CSR Report 2013

Environmental and Social Action Report

FP CORPORATION


エコトレーの
エフピコ

New Technology, New Age, New Vision

One year after celebrating the 50th anniversary of its foundation, FP Corporation has made a fresh start toward a new age. In the past, we purchased raw materials and formed them into containers. After many years of R&D efforts, we have successfully created an original material that considerably improves the functions of food containers.

Called biaxially oriented PET (OPET), this material improves the different features of food containers, as it is stretched in two directions—namely, longitudinally and laterally.
These features include heat resistance, strength, and a lighter weight in addition to the innate features of the material, such as its transparency, oil resistance, and acid resistance. The lighter weight reduces the environmental impact. The development of biaxially oriented PET (OPET) products has tremendous potential for our business.

This new step will take both Japanese and global culinary culture into a new age, and enable a vision previously unimagined.

Discussion 1

A New Vision of a Next-Generation FP Corporation

Led by Chairman Yasuhiro Komatsu, FP Corporation has made remarkable strides over its half a century. Now in the 51st year of our business, we are working toward further development without failing to make progress. This has always been the vision that motivates us and drives our development. Our chairman talked about the vision we should have for the next generation together with mid-level staff members, who are expected to play a central role in the company in the future.

Have the perspective of a manager.

Komatsu I have said many times that you must not just be a group of salaried workers. It is pointless to not attempt anything and simply do what you are told to do. That doesn't help the company grow. It doesn't give you job satisfaction. I hope that our employees are always ready to have the courage to try.

Egi It was tough until our current mainstay product, Multi FP, got on track for solid sales. It was really a challenge for us, the sales team, as we were in direct contact with customers. A good product doesn't always sell immediately. We needed patience, or a kind of persistence.

Matsuoka At first, I was concerned about the enormous amount of stock we had. You can't do business just by being eager to sell, but you won't sell anything without retaining that enthusiasm. Many items that have a slow start eventually tend to turn into big sellers.

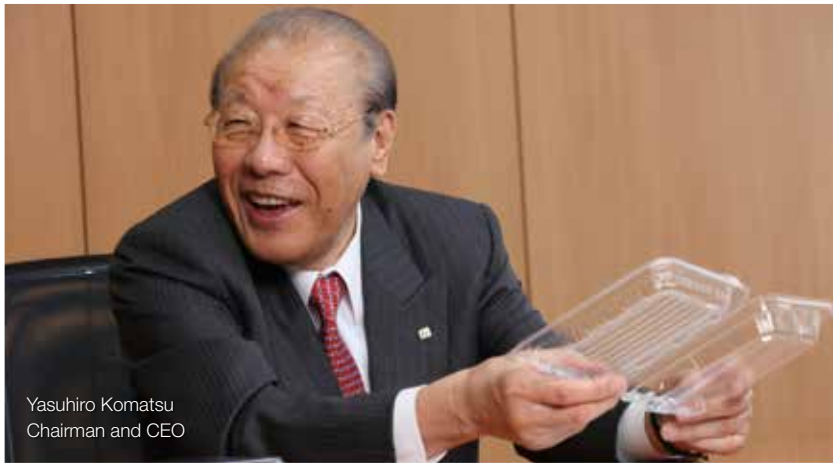
Komatsu I hope you understand the joy of selling something new that didn't exist before. That doesn't mean to sell it aggressively. We should be selling a product because it will benefit our customers in the end. What I will tell you is not to engage in "safe" business by simply seeking short-term results or by gauging customers' moods. This is what I mean when I say you shouldn't just be a group of salaried workers.

Yokoyama Originally, developing Multi FP was another major challenge. As in the development of OPET, the goal basically lay in how to put into tangible form our ideas for satisfying the needs of consumers as our customers and end users. Which was to broaden the array of microwavable products.

Maeda To explain its advantages, we would say, for


Junji Matsuoka
Director and General Manager,
Administrative Department
FP Trading Co., Ltd.


Kazunori Yokoyama
General Manager, Product
Development Planning Department


Yasuhiro Komatsu
Chairman and CEO


Hiroki Egi
Chief Manager, Sales Section 2, Tokyo
Sales Department 1


Tomoshi Maeda
General Manager, Sales Information
and Store Sales Department &
Marketing Section 1

example, that both the food and its container could be put into a microwave oven for heating and the handles won't be hot when the container is taken out, but customers didn't understand this at first. In the beginning, polypropylene covers had poor transparency. Of course, these were gradually improved.

Yokoyama It took us a year to make Multi FP into a fully marketable product. While we are undergoing a process of trial and error, our customers may not remain patient. So, persistence and patience are needed, at least on our part. Nothing will ever get done unless we work with an attitude of developing a product together. Multi FP will continue to grow.

Komatsu It takes several years to develop a new material, and another few years to successfully get sales on track. Meanwhile, the market is changing. So we have to anticipate what the future holds. We must always take action with a far-sighted perspective. Once we put an idea into action, we must follow through.

Endeavor to develop your ability to make proposals.

Komatsu It is vital to make successive proposals. You should understand what your customers want and offer proposals for providing it. Further, you need to be capable of making proposals to let your customers know things they might be unaware of as well as about ways of dealing with matters they are aware of.

Egi Regarding the array of products that have incorporated our new technologies, we can offer suggestions from different perspectives. Apart from asserting that these products are easy to handle after microwaving, as they don't get hot, we could also say, for

example, that because they are lighter, they help reduce the compulsory cost burden under the Containers and Packaging Recycling Act. Or that due to their low stack height design based on forming technologies, they help reduce space for goods in inventory.

Maeda It's not surprising that we take our customers' wishes into consideration in our product development.

Yokoyama We have good communication between our different divisions, including sales, production, distribution, etc., for sharing information. This allows us to create products that meet customers' needs.

Komatsu Our company is also unique in that it has its own distribution function. This gives us a significant advantage. I would advise you to always consider how to provide this advantage to customers.

Matsuoka To increase sales, it is essential to keep our stock at an appropriate level. For this purpose, we are building a new system. We are working to improve our ability to offer other companies' packaging materials by entering information on them, along with our products, into a database to enable people to see them. Providing a proper product lineup will help us establish a distribution network for the timely delivery of our products and other companies' products whenever our customers want them.

Egi It is definitely to our advantage that we can propose products in combination with our distribution services, instead of just proposing products alone. At the moment, we are proposing test marketing to a major chain of convenience stores. After its adoption is finalized, the mobility of our private distribution function that covers the whole country may induce more proposals. If its adoption spreads, customers' needs will increase, and we will offer new proposals to meet them. Thus, a positive cycle will be created.

Dreams are not to be dreamed, but to be realized.

Komatsu One of our recent proposals suggested containers for sashimi that require no garnish. At first, no one took it seriously, but through trial and error we made some modifications and are now confidently proposing it to our customers. An idea that might sound idealistic is worth a try if there is a demand for it in the marketplace.

Yokoyama After we closely explore the functions expected from food containers and turn them into numerical form to verify improvements, we can do what seemed to be impossible in the past.

Maeda Container functions can be changed radically just by using them longitudinally, not laterally, as in the past, or by increasing or decreasing the partitions.

Matsuoka FP Trading is also working to meet the ideal for supermarkets and other customers. One example is to pack and deliver the appropriate amount of containers and packaging materials necessary for sales on a particular day. That would be very nice for our customers.

Egi So, dreams are not to be dreamed, but to be realized.

Komatsu Just doing what you are told to do won't create anything and won't be fun. The point is to come up with an idea of a product or a service which you think would be great if it existed. You can't do this without going to where our products are used. There, you will definitely see what would be beneficial for customers.

Yokoyama Our upcoming products are already in the development phase. We are already thinking about our next products. Our company should be in constant motion like this.

Maeda Coming up with an idea is the first step toward realizing a dream.

CONTENTS

Editorial Guidelines

This CSR Report 2013 is a summary of FP Corporation's environmental and social activities from April 2012 to March 2013. 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 (FY2012 edition) was used as a reference in preparing this report.
- Time period covered: April 1, 2012 to March 31, 2013
- Range of coverage: FP Corporation and the FP Corporation Group

Company Outline

OUTLINE

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

Entering its 51st year of operation in 2013, FP Corporation has made a fresh start. Based on our experience over the past half century, we aim to achieve high-quality growth over the next fifty years. Our basic policy is to help create a rich culinary culture through food container production. We aspire to be a company that is increasingly connected to society through more profound activities for conserving the global environment and employing people with disabilities.

★Headquarters
Headquarters: (Fukuyama-shi, Hiroshima)
Tokyo Headquarters: (Shinjuku-ku, Tokyo)

○Sales Operation Bases
Osaka Branch (Osaka-shi, Osaka)
Sapporo Sales Office (Sapporo-shi, Hokkaido)
Sendai Sales Office (Sendai-shi, Miyagi)
Niigata Sales Office (Niigata-shi, Niigata)
Shizuoka Sales Office (Shizuoka-shi, Shizuoka)
Hokuriku Sales Office (Kanazawa-shi, Ishikawa)
Nagoya Sales Office (Nagoya-shi, Aichi)
Hiroshima Sales Office (Hiroshima-shi, Hiroshima)
Shikoku Sales Office (Takamatsu-shi, Kagawa)
Fukuoka Sales Office (Fukuoka-shi, Fukuoka)

○Production Plants
Hokkaido Plant (Ishikari-shi, Hokkaido)
Yamagata Plant (Sagae-shi, Yamagata)
Kanto Plant (Yachiyo-machi, Ibaraki)
Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki)
Chikusei Plant (Chikusei-shi, Ibaraki)
Kanto Yachiyo Plant (Yachiyo-machi, 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)
Kagoshima Plant (Kagoshima-shi, Kagoshima)

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

“The first character, “F,” in the company name comes from Fukuyama. Everything began here at Fukuyama, and we now have bases all over Japan.”

Miki Takeuchi
Personnel Section,
Personnel Department

Hironari Tanda
Production Control Section 2
Production Control
Department

Mai Kusumi
Personnel Section,
Personnel Department

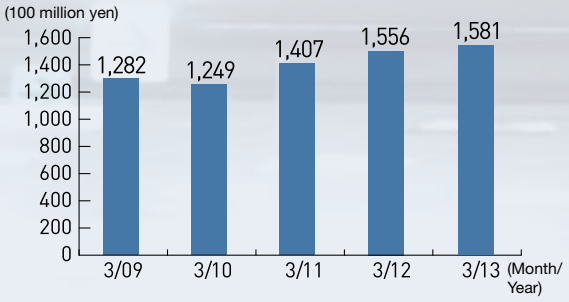
Recycling Sorting Plants
Hokkaido Sorting Plant (Ishikari-shi, Hokkaido)
Yamagata Sorting Plant (Sagae-shi, Yamagata)
Kanto Sorting Plant (Yachiyo-machi, Ibaraki)
Tokai Sorting Plant (Nagaizumi-cho, Shizuoka)
Kanazawa Sorting Plant (Kanazawa-shi, Ishikawa)
Chubu Sorting Plant (Wanouchi-cho, Gifu)
Nishinomiya 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)
Tokai Distribution Center (Nagaizumi-cho, Shizuoka)
Chubu Distribution Center (Wanouchi-cho, Gifu)
Fukuyama Distribution Center (Fukuyama-shi, Hiroshima)
Kyushu Distribution Center (Yoshinogari-cho, Saga)

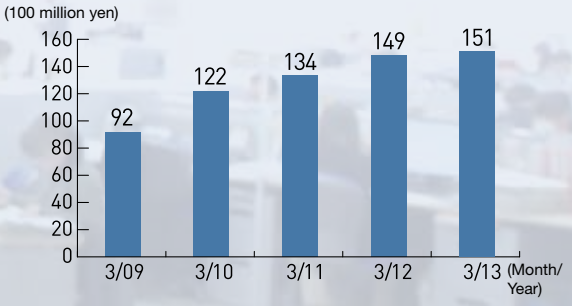
Small-Lot Distribution Centers
Hokkaido Picking Center (Ishikari-shi, Hokkaido)
Tohoku Picking Center (Ohira-mura, Miyagi)
Kanto Picking Center (Yachiyo-machi, Ibaraki)
Ibaraki Picking Center (Yachiyo-machi, Ibaraki)
West Kanto Picking Center (Machida-shi, Tokyo)
Tokyo Picking Center (Koto-ku, Tokyo)
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)

Main Management Benchmarks

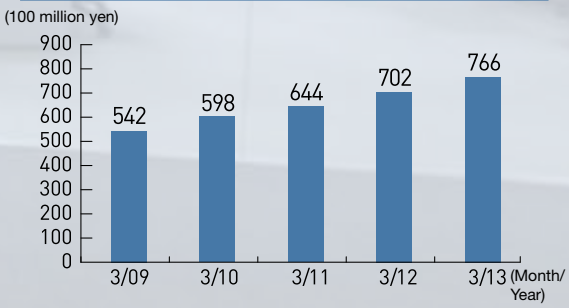
Sales (consolidated)



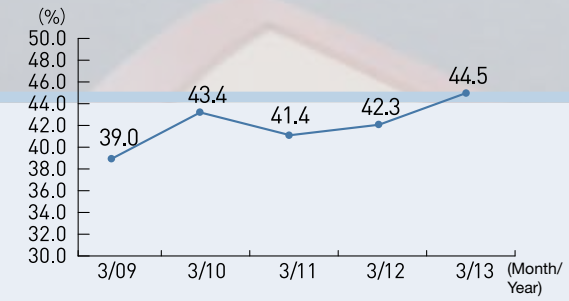
Current profits (consolidated)



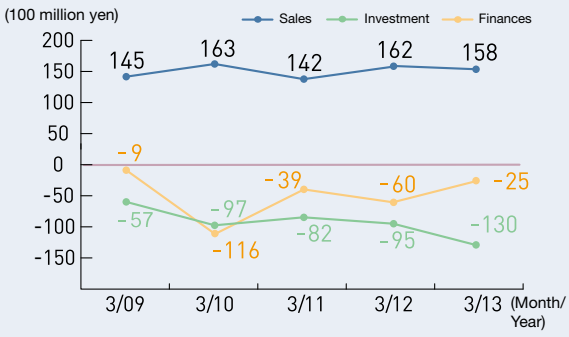
Net assets (consolidated)



Equity ratio (consolidated)



Cash flow (consolidated)



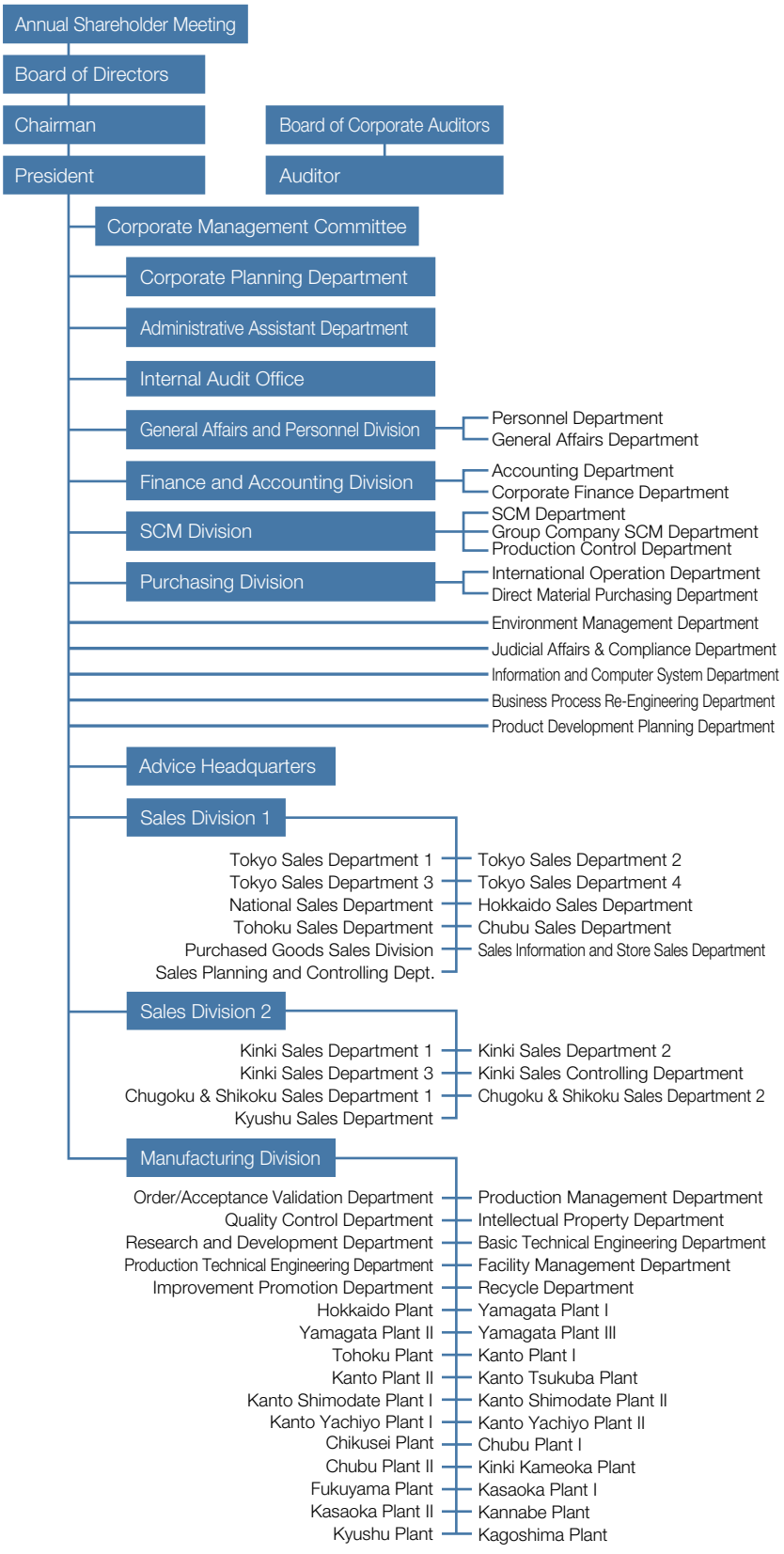
❑ Company Profile

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:	712 (FP Corporation Group: 3,977)
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

Introducing the Organization and Group Companies

❑ Company Organization and Group Companies

* As of April 1, 2013



Group Companies Supporting FP Corporation

■ Manufacturing

- FPCO Hokkaido 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 Chikusei Co.
- FPCO Nango Co., Ltd.
- FPCO Sagae Co.
- Ducks Co.
- Ducks Shikoku Co.
- Ducks Saga Co.
- FPCO Ai Pack Co.
- Ibaraki Pigeon Recycle Co.
- FPCO Nippon Pearl Co.
- FPCO ALRight Co. Ltd.
- FP Chupa Corporation
- Minami-Kyushu Dia Foods Co., Ltd.

■ Distribution

- FP Logistics Corporation
- I-Logic Co., Ltd.
- FPCO East Logi Co., Ltd.
- FPCO West Logi Co., Ltd.

■ Sales / Others

- FP Trading Co., Ltd.
- FPCO Modern Pack Co., Ltd.
- FPCO International Package Co., Ltd.
- FPCO Dia Foods Co., Ltd.
- FPCO Ishida Co., Ltd.
- Cook Lab Co., Ltd.

Product Range:
FP Corporation Group products that support Japanese culinary culture

FP Corporation Group products cater to the wide range of culinary needs of our customers, including containers for pre-cooked foods, small portion items, and soup and other liquids, as well as lunch boxes.

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 consumers 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. They are made of a material that prevents the containers from becoming too hot to hold.

Eggs

FP Corporation also manufactures transparent egg cartons. Since the packaging is recyclable, we would appreciate your cooperation.

Paper containers

These lidded containers for packed lunches and takeout food are made out of paper. They can be used for different kinds of dining situations; for example, for enjoying meals in a Japanese-style atmosphere.

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 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.

Confectionery

These containers are used for Japanese confectionery 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 leak prevention 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.

Film products

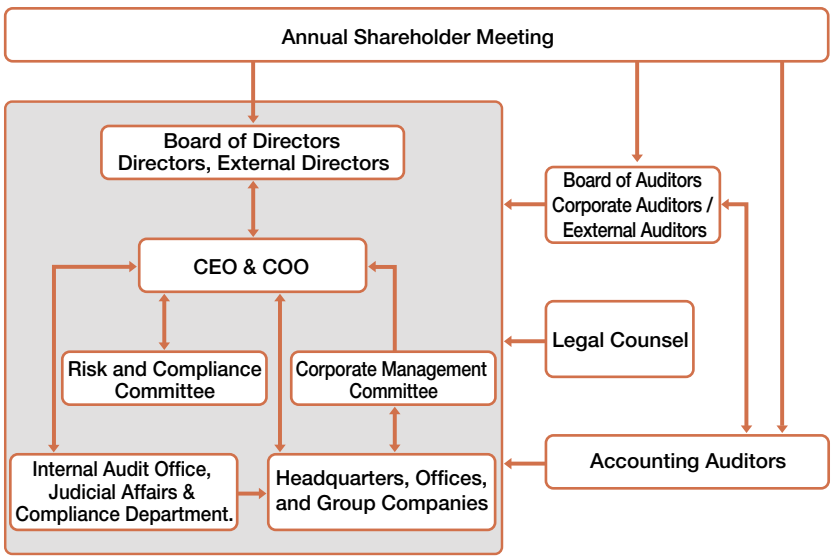
We also supply wrapping film for vegetables, fruit, fresh flowers, and many other uses. Consumers appreciate this for its convenience, because they can see the freshness of the product and can wrap products of any shape.

Management Efforts

MANAGEMENT

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

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 shareholders and investors, consumers and customers, 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.



Yuto Takashima
Chief
Corporate Planning Department

Our Tokyo Headquarters is located on the 36th floor of a skyscraper in Nishi Shinjuku. Its main office area covers the entire floor without barriers, to allow a great deal of visibility.

TOPICS 50th Anniversary Celebrations

Our 50th anniversary celebrations took place in Fukuyama on July 24 and in Tokyo on September 25. These two events were attended by a total of over 800 participants. Yasuhiro Komatsu, the founder and chairman of the company, gave a thank-you speech for 50 years of support and explained his future vision, which was followed by the presentation of a bouquet of flowers to his wife, who has consistently supported the company and its chairman. All proceedings took place in a grand atmosphere. A toast was proposed in Fukuyama by Mr. Kiyomi Ueda, chairman of the FPCO TOP Alliance of West Japan and president of Ueda Housoukigyou Co., Ltd., and in Tokyo by Mr. Keizo Ono, president of Sekisui Plastics Co., Ltd. To conclude the celebration, FP Corporation's president and COO, Morimasa Sato, quoted part of the chairman's comment regarding business management: "It is important to be rather patient during good times and to continually visit customers to gather information."

TOPICS Osaka Branch Moving into the Dai Building Main Tower

In May 2013, our Osaka Branch moved into the Dai Building Main Tower, which serves as a base in Osaka for the FP Corporation Group. Located at Nakanoshima 3-chome, Kita-ku, Osaka, it is a one-minute walk through an underground passage from Watanabebashi Station on the Keihan Nakanoshima Line, and a six-minute walk through another underground passage from Higobashi Station on the Yotsubashi Subway Line. Also close to JR Osaka Station, this high-rise building, which has two basements and 22 aboveground floors, is located in the heart of Osaka. Our Osaka Branch takes up the entire 22nd floor, which is the top floor of the building, along with other three group companies—namely, FP Trading, FPCO International Packaging, and FPCO Modern Pack—and constitutes our foothold in the Kansai region. Sharing office space with other group firms is designed to reduce office infrastructure maintenance costs and improve operational efficiency. As in our Tokyo Headquarters, the Osaka Branch is equipped with a kitchen studio in an effort to improve sales activities in the Kansai region.

Toshihiko Tsukuda
Senior Manager
Corporate Planning Department

❑ Corporate Governance

The term "corporate governance" may sound rather oppressive, but at FP Corporation it is like the air felt by all the company's personnel. In our office, there are no partitions. Meeting rooms have glass walls. This is part of our efforts to ensure transparency in a tangible form.

Compliance and Risk Management

❑ 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.

On October 19 and 20, a two-day workshop was held in preparation for the managerial candidate qualification test. An outside expert spent half of the workshop giving a talk on compliance. The test assesses the level of comprehension regarding work rules and other internal rules, as well as business compliance. No personnel are assigned to responsible managerial positions without fully understanding compliance.

FP Corporation Action Charter

The officers and employees of FP Corporation Group 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.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.

❑ Risk Management

Businesses face many different kinds of risks. These include risks to equipment and facilities due to accidents and failures, multifaceted risks pertaining to natural disasters, and risks caused by malicious outsiders. FP Corporation implements a wide variety of countermeasures against these, as explained below.

Our plants and offices are always equipped with helmets and first-aid kits in preparation for unexpected situations.

Our high-traffic major plants and distribution centers feature entrance/exit controls for all vehicles and persons. Registered vehicles are automatically allowed to enter and leave the premises.

We have a monthly publication, *Ro-An Tsushin* [Work Safety News] that shares information on work safety.

16.1% of employees at the FP Corporation Group have disabilities. We are fully prepared for disasters, and pay the utmost attention to ensuring the safety of our employees. For example, managers in all the locations for our special subsidiary companies are qualified disaster prevention experts. The photo above shows one of our surprise evacuation drills that take place every month.

After repeating these drills, trainees learn to spontaneously take action in case of an emergency.

Morimasa Sato
President and COO

President's Message

Solidarity drives FP Corporation

FP Corporation staff share information with each other and work together beyond their sectional boundaries. This creates a solidarity that supports the company and gives us solid corporate strength. Our president, Morimasa Sato, explains how this solidarity was established and the effect it has had.

1 Transparency

I believe that our solidarity comes from the transparency of our corporate management. We focus our energy on making clear who does what, when, and how, and making sure that all our personnel see one another's operations. The term "sectionalism" is used to describe rigid organizations. This is very effective in straightforwardly and rapidly disseminating information from the top to the bottom of an organization. However, it has a drawback. Personnel don't understand what happens outside their department or section.

Suppose the production team didn't know how many of the products it produced were being held in stock by the distribution team and wasn't interested in how its products were sold. Then the production team would only consider its own convenience in its production activities. It would strive to improve efficiency, but this efficiency would only mean efficiency in its operations and would have nothing to do with what that meant to the other teams.

Yet once teams open their doors so they can see each other's operations, something unexpected is discovered. After it finds out about the stock amounts, the production team will realize that it needs to create a production schedule as a result. After considering matters from the standpoint of the sales team, that might change the production of small volume packaging.

I often tell you to consider things from the standpoint of other teams or users. If you still have no idea after doing this,

At the Tokyo Headquarters, all staff members, including the president, work on one floor without partitions

you should ask the members of other teams. If you don't know what's going on with your neighbors, open your door and visit them to ask them. Transparency doesn't just mean "openness." It also means working to remove obscurity. I hope that all staff members will make this effort.

2 Fairness

The next point to consider is fairness in our numerical figures. We have plants and distribution centers scattered around the country, as well as sales offices. The more transparent our sales and manufacturing teams are, the more visible other sections will be within these teams as opposed to other teams.

What if you find inequalities between your section and another? Can our organization have solidarity if it has inequalities? This is the risk that comes from transparency. When you can see others and vice versa, things you don't want to reveal will be uncovered.

To ensure fairness, we quantify and visualize performance. I have talked about transparency. Its objective is to improve relationships with other people. However, before you can achieve transparency, it's necessary to visualize the performance of individual personnel in accordance with certain impartial rules.

Suppose, for example, that Plant A improved the productivity of a relatively old forming machine by trying out various ideas, while Plant B easily achieved the same level of productivity using the latest forming machine. A sense of unfairness would arise if the performance of the two plants were evaluated based on productivity alone. Plant A's productivity must be modified according to its machinery. Also, the degree of accuracy in the figure used for this modification should be increased through studies from various perspectives. It is quite difficult to provide impartial numerical figures that will satisfy everyone. So it is vital to improve the degree of accuracy.

Next, take salespeople as another example. Suppose salespersons A and B achieved similar gross margins in their sales activities. That might sound as if they deserve the same marks, but there was a difference in the delivery conditions. If deliveries to A's customers are much more costly, you can't ensure fairness unless they are evaluated by net profit, which is calculated by subtracting logistical and other expenses from gross profits. However, it is very difficult to separate out the logistical costs individual businesses incur. You must increase the reliability of the visualized numerical figures that reflect the efforts of individual workers and the resulting evaluation by improving the accuracy of the division formula, even although it may only calculate estimated values.

Transparency doesn't simply mean learning about others. You can create an environment that ensures that everyone is evaluated impartially by making yourself more transparent to others.

To establish supply chain management as the comprehensive result of efforts to quantify work performance, please see page 43 as well as some of the following pages.

3 Using Information Effectively

After quantifying and visualizing performance, the next important thing is to use the information effectively. The visualized information won't be of significant value unless it is used effectively.

The SCM Division is where we collect all the information on sales, production, and logistics, and try to optimize costs based on the collected information. The following story is about what happened about two years after the launch of the SCM Division. Every year, there is a large order for sushi containers for a major festival in Niigata, but at the time the sales team had not provided any special notice. The SCM Division staff found this strange, and contacted the relevant salesperson for confirmation. That reminded him that he forgot to report the order. As a result, the production team barely managed to produce the containers in time and avoided upsetting the customer. The stockout was avoided because the SCM Division understood all the information, including the sales forecast, the production plan, and the logistical plan in the form of numerical data. What made me happiest was the fact that the salesperson concerned was grateful to the SCM Division staff. Up till then, the SCM Division was simply the destination the salesperson had unilaterally submitted his sales forecast information to, but this time he realized that sharing and effectively using information could help others and himself. Continually helping each other leads to more accurate information and greater productivity, as well as closer human bonds in the group. The human relationships created as a result provide the solidarity that supports FP Corporation.

Three years ago, the sales team in Osaka took the initiative to plan a trip for staff members in Osaka and further west in Japan. This turned out to be a company trip with more than 200 participants. We had never had a bigger company trip that transcended divisional boundaries before. Last year, a similar company trip was planned for people in East Japan as well as West Japan. I welcome these events, which came about from heart-to-heart exchanges based on sharing information.

4 Honesty

I have talked about visualizing and quantifying performance, fairness, and information sharing. These may sound harsh and grim. Yet what is more important than these is honesty. Transparency and data sharing would be meaningless if you had no underlying pride in your company, products, or the team you worked with. Also, what if you made an error where your performance was visible to others? If you can't honestly discuss a problem or difficulty you are having in connection with your duties, sharing information will not help you sort it out. If you have a problem, it is necessary to honestly talk about it. I hope that you staff members will have an honest attitude like this.

And an honest attitude includes an attitude of behaving responsibly. As a company that manufactures and sells food containers as well as selling related materials and consumables, we have to fulfill certain responsibilities. These include our responsibility to our customers and our responsibility to society. I hope that all staff members in our group will maintain a spirit of fulfilling our responsibilities. A sense of responsibility will drive us to mutually help each other and work together.

FP Corporation employs many human resources with

An internal seminar for supermarkets and other customers (left); staff members in other departments listening to a lecture in the back of the venue (right)

In floor hockey, games are played between teams consisting of players with and without disabilities. In the FP Corporation Group, floor hockey events are held at seven different locations—namely, Yamagata, Ibaraki, Gifu, Fukuyama, Hiroshima, Kochi, and Saga.

"When people act with an honest mind and are proud to be part of the FP Corporation Group, they will feel solidarity with and compassion for one another."

disabilities. In a sense, employing people with disabilities helps us meet our corporate social responsibility, but more precisely, our staff members with disabilities are assigned to jobs that require hours of concentration and are therefore hard for non-disabled people. Therefore, we are working to establish floor hockey teams to increase mutual recognition and exchanges among group personnel. At FP Corporation, all these teams are mixed, consisting of players with and without disabilities. They compete in a nationwide tournament every year and are now showing excellent performance. I hope they will play one day in the Special Olympics World Games, a global sporting event for people with disabilities.

If we work to achieve clear transparency, fairness evident to anyone, proactively share and use information in a spirit of honesty and pride at being part of the FP Corporation Group, we will forge the solidarity with which we consider one another. We will develop the solidarity we boast into even greater strength.

Progress of FP Corporation Eco Action 50 (FPEA-50)

● FP Corporation Eco Action 50 : Toward building a sustainable society

In its new medium-term environmental management plan, titled FP Corporation Eco Action 50 (FPEA-50), the FP Corporation Group has established long-term CO_2 reduction targets, to be met in FY2020. The Manufacturing, Product, Logistics, Sales, and Office Working Groups will proactively engage in different initiatives, and the Group as a whole will work toward reducing CO_2 levels.

The FP Corporation Group's long-term CO_2 reduction targets

Regarding the FP Corporation Group's CO_2 emissions*

Reduce total CO_2 emissions by 20% by FY2020 (compared to FY2003)	Reduce CO_2 emission factors (by number of trays sold) by half (compared to FY2003)

* Total CO_2 emissions at all FP Corporation Group locations, including plants, distribution centers, and offices, subject to reporting under the revised Energy Conservation Law, and those involving the responsibilities of specified shippers in distribution

● Monitoring CO_2 emissions across the entire value chain

In addition to FP Corporation Group's efforts to reduce CO_2, we believe it is important to monitor and reduce CO_2 emissions throughout our entire value chain, including our raw material procurement, product disposal, and recycling. We make use of an approach of life cycle assessment and Scope 3 Standards of the Greenhouse Gas Protocol, using these as international guidelines to address this challenge in collaboration with different related companies. We also proactively participate in the Carbon Disclosure Project to evaluate our corporate disclosure and actions related to global warming. This will help us move ahead with visualizing our entire value chain and effectively reducing our environmental burden by conserving resources and recycling.

● Specific Actions of Individual Working Groups

In line with our long-term target for 2020, our working groups set their medium-term targets for FY2012 and have begun taking tangible actions. The following reports the status of our medium-term targets for the final year of FY2012. Due to current electric power supply/demand issues, among others, the Japanese government is about to revise its CO_2 reduction targets. We will define and announce our next medium-term targets at the appropriate time in view of external conditions.

○: Achieved (100% or more) △: Not achieved (Between 90% and 99%) ×: Not achieved (Less than 90%)

WG	Item	Reference fiscal year	FY2012 target	FY2012 achievements	Rating
Product Working Group	Reducing container weights(per tray)	FY2007	Reduce by 8%.	We achieved a 9.2% reduction through our continual research efforts for ribs to help increase the strength of our containers and in our specification downgrades for weight reduction.	○
	Visualizing the environmental burden		Create a prior LCA evaluation system for all new products. Prepare for a carbon footprint program	Every June, we ask our suppliers to provide their CO_2 information. Approximately 40 companies responded using the basic form. We created a system to collect CO_2 information every year pertaining to our main materials.	○
	Green purchasing		Evaluate all suppliers according to the guidelines.	We created a system to survey and evaluate suppliers every fiscal year.	○
Manufacturing Working Group	Power consumption per unit production volume	FY2007	Reduce by 12%	We achieved a 12% reduction by improving the efficiency of our thermoforming section and by introducing energy-efficient equipment.	○
	Zero emissions (final disposal rate)		Less than 1%	0.59% - We achieved this rate by collaborating with waste disposal operators.	○
	Control structure		Establish environmental management systems at all production bases.	We established information links at consolidated company plants and contractors. A group-wide system was created to determine environmental burdens.	○
Logistics Working Group	Control structure	FY2008	Create a CO_2 management system covering the entire scope of shippers' responsibilities.	We built a system to determine the environmental burdens of a range of our shippers' responsibilities.	○
	Total CO_2 emissions		Reduce by 0.2%	We achieved a 12.6% increase. Despite working toward the ambitious target of cutting the total amount of CO_2 emissions, we could not reach this target after we increased the amount of goods we handle by 20%.	×
Sales Working Group	Ratio of Eco Trays to multipurpose products	FY2007	70%	72% Effective sales activities helped achieve a high rate and increased awareness of Eco Trays.	○
	Number of transparent container collection points and collection volume		5,000 stores	3,930 stores Our number of stores steadily increased after we launched a transparent container collection, but we didn't reach our target figure.	×
			1,500 tons	1,520 tons We made progress together with stores in raising awareness among consumers.	○
	Raising consumer awareness		Invite 300 companies on an inspection tour of recycling plants.	196 companies visited our recycling plants over the year. Despite the contribution of visits to our PET plastic bottle recycling plants, we did not reach the target number of corporate customers visiting the plants served by our sales team. However, the number of inspection tours organized by our customers has been increasing and these have proved to be effective.	×
Office Working Group	Reducing the environmental burden	FY2007	Reduce power consumption by 3% per floor area	Reduce by 11%	○
			Reduce CO_2 emissions from business vehicles by 20%	Reduce by 24%	○
			Reduce waste emissions by 5%.	Reduce by 1.5%	×
			Reduce paper consumption by 5%.	Reduce by 13%	○
			60% of green purchasing ratio	59%	△
	Raising employee awareness		Achieve visualization for managers and employees	We won a president's award for part of our initiatives to display and internally disclose the print counts of our multifunctional printers and for introducing electronic pay statements.	○

* In certain fiscal years in the past, our targets were revised on a specific year basis. However, for the final fiscal year, namely FY2012, our evaluation assesses our achievements against the initial targets.

[Final Year Evaluation of Achievements against the Medium-Term Targets for FY2012]

Our working groups each tried to reach the ambitious targets they had set according to their characteristics. On the whole, they roughly attained their individual targets. The Logistics Working Group adopted a challenging target of cutting the total amount of CO_2 emissions, but failed to reach this due to the huge growth in the overall quantity of goods it handled in line with our increased sales. However, it succeeded in cutting the CO_2 emissions per unit load by 7% from the reference year's level. Regarding the CO_2 emissions for the entire group, we are currently collecting and calculating the data. We will disclose this data as soon as it is available.

Environmental Efforts

ENVIRONMENT

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

Two years ago FP Corporation started recycling PET plastic bottles. Under the slogan "Bottle to Tray", we have been working to effectively use terrestrial resources by recycling the PET plastic bottles we have collected into food containers. Meanwhile, demand to recycle resources has been increasing within the community. In the current fiscal year, we established another recycling plant. To respond to social needs, we will step up our environmental actions.

"We accept applications for plant tours at all of our recycling plants. Our doors are always open to the public."

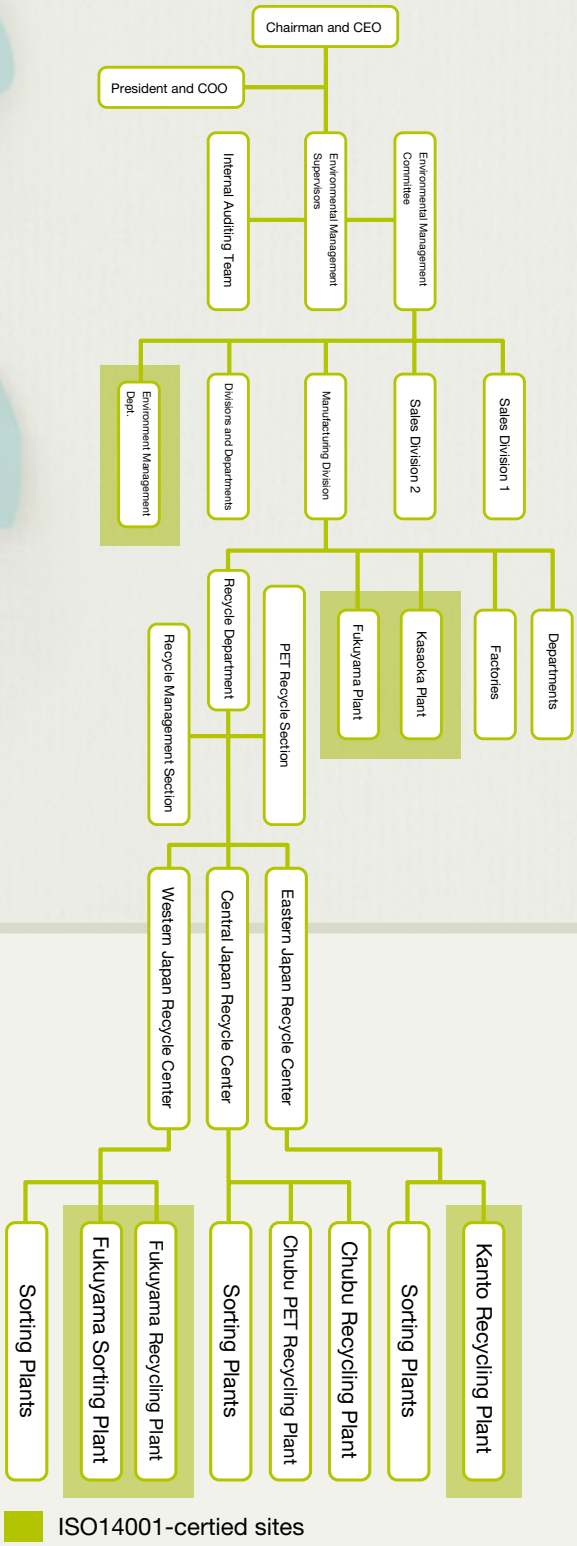
Eiji Togashi
General Manager
Environment Management
Department

Keiko Kokoroishi
Fukuyama Recycling Plant
Environment Management
Department

FP Corporation is working vigorously to boost publicity of its factory tours in hopes that as many people as possible will view its recycling practices.

❑ Environmental Management System

FP Corporation strives to reduce our environmental burden on a companywide basis. To ensure that its efforts are effective, and that they take root within the company's operations so that they may be carried out on an ongoing basis, we have created the Environmental Management Committee. By introducing an environmental management system, we continually perform companywide activities for constant improvement with respect to the environment.



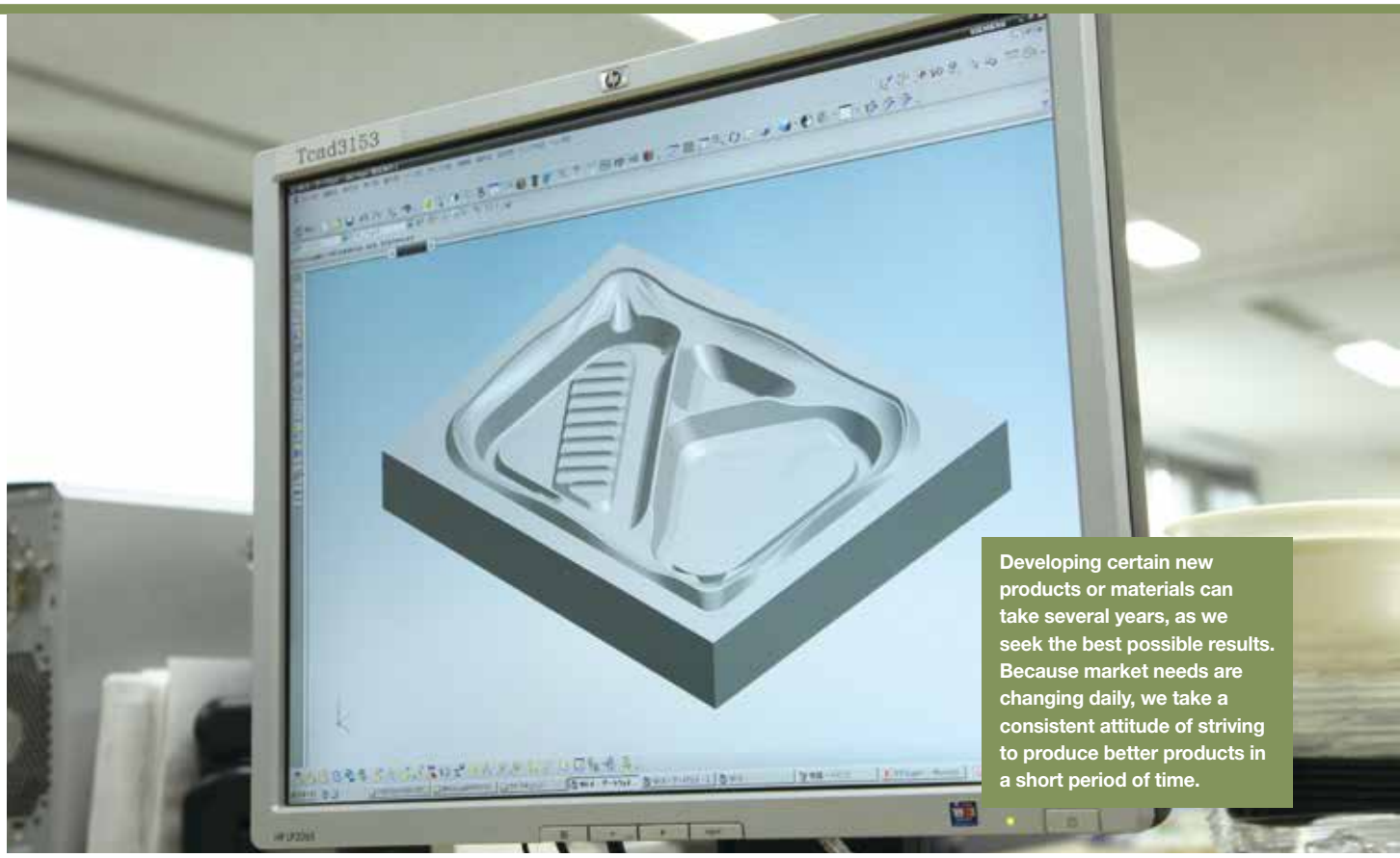
❑ Environmental Guidelines

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 CO_2 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, as well as 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.

Product Development Efforts



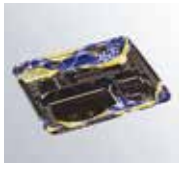
Developing certain new products or materials can take several years, as we seek the best possible results. Because market needs are changing daily, we take a consistent attitude of striving to produce better products in a short period of time.

❑ Conserving Resources through Technical Development

In an effort to reduce the consumption of resources, we have developed a wide variety of technologies. These include new materials that make it possible to reduce weight and wall thickness of products, foaming non-foaming materials to produce lighter products, and processing technologies to reduce weight. We provide products that have useful features for the customers that use them, namely retail stores, so they will select resource-efficient products.

1. Multi FP (MFP)

- Excellent heatresistance, coldresistance and insulating properties
  Heat tolerance: 110ºC (microwaveable)/
  Cold tolerance: minus 40ºC
- Pursuit of lightness
  Lightweight materials: Approximately 60% lighter than Polypropylene (PP) with talc filler



2. Multi SD (MSD)

- A non-foaming kind of Multi FP
  Exhibits a high level of heat and oil resistance
  Can withstand a temperature of 110 degrees C

3. New Histar (NHS)

- Excellent heat resistance and insulating properties
  Heat tolerance: 130ºC (microwaveable)
- Developed lightweight version by raising the expansion ratio
  Approximately 25% lighter than conventional Histar

4. Monoaxially oriented PET

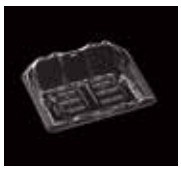
- Increased strength by stretching the sheet in one direction
- Increased strength and lighter weight
  Approximately 25% lighter than non-oriented PET

5. Biaxially oriented PET

- Increased strength and heat resistance by stretching the sheet lengthways and sideways in two directions
  Same degree of heat resistance as OPS
- Excellent resistance to oil, acid, and heat, and lighter in weight

6. Transparent PP

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



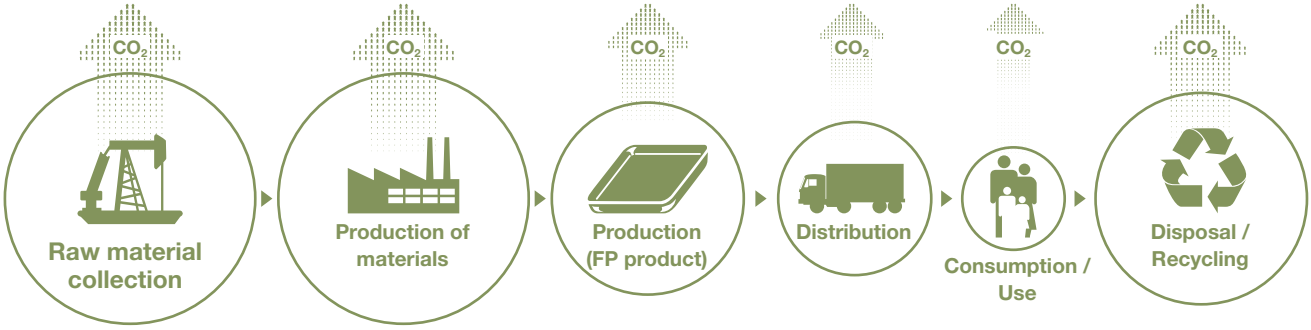
7. Eco APET

- Transparent containers and PET plastic bottles collected at supermarkets and elsewhere are recycled into transparent containers. These have a high degree of transparency and oil resistance.

❑ Visualizing the Life Cycle

Sections engaged in product development endeavor to visualize the environmental burden of individual products by calculating it using the life cycle assessment approach. This confirms that the process of creating container materials and discarding containers generates massive emissions over a product's entire life cycle. We are therefore working exhaustively to develop circular recycling. We are endeavoring to develop technologies that will allow us to produce products from a smaller amount of materials and to implement the green purchasing of raw materials.

Product Life Cycle



❑ Green Purchasing

"Green purchasing" is beneficially purchasing safe materials, parts, and products with low environmental burdens in an effort to conserve the global environment. To practice green purchasing, we have drawn up purchasing guidelines for reducing CO_2 emissions from the products we produce. These guidelines include provisions for preferentially purchasing from those materials manufacturers that consider the environment and for establishing ISO 14001 certification as a requirement.

Tetsuya Kobayashi
Production Planning Section 1
Research and Development Department

Kazushi Yadagida
Leader
Designing Section
Research and Development Department

❑ Reducing our environmental load by reducing the weight and wall thickness of our products

We are researching manufacturing methods that consume fewer resources while ensuring sufficient quality and functionality. As shown in the photographs, by increasing its expansion ratio, a tray's weight can be reduced without changing its shape and capacity. The Eco Tray is about 30% lighter than the trays we produced 20 years ago. To make them stronger, various shape and design improvements have been introduced to the trays that we produce in higher expansion ratios and to our transparent containers made of thin materials.

With the same shape and capacity, a tray can be made lighter by increasing its expansion ratio.

Factory Efforts

The Kanto Yachiyo Plant has introduced the latest utility monitoring system. It significantly reduces energy loss.

TOPICS Inauguration of the Kanto Yachiyo Plant

We built the Kanto Yachiyo Plant in Yachiyo-machi, Yuki-gun, Ibaraki Prefecture, along with the Kanto Hub Center and the Kanto Recycle Center. With a total site area of some 69,300 square meters, and an approximate building area of 10,570 square meters, this is one of our biggest plants. It is the world's first plant to mass-produce biaxially oriented PET (OPET) containers. It also holds production equipment for Foamed SP materials and our heat- and cold-resistant Multi FP foamed containers. As a region with enormous demand, by establishing a facility in the Kanto region to produce the main containers for the next generation, we have built a system to reliably supply products to our customers.

❑ Conserving Energy in Our Facilities through Visualization

All of our plants visualize their consumption of power, heat, water, air, and other utilities through numerous processes to determine whether there is any loss. By regularly measuring energy loads at multiple points and analyzing the data we obtain, we are striving to consume energy effectively.

❑ Conserving Energy in Our Operations through Productivity Enhancement

In tandem with increasing the efficiency of our equipment, we can save energy by improving worker productivity. Work efficiency and energy efficiency can both be improved by increasing productivity through working in a sensible and efficient manner. Therefore, we are continuing to implement our Product Development Project to solicit the ideas of plant workers across the country and put them into practice after discussion and verification, as well as Skills Training, which is FP Corporation's unique skills development program.

❑ Plant Quality Management

We have three plants—namely, Kasaoka, Kanto Shimodate, and Kinki Kameoka—that have received ISO 9001 certification for quality management. PDCA management produces the positive effects of clarifying responsibility and authority in our plants, standardizing operations, improving education and training, and improving production technologies.

Yoshinori Kobayashi
Thermoforming 1, Kanto Yachiyo Plant

Mai Nishioka
Thermoforming 2, Kanto Yachiyo Plant

Quality Goal and Quality Objectives (Kanto Shimodate Plant)

• Quality Goal

With the top priority of customer satisfaction, our goal is to manufacture products that are environmentally friendly and can be used safely and reliably.

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 regularly revise this goal in line with market changes and plant reforms to maintain its appropriateness.
5. In all our communications with employees, we will make sure this goal is understood and followed.

February 18, 2005 Masateru Miyoshi, Plant Manager
FP Corporation, Kanto Shimodate Plant

• Quality Objectives for FY2013

(1) In-line extrusion-thermoforming section
1. Reduce claims: 18 ppb or less
2. Increase operation rate: 87.18% or more, etc.

(2) Extrusion Section 1
1. Reduce claims: 0 ppb
2. Increase operation rate: 88.33% or more, etc.

(3) Extrusion Section 2
1. Reduce claims: 0 ppb
2. Increase operation rate: 90.19% or more, etc.

(4) Thermoforming Section 1
1. Reduce claims: 19 ppb or less
2. Increase operation rate: 85.89% or more, etc.

(5) Thermoforming Section 2
1. Reduce claims: 10 ppb or less
2. Increase operation rate: 89.62% or more, etc.

(6) Thermoforming Section 3
1. Reduce claims: 14 ppb or less
2. Increase operation rate: 81.09% or more, etc.

(7) Thermoforming Section 4
1. Reduce claims: 17 ppb or less
2. Increase operation rate: 88.00% or more, etc.

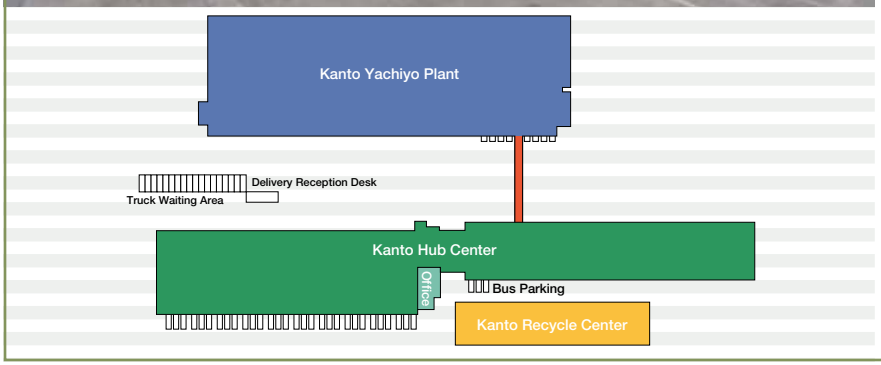
(8) Maintenance Section
1. Remediate and respond to claims attributable to equipment
2. Reduce equipment downtime and others

(9) Quality Control Section
1. Implement different quality checks
2. Organize four conferences a year for making zero-claims declarations

Distribution Efforts

A conveyor approximately 80 meters long connects the production plant and the warehouse. These are located next to each other, like the supermarket stock room and the sales area. In between, the products that have just been finished are transported very efficiently.

TOPICS Kanto Hub Center Expansion



In April 2012, our warehouse was expanded on the floor above the Kanto Yachiyo Plant. This building has a floor area of 4,500 tsubo and a storage capacity of around 102,500 cases. One of the purposes of the expansion was to streamline operations. A sorter conveyor and a pallet conveyor were placed in the central area of the warehouse to enable efficient cargo handling operations. Another feature of the conveyor is that it connects to the production plant. The conveyor, which is approximately 80 meters long, connects the newly built third floor of the Kanto Yachiyo Plant building with the Kanto Hub Center to remove the need for truck deliveries from the plant to the distribution center and the accompanying loading and unloading work. Greatly reducing the separation between the production and distribution functions resulted in a major improvement in efficiency and a reduction in environmental burden.

❑ FP Corporation's Distribution System

Our distribution system has two main features. One is our independent distribution system. We have our own distribution centers and picking centers, mainly operated by FP Logistics Corporation, which distribute our products with a reduced environmental burden in various aspects. By locating our distribution centers next to or very close to our production plants, we can immediately deliver our products to their destinations without losing time after they are produced. On their way back from these destinations, our trucks carry the used containers they have collected. This would not be possible without our independent distribution function.

The second feature of our distribution system is our central management system, which handles distribution based on supply chain management (SCM). It systematically assigns trucks to maximize efficiency and minimize traveling distance for all our distribution activities, including production, delivery, and the collection of used products. This system reduces the transportation distance for stock between warehouses and for dies for product manufacturing and helps significantly reduce CO_2 emissions.

●Independent Distribution System

Our distribution centers across the country very efficiently distribute our products with a low environmental burden.

● Small-Lot Distribution Centers

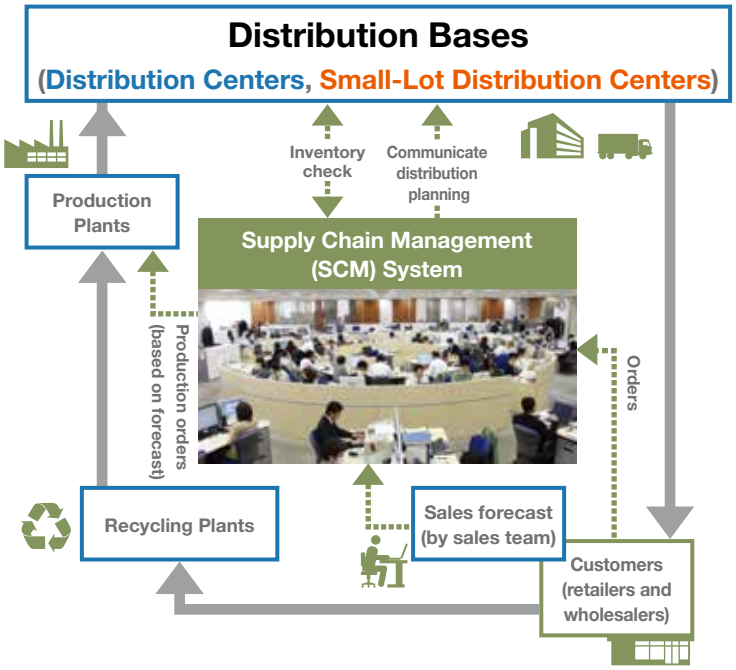
Hokkaido Picking Center (Ishikari-shi, Hokkaido)
Tohoku Picking Center (Ohira-mura, Miyagi)
Kanto Picking Center (Yachiyo-machi, Ibaraki)
Ibaraki Picking Center (Yachiyo-machi, Ibaraki)
West Kanto Picking Center (Machida-shi, Tokyo)
Tokyo Picking Center (Koto-ku, Tokyo)
Niigata Picking Center (Nagaoka-shi, 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)

● 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)
Tokai Distribution Center (Nagaizumi-cho, Shizuoka)
Chubu Distribution Center (Wanouchi-cho, Gifu)
Fukuyama Distribution Center (Fukuyama-shi, Hiroshima)
Kyushu Distribution Center (Yoshinogari-cho, Saga)

●Supply Chain Management

Supply Chain Management plays a central role in coordinating sales, production, and distribution plans to enable efficient distribution.



Ayaka Suzuki
Kanto Hub Center
FP Logistics Corporation

Wataru Ishii
Kanto Hub Center
FP Logistics Corporation

Sales Efforts

We aspire to create exciting Eco Stations, where visitors can get involved in environmental conservation activities and discover the joy of returning used containers.

❑ Promoting Eco Stations

We've given the name *Eco Station* to the collection areas in supermarkets and other stores where consumers return their used trays, containers, and PET plastic bottles. We plan to work together with stores to make various improvements to these and to create information booths in an effort to develop Eco Stations into centers that will allow the locals visiting these stores to engage in environmental activities.

❑ Supermarket Eco Tours

Nowadays, factory tours are recreational events for families. Supermarkets are organizing many different factory tours. Our recycling plants also make it fun to learn about environmental conservation. Seeing how a huge amount of used trays, containers, and PET plastic bottles are recycled at the plant after they are collected, consumers will be increasingly motivated to participate in collection activities.

❑ Increasing Sales of Environmentally Friendly Products – the Eco Tray and Eco APET

The Eco Tray is made of materials recycled from used trays, while the Eco APET is made of materials recycled from used transparent containers and PET plastic bottles. These have dual CO_2 reduction effects, as the used products are not discarded, but are recycled into materials. Our sales personnel are happy to promote these environmentally friendly recycled products to customers.

Office Workplace Efforts

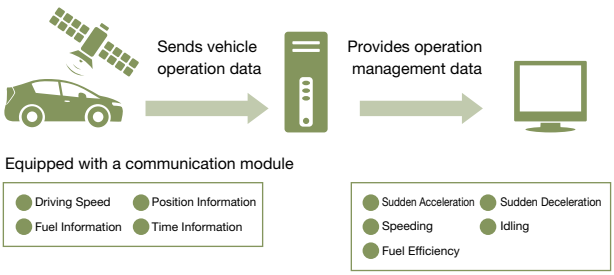
If the approximately 4,000 staff members working for the FP Corporation Group had sufficient knowledge of environmental conservation, it would have a huge ripple effect. Providing environmental education to our employees is among our key activities.

●Environmental Education

The FP Corporation Group is implementing the FP Corporation Eco Action 50 (FPEA-50) as an initiative to reduce environmental burdens at all group companies. Aside from our recycling efforts, this initiative is aimed at creating an Eco Value Chain, in which our development, manufacturing, logistics, sales, and office work groups work together to reduce the environmental load. Given that this couldn't be done without the cooperation of all our staff members, we invite outside lecturers and organize two environment-related workshops every year to increase people's understanding and awareness of environment-related information. Created in 2011 along with the Minister of the Environment, our Eco-First Commitment includes environmental education for employees.

●Eco Drive Monitoring System

This system remotely monitors those operations that consume more fuel than necessary, such as sudden accelerations and excessive braking. With this system, we plan to encourage safe and environmentally friendly driving.



●Promoting the introduction of low-pollutant vehicles

- ○1 electric vehicle
- ○104 hybrid vehicles
- ○140 low-emission vehicles
- ○12 subcompact and compact vehicles

* As of the end of March 2013

●Use of Videoconferencing

To cut our costs and CO_2 emissions, our headquarters, branches, sales, and group companies based in Japan are connected via a video conferencing network, so we can hold meetings without requiring business trips.

●Visualizing the environmental burden

Drawing diagrams of our monthly electric power consumption, monthly paper consumption, etc.

●Conserving electricity

Setting proper air-conditioning temperatures, managing lighting and air-conditioning for separate areas, etc.

●Reduce amount of paper used by going Paperless

Introducing electronic forms and slips to reduce paper consumption, printing on both sides of paper, etc.

“FPCO Method” Recycling

FP Corporation collects used trays to produce Eco Trays. This recycling system, which is unique to FP Corporation, is called “tray to tray.” Collecting used trays to reuse them as materials instead of disposing of them has a dual environmental effect: it recycles resources and reduces CO_2 emissions. To make this process work, complete cooperation is required by four different parties: consumers, retailers such as supermarkets, packaging wholesalers, and FP Corporation.

FP Corporation’s Quadripartite Integrated Recycling

Collection

Brought in by consumers, used trays are put into collection boxes at stores. This helps build closer ties between supermarkets and consumers.

Supermarkets, etc.

Collection and Recycling

On the return trip from delivering trays, used trays are collected. This method is unique to FP Corporation, as it delivers its own trays.

FP Corporation

Dinner table → **Sales** → **Distribution** → **Production**

Consumers

Washing & Drying

Customers are asked to separate styrofoam trays from other trays, and to wash and dry used trays.

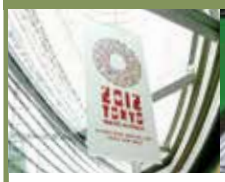
Packaging wholesalers

Collection

Packing wholesalers are asked to load used trays on their delivery trucks on their way back from supermarkets and temporarily store them on their premises.

Material

TOPICS FPCO Method Recycling on Display at the IMF/World Bank Annual Meeting



The annual meetings of the International Monetary Fund (IMF) and the World Bank were held in Tokyo for the first time in 48 years from October 9th to 14th. The Japanese government asked FP Corporation to exhibit its tray recycling technology as well as its Eco Tray and Eco APET at the meeting venue, which was attended by financial institution executives from 188 IMF member states. Our exhibit booth was staged with the slogan *Mottainai*. As this was organized on “high alert,” we couldn’t provide explanations directly to meeting participants, but we heard that many people viewed our presentation with interest. We will definitely take advantage of any opportunity to let the world know about “FPCO Method” Recycling.

TOPICS Won the Excellence Prize at the Watt Sense Awards 2012

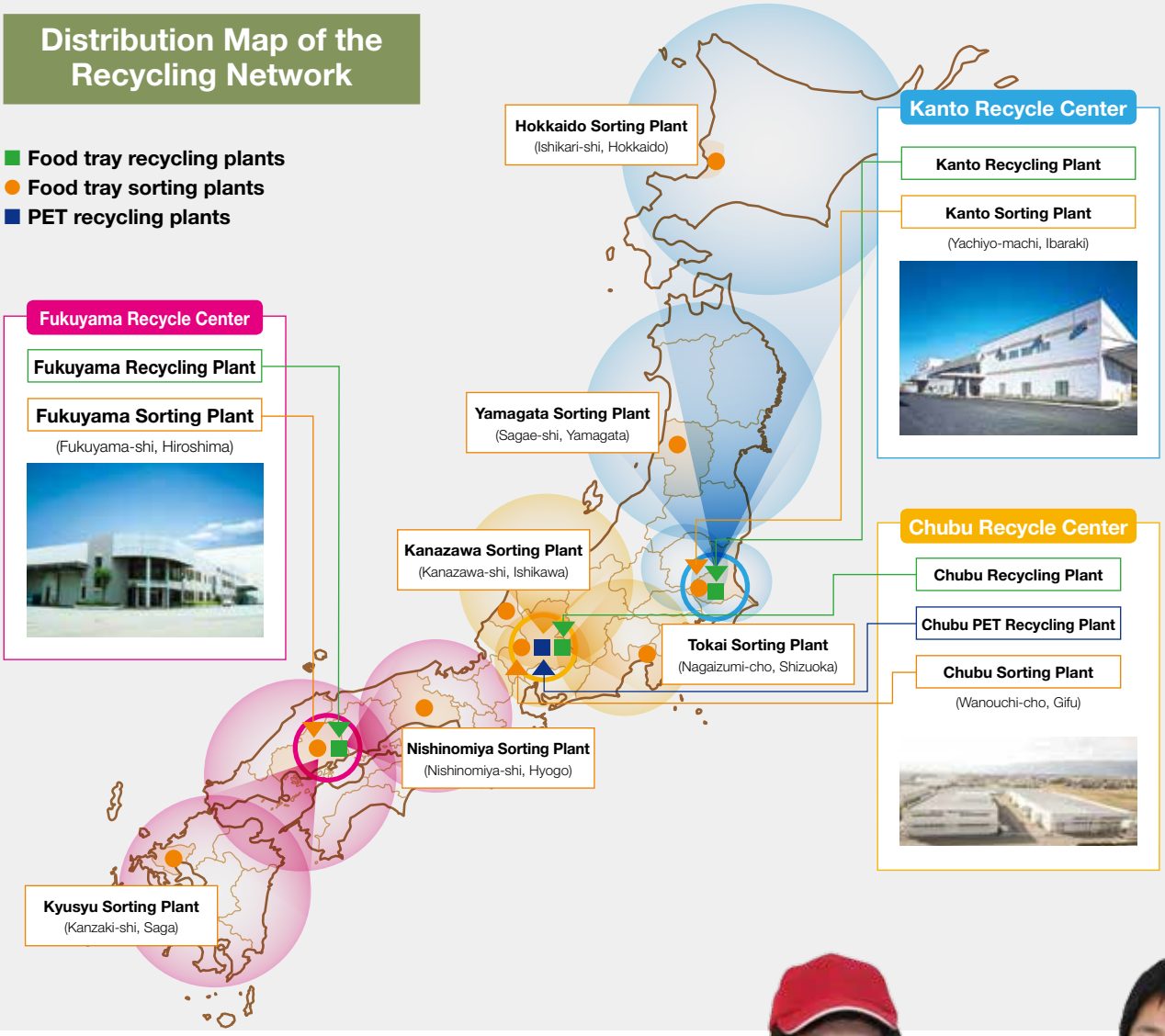
Launched in the current fiscal year by the Watt Sense Project Committee through the support of the Ministry of the Environment, the Watt Sense Awards recognizes those corporate and organizational initiatives that are full of *watt sense*, or awareness of how energy is used, to save electric power and effectively use energy. The award recognizes and publicizes leading initiatives in an effort to nurture watt sense among more people and to encourage people to work and live in a way that moves us toward a sustainable low-carbon society. In the current award, FP Corporation won an Excellence Prize in the Action category for its “FPCO Method” Recycling practices such as *Tray to Tray* and *Bottle to Tray*, as well as for its FPEA-50 initiatives.

❑ A Nationwide Recycling Network

FP Corporation's recycling network is on a nationwide scale. Recycling bases are efficiently laid out.

Distribution Map of the Recycling Network

- Food tray recycling plants
- Food tray sorting plants
- PET recycling plants



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.

After the sorting process, trays and containers are compressed to substantially reduce their volume

Chihiro Ueno
Gifu Sorting Plant
FPCO Ai Pack Co.

Yoshifumi Hiraga
Manager
Central Japan Recycle Center
Recycle Department

“FPCO Method” Recycling

Hauling

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

Sorting

We remove non-recyclable trays etc. 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

Foamed Trays

Tray Recycling Process

1 Hauling ▶ 2 Sorting ▶ 3 Air classification and primary pulverizing ▶ 4 Primary washing ▶

water

Rinsing

Drying

Drying after rinsing with water

Secondary pulverizing

Crushed into smaller pieces

Air classification and primary pulverizing

Foreign particles are removed by air currents, and trays are crushed.

Primary washing

Washed in water

Secondary washing

Washed in hot alkaline water

5 Secondary washing (Hot water circulation)

6 Rinsing and drying

7 Secondary pulverizing

8 Melting and extrusion

9 Pellets

10 Eco Tray

Washing circulation

Melting and extrusion

Dried chips are melted and converted to pellets.

Pellets

After the quality inspection, pellets are ready to be used as material for Eco Trays.

Eco Tray 10

Eco Trays are stamped with the Eco Mark.

“FPCO Method” Recycling

Hauling

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

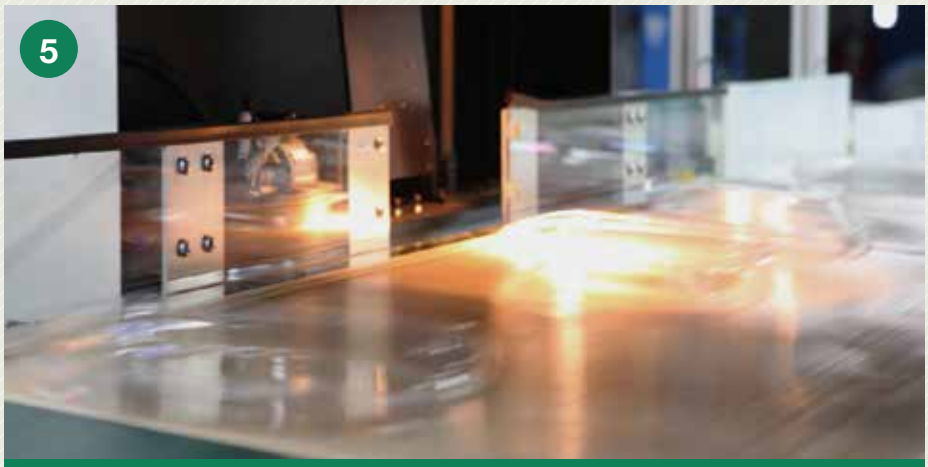
Inclined belt conveyer

Flow volume is controlled using an incline.

Transparent Containers

Transparent Container Recycling Process

1 Hauling ▶ 2 Inclined belt conveye ▶ 3 Alignment ▶ 4 Manual sorting and alignment ▶



Material identification

Near-infrared rays identify the material.

Material sorting

The sorter sorts the containers by material.

3

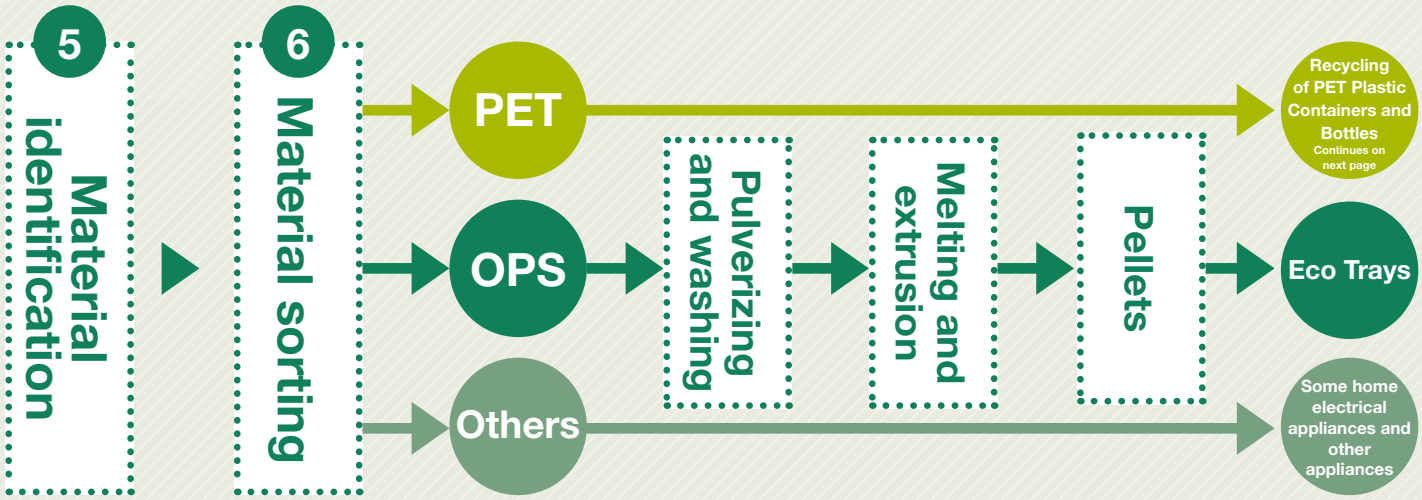
Alignment

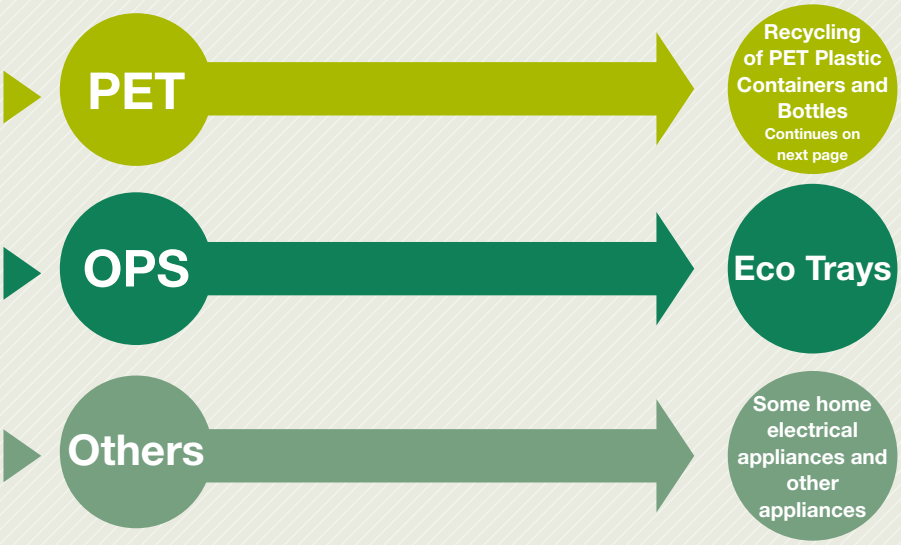
The containers are placed in a single line to prepare them for the next process.

4

Manual sorting and alignment

Final alignment is performed manually to ensure the proper operation of the material identification system.





“FPCO Method” Recycling

Hauling

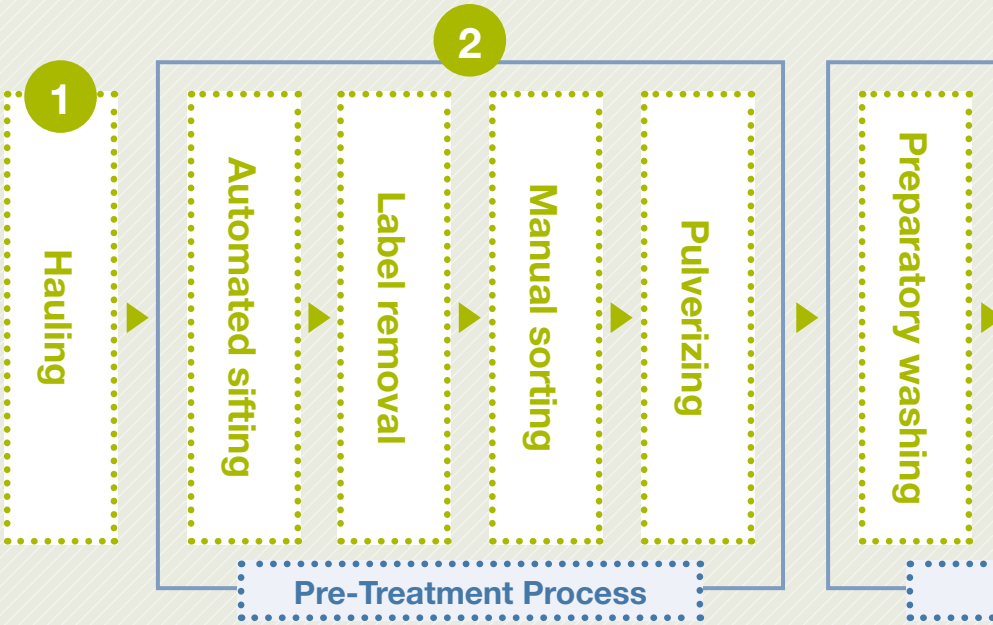
Post-consumer PET bottles, including bottles with caps and labels, are compressed into bales for hauling.

Pre-Treatment

Compressed PET plastic bottles are taken

Recycling of PET Plastic Containers and Bottles

PET Recycling Process



Volatile Fraction Removal Process

Volatile fractions are removed while the material passes slowly through a high-temperature vacuum reaction furnace.

Processing of

They turn into the PET flakes that can be used

Process

apart prior to pulverization.

Cleaning process

Impurities are removed by a final separation of caps and labels and by alkaline washing.

3 Alkaline washing ▶ Gravity separation and rinsing ▶ Dehydration

Cleaning process

4 Heating ▶ Vacuum reactor ▶ Color separation ▶ Removing metals

Volatile Fraction Removal Process

5 Processing of food-grade flakes

6 Processing into PET plastic containers

food-grade flakes

as food-grade raw material.

Transparent containers, egg packaging, etc.

“FPCO Method” Recycling

❑ Results of the Initiatives

	Trays		Transparent containers		PET bottles	
	Volume collected	Number of trays	Volume collected	Number of containers	Volume collected	Number of bottles
FY2012	6,718 tons	1,679,500,000 trays	1,519 tons	151,900,000 containers	22,290 tons	743,000,000 bottles
Accumulated total (1990-March 2013)	106,992 tons	26,748,000,000 trays	4,293 tons	429,300,000 containers	28,937 tons	964,600,000 bottles

Social ripple effect

Global resources conserved to date

Volume of oil:
306,380,000 liters

Approx. 1,530,000 oil drums

Social costs saved to date

Garbage collection:
Approx. 48.8 billion yen

Collection trucks: Approx. 1,950,000 trucks

Amount of containers and bottles collected to date

Approx. 23 times the size of the Tokyo Dome

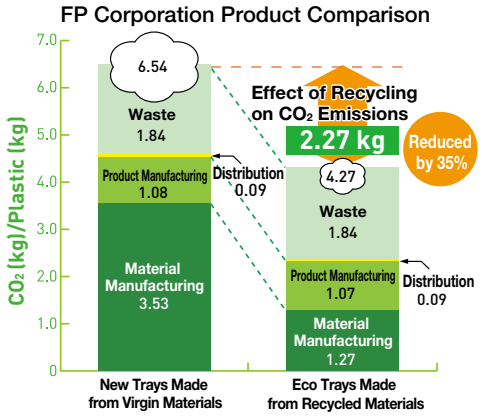
Volume of Reduced CO_2 Emissions in FY2012

Approx. 51,000 tons

Comparison of CO_2 emissions between virgin products and recycled products based on the Eco-Leaf Standard.

Eco Trays

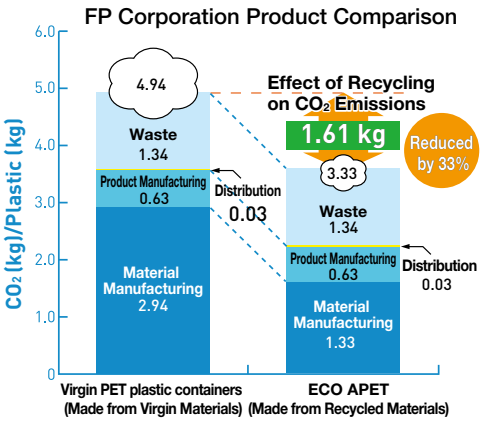
FP Corporation Product Comparison



Using 1 kilogram of Eco Trays reduces CO_2 emissions by around 2.27 kilograms.

ECO APET

FP Corporation Product Comparison



Using 1 kilogram of the ECO APET Series products reduces CO_2 emissions by around 1.61 kilograms.

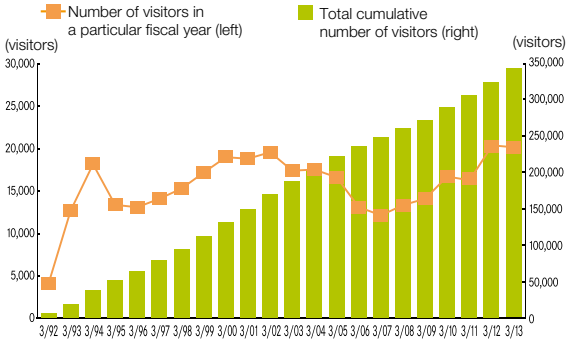
Factory Tours

Our nine recycling plants and sorting plants receive around 20,000 visitors for plant tours each year, but are ready to receive more. You are welcome to join our plant tours.

❑ Guide to Eco Tours

Factory tours are becoming widely recognized as a recreational option for families. A large number of magazines are published targeting those interested in factory tours. Some of these feature our recycling plants. Our plant tours allow visitors to take a look at the front lines of the environmental conservation activities that transform the everyday food containers used by consumers into valuable resources. Many visitors have said that they were actually happy to join the tour and watch the process, and that they were amazed. You are welcome to join our plant tours.

● Trend in number of visitors



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, Yachiyomachi, 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	Administrative Assistant Dept., Headquarters +81-84-953-0001	15
Nishinomiya Sorting Plant	1-98-2, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiya-shi, Hyogo 651-1431	Nishinomiya Sorting Plant +81-78-907-1288	45
Kyusyu Sorting Plant	3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015	Kyusyu Sorting Plant +81-952-51-1028	30

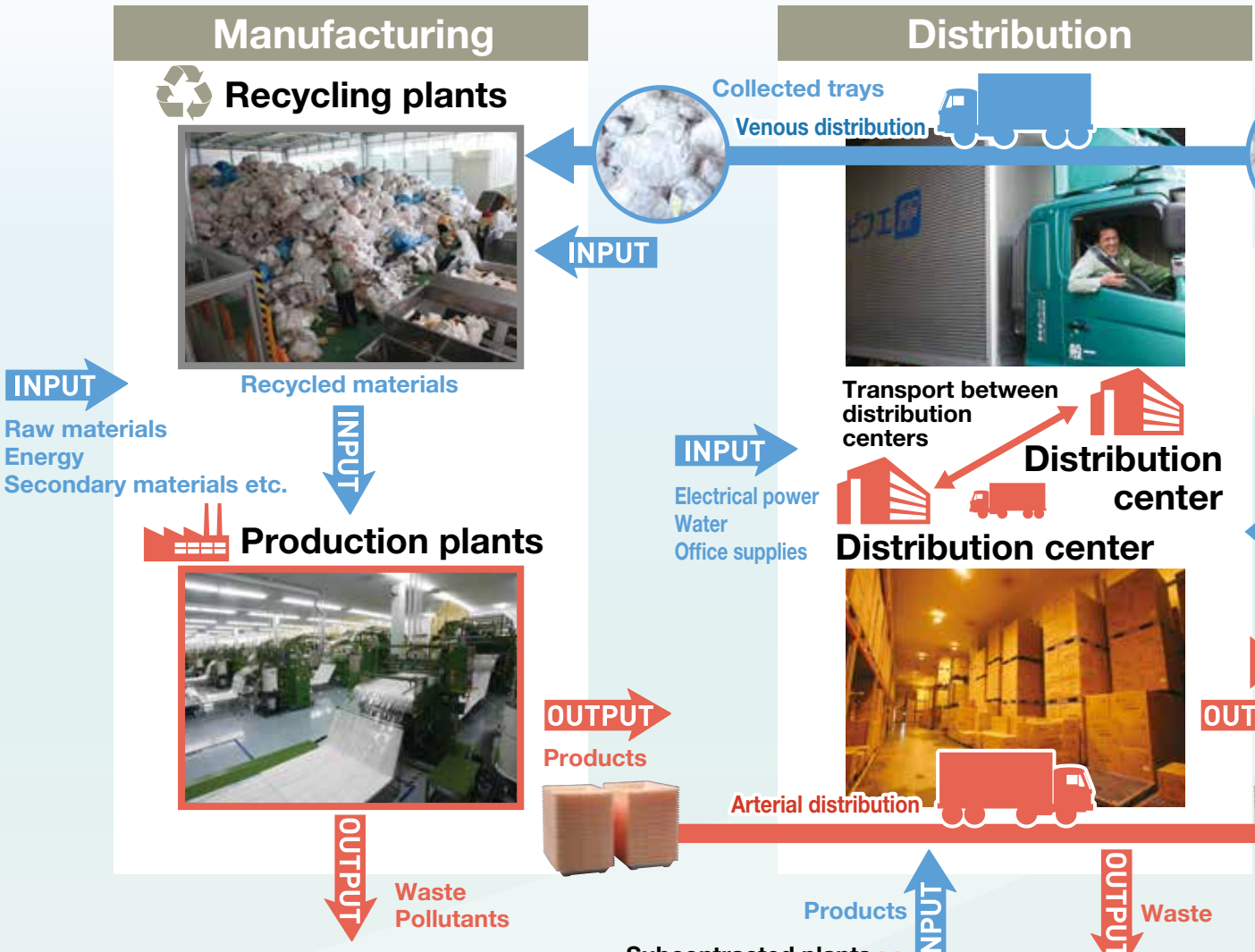
Tour Program Example (Total time: Approx. 90 minutes)

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.

Overview of Environmental Burden

Corporate activities involve movements of various materials and substances and result in environmental burdens. FP Corporation strives to accurately grasp the environmental load produced from its corporate activities so as to minimize the burden on the natural environment.

The following flow charts show mass balance and energy consumption in different segments.



FY2012 data for manufacturing

INPUT	Energy	Electricity	234,853,095 kWh
		Fossil-fuel energy	98,113,444 MJ
	Water resources	Public water supply	225,230 m³
		Ground water	165,713 m³
		Industrial water	103,183 m³
	Raw materials (resins, etc.)		160,171 t
	Indirect materials	Cardboard	26,405 t
		Plastic bags	2,332 t
	Miscellaneous	Lubricants	24,676 L
		Thinners	69,157 L
		Paper	1,885,000 sheets
OUTPUT	Products	Volume of products produced	144,320 t
	Waste		12,339 t
	Environmental pollutants	Particulates	77 kg
		NOx	11,620 kg
		Dioxins	0 mg-TEQ
		BOD	8,202 kg
		COD	10,140 kg
		SS	5,874 kg

FY2012 data for distribution

INPUT		
Energy	Electricity	12,160,757 kWh
	Fossil-fuel energy	3,212,024 MJ
Water resources	Public water supply	22,417 m³
Miscellaneous	Paper	12,943,965 sheets

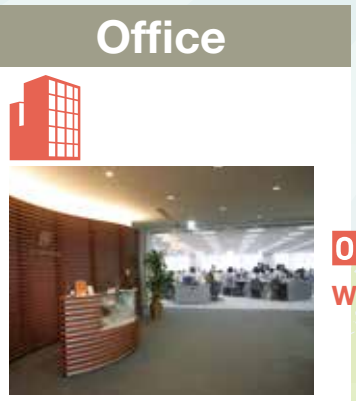
OUTPUT	
Waste	356 t
Number of shipping trucks	119,166 vehicles

* Data concerning our consolidated companies are disclosed from the current fiscal year onwards.
Data concerning outside contractors is included with respect to materials and products.

FP Corporation's Distribution Cycle System

Arterial distribution
We transport goods efficiently with a distribution network set up for the purpose of delivering products rapidly.

Venous distribution
On the return trip from delivering products, used containers are collected and transported to a recycling plant.



FY2012 data for offices

INPUT		
Energy	Electricity	2,688,915 kWh
Miscellaneous	Paper	6,073,000 sheets

OUTPUT	
Waste	100 t

Discussion 2

Supply Chain Management:
Source of FP Corporation-Style Solidarity

In 2003, FP Corporation began building its current supply chain management (SCM) system. That was ten years ago. Looking back at our history, we discovered that our solidarity, which is part of our corporate strength, developed with this SCM implementation. Eight staff members representing SCM-related departments review FP Corporation's SCM over the past decade.

Past Production Plans Dependent on Experience and Intuition

Koshimichi We can now confess that, before the SCM system was introduced, the sales team definitely placed a priority on avoiding inconveniencing customers with stockouts when placing orders for production.

Muto Exactly. Failure to deliver the products ordered on schedule is the worst-case scenario for sales personnel. Sometimes there was kind of a battle over the goods in stock among salespeople.

Matsuda In those days, our company lacked a sense of cost-consciousness, as we focused on production capacity to avoid stockouts. We were so concerned about stockouts that we sometimes placed larger production orders than necessary.

Mishima Production planning was based on the experience, intuition, and boldness of experienced personnel in the Production Control Department. Very few people could do it. As the information wasn't organized systematically, it can irrefutably be rated as a pre-modern way of doing business that is not suited to today's IT era.

Harada This was true of the distribution team responsible for carrying products and dies. It was obsessed about how many products should be stored when and at which warehouse. It acted according to its distribution plans like a cover story.

Launch of SCM and the Problems Experienced

Mishima Under these circumstances, our president decided to introduce a new supply chain management (SCM) system in 2003. It was really hard until we got it on the right track. With the SCM Division now responsible for planning production, stock management, and distribution, the manufacturing sector that

produced products, the distribution sector that transported products as well as the dies used in manufacturing, and the sales sector that sold products—all personnel reacted negatively to the new system.

Kodama I was among the forces of resistance. This meant we had to computerize a process that had been done manually. It was very hard. I worked many hours of overtime and even on holidays. During the day, I was busy building the system. After that, in the evening, I finally started to do my regular work.

Matsuda The SCM introduction was intended to streamline all processes, including the receipt of orders for products, manufacturing, transport, and delivery. I knew that it would greatly benefit the company, but when it came to actually doing it, that was a different story.

Jyo In production management, the transition to the new system was challenging to those who were used to the conventional methods. At first, they failed to run the system properly and consequently caused an oversupply or undersupply of materials to plants.

Imai In fact, the shop floor sometimes didn't follow the SCM plan and rebuilt the conventional process to carry out its production. This can now be revealed. It was a waste of time, but it was unavoidable for a while after the introduction. I suppose it took several years until the SCM started to operate as it was intended in a true sense.

Koshimichi We salespeople always clashed with the staff of the SCM Division [laughs]. When we were told to submit a sales forecast for the next three weeks, we responded that it was impossible to make an accurate forecast. Each side only considered its own convenience.

Harada During the launch of the SCM, the distribution team was caught between the sales team, which wanted to deliver items as soon as possible, and the production team, which wanted to produce items as scheduled. We were like that although the SCM system basically has to take logistical conditions into consideration.

Using SCM as a Tool to Get Close to the Ideal

Imai Stable production is vital to the manufacturing team. Even if the plant's production level is lowered in accordance with weak orders, a fixed cost is incurred. On the other hand, the plant will experience failure if it receives orders that exceed its capacity. The plant is in a non-wasteful, efficient state if continual stable production is underway.
After the introduction of SCM, a transition toward constant production gradually came into being.

Harada If I thoroughly reviewed the transport of dies for production, the transport between warehouses of goods in stock, and product delivery, I would say that waste has undeniably decreased in the distribution process as well. More specifically, delivery distances are now shorter after increasing localized production in different regions.

Jyo It took me several years to realize, in a real sense, that the SCM system introduced by FP Corporation was a tool for achieving stable production.

Matsuda The SCM system became stable once information was collected from all the relevant departments and sections. Information is a key element in supporting the operation of the system. Once it is obtained, the computer can do the work better than human hands. As an element of production planning decisions, the data are so huge and extend to so many sectors that it makes sense to use computers rather than depend on human experience or intuition.

Koshimichi Yes, production became stable because SCM was the tool for managing all sales activities. It was once we started seeing more female staff in the SCM Division that I really felt that the SCM system was on the right track. When the massive job of controlling the entire operation is handled by women, a considerable part of the operation will have been automated.

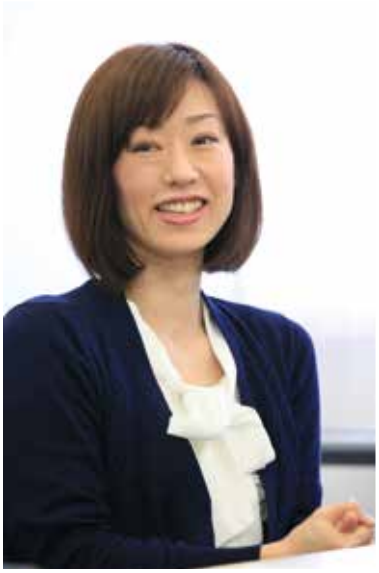
Kodama Today, women account for about half of the staff in the division. Production is planned, not through experience and intuition, but by compiling and analyzing the data collected by the SCM system for various factors. I think that women's sensitivity is helpful in these delicate processes.

Muto I'm not familiar with the situation in other companies, but the fact that there are lots of women in this division is one of the characteristics of our company's SCM, isn't it? I have heard that in many other companies real control is still wielded by tough-looking, experienced personnel in the manufacturing section.

Koshimichi In this sense, our SCM is flexible to some extent, without requiring rigid compliance with the plan. It is very good for salespeople, and I think this is one of its attributes.

Matsuda The collected data incorporate the intuitive experience of our long-serving experts. The SCM system is also a tool for upgrading our assets that have been accumulating for a long time at FP Corporation.




The Bond Forged through SCM

Matsuda One objective of the SCM launch included reforming our mindsets. In other words, it helped us learn the importance of communicating beyond sectional boundaries and taking a broad view.

Muto As some personnel who used to be part of the sales force are now in the SCM Division, there is very good communication with the SCM team. In video conferences, we can have discussions while looking at each other. I think this is helpful to some extent in bolstering communications. Last year, we took a company trip with people from the sales team and the manufacturing team. That was unthinkable in the past.

Koshimichi Indeed, the usual barriers with the manufacturing section have disappeared. As all processes from orders through production to delivery are visible, we can see who does what and where, and the staffs are now visible to each other. This leads to a better understanding of each other's thinking. We can cope with certain challenges in a relationship of mutual support.

> ***"Now, we can no longer work without the SCM, or even without the bonds that were created among the staff after introducing the SCM system."***

Jyo The manufacturing section is also now more willing to accept difficult requests than before. As we can understand what is involved in these difficult requests, we can work to meet them.

Imai After the SCM system, we don't determine that something is impossible and stop. We now think about what we can do to make it. This is because of the visualization the SCM makes possible and because of our team spirit.

Kodama Before, we were against the SCM, but it has helped reduce overtime hours and allowed female employees to raise their children without giving up their careers. It probably has strengthened ties not only among staff members, but also among family members.

Harada Physically, we in the distribution section deliver the company's products, but now we feel that all personnel in the FP Corporation Group are working toward this delivery when we manage to deliver products after a lot of effort.
Without a doubt, we find the organization to be more united than before.

Mishima We feel fulfilled and united, especially once we get over the busy season at the end of each year. Now, we can no longer work without the SCM, or even without the bonds that were created among the staff after introducing the SCM system.

Social Efforts

SOCIETY

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.

Our corporate actions and performance can be greatly affected by society. Conversely, a single action taken by a company can impact all of society. In return for the privilege of being allowed to be part of people's lives, FP Corporation continues to make efforts to serve society in gratitude as much as possible. We hope that our small endeavors will eventually be helpful to the public.

"Our staff members with disabilities account for 16.1% of our total workforce. This high ratio is the result of our efforts to transform all of our employees with disabilities into a valuable force."

Keiko Yamane
Life Supporter
Fukuyama Sorting Plant
FPCO Ai Pack Co.

Mako Otani
Fukuyama Sorting Plant
FPCO Ai Pack Co.

Held in September 2012, the 7th Japan Floor Hockey Tournament was joined by four teams from the FP Corporation Group. Played by people with and without disabilities together, this sport coincides with our position on disability employment.

Yohei Kurata
Fukuyama Plant
Ducks Shikoku Co.

Kumi Katsuta
Service Manager
Fukuyama Plant
Ducks Shikoku Co.

TOPICS University Student Internship

We participated in the Fiscal 2012 Hiroshima Prefecture Manufacturing Internship Program as a company accepting students, and accepted two interns for two weeks. This program is aimed at increasing awareness of companies in the prefecture among scientific students studying in the prefecture, at raising awareness of employment, and at increasing the employment ratio in the prefecture. In fiscal 2013, this was held on a large scale, and included 40 companies and 114 interns. The two interns we accepted learned analytic duties in the Basic Technical Engineering Department, development and design duties in the Research and Development Department, and underwent hands-on training at a production plant. These duties were in areas that interested them. Their internship allowed them to learn the importance of working for a company and was meaningful to their future job-hunting process. We will continue to take part in the internship program and to accept a large number of students in order to give them the opportunity to learn about the first step in their careers.

TOPICS Naming Rights Obtained for RiM Fukuyama

エフピコ RiM

FP Corporation obtained the naming rights for a commercial building with nine aboveground floors and two basements on the south side of JR Fukuyama Station in Fukuyama, Hiroshima Prefecture, calling the facility FPCO RiM. This naming rights partnership lasts five years, from April 25, 2013 to April 24, 2018. The letters “R” and “M” in the name RiM come from *Rose Mind*, a key concept pushed by the Fukuyama city government. In between is the letter “i,” which has the same sound as the Japanese word meaning “love.” In addition, there is the English word “rim,” which means “ring.” We acquired these naming rights in hopes that the facility would be helpful in the local revitalization as a place where people in the city can gather and forge bonds with one another.

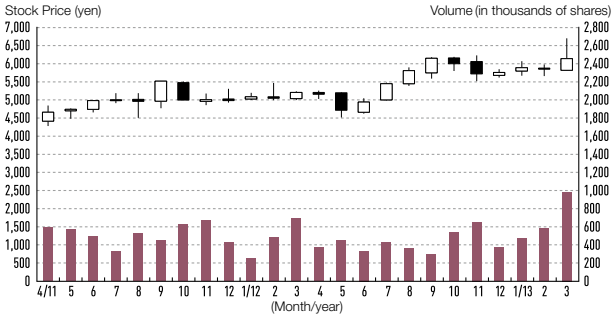
Relations with Shareholders

Our 50th anniversary celebration was held not only in Fukuyama, but also in Tokyo. This gave us an excellent opportunity to communicate with people in the Tokyo metropolitan area, whom we rarely see at our general meetings of shareholders.

❑ Improving Corporate Value

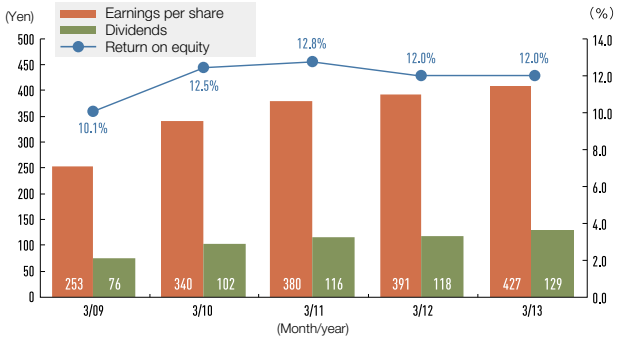
We conduct shareholder-focused management in accordance with three basic policies: to offer products *of paramount quality*, to offer products *at more competitive prices than others*, and to *consistently deliver products as they are needed*. We plan to steadily carry out various measures for group management to increase our corporate value and achieve our target of a net income of 450 yen per share.

Changes in Stock Price (Osaka Securities Exchange)



❑ Continuously Stable Dividends

FP Corporation regards providing shareholders with an appropriate return on their investment as one of our most important goals. Our basic policy is to make continuous and stable dividend payments while increasing our profitability and improving our financial standing. Under this policy, we paid a dividend of 129 yen per year, including an interim dividend of 64 yen per share, in the fiscal year.



TOPICS

Financial Results Presentation

We gave a presentation to increase understanding of our management strategy toward our medium-term target of net sales of 300 billion yen and ordinary income of 30 billion yen. For a video of this financial results presentation and the materials used in it, please visit our website at http://www.fpco.jp/.

Relations with Consumers

It is very important to communicate directly with consumers at supermarkets and other food selling spaces where our containers are used.

❑ Direct Communications with Consumers

FP Corporation regularly releases information on our environmental conservation activities to consumers. A good example is our awareness-raising activities at supermarkets and other places.

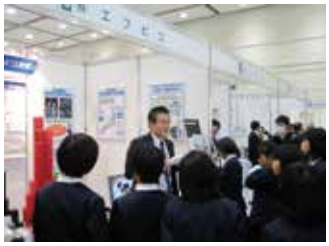
We explain our Tray to Tray and Bottle to Tray recycling systems to the people who bring used food trays and plastic bottles to Eco Stations to make them aware of the importance of reducing waste and reusing resources (resource conservation), and to increase their awareness of the effect of reducing CO_2 emissions. We therefore engage in activities that raise consumers' awareness and motivate them to create a recycling society.

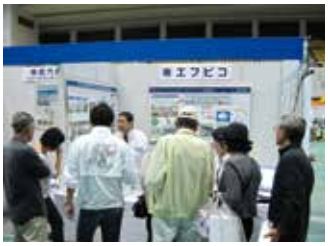
❑ Participation in Exhibitions and Events

As FP Corporation mainly serves corporate customers, it has few opportunities to communicate with consumers except during plant tours. We therefore actively participate in exhibitions and events in different places with a focus on business or on the environment in an attempt to communicate with as many consumers as possible. Apart from that, we participate in local clean-up activities and disaster control activities in an effort to maintain relations with people as a member of the local community.

● Major Events FP Corporation Took Part in During FY2012

Date	Event Name	Location
June 2, 2012	Fuchu Environment Festival	Tokyo
June 3, 2012	FY 2012 Environment Day Hiroshima Rally	Hiroshima Prefecture
Oct. 5-6, 2012	Tottori Industrial Festival 2012 & Tottori Environmental Business Exchange 2012	Tottori Prefecture
Oct. 9-14, 2012	IMF-World Bank Annual Meetings (exhibition at the request of the Japanese government)	Tokyo
Oct. 13-15, 2012	Aeon Hokkaido	Hokkaido
Oct. 14, 2012	Fukuyama City 11th Recycling Festa	Hiroshima Prefecture
Oct. 21, 2012	Nagaizumi-cho Welfare and Environment Festival 2012	Shizuoka Prefecture
Oct. 27-28, 2012	Local Industry Fair 2012	Hiroshima Prefecture
Nov. 4, 2012	FY2012 Chugoku and Shikoku Regional Conference for 3R Promotion in Kagawa	Kagawa Prefecture
Nov. 8-9, 2012	The 26th Business EXPO	Hokkaido
Nov. 11, 2012	The Seventh Okayama Mottainai Hare-no-Kuni Forum	Okayama Prefecture
Nov. 16, 2012	Chushikoku Environment Business Net (B-net) Forum 2012	Okayama Prefecture
Nov. 22-23, 2012	Eco-Innovation Messe 2012 in Hiroshima	Hiroshima Prefecture
Mar. 24, 2013	Kodomo Eco Club Nationwide Festival 2013	Tokyo



Relations with Customers

FP Corporation understands that as a container manufacturer it has the responsibility to make different proposals to supermarkets as its customers.

❑ Working with Customers to Create Selling Spaces

As we provide many different kinds of containers for food sales, we work with supermarkets as our customers to create their selling spaces. Using containers that prolong freshness, those that can be stacked, and those designed to produce a sense of the season, we propose new ideas to increase consumer sentiment and add liveliness to selling spaces. Based on the experience and ideas that are unique to FP Corporation, which has long engaged in container manufacturing, we propose many different ideas that are appreciated by our customers.

We publish a total of seven booklets proposing ideas for creating selling spaces for different types of food.

In addition to our daily sales activities, we present our proposals on creating selling spaces to customers at our annual FPCO Fair and the meetings held regularly at Tokyo Headquarters. For those unable to join any of these events or seminars, we publish booklets featuring our proposals for different types of food, including rice products and fresh fish.

Fumiko Kawasaki
Planning Section
Sales Information and Store Sales Department

Masanobu Takahashi
Director and Deputy Head of Sales Division 1

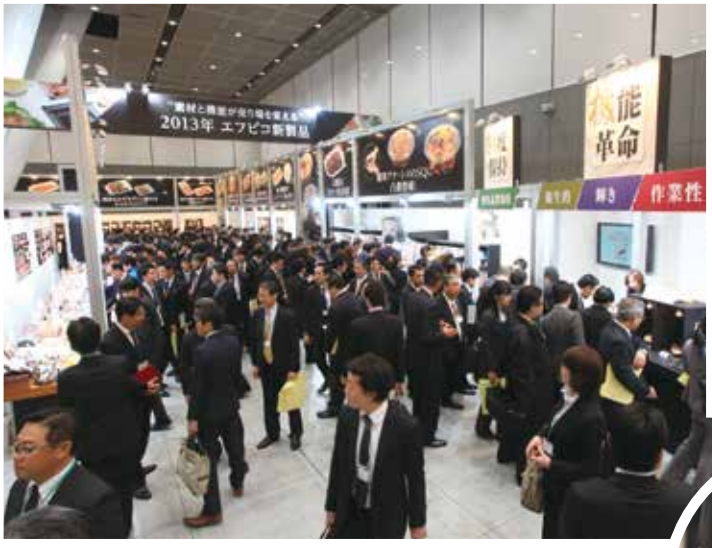
Held on January 23, the Rice Products Seminar attracted some 400 customers from all over the country.

❑ FPCO Fair – FP Corporation's comprehensive presentation

As in past years, we held our once-a-year exhibition, the FPCO Fair, at the Tokyo International Forum March 5–7, attracting 13,000 visitors. This success was partly due to the fact that the venue was easily accessible, as it was directly connected to the JR and subway stations.

This year's fair was given the subtitle *All Kinds of Immediately Effective Ideas from Around the Country: 100 Selected Ideas*. It presented 12 ideas for fresh vegetables and fruit, 15 ideas for prepared food, 13 ideas for rice products, 16 ideas for fresh meat, 10 ideas for sushi, and 16 ideas for fresh fish at their respective sections. We therefore proposed plenty of ideas and inventions to our visitors.

In addition to displaying our ideas, we proposed a new sales approach using new products in the section dedicated to FP Corporation's new products for 2013, under the theme of *Materials and Functions Change Selling Spaces*.



❑ Tools for the Timely Provision of Information and Services

All members of our sales team are equipped with an iPad mobile data device for use in their daily activities so they can quickly collect, organize, and send different kinds of information. They also use it as a tool to take notes on their discoveries and the ideas they come up with, but they mainly use it to offer the best service to their customers. For example, they use it to quickly check products' stock status and place shipping orders to make timely proposals to customers.

Hiring of People with Disabilities

At FP Corporation Group, workers with disabilities do their work with superior expertise and a strong sense of responsibility.

The FP Corporation Group has two methods of hiring workers with disabilities. One is based on the program Type A Support for Continuous Employment under the General Support for Persons with Disabilities Act. The other takes advantage of special subsidiary companies. Type A Support for Continuous Employment applies to a business entity recognized by a prefectural or municipal government for providing job opportunities as well as guidance for general employment if necessary to those having difficulty obtaining or retaining employment at ordinary companies. FPCO Ai Pack Co. is the first place in Japan to gain such recognition as a profitable business and is run as strictly as possible to set an example for other places of business. A special subsidiary company refers to a company for which an exceptional calculation of the disability employment rate is authorized. Including a criterion that requires the subsidiary to employ at least five people with disabilities, the application criteria are so lenient that the scheme is relatively easy to adopt. Capitalizing on this advantage, a large number of firms have set up these subsidiaries, and the number of companies doing this is increasing every year.

At the moment, the disability employment rate is at 2% among private firms. At FP Corporation, the rate is high, at 16.1%. As our employees with disabilities realize that they are contributing to society by carrying out their duties in the FP Corporation Group, they feel fulfilled and increasingly motivated. Our special subsidiary companies have certain staff members with 27 years of service who are working just fine today.

We have produced two booklets. One is titled *Tsuzukeru Chikara* [Ability to Endure], which depicts a place of business enjoying Type A Support for Continuous Employment. The other, titled *Tsuzukeru Chikara* II, explains the efforts made at a special subsidiary company.

Tomoji Tanabe
Manufacturing Department

Takae Komatsu
Manufacturing Department

❑ FP Corporation's History of Disability Employment

Special Subsidiary Companies

Container forming and sorting of collected containers

Recognized by the Minister of Health, Labour and Welfare, FP Corporation's special subsidiary companies provide workplaces where workers with disabilities can work together with unimpaired staff under the basic principle of encouraging them to secure stable employment and participate in society. By creating a workplace environment that is friendly to people with disabilities, these subsidiary companies can develop the limitless potential of these workers, utilizing their capacity as a significant force.

Operations with Type A Support for Continuous Employment

Container assembling, urethane mats, sticker application, sorting of collected containers, and package operations

FP Corporation has long made groupwide efforts to address social welfare and global environment issues. It has established these places of business in an attempt to increase the opportunities for people with disabilities to be employed and to expand their job categories. FP Corporation is Japan's first profitable corporation to be recognized as a place of business for Type A Support for Continuous Employment under the Services and Support for Persons with Disabilities Act (General Support for Persons with Disabilities Act).

1986
- Ducks begins operations
- Jan. : Ducks Co. established

1995
- Apr. : Ducks Shikoku Co. established

2006
- Apr. : Ducks Saga Co. established

2007
- Oct. : Hiroshima Ai Pack Co. established — Ai Pack begins operations
- Feb. : Hiroshima Ai Pack Plant launched
- Mar. : FPCO Ai Pack Co. established
- May : FPCO Ai Pack Co.'s Fukuyama Plant established
- Aug. : FPCO Ai Pack Co.'s Saga Plant established
- Sep. : FPCO Ai Pack Co.'s Gifu Plant established
- FPCO Ai Pack Co.'s Ibaraki Plant established
- Oct. : FPCO Ai Pack Co.'s Nishinomoya Plant established
- FPCO Ai Pack Co.'s Yamagata Plant established

2008
- May : Ducks Shikoku Co.'s Fukuyama Plant established
- Aug. : Ibaraki Pigeon Recycle Co. established
- May : FPCO Heart Recycle's Saga Sorting Plant established — Heart Recycle begins operations
- Sep. : FPCO Heart Recycle's Gifu Sorting Plant established
- FPCO Heart Recycle's Fukuyama Sorting Plant established

2009
- Business partner
- Jan. : Kanazawa Container Recycling Co. established
- Apr. : F&Y Sakaiminato established
- Oct. : FPCO Heart Recycle's Nishinomiya Sorting Plant established

2010
- Apr. : Eco Station Semino established
- Jan. : Ai Pack operations merged
- (Hiroshima Ai Pack Co. integrated into FPCO Ai Pack Co.)
- Mar. : FPCO Ai Pack Co.'s Hokkaido Plant established
- Oct. : FPCO Heart Recycle's Yamagata Sorting Plant established
- FPCO Heart Recycle's Hokkaido Sorting Plant established

Employees with disabilities who have been working at Ducks Co. in Chiba for 27 consecutive years

A scene of the sorting process at Chubu Sorting Plant

Employee Relations

FP Corporation hopes that all employees in the FP Corporation Group can engage in fulfilling recreational activities so they can enjoy both their career lives and their private lives.

❑ Recreational Activities

The FP Corporation Group has a large number of recreational organizations. These organizations are run based on employees' initiative. The organizations listed on the right receive financial assistance. Aside from these recreational activities, company trips, year-end and new year parties, and welcome parties are also subsidized.

Name of Organization	Department	No. of Members
Three Stars (baseball)	Sales Information and Store Sales Dept.	22
FPCO Marine Club	Information and Computer System Dept.	20
FPCO Tennis Club	General Affairs Dept.	25
FBC (baseball)	SCM Dept.	16
Raccoon (baseball)	Research and Development Dept.	15
FP Osaka Baseball Club	Kinki Sales Dept. 1	20
FPCO Floor Hockey Club Fukuyama	FPCO Ai Pack Co.	90
Ai Pack Plus (floor hockey)	FPCO Ai Pack Co.'s Hiroshima Plant	15
FPCO Floor Hockey Club	Yamagata Plant (Yamagata)	33
FPCO Floor Hockey Club	Kanto Plant (Ibaraki)	113
FPCO Floor Hockey Club Saga	Ducks Saga Co.	81

❑ Other Welfare Programs

○ FPCO Clubs

These welfare services are available to employees and their family members. Through these services, certain hotels, amusement parks, movie theaters, and other entertainment facilities are available at a discount.

○ e-Learning

This is an online tool that provides employees who want to increase their skills with information on acquiring computer skills, accounting knowledge, etc.

○ Overseas Observation and Study Tours

Every year, around 40 people are selected from the entire FP Corporation Group to participate in study tours to Hawaii.

○ A Family-Friendly Corporation

FP Corporation has been recognized as a family-friendly company by the Director-General of the Hiroshima Labour Bureau. We now provide childcare leave for 100% of our female employees.

FP Corporation's History

Company Development and Honors

1962	Jul.	Fukuyama Pearl Paper Manufacturing Corporation established. Headquarters established in Komiya-cho (now 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-feel containers launched.
1972	Apr.	Fukuyama Distribution Center (Fukuyama-shi, Hiroshima) established.
1975	Sep.	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.	FP Logistics Corporation 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 led to the early launch of the tray collection program.
1981	Jun.	Manufacturing and selling of colored 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.
1983	Apr.	Tokyo Branch (Nerima-ku, Tokyo) established.
	Oct.	Large-scale host computer installed to launch EDI (electronic data interchange) system for placing and receiving orders. Foamed PS microwaveable containers developed.
1984	May	President and CEO Yasuhiro Komatsu elected chairman of the Polystyrene Thermoforming Industry Association (Japan).
1985	Jan.	Tokyo Distribution Center (Funabashi-shi, Chiba) established.
	Feb.	Pearl Fair held for the first time in Tokyo.
		Osaka Branch (Osaka-shi, Osaka) established.
	May	Fukuyama Daini Distribution Center established.
	Jun.	Pearl Fair held for the first time in Osaka.
	Nov.	Kanto Plant (Yachiyo-machi, Ibaraki) begins operations.
1987	Jan.	Fully integrated production of solid food containers, from sheet production to thermoforming, launched.
	Apr.	FP Trading Co., Ltd. is established as a wholly owned subsidiary.
	Sep.	Kasaoka Plant (Okayama Prefecture) established to drastically reduce man-hours.
	Dec.	Use of CFC-utilizing Foamed PS discontinued.
1988	Mar.	Technology-sharing agreement formed with Holden Limited (South Africa) through Keyes Fiber (U.S.A.). Kanto Distribution Center established.
	Dec.	President and CEO Yasuhiro Komatsu attends an FPI (Foodservice & Packaging Institute, Inc.) general conference held in Washington, delivering a speech on global environment issues.
1989	Jan.	CI introduced. Corporate name changed to FP Corporation.
	Jul.	Chubu Distribution Center (Wanouchi-cho, Gifu) established.
	Nov.	Company is listed on the Hiroshima Stock Exchange.
1990	Dec.	Tohoku Distribution Center (Sagae-shi, Yamagata) established.
1991	Feb.	Listed on the Second Section of the Osaka Stock Exchange.
	Apr.	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 (Nishinomiya-shi, Hyogo) established.
1995	Apr.	All distribution operations transferred to FP Logistics Corp.
1996	Feb.	Receipt of the Hyogo Prefecture Award for Environmentally Friendly Businesses.
	Apr.	22nd annual FPCO Fair 96 is held for the first time in Tokyo.
	May	The Osaka Branch is relocated to Toyonaka-shi, Osaka.
	Jun.	Receipt of the 4th Yokohama Environmental Protection Activities Award.
	Oct.	Chubu Recycling Plant honored with the Minister of International Trade and Industry Award in the Award Program for Achievement in Promoting Recycling.
1997	Jan.	Company homepage set up.
	Mar.	Receipt of the MITI Environmental Protection and Industrial Location Bureau Chief's Award in the Clean Japan Center-sponsored Award Program for Companies Contributing to the Reuse of Resources.
	May	President and CEO Yasuhiro Komatsu awarded Medal with Blue Ribbon.
	Jun.	Fukuyama Recycling Plant receives the Hiroshima Environmental Protection Award.
	Aug.	HMR Top Seminar held.
	Sep.	Receipt of the Company to Be Proud Of Award in the Ogaki Junior Chamber, Inc.-sponsored Nishi-Mino Co-Founder's Awards '97.
	Oct.	Receipt of the Sixth Nisshoku Environmental Resource Cooperation Award sponsored by Japan Food Journal Co., Ltd.
		Receipt of the Chairman's Award in the Award Program for Achievement in Promoting Recycling for Fukuyama Recycling Plant.
	Dec.	Developed Exstar container using new type of material. Established Fukuyama Plant (Fukuyama-shi, Hiroshima) to facilitate fully integrated production.
1998	Oct.	New warehouse completed for Fukuyama Distribution Center.
1999	Feb.	President and CEO Yasuhiro Komatsu awarded the 19th Mainichi Business Leaders Award.
	Apr.	Commenced catalog sales through FPCO Modern Pack Co., Ltd.
	Oct.	Developed Histar container using new type of material.
		Received the Prime Minister's Award in the Award Program for Achievement in Promoting Recycling.
2000	Jan.	Established Special Subsidiary Company Ducks Shikoku Co. headquarters and plant (Nankoku-shi, Kochi).
	Mar.	Listed on the Second Section of the Tokyo Stock Exchange.
		Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki) begins operations.
	Jul.	Kanto Shimodate Plant (Chikusei-shi, Ibaraki) begins operations.
	Oct.	Kinki Kameoka Plant (Kameoka-shi, Kyoto) begins operations.
2001	Feb.	Kanto Daini Distribution Center (Yachiyo-machi, Ibaraki) begins operations.
	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.
2002	Feb.	Sponsored and initiated reorganization procedures for two reconstructed corporations, Chupa Co., Ltd. and Packdor Co.
2003	Jan.	Reorganization project for Chupa Co., Ltd. and Packdor Co. approved. (Reorganization completed in May 2003 and May 2005 for Packdor Co., and Chupa Co., Ltd., respectively.)
	Jul.	East Japan Hub Center (Yachiyo-machi, Ibaraki) completed.
		Yamagata Plant (Sagae-shi, Yamagata) operations.
	Nov.	Receipt of the Business Activities Division Award at the Wastec Award 2003.
2004	Mar.	Eastern Japan Sample Center (Bando-shi, Ibaraki) established. Western Japan Sample Center (Fukuyama-shi, Hiroshima) established.
	May	Tohoku Distribution Center relocated to be annexed to Yamagata Plant (Sagae-shi, Yamagata).
2005	Sep.	Listed in the First Section of the Tokyo and Osaka Stock Exchanges Presented with the Global 100 Eco-Tech Award by the Japan Association for the 2005.
		World Exposition and Nihon Keizai Shimbun, Inc. at Expo 2005 Aichi Japan
2006	Jun.	Sample Request Reception Center begins operations.
		Special Subsidiary Company Ducks Saga Co. (Yoshinogari-cho, Saga) established.
	Sep.	Japan Organization for Employment of the Elderly and Persons with Disabilities JEED Presidents Award presented to Ducks Shikoku Co.
	Oct.	Hiroshima Ai Pack Co. (currently FPCO Ai Pack Co.) is established as a would-be subsidiary with Type A Support for Continuous Employment.
	Dec.	Founded Komatsu Ikueikai scholarship.
2007	Feb.	Kanto Shimodate Plant II (Chikusei-shi, Ibaraki) begins operations.
	Mar.	FPCO Ai Pack Co. established with the goal of being certified as Workplace Offering Type A Support for Continuous Employment.
	Apr.	Receipt of the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards.

FP Corporation's History

2007	Aug.	FPCO Yachiyo Center begins operations.
		FPCO Ai Pack Co. Saga Plant (Kanzaki-shi, Saga) begins operations.
		Receipt of the Economic Affairs Bureau Director's Award at the Product Development Awards.
	Sep.	FPCO Ai Pack Co. Gifu (Wanouchi-cho, Gifu) and Ibaraki Plants (Bando-shi, Ibaraki) begin operations.
	Oct.	FPCO Ai Pack Co. Nishinomiya (Nishinomiya-shi, Hyogo) and Yamagata (Sagae-shi, Yamagata) plants begin operations.
	Nov.	The Komatsu Scholarship Foundation is founded.
	Dec.	New head office building completed in Fukuyama-shi, Hiroshima.
2008	Feb.	Established retired persons association FPCO Shoeikai.
	Aug.	Receipt of the Chugoku New Office Promotion Award at the 21st Best of New Offices Awards hosted by the Nihon Keizai Shimbun Company and the New Office Promotion Association.
2009	Mar.	Honored with the first-ever Fukuyama Environment Award in the Business Category.
	May	West Kanto Picking Center in Machida, Tokyo, begins operations.
	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.
2010	Apr.	Packing materials and other production supply business transferred from Yuka Shoji Co., Ltd.
	Jun.	ALRight Inc. (currently FPCO ALRight Co. Ltd.) becomes a consolidated subsidiary.
		The I-Logic Co., Ltd. Fukuyama Picking Center (Fukuyama-shi, Hiroshima) opens.
	Oct.	Interpack Co., Ltd. (currently FPCO International Package Co., Ltd.) is reorganized into a consolidated subsidiary.
	Dec.	Dia Foods Co., Ltd. (currently FPCO Dia Foods Co., Ltd.) is reorganized into a consolidated subsidiary.
2011	Feb.	FP Corporation wins the Gold prize at the Eco Mark Award 2010.
		Chairman Yasuhiro Komatsu accepts the Ninth Shibusawa Eiichi Award.
	May	The I-Logic Co., Ltd. Chubu Picking Center (Wanouchi-cho, Gifu) is completed.
	Sep.	The Sendai Sales Office (Sendai-shi, Miyagi) is relocated and integrated.
		The Hiroshima Plant for FPCO Ai Pack Co. is nominated by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED) in the category of excellent workers with disabilities.
	Dec.	FP Corporation and FP Logistics Corporation are awarded by the Director-General of the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as distinguished operators under the EcoShip and Modal Shift Program.
2012	Nov.	The world's first biaxially oriented PET product for plastic containers is released.
2013	Mar.	FP Corporation wins the Excellence Prize in the action category of the Watt Sense Awards.
		FPCO Fair 2013 is held at the Tokyo International Forum under the theme of All Kinds of Immediately Effective Ideas from Around the Country: 100 Selected Ideas, attracting 13,000 visitors.
	Apr.	Ishida Shoten (currently FPCO Ishida Co., Ltd.) is reorganized from a non-equity-method affiliate into a consolidated subsidiary.
	May	The Osaka Branch is relocated to Osaka-shi, Osaka.

Environment / Recycling

1990	Sep.	FP Corporation starts its recycling program.
	Dec.	Kasaoka Recycle Center goes into operation.
1991	Oct.	Kanto Recycle Center goes into operation.
		Tohoku Recycle Center goes into operation.
	Nov.	Eco Tray becomes the first to receive the Eco Mark certification in the industry.
1992	Mar.	Eco Tray goes on sale.
	Apr.	Environmental Management Department established.
	May	Chubu Recycle Center goes into operation.
	Jul.	First Autonomous Tray Recollection Movement Commences through cooperation with Tottori City.
	Sep.	Kyushu Recycle Center goes into operation.
	Oct.	School tray recovery program commences; in-house tray recovery program commences.
1993	Feb.	Fukuyama Recycle Center (Fukuyama-shi, Hiroshima) goes into operation.
1996	Feb.	Hokkaido Recycle Center goes into operation.
	Aug.	FP Logistics Corporation acquired Green Management certificate.
	Nov.	Numazu Recycle Center goes into operation.
1998	Apr.	Automatic color tray-sorting system installed at Kanto Recycle Center.
	Jul.	Recycling plants greet their 100,000th visitor.
1999	Apr.	Three main plants—namely, the Kasaoka Plant (Okayama), the Fukuyama Plant (Hiroshima), and the Fukuyama Recycle Center—receive ISO 14001 certification.
2000	May	Eco Tray registered as a trademark in category #20 (No. 4387266).
	Oct.	Recycle centers renamed "recycling plants."
	Nov.	Kanto Recycling Plant I (Yachiyo-machi, Ibaraki) goes into operation.
2001	Sep.	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.
	Nov.	Recycling plants receive their 200,000th visitor.
2004	Mar.	Eco Tray registered as a recycled product in the Recycled Product Registration System in Hiroshima Prefecture.
	Dec.	Tray-to-Tray registered as a trademark in categories #20 and #40 (No. 4322974).
2005	Apr.	CO_2 Management Committee established.
	May	Eco Tray registered as a trademark in category #40 (No. 4864115).
2006	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.
2008	Aug.	Ibaraki Sorting Plant (Yachiyo-machi, Ibaraki) commences operations.
	Oct.	Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo) and Gifu Sorting Plant (Wanouchi-cho, Gifu) commence operations.
2009	Jan.	Fukuyama Sorting Plant (Fukuyama-shi, Horoshima) commences operations.
		Kanazawa Tray Recycling, Co. (Kanazawa-shi, Ishikawa) commences operations.
	Aug.	Saga Sorting Plant (Kanzaki-shi, Saga) begins operations.
2010	Mar.	The Eco Tray is certified as an environmentally friendly product by the Ibaraki Prefectural Government.
	Apr.	Tokai Sorting Plant (Nagaizumi-cho, Shizuoka) commences operations.
	Sep.	Kyushu Sorting Plant (Kanzaki-shi, Saga) begins operations.
	Oct.	Recycling plants receive their 300,000th visitor.
		Yamagata Sorting Plant commences operations.
		Hokkaido Sorting Plant commences operations.
	Dec.	The Chubu Recycling Plant and the Chubu PET Recycling Plant (Wanouchi-cho, Gifu) begin operations.
2011	Apr.	FP Corporation is recognized as an Eco-First Company by the Minister of the Environment.
	May	The PET mechanical plant installed in the Chubu Recycling Plant receives a letter of no objection from the US Food and Drug Administration (FDA).
	Oct.	The Eco Tray is recognized as a recycled product in Yamagata Prefecture.
	Dec.	The ECO APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association.
2012	Feb.	The Eco Tray is recognized as a recycled product in Hokkaido.
	Apr.	The ECO APET, recycled PET plastic containers, is released.
	Jun.	Bottle to Tray is registered as a trademark in categories #20 and #40 (No. 5504851).
	Oct.	FPCO Method Recycling is presented at the annual meetings of the International Monetary Fund (IMF) and the World Bank.
	Dec.	The Eco APET is registered as a trademark in category #20 (No. 5543674).

Editorial Postscript

This photo was taken at the 7th Japan Floor Hockey Tournament in September, in which four teams from the FP Corporation Group competed. Floor hockey is a sport played between teams composed of members with and without disabilities. In this sport, there is no benchwarmer. Every player must play for at least the predetermined length of time. In this sense, every player on a team is a regular player. This is symbolically suggested by the fact that a bib and helmet printed with a number are placed on each player's seat on the side of the court. The idea behind forming a single collaborative team of members with and without disabilities coincides with the management of FP Corporation.

Thank you very much for reading the CSR Report 2013 to the end. Since I was appointed as head of the Environment Management Department, I now have more opportunities than before to see what happens inside the company from different perspectives. 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.

June 2013

Eiji Togashi

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

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