

# FY2009 Financial Results



**FP Corporation**

**May 13, 2009**

## 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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# Performance Report

## Accumulated Total for the Fiscal Year Ended March 31, 2009

Head of Finance and Accounting Division  
Toshio Takizaki

### Sales (for FY Ended March 2009)



	Performance				Growth rate of quantity (no. of items)		Plan		
	FY ended March 2008	Percentage	FY ended March 2009	Percentage	Increase/decrease	Year-on-year	FY ended March 2009	Percentage	Achievement rate
Trays	27,548	21.9	28,748	22.4	+ 1,199	104.4%	29,070	22.3	98.9%
Lunchbox containers	65,317	52.0	67,814	52.9	+ 2,496	103.8%	69,770	53.5	97.2%
Other products	1,364	1.1	1,981	1.5	+ 617	145.2%	1,080	0.8	183.5%
[Products total]	94,231	75.1	98,544	76.8	+ 4,313	104.6%	99,920	76.7	98.6%
Packaging materials	19,341	15.4	17,874	13.9	- 1,466	92.4%	17,900	13.7	99.9%
Other goods	11,940	9.5	11,824	9.2	- 116	99.0%	12,513	9.6	94.5%
[Goods total]	31,282	24.9	29,699	23.2	- 1,582	94.9%	30,413	23.3	97.7%
[Sales]	125,513	100.0	128,244	100.0	+ 2,730	102.2%	130,333	100.0	98.4%

\*Figures for the Plan are earnings estimates announced February 9, 2009

<p><b>Products</b></p> <ul style="list-style-type: none"> <li>•Product prices: Price increase implemented in August 2008; price cuts introduced in March 2009 in response to lower prices of raw materials since Q4</li> <li>•Trays: FLB-series ultra-lightweight, low-stack-height trays had a strong showing</li> <li>•Lunchbox containers: Lunchbox and prepared food containers had a strong showing due to the increasing frequency of eating alone. We also received numerous inquiries for new PET products.</li> </ul>	<p><b>Goods</b></p> <ul style="list-style-type: none"> <li>• Concentrated on recommended goods and reviewed unprofitable trades</li> <li>• The figure for "Other goods" includes ¥1,333 million in sales of paintings and antiques</li> </ul>
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Reference: Paintings and antiques for sale not included									
	FY ended March 2008	Percentage	FY ended March 2009	Percentage	Increase/decrease	Year-on-year	FY ended March 2009	Percentage	Achievement rate
Other goods	11,940		10,491		- 1,449	87.9%	11,180		93.8%
[Goods total]	31,282		28,366		- 2,916	90.7%	29,080		97.5%
[Sales]	125,513		126,910		+ 1,397	101.1%	129,000		98.4%

## Financial Results Summary (for FY Ended March 2009)



Unit: million yen

	Performance			Increase/ decrease			Year-on-year	Plan		
	FY ended March 2008	Percentage	FY ended March 2009	Percentage				FY ended March 2009	Percentage	Achievement rate
Net sales	125,513	100.0	128,244	100.0	+ 2,730	102.2%		130,333	100.0	98.4%
Sales of products	94,231	75.1	98,544	76.8	+ 4,313	104.6%		99,920	76.7	98.6%
Sales of goods	31,282	24.9	29,699	23.2	- 1,582	94.9%		30,413	23.3	97.7%
Operating income	5,987	4.8	9,190	7.2	+ 3,203	153.5%		8,450	6.5	108.8%
Ordinary income	6,453	5.1	9,298	7.3	+ 2,845	144.1%		8,800	6.8	105.7%
Pretax income	6,581	5.2	8,832	6.9	+ 2,250	134.2%		8,486	6.5	104.1%
Income for current year	4,157	3.3	5,302	4.1	+ 1,145	127.5%		5,100	3.9	104.0%

\*Figures for the Plan are earnings estimates announced February 9, 2009

**Rationalization:** All divisions reduced costs by improving productivity and streamlining their operations. The number of items was significantly reduced. Raw materials costs were reduced by scaling back the weight of all products, including ultra-low-stack-height trays, and by replacing materials.

**Raw materials:** Prices of raw materials and indirect materials for our core products rose significantly. Raw material prices began to fall in Q4.

**Sales:** Price hikes for our products were first implemented in August 2008. Raw material prices have been reduced since Q4 and we lowered product prices in March 2009 to fill the price gap between raw materials and our products. We also held FPCO Mini Fair sessions for promoting our goods throughout Japan.

**Production:** We took steps to improve productivity and product quality, enhanced production capacity and optimized the production base to expand demand.

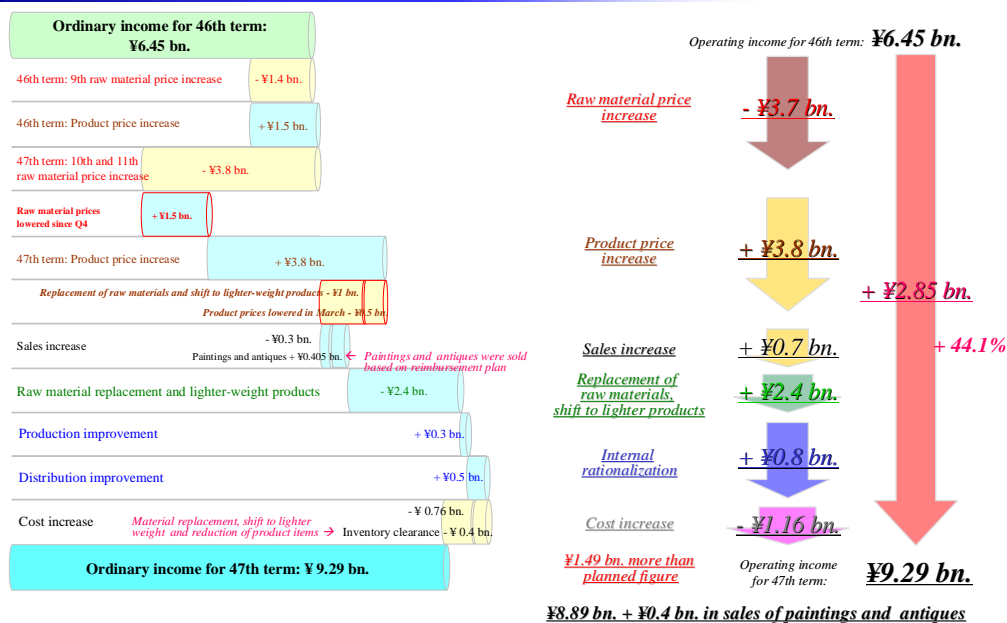
**Distribution:** Developing a supply structure as appropriate for demand. Ensuring appropriate inventory levels. Reducing costs related to storage and extra transportation prior to shipment.



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## Factors Influencing Operating Income in FY Ended March 2009



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## Capital Investments and Research and Development Cost (for FY Ended March 2009)



Unit: million yen

	Performance				Plan	
	FY ended March 2008	FY ended March 2009	Increase/ decrease	Year- on-year	FY ended March 2009	Compared with plan
Tangible fixed assets (total)	10,655	8,249	- 2,406	77.4%	9,300	88.7%
Tangible fixed assets (lands only)	1,150	1,485	335		1,400	
Intangible fixed assets	254	841	587	331.1%	550	152.9%
Depreciation and amortization	4,742	8,467	3,725	178.6%	5,000	
(Depreciation and amortization by old standard)		4,785				
Research and development cost	913	965	52	105.7%	950	101.6%

### Major capital investments

New warehouse and container collection and sorting plant:	¥1,574 million	*land included
Enhancement of facilities for transparent containers:	¥694 million	
Mold	¥617 million	
Hokkaido Delivery Center	¥1,041 million	
Transparent container collection and sorting plant, etc.	¥882 million	
IT investment	¥784 million	

## Cash Flows (for FY Ended March 2009)



Unit: million yen

	Performance FY ended March 2008	FY ended March 2009
CF from operating activities	9,105	14,568
CF from investing activities	- 12,007	- 5,725
Free cash flows	- 2,902	8,843
CF from financing activities	2,605	- 960
Amount of increase/decrease of cash and cash equivalents	- 297	7,883 *
Balance of cash and cash equivalents at end of year	8,225	16,108
Capital adequacy ratio	43.3%	39.0%
Excluding the ¥12.7 billion lease obligation generated by the change of lease accounting standard		43.0%
Excluding ¥7 billion for extraordinary expenditures		45.5%

\* Factors contributing to increase in cash and cash equivalents

> Measures in response to financial uncertainty  
> Measures in response to extraordinary expenditures

Procurement of ¥7 billion

Cash flows from operating activities	
Net income for quarter before taxes and other adjustments	¥8,832 million
Depreciation and amortization	¥8,467 million
Increase in trade receivables	- ¥1,545 million
Decrease in inventory assets	¥1,825 million
Decrease in accounts payable	- ¥3,734 million
Cash flows from investing activities	
Acquisition of tangible fixed assets	- ¥7,833 million
Acquisition of intangible fixed assets	- ¥720 million
Decrease in long-term loans receivable	¥2,984 million

Cash flows from financing activities	
Net increase of borrowing	¥5,035 million
Acquisition of treasury stock	- ¥737 million
Payment of lease obligations	- ¥3,606 million
Amount paid as dividends	- ¥1,322 million

# Current Medium-Term Management Plan and Future Corporate Activities

Representative Director, President & CEO  
Yasuhiro Komatsu

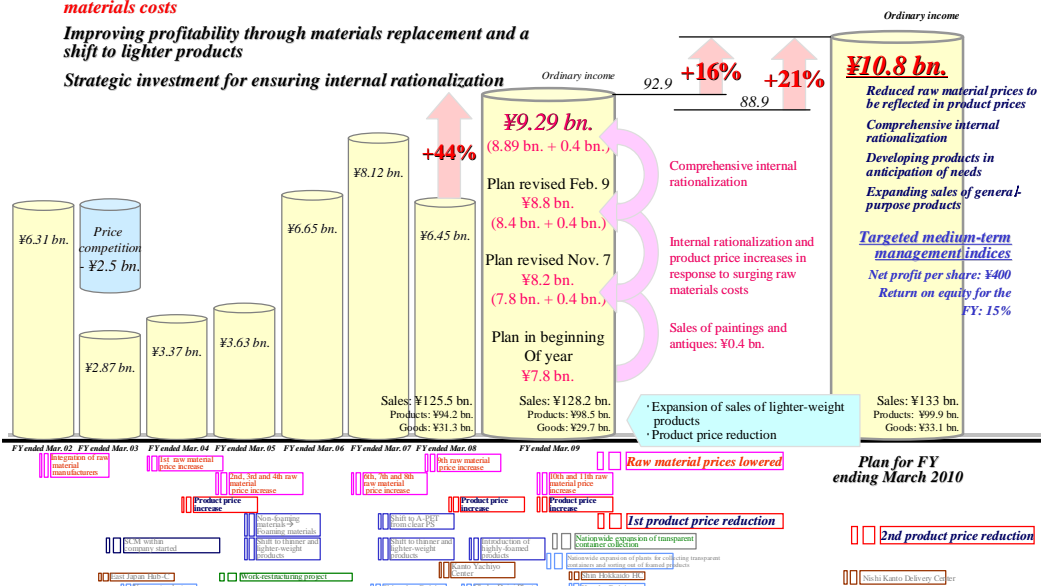
## Medium-Term Management Plan



Introducing comprehensive internal streamlining and raising product prices in response to surging raw materials costs

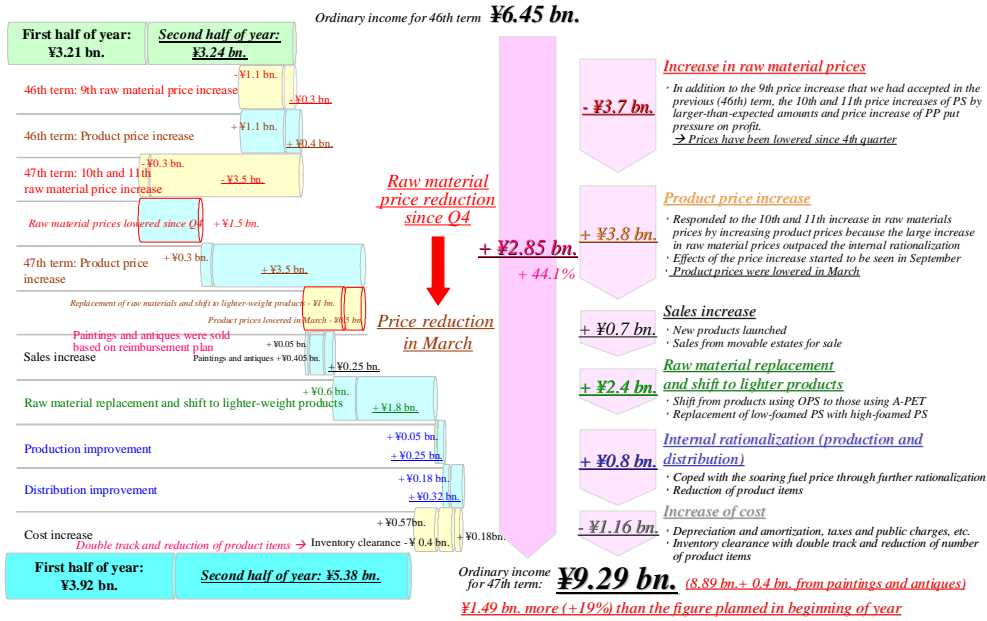
Improving profitability through materials replacement and a shift to lighter products

Strategic investment for ensuring internal rationalization



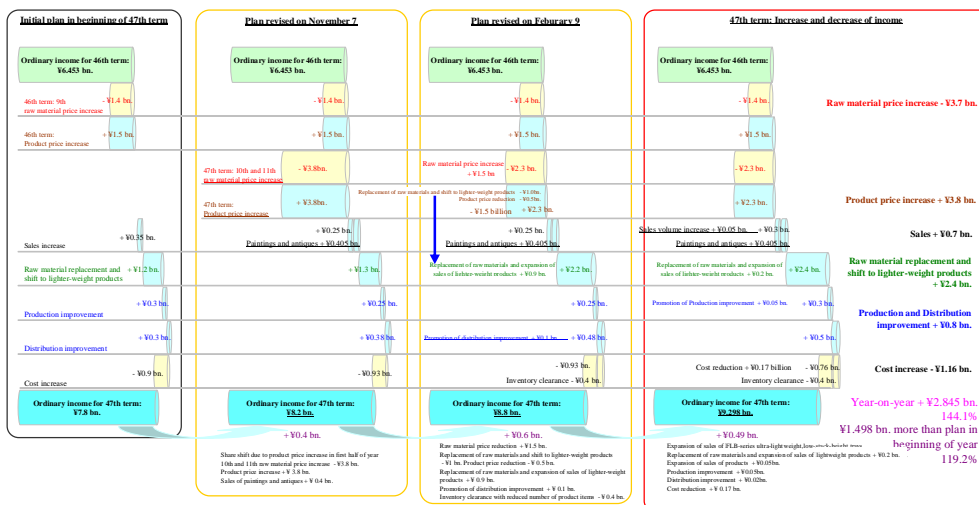
## Factors Influencing Ordinary Income for FY Ended March 2009

## References

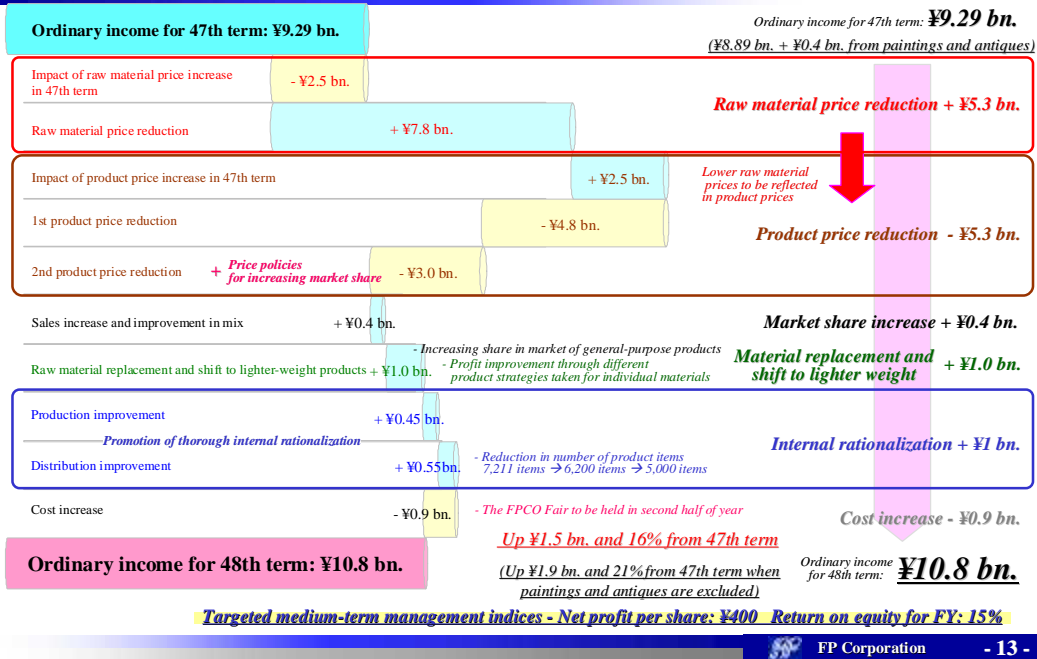


## Factors Influencing Ordinary Income for FY Ended March 2009

## References

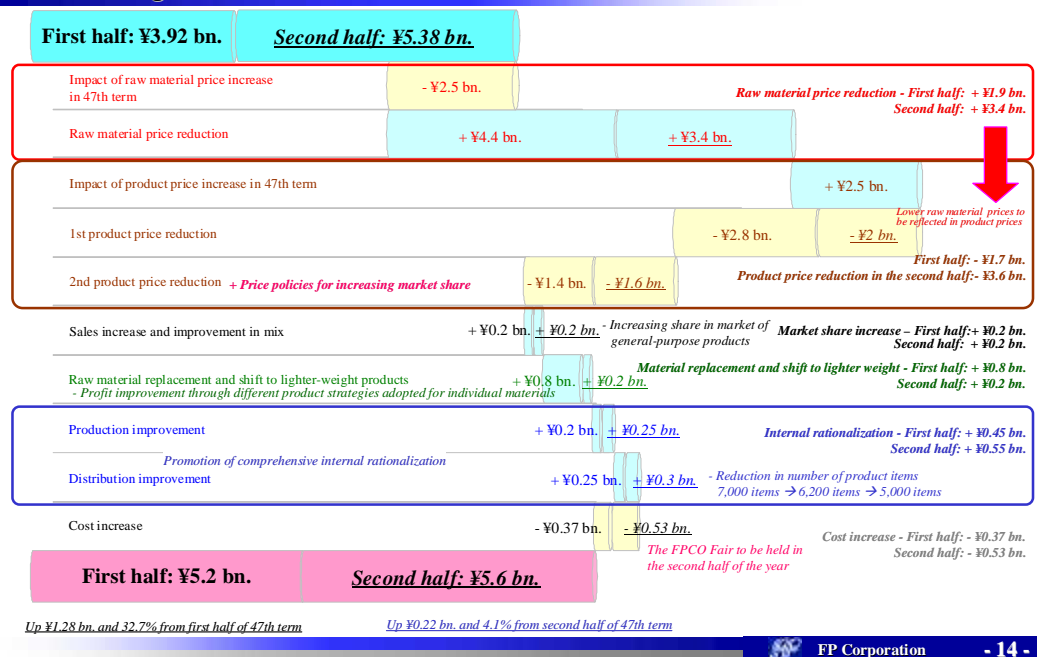


## Factors Influencing Ordinary Income for FY Ending March 2010



## Factors Influencing Ordinary Income for FY Ending March 2010

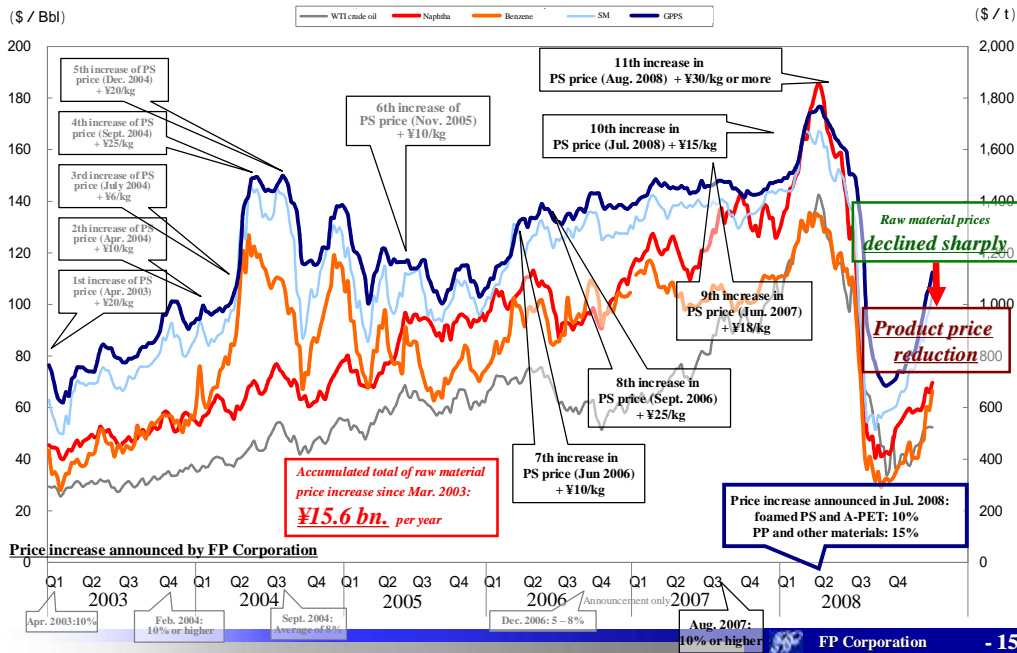
### References





## Trends in Crude Oil and Raw Material Prices

### Price increase by resin manufacturers



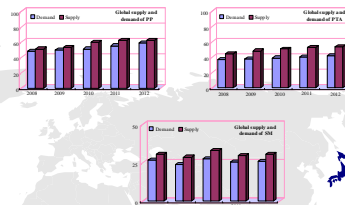
## Raw Material Price Trends and Product Prices



### Raw material prices

- Peaked in 3rd quarter of 47th term and declining sharply since the 4th quarter
- The supply-demand balance between overseas and Japan: Excess supply remains, even after the integration of domestic PS manufacturers

**Demonstrating our competitive edge by procuring materials globally as the top user**



### Product prices

- Lower raw material prices to be reflected in product prices
- ✓ 1st price reduction made in March 2009
- ✓ 2nd price reduction to be planned with pricing policies aimed at increasing market share

## Product Strategy 1



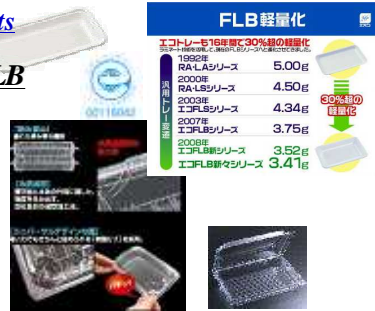
### 1) Increase in market share of general-purpose products

Ultra-lightweight low-stack-height trays: **FLB and Eco FLB**

Snap-fit clamshell containers: **AP-SA, OPS-SA, PP-SA**

Transparent tray: **AP-FC**

**Price competitiveness backed by materials,  
production and distribution**  
+  
**Competitive edges in quality and functionality**



### 2) Material replacement and lighter weight

Material replacement for transparent containers: OPS → A-PET, PP

Material price difference and competitive edge in the production processes

Lower stack-height and lighter weight of foamed containers: Low-foamed PS → High-foamed PS

10% to 40% weight reduction enabled by double-sided lamination + double-sided vacuum molding

Development of containers based on suitable material features for intended use

Heatproof temperature range, acid resistance, oil resistance, transparency, gas barrier, leak resistance

## Product Strategy 2



### 3) Market expansion with high added value and functionality

New Oribako (folding-paper lunchbox) type container

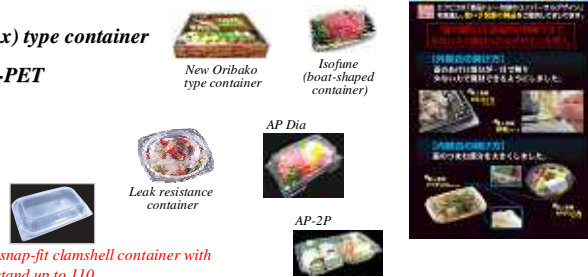
Low-leakage container made from A-PET

Snap-fit clamshell containers

Containers and lids made from PP

Containers in new designs

Heat-resistant containers



PP transparent snap-fit clamshell container with stand up to 110

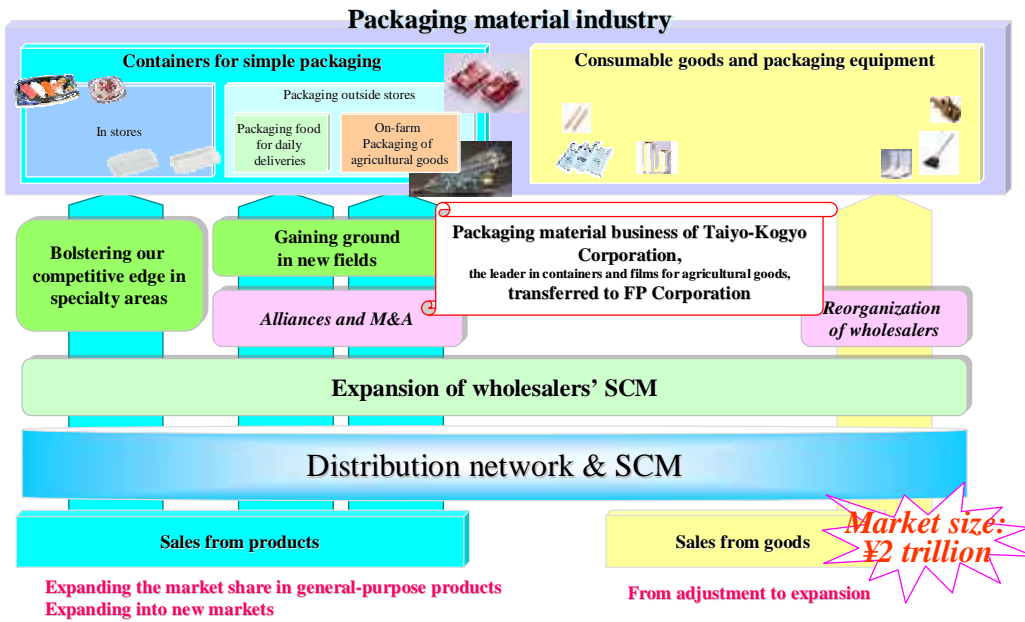
### 4) Reducing the number of items and reviewing product lineup

Market analysis for each main category  
Manufacturer analysis for each main category

→ Reducing the number of product items and marketing of new products to make the product lineup more suitable for market needs

8,121 items (end of Sept. 2007) → 7,211 items (end of Mar. 2008) → 6,200 items (end of Mar. 2009) 6,000 items under the initial plan

**Reduction to 5,000 items (end of Mar. 2010) to be included in the new plan**

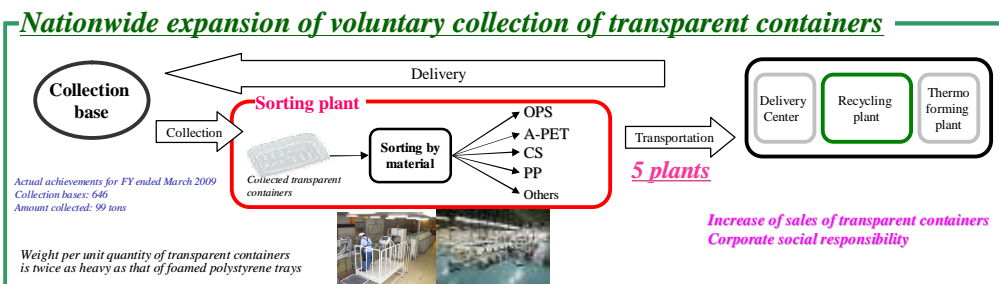
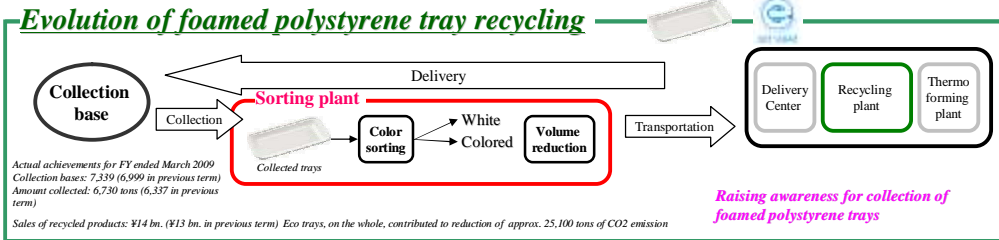


## Comprehensive Services

## Reference



## Tray Recycling and Collection of Transparent Containers



**Preparing for the greatest risk in light of the consumer movement 20 years ago**

## Social Contributions and Corporate Activities

**Strengthening ties between companies and local communities, and giving employment opportunities to the nation's disabled**

### Special subsidiaries

- Jan. 1986 Daks Co. Foamed PS container thermo forming
- Apr. 1995 Daks Shikoku OPS container thermo forming
- Aug. 2006 Daks Saga Affixing urethane to *mentaiko* (spicy cod roe) containers

Employment rate of disabled workers = **8.48%** (Legal employment rate: 1.8%)  
 Number of disabled employees = **97 (Actual number: 64)** as of end of March 2009

"Heartful Ribbon" mark



### Support for continuous employment (Type A)

- Oct. 2006 Hiroshima Ai Pack
  - Mar. 2007 Fukuyama Plant, FPCO Ai Pack Corp.
  - Aug. 2007 Saga Plant, FPCO Ai Pack Corp.
  - Sept. 2007 Gifu Plant, FPCO Ai Pack Corp.
  - Sept. 2007 Ibaraki Plant, FPCO Ai Pack Corp.
  - Oct. 2007 Yamagata Plant, FPCO Ai Pack Corp.
  - Nov. 2008 Hokkaido Plant, FPCO Ai Pack Corp.
- Number of disabled employees = **183 (Actual number: 99)** as of end of March 2009

### Plants for sorting foamed polystyrene trays and transparent containers

- Aug. 2008 Kanto Senbetsu (sorting) Center  
Support for continuous employment (Type A), 2 lines for transparent containers
  - Oct. 2008 Nishinomiya Senbetsu Center  
Support for continuous employment (Type A), 1 line for transparent containers, 1 line for foamed PS
  - Oct. 2008 Chubu Senbetsu Center  
Support for continuous employment (Type A), 1 line for transparent containers
  - Dec. 2008 Fukuyama Senbetsu Center  
Support for continuous employment (Type A), 4 lines for transparent containers, 2 lines for foamed PS
  - Dec. 2008 Kanazawa Senbetsu Center  
Local social welfare corporation, 2 lines for foamed PS
  - Jan. 2009 Kyushu Senbetsu Center  
Support for continuous employment (Type A), 1 line for transparent containers
- Number of disabled employees = **111 (Actual number: 60)** as of end of March 2009



*Orihoko* (folding paper lunchbox) container assembly plant

**The entire Group employs 409 (actual number: 239) disabled people**

**Aiming to improve our corporate value economically, environmentally and socially**

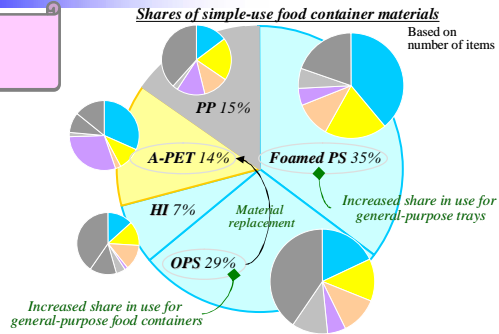
\*The number of severely disabled people is added redundantly to the number of disabled employees.\*

**Current Status of Food Container Industry in Japan**



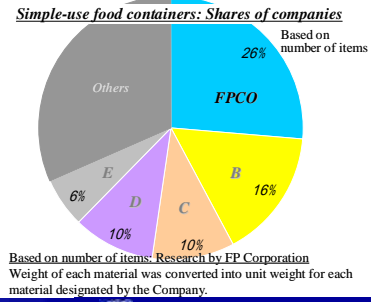
**Increasing profit by enlarging our competitive advantages in the industry**

- ✓ Recycling, CO2 reduction
- ✓ Food security and safety
- ✓ Distribution network
- ✓ Supply chain management
- ✓ Provision of information to customers
- ✓ Product development capability
- ✓ Competitive advantages of general-purpose products



Unit: ¥100 mil.	Domestic sales Partly estimated		Ordinary income Partly estimated		Major products
	Previous term (term before previous term)	Current term	Previous term (term before previous term)	Current term	
<b>FP Corporation</b>	1,282	1,330	93	108	General materials
B	690	654	-36	10	General materials
C	574	-	Unknown	-	Lunchbox containers
D	423	-	4	-	Transparent containers
E	168	-	Certain deficits	-	Transparent containers
Other 95 companies	-	-	-	-	Non-foaming materials

The companies have been facing difficult managing conditions, which may have been eased by the reduction of raw material prices

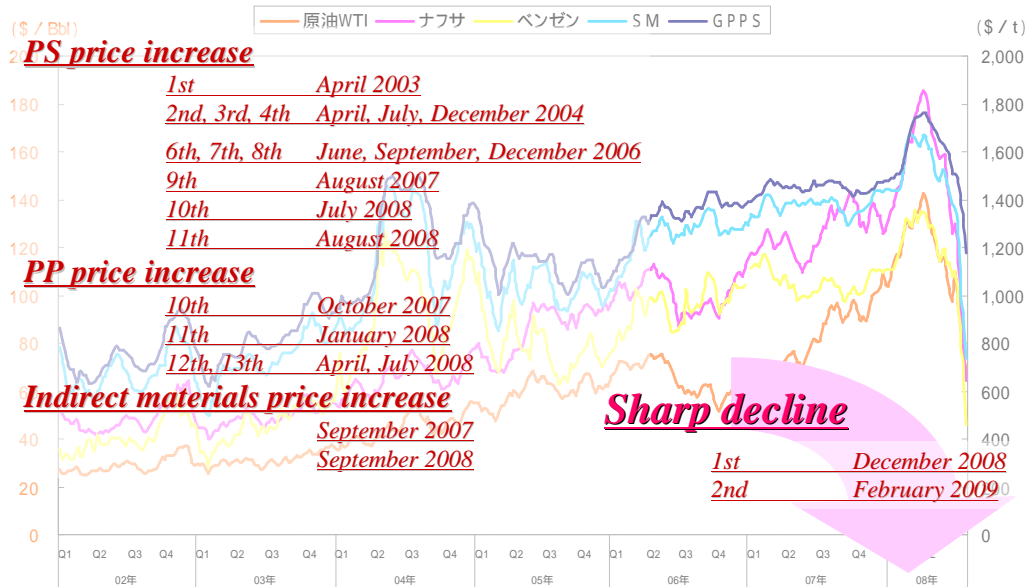


# Toward the Improvement of Our Corporate Value

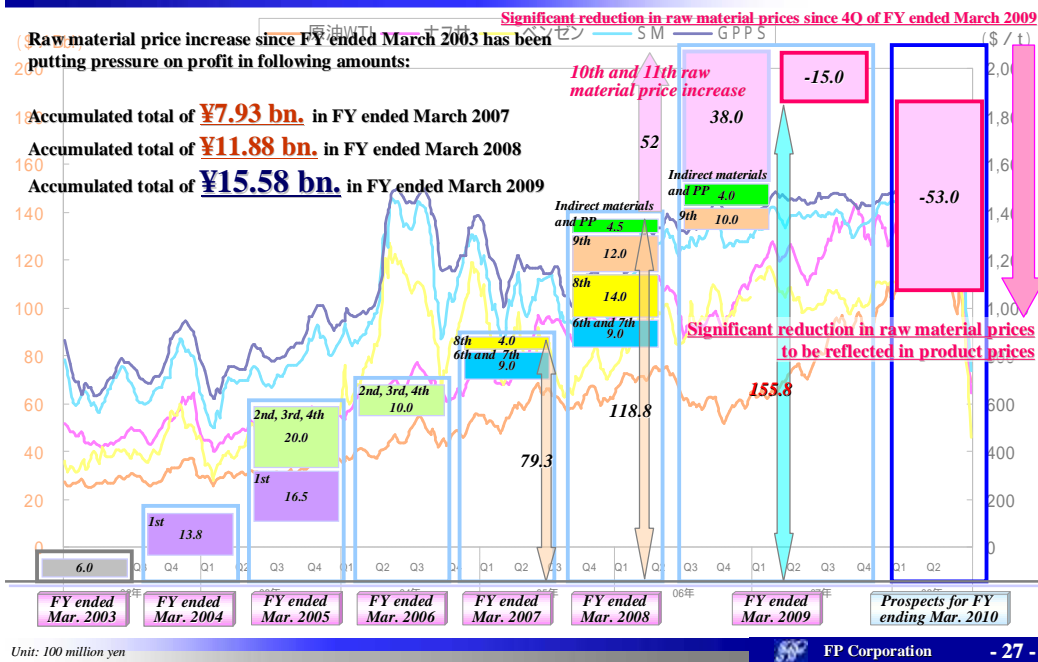
## Progress of the Medium-Term Management Plan

Representative Director,  
Executive Deputy President & CIO  
Morimasa Sato

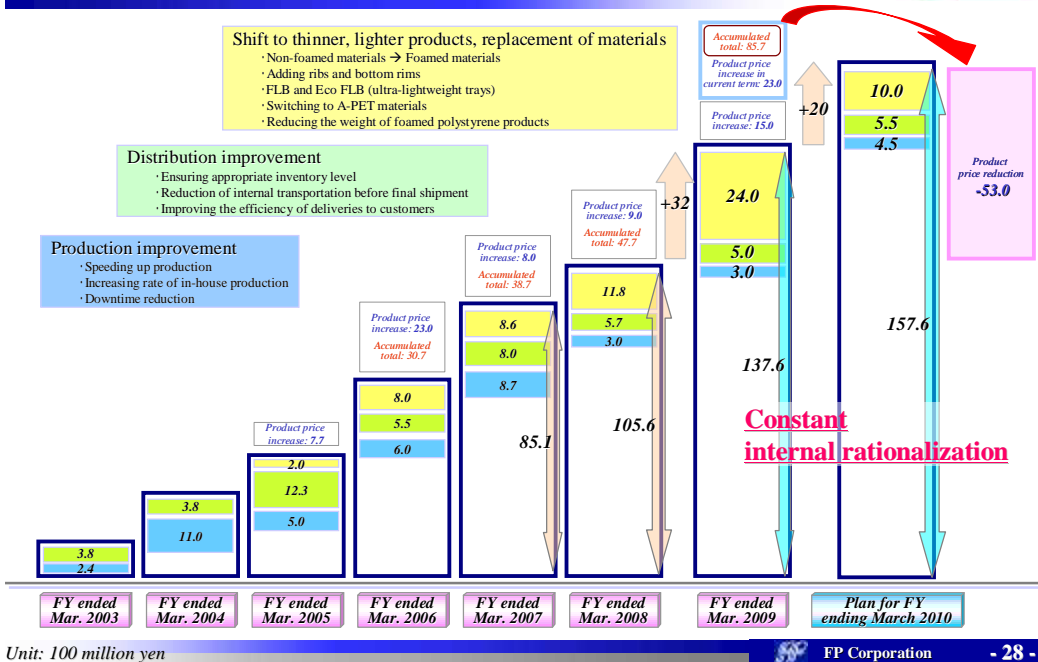
### Repeated Increase and Sharp Decline of Raw Material Prices



## Impact of Raw Material Price Increase



## Measures for Internal Rationalization



## Thorough Internal Rationalization



### Shift to thinner, lighter-weight products

- From solid materials to low-foamed ones
- From low-foamed materials to high-foamed ones
- Double-sided vacuum molding technology + Laminating
- From PS to A-PET
- Enable thinner products by adding ribs and bottom rims

### Business operations

- Improve efficiency of order receiving
- Improve efficiency of proposal-based sales activities
- Reduce number of product items
- Understand customer demands

## Strong cooperation among divisions

### Production

- Accelerate production
- Shorten time for changing molds and downtime
- Improve quality of production
- Materials development

### Distributions

- Increase inventory turnover rate
- Reduce transportation between bases
- Improve efficiency of deliveries to customers, reducing amount of route truck transportation
- Improve quality of transportation
- Downsize carton box by lowering stack height of products

## Production 1



### Improving productivity and quality

FY ended March 2009  
Operating rate

	First half	Latter half
Foamed PS	+ 5.5%	+ 5.6%
OPS	+ 4.7%	+ 6.0%
A-PET	+ 0.3%	+ 0.9%
Overall	+ 4.0%	+ 4.1%

1. Reduction of downtime
2. Reduction of stop time for accommodating troubles

FY ended March 2009  
Number of shots per time

	First half	Latter half
Foamed PS	+ 4.8%	+ 4.4%
OPS	+ 1.2%	+ 4.5%
A-PET	+ 7.8%	+ 5.1%
Overall	+ 4.0%	+ 5.1%

1. Aiming for best cycle for each product
2. Renewing and revamping facilities in a planned manner

FY ended March 2009  
Product efficiency

	First half	Latter half
Foamed PS	+ 0.1%	+ 0.5%
OPS	+ 0.2%	+ 0.5%
A-PET	- 0.1%	+ 0.2%
Overall	+ 0.3%	+ 0.5%

1. Reducing losses through reduction of downtime for accommodating troubles
2. Reducing losses generated when laminating machines are started up

Deemed amount equivalent of effect

**¥573 mil.**

in comparison with previous year

**¥560 mil.**

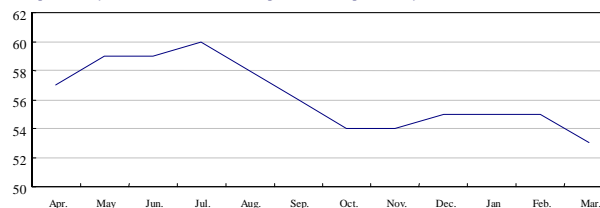
in comparison with previous year

**¥117 mil.**

in comparison with previous year

FY ended March 2009

Complaint rate ppb  
(by the Company)







**Skill school**

**Educational programs for resource development**

- Succession of superior skills
- Skill development/improvement

Training period

2 weeks: Lectures + training on the line

Up to 2 months: Voluntary follow-up at Company's own plant

Up to 1 week: Skill tests

FY ended March 2009: 49 graduates

FY ending March 2010:

First half: 26 trainees entered the school

Latter half: 30 trainees will enter the school

**Innovative activities in manufacturing**

**Pursuit of speed and precision**

- Visualizing waste and losses based on "5S"
- Sharing awareness of issues
- Achieving higher work standards through reviews and revisions

Meeting for reporting results

Results reported every half year

**Wisdom** = Knowledge x Number of experiences

**Examples of Actual Measures**

**Reference**

**5S**

Before improvement	After improvement

**Color-coded display Demarcation of passage**

**Visualization of individual skills**

**3 tei**  
(Placing fixed quantity of necessary items in fixed positions)

Before improvement	After improvement

**Placing tools at hand**

**Visualization of overtime hours**

Monthly record of overtime hours of individual workers

Entered every day before leaving work

## Production 2

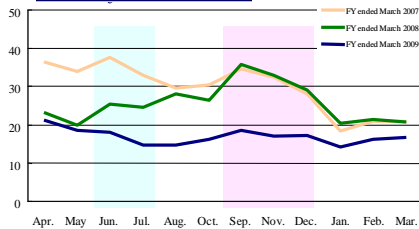


### Controlling variable cost through standardization of operations and equalization of production system

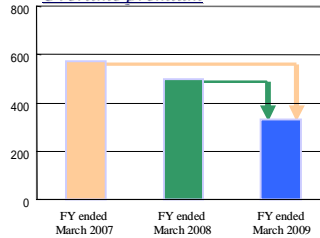
Ensuring planned production

Equalizing production system in consideration of seasonal fluctuations in demand

Trends of overtime hours



Overtime premium



Significant reduction of  
**-41.9%**  
 compared to FY ended  
 March 2007  
**-33.2%**  
 compared to FY ended  
 March 2008

**In FY ending March 2010, we will apply the April 2009 production system to cope with seasonal fluctuations and sales expansion**



## Production and Distribution

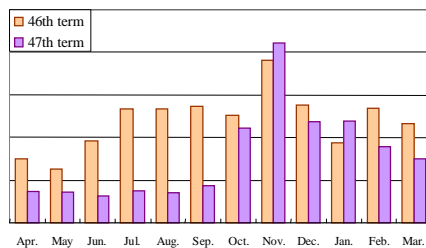


### Improving asset efficiency

Increasing proportion of production in consuming areas by improving precision of planned production

Reducing cost of route truck transportation and transportation before final shipment by improving balance between supply and demand

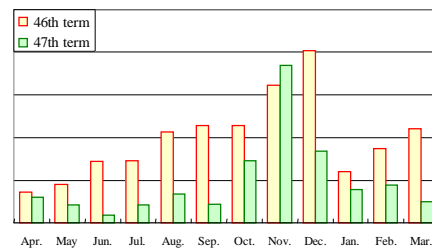
Trends of cost of transportation of general-purpose trays before final shipment



Cost of transportation of general-purpose trays before final shipment

Significant year-on-year reduction of **-34.3%**

Trends of cost of route truck transportation of general-purpose trays



Cost of route truck transportation of general-purpose trays

Significant year-on-year reduction of **-50.6%**



## Distribution 1

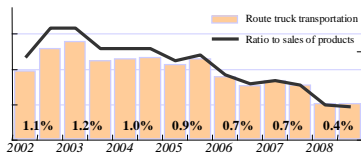


Ensuring appropriate inventory level and reducing cost of internal transportation before final shipment through total cost control for production, storage, internal transportation before final shipment, transportation of molds, etc.

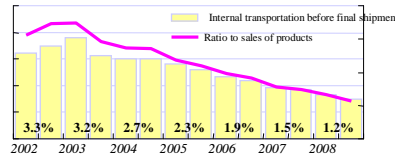
Reducing cost of deliveries to valued customers by reviewing routes of product delivery and collection

Improving load efficiency by introducing dedicated racks for transporting molds

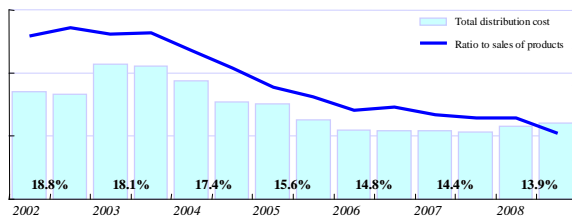
Trends of route truck transportation cost



Trends of internal transportation cost before final shipment



Trends of total distribution cost



FY ended March 2008

Estimation based on ratio to sales of products in previous term  
 Contributed to reduction of **¥0.4 bn.**  
 Estimation based on ratio to sales of products in FY ended March 2004  
 Contributed to reduction of **¥4.35 bn.**

FY ended March 2009

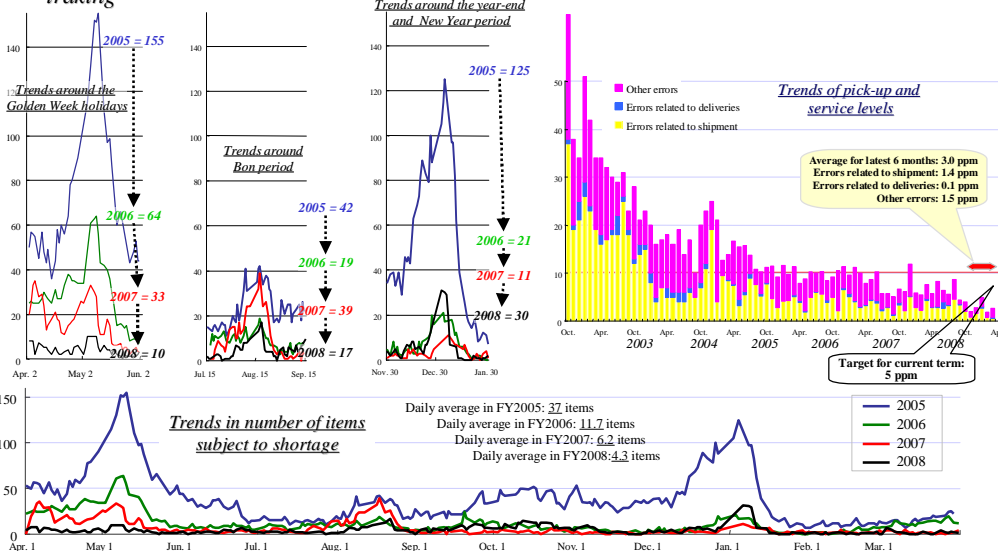
Estimation based on ratio to sales of products in previous term  
 Contributed to reduction of **¥0.55 bn.**  
 Estimation based on ratio to sales of products in FY ended March 2004  
 Contributed to reduction of **¥5.11 bn.**

## Distribution 2



Improvement of service level including pickup quality and delivery quality

Improvement of SCM precision for reducing opportunity losses due to shortage and cost of back tracking



## Technologies



### Weight-saving in FLB Series

**30% weight-reduction of Eco trays achieved in 16 years**

We have achieved a gradual evolution of products into the current FLB series by making use of our laminating technologies.

1992	RA-LA series	5.00g
2000	RA-LS series	4.50g
2003	Eco FLS series	4.34g
2007	Eco FLB series	3.75g
2008	New Eco FLB Series	3.52g
	3rd-generation Eco FLB series	3.41g

Weight reduction of more than 30%

### Laminating technologies

*Cultivated as forerunner of colored trays (laminated trays)*

### Double-sided vacuum molding technology

*Molds and molding machines for Foamed PS*

### Material development capability

*Foamed PS roll stock and laminating film*

*We are also unrivaled in general technologies applied for general-purpose trays*

*We are competitive in all aspects of manufacturing products, including prices*



## Toward a New Stage - Production and Technologies



*Further cost reduction and further improvement of function in terms of materials, roll stocks, films, molds, thermo forming and general technologies*

*Development of new heat-resistant transparent containers*

*Development of leak resistance containers*

- \* *Decline in raw material cost*
- \* *Correction of price gaps among materials*



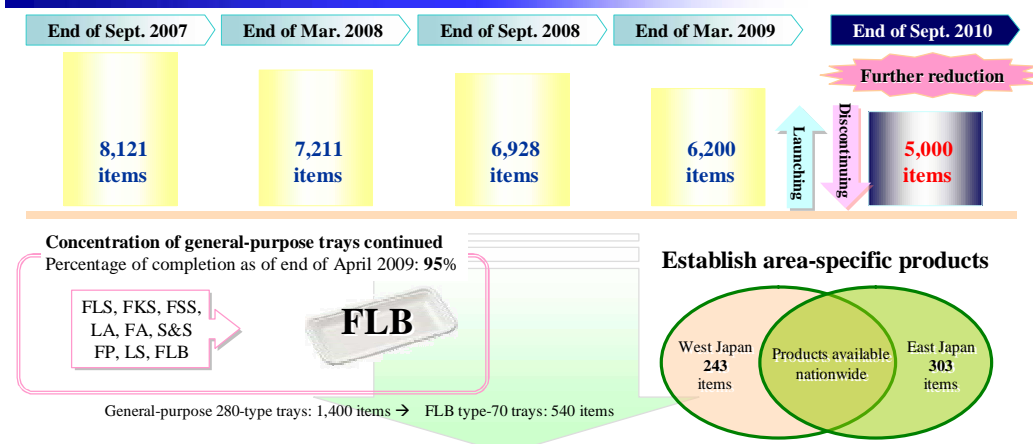
*Quality improvement*

*Reviews of material*

*composition of our products*



## Toward a New Stage – Reducing the Number of Product Items



The following effects were already seen in the latter half of the FY ended March 2009

Compared with previous period:

**42% reduction** in frequency of changing molds in production of foamed PS general-purpose products

**26% reduction** in frequency of changing molds in production of foamed PS products

Operating rate related to foamed PS showed **improvement by 5.6 percentage points**

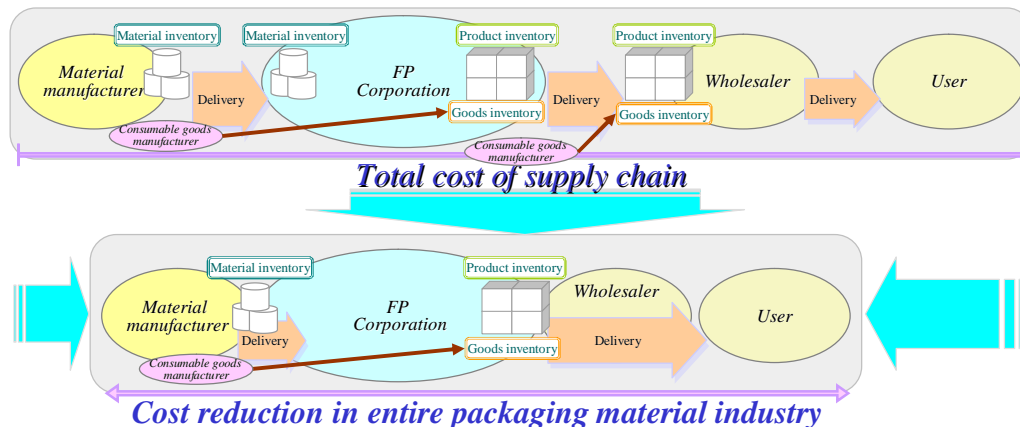
## Toward a New Stage – Supply Chain



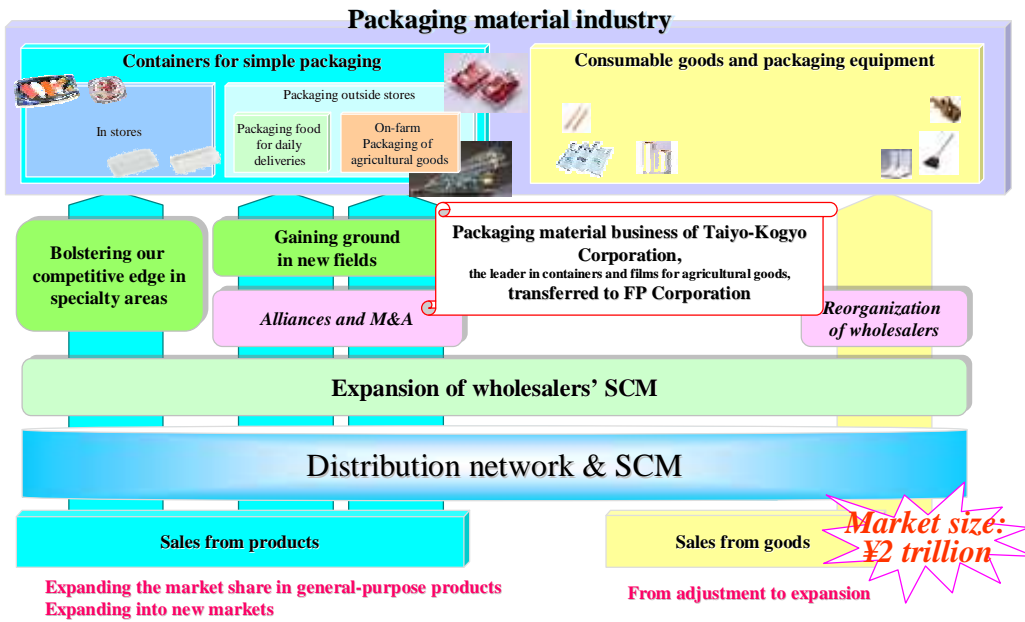
Cost reduction in entire packaging material industry

**From internal SCM to real SCM**

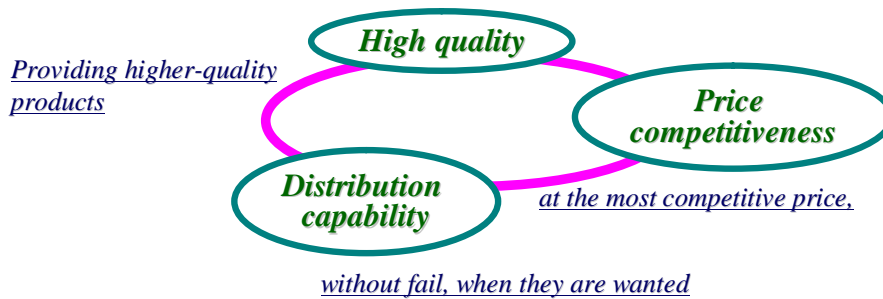
- Reviewing process from sending/receiving orders to payment
- Inventory reduction in all distribution
- Shared use of delivery network in all distribution
- Streamlining cargo handling operation in all distribution



**Expansion from our products into consumable goods as a whole**



*Uncompromising pursuit of three basic pillars of a manufacturer*



*Reinforcing the foundation of our company*

*Improving our corporate value and competitiveness*

## Earnings Estimate For the Entire Fiscal Year Ending March 2010

### Sales Plan (for Fiscal Year Ending March 2010)

Unit: million yen

	Performance FY ended March 2009		Plan FY ending March 2010		Increase/ decrease Year-on-year	Interim period			
	Percentage		Percentage			Percentage	Year-on-year		
Trays	28,748	22.4	29,824	22.4	+1,076	103.7%	14,651	22.2	106.1%
Lunchbox containers	67,814	52.9	68,870	51.8	+1,056	101.6%	34,133	51.7	102.3%
Other products	1,981	1.5	1,190	0.9	-791	60.0%	610	0.9	66.3%
[Products total]	98,544	76.8	99,885	75.1	+1,340	101.4%	49,395	74.8	102.7%
Other goods	17,874	13.9	24,055	18.1	+6,180	134.6%	12,155	18.4	132.2%
Packaging materials	11,824	9.2	9,060	6.8	-2,764	76.6%	4,450	6.7	62.2%
[Goods total]	29,699	23.2	33,115	24.9	+3,415	111.5%	16,605	25.2	101.6%
[Sales]	128,244	100.0	133,000	100.0	+4,755	103.7%	66,000	100.0	102.4%

- 4% year-on-year increase in quantity of shipped products expected
- Offer new designs by anticipating customer needs; release products with new functions
- Increase market share for general-purpose products; expand new markets
- \* We will reflect the reduced raw material prices in applying appropriate product prices.

## Outline of Plan for Account Settlement (for Fiscal Year Ending March 2010)



Unit: million yen

	Performance FY ended March 2009		Plan FY ending March 2010		Increase/ decrease		Interim period		
		Percentage		Percentage		Year-on-year		Percentage	Year-on-year
[Net sales]	<b>128,244</b>	100.0	<b>133,000</b>	100.0	<b>+4,755</b>	103.7%	<b>66,000</b>	100.0	102.4%
Sales of products	<b>98,544</b>	76.8	<b>99,885</b>	75.1	<b>+1,340</b>	101.4%	<b>49,395</b>	74.8	102.7%
Sales of goods	<b>29,699</b>	23.2	<b>33,115</b>	24.9	<b>+3,415</b>	111.5%	<b>16,605</b>	25.2	101.6%
[Operating income]	<b>9,190</b>	7.2	<b>10,720</b>	8.1	<b>+1,529</b>	116.6%	<b>5,170</b>	7.8	138.8%
[Ordinary income]	<b>9,298</b>	7.3	<b>10,800</b>	8.1	<b>+1,501</b>	116.1%	<b>5,200</b>	7.9	132.6%
[Pretax income]	<b>8,832</b>	6.9	<b>10,300</b>	7.7	<b>+1,467</b>	116.6%	<b>5,000</b>	7.6	131.5%
[Income for current year]	<b>5,302</b>	4.1	<b>6,140</b>	4.6	<b>+837</b>	115.8%	<b>2,980</b>	4.5	128.2%

- Sales: We will develop products that respond to customers' needs by anticipating changes in the environment surrounding diet, such as increasing demand for high-quality products and in the home-meal replacement market, and the shift from eating out to home-meal replacement and eating at home, and differentiate points of purchase with containers.
- Technologies: We will introduce state-of-the-art facilities and renew existing facilities to promote technological innovations, such as development of thinner materials, weight-saving for products, development of new functions and development of new materials.
- Production: We will improve productivity and product quality, and we will increase production capacity and optimize production bases by responding to increased demand.
- Distribution: With SCM serving as the core, we will make optimal use of our nationwide distribution system to provide distribution services rationalized at a higher level.
- Environment: We will strive for further development of a recycling society by accelerating our new activities (voluntary collection of transparent containers) in addition to voluntary collection of foamed polystyrene food trays.

## Plan for Capital Investment and Research and Development Cost (for Fiscal Year Ending March 2010)



Unit: million yen

	Performance FY ended March 2009		Plan FY ending March 2010		Increase/ decrease		Interim period	
		Percentage		Percentage		Year-on-year		Year-on-year
Capital investment	Tangible fixed assets (total)	<b>8,249</b>	<b>10,250</b>	<b>+2,001</b>	124.3%	<b>3,400</b>	66.1%	
	Tangible fixed assets (total)	<b>1,485</b>	<b>600</b>	<b>-885</b>		<b>600</b>		
	Intangible fixed assets	<b>841</b>	<b>450</b>	<b>-391</b>	53.5%	<b>260</b>	57.1%	
Depreciation and amortization	<b>8,467</b>	<b>8,660</b>	<b>+193</b>	102.3%	<b>4,120</b>			
Depreciation and amortization by old standard	<b>4,785</b>	<b>5,320</b>	<b>+535</b>	111.2%	<b>2,400</b>	104.8%		
Research and development cost	<b>965</b>	<b>1,000</b>	<b>+35</b>	103.6%	<b>495</b>	101.6%		

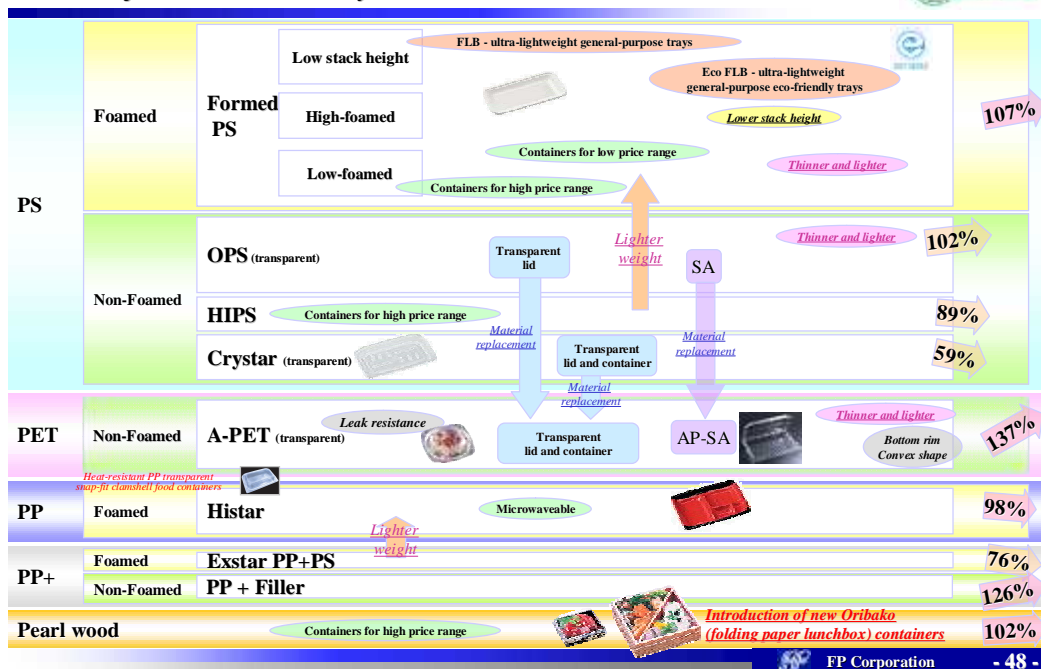
### Major capital investments

New Fukuyama Plant	¥2,220 million
Mold	¥1,662 million
New Fukuyama Picking Center	¥2,140 million
Facilities for Chubu Picking Center and others	¥600 million
IT investment	¥603 million



# Supporting Data

## Sales of Products Sorted by Material



## Capital Investment and Research and Development



<b>Strategic investment for growth</b>	Reorganization of production base in Kanto Increase of demand for heat-resistant foamed polystyrene products (¥3.8 bn.)				Shimodate Daini Plant Completed Feb. 2007 <i>Ahead of schedule</i>					
	Expansion of A-PET market (¥5.3 bn.)				Enhancement of facilities for transparent containers <i>Ahead of schedule</i>					
	Expansion of production base in Chubu (¥3.3 bn.)				Chubu Daini Plant Completed Oct. 2007					
	Improvement of distribution function (¥1.5 bn.)				Kanto Yachiyo Center Completed Aug. 2007		Shin Hokkaido HC Completed Dec. 2008		New Picking Center	
	Improvement of recycling plants (¥1.3 bn.)				Chubu, Tohoku, and Kyushu				Collection of transparent containers	
	Reorganization of production bases Strengthening IT infrastructure				Improvement of bases and IT investment					
	Headquarters building in Fukuyama (¥1.3 bn.)				Headquarters building in Fukuyama Completed Dec. 2008					
Capital investment	Tangible	6,138	4,248	2,621	2,156	9,523	10,655	8,249	10,250	
	Intangible	958	789	120	239	362	254	841	450	
Figures for molds only		780	460	436	600	771	609	618	1,662	
Depreciation and amortization		3,339	4,201	4,134	3,965	4,194	4,742	8,467	8,660	
						Lease procurement of molds	1,581	1,274	0	
						Depreciation and amortization by old standard		4,785	5,320	
Research and development		654	628	689	751	895	913	965	1,000	
Unit: million yen		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	Plan for FY ending March 2010	

## Factors Contributing to Increase/Decrease of Ordinary Income in Medium-Term Management Plan



Ordinary income	¥6.65 bn.	Results for FY ended March 2007 ¥8.12 bn.	Results for FY ended March 2008 ¥6.45 bn.	Plan for FY ending March 2010 ¥8.89 bn. + 0.4 bn.
Increase/decrease of ordinary income		+1.47 bn. First half: +1.11 bn., Latter half: +0.36 bn.	-1.67 bn. First half: -1.13 bn., Latter half: -0.54 bn.	+2.45 bn. +0.4 bn. First half: +0.32 bn. + +0.4 bn., Latter half: +2.13 bn.
Positive factors	Internal rationalization	2.53 bn. First half: +1.46 bn., Latter half: +1.07 bn.	2.05 bn. First half: +0.75 bn., Latter half: +1.3 bn.	3.2 bn. First half: +0.83 bn., Latter half: +2.37 bn.
	Production improvement	0.87 bn. First half: +0.49 bn., Latter half: +0.38 bn.	0.3 bn. First half: +0.2 bn., Latter half: +0.1 bn.	0.25 bn. First half: +0.05 bn., Latter half: +0.2 bn.
	Distribution improvement	0.8 bn. First half: +0.45 bn., Latter half: +0.35 bn.	0.57 bn. First half: +0.25 bn., Latter half: +0.32 bn.	0.5 bn. First half: +0.18 bn., Latter half: +0.32 bn.
	Material replacement, Shift to ultra-lightweight products, Shift to thinner, lighter products	0.86 bn. First half: +0.52 bn., Latter half: +0.34 bn.	1.18 bn. First half: +0.3 bn., Latter half: +0.88 bn.	2.45 bn. First half: +0.6 bn., Latter half: +1.85 bn.
	Sales	0.98 bn. First half: +0.24 bn., Latter half: +0.74 bn.	1.2 bn. First half: +0.2 bn., Latter half: +1 bn.	4.1 bn. + 0.4 bn. First half: +1.45 bn. + +0.4 bn., Latter half: +2.65 bn.
	Increase sales, Improve mixture composition	0.58 bn. First half: +0.24 bn., Latter half: +0.34 bn.	0.3 bn. First half: +0.2 bn., Latter half: +0.1 bn.	0.3 bn. + 0.4 bn. First half: +0.05 bn. + +0.4 bn., Latter half: +0.25 bn.
Product price increase, Correct prices that are too low	0.4 bn. First half: +0 bn., Latter half: +0.4 bn.	0.9 bn. First half: +0 bn., Latter half: +0.9 bn.	1.5 bn. + 2.3 bn. First half: +1.1 bn. + +0.3 bn., Latter half: +0.4 bn. + +2.0 bn.	
Negative factors	Increase of raw material prices	-1.3 bn. First half: -0.1 bn., Latter half: -1.2 bn.	-3.95 bn. First half: -1.9 bn., Latter half: -2.05 bn.	-1.4 bn. + 2.3 bn. First half: -1.1 bn. + +0.3 bn., Latter half: -0.3 bn. + +2.0 bn.
	6th, 7th, 8th raw material price increase	-1.3 bn. First half: -0.1 bn., Latter half: -1.2 bn.	-2.3 bn. First half: -1.7 bn., Latter half: -0.6 bn.	-1.4 bn. First half: -1.1 bn., Latter half: -0.3 bn.
	9th raw material price increase, Increase of indirect material prices		-1.65 bn. First half: -0.2 bn., Latter half: -1.45 bn.	-2.3 bn. First half: -0.3 bn., Latter half: -2.0 bn.
	10th, 11th raw material price increase, Increase of indirect material prices			
Increase of fixed cost, etc.	-0.73 bn. First half: -0.48 bn., Latter half: -0.24 bn.	-0.98 bn. First half: -0.19 bn., Latter half: -0.79 bn.	-0.76 bn. + -0.4 bn. First half: -0.57 bn., Latter half: -0.19 bn. + -0.4 bn.	