May 10, 2016

Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 <under Japanese GAAP>

Company name:	FP Corporation		
Stock exchange listing:	Tokyo Stock Exchange		
Stock code:	7947	URL:	http://www.fpco.co.jp/
Representative:	Morimasa Sato, Representative Director, President and CEO		
Contact:	Isao Ikegami, Senior Vice President, Director and Head of Finance and Accounting Division Tel. +81-8-4953-1145		

Scheduled date for ordinary general meeting of shareholders: June 28, 2016
Scheduled date of commencement of dividend payment: June 7, 2016
Scheduled date for filing of securities report: June 29, 2016
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	170,292	3.3	13,248	44.2	14,027	38.8	9,294	46.9
March 31, 2015	164,918	2.4	9,189	(5.8)	10,106	0.5	6,329	3.1

(Note) Comprehensive income: Fiscal year ended March 31, 2016: 8,900 million yen [27.7%]
Fiscal year ended March 31, 2015: 6,967 million yen [13.3%]

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2016	224.54	–	10.6	6.9	7.8
March 31, 2015	152.89	–	7.7	5.4	5.6

(Reference) Shares of (profit) loss of entities accounted for using equity method: Fiscal year ended March 2016: – million yen
Fiscal year ended March 2015: – million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2016	209,053	91,591	43.6	2,202.56
March 31, 2015	196,629	85,133	43.1	2,047.04

(Reference) Equity: As of March 31, 2016: 91,174 million yen
As of March 31, 2015: 84,737 million yen

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2016	20,832	(17,923)	(1,530)	15,089
March 31, 2015	16,912	(18,397)	(957)	13,710

2. Dividends

	Dividend per share					Total Dividend	Dividend payout ratio	Dividend on equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2015	–	24.00	–	26.00	50.00	2,069	32.7	2.5
March 31, 2016	–	33.00	–	35.00	68.00	2,814	30.3	3.2
Fiscal year ending March 31, 2017 (forecast)	–	37.00	–	39.00	76.00		30.3	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six-month cumulative period	87,500	3.8	7,400	22.9	7,500	13.1	5,030	12.8	121.51
Year ending March 31, 2017	176,000	3.4	15,100	14.0	15,500	10.5	10,400	11.9	251.24

* Notes

(1) Changes of important subsidiaries during the period (change in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates, and restatement

(i) Changes in accounting policies accompanying amendments to accounting standards, etc.: Yes
(ii) Changes in accounting policies other than (i): Yes
(iii) Changes in accounting estimates: Yes
(iv) Restatement: No

(Note) For details, please refer to (5) Notes to Consolidated Financial Statements – Changes in Accounting Policies of 5. Consolidated Financial Statements on page 18.

(3) Number of shares outstanding (common stock):

(i) Number of shares outstanding at the end of the period (including treasury shares)
As of March 31, 2016: 44,284,212 shares
As of March 31, 2015: 44,284,212 shares

(ii) Number of treasury shares at the end of the period:
As of March 31, 2016: 2,889,332 shares
As of March 31, 2015: 2,889,159 shares

(iii) Average number of shares outstanding during the period:
As of March 31, 2016: 41,394,980 shares
As of March 31, 2015: 41,395,172 shares

(Reference) Overview of non-consolidated operating results

Overview of non-consolidated operating results for the fiscal year ended March 31, 2016 (April 1, 2015 – March 31, 2016)

(1) Non-Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2016	135,361	1.0	9,346	33.6	10,007	27.1	6,509	29.7
March 31, 2015	134,024	2.1	6,997	(6.9)	7,871	2.0	5,018	1.7

	Net income per share (basic)	Net income per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2016	157.25	–
March 31, 2015	121.24	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2016	189,894	75,131	39.6	1,815.00
March 31, 2015	178,293	71,443	40.1	1,725.89

(Reference) Equity: As of March 31, 2016: 75,131 million yen
As of March 31, 2015: 71,443 million yen

* Indication concerning the condition of carrying-out of the audit procedure

This Summary of Consolidated Financial Statements does not require the audit procedure based on the Financial Instruments and Exchange Act. As of the time of disclosure of this Summary of Consolidated Financial Statements, the procedure to audit financial statements based on the Financial Instruments and Exchange Act was not yet completed.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes on forward-looking statements)

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to (1) Analysis of Financial Results of 1. Consolidated Financial Results on page 2.

(How to obtain information presented at a financial results briefing session)

The Company will hold a briefing session for financial analysts and institutional investors on May 12, 2016 (Thursday). Presentation materials presented at this briefing session will be posted on the Company’s website promptly after the session.

Accompanying Materials – Contents

1. Consolidated Financial Results

(1) Analysis of Financial Results

a) Results of operations for the year under review

During the fiscal year under review (from April 1, 2015 to March 31, 2016), the Japanese economy continued to recover moderately in general, supported primarily by improvements in corporate earnings and the employment and income environment in the context of the government's stimulus packages and the BOJ's monetary policies. However, the economic outlook remained uncertain due chiefly to concern regarding slowdowns in the Chinese and other overseas economies, and the continued rise of the Japanese yen and decline in stock prices, especially from the beginning of the year.

In this environment, we saw increases in the sales volume of new design and new function containers centered on our original products, including Multi FP, Multi Solid, OPET, and new transparent PP containers, because they are greatly appreciated by customers not only for their functionality as containers but also for the superiority of their material functions including oil and heat resistance. There was also an increase in the sales volume of products using recycled raw materials, such as Eco Tray and Eco APET. In particular, the Multi FP container, which is ideal for both hot pots and chilled lunchboxes, now has a new deep heat-resistant product with a lid and a new heat-resistant inner plate. Through this development, the Multi FP container, along with the new transparent PP container, has enabled new product development that allows microwave heating. This encourages proposals for the creation of new sales spaces at retailers, and more and more customers are using the product. For transparent containers, including lids and hood packs, we are working on enhancing the lineup of OPET and new transparent PP products to replace conventional OPS containers. As customers are becoming more quality conscious, we have also seen increases in the sales volume of the *oribako-* or wood-appearance lunchbox container, which allows for differentiation, and containers with covers, which make dressed meat and prepared food look good on sales floors. The sales volume of general-purpose products also increased. The sales volume and the net sales of products manufactured by the Group in the fiscal year under review rose by 6.0% and 3.3% year on year, respectively.

On the other hand, the net sales of products purchased from outside the Group in the fiscal year under review rose by 3.1% year on year. This was attributable to the strengthening of the procurement ability and the increase in the volume of products handled, as well as the review of unprofitable transactions.

As a result, the Group achieved consolidated net sales of 170,292 million yen, up 5,374 million yen or 3.3% year on year, reaching a record high.

Although there were cost increases of about 1,930 million yen, due mainly to the commencement of the operations of new bases and facilities and an increase in distribution costs, we achieved a profit improvement of about 5,850 million yen in total, while ordinary income in this fiscal year under review was 14,027 million yen, up 3,920 million yen or 38.8% year on year, profit attributable to owners of parent reached a record of 9,294 million yen, up 46.9%, and ordinary income before depreciation and amortization was 23,554 million yen, up 10.9%. This was primarily due to the impact of lower raw materials prices, the strong sales of our original and new products, and the group-wide efforts to improve costs.

Regarding sales activity, we are seeking to boost net sales and profitability by accelerating the development of high-value-added products to build a rich product lineup and by shifting the sales mix to our original products. We are also taking steps to reduce carbon emissions and improve work productivity to respond to the labor shortage, while promoting sales of products using recycled materials and general-purpose products. In September 2015, we entered into a tie-up with Cookpad, Japan's largest cooking recipe website, and established a special page for our original microwave-steaming container, called Renji Pakku Muserundesu. We aim to take advantage of word-of-mouth online reviews posted on this page to raise product awareness among general consumers, while we have worked to enlarge the market of microwave menus by adding recipe postings. Starting on March 29, 2016, we held a three-day event called the FPCO Fair 2016: Attract Consumers through Creation - A New Market beyond There - under the main theme "Create new products and methods of selling to build a sales space that attracts consumers." From around the nation, 14,000 food retailers and other customers visited the event, where we provided information on sales floors across the country and proposed the latest products with leading food manufacturers.

In terms of logistical preparation for demand that is expected to increase in the future, we completed the second phase of construction work at the Hachioji Distribution Center in September 2015. This has temporarily settled our six-year construction endeavor of a robust and flexible nationwide logistics network and ensured the establishment of a stable supply system for future market expansions and busy seasons. As part of our Business Continuity Plan (BCP), we launched a new initiative to ensure that our critical business functions will continue to operate even in the event of serious incidents, such as an electric outage caused by a disaster. We installed emergency power-generating equipment in our main facilities with an automatic sorter system and other machinery by March 2016, and will install it in all 21 locations nationwide by September 2016. We will also store sufficient fuel to secure an electric supply for 72 hours, or three days. We believe that these measures will contribute to our customers' business continuity and further reinforce our structure that delivers products when needed, while providing a stable supply and curbing the costs of the entire logistics up to product delivery to customers. In May 2015, we were selected as a Competitive IT Strategy Company in the program launched jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of our active usage of IT, including the

distinctive distribution system.
In December 2015, the Hachioji PW Plant located in the Hachioji Distribution Center began to produce *oribako*-type containers. In March 2016, the Chubu Eco PET Plant adjacent to the Chubu PET Recycling Plant commenced operation. This enables integrated production to promote the FPCO "bottle to tray" recycling method, in which it reuses collected transparent PET containers and PET bottles as raw materials to produce Eco APET containers. The Chubu PET Recycling Plant collects transparent PET containers and PET bottles to produce recycled PET flakes, which are then pneumatically transported to the Chubu Eco PET Plant, where Eco APET containers are molded by sheet extrusion. With OPET sheet extrusion equipment No. 3 and product-molding machines, the Chubu Eco PET Plant also functions as a production base for OPET transparent containers.
In December 2015, we were awarded the Minister of the Environment's 2015 Commendation for Global Warming Prevention Activity in recognition of the achievement of the FPCO "bottle to tray" and "tray to tray" recycling method that we have been working on for many years.
Our other initiatives include the completion of the FPCO Research Center in the previous fiscal year, which facilitates research into new materials and products and the acceleration and enhancement of product development. The Center also functions as a training facility, and we will place greater emphasis on personnel development.
With respect to the employment of disabled workers, part of the Group's corporate social responsibility, as of March 31, 2016, the Group provided employment opportunities for 374 individuals (647 disabled workers employed), and 58 at its tie-up partners. In recognition for its efforts, the Group was selected by the Ministry of Economy, Trade and Industry as a winner of the FY2014 Diversity Management Selection 100 project in March 2015. The Company came at the top in a ranking of companies that hire those with disability announced by Toyo Keizai Inc. in September 2015.

(Explanations of terms)

Multi FP (MFP):	An formed PS (polystyrene) container with cold and heat resistance to temperatures between -40ºC and +110ºC and with superior oil and acid resistance and thermal insulation.
Multi Solid (MSD):	A non-formed PS (polystyrene) container with a heat resistance temperature of +110ºC that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP.
OPET transparent container:	A polyethylene terephthalate transparent container with a heat resistance temperature of +80ºC that is molded from bi-axially oriented PET sheets, with superior oil and acid resistance and transparency, achieving the same thermal insulation as the OPS.
New transparent PP container:	A transparent PP container with a heat resistance temperature of +110ºC, which has achieved the same transparency as OPS using standard-grade polypropylene raw material.
OPS transparent container:	A conventional transparent container with a heat resistance temperature of +80ºC that is molded from the bi-axially oriented polystyrene sheets.
Eco Tray:	A recycled expanded polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
Eco APET container:	A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).
Hood pack:	A general-purpose transparent container having a hood connected to the main body, which is used, for example, at a sales space for fried foods at a supermarket.
Cross-docking center:	A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.
COOKPAD:	A food recipe community website operated by COOKPAD Inc.
Renji pakku muserundesu:	A packaged product that contains individually wrapped snap-lock hood packs made from a transparent PP container that conveniently steam food and allow households to steam fresh ingredients from scratch in a microwave. The heat resistance temperature is +110ºC.

b) Projections for the fiscal year ending March 31, 2017
We expect that the business environment surrounding us will remain in balance due to unpredictable factors including consumer trends and cost changes in raw materials and electricity that are influenced by the fluctuating foreign exchange rate and crude oil prices.
In addition, the recent improvement in the employment situation has aggravated the problem of high labor costs due to the labor

shortage, which makes it difficult for domestic companies to secure human resources.

In this environment, we are building a company apartment building consisting of 150 studio units in Chikusei, Ibaraki Prefecture, in order to address the labor shortage in the Kanto region and secure personnel from a wider area. We plan to build a similar facility in the Chubu area as well, where we also face difficulty securing personnel. We are promoting the introduction of industrial robots in production, and a voice-activated picking system and an automatic sorter system in distribution in order to encourage labor saving and improve work productivity. We will continue to take these steps to curb production and distribution costs. In addition, we will develop a corporate structure in which we can achieve stable profits in the medium to long term through measures including the further acceleration of product development and lineup enhancement including the Company's original products, cost control with our nationwide distribution network, and increases in sales of products using recycled materials. The Chubu Eco PET Plant, which commenced operation in March 2016, facilitates the FPCO "bottle to tray" recycling method, in which it reuses collected transparent PET containers and PET bottles as raw materials to produce Eco APET containers. Of all APET transparent containers manufactured by the Group, the Chubu Eco PET Plant aims to increase the sales ratio of Eco APET from 74% as of March 2016 to 87%. We are also considering the construction of a new PET recycling plant in the Kanto area to enhance our production capacity of recycled products.

For the consolidated fiscal year ending March 31, 2017, the Group forecasts that it will achieve net sales of 176,000 million yen, up 3.4% year on year, operating income of 15,100 million yen, up 14.0%, ordinary income of 15,500 million yen, up 10.5%, profit attributable to owners of parent of 10,400 million yen, up 11.9%, and ordinary income before depreciation and amortization of 26,700 million yen, up 13.4%.

(2) Analysis of Financial Situation

(i) State of assets, liabilities and net assets

Consolidated assets at the end of the fiscal year under review totaled 209,053 million yen, up 12,423 million yen from the end of the previous fiscal year.

This is attributable mainly to increases in cash and deposits of 1,379 million yen, notes and accounts receivable - trade of 2,751 million yen, and property, plant and equipment of 13,207 million yen, while there were some decreases in accounts receivable - other of 1,336 million yen and inventories of 3,058 million yen.

Consolidated liabilities amounted to 117,462 million yen, up 5,965 million yen from the end of the previous fiscal year. This was chiefly attributable to rise in loans payable of 5,122 million yen, accounts payable - other of 3,812 million yen and income taxes payable of 1,534 million yen, while there were some declines in accounts payable - trade of 2,691 million yen and lease obligations of 2,600 million yen.

Consolidated net assets reached 91,591 million yen, up 6,457 million yen from the end of the previous fiscal year. This change mainly reflected the posting of profit attributable to owners of parent of 9,294 million yen and some decrease in dividends of surplus of 2,442 million yen.

(ii) State of cash flows

Consolidated cash and cash equivalents (hereinafter, "cash") at the end of the fiscal year under review totaled 15,089 million yen, up 1,379 million yen from the end of the previous fiscal year.

The status of cash flows from the respective activities and the causes are described as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 20,832 million yen, up 3,920 million yen from the previous fiscal year.

This primarily reflected a cash increase due mainly to income before income taxes of 13,753 million yen, depreciation of 9,526 million yen, a decrease in inventories of 3,058 million yen, and a decrease in accounts receivable - other of 1,117 million yen, while there were some cash decreases due mainly to an increase in notes and accounts receivable - trade of 2,752 million yen, a decrease in notes and accounts payable - trade of 2,691 million yen, and income taxes paid of 3,241 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 17,923 million yen, down 474 million yen from the previous fiscal year.

This was mainly due to 17,657 million yen in the purchase of property, plant and equipment, including the second phase of construction work at the Hachioji Distribution Center, the Chubu Eco PET Plant, and other manufacturing facilities.

(Cash flows from financing activities)

Net cash used in financing activities was 1,530 million yen, up 572 million yen from the previous fiscal year.

This primarily reflected proceeds from long-term loans payable of 15,000 million yen, a net increase in short-term loans payable of 400 million yen, repayment of long-term loans payable of 10,277 million yen, repayments of lease obligations of 4,208 million yen, and cash dividends paid of 2,444 million yen.

(Reference) Indicators related to cash flow

	FY ended March 31, 2012	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2015	FY ended March 31, 2016
Capital adequacy ratio (%)	42.3	44.5	44.3	43.1	43.6
Capital adequacy on a market value basis (%)	65.0	73.8	75.3	91.8	95.3
Interest-bearing liabilities/cash flow (per year)	3.4	3.8	3.7	4.3	3.6
Interest coverage ratio (times)	41.3	44.8	53.7	58.3	84.3

Capital adequacy ratio: net worth equity capital/total assets
Capital adequacy ratio on a market value basis: total market capitalization/total assets
Interest-bearing liabilities/cash flow: interest-bearing liabilities/operating cash flow
Interest coverage ratio: operating cash flow/interest payment

* Each indicator is calculated based on consolidated financial data.
* Total market capitalization is calculated based on shares outstanding, excluding treasury shares.
* Interest-bearing liabilities include all the liabilities reported on the consolidated balance sheet for which interest is paid.
* Operating cash flow and interest payment are calculated based on "cash flows from operating activities" and "interest expenses paid" recorded in the consolidated statement of cash flows.

(3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

Providing shareholders with a return on their investment is one of the most important goals of the Group. While aiming to improve profitability and strengthen our financial standing, we will seek to pay consistent dividends, and maintain retained earnings as sources for the flexible strengthening of management and strategic investment in business expansion. In overall consideration of the above, we target a dividend payout ratio of 30%.

In line with these principles, we have set the dividends for the first six-month period of the fiscal year under review at 33 yen and the year-end dividend at 35 yen, for an annual dividend of 68 yen.

The annual dividend for the next fiscal year is expected to be 76 yen per share.

(4) Business Risks, etc.

Risks that could potentially affect the Group, including its operating results, financial position and stock price, are found below.

It should be noted that any forward-looking statement contained in this section is based on judgments made at the end of the fiscal year under review.

(i) Prices of raw materials

Any sudden and substantial increase in the prices of our product raw materials, such as polystyrene resins, PET resins, and polypropylene resins, may influence our business performance.

(ii) Natural disaster

In recent years, earthquakes, typhoons and other natural disasters have occurred frequently around the world.

The Group has plants, distribution centers and other business premises throughout Japan. The Group endeavors to ensure that, even if these bases and facilities suffered devastating damage as a result of an earthquake or other natural disaster or as a result of fire or other accident, the Group could still continue key business operations and maintain a stable supply of the high quality products required by its customers. However, if an unexpected natural disaster or accident occurred, severely affecting operations, this may prevent the Group from procuring raw materials, manufacturing products and supplying them to the market, and this may seriously affect the Group's business performance.

(iii) Product liability

When developing and manufacturing products, the Group conducts business activities in compliance with internal standards and relevant laws and regulations and with due consideration for the safety of its customers and product quality. However, the risk of damages arising as a result of an unexpected product defect could materialize. The Group takes out insurance to address this risk and makes provisions for damages. However, if a major situation that could not be covered by insurance arose, this may affect the Group's business performance.

(iv) Economic conditions and competition

The Group is working to strengthen its sales and development capabilities to make it less susceptible to economic conditions and trends in the market. However, contraction in demand due to business trends or fluctuations in the balance of supply and demand or prices as a result of competition with other manufacturers could affect the Group's business performance.

(v) Fluctuation in the fair market value of securities

The Group does not hold securities available for sale, but determines the fair market value of all securities with a fair market value. Fluctuations in their fair market value on the stock markets could affect the Group's business performance and financial position.

(vi) Bad debts

If the Group was faced with the risk of unexpected bad debts due to concerns over the creditworthiness of a customer, etc., and incurred major bad debt losses or had to make additional provision for bad debts, this may affect the Group's business performance.

2. Business Overview and Organization

The Group consists of FP Corporation and 32 subsidiaries. The principle businesses of the Group are related to simplified food containers, namely the manufacture and marketing of trays and lunchbox containers and the marketing of related packaging materials. The business and role of each company in the Group are as follows:

Business segment	Major business and role	Major company
Businesses related to simplified food containers	Manufacture and marketing of simplified food containers made from compound resins Marketing of packaging materials and packaging machinery Business of recycling collected containers, etc. into recycled raw materials	Reporting company
	Purchase of raw materials and merchandise for the manufacture of simplified food containers made from compound resins Marketing of raw materials and merchandise for the manufacture of simplified food containers made from compound resins Import and export business Operation of franchise chain system for marketing and retail of packaging materials, etc. Catalog/mail-order marketing of food containers, packaging materials, etc.	FP Trading Co., Ltd. (Note)
	Manufacture and marketing of simplified food containers made from compound resins Marketing of packaging materials	FP CHUPA Corporation
	Manufacture of simplified food containers made from compound resins	Ducks Co. and 17 other companies
	Manufacture and marketing of plastic films	FPCO ALRight Co., Ltd (Note)
	Welfare services for disabled persons based on the Total Supports for Persons with Disabilities Act	FPCO Ai Pack Co.
	Business related to collection and sorting of simplified food containers made from compound resins	Ibaraki Pigeon Recycle, Ltd.
	Business of recycling collected PET bottles into recycled raw materials	Nishinihon PET-Bottle Recycle Co., Ltd. (Note)
	Marketing of simplified food containers made from compound resins Marketing of packaging materials	FPCO INTERNATIONAL PACKAGE Co., Ltd. FPCO Miyakohimo Co., Ltd. FPCO Dia Foods Co., Ltd. FPCO Ishida Co., Ltd.
	Business related to the storage and picking of products and merchandise for marketing by the reporting company and certain subsidiaries, and distribution business	FP Logistics Corp. I-Logic Co., Ltd. and 2 other companies
Business related to trading	Business related to the sale of machinery	FP Trading Co., Ltd. (Note)
Other business	Business related to the manufacture of cardboards	FPCO ALRight Co., Ltd. (Note)
	Manufacture and marketing of recycled products made from collected PET bottles	Nishinihon PET-Bottle Recycle Co., Ltd. (Note)
	Rental business	FP Trading Co., Ltd. (Note)

(Note) Multitasking companies are listed as major company under both "Business related to trading" and "Other business."

An organization chart of the Group's business is as follows.

3. Management Policy

(1) Management's Basic Principle

Based on the management philosophy of "Customer First," FP Corporation consistently focuses on the environment, safety, security and health. We operate our businesses to provide products, services and proposals that respond to a broad array of customer and expectations.

In order to fulfill our social responsibility, we have been promoting our environmental management system, making efforts to spread our FPCO recycling method (Tray-to-Tray and Bottle-to-Tray) to build a recycling-oriented society.

Our Medium- to Long-term Management Strategy is aimed at maximizing our corporate value, and we will make active strategic investments to realize this goal. Through these investments, we will aim to become "a corporate group that creates comfortable dietary lives for customers through food containers" and pursue our three basic objectives as a manufacturer: "reliably delivering as needed" "the highest quality products" "at the most competitive price."

We recognize our responsibility as one of the supporters of the dietary environment, and aim to enhance our capacity in material and product development, sales, and distribution, as well as improve quality, productivity, and service. We will continue to reduce total costs and build a solid base for corporate management.

In addition, we will make efforts to maintain positive and open relationships with customers, clients, society, employees, shareholders, and other stakeholders, and aim to sustain growth and improve corporate value in the medium to long term.

(2) Targeted Management Indicators

In the pursuit of shareholder-oriented management, we will increase corporate value by soundly executing Group management policies, aiming at earnings per share of 250 yen.

(3) Medium- to Long-Term Management Strategy

(i) Technological innovation and development of new products

We will accelerate the development of products that meet the needs of customers by introducing state-of-the-art production facilities and replacing equipment, and by promoting comprehensive technological innovation by making products lighter and developing new functions and materials to provide customers with high quality and value added products, as well as low-priced products that offer quality and functionality.

(ii) Aiming at becoming a proposal-based (problem solving type) company

An increasing number of people are changing their lifestyles and eating ready-made meals at home instead of dining out or cooking at home. In response to this trend, which can partly be explained by the increase in elderly people and working women, food retailers are seeing an increase in sales of ready-made meals, especially delicatessen items.

We will strive to stay ahead of this change and provide products that meet the needs of our clients, such as microwavable containers, enabling them to differentiate their sales space from others.

We will also support clients taking environmentally friendly actions or working to cut logistics costs by providing our FPCO recycling method, our nationwide logistics network, or other solutions. We aim to provide comprehensive solutions to issues shared within the retail industry.

(iii) Enhancement of supply system

We will work to further enhance our supply chain management (SCM), saving labor and improving work productivity by introducing industrial robots in production and voice-activated picking systems and automatic sorter systems in distribution. We will continue to take steps to curb production and distribution costs, working to create an entire system of procurement, production and logistics with optimized and reduced costs.

In addition, we will make efforts to fully utilize our nationwide logistics network to provide an even more streamlined logistics service and stable supply of products.

(iv) Environmentally friendly operation

We will execute a new Medium-Term Environmental Management Plan, FP Corporation Eco Action 50, as a more advanced plan of the Five-Year Environmental Management Plan.

Additionally, the Company, as the leading company in the industry, aims at a sustainable world by achieving a recycling-oriented society through our business activities centering on FP Corporation recycling method such as "Tray to Tray" and "Bottle to Tray," and contributes to carbon dioxide emissions reduction by promoting our recycled products (Eco Tray, Eco APET). Compared to non-recycled products, our Eco Tray and Eco APET have realized a 35% and 33% reduction in CO_2 emissions, respectively.

Furthermore, through the design and development of environment-conscious products with one of the lowest levels of environmental impact in the industry, we will implement various measures such as taking initiatives to reduce and recycle industrial waste created through business activities.

(v) Activities emphasizing social responsibility

We will actively support disabled people who wish to work, and promote activities to win the trust of the local community.

In order to aid our clients' business continuity, we will install an emergency power generator to provide power to continue logistics operations in the event of a blackout caused by natural disasters, etc. We will establish a system that will provide 72 hours' (3 days') worth of electricity.

We also believe that intangible value comprises social responsibility. Based on this idea, we will build a cooperative relationship with customers, clients, society, employees, shareholders, and other stakeholders by creating opportunities for further communication. These will include tours of our recycling plants, sorting plants, and plants that have hired disabled workers.

(vi) Enhancement of intellectual property rights

To ensure the uniqueness of the Group and its differentiation advantage in the market, we will apply for patent, utility model right and design registration, to enhance corporate value through the acquisition of intellectual property rights.

(vii) Preparation for market expansion

By combining organization-wide resources and infrastructures that have been nurtured by FP Corporation over the years, including capabilities for development, manufacturing and recycling, resourcefulness and networks for distribution and information, we will get prepared for rapid expansion of the market.

(viii) Promotion of diversity

We believe that part of improving our corporate value involves ensuring that our employees can work with a sense of purpose and fulfillment and play their roles by utilizing their abilities and strengths to the full.

In order to promote diversity, we will carry out initiatives to develop a corporate culture that allows a diverse range of people to contribute to the company, regardless of gender, age, nationality or disability.

(4) Issues Facing the Company

The Japanese economy is seeing continued improvement in corporate earnings, employment and income, despite a prevailing sense of uncertainty driven by signs of weaknesses in overseas economies led by China. Meanwhile, wage increases did not meet expectations, and personal consumption is losing momentum, raising concerns over the future of the economy.

In this environment, we will work to ensure that our Medium- and Long-term Management Strategies mentioned in the Management Policy section are carried out. We will also build on our previous efforts to create a strong foundation for our business, and strive to create a company with robust qualities including cost competitiveness and consistent profit.

In addition, we will continue to maintain transparency and fairness in our management decisions, and make full use of our management resources (people, things, money and information). We will work to enhance our corporate governance in order to make prompt, bold decisions and realize sustained growth and improved corporate value in the long term.

4. Basic Approach to Selection of Accounting Standards

The Group has decided to adopt Japanese Accounting Standards for the time being. However, we plan to conform to IFRS (International Financial Reporting Standards) as appropriate upon consideration of domestic developments and the situation in other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	13,710	15,089
Notes and accounts receivable - trade	32,876	35,628
Merchandise and finished goods	17,804	15,686
Work in process	94	76
Raw materials and supplies	3,770	2,849
Deferred tax assets	1,340	1,649
Accounts receivable - other	4,102	2,766
Other	450	439
Allowance for doubtful accounts	(30)	(29)
Total current assets	74,120	74,154
Non-current assets		
Property, plant and equipment		
Buildings and structures	97,595	108,219
Accumulated depreciation	(46,248)	(48,267)
Buildings and structures, net	51,347	59,951
Machinery, equipment and vehicles	35,963	41,926
Accumulated depreciation	(25,004)	(25,990)
Machinery, equipment and vehicles, net	10,959	15,935
Lands	33,256	33,502
Leased assets	25,608	23,010
Accumulated depreciation	(12,513)	(12,384)
Lease assets, net	13,095	10,626
Construction in progress	1,031	2,237
Other	19,109	18,850
Accumulated depreciation	(15,247)	(14,344)
Other, net	3,862	4,505
Total property, plant and equipment	113,551	126,759
Intangible assets		
Goodwill	1,605	1,232
Other	1,077	1,057
Total intangible assets	2,683	2,290
Investments and other assets		
Investment securities	4,085	3,522
Deferred tax assets	1,014	1,212
Other	1,225	1,169
Allowance for doubtful accounts	(50)	(55)
Total investments and other assets	6,274	5,849
Total non-current assets	122,509	134,898
Total assets	196,629	209,053

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	21,163	18,472
Short-term borrowing payable	10,702	13,803
Commercial paper	15,000	15,000
Lease obligations	3,950	3,531
Accounts payable–other	6,370	10,182
Income taxes payable	1,686	3,220
Accrued consumption taxes	773	1,022
Provision for bonuses	1,565	1,805
Provision for directors’ bonuses	44	71
Other	2,958	2,920
Total current liabilities	64,214	70,029
Noncurrent liabilities		
Long-term borrowing payable	33,084	35,106
Lease obligations	10,059	7,878
Deferred tax liabilities	48	44
Provision for directors’ retirement benefits	1,206	1,210
Provision for executive officers’ retirement benefits	7	14
Net defined benefit liability	2,716	2,993
Other	159	184
Total non-current liabilities	47,282	47,432
Total liabilities	111,496	117,462
Net assets		
Shareholders’ equity		
Capital stock	13,150	13,150
Capital surplus	15,843	15,843
Retained earnings	59,600	66,453
Treasury shares	(4,941)	(4,942)
Total shareholders’ equity	83,653	90,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,288	919
Remeasurements of defined benefit plans	(204)	(249)
Total accumulated other comprehensive income	1,084	669
Non-controlling interests	395	416
Total net assets	85,133	91,591
Total liabilities and net assets	196,629	209,053

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	164,918	170,292
Cost of sales	118,336	117,420
Gross profit	46,582	52,872
Selling, general and administrative expenses	37,393	39,624
Operating income	9,189	13,248
Non-operating income		
Interest income	5	3
Dividends income	74	82
Subsidy income	667	544
Rent income	90	75
Gain on sale of scraps	209	173
Other	317	304
Total non-operating income	1,365	1,183
Non-operating expenses		
Interest expenses	297	249
Other	151	155
Total non-operating expenses	448	404
Ordinary income	10,106	14,027
Extraordinary income		
Gain on sales of non-current assets	1	–
Gain on bargain purchase	39	–
Total extraordinary income	40	–
Extraordinary losses		
Loss on sales and retirement of non-current assets	135	254
Loss on step acquisitions	80	–
Loss on valuation of golf club membership	–	19
Total extraordinary losses	215	273
Income before income taxes and non-controlling interests	9,931	13,753
Income taxes - current	3,526	4,729
Income taxes - deferred	64	(291)
Total income taxes	3,591	4,438
Net income	6,340	9,315
Profit attributable to non-controlling interests	11	20
Profit attributable to owners of parent	6,329	9,294

Consolidated Statement of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net income	6,340	9,315
Other comprehensive income		
Valuation difference on available-for-sale securities	734	(368)
Remeasurements of defined benefit plans, net of tax	(106)	(45)
Total other comprehensive income	627	(414)
Comprehensive income	6,967	8,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,956	8,880
Comprehensive income attributable to non-controlling interests	11	20

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2015

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,843	55,529	(4,939)	79,583
Cumulative effects of changes in accounting policies			80		80
Restated balance	13,150	15,843	55,610	(4,939)	79,664
Changes of items during period					
Dividends of surplus			(2,338)		(2,338)
Profit (loss) attributable to owners of parent			6,329		6,329
Purchase of treasury share				(1)	(1)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,990	(1)	3,988
Balance at end of current period	13,150	15,843	59,600	(4,941)	83,653

(Million yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	553	(97)	456	21	80,062
Cumulative effects of changes in accounting policies					80
Restated balance	553	(97)	456	21	80,142
Changes of items during period					
Dividends of surplus					(2,338)
Profit (loss) attributable to owners of parent					6,329
Purchase of treasury share					(1)
Net changes of items other than shareholders' equity	734	(106)	627	374	1,001
Total changes of items during period	734	(106)	627	374	4,990
Balance at end of current period	1,288	(204)	1,084	395	85,133

Fiscal year ended March 31, 2016

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,843	59,600	(4,941)	83,653
Changes of items during period					
Dividends of surplus			(2,442)		(2,442)
Profit (loss) attributable to owners of parent			9,294		9,294
Purchase of treasury share				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	6,852	(0)	6,851
Balance at end of current period	13,150	15,843	66,453	(4,942)	90,505

(Million yen)

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,288	(204)	1,084	395	85,133
Changes of items during period					
Dividends of surplus					(2,442)
Profit (loss) attributable to owners of parent					9,294
Purchase of treasury share					(0)
Net changes of items other than shareholders' equity	(368)	(45)	(414)	20	(394)
Total changes of items during period	(368)	(45)	(414)	20	6,457
Balance at end of current period	919	(249)	669	416	91,591

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Income before income taxes	9,931	13,753
Depreciation	11,135	9,526
Increase (decrease) in provision for bonuses	55	240
Increase (decrease) in provision for directors' bonuses	(11)	26
Increase (decrease) in allowance for doubtful accounts	(25)	3
Increase (decrease) in provision for directors’ retirement benefits	(39)	4
Increase (decrease) in provision for executive officers' retirement benefits	7	7
Increase (decrease) in net defined benefit liability	260	277
Loss (gain) on sales and retirement of non-current assets	133	244
Interest and dividends income	(79)	(85)
Interest expenses	297	249
Loss on valuation of golf club membership	–	19
Decrease (increase) in notes and accounts receivable - trade	(2,172)	(2,752)
Decrease (increase) in inventories	(590)	3,058
Decrease (increase) in accounts receivable - other	(1,356)	1,117
Increase (decrease) in notes and accounts payable - trade	1,420	(2,691)
Increase/decrease in other assets/liabilities	622	363
Increase (decrease) in accrued consumption taxes	219	431
Other, net	731	442
Subtotal	20,539	24,236
Interest and dividend income received	80	85
Interest expenses paid	(289)	(247)
Proceeds from insurance income	164	–
Payments for loss on disaster	(127)	–
Income taxes paid	(3,454)	(3,241)
Net cash provided by (used in) operating activities	16,912	20,832
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,203)	(17,657)
Purchase of intangible assets	(405)	(340)
Purchase of investment securities	(25)	(25)
Proceeds from sales of investment securities	175	8
Payments of long-term loans receivable	(39)	(39)
Collection of long-term loans receivable	25	31
Other, net	75	99
Net cash provided by (used in) investing activities	(18,397)	(17,923)

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,184)	400
Proceeds from long-term loans payable	17,500	15,000
Repayment of long-term loans payable	(8,778)	(10,277)
Purchase of treasury shares	(1)	(0)
Repayments of lease obligations	(4,153)	(4,208)
Cash dividends paid	(2,339)	(2,444)
Net cash provided by (used in) financing activities	(957)	(1,530)
Net increase (decrease) in cash and cash equivalents	(2,442)	1,379
Cash and cash equivalents at beginning of period	16,153	13,710
Cash and cash equivalents at end of period	13,710	15,089

(5) Notes to Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Changes of Basic Important Matters for the Preparation of Consolidated Financial Statements

Scope of consolidation

Number of consolidated subsidiaries: 32

All subsidiaries are consolidated.

Names of principal consolidated subsidiaries

The names are omitted because they are listed in 2. Business Overview and Organization.

Changes in Accounting Policies

(Application of Accounting Standard for Business Combination)

From the fiscal year ended March 31, 2016, the Company is applying the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013). Under these accounting standards, the Company shall post any gain or loss on changes in the Company's equity in subsidiaries that the Company continues to control in capital surplus, and shall post expenses related to acquisitions as expenses in the consolidated fiscal year in which they are incurred. Any review of the allocation of the acquisition cost in the provisional accounting of a business combination after the beginning of the fiscal year ended March 31, 2016 shall be reflected in the consolidated financial statements for the fiscal year in which the date of the business combination occurs. In addition, the Company changed the way net income is indicated and also changed "minority interests" to "non-controlling interests." To reflect these changes, the Company has revised the consolidated financial statements for the previous consolidated fiscal year.

The application of the Accounting Standard for Business Combinations, etc. follows the transitional treatment set forth in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and the accounting standards are applied from the beginning of the fiscal year ended March 31, 2016.

The application of the accounting standards has no impact on the Group's earnings.

(Change in Depreciation Method)

The Company and its consolidated subsidiaries previously applied the declining balance method when depreciating property, plant and equipment, excluding leased assets (however, the straight line method has been applied to buildings, excluding equipment attached to buildings, acquired from April 1, 1998). However, from the fiscal year ended March 31, 2016, the company is applying the straight line method instead of the declining balance method.

In recent years, the food container industry has needed to promote the recycling of used containers for the effective use of resources and the curbing of CO_2 emissions, develop containers that can be heated in a microwave in association with the growing shift to home meal replacements, and react to rising shipping costs. In response to this business environment, the Group is making investments in order to manufacture eco-friendly products through the recycling of plastic bottles, manufacture new heat- and oil-resistant products in earnest, and complete a nationwide distribution network. In association with these capital expenditures, the Group has examined its use of property, plant and equipment and has found that its facilities are expected to be used constantly for long periods of time. The Group has thus determined that the rational method for depreciating property, plant and equipment (excluding buildings) is the straight-line method. Because of this change in the depreciation method, compared with the case where the declining-balance method continues to be used, depreciation is 2,809 million yen lower at the end of the fiscal year under review. Operating income is 2,451 million yen higher. Ordinary income and income before income taxes and non-controlling interests are both 2,474 million yen higher.

Consolidated Balance Sheet

Overdraft agreements and agreements for loan commitments

The Company has concluded overdraft agreements and agreements for loan commitments for the effective procurement of operating funds. The unexercised outstanding of loans as of the end of March 31, 2015 and 2016 under these agreements is as follows:

(Million yen)

	As of March 31, 2015	As of March 31, 2016
Total of overdraft limit and loan commitments	45,600	57,600
Exercised outstanding	1,200	1,600
Difference	44,400	56,000

Consolidated Statement of Income

1. Of selling, general and administrative expenses, the major expense items and their amounts are as follows:

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Promotion expenses	3,197	3,791
Warehousing and carrying charges	13,458	14,546
Remuneration for officers	496	482
Salaries for employees	6,249	6,591
Provision for reserve for bonuses to officers	36	70
Provision for reserve for bonuses	710	812
Retirement benefit expenses	258	354
Provision for reserve for officer’s retirement	57	68
Provision for reserve for executive officer’s retirement	7	7
Depreciation and amortization	2,732	2,567
Provision for allowance for doubtful accounts	(14)	4

2. Total research and development costs included in selling, general and administrative expenses as well as manufacturing costs

(Million yen)

Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
1,105	1,242

3. Details of loss on sales and retirement of non-current assets are as follows:

(Million yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
(Loss on retirement of non-current assets)		
Buildings and structures	8	97
Machinery, equipment and vehicles	50	66
Other	34	87
Subtotal	92	251
(Loss on sales of non-current assets)		
Machinery, equipment and vehicles	1	1
Other	41	1
Subtotal	43	2
Total	135	254

Segment information

a. Segment information

Fiscal year ended March 31, 2015 and fiscal year ended March 31, 2016

As the Group has a single segment of the simplified food container business, the description is omitted.

Per Share Information

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net assets per share	2,047.04	2,202.56
Net income per share	152.89	224.54

(Notes)

1. Diluted net income per share was not presented because there was no dilution for the fiscal year.
2. The basis for estimating net income per share is as follows:

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit (loss) attributable to owners of parent (million yen)	6,329	9,294
Amount not attributable to common shareholders (million yen)	–	–
Profit (loss) attributable to owners of parent and attributable to common stock (million yen)	6,329	9,294
Average number of shares outstanding during the year (thousands of shares)	41,395	41,394

Important Subsequent Events

Not applicable

Omission of Notes

As the necessity of disclosing other notes to consolidated financial statements in these consolidated financial results is considered insignificant, the disclosure is omitted.

6. Other

(1) Regarding the Transition to a Company with an Audit and Supervisory Committee

Conditional on its approval at the 54th annual general shareholders' meeting to be held on June 28, 2016, the Company plans to transition to a company with an audit and supervisory committee. For details, please refer to the "Notice regarding transition to a company with an audit and supervisory committee" released on May 10, 2016.