

Financial Results

for the Fiscal Year Ended March 31, 2020

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 FY Ended March 2020)

Unit: million yen	Results for Full year							Full year Projections		
	FY ended March 2019		FY ended March 2020					FY ended March 2020		
	Performance	Percentage	Performance	Percentage	Increase/ decrease	Year-on -year	Quantity	Planned	Percentage	Progress rate
Trays	33,121	18.3	36,263	19.5	+3,142	109.5%	105.7%	34,800	18.7	104.2%
Lunchboxes and prepared food containers	101,108	55.8	103,541	55.6	+2,433	102.4%	102.6%	103,660	55.7	99.9%
Subtotal	134,229	74.1	139,804	75.0	+5,575	104.2%	103.6%	138,460	74.4	101.0%
Other products	3,350	1.8	3,027	1.6	-322	90.4%		3,340	1.8	90.6%
Sales of products	137,579	75.9	142,831	76.6	+5,252	103.8%		141,800	76.2	100.7%
packaging materials	36,823	20.3	37,892	20.3	+1,068	102.9%		37,800	20.3	100.2%
Other goods	6,768	3.7	5,626	3.0	-1,142	83.1%		6,400	3.4	87.9%
Sales of goods	43,592	24.1	43,518	23.4	-74	99.8%		44,200	23.8	98.5%
Net Sales	181,171	100.0	186,349	100.0	+5,178	102.9%		186,000	100.0	100.2%
Operating profit	13,949	7.7	15,507	8.3	+1,557	111.2%		15,500	8.3	100.0%
Ordinary profit	14,861	8.2	16,274	8.7	+1,412	109.5%		16,000	8.6	101.7%
Profit attribute to owners of parent	9,901	5.5	10,777	5.8	+876	108.9%		10,600	5.7	101.7%
Ordinary profit before depreciation and amortization	28,031		29,807		+1,775	106.3%		29,730		100.3%

 Record high

✓ Highest sales ever for 10 consecutive years

✓ Operating profit and ordinary profit grew for two consecutive years

◇ Year-on-year

	1Q results	2Q results	3Q results	4Q results	Full-year results	Full-year plan
Sales of products	102.6%	105.7%	101.7%	105.7%	103.8%	103.1%
Quantity	100.8%	105.4%	102.5%	106.1%	103.6%	103.0%
Ordinary profit	119.3%	111.9%	104.7%	106.7%	109.5%	107.7%

■ Sales

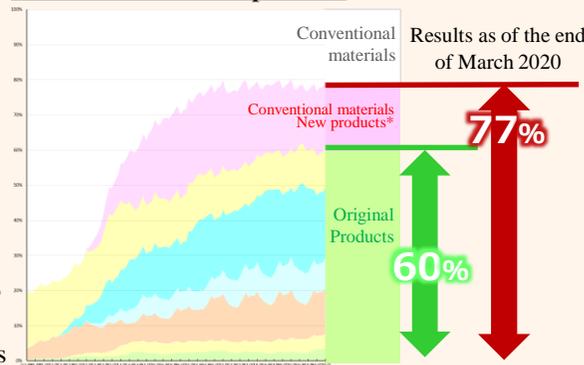
Products

- Strong sales of recycled Eco Trays and Eco APET containers, microwavable containers
- Expansion of high value-added products in response to the labor shortage
- Rise in demand for fresh food, home-delivered food and takeout food following expansion of the stay-at-home economy

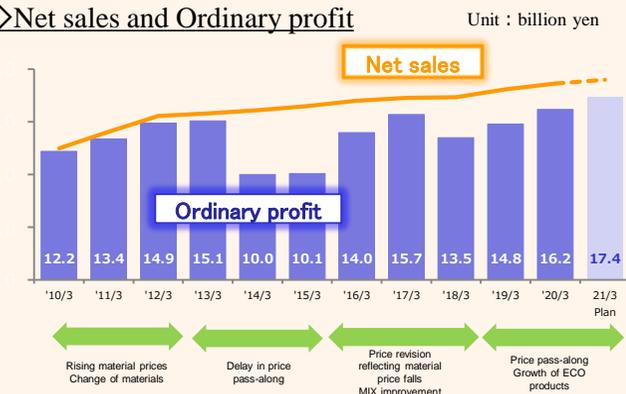
Goods

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

◇ Product sales composition



◇ Net sales and Ordinary profit



Increase/Decrease in Ordinary Profit

(For the FY Ended March 2020)

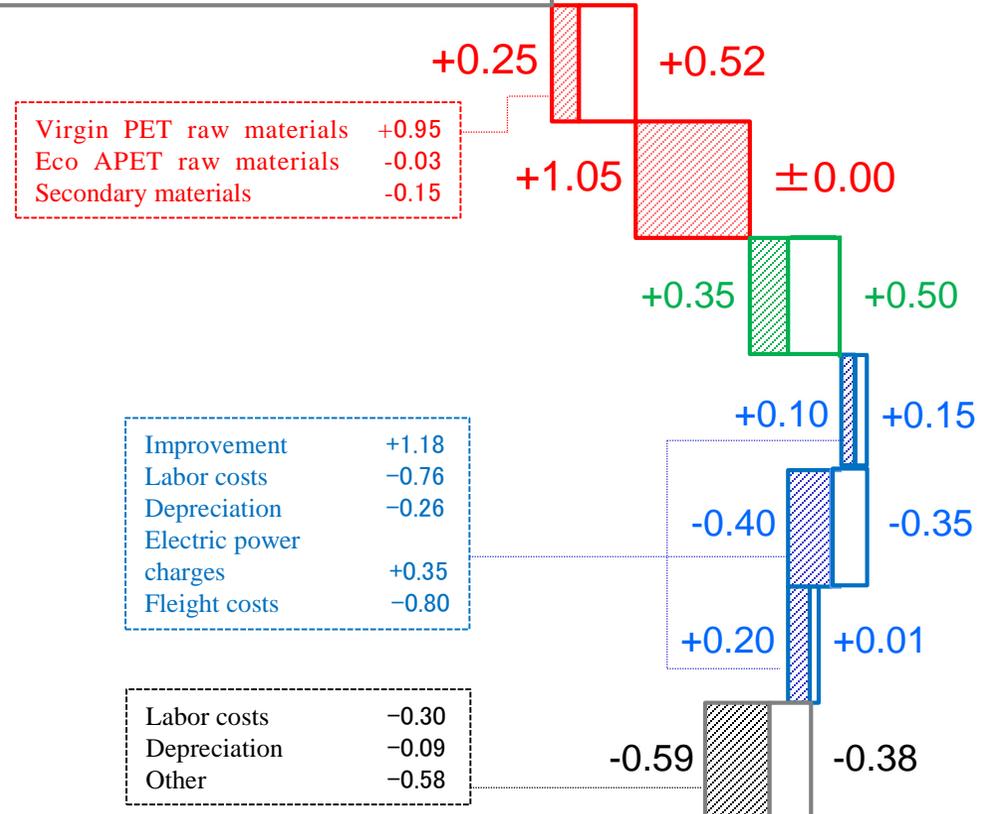
Unit: billion yen

1st half	2nd half
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Fiscal Year ended March 2019		14.86
1st half	6.48	2nd half 8.38
Fiscal Year ended March 2020		16.27
1st half	7.44	2nd half 8.83

Year on year
+1.41
 (1st half +0.96, ±0.00, 2nd half +0.45, +0.27)
 Fiscal Year ended March 2020

- The Price of Material** **+0.77** from forecast as of October 31 +0.27
- Sales Price** **+1.05**
- Sales Efforts** **+0.85**
- Improved Production** **+0.25**
- Improved Distribution** **-0.75**
- Group Companies** **+0.21**
- Increased Expenses** **-0.97**



Capital Investments and R&D Costs

(For the FY Ended March 2020)

Unit: million yen	Results for Full year				Full year projections	
	FY ended March 2019	FY ended March 2020			FY ended March 2020	
	Performance	Performance	Increase / decrease	Year-on-year	Planned	Progress rate
Tangible fixed assets	13,442	11,688	-1,754	86.9%	17,700	66.0%
Intangible fixed assets	595	525	-69	88.3%	300	175.3%
Capital investments	14,038	12,214	-1,824	87.0%	18,000	67.9%
Depreciation and amortization costs	13,170	13,532	+362	102.8%	13,730	98.6%
Research and development costs	1,159	1,229	+70	106.1%	1,310	93.9%

Major Capital Investments

Unit: million yen

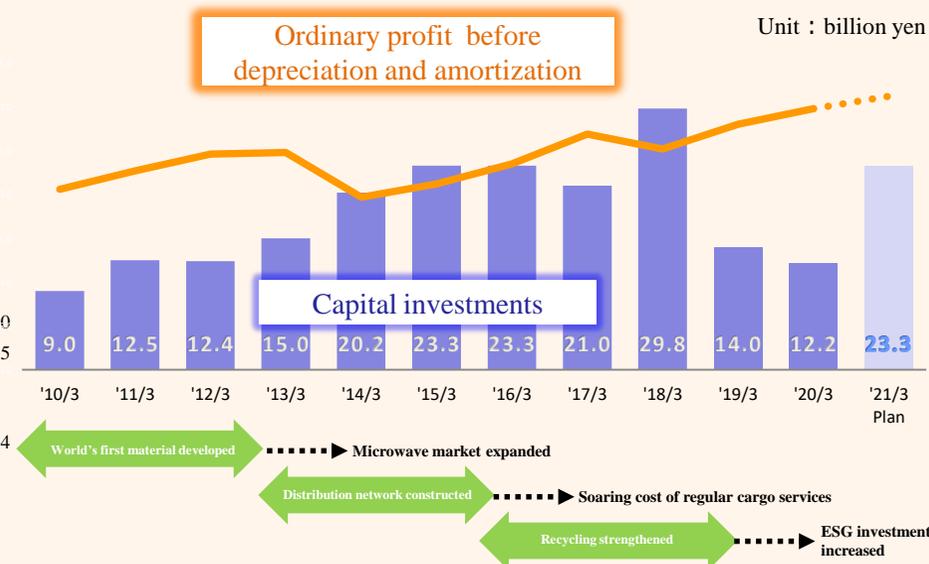
Improving production capacities and efficiencies of recycled materials and products while improving those qualities

	Total investment	Plan in period	Results for Full year	Primary difference
◆ Eco APET materials:Reinforcement of the production capacity (Kanto, Kyusyu)	1,050	280	384	
◆ Eco APET materials:Increase in the productivity (Kanto, Chubu, Kyusyu)	420	420	350	
◆ Eco APET materials:Quality improvement by pelletizing (Chubu)	600	160	473	
◆ Eco APET products: Reinforcement of the production capacity of sheet extruders and molding machines	2,200	1,860	1,801	
◆ Reinforcement of the production capacity of foamed PS products	1,240	1,240	1,227	
◆ Introduction of automation facilities		630	302	

Stable supply and maintenance of working environment

◆ Fukuyama Distribution Center extension	To be inaugurated in Nov. 2020	4,345	1,260	500	-760
◆ Chubu Distribution Center extension	To be inaugurated in Jul. 2021	5,285	1,320	105	-1,215
◆ Company dormitories for single employees in Koga	Inaugurated in Mar. 2020	611	580	579	
◆ Company dormitories for single employees and group home in Fukuyama	To be inaugurated in Oct. 2020	1,054	1,000	116	-884
◆ Molds		1,870	1,756		
◆ IT investments		600	710		

◇ Index



Balance Sheet

(For the FY Ended March 2020)

Unit: million yen	FY ended March 2019 As of March 31,2019	FY ended March 2020			
		As of March 31,2020	Increase/ decrease	Year-on- year	Breakdown of main increases and decreases
Current assets	84,647	80,322	-4,324	94.9%	Cash and deposits +1,136 Notes and accounts receivable-trade -4,288 Accounts receivable - other -1,022
Noncurrent assets	164,684	162,174	-2,510	98.5%	
Total assets	249,332	242,497	-6,835	97.3%	
Current liabilities	76,854	79,569	+2,715	103.5%	Accounts payable - trade -1,644 Short-term loans payable +6,056
Noncurrent liabilities	60,279	43,626	-16,653	72.4%	Long-term loans payable -15,694
Total liabilities	137,133	123,196	-13,937	89.8%	
Net assets	112,198	119,301	+7,102	106.3%	Retained earnings +7,429
Total liabilities and net assets	249,332	242,497	-6,835	97.3%	

Equity ratio

49.0%

◇ Changes in Net sales/Total assets

Total assets

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



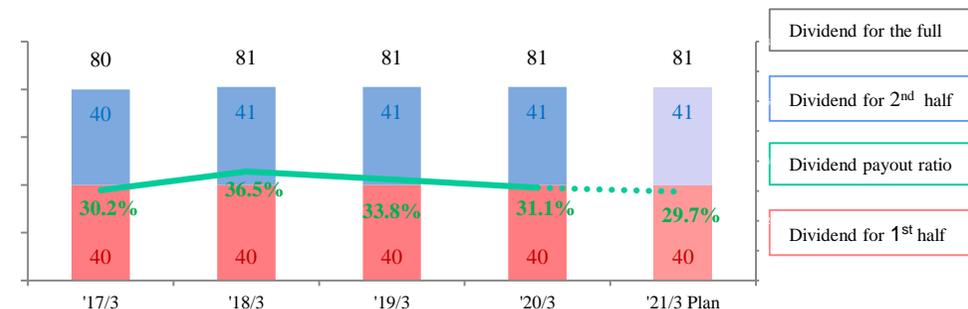
Cash Flows

(For the FY Ended March 2020)

Unit: million yen	Results for Full year	
	FY ended March 2019 Performance	FY ended March 2020 Breakdown of Main Items
CF from operating activities	25,510	27,770
CF from investing activities	-17,109	-10,989
Free cash flows	8,400	16,780
CF from financing activities	-4,908	-15,643
Net increase(decrease)in cash and cash equivalents	3,492	1,136
Cash and cash equivalents at end of period	19,151	20,288

- CF from operating activities
Ensuring profit by selling original products and streamlining efforts
- CF from investing activities
Strategic investment to construct the bases to make a profit for future
- CF from financing activities
Continuously stable dividend

《Dividend per share》



Plan
for the Fiscal Year Ending March 2021

Outline of Plan for Account Settlement

(For the FY Ending March 2021)

	Results for Full year		Full year projections				First half projections			
	FY ended March 2020		FY ending March 2021				FY ending March 2021			
	Performance	percentage	Planned	percentage	increase/ decrease	Year-on -year	Planned	percentage	increase/ decrease	Year-on -year
Unit: million yen										
Trays	36,263	19.5	37,775	19.9	+1,511	104.2%	18,625	19.6	+950	105.4%
Lunchboxes and prepared food containers	103,541	55.6	105,530	55.5	+1,988	101.9%	52,755	55.6	+1,181	102.3%
Subtotal	139,804	75.0	143,305	75.4	+3,500	102.5%	71,380	75.2	+2,132	103.1%
Other products	3,027	1.6	2,895	1.5	-132	95.6%	1,520	1.6	-61	96.1%
Sales of products	142,831	76.6	146,200	76.9	+3,368	102.4%	72,900	76.8	+2,070	102.9%
packaging materials	37,892	20.3	38,340	20.2	+447	101.2%	19,230	20.3	+13	100.1%
Other goods	5,626	3.0	5,460	2.9	-166	97.0%	2,770	2.9	-86	97.0%
Sales of goods	43,518	23.4	43,800	23.1	+281	100.6%	22,000	23.2	-72	99.7%
Net Sales	186,349	100.0	190,000	100.0	+3,650	102.0%	94,900	100.0	+1,998	102.2%
Operating profit	15,507	8.3	16,700	8.8	+1,192	107.7%	7,820	8.2	+725	110.2%
Ordinary profit	16,274	8.7	17,400	9.2	+1,125	106.9%	8,110	8.5	+664	108.9%
Profit attribute to owners of parent	10,777	5.8	11,290	5.9	+512	104.8%	5,213	5.5	+370	107.7%
Ordinary profit before depreciation and amortization	29,807		31,296		+1,488	105.0%	14,969		+820	105.8%

■ Sales Products

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

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

Reinforcement of 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 (For the FY Ending March 2021)

Outlook (May 8 2020)

Fiscal Year ended March 2020 16.27

Unit: billion yen

1st half 7.44

2nd half 8.83

1st half

2nd half

Year on year

+1.13

1st half +0.67

2nd half +0.46

**The Price of
Material**

+1.60

* Including the impact of naphtha-linked pricing on selling prices to customers
(1st half +1.10, 2nd half +0.50)

Sales Efforts

+0.80

(1st half +0.40, 2nd half +0.40)

**Improved
Production**

-0.30

(1st half -0.20, 2nd half -0.10)

**Improved
Distribution**

-0.10

(1st half -0.05, 2nd half -0.05)

**Group
Companies**

±0.00

(1st half -0.15, 2nd half +0.15)

**Increased
Expenses**

-0.87

(1st half -0.43, 2nd half -0.44)

Improvement	+0.74
Labor cost	-1.01
Depreciation	-0.19
Electric power charges	+0.09
Freight costs	-0.03

Labor cost	-0.28
Depreciation	-0.17
Other	-0.42

Fiscal Year ending
March 2021

1st half outlook 8.11

2nd half outlook 9.29

Full year outlook 17.40

Planned Capital Investment and R&D Cost

(For the FY Ending March 2021)

Unit: million yen	Results for Full year	Full year projections			First half projections		
	FY ended March 2020	FY ending March 2021			FY ending March 2021		
	Performance	Planned	Increase / decrease	Year-on-year	Planned	Increase / decrease	Progress rate
Tangible fixed assets	11,688	22,850	+11,161	195.5%	10,400	+5,970	234.8%
Intangible fixed assets	525	450	-75	85.6%	200	+18	110.2%
Capital investments	12,214	23,300	+11,085	190.8%	10,600	+5,989	229.9%
Depreciation and amortization costs	13,532	13,900	+367	102.7%	6,860	+157	102.3%
Research and development costs	1,229	1,312	+82	106.7%	646	+48	108.1%

Major capital investments

unit: million yen

Investment in original products:

Improving production capacity and quality of Eco APET products

	Total investment	Plan in period
◆ Eco APET materials: Increase in productivity (Kanto, Chubu)	676	676
◆ Eco APET materials: Quality improvement by pelletizing (Chubu)	810	337
◆ Eco APET products:	408	408
Reinforcement of the production capacity of molding machines		
◆ Eco APET materials and products: To be acquired in May 2020	1,815	1,633
Land for a new plant (in Kansai)		

Investment corresponding to expansion of the sales quantity:

Stable supply, Efficiency improvement, Maintenance of working environment

◆ Introduction of automation facilities		637
◆ Reinforcement of the production capacity of Conventional materials New products		1,462
◆ Kyusyu Distribution Center extension To be inaugurated in Sep. 2020	659	581
◆ Fukuyama Distribution Center extension To be inaugurated in Nov. 2020	4,345	3,845
◆ Chubu Distribution Center extension To be inaugurated in Jul. 2021	5,285	2,662
◆ Group home Inaugurated in Apr. 2020	195	93
◆ Company dormitories for single employees in Fukuyama To be inaugurated in Oct. 2020	435	388
◆ Molds		1,874
◆ IT investments		532

Total investment Plan in period

◇ Index

