

# *Financial Results*

## *for the Three Months Ended June 30, 2020*

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

(For the Three Months Ended June 30, 2020)

Unit: million yen	1Q Performance							1 <sup>st</sup> half Projections			Full year Projections		
	FY ended March 2020		FY ending March 2021		Increase/ decrease	Year-on -year	Quantity	FY ending March 2021			FY ending March 2021		
	Performance	Percentage	Performance	Percentage				Planned	percentage	progress rate	Planned	Percentage	Progress rate
Trays	8,572	19.0	9,920	21.0	+1,347	115.7%	112.4%	18,625	19.6	53.3%	37,775	19.9	26.3%
Lunchboxes and prepared food containers	24,805	54.9	25,992	55.0	+1,186	104.8%	104.0%	52,755	55.6	49.3%	105,530	55.5	24.6%
Subtotal	33,378	73.9	35,912	76.0	+2,534	107.6%	106.8%	71,380	75.2	50.3%	143,305	75.4	25.1%
Other products	783	1.7	717	1.5	-65	91.6%		1,520	1.6	47.2%	2,895	1.5	24.8%
Sales of products	34,161	75.6	36,630	77.6	+2,468	107.2%		72,900	76.8	50.2%	146,200	76.9	25.1%
packaging materials	9,518	21.1	9,234	19.6	-284	97.0%		19,230	20.3	48.0%	38,340	20.2	24.1%
Other goods	1,506	3.3	1,360	2.9	-145	90.3%		2,770	2.9	49.1%	5,460	2.9	24.9%
Sales of goods	11,024	24.4	10,594	22.4	-429	96.1%		22,000	23.2	48.2%	43,800	23.1	24.2%
Net Sales	45,186	100.0	47,225	100.0	+2,039	104.5%		94,900	100.0	49.8%	190,000	100.0	24.9%
Operating profit	2,924	6.5	3,641	7.7	+717	124.5%		7,820	8.2	46.6%	16,700	8.8	21.8%
Ordinary profit	3,063	6.8	3,824	8.1	+760	124.8%		8,110	8.5	47.2%	17,400	9.2	22.0%
Profit attribute to owners of parent	1,934	4.3	2,464	5.2	+530	127.4%		5,213	5.5	47.3%	11,290	5.9	21.8%
Ordinary profit before depreciation and amortization	6,403		7,236		+832	113.0%		14,969	48.3%		31,296	23.1%	

  Record high

✓ Highest sales ever for 6 consecutive years

✓ Operating profit, ordinary profit and profit attribute to owners of parent grew for two consecutive years

◇ Year-on-year

	1Q results	Full-year plan
Sales of products	107.2%	102.4%
Quantity	106.8%	103.0%
Ordinary profit	124.8%	106.9%

## ■ Sales

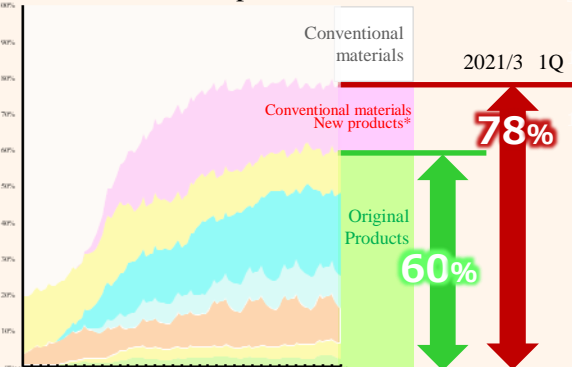
### Products

- Rise in demand for fresh food, home-delivered food and takeout food following expansion of the stay-at-home economy
- Strong sales of recycled Eco Trays and Eco APET containers, microwavable containers
- Expansion of high value-added products in response to the labor shortage

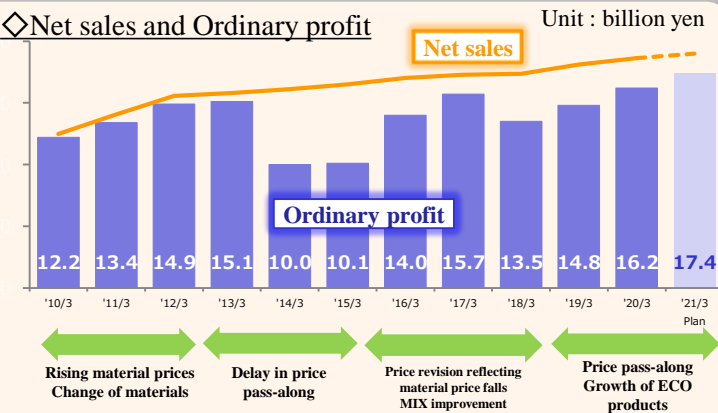
### Goods

- Utilization of E-commerce site "PACK MARKET", to expand sales to small scale customers who purchase our products by small lots
- Decreased demand for restaurants and picnics

## ◇ Product sales composition



## ◇ Net sales and Ordinary profit



# Increase/Decrease in Ordinary Profit (For the Three Months Ended June 30, 2020)

Unit: billion yen

Fiscal year ended March 2020 16.27

1<sup>st</sup> half 7.44

2<sup>nd</sup> half 8.83

1Q 3.06

Plan difference

Year on year  
**+0.76**

Plan difference

+0.28

**The Price of Material +0.40**

**Sales Efforts +0.50**

+0.20

**Improved Production ±0.00**

**Improved Distribution -0.05**

**Group Companies +0.08**

+0.08

**Increased Expenses -0.17**

Improvement +0.32

Labor costs -0.33

Depreciation -0.05

Electric power changes +0.08

Fleight costs +0.01

Labor costs -0.11

Depriciation -0.02

Other -0.04

1Q 3.82

1<sup>st</sup> half 8.11

2<sup>nd</sup> half 9.29

Fiscal year ending March 2021 17.40

# Capital Investments and R&D Costs

(For the Three Months Ended June 30, 2020)

Unit: million yen	1Q performance				1 <sup>st</sup> half projections		Full year projections	
	FY ended March 2020	FY ending March 2021			FY ending March 2021		FY ending March 2021	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	1,515	3,305	+1,790	218.2%	10,400	31.8%	22,850	14.5%
Intangible fixed assets	83	82	+0	99.1%	200	41.4%	450	18.4%
<b>Capital investments</b>	<b>1,599</b>	<b>3,388</b>	<b>+1,789</b>	<b>211.9%</b>	<b>10,600</b>	<b>32.0%</b>	<b>23,300</b>	<b>14.5%</b>
Depreciation and amortization costs	3,340	3,412	+72	102.2%	6,860	49.7%	13,900	24.6%
Research and development costs	279	243	-36	87.0%	646	37.6%	1,312	18.5%

## Major Capital Investments

Unit: million yen

### Investment in original products:

#### Improving production capacity and quality of Eco APET products

- ◆ Eco APET materials: Increase in the productivity (Kanto, Chubu)
- ◆ Eco APET materials: Quality improvement by pelletizing (Chubu)
- ◆ Eco APET products:

Reinforcement of the production capacity of molding machines

- ◆ Land for a new plant (in Kansai) Acquired in May 2020

### Investment corresponding to expansion of the sales quantity:

#### Stable supply, Efficiency improvement, Maintenance of working environment

- ◆ Introduction of automation facilities
- ◆ Reinforcement of the production capacity of Conventional materials New products
- ◆ Kyusyu Distribution Center extension To be inaugurated in Sep. 2020
- ◆ Fukuyama Distribution Center extension To be inaugurated in Nov. 2020
- ◆ Chubu Distribution Center extension To be inaugurated in Jul. 2021
- ◆ Group home Inaugurated in Apr. 2020
- ◆ Company dormitories for single employees in Fukuyama To be inaugurated in Oct. 2020
- ◆ Molds
- ◆ IT investments

Total investment Plan in period 1Q performance

## ◇ Index

