2009 CSR Report

To be a company that links people with people,
people with nature, and companies with society.

Environmental and Social Action Report

FP Corporation
manufactures food trays and containers.

FP Corporation
brings richness to our meals.

FP Corporation
provides color to store sales counters.

FP Corporation
places great importance
in our global environment.

FP CORPORATION

Pursuing an ongoing mission to respond to the needs of the day.

The Birth of a Brand New Company in Fukuyama

Since the company's founding in 1962 when I was 24 years old, FP Corporation has progressed through two eras of profound change – a period of rapid industrial growth and the collapse of the Japanese bubble economy – to reach the current day. At the time of our establishment, the raw material which we now use to manufacture trays was commonly known as "pearl paper" due to its shiny properties. This, in turn, led to our company being named Fukuyama Pearl Paper Manufacturing Corporation. At a later date, both the "F" of Fukuyama and the "P" of Pearl were then incorporated into our current name – FP Corporation.

For the first five years of our existence, we manufactured a wide range of products fully in response to the requests of our customers. Although we did not make the same kinds of food trays and containers that we do today, we produced a variety of items such as

Photo provided by the Asahi Shimbun Company.

plates for parties and sushi, as well as interior packaging for sweets and over-the-counter medicines. During this time, we still used wooden models during production.

Riding the Wave of a Quickly Expanding Economy

In the days thereafter, modern supermarkets began to open in Fukuyama. This propelled us to delve more and more into tray manufacturing. As distribution methods changed with the mass production of food products, the need arose for food trays to offer increased convenience. To meet the demand from supermarkets, we strove desperately to manufacture the trays they required. Although FP Corporation had only been a small Fukuyama outfit up to that point, we were then able to ride the wave of Japan's amazing growth and set sail as a leading company.

Naturally, despite this great rise, we have also encountered our share of difficulties over the years. For example, in the tenth year of our existence, we came straight up against the oil crisis and were forced to endure a badly overstocked inventory. There have also been times when our own pride has led us into making errors. In each case, however, we have always managed to overcome such problems by fully devoting ourselves to our work.

Product Variation Demanded by the Times

Beyond simply taking advantage of the changes of the day, FP Corporation has remained intently focused on developing the products its customers are looking for.

Entering the 1980's, an influx of Western cuisine brought great diversification to the Japanese diet. This, in turn, led us to introduce colored trays. With food enjoying more and more variation, it also became necessary that we expand our products along the same lines.

The Mission Entrusted to FP Corporation

Even now, I make it a point to visit the place where everything comes together. I am referring to the supermarket sales counter, which acts as the contact point between consumers and FP Corporation products. In this regard, I believe it is the mission of our company to answer the wishes of these customers.

During a period when the Japanese economy experienced continued growth, we gained great impetus from both the wave of financial expansion and the voices of our customers. Because of these blessings, we can now proudly boast that we have successfully carried out our mission to our society.

Taking on the Challenge of the Trash Wars

One negative aspect of the era of great economic expansion was that society was presented with serious environmental problems, beginning with the "trash wars" that arose all across Japan. At this time, we first saw the predominance of a "throwaway culture" where fast food, noodle, and other types of containers were simply used and discarded.

Even before the outbreak of such trends, however, we at FP Corporation held deep concern for the health of the environment. From a very early period, we conducted training overseas. Witnessing dramatic changes in Western society, we predicted that the same situations would appear here in Japan as well. We were then able to prepare ourselves readily to act against this problem.

The Beginning of a New Endurance

I believe that it is necessary to manage a company with a great deal of endurance. In fact, running this corporation has truly called for one act of perseverance after another from the day of our founding.

In particular, when putting into practice our plans for a recycling business for our products, we faced a series of problems that defied imagination. In addition to enlisting the help of distributors such as wholesalers and supermarkets, we also needed to gain the cooperation of all the consumers who acted as the end users of our products. Fortunately, milk carton recycling had already gotten well underway by that time. This provided a kind of groundwork from which consumers were also encouraged to recycle trays as well.

Our tray recycling operations officially got underway in 1990. This marked a new chapter in the history of FP Corporation. In collecting and recycling food trays instead of allowing them to be used and thrown away, we realized a process of environmental conservation not seen anywhere else in the world.

Looking to Accomplish a Dream

While most of the materials we have recycled up to now have been Styrofoam food trays, from 2008, we have also started to recycle transparent containers. Knowing that the operations we have realized have helped to reduce the amount of waste discarded from households in addition to offering such convenience, I am filled with great joy and pride. Before long, I would like to collect every type of used tray and contribute to the dream of building a society where everything is fully recyclable.

Nowadays, all companies have been urged to decrease the burden they place on the environment. Beyond the recycling of our products, I would like FP Corporation to participate in the conservation of the natural world after gaining an even broader perspective. Also, in addition to such environmentally related efforts, I hope that we can also take on a wider range of social responsibilities. Although we have continued to hire persons with disabilities for over 20 years now, I feel that our obligations to society

Never letting go of the dream to build a new tomorrow.

have increased even more as our company has grown.
By saying, though, that we must realize our social responsibilities, this can seem like an almost perfunctory gesture, and I would certainly not agree with that type of sentiment. On the contrary, I believe that we are helping to fulfill the wishes of our society. In other words, our society's dreams are also the dreams of FP Corporation. As long as there are people who aspire for a brighter future, we will spare no effort to ensure their wishes come true. If people can keep dreaming, our growth as a company is sure to continue.

President and Representative Director,
Chief Executive Officer
Yasuhiro Komatsu

小松安弘

(Appointed Chairman and CEO on June 26, 2009)

CSR Topics from Fiscal 2008

TOPICS Fiscal 2008

June 2008

Initiated New Medium Term Environmental Management Plan

➡P.21

August 2008

Started Transparent Container Recycling

➡P.20, 26

September 2008

Honored with the Chugoku New Office Promotion Award

➡P.53

March 2009

Certified as a Leading Company in the Employment of Disabled Workers

障害者雇用優良企業
厚生労働省 2012

➡P.46

March 2009

Received the Fukuyama Environment Award

➡P.20

TOPICS

Editorial Guidelines

This 2009 CSR Report is a summary of FP Corporation's environmental and social activities from April 2008 to March 2009. It has been edited according to the following guidelines.

- We have taken care to clearly note the achievements resulting from each activity and FP Corporation's future directions in order for everyone to understand the essence of our corporation.
- We have endeavored to give a voice to people from inside the organization by printing comments furnished by employees and other concerned parties.
- The "Environmental Report Guidelines" from the Ministry of the Environment (FY2007 edition) was used as a reference in preparing this report.
- Time period covered : April 1, 2008 to March 31, 2009
- Range of coverage : FP Corporation and the FP Corporation Group

CONTENTS

OUTLINE

Company Outline

Just how do we contribute to society through the manufacturing and marketing of disposable food containers? Please allow us to explain.

"To be a company that links people with people, people with nature, and companies with society."

To accommodate attractively laid out meals and facilitate communication through a wide range of food containers.

To build a recycling system for used containers and limit the burden placed on the natural environment.

To support the food industry with our containers, responding to society's needs for safety, peace of mind, and a healthy environment.

In order to realize these goals at a high level, we at FP Corporation have installed our company slogan as a core management guideline. This means we are operating our business in accordance with this creed. As a manufacturer involved in the distribution of food, one of the basics of human life, our aim is to provide products that are not only safe but also have a minimal impact on the environment. To fulfill this mission, we will continue to seek improvements on a daily basis.

Company Profile

Corporate Name: FP Corporation

Established: July 1962

Representative Officer:
Yasuhiro Komatsu,
President and Representative Director,
Chief Executive Officer

Capital: 13,150,000,000 yen

Number of Employees: 648 (FP Corporation Group total: 2,890)

Description of Business:
Manufacturing and marketing of disposable food containers made of polystyrene and other compound resins, marketing of related packaging materials

Headquarters:
1-12-15 Akebono-cho, Fukuyama-shi, Hiroshima Prefecture, Japan 721-8607
TEL: +81-84-953-1145 FAX: +81-84-953-4911

Tokyo Headquarters:
Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan 163-6036
TEL: +81-3-5320-0717 FAX: +81-3-5325-7811

NETWORK

●Sales Operation Bases

Osaka Branch
Sapporo Sales Office
Sendai Sales Office
Nagoya Sales Office
Shizuoka Sales Office
Niigata Sales Office
Hokuriku Sales Office
Hiroshima Sales Office
Takamatsu Sales Office
Fukuoka Sales Office

●Plants

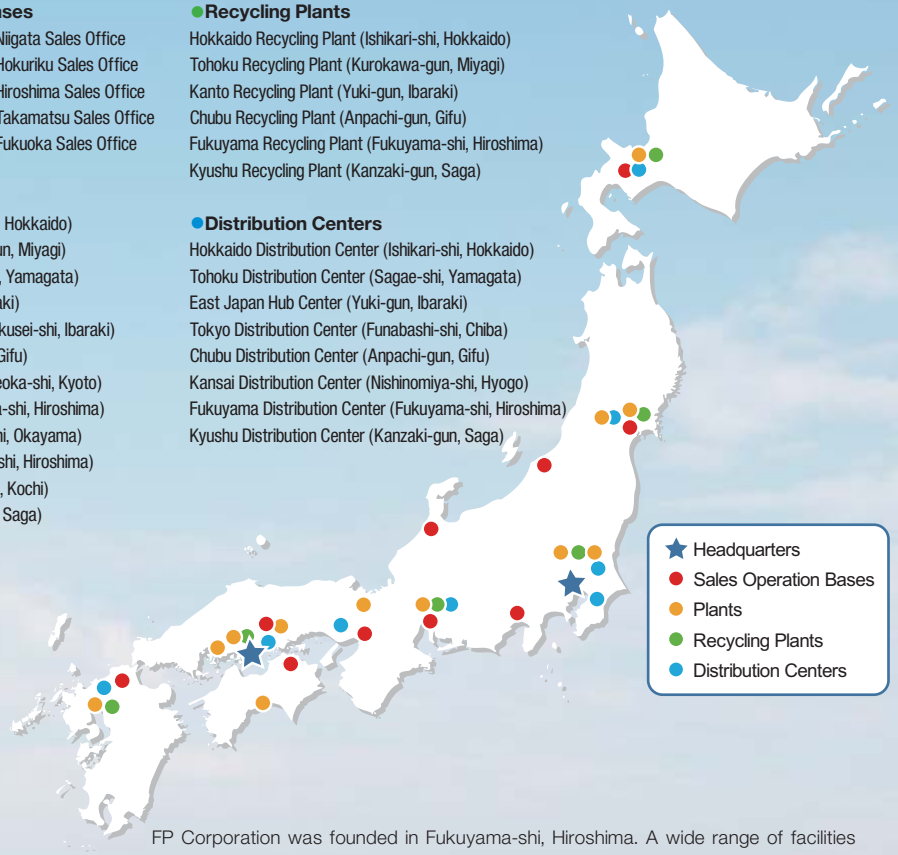
Hokkaido Plant (Ishikari-shi, Hokkaido)
Tohoku Plant (Kurokawa-gun, Miyagi)
Yamagata Plant (Sagae-shi, Yamagata)
Kanto Plant (Yuki-gun, Ibaraki)
Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
Chubu Plant (Anpachi-gun, Gifu)
Kinki Kameoka Plant (Kameoka-shi, Kyoto)
Fukuyama Plant (Fukuyama-shi, Hiroshima)
Kasaoka Plant (Kasaoka-shi, Okayama)
Kannabe Plant (Fukuyama-shi, Hiroshima)
Shikoku Plant (Nankoku-shi, Kochi)
Kyushu Plant (Kanzaki-gun, Saga)

●Recycling Plants

Hokkaido Recycling Plant (Ishikari-shi, Hokkaido)
Tohoku Recycling Plant (Kurokawa-gun, Miyagi)
Kanto Recycling Plant (Yuki-gun, Ibaraki)
Chubu Recycling Plant (Anpachi-gun, Gifu)
Fukuyama Recycling Plant (Fukuyama-shi, Hiroshima)
Kyushu Recycling Plant (Kanzaki-gun, Saga)

●Distribution Centers

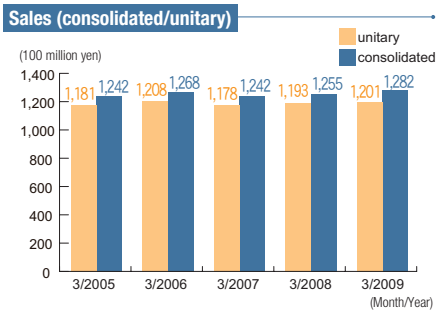
Hokkaido Distribution Center (Ishikari-shi, Hokkaido)
Tohoku Distribution Center (Sagae-shi, Yamagata)
East Japan Hub Center (Yuki-gun, Ibaraki)
Tokyo Distribution Center (Funabashi-shi, Chiba)
Chubu Distribution Center (Anpachi-gun, Gifu)
Kansai Distribution Center (Nishinomiya-shi, Hyogo)
Fukuyama Distribution Center (Fukuyama-shi, Hiroshima)
Kyushu Distribution Center (Kanzaki-gun, Saga)



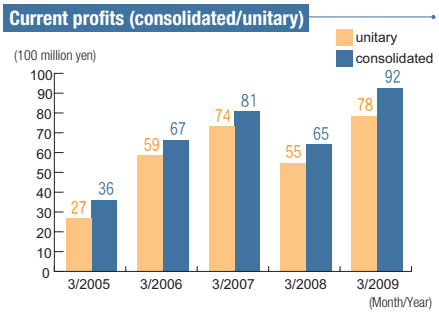
FP Corporation was founded in Fukuyama-shi, Hiroshima. A wide range of facilities including our head office, plants, warehouses, and a distribution center can now be found in the southeastern section of the city along Fukuyama Harbor. Taken from a hill overlooking the port, this photo shows an FP Corporation manufacturing plant, recycling plant, and distribution center amidst a landscape stretching out into the Inland Sea.

Main Management Indices

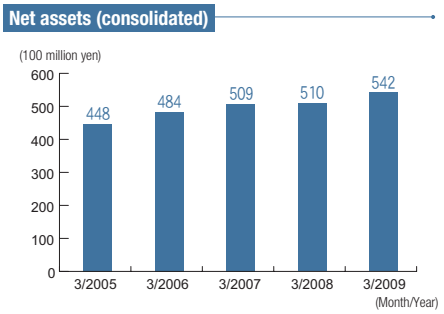
Sales (consolidated/unitary)



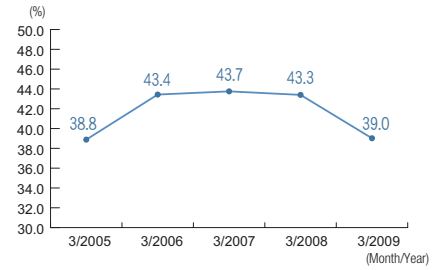
Current profits (consolidated/unitary)



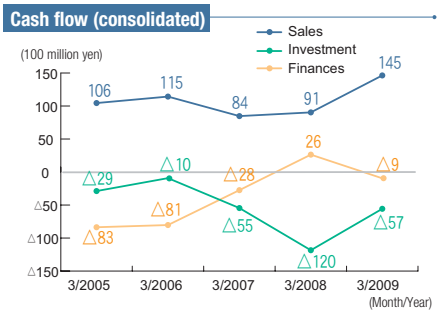
Net assets (consolidated)



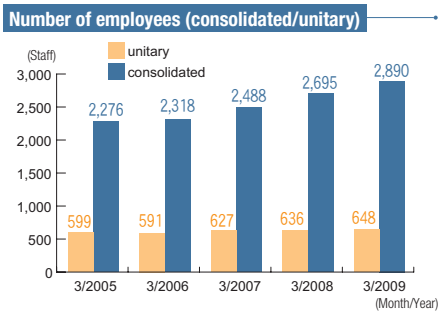
Equity ratio (consolidated)



Cash flow (consolidated)



Number of employees (consolidated/unitary)



Company Outline

FP Corporation and Japanese Food Culture

FP Corporation Products Responding to the Needs of the Day

FP Corporation products have evolved together with changes to Japanese food culture. In the manufacturing of food containers, we are helping to enrich the diets of people all over the country.

A dinner table scene from the 1950's.

1950's

The birth of instant noodles. An era when families still eat meals around a low dining table. The Westernization of the Japanese diet begins.

1960's

Living environments change as people move into apartment complexes. Families start to eat meals at a Western dining table.
The birth of food trays.
The production of conventional white trays (1).

1970's

Instant cup of noodles begin to enjoy great popularity. The start of an era when people eat take-away meals such as hot lunch boxes.

1980's

An era of rapid economic expansion and plentiful food.
The introduction of "color trays" (2) to support the rise in the fashionability of food containers.

1990's

A time known as the "Era of 100 Million Gourmets". Coinciding with the spread of convenience stores, a recycling movement starts up due to concern about the environment.
The production of the "Eco Tray" (3), the first food container on the market to be certified with the Eco Mark.
The manufacturing of containers with a lid (4). In comparison to wraps, which had been more prevalent up to that time, these products significantly increase the effects of food arrangement and display.

2000 - Present

The rise of gourmet and big eating television programs. A significant change in food needs occurs in line with a diversification of life styles.
The introduction of a rich variety of food containers (5) to support a wide range of uses.

1

2

3

5

Transparent containers present the appeal and freshness of food products. These receptacles are commonly used for salads and cut fruits.

Covered hot pot containers accommodate the flavor and freshness of a variety of seasonal ingredients such as meat, seafood, and vegetables. These products have been designed so as not to leak soup or other liquids.

4

Containers can be used as lunch boxes, a staple of Japanese food culture. By arranging the partitions, colors can be enhanced and foods can be eaten with greater ease.

FP Corporation products have become a permanent fixture of our daily eating habits. In addition to answering the needs of our time, through the manufacturing of our food containers, we will continue to present a variety of ways for improving the quality of our eating lifestyle.

Group Companies Supporting FP Corporation

■Manufacturing
- FPCO Sendai Co.
- FPCO Yamagata, Ltd.
- FPCO Shimodate, Ltd.
- FPCO Ibaraki Co.
- FPCO Chubu Co.
- FPCO Minoshima Co.
- FPCO Fukuyama Co.
- FPCO Kasaoka Co.
- FPCO Kannabe, Ltd.
- FPCO Saga Co.
- FPCO Engineering, Ltd.
- Daks Co.
- Daks Shikoku Co.
- Daks Saga Co.
- FPCO Ai Pack Co.
- Nodaya, Ltd.
- Teika-Precision Co.

■Trading
- FP Trading Co., Ltd.

■Sales
- FP CHUPA Co., Ltd.

Daks Shikoku Co.

■Retail
- FPCO Modern Pack Co., Ltd.

■Others
- Cook Labo Co., Ltd

■Distribution
- FPCO Distribution Co.
- Excel Distribution, Ltd.
- FPCO Picking, Ltd.
- FPCO Chubu Distribution, Ltd.
- FPCO Kanto Picking, Ltd.
- FPCO Kyushu Distribution, Ltd.
- I Logic Co.

The FPCO Modern Pack Co., Ltd. website expands mail order.

FPCO Distribution Co., Fukuyama

Company Outline

Featured Interview

FP Corporation is Helping to Invent Japanese Food Culture.

Food containers are simply thought of as being receptacles for delivering food from a production center to the dining table, but, in fact, they also bear a considerable effect on the Japanese diet. This section features an interview with Hirofumi Narita, who has long watched over the development of the Japanese ready-made foods industry.

Starting off, could you please tell us about the relationship between food containers and the ready-made foods and take-away foods industries here in Japan?

The store-bought purchase of ready-made foods and take-away meals for consumption at the home or other locations – a practice known as "Naka-shoku" – is a distinctive characteristic of Japanese food culture. It has found a definite niche between the cooking of meals at home and the eating of food at restaurants. To carry these pre-cooked foods to our destination, however, naturally, we need containers to put them in.

Before the introduction of food disposable containers, ready-made foods may have been placed in plastic or paper bags, but it would have been virtually impossible to take out a whole meal, unless you count the packed lunches that were sold at train stations.

Then, in the 1970's, instant cup of noodles and the spread of fast food from overseas greatly influenced our diet. From this time, the practice of placing take-away meals in disposable containers became increasingly popular.

And, amidst this trend, the Japanese "Naka-shoku" industry managed to grow significantly by putting food containers to the best possible use.

In other words, food containers matched up well with the needs of the day?

Yes, when thinking of the expansion of the "Naka-shoku" industry and the spread of food containers, it was probably inevitable that both of these trends occurred. At that time, the advancement of women in

Japanese society had truly begun. This had an inverse effect on the amount of time spent doing household chores and led to an increase in the demand for "Naka-shoku".

From the 1970's on into the 1980's, the use of food containers then became very widespread. But, even more so, the needs of consumers grew to a much larger extent.

To give an example, many years ago, it was necessary to bring a bowl to a tofu shop in order to make a purchase. Because of this, it was common to see housewives walking home very slowly so as to avoid spilling some of the tofu's water. But, if this food could be placed in a special container instead, it would then become possible to buy other items as well.

Prepared foods have proven to be very useful for women looking to reduce the time needed for their household chores. It even takes a good few minutes to make a dish such as boiled beans and seaweed from scratch. However, nowadays, almost everyone buys that type of food at the supermarket.

Besides convenience, what other merits do food containers possess?

Perhaps this may sound like a bit of an overstatement, but I think it is fair to say that food containers add a level of richness to our eating lifestyles.

When it comes to shopping at food sales counters, we always seem to tilt the purchasing options in favor of the retailer. In terms of volume, there are some items which are only sold with families of three or four people in mind.

However, if containers allow shoppers to bring home the amount they

Outstanding Properties Offered by Foamed Containers

Lightness
Constructed of foam, trays can be handled and transported easily.

Strength
The cellular structure of trays provides ample durability.

Insulation
Trays exhibit exceptional insulation to keep food either hot or cold.

Water Resistance
Without deforming, trays prevent liquids from permeating from moisture-laden foods.

Cushioning
Offering excellent shock absorption, trays protect foods gently.

Good Hygiene
Shielding foods from airborne bacteria, trays promote good hygiene by helping to prevent food poisoning and other ailments.

Freshness Retention
Trays are highly effective in protecting and preserving fresh foods.

Cost Reduction
Besides controlling food loss during distribution, trays also allow self-service, which lowers personnel costs.

are looking to eat, then consumers could purchase the size they want at a fitting price. This means it is a good thing to have food containers which are created from the standpoint of the customer.

Still, container manufacturers also have their own set of circumstances to deal with. So it is not like everything that consumers wish for will be granted. However, amidst all these various competing factors, if a container that suits the needs of the customer is developed, the food it is designed to carry may then become a big hit. In such a case, it is the container itself that paves the way for the success of the food product.

It also becomes easier to manage both temperature and hygiene when food is placed in a container. Considering that stores are full of people and are a gathering point for falling germs, this is an extremely strong merit.

How do you think the demand for food containers will change from now on?

Recently, lifestyles have diversified and more people than ever are eating meals by themselves. Food containers are then very well-suited to respond to the demand for single-sized portions. We have even seen the introduction of receptacles designed for high quality, 500-yen rice balls.

Also, besides work, housewives are looking to spend time pursuing their own personal interests. This has caused an increase in the number of people who are looking to put meals together in a more efficient manner. Surely, in this way, the need for practically designed prepared foods will now grow in the future, and as a result, we can also expect to see an added amount of variety given to food containers based on their individual use.

To give one specific example, I think that from now on more attention will be paid to container lids. We have already seen the development of leak-proof covers in recent times. On top of that, lids can also be very useful in helping to preserve leftovers placed in the refrigerator.

And we certainly expect FP Corporation to produce many kinds of new containers as well. We are very excited to see what they come up with next.

Hirofumi Narita Profile

Shortly after graduating from the Rikkyo University College of Economics, Mr. Narita converted his family's fish market into a food supermarket, only to experience a 50% decrease in sales. As a means of assuring profitability, he then developed the sales of prepared foods such as rice balls and sandwiches. Besieged with inquiries from supermarkets all across the country, he later began his own consulting business in 1989. With the founding of the Narita Prepared Foods Laboratory in 1994, he expanded his consulting operations into three key areas – onsite instruction, training, and the publishing of a prepared foods informational magazine. The number of organizations, including supermarkets, that now employ his company's services has risen to over 800 corporations from all over Japan.

MANAGEMENT

Management Efforts

Please allow us to detail how we maintain internal systems to build a company that is able to earn the trust of all of its stakeholders.

The office floor of our headquarters features a unique layout where Supply Chain Management (SCM) is positioned in a circular formation at the middle of the room. With SCM, which manages production and distribution planning at the heart of our business, placed centrally, and other departments branching out like the spokes of a wheel, this design promotes unity among all employees, allowing us to achieve our goal of advancing our operations in a smooth manner.

Corporate Governance

What Corporate Governance Means to FP Corporation

Corporate governance refers to a company's own efforts in monitoring whether or not that organization's management properly considers the needs of all interested parties, including both stockholders and society. Based on a recognition of what this important obligation entails, we at FP Corporation have issued the following management strategy directives as our core corporate governance policies: Rapid Decision-Making, Management Efficiency, and Transparency Assurance.

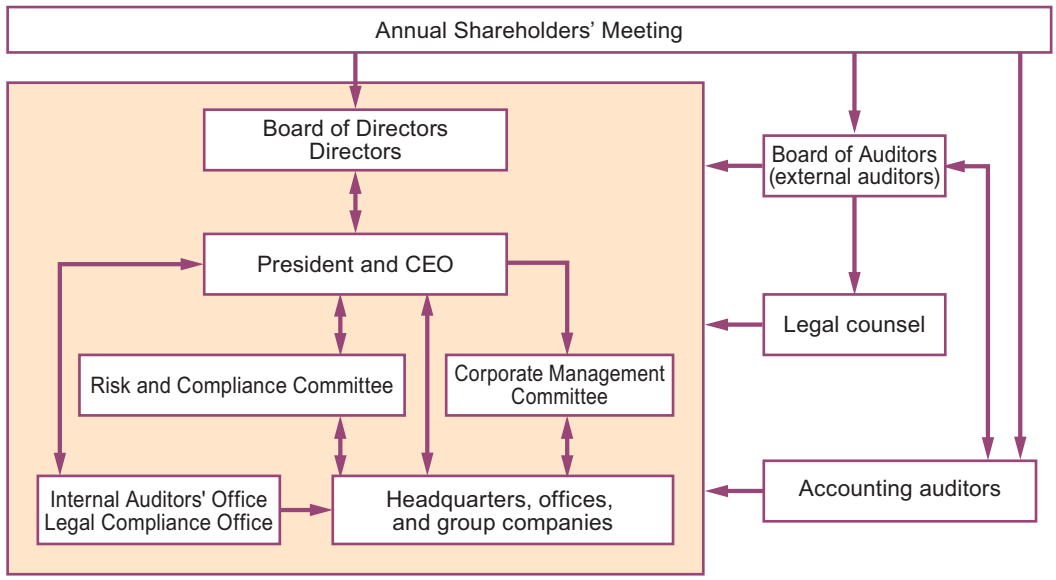
We are also working aggressively to disclose a wide range of information related to the business activities conducted by our company. In doing so, we hope to earn the trust of all of our stakeholders, including clients, creditors, customers, consumers, investors, and stockholders, and be recognized as a good corporate citizen by society.

Board of Directors and Board of Auditors

FP Corporation has adopted a Board of Auditors System, in addition to establishing a Board of Directors and Board of Auditors, as stipulated by law. In order to assure management is conducted with the proper degree of transparency, the Board of Directors holds regular monthly meetings, as well as specially scheduled meetings when necessary, to promote speedier decision-making. Management conferences and other types of meetings are also held, providing a framework from which management issues can be sufficiently discussed from a variety of perspectives.

The Board of Auditors consists of four full-time auditors, including two external auditors who have been appointed to improve the overall fairness of the auditing process. Each auditor participates in the monitoring of company management while also attending Board of Directors meetings and other relevant conferences. They hold periodic meetings with accounting auditors to obtain information related to important auditing matters, and also conduct regular meetings with the internal auditing division to achieve a more efficient audit and maintain a close working relationship with that department.

Schematic Diagram of Corporate Governance



Response to an internal control reporting system related to financial disclosure

From April 2008, we have begun to implement an operations test based on internal regulation documents drafted in accordance with the company-organized Internal Control Project. As a result of our findings, we have decided that an Internal Control Committee to be led by the company vice president as chairperson will promote system development in each division. This framework will now become the management system employed by the company as a whole.

Management Efforts

Compliance and Risk Management

As a corporation involved in the distribution of food, it is of great importance that our company adheres to all applicable laws and ethics while also taking precautions to protect ourselves from every type of risk.

Fundamental Philosophy

By means of our food containers, the FP Corporation Group supports the food industry by providing both safety and assurance. In order to realize our social responsibilities and gain the trust of all of our stakeholders, we have placed the highest priority on all activities related to risk management and the promotion of compliance awareness.
This has led to the establishment of the FP Corporation Action Charter and the FP Corporation Normative Rules for Compliance, which aim to ensure that all company officers and employees act with high moral standards and a sense of social decency while also keeping in compliance with the law. In this way and more, we strive to increase the awareness of all related parties with regards to compliance issues.

Increasing Awareness of Compliance Issues

To establish a corporate code of ethics and promote compliance with the law, we founded the Legal Compliance Office in 2007. Through this program, which is directed by the company president, and the adoption of various standards such as the FP Corporation Action Charter, FP Corporation Normative Rules for Compliance, and Compass for Action, we aim to cultivate a healthy and sound corporate culture. We also endeavor to educate employees thoroughly with regards to business related laws, corporate ethics, and other company related compliance issues.

Improving Risk Management Capabilities

A Risk and Compliance Committee has been put in place to respond to all potential risks confronting each individual division or the group as a whole in areas such as compliance, natural disaster protection, safety and hygiene.
In the unlikely event that an unforeseen incident occurs, the Risk and Compliance Committee chairperson will establish an Emergency Headquarters. This group will then be charged with swiftly remedying the situation, before reviewing and implementing countermeasures to prevent any further reoccurrence.

Compass for Action

Will the action you are about to take violate the law?

Will the action you are about to take infringe upon company policy?

Will the action you are about to take run contrary to accepted social norms?

Will the action you are about to take threaten your own well-being?

Will the action you are about to take cause harm to the FP Corporation brand?

FP Corporation Group

Compass for Action

In order to raise each employee's personal awareness of compliance issues and ensure that workers strive to meet their responsibilities in both word and deed, FP Corporation has established a Compass for Action. This set of behavioral guidelines has now been widely publicized throughout the company. We have also posted the Compass for Action in areas where visitors commonly gather such as reception and meeting rooms. This is to inform outside persons of our company's compliance efforts.

The first floor lobby of the FP Corporation head office. The white base of the interior design symbolizes the company's dedication to cleanliness as a maker of food containers as well as its dedication to fairness and transparency.

FP Corporation Action Charter

The officers and employees of FP Corporation shall comply with all laws, agreements and company regulations, based on the company's management principles, and with high moral standards and a sense of social decency, will strive to:

1. Provide useful products, information, and services to society and strive to satisfy and gain the trust of consumers and our customers.
2. Develop and provide products that show consideration for safety, customer confidence, and the environment and thus contribute to the development of culinary culture.
3. Obtain the cooperation of consumers and our customers to actively implement FP Corporation-style recycling, carry out expanded responsibilities as a producer, and protect the global environment.
4. Compete fairly, transparently, and freely in all our business activities.
5. Communicate in multiple ways with our shareholders and users of our products and actively promote fair disclosure of company information.
6. Respect the human rights and individuality of our employees and provide a safe workplace environment that facilitates their work.
7. Maintain sound and normal relations with the national government, local governments, and our suppliers, and not tolerate, nor give in to, the inappropriate or illegal demands of anti-social forces or organizations that trouble or threaten civil society.
8. Actively contribute to society as a good corporate citizen.
9. Observe the laws of each country overseas, and conduct our business with respect for their culture and customs.
10. Evaluate all our management efforts for effectiveness and increase corporate value through streamlining and greater efficiency.
11. The officers shall understand the spirit of this charter and their own roles, lead by example, and keep employees, group companies, and suppliers informed while actively setting up and reassessing systems within the company.
12. If any situation arises that is contrary to the spirit of this charter, the company shall assume responsibility, and officers and employees shall work together to solve problems, figure out their causes, and prevent them from reoccurring. Moreover, they shall take stringent measures after clarifying the rights and responsibilities of the person or persons involved.

A training seminar for new employees

Environmental Efforts

Please allow us to illustrate what we, as a corporation that manufactures and markets disposable food containers, have put into practice in order to conserve the world's environment.

The Kanto Recycling Plant, which fully opened in 1999, is operated from early morning until late at night.

Environmental Guidelines

Basic Principle

Based on awareness that protecting the global environment is the most important issue, we strive to carry out our business activities with an underlying principle of contributing to the realization of an environmentally sound and sustainable society.

Guidelines

1 In the interest of reducing CO_2 emissions and making effective use of natural resources, we aim not only to make every effort to conserve resources in this company's business activities, products, and services, but will also actively pursue FP Corporation-style recycling, which recycles used containers discarded by ordinary households.

2 We at FP Corporation shall not only obey all applicable legal requirements related to the environment and other requirements to which it has agreed, but will also set independent standards with respect to evident environmental matters and prevent pollution.

3 We aim to establish environmental objectives and goals taking environmental matters into consideration and propose and carry out management plans, as well as implement internal audits and reassessments through the highest level of management and continual improvement.

4 These guidelines will be used to establish, execute, and maintain an environmental management system.

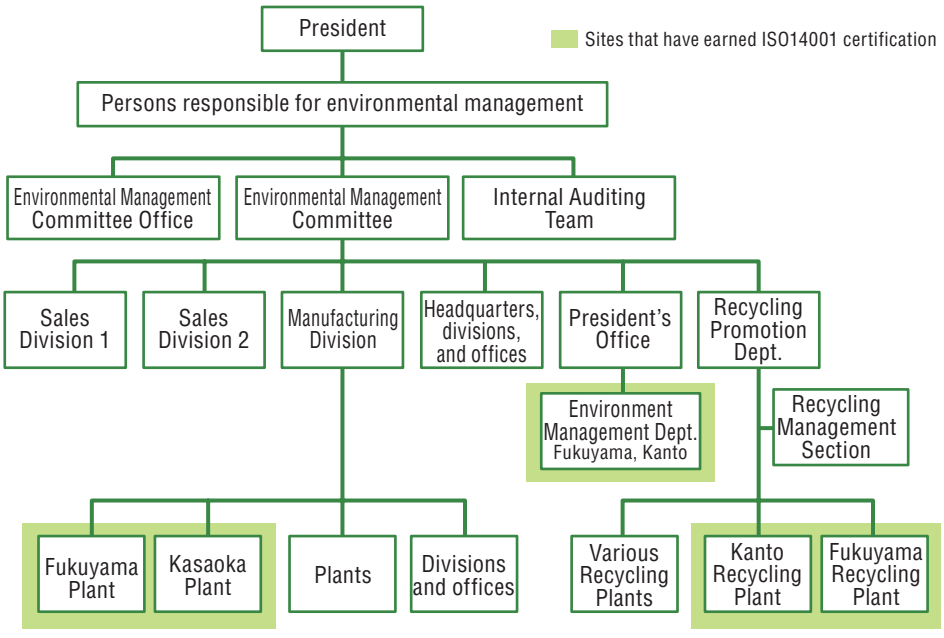
5 These guidelines will be made available in written form and made known to and instilled in all employees and all contractors who work on FP Corporation property.

6 These guidelines will also be published in pamphlets and over the Internet to inform the general public.

President and Representative Director, Chief Executive Officer
Yasuhiro Komatsu
小松安弘

May 30th, 2008

Environmental Management System



Environmental Management System

In order to carry out our efforts to reduce the environmental burden more effectively, more efficiently, and appropriately, we at FP Corporation have organized an environmental management system, with the president as the highest responsible executive, and in order to administer the system confidently and correctly, the entire company is taking measures to reduce the environmental burden and protect the environment.

Environmental Efforts

Through 2008, FP Corporation was able to successfully meet the objectives set for each item of the Five-Year Environmental Management Plan begun in 2006. Knowing that there are still areas which can be improved upon, we have now started to draft a new policy in order to take our achievements to the next level. This New Medium Term Environmental Management Plan will be operated by all departments with the goal of reducing CO_2 emissions throughout the life cycle of our products.

As a result of constantly trying new things at the workplace to continue to add one small accomplishment on top of another, we have laid the groundwork for a new objective, which is the posting of significant results via an overall system reform. To a pioneer of the food tray recycling business, taking on such new challenges is simply an extension of our daily work.

Start of the New Medium Term Plan
» P21

"Tray to Tray", the FP Corporation Recycling Method
» P23

Product Development Efforts
» P29

Plant Efforts
» P31

Distribution Efforts
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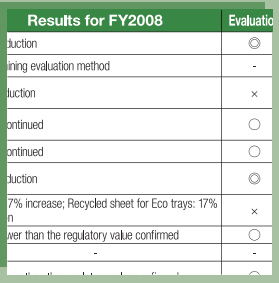
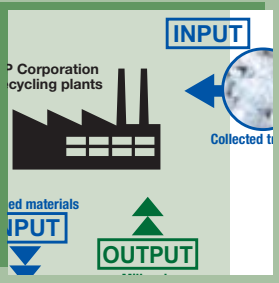
Office Workplace Efforts
» P37

Inviting Plant Tour
» P39



Results for FY2008	Evaluatio
duction	◎
ining evaluation method	-
duction	×
ontinued	○
ontinued	○
duction	◎
7% increase; Recycled sheet for Eco trays: 17% n	×
wer than the regulatory value confirmed	○
-	-

State of Progress of the Five-Year Plan
» P41



Flow of Materials in Fiscal 2008
» P43

A transparent container recycling plant that has begun full operation. A machine which uses infrared light to sort through containers made of different materials can be seen in the foreground.

TOPICS

Recipient of the First-Ever Fukuyama Environment Award

The Fukuyama Environment Award is given to groups and business leaders who undertake environmentally-friendly actions, such as promoting the three R's (Reduce, Reuse, Recycle) and acting to prevent global warming, while operating mainly from Fukuyama City. This year marked the first time ever that the award was presented. In the Business Category, three companies in all received the honor, including FP Corporation. Our company was able to win the award based on various factors such as: the construction of a revolutionary system where deliveries and collections are made with the same trucks in cooperation with consumers, supermarkets, and wholesalers; the completion of an ideal circulation system for conducting recycling processes such as sorting, washing, and drying; actions taken to promote communication with consumers over a long period of time; the success of our Eco Trays in gaining a 20% market share of the entire multipurpose tray industry; transparent container recycling, which became fully operational in 2008.

In the future, as well, we will strive to reduce CO_2 emissions, promote the three R's, and boost our cooperation with the local community, on top of further expanding the FP Corporation recycling system.

TOPICS

Transparent Container Recycling Now in Full Swing

Our transparent container recycling operations have now begun in earnest. In collecting various kinds of transparent food containers from supermarkets and other locations all across the country and then recycling them, the most difficult task is to sort the containers based on their material. The machine we use shines an infrared light on collected containers to detect what substance they are made of and then sort them accordingly. This operation also relies on human labor to gather the containers together beforehand and send them on to the recycling plant. Looking forward, we hope to steadily increase the volume of transparent containers we collect in the same way as Styrofoam trays.

The Start of the New Medium Term Environmental Management Plan

TOPICS

In the fourth year of the Five-Year Environmental Management Plan, while also leading up to the 50th anniversary of our company, we have decided to launch a new project. With great progress already made regarding the Five-Year Plan, we have set out this year to achieve the next set of objectives and realize an even more impressive list of accomplishments.

With an eye on the company's upcoming 50th anniversary, 2009 will mark the start of the FP Corporation Eco Action 50, which, more than ever, will place efforts to conserve the world's environment as a central exercise of our entire organization. This large-scale project will be developed as a means of effectively coordinating the actions of all employees with all related departments.

The policies implemented will achieve important goals and realize inter-departmental integration in conjunction with the environmental guidelines set forth by company leadership. As the biggest hallmark of Eco Action 50, we will pursue a comprehensive reduction in CO_2 emissions throughout the life cycle of our products by promoting increased cooperation between all divisions. Instead of each branch conducting their own separate strategies, as has been the case up to now, top management will consider the corporation as a whole in devising tactics which will then be executed with each and every department working in tandem.

This, the latest challenge to be undertaken by FP Corporation, is sure to reap significant rewards.

Previously, each division was responsible for setting its own goals and working as an individual unit to conserve energy and reduce carbon emissions. This project, on the other hand, looks to develop a more effective means of environmental conservation through an enhanced viewpoint, overcoming any of the barriers existing between the different sections of our company. At the same time, it is the steady hard work performed within each division that makes all this possible in the first place; any results gained are a culmination of these daily efforts. What we are looking to achieve, therefore, is a greater rate of efficiency over a broader perspective that does not cause us to lose sight of the efforts of the workplace. This is the essence of Eco Action 50.

Executive Deputy President and CIO, Morimasa Sato

(Appointed President and COO on June 26, 2009)

Visualization of Burden on the En

While creating an Ec
realized through the coor
division, we must also tho
the impact our entire busi
the environment.

Outline of Implementation Flow

**The new medium term plan "FPEA-50"
will be carried out following a three step process.**

Company
nvironment

o Value Chain
dination of every
roughly visualize
ness flow has on

Formulation of Environmental Objectives

After thoroughly visualizing our effect on the environment, we must set environmental objectives for our entire business flow. These goals will then be broken down into targets individually assigned to each division.

Attainment of Environmental Objectives

In implementing the Eco Value Chain, we will look to achieve our goals by promoting cooperation between departments, as well as managing our company based on the targets for each division and the environmental objectives of our entire business flow.

Outline of Implementation Method

**As the units of the company where the actual work is performed,
each division will make up part of the Eco Value Chain, implementing the plan
devised by management in cooperation with all other departments.**

Offices

dvancement of office environmental
ctivities that raise employee
wareness of ecological issues.

Products

Promotion of a product development system that works in harmony with the environment to achieve a proper coexistence with the natural world.

Management

Establishment of a comprehensive management system that realizes a sustainable business flow.

Sales

ncreased sales of products that
ontribute to the preservation of
he environment by providing
ustomers and society with the
neans to reduce their ecological
urden.

Production and Distribution

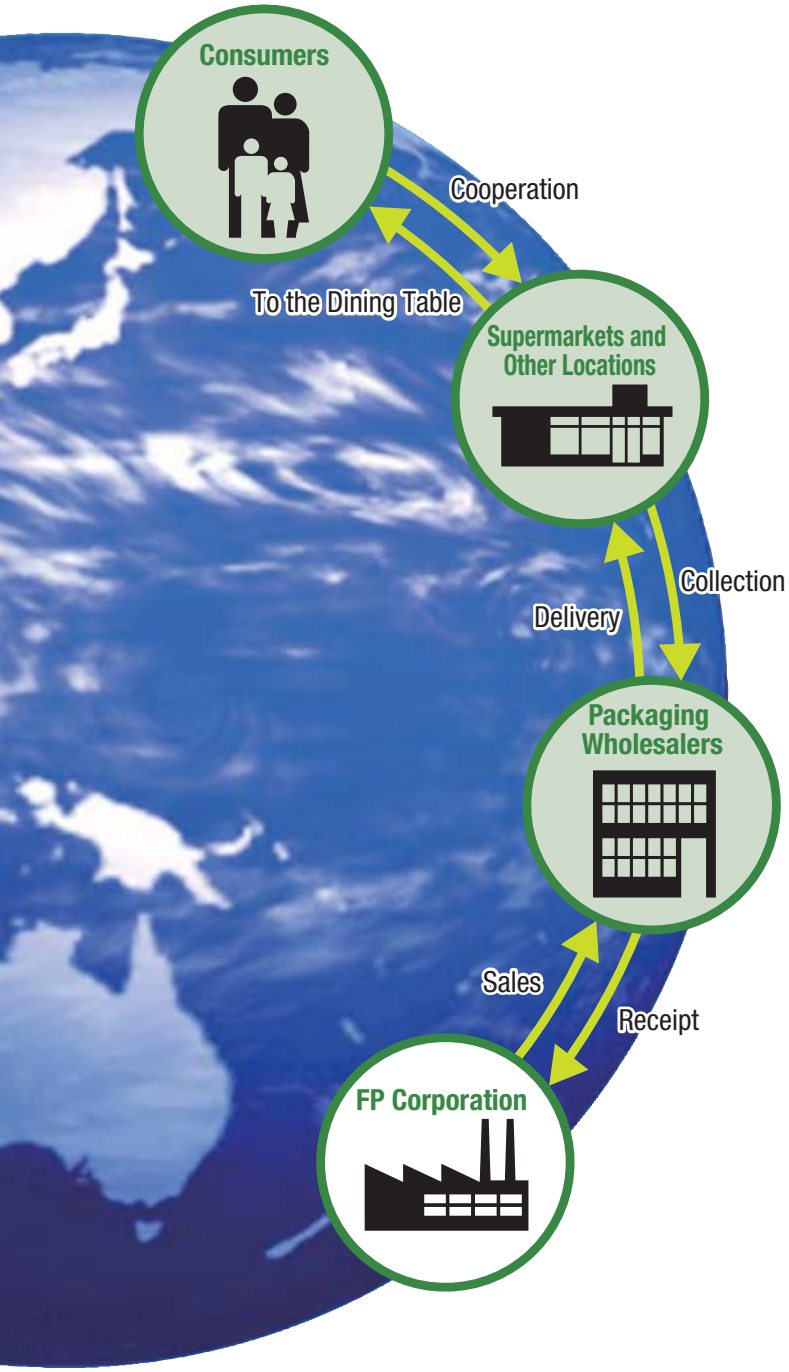
Realization of production, distribution and service systems that, although highly competitive in terms of cost, present very little risk of adversely affecting the environment.

Eco Value Chain

Tray to Tray®: The FP Corporation Recycling Method

Please allow us to introduce Tray to Tray, the food containers recycling system used by FP Corporation.

Tray to Tray is the system we employ to recycle the Eco Tray, a series of FP Corporation-manufactured food trays that can be utilized numerous times instead of being used just once and then thrown away.
The system is designed so that the product follows a life cycle that take it from FP Corporation (the manufacturer) to the final end user (the consumer), and then back again to FP Corporation once it has been used. To make this process work, complete cooperation is required on four different fronts: production, distribution, application and consumption. By means of a food container, Tray to Tray allows our feelings about the environment to be conveyed from one person to the next.



Consumers

We ask our consumers to separate used Styrofoam containers, wash them with water and dry them.

There is no need to use soap to wash away oil.

To save water, used food trays can be washed while cleaning other dishes as well.

After drying, put the used trays in a bag and bring them to a collection box at a supermarket or other location.

Every day, dining tables around the country are graced with a variety of meals packaged with our food trays.

Supermarkets and Other Locations

Food trays gathered together by consumers are collected via supermarket storefront collection boxes or by local municipalities.

Retail stores such as supermarkets provide areas where used food trays can be collected. These establishments play an important role that ties consumers and FP Corporation together.

Alongside collection boxes for milk cartons and plastic bottles, used receptacle collection boxes have now been installed at many locations.

Odakyu OX Manpukuji Branch
Store Manager
Kazuo Watanabe

Most people who bring their used trays here bring several at once. Sometimes you'll find some trays from other stores, but I guess it's all the same to our customers. We even receive words of thanks or encouragement once in a while. Now, partly because the customers asked for it, we'll start collecting transparent containers as well. In the future, I'm sure all of our stores will do the same.

Wholesalers

We ask our packaging wholesalers to use their trucks to bring back the used trays after making deliveries to supermarkets and other locations, and store them for a short period of time.

Packaging wholesalers assume an important function by linking FP Corporation products with supermarkets and other retail stores.

The used trays are stored within one of the wholesaler's facilities. Several times a week, an FP Corporation truck delivering new trays to the wholesaler picks up the used trays and brings them back to the company.

International Package Co., Ltd.
Main Business Division
Toshio Sawano

When I was first approached by FP Corporation about collecting used trays, I have to admit that I thought it was going to be a huge burden for us, since we'd never done anything like that before. In the early days, we had to deal with all sorts of problems, such as other types of waste being mixed in and trays that were rotting away because they hadn't been washed. But thanks to this system, our employees are now highly aware of environmental problems. In the future, I'd like to see how we can raise the efficiency of our collection efforts.

Tray to Tray®: The FP Corporation Recycling Method

FP Corporation Recycling Plants

Used trays are transported to one of six domestically located recycling plants, where they are then reborn.

1 Hauling

Collected trays and containers are hauled to the recycling plant located in that particular region.

2 Sorting

Non-recyclable trays are removed, and white trays and colored trays are separated.

The plant operates from 6:30 in the morning until 11:00 at night. We employ two work shifts, but the machines run constantly. Because we can't perform any work if the machinery stops functioning, we place a very high priority on maintenance. There are even times when this causes us to work through the night.

FPCO Fukuyama Co.
Recycling Plant Supervisor
Michiharu Goto

Pellets

The end result is a supply of new pellets, the main ingredient in our Eco Trays.

7 Examining

Eco Tray

3 Washing

Sorted trays are washed repeatedly in purified water.

Processed Water Circulation

Water processing equipment

Refilling

Partial drainage

After washing the trays, the water is then purified and mostly reused. Some of the purified water is discharged into rivers or sewer systems.

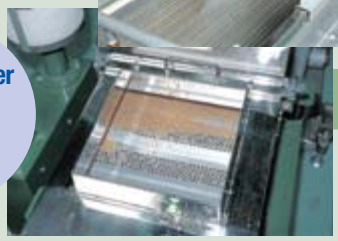
4 Pulverizing

Trays are finely crushed into small chips.

5 Drying

Crushed chips are dried.

6 Melting and cutting



Dried chips are melted and converted to pellets.

Cooling Water Circulation

Cooling tower

Refilling

Partial evaporation

TOPICS

Transparent Container Recycling Now Underway!

Whether as a lid for prepared foods or lunch box containers, or as a receptacle for sushi, the use of transparent containers has increased notably in recent times. From October 2008, we have officially started recycling transparent containers. No other company in the world has initiated a full-scale recycling operation of transparent containers as we have done. With the help of all relevant departments, as well as retailers and consumers, we will continue to put great effort into increasing the volume of recycled transparent containers and producing high quality raw materials from them.

Tray to Tray®: The FP Corporation Recycling Method

Please allow us to present the achievements of Tray to Tray.

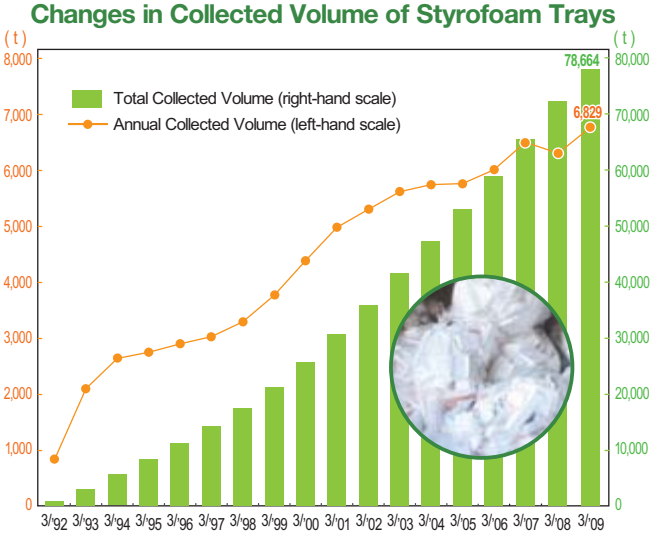
It has been 18.5 years since FP Corporation developed Tray to Tray. The fruits of our labors have not only included a reduction in waste and a more effective utilization of resources, but also in the reduction of CO_2 emissions and the burden we place on society. Despite these successes, we continue to this day to ask ourselves how much more we can do for the environment.

What recycling trays can do for the environment

Number of Trays Collected in Fiscal 2008

Approx. 1,707,250,000 trays
(6,829 tons)

Changes in Collected Volume of Styrofoam Trays



FP Corporation unveiled its tray recycling program 18.5 years ago in September 1990. As of March 2009, we have been able to collect about 19.666 billion Styrofoam trays (78,664 tons). In terms of cubic capacity, that would be enough trays to fill up the Tokyo Dome 12.9 times over. (The Tokyo Dome has a volume of about 1.24 million cubic meters.)

Amount of Social Burden Reduced to Date

Approx. 35 billion JPY
(Approx. 1.4 million garbage trucks)

If, instead of being collected, used trays were always discarded with other household waste, there would be enough additional trash to require pickup by about 1.4 million garbage trucks. Depending on the local municipality, the cost of collecting and transporting one truckload of waste is roughly 25,000 JPY. In other words, if all of the trays recycled by FP Corporation were processed as garbage, the total cost to society in terms of collection and transportation expenses alone would amount to 35 billion JPY. In this way, besides simply contributing to the conservation of the environment, our tray recycling program is also effective in reducing public spending. (The standard cubic capacity of a two-ton garbage collection truck is about 4.6 cubic meters. As roughly 3,000 trays can be tightly packed into a single cubic meter, it can be calculated that one truckload is equivalent to 14,000 trays.)

Volume of Oil Saved to Date

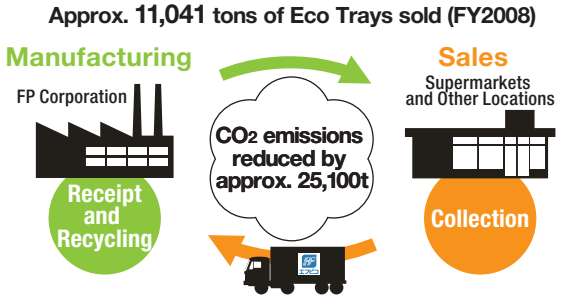
Approx. 940,000 oil drums
(Approx. 188,790,000 liters)

We have calculated that the trays collected over the last 18.5 years have saved us about 188.79 million liters of oil (or 940,000 oil drums). The involvement of every consumer in this scheme has helped us conserve a substantial amount of this all-important resource. (To produce 1,000 kilograms of polystyrene, the main ingredient of Styrofoam, 2,400 liters of oil are required. The above calculations are based on oil drums with a cubic volume of 200 liters.)

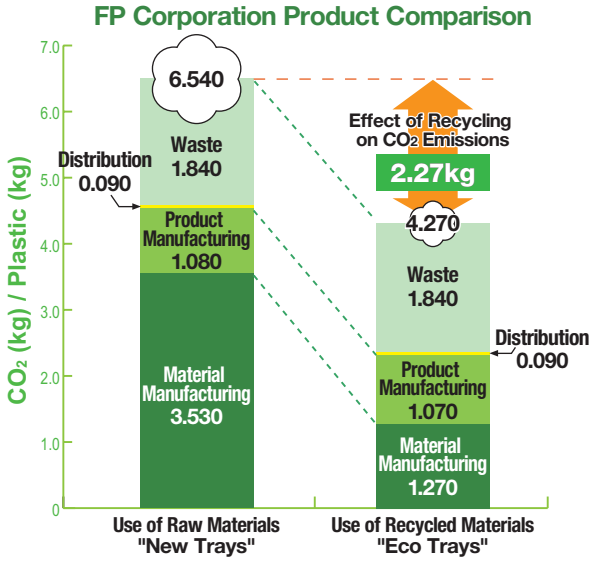
Volume of Reduced CO_2 Emissions in Fiscal 2008

Approx. 25,100 tons

Due to the consumer use of our Eco Trays, CO_2 emissions were curbed by roughly 25,100 tons in fiscal 2008.



For every kilogram of Eco Trays used (about 250 trays), CO_2 emissions are reduced by approximately 2.27 kilograms.



Note: Calculations and observed results are based on ECOLEAF standards.

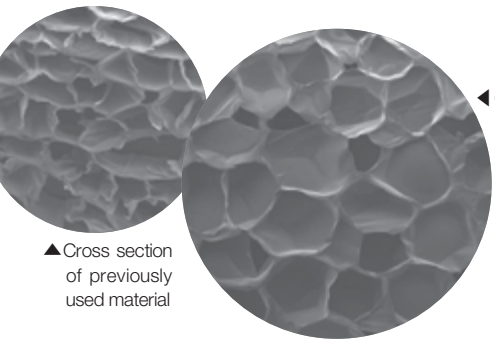
The most serious environmental problem affecting the world is global warming. Through the recycling of trays, it is possible to restrict carbon emissions in a variety of ways. If trays were discarded as waste, a comparable amount of CO_2 would then be released by the operation of garbage trucks. However, if collected for recycling, trays can be loaded onto delivery trucks returning to a wholesale facility. And, by reducing the amount of trays that are incinerated, we are also able to limit the volume of CO_2 emitted by incineration facilities. Last but not least, the production of the pellets we use in making our Eco Trays releases far less CO_2 than does the manufacturing of new trays.

Note: The above calculations were made based on each tray weighing about 4 grams.

Product Development Efforts

The development of environmentally-friendly products is born out of the collective fruits of experience, ingenuity, and constant hard work.

In creating products designed to have less impact on the environment, it is difficult to strike a balance between what could be considered two conflicting factors: weight reduction and maintaining the functional integrity of the product. As we decrease the weight of our containers and use thinner materials, we are also able to reduce the amount of resources (i.e. main ingredients) that we use. In turn, this leads to less waste being produced during manufacturing, as well as a cutback in CO_2 emissions during transportation. On the other hand, it is also necessary to ensure that containers actually function properly. By making the product lighter and thinner, it may also experience a reduction in stability, causing it to no longer be viable as a container. In that regard, we at FP Corporation develop our products while constantly reflecting on the need to create lighter, thinner, and stronger containers.



◀ Cross section of materials developed during FY2008

▲ Cross section of previously used material

Adoption of Materials with a High Foam Diameter

Although the materials we have used to date have possessed a low foam diameter, for this fiscal year, we have placed a high priority on converting to materials that have a high foam diameter, which offers the advantage of reducing weight without sacrificing cubic capacity. To compensate for the reduction in weight and thickness this would entail, we are now working to provide a wide range of upgrades to our molding and shaping technology.

This container has been given an uneven shape to maintain its firmness even with a reduced weight and thickness.

A wide range of new products were developed during fiscal 2008. Every year, hundreds of different kinds of containers are introduced to the marketplace, featuring a variety of improvements that have been added based on use. ▶

Although it possesses the same shape and cubic capacity, the tray to the right offers a reduced weight.

Weight Reduction Through Thinner Materials

Non-foam products such as transparent containers achieve weight reduction through the adoption of thinner materials. However, it is very difficult to devise a shape that can maintain the same amount of stability while also employing a thinner material. On the other hand, this gives developers a great opportunity to exhibit their ingenuity. The next time you see a transparent container at a store, please take a look at the rippled design on the sides and bottom of the receptacle. It is the physical manifestation of our consideration for the environment.

Research and Development Division, Product Planning Section 2
Chief Manager

Yasuhiro Hirosue

Thermoforming technology is about creating molds at a scale of a tenth of a millimeter, and the meticulous care put into preparing the grooves and bumps on the surface. There are hundreds of different molds used in the making of trays.

Research and Development Division
General Manager

Masateru Miyoshi

We are always conscious of environmental considerations during the product development stage. Just as product development progresses one step at a time, so do the environmental measures devised by our department.

Product Development Division & Research and Development Division
Assistant Manager

Masanori Ogawa

The Product Development Division serves as a conduit channeling the wishes of the Sales Divisions to the Product Development Division. Any time a product is made exactly as requested by the Sales Divisions on the first try, it's a cause for celebration for us, as well as the rest of the company. Normally, we need to rework a product several times before it takes its final form.

Basic Technology Engineering Dept.
General Manager

Yasumasa Inohara

We make food containers, so our primary concern is to develop a main ingredient that is safe and reliable. While people tend to think that environmental considerations always come in second, for us it's part and parcel of our safety considerations.

Development of the Main Ingredient and Safety Assurance

While we continue to make improvements to the development of our main ingredient (pellets), as a company that manufactures food containers, we at FP Corporation put a great deal of energy into ensuring our products are completely safe. We are just as dedicated to giving consideration to the environment as we are to conducting sufficient research to offer our customers safety and peace of mind.

Plant Efforts

The measures implemented at our plants to reduce the burden placed on the environment are realized through improvements to our facilities and the productivity of our workforce.

In order to curb the ecological impact born by our manufacturing plants, we must naturally strive to attain a more efficient means of production. Through processes that reduce waste and energy loss, we can decrease the amount of trash discarded and the volume of CO_2 emitted. As we continue our push to achieve greater efficiency, we must incorporate both facility upgrades as well as the ideas that emerge from the constant brainstorming between our staff.
What is important is that we hold a permanent desire to improve ourselves, and that our employees feel encouraged to share any opinions they may have on our operations with everyone else.
By listening to the voices from the production floor, we can find hints about how to boost efficiency.

Facility Management Division
General Manager
Takashi Ikemoto

Investing in our facilities should greatly reduce our energy consumption, as long as we are organized about it and plan it for the long run. Some of our improvements have helped us cut several months' worth of CO_2 emissions in just one month.

Facility Management Division
Tatsuya Furunaka

In constructing a plan to reduce utility energy consumption, we first start by researching a range of target numbers for each work site. We then make some predictions and analyzes based on those numbers to work out our best strategy.

Production Management Division
Soichi Sadakata

We've been working on a plan known as the CO_2 Reduction Project, which is headed by the chief of our Production Headquarters. It's basically a program designed to compile the various ideas that come from the production floor. If they seem useful for other plants, we then take steps to expand their use there as well.

▲ A manufacturing plant boasting increased efficiency and automation

Top left :
The constant production of food containers.

Top right :
Packed into cardboard boxes, products are then moved by conveyor belt to an adjacent room.

Bottom right :
Cardboard boxes are stacked neatly using a robot arm.

Total Energy Conservation Resulting from Kanto Plant Reforms

Resulting Energy Conservation: 257kL/year (estimated oil consumption)
Resulting CO_2 Reduction: 380t/year

Energy Conservation Through Integration of Cooling Water Systems

- We have integrated the cooling water systems of our production facilities and air conditioning equipment and have installed a highly efficient centrifugal chiller.
- We have reduced the number of pumps and decreased the energy required for conveyance.

Resulting Energy Conservation: 79kL/year (estimated oil consumption) **Resulting CO_2 Reduction: 119t/year**

Energy Conservation Through Introduction of Energy Conservation Belt

- We now use Energy Conservation Belts (belts with energy saving specifications) for all drive belts connecting the fans and electric motors of our air handling units.

Resulting Energy Conservation: 2kL/year (estimated oil consumption) **Resulting CO_2 Reduction: 3t/year**

Increased Understanding due to Monitoring Equipment Upgrades

- By upgrading our monitoring equipment and installing various measuring devices such as electrical energy meters and flowmeters in every area, we have visualized our energy usage.

Energy Conservation Through Optimum Control of Air Compression Equipment

- We have achieved optimal performance by tailoring the use of inverter-controlled air compressors to the relevant air-related function, as well as by limiting the number used based on end pressure values.

Resulting Energy Conservation: 108kL/year (estimated oil consumption) **Resulting CO_2 Reduction: 159t/year**

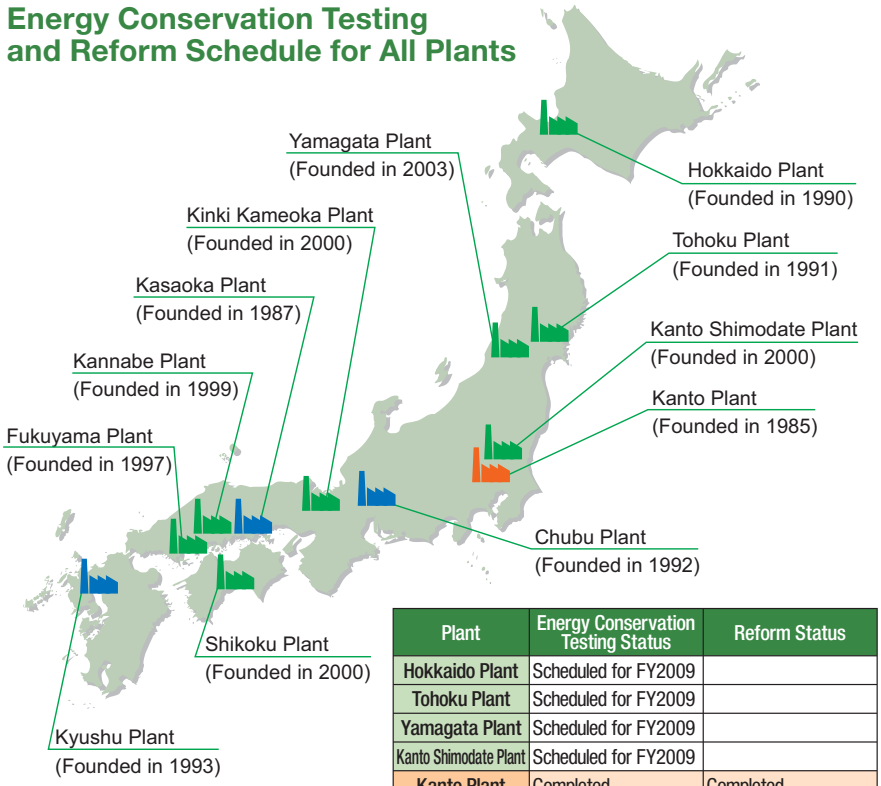
Energy Conservation Through Introduction of Inverters for Pumps and Fans

- We have installed inverters onto each electrical circuit, which provides power to 4 pumps and 2 fans. By optimally regulating the rotation rate of our pumps and fans, we are able to reduce power consumption.

Resulting Energy Conservation: 68kL/year (estimated oil consumption) **Resulting CO_2 Reduction: 99t/year**

Note: The above figures represent planning targets. (CO_2 emission factor: 0.368t/MWh)

Energy Conservation Testing and Reform Schedule for All Plants



Plant	Energy Conservation Testing Status	Reform Status
Hokkaido Plant	Scheduled for FY2009	
Tohoku Plant	Scheduled for FY2009	
Yamagata Plant	Scheduled for FY2009	
Kanto Shimodate Plant	Scheduled for FY2009	
Kanto Plant	Completed	Completed
Chubu Plant	Completed	Scheduled for FY2009
Kinki Kameoka Plant	Scheduled for FY2009	
Kasaoka Plant	Completed	Scheduled for FY2009
Kannabe Plant	Scheduled for FY2009	
Fukuyama Plant	Scheduled for FY2009	
Shikoku Plant	Scheduled for FY2009	
Kyushu Plant	Completed	Scheduled for FY2009

Facility Reform Carried Out Every Ten Years

Whether it is cleaning or cooling water, ejection air, air handling units, vacuums or thermal storage units, every utility used in our plants runs on electricity. This is why we frequently implement energy conservation tests on our plants, focused primarily on our electrical equipment. We also make it a point to upgrade aging utilities about every ten years.

When we decide to upgrade a utility, we attempt to revamp its system in as many aspects as possible. By upgrading sections that we determine could function more efficiently, such as by installing power inverters, using thermal storages, changing the locations of air ducts and deciding to use water or air cooling systems, we can dramatically improve the energy efficiency of the utility.

Some forms of energy reduction can only be achieved, however, by changing the plant layout and upgrading the walls and roofs. Anything that can be upgraded to improve our energy efficiency is covered by our energy conservation tests.

Chubu Plant

Kanto Shimodate Plant

Plant Efforts

Advancement of the CO_2 Reduction Project

The CO_2 Reduction Project is a campaign fueled by proposals devised on the production floor. The first thing we did was to visualize the various operations and their results. By installing watt-hour meters, workers can easily tell, for example, how much energy is consumed, heat is produced and CO_2 is released by operating a compressor for 8 hours, as well as the energy cost of the operation. Having such clear figures available to the workers on the production floor can create a variety of advantages.

One advantage is that it increases awareness for energy conservation. If workers realize that, for example, turning off a certain machine for x minutes can reduce CO_2 emissions by y tons, they become more motivated to save energy. A more practical advantage of this program is that the figures displayed on the various meters allow the workers to instantly identify problems, such as air leakage. Once an idea has proven successful at one plant, we introduce it to all our other plants, thus creating a company-wide policy that effectively reduces carbon emissions.

We will continue to implement policies that are born out of this principle of visualization.

Production Headquarters Unified Plant Manager

Hideaki Tai

The measures we implement are an extension of our management system. This makes it important for us to constantly upgrade our systems; there is no end to this process. As long as you're looking, you'll always find room for improvement.

Kannabe Plant Plant Manager

Norihiro Kisaka

We eliminate loss and waste by making proposals to our section and division chiefs. We give it a try, and see how it works. We also hold a product development meeting once a month.

Kannabe Plant

Kimihiro Arimoto

I always tell my workers to let me know at once if they have an idea for improving any part of our operation. Even something as simple as going off to bring a certain tool can be improved, and that in turn could lead to even bigger improvements.

Manufacturing Division Manager

Hiroyoshi Fujii

FP Corporation carries out an evaluation of each plant twice a year. Although this assessment is primarily concerned with productivity, it also includes items, such as energy conservation, that gauge our effect on the environment. Plants that receive a very positive evaluation are even presented with a reward.

Left photo : At each plant, we now promote a 5S policy, which is a continuation of our previous 3S (three standards) policy with two newly added standards. The five standards that this policy sets forth – sorting, set in order, sweeping, sufficient practices and sustaining tne discipline – are designed to support key goals such as efficiency, energy conservation, and safety.

Center photo: Onsite communication is very important. In a working environment where employees can converse easily with their coworkers and superiors, new ideas and opinions are far more likely to occur naturally.

Right photo : It is the FP Corporation ethos to try anything that may lead to improved efficiency or superior energy conservation. We fully realize that new ideas sometimes occur through trial and error.

Promotion of the Product Development Project

Although the Product Development Project is not directly concerned with reducing our environmental burden, its goal of manufacturing higher quality products can indirectly lead to a dramatic reduction in energy consumption and other positive results. Specifically, this program sets objectives for reducing product claims and improving productivity, as well as striving to ensure that all manufacturing processes are conducted accurately and efficiently.
Every April and October, we organize a presentation at which representatives from each plant report on their respective results. Thanks to the experience gained from organizing these events for the previous four years, the 2008 presentations turned out to be very productive.

Awarding of ISO 9001 Certification

Three of our plants (Kasaoka, Kanto Shimodate and Kinki Kameoka) have been certified as being in conformance with ISO 9001, an international standard for quality management, in order to assure our customers and consumers of the reliability of our products. By incorporating ISO standards into our business model, we have reaped many benefits, including the clarification of each plant's internal authority and responsibilities, the standardization of business operations, the refinement of educational and instructional content, the improvement of manufacturing technology and increased employee motivation. In addition to improving the reliability of our products, such effects have also helped reduce our burden on the environment through the resulting increase in efficiency.

Quality Goal and Quality Objectives (Kasaoka Plant)

●Quality Goal

Our goal is to provide superior products that offer a high degree of reliability as well as meet the needs of our customers.

In order to support, maintain, and execute this goal, we have established the following directives.

1. We will invest management resources needed to construct, establish, promote, and maintain a quality management system capable of appropriately comprehending and responding to the wishes of our customers.
2. We will establish concrete quality objectives that advance plant quality guidelines.
3. We will observe all relevant laws and regulations including food hygiene laws.
4. We will periodically revise and assess the appropriateness of this goal in line with changes in the marketplace and reforms made to this facility, while making continuous efforts to improve the effectiveness of our quality management system.
5. We will thoroughly publicize and promote our goal using every possible means of communication so that all employees may clearly understand it.

September 15, 2004 FP Corporation, Kasaoka Plant
Plant Manager Hideaki Tai

●Quality Objectives for Fiscal 2009

48th Term Plant Quality Objectives

①Reduce claims (Target: XPS 40 ppb / In-line extrusion-thermoforming and thermoforming 30 ppb / Extrusion 0 ppb)
②Improve productivity

48th Term Departmental Quality Objectives

PSP Section ①20% drop from 47th term claims (51 ppb) ⇒ 40ppb
②Increase production rate (net) ⇒ 81.33%

PS Section ①Rate of claim occurrence (Thermoforming: 30 ppb or less (up to 11 incidents) / Extrusion: 0 ppb)
②Rise in hourly productivity
- PS-2: 803 sheets/hour (+2.3%)
- PS-7 In-line extrusion-thermoforming: 899 sheets/hour (+2.6%)
- PS-7 Extrusion: 940 kg/hour (+9.3%)

Distribution Efforts

The FP Corporation distribution system is devised to completely encompass the functions of both inventory and delivery. We are fully aware that any reduction in waste is directly linked to a decrease in CO_2 emissions.

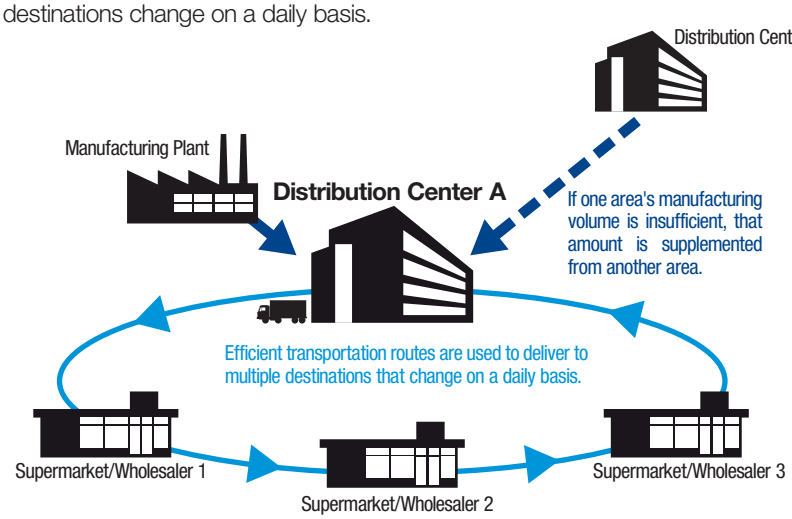
The distribution cycle for the food products that grace our daily dining tables is exceedingly short, meaning delivery must be carried out in a minimal amount of time. It is then a natural consequence that the containers used as packaging for this food must be quickly ordered and delivered in a repeated manner. With distribution becoming a battle against time, we at FP Corporation employ a thoroughly devised plan through which we strive to deliver our products efficiently from the plant to the warehouse, and then on to the retailer. By seeking out shorter routes between manufacturing bases, distribution bases and stores (i.e. the final destination) and limiting the number of trucks needed to transport our containers, we can then deliver our products effectively without needlessly emitting excess CO_2.

This improvement in efficiency and planning design even continues after our containers are transported. Before returning home, empty trucks are loaded with used trays, allowing us to fulfill two needs at once. In this way and more, the FP Corporation distribution system is evolving on a daily basis.

Products awaiting shipment after being gathered at the East Japan Hub Center. Because food containers are lightweight, boxes can be stacked high to effectively make use of warehouse space.

Product Delivery Setup

Due to the product transfer strategy devised by the SCM Division to ship our products from our manufacturing plants to distribution centers and the delivery strategy devised by the Distribution Division to ship our products from distribution centers to retailers, we are able to efficiently ship our products to their final destination, even as the container types, quantities and destinations change on a daily basis.



Product Manufacturing and Inventory Management Planning (SCM Division)

- Respond quickly to changes in demand by setting up strategies on a weekly basis
- Devise production strategies based on inventory standards

Product Delivery and Vehicle Dispatch Planning (Distribution Division)

- Formulate best delivery vehicle strategies possible, considering such factors as loading ratio, delivery efficiency, effective use of return trips and reducing distances traveled with empty load.
- Strive to maximize load quantities and minimize truck numbers and transportation distances

Production Control Dept. General Manager

Kanji Nagata

If you think of each plant and distribution center as partners, then there are eight areas throughout Japan where we have a distribution base. If both production and delivery can be completed in the same area, then we can minimize the distances our products need to travel. Ever since SCM was established six years ago, we have been in a constant battle to achieve this ideal scenario.

SCM Dept., Sales Projection Planning Section Chief Manager

Junji Matsuoka

Inventory volumes for each product change on a daily basis, and not all of our products are manufactured at all 12 of our plants. Planning out which products need to be made where and at what quantity, or how much of which product needs to be procured from another area, can get very complicated.

FPCO Distribution Co. Section Manager

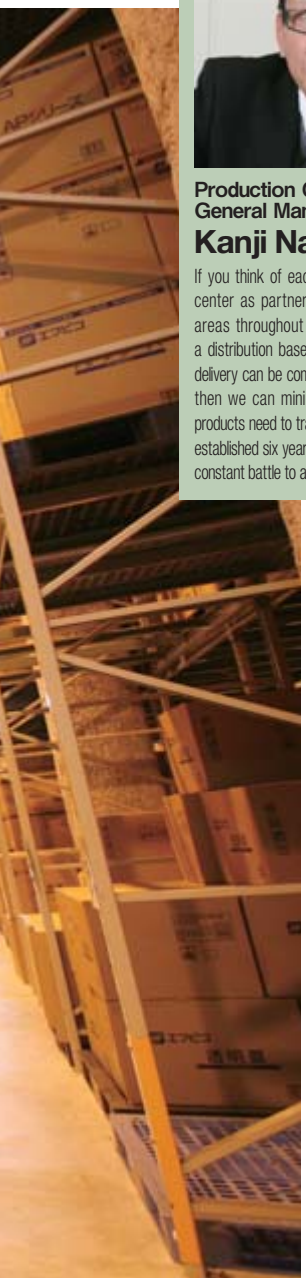
Yasuhiro Naito

Delivering products can be considered arterial distribution, while collecting recyclable used trays can be thought of as venous distribution. What we are trying to do right now is thoroughly reassess both routes with the help of our customers, with that hope that once these changes are realized, we'll be able to significantly increase our efficiency.

FPCO Distribution Co. Executive Manager

Yoshinobu Maeishi

Computers help us in planning out our deliveries, but they can't make any final decisions for us. To conduct deliveries as efficiently as possible, we also need to work together with the Sales Divisions to make adjustments based on the needs of our customers.



Increased Efficiency Through Facility Expansion

In fiscal 2008, we expanded our facilities by establishing a distribution center in Hokkaido and a warehouse to annex our Kyushu Plant, as well as opening a sorting center for used trays in Nishinomiya to operate as a kind of relay station. By moving our delivery bases closer to consumers, we have managed to increase efficiency and reduce the burden we place on the environment.

- Our sorting center in Nishinomiya will serve as a relay station where used trays collected in the Kinki Region are accumulated, sorted, and compressed before being transported in an efficient manner to Fukuyama. The resulting effect will decrease the number of trucks used by 1,200 over the course of a year.
- At the Hokkaido Distribution Center warehouse, we have installed a motion-sensitive passage lighting system on the mobile rack so that the lights are triggered on and off by a passage opening and closing.

Hokkaido Distribution Center mobile rack

CO_2 Reduction Through Environmentally Conscious Management

① **Promotion of Environmentally Conscious Management by All Participating Companies in the FP Corporation Distribution Association**

The FP Corporation Distribution Association, which is comprised of 23 distribution companies from all over Japan, consists of a variety of corporate members who are all working towards the acquisition of management certifications. To date, one company has been awarded an ISO 14001, two companies have obtained ISO 9001 certificates, and five companies have acquired Green Management Certification. Four companies are currently working towards receiving new certifications.

② **Ten Tips for Eco Driving**

We have expanded the Ten Tips for Eco Driving campaign by applying it to all drivers working for FP Corporation distribution systems. We are making efforts to raise drivers' awareness of environmental issues by conducting various measures such as disclosing the amount of gas each driver uses.

Office Workplace Efforts

As a company that plays a leading role in the recycling of food trays, we take great pride in the high level of awareness that exists at our office workplaces about our environmental programs.

Although many companies currently have thorough measures in place to help protect the Earth's environment, the employees at FP Corporation have been highly conscious of the need to reduce our offices' negative ecological impact for a very long time. Ever since we launched our tray recycling operation in 1990, we believe that our employees have become more intrinsically aware of their roles as members of a company with an Extended Producer Responsibility. There are no shortcuts to protecting our environment, and to that extent we continued to develop a wide range of key initiatives in fiscal 2008, fueled by the principles that we should try to do whatever we can and that whatever we decide to do, we should put as much time and effort as we can into it.

Visualization of Our Impact on the Environment 1

In the same way that we have visualized the environmental costs of the utilities (the different power sources that run our plants) at our manufacturing facilities, we are working on visualizing the environmental impact of various aspects of the office.

Use of Videoconferencing 2

Because FP Corporation facilities such as plants, distribution centers, sales centers and recycling plants are located all over the country, we often conduct meetings via videoconferencing. As those attending these meetings no longer need to travel anywhere, this contributes to a reduction in CO_2 emissions.

Use of Low-Emission Vehicles 3

In addition to hybrid vehicles, which we have now used for several years, we now use so-called "Four Star Automobiles" that have been certified by the Minister of Land, Infrastructure and Transport as low-emission vehicles. From fiscal 2008, we have also been actively implementing the use of fuel-efficient compact cars in cases where no adverse effect will be placed on our business. Of the 303 vehicles owned by FP Corporation, 32% offer reduced emissions.

Breakdown: 46 hybrid vehicles
40 low-emission vehicles
13 subcompact and compact vehicles

Small Garbage Receptacles 4

As a measure to reduce waste, some offices have distributed small trash bins to each employee for use at their desk. This encourages staff not to throw away large pieces of paper, therefore resulting in an overall reduction of paper waste. We also expect other offices to implement this idea in the future.

Mobile Pay Slips

In fiscal 2008, we launched a system where pay slips are sent to employees via e-mail. This is one of the many efforts we have undertaken to limit the use of paper as much as possible.

General Affairs Dept.
Manager
Kiyoshi Hori

FP Corporation has a digital bulletin board that can be accessed on any computer in the office where we display the figures related to our environmental impact for all to see. In the future, we'll also be displaying the counts produced by multifunctional copiers and the fuel consumption of company cars. We're also looking into a system for handing out awards to those departments and individuals who've posted exceptional numbers.

General Affairs Dept.
Miyuki Hirota

I want to come up with more ways to visualize our environmental impact and ideals, such as by inviting staff to come up with slogans or designing icons for various campaigns. The most important thing with any office environmental policy is that every employee clearly understands what we're trying to do.

Information and Computer System Dept., Information Development Section
Manager
Hiroaki Torimoto

We've been actively introducing green IT equipment since 2006, such as blade servers and energy-saving PCs. Beginning with the Mobile Pay Slips program, we'll continue to promote systematic changes that are environmentally friendly and reduce carbon emissions.

SCM Dept., Sales Projection Planning Section
Manager
Toru Watanabe

As another way to increase environmental awareness among our employees, I think we can make good use of our existing e-learning system. The advantage of this system is that it allows employees to efficiently learn a wide range of knowledge. We can use that to make sure all employees are constantly learning new things and improving their awareness so that they'll always be making an effort to reduce their burden on the environment.

Installation of Solar Panels for Electricity and Lighting at Fukuyama Headquarters 5 6

Installed into the roof of the employee cafeteria are 24 solar panels that generate the electricity used by the company. They also serve as skylights due to their semi-transparency. Next to the cafeteria is an employee relaxation space that features a wood deck and flower beds. On a sunny day, employees can enjoy both the brightness of the sun and the relaxing breezes coming in from the sea.

Lights Out During Break Time

During the one hour lunch break, the office lighting takes a break as well. We make sure to turn off the lights during this time.

Computer Energy-Saving Mode Settings

All employees are given clear, detailed instructions on how to set their computers on energy-saving mode. This small action becomes far more significant when every employee makes sure to do it.

Hosting Environmental Seminars

The company hosts two day-long environmental seminars every year, in Tokyo and Fukuyama. Several employees attend every seminar, in which outside lecturers are invited to speak.

Eco Driving Lecture

In September 2008, we hosted a lecture about Eco Driving with a guest speaker from the Japan Automobile Federation (JAF) via our teleconferencing system. All company cars have stickers posted on them to inspire commitment to Eco Driving.

Computer Recycling

All of the computers used throughout our company are collectively managed by the Information and Computer System Dept. Obsolete computers are gathered in one location and then properly entrusted to a recycling agent.

Green Purchasing

From office supplies and furnishings to sanitary paper, we take proactive steps to purchase or use products and services that bear a minimal impact on the environment.

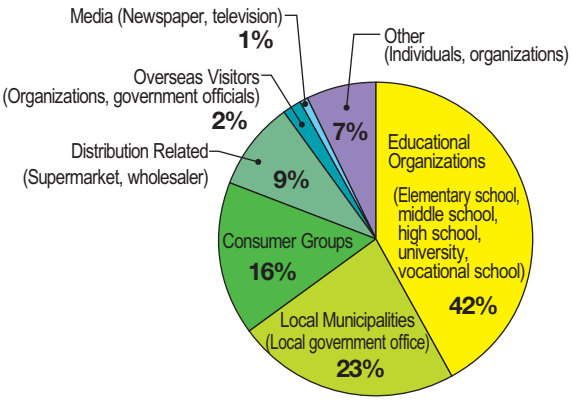
Inviting Plant Tour

Visitors more often than not express great surprise when walking through an FP Corporation recycling plant. There is something magical about seeing items that have been thrown away being recycled into something new.

Visiting a plant to learn about the FP Corporation recycling method, or recycling in general, can be a very worthwhile experience. Many different people are involved in bringing used trays to our plants, and there is something profoundly moving about seeing the passions of those who promote recycling breathing new life into a discarded object right in front of one's own eyes. A recycling operation on this scale, especially one that depends on consumers as much as it does, does not exist anywhere else in the world. When visitors come to see us from overseas, they cannot believe that such an operation could possibly function as well as it does. We are proud that we conduct such a unique recycling operation and also feel a great sense of responsibility.

Visitor Makeup

There are many different types of people who visit our plants, and their reasons for coming are just as varied. Elementary school children, for example, may come to learn about environmental problems and the spirit of cherishing the things we use. Local government officials, on the other hand, might be searching for tips on how to advance their own recycling operations. We have also had visits from consumer groups who find the use of food trays to be wasteful, but even they have left impressed with our recycling operation, offering us kind words of encouragement. Television crews visit our plants several times a year, but rather than viewing our operation on a TV screen, it would mean a lot to us if you would come for a firsthand look yourself.



Guide brochures for visitors

Environment Management Dept.
General Manager

Kazunori Matsuo

Many of our visitors come here by word of mouth. In a busy year, we get over 20,000 visitors, but I still wish even more people would come for a tour. We've even thought of ways to deal with a bump in visitor numbers, so we hope you'll come pay us a visit.

Environment Management Dept.

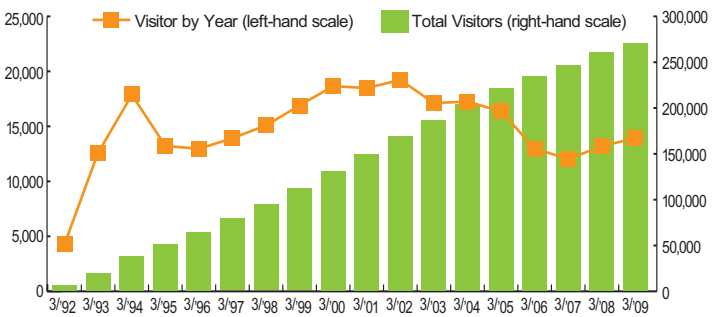
Keiko Kokoroishi

I wouldn't mind getting about four groups of visitors a day, with hardly a day off in between. I've noticed that children from different elementary schools react differently to what they see, and that students at different grades ask different questions, so it's always a learning experience for me, too. It's hard work, but I love it.

Visitor Numbers

Each year sees an average of 15,000 visitors, with over 270,000 total visitors since 1992. While these may seem like large numbers, they are never large enough for us. We believe that more people watching our tray recycling operation in action will lead to more trays being recycled.

Changes in Visitor Numbers



Top photo : Messages written by elementary school children after a visit. Their increased interest in recycling is palpable.

Top right photo: A news bulletin created by a class of elementary school children that visited. The children were kind enough to send it to us after displaying it at school.

Right photo : Elementary school children listen to a presentation. Perhaps because of the familiar subject matter – food trays – the children seem rapt in attention.

If you are interested in taking a tour at one of our plants, please contact your nearest plant.

Visiting Hours: Monday to Friday (except holidays) from 9:00 AM to 4:00 PM (Applies to all plants)

Plant Name	Address	Visitor Reception	Max Visitors per Group
Tohoku Recycling Plant	23-124 Hiraba, Ohiramura, Kurokawa-gun, Miyagi 981-3601	Administration Division +81-22-345-1146	40
Kanto Recycling Plant	4448 Oaza Hiratsuka, Yachiyomachi, Yuki-gun, Ibaraki 300-3561	Administrative Assistant Dept., Tokyo Headquarters +81-3-5325-7300	120
Chubu Recycling Plant	157-1 Shimoogure, Wanouchi-cho, Anpachi-gun, Gifu 503-0205	Administration Division +81-584-69-2985	120
Fukuyama Recycling Plant	127-2 Minooki-cho, Fukuyama-shi, Hiroshima 721-0956	Administrative Assistant Dept., Headquarters +81-84-953-0001	130
Kyushu Recycling Plant	1800-1 Ishinari, Yoshinogari-cho, Kanzaki-gun, Saga 842-0102	Administration Division +81-952-52-7877	50

Tour Program Example

1. The Recycling Process (10 minutes)
At the entrance to the plant, we show what happens to a food tray before it is recycled.

2. Recycling Processes Tour (30 minutes)
Visitors witness each part of the process, from the arrival of the trays at the plant to the production of the pellets (the main ingredient).

3. Presentation (25 minutes)
We explain the FP Corporation food tray recycling operation in great detail.

4. Instructional Video (15 minutes)
Visitors watch a video that summarizes the content covered in the presentation.

5. Question and Answer Session (10 minutes)
We respond to various questions from our visitors.

(Total time: Approx. 90 minutes)

Progress on the Five-Year Plan

Regrettably, the effects of our actions on the natural environment here at FP Corporation are not all benign. With full awareness of the burden that our actions place upon the natural environment, we will set our own goals and plan and execute efforts to reduce this burden.

Areas of concern		Methods		Goals (to be achieved in FY2010)
1. Prevention of global warming	(1) Reduced use of energy and resources (INPUT)	Reduction in the amount of greenhouse gas emissions	Manufacturing	A 30% reduction in the specific energy consumption (consumption = Wh/unit)
			Transport	A 40% reduction in the fuel consumption rate (rate = liters/1000 units)
			Office	A 20% reduction in the use of electrical power; Room temperature regulation: 25 - 28 °C (summer), 20 - 23 °C (winter)
		Efforts to implement the Kyoto Mechanisms		Investigation of methods for making use of the Kyoto Mechanisms (CDM.JI. domestic emissions rights trading)
		Efforts to find new energy sources		Investigation of introducing new energy sources
		Efforts to use fewer resources		A 15% reduction in the rate of usage of resources (rate: weight of resources invested/unit [excluding wood products])
		Expansion of FP Corporation-style recycling		KHCW (Recovered white pellets): 25% increase; Eco tray sales in tons (recycled sheet for Eco trays : 15% increase)
	(2) Reduced waste and environmentally polluting substances (OUTPUT)	Types of environmental pollutants	Management of atmospheric pollution (SOx, NOx)	Maintenance of the present level of SOx and NOx emissions from boilers (lower than regulatory values)
				Generators; Emissions of SOx and NOx per unit maintained at the values measured at the time of installation
			Management of water pollution (COD, BOD)	Maintaining the current COD and BOD levels (at or lower than the levels stipulated by law) at 5 recycling plants
			Management of chemical pollution (PRTR, VOC)	PRTR: Understanding of details and quantity of applicable substances
				VOC: Independently regulate to a 30% reduction, even though this is not required by law
		Waste products	Waste products Promoting the 3Rs in offices	A 55% reduction in the use of paper
				A 10% reduction in waste associated with business activities
				A recycling rate of 80% or more
			Promoting the 3Rs in manufacturing plants	Zero emissions: A 20% reduction across the board in industrially generated waste
			Reduction and management of industrial waste	Amount subject to final disposal such as simple incineration, burial: 5% or less of all waste generated
2. Research and development to reduce the environmental burdens of products		Development of new technologies		Research and development of production technology that allows lighter and thinner products
		Design of products with a low environmental load		Lighter weight, more use of single materials, research and development of modifications from non-foaming materials to foaming materials
		Development of new materials		Research and development of biomass plastics (PLA, etc.)
3. Green purchasing		Creation of green purchasing guidelines		Percentage of green purchases 60%
		Low-pollution vehicles		Introduction of 100 low-fuel vehicles; A rise in fuel efficiency
4. Increased awareness about the environment on the part of employees		Environmental management		Actions associated with the ISO14001 EMS techniques
		Environmental education		Environmental education: twice a year
		Social contributions		Continuation
		In-house promotional activities		Continuation
5. Sharing information about environmental and social activities with stakeholders		Enhancement of communication		Issuing and sharing environmental information for each stakeholder

"Evaluation" column notes
◎ = Results that exceed goals
○ = Results that achieve, nearly achieve, or slightly exceed goals (90% ~ 110% achievement)
× = Goal not achieved

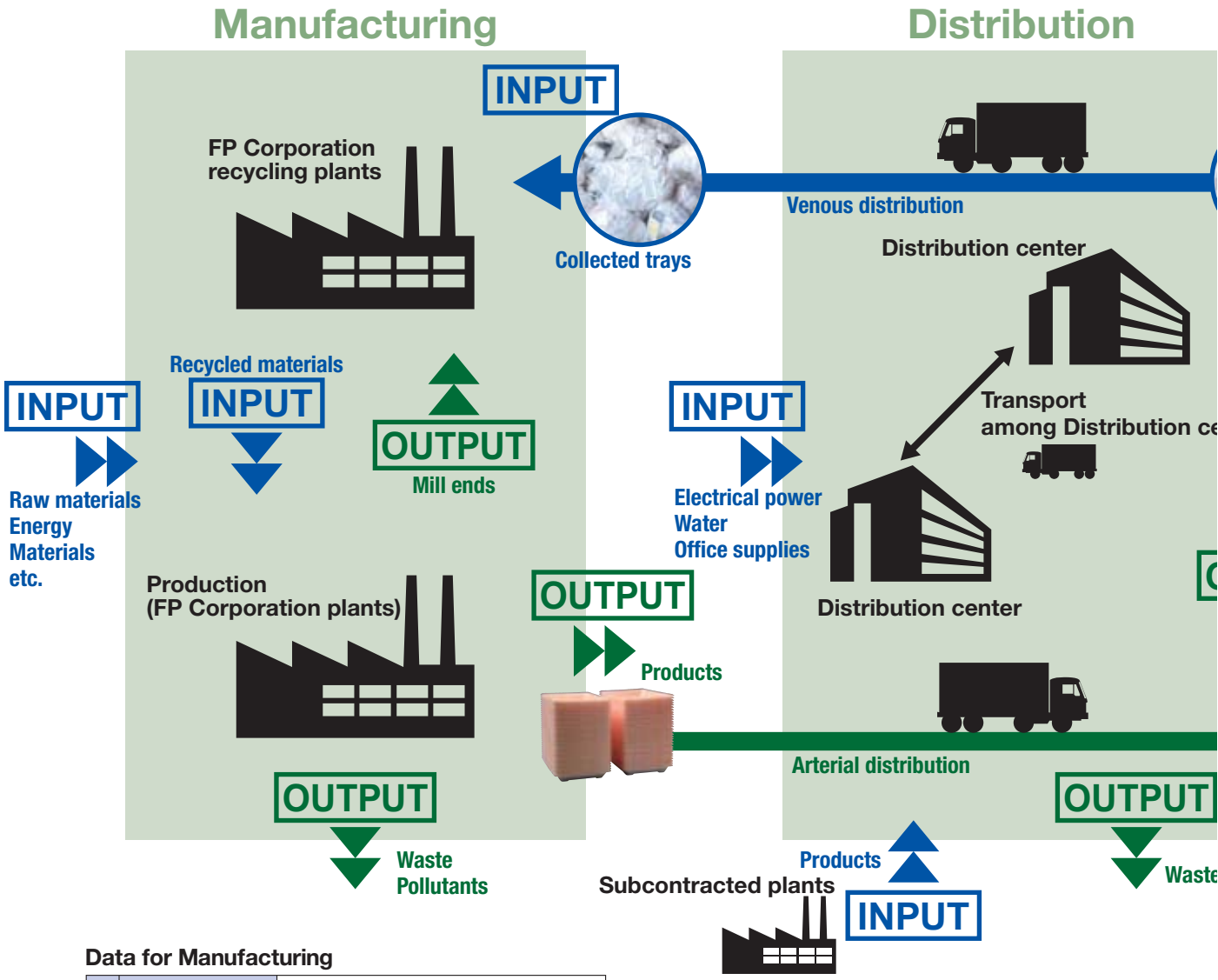
Reference fiscal years	Goals for FY2008	Results for FY2008	Evaluation	Related Items
2003	25% reduction	27% reduction	◎	P31
2004	37% reduction	Reexamining evaluation method	-	P35
2004	18% reduction	12% reduction	×	P37
	Continuation	Being Continued	○	-
	Continuation	Being Continued	○	-
2003	18% reduction	22% reduction	◎	P29
2004	KHCW: 20% increase; Recycled sheet for Eco trays : Improvement up to 5% reduction	KHCW: 7% increase; Recycled sheet for Eco trays: 17% reduction	×	P23
2005	Maintenance of a level lower than the regulatory value	Level lower than the regulatory value confirmed	○	-
Establishment Year	Elimination of targets due to shutdown	-	-	-
	Maintenance of a level lower than the regulatory value	Level lower than the regulatory value confirmed	○	P43
	Understanding of number and quantity of items	Number and quantity of items monitored	○	P43
2000	8% reduction in VOC, 10% use of aqueous ink	1% use of aqueous ink	×	-
2004	52% reduction	55% reduction	◎	P37
2007	3% reduction	6% increase	×	P37
	Increase to more than 70%	57%	×	P37
2004	16% reduction	18% reduction	◎	P31
2004	10% or less	Establishing the definition of final disposal quantity	-	-
	Continuation	Weight reduction on 725 items	○	P29
	Continuation	Switching to foaming materials on 5 items	○	P29
	Continuation	Being Continued	○	-
	57% or more	44%	×	P38
	Introduction of 11 vehicles (80 by the end of the period)	Introduction of 30 vehicles (99 by the period end)	◎	P37
	Continuation	Being Continued	○	P18
	Continuation	Being Continued	○	P38・P53
	Continuation	Being Continued	○	P55
	Continuation	Being Continued	○	P38・P53
	Continuation	Being Continued	○	P39・P47・P48

FY2008 Results and Progress

In fiscal 2008, we continued to follow through with our Five-Year Plan in tandem with efforts to set goals based on our New Medium Term Environmental Management Plan (FP Corporation Eco Action 50). As a result of each division carrying out measures to meet their respective annual objectives, we were able to achieve a large number of goals. One particularly noteworthy achievement was the reduction of electricity consumed by our food container manufacturing plants, which account for a large share of our greenhouse gas emissions, by 27% since fiscal 2003.
In addition, we have already met conservation objectives set for fiscal 2010 with regards to the volume of resources used per food container, the amount of paper consumed (primarily in offices), and the conversion of company automobiles to fuel efficient vehicles.
However, there were also targets that we failed to achieve, such as those related to the amount of electricity consumed in our offices, the amount of general waste discarded in office operations and the rate of improvement in recycling.
From this fiscal term onwards, we will report on our progress regarding objectives formulated through the New Medium Term Environmental Management Plan (FP Corporation Eco Action 50).

Flow of Substances in FY2008

In conjunction with our corporate activities, a variety of substances are moved from one place to another, giving rise to environmental effects. In order to reduce and control the burden on the natural environment to the greatest extent possible, we at FP Corporation are striving to gain an accurate understanding of the effects that our own corporate actions have on the environment.



Data for Manufacturing

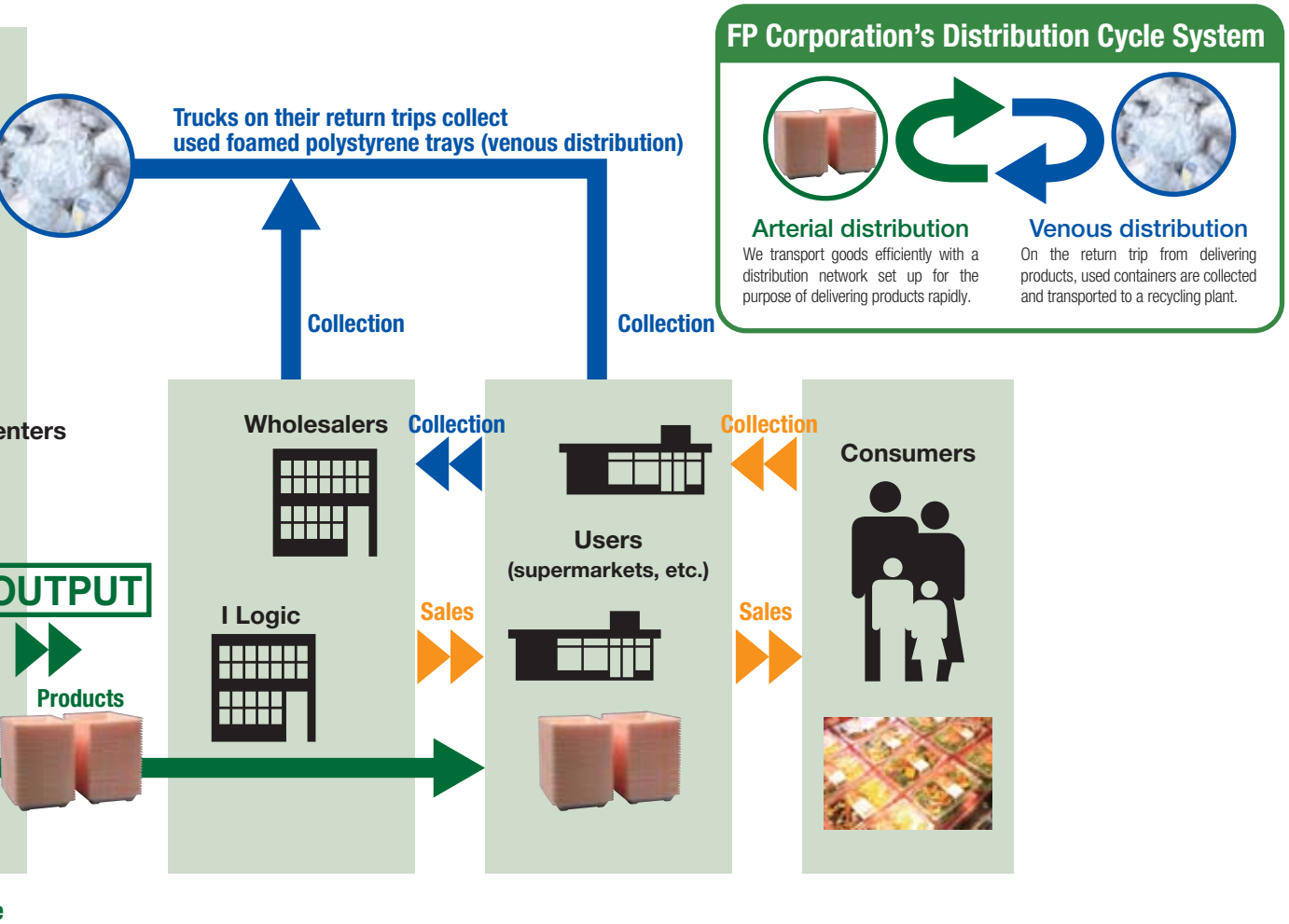
INPUT	Energy	Power purchased	172,841,239 kWh
		Fossil-fuel energy	16,933,665 MJ
	Water resources (Total: 554,556m^3)	Public water supply	125,051 m^3
		Ground water	359,180 m^3
		Industrial water	70,325 m^3
	Raw materials (resins, etc.)		148,638 t
	Indirect materials (Total: 24,452t)	Cardboard	22,277 t
		Plastic bag	2,175 t
	Miscellaneous	Lubricants	13,630 L
		Thinners	4,479 L
		Paper	2,192,600 pcs

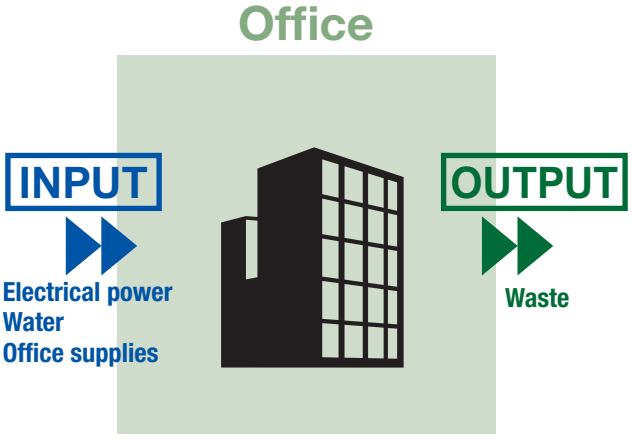
OUTPUT	Products	Volume of products produced (portion of Eco Tray production)	127,862 t (11,615) t
		Number of shipping trucks	107,113 vehicles
	Waste		4,393 t
	Environmental pollutants	Particulates	53 kg
		NOx	926 kg
		Dioxins	0 mg-TEQ
		BOD	220 kg
		COD	160 kg
		SS	501 kg

Data for Distribution

INPUT		
Energy	Power purchased	11,327,268 kWh
	Fossil-fuel energy	6,681,838 MJ
Water resources	Public water supply	15,803 m^3
Indirect materials	Cardboard	1,472 t
Miscellaneous	Paper	9,916,900 pcs

OUTPUT	
Waste	292 t





Data for Office

INPUT		
Energy	Power purchased	2,071,152 kWh
Indirect materials	Cardboard	1 t
Miscellaneous	Paper	6,772,500 pcs

OUTPUT	
Waste	89 t

SOCIETY

Social Efforts

In this section, we will explain how FP Corporation acts as a good corporate citizen for the betterment of not only our stakeholders, but for all people who are in one way or another connected with the work we do.

Just as a disabled worker from one of our manufacturing plants in Ibaraki Prefecture is connected, through FP Corporation, to consumers shopping over 100 kilometers away at a supermarket in Kanagawa Prefecture, you, too, may be connected to us in some way.

Executive Deputy President and CIO

Morimasa Sato

(Appointed President and COO on June 26, 2009)

Pursuing a Bond with Society as a Company that Unites People

Regarding any company, it is extremely important to ask to whom that company belongs. FP Corporation does not belong only to our shareholders, nor does it belong solely to our customers or employees. When we consider that a company exists as a part of our social infrastructure and is supported by everyone who has a role in that infrastructure, we must come to the conclusion that a company belongs to society as a whole.

Because our company is sustained by society, it is only natural that we at FP Corporation should return the favor. Although we have been reducing CO_2 emissions through our recycling operations, this too is something that should be expected of a good corporate citizen. FP Corporation is always looking to give back to society as much as it can, whether it is by hiring disabled workers, giving presentations at elementary schools or sponsoring a wide range of local events.

We promote the sharing of information with our employees and connecting them with all aspects of our business; we are also constantly trying to improve transparency with our shareholders.

I believe that the ideal company is one that coexists with our stakeholders within society and grows together as one.

TOPICS

Certified as a Leading Company in the Employment of Disabled Workers

This certification is presented by the Japan Association of Employers of Persons with Severe Disabilities to corporations that have excelled in supporting the hiring of disabled workers. We are proud to be a leading company in this pursuit, and feel it is our duty to contribute towards creating a world that is free of both physical and social barriers.

障害者雇用優良企業
厚生労働省 2012

Relations with Shareholders
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Hiring of Disabled Persons
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Relations with Local Communities
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Relations with Shareholders

To respond to the trust placed in us by our shareholders and investors, we are taking great efforts to communicate thoroughly with all of our financial supporters through the disclosure of company related information and the assurance of management transparency.

Proper Information Disclosure

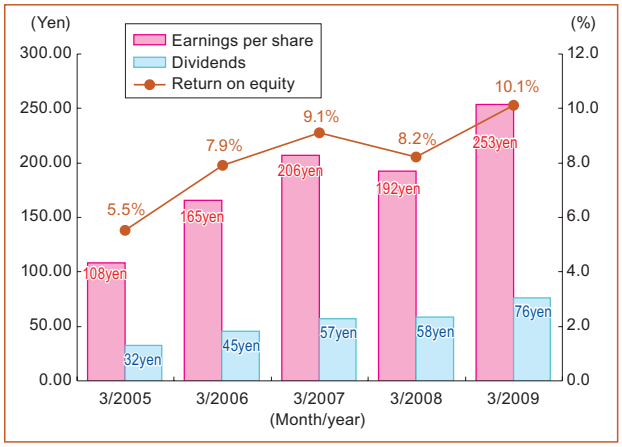
FP Corporation discloses corporate information in a timely, appropriate, expeditious and fair manner in compliance with all applicable laws, while proactively exchanging viewpoints with all of our shareholders and investors. In working to ensure that institutional investors and analysts have a deeper understanding of our business results and operations, we hold an annual shareholders' meeting and semi-annual results briefings, in addition to meeting with individual investors and organizing tours of our manufacturing, distribution and recycling facilities. Financial statements, accounting summaries, results briefing documentation, press releases and other relevant information are also made available to non-shareholder stakeholders in the IR section of our company website.

Improving Operational Stability and Corporate Value

In the fiscal year ending March 2009, we satisfied the targeted management indicators of 250 yen earnings per share and a return on equity of 10%. With new medium-to-long term goals of 400 yen earnings per share and a return on equity of 15%, we will increase our efforts to maximize corporate and shareholder value in cooperation with all our stakeholders by soundly executing group management planning policies and reorganizing and streamlining existing operations.

Stable Dividends

Providing shareholders with a return on their investment is one of the most important goals of FP Corporation. While aiming to improve profitability and strengthen our financial standing, we conduct a management policy that requires the continual and steady payment of dividends.
In line with this plan, we set dividends in the last fiscal year at 76 yen per share (including 33 yen in midterm dividends). As a result, the dividend payout ratio for the term was 30.0%.



Stock Condition (as of 3/31/2009)

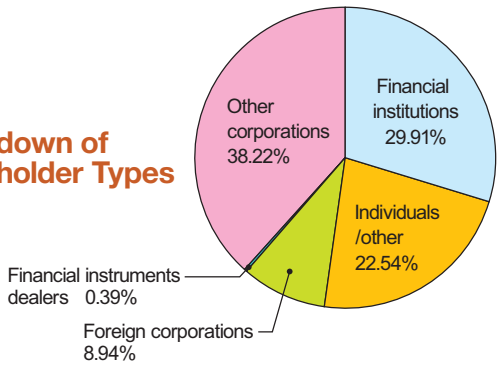
Number of authorized shares: 60,000,000
Total number of shares issued: 22,142,106
Number of shareholders: 3,511

Status of Major Shareholders (Top Ten)

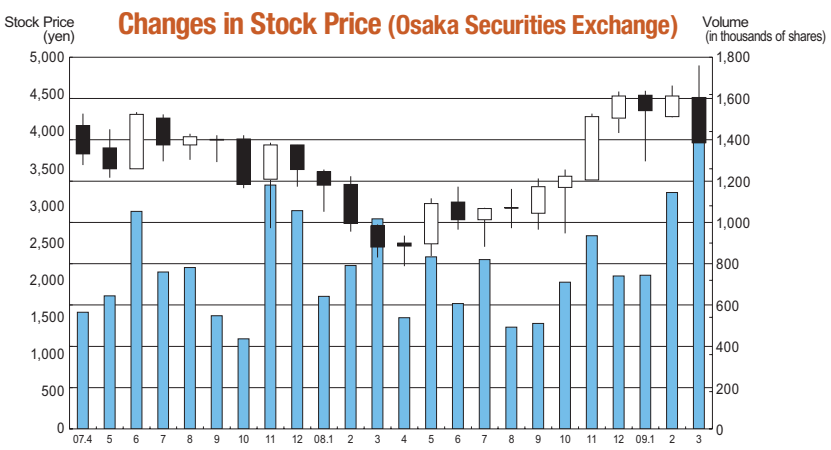
Shareholder Name	Investment in FP Corporation	
	Number of Shares Held (in thousands)	Percentage of Shares Held (%)
Komatsu Yasuhiro Kosan Ltd.	6,041	28.93
Sekisui Plastics Co., Ltd.	716	3.43
Japan Trustee Services Bank, Ltd. (Trust account)	712	3.41
Japan Agricultural Cooperatives	604	2.90
The Master Trust Bank of Japan, Ltd. (Trust account)	559	2.68
Japan Trustee Services Bank, Ltd. (Trust account 4G)	508	2.44
FPCO Kyoei-kai	469	2.25
The Master Trust Bank of Japan, Ltd. (Sekisui Plastics Co., Ltd. retirement benefit trust account)	450	2.15
The Nishi-Nippon City Bank, Ltd.	440	2.11
Japan Trustee Services Bank, Ltd., (Resona Trust & Banking Co., Ltd., & Momiji Bank, Ltd.)	381	1.83

Note 1: Number of shares held is rounded down to the nearest thousand.
Note 2: Percentage of shares held is calculated after subtracting the number of shares treated as treasury stock (1,257,341).

Breakdown of Shareholder Types



Changes in Stock Price (Osaka Securities Exchange)



Relations with Consumers

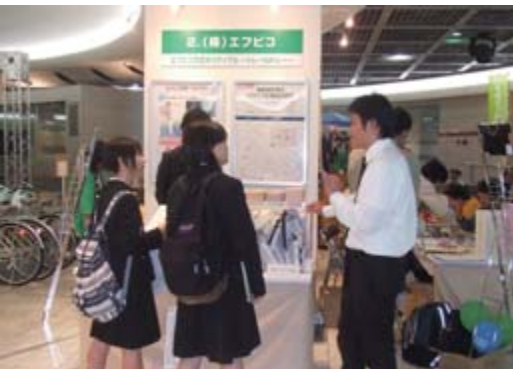
Although we generally have few opportunities to engage in direct communication with consumers, we are taking proactive steps to have frequent contact with the users of our products and, in turn, gain their understanding of who we are as a company.

Participation in Events

A wide range of environmentally themed exhibitions and events are held in locations all over Japan. FP Corporation makes every effort to take part in these events to show consumers the workings of our Tray to Tray recycling operation as well as how our products such as the Eco Tray have been developed based on ecological concerns. We consider these events important opportunities for interacting directly with event attendees to exchange viewpoints and gather information on our tray collection and environmental conservation activities.

Major Events FP Corporation Took Part in During FY2008

Date	Event Name	Location
May 16-17, 2008	Hiroshima City: “Consumer Lifestyle Exhibition"	Hiroshima Prefecture
June 8	FY2008 Hiroshima Environment Day Festival	Hiroshima Prefecture
July 6	MaxValu Nishinihon Co., Ltd. AEON Town Mizushima store “Environmental Recycling Festival”	Okayama Prefecture
Aug. 7	Science and Mathematics Carrier Association Workshop	Hiroshima Prefecture
Aug. 24	32nd Tsuyama Everyday Living and Consumer Lifestyle Exhibition	Okayama Prefecture
Sept. 25	2008 Chugoku CGC Group Association Business Fair	Hiroshima Prefecture
Oct. 8-11	Eco-Products Tohoku 2008	Miyagi Prefecture
Oct. 21	Momiji Yamaguchi Business Matching Fair 2008	Hiroshima Prefecture
Oct. 26	7th Fukuyama Recycle Festival	Hiroshima Prefecture
Nov. 2	2008 Sanwa Sawayaka Kogen Eco Festival	Hiroshima Prefecture
Nov. 30	2008 Eco Festa Okayama	Okayama Prefecture
Jan. 25, 2009	26th Kasaoka Everyday Living and Consumer Lifestyle Exhibition	Okayama Prefecture
Mar. 29	Association Appreciation Festival	Hiroshima Prefecture



Visiting Lectures

We have been responding with great energy to requests from elementary schools and other locations regarding the presentation of visiting lectures and seminars. These events allow consumers to gain a proper understanding of both the structure and significance of tray recycling systems, while also increasing their awareness of environmental conservation issues. In particular, during fiscal 2008, we accommodated a large number of requests received from elementary schools in Yokohama, Kanagawa Prefecture.

Example: Green Purchasing Visiting Lecture Conducted in Yokohama

Date	School Name	Location	Date	School Name	Location
June 20 (Fri.), 2008	Tsurugamine Elementary School	Asahi-ku	September 3 (Wed.), 2008	Yamashita Midoridai Elementary School	Midori-ku
July 1 (Tue.)	Koyasu Elementary School	Kanagawa-ku	September 5 (Fri.)	Yamata Elementary School	Tsuzuki-ku
July 11 (Fri.)	Urafune Special School	Minami-ku	November 13 (Thur.)	Kibogaoka Elementary School	Asahi-ku
July 18 (Fri.)	Hino-chuo Special Secondary School	Isogo-ku	December 15 (Mon.)	Tsuoka Elementary School	Asahi-ku
July 25 (Fri.)	Kitayamata Elementary School	Tsuzuki-ku	February 17 (Tue.), 2009	Onda Elementary School	Aoba-ku

Hiring of Disabled Persons

Our stance on hiring disabled persons was initiated through our relationship with the Ahiru Society, a group comprised of parents with children affected by Down's syndrome. As a good corporate citizen, we are proud to do our part to help build a world in which such corporate practices are accepted as common sense.

Development of Two Dedicated Business Enterprises

We believe that it is part our duty as a good corporate citizen to create workplaces that are accessible to disabled persons, and FP Corporation has founded two separate business enterprises to help us to that end: Daks Co. and FPCO Ai Pack Co. The former was established in 1986 and has been certified as a Special Case Subsidiary by the Minister of Health, Labor and Welfare, while the latter was established in 2006 and has been recognized as a Workplace Offering Type A Continuous Employment Support as defined by the Law on Supporting the Independence of People with Disabilities. Thanks to the efforts of these ventures, 8.48% of our total workforce is now comprised of disabled workers (as of Mar. 31, 2009).

Number of Disabled Workers by Location

•FP Corp. and Group Companies excluding those listed below: 20

•Companies Certified as Special Case Subsidiaries

Daks Co. :	20
Daks Shikoku Co. :	35
Daks Saga Co. :	5
Total :	60

•Companies certified as Workplaces Offering Type A Continuous Employment Support

FPCO Ai Pack Co.

Hokkaido Plant : 11	Nishinomiya Plant : 14	Ibaraki Sorting Center : 6
Yamagata Plant : 10	Fukuyama Plant : 13	Gifu Sorting Center : 8
Ibaraki Plant : 12	Hiroshima Plant : 12	Nishinomiya Sorting Center : 21
Gifu Plant : 11	Saga Plant : 16	Fukuyama Sorting Center : 19
		Saga Sorting Center : 6

Total: 159

Grand Total: 239

- Special Case Subsidiary
  Subsidiaries established within a private corporation as a special measure for managing employee hiring rates with particular consideration given to the employment of disabled persons.
- Workplace Offering Type A Continuous Employment Support
  Workplaces that hire disabled persons who find it difficult working at a standard company and offer such employees welfare services during their employment.

Both types of systems require companies to form official employment contracts with disabled employees and guarantee at least the minimum wage as stated by law, just as they would with non-disabled employees.

Devising Ways For Working with Disabled Persons

Most disabled employees who commute to FP Corporation take public transportation, are driven to and from work by a family member or ride a shuttle bus dispatched by the company. At our Ibaraki Plant, we arranged with the Ibaraki city government and local bus companies to have a bus stop built near the plant. These schemes would never work without the cooperation of a wide range of people, including local citizens.

Stationed at every workplace is a Service Control Manager who is responsible for assisting disabled workers in basic daily activities such as eating and changing clothes and supporting such workers in a number of ways that allow them to apply themselves to their work without difficulty. Our Service Control Managers have three to ten years' experience assisting disabled persons and must be certified in two different types of training courses.

Our equipment has also been modified in a number of ways to make them more accessible to disabled employees. Our plants, for example, have been equipped with a number of devices that can detect hazards and malfunctions. Even an action such as opening a door that would normally not pose a problem to a non-disabled person has been designed to shut down in an emergency to prevent any potential accidents from happening.

As mentioned elsewhere, FP Corporation encourages communication within the workplace, and to that end we have set up several events for our disabled employees. We organize two social get-togethers a year for our disabled employees and their families, as well as tours of the workplace and company retreats with members of their families.

◀An example of a machine modified for safety assurance purposes. The green button on the right needs to be pressed simultaneously as the green button on the left for the machine to function. This requires the use of both arms to operate the machine, thus preventing the possibility of one of the operator's arms getting caught in the machine.

FPCO Ai Pack Co.
President and CEO

Yoshiro Fujii

The process for hiring disabled persons is almost exactly the same as that used for general employees. We recruit workers through a national job placement agency, interview applicants, discern factors such as personality and level of motivation and then come to a decision. Motivation, however, is the most important thing we look for.

FPCO Ai Pack Co.
Ibaraki Plant
Service Control Manager

Junko Yamamoto

We regularly conduct private meetings with disabled employees and then set work goals that suit each individual. My own duties also include writing reports for the city government, but while I'm on the work floor, I perform the exact same tasks as everyone else.

FPCO Ai Pack Co.
Ibaraki Plant, Plant Manager

Minoru Kusama

The most remarkable thing about our disabled workers is the high level of concentration they bring to their work. We're currently considering incorporating a flexible posting and working system to make better use of this quality. I myself learn a lot from working with disabled workers.

FPCO Ai Pack Co.
Recycling Operations Division
Supervisor

Masashi Matsunaga

On average, we get visitors about ten times a month. During these visits, everyone becomes really motivated. You can really tell that they want the visitors to see how confident they've become by getting this opportunity to work, and that itself makes me so proud.

Relations with Customers

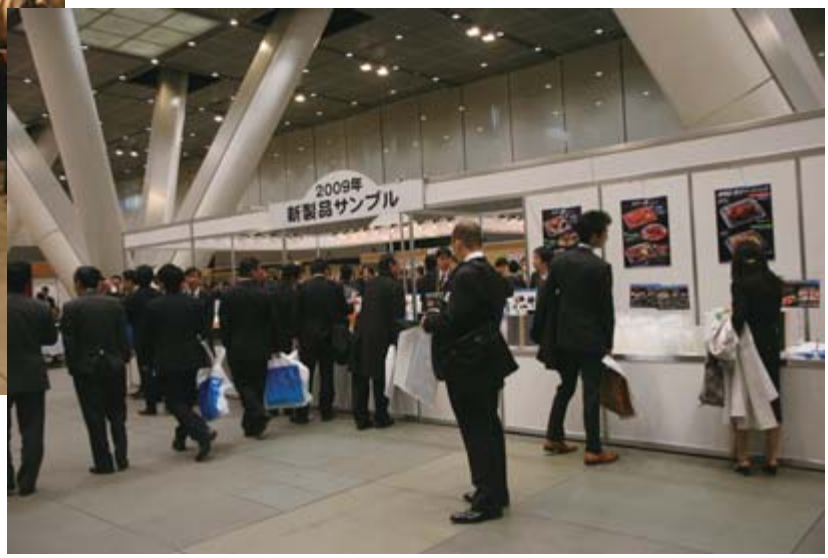
The direct customers of FP Corporation are supermarkets and other retailers, distributors, and wholesalers. In addition to standard sales activities, we also host fairs that display a wide range of products designed to support the long-term business needs of our customers.

Hosting of the FP Corporation Mini Fair

At the FP Corporation Mini Fair, we offer suggestions to distributors and retailers such as supermarkets on ways in which they can use our latest products with the food items they sell and the sales counters in which they display such items. This event is held periodically in major cities around Japan.
The venue at these fairs is designed to replicate the environment of a supermarket. Precooked food and meals are placed in our containers and set in refrigerated display cases and other furnishing normally encountered in supermarkets. The suggestions we offer, however, are not limited to the use of food containers; they include anything that can help increase our customers' sales, such as display methods, the use of signboards and seasonal specials they can offer.

FP Corporation Mini Fair 2009 Event Outline		Number of Attendees
Tokyo (Tokyo International Forum)	March 11-12 (Wed.-Thur.)	Approx. 4,300
Osaka (Mydome Osaka)	March 18 (Wed.)	Approx. 2,200
Nagoya (Nagoya Congress Center)	March 25 (Wed.)	Approx. 1,300
Fukuoka (Fukuoka International Congress Center)	April 9 (Thur.)	Approx. 1,600
Total Number of Guests: Approx. 9,400		

◀A booth demonstrating container features such as sealability



A booth where new product samples are handed out ▶

Guests pack the venue of the Tokyo Mini Fair. Customers lined up throughout the day to view our booths, which replicated actual supermarket displays.

Sales Division 1
Senior Manager

Hideshi Torigoe

These fairs are designed to give us an opportunity to communicate with our customers, which benefits both parties in a number of different ways. By having our customers gain a better understanding of our perspective, we in turn understand their perspective better. This then helps us create better products while helping to increase our customers' profits. It really is a tremendous opportunity.

Comments from Our Guests

Kawawa Co., Ltd.

Toshiyuki Kawawa

Although we do come to these fairs to find the latest trends in food containers, since we're a wholesaler, we bring several representatives from the retail stores that form our client base. One of the best things about these fairs is that they're easy to attend since they're run independently by FP Corporation. We try to take full advantage of these fairs as opportunities for presenting valuable ideas to our customers.

Sanmi Co., Ltd. (Yaoko Group)

Takeshi Uchida

I came here today to have a look at FP Corporation's latest products, and maybe even leave with a few new ideas, since FP Corporation also offers suggestions for food displays and items, including the use of containers. FP Corporation's product manufacturing strategy is in line with our way of thinking, so I'm sure any information I acquire today will be useful.

Odakyu Shokuhin Co., Ltd.

Akio Tokita

We mostly handle sushi related products, so I came here to look at containers designed for that purpose. I also think I'll be able to gain information about current trends in supermarket food displays. So far, I've seen a few containers that would allow us to display food in brand new ways, so I'll definitely be taking those ideas home with me.

Relations with Employees

One of the reasons behind FP Corporation's tremendous growth in such a short period of time is the highly cooperative relationship that exists between management and employees. One could even say that this rich spirit of collaboration is a company tradition.

TOPICS

Receiving the Chugoku New Office Promotion Award 1

At the 21st Best of New Offices Awards hosted by the Nihon Keizai Shimbun Co. and the New Office Promotion Association, our head office was honored with the Chugoku New Office Promotion Award.
The office was recognized for excellence in every aspect of its work environment, including in terms of comfort and functionality. Our head office was originally designed with an emphasis on fostering smoother communication among employees and allowing ample workspace for everyone. For us, this award is a recognition that our design has had its intended effect on the workplace.

Complete Office Amenities 2 3

A sundeck has been built next to the employee cafeteria on the third floor of our head office. Employees can use this space to enjoy a relaxing lunch or post-meal chat when the weather is nice.
Meanwhile, the cafeteria has been installed with a commercial air purifier that is generally used at hospitals and food plants to sterilize germs floating in the room. By removing any viruses, bacteria and even pollen that may be in the air, this purifier contributes to the well-being of our employees.

Utilization of e-learning System 4

In 2008, we launched an in-house e-learning system, the Gakunavi FP Corporation Campus. Designed as a means of sharing and standardizing basic knowledge, this intranet provides employees with a host of learning opportunities. Courses cover subjects such as financial accounting, IT, compliance and the environment. More content is expected to be added in the future to further enrich our employees' knowledge.

Provision of Health and Welfare Services via the FPCO Club

Through the FPCO Club, a members only program established to provide workers with health and welfare services, we offer employees a wide range of special benefits including:

- Discount stays at health resorts and hotels
- Discounts at famous restaurants and party halls
- Discounts for cleaning and photo printing services
- Discounts for various adult education courses
- Discounts at golf courses
- Discounts at cinemas and theaters
- Discounts for mail-order services





Observing Overseas Distribution Markets 5

Employees with at least ten years of service at FP Corporation are selected to take part in overseas training, through which they can receive direct exposure to elements present in foreign distribution markets. Visiting major American cities, these workers tour supermarkets and other sales locations to learn about marketing styles that exist in a cultural region different to Japan. This training program has been conducted every year since it was first established in 1979.

Certified as a Child-Supportive Corporation 6

In accordance with the Law for Measures to Support the Development of the Next-Generation established in 2005, FP Corporation has developed and implemented an action plan for building a work environment that allows employees to balance both job duties and child rearing responsibilities. This includes providing childcare leave to both male and female employees and offering shorter workdays to and requiring less overtime of employees with young children. Our efforts were formally recognized in July 2008 by the Hiroshima Labor Bureau, which awarded our company with a Certification for a General Business Conforming with Established Standards and officially honored us as a Child-Supportive Corporation.

6

Corporate Finance Dept., **Yoshiko Okamoto**

I have taken maternity leave on two separate occasions, once when my son was born and again when my daughter was born. I'm currently back at work while my children are in daycare. Things were really hectic with my son because I was working fulltime, but I decided to take advantage of the shortened workday system with my daughter, and it's really given me more time and peace of mind. Thanks to this system, I can spend more time with my children and enjoy a better balance between my job and my parental duties. By showing that I can continue to work on substantial projects in spite of my reduced hours, I hope to encourage the workplace as a whole to feel more confident about taking advantage of this system.

Relations with Local Communities

As a member of various local communities, we conduct a wide range of activities together with local citizens to contribute to the development of each community.

Shudo Eco Challenge FP Corporation Award

Hosted by Hiroshima Shudo University, the Shudo Eco Challenge is a contest designed to contribute towards the creation of a sustainable and euphoric society by spreading a message from Hiroshima asking for greater consideration of the environment in our lifestyles. Our company participates in this contest through the presentation of the FP Corporation Award.

Distribution of *The Round 'n' Round Recycling Family*

We produced a 15-minute video which promotes the recycling of food trays and transparent containers, free copies of which are distributed to local public institutions such as elementary schools. This DVD features professional actors who clearly but humorously explain the recycling process. Although FP Corporation produced this feature, we have removed any references to our company in consideration of public institutions that do not feel comfortable being associated in such a way with a private company.

If you would like to receive a copy of this video, please contact the FP Corporation Environmental Programs Office listed on page 58 of this report.

Neighborhood Cleaning Activities

On November 28, 2008, 13 of our employees walked around roads, parks, parking lots and other areas near our head office picking up litter as participants of an event sponsored by the Hiroshima Eco-Forum, which promotes activities aimed at building environmentally friendly communities. This event gave us an opportunity to interact with local residents, allowing us to deepen our relationship with them.

Participation in a Kamikatsu ICT Project

FP Corporation took part in an ICT (Information and Communication Technology) event organized by the village of Kamikatsu, Tokushima Prefecture, on November 8, 2008. Kamikatsu has enjoyed a successful revitalization due in no small part to the commercialization of the decorative leaf businesses run by the town's elderly residents. We participated from Fukuyama via PC on an Internet forum and expressed our opinions on recycling efforts related to a zero waste initiative being advanced by Kamikatsu.

Implementation of Regular Fire Drills

As our plants deal with a high volume of combustible plastics, we regularly conduct comprehensive fire drills with the guidance of local fire stations to prepare for any unexpected emergencies. These exercises help us learn how to quickly perform a primary fire response and evacuate. We believe it is our responsibility to provide this kind of assurance to local residents.

FP Corporation History

Company Development and Honors

1962 July Fukuyama Pearl Paper Manufacturing Corporation established. Headquarters established in Kasumi-cho, Fukuyama, Hiroshima Prefecture. Foamed PS thermoforming launched.

1968 Mar. Headquarters moved to the present site (Akebono-cho, Fukuyama) due to growth in business.

1971 Jan. Manufacturing of wood food containers launched.

1972 Apr. Fukuyama Distribution Center established.

1975 Sept. General packaging supply retail chain store (Modern Pack) established in Fukuyama.

1976 Jun. First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company's products.

1979 July FPCO Distribution Co. established to reinforce delivery system.

1980 Jan. Fukuyama Daiichi Distribution Center established to streamline and increase the efficiency of distribution. Problems with the disposal of trays leads to early launch of tray collection program.

1981 Jun. Manufacturing and selling of color food containers commences in response to the trend of treating food receptacles as merchandise.

1982 Mar. Design-located-molding technology developed for manufacturing of high-quality food containers.

1983 Apr. Tokyo Branch established.
Oct. Large-scale host computer installed to launch EDI (electronic data interchange) system for placing and receiving orders. Foamed PS microwaveable containers developed.

1984 May President and CEO Yasuhiro Komatsu elected chairman of the Polystyrene Thermoforming Industry Association (Japan).

1985 Jan. Tokyo Distribution Center established.
Feb. Pearl Fair held for the first time in Tokyo. Osaka Branch established.
May Fukuyama Daini Distribution Center established.
Jun. Pearl Fair held for the first time in Osaka.

1987 Jan. Fully integrated production of solid food containers, from sheet production to thermoforming, launched.
Apr. FP Trading Co., Ltd., a wholly owned subsidiary, established.
Sept. Kasaoka Plant (Okayama Prefecture) established to drastically reduce man-hours.
Dec. Use of CFC-utilizing Foamed PS discontinued.

1988 Mar. Technology-sharing agreement formed with Holden Limited (South Africa) through Keyes Fiber (U.S.A.). Kanto Distribution Center established.
Dec. President and CEO Yasuhiro Komatsu attends an FPI (Foodservice & Packaging Institute, Inc.) general conference held in Washington, delivering a speech on global environment issues.

1989 Jan. CI introduced. Corporate name changed to FP Corporation.
July Chubu Distribution Center established.
Nov. Companey is listed on the Hiroshima Stock Exchange.

1990 Dec. Tohoku Distribution Center established.

1991 Feb. Listed in the Second Section of the Osaka Stock Exchange.
Apr. New distribution center headquarters established.
Received the "Members' Division Highest Points Award" from the Valdez Society.
May Kyushu Distribution Center established.

1992 Oct. Tohoku Recycling Plant cited as an honoree of the year by the Award Program for Achievement in Promoting Recycling.
Dec. Technology-sharing agreement formed with Linpac Plastics International (U.K.).

1993 Mar. Receipt of the Chairman's Award in the Clean Japan Center-sponsored Award Program for Companies Contributing to the Reuse of Resources.

1994 Oct. Kansai Distribution Center established.

1995 Apr. All distribution operations transferred to FPCO Distribution Co.

1996 Feb. Receipt of the Hyogo Prefecture Award for Environmentally Friendly Businesses.
Apr. 22nd annual FPCO Fair 96 held in Tokyo. Tokyo Big Sight to host all subsequent annual FPCO Fairs in April.
Jun. Receipt of the 4th Yokohama Environmental Protection Activities Award.
Oct. Chubu Recycling Plant honored with the Minister of International Trade and Industry Award in the Award Program for Achievement in Promoting Recycling.

1997 Jan. Company homepage set up.
Mar. Receipt of the MITI Environmental Protection and Industrial Location Bureau Chief's Award in the Clean Japan Center-sponsored Award Program for Companies Contributing to the Reuse of Resources.
May President and CEO Yasuhiro Komatsu awarded Medal with Blue Ribbon.
Jun. Fukuyama Recycling Plant receives the Hiroshima Environmental Protection Award.
Aug. HMR Top Seminar held.
Sept. Receipt of the Company to Be Proud Of Award in the Ogaki Junior Chamber, Inc.-sponsored Nishi-Mino Co-Founder's Awards '97.
Oct. Receipt of the 6th Nisshoku Environmental Resource Cooperation Award sponsored by Japan Food Journal Co., Ltd.
Receipt of the Chairman's Award in the Award Program for Achievement in Promoting Recycling for Fukuyama Recycling Plant.
Dec. Developed Exstar container using new type of material. Established Fukuyama Plant (Fukuyama) to facilitate fully integrated production.

1998 Oct. New warehouse completed for Fukuyama Distribution Center.

1999 Feb. President and CEO Yasuhiro Komatsu awarded the 19th Mainichi Business Leaders Award.
Apr. Commenced catalog sales through FPCO Modern Pack Co., Ltd.
Oct. Developed Histar container using new type of material.
Received the Prime Minister's Award in the Award Program for Achievement in Promoting Recycling.

2000 Jan. Established Special Case Subsidiary Daks Shikoku Co. headquarters and plant (Kochi Prefecture).
Established MAPS (Modified Atmosphere Packaging System) Design Center (Fukuyama) and commenced experiments.
Mar. Listed in the Second Section of the Tokyo Stock Exchange.
Kanto Tsukuba Plant (Ibaraki Prefecture) begins operations.
May Internet and CD-ROM based mail-order sales commenced by FPCO Modern Pack Co., Ltd.
July Kanto Shimodate Plant (Ibaraki Prefecture) begins operations.
Oct. Kinki Kameoka Plant (Kyoto Prefecture) begins operations.

2001 Feb. Kanto Daini Distribution Center (Ibaraki Prefecture) begins operations.
May Exclusive domestic sales agreement formed with Enterline Co. Ltd., (Korea) for Enterpack (automatic one-touch heat sealing machines).
July Awarded the Prize for Excellence in the Idea Division in the 4th Eco-Life Lake Biwa Awards.
Nov. Fukuyama/Tokyo double head office system started, with Tokyo Branch upgraded to Tokyo Headquarters.
Kitchen Studio opened at Tokyo Headquarters.

2002 Feb. Sponsored and initiated reorganization procedures for two reconstructed corporations, Chupa Co., Ltd. and Packdor Co.

2003 Jan. Reorganization project for Chupa Co., Ltd. and Packdor Co. approved. (Reorganization completed in May 2003 and May 2005 for Packdor Co., and Chupa Co., Ltd., respectively.)
July East Japan Hub Center completed.
Yamagata Plant (Sagae, Yamagata Prefecture) begins operations.
Nov. Receipt of the Business Activities Division Award at the Wastec Award 2003.

2004 Mar. Eastern Japan Sample Center (Bando City, Ibaraki Prefecture) established. Western Japan Sample Center (Fukuyama City, Hiroshima Prefecture) established.
May Tohoku Distribution Center (Kurokawa-gun, Miyagi Prefecture) annexed to Yamagata Plant (Sagae City, Yamagata Prefecture).
Dec. Ready-made foods store Cook Labo established on second floor of Tokyo Headquarters for research and development of containers and foods used for takeout meals.

2005 Sept. Listed in the First Section of the Tokyo and Osaka Stock Exchanges.
Presented with the Global 100 Eco-Tech Award by the Japan Association for the 2005. World Exposition and Nihon Keizai Shimbun, Inc. at Expo 2005 Aichi Japan.

2006 Jun. Sample Reception Center begins operations.
Special Case Subsidiary Daks Saga Co. established.
Sept. Japan Organization for Employment of the Elderly and Persons with Disabilities JEED Presidents Award presented to Daks Shikoku Co.
Oct. Hiroshima Ai Pack Co. established with the goal of being certified as Workplace Offering Type A Continuous Employment Support.
Dec. Founded Komatsu Ikueikai scholarship.

2007 Feb. Kanto Shimodate Daini Plant begins operations.
Mar. FPCO Ai Pack Co. established with the goal of being certified as Workplace Offering Type A Continuous Employment Support.
Apr. Receipt of the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards.
Aug. FPCO Yachiyo Center begins operations.
FPCO Ai Pack Co. Saga Plant begins operations.
Receipt of the Economic Affairs Bureau Director's Award at the Product Development Awards.
Sept. FPCO Ai Pack Co. Gifu and Ibaraki Plants begin operations.
Oct. FPCO Ai Pack Co. Nishinomiya and Yamagata Plants begin operations.
Dec. New head office building completed in Fukuyama.

2008 Feb. Established retired persons association FPCO Shoeikai.
Aug. Receipt of the Chugoku New Office Promotion Award at the 21st Best of New Offices Awards hosted by the Nihon Keizai Shimbun Company and the New Office Promotion Association.

2009 Mar. Honored with the first-ever Fukuyama Environment Award in the Business Category.

	Environment / Recycling	Topics on environmental regulations and food safety
1990	Sept. FP Corporation starts its recycling program. Dec. Kasaoka Recycling Center goes into operation.	Aug. The Intergovernmental Panel on Climate Change (IPCC) issues warnings about global warming.
1991	Oct. Kanto Recycling Center goes into operation. Tohoku Recycling Center goes into operation. Eco Tray becomes the first to recieve the Eco Mark certification in the industry.	Oct. The Law for the Promotion of Effective Utilization of Resources(commonly known as "The Recycling Law") is enacted.
1992	Mar. Eco Tray goes on sale. Apr. Environmental Programs Office established. May Chubu Recycling Center goes into operation. July First Autonomous Tray Recollection Movement Commences through Join Venture with Tottori City. Sept. Kyushu Recycling Center goes into operation. Oct. School tray recovery program commences; in-house tray recovery program commences.	Jun. First Earth Summit takes place in Rio de Janeiro.
1993	Feb. Fukuyama Recycling Center goes into operation. Dec. Okinawa Reduction Plant goes into operation.	Feb. The United Nations launches the Commission on Sustainable Development. Nov. The Basic Environment Law is enacted.
1995		July The Product Liability Law (PL Law) is enacted.
1996	Feb. Hokkaido Recycling Center goes into operation. Jun. 5,000th-tray recovery point established. Nov. Numazu Recycling Center goes into operation.	
1997		Apr. The Containers and Packaging Recycling Law is enacted (plastic bottles, glass). Dec. COP3 (Third Conference of the Parties to the UN Framework Conventionon Climate Change) is held in Kyoto, and the Kyoto Protocol is adopted.
1998	Apr. Automatic color tray-screening machine installed at Kanto Recycling Center July Recycling plants greet their 100,000th visitor. Aug. Automatic material-screening machine installed at Fukuyama Recycling Center	
1999	Apr. Three main plants (Kasaoka Plant, Fukuyama Plant,Fukuyama Recycling Center) receive ISO14001 certification. Aug. 6,000th-tray recovery point established.	July In the Containers and Packaging Recycling Law (Official Gazette, Extra Publication No. 143), our recycling and Tray-to-Tray remanufacturing system are explicitly mentioned.
2000	May Eco Tray registered as a trademark in category #20 (No. 4387266). Amount of trays collected per month reaches 450 tons. Oct. Recycling centers renamed "recycling plants." Nov. Kanto Recycling Plant No. 1 goes into operation. Former plant renamed Kanto Recycling Plant No. 2.	Jan. The Law Concerning Special Measures against Dioxins is enacted. Apr. The Containers and Packaging Recycling Law is fully implemented (miscellaneous paper and plastics are added). May Outbreak of E. coli O157 Jun. The Basic Law for Establishing a Recycling-based Society is enacted.
2001	May Tokai Recycling Plant (former Numazu Recycling Center) closed. Sept. New specialized recycling line for transparent containers installed in Fukuyama Recycling Plant	Apr. The Law on Promoting Green Purchasing is enacted. The Home Appliance Recycling Law is enacted. May The Food Recycling Law is enacted. Sept. Outbreak of Bovine Spongiform Encephalopathy (BSE, or "mad cow disease")
2002		Apr. The PRTR Law is enacted. The Construction Materials Recycling Act is enacted.
2003	Feb. Kanto Recycling Plant No. 1 receives ISO14001 certification. Mar. Eco Trays recognized as Eco Pproducts by Okayama Prefecture. Apr. Kanto Recycling Plants No. 1 and 2 consolidated and renamed Kanto Recycling Plant. May Eco Tray recognized as a waste recycling product by Saga Prefecture. Jun. Eco Tray recognized as a waste recycling product by Gifu Prefecture. Oct. Eco Tray recognized as a product using and recycled resources by Miyagi Prefecture. Nov. Recycling plants receive their 200,000th visitor	Feb. The Soil Contamination Countermeasures Law is enacted. Apr. The Revised Law Regarding the Rationalization of Energy Use is enacted. Jun. The Food Safety Basic Law is enacted. July The Cabinet establishes the Food Safety Commission in conjunction with the enactment of the Food Safety Basic Law.
2004	Mar. Eco Tray registered as a recycled product in the Recycled Product Registration System in Hiroshima Prefecture. Dec. Tray-to-Tray registered as a trademark in categories #20 and #40 (No. 4322974).	Jan. Outbreak of "Bird Flu"
2005	Apr. CO_2 Management Committee established. May Eco Tray registered as a trademark in category #40 (No. 4864115). Aug. Kasaoka Plant recognized as Eco Business by Okayama Prefecture. Nov. Kasaoka Plant receives ISO9001 certification.	Jan. The End-of-life Vehicle Recycling Law is enacted. Feb. The Kyoto Protocol comes into effect.
2006	Mar. Kanto Shimodate Plant receives ISO9001 certification. Amount of trays recovered reaches 550 tons per month. Kinki Kameoka Plant receives ISO9001 certification. Apr. 5-year Environmental Operation Plan commences. July Name changed from "Eco-Tray" Waste Recycling Product Approval to Green Product Approval in Miyagi Prefecture. Aug. FPCO Distribution Co., Ltd. receives "Green Management Approval".	Apr. The Revised Law Regarding the Rationalization of Energy Use is enacted.The Revised Law Concerning the Promotion of the Measures to Cope with Global Warming is enacted.
2007	Mar. Amount of trays recovered reaches 579 tons per month. Apr. Name changed from "Eco-Tray" Waste Recycling Product Approval to Recycled Product Approval in Gifu Prefecture. Oct. Rooftop Gardening compatible Plant (Chubu No.2 Plant) begins operation. Dec. New Premises with Solar Energy Generation System Established within Headquarters. Optical Automatic Material Screening Devices put into operation for transparent containers.	Apr. The Revised Containers and Packaging Recycling Law is enacted. Dec. "Revised Food Recycling Method" enforced.
2008	July Name changed from "Eco-Tray" Waste Recycling Product Approval to Recycled Product Approval in Saga Prefecture. Aug. Ibaraki Screening Center commences operations. Oct. Nishimiya Screening Center and Gifu Screening Center commence operations.	
2009	Jan. Fukuyama Screening Center commences operations. Kanazawa Tray Recycling, Co. commences operations.	

● Editorial Postscript ●

Thank you very much for reading all the way through the CSR Report 2009 of FP Corporation. The two biggest points of interest for us in fiscal 2008 were the beginning of full-scale recycling operations for our transparent containers and the start of our new medium term environmental management plan.

For some time, consumers have held high expectations regarding the recycling of transparent containers. Although a diversification in diet has led to an increase in the use of transparent containers, we needed to overcome several obstacles before we were able to collect and recycle them. Having now managed to fulfill our extended producer responsibility, we can now look upon this accomplishment with profound appreciation.

Similarly, the new medium term environmental management plan should prove to be a major step for us towards achieving our goals. By working to change the fragmented environmental policies employed up to now and promoting cooperative efforts between every one of our departments, we will take up the challenge of greatly reducing our CO_2 emissions.

Starting this year, we have changed the entry method for the annual survey, which asks for your opinions regarding items in the CSR Report, to a web-based application. By omitting the need for a large number of people to fax us the document and also limiting the volume of printed paper, we can reduce the amount of CO_2 emitted through this process. Please use the following URL to access a webpage from which you can fill out the survey.

http://www.fpco.co.jp/csr.html
(Japanese only)

We intend to continue making improvements to our operations based on your feedback and would be grateful if you could take the time to answer this survey.

The next CSR Report is scheduled to be released in June 2010. We would like to thank all those inside and outside the company who helped in creating this document.

June 2009
Environment Management Dept., Kazunori Matsuo

CSR Report 2009

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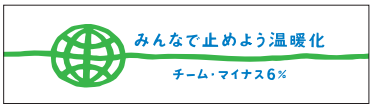
2009 CSR Report

To be a company that links people with people,
people with nature, and companies with society.



FP Corporation participates in Team Minus 6% through the manufacturing of our Eco Trays.

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