

Financial Results

Interim Results for Fiscal 2013

FP Corporation

Nov 12, 2012

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

Interim Results for Fiscal 2013

Head of Finance and Accounting Division

Isao Ikegami

Financial Results Summary (First half of fiscal year ending March 2013)

Unit: million yen	First half performance							First half projections			Twelve-month projections		
	FY ended March 2012		FY ending March 2013					FY ending March 2013			FY ending March 2013		
	Performance	Percentage	Performance	Percentage	Increase / decrease	Year-on-year	Quantity	Planned	Percentage	Achievement rate	Planned	Percentage	Progress rate
Trays	14,198	18.5	13,794	17.4	-404	97.2%	96.9%	14,720	18.1	93.7%	29,660	18.0	46.5%
Lunchbox containers	37,680	49.0	40,109	50.7	+2,428	106.4%	105.8%	39,960	49.2	100.4%	81,400	49.3	49.3%
Total	51,879	67.5	53,903	68.2	+2,024	103.9%	102.3%	54,680	67.3	98.6%	111,060	67.3	48.5%
Other products	3,878	5.0	3,326	4.2	-552	85.8%		3,920	4.8	84.9%	7,740	4.7	43.0%
Sales of products	55,757	72.5	57,230	72.4	+1,472	102.6%		58,600	72.1	97.7%	118,800	72.0	48.2%
Packaging materials	16,688	21.7	17,454	22.1	+765	104.6%		18,170	22.3	96.1%	37,000	22.4	47.2%
Other goods	4,436	5.8	4,403	5.6	-33	99.3%		4,530	5.6	97.2%	9,200	5.6	47.9%
Sales of goods	21,125	27.5	21,857	27.6	+732	103.5%		22,700	27.9	96.3%	46,200	28.0	47.3%
Net sales	76,882	100.0	79,087	100.0	+2,204	102.9%		81,300	100.0	97.3%	165,000	100.0	47.9%
Operating income	6,892	9.0	7,413	9.4	+521	107.5%		7,400	9.1	100.2%	15,890	9.6	46.7%
Ordinary income	6,917	9.0	7,528	9.5	+611	108.8%		7,500	9.2	100.4%	16,100	9.8	46.8%
Net income	3,781	4.9	4,393	5.6	+612	116.2%		4,380	5.4	100.3%	9,420	5.7	46.6%

■ Sales

Products Sales from trays decreased due to price competition, but the loss was offset by lunchboxes and prepared food containers including lightweight products and new designs

Shipments: 2.3% growth year on year

Trays: Sale promoted for FPCO Eco APET Series, which uses recycled materials

Lunchboxes and prepared food containers:

Brisk sales for multi FP heat and cold resistant foamed polystyrene containers, lightweight containers for sushi and sashimi

Goods Increased handing of packaging materials, and the picking center investment is starting to take effect.

◇ Production

Ongoing initiatives to improve productivity and quality, reinforce production capacity to prepare for increased demand, and optimization of production facilities

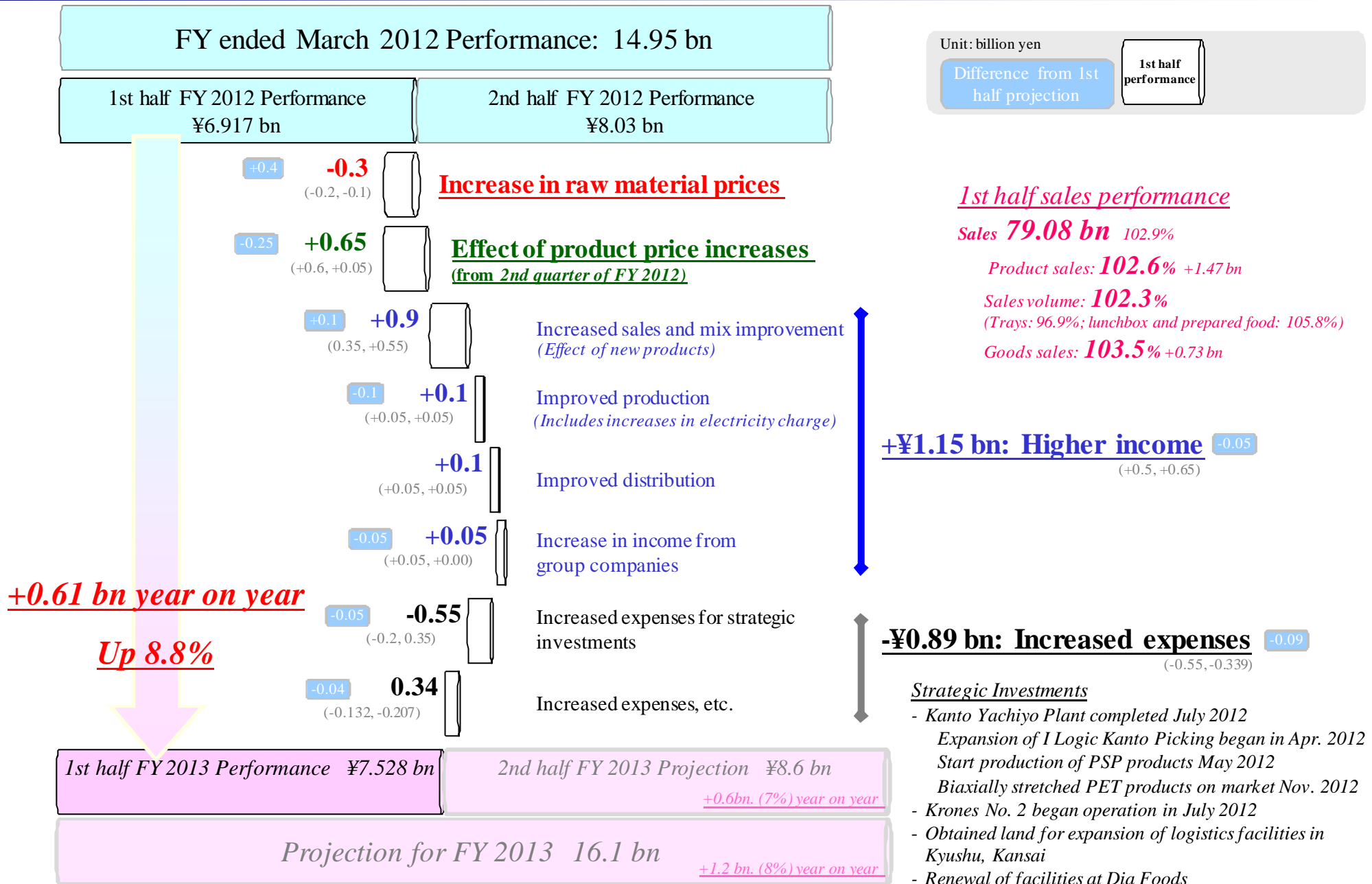
◇ Logistics

Built supply systems to meet demand, improved quality of logistics and service levels, cut distribution costs, and continuing to expand and maintain the logistics network

◇ Environment

Promoted the employment of people with disabilities and the terrestrial resource cycle by expanding the volume of recovered materials, responded to the high price of raw materials as a recycled material manufacturer

Factors Influencing Ordinary Income (First half of fiscal year ending March 2013)



Balance Sheet (First half of fiscal year ending March 2013)

Unit: million yen	Previous consolidated fiscal year	First half of the current consolidated fiscal year			
	FY ended March 2012	FY ending March 2013			
	(As of March 31, 2012)	(As of September 30, 2012)	Increase / decrease	Year-on-year	Breakdown of main increases and decreases
Current assets	72,310	73,558	+1,248	101.7%	Notes and accounts receivable-trade 1,210 Merchandise and finished goods 499 Cash and deposits -672
Noncurrent assets	93,654	98,948	+5,293	105.7%	Tangible fixed assets 5,759
Total assets	165,964	172,507	+6,542	103.9%	
Current liabilities	70,551	68,322	-2,229	96.8%	Accounts payable-trade 425 Short-term borrowing payable 393 Income taxes payable -1,061 Other current liabilities -1,884
Noncurrent liabilities	25,210	31,128	+5,918	123.5%	Long-term borrowing payable 4,600 Other noncurrent liabilities 1,231
Total liabilities	95,762	99,450	+3,688	103.9%	
Total net assets	70,202	73,056	+2,854	104.1%	Retained earnings 3,149
Total liabilities and net assets	165,964	172,507	+6,542	103.9%	

- ◇ Assets Increased due to strategic investment in Kanto Yachiyo Plant, expansion of picking centers (Kansai, Kyushu) and prepare to capture future earnings
- ◇ Liabilities Increase in long-term borrowing payable as capital for strategic investment, compressed cost of financing by making use of the new BOJ system for lending
- ◇ Net assets Expanded internal reserves as preparation to deal flexibly with business expansion, improving and strengthening management structure

Capital Investments and Research and Development Cost

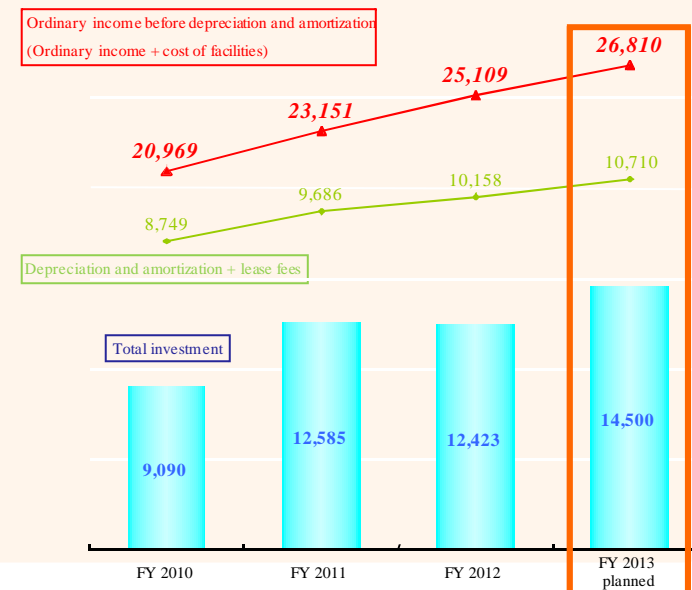
(First half of fiscal year ending March 2013)

Unit: million yen	First half performance				First half projections		Twelve-month projections	
	FY ended March 2012	FY ending March 2013			FY ending March 2013		FY ending March 2013	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress	Planned	Progress
<i>Tangible fixed assets</i>	5,649	10,543	+4,894	186.6%	11,900	88.6%	14,100	74.8%
<i>(lands only)</i>	255	1,176	+921	461.4%	1,100	107.0%	1,100	107.0%
<i>Intangible fixed assets</i>	133	160	+27	120.2%	200	79.9%	400	40.0%
Capital investment	5,782	10,703	+4,921	185.1%	12,100	88.5%	14,500	73.8%
Depreciation and amortization	4,610	4,689	+80	101.7%	4,930	95.1%	10,350	45.3%
Research and development cost	492	529	+38	107.6%	540	98.1%	1,090	48.6%

* Capital investment figures refer to all investments, including leasing and procurement.

Major capital investments

Unit: million yen	Total investment	1st half performance	2nd half planned	Full year planned
◆ Kanto Yachiyo Plant (new Kanto plant) Completed July 2012	8,500	5,798	677	6,475
◆ Equipment for PET Recycling Plant (No. 2 PET Mechanical Recycling Plant. Started operations July 2012)	1,000 (690)	934	66	1,000
◆ Picking Center expansion Kyushu Logistics Center. Start of operations planned for July 2013	6,500 (1,920 forecast)	1,137	474	1,611
Kansai Logistics Center. Start of operations planned for October 2013	4,580 forecast)			
◆ Molds		580	1,112	1,692
◆ IT investment		237	480	717



Cash Flows (First half of fiscal year ending March 2013)

Unit: million yen	First half performance		
	FY ended March 2012 Performance	FY ending March 2013 Performance	FY ending March 2013 Breakdown of Main Items
CF from operating activities	6,378	6,609	Net income before taxes and other adjustments 7,330 Depreciation and amortization 4,689 Increase in accounts payable 462 Increase in trade receivables -1,288 Increase in inventory assets -637 Income taxes paid -3,884
CF from investing activities	-5,951	-9,892	Acquisition of tangible fixed assets -9,671
Free cash flows	427	-3,283	
CF from financing activities	-1,174	2,609	Net increase in borrowing 5,082 Cash dividends paid -1,241 Payments of lease obligations -1,223
Amount of increase/decrease of cash and case equivalents	-749	-672	
Balance of cash equivalents at end of period	12,523	13,236	

Cash flow from operating activities remained steady in context of increased income, but cash flow from financing activities increased due to strategic investments, including the Kanto Yachiyo Plant (the new plant in Kanto), concentrated to the first half of the year.

Factors Influencing Ordinary Income (Outlook for full year of FY 2013)

Unit: billion yen

Difference from 1st half projection	1st half performance	Outlook for 2nd half	Difference from 2nd half projection
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FY ended March 2012 Performance: 14.95 bn.

1st half FY 2012: ¥6.917 bn 2nd half FY 2012: ¥8.03 bn

-¥1.15 bn: Increase in raw material prices +0.4 -0.3 -0.85 +0.35 Raw materials prices High price range remains

+¥0.65 bn: Effect of product price hikes (in previous period) -0.25 +0.65 +0.0 -0.3 Adapt to price competition

Effect from 2nd quarter of FY 2012

+¥3.3bn: Higher income +0.1 +0.9 +1.4

- +¥2.3 bn Increased sales and mix improvement (Effect of new products)
- +¥0.5 bn Improved production * Includes increases in electricity charge
- +¥0.3 bn Improved distribution
- +¥0.2 bn Increase in income from group companies

-¥1.64 bn: Increased expenses -0.05 -0.05 -0.1 +0.1 +0.4

- ¥1.05 bn Increased expenses for strategic investments
- ¥0.59 bn Increased expenses, etc.

Sales projection
Sales **165.0 bn** 106%
Product sales: **105%** +5.7bn
Sales volume: **106%**
Goods sales: **109%** +3.6bn

Strategic Investments

- Kanto Yachiyo Plant completed July 2012
- Expansion of I Logic Kanto Picking began in Apr. 2012
- Start production of PSP products May 2012
- Biaxially stretched PET products on market Nov. 2012
- Krones No. 2 began operation in July 2012
- Obtained land for expansion of logistics facilities in Kyushu, Kansai
- Renewal of facilities at Dia Foods

1st half FY 2013 Performance ¥7.528 bn 2nd half FY 2013 Projection ¥8.6 bn

+¥0.61 bn (8.8%) year on year *+¥0.6 bn (7%) year on year*

Projection for FY 2013 16.1 bn *+¥1.2 bn (8%) year on year*

Working Towards Medium- and Long-Term Targets

**Chairman & CEO
Yasuhiro Komatsu**

Summary of Consolidated Financial Results and Forecast for the Future

★ Responses to rapid increase in raw material price

- Trimming weight off products and switching materials
- Apply to product price
- Curtail price reductions
- Review unprofitable business

★ Expand business through corporate integration

★ Prompt responses to and recovery from the earthquake

» World's first materials and functions

- ◇ Strong sales of MFP (multi FP)
- MSD (multi solids) to market
- ◇ New PP transparent containers to market
- ◇ Biaxially stretched PET products to market in November

» Introducing sustainable new products

- ◇ 2,000 types of products on the market

» Strategic investments

- ★ Kanto Yachiyo Plant completed July 2012
I Logic Kanto Picking began operation in Apr. 2012
Start production of PSP products May 2012
Biaxially stretched PET products on market Nov. 2012
- ★ Kronos No. 2 began operation in July 2012
- ★ Obtained land for expansion of logistics facilities in Kansai, Kyushu
- ★ Renewal of facilities at Dia Foods

» Expand business and achieve synergy through corporate integration

» Extensive internal improvement

» Recycling of terrestrial resources

- ◇ FPCO Eco APET series to market in May

» Responses to price competition

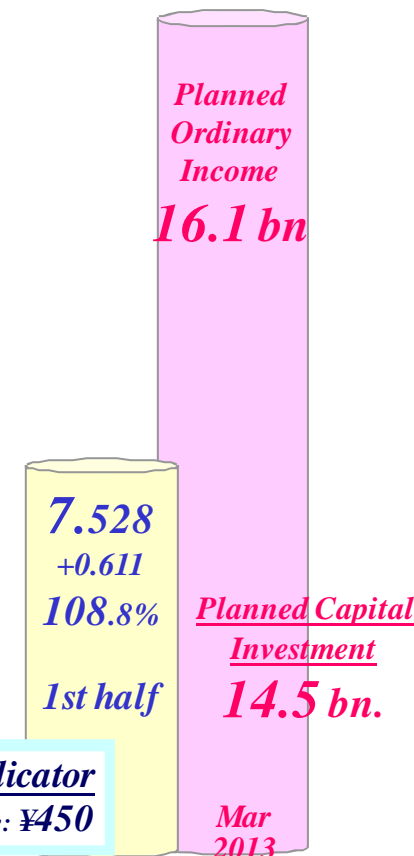
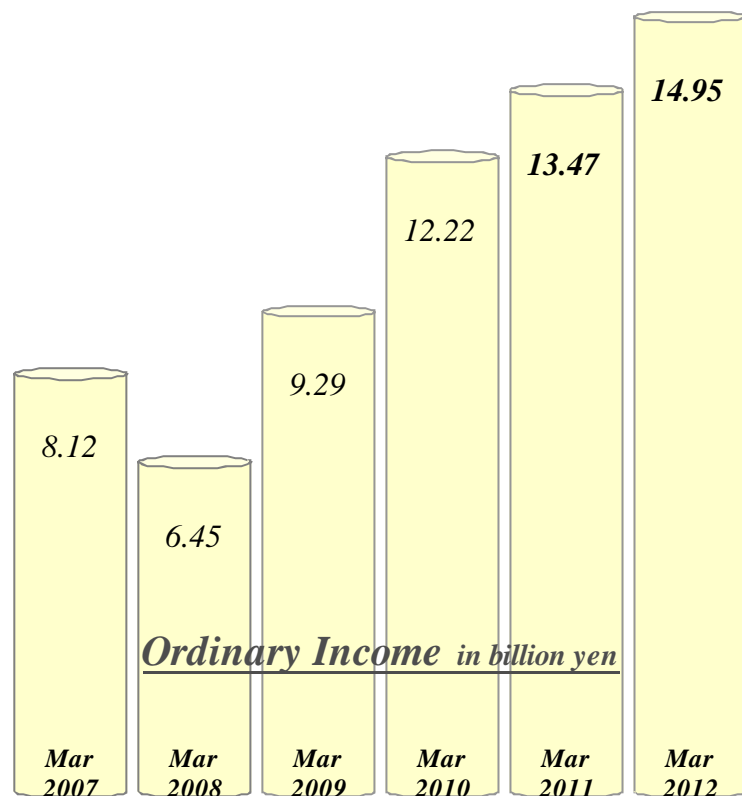
Sales projection

Sales **165.0 bn** 106%

Product sales: **105%** +5.7 bn

Sales volume: **106%**

Goods sales: **109%** +3.6 bn

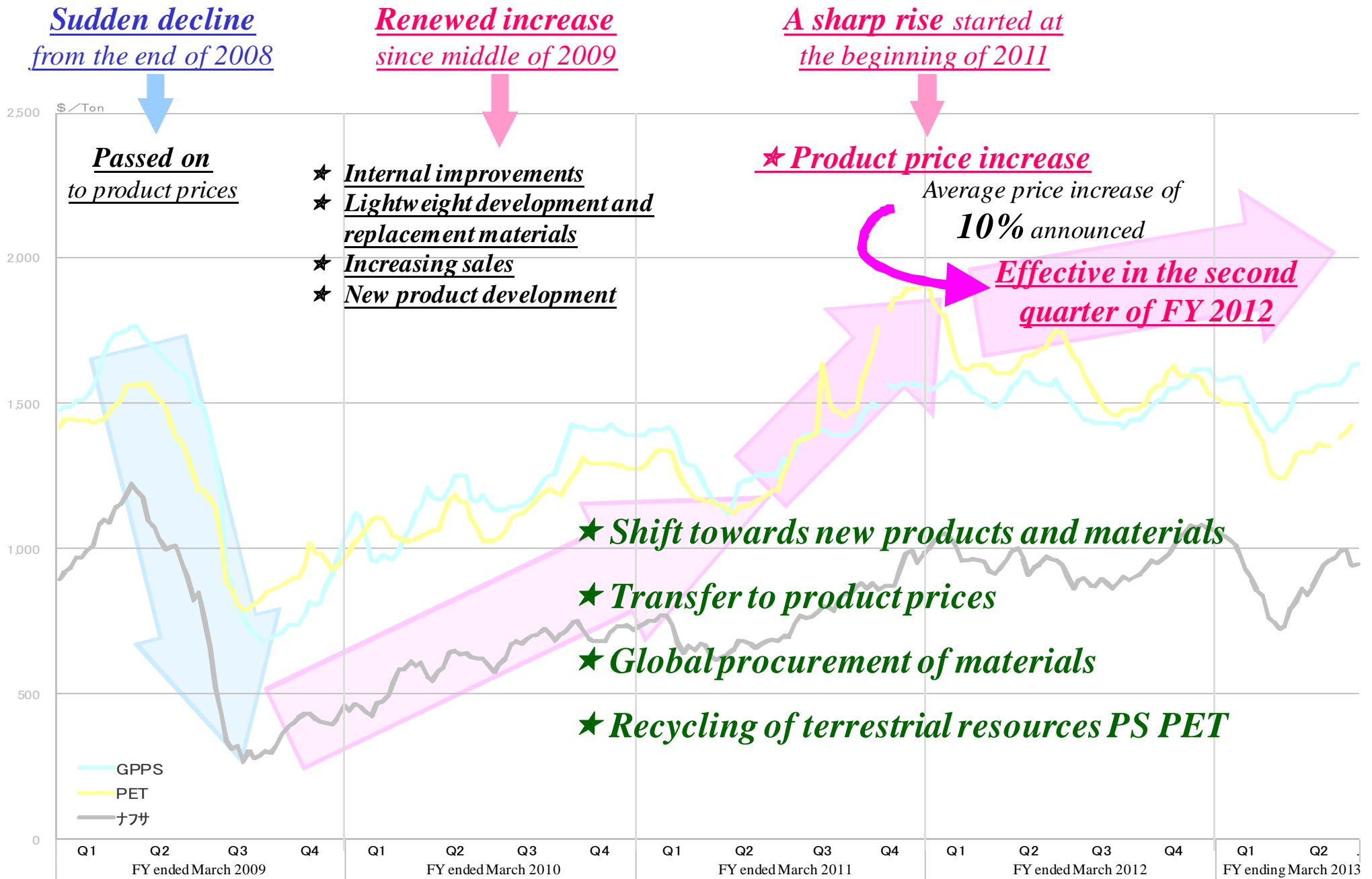


Target medium-term management indicator

Net income per share: **¥450**

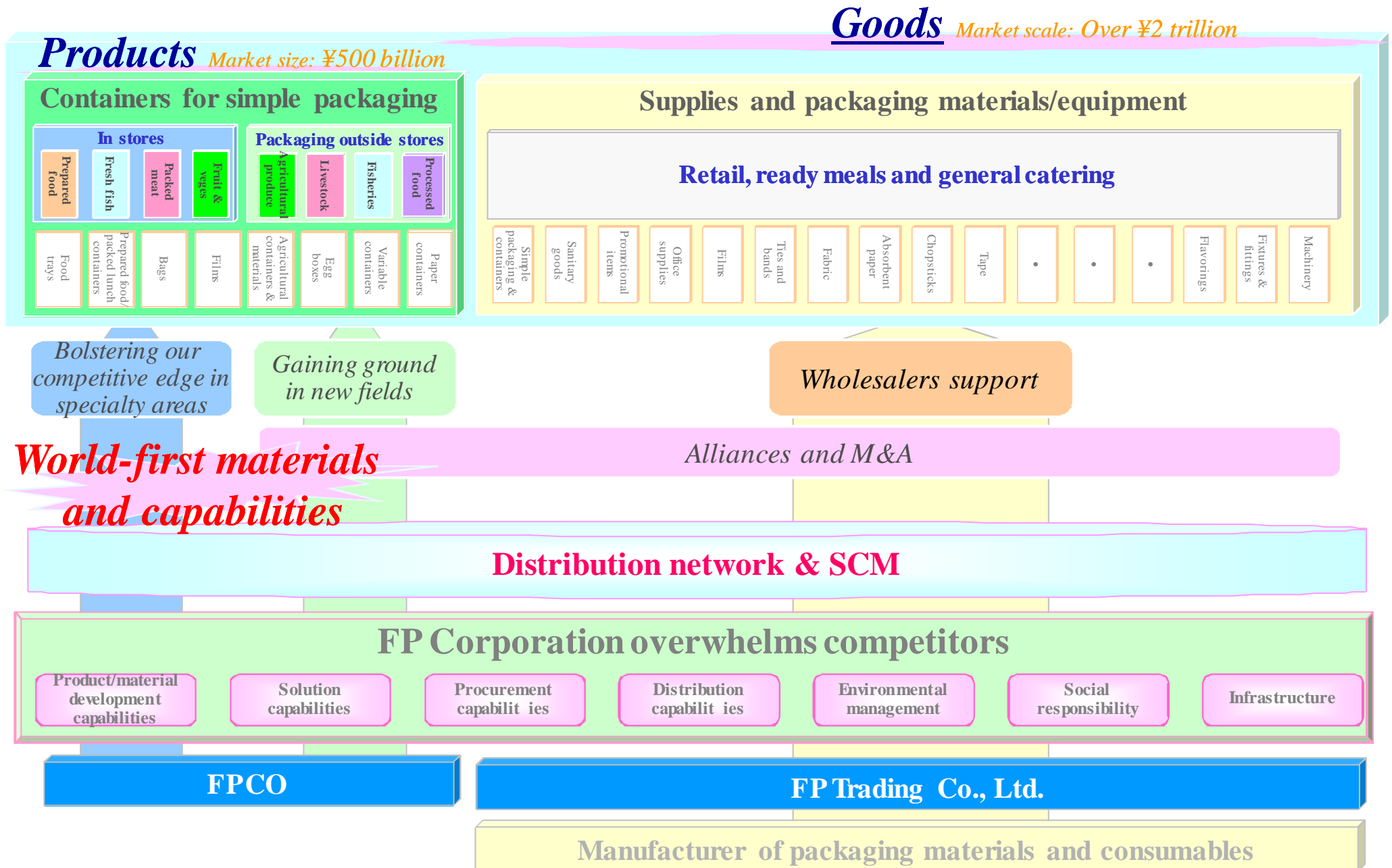
Trends in Raw Material

Reference



Actions for Expanding the Scale of the Company

Reference



Products Expand share of 500 billion yen market

Increase market share using five new sheets +α

(2) New transparent PP

Heat-resistant and transparent

Heat resistance: to +120°C

Increased transparency: Deliver OPS equivalent

MFP Donburi + PP heat-resistant transparent lids

(5) New foam PP (new HS)

Foaming from 1.8 times to 3.5 times



(3) Biaxially stretched PET transparent containers (November)

Increased heat resistance: +80°C

Increased strength: More weight reduction is possible.

Sheet thickness: 0.20 to 0.18 mm



(4) Monoaxially stretched PET transparent containers

Increased heat resistance: +70°C

Increased strength: Weight reduction is possible

Sheet thickness: 0.23 to 0.21 mm (before 0.32 to 0.30 mm)

(4)' FPCO Eco APET Series launched in May

Reduces CO2

Reduces the burden on the environment

PS: polystyrene

PSP: foamed polystyrene

OPS: transparent polystyrene

PET: polyethylene terephthalate

PP: polypropylene

Introduced 2,000 types of new products during the year

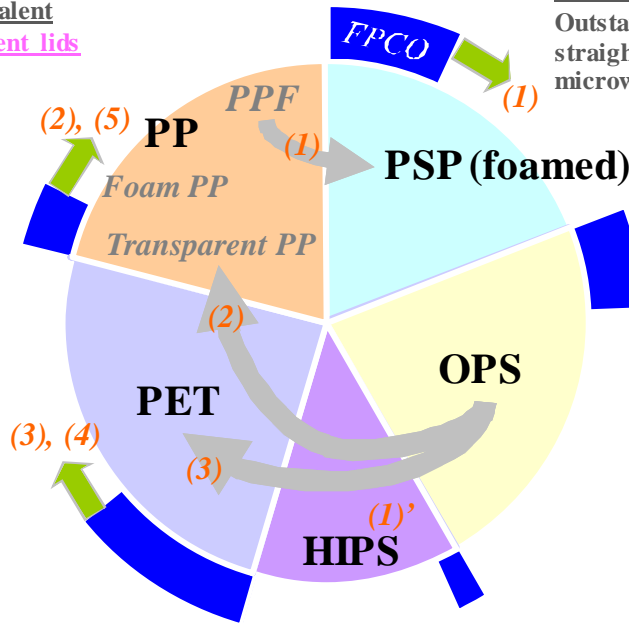


Fig.: Market share by material (based on weight)

(1) MFP (multi FP)

Resistant to a wide range of temperatures: from -40°C (cold resistance) to +110°C (heat resistance)

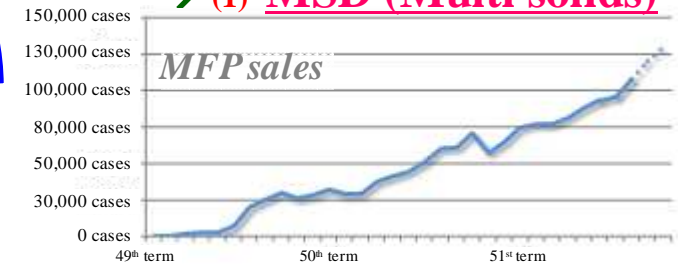
Outstanding thermal insulation: Containers can be held with hands straight from the microwave and unlikely to soften or deform after microwaving



★ Donburi Project

★ Recycle MFP waste

→ (1)' MSD (Multi solids)



☆ New markets

- Containers and soft packages (film) for agricultural products
- Containers for food processing companies
- Egg boxes
- Paper containers

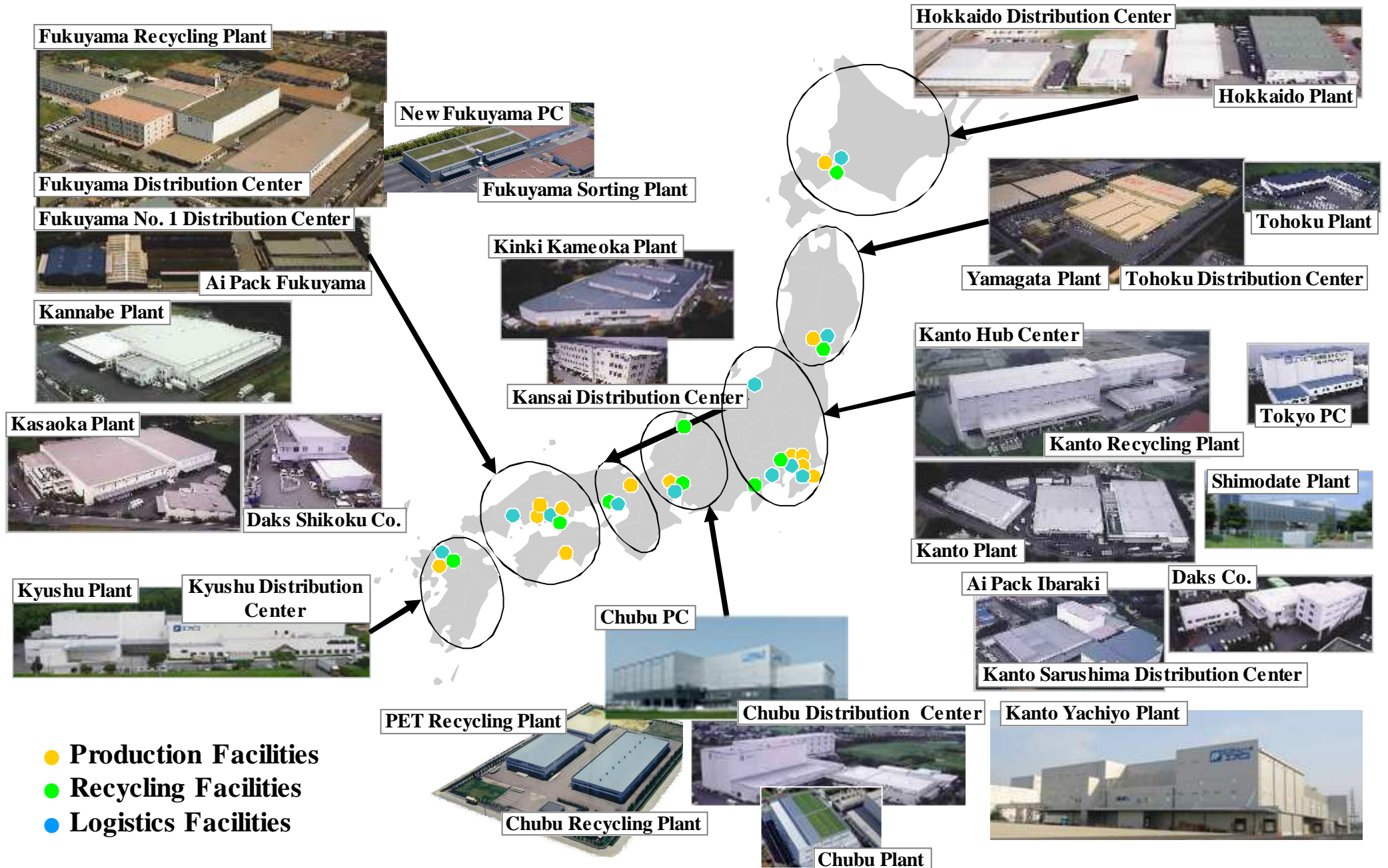


☆ New functions and designs

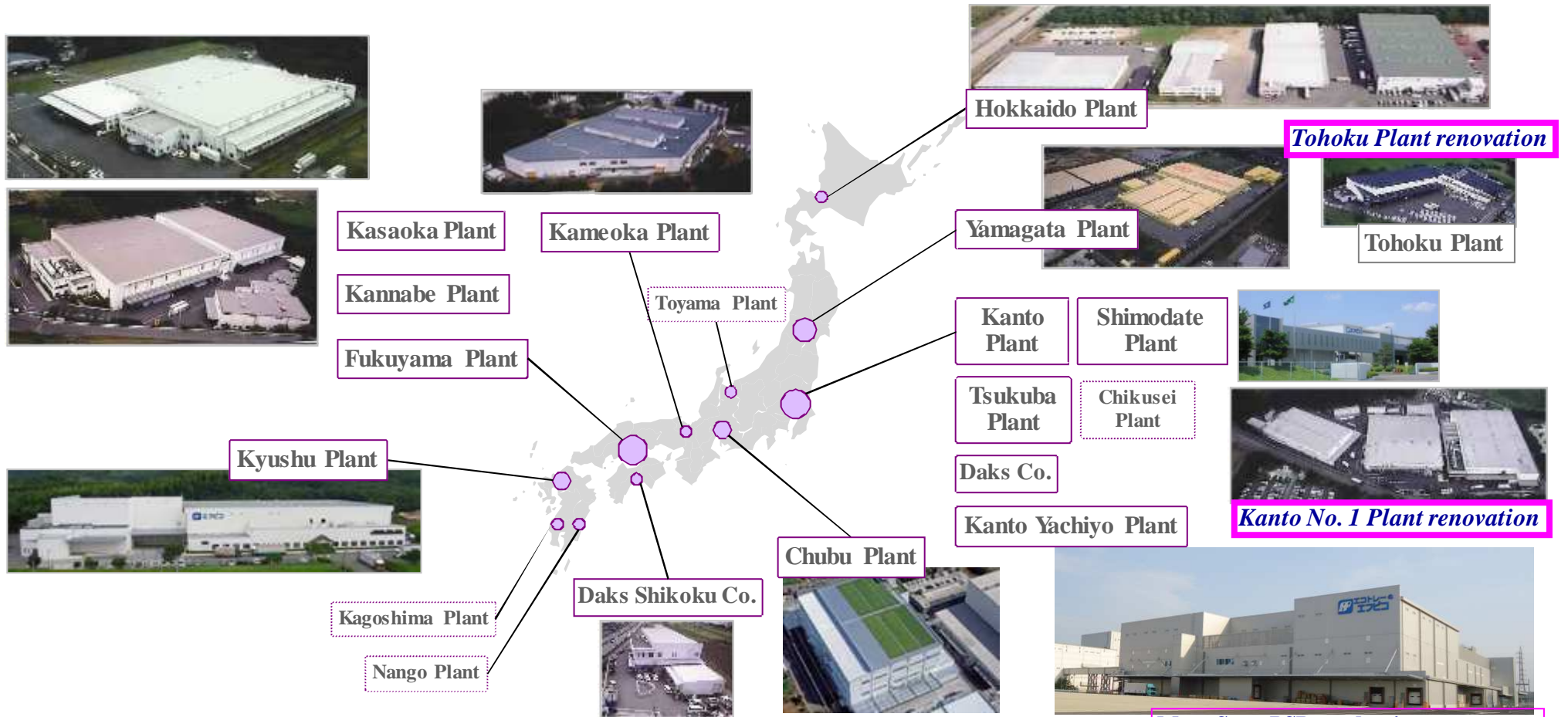
- Screw-top containers (leak-resistant and reusable)
- Leak-resistant containers: PET, PP
- Non-slip containers
- Appeals a sense of volume
- New design containers



The Comprehensive FPCO Network in Japan



Production Supply Setup near Points of Consumption

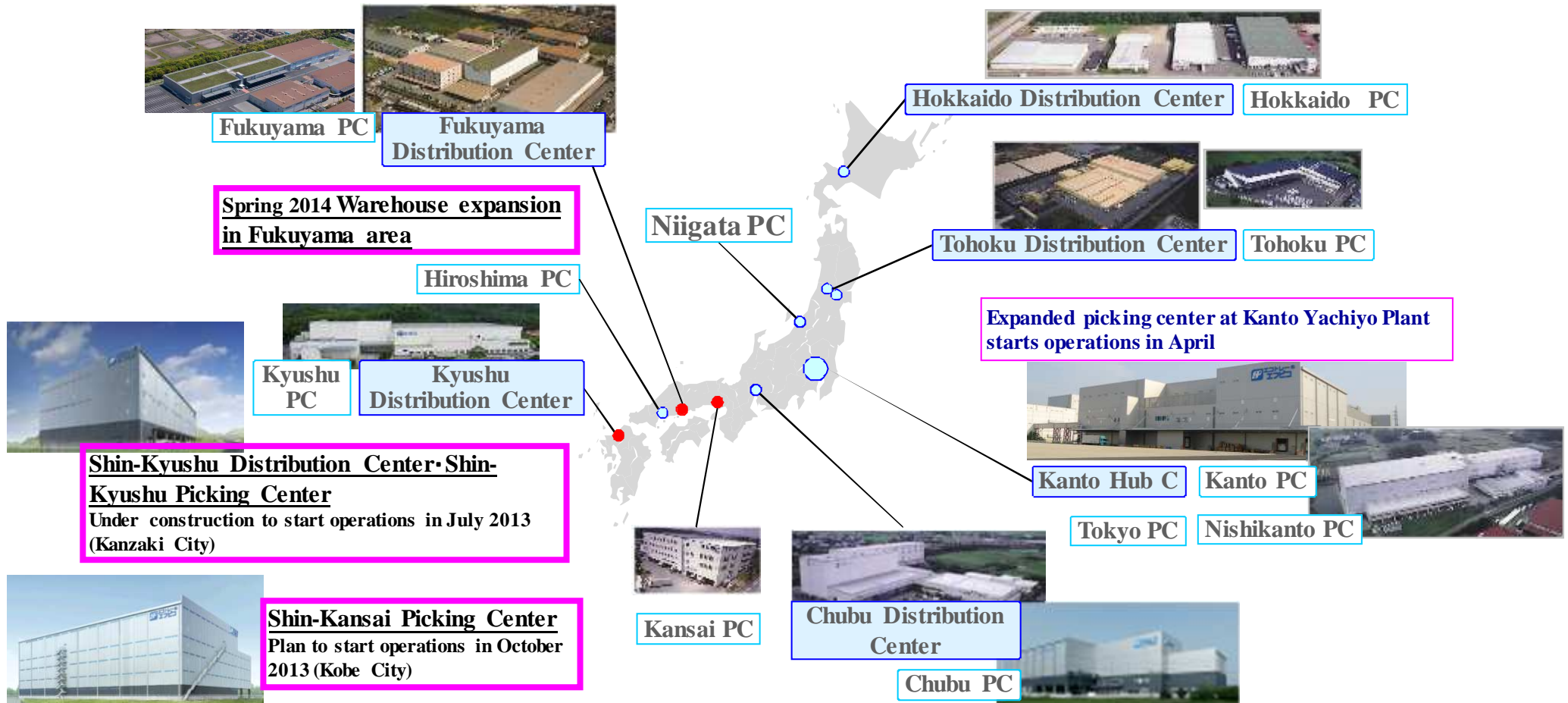


May Start PSP production
Nov Biaxially stretched PET products to market

Complete approach to making competitive products, ready to grow sales

Distribution Taking on a 2 trillion yen market

We cover the whole nation with a high-quality, efficient distribution service



By 2014

★ Distribution centers 6 locations: 128,000 tsubo

★ Picking centers 11 locations: 40,100 tsubo

Total 168,100 tsubo, or the size of at least 11 Tokyo Domes

Recycling

Making the environment and disabled employees an integrated part of our operations

—Period ended March 2012—

From **8,200** facilities, we collected **8,550 tons**

Recycling of terrestrial resources

16 billion yen worth of Eco trays sold

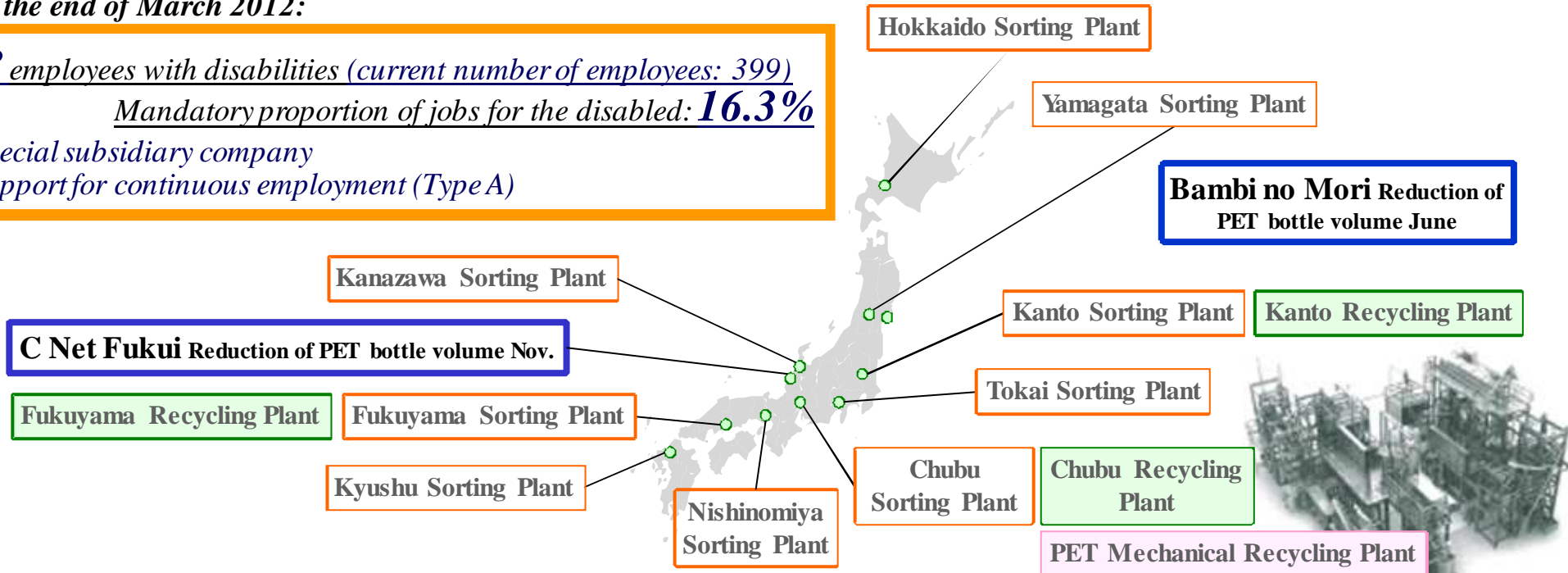


As of the end of March 2012:

678 employees with disabilities (current number of employees: 399)

Mandatory proportion of jobs for the disabled: **16.3%**

- Special subsidiary company
- Support for continuous employment (Type A)



FPCO Eco APET series to market (May)

“Tray to Tray” + “Bottle to Tray”

Krones No. 1 + No. 2 operation
20,000 tons/ year recycling capacity

Increase Amount Collected and Improve rate of collection

Strategic Investment

Kanto Yachiyo Plant



★ New Kanto Yachiyo Plant

Construction start April 2011, completed July 2012

3 floors, 14,500 tsubo

(1F: **Production plant** 2F: **Picking** 3F: **Warehouse**)

Total investment:

¥8.5 bn

- ✓ April 2012 Operate distribution function
- ✓ May 2012 Start PSP production
- ✓ Nov 2012 Biaxially stretched PET products to market

★ Expand recycling business

- ✓ May 2012 FPCO Eco APET series to market
- ✓ July 2012 Start operation of No. 2 PET recycling plant in Chubu
- ✓ Plan to develop plants for PET recycling business expansion



Pet recycling moving toward capacity of 20,000 t/year

★ Expand picking centers

- ✓ Obtain land for expansion of distribution facilities in Kyushu and Kansai
- ✓ Shin-Kyushu Picking Center: Operations planned for July 2013. New Kansai Picking Center: Operations planned for October 2013

Expand Kyushu distribution facility



Total investment of **¥6.5 billion** expected

Expand Kansai distribution facility

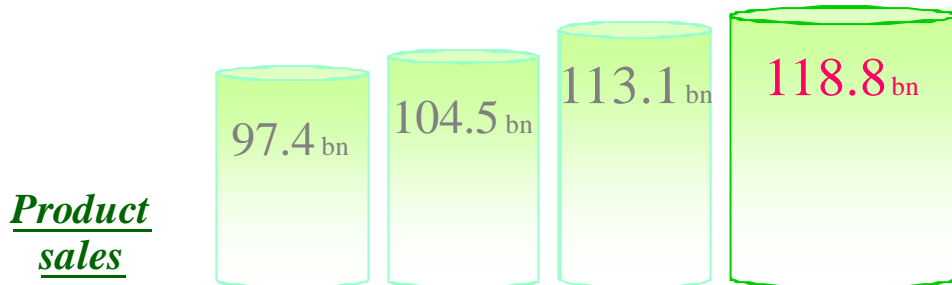


★ Renovate Dia Foods facilities

Total capital expenditure will be ¥14.5 bn. in the fiscal year ending March 2013.

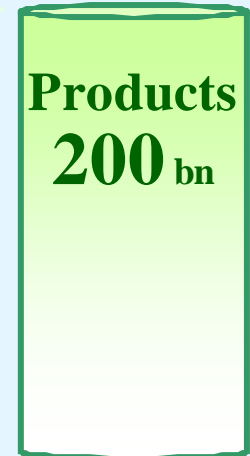
Medium-Term Goals

Expanding our share of a ¥500 billion market



- ★ World's first sheets and materials
- ★ Creating new markets
- ★ M&A
- ★ Introduction of sustainable new products
- ◇ Global market

Ordinary profit Margin
12%



Taking on a ¥2 trillion market



- ★ Accelerate development of B-to-B operations
- ★ Support wholesalers (use infrastructure)
 - Cooperative purchasing
 - Cooperative distribution
 - Global procurement

Ordinary profit Margin
6%



Sales — 124.9 bn — 140.7 bn — 155.7 bn — **165.0 bn**

300.0 bn

Ordinary income — 12.22 bn — 13.47 bn — 14.95 bn — **16.1 bn**

30.0 bn

Capital investment — 48th term — 49th term — 50th term — 51st term planned
— 9.1 bn — 12.6 bn — 12.4 bn — **14.5 bn**

Medium-Term Goals

*Current Performance and Efforts to
Increase our Scale of Operations*

**President & COO
Morimasa Sato**

World's First Sheets and Materials *Evolution from a sheet processing manufacturer*

PP: polypropylene

- ★ Heat-resistant: +110°C
- ★ High oil resistance
- ★ Foam is hard and resistant to weight reduction.
- ★ Low firmness
- ★ Low cold resistance
- ★ Difficult to make transparent



PS: polystyrene



PSP: foamed polystyrene

- ★ Easy to mold
- ★ Low raw material ratio
- ★ Weight reduction is possible
- ★ High insulation
- ★ Low heat resistance: +70°C
- ★ Low oil resistance



New transparent PP

- ★ Heat-resistant: +120°C
- ★ High oil resistance
- ★ Same transparency as OPS

MFP: multi FP : foamed polystyrene

- ★ Easy to mold
- ★ Low raw material ratio
- ★ High thermal insulation
- ★ High oil resistance
- ★ Resistant to a wide range of temperatures: -40 to +110°C
- ★ High firmness
- ★ More weight reduction is possible



PET: polyethylene terephthalate

- ★ Resin introduced last
- ★ High transparency
- ★ High oil resistance
- ★ Low heat resistance: +60°C
- ★ Heavy

OPET: Biaxially stretched PET

- ★ High transparency
- ★ High oil resistance
- ★ Same transparency as OPS: +80°C
- ★ Weight can be reduced by stretching
- ★ Difficult to mold

MSD: Multisolid

Non-foaming polystyrene

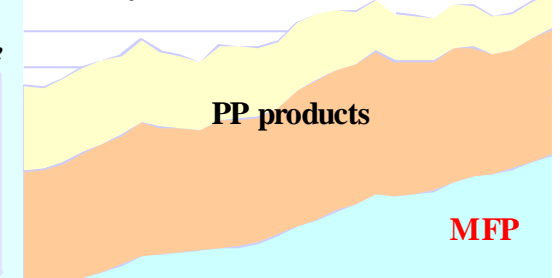
OPS: oriented polystyrene

- ★ Transparent
- ★ Heat-resistant: +80°C
- ★ Low oil resistance
- ★ Limited weight reduction



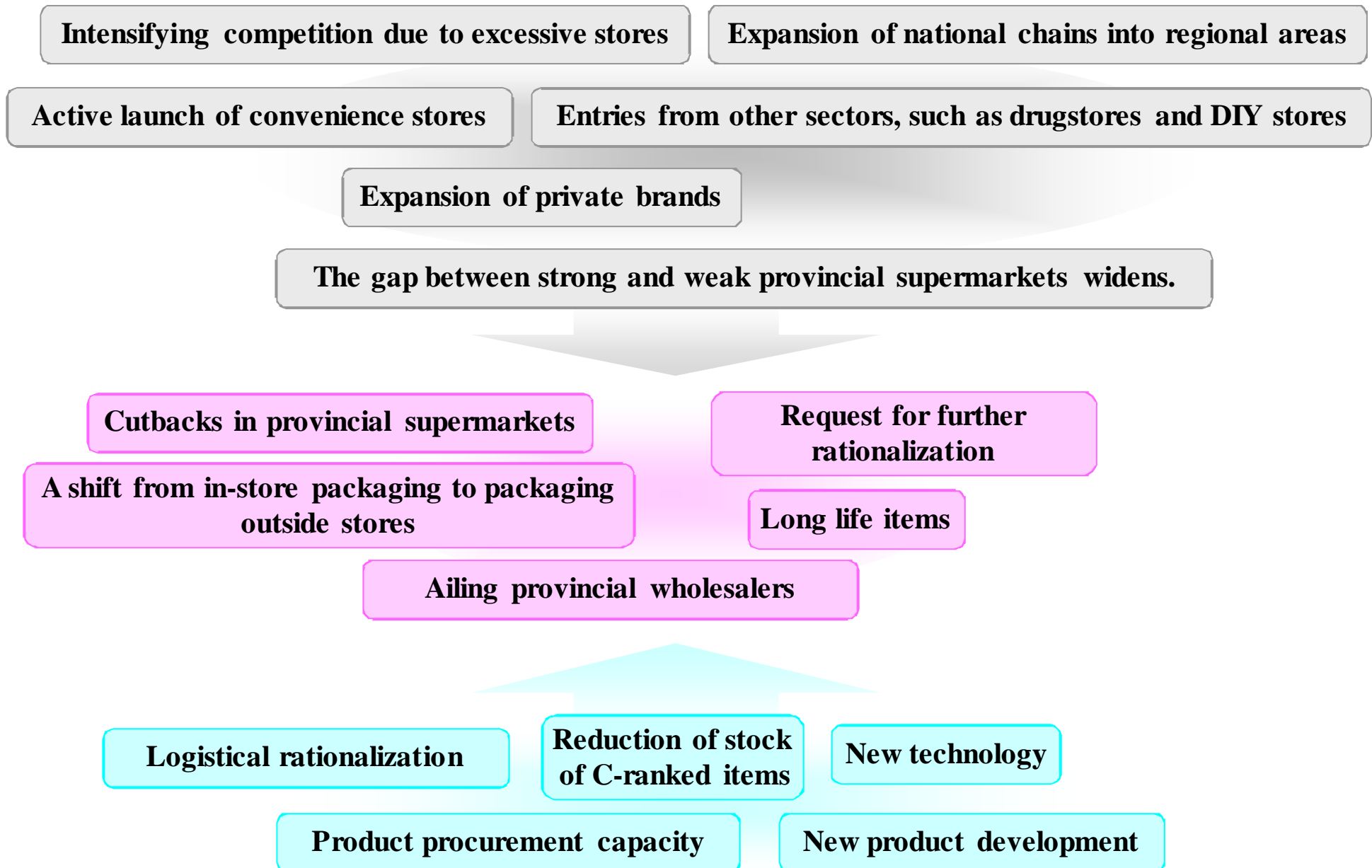
Recycling of multi-FP wastes

Sales of heat-resistant containers

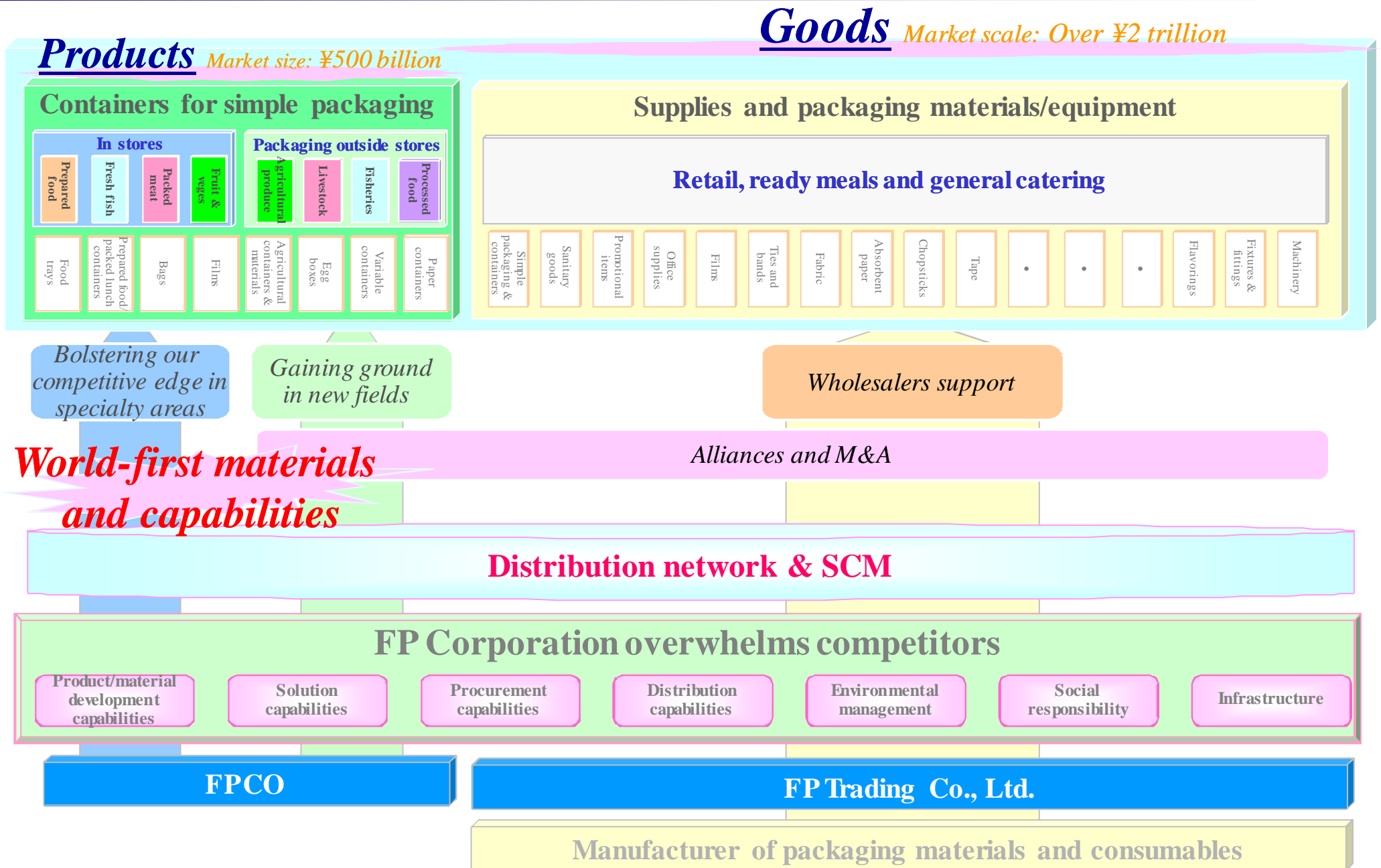


* The pie chart at the center represents the share by material (on weight basis).

Market Circumstances



Actions for Expanding the Scale of the Company



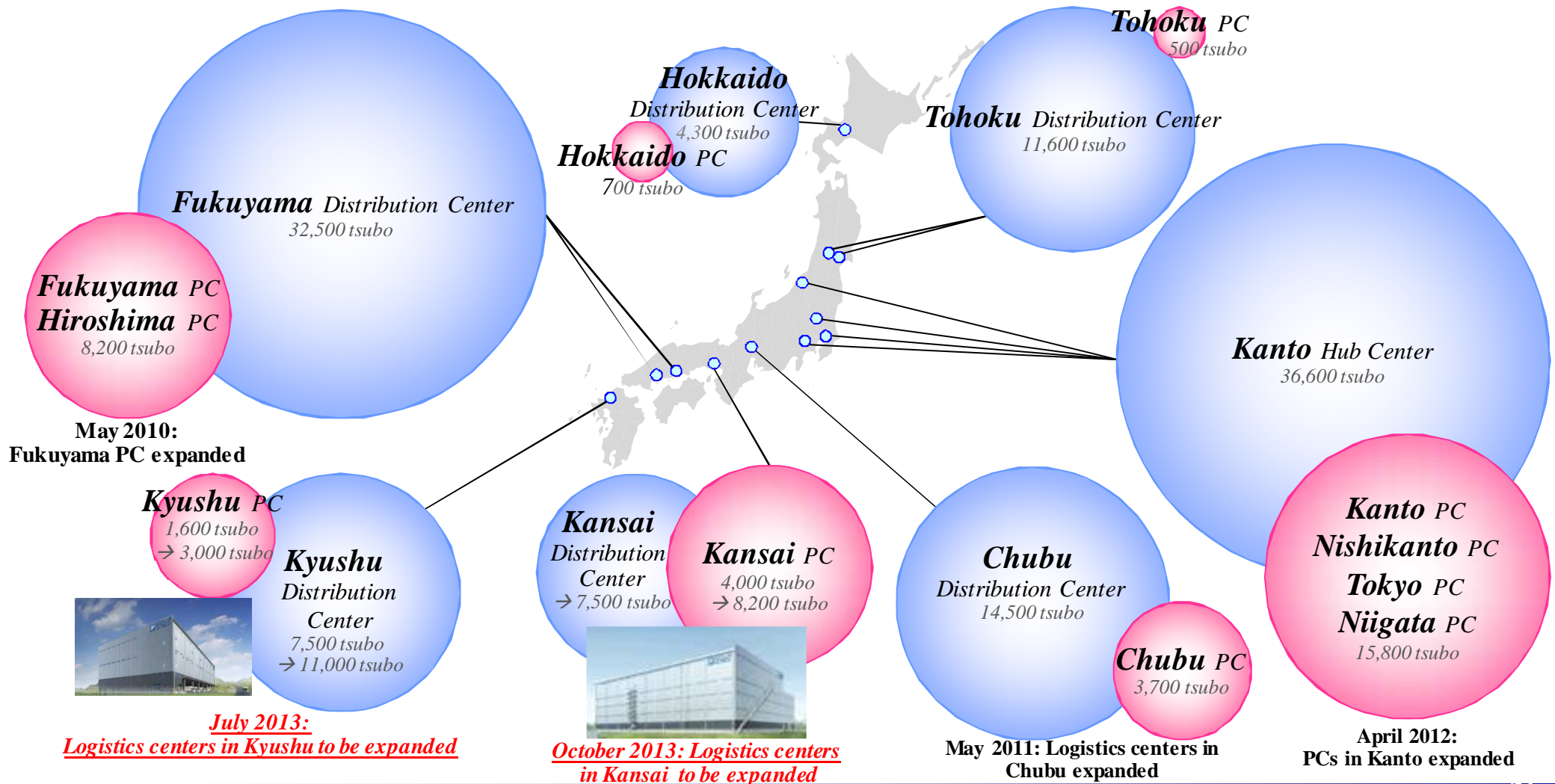
Enhancement of the Logistical Network

In October 2013

Distribution centers: 107,000 tsubo → 118,000 tsubo

Picking centers: 34,500 tsubo → 40,100 tsubo

Logistics services of high quality and high efficiency will cover the entire country.



Supporting Data

Information on the Facility Tour

- You can arrange a tour at a convenient time for you.
- A tour takes around three hours.
- Contact Kodama at the Corporate Planning Department (03-5325-7756).

Tour of facilities in Chubu

- The closest station is Gifu Hashima Station on JR Central Lines.

★ Sorting center

- Sorting foamed PS containers by color
- Sorting transparent containers by material

★ Recycling plant

- PS container recycling
- PET container and bottle recycling

★ Distribution Center and Picking Center

★ Production Plant

- Production of PSP (foamed PS) products

Tour of facilities in Kanto

- The closest station is Koga Station on JR East Lines.

★ Sorting center

- Sorting foamed PS containers by color
- Sorting transparent containers by material

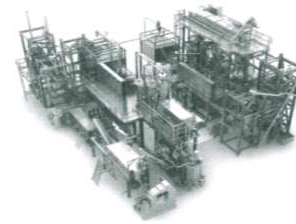
★ Recycling plant

- PS container recycling

★ Distribution Center and Picking Center

★ Kanto Yachiyo Plant

- Production of PSP (foamed PS) products
- Production of biaxially stretched PET sheets
- Production of biaxially stretched PET containers



PET Mechanical
Recycling Plant



**An opportunity to take a look at the state-of-the-art
production, distribution, recycling operations**

Ordinary Income Projections for Fiscal 2013

Material for Presentation on May 14, 2012

Unit: billion yen

1st half	2nd half
----------	----------

FY ended March 2012 Performance: 14.95 bn.	
1st half FY 2012 Performance ¥6.92 bn	2nd half FY 2012 Performance ¥8.03 bn

-¥1.9 bn: Increase in raw material prices



Raw material prices Still remaining high

+¥1.2 bn: Effect of product price increase (executed in the previous year)



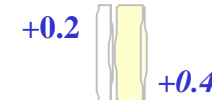
Effect of Product Price Increase Exhibited from the second quarter of FY2012

+¥3.4bn: Higher income

+¥2.2 bn Increased sales and mix improvement
(Effect of new product and price revision)



+¥0.6 bn Improved production



+¥0.3 bn Improved distribution

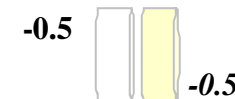


+¥0.3 bn Increase in income from group companies

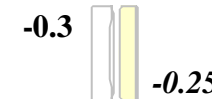


-¥1.55 bn: Increased expenses

-¥1.0 bn Increased expenses for strategic investments



-¥0.55 bn Increased expenses, etc.



Sales Plan

Sales **165.0 bn** 106%

Product sales: **105%** +5.7 bn

Sales volume: **106%**

Goods sales: **109%** +3.6 bn

* Rise of electric power costs incorporated

Strategic Investments

- Expansion of I Logic Kanto Picking began in Apr. 2012
- A new plant in Kanto began operation in May 2012.
- Krones No. 2 set to begin operation in June 2012.
- Nishinomiya and Fukuoka Picking Centers expanded.
- Renewal of facilities at Dia Foods

1st half FY 2013 Performance ¥7.5 bn <i>+¥0.6 bn (9%) year on year</i>	2nd half FY 2013 Projection ¥8.6 bn <i>+¥0.6 bn (7%) year on year</i>
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Projection for FY 2013 16.1 bn <i>+¥1.2 bn (8%) year on year</i>	
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Sales Plan (for Fiscal Year Ending March 2013)

Material for Presentation on May 14, 2012

Unit: million yen	Performance		Projected						
	FY ended March 2012	Percentage	FY ending March 2013	Percentage	Increase / decrease	Year-on-year	Interim	Percentage	Year-on-year
Trays	28,681	18.4	29,660	18.0	+ 978	103.4%	14,720	18.1	103.7%
Lunchbox containers	76,842	49.4	81,400	49.3	+ 4,557	105.9%	39,960	49.2	106.0%
Total	105,523	67.8	111,060	67.3	+ 5,535	105.2%	54,680	67.3	105.4%
Other products	7,566	4.9	7,740	4.7	+ 173	102.3%	3,920	4.8	101.1%
Sales of products	113,090	72.6	118,800	72.0	+ 5,709	105.0%	58,600	72.1	105.1%
Packaging materials	33,627	21.6	37,000	22.4	+ 3,372	110.0%	18,170	22.3	108.9%
Other goods	8,963	5.8	9,200	5.6	+ 236	102.6%	4,530	5.6	102.1%
Goods	42,591	27.4	46,200	28.0	+ 3,608	108.5%	22,700	27.9	107.5%
Sales	155,681	100.0	165,000	100.0	+ 9,318	106.0%	81,300	100.0	105.7%

■ Products

- We are aiming to increase shipment volume by 6% year on year.
- We intend to increase our share of existing markets through initiatives such as developing lightweight products, promoting alternative materials, and developing new materials and functions.
- We seek to grow the market through application development.
- We have released the FPCO Eco APET series (recycled products).

■ Goods

- We will maximize the use of the group's distribution network and increase the volume of goods sold

Outline of Plan for Account Settlement (for Fiscal Year Ending March 2013)

Material for Presentation on May 14, 2012

Unit: million yen	Performance		Projected				Interim		
	FY ended March 2012	Percentage	FY ending March 2013	Percentage	Increase / decrease	Year-on-year	Interim	Percentage	Year-on-year
Net sales	155,681	100.0	165,000	100.0	+ 9,318	106.0%	81,300	100.0	105.7%
Sales of products	113,090	72.6	118,800	72.0	+ 5,709	105.0%	58,600	72.1	105.1%
Sales of goods	42,591	27.4	46,200	28.0	+ 3,608	108.5%	22,700	27.9	107.5%
Operating income	14,221	9.1	15,890	9.6	+ 1,668	111.7%	7,400	9.1	112.3%
Ordinary income	14,951	9.6	16,100	9.8	+ 1,148	107.7%	7,500	9.2	108.4%
Net income	8,093	5.2	9,420	5.7	+ 1,326	116.4%	4,380	5.4	115.8%

* Considering subsidies for the employment of disabled workers included in non-operating income.

Subsidy income	611								
Operating income	14,832	9.5	15,890	9.6	+ 1,058	107.1%	7,400	9.1	107.4%

- Sales:** We are aiming to increase our share of existing markets and develop applications in order to break into new markets. We intend to fully use the group's distribution network to increase the volume of products traded.
- Technologies:** We will install state-of-the-art facilities, upgrade existing facilities, and promote technological innovation through initiatives such as developing lightweight products, promoting alternative materials, and developing new materials and functions.
- Production:** We will improve productivity and product quality, increase production capacity, and optimize production facilities to accommodate increased demand.
- Distribution:** We will continue to improve our distribution network to reduce total costs and improve quality in the overall distribution process in preparation for growth in demand for picking.
- Environment:** We will strive for further contribution to a recycling society by promoting 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 2013)

Material for Presentation on May 14, 2012

Unit: million yen		Performance	Projected				
		FY ended March 2012	FY ending March 2013	Increase / decrease	Year-on-year	Interim	Year-on-year
		12,423	14,500	+ 2,076	116.7%	12,100	209.2%
Capital investment	Tangible fixed assets	12,093	14,100	+ 2,006	116.6%	11,900	210.6%
	(lands only)	403	1,100	+ 696		1,100	
	Intangible fixed assets	329	400	+ 70	121.2%	200	149.7%
Depreciation and amortizaion		9,728	10,350	+ 621	106.4%	4,930	106.9%
Research and development cost		1,051	1,090	+ 38	103.6%	540	109.7%

* Capital investment figures refer to all investments, including leasing and procurement.

Major capital investments

(million yen)

- ◆ Kanto Yachiyo Plant (new Kanto plant) 2,932 (Total investment: ¥8,700 million) began operation in May 2012
- ◆ One PET mechanical recycling plant 1,000 PET mechanical recycling plant 2nd machine (amount invested: ¥680 million) scheduled to begin operation in June 2012
- ◆ New Kansai picking center 1,233 (Total investment: ¥3,500 million) scheduled to begin operation in Oct. 2013
- ◆ New Kyushu warehouse: 272 (Total investment: ¥1,960 million) scheduled to begin operation in June 2013
- ◆ Molds 1,691
- ◆ IT investment 717

Ongoing Factors Influencing Ordinary Income

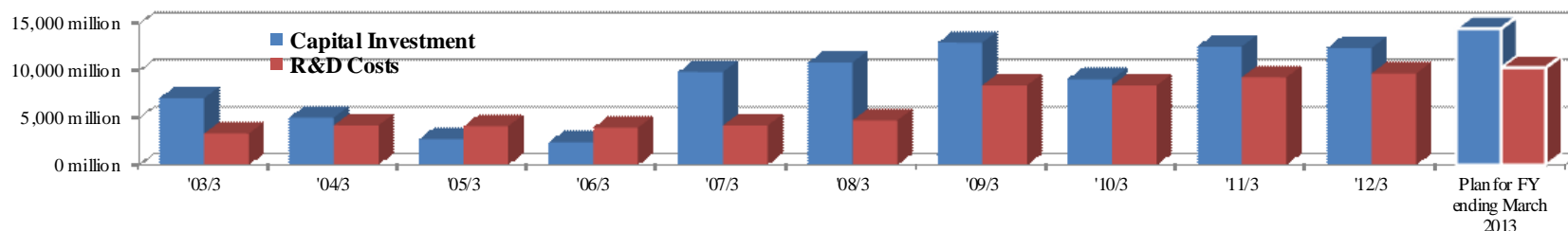
Unit: 100 million yen

	41st term	42nd term	43rd term	44th term	45th term	46th term (FY ended March 2008)			47th term (FY ended March 2009)			48th term (FY ended March 2010)			49th term (FY ended March 2011)			50th term (FY ended March 2012)			51st term (FY ending March 2013) (projected)					
						1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year	1st half	2nd half	Full year			
Ordinary income for previous year	63.1	28.6	33.6	36.3	66.5	43.4	37.8	81.2	32.0	32.5	64.5	39.2	53.7	92.9	60.1	62.1	122.2	68.3	66.4	134.7	69.2	80.3	149.5			
Impact of increase in raw material prices	-6.0	-13.8	-36.5	-10.0	-13.0	-19.0	-20.5	-39.5	-14.0	-23.0	-37.0	-25.0		-25.0												
									Decrease in raw material prices			+44.0	+34.0	+78.0												
									Raw material price increase			-6.0	-13.0	-19.0	-11.0	-12.0	-23.0	-19.0	-18.0	-37.0	-3.0	-8.5	-11.5			
Increase in product prices	-25.0	+7.7	+29.2		+4.0	-	+9.0	+9.0	+14.0	+24.0	+38.0	+25.0		+25.0				+10.0	+22.0	+32.0	+6.5	-	+6.5			
									1st product price reduction			-24.0	-20.0	-44.0												
									2nd product price reduction			-10.0	-9.0	-19.0												
Increase in prices/ improvements to product mix		+45.0		+17.5	+5.8	+2.0	+1.0	+3.0	+4.5	+2.5	+7.0	+3.0	+3.0	+6.0				+11.0	+10.5	+21.5	+7.0	+8.0	+15.0	+9.0	+14.0	+23.0
Raw material replacement and lighter-weight products			+2.0	+8.0	+8.6	+3.0	+8.8	+11.8	+6.0	+18.5	+24.5	+14.0	+6.0	+20.0												
Production improvement	+2.4	-0.6	-2.0	+6.0	+8.7	+2.0	+1.0	+3.0	+0.5	+2.0	+2.5	+4.5	+5.0	+9.5	+6.0	+6.0	+12.0	+5.5	+3.5	+9.0	+1.0	+4.0	+5.0			
Distribution improvement	+0.3	-14.0	+12.2	+5.5	+8.0	+2.5	+3.2	+5.7	+1.8	+3.2	+5.0	+4.5	+5.0	+9.5	+4.0	+4.0	+8.0	+2.0	+2.0	+4.0	+1.0	+2.0	+3.0			
Increase in profit from group companies												+2.5	+2.5	+5.0	+2.0	+3.5	+5.5	+3.0	+2.0	+5.0	+0.5	+1.5	+2.0			
Profit from the sale of artwork			+1.0	-1.0					+4.0		+4.0	-4.0		-4.0												
Cost increase	-6.2	-19.3	-3.2	+4.2	-7.4	-1.9	-7.8	-9.7	-9.6	-6.0	-15.6	-7.6	-5.1	-12.7	-4.0	-7.5	-11.5	-7.6	-5.6	-13.2	-8.9	-7.5	-16.4			
Ordinary income	28.6	33.6	36.3	66.5	81.2	32.0	32.5	64.5	39.2	53.7	92.9	60.1	62.1	122.3	68.3	66.4	134.7	69.2	80.3	149.5	75.3	86	161			

Trends in Capital Investment and R&D Costs

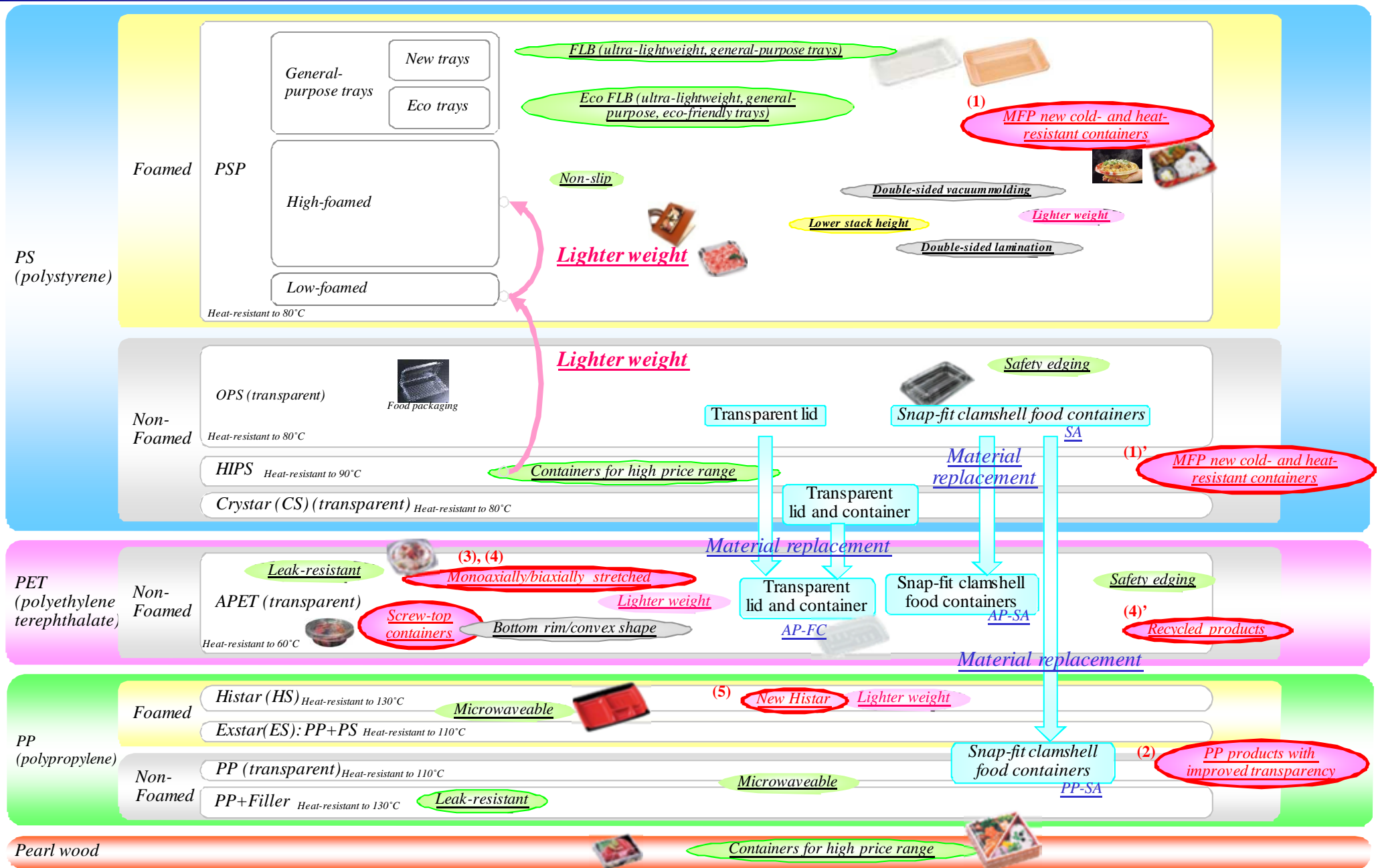
Unit: million yen

	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	FY ended March 2010	FY ended March 2011	FY ended March 2012	Plan for FY ending March 2013	Expected in FY ending March 2014
Production		Yamagata Plant			Shimodate Dai ni Plant	Chubu Daini Plant	Kyushu Dai ni Plant	Taiyo Kosan Wood Plant	Nihon Pearl Containers Food container facilities ALRight	Dia Foods Hokkai do Plant extension	Kanto Yachiyo Plant	Strengthening of transparent containers >
Distribution		East Japan Hub Center Kyushu HC Kansai PC	Hokkaido HC		Kanto Yachiyo Center		New Hokkai do HC	New Fukuyama Picking Center	New Chubu Picking Center	Kanto PC extension		Logistics centers in Kyushu Logistics centers in Kansai Expansion of Fukuyama HC warehouse
Recycling					Chubu, Tohoku & Kyushu Recycling Plants			Nationwide expansion of container sorting centers Equipment renewal of cleaning lines	Chubu Recycling Plant	Construction of a new recycling network >		
Other investments and costs					Tokai HC	Head Office	Land & building in Fukuyama Land for New Kanto Plant	Land & building in Chubu	Yuka Shoji Interpack	Land for logistics centers in Kyushu Land for logistics centers in Kansai		PET recycling operations >
Capital investment	7,096	5,037	2,742	2,394	9,885	10,909	13,007	9,090	12,585	12,423	14,500	
Tangible	6,138	4,248	2,621	2,156	9,523	10,655	12,166	8,827	12,352	12,093	14,100	
Intangible	958	789	120	238	362	254	841	263	233	329	400	
Figures for molds only	780	460	436	550	771	609	1,892	1,507	1,833	1,945	1,691	
Depreciation and amortization	3,339	4,210	4,134	3,965	4,194	4,742	8,467	8,461	9,316	9,728	10,350	
Research and development	654	628	689	751	895	913	965	1,035	1,101	1,051	1,090	



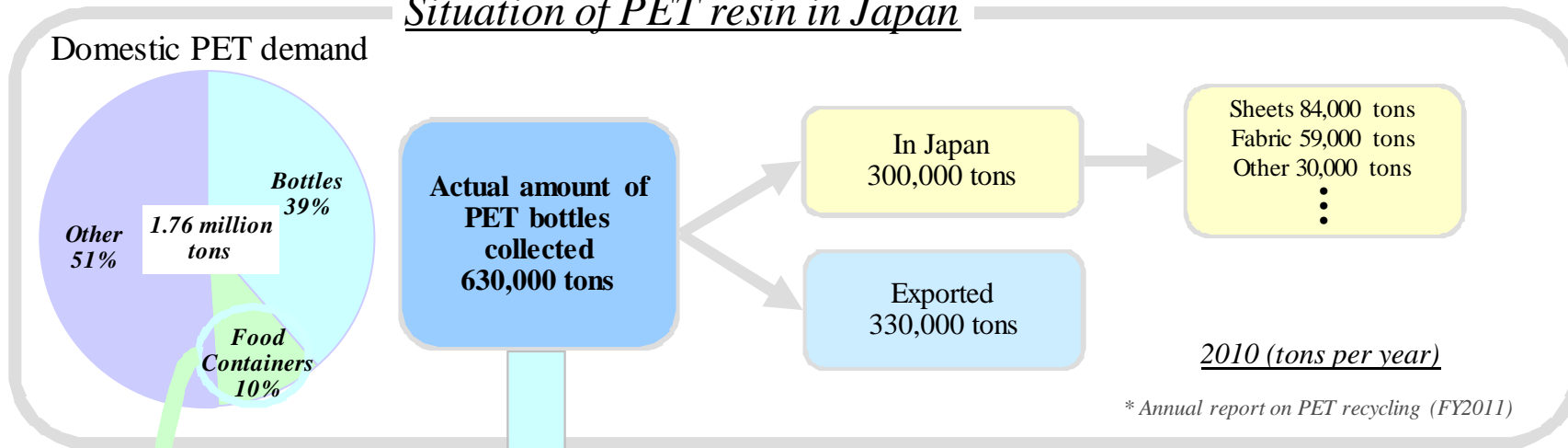
Capital investment figures from FY ending March 2009 onwards refer to all investments, including leasing and procurement.

Breakdown of Products According to Material



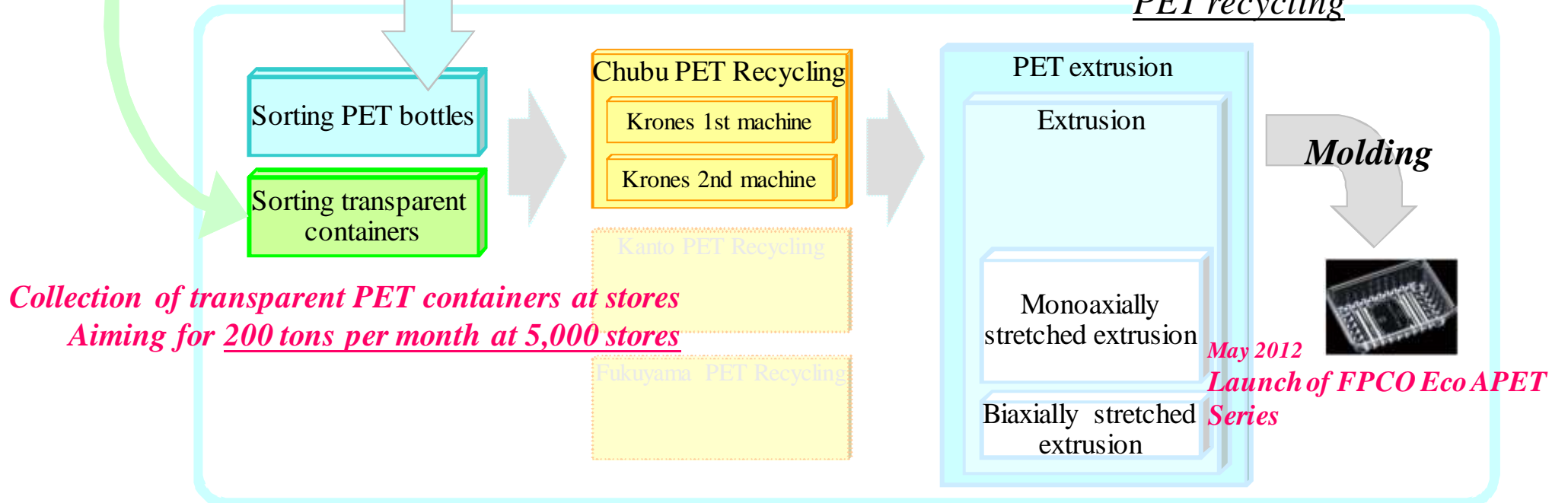
PET Recycling

Situation of PET resin in Japan



*Collection of PET bottles at stores
Aiming for 1,000 tons per month at 1,500 stores*

PET recycling



Nine Sorting Centers

Lines for sorting foamed PS containers by color

Manually sorting into white and color



<Nine Sorting Centers' capacity (full-time)>

PSP: 26 lines, 10,600 tons a year

Transparent containers:

13 lines, 1,600 tons a year

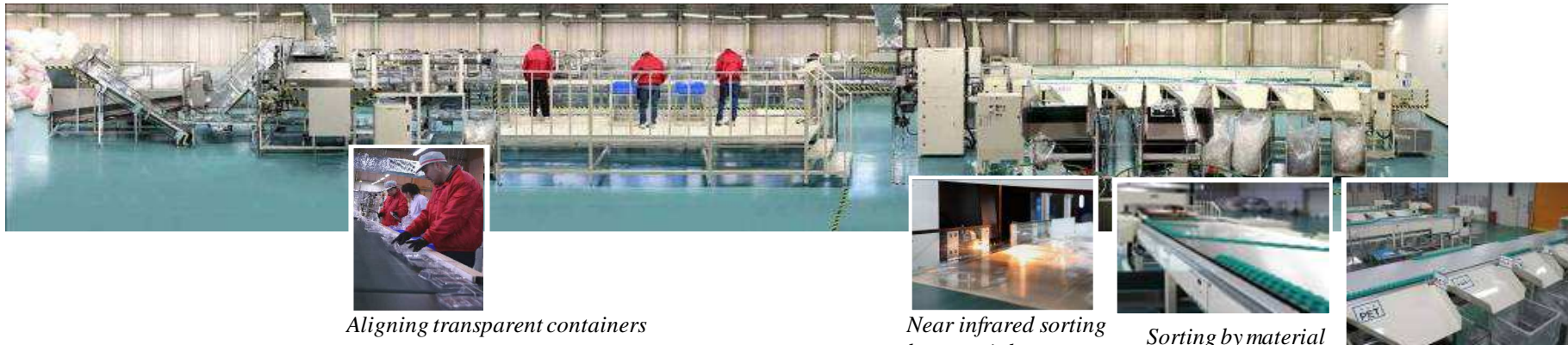
Disabled employees engaged in

- Sorting foamed PS containers by color
- Aligning transparent containers

Lines for sorting transparent containers by material

Near infrared sorting by material

Transparent container materials: OPS, PET, PP, PVC, Crystar, etc.



Aligning transparent containers

Near infrared sorting by material

Sorting by material



Collection

Sorting



- Foamed PS containers
- OPS transparent containers
- PET transparent containers



Volume Reduction



To Recycling Plants



Three Recycling Plants

Sorting Centers



Volume reduction & transport

- Foamed PS containers Extrusion
- OPS transparent containers

- PET transparent containers

<Total capacity of the three recycling plants>
 PS: 5,000 tons a year (full-time)
 PET: 20,000 tons a year

Recycling Plant

PS Container Recycling Line

Hot water and alkali cleaning



Melting & Extrusion



PS Pellets



Sales of **¥16 bn.**
 FY ended March 2012

PET Mechanical Recycling Line



PET Flakes



May 2012
 Launch of FPCO Eco APET Series



- PET bottles

Recycling operation to be established for PET transparent containers

Kanto Yachiyo Plant Completion due in July 2012

Total investment: ¥8.5 bn

Three floors, approx. 14,500 *tsubo*

1st floor: production facilities 6,300 *tsubo*

2nd floor: picking 3,500 *tsubo*

3rd floor: warehouse facilities 4,500 *tsubo*

Building: 175 m x 105 m x 26 m (height)



[Locations of Centers in Kanto]

Kanto Hub Center

Daiichi Center Bldg. 1

Daiichi Center Bldg. 2

Daini Center

Kanto PC

Kanto Yachiyo Plant

← Kanto Daini Plant

← Kanto Daiichi Plant

Kanto Recycling
Plant →

↑ Monoaxially stretched PET plant

↑
Connect existing
facilities and sorter

Kanto Yachiyo Plant Floors

Fl. 1: Biaxial stretching and molding of PET and PSP molding

Fl. 2: Kanto Picking Center

Fl. 3: Kanto Hub Center – Daiichi Center Bldg. 3

