

Financial Results

for the Six Months Ended September 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.

Hence, 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.**

Financial Results Summary

(Results for the First half of FY Ending March 2020)

Unit: million yen	First half 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	16,062	17.9	17,674	19.0	+1,612	110.0%	105.4%	17,000	18.5	104.0%	34,800	18.7	50.8%
Lunchboxes and prepared food containers	50,265	56.1	51,573	55.5	+1,308	102.6%	102.0%	51,330	55.8	100.5%	103,660	55.7	49.8%
Subtotal	66,327	74.0	69,247	74.5	+2,920	104.4%	103.1%	68,330	74.3	101.3%	138,460	74.4	50.0%
Other products	1,664	1.9	1,581	1.7	-83	95.0%		1,670	1.8	94.7%	3,340	1.8	47.3%
Sales of products	67,991	75.9	70,829	76.2	+2,837	104.2%		70,000	76.1	101.2%	141,800	76.2	49.9%
packaging materials	18,698	20.9	19,216	20.7	+518	102.8%		18,900	20.5	101.7%	37,800	20.3	50.8%
Other goods	2,886	3.2	2,856	3.1	-30	98.9%		3,100	3.4	92.1%	6,400	3.4	44.6%
Sales of goods	21,585	24.1	22,072	23.8	+487	102.3%		22,000	23.9	100.3%	44,200	23.8	49.9%
Net Sales	89,577	100.0	92,901	100.0	+3,324	103.7%		92,000	100.0	101.0%	186,000	100.0	49.9%
Operating profit	6,160	6.9	7,094	7.6	+934	115.2%		7,250	7.9	97.9%	15,500	8.3	45.8%
Ordinary profit	6,483	7.2	7,445	8.0	+961	114.8%		7,400	8.0	100.6%	16,000	8.6	46.5%
Profit attribute to owners of parent	4,345	4.9	4,842	5.2	+496	111.4%		4,950	5.4	97.8%	10,600	5.7	45.7%
Ordinary profit before depreciation and amortization	12,989		14,148		+1,158	108.9%		14,160	99.9%		29,730	47.6%	

 Record high

✓ Highest sales ever for 5 consecutive years

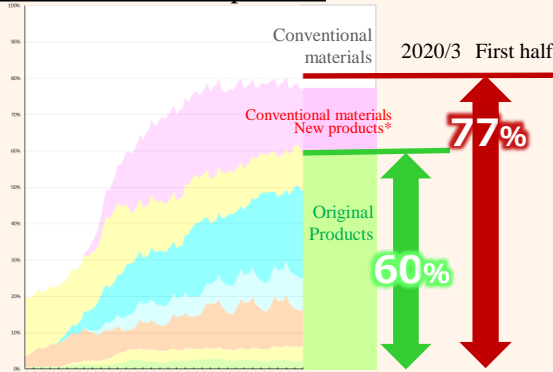
■ Sales Products

- 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

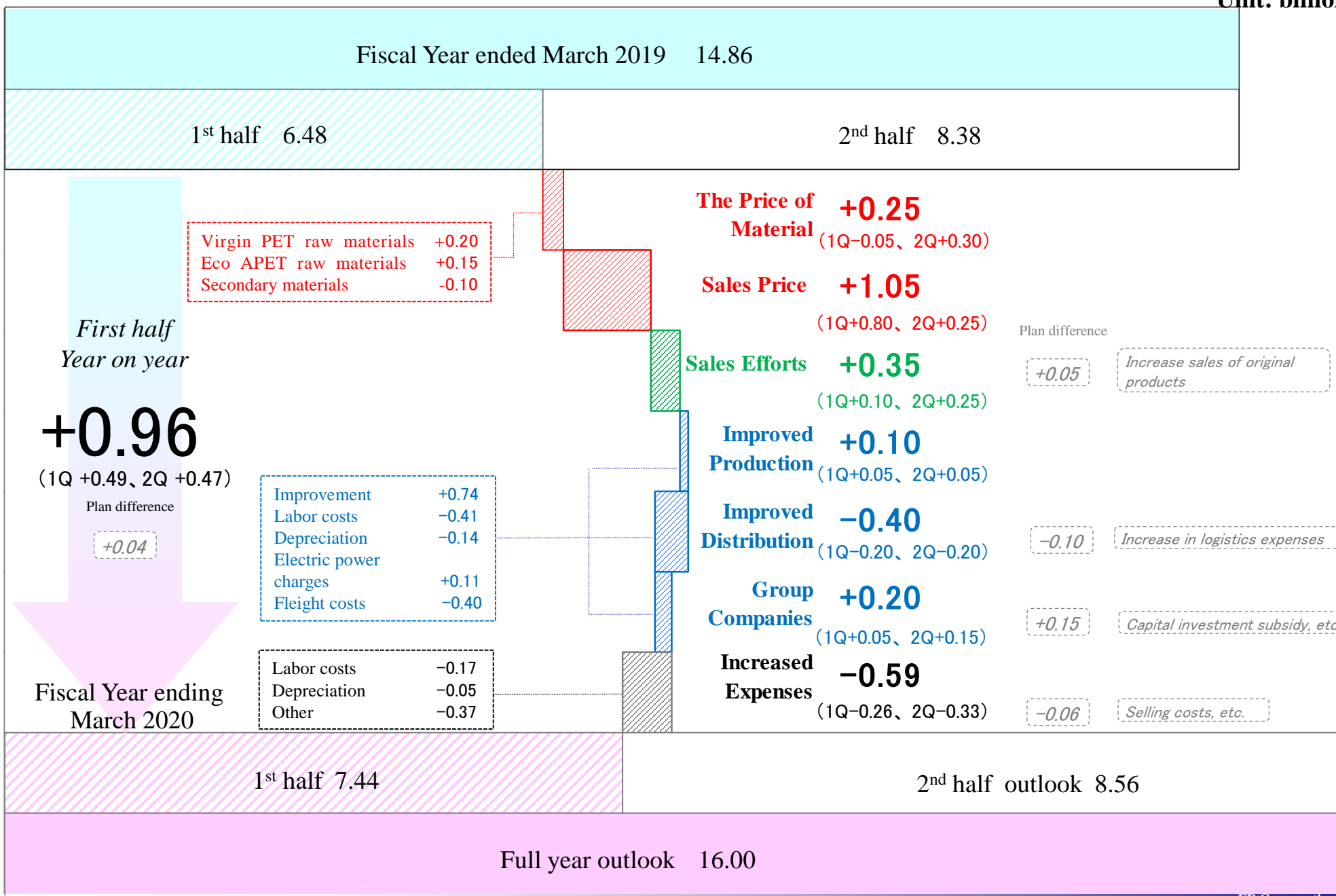


◇ Year-on-year

	1Q results	2Q results	First half results	Full-year plan
Sales of products	102.6%	105.7%	104.2%	103.1%
Quantity	100.8%	105.4%	103.1%	103.0%
Ordinary profit	119.3%	111.9%	114.8%	107.7%

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

Unit: billion yen



Outlook for Increase/Decrease in Ordinary Profit

Outlook(Oct 31)

Unit: billion yen

1st half	2nd half outlook
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Fiscal Year ended March 2019 14.86

1st half 6.48

2nd half 8.38

The Price of Material +0.50

Plan difference
+0.05

1st half difference
Changes in the 2nd half outlook
+0.05

Virgin PET raw materials +0.95
Eco APET raw materials -0.20
Secondary materials -0.25

+0.25

+0.25

Sales Price +1.05

+1.05

±0.00

Sales Efforts +0.85

+0.15

+0.05

+0.10

+0.35

+0.50

Improved Production +0.25

Improvement +1.15
Labor costs -0.48
Depreciation -0.41
Electric power charges +0.30
Flight costs -0.85

+0.10

+0.15

Improved Distribution -0.75

-0.15

-0.10

-0.05

-0.40

-0.35

Group Companies +0.21

+0.01

+0.15

-0.14

+0.20

+0.01

Increased Expenses -0.97

-0.06

-0.06

Labor costs -0.18
Depreciation -0.15
Other -0.64

-0.59

-0.38

1st half 7.44

2nd half outlook 8.56

Full year outlook 16.00

Year on year
+1.14

1st half +0.96

+0.04

2nd half +0.18

-0.04

Fiscal Year ending
March 2020

Capital Investments and R&D Costs

(Results for the First half of FY Ending March 2020)

Unit: million yen	First half performance				First half projections		Full year projections	
	FY ended March 2019 Performance	FY ending March 2020			FY ending March 2020		FY ending March 2020	
		Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned
Tangible fixed assets	6,223	4,429	-1,794	71.2%	6,600	67.1%	17,700	25.0%
Intangible fixed assets	207	181	-25	87.5%	100	181.5%	300	60.5%
Capital investments (including leasing and procurement)	6,431	4,610	-1,820	71.7%	6,700	68.8%	18,000	25.6%
Depreciation and amortization costs	6,506	6,702	+196	103.0%	6,760	99.2%	13,730	48.8%
Research and development costs	553	597	+43	107.9%	640	93.3%	1,310	45.6%

Major Capital Investments

Unit: million yen

Fiscal Year ending March 2020

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

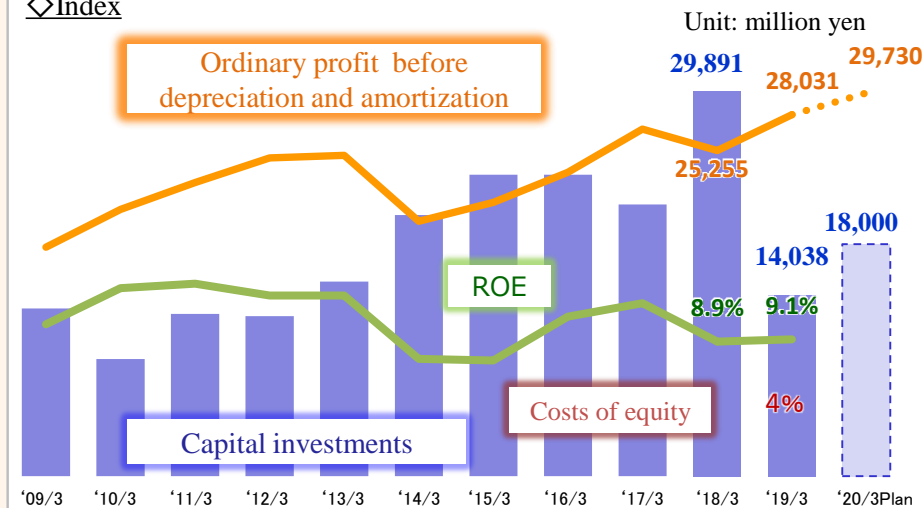
- ◆ Eco APET materials: Reinforce the production capacity (Kanto, Kyusyu)
- ◆ Eco APET materials: Increase the productivity (Kanto, Chubu)
- ◆ Eco APET materials: Quality improvement by pelletizing (Chubu)
- ◆ Eco APET products: Reinforce the production capacity of sheet extruders and molding machines
- ◆ Reinforce the production capacity of foamed PS products
- ◆ Introduction of automation facilities

Stable supply and maintenance of working environment

- ◆ Fukuyama Distribution Center extension To be inaugurated in winter 2020
- ◆ Chubu Distribution Center extension To be inaugurated in spring 2021
- ◆ Company dormitories for single employees in Koga To be inaugurated in Mar. 2020
- ◆ Company dormitories for single employees and group home in Fukuyama To be inaugurated in Sept. 2020
- ◆ Molds
- ◆ IT investments

	Total investment	Plan in period	First half performance
◆ Eco APET materials: Reinforce the production capacity (Kanto, Kyusyu)	1,050	280	249
◆ Eco APET materials: Increase the productivity (Kanto, Chubu)	420	420	49
◆ 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	391
◆ Reinforce the production capacity of foamed PS products	1,240	1,240	924
◆ Introduction of automation facilities		630	136

◇ Index



※ROE = Profit attributable to owners of parent ÷ Equity

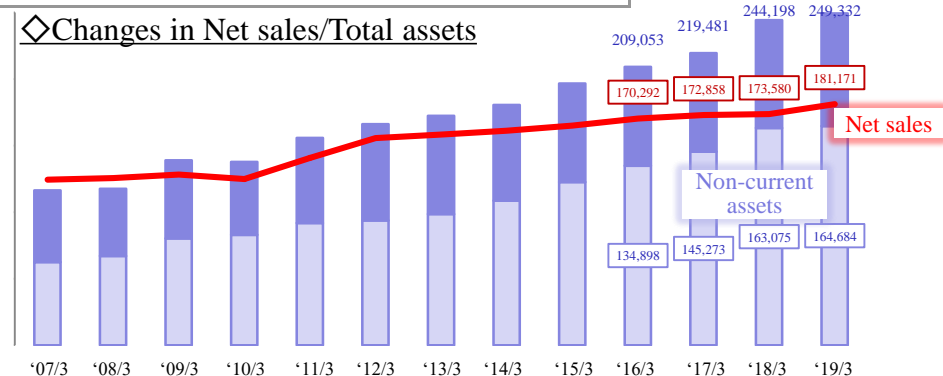
Balance Sheet

(Results for the First half of FY Ending March 2020)

Unit: million yen	Previous consolidated fiscal year	First half of the consolidated fiscal year			
	FY ended March 2019 As of March 31,2019	As of September 30,2020	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	84,647	77,702	-6,945	91.8%	Cash and deposits -1,291 Notes and accounts receivable-trade -3,676 Merchandise and finished goods -1,224
Noncurrent assets	164,684	161,994	-2,689	98.4%	
Total assets	249,332	239,696	-9,635	96.1%	
Current liabilities	76,854	76,387	-466	99.4%	Accounts payable - trade -1,840 Short-term loans payable +5,953 Accounts payable-other -2,385 Accrued consumption taxes -1,311
Noncurrent liabilities	60,279	47,985	-12,294	79.6%	Long-term loans payable -11,716
Total liabilities	137,133	124,372	-12,761	90.7%	
Net assets	112,198	115,324	+3,125	102.8%	Retained earnings +3,147
Total liabilities and net assets	249,332	239,696	-9,635	96.1%	

Equity ratio 47.9%

◇Changes in Net sales/Total assets



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

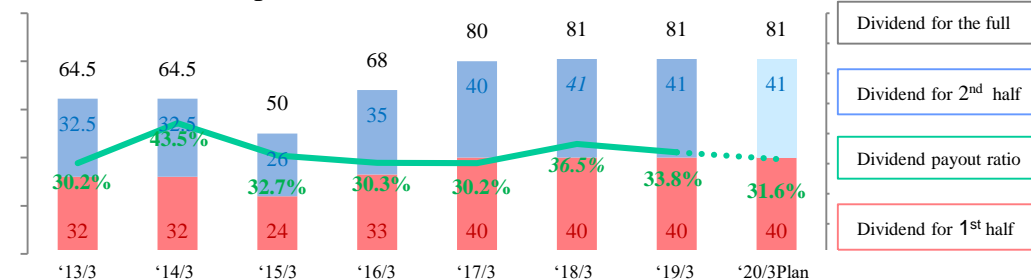
Cash Flows

(Results for the First half of FY Ending March 2020)

Unit: million yen	Results for first half		
	FY ended March 2019 Performance	Performance	FY ending March 2020 Breakdown of Main Items
CF from operating activities	12,068	12,906	Income before income taxes 7,254 Depreciation 6,702 Increase in notes and accounts receivable-trade 3,672 Increase in inventories 1,040 Decrease in notes and accounts payable - trade -1,840 Income taxes paid -3,334
CF from investing activities	-10,567	-5,373	Purchase of property, plant and equipment -5,261
Free cash flows	1,501	7,532	
CF from financing activities	2,570	-8,824	Proceeds from long-term loans payable 3,000 Repayment of long-term loans payable -8,763 Repayments of lease obligations -1,356 Cash dividends paid -1,694
Net increase(decrease)in cash and cash equivalents	4,071	-1,291	
Cash and cash equivalents at end of period	19,731	17,860	

- CF from operating activities**
 Ensuring profit by selling original products and streamlining efforts
- CF from investing activities**
 Strategic investment to construct the bases to make a profit for future
- CF from financing activities**
 Continuously stable dividend

《Dividend per share》



Plan
for the Fiscal Year Ending March 2020

Outline of Plan for Account Settlement

(Plan for the FY Ending March 2020)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March 2019		FY ending March 2020				FY ending March 2020			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	33,121	18.3	34,800	18.7	+1,678	105.1%	17,000	18.5	+937	105.8%
Lunchboxes and prepared food containers	101,108	55.8	103,660	55.7	+2,551	102.5%	51,330	55.8	+1,064	102.1%
Subtotal	134,229	74.1	138,460	74.4	+4,230	103.2%	68,330	74.3	+2,002	103.0%
Other products	3,350	1.8	3,340	1.8	-10	99.7%	1,670	1.8	+5	100.3%
Sales of products	137,579	75.9	141,800	76.2	+4,220	103.1%	70,000	76.1	+2,008	103.0%
packaging materials	36,823	20.3	37,800	20.3	+976	102.7%	18,900	20.5	+201	101.1%
Other goods	6,768	3.7	6,400	3.4	-368	94.6%	3,100	3.4	+213	107.4%
Sales of goods	43,592	24.1	44,200	23.8	+607	101.4%	22,000	23.9	+414	101.9%
Net Sales	181,171	100.0	186,000	100.0	+4,828	102.7%	92,000	100.0	+2,422	102.7%
Operating profit	13,949	7.7	15,500	8.3	+1,550	111.1%	7,250	7.9	+1,089	117.7%
Ordinary profit	14,861	8.2	16,000	8.6	+1,138	107.7%	7,400	8.0	+916	114.1%
Profit attribute to owners of parent	9,901	5.5	10,600	5.7	+698	107.1%	4,950	5.4	+604	113.9%
Ordinary profit before depreciation and amortization	28,031		29,730		+1,698	106.1%	14,160		+1,170	109.0%

■ Sales Products

Expanding sales of microwavable containers, recycled Eco Trays and Eco APET containers
Proposing high function products for new markets, including those of home delivery, frozen food, and fruits and vegetables

Shipments: Rising 3% year-on-year

Trays: Expanding sales with a focus on environmentally friendly products

Lunchboxes and prepared food containers:

Proposing new products that will help create attractive sales floors and improve efficiency in the backyard, in addition to original products with functions such as cold and heat resistance

Goods

Strengthening sales to small-scale customers who purchase small lots, by making use of merchandising, logistics, and IT infrastructures

◇ Production

Reinforce the production capacity of raw materials for Eco APET
Cost reduction by introduction of industrial robots

◇ Logistics

Containing cost increases by making use of in-house logistics and improving loading efficiency
Automation of warehouse work

◇ ESG

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

Outlook for Increase/Decrease in Ordinary Profit

(Plan for the FY Ending March 2020)

Outlook(May 8 2019)

Unit: billion yen

1st half	2nd half
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Fiscal Year ended March 2019		14.86
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1st half	6.48	2nd half	8.38
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The Price of Material +0.45
(1st half +0.25, 2nd half +0.20)

Sales Price +1.05
(1st half +1.05, 2nd half ±0.00)

Sales Efforts +0.70
(1st half +0.30, 2nd half +0.40)

Improved Production +0.25
(1st half +0.10, 2nd half +0.15)

Improved Distribution -0.60
(1st half -0.30, 2nd half -0.30)

Group Companies +0.20
(1st half +0.05, 2nd half +0.15)

Increased Expenses -0.91
(1st half -0.53, 2nd half -0.38)

Total +1.14
(1st half +0.92, 2nd half +0.22)

-0.15

Virgin PET raw materials	+0.90
Eco APET raw materials	-0.20
Secondary materials	-0.25

Improvement	+1.14
Labor costs	-0.48
Depreciation	-0.41
Electric power charges	+0.30
Freight costs	-0.70

Labor costs	-0.18
Depreciation	-0.15
Other	-0.58

Year on year

+1.14

1st half	+0.92
2nd half	+0.22

Fiscal Year ending March 2020

1st half outlook	7.40	2nd half outlook	8.60
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Full year outlook 16.00

Planned Capital Investment and R&D Costs

(Plan for the FY Ending March 2020)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2019	FY ending March 2020			FY ending March 2020		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	13,442	17,700	+4,257	131.7%	6,600	+376	106.0%
Intangible fixed assets	595	300	-295	50.4%	100	-107	48.2%
Capital investments (including leasing and procurement)	14,038	18,000	+3,961	128.2%	6,700	+268	104.2%
Depreciation and amortization costs	13,170	13,730	+559	104.2%	6,760	+253	103.9%
Research and development costs	1,159	1,310	+150	113.0%	640	+86	115.6%

Major capital investments

Unit: million yen

Fiscal Year ending March 2020

Investment in original products: Improving production capacity and quality of Eco APET products

- ◆ Eco APET materials: Boosting the production capacity (Kanto, Kyusyu)
- ◆ Eco APET materials: Increase the productivity (Kanto, Chubu)
- ◆ Eco APET materials: Quality improvement by pelletizing (Chubu)
- ◆ Eco APET products: Reinforce the production capacity of sheet extruders and molding machines (Shimodate, Chubu)

Total investment Plan in period

280	280
420	420
600	160
2,140	1,800

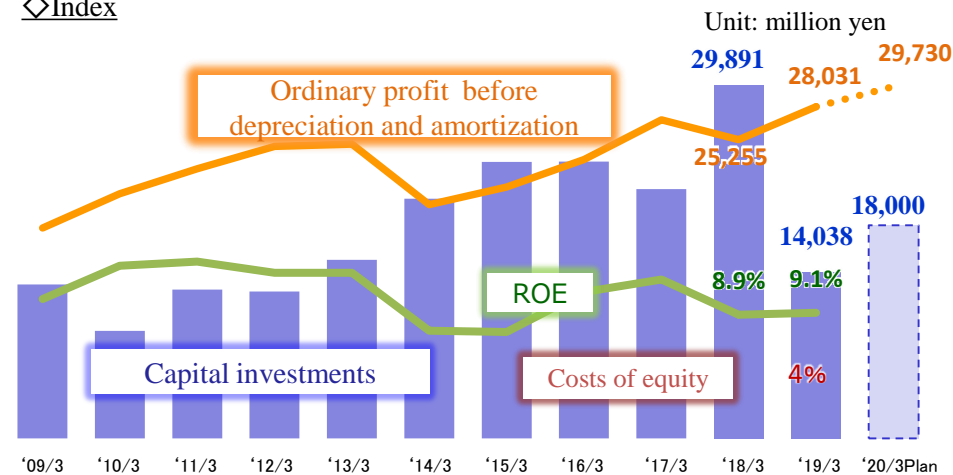
Investment corresponding to expansion of the sales quantity:

Stable supply. Efficiency improvement. Maintenance of working environment

- ◆ Introduction of automation facilities
- ◆ Fukuyama Distribution Center extension To be inaugurated in winter 2020
- ◆ Chubu Distribution Center extension To be inaugurated in spring 2021
- ◆ Company dormitories for single employees and group home in Fukuyama To be inaugurated in Mar. 2020
- ◆ Company dormitories for single employees in Koga To be inaugurated in Mar. 2020
- ◆ Molds
- ◆ IT investments

630	630
4,345	1,260
5,285	1,320
1,054	1,000
611	580
	1,870
	600

◇ Index



※ ROE = Profit attributable to owners of parent ÷ Equity