

Financial Results

for the Fiscal Year Ended March 31, 2019

We have paid extremely close attention to the information provided and contained in the handouts. The forward-looking statements included in the information are our estimates based on the information available at the time of publication, and therefore contain potential risks and uncertainties.

Therefore, changes in a number of factors could cause actual results to differ materially from the future prospects described.

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Financial Results Summary

(Results for the FY Ended March 2019)

Unit: million yen	Results for Full year							Full year Projections		
	FY ended March 2018		FY ended March 2019					FY ended March 2019		
	Performance	percentage	Performance	percentage	increase/ decrease	Year-on -year	Quantity	Planned	percentage	progress rate
Trays	29,964	17.3	33,121	18.3	+3,156	110.5%	104.6%	31,570	17.6	104.9%
Lunchboxes and prepared food containers	96,287	55.5	101,108	55.8	+4,820	105.0%	101.9%	100,670	56.2	100.4%
Subtotal	126,252	72.7	134,229	74.1	+7,976	106.3%	102.8%	132,240	73.9	101.5%
Other products	3,314	1.9	3,350	1.8	+35	101.1%		3,410	1.9	98.2%
Sales of products	129,566	74.6	137,579	75.9	+8,012	106.2%		135,650	75.8	101.4%
packaging materials	37,293	21.5	36,823	20.3	-469	98.7%		39,120	21.9	94.1%
Other goods	6,720	3.9	6,768	3.7	+48	100.7%		4,230	2.4	160.0%
Sales of goods	44,014	25.4	43,592	24.1	-421	99.0%		43,350	24.2	100.6%
Net Sales	173,580	100.0	181,171	100.0	+7,591	104.4%		179,000	100.0	101.2%
Operating profit	12,884	7.4	13,949	7.7	+1,064	108.3%		14,300	8.0	97.5%
Ordinary profit	13,548	7.8	14,861	8.2	+1,312	109.7%		14,800	8.3	100.4%
Profit attribute to owners of parent	9,178	5.3	9,901	5.5	+723	107.9%		9,900	5.5	100.0%
Ordinary profit before depreciation and amortization	25,255		28,031		+2,775	111.0%		28,200		99.4%



Record high

- ✓ Highest sales ever for 9 consecutive years
- ✓ Income increase for the first time in two years

Operating profit

The plan was not achieved due in part to an increase in logistics cost associated with the heavy rainfall disaster in western Japan.

Ordinary profit

The plan was achieved by posting non-operating income corresponding to costs recorded under SG&A expenses.

- Production facility compensation
- Capital investment subsidy
- Insurance income

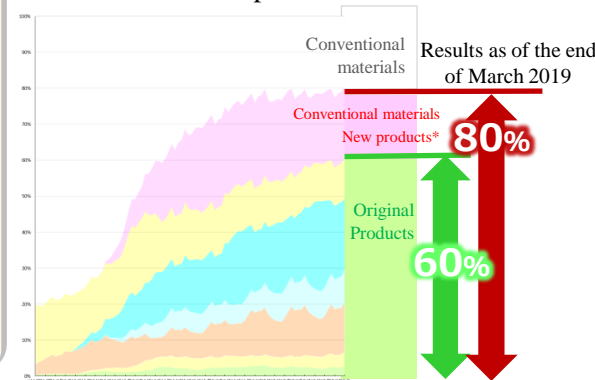
■ Sales Products

- Sales of microwavable containers, recycled Eco Trays and Eco APET containers were strong.
- High value-added products were increased in response to the labor shortage.

■ Goods

- Expansion of FPCO MD products
- Withdrawal from the unprofitable transactions

◇ Product sales composition



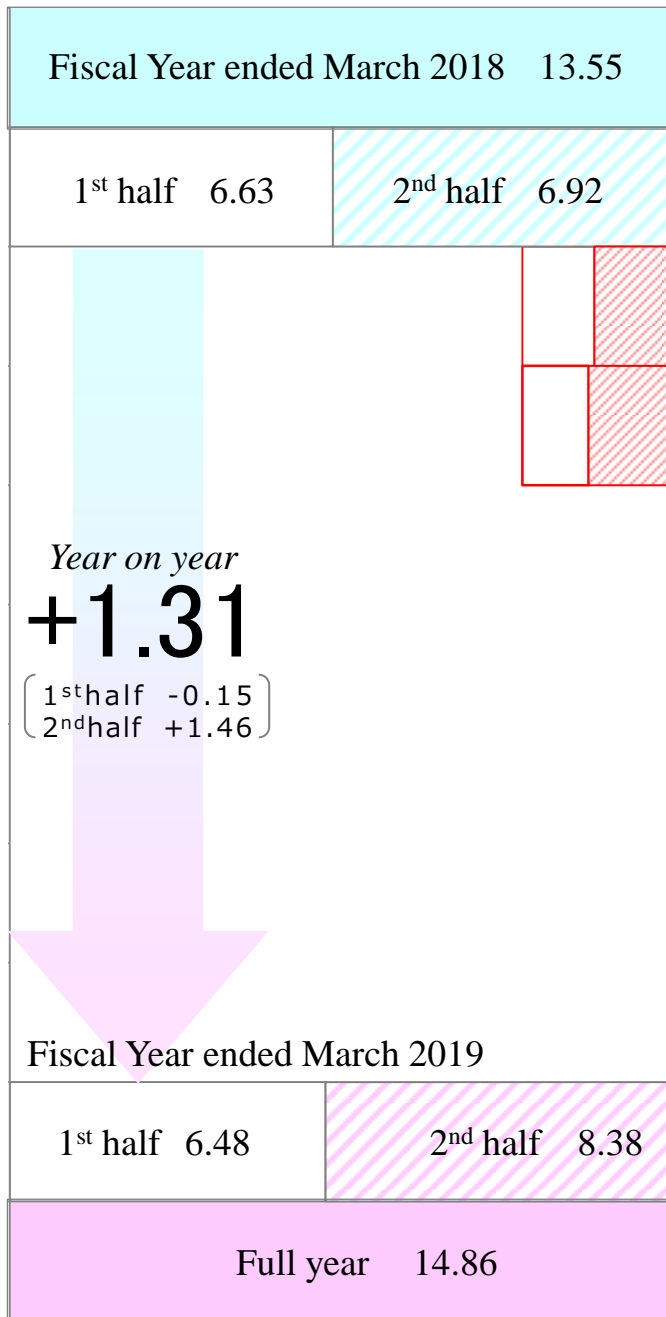
◇ Year-on-year

	1Q results	2Q results	3Q results	4Q results	Full-year results	Full-year plan
Sales of products	105.4%	106.4%	108.5%	104.0%	106.2%	104.7%
Quantity	103.9%	102.2%	104.1%	100.6%	102.8%	104.0%
Ordinary profit	86.7%	106.8%	111.6%	146.1%	109.7%	109.2%

Results for Increase/Decrease in Ordinary Profit (For the FY Ended March 2019)

Unit: billion yen

1 st half	2 nd half
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Results

The Price of Material	-3.03	+1.13
(1 st half -1.48 , 2 nd half -1.55) (1Q -0.68 , 2Q -0.80 , 3Q -0.90 , 4Q -0.65)		
Sales Price	+4.16	
(1 st half +1.36 , 2 nd half +2.80) (1Q +0.13 , 2Q +1.23 , 3Q +1.45 , 4Q +1.35)		
Sales Efforts	+1.17	
(1 st half +0.45 , 2 nd half +0.72) (1Q +0.38 , 2Q +0.07 , 3Q +0.44 , 4Q +0.28)		
Improved Production	-0.05	-0.30
(1 st half -0.05 , 2 nd half ±0.00) (1Q -0.02 , 2Q -0.03 , 3Q ±0.00 , 4Q ±0.00)		
Improved Distribution	-0.45	
(1 st half -0.15 , 2 nd half -0.30) (1Q ±0.00 , 2Q -0.15 , 3Q -0.20 , 4Q -0.10)		
Group Companies	+0.20	
(1 st half +0.05 , 2 nd half +0.15) (1Q -0.02 , 2Q +0.07 , 3Q +0.03 , 4Q +0.12)		
Increased Expenses	-0.69	
(1 st half -0.33 , 2 nd half -0.36) (1Q -0.18 , 2Q -0.15 , 3Q -0.24 , 4Q -0.12)		
Total	+1.31	
(1 st half -0.15 , 2 nd half +1.46) (1Q -0.39 , 2Q +0.24 , 3Q +0.58 , 4Q +0.88)		

Improvement	+2.48
Labor cost	-0.40
Depreciation	-1.40
Electric power charges	-0.58
Freight costs	-0.40

Labor cost	-0.19
Depreciation	-0.06
Other	-0.44

Difference from Outlook

Outlook Feb 5 2019	Difference	Outlook May 7 2018	Difference
-3.03	±0.00	-2.60	-0.43
+4.16	±0.00	+3.80	+0.36
+1.27	-0.10	+1.00	+0.17
-0.05	±0.00	-0.20	+0.15
-0.45	±0.00	-0.10	-0.35
+0.10	+0.10	+0.10	+0.10
-0.75	+0.06	-0.75	+0.06
+1.25	+0.06	+1.25	+0.06

Capital Investments and R&D cost

(For the FY Ended March 2019)

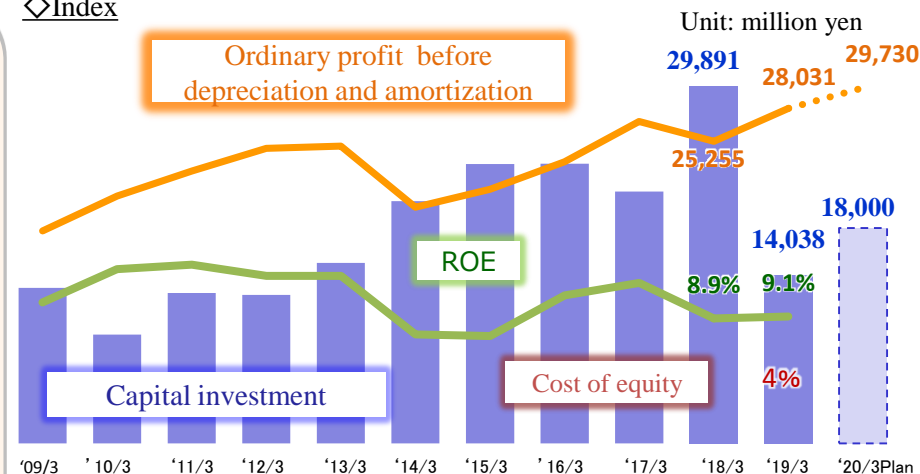
Unit: million yen	Results for Full year				Full year projections	
	FY ended March 2018	FY ended March 2019			FY ended March 2019	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	29,342	13,442	-15,899	45.8%	17,950	74.9%
Intangible fixed assets	549	595	+45	108.3%	350	170.1%
Capital investment	29,891	14,038	-15,853	47.0%	18,300	76.7%
Depreciation and	11,706	13,170	+1,463	112.5%	13,400	98.3%
Research and	1,197	1,159	-37	96.8%	1,220	95.0%

Major Capital Investments

unit: million yen

	Total investment	Plan in period	Results for Full year	Primary difference
<u>Investment in production of the world's first original products</u>				
◆ Production facilities of Eco OPET		350	320	
◆ Eco APET production facilities(Chikusei)	4,000	1,260	0	-1,260
<u>Investment corresponding to expansion of the sales quantity</u>				
◆ Introduction of automation facilities		570	401	
◆ Reinforcement of bases of Group Company				
Film Plant	Inaugurated in Mar. 2018	4,750	2,020	1,982
Reinforcement of production facilities(recycling pellets)			1,240	-549
Office and Warehouse in Hiroshima	Inaugurated in Oct. 2018	1,450	950	951
FPCO International Package Co., Ltd. Warehouse	Inaugurated in Nov. 2018	790	680	681
Headquarters	Inaugurated in Mar. 2019	920	880	879
◆ Molds		2,210	1,462	-748
◆ IT investments		510	559	

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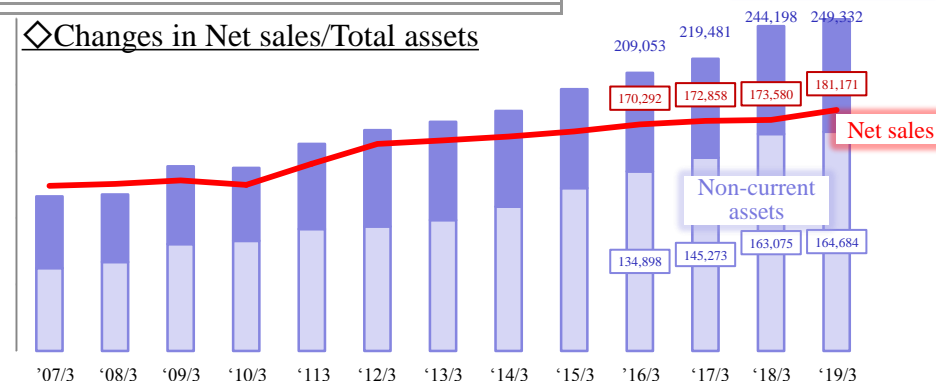
※ROE = Profit attributable to owners of parent ÷ Equity

Unit: million yen	Previous consolidated fiscal year	First half of the consolidated fiscal year			
	FY ended March 2018 As of March 31, 2018	As of March 31, 2019	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	79,395	84,647	+5,252	106.6%	Cash and deposits +3,492 Notes and accounts receivable-trade +1,025 Merchandise and finished goods +858
Noncurrent assets	164,751	164,684	-67	100.0%	
Total assets	244,147	249,332	+5,185	102.1%	
Current liabilities	77,174	76,854	-320	99.6%	Short-term loans payable +1,287 Income taxes payable +1,341 Accounts payable-other -4,292 Accrued consumption taxes +1,833
Noncurrent liabilities	60,752	60,279	-473	99.2%	Net defined benefit liability +1,062 Lease obligation -1,639
Total liabilities	137,927	137,133	-794	99.4%	
Net assets	106,219	112,198	+5,979	105.6%	Retained earnings +6,552
Total liabilities and net assets	244,147	249,332	+5,185	102.1%	

Equity ratio 44.8%

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

◇Changes in Net sales/Total assets



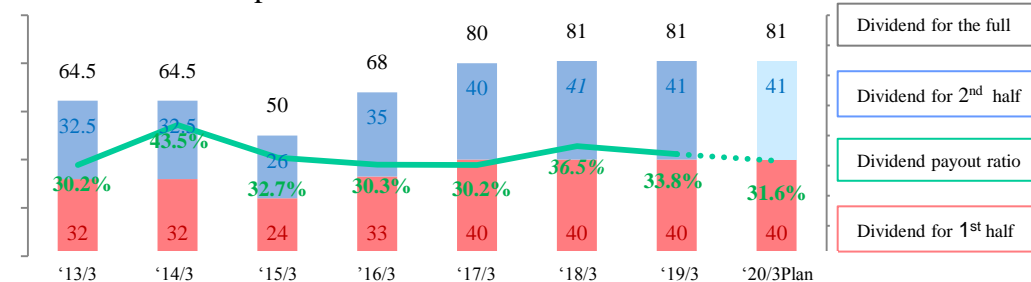
Unit: million yen	Results for Full year	
	FY ended March 2018 Performance	FY ended March 2019 Breakdown of Main Items
CF from operating activities	13,974	25,510
CF from investing activities	-23,656	-17,109
Free cash flows	-9,682	8,400
CF from financing activities	7,197	-4,908
Net increase(decrease)in cash and cash equivalents	-2,485	3,492
Cash and cash equivalents at end of period	15,659	19,151

Breakdown of improvement of CF from operating activities(Year on year)

Improvement of ordinary profit before depreciation and amortization	+2,775
Increase /decrease in accrued consumption taxes from large investment in the previous year	+3,367
The effect of having a holiday at the end of the month	+3,064
Inventory increase in the previous year	+2,489
Other	-160
Total	+11,535

- 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
Increase in borrowing as capital for strategic investment
Continuously stable dividend

《Dividend per share》



Plan
for the Fiscal Year Ending March 2020

Outline of Plan for Account Settlement

(Plan for the FY Ending March 2020)

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

■ Sales Products

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

Shipments: Rising 3% year-on-year

Trays: Expanding sales with a focus on environmentally friendly products

Lunchboxes and prepared food containers:

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

■ Goods

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

◇ Production

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

◇ Logistics

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

◇ ESG

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

Outlook for Increase/Decrease in Ordinary Profit

(Plan for the FY Ending March 2020)

Outlook (May 14 2019)

Unit: billion yen

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

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

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

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

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

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

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

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

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

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

Labor cost	-0.18
Depreciation	-0.15
Other	-0.58

-0.15

Year on year

+1.14

1st half	+0.92
2nd half	+0.22

Fiscal Year ending March 2020

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

Planned Capital Investment and R&D Cost

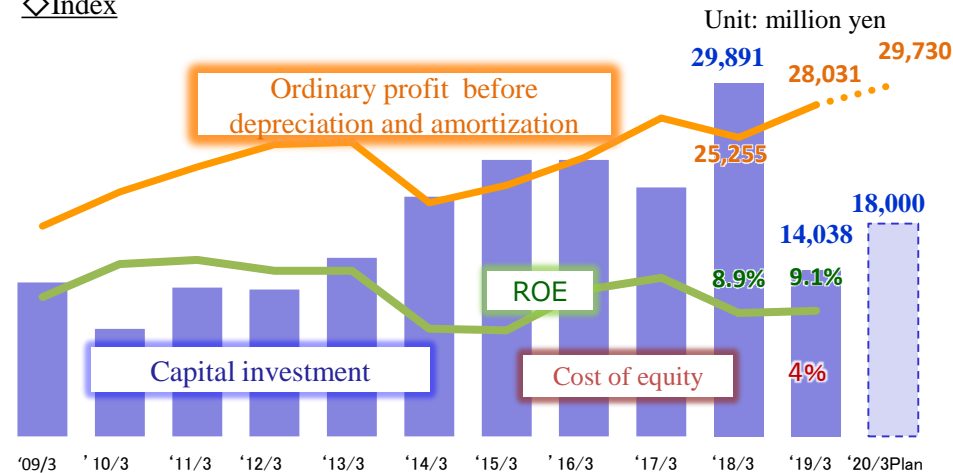
(Plan for the FY Ending March 2020)

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

Major capital investments

unit: million yen	Total investment	Plan in period
<u>Investment in original products: Improving production capacity and quality of Eco APET products</u>		
◆ Eco APET materials: Boosting the production capacity (Kanto, Kyusyu)	280	280
◆ Eco APET materials: Increase the productivity (Kanto, Chubu)	420	420
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)	600	160
<u>Eco APET products:</u>		
◆ Reinforce the production capacity of sheet extruders and molding machines (Shimodate, Chubu)	2,140	1,800
<u>Investment corresponding to expansion of the sales quantity:</u>		
<u>Stable supply, Efficiency improvement, Maintenance of working environment</u>		
◆ Introduction of automation facilities		630
◆ Fukuyama Distribution Center extension	To be inaugurated in winter 2020	4,345
◆ Chubu Distribution Center extension	To be inaugurated in spring 2021	5,285
◆ Company dormitories for single employees and group home in Fukuyama	To be inaugurated in Mar. 2020	1,054
◆ Company dormitories for single employees in Koga	To be inaugurated in Mar. 2020	611
◆ Molds		1,870
◆ IT investments		600

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※ROE = Profit attributable to owners of parent ÷ Equity