

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

## <under Japanese GAAP>

Company name: FP Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 7947 URL: <https://www.fpcj.co.jp/>  
 Representative: Morimasa Sato, Representative Director, Chairman  
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Scheduled date for ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date for commencement of dividend payments: June 12, 2023  
 Scheduled date for filing of securities report: June 29, 2023  
 Supplementary documents for financial results: Yes  
 Financial results briefing: Yes (for institutional investors and analysts)  
 (Amounts of less than one million yen are truncated.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

#### (1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	211,285	8.0	16,703	5.2	17,328	3.7	11,529	2.9
March 31, 2022	195,700	4.4	15,884	(15.3)	16,703	(13.8)	11,206	(8.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: 11,558 million yen (4.0%)  
 Fiscal year ended March 31, 2022: 11,118 million yen (-14.6%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2023	140.87	–	8.5	6.2	7.9
March 31, 2022	136.96	–	8.8	6.6	8.1

(Reference) Shares of (profit) loss of entities accounted for using equity method: Fiscal year ended March 31, 2023: 71 million yen  
 Fiscal year ended March 31, 2022: 51 million yen

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2023	298,623	140,171	46.7	1,703.56
March 31, 2022	262,695	132,455	50.2	1,610.11

(Reference) Equity: As of March 31, 2023: 139,432 million yen  
 As of March 31, 2022: 131,760 million yen

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended				
March 31, 2023	20,071	(34,306)	16,745	22,255
March 31, 2022	23,148	(22,866)	1,578	19,745

### 2. Dividends

	Dividend per share					Total dividend	Dividend payout ratio	Dividend on equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	–	21.50	–	25.50	47.00	3,846	34.3	3.0
March 31, 2023	–	21.50	–	25.50	47.00	3,846	33.4	2.8
Fiscal year ending March 31, 2024 (forecast)	–	21.50	–	25.50	47.00		32.6	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six-month cumulative period	110,000	7.3	6,250	2.9	6,600	3.0	4,345	5.2	53.09
Year ending March 31, 2024	221,300	4.7	17,350	3.9	18,000	3.9	11,808	2.4	144.27

\* Notes

(1) Changes of important subsidiaries during the period (change in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates, and restatement

(i) Changes in accounting policies accompanying amendments to accounting standards, etc.: No

(ii) Changes in accounting policies other than (i): No

(iii) Changes in accounting estimates: No

(iv) Restatement: No

(3) Number of shares outstanding (common stock)

(i) Number of shares outstanding at end of period (including treasury shares)

As of March 31, 2023: 84,568,424 shares As of March 31, 2022: 84,568,424 shares

(ii) Number of treasury shares at the end of the period:

As of March 31, 2023: 2,720,596 shares As of March 31, 2022: 2,735,080 shares

(iii) Average number of shares outstanding during the period (consolidated cumulative period)

Fiscal year ended March 31, 2023: 81,843,319 shares Fiscal year ended March 31, 2022: 81,824,854 shares

(Reference) Overview of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(1) Non-Consolidated Results of Operations

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2023	171,582	8.4	9,454	(4.6)	12,548	(24.1)	9,543	(27.9)
March 31, 2022	158,233	4.5	9,906	(20.4)	16,531	19.2	13,236	39.8

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Fiscal year ended		
March 31, 2023	116.60	–
March 31, 2022	161.77	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
March 31, 2023	272,921	113,660	41.6	1,388.68
March 31, 2022	238,616	108,133	45.3	1,321.39

(Reference) Equity:

As of March 31, 2023:

113,660 million yen

As of March 31, 2022:

108,133 million yen

\* This summary of financial statements is outside the scope of audit procedures by certified public accountants and audit firm.

\* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to (2) Projections of 1. Overview of Consolidated Results of Operations, Etc. on page 7.

(Financial results briefing session and how to obtain the supplementary documents for financial results)

The Company will hold a financial results briefing session for financial analysts and institutional investors on May 12, 2023 (Friday). The financial results briefing will be held in person and also streamed live. Materials used for the presentations of the financial results and the video of the presentations given at the analyst meeting are planned to be posted at the Company's official website on the following dates.

- Materials used for the presentations of the financial results: Friday, May 12, 2023

- Video of the presentations given at analyst meeting: Friday, May 19, 2023

## Accompanying Materials – Contents

1. Overview of Consolidated Results of Operations, Etc.....	2
(1) Overview of Consolidated Results of Operations and Financial Situation for the Fiscal Year Ended March 31, 2023.....	2
(2) Projections.....	7
(3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year.....	9
2. Management Policy.....	10
(1) Management’s Basic Principle.....	10
(2) Targeted Management Indicators.....	10
(3) Business Environment.....	10
(4) Challenges to Be Addressed.....	10
3. Basic Approach to Selection of Accounting Standards.....	12
4. Consolidated Financial Statements and Main Notes.....	13
(1) Consolidated Balance Sheets.....	13
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	15
Consolidated Statements of Income.....	15
Consolidated Statement of Comprehensive Income.....	16
(3) Consolidated Statement of Changes in Equity.....	17
(4) Consolidated Statement of Cash Flows.....	19
(5) Notes to Consolidated Financial Statements.....	21
Note to Going Concern Assumption.....	21
Consolidated Balance Sheet.....	21
Consolidated Statement of Income.....	21
Revenue Recognition.....	22
Per Share Information.....	23
Omission of Notes.....	23
5. Other.....	23
(1) Change in Officers.....	23

## 1. Overview of Consolidated Results of Operations, Etc.

### (1) Overview of Consolidated Results of Operations and Financial Situation for the Fiscal Year Ended March 31, 2023

#### 1) Overview of Consolidated Results of Operations for the Fiscal Year Ended March 31, 2023

The Group ensures the “Hands-on Approach” and “Customer-First Concept” as its source and practices the three basic pillars of a manufacturer, namely, “reliably deliver the most environmentally friendly products of the highest quality,” “at the most competitive prices,” “whenever they are needed.” In 2023, the Group will strive to achieve further growth by focusing its efforts primarily on entrenching the various initiatives it has been pursuing to date.

#### (Net sales)

Net sales for the consolidated fiscal year under review (from April 1, 2022 to March 31, 2023) increased 8.0% or 15,585 million yen year on year to 211,285 million yen, reaching a new record high. Net sales of products manufactured by the Group rose 9.4% year on year to 166,060 million yen. Net sales of goods purchased increased 2.9% year on year to 45,225 million yen.

Sales volume of products for the consolidated fiscal year under review decreased 2.2% year on year. Major factors for the decrease are as follows. First, shipments of products for fresh food and others decreased mainly because demand for cooking and eating at home increased in the previous fiscal year due to restrictions on activities amid the COVID-19 pandemic. Second, activities for increasing market shares were suspended while negotiations were underway for the second product price revisions to be made in response to the soaring raw material prices. Sales volume of products grew 8.2% from the pre-pandemic fiscal year ended March 31, 2020 and the compound annual growth rate (CAGR) from the aforesaid fiscal year stood at 2.7%.

#### (Profits)

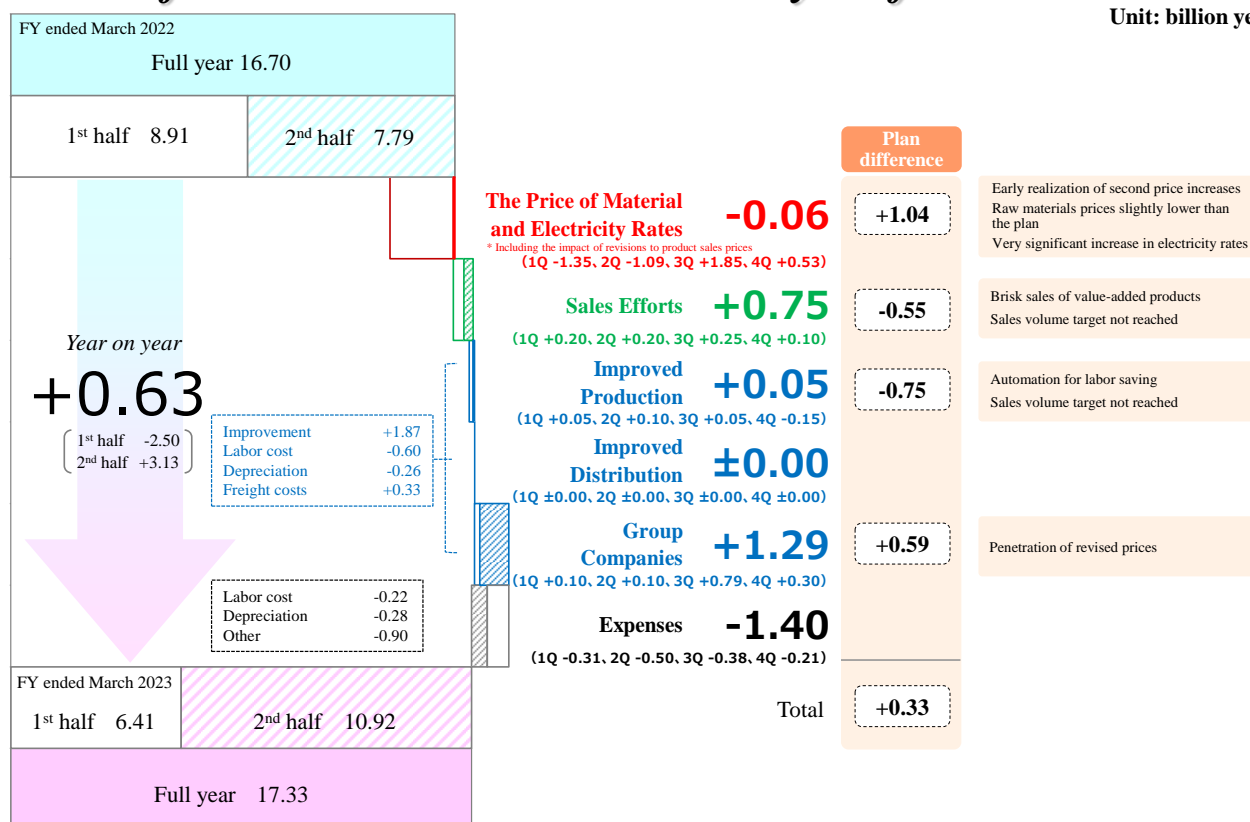
For the fiscal year under review, operating profit increased 818 million yen or 5.2% year on year to 16,703 million yen, ordinary profit increased 625 million yen (\*1) or by 3.7% year on year to 17,328 million yen, ordinary profit before depreciation and amortization increased 3.9% year on year to 31,509 million yen, and profit attributable to owners of parent increased 2.9% year on year to 11,529 million yen. For the second half of the fiscal year under review, operating profit increased 3,293 million yen, or 44.9 % year on year, to 10,630 million yen, ordinary profit also increased 3,122 million yen, or by 40.0% year on year, to 10,919 million yen, ordinary profit before depreciation and amortization increased 22.9% year on year, to 18,072 million yen, and profit attributable to owners of parent increased 36.9% year on year, to 7,398 million yen. All of these are record-high figures.

Factors for the increase of profits include the effect of two price revisions and improvement in each segment and strong sales of products with high added value such as those for prepared food and eco-friendly products (Eco Tray, Eco APET, and Eco OPET). On the other hand, factors that decreased profits included a rise in raw material prices, higher electricity rates, and an increase in labor expenses. For the first half of the consolidated fiscal year under review (from April 1, 2022 to September 30, 2022), ordinary profit was 1,009 million yen above the initial target following the early realization of the price revision effect. On a full-year basis, ordinary profit was 328 million yen higher than forecast for the fiscal year under review. This reflects the failure to meet the initial target in the sales volume of products and much higher electricity rates than initially projected, although raw material prices were slightly lower than the initial forecast in the second half.

(\*1) Factor for the increase/decrease of ordinary profit

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

Unit: billion yen



(Sales activities)

The Group aims to contribute to increasing customers' income mainly with proposals focused on functions of containers that help improve customers' productivity and their effects for emphasizing the freshness and volume of food. Specifically, the Group is stepping up initiatives for the demands of existing customers through its marketing activities, discovering new markets such as those for hospital food, nursing care food, and frozen food and promoting its products in the market for takeout and delivered food.

While prices of raw materials, electricity, and other goods were rising, the Group focused its efforts on negotiations for the second price revisions until the first half of the fiscal year. Meanwhile, the Group also made proposals for curbing the rise in purchase prices for customers, such as products made from foam materials with the reduced use of raw materials compared to conventional products made from non-foam materials, as well as transparent lids whose thickness was reduced by applying a new molding technology.

Initiatives to expand sales include a small exhibition that took place at eight locations from September to November 2022, and the FPCO Fair 2023, which was held in March 2023 on the theme of *New Value for the Rapidly Changing Market -- Future of Food and Power of Containers*. The event proposed packaging materials (\*2) and goods creation suited to the growing frozen food market, as well as containers for processing centers and central kitchens, which carry out all processes from production to delivery of food items to be sold at supermarkets.

For Pack Market, an e-commerce site for packaging materials, the Group enhanced registered items and carried out sales promotional activities, which has resulted in a larger number of registered members and ongoing growth in sales amounts.

Concerning product supply, the Group has maintained stable supply with almost zero missing items through its supply chain management system while trends in demand have been uncertain. The Group will continue striving to further increase accuracy to support safe, secure food lifestyles.

(\*2) Flexible packaging (three-side sealed bag) that can be used in combination with a container



(Production)

The Group is striving to improve productivity through initiatives that include improvements in capacity utilization and automation. It is also taking steps to further improve product safety by acquiring FSSC 22000 certification. At the same time, it is giving hazard simulation training and other safety education as well.

During the consolidated fiscal year under review, Chubu Plant 1 and Kansai Plant came into operation. At these plants, the Group has introduced the latest equipment, which automates the series of processes from acceptance of raw materials to molding and product warehousing operations, in an effort to save manpower and improve the workplace environment.

Further, the Group acquired new land (site area: 51,819.61 m<sup>2</sup>) in Bando Inter Industrial Park in Ibaraki in July 2022. The Group is planning to construct a production plant and a distribution center on the land, aiming to secure sufficient production capacity and storage capacity that will ensure stable supply to the Tokyo Metropolitan Area over the medium to long term.

(Logistics)

The Group is working to increase the loading efficiency of each truck in an effort to cut logistical expenses. To save labor and streamline operations in the warehouse, the Group has been advancing diverse initiatives, including the introduction of unmanned carriers (automated guided vehicles: AGVs) and autonomous forklifts (automated guided forklifts) and the use of a voice picking system and pallet transportation.

During the consolidated fiscal year under review, the Kansai Hub Center came into operation. This resulted in the completion of a logistics network that covers 85% of the total population, including the populations of major cities, within a 100 km radius of each of the distribution centers of the Group's facilities all over Japan (Hokkaido, Tohoku, Kanto, Hachioji, Tokai, Chubu, Kansai, Fukuyama, and Kyushu). Previously, products for the Kansai region were delivered from the Fukuyama Hub Center. They are now delivered from the Kansai Hub Center. The purpose is to shorten the delivery time, to comply with the regulations on overtime work of drivers associated with the Act on the Arrangement of Related Acts to Promote Work Style Reform, and to otherwise ensure more stable supply.

[Overview of the new plants and hub centers]

	Chubu Plant I	Kansai Plant and Kansai Hub Center
Location	Wanouchi-cho, Anpachi-gun, Gifu Pref.	Ono, Hyogo Pref.
Total floor area	20,810.61 m <sup>2</sup>	79,883.65 m <sup>2</sup>
Completion scheduled	May 2022	January 2023
Total investment amount	8,530 million yen (After reduction entry 6,301 million yen)	26,670 million yen

(Initiatives aimed at realizing a recycling-based, sustainable society)

The FPCO Group considers climate change and marine plastic waste to be material issues that must be addressed, and promotes the following initiatives to resolve them.

(a) Promotion of recycling

Inspired by collection of used containers at six supermarkets in 1990, the Group launched Tray to Tray as an FPCO method of recycling. Along with the system of sorting and collection under the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging that came into force in 1997, Tray to Tray enjoyed the understanding and cooperation of consumers. As of the end of March 2023, the number of collection points exceeded 10,500 and is still increasing. Since 2012, the Group has also been working on Bottle to Transparent Container, a project for recycling used PET bottles (plastic bottles) into transparent containers.

Against the backdrop of the recent rise in environmental awareness, labelling (\*3) signaling consideration for the environment and contribution to the SDGs is rapidly becoming more widely used in retail spaces. The Group's products also convey, to consumers, through display of the Eco Mark symbol on environmentally friendly products (Eco Tray, Eco APET and Eco OPET) and the printing of the words "Recycled from PET bottles" that used containers are recycled into new ones. In November 2022, the Group began to collaborate with Chugoku CGC Co., Ltd. in promoting horizontal recycling in Tray to Tray and Bottle to Transparent Container activities in partnership with 249 supermarkets operated by 15 companies affiliated with Chugoku CGC. The Group is making efforts to promote Store to Store, a scheme for recycling starting with stores. Under the scheme, a store collects used trays and PET bottles that originated from that store, and the Group recycles them into Eco-products for use at the store.

(\*3) Messaging about consideration for the environment and the SDGs at sales counters



(b) Initiatives to address climate change issues

The Group has set medium- to long-term targets aimed at achieving carbon neutrality by 2050. The Group has disclosed its governance, strategies, and other initiatives for achieving these targets in accordance with the TCFD Recommendations.

The Group is taking steps to reduce CO<sub>2</sub> emissions from its business locations, including the introduction of renewable energy and energy-efficient equipment. At the same time, to reduce CO<sub>2</sub> emissions from the entire supply chain, the Group is promoting sales of eco-friendly products, which effectively reduce CO<sub>2</sub> emissions by 30% compared to petroleum-derived products free of recycled materials.

Regarding the introduction of renewable energy, solar power generation facilities, which have been installed at the Group's plants in Kanto and Chubu regions, have begun operating. The Group also has a plan to introduce solar power generation facilities in the Kansai region in March 2024. This will enable the use of renewable energy for all processes of the manufacturing of recycled materials at the Group's used tray recycling plants and is expected to increase the CO<sub>2</sub> reduction effect of eco trays from 30% to 37%.

(c) Initiatives taken through the FP Corporation Environment Fund

The Company launched The FP Corp. Environment Fund in March 2020 to extend financial support to organizations which engage in activities in the three areas of the protection of the environment, environmental education and research and activities to resolve issues surrounding food and to provide food support. For the fiscal year ended March 31, 2023, the Company subsidized 14 organizations, and it has decided to subsidize 22 for the fiscal year ending March 31, 2024. In addition, the

Company also has Group employees participate in those organizations' activities as part of its efforts to build a sustainable society together with people from local communities.

(d) Research and development of recycling methods and alternative materials

Based on the idea that the expansion and promotion of recycling is an effective measure for tackling the climate change issues and marine plastic waste, the Group will continue to surely implement the FPCO method of Tray to Tray and Bottle to Transparent Container recycling, which is based on established recycling technologies and systems for products made of a single material.

The Company is studying chemical recycling and dissolution and separation recycling technologies in collaboration with DIC Corporation for cradle-to-cradle recycling of expanded polystyrene containers. The Company also recycles colored and patterned expanded polystyrene containers, which would be recycled into daily necessities, sundry goods, and other items, into the Company's products, aiming to recycle above-ground resources further.

With regard to the diversification of materials, the Company has released biomass plastic products made of 25% plant-derived materials as well as paper containers for sushi and paper trays. The Company, FP CHUPA Corporation, and FP Trading Co., Ltd. have acquired an FSC® certification (FSC®C163782) at all of their sales offices and plants for manufacturing paper products. The Group will strive to provide its stakeholders with accurate information about characteristics of these alternative materials, their environmental impact, and other aspects.

The Group will continue expanding the research and studies of recycling methods and collecting information about new materials, such as paper and biomass materials, by assuming that technologies will continue to progress. At the same time, the Group will develop containers with low environmental impact, with the aim of achieving a recycling-based, sustainable society.

(Initiatives on ESG and SDGs)

The Group is implementing initiatives for achieving SDGs, including recycling of resources and promotion of active participation of diverse human resources, and striving to disclose more ESG information.

The Group's human resources with disabilities engage in core operations, including manufacturing of food containers and sorting of used food containers. As of March 2023, the employment rate for employees with disabilities in the FPCO Group has reached 12.5%.

Concerning promotion of active participation and career advancement of women, the Company published its general employers action plan based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace on the Ministry of Health, Labour and Welfare's database of companies promoting the active participation and career advancement of women, aiming to expand occupational domains of female employees, to aid women in remaining employed, and to increase the number of women in managerial positions. The Company set the target ratio of female employees for the main career track at 30% or more among all employees to be hired from 2022 onwards. The Company has also set the target number of female managers at 50 or more and the target percentage of childcare leave taken by male employees at 30% or higher. The Company is implementing a range of initiatives to achieve these targets by 2026. Among those who joined the Company for the main career track in April 2023, 24% were women. As of the end of March 2023, the Company had 46 female managers and 9% of male employees entitled to childcare leave took it during the fiscal year ended March 31, 2023.

To promote good health among employees, the Company strives to improve the workplace environment while also implementing the Workplace Health Promotion Project, in which every initiative and all available information are taken and used to improve health, in its efforts to improve employees' vitality and productivity.

As a result of these initiatives, the Company has been selected as a constituent of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index by FTSE Russell, as well as the MSCI Japan Empowering Women (WIN) Select Index by MSCI Inc., and recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) by the Ministry of Economy, Trade and Industry.

In addition, the Company provides containers to children's cafeterias by working together with its business partners. Since May 2020, the Company has made ten donations totaling 789,460 sets of containers for packed lunches and soup.

The Company will continue to take initiatives for achieving Sustainable Development Goals (SDGs).

2) Overview of Financial Situation in the Fiscal Year Ended March 31, 2023

Consolidated assets at the end of the fiscal year under review totaled 298,623 million yen, up 35,927 million yen from the end of



the previous fiscal year. This was mainly due to an increase in merchandise and finished goods of 4,134 million yen, resulting chiefly from soaring raw material prices, an increase in raw materials and supplies of 1,429 million yen for the same reason, and an increase in property, plant and equipment of 15,460 million yen principally after reconstruction of Chubu Plant 1 and construction of the Kansai Plant and the Kansai Hub Center.

Consolidated liabilities amounted to 158,452 million yen, up 28,212 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in accounts payable – trade of 2,648 million yen, which is attributed chiefly to a rise in raw material prices, and an increase in loans payable (short-term loans payable and long-term loans payable) of 21,994 million yen largely attributable to borrowing for capital expenditure.

Consolidated net assets totaled 140,171 million yen, up 7,715 million yen from the end of the previous fiscal year. This change mainly reflected the profit attributable to owners of parent of 11,529 million yen and dividends of surplus of 3,846 million yen.

### 3) Overview of Cash Flows in the Fiscal Year Ended March 31, 2023

Consolidated cash and cash equivalents (hereinafter, “cash”) at the end of the fiscal year under review totaled 22,255 million yen, up 2,510 million yen from the end of the previous fiscal year.

The status of cash flows from the respective activities and the causes are described as follows.

(Cash flows from operating activities)

Net cash provided by operating activities came to 20,071 million yen, down 3,076 million yen from a year earlier.

This reflected a cash increase due mainly to profit before income taxes of 16,930 million yen, depreciation of 14,180 million yen, and an increase in notes and accounts payable – trade of 2,648 million yen, as well as a cash decrease following an increase in notes and accounts receivable – trade of 3,036 million yen, an increase in inventories of 5,574 million yen, and income taxes paid of 4,403 million yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 34,306 million yen, up 11,439 million yen from the previous fiscal year.

This was due mainly to 27,774 million yen spent on the purchase of property, plant and equipment in connection with the rebuilding of Chubu Plant 1 and the construction of the Kansai Plant and the Kansai Hub Center and 6,964 million yen spent on purchase of shares of an associate.

(Cash flows from financing activities)

Net cash provided by financing activities came to 16,745 million yen (an increase of 15,166 million yen from a year earlier).

This primarily reflected proceeds from long-term loans payable of 38,000 million yen, repayment of long-term loans payable of 16,005 million yen and cash dividends paid of 3,845 million yen.

## (2) Projections

For the consolidated fiscal year ending March 31, 2024, the Group forecasts that it will achieve net sales of 221,300 million yen, up 4.7% year on year, operating profit of 17,350 million yen, up 3.9%, ordinary profit of 18,000 million yen, up 3.9%, and profit attributable to owners of parent of 11,808 million yen, up 2.4%. (\*4)

The forecast mentioned above reflects judgments based on currently available information, and actual financial results and position may be affected by various other factors. Information that should be disclosed will be announced as soon as it arises.

On the sales front, further growth in demand for environmentally friendly products and products which use less plastic is forecast against the backdrop of rising environmental awareness. The Group is stepping up active efforts to expand sales towards the market for takeout and delivered food, which took root under the pandemic, and towards markets for frozen food and for hospital food and nursing care food, where the Group will strive to boost its sales in the future. As an initiative to increase sales of goods, FP Trading Co., Ltd. was merged with FPCO Miyako Himo Co., Ltd. on July 1, 2022. The product merchandising and procurement capabilities of FP Trading have been combined with FPCO Miyako Himo's sales capabilities. Thus, the Group is advancing new forms of initiatives by using its infrastructure, together with its business partners.

Among the raw material prices, the price of naphtha as a raw material for the Company's products is declining while that of benzene remains high. Prices of polystyrene are also expected to remain at high levels. The Company forecasts that electricity rates will also stay high.

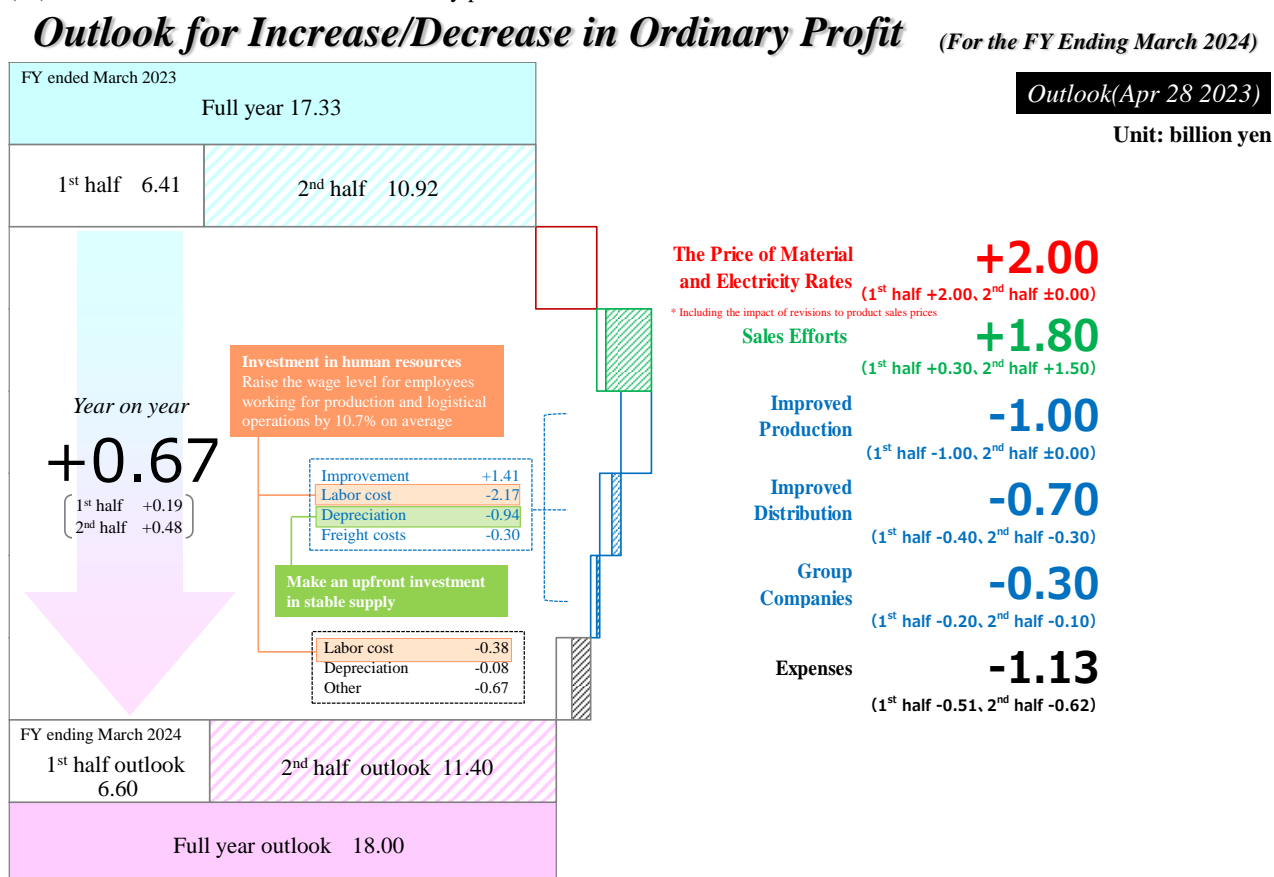
To secure the personnel it needs, the Group decided to raise wage levels for working-level employees of manufacturing and logistics companies in the Group by 10.7% on average starting from April 2023 and to increase the starting wage for new graduate employees as well. In addition, the Group will improve treatment for employees of manufacturing companies,

including an increase in the number of holidays per year in an effort to attract and retain competent personnel and to improve the quality of products and services offered to customers.

As a measure to expand into overseas markets, the Company acquired 40% equity stakes in Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia; hereinafter, "LSSPI"), which manufactures and sells simplified food containers mainly in Southeast Asia. The Company made LSSPI an equity method affiliate on August 31, 2022. While the demand for food containers in Southeast Asia is expected to grow due to the population increase and rising income levels, the Company will enhance productivity by, for example, saving labor for manufacturing and shortening the molding cycle, aiming to improve LSSPI's competitiveness in Southeast Asia and to maximize its profits.

Through such value creation proposals and the creation of new markets combined with the research and development of recycling technologies, M&A, and other initiatives, the Group will aim to achieve sustainable growth.

(\*4) Forecasts on increase/decrease of ordinary profit



(Explanations of terms)

- Eco Tray: A recycled, expanded polystyrene container for which polystyrene containers collected at supermarkets or similar places and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
- Eco APET container: A recycled polyethylene terephthalate (PET) transparent container for which PET transparent containers collected at supermarkets or similar places, PET bottles and scrap pieces collected within plants are used as raw materials.  
Heat resistance temperature of +60°C (sales commenced in 2012).
- Eco OPET container: 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 (a conventional transparent container molded from the bi-axially oriented polystyrene sheets).  
Heat resistance temperature of +80°C (sales commenced in 2016).
- FSSC22000: An international standard for food safety management systems, which is aimed at providing safe food for consumers
- Dissolution and separation recycling: A method with which black polystyrene (PS) pellets produced through material recycling are dissolved and decolorized to produce recycled PS materials for food containers.  
Developed by DIC Corporation, this is the first technology of its kind in the world.

FSC®:

Forest Stewardship Council® (FSC®) is an international non-profit organization established to promote responsible management of 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.

(3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

The FPCO Group regards providing shareholders with an appropriate return on their investment as one of its most important goals. We will make continuous and stable dividend payments while increasing our profitability and improving our financial standing. We will maintain retained earnings as sources for the flexible strengthening of management and strategic investment in business expansion. According to our dividend policy, we have set a target of achieving a ratio of consolidated dividend payout to profit attributable to owners of parent of the Group of 30%. We have decided to pay an interim dividend of 21.5 yen per share and plan to pay a year-end dividend of 25.5 yen per share for the fiscal year under review. As a result, the consolidated payout ratio is 33.4%. For the next fiscal year, we will be paying a dividend of 47 yen per share to ensure the continuity of dividend payments as in the fiscal year under review, expecting a consolidated payout ratio of 32.6%.

## 2. Management Policy

### (1) Management's Basic Principle

Based on the management philosophies of “Hands-on Approach” and “Customer First,” FP Corporation consistently focuses on the environment, safety, security and health. We operate our businesses to provide products, services and proposals that respond to a broad array of customer and expectations. We are also making efforts to spread our FPCO recycling method (Tray-to-Tray and Bottle-to-Transparent Container) to build a recycling-oriented society.

The Group will aim to become “a corporate group that creates comfortable dietary lives for customers through food containers” and pursue “reliably delivering the most environmentally friendly products of the highest quality,” “at the most competitive prices,” “whenever they are needed.” We will continue to create value for customers by further strengthening our value chain, where our marketing, product development capability, ability to make suggestions, manufacturing technologies, logistics network, stable supply ensured by SCM, recycling, and IT systems all complement each other. In doing so, we will aim for sustainable growth and the medium- to long-term improvement in our corporate value in our management efforts.

### (2) Targeted Management Indicators

As per the Group's consolidated management targets, we aim to achieve net sales of 300,000 million yen and ordinary profit of 30,000 million yen. We have defined the ratio of ordinary profit to net sales and net income per share as our consolidated management indicators and set their targets at 10% or higher and at 250 yen respectively. Our dividend policy has set a target of achieving a ratio of consolidated dividend payout to profit attributable to owners of parent of the Group of 30%.

### (3) Business Environment

The food container market continued to grow in line with the market for home meal replacements, centering on boxed meals and prepared food, amid the recent increases in single-person households and in two-income households. The market for takeout and delivered food has taken root during the COVID-19 pandemic. It is expected to continue to grow. Similarly, the markets for frozen food, which may be preserved for long periods, and for hospital food and nursing care food, including food deliveries to elderly people, should also continue to expand.

Meanwhile, the food retail industry is under pressure to increase efficiency and save labor. It is also facing significant changes, including hikes in raw materials, staffing and logistics costs, mounting hygienic demand for food safety and reassurance, and growing public interest in reducing CO<sub>2</sub> emissions and marine plastics.

In response, to contribute to greater safety and reassurance in consumption, the Group makes proposals to contribute to the improvement of customers' productivity using containers, create value for customers using containers, and as a result, contribute to the increase of their income.

### (4) Challenges to Be Addressed

#### (i) Environmentally friendly operation

As the industry leader, the Group aims to build a sustainable world by achieving a recycling-oriented society through our business activities centering on FPCO recycling methods of Tray-to-Tray and Bottle-to-Transparent Container.

To cut CO<sub>2</sub> emissions, the Group has set medium- to long-term targets of achieving carbon neutrality by 2050. The Group has disclosed its governance, strategies, and other initiatives for achieving these targets in accordance with the TCFD Recommendations. The Group is taking steps to reduce CO<sub>2</sub> emissions from its business locations, including the introduction of renewable energy and energy-efficient equipment. At the same time, for reducing CO<sub>2</sub> emissions from the entire supply chain, the Group is working to boost sales of eco-friendly products, which effectively reduce CO<sub>2</sub> emissions by 30% compared to petroleum-derived products free of recycled materials.

Regarding the introduction of renewable energy, solar power generation facilities, which have been installed at the Group's plants in Kanto and Chubu regions, have begun operating. The Group also has a plan to introduce solar power generation facilities in the Kansai region in March 2024. This will enable the use of renewable energy for all processes of the manufacturing of recycled materials at the Group's used tray recycling plants and is expected to increase the CO<sub>2</sub> reduction effect of eco trays from 30% to 37%.

On the assumption that technologies will continue to advance, we will study different recycling methods and collect information on paper, biomass and other new materials. Through the design and development of environment-conscious products with one of the lowest levels of environmental impact in the industry, we will implement various measures such as reducing and recycling industrial waste generated from business activities. In addition, the FP Corporation Environment Fund was established in March

2020. It offers financial support to non-profit and other organizations conducting activities with a focus on environmental conservation. Some Group employees participate in those organizations' activities. It is part of the Group's efforts to build a sustainable society together with local communities.

(ii) Attracting and retaining workers

The Group understands that the most important element in business continuity is to attract and retain excellent workers. Our efforts in the past several years include a review of the retirement benefit program, as well as revisions to various allowances at manufacturing companies in the Group. We have decided to raise the wage levels for working-level employees for the Group's manufacturing and logistics companies by as much as 10.7% on average and to increase the number of holidays at manufacturing companies. They have been in effect since April 2023. In addition, we are improving treatment for employees. Specific actions include the introduction of automation systems to manufacturing and logistics sites, and the construction of Pico Houses, company dormitories for single employees, to provide a comfortable living environment.

(iii) Technological innovation and development of new products

The Group has developed products that meet the needs of customers by introducing state-of-the-art production facilities and replacing equipment, and by promoting comprehensive technological innovation by making products lighter and developing new functions and materials to provide customers with high quality and value added products, as well as products with enhanced functions.

(iv) Suggestions on marketing and value creation

The food market is changing constantly. For example, the market for takeout and delivered food has taken root, and that for frozen food continues to grow. In response to these changes, the Group makes optimal suggestions and develops new products on the basis of customer needs and issues identified.

We also support clients taking environmentally friendly actions through the reduction of CO<sub>2</sub> emissions, improving work productivity to deal with labor shortages, or working to cut logistics costs by providing FPCO's logistics network. We provide these and other comprehensive solutions to issues shared within the retail industry.

(v) Enhancement of supply system

We operate our nationwide production and logistics network and our supply chain management system, aiming to ensure stable supply and to optimize the total cost. The Kansai Plant and the Kansai Hub Center were inaugurated in January 2023. That meant the completion of a production and logistics network that covers 85% of the total population, including the populations of major cities within a 100 km radius from each of our distribution centers. In addition, the Group has introduced industrial robots in production, and voice-activated picking systems, unmanned carriers (AGVs), unmanned forklifts (AGFs,) and shipment systems with automatic sorters in distribution, thereby saving labor and improving work productivity.

(vi) Management emphasizing social responsibility

The Group actively deploy personnel with disabilities to main operations such as the manufacturing of food containers and the sorting of used food containers that have been collected. We will also support our business partners and others in creating jobs for people with disabilities.

In order to aid our clients' business continuity, we have installed an emergency power generator at all of our 22 major logistics facilities in Japan. Thus, we have established a system that will provide 72 hours' worth of electricity. As a company that supports the foundations for food, we strive to maintain our logistics functions even in the event of power failure caused by a disaster or other reasons, and to ensure stable supply.

(vii) Enhancement of intellectual property rights

To ensure uniqueness and differentiation advantage of our products in the market, we apply for patents, utility model rights and design registrations, to enhance corporate value through the acquisition of intellectual property rights.

(viii) Promoting decent work

We are aware that providing the Group's individual employees with an environment that allows them to display their abilities and characteristics to the fullest degree in order to fulfill their roles and feel fulfilled and satisfied while working vigorously is a management issue that leads to enhanced corporate value. Based on this awareness, we are pushing forward with initiatives to enable employees to work in diverse ways in accordance with their lifestyles. They include the introduction of a program for staggered working hours, an obligation to take paid leave for five consecutive days, the introduction of an hourly paid leave program, and the introduction of a program that permits employees to choose their mandatory retirement age from 60 to 65. We will further work towards recognition as one of the *White 500* enterprises under the Certified Health & Productivity Management Outstanding Organizations Recognition Program. We are stepping up Group-wide efforts to have our subsidiaries recognized as Certified Health & Productivity Management Outstanding Organizations in the small and medium enterprises category and to have them certified under other programs.

### 3. Basic Approach to Selection of Accounting Standards

The Group has decided to adopt Japanese Accounting Standards for the time being. However, we plan to conform to IFRS (International Financial Reporting Standards) as appropriate upon consideration of domestic developments and the situation in other countries.

#### 4. Consolidated Financial Statements and Main Notes

##### (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	19,745	22,255
Notes and accounts receivable - trade	38,915	42,002
Merchandise and finished goods	20,576	24,711
Work in process	109	119
Raw materials and supplies	3,594	5,024
Accounts receivable - other	3,872	6,625
Other	689	701
Allowance for doubtful accounts	(27)	(28)
<b>Total current assets</b>	<b>87,477</b>	<b>101,413</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	145,752	170,102
Accumulated depreciation	(67,110)	(71,006)
Buildings and structures, net	78,641	99,095
Machinery, equipment and vehicles	80,908	89,422
Accumulated depreciation	(49,332)	(54,837)
Machinery, equipment and vehicles, net	31,576	34,584
Land	36,243	37,754
Lease assets	5,595	3,411
Accumulated depreciation	(3,769)	(1,733)
Lease assets, net	1,825	1,677
Construction in progress	11,096	1,608
Other	21,594	22,108
Accumulated depreciation	(17,146)	(17,535)
Other, net	4,448	4,572
<b>Total property, plant and equipment</b>	<b>163,832</b>	<b>179,293</b>
<b>Intangible assets</b>		
Goodwill	413	224
Other	1,215	1,536
<b>Total intangible assets</b>	<b>1,629</b>	<b>1,760</b>
<b>Investments and other assets</b>		
Investment securities	4,569	10,898
Deferred tax assets	3,942	4,067
Other	1,320	1,215
Allowance for doubtful accounts	(76)	(25)
<b>Total investments and other assets</b>	<b>9,756</b>	<b>16,156</b>
<b>Total non-current assets</b>	<b>175,218</b>	<b>197,210</b>
<b>Total assets</b>	<b>262,695</b>	<b>298,623</b>

(Million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	23,881	26,530
Short-term loans payable	14,134	14,909
Commercial papers	18,000	18,000
Lease obligations	1,144	1,031
Accounts payable—other	6,677	10,873
Income taxes payable	2,192	3,241
Accrued consumption taxes	771	567
Provision for bonuses	2,768	3,011
Provision for directors' bonuses	166	167
Other	7,069	5,551
<b>Total current liabilities</b>	<b>76,807</b>	<b>83,883</b>
<b>Non-current liabilities</b>		
Long-term loans payable	46,031	67,251
Lease obligations	863	815
Provision for directors' retirement benefits	776	130
Provision for executive officers' retirement benefits	73	96
Net defined benefit liability	5,191	5,139
Other	495	1,134
<b>Total non-current liabilities</b>	<b>53,432</b>	<b>74,568</b>
<b>Total liabilities</b>	<b>130,239</b>	<b>158,452</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	13,150	13,150
Capital surplus	15,545	15,552
Retained earnings	107,443	115,126
Treasury shares	(5,561)	(5,531)
<b>Total shareholders' equity</b>	<b>130,577</b>	<b>138,298</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,283	1,075
Foreign currency translation adjustment	–	(25)
Remeasurements of defined benefit plans	(100)	84
<b>Total accumulated other comprehensive income</b>	<b>1,182</b>	<b>1,134</b>
<b>Non-controlling interests</b>	<b>695</b>	<b>738</b>
<b>Total net assets</b>	<b>132,455</b>	<b>140,171</b>
<b>Total liabilities and net assets</b>	<b>262,695</b>	<b>298,623</b>



(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	195,700	211,285
Cost of sales	*2 133,028	*2 145,821
Gross profit	62,671	65,463
Selling, general and administrative expenses	*1 *2 46,787	*1 *2 48,760
Operating profit	15,884	16,703
Non-operating income		
Interest income	1	2
Dividends income	115	108
Share of profit of entities accounted for using equity method	51	71
Subsidy income	143	71
Rent income	93	87
Gain on sales of scraps	141	186
Other	451	381
Total non-operating income	998	908
Non-operating expenses		
Interest expenses	69	137
Loss on valuation of investment securities	21	0
Depreciation	19	19
Other	70	126
Total non-operating expenses	180	283
Ordinary profit	16,703	17,328
Extraordinary income		
Gain on sales of non-current assets	*3 241	–
Gain on sales of investment securities	–	346
Insurance income	*5 2,362	–
Total extraordinary income	2,603	346
Extraordinary losses		
Loss on sales and retirement of non-current assets	*4 324	*4 745
Loss on tax purpose reduction entry of non-current assets	*5 2,229	–
Fire loss	*5 63	–
Retirement benefit expenses	232	–
Total extraordinary losses	2,849	745
Profit before income taxes	16,458	16,930
Income taxes - current	5,021	5,439
Income taxes - deferred	132	(115)
Total income taxes	5,153	5,324
Profit	11,304	11,606
Profit attributable to non-controlling interests	98	76
Profit attributable to owners of parent	11,206	11,529

## (Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	11,304	11,606
Other comprehensive income		
Valuation difference on available-for-sale securities	(129)	(207)
Remeasurements of defined benefit plans, net of tax	(57)	184
Share of other comprehensive income of entities accounted for using equity method	(0)	(24)
Total other comprehensive income	(186)	(47)
Comprehensive income	11,118	11,558
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,019	11,481
Comprehensive income attributable to non-controlling interests	98	76

## (3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2022

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,487	99,959	(5,617)	122,980
Changes of items during period					
Dividends of surplus			(3,722)		(3,722)
Profit attributable to owners of parent			11,206		11,206
Purchase of treasury share				(0)	(0)
Disposal of treasury shares		57		56	113
Net changes of items other than shareholders' equity					
Total changes of items during period	-	57	7,484	55	7,597
Balance at end of current period	13,150	15,545	107,443	(5,561)	130,577

(Million yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,412	(42)	1,369	630	124,980
Changes of items during period					
Dividends of surplus					(3,722)
Profit attributable to owners of parent					11,206
Purchase of treasury share					(0)
Disposal of treasury shares					113
Net changes of items other than shareholders' equity	(129)	(57)	(186)	64	(122)
Total changes of items during period	(129)	(57)	(186)	64	7,475
Balance at end of current period	1,283	(100)	1,182	695	132,455

Fiscal year ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,545	107,443	(5,561)	130,577
Changes of items during period					
Dividends of surplus			(3,846)		(3,846)
Profit attributable to owners of parent			11,529		11,529
Purchase of treasury share				(0)	(0)
Disposal of treasury shares		7		30	37
Net changes of items other than shareholders' equity					
Total changes of items during period	-	7	7,683	29	7,720
Balance at end of current period	13,150	15,552	115,126	(5,531)	138,298

(Million yen)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,283	-	(100)	1,182	695	132,455
Changes of items during period						
Dividends of surplus						(3,846)
Profit attributable to owners of parent						11,529
Purchase of treasury share						(0)
Disposal of treasury shares						37
Net changes of items other than shareholders' equity	(207)	(25)	184	(47)	43	(4)
Total changes of items during period	(207)	(25)	184	(47)	43	7,715
Balance at end of current period	1,075	(25)	84	1,134	738	140,171

## (4) Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,458	16,930
Depreciation	13,636	14,180
Increase (decrease) in provision for bonuses	(143)	242
Increase (decrease) in provision for directors' bonuses	14	1
Increase (decrease) in allowance for doubtful accounts	(12)	(50)
Increase (decrease) in provision for directors' retirement benefits	135	(646)
Increase (decrease) in provision for executive officers' retirement benefits	22	23
Increase (decrease) in net defined benefit liability	555	(51)
Interest and dividends income	(117)	(110)
Interest expenses	69	137
Share of loss (profit) of entities accounted for using equity method	(51)	(71)
Loss (gain) on sales of investment securities	–	(346)
Loss (gain) on sales and retirement of non-current assets	67	735
Loss on tax purpose reduction entry of non-current assets	2,229	–
Insurance income	(2,362)	–
Fire loss	63	–
Decrease (increase) in notes and accounts receivable - trade	(2,144)	(3,036)
Decrease (increase) in inventories	(1,884)	(5,574)
Decrease (increase) in accounts receivable - other	(624)	(882)
Increase (decrease) in notes and accounts payable - trade	2,696	2,648
Increase (decrease) in other assets/liabilities	(151)	1,866
Increase (decrease) in accrued consumption taxes	(786)	(2,118)
Other, net	507	620
Subtotal	28,179	24,498
Interest and dividend income received	117	110
Interest expenses paid	(68)	(134)
Proceeds from insurance income	2,362	–
Payments for fire loss	(339)	–
Income taxes paid	(7,102)	(4,403)
Net cash provided by (used in) operating activities	23,148	20,071
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,246)	(27,774)
Proceeds from sales of property, plant and equipment	743	445
Purchase of intangible assets	(300)	(569)
Proceeds from sales of investment securities	–	756
Purchase of shares of an associate	–	(6,964)
Other, net	(62)	(200)
Net cash provided by (used in) investing activities	(22,866)	(34,306)

(Million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from long-term loans payable	24,000	38,000
Repayment of long-term loans payable	(17,126)	(16,005)
Purchase of treasury shares	(0)	(0)
Repayments of lease obligations	(1,538)	(1,369)
Cash dividends paid	(3,723)	(3,845)
Dividends paid to non-controlling interests	(33)	(33)
Other, net	–	0
Net cash provided by (used in) financing activities	1,578	16,745
Net increase (decrease) in cash and cash equivalents	1,860	2,510
Cash and cash equivalents at beginning of period	17,884	19,745
Cash and cash equivalents at end of period	19,745	22,255

(5) Notes to Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Consolidated Balance Sheet

Overdraft agreements and agreements for loan commitments

The Company and its consolidated subsidiaries have concluded overdraft agreements and agreements for loan commitments for the effective procurement of operating funds. The unexercised outstanding of loans as of the end of March 31, 2022 and 2023 under these agreements is as follows:

	(Million yen)	
	As of March 31, 2022	As of March 31, 2023
Total of overdraft limit and loan commitments	50,150	50,150
Exercised outstanding	364	364
Difference	49,786	49,786

Consolidated Statement of Income

\*1. Of selling, general and administrative expenses, the major expense items and their amounts are as follows:

	(Million yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Warehousing and carrying charges	18,571	18,431
Remuneration for officers	782	837
Salaries for employees	8,744	8,909
Provision for reserve for bonuses to officers	166	167
Provision for reserve for bonuses	1,344	1,534
Retirement benefit expenses	417	457
Provision for reserve for officer's retirement	135	33
Provision for reserve for executive officer's retirement	22	23
Depreciation	3,715	3,980
Provision for allowance for doubtful accounts	(9)	(11)

\*2. Total research and development costs included in selling, general and administrative expenses as well as manufacturing costs

	(Million yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	1,154	1,295

\*3. Details of gain on sales of non-current assets are as follows:

	(Million yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Land	241	-
Total	241	-

\*4. Details of loss on sales and retirement of non-current assets are as follows:

(Million yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
(Loss on retirement of non-current assets)		
Buildings and structures	169	355
Machinery, equipment and vehicles	40	139
Construction in progress	–	19
Other	81	78
Subtotal	290	593
(Loss on sales of non-current assets)		
Buildings and structures	1	–
Machinery, equipment and vehicles	1	29
Land	29	119
Other	0	2
Subtotal	33	151
Total	324	745

\*5. Fire loss, insurance claim income, and loss on tax purpose reduction entry of non-current assets

Fire loss and insurance claim income are a loss caused by a fire at the Company's Chubu Plant 1 in November 2020 and an insurance claim related to the fire, respectively. Loss on tax purpose reduction entry of non-current assets is related to a new plant built to replace the plant burned by the fire. A breakdown of the fire loss by cause is as follows.

(Million yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Provision for expenses for asset removal	(5)	–
Other	69	–
Total	63	–

#### Revenue Recognition

A breakdown of revenue generated from contracts with customers

The Group has a single segment, the simplified food container business, and the table below shows a breakdown of revenue by product line.

(Million yen)		
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Products		
Trays	39,244	41,199
Lunchboxes and prepared food containers	109,134	121,191
Other products	3,391	3,669
Subtotal	151,770	166,060
Goods		
Packaging materials	41,935	43,114
Other goods	1,994	2,111
Subtotal	43,929	45,225
Total	195,700	211,285



#### Per Share Information

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net assets per share (yen)	1,610.11	1,703.56
Net income per share (yen)	136.96	140.87

(Notes)

1. Diluted net income per share was not presented because there was no dilution for the fiscal year.
2. The basis for estimating net income per share is as follows:

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit attributable to owners of parent (million yen)	11,206	11,529
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent and attributable to common stock (million yen)	11,206	11,529
Average number of common stocks outstanding during the year (thousands of shares)	81,824	81,843

#### Omission of Notes

As the necessity of disclosing other notes to consolidated financial statements in these consolidated financial results is considered insignificant, the disclosure is omitted.

#### 5. Other

##### (1) Change in Officers

Please refer to “Notice Regarding Changes in Officers” released on April 28, 2023.