## Financial Results

## for the Fiscal Year Ended March 2021



FP Corporation May 7, 2021

## **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.

Information contained in the handouts for this session **must not be quoted, reprinted or copied without our prior permission.** 

## Results and Plan

Executive Vice President and Director,

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

#### **For Expansion of Corporate Value**

President Morimasa Sato ... 14



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## **Financial Results** for the Fiscal Year Ended March 31, 2021

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



### Financial Results Summary

#### (For the FY Ended March 2021)

**Record high** Wighest sales ever for the eleventh consecutive year Operating profit, ordinary profit, and profit attributable to owners of parent grew for the third consecutive year

										1	8						
			Results f	or Full	year		Full year projections(original)			Full year revised projections(Oct.30)				Full year revised projections(Jan.29)			
	FY ended Mare	ch 2020		FY ended March 2021			FY ender	FY ended March 2021			FY ended March 2021				FY ended March 2021		
Unit: million yen	Performance	Percentage	Performance	Percentage	Increase/ decrease	Year-on -year	Quantity	Planned	Percentage	Progress rate	Planne	d i	Percentage	Progress rate	Planned	Percentage	Progress rate
Trays	36,263	19.5	40,635	20.6	+4,372	112.1%	111.2%	37,775	19.9	107.6%	40,	370	20.7	100.7%	40,626	20.7	100.0%
Lunchboxes and prepared food containers	103,541	55.6	108,726	<i>55.2</i>	+ 5,185	105.0%	105.5%	105,530	55.5	103.0%	108,	087	55.4	100.6%	108,212	<i>55.2</i>	100.5%
Subtotal	139,804	75.0	149,362	75.8	+9,557	106.8%	107.5%	143,305	75.4	104.2%	148,	457	76.1	100.6%	148,838	75.9	100.4%
Other products	3,027	1.6	2,796	1.4	-230	92.4%		2,895	1.5	96.6%	2,	743	1.4	102.0%	2,762	1.4	101.3%
Sales of products	142,831	76.6	152,158	77.3	+9,327	106.5%		146,200	76.9	104.1%	151,2	00	77.5	100.6%	151,600	77.3	100.4%
packaging materials	37,892	20.3	39,030	19.8	+ 1,138	103.0%		38,340	20.2	101.8%	38,	163	19.6	102.3%	38,728	19.8	100.8%
Other goods	5,626	3.0	5,761	2.9	+ 135	102.4%		5,460	2.9	105.5%	5,	637	2.9	102.2%	5,672	2.9	101.6%
Sales of goods	43,518	23.4	44,791	22.7	+1,273	102.9%		43,800	23.1	102.3%	43,8	00	22.5	102.3%	44,400	22.7	100.9%
Net Sales ※	186,349	100.0	196,950	100.0	+10,600	105.7%		190,000	100.0	103.7%	195,00	00	100.0	101.0%	196,000	100.0	100.5%
Operating profit	15,507	8.3	18,763	9.5	+3,255	121.0%		16,700	8.8	112.4%	17,50	00	9.0	107.2%	18,500	9.4	101.4%
Ordinary profit	16,274	8.7	19,381	9.8	+3,107	119.1%		17,400	9.2	111.4%	18,20	00	9.3	106.5%	19,200	9.8	100.9%
Profit attribute to owners of parent	10,777	5.8	12,211	6.2	+1,433	113.3%		11,290	5.9	108.2%	11,69	90	6.0	104.5%	12,100	6.2	100.9%
Ordinary profit before depreciation and armotization	29,807		32,991		+3,184	110.7%		31,296		105.4%	32,	100		102.8%	33,100		<i>99.7%</i>

#### ■Sales

#### **Products**

- Rise in demand for fresh food, home-delivered food and takeout food following expansion of the stay-at-home economy
- Strong sales of recycled Eco Trays
- Shift from buffet style to food items in containers

#### Goods

• Utilization of E-commerce site "PACK MARKET", to expand sales of hygiene products, etc.



♦Product sales composition

\* Before the change of the revenue recognition standard

<	⇒Year-on-year												
1		1Q results	2Q results	3Q results	4Q results	Full-year results	Full year projections (original)	Full year revised projections (Oct.30)	Full year revised projections (Jan.29)				
	Sales of products	107.2%	103.6%	107.6%	107.8%	106.5%	102.4%	105.9%	106.1%				
	Quantity	106.8%	104.9%	109.4%	108.7%	107.5%	103.0%	107.2%	107.2%				
	Ordinary profit	124.8%	108.2%	125.1%	117.4%	119.1%	106.9%	111.8%	118.0%				
	Ordinary profit ratio	8.1%	9.6%	13.3%	7.7%	9.8%	9.2%	9.3%	9.8%				

### Increase/Decrease in Ordinary Profit

(For the FY Ended March 2021)



Full year 19.38

#### Capital Investments and R&D Costs

#### (For the FY Ended March 2021)

	R	Full year pro	jections					
	FY ended March 2020	FY en	ded March 2021	FY ended Ma	rch 2021			
Unit: million yen	Performance	r Planned	Progress rate					
Tangible fixed assets	11,688	19,105	+7,416 163.5%	<i>22,850</i>	83.6%			
Intangible fixed assets	525	525 <b>306</b> -219 58.3%						
Capital investments	12,214	19,412	+7,197 158.9%	23,300	83.3%			
Depreciation and amortization costs	13,532	13,609	+76 100.6%	13,900	97.9%			
Research and development costs	1,229	1,195	-34 97.2%	1,312	91.1%			



### **Balance Sheet**

#### (For the FY Ended March 2021)

	Previous consolidated fiscal year	Со	nsolidate	d fisca	l year under review	
	FY ended March 2020		1	FY ended	March 2021	
Unit: million y en	As of March 31,2020	As of March 31,2021	Increase/ decrease	Year-on- year	Breakdown of main increases and decre	eases
Current assets	80,322	80,641	+318	100.4%	Cash and deposits Notes and accounts receivable-trade Merchandise and finished goods Raw materials and supplies	-2,403 +2,537 +832 -838
Noncurrent assets	162,174	166,592	+4,418	102.7%	Buildings and structures Lands	+1,849 +2,893
Total assets	242,497	247,234	+4,736	102.0%		
Current liabilities	79,569	78,527	-1,042	98.7%	Accounts payable - trade Short-term loans payable Income taxes payable Short-term loans payable Provision for fire loss	+1,875 -5,612 +1,297 +543 +220
Noncurrent liabilities	43,626	43,726	+100	100.2%	Long-term loans payable Net defined benefit liability	+205 +239
Total liabilities	123,196	122,253	-942	99.2%		
Net assets	119,301	124,980	+5,679	104.8%	Retained earnings Treasury shares	+5,801 -522
Total liabilities and net assets	242,497	247,234	+4,736	102.0%		
	Equity ratio	50.3%				

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



### Cash Flows

#### (For the FY Ended March 2021)

		Results for	r Full year			
Unit: million y en	FY ended March 2020 Performance	Performance	FY ended March 2021 Breakdown of main items			
CF from operating activities	27,770	31,814	Income before income taxes Depreciation Fire loss Increase (decrease) in notes and accounts receivable - trade	18,060 13,609 2,104 -2,557		
CF from investing activities	-10,989	-19,131	Purchase of property, plant and equipment	-17,319		
Free cash flows	16,780	12,682				
CF from financing activities	-15,643	-15,086	Proceeds from long-term loans payable Repayment of long-term loans payable Repurchase of treasury shares Cash dividends paid	17,567 -22,974 -4,068 -3,390		
Net increase(decrease)in cash and cash equivalents	1,136	-2,403				
Cash and cash equivalents at end of period	20,288	17,884				

 CF from operating activities
 Ensuring profit by selling original products and streamlining efforts

CF from investing activities

Strategic investment to construct the bases to make a profit for future

■CF from financing activities

Continuously stable dividend

Treasury shares acquired for improving capital efficiency and providing shareholder returns



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, 2017.

## Plan

## for the Fiscal Year Ending March 2022

## **Outline of Plan for Account Settlement**

(For the FY Ending March 2022)

	Results for Fu	ull year	Ful	orojections		First half projections					
	FY ended Mare	ch 2021	F	Ƴending ∣	March 2022				FY ending	March 2022	
Unit: million yen	Performance	Performance percentage		percentage	increase/ decrease	Year−on −year	P	lanned	percentage	increase/ decrease	Year−on −year
Trays	39,046	20.8	41,223	21.1	+2,176	105.6%		20,034	20.7	+ 1,039	105.5%
Lunchboxes and prepared food containers	104,681	55.8	109,088	55.9	+4,406	104.2%		54,661	56.5	+3,118	106.1%
Subtotal	143,728	76.7	150,311	77.1	+6,582	104.6%		74,695	77.2	+4,158	105.9%
Other products	3,058	1.6	3,088	1.6	+30	101.0%		1,504	1.6	+14	101.0%
Sales of products	146,786	78.3	153,400	78.7	+6,613	104.5%	7	6,200	78.8	+4,173	105.8%
packaging materials	39,043	20.8	39,903	20.5	+859	102.2%		19,713	20.4	+667	103.5%
Other goods	1,679	0.9	1,696	0.9	+16	101.0%		786	0.8	+7	101.0%
Sales of goods	40,723	21.7	41,600	21.3	+876	102.2%	2	0,500	21.2	+675	103.4%
Net Sales 💥	187,509	100.0	195,000	100.0	+7,490	104.0%	96	,700	100.0	+4,848	105.3%
Operating profit	18,763	10.0	19,600	10.1	+836	104.5%	8	,780	9.1	+468	105.6%
Ordinary profit	19,381	10.3	20,200	10.4	+818	104.2%	9	,100	9.4	+535	106.3%
Profit attribute to owners of parent	12,211	6.5	12,900	6.6	+688	105.6%	5	,840	6.0	+186	103.3%
Ordinary profit before depreciation and armotization	32,991		33,960		+968	102.9%	1	5,890		+503	103.3%

(Million yen)

■ Impact of the change of the revenue recognition standard (fiscal year ended March 31, 2021)



\*After the change of the revenue recognition standard/ After the reclassification of items

Comparisons with the previous year's plan

			-
	1st half	2nd half	Full-year
	plan	plan	plan
Sales of products	105.8%	103.3%	104.5%
Quantity	107.0%	104.0%	105.5%
Ordinary profit	106.3%	102.6%	104.2%
Ordinary profit ratio	9.4%	11.3%	10.4%

#### **Outlook for Increase/Decrease in Ordinary Profit** (For the FY Ending March 2022)



Full year outlook 20.20

#### Planned Capital Investment and R&D Cost

(For the FY Ending March 2022)

	Results for Full year	Full ye	ar projections	First half projections			
	FY ended March 2021	FY end	ding March 2022	FY endi	2		
Unit: million yen	Performance	Planned	Increase / decrease Year-on-year	Planned	Increase / decrease	Progress rate	
Tangible fixed assets	19,105	26,600	+7, <b>494</b> 139.2%	13,600	+5,574	169.5%	
Intangible fixed assets	306	500	+ <b>193</b> 163.0%	300	+121	168.4%	
Capital investments	19,412	27,100	+7,687 139.6%	13,900	+5,696	169.4%	
Depreciation and amortization costs	13,609	13,760	+150 101.1%	6,790	-31	99.5%	
Research and development costs	1,195	1,335	+139 111.7%	665	+102	118.1%	

Major capital investments	unit: million yen		
		Total	Plan
Investment in original products:		investment	in period
Improving production capacity and quality of	Eco APET products		
◆ Eco APET materials: Increase in product	tivity (Kanto, Chubu)	1,135	1,135
◆ Eco APET materials: Quality improveme	ent by pelletizing (Chubu)	793	73
Investment corresponding to expansion of the Stable supply,Efficiency improvement,Mainter	e sales quantity: nance of working environment		
<ul> <li>Introduction of automation facilities</li> </ul>			224
<ul> <li>Capacity enhancement for PSP products</li> </ul>		1,222	1,222
<ul> <li>Reinforcement of the production capacity</li> </ul>	y of	625	625
Conventional materials New products			
<ul> <li>Chubu Cross Dock Center extension</li> </ul>	To be inaugurated in Sep. 2021	5,285	3,290
<ul> <li>Rebuilding of Chubu Plant 1</li> </ul>	To be inaugurated in May 2022	6,693	2,198
New plant and the distribution center of the new facility in Hyogo	To be inaugurated in Sep. 2022	25,261	6,718
♦ Pico House No.5	To be inaugurated in Sep. 2022	2,305	185
♦ Molds			1,852
♦ IT investments			635



# To Increase Corporate Value

President Morimasa Sato



## Contents

- Impact of COVID-19 Coronavirus
   Market Conditions
- Actions for Recycling and the SDGs
- Logistics Network
- Strategic Investment
- Growth Strategy

# Impact of COVID-19 Coronavirus Market Conditions



## **Trend in Container Demand**



## Impact of COVID-19 Coronavirus: Retail Industry



## Impact of COVID-19 Coronavirus: Takeout and Delivery



Source: Eating out: Japan Foodservice Association Home meal replacement: Japan Ready-made Meal Association "Ready-made Meal White Paper"

Source: Fuji Keizai, Gaishoku Sangyo Marketing Binran 2020 (2020 Restaurant Industry Marketing Handbook), 2020 (Estimated values)

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## Launch of New Takeout and Delivery Products



20

#### **Container for Takeout Food Adopted by Toridoll(Marugame Seimen)**



丸亀製麺 「お持ち帰りでももちもち」おいしさの訳。



お店と同じに、

ご用意します。

ご注文ごとに茹でたてを

お店でもお持ち帰りでも、 そのお店ごとで 粉から打った 打ち立てのうどんを 提供しています。



うどんとだしを分けて 提供いたします。

Takeaway service has enjoyed steady growth. With the expectation of generating ¥12 billion of sales per annum, we are confident that it will become a new pillar of sales. Overall, we have been maintaining a similar or better level of sales compared to that of March 2020.



Source: Toridoll Holdings Corporation financial results for the third guarter of the fiscal year ending March 2021

## A New Style of Takeout and Delivery Business

#### Ghost restaurants

From high-level brands to low brands



Restaurants which do not have brickand-mortar facilities but only provide online delivery services

#### **Cloud kitchens**

(Kitchens without customer tables, which only accept orders online)



Major restaurant chain facilities exclusivelyfor home delivery and takeout services

Eating out at home

Food

delivery







#### Food trucks



## **Initiatives to Improve Visibility: (1)Pack Market**





#### Actual sales and number of registered members



#### Radio commercials

Began to be aired on NACK5, an FM channel, on April 1, 2021 5 times a week (Mon., Tue., Thurs., Fri., and Sat.)



## Initiatives to Improve Visibility: (2) Branding





Follow us

We post information on new products and delicious dishes every day.

fpco.info





We provide new product information on Tuesdays and Fridays.

@629njlmr



#### YouTube

Section 17ピコ Official Channel

Register our channel

FPCO TV



## **DLV Series Color Variations**



## **Changes in the Growth Rate of Product Sales Quantity**



FY ended Mar. 2021

\* Year-on-year changes (excluding products from former Sekisui Hinomaru) 3Q: 105.8% (impact: 3.6%)

4Q: 105.4% (Impact: 3.3%)

Full year: 105.7% (Impact: 1.8%)

## Stable Supply – Supporting Safe, Secure Dietary Life



## **Trends in Raw Material Prices**





# Actions for Recycling and the SDGs



## **FPCO Method of Recycling**



#### 12 RESPONSIBLE CONSUMPTION Investment in Recycling and Ratio of Eco Products

13 CLIMATE 14 LIFE BELOW WATER

AND PRODUCTION



## **Collection of Plastic Resources**



The corresponding values bottles were calculated ba	for the number of containers and used on the following standard		Amount of collected containers/ bottles										
weights. Foam tray: Appro Approx. 10 grams; PET b	xx. 4 grams; Transparent container: ottle: Approx. 25 grams	Results for FY ended March 2019	)	Results for FY ended March 2020		Results for FY ended March 2021		Forecasts for FY ending March 2022					
Containers (Foamed OS and transparent containers)	Collected from: Supermarkets Specified corporations Aprrox.9,800 sites (Transparent containers: Approx. 5,400 sites)	<b>8,700</b> t (Approx. 1.8 billion units)		<b>9,200</b> t (Approx. 2.0 billion units)		<b>10,000</b> t (Approx. 2.1 billion units)		10,000 t (Approx. 2.1 billion units)					
PET bottles	Collected from: Specified corporations Supermarkets Business-related sources	<b>67,000</b> t (Approx. 2.7 billion units)		<b>73,500</b> t (Approx. 2.9 billion units)		<b>75,000</b> t (Approx. 3.0 billion units)		<b>79,000</b> t (Approx. 3.1 billion units)					
Total col	amount lected	<b>75,700</b> t	109%	<b>82,700</b> t	103%	<b>85,000</b> t	105%	<b>89,000</b> t					
Ratio of t recycling of product s	he amount of used products to sales volume	42%		44%		42%		42%					

## **Trends in Laws and Regulations: Amended Basel Convention**

#### Amended Basel Convention (To come into force in Jan. 2021)

The export of some types of plastic waste will be subject to control.

- Specific examples of plastics which will not be subject to control
- 1) Pelletized plastics
- 2) Plastic flakes or fluff which are mostly colorless and transparent or in a single color
- 3) Plastic sheets, rolls, and bales emitted from product manufacturing processes, etc.
- 4) Foamed polystyrene (PS) in an ingot form





## Trends in Laws and Regulations: Bill for the Act on Promotion of Resource Circulation for Plastics

	[G	uidelines on environmentally fri	ier	ndly design]		
Design and manufac-	•	Formulating <b>guidelines on environmen</b> conforming to the guidelines	nta	Ily friendly design to be followed by manufa	actu	rers and creating a system for <b>certifying</b> products
turing	<b>→</b>	The national government will take the Green Procurement) and provide suppo	in ort	itiative in procuring certified products (consider for equipment in use of recycled materials.	dera	ations given in accordance with the Act on Promoting
Sales and provision	[S ● →	treamlining the use] Formulating criteria to be followed by pro- Providing instructions and advice from plastics, and disclosing their names	rov n th	iders of one-way plastics (including retailers and ne Competent Minister, giving <b>admonitions a</b>	and and	service providers) <b>orders</b> to businesses providing a lot of one-way
	[S by	orted collection and recycling municipal governments]		[Voluntary collection by manufacturers, distributors, etc.]		[Control of disposal by businesses and recycling by them]
Disposal,	•	<ul> <li>Enabling recycling using routes related to the Containers and Packaging Recycling Act to promote sorted collection of</li> </ul>		<ul> <li>Creating a plan under which manufacturers, distributors, etc. voluntarily collect and recycle products, etc.</li> </ul>		<ul> <li>Creating criteria for controlling plastic disposal and for recycling them to be followed by businesses disposing plastics</li> <li>Providing instructions and advice from the</li> </ul>
collection, and recycling		plastic resources Creating a <b>recycling plan</b> , under which municipal governments and recycle operators <b>cooperate</b>		→ Businesses certified by the competent minister will no longer need to receive a permit under the provisions of the Waste Management		<ul> <li>orders to businesses providing a lot of one-way plastics, and disclosing their names</li> <li>Rusinesses ate dispessing of plastics will erected</li> </ul>
	<b>→</b>	Enabling recycle operators certified by the competent minister to recycle products by <b>omitting selection</b> , <b>packaging, etc.</b> by the municipal government		and Public Cleaning Act.		<ul> <li>→ Businesses, etc. disposing of plastics will create recycling plans.</li> <li>→ 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.</li> </ul>

Building an environment for advanced resource recycling and shifting to circular economy

## **Activities for Promoting Recycling**





## **Reducing CO<sub>2</sub> Emissions: Global and Japanese Trends**

#### 2015: Adoption of the Paris Agreement

- Work to limit the global average temperature increase to well below 2°C in comparison with pre-industrial revolution levels, preferably to 1.5°C
- To do so, achieve peak global greenhouse gas emissions as soon as possible and reach a balance between greenhouse gas emissions and absorption (by forests, etc.) during the latter half of the 21st century

		2030	2050	2060
	Japan -	 <b>26% reduction</b> in comparison with FY2013	 > Effectively zero	
*‡	China -	 Reduce emissions by 2030	 	 Effectively zero
	US -	 <b>50~52% reduction</b> in comparison with 2005	 President Biden: effective zero emissions policy	
	EU -	 <b>55% reduction</b> in comparison with 1990	 > Effectively zero	
	UK -	 <b>68% reduction</b> in comparison with 1990	 > Effectively zero	
# **Eco Tray / Eco APET CO<sub>2</sub> Reduction**





# **Examples of Posters Displayed at Supermarkets**



13 CLIMATE

E.

CONSUMPTION

14 LIFE BELOW WATER

# **Carbon Offset Declaration Through Recycling [FY3/2020]**



A video on Carbon Offsetting Declaration Through Recycling is available at the following link. (Japanese only)

https://www.fpco.jp/blog/2021/03/31/401

13 CLIMATE ACTION

CONSUMPTION AND PRODUCTIO 14 BELOW WATER

# Carbon Offset Declaration Through Recycling [FY3/2023]



A video on Carbon Offsetting Declaration Through Recycling is available at the following link. (Japanese only)

https://www.fpco.jp/blog/2021/03/31/401

13 CLIMATE ACTION

E.

RESPONSIBLE CONSUMPTION 14 LIFE BELOW WATER

# Carbon Offset Declaration Through Recycling [FY3/2025]



A video on Carbon Offsetting Declaration Through Recycling is available at the following link. (Japanese only)

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13 CLIMATE ACTION

CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER

# Diversification of Materials and Research into Recycling Technologies



### **Recycling technologies**





# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (1)

### Bio-HIPS and Bio-PPF: Released in June 2020

Made from 25% plant derived materials/ Registered with Japan BioPlastics Association





Bio-PPF CO2 emissions 7,02%

Comparison of CO<sub>2</sub> Emissions for Petroleum-Derived HI and Bio-Derived HI



Comparison of  $CO_2$  Emissions for Petroleum-Derived PPF and Bio-Derived PPF



# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (2)



# CO<sub>2</sub> Reduction with Biomass-based Plastic Products (3)



# Diversification of Materials and Research into Recycling Technologies



### **Recycling technologies**





# **Development of Paper Trays and Paper Containers**





Kanto Tsukuba Plant Introduction of Production Line for Paper Trays and Paper Containers



#### **Features of Product**

#### Uses FSC<sup>®</sup>-certified paper



FSC®CoC certification (FSC®C163782) already obtained at all offices and paper tray production plant

#### Waterproof and oilproof



#### Supports wrapping machines



# **10 Principles and 70 Criteria for FSC Certification**



Principle 10: Implementation of management activities

- Secure update
- Prior use of indigenous species
- Non-use of genetically modified organisms - Limitation of fertilizers, agricultural chemicals,
- and biological controls
- Waste disposal
- Preservation of soil

#### Principle 9: High Conservation Value (HCV)

#### - Dialogues with stakeholders

- Investigation and identification of high conservation value
- Policies and action plan for conservation
- Monitoring of HCV



#### Principle 8: Monitoring and assessment

- Determination of procedures and methods
- Recording of monitoring implementations
- Reflection of analysis results in the plan
- Disclosure of results
- Sales management



#### Principle 1: Compliance with laws

- Commercial and corporate registration
- Ownership and use rights of land
- Tax payment
- Countermeasures against illegal activities - Anti-corruption



Principle 2: Workers' rights and employment conditions

#### - Gender equality

- Health and safety - Minimum wage
- Education and training

FORESTS

FOR ALL

FSC FOREVER

- Workers' compensation



#### Principle 3: Indiaenous peoples' rights

- Dialogues with indigenous peoples
- Guarantee of traditional rights
- Identification and conservation of important places
- Protection of intellectual property



#### Principle 4: Community relations

- Identification of local stakeholders
- Dialogues with local communities
- Contribution to local economies
- Grievance resolution
- Fair compensation



#### Principle 7: Management planning

- Philosophies and policies
- Goal setting
- Development of a concrete plan
- Disclosure of a management plan
- Involvement by stakeholders



#### Principle 6: Environmental values and impacts

- Environmental impact assessment
  - Conservation of endangered species and their habitat ranges
  - Conservation of old-growth forests
  - Conservation of rivers and mountain streams
  - Prohibition to convert natural forests



#### - Diversification of resources to be used - Sustainable extraction of resources - Prior use of local services - Profitability



# **Descriptive Texts About FSC**

# Usable text samples

### **"Forest Conservation Mark"**

### "eco-friendly (paper)"

### "environmentally friendly (paper)"

# "(paper) protecting the environment"

"ecological (paper)"



### Inappropriate expression samples and concepts

# "The FSC forests certification leads to contribution to solution of global warming/global environmental issues"

Not directly related to solutions of environmental issues that are beyond the responsible penetration of forest management

# "Employment of FSC-certified products leads to CO2 reduction/absorption"

The effects of certified forests in CO2 absorption are not scientifically proven.

# "The FSC is an institution that examines (authenticates/certifies) forest certification"

The FSC is an international non-profitable organization that operates the forest certification system. Its examination, authentication, and certification are implemented by different organizations.

# "The FSC is working to conserve environment/FSC-certified paper leads to conservation of the environment"

Conservation means protection in an untouched state. Considering the actual activities of the FSC, "preservation" is preferable because it means protection while using.

#### Contribution to preservation of biodiversity, etc.

If an ecosystem service verified for FM certification is within the range of certification, it can be advertised.

# Diversification of Materials and Research into Recycling Technologies





# Considering Collaborating with DIC Corporation to Realize Chemical Recycling



# Diversity Management Making Maximal Use of Capabilities





Sorting of used trays at **10** facilities



Production of wood-like box-type containers and secondary processing at 7 facilities



Manufacturing of containers (foamed and transparent) at **3** facilities

In the FPCO Group as of March 2020	
Number of employees with disabilities	362
Adjusted number of employees with disabilities	618.5
Ratio of employees with disabilities	12.7%

Recognition concerning employment of workers with disabilities	祥客者法理会常認証明
January 2019 Ministry of Health, Labour and Welfare FY2018 People with Disabilities Active Company Certification (FPCO Ducks Corporation)	
October 2020 Toyo Keizai Inc. <b>Ranked 2<sup>nd</sup> in ratio of employees with</b> disabilities	2010 0 1 4 16 0 9 1 4 16 1 4 16 0 9 1 14 16 1 1 4 16 0 1 14 16 16 1 1 4 16 0 1 14 16 16 1 1 4 16 16 16 16 16 16 16 16 16 16 16 16 16

# Support for Customers in their Employment of People with Disabilities



With FPCO's support, employment was created for

# 751 people at 50 locations mainly at customers' workplaces



#### **Cleaning containers**



#### Washing towels

#### Sorting marine products

#### Reducing the volume of used paper







# **Creation of the FP Corp. Environmental Fund**

FPCO has been working on recycling for **approx. 30** years since the FPCO method of recycling was started in 1990.

We will cooperate with companies, NPOs, research and education institutions, and others.



Subsidizing organizations which act to solve future social issues

FY ended Mar. 2021 Total applications received: 72 Subsidized projects:

**Grant period** Oct. 1, 2020 to Mar. 31, 2021

Size of grants Up to 1 million yen per year per project

**Total amount of grants** 7.82 million yen

FY ending Mar. 2022 Total applications received: 53 Subsidized projects:

Grant period Apr. 1, 2021 to Mar. 31, 2022 \*Up to 3 years

Size of grants Up to 2 million yen per year per project

**Total amount of grants** 21.17 million yen

# Activities of Organizations Subsidized by the FP Corp. Environment Fund (Some of the Activities)

#### Activities in FY ended Mar. 2021

#### Miyajima Network (Hiroshima)



<Details of the activities>

Cleaning up the coast and inland area of Miyajima Island and activities for protecting the marine ecosystem

<Number of employees who participated> 53

#### Shonan Cleanaid Forum (Kanagawa)



<Details of the activities> Beach cleanup activities on the natural coast of Kanagawa

<Number of employees who participated> 13

#### Arakawa Clean Aid Forum (Tokyo)



<Details of the activities> Education through the experience of cleaning up the Arakawa River, which is aimed at resolving the issue of marine plastic waste

<Number of employees who participated> 6

#### Biwako Trust (Shiga)



<Details of the activities> Surveys of microplastics in Lake Biwa and the education of younger generations

<Number of employees who participated> 4

#### People's Community (Gifu)



<Details of the activities> Collection of garbage from the Kisogawa River, fact-finding surveys of the river, and awarenessraising activities

<Number of employees who participated> 11

A total of **87** employees of the FPCO Group also participated in these activities as volunteers.



# **Donations to Children's Cafeterias Nationwide**

60.800 sets

81,600 sets

81,600 sets

80,000 sets

80,000 sets 384,000 sets



### Donation of simple food containers



Kobe

Bussan

Hagoromo

Foods

Nestlé

Japan

**FPCO** 

こども食

Donated to: Children's cafeterias all over Japan supported by Zenkoku Kodomo Shokudo Shien Center Musubie, an NPO which supports children's cafeterias all over the country, and local networks of children's cafeterias all over the country

 Donations:
 1<sup>st</sup> donation (May 29 - ):

 2<sup>nd</sup> donation (Jul. 25 - ):

 3<sup>rd</sup> donation (Sept. 30 - ):

 4<sup>th</sup> donation (Dec. 17 - ):

 5<sup>th</sup> donation (Feb. 26 - ):

 Total

Donation of three-layered masks

Scope of eligibility:

Children's cafeterias nationwide

Donated items:

Three-layered masks (BFE, PFE 99% or higher)

2,000 masks per organization  $\times$  200 organizations

#### Total: 400,000 masks

Sent sequentially as of December 7



# **ESG Evaluation**

# Continuing to be selected to be a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index ESG indexes (June 2020)





Indexes developed by FT Russel of the London Stock Exchange Group, which reflect the performance of companies taking <u>excellent</u> <u>Environmental, Social and Governance (ESG) measures</u>

		Jun. 2019	Jun. 2020
	Total score	3.44	3.63
Environmental		3.89	3.89
	Climate Change	5	4
	Pollution and Resources	4	5
	Supply Chain	3	3
	Water Security	4	4
Social		3.75	3.63
	Health and Safety	3	3
	Human Rights and Community	4	3
	Labor Standards	4	4
	Supply Chain	4	4
Governance		2.8	3.4
	Corporate Governance	4	4
	Risk Management	2	3

57

# **ESG Evaluation**

#### FPCO's initiatives were introduced in the **Guidance for Disclosure and Engagement for Promoting Sustainable Finance toward a Circular Economy**, which was compiled by the Ministry of Economy, Trade and Industry and the Ministry of the Environment.



58

# Logistics Network



# Actions for Suppressing Soaring Logistics Expenses (Distribution of Sales)



60

# **Efficiency Improvement (Logistics Division)**

8 DECENT WORK AND ECONOMIC GROWTH



# Pallet Transportation (Transportation to other bases)

Conducted on 5 routes in Mar. 2021



# **Promotion of Automation and Unmanned Operations**



# Strategic Investment



# **FPCO's Strategic Investment**

Unit: billion yen



64

resources

# **Enhancing the Logistics Network**





#### **Chubu Cross Dock Center**

Completion scheduled in Sep. 2021 Investment: 5,285 million yen Total floor area: 27,575 m<sup>2</sup> Introducing an automated sorting system, or sorter, to Chubu, following Kanto, Fukuyama, and Hachioji



# Construction of a New Plant and Distribution Center of the New Facility in Hyogo



#### Increasing logistics capacity in the Kinki area

(Located between Chubu and Fukuyama)

- $\rightarrow$  Reducing delivery time and minimizing logistics costs
- $\rightarrow$  Enhancement of business continuity and supply stability in a disaster

#### Increasing production capacity

 $\rightarrow$  Plan to introduce extrusion and molding lines

Completion scheduled:	September 2022
nvestment:	25.3 billion yen
Address:	Hyogo Ono Industrial Estate,
	Ono-shi, Hyogo
Building overview:	Four story steel frame
Site area:	construction
Gross floor area:	Approximately 48,000 m <sup>2</sup>
	Approximately 78,900 m <sup>2</sup>



Construction of Pico House No.5, a dormitory for single employees, in Ono-shi, Hyogo is being planned.

# **Investment in Human Resources (1): Automation**



## **Manufacturing Division**





 Case packing robots 21 units
 Automatic dusting and packaging machines 8 units
 Automatic packaging

es 56 units

units 3/2021 → 67 units Planned in 3/2022

### **Logistics Division**



AGV (automated guided vehicle) 29 units → 33 units 3/2021 Planned in 3/2022 Reducing labor with unmanned, laser-guided operations for transferring and storing pallets

AGF (automated guided forklift) Introduce 2 units 3/2021

# **SCM Division**



# **Use of RPA**

Automation of operations with robots

Reduction of approx. 11,400 work hours/year<sub>3/2021</sub>

Using RPA

Approx. **8,700** hours

Improvement of existing functions and operations

Approx. 2,700 hours

→ Expected to reduce work hours by approx. 20,000/year 3/2022 forecast



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



### Pico House bachelors' dormitories



# Group homes for people with disabilities



Changes to programs and standards

- 1. Fiscal year ended March 2019 Introduction of requirement to take five consecutive days of paid leave (Smile Leave)
- 2. Fiscal year ended March 2019 Revision of the retirement benefit programs at some group companies
- 3. Fiscal year ended March 2020 Pay standard raised at some group companies
- 4. Fiscal year ending March 2021 Introduction of a teleworking program
- 5. Fiscal year ending March 2021 Introduction of special leave for volunteer activities

# Promotion of active participation of women

#### Targets

- Maintaining the percentage of women among new career-track employees at 30% or higher from 2019 onward
- 2. Promoting 50 women to managerial positions by 2022



# **Growth Strategy**



# **FPCO Growth Strategy**



\* Changed to the Accounting Standard for Revenue Recognition in FY ending Mar. 2022

# **Overview of Business Transfer from Sekisui Hinomaru**

Name:	Sekisui Hinomaru K.K.		
_ocations:	(Head offices) (Sales offices)	Kumamoto and Fukuoka Fukuoka, Kagoshima, Hiroshima, Osaka, and Tokyo	
	(Plants)	Saga and Ibaraki	
Fransferred ousiness:	Molding business		
Sales:	Approx. 5.2 billion yen (Molding business only)		
Number of ransferred	<b>139</b> (38 salespeople and 101 plant/warehouse workers) * Including contract employees and part-time employees		

Transfer date: October 1, 2020



### Synergetic effects

**Products** 

Lineup of PSP trays, including for fishcakes, dried-salted fish, and spicy cod roe

Trades with food processors

Raw materials Production Logistics SCM

Cost reduction enabled by leveraging benefits of scale

Productivity improvement enabled by sharing expertise

Business partners

# **Expected Improvements from Integration of Infrastructure**

#### Production

- Y
- Effective utilization of plant space  $\rightarrow$  increase production capacity
- Lighter products → reduce raw material costs and save resources

Example: general purpose trays of the same size  $3.88 \text{ g} \rightarrow 3.10 \text{ g}$  (approximately 20% reduction)

Increase compatibility of machinery and dies  $\rightarrow$  improve productivity and decrease conveyance costs

Increase number of shots per hour and equipment operation rate



#### Distribution

 $\mathbf{V}$  Utilize own delivery vehicles  $\rightarrow$  reduce delivery costs

 $\sim$  Review cardboard case volume (dimensions, etc.)  $\rightarrow$  easier to carry for female and older drivers

#### SCM

Demand prediction, production planning and inventory management using SCM  $\rightarrow$  stable supply even during busy periods

# Sales and management


### **New Market: Frozen Foods Customer Case Studies**

# NISSUI

Multi FP containers adopted for home-use frozen food products Four products in the "Kyo no okazu renji de tsukuru" series of microwaveable meals



Internal packaging: cold-resistant PP Main body: Multi FP

#### 1. Lighter container reduces environmental impact

Container is approximately 19% lighter than existing containers (main body + inner packaging).



#### 2. Thermal insulation gives consideration for safety and peace of mind

The outside of the container does not become hot easily even when heated in a microwave, enabling safe removal.



# 3. Easy-to-store size and design

The container is disgned to have a low profile overall, making it easier to store in home freezers (in comparison with existing containers).



## **To Increase Corporate Value**

"We ensure that we reliably deliver the most environmentally friendly products of the highest quality at the most competitive prices whenever they are needed." Product Marketing developmen П capability systems Solution proposal The FP Corporation Value Chain capability Information that keeps creating value collecting ability Recycling for customers Production engineering SCM capability Stable Logistics network supply

# **Supporting Data**

## **Explanation of terms**

PS : Polystyrene		PET : Polyethylene terephthalate PP : Polypropylene	
Multi FP (MFP)	:	An formed PS (polystyrene) container with cold and heat resistance to temperatures <u>between -40°C and +110°C</u> and with superior oil and acid resistance and thermal insulation (sales commenced in 2010).	
Multi Solid (MSD)	:	A non-formed PS (polystyrene) container with <u>a heat resistance temperature of +110°C</u> that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP(sales commenced in 2012).	
New transparent PP container	:	A transparent PP container with <u>a heat resistance temperature of +110°C</u> , which has achieved the same transparency as OPS using standard-grade polypropylene raw material(sales commenced in 2012).	
OPS container	:	A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheet	s.
Eco Tray	:	A recycled foamed polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).	
Eco APET	:	A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).	
Eco OPET	:	A recycled OPET transparent container molded from the bi-axially oriented PET sheets, which use the same raw materials as an Eco APET container. Superior oil resistance and high transparency, with the same thermal insulation as the OPS transparent container. Heat resistance temperature of +80°C (sales commenced in 2016).	
Bio-HIPS container	:	HIPS (non-foamed polystyrene) container containing 25% of plant-derived materials (sales commenced in 2020).	
Bio-PPF container	:	Polypropylene with fillers (PPF) container containing 25% of plant-derived materials (sales commenced in 2020).	
FSC®	:	Forest Stewardship Council <sup>®</sup> (FSC <sup>®</sup> ) is an international non-profit organization established to promote responsible management forests in the world. FSC sets standards based on principles on responsible forest management, which are supported by the agreement of stakeholders in the environment, social, and economic fields.	
Cross Dock Center	:	A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.	
Distribution Center Picking Center	:	Ships products by unit of case Conduct picking operations for products and goods by small lots and ship	
Sorting Center	:	Sorts PS containers collected from stores according to white and other colors, and transparent containers collected from stores according to materials such as PS, PET and PP.	76

#### **World's First Sheets and Materials**



#### **Trends in original products development**



#### **Factors influencing Ordinary Profit**

																																		Unit	:100 million	n yen
	102.02		10510	10412	107.12	100/2	100/0							'15/3			'16/3			'17/3			'18/3			'19/3			'20/3			'21/3			'22/3 Plan	
	103/3	04/3	05/3	106/3	07/3	108/3	109/3	10/3	11/3	12/3	13/3	14/3	1st half	2nd half	Full vear	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full vear	1st half	2nd half	Full vear	1st half	2nd half	Full vear	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	51.1	49.4	100.5	47.4	53.6	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
	-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-37.0	-25.0																												
The Price of Material						Decrease i material pi	in raw rices	+78.0					De	crease in iterial pric	raw ces	+16.0	+15.0	+31.0	+20.0	+3.0	+23.0							+2.5	+5.2	+7.7	+11.0	+3.0	+14.0	-8.0	-10.0	-18.0
						Raw mater increase	ial price	-19.0	-23.0	-37.0	-15.5	-46.0	-7.0	-	-7.0							-13.0	-13.0	-26.0	-14.8	-15.5	-30.3									
	-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+32.0	+6.5		Nap	htha forr	nula	-3.0	-8.0	-11.0	-12.5	-11.0	-23.5															
Sales Price						1st produc reduction	ct price	-44.0		Product p correction	orice n	+15.0	+14.0	+2.0	+16.0							-	+4.5	+4.5	+13.6	+28.0	+41.6	+10.5	-	+10.5						
						2nd produ reduction	ct price	-19.0		Price war general-p products	on urpose	-13.0	-10.0	-3.0	-13.0																					
Raw m and light	aterial rep er-weight	lacement products	+2.0	+8.0	+8.6	+11.8	+24.5	+20.0	N	lew materi	al effects	+8.0	+4.5	+10.0	+14.5	18.5	+11.0	+10.5	+10.5	+12.5	+23.0	+60	13.2		415		+11.7	13.5	+5.0	18.5	17.2	10.8	+17.0	+11.0	180	+10.0
Increase in improvemen product mit	quantity/ nts to x	+45.0		+17.5	+5.8	+3.0	+7.0	+6.0	+21.5	+15.0	+21.0	+1.0	-	+4.0	+4.0	+0.5	+11.0	+19.5	+10.5	τ12.J	+23.0	+0.0	+3.2	+9.2	T4.J	+1.2	+11.7	-3.3	+5.0	+0.5	+1.2	+7.0	+17.0	+11.0	το.υ	+19.0
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	+0.5	+3.5	+4.0	+5.0	+7.0	+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	+3.5	+7.0
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	-1.0	-	+1.5	+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
Group								+5.0	+5.5	+5.0	+1.0	-1.0	-	-1.5	-1.5	+3.0	+2.5	+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
Companies	Profit fi sale of	rom the artwork	+1.0	-1.0			+4.0	-4.0				Subsidies	+5.9	+0.6	+6.5	-1.4	-0.3	-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	-11.6	-10.4	-22.0	-9.2	-8.4	-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
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	-3.7	+4.2	+0.5	+18.9	+20.3	+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	+5.4	+2.8	+8.2
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	47.4	53.6	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	91.0	111.0	202.0

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### **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 ending March 2022 Plan
Production	Yama <mark>gata</mark>	Plant		Shi	modate Daini Plant Chubu l	Daini Plant Kyushu	Taiy Wa	ood Plant Food co Hakk	n Pearl Dia ainers ALRight acilities aido Plant extension	Foods Kanto Yachiyo Pl	D a nt	FPCO Re	esearch Center" aining Building Chuł	u Eco PET plant	Kanto I	Eco PET plant Automation	New pl	ant and distribution	center of the new	<sup>7</sup> facility in Hyogo Chubu Daiichi Plant
						<u> </u>											Bo	osting the producti	on capacity of orig	inal products >
Distribution	East Japan Ky	i Hub Center yushu HC			Kanto Yachi <u>r</u>	yo Center	New F	ukuyama Picking (	Center	enter	Logistics <mark>centers in</mark> Log <mark>istics centers in state sta</mark>	Kyushu ers in Kansai		Voice pic	king			Ky <mark>usyu HC e</mark> Fukuy <mark>ama</mark>	xtension HC extension	
	ŀ	Kansai PC						140	w chubu i kking c	cinter		Fukuyama Cro	oss Dock Center						Chubu C	Cross Dock Center
		Hokkaido	HC			New H	okkaido HC			Kanto PC extensio	on		Logistics cente	rs in Hachioji						
		TIOKKaldo	IIC.			New II	OKKARO IIC											Im	nroving the distrib	ution network
				Chultur Taka	las & Kanadas Daras	- Director	N												pioving incustrio	
Recycling				Cnubu, <mark>Tono</mark>	ku & Kyusnu Recy	cing Plants	Na tionwide expa	ipment renewal of	f clea ning lines							Cap	acity in <mark>creased in F</mark>	Kanto and Kyushu		Chubu pelletizing
							Constr	uction of a new recy	cling network >	chanical Recycling 1	Plant		NPR							
																			PET recyc	ling operations >
Other investments					Tokai HC	Head Officed & b	uilding in Fukuyan	na	Yuka Shoji	Land for logistics	cente <mark>rs in Kyushu</mark>					Film Plant	compa	ny accomodations	compa	any accomodations
and costs						Land for New	v Kanto PlantLand	& building in Chub	u Interpa	Land for logistic <mark>ck</mark>	s cen <mark>ters in Kansai</mark> Land for logistics o	cente <mark>rs in Hachioji</mark>	Mi <mark>yakohim</mark>	co <mark>mpany</mark> a	accomodations	Film Printing	g Plant	Group home		
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	27,100
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	26,600
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	595	525	306	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	1,852
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	13,760
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	1,335
30 bn	■ Ca	ipital invest	tment	Depreci	ation and a	mortizatio	n													
20 bn 10 bn 0 bn																				
'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	3 '19/3	20/3	'21/3	3 '22/3H	Plan 80
										<b>.</b>										00

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

## **Changes in the Number of Households**



#### **Trend in Scale of Home Meal Replacement Market**



#### Markets expected to grow in the future





Source: Fuji Keizai, *Koureisha Muke Shokuhin Shijo-no Shorai Tembo* 2017 (Future Outlook for the Market of Food for the Elderly 2017)

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

Source: Fuji Keizai, Food Service Industry Marketing Handbook 2020

Source: Fuji Keizai, Food Service Industry Marketing Handbook 2020

## **Expanding Market**

Net sales of the FPCO Group



#### **Hospital/Nursing Care and Frozen Food as New Markets**



## **Business Continuity Plan (BCP)**



# For uninterrupted logistics operations in the event of a disaster

- Power supply for 72 hours ensured
- Emergency power generators are installed and fuel for them is stored at all major logistics bases across Japan.
- Two emergency drills conducted annually involving power generator



# **Capital Investment and Cash Flows**



## **Ocean Plastic Pollution: Trends in the World and Japan**

	Global trends 🌏	Trends in Japan
2017	China Notification of waste import restrictions to WTO	
2018	G7 Ocean Plastics Charter	
2019		MOEComprehensive 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
2021	<ul> <li>Amendment to the Basel Convention</li> <li>Some waste plastics are subject to export regulations.</li> <li><specific examples="" exempted="" from="" of="" plastics="" regulations="" the=""> <ol> <li>Plastics in pellets</li> <li>Plastics in a flake or fluff form which is almost colorless and transparent or in a single color</li> <li>Plastic sheets, rolls, and bales discharged from product manufacturing process, etc.</li> <li>Foamed polystyrene (PS) ingots</li> </ol></specific></li></ul>	<ul> <li>Bill for the Act on Promotion of Resource Circulation for Plastics</li> <li>[Voluntary collection by manufacturers and distributors]</li> <li>Manufacturers, distributors, etc. create plans on voluntary collection and recycling of products, etc.</li> <li>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.</li> </ul>

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

Ocean Plastics Charter endorsed Charlevoix G7 Summit in Canada	at a	Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan): <i>Milestone</i>
Taking into account the full environmental impacts of alternatives, significantly reducing the unnecessary use of single-use plastics.	Reduc	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.
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.	Reuse Recyc	<ul> <li>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).</li> <li>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.</li> </ul>
Working with industry to increase recycled content by at least 50% in plastic products where applicable by 2030.	Recyclir Biomas plastic	<ul> <li>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.</li> <li>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.</li> </ul>
<sup>r</sup> Created by FPCO based on data from the Ministry of the Environment		3

#### **Collaboration with Related Ministries, Agencies and Organizations**

	Actions of related ministries, agencies and organizations	FPCO's involvement
Ministry of the Environment	<ul> <li>Plastic resources recycling strategy         Presentation on Japan's plastic resource recycling strategy planned at the G20 Summit in June 2019     </li> <li>Plastics Smart         Encouraging smart use of plastics and communicating such uses worldwide     </li> </ul>	<ul> <li>Participation in a subcommittee as an industrial association</li> <li>Publication of Tray to Tray and Bottle to Tray recycling on the campaigns page</li> </ul>
Ministry of the Economy, Trade and Industry	<ul> <li>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     </li> </ul>	○ Participation in the alliance as a leading member
Ministry of Agriculture, Forestry and Fisheries	<ul> <li>Call for plastic resource recycling declarations</li> <li>Collecting and showcasing examples of voluntary actions taken by companies and associations in the food industry</li> </ul>	<ul> <li>Publication of actions for recycling, reducing and raising awareness on the ministry's website</li> </ul>
Keidanren (Japan Business Federation)	<ul> <li>Plastic-related Innovation for SDGs</li> <li>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</li> </ul>	<ul> <li>Publication of actions for recycling, reducing and raising awareness on Keidanren's website</li> </ul>
Initiative	• 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> <li>Announcement of participation during the foundation</li> </ul>

## [Information on the Facility Tour]

Contact: Takashima at the Corporate Planning Department (TEL)+81-3-5325-7756 (MAIL)ir\_7947@fpco-net.co.jp at a convenient time for you.

#### An opportunity to take a look at the state-of-the-art **Production, Distribution, Recycling** operations



Fukuyama 30 minutes from Fukuyama station on JR West Lines.









