

Financial Results

for the first half of fiscal year ending March 2018

平成27年度
地球温暖化防止活動環境大臣表彰



FP Corporation
November 13, 2017

Cautions for Handling This Material

We have paid extremely close attention to the information provided through presentations at this session and contained in the handouts. The forward-looking statements included in the information are our estimates based on the information available at the time of publication, and therefore contain potential risks and uncertainties.

Therefore, changes in a number of factors could cause actual results to differ materially from the future prospects described.

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◆ Results and Plan

Executive Vice President and Director,

Executive General Manager of Finance and Accounting Division Isao Ikegami . . . 4

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Consolidated Financial Results
for the first half of the fiscal year ending March 2018

**Executive Vice President and Director,
Executive General Manager of Finance and Accounting Division
Isao Ikegami**

Financial Results Summary

(Results for the first half of FY ending March 2018)

Unit: million yen	First half performance						First half projections			Full year projections			
	FY ended March 2017		FY ending March 2018				FY ending March 2018			FY ending March 2018			
	Performance	percentage	Performance	percentage	increase/ decrease	Year-on- year	Quantity	Planned	percentage	progress rate	Planned	percentage	progress rate
Trays	14,587	17.1	14,848	17.2	261	101.8%	99.6%	14,600	16.7	101.7%	29,700	16.6	50.0%
Lunchboxes and prepared food containers	47,091	55.1	47,682	55.1	590	101.3%	102.0%	48,800	55.8	97.7%	100,100	55.9	47.6%
Subtotal	61,678	72.1	62,531	72.2	852	101.4%	101.2%	63,400	72.5	98.6%	129,800	72.5	48.2%
Other products	1,607	1.9	1,671	1.9	63	104.0%		1,600	1.8	104.4%	3,200	1.8	52.2%
Sales of products	63,286	74.0	64,202	74.2	916	101.4%		65,000	74.3	98.8%	133,000	74.3	48.3%
packaging materials	17,921	21.0	18,574	21.5	653	103.6%		18,500	21.1	100.4%	37,800	21.1	49.1%
Other goods	4,334	5.1	3,778	4.4	-556	87.2%		4,000	4.6	94.5%	8,200	4.6	46.1%
Sales of goods	22,256	26.0	22,353	25.8	96	100.4%		22,500	25.7	99.3%	46,000	25.7	48.6%
Net Sales	85,542	100.0	86,555	100.0	1,012	101.2%		87,500	100.0	98.9%	179,000	100.0	48.4%
Operating profit	7,655	8.9	6,287	7.3	-1,368	82.1%		6,600	7.5	95.3%	15,900	8.9	39.5%
Ordinary profit	7,907	9.2	6,628	7.7	-1,278	83.8%		6,900	7.9	96.1%	16,500	9.2	40.2%
Profit attribute to owners of parent	5,406	6.3	4,421	5.1	-985	81.8%		4,710	5.4	93.9%	11,150	6.2	39.7%
Ordinary profit before depreciation and amortization	13,410		12,306		Δ1,104	91.8%		12,600		97.7%	28,600		43.0%

 Record high

✓ Highest sales and profit ever

✓ Decrease in profit for the first time in 3 years

Products made to order (Convenience Store)
-300million yen (-0.5%)

Withdrawal from the unprofitable transactions
-1,100million yen (-4.7%)

Total
-1,400million yen (-1.6%)

■ Sales

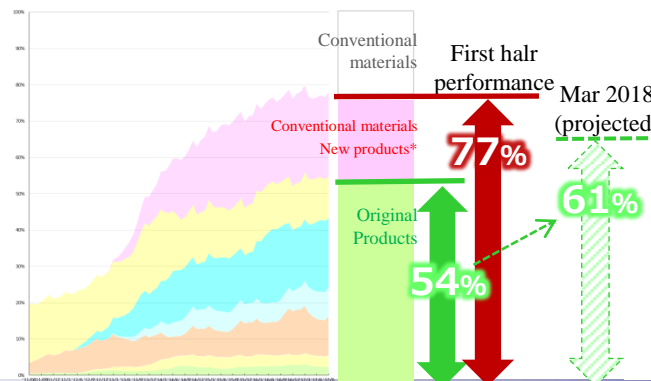
Products

- Increase in sales volume of original products, especially Multi-FP and Eco APET
- High-value-added products and creating microwave menu market
- Growth of general-purpose products slowed down

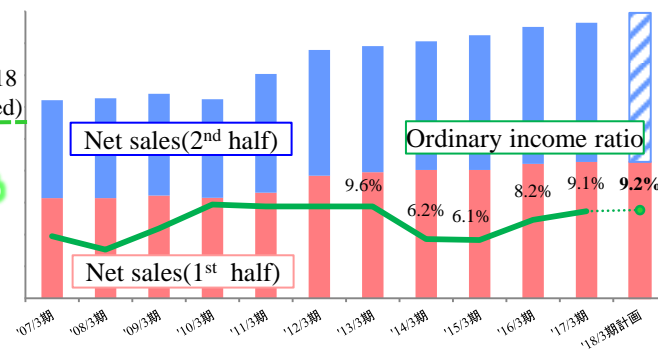
Goods

- Expansion of FPCO MD products
- Withdrawal from the unprofitable transactions

◇ Product sales composition



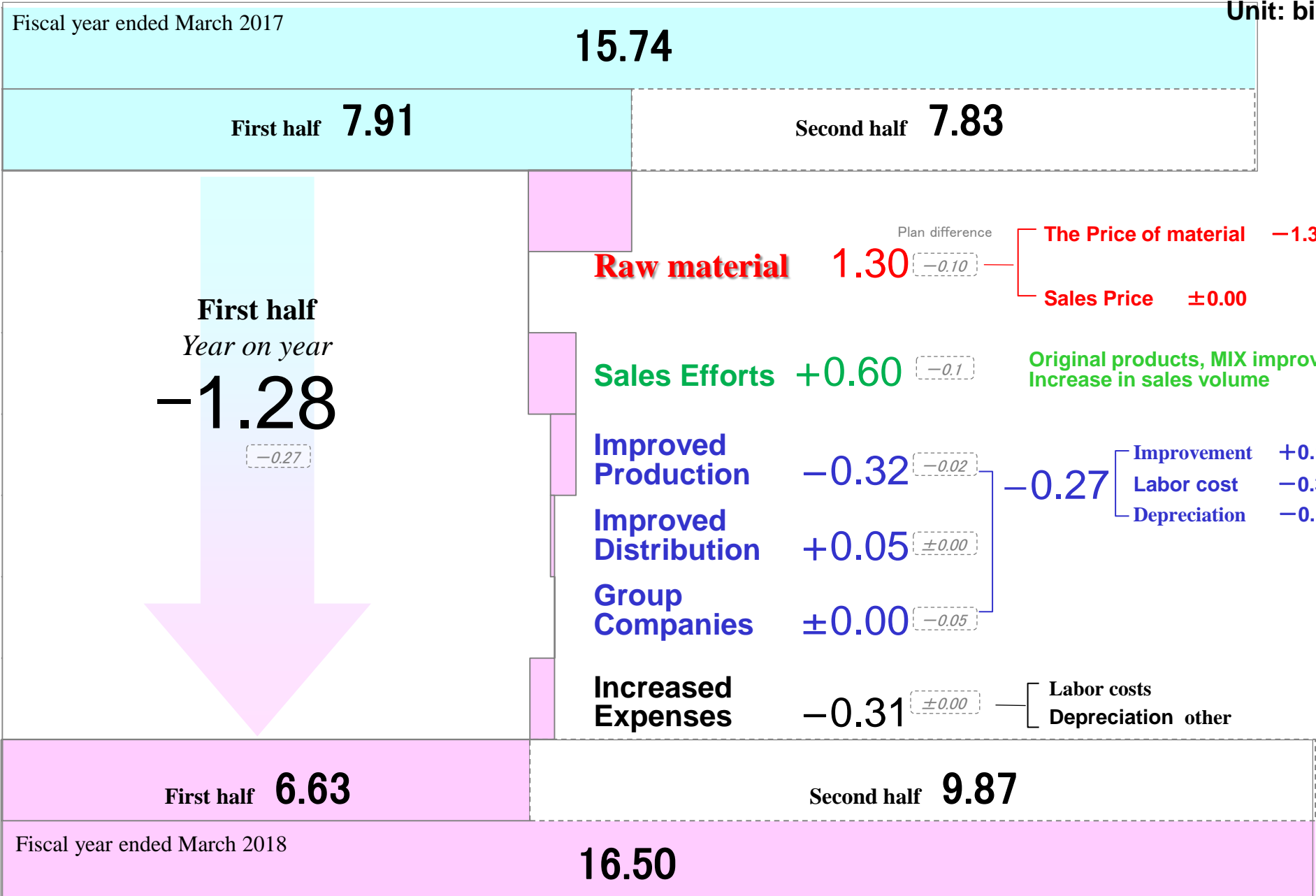
◇ Ordinary income ratio



Increase/Decrease in Ordinary Profit

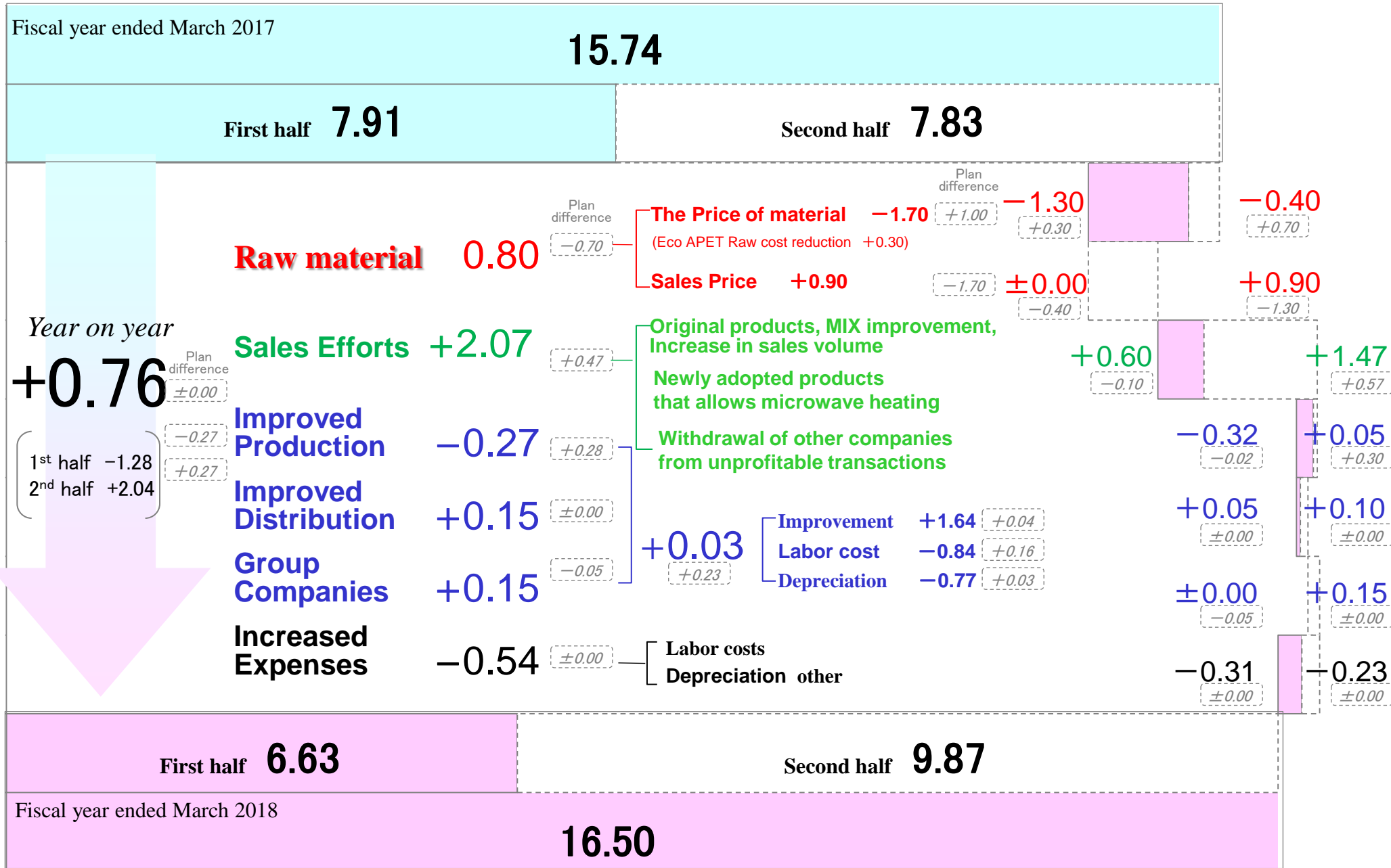
(Results for the first half of FY ending March 2018)

Unit: billion yen



Outlook for the Planned Ordinary Profit

(Plan for the FY ending March 2018)



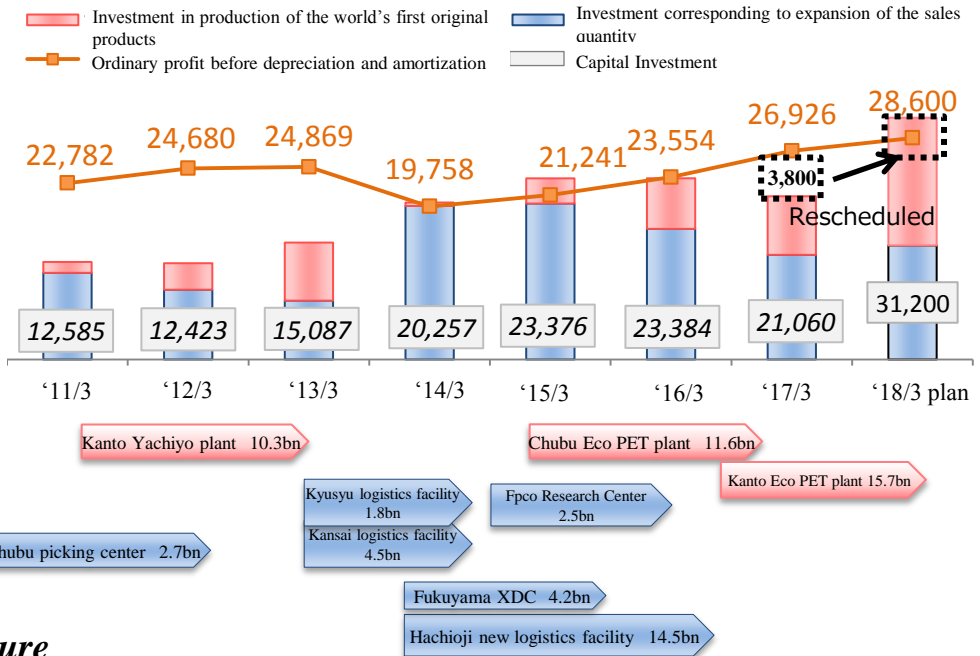
Capital Investments and R&D cost

(Results for the first half of FY ending March 2018)

Unit: million yen	First half performance				First half projections		Full year projections	
	FY ended March 2017	FY ending March 2018			FY ending March 2018		FY ending March 2018	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	12,501	15,961	3,459	127.7%	19,800	80.6%	30,800	51.8%
Intangible fixed assets	68	164	95	238.9%	100	164.7%	400	41.2%
Capital investment (including leasing and procurement)	12,570	16,125	3,555	128.3%	19,900	81.0%	31,200	51.7%
Depreciation and amortization costs	5,503	5,677	174	103.2%	5,700	99.6%	12,100	46.9%
Research and development cost	612	580	-31	94.8%	640	90.7%	1,260	46.1%

Major capital investments

unit: million yen	Total investment	Plan in period	Performance in 1st half
Investment in production of the world's first original products			
◆ Kanto Eco PET plant Inaugurated in Aug. 2017	15,700	13,500	9,528
◆ Extension of integrated production facilities of Eco APET			
◆ OPET production facilities in Nov. 2017		3,000	1,380
Investment corresponding to expansion of the sales quantity			
◆ Introduction of automation facilities		630	310
◆ Reinforcement of production bases of Group Company			
◆ Film Plant To be inaugurated in Jan. 2018	2,740	2,500	668
◆ Film Printing Plant To be inaugurated in Apr. 2018	4,500	1,360	438
◆ Molds		2,210	736
◆ IT investments		600	182



Overwhelming market superiority

Ensure profit by high value-added products and logistic infrastructure

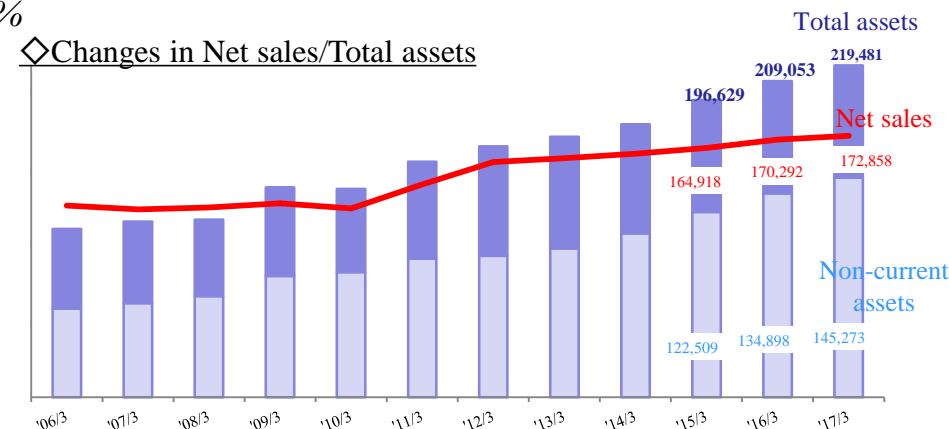
Balance Sheet

(Results for the first half of FY ending March 2018)

Unit: million yen	Previous consolidated fiscal year	First half of the consolidated fiscal year			
	FY ended March 2017 (As of March 31, 2017)	(As of September 30, 2018)	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	74,208	81,456	7,248	109.8%	Notes and accounts receivable-trade 5,207 Merchandise and finished goods 744 Raw materials and supplies 560
Noncurrent assets	145,273	155,779	10,505	107.2%	Property, plant and equipment 10,297
Total assets	219,481	237,235	17,754	108.1%	
Current liabilities	73,051	77,133	4,081	105.6%	Short-term loans payable -5,917 Commercial papers 3,000 Accounts payable-other(facilities) 5,680
Noncurrent liabilities	46,707	56,819	10,111	121.6%	Long-term loans payable 11,933
Total liabilities	119,759	133,952	14,193	111.9%	
Net assets	99,721	103,282	3,560	103.6%	Retained earnings 2,767
Total liabilities and net assets	219,481	237,235	17,754	108.1%	

Equity ratio 43.4%

- **Assets** Strategic investments for boosting the production capacity of original products and ensuring stable supply
- **Liabilities** Utilize borrowing as capital for strategic investment
- **Net assets** Strengthen the management structure
Prepare for expanding business flexibly



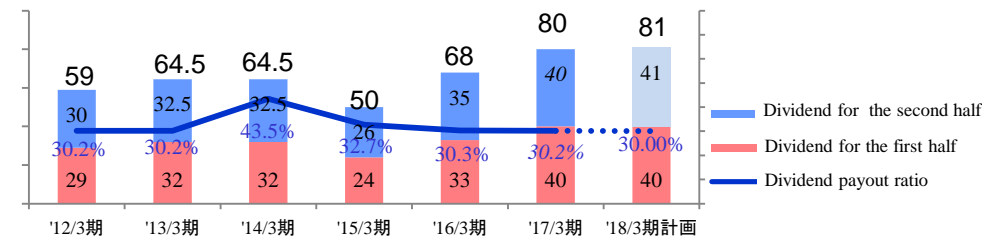
Cash Flows

(Results for the first half of FY ending March 2018)

Unit: million yen	First half performance		
	FY ended March 2017 Performance	Performance	FY ending March 2018 Breakdown of Main Items
CF from operating activities	10,413	4,014	Income before income taxes 6,458 Depreciation 5,677 Increase in notes and accounts receivable - trade -5,210 Increase in notes and accounts payable - trade 2,808 Increase in inventories -1,285 Income taxes paid -3,302
CF from investing activities	-13,970	-9,500	Purchase of property, plant and equipment -9,518
Free cash flows	-3,557	-5,485	
CF from financing activities	3,563	5,691	Increase in commercial papers 3,000 Proceeds from long-term loans payable 21,000 Repayment of long-term loans payable -15,483 Repayments of lease obligations -1,672 Cash dividends paid -1,652
Net increase(decrease)in cash and cash equivalents	6	205	
Cash and cash equivalents at end of period	15,096	18,350	

- CF from operating activities
Increased by ensuring profit
- CF from investing activities
Strategic investment to construct the bases to make a profit for future
- CF from financing activities
Increase in borrowing as capital for strategic investment
Continuously stable dividend

《Dividend per share》



Plan
for the fiscal year ending March 2018

Outline of Plan for Account Settlement

(Plan for the FY ending March 2018)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March 2017		FY ending March 2018				FY ending March 2018			
	Performance	Percentage	Planned	Percentage	Increase /decrease	Year-on-year	Planned	Percentage	Increase /decrease	Year-on-year
<i>Trays</i>	29,303	17.0	29,700	16.6	+396	101.4%	14,600	16.7	+12	100.1%
<i>Lunchboxes and prepared food containers</i>	95,401	55.2	100,100	55.9	+4,698	104.9%	48,800	55.8	+1,708	103.6%
<i>Total</i>	124,704	72.1	129,800	72.5	+5,095	104.1%	63,400	72.5	+1,721	102.8%
<i>Other products</i>	3,220	1.9	3,200	1.8	- 20	99.4%	1,600	1.8	- 7	99.6%
Sales of products	127,924	74.0	133,000	74.3	+5,075	104.0%	65,000	74.3	+1,713	102.7%
<i>Packaging materials</i>	36,335	21.0	37,800	21.1	+1,464	104.0%	18,500	21.1	+578	103.2%
<i>Other goods</i>	8,598	5.0	8,200	4.6	- 398	95.4%	4,000	4.6	- 334	92.3%
Sales of goods	44,933	26.0	46,000	25.7	+1,066	102.4%	22,500	25.7	+243	101.1%
Net sales	172,858	100.0	179,000	100.0	+6,141	103.6%	87,500	100.0	+1,957	102.3%
Operating profit	15,176	8.8	15,900	8.9	+723	104.8%	6,600	7.5	-1,055	86.2%
Ordinary profit	15,742	9.1	16,500	9.2	+757	104.8%	6,900	7.9	-1,007	87.3%
Profit attributable to owners of parent	10,953	6.3	11,150	6.2	+196	101.8%	4,710	5.4	-696	87.1%

※Reclassification in the part of "sales of products" from FY ending March 2018

■ Sales Products

Increasing sales ratio of the Company's original products and new products to stabilize earnings.
labor saving by automation, IT and logistic infrastructure

Shipments: Rising 4% year-on-year

Trays: Expanding sales of products using recycled raw materials

Lunchboxes and prepared food containers:

Increasing sales of containers with new functions and new designs,
especially the Company's original products with functions such as cold and heat resistance.

Goods

Improvement in profitability with FPCO PB products

◇ Production

Reinforce the production capacity of Eco APET and OPET owing to the start of Kanto Eco PET plant.

Cost reduction by introduction of industrial robots

◇ Logistics

Expanding the joint delivery operations,
using Distribution network covering the entire country

Enhancing workability by voice picking system

Business Continuity Plan (BCP) actions

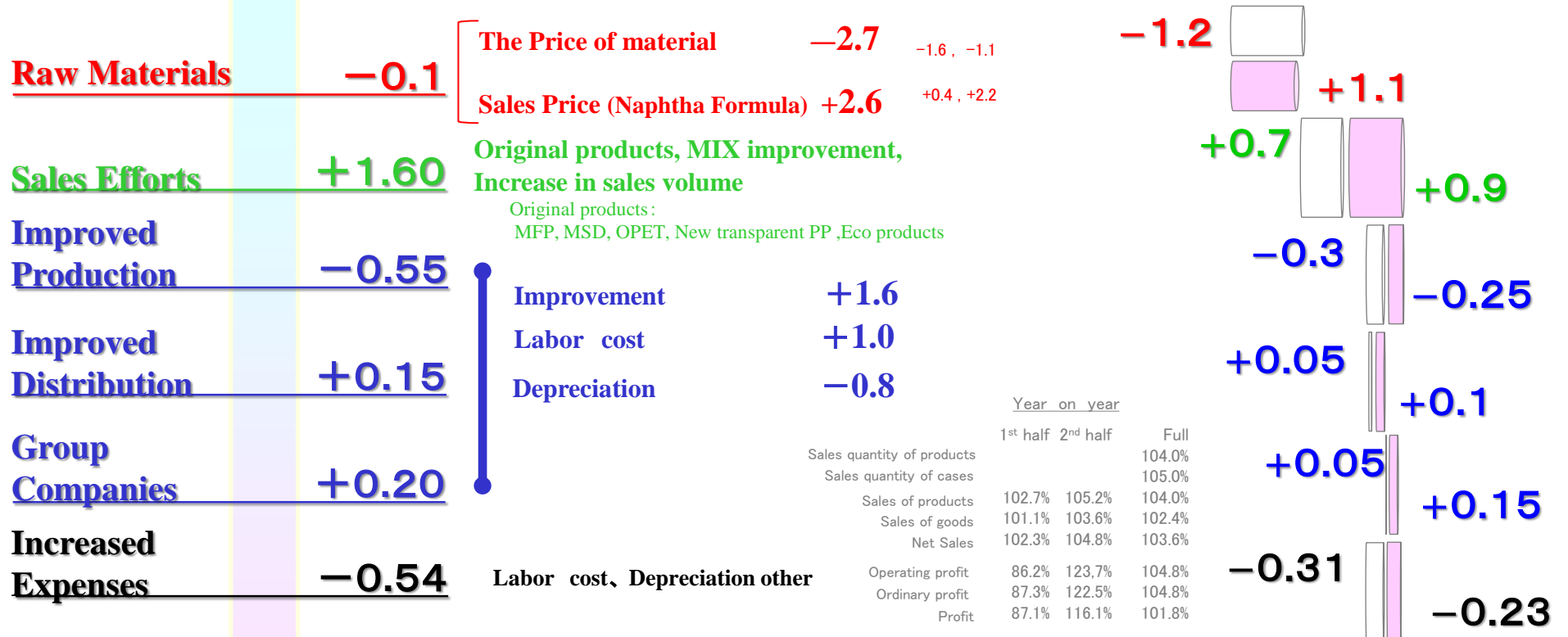
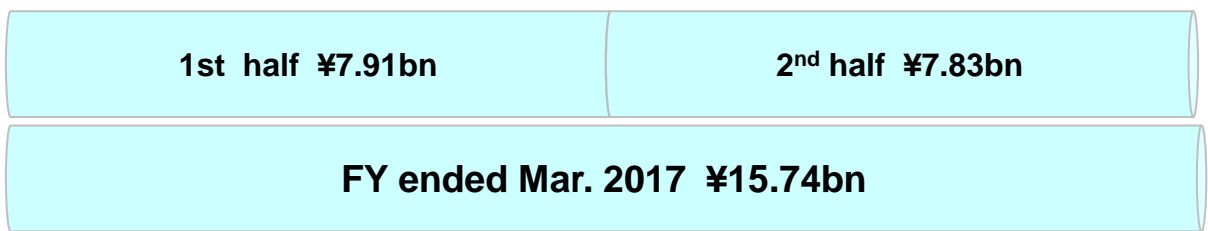
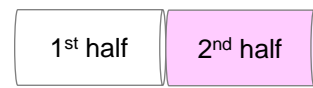
◇ ESG

Promoting the terrestrial resource cycle and the employment of people with disabilities.

Planned Increase/Decrease in Ordinary Profit

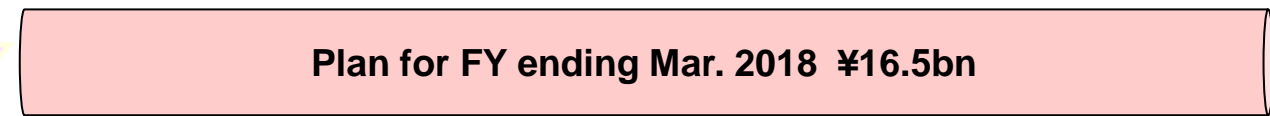
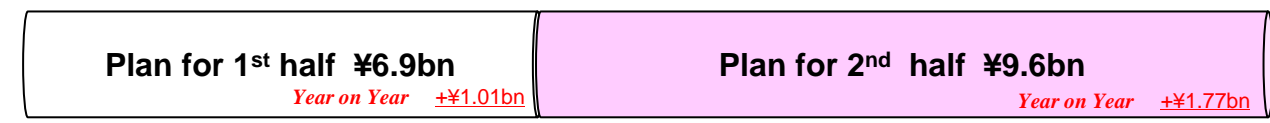
(Plan for the FY ending March 2018)

Unit: billion yen



	Year on year		Full
	1st half	2nd half	
Sales quantity of products			104.0%
Sales quantity of cases			105.0%
Sales of products	102.7%	105.2%	104.0%
Sales of goods	101.1%	103.6%	102.4%
Net Sales	102.3%	104.8%	103.6%
Operating profit	86.2%	123.7%	104.8%
Ordinary profit	87.3%	122.5%	104.8%
Profit	87.1%	116.1%	101.8%

Year on year +0.76bn



Planned Capital Investment and R&D Cost

(Plan for the FY ending March 2018)

Unit : million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2017	FY ending March 2018			FY ending March 2018		
	Performance	Planned	Increase /decrease	Year-on-year	Planned	Increase /decrease	Year-on-year
Tangible fixed assets	20,790	30,800	+10,009	148.1%	19,800	+7,298	158.4%
Intangible fixed assets	269	400	+130	148.5%	100	+31	145.0%
Capital investment	21,060	31,200	+10,139	148.1%	19,900	+7,329	158.3%
Depreciation and amortization costs	11,183	12,100	+916	108.2%	5,700	+196	103.6%
Research and development cost	1,223	1,260	+36	103.0%	640	+27	104.5%

Major capital investments

unit: million yen Total investment Plan for 2018/3

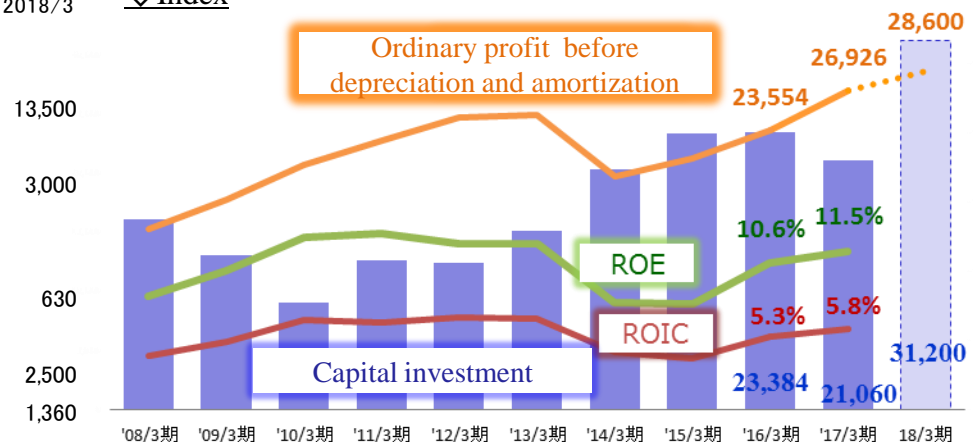
Investment in production of the world's first original products

- ◆ Kanto Eco PET plant To be inaugurated in fall 2017 15,700 13,500
Extension of integrated production facilities of Eco APET
- ◆ OPET production facilities in Nov 2017 3,000

Investment corresponding to expansion of the sales quantity

- ◆ Introduction of automation facilities 2,500
- ◆ Reinforcement of production bases of Group Company
 - Film Plant To be inaugurated in Jan 2018 2,740
 - Film Printing Plant To be inaugurated in Apr 2017 4,500
- ◆ Molds 1,360
- ◆ IT investments 2,210

◇Index



※ROE = Profit attributable to owners of parent ÷ Equity

※ROIC = NOPAT (operating profit after tax) ÷ Capital Invested (Net assets + Interest bearing debt)

To Increase Corporate Value

President

Morimasa Sato



FP CORPORATION

Social Conditions

**Reduced overtime work due to
work-style innovation**
Stagnant consumer spending

Labor shortage
**Increased labor
expenses**



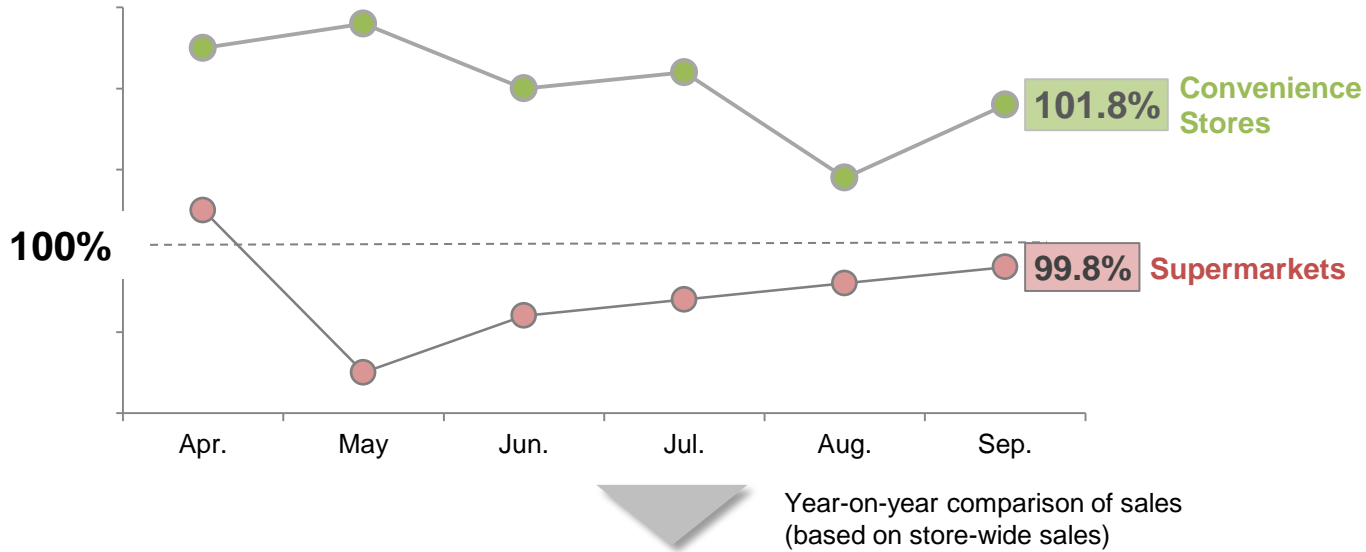
Retail Industry

**Increase the value of
merchandise**

**Improve workability in
stores**

**Shift to packaging
outsourcing**

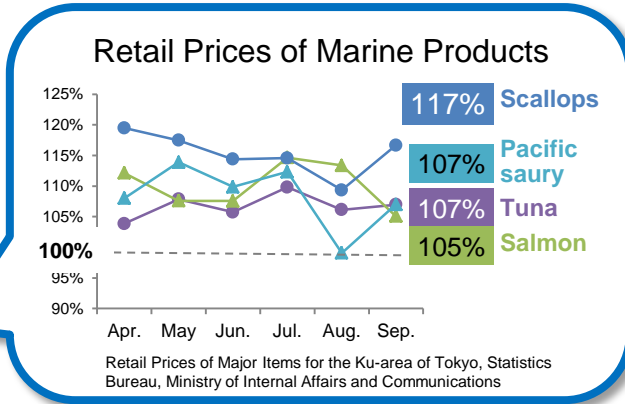
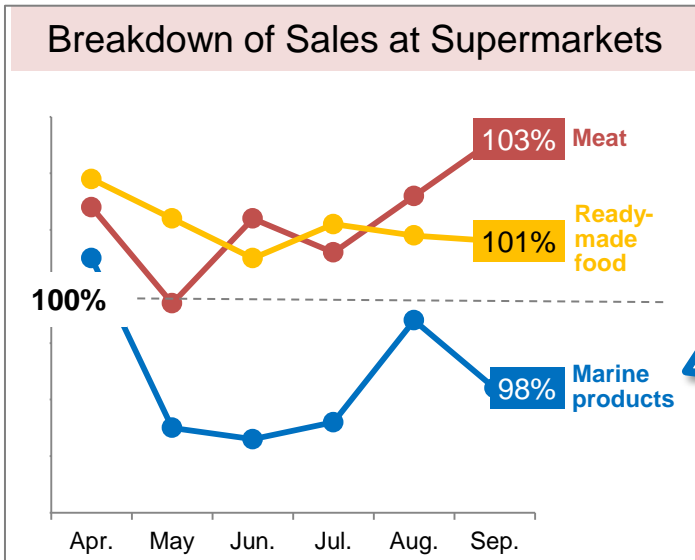
Conditions of Convenience Stores and Supermarkets



Convenience Stores

1st half of 2017 Sales remained strong thanks to the growth of the home meal replacement market

Increase in refrigerated shelves
Expansion of chilled food sections

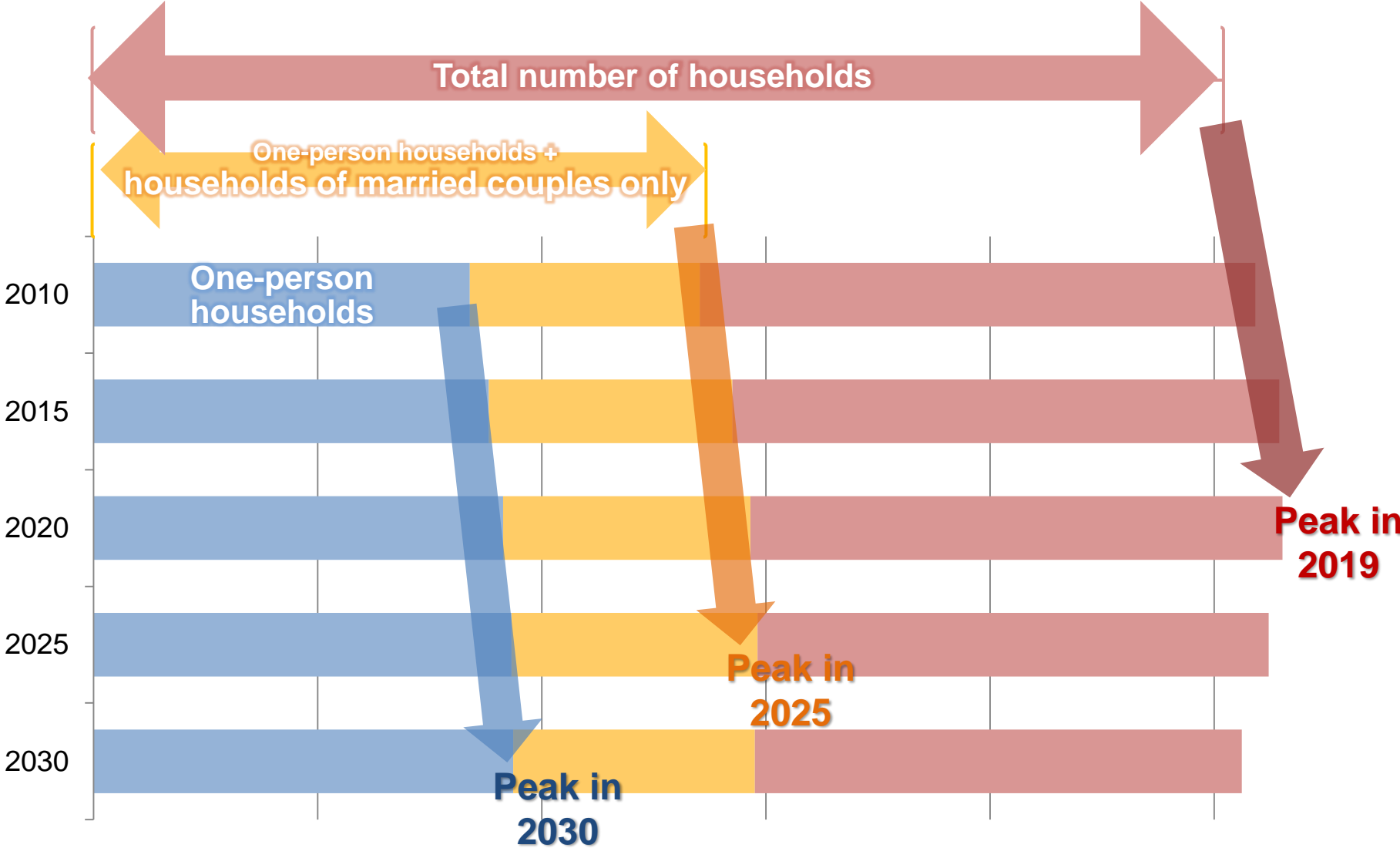


Supermarkets

1st half of 2017 Impact of unseasonable weather
Strong sales of ready-made food and meat
Weak sales of marine products

Increased profitability thanks to improved ready-made food

Changes in the Number of Households



Source: The graph was prepared by FPCO based on data from the National Institute of Population and Social Security Research.

Accelerated Entry into Home Meal Replacement Market

Increase in one-person households

Population aging

Increase in two-income households



Cooking at home

Approx. **32** trillion yen

Sales of original food => salads and ready-made food



Major food manufacturers



Eating out

Approx. **25** trillion yen

Improve take-out food



Home meal replacement



Approx. **9.8** trillion yen

Supermarkets and convenience stores
In-store space for eating
Online supermarkets

Mail-order sales

Elderly care facilities

Arrival of Full-swing Fall-Winter Season for Microwavable Food

簡単	<p>レンジ鍋</p>  <p>レンジで 6分</p> <ul style="list-style-type: none"> ● レンジの「チン」を待つだけ ● 加熱後も見た目のまま 	<p>アルミ鍋</p>  <p>IH調理 6分</p> <ul style="list-style-type: none"> ● 火の通りを均等にかき混ぜ続ける ● 調理後はぐちゃぐちゃに...
	<p>容器の保温性が高くアツアツの状態が続く</p> <p>85.2℃ 加熱後 5分 → 68.1℃</p> <p><small>※汁部分を中心に計測</small></p>	<p>容器の保温性が低く冷めやすい</p> <p>88.1℃ 加熱後 5分 → 59.8℃</p> <p><small>※汁部分を中心に計測</small></p>
美味しい	<p>容器の断熱性により、加熱直後に素手で持っても 熱くない</p> <ul style="list-style-type: none"> ● すぐに食卓に運んで食べられる 	<p>熱すぎてすぐに持てない</p> <ul style="list-style-type: none"> ● 冷ますの鍋つかみやふきんで持つ ● テーブルの上にも鍋敷きが必要 

For Prima Meat Packers, Ltd.



Microwavable pot series
MFP Doris Pot 19-18 (58) black

MD



Renji De Nabe (microwavable pots) series
MFP Doris Pot 19-18 (58) black

Millefeuille pot series
MFP Doris Pot 19-18 (58) black

Deria Foods Co., Ltd.

Created original pot products by changing toppings



Seafood Chanko Nabe/pot
MFP round pot 18-20 (40) Kagawa brown W

Pork Jjigae pot
MFP round pot 18-20 (40) Kagawa brown W **20**

Shipments of Containers for Microwavable Products



Hot noodles

183%

MFP noodle bowl

MFP shallow noodle bowl

MFP round noodle plate



Soups

127%

MFP Doris cup

MFP round cup

MFP deli soup



Dishes

111%

MFP rectangular deli plate

MFP rectangular deli

MFP hot deli



Pots

114%

MFP round pot

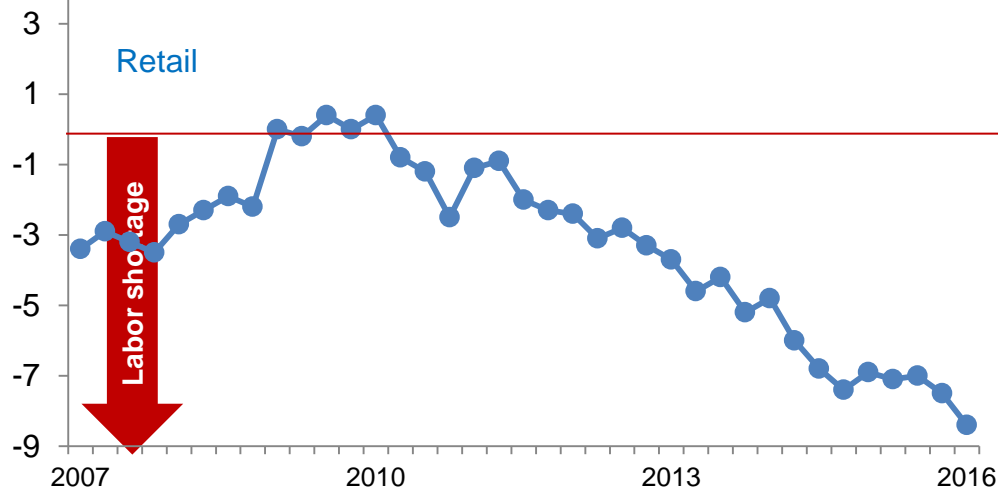
MFP Doris pot



Worker-related Issues: Work-style Innovation, Labor Shortage, and Increase in Minimum Wage

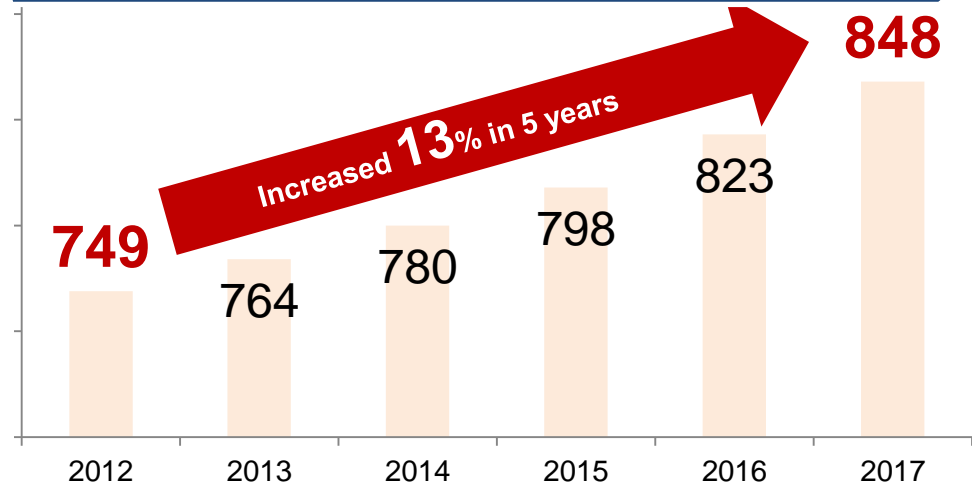


Changes in diffusion index for excess or shortage of employees at small- and medium-sized businesses



“Survey of SME Business Conditions,” Small and Medium Enterprise Agency and Organization for Small & Medium Enterprises and Regional Innovation, Japan

Changes in minimum wage (national average)



“Regional Minimum Wages,” Ministry of Health, Labour and Welfare

Increase in expenses

Loss of opportunities
in not being able to develop products

Lack of capacity
for product development

Proposal for solutions

Use of Containers to Reduce Foodstuffs and Labor Expenses

* Unit: Reduction per store per year

* Reduced expenses were calculated by FPCO.



Good-fitting
container closure

Cuts the sealing task

Approx. **600,000** yen



Good-fitting
container closure

Cuts the point sealing task

Approx. **830,000** yen



Patterned containers

Cuts expenses for leaves and
lettuce

Approx. **60,000** yen



Containers with
display stands

Cuts expenses for garnishing

Approx. **55,000** yen



Containers with
oil strainer

Cuts expenses for oil
absorbing sheets

Approx. **15,000** yen



Estimate: 6 yen for 200 mm
for production of 130 packs/day

Estimate: hourly wage of 823 yen
for production of 150 packs/day

Estimate: 3 yen/piece
for production of 50 packs/day

Estimate: 10 g/serving
when using garnishing of 5 kg/day

Estimate: 1 yen/sheet
for production of 40 packs/day

Reduction of approx. **1.5 million yen/store/year**

Reduction of **225 million yen/year** for 150 stores

Container-Based Solutions for Fruit and Vegetables

New proposals for categories for which containers are yet to be used

Cases delivered from markets



Repacking at processing center



Delivery to retailers



Number of cases of vegetable and fruit containers shipped (1st half of FY2017):

124% year on year



Reduction of Losses in Fruit and Vegetable Sections Using Containers

Consumer survey on product selection criteria

Vegetables

1. Fresh
2. Produced in Japan
3. Good color

Fruits

1. Fresh
2. In season
3. Good taste and flavor



Fruit and vegetables are also a category in which containers can be fully used.

Tomatoes

Easily damaged in a container without ventilation



Containers with holes

Left for about 2 days at room temperature

AP vegetable Box without holes

AP vegetable Box with holes



Strawberries

Must always be placed on top in a shopping bag, or they get crushed



Covered containers



Fruits

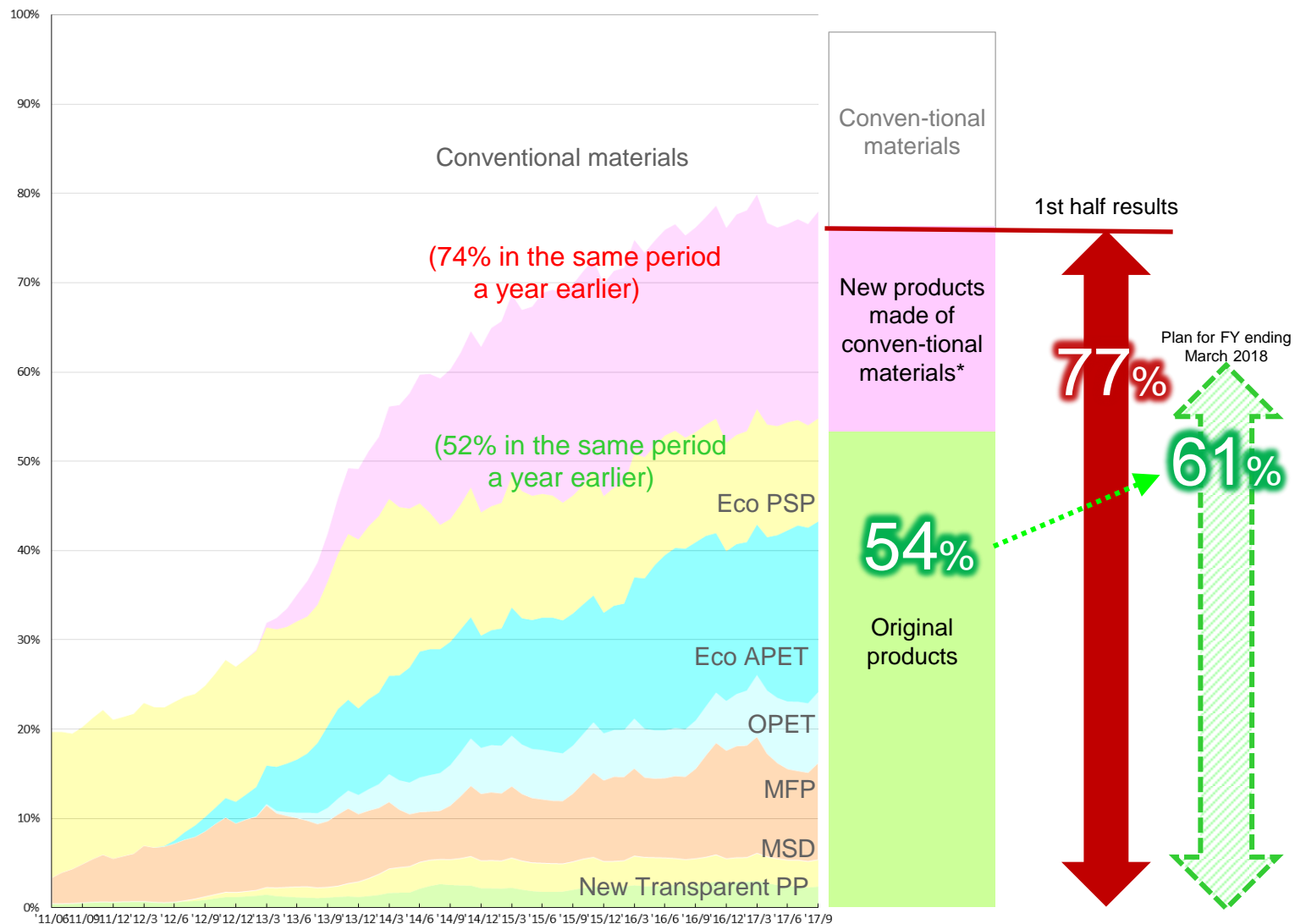
Damaged while being carried



Cushioned containers



Sales Shares of Original Products



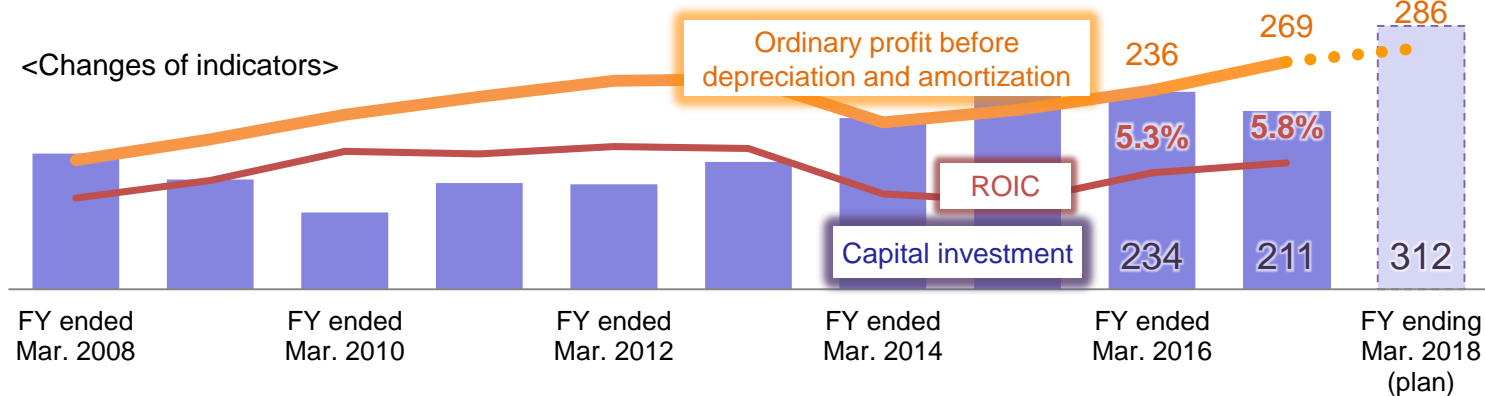
* Until Dec. 2015: new products in and after Jan. 2013
 Since Jan. 2016: new products in the past three years

Management That Maximizes Ordinary Profit in Three Years

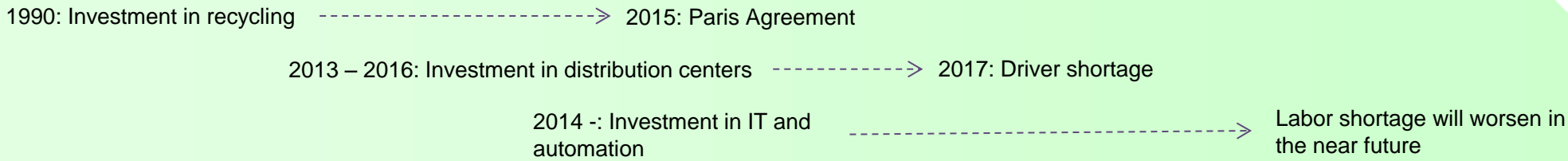
⇒ Investment in View of Social Issues



(billion yen)	Results							Plan	
	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	Six periods total	2018/3	Total sum
Production	60	59	39	95	131	109	494	119	612
Logistics	17	50	114	93	56	11	341	40	381
Molds	19	14	22	24	17	20	117	22	139
Recycling	11	11	2	1	2	16	43	67	110
IT	5	4	6	4	5	4	29	6	35
Group Companies	12	12	20	16	21	50	132	58	190
Total	124	151	203	234	234	211	1,155	312	1,467
↓ Ordinary profit before depreciation	246	248	197	212	235	269	1,407	286	1693



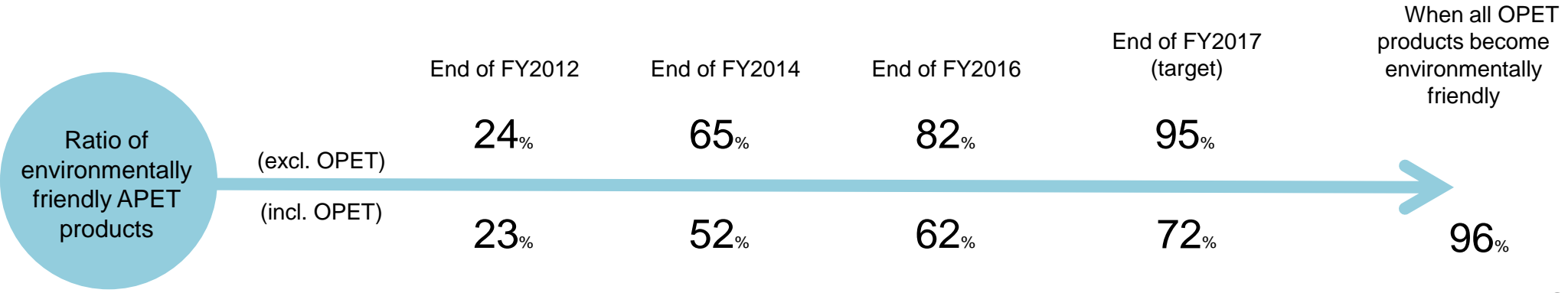
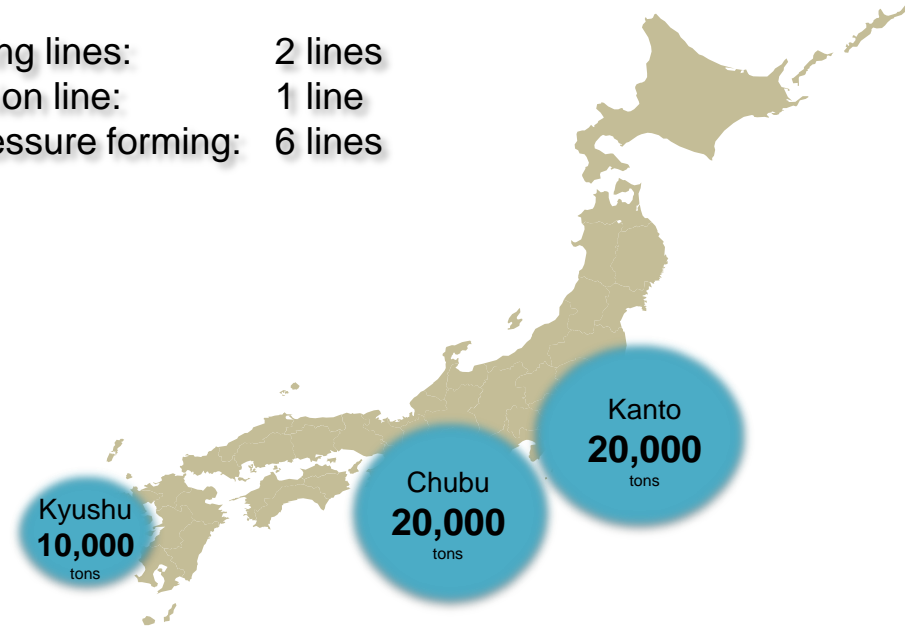
* ROIC = NOPAT (after-tax operating profit) / invested capital (net assets + interest-bearing debt)





Location: Yachiyo, Yuki, Ibaraki Prefecture
 Investment: 15.7 billion
 Total floor area: 12,650 tsubo

PET recycling lines: 2 lines
 VRV extrusion line: 1 line
 Vacuum pressure forming: 6 lines





Virgin products



Anti-dumping tax on imported PET plastics

Anti-dumping tax on imports from China
 Tax of up to 53.0% for 4 months from September
 Possibility of anti-dumping tax imposed for up to 5 years in 2017

⇒ Companies shift their import suppliers from China to other Asian countries

Eco products



Improved demand-and-supply balance of used PET bottles in Japan

In July, China notified the World Trade Organization (WTO) of the suspension of imports of some waste materials such as plastics in 2017.

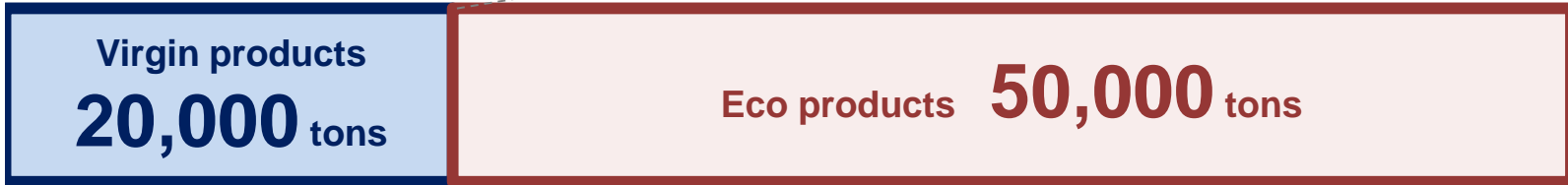


Previous Year



Annual consumption of PET material
70,000 tons

After operation Kanto Eco PET Plant starts



70,000 tons

Eco Tray



1.96 kg

CO₂ reduction effect

-30%

CO₂ reduction effect

-33%

Eco APET



1.61 kg

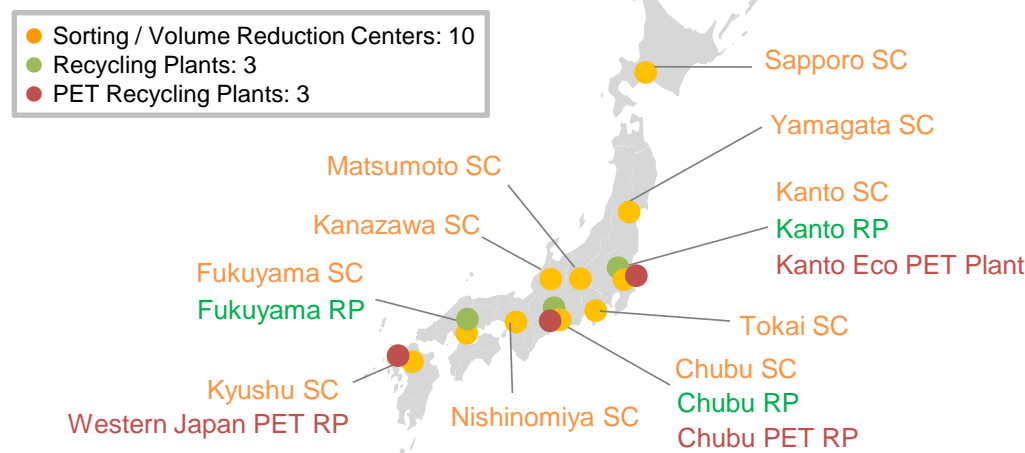
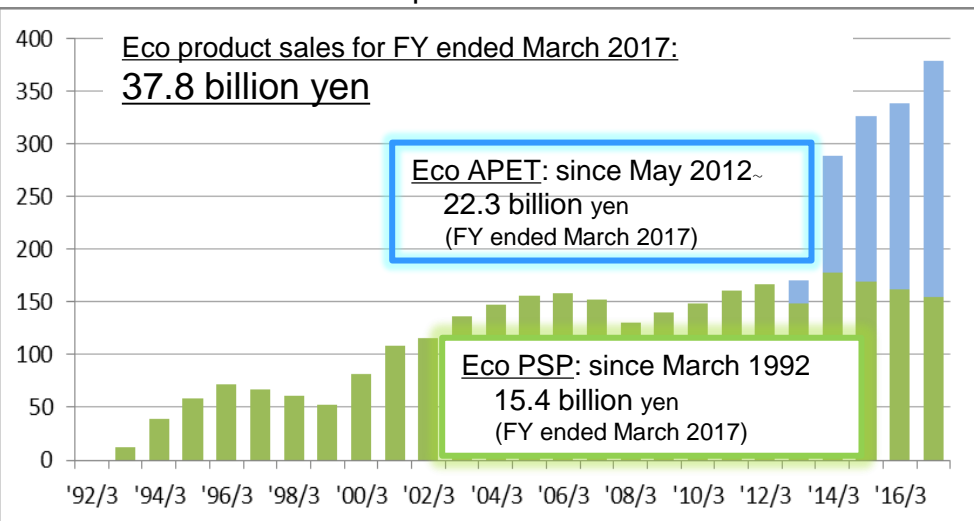
In FY ended March 2017, CO₂ emissions were cut by

110,000 tons a year

(Eco Tray: 45,000 tons / Eco APET 66,000 tons)

Comparison between FPCO's virgin products and eco products per kilogram

<Trend in sales of eco products>



Diversity Management That Maximizes Abilities

Toyo Keizai, Inc. October 2017
 Disabled employment ranking: 1st for 4 consecutive years

Sorting centers: 10 locations

7 in-house locations
 1 location with a contractor ○
 2 locations with business alliance partners ●

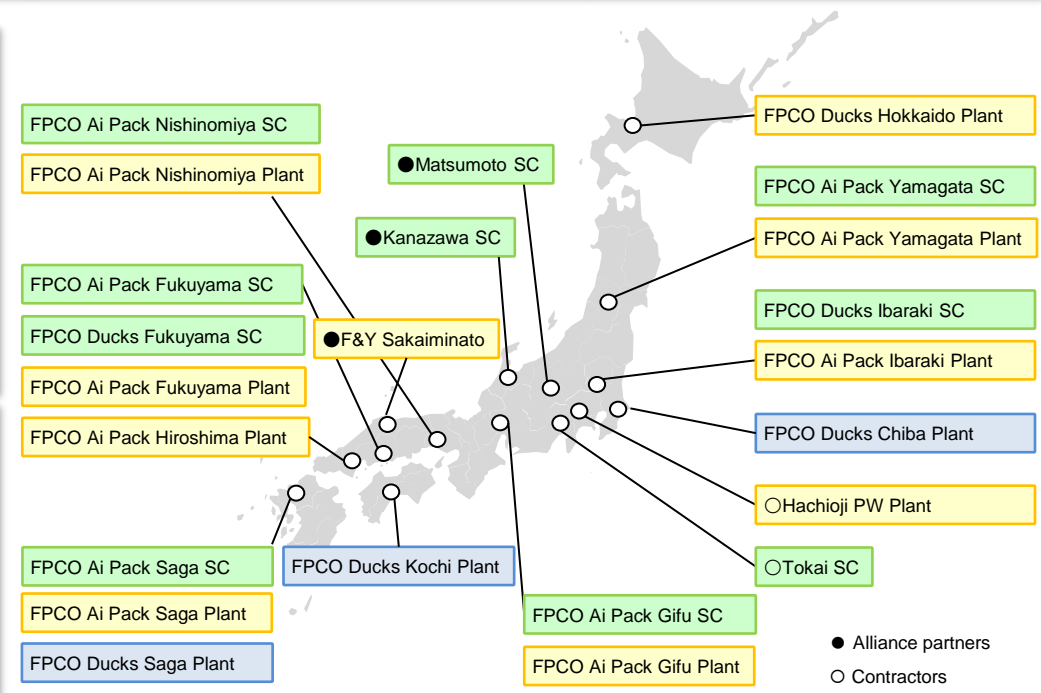


Oribako container assembly and secondary processing: 10 locations

8 in-house locations
 1 location with a contractor ○
 1 locations with business alliance partner ●



Container manufacturing (foamed/transparent): 3 locations



FPCO Group as of March 31, 2017

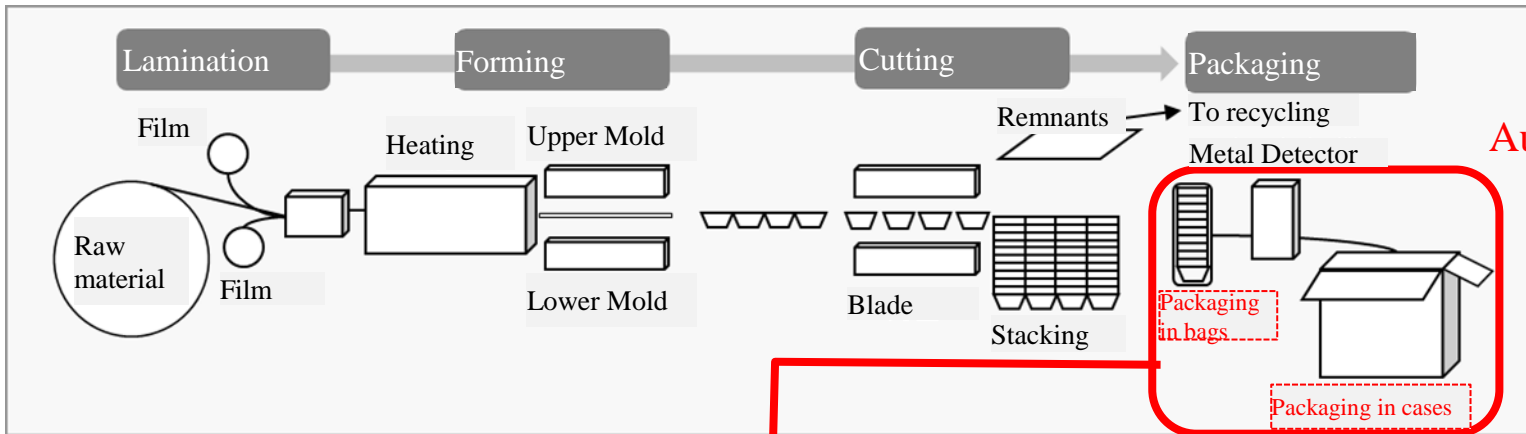
Number of employees with disabilities:
374
 (Adjusted number of employees with disabilities: 644)

Percentage of employees with disabilities:
13.95%

FPCO's Solution to the Labor Shortage: Automation



■ RSP Container Production Process



Automated



FPCO's Solution to Labor Shortage: Automation



21

Automated packing systems

3 units added in FY ending Mar. 2018



8

Automatic dusting and packaging systems

0 units added in FY ending Mar. 2018



22

Case packing robots

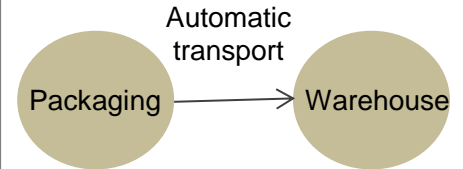
13 units added in FY ending Mar. 2018



4

Automatic case transport systems

4 units added in FY ending Mar. 2018

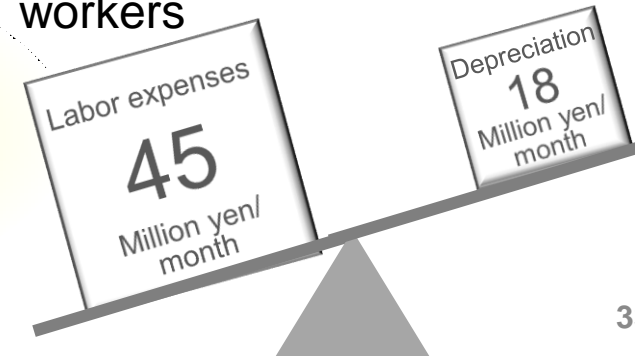


(forecast for the end of March 2018)

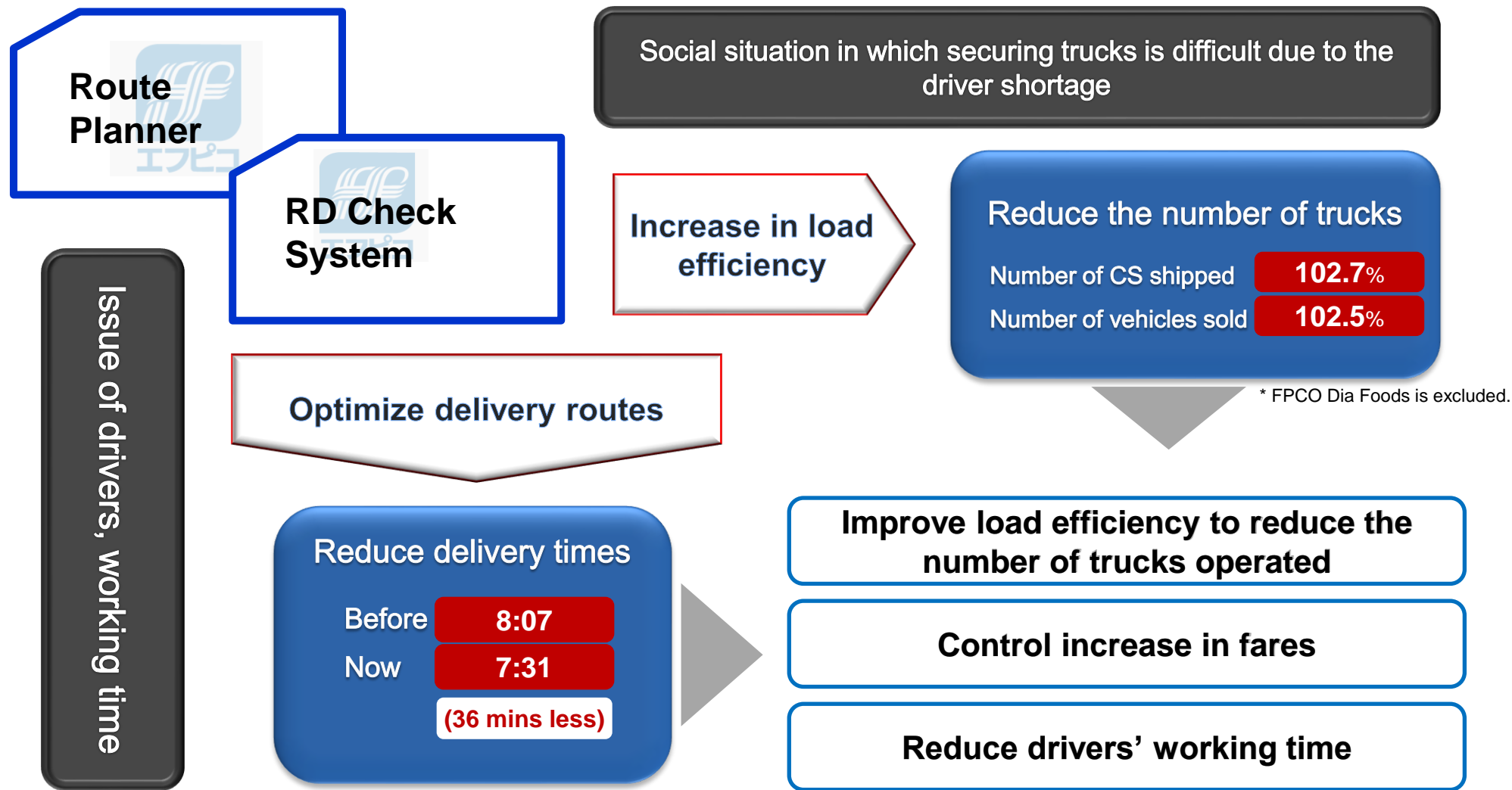
Labor saving of approx. 98 workers

Effect:
27
million/month

Approx.
300
million yen/year



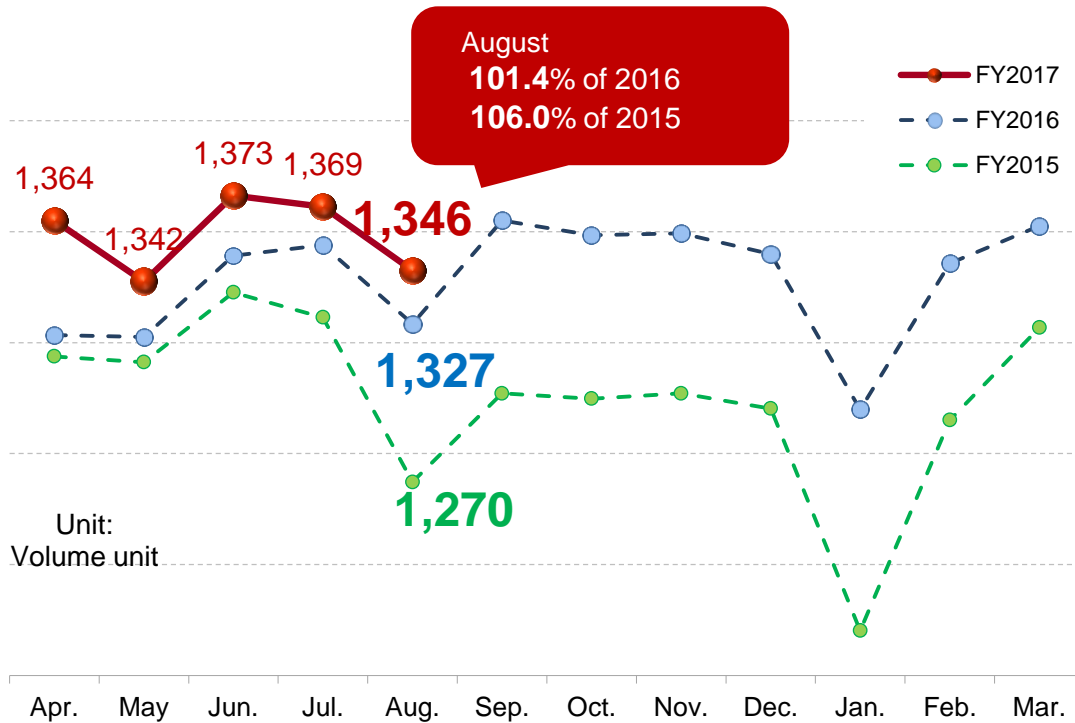
Increased Efficiency and Accuracy of Delivery Using IT



Increased Efficiency and Accuracy of Delivery Using IT

Trend in load (in volume units*) for shipping sold items by truck
 (* One volume unit equals nearly 0.28 cubic meters.)

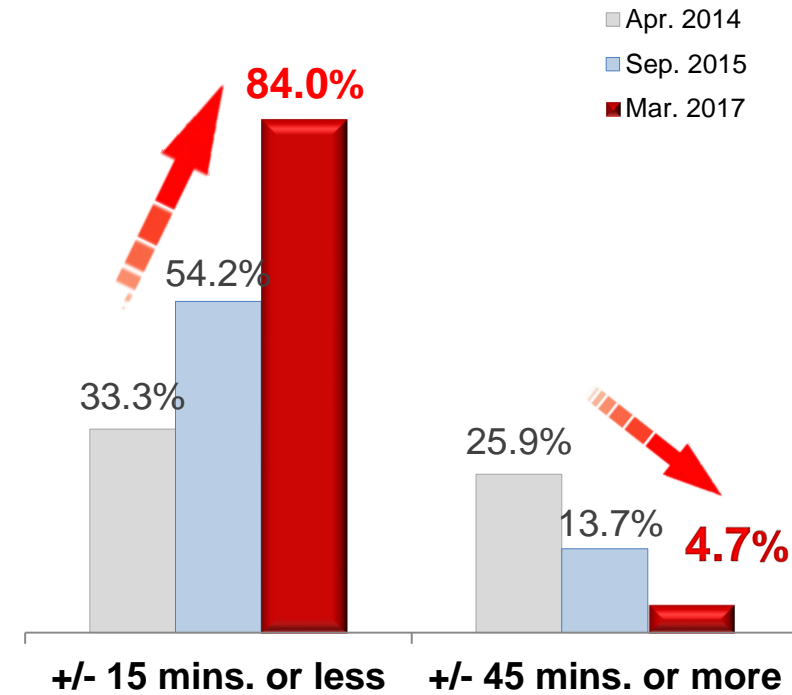
Load efficiency per truck improved



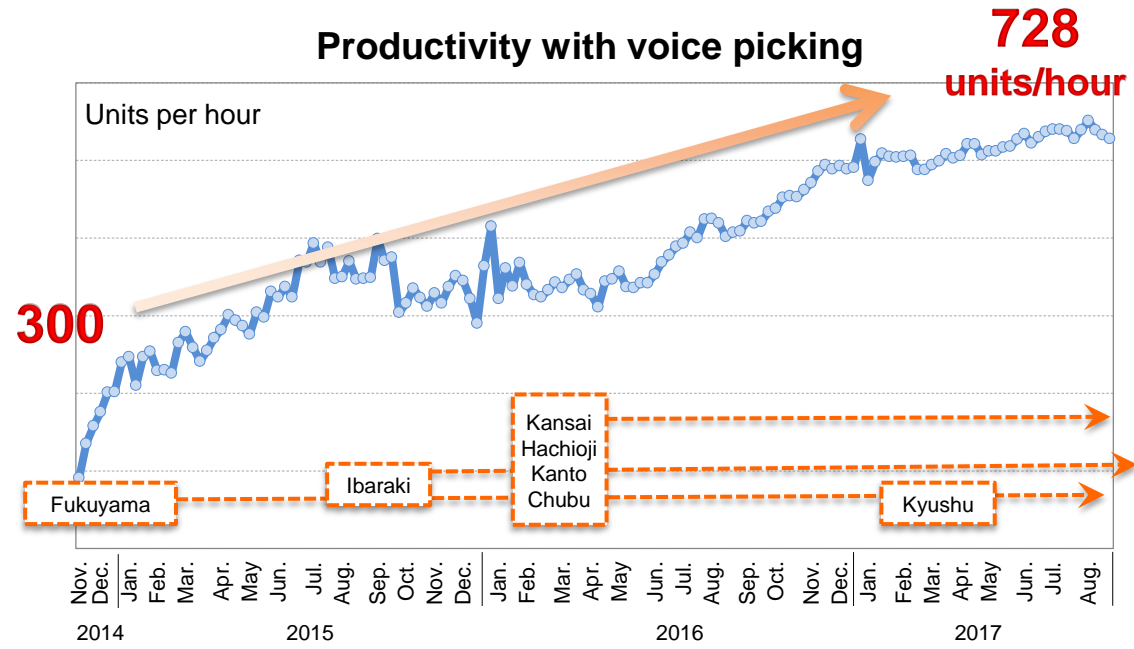
■ **Average case volume units** (comparison of 1st halves of FYs)
 2015: 7.15 units 2016: 7.05 units 2017: 7.07 units

Difference between scheduled delivery time and actual delivery time

Delivery accuracy improved



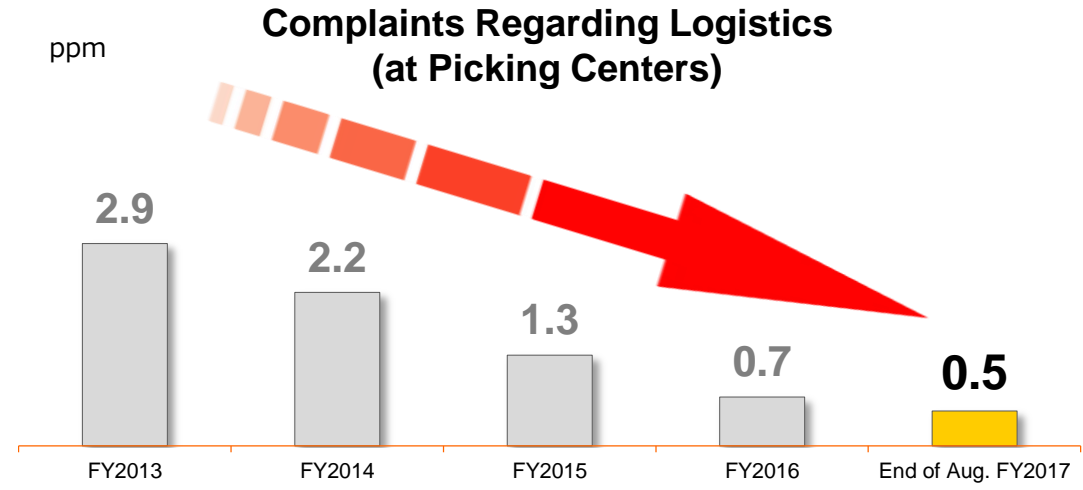
Introduction of Voice Picking to Increase Speed and Accuracy



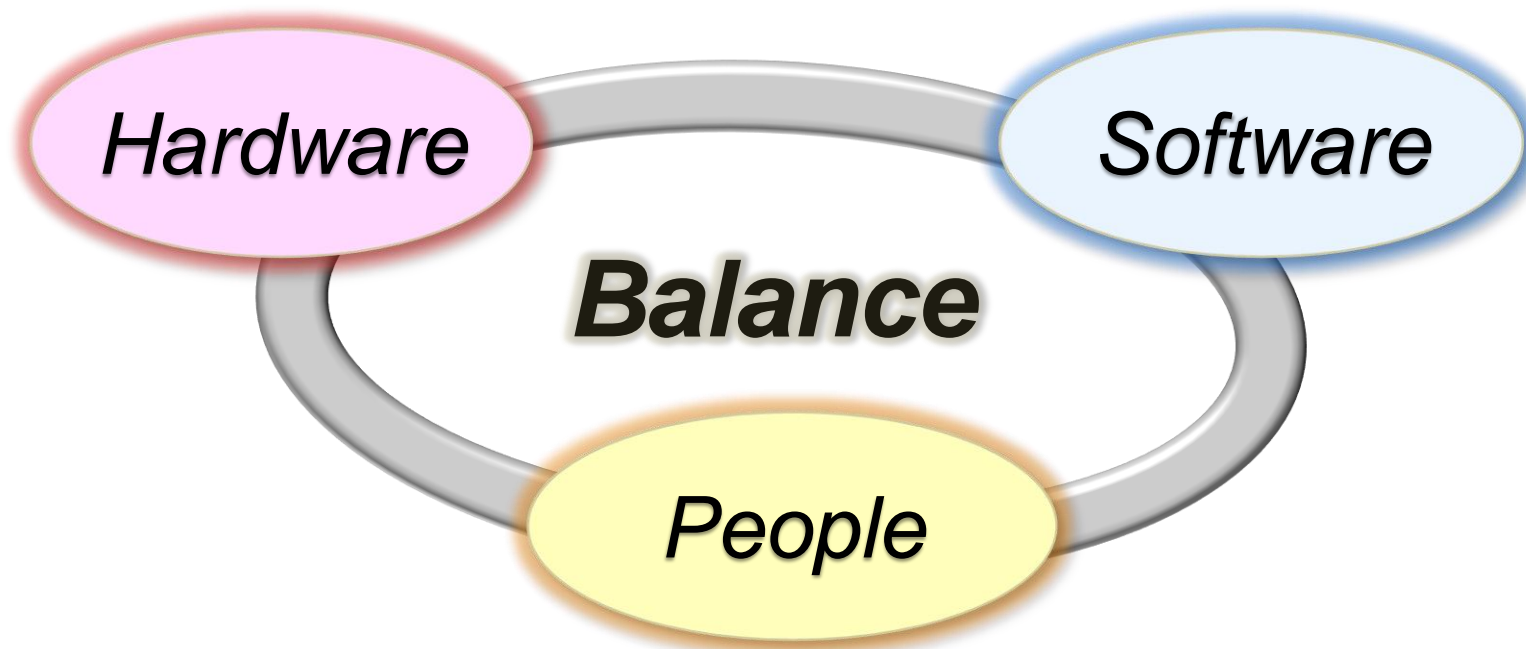
Work efficiency improved by 20% in the overall process

Labor saving of approx. 200 workers

* part-time workers



“We ensure that we deliver the best-quality products at competitive prices when they are needed.”



We adhere to the FPCO-DNA and continue to make proposals with the foresight of the near future based on our workplace-oriented policy and customer-first principle.

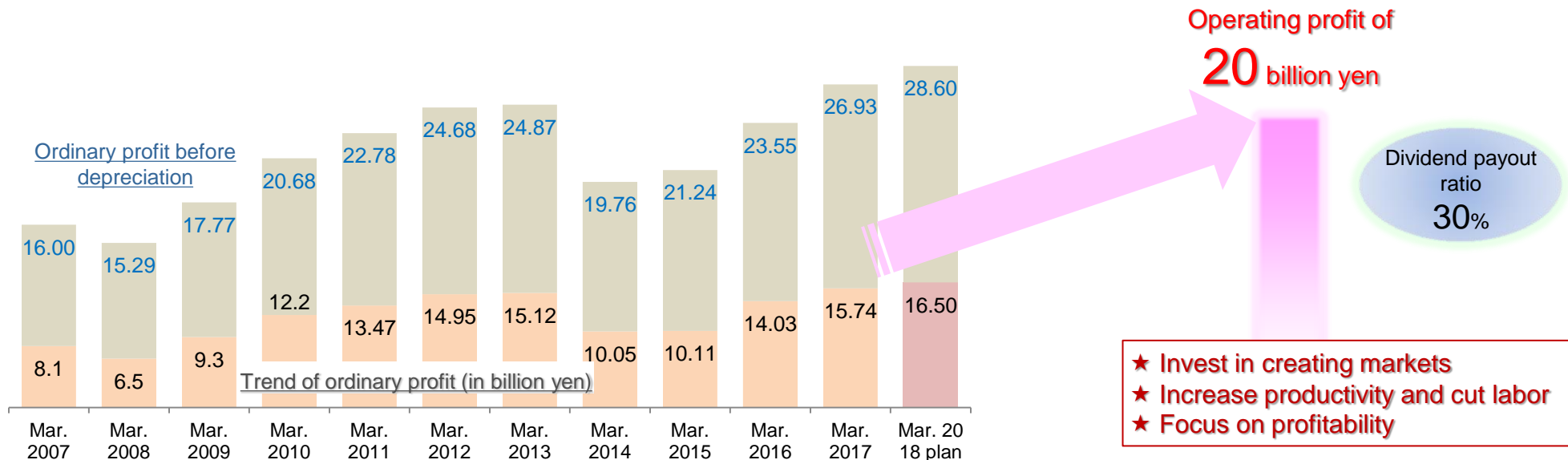
Aiming for Ordinary Profit of 20 Billion Yen

>> Product Strategy

- > Grow the market of **microwavable products**
 - Propose deliciousness with the use of original products and inner trays
- > Increase price competitiveness and reduce CO2 emissions using **environmentally friendly products**
 - Increase Eco APET products
- > New products that **solve labor shortage** at stores
 - Snap-lock lid packs
 - Products suited to outsourced packing
- > **Alliance with large manufacturers and vendors**
- > **Approach restaurants, catering service operators, and frozen food suppliers**

>> Strategic Investments

- > **Recycle terrestrial resources**
 - Kanto Eco PET Plant: completed in August 2017
- > Cut labor and expenses through **automation**
 - Introduce industrial robots in manufacturing
 - Introduce the voice picking system
- > Implement the **Scrap & Build** approach
- > **Curb the rise in logistics expenses** and ensure stable supply
 - Make effective use of logistics infrastructure
 - Introduce emergency power generation systems



FPCO

Price increase announced in May

8% for PS and 6% for PET and PP shipped in and after June

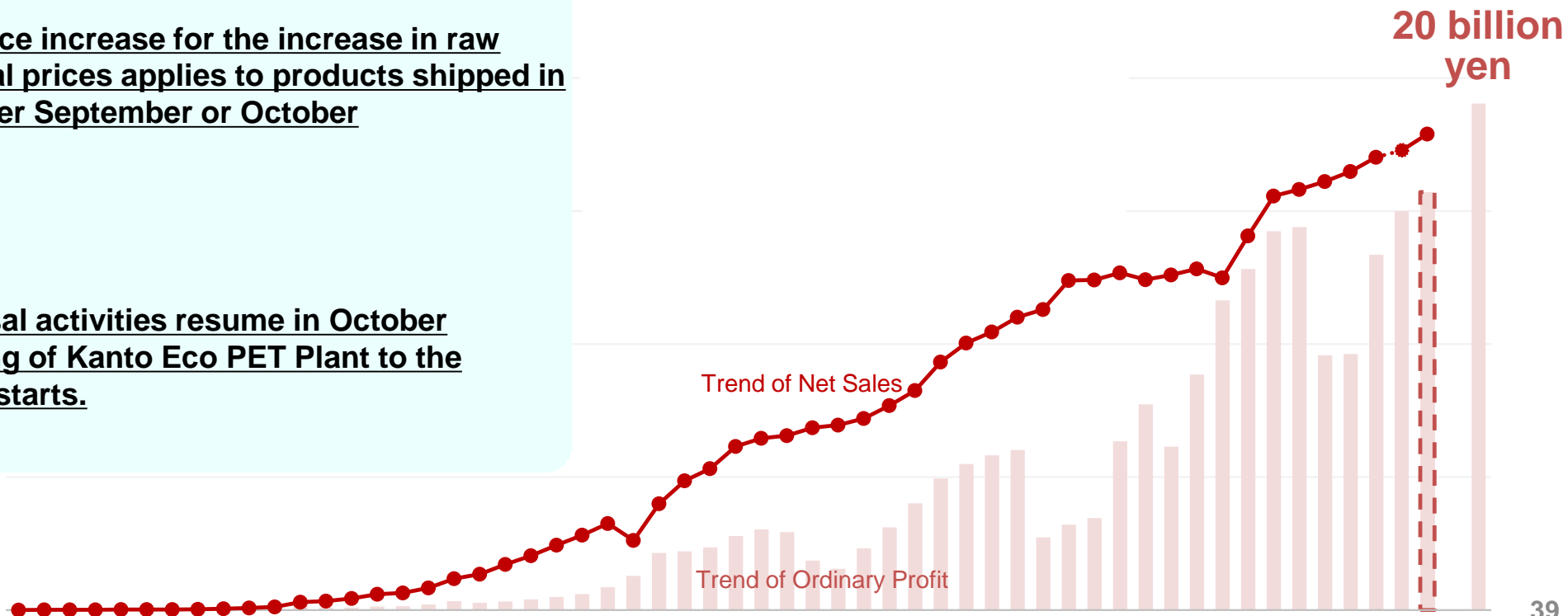
Raw material prices tend to decrease after the initial plan for the fiscal year

The price increase for the increase in raw material prices applies to products shipped in and after September or October

Proposal activities resume in October
Opening of Kanto Eco PET Plant to the public starts.

Increase advantages in the industry

Ensure medium- to long-term profit



Supporting Data

Raw Material Trends

FY ended Mar 2016

- ◇ **No obvious price competition**
- ◇ **Prices revised in line with naphtha in some cases**

FY ended Mar 2014

- ◇ **Even with companies announcing revised prices, other companies increased volumes**
- ◇ **Continued price competition over general-purpose products**
⇒ **Withdrew from selected unprofitable contracts**

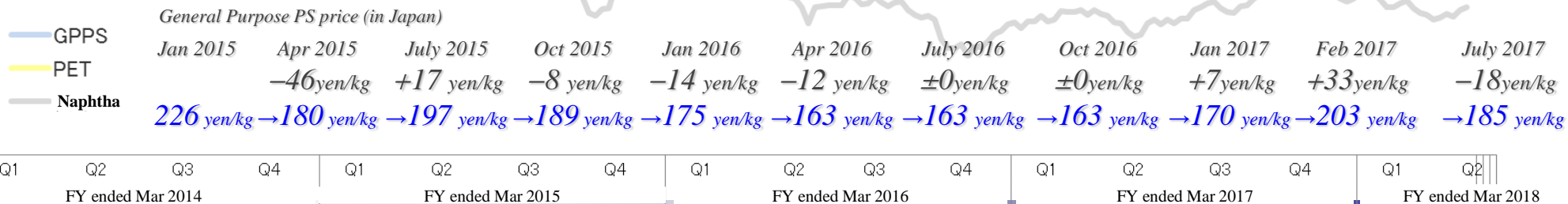
FY ended Mar 2015

- ◇ **Other companies again announced revised prices**

Prices increased from end of 2012

Prices increased from 2017

Prices fell from end of 2014



PP: polypropylene

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Foam is hard and resistant to weight reduction.
- ★ Low firmness
- ★ Low cold resistance
- ★ Difficult to make transparent



PS: polystyrene



PSP: foamed polystyrene

- ★ Easy to mold
- ★ Low raw material ratio
- ★ Weight reduction is possible
- ★ High insulation
- ★ Low heat resistance: +70°C
- ★ Low oil resistance



New transparent PP

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Same transparency as OPS

PET: polyethylene terephthalate

- ★ Resin introduced last
- ★ High transparency
- ★ High oil resistance
- ★ Low heat-resistance: +60°C
- ★ Heavy

OPET: Biaxially stretched PET

- ★ High transparency
- ★ High oil resistance
- ★ Same heat-resistance as OPS: +80°C
- ★ Weight can be reduced by stretching
- ★ Difficult to mold

MSD: Multisolid Non-foaming polystyrene



MFP: multi FP

: foamed polystyrene

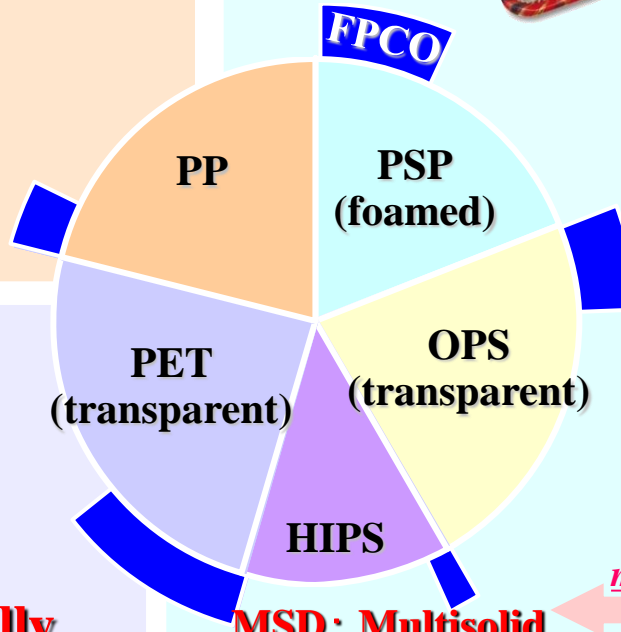
- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ Weight reduction is possible



Recycling of multi-FP remnants

OPS: oriented polystyrene

- ★ Transparent
- ★ Heat-resistant: +80°C
- ★ Low oil resistance
- ★ Limited weight reduction



* The pie chart at the center represents the share by material (on weight basis).

Boosting the production capacity of original products

2010 2011 2012 2013 2014 2015 2016 2017

Feb. 2010: Market release of the Multi FP (MFP)



MFP

Sales for 2017/3: 13.5 billion
(up 33.1% year on year)

Feb. 2012: Market release of the Multi Solid (MSD)



May 2012: Market release of the Eco APET



Eco APET

Sales for 2017/3: 22.3 billion
(up 26.6% year on year)

Nov. 2010

Chubu PET Recycling Plant

Jun. 2014

**Nishinohon PET-Bottle
Recycle Co., Ltd.**

March 2016

Chubu Eco PET Plant

Aug. 2017

Kanto Eco PET Plant

Nov. 2012: Market release of the OPET



Jul. 2012

Kanto Yachiyo Plant

Jun. 2012: Market release of New Transparent PP



Factors influencing Ordinary Profit

Unit:100 million yen

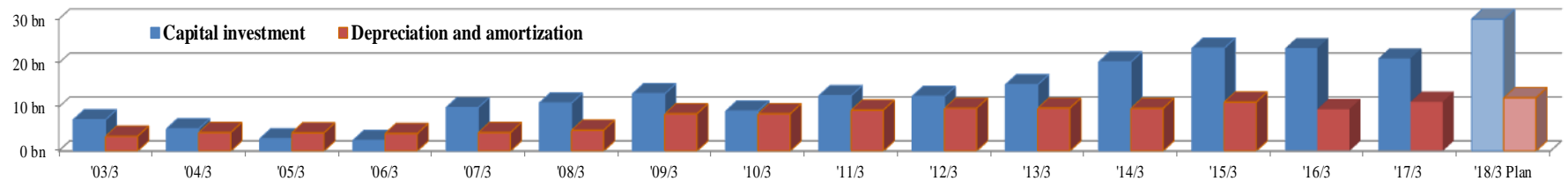
	'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3			'10/3			'11/3			'12/3			'13/3			'14/3			'15/3			'16/3			'17/3			'18/3 Plan								
	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year						
Ordinary Profit for previous year	63.1	28.6	33.6	36.3	66.5	81.2	32.0	32.5	64.5	39.2	53.7	92.9	60.1	62.1	122.2	68.3	66.4	134.7	69.2	80.3	149.5	75.3	75.9	151.2	51.1	49.4	100.5	47.4	53.6	101.1	66.3	74.0	140.3	79.1	78.4	157.4						
Impact of increase in raw material prices	-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-14.0	-23.0	-37.0	-25.0		-25.0																														
							Decrease in raw material prices			+44.0	+34.0	+78.0										Decrease in raw material prices			+16.0	+15.0	+31.0	+20.0	+3.0	+23.0												
							Raw material price increase			-6.0	-13.0	-19.0	-11.0	-12.0	-23.0	-19.0	-18.0	-37.0	-3.0	-12.5	-15.5	-18.0	-28.0	-46.0	-7.0	-	-7.0										-13.0	-4.0	-17.0			
Increase in product prices	-25.0	+7.7	+29.2		+4.0	+9.0	+14.0	+24.0	+38.0	+25.0		+25.0				+10.0	+22.0	+32.0	+6.5	-	+6.5				Naphtha formula			-3.0	-8.0	-11.0	-12.5	-11.0	-23.5									
							1st product price reduction			-24.0	-20.0	-44.0							Product price correction			+2.0	+13.0	+15.0	+14.0	+2.0	+16.0										-	+9.0	+9.0			
							2nd product price reduction			-10.0	-9.0	-19.0										Price war on general-purpose products			-3.0	-10.0	-13.0	-10.0	-3.0	-13.0												
Raw material replacement and lighter-weight products			+2.0	+8.0	+8.6	+11.8	+6.0	+18.5	+24.5	+14.0	+6.0	+20.0							New material effects			+2.0	+6.0	+8.0	+4.5	+10.0	+14.5				+8.5	+11.0	+19.5	+10.5	+12.5	+23.0	+6.0	+14.7	+20.7			
Increase in quantity/improvements to product mix		+45.0		+17.5	+5.8	+3.0	+4.5	+2.5	+7.0	+3.0	+3.0	+6.0	+11.0	+10.5	+21.5	+7.0	+8.0	+15.0	+9.0	+12.0	+21.0	+1.0	-	+1.0	-	+4.0	+4.0															
Production improvement	+2.4	-0.6	-2.0	+6.0	+8.7	+3.0	+0.5	+2.0	+2.5	+4.5	+5.0	+9.5	+6.0	+6.0	+12.0	+5.5	+3.5	+9.0	+1.0	+1.5	+2.5	+1.0	-	+1.0	+0.5	+3.5	+4.0	+5.0	+7.0	+12.0	+3.2	+1.1	+4.3	-3.2	+0.5	-2.7						
Distribution improvement	+0.3	-14.0	+12.2	+5.5	+8.0	+5.7	+1.8	+3.2	+5.0	+4.5	+5.0	+9.5	+4.0	+4.0	+8.0	+2.0	+2.0	+4.0	+1.0	+0.5	+1.5	+1.0	-	+1.0	-	-1.0	-1.0	-	+1.5	+1.5	-3.0	-2.7	-5.7	+0.5	+1.0	+1.5						
Increase in profit from group companies										+2.5	+2.5	+5.0	+2.0	+3.5	+5.5	+3.0	+2.0	+5.0	+0.5	+0.5	+1.0	-	-1.0	-1.0	-	-1.5	-1.5	+3.0	+2.5	+5.5	+2.0	+3.0	+5.0	-	+1.5	+1.5						
Profit from the sale of artwork			+1.0	-1.0			+4.0		+4.0	-4.0		-4.0													Subsidies			+5.9	+0.6	+6.5	-1.4	-0.3	-1.7	-3.7	+0.8	-2.9						
Cost increase	-6.2	-19.3	-3.2	+4.2	-7.4	-9.7	-9.6	-6.0	-15.6	-7.6	-5.1	-12.7	-4.0	-7.5	-11.5	-7.6	-5.6	-13.2	-8.9	-6.4	-15.3	-10.0	-7.0	-17.0	-11.6	-10.4	-22.0	-9.2	-8.4	-17.6	-3.7	-2.4	-6.1	-3.1	-2.3	-5.4						
Total increase/decrease	-34.5	+5.0	+2.7	+30.2	+14.7	-16.7	+7.2	+21.2	+28.4	+20.9	+8.4	+29.3	+8.0	+4.5	+12.5	+0.9	+13.9	+14.8	+6.1	-4.4	+1.7	-24.0	-27.0	-51.0	-3.7	+4.2	+0.5	+18.9	+20.3	+39.2	+12.8	+4.3	+17.1	-12.8	+20.4	+7.6						
Ordinary profit	28.6	33.6	36.3	66.5	81.2	64.5	39.2	53.7	92.9	60.1	62.1	122.3	68.3	66.4	134.7	69.2	80.3	149.5	75.3	75.9	151.2	51.1	49.4	100.5	47.4	53.6	101.1	66.3	74.0	140.3	79.1	78.4	157.4	66.3	98.7	165.0						

Trends in Capital Investment and R&D Costs

	FY ended March 2003	FY ended March 2004	FY ended March 2005	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010	FY ended March 2011	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016	FY ending March 2017	FY ending March 2018 Plan
Production	Yamagata Plant				Shimodate Daini Plant			Taiyo Kosan	Nihon Pearl Containers	Dia Foods			"FPCO Research Center" Development and Training Building			
					Chubu Daini Plant			Wood Plant	Food container facilities	ALRight						Kanto EcoPET plant
						Kyushu Daini Plant			Hokkaido Plant extension	Kanto Yachiyo Plant				Chubu Eco PET plant		Automation
																Strengthening of transparent containers >
Distribution	East Japan Hub Center				Kanto Yachiyo Center				New Fukuyama Picking Center			Logistics centers in Kyushu				Voice picking
	Kyushu HC									New Chubu Picking Center		Logistics centers in Kansai				
	Kansai PC												Fukuyama Cross Dock Center			
		Hokkaido HC									Kanto PC extension			Logistics centers in Hachioji		
																Improving the distribution network >
Recycling					Chubu, Tohoku & Kyushu Recycling Plants				Nationwide expansion of container sorting centers							
									Equipment renewal of cleaning lines							
									Chubu Recycling Plant							
									Construction of a new recycling network >					NPR		
										Chubu PET Mechanical Recycling Plant						
																PET recycling operations >
Other investments and costs					Tokai HC			Head Office land & building in Fukuyama	Yuka Shoji			Land for logistics centers in Kyushu				
								Land for New Kanto Plant	Land & building in Chubu	Interpack		Land for logistics centers in Kansai				
																Film Plant
																Film Printing Plant
														Miyakohimo	company accommodations	

Unit : million yen

Capital investment	7,096	5,037	2,742	2,394	9,885	10,909	13,007	9,090	12,585	12,423	15,087	20,257	23,377	23,383	21,060	31,200
Tangible	6,138	4,248	2,621	2,156	9,523	10,655	12,166	8,827	12,352	12,093	14,783	19,750	23,051	23,058	20,790	30,800
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	400
Figures for molds only	780	460	436	550	771	609	1,892	1,507	1,833	1,946	1,425	2,151	2,416	1,777	2,028	2,211
Depreciation and amortization	3,339	4,210	4,134	3,965	4,194	4,742	8,467	8,461	9,316	9,728	9,746	9,703	11,136	9,526	11,183	12,100
Research and development	654	628	689	751	895	913	965	1,035	1,101	1,051	1,062	1,148	1,105	1,242	1,223	1,260

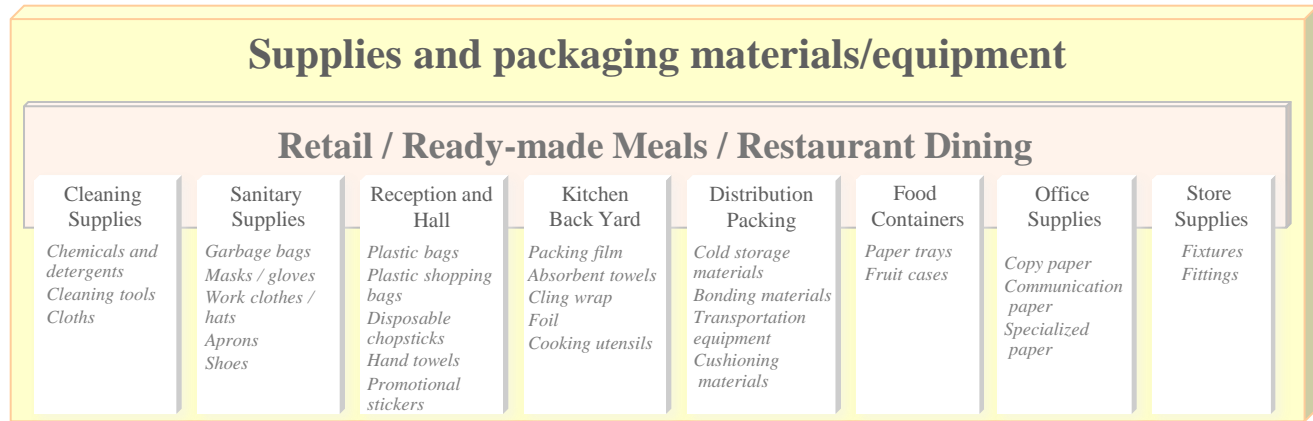
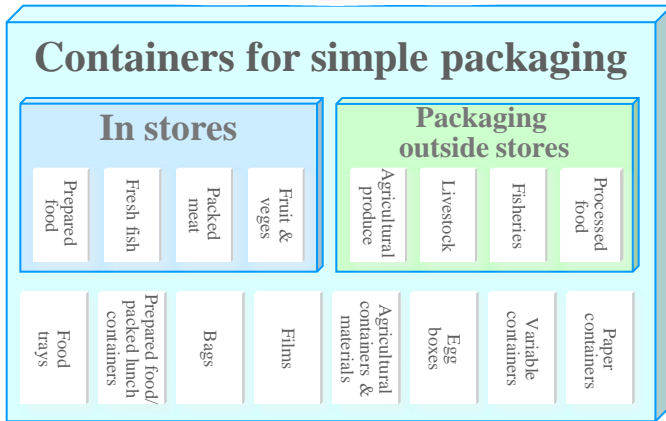


* Since 2009/03, capital investment have been included procurement through lease.

Initiatives to Market

Products Market size: ¥500 billion

Goods Market size: Over ¥2.5 trillion



Bolstering our competitive edge in specialty areas

Gaining ground in new fields

Wholesalers support

Alliances and M&A

World-first materials and functions

FP Logistics and I-logic

FPCO Group Capacity

Product/material development capabilities

Solution capabilities

Procurement capabilities

Distribution capabilities

SCM

Environmental management

Social responsibility

Infrastructure

FP Trading Co., Ltd.

Manufacturer of packaging materials and consumables

【Information on the Facility Tour】

Contact: Takashima at the Corporate Planning Department
(TEL)+81-3-5325-7756 (MAIL)ir_7947@fpco-net.co.jp
at a convenient time for you.

*An opportunity to take a look at the state-of-the-art
Production, Distribution, Recycling operations*

Kanto 30 minutes from Koga station on JR East Lines.



OPET production facilities



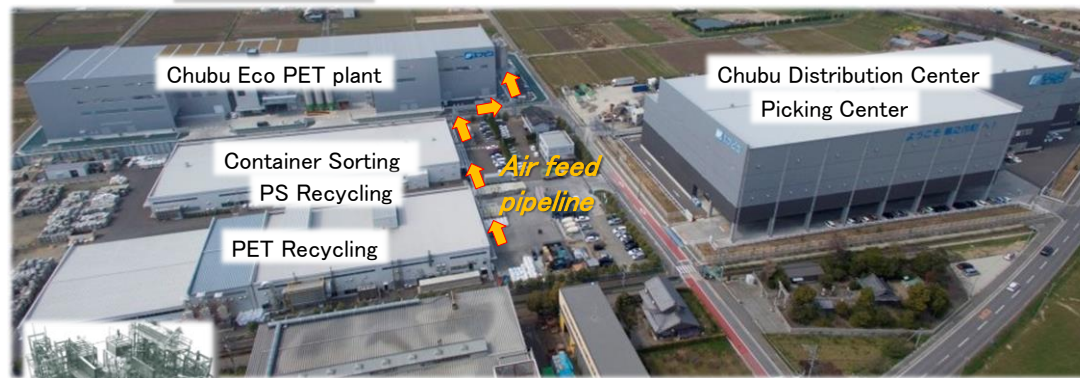
Hachioji 20 minutes from Akigawa station on JR East Lines.



Fukuyama 30 minutes from Fukuyama station on JR West Lines.



Chubu 20 minutes from Gifuhashima station on JR Tokai Lines.



PET Mechanical Recycling plant