

CONTENTS

| Contents/Editorial Guidelines | |
|--|--|
| Company Outline (pp. 3-8) | |
| Company Profile/ Main Management Benchmarks | 5 |
| Management Efforts (pp. 9-14) | |
| Corporate Governance Compliance and Risk Management Chairman Yasuhiro Komatsu Honored with Order of the Rising Sun, Gold and Silver Star | 11 |
| Environmental Efforts (pp. 15-42) | |
| Eco First Commitment, Eco Mark Award, Minister of the Environment Award for Promotion of 3R Practices in Containers and Packaging Report on Achievements Under the FP Corporation Eco Action 50 (FPEA-50) Meeting for Exchange of Opinions on Environmental Activities: FPCO Method Recycling with Civic Groups Product Development Efforts Factory Efforts Distribution Efforts Sales Efforts Office Workplace Efforts FPCO Method Recycling Factory Tours Overview of Environmental Burden | 17 19 23 25 27 29 30 31 40 |
| Social Efforts (pp. 43-55) | |
| Interview with the President: Independence and Social Participation of Disabled Persons | 49 50 51 53 55 |
| FP Corporation's History Editorial Postscript | |



Message from the President

Thank you for your interest in FP Corporation's CSR Report. This report focuses on the relationship between our company, in manufacturing and selling disposable food containers, and society. FP Corporation is a food container manufacturer, a distributor delivering different products to supermarkets and other stores engaged in food distribution, and an advanced environmental company recycling used food containers and polyethylene terephthalate (PET) plastic bottles. We are also a company that provides job opportunities for a large number of people with disabilities.

We will be glad if this report helps you understand our corporate profile on different fronts.

Within the pages in this report you may find some personal points of connection. I hope you read it all the way through.

Morimasa Sato

President and COO





Company Outline

FP Corporation puts its manufacturing, distribution, sales and recycling operations under integrated management and conducts them in a waste-free system with a focus on efficiency.



recycling of disposable food containers. Have a look at how the FP Corporation manufacturing, distribution, sales and Group contributes to society through



This not only has the latest features as a food tray; in consideration of the environment, it is produced from recycled materials. Since it was released in 1992, it has been serving users as one of FP Corporation's iconic products.



Tokyo Headquarters

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: 746 (FP Corporation Group: 4,032)

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-ken, Japan 721-8607

Tel.: +81-84-953-1145 Fax: +81-84-953-4911

Tokyo Headquarters: Shinjuku Oak Tower 36F, 6-8-1 Nishi-Shinjuku,

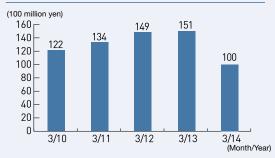
Shinjuku-ku, Tokyo, Japan 163-6036

Tel.: +81-3-5320-0717 Fax: +81-3-5325-7811

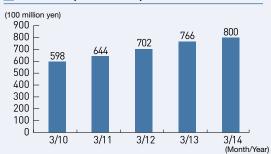
■ Main Management Benchmarks



Current profits (consolidated)



Net assets (consolidated)



Equity ratio (consolidated)



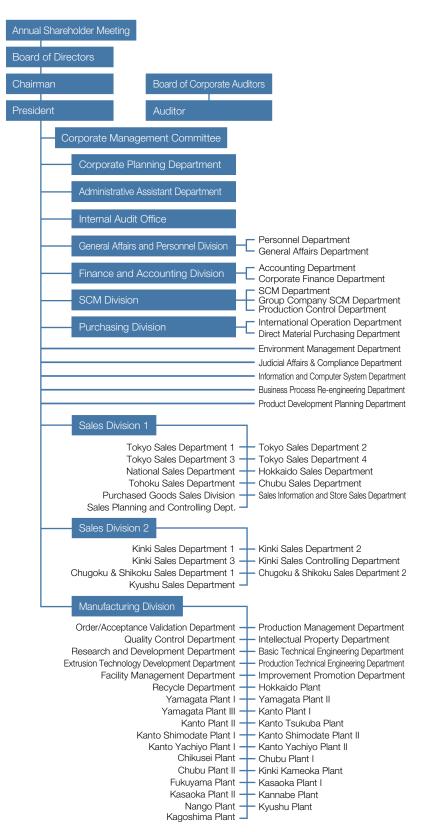
Cash flow (consolidated)



Introducing the Organization and Group Companies

Company Organization and Group Companies

* As of April 1, 2014



FP Corporation Group Companies

■ 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 Kagoshima Co.
- 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
- Nishinihon PET-Bottle Recycle Co., Ltd.

(June 2014)

■ 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.

A network of production, distribution, sales and recycling that extends across the country



Yamagata Sorting Plant



Hokkaido Distribution and Picking



Kansai Distribution and **Picking Center**





Chubu Distribution and Picking Center



Sendai Sales Office



Kyushu Distribution Center





Fukuyama Recycling Plant



Kanto Yachiyo Plant

* Headquarters

Headquarters (Fukuvama-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) Fukuvama Plant (Fukuvama-shi, Hiroshima) Kasaoka Plant (Kasaoka-shi, Okayama) Kannabe Plant (Fukuyama-shi, Hiroshima) Shikoku Plant (Nankoku-shi, Kochi) Kvushu Plant (Yoshinogari-cho, Saga) Nango Plant (Hyuga-shi, Miyazaki) 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)

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) Matsumoto Sorting Plant (Matsumoto-shi, Nagano) Kanazawa Sorting Plant (Kanazawa-shi, Ishikawa) Chubu Sorting Plant Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo) 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) Kansai Distribution Center (Kobe-shi, Hyogo) Fukuvama Distribution Center (Fukuvama-shi, Hiroshima) Kyushu Distribution Center (Yoshinogari-cho, Saga)

★ Headquarters

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

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)

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 lunchboxes.



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



Our lidded containers for precooked food are in wide application because of their ease of use and convenience. Demand for containers for small-portion meals has increased in recent years, and we are able to meet a societal need by helping reduce the amount of leftovers.



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



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.



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 them from becoming too hot to hold.

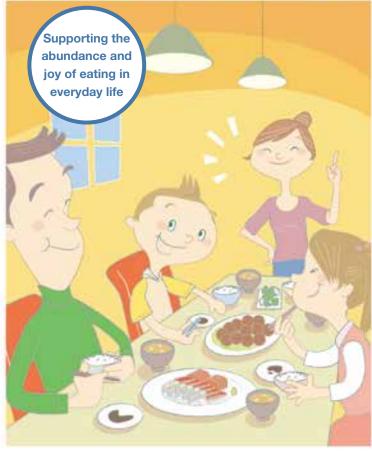


FP Corporation also manufactures transparent egg cartons. The packaging is recyclable so we appreciate it if customers recycle responsibly.



These lidded containers for packed lunches and takeout food are made from paper. They can be used for different kinds of dining situations, such as for enjoying meals in a Japanese ambience.















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



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



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 get disarrayed when the container is tilted.



These containers are used for Japanese confectioneries such as sweet dango dumplings, steamed manju buns and sweet azuki bean jelly, as well as for dried fruit and other snacks. Shaping the container based on the products' form means these containers help preserve the products' shape.



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



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



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



Management Efforts

FP Corporation relocated its
Osaka Branch to the center
of Osaka's business district,
and it is ready to further
expand sales activities in
the Kansai area.

The following describes our governance system for earning trust from all stakeholders.

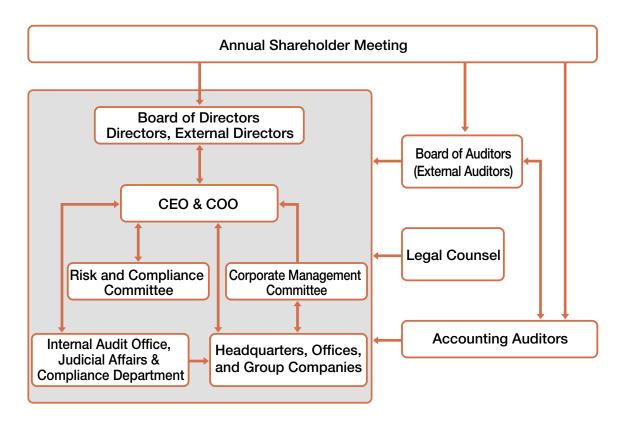


The Dai Building Main Tower located in Nakanoshima, Kita-ku, Osaka, accommodates our Osaka Branch.

Completed in 1925, it has a long history and tradition. It underwent major renovation in 2013. The facade shown in the photo reuses the decorative stone scripture created at the time of original construction 90 years ago. FP Corporation has an office on its top floor that serves as a sales base in the Kansai area.

Corporate Governance

The basic concepts behind FP Corporation's corporate governance are to speed up decision-making on managerial strategies, increase managerial efficiency and ensure transparency. To earning trust from shareholders, investors, consumers and customers, creditors, business partners and other stakeholders and remain a good corporate citizen, we proactively disclose information on corporate activities. FP Corporation has a board of directors and board of auditors serving as management bodies for this purpose.



Topics

Two companies joined the FP Corporation Group.

FPCO Ishida Co., Ltd. and FPCO Kagoshima Co. joined the FP Corporation Group in April and July 2013, respectively.



Ishida Shoten Co., Ltd. has expanded mainly in Hiroshima Prefecture since its establishment as a dealer of packages in 1950. It has now become part of the FP Corporation Group. It conducts extensive activities as a trading firm specializing in packaging, dealing not merely with packaging containers but also with packaging machinery and systems.



The Kagoshima Plant of Dia Foods Co., Ltd., a manufacturer of plastic egg cartons, has joined the FP Corporation Group. With 53 employees, it supplies egg cartons to meet demand mainly in western Japan.

Compliance and Risk Management

Compliance

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

FP Corporation Action Charter

Officers and employees of FP Corporation Group must comply with all laws, agreements and company regulations as dictated by the company's management principles, and with high ethical standards and a sense of decency, will strive to:

- Provide useful products, information and services to society and strive to gain and satisfy the trust of consumers and customers.
- Contribute to the development of culinary culture by developing and providing products that show consideration for safety, consumer confidence and the environment.
- Obtain the cooperation of consumers and customers to actively implement FPCO Method recycling, perform extended producer responsibilities, and protect the global environment
- 4. Compete fairly, transparently, and freely in all our business activities
- Communicate in multiple ways with our shareholders and product users and actively promote fair disclosure of company information
- Respect our employees' human rights and individuality 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 do not tolerate or give in to inappropriate or illegal demands of antisocial forces or organizations that trouble or threaten civil society

- 8. Actively contribute to society as a good corporate citizen
- Observe the laws of each country where FP Corporation business is conducted, and respect its culture and customs
- Evaluate all management efforts for effectiveness and increase corporate value through streamlining and greater efficiency
- 11. 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 a 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, strict action shall be taken once the rights and responsibilities of the culpable parties have been clarified.

To raise awareness of compliance issues among all employees in the FP Corporation Group and 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.

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 wellbeing?

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

FP Corporation Group



FP Corporation has a helpdesk with which employees can consult regarding sexual harassment, abuse of authority and other problems in the workplace. It is operated by FP Corporation's Personnel Department and open to all staff members in the FP Corporation Group. It guarantees fair counseling and thorough privacy protection so employees can be free of concern in contacting it. It responds to inquiries on trouble in the workplace, including sexual harassment and abuse of authority, to inquiries on programs for childcare leave, nursing care leave, etc. and to various other topics of consultation.

Risk Management

Businesses face many different types of risks. Properly preparing and paying attention at normal times can minimize their impact. Assuming risks of accidents and failures that may occur from human causes and risks of natural disasters, FP Corporation takes a broad range of actions, as described below.

Actions against manmade disasters

Many disasters can be prevented if humans pay full attention and conduct management to foresee risks. We make efforts and work through ideas to prevent risks that humans can foresee.



We organize regular safety and health meetings beyond sectional boundaries. Relevant personnel from production plants, recycling plants, picking centers, etc. in the same premises gather to share information on safety and health.



We strictly ensure that tools and equipment are in their respective designated places in the workplace. This leads to safety in using them to perform work.



At the complex facility comprising a production plant, recycling plant, distribution center and other areas, entry and exit control is implemented at the gate, in accordance with which all vehicles must be registered in advance. In this way we constantly monitor which vehicles enter and leave the premises and at what times.

Actions against natural disasters

No one knows what natural disasters will occur, when or where. To control such risks, it is vital to always be prepared for emergencies. In anticipation of unpredictable situations, FP Corporation prepares itself to take the most effective response in the event of a disaster.



Plants and offices are always equipped with helmets, first-aid kits and emergency supplies kits to be ready for unexpected circumstances.



At plants and offices with employees with disabilities, disaster drills are held every month without notice. Drills aim at helping keep employees from using their disabilities as an excuse, and are repeated so they can automatically take emergency action.



All employees carry the Disaster Handbook with them so that they can quickly take appropriate action in the event of a disaster. Just after the Great East Japan Earthquake, we began initial action by taking out and reading this handbook.

Chairman Yasuhiro Komatsu Honored with the Order of the Rising Sun, Gold and Silver Star



The Order of the Rising Sun, Gold and Silver Star was a major milestone in the life of Chairman Yasuhiro Komatsu. However, the steps he took were by no means easy. He faced many difficulties in the projects that led to his honor, namely in the recycling of used containers and expansion of employing disabled persons. With patience as his management philosophy, he enjoyed this great triumph after persistent practice of that philosophy. The following is his message upon receiving the honor.



Yasuhiro Komatsu's Brief Biography and Major Awards

| Brief Biography | July 17, 1937 | Born in Ibara-shi, Okayama | | | December 2006 | Appointed as president of the Komatsu Scholarship Association (currently representative director of the |
|--------------------|------------------------------|---|-----------------|---|--|---|
| | March 1960 | University Established Fukuyama Pearl Paper Manufacturing Corporation (currently, FP Corporation) and becomes president and representative director Appointed as president of the Polystyrene Paper Thermoforming Industry Association (currently, Japan Plastic Food Container Association) Appointed as a director of the Hiroshima Eco Forum Appointed as a Category 3 member at the Fukuyama Chamber of Commerce and Industry Reappointed as president of the Polystyrene Paper Thermoforming Industry Association (currently, Japan | | December 2000 | Komatsu Scholarship Association) | |
| | July 1962 | | | November 2007 | Appointed as president of the Komatsu Scholarship Foundation (currently representative director of the Komatsu Scholarship Foundation) | |
| | | | | | April 2008 | Appointed as chairman of Japan PET Tray Association |
| | May 1984 | | | | May 2008 | Appointed as a director and auditor of the Japan Plastics Industry Federation |
| | March 1993 | | | July 2008 | Appointed as a trustee of the Japan Chemical Innovation and Inspection Institute | |
| | March 1995 | | | June 2009 | Appointed as chairman, representative director and chief executive officer (CEO) of FP Corporation | |
| | | | | May 2010 | Appointed as a councilor of Keidanren (Japan Business Federation) | |
| | | | June 2012 | Appointed as a member of the Policy Board of Keidanren (Japan Business Federation) | | |
| | | 11 | | May 2013 | Appointed as a director of the Japan Floor Hockey Federation | |
| | June 1998 Container Thermofo | Appointed as chairman of the Meeting on Food Container Thermoforming (currently, Japan Plastic | | | - Coordinate | |
| | | Food Container Association) | | | May 1997 | Medal with Blue Ribbon |
| | May 2006 | Appointed as a director of the Kansai Branch of the Japan Packing Institute | Major Awards | February 1999 February 2011 | 19th Mainichi Newspaper Keizaijin Award Ninth Shibusawa Eiichi Award | |



Environmenta Efforts

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





Eco First Commitment

The Eco First Commitment is a pledge to conduct voluntary environmental efforts, including global warming countermeasures and waste control and recycling measures. The industry's leading companies make such commitments to the Minister of the Environment. The FP Corporation Group made its Eco First Commitment with the Minister of Environment in 2011 to be recognized as an Eco First Company. All staff in the group will make concerted efforts toward building a sustainable society.

- 1) Proactively push ahead with activities for creating a recycling society through the 3R (reduce, reuse, recycle) initiative for containers and packaging
- 2) Proactively provide environmental education and making social contributions
- 3) Promote the Eco Value environmental management system



Eco Mark Award

Launched by the Eco Mark Office of the Japan Environment Association, the Eco Mark Award is aimed at honoring outstanding activities of companies and organizations that proactively endeavor to create a sustainable society by producing, selling, promoting and raising awareness of Eco-Mark-certified products and other environmentally friendly products, which lead to consumers' decision-making being based on their environmental awareness and on corporate environmental improvement efforts. In 2011, at the first Eco Mark Award, the FPCO method of Tray-to-Tray recycling won the highest level Gold Prize.



Minister of the Environment Award for Promotion of 3R Practices in Containers and Packaging

The Ministry of the Environment launched the Minister of the Environment Award for Promotion of 3R Practices in Containers and Packaging in 2006 for encouraging 3R (reduce, reuse, recycle) practices. In its first contest, FP Corporation was given the award of excellence in the manufacturing category, in recognition of achieving both economic efficiency and recycling in linkage with consumers in Eco Tray manufacturing.

Topics

FP Corporation Takes Part in Fun to Share campaign



FP Corporation chose to take part in the Fun to Share campaign launched by the Ministry of the Environment in March 2014 for sharing knowledge and ideas among businesses, organizations, communities and individuals. Fun to Share is a slogan that connotes happily sharing the latest ideas to create a low carbon society. The campaign is aimed at building momentum nationwide for meeting the target of cutting global greenhouse gas emissions by 50% and the emissions of developed countries by 80% by 2050, which was set in the Proactive Diplomatic Strategy for Countering Global Warming announced by the Japanese government in November 2013 to declare that it would lead the initiative. This campaign

is open to companies, organizations, communities and individuals, and can be joined by declaring an activity to be shared toward a low carbon society. FP Corporation is now set to share the environmental activities it has developed. We hope that the results of our activities centered on food container recycling, including the FPCO method of recycling, will spread across Japan.



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

FP Corporation Eco Action 50: 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 Eco Tray is at the heart of FP Corporation's eco-action.

The FP Corporation Group's long-term CO₂ reduction targets

Regarding the FP Corporation Group's CO₂ emissions*

Reduce total CO₂ emissions by 20% by FY2020 (compared to FY2003)

Reduce CO₂ emission factors (by number of trays sold) by half (compared to FY2003)

* Total CO₂ 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 CO₂ emissions across the entire value chain

In addition to FP Corporation Group's efforts to reduce CO2, we believe it is important to monitor and reduce CO2 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.

Product Working Group



Develops products with low environmental impact

→ P.23

Manufacturing
Working Group



Endeavors to cut environmental impact in production plants → P.25

Logistics Working Group



Works to reduce environmental impact in all distribution activities

→ **P.27**

Sales Working Group



Conducts sales promotion of Eco Products and encourages recycling

→ P.29

Office Working Group



Forging ahead with eco-action in offices

→ P.30

Specific Actions of Individual Working Groups

Linking with the FP Corporation Group's long-term CO₂ reduction target for 2020, individual working groups take tangible actions to cut environmental impact. The following reports on actions in FY2013.

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

| WG | Item | Reference fiscal year | FY2013 target | FY2013 achievements | Rating | |
|--------------------------------|---|-----------------------|---|---|--|---|
| Product Working Group | Reducing container weights(per tray) | FY2007 | Reduce by 12%. | We achieved a 10% reduction through continued efforts to study ribs that increase strength and to downgrade the specifications for weight reduction. | Δ | |
| | 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. | 0 | |
| | Green purchasing | | Evaluate all suppliers according to the guidelines. | We created a system to survey and evaluate suppliers every fiscal year. | 0 | |
| Manufacturing Working Group | Power consumption per unit production volume | | Reduce by 13% | We achieved a 13% reduction by improving efficiency in the molding section and by introducing energy efficiency equipment. | 0 | |
| | Zero emissions (final disposal rate) | FY2007 | Less than 1% | We achieved 0.70 % by collaborating with waste disposal operators, including consolidated company plants. | 0 | |
| | Control structure | | Establish environmental management systems at all production bases. | We established information links at consolidated company plants and contractors. We created a group-wide system to gain an understanding of the Group's environmental burden. | 0 | |
| Logistics Working Group | Control structure | | 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. | 0 | |
| | Total CO₂ emissions | FY2008 | Suppress total CO ₂ emissions to less than a 17% increase | We saw an 18.5% increase and failed to attain an ambitious target of reducing total CO_2 emissions as a result of considerable growth in the amount of goods handled. | Δ | |
| Sales Working | Ratio of Eco Trays to multipurpose products | - FY2007 | | 75% | 79% Effective sales activities helped achieve a high rate and increased awareness of Eco Trays. | 0 |
| | Proportion of Eco APET in APET products | | 50% | 55% – We achieved domestic recycling circulation of PET plastic bottles, used food-grade recycled materials and emphasized the recycling feature to conduct effective sales activities. | 0 | |
| | Increased quantity of materials recycled | | Foamed PS collection volume: 8,500 tons/year | 6,104 tons/year – We eventually collected a smaller volume after container weight reduction and proposed the advantage under the Containers and Packaging Recycling Act | × | |
| Group | | | PET plastic bottle collection volume: 12,000 tons/year | 5,398 tons/year – We are proposing making effective collection of items collected at stores. | × | |
| | Raise awareness among customers and consumers | | | Invite 250 companies on an inspection tour of recycling plants. | 118 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. | × |
| | Reducing the environmental burden | FY2007 | Reduce power consumption by 13% per floor area | Reduce by 21% | 0 | |
| | | | Reduce CO ₂ emissions from business vehicles by 20% | Reduce by 27% | 0 | |
| Office Working Group | | | Reduce waste emissions by 5%. | Reduce by 9.5% | 0 | |
| | | | Reduce paper consumption by 25%. | Reduce by 18% | × | |
| | | | 60% of green purchasing ratio | 58% | Δ | |
| | Raising employee awareness | | Achieve visualization for managers and employees | We increased posting and internal disclosure of the print counts of multifunction copiers and implemented Cool Biz and Warm Biz initiatives. | 0 | |

Evaluation of Actions in FY2013

Individual working groups set their targets and took action according to their specific qualities. Their actions generally made good progress. The Manufacturing Working Group set a target of cutting its power consumption and final disposal rate, achieving the target despite a tremendous environmental impact from its activities. This contributed considerably to cost savings. Healthy sales of recycled trays were recorded as the Sales Working Group set a challenging goal for increasing the collection volume of trays and PET plastic bottles as recycling materials, ultimately falling somewhat short of the target . It will continuously work to raise awareness through plant tours and other events in efforts to increase the collection volume.



FPCO Method Recycling with Civic Groups

FP Corporation organized an opinion exchange meeting on the subject of Working Toward Building a Sustainable Recycling Society.

FP Corporation's Container Recycling and Civic Groups

FP Corporation began on recycling used trays in 1990. Instead of disposing of disposable food containers it produced as waste after use, it conducted horizontal recycling, in which it collects and recycles the containers, and supplies the resulting Eco Trays to the market to fulfill its extended producer responsibility. Its objective was to achieve domestic circulation of valuable resources.

The collection of used trays began at six supermarkets in the city of Fukuyama, home to FP Corporation, and in Osaka. We had several major difficulties to overcome before putting our recycling activities on track. We asked retailers and consumers to cooperate in collection for recycling, but many responded that it was too cumbersome.

However, the public had increasing interest in local waste issues and global environmental issues. An increasing number of them began to support food container recycling. At that time, we enjoyed maximum cooperation in our recycling circulation from consumers and environmental groups that attended this opinion exchange meeting. United on some occasions and confronting each other with opinions on others, we took the first step toward the common goal of creating a recycling society.

A Milestone and Resolution Toward Genuine Recycling Circulation

With the help of many civic groups, FPCO Method Recycling is now making good progress. Used trays are collected and recycled into Eco Trays to be used at retailers. This practice now



achieves CO₂ emissions reduction of at least 50,000 tons/year. We employ workers with disabilities for sorting containers collected. In recognition of that, our founder Yasuhiro Komatsu was honored with the Order of the Rising Sun, Gold and Silver Star. This is a major milestone for FP Corporation's recycling operations.

However, we cannot rest on our laurels. Genuine recycling circulation is not attained until the collection, as the beginning of the process, and the use of recycled eco-products, as the end of the process, are both established.

Currently, nearly 30% of the foamed trays produced by FP Corporation are collected. Although recycling activities have expanded to a nationwide scale, we are still on the way to realizing genuine recycling circulation.

The meeting for exchange of opinions was again organized for the purpose of building close ties with civic groups with extensive experience and knowledge, and of listening to their views on the future.

Recycling Plant Tour

Prior to the meeting for the exchange of opinions, the plant tour took place at the Chubu Recycling Plant, in which participants viewed recycling processes of three different materials – foam trays, transparent containers and PET plastic bottles. In the process of sorting used trays and containers brought in, there was a good opportunity for participants to deepen their understanding of recycling and of employment of workers with disabilities. Some participants who took our tour for the first time and those taking the tour for the first time in 10 years were amazed to see the scale of the process and performance of our workers with disabilities.



Used PET plastic bottles collected from across the country



Process of sorting used transparent containers, in which workers with disabilities are deployed



Pellets (recycled materials) produced from the final process of recycling







■ Civic groups

FP Corporation

We have taken a simplistic approach in organizing Recycling Quiz competitions for three years, but it is very effective.

I think that this action should be taken seriously in the whole industry, not by FP Corporation alone.

> Recycling has yet to be sufficiently popularized among general consumers and efforts to raise their awareness on recycling are still insufficient.

A survey found that many parents were encouraged by their children to bring used containers. Environmental education citizens and at school is necessary.



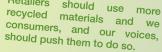
The amount of used trays collected hit a ceiling. We would be grateful if you could give us ideas or suggestions for increasing it.

Collection channels should be diversified, and not confined to supermarkets.

Incentives, such as loyalty points, offered to consumers bringing used containers will appear beneficial to consumers.

It is also necessary that local governments, businesses, citizens and NPOs work

Consumers choose products by their content and prices. The Eco Mark is not very helpful.



Retailers should use more should push them to do so.



We should not confine our attention to collection at the beginning of the recycling process. genuine recycling No circulation can be created without the use of recycled materials.

We are planning to again provide incentives for collection. Our talks with supermarkets all over Japan are underway. We hope that it will again boost the momentum for container collection.

We must have an interest in how to circulate resources in Japan and a sense of crisis in this respect.

Essentially, it would be better not to use them if possible. For those for which it is necessary to use them, we should encourage the use of materials prepared by resource circulation.

The industry should have a sense of extended seller responsibility in addition to extended producer responsibility.

We must identify who we should approach and how in order to change society.

Fulfillment of extended producer responsibility helps save extra tax spending and the resulting funds can be appropriated for welfare and other purposes. This practice will be expanded if we provide these companies with support.

Recycling circulation will not develop unless environmentally conscious consumers, retailers and manufacturers make concerted efforts.







Problems identified and difficulty in solving them

We received a great deal of comments, ideas and words of encouragement. Some gave high marks to our activities while others commented that they were still not enough. While sharing the same philosophy of creating a recycling society, the participants and we had different perspectives in some cases due to differences in positions.

To further develop genuine recycling circulation it is vital to further solidify the system that has been constructed to unite consumers, retailers and manufacturers. We cannot help but feel frustrated with the fact that the system that has been established thus far achieved a collection rate of only around 30%.

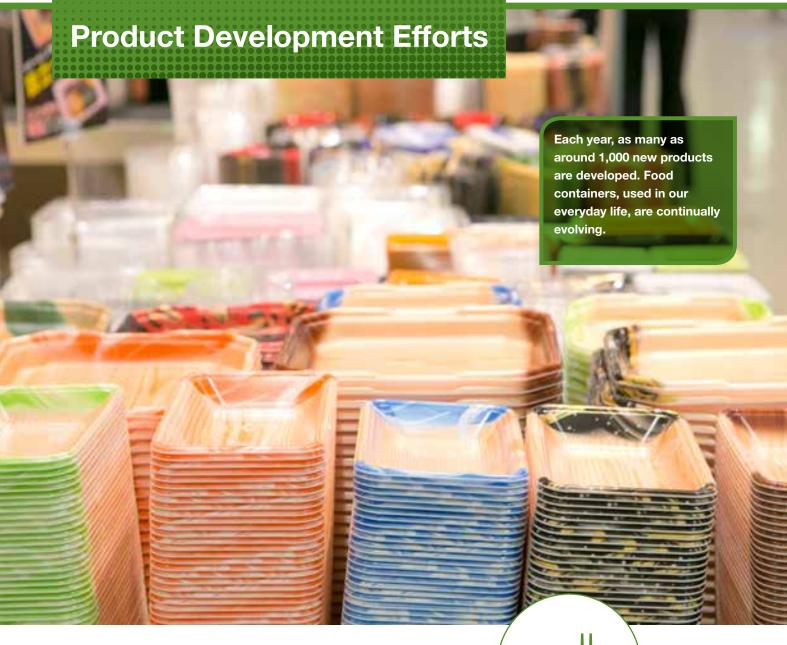
We must step up our efforts from our different standpoints and broaden our perspective to government efforts and lawmaking that support the three parties. They could be premised on the general public's mounting calls for a recycling society. The way toward solving problems is by no means simple.

The management philosophy of our founder Yasuhiro Komatsu is patience. When we began recycling of Styrofoam trays, we took steps steadily and with patience. As we are currently facing problems, we at FP Corporation will try to persistently continue our activities without interruption. For this purpose, we will regularly provide opportunities like this to build closer ties with civic groups and seek solutions in collaboration with them.

We hereby express our sincerest gratitude to those who agreed to and took part in the event.

- Participating organizations and individuals (office location in parentheses) * In order of Japanese syllabary; titles omitted
 - 1) Aichi Environmental Counselors Association (Aichi Prefecture)
 - ASUECO Environmental Learning Center, Okayama Prefectural Environmental Conservation Corporation (Okayama Prefecture)
 - 3) E-Being (Osaka Prefecture)
 - 4) ECOWAVE Okayama (Okayama Prefecture)
 - 5) Eco Rose Kikaku (Hiroshima Prefecture)
 - 6) Gomi Genryo Mottainai Net Yamagata (Yamagata Prefecture)
 - 7) Shufu Rengokai (Kanagawa Prefecture)
 - 8) NPO Genki Net for Creating a Sustainable Society (Tokyo)Akita
 - 9) Zenkoku Seikatsu Gakko Renraku Kyogikai (Gifu Prefecture)
 - 10) Tokyo-to Chiiki Shohisha Dantai Rengokai (Tokyo)
 - 11) Nanohana Project Network, Aoi Biwako (Shiga Prefecture)
 - 12) Nippon Association of Consumer Specialists (Tokyo)
 - 13) People's Community (Gifu Prefecture)
 - 14) Yoki Hoso no 3R wo Susumeru Zenkoku Network (Tokyo)





Environmental Impact Reduction Measures with Thinking and Practice Through Products

The product development team has another role of closely watching product life cycles and visualizing their CO2 emissions in separate processes. Using the method of lifecycle assessment, it calculates environmental impact. As shown in the diagram at right, it is known that CO2 is emitted in large quantities from raw material production and from disposal and recycling. In light of this, FP Corporation is working hard to press ahead with recycling circulation, in which used containers are processed into a raw material called pellets and reused. This reduces CO2 emissions from two product lifecycle processes at a time. We are also striving to develop a method of producing products from limited materials and to practice green purchasing of materials. We engage in well-balanced product development in view of Polypropylene material products with minor environmental impact.



What Can Be Done in Product Development

FP Corporation produces food containers in pursuit of convenience for consumers as end users as well as that of retailers as its customers. The product development process is a good opportunity to reduce environmental impact of products. FP Corporation develops food containers that are highly useful with a range of functions and that incorporate ideas for cutting environmental impact.

Reduction of material weight and wall thickness 2) Cutting weight of materials (by





expanding at a high rate)



3) Creating forms with improved strength for cutting material weight and wall thickness





■ Transparent PP

- O This is a container made of a thin material with high heat resistance.
 - With a heatproof temperature of 110°C, it is
- O Superior transparency



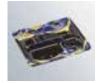
■ Multi FP (MFP)

- O Excellent heat and cold resistance and insulating properties
- Heat tolerance: 110°C (microwaveable); cold tolerance: -40°C
- O Pursuit of lightness Lightweight materials: Approximately 60% lighter than polypropylene (PP) with talc filler



■ Monoaxially oriented PET

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



■ Multi SD (MSD)

O Non-foaming type of Multi FP Exhibits a high level of heat and oil resistance Can withstand temperatures of 110°C

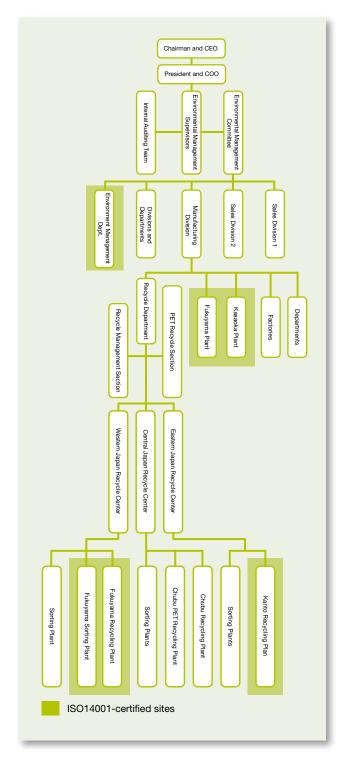


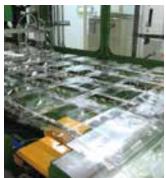
■ Biaxially oriented PET

- O PET is drawn in longitudinally and laterally to achieve a heatproof temperature of 80°C, comparable with that of OPS, while maintaining the original oil resistance and transparency characteristics.
- PP: Polypropylene
- PET: Polvethylene terephthalate
- OPET: Biaxially oriented polyethylene terephthalate
- OPS: Biaxially oriented polystyrene
- MFP: Multi-resistant foamed polystyrene
- MSD: Multi-solid (non-foamed polystyrene created by modifying MFP)

Use of Recycled Materials ■ Eco Tray **■** Eco APET O Transparent containers and PET plastic O This is a recycled tray that is repeatedly recyclable from foamed bottles collected at supermarkets and polystyrene containers collected at supermarkets. elsewhere are recycled into transparent containers. These have a high degree of transparency and oil resistance. APET: Non-crystalline polyethylene terephthalate

Factory Efforts







Environmental Management System

FP Corporation strives to reduce its environmental footprint 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 activities for constant improvement with respect to the environment.

Environmental Guidelines

Basic Principle:

Based on the awareness that protecting the global environment is now the most important issue, 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. To reduce CO₂ emissions and make effective use of natural resources, we aim not only 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. FP Corporation will not only abide by 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 apparent environmental issues geared toward preventing pollution.
- 3. We aim to establish environmental objectives and goals that take environmental matters into consideration, propose and conduct management plans for achieving these objectives and goals, and implement internal auditing and reassessment through the highest level of management toward continual improvement in this area.
- 4. These guidelines will be used to establish, execute, and maintain an environmental management system.
- These guidelines will be made available in written form and be thoroughly instilled in all employees and contractors who work on FP Corporation property.
- 6. These guidelines will also be published in brochures and on the Internet to inform the general public.





Implementation of the Monozukuri Project

FP Corporation's production team continues to implement the Monozukuri Project in efforts to improve productivity. Twice a year, plant employees gather from across the country to deliver presentations on results of their efforts to streamline their operations. Many different measures, including management of the three fixed factors, which means securing fixed items at fixed positions in fixed quantities, skill level evaluation and creation of active spaces, have been proposed from this project.

FP Corporation organizes two *Gino Juku* training sessions a year for building up the skills of operators working onsite. The workshop is part of the *Monozukuri* Project. Those who complete the training program are awarded emblems ranked by the number of sessions completed and type of program taken. This is part of efforts to reduce our environmental impact through encouragement of improved operational efficiency.



Visualization is highly significant toward the use of utilities in production plants without waste. Consumption of utilities in every 10-minute, 30-minute and month-long period is observed. To reduce CO_2 emissions identified by the visualization, facilities and equipment are replaced as needed.

❖ Pellet Energy Saving Project

FP Corporation has long been recycling remnants generated from the container production process, but it has had no working group engaged exclusively in this work. This fiscal year, personnel mainly from our 14 plants emitting remnants across the country launched a Pellet Energy Saving Project. This project, aimed at sharing information, is expected to mainly cut electricity consumption.



Tools placed in established positions



Emblems certifying completion of Gino Juku training



Inverter introduced in FY2013



Recycling of remnants

Zero Emission and Recycling of Consumables

FP Corporation, setting a target of ultimately disposing of less than one percent of the industrial waste emitted from production plants, conducts zero emission activities. We maintain close communication with industrial waste disposal operators to monitor disposal methods and final disposal volume. We recycle remnants from the production process, products and packaging materials for used containers in as large quantities as possible.

Distribution Efforts

FP Corporation's Distribution Management

FP Corporation's distribution system is centered on the central integrated management system based on supply chain management (SCM). It assigns vehicles to achieve the highest possible efficiency in all distribution activities generated in all processes from manufacturing to product delivery and collection of used products, and to minimize their travel distances.



It gathers sales forecasts from the sales team, quantities of products in stock from the distribution team and the production schedule from the production team. It centrally controls all such data to conduct uncompromising efforts to increase the efficiency of distribution activities and cut waste to eventually contribute considerably to CO_2 emission reduction.

FP Corporation's SCM system is at the heart of its distribution activities while its distribution network covers practical operations. Its private distribution allows it to freely assign vehicles and enables complete central control of distribution operations.



Private Distribution Network

FP Corporation holds private distribution centers and picking centers operated mainly by FPCO Logistics. These bases are located in consideration of distances from production bases and geographical conditions of the areas to which products are delivered. Without time loss after production, they deliver products to their destinations to operate distribution activities with low environmental impact.



Hachioji Distribution Center (inauguration due in September 2014)

In FY2013, two new distribution bases were inaugurated, and the following fiscal year the Hachioji Distribution Center and Fukuyama Cross Dock Center will enter into operation. All these facilities are equipped with systems incorporating the latest technologies in an effort to achieve further labor and cost reduction.

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)
Hachioji Distribution Center (planned) (Hachioji-shi, Tokyo)
Tokai Distribution Center (Nagaizumi-cho, Shizuoka)
Chubu Distribution Center (Wanouchi-cho, Gifu)
Kansai Distribution Center (Kobe-shi, Hyogo)
Fukuyama Distribution Center (Fukuyama-shi, Hiroshima)
Kyushu Distribution Center (Yoshinogari-cho, Saga)

Small-lot Distribution Centers

Hokkaido Picking Center (Ishikari-shi, Hokkaido)
Tohoku Picking Center (Ohira-mura, Miyagi)
Kanto Picking Center (Yachiyo-machi, Ibaraki)
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)



Kansai Distribution Center / I-Logic Kansai Picking Center (inaugurated in October 2013)



distribution buildings with a sorter system



Second Kyushu Distribution Center (inaugurated in July 2013)



Fukuyama Cross Dock Center (inaugurated in June 2014)



Sales Promotion of Products with Low Environmental Impact

Eco Tray and Eco APET are recycled from used food trays and containers instead of discarding them, so they have a dual CO₂-cutting effect. FP Corporation offers environmentally friendly products that are used, collected and recycled numerous times. We proactively promote these recycled products to customers as part of our unique environmental efforts in sales activities.



Eco Trays are environmentally friendly since they are produced from materials recycled from collected used trays.



Eco APET is a container produced by recycling used transparent containers and PET plastic bottles.

Increase in Container Collection Points and Encouragement for Container Collection

FP Corporation recommends Eco Tray, Eco APET and other environmentally friendly products to supermarkets and other customers using food trays and containers. And it calls on shoppers at supermarkets and other locations to help with the collection of used trays, containers and PET plastic bottles. It is necessary for consumers to bring used products to the stores. We produce many different posters aimed at making our collection activities known, in the hopes that they will be displayed at supermarkets and other stores. In reality, the collection rate is not high, at about 30%. We feel we need to step up our publicity and awareness-raising efforts.





FP Corporation prepares different types of posters as shown above, and asks supermarkets and other customers to display them.

Office Workplace Efforts







Different Energy Conservation Efforts at Offices

Cloud System

A lone display monitor is placed on each employee's desk and the server takes the place of hard disks of individual PCs in order to cut the power consumption of computers used by employees.

Use of Video Conferencing System

Video conferencing is utilized for meetings with branches, sales offices, plants and other bases across the country to reduce CO₂ emissions from business travel.

Introduction of low emission vehicles

- 1 electric vehicle
- 128 hybrid vehicles
- 142 low-emission vehicles
- 12 subcompact and compact vehicles
 * As of the end of March 2014

● Eco Drive Monitoring

A remote monitoring system checks if a driver performs sudden acceleration or braking and other operations that consume more fuel than necessary and encourages the driver to conduct safe and environmentally friendly driving.

Paperless Operations

Shipping results and other bulky back office documents are not printed out. Instead they are digitally distributed by e-mail and other means.

Electricity Saving

Through visualization of power consumption, we practice appropriate air conditioning temperature settings and turning off unnecessary lighting.

Computer Recycling

The Information and Computer System Department performs central control of computers in the company. When replacing hardware, specialized recycling operators are used for recycling the old hardware.

Green Purchasing

FP Corporation proactively purchases and uses office supplies and equipment as well as services with minor environmental impact.

Organization of Environmental Seminars

FP Corporation regularly organizes seminars for employees. Outside lecturers are invited to talk about environmentally sensitive business, recycling and other actions taken.



Desktop Computer for the Cloud System



Video Conferencing System



Electric Vehicle



Environmental Seminar

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 as it recycles resources and reduces CO₂ emissions. Complete cooperation is required by four different parties to make this process work: consumers, retailers such as supermarkets, packaging wholesalers, and FP Corporation.

FP Corporation Production Eco Tray produced through recycling Distribution

FP Corporation asks packaging wholesalers to collect used trays with their returning trucks and to temporarily store them on their premises.





Delivery

Distribution



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







To Households

Collection of used containers

Consumers are asked to rinse used trays, transparent containers and PET plastic bottles with water and dry them before taking them to collection points.

Consumers





FP Corporation's recycling network covers the whole country and its recycling bases are efficiently located. Recycling into raw materials at **Distribution Map of the Recycling Network** recycling plants Tray recycling plants Sorting plants ■ PET recycling plants Kanto Recycle Center **Hokkaido Sorting Plant** (Ishikari-shi, Hokkaido) **Kanto Recycling Plant Kanto Sorting Plant** (Yachiyo-machi, Ibaraki) The Kanto, Chubu and Fukuyama recycling plants produce pellets and flakes that serve as raw materials for products so that they can be made into new products at production plants. Sorted trays and containers are Yamagata Sorting Plant compressed to greatly downsize them. (Sagae-shi, Yamagata) Sorting plants are located at individual **Matsumoto Sorting Plant** areas. They compress sorted containers (Matsumoto-shi, Nagano) before transport to recycling plants. This Kanazawa Sorting Plant reduces the environmental impact from (Kanazawa-shi, Ishikawa) the distribution process. Tokai Sorting Plant (Nagaizumi-cho, Shizuoka) **Nishinomiya Sorting Plant** (Nishinomiya-shi, Hyogo) Chubu Recycling Plant Chubu PET Recycling Plant **Chubu Sorting Plant** Kyusyu Sorting Plant (Kanzaki-shi, Saga) (Wanouchi-cho, Gifu) **Fukuyama Recycle Center** Fukuyama Recycling Plant Fukuyama Sorting Plant (Fukuyama-shi, Hiroshima)

FPCO Method Recycling







Hauling

primary pulverizing

Sorting

4 Primary washing

Air classification and















Washing water circulation

Rinsing and drying

Secondary pulverizing

Melting and extrusion

Pellets

10

Eco Tray







FPCO Method Recycling









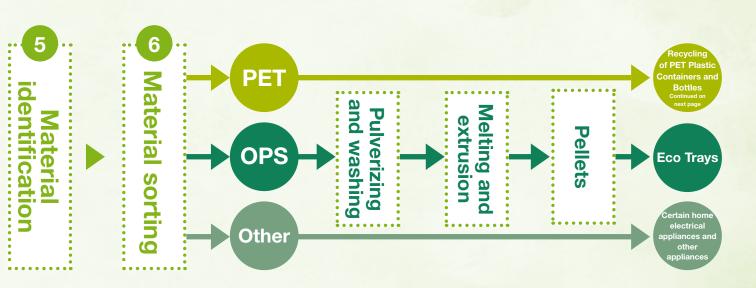


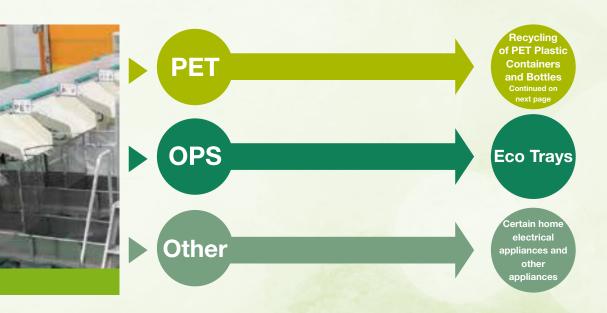


Manual sortin





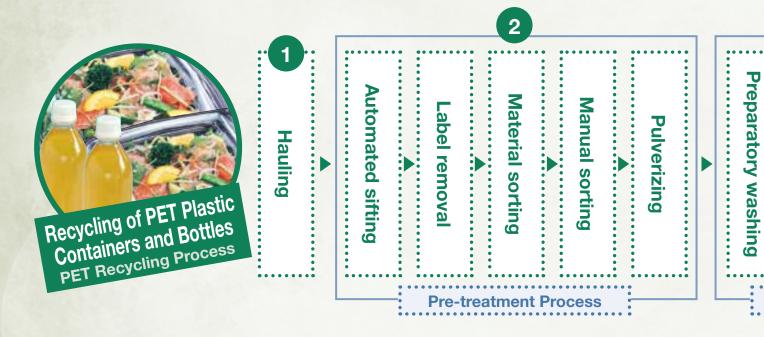




FPCO Method Recycling





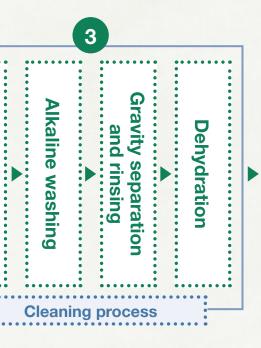


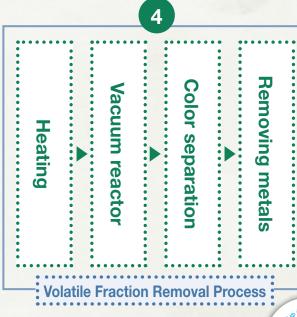














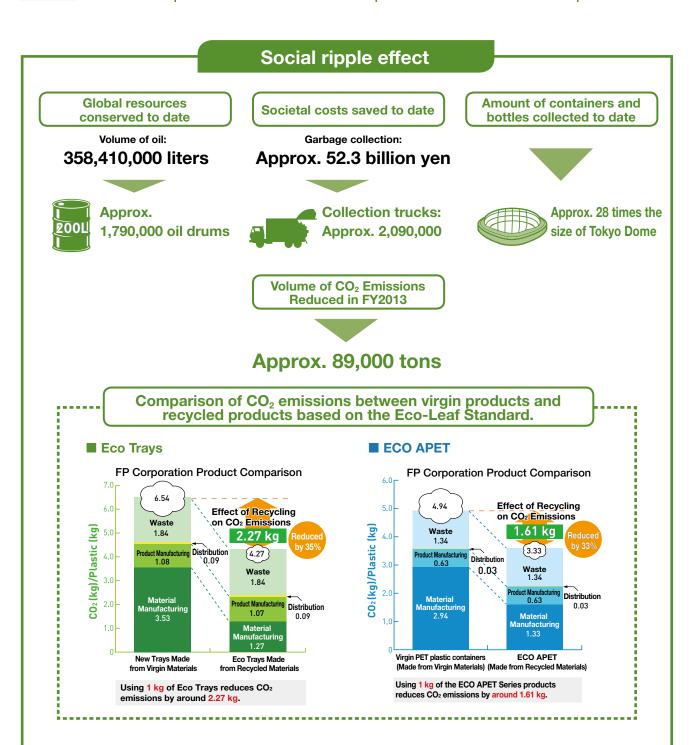




FPCO Method Recycling

Results of the Initiatives

| | Trays | | Transparent containers | | PET bottles | |
|--|------------------|-------------------------|------------------------|---------------------------|------------------|--------------------------|
| | Volume collected | Number of trays | Volume collected | Number of trays | Volume collected | Number of trays |
| FY2013 | 6,480 tons | 1,620,000,000 trays | 1,713 tons | 171,300,000 containers | 22,568 tons | 752,300,000 bottles |
| Accumulated total (1990 to March 2014) | 113,472 tons | 28,368,000,000 trays | 6,006 tons | 600,600,000 containers | 51,505 tons | 1,716,800,000 bottles |

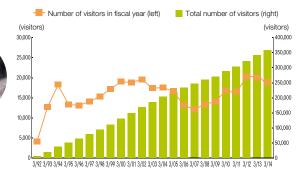




Audio Guide in Factory Tours

FP Corporation offers an audio guide service using wireless receivers in factory tours at some plants. This allows visitors to use loaned earphones to directly listen to the tour conductor's voice. Visitors can concentrate on the explanations while viewing the plant equipment. While standing still, walking and looking up and down, visitors hear continual explanations of what they see. This system will be introduced at all our plants in the future.

Trend in number of visitors



We communicate with around 20,000 visitors per year. We have connected with a total of more than 350,000 visitors.

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

Visiting Hours: Monday to Friday (except holidays) 9 a.m. to 4 p.m. (applies to all plants)

<Recycling Plant> Where visitors can see the process of sorted containers being turned into pellets

| Plant Name | Address | Visitor Reception | Maximum 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 of | | | |
|---|--|--|-------------------------------|
| Plant Name | Address | Visitor Reception | Maximum 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 |
| Matsumoto Sorting Plant | 2267 Shimadachi, Matsumoto-shi, Nagano 390-0852 | Tokyo Headquarters Administrative Assistant Dept.: 03-5325-7300 | 15 |
| Kanazawa Sorting Plant | 204-22 Kita, Fukumasu-machi, Kanazawa-shi, Ishikawa 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 |
| Kyushu Sorting Plant | 3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015 | Kyushu Sorting Plant +81-952-51-1028 | 30 |

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

1. Recycling Process (10 minutes)

At the entrance to the plant, we explain the process of recycling food

2. Recycling Processes Tour (30

Visitors can watch the entire process from delivery of the containers to turning them into pellets (raw material for trays).

3. Presentation (25 minutes)

This is 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)

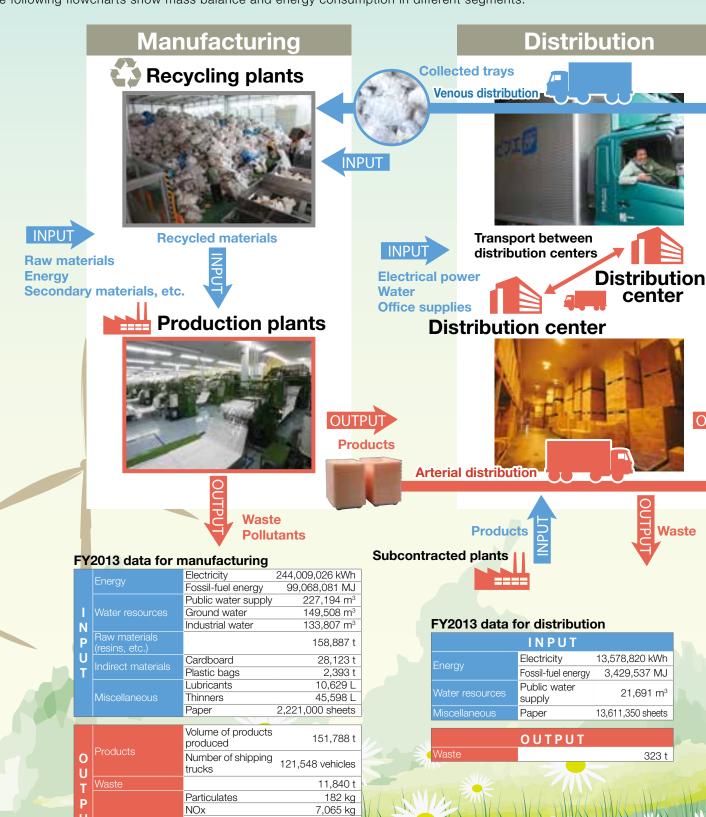
We respond to visitors' questions.

Overview of Environmental Impact

Corporate activities involve the movement of various materials and substances and result in an environmental impact.

FP Corporation strives to accurately understand the environmental load produced from its corporate activities so as to minimize the burden on the natural environment.

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



1 mg-TEQ

25,616 kg

35,286 kg 5,706 kg

U

Environmental pollutants

Dioxins

BOD

COD





Products

Trucks on their return trips collect post-consumer trays and transparent containers (venous distribution)



FP Corporation's Distribution Cycle System



Arterial distribution

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

Venous distribution

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

Consumers













Sales



















FY2013 data for offices

| | INPUT | |
|---------------|-------------|------------------|
| Energy | Electricity | 2,923,157 kWh |
| Miscellaneous | Paper | 5,511,000 sheets |
| | | |
| | OUTPUT | |



Social Efforts

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

FP Corporation believes that corporate social contribution in its true sense is building ties with many people from different backgrounds in society. Floor hockey is a barrier-free sport. Floor hockey It is still not well known, but the numbers of those who play it are steadily climbing. FP Corporation continues to provide support for its development. For instance, it organizes a major tournament in the Tokyo area.

Topics

FP Corporation's workers with disabilities on the catwalk

On December 8, 2013, the Yuuki no Tsubasa 2013 Fashion Show Organization Committee organized the Inclusion 2013 Fashion Show at Omotesando Hills in Shibuya-ku, Tokyo. Five employees of the FP Corporation Group took part as models: Michiyo Hatori and Katsuhiro Fujimaki from FPCO Ai Pack, Matayo Sumi from Ducks, and Masato Ota and Yoshihiro Sekine from Ibaraki Pigeon Recycle. A fitting session and walking rehearsal were given in the preparation period, followed by the show. At first they all looked nervous but by the end they showed their smiles and struck superb poses on the runway. All five fully enjoyed being fashion models.



Support for floor hockey tournament organizing in the Tokyo area



From the FP Corporation Group, several teams play in the annual nationwide floor hockey competition. This was often held in Yamagata Prefecture and there has been no major event in the Kanto region. FP Corporation proposed offering support for organizing the first major tournament in the Tokyo area, in October 2013. The sport is expected to further grow in popularity mainly in the Tokyo area.

Inauguration of FPCO RiM



located near Fukuyama Station. Many journalists turned up at the facility and the event received a great deal of publicity on television and in newspapers. FP Corporation hopes that it will continue to attract many visitors as a new face of the city of Fukuyama and as a sign of close ties between the city and FP Corporation.

Kurumin Mark recognition

FP Corporation was awarded a notice of recognition as a general operator meeting the standards of the Hiroshima Labour Bureau. It was officially recognized as a company that gives positive consideration to child rearing.



Acceptance of interns

In collaboration with the Hiroshima Prefectural Government, FP Corporation accepts some university students studying science and engineering as interns under the Hiroshima Prefecture Monozukuri Internship Program.

During the two-week internship period, we offer them an opportunity to learn about the first step toward their careers.



Interview with the President

Independence and Social Participation of Disabled Persons

-Toward an inclusive society in which workers with disabilities can work actively-



❖ A natural encounter between the two

Sato: It was about 10 years ago that I had the opportunity to meet you.

Hosokawa: Yes, an acquaintance of mine introduced me to you.

Sato: If I recall correctly, at that time you were working toward the Five Million People Torch Run for enlivening the Special Olympics* World Games in Nagano.

Hosokawa: That's right. I was working very hard with the sole aspiration of successfully organizing Japan's first

the sole aspiration of successfully organizing Japan's first Special Olympics in 2005. This is a sporting event for athletes with intellectual disabilities and did not attract much public attention in Japan in those days.

Sato: I remember that I was amazed by your incredible vigor when I first met you. You had such incredible enthusiasm about organizing the Special Olympics in Japan.

Hosokawa: I wanted to make them a success. I thought we should never keep those with disabilities out of the spotlight, so I worked hard with this as my stance. Thankfully, the Nagano games were ultimately a great success, so now they may attract some more attention in Japan.

The source of passion

What initially inspired you to help people with intellectual disabilities to become independent?

Hosokawa: Nearly 2% of the population is born with an intellectual disability. I heard from a Christian priest that God sends them as gifts to help people around them learn about kindness and thoughtfulness, which are the most important qualities for humans. He added that their original potential would be prevented from blooming if we merely protect and hide them, regarding them as poor children, incapable of anything. He stressed the need to provide them with opportunities to display their capacity or potential. I felt great empathy with his story. That coincided with my discovery of an article about the Special Olympics in a regional newspaper in Kumamoto Prefecture. It told of

Sato: What did the story say?

Hosokawa: A 10-year-old girl named Tomoko competed in gymnastics and won a silver medal. I was surprised that this wonderful child was from Kumamoto. I felt as excited as if I was watching the regular Olympics.

a girl from Kumamoto who competed in the eighth games

in the US state of Minnesota. That piqued my interest.

^{*} An international sports organization providing daily sporting programs and competitions as opportunities for displaying performance for the purpose of encouraging independence and social participation of those with intellectual disabilities



Interview with the President

Sato: However, the reality was different.

Hosokawa: That's right. As I continued to read, I came to understand why she won the medal. She was awarded not for her outstanding gymnastics performance but for her persistence and for not giving up.

Sato: You mean that the criteria for evaluation were different.

Hosokawa: In the Olympics for the unimpaired, superiority to other contenders is important, as implied in the motto of *Citius, Altius, Fortius*, or Faster, Higher, Stronger. However, the Special Olympics honor those who surmount who they used to be. Let me give an example that I actually saw in the Games in Austria since it is easy to understand. An 11-year-old autistic boy called Katchan entered the competition at the lowest level of figure skating. He practiced a great deal leading up to the Games but during the actual contest he became so scared that he could not step into the rink and he was disqualified. Three days later, the day of the final round, the organizer of the Games gave him another chance. This time he courageously stepped into the rink and performed brilliantly. I cried in jubilation together with his mother.

him the chance and Katchan who responded to it were both great.

Hosokawa: At the time of the awards ceremony, Katchan believed he would get nothing since he had been disqualified, but he received a medal with a white ribbon, which meant disqualification. He also received a prize for special effort.

Sato: The organizer treated the situation very well.

Hosokawa: But this is not exceptional treatment; it just





complies with the rules of the Special Olympics, based on the philosophy under which those who have put forth the effort are all to be honored. He was honored since he overcame who he was before. I encountered the Special Olympics that way and I thought it was my task to make this sporting event popular in Japan.

Sato: Now I see why it is the source of your amazing energy.

FP Corporation and floor hockey

Hosokawa: After the end of the 2005 Special Olympics in Nagano, I decided to next strive to popularize floor hockey, which is a barrier-free sport. At that time, I recommended this sport to you as a means of improving communications between those with disabilities and those who are unimpaired.

Sato: Our company started employing workers with disabilities 28 years ago. I felt that even we lacked understanding about such workers. We sought a good way of encouraging communication.

Hosokawa: I find it difficult to instantly narrow the distance with those with disabilities. Even I was unable to free myself from prejudice at the beginning.

Sato: We started by having able-bodied workers at our bases watch the DVD of the movie you produced, called *Able*, together with coworkers with disabilities. Thankfully, the FP Corporation Group has been enjoying floor hockey as an internal recreational activity for around four years. Every team has members with and without disabilities. At first there were only teams from special subsidiaries. Later, teams joined from the facilities of FPCO Ai Pack, classified as a Type A business with support for continuous employment. The number of teams increased at an accelerating pace and at the moment our group has 15 teams across the country.

Hosokawa: As president of the Japan Floor Hockey Federation, I think this is terrific.

Able-bodied employees not only play together, they also voluntarily help those with disabilities dress themselves before playing. They also strive to obtain a qualification for serving as a referee. Basically, I never force employees to take part. I take a stance of encouraging them to do it if they find it interesting. There is no meaning to it if they are not enjoying themselves. Now I am really pleased that we started floor hockey.

Hosokawa: Quite a few companies regard employment of disabled workers as an obligation. After hiring such workers, they tend to separate them from workplaces for able-bodied workers. The barrier still exists. I see my mission as removing this barrier.

Toward creating an inclusive society

Hosokawa: Until some time ago, it was common practice to assign intellectually disabled workers to places unnoticeable to others, isolating them from society. However, they all have their own gifts, talents and personalities, and we want to create a society where they can display these. In an effort to build an inclusive society that enables those with disabilities to lead an uninhibited life, we have set up a nonprofit organization (NPO) called Yuuki no Tsubasa Inclusion 2015. (Yuuki no Tsubasa literally means "wings of courage.")

employment activities. Some regard these as welfare actions, but we do not see them that way. This is a project for seeking profit. It would not last long if it was not. We assign employees with disabilities to appropriate positions and ensure that they work together with unimpaired staff, though their duties differ from those of the unimpaired. We're able to do this because of the support we get from so many people.

Hosokawa: A successful example like yours is encouraging to me. It is a good model for other companies. I also hope that you will continue floor hockey activities as well.

Sato: This year (2014), a nationwide floor hockey tournament will take place in Tokyo in October. Inspired by your vigor, we are offering support for the organization office.

Hosokawa: We sincerely thank you for your voluntary services. I hope you will continue to take part in fashion shows and other events we organize. We will provide many opportunities open to those with disabilities.

Sato: Yes, we will work together toward the same goal.



The FP Corporation Group has a total of 15 floor hockey teams in Yamagata, Ibaraki, Tokyo, Gifu, Fukuyama, Hiroshima, Kochi and Saga.



During the break, staff with and without disabilities talk happily with one another, free of segregation.



FP Corporation Group employees who acted as models in a fashion show organized by Yuuki no Tsubasa Inclusion 2015



FP Corporation offered assistance for organizing the first major floor hockey competition held in Tokyo.



Improving Corporate Value

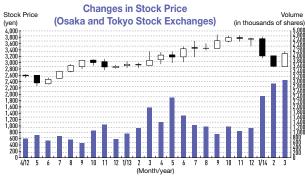
We conduct shareholder-focused management in accordance with three basic policies: to offer products of paramount quality, to offer products at more competitive prices than others, and to consistently deliver products as they are needed. We plan to steadily carry out measures for group management to increase our corporate value and achieve our target of a net income of 225 yen per share.

ContinuouslyStableDividends

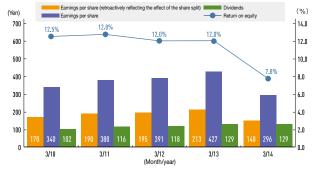
FP Corporation regards providing shareholders with an appropriate return on their investment as one of its most important goals. Our basic policy is to make continuous and stable dividend payments while increasing our profitability and improving our financial standing. Under this policy, we paid a dividend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

Proper Information Disclosure

FP Corporation always discloses corporate information in a timely, appropriate, fast and impartial manner. Our securities reports, brief announcements of consolidated financial results, materials for analyst meetings on financial results, press releases and other information are made available in the Shareholder Information section of our website. Apart from the general meeting of shareholders and biannual analyst meetings on financial results, we organize individual meetings and production, distribution and recycling facility tours in an effort to make our performance and business better understood.



- The diagram shows the share price and turnover at the Osaka Stock Exchange until June 2013 and those at the Tokyo Stock Exchange from July 2013.
 On April 1, 2014, a two-for-one share split of common shares took place. The share
- price and turnover data for 2012 and 2013 are calculated assuming that the share split took place in 2012.



Note: A two-for-one share split of common shares took place on April 1, 2014.



- · Financial Highlights · Shareholder Meeting
- · Financial Data
- · Stock Information
- · Press Releases
- Analyst Meeting
- · Electromagnetic **Public Notice**



Event Participation

Seeking direct communication with consumers, FP Corporation proactively takes part in different events. Many have the environment as their theme. Communications with people holding different positions and opinions serve as a valuable source of information for our CSR activities.

Organization of Visiting Presentations

FP Corporation's Environmental Management Department organizes visiting presentations in environmental education. We visit elementary, junior high and senior high schools that are too far away to come on plant tours. We do this to provide lessons focused on environmental issues and to present FPCO Method recycling. We show videos and real pellets produced so that schoolchildren can gain an experience similar to that on plant tours.

In FY2013, we visited 14 schools to give presentations to a total of 1,556 students.





Major Events for FP Corporation During FY2013

to communicate with

consumers.

| Date | Event Name | Location |
|------------------|--|----------------------|
| June 1, 2013 | Fuchu Environment Festival | Tokyo |
| June 2, 2013 | FY2013 Environment Day Hiroshima Rally | Hiroshima Prefecture |
| July 23, 2013 | Tomato Agri Food Fair 2013 | Okayama Prefecture |
| Sep. 6-7, 2013 | Tottori Industrial Festival 2013 & Tottori Environmental Business Exchange 2013 | Tottori Prefecture |
| Oct. 6, 2013 | Recycling Fair in Kurashiki 2013 | Okayama Prefecture |
| Oct. 13, 2013 | Sanwa Free Space Sunday Market | Hiroshima Prefecture |
| Oct. 16-18, 2013 | Eco-Technology Exhibition 2013 | Fukuoka Prefecture |
| Oct. 20, 2013 | Fukuyama City 12th Recycling Festa | Hiroshima Prefecture |
| Oct. 20, 2013 | Nagaizumi-cho Welfare and Environment Festival 2013 | Shizuoka Prefecture |
| Oct. 26, 2013 | The Eighth Okayama Mottainai Hare-no-Kuni Forum | Okayama Prefecture |
| Oct. 26-27, 2013 | Local Industry Fair 2013 | Hiroshima Prefecture |
| Oct. 27, 2013 | Yamagata Environment Exhibition 2013 | Yamagata Prefecture |
| Nov. 7-8, 2013 | Hokkaido Technical Information & Business Exchange Fair 2013 (Business Expo) | Hokkaido |
| Nov. 11-12, 2013 | Hokkaido Prefecture Authorized Products Fair | Hokkaido |
| Nov. 22-23, 2013 | Eco-Innovation Messe 2013 in Hiroshima | Hiroshima Prefecture |
| Nov. 27, 2013 | Chushikoku Environment Business Net (B-net) Forum 2013 | Okayama Prefecture |
| Dec.8, 2013 | Human Festa 2013 Hiroshima | Hiroshima Prefecture |
| Jan. 26, 2014 | 41st Ichinomiya City Consumer Life Fair | Aichi Prefecture |

Visiting Presentations

| U | | |
|---------------|---|----------------------|
| Date | School | Location |
| May 30, 2013 | Fukuyama Municipal Akebono Elementary School | Hiroshima Prefecture |
| June 20, 2013 | Kawagoe Municipal Noda Junior High School | Saitama Prefecture |
| June 25, 2013 | Hiroshima Municipal Nakayama Elementary School | Hiroshima Prefecture |
| July 8, 2013 | Hiroshima Municipal Hara-Minami Elementary School | Hiroshima Prefecture |
| July 8, 2013 | Hiroshima Municipal Miiri-Higashi Elementary School | Hiroshima Prefecture |
| Sep. 2, 2013 | Hiroshima Municipal Noboricho Elementary School | Hiroshima Prefecture |
| Sep. 3, 2013 | Hiroshima Municipal Midorimachi Elementary School | Hiroshima Prefecture |
| Sep. 3, 2013 | Hiroshima Municipal Honkawa Elementary School | Hiroshima Prefecture |
| Sep. 13, 2013 | Kure Municipal Kawajiri Elementary School | Hiroshima Prefecture |
| Sep. 23, 2013 | Hiroshima Municipal Niho Elementary School | Hiroshima Prefecture |
| Nov. 16, 2013 | Onomichi Municipal Harada Junior High School | Hiroshima Prefecture |
| Jan. 15, 2014 | Hiroshima University Attached High School | Hiroshima Prefecture |
| Feb. 6, 2014 | Gifu Prefectural Fuwa High School | Gifu Prefecture |
| Feb. 19, 2014 | Hiroshima Municipal Senda Elementary School | Hiroshima Prefecture |



Product Demonstration in Kitchen Studio

FP Corporation regularly invites customers to its kitchen studio where it holds assorted seminars. These include sessions for proposing products to users, new product workshops for dealers, environmental seminars and other events aimed at offering the latest information such as suggesting ways to use containers, sales approaches and changes in market conditions. All of these seminars are well received. We are also working to offer ideas on production and product displays by actually displaying packaged food products in the refrigerated display case in the seminar venue.

Our Osaka Branch, relocated in May 2013, now has a kitchen studio comparable to that of the Tokyo Headquarters. It has kitchen equipment, a refrigerated display case, audio environment and meeting space. It will be a base for our distribution of information to customers in western Japan.



Society

FPCO Fair – FP Corporation's comprehensive

presentation

As an opportunity to communicate with customers, FP Corporation focuses on an annual event it holds in Tokyo called the FPCO Fair. The three-day event attracts an average of roughly 13,000 visitors. Capitalizing on a large exhibition space, the fair simulates a selling space within the venue. This serves as an excellent opportunity to demonstrate the appeal of FP Corporation's products. It is also an opportunity to think about the production of selling spaces and about sales approaches together with customers. It can be seen as type of a pep rally for working together in the selling seasons in the next fiscal year.

The highlight of the fair held in March 2014 was a new heat-resistant transparent container product. Consumers can put fresh food in the container for microwaving as is and eat it immediately afterward. It has the potential to spearhead a major change in sales operations in convenience stores and supermarkets.

To advertise this product, the FPCO Fair included a sampling session of unprecedented scale, with five types of food: clams, quick-cooked sea bream, quick-cooked pork, steamed vegetables and seasoned meat. At the venue, visitors sampled the food directly from the container. This no doubt helped them understand the product's convenience and superiority. We will continue to deliver straightforward presentations that satisfy the five senses.

この容器使ってみよう!

2014エフピコ 団製品



Hiring of People with Disabilities

Overview of Disability Employment

The following figures represent facts concerning employment of disabled workers at FP Corporation as of the end of March 2014. We achieved a far higher disability employment rate than the statutory rate of 2% set by the national government.

This is a result of the steady efforts we have been making since we embarked on such employment 28 years ago. FP Corporation's subsidiaries operate 19 facilities in the country (as shown on the next page) and there are four business partners. All workers with disabilities in the FP Corporation Group serve as valuable staff for the companies. They are hired under the same working conditions, including the wage system and welfare programs, as those for able-bodied workers.

Employees with disabilities: 379

Adjusted number of employees with disabilities

647

Disability employment rate:

TOPICS



Organized by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, the award for distinguished business establishments in disability employment and distinguished workers with disabilities in Hiroshima Prefecture in FY2013 honored two workers from the FP Corporation Group as distinguished workers with disabilities, in recognition of their everyday efforts in their workplaces. This honor will greatly encourage other employees with disabilities and is a source of pride for the FP Corporation Group.

Two Types of Employment

The FP Corporation assigns its employees with disabilities to either of the two organizations described below according to their disability level and conditions. In either organization, able-bodied staff provide support to secure an environment that enables employees with disabilities to work stably.

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 able-bodied 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 group-wide efforts to address social welfare and global environment issues. It has established these places of business with the aim of increasing 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).

Two Types of Duties

Their duties are roughly divided into sorting of used containers collected at supermarkets and elsewhere, and manufacturing simplified food containers, involving the processes of forming, assembling and application of urethane mats.







Relations with Employees







Support for Satisfaction Childcare Support with Private Life

FP Corporation provides subsidies to support employees' recreational activities such as baseball, yachting, tennis and floor hockey. The support is also offered for non-sport recreational activities and social gatherings such as receptions to welcome new staff members. FP Corporation also has a welfare program that allows employees to use accommodation and entertainment facilities across the country at reduced charges in efforts to help staff enjoy themselves with friends and family members.

Encouragement of Internal Communications

FP Corporation values communications not only among coworkers in the same department but also among staff beyond the boundaries of departments and group companies. We hope our staff will not only enjoy staff trips and recreational activities but also build close relations on these different occasions. Staff



members wearing yukata robes on staff trips may now be a rare sight, but this is part of the FP Corporation's style.



Corporation has recognized as a family-friendly company by the Director-General of the Hiroshima Labour Bureau. All female employees enjoy childcare leave. FP Corporation is working to improve the environment for increasing the number of male workers taking childcare leave.

Overseas Training Program

Every fall, FP Corporation organizes six-day training trip to Hawaii, spending four nights. Nearly 30 employees selected from the entire group join. The group visits an Americanstyle supermarket and other locations to learn



about overseas food distribution. They enjoy activities unique to tropical Hawaii. On the trip many participants meet other participants for the first time. It also provides an opportunity to strengthen friendly relations.

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 | | Headquarters moved to the present site (Akebono-cho, Fukuyama) due to growth in business. |
| 1971 | | Manufacturing of wooden-feel containers launched. |
| 972 | Apr. | Fukuyama Distribution Center (Fukuyama-shi, Hiroshima) established |
| 975 | | General packaging supply retail chain store (Modern Pack) established in Fukuyama. |
| 976 | | First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company's products. |
| 979 | Jul. | FP Logistics Corporation established to reinforce delivery system. |
| 1980 | | 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 | | Manufacturing and selling of colored food containers commences ir response to the trend of treating food receptacles as merchandise. |
| 1982 | | Design-located-thermoforming technology developed for manufacturing of high-quality food containers. |
| | Apr. | Tokyo Branch (Nerima-ku, Tokyo) established. |
| 1983 | | Large-scale host computer installed to launch EDI (electronic data interchange) system for placing and receiving orders. Foamed PS microwaveable containers developed. |
| 1984 | | President and CEO Yasuhiro Komatsu elected chairman of the Polystyrene Thermoforming Industry Association (Japan). |
| | Jan. | Tokyo Distribution Center (Funabashi-shi, Chiba) established. |
| | | Pearl Fair held for the first time in Tokyo. |
| 985 | | Osaka Branch (Osaka-shi, Osaka) established. |
| | May Jun. | Fukuyama Daini Distribution Center established. Pearl Fair held for the first time in Osaka. |
| | Nov. | Kanto Plant (Yachiyo-machi, Ibaraki) begins operations. |
| | Jan. | Fully integrated production of solid food containers, from sheet production to thermoforming, launched. |
| 987 | | FP Trading Co., Ltd. is established as a wholly owned subsidiary. |
| 907 | | Kasaoka Plant (Okayama Prefecture) established to drastically reduce man-hours. |
| | | Use of CFC-utilizing Foamed PS discontinued. |
| | | Technology-sharing agreement formed with Holden Limited (South Africa) through Keyes Fiber (U.S.A.). Kanto Distribution Center established. |
| 1988 | | President and CEO Yasuhiro Komatsu attends an FPI (Foodservice & Packaging Institute, Inc.) general conference held in Washington, delivering a speech on global environment issues. |
| | | Cl introduced. Corporate name changed to FP Corporation. |
| 989 | | Chubu Distribution Center (Wanouchi-cho, Gifu) established. |
| | Nov. | Company is listed on the Hiroshima Stock Exchange. |
| 990 | Dec. | Tohoku Distribution Center (Sagae-shi, Yamagata) established. |
| 991 | Feb. | Listed on the Second Section of the Osaka Stock Exchange. |
| 1991 | | Received the "Members' Division Highest Points Award" from the Valdez Society. |
| 992 | | Tohoku Recycling Plant cited as an honoree of the year by the Award Program for Achievement in Promoting Recycling. |
| 1993 | | Receipt of the Chairman's Award in the Clean Japan Center sponsored Award Program for Companies Contributing to the Reuse of Resources. |
| 994 | Oct. | Kansai Distribution Center (Nishinomiya-shi, Hyogo) established. |
| 995 | Apr. | All distribution operations transferred to FP Logistics Corp. |
| 1996 · | | 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 Jun. | The Osaka Branch is relocated to Toyonaka-shi, Osaka. 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. |
| | | Company homepage set up. |
| 1997 | | Receipt of the MITI Environmental Protection and Industrial Location |
| | Mar. | Bureau Chief's Award in the Clean Japan Center-sponsored Award Program for Companies Contributing to the Reuse of Resources. |

| | | 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 |
| 1997 | оор. | Chamber, Incsponsored Nishi-Mino Co-Founder's Awards '97. Receipt of the Sixth Nisshoku Environmental Resource Cooperation |
| | Oct. | Award sponsored by Japan Food Journal Co., Ltd. |
| | 00 | Receipt of the Chairman's Award in the Award Program for Achievement in Promoting Recycling for Fukuyama Recycling Plant. |
| | | 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. |
| | Feb. | President and CEO Yasuhiro Komatsu awarded the 19th Mainichi Business Leaders Award. |
| 1999 | 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. |
| | Jan. | Established Special Subsidiary Company Ducks Shikoku Co. headquarters and plant (Nankoku-shi, Kochi). |
| 2000 | | Listed on the Second Section of the Tokyo Stock Exchange. |
| 2000 | | Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki) begins operations. |
| | Jul. Oct. | Kanto Shimodate Plant (Chikusei-shi, Ibaraki) begins operations. |
| | | Kinki Kameoka Plant (Kameoka-shi, Kyoto) begins operations. Kanto Daini Distribution Center (Yachiyo-machi, Ibaraki) begins |
| | Feb. | operations. |
| 2001 | Jul. | Awarded the Prize for Excellence in the Idea Division in the Fourth Eco-Life Lake Biwa Awards. |
| | | Fukuyama/Tokyo double head office system started, with Tokyo Branch upgraded to Tokyo Headquarters. |
| | | Kitchen Studio opened at Tokyo Headquarters. Sponsored and initiated reorganization procedures for two |
| 2002 | Feb. | reconstructed corporations, Chupa Co., Ltd. and Packdor Co. |
| | | Reorganization project for Chupa Co., Ltd. and Packdor Co. approved. (Reorganization completed in May 2003 and May 2005 for Packdor Co., and Chupa Co., Ltd., respectively.) |
| 2003 | | East Japan Hub Center (Yachiyo-machi, Ibaraki) completed. |
| | | Yamagata Plant (Sagae-shi, Yamagata) operations. |
| | | Receipt of the Business Activities Division Award at the Wastec Award 2003. |
| 2004 | | Eastern Japan Sample Center (Bando-shi, Ibaraki) established. Western Japan Sample Center (Fukuyama-shi, Hiroshima) established. |
| | | Tohoku Distribution Center relocated to be annexed to Yamagata Plant (Sagae-shi, Yamagata). |
| | | Listed in the First Section of the Tokyo and Osaka Stock Exchanges. |
| 2005 | | 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 |
| | | Sample Request Reception Center begins operations. |
| | Jun. | Special Subsidiary Company Ducks Saga Co. (Yoshinogari-cho, Saga) established. |
| 2006 | Sep. | Japan Organization for Employment of the Elderly and Persons with Disabilities JEED Presidents Award presented to Ducks Shikoku Co. |
| | | 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. |
| | Feb. | Kanto Shimodate Plant II (Chikusei-shi, Ibaraki) begins operations. |
| | | 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. |
| 2007 | | 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. |
| | | FPCO Ai Pack Co. Gifu (Wanouchi-cho, Gifu) and Ibaraki Plants (Bando-shi, Ibaraki) begin operations. |
| | | , |

FP Corporation's History

| | | FPCO Ai Pack Co. Gifu (Wanouchi-cho, Gifu) and Ibaraki Plants (Bando-shi, Ibaraki) begin operations. |
|------|------|---|
| 2007 | | FPCO Ai Pack Co. Nishinomiya (Nishinomiya-shi, Hyogo) and Yamagata (Sagae-shi, Yamagata) plants begin operations. |
| | | The Komatsu Scholarship Foundation is founded. |
| | | New head office building completed in Fukuyama-shi, Hiroshima. |
| | | Established retired persons association FPCO Shoeikai. |
| 2008 | | 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. |
| | | Honored with the first-ever Fukuyama Environment Award in the Business Category. |
| | | West Kanto Picking Center in Machida, Tokyo, begins operations. |
| | | Acquisition of packaging division from Taiyo-Kogyo Corp. |
| 2009 | | CEO Yasuhiro Komatsu receives 11th Kigyoka Prize. |
| | | Ibaraki Pigeon Recycle established. |
| | | FPCO Nippon Pearl Co. established after acquisition of Nippon Pearl Containers Co. from Toyama Yoseisha Co. |
| | Apr. | Packing materials and other production supply business transferred from Yuka Shoji Co., Ltd. |
| | | ALRight Inc. (currently FPCO ALRight Co. Ltd.) becomes a consolidated subsidiary. |
| 2010 | | The I-Logic Co., Ltd. Fukuyama Picking Center (Fukuyama-shi, Hiroshima) opens. |
| | | Interpack Co., Ltd. (currently FPCO International Package Co., Ltd.) is reorganized into a consolidated subsidiary. |
| | | Dia Foods Co., Ltd. (currently FPCO Dia Foods Co., Ltd.) is reorganized into a consolidated subsidiary. |
| | 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. |
| | | The Sendai Sales Office (Sendai-shi, Miyagi) is relocated and integrated. |
| 2011 | | 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. |
| | | 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 | | The world's first biaxially oriented PET product for plastic containers is released. |
| | | 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. |
| 2013 | | 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. |
| | Jul. | The Second Kyushu Distribution Center in Kanzaki, Saga begins operations. |
| | Oct. | The First Kansai Distribution Center in Kobe, Hyogo begins operations. |
| | | Yasuhiro Komatsu, chairman & CEO, is honored with the Order of the Rising Sun, Gold and Silver Star. Construction commences for the Hachioji Distribution Center in Hachioji, Tokyo. |
| 2014 | Jun. | Nishinihon PET Bottle Recycle Co., Ltd, engaging in production of recycled resins from used PET plastic bottles, is reorganized into a consolidated subsidiary. |
| | | |

| | | Environment / Recycling |
|------|------|--|
| _ | | |
| 1990 | | FP Corporation starts its recycling program. |
| 1550 | Dec. | Kasaoka Recycle Center goes into operation. |
| | Oct. | Kanto Recycle Center goes into operation. |
| 1991 | OCI. | Tohoku Recycle Center goes into operation. |
| | Nov. | Eco Tray becomes the first to receive the Eco Mark certification in the industry. |
| | Mar. | Eco Tray goes on sale. |
| | Apr. | Environmental Management Department established. |
| | May | Chubu Recycle Center goes into operation. |
| 1992 | | First Autonomous Tray Recollection Movement Commences through cooperation with Tottori City. |
| | | 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. |
|------|------|---|
| | | Hokkaido Recycle Center goes into operation. |
| 1996 | | FP Logistics Corporation acquired Green Management certificate. |
| | | Numazu Recycle Center goes into operation. |
| 1998 | Apr. | Automatic color tray-sorting system installed at Kanto Recycle Center. |
| 1550 | | 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. |
| | May | Eco Tray registered as a trademark in category #20 (No. 4387266). |
| 2000 | Oct. | Recycle centers renamed "recycling plants." |
| | | Kanto Recycling Plant I (Yachiyo-machi, Ibaraki) goes into operation. |
| 2001 | | New specialized recycling line for transparent containers installed in Fukuyama Recycling Plant. |
| | | Kanto Recycling Plant No. 1 receives ISO 14001 certification. |
| | Mar. | Eco Trays recognized as Eco Products by Okayama Prefecture. |
| 2003 | 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. |
| | | Eco Tray recognized as a waste recycling product by Gifu Prefecture. |
| _ | | 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. |
| | Oct. | Rooftop Gardening compatible Plant (Chubu No.2 Plant) begins operation. New Premises with Solar Energy Generation System Established |
| 2007 | Dec. | within Headquarters. Optical Automatic Material Sorting System put into operation for |
| | | transparent containers. |
| 2008 | Aug. | Ibaraki Sorting Plant (Yachiyo-machi, Ibaraki) commences operations. |
| 2000 | Oct. | Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo) and Gifu Sorting Plant (Wanouchi-cho, Gifu) commence operations. |
| | | Fukuyama Sorting Plant (Fukuyama-shi, Horoshima) commences operations. |
| 2009 | | Kanazawa Tray Recycling, Co. (Kanazawa-shi, Ishikawa) commences operations. |
| | | Saga Sorting Plant (Kanzaki-shi, Saga) begins operations. |
| | 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. |
| 2010 | | Recycling plants receive their 300,000th visitor. |
| | Oct. | Yamagata Sorting Plant commences operations. |
| | Dec. | Hokkaido Sorting Plant commences operations. The Chubu Recycling Plant and the Chubu PET Recycling Plant |
| | Apr. | (Wanouchi-cho, Gifu) begin operations. FP Corporation is recognized as an Eco-First Company by the |
| | May | Minister of the Environment. The PET mechanical plant installed in the Chubu Recycling Plant receives |
| 2011 | Oct. | a letter of no objection from the US Food and Drug Administration (FDA). 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. |
| | Feb. | The Eco Tray is recognized as a recycled product in Hokkaido. |
| | Apr. | The ECO APET, recycled PET plastic containers, is released. |
| 2012 | | 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). |
| 2013 | Oct | The Yamagata Prefectural Government recognizes Eco APET as a recycled product. |
| 2014 | | The Okayama Prefectural Government recognizes Eco APET as an eco-product. |
| 2014 | Mar | The Ibaraki Prefectural Government recognizes Eco APET as a recycled product. |
| | | |

■ Editorial Postscript **■**

Fukuyama, the home of FP Corporation, is called the city of roses, after approximately 1,000 rose seedlings were planted to provide peace of mind in the postwar reconstruction period.

Today we can find rose beds in many places in the city. Every May, the Rose Festival takes place all over the entire city. Around the FPCO RiM facility, for which the naming right was obtained by FP Corporation, there are rose beds that lend a sense of relaxation to the public.

We aspire to be a company that people will someday associate with the name Fukuyama. We believe the containers we produce will serve people all over the country, but few consumers know that they come from Fukuyama. We sincerely hope we will someday be a company with a strong presence in Fukuyama and that delivers peace of mind to people's lives just like the roses that bloom in the city.



We sincerely appreciate your reading of *CSR Report 2014* to the end. Since we will continue our efforts to improve the content of future reports with the help of your feedback, we would be grateful if you could kindly respond to the survey included in this report. Thank you in advance for your assistance.

June 2014
General Manager, Environmental Management Dept.

Eiji Togashi



CSR Report 2014

Published: June 2014

Production Department and Inquiries

FP Corporation Environment Management Department Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan 163-6036 TEL: +81-3-5325-7809 FAX: +81-3-5325-7811

E-mail: EcoTray-FP@fpco-net.co.jp Website: http://www.fpco.jp/en/





- Headquarters: 1-12-15 Akebono-cho, Fukuyama-shi, Hiroshima, Japan 721-8607 TEL: +81-84-953-1145
- Tokyo Headquarters: Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan 163-6036 TEL: +81-3-5320-0717
- Osaka Branch: Dai Building Main Tower 22F, 3-5-32 Nakanoshima, Kita-ku, osakashi, Osaka 530-0005 TEL: +81-6-6441-2468
- Sales Offices: Sapporo, Sendai, Niigata, Shizuoka, Hokuriku, Nagoya, Hiroshima, Shikoku, Fukuoka





