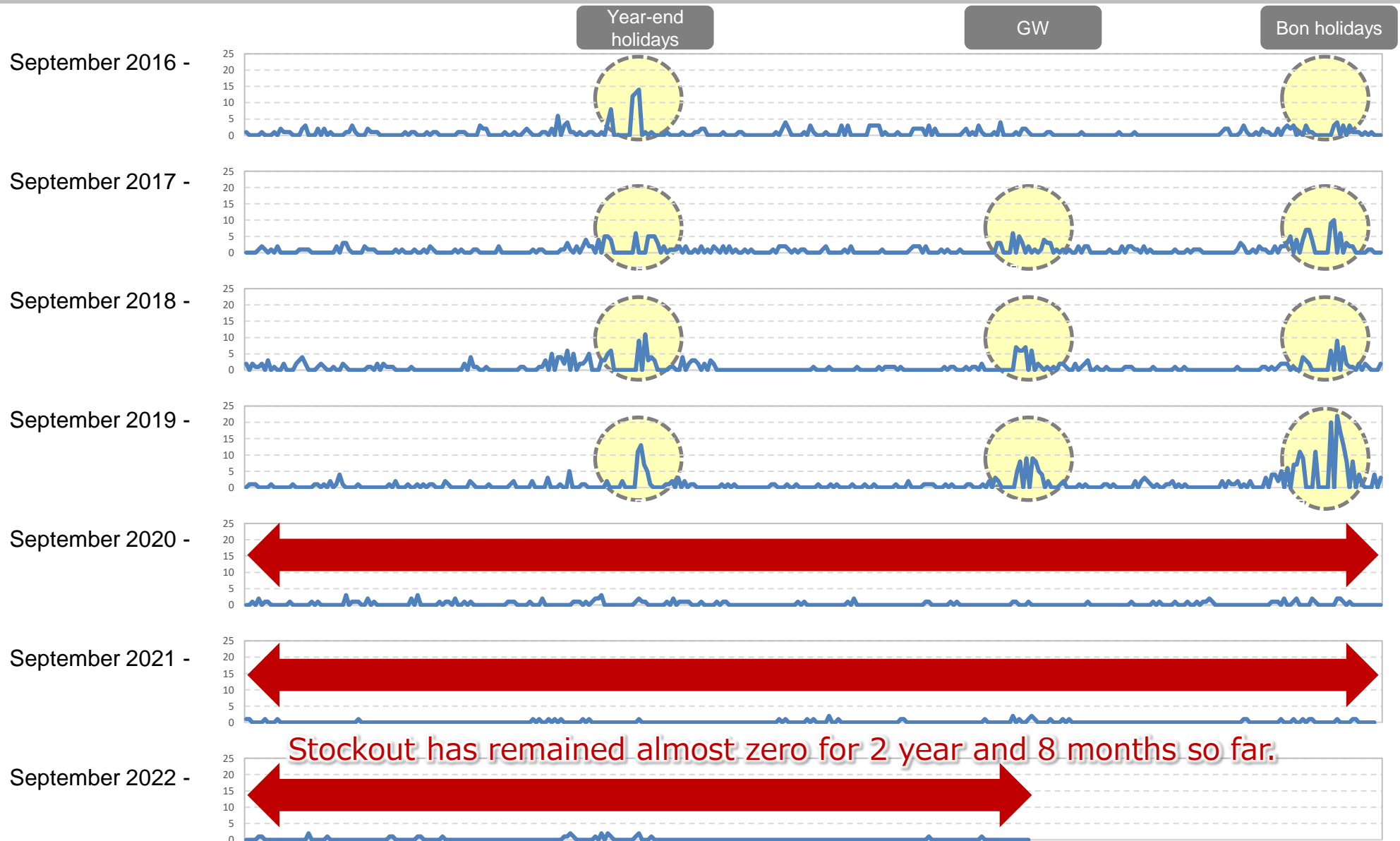
Maintenance of an appropriate inventory level



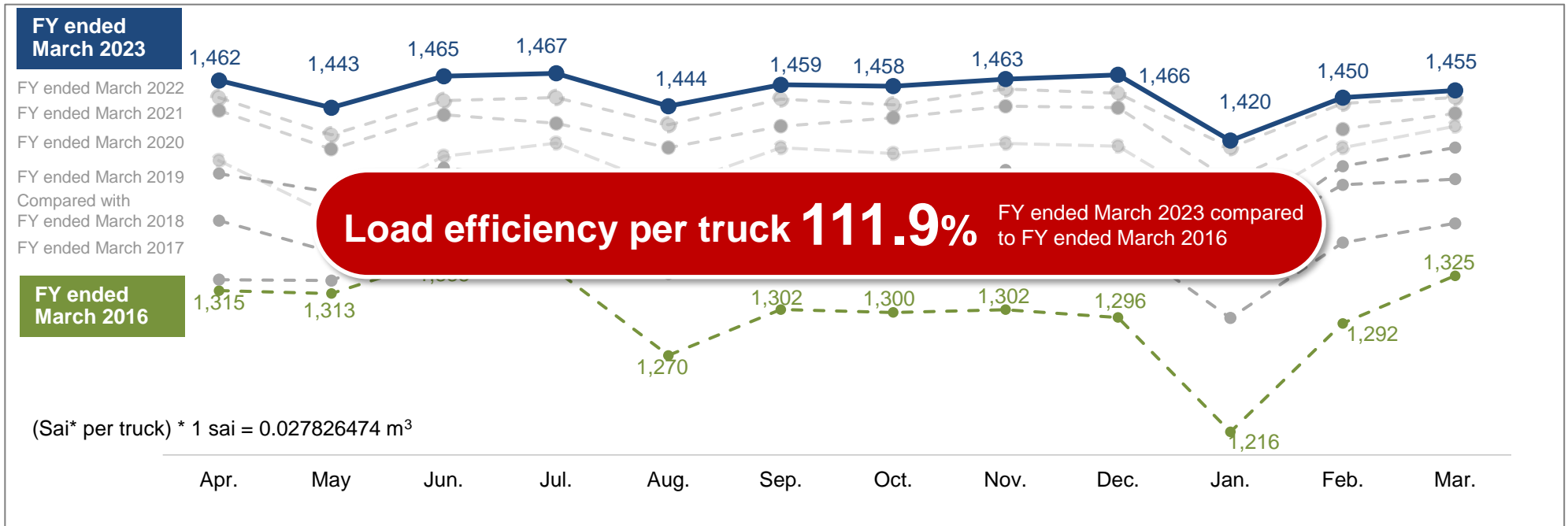
Number of Cases of Stockout



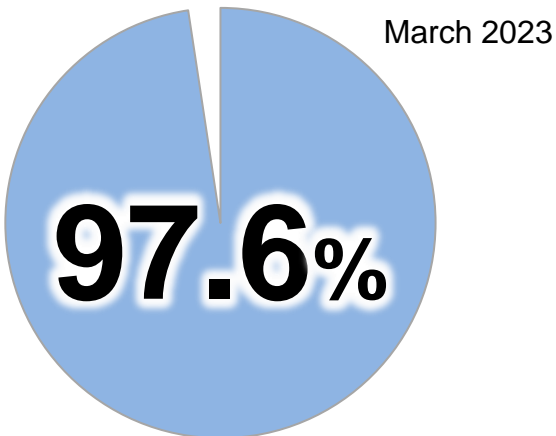
Stable Supply -- Number of Cases of Stockout



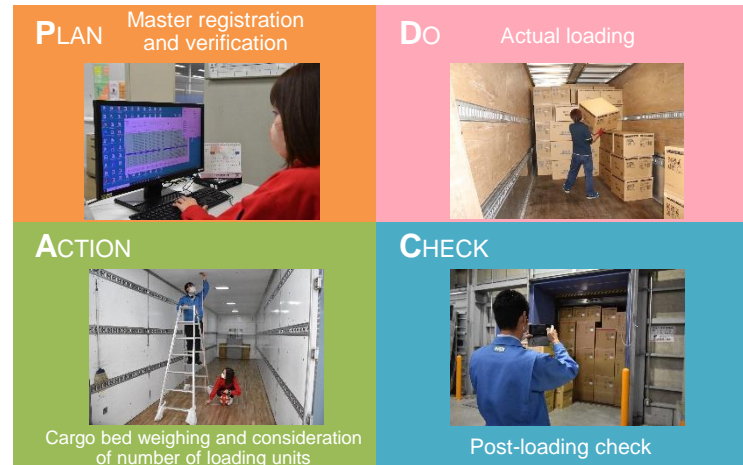
Actions for Suppressing Soaring Logistics Expenses



Ratio of private services



Steady efforts to include as many cases as possible



Distribution Quality

Accuracy to deliver at the specified time



Asking drivers at reception

- Traffic and waiting conditions at the time of delivery
- Requests such as delivery routes

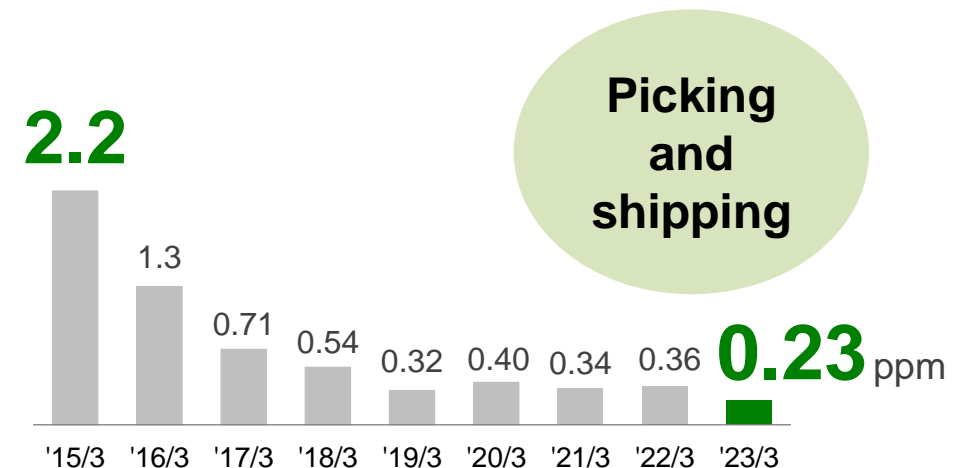
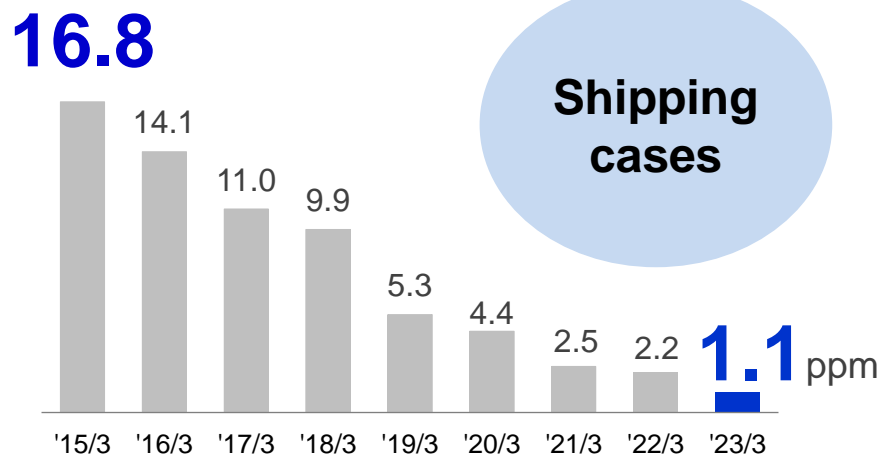


Reconsider delivery routes with team members

- Accompany delivery drivers and check status
- Consult with sales department

Reduced Complaints

(Shipping error, picking error, wrong delivery, and others)

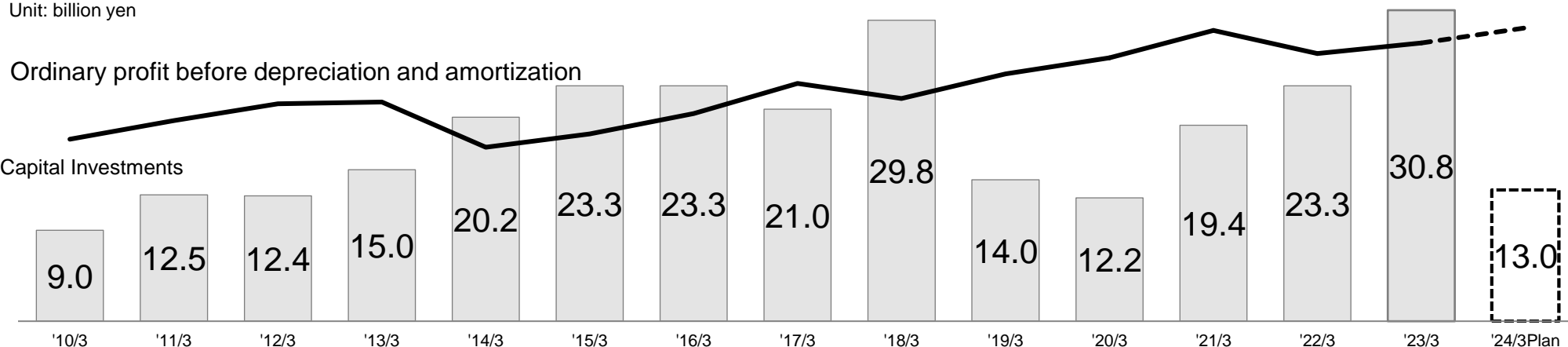


Strategic Investment

Unit: billion yen

Ordinary profit before depreciation and amortization

Capital Investments



Annual investment of approx. 20.0 billion yen

Development of the world's first materials

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

Expansion of the microwavable and frozen food markets

Enhancement of production and recycling

2012: Kanto Yachiyo Plant
 2016: Chubu Eco PET Plant
 2017: Kanto Eco PET Plant
 2018: FPCO ALRight Plant
 2018: FPCO Gravure Plant
 2022: Chubu Plant I
 2023: Kansai Plant

Increase of ESG investments

Enhancement of distribution network

2012: Chubu Picking Center
 2014: Fukuyama Cross Dock Center
 2014: Hachioji Hub Center
 2020: Kyushu Distribution Center expanded
 2020: Fukuyama Hub Center expanded
 2021: Chubu Cross Dock Center expanded
 2023: Kansai Hub Center

Soaring cost of regular cargo services

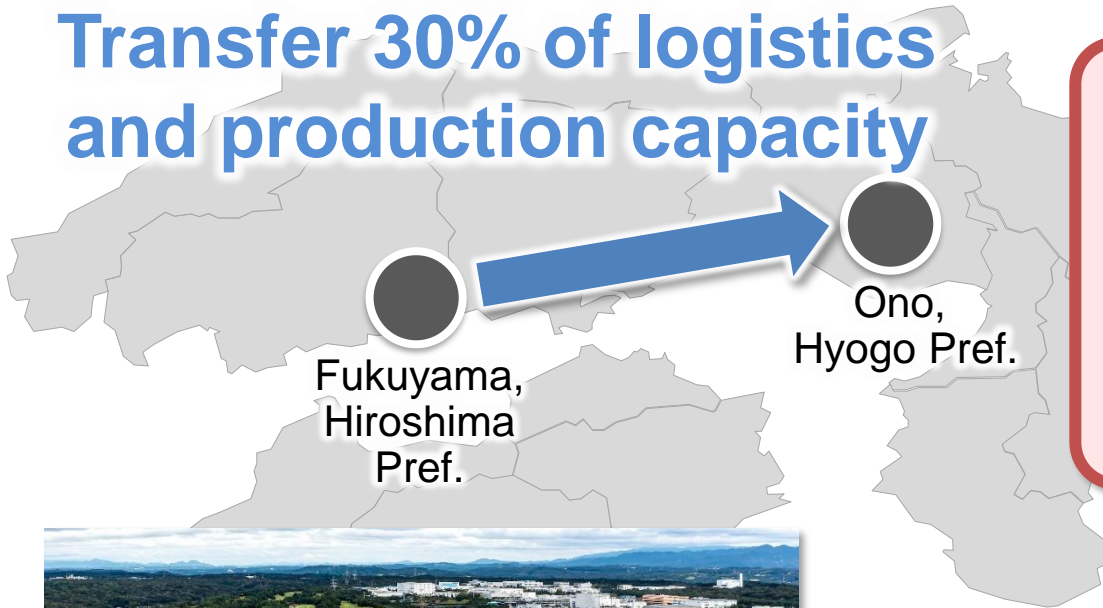
Investment in human resources

2014: FPCO Research Center and Human Resources Development and Training Center
 2018: Hiroshima Sales Office
 2019: Headquarters of FPCO International Package Co., Ltd.
 PicoHouse dormitories for single employees (total number of units: 473)
 [2017: PicoHouse No.1 (150 units)
 PicoHouse No.2 (102 units)
 2020: PicoHouse No.3 (63 units)
 PicoHouse No.4 (18 units)
 2022: PicoHouse No.5 (140 units)]

Labor shortage

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

Transfer 30% of logistics and production capacity



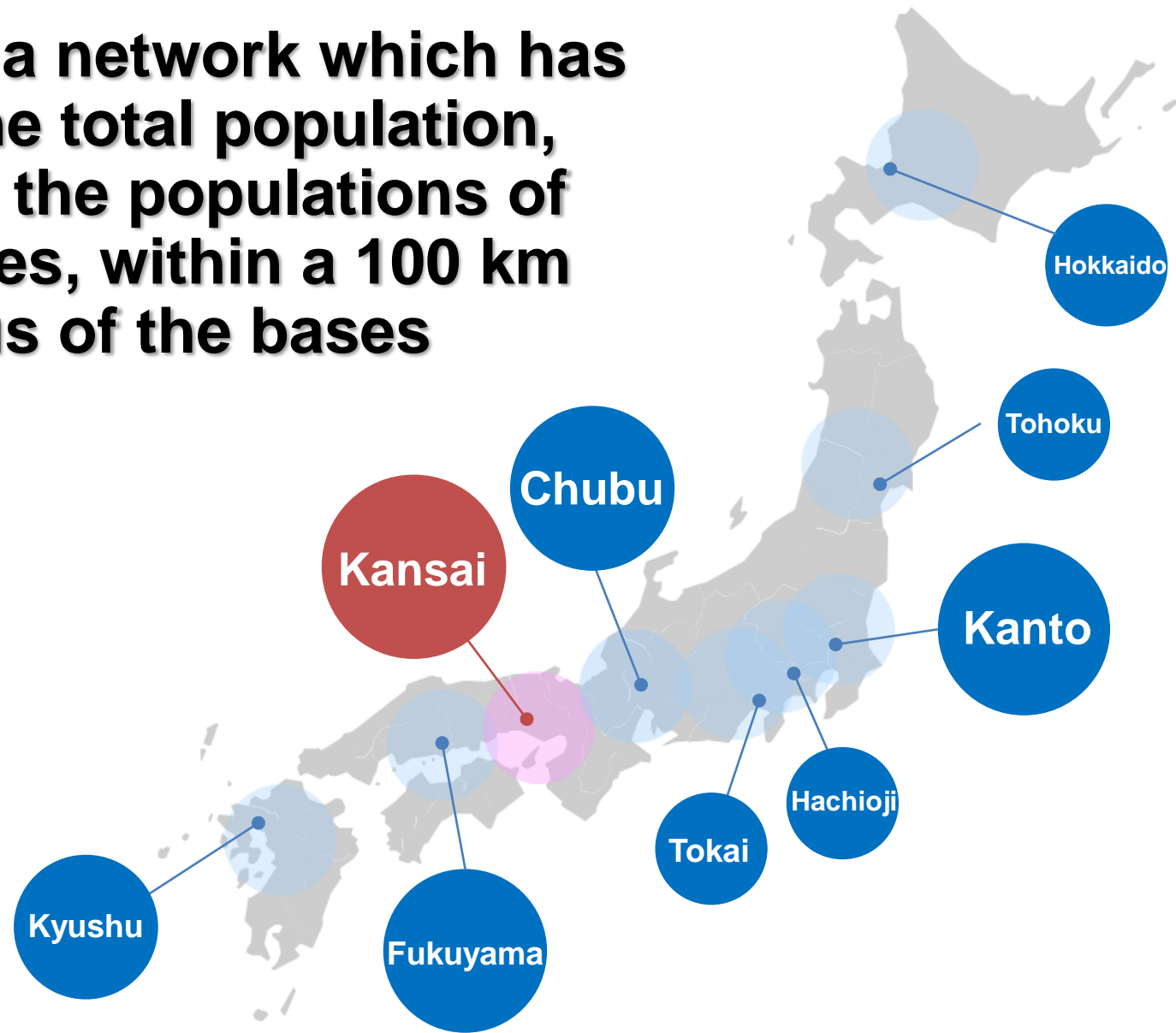
- ✓ **Shorter shipping distances**
- ✓ **Response to 2024 issues**
(Driver shortages + upper limit on overtime work)
- ✓ **Reduced need to transfer goods between bases**

Creating a more stable supply system

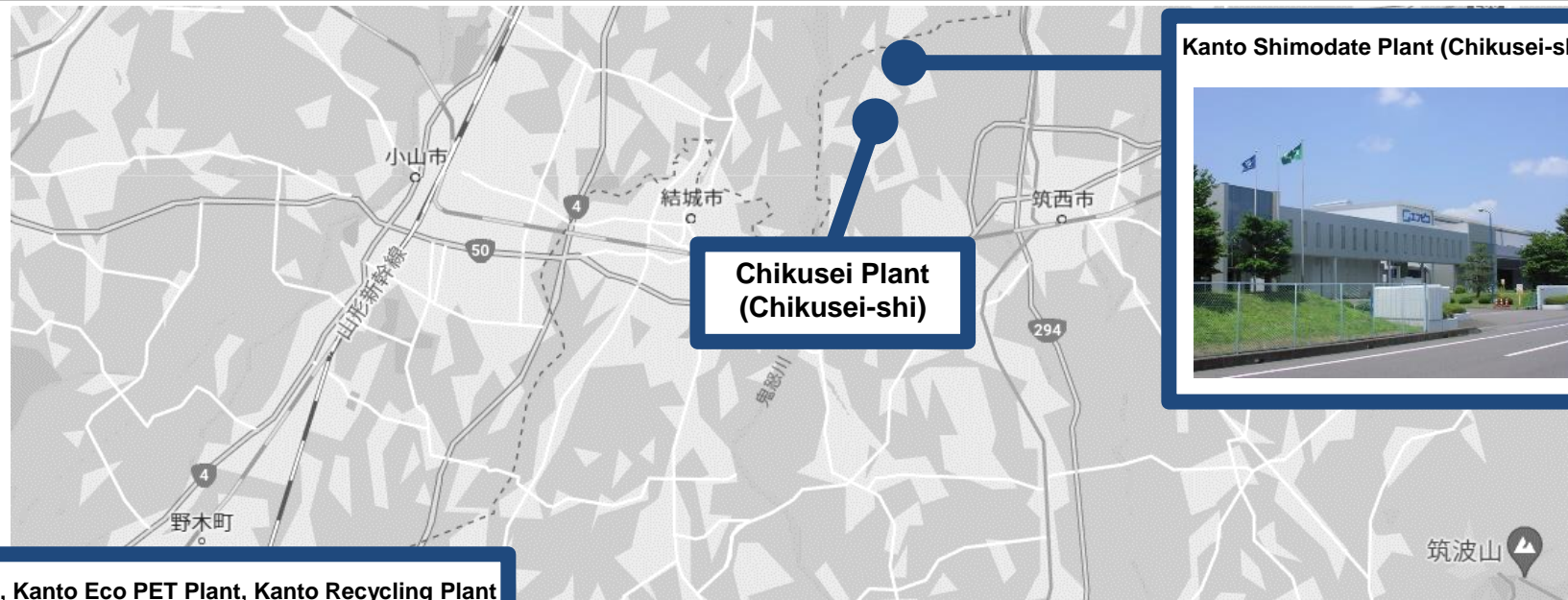


- Sept. 2022: Additional acquisition of a separate piece of land in the industrial park
(Land acquisition value: 940 million yen, site area: 29,136.58 m²)
- September 2024: Plan to open a sorting plant for used containers

**Completed a network which has
85% of the total population,
including the populations of
major cities, within a 100 km
radius of the bases**



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



Kanto Shimodate Plant (Chikusei-shi)



Chikusei Plant
(Chikusei-shi)

Kanto Plant, Kanto Eco PET Plant, Kanto Recycling Plant
Kanto Yachiyo Plant, and Kanto Hub Center
(Yachiyo-machi)



Kanto Tsukuba Plant
(Shimotsuma-shi)

Bando Inter Industrial Park (Bando-shi)

Land acquisition cost: 1,036 million yen
Site Area: 51,819.61 m²

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

Kanto Dai-3 Center (Bando-shi)

Investment in Human Resources (1): Improving the Treatment of Production and Logistics Division Personnel



FY ended March 2019

- ☒ Improvement of retirement payment system

FY ended March 2021

- ☒ Improvement of salary levels
(revision of late-night work allowances, etc.)

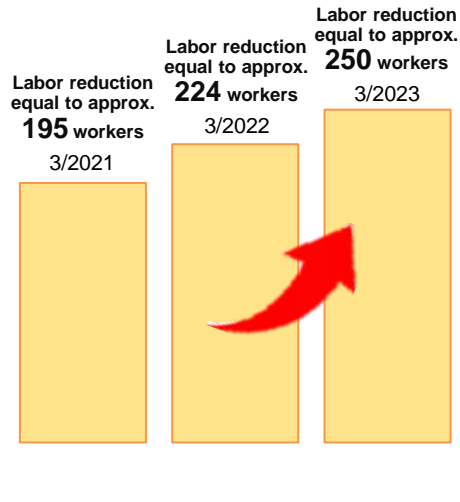
FY ending March 2024

- ☒ Significant revision of salary levels
(average 10.7%)
- ☒ Increase in starting salary
- ☒ Increase in the number of holiday days

Attracting and retaining human resources

Investment in human Resources (2): Personnel and Labor Saving by Introducing Automation Equipment

Manufacturing Division



- Case packing robots 22 units
 - Automatic dusting and packaging machines 8 units
 - Automatic packaging machines 105 units
- 3/2023

Logistics Division



AGV (automated guided vehicle)
33 units

'23/3



Unmanned, laser-guided operation for transferring and storing pallets

AGF (automated guided forklift)
6 units

'23/3

Lighter work through automation

PSP roll acceptance



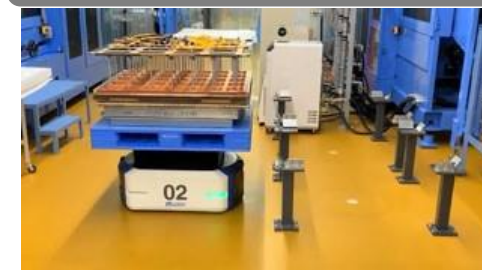
Automated PSP roll conveyance



Automated PSP roll supply



Automated mold conveyance



Investment in Human Resources (3): Development of Working Environment

PicoHouse dormitories for single employees



Group homes for people with disabilities



Promotion of active participation of women

1. Aim to increase the **percentage of all-round female employees to 30% or more** from 2022 onward
2. Increase the number of **female managers to 50** or more (including 5 or more section managers or higher-ranked managers) by 2026
3. Increase the **percentage of childcare leave taken by eligible male employees to 30%** or higher by 2026.



Promotion of health and productivity management

March 2023

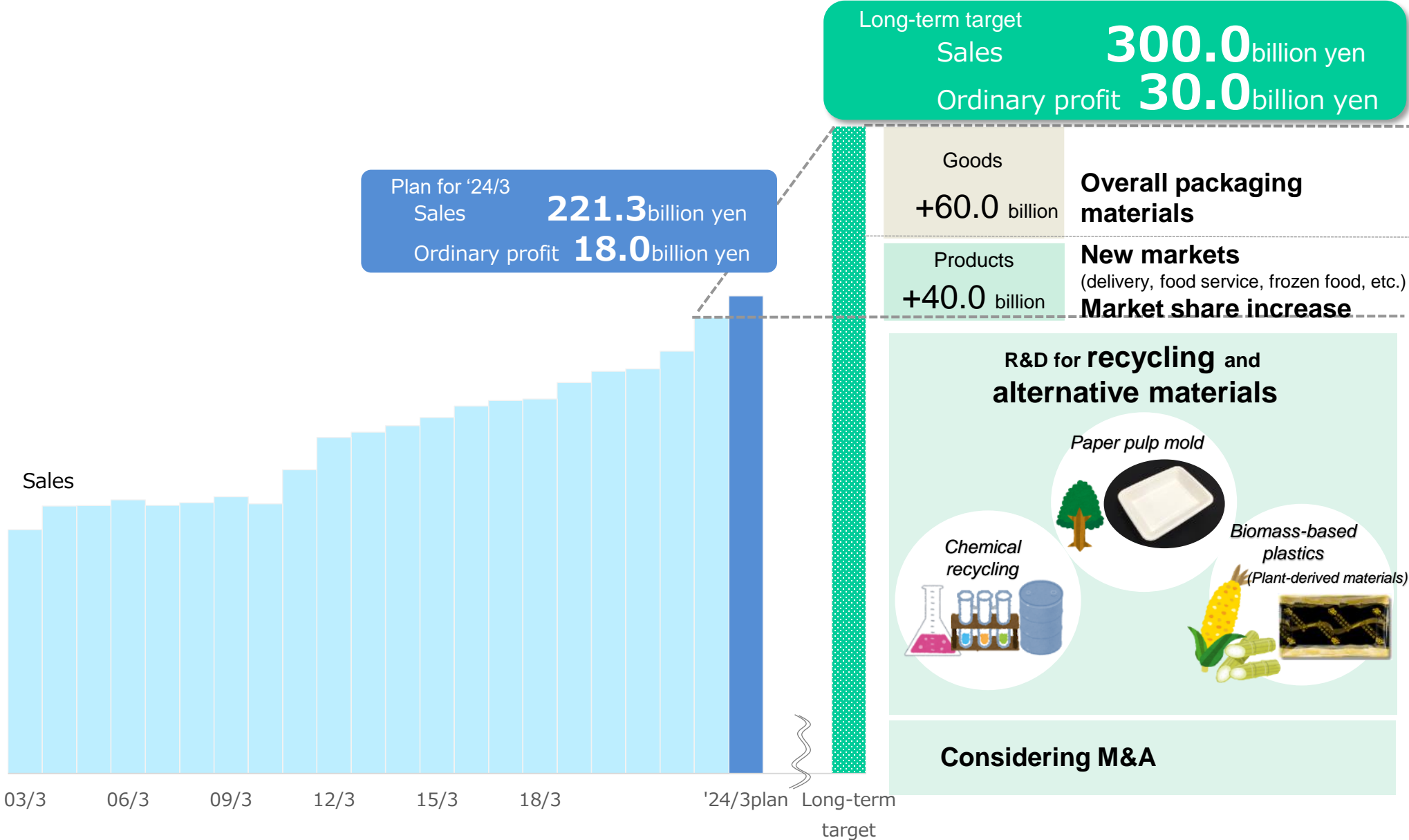
Selected under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) **for two successive years**



Growth Strategy



Growth Strategy



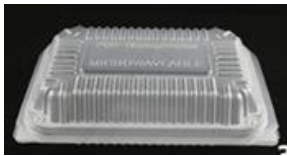
* Changed to the Accounting Standard for Revenue Recognition in FY ended Mar. 2022. Retrospectively applied for the fiscal year ending March 2021.

Investment to Make LSSPI an Equity-Method Affiliate <Overview>

Company name	Lee Soon Seng Plastic Industries Sdn. Bhd.
Business outline	<p>Manufacture and sale of simplified food containers. Malaysia's largest company engaging in this business.</p> <p>Ref) Financial results of SCGM Bhd. for the fiscal year ended Apr. 30, 2022</p> <p>Net sales: 8,740 million yen, Net profit: 948 million yen</p>
Number of employees	488 (As of September 2022)
Acquisition price	Total acquisition price: Approx. 16.7 billion yen (FP Corporation: Approx. 6.7 billion yen)
Shareholders (Shareholding ratio)	<p>Mitsui & Co., Ltd.: 60% (Expertise in overseas business management and sales expansion)</p> <p>FP Corporation: 40% (Productivity improvement)</p>
Date of share acquisition	August 31, 2022



Examples of products



OPS (food pack)

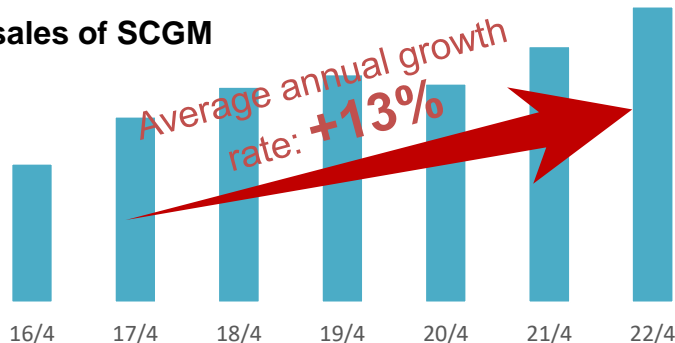


PP (cup)



PET (cup)

Net sales of SCGM



Investment to Make LSSPI an Equity-Method Affiliate <Benefits>

Southeast Asia
Population increase and economic growth



Expanding market of functional containers

Production at a single plant
(Relocated to a new plant in 2019)



All things to manage are within sight

Plenty of space
Existence of old production facilities



Productivity can be improved significantly by applying knowledge and expertise

Dispersed buyers
(Up to 2% to 3%)



Low dependence on specific customers

State of LSSPI Initiatives

Step 1

Three-year plan: double productivity

- FPCO know-how speeds up molding operations
- Automation and labor saving

Step 2

Gaining overwhelming market share in Malaysia and Singapore

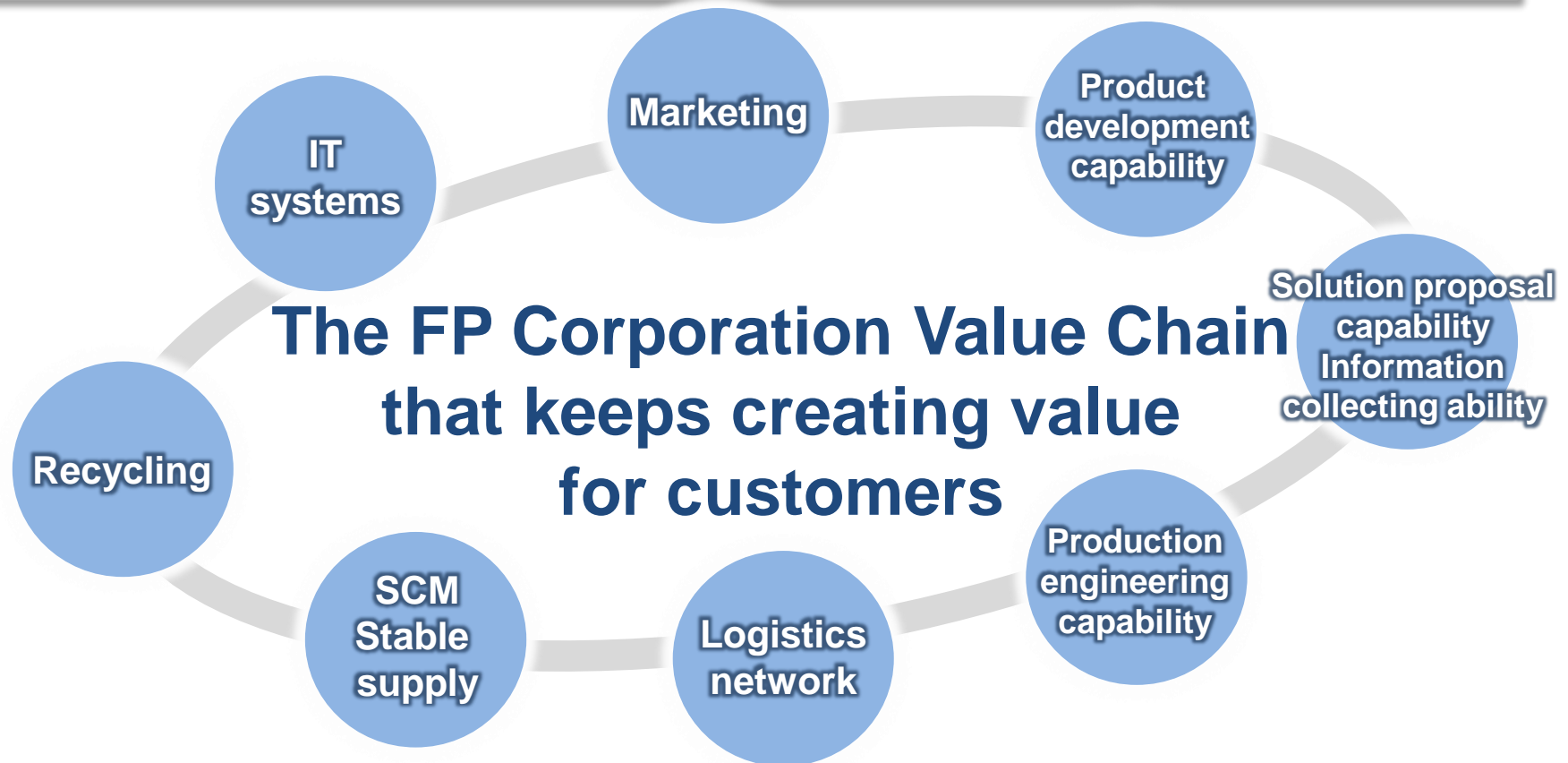
Step 3

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



To Increase Corporate Value

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



Supporting Data

Explanation of terms

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

World's First Sheets and Materials

PP: polypropylene

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Difficult to foam and to reduce the weight.
- ★ Low stiffness
- ★ Low cold resistance
- ★ Difficult to make transparent

PPi-talc

- ★ The same strength with less plastic

New transparent PP

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



PS: polystyrene



PSP: foamed polystyrene

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

MFP: multi FP

: foamed polystyrene

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



PET: polyethylene terephthalate

- ★ Latest-stage resin
- ★ High transparency
- ★ High oil resistance
- ★ Low heat-resistance: +60°C
- ★ Heavy

OPET: Biaxially stretched PET

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

MSD: Multisolid
Non-foaming polystyrene



Recycling of multi-FP remnants

OPS: oriented polystyrene

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



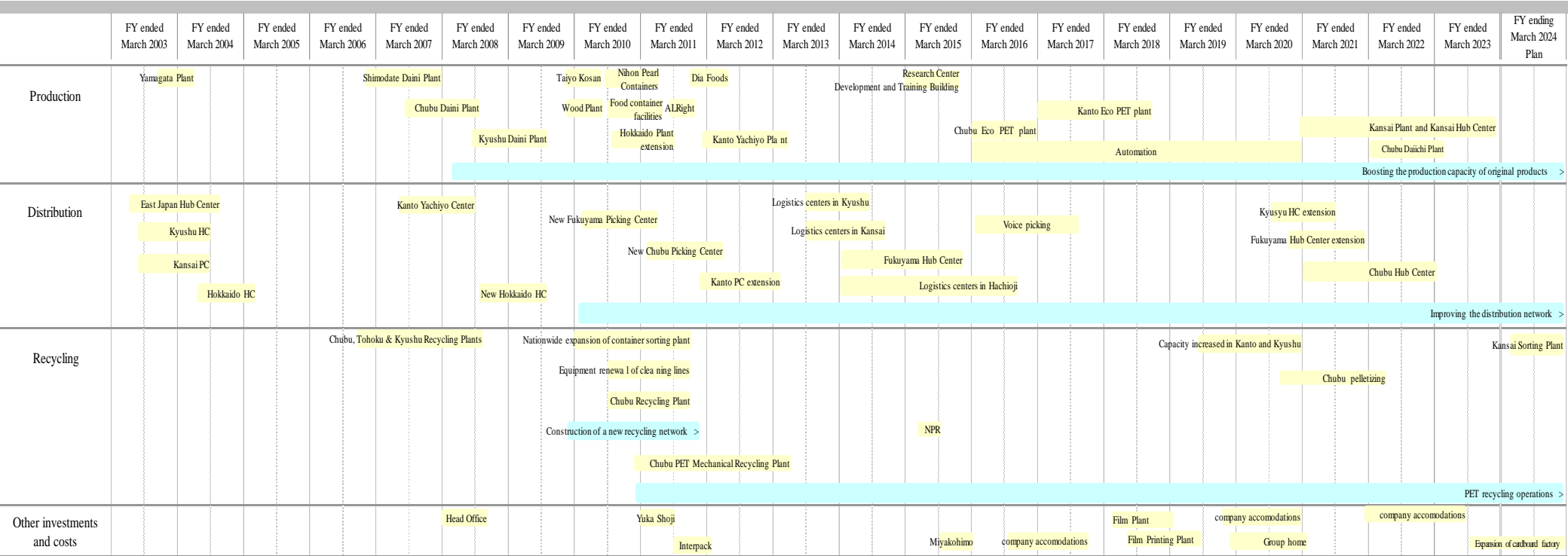
* The pie chart at the center represents the share by material (on weight basis). 72

Factors influencing Ordinary Profit

Unit:100 million yen

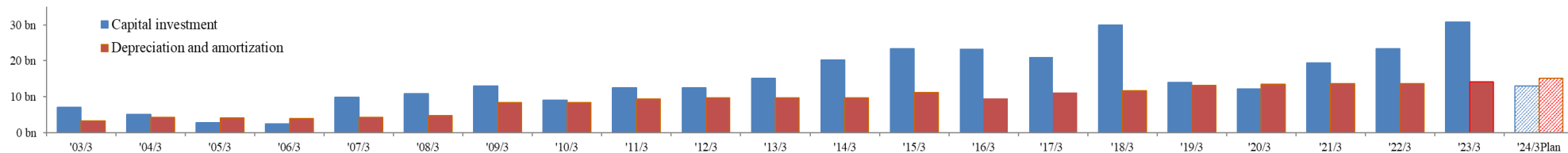
		'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3	'13/3	14/3	15/3	16/3	'17/3			'18/3			'19/3			'20/3			'21/3			'22/3			'23/3			'24/3Plan				
																1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year		
Ordinary Profit for previous year		63.1	28.6	33.6	36.3	66.5	81.2	64.5	92.9	122.2	134.7	149.5	151.2	100.5	101.1	66.3	74.0	140.3	79.1	78.3	157.4	66.3	69.2	135.5	64.8	83.8	148.6	74.4	88.3	162.7	85.6	108.2	193.8	89.1	77.9	167.0	64.1	109.2	173.3		
The Price of Material		-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-37.0	-25.0																																
							Decrease in raw material prices		+78.0				Decrease in raw material prices		+31.0	+20.0	+3.0	+23.0							+2.5	+5.2	+7.7	+11.0	+3.0	+14.0											
							Raw material price increase		-19.0	-23.0	-37.0	-15.5	-46.0	-7.0					-13.0	-13.0	-26.0	-14.8	-15.5	-30.3							-9.9	-36.1	-46.0	-24.4	+13.4	-11.0	+20.0	-	+20.0		
Sales Price		-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+32.0	+6.5	Naphtha formula		-11.0	-12.5	-11.0	-23.5																							
							1st product price reduction		-44.0			Product price correction	+15.0	+16.0					-	+4.5	+4.5	+13.6	+28.0	+41.6	+10.5	-	+10.5														
							2nd product price reduction		-19.0			Price war on general-purpose products	-13.0	-13.0																											
Sales Efforts	Raw material replacement and lighter-weight products			+2.0	+8.0	+8.6	+11.8	+24.5	+20.0				New material effects	+8.0	+14.5																										
	Increase in quantity/improvements to product mix	+45.0			+17.5	+5.8	+3.0	+7.0	+6.0	+21.5	+15.0	+21.0	+1.0	+4.0		+19.5	+10.5	+12.5	+23.0	+6.0	+3.2	+9.2	+4.5	+7.2	+11.7	+3.5	+5.0	+8.5	+7.2	+9.8	+17.0	+11.0	+6.0	+17.0	+4.0	+9.0	+13.0	+3.0	+15.0	+18.0	
Improved Production		+2.4	-0.6	-2.0	+6.0	+8.7	+3.0	+2.5	+9.5	+12.0	+9.0	+2.5	+1.0	+4.0	+12.0	+3.2	+1.1	+4.3	-3.2	-4.0	-7.2	-0.5	-	-0.5	+1.0	+1.5	+2.5	-1.5	+3.5	+2.0	+3.5	-1.5	+2.0	+1.5	+6.5	+8.0	-10.0	-	-10.0		
Improved Distribution		+0.3	-14.0	+12.2	+5.5	+8.0	+5.7	+5.0	+9.5	+8.0	+4.0	+1.5	+1.0	-1.0	+1.5	-3.0	-2.7	-5.7	+0.5	+1.0	+1.5	-1.5	-3.0	-4.5	-4.0	-3.5	-7.5	-0.5	+1.5	+1.0	+2.5	+2.5	+5.0	-	-	-	-4.0	-3.0	-7.0		
Group Companies									+5.0	+5.5	+5.0	+1.0	-1.0	-1.5	+5.5	+2.0	+3.0	+5.0	-	+1.5	+1.5	+0.5	+1.5	+2.0	+2.0	+0.1	+2.1	-0.7	+6.5	+5.8	+4.0	+2.0	+6.0	+2.0	+5.0	+7.0	-2.0	-1.0	-3.0		
	Profit from the sale of artwork			+1.0	-1.0			+4.0	-4.0				Subsidies	+6.5	-1.7	-3.7	+0.8	-2.9																							
Cost increase		-6.2	-19.3	-3.2	+4.2	-7.4	-9.7	-15.6	-12.7	-11.5	-13.2	-15.3	-17.0	-22.0	-17.6	-3.7	-2.4	-6.1	-3.1	-2.3	-5.4	-3.3	-3.6	-6.9	-5.9	-3.8	-9.7	-4.3	-4.4	-8.7	-7.6	-3.2	-10.8	-8.1	-5.9	-14.0	-5.1	-6.2	-11.3		
Total increase/decrease		-34.5	+5.0	+2.7	+30.2	+14.7	-16.7	+28.4	+29.3	+12.5	+14.8	+1.7	-51.0	+0.5	+39.2	+12.8	+4.3	+17.1	-12.8	-9.1	-21.9	-1.5	+14.6	+13.1	+9.6	+4.5	+14.1	+11.2	+19.9	+31.1	+3.5	-30.3	-26.8	-25.0	+28.0	+3.0	+1.9	+4.8	+6.7		
Ordinary profit		28.6	33.6	36.3	66.5	81.2	64.5	92.9	122.3	134.7	149.5	151.2	100.5	101.1	140.3	79.1	78.3	157.4	68.3	69.2	135.5	64.8	83.8	148.6	74.4	88.3	162.7	85.8	108.2	193.8	89.1	77.9	167.0	64.1	105.9	170.0	66.0	114.0	180.0		

Trends in Capital Investment and R&D Costs



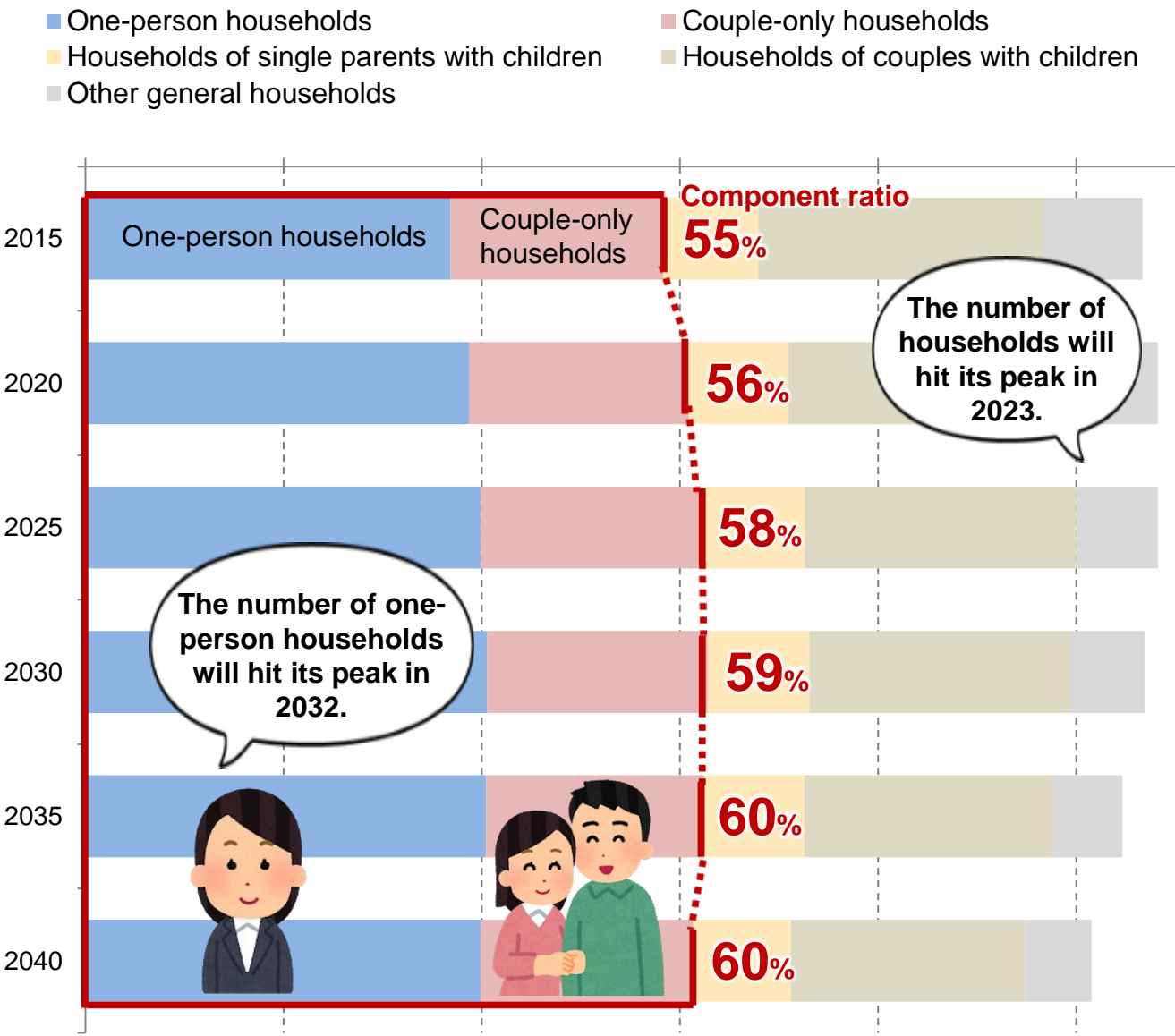
Unit : million yen

Capital investment	7,096	5,037	2,742	2,394	9,885	10,909	13,007	9,090	12,585	12,423	15,087	20,257	23,377	23,383	21,060	29,891	14,038	12,214	19,412	23,361	30,853	13,000
Tangible	6,138	4,248	2,621	2,156	9,523	10,655	12,166	8,827	12,352	12,093	14,783	19,750	23,051	23,058	20,790	29,342	13,442	11,688	19,105	23,084	30,121	12,500
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	595	525	306	277	732	500
Figures for molds only	780	460	436	550	771	609	1,892	1,507	1,833	1,946	1,425	2,151	2,416	1,777	2,028	1,485	1,462	1,870	1,426	2,028	1,753	1,785
Depreciation and amortization	3,339	4,210	4,134	3,965	4,194	4,742	8,467	8,461	9,316	9,728	9,746	9,703	11,136	9,526	11,183	11,706	13,170	13,532	13,609	13,636	14,180	15,200
Research and development	654	628	689	751	895	913	965	1,035	1,101	1,051	1,062	1,148	1,105	1,242	1,223	1,197	1,159	1,229	1,195	1,154	1,295	1,506



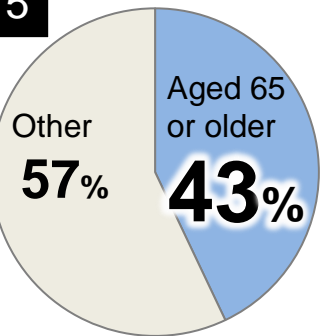
* Since 2009/03, capital investment have been included procurement through lease.

Changes in the Number of Households

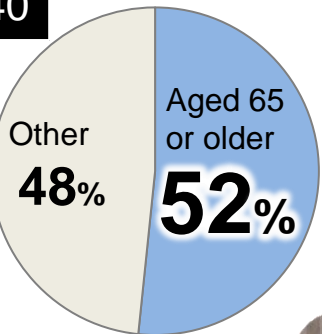


Ratio of households with one person and couples aged 65 or older

2015



2040

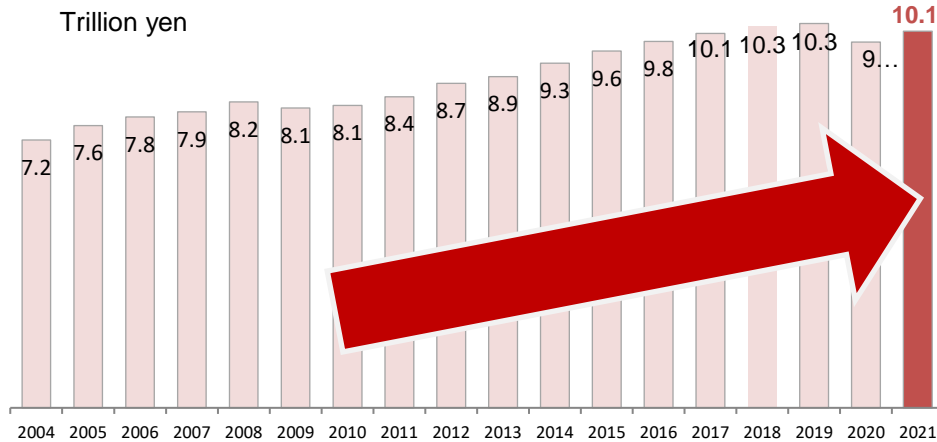


Up 9 percentage points in 25 years



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

Trend in Scale of Ready-to-eat Meals



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

FY2021
**Ready-to-eat
Meals**
Approx.
10.1 trillion yen

Cooking at home:
Approx. 36.8 trillion yen
(2020)



Eating out:
Approx. 18.2 trillion yen
(2020)



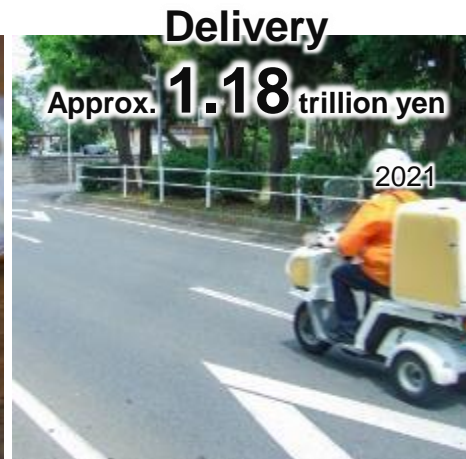
Major food
manufacturers



Markets expected to grow in the future



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



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

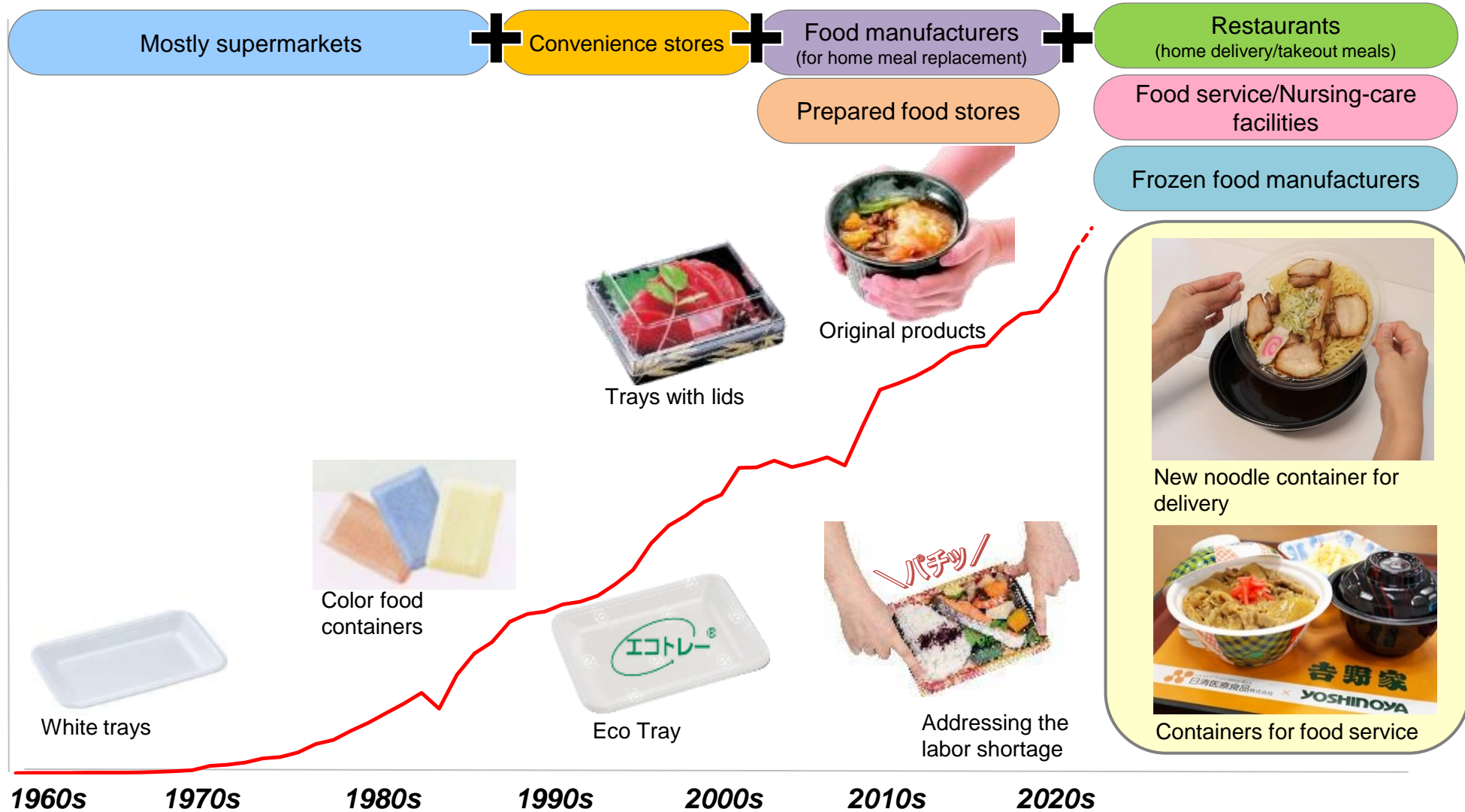
* Size of the takeout food market excluding delicatessen shops and other shops that overlap with the conventional market



Source: Fuji Keizai, Food Service Industry Marketing Handbook 2021

Expanding Market

Net sales of the
FPCO Group

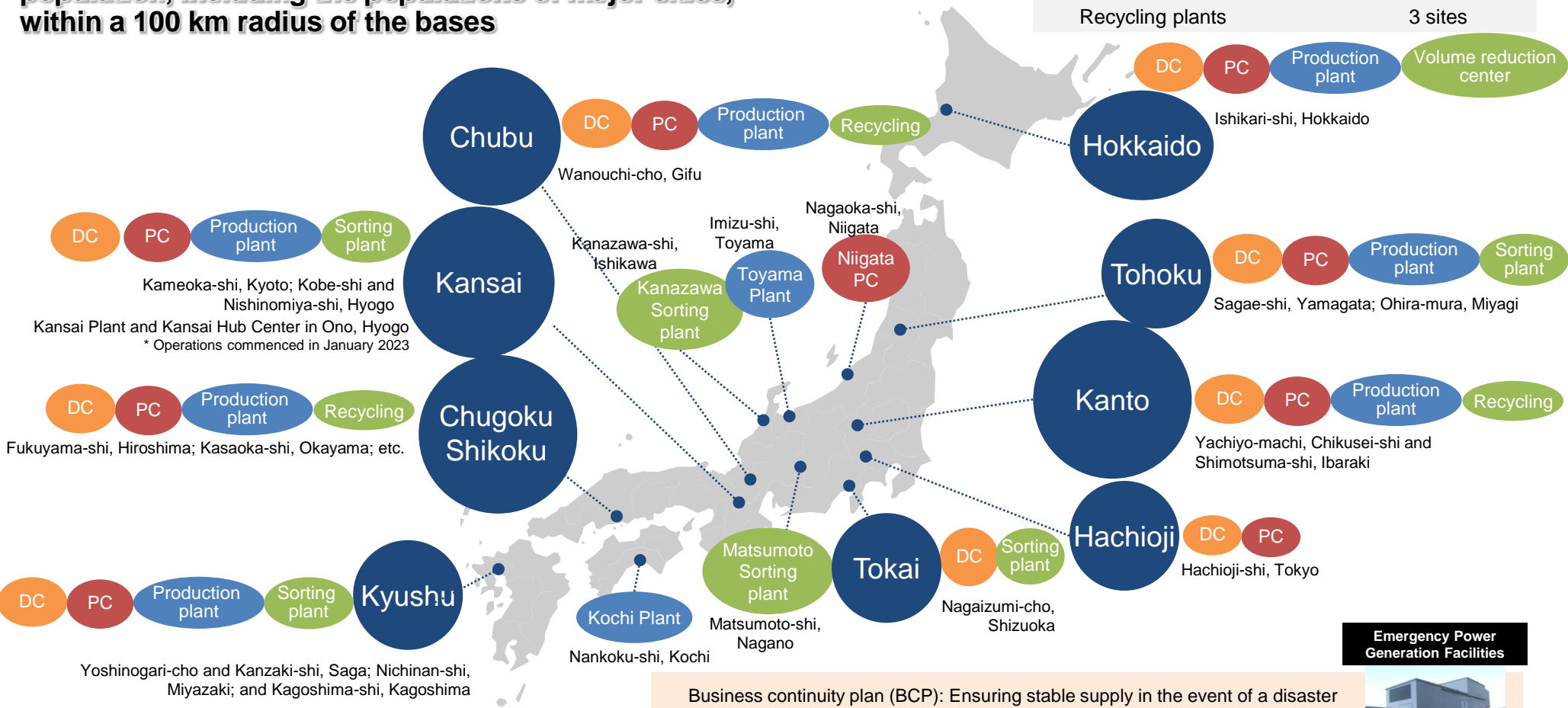


Nationwide Production and Logistics Network

FPCO can manufacture and deliver on an area-specific basis

Completed a network which has 85% of the total population, including the populations of major cities, within a 100 km radius of the bases

Production plant	20 sites
Distribution Center	9 sites
Picking Centers	10 sites
Sorting plant and volume reduction centers	10sites
Recycling plants	3 sites



Business continuity plan (BCP): Ensuring stable supply in the event of a disaster
Emergency power generator installed at all of our 22 logistics facilities in Japan
Providing **72 hours'** worth of electricity and a fuel stockpile



Capital Investment and Cash Flows

Cash flows from operating activities

Capital investment: Goal of 18 to 25 billion yen

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

[Priority investment areas]

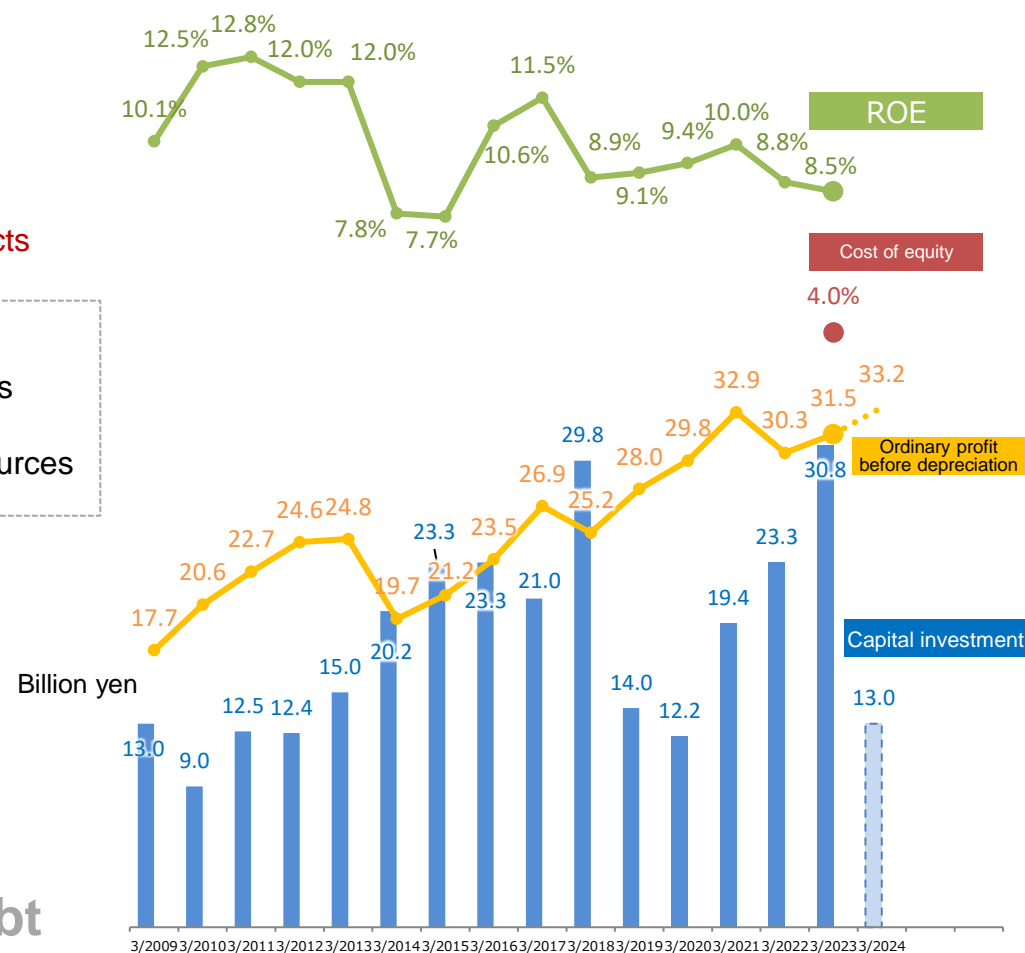
- Market demand for recycled and eco-friendly products
- Establishing a system for stable supply
- Improving treatment to attract and retain human resources

Consolidated payout: Goal of 30%

Stable and continuous payment of dividends
Maximization of earnings per share

Acquisition of treasury shares

Adjustment of interest-bearing debt



Governance structure

Unit: People

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

Ocean Plastic Pollution: Trends in the World and Japan

Global trends



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

2018 **G7** Ocean Plastics Charter

2019

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

<Specific examples of plastics exempted from the regulations>

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

Trends in Japan



MOE Comprehensive strategy for plastic material recycling

(Excerpt of milestones)

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

Act on Promotion of Resource Circulation for Plastics

[Voluntary collection by manufacturers and distributors]

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

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

Ocean Plastics Charter endorsed at Charlevoix G7 Summit in Canada

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

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

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

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

Reduce

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

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

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

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

Reuse & Recycle

Recycling/ Biomass plastics

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

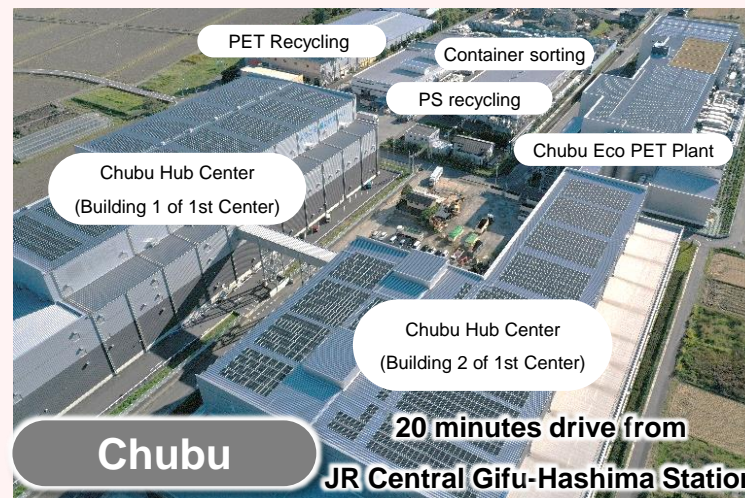
We aim to **introduce as much biomass plastics as possible (approx. 2 million tons) by 2030** by promoting the understanding, cooperation and collaboration of people from all quarters and all levels of civil society.

Collaboration with Related Ministries, Agencies and Organizations

	Actions of related ministries, agencies and organizations	FPCO's involvement
Ministry of the Environment	<ul style="list-style-type: none"> ● Plastic resources recycling strategy Presentation on Japan's plastic resource recycling strategy planned at the G20 Summit in June 2019 ● Plastics Smart Encouraging smart use of plastics and communicating such uses worldwide 	<ul style="list-style-type: none"> ○ Participation in a subcommittee as an industrial association ○ Publication of Tray to Tray and Bottle to Tray recycling on the campaigns page
Ministry of the Economy, Trade and Industry	<ul style="list-style-type: none"> ● Clean Ocean Material Alliance A syndicate of companies implementing proper waste management and 3R actions for plastic products and accelerating innovation for resolving marine plastic issues 	<ul style="list-style-type: none"> ○ Participation in the alliance as a leading member
Ministry of Agriculture, Forestry and Fisheries	<ul style="list-style-type: none"> ● Call for plastic resource recycling declarations Collecting and showcasing examples of voluntary actions taken by companies and associations in the food industry 	<ul style="list-style-type: none"> ○ Publication of actions for recycling, reducing and raising awareness on the ministry's website
Keidanren (Japan Business Federation)	<ul style="list-style-type: none"> ● Plastic-related Innovation for SDGs Collecting and showcasing examples of actions taken by businesses and associations for encouraging the recycling of plastic resources and for helping address the issue of marine plastic waste 	<ul style="list-style-type: none"> ○ Publication of actions for recycling, reducing and raising awareness on Keidanren's website
Initiative	<ul style="list-style-type: none"> ● Japan Climate Initiative A network of Japanese entities committed to joining the front line of the global push for decarbonization and taking positive actions to combat climate change 	<ul style="list-style-type: none"> ○ Commitment to participate from inception

Information on Facility Tours

Visitors can view state-of-the-art **production**, **logistics**, and **recycling**



Accepted
at any time

**Corporate Planning
Department**

03-5325-7756