

Financial Results

for the Six Months Ended September 30, 2023



FTSE4Good



FTSE Blossom
Japan



FTSE Blossom
Japan Sector
Relative Index

2023 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)



FP Corporation
November 1, 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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◆ Results and Plan

Executive Vice President and Director,

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

◆ For Expansion of Corporate Value

Chairman, Representative Director and Group Representative

Morimasa Sato . . . 11

◆ Supporting Data

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Financial Results

for the Six Months Ended September 30, 2023

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

Financial Results Summary

(For the Six Months Ended September 30, 2023)

| | 1 st half Performance | | | | | | | 1 st half projections | | | Full year projections | | |
|--------------------------------------|----------------------------------|------------|----------------------|------------|-----------------------|------------------|----------|----------------------------------|------------|------------------|-----------------------|------------|------------------|
| | FY ended March 2023 | | FY ending March 2024 | | | | | FY ending March 2024 | | | FY ending March 2024 | | |
| | Performance | Percentage | Performance | Percentage | Increase/ decrease | Year-on -year | Quantity | Planned | Percentage | Progress rate | Planned | Percentage | Progress rate |
| Unit: million yen | | | | | | | | | | | | | |
| Trays | 19,785 | 19.3 | 20,640 | 19.0 | +854 | 104.3% | 98.3% | 21,500 | 19.5 | 96.0% | 43,600 | 19.7 | 47.3% |
| Lunchboxes and prepared food | 58,691 | 57.2 | 62,860 | 57.8 | +4,169 | 107.1% | 99.0% | 64,100 | 58.3 | 98.1% | 128,000 | 57.8 | 49.1% |
| Subtotal | 78,477 | 76.5 | 83,501 | 76.8 | +5,024 | 106.4% | 98.8% | 85,600 | 77.8 | 97.5% | 171,600 | 77.5 | 48.7% |
| Other products | 1,964 | 1.9 | 1,980 | 1.8 | +15 | 100.8% | | 1,950 | 1.8 | 101.6% | 3,900 | 1.8 | 50.8% |
| Sales of products | 80,442 | 78.4 | 85,482 | 78.6 | +5,040 | 106.3% | | 87,550 | 79.6 | 97.6% | 175,500 | 79.3 | 48.7% |
| packaging materials | 21,127 | 20.6 | 22,014 | 20.2 | +886 | 104.2% | | 21,450 | 19.5 | 102.6% | 43,700 | 19.7 | 50.4% |
| Other goods | 992 | 1.0 | 1,229 | 1.1 | +237 | 123.9% | | 1,000 | 0.9 | 123.0% | 2,100 | 0.9 | 58.6% |
| Sales of goods | 22,119 | 21.6 | 23,244 | 21.4 | +1,124 | 105.1% | | 22,450 | 20.4 | 103.5% | 45,800 | 20.7 | 50.8% |
| Net Sales | 102,562 | 100.0 | 108,726 | 100.0 | +6,164 | 106.0% | | 110,000 | 100.0 | 98.8% | 221,300 | 100.0 | 49.1% |
| Operating profit | 6,072 | 5.9 | 6,981 | 6.4 | +909 | 115.0% | | 6,250 | 5.7 | 111.7% | 17,350 | 7.8 | 40.2% |
| Ordinary profit | 6,409 | 6.2 | 7,235 | 6.7 | +825 | 112.9% | | 6,600 | 6.0 | 109.6% | 18,000 | 8.1 | 40.2% |
| Profit attribute to owners of parent | 4,131 | 4.0 | 5,122 | 4.7 | +991 | 124.0% | | 4,345 | 4.0 | 117.9% | 11,808 | 5.3 | 43.4% |
| Ordinary profit before depreciation | 13,437 | | 14,816 | | +1,378 | 110.3% | | 14,180 | 104.5% | | 33,200 | 44.6% | |

Record high
Highest sales ever for
9 consecutive years

◇Sales

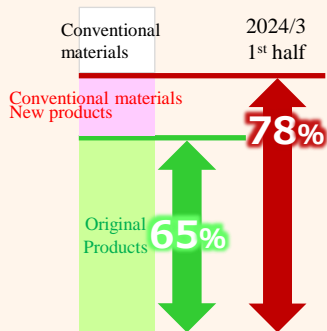
Products

- Sales of high value-added products for eco-friendly products and prepared food as well as were strong
- Increased sales effect of the second product price revisions (announced in April 2022)
- Strong sales of high value-added products such as eco-friendly products and products for prepared foods
Quantity of 1st half results : 98.8% (September: 100.6%)

Goods

- Penetration of revised prices
- Proposal for efficiency improvement using the FPCO Group's infrastructure
- Expansion of sales channels through Pack Market, an e-commerce site

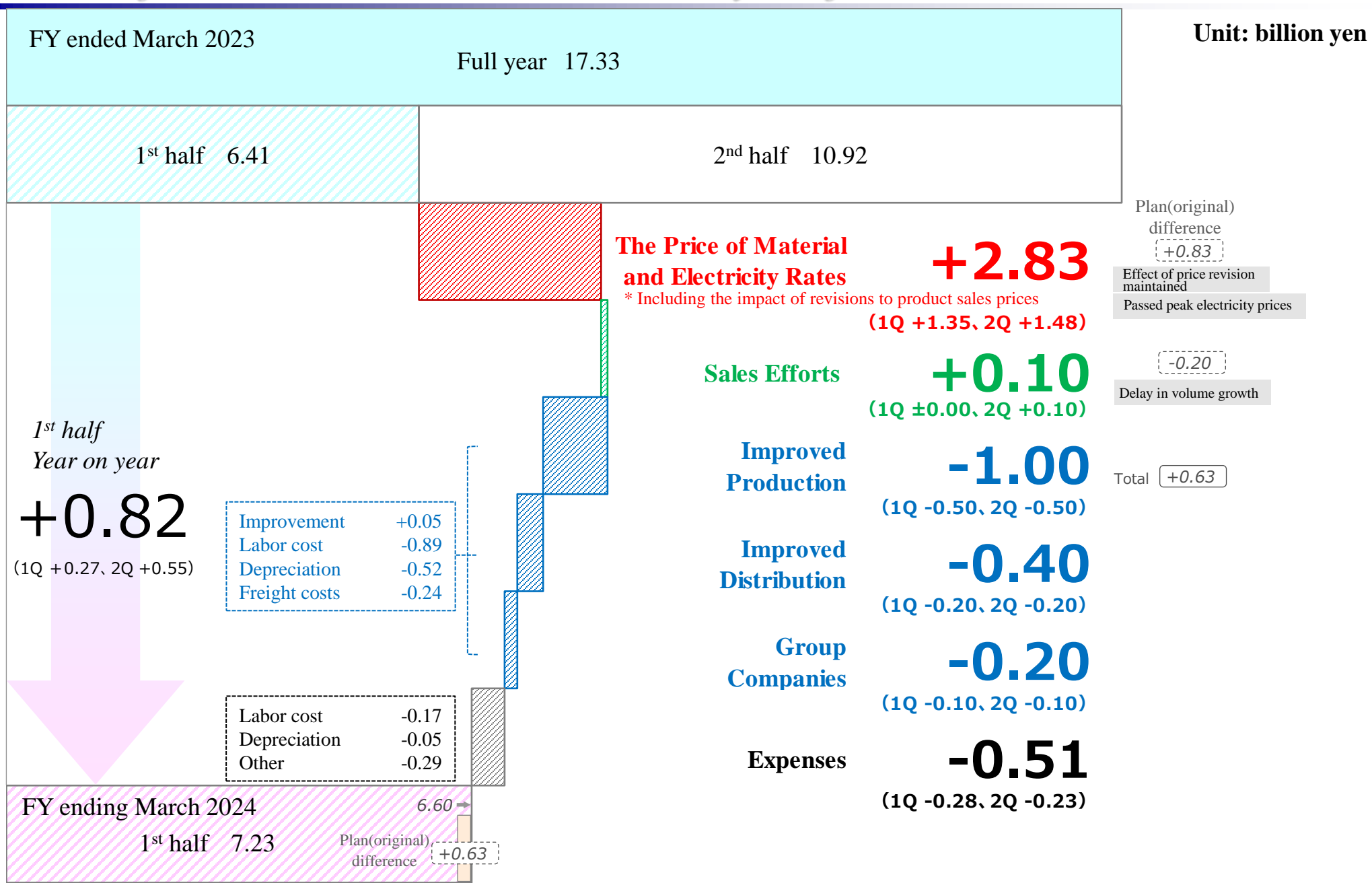
◇Product sales composition



◇Year-on-year

| | 1Q results | 2Q results | 1 st half results | 2 nd half plan | Full year plan (original) |
|-----------------------|------------|------------|------------------------------|---------------------------|---------------------------|
| Sales of products | 108.7% | 104.0% | 106.3% | 102.7% | 105.7% |
| Quantity | 98.4% | 99.2% | 98.8% | 104.0% | 102.5% |
| Ordinary profit | 109.1% | 116.2% | 112.9% | 104.4% | 103.9% |
| Ordinary profit ratio | 6.1% | 7.2% | 6.7% | 10.2% | 8.1% |

Results for Increase/Decrease in Ordinary Profit (For the Six Months Ended September 30, 2023)



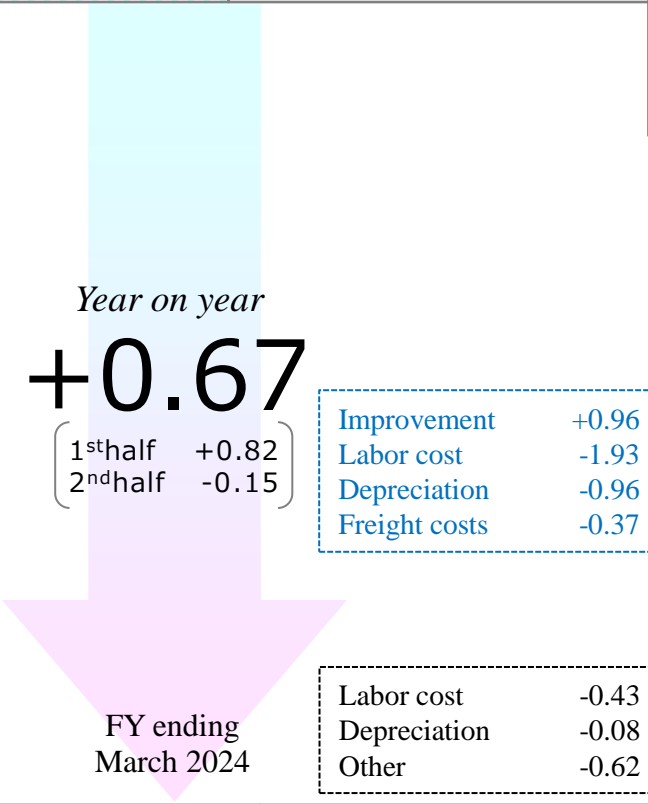
Outlook for Increase/Decrease in Ordinary Profit

Outlook (Oct.30)

Unit: billion yen

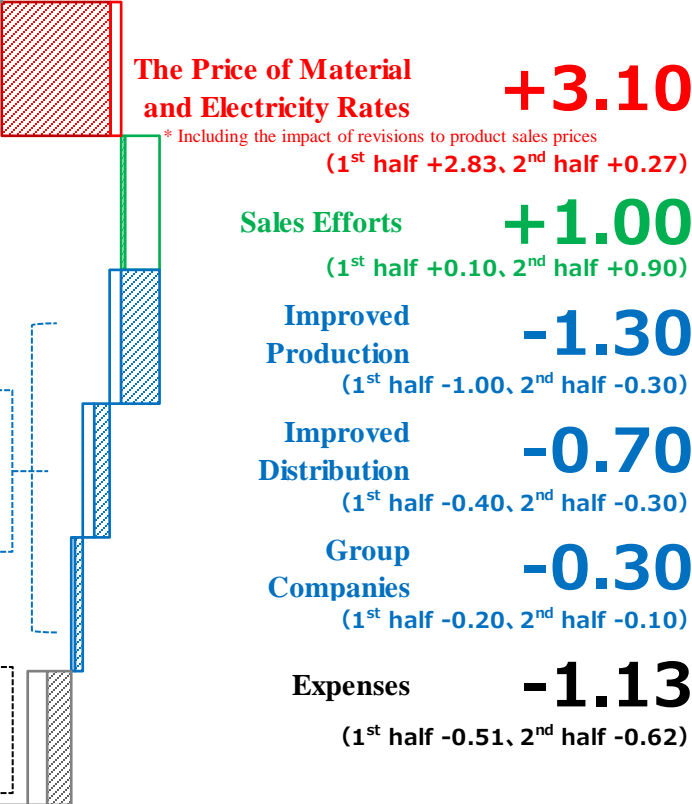
| | | |
|---------------------|--|--|
| FY ended March 2023 | | |
| Full year 17.33 | | |

| | | | |
|----------------------|------|----------------------|-------|
| 1 st half | 6.41 | 2 nd half | 10.92 |
|----------------------|------|----------------------|-------|



| | | | |
|---------------------------|-------|------------------------------|-------|
| 1 st half | 6.60 | 2 nd half outlook | 11.40 |
| Plan(original) difference | +0.63 | Plan(original) difference | -0.63 |

| | |
|-------------------------|--|
| Full year outlook 18.00 | |
|-------------------------|--|



| Plan(original) difference | | |
|-------------------------------------|---|-----------|
| 1 st half difference | Changes in the 2 nd half outlook | Full year |
| +0.83 | +0.27 | +1.10 |
| Effect of price revision maintained | Decrease in the price of recycled PET raw materials | |
| Passed peak electricity prices | Passed peak electricity prices | |
| -0.20 | -0.60 | -0.80 |
| Delay in volume growth | Year-on-year volume growth trend from September | |
| ±0.00 | Delayed volume growth compared to plan | -0.30 |
| | Delayed volume growth compared to plan | |
| Total | -0.63 | ±0.00 |

Capital Investments and R&D Costs

(Result for the Six Months Ended September 30, 2023)

| Unit: million yen | 1 st half performance | | | | 1 st half projections | | Full year projections | |
|--------------------------------|----------------------------------|----------------------|---------------------|--------------|----------------------------------|---------------|-----------------------|---------------|
| | FY ended March 2023 | FY ending March 2024 | | | FY ending March 2024 | | FY ending March 2024 | |
| | Performance | Performance | Increase / decrease | Year-on-year | Planned | Progress rate | Planned | Progress rate |
| Tangible fixed assets | 20,593 | 3,305 | -17,287 | 16.1% | 5,000 | 66.1% | 12,500 | 26.4% |
| Intangible fixed assets | 276 | 174 | -101 | 63.2% | 200 | 87.2% | 500 | 34.9% |
| Capital investments | 20,869 | 3,479 | -17,389 | 16.7% | 5,200 | 66.9% | 13,000 | 26.8% |
| Depreciation | 7,027 | 7,580 | +552 | 107.9% | 7,580 | 100.0% | 15,200 | 49.9% |
| Research and development costs | 613 | 640 | +26 | 104.3% | 744 | 86.1% | 1,506 | 42.5% |

Discrepancies in timing of acceptance inspection

Major Capital Investments

Investment in original products:

Improving production capacity and quality of Eco APET products

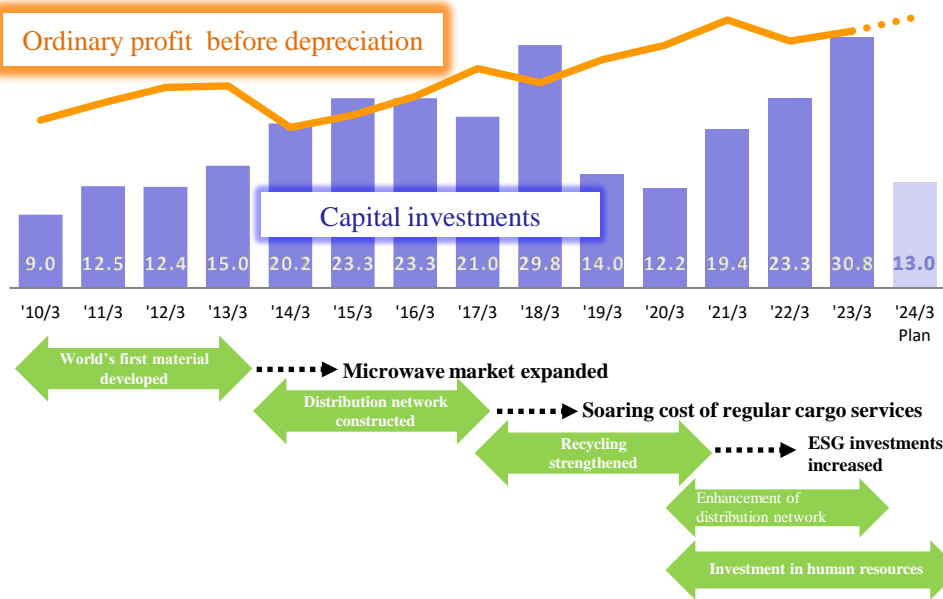
| | Total investment | Plan in period | 1 st half performance |
|---|------------------|----------------|----------------------------------|
| ◆ Eco APET materials:Increase in the productivity (Kanto, Chubu) | 547 | 547 | 160 |
| ◆ Eco APET materials:Reinforcement of the production capacity (Nishinohon PET-Bottle recycle Co., Ltd.) | 455 | 455 | 10 |
| ◆ Eco APET products:Reinforcement of the production capacity | 240 | 240 | 68 |

Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

| | Total investment | Plan in period | 1 st half performance |
|--|------------------------------|----------------|----------------------------------|
| ◆ Introduction of automation facilities | | 294 | 64 |
| ◆ Reinforcement of the production capacity of Conventional material products | 1,777 | 1,579 | 489 |
| ◆ Kansai Sorting Plant | To be completed in Sep. 2024 | 944 | 391 |
| ◆ Enhancement of Group companies' production sites | | | |
| Expansion of cardboard factory | To be completed in Aug. 2024 | 3,527 | 986 |
| ◆ Molds | | 1,785 | 778 |
| ◆ IT investments | | 720 | 249 |

◇Index



Balance Sheet

(Result for the Six Months Ended September 30, 2023)

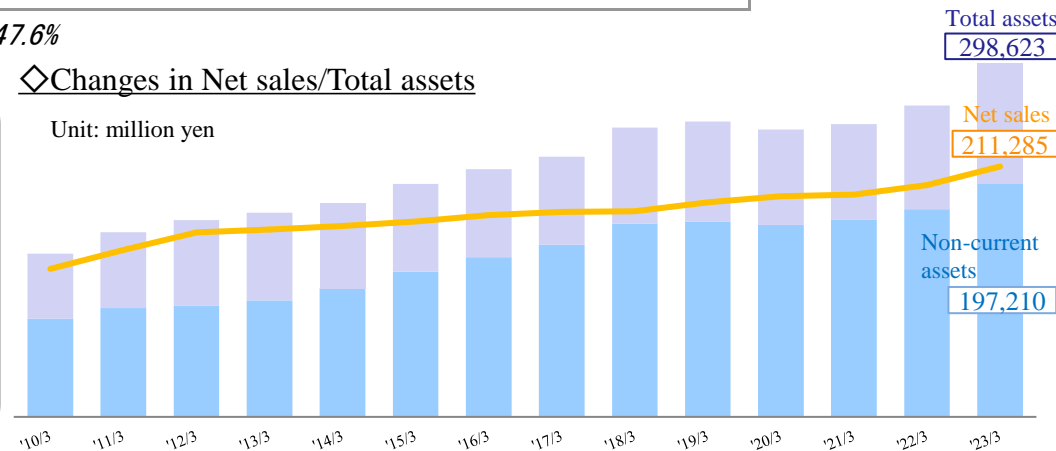
| Unit: million yen | Previous consolidated fiscal year | 1 st half of the consolidated fiscal year | | | | |
|----------------------------------|---|--|-----------------------|--------------------------------------|--|---------|
| | FY ended March 2023 As of March 31, 2023 | As of September 30, 2024 | Increase/ decrease | FY ending March 2024 Year-on-year | Breakdown of main increases and decreases | |
| Current assets | 101,413 | 104,866 | + 3,453 | 103.4% | Notes and accounts receivable-trade | + 5,891 |
| Noncurrent assets | 197,210 | 195,160 | - 2,049 | 99.0% | Buildings and structures, net | - 2,465 |
| | | | | | Machinery, equipment and vehicles, net | - 1,879 |
| | | | | | Goodwill | + 1,507 |
| Total assets | 298,623 | 300,027 | + 1,403 | 100.5% | | |
| Current liabilities | 83,883 | 86,616 | + 2,732 | 103.3% | Notes and accounts payable-trade | + 3,948 |
| Noncurrent liabilities | 74,568 | 69,876 | - 4,692 | 93.7% | Long-term loans payable | - 4,782 |
| Total liabilities | 158,452 | 156,492 | - 1,959 | 98.8% | | |
| Net assets | 140,171 | 143,534 | + 3,363 | 102.4% | Retained earnings | + 3,035 |
| Total liabilities and net assets | 298,623 | 300,027 | + 1,403 | 100.5% | | |

Equity ratio

47.6%

◇Changes in Net sales/Total assets

Unit: million yen



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

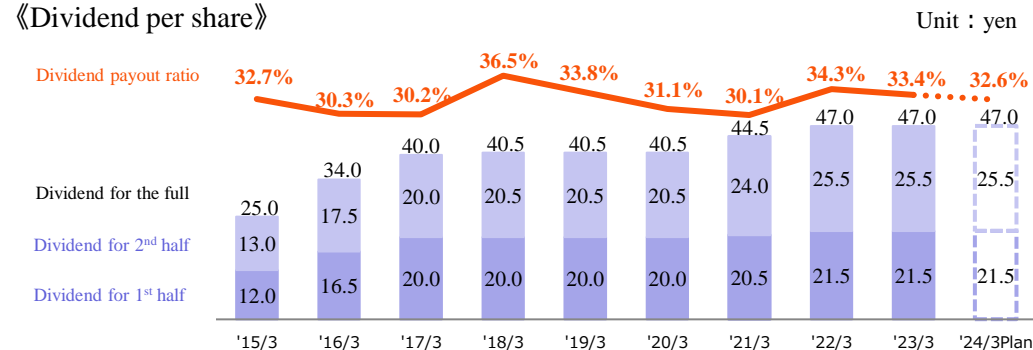
Cash Flows

(Result for the Six Months Ended September 30, 2023)

| Unit: million yen | Results for 1 st half | | |
|--|------------------------------------|-------------|--|
| | FY ended March 2023 Performance | Performance | FY ending March 2024 Breakdown of main items |
| CF from operating activities | 6,785 | 14,021 | Profit before income taxes 7,509 Depreciation 7,580 Decrease (increase) in notes and accounts receivable - trade -5,877 Increase (decrease) in notes and accounts payable - trade 2,732 |
| CF from investing activities | -19,615 | -6,912 | Purchase of property, plant and equipment -7,064 |
| Free cash flows | -12,829 | 7,109 | |
| CF from financing activities | 22,468 | -7,162 | Proceeds from long-term loans payable 3,000 Repayment of long-term loans payable -7,441 Repayments of lease obligations -600 Cash dividends paid -2,086 |
| Net increase(decrease)in cash and cash equivalents | 9,638 | -52 | |
| Cash and cash equivalents at end of period | 29,383 | 22,202 | |

- 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 M&A to expand products and services and leverage logistics infrastructure
- CF from financing activities
Continuously stable dividend
Consider agile and flexible returns, taking into account financial soundness, strategic investments, stock price levels, etc.

《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, 2015

To Increase Corporate Value

Chairman, Representative Director and Group Representative
Morimasa Sato



FP CORPORATION

- **Market Conditions**
- **Eco-Friendly Strategies**
- **Strategic Investment / Stable Supply**
- **Growth Strategy**

Market Conditions



Trends in the Retail Market

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

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

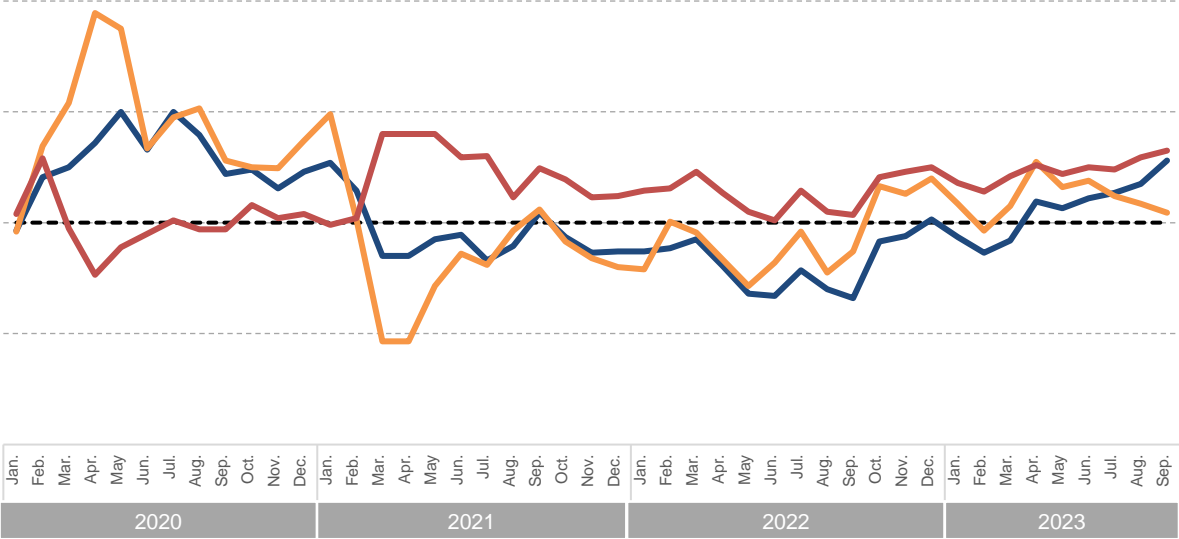
Supermarkets

Seafood

Livestock

Deli

100%



- Soaring fuel expenses
- Reduced catch



- Prices of meat as a whole remained high



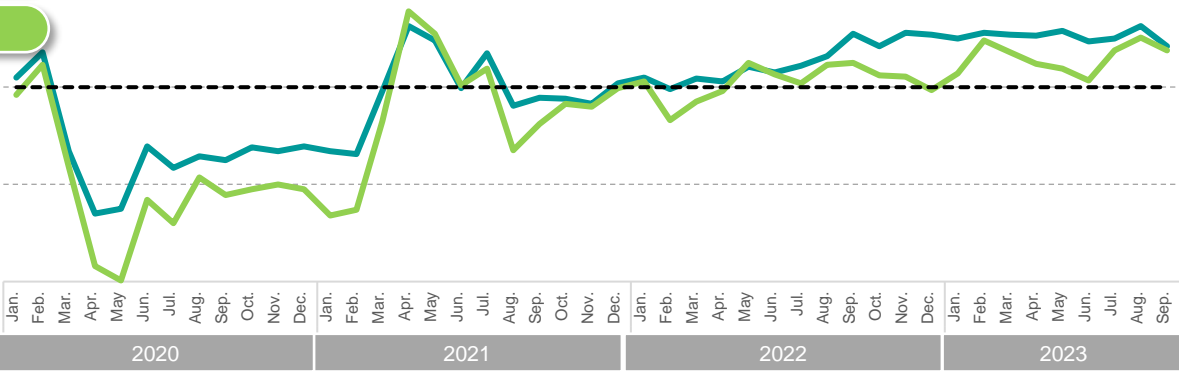
- The number of items bought was maintained, and the average unit retail increased.
- Remained strong due to picnic-related demand and the resumption of events

Convenience stores

Sales (items delivered daily)

Number of customers

100%



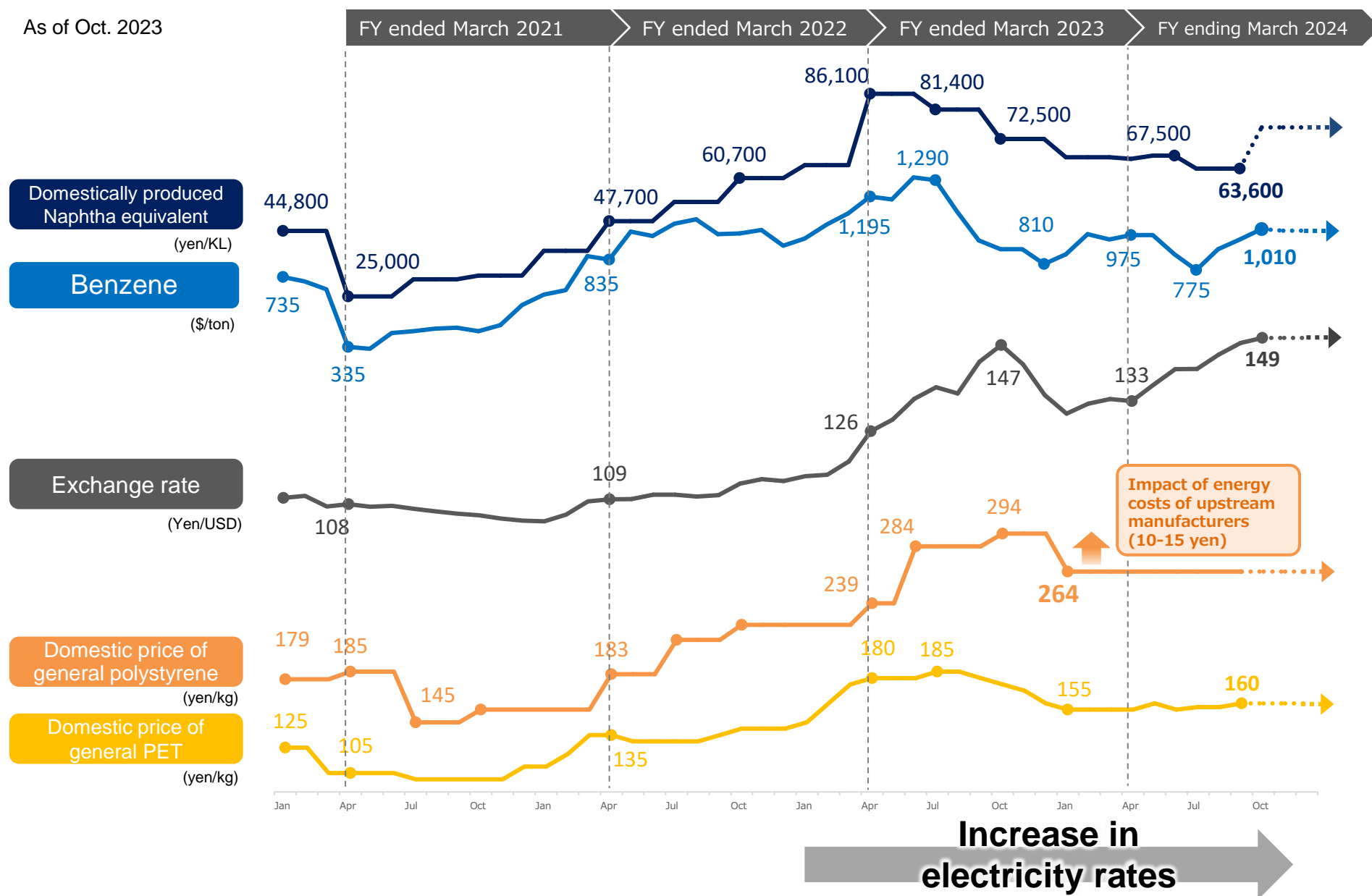
- Rise in average unit retail
- Recovery in the number of customers



- Increase in outing associated with reopening
- Strong due to resumption of events

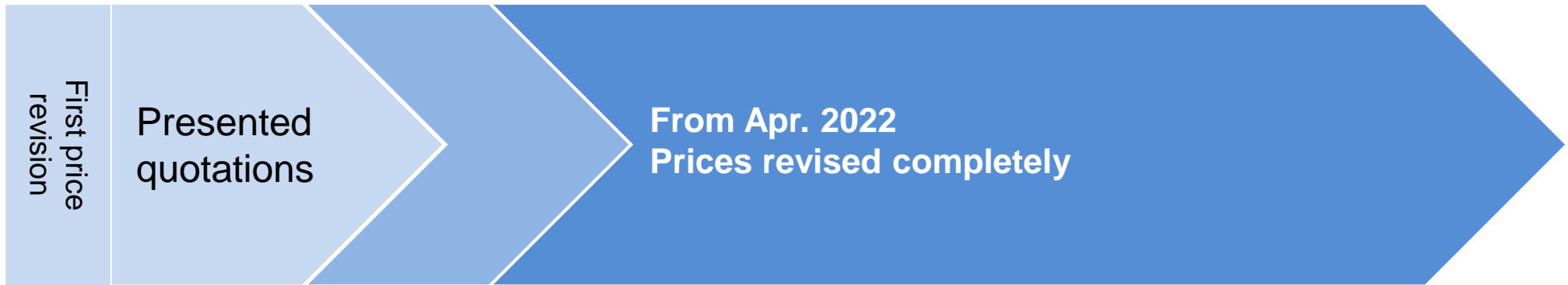
Soaring Raw Material Prices

As of Oct. 2023



Price Revision

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



Announced 29 Oct. 2021

10% or more from 1st Dec. shipment



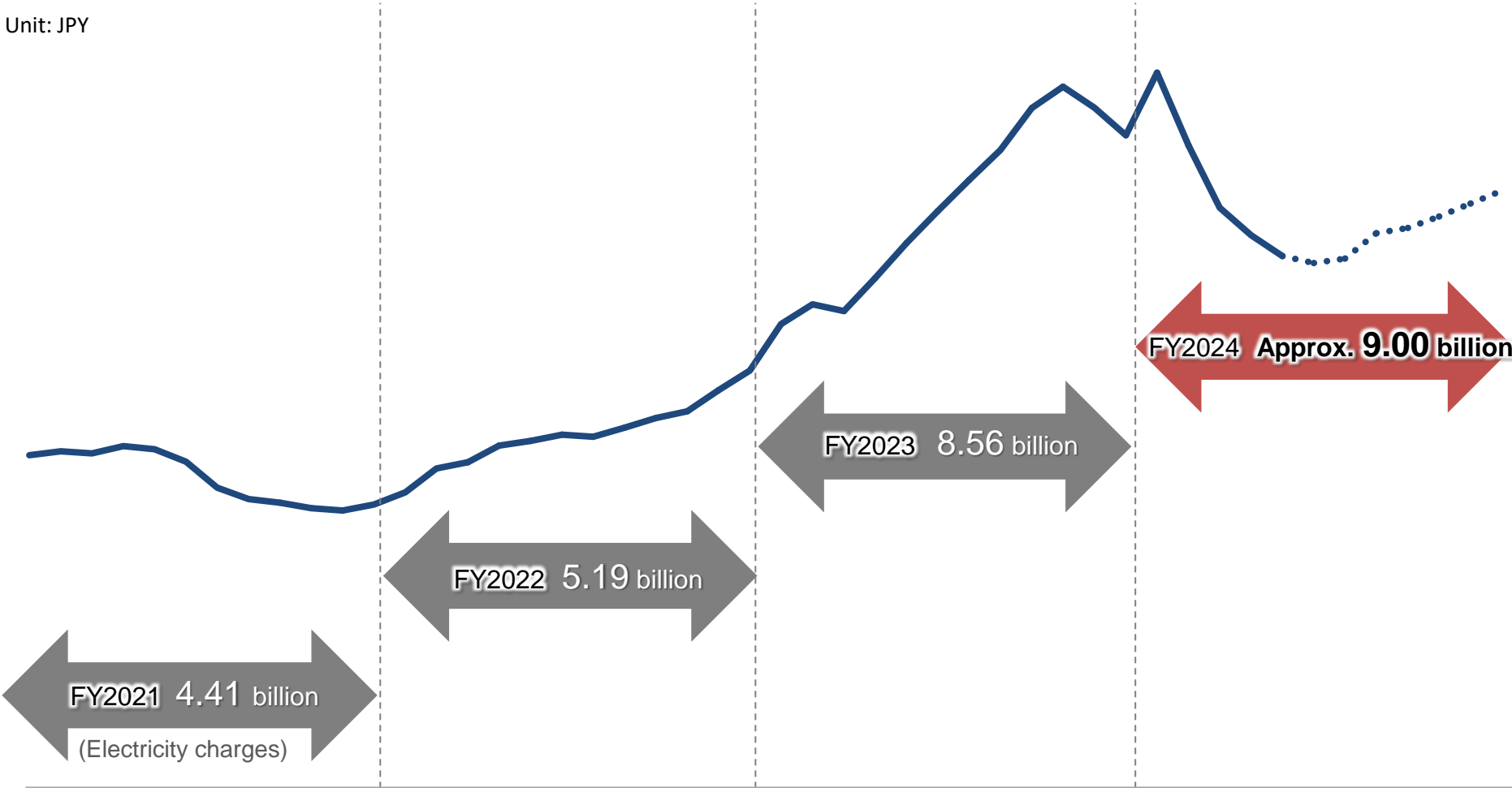
Announced 28 Apr. 2022

15% or more from 1st Jun. shipment.

Soaring Electricity Prices

Trends in electricity rates

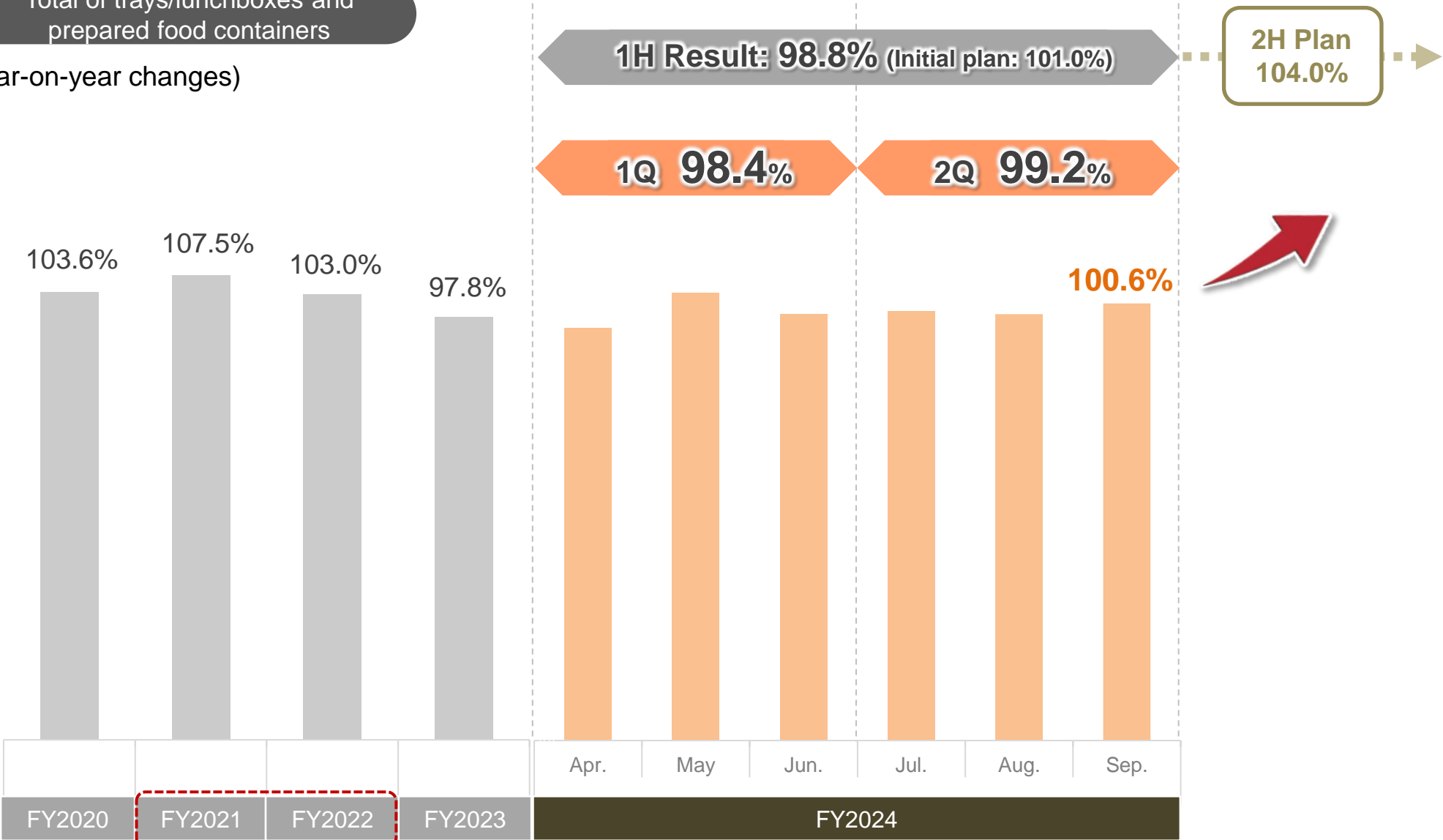
Unit: JPY



Change in Product Sales Volume

Total of trays/lunchboxes and prepared food containers

(Year-on-year changes)



Restrictions on activities due to Covid-19

Initiatives for Process Centers (PC) and Central Kitchens (CK)



(6) More items per container

Number of items per container increased with a lineup of products in sizes fitting containers



* Applies to standard crate type II (deep), with inner height of 126 mm

(7) Compatibility with transportation

1. Leak-proof

The container and the lid fit more tightly to each other to prevent leak.

The lid is designed to be snapped inside, fitting more tightly to the container!



2. Preventing sushi from shifting

Holders prevent sushi from shifting

Holders keep sushi in place even when the container is tilted!



Lower Operation Costs for Users

Container that reduces tsuma
(Shredded radish)



S Stage

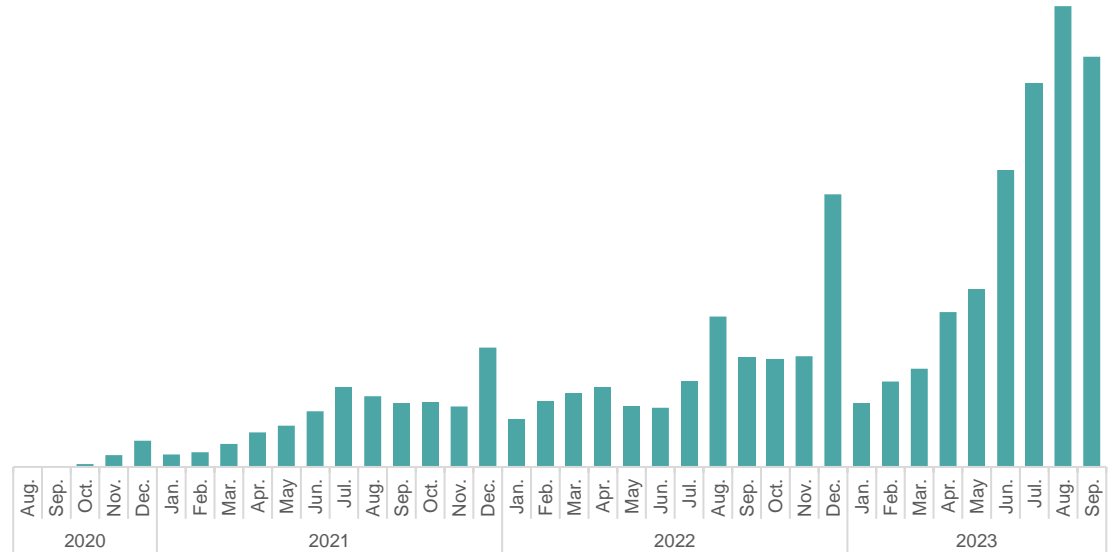
Tsuma: 80 g

Chokakubachi TZ



Tsuma: 0 g

Trends in shipments



(1) Reducing time spent
dishing out



Time spent preparing
sashimi/day

8MH → 6MH

Approx. 8 million yen
saved every month

* Examples for Kansai Company A (160 stores)

* MH (man/person-hour productivity): Work time assuming that all the work was done by a single person.

(2) Saving cost of tsuma



Approx. 6 million yen
saved every month

* Examples for Kansai Company A (160 stores)

(3) Reducing food loss



Selling tsuma
separately

Reducing Plastic Usage

Shukugaoke (launched)



Available in
16 sizes

Hyogaoke

(to be launched at the end of October)



To be available
in 12 sizes

New technology

Low-foamed
PS sheet



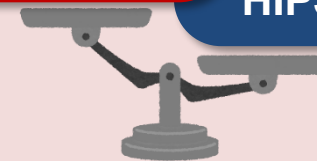
Forming
technology

Patent pending

Approx. **60%** weight
reduction from HIPS (non-foamed)

New low-
foamed PS

HIPS

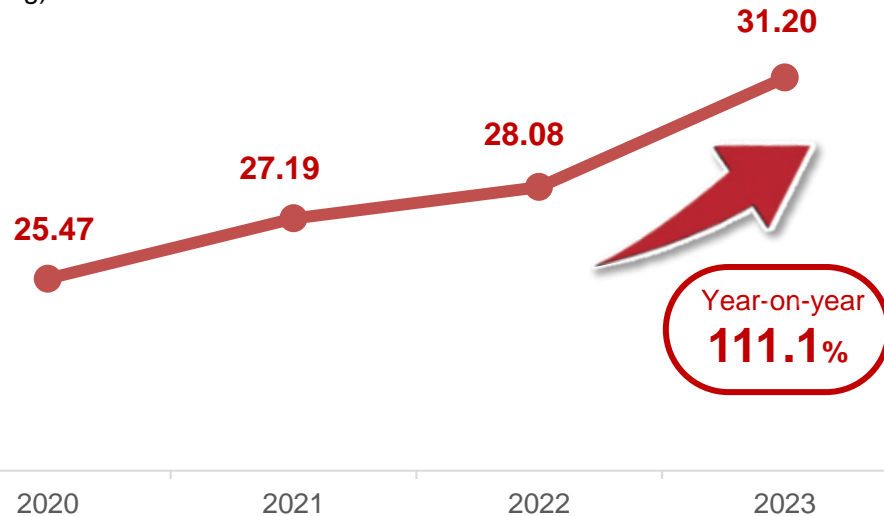


To be applied to other series soon

Reducing Payment of Contract Fees under the Containers and Packaging Recycling Law

Changes in the contract fee per 1 kg (retail)

(yen/kg)



| | 2020 | 2021 | 2022 | 2023 |
|--|---------|---------|---------|---------|
| A: Calculation coefficient (retail) | 0.51655 | 0.53304 | 0.52974 | 0.53799 |
| B: Unit cost of recycling operation contract fees (yen/kg) | 49.00 | 51.00 | 53.00 | 58.00 |
| Amount of contract fee per 1 kg (A x B) | 25.47 | 27.19 | 28.08 | 31.20 |

<Calculation method>

Obligatory recycling amount (kg)
(annual usage x calculation coefficient)



Unit cost of recycling operation contract fees (yen/kg)



Contract fee based on the Containers and Packaging Recycling Law (yen)

Reducing the contract fee based on the Containers and Packaging Recycling Law by reducing weight

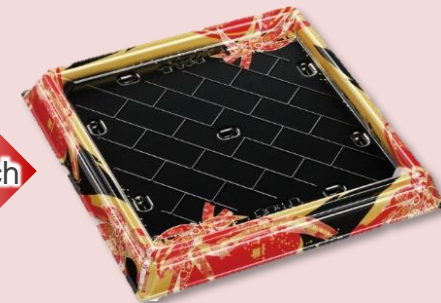
Use of approx. 1.08 million items results in:

Reduction of 870,000 yen every year



Conventional product (HIPS)

Switch



Container with reduced weight (New low-foamed PS)

* Estimation based on a simplified calculation method applied to a retailer

* Case of Company A in Chugoku/Shikoku

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



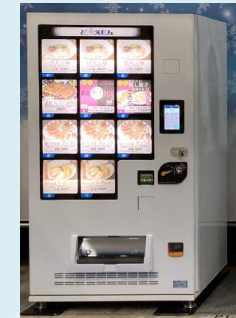
Opportunity loss, disposal loss, etc.

Seasonal food at anytime



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

Extra outside store sales



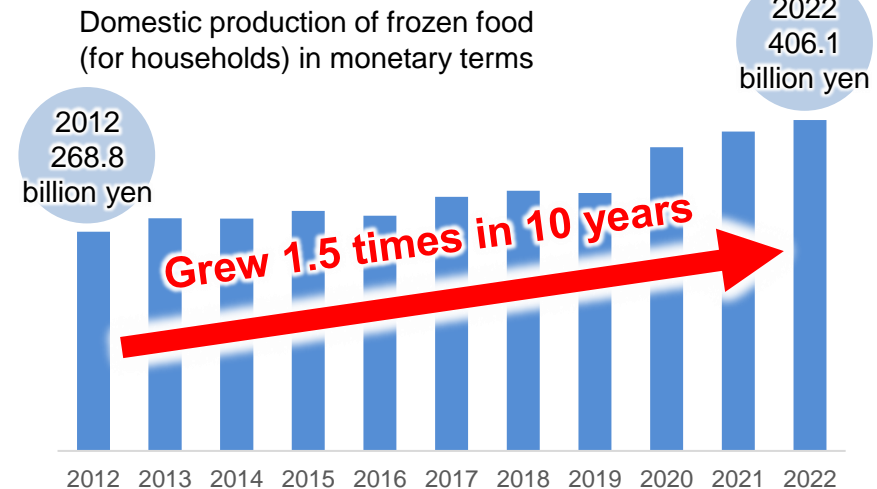
Secure sales after closing time

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

Frozen Prepared Food: Development at Supermarkets Started One after Another

National brand
manufacturers

Conventional frozen food



Experiments started
at PC and CK of
supermarkets

Around spring 2023

Started with **fresh food**,
which is easy to handle



Around autumn 2023

Development of
prepared food started



Originality

Reduction of food loss

Freshly made taste after
microwave

Sales of frozen prepared food started in each region

A user in
Chugoku/Shikoku



A user in Kinki



Shipments of PPi-Talc

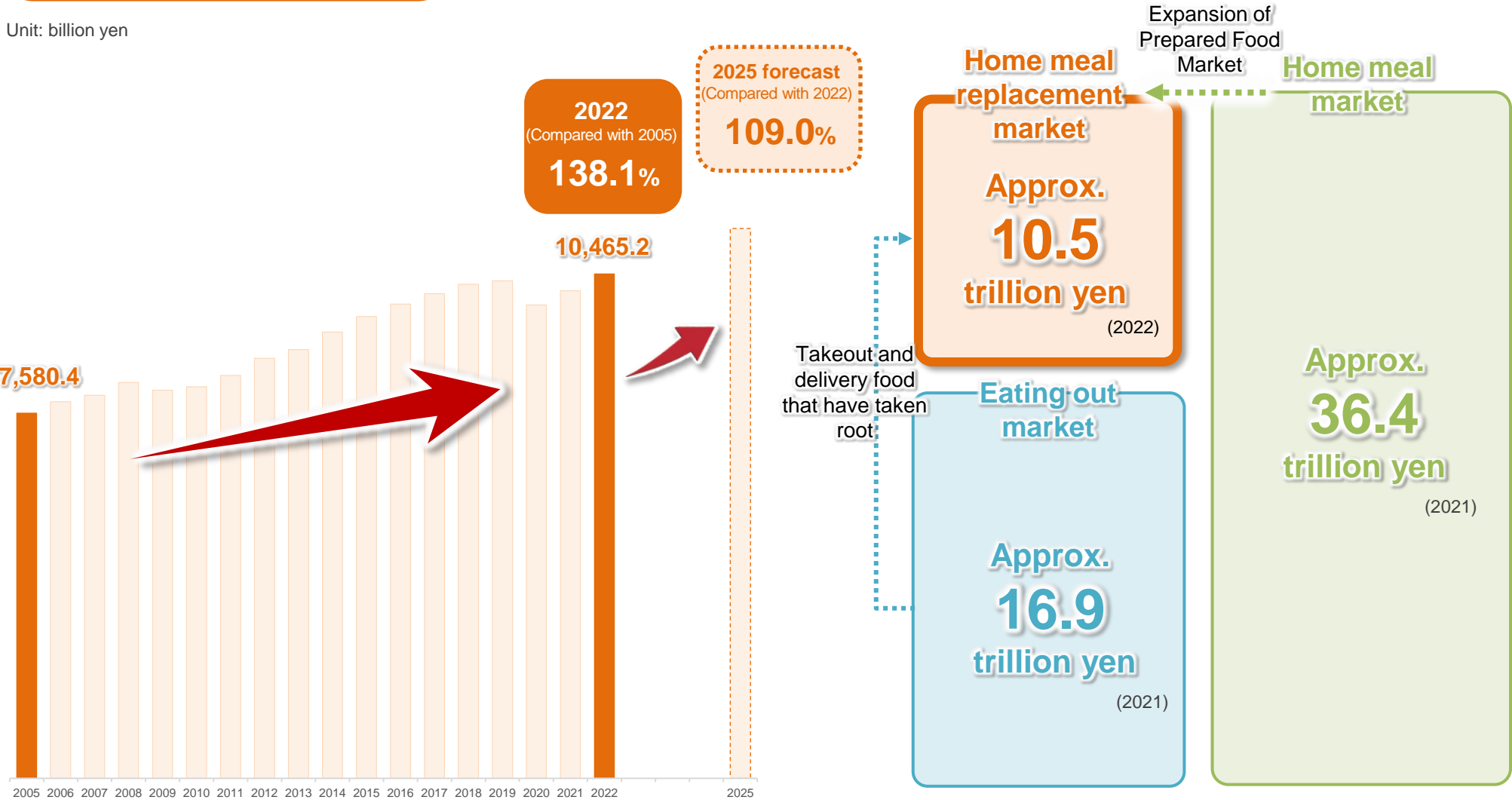


Expansion of Home Meal Replacement Market

Source: Japan Ready made Meal Association "Ready made Meal White Paper 2023"

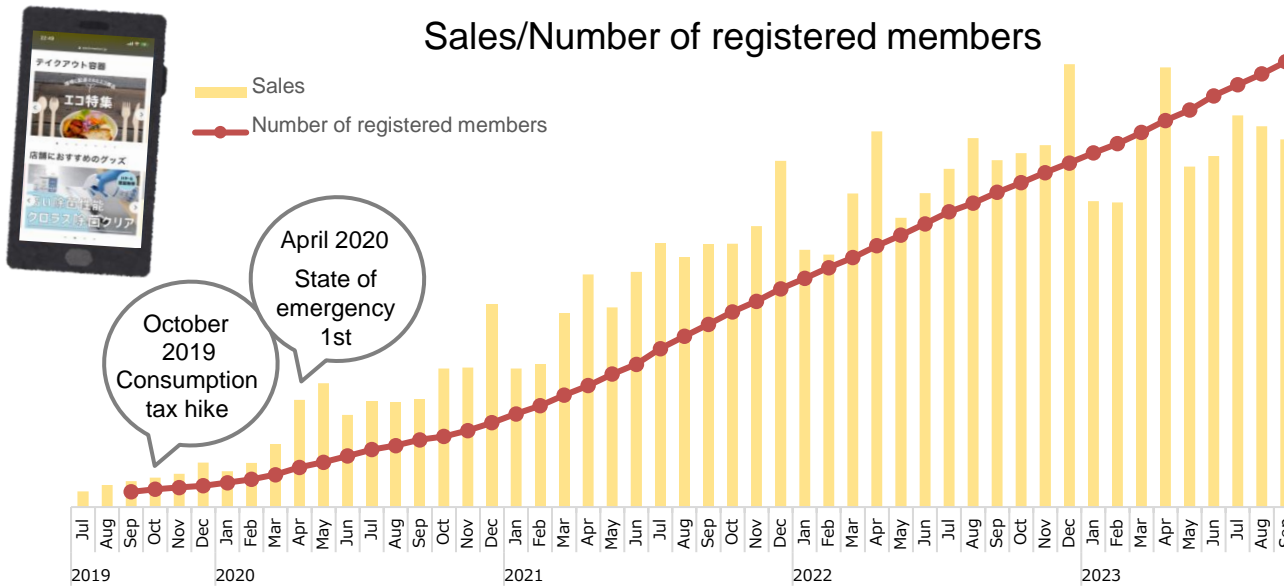
Trend in Scale of Home Meal Replacement Market

Unit: billion yen



Expansion of New Sales Channels

E-commerce site offering packaging materials PackMarket



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

No. of registered items: Approx. **14,600**

Including approx. **9,100** products
(As of September 2023)

Web marketing
Advertising and SEO



July 2022: FPCO Trading and FPCO Miyako Himo Merger

FP Trading
Merchandising and
procurement
capabilities of goods



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

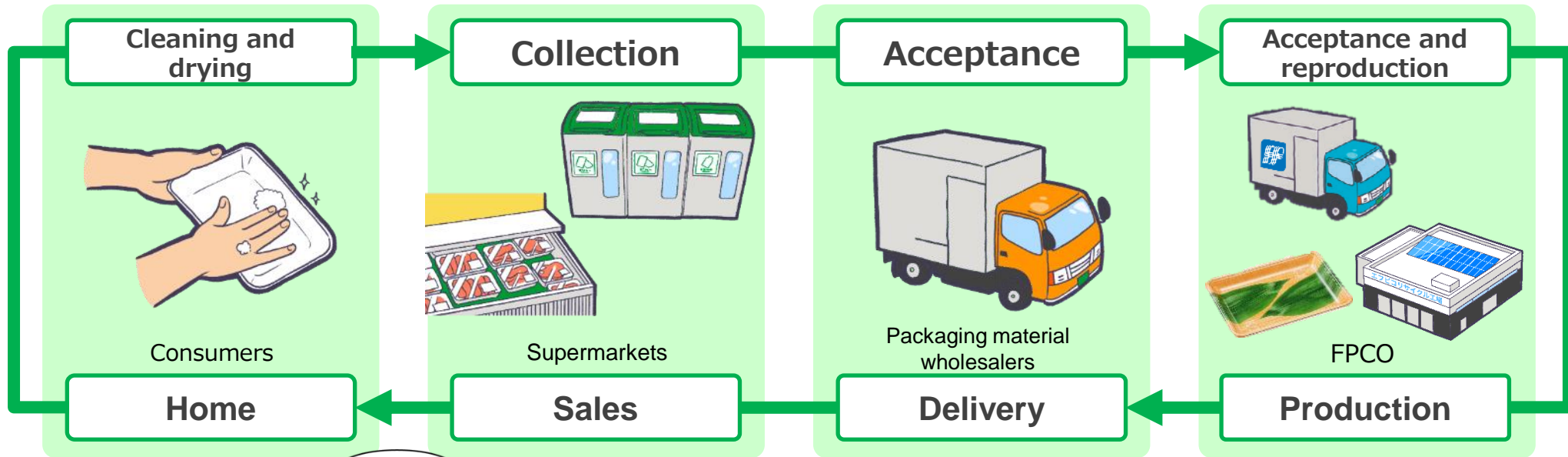


- Improving the ability to sell materials and consumables
- Strengthening cooperation with packaging material wholesalers across Japan

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



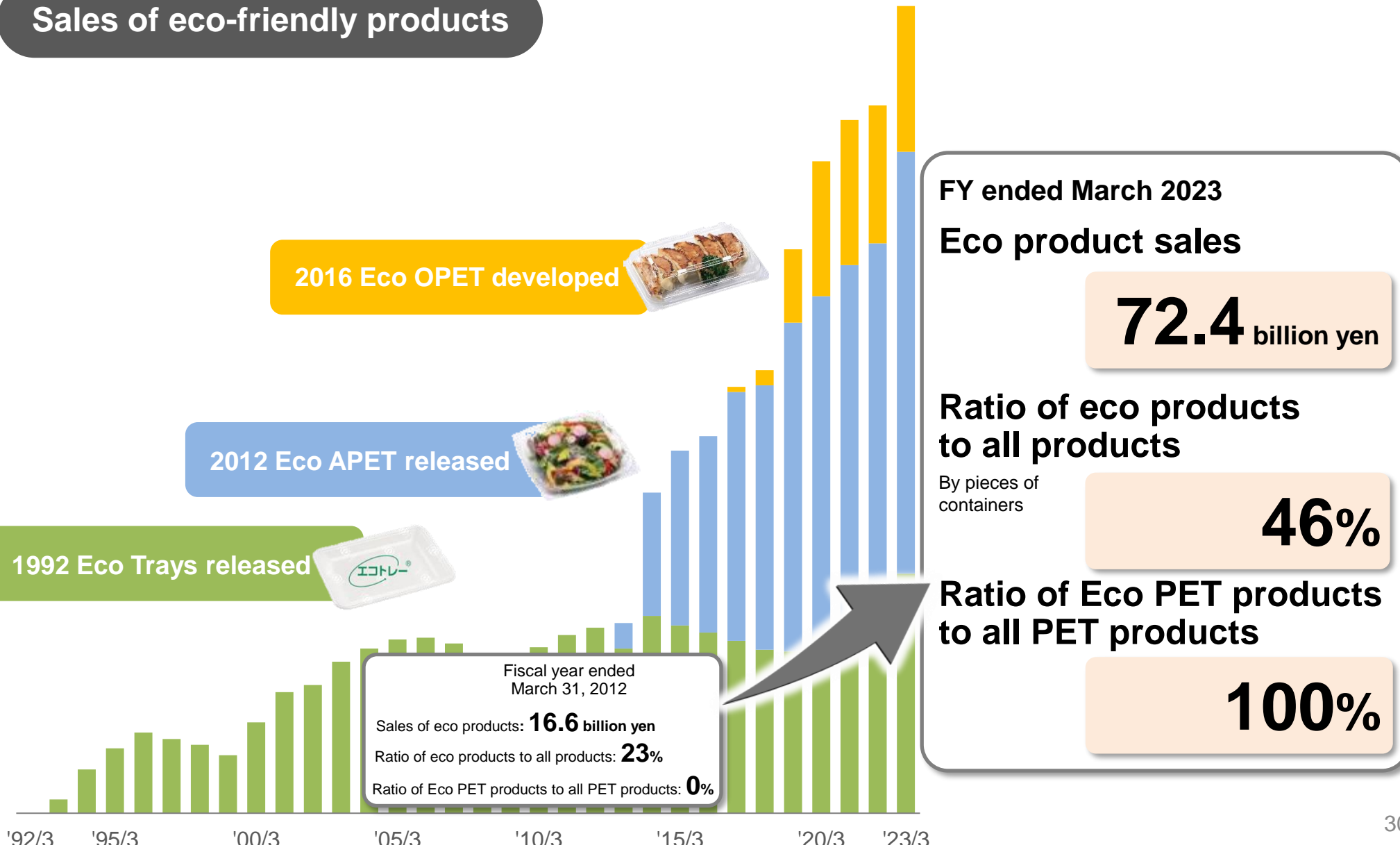
Collection bases



Sales of Eco-friendly Products



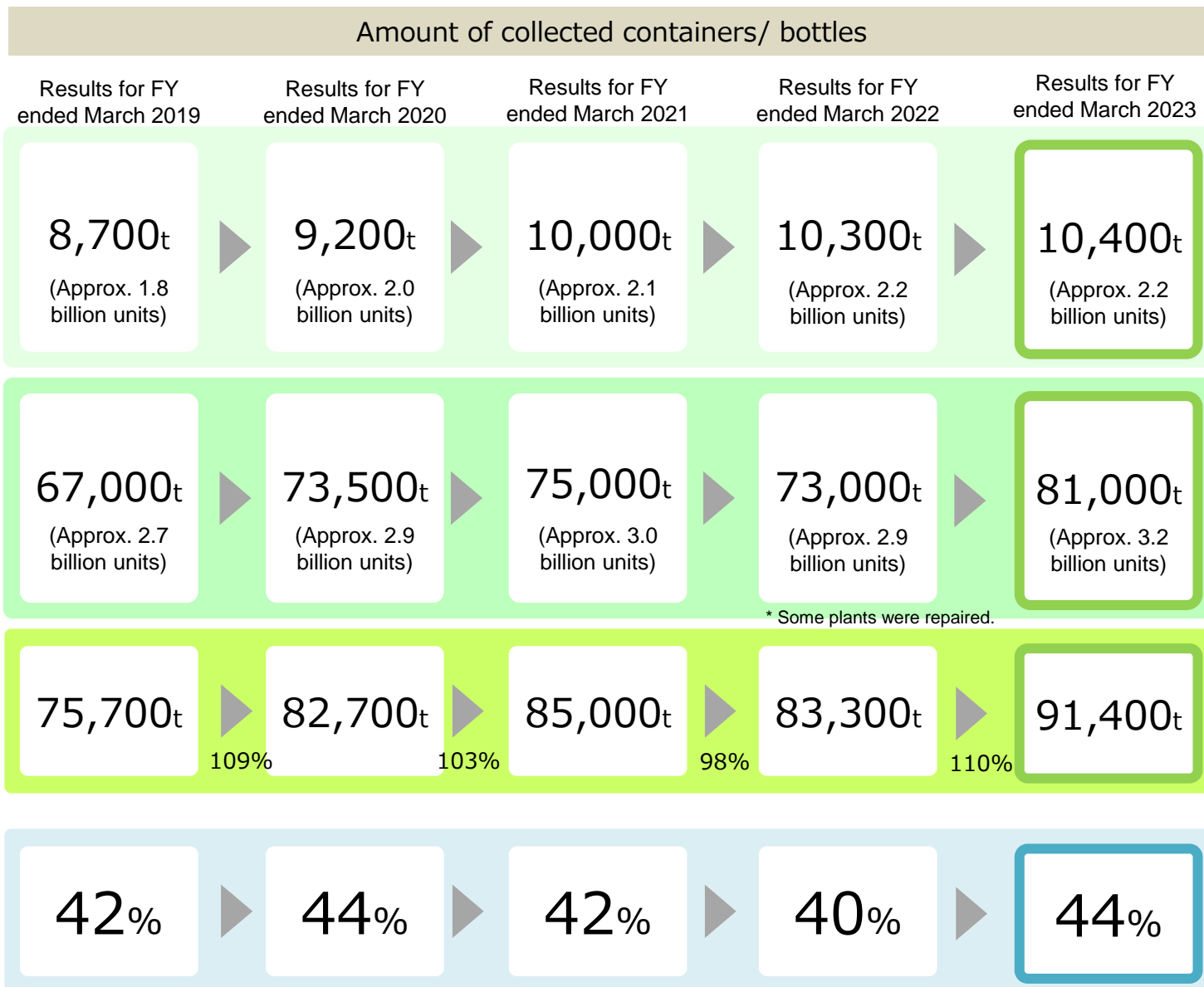
Sales of eco-friendly products



Collection of Plastic Resources



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



Measures against Climate Change by Reducing CO2 Emissions Using Eco Products

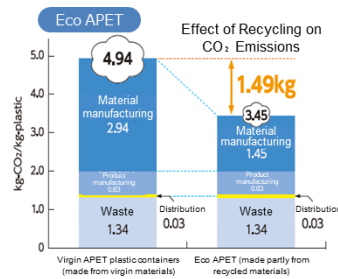
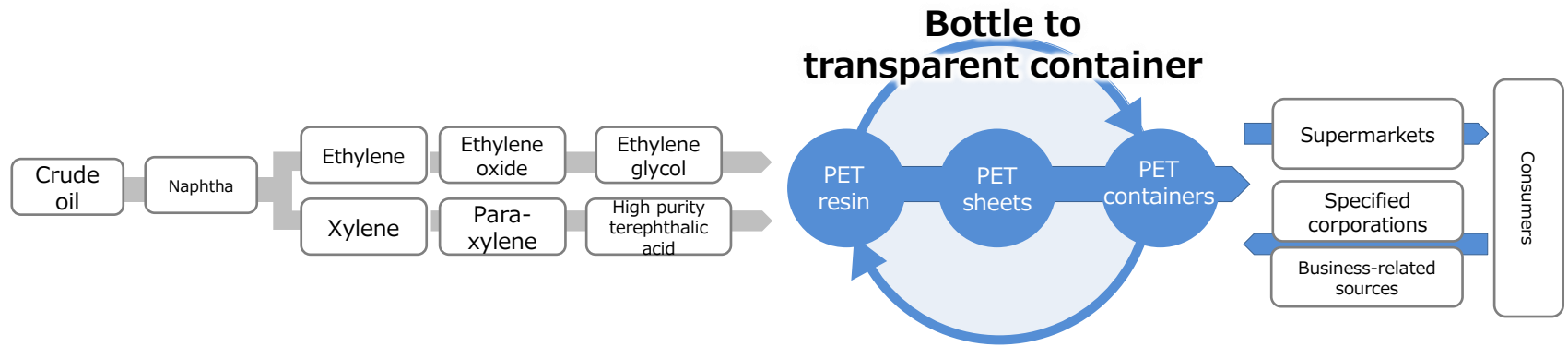
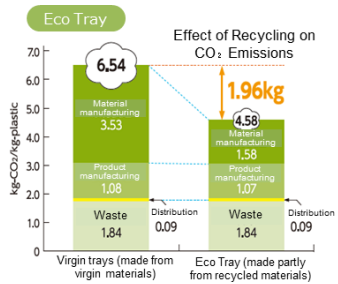
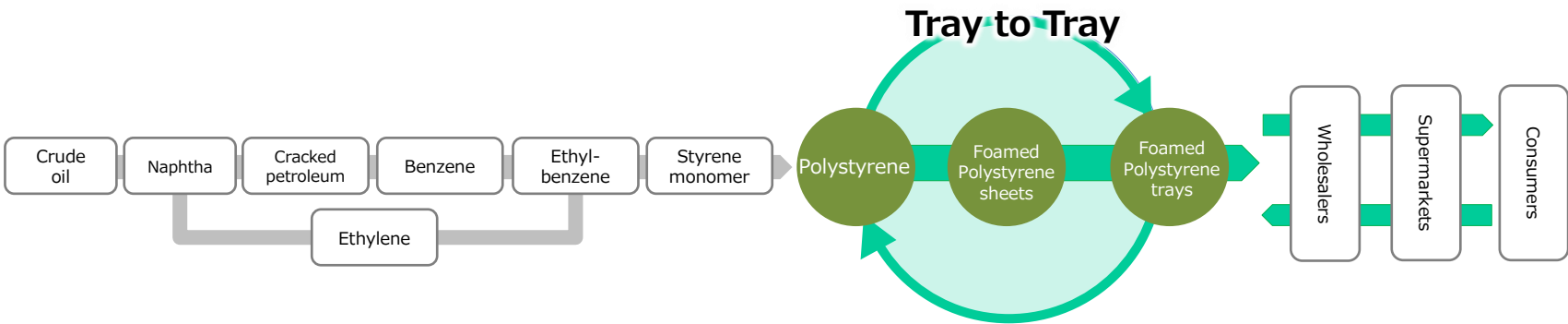
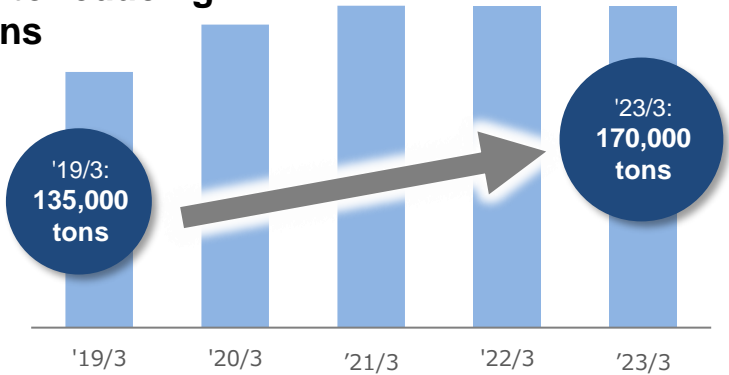


CO2 emissions

-30%



Contribution to reducing CO2 emissions (tons)



Examples of Posters Displayed at Supermarkets



Posters displayed at Approx. 6,690 stores across Japan

(As of Sep, 2023)

Posters displayed by the Aeon Group

FY ended Feb. 2016



FY ended Feb. 2023



CO₂ emissions
reduced by
approx. 5,194
tons in 7 years



Increasing CO₂ Reduction Effect through Solar Power Generation

FY ended March 2020

FY ended March 2022

FY ended March 2023

FY ending March 2024

Solar power generating equipment

Mar.
Equipment for Kanto
Recycling Plant began
operating

Oct.
Equipment for Chubu
Recycling Plant began
operating

Mar.
Equipment for Fukuyama
Recycling Plant planned
to begin operating

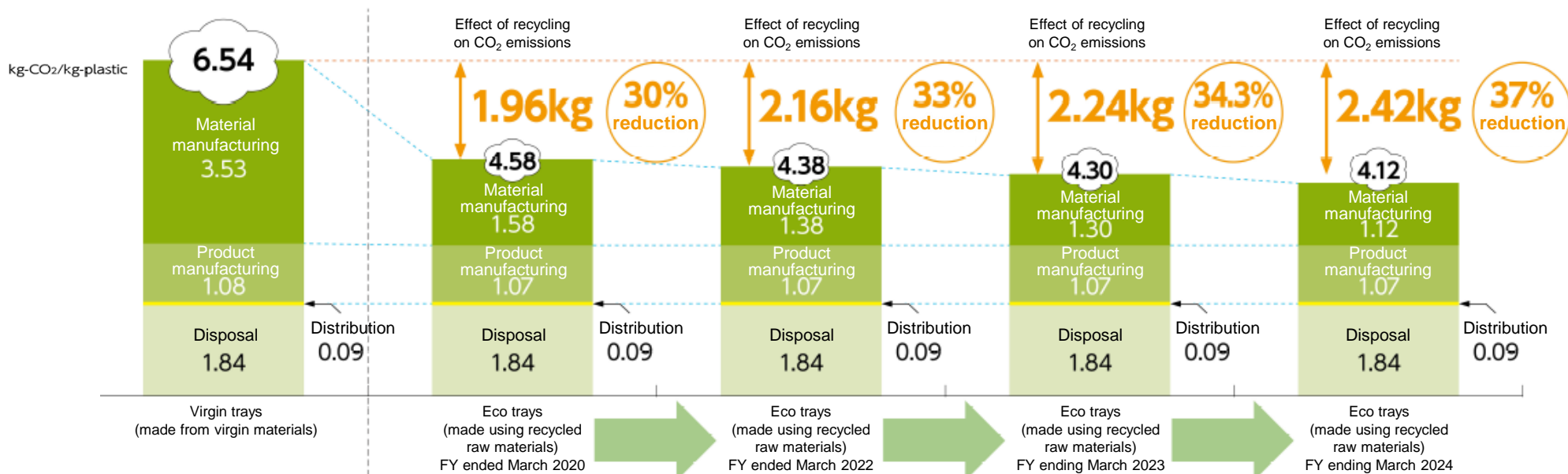
CO₂ reduction effect

30%

33%

34.3%

37%



Store-to-Store Recycling Starting and Finishing at the Same Store



Trays and PET bottles used at a store are collected at the same store as resources, recycled into food trays and transparent containers, and used again **by the same store actively**.

Supermarkets



Collected and sold at stores



Tray to Tray

Bottle to
transparent
container



FPCO



Recycling and manufacturing
of containers



Strengthening Resource Recovery by Users



Company environmental policies (excerpt)

| | |
|-------------------|--|
| Kanto Company A | Foamed PS tray collection amount: 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 CO.,LTD.

(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 of CO₂ emissions achieved through the use of eco products

2021 Result
902 t

→

2023 Target
1,000 t

Released on October 30, 2023

Collaboration with EVERY CO.,LTD. begun for promoting closed loop recycling

('24/6 target)

Volume of used trays collected

142 t → **150 t**

Volume of PET bottles collected

266 t → **300 t**

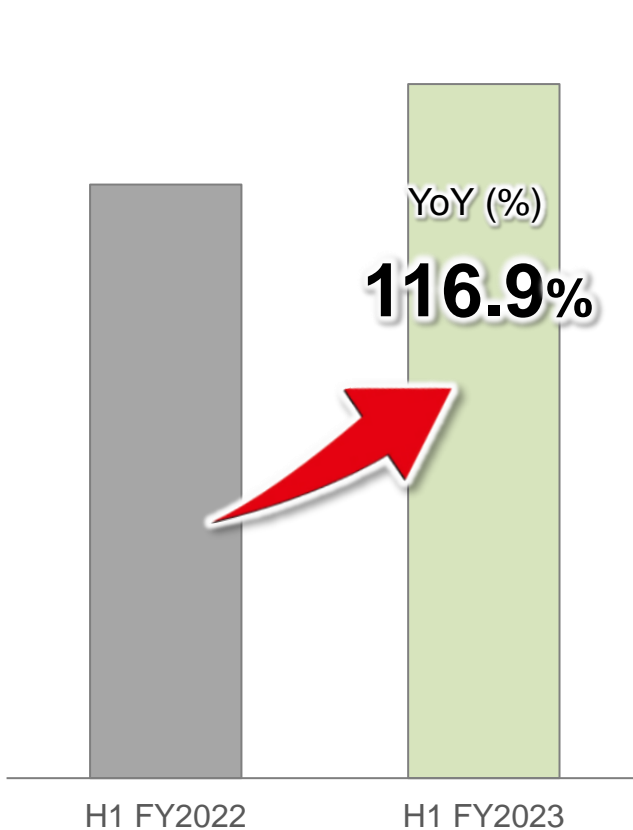
Reduction of CO₂ emissions achieved
through the use of eco products

691 t → **750 t**

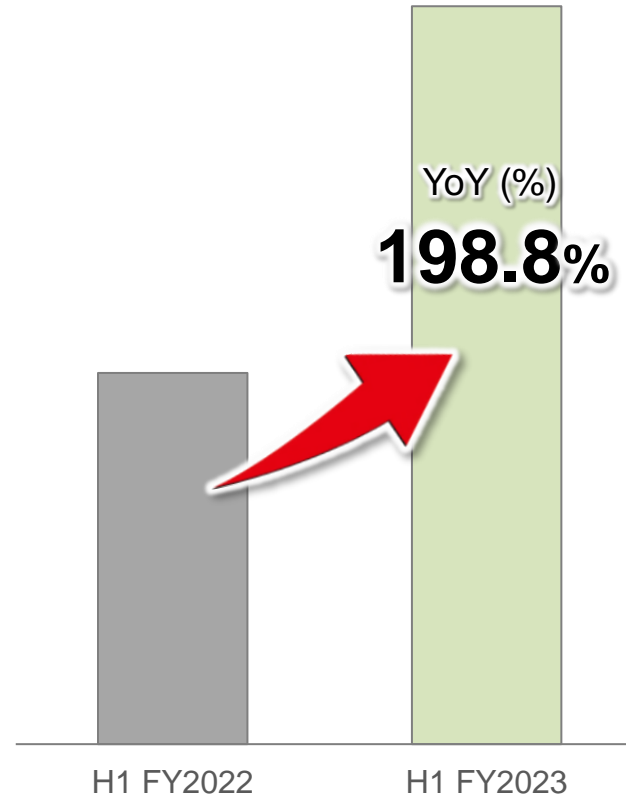
Results at FRESTA CO.,LTD., a Member of CHUGOKU CGC CO.,LTD.



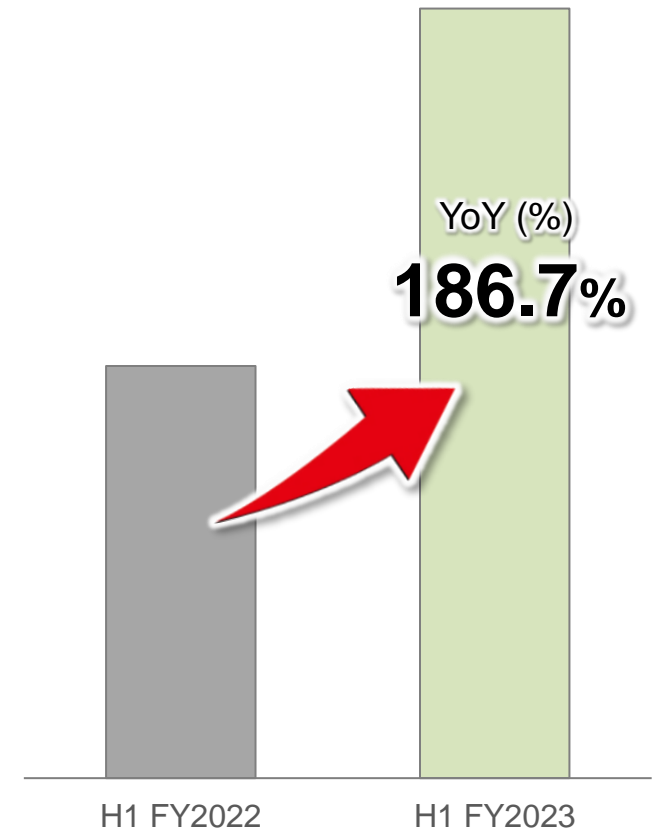
Volume of trays collected



Volume of PET bottles collected



Reduction in CO₂ emissions



The Total Number of Visitors to the Recycling Plants Exceeded 500,000

October 2023:

Cumulative total number of visitors exceeded 500,000

1990
Acceptance of
visitors started

More than 20,000
visitors every year

COVID-19
pandemic

1990

2023

Commemoration
ceremony held

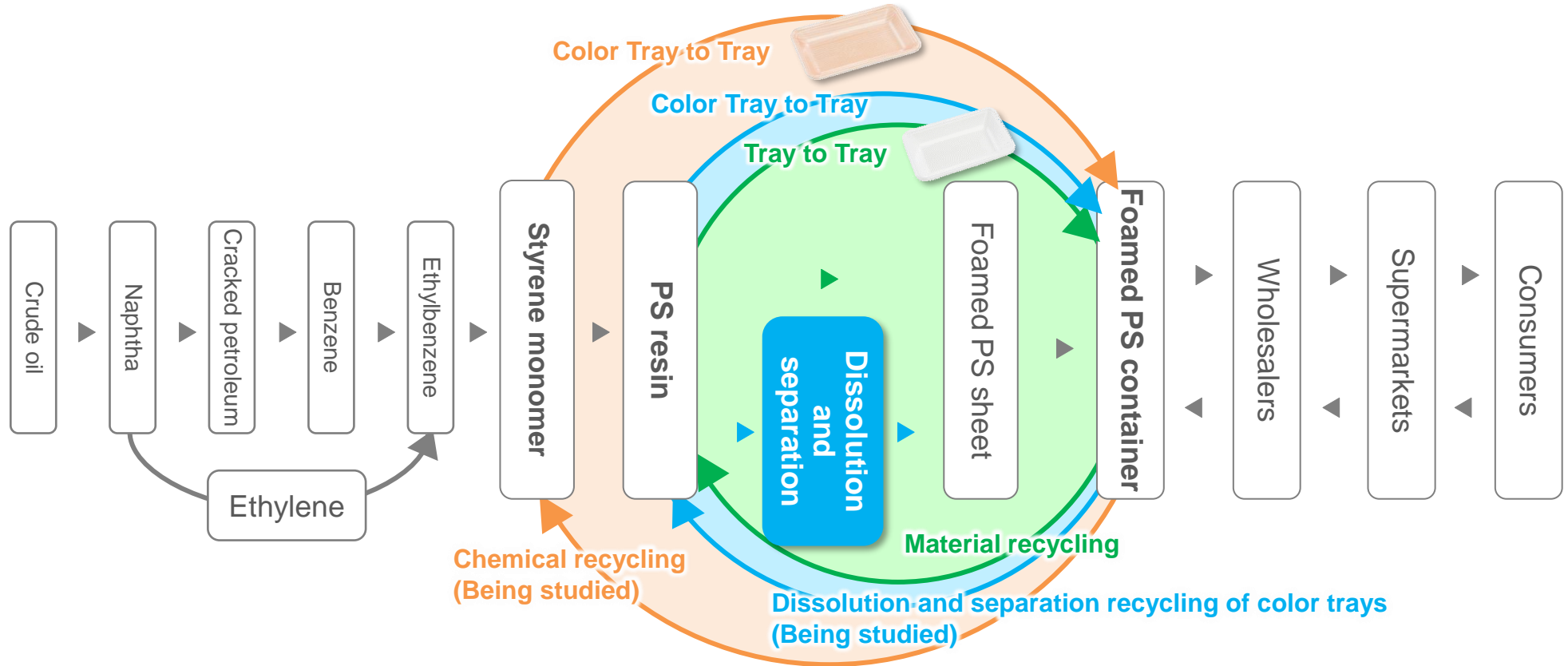
5th graders from Miyuki Elementary
School of Fukuyama City



Uoriki Co., Ltd.



Towards Complete Recycling of Polystyrene



Material recycling

- ✓ Process up to regeneration is simple and energy footprint is low

Dissolution and separation recycling (2024 target)

- ✓ Removing the color of ink from black pellets (ink removal method)
- ✓ Same low environmental impact as material recycling

Chemical recycling (2026 target)

- ✓ High decontamination capacity
- ✓ Energy load is low since polystyrene is chemically recycled back to styrene monomer

Diversification of Materials (1): Biomass plastic products

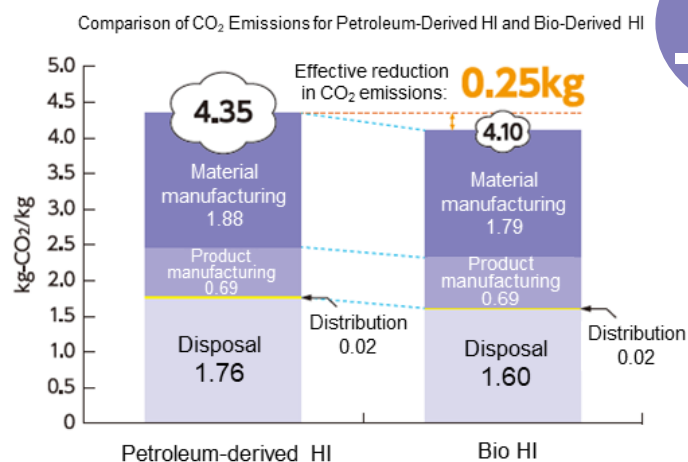
Bio-HIPS



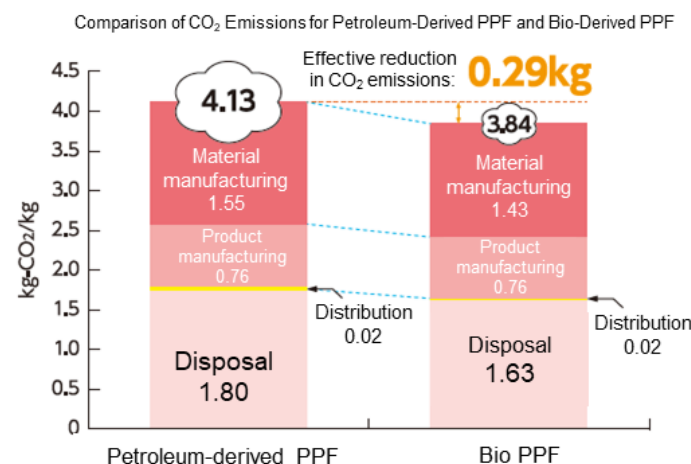
Bio-PPF



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



CO₂ emissions
-5.75%



CO₂ emissions
-7.02%

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 2023
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



FP Corp. Environment Fund



The FP Corp. Environment Fund

1990

The FPCO method of recycling starts.

Mar. 2020

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

Subsidization made in the past

FY ended March 2021: 10 organizations

FY ended March 2022: 14 organizations

FY ended March 2023: 14 organizations

FY ending March 2024: 22 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 .

ESG Assessments by External Rating Agencies (As of October 2023)

Ratings



✓ Climate change:
FY2022: Rated as A –
(FY2021: Rated as B)



✓ Low Risk maintained
in 2023 rating

Index



FTSE4Good

✓ Selected for five
consecutive years
since 2019



FTSE Blossom
Japan Sector
Relative Index

✓ Selected for three
consecutive years
since 2021



FTSE Blossom
Japan Index

✓ Selected for five
consecutive years
since 2019

2023 CONSTITUENT MSCI Japan
Empowering Women Index (WIN)

✓ Selected for seven
consecutive years
since 2017

Strategic Investment

Stable Supply

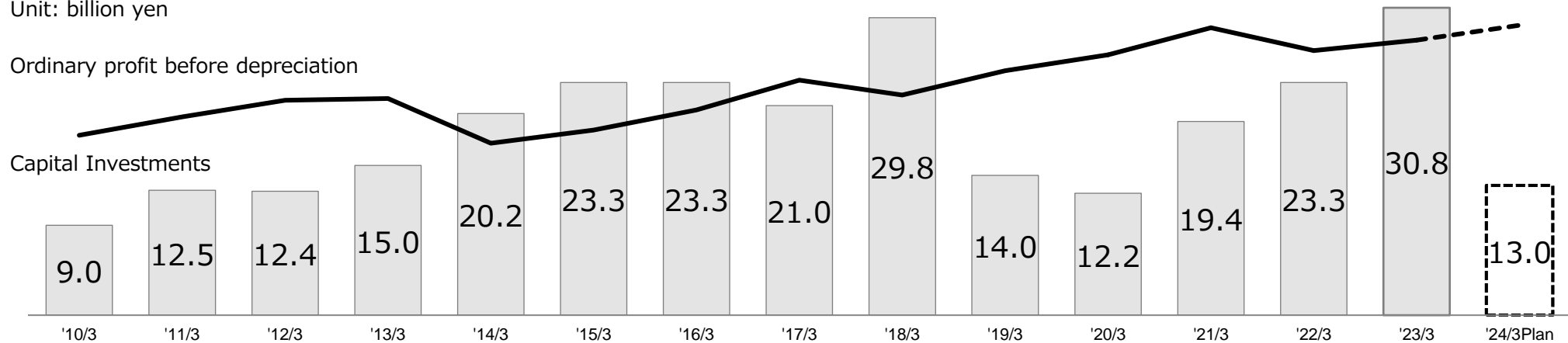


Strategic Investment

Unit: billion yen

Ordinary profit before depreciation

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

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

Enhancement of distribution network

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

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)

Expansion of the microwavable and frozen food markets

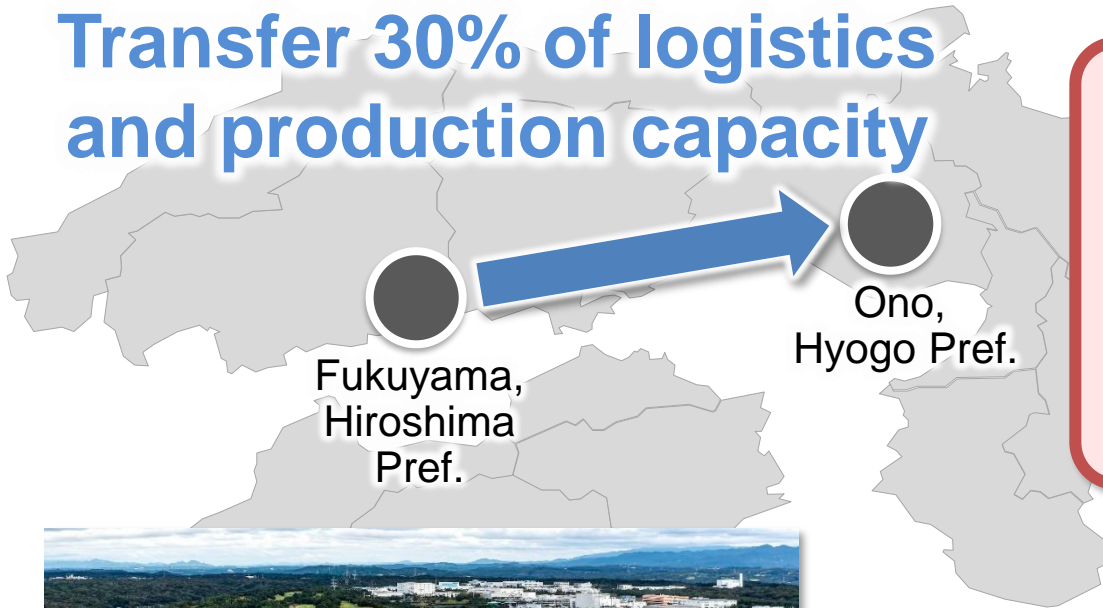
Increase of ESG investments

Soaring cost of regular cargo services

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**

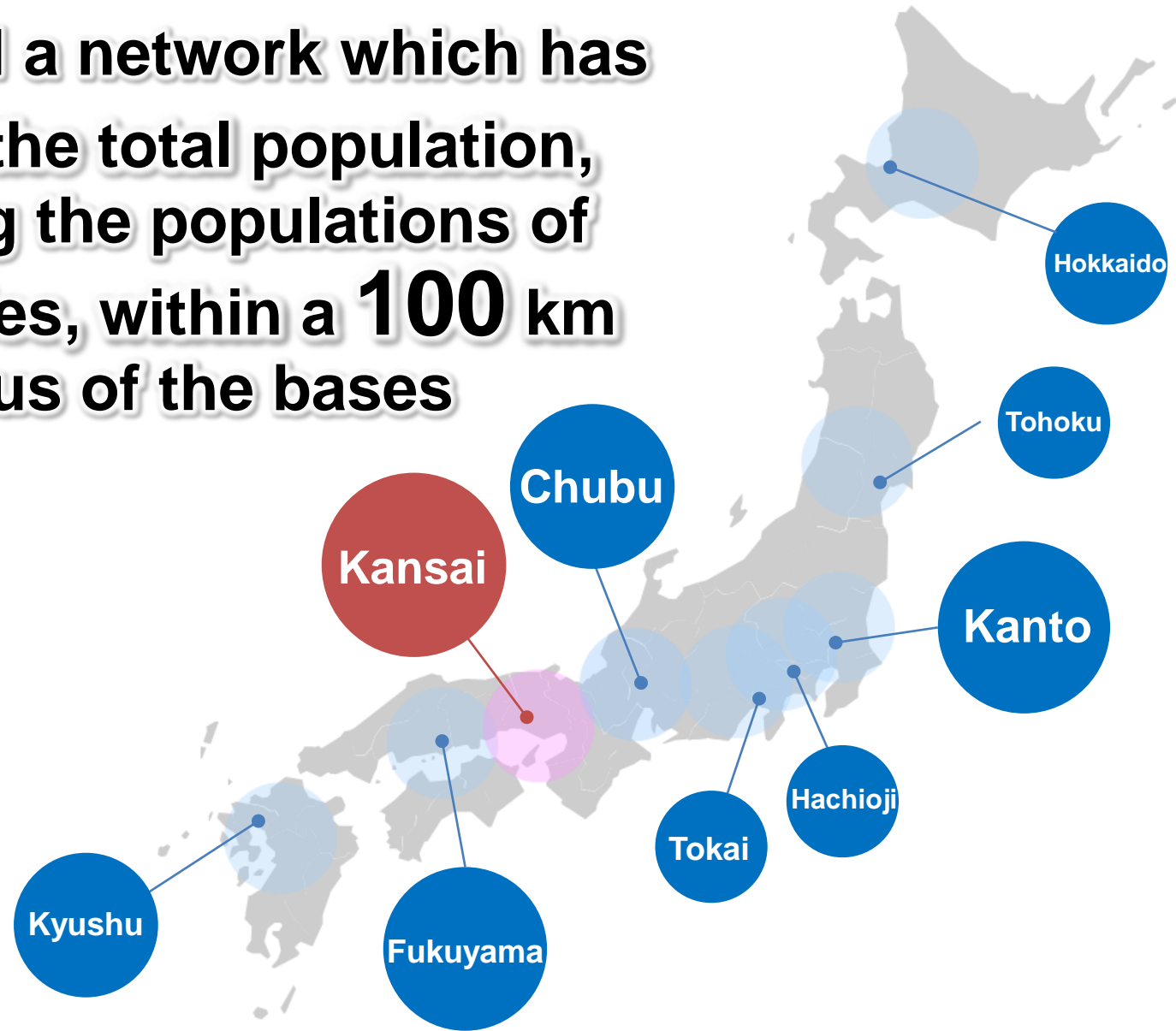
Creating a more stable supply system



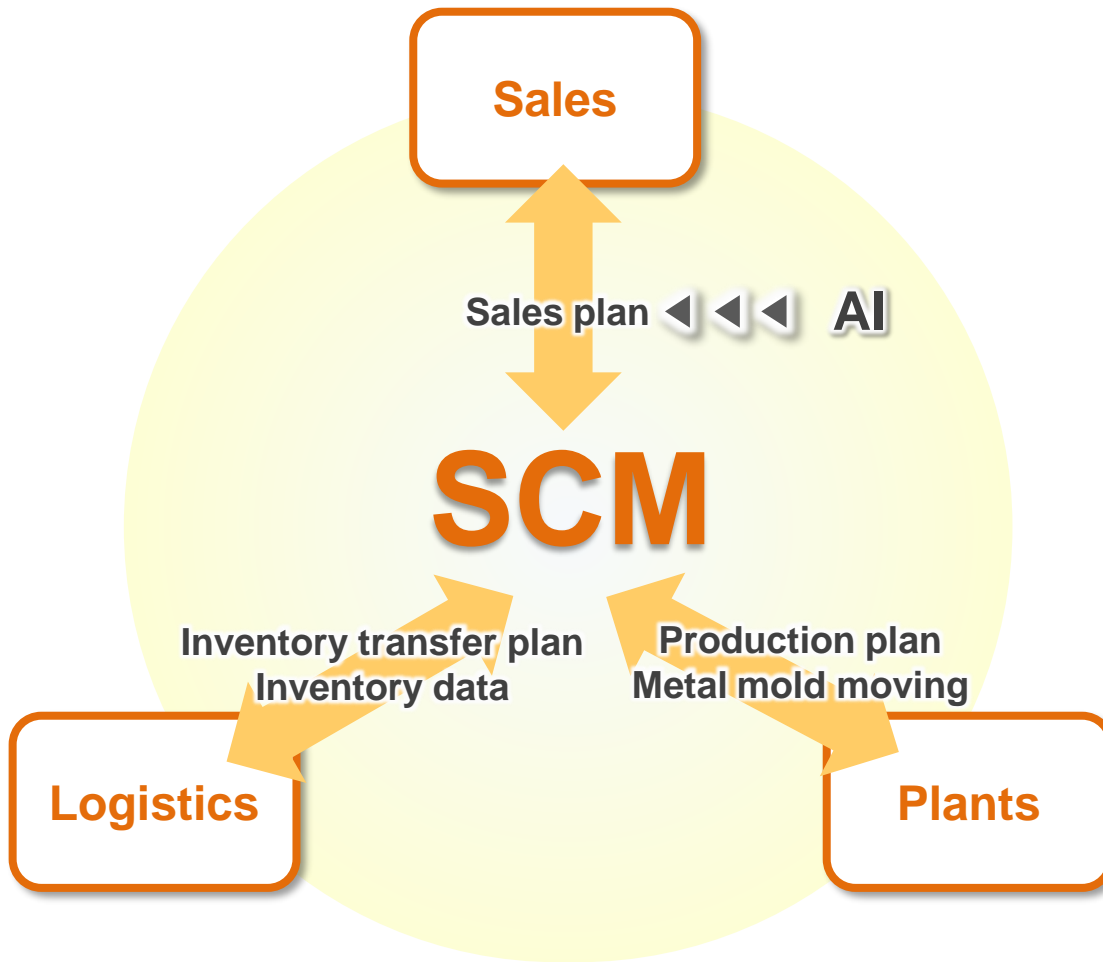
- September 2022: Additional acquisition of a separate piece of land in the industrial park
(Land acquisition value: 940 million yen, site area: 29,136.58 m²)
- September 2024: Plan to open a sorting plant for used containers

Nationwide Logistics Network

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



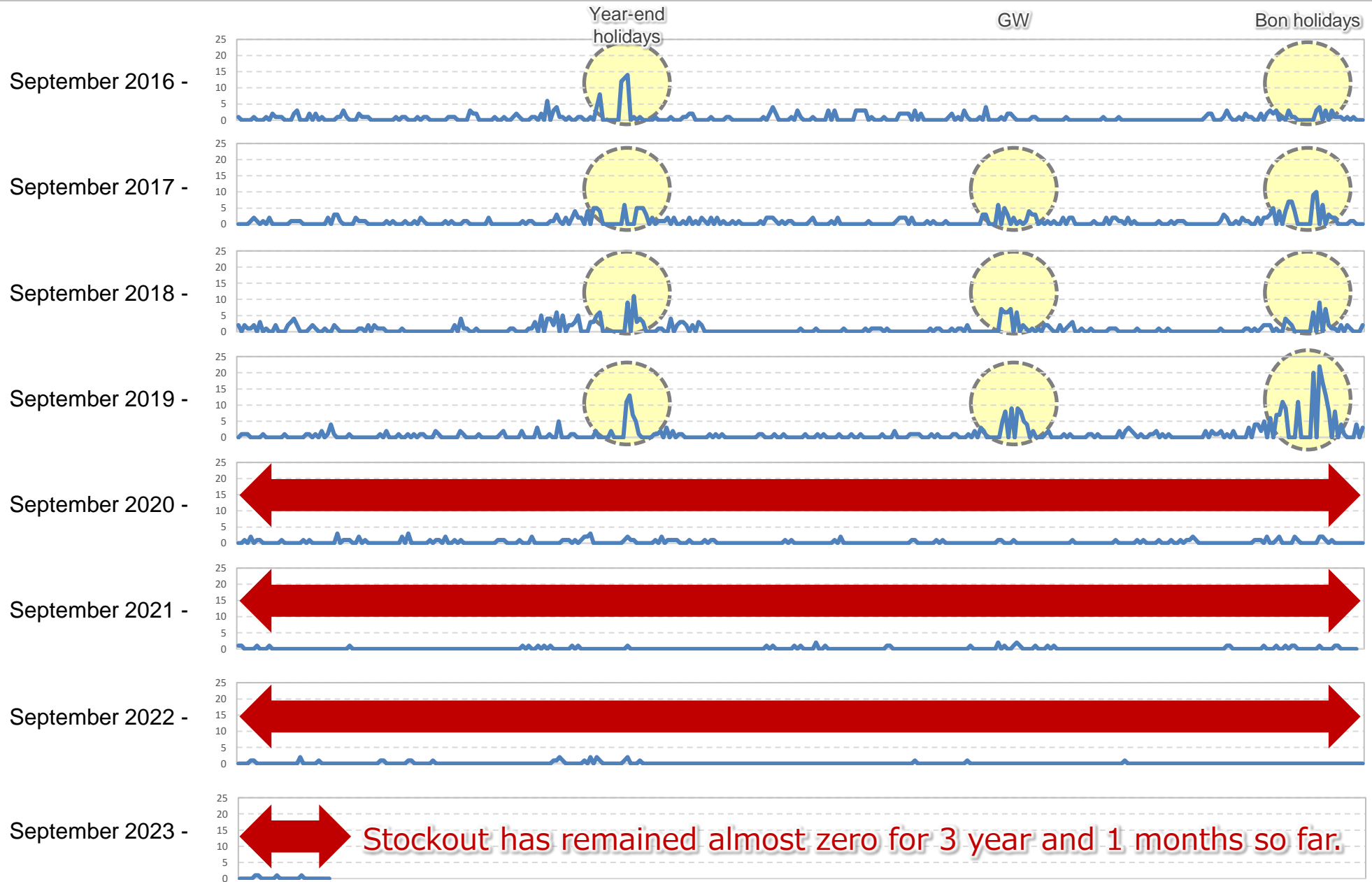
Supply Chain Management (SCM) System



**Stable supply
for supporting safe,
secure dietary life**

- ✓ A lineup of approx. 10,000 items
- ✓ Maintenance of an appropriate inventory level
- ✓ Using AI to improve the precision and efficiency of sales forecasts

Stable Supply: Number of Cases of Stockout



Maintenance of an Appropriate Inventory Level with SCM

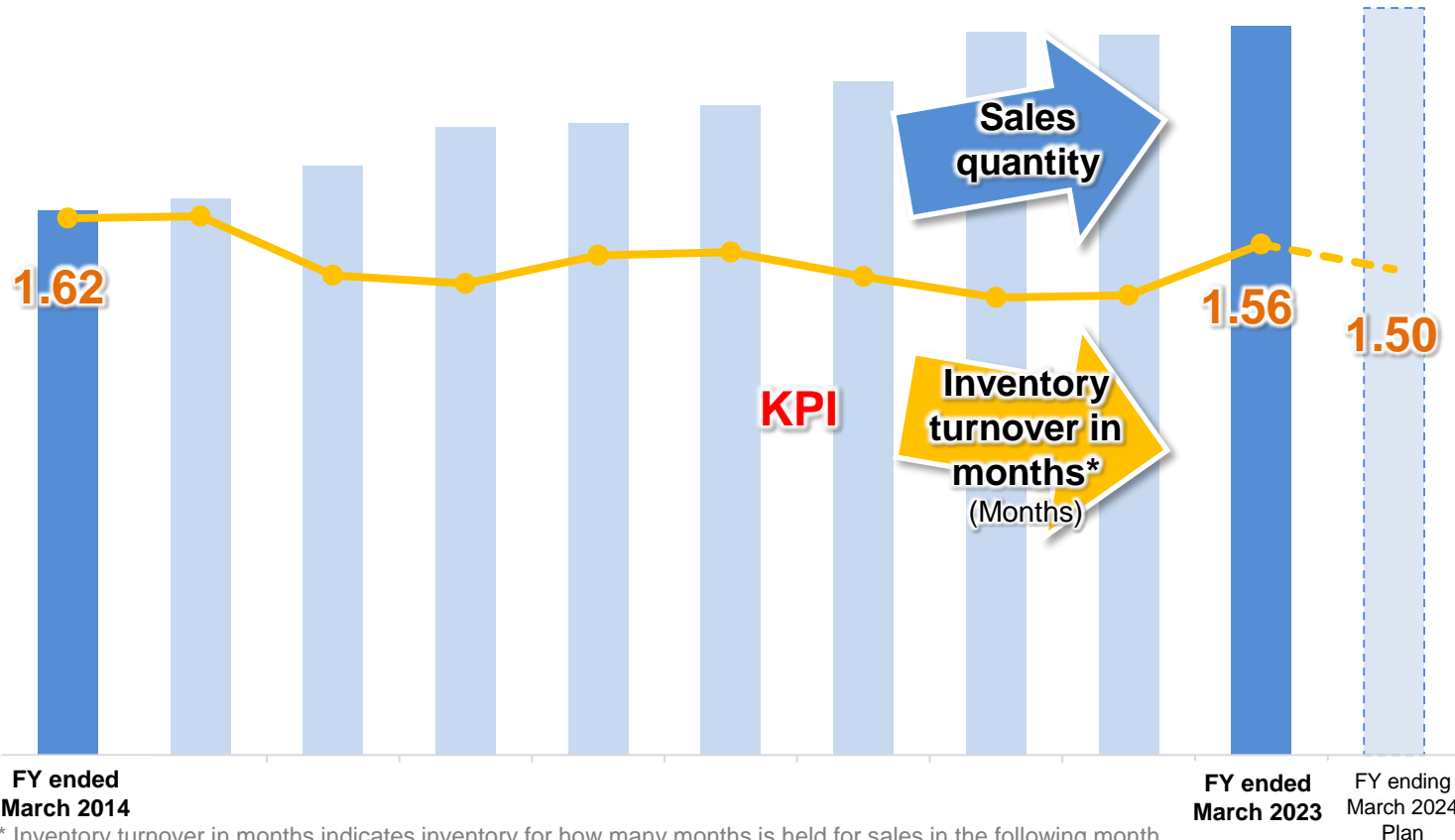
Inventory control made in response to growth in quantity



Improved asset efficiency

FY ended March 2023
(Compared with
FY ended March 2014)

133.9%



Actions for Suppressing Soaring Logistics Expenses

Ratio of private services

September 2023

97.7%

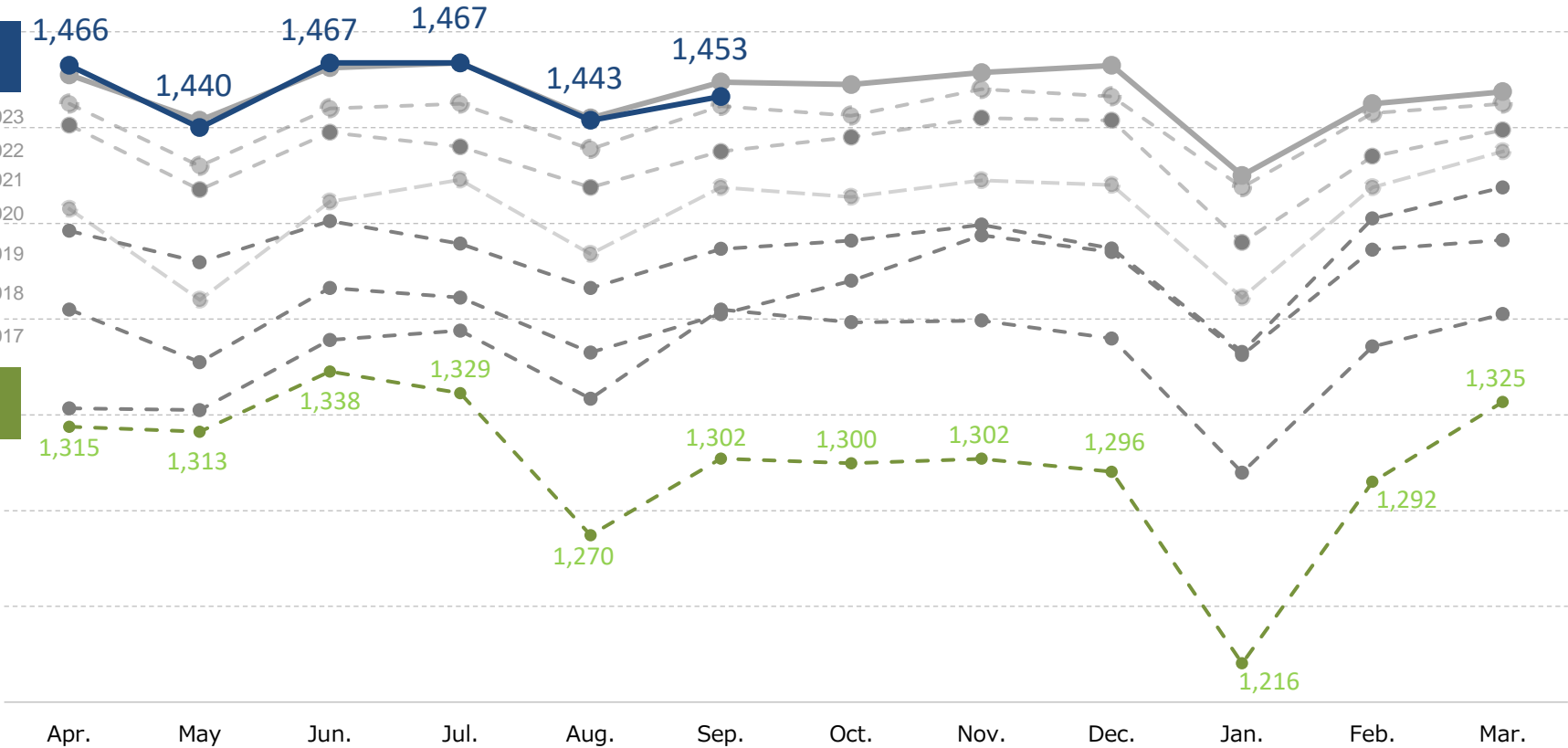
(Sai* per truck) * 1
Sai ≈ 0.0278m³
Sai is Japanese logistics unit.

Loading efficiency per truck **111.0%** 1st half of FY2024 Compared with the level in 1st half of FY2016

FY ending
March 2024

FY ended March 2023
FY ended March 2022
FY ended March 2021
FY ended March 2020
FY ended March 2019
FY ended March 2018
FY ended March 2017

FY ended
March 2016



Initiatives to Improve Loading Efficiency

Steady efforts to load as many cases as possible

(1) Cargo bed measurement and consideration of loading capacity



(2) Actual loading



(4) Master registration and verification



(3) Post-loading check

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

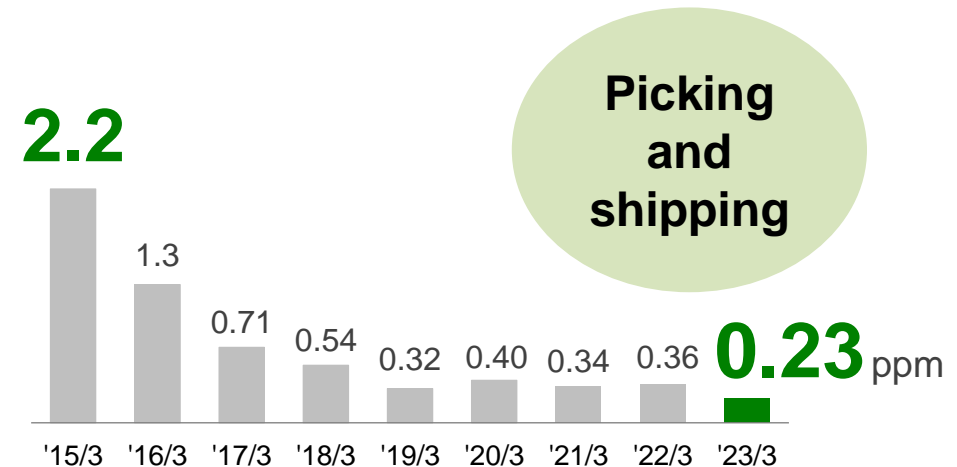
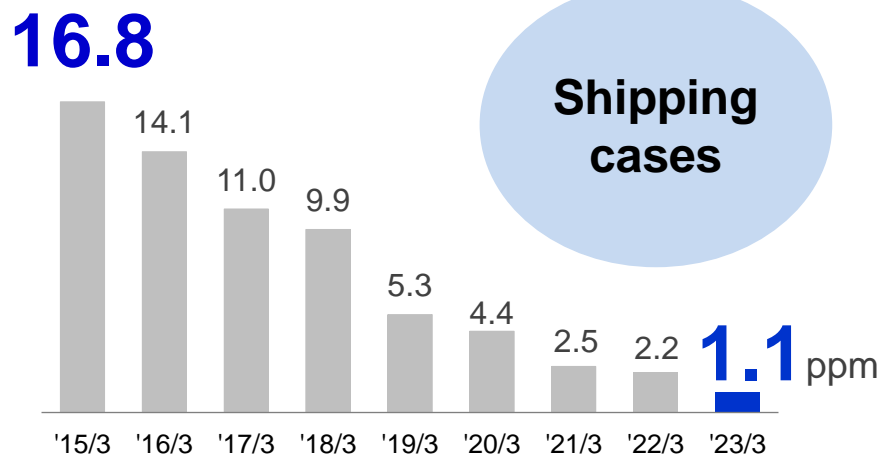


Reconsider delivery routes with team members

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

Reduced Complaints

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



Investment in Human Resources (1): Personnel and Labor Saving by Introducing Automation Equipment

Effects of automation

- ✓ Reducing labor for simply moving goods
 - ✓ Lightening heavy work
 - ✓ Reducing labor for frequent tasks
- ▶
- ✓ Improvement of work environment
 - ✓ Expansion of occupational domains
 - ✓ Transfer of manpower to value-added operations

Manufacturing division



Logistics division



- AGV (automated guided vehicle)
33 units ('23/3)
- AGF (automated guided forklift)
6 units ('23/3)
- Sorter
Introduced at 5 centers



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

PicoHouse dormitories for single employees

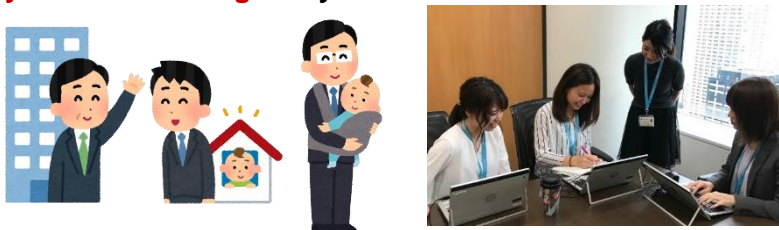


Group homes for people with disabilities



Promotion of active participation of female

1. Aim to increase **the percentage of female in career-track positions** to be hired to **30% or more** from 2022 onward
2. Increasing **the number of managers that are female to 50 or more** (including 5 or more section managers or higher-ranked managers) by 2026
3. Increasing **the percentage of childcare leave taken by eligible male employees to 50% or higher** by the end of March 2025



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**



Investment in Human Resources (3): Improving the Treatment of Production and Logistics Division Personnel



FY ended March 2019

- ✓ Expansion of retirement benefit system

FY ended March 2021

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

FY ending March 2024

Initiatives for attracting and retaining human resources

- ✓ Significant salary level revisions averaging 10.7%
- ✓ Increase in starting salary
- ✓ Increase in the number of holiday days

- ✓ **Turnover at manufacturing and logistics companies decreased by 38 persons.**

('23/3: 128 persons --> '24/3: 90 persons)

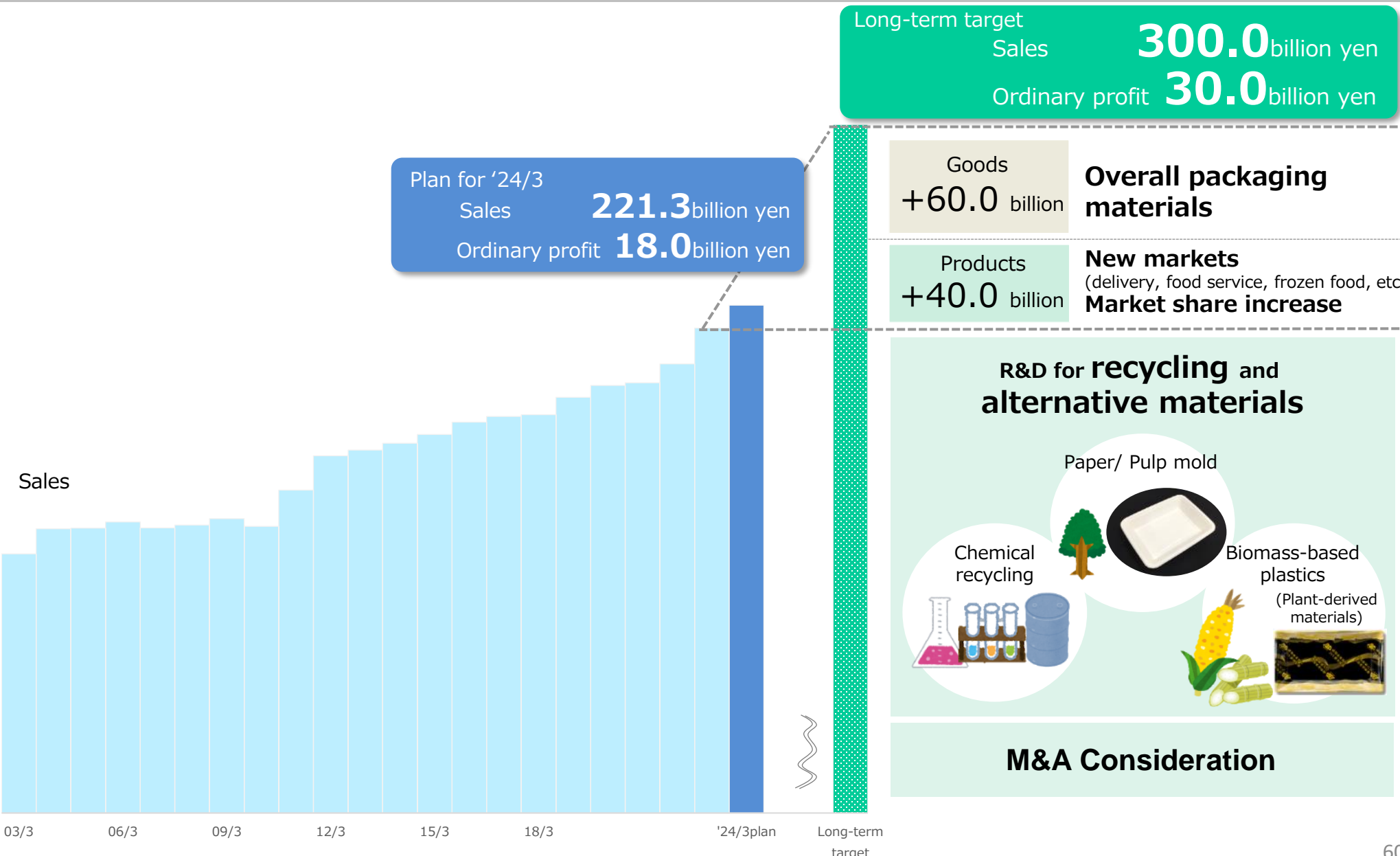
* Personal reasons only/ Results for the period from April to a payroll closing date in October

- ✓ **Better work-life balance**

Growth Strategy



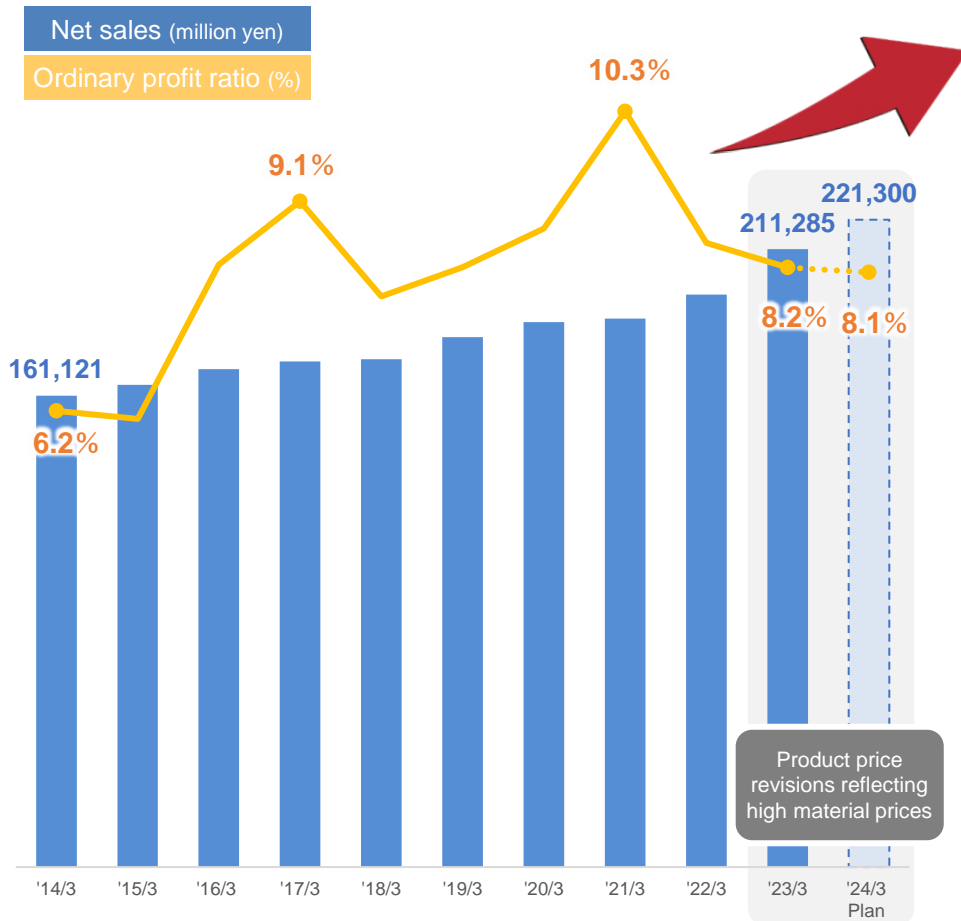
Growth Strategy



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

Initiatives for Expanding Product

Continuing to improve the ability to propose solutions on sales floors and release original products and new products



Expansion of eco-friendly products




- ✓ Social implementation of dissolution & separation recycling and chemical recycling
- ✓ Expanding the lineup of eco-friendly products by doubling recycled PS material
- ✓ A price structure that is resilient to fluctuations in material prices

Expanding sales of lightweight products

- ✓ New low-foamed PS sheet × Forming technology
- ✓ Expanding items with reduced plastic usage
- ✓ Reducing the amount of contract fees to be paid by users under the Containers and Packaging Recycling Law
- ✓ Increasing gross profit by controlling material costs

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

Investment to Make LSSPI an Equity-Method Affiliate

| | |
|-----------------------------------|---|
| 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. Ref) Financial results of SCGM Bhd. for the fiscal year ended Apr. 30, 2022 Net sales: 8,740 million yen, Net profit: 948 million yen</p> <div>    </div> <p>OPS (food pack) PP (cup) PET (cup)</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) FP Corporation: 40% (Productivity improvement)</p> |
| Date of share acquisition | August 31, 2022 |



► 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

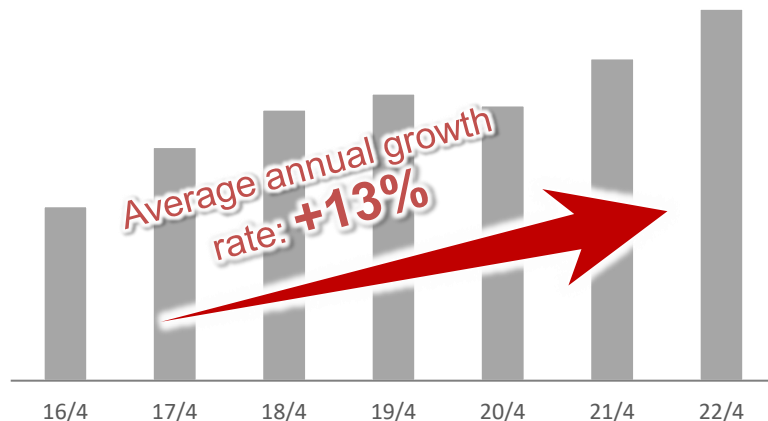
Plenty of space
Existence of old
production facilities

Productivity can be improved
significantly by applying
knowledge and expertise

Dispersed buyers
(Up to 2% to 3%)

Low dependence on specific
customers

► Net sales of SCGM



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



Joined by APEX as a New Group Company (1)

| | |
|------------------|---|
| Company name | APEX Corporation |
| Established | February 8, 1974 |
| Representative | Shohei Murai, President ↳ Toru Kamezawa *Appointed on September 29, 2023 (Former director of FPCO International Package) |
| Business outline | Wholesale of various packaging materials, etc. |



November 2018:
Acquisition of shares
Percentage of voting rights: **20%**
(Reorganized into an equity-method affiliate)

September 2023:
Acquisition of additional shares
Percentage of voting rights: **100%**

A dealer of food packaging materials with the second largest market share of containers in Kyushu



Entering a new stage as a member of the FPCO Group

Joined by APEX as a New Group Company (2)

FPCO Group's infrastructure

(1) Mission-critical system for dealers

(Introduced by 6 dealers nationwide/Being introduced by 1 dealer)

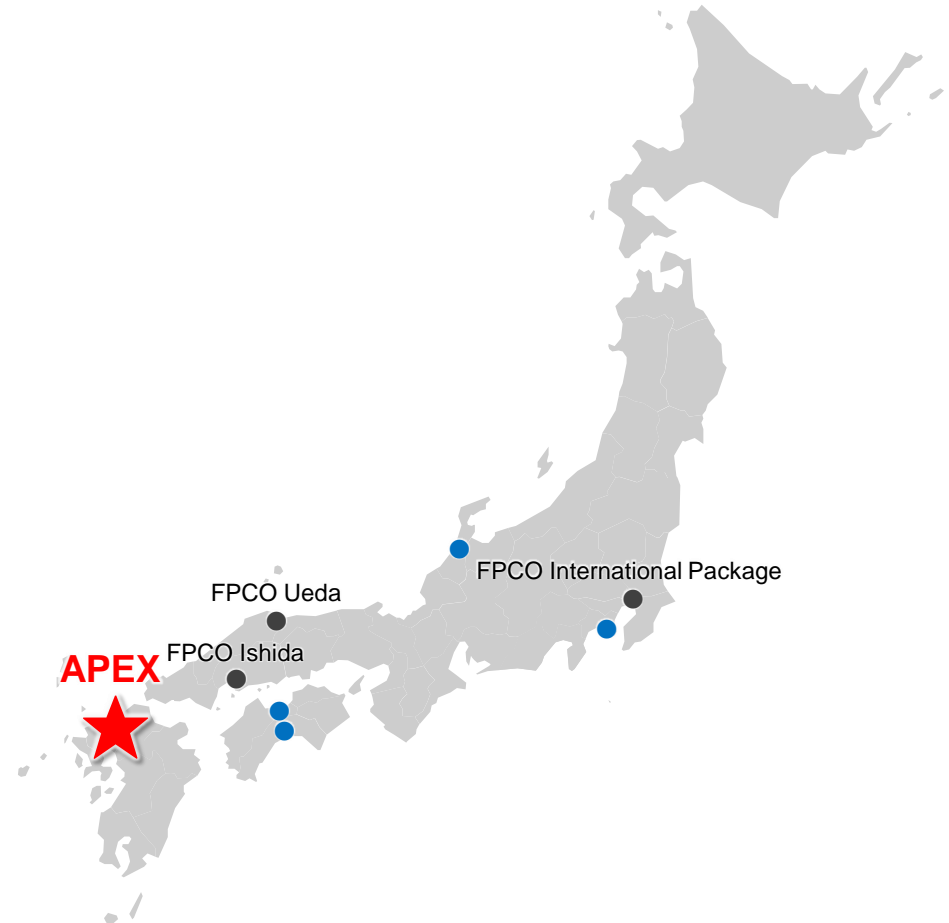
(2) Logistics infrastructures including DC and PC

E-commerce site offering packaging materials

(3) PackMarket

FP Trading's

(4) Merchandising capabilities



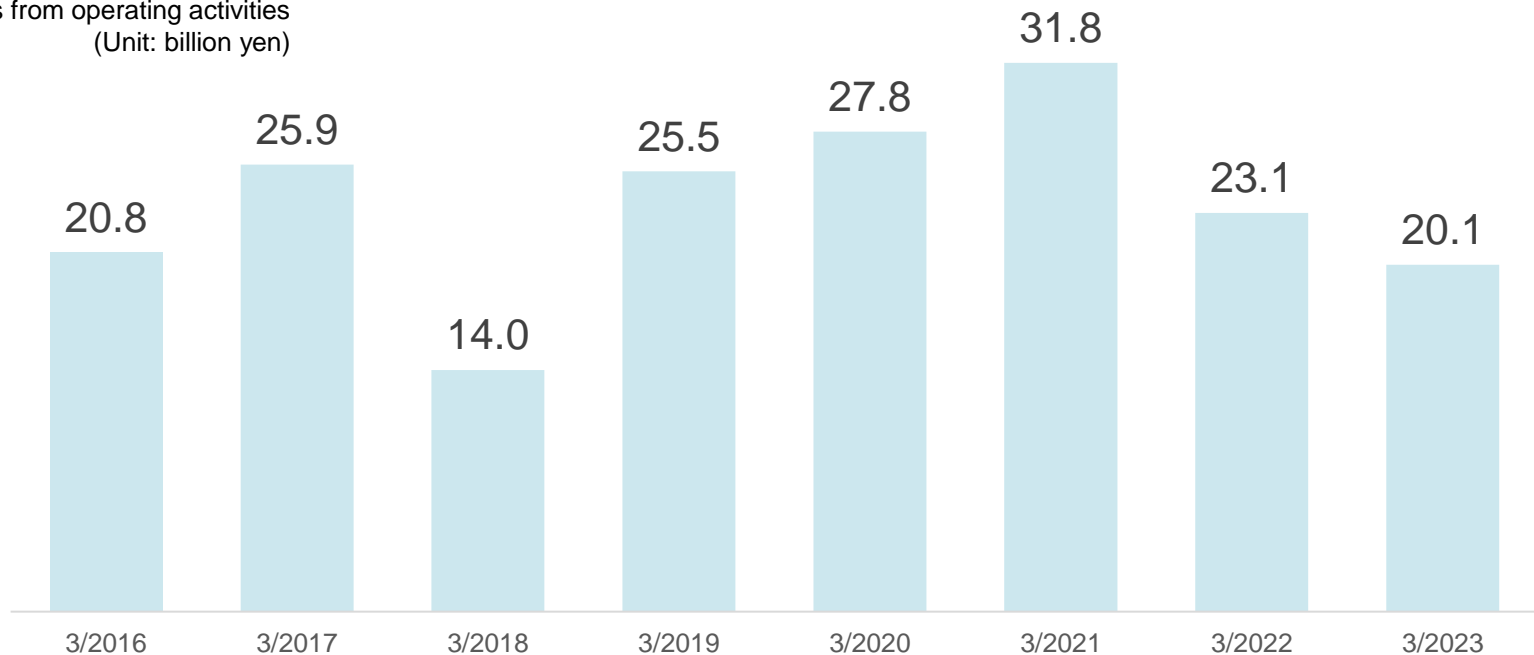
Strengthening the competitiveness of APEX

by using the FPCO Group's infrastructure

Cash Generation

Cash flows from operating activities at 23.6 billion yen /year
(in the last 8 years).

Cash flows from operating activities
(Unit: billion yen)



■ Details

(Unit: billion yen)

| | 3/2016 | 3/2017 | 3/2018 | 3/2019 | 3/2020 | 3/2021 | 3/2022 | 3/2023 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|
| Profit before income taxes | 13.8 | 15.6 | 13.2 | 14.4 | 16.0 | 18.1 | 16.5 | 16.9 |
| Depreciation | 9.5 | 11.2 | 11.7 | 13.2 | 13.5 | 13.6 | 13.6 | 14.2 |
| Decrease (increase) in notes and accounts receivable - trade and inventories | 0.3 | 2.8 | -7.9 | -1.4 | 4.4 | -2.1 | -4.0 | -8.6 |
| Income taxes paid | -3.2 | -5.4 | -4.4 | -3.7 | -5.6 | -5.1 | -7.1 | -4.4 |
| Other, net | 0.4 | 1.7 | 1.4 | 3.0 | -0.5 | 7.3 | 4.1 | 2.0 |
| Cash flows from operating activities | 20.8 | 25.9 | 14.0 | 25.5 | 27.8 | 31.8 | 23.1 | 20.1 |

Financial Strategy

- Utilizing cash from operating activities for capital investments and M&A, which target future growth and stable supply, as well as for shareholder return
- Utilizing borrowings while considering financial safety

Cumulative totals for 3 years ('21/3 to '23/3)

Operating CF
75.0 billion yen

Increase in net interest-bearing debt

19.7 billion yen



Capital investment

73.6 billion yen

Major investments

- Chubu Hub Center
- Chubu Plant I
- Kansai Plant and Kansai Hub Center

M&A 8.2 billion yen

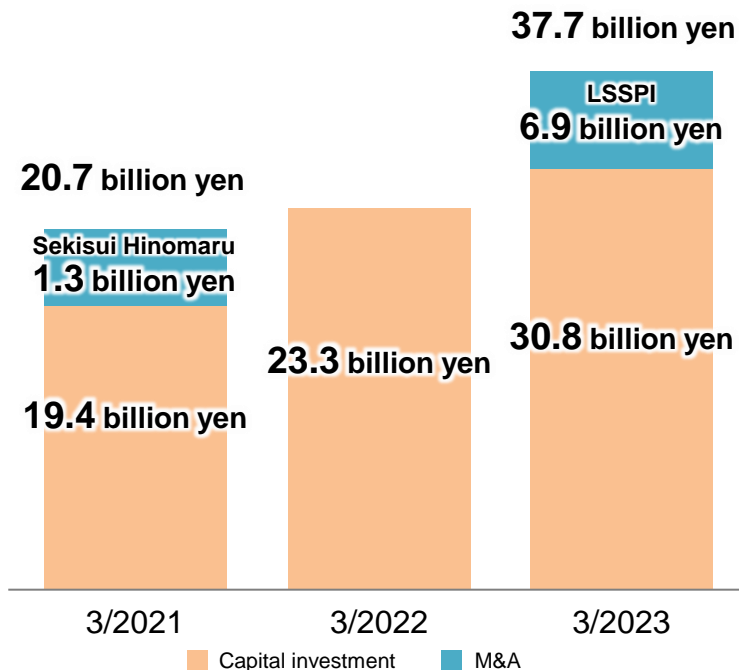
Sekisui Hinomaru, LSSPI

Shareholder returns

15.0 billion yen

Capital Investments and M&A

Capital investments and M&As in the last 3 years



Stable supply

Increasing production capacity and improving the logistics network

- Kansai Plant and Kansai Hub Center
- Chubu Plant I
- Chubu Hub Center

M&A

Industry reorganization and FPCO's first foray abroad

- Sekisui Hinomaru
- LSSPI

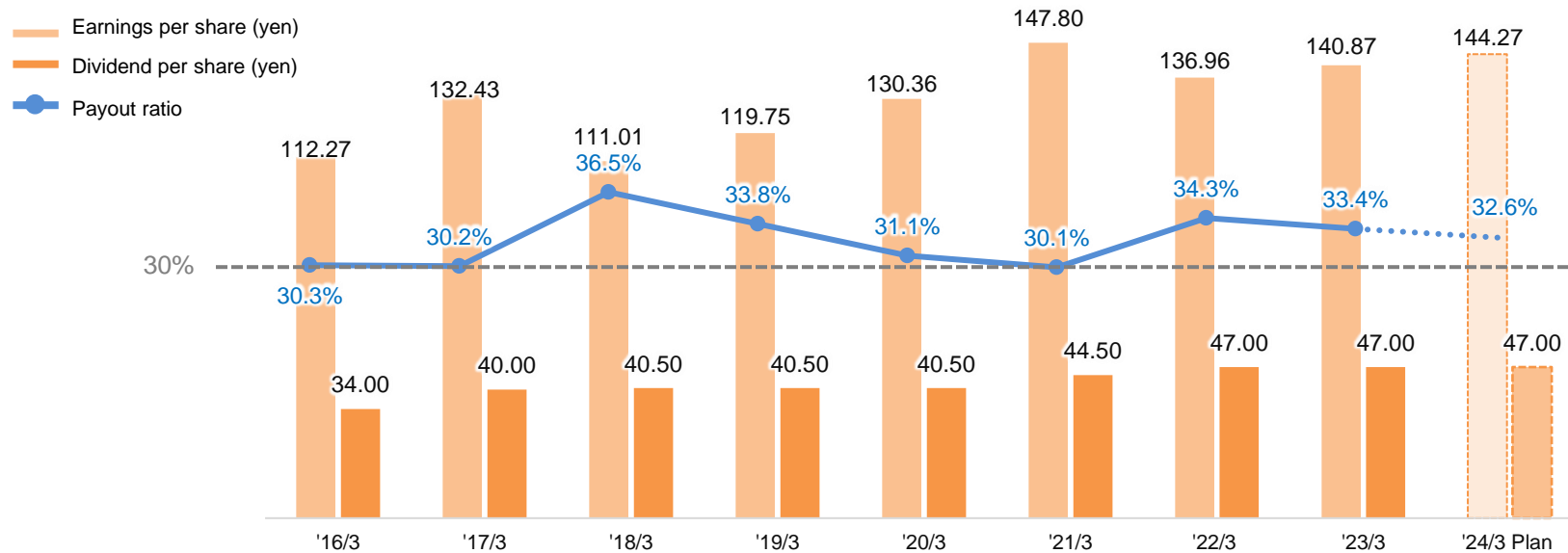
Future direction

- Capital investments will be continued with an average annual amount of 20.0 billion yen.
- Dissolution & separation recycling and chemical recycling
 - Expanding the lineup of eco-friendly products
- Updating technologies
 - Developing products with even lighter weight by deepening sheet extrusion and forming technologies including molds
 - Productivity improvement including automation
- M&A
 - Enhancing product lineup and services
 - Developing services that use the diverse infrastructure of the FPCO Group

Capacity increase for keeping pace with quantity expansion will also be considered.

Shareholder returns

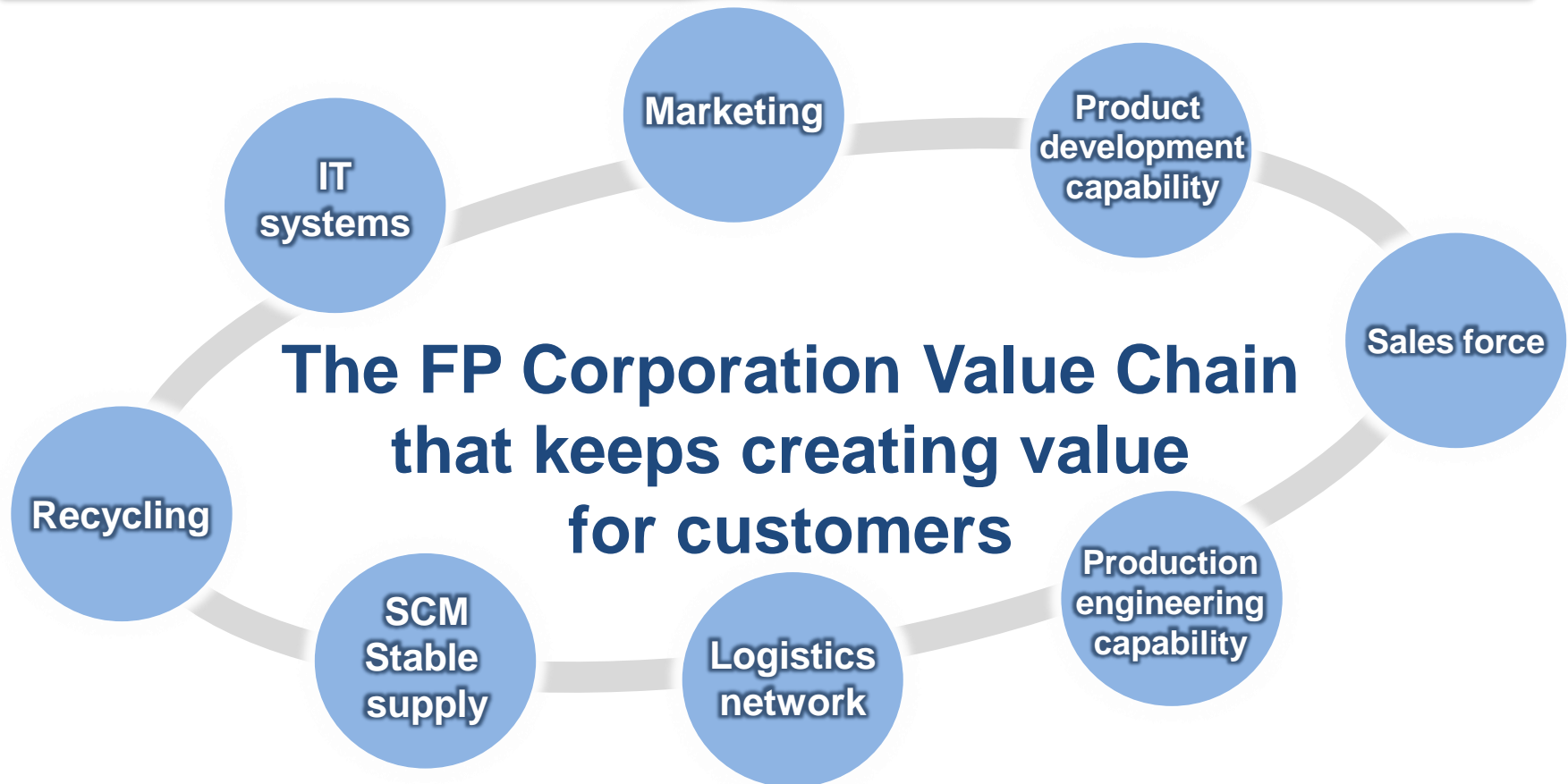
- Paying dividends continuously and consistently with a target consolidated payout ratio of 30%
 - Increasing EPS to increase dividends
- Regarding the acquisition of treasury shares, agile and flexible returns will be considered while maintaining financial soundness and taking into account strategic investments, stock price levels, etc.



| Unit: billion yen | 3/2016 | 3/2017 | 3/2018 | 3/2019 | 3/2020 | 3/2021 | 3/2022 | 3/2023 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Dividends | 2.8 | 3.3 | 3.3 | 3.3 | 3.3 | 3.7 | 3.8 | 3.8 |
| Purchase of treasury share | — | — | — | — | — | 4.0 | — | — |
| Total | 2.8 | 3.3 | 3.3 | 3.3 | 3.3 | 7.7 | 3.8 | 3.8 |
| Total return ratio | 30.3% | 30.2% | 36.5% | 33.8% | 31.1% | 62.7% | 34.3% | 33.4% |

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 |
| Eco trays | A recycled expanded 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 container | A recycled PET transparent container for which PET transparent containers and PET bottles collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 2012). Heat resistance temperature of +60°C. |
| Eco OPET container | A recycled oriented PET (OPET) transparent container molded from the bi-axially OPET sheets, which use the same raw materials as an Eco APET container (sales commenced in 2016) Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container. Heat resistance temperature of +80°C. |
| New low-foamed PS container | A foamed PS container featuring reduced use of plastics while maintaining the same strength and sharp shape as non-foamed containers. It is lighter than a non-foamed container by 50% to 60%. |
| Multi FP (MFP) container | A foamed PS container with cold and heat resistance to temperatures between -40°C and +110°C and with superior oil resistance and thermal insulation (sales commenced in 2010). |
| Multi Solid (MSD) container | A non-foamed PS container, which has achieved a sharp shape while maintaining the characteristics of the Multi FP by using scraps of materials from the Multi FP (sales commenced in 2012). Heat resistance temperature of +110°C. |
| Transparent PP container | A transparent PP container with a heat resistance temperature of +110°C, which has achieved the same transparency as OPS using standard-grade polypropylene raw material (sales commenced in 2012). |
| 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) |
| OPS transparent container | A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets. |
| HIPS container | A non-foamed PS container with superior rigidity and Formability. A heat resistance temperature of +90°C. |
| 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). |
| Dissolution and separation recycling | A method with which black polystyrene (PS) pellets produced through material recycling are dissolved and decolored to produce recycled PS materials for food containers. It is the world's first technology, developed by DIC Corporation. |
| Logistics Center | Logistics center for processes from acceptance of products and commodities to acceptance of orders, allocation of vehicles, shipment, and collection of trays |
| Hub Center | Logistics center where multiple buildings are connected via a sorter system for automatic sorting and consolidation for shipment. |
| Distribution Center (DC) | A logistics division that ships cases to packaging material wholesalers. |
| Picking Center (PC) | A logistics division that picks and ships items in small lots to supermarkets. |
| Sorting Plant | A recycling site where foamed PS containers collected from stores are sorted into white and other colors, or transparent containers collected from stores are sorted by 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

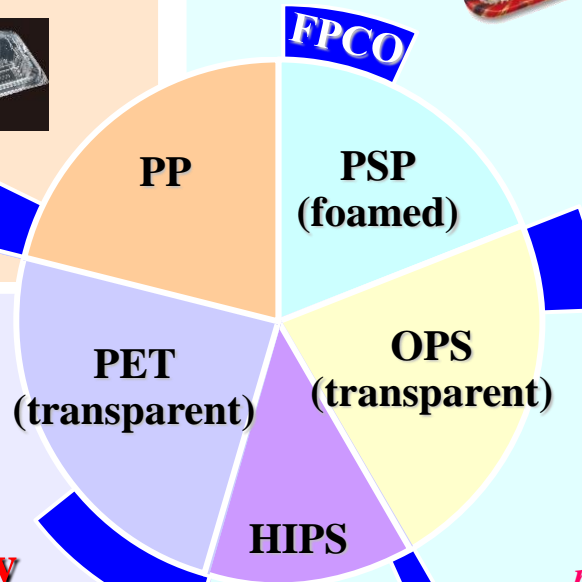


PET: polyethylene terephthalate

- ☆ High transparency
- ☆ High oil resistance
- ★ Low heat-resistance: +60°C
- ★ Relative density is greater

OPET: Biaxially oriented 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). 73

Trends in Results (1)

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

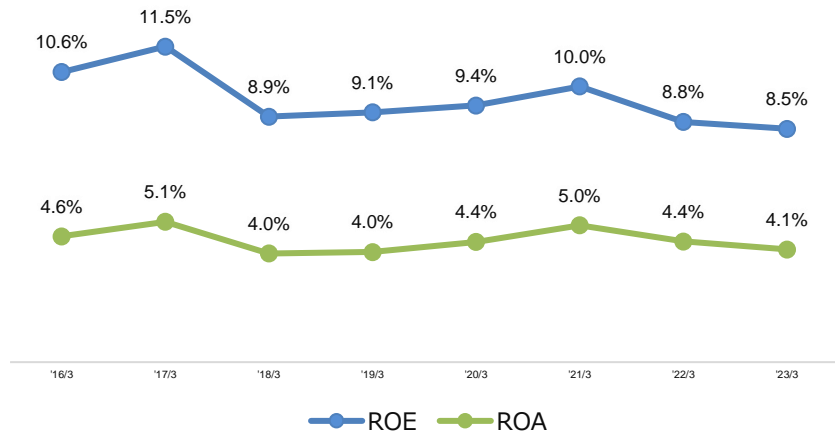
Million yen

| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 170,292 | 172,858 | 173,580 | 181,171 | 186,349 | 187,509 | 195,700 | 211,285 |
| Operating profit | 13,248 | 15,176 | 12,884 | 13,949 | 15,507 | 18,763 | 15,884 | 16,703 |
| Ordinary profit | 14,027 | 15,742 | 13,548 | 14,861 | 16,274 | 19,381 | 16,703 | 17,328 |
| Net profit | 9,294 | 10,953 | 9,178 | 9,901 | 10,777 | 12,211 | 11,206 | 11,529 |
| Ordinary profit before depreciation | 23,554 | 26,926 | 25,255 | 28,031 | 29,807 | 32,991 | 30,340 | 31,509 |
| Ratio of ordinary profit to net sales | 8.2% | 9.1% | 7.8% | 8.2% | 8.7% | 10.3% | 8.5% | 8.2% |
| ROE | 10.6% | 11.5% | 8.9% | 9.1% | 9.4% | 10.0% | 8.8% | 8.5% |
| ROA (Return on assets) | 4.6% | 5.1% | 4.0% | 4.0% | 4.4% | 5.0% | 4.4% | 4.1% |
| EPS (yen/share) | 112.27 | 132.43 | 111.01 | 119.75 | 130.36 | 147.80 | 136.96 | 140.87 |
| Dividends (yen/share) | 34.00 | 40.00 | 40.50 | 40.50 | 40.50 | 44.50 | 47.00 | 47.00 |
| Payout ratio | 30.3% | 30.2% | 36.5% | 33.8% | 31.1% | 30.1% | 34.3% | 33.4% |
| Purchase of treasury shares | — | — | — | — | — | 3,999 | — | — |
| Total assets | 209,053 | 219,481 | 244,147 | 249,332 | 242,497 | 247,234 | 262,695 | 298,623 |
| Net assets | 91,591 | 99,721 | 106,219 | 112,198 | 119,301 | 124,980 | 132,455 | 140,171 |
| Cash and deposits | 15,089 | 18,144 | 15,659 | 19,151 | 20,288 | 17,884 | 19,745 | 22,255 |
| Interest-bearing debt | 75,319 | 80,551 | 91,991 | 91,402 | 80,341 | 73,459 | 80,171 | 102,006 |
| Equity ratio | 43.6% | 45.3% | 43.4% | 44.8% | 49.0% | 50.3% | 50.2% | 46.7% |
| Capital investment | 23,383 | 21,060 | 29,891 | 14,038 | 12,214 | 19,412 | 23,361 | 30,853 |
| Depreciation | 9,526 | 11,183 | 11,706 | 13,170 | 13,532 | 13,609 | 13,636 | 14,180 |
| Research and development expenses | 1,242 | 1,223 | 1,197 | 1,159 | 1,229 | 1,195 | 1,154 | 1,295 |
| Ratio of original products | 47.3% | 52.3% | 55.7% | 59.2% | 60.5% | 62.0% | 61.9% | 63.6% |
| Inventory turnover in months | 1.49 | 1.47 | 1.53 | 1.54 | 1.48 | 1.44 | 1.44 | 1.56 |
| Amount of containers and bottles collected for recycling (t) | 28,591 | 36,631 | 55,262 | 75,730 | 82,629 | 85,070 | 83,330 | 91,350 |
| Number of collection bases for recycling | 9,200 | 9,200 | 9,150 | 9,260 | 9,390 | 9,800 | 10,000 | 10,500 |

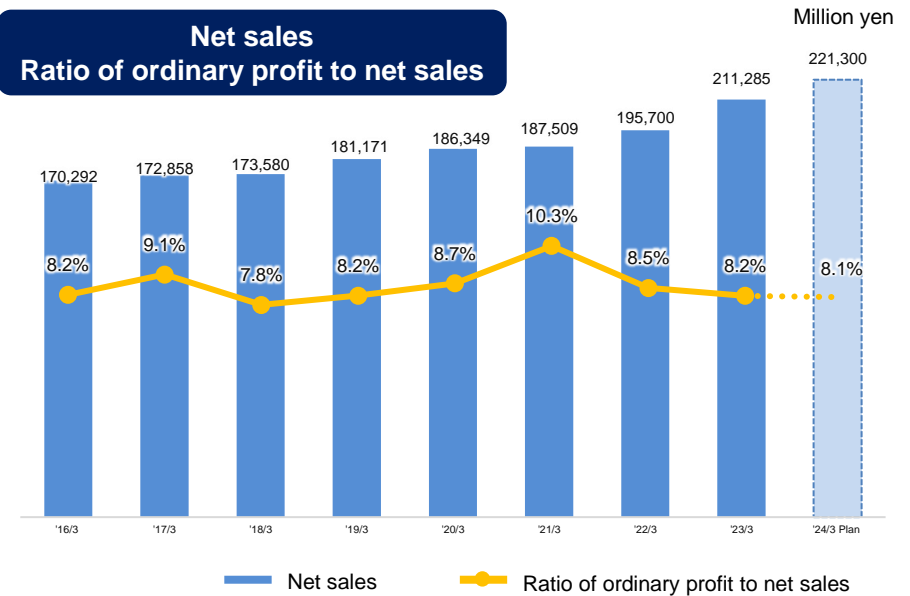
Trends in Results (2)

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

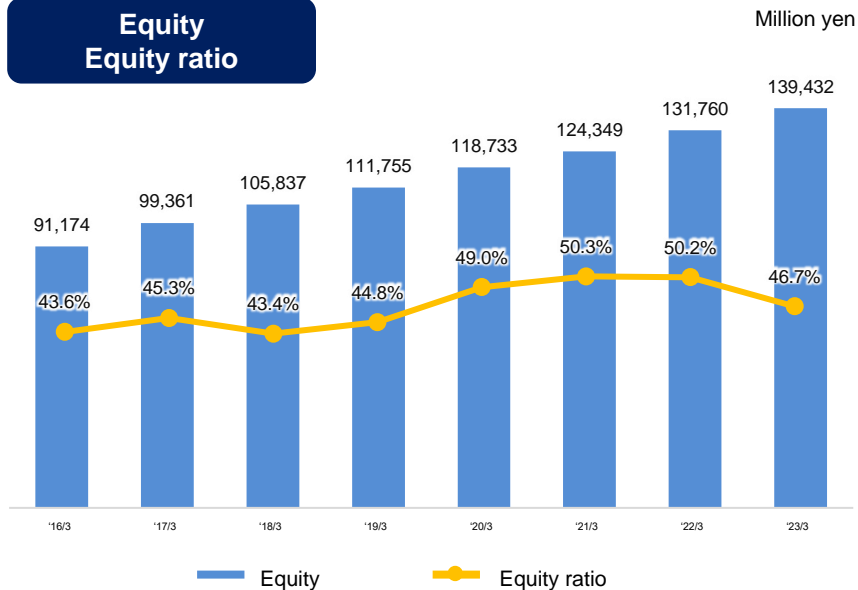
ROE ROA



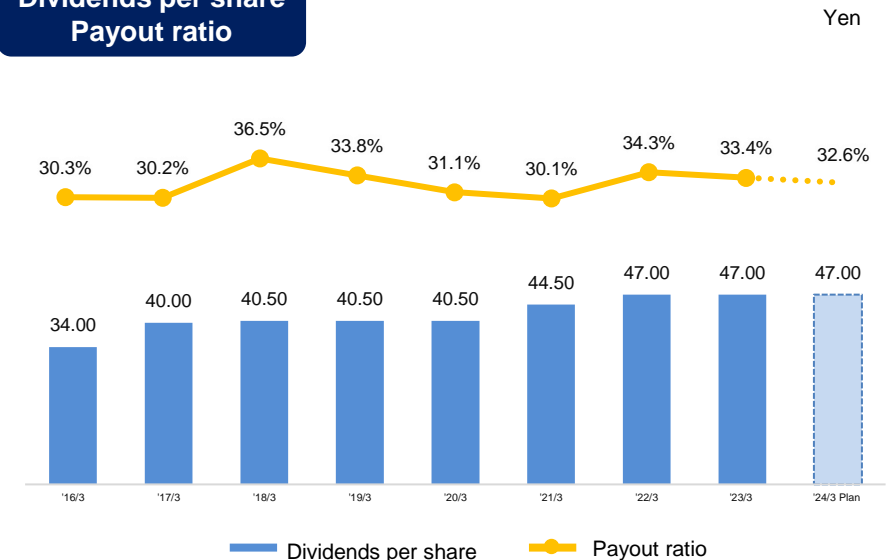
Net sales Ratio of ordinary profit to net sales



Equity Equity ratio



Dividends per share Payout ratio



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 | | | | | | +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 | +28.3 | +2.7 | +31.0 | |
| 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 | | | +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 | +1.0 | +9.0 | +10.0 |
| | 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 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 | -3.0 | -13.0 | |
| 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 | +8.2 | -1.5 | +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 | 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 | 105.9 | 170.0 | 72.3 | 107.7 | 180.0 | |

Trends in Capital Investment and R&D Costs

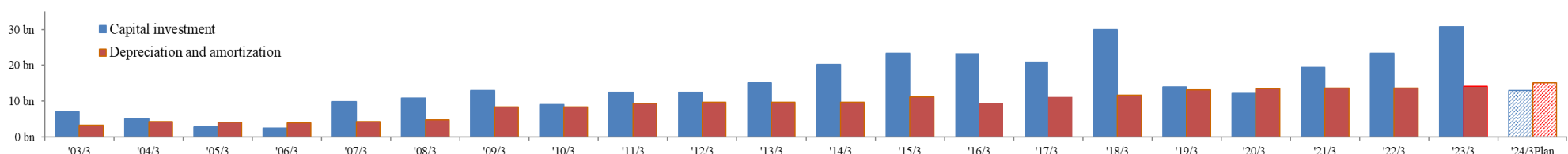
| | FY ended March 2003 | FY ended March 2004 | FY ended March 2005 | FY ended March 2006 | FY ended March 2007 | FY ended March 2008 | FY ended March 2009 | FY ended March 2010 | FY ended March 2011 | FY ended March 2012 | FY ended March 2013 | FY ended March 2014 | FY ended March 2015 | FY ended March 2016 | FY ended March 2017 | FY ended March 2018 | FY ended March 2019 | FY ended March 2020 | FY ended March 2021 | FY ended March 2022 | FY ended March 2023 | FY ending March 2024 Plan | |
|-----------------------------|------------------------|------------------------|------------------------|---|------------------------|------------------------|------------------------|---|---|--------------------------------------|-----------------------------|---|-------------------------------|------------------------|------------------------|------------------------|------------------------|--|------------------------|-------------------------------|------------------------------------|---------------------------------|---|
| Production | Yamagata Plant | | | | Shimodate Daini Plant | | | Taiyo Kosan | Nihon Pearl Containers | Dia Foods | | Research Center Development and Training Building | | | | | | | | | | | |
| | | | | | Chubu Daini Plant | | | Wood Plant | Food container facilities | ALRight | | | | | | Kanto Eco PET plant | | | | | Kansai Plant and Kansai Hub Center | | |
| | | | | | | | Kyushu Daini Plant | | | Hokkaido Plant extension | Kanto Yachiyo Plant | | | Chubu Eco PET plant | | | | | | | Chubu Daiichi Plant | | |
| | | | | | | | | | | | | | | | | Automation | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | Boosting the production capacity of original products > |
| Distribution | East Japan Hub Center | | | | Kanto Yachiyo Center | | | | | | Logistics centers in Kyushu | | | | | | | | Kyusyu HC extension | | | | |
| | Kyushu HC | | | | | | | New Fukuyama Picking Center | | | | Logistics centers in Kansai | | Voice picking | | | | | | Fukuyama Hub Center extension | | | |
| | Kansai PC | | | | | | | | New Chubu Picking Center | | | | Fukuyama Hub Center | | | | | | | | Chubu Hub Center | | |
| | Hokkaido HC | | | | | | | New Hokkaido HC | | | Kanto PC extension | | Logistics centers in Hachioji | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | Improving the distribution network > |
| Recycling | | | | Chubu, Tohoku & Kyushu Recycling Plants | | | | Nationwide expansion of container sorting plant | | | | | | | | | | Capacity increased in Kanto and Kyushu | | | | | Kansai Sorting Plant |
| | | | | | | | | | Equipment renewal of cleaning lines | | | | | | | | | | | | | | |
| | | | | | | | | | Chubu Recycling Plant | | | | | | | | | | | | Chubu pelletizing | | |
| | | | | | | | | | Construction of a new recycling network > | | | | | NPR | | | | | | | | | |
| | | | | | | | | | | Chubu PET Mechanical Recycling Plant | | | | | | | | | | | | | PET recycling operations > |
| Other investments and costs | | | | | | Head Office | | | Yuka Shoji | | | | | | | | Film Plant | company accommodations | | company accommodations | | | |
| | | | | | | | | | Interpack | | | | Miyakohimo | company accommodations | | Film Printing Plant | | Group home | | | | | Expansion of cardboard factory |

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 |

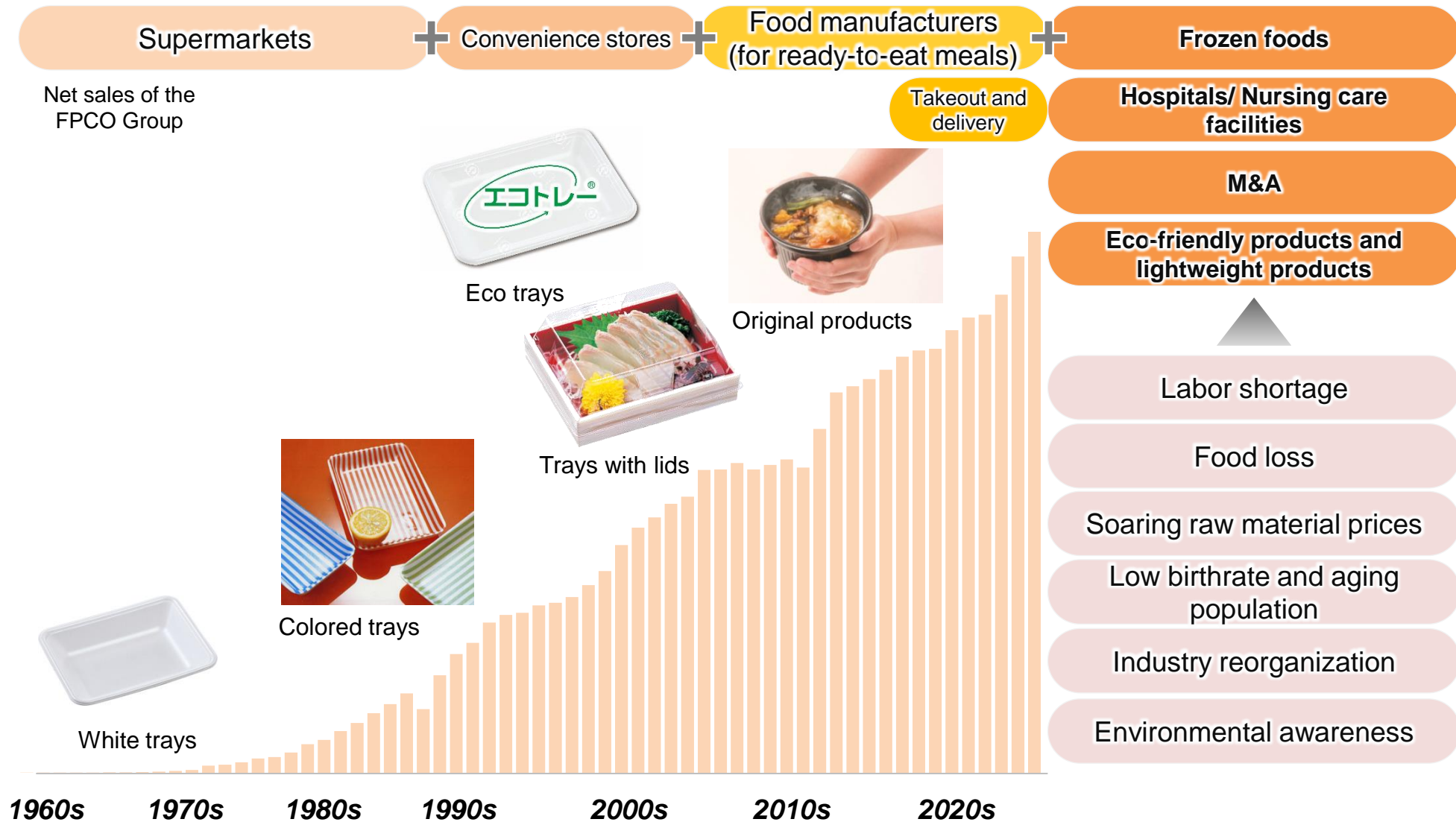
| | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Depreciation and amortization | 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.

Trends in Food Container Market



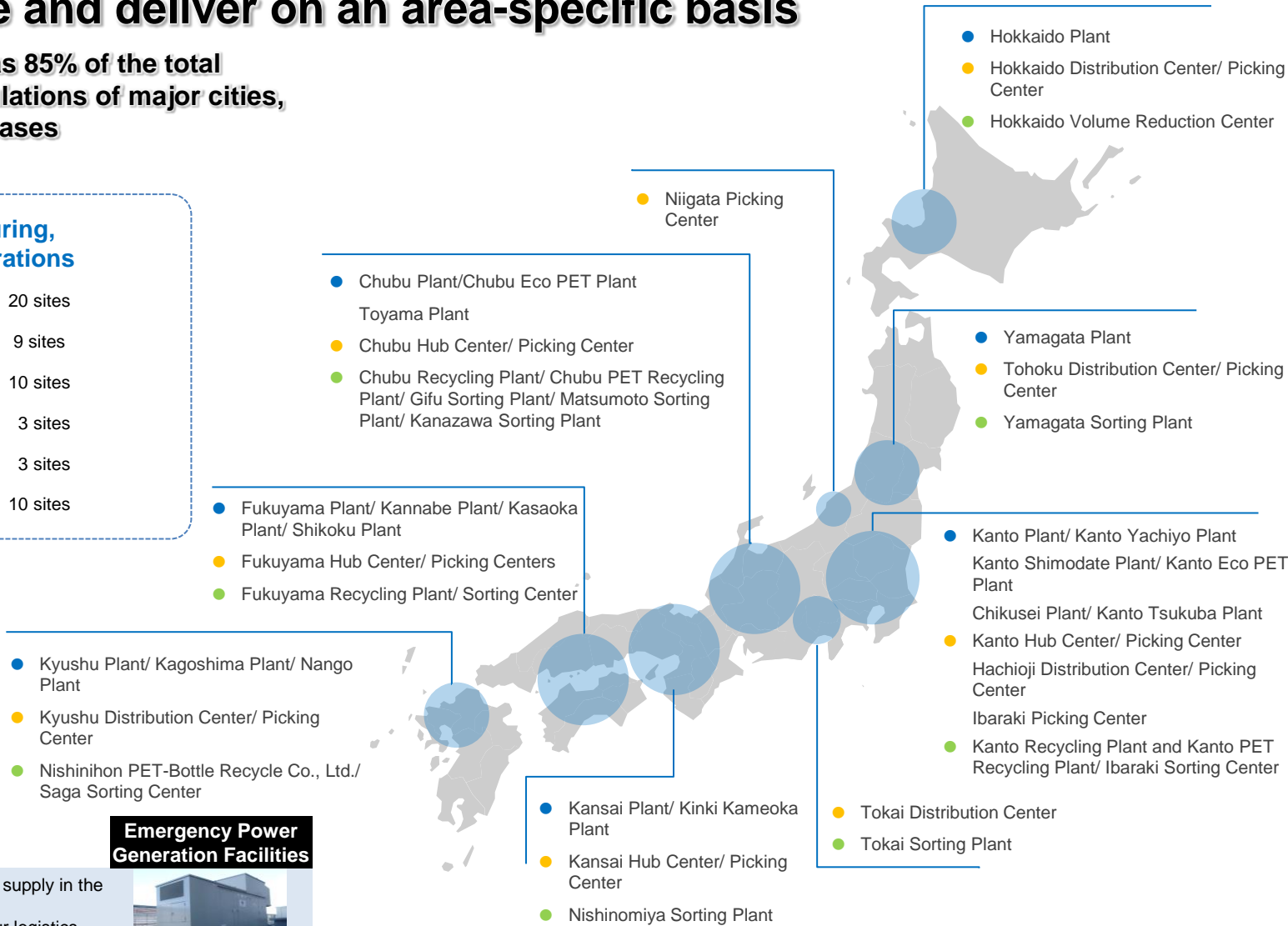
Nationwide Production and Logistics Network

FPCO can produce 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

FPCO's network for manufacturing, distribution and recycling operations

| | |
|---------------------------------------|----------|
| ● Production Plants | 20 sites |
| ● Distribution and Hub Centers | 9 sites |
| ● Picking Centers | 10 sites |
| ● Recycling Plants | 3 sites |
| ● PET Recycling Plants | 3 sites |
| ● Sorting and Volume Reduction Plants | 10 sites |



Emergency Power Generation Facilities

Business continuity plan (BCP): Ensuring stable supply in the event of a disaster
Emergency power generator installed at all of our logistics facilities in Japan
Power supply for 72 hours ensured



Ocean Plastic Pollution: Trends in the World and Japan

Global trends



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

2018 **G7** Ocean Plastics Charter

2019

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

<Specific examples of plastics exempted from the regulations>

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

Trends in Japan



MOE Comprehensive strategy for plastic material recycling

(Excerpt of milestones)

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

Act on Promotion of Resource Circulation for Plastics

[Voluntary collection by manufacturers and distributors]

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

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

Ocean Plastics Charter endorsed at Charlevoix G7 Summit in Canada

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

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

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

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

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

Reduce

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

Reuse & Recycle

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

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

Recycling/ Biomass plastics

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

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

Collaboration with Related Ministries, Agencies and Organizations

| | Actions of related ministries, agencies and organizations | FPCO's involvement |
|---|---|--|
| Ministry of the Environment | <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

[Accepted at any time]
Corporate Planning Department:
03-5325-7756

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

