

Consolidated Financial Results for the Three Months Ended June 30, 2024 <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 for commencement of dividend payments: –
 Supplementary documents for financial results: Yes
 Financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Period ended June 30, 2024	55,131	3.6	2,190	(26.5)	2,244	(30.8)	1,452	(35.3)
June 30, 2023	53,233	7.7	2,980	7.8	3,241	9.1	2,244	15.2

(Note) Comprehensive income: Period ended June 30, 2024 1,834 million yen (-18.0%)
 Period ended June 30, 2023: 2,238 million yen (20.9%)

	Net income per share (basic)		Net income per share (diluted)	
	Yen	Yen	Yen	Yen
Period ended June 30, 2024	17.97	–	–	–
June 30, 2023	27.43	–	–	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2024	295,368	144,839	48.8	1,783.07
March 31, 2024	298,580	145,844	48.6	1,795.71

(Reference) Equity: As of June, 2024: 144,111 million yen
 As of March 31, 2024: 145,132 million yen

2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Fiscal year ended March 31, 2024	–	21.50	–	35.50	57.00
Fiscal year ending March 31, 2025	–	–	–	–	–
Fiscal year ending March 31, 2025 (forecast)	–	21.50	–	35.50	57.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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 Year ending March 31, 2025	116,000	6.7	6,400	(8.3)	6,500	(10.2)	4,361	(14.9)	53.96
	236,000	6.3	17,800	8.3	18,000	7.3	12,122	3.4	149.98

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

* Notes

- (1) Major changes in the scope of consolidation during the period: None
- (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, 2024: | 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 June 30, 2024: | 3,746,423 shares |
| As of March 31, 2024: | 3,746,423 shares |
- (iii) Average number of shares outstanding during the period (consolidated cumulative period)
- | | |
|-----------------------------------|-------------------|
| Three Months ended June 30, 2024: | 80,822,001 shares |
| Three Months ended June 30, 2023: | 81,847,828 shares |

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporations:
None

* 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. Overview of Consolidated Results of Operations, Etc.; (3) Explanation of Information on Future Forecasts, Including the Forecast of Consolidated Results” on page 5 of the “Accompanying Materials.”

(How to obtain supplementary documents for results)

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

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1. Overview of Consolidated Results of Operations, Etc.

(1) Overview of Operating Results

(Net sales and profits)

Net sales and profits for the first three months of the consolidated fiscal year under review (from April 1, 2024 to June 30, 2024) are as follows.

(Million yen)

	Results for the previous year	Results	YoY change	YoY (%)
Net sales	53,233	55,131	1,898	103.6%
Sales of products	41,968	41,880	(87)	99.8%
Sales of goods	11,265	13,251	1,986	117.6%
Operating profit	2,980	2,190	(790)	73.5%
Ordinary profit	3,241	2,244	(996)	69.2%
Profit attributable to owners of parent	2,244	1,452	(792)	64.7%
Ordinary profit before depreciation	7,037	5,961	(1,076)	84.7%

Net sales for the first three months under review were mostly in line with projections. The sales volume of products increased 1.8% year on year. Eco-friendly products continued to perform strongly, with a 7.8% year-on-year increase in sales volume. The sales volume of products adjusted for the fact that there were two business days less in June than in the previous year shows year-on-year growth of 3%. Furthermore, the sales volume of products for July has remained around 4% up year on year.

Ordinary profit was also in line with projections. The year-on-year profit decrease of 996 million yen is mainly attributable to increases in the prices of raw materials and increased expenditure because FPCO Fair, which is usually held in March, was moved back to April.

(Sales activities)

The Group contributes 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.

Although food prices continue to rise, the impact on the markets has diminished following last year's high levels, although a money saving mindset is still having an impact on the number of items purchased. Meanwhile, in the food retail industry, there are issues that need to be addressed such as labor shortages and reduction of plastic use. At the FPCO Fair held in April 2024, the Company proposed products that are compatible with automation and the use of machines and containers to streamline work processes, as countermeasures to address recent labor shortages. The Group has also increased market share, including a solid performance in eco-friendly products through initiatives such as the marketing of a series of containers that use new technology to achieve a significant reduction in plastic use.

In response to increases in the prices of raw materials and electricity and other costs, the Company announced price revisions of 15% or more for all the products it manufactures, starting from products shipped July 1, 2024, and is focusing efforts on negotiations. The results of these initiatives will gradually start to appear from the second quarter (from July 1, 2024 to September 30, 2024), and are expected to be fully reflected in business performance from the second half (from October 1, 2024 to March 31, 2025).

(Production)

The Group is striving to improve productivity through initiatives that include improvements in capacity utilization and automation. It is also taking steps to improve product quality and strengthen safety education.

Regarding automation, the Group has succeeded in saving labor and reducing workload and improving the work environment at Chubu Plant 1 and the Kansai Plant by using automated guided vehicles and arm robots. Furthermore, the significant wage increases and increased holidays for working-level employees introduced in April 2023 are starting to pay off, with a decrease in the number of employees leaving the Company. The Company has continued striving to attract and retain human resources by raising the level of wages still further and increasing holiday again in April 2024.

(Logistics)

The Group has built a logistics network that covers 85% of the total population within a 100 km radius of each of its nine distribution centers all over Japan, for the stable supply of products and goods.

To reduce logistics expenses, the Group delivers products and goods using a private service, uses pallet transportation, and strives to increase loading efficiency. The Group has been utilizing automated guided vehicles and automated guided forklift trucks to deal with the labor shortage. It has also increased wages and raised freight rates to secure more personnel and vehicles.

Meanwhile, not only the logistics segment but the Group as a whole including production and sales is addressing the 2024 problems in the logistics industry. The number of trucks whose drivers spend more than 13 hours at work has been reduced to zero thanks to the start of operations at the Kansai Hub Center and other measures. In addition, the use of sorters and dedicated pallets and the consolidation of loading and unloading areas has led to a reduction in the number of trucks whose drivers spend more than two hours waiting and loading. To address situations where it is difficult to secure vehicles for long-distance transportation, the Company will continue to promote local production based on demand, divide product production and supply systems into east and west with Chubu as the boundary to minimize the movement of products between Ibaraki and Hiroshima, and take other measures to achieve supply stability.

(Overseas business)

Regarding Lee Soon Seng Plastic Industries Sdn. Bhd. (Headquarters: Malaysia), the Company is striving to improve its productivity through capital investment, including using the Company's idle equipment, and the introduction of an inventory control system and production control system. While the demand for food containers in Southeast Asia is expected to grow due to the population increase and rising income levels, the Company is aiming to improve competitiveness and to maximize profits.

(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 has been forging ahead with the "Tray to Tray" FPCO method of recycling since it began to collect used containers at six supermarkets in 1990. 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. The project has continued to expand, with the number of collection points having exceeded 10,900 as of June 30, 2024.

In recent years, supermarkets themselves have been setting environmental targets and implementing initiatives to achieve them voluntarily, reflecting growing social environmental awareness, and the circle of Store to Store recycling is being widened. A series of collaborations to expand this Store to Store recycling have been started, and the amount of trays and PET bottles collected has increased and sales of eco-friendly products, which help reduce CO2 emissions, have also increased.

(*) Collaborations to promote Store to Store recycling

Month and Year	Company name (Headquarters)	Number of companies and stores
November 2022	Chugoku CGC Co., Ltd. (Asaminami-ku, Hiroshima-shi)	249 stores of 15 companies
October 2023	EVERY Co., Ltd. (Fukuyama-shi, Hiroshima)	45 stores
November	Kyushu CGC Co., Ltd. (Hakata-ku, Fukuoka-shi)	647 stores of 23 companies
March 2024	Tohoku CGC Co., Ltd. (Yahaba-cho, Shiwa-gun, Iwate)	327 stores of 11 companies
June	Kansai CGC Co., Ltd. (Chuo-ku, Osaka)	333 stores of 23 companies
July	RETAIL PARTNERS CO., LTD. (Hofu-shi, Yamaguchi) YAOKO CO., LTD. (Kawagoe-shi, Saitama)	274 stores 189 stores

(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 its governance, strategies, and other initiatives for achieving these targets in accordance with the TCFD Recommendations.

Under this plan, the Company has set a target of balancing (offsetting) by March 2025, CO2 emission from the Group business activities and CO2 reductions from the sale of eco-friendly products manufactured through "Tray to Tray" and "Bottle to

Transparent Container” recycling.

The Company recently succeeded in achieving this target a year earlier than scheduled in the fiscal year ended March 31, 2024 because the CO2 reduction for Eco PSP Products associated with introduction of renewable energy through solar power generation at the Kanto Recycling Plant and the Chubu Recycling Plant increased from 30% to 34.2% in the fiscal year ended March 31, 2024, because the CO2 reduction for Eco PET products achieved through increased use of Eco PET raw materials increased from 30% to 33.9% in the fiscal year ended March 31, 2024, and because sales of eco-friendly products were strong.

Furthermore, solar power generation facilities in the Kansai area went into operation in March 2024, making it possible to power all recycled raw material production processes at used tray recycling plants with renewable energy. This had the effect of increasing the CO2 reduction effect of Eco Tray from 30% to 37%, starting from products shipped July 1, 2024.

Going forward, the Group will continue promoting the sale of eco-friendly products with a CO2 reduction effect and working to reduce CO2 emissions throughout the entire supply chain.

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

The Group is studying dissolution and separation recycling and chemical recycling in collaboration with DIC Corporation (Headquarters: Chuo-ku, Tokyo; hereinafter, “DIC”) for the complete circular recycling of foamed polystyrene containers. These research efforts are aimed at achieving the closed-loop recycling of colored and patterned foamed polystyrene containers. These containers have traditionally been recycled into daily necessities, sundry goods, and other items, but the goal is to recycle them into the Company’s products. Dissolution and separation recycling operations are expected to start at the Yokkaichi Plant of DIC in November 2024. This will make it possible to increase Eco Tray sales by approximately 30%.

(Initiatives on ESG and SDGs)

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

The Group’s human resources with disabilities engage in core operations, including manufacturing of food containers and sorting of used food containers. As of March 2024, the employment rate for employees with disabilities in the FPCO Group has reached 12.6% according to the calculation method prescribed by Japanese law.

The Company is implementing various initiatives to promote the active participation and career advancement of woman, including those aimed at expanding the occupational domains of female employees, aiding women in remaining employed, and increasing the number of women in managerial positions. As a result, 31% of employees who joined the Company in April 2024 on the career track were women and, as of the end of June 2024, the Company had 67 female managers. In addition, 21.7% of male employees entitled to childcare leave took it during the fiscal year ended March 31, 2024.

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 three consecutive years. Going forward, the Group will continue stepping up initiatives, aiming for recognition of the entire Group under the Certified Health & Productivity Management Outstanding Organizations Recognition Program.

As a result of these initiatives, 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 the financial situation in the first quarter ended June 30, 2024

1) State of assets, liabilities and net assets

Consolidated assets at the end of the first three months under review totaled 295,368 million yen, down 3,212 million yen from the end of the previous fiscal year. This was mainly due to a 2,378 million yen decrease in cash and deposits and a 1,308 million yen decrease in other under current assets mainly reflecting a decrease in accounts receivable-other.

Consolidated liabilities amounted to 150,529 million yen, down 2,206 million yen from the end of the previous fiscal year. This was mainly due to an 2,182 million yen increase in notes and accounts payable-trade due to increased procurement, primarily raw materials, and a 3,115 million yen decrease in loans (short-term loans payable and long-term loans payable), mainly as a result of their repayment.

Consolidated net assets totaled 144,839 million yen, down 1,005 million yen from the end of the previous fiscal year. This change mainly reflected an increase of 1,452 million yen due to the recording of profit attributable to owners of parent, and a decrease of 2,869 million yen due to dividends of surplus.

2) Cash flows

Consolidated cash and cash equivalents (hereinafter “cash”) at the end of the first quarter under review totaled 21,328 million yen, with a decrease of 2,772 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.

(Cash flows from operating activities)

Cash provided by operating activities amounted to 5,923 million yen (8,394 million yen in cash was provided a year earlier).

This reflected a cash increase due mainly to profit before income taxes of 2,235 million yen, depreciation of 3,716 million yen and an increase in notes and accounts payable-trade of 2,090 million yen as well as a cash decrease following income taxes paid of 2,557 million yen, among others.

(Cash flows from investing activities)

Net cash used in investing activities reached 2,480 million yen (5,056 million yen in cash was used a year earlier).

This was due mainly to 2,150 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 6,215 million yen (5,202 million yen in cash was used a year earlier).

This primarily reflected repayment of long-term loans payable of 3,115 million yen and dividends paid of 2,821 million yen.

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

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, 2024 on April 30, 2024 remain unchanged.

On April 30, 2024, the Company announced that it had succeeded in developing the world’s first ultra-high-rigidity biaxially oriented polypropylene sheet (OPP sheet). Since then, it has received inquiries from all quarters. The Company is currently in the process of designing a new plant, and will continue developing applications for the new OPP sheet as a highly functional material with huge potential for many applications including food container applications.

(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 +60°C

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 +80°C

Store-to-Store recycling: The trays and PET bottles used and sold at a store are collected at the same store as resources, recycled into food trays and transparent containers and used actively again by the same store.

Dissolution and separation recycling:

A method with which black polystyrene pellets produced through material recycling are dissolved and decolorized to produce recycled polystyrene materials for food containers.

Developed by DIC Corporation, this is the first technology of its kind in the world.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	First quarter of the current consolidated fiscal year (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	23,707	21,328
Notes and accounts receivable - trade	47,314	46,578
Merchandise and finished goods	23,850	24,730
Work in process	142	127
Raw materials and supplies	4,913	5,055
Other	5,623	4,314
Allowance for doubtful accounts	(34)	(34)
Total current assets	105,516	102,100
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	94,049	92,982
Machinery, equipment and vehicles, net	32,164	31,419
Land	38,039	38,039
Lease assets	1,364	1,322
Other, net	7,116	8,477
Total property, plant and equipment	172,735	172,241
Intangible assets		
Goodwill	698	654
Other	2,892	2,857
Total intangible assets	3,590	3,511
Investments and other assets	16,738	17,514
Total non-current assets	193,063	193,267
Total assets	298,580	295,368
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,893	31,075
Short-term loans payable	14,388	13,970
Commercial papers	18,000	18,000
Income taxes payable	2,927	1,492
Provision for bonuses	3,154	1,685
Provision for directors' bonuses	191	48
Others	18,646	20,392
Total current liabilities	86,201	86,665
Non-current liabilities		
Long-term loans payable	58,889	56,191
Provision for directors' retirement benefits	147	154
Provision for executive officers' retirement benefits	100	88
Net defined benefit liability	5,315	5,377
Others	2,081	2,052
Total non-current liabilities	66,534	63,863
Total liabilities	152,735	150,529

(Million yen)

	Previous consolidated fiscal year (As of March 31, 2024)	First quarter of the current consolidated fiscal year (As of June 30, 2024)
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,573	15,573
Retained earnings	123,003	121,615
Treasury shares	(8,483)	(8,483)
Total shareholders' equity	143,244	141,856
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,621	1,633
Foreign currency translation adjustment	83	447
Remeasurements of defined benefit plans	182	173
Total accumulated other comprehensive income	1,888	2,255
Non-controlling interests	712	727
Total net assets	145,844	144,839
Total liabilities and net assets	298,580	295,368

(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, 2023 - June 30, 2023)	First three-month period of current fiscal year (April 1, 2024 - June 30, 2024)
Net sales	53,233	55,131
Cost of sales	38,124	39,274
Gross profit	15,109	15,856
Selling, general and administrative expenses	12,128	13,666
Operating profit	2,980	2,190
Non-operating income		
Interest income	0	0
Dividends income	49	52
Gain on sales of scraps	48	34
Subsidy income	94	0
Other	176	107
Total non-operating income	368	195
Non-operating expenses		
Interest expenses	39	42
Share of loss of entities accounted for using equity method	23	72
Other	44	25
Total non-operating expenses	107	140
Ordinary profit	3,241	2,244
Extraordinary income		
Gain on sales of non-current assets	127	–
Total extraordinary income	127	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	20	9
Total extraordinary losses	20	9
Profit before income taxes	3,349	2,235
Income taxes - current	1,549	1,368
Income taxes - deferred	(423)	(601)
Total income taxes	1,125	767
Profit	2,223	1,467
Profit (loss) attributable to non-controlling interests	(21)	15
Profit attributable to owners of parent	2,244	1,452

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

(Million yen)

	First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)	First three-month period of current fiscal year (April 1, 2024 - June 30, 2024)
Profit	2,223	1,467
Other comprehensive income		
Valuation difference on available-for-sale securities	159	11
Remeasurements of defined benefit plans, net of tax	(0)	(8)
Share of other comprehensive income of entities accounted for using equity method	(144)	364
Total other comprehensive income	14	367
Comprehensive income	2,238	1,834
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,259	1,819
Comprehensive income attributable to non- controlling interests	(21)	15

(3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)	First three-month period of current fiscal year (April 1, 2024 - June 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,349	2,235
Depreciation	3,795	3,716
Increase (decrease) in provision for bonuses	(1,457)	(1,512)
Increase (decrease) in provision for directors' bonuses	(125)	(142)
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for directors' retirement benefits	4	5
Increase (decrease) in provision for executive officers' retirement benefits	(17)	(12)
Increase (decrease) in net defined benefit liability	48	61
Interest and dividends income	(49)	(53)
Interest expenses	39	42
Share of loss (profit) of entities accounted for using equity method	23	72
Loss (gain) on sales and retirement of non-current assets	(109)	6
Decrease (increase) in notes and accounts receivable - trade	696	926
Decrease (increase) in inventories	189	(992)
Decrease (increase) in accounts receivable - other	896	934
Increase (decrease) in notes and accounts payable - trade	(1,281)	2,090
Other, net	5,359	1,039
Subtotal	11,360	8,416
Interest and dividend income received	49	104
Interest expenses paid	(33)	(39)
Income taxes paid	(2,981)	(2,557)
Cash flows from operating activities	8,394	5,923
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,723)	(2,150)
Proceeds from sales of property, plant and equipment	698	9
Proceeds from sales of investment securities	266	–
Other, net	(298)	(338)
Cash flows from investing activities	(5,056)	(2,480)
Cash flows from financing activities		
Proceeds from long-term loans payable	1,000	–
Repayment of long-term loans payable	(3,846)	(3,115)
Repayments of lease obligations	(300)	(277)
Cash dividends paid	(2,055)	(2,821)
Cash flows from financing activities	(5,202)	(6,215)
Net increase (decrease) in cash and cash equivalents	(1,863)	(2,772)
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	20,392	21,328

(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

Notes on segment information, etc.

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

Important Subsequent Events

Not applicable