Financial Results

for the Fiscal Year Ended March 2025

May 2, 2025

FP Corporation

Securities code: 7947

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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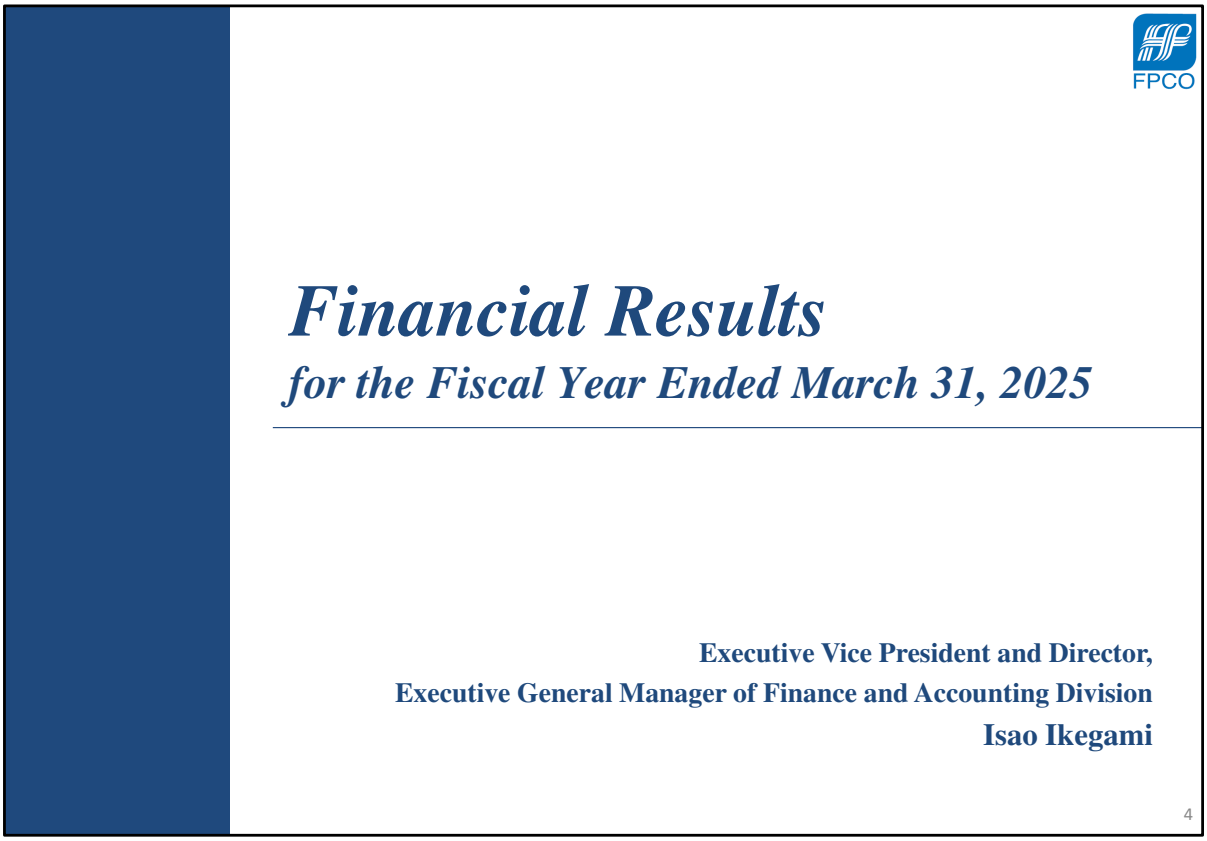

I am Isao Ikegami. I am the Executive Vice President and Director, Executive General Manager of Finance and Accounting Division of FP Corporation.
Thank you for taking the time out of your busy schedules to join us here today.
I will now go over the financial results summary for the fiscal year ended March 31, 2025.

Financial Results Summary *(For the FY Ended March 2025)*

Record high ✓Sales: Highest sales ever for 15 consecutive years
Profit attributable to owners of parent: Increased for 3 consecutive years

Unit: million yen	Results for Full year					Full year projections	
	FY ended March 2024	FY ended March 2025				FY ended March 2025	
	Performance	Performance	Increase/ decrease	Year-on -year	Quantity	Planned	Progress rate
Trays	*41,943*	*44,497*	*+2,553*	*106.1%*	*100.2%*	*44,455*	*100.1%*
Lunchboxes and prepared food containers	*125,915*	*132,817*	*+6,901*	*105.5%*	*101.7%*	*131,524*	*101.0%*
Subtotal	*167,859*	*177,314*	*+9,455*	*105.6%*	*101.2%*	*175,979*	*100.8%*
Other products	*3,794*	*3,455*	*▲338*	*91.1%*		*3,831*	*90.2%*
Sales of products	***171,653***	***180,770***	*+9,116*	*105.3%*		***179,810***	*100.5%*
Packaging materials	*48,035*	*52,802*	*+4,767*	*109.9%*		*53,750*	*98.2%*
Other goods	*2,411*	*2,055*	*▲355*	*85.2%*		*2,440*	*84.2%*
Sales of goods	***50,446***	***54,858***	*+4,411*	*108.7%*		***56,190***	*97.6%*
Net Sales	***222,100***	***235,628***	*+13,528*	*106.1%*		***236,000***	*99.8%*
Operating profit	***16,429***	***18,471***	*+2,042*	*112.4%*		***17,800***	*103.8%*
Ordinary profit	***16,780***	***18,451***	*+1,670*	*110.0%*		***18,000***	*102.5%*
Profit attribute to owners of parent	***11,724***	***12,486***	*+762*	*106.5%*		***12,122***	*103.0%*
Ordinary profit before depreciation	***31,833***	***33,203***	*+1,369*	*104.3%*		***32,800***	*101.2%*

ROE	8.2%	8.4%
Profit ratio	5.3%	5.3%
Asset turnover ratio	0.74	0.80
Financial leverage	2.10 times	1.98 times

Remarks

< Products>

- Sales of products with high added value, including eco-friendly products, new low-foamed PS containers, remained strong.
- Product quantity full-year 101.2%
- The quantity increased despite a year-on-year decline in sales at supermarkets, which reflect high prices.
- Growth at a compound annual growth rate of 1.9% during the period from the fiscal year ended March 31, 2020.
- It reflects effect of the price revisions.

<Goods>

- Proposal for efficiency improvement using the FPCO Group's Infrastructure
- M&A effects of APEX Corporation.

Year-on-year (Results)

(%)	1Q	2Q	1st half	3Q	4Q	2nd half	Full-year	Full-year plan
Sales of products	99.8	105.1	102.5	108.6	107.4	108.1	105.3	104.8
Sales of goods	117.6	117.0	117.3	104.1	98.3	101.4	108.7	111.4
Ordinary profit	69.2	107.1	90.1	127.4	119.4	125.0	110.0	107.3
Quantity	101.8	103.0	102.4	101.1	98.8	100.0	101.2	102.5

Profit ratios (Results)

(%)	1Q	2Q	1st half	3Q	4Q	2nd half	Full-year	Full-year plan
Operating profit ratio	4.0	7.2	5.6	12.7	6.6	9.9	7.8	7.5
Ordinary profit ratio	4.1	7.2	5.7	12.7	6.4	9.9	7.8	7.6
Net profit ratio	2.6	4.8	3.8	8.6	4.4	6.7	5.3	5.1

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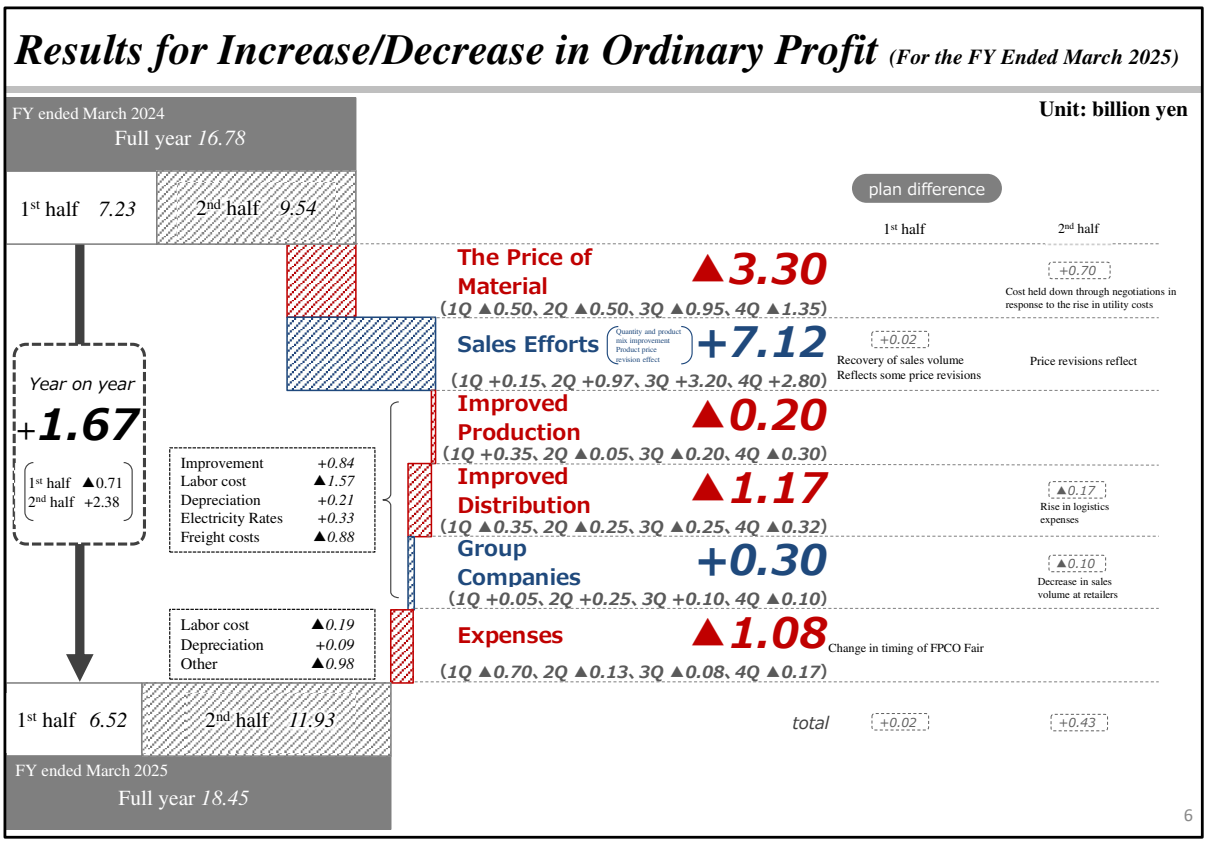
Net sales increased for the 15th consecutive year to 235,628 million yen, up 6.1% year on year.
Operating profit was 18,471 million yen, up 12.4% year on year and 3.8% above the projection.
Ordinary profit stood at 18,451 million yen, up 10% year on year and 2.5% above the projection.
Profit attributable to owners of parent was 12,486 million yen, up 6.5% year on year and 3% above the projection.
Net sales and profit attributable to owners of parent reached record highs.
Net sales of products we manufacture were 180,770 million yen, up 5.3% year on year, and the sales volume of products increased 1.2%.
The sales volume of products for the fourth quarter decreased 1.2% year on year.
This was due to a 1.6-point impact from having one fewer operating days during the period, and a 0.6-point impact from the shift from separate-base-and-lid containers to integrated-fit clamshell containers.
Sales volume of products after adjustment reflecting the above is equivalent to 100.8% of the year-ago level.



Ordinary profit was 18.451 billion yen.I will explain the major factors in this.

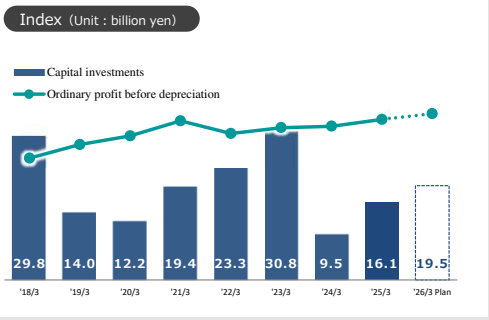
Raw material costs resulted in a negative impact of 3.3 billion yen due to soaring prices, including the pass-through of utility costs by upstream manufacturers.
Sales efforts increased ordinary profit 7.12 billion yen.
This is attributed to the effects of price revisions, particularly in the second half, and an improved product mix, which was driven by strong sales of weight-reduced and eco-friendly products.
The impact of production, distribution, group companies, and expenses was -2.15 billion yen in total.
This reflects increases in labor and driver costs as well as the change in the time of year the FPCO Fair is held.
Efforts to limit costs in response to the rising utilities expenses resulted in ordinary profit being 0.45 billion yen greater than projected.

Capital Investments and R&D Costs (For the FY Ended March 2025)

Unit: million yen	Results for Full year: FY ended March 2024 Performance	Results for Full year: FY ended March 2025 Performance	Increase / decrease	Year-on-year	Full year projections: FY ended March 2025 Planned	Progress rate
Tangible fixed assets	*9,098*	*15,761*	*+6,662*	*173.2%*	*14,500*	*108.7%*
Intangible fixed assets	*493*	*351*	*▲142*	*71.2%*	*500*	*70.3%*
Capital investments	***9,591***	***16,112***	*+6,520*	*168.0%*	***15,000***	*107.4%*
Depreciation	***15,052***	***14,751***	*▲301*	*98.0%*	***14,800***	*99.7%*
Research and development costs	***1,483***	***1,543***	*+60*	*104.1%*	***1,610***	*95.9%*

Unit: million yen

Major Capital Investments	Launch of operation	Total investment	Results for Full year	Full-year plan
■Investment in original products:Improving production capacity and quality of Eco APET products				
Eco PET materials:Increase in the productivity (Kanto, Chubu)		780	388	780
Eco PET materials:Reinforcement of the production capacity (Nishinihon PET-Bottle recycle Co., Ltd., Kanto)		899	346	899
Eco APET products:Reinforcement of the production capacity		973	950	973
■Investment corresponding to expansion of the sales quantity: Stable supply, Efficiency improvement, Maintenance of working environment				
Introduction of automation facilities			295	429
Reinforcement of the production capacity of Conventional material products			833	890
■Kansai Sorting Plant	Oct. 2024	944	691	753
■Group company Expansion of corrugated fiberboard plant	Aug. 2024	3,527	1,427	1,473
■Molds			1,706	1,872
■IT investments			382	525
■Enhancement of the sorting capability of the transparent tray sorter		225	157	150



Capital investments were 16,112 million yen compared to the projected 15,000 million yen.
Depreciation was 14,751 million yen when it was projected to be 14,800 million yen.

Balance Sheet (For the FY Ended March 2025)

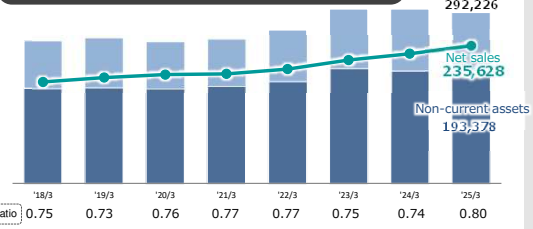
Unit: million yen	Previous consolidated fiscal year FY ended March 2024 2024/3/31	Results for Full year FY ended March 2025 2025/3/31	Increase/ decrease	Year-on-year	Breakdown of main increases and decreases	
Current assets	*105,516*	*98,847*	*▲6,668*	*93.7%*	*Cash and deposits* *Notes and accounts receivable-trade*	*▲4,686* *▲4,694*
Noncurrent assets	*193,063*	*193,378*	*+314*	*100.2%*	*investment securities*	*▲685*
Total assets	***298,580***	***292,226***	*▲6,354*	*97.9%*		
Current liabilities	*86,201*	*84,372*	*▲1,828*	*97.9%*		
Noncurrent liabilities	*66,534*	*53,739*	*▲12,795*	*80.8%*	*Long-term loans payable*	*▲12,698*
Total liabilities	***152,735***	***138,111***	*▲14,623*	*90.4%*		
Net assets	***145,844***	***154,114***	*+8,269*	*105.7%*	*Retained earnings*	*+7,907*
Total liabilities and net assets	***298,580***	***292,226***	*▲6,354*	*97.9%*		
Equity ratio	***48.6%***	***52.5%***				

Assets
- Strategic investments for boosting the production capacity of original products and ensuring stable supply
- Strengthening of M&A and cooperation with business partners through the use of infrastructure
- Sales of cross-shareholdings

Liabilities
- Utilization of borrowing as capital for strategic investment

Net assets
- Maintaining A-grade rating for low-cost funding
- Strengthening shareholder returns.

Changes in Net sales/Total assets (Unit: million yen)



Asset turnover ratio	0.75	0.73	0.76	0.77	0.77	0.75	0.74	0.80

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This slide shows the balance sheet.
We revised our cash position, repaid interest-bearing debt, and sold a portion of the stocks that we cross-hold.
As a result, total assets decreased from the previous fiscal year, and total asset turnover improved to 0.8, including the effects of price revisions.

Cash Flows (For the FY Ended March 2025)

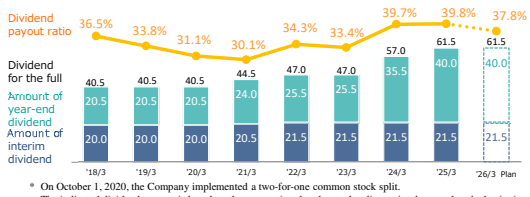
(Unit: million yen)	Results for Full year			
	FY ended March 2024	FY ended March 2025		
	Performance	Performance	Breakdown of main items	
CF from operating activities	29,176	27,919	Income before income taxes	18,286
			Depreciation	14,751
			Income taxes paid	▲ 5,191
CF from investing activities	▲ 10,711	▲ 14,929	Purchase of property, plant and equipment	▲ 14,828
Free cash flows	18,464	12,990		
CF from financing activities	▲ 17,013	▲ 18,070	Proceeds from long-term borrowings	2,000
			Repayments of long-term borrowings	▲ 14,274
			Dividends paid	▲ 4,605
Net increase(decrease)in cash and cash equivalents	1,451	▲ 5,079		
Cash and cash equivalents at end of period	23,707	19,020		

CF from operating activities
- Securing profit through sales of original products and streamlining

CF from investing activities
- Strategic investments for constructing bases for future earnings
- M&A to expand products and services and leverage logistics infrastructure

CF from financing activities
- Enhancing shareholder returns through progressive dividends with a target payout ratio of 40%

Dividend per share (Unit : yen)



* 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

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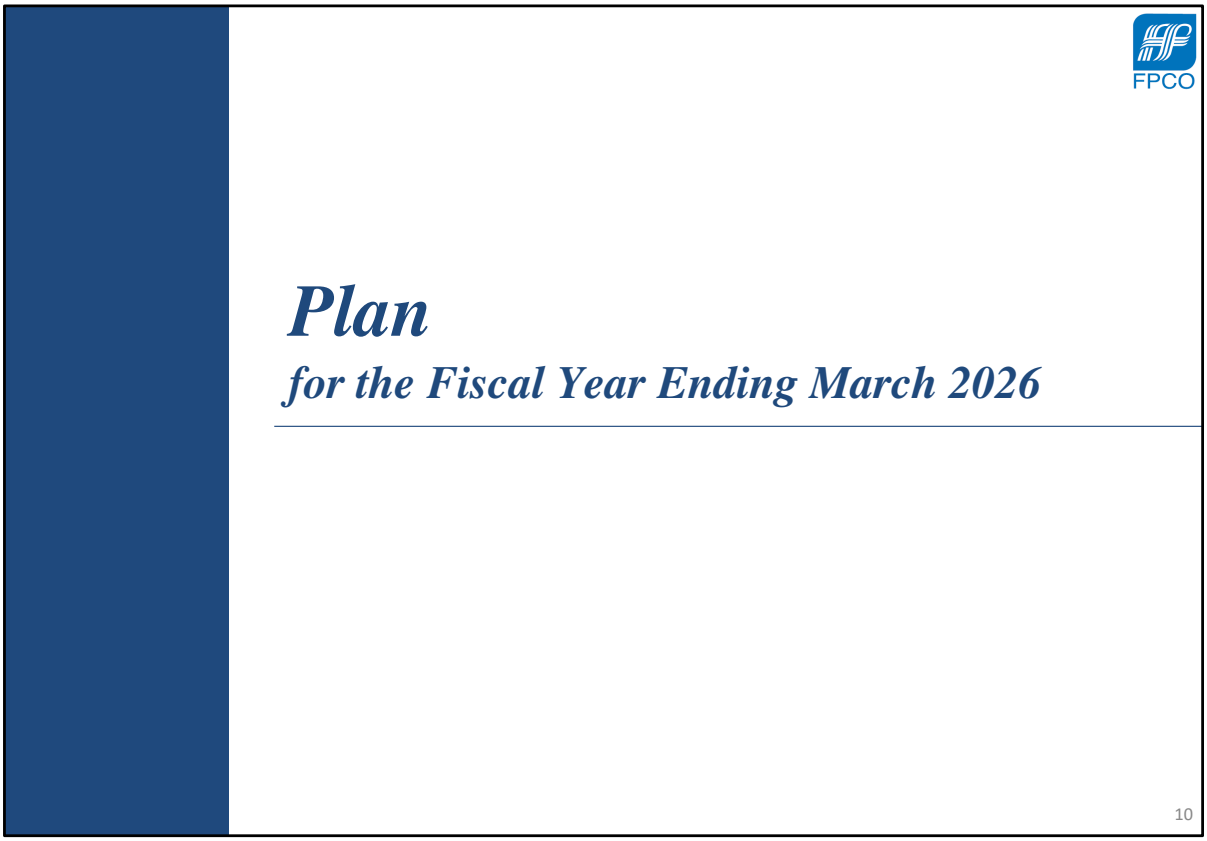
While cash flows from operating activities remained stable, capital investments in the fiscal year under review ended at a moderate level.
Regarding cash flows from financing activities, we will repay interest-bearing debt and enhance shareholder returns by paying progressive dividends, and we are committed to not reducing dividends, in principle. Our dividend payout ratio target is 40%.



I will present an overview of our plan for the fiscal year ending March 2026.

Outline of Plan *(For the FY Ending March 2026)*

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2025	FY ending March 2026			FY ending March 2026		
	Performance	Plan	increase/ decrease	Year-on -year	Plan	increase/ decrease	Year-on -year
Trays	*44,497*	*46,510*	*+2,012*	*104.5%*	*22,397*	*+1,324*	*106.3%*
Lunchboxes and prepared food containers	*132,817*	*138,882*	*+6,064*	*104.6%*	*69,013*	*+4,045*	*106.2%*
Subtotal	*177,314*	*185,392*	*+8,077*	*104.6%*	*91,410*	*+5,369*	*106.2%*
Other products	*3,455*	*3,608*	*+152*	*104.4%*	*1,690*	*+98*	*106.2%*
Sales of products	***180,770***	***189,000***	*+8,229*	*104.6%*	***93,100***	*+5,468*	*106.2%*
Packaging materials	*52,802*	*54,240*	*+1,437*	*102.7%*	*26,873*	*+637*	*102.4%*
Other goods	*2,055*	*2,060*	*+4*	*100.2%*	*1,027*	*+1*	*100.1%*
Sales of goods	***54,858***	***56,300***	*+1,441*	*102.6%*	***27,900***	*+638*	*102.3%*
Net Sales	***235,628***	***245,300***	*+9,671*	*104.1%*	***121,000***	*+6,107*	*105.3%*
Operating profit	***18,471***	***19,790***	*+1,318*	*107.1%*	***7,630***	*+1,157*	*117.9%*
Ordinary profit	***18,451***	***19,600***	*+1,148*	*106.2%*	***7,600***	*+1,079*	*116.6%*
Profit attribute to owners of parent	***12,486***	***13,170***	*+683*	*105.5%*	***5,010***	*+672*	*115.5%*
Ordinary profit before depreciation	***33,203***	***34,400***	*+1,196*	*103.6%*	***14,900***	*+932*	*106.7%*

Remarks

<Products>
- Product quantity: Rising 2%
  Increasing demand for eco-friendly products and weight-reduced products
- Effects of product price revisions
- Proposals for labor reduction and efficiency improvement to the market of frozen food and that of hospital food and nursing care food

<Goods>
- Proposal for efficiency improvement using the FPCO Group's infrastructure, and improvement of services

Year-on-year

(%)	1st half plan	2nd half plan	Full-year plan
Sales of products	106.2	103.0	104.6
Sales of goods	102.3	102.9	102.6
Ordinary profit	116.6	100.6	106.2
Quantity	101.5	102.5	102.0

Profit ratios

(%)	1st half plan	2nd half plan	Full-year plan
Operating profit ratio	6.3	9.8	8.1
Ordinary profit ratio	6.3	9.7	8.0
Net profit ratio	4.1	6.6	5.4

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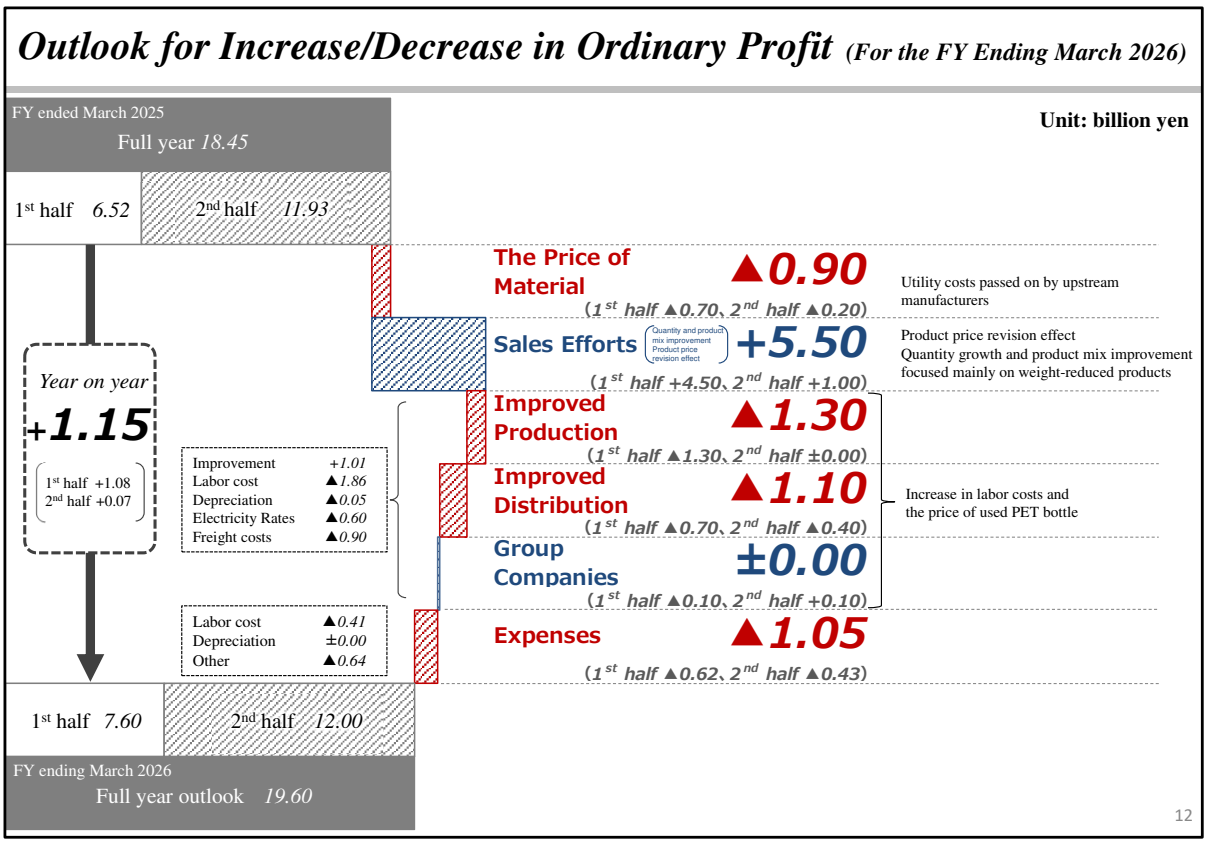
We forecast net sales of 245,300 million yen, ordinary profit of 19,600 million yen, and profit attributable to owners of parent of 13,170 million yen.
On the sales front, we expect that sales of eco-friendly products will expand, and we are applying new technologies in the development of products, such as containers that are both light weight and strong while using much less plastic.
We are also proposing containers to address the labor shortage and the need to improve efficiency, targeting the frozen food market, which we aim to expand, and the market for hospital food and nursing care food.



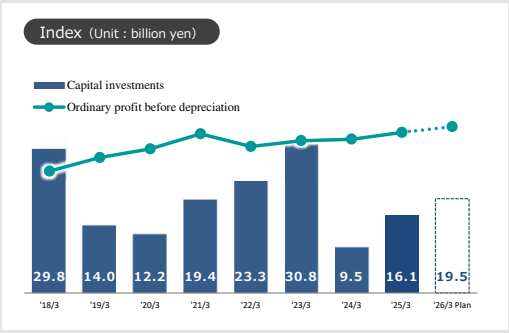
Our target for ordinary profit is 19.6 billion yen, an increase of 1.15 billion yen.
To break this down, rising raw material prices will cause it to decrease 0.9 billion yen while sales efforts will increase it 5.5 billion yen, including the improvement of the product mix in addition to the effects of price revisions.
The impact of production, distribution, group companies, and expenses is expected to be -3.45 billion yen in total. This is affected by the soaring prices of bottles which are the raw material of Eco PET products in the first half, in addition to the increase of the labor, freight, and other expenses.

Planned Capital Investment and R&D Cost *(For the FY Ending March 2026)*

Unit: million yen	Results for Full year FY ended March 2025 Performance	Full year projections FY ending March 2026 Plan	Increase / decrease	Year-on-year	First half projections FY ending March 2026 Plan	Increase / decrease	Year-on-year
Tangible fixed assets	*15,761*	*18,900*	*+3,138*	*119.9%*	*9,000*	*+615*	*107.3%*
Intangible fixed assets	*351*	*600*	*+248*	*170.8%*	*200*	*+6*	*103.3%*
Capital investments	***16,112***	***19,500***	*+3,387*	*121.0%*	***9,200***	*+621*	*107.2%*
Depreciation	***14,751***	***14,800***	*+48*	*100.3%*	***7,300***	*▲147*	*98.0%*
Research and development costs	***1,543***	***1,780***	*+236*	*115.3%*	***920***	*+157*	*120.6%*

Unit: million yen

Major Capital Investments	Launch of operation	Total investment	Full-year plan
■Investment in original products:Improving production capacity and quality of Eco APET products			
Eco PET materials:Increase in the productivity (Kanto, Chubu)		1,018	1,018
Eco PET materials:Reinforcement of the production capacity (Kanto, Nishinihon PET-Bottle recycle Co., Ltd.)		861	861
Eco APET products:Reinforcement of the production capacity		1,059	1,059
■Investment corresponding to expansion of the sales quantity: Stable supply, Efficiency improvement, Maintenance of working environment			
Introduction of automation facilities			542
Reinforcement of the production capacity of Conventional material products			1,022
■Chikusei Warehouse	Dec. 2026	1,473	69
■Molds			1,989
■IT investments			539



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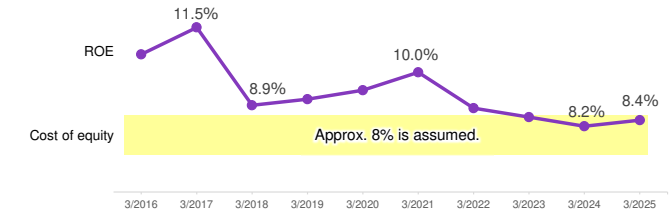
The planned amount of capital investment is 19,500 million yen and that of depreciation is 14,800 million yen.

Analysis of ROE

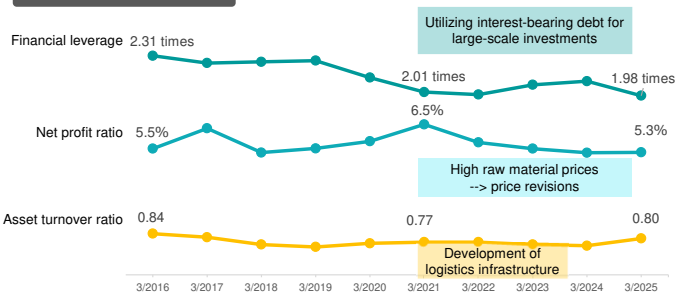
- **Differentiation was driven by large-scale investments. ROE remained flat.**
- **The net profit ratio has been trending upward due to the penetration of revised prices. The Group's infrastructure will be used to increase asset turnover ratio.**

Trends in ROE



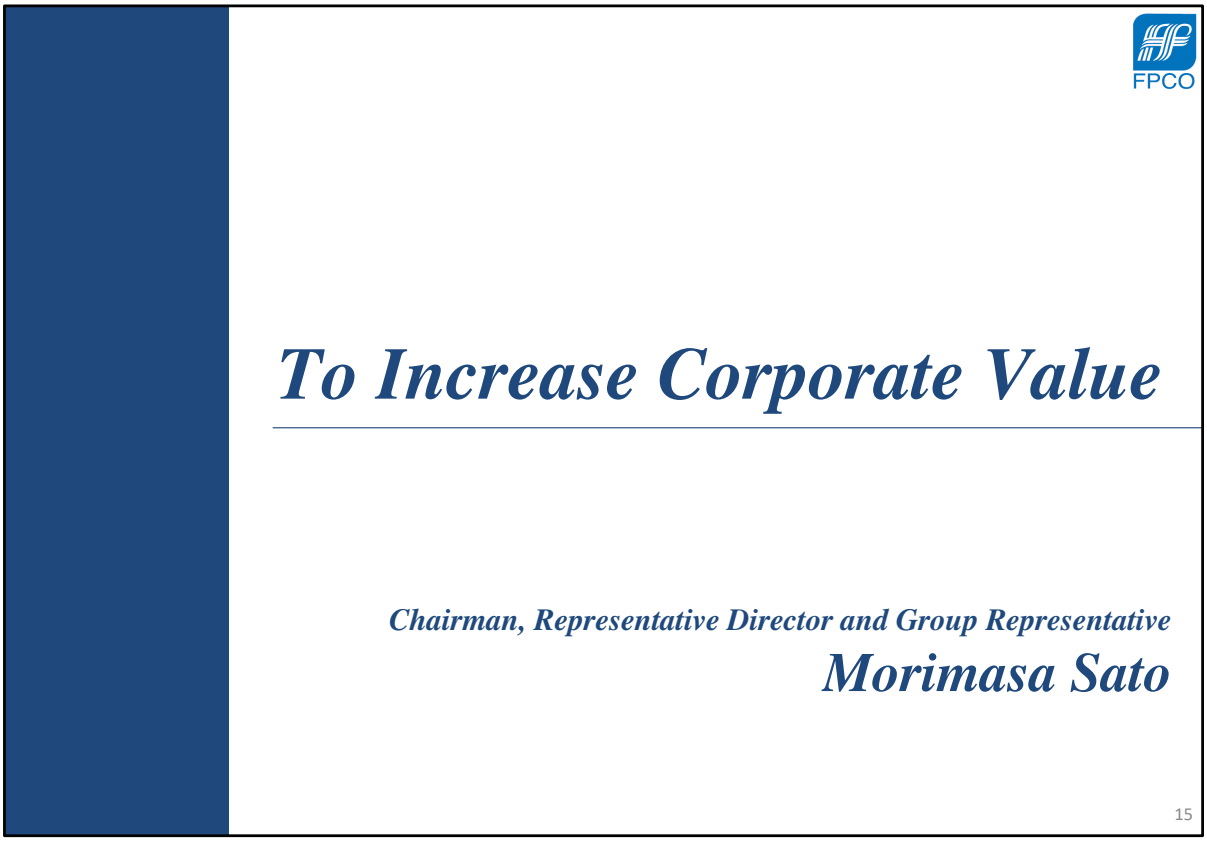
- ROE has been between 8% and 12% in the past ten years.
- While business performance has been strong, ROE has remained flat.
- Large-scale investments in logistics, recycling, etc. drove differentiation
  The Group's position as the industry-leading manufacturer was further solidified.

Trends in ROE components



- **Net profit ratio**
  Price revisions were implemented, and the net profit ratio has been trending upward since the second half of 3/2025.
- **Asset turnover ratio**
  The development of logistics infrastructure was completed. It will be used for M&A activities and cooperation with packaging wholesalers.
- **Financial leverage**
  Large-scale investments are being considered. There is a plan to utilize interest-bearing debt.

I will explain our ROE performance.
ROE has been between 8% and 12% in the past ten years.
In recent years, ROE has remained flat while business performance has been strong.
This is a result of our efforts to differentiate ourselves that are focused on distribution and recycling. We did this by implementing large-scale investments, enabling us to further solidify our position as the industry-leading manufacturer.
Let’s look at the components of ROE. The net profit ratio has been trending upward since the second half of the previous fiscal year due to the implementation of price revisions, and we have taken the initiative regarding pricing.
Regarding total asset turnover, the development of logistics infrastructure was completed. It will be used for M&A activities and cooperation with packaging wholesalers.
Regarding financial leverage, we are considering large-scale investments for new OPP, and planning to utilize interest-bearing debt.
This concludes my reports on the results for the fiscal year ended March 31, 2025 and the plan for the fiscal year ending March 31, 2026.



I am Morimasa Sato, Chairman, Representative Director and Group Representative
Thank you for taking the time out of your busy schedules to join us here today.
We announced our financial results the day before yesterday, and received comments that our plan for the current fiscal year may be conservative.
Frankly speaking, it is conservative.
There are two reasons for this.
First, the global economic downturn, which is attributed to the impact of tariffs, has resulted in a decline in the crude oil price.
It is below 60 dollars. In response to this, the naphtha price has also been trending downward.
However, we can't predict if this trend will continue.
The second reason is the price revisions which are the biggest factor in our strong business performance.
We implemented price revisions three times in the last three years.
We announced the revisions in April, started reflecting them in October, and have mostly completed them.
This will of course have an impact again in the current fiscal year. However, we think it would be difficult to add to it the anticipated decline in raw material prices.
Increasing prices is an extremely hard task for our salespeople.
We are concerned that announcing figures with an assumption that prices will decline at this time could be significant. Because of this and other factors, the announced forecast is conservative.
We highly appreciate your understanding of this.

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FPCO

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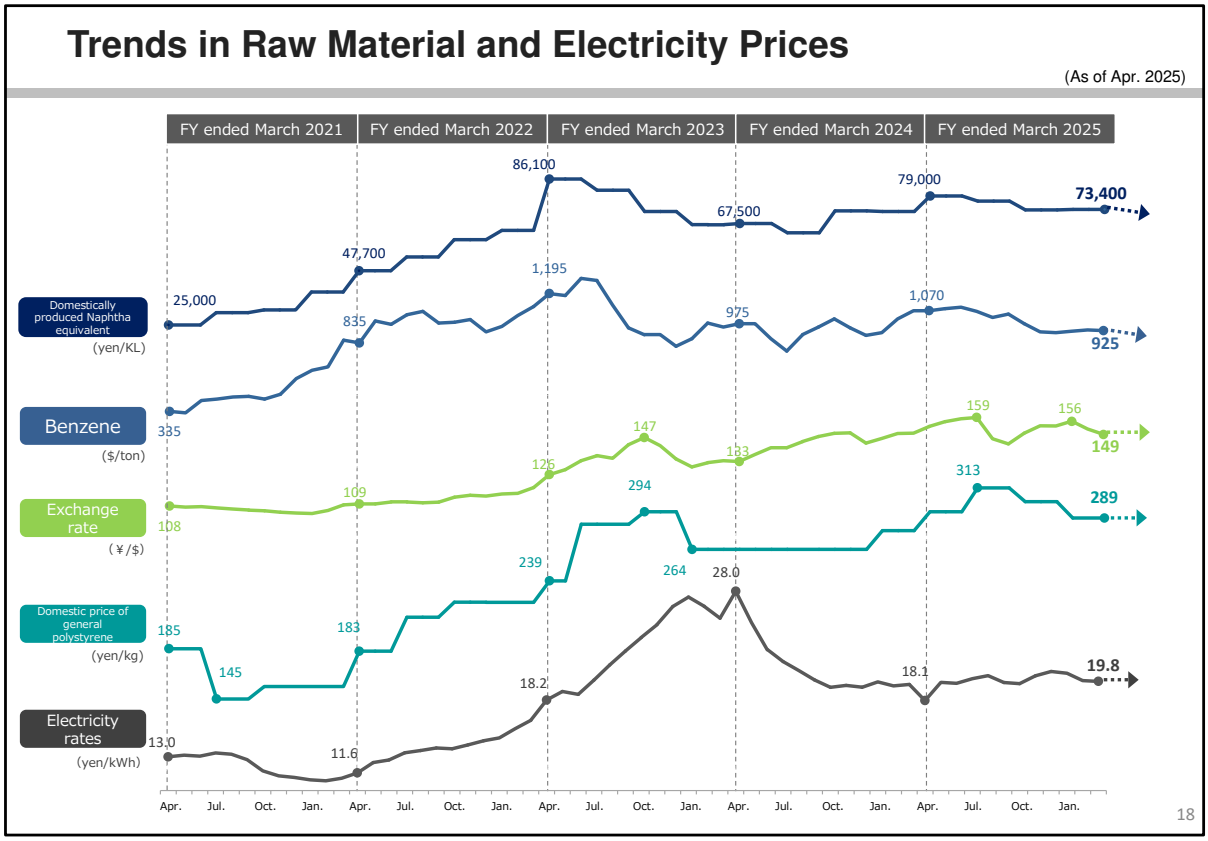
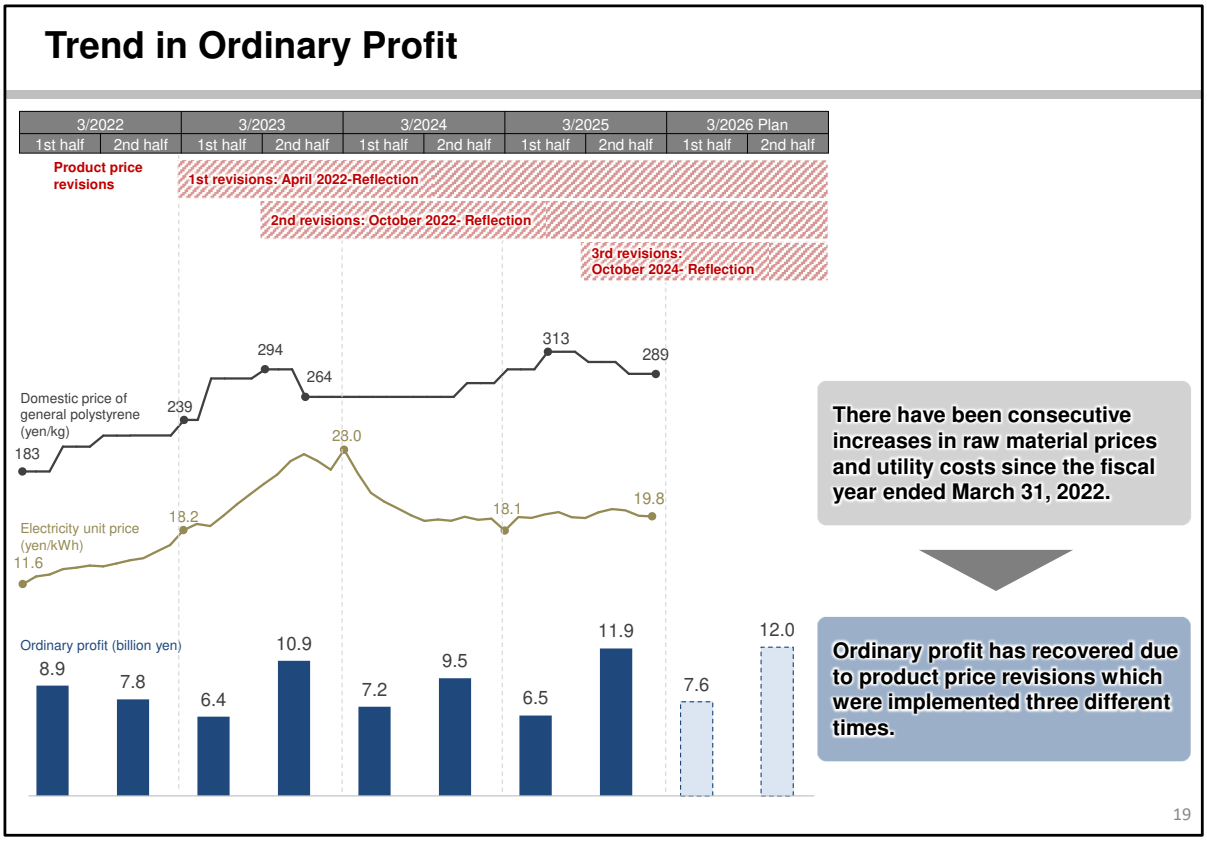
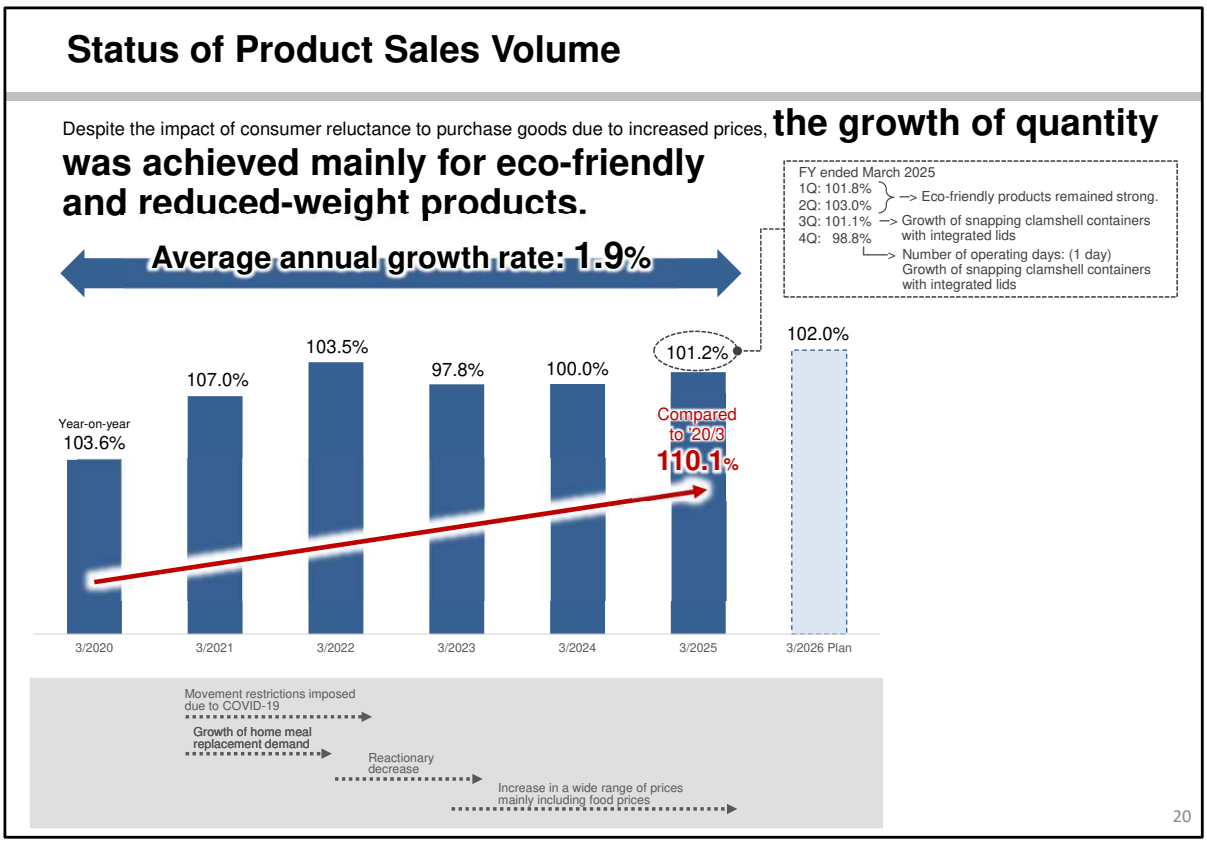


Raw material prices have remained high to date.



The line at the bottom of the graph on the slide indicates electricity rates. Electricity expenses have been above 8.0 billion yen in the last three years when they were between 4.0 billion yen and 4.4 billion yen during the preceding ten years.
Partly reflecting this, we asked customers to accept the third set of price revisions in three years in April last year, and we were mostly able to implement them.
This is very significant.
A generational change has been in progress in our industry, and young people have now experienced price revisions.
Also, our company led the way in these price revisions.
The prices of various materials and consumables other than those listed here are also rising.
Dealers have been able to revise prices related to these materials and consumables, and they highly appreciated us.
We believe that if the prices of raw materials or electricity rates rise, something that will impact the whole industry, we will be able to pass on the increase again if we lead the industry.



During the COVID-19 pandemic there was an increase in demand related to people spending more time at home, mainly including demand for fresh food from supermarkets. This demand was saturated due to the end of the COVID-19 pandemic.
Consumption grew reasonably during the last year, but it has not been very favorable since the beginning of this year.
Sales volumes have been below 100% at most supermarkets.
While net sales have been above 100% due to the increased prices, the sales volume has been 98% at best and 95% to 96% on average since the beginning of 2025.
Despite these circumstances, we were able to achieve a figure close to 100% because we have received orders for various products.
Looking at the financial results of supermarkets, most of them posted an increase in sales and a decrease in profit, although the number of supermarkets with increased sales and profit is not zero.
In June, wages will be revised.
It was believed that consumption would recover if companies, mainly major companies, increase wages 5% or more again this year. We think, however, that consumption may not continue to grow in the current situation.
However, we are advancing initiatives with supermarkets at present, looking for ways to help them increase sales volume.

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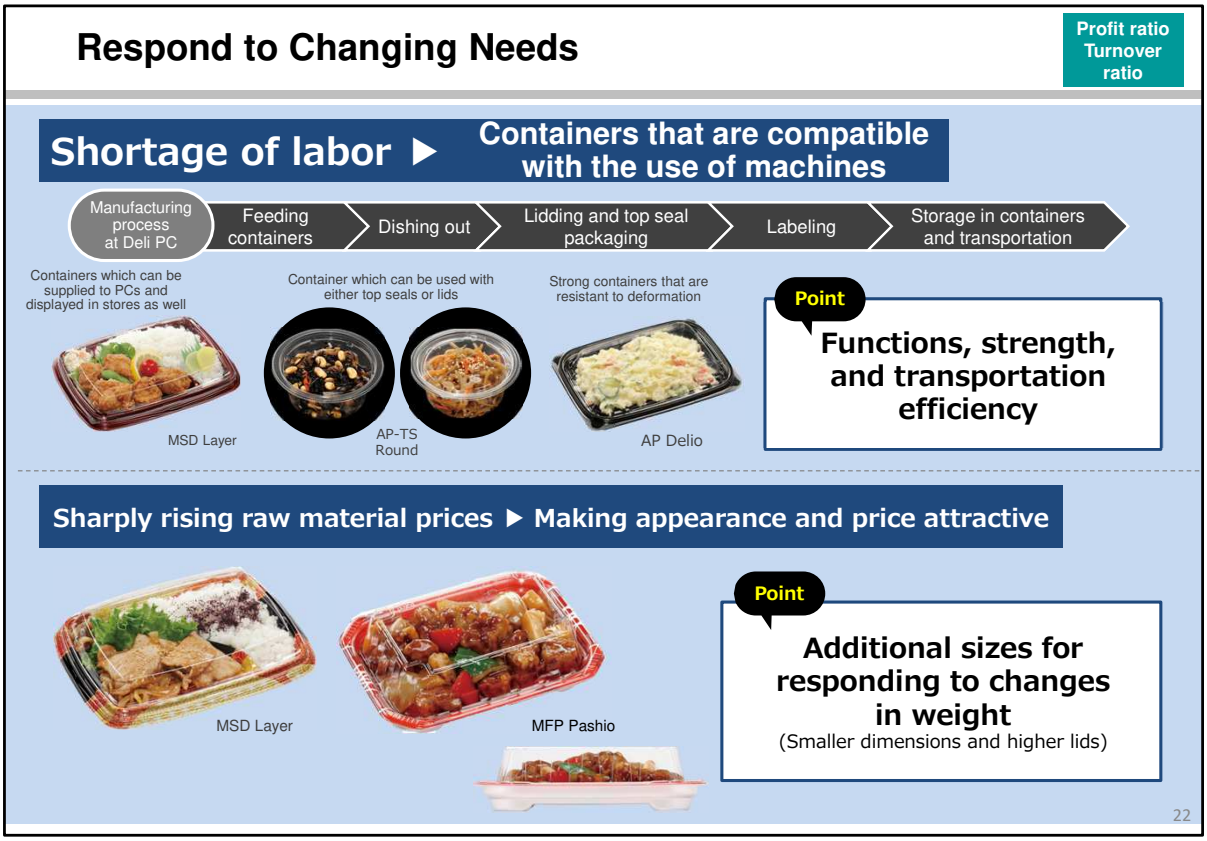
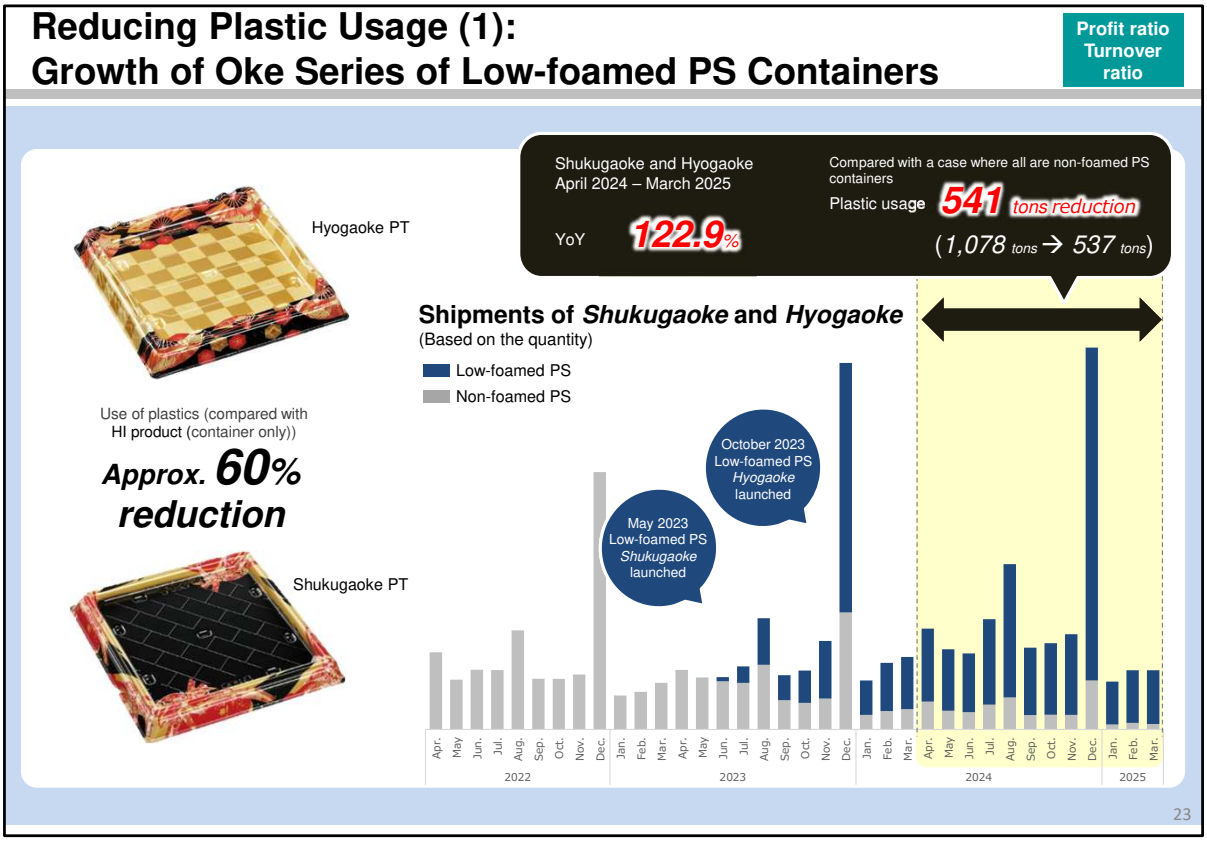


I will explain our product strategy.
In the supermarket industry, the labor shortage has been more serious than you would think.
This has resulted in nationwide actions to consolidate tasks that were previously done in supermarket back rooms into factories called process centers with the goal of improving productivity.
At process centers, automation equipment is used in each process.
At the latest FPCO Fair, we exhibited automation equipment in half of all areas.
The compatibility of automation equipment and containers is extremely important, so we are developing containers while exchanging information with equipment manufacturers.
Additionally, the prices of raw materials have been soaring.
Because rice prices have doubled, customers are taking painful steps, such as reducing the amount of rice in products from 180 grams to 160 grams and decreasing the amount of rice per piece of sushi from 18 grams to 16 grams.
Therefore, it has been requested that we devise creative measures regarding the sizes and shapes of containers so that the slight reductions in the weight of products are unnoticeable and make the products look better. Customers have also requested additional container sizes.
In about half of the latest FPCO Fair venue, we told visitors about the many size options we offer.



Using low-foamed polystyrene sheets developed using the foaming technologies of Sekisui Kasei and our molding technologies, we have succeeded in reducing the weight of the large solid HI containers called Oke to less than half of their previous weight, something that was previously deemed impossible.
In other words, we established a technology to develop products that reduce plastic use by more than half in the year before last.
As a result, the shipment volume of sushi containers in the last six months increased approx. 1.6 fold.
Compared to products made with HI, 541 tons of plastic would have been saved.

Reducing Plastic Usage (2): Overall Renewal of Prepared Food Containers

Profit ratio
Turnover ratio

Replacing the existing AP Sozai and MSD Sozai with
the new *238* SKUs based on *88* molds

Reduction of plastic usage

NEW

AP Delio

Plastic usage

Approx. ***13.1***% reduction

NEW

MSD Delio

Plastic usage

Approx. ***7.5***% reduction

Reduction by approx. ***10.3***% on average = ***680*** tons/year

Shipments of AP Sozai and MSD Deli Sozai		As a result of replacement with AP Delio and MSD Delio
6,600 tons per year	➡	***5,920*** tons per year

Response to automation

Automatic lid closer and manual lid closing
Strong enough to endure both

Leak-proof

High-precision molding with high sealing performance

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We also reduced the weight of multi-purpose prepared food containers by more than 10% on average.
Because they are transparent products, reducing their thickness is the only way to reduce their weight.
It is necessary for us to develop technologies for maintaining the same strength and the function to prevent leaks even when thickness is reduced. We have succeeded in developing these technologies and thus, we are sequentially replacing 232 SKUs made using 88 molds.
We make an extremely large quantity of this series of products. To make them, we use 6,600 tons of plastics every year.
We can now reduce the amount of plastic we use by slightly more than 10%, which is an expected savings of 680 tons of plastic.
Many supermarkets have set plastic use reduction targets, which is another reason why our new weight-reducing technologies have been evaluated extremely highly.

Reducing Plastic Usage (3)
Cold-resistant Containers

Profit ratio
Turnover ratio

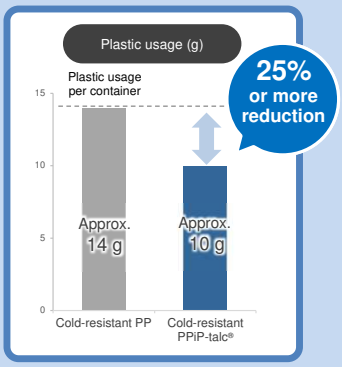
Development of cold-resistant PPiP-talc®, a new material

FT Delipla Kaku

Two inorganic materials are evenly dispersed and blended into the product,

enabling the use of plastics to be reduced at least 25%,

with the same level of resistance to cold and shock, top-to-bottom compressive strength, weight and cost as existing cold-resistant PP.



Improving onsite operations using frozen foods

Examples of adoption

Frozen food

FT-TS Kaku 20-15 Sushi 2

Thawing

Reduction of loss of opportunities and food loss by approx. 20% (Company A in Kansai)

25

Normally, cold-resistant PP is used for cold-resistant and frozen food containers. We have developed a new material, cold-resistant PPiP-talc, which has two inorganic materials evenly blended into it.
As there is high demand for frozen food containers that are resistant to cold and shock, we have successfully developed a technology that reduces plastic use by 25% while maintaining the same strength and weight.
We believe that we were just in time for the expected rapid growth of the frozen food market.
I think that the image of frozen foods that you conjure is frozen food sections where products are placed in reach-in freezers with doors. In actuality, this is a process equipment industry.
Accordingly, the containers are replaced only when the products are replaced with new ones.
Therefore, we believe that cold-resistant PPiP-talc will begin to be adopted this year.
The market for hospital food and nursing care food is about to become larger than the frozen food market.
Here, the labor shortage has been making it impossible to continue to operate in the previous way.
In response, various places have begun to experiment with the use of frozen food, and there have been some successful examples.
A comprehensive system in which frozen food is supplied and then defrosted and heated before being served has begun to be operated.
We think that in and after the next fiscal year this move at the frozen food market will translate into numeric achievements, but we think that this initiative will begin at a large number of facilities this fiscal year.
In that case, we believe that this technology will be a great advantage.

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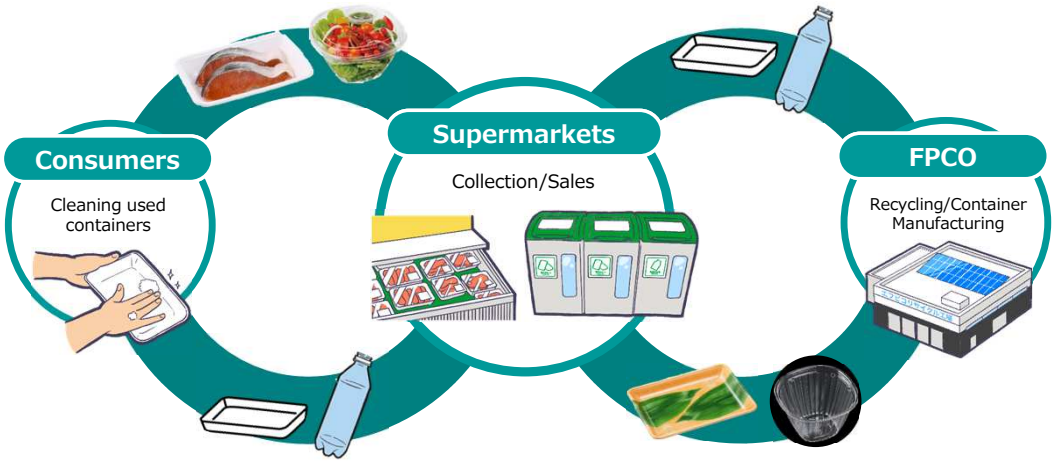
“Store to Store Recycling” Starting and Finishing at the Same Store

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.



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I will explain our eco-friendly strategies.
The trays and PET bottles used or sold at a store are collected there as recyclable resources. Our company then recycles them into new food trays and transparent containers, which are actively reused at the same store, creating a store-centered recycling loop.
We have been an advocate of this Store-to-Store closed loop recycling method, believing that it is the easiest for consumers to understand.

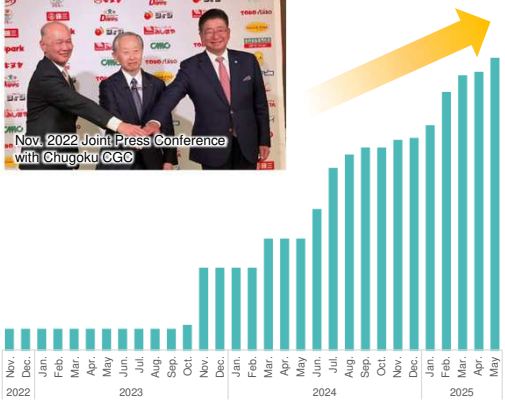
Background Behind the Growth of Eco-friendly Products

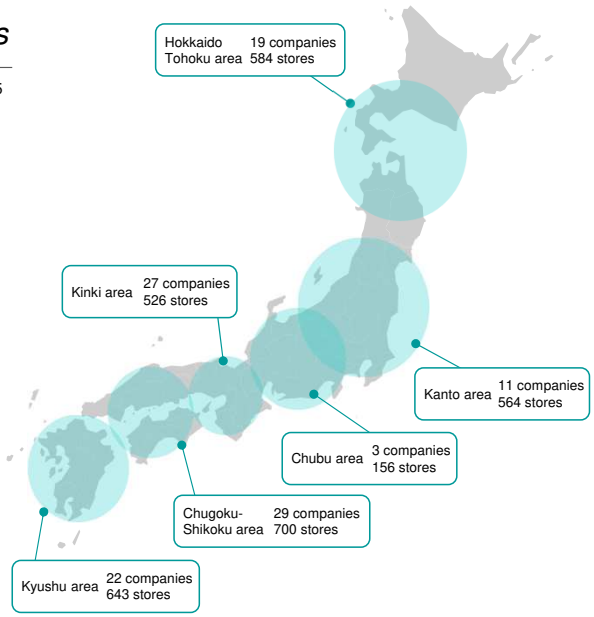
Collaborative ”Store-to-Store Recycling” Declaration

3,173 *stores of* ***111*** *companies*

* As of May 2025

Number of stores that have signed the Collaborative ”Store-to-Store Recycling” Declaration





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As a result, 3,173 stores operated by 111 companies have joined the Store-to-Store recycling initiative and declared their intention to collaborate with us in the program. The declaration includes CO_2 emissions that are avoided by using our eco-friendly products as an indicator.

Declaring they will increase the emissions they avoid toward a target is equivalent to declaring that they will use more of our eco-friendly products. I highly appreciate this declaration, but each supermarket must tell consumers that they are that enthusiastic about being eco-friendly. Otherwise, consumers will not be fans of the store. This is why the movement is expanding.

We would like to increase the number of companies to more than 200 in the coming two years or so.

Reduction of CO_2 Emissions Achieved through Eco Products

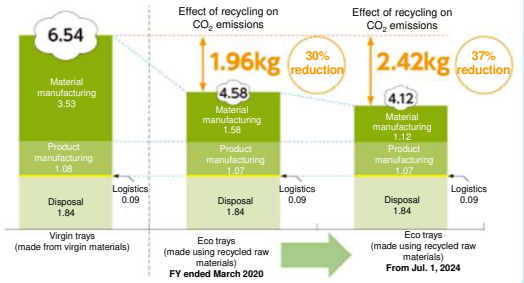
Eco trays

CO2 emission reduction effect

(Products shipped on July 1, 2024 and beyond)

30% ▶ 37%

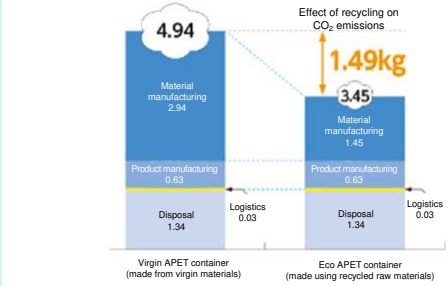
* CO2 reduction effects increased due to the use of solar power generation equipment at the three recycling plants in Japan.



Eco APET and Eco OPET containers

CO2 emission reduction effect

30%



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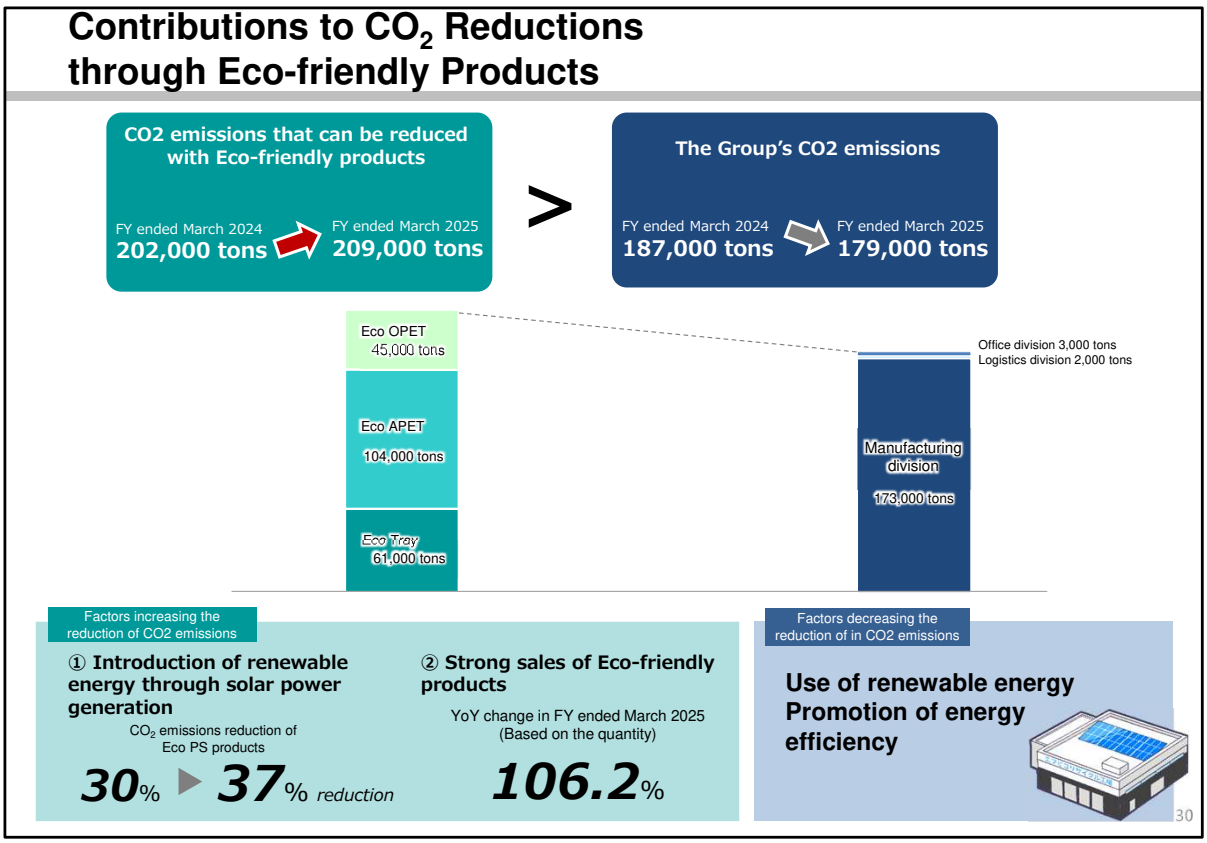
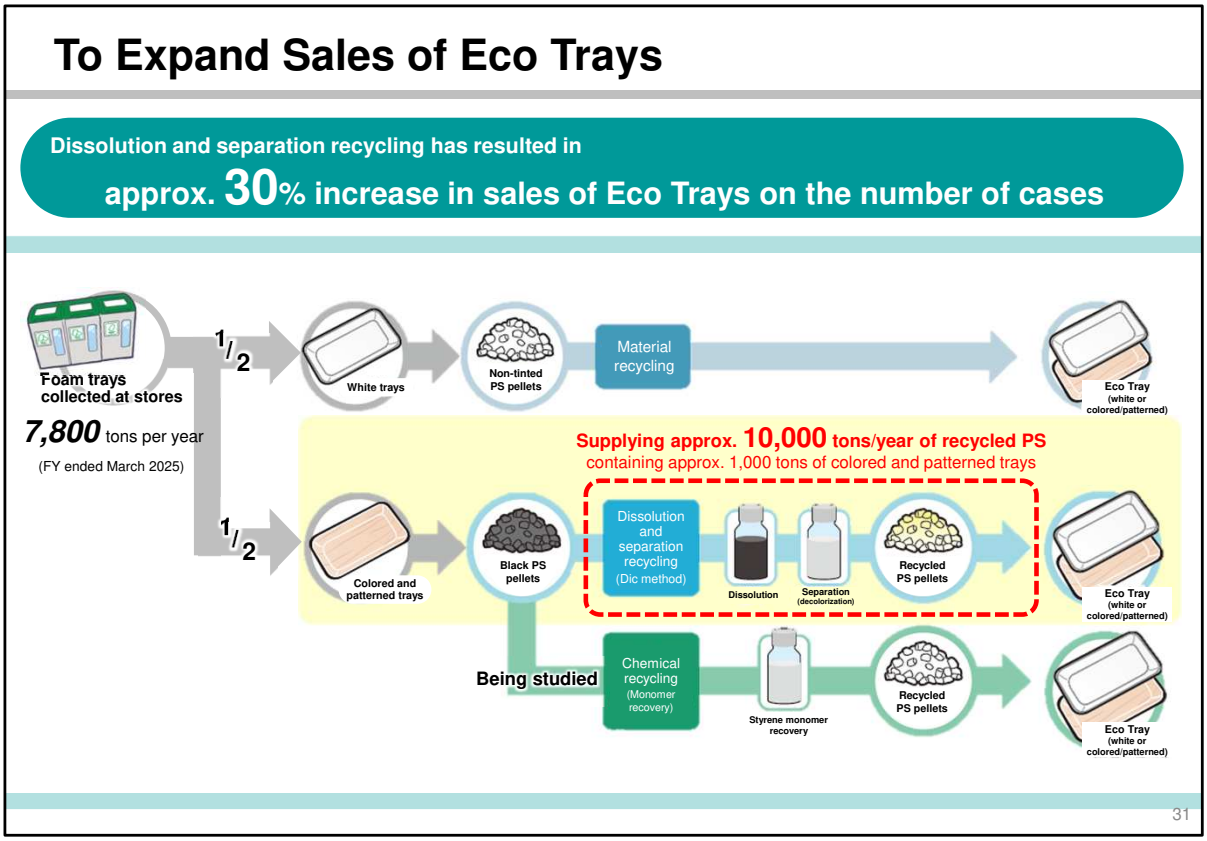
Regarding the reduction of CO_2 emissions, we were able to increase the CO_2 reduction effect of Eco trays from 30% to 37% on July 1 last year.
This was made possible by our powering all three of our recycling plants in Japan using solar power.



The amount of CO_2 emissions that were avoided last year due to our manufacturing and sale of eco-friendly products was calculated to be 209,000 tons, compared to the use of virgin materials.
On the other hand, 179,000 tons of CO_2 were emitted from our business activities.
The reduction from 187,000 tons in the previous fiscal year to 179,000 tons in the fiscal year under review was a result of our operating our plants and other facilities using solar power generation equipment.
As a result, the amount of CO_2 emissions avoided by the manufacturing and sale of Eco trays began to exceed the CO_2 emissions from our business activities one year ahead of our target year.



Of the trays that we collect, the white ones are recycled into Eco trays. About 50% of the trays that we collect are colored trays, which are not recycled into Eco trays.
It was decided that DIC Corporation will remove the ink from about one-third of these trays using its deinking technology, enabling them to supply about 10,000 tons of eco-friendly raw materials to us.
The plan was for this to increase our production of Eco tray series products by approx. 30%. However, the plant, which was scheduled to begin operating in April, has yet to come into operation properly.
We plan to revamp it and begin operating it Golden Week holidays, but it may take a little time to achieve the 30% increase.
We apologize for this, but it is what is happening now.

Sales of Eco-friendly Products

Eco product sales

91.3 billion yen

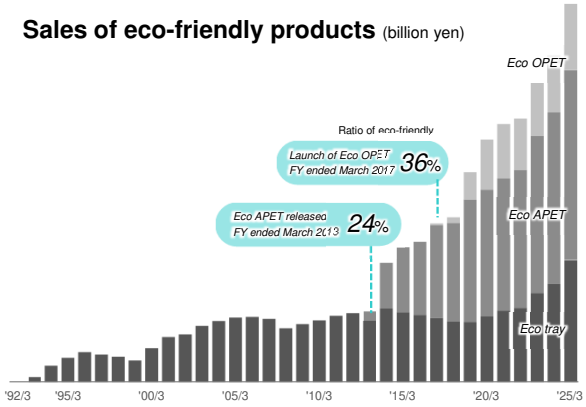
(FY ended March 2025)

Ratio of eco-friendly
(in terms of number of containers)

51%

(FY ended March 2025)

Sales of eco-friendly products (billion yen)



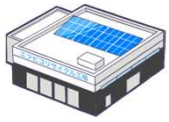
Aiming to achieve a larger market share and higher profitability through the growth of the eco-friendly products ratio

PS: Technology for dissolution and separation recycling

Sales of Eco Trays in terms of the number of cases

Approx. 30% increase

PET: Increasing the recycled materials production capacity



Eco-friendly raw materials production capacity

65,000 tons ▶ 75,000 tons

(planned in the spring of 2026)

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Sales of eco-friendly products account for 51% of our total sales.
We believe we can increase this. As I explained earlier, however, we have yet to obtain the raw materials for increasing eco-friendly product and Eco PS production by 30%, so it may take a little longer.
Eco APET and Eco OPET have been growing by 3% to 4%.

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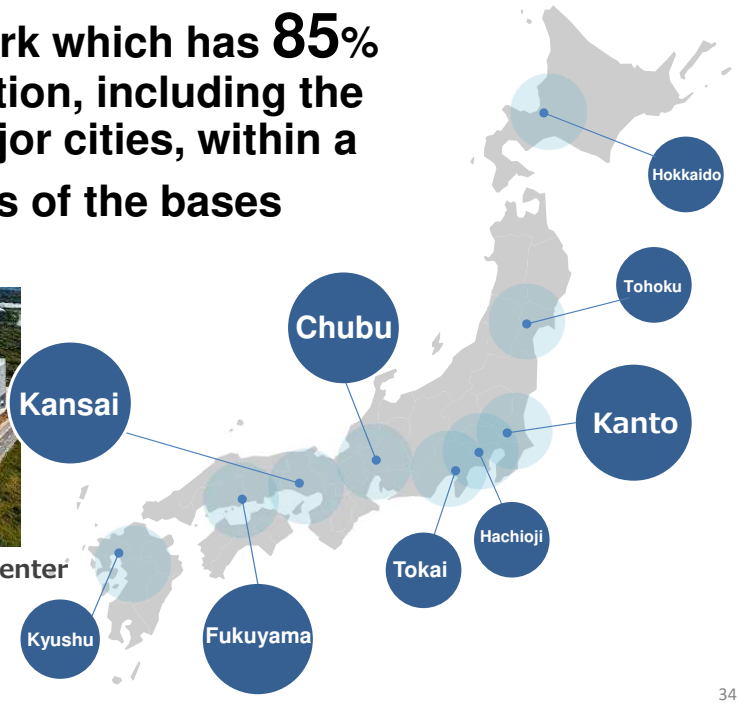
Nationwide Logistics Network

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

Kansai Plant and Kansai Hub Center
Commencement of operation: January 2023
Investment: 26,670 million yen
Total floor area: 79,883.65 m2



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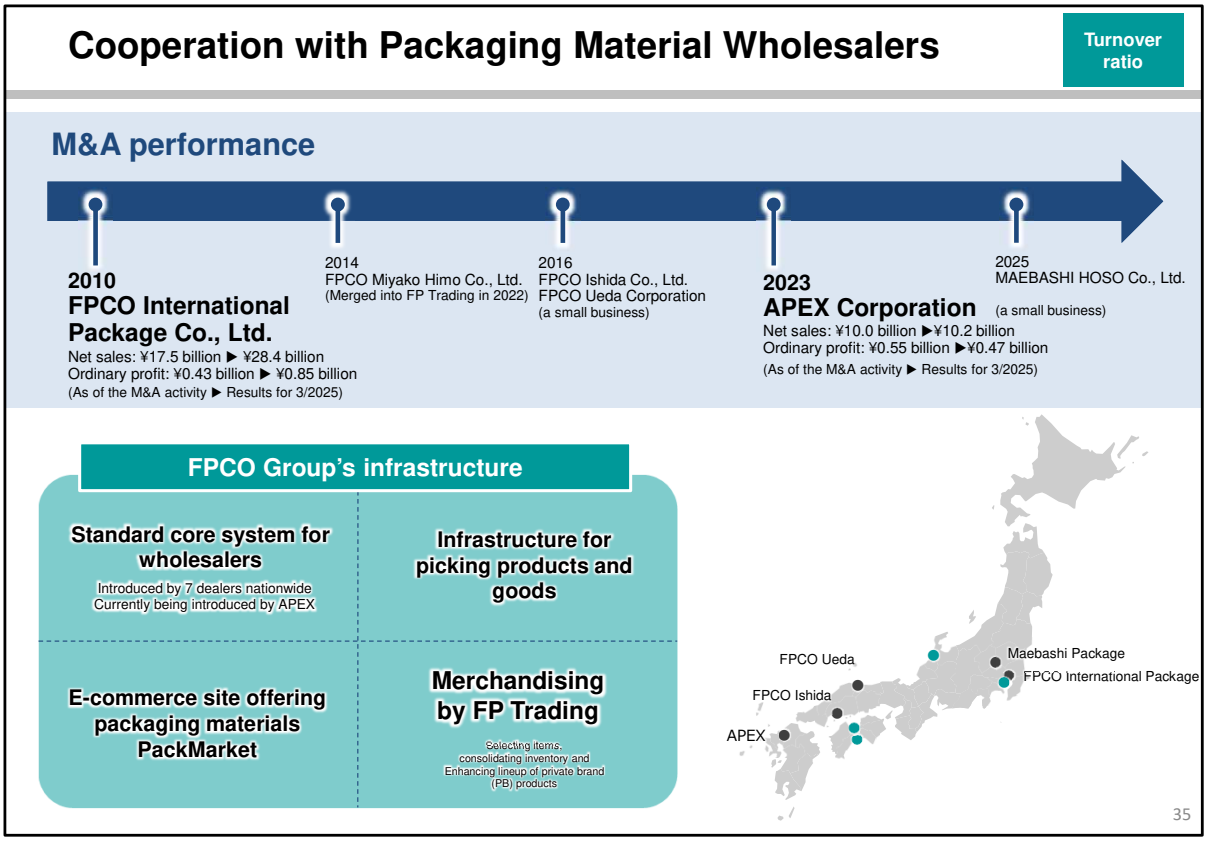
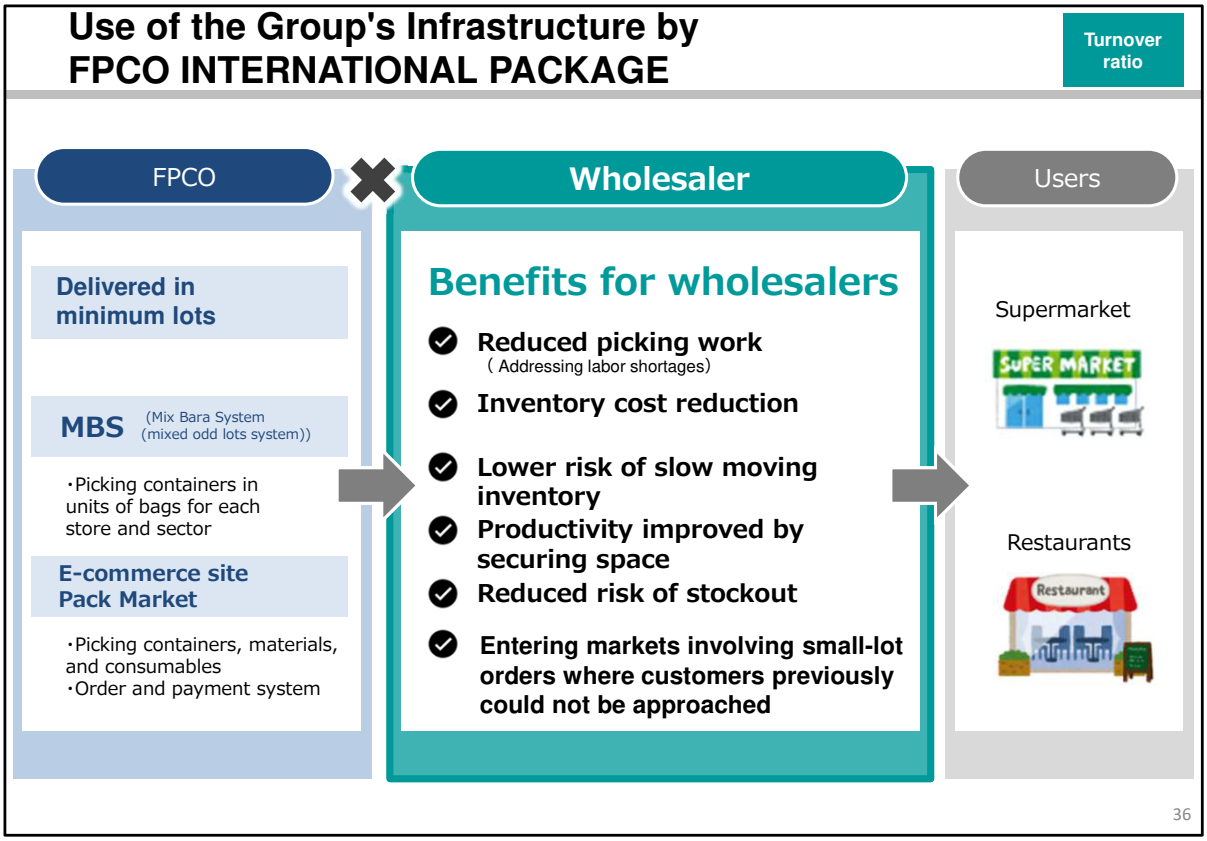
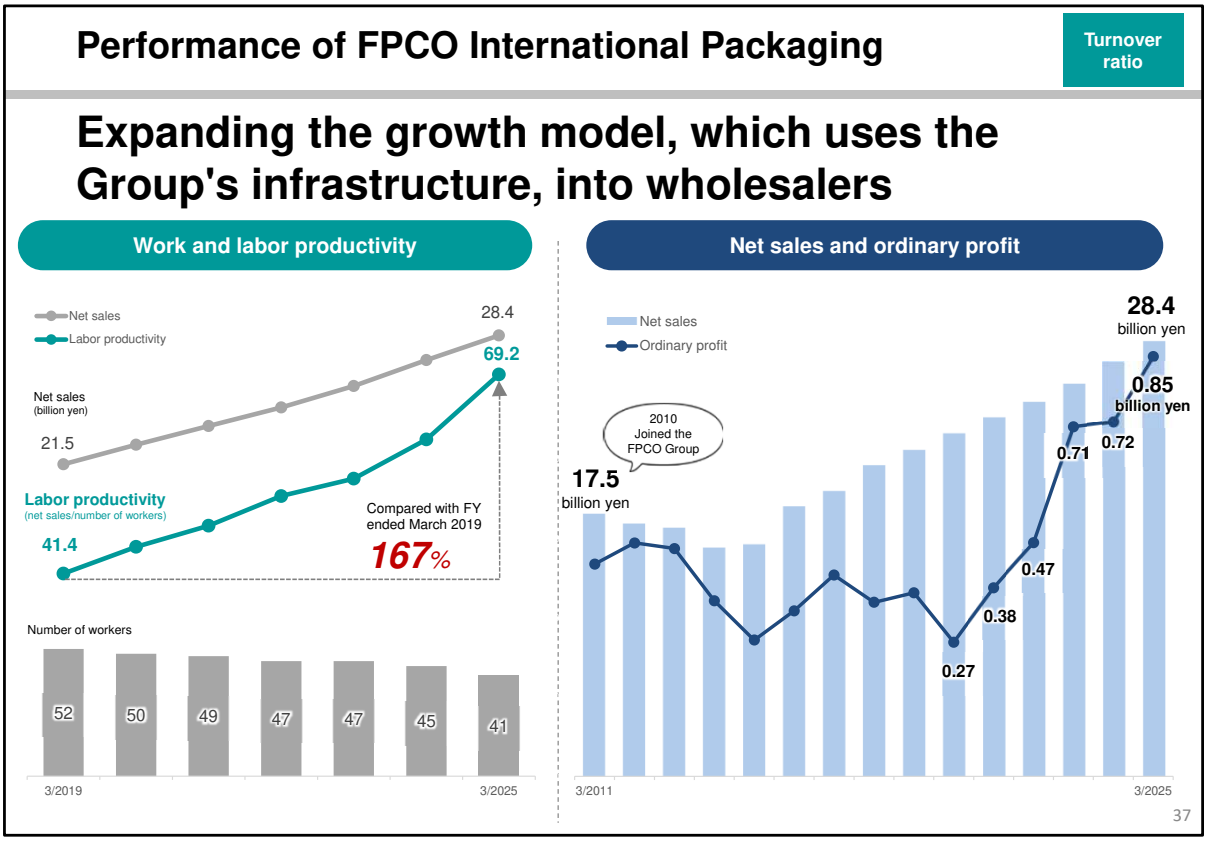
We established a major hub in Kansai and split off and transferred approx. 30% of the production capacity and labor from Fukuyama to the Kansai hub. As a result, if we draw circles with a 100 km radius around our bases, we can see the logistics network we have established covers 85% of the total population of Japan.
Using this infrastructure, we are proposing even more efficient management to our packaging dealers.



We made FPCO International Package a group company in 2010.
After that, we made FPCO MiyakoHimo, FPCO Ishida, and FPCO Ueda into group companies. The year before last, we also made APEX, a dealer in Kyushu with net sales of 10.0 billion yen, into a group company.
FPCO International Package has entirely replaced its system with our standard core system for wholesalers.



In addition, while dealers previously did picking work and other operations separately from manufacturers' logistics, we have split off parts where we should do picking and began to do it using our logistics infrastructure, streamlining the process.
Further, using the PACK MARKET e-commerce website system, we have begun to include small restaurants that we were unable to approach before as targets of our sales activities.
FPCO International Package has changed in this way, which we disclosed during the last FPCO Top Kai meeting with our dealers.

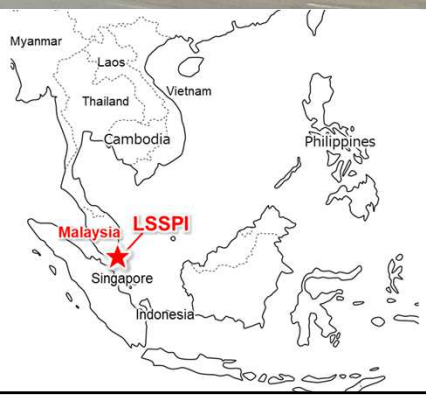


This slide shows the business performance of FPCO International Package.
Its sales, which were 17.5 billion yen, have increased to 28.4 billion yen now.
What is more remarkable is that labor productivity, which is shown on the left side of the slide, has increased to 692 million yen by including our system, up 67% from the fiscal year ended March 2019.
The number of administrative staff members has now been reduced to 41 from the previous 52.
The company has allocated the labor it has saved through these actions to sales activities targeting retail stores and other potential customers, creating a new market by using the PACK MARKET e-commerce website system.
As a result, ordinary profit, which was 270 million yen six years ago, has increased gradually to 380 million yen and then to 470 million yen. The most recent ordinary profit figure is 850 million yen. We have announced this to dealers.
MAEBASHI HOSO, a small dealer with no successors, has recently decided to sell their business to FPCO International Package.
This is very significant.
We believe that joining the FPCO Group has undeniably become an option for dealers without successors in this industry, both major and small ones when they are deciding who they will sell their business to, which group to join, or whether they will be absorbed by a major dealer.
This standard core system for wholesalers also involves four dealers with no capital relationship with us.
Through these and other actions, we believe that we can continue to add new members to the FPCO Group from among the dealer network in this industry.

M&A: LSSPI (Overseas)

Profit ratio

Lee Soon Seng Plastic Industries Sdn. Bhd.
Location: Malaysia
Total acquisition price: Approx. 16.7 billion yen
(FP Corporation: Approx. 6.7 billion yen)
Shareholding ratio：Mitsui & Co., Ltd.: 60%、FP Corporation: 40%
Net sales: 7.9 billion yen (3/2025)
*Sales share (domestic：overseas): 6:4



Step.1

Three-year plan:double productivity

- Introduction of molding machines, extruders, and other new equipment
- Improvement of product development technologies
- 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

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LSPPI, which we acquired through an overseas M&A activity, is a Malaysian company. It began to introduce new extruders and molding machines at the end of last year, which is improving its productivity.
The problem is profit. Because LSSPI is classified as a major company, electricity rates were increased 40%.
In contrast, rates for small companies were not raised 40% due to a national policy.
Accordingly, the company is slightly delayed in passing on the cost via prices, which has put pressure on profit.
However, the company began to increase prices at the beginning of this year, so its performance has been trending toward a recovery.
In terms of quantity, its performance has grown by more than 10%, so we would like to continue expanding it.

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Successful Development of a New Sheet That Is the First of Its Kind in the World (1)

Placed an official order for equipment for manufacturing ultra-high-rigidity biaxially oriented polypropylene sheets

Standard OPP

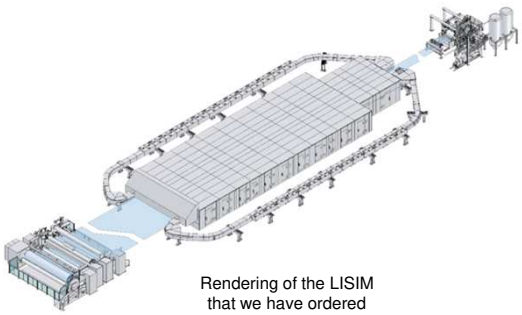
- Thickness: 30 to 50 microns
- Applications: Soft food packaging material, etc.

FPCO-proprietary new OPP

New OPP sheet
(Thickness: 150 to 300 microns)

New OPP multi-layer plate
(Thickness 1 to 3 mm)

Applications: (Food containers)Replacing existing materials
(Industrial fields) Civil engineering and construction materials, housing equipment, home appliances, solar cells, and automobiles, etc.



Rendering of the LISIM that we have ordered

Scheduled to begin operating at the end of 2027

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We have placed an order for a stretching line for the new biaxially oriented polypropylene sheet.
We have land in Bando-shi, Ibaraki where we are planning to build a plant to manufacture this sheet and we are currently designing its details.
The detailed design will probably be finished in around November and we will receive a proper estimate.
We hear that the cost of construction has increased 30% to 40%, around 1.5 fold, compared to when we built the Kansai Plant.

Successful Development of a New Sheet That Is the First of Its Kind in the World (2)

Superiority of the new OPP sheets in the field of food containers

Comparison of transparent container materials

		New OPP (Biaxially oriented PP)	**OPS** (Biaxially oriented PS)	**APET** (Non-oriented PET)	**OPET** (Biaxially oriented PET)	**Transparent PP** (Non-oriented PP)
Transparency		○	○	○	○	△
Heat resistance		**110°C**	80°C	60°C	80°C	110°C
Cold resistance	-18°C	○	△	×	○	×
	-30°C	○	△	×	○	×
Container weight when the same strength	○ Light × Heavy	○	△	×	△	×
Oil resistant		○	×	○	○	○

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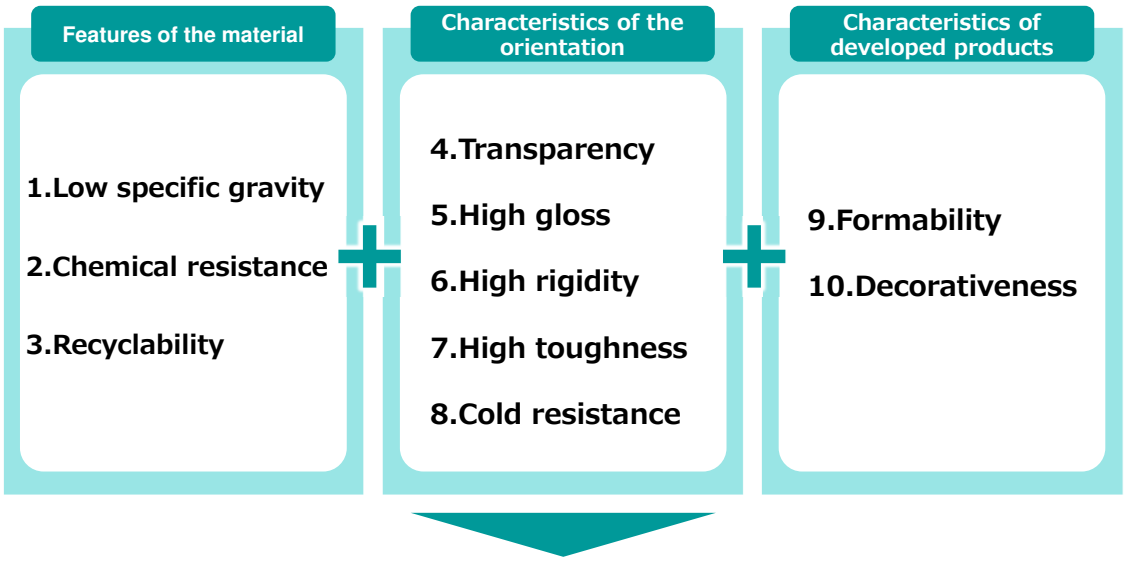
The containers made using the new sheet are fantastic. They have all of the features shown in the table on the slide.

Successful Development of a New Sheet That Is the First of Its Kind in the World (3)

10 features of the new OPP sheet and Multi-layer Plate



Expected to have applications in civil engineering and construction materials, housing equipment, home appliances, solar cells, automobiles and other fields. 42

Further, when layered the new plate becomes highly rigid and transparent, and it can be molded.
Another feature of it is its decorativeness. It can be decorated by sandwiching a film between the laminated layers, so there is no need to paint it.
Many companies have begun to study it. I think using it as a civil-engineering material would be interesting.
We have placed an order for one stretching line, but we are designing a plant with a space for another line.
We have received so many business inquiries that we have to consider when we will place an order for the other line.
We would like to consider how FPCO should enter this new field and make decisions regarding this by 2027 when the new plant will be completed. We will involve our partners in this process as well.

01. Trends in Raw Material Prices and Product Price Revisions

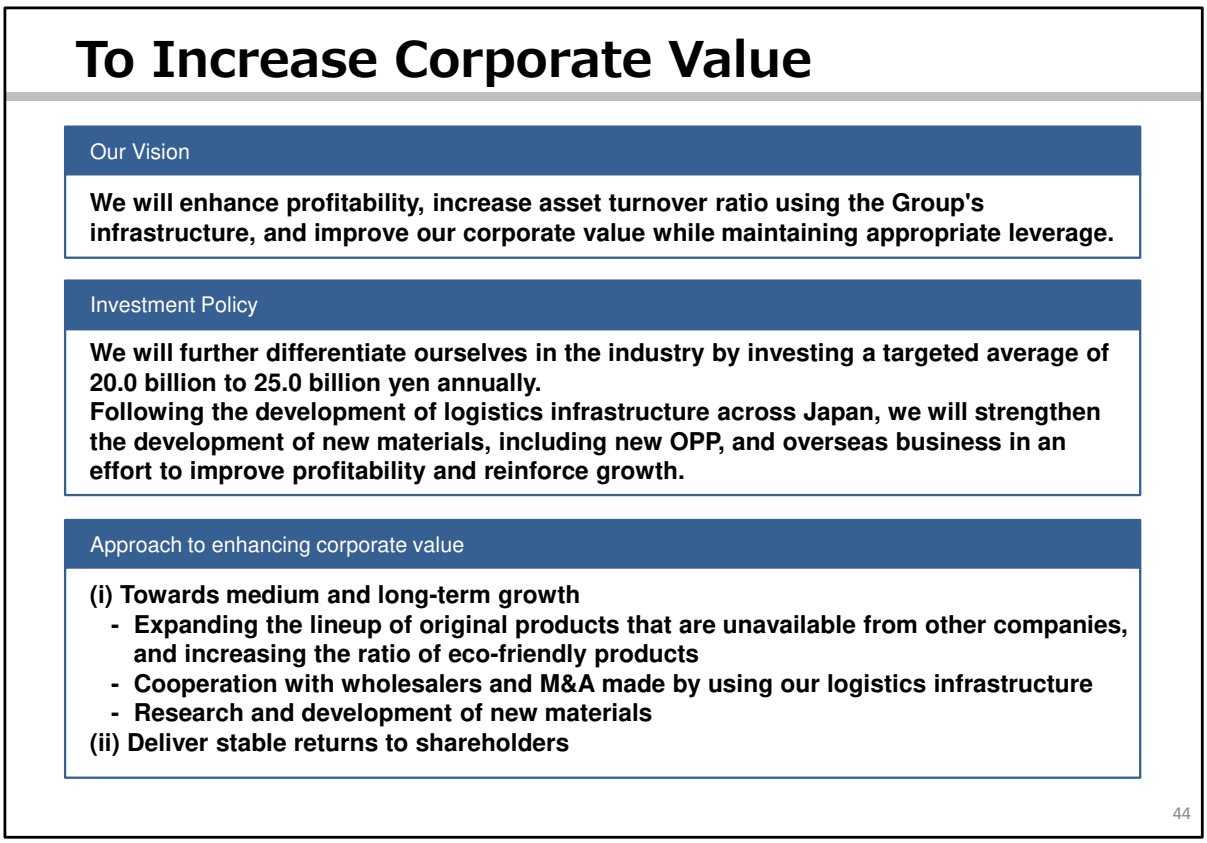
02. Product Strategy

03. Eco-Friendly Strategies

04. FPCO Group's infrastructure

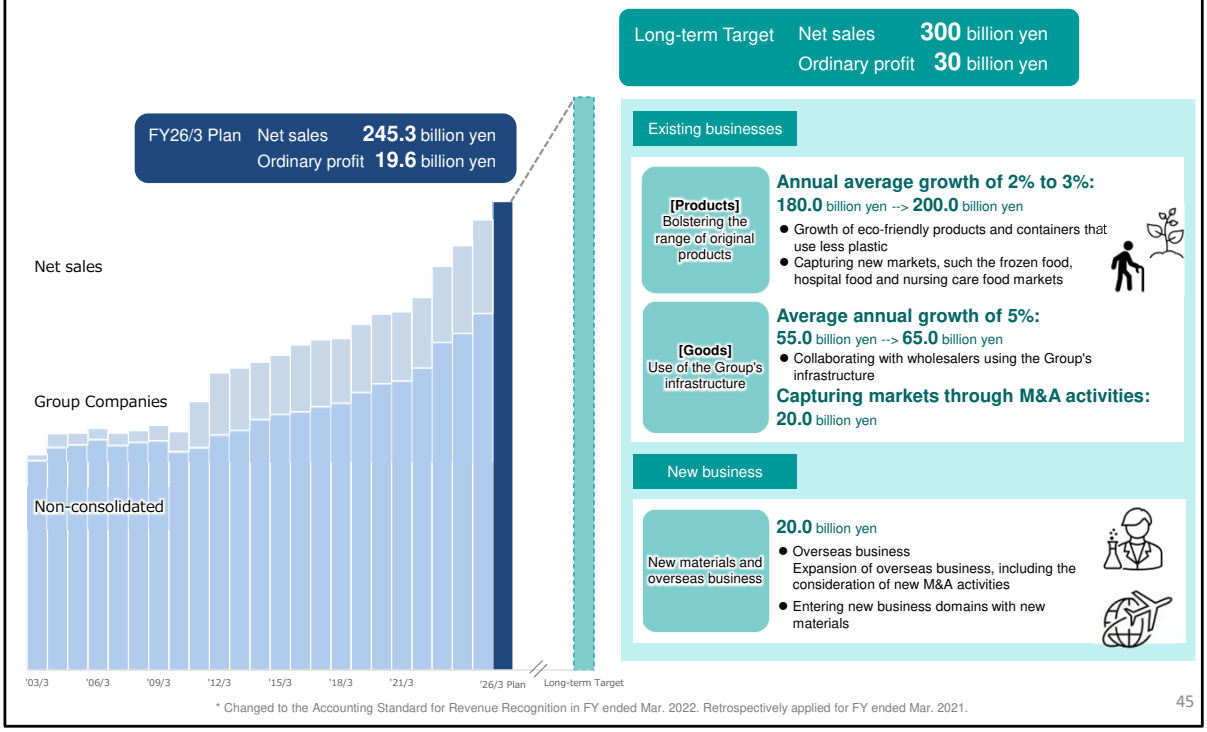
05. Developing Applications for New OPP Sheet

06. To Increase Corporate Value



We will enhance profitability, increase the asset turnover rate leveraging the Group's infrastructure, and improve our corporate value while maintaining leverage at an appropriate level.
We also think that it is necessary for us to improve our ROE gradually. However, we think this is not easy even if we increase profit because our net assets are also increasing.
Regarding investments, we will further differentiate ourselves in the industry by investing an annual average of 20 to 25 billion yen.
Increasing our differentiation means offering products made from sheets that only we can produce, including Eco trays, Eco OPET, and Eco APET products. They are 68% of our products in terms of sales.
Only 32% of our products compete with similar products from competitors.
Increasing the percentage of our products that are made from sheets that only we can produce will lead to our being completely differentiated.
Our competitors cannot produce low-foamed containers and cold-resistant PPiP-talc. Therefore, we believe that they will enable us to be greatly differentiated from them.
Looking toward medium- to long-term growth, we would like to powerfully push forward with measures to expand our lineup of original products that are not available from other companies, increase the eco-friendly product ratio, and cooperate with wholesalers using logistics infrastructure, as well as M&A activities and R&D efforts in the areas of new materials.
We maintain stable shareholder returns, and our dividend payout ratio is 40%.
Additionally, we pay progressive dividends, and we have not reduced the amount of dividends in the past ten years.
We have also not reduced the amount of the bonuses paid to our employees in the past ten years.
In the plan for the current fiscal year that we have announced at this time, the dividend amount has been maintained at the same level as the most recent dividend, resulting in a payout ratio of 37.8%. We believe that achieving this plan will result in it increasing to 40%.

Growth Strategy



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

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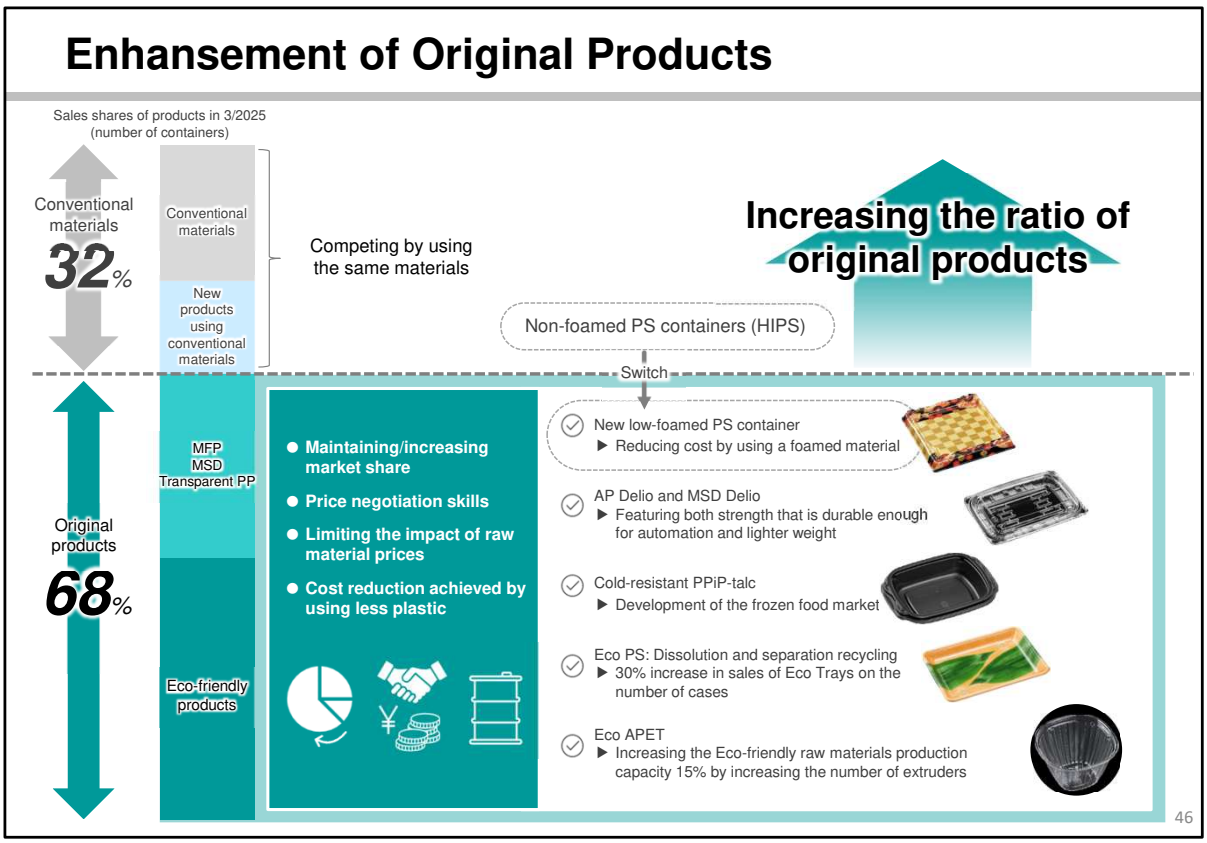
We would like to continue growing toward our medium-term targets of net sales of 300.0 billion yen and ordinary profit of 30.0 billion yen.

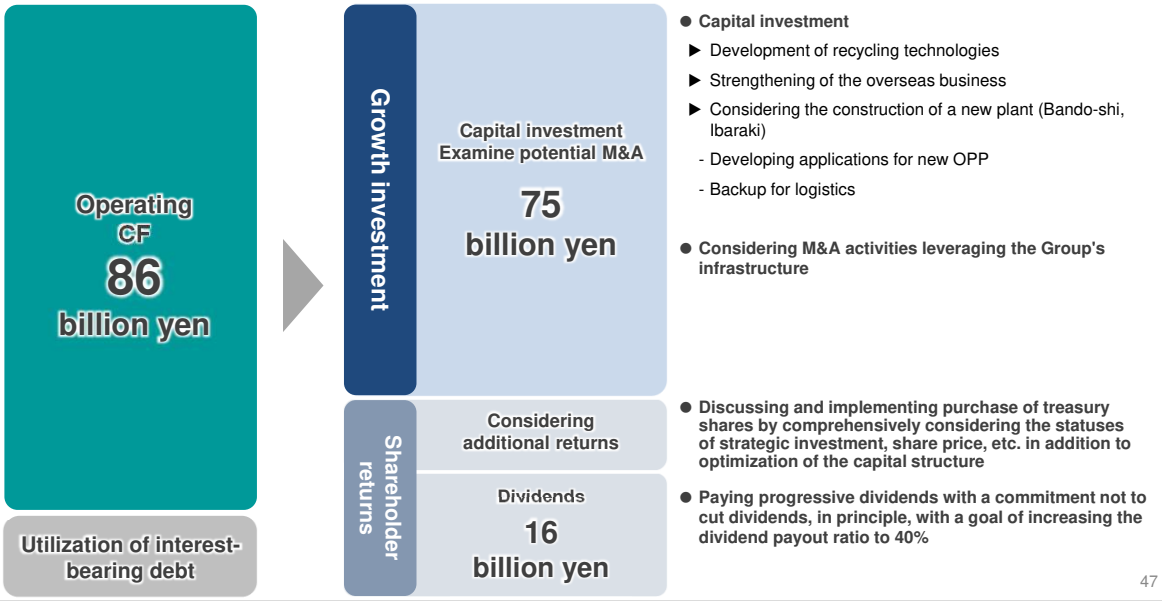


This slide shows the sales shares of our original products that I mentioned earlier.

Financial Strategy: Plan (FY2026 to FY2028)

- **Strategically allocate operating cash flow and procured funds to investments and shareholder returns**
- **Cash position needed for businesses: 15.0 billion to 20.0 billion yen**
- **Use interest-bearing debt within a range that enables FP Corporation to maintain an A rating**

'26/3 to '28/3 (Cumulative totals for 3 years)



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I will explain our financial strategy.
We believe we can invest 20 to 25 billion yen a year using operating cash flows. We would like to consider using interest-bearing debt to make up for any shortfalls.

Shareholder returns

● **Dividend policy**

Paying progressive dividends with a commitment not to cut dividends, in principle and the goal of increasing the dividend payout ratio to 40%

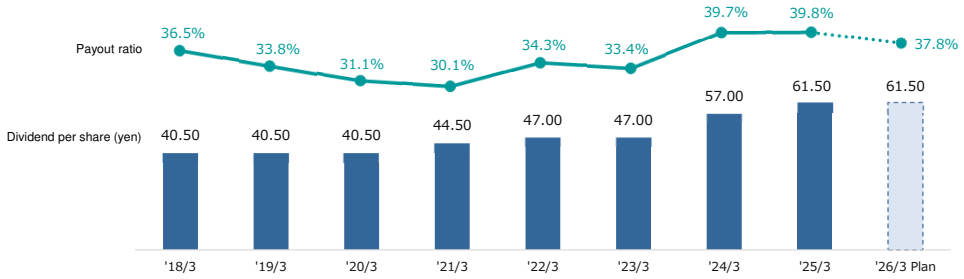
Aiming to stably increase the amount of dividends in response to the medium- to long-term growth in profit

▶ Dividend of 61.50 yen per share for 3/2026 (initial projection)

▶ Increasing dividends by increasing earnings per share

● **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	3/2018	3/2019	3/2020	3/2021	3/2022	3/2023	3/2024	3/2025
Dividends	3.3	3.3	3.3	3.7	3.8	3.8	4.6	5.0
Purchase of treasury share	–	–	–	4.0	–	–	3.0	–
Total	3.3	3.3	3.3	7.7	3.8	3.8	7.6	5.0
Total return ratio	36.5%	33.8%	31.1%	62.7%	34.3%	33.4%	65.1%	39.8%

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This slide is about the 40% dividend payout ratio and the progressive dividends that I mentioned earlier today.
We highly appreciate your high evaluation of us.
We are very much counting on your continued support.
Thank you very much for your time.

To Increase Corporate Value