



CSR Report
2011
Environmental and
Social Action Report



FP CORPORATION



Introduction

Words from the Chairman:
A source of enthusiasm –
On the floor for manufacturing
disposable food containers



Yasuhiro Komatsu
Chairman of the Board and CEO

小松安弘

Yasuhiro Komatsu, the Chairman of FP Corporation, has spent nearly half a century along with the food container industry. According to Mr. Komatsu, underpinning the success of FP Corporation and its rapid progress to the top of the industry are the “fixed-point observation” of the market that continues still today and a commitment to “manufacturing” that draw a clear line against simply manufacturing and selling containers. From functions and design to sales methods, he talks about the real life of FP as a corporation that “creates added value” such as research and development with a view to product life cycles, or the revolutionary “Multi FP” products that are the bearers of the future of FP Corporation.

Fixed-point observation on the sales floor

Even now, I visit the sales floors at supermarkets for observation several times a month unless we are in the middle of the settlement of accounts or some other special event. When I go to the sales floor, a lot of things catch my attention and make me think that “this is good way to use a food container” or “here is something different than the conventional food containers.” I have been manufacturing food containers for nearly 50 years, so my outlook is perhaps different from everyone else’s, but there is much to be gained from these kinds of observations.

For example, containers with a high level of functionality sell well these days; containers like the ones that prevent sushi from sliding around inside. Even if the basket is jolted while shopping, or the product ends up sideways when packing the shopping bag, a soft product like sushi does not lose its shape because the containers are molded to the shape of the sushi and there is hardly any space for movement. Airtight containers that do not easily spill liquid stored inside the container could also be called containers with high functionality.

Not only by surveying trends in the industry as a whole, but by seeing the sales floor with my own eyes, I study what kinds of products FP Corporation should be developing and selling. “Fixed-point observation” is extremely important in this sense of probing.

Total “manufacturing”

Of course, I am not saying that it is a bad thing to develop products in accordance with trends. In the sense of doing something new for the consumer, it is a good thing, but it has no significance unless it is long-lasting. A product with new features will sell for a given period of time, but it must be effective over the long term. That is why it is essential to engage in manufacturing while considering the total picture

from the functions and design of the containers to retail sales methods.

If we look back at the history of FP Corporation, it is for certain that there were periods when the business productivity grew thanks to changes in the external economic environment such as economic growth in Japan, the rise in the national per capita income, or the increase in the number of supermarkets. However, after that, we entered a period when the supplies of trays to the market satisfied the demand and we found ourselves at the point of trying to differentiate ourselves from other companies. This meant that once the demand for quantities had been satisfied, the need arose for a total approach to manufacturing that also considered quality. By using our products, our customers have increased their sales, and this has won FP Corporation acclaim.

Unceasing development efforts

When a product sells well, it is important not to be overly excited because “consumers have accepted the product,” but to carry on with the kind of manufacturing that also brings about changes in the market where we trade. It may well be true that the product is excellent, but if you





keep making the same container over a long period, other companies will sell the same type of product at a low price in a bid to create a rivalry. You must always change from one thing to the next, instead of being complacent with a single success.

In short, this means that we continue to develop and sell containers that provide added value over those of other companies; perhaps the product can be arranged more attractively, or the volume appears larger. You will not last long if you only look at market trends and base development on what is selling at a particular time. Even if sales have been good to a degree, the outcomes are predictable. You must continue with the next generation of product development.

When we have completed a new product, we start with small-lot production, and, later, we gradually increase manufacturing quantities, until, finally, the FP Corporation's product enters the mainstream. In this way, we generate our own proposals for the market.

The “strength” of speed

To sum up, I think we can say that manufacturers of food containers invest in “molds” for shaping the containers. It

takes two years to write off the cost of a mold. The third year is the sales peak for the containers made with the mold, and normally, companies try to guarantee profits by continuing to use the mold for several years. However, we switch to new molds in the fourth year. I believe this

is where we differ decisively from other companies. This difference in speed emerges from the difference in corporate strength.

So, even if imitations appear on the market, we are on a three-year cycle of releasing new value-added products and introducing them to the market. This is inevitably a structure that makes it difficult for imitators to make a profit.



The “revolutionary” Multi FP

In view of the recent fierce changes in the market, I believe that product development will be subject to major transformation in the future. The great earthquake disaster may also have an impact. Even so, as a company, we possess assets in the form of information volumes and technical capabilities that are unparalleled in the industry.

In that sense, one of the top products that will play an important role in the future is a container made from a new material that we have named Multi FP, which is resistant

With development capabilities that create added value, our manufacturing will not be undermined.

to temperatures across a wide range, from minus 40°C to plus 110°C. This is where we are focusing our efforts at this time.

It is an extruded sheet made by adding a unique raw material to polystyrene. It is not only light-weight, but in terms of functions, it is resistant to both high temperatures and freezing. In addition, since it is a foamed product with excellent thermal insulation properties, inquiries from supermarkets and volume sellers are increasing. I have been watching foamed containers for nearly 50 years, but I believe this product is revolutionary.

We are also focusing our efforts on screw-top transparent containers. Since containers with such wonderful functionality are likely to create a new market, I think people will come up with a range of ways to use them with the passage of time. Five years from now, I think this product will have grown into a product that will impress with its mass-market distribution.

As for the screw-top products, there is absolutely no sense of haste or feeling forced into a hard sell. The market will catch up even if we take a hands-off approach. In terms of the future, I think this product will also become a technology export to countries in Europe, North America, and elsewhere.

What about the markets that will increase in importance for the future?

In terms of markets for the future, we are keeping a close watch on hospital meals, school lunches, and home catering for the elderly. These fields are extremely important from the perspectives of future prospects, hygiene, and cost.

We take pride in developing and manufacturing good products that are suited to market needs, but when we actually undertake the work, we have to envisage mass production on an unprecedented scale. Since the products will be used all over Japan, manufacturing lots for the same types of products will have to be incredibly large. If this happens, I believe we will need the assistance of robots on the production line.



Established in 1962, FP Corporation is approaching its 50th anniversary. To use the analogy of human life, we might say that we have acquired a range of experience and that now we are entering the age of maturity. In the social and economic circumstances of today where change is dizzying, FP Corporation is also required to respond in a mature manner.

Not only must we respond to changes in the circumstances, but as members of society, we also have responsibilities to fulfill. It is not because of the demands placed on us that we give, but we make the approach out of our own discretion and conviction.

We would be pleased if this *CSR Report* helps you understand the attitude of FP Corporation as a corporate citizen.



Editorial Guidelines

This *CSR Report 2011* is a summary of FP Corporation's environmental and social activities from April 2010 to March 2011. 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.

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, 2010, to March 31, 2011

Range of coverage: FP Corporation and the FP Corporation Group



CONTENTS

Introduction: Words from the Chairman	1
Contents/Editorial Guidelines	5

Company Outline (pp. 7-14)

Company Profile/Main Management Benchmarks ...	7
Introducing the Organization and Group Companies ...	9
Product Range: FP Corporation Products that Support Japanese Culinary Culture.....	11
List of Topics	13

Management Efforts (pp. 15-22)

Corporate Governance	15
Compliance and Risk Management	17
Conversation: Corporate Activities of FP Corporation as Viewed from the Outside and Trends in Global Environmental Programs	19

Environmental Efforts (pp. 23-46)

Environmental Guidelines	23
Environmental Management System	24
Topics	25
Formulating Environmental Targets for FP Corporation Eco Action 50 (FPEA-50)	26
Product Development Efforts	27
Factory Efforts	29
Distribution Efforts	31
Sales Efforts	33
Office Workplace Efforts	34
“FPCO Method” Recycling	35
Factory Tours.....	44
Data: Environmental Efforts	45

Social Efforts (pp. 47-55)

Relations with Shareholders	49
Relations with Consumers	50
Relations with Customers	51
Hiring of People with Disabilities	53
Employee Relations	55
FP Corporation’s History	56
Editorial Postscript	58



Company Outline

Let us explain how we contribute to society through the manufacturing and marketing of disposable food containers.

We would like to be a company where each and every employee is aware of and takes pride in being the face of FP Corporation, no matter where in Japan they work, be it the headquarters, a sales office, a production plant, or a recycling center. To turn this thinking into reality, we make it a practice to always greet visitors with a smile.



Back-office staff members at the Tokyo Headquarters. We always greet visiting customers with a smile.



- Headquarters
- Sales Operation Bases
- Production Plants
- Recycling Plants
- Recycling Sorting Plants
- Distribution Centers
- Small-Lot Distribution Center

NETWORK

● Sales Operation Bases

- | | |
|-----------------------|------------------------|
| Osaka Branch | Hokuriku Sales Office |
| Sapporo Sales Office | Nagoya Sales Office |
| Sendai Sales Office | Hiroshima Sales Office |
| Niigata Sales Office | Shikoku Sales Office |
| Shizuoka Sales Office | Fukuoka Sales Office |

● Production Plants

- | | |
|-----------------------|---------------------------|
| Hokkaido Plant | (Ishikari-shi, Hokkaido) |
| Tohoku Plant | (Ohira-mura, Miyagi) |
| Yamagata Plant | (Sagae-shi, Yamagata) |
| Kanto Plant | (Yachiyo-machi, Ibaraki) |
| Kanto Shimodate Plant | (Chikusei-shi, Ibaraki) |
| Kanto Tsukuba Plant | (Shimotsuma-shi, Ibaraki) |
| Chubu Plant | (Wanouchi-cho, 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 | (Yoshinogari-cho, Saga) |

● Recycling Plants

- | | |
|--------------------------|---------------------------|
| Kanto Recycling Plant | (Yachiyo-machi, Ibaraki) |
| Chubu Recycling Plant | (Wanouchi-cho, Gifu) |
| Fukuyama Recycling Plant | (Fukuyama-shi, Hiroshima) |

● Recycling Sorting Plants

- | | |
|------------------------|--------------------------|
| Hokkaido Sorting Plant | (Ishikari-shi, Hokkaido) |
| Yamagata Sorting Plant | (Sagae-shi, Yamagata) |
| Kanto Sorting Plant | (Yachiyo-machi, Ibaraki) |

- | | |
|---------------------------|---------------------------|
| Toikai Sorting Plant | (Nagaizumi-cho, Shizuoka) |
| Kanazawa Sorting Plant | (Kanazawa-shi, Ishikawa) |
| Chubu Sorting Plant | (Wanouchi-cho, Gifu) |
| Nishinomiya Sorting Plant | (Nishinomiya-shi, Hyogo) |
| Fukuyama Sorting Plant | (Fukuyama-shi, Hiroshima) |
| Kyushu Sorting Plant | (Kanzaki-shi, Saga) |

● Distribution Centers

- | | |
|------------------------------|---------------------------|
| Hokkaido Distribution Center | (Ishikari-shi, Hokkaido) |
| Tohoku Distribution Center | (Sagae-shi, Yamagata) |
| East Japan Hub Center | (Yachiyo-machi, Ibaraki) |
| Tokyo Distribution Center | (Funabashi-shi, Chiba) |
| Chubu Distribution Center | (Wanouchi-cho, Gifu) |
| Kansai Distribution Center | (Nishinomiya-shi, Hyogo) |
| Fukuyama Distribution Center | (Fukuyama-shi, Hiroshima) |
| Kyushu Distribution Center | (Yoshinogari-cho, Saga) |

● Small-lot distribution Centers

- | | |
|---------------------------|------------------------------|
| Hokkaido Picking Center | (Ishikari-shi, Hokkaido) |
| Tohoku Picking Center | (Ohira-mura, Miyagi) |
| Kanto Picking Center | (Yachiyo-machi, Ibaraki) |
| West Kanto Picking Center | (Machida-shi, Tokyo) |
| Tokyo Picking Center | (Koto-ku, Tokyo) |
| Niigata Picking Center | (Nagaoka-shi, Niigata) |
| Chubu Picking Center | (Wanouchi-cho, Gifu) |
| Kansai Picking Center | (Nishinomiya-shi, Hyogo) |
| Fukuyama Picking Center | (Fukuyama-shi, Hiroshima) |
| Hiroshima Picking Center | (Hatsukaichi-shi, Hiroshima) |
| Kyushu Picking Center | (Yoshinogari-cho, Saga) |

Company Profile

Corporate Name: FP Corporation

Established: July 1962

Representative Officer:
Yasuhiro Komatsu, Chairman of the Board & CEO
Morimasa Sato, President & COO

Capital: 13.15 billion yen

Number of Employees: 695 (FP Corporation Group: 3,666)

Business Outline:
Manufacturing and marketing of disposable food containers made of polystyrene and other compound resins; marketing of said 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

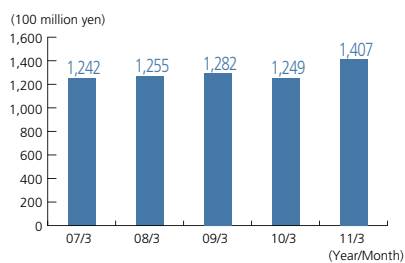
Tokyo Headquarters:
Shinjuku Oak Tower 36F, 6-8-1 Nishi-Shinjuku,
Shinjuku-ku, Tokyo, Japan 163-6036

TEL: +81-3-5320-0717 FAX: +81-3-5325-7811

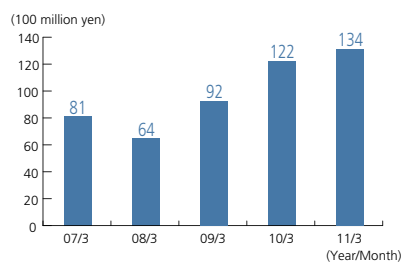


Main Management Benchmarks

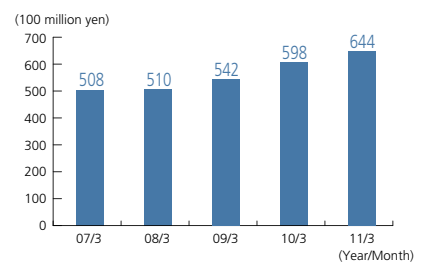
Sales (consolidated)



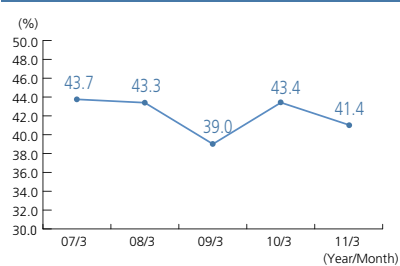
Current profits (consolidated)



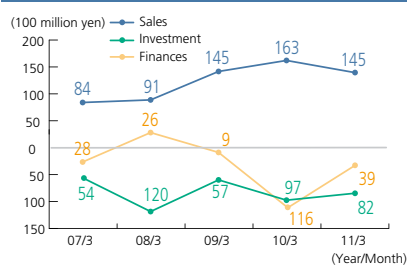
Net assets (consolidated)



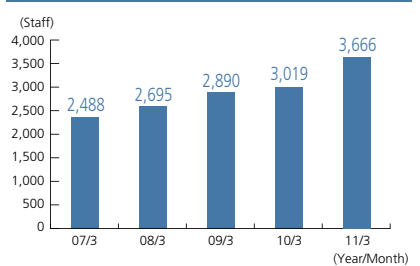
Equity ratio (consolidated)



Cash flow (consolidated)



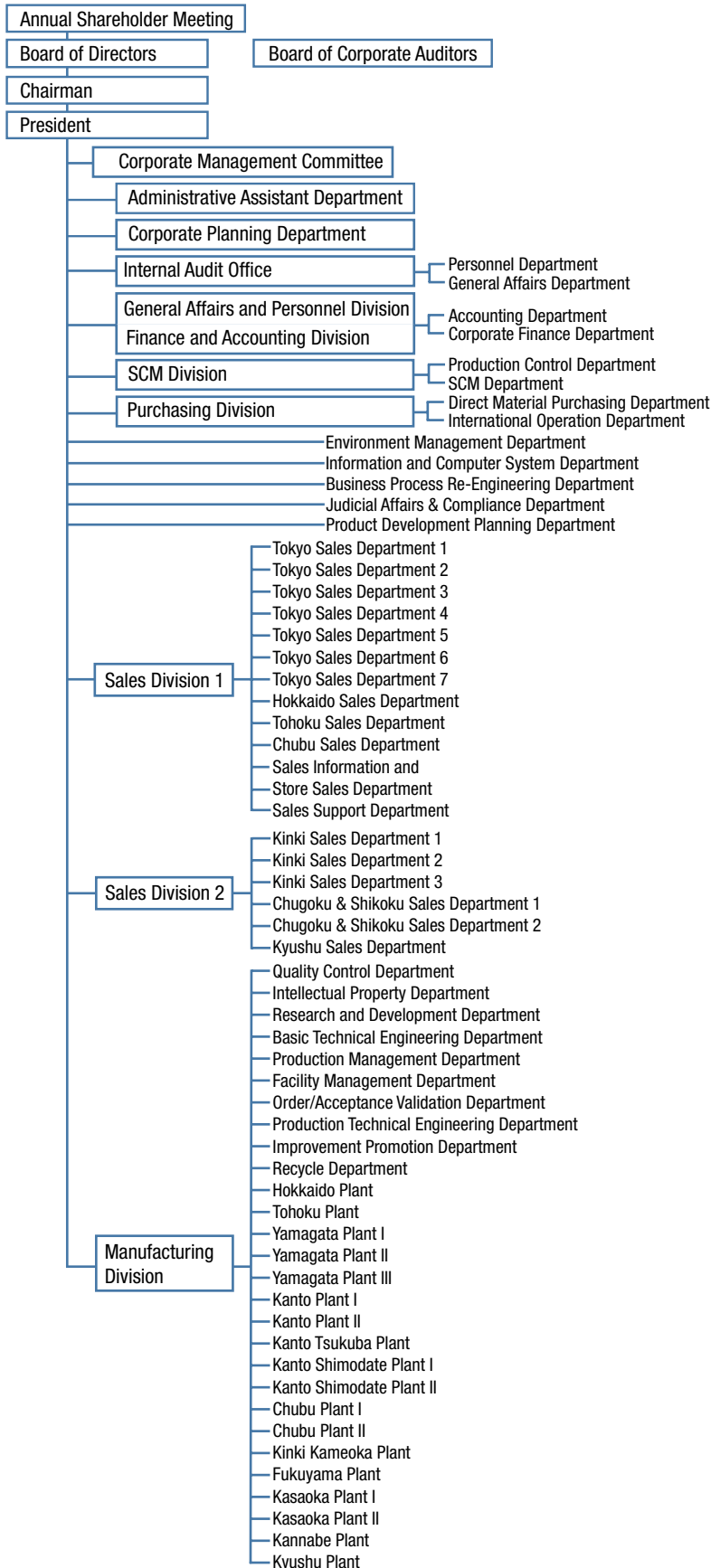
Number of employees (consolidated)



Introducing the Organization and Group Companies

Company Organization and Group Companies

(As of April 1, 2011)



Group Companies Supporting FP Corporation

Manufacturing

- FPCO Hokkaido Co.
- 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.
- Ibaraki Pigeon Recycle Co.
- Teika-Precision Co.
- FPCO Nippon Pearl Co.
- ALRight Inc.
- Dia Foods Co., Ltd.
- Japan Hi-Pack 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.

Trading

- FP Trading Co., Ltd.
- International Package Co., Ltd.

Sales

- FP CHUPA Co., Ltd.

Retail

- FPCO Modern Pack Co., Ltd.

Others

- Cook Labo Co., Ltd.

Topic 1

Jun.
2010



**New Group Company 1: ALRight Inc.
A top manufacturer of polystyrene film**

The head office of ALRight Inc. is located in Kasaoka City in Okayama Prefecture and the company is engaged in the film, film printing, and cardboard businesses. Striving for higher-quality and more efficient product manufacturing and stable supplies, the company opened a new factory in Ibaraki Prefecture in the Kanto area for its film and film printing businesses in March 2010. For the cardboard business, the main trading zone is the two prefectures of Hiroshima and Okayama where the company employs a customized order production system to respond to the diverse demands of its customers.

Topic 2

Oct.
2010



**New Group Company 2: International Package Co., Ltd.
A major wholesaler of packing materials centered in the Kanto area**

Centered on the head office in Chiba City in Chiba Prefecture, International Package Co., Ltd., is a general trading company developing a business as a wholesaler of packaging materials and consumables. The company maintains six offices, four commercial outlets, and five delivery centers in the Kanto area, as well as one office and one delivery center in the Kinki area. With more than 2,000 suppliers, the company handles a wide range of 30,000 items. Remaining close to its local community, the company responds quickly to customer needs, striving to propose and sell packing materials with high added value.

Topic 3

Dec.
2010



**New Group Company 3: Dia Foods Co., Ltd.
A producer of farm product and poly lactic acid packaging, No. 2 in the egg carton industry**

Founded in 1963, Dia Foods Co., Ltd., manufactures and sells egg cartons, farm product packaging (mangoes, strawberries, cherry tomatoes, etc.), tofu containers, miso containers, and food containers made with poly lactic acid resin derived from plants. The company also strives to recycle resources and reduce CO₂ emissions through, for example, integrated production from sheet to container of three-layered egg cartons where the middle layer consists of recycled resin from used PET bottles or egg cartons.

Product Range: FP Corporation Products that Support Ja

FP Corporation products cater to the wide range of culinary needs of our customers, including containe



Meat

FP Corporation meat trays are one of our standard products. They have become an indispensable tool in floor sales in supermarkets and other retail outlets.



Precooked foods

Our lidded precooked food containers are widely used because of their ease of use and convenience. Demand for containers for small portion meals has increased in recent years, and, by responding to this demand, we are able to meet a societal need as well by helping to reduce leftovers.



Fruits and vegetables

These containers maintain the moisture content of freshly picked vegetables and other produce. They are made of entirely transparent materials that enable customers to see the freshness for themselves.



Party platters

These containers were developed to hold an assortment of foods for parties and other special occasions. They come in a range of sizes and shapes to suit a variety of purposes.



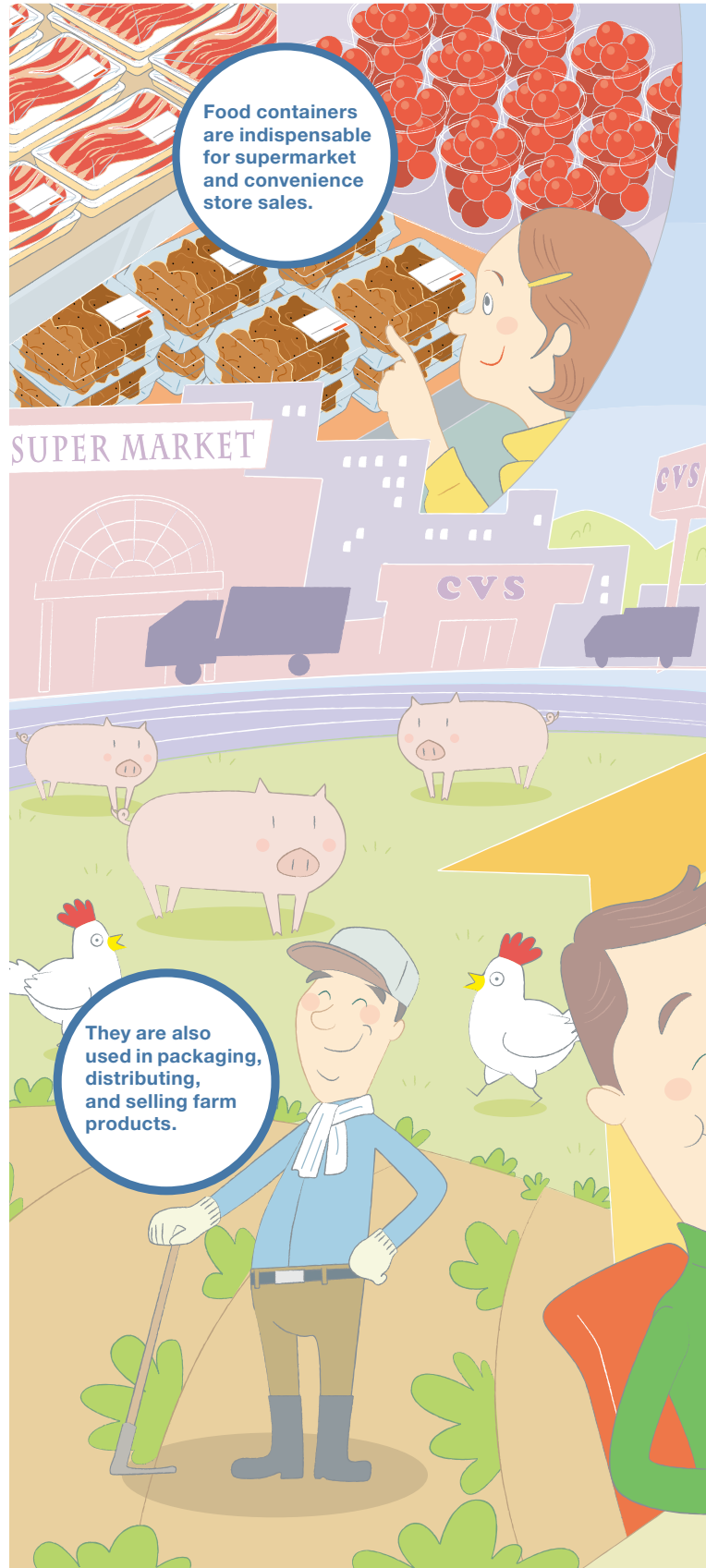
Microwavable containers

FP Corporation has a large range of microwavable containers, similar to those used in convenience stores around Japan.



Eggs

This year, we also started to manufacture egg cartons. Since the packaging is recyclable, we would appreciate your cooperation.



Japanese Culinary Culture

ers for precooked foods, small portion meals, and soup and other liquids, as well as lunch boxes.



Fresh fish

Our trays are widely used for packaging fresh fish. Transparent trays are used for fillets and other value-added fish products to appeal to consumers' eyes without sacrificing the products' freshness.



Lunch boxes

These partitioned containers are designed so that a range of ingredients can easily be arranged into a well-laid out meal. Both light and strong, they help enhance the aesthetic appeal of the food they contain.



Sushi

These containers are standard FP Corporation products used for selling sushi, from individual- to family-sized portions. They are designed to preserve the shape of the sushi and ensure that the contents do not easily topple when the container is tilted.



Confectionaries

These containers are used for Japanese confectionary products such as sweet *dango* dumplings, steamed *manju* buns, and sweet *azuki* bean jelly, and for dried fruit and other snacks. By shaping the container based on the product's form, these containers help preserve the shape of these products.



Soups

We developed these leakproof containers in response to demand from retailers. We found an ingenious solution for liquid products by making these containers airtight.



Screw-top containers

Not only for food products, these multipurpose containers are used to hold all sorts of accessories. Since they are transparent and airtight, the applications are wide-ranging.

List of Topics



May
2010

Launching floor hockey activities

P53



Jun.
2010

Accepting the FY2010
Fukuyama Award for
Promotion of Gender Equa
in Business



Jun.
2010

New Group Company 1:
ALRight Inc.
A top manufacturer of polystyrene



Jun.
2010

Opening the I Logic Fukuyama
Picking Center

P32

FY2010 FP
Corporation
Group Topics



Oct.
2010

New Group Company 2:
International Package Co., Ltd.
A major wholesaler of packing
materials centered in the Kanto area

P10



Oct.
2010

Topping 300,000 visitors!

P44



Oct. 2010 Opening the Yamagata Sorting Plant P53



Dec. 2010 Starting operations at the Chubu PET Recycling Plant P25



Oct. 2010 Opening the Hokkaido Sorting Plant P53



Dec. 2010 New Group Company 3: **Dia Foods Co., Ltd.**
A producer of farm product and poly lactic acid packaging, No. 2 in the egg carton industry P10



Feb. 2011 Receiving the Eco Mark Award 2010 Gold Prize P25



Feb. 2011 Chairman Yasuhiro Komatsu accepting the Ninth Shibusawa Eiichi Award P15



Management Efforts

Here, we will explain the internal framework that enables us to maintain the trust of our stakeholders.

It is perhaps difficult to see the results of initiatives in business. Somewhat like a doctor examining a patient, we sometimes fumble in the dark to prepare sound conditions for the organization and to sustain conditions that function well and efficiently. For that reason, it is important to seek a vigorous exchange of opinions and the objective viewpoints of third parties.

Bringing the hidden into view is for us a business imperative.



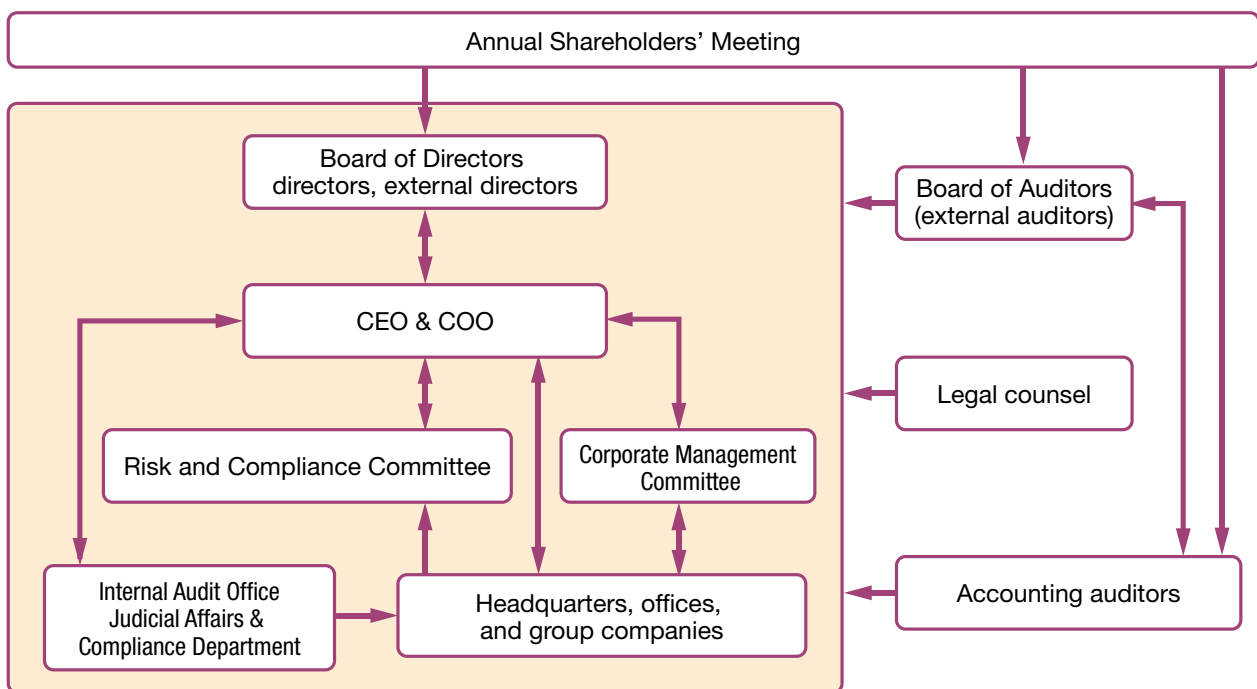
Corporate Governance

At FP Corporation, the thinking at the root of corporate governance is to expedite decision-making about business strategies, to increase business efficiency, and to ensure transparency. Also, to earn the trust of the shareholders and investors, consumers and customers, and creditors and business partners, as well as other stakeholders involved with the company, and to become an enduringly good corporate citizen, we take a proactive stance on disclosing information about corporate activities. Therefore, FP Corporation has adopted a “Board of Directors system” and a “Board of Auditors system” as its management organization.

Chairman Yasuhiro Komatsu accepting the Ninth Shibusawa Eiichi Award

The awards ceremony for the Ninth Shibusawa Eiichi Award was held at Omiya Sonic City in Saitama Prefecture on February 8, 2011. The name of the award recognizes the life and achievements of Eiichi Shibusawa, known as the father of the modern Japanese economy and a man who worked tirelessly for welfare, education, and other social enterprises, having been involved in the establishment and promotion of numerous companies. It is a prestigious award that is presented to industrialists nationwide who have inherited that same spirit. Yasuhiro Komatsu, the Chairman of FP Corporation, was presented with the award in appreciation of his positive involvement with the recycling business as head of the leading manufacturer of disposable food containers, for supporting self-reliance by creating employment for people with disabilities, and for making financial support available to students in high school and university.





Compliance and Risk Management



One week after joining the company, the seeds of compliance awareness are planted at the induction for all new employees conducted at the headquarters.

Compliance

To cultivate a healthy and sound corporate culture, the Judicial Affairs & Compliance Department, headed by the company president, conducts training using the FP Corporation Action Charter, the FP Corporation Normative Rules for Compliance, and the Compass for Action to provide thorough guidance on compliance issues.

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

To raise awareness of compliance issues among all employees in the FP Corporation Group and to facilitate a commitment to responsibility in both word and deed, the Compass for Action is displayed where employees can confirm their actions at any time.

FP Corporation Action Charter

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

1. Provide useful products, information, and services to society and strive to satisfy and gain the trust of consumers and customers.
2. Contribute to the development of culinary culture by developing and providing products that show consideration for safety, consumer confidence, and the environment.
3. Obtain the cooperation of consumers and customers to actively implement FPCO Method recycling, carry out extended producer responsibilities, 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 product users 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 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 where FP Corporation business is conducted, and respect its culture and customs.
10. Evaluate all 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 will assume responsibility, and officers and employees shall work together to solve problems, determine their causes, and prevent them from reoccurring. Moreover, once the rights and responsibilities of the culpable parties have been clarified, strict action will ensue.



From the President's desk, it is possible to take in the whole office to the left and right. From the viewpoint of sharing information, we share a space where there is no distance from the employees.

Risk Management

Emergency Response

A Risk and Compliance Committee is 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. Even in the immediate aftermath of the Great East Japan Earthquake that struck on March 11, 2011, the Chair of the Risk and Compliance Committee set up the Emergency Headquarters. The work to confirm the safety of all employees and their families in the areas affected by the disaster started immediately and, fortunately, it was confirmed that all were safe. Because of the disaster, the production and distribution aspects of the FP Corporation Group sustained damages, but we were able to take swift action based on the cooperative and support systems that link Group companies and departments. As a result, we were able to resume business quickly. We will make use of the lessons and experiences gained from this disaster for future emergency response.



Security Gates

We have installed security gates at the main distribution centers nationwide, including the Kanto Hub Center and the Fukuyama Distribution Center, in order to prevent the risk of suspicious vehicles entering the premises. At the security gate, pre-registered vehicles are detected by electronic certificates and the gates are raised, allowing the vehicles to enter the premises. The system does not allow non-registered vehicles access to the premises unless they complete the formalities at the guard's office.



Conversation: Corporate Activities of FP Corporation as Viewed from



Takejiro Sueyoshi serves as External Director for FP Corporation. He has a global perspective gained during the time he resided in New York when he was working for a major city bank, and he is also well-known as an expert on environmental issues. We spoke with Mr. Sueyoshi about the corporate activities of FP Corporation from two “outside” perspectives: “external to the company” and “the world.”

Undertaking “visualization” in sync with global trends

President Sato: Thank you very much for taking the time to speak with us today. As a third-party external expert, you serve as External Director for FP Corporation.

Director Sueyoshi: In the past year, I have had the opportunity to tour several factories. I have been impressed with the excellent measures you have in place, which far exceeded what I imagined before visiting the factories.

Sato: Thank you. As you know, when American supermarket operations were developed, food trays were developed as a self-service tool. However, unlike Europe and North America, Japanese consumers are also particular about a high degree of freshness.

Sueyoshi: In my 20s, when I resided in the United States, they had so-called TV dinners, which were complete meals packed in aluminum foil. I recall thinking it was convenient in its own way, but now, looking again at the FP Corporation’s trays, I feel that, in many ways, they embody sentiments about the Japanese food culture, including the freshness.

Sato: Meanwhile, we are undertaking research on plastics and whether it is good to use them in the long term. However, after considering cost, quality, and safety, it is difficult to find a replacement for plastics. So, it has become important to make effective use of resources by collecting and recycling trays.

Sueyoshi: I have exactly the same sentiments. Since Japanese society on the whole fully enjoys the convenience of plastics, I don’t think it is necessary to get rid of them immediately. I believe we have to pursue the good points, and think about how to offer this level of convenience with long-lasting methods from the perspective of global warming and other current issues.

Sato: It has been about 20 years since FP Corporation started collection and recycling activities. In so doing, we rely on a degree of responsibility and cooperation on the part of consumers and so we have to push for “visualization,” to render what happens to the collected trays in a perfectly visible form.

Sueyoshi: I believe visualization is important. There is a current trend worldwide to look at the reverse side of consumption. Looking at the reverse side of consumption creates a new sense of our own responsibility as consumers.

Sato: From Hokkaido to Kyushu, all our recycling facilities are open to the public to come and visit. We try to show people what actually happens to the trays after they have helped us collect them.

Sueyoshi: Environmental considerations and other information that consumers should be aware of are continuously publicized through visualization. This becomes a starting point for various dialogs and conversations between producers and consumers.



from the Outside and Trends in Global Environmental Programs

Collection and recycling have a high inhibitory effect on CO₂

Sato: In 1991, we became the first in the industry to receive the Eco Mark certification. This mark plays an important role because it is widely recognized among consumers, indicating that “this is an environmentally friendly product manufactured by a company that is proactively engaged in environmental activities.” Recently, FP Corporation was also presented with the Eco Mark Award 2010 Gold Prize.

Sueyoshi: Congratulations on winning the Gold Prize. Since it is an assessment of efforts going back nearly 20 years, it means that the FP Corporation’s course of action and policies of the past have not been a mistake.

Sato: We constantly study ways to improve product quality. Consequently, we have developed new systems for washing, and we have introduced new washing equipment in Kanto, Chubu, and Fukuyama. At present, we are developing and manufacturing Eco Trays of even higher quality.

Sueyoshi: In the conventional economy, we developed natural resources and manufactured products in factories for consumers to use. It was a linear process where we asked consumers to dispose of products that were no longer needed. How to bring this linear process closer to something like a circle through recycling activities is an important issue.

Sato: The Eco Tray, which is a product of Tray to Tray recycling, curtails CO₂ by approximately 35% compared to normal trays made from virgin material.

Sueyoshi: A successful cut of 35%, or one third, is a large figure. People say that in order to deal with global warming, the industrialized countries, including Japan, will have to reduce CO₂ emissions by 20%-25% during the next 10 years. So, to draw a simple comparison, recycling alone achieved something that far exceeds the cuts we have to make as a country.

Sato: No matter how much I try, I find it impossible to explain the sense of scale and substance of the recycling sorting centers and the recycling plants. That’s why I always think that I would like as many people as possible to pay a



Takejiro Sueyoshi
UNEP Finance Initiative
Special advisor

Vice President of Nikko Asset Management after posts as Board of Director and Head of the New York branch of Mitsubishi Bank and President of Tokyo Mitsubishi Trust and Banking Corporation (New York).

Appointed a member of the steering committee of the UNEP Finance Initiative (UNEP FI) during his time at Nikko Asset Management. As well as continued involvement with UNEP FI, Mr. Sueyoshi presently sits on commissions, delivers lectures, and appears on TV to raise awareness of environmental issues and corporate social responsibility (CSR/SRI).



Conversation : Corporate Activities of FP Corporation as Viewed from the Outside and Trends in Global Environmental Programs

visit to the sites.

Sueyoshi: I would also like to go any number of times and I would like to promote it among my circle of friends and colleagues. Is it easy to visit if you apply?

Sato: Yes. Since everything is open to the public, anyone can come for a tour if they contact us.

Sueyoshi: I would really like a lot of people to visit. It is a good opportunity for a close-up view of the initiatives of FP Corporation to deal with the issue of global warming.

Corporate attitudes required for modern times

Sueyoshi: There are several things I like about FP Corporation, and one among them is that you employ people with disabilities. The first workplace for people with disabilities I was shown was the plant in Fukuyama, and it was such a joy, it brought tears to my eyes. I approached some of the people working there and spoke to several of them, and they seemed to take such pleasure in the work.

Sato: Thank you. Fortunately, as of the end of March, the Group as a whole has been able to employ 395 workers with disabilities. Since approximately 80% of them have

severe disabilities, this accounts for 670 persons in terms of the number of hires.

Sueyoshi: To take about 400 persons and convert them to more than 650 persons is perhaps by far the best in Japan?

Sato: I wonder (laughs).

Sueyoshi: In the context of the corporate efforts of FP Corporation, such as the Eco Tray quality improvements and the employment of workers with disabilities. I would like to raise an argument from the perspective of what types of corporations and partners are appropriate choices as business partners. In the past, companies have done business, thinking that there will be no backlash from society as long as they are doing the right thing, and society has been forgiving, saying that your company is doing a good job. Forgiving in the sense that even if a company transacts with partners who are not particularly aware of social or environmental considerations, it has been customary to say that it is okay because you yourselves are doing a good job.

Sato: Yes, you're right.

Sueyoshi: However, this is not enough for major changes to emerge and it does not contribute to resolving environmental problems. We are now in a situation where society, wondering what to do about it, says that you are perhaps doing the right thing, but if those around you are no good, then we will judge that you are no good either. In short, it is now a requirement for the whole supply chain, from upstream to downstream, and the value chain to feature corporations with proper green credentials and corporations with awareness of social issues.

Sato: Yes, it is a trend that you see worldwide.

Sueyoshi: Yes, it is a global trend. Therefore, if FP Corporation makes the Eco Trays that we talked about a moment ago, and if FP Corporation employs a lot of workers with disabilities, the people in the food industry or supermarkets, who use FP Corporation's products, reveal their own position through the products they choose. To create alliances between peers who make good products is an



important point for surviving global competition in the exacting business world of the future.

New challenges

Sato: We are taking on the challenge of a new trial. Approximately 50% of the clear containers that we collect are made from a material called A-PET. Of course, PET refers to the PET bottles that everyone is familiar with. At present, the collection rate for PET bottles is more than 70%, but most of it is reused as fiber. Moreover, in many cases, the material is not used in Japan, but exported abroad.

Sueyoshi: Yes, it's common abroad.

Saito: Yes. That is why we were wondering if we can turn the PET containers and PET bottles that we collect into containers once again. At present, we are operating a plant at the Chubu Recycling Center and if this is successful, we will also retrieve PET bottles. In the end, we will be able to establish a "Tray to Tray" cycle and a "Bottle to Tray" cycle for clear containers.

Sueyoshi: You are saying that when the products you collect enter the system as raw material, it is now possible for them to be indefinitely recycled as containers, trays, and PET bottles, and to continue to provide us with their services.

Sato: Yes. The higher that ratio, the lower the volume of new raw material. I refer to underground resources like coal, petroleum, or gas that have entered the market as "aboveground resources" once they have been consumed, and recycling at FP Corporation is about how we can effectively utilize these aboveground resources. The volume of crude oil imports to Japan will decrease in proportion to the reuse of aboveground resources; in other words, the state will not need to pay out for that proportion. This means that the money will circulate in Japan and tie in with employment for disabled workers, and I think that there is solid domestic demand for the FP Corporation's recycling business.

Sueyoshi: Is it not a long-held ambition that crude oil will not be used only once, but will serve people's needs any number of times (laughs).



Eco Trays and the pursuit of infinity

Sueyoshi: It has been more than 10 years since we entered the 21st century. Economic growth in the 20th century resulted in very high living standards in many countries, including Japan, and contributed greatly to humanity. However, if we were to express those economic concepts in a single phrase, it would be "mass production, mass consumption, and mass destruction." As a result, the problems of global warming and the destruction of biodiversity emerged.

Sato: In the past, Japan also had problems with the four big pollution diseases.

Sueyoshi: Yes. So, what is the world thinking about now? There has been a shift to conserving energy, new energies, conserving resources, and a recycling-oriented economy, and we are trying to search out economic concepts that will last indefinitely. Seen from this perspective, FP Corporation has been pursuing infinity for the Eco Tray that you have worked on since 1990. It is certainly a perfect match with the direction that the world is moving in.

Sato: I feel encouraged by what you're saying. We have every intention to continue in the future. Thank you for your time today.



Environmental Efforts

Here, we describe the range of initiatives that FP Corporation is putting into practice in order to protect the global environment.

We could perhaps say that the activities to protect the global environment developed by FP Corporation came to a crossroads in 2010. The PET recycling plant installed at the Chubu Recycling Center brought new potential for going beyond the limits of recycling as a manufacturer of food containers. The environmental initiatives at FP Corporation are one step ahead of the trend.



Nowadays, collection of post-consumer containers has really taken hold at supermarkets. We are gradually delivering PET bottles to the recycling plants of FP Corporation.

Environmental Guidelines

Basic Principle

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

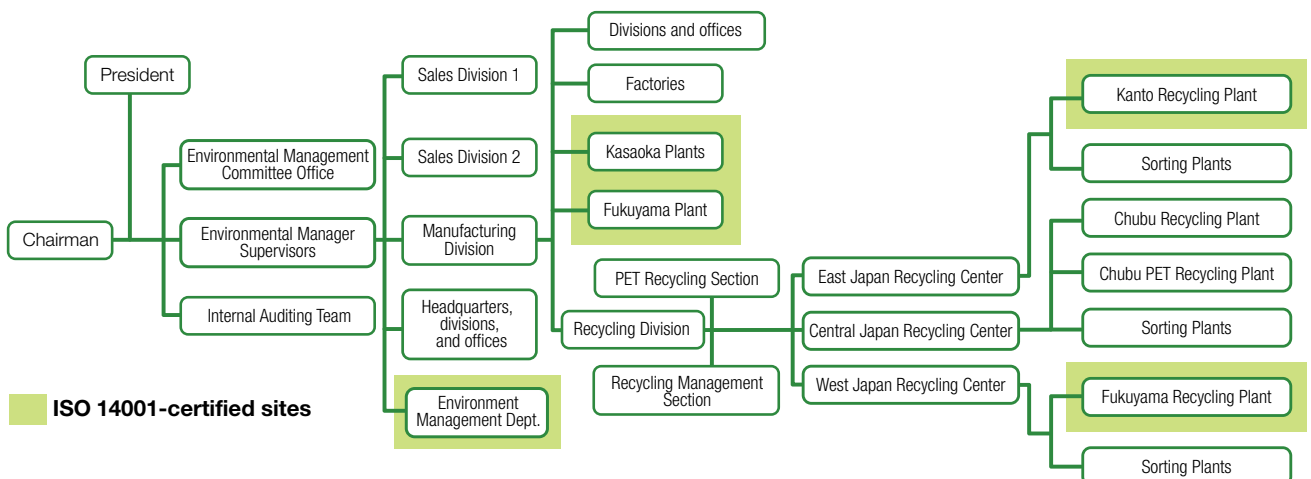
Guidelines

- 1 In the interest of reducing CO₂ emissions and making effective use of natural resources, we aim not only to make every effort to conserve resources in the company's operations, products, and services, but also to actively pursue FPCO Method recycling, which involves the recycling of 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 towards preventing pollution.
- 3 We aim to establish environmental objectives and goals that take environmental matters into consideration, propose and carry out management plans for attaining said objectives and goals, and implement internal audits and reassessments through the highest level of management towards continual improvement in this area.
- 4 These guidelines shall be used to establish, execute, and maintain an environmental management system.
- 5 These guidelines shall be made available in written form and be thoroughly instilled in all employees and contractors who work on FP Corporation property.
- 6 These guidelines shall also be published in brochures and over the Internet to inform the general public.



Environmental Management System

FP Corporation carries out efforts to reduce its environmental burden on a company-wide basis. To ensure that these efforts are carried out effectively, and that they take root within the company's operations so that they may be carried out on a continual basis, we at FP Corporation have implemented an environmental management system that has allowed us to continually perform company-wide activities towards constant improvement in regards to the environment.



Topics

Topic 1



Starting operations at the Chubu PET Recycling Plant

In December 2010, we started operating a German-made plant, which we had installed at the Chubu Recycling Center for purposes of recycling post-consumer PET transparent containers into food grade flakes (raw material). With a processing capacity of 10,000 tons per year, the plant pulverizes post-consumer PET containers, and, after removing the labels that are affixed to the surface of the containers, it also removes impurities that have turned into volatile fraction. In order to fully utilize the processing capacity, we have also started to recycle post-consumer PET bottles in addition to containers. Please keep an eye out for future developments.

Topic 2



Receiving the Eco Mark Award 2010 Gold Prize

The Eco Mark Award is a system of awards established by the Eco Mark Office of the Japan Environment Association. The award recognizes initiatives of outstanding excellence at corporations and organizations working toward the Eco Mark goals "to create a sustainable society through corporate efforts to improve the environment, and product selection by environmentally conscious consumers" by means of public awareness campaigns as well as manufacturing and selling environmentally friendly products, including the Eco Mark products. The FPCO method of Tray to Tray recycling was selected for the first Gold Prize. For details, please consult the Association's website (<http://www.ecomark.jp/>).



Formulating Environmental Targets for FP Corporation Eco Action 50 (FPEA-50)

Based on FP Corporation Eco Action 50, the new medium term environmental management plan that is an extension of the five-year environmental management plan, we have formulated long-term CO₂ reduction targets for FY2020. A range of initiatives undertaken to adapt to a sustainable society, such as lightweight containers, rationalized distribution, and recycling of post-consumer containers, have been consolidated into the CO₂ reduction targets at FP Corporation as a whole.

Implementation process flow for the medium term environmental management plan FP Corporation Eco Action 50



Visualizing the environmental burden

We have constructed the Eco value chain by linking all departments and, at the same time, we have created an in-depth visualization of the environmental burden of the whole business flow.

Setting environmental targets

Based on the visualization of the environmental burden, we set environmental targets for the whole business flow. This is broken down into individual targets set for each department.

Achieving environmental targets

Collaborating across all departments while operating the Eco value chain, we aim to manage and achieve the environmental targets for the whole business flow and the individual targets by department.

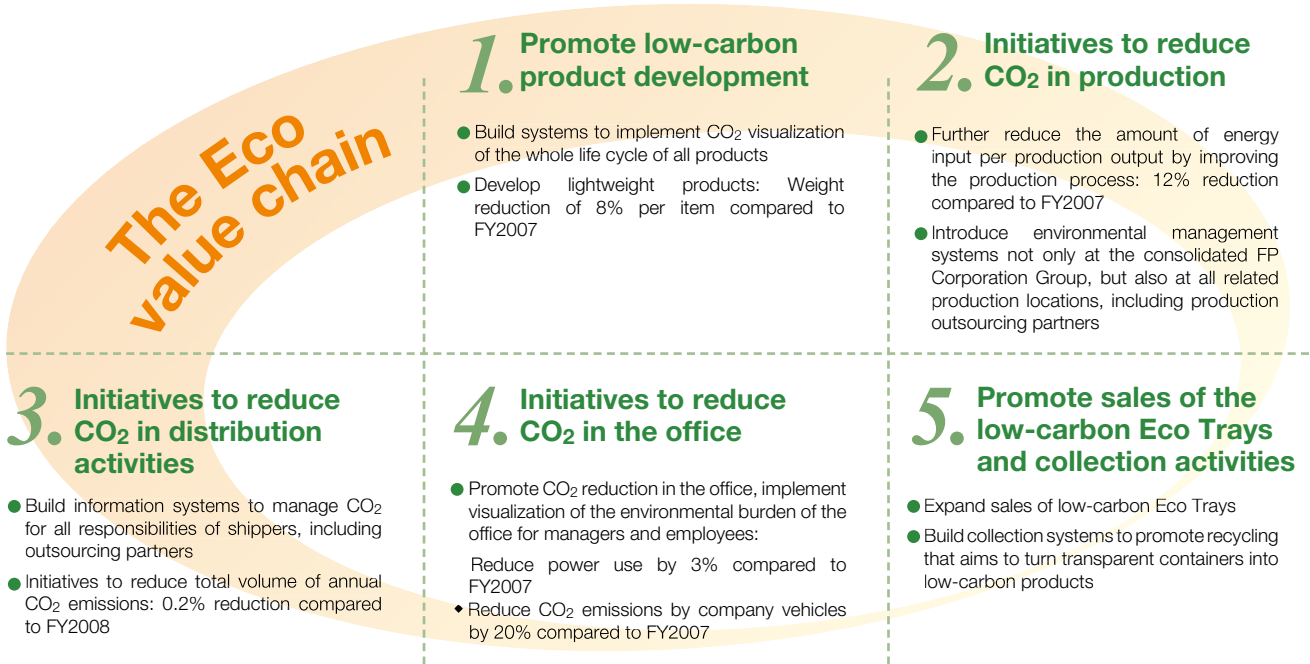
Long-term CO₂ reduction targets

Regarding CO₂ emissions* for the FP Corporation Group

- Reduce total emissions by 20% by FY2020 (compared to FY2003)
- Reduce CO₂ emission factor (by number of trays sold) by half (compared to FY2003)

*Total CO₂ emissions from all FP Corporation Group locations (factories, offices) subject to reporting under the Revised Law regarding the Rationalization of Energy as well as CO₂ emissions involving the responsibilities for distribution of specified shippers.

This is also one of the outcomes of structuring the Eco value chain: dismantling barriers between departments and accumulating small efforts and strategies over several years while putting the visualization of the environmental burden into practice.



Product Development Efforts

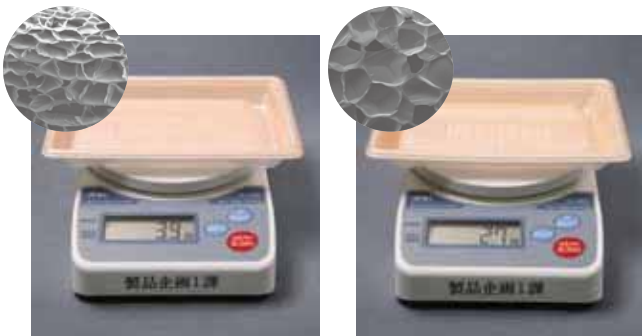


A developer carefully studying the mold for a container. Sometimes, a slight change in specifications can bring major reductions in the environmental burden.

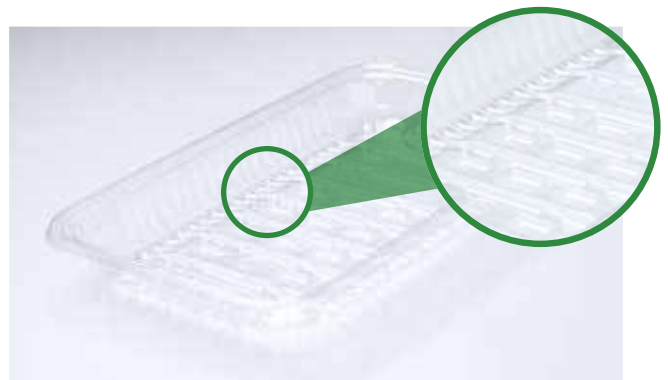
Lightweight and Thin Products

For products such as food trays and lunch containers that use foamed materials, it is possible to reduce the use of raw materials by increasing the expansion ratio. As a result of steady and untiring efforts, we have made the Eco Tray approximately 30% lighter in weight over a period of 16 years, and over a period of nearly 8 years, we have made the entire product line about 15% lighter. Initiatives to save resources by making lightweight products have not yet come to an end.

For trays with increased expansion ratios and non-foamed transparent containers, we need shape designs in order to increase strength. Designers have a chance to show off their skills when deciding what solution to use where on the container. For the new product in the photo below, new design solutions have been applied, such as using ribs to increase strength.



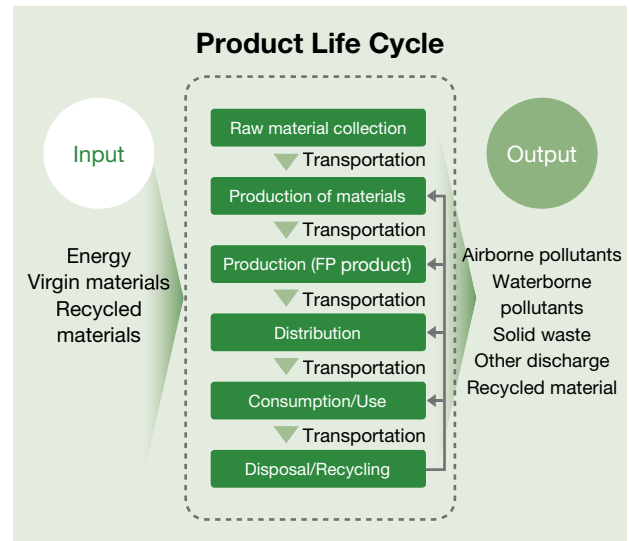
We can reduce the weight of a tray by increasing its expansion ratio without needing to alter its shape or volume.





Visualizing the Life Cycle

To calculate the environmental burden, the Research and Development Department is responsible for the life cycle visualization of products. When clarifying the burden on the environment at every stage of the life cycle (raw material collecting manufacturing distribution use disposal and recycling), from collecting raw materials to manufacturing and disposal, it is necessary to track products from their origins. We do not limit ourselves to the FP Corporation Group, but we collect and calculate numerical values in collaboration with raw material procurement partners. We continue to implement life cycle visualization for all products to comply with the expansion of the carbon footprint system.



Product development using new materials with the aim of reducing the environmental burden

Sometimes, developing new products in the pursuit of convenience is also linked to reductions in the environmental burden. Here, we introduce five examples of convenience and function resulting in a reduced environmental burden among the products using new materials that were developed this year.

Multi FP (MFP)



- Excellent heat-resistance, cold-resistance, and insulating properties. Heat tolerance: 110°C (microwaveable)/Cold tolerance: minus 40°C
- Pursuit of lightness. Lightweight materials: approximately 60% lighter than Pdypropylene (pp) filler

New Histar (NHS)



- Excellent heat-resistance and insulating properties Heat tolerance: 120°C (microwaveable)
- Developed lightweight version by raising the expansion ratio Approximately 20% lighter than conventional Histar

Monoaxially oriented PET



- Increased strength by stretching the sheet in one direction
- Increased strength and lighter weight Approximately 25% lighter than non-stretched PET

Transparent PP



- Excellent heat-resistance and oil resistance Heat tolerance: 110°C (microwaveable)
- Remarkable improvement in transparency compared to conventional transparent PP

Biaxially oriented PP

Sales launch in the next fiscal year

- Increased strength and heat resistance by stretching the sheet lengthways and sideways in two directions. Same degree of heat resistance as OPS
- Excellent oil resistance

Factory E orts

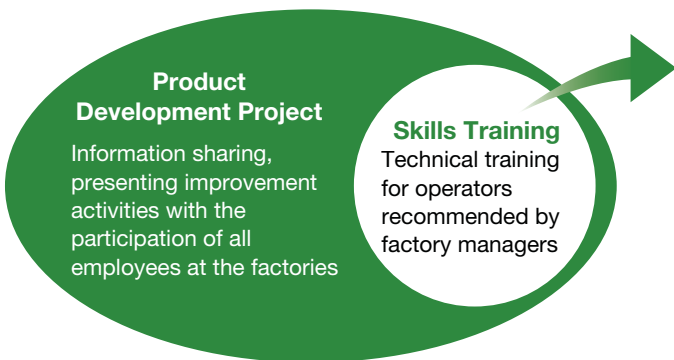


The colors of the band attached to the cap indicate the type of work and employee skill level.

Promoting the Product Development Project and Skills Training

We started the Product Development Project in 2006 with the aim of improving product quality and promoting optimization. Improved productivity is also linked to reducing waste and conserving energy, thus making a major contribution to reducing the environmental burden. As an extensive activity for all employees working in the factories, twice a year, we also bring together all the factories in Japan for the results announcement. In addition, in 2008, we started the Skills Training system with the aim of raising the skills of our operators. The factory managers recommend operators for the training with 48 persons from all over Japan participating in the training twice a year. Skills Training started out as part of the Product Development

Project, but it also aims to nurture workplace leaders with a wealth of knowledge, experience, and skills. The training program extends over several months and involves (1) two weeks of hands-on training, (2) returning to the affiliated factory to put the training into practice, and (3) meeting again to verify the practical experience. Those who complete the training are awarded badges, which are ranked according to color depending on the number of lectures and types of courses. As well as putting a high level of manufacturing into practice, this approach of promoting optimization to reduce the environmental burden also promotes quality and quantity.



Visualizing the Environmental Burden

We implement visualization of the environmental burden at factories according to the situation at each factory, but we aim for centralized management of the measuring instruments installed at each facility. The series of photos at top right show electricity meters installed in the production machinery at the Kanto factory and staff verifying the values at the factory office. The photo below the three smaller photos shows that it is also possible to remotely monitor the measured values at the No. 2 Kasaoka Plant via the network from headquarters. We also plan to implement similar visualization at the production factories of corporations that have recently joined the Group company.



Recycling Consumables

We do not discard mill ends from the production process or packing materials for products and post-consumer containers; rather, we do our best to recycle them. The photo on the right shows the process of feeding mill ends of polyethylene bags for wrapping finished goods into the dissolver for recycling. Since all production plants and recycling plants of FP Corporation are located adjacent to one another, we are able to collect consumables from both factories for recycling.

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 FY2011

Plant Quality Objectives

Reduce claims

[Target] Foamed PS: 12ppb / PS-2: 4ppb / PS-7: 6ppb / Extrusion: 0ppb (0 or less internal claims)

Improve productivity

Departmental Quality Objectives Foamed PS Section

Drop in claims from 33ppb 12ppb
Increase operation rate (net operation rate)
82.79% 83.37%

PS Section

Reduce claim rate

- PS-2: 6ppb 4ppb
- PS-7 in-line extrusion-thermoforming: 18ppb 6ppb
- PS-7 extrusion: 0ppb (0 internal claims 0)

Increased operation rate (equipment operation rate)

- PS-2: 89.45% 89.47%
- PS-7 in-line extrusion-thermoforming: 89.54% 89.88%
- PS-7 extrusion: 93.89% 94.18%

Distribution Efforts



To collect and distribute cargo accurately, delivery reports are updated continually from the start of the day to the end.

Continuing Implementation of Distribution Improvement Meetings

Following on from the first meeting in 2009, we held the second distribution improvement meeting in November 2010. It was a large-scale meeting with representatives from all distribution-related Group companies nationwide coming together as well as several hundreds of participants using the TV conferencing system.

The presentations covered a range of improvement measures for the distribution workplace, including efficiency, safety, sanitation, and labor management. The purpose of the meeting was to share information, but on this occasion, we screened a list of 23 applicants and chose 15 presentations. As of the year, we introduced a point-based evaluation system and a system of awards for the top five presenters.



The key is to what degree the details that you notice in the workplace are absorbed.



Pointers for the evaluation:

- (1) The content is "easy to understand and easy to use" and can be adopted immediately, as other centers will use the content of the presentations as reference.
- (2) The improvements are undertaken on a continuous basis and future continuity is also high.

These types of improvement initiatives are not only linked to optimization and a reduction of the environmental burden, they are also very significant in the sense of motivating employees. We plan to continue the meetings in the future.

Distribution Systems in Search of Optimization

At FP Corporation, the aim of distribution is to undertake all distribution activities, which occurred during the periods from manufacturing to delivery, in the most efficient way and by the shortest travel distance by means of a centrally managed supply chain management (SCM) system.

Below is an example of an information management system for regional distribution



Topics



Opening the I Logic Fukuyama Picking Center

The I Logic Fukuyama Picking Center, a new distribution base for Western Japan centered on Fukuyama, was completed and started operations in June 2010. With two stories and total floor space of approximately 26,000m², the building is also environmentally sound with a green roof system for insulation effect and CO₂ reduction. Consolidating the picking centers that had previously been dispersed across the Fukuyama region within the same premises as the distribution center is expected to have a large impact on optimization and CO₂ reduction.

Sales Efforts



It is not only about sales; the FP Corporation sales staff also maintain good communications with customers about collecting containers.

Expanding Sales of Eco Trays

The Eco Tray accounts for approximately 70% of the general-purpose trays sold by FP Corporation. We are sure that there is at least one Eco Tray in the kitchen of everyone who reads this report. Eco Trays have two CO₂ reduction effects in the sense that post-consumer trays are not discarded, but reused as raw materials and made into new trays. FP Corporation sales staff are constantly trying to encourage customers to choose the Eco Tray if they sell the same type of tray. Please be sure to choose products with the Eco Tray mark when you are making purchases.



Collecting Post-Consumer Containers and Factory Tours for Customers

The cooperation of people in supermarkets and other sales venues is essential for collecting post-consumer trays and transparent containers. FP Corporation has prepared a range of tools (collections boxes, posters, DVDs, etc.) to raise collection rates. Proactive collecting activities at collection points by people who are in close contact with consumers become a great driving force.

At FP Corporation, we invite supermarkets and other customers to visit the recycling plants. How do we treat the trays and containers after collection, what methods do we use to convert them, and what is the effect? We hope that they will cooperate even more to raise the collection ratio after seeing the outcome of their cooperation with their own eyes. Almost all customers who come for the tour agree and tell us, "It was a good thing we came."



Office Workplace Efforts



The staff canteen where we try to conserve energy and create comfort by letting in lots of natural light through the large windows and skylights

Initiatives to Reduce the Environmental Burden

At the FP Corporation Group office, we implement the following activities to reduce the environmental burden. The office departments account for a very small proportion of CO₂ emissions for the whole Group, but these measures play an important role in the sense of increased awareness of the environment among staff.

■Use of videoconferencing

The FP Corporation Group uses a TV conferencing network for conferences and meetings, thus reducing CO₂ emissions by not using any means of transport or spending time and money on movement. Nowadays, this is indispensable equipment for the Group.



■Promoting the introduction of low-pollutant vehicles

- 1 electric vehicle • 82 hybrid vehicles • 125 low-emission vehicles
- 13 subcompact and compact vehicles (As of the end of March 2011)



■Sorting waste

- Nurture awareness of recycling through methodical waste separation
- PET bottles are recycled at the Chubu Recycling Center.



■Reduce amount of paper used by going paperless

We endeavor to reduce the volume of paper used by double-sided printing and by going paperless with electronic forms and reports.

■Conserving electricity

- Separate controls for lights and air-conditioning separately by office area
- Switch off the lights in the office and reception area for the 45-minute lunch break from 12 o'clock



“FPCO Method” Recycling

Tray to Tray is the method we use to produce the Eco Tray, a food tray that can be used over and over again instead of being used just once and then thrown away. The system is designed so that the product follows a life cycle that takes 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. It is an effective method for cutting CO₂ emissions, as the trays are collected rather than thrown away, and recycled materials are used instead of raw materials.

To make this process work, complete cooperation is required by four different parties: consumers, distributors such as supermarkets, packaging wholesalers, and FP Corporation.



Reorganizing the Entire Recycling Network

This year, we reorganized the FP Corporation's recycling network, which covered the whole country, to make it more efficient. The aims are summarized below.

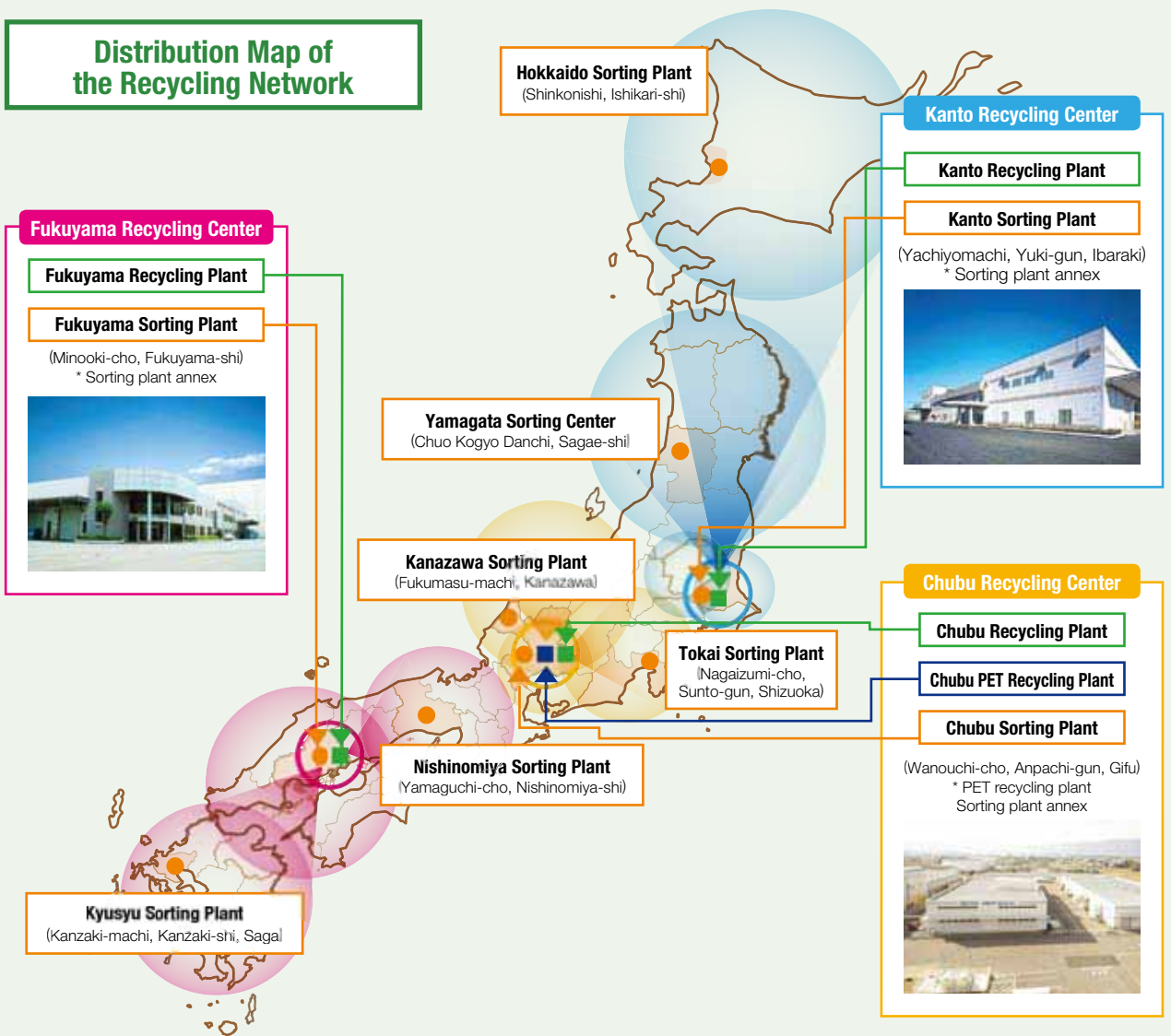
- Expanding sorting plants
seven plants
to **nine plants**
- Consolidating the number of recycling factories
six factories
to **three factories**

Sorting collected trays and containers

We have reduced the burden that distribution places on the environment by placing sorting plants in regional communities and compressing sorted containers before transporting to the recycling plants.

Raw materials from sorted trays and containers

We have upgraded the plants by installing the latest cleaning equipment to produce high-quality recycled material.



Tray Recycling Process

Trays



Sorting



We remove non-recyclable items, and sort the trays into white and colored. Manual labor is an inevitable component of the sorting process, making it the most time and labor-intensive process.

Hauling



Collected trays and containers are hauled to the sorting center located in that particular region.

Eco Tray



Eco Trays are stamped with the Eco Mark.



Melting and extrusion



Dried chips are melted and converted to pellets.

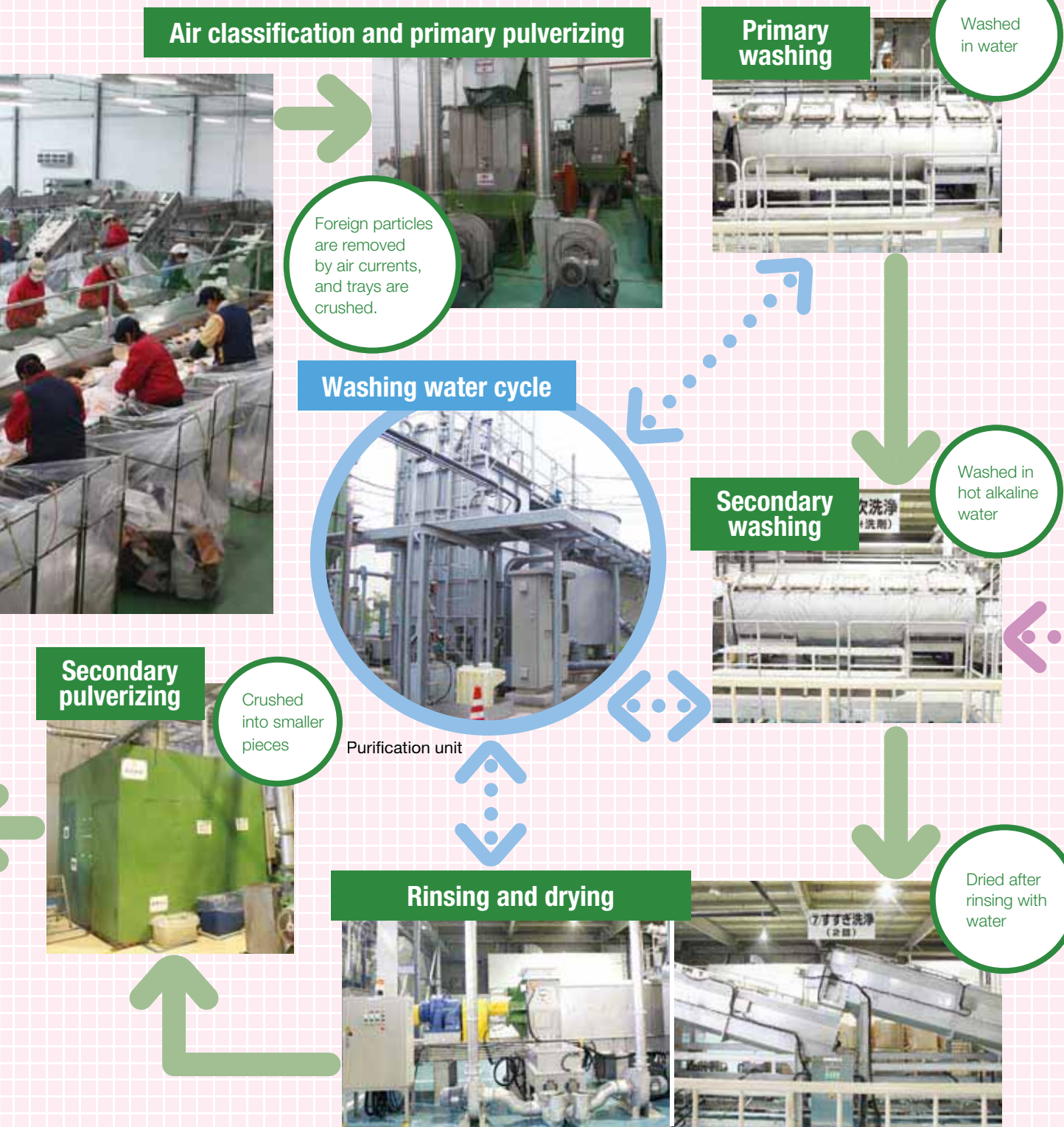
Quality inspection



Pellets



Pellets, the raw material for Eco Trays, are formed.



Hot-water circulation system



A system for retaining the concentration of alkali at the prescribed level while maintaining the temperature of the washing water

Transparent Container Recycling Process



Transparent containers

Sorting



Hauling



Collected transparent containers are hauled to the sorting plant located in that particular region.



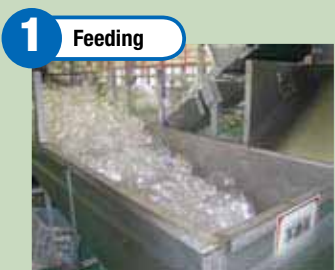
Eco Tray

ちきゅうにやさしい
プラスチックの再利用
Eco Trays are stamped with the Eco Mark.

1 Feeding

The transparent containers are sorted by material.

We use a sorting unit that identifies materials using infrared rays.



- OPS (oriented polystyrene)
- PET (polyethylene terephthalate)
- PP (polypropylene)
- Others



Quality inspection

Pellets, the raw material for Eco Trays, are formed.



Pellets

Pulverizing and washing each material



Nearly all transparent containers are sorted by machines operating in a state-of-the-art system.

**OPS
PET**



OPS and PET containers are washed and crushed.

Materials other than OPS and PET



Recycled into materials for construction, agriculture, and other industries

PET
Continues on next page

PET



2 Inclined belt conveyor



3 Alignment



5 Material identification



4 Manual sorting and alignment



Melting and extrusion



Dried chips are melted and converted into pellets.

OPS



PET Recycling Process

PET

PET =
polyethylene
terephthalate

A type of polyester, PET is used for PET bottles, food containers, as a film material, and as fiber for clothing.

Sorting different materials/
Removing metals/Pulverizing



Hauling

Post-consumer PET bottles, including bottles with caps and labels, are compressed into bales for hauling.

PET
bottles

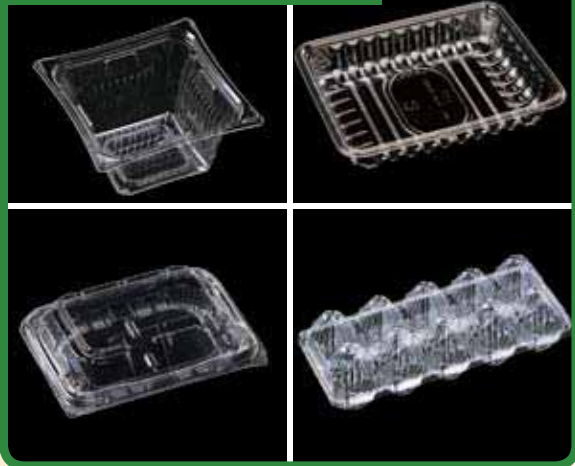


(continued from process on previous page)

PET
containers



Transparent containers,
egg packaging, etc.



Completion of recycled
PET flakes

Passing through
product quality
inspection

They turn into the PET flakes that can be used as food-grade raw material. This completes the recycling use cycle in Japan.



Removing caps and labels/Alkaline washing



Final separation process for caps and labels. Removing impurities by washing with alkaline water.

Removing volatile fraction



This is the process of removing impurities that have turned into volatile fractions by slowly passing the material through a high-temperature vacuum.

The bales of compressed PET bottles are broken up, different materials are separated out and after removing metals with a metal detector, the bottles are pulverized.




Results of the Initiatives

Note: Since full-fledged PET bottle recycling will begin this fiscal year, we will report on the collection and recycling results next fiscal year.


Trays

	FY2010	Accumulated total (1990-March 2011)
Volume collected	7,347 t/year	93,106 tons
Number of trays	1,836,750,000 trays	23,276,500,000 trays



Transparent containers

	FY2010	Accumulated total (2007-March 2011)
Volume collected	965 t/year	1,391 tons
Number of trays	96,500,000 trays	139,100,000 containers



Social ripple effect

Global resources conserved up to now

Volume of oil:
226,790,000 liters

Approx. 1,130,000 oil drums

Social costs saved up to now

Garbage collection:
Approx. 41.8 billion yen

Collection trucks: Approx. 1,670,000 trucks

Trays and transparent containers collected up to now

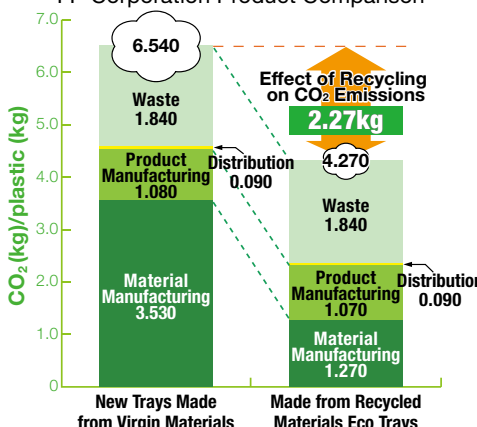
Approx. 15.5 times the size of the Tokyo Dome

Volume of reduced CO₂ emissions in FY2010

Approx. 37,000 tons

For every kilogram of Eco Trays used (about 250 trays), CO₂ emissions are reduced by approximately 2.27 kilograms.

FP Corporation Product Comparison



Category	New Trays Made from Virgin Materials	Made from Recycled Materials Eco Trays
Material Manufacturing	3.530	1.270
Product Manufacturing	1.080	1.070
Waste	1.840	1.840
Distribution	0.090	0.090
Total	6.540	4.270

Note: Calculations and observed results are based on ECO LEAF standards.

Factory Tours



Touring the recycling plant. From small groups to large groups, people from a range of positions and of varying ages visit us.

Invitation to Tour Recycling Plants and Sorting Plants

The photo on the above left shows visitors from several local governments in Saitama Prefecture. None of them had direct experience with the field of food trays, but they visited with the intention of learning about recycling and of leveraging the knowledge they took away with them for policies to reduce the burden on the environment.

The recycling plants and sorting plants of FP Corporation receive visitors from every walk of life, including elementary school students, housewives, consumer organizations, food distribution professionals, governmental and municipal organizations, and overseas governments. The number of visitors received at a time is by no means large, but we steadily continue to spread the word about the social significance of recycling.

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

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

Recycling Plant (Where visitors can see the process of sorted containers being turned into pellets)

Plant Name	Address	Visitor Reception	Max Visitors per Group
Kanto Recycling Plant (Kanto Sorting Plant is attached.)	4448 Oaza Hiratsuka, Yachiomachi, Yuki-gun, Ibaraki 300-3561	Kanto Recycling Plant +81-296-48-0400	120
Chubu Recycling Plant (Chubu PET Recycling Plant and Chubu Sorting Plant are attached.)	511-5 Aza Murahigashi, Nanba, Wanouchi-cho, Anpachi-gun, Gifu 503-0231	Chubu Recycling Plant +81-584-68-2036	60
Fukuyama Recycling Plant (Fukuyama Sorting Plant is attached.)	127-2 Minooki-cho, Fukuyama-shi, Hiroshima 721-0956	Administrative Assistant Dept., Headquarters +81-84-953-0001	130

Sorting Plants (Where visitors can see the process of sorting containers collected from supermarkets and other shops)

Plant Name	Address	Visitor Reception	Max Visitors per Group
Hokkaido Sorting Plant	778-9 1-chome, Shinkonishi, Ishikari-shi, Hokkaido 061-3241	Hokkaido Sorting Plant +81-133-75-7015	25
Yamagata Sorting Plant	162 Chuo-kogyo-danchi, Sagae-shi, Yamagata 991-0061	Yamagata Sorting Plant +81-237-85-3645	20
Tokai Sorting Plant	307-1 Hattanda, Shimonagakubo, Nagaizumi-cho, Sunto-gun, Shizuoka 411-0934	Tokai Sorting Plant +81-55-980-4571	20
Kanazawa Sorting Plant	204-22 Kita, Fukumasu-machi, Kanazawa 920-0376	Kanazawa Sorting Plant +81-84-953-0001	15
Nishinomiya Sorting Plant	98-2 1-chome, Hanshin Ryutu Center, Yamaguchi-cho, Nishinomiya-shi, Hyogo 651-1431	Nishinomiya Sorting Plant +81-78-907-1288	10
Kyusyu Sorting Plant	3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015	Kyusyu Sorting Plant +81-952-51-1028	30



Topics

Topping 300,000 visitors!

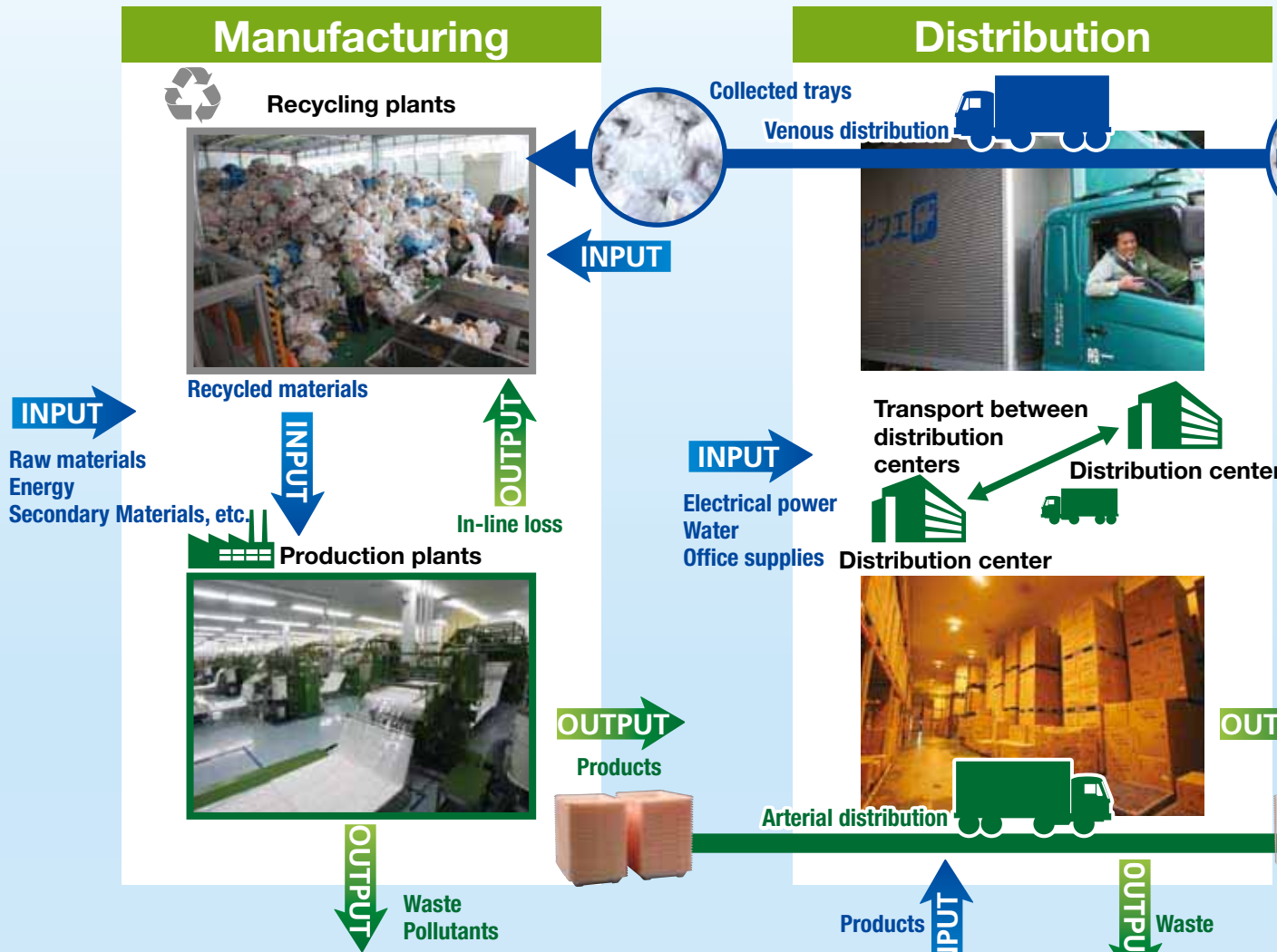
October 1, 2010, marked the big day when the number of plant visitors reached 300,000 people. We handed out the radio-controlled clock in the photograph as a commemorative gift to visitors. In the 20 years since we started the "FPCO Method" recycling, we have organized tours of our recycling plants with the aim of gaining people's understanding of and cooperation with tray recycling and showing visitors the setting for recycling systems that meet the Extended Producer Responsibility. We aim to evolve our recycling activities in the future.

Tour Program Example (Total time: Approx. 90 minutes)

- 1. The Recycling Process (10 minutes)**
At the entrance to the plant, we explain the process of recycling food containers.
- 2. Recycling Processes Tour (30 minutes)**
Visitors can watch the whole process from delivery of the containers to turning them into pellets (raw material for trays).
- 3. Presentation (25 minutes)**
A detailed explanation of the food container recycling business FP Corporation performs.
- 4. Video Presentation (15 minutes)**
Visitors watch a video that summarizes the content covered in the presentation.
- 5. Q&A Session (10 minutes)**
We respond to various questions from our visitors.

Data: Environmental Efforts

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.

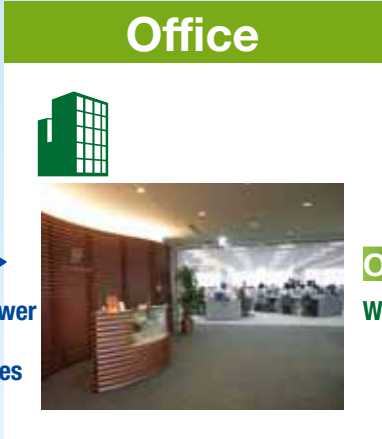


FY2010 data for manufacturing

INPUT	Energy	Electricity	181,936,315 kWh
		Fossil-fuel energy	14,373,885 MJ
	Water resources (Total: 389,056m ³)	Public water supply	133,924 m ³
		Groundwater	138,107 m ³
		Industrial water	82,060 m ³
	Raw materials (resins, etc.)		162,293 t
	Indirect materials (Total: 25,418t)	Cardboard	24,844 t
		Plastic bags	2,330 t
		Lubricants	11,259 L
	Miscellaneous	Thinners	4,249 L
Paper		2,110,510 sheets	
OUTPUT	Products	Volume of products produced (of which are Eco Trays)	139,522 t (16,134) t
		Number of shipping trucks	90,886 vehicles
	Waste		4,227 t
		Particulates	36 kg
		NOx	670 kg
	Environmental pollutants	Dioxins	0 mg-TEQ
		BOD	102 kg
		COD	231 kg
		SS	230 kg

FY2010 data for distribution

INPUT		
Energy	Electricity	15,265,432 kWh
	Fossil-fuel energy	4,340,048 MJ
Water resources	Public water supply	24,707 m ³
Indirect materials	Cardboard	1,420 t
Miscellaneous	Paper	9,971,550 sheets
OUTPUT		
Waste		330 t



FY2010 data for offices

INPUT		
Energy	Electricity	2,224,668 kWh
Indirect materials	Cardboard	1 t
Miscellaneous	Paper	6,224,500 sheets
OUTPUT		
Waste		130 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 its stakeholders, but for all people who are in one way or another connected with the work it does.

In the spirit of wanting people to find out more about our activities, FP Corporation not only undertakes a range of activities as a corporate citizen but also pursues numerous points of contact with society. We believe there is value in being a corporation that is utilized in society and functional in society.



Acceptance of Training Program for Elementary School Teachers

As a destination for the Private Sector Long-Term Placement Training Program implemented by the Board of Education in Hiroshima Prefecture, FP Corporation has accepted the training program for teachers for the past seven years.

For half a year, from October to March, participants work as FP Corporation's employees at the Environment Management Department, production plants, FPCO Ai Pack Co., the Production Management Department, the Research and Development Department, and in distribution, in that order. At the Environment Management Department, the teachers may handle elementary school students touring the recycling plant, or they may work in their area of specialty, but at the plants and in the distribution department, they may work hard in areas where they are out of their element.

There is much to be gained by both parties from this exchange with people in formal education, which is a dissimilar field, making it a valuable experience.

"Since this was my first time to work in the private sector, I felt a little uneasy at first. But everyone was very kind and taught me a lot of things, so gradually my anxieties lifted. I really learnt a lot from production, optimization, and new product development at the plant, and from seeing the serious looks of everyone working at the recycling plant. However, I also felt that this is normal in order to win the trust of consumers."



Shunsuke Fujii, teacher on placement at FP Corporation in FY2010



In December 2012, we exhibited solo for the first time at Eco-Products 2010, Japan's largest environmental fair, where we were able to come into contact with many visitors.

Topic 1

Accepting the FY2010, Fukuyama Award for Promotion of Gender Equality in Business



In order to further promote initiatives for gender equality in the workplace, Fukuyama City presents an award to businesses that are making efforts to support women who balance family and community activities with work. FP Corporation was the recipient of the award in FY2010.

- Initiatives were evaluated on a wide range of points including:
- Publicity to promote a system of childcare leave and results
 - Equating time spent commuting to hospital during pregnancy with routine work and introducing a system for providing the necessary time
 - Proactively arranging regular positions for women in departments with few female members
 - Strengthening training aimed at increasing the ratio of female managers, progressive promotion to assistant manager posts

As well as taking initiatives to prepare a working environment where employees are able to exercise their full potential, we will continue to work toward its prerequisite, the work-life balance.

Topic 2

Chairman Komatsu appears on TV TOKYO's Cambrian Palace talk show

Our chairman, Yasuhiro Komatsu, appeared on the TV TOKYO show Cambrian Palace Nikkei Special, broadcast on April 26, 2010. The program discusses business leaders who are presently active in Japan, and, through the management philosophy of Mr. Komatsu, it presented the perfect opportunity to convey to a large TV audience various aspects of FP Corporation's involvement with society. In the discussions about product development, functions, shapes, and design tricks that produce convenience and flavor for both customers and consumers were introduced to exclamations of admiration from many of the homemakers who had been invited to the studio audience.

Relations with Shareholders



In addition to the general shareholders' meeting, we also conduct tours of the recycling facilities. The doors are always open for shareholders and investors.

Improving Corporate Value

To implement shareholder-oriented management, FP Corporation aims for net profits of 450 yen per share and to increase corporate value by steadily carrying out various Group management policies.

Continuously Stable Dividends

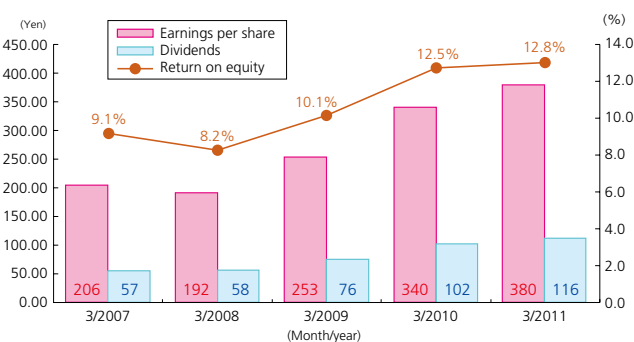
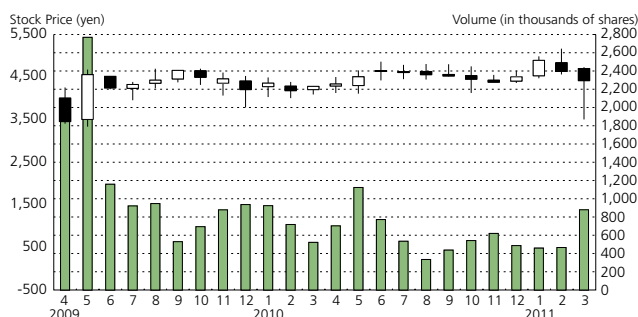
Providing shareholders with an appropriate return on their investment is one of the most important goals of FP Corporation. Our key objective is to be able to pay out dividends on a continual and steady basis while improving profitability and strengthening our financial standing. In line with this objective, we set dividends in the previous fiscal year at 116 yen per share (including 58 yen in second quarter dividends).

Online Disclosure of Information

We publish "Shareholders Information" on our company website. Please be sure to consult the website where the information to the right is available for viewing at any time.

 <http://www.fpco.jp/en/ir/>

Changes in Stock Price (Osaka Securities Exchange)



Financial Highlights

- Sales
- Ordinary profit/Current net profit
- Current net profit/Current net profit per share
- Equity/Equity per share
- Current net profit per share/Return on equity (ROE)

Financial Data

- Annual financial statements, quarterly statements
- Business reports

Press Releases (JPN)

Stock Information

- IR Calendar (JPN)
- Shareholders Information/Composition
- Share Prices (JPN)
- Credit Rating

Relations with Consumers



Explaining the outline of recycling to housemakers at Eco-Products 2010. Opportunities for direct contact with consumers are extremely valuable.

Contact at Exhibitions

With the exception of people who come for the tours of the recycling plants, FP Corporation has limited opportunities to come into contact with consumers. That is why we at FP Corporation make an effort to engage in corporate communications, including PR for the "FPCO Method" recycling, when we participate in exhibitions aimed at business, or events with a food theme and venues that attract ordinary people. These are valuable opportunities for listening to the voices of consumers and, in the future, we plan to participate in as many events as possible.

Major Events FP Corporation Took Part in During FY2010

Date	Event Name	Location
Jun. 5, 2010	Fifth Fuchu Environmental Festa	Tokyo
Jun. 6, 2010	FY2010 Environment Day Hiroshima Rally	Hiroshima Prefecture
Sept. 18-19, 2010	Jinseki Kogen-cho First Eco and Well-being Festival	Hiroshima Prefecture
Oct. 17, 2010	Fukuyama City Ninth Recycling Festa	Hiroshima Prefecture
Oct. 17, 2010	22nd Nagaizumi-cho Well-Being and Health Festival	Shizuoka Prefecture
Oct. 31, 2010	2010 Stop Global Warming! Fair in Hiroshima	Hiroshima Prefecture
Nov. 6-7, 2010	Okayama Eco and Food Fair 2010	Okayama Prefecture
Nov. 15-Dec. 20, 2010	Permanent exhibition at Hiroshima Prefectural Culture Center Fukuyama	Hiroshima Prefecture
Nov. 20, 2010	Second Fuchu Eco Fair	Tokyo
Dec. 9-11, 2010	Eco-Products 2010	Tokyo



Participating in Garbage Cleanup in the Community

On August 22, 2010, we participated in the second Ashidagawa Cleanup Day (Organizer: Fukuyama City Children's Club). We were able to recover empty cans, PET bottles, cigarette butts, etc., that had fallen into the dry riverbed of the Ashidagawa. We were also able to communicate with local residents by chatting with participants during the cleanup activity. In the future, as part of our corporate social responsibility, we will actively participate in these kinds of activities that contribute to the community.



Relations with Customers



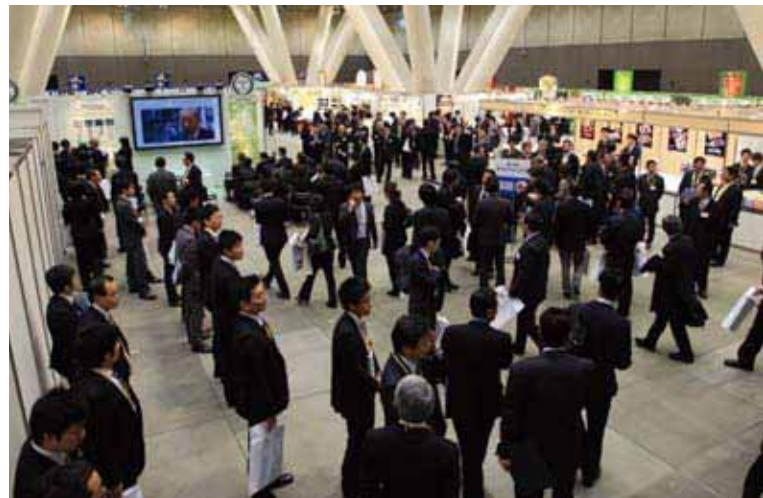
An employee making a presentation at the FPCO Mini Fair 2011. We demonstrate new products and new ways of selling at a single venue.

Proposals at the FPCO Mini Fair

FP Corporation communicates and presents proposals in a variety of ways to the supermarkets and packing material wholesalers who are our customers. Since customers have limited time for product proposals in the course of everyday business activities, we invite them to come, at their own convenience, to the Kitchen Studio at the Tokyo Headquarters, where we sometimes provide detailed explanations. However, with the FPCO Mini Fair, which is a private exhibit organized by FP Corporation, we are able to collect most products under one roof and travel to a place near our customers to show the products in a short space of time, making this a more valuable opportunity.



This year, the fair was held over a period of one month from late February 2011 at four venues, in Osaka, Tokyo, Nagoya, and Fukuoka. A total of 12,400 customers visited the four venues,



all of which were successful and lively shows. This year, the theme was “Encyclopedia of Verified Best Practice,” organized as an informative event to collect together measures at the sales counter that have proven successful for customers.

We had prepared a wealth of information to provide hints for product displays, which customers appreciated for their informative value.

At the Fair, we had prepared “Sample Displays” and “Eco Store Recommendations” in addition to the proposals for customers presented in the displays below.



Proposals at the Kitchen Studio

At the Tokyo Headquarters of FP Corporation, we have a space called the Kitchen Studio for both presentations and business negotiations. In this space, we have installed a sink and a food preparation area in addition to the refrigerated cases used on the actual sales floors. We also provide printed matter, such as catalogs and POPs as well as proposed products.

Most visitors are from supermarkets and other shops. They come to look at the shelves and refrigerated cases stocked with products packed in containers while making proposals for how to build sales counters. Several times a year, we organize proposal meetings for users where we sometimes give presentations to about 100 visitors.

Since we do not rely exclusively on photo proposals, but are able to simulate the actual settings for use, it is also helpful for customers in product planning. The Kitchen Studio is an essential facility for both customers and for FP Corporation.



Containers

Refrigerated case used on the sales floors

Catalogs, POPs, etc.

Hiring of People with Disabilities



Lunch time with everyone gathered to eat together. It is not only about work, but the program also supports growth as individuals.

Topic 1



Launching floor hockey activities

Floor hockey is one of the oldest events in the Special Olympics for people with intellectual disabilities. You compete by controlling a donut-shaped puck with a stick to score points. Regardless of age, gender, or whether or not you have a disability, this is a sport that everyone can enjoy according to their physical strength and skill level. With the help of a coach from the Japan Floor Hockey Federation, the FP Corporation Group has started the activity in Yamagata Prefecture, Kochi Prefecture, and Hiroshima Prefecture. Normalization is the basic concept of the

organization, with teams made up of members from different companies and departments regardless of whether they have a disability or not. Last year, a total of 163 persons participated, taking the first step toward full-scale activity. In February 2011, we organized a joint practice match for members of the Fukuyama District FPCO Floor Hockey Club and members of the Kochi club with everyone working up a sweat together. We plan to expand the activity in the future, aiming for joint practice matches and large tournaments.

Topic 2



Opening the Yamagata Sorting Plant

The FP Corporation Yamagata Sorting Plant started operations on October 4, 2010. Aiming to contribute to society by fusing the environment with social welfare, the FPCO Ai Pack Co. Yamagata Sorting Plant is currently employing 24 workers with disabilities.

Topic 3



Opening the Hokkaido Sorting Plant

The FP Corporation Hokkaido Sorting Plant started operations on October 12, 2010. Here, the main work force comprises 10 employees with disabilities who are affiliated with FPCO Ai Pack Co. Hokkaido Sorting Plant.

Three Types of Work Making Use of Separate Abilities

There are, broadly speaking, three categories of jobs performed by people with disabilities working at the FP Corporation Group. This is because the degree of difficulty and the support systems differ depending on the extent of the disability of each person. At present, we have developed the following formats as a result of considering support for self-fulfillment wherever possible and providing people with disabilities with opportunities for employment.



● Container assembly and secondary processing

This is mainly the assembly of “Pearl Wood” containers, which feature a wood feel. We have prepared the systems for a workplace that facilitates continuous employment and by performing work suited to their individual aptitudes and abilities under the supervision of service managers and dedicated instructors, the workers learn to become socially independent.



◆ Container thermoforming

At the factories where the containers are thermoformed, the processes are semi-automated and the disabled workers are responsible for the manual share of the work. People with and without disabilities work together on similar tasks in this lively workplace.



★ Recycling sorting business

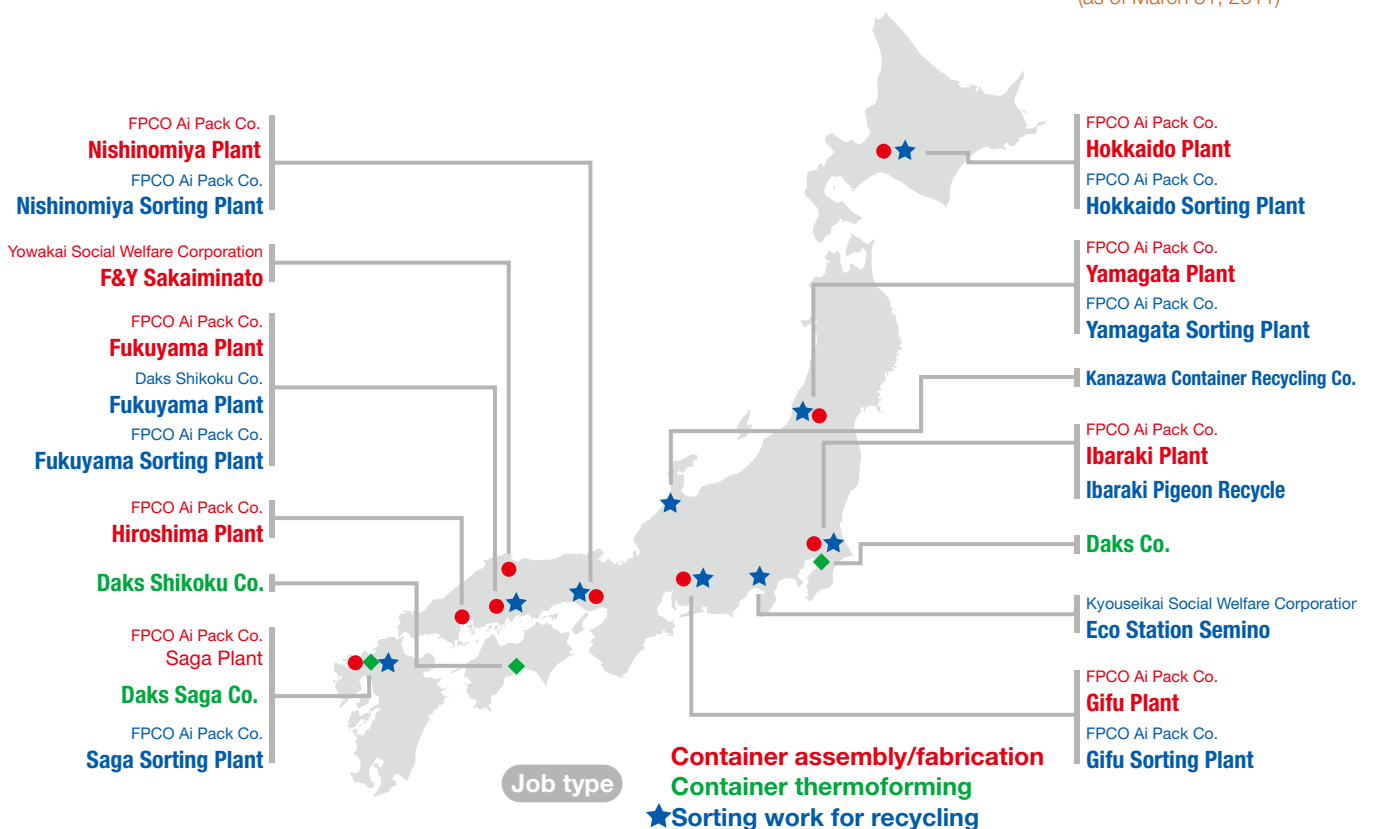
Our employees with disabilities perform tasks such as sorting and aligning used trays and transparent containers. Service supervisors and professional instructors are employed at each workplace to give disabled employees basic support and while helping them develop their skills.

Employees with disabilities: 395 persons Equivalent hiring rate: 670 persons

Employees with disabilities hiring rate: 16.1%

Note: The hiring rates are figures for the FP Corporation Group and exclude affiliated businesses.

(as of March 31, 2011)



Employee Relations



An employee getting ready for her second maternity leave is surrounded by other employees who are mothers and have already taken maternity or childcare leave.

As a Family-Friendly Corporation

FP Corporation has been recognized as a “Family-Friendly Corporation” by the head of the Hiroshima Labor Bureau. In the past, many employees have taken leave before and after childbirth as well as childcare leave, so it is firmly embedded in the corporate culture. The take-up rate of childcare leave among female employees is 100%.



- Introducing a short-time employment system aimed at employees with children under primary school age
- Equating time spent commuting to hospital during pregnancy with routine work and introducing a system for providing the necessary time
- In principle, after childcare leave, the employee returns to the same department and role as immediately before the leave.

In the future, we would like to promote use of the system among our male employees.

A Range of Benefit Packages

Subsidies for recreational activities

Based on certain conditions, the company and the Friendship Society (informal employee group) provide subsidies for employee travel, end-of-year parties, New Year parties, and club activities.

e-Learning

A tool that facilitates information-sharing, acquisition of PC skills, and knowledge of accounting by allowing employees to connect to the Internet at any time to study

FPCO Clubs

A members-only benefit that can be used by employees and their families. Provides a full set of complimentary services that are useful for everyday life, such as travel, overnight stays, and tickets

Overseas observation and study tours

Every year, 30 to 40 persons selected from the whole Group participate in the tours in order to undertake factual investigations of overseas retail and distribution businesses and to collect the latest information.



FP Corporation's History

Company Development and Honors		
1962	Jul.	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 wooden-fee 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	Jul.	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-thermoforming technology developed for manufacturing of high-quality food containers.
	Apr.	Tokyo Branch established.
1983	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).
	Jan.	Tokyo Distribution Center established.
1985	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.
	Jan.	Fully integrated production of solid food containers, from sheet production to thermoforming, launched.
1987	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.
	Jan.	CI introduced. Corporate name changed to FP Corporation.
1989	Jul.	Chubu Distribution Center established.
	Nov.	Company is listed on the Hiroshima Stock Exchange.
1990	Dec.	Tohoku Distribution Center established.
	Feb.	Listed in the Second Section of the Osaka Stock Exchange.
1991	Apr.	New distribution center headquarters established.
		Received the "Members' Division Highest Points Award" from the Valdez Society.
1992	Oct.	Tohoku Recycling Plant cited as an honoree of the year by the Award Program for Achievement in Promoting Recycling.
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.
	Feb.	Receipt of the Hyogo Prefecture Award for Environmentally Friendly Businesses
1996	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 Fourth 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.
	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.
1997	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.
		Receipt of the Sixth Nishshoku Environmental Resource Cooperation Award sponsored by Japan Food Journal Co., Ltd.
	Oct.	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.
	Feb.	President and CEO Yasuhiro Komatsu awarded the 19th Mainichi Business Leaders Award.
1999	Apr.	Commenced catalog sales through FPCO Modern Pack Co., Ltd.
		Developed Histar container using new type of material
	Oct.	Received the Prime Minister's Award in the Award Program for Achievement in Promoting Recycling
	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
2000		Kanto Tsukuba Plant (Ibaraki Prefecture) begins operations.
	May	Internet and CD-ROM based mail-order sales commenced by FPCO Modern Pack Co., Ltd.
	Jul.	Awarded the Prize for Excellence in the Idea Division in the Fourth 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.
	Feb.	Kanto Daini Distribution Center (Ibaraki Prefecture) begins operations.
2001	May	Exclusive domestic sales agreement formed with Enterline Co. Ltd., (Korea) for enterpack (automatic one-touch heat sealing machines).
2002	Feb.	Sponsored and initiated reorganization procedures for two reconstructed corporations, Chupa Co., Ltd., and Packdor Co.
	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.)
2003	Jul.	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
	Mar.	Eastern Japan Sample Center (Bando City, Ibaraki Prefecture) established. Western Japan Sample Center (Fukuyama City, Hiroshima Prefecture) established.
2004	May	Tohoku Distribution Center (Kurokawa-gun, Miyagi Prefecture) annexed to Yamagata Plant (Sagae City, Yamagata Prefecture).
	Dec.	Take-out foods store Cook Labo established on second floor of the building where Tokyo Headquarters is located for research and development of containers and foods used for takeout meals.
		Listed in the First Section of the Tokyo and Osaka Stock Exchanges
2005	Sept.	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
	Jun.	Sample Request Reception Center begins operations.
		Special Case Subsidiary Daks Saga Co. established.
2006	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 a Workplace Offering Type A Continuous Employment Support.
	Dec.	Founded Komatsu Ikuikai scholarship
	Feb.	Kanto Shimodate Daini Plant begins operations.
	Mar.	FPCO Ai Pack Co. established with the goal of being certified as a 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
2007		FPCO Yachiyo Center begins operations.
	Aug.	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.
	Feb.	Established retired persons association FPCO Shoeikai
2008	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
	Mar.	Honored with the first-ever Fukuyama Environment Award in the Business Category
	May	West Kanto Picking Center in Machida, Tokyo, begins operations.
2009	Jun.	Acquisition of packaging division from Taiyo-Kogyo Corp.
		CEO Yasuhiro Komatsu receives 11th Kigyoka Prize.
	Aug.	Ibaraki Pigeon Recycle established
	Oct.	FPCO Nippon Pearl Co. established after acquisition of Nippon Pearl Containers Co. from Toyama Yoseisha Co.

FP Corporation's History

2010	Mar.	FPCO Fair 2010 at Tokyo Big Sight
	Apr.	Packing materials and other production supply business transferred from Yuka Shoji Co., Ltd.
	Jun.	ALRight Inc. becomes a consolidated subsidiary.
	Jun.	The I Logic Co. Fukuyama Picking Center opens.
	Oct.	International Package Co., Ltd., becomes a consolidated subsidiary.
2011	Dec.	Dia Foods Co., Ltd., becomes a consolidated subsidiary.
	Feb.	Winning Gold prize at the Eco Mark Award 2010 Chairman Yasuhiro Komatsu accepts the Ninth Shibusawa Eiichi Award.

Environment / Recycling

1990	Sept.	FP Corporation starts its recycling program.
	Dec.	Kasaoka Recycling Center goes into operation.
1991	Oct.	Kanto Recycling Center goes into operation. Tohoku Recycling Center goes into operation. Eco Tray becomes the first to receive the Eco Mark certification in the industry.
	Mar.	Eco Tray goes on sale.
	Apr.	Environmental Programs Office established.
1992	May	Chubu Recycling Center goes into operation.
	Jul.	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.
1993	Feb.	Fukuyama Recycling Center goes into operation.
	Dec.	Okinawa Reduction Plant goes into operation.
1996	Feb.	Hokkaido Recycling Center goes into operation.
	Aug.	FPCO Distribution Co. acquires Green Management certificate.
	Nov.	Numazu Recycling Center goes into operation.
1998	Apr.	Automatic color tray-sorting system installed at Kanto Recycling Center.
	Jul.	Recycling plants greet their 100,000th visitor.
1999	Aug.	Automatic material-sorting system installed at Fukuyama Recycling Center.
	Apr.	Three main plants (Kasaoka Plant, Fukuyama Plant, Fukuyama Recycling Center) receive ISO 14001 certification.
2000	May	Eco Tray registered as a trademark in category #20 (No. 4387266).
	Oct.	Recycling centers renamed "recycling plants."
	Nov.	Kanto Recycling Plant No. 1 goes into operation. Former plant renamed Kanto Recycling Plant No. 2.
2001	May	Tokai Recycling Plant (former Numazu Recycling Center) closed.
	Sept.	New specialized recycling line for transparent containers installed in Fukuyama Recycling Plant.
2003	Feb.	Kanto Recycling Plant No. 1 receives ISO 14001 certification.
	Mar.	Eco Trays recognized as Eco Products 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 recycled resources by Miyagi Prefecture.
2004	Nov.	Recycling plants receive their 200,000th visitor.
	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).
	Apr.	CO ₂ Management Committee established.
	May	Eco Tray registered as a trademark in category #40 (No. 4864115).
2005	Nov.	Kasaoka Plant receives ISO 9001 certification.
	Mar.	Kanto Shimodate Plant receives ISO 9001 certification.
2006	Mar.	Kinki Kameoka Plant receives ISO 9001 certification.
	Apr.	Five-year Environmental Operation Plan commences.
2007	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 Sorting System put into operation for transparent containers.
	Aug.	Ibaraki Sorting Plant commences operations.
2008	Oct.	Nishimiya Sorting Plant and Gifu Sorting Plant commence operations.
	Jan.	Fukuyama Sorting Plant commences operations.
2009	Jan.	Kanazawa Tray Recycling, Co., commences operations.
	Aug.	Saga Sorting Plant begins operations
	Sept.	New washing line introduced at Fukuyama Recycling Plant.

2010	Apr.	Tokai Sorting Plant commences operations.
	Aug.	A new washing line introduced at the Kansai Recycling Plant.
	Sept.	Kyushu Sorting Plant begins operations.
2010	Oct.	Recycling plants receive their 300,000th visitor.
	Oct.	Yamagata Sorting Plant commences operations.
	Oct.	Hokkaido Sorting Plant commences operations.
	Dec.	Chubu Recycling Plant commences operations.
	Dec.	Chubu PET Recycling Plant commences operations.

Environmental regulation and food safety

1990	Aug.	The Intergovernmental Panel on Climate Change (IPCC) issues warnings about global warming.
1991	Oct.	The Law for the Promotion of Effective Utilization of Resources (commonly known as "The Recycling Law") is enacted.
1992	Jun.	First Earth Summit takes place in Rio de Janeiro.
1993	Feb.	The United Nations launches the Commission on Sustainable Development.
	Nov.	The Basic Environment Law is enacted.
1995	Jul.	The Product Liability Law (PL Law) is enacted.
1997	Apr.	The Containers and Packaging Recycling Law is enacted (plastic bottles, glass).
	Dec.	COP 3 (Third Conference of the Parties to the UN Framework Convention Climate Change) is held in Kyoto, and the Kyoto Protocol is adopted.
1999	Jul.	In the Containers and Packaging Recycling Law (Official Gazette, Extra Publication No. 143), our recycling and Tray-to-Tray remanufacturing system are explicitly mentioned.
	Jan.	The Law Concerning Special Measures against Dioxins is enacted.
2000	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	Apr.	The Law on Promoting Green Purchasing is enacted.
	Apr.	The Home Appliance Recycling Law is enacted.
	May	The Food Recycling Law is enacted.
2002	Sept.	Outbreak of Bovine Spongiform Encephalopathy (BSE, or "mad cow disease")
	Apr.	The PRTR Law is enacted. The Construction Materials Recycling Act is enacted.
2003	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.
2004	Jul.	The Cabinet establishes the Food Safety Commission in conjunction with the enactment of the Food Safety Basic Law.
	Jan.	Outbreak of "Bird Flu"
2005	Jan.	The End-of-Life Vehicle Recycling Law is enacted.
	Feb.	The Kyoto Protocol comes into effect.
2006	Apr.	The Revised Law Regarding the Rationalization of Energy Use is enacted.
	Apr.	The Revised Law Concerning the Promotion of the Measures to Cope with Global Warming is enacted.
2007	Apr.	The Revised Containers and Packaging Recycling Law is enacted.
	Dec.	"Revised Food Recycling Method" enforced.
2008	Jan.	Chinese-made frozen gyoza poisoning scandal
	Jul.	G8 Hokkaido Toyako summit Formulation of Action Plan for Achieving a Low-carbon Society.
2009	May	Start of trial project to calculate and display carbon footprints.
	Jun.	WHO declares a global pandemic of a new strain of influenza.
	Sept.	Prime Minister Yukio Hatoyama declares a target of cutting greenhouse gas emissions by 25% by 2020.
2010	Dec.	15th COP climate change conference
	Mar.	A bill for a basic law to tackle global warming is submitted to the Diet.
	Apr.	Revised Energy Saving Law and revised Act on Promotion of Global Warming Countermeasures passed.
	Nov.	ISO 26000 is issued. COP 16 "The 16th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change"

We would like to express our heartfelt sympathy to those who were affected by the Great East Japan Earthquake and our deepest condolences to the victims and their families. We hope for the earliest possible recovery in the area stricken by disaster. In order to be of service to the recovery in the disaster-stricken area and to assist the people who were affected by the disaster, we have provided the following.

- Donation of 15 million yen (via Keidanren)
- Donation of 3 million yen (via Fukuyama City Hall) from the FPCO Friendship Society (informal employee group)
- Everyday relief supplies, including 250,000 food containers and food trays

In the future, we will continue to investigate how the FP Corporation Group can provide assistance.

Editorial Postscript

An unprecedented earthquake and subsequent tsunami hit the Tohoku and Kanto regions on March 11, 2011. Confronted with the largest disaster in the postwar period, we were reminded of how helpless we human beings are. Even now, in late March, as I am writing these words, many people are forced to live in privation in the disaster-stricken areas. To the best of our ability, we have extended a helping hand to the people who have been victimized by the disaster, donating funds and providing containers for meals at the emergency shelters.

This disaster has taken much from us, but, at the same time, we have also learned many lessons. Due to the nuclear accident, there are planned power outages in the Kanto region and some among the young generation have probably had their first taste of the discomfort of life without the essential utilities. When the things we have taken for granted are no longer there, we once again embrace a sense of gratitude for the simple reason that we are still alive.

Not a day goes by when we do not hope for the earliest possible recovery for the people affected by the disaster.

June 2011
Kazunori Matsuo
Environmental Management Dept

Thank you very much for reading the *CSR Report 2011* to the end. We would like to draw on your opinions for continuous improvements in the future. Therefore, we would appreciate your cooperation with the questionnaire appended to this report.

CSR Report 2011

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CSR Report 2011

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



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