

# *Financial Results*

## *for the Three Months Ended June 30, 2019*

We have paid extremely close attention to the information provided 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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# Financial Results Summary

(Results for the First 3 Months of FY Ending March 2020)

Unit: million yen	First quarter Performance						First half Projections			Full year Projections			
	FY ended March 2019		FY ending March 2020				FY ending March 2020			FY ending March 2020			
	Performance	percentage	Performance	percentage	Increase/decrease	Year-on-year	Quantity	Planned	percentage	progress rate	Planned	percentage	progress rate
Trays	7,848	17.9	8,572	19.0	+724	109.2%	104.1%	17,000	18.5	50.4%	34,800	18.7	24.6%
Lunchboxes and prepared food containers	24,548	55.9	24,805	54.9	+256	101.0%	99.2%	51,330	55.8	48.3%	103,660	55.7	23.9%
Subtotal	32,396	73.8	33,378	73.9	+981	103.0%	100.8%	68,330	74.3	48.8%	138,460	74.4	24.1%
Other products	890	2.0	783	1.7	-106	88.0%		1,670	1.8	46.9%	3,340	1.8	23.5%
Sales of products	33,287	75.8	34,161	75.6	+874	102.6%		70,000	76.1	48.8%	141,800	76.2	24.1%
packaging materials	9,194	20.9	9,518	21.1	+324	103.5%		18,900	20.5	50.4%	37,800	20.3	25.2%
Other goods	1,420	3.2	1,506	3.3	+85	106.0%		3,100	3.4	48.6%	6,400	3.4	23.5%
Sales of goods	10,614	24.2	11,024	24.4	+410	103.9%		22,000	23.9	50.1%	44,200	23.8	24.9%
Net Sales	43,901	100.0	45,186	100.0	+1,284	102.9%		92,000	100.0	49.1%	186,000	100.0	24.3%
Operating profit	2,414	5.5	2,924	6.5	+509	121.1%		7,250	7.9	40.3%	15,500	8.3	18.9%
Ordinary profit	2,568	5.9	3,063	6.8	+495	119.3%		7,400	8.0	41.4%	16,000	8.6	19.1%
Profit attribute to owners of parent	1,661	3.8	1,934	4.3	+272	116.4%		4,950	5.4	39.1%	10,600	5.7	18.2%
Ordinary profit before depreciation and amortization	5,789		6,403		+614	110.6%		14,160	45.2%		29,730	21.5%	

  Record high

- ✓ Highest sales ever for 5 consecutive years
- ✓ Ordinary profit increased for the first time in 3 years

## ■ Sales

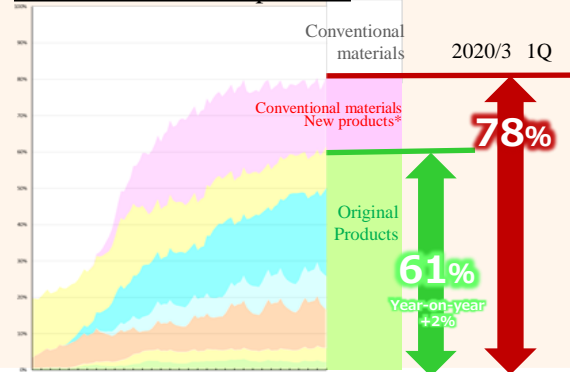
### Products

- Sales of microwavable containers, recycled Eco Trays and Eco APET containers were strong
- High value-added products were increased in response to the labor shortage

### Goods

- Expand sales of carefully selected items to meet consumer demands
- Utilization of E-commerce site "PACK MARKET", to expand sales to small scale customers who purchase our products by small lots

## ◇ Product sales composition

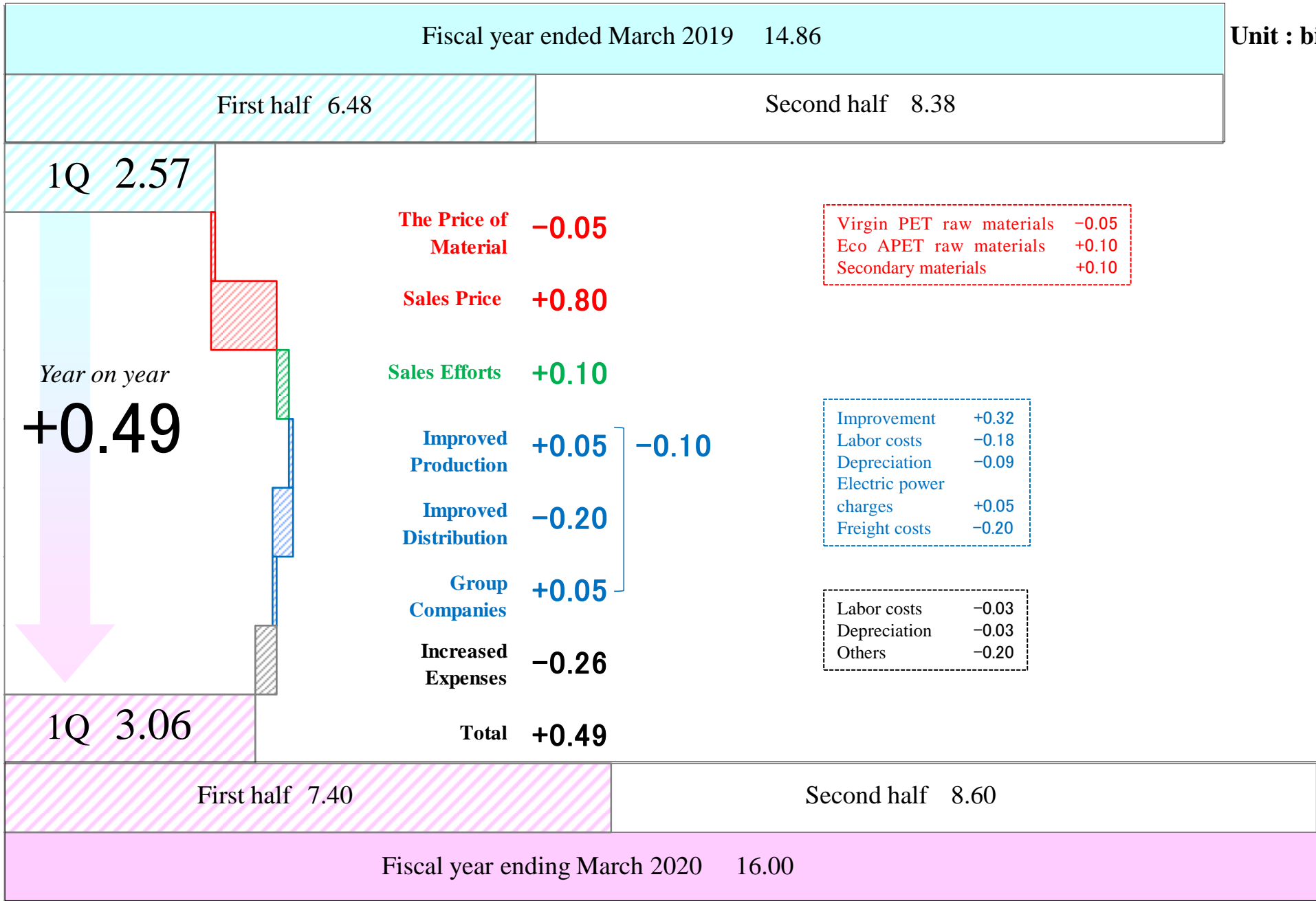


## ◇ Year-on-year

	1Q results	Full-year plan
Sales of products	102.6%	103.1%
Quantity	100.8%	103.0%
Ordinary profit	119.3%	107.7%

# Results for Increase/Decrease in Ordinary Profit (For the First 3 Months of FY Ending March 2020)

Unit : billion yen



# Capital Investments and R&D Cost

(Results for the First 3 Months of FY Ending March 2020)

Unit: million yen	First quarter performance				First half projections		Full year projections	
	FY ended March 2019	FY ending March 2020			FY ending March 2020		FY ending March 2020	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	2,526	1,515	-1,011	60.0%	6,600	23.0%	17,700	8.6%
Intangible fixed assets	128	83	-45	64.9%	100	83.6%	300	27.9%
Capital investment	2,655	1,599	-1,056	60.2%	6,700	23.9%	18,000	8.9%
Depreciation and	3,220	3,340	+119	103.7%	6,760	49.4%	13,730	24.3%
Research and	248	221	-27	88.9%	640	34.5%	1,310	16.9%

## Major Capital Investments

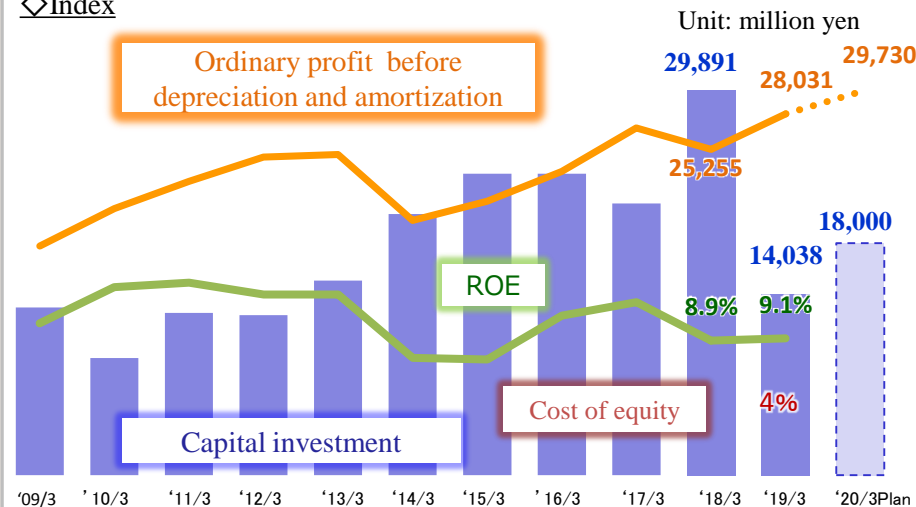
### Improving production capacities and efficiencies of recycled materials and products while improving those qualities.

	unit: million yen	Total investment	Plan in period	First quarter performance
◆ Eco APET materials: Reinforce the production capacity (Kanto, Kyusyu)		1,050	280	209
◆ Eco APET materials: Increase the productivity (Kanto, Chubu)		420	420	41
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)		600	160	153
◆ Eco APET products: Reinforce the production capacity of sheet extruders and molding machines		2,200	1,860	62
◆ Reinforce the production capacity of foamed PS products		1,240	1,240	1
◆ Introduction of automation facilities			630	22

### Stable supply and maintenance of working environment

◆ Fukuyama Distribution Center extension	To be inaugurated in winter 2020	4,345	1,260	2
◆ Chubu Distribution Center extension	To be inaugurated in spring 2021	5,285	1,320	0
◆ Company dormitories for single employees and group home in Fukuyama	To be inaugurated in Oct. 2020	1,054	1,000	1
◆ Company dormitories for single employees in Koga	To be inaugurated in Mar. 2020	611	580	0
◆ Molds			1,870	388
◆ IT investments			600	179

## ◇ Index



※ROE = Profit attributable to owners of parent ÷ Equity