

## Consolidated Financial Results for the Three Months Ended June 30, 2022 <under Japanese GAAP>

Company name: FP Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 7947 URL: <https://www.fpco.jp/>  
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): August 4, 2022  
 Scheduled date for commencement of dividend payments: –  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: None

(Amounts of less than one million yen are truncated.)

### 1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 – June 30, 2022)

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

Period ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2022	49,437	3.8	2,765	(31.7)	2,972	(30.6)	1,947	(28.8)
June 30, 2021	47,647	6.0	4,051	11.3	4,283	12.0	2,734	11.0

(Note) Comprehensive income: Period ended June 30, 2022: 1,851 million yen (-30.5%)  
 Period ended June 30, 2021: 2,662 million yen (-3.5%)

Period ended	Net income per share (basic)		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
June 30, 2022	23.80	–	–	–
June 30, 2021	33.43	–	–	–

#### (2) Consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
June 30, 2022	274,849	132,220	47.8	1,606.77
March 31, 2022	262,695	132,455	50.2	1,610.11

(Reference) Equity: As of June 30, 2022: 131,487 million yen  
 As of March 31, 2022: 131,760 million yen

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	21.50	–	25.50	47.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (forecast)		21.50	–	25.50	47.00

(Note) Revisions to dividend forecasts published most recently: No

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages show year-on-year changes.)

First six months	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
Year ending March 31, 2023	103,410	6.2	5,050	(40.9)	5,400	(39.4)	3,560	(38.7)	43.50
Year ending March 31, 2023	212,000	8.3	16,400	3.2	17,000	1.8	11,230	0.2	137.23

(Note) Revisions to consolidated business performance forecasts published most recently: No

\* Notes

- (1) Changes in significant subsidiaries during the period  
(changes in specified subsidiaries accompanying changes in scope of consolidation): No
- (2) Application of particular accounting treatment concerning preparation of quarterly consolidated financial statements: No
- (3) 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 |
- (4) Number of shares outstanding (common stock)
- |                                                                                               |                   |
|-----------------------------------------------------------------------------------------------|-------------------|
| (i) Number of shares outstanding at end of period (including treasury shares)                 |                   |
| As of June 30, 2022:                                                                          | 84,568,424 shares |
| As of March 31, 2022:                                                                         | 84,568,424 shares |
| (ii) Number of treasury shares at end of period                                               |                   |
| As of June 30, 2022:                                                                          | 2,735,382 shares  |
| As of March 31, 2022:                                                                         | 2,735,080 shares  |
| (iii) Average number of shares outstanding during the period (consolidated cumulative period) |                   |
| Three Months ended June 30, 2022:                                                             | 81,833,136 shares |
| Three Months ended June 30, 2021:                                                             | 81,805,752 shares |

\* Quarterly consolidated financial results are 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 “1. Qualitative Information Relating to Consolidated Results of Operations for the First Quarter Ended June 30, 2022; (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results” on page 7 of the “Accompanying Materials.”

(How to obtain supplementary documents for quarterly results)

Documents for financial results are published on the Company’s website as soon as they are announced.

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## 1. Qualitative Information Relating to Consolidated Results of Operations for the First Quarter Ended June 30, 2022

### (1) Explanation of Financial Results

The Group ensures the Hands-on Approach and Customer-First Concept as its source and practices the three basic pillars of a manufacturer, that is, “reliably deliver the most environmentally friendly products of the highest quality,” “at the most competitive prices,” “whenever they are needed.” Having celebrated the 60th anniversary of its founding in July 2022, the Group has positioned the year as a “breakthrough” year, aiming to achieve further growth through the use of its diverse infrastructure.

#### (Net sales)

Net sales for the first three months of the consolidated fiscal year under review (from April 1, 2022 to June 30, 2022) increased 1,789 million yen, up 3.8% year on year, to 49,437 million yen, a new record high. Net sales of products manufactured by the Group rose 4.9% year on year to 38,602 million yen. Net sales of goods purchased decreased 0.2% year on year to 10,834 million yen.

Sales volume of products decreased 1.9% year on year (increased 4.2% from the same period of the year before last) due to the following two factors. First, shipments of products for fresh food and others decreased mainly because demand for cooking and eating at home increased in the same period of the previous fiscal year due to restrictions on activities imposed in response to the COVID-19 pandemic. Second, activities for increasing market shares have been suspended while negotiations are underway for the second product price revisions (announced on April 28, 2022) to be made in response to the soaring raw material prices. On the other hand, sales of products increased due to the effects of the first product price revisions (announced on October 29, 2021). With trends in demand for products changing, the Group has been succeeding in creating a supply structure for achieving almost zero missing items through its supply chain management system since September 2020. The Group will continue striving to further increase accuracy to support safe, secure food lifestyles.

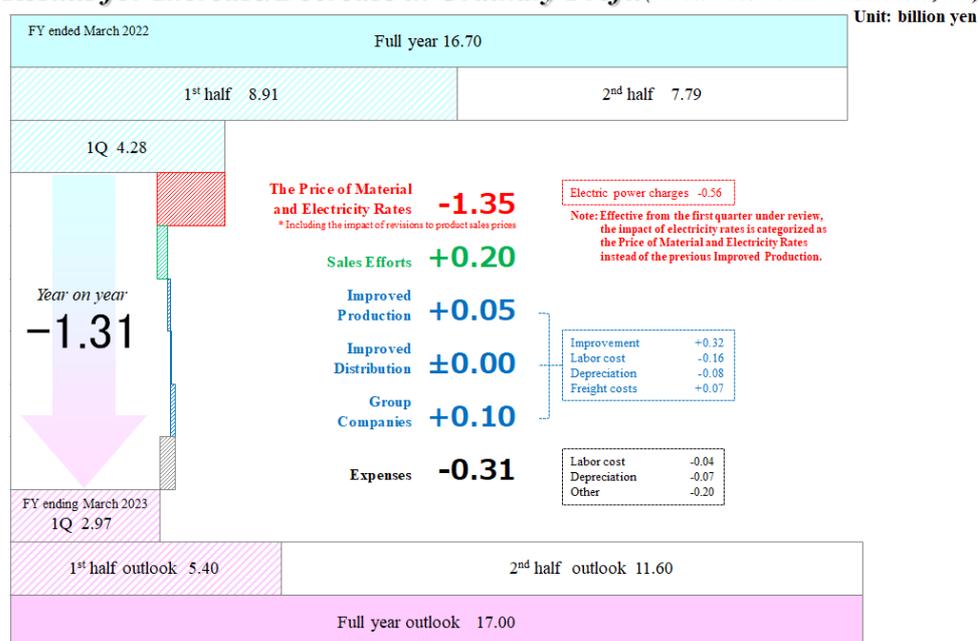
#### (Profits)

For the first three months under review, operating profit decreased 1,286 million yen or 31.7% year on year to 2,765 million yen, ordinary profit decreased 1,310 million yen (\*1) or by 30.6% year on year to 2,972 million yen, ordinary profit before depreciation and amortization decreased 15.2% year on year to 6,483 million yen, and profit attributable to owners of parent decreased 28.8% year on year to 1,947 million yen. Factors for the increase of profits include the effect of product price revisions announced in October 2021 and the improvement effect of each segment. On the other hand, factors that decreased profits included a rise in raw material prices, higher electricity rates, and an increase in labor expenses.

While sales volume for the first three months under review did not reach the level projected at the beginning of the fiscal year, the effects of the first product price revisions were reflected as expected, having resulted in growth in sales of products with high added value such as those for prepared food. Accordingly, ordinary profit has been almost in line with internal projections.

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

**Results for Increase/Decrease in Ordinary Profit (For the Three Months Ended June 30, 2022)**



(Sales activities)

In sales activities, the Group focused its efforts on negotiations for the second product price revisions in the first three months of the consolidated fiscal year under review, in response to the circumstances in which prices of various goods are increasing due to rising crude oil prices and supply chain disruptions in the COVID-19 pandemic. The revisions are expected to begin gradually exerting their effects in the second quarter of the consolidated fiscal year under review (July 1 to September 30, 2022). In addition, the Group aims to contribute to increasing customers' income with products that help improve their productivity, environmentally friendly strategies which will help them achieve environmentally friendly operations, proposals for enabling customers' products to sell well, and other initiatives. 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.

To capture new demand, the Group is advancing initiatives including the lineup enhancement of the Pack Market e-commerce site offering packaging materials, and measures for improving its visibility including Web marketing and corporate communication activities via Instagram, YouTube, LINE, and other social media.

(Production)

The production sector is striving to improve productivity through initiatives that include improvements in capacity utilization and the promotion of automation. As of June 30, 2022, the Company operates 99 pieces of automated equipment on 70 production process lines. In addition, the Group is advancing initiatives for improving quality through the acquisition of certification under FSSC 22000, an international standard on food safety management. The Company also promotes safety training including hazard simulation training.

Regarding Chubu Plant 1 that was damaged in a fire on November 30, 2020, a new plant was completed in May 2022 and began operations. At the new plant, the Group is enhancing its production capacity to meet growing demand in the Chubu region and improving productivity through automation and other initiatives. Kansai Plant will be completed in September 2022. At this plant, the Group will produce products targeting the Kinki region, which is a Major Metropolitan Area. The Group will move approximately 30% of its production capacity in Fukuyama to Kansai Plant, in addition to newly constructing production lines there. The Group is also constructing Pico House No.5, a dormitory for single employees (140 units; planned to be completed in September 2022), near the plant to secure human resources. 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 increasing the loading efficiency of each truck and switching from regular cargo services to its own trucks, in an effort to cut logistical expenses.

For operations in the warehouse, the Group has continued to bolster its initiatives to save labor and streamline the operations, 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.

Kansai Hub Center will be completed in September 2022. It will be equipped with an automated sorter shipment system that sorts products according to their delivery areas. The Group also plans to acquire, in September 2022, a separate piece of land (sales contract signed in March 2022; site area: 29,136.58 m<sup>2</sup>) that is approx. 300 meters away from the Kansai Plant and Kansai Hub Center. The Group is planning the construction of a new sorting and distribution center on the property. Along with the start of operations of Kansai Hub Center, this will result in the completion of a logistics network that covers 70% of the total population, including the populations of major cities, within a 150 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).

[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>	78,551.10 m <sup>2</sup>
Completion scheduled	May 2022	September 2022
Total investment amount	8,529 million yen (After reduction entry 6,300 million yen)	25,261 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

The Group works to seriously address recycling throughout the Group. In 1990, the Group embarked on circular recycling using the FPCO method with collection boxes at six collection points in supermarkets. Thanks to the understanding and cooperation of consumers, the number of used container collection points exceeded 10,000 as of June 30, 2022. Combined with the system for segregation and collection based on the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging that was established in 1997, the above voluntary initiative of the Group has taken root as part of the social infrastructure for making effective use of used containers.

Against the backdrop of the recent rise in environmental awareness, labelling (\*2) 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.

(\*2) 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.

Regarding introduction of renewable energy, the Group will introduce solar power generation to the Chubu area (where contract operations are planned to begin in October 2022) and Kansai area in addition to the solar power generation facilities installed at the Kanto Eco PET Plant and the Kanto Yachiyo Plant. 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 financing 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, aiming to build a sustainable society together with people from local communities. The Company has decided to subsidize 14 organizations in the fiscal year ending March 31, 2023. In addition, the Group's employees will also participate in those organizations' activities, thus accelerating initiatives to solve environmental problems through partnerships.

(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 Tray recycling, which is based on established recycling technologies and systems for products made of a single material.

The Company is studying chemical recycling in collaboration with DIC Corporation for cradle-to-cradle recycling of expanded polystyrene containers. This is aimed at ultimately recycling colored and patterned expanded polystyrene containers, which would be recycled into daily necessities, sundry goods, and other items, into the Company's products by recycling them into styrene monomer, which is a raw material of polystyrene.

As part of measures to expand the product lineup, the Company has launched paper trays and bowl-type paper containers in addition to biomass-based plastic products containing 25% of a plant-derived raw material whilst FP CHUPA Corporation has launched paper lunchbox containers (container body and lid). The Company, FP CHUPA Corporation, and FP Trading Co., Ltd. have acquired an FSC<sup>®</sup> certification (FSC<sup>®</sup>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, as alternatives to the use of petroleum-derived plastics, 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 inclusion, at the core of its businesses, and striving to disclose more ESG information.

The Group drives the employment of human resources with disabilities by considering jobs and work contents for which each can fulfill their potential and creating comfortable workplace environments. As of March 2022, 12.6% of employees had disabilities in the FPCO Group.

Concerning 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.

For health and productivity management, the Company strategically manages employees' health from the viewpoint of business administration, 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 2022 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 nine donations totaling 752,280 sets of containers for packed lunches and soup.

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

## (2) Explanation of Financial Situation

### 1) State of assets, liabilities and net assets

Consolidated assets at the end of the first three months under review totaled 274,849 million yen, up 12,154 million yen from the end of the previous fiscal year. That was mainly due to an increase in cash and deposits of 4,016 million yen and an increase in property, plant and equipment of 6,706 million yen, which chiefly reflects the construction of the Kansai Plant and the Kansai Hub Center and rebuilding of Chubu Plant 1.

Consolidated liabilities amounted to 142,629 million yen, up 12,389 million yen from the end of the previous consolidated fiscal year. That was mainly due to a 9,303 million yen increase in "Other" among current liabilities, which primarily reflects an increase in accounts payable –facilities and bonuses payable, and an increase in loans payable (short-term loans payable and long-term loans payable) of 4,638 million yen largely attributable to borrowing for capital expenditure.

Consolidated net assets totaled 132,220 million yen, down 235 million yen from the end of the previous fiscal year. This was attributable principally to profit attributable to owners of parent amounting to 1,947 million yen and dividends of surplus of 2,086 million yen.

### 2) Cash flows

Consolidated cash and cash equivalents (hereinafter "cash") at the end of the first three months under review totaled 23,761 million yen, up 4,016 million yen from the end of the previous fiscal year.

#### (Cash flows from operating activities)

Cash provided by operating activities amounted to 5,418 million yen (3,158 million yen in cash was provided a year earlier).

This reflected a cash increase due mainly to quarterly profit before income taxes of 2,951 million yen and depreciation of 3,510 million yen, as well as a cash decrease following income taxes paid of 1,992 million yen, among others.

#### (Cash flows from investing activities)

Net cash used in investing activities reached 3,632 million yen (2,975 million yen in cash was used a year earlier).

This was due mainly to 3,422 million yen spent on the purchase of property, plant and equipment in connection with production equipment and others.

#### (Cash flows from financing activities)

Net cash provided by financing activities came to 2,231 million yen (2,153 million yen in cash was used a year earlier).

This primarily reflected proceeds from long-term loans payable of 8,000 million yen, repayment of long-term loans payable of 3,361 million yen, repayment of lease obligations of 365 million yen and cash dividends paid of 2,042 million yen.

### (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results

While it remains to be seen when the COVID-19 pandemic will come to an end, the business environment is expected to remain uncertain due to the ongoing impacts of the rising raw material prices reflecting the Russian-Ukrainian situation, supply chain disruption, and the rapid weakening of the yen, among other events.

Regarding raw materials, in October 2021 the Company announced a request for approval of price revisions (first product price revisions) concerning products it manufactures, in response to the consecutive increases in polystyrene prices since 2021. The price revisions were almost completed as of March 31, 2022. However, in response to the soaring raw material prices reflecting the Russian-Ukrainian conflict, weakening of the yen, and the rising electricity rates, the Company again announced a request for approval of price revisions (second product price revisions) in April 2022. In revising the prices, the Company also makes proposals that will reduce the revision rate and curb 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. The second product price revisions are expected to gradually begin exerting their effects in the second quarter of the consolidated fiscal year under review.

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 takeout and delivered food market, the frozen food market, and the market for hospital meals and meals served at nursing care facilities, which are new markets, are expected to expand further and become more firmly established. In the frozen food market, the Company proposes products that cater to customer needs, including Multi FP containers featuring cold and heat resistance, Eco OPET containers that are resistant to breakage even when they are subject to shock in a frozen environment, and cold-resistant PPI-talc containers that enable the use of less plastic than conventional containers.

As a measure to expand into overseas markets, the Company has signed a share transfer agreement with Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia; hereinafter, "LSSPI"), which manufactures and sells simplified food containers mainly in Southeast Asia. Under this agreement, Mitsui & Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; hereinafter, "Mitsui") and the Company acquire 60% and 40% equity stakes in LSSPI, respectively. The Company has decided to make LSSPI an equity method affiliate. 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 production capacity by saving labor for manufacturing, shortening the molding cycle, and taking other measures, reduce costs, and develop products with high added value. Mitsui meanwhile aims to expand sales by utilizing its networks of more than 1,000 investees and partners in the market of Asia. With the above initiatives, the Company will increase LSSPI's competitiveness in Southeast Asia and maximize its profits.

Further, as an internal reorganization of the Group, FP Trading Co., Ltd. (hereinafter, "FP Trading") and FPCO Miyako Himo Co., Ltd. (hereinafter, "FPCO Miyako Himo") implemented an absorption-type merger on July 1, 2022, with FP Trading being the surviving company. FPCO Miyako Himo's sales network with packaging material wholesalers and with users downstream from these wholesalers will be combined with the product merchandising and procurement capabilities of FP Trading. It is believed that this will enable the Group to propose products in accordance with customer needs and contribute to the increase of sales of materials and consumables.

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.

As the Company announced in "Notice Regarding Changes in Representative Director, etc." on April 28, 2022, Moromasa Sato became the Chairman, Representative Director and Group Representative and Kazuyuki Yasuda was appointed as the President, as of the General Meeting of Shareholders and the subsequent meeting of the Board of Directors held on June 23, 2022. Quicker decision-making and reinforcement of the business base will be essential for responding flexibly and appropriately to the business environment, where rapid changes are expected, and for achieving further business growth. Accordingly, Chairman and Representative Director Morimasa Sato will continue to have management responsibility for the overall Group and will focus his efforts on new businesses and the expansion of overseas business while President Kazuyuki Yasuda will strive to reinforce the Company's internal infrastructure centering on supply chain management.

The results forecasts for the first six months and the full year that were announced in the Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 on April 28, 2022 remain unchanged.

(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).
- Multi FP container: A formed PS (polystyrene) container with cold and heat resistance to temperatures between -40°C and +110°C and with superior thermal insulation.  
It can be used for a wide range of purposes, from storage in a freezer to cooking in a microwave (sales commenced in 2010).
- Cold-resistant PPi-talc container: A container that uses less plastic than conventional cold-resistant PP filler containers while maintaining the strength of the conventional containers (sales commenced in 2022)
- 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.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2022)	First quarter of the current consolidated fiscal year (As of June 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	19,745	23,761
Notes and accounts receivable - trade	38,915	39,684
Merchandise and finished goods	20,576	21,502
Work in process	109	120
Raw materials and supplies	3,594	3,905
Other	4,562	3,682
Allowance for doubtful accounts	(27)	(27)
Total current assets	87,477	92,629
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	78,641	82,513
Machinery, equipment and vehicles, net	31,576	32,197
Lands	36,243	36,274
Lease assets, net	1,825	1,779
Other, net	15,545	17,772
Total property, plant and equipment	163,832	170,538
Intangible assets		
Goodwill	413	343
Other	1,215	1,249
Total intangible assets	1,629	1,593
Investments and other assets	9,756	10,087
Total non-current assets	175,218	182,220
Total assets	262,695	274,849
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	23,881	24,459
Short-term loans payable	14,134	14,986
Commercial papers	18,000	18,000
Income taxes payable	2,192	1,532
Provision for bonuses	2,768	1,404
Provision for directors' bonuses	166	42
Other	15,663	24,966
Total current liabilities	76,807	85,392
Non-current liabilities		
Long-term loans payable	46,031	49,819
Provision for directors' retirement benefits	776	121
Provision for executive officers' retirement benefits	73	77
Net defined benefit liability	5,191	5,203
Other	1,359	2,014
Total non-current liabilities	53,432	57,237
Total liabilities	130,239	142,629

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2022)	First quarter of the current consolidated fiscal year (As of June 30, 2022)
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,545	15,545
Retained earnings	107,443	107,304
Treasury shares	(5,561)	(5,561)
Total shareholders' equity	130,577	130,439
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,283	1,140
Remeasurements of defined benefit plans	(100)	(91)
Total accumulated other comprehensive income	1,182	1,048
Non-controlling interests	695	733
Total net assets	132,455	132,220
Total liabilities and net assets	262,695	274,849

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2021 - June 30, 2021)	First three-month period of current fiscal year (April 1, 2022 - June 30, 2022)
Net sales	47,647	49,437
Cost of sales	32,055	34,828
Gross profit	15,591	14,609
Selling, general and administrative expenses	11,540	11,844
Operating profit	4,051	2,765
Non-operating income		
Interest income	0	0
Dividends income	69	59
Share of profit of entities accounted for using equity method	10	13
Gain on sales of scraps	43	59
Other	145	145
Total non-operating income	269	279
Non-operating expenses		
Interest expenses	16	22
Other	20	49
Total non-operating expenses	36	71
Ordinary profit	4,283	2,972
Extraordinary income		
Insurance income	* 2,138	–
Total extraordinary income	2,138	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	63	21
Loss on tax purpose reduction entry of non-current assets	* 2,229	–
Fire loss	* 58	–
Total extraordinary losses	2,350	21
Profit before income taxes	4,071	2,951
Income taxes - current	1,699	1,432
Income taxes - deferred	(380)	(467)
Total income taxes	1,319	965
Profit	2,752	1,985
Profit attributable to non-controlling interests	17	37
Profit attributable to owners of parent	2,734	1,947

(Quarterly Consolidated Statement of Comprehensive Income)  
(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2021 - June 30, 2021)	First three-month period of current fiscal year (April 1, 2022 - June 30, 2022)
Profit	2,752	1,985
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	(143)
Remeasurements of defined benefit plans, net of tax	4	8
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	(89)	(134)
Comprehensive income	2,662	1,851
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,644	1,813
Comprehensive income attributable to non-controlling interests	17	37

## (3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First three-month period of previous fiscal year (April 1, 2021 - June 30, 2021)	First three-month period of current fiscal year (April 1, 2022 - June 30, 2022)
Cash flows from operating activities		
Profit before income taxes	4,071	2,951
Depreciation	3,357	3,510
Increase (decrease) in provision for bonuses	(1,512)	(1,363)
Increase (decrease) in provision for directors' bonuses	(109)	(123)
Increase (decrease) in allowance for doubtful accounts	(0)	(13)
Increase (decrease) in provision for directors' retirement benefits	13	(654)
Increase (decrease) in provision for executive officers' retirement benefits	3	4
Increase (decrease) in net defined benefit liability	(41)	12
Interest and dividends income	(69)	(60)
Interest expenses	16	22
Share of loss (profit) of entities accounted for using equity method	(10)	(13)
Loss (gain) on sales and retirement of non-current assets	52	21
Loss on tax purpose reduction entry of non-current assets	2,229	–
Insurance income	(2,138)	–
Fire loss	58	–
Decrease (increase) in notes and accounts receivable - trade	(1,318)	(754)
Decrease (increase) in inventories	(590)	(1,247)
Decrease (increase) in accounts receivable - other	412	1,133
Increase (decrease) in notes and accounts payable - trade	406	578
Other, net	2,318	3,370
Subtotal	7,149	7,372
Interest and dividend income received	69	60
Interest expenses paid	(14)	(22)
Proceeds from insurance income	12	–
Payments for fire loss	(102)	–
Income taxes paid	(3,956)	(1,992)
Net cash provided by (used in) operating activities	3,158	5,418
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,990)	(3,422)
Other, net	14	(209)
Net cash provided by (used in) investing activities	(2,975)	(3,632)
Cash flows from financing activities		
Proceeds from long-term loans payable	4,000	8,000
Repayment of long-term loans payable	(3,803)	(3,361)
Repayments of lease obligations	(416)	(365)
Cash dividends paid	(1,932)	(2,042)
Other, net	(0)	0
Net cash provided by (used in) financing activities	(2,153)	2,231
Net increase (decrease) in cash and cash equivalents	(1,970)	4,016
Cash and cash equivalents at beginning of period	17,884	19,745
Cash and cash equivalents at end of period	15,914	23,761

#### (4) Notes to Quarterly Consolidated Financial Statements

##### Note to Going Concern Assumption

Not applicable

##### Notes on Any Significant Change in the Value of Shareholders' Equity

Not applicable

##### Quarterly Consolidated Statement of Income

\* 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.

##### 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)	
	First three-month period of previous fiscal year (April 1, 2021 - June 30, 2021)	First three-month period of current fiscal year (April 1, 2022 - June 30, 2022)
Products		
Trays	9,693	9,655
Lunchboxes and prepared food containers	26,322	28,005
Other products	776	941
Subtotal	36,792	38,602
Goods		
Packaging materials	10,338	10,330
Other goods	515	504
Subtotal	10,854	10,834
Total	47,647	49,437

##### Important Subsequent Events

Not applicable