FP CORPORATION

Financial Results Briefing for the Six Months Ended September 30, 2025: Q&A (Summary)

(November 5, 2025)

Q: You revised the product quantity plan for the second half from 102.5% to 101.5%. To what extent will rising prices affect the second half? Why are convenience stores weaker than supermarkets?
A: Regarding convenience stores, we understand that rising unit prices are the factor. Supermarkets have been trending toward a recovery, and we have acquired our market share. Including these reasons, we set the product quantity plan for the second half at 101.5%. The preliminary figure for October was 103.2% year on year.

Q: Is it likely that you will purchase treasury shares in light of capital efficiency?
A: Yes. However, a major investment for new OPP is planned, so we would like to prioritize getting this business on track and generating a return.

Q: I have a question about the new OPP. Why hadn't polypropylene been widely made into biaxially oriented sheet by major manufacturers, even though it is a general-purpose plastic with mature technology. Why was FP Corporation able to do it?
A: We started the research for the new OPP sheet with the intent to develop bi-axially oriented sheet with thickness of 150 microns or more which could be molded into food containers. Globally, bi-axially oriented film technology development efforts tend to focus on reducing the thickness of the sheet, to 2 microns, for example. We resulted in advancing R&D efforts in the opposite direction. This is why we were able to develop a sheet with extremely high-level mechanical properties.

Q: I have a question about the new OPP. How will you address the risk of product imitation by competitors and build barriers to market entry?
A: The new OPP sheet is an achievement made possible by more than ten years of R&D work with Brückner Maschinenbau GmbH. Additionally, the evolution of the product was made possible by collaborating on technology with a polypropylene manufacturer. There is a high degree of expertise supporting the product, and we have, of course, acquired patents. Therefore, it will not be easy to imitate.

Q: I have a question about the Competitive Advantages slide. While profit in the industry as a whole has remained unchanged, FP Corporation’s market share has grown extremely large. I think you need to increase the profit of the industry as a whole rather than taking market share away from other companies. Is the profit generated by the industry as a whole expected to increase in the next five years?
A: We have not thought particularly about the profit trend of the industry as a whole. We forecast that our profit will increase.

Q: In the first half, profitability improved due to price increases and lower-than-expected raw material prices. However, I believe that profit ratio will not increase unless you continue to increase prices because expenses, including the cost of labor, distribution, and electricity, are rising. How do you think fixed costs will increase in and after the next fiscal year? What are your views on your profit ratio?
A: We believe that we do not need to increase prices if sales are growing. We expect that a new market will be established. Our forecast indicates the market will be fairly large, although it is difficult to clearly state specific times and quantities.

Q: I believe that containers for cooked food will decrease due to the increase of frozen food (cannibalization). What is your view on that? I have another question. You began to explain hospital food and nursing care food some years ago. Is quantitative forecasting still difficult at this point in time?
A: One-way containers are not used for hospital food and nursing care food. The dishes are collected and washed. Because the difficulty of maintaining this style of operation is increasing due to the labor shortage, we understand that a new market for us will be established. Quantitative forecasting is difficult. It is also related to customers' investments. We expect that the market will expand significantly before you know it. We are already seeing several successful cases.