

Financial Results

for the fiscal year ending March 2018



FP Corporation

May 7, 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.

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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 fiscal year ended March 2018

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

Financial Results Summary

(Results for the FY ended March 2018)

Unit: million yen	Results for Full year						full year projections (original)			full year projections (revised)			
	FY ending March2017		FY ending March2018				FY ending March2018			FY ending March2018			
	Performance	percentage	Performance	percentage	increase/ decrease	Year-on -year	Quantity	Planned	percentage	progress rate	Planned	percentage	progress rate
Trays	29,303	17.0	29,964	17.3	+661	102.3%	99.9%	29,700	16.6	100.9%	29,800	17.1	100.6%
Lunchboxes and prepared food containers	95,401	55.2	96,287	55.5	+886	100.9%	101.1%	100,100	55.9	96.2%	96,600	55.5	99.7%
Subtotal	124,704	72.1	126,252	72.7	+1,547	101.2%	100.7%	129,800	72.5	97.3%	126,400	72.6	99.9%
Other products	3,220	1.9	3,314	1.9	+94	102.9%		3,200	1.8	103.6%	3,200	1.8	103.6%
Sales of products	127,924	74.0	129,566	74.6	+1,642	101.3%		133,000	74.3	97.4%	129,600	74.5	100.0%
packaging materials	36,335	21.0	37,293	21.5	+957	102.6%		37,800	21.1	98.7%	37,600	21.6	99.2%
Other goods	8,598	5.0	6,720	3.9	-1,877	78.2%		8,200	4.6	82.0%	6,800	3.9	98.8%
Sales of goods	44,933	26.0	44,014	25.4	-919	98.0%		46,000	25.7	95.7%	44,400	25.5	99.1%
Net Sales	172,858	100.0	173,580	100.0	+722	100.4%		179,000	100.0	97.0%	174,000	100.0	99.8%
Operating profit	15,176	8.8	12,884	7.4	-2,291	84.9%		15,900	8.9	81.0%	12,830	7.4	100.4%
Ordinary profit	15,742	9.1	13,548	7.8	-2,193	86.1%		16,500	9.2	82.1%	13,500	7.8	100.4%
Profit attribute to owners of parent	10,953	6.3	9,178	5.3	-1,775	83.8%		11,150	6.2	82.3%	9,100	5.2	100.9%
Ordinary profit before depreciation and amortization	26,926		25,255		-1,670	93.8%		28,600	88.3%		25,600	98.7%	

Factors of difference (Plan)

Products

- Compression of price increase width, and time gap
- Sluggish sales due to the unseasonable weather

Goods

- Withdrawal from the unprofitable transactions

Factors of difference (the previous FY)

Products

Products made to order (Convenience Store)
-400million yen (-0.3%)

Goods

Withdrawal from the unprofitable transactions
-2,600million yen (-5.9%)

Total

-3,000million yen (-1.7%)

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

■ Sales

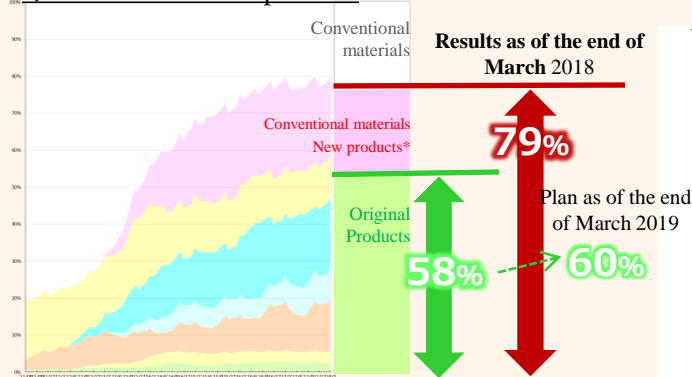
Products

- Sales of containers for microwave heating are going well
- Sluggish sales of fresh fish sector containers due to high price of fish
- Strong for supermarkets
- The hurdles for the previous year are high for convenience stores

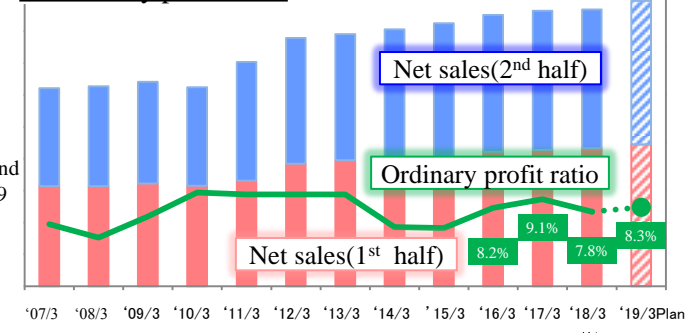
Goods

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

◇ Product sales composition



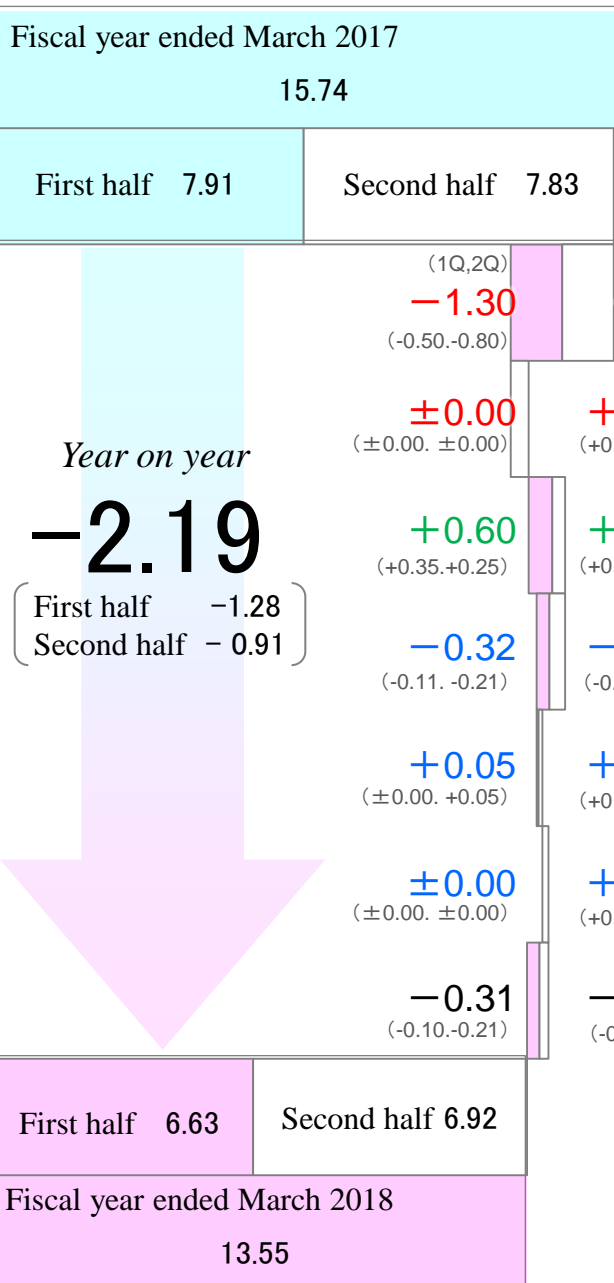
◇ Ordinary profit ratio



Increase/Decrease in Ordinary Profit

(Results for the FY ended March 2018)

Unit: billion yen



The Price of material -2.60

Sales Price +0.45

Sales Efforts +0.92

Improved Production -0.72

Improved Distribution +0.15

Group Companies +0.15

Increased Expenses -0.54

Total Difference: -2.15

Total Difference: -0.42

Improvement +0.80
 Labor cost -0.44
 Depreciation -0.42
 electric power charges -0.36

Labor cost +0.03
 Depreciation -0.10
 other -0.47

Difference from Forecast					
Revised forecast (Feb 6)	Difference	Forecast (Nov 13)	Difference	projections (original)	Difference
-2.60	±0.00	-1.70	-0.90	-2.70	+0.10
+0.30	+0.15	+0.90	-0.45	+2.60	-2.15
+1.07	-0.15	+2.07	-1.15	+1.60	-0.68
-0.77	+0.05	-0.27	-0.45	-0.55	-0.17
+0.15	±0.00	+0.15	±0.00	+0.15	±0.00
+0.15	±0.00	+0.15	±0.00	+0.20	-0.05
-0.54	±0.00	-0.54	±0.00	-0.54	±0.00
-2.24	+0.05	+0.76	-2.95	+0.76	-2.95

forecast in Ordinary Profit 13.5 16.5 16.5

Capital Investments and R&D cost

(Results for the FY ended March 2018)

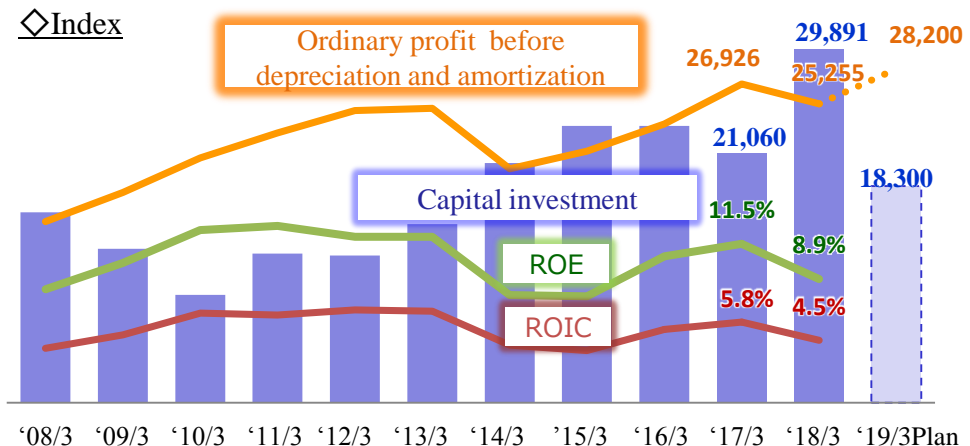
Unit: million yen	Results for Full year				full year projections	
	FY ended March 2017	FY ending March 2018			FY ending March 2018	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	20,790	29,342	+8,551	141.1%	30,800	95.3%
Intangible fixed assets	269	549	+280	204.1%	400	137.5%
Capital investment	21,060	29,891	+8,831	141.9%	31,200	95.8%
Depreciation and	11,183	11,706	+522	104.7%	12,100	96.7%
Research and	1,223	1,197	-26	97.9%	1,260	95.0%

Major capital investments

	Total investment	Plan in period	Results for Full year
Investment in production of the world's first original products			
◆ Kanto Eco PET plant Inaugurated in Aug. 2017	15,451	13,500	13,254
Extension of integrated production facilities of Eco APET			
◆ OPET production facilities in Mar. 2018		3,000	3,053
Investment corresponding to expansion of the sales quantity			
◆ Introduction of automation facilities		630	456
◆ Reinforcement of production bases of Group Company			
Film Plant Inaugurated in Jan. 2018	2,800	2,500	2,553
Film Printing Plant Inaugurated in Mar. 2018	4,750	1,360	2,519
◆ Molds		2,210	1,485
◆ IT investments		600	636

Overwhelming market superiority

Ensure profit by high value-added products and logistic infrastructure



※ROE = Profit attributable to owners of parent ÷ Equity

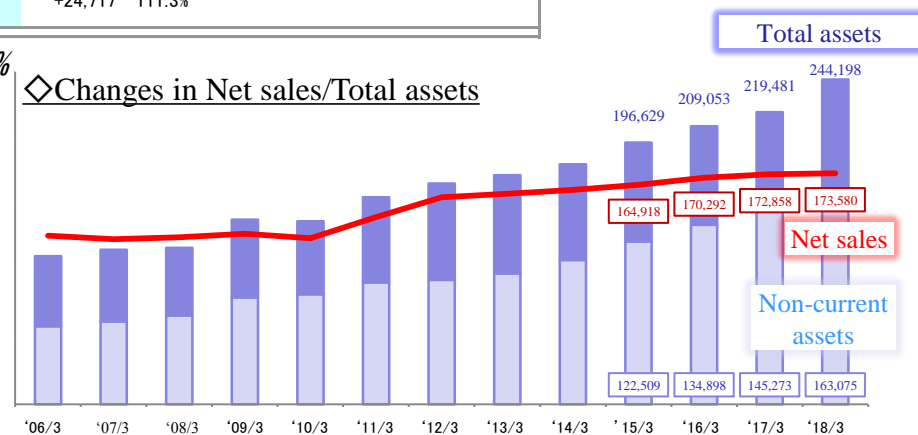
※ROIC = NOPAT (operating profit after tax) ÷ Capital Invested (Net assets + Interest bearing debt)

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 March 31,2018	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	74,208	81,122	+6,914	109.3%	Cash and deposits -2,492 Notes and accounts receivable-trade +5,065 Merchandise and finished goods +1,971 Accounts receivable - other +1,468
Noncurrent assets	145,273	163,075	+17,802	112.3%	+17,705
Total assets	219,481	244,198	+24,717	111.3%	
Current liabilities	73,051	77,174	+4,123	105.6%	Accounts payable - trade +2,623 Short-term loans payable -5,992 Commercial papers +3,000 Accounts payable-other +5,379
Noncurrent liabilities	46,707	60,804	+14,096	130.2%	Long-term loans payable +16,699
Total liabilities	119,759	137,979	+18,219	115.2%	
Net assets	99,721	106,219	+6,497	106.5%	Retained earnings +5,870
Total liabilities and net assets	219,481	244,198	+24,717	111.3%	

Equity ratio 43.3%

- **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

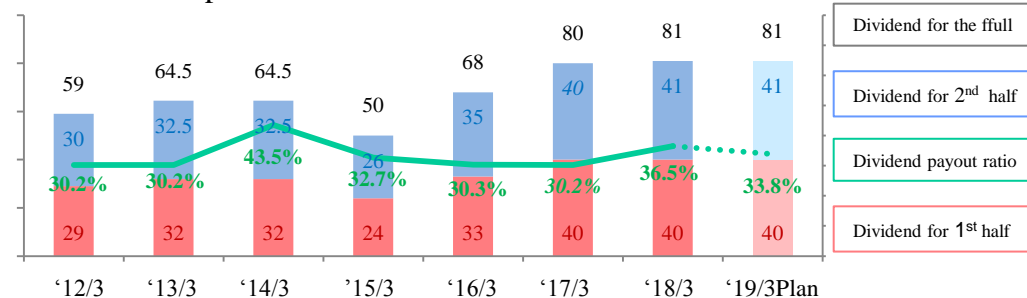
◇ Changes in Net sales/Total assets



Unit: million yen	Results for Full year		
	'FY ending March 2017 Performance	Performance	'FY ending March 2018 Breakdown of Main Items
CF from operating activities	25,912	13,974	Income before income taxes 13,234 Depreciation 11,706 Increase in notes and accounts rec -5,065 Increase in notes and accounts pa 2,623 Increase in inventories -2,813 Income taxes paid -4,421
CF from investing activities	-21,932	-23,656	Purchase of property, plant and ec -23,519
Free cash flows	3,979	-9,682	
CF from financing activities	-924	7,197	Increase in commercial papers 3,000 Proceeds from long-term loans pa 32,000 Repayment of long-term loans pa -22,092 Repayments of lease obligations -3,206 Cash dividends paid -3,301
Net increase(decrease)in cash and cash equivalents	3,054	-2,485	
Cash and cash equivalents at end of period	18,144	15,659	

- CF from operating activities
Ensuring profit through sales of original products and rationalization
- 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 ending March 2018		FY ending March 2019				FY ending March 2019			
	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

Year on year
+1.25

(First half +0.02
Second half +1.23)

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

Plan for first half 6.65

Plan for Second half 8.15

Plan for fiscal year ended 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

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

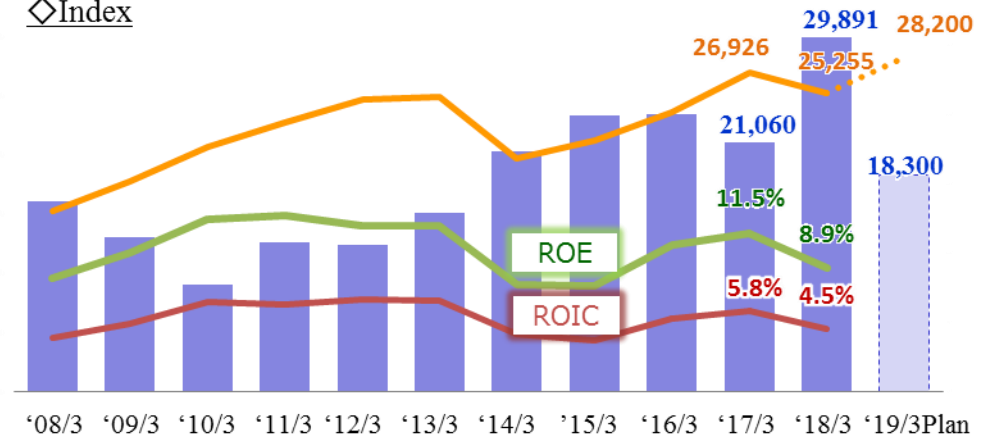
FPCO International Package Co., Ltd. Headquarters To be inaugurated in Feb. 2019 920 880

◆ Molds 2,210

◆ IT investments 510

Total investment Plan in period
unit: million

◇ 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

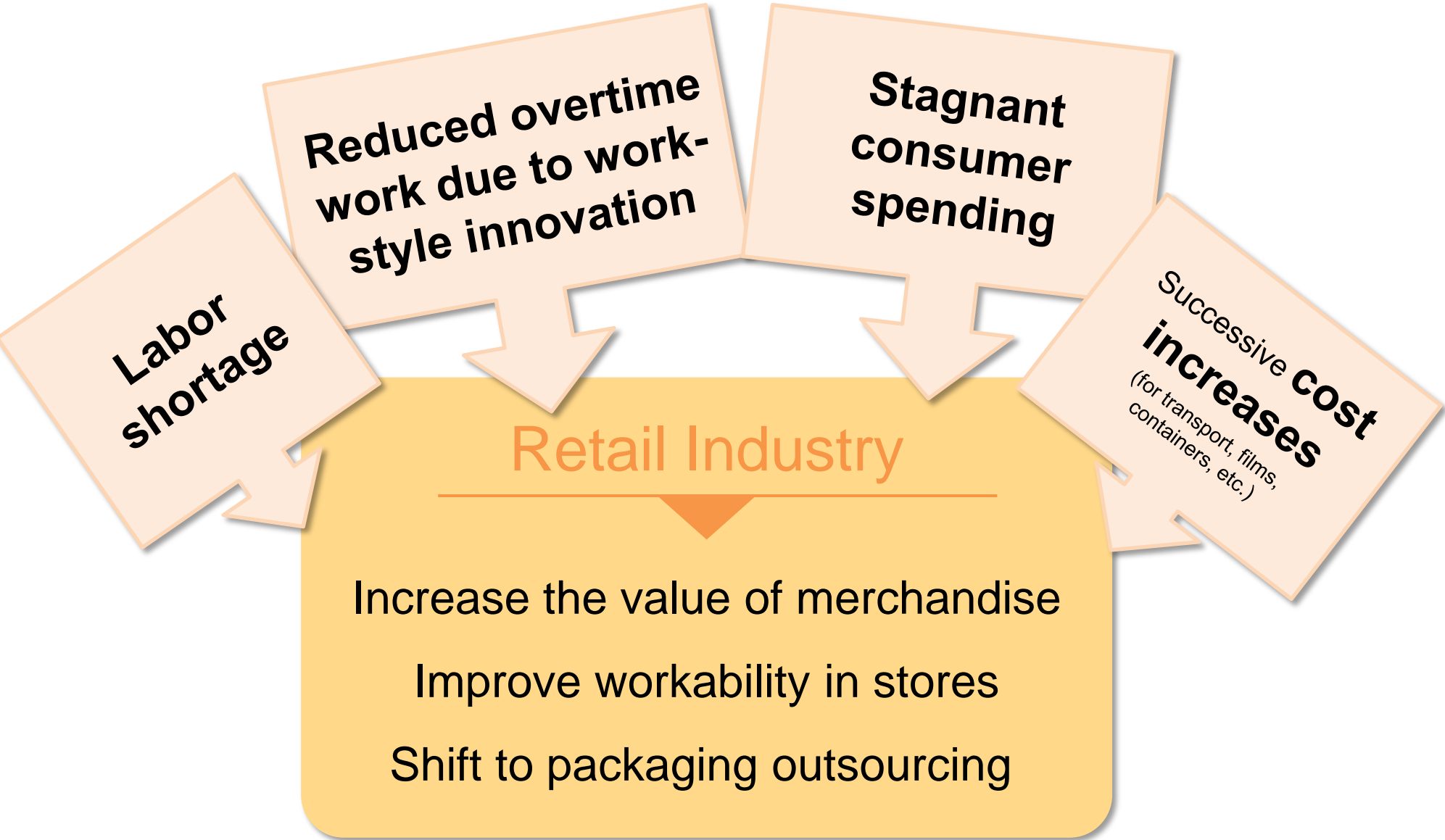
President

Morimasa Sato



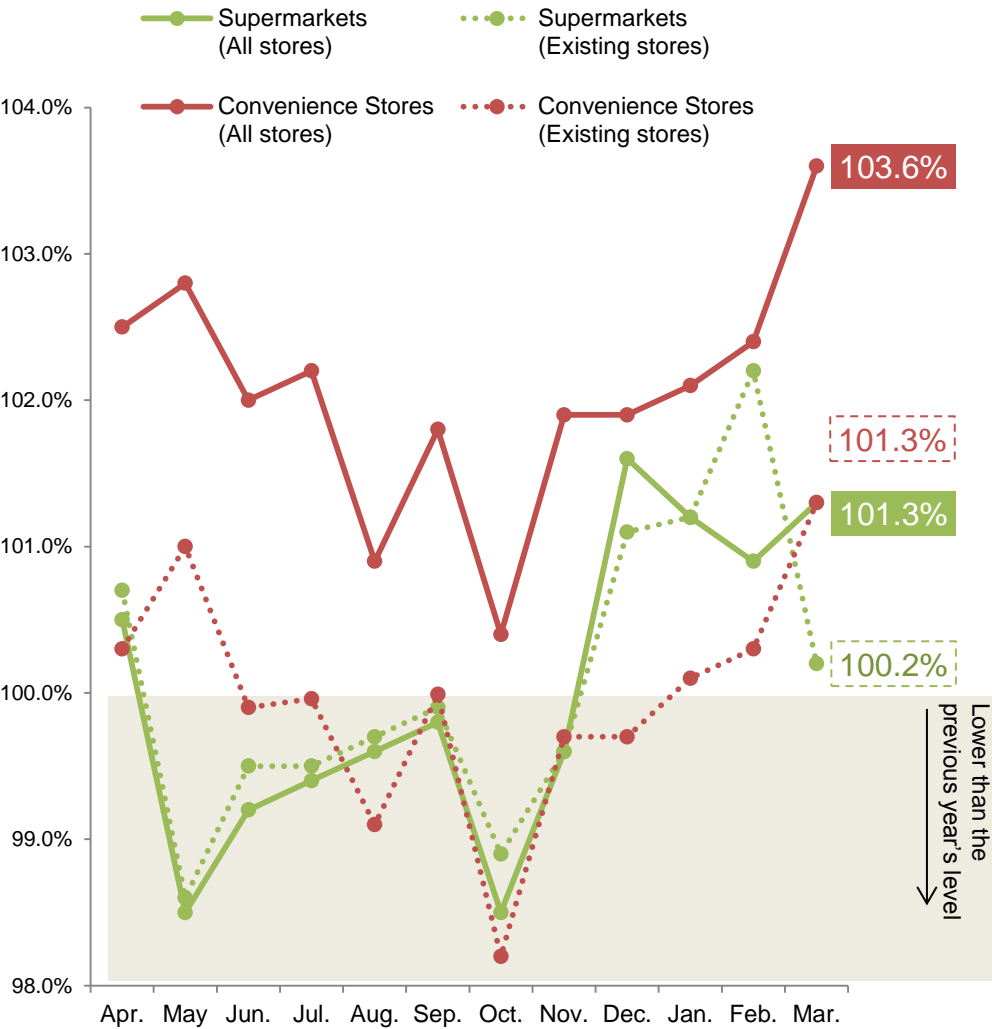
株式会社 **IFCO**

Circumstances Surrounding the Retail Industry

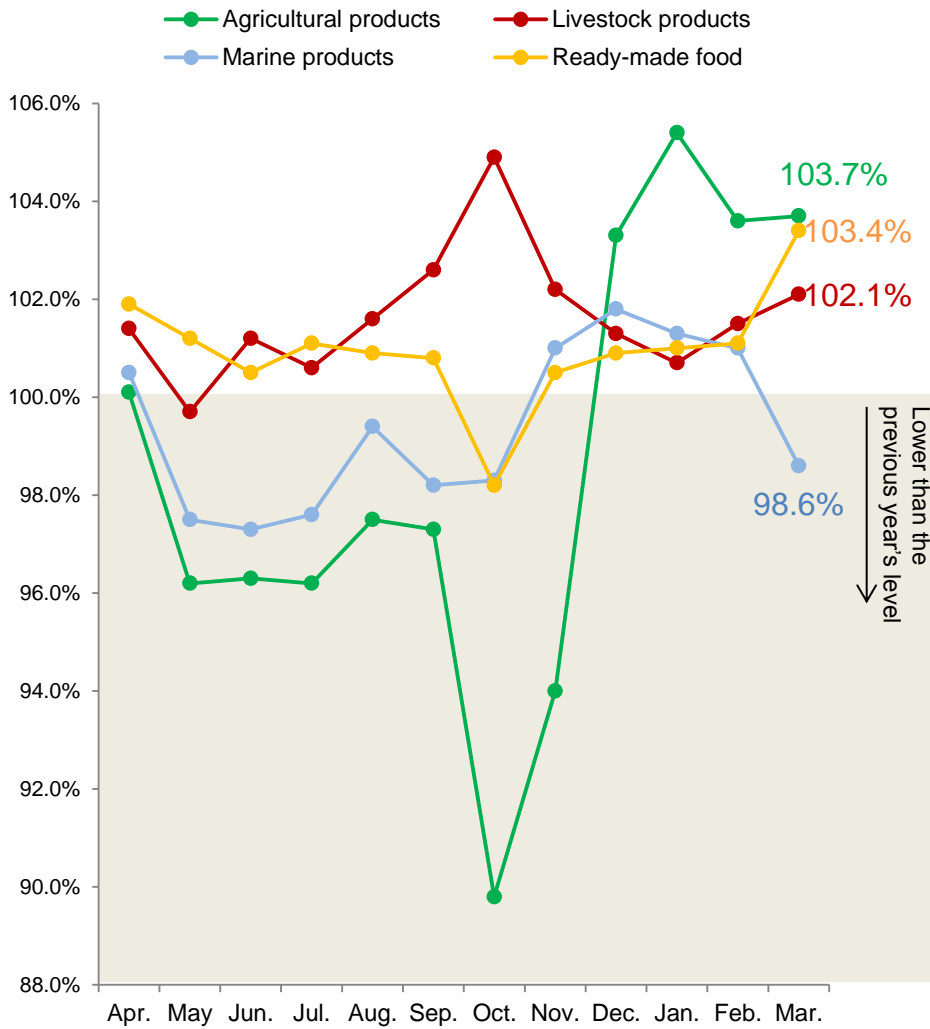


Conditions of Convenience Stores and Supermarkets

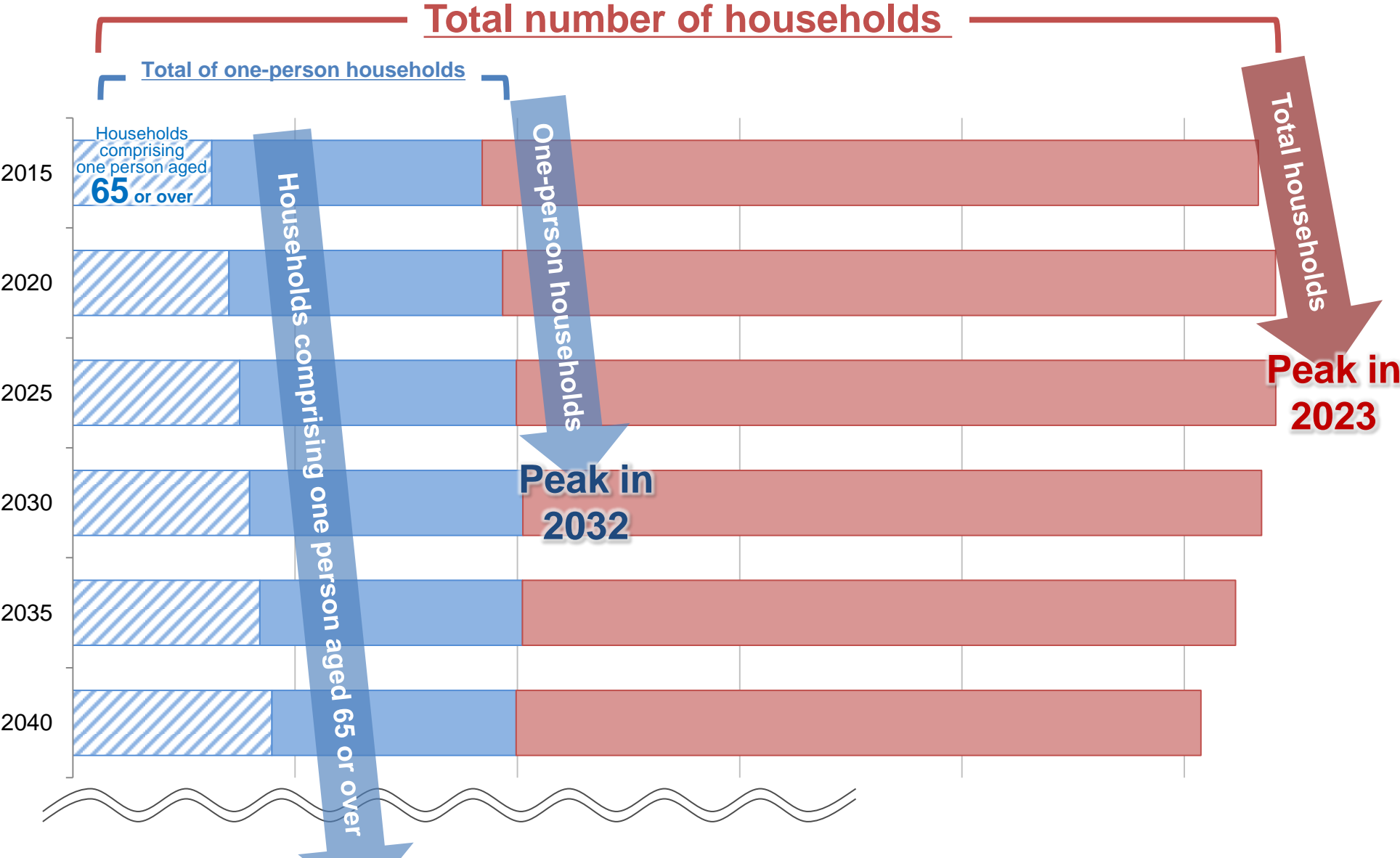
Trends in YoY Comparison of Sales at Convenience Stores and Supermarkets



Trends in YoY Comparison of Sales at Supermarkets by Product Category



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

Source: Japan Ready-Made Meal Association: "Trends of Ready-Made Meal Market Size" in White Paper on Ready-Made Meals

Eating out

Approx. **25** trillion yen

Improve take-out food



Cooking at home

Approx. **32** trillion yen

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



Home meal replacement

Approx. **10** trillion yen

Major food manufacturers



Markets expected to grow in the future



Frozen food

Approx. 0.72 trillion yen

Mail order & home delivery

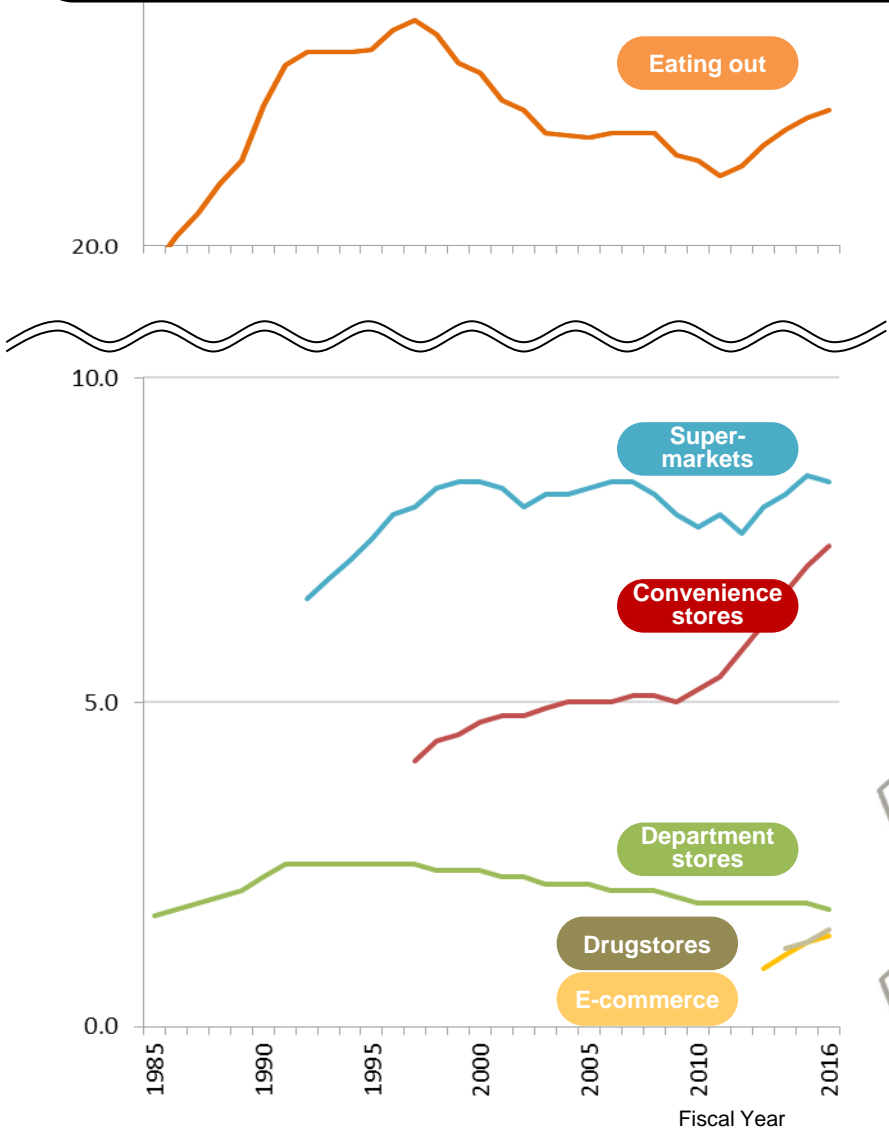
Approx. 2 trillion yen

Packaging materials

Approx. 2 trillion yen

Changes in Retail Business

Trends in Scales of Food Markets



FY2016 market scale

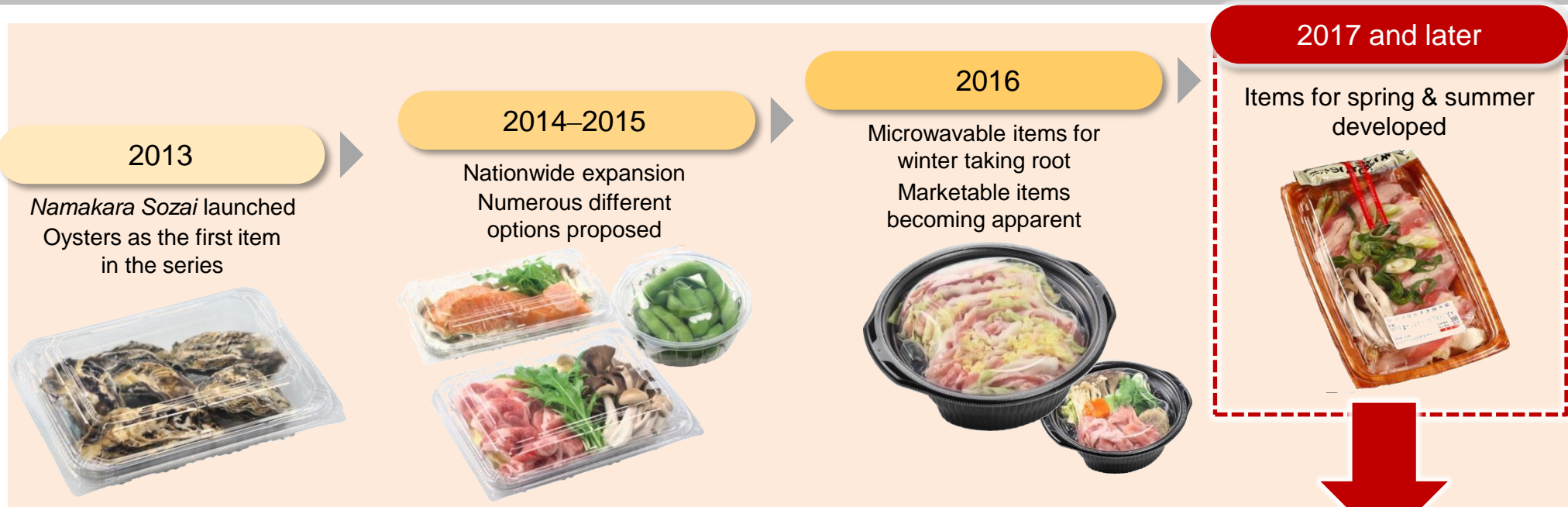
Slogans

Eating out	25.4 trillion yen	Boost take-out food
Super-markets	8.4 trillion yen Total 12.9 trillion yen	Offer fresh food in the form of prepared food Promote prepared food
Convenience stores	7.4 trillion yen Total 11.5 trillion yen	Expand chilled food sections Promote prepared food
Department stores	1.8 trillion yen Total 6.5 trillion yen	Differentiate selling spaces
Drugstores	1.5 trillion yen Total 5.7 trillion yen	Promote prepared food
E-commerce	1.4 trillion yen Total 15.1 trillion yen	Expand the one-way container market

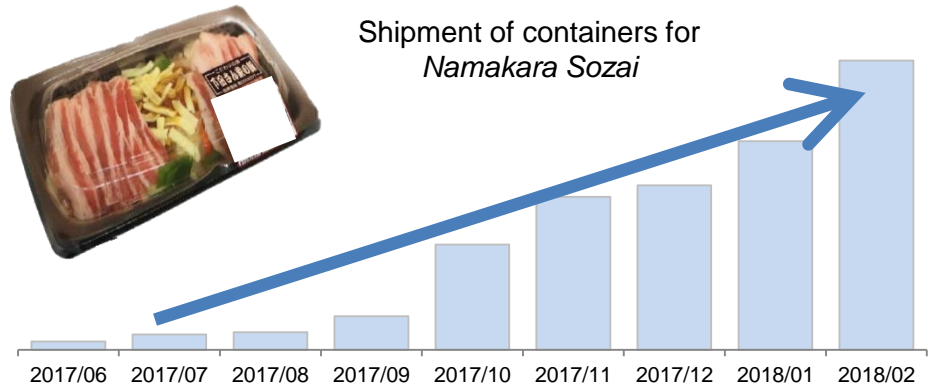
With growth potential

With growth potential

Entrenchment of *Namakara Sozai*



Example with Company A **25 different items in the *Namakara Sozai* series released in the course of one year**



For Prima Meat Packers, Ltd. **New items for spring and summer developed**



Creating a Worker-Friendly Environment in the Era of Labor Shortage

MFP InnoVe Series

Food options can be easily increased by combining different main trays with inner containers.



Chateau Platter series

The lid is securely closed. Cumbersome taping is not required.



Wakumori Series

The same look can be produced regardless of who dishes up the food.



Moridai Series

The garnish is reduced to cut the work time.



Platter (with inner containers)

Dividing up work processes for assortments of prepared food items



Use of Containers in Vegetables and Fruit Selling Spaces: Up 12% year on year

Before



After



Larger quantity on display with lidded containers

Before

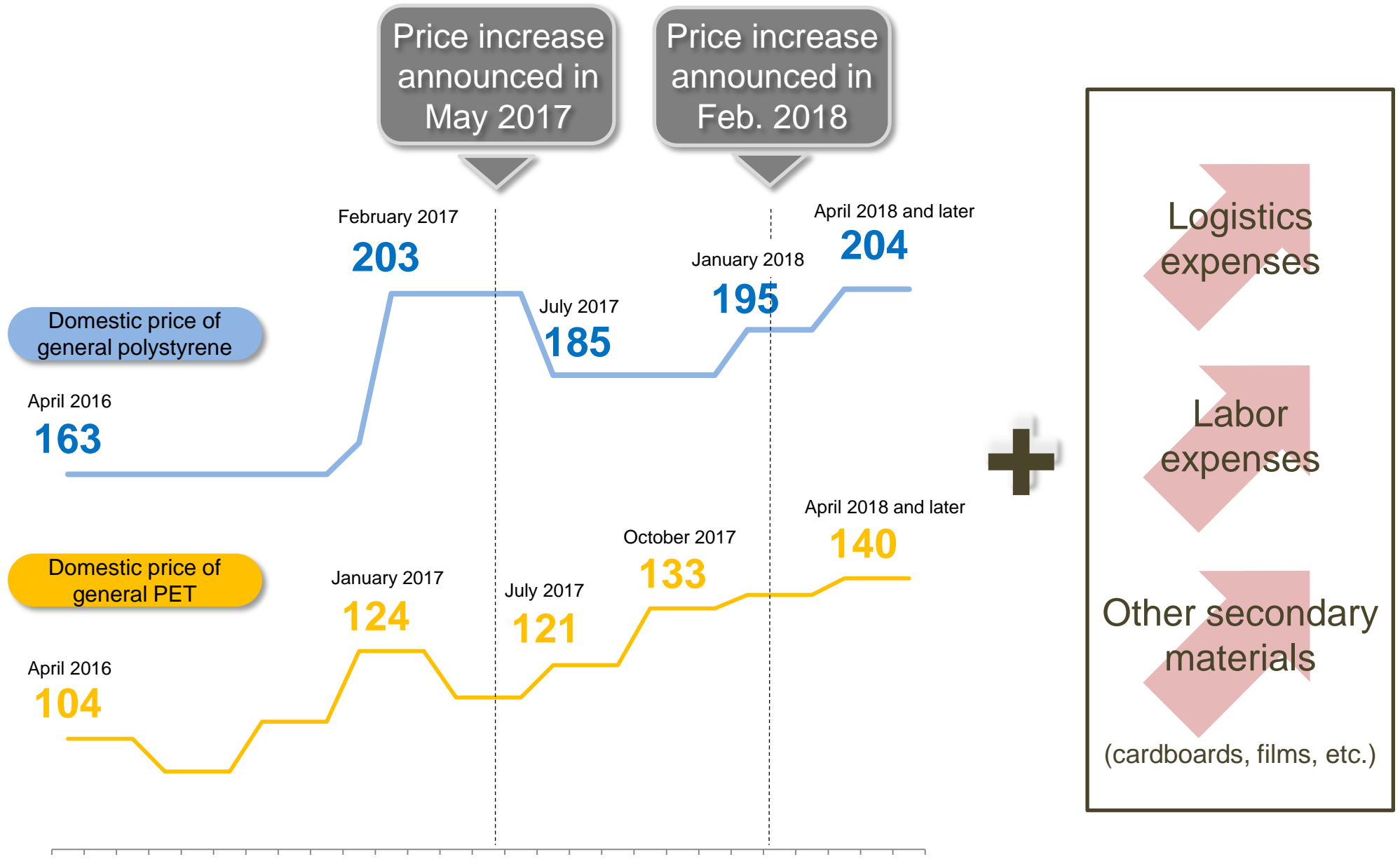


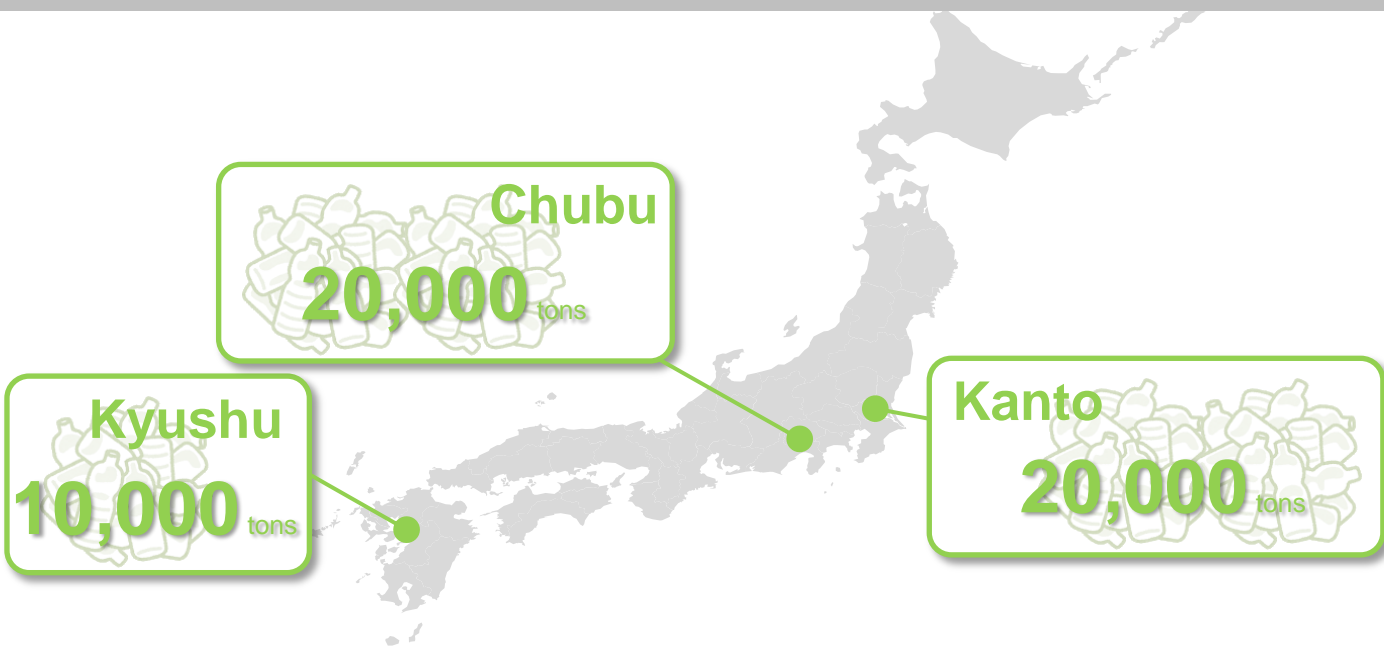
After



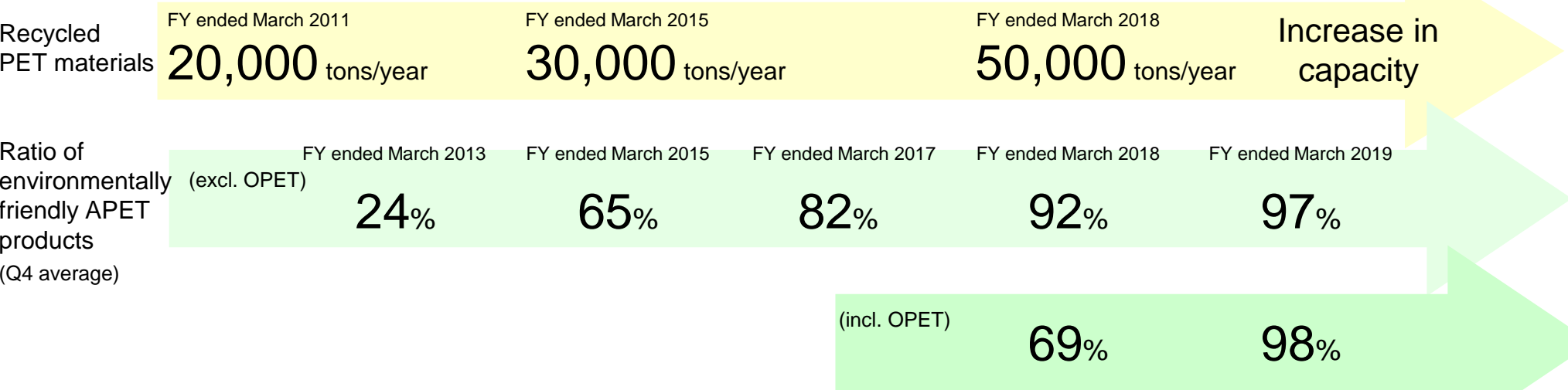
From bags to containers

Soaring Material Prices





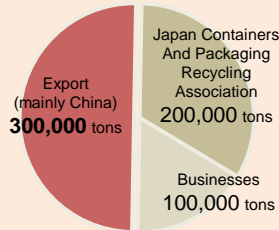
Location: Yachiyo, Yuki, Ibaraki Prefecture
 Investment: 15.5 billion
 Total floor area: 12,650 tsubo



Eco products

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

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



Virgin products

Anti-dumping tax on imported PET plastics

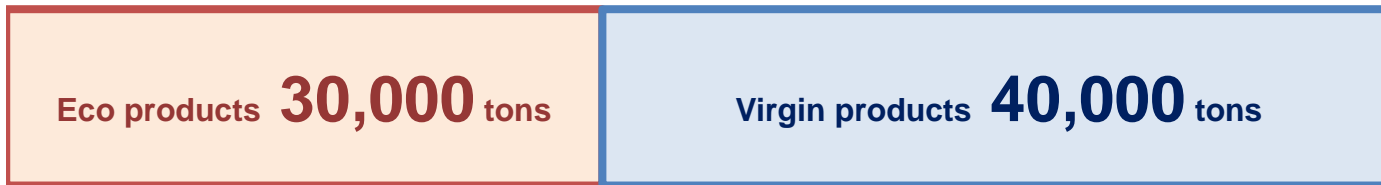
Anti-dumping tax on imports from China
From September 2017 onwards, an anti-dumping tax of a maximum of 53% is levied for a maximum period of five years.

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

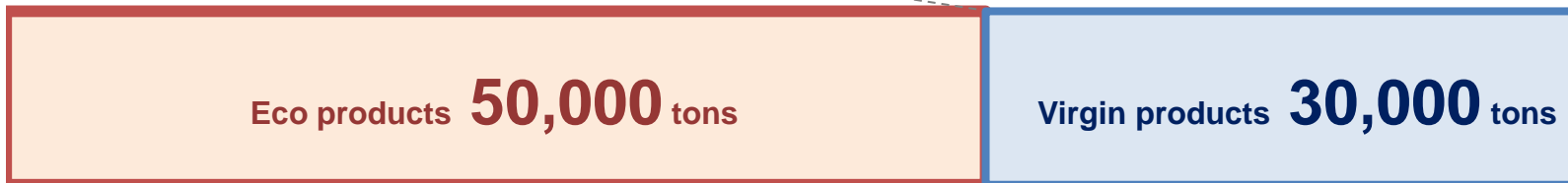
Annual consumption of PET material

70,000 tons

Before operation of Kanto Eco PET Plant



After operation Kanto Eco PET Plant starts



80,000 tons

Eco Tray



CO₂ reduction effect

-30%

In FY ended March 2018, CO₂ emissions were cut by

113,000 tons a year

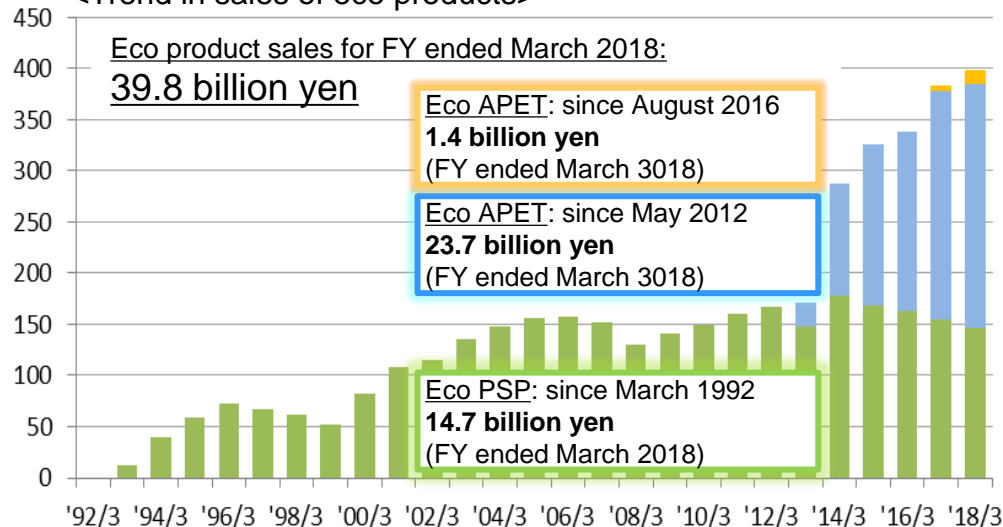
(Eco Tray: 37,000 tons / Eco APET 70,000 tons /
Eco OPET 6,000 tons)

Eco APET

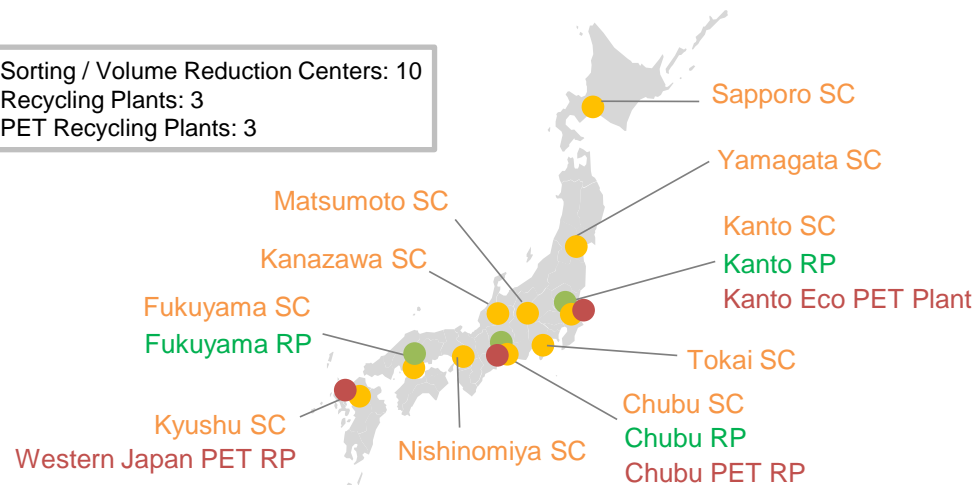


Comparison between FPCO's virgin products and eco products per kilogram

<Trend in sales of eco products>



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





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:

9 locations

- 8 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%

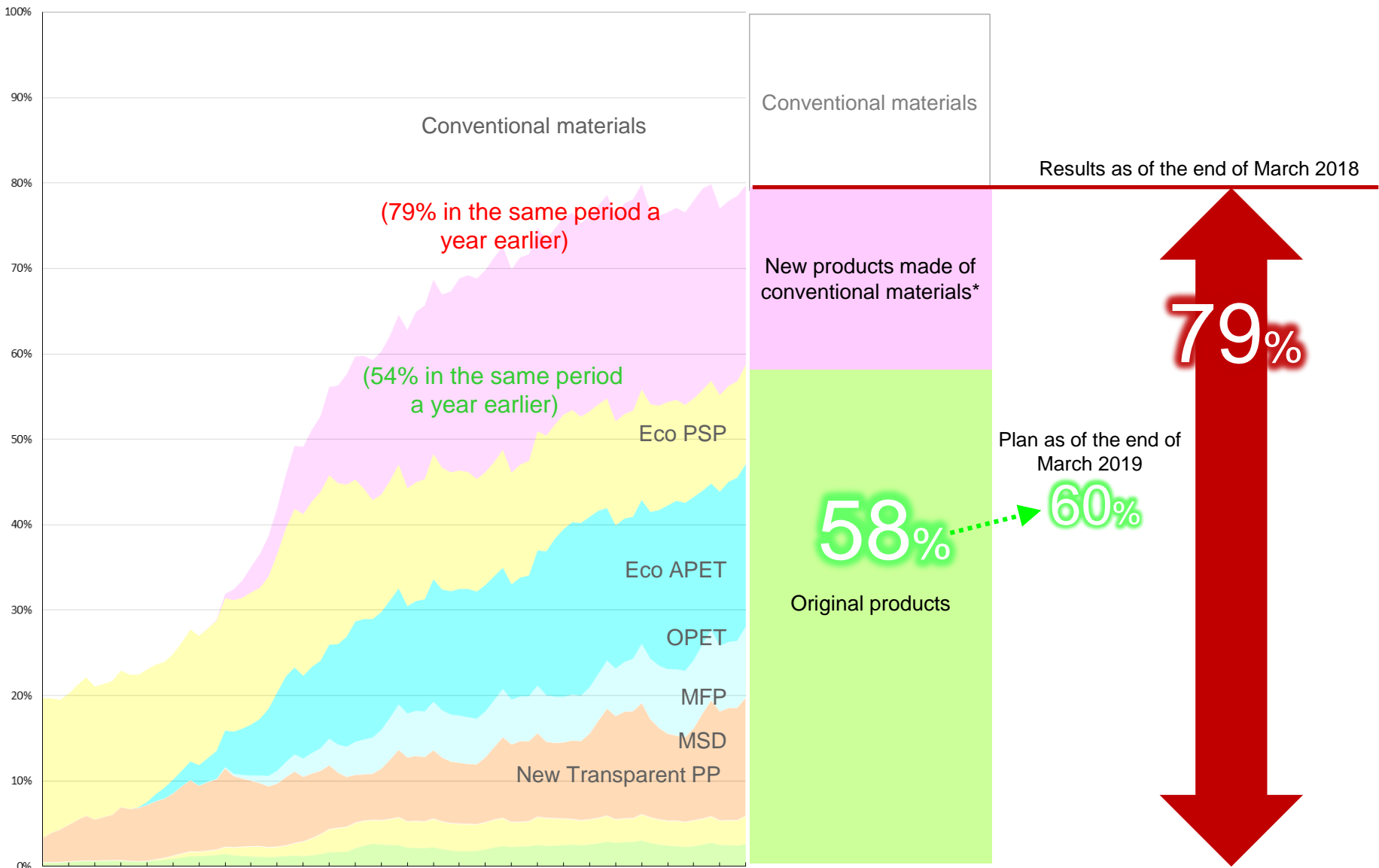
■ **September 2017 (Toyo Keizai, Inc.)**
Disabled employment ranking:
1st for 4 consecutive years

■ **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.



Sales Shares of Original Products



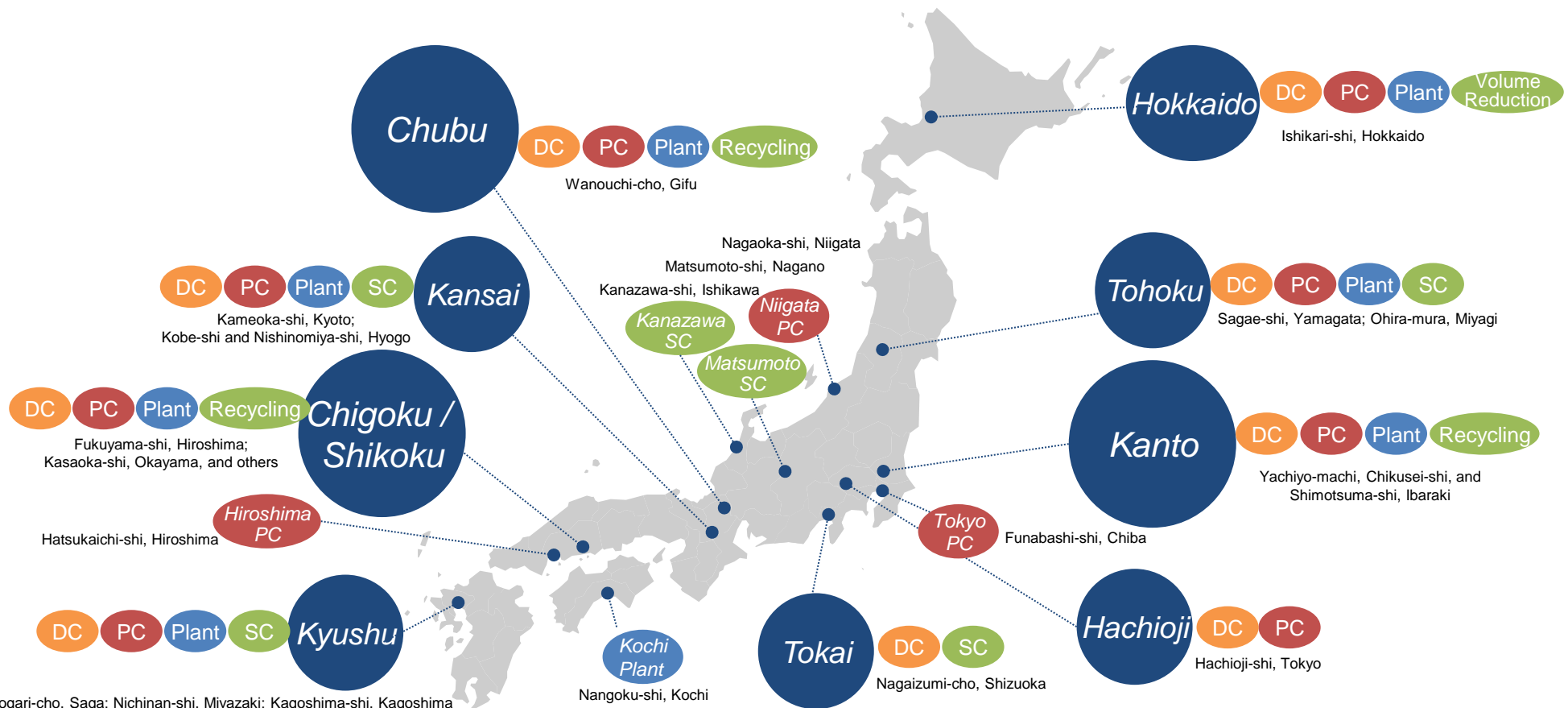
11/06 11/09 11/12 12/3'12 6'12 12/12 12/13 3'13 6'13 9/13 12/14 3'14 6'14 9/14 12/15 3'15 6'15 9/15 12/16 3'16 6'16 9/16 12/17 3'17 6'17 9/17 12/18/3

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

Logistics and Production Bases Nationwide

Logistics expenses are swelling mainly for **long-distance** transport, **bulky** cargo and **heavy** items

FPCO is **capable of producing and delivering products in separate areas.**



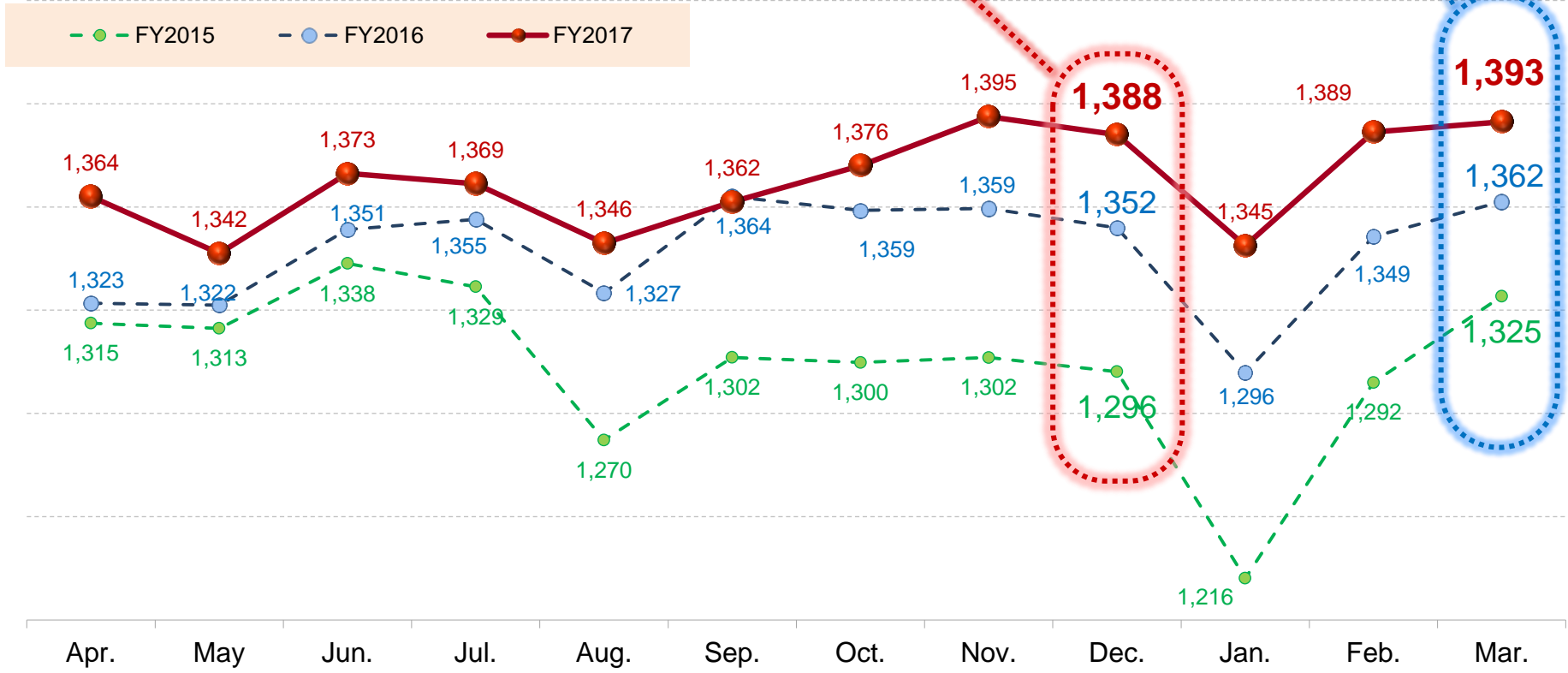
Route Planning for Optimizing Delivery Routes

<Trend in load (in volume units*) for shipping sold items per truck>

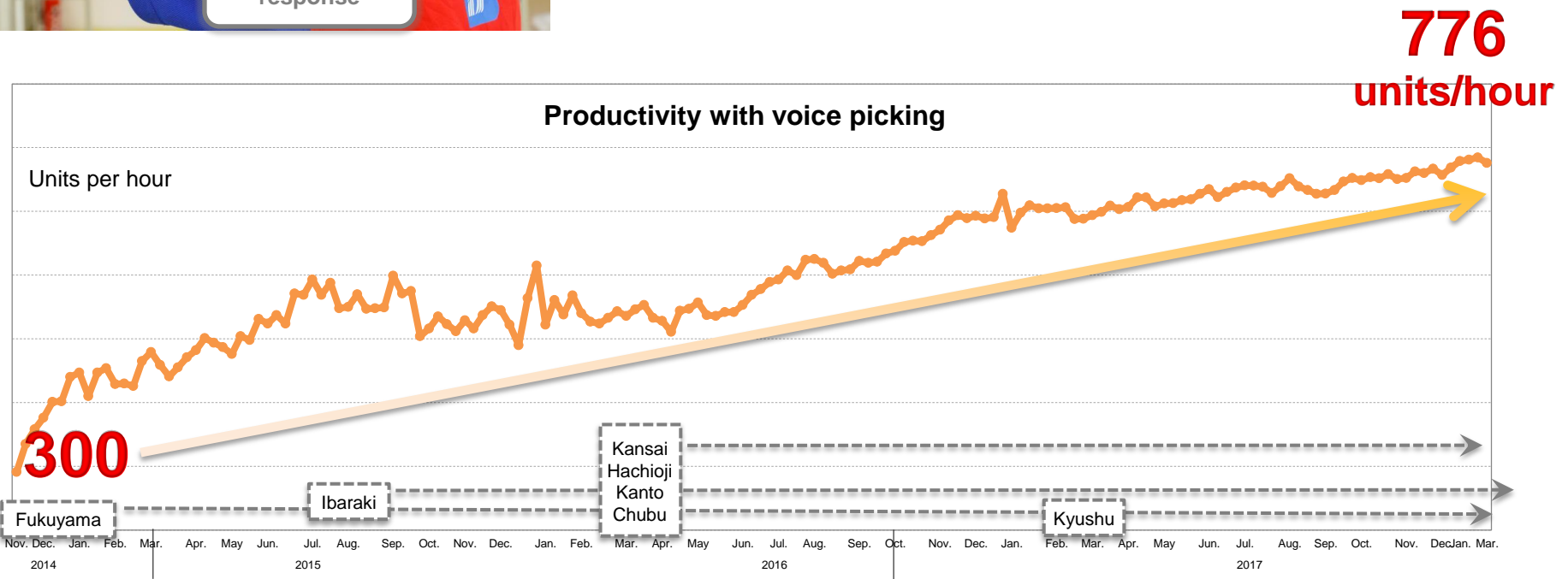
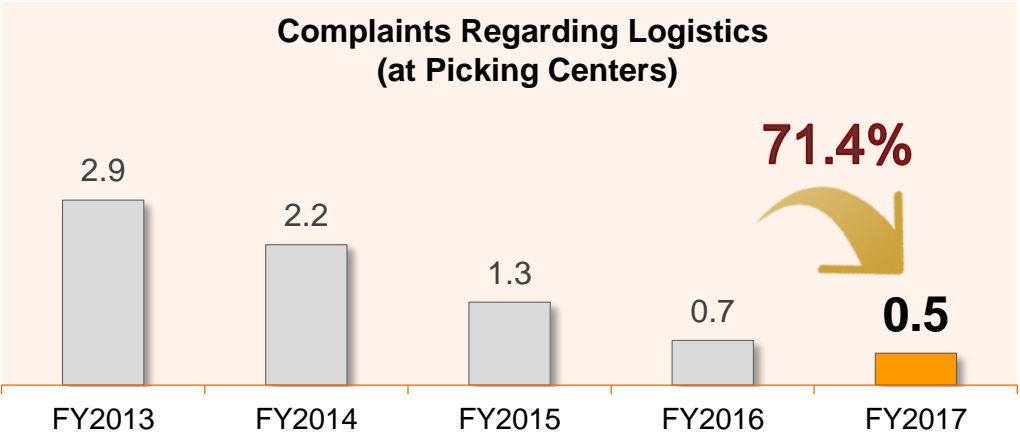
(* One volume unit equals nearly 0.28 cubic meters.)

Dec.: Up 13 cases per truck or 7.1% from the same period in 2015
Suppressing the number of trucks in the busy season

Mar.: Up 10 cases per truck or 5.1% from the same period in 2015



The Voice Picking System Increases Work Efficiency



FY ended March 2018

Labor saving of approx. **94** workers

Effect: **300** million yen/year



Plan for FY ending March 2019

Labor saving of approx. **118** workers

Effect: **400** million yen/year

Automatic dusting and packaging systems



Automated packing systems



Case packing robots



Group Companies' Capital Investment

FPCO ALRight Co., Ltd. Headquarters and Plant (Film Plant)



FPCO Gravure Co., Ltd. Headquarters and Plant (Film Printing Plant)



Office and Warehouse for FP Corp. Hiroshima Sales Office, FPCO Ishida Co., Ltd. and I-Logic Co., Ltd.



FPCO INTERNATIONAL PACKAGE Co., Ltd. Headquarters



Toward the Expansion of Goods Sales

Manufacturing & Sales | Sales capabilities and information-gathering ability
 FP Corporation

Goods Purchases

MD

- Selection of items and concentration of items in stock
- Enhancement of lineup of private brand items

FP Trading Co., Ltd.

Year	Mar.	Sep.	Mar.	Sep.	Mar.	Sep.	Mar.
2015	26,127	23,227					
2016			19,656	18,401			
2017					17,766		
2018							17,146

Number of items in stock (red arrows)

Number of private brand items (black arrows)

Making full use of the FPCO Group's infrastructure

Wholesalers

Small-lot shipping

- FPCO International Package Co., Ltd.
- FPCO Ueda Co.
- FPCO Ishida Co., Ltd.
- FPCO Miyako Himo Co., Ltd.

Delivery | Independent distribution
 FP Logistics Corp. & I-Logic Co., Ltd.

Gain more online orders

Smartphone

Customers placing orders on the phone or by fax

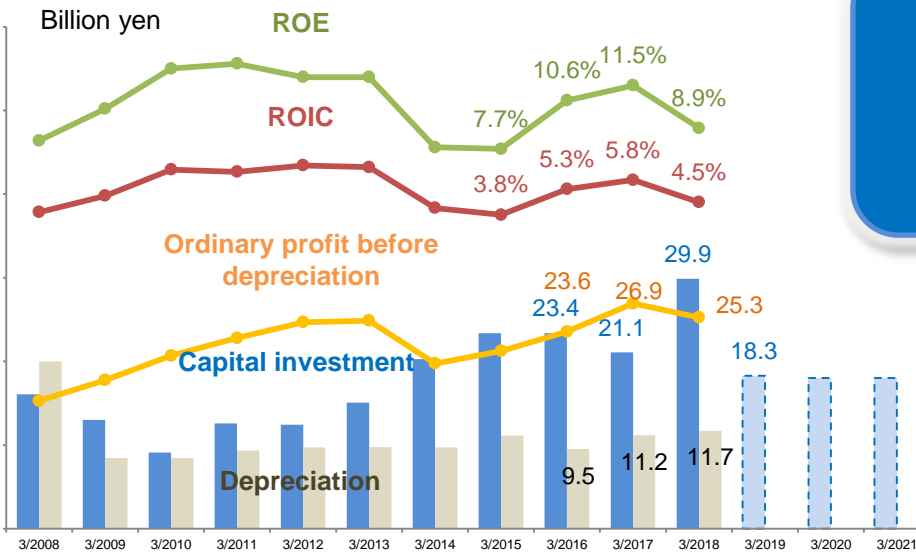
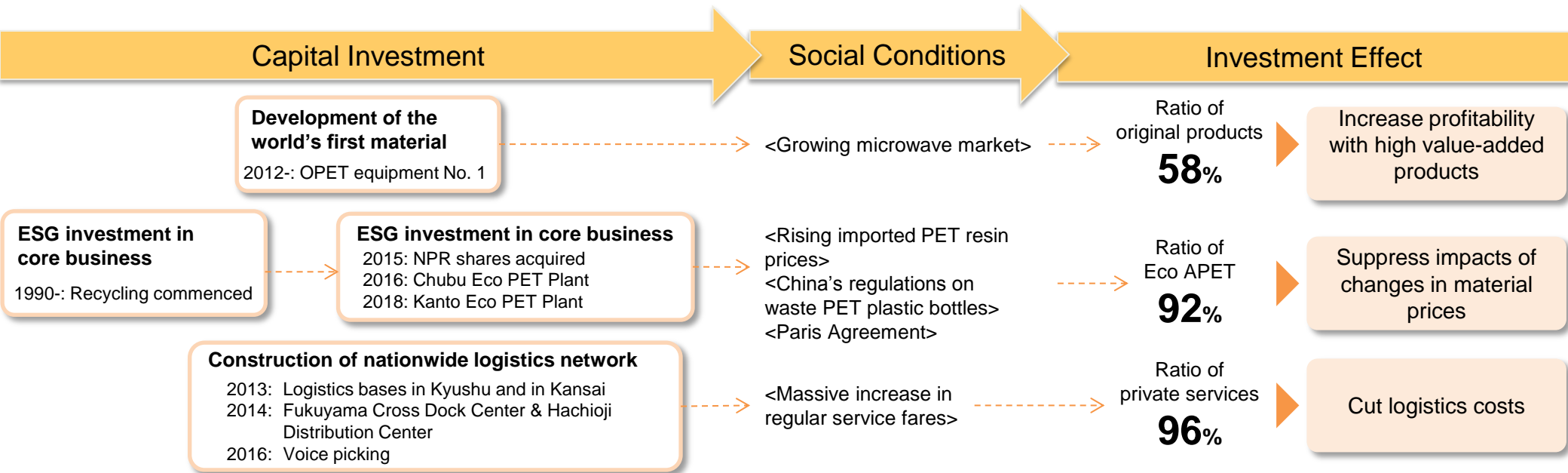
Tablet

Computer

Positive use of catalogs and e-commerce sites

Target: eating-out industry
 Jun.: Started
 Oct.: Put into full operation

Strategic Investment

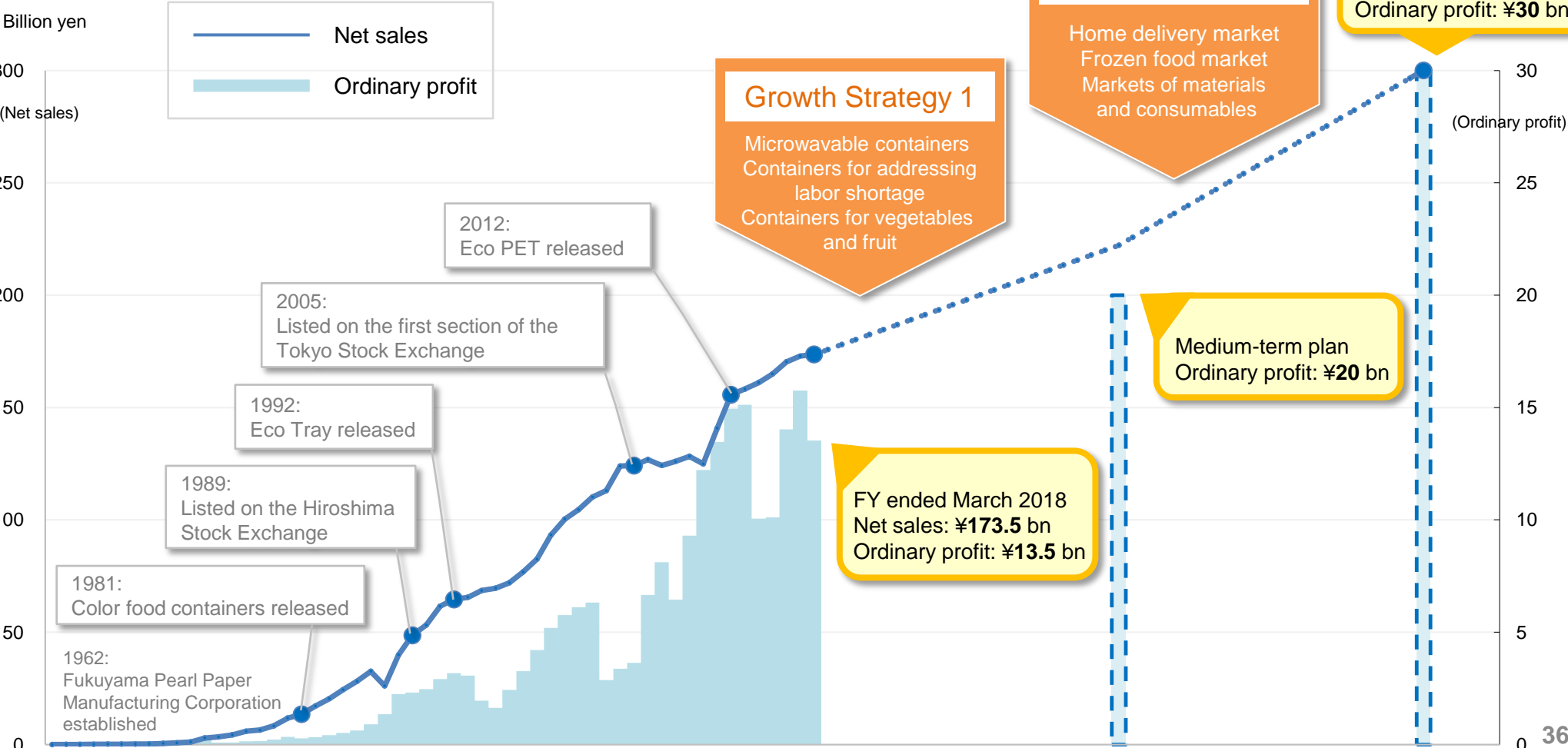


Future Capital Investment
 Development of new products
 that create new markets

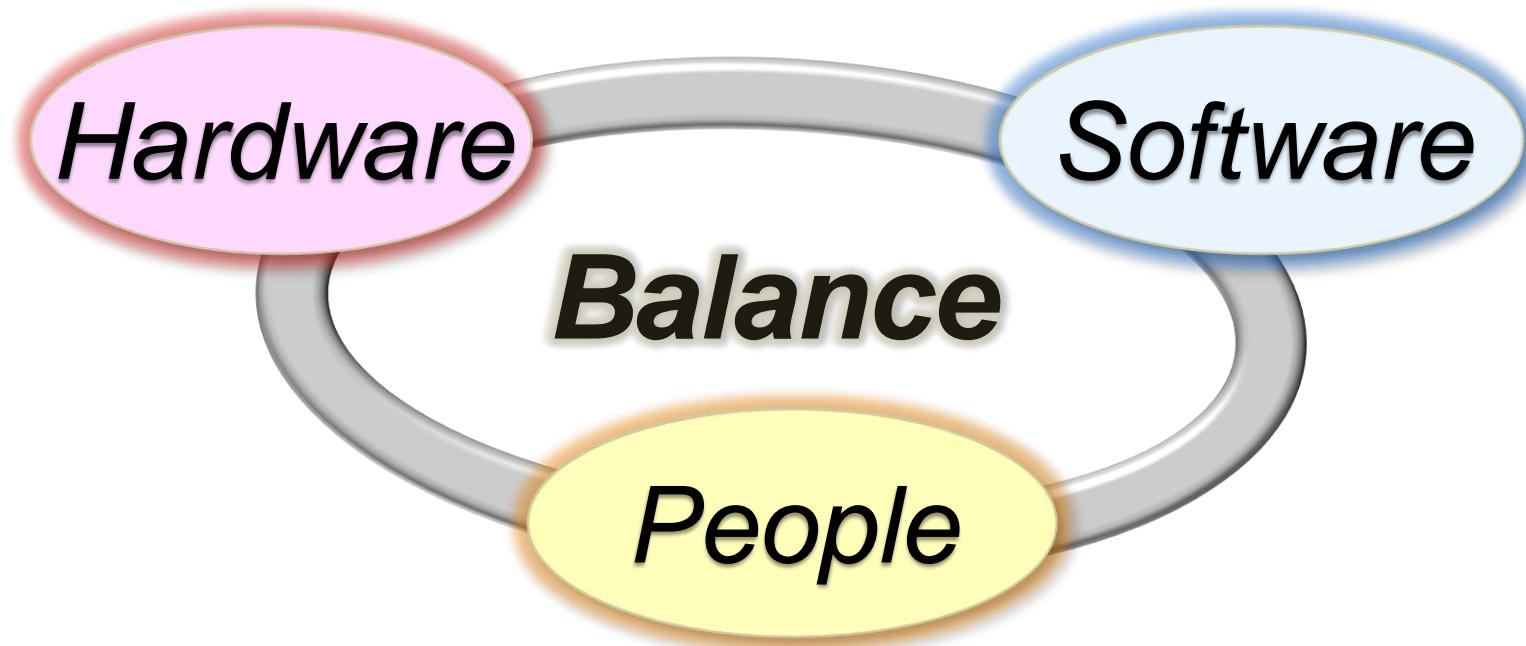
Growth Strategy

Considering overseas expansion

Considering M&A



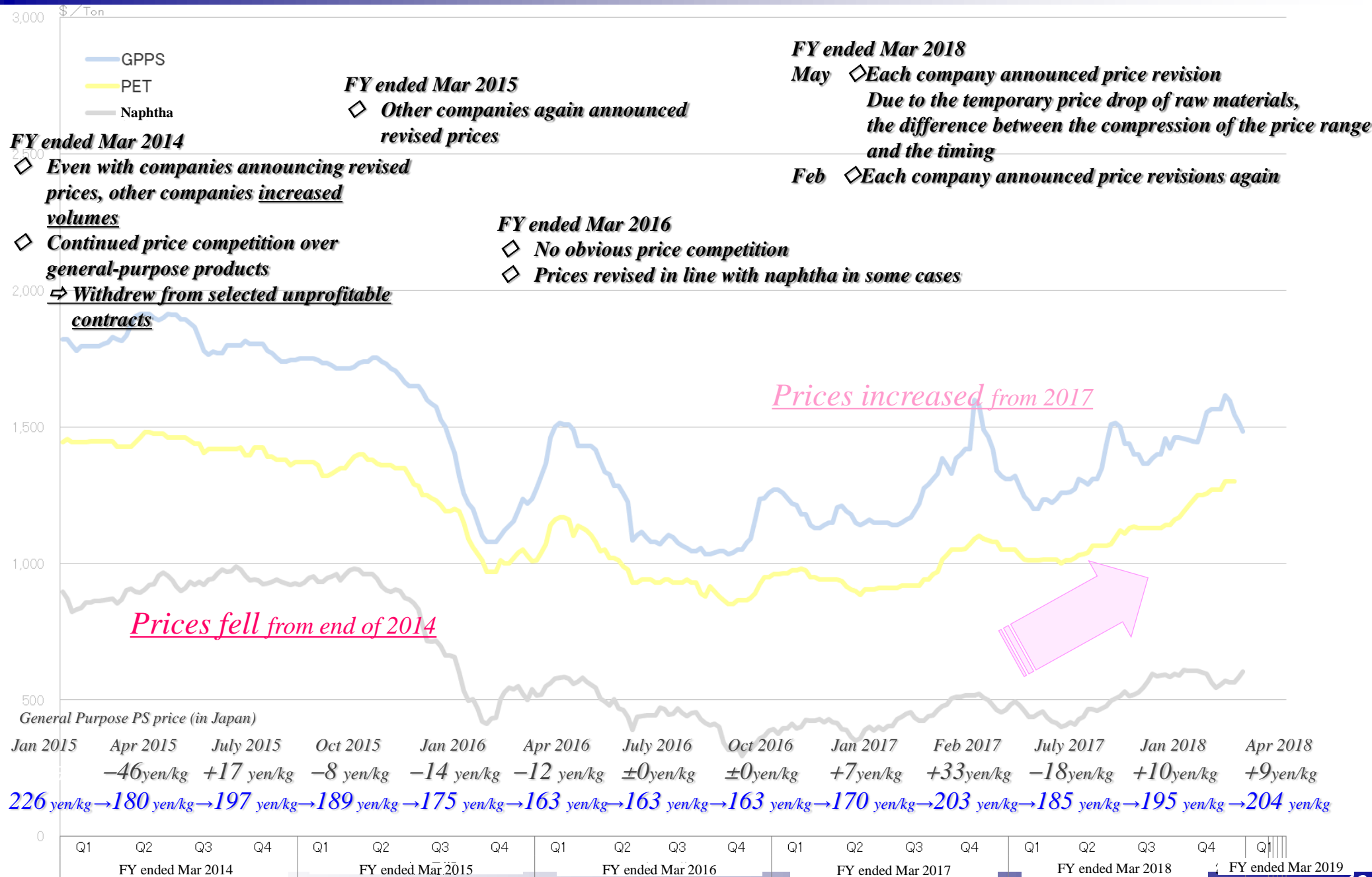
“We ensure that we deliver the best-quality products at competitive prices when they are needed.”



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

Raw Material Trends



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

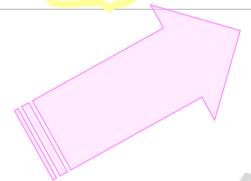
FY ended Mar 2015
 ◇ Other companies again announced revised prices

FY ended Mar 2016
 ◇ No obvious price competition
 ◇ Prices revised in line with naphtha in some cases

FY ended Mar 2018
 May ◇ Each company announced price revision
 Due to the temporary price drop of raw materials, the difference between the compression of the price range and the timing
 Feb ◇ Each company announced price revisions again

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

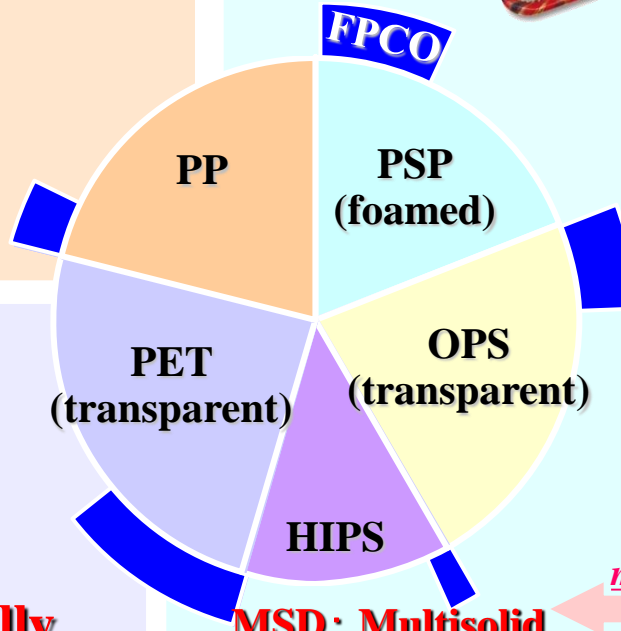
- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ Weight reduction is possible



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).

Factors influencing Ordinary Profit

Unit:100 million yen

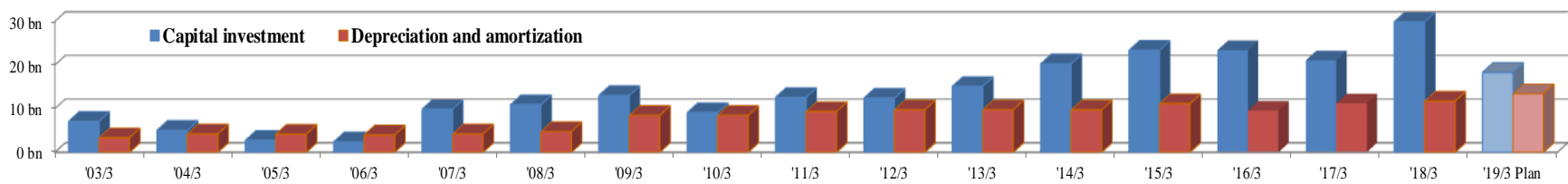
	'03/3	'04/3	'05/3	'06/3	'07/3	'08/3	'09/3	'10/3	'11/3	'12/3			'13/3			'14/3			'15/3			'16/3			'17/3			'18/3			'19/3 Plan		
										1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	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	78.4	157.4	79.1	78.4	157.4
Impact of increase in raw material prices	-6.0	-13.8	-36.5	-10.0	-13.0	Decrease in raw material prices		-39.5	-37.0	-25.0	-78.0			Decrease in raw material prices			+16.0	+15.0	+31.0	+20.0	+3.0	+23.0											
						Raw material price increase		-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	-14.0	-12.0	-26.0		
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	Naphtha formula			-3.0	-8.0	-11.0	-12.5	-11.0	-23.5									
						1st product price reduction		-44.0						Product price correction		+2.0	+13.0	+15.0	+14.0	+2.0	+16.0				-	+4.5	+4.5	-	-	-			
						2nd product price reduction		-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	+24.5	+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	+3.2	+9.2	+18.5	+29.5	+48.0	
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							*Including product price increase					
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	-1.0	-1.0	-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	-1.0	-	-1.0
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								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	-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	-0.3	+12.8	+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	78.4	157.4	66.3	98.7	165.0	66.0	82.0	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					Chubu Eco PET plant		Kanto Eco PET plant	
						Kyushu Daini Plant		Hokkaido Plant extension		Kanto Yachiyo 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

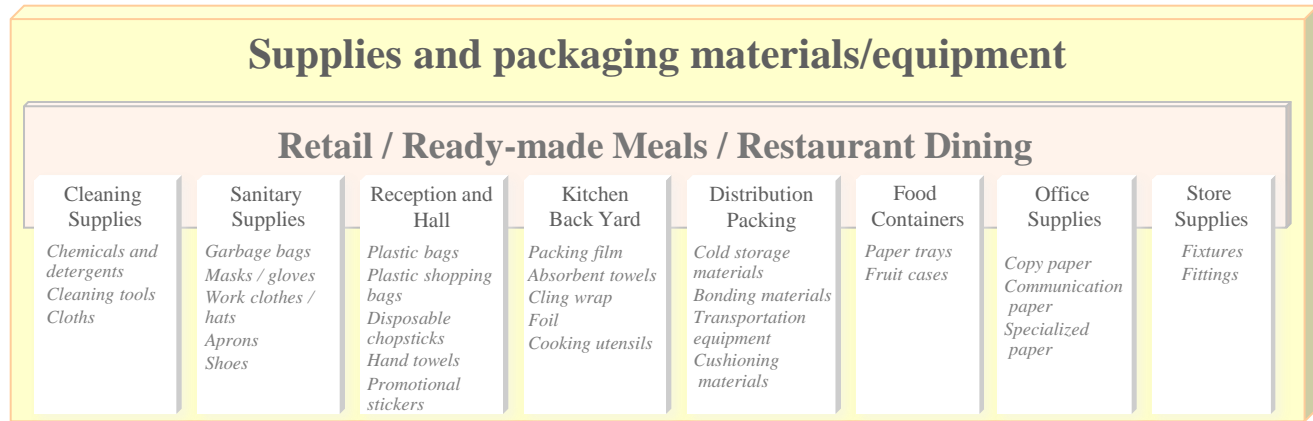
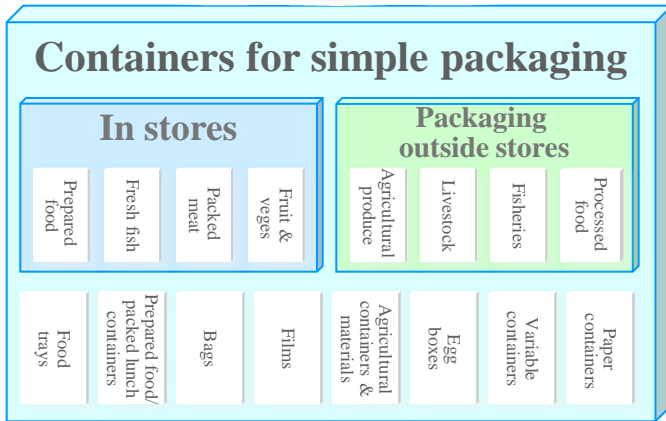


* Since 2009/03, capital investment have been included procurement through lease.

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



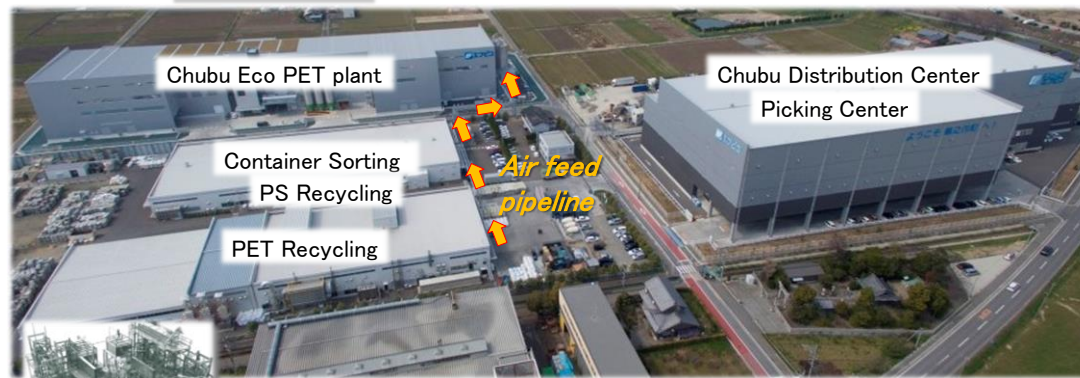
Hachioji 20 minutes from Akigawa station on JR East Lines.



Fukuyama 30 minutes from Fukuyama station on JR West Lines.



Chubu 20 minutes from Gifuhashima station on JR Tokai Lines.



PET Mechanical Recycling plant