

# *Financial Results*

## *for the Six Months Ended September 30, 2021*

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

# Financial Results Summary

(For the Six Months Ended September 30, 2021)

Unit: million yen	1st half Performance							1 <sup>st</sup> half projections			Full year projections(original)			Full year revised projections revised		
	FY ended March 2021		FY ending March 2022					FY ending March 2022			FY ending March 2022			FY ending March 2022		
	Performance	Percentage	Performance	Percentage	Increase/decrease	Year-on-year	Quantity	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate	Planned	Percentage	Progress rate
Trays	18,995	20.7	19,559	20.1	+564	103.0%	102.9%	20,034	20.7	97.6%	41,223	21.1	47.4%	41,223	21.1	47.4%
Lunchboxes and prepared food containers	51,542	56.1	54,237	55.7	+2,694	105.2%	107.4%	54,661	56.5	99.2%	109,088	55.9	49.7%	109,088	55.9	49.7%
Subtotal	70,537	76.8	73,797	75.8	+3,259	104.6%	105.8%	74,695	77.2	98.8%	150,311	77.1	49.1%	150,311	77.1	49.1%
Other products	1,489	1.6	1,566	1.6	+77	105.2%		1,504	1.6	104.2%	3,088	1.6	50.7%	3,088	1.6	50.7%
Sales of products	72,026	78.4	75,364	77.4	+3,337	104.6%		76,200	78.8	98.9%	153,400	78.7	49.1%	153,400	78.7	49.1%
packaging materials	19,046	20.7	20,995	21.6	+1,949	110.2%		19,713	20.4	106.5%	39,903	20.5	52.6%	39,903	20.5	52.6%
Other goods	778	0.8	1,008	1.0	+229	129.4%		786	0.8	128.2%	1,696	0.9	59.4%	1,696	0.9	59.4%
Sales of goods	19,824	21.6	22,003	22.6	+2,178	111.0%		20,500	21.2	107.3%	41,600	21.3	52.9%	41,600	21.3	52.9%
Net Sales ※	91,851	100.0	97,367	100.0	+5,515	106.0%		96,700	100.0	100.7%	195,000	100.0	49.9%	195,000	100.0	49.9%
Operating profit	8,311	9.0	8,548	8.8	+237	102.9%		8,780	9.1	97.4%	19,600	10.1	43.6%	17,400	8.9	49.1%
Ordinary profit	8,564	9.3	8,907	9.1	+342	104.0%		9,100	9.4	97.9%	20,200	10.4	44.1%	18,000	9.2	49.5%
Profit attribute to owners of parent	5,653	6.2	5,803	6.0	+149	102.7%		5,840	6.0	99.4%	12,900	6.6	45.0%	11,530	5.9	50.3%
Ordinary profit before depreciation and amortization	15,386		15,632		+245	101.6%		15,890	98.4%		33,960	46.0%		31,760	49.2%	

  Record high

Highest-ever first-half sales achieved in 7 consecutive years

First-half operating profit, ordinary profit, and profit attribute to owners of parent grew for 3 consecutive years

Ordinary profit before depreciation and amortization

15,386

15,632

+245 101.6%

15,890

98.4%

33,960

46.0%

31,760

49.2%

※Accounting Standard for Revenue Recognition is applied from FY2022.

Some accounting categories are reclassified and applied retroactively in the fiscal year ended March 2021.

<Amount of financial impact on 1<sup>st</sup> half of FY2021> Sales: JPY 4,543 mil. (Trading: JPY 1,883 mil. Sales commission: JPY2,660 mil.)

## ■ Sales

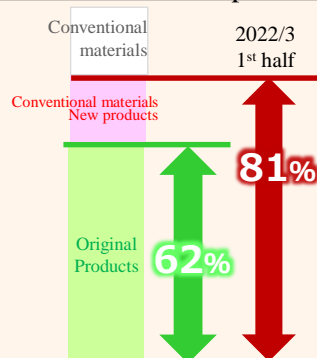
### Products

- Strong shipments of containers for supermarkets.
- Takeout and delivery market expanded.
- Firm shipments of environmentally friendly products

### Goods

- Utilization of E-commerce site "PACK MARKET", to expand sales of sanitary and other goods.

## ◇ Product sales composition



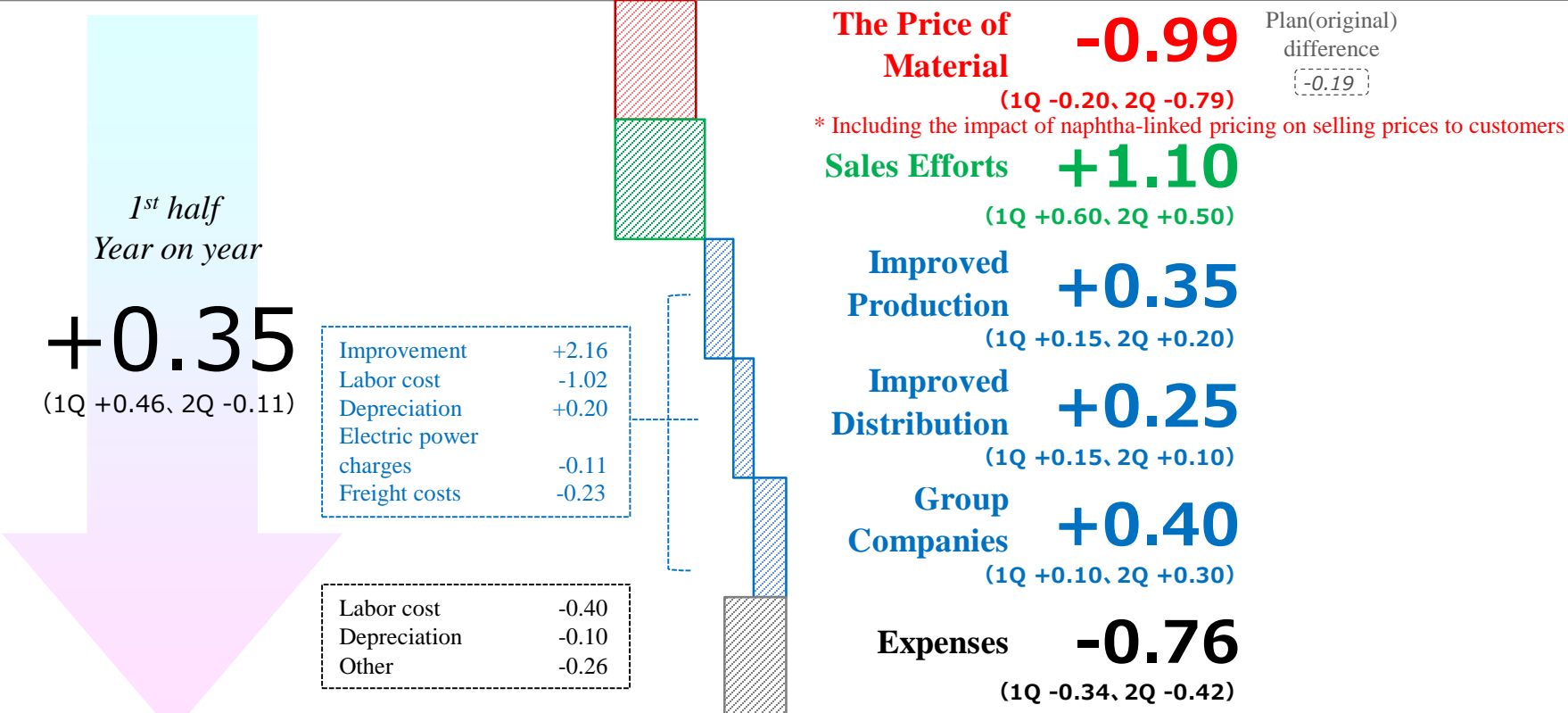
## ◇ Year-on-year

	1Q results	2Q results	1 <sup>st</sup> half results	2 <sup>nd</sup> half plan(revised)	Full year plan(revised)
Sales of products	104.4%	104.9%	104.6%	104.4%	104.5%
Quantity	105.6%	106.0%	105.8%	104.5%	105.2%
Ordinary profit	112.0%	97.5%	104.0%	84.1%	92.9%
Ordinary profit ratio	9.0%	9.3%	9.1%	9.3%	9.2%

# Results for Increase/Decrease in Ordinary Profit (For the Six Months Ended September 30, 2021)

Unit: billion yen

Fiscal year ended March 2021		19.38
1 <sup>st</sup> half	8.56	2 <sup>nd</sup> half 10.82



1 <sup>st</sup> half	8.91	2 <sup>nd</sup> half outlook	9.09
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Fiscal year ending March 2022		18.00
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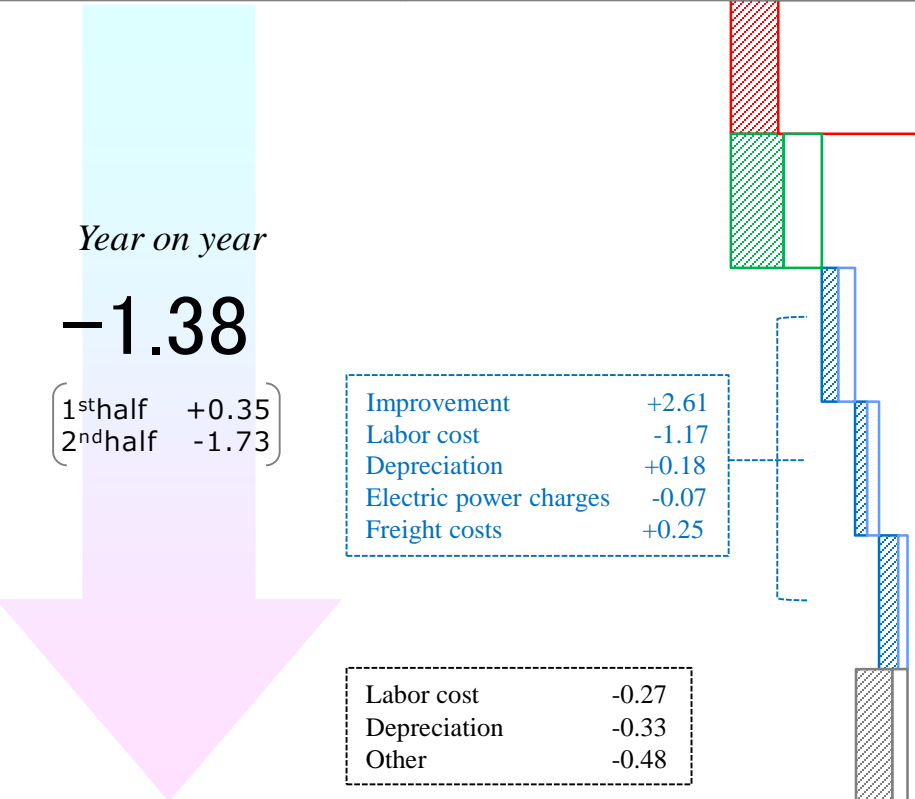
# Outlook for Increase/Decrease in Ordinary Profit

Outlook(Oct.29)

Unit: billion yen

Fiscal year ended March 2021 19.38

1st half 8.56      2nd half 10.82



**The Price of Material** **-4.00**  
(1st half -0.99, 2nd half -3.01)  
\* Including the impact of naphtha-linked pricing on selling prices to customers

**Sales Efforts** **+1.90**  
(1st half +1.10, 2nd half +0.80)

**Improved Production** **+0.70**  
(1st half +0.35, 2nd half +0.35)

**Improved Distribution** **+0.50**  
(1st half +0.25, 2nd half +0.25)

**Group Companies** **+0.60**  
(1st half +0.40, 2nd half +0.20)

**Expenses** **-1.08**  
(1st half -0.76, 2nd half -0.32)

Plan(original) difference	1st half difference	Changes in the 2nd half outlook
-2.20	-0.19	-2.01

The impact of the revision of product prices announced on October 29, 2021 is not factored into the revised performance forecast due to the difficulty of determining the amount of impact at the present time.

1st half 8.91      2nd half outlook 9.09

Plan(original) difference -0.19      Plan(original) difference -2.01

← 9.10      ← 11.10

Fiscal year ending March 2022 18.00

Plan(original) difference -2.20      20.20

# Capital Investments and R&D Costs

(Result for the Six Months Ended September 30, 2021)

Unit: million yen	1st half performance				1 <sup>st</sup> half projections		Full year projections	
	FY ended March 2021	FY ending March 2022			FY ending March 2022		FY ending March 2022	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate	Planned	Progress rate
Tangible fixed assets	8,025	14,860	+6,835	185.2%	13,600	109.3%	26,600	55.9%
Intangible fixed assets	178	182	+4	102.6%	300	61.0%	500	36.6%
<b>Capital investments</b>	<b>8,203</b>	<b>15,043</b>	<b>+6,839</b>	<b>183.4%</b>	<b>13,900</b>	<b>108.2%</b>	<b>27,100</b>	<b>55.5%</b>
Depreciation and amortization costs	6,821	6,725	-96	98.6%	6,790	99.0%	13,760	48.9%
Research and development costs	562	563	+0	100.1%	665	84.7%	1,335	42.2%

## 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)

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

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

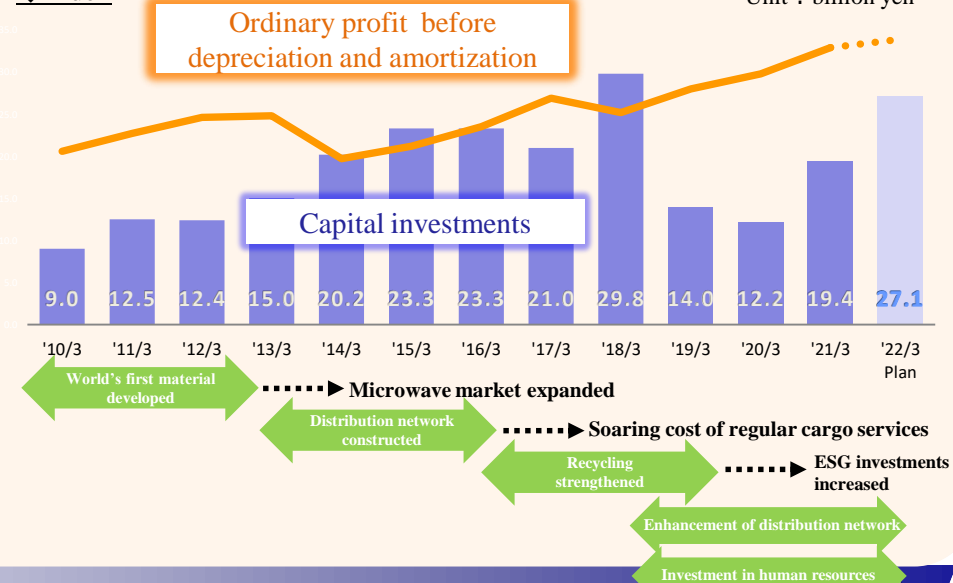
- ◆ Introduction of automation facilities
- ◆ Capacity enhancement for foamed PS products
- ◆ Reinforcement of the production capacity of Conventional material products
- ◆ Chubu Hub Center expansion  
Completed in Sep. 2021
- ◆ Rebuilding of Chubu Plant 1  
To be completed in May. 2022
- ◆ Kansai Plant and Kansai Hub Center  
To be completed in Sep. 2022
- ◆ Pico House No.5  
To be completed in Sep. 2022
- ◆ Molds
- ◆ IT investments

Total investment    Plan in period    1st half performance

◆ Eco APET materials: Increase in the productivity (Kanto, Chubu)	1,135	1,135	498
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)	793	73	67
◆ Introduction of automation facilities		224	159
◆ Capacity enhancement for foamed PS products	1,222	1,222	1,061
◆ Reinforcement of the production capacity of Conventional material products	625	625	307
◆ Chubu Hub Center expansion	5,855	3,290	3,343
◆ Rebuilding of Chubu Plant 1	8,049	2,198	2,656
◆ Kansai Plant and Kansai Hub Center	25,261	6,718	3,428
◆ Pico House No.5	2,305	185	90
◆ Molds		1,852	1,049
◆ IT investments		635	242

## ◇ Index

Unit : billion yen



# Balance Sheet

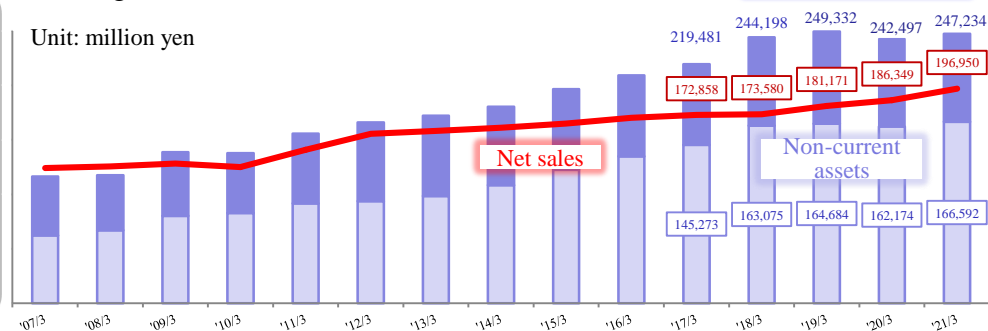
(Result for the Six Months Ended September 30, 2021)

Unit: million yen	Previous consolidated fiscal year	First half of the consolidated fiscal year			
	FY ended March 2021 As of March 31, 2021	As of September 30, 2022	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	80,641	86,752	+6,111	107.6%	Cash and deposits +1,695 Notes and accounts receivable-trade +2,911 Merchandise and finished goods +240 Raw materials and supplies +415
Noncurrent assets	166,592	174,866	+8,274	105.0%	Buildings and structures, net +3,600 Machinery, equipment and vehicles, net +594
<b>Total assets</b>	<b>247,234</b>	<b>261,619</b>	<b>+14,385</b>	<b>105.8%</b>	
Current liabilities	78,527	82,580	+4,053	105.2%	Accounts payable - trade +1,832 Income taxes payable -2,351
Noncurrent liabilities	43,726	50,115	+6,389	114.6%	Long-term loans payable +6,007
<b>Total liabilities</b>	<b>122,253</b>	<b>132,696</b>	<b>+10,442</b>	<b>108.5%</b>	
Net assets	124,980	128,923	+3,942	103.2%	Retained earnings +3,840 Capital surplus +57
<b>Total liabilities and net assets</b>	<b>247,234</b>	<b>261,619</b>	<b>+14,385</b>	<b>105.8%</b>	

Equity ratio 49.0%

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

## ◇Changes in Net sales/Total assets



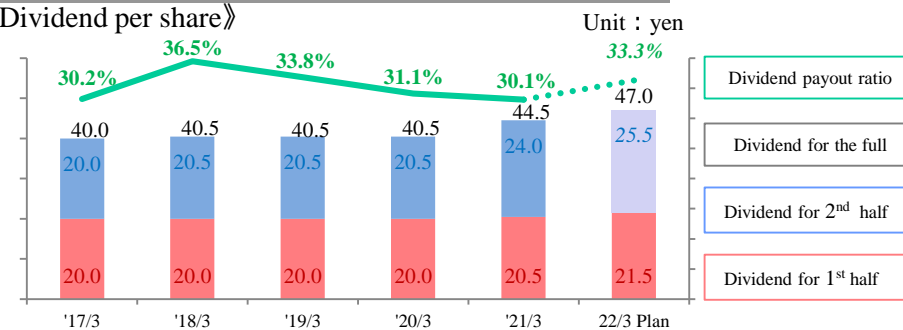
# Cash Flows

(Result for the Six Months Ended September 30, 2021)

Unit: million yen	Results for 1st half		
	FY ended March 2021 Performance	Performance	FY ending March 2022 Breakdown of main items
CF from operating activities	13,053	9,274	Profit before income taxes 8,554 Depreciation 6,725 Loss on tax purpose reduction entry of non-current assets 2,229 Decrease (increase) in notes and accounts receivable - trade -2,903 Decrease (increase) in inventories -688
CF from investing activities	-7,321	-9,114	Purchase of property, plant and equipment -8,985
Free cash flows	5,731	159	
CF from financing activities	-5,911	1,535	Proceeds from long-term loans payable 14,000 Repayment of long-term loans payable -9,672 Repayments of lease obligations -795 Cash dividends paid -1,963
Net increase(decrease)in cash and cash equivalents	-179	1,695	
Cash and cash equivalents at end of period	20,108	19,580	

- 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  
Treasury shares acquired for improving capital efficiency and providing shareholder returns

《Dividend per share》



\* On October 1, 2020, the Company implemented a two-for-one common stock split.  
The indicated dividend amount is based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2017.

***Original Plan***  
***for the Fiscal Year Ending March 2022***

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# Outline of Plan for Account Settlement

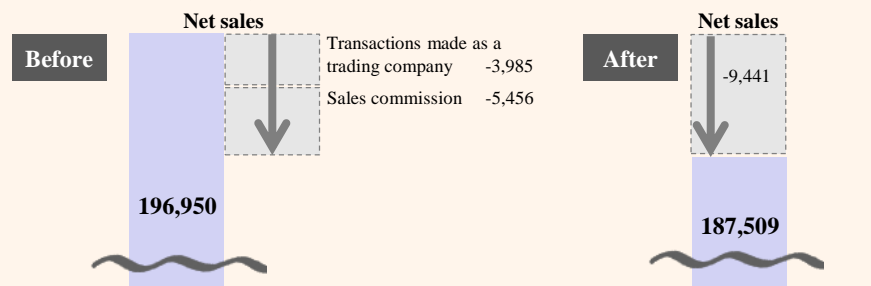
(For the FY Ending March 2022)

Unit: million yen	Results for Full year		Full year projections				First half projections			
	FY ended March 2021		FY ending March 2022				FY ending March 2022			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Trays	39,046	20.8	41,223	21.1	+2,176	105.6%	20,034	20.7	+1,039	105.5%
Lunchboxes and prepared food containers	104,681	55.8	109,088	55.9	+4,406	104.2%	54,661	56.5	+3,118	106.1%
Subtotal	143,728	76.7	150,311	77.1	+6,582	104.6%	74,695	77.2	+4,158	105.9%
Other products	3,058	1.6	3,088	1.6	+30	101.0%	1,504	1.6	+14	101.0%
Sales of products	146,786	78.3	153,400	78.7	+6,613	104.5%	76,200	78.8	+4,173	105.8%
packaging materials	39,043	20.8	39,903	20.5	+859	102.2%	19,713	20.4	+667	103.5%
Other goods	1,679	0.9	1,696	0.9	+16	101.0%	786	0.8	+7	101.0%
Sales of goods	40,723	21.7	41,600	21.3	+876	102.2%	20,500	21.2	+675	103.4%
Net Sales ※	187,509	100.0	195,000	100.0	+7,490	104.0%	96,700	100.0	+4,848	105.3%
Operating profit	18,763	10.0	19,600	10.1	+836	104.5%	8,780	9.1	+468	105.6%
Ordinary profit	19,381	10.3	20,200	10.4	+818	104.2%	9,100	9.4	+535	106.3%
Profit attribute to owners of parent	12,211	6.5	12,900	6.6	+688	105.6%	5,840	6.0	+186	103.3%
Ordinary profit before depreciation and amortization	32,991		33,960		+968	102.9%	15,890		+503	103.3%

\*After the change of the revenue recognition standard/ After the reclassification of items

## Impact of the change of the revenue recognition standard (fiscal year ended March 31, 2021)

(Million yen)



## Comparisons with the previous year's plan

	1st half plan	2nd half plan	Full-year plan
Sales of products	105.8%	103.3%	104.5%
Quantity	107.0%	104.0%	105.5%
Ordinary profit	106.3%	102.6%	104.2%
Ordinary profit ratio	9.4%	11.3%	10.4%

# Outlook for Increase/Decrease in Ordinary Profit (For the FY Ending March 2022)

Outlook(Apr 28 2021)

Unit: billion yen

FY ended March 2021 19.38

1<sup>st</sup> half 8.56

2<sup>nd</sup> half 10.82

Year on year  
**+0.82**

(1<sup>st</sup>half +0.54  
2<sup>nd</sup>half +0.28)

FY ending  
March 2022

1<sup>st</sup> half outlook 9.10

2<sup>nd</sup> half outlook 11.10

Full year outlook 20.20

Improvement	+2.61
Labor cost	-1.17
Depreciation	+0.18
Electric power charges	-0.07
Freight costs	+0.25

Labor cost	-0.27
Depreciation	-0.33
Other	-0.48

**The Price of Material -1.80**

(1<sup>st</sup> half -0.80, 2<sup>nd</sup> half -1.00)

\* Including the impact of naphtha-linked pricing on selling prices to customers

**Sales Efforts +1.90**

(1<sup>st</sup> half +1.10, 2<sup>nd</sup> half +0.80)

**Improved Production +0.70**

(1<sup>st</sup> half +0.35, 2<sup>nd</sup> half +0.35)

**Improved Distribution +0.50**

(1<sup>st</sup> half +0.25, 2<sup>nd</sup> half +0.25)

**Group Companies +0.60**

(1<sup>st</sup> half +0.40, 2<sup>nd</sup> half +0.20)

**Expenses -1.08**

(1<sup>st</sup> half -0.76, 2<sup>nd</sup> half -0.32)

# Planned Capital Investment and R&D Cost

(For the FY Ending March 2022)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2021	FY ending March 2022			FY ending March 2022		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	19,105	26,600	+7,494	139.2%	13,600	+5,574	169.5%
Intangible fixed assets	306	500	+193	163.0%	300	+121	168.4%
<b>Capital investments</b>	<b>19,412</b>	<b>27,100</b>	<b>+7,687</b>	<b>139.6%</b>	<b>13,900</b>	<b>+5,696</b>	<b>169.4%</b>
Depreciation and amortization costs	13,609	13,760	+150	101.1%	6,790	-31	99.5%
Research and development costs	1,195	1,335	+139	111.7%	665	+102	118.1%

## Major capital investments

unit: million yen

### Investment in original products:

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

	Total investment	Plan in period
◆ Eco APET materials: Increase in productivity (Kanto, Chubu)	1,135	1,135
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)	793	73

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

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

	Total investment	Plan in period	
◆ Introduction of automation facilities		224	
◆ Capacity enhancement for PSP products	1,222	1,222	
◆ Reinforcement of the production capacity of Conventional materials New products	625	625	
◆ Chubu Cross Dock Center extension	To be inaugurated in Sep. 2021	5,285	3,290
◆ Rebuilding of Chubu Plant 1	To be inaugurated in May 2022	6,693	2,198
◆ New plant and the distribution center of the new facility in Hyogo	To be inaugurated in Sep. 2022	25,261	6,718
◆ Pico House No.5	To be inaugurated in Sep. 2022	2,305	185
◆ Molds		1,852	
◆ IT investments		635	

## ◇ Index

