

Financial Results

for the Nine Months Ended December 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.

Hence, changes in a number of factors could cause actual results to differ materially from the future prospects described. Information contained in the handouts for this session **must not be quoted, reprinted or copied without our prior permission.**

Financial Results Summary (For the First 9 Months of FY Ending March 2020)

 Record high ✓ Highest sales ever for 10 consecutive years

Unit: million yen	Results for Nine Months							Results for Third quarter					Full year Projections				
	FY ended March 2019		FY ending March 2020					FY ended March 2019		FY ending March 2020			FY ending March 2020				
	Performance	Percentage	Performance	Percentage	Increase/decrease	Year-on-year	Quantity	Performance	Percentage	Performance	Percentage	Increase/decrease	Year-on-year	Quantity	Planned	Percentage	Progress rate
Trays	25,441	18.1	27,611	19.1	+2,170	108.5%	104.7%	9,379	18.3	9,937	19.3	+558	105.9%	103.5%	34,800	18.7	79.3%
Lunchboxes and prepared food containers	78,882	56.0	80,432	55.7	+1,550	102.0%	102.0%	28,617	55.8	28,858	56.1	+241	100.8%	102.0%	103,660	55.7	77.6%
Subtotal	104,324	74.1	108,044	74.8	+3,720	103.6%	102.9%	37,996	74.1	38,796	75.4	+799	102.1%	102.5%	138,460	74.4	78.0%
Other products	2,596	1.8	2,383	1.7	-213	91.8%		932	1.8	802	1.6	-129	86.1%		3,340	1.8	71.4%
Sales of products	106,920	75.9	110,427	76.5	+3,506	103.3%		38,928	75.9	39,598	76.9	+669	101.7%		141,800	76.2	77.9%
packaging materials	29,092	20.7	29,583	20.5	+491	101.7%		10,393	20.3	10,366	20.1	-27	99.7%		37,800	20.3	78.3%
Other goods	4,860	3.4	4,367	3.0	-492	89.9%		1,973	3.8	1,511	2.9	-461	76.6%		6,400	3.4	68.2%
Sales of goods	33,952	24.1	33,951	23.5	-1	100.0%		12,366	24.1	11,878	23.1	-488	96.0%		44,200	23.8	76.8%
Net Sales	140,872	100.0	144,378	100.0	+3,505	102.5%		51,295	100.0	51,476	100.0	+181	100.4%		186,000	100.0	77.6%
Operating profit	11,635	8.3	12,810	8.9	+1,175	110.1%		5,475	10.7	5,715	11.1	+240	104.4%		15,500	8.3	82.6%
Ordinary profit	12,085	8.6	13,311	9.2	+1,225	110.1%		5,601	10.9	5,866	11.4	+264	104.7%		16,000	8.6	83.2%
Profit attribute to owners of parent	8,715	6.2	8,786	6.1	+70	100.8%		4,369	8.5	3,943	7.7	-425	90.3%		10,600	5.7	82.9%
Ordinary profit before depreciation and amortization	21,911		23,412		+1,500	106.8%		8,922		9,264		+341	103.8%		29,730		78.8%

Sales

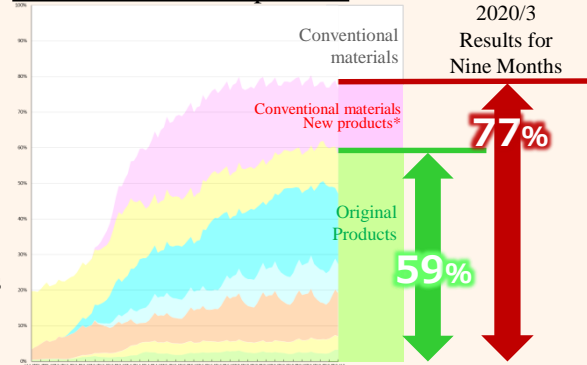
Products

- Strong sales of recycled Eco Trays and Eco APET containers, microwavable containers
- Expansion of high value-added products in response to the labor shortage
- Challenge to new markets such as home delivery and food service

Goods

- Increase in sales of carefully selected items to meet consumer demands
- Utilization of E-commerce site "PACK MARKET", to expand sales to small scale customers who purchase our products by small lots

Product sales composition



Year-on-year

	1Q results	2Q results	3Q results	Full-year plan
Sales of products	102.6%	105.7%	101.7%	103.1%
Quantity	100.8%	105.4%	102.5%	103.0%
Ordinary profit	119.3%	111.9%	104.7%	107.7%

Increase/Decrease in Ordinary Profit

(For the First 9 Months of FY Ending March 2020)

Unit: billion yen

Fiscal Year ended March 2019 14.86	
1 st half 6.48	2 nd half 8.38

9 months 12.09

Virgin PET raw materials	+0.50
Eco APET raw materials	+0.10
Secondary materials	-0.15

Improvement	+0.86
Labor costs	-0.43
Depreciation	-0.20
Electric power charges	+0.22
Fleight costs	-0.60

Labor costs	-0.25
Depreciation	-0.07
Other	-0.46

The Price of Material +0.45
(1Q-0.05, 2Q+0.30, 3Q+0.20)

Sales Price +1.05
(1Q+0.80, 2Q+0.25, 3Q±0.00)

Sales Efforts +0.65
(1Q+0.10, 2Q+0.25, 3Q+0.30)

Improved Production +0.20
(1Q+0.05, 2Q+0.05, 3Q+0.10)

Improved Distribution -0.55
(1Q-0.20, 2Q-0.20, 3Q-0.15)

Group Companies +0.20
(1Q+0.05, 2Q+0.15, 3Q±0.00)

Increased Expenses -0.78
(1Q-0.26, 2Q-0.33, 3Q-0.19)

Year on year
+1.22

1Q	+0.49
2Q	+0.47
3Q	+0.26

Fiscal Year ending
March 2020

9 months 13.31	
1 st half 7.44	2 nd half outlook 8.56

Full year outlook 16.00

Capital Investments and R&D Costs

(For the First 9 Months of FY Ending March 2020)

Unit: million yen	Results for Nine Months				Full year projections	
	FY ended March 2019	FY ending March 2020			FY ending March 2020	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	10,538	7,773	-2,764	73.8%	17,700	43.9%
Intangible fixed assets	397	357	-39	89.9%	300	119.3%
Capital investments (including leasing and procurement)	10,936	8,131	-2,804	74.4%	18,000	45.2%
Depreciation and amortization costs	9,826	10,101	+274	102.8%	13,730	73.6%
Research and development costs	880	940	+60	106.8%	1,310	71.8%

Major Capital Investments

Unit: million yen

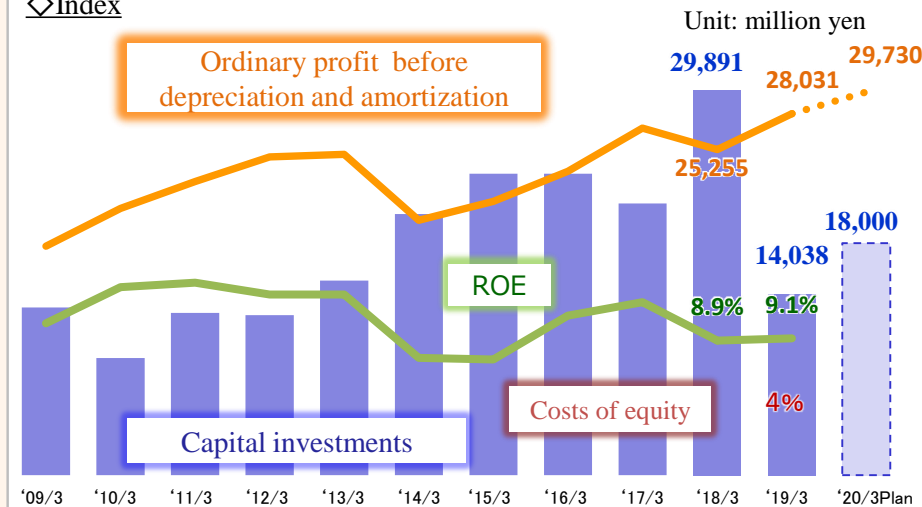
Improving production capacities and efficiencies of recycled materials and products while improving those qualities

	Total investment	Plan in period	Results for Nine Months
◆ Eco APET materials: Reinforcement of the production capacity (Kanto, Kyusyu)	1,050	280	300
◆ Eco APET materials: Increase in the productivity (Kanto, Chubu, Kyusyu)	420	420	293
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)	600	160	153
◆ Eco APET products:	2,200	1,860	1,656
Reinforcement of the production capacity of sheet extruders and molding machines			
◆ Reinforcement of the production capacity of foamed PS products	1,240	1,240	1,227
◆ Introduction of automation facilities		630	269

Stable supply and maintenance of working environment

◆ Fukuyama Distribution Center extension	To be inaugurated in Nov. 2020	4,345	1,260	65
◆ Chubu Distribution Center extension	To be inaugurated in July 2021	5,285	1,320	86
◆ Company dormitories for single employees in Koga	To be inaugurated in Mar. 2020	611	580	72
◆ Company dormitories for single employees and group home in Fukuyama	To be inaugurated in Oct. 2020	1,054	1,000	16
◆ Molds			1,870	1,210
◆ IT investments			600	536

◇ Index



※ROE = Profit attributable to owners of parent ÷ Equity