

Financial Results

for the Six Months Ended September 30, 2018



FP Corporation
November 07, 2018

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.

Information contained in the handouts for this session **must not be quoted, reprinted or copied without our prior permission.**

◆ Results and Plan

Executive Vice President and Director,

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

◆ For Expansion of Corporate Value

President Morimasa Sato . . . 15

◆ **Supporting Data** . . . 45

Consolidated Financial Results
for the Six Months Ended September 30, 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 2019)

 Record high

✓ Highest sales ever

Unit: million yen	First half performance							First half projections			full year projections		
	FY ended March2018		FY ending March2019				FY ending March2019			FY ending March2019			
	Performance	percentage	Performance	percentage	increase/ decrease	Year-on -year	Quantity	Planned	percentage	progress rate	Planned	percentage	progress rate
Trays	14,848	17.2	16,062	17.9	+1,213	108.2%	103.3%	15,720	17.7	102.2%	31,570	17.6	50.9%
Lunchboxes and prepared food containers	47,682	55.1	50,265	56.1	+2,582	105.4%	102.9%	49,880	56.0	100.8%	100,670	56.2	49.9%
Subtotal	62,531	72.2	66,327	74.0	+3,796	106.1%	103.1%	65,600	73.7	101.1%	132,240	73.9	50.2%
Other products	1,671	1.9	1,664	1.9	-6	99.6%		1,720	1.9	96.8%	3,410	1.9	48.8%
Sales of products	64,202	74.2	67,991	75.9	+3,789	105.9%		67,320	75.6	101.0%	135,650	75.8	50.1%
packaging materials	18,574	21.5	18,698	20.9	+123	100.7%		19,580	22.0	95.5%	39,120	21.9	47.8%
Other goods	3,778	4.4	2,886	3.2	-891	76.4%		2,100	2.4	137.5%	4,230	2.4	68.2%
Sales of goods	22,353	25.8	21,585	24.1	-767	96.6%		21,680	24.4	99.6%	43,350	24.2	49.8%
Net Sales	86,555	100.0	89,577	100.0	+3,021	103.5%		89,000	100.0	100.6%	179,000	100.0	50.0%
Operating profit	6,287	7.3	6,160	6.9	-127	98.0%		6,400	7.2	96.3%	14,300	8.0	43.1%
Ordinary profit	6,628	7.7	6,483	7.2	-145	97.8%		6,650	7.5	97.5%	14,800	8.3	43.8%
Profit attribute to owners of parent	4,421	5.1	4,345	4.9	-75	98.3%		4,460	5.0	97.4%	9,900	5.5	43.9%
Ordinary profit before depreciation and amortization	12,306		12,989		+683	105.6%		13,250	98.0%		28,200	46.1%	

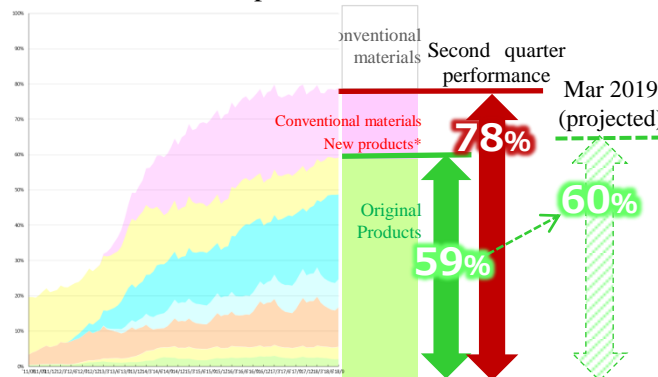
■ Sales Products

- The microwavable products market is taking root in year-around stable sales areas.
- High value-added products were increased in response to the labor shortage.

■ Goods

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

◇ Product sales composition



◇ Year-on-year

	First quarter performance	Second quarter performance	First half performance	Full-year plan
Sales of products	105.4%	106.4%	105.9%	104.7%
Quantity	103.9%	102.2%	103.1%	104.0%
Ordinary profit	86.7%	106.8%	97.8%	109.2%

Increase/Decrease in Ordinary Profit (Results for the first half of FY ending March 2019)

Unit: billion yen

Fiscal year ended March 2018 13.55

First half 6.63

Second half 6.92

First half
Year on year
-0.15
(1Q -0.39, 2Q +0.24)

Plan difference -0.17

The Price of material **-1.48**
(1Q -0.68, 2Q -0.80)

Sales Price **+1.36**
(1Q +0.13, 2Q +1.23)

Sales Efforts **+0.45**
(1Q +0.38, 2Q +0.07)

Improved Production **-0.05**
(1Q -0.02, 2Q -0.03)

Improved Distribution **-0.15**
(1Q ±0.00, 2Q -0.15)

Group Companies **+0.05**
(1Q -0.02, 2Q +0.07)

Increased Expenses **-0.33**
(1Q -0.18, 2Q -0.15)

Plan difference

-0.08

Rise in prices of imported raw materials for PET

-0.04

Timing of price revision changed to incorporate recent rises in raw material prices

-0.15

-0.05

(1Q -0.04, 2Q -0.11)

-0.05

Rise in transport expenses in Kansai and regions further west after the railway cargo transport suspension due to torrential rain in West Japan

Improvement +1.03
Labor cost -0.02
Depreciation -0.80
Electric power charges -0.36

Labor cost +0.02
Depreciation -0.03
Other -0.32

First half 6.48

Second half 8.32

Fiscal year ending March 2019 14.80

Outlook for the Planned Ordinary Profit

(Plan for the FY ending March 2019)

Unit: billion yen

1st half	2nd half
----------	----------

Fiscal year ended March 2018 13.55

First half 6.63

Second half 6.92

The Price of material **-3.08** Plan difference -0.48

1st half Plan difference -0.08
2nd half Outlook change point
Rise in prices of imported raw materials for PET -0.40

-1.48 **-1.60**

Sales Price **+4.16** +0.36

Plan difference -0.04
Incorporation in sales prices +0.40 (negotiations done)

+1.36 **+2.80**

Sales Efforts **+1.17** +0.17

Plan difference ±0.00
Increase in sales volume and MIX improvement +0.17

+0.45 **+0.72**

Year on year

+1.25

Plan difference ±0.00

1st half -0.15
2nd half +1.40

Improved Production **-0.20** -0.17

-0.25

Improved Distribution **-0.15** -0.05

Improvement +2.20
Labor cost -0.49
Depreciation -1.56
Electric power charges -0.40

Group Companies **+0.10**

±0.00

Increased Expenses **-0.75**

Labor cost -0.21
Depreciation -0.08
Other -0.46

-0.05 **-0.15**

-0.15 **±0.00**

+0.05 **+0.05**

-0.33 **-0.42**

First half 6.48

Second half 8.32

Fiscal year ending March 2019 14.80

Capital Investments and R&D cost

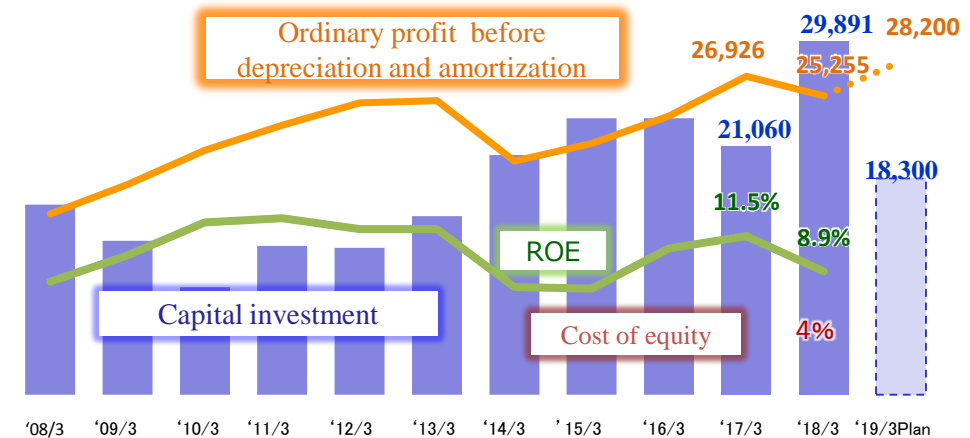
(Results for the first half of FY ending March 2019)

Unit: million yen	First half performance				First half projections		full year projections	
	FY ended March 2018	FY ending March 2019			FY ending March 2019		FY ending March 2019	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	15,961	6,223	-9,737	39.0%	9,650	64.5%	17,950	34.7%
Intangible fixed assets	164	207	+42	126.0%	50	414.9%	350	59.3%
Capital investment	16,125	6,431	-9,694	39.9%	9,700	66.3%	18,300	35.1%
Depreciation and	5,677	6,506	+828	114.6%	6,600	98.6%	13,400	48.6%
Research and	580	553	-26	95.4%	610	90.8%	1,220	45.4%

Major capital investments

unit: million yen	Total investment	Plan in period	First half performance
Investment in production of the world's first original products			
◆ Production facilities of Eco OPET		350	300
Investment corresponding to expansion of the sales quantity			
◆ Introduction of automation facilities		570	5
◆ Eco APET production facilities(Chikusei)	To be inaugurated in fall 2019	4,000	1,260
◆ Reinforcement of bases of Group Company			
Film Plant	Inaugurated in Mar. 2018	4,750	2,020
Reinforcement of production facilities(recycling pellets)		1,240	176
Office and Warehouse in Hiroshima	Inaugurated in Oct. 2018	1,450	950
FPCO International Package Co., Ltd. Warehouse	To be inaugurated in Dec. 2018	790	680
Headquarters	To be inaugurated in Feb. 2019	920	880
◆ Molds		2,210	638
◆ IT investments		510	163

◇Index



※ROE = Profit attributable to owners of parent ÷ Equity

Balance Sheet

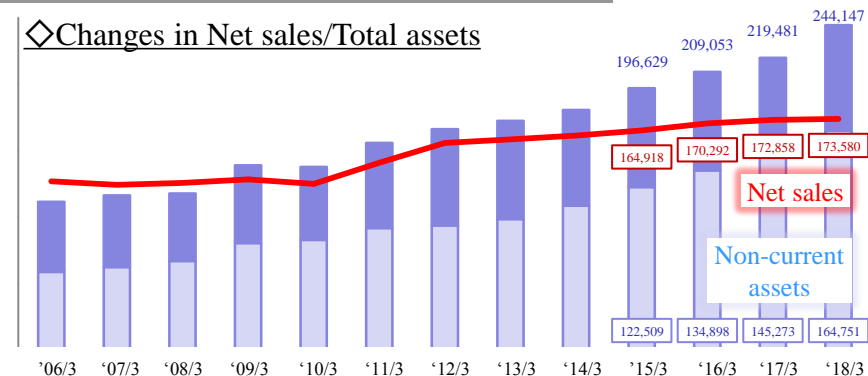
(Results for the first half of FY ending March 2019)

Unit: million yen	Previous consolidated fiscal year	First half of the consolidated fiscal year			
	'FY ended March 2018 As of March 31,2018	As of September 30,2019	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	79,395	83,835	+4,439	105.6%	Cash and deposits +4,071 Notes and accounts receivable-trade +1,016 Accounts receivable - other -715
Noncurrent assets	164,751	164,905	+153	100.1%	
Total assets	244,147	248,740	+4,593	101.9%	
Current liabilities	77,174	74,893	-2,281	97.0%	Short-term loans payable +771 Accounts payable-other +4,329 Accrued consumption taxes +973 Lease obligation -154
Noncurrent liabilities	60,752	64,901	+4,148	106.8%	Long-term loans payable +4,984 Lease obligation -889
Total liabilities	137,927	139,794	+1,866	101.4%	
Net assets	106,219	108,945	+2,726	102.6%	Retained earnings +2,650
Total liabilities and net assets	244,147	248,740	+4,593	101.9%	

Equity ratio **43.6%**

- 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

◇Changes in Net sales/Total assets



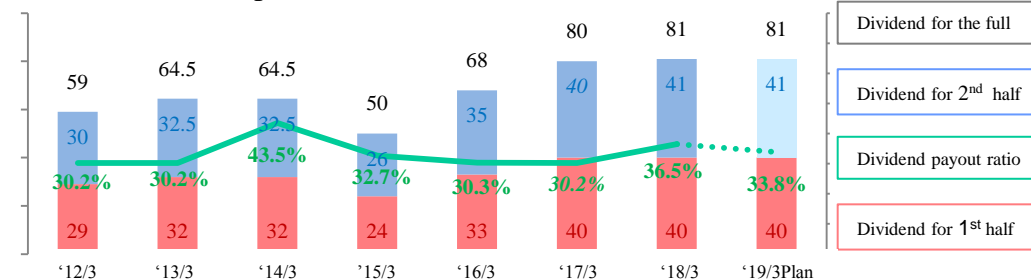
Cash Flows

(Results for the first half of FY ending March 2019)

Unit: million yen	Results for first half		
	'FY ended March 2018 Performance	Performance	'FY ending March 2019 Breakdown of Main Items
CF from operating activities	4,014	12,068	Income before income taxes 6,366 Depreciation 6,506 Increase in notes and accounts receivable-trade -1,014 Increase in inventories 246 Income taxes paid -2,181
CF from investing activities	-9,500	-10,567	Purchase of property, plant and equipment -9,640
Free cash flows	-5,485	1,501	
CF from financing activities	5,691	2,570	Net increase(decrease)in short-term loans payable -800 Proceeds from long-term loans payable 15,000 Repayment of long-term loans payable -8,443 Repayments of lease obligations -1,487 Cash dividends paid -1,698
Net increase(decrease)in cash and cash equivalents	205	4,071	
Cash and cash equivalents at end of period	18,350	19,731	

- 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 2019

Outline of Plan for Account Settlement

(Plan for the FY ending March 2019)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March2018		FY ending March2019				FY ending March2019			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	29,964	17.3	31,570	17.6	+1,605	105.4%	15,720	17.7	+871	105.9%
Lunchboxes and prepared food containers	96,287	55.5	100,670	56.2	+4,382	104.6%	49,880	56.0	+2,197	104.6%
Subtotal	126,252	72.7	132,240	73.9	+5,987	104.7%	65,600	73.7	+3,068	104.9%
Other products	3,314	1.9	3,410	1.9	+95	102.9%	1,720	1.9	+48	102.9%
Sales of products	129,566	74.6	135,650	75.8	+6,083	104.7%	67,320	75.6	+3,117	104.9%
packaging materials	37,293	21.5	39,120	21.9	+1,826	104.9%	19,580	22.0	+1,005	105.4%
Other goods	6,720	3.9	4,230	2.4	-2,490	62.9%	2,100	2.4	-1,678	55.6%
Sales of goods	44,014	25.4	43,350	24.2	-664	98.5%	21,680	24.4	-673	97.0%
Net Sales	173,580	100.0	179,000	100.0	+5,419	103.1%	89,000	100.0	+2,444	102.8%
Operating profit	12,884	7.4	14,300	8.0	+1,415	111.0%	6,400	7.2	+112	101.8%
Ordinary profit	13,548	7.8	14,800	8.3	+1,251	109.2%	6,650	7.5	+21	100.3%
Profit attribute to owners of parent	9,178	5.3	9,900	5.5	+721	107.9%	4,460	5.0	+38	100.9%
Ordinary profit before depreciation and amortization	25,255		28,200		+2,944	111.7%	13,250		+943	107.7%

■ 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 MD products

Withdrawal from the unprofitable transactions

◇ 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 2019)

Fiscal year ended March 2018

13.55

Unit: billion yen

First half 6.63

Second half 6.92

The Price of material **-2.60**

-1.40

-1.20

Sales Efforts **+4.80**

+1.85

+2.95

Sales Price (Feb.26 announced , Under negotiating at 10% since June 1)
MIX improvement, Increase in sales volume

Improved Production **-0.20**

-0.20

-0.05

-0.15

Improved Distribution **-0.10**

-0.10

±0.00

Group Companies **+0.10**
Including revisions to prices

+0.05

+0.05

Increased Expenses **-0.75**

-0.33

-0.42

Improvement +2.29
Labor cost -0.71
Depreciation -1.63
electric power charges -0.15

Labor cost -0.34
Depreciation -0.07
other -0.34

Year on year

+1.25

(First half +0.02
Second half +1.23)

Plan for first half 6.65

Plan for Second half 8.15

Plan for fiscal year ending March 2019

14.80

Planned Capital Investment and R&D Cost

(Plan for the FY ending March 2019)

Unit: million yen	Results for Full year	full year projections			First half projections		
	FY ended March 2018	FY ending March 2019			FY ending March 2019		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	29,342	17,950	-11,392	61.2%	9,650	-6,311	165.4%
Intangible fixed assets	549	350	-199	63.7%	50	-114	329.4%
Capital investment (including leasing and procurement)	29,891	18,300	-11,591	61.2%	9,700	-6,425	166.2%
Depreciation and amortization costs	11,706	13,400	+1,693	114.5%	6,600	+922	86.0%
Research and development cost	1,197	1,220	+22	101.9%	610	+29	95.2%

Major capital investments

Total investment
unit: million yen

Investment in production of the world's first original products

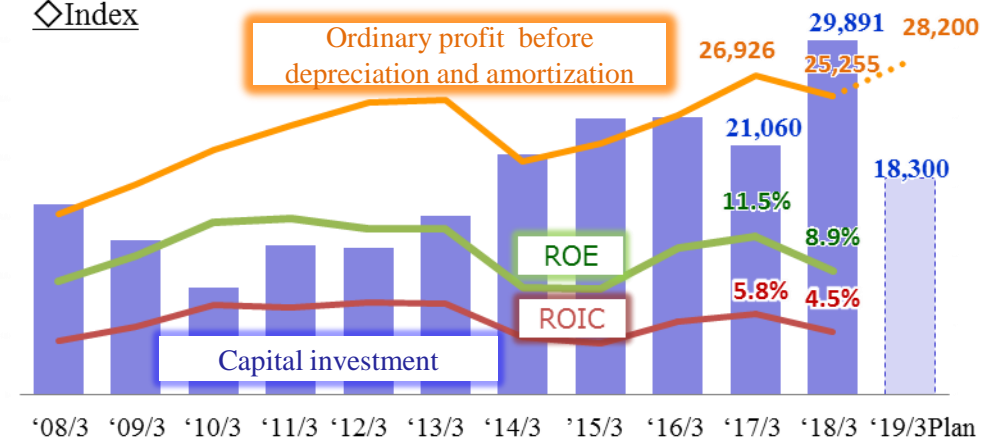
- ◆ Production facilities of Eco OPET

350

Investment corresponding to expansion of the sales quantity

◆ Introduction of automation facilities		570	
◆ Eco APET production facilities(Chikusei)	To be inaugurated in fall 2019	4,000	1,260
◆ Reinforcement of bases of Group Company			
Film Plant	Inaugurated in Mar. 2018	4,750	2,020
Reinforcement of production facilities(recycling pellets)			1,240
Office and Warehouse in Hiroshima	To be inaugurated in Oct. 2018	1,450	950
FPCO International Package Co., Ltd. Headquarters	To be inaugurated in Feb. 2019	920	880
◆ Molds			2,210
◆ IT investments			510

◇ 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

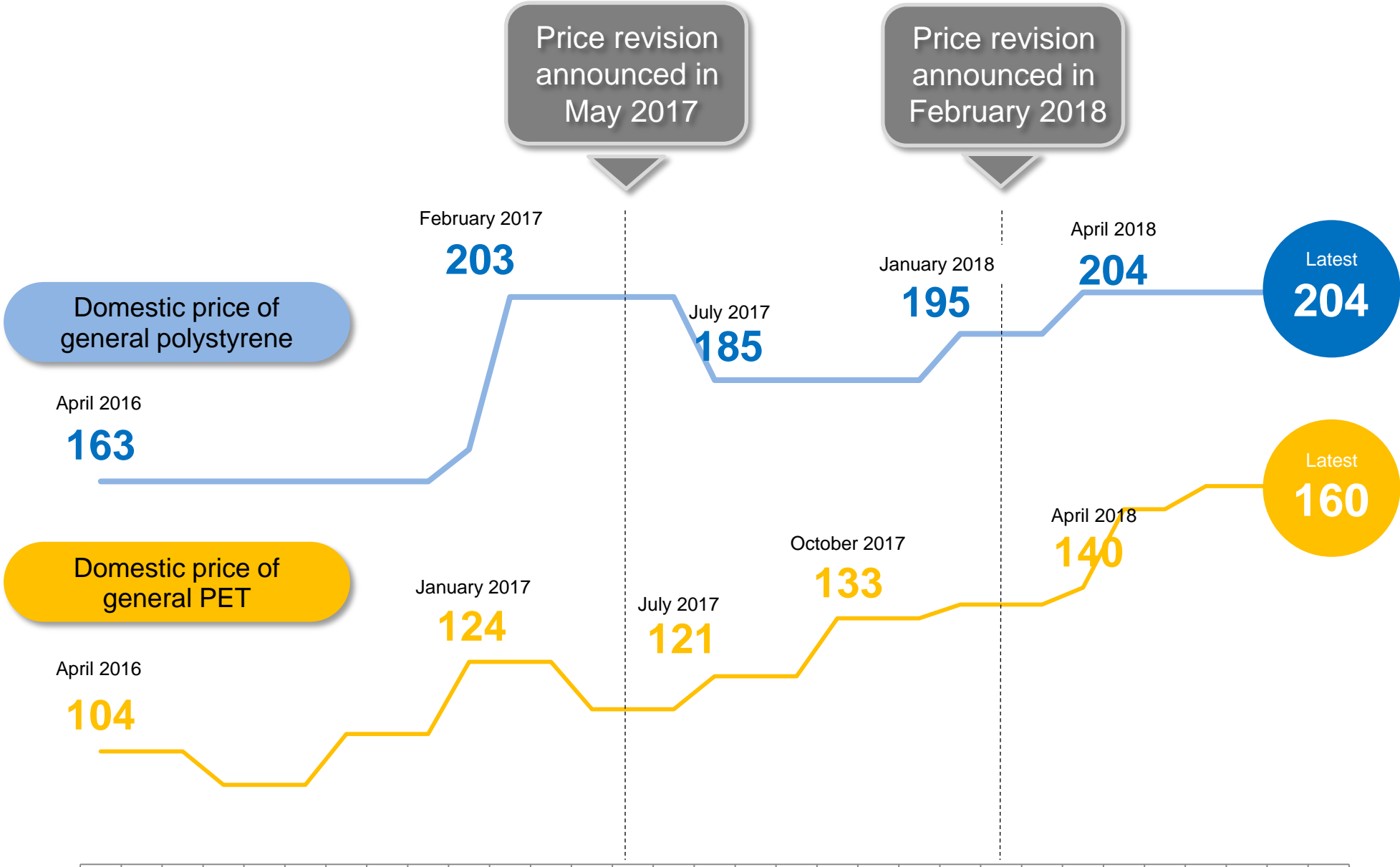
President

Morimasa Sato



株式会社 **IFCO**

Trend in Raw Material Prices and Product Price Revisions



Circumstances Surrounding Retail Industry



Retailers have more earning power

**Integration
Reorganization of
unprofitable segments**

Decrease in
customers

VS

Increase in sales
per customer

Future trends

Expansion of home meal replacement

Labor shortage

ESG & SDGs

Charge prices for plastic bags

Two-tier consumption tax

FP Corporation's actions

Increase in microwavable products

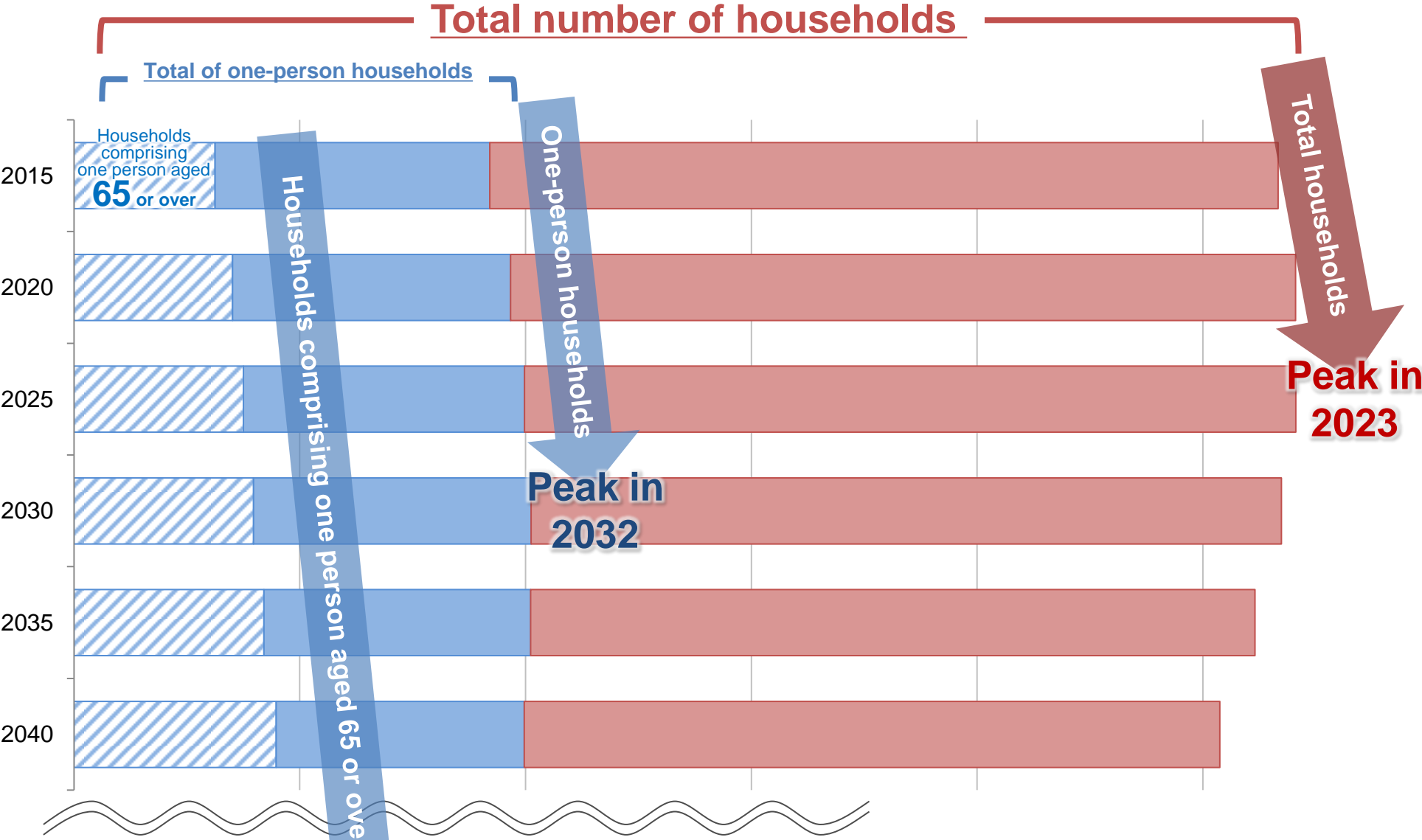
Improve workability

Promote environmentally-friendly products

Expand tray recycling

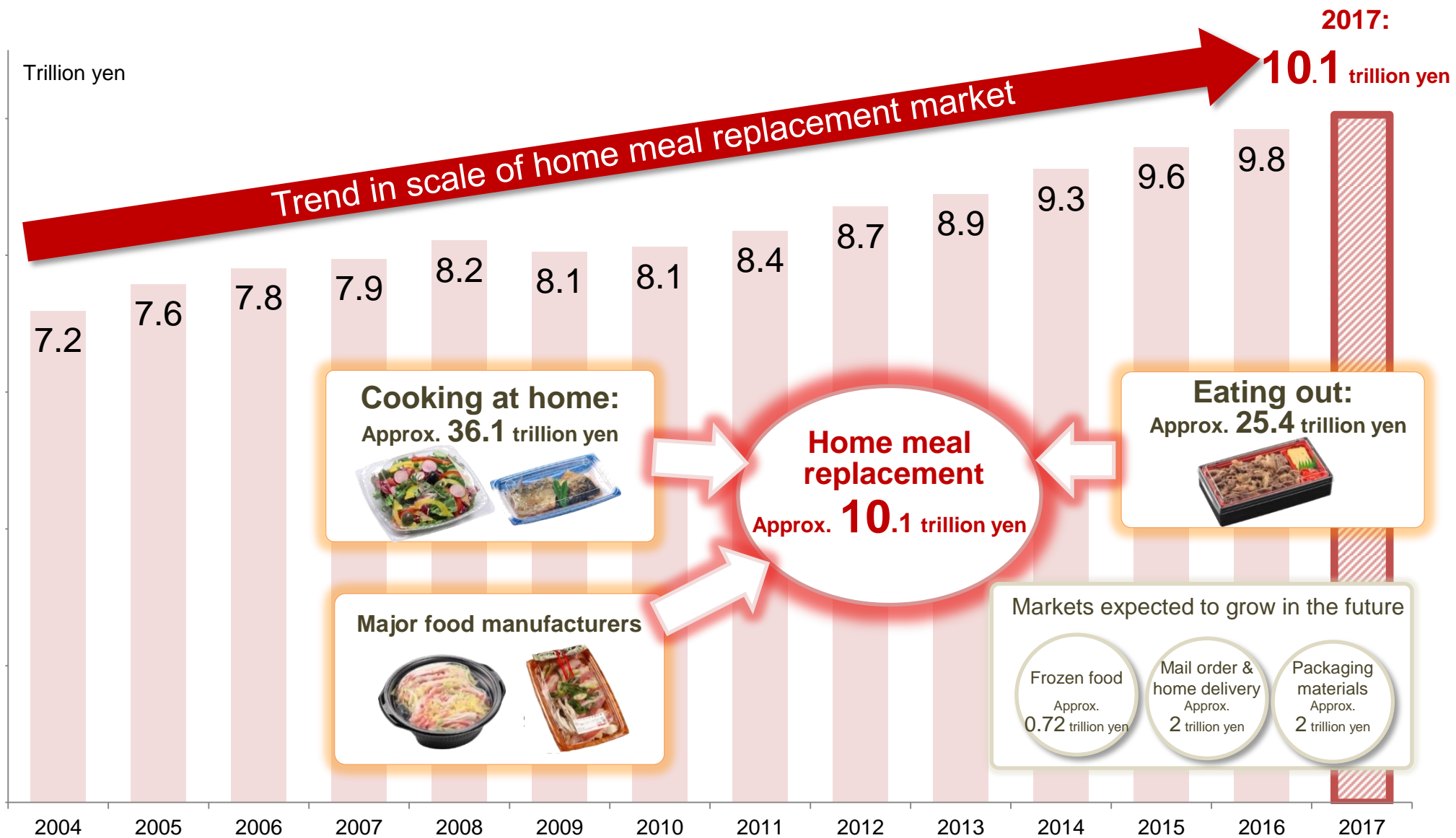
Increase products for take-out

Changes in the Number of Households



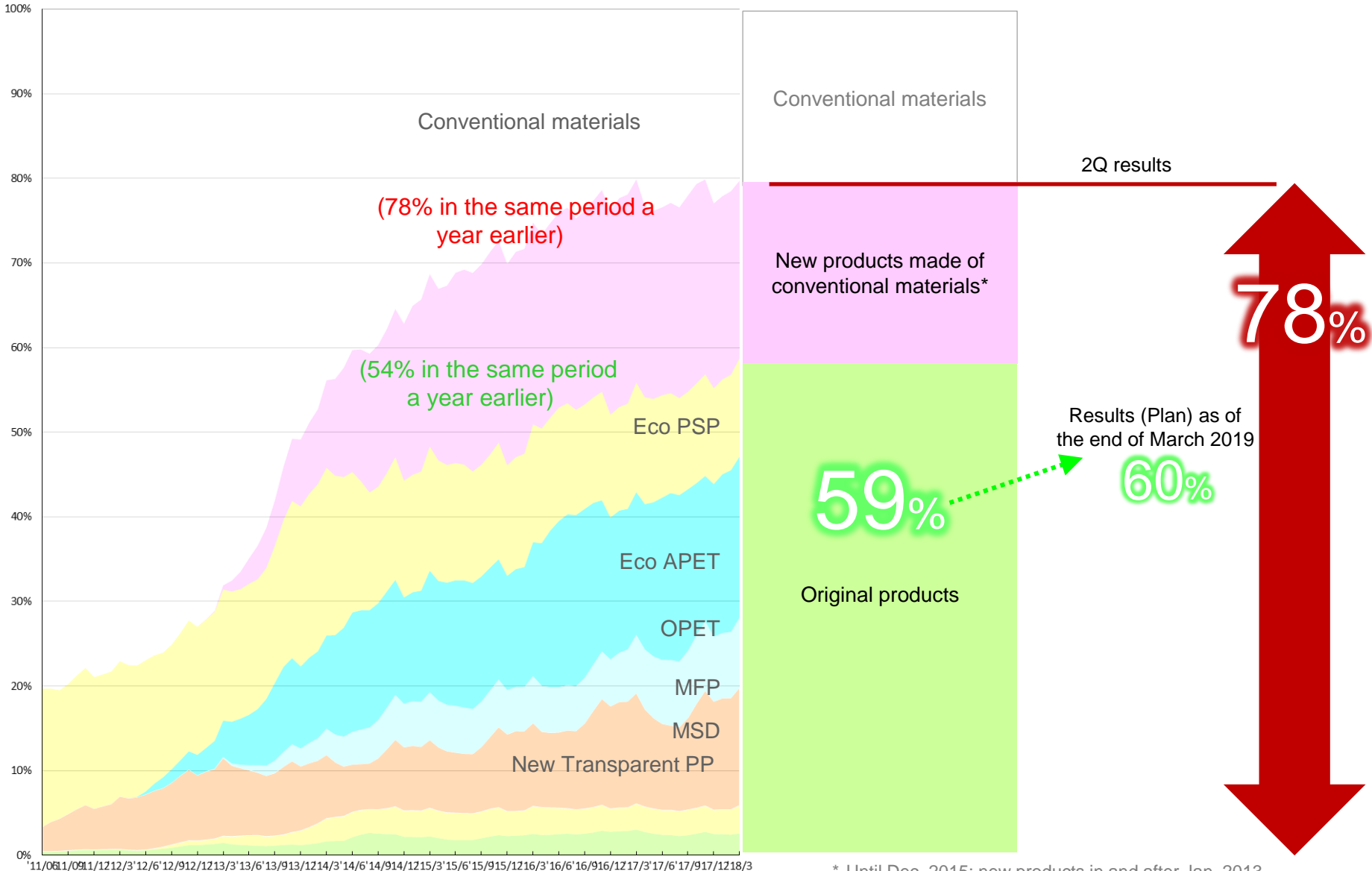
Source: The graph was prepared by FPCO based on data from the National Institute of Population and Social Security Research.

Trend in Scale of Home Meal Replacement Market



Source: Prepared by FPCO based on its estimated data and on data from Japan Ready-Made Meal Association: *White Paper on Ready-Made Meals*; Japan Frozen Food Association: *Production and Consumption of Frozen Food in Japan*; Yano Research Institute Ltd.: *Research on Food Home Delivery Market*

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

New Products Creating New Markets

MFP *Runto* Series



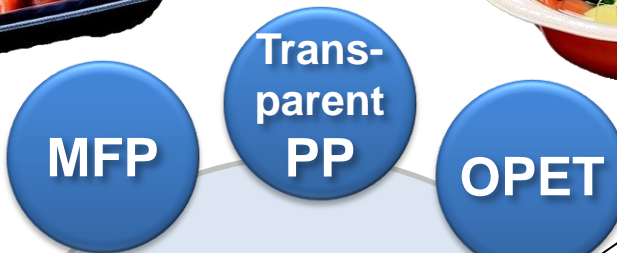
MFP *Rikotto* Series



The *Chateau Platter* Series



Eco-PSP



Microwavable

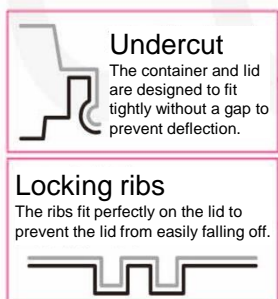


Labor-saving
Securely Closed
Products



Environmentally
friendly

The *Takezarazen* Series



Eco-APET



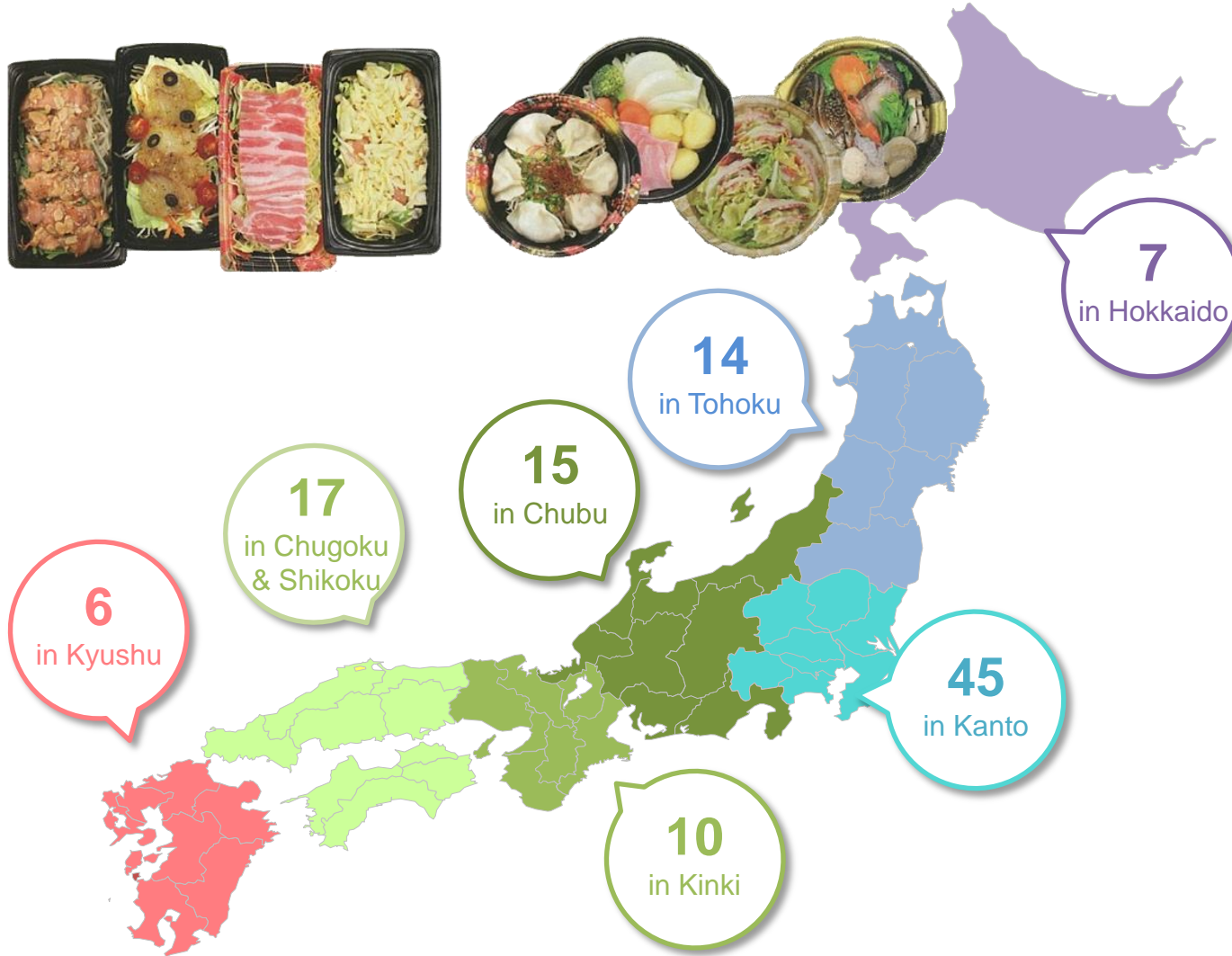
Eco-OPET



Nationwide Spread of *Namakara Sozai*

Namakara Sozai now offered by **114** companies

Development of seasonal food items is gradually taking root.



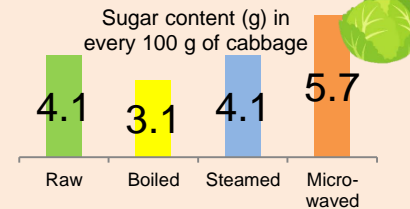
Point 1 Delicious

Eating a directly heated fresh ingredients is a crispy and delicious experience.



Point 2 Rich in Nutrition

After microwaving, a high percentage of nutrients remains undamaged.



Point 3 Easy

No issues with cooking and washing.



Point 4 Safe

Microwaving means that no fire is used.



Menu Examples (Company A)

Fresh meat division

Fresh fish division

Prepared food division

Hot pot division

499 yen



銘柄豚のボン酢ジュレ温しゃぶ 499 yen



銘柄豚の胡麻ジュレ温しゃぶ 499 yen



銘柄豚ハラ肉のチーズデジカルビ 590 yen



お肉屋さんを選んだベーコンと葱の辛味噌ジュレ温野菜 550 yen



銘柄鶏と葱の辛味噌ジュレ温野菜 599 yen



黒毛和牛のチャブチ 799 yen



海老と葱の辛味噌温野菜 499 yen



海鮮5種と葱の辛味噌温野菜 499 yen



かつおのつみれと餃子の辛味噌温野菜 499 yen



海鮮4種具材のボン酢ジュレ温野菜 599 yen



海鮮4種具材と葱の辛味噌温野菜 599 yen



海老チリ 599 yen



おとめ豚の回鍋肉丼 599 yen



三元豚の回鍋肉 1日の1/2の野菜が摂れる 499 yen



4種野菜の海老麻婆春雨 499 yen



5種野菜のピリ辛チーズダッカルビ 599 yen



7種具材のピリ辛シンガポールホッケンミー 599 yen



1日2/3の野菜が摂れる！鶏水餃子のピリ辛豆乳ソース 599 yen



鶏もも肉と5種具材の鍋 599 yen



国産鶏水餃子の生姜香る濃厚白湯スープ 499 yen



自家製水餃子と5種具材の鍋 599 yen



1日の2/3の野菜が摂れる！水餃子とそぼろ玉の子ゲ鍋 699 yen



たらちり鍋セット 699 yen



1日の2/3の野菜が摂れる！モロッコスパイスとレモンチキンのタジン鍋風 699 yen



銘柄豚ハラ肉の子ゲ鍋セット 699 yen



牡蠣鍋セット 799 yen




海鮮4種具材の子ゲ鍋セット 799 yen

Collection of Plastic Resources

* The corresponding values for the number of containers and bottles were calculated based on the following standard weights.
Foam tray: approx. 4 grams; transparent container: approx. 10 grams; PET bottle: approx. 25 grams

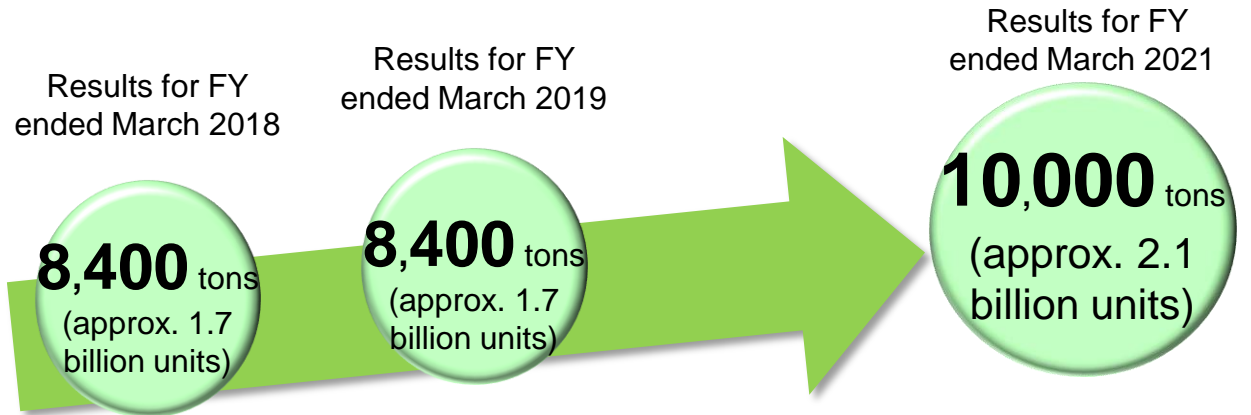
Annual amount (number) of recycled containers/bottles

Containers
(Foamed PS and transparent containers)



Collected from:
supermarkets,
specified corporations

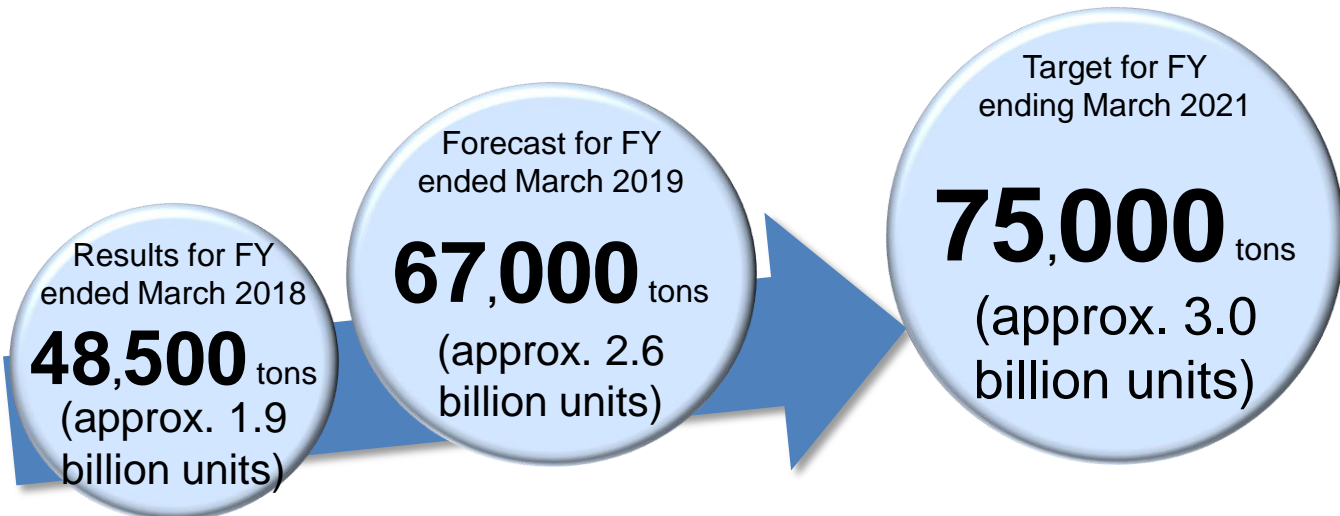
9,200 sites



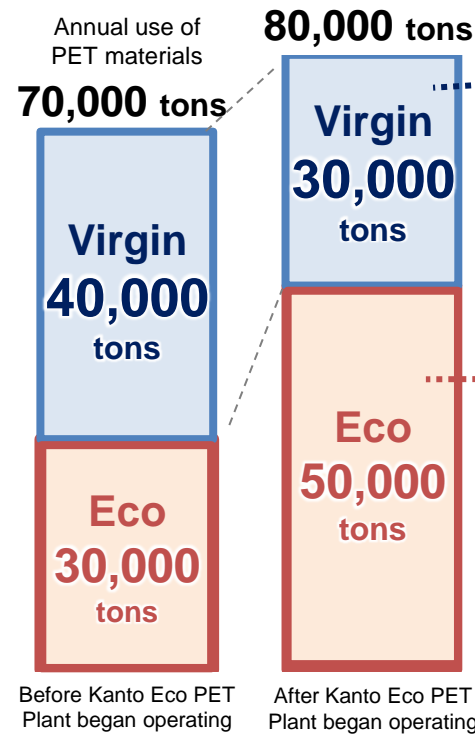
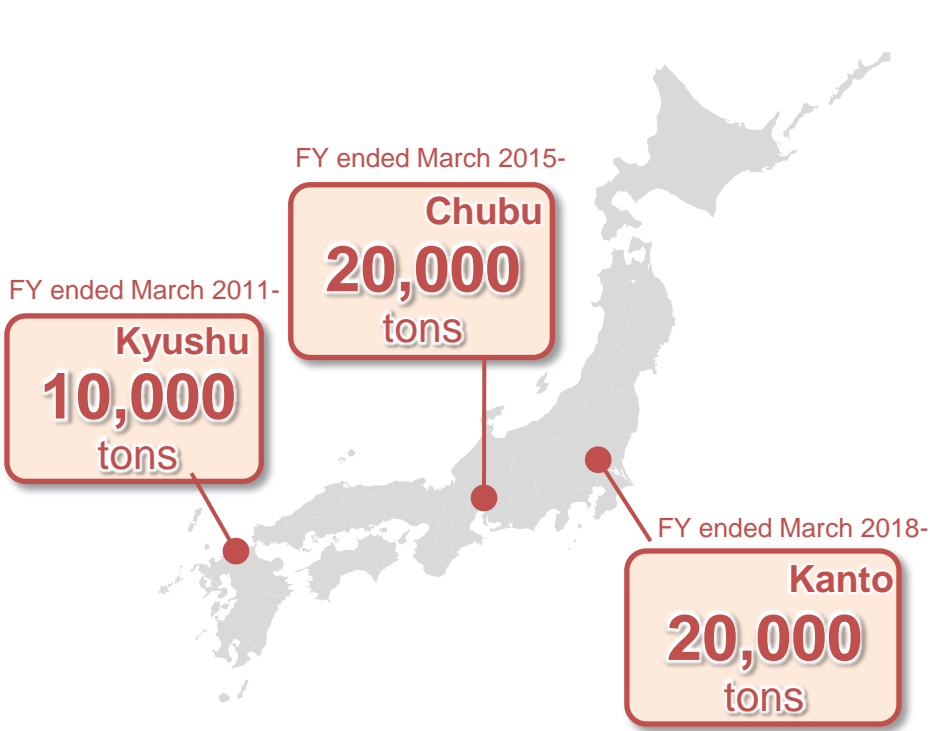
PET bottles



Collected from:
specified corporations,
supermarkets,
business-related
sources



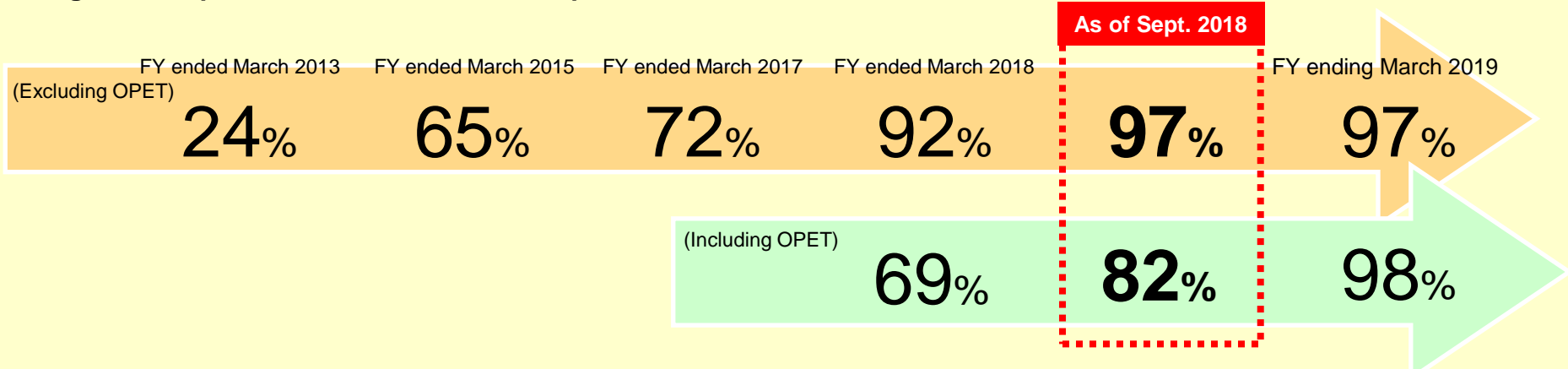
Capacity to Supply 50,000 tons of Recycled PET Materials across Japan



- **September 2017**
Taxation reflecting dumping by China
- **Latest trend**
Expansion of domestic demand in China

- **July 2017**
Suspension of import of some waste by China
- **Latest trend**
Rapidly rising momentum for recycling

Percentage of PET products converted into eco products (4Q average)



Eco Tray



CO₂ reduction effect

-30%

In FY ended March 2018, CO₂ emissions were cut by

113,000 tons a year

(Eco Tray: 37,000 tons / Eco APET 70,000 tons /
Eco OPET 6,000 tons)

Eco APET



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

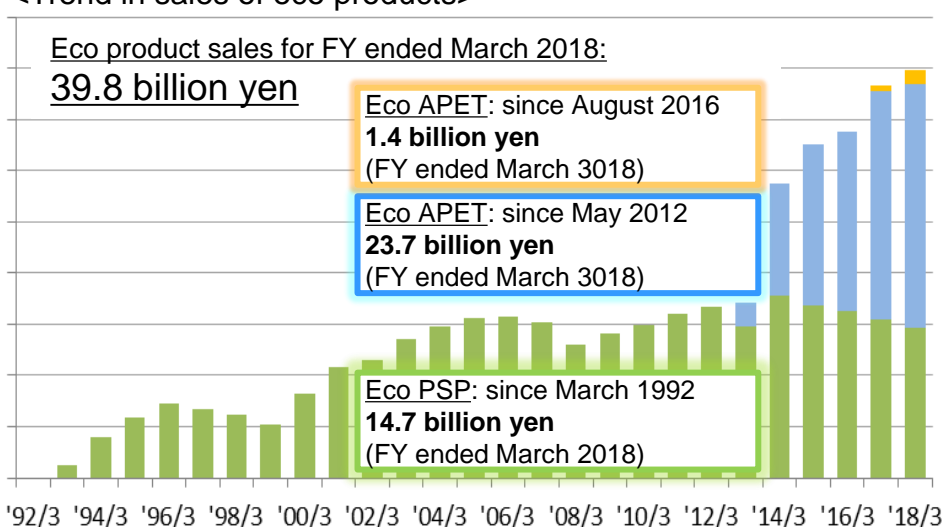
<Trend in sales of eco products>

Eco product sales for FY ended March 2018:
39.8 billion yen

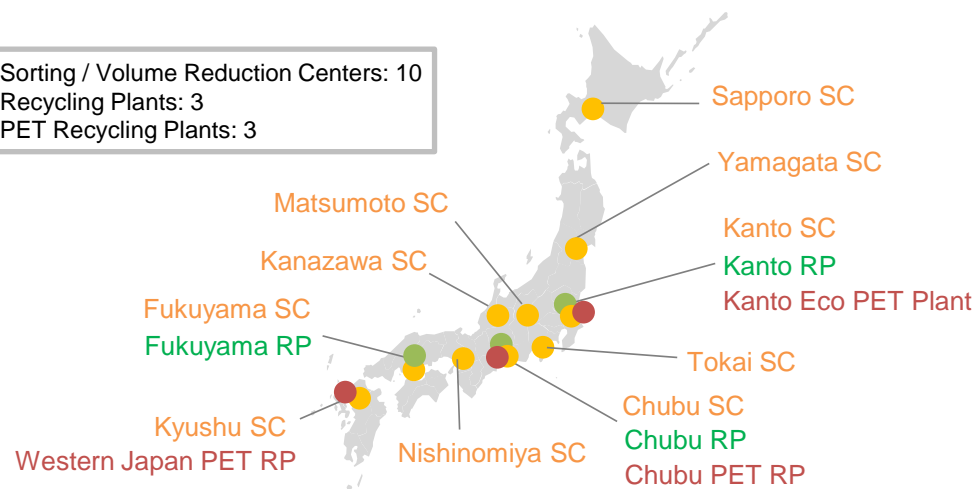
Eco APET: since August 2016
1.4 billion yen
(FY ended March 3018)

Eco APET: since May 2012
23.7 billion yen
(FY ended March 3018)

Eco PSP: since March 1992
14.7 billion yen
(FY ended March 2018)



- Sorting / Volume Reduction Centers: 10
- Recycling Plants: 3
- PET Recycling Plants: 3



Diversity Management That Maximizes Abilities



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:

8 locations

- 7 in-house locations
- 1 location with a contractor



Container manufacturing (foamed/transparent):

3 locations

FPCO Group as of March 31, 2018

Number of employees with disabilities: 377

Adjusted number of employees with disabilities: 649

Percentage of employees with disabilities: 13.78%

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

■ **February 2018 (Tokyo Voluntary Action Center)**
Prize won in the Third Corporate Volunteer Award

The FPCO Group has been working on floor hockey since 2010. This sport can be played by players with disabilities. More than 100 FPCO employees participate in the tournament, not only as players but also as voluntary operating staff.



Logistics Centers and Production Sites across Japan

Business continuity plan (BCP): Ensuring stable supply in the event of a disaster

Emergency power generators installed at all 21 logistics centers in Japan

Power supply for **72 hours** and fuel reserve have been secured.

Emergency power generator



Fuel tank

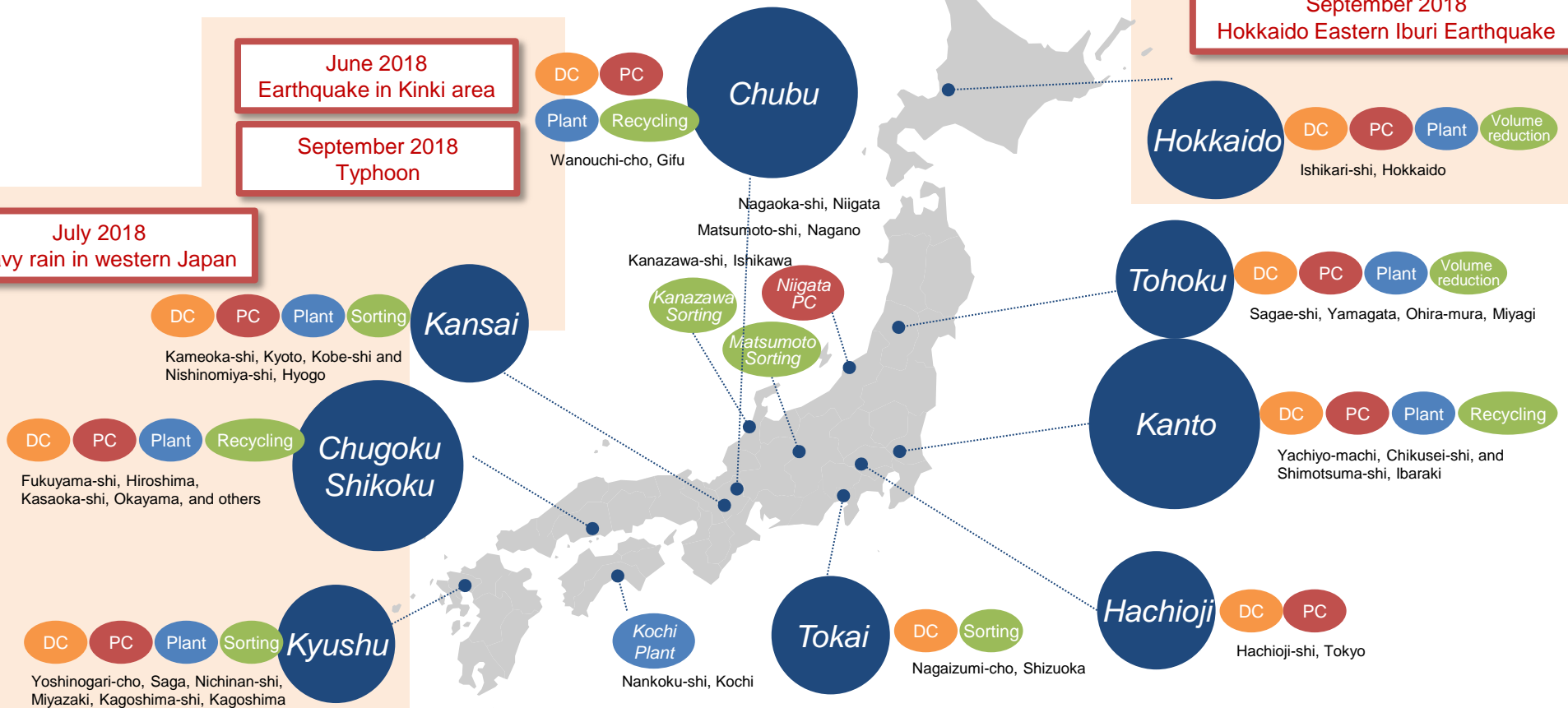


June 2018
Earthquake in Kinki area

September 2018
Typhoon

July 2018
Heavy rain in western Japan

September 2018
Hokkaido Eastern Iburi Earthquake



Use of IT for Improving Delivery Efficiency and Accuracy

Route
Planner

Higher load
efficiency

Inhibiting number of vehicles

Number of shipment CSs: 103.7%

Number of sales vehicles: 100.4%

* Excluding values for FPCO Dia Foods

* Results for first half of FY ending March 2019

RD Check
System

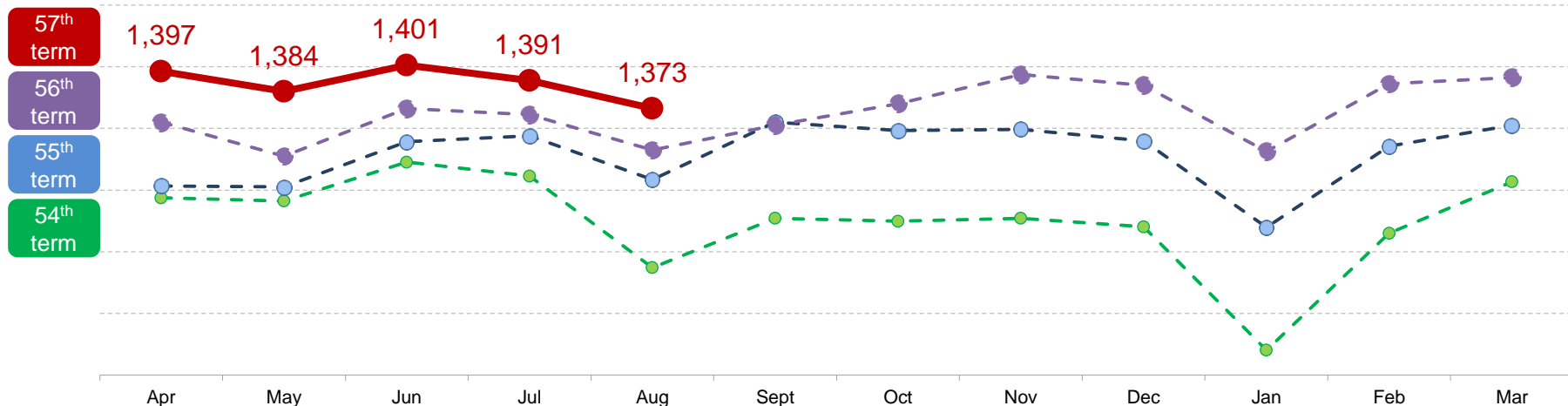
Optimized delivery
route

Reduction of delivery time

Before: 8:07

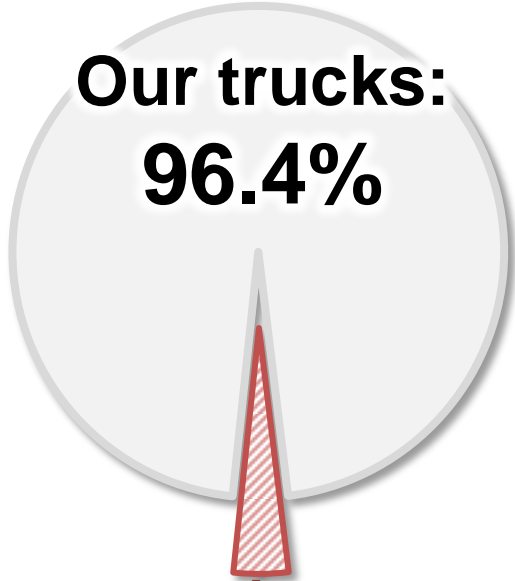
Now: 7:31 (- 36 minutes)

Changes in load per sales/delivery vehicle (Unit: Sai) *1 sai = 0.027 826 474 m³



Reducing Use of Consolidated Cargo Services

Ratio between transportation via our trucks and consolidated cargo services

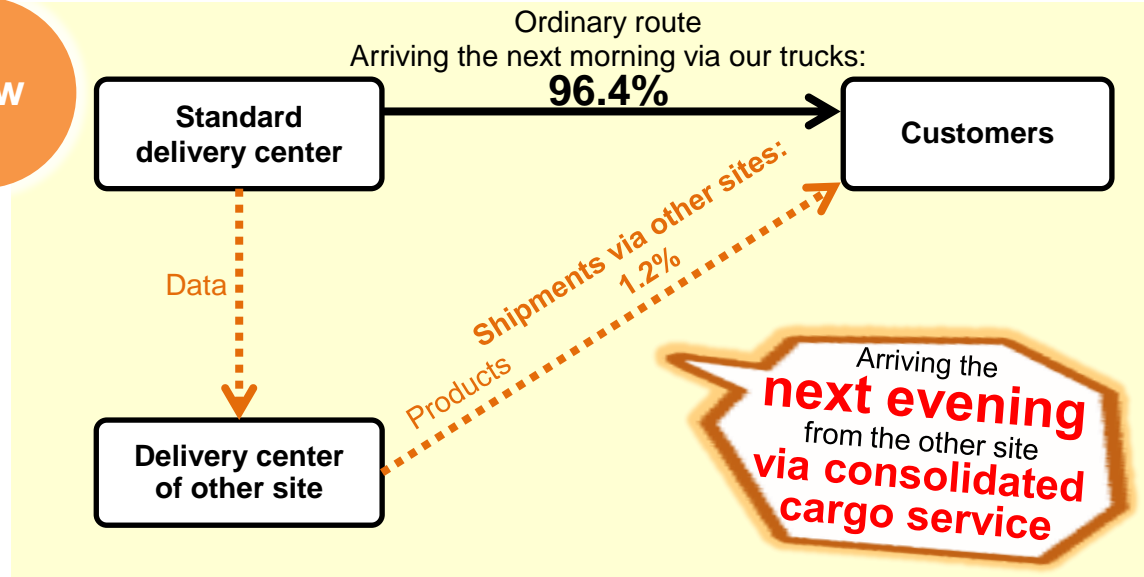


Consolidated cargo services: **3.6%** (breakdown)

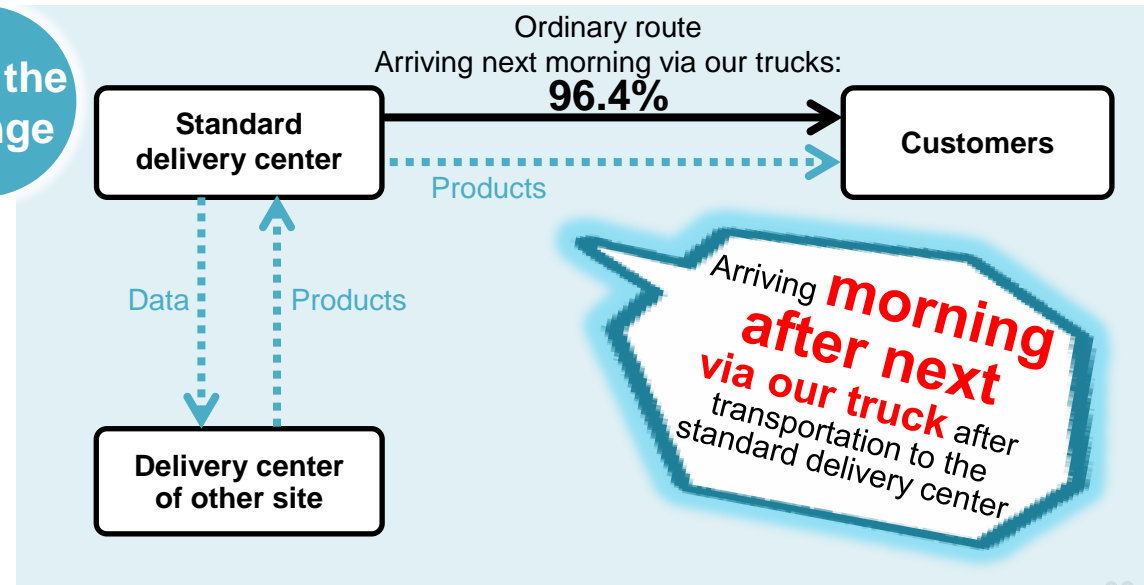
Considering switching to use of our trucks

Outside the delivery area of our trucks 0.6%	Within the delivery area of our trucks (cases in which delivery by our trucks is impossible) 1.8%	Shipments to other sites 1.2% (21,000 cases/month)
--------------------------------------------------------	-------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------

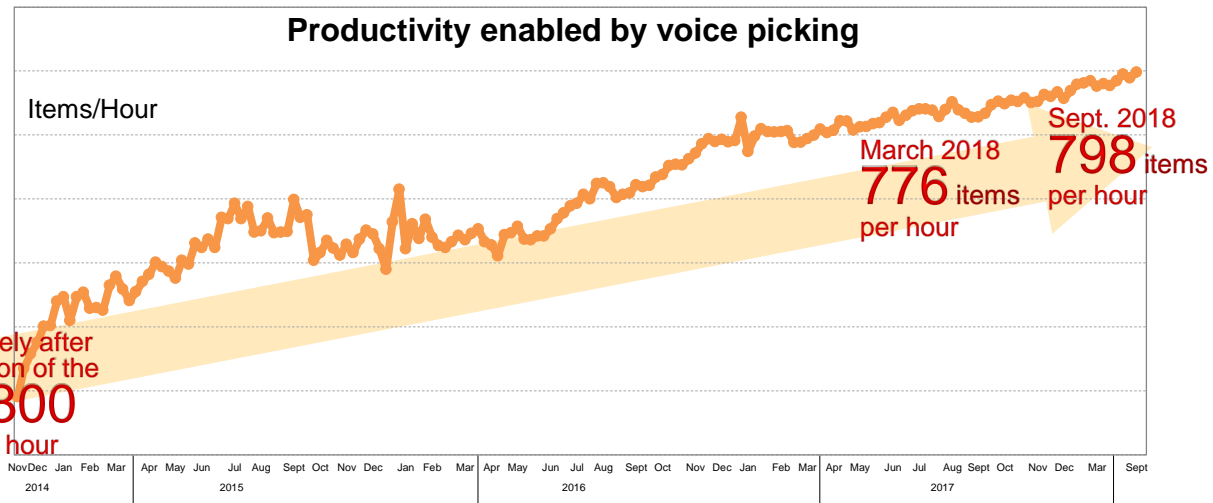
Now



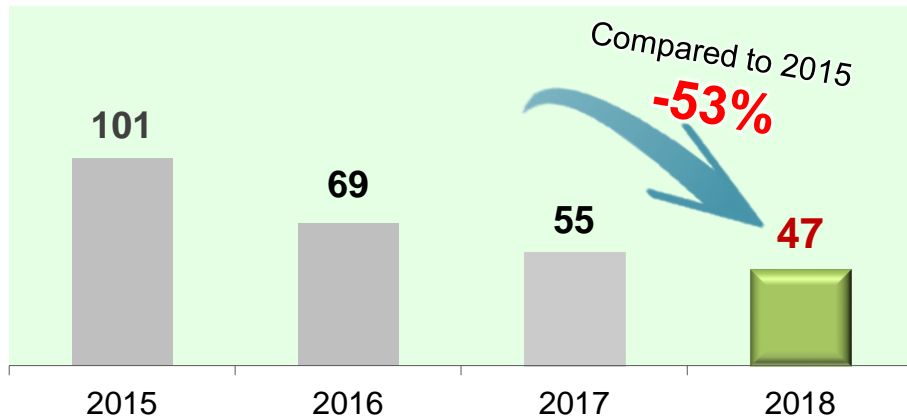
After the change



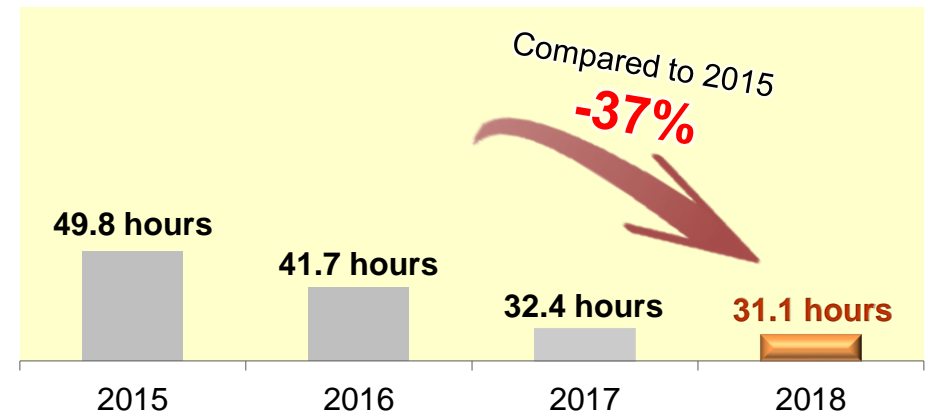
Higher Work Efficiency Enabled by Voice Picking System



Number of temporary staff members employed during peak period (Summer)



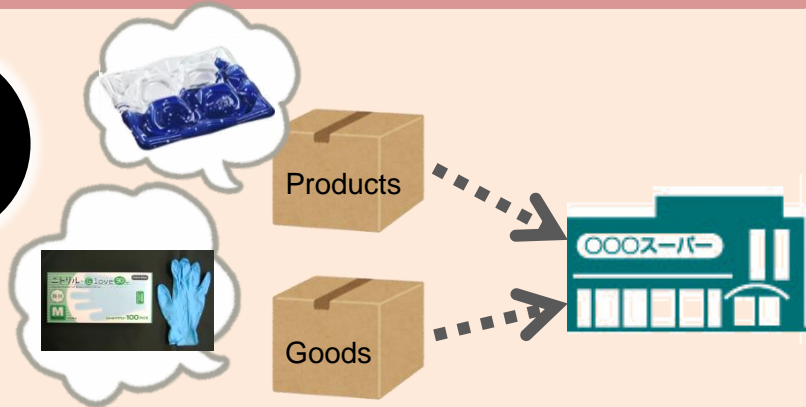
Overtime hours in peak period (Summer)



Streamlining of Logistics Division

By packing products and goods together in the same cardboard box, we achieved **reduction of cardboard cost to 92% compared with before** despite a more than 10% increase in cardboard paper price

Before

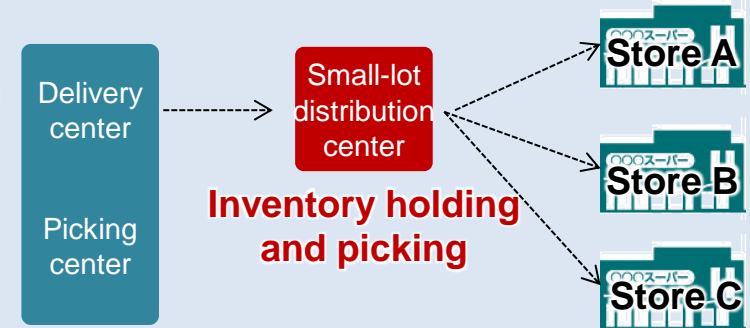


After

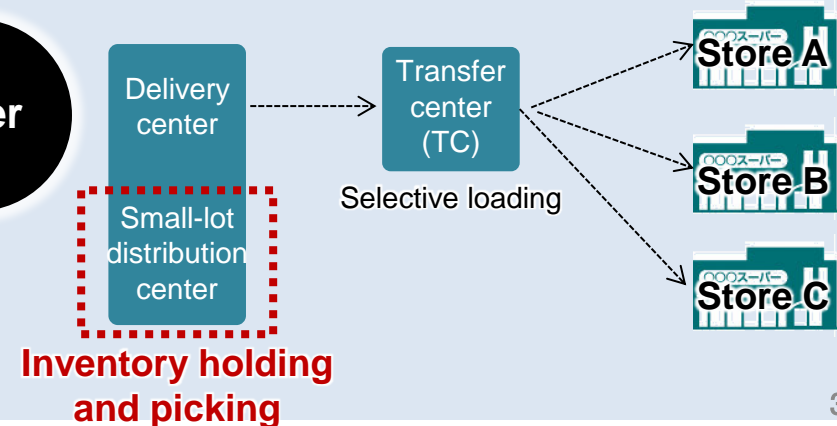


By consolidating inventory and picking functions, **streamlining worth 50 million yen per year is expected to be achieved**

Before



After

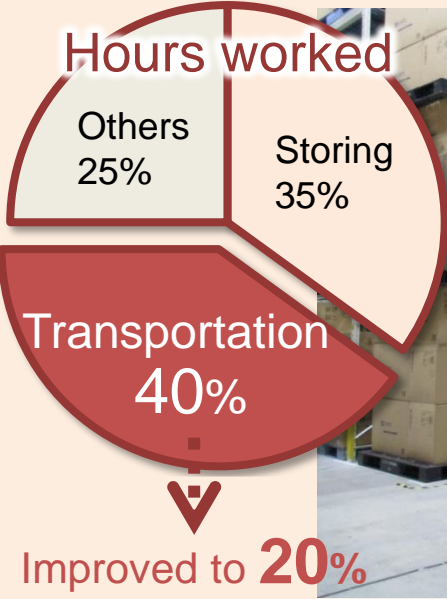


Higher Work Efficiency Enabled by Automation (Logistics Division)

NEW
AGV
(Automated guided vehicle)

Automating transportation of goods in warehouses

- Unmanned transportation of goods on specified routes (on the same floor) in the warehouse
- First introduced in Oct. 2017 and currently being expanded one by one



Cross Dock Center

Transportation from one warehouse to another

Connecting warehouses to allow a truck to receive all cases at a single site without visiting all warehouses



Sorter System

Transportation from warehouse to truck berth

Goods are transported from the second or third floor of the warehouse to the specified truck berth (where cargo is loaded) while being sorted automatically



Higher Work Efficiency Enabled by Automation (Manufacturing Division)

FY ended March 2018

Streamlining that is equivalent to the reduction of approx.

94 workers

Effect: 300 million yen/year

Plan for FY ending March 2019

Streamlining that is equivalent to the reduction of approx.

118 workers

Effect: 400 million yen/year

Automatic dusting and packaging machine



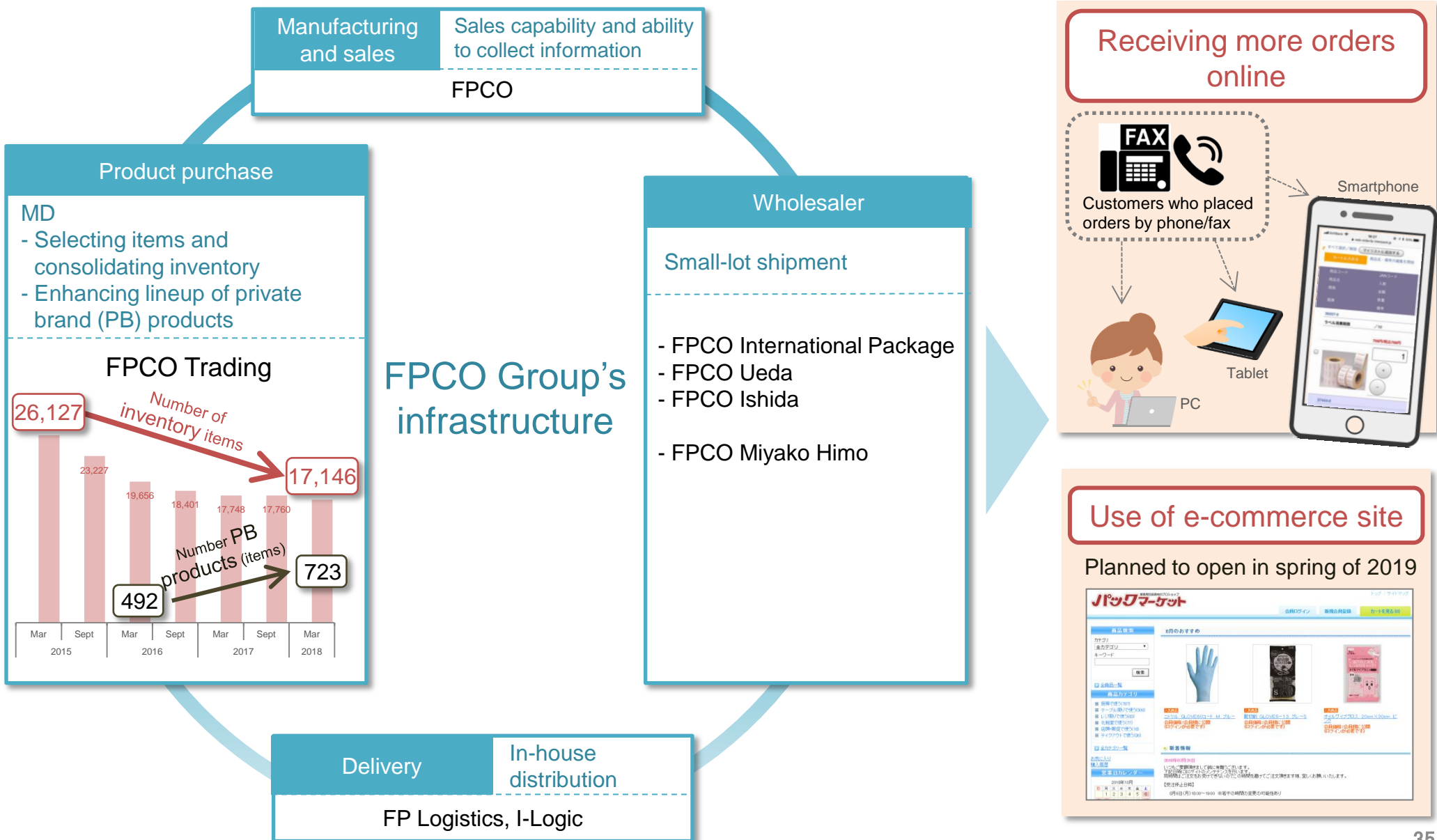
Automatic packaging machine



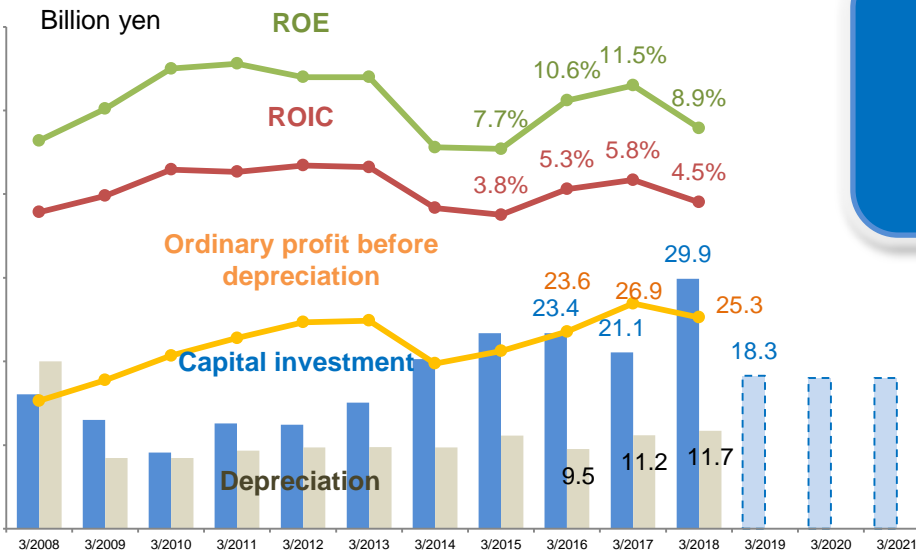
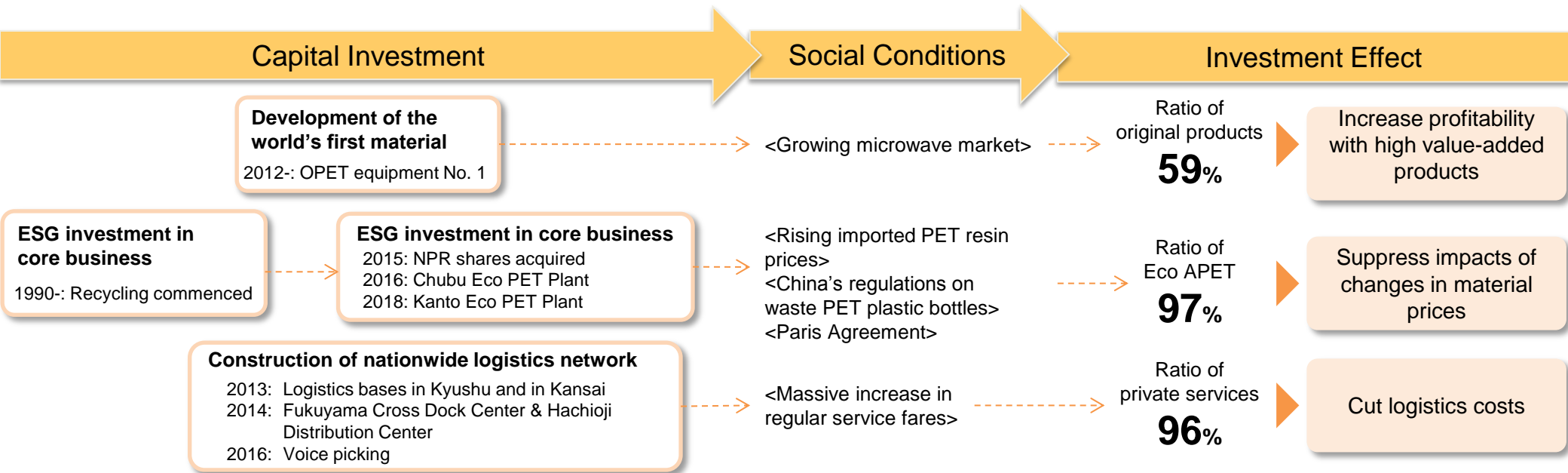
Case packing robot



For Higher Product Sales

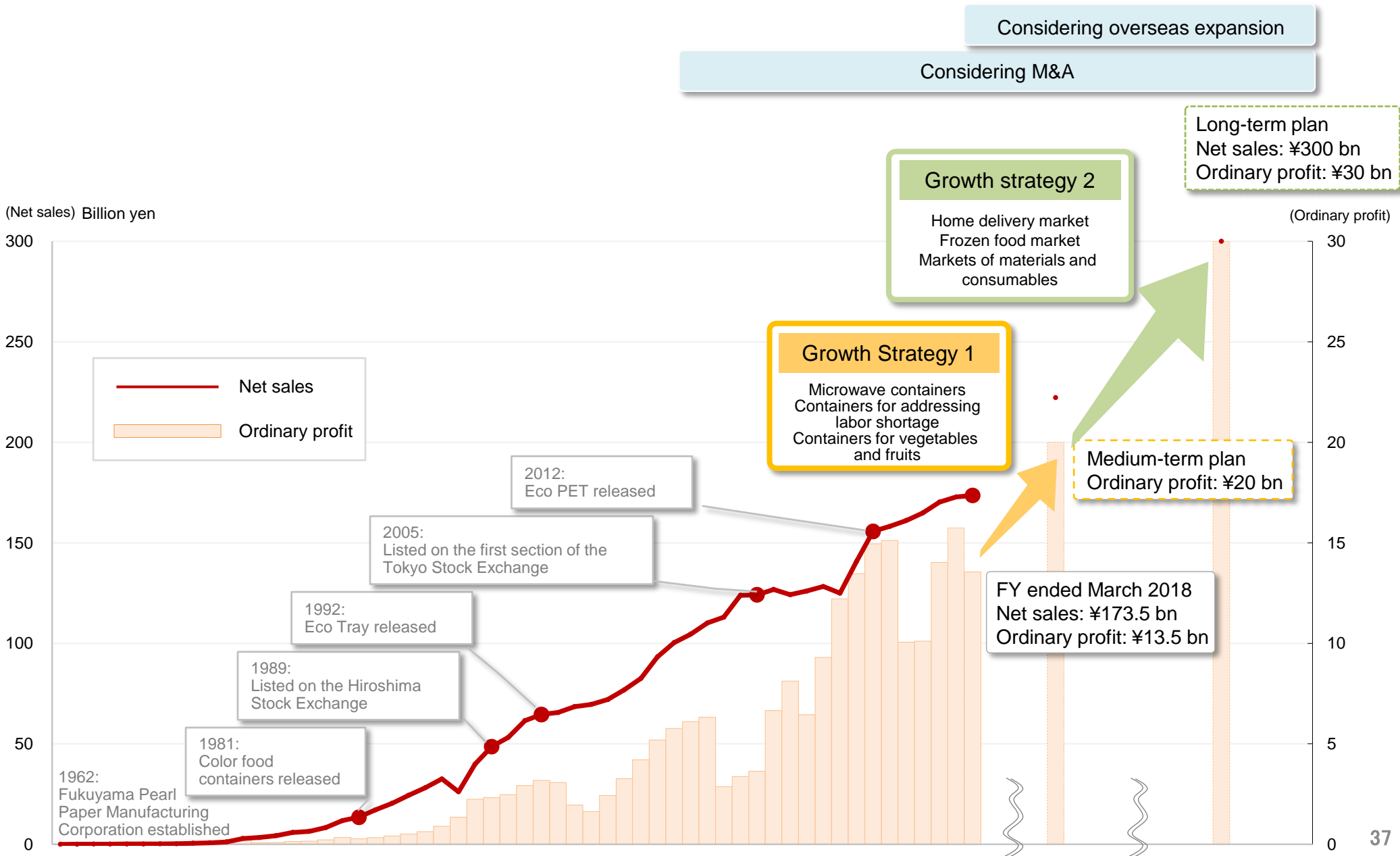


Strategic Investment



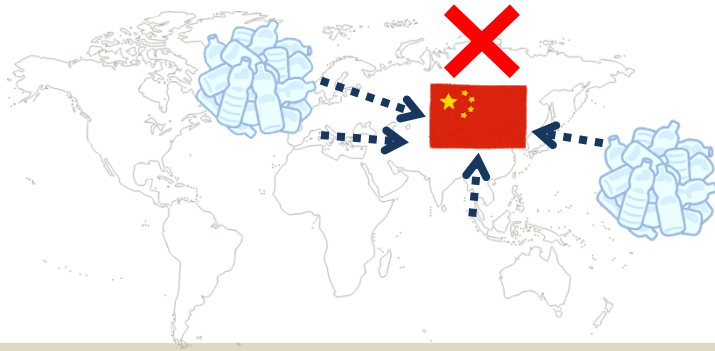
Future Capital Investment
 Development of new products
 that create new markets

Growth Strategies of FPCO



Ocean Plastic Pollution: Background and Current Reality

Due to China's waste import restrictions, the problem of waste disposal has become serious in Europe and other regions.



Problem of ocean microplastics



These two problems are combined and
develop into a major global issue

G7

Ocean Plastics Charter (extract)

- Recycle and reuse at least 55% of plastic packaging by 2030.
- Recover 100% of all plastics by 2040.

Ministry of
the Environment

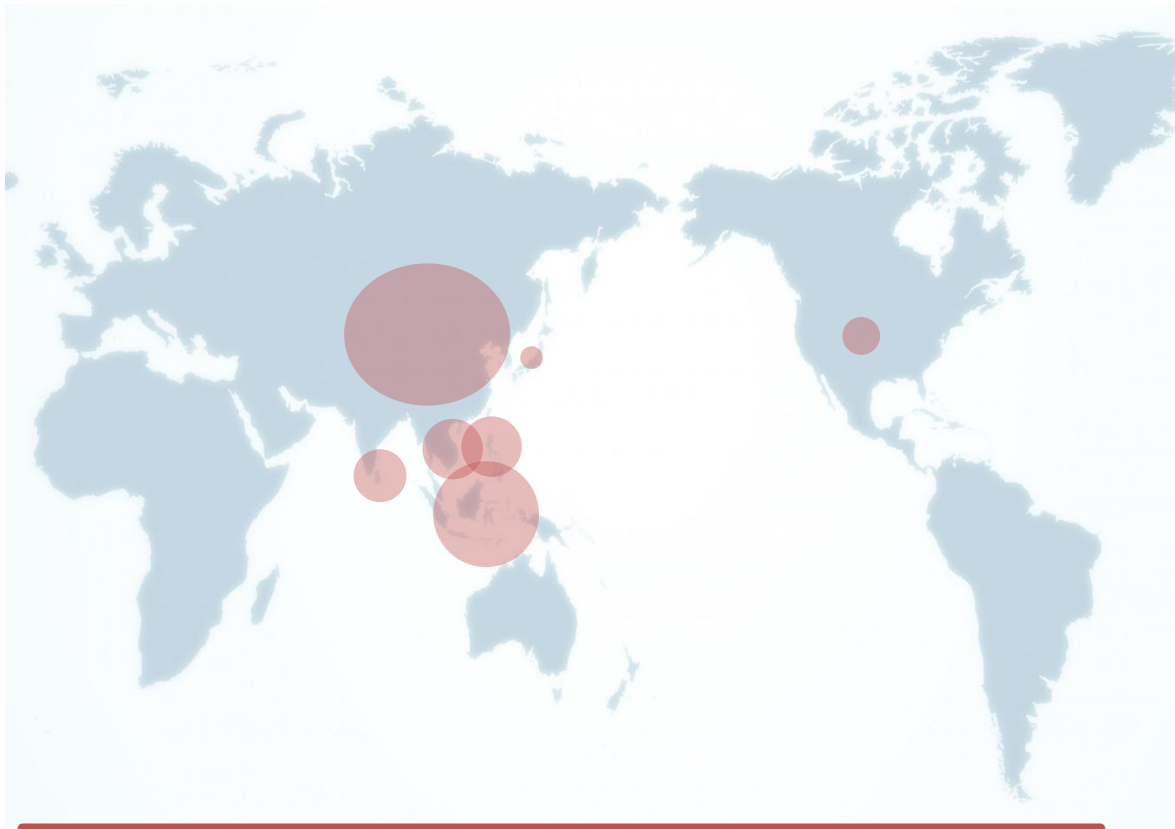
Comprehensive strategy
for plastic material recycling

- To be formulated by the G20 summit in 2019
- FPCO participates in the subcommittee as a board member of the Japan Plastics Industry Federation, expressing opinions as a representative of the industry.

Key terms in the global trend: “3Rs” and “Extended Producer Responsibility”

Necessary Measure: Preventing Inputs of Plastics from Land into the Ocean

Ranking of countries in the inputs of plastic waste from land into the ocean (2010 estimate)



The value for India is estimated to be more than 5.00 mn tons/year although statistical data is not available.

1 st : China	3.53 mn tons/year	
2 nd : Indonesia	1.29 mn tons/year	
3 rd : Philippines	0.75 mn tons/year	
4 th : Vietnam	0.73 mn tons/year	
5 th : Sri Lanka	0.64 mn tons/year	
⋮		
20 th : United States	0.11 mn tons/year	
⋮		
30 th : Japan	0.06 mn tons/year	

* Created by FPCO based on data from the Ministry of the Environment

* Maximum estimated values

Recycling of Plastics

PET bottles



Approx.

0.75 mn tons

Single material

Food containers



Approx.

0.8 mn tons

Soft packaging



Approx.

3.0 mn tons

Composite material

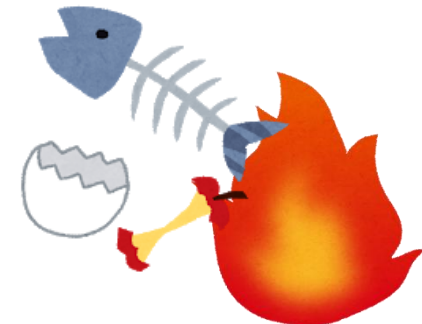
Material recycling

[Recycling of materials]



Thermal recycling

[Thermal recovery]



Necessary Measure: Promoting 3Rs (Reduce, Reuse, and Recycle)

R

ecycle

Recycle waste and it will be raw materials again.

Collect and recycle single materials that are suitable for material recycling.

R

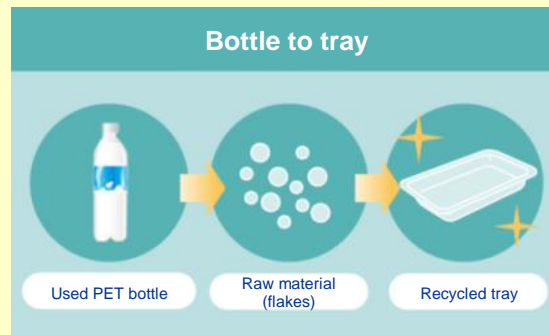
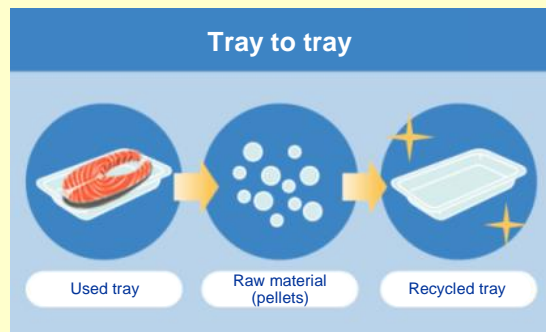
educe

Use of thinner, lighter materials

Provide lightweight, resource-saving products.

Appropriate recycling is important.

We will carry out activities for raising awareness of recycling.



A new poster is being created.

We will never say that they are disposable!!

Used food trays are resources. They are by no means disposable. This is an idea for protecting marine creatures and lives of future children. Yes, there are things we can do.

Wash used food trays and put them into the recycling box.

ABC Supermarket

A company which recycles trays into trays



Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan)

Ocean Plastics Charter endorsed at Charlevoix G7 Summit in Canada

Taking into account the full environmental impacts of alternatives, significantly reducing the unnecessary use of single-use plastics.

Working with industry towards 100% reusable, recyclable, or, where viable alternatives do not exist, recoverable, plastics by 2030

Working with industry and other levels of government, to recycle and reuse at least 55% of plastic packaging by 2030 and recover 100% of all plastics, including thermal recovery, by 2040.

Working with industry to increase recycled content by at least 50% in plastic products where applicable by 2030.

Strategy for Plastic Material Recycling by the Ministry of the Environment (Rough Plan): *Milestone*

Reduce

We aim to reduce emissions of single-use plastics (containers and packaging, etc.) by 25% in cumulative total by 2030 through the understanding, cooperation and collaboration of consumers with people from all quarters and all levels of civil society, while taking into account the environmental impacts of alternatives.

Reuse & Recycle

We aim to change the designs of plastic containers, packaging, and products into those that make segregation technologically easy and that permit reuse or recycling, while also trying to secure their functions as containers, packaging, and products, by 2025. (Even where this is difficult, we will aim to ensure thermal recoverability.)

We aim to recycle or reuse 60% of plastic containers and packaging by 2030 and make effective use of 100% of used plastics, including thermal recovery, by 2035, through cooperation and collaborations with people from all quarters and all levels of civil society.

Recycling/ Biomass plastics

We aim to recycle twice the volume of plastics by 2030 by considering applicability and promoting the understanding, cooperation, and collaboration of people from all quarters and all levels of civil society including the government and local municipalities.

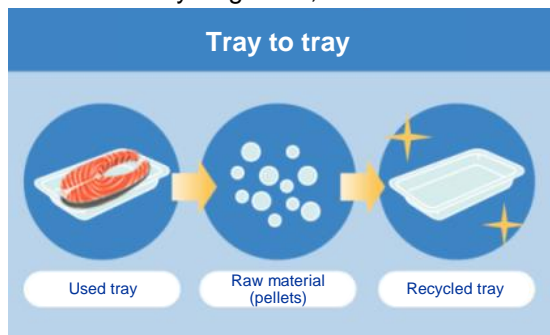
We aim to introduce as much biomass plastics as possible (approx. 200mn tons) by 2030 by promoting the understanding, cooperation, and collaboration of people from all quarters and all levels of civil society while also improving the feasibility.

Specific Measures for Promoting 3Rs

Recycle

Reducing waste plastics by means of tray-to-tray recycling

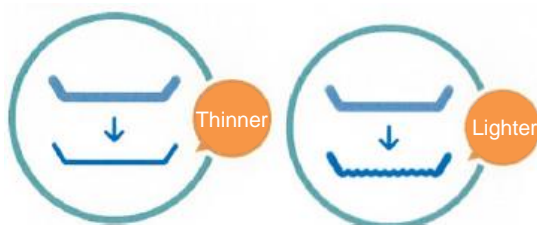
FY2020 target: Annual amount of recycling at 10,000 tons



Reduce

Reducing waste plastics by introducing thinner food containers

Reducing the weight and thickness by 5% compared to the FY2013 level by 2020



We will develop a thinner material.

We will create shapes which ensure high rigidity of thin, lightweight containers.

Awareness campaign

Activities for raising consumers' awareness of tray recycling

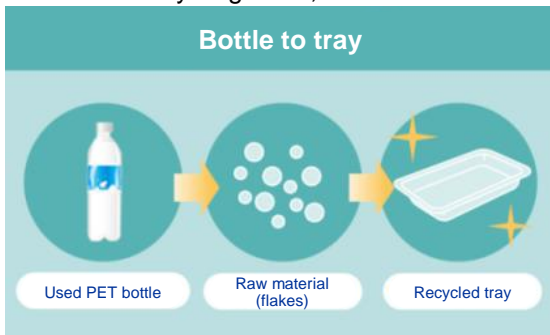
Achieving the number of visitors and lecture audience at 23,000/ year by FY2020



Recycle

Reducing waste plastics by means of bottle-to-tray recycling

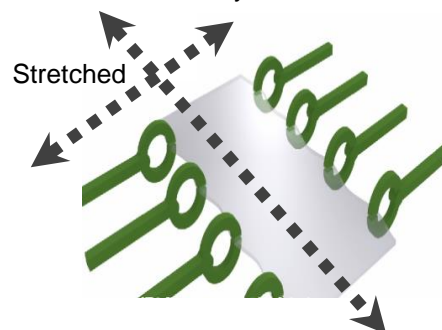
FY2020 target: Annual amount of recycling at 75,000 tons



Reduce

Saving PET resin as a resource by applying the technology for biaxially stretched PET

FY2019 target: Reducing PET materials by 7,100 tons



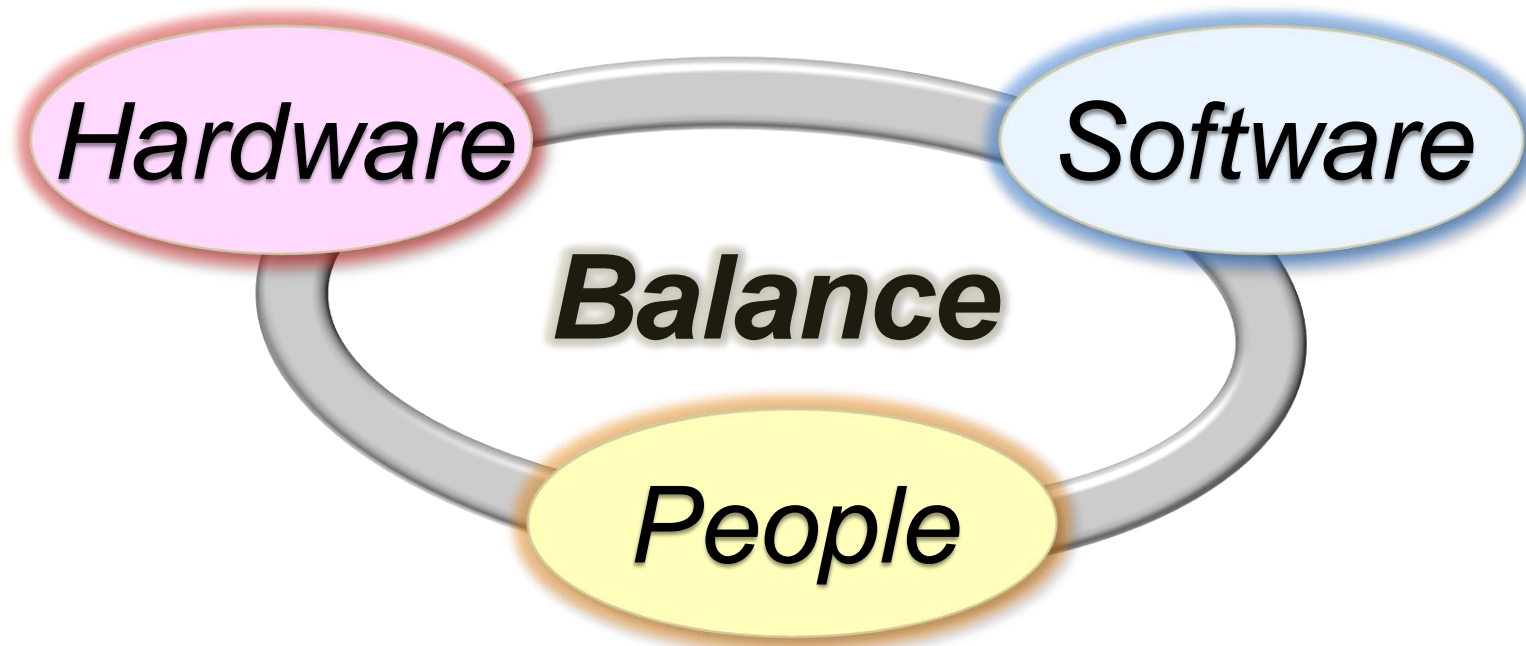
Awareness campaign

Activities for raising consumers' awareness of tray recycling

FY2018 target: Putting up posters at 100 companies



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



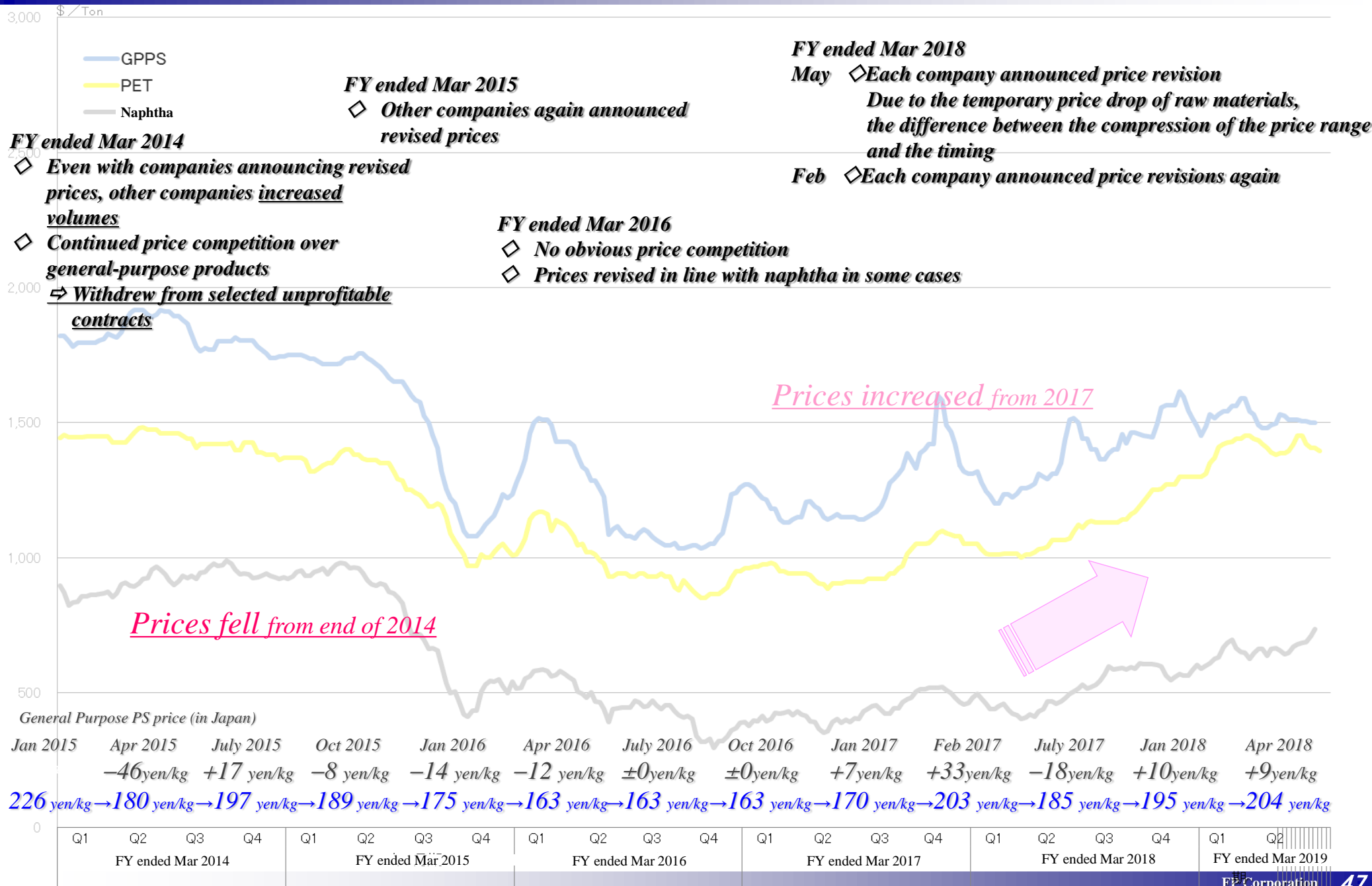
We adhere to the FPCO-DNA and continue to make proposals with the foresight of the near future based on our workplace-oriented policy and customer-first principle.

Supporting Data

Explanation of terms

- PS** : Polystyrene **PET** : Polyethylene terephthalate **PP** : Polypropylene
- Multi FP (MFP)** : An formed PS (polystyrene) container with cold and heat resistance to temperatures between -40°C and +110°C and with superior oil and acid resistance and thermal insulation.
- Multi Solid (MSD)** : A non-formed PS (polystyrene) container with a heat resistance temperature of +110°C that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP.
- OPET transparent Container** : A polyethylene terephthalate transparent container with a heat resistance temperature of +80°C . That is molded from biaxially stretched PET sheets, with superior oil and acid resistance and transparency. achieving the same thermal insulation as the OPS.
- New transparent PP container** : A transparent PP container with a heat resistance temperature of +110°C, which has achieved the same transparency as OPS using standard-grade polypropylene raw material.
- PPSA Series** : A snap-lock hood pack made from a transparent PP container with a heat resistance temperature of +110°C
- OPS transparent container** : A conventional transparent container with a heat resistance temperature of +80°C that is molded from the bi-axially oriented polystyrene sheets.
- Eco Tray** : A recycled foamed polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
- Eco APET** : A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).
- Hood pack** : A general-purpose transparent container having a hood connected to the main body, which is used, for example, at a selling space for fried foods at a supermarket.
- Cross Dock Center** : A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.
- Distribution Center** : Ships products by unit of case
- Picking Center** : Conduct picking operations for products and goods by small lots and ship
- Sorting Center** : Sorts PS containers collected from stores according to white and other colors, and transparent containers collected from stores according to materials such as PS, PET and PP.

Raw Material Trends



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

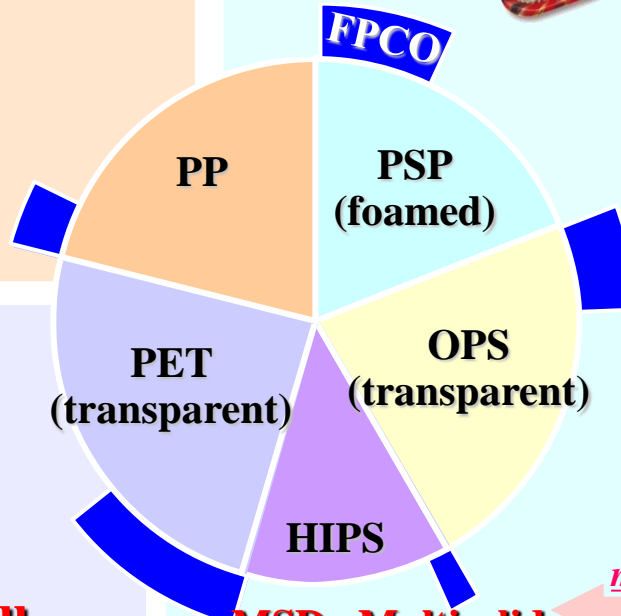
- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ Weight reduction is possible



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 2018

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



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



May 2012: Market release of the Eco APET



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

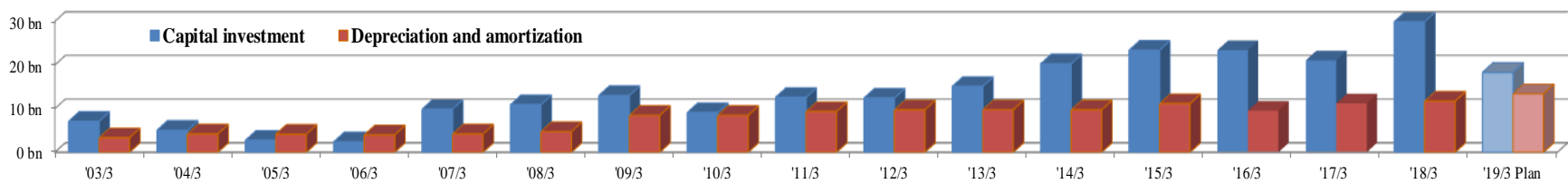
	'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3			'13/3			'14/3			'15/3			'16/3			'17/3			'18/3			'19/3 Plan					
											1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year		
Ordinary Profit for previous year	63.1	28.6	33.6	36.3	66.5	81.2	64.5	92.9	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	78.3	157.4	66.3	69.2	135.5			
Impact of increase in raw material prices	-6.0	-13.8	-36.5	-10.0	-13.0	-39.5	-37.0	-25.0																	+16.0	+15.0	+31.0	+20.0	+3.0	+23.0						
								+78.0																												
								-19.0	-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	-13.0	-26.0	-14.8	-16.0	-30.8			
Increase in product prices	-25.0	+7.7	+29.2		+4.0	+9.0	+38.0	+25.0		+10.0	+22.0	+32.0	+6.5	-	+6.5										-3.0	-8.0	-11.0	-12.5	-11.0	-23.5						
								-44.0																												
								-19.0																												
Raw material replacement and lighter-weight products			+2.0	+8.0	+8.6	+11.8	+24.5	+20.0																	+8.5	+11.0	+19.5	+10.5	+12.5	+23.0	+6.0	+3.2	+9.2	+4.5	+7.2	+11.7
Increase in quantity/improvements to product mix		+45.0		+17.5	+5.8	+3.0	+7.0	+6.0	+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	+2.5	+9.5	+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	-4.0	-7.2	-0.5	-1.5	-2.0			
Distribution improvement	+0.3	-14.0	+12.2	+5.5	+8.0	+5.7	+5.0	+9.5	+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	-1.5	-	-1.5			
Increase in profit from group companies								+5.0	+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	+0.5	+0.5	+1.0			
Profit from the sale of artwork			+1.0	-1.0			+4.0	-4.0																												
Cost increase	-6.2	-19.3	-3.2	+4.2	-7.4	-9.7	-15.6	-12.7	-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	-3.3	-4.2	-7.5			
Total increase/decrease	-34.5	+5.0	+2.7	+30.2	+14.7	-16.7	+28.4	+29.3	+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	-9.1	-21.9	-1.5	+14.0	+12.5			
Ordinary profit	28.6	33.6	36.3	66.5	81.2	64.5	92.9	122.3	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	78.3	157.4	66.3	69.2	135.5	64.8	83.2	148.0			

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	FY ending March 2019 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 Eco PET 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									Kanto PC extension		Fukuyama Cross Dock Center					
		Hokkaido HC				New Hokkaido HC							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							Film Plant
						Land for New Kanto Plant	Land & building in Chubu		Interpack	Land for logistics centers in Kansai							Film Printing Plant
										Land for logistics centers in Hachioji		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	29,891	18,300
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	29,342	17,950
Intangible	958	789	120	238	362	254	841	263	233	329	303	506	325	324	269	549	350
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	1,485	2,210
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	11,706	13,400
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	1,197	1,220

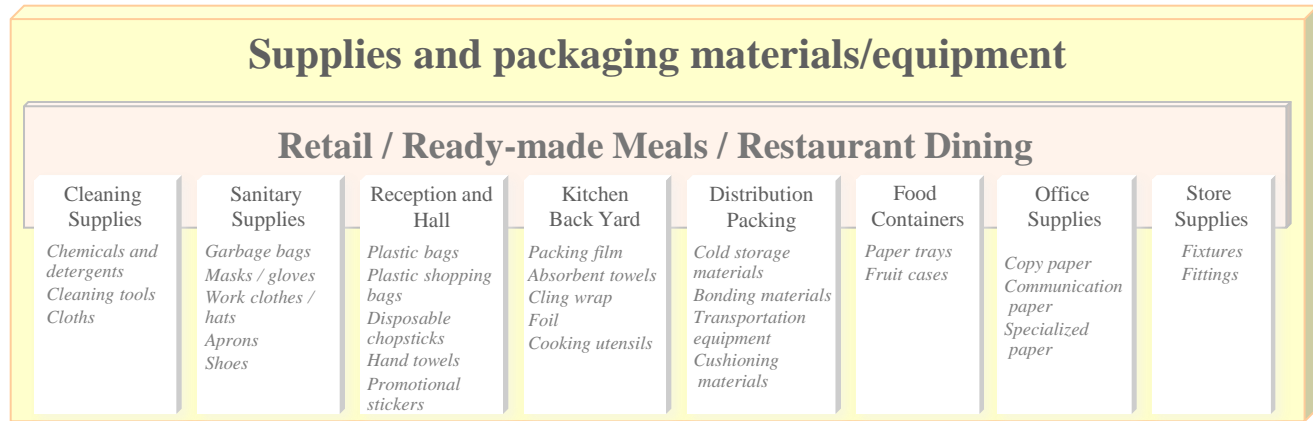
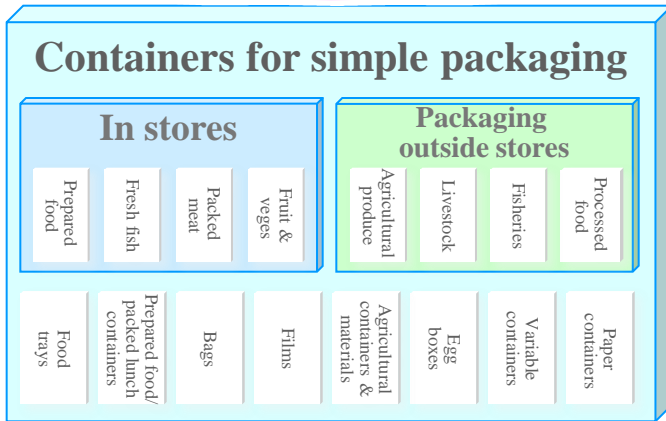


* Since 2009/03, capital investment have been included procurement through lease.

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

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



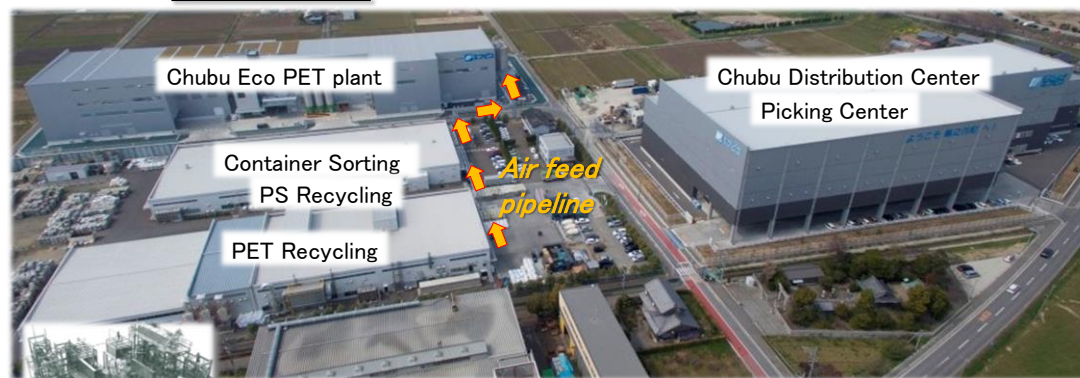
Hachioji 20 minutes from Akigawa station on JR East Lines.



Fukuyama 30 minutes from Fukuyama station on JR West Lines.



Chubu 20 minutes from Gifuhashima station on JR Tokai Lines.



PET Mechanical Recycling plant