April 30, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 <under Japanese GAAP>

Company name:	FP CORPORATION		
Stock exchange listing:	Tokyo Stock Exchange		
Stock code:	7947	URL:	https://www.fpco.jp/
Representative:	Morimasa Sato, Representative Director, Chairman		
Contact:	Isao Ikegami, Executive Vice President and Director, Executive General Manager of Finance and Accounting Division Tel. +81-8-4953-1145		

Scheduled date for ordinary general meeting of shareholders:	June 26, 2025
Scheduled date of commencement of dividend payment:	June 9, 2025
Scheduled date for filing of securities report:	June 20, 2025
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, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Results of Operations

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	235,628	6.1	18,471	12.4	18,451	10.0	12,486	6.5
March 31, 2024	222,100	5.1	16,429	(1.6)	16,780	(3.2)	11,724	1.7

(Note) Comprehensive income: Fiscal year ended March 31, 2025: 12,182 million yen (2.6%)
Fiscal year ended March 31, 2024: 12,485 million yen (8.0%)

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary profit to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	154.46	–	8.4	6.2	7.8
March 31, 2024	143.5	–	8.2	5.6	7.4

(Reference) Shares of (profit) loss of entities accounted for using equity method: Fiscal year ended March 31, 2025: -336 million yen
Fiscal year ended March 31, 2024: -197 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	292,226	154,114	52.5	1,897.68
March 31, 2024	298,580	145,844	48.6	1,795.71

(Reference) Equity: As of March 31, 2025: 153,428 million yen
As of March 31, 2024: 145,132 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2025	27,919	(14,929)	(18,070)	19,020
March 31, 2024	29,176	(10,711)	(17,013)	23,707

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, 2024	–	21.50	–	35.50	57.00	4,629	39.7	3.3
March 31, 2025	–	21.50	–	40.00	61.50	4,972	39.8	3.3
Fiscal year ending March 31, 2026 (forecast)	–	21.50	–	40.00	61.50		37.8	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(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	121,000	5.3	7,630	17.9	7,600	16.6	5,010	15.5	61.97
Year ending March 31, 2026	245,300	4.1	19,790	7.1	19,600	6.2	13,170	5.5	162.89

* Notes

(1) Important changes in the scope of consolidation during the period: No
New — (Company name), Excluding — (Company name)

(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, 2025: 84,568,424 shares As of March 31, 2024: 84,568,424 shares
(ii) Number of treasury shares at the end of the period
As of March 31, 2025: 3,717,694 shares As of March 31, 2024: 3,746,423 shares
(iii) Average number of shares outstanding during the period (consolidated cumulative period)
Fiscal year ended March 31, 2025: 80,841,890 shares Fiscal year ended March 31, 2024: 81,702,710 shares

(Reference) Overview of Non-Consolidated Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Non-Consolidated Results of Operations

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	186,749	5.9	11,648	23.1	13,488	20.4	9,843	20.6
March 31, 2024	176,292	2.7	9,464	0.1	11,207	(10.7)	8,160	(14.5)

	Net income per share (basic)	Net income per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2025	121.77	–
March 31, 2024	99.87	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	267,459	120,311	45.0	1,488.07
March 31, 2024	270,851	115,478	42.6	1,428.80

(Reference) Equity As of March 31, 2025: 120,311 million yen
As of March 31, 2024: 115,478 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 6.

(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 2, 2025 (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 2, 2025
- Video of the presentations given at analyst meeting: Thursday, May 15, 2025

Accompanying Materials – Contents

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, 2025

1) Overview of Consolidated Results of Operations for the Fiscal Year Ended March 31, 2025

(Net sales and profits)

For the fourth quarter (Million yen)

	Fourth quarter ended March 31, 2024	Fourth quarter ended March 31, 2025	YoY	
			Change	(%)
Net sales	51,340	54,022	2,682	105.2%
Sales of products	39,030	41,923	2,892	107.4%
Sales of goods	12,309	12,098	(210)	98.3%
Operating profit	2,904	3,559	654	122.5%
Ordinary profit	2,899	3,461	561	119.4%
Profit attributable to owners of parent	2,070	2,387	317	115.3%

For the consolidated fiscal year (Million yen)

	Results for the previous fiscal year	Results for the fiscal year under review	YoY	
			Change	(%)
Net sales	222,100	235,628	13,528	106.1%
Sales of products	171,653	180,770	9,116	105.3%
Sales of goods	50,446	54,858	4,411	108.7%
Operating profit	16,429	18,471	2,042	112.4%
Ordinary profit	16,780	18,451	1,670	110.0%
Profit attributable to owners of parent	11,724	12,486	762	106.5%

Net sales and sales volume of products

- Fourth quarter of the consolidated fiscal year under review

  Sales of products increased 7.4% year on year, reflecting the effects of the price revisions. On the other hand, the sales volume of products decreased 1.2% and sales of goods decreased 1.7% year on year, respectively. These decreases reflect a year-on-year decline in sales volume at supermarkets and convenience stores attributable to high prices, and a 1.4% decrease reflecting the fact that the number of operating days in the fiscal year under review was one less than the previous fiscal year. In addition, users switched to snapping clamshell containers with integrated lids as products that cater to needs to save labor and improve efficiency in response to labor shortages. This resulted in a 0.6% decrease in the sales volume of products. Sales volume of products after adjustment reflecting the above is equivalent to 100.8% of the year-ago level.
- The consolidated fiscal year under review

  Sales of products increased 5.3% year on year as forecast. This was mainly the result of the price revisions and the increase in sales volume. Sales of goods remained steady due in part to the contributions of the M&A activity involving APEX. As a result, net sales reached a record high. Sales volume of products increased 1.2% year on year. Among them, sales of Eco-friendly products (Eco Tray, Eco APET and Eco OPET) remained strong, having increased 6.2% year on year. Sales volume of products grew 10.1% from the pre-pandemic fiscal year ended March 31, 2020 and the compound annual growth rate from the aforesaid fiscal year stood at 1.9%.

Major factors for increase/decrease of ordinary profit

- Fourth quarter of the consolidated fiscal year under review

  While the increase of raw material prices and logistics costs, including the utility costs passed on by upstream manufacturers, preceded, ordinary profit increased 561 million yen year on year, reflecting the price revisions.
- The consolidated fiscal year under review

  Ordinary profit was 18,451 million yen, a year-on-year increase of 1,670 million yen. The increase mainly reflects strong sales of products whose features include weight reduction and eco-friendly products, which resulted in ordinary profit increasing

7,120 million yen, in addition to the effects of the price revisions. However, there were factors that decreased profit, including the increase in raw material prices including the utility costs passed on by upstream manufacturers, whose impact was a 3,300 million yen decrease, the increase in logistics costs, whose impact was a 1,170 million yen decrease, and an increase in expenses that caused a 1,080 million yen decrease, including a 310 million yen decrease that resulted from the change in the time of year the FPCO Fair is held. Ordinary profit exceeded the projection by 451 million yen. This resulted mainly from efforts to hold down costs through negotiations with suppliers in response to rising utility costs.

The ordinary profit margin improved by 5.7% in the first half and 9.9% in the second half, with record-highs achieved for all levels of profit.

(Sales activities)

While raw material prices continue to soar, the Group has been proactive in reducing the use of plastics. The Group pursues products with lighter weight to reduce costs, thereby proposing the products to customers as those that hold down purchase prices for them, while simultaneously expanding their sales as highly profitable strategic products. The Group developed and launched new general-purpose prepared food containers featuring an average weight reduction of 10.3% compared to conventional products, which was achieved while keeping them strong enough to endure automatic lid closers. It is expected that switching to these new products will result in 680 tons per year reduction in plastic use.

Eco-friendly products are seeing a steady increase in demand, reflecting growing environmental awareness. The Store-to-Store recycling collaboration with supermarkets has been expanded to more than 3,100 stores of 110 companies as of April 30, 2025. Through this initiative, the Group ensures a stable supply of recycled materials, which have a relative price advantage amid soaring raw material prices, and is accelerating efforts to help build a recycling-oriented society. As a result of the above, sales of eco-friendly products increased, with their sales composition having reached 51% (in terms of quantity) in the fiscal year ended March 31, 2025.

The Group is also developing products that are compatible with automation and the use of machines, so as to address the rapidly growing labor shortage. In addition, the Group will enhance the lineup of containers in terms of size to respond to the fine-tuning of product weight as a measure to counter the soaring prices of ingredients, thereby catering to diverse customer needs.

(Production)

Regarding automation, the Group is reducing labor and employees' workloads by using automated guided vehicles and industrial robots at its main plants. Further, the Group is also experimentally introducing small box-packing robots, which are able to handle a wider range of products than conventional units, aiming to increase automation and production efficiency. The Group also continued to promote local production based on demand by improving the accuracy of its supply chain management (SCM). It thus reduced the movement of products between Ibaraki and Hiroshima by 53.5% year on year (April 2024 to March 2024).

(Logistics)

The Group as a whole, including production and sales and not just the logistics segment, is addressing the 2024 problem in the logistics industry. With the beginning of operations of the Kansai Hub Center, the Group completed a logistics network that has 85% of the total population of Japan within a 100 km radius of one of its distribution centers across the country, establishing an efficient logistics system. As a result, the number of trucks whose drivers spend more than 13 hours at work has been reduced to zero. In addition, the use of sorters and dedicated pallets and the consolidation of loading and unloading areas has led to a significant reduction in the number of trucks whose drivers spend more than 13 hours waiting and loading.

(Overseas business)

Regarding equity method affiliate Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia; hereafter, "LSSPI"), the Company worked to improve productivity by making capital investments, including investments in molding machines and extruders, strengthening product development technologies including molds, and introducing an inventory control system and production control system. While demand for food containers is expected to grow due to the increasing population and rising incomes, the Company is first focusing its efforts on increasing its market share in Malaysia, and LSSPI secured a profit as an individual company. At the same time, sales outside Malaysia have also been growing thanks to collaborations in responding to the overseas expansion of the Company's customers.

(Status of new material development)

Regarding the ultra-high-rigidity biaxially oriented polypropylene sheet (hereafter the new OPP sheet) and new OPP multi-layer plate, which the Company announced that it succeeded in developing in April 2024, the Company placed an order for a new OPP sheet manufacturing device in November of the same year. The Company is considering the construction of a new plant in Bando City, Ibaraki, with the aim of having it begin operating in the second half of 2027.

These new materials have a balance of physical properties, including superior rigidity and impact resistance over a wide range of temperatures, from very low to high temperatures, heat resistance, cold resistance and oil resistance. Moreover, the new OPP multi-layer plate features high rigidity, impact resistance, and high ductility despite its light weight. It also excels in terms of its decorativeness because it maintains a high degree of transparency. These properties permit the expansion of its applications to a wide range of industrial fields, including civil engineering and construction materials, housing equipment, home appliances, solar cells, and automobiles. At present, the company is actively promoting the development of applications for use as high value-added materials in each field.

In addition, because their main material is polypropylene, their creation as a mono-material helps improve their recyclability in the field of mobility, among other benefits. The Company will also leverage the high rigidity and impact resistance of the new OPP sheet to contribute to the reduction of the use of plastics and develop new markets by showcasing its appeal as a highly functional material with superior environmental compatibility.

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

(a) Promotion of recycling

The Group has been forging ahead with the “Tray to Tray” FPCO method of recycling since it began to collect used containers in 1990. As of March 31, 2025, there are 11,000 collection points for this project. 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, such as containers for salad. In recent years, the Group has enhanced “Store-to-Store” recycling collaborations with supermarkets. At the same time, it has been striving to raise awareness of recycling by proactively communicating with local communities and consumers through classes and lectures it gives at elementary schools and other venues, in its efforts to ensure that sufficient amount of trays and PET bottles will be collected.

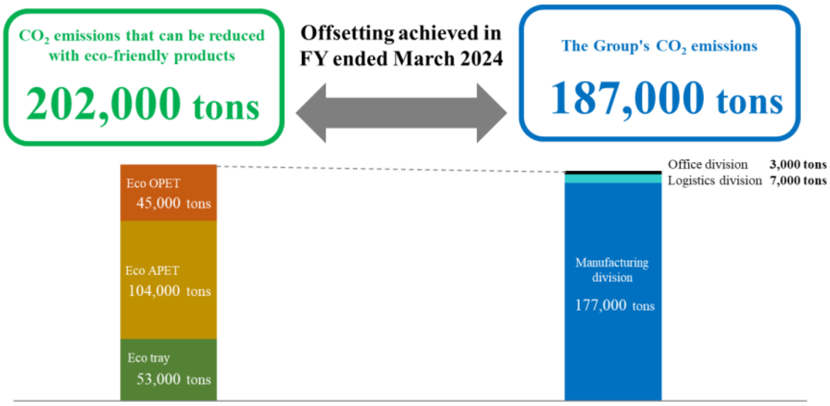
As a result of these activities, the amount of used containers collected has increased 4.5% year on year, representing a specific achievement toward building a recycling-based society. As the only company in the world that recycles trays on its own and produces trays from them, the Company will continue to pursue both the functionality of containers and sustainability, in its ongoing efforts to build a sustainable society.

(b) Initiatives to address climate change issues

The Group has set medium- to long-term targets aimed at achieving carbon neutrality by 2050 under FP Corporation Eco Action 2.0 and has disclosed it in accordance with the TCFD Recommendations. Under this plan, the Group set the target of achieving CO_2 reductions through the manufacturing and sale of eco-friendly products that exceeds the CO_2 emissions from the Group’s business activities. The Group achieved this target one year ahead of schedule, in the fiscal year ended March 31, 2024. (*1) Solar power generation facilities have begun operating, powering all of the recycled raw material production processes at the three recycling plants in Japan using renewable energy. In addition, solar power generation facilities are planned to be introduced to Chubu Plant 1 as well in November 2025.

The Company will continue to advance the use of renewable energy and the introduction of energy-efficient equipment, in addition to expanding sales of eco-friendly products that have a CO_2 reduction effect, as part of its efforts to reduce CO_2 emissions from the overall supply chain.

(*1) Contributions to CO_2 reductions through Eco-friendly products



(c) Research and development of recycling methods

The Group began to implement an initiative together with DIC Corporation (Headquarters: Chuo-ku, Tokyo; hereinafter, "DIC") in November 2020, aiming to achieve the complete circular recycling of foamed polystyrene containers. The goal of this initiative is to achieve the closed-loop recycling of colored and patterned foamed polystyrene containers, which have traditionally been recycled into daily necessities, sundry goods and other items. In November 2024, dissolution and separation recycling operations started at DIC's Yokkaichi Plant. With an increase in the supply quantity of eco-friendly raw materials to be enabled by this initiative, the Company aims to increase sales volume of Eco Trays by approximately 30%. Going forward, the Group will continue its efforts to achieve complete circular recycling by developing technologies for chemical recycling with the goal of having the facility begin operating in 2026, while increasing the volume of recycled materials from material recycling processes.

(Initiatives on ESG and SDGs)

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 2025, the employment rate for employees with disabilities in the FPCO Group has reached 12.6% according to the calculation method prescribed by Japanese law.

To promote good health among employees, the Company strives to implement the Workplace Health Promotion Project, in which every initiative and all available information are taken and used to improve health, and also to improve the workplace environment. As a result of these initiatives, the Company has been recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category) for four consecutive years. Going forward, the Company's subsidiaries will also step up initiatives to be recognized under the KENKO Investment for Health Program.

Regarding the evaluation of ESG, the Company continued to be 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.

2) Overview of Financial Situation in the Fiscal Year Ended March 31, 2024

Consolidated assets at the end of the fiscal year under review totaled 292,226 million yen, down 6,354 million yen from the end of the previous fiscal year. This was mainly due to a 4,686 million yen decrease in cash and deposits and a 4,694 million yen decrease in notes and accounts receivable - trade, mainly reflecting the fact that the final day of the previous consolidated fiscal year was a non-business day for financial institutions.

Consolidated liabilities amounted to 138,111 million yen, down 14,623 million yen from the end of the previous fiscal year. This was mainly due to an 12,334 million yen decrease in loans (short-term loans payable and long-term loans payable), mainly the result of their repayment, and a 2,963 million yen decrease of income taxes payable.

Consolidated net assets totaled 154,114 million yen, up 8,269 million yen from the end of the previous fiscal year. This change mainly reflected an increase of 12,486 million yen due to the recording of profit attributable to owners of parent, and a decrease of 4,607 million yen due to dividends of surplus.

3) Overview of Cash Flows in the Fiscal Year Ended March 31, 2025

Consolidated cash and cash equivalents (hereinafter "cash") at the end of the fiscal year under review totaled 19,020 million yen, with a decrease of 5,079 million yen from the end of the previous fiscal year offset by an increase of 393 million yen as a result of a change in the fiscal year end of a consolidated subsidiary.

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 27,919 million yen, down 1,256 million yen from a year earlier.

This reflected a cash increase due mainly to profit before income taxes of 18,286 million yen, depreciation of 14,751 million yen, and a decrease in notes and accounts receivable-trade of 4,884 million yen, as well as a cash decrease following an increase in inventories of 2,739 million yen, a decrease in accrued consumption taxes of 3,252 million yen, and income taxes paid of 5,191 million yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 14,929 million yen, up 4,217 million yen from the previous fiscal year. This was due mainly to 14,828 million yen spent on the purchase of property, plant and equipment including production equipment.

(Cash flows from financing activities)

Net cash used in financing activities came to 18,070 million yen (an increase of 1,056 million yen from a year earlier).

This primarily reflected proceeds from long-term loans payable of 2,000 million yen, repayment of long-term loans payable of 14,274 million yen, repayment of lease obligations of 1,096 million yen and cash dividends paid of 4,605 million yen.

(2) Projections

Consolidated forecasts for the fiscal year ending March 31, 2026 (Million yen)

	Results for the previous fiscal year (From April 1, 2024 to March 31, 2025)	Forecast for the fiscal year under review (From April 1, 2025 to March 31, 2026)	YoY	
			Change	(%)
Net sales	235,628	245,300	9,671	104.1%
Sales of products	180,770	189,000	8,229	104.6%
Sales of goods	54,858	56,300	1,441	102.6%
Operating profit	18,471	19,790	1,318	107.1%
Ordinary profit	18,451	19,600	1,148	106.2%
Profit attributable to owners of parent	12,486	13,170	683	105.5%

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, demand for eco-friendly products and products which use less plastic is forecast to grow further. Further, amid the growing movement toward the consolidation of the production of lunchboxes and prepared foods at process centers or central kitchens instead of preparing them at stores, which is a reflection of the labor shortage, the Group is promoting the development of products that feature both light weight and strength and are compatible with automation and the use of machines. In addition, the Group will also enhance product proposals reflecting these needs to save labor and improve efficiency in the market for frozen food and that for hospital food and nursing care food, which it aims to expand in the future, and will continue its efforts to expand sales aggressively.

In April 2025, FPCO INTERNATIONAL PACKAGE Co., Ltd. (Headquarters: Chiba-shi, Chiba), a consolidated subsidiary of the Company, took over the business of wholesaling food packaging materials from MAEBASHI HOSO Co., Ltd. (Headquarters: Maebashi-shi, Gunma). Amid the ongoing industry restructuring reflecting successor shortage, the Group will accelerate cooperation with packaging wholesalers, including through M&A, to reduce costs, improve management efficiency, and improve services for its existing customers.

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.

(Explanations of terms)

Eco tray:	A recycled, foamed polystyrene (PS) 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:	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 (sales commenced in 2012). Heat resistance temperature of +60ºC
Eco OPET:	A recycled oriented PET (OPET) transparent container molded from the bi-axially PET sheets, which use the same raw materials as an Eco APET (sales commenced in 2016) 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 +80ºC
Store to Store recycling:	The trays and PET bottles used or sold at a store are collected there as recyclable resources. Our company then recycles them into new food trays and transparent containers, which are actively reused at the same store, creating a store-centered recycling loop.
New OPP sheet:	Ultra-high-rigidity biaxially oriented polypropylene sheet with thickness of 150 to 300 microns, featuring superior transparency, heat resistance, and high rigidity that were achieved by simultaneously extending a polypropylene sheet biaxially, or in longitudinal and horizontal directions. It was successfully developed in April 2024.
New OPP multi-layer plate:	An ultra-high-rigidity plate with thickness of 1 to 3 millimeters, which is made by heat-fusing the new OPP sheet. It features high rigidity, impact resistance, and high toughness and excels in terms of its decorativeness because it maintains a high degree of transparency. It was successfully developed in April 2024.
Dissolution and separation recycling:	A method with which black polystyrene pellets produced through material recycling are dissolved and decolored to produce recycled polystyrene materials for food containers. Developed by DIC Corporation, this is the first technology of its kind in the world.

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

The Company regards the return of profits to shareholders as a top priority and has maintained or increased its dividend, without any cut, since the fiscal year ended March 31, 2016. To further clarify its intention to maintain this stance, the Company has switched to a policy of paying progressive dividends with a target of increasing the dividend payout ratio to 40%. A progressive dividend policy is a policy of maintaining or increasing dividends, with a commitment not to cut dividends, in principle.

Regarding dividends for the fiscal year under review, the Company plans to increase the year-end dividend by 4.50 yen, from 35.50 yen per share in the previous projection to 40.00 yen, in addition to the interim dividend of 21.50 yen, in accordance with the above policy. As a result, the amount of annual dividends is forecast to be 61.50 yen per share and the consolidated dividend payout ratio is expected to be 39.8%. For the next fiscal year, we will be paying a dividend of 61.50 yen per share to ensure the continuity of dividend payments as in the fiscal year under review, expecting a consolidated payout ratio of 37.8%. We will continue to take initiatives aimed at improving capital efficiency and enhancing shareholder returns.

* For details, please refer to “Notice of Change of Dividend Policy and Revision to Dividend Forecast (Dividend Increase)” dated April 30, 2025.

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 deliver 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. As 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 40% and paying progressive dividends with a commitment not to cut dividends, in principle.

(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 was established due to the COVID-19 pandemic. In addition, the expansion of the market for hospital food and nursing care food, including food deliveries to elderly people, and the frozen food market has also been a positive factor.

Recently, supermarkets and convenient stores have been changing the volume of prepared foods and lunchboxes in response to the soaring ingredient prices. This has in turn led to growing demand for containers that do not affect the appearance of those foods and sense of satisfaction with them. Demand has remained steady for containers with high added value, including creative measures devised for their depth and partitions and designs with a touch of class.

Meanwhile, against the backdrop of a labor shortage, the food retail industry is under pressure to save labor and increase efficiency. In addition, its business environment has been experiencing a number of changes, including hikes in raw material, staffing, and logistics costs, mounting hygienic demand for food safety and security, and growing public interest in reducing CO_2 emissions and marine plastic waste.

In response, the Group will not only support a safe, secure dietary life but will also be proactive in making proposals that will help customers improve productivity, create value, and increase their income with containers.

(4) Challenges to Be Addressed

(i) Environmentally friendly operation

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.

At its business locations, the Group is introducing renewable energy and energy-efficient equipment, and solar power generation facilities have begun operating in Kanto, Chubu, and Kansai areas. Thus, the Group has established a system for using renewable energy for all processes of the manufacturing of recycled materials at the its three used tray recycling plants in Japan, and the CO_2 reduction effect of Eco Tray increased from 30% to 37%, having started with products shipped on July 1, 2024. Solar power generation facilities are also scheduled to be introduced at Chubu Plant 1 in November 2025. The Group will take more initiatives to use renewable energy.

Moreover, as an industry-leading company, the Group is driving the development and sales of eco-friendly products for reducing environmental impact, based primarily on "Tray-to-Tray" and "Bottle-to-Transparent Container"

recycling systems. With these initiatives, the Group has achieved waste reduction and cyclic use of resources through the recycling of used containers, contributing to reducing CO_2 emissions from the entire supply chain.

The Group will continue to strengthen the development of containers with low environmental impact, the control of waste emissions from business activities, and the recycling of the waste, through technological innovations, the use of new materials, and environmentally friendly designs.

(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. In the fiscal year ended March 31, 2024 and the one ended March 31, 2025, wages in the overall Group were raised by around 5% on average. Wages are scheduled to be raised further, by around 6%, in the fiscal year ending March 31, 2026. The Group will continue its efforts to attract and retain workers with improvement of treatment.

(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_2 emissions, improving work productivity to deal with labor shortages, or working to cut logistics costs by providing the Group's logistics network. We 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 inauguration of the Kansai Plant and the Kansai Hub Center 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, unmanned forklifts, and shipment systems with automatic sorters in distribution, thereby saving labor and improving 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 help employees to work in diverse ways. 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,707	19,020
Notes and accounts receivable - trade	47,314	42,620
Merchandise and finished goods	23,850	26,019
Work in process	142	150
Raw materials and supplies	4,913	5,514
Accounts receivable - other	4,836	4,690
Other	786	854
Allowance for doubtful accounts	(34)	(22)
Total current assets	105,516	98,847
Non-current assets		
Property, plant and equipment		
Buildings and structures	169,988	173,377
Accumulated depreciation	(75,939)	(80,382)
Buildings and structures, net	94,049	92,995
Machinery, equipment and vehicles	93,265	97,663
Accumulated depreciation	(61,101)	(65,902)
Machinery, equipment and vehicles, net	32,164	31,760
Land	38,039	40,522
Lease assets	3,173	2,973
Accumulated depreciation	(1,808)	(1,549)
Leased assets, net	1,364	1,423
Construction in progress	2,751	2,768
Other	22,373	22,574
Accumulated depreciation	(18,008)	(18,376)
Other, net	4,365	4,198
Total property, plant and equipment	172,735	173,668
Intangible assets		
Goodwill	698	557
Other	2,892	2,695
Total intangible assets	3,590	3,252
Investments and other assets		
Investment securities	10,959	10,274
Deferred tax assets	3,884	4,346
Other	1,914	1,856
Allowance for doubtful accounts	(21)	(19)
Total investments and other assets	16,738	16,457
Total non-current assets	193,063	193,378
Total assets	298,580	292,226

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,893	28,055
Short-term loans payable	14,388	14,752
Commercial papers	18,000	18,000
Lease obligations	899	843
Accounts payable - other	8,104	7,674
Income taxes payable	2,927	3,869
Accrued consumption taxes	3,780	817
Provision for bonuses	3,154	3,417
Provision for directors' bonuses	191	197
Other	5,862	6,745
Total current liabilities	86,201	84,372
Non-current liabilities		
Long-term loans payable	58,889	46,191
Lease obligations	608	727
Deferred tax liabilities	359	345
Provision for directors' retirement benefits	147	170
Provision for executive officers' retirement benefits	100	106
Net defined benefit liability	5,315	5,110
Other	1,113	1,086
Total non-current liabilities	66,534	53,739
Total liabilities	152,735	138,111
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,573	15,578
Retained earnings	123,003	130,911
Treasury shares	(8,483)	(8,418)
Total shareholders' equity	143,244	151,221
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,621	1,105
Foreign currency translation adjustment	83	625
Remeasurements of defined benefit plans	182	476
Total accumulated other comprehensive income	1,888	2,207
Non-controlling interests	712	685
Total net assets	145,844	154,114
Total liabilities and net assets	298,580	292,226

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

(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	222,100	235,628
Cost of sales	155,014	162,556
Gross profit	67,085	73,071
Selling, general and administrative expenses	50,656	54,600
Operating profit	16,429	18,471
Non-operating income		
Interest income	2	12
Dividends income	80	89
Subsidy income	149	16
Rent income	93	101
Gain on sales of scraps	150	164
Consumption tax difference	97	–
Other	326	344
Total non-operating income	900	728
Non-operating expenses		
Interest expenses	158	198
Share of loss of entities accounted for using equity method	197	336
Commission for purchase of treasury shares	50	–
Other	143	213
Total non-operating expenses	548	748
Ordinary profit	16,780	18,451
Extraordinary income		
Gain on sales of non-current assets	127	–
Gain on sales of investment securities	–	349
Subsidy income	703	–
Gain on step acquisitions	207	–
Total extraordinary income	1,039	349
Extraordinary losses		
Loss on sales and retirement of non-current assets	146	476
Loss on tax purpose reduction entry of non-current assets	688	–
Impairment loss	–	37
Total extraordinary losses	835	513
Profit before income taxes	16,984	18,286
Income taxes - current	5,137	6,192
Income taxes - deferred	114	(399)
Total income taxes	5,252	5,793
Profit	11,731	12,493
Profit attributable to non-controlling interests	7	6
Profit attributable to owners of parent	11,724	12,486

(Consolidated Statement of Comprehensive Income)

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	11,731	12,493
Other comprehensive income		
Valuation difference on available-for-sale securities	546	(516)
Remeasurements of defined benefit plans, net of tax	98	293
Share of other comprehensive income of entities accounted for using equity method	108	542
Total other comprehensive income	753	318
Comprehensive income	12,485	12,812
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,477	12,805
Comprehensive income attributable to non-controlling interests	7	6

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,552	115,126	(5,531)	138,298
Changes of items during period					
Dividends of surplus			(3,847)		(3,847)
Profit attributable to owners of parent			11,724		11,724
Purchase of treasury share				(2,999)	(2,999)
Disposal of treasury shares		21		47	69
Net changes of items other than shareholders' equity					
Total changes of items during period	–	21	7,877	(2,951)	4,946
Balance at end of current period	13,150	15,573	123,003	(8,483)	143,244

(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	1,075	(25)	84	1,134	738	140,171
Changes of items during period						
Dividends of surplus						(3,847)
Profit attributable to owners of parent						11,724
Purchase of treasury share						(2,999)
Disposal of treasury shares						69
Net changes of items other than shareholders' equity	545	108	98	753	(26)	727
Total changes of items during period	545	108	98	753	(26)	5,673
Balance at end of current period	1,621	83	182	1,888	712	145,844

Fiscal year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,573	123,003	(8,483)	143,244
Changes of items during period					
Dividends of surplus			(4,607)		(4,607)
Profit attributable to owners of parent			12,486		12,486
Purchase of treasury share				(0)	(0)
Disposal of treasury shares		4		65	69
Changes due to changes in the accounting period of consolidated subsidiaries			28		28
Net changes of items other than shareholders' equity					
Total changes of items during period	–	4	7,907	65	7,977
Balance at end of current period	13,150	15,578	130,911	(8,418)	151,221

(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	1,621	83	182	1,888	712	145,844
Changes of items during period						
Dividends of surplus						(4,607)
Profit attributable to owners of parent						12,486
Purchase of treasury share						(0)
Disposal of treasury shares						69
Changes due to changes in the accounting period of consolidated subsidiaries						28
Net changes of items other than shareholders' equity	(516)	542	293	318	(26)	292
Total changes of items during period	(516)	542	293	318	(26)	8,269
Balance at end of current period	1,105	625	476	2,207	685	154,114

(4) Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	16,984	18,286
Depreciation	15,052	14,751
Impairment loss	–	37
Increase (decrease) in provision for bonuses	130	219
Increase (decrease) in provision for directors’ bonuses	23	5
Increase (decrease) in allowance for doubtful accounts	(12)	(13)
Increase (decrease) in provision for directors’ retirement benefits	17	21
Increase (decrease) in provision for executive officers’ retirement benefits	3	6
Increase (decrease) in net defined benefit liability	104	(205)
Interest and dividends income	(83)	(101)
Interest expenses	158	198
Share of loss (profit) of entities accounted for using equity method	197	336
Loss (gain) on step acquisitions	(207)	–
Loss (gain) on sales and retirement of non-current assets	10	430
Loss on tax purpose reduction entry of non-current assets	688	–
Loss (gain) on sales of investment securities	–	(349)
Subsidy income	(703)	–
Decrease (increase) in notes and accounts receivable - trade	(5,121)	4,884
Decrease (increase) in inventories	1,369	(2,739)
Decrease (increase) in accounts receivable - other	420	(7)
Increase (decrease) in notes and accounts payable - trade	974	(930)
Increase (decrease) in other assets/liabilities	(766)	688
Increase (decrease) in accrued consumption taxes	5,318	(3,252)
Other, net	454	874
Subtotal	35,014	33,141
Interest and dividend income received	83	187
Interest expenses paid	(155)	(218)
Income taxes paid	(5,766)	(5,191)
Cash flows from operating activities	29,176	27,919
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(11,352)	(14,828)
Proceeds from sales of property, plant and equipment	770	95
Purchase of intangible assets	(448)	(528)
Proceeds from sales of investment securities	305	480
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(309)	–
Other, net	323	(148)
Net cash provided by (used in) investing activities	(10,711)	(14,929)

(Million yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	–	(60)
Proceeds from long-term loans payable	6,000	2,000
Repayment of long-term loans payable	(14,895)	(14,274)
Purchase of treasury shares	(3,050)	(0)
Repayments of lease obligations	(1,188)	(1,096)
Cash dividends paid	(3,846)	(4,605)
Dividends paid to non-controlling interests	(33)	(33)
Net cash provided by (used in) financing activities	(17,013)	(18,070)
Net increase (decrease) in cash and cash equivalents	1,451	(5,079)
Cash and cash equivalents at beginning of period	22,255	23,707
Increase (decrease) in cash and cash equivalents resulting from change in closing dates of consolidated subsidiaries	–	393
Cash and cash equivalents at end of period	23,707	19,020

(5) Notes to Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Notes on Segment Information, Etc.

Fiscal year ended March 31, 2024 and fiscal year ended March 31, 2025

As the Group has a single segment of the simplified food container business, the description is omitted.

Notes on Per Share Information

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share (yen)	1,795.71	1,897.68
Net income per share (yen)	143.50	154.46

(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, 2024	Fiscal year ended March 31, 2025
Profit attributable to owners of parent (million yen)	11,724	12,486
Amount not attributable to common shareholders (million yen)	–	–
Profit attributable to owners of parent and attributable to common stock (million yen)	11,724	12,486
Average number of common stocks outstanding during the year (thousands of shares)	81,702	80,841

Notes on Important Subsequent Events

Not applicable