

FP Corporation Report 2016



FP CORPORATION

TOPICS

Expansion of Emergency
Power Generation
Equipment



➤ P.8

Award for excellence at the
Sixth Monozukuri Nippon
Grand Awards



➤ P.13

Selected as a Competitive
IT Strategy Company



➤ P.17

Completion of Chubu Eco
PET Plant



➤ P.18

Expansion of the Hachioji
Distribution Center



➤ P.20

FP Corporation honored
by the Minister of the
Environment



➤ P.34

Media Communications



➤ P.46

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FP Corporation bridges people, society, and the environment through the manufacture, sale, and recycling of food containers.

Food is transported in many different packages from producers and manufacturers to consumers. FP Corporation is a manufacturer of food containers. Our containers are used for many of the food items sold at supermarkets and convenience stores. In addition, we play a role in bridging between consumers and the global environment by engaging in the business of recycling used containers. We are proud to do a business that contributes to a rich diet and the creation of a beautiful global environment.



Our products support food sales at supermarkets across the country.

Company Profile

Corporate name: FP Corporation
 Established: July 1962
 Representative officer: Yasuhiro Komatsu, Chairman of the Board & CEO
 Morimasa Sato, President and COO
 Capital: 13.15 billion yen
 Number of employees: 795 (FP Corporation Group: 4,332)
 Business outline: Manufacturing and marketing of disposable food containers made of polystyrene and other compound resins; marketing of said packaging materials
 Headquarters: 1-13-15 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



Headquarters (Fukuyama-shi, Hiroshima)



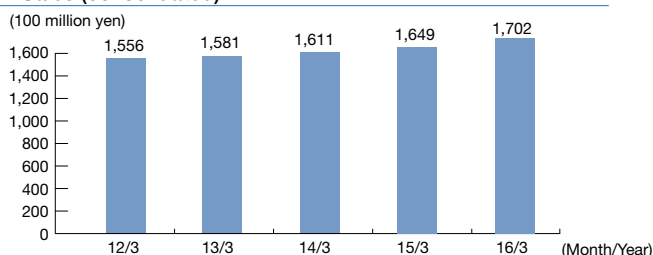
Tokyo Headquarters (Shinjuku-ku)



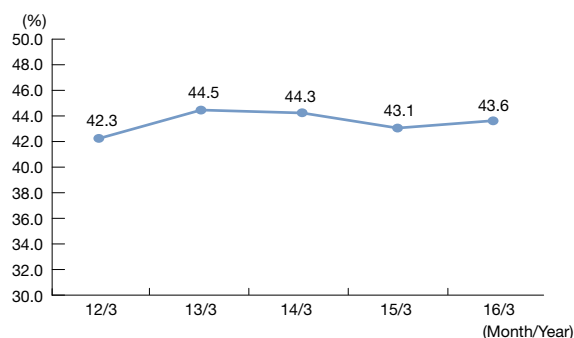
Our logo features the letters FP, which signify the first letters of the first two words in Fukuyama Pearl Paper Manufacturing Corporation, which was the name of our company when it was established.

Main Management Benchmarks

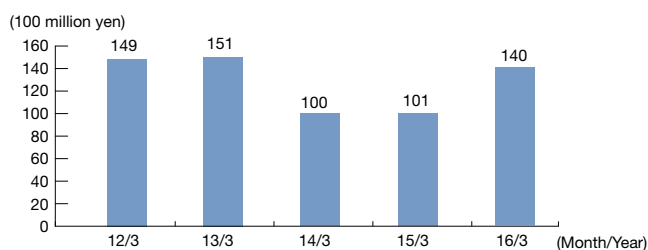
Sales (consolidated)



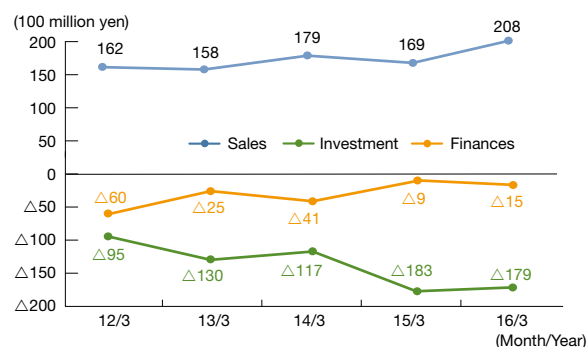
Equity ratio (consolidated)



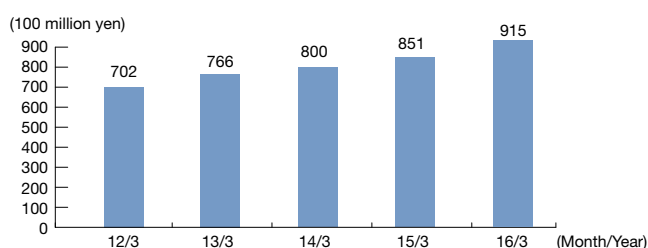
Ordinary income (consolidated)



Cash flow (consolidated)



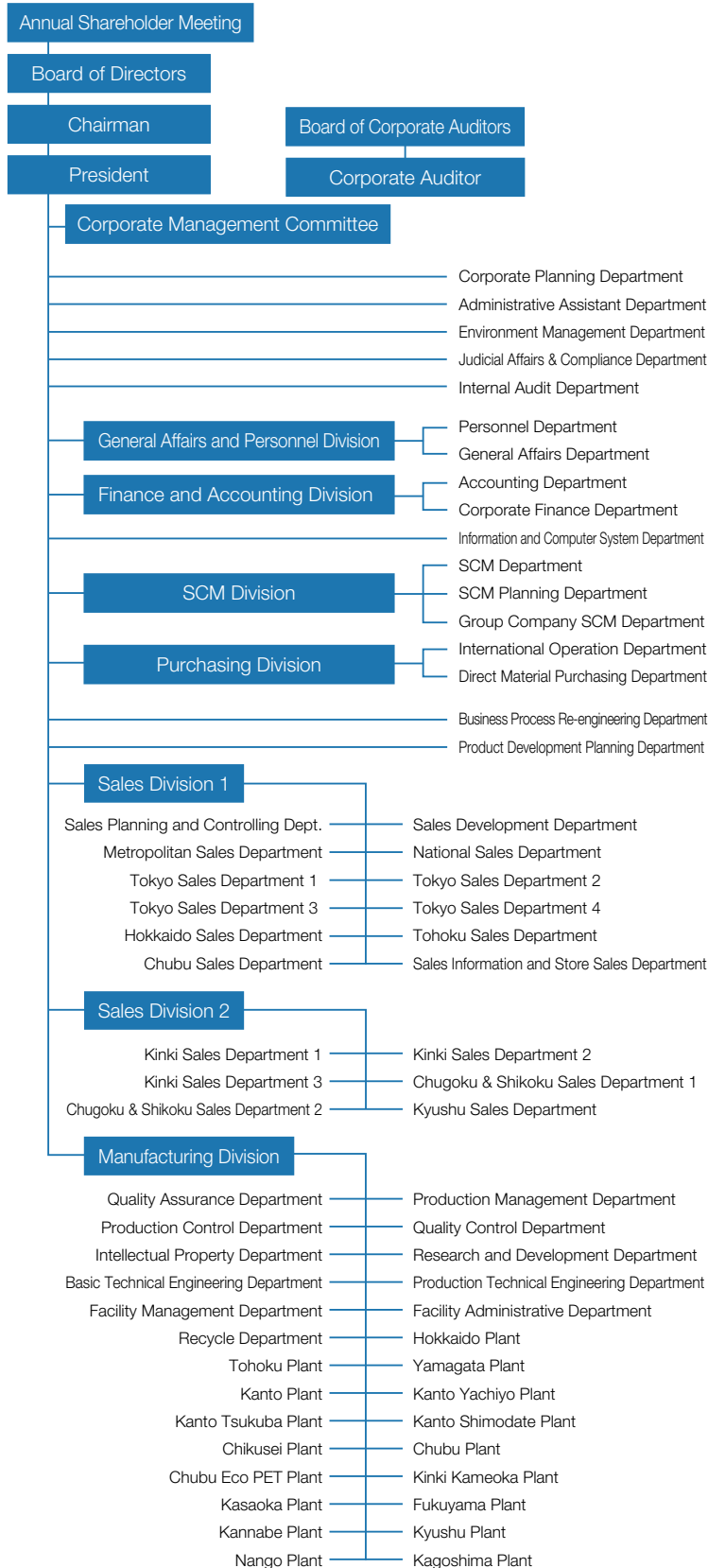
Net assets (consolidated)



Company Organization and Group Companies

Organization of FP Corporation

* As of April 1, 2016



Headquarters



Tokyo Headquarters



Chubu Eco PET Plant



Hachioji Distribution Center



Fukuyama Recycling Plant

The FP Corporation Group's network for production, distribution, sales and recycling operations

- ★ ... Headquarters
- ... Research Institute
- ... Sales Operation Bases
- ... Production Plants
- ... Recycling Plants
- ... Distribution Centers
- ... Sorting and Volume Reduction Plants
- ... Small-lot Distribution Centers

- ★ **Headquarters**
Headquarters (Fukuyama-shi, Hiroshima)
Tokyo Headquarters (Shinjuku-ku, Tokyo)
- **Research Institute**
FPCO Comprehensive Research Institute (Fukuyama-shi, Hiroshima)

● 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)

● Distribution Centers

- Hokkaido Distribution Center (Ishikari-shi, Hokkaido)
- Tohoku Distribution Center (Sagae-shi, Yamagata)
- Kanto Distribution Center (Yachiyo-machi, Ibaraki)
- Tokyo Distribution Center (Funabashi-shi, Chiba)
- Hachioji Distribution Center (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)
- Tokyo Picking Center (Koto-ku, Tokyo)
- Hachioji Picking Center (Hachioji-shi, Tokyo)
- Niigata Picking Center (Nagaoka-shi, Niigata)
- Chubu Picking Center (Wanouchi-cho, Gifu)
- Kansai Picking Center (Kobe-shi, Hyogo)
- Fukuyama Picking Center (Fukuyama-shi, Hiroshima)
- Hiroshima Picking Center (Hatsukaichi-shi, Hiroshima)
- Kyushu Picking Center (Yoshinogari-cho, Saga)

● Recycling Plants

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

● Sorting and Volume Reduction Plants

- Hokkaido Volume Reduction Center (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)
- Gifu Sorting Plant (Wanouchi-cho, Gifu)
- Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo)
- Fukuyama Sorting Plant (Fukuyama-shi, Hiroshima)
- Kyushu Sorting Plant (Kanzaki-shi, Saga)

● Production Plants

- Hokkaido Plant (Ishikari-shi, Hokkaido)
- Yamagata Plant (Sagae-shi, Yamagata)
- Kanto Plant (Yachiyo-machi, Ibaraki)
- Kanto Yachiyo Plant (Yachiyo-machi, Ibaraki)
- Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki)
- Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
- Chikusei Plant (Chikusei-shi, Ibaraki)
- Chubu Plant (Wanouchi-cho, Gifu)
- Chubu Eco PET Plant (Wanouchi-cho, Gifu)
- Kinki Kameoka Plant (Kameoka-shi, Kyoto)
- Kasaoka Plant (Kasaoka-shi, Okayama)
- Fukuyama Plant (Fukuyama-shi, Hiroshima)
- Kannabe Plant (Fukuyama-shi, Hiroshima)
- Shikoku Plant (Nankoku-shi, Kochi)
- Kyushu Plant (Yoshinogari-cho, Saga)
- Nango Plant (Nichinan-shi, Miyazaki)
- Kagoshima Plant (Kagoshima-shi, Kagoshima)

FP Corporation Group Companies

Manufacturing

- FPCO Hokkaido Co.
- FPCO Yamagata, Ltd.
- FPCO Sagae Co.
- FPCO Ibaraki Co.
- FPCO Shimodate, Ltd.
- FPCO Chikusei Co.
- FPCO Chubu Co.
- FPCO Kasaoka Co.
- FPCO Minoshima Co.
- FPCO Fukuyama Co.
- FPCO Kannabe, Ltd.
- FPCO Saga Co.
- FPCO Nango Co., Ltd.
- FPCO Kagoshima 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.
- Nishinohon PET-Bottle Recycle Co., Ltd.

Distribution

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

Sales, Others

- FP Trading Co., Ltd.
- FP Chupa Corporation
- FPCO International Package Co., Ltd.
- FPCO Dia Foods Co., Ltd.
- FPCO Ishida Co., Ltd.
- FPCO Miyako Himu Co., Ltd.

Organizational Management

Corporate Governance

FP Corporation's basic stance on corporate governance is to ensure the transparency and fairness of decision-making, to make effective use of the management resources it possesses, such as personnel, goods, money and information, and to aim for continuous growth and the long-term increase in corporate value through swift and bold decision-making. To achieve these aims, we have established five basic policies as follows.

- (1) Ensure shareholders' rights and equality among them
- (2) Work together appropriately with stakeholders other than shareholders
- (3) Properly disclose information to ensure transparency
- (4) Fulfill the roles of the Board of Directors and other organs
- (5) Hold dialogue with shareholders

To further enhance its corporate governance, FP Corporation will make the switch from a company with a Board of Auditors to a company with an Audit and Supervisory Committee at the General Meeting of Shareholders in June 2016. Further details will be published on our website at a later date.

Compliance

To cultivate a healthy, sound corporate culture, the Judicial Affairs & Compliance Department takes the initiative in organizing a diverse range of training sessions in an effort to provide stringent guidance on compliance. The FP Corporation Action Charter and the FP Corporation Normative Rules for Compliance serve as guidelines for achieving compliance.

▶ Other Measures Relating to Compliance

● Whistleblowing Program

A contact for consultations on all matters regarding compliance has been established. It is open to all employees in the FP Corporation Group.

● Compliance Training

Apart from training for new employees and prospective employees at managerial level, a compliance seminar is organized for all officers and employees.

● Compass for Action

To raise awareness of compliance issues among individual employees and to urge them to take responsible actions, the Compass for Action is displayed where they can view it at any time.

Human Resources Development

FP Corporation offers training for new employees, training for personnel expected to take posts at the managerial level in the future, and training for engineers on the shop floor, and other types of training. In addition, in FY2015 we set up training for young employees expected to play active roles in the future. In the workshop training held in July, three topics were set: (1) broaden perspectives, (2) renew awareness of teamwork, and (3) construct an internal network. In an effort to respond to today's rapid changes in circumstances surrounding corporate management, the workshop aimed to help employees develop their skills to arrive at solutions. We define human resources development as a key pillar in organizational management. Moving forward, we will continue to focus our efforts on this pillar.



Risk Management

On the assumption of risks of equipment failure, falling productivity and labor accidents that may be induced by human factors as well as risks of natural disasters, FP Corporation takes the measures described below, since everyday preparations and attention can minimize unpredictable problems and damage.

● Response to Disasters

The FP Corporation Group's facilities carry out evacuation drills and firefighting drills on a regular basis. These repeated drills help to prepare us for the unexpected.

● Emergency Supplies

We provide all employees with helmets and other items for evacuation. In addition, we have first-aid kits placed at locations in our offices and plants where they can be easily accessed whenever necessary.

● Construction of Seawalls

The site at Minooki-cho in the city of Fukuyama that is owned by FP Corporation and faces Fukuyama Bay is surrounded on three sides by sea walls with an approximate height of two meters to protect the land from high waves and tsunamis.

● Security Gates

Entry and exit control of vehicles and people is in place at complex facilities with heavy traffic, where production and recycling plants, distribution centers and others are located on the premises. Vehicle license plate numbers are automatically identified at the time of entry.

● Safety and Health Committee

Given that multiple companies in the Group share the same premises and facilities, we organize regular meetings of the Safety and Health Committee, where safety managers from different companies and departments gather for deliberations.

● Information Risk Management

In the domains of information redundancy, business continuity and security enhancement, we store significant data, carry out regular data backups, and make use of outside centers as a measure against natural disasters. We have secured two communication lines and have introduced a system that prevents outgoing mail from being sent by mistake.

TOPICS

Expansion of Emergency Power Generation Equipment

To avert risks arising from extended regional power outages, we upgraded the emergency power generation equipment at our headquarters building in November 2015. We already had an emergency power generator, but it was only capable of supplying power to the water supply pump and lighting in corridors and staircases. After this work, the lighting, power outlets, computers, video conferencing system, and other devices in the office room on the second floor can now remain

active. In the event the power supply is stopped in the future because of a regional power outage or disaster, we can continue operations in the office for 24 consecutive hours.

From September 2016, we will also be starting to introduce emergency power generation equipment to 21 distribution bases across the country, and storing fuel to secure a 72-hour power supply.





FP Corporation's containers are high value-added products with various functions, including packaging, transport, storage, heating, and meal preparation.

Food containers themselves are small and lightweight, but they offer a wide variety in terms of types and functions. Today, Japan faces the prospects of an aging population and a birth rate that is on the decline. People's lifestyles and eating habits are diversifying. We therefore make food containers that offer the functionality required for different eating habits. It is by no means easy to always offer what people want at just the time they want it, but we will strive to fulfill this minimum commitment in our business.



The Eco Tray provides extra value in environmental conservation because it can be recycled and used multiple times.

FP Corporation's Product Lineup

We manufacture about 10,000 different kinds of products that are matched with various lifestyles and eating habits. These products more than meet the needs of our customers, which are predominantly supermarkets and retailers.

Foamed Products

Products made of polystyrene. It is common to put fresh meat and other food on foam trays and wrap them before they are sold. They are commonly seen as containers for sushi assortments and *bento* meals.



Meat

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.



Sushi

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



Lunchboxes

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.

Transparent Containers

Today, they are used as containers for almost all food items. Transparency means that the content can be seen from the outside. This simple feature provides consumers with the safety and reassurance they seek.



Fresh fish

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



Fruits and vegetables

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



Confectionery

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.

High Function Products

We also manufacture products specially designed to exhibit high functionality, such as heat or cold resistance, oil resistance, acid resistance, high transparency, and utilization of multiple functions.



Microwavable packages

A combination of meat, fish, vegetables and other fresh food is packaged so that it may be cooked in a microwave oven as is. This product suits the needs of the times. It delivers the pleasant flavors of the food ingredients as they are.



Microwavable containers

FP Corporation has a large range of microwavable containers, similar to those used in convenience stores around Japan. Some of them are made of a material that prevents them from becoming too hot to hold.



Screw-top containers

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.

Other

We manufacture and sell egg cartons, bag-shaped packages, and many different containers and packages indispensable to food distribution.



Paper containers

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 Japanese ambience.



Eggs

FP Corporation also manufactures transparent egg cartons. These are recycled products made from recycled PET.



Film products

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.

FP Corporation's Vision



There are certain types of container manufacturing processes, sales approaches, and recycling that only FP Corporation can handle. Our vision is to continue offering social value.

Morimasa Sato

President and COO

FP Corporation's Commitments

(1) We will deliver around 10,000 different kinds of products to customers without fail.

With 17 production bases and 22 distribution facilities across the country, we are ready to deliver the products customers need at just the time they need them. In addition, we carry nearly 10,000 different kinds of products and deliver large quantities of products every day. This would not be possible without our Supply Chain Management System, which calculates the optimal production and distribution schedule from a massive amount of complex data.

It proposes an optimal plan calculated reversely from the product delivery to customers, taking into account the sales staff's sales forecasts, actual sales in the same period in past years, the quantities of different products in stock, and the delivery time needed for distribution.

We take measures to address uncertain factors that may lead to unexpected events and measures in view of today's social structure. Our headquarters and distribution bases are equipped with emergency power generation equipment. Approximately 2,000 computers and file servers operated in our Group as a whole have been transferred to the cloud to ensure data backup and security. We have also introduced voice picking systems and automated sorter systems at distribution bases. This measure is intended to address the problems caused by the shortage of labor, which is expected to become a major social issue in the future. Voice picking increases work efficiency to nearly 1.6 times that of conventional methods. It is expected to have a significant positive effect.

(2) Along with business expansion, we will fulfill the obligations that are expected of corporate citizens.

FP Corporation is highly conscious of conserving the global environment as a manufacturer and seller of food containers. Since we began used container recycling in 1990, we have advanced the scale and quality of recycling activities year by year. Today, we have 13 recycling-related facilities in Japan. They cut CO₂ emissions by more than around 100,000 tons a year. We also focus our energy on diversity management, which is meant to take advantage of human resources with a wide range of characteristics and abilities. One way in which we do this is by employing a large number of individuals with disabilities. These employees serve as valuable members of the workforce in production and recycling operations. The disabled employment rate in the FP Corporation Group is around 15%.

Six Tasks and Two Cycles for Realizing the Vision

Six tasks of product development, manufacturing, distribution, sales, recycling, and disability employment

While undertaking the manufacture and sales of food containers, FP Corporation also works on its nationwide independent distribution network, repeated recycling of used containers into products, and the active employment of workers with disabilities who display their strengths in production and recycling. These also represent the major pillars of our operations. These six areas constitute our fundamental tasks. Our business structure produces synergy between them as they are closely connected to each other.

Circulation of ideas and circulation of products in resource recycling

The six tasks are connected through two cycles. The first cycle is the flow of intellectual properties that creates high value-added products and of the products that embody them. It represents the cycle in which new ideas that lead to better products constantly materialize through the product life cycle composed of product development, manufacturing, distribution, and sales. This cycle becomes a continuous spiral of improvement because customers' voices are constantly collected and applied on the shop floor. The second cycle involves the flow of resources by means of product recycling. Following the flow of manufacturing, distribution, and sales, the recycling of used containers gives rise to manufacturing, and thus creates a cycle in which resources are circulated.



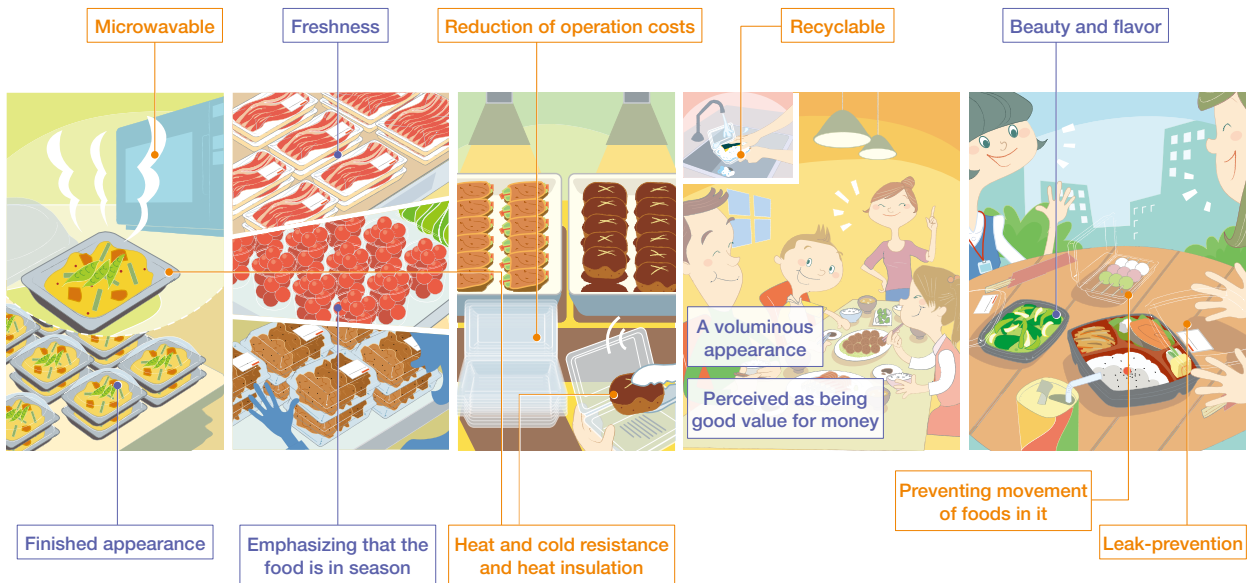
Product Development

Food Containers Manufactured by FP Corporation

Food containers manufactured by FP Corporation support your eating habits in many different ways. Food containers are indispensable to the delivery of food from production centers to households in the process of food production, processing, distribution, and sales. The use of food containers provides many different advantages. Our food containers are at work behind-the-scenes to help supermarkets and convenience stores provide consumers with safe and secure food.

..... Functions of food containers

..... Features of food containers



TOPICS Award for excellence at the Sixth Monozukuri Nippon Grand Awards

FP Corporation won an award for excellence in the category of product and technology development at the Sixth Monozukuri Nippon Grand Awards organized by the Ministry of Economy, Trade and Industry. The award recognized the practical application of transparent food containers by developing biaxially oriented PET sheet and forming technologies. As mentioned in the descriptions of the OPET products on the right page, FP Corporation is the world's first manufacturer to create a product with strength and heat resistance improved by stretching the PET sheet in longitudinal and lateral directions. Food containers made of biaxially oriented PET sheets offer a high level of transparency and are directly microwavable. Sales personnel at supermarkets, convenience stores, and other retailers have eagerly awaited food containers with these features. Because of their great versatility, they are expected to be used in a variety of applications. The prize was a great boost for FP Corporation as a food container manufacturer.



FP Corporation's Original Products with Functional Superiority to Respond to Needs

● The Eco Tray and the Eco APET Series

Environmentally friendly

Both the Eco Tray and the Eco APET Series clear containers are environmentally friendly products developed by FP Corporation. Collected used containers are recycled and processed into pellets or flakes, from which new products are manufactured.



Eco Tray



This is a product recycled from polystyrene foam containers collected at supermarkets and other locations. These are recycled containers that can be recycled multiple times.



Eco APET



Transparent containers and PET bottles collected at supermarkets and elsewhere are recycled into new transparent containers. They feature excellent transparency and oil resistance.

● OPET

The world's first material

The OPET Series features strength and heat resistance enhanced by longitudinally and laterally stretching (i.e. biaxially stretching) the PET sheet to align the molecules. While retaining oil resistance and transparency, it is the world's first material to achieve heat resistance of up to 80°C, which is better than the heat resistance of up to 60°C offered by conventional PET materials.



● New Transparent Polypropylene

High level of transparency

Thanks to its superior heat and oil resistance, microwaving does not cause any deformities or holes to form in the food container. The polypropylene does not become brittle when it comes in contact with MCT oils. As a result, the food container remains undamaged.



● Multi FP

Withstanding both high and low temperatures

This is a foamed material with heat resistance of up to 110°C, making it suitable for microwaving, and cold resistance of up to -40°C. The heat insulation is so good that the temperature does not exceed 70°C on the bottom of the food tray after microwaving. Even when the food inside is hot, there is no need to worry about burning your hands when holding the container.



● Multi SD

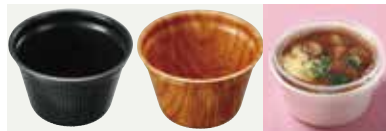
A high level of design freedom

This is a non-foamed material created by modifying the Multi FP. In addition to excellent heat resistance of up to 110°C, making it suitable for microwaving, it is superior in terms of formability, with the ability to produce the distinctive sharp forms unique to non-foamed materials.



New Multi FP product - Doris Cup

This is FP Corporation's first-ever deep cup-shaped container made of foamed material. Coming with a middle tray as a separator and a lid, it is suited for selling sets containing a main dish (in the upper space) and rice (in the lower space).



● High Value-Added Products with New Functions and Design

We are working to develop and promote the Muserundesu hinged-container for microwave cooking, which allows meat, fish, vegetables, and other fresh food items to be packed and microwaved together. We are also working on things such as leak-proof-containers, containers that prevent the contents from moving/shifting, packages that allow for a reduction in garnish, and high-quality box containers. FP Corporation has registered patents, designs, and trademarks for its independently developed products in a bid to protect its intellectual properties.



Center of Product Development

The FPCO Comprehensive Research Institute engages in research and development of FP Corporation's products with its high level of functionality. It is also home to the offices of the Research and Development Department and the Basic Technical Engineering Department. With the latest equipment for product research and development, including testing laboratories and sampling work rooms, it serves as a central facility that enables us to play a leading role in the food container industry.

At this facility, the Research and Development Department works to develop and improve containers. Product appearance development personnel devise the specifications of containers, such as their materials, shapes, patterns, and other features. Based on these, design personnel create the design that gives shape to the concept. The machinery then produces a prototype. This is the way in which high quality products that satisfy customers' needs are created.

The Basic Technical Engineering Department conducts research on new materials that may open new possibilities for food containers, as well as research on ways to enhance product specifications, such as transparency, hardness, heat resistance, cold resistance, acid resistance, and oil resistance. In addition, it researches and develops products with entirely different characteristics from those of conventional products. It also researches technologies for container processing.

The Comprehensive Research Institute won the Chugoku New Office Promotion Prize and a prize from the Director-General of the Chugoku Bureau of Economy, Trade and Industry in the Nikkei New Office Awards in September 2015. These honors signify that the institute has been recognized as an office capable of delivering both comfort and functionality. They also act as a force driving the development of our different creative activities.



Ethos behind Ever-Advancing Product Development Aimed at Creating Demand

FP Corporation's product development is based on a hands-on approach. This was the philosophy of the founder and chairman Yasuhiro Komatsu. The sales personnel visit customers many times a day to check the selling spaces at supermarkets and other stores where products are sold. We observe the way consumers shop at selling spaces and communicate regularly with customers about what we observed.

The things that customers view as necessary for selling spaces are studied in product development. We hold several internal meetings on new product development. All the personnel in FP Corporation, including the sales, product development and manufacturing personnel, exchange ideas and opinions in the product development process.

We create as many as around 2,000 new products each year. All of them are created on the basis of the hands-on approach, which has evolved and been passed down from generation to generation.



FPCO's Philosophy

Yasuhiro Komatsu

Chairman of the Board & CEO

The Doris Cup is a revolutionary product that offers new potential for FP Corporation. In spite of this great potential, it is still no more than one of our new products.

Released in 2016, the Doris Cup is made by molding heat-resistant microwavable material into a deep cup form. In our eyes, it is a revolutionary product. The combination of the outer cup with the middle tray will infinitely widen the variety of meal items that can be made. A combination of the outer cup, the middle tray, and the lid has paved the way for microwaving rice and other food items together. Putting heated food on rice just before eating produces a much better meal experience than merely heating the food already on rice, just as it is normally sold. When combined with other products from FP Corporation, which excels in making products with high heat resistance and a high level of transparency, the Doris Cup gains a considerable amount of extra value. However, this is merely one example. I believe that users will come up with even more flexible and creative ways of using the Doris Cup. It is an attractive product that it will cultivate the market on its own.

FP Corporation has just begun making preparations to introduce a product with new forms of functionality to the market. The new product features enhanced strength achieved by biaxially stretching the polypropylene

material. Additionally performing this process will result in food containers resistant to thermal change with superior transparency and strength. For example, frozen food products are now sold in bags. After the introduction of our new product, it is possible to microwave frozen food in containers to thaw or heat it. This eliminates the hassle of taking frozen food out of the bag, putting it on a different container, and covering it with a plastic wrap. Less hassle means a shorter preparation time and a smaller amount of waste, which in turn dramatically broadens the array of potential frozen food items.

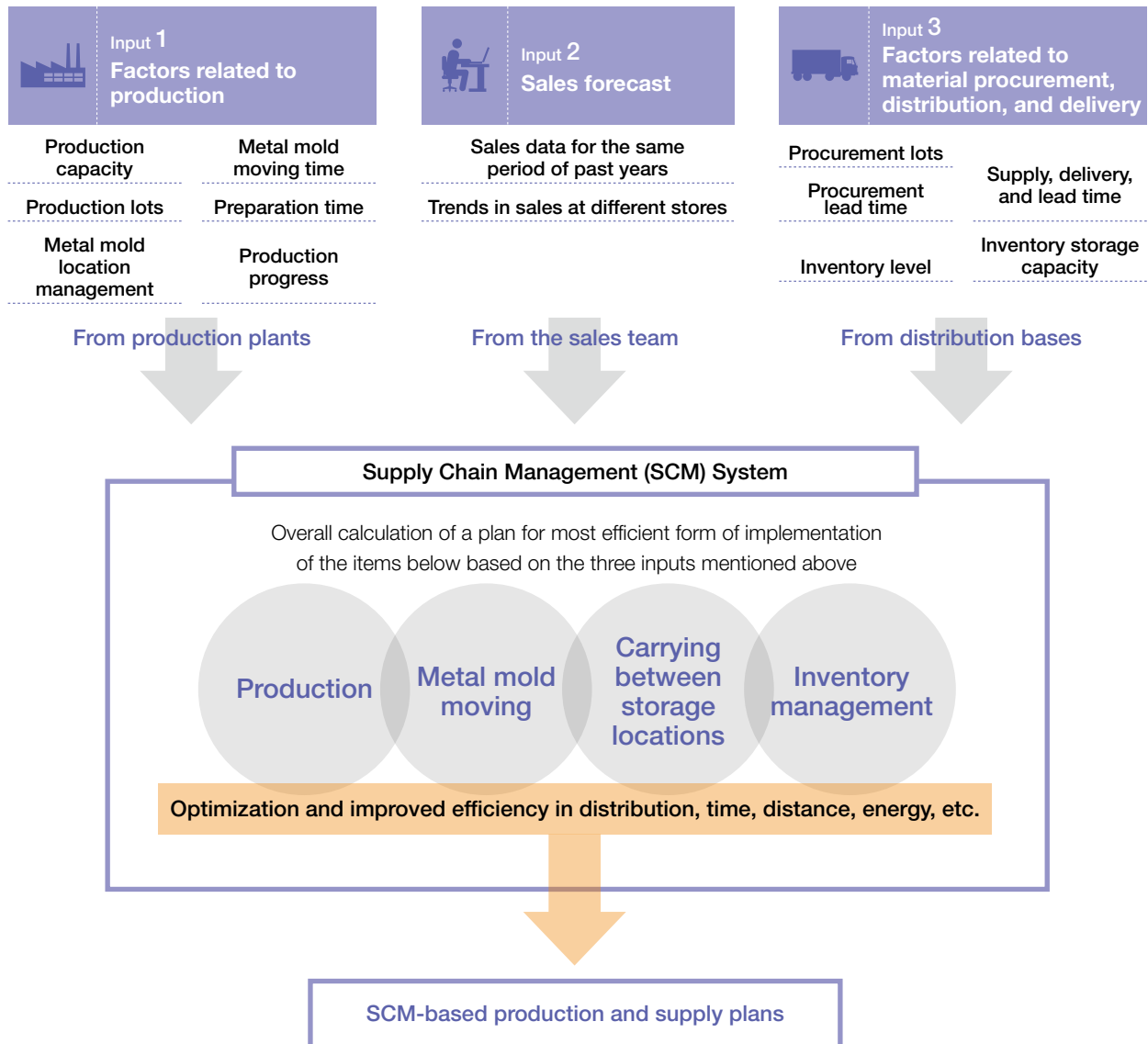
Some are surprised by FP Corporation's ability to release new products one after another. However, this is by no means surprising. We just change the forms and functions of food containers to keep up with the changes in society and eating habits. Created by the hands-on approach, our products will continue to change and become better adapted to users' needs.



Manufacturing

Sophisticated Streamlining of Production through Supply Chain Management

At the heart of FP Corporation's production and supply plan is the central control system based on supply chain management (SCM). Referring to the demand forecast prepared by the sales team and responding to the input of diverse information and data related to production and distribution, this system devises the most efficient production plan and accompanying distribution plan.



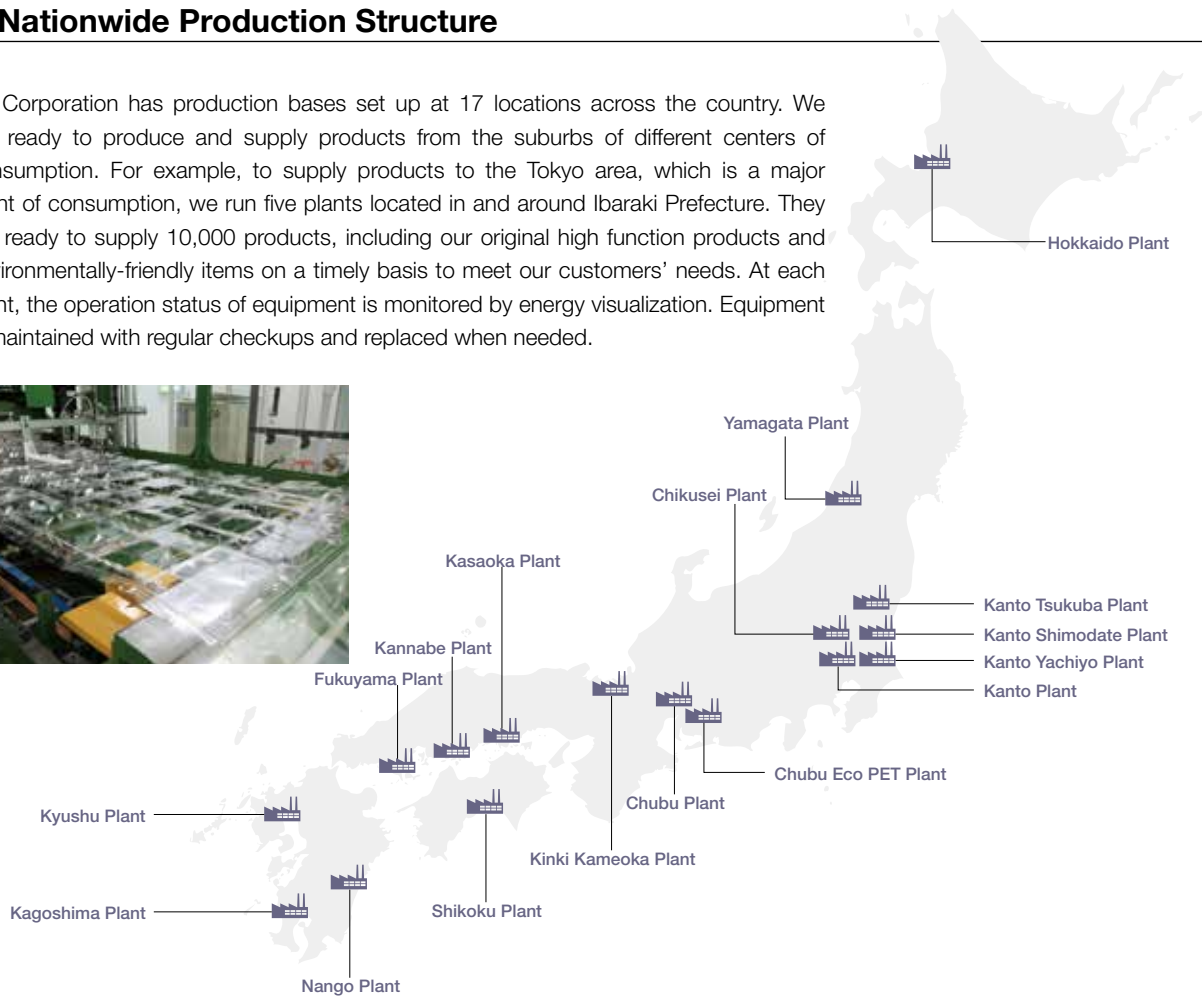
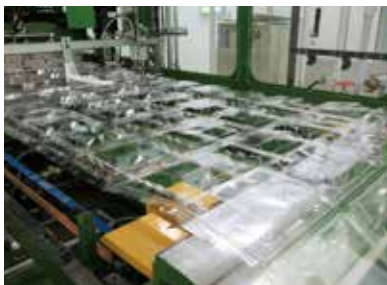
Selected as a Competitive IT Strategy Company

FP Corporation was selected as one of the Competitive IT Strategy Companies for fiscal year 2014. The Competitive IT Strategy Company Stock Selection was jointly launched by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. Eighteen companies that actively invest in and use information technology for management reforms and enhancing their level of competitiveness are selected from among the nearly 3,500 companies listed on the Tokyo Stock Exchange. We were highly regarded for our use of information technology in running an SCM system that features automated matching between demand forecasts and production and the distribution and delivery system.



Nationwide Production Structure

FP Corporation has production bases set up at 17 locations across the country. We are ready to produce and supply products from the suburbs of different centers of consumption. For example, to supply products to the Tokyo area, which is a major point of consumption, we run five plants located in and around Ibaraki Prefecture. They are ready to supply 10,000 products, including our original high function products and environmentally-friendly items on a timely basis to meet our customers' needs. At each plant, the operation status of equipment is monitored by energy visualization. Equipment is maintained with regular checkups and replaced when needed.



TOPICS

Completion of Chubu Eco PET Plant: Integrated Production Covering the Sorting and Recycling of PET Bottles and Production of Environmentally-Friendly Products

The Chubu Eco PET Plant was completed in March 2016. It is designed to handle all the processes from the recycling of used PET bottles collected (material manufacturing) to the production of recycled PET containers for food. Standing next to the existing Chubu PET Recycling Center and the Chubu Distribution Center, it has a total floor area of 23,885 square meters. In the past, we only recycled used PET bottles converted into flakes for producing transparent containers. Now, we are able to handle the integrated production of containers. Flakes produced at the adjacent recycling plant are conveyed by air through a large pipeline to the Eco PET plant. This eliminates the labor and time normally required for transporting flakes to a manufacturing plant at a remote location by truck. The flakes move seamlessly from the recycling process to the manufacturing process. In addition, the recycled products are swiftly conveyed to the adjacent delivery center, from which they are delivered to customers. This plant achieves the ideal level of efficiency in the production of Eco APET containers, which helps to significantly reduce CO₂ emissions through recycling. We have facilities for plant tours so that the integrated production of recycled products can be viewed by the general public.



Distribution

Vehicle Assignment and Delivery Plan by FP Logistics Corporation

Similar to the product manufacturing plan, a distribution plan is devised by the supply chain management (SCM) system. In accordance with the distribution plan, FP Logistics Corporation, one of the Group companies, engages exclusively in vehicle assignment and deliveries. The strength of FP Corporation is that warehouse management, vehicle assignment planning, picking, and deliveries are all conducted independently. Our independent distribution operations have the advantage that the used containers for recycling can be collected with the use of vehicles on their way back from delivery destinations.

● Route Planner

Vehicle assignment planning software that configures the best delivery routes, taking into account the wishes of customers, geographical conditions, quantities, and other daily factors.

● Sorters and Cross Dock Center

An automation system that accurately conveys products shipped from multiple floors in a warehouse to truck berths. This helps to reduce the number of cargo handling staff and drivers needed and streamline operations.



● RD Check System

System that lets us view the delivery status online in real time. We check if there are any discrepancies with the delivery plan proposed by the Route Planner, and incorporate the information to enhance the accuracy of planned deliveries.

● Voice Picking

We are successively introducing voice-based picking support systems. They help to address the problem of labor shortages by considerably improving work efficiency.



Distribution Network that Covers Every Corner of the Country

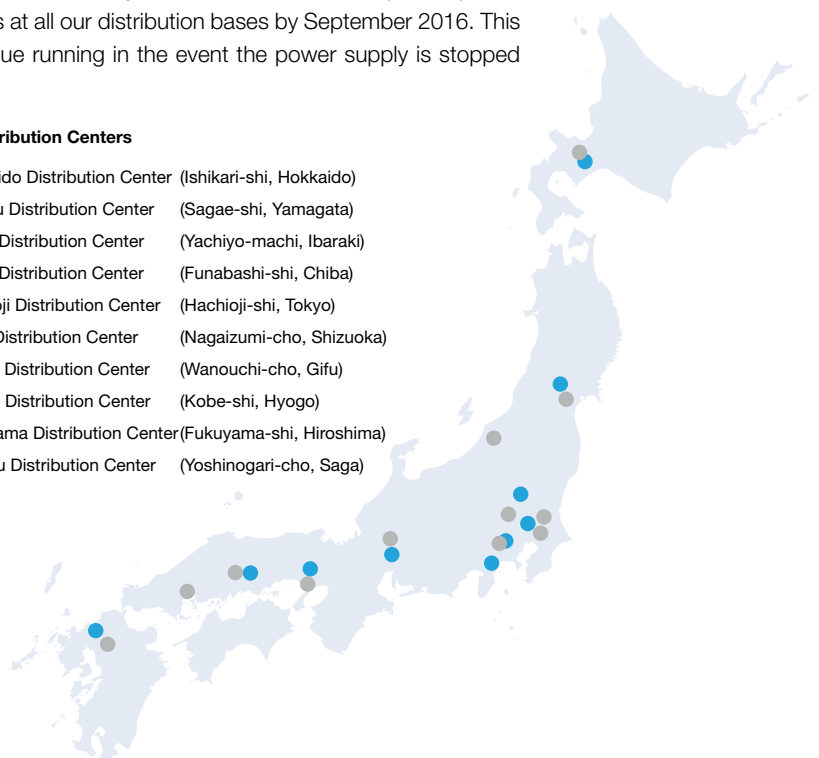
FP Corporation has distribution bases at 22 locations across the country that deliver nearly 10,000 kinds of products to customers. Seven of these locations have both a distribution center and a picking center on the same premises to maximize operational efficiency. We will have introduced private power generation equipment capable of running 72 hours at all our distribution bases by September 2016. This equipment will enable individual centers to continue running in the event the power supply is stopped after a disaster or accident.

● 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)
Tokyo Picking Center (Koto-ku, Tokyo)
Hachioji Picking Center (Hachioji-shi, Tokyo)
Niigata Picking Center (Nagaoka-shi, Niigata)
Chubu Picking Center (Wanouchi-cho, Gifu)
Kansai Picking Center (Kobe-shi, Hyogo)
Fukuyama Picking Center (Fukuyama-shi, Hiroshima)
Hiroshima Picking Center (Hatsukaichi-shi, Hiroshima)
Kyushu Picking Center (Yoshinogari-cho, Saga)

● Distribution Centers

Hokkaido Distribution Center (Ishikari-shi, Hokkaido)
Tohoku Distribution Center (Sagae-shi, Yamagata)
Kanto Distribution Center (Yachiyo-machi, Ibaraki)
Tokyo Distribution Center (Funabashi-shi, Chiba)
Hachioji Distribution Center (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)



FPCO's Philosophy

Satoshi Koizumi,

President and Representative Director
FP Logistics Corporation/I-Logic Co., Ltd.

We believe that we provide the ultimate distribution service for customers because we handle warehousing and transport on our own.

Many different streamlining measures have been introduced within the FP Corporation Group's distribution operations. These measures include the route planner, the R-D check system, the sorter, and voice picking. Individual measures are by no means selected randomly. They are intended to realize one significant vision. This vision cannot be achieved without independent logistical operations. We aim for the supreme level of customer satisfaction that can be practically offered by a container manufacturer such as FP Corporation.

Sales personnel may feel like their sales work is finished when they make arrangements for delivery after receiving an order from a customer. However, we cannot really say that we have sold something until the product actually reaches the customer. Our distribution function that deals with processes from product arrangements after



receiving an order to delivery. We act as a warehouse operator at the time of arrangements for products and as a transporter for delivery. It is vital to customers that the products they ordered are actually delivered without delay within the expected time slot. It is also essential for us to make sure that customers will be satisfied when they receive the goods delivered.

The strength of our independent distribution is that measures for the smooth flow of processes, from the receipt of orders to delivery, can be implemented seamlessly. Because we are a company in the Group, information is swiftly communicated and action is quickly taken whenever there is a failure somewhere in a series of operations. FP Corporation's distribution activities are constructed on the basis of customer satisfaction, and implemented by all the Group companies together.

TOPICS

Expansion of the Hachioji Distribution Center



The work to expand the Hachioji Distribution Center was completed in September 2015. The center now has four aboveground floors and a mezzanine. It is a huge distribution base with a floor area of 76,000 m², making it one of our largest standalone facilities. Together with the Kanto Distribution Center in Ibaraki Prefecture, it will serve as a facility that

meets the huge demand of the Tokyo area. It is now ready to stably supply products even in busy seasons. The center was equipped with a new private power generation system. It is capable of supplying power for at least three days in the event of a power failure after a disaster, accident, or other incident.

Proposal-Based Sales Activities

FP Corporation is thoroughly committed to the hands-on approach in its sales activities. We set a goal of visiting customers 100 times a month. During our visits we offer comprehensive solutions related to selling spaces, distribution, and recycling. This approach to sales activities has evolved into our proposal-based sales activities. We make proposals with our food containers to resolve ongoing issues facing food sales operations.

● Product Workshop

The product workshop is a program aimed at customers that FP Corporation has been running for years. The workshop is targeted chiefly at supermarket personnel around the country in charge of food selling spaces. We give product presentations to help them understand the characteristics and applications of our broad array of food containers and increase sales by capitalizing on their advantages. The workshop provides explanations based on market surveys in the food sector conducted at supermarkets, analysis of sales trends, and our sales personnel's opinions. Next, there is a discussion on the products and selling spaces we should aim to create under these circumstances. There is then a description of the different kinds of products offered by FP Corporation, and an explanation of methods helpful for the development of end products and the creation of selling spaces.

After the presentation, participants are generally asked to move to the kitchen studio, where models of the proposed products and selling spaces are displayed.

Equipped with kitchen studios, the Tokyo Headquarters and the Osaka Branch regularly organize workshops that propose ideas on product development and selling space production. A large scale workshop attracts hundreds of customers from all over the country.

In July 2015, we organized the first series of workshops at venues outside Tokyo and Osaka. Meetings for proposing Microwave Deli products were held at three places: the Comprehensive Research Institute (Fukuyama), Sendai, and Sapporo. They attracted a total of more than 600 participants. These events were held in response to growing interest in the *Muserundesu* microwavable package. Customers rated the workshops highly. One customer said that they provided insight into how to solve problems because they gave specific proposals and opportunities to learn about food materials that tasted better after they were microwaved.



Sales Operation Bases

The Tokyo Headquarters and the Osaka Branch are located at major business centers and play key roles in our operations. Our sales activities are conducted at the following bases.

Headquarters: Fukuyama-shi, Hiroshima

Tokyo Headquarters (permanently equipped with a kitchen studio): Shinjuku-ku, Tokyo

Osaka Branch (permanently equipped with a kitchen studio): Osaka-shi, Osaka

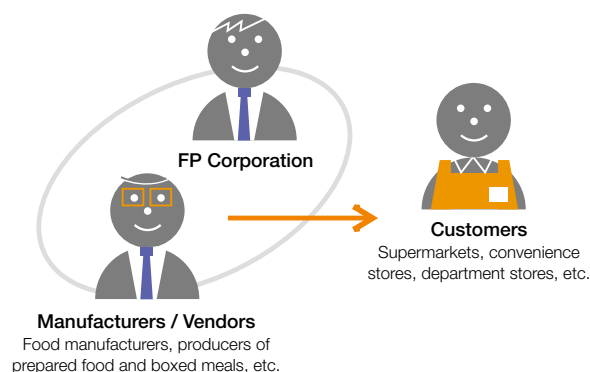
Sales Offices: Sapporo Sales Office (Sapporo-shi, Hokkaido), Sendai Sales Office (Sendai-shi, Miyagi), Niigata Sales Office (Niigata-shi, Niigata), Shizuoka Sales Office (Shizuoka-shi, Shizuoka), Hokuriku Sales Office (Kanazawa-shi, Ishikawa), Nagoya Sales Office (Nagoya-shi, Aichi), Hiroshima Sales Office (Hiroshima-shi, Hiroshima), Shikoku Sales Office (Takamatsu-shi, Kagawa), and Fukuoka Sales Office (Fukuoka-shi, Fukuoka)

Co-Creation Sales Activities

Giving suggestions on the production of selling spaces is a means for directly communicating with supermarkets and other retailers we serve. We are pushing ahead with the co-creation sales approach, based on which the production of food selling spaces and market cultivation are conducted in collaboration with food manufacturers and vendors, such as the producers of prepared food and boxed meals. This approach aims to create and propose more appealing products by combining the appeal of FP Corporation's products with that of merchandise, specifically food, from manufacturers and vendors.

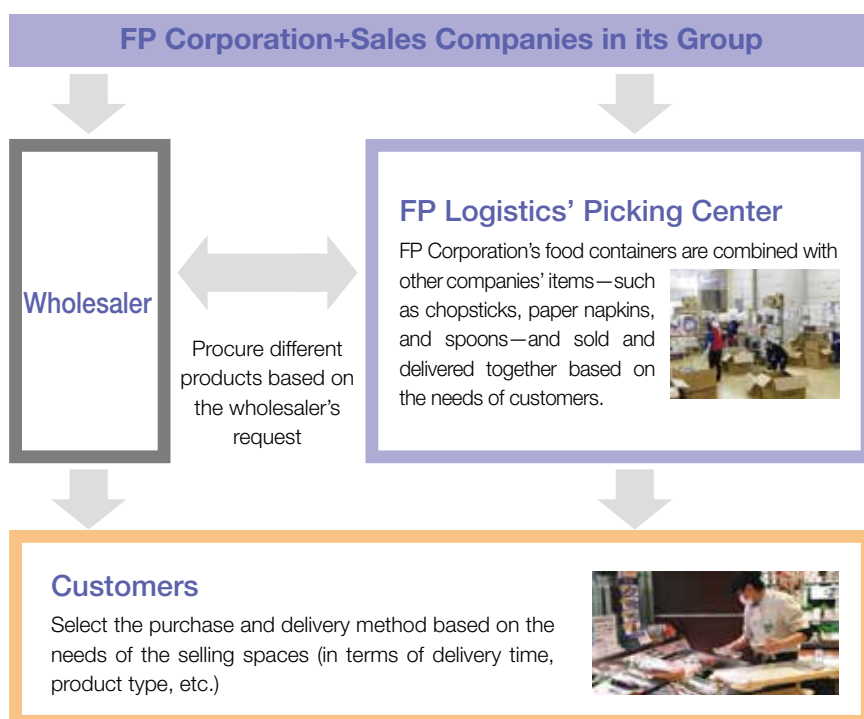
For example, products from salad dressing and other food products manufacturers are combined with pre-cut vegetables from vendors. We then propose emphasizing the freshness of food materials and a mouth-watering flavor of the dressing packaged in our highly transparent container. These suggestions release supermarket personnel from the hassle of conducting surveys on hot items and selecting food materials and containers. As a result, busy supermarket personnel will be able to immediately display attractive items delivered by vendors on selling spaces without any trouble.

We additionally propose the production of selling spaces for dealing with these items. This sales approach offers significant advantages to customers in their sales and operations.



Sales System from the Customers' Perspective

FP Corporation employs several methods of sales and delivery to provide for the customers' convenience. The first involves selling and delivering through a wholesaler. The second involves delivering products procured at our picking center at the request of a wholesaler. The third involves directly delivering products from our picking center or bases to customers. We allow customers to choose the sales and delivery method that best suits their needs.



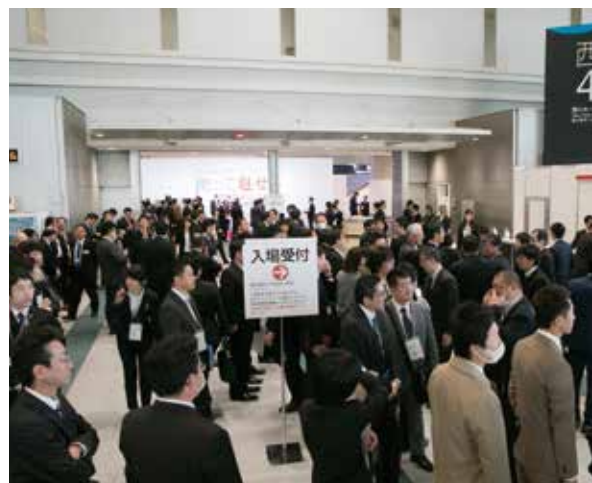
FPCO Fair

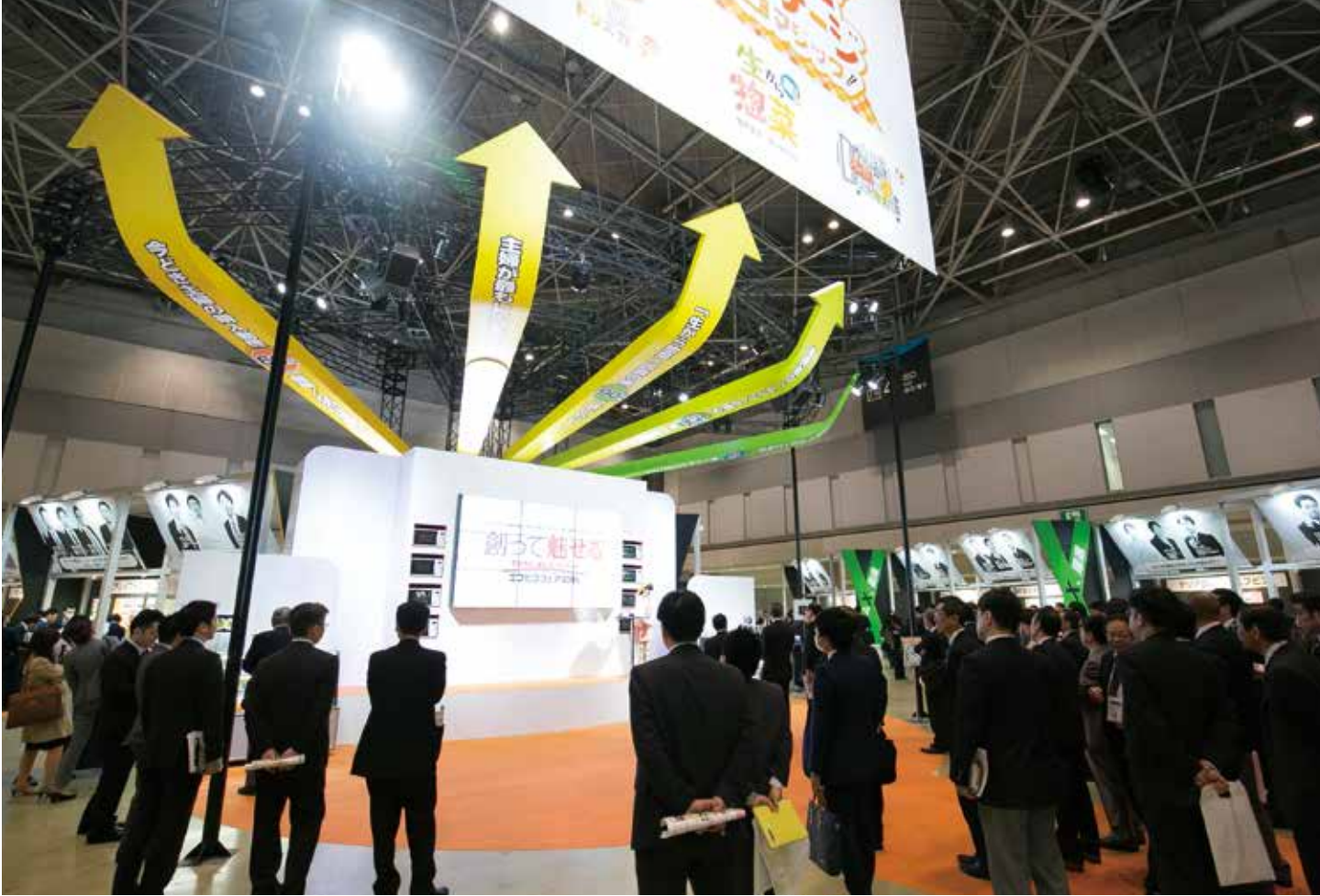
FP Corporation's sales style is unique in that it is proactive and based on proposals. Its grand sales event is the FPCO Fair, which is held once a year at Tokyo Big Sight. Held in March, the fair is where FP Corporation gives a major presentation on proposals and advertisements to customers gathered together in a single hall.

This year, the fair was held in West Hall 4 for the three-day period of March 29-31, 2016. Attracting nearly 14,000 visitors, the theme of the event was *Tsukutte Miseru - Sono Saki-ni Aratana Market* (Create and Fascinate: Uncover New Markets). With the *Muserundesu* microwavable package as the main highlight, the FPCO Fair demonstrated to the entire venue our unique proposals for easily preparing meals from fresh food items with the use of FP Corporation's containers (Create), and how to sell them as attractive items (Fascinate). Our proposals represented a complete departure from the simple methods used in the past of merely putting goods on a display and selling them. The market for microwavable products is currently growing steadily. The fair featured FP Corporation's products for small quantities, quickness, convenience, and delicious flavor of food that has just been made. These products are intended to meet the needs of an aging society with a declining birth rate.

The fair is popular among a large number of customers, including supermarkets and wholesalers. We proudly believe that the key to this success is that the fair always provides new discoveries and practical ideas. For example, we display food containers that no one has ever seen in a manner similar to how they are displayed in a supermarket. The center photo on the right depicts containers that allow for the vertical display of goods. Some may have no idea what the term "vertical display" means. However, the improved display of actual food in containers will inspire people to come up with new ideas. The FPCO Fair continues to propose new products, new ways of displaying and presenting goods, and groundbreaking sales approaches. That is the reason why it attracts such a large number of visitors every year.

Visitors are allowed to freely take photos at the fair venue. The fair encourages visitors to take ideas about new products, new sales approaches, and ways to produce attractive selling spaces that we propose back to their workplaces and apply them in their supermarkets and at other retailers. The fair represents the ideal form of our proposal-based sales activities. We will continue to organize the FPCO Fair each year because we believe it is the most effective opportunity for this purpose.





● Presentation of Co-Creation Sales Activities

FP Corporation has introduced and practiced co-creation sales activities over the past few years. The recent FPCO Fair presented and explained these activities and gave visitors a chance to experience the advantages of this form of proposal-based sales. The team that practices this sales approach is called Team X. This name represents the synergy produced between FP Corporation and another company, such as *FP X Food Company*. Joint product development and the proposal of sales approaches aimed at producing synergy through collaboration with other companies were just some of the highlights of the fair.



● Presentation of Microwave Deli and Sampling

The value of preparing hot delicious food from fresh food ingredients with the use of FP Corporation's containers and a microwave oven is better appreciated when freshly prepared food is actually tried. This year's fair provided many places for visitors to sample hot food that was offered. One of these new sales approaches was *Namakara Sozai*. The name refers to products that allow consumers to enjoy food prepared by microwaving uncooked ingredients, instead of purchasing prepared food at a store and reheating it in the microwave at home. This food was also sampled in the fair to advertise its appeal. The fair presented many other Microwave Deli-related products and provided visitors with opportunities to sample them and experience the delicious taste and level of convenience firsthand.

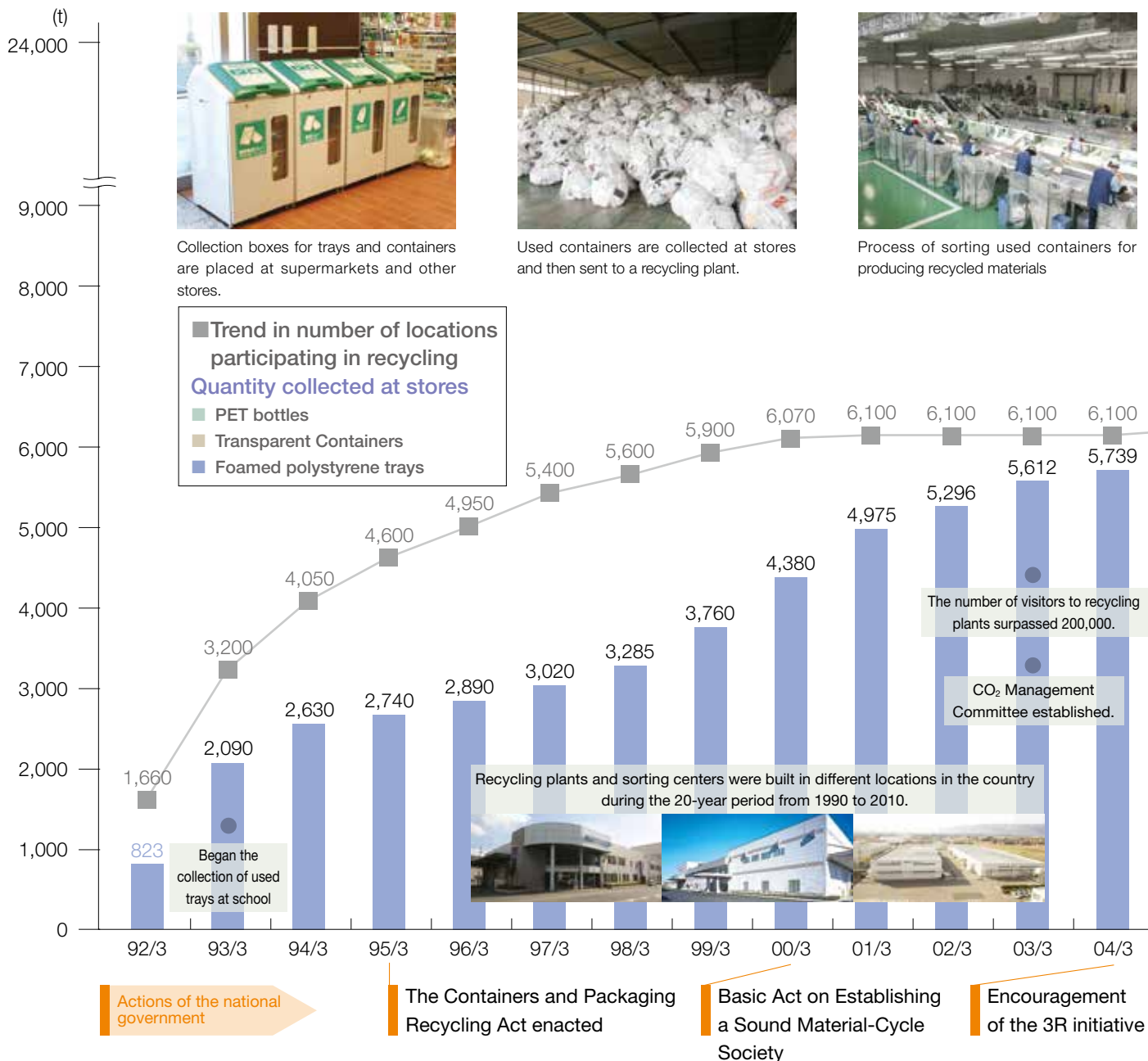


Recycling

FP Corporation's Past Efforts towards Building a Recycling Society

FP Corporation embarked on FPCO Method recycling activities in 1990. Before we started collecting used trays, recycling activities conducted by citizens and the government sector focused on used milk cartons. In the era of rapid economic growth, when it was common to throw away what was used, the dumping of waste became an issue in many places in Japan. We swiftly responded to this to embark on the recycling of trays that we produced. FPCO Method recycling is completely different from garbage collection by local governments and others in the sense that it is a recycling initiative implemented by a single private company. Used trays and transparent containers produced by FP Corporation are collected at about 9,200 locations, such as

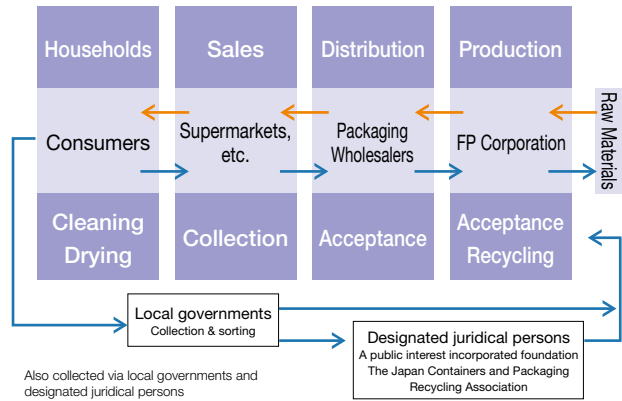
supermarkets. They are sorted according to material at ten volume reduction centers and sorting plants nationwide and then transported to three recycling plants, where they are reprocessed into trays and containers. In 2012, we launched a business that recycled used PET bottles to manufacture transparent containers. The quantity of bottles collected continues to rise each year. National and local governments are establishing various programs and rules for environmental conservation, and FP Corporation takes action even earlier. Although it is a recycling initiative of a single private firm, we are working together with national and local governments to create a recycling society.



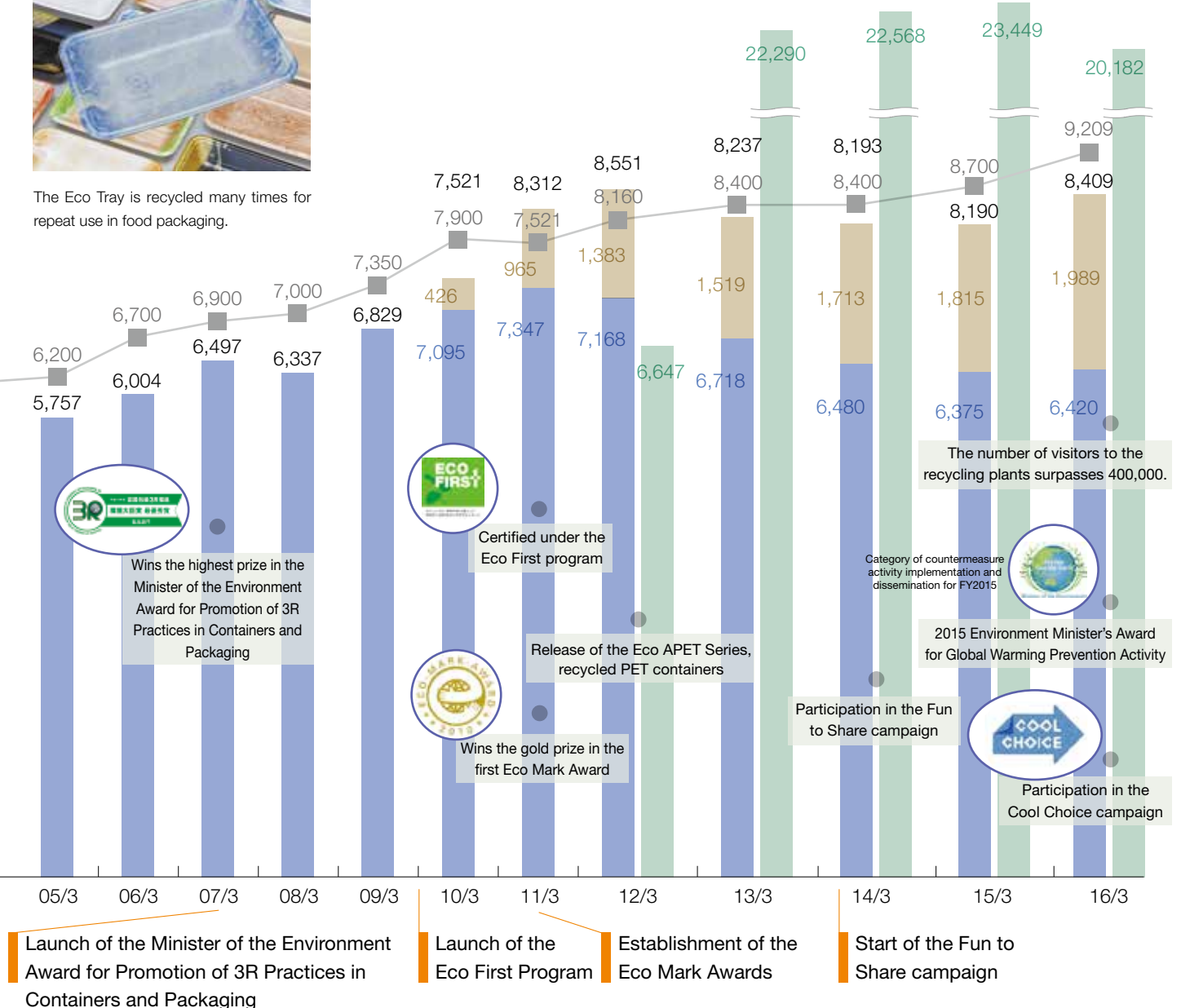
FPCO Method Recycling

FP Corporation collects used trays and containers and makes them into Eco Tray, recycled trays, and Eco APET Series, recycled transparent containers. The system under which used products are returned to our recycling plants is based on a collaborative framework between consumers, supermarkets and other retailers, packaging material wholesalers, and FP Corporation. The collection and reutilization of used trays and containers without discarding them produces two positive effects: the circulation of resources and the reduction of CO₂ emissions. Since 2011, we have also been engaging in an initiative to recycle PET bottles into Eco APET. We are pushing ahead with use of terrestrial resources, aiming to prevent the exhaustion of natural resources.

FPCO Method Recycling Based on Collaboration between Four Parties



The Eco Tray is recycled many times for repeat use in food packaging.

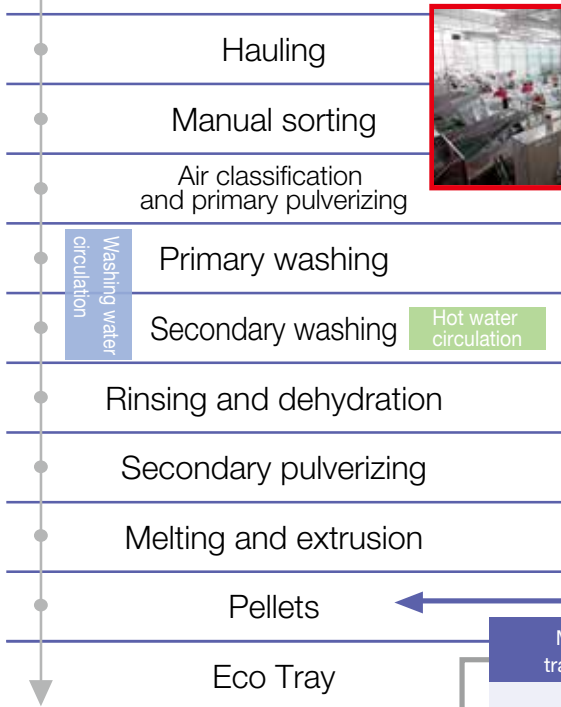


Recycling Process



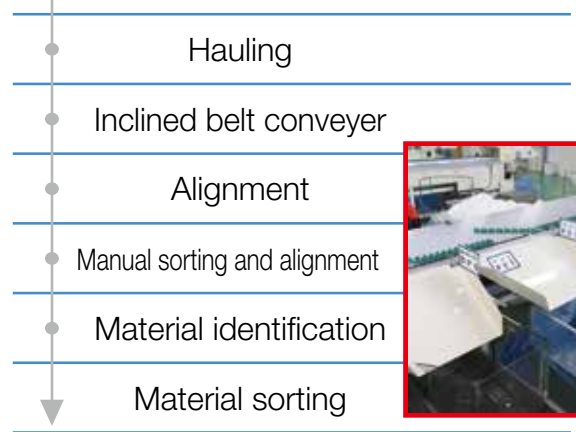
Foamed Trays

Foamed Tray Recycling Process



Transparent Containers

Transparent Container Recycling Process



OPS

Other

PET

Manufacturing foamed trays from virgin materials

- Crude oil
- Naphtha
- Cracked petroleum
- Benzene
- Ethylbenzene
- Styrene monomer

- Polystyrene
- Foamed polystyrene sheets
- Foamed polystyrene trays

Manufacturing transparent PET containers from virgin materials

- Crude oil
- Naphtha
- Ethylene
- Ethylene oxide
- Ethylene glycol

- PET resin
- PET sheet
- PET trays

When used products are the starting materials

Recycled many times



Eco Trays are marked with the Eco Mark.



PET bottles

PET Bottle Recycling Process

Hauling

Automated sifting

Label removal

Material sorting

Manual sorting



Pulverizing

Preparatory washing

Alkaline washing

Gravity separation and rinsing

Dehydration

Heating

Vacuum reactor

Color separation

Removing metals



Production of flakes graded as suitable for food containers

Eco APET



The processes enclosed in red on the left move.

Start the dedicated app and hold your smartphone or tablet over the photo of the process to view a video on the screen.

(1) Download the dedicated app.

(2) Tap the app.

(3) Scan the image of a process enclosed in red.

(4) A video will start playing.

Downloading the app

For Android

- (1) Start Google Play from the top screen.
- (2) Enter "COCOAR" in the search bar to perform a search.
- (3) Tap *Install* near the panda icon on the search results screen to start the installation of the app.

Read the QR code. Your device will directly display the search results.



This icon is for the COCOAR app.



For iPhone/iPad

- (1) Start App Store from the home screen.
- (2) Tap *Search*.
- (3) Enter "COCOAR" in the search bar to perform a search.
- (4) Tap *Install* near the panda icon on the search results screen.

Read the QR code. Your device will directly display the search results.



This icon is for the COCOAR app.

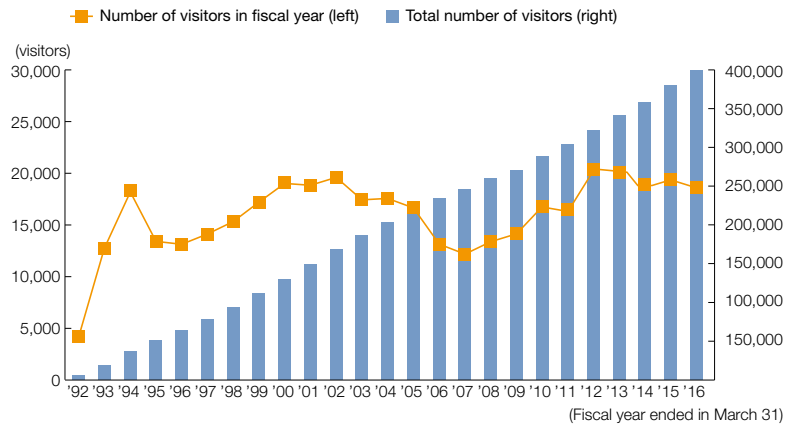


Completed in March 2016, the Chubu Eco PET Plant (see page 18) is equipped with a pipeline through which flakes manufactured by recycling used PET bottles are blown and conveyed by air to the production plant. The process from carry-in to completion of recycled products is seamlessly performed.



Recycling Plant Tour

We have been welcoming visitors who take the plant tour for more than 20 years. Our recycling plants attract around 20,000 visitors each year. In December 2015, the cumulative total number of visitors exceeded 400,000. All those concerned are grateful for this achievement. Today the general public has greater interest in the environment, and visitors seem to have more knowledge than when we first began recycling in 1990. Even so, we hope that more people will see for themselves how used food containers and PET bottles are actually recycled.



Called for help in boosting the collected quantity of used containers

FP Corporation is positive about welcoming visitors to recycling plants because it aspires to help further reduce CO₂ emissions by collecting more used containers. There are many people who wonder what happens to used containers after they are put into collection boxes at supermarkets and other retailers. We believe that the visitors will be motivated to collect used containers after they see how they are recycled into food containers and realize the value of the resources into which every single container is recycled. Most of those who have taken part in the plant tour say that they feel like collecting more. For details about the plant tour, see below. We are looking forward to welcoming you at the plant.



Application for Participation in Facility Tour

Visiting Hours: Monday to Friday (except holidays) 9 a.m. to 4 p.m. (applies to all plants)
Applications may also be submitted on our website.

<Recycling Plant> Visitors will see the process by which sorted containers are transformed into recycled materials.

| Plant Name | Address | Contact: | 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 (with the Chubu PET Recycling Plant and the Gifu Sorting Plant) | 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 | Fukuyama Recycling Plant +81-84-957-2301 | 130 |

<Sorting Plants> Visitors can see the process of sorting containers collected from supermarkets and other stores

| Plant Name | Address | Contact: | Maximum Visitors per Group |
|---------------------------|---|--|----------------------------|
| 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 | Environmental Management Dept., Tokyo Headquarters +81-3-5325-7809 | 15 |
| Kanazawa Sorting Plant | 204-22 Kita, Fukumasu-machi, Kanazawa-shi, Ishikawa 920-0376 | Environmental Management Dept., Tokyo Headquarters +81-3-5325-7809 | 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 |
| Saga Sorting Plant | 3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015 | Kyushu Sorting Plant+81-952-51-1028 | 30 |

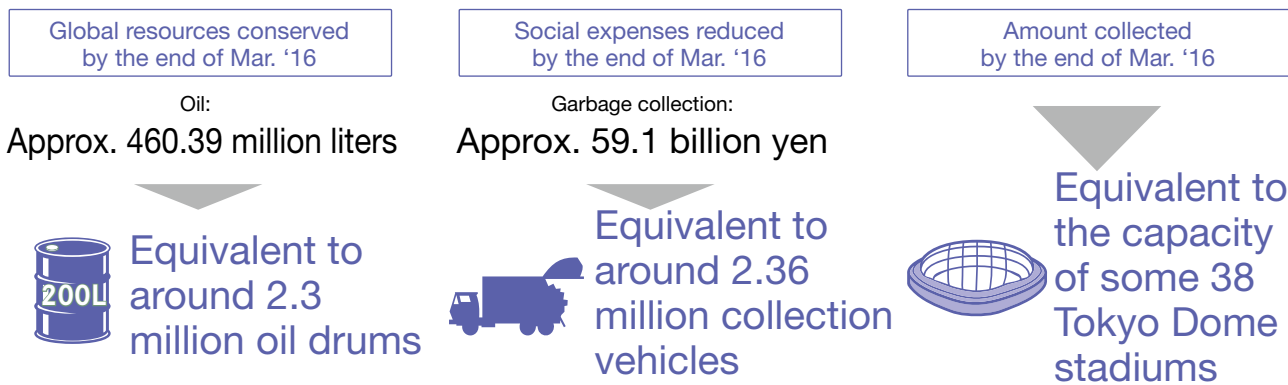


1. Recycling Process (10 minutes) At the plant tour room, we explain the process of recycling food containers.
2. Recycling Processes Tour (30 minutes) Visitors can watch the entire process from hauling of the containers to turning them into pellets (raw material for trays).
3. Presentation (25 minutes) 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.

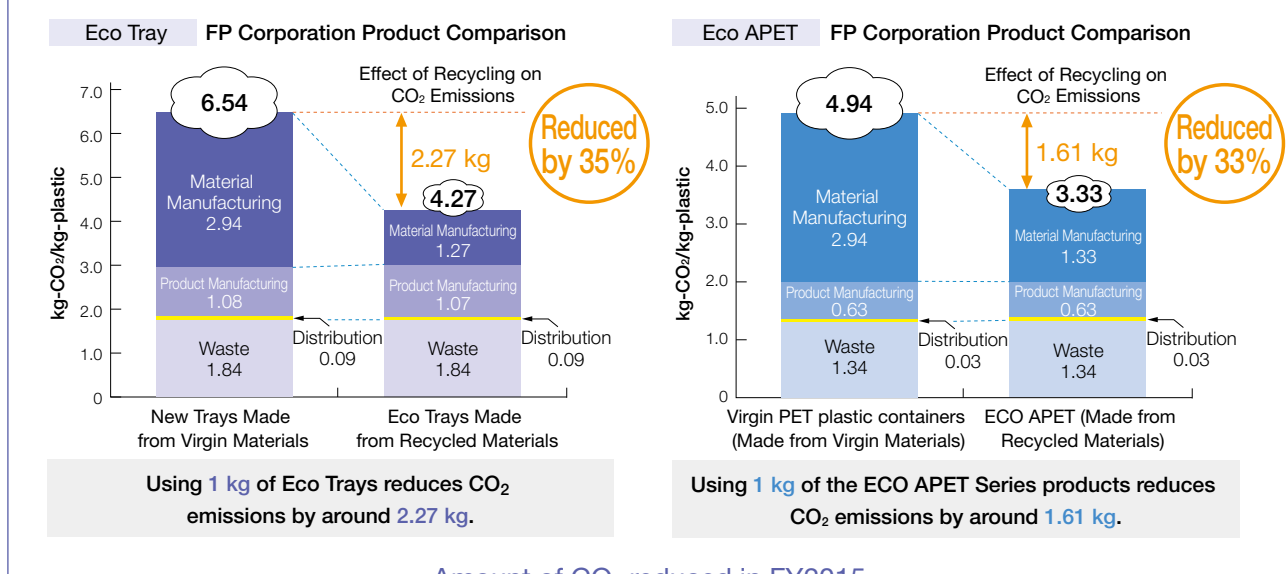
Achievements of Recycling Activities

| | Foamed Trays | | Transparent Containers | | PET bottles | |
|--|------------------|-----------------|------------------------|----------------------|------------------|-------------------|
| | Volume collected | Number of trays | Volume collected | Number of containers | Volume collected | Number of bottles |
| FY2015 | 6,420 tons | 1,600 million | 1,989 tons | 198.9 million | 20,211 tons | 673.7 million |
| Accumulated total (1990 to March 2016) | 126,267 tons | 31,562 million | 9,810 tons | 981 million | 95,165 tons | 3,117.21 million |

Ripple Effect on Society



Comparison of CO₂ emissions between virgin products and recycled products based on the Eco-Leaf Standard.



Amount of CO₂ reduced in FY2015

Approx. 101,000 tons

If our customers, such as supermarkets and other retailers, choose environmentally-friendly products, the amount of CO₂ emitted by society as a whole will fall significantly.

Employment of Persons with Disabilities

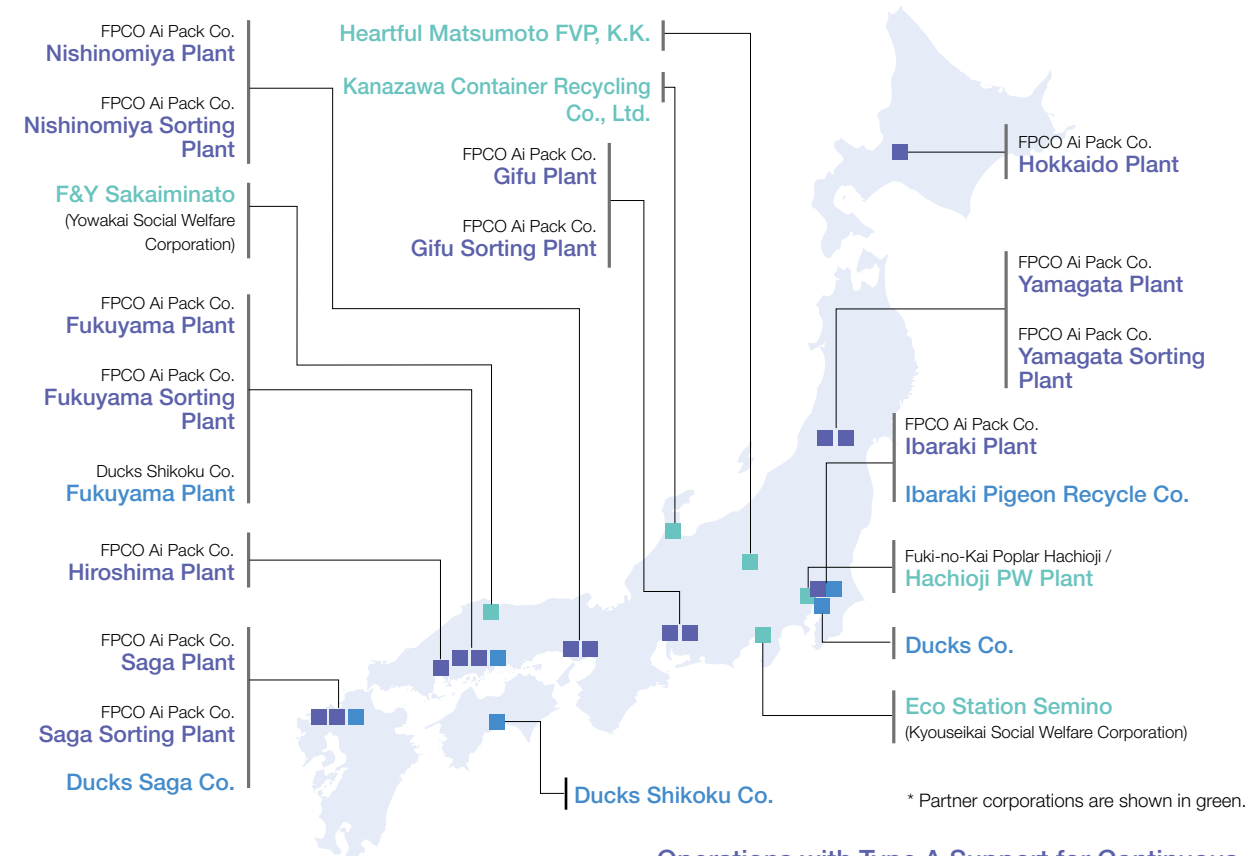
Two Different Tasks

Employees with disabilities are generally assigned to two different tasks. They manufacture food containers (by forming, assembling, etc.) in small lots in response to users' needs and sort used containers collected at supermarkets and other retailers to a high degree of precision. In both of these tasks, they are valuable workers for the company who produce profits.

● Forming, Packaging and Inspection of Containers



● Sorting of Collected Trays



* Partner corporations are shown in green.

Special Subsidiary Companies

Container forming and sorting of collected trays

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 assembly, sorting of collected trays and packaging

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).

History of FP Corporation's Employment of Persons with Disabilities

- 1986 Jan. Ducks Co. established
- 1988 Ducks honored as a Leading Company in the Employment of Disabled Workers by the Chiba Prefecture Employment Development Association
- 1995 Apr. Ducks Shikoku Co. established
- 1995 Apr. Ducks honored as a Leading Company in the Employment of Disabled Workers by the Minister of Labour
- 2002 Ducks Shikoku honored by the Kochi Prefectural Governor
- 2006 Apr. Ducks Saga Co. established
Oct. Hiroshima Ai Pack Co. established
- 2006 Ducks Shikoku honored as a Leading Company in the Employment of Disabled Workers
- 2007 Mar. FPCO Ai Pack Co. established
Feb. Hiroshima Ai Pack Co. plant established
May FPCO Ai Pack Co. Fukuyama Plant established
Aug. FPCO Ai Pack Co. Saga Plant established
Sep. FPCO Ai Pack Co. Gifu Plant established
FPCO Ai Pack Co. Ibaraki Plant established
Oct. FPCO Ai Pack Co. Nishinomiya Plant established
FPCO Ai Pack Co. Yamagata Plant established
- 2008 May FPCO Heart Recycle Saga Sorting Center established
Sep. FPCO Heart Recycle Gifu Sorting Center established
Sep. FPCO Heart Recycle Fukuyama Sorting Center established
Oct. FPCO Heart Recycle Nishinomiya Sorting Center established
- 2009 Jan. Ai Pack operations integrated (Hiroshima Ai Pack Co. merged into FPCO Ai Pack Co. Hiroshima Plant)
Mar. FPCO Ai Pack Co. Hokkaido Plant established
- 2009 FP Corporation acquires certification as a Leading Company in the Employment of Disabled Workers by the Ministry of Health, Labour and Welfare
- 2009 Aug. Ibaraki Pigeon Recycle established
- 2010 Oct. FPCO Heart Recycle Yamagata Sorting Center established
Oct. FPCO Heart Recycle Hokkaido Sorting Center established
- 2014 FPCO Ai Pack Co. honored as a Leading Company in the Employment of Disabled Workers in Hiroshima Prefecture
- 2015 Mar. FPCO Heart Recycle Hokkaido Sorting Center reorganized into the Hokkaido Volume Reduction Center
- 2015 Mar. FP Corporation included in the Diversity Management Selection 100 list for FY2014
- 2015 Dec. Hachioji PW Plant established

In addition to FP Corporation, the employment of the disabled is extended to the business facilities of our customers.



Number of Employees

| | |
|--|---|
| Employees with Disabilities | 374 |
| Physical disabilities | 36(including 12 with severe disabilities) |
| Intellectual disabilities | 337(including 262 with severe disabilities) |
| Mental disabilities | 1 |
| Adjusted Number of Employees with Disabilities | 647 |
| Disability employment rate: | 14.56% |

* As of March 31, 2016

Ducks' 30th Anniversary and Ducks Shikoku's 20th Anniversary

In 2016, Ducks Co. (upper photo) celebrates the 30th anniversary of its founding. Everything started 30 years ago when Ahiru no Kai, a group of parents with family members with disabilities in Chiba City thought of creating a workplace for their children on their own. The word *ahiru* in the name of this group is the Japanese word for duck, and served as the inspiration of the current company name of Ducks. Many different things have transpired over the past three decades, but all of the staff members have worked together to overcome them. Growing with the support from FP Corporation, Ducks launched a new company in Kochi Prefecture nine years after it was established. This company is Ducks Shikoku Co. (lower photo). It made a quiet start with five staff members who have disabilities, but now it has a total of 28 staff members with disabilities. It is now larger than any other workplace with workers with disabilities in the FP Corporation Group. Both companies have employees who have been working since the time their companies were established. The ducks in the two companies will make steady steps forward over the next ten years.





FP Corporation conducts its environmental efforts in line with policies of national and local governments.

Manufactured by FP Corporation, the Eco Tray has been recognized as a recycled product defined individually by many prefectural governments. Around the same time as when the Japanese government embarked on a policy of environmental conservation, FP Corporation began to take part in a program in line with the government's policy, and won prizes in related fields. As a business, we pay constant attention to the environment. This may be why we naturally walk in step with the national government and local governments. As a corporate citizen, we will maintain our stance of engaging in environmental conservation activities for granted.



The Kansai Distribution Center is equipped with solar panels on its roof.

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

This award was launched in 2012 by the Ministry of the Environment for encouraging 3R practices, namely reduce, reuse, and recycle. In the inaugural award, FP Corporation won first prize in the products category.



● **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 FP Corporation Group was certified as an Eco First company in 2011. We updated our commitment to environmental conservation with FY2020 as the target year.



● **Eco Mark Award**

This award was launched by the Japan Environment Association (JEA) in 2011. In the first award, FPCO Method Tray to Tray recycling won the gold prize, which was the highest award. Around five years have passed since then. The FPCO Method recycling has continued to evolve.



● **The Fun to Share Campaign**

COOL CHOICE is a national initiative that was launched in 2015. It encourages the smart selection of energy-efficient or low-carbon products, services, and actions that Japan proudly shares with the world. It is part of the *Fun to Share* campaign kicked off in 2014. FP Corporation's actions reflect its desire to be actively involved in this initiative.



TOPICS

FP Corporation honored by the Minister of the Environment for its anti-global warming activities

In December 2015, FP Corporation was awarded an honor by the Minister of the Environment for its anti-global warming activities. As part of its effort to encourage countermeasures against global warming, the Minister of the Environment has given this honor to individuals and groups with distinguished achievements in prevention of global warming since FY1998. For FY2015, a total of 36 parties, consisting of two individuals and 34 groups, were honored. FP Corporation received an award in the category for practicing and disseminating countermeasure activities. This category recognizes continuous activities for practicing and disseminating lifestyles that help to prevent global warming, effectively reducing power consumption in the region, and planting and other efforts aimed at preventing global warming. The recent honor was given in recognition of FP Corporation's CO₂ reduction efforts and other achievements brought about by FPCO Method recycling.



FP Corporation Eco Action50

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

We have a target of reducing, as specified below, the total CO₂ emissions from all the facilities of the FP Corporation Group subject to reporting under the amended Act on the Rational Use of Energy, i.e. plants, distribution centers and offices, and those from logistical operations within the scope of responsibility of specified cargo owners. To meet the targets, we have drawn up action guidelines entitled FP Corporation Eco Action 50 in a bid to construct a group-wide environmental value chain.

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)

Implementation of Project through Construction of Environmental Value Chain

The group-wide reduction of the environmental impact requires different organizations that do the same operations, such as production and distribution, to carry out projects by transcending organizational and departmental boundaries and working as one. The individual working groups thus formed constitute a value chain of the system, which refers to a chain of intracompany functions that create value, by systematically linking with other groups to produce synergy. We take this approach with the aim of achieving our goal of reducing our environmental impact. For instance, individual working groups work together to think about ways to produce, sell, and recycle more Eco Trays as a product that reduces our environmental impact. To attain our major goal of cutting CO₂ by 20%, we are undertaking a project based on the construction of an environmental value chain.

Environmental Value Chain



Product Working Group

● Product Life Cycle Assessment

Our product development team employs the life cycle assessment (LCA) method to visualize the environmental impact and evaluate it. When looking at the entire life cycle, it is known that the process of producing materials for containers and the process of discarding containers produced contribute far more to the environmental impact than other processes. They alone generate around 80% of the total environmental impact. This explains why FP Corporation focuses its efforts on closed-loop recycling system. Reusing used materials as materials for new products instead of discarding them will have double the effect on reducing CO₂ emissions. The Eco Tray is made of recycled foamed PS, while ECO APET products are made of recycled PET. This achieves a CO₂ reduction of at least 30% per product. The product working group continues its efforts to develop and improve the Eco Tray and Eco APET products.



● Reduction of material weight and wall thickness

Reducing the weight and/or wall thickness of products is another way of lowering the environmental impact of products. FP Corporation reduces material consumption to achieve weight and wall thickness reduction. The weight of a foam product can be cut by increasing the foaming factor of the material. Using a thinner material also helps to reduce resource consumption. We are working to apply various ideas to the form design and create new materials in a bid to maintain the functionality of products even after reducing their weight and wall thickness.

● Green Purchasing

Green purchasing refers to the preferential purchasing of raw materials, components and products that are safe and low in terms of environmental impact for the purpose of conserving the global environment. We have formulated purchasing guidelines aimed at slashing the CO₂ emissions of products, and we practice green purchasing. The guidelines include provisions for preferential purchasing from material manufacturers that are environmentally conscientious and for requiring all of our suppliers to be ISO 14001-certified.

Working as part of a team that produces the greatest effect in CO₂ reduction, we recognize the importance of the roles we play in day-to-day operations.



Manufacturing Working Group

● Quality Management at Production Plants

Three of our production plants—the Kasaoka Plant, the Kanto Shimodate Plant, and the Kinki Kameoka Plant—have received ISO 9001 international standard certification for quality management. Implementing PDCA style management, we are working to identify the responsibilities and authority of the workers at plants, standardize the operations, upgrade education and training, and enhance production technologies. Quality management translates directly into improved operational efficiency and the eventual reduction of the environmental impact.



● Visualization of Energy for Resource Saving at Facilities

In order to efficiently use the utilities required to operate production plants, particularly electric power, without waste, we measure the energy burden at several fixed points and analyze the data obtained to constantly look for ways to boost efficiency in energy consumption. Reviews on the status of utility consumption using data measured every 10 minutes, every half hour, every day, and every month reveal which process produces waste or irregularity. To reduce CO₂ emissions visually clarified in this way, we carry out maintenance and replace equipment and machinery as needed.

● Increase in Work Efficiency through the Monozukuri Project

The Manufacturing Working Group continues to implement the Monozukuri Project that aims to increase productivity. Plant staff members from all over the country gather twice a year to hold a meeting in which they present their achievements in operational efficiency improvement. This project originally aimed to improve product quality and increase work efficiency. Because it ultimately leads to waste cuts and energy conservation, it helps to significantly reduce the environmental impact.

● Recycling at Plants

FP Corporation conducts Zero Emissions activities in which it sets a target for lowering the ratio of industrial waste that is ultimately disposed from its manufacturing plants to less than 1%. They recycle the remnants and packaging materials for products and used containers generated from the production process to the maximum degree. We have a working group called the Pellet Energy Conservation Project. It focuses on the remnants generated from the process of manufacturing products.



We will watch over these three new employees until they gain the skills needed to manufacture the FP Corporation's products, with the color of their hat band changed.

Logistics Working Group

● Supply Chain Management and Private Distribution Network

FP Corporation makes use of private distribution conducted by Group companies, namely FP Logistics Corporation and I-LOGIC Co., Ltd. Based on the production plan, a distribution plan is also formulated under the supply chain management (SCM). Given that production and distribution are planned by calculating reversely from the delivery, the entire distribution plan—covering inventory management, the transfer of products between warehouses, and delivery—is formulated to be the most efficient. This helps to minimize the CO₂ emissions from distribution and ensure the environmental impact is under control.



● The Route Planner and the RD Check System

The Route Planner is a system that works out the most efficient delivery routes and allocation plan for a huge number of distribution vehicles. The RD Check System can visualize vehicle allocation operations because it monitors the delivery status in real time. The delivery status data visualized by the RD Check System is imported to the Route Planner to produce synergy that enhances efficiency.

● Environmental Conservation Actions

Solar panels have been installed on the rooftop of the Cross Dock Center at the Fukuyama Distribution Center and on the rooftop of the Kansai Distribution Center. They generate approximately 1,308 kWh of electricity each year. We also carry out many other green measures, such as applying the 10 Eco-Driving Tips initiative to drivers, using marine transport with lower CO₂ emissions, and acquiring the Green Management certification, which confirms business operations have a limited environmental impact.

● Meetings for Presentations on Improved Distribution

Meetings for presentations on improved distribution are held on a regular basis. They are attended by representatives from distribution centers all over the country, and joined by hundreds of participants via video conferencing systems. Different efforts for improving distribution operations increase efficiency and help lower the environmental impact.

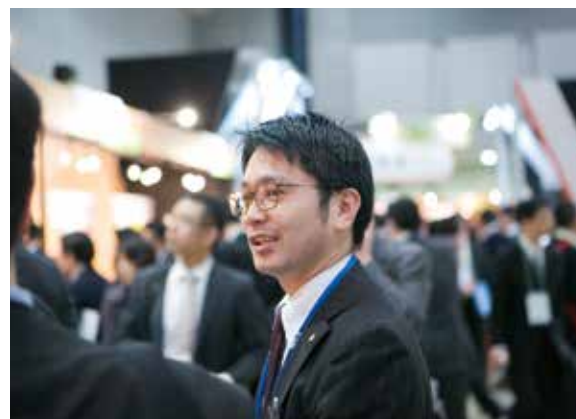
In addition to meeting the obligation of delivering products in a timely manner without fail, we are always thinking of ways to cut CO₂ emissions by boosting efficiency.



Sales Working Group

● Vigorous Promotion of Green Products

The most effective environmental conservation activity conducted by the Sales Working Group is recommending green products to customers such as supermarkets, convenience stores, and other retailers. An increase in the use of the Eco Tray and the Eco APET products leads to a reduction in CO₂ emissions. That is why we recommend switching from other trays to Eco Tray.



● Increase in Used Container Collection Points

At the moment, the ratio of used containers collected is around 30%. FP Corporation naturally aims to achieve a ratio of 100%, and it is the most basic challenge for us in collecting more used containers. The first action is to install as many collection boxes as possible. Without collection boxes, used containers brought by consumers could not be recycled. The next step taken by FP Corporation's sales staff is to improve the environment at points with collection boxes. They propose displaying posters to raise shoppers' awareness, playing a video, and installing a collection machine that gives reward points in return to retailers. These proposals are intended to generate interest among the consumers and increase the collection rate. Given that a part of each store is used to collect used containers, the cooperation of store personnel is indispensable. As part of their sales activities, our sales staff members are working to improve the collection points that play an important role within our recycling activities.

● Provision of Information for Customers and Consumers

FP Corporation organizes recycling plant tours and welcomes visitors through supermarkets and other retailers. The aim of this program is to increase the used container collection ratio. For instance, we jointly organize events with supermarkets, such as Supermarket XXX's Green Tour for Parents and Children. It provides participating consumers with an opportunity to see how the used containers they bring to the supermarket are actually recycled. Seeing how the recycling process works is really an impressive experience, and shows that the tour is an effective means for boosting the collection rate.

In day-to-day sales activities, we aim to preserve the environment while working to gain the understanding and support of customers.



A photo taken with the director of Every Co., Ltd. (right)

Office Working Group

● A Cloud System for Computers

Working with a major telecommunication operator, we have adopted a virtual desktop cloud system through which nearly 2,000 of the computers used throughout all the companies in our Group are free of hard disks. It has drastically reduced the burden of managing computer operations.

● Environmental Education for Employees

FP Corporation regularly organizes seminars for employees. They offer information about the environment in society as a whole, and about environment-related projects in which it is involved. It also holds video seminars on the in-house Intranet.

● Video Conferencing System

Because it has a large number of bases all over the country, FP Corporation uses a video conference system. It is an absolutely vital tool. The use of this system helps to eliminate the CO₂ emissions that would be generated by business trips and travelling by car.

● Green Purchasing

When purchasing office supplies and the equipment to be used in offices, we actively select goods and services with a smaller environmental impact.



● Introduction of Low-Emission Vehicles

We make it a point to use electric vehicles, hybrid vehicles, low emission vehicles, light automobiles, and compact vehicles.

● Paperless Operations

We exercise special care to prevent documents and slips that may be sent by e-mail or be viewed online from being printed out.

● Monitoring of Green Driving

To encourage green driving, we have adopted driving monitors that are part of a remote monitoring system.

We are working to create an environment in which the personnel of all companies in the FP Corporation Group have the same goal in mind for their environmental conservation activities.





FP Corporation broadly distributes information, responds to people's demands, and continues to grow as a corporate citizen.

Doing what a corporate citizen is supposed to do while operating in society is easy to say verbally. However, if we fail to constantly re-examine ourselves and consider what we need to do now, we will unconsciously stray from this principle. We listen to feedback from people outside the company, while offering information to society at large on the businesses we run. We develop ourselves while communicating with different parties.



FP Corporation advertisement seen from a Shinkansen train platform at Fukuyama Station

● A Company that Practices Diversity Management

FP Corporation was included in the Diversity Management Selection 100 list for FY2014. Diversity Management Selection 100 is a program organized by the Ministry of Economy, Trade and Industry to recognize those companies that make good use of diverse human resources to create innovations, improve productivity and make other achievements. FP Corporation was highly regarded because it has employees with disabilities who play active roles in the container manufacturing and recycling operations and contribute to the value of the entire company.



● A Company of Excellence in Disabled Employment

In 2009, FP Corporation was certified as a model business in disabled employment by the Ministry of Health, Labour and Welfare. Other FP Corporation Group companies that have employees with disabilities were also honored as entrepreneurs of model businesses in disabled employment by Chiba, Kochi, Yamagata, Hiroshima, and other prefectural governments. The workers themselves have been selected as excellent working personnel with disabilities several times in recognition of the effort they put forward every day where they work. This recognition is also the result of years of effort to create a working environment for employees with disabilities.

● Floor Hockey Activities

An encounter between Kayoko Hosokawa, president of the Japan Floor Hockey Federation, and FP Corporation's president Morimara Sato helped spark the FP Corporation's floor hockey activities as part of its recreational activities for employees. This relationship developed into a network involving many different people. In recent years, we have been working to popularize this sport in Japan by sponsoring and helping to run a floor hockey tournament.



● Kurumin Mark Recognition

FP Corporation has been recognized by the Director-General of the Hiroshima Labour Bureau as a childcare-friendly company. Most of FP Corporation's female employees stay employed after marriage, and all those entitled to childcare leave take it. Female employees with children requiring childcare have their working hours reduced in accordance with their duties.



FPCO's Philosophy

Kimiko Nishimura,

Operating Officer and Deputy Head of General Affairs and Personnel Division

Job satisfaction and creativity are both generated by workplaces with diversity.



At FP Corporation, employees with disabilities are actively involved in principal operations, such as recycling and manufacturing. However, there is no magic wand that enables them to play an active role where they work. What have enabled them to realize that they are needed where they work are our guidance and support and the efforts made by all their fellow coworkers.

I believe that everyone experiences a sense of job satisfaction when they feel they have made a contribution to the workplace. This is a common feeling shared by all professionals, regardless of their age, gender, nationality, or disability. I think that workplaces with an environment in which the personalities of a diverse range of individuals are recognized, in which they are assigned to appropriate positions based on their skills, and in which their competition is encouraged will appeal to employees. There is no unity at the workplace when simply a variety of people are gathered together. To reap the benefits of diversity, it is essential that we ensure the workplace is open-minded, enabling it to accept and include a wide variety of personalities.

FP Corporation has been recognized as a company that creates new corporate value by enabling many employees with disabilities to display their abilities. We will work harder to create a lively workplace that offers job satisfaction and is filled with creativity. To this end, we must look after their livelihood and well-being and help them display their full potential while respecting a wide variety of personalities each other.

Engaging in Activities that Value the Individuality of People with Disabilities

Floor Hockey Activities

FP Corporation began its floor hockey activities in 2010. Just like other recreational activities conducted by employees, floor hockey is one group of proactive social activities supported by FP Corporation as part of its welfare program. Morimasa Sato, president of FP Corporation, wished for all employees to communicate with each other more, especially at places where there were a large number of personnel with disabilities. At that time, he had a chance encounter with floor hockey, a sport that can be played together by the disabled and those without disabilities. The president proposed this sport, saying that it looked like fun and was worth trying it. The popularity of the sport quickly grew among employees, and now there are nine clubs across the country. They play regularly in their respective regions and participate in tournaments at both the regional level and nationwide level.

Players' ages, genders and job titles are all irrelevant when they play floor hockey. Everyone's on the same level when they play as members of a team. FP Corporation's floor hockey activities are not just a form of recreation. They also serve as one of our initiatives aimed at encouraging inclusion, inspiring employees of the FP Corporation Group to look past disabilities and interact with one another. We hope that our floor hockey activities will help create a large and more inclusive society.



A total of 600 members,
including 180 with disabilities



FP Corporation
FPCO Floor Hockey Club
Yamagata
(Yamagata Prefecture)



FP Corporation
FPCO Floor Hockey Club
Ibaraki
(Ibaraki Prefecture)



FP Corporation
FPCO Floor Hockey Club
Tokyo
(Tokyo, Chiba Prefecture)



FP Corporation
FPCO Floor Hockey Club
Chubu
(Gifu Prefecture)



FP Corporation
FPCO Floor Hockey Club
Kansai
(Hyogo Prefecture)



FP Corporation
FPCO Floor Hockey Club
Fukuyama
(Hiroshima Prefecture)



FP Corporation
FPCO Floor Hockey Club
Hiroshima
(Hiroshima Prefecture)



Ducks Shikoku
(Kochi Prefecture)



FP Corporation
FPCO Floor Hockey Club
Saga
(Saga Prefecture)

What is Floor Hockey?

Floor hockey is one of the sports played in the Special Olympics. It was invented in Canada based on ice hockey and another sport called ringette. Each team must have at least 11 members, with a maximum of 16. Six players from either team, including a goalkeeper, compete on a court. A puck with a diameter of 20 cm and a hole in its center is passed around with sticks, with the aim of putting it into the goal of the opposing team. The game is played on an ordinary wooden floor. A wide range of people, from children to the elderly, can enjoy playing this sport. The players are grouped by physical strength level, age and other factors.



● Cooperation and Participation in Organization of Floor Hockey Tournaments

Kayoko Hosokawa (in the upper middle photo) is the person who introduced floor hockey to FP Corporation. After enjoying success in the Special Olympics World Games Nagano 2005, an event similar to the Olympic Games for athletes with disabilities, she worked to popularize this sport as Chair Person of the Japan Floor Hockey Federation. Floor hockey activities had profoundly taken root in the company in 2013. Since then, we have been backing floor hockey by sponsoring all-Japan tournaments and the tournaments for the Chugoku and Shikoku regions. We dispatch numerous staff members to help run individual events. The middle photo on the right shows a scene from the FP Corporation Cup 10th All-Japan Floor Hockey Tournament that was held in Katsushika-ku, Tokyo on October 10, 2015.

Our clubs active in different regions take part in floor hockey events held across the county. We hope floor hockey helps to create an inclusive society where everyone can be themselves as they go about their lives.



A team from our club in Saga competed in the Fifth Universal Floor Hockey Kyushu Tournament.



Four teams from our clubs in Tokyo and Ibaraki and one team from a business partner in Nagano competed in the fifth Kanto-Koshinetsu Floor Hockey Tournament.

Active Participation in Activities Outside the Company

FP Corporation Group personnel with disabilities do much more than play floor hockey. They also take an active part in other events in which they can display their individuality. They participate in various events and programs organized by Yuuki no Tsubasa Inclusion, a non-profit organization presided over by Kayoko Hosokawa. This organization provides them with opportunities to be models in fashion shows and learn

tap dancing in workshops. The photos below show four FP Corporation Group employees with disabilities taking part in an event held at Showa Women's University in Setagaya-ku, Tokyo in September 2015. All of them took the stage in unique attire, creating an atmosphere that would convince people around them in a fashion show. While its theme was Kariyushi shirts, each model was able to express their individuality.



Relationships with Shareholders

Appropriate Disclosure of Corporate Information

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.



http://www.fpco.jp/en/en_ir/

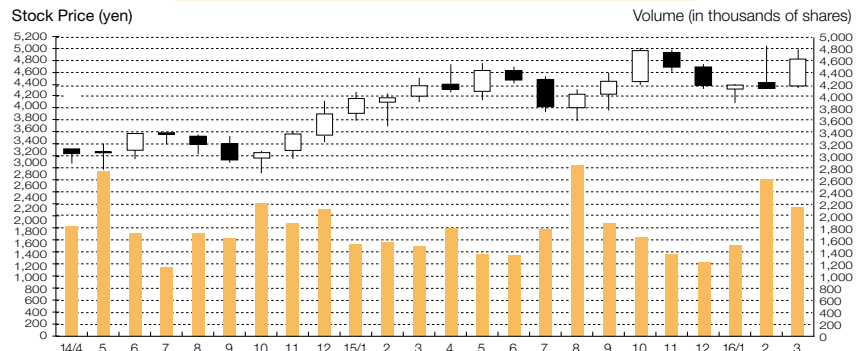
- Performance highlights
- Financial Data
- Analyst Meeting (including video showing)
- Stock Information



Improving Corporate Value

We conduct shareholder-focused management in accordance with three basic policies: creating superior products at competitive prices and delivering them to our clients when they need them. We plan to steadily carry out measures for group management to increase our corporate value and achieve our target of a net income of 250 yen per share.

Trends in Share Prices on the Tokyo Stock Exchange

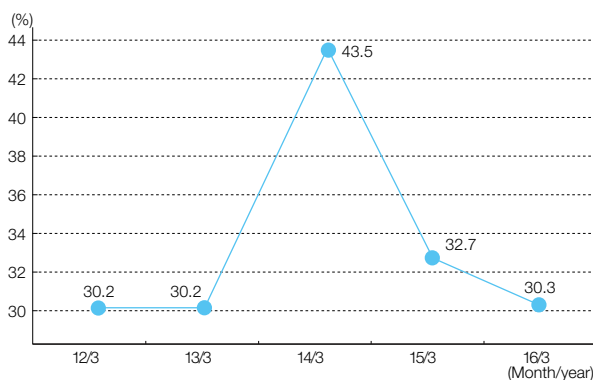


* The first section of the Tokyo Stock Exchange * On April 1, 2014, FP Corporation executed a two-for-one stock split of its common shares.

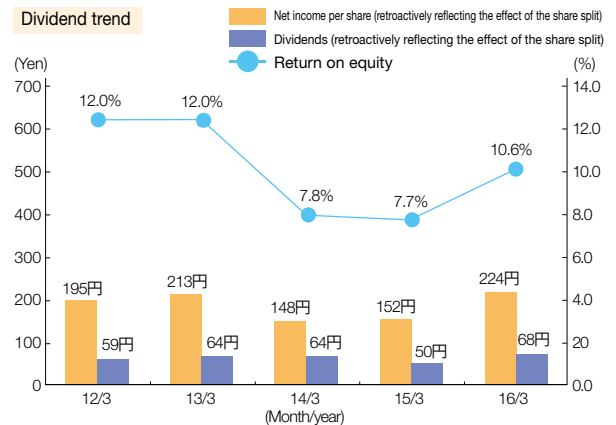
Continuously Stable Dividends

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 68 yen per year, including an interim dividend of 33 yen per share, in the fiscal year ended March 31, 2016. On April 1, 2014, FP Corporation executed a two-for-one stock split of its common shares.

Payout ratio



Dividend trend



Relationships with Consumers

Communication at Supermarkets and Venues for Different Events

FP Corporation takes part in exhibitions and various types of events held all over the country as well as in-store events at supermarkets. Through these events, the company aims to foster greater mutual communication with consumers. We took part in more than 30 events during the fiscal year under review.



Major Events for FP Corporation During FY2015

| Date | Event Name | Location |
|-----------------------------|--|----------------------|
| May 4, 2015 | Dr. FPCO's Recycling Workshop held during Golden Week Kids Festa at Tenmaya Fukuyama Store | Hiroshima Prefecture |
| Saturday, June 6, 2015 | Fuchu Environmental Festival 2015 | Tokyo |
| June 6-7, 2015 | Eco Life Fair 2015 | Tokyo |
| Sunday, June 7, 2015 | FY2015 Environment Day Hiroshima Rally | Hiroshima Prefecture |
| Saturday, August 1, 2015 | Fukuyama City Water & Environment Festa | Hiroshima Prefecture |
| Saturday, September 5, 2015 | The Sixth General Assembly of Beneficiaries from the Yui 2105 Investment Trust | Kyoto Prefecture |
| October 3-4, 2015 | Bingo <i>Monozukuri</i> Local Industry Fair in commemoration of the first anniversary of the opening of the Fukuyama City <i>Monozukuri Koryukan</i> | Hiroshima Prefecture |
| October 7-9, 2015 | Eco-Technology Exhibition 2015 | Fukuoka Prefecture |
| Sunday, October 18, 2015 | 27th Nagaizumi-cho Welfare and Environment Festival | Shizuoka Prefecture |
| Sunday, October 25, 2015 | Yamagata Environment Exhibition 2015 | Yamagata Prefecture |
| Sunday, October 25, 2015 | Nagasaki Eco-Life Festa 2015 | Nagasaki Prefecture |
| November 27-28, 2015 | Eco-Innovation Messe 2015 in Hiroshima | Hiroshima Prefecture |
| Sunday, December 6, 2015 | Human Festa 2015 Hiroshima | Hiroshima Prefecture |
| February 20-21, 2016 | 43rd Ichinomiya City Consumer Life Fair | Aichi Prefecture |
| Sunday, March 20, 2016 | National Kodomo Eco Club Festival 2016 | Tokyo |
| Tuesday, March 22, 2016 | <i>Tachimachi Zen-in Shugo</i> : Discover Social Contribution Activities that Will Make You Want to Get Involved | Hiroshima Prefecture |

Cookpad Collaboration

FP Corporation's *Muserundesu* microwavable package is promoted in collaboration with Cookpad, Japan's largest website specializing in recipes. More than 2 million different recipes have been posted on Cookpad, which attracts a total of 61 million viewers per month. This promotional campaign is unique to *Muserundesu*, which is marketed to consumers directly. This project was launched to take advantage of the fact that the target users of *Muserundesu* matched the attributes of Cookpad users, who are largely women in their twenties, thirties, and forties. This special page features word-of-mouth information from Cookpad users. There are also some recipes which use *Muserundesu* that have been posted on Cookpad.



TOPICS Media Communications: FP Corporation Frequently Featured in TV Shows

Futto Word 10 (Ten Hot Words) on Nippon TV on November 13, 2015

FP Corporation was featured as one of the hot words in the supermarket industry on an infotainment show aired in a prime time slot and hosted by Bananaman, a popular pair of comedians. The show also highlighted the functions and features of the MFP Doris Cup and many other products. FP Corporation's chairman Yasuhiro Komatsu appeared in an interview. The program was aired all over the country and generated a great response.

November 14, 2015 broadcast of *Mirai o Kirei ni! 3R no Susume (Three R's for a Clean Future)* on Hiroshima Television

The Fukuyama Recycling Plant and the Comprehensive Research Institute appeared as locations covered by the show. Naoki Ogi, an educator who often appears on television, experienced the tray sorting work. He gave a straight-forward explanation of the FPCO method of recycling.



Yugata LIVE Wonder on Kansai Television on November 30, 2015

Muserundesu microwavable package was featured during the *Gyokai Ichioshi Scoop* part of the show. TKO Kimoto, a TV personality, tried a really popular recipe from Cookpad. The product was given high marks for making it easy for people with little experience cooking prepare a meal so delicious that people would doubt that it had been prepared in a microwave.



Relationships with Communities

● FPCO RiM

FP Corporation acquired the naming rights for commercial facilities near Fukuyama Station in 2013. These facilities have been well received by local residents under the name of FPCO RiM.

● Acceptance of Interns

Every year, FP Corporation takes part in the Hiroshima Prefecture Monozukuri Internship Project and accepts interns. We provide students studying science and engineering with hands-on training at different facilities.

● Visiting Lectures

FP Corporation visits elementary schools in the city of Hiroshima and participates in events organized by local governments to give lectures. These lectures provide a general overview of the environmental conservation and recycling operations conducted by FP Corporation. We give lectures at more than a dozen locations each year.

● Acceptance of Teachers for Training

FP Corporation accepts trainees under the program for long-term dispatch training at private companies run by the Hiroshima Prefectural Board of Education. We work together with teachers and assist them for about half a year. This program is a valuable opportunity for both teachers and us. Normally working in different fields, it helps us learn a lot from each other.

● Participation in Local Community Activities

FP Corporation takes part in nature conservation activities in places such as natural woodlands and in cleaning activities in areas where FP Corporation's bases are located. In the city of Fukuyama, where FP Corporation is based, we take part in local festivals and many other different types of events.

TOPICS FP Corporation's chairman and CEO Yasuhiro Komatsu named an honorary citizen in Fukuyama.

Fukuyama City marked the 100th anniversary of its status as a city in 2016. On this occasion, our chairman Yasuhiro Komatsu and the late calligrapher Mr. Yasushi Kurihara were each given the title of honorary citizen in recognition for their achievements. These two were Fukuyama's first honorary citizens in eight years. In the past, the same title has been given to Mr. Masuji Ibuse, a novelist, and Mr. Kiichi Miyazawa, a former prime minister of Japan. Our chairman and CEO was recognized for his wide range of achievements in fields such as economics, society, education, and culture while he was based in the city.



Relationships with Employees

● Welfare Programs

FP Corporation offers an outsourcing-type welfare program. Specializing in welfare, it provides many different welfare benefits. A wide variety of options are available, including resort facilities, entertainment facilities, sporting facilities, high-end restaurants, and child care or nursing care support services.

● Employee Shareholding Association

FP Corporation has an employee shareholding association program in which employees form a shareholding association to deposit funds from their wages and bonuses to purchase treasury shares on an ongoing basis. The company pays 10% of the monthly deposit amount as an incentive. By allowing employees to become shareholders by simply investing a small amount, this program helps them with long-term asset accumulation.

● Support for Recreational Activities

FP Corporation provides support for different kinds of recreational activities conducted by employees. Many of them engage in sporting activities. The company grants subsidies for activities such as floor hockey, baseball, marine sports, and tennis.

● Company Trips

At FP Corporation, employees' trips are authorized not only for groups based on the organizations to which they belong, but also for voluntarily formed groups. There is a high degree of freedom in these trips, allowing the participant to choose the destination and plan events there. Some trips involve large groups of several hundred participants. The high percentage of employees who go on these trips is one unique feature of FP Corporation.

A regular training trip to Hawaii is held every year. Employees with at least ten years of service are invited to take part. It is also a precious opportunity for nearly 30 members from different companies in the FP Corporation Group to interact and get to know each other.

Third Party Comments



Mr. Kazuhiro Arai Head of Investment Group, Director/CMA, Kamakura Investment Management Co., Ltd.

We at Kamakura Investment Management hold FP Corporation in high regard as an investment destination of the Yui 2101 publicly offered investment trust because you have made great achievements in business and social responsibility. In terms of social responsibility, you maintain a leading position among stock-listed companies in terms of the disabled employment rate. You are also currently working hard to encourage your business partners to raise the disabled employment rate and deepen their long-term efforts in this respect. In light of that, I can say that you pursue activities which create shared value (CSV), aiming to enrich both society and business. I feel that FP Corporation is an example of what a company needs to be like in the future.

I hope that you will also grow as a new distribution operator. I look forward to seeing you introduce the rest of the world to the food tray technologies and expertise you cultivated in Japan. This will enable you to become a company that helps create a society in which terrestrial resources are circulated mainly through recycling, an area in which Japan is a global leader.



Dr. Norihiro Itsubo Professor, Faculty of Environmental Studies, Tokyo City University

FP Corporation's circular recycling system is a revolutionary system unlike any other in the world. It increases the collection ratio of used containers and transforms them into products that are equal to or even better than used containers. Recycling helps cut down on emissions to the environment as well as the energy consumption involved in material production. FP Corporation's recycling system cuts CO₂ emissions throughout the entire life cycle by at least 30%. Sorting collected plastics requires labor. You tackle this issue by hiring people with disabilities. By connecting a solution to an environmental issue to an effort to address social issues and developing it into business, you have provided an example for the world to follow.

The United Nations has established sustainable development goals (SDGs) to be met by 2030. They include goals concerning climate change, water, oceans, energy, urban issues, and employment problems. I really hope to see FP Corporation contribute to the fulfillment of these SDGs by distributing information and expanding its business around the world.



Ms. Ryoko Kizawa Secretary-General, NPO GENKI Net for Creating a Sustainable Society

About 25 years ago, a time in which items such as used containers were not collected at stores, we collected trays at an environmental event in Kashiwa City, and they were accepted by FP Corporation via a wholesaler. I still remember that event vividly. At that time, someone brought a large number of white trays stored at home. That left a deep impression on me because I had just begun working on activities to tackle waste. FP Corporation is a leading company in that it has been recycling trays far before anyone else did. It has worked to raise awareness among consumers, and practice circulation between recycling and manufacturing. Today it is normal to see trays collected at stores and brought to collection points. You have created a history of tray recycling in Japan.

In addition to trays, nowadays businesses are required to make effective use of containers and packages as resources after they are first used in products. The sale, transport, storage, and preparation of food need to be adapted to changes in lifestyles. I hope that FP Corporation will continue taking progressive actions and work to build a recycling society together with consumers.

Financial Data

Consolidated Balance Sheets

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

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

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

(Million yen)

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

Consolidated Statement of Comprehensive Income

(Million yen)

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

Consolidated Statements of Cash Flows

(Million yen)

| | Fiscal year ended March 31, 2015 | Fiscal year ended March 31, 2016 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes and non-controlling interests | 9,931 | 13,753 |
| Depreciation | 11,135 | 9,526 |
| Increase (decrease) in provision for bonuses | 55 | 240 |
| Increase (decrease) in provision for directors' bonuses | △11 | 26 |
| Increase (decrease) in allowance for doubtful accounts | △25 | 3 |
| Increase (decrease) in provision for directors' retirement benefits | △39 | 4 |
| Increase (decrease) in provision for executive officers' retirement benefits | 7 | 7 |
| Increase (decrease) in net defined benefit liability | 260 | 277 |
| Loss (gain) on sales and retirement of non-current assets | 133 | 244 |
| Interest and dividends income | △79 | △85 |
| Interest expenses | 297 | 249 |
| Loss on valuation of golf club membership | - | 19 |
| Decrease (increase) in notes and accounts receivable - trade | △2,172 | △2,752 |
| Decrease (increase) in inventories | △590 | 3,058 |
| Decrease (increase) in accounts receivable - other | △1,356 | 1,117 |
| Increase (decrease) in notes and accounts payable - trade | 1,420 | △2,691 |
| Increase/decrease in other assets/liabilities | 622 | 363 |
| Increase (decrease) in accrued consumption taxes | 219 | 431 |
| Other | 731 | 442 |
| Subtotal | 20,539 | 24,236 |
| Interest and dividend income received | 80 | 85 |
| Interest expenses paid | △289 | △247 |
| Proceeds from insurance income | 164 | - |
| Payments for loss on disaster | △127 | - |
| Income taxes paid | △3,454 | △3,241 |
| Net cash provided by (used in) operating activities | 16,912 | 20,832 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | △18,203 | △17,657 |
| Purchase of intangible assets | △405 | △340 |
| Purchase of investment securities | △25 | △25 |
| Proceeds from sales of investment securities | 175 | 8 |
| Payments of long-term loans receivable | △39 | △39 |
| Collection of long-term loans receivable | 25 | 31 |
| Other | 75 | 99 |
| Net cash provided by (used in) investing activities | △18,397 | △17,923 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | △3,184 | 400 |
| Proceeds from long-term loans payable | 17,500 | 15,000 |
| Repayment of long-term loans payable | △8,778 | △10,277 |
| Purchase of treasury shares | △1 | △0 |
| Repayments of lease obligations | △4,153 | △4,208 |
| Cash dividends paid | △2,339 | △2,444 |
| Net cash provided by (used in) financing activities | △957 | △1,530 |
| Net increase (decrease) in cash and cash equivalents | △2,442 | 1,379 |
| Cash and cash equivalents at beginning of period | 16,153 | 13,710 |
| Cash and cash equivalents at end of period | 13,710 | 15,089 |

Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2015

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

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

Fiscal year ended March 31, 2016

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

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

FP Corporation's History

Company Development and Honors

| | | |
|------|------|---|
| 1962 | Jul. | Fukuyama Pearl Paper Manufacturing Corporation established. Headquarters established in Komiya-cho (now Kasumi-cho), Fukuyama, Hiroshima Prefecture. Foamed PS thermoforming launched. |
| 1968 | Mar. | Headquarters moved to the present site (Akebono-cho, Fukuyama) due to growth in business. |
| 1971 | Jan. | Manufacturing of wooden-fee containers launched. |
| 1972 | Apr. | Fukuyama Distribution Center (Fukuyama, Hiroshima) established. |
| 1975 | Sep. | General packaging supply retail chain store (Modern Pack) established in Fukuyama. |
| 1976 | Jun. | First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company's products. |
| 1979 | Jul. | FP Logistics Corporation established to reinforce delivery system. |
| 1980 | Jan. | Fukuyama Daiichi Distribution Center established to streamline and increase the efficiency of distribution. Problems with the disposal of trays led to the early launch of the tray collection program. |
| 1981 | Jun. | Manufacturing and selling of colored food containers commences in response to the trend of fashionable food receptacles. |
| 1982 | Mar. | Design-located-thermoforming technology developed for manufacturing of high-quality food containers. |
| 1983 | Apr. | Tokyo Branch (Nerima-ku, Tokyo) established. |
| | Oct. | Large-scale host computer installed to launch EDI (electronic data interchange) system for placing and receiving orders. Foamed PS microwaveable containers developed. |
| 1984 | May | Yasuhiro Komatsu, the then President and CEO, is elected chairman of the Polystyrene Thermoforming Industry Association (Japan). |
| 1985 | Jan. | Tokyo Distribution Center (Funabashi, Chiba) established. |
| | Feb. | Pearl Fair held for the first time in Tokyo. |
| | | Osaka Branch (Osaka, Osaka) established, which was relocated to its current location (Nakanoshima, Kita-ku, Osaka) in May 2013. |
| | Jun. | Pearl Fair held for the first time in Osaka. |
| | Nov. | Kanto Plant (Yachiyo-machi, Ibaraki) begins operations. |
| 1987 | Jan. | Fully integrated production of solid food containers, from sheet production to thermoforming, launched. |
| | Apr. | FP Trading Co., Ltd. is established as a wholly owned subsidiary. |
| | Sep. | Kasaoka Plant (Okayama) established to drastically reduce man-hours. |
| | Dec. | Use of CFC-utilizing Foamed PS discontinued. |
| 1988 | Mar. | Kanto Distribution Center (Sashima-machi, Ibaraki) established. |
| | Dec. | Yasuhiro Komatsu, the then President and CEO, attends an FPI (Foodservice & Packaging Institute, Inc.) general conference held in Washington, delivering a speech on global environment issues. |
| 1989 | Jan. | CI introduced. Corporate name changed to FP Corporation. |
| | Jul. | Chubu Distribution Center (Wanouchi-cho, Gifu) established. |
| | Nov. | Company is listed on the Hiroshima Stock Exchange. |
| 1990 | Dec. | Tohoku Distribution Center (Ohira-mura, Miyagi) established. |
| 1991 | Feb. | Listed on the Second Section of the Osaka Stock Exchange. |
| | Apr. | Receives the "Members' Division Highest Points Award" from the Valdez Society. |
| 1992 | Oct. | Tohoku Recycling Plant cited as an honoree of the year by the Award Program for Achievement in Promoting Recycling. |
| 1993 | Mar. | Receipt of the Chairman's Award in the Clean Japan Center sponsored Award Program for Companies Contributing to the Reuse of Resources. |
| 1994 | Oct. | Kansai Distribution Center (Nishinomiya, Hyogo) established. |
| 1995 | Apr. | All distribution operations transferred to FP Logistics Corp. |
| 1996 | Apr. | 22nd annual FPCO Fair 96 is held for the first time in Tokyo. |
| | May | The Osaka Branch is relocated to Toyonaka, Osaka. |
| | Oct. | Chubu Recycling Plant honored with the Minister of International Trade and Industry Award in the Award Program for Achievement in Promoting Recycling. |
| 1997 | Jan. | Company homepage set up. |
| | Mar. | Receipt of the MITI Environmental Protection and Industrial Location Bureau Chief's Award in the Clean Japan Center-sponsored Award Program for Companies Contributing to the Reuse of Resources. |
| | May | Yasuhiro Komatsu, the then President and CEO, is awarded Medal with Blue Ribbon. |
| | Jun. | Fukuyama Recycling Plant receives the Hiroshima Environmental Protection Award. |
| | Sep. | Receipt of the Company to Be Proud Of Award in the Ogaki Junior Chamber, Inc.-sponsored Nishi-Mino Co-Founder's Awards '97. |
| | Oct. | Receipt of the Sixth Nisshoku Environmental Resource Cooperation Award sponsored by Japan Food Journal Co., Ltd. |
| 1997 | Oct. | Receipt of the Chairman's Award in the Award Program for Achievement in Promoting Recycling for Fukuyama Recycling Plant. |
| | Dec. | Developed Exstar container using new type of material. Established Fukuyama Plant (Fukuyama, Hiroshima) to facilitate fully integrated production. |
| 1998 | Oct. | New warehouse completed for Fukuyama Distribution Center. |
| 1999 | Feb. | Yasuhiro Komatsu, the then President and CEO, is awarded the 19th Mainichi Business Leaders Award. |
| | Apr. | Commenced catalog sales through FPCO Modern Pack Co., Ltd. |
| | Oct. | Developed Histar container using new type of material. |
| | | Received the Prime Minister's Award in the Award Program for Achievement in Promoting Recycling. |
| 2000 | Jan. | Special Subsidiary Company Ducks Shikoku Co. headquarters and plant (Nankoku, Kochi) established. |
| | Mar. | Listed on the Second Section of the Tokyo Stock Exchange. |
| | | Kanto Tsukuba Plant (Shimotsuma, Ibaraki) begins operations. |
| | Jul. | Kanto Shimodate Plant (Chikusei, Ibaraki) begins operations. |
| | Oct. | Kinki Kameoka Plant (Kameoka, Kyoto) begins operations. |
| 2001 | Jul. | Awarded the Prize for Excellence in the Idea Division in the Fourth Eco- Life Lake Biwa Awards. |
| | Nov. | Fukuyama/Tokyo double head office system started, with Tokyo Branch upgraded to Tokyo Headquarters. |
| | | Kitchen Studio opened at Tokyo Headquarters. |
| 2003 | Jan. | Reorganization project for Chupa Co., Ltd. and Packdor Co. approved. (Reorganization completed in May 2003 and May 2005 for Packdor Co., and Chupa Co., Ltd., respectively.) |
| | Jul. | East Japan Hub Center (Yachiyo-machi, Ibaraki) completed. |
| | | Yamagata Plant (Sagae, Yamagata) begins operations. |
| | Nov. | Receipt of the Business Activities Division Award at the Wastec Award 2003. |
| 2004 | Mar. | Eastern Japan Sample Center (Bando, Ibaraki) established. Western Japan Sample Center (Fukuyama, Hiroshima) established. |
| | May | Tohoku Distribution Center relocated to be annexed to Yamagata Plant (Sagae, Yamagata). |
| 2005 | Sep. | Listed on the First Section of the Tokyo and Osaka Stock Exchanges. |
| | | Presented with the Global 100 Eco-Tech Award by the Japan Association for the 2005 World Exposition and Nihon Keizai Shimbun, Inc. at Expo 2005 Aichi Japan. |
| 2006 | Jun. | Sample Request Reception Center begins operations. |
| | | Special Subsidiary Company Ducks Saga Co. (Yoshinogari-cho, Saga) established. |
| | Sep. | Japan Organization for Employment of the Elderly and Persons with Disabilities JEED Presidents Award presented to Ducks Shikoku Co. |
| | Oct. | Hiroshima Ai Pack Co. (currently FPCO Ai Pack Co.) is established as a would-be subsidiary with Type A Support for Continuous Employment. |
| | Dec. | Komatsu Ikueikai scholarship founded. |
| 2007 | Feb. | Kanto Shimodate Plant II (Chikusei, Ibaraki) begins operations. |
| | Mar. | FPCO Ai Pack Co. established with the goal of being certified as Workplace Offering Type A Support for Continuous Employment. |
| | Apr. | Receipt of the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards. |
| | Aug. | FPCO Yachiyo Center begins operations. |
| | | FPCO Ai Pack Co. Saga Plant (Kanzaki, Saga) begins operations. |
| | | Receipt of the Economic Affairs Bureau Director's Award at the Product Development Awards. |
| | Sep. | FPCO Ai Pack Co. Gifu (Wanouchi-cho, Gifu) and Ibaraki Plants (Bando, Ibaraki) begin operations. |
| | Oct. | FPCO Ai Pack Co. Nishinomiya (Nishinomiya, Hyogo) and Yamagata (Sagae, Yamagata) plants begin operations. |
| | Nov. | The Komatsu Scholarship Foundation founded. |
| | Dec. | New head office building completed in Fukuyama, Hiroshima. |
| 2008 | Feb. | Retired persons association FPCO Shoekai established. |
| | Aug. | Receipt of the Chugoku New Office Promotion Award at the 21st Best of New Offices Awards hosted by the Nihon Keizai Shimbun Company and the New Office Promotion Association. |
| 2009 | May | West Kanto Picking Center (Machida, Tokyo) begins operations. |
| | Jun. | Acquisition of packaging division from Taiyo-Kogyo Corp. |
| | | CEO Yasuhiro Komatsu receives 11th Kigyoka Prize. |
| | Aug. | Ibaraki Pigeon Recycle established. |
| | Oct. | FPCO Nippon Pearl Co. established after acquisition of Nippon Pearl Containers Co. from Toyama Yoseisha Co. |
| 2010 | Apr. | Packing materials and other production supply business transferred from Yuka Shoji Co., Ltd. |
| | Jun. | ALRight Inc. (currently FPCO ALRight Co. Ltd.) becomes a consolidated subsidiary. |
| | | The I-Logic Co., Ltd. Fukuyama Picking Center (Fukuyama, Hiroshima) opens. |
| | Oct. | Interpack Co., Ltd. (currently FPCO International Package Co., Ltd.) is reorganized into a consolidated subsidiary. |
| | Dec. | Dia Foods Co., Ltd. (currently FPCO Dia Foods Co., Ltd.) is reorganized into a consolidated subsidiary. |

FP Corporation's History

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| 2011 | Feb. | FP Corporation wins the Gold prize at the Eco Mark Award 2010. Chairman Yasuhiro Komatsu accepts the Ninth Shibusawa Eiichi Award. |
| | May | The I-Logic Co., Ltd. Chubu Picking Center (Wanouchi-cho, Gifu) is completed. |
| | Sep. | The Sendai Sales Office (Sendai, Miyagi) is relocated and integrated. The Hiroshima Plant for FPCO Ai Pack Co. is nominated by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED) in the category of excellent workers with disabilities. |
| | Dec. | FP Corporation and FP Logistics Corporation are awarded by the Director-General of the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as distinguished operators under the EcoShip and Modal Shift Program. |
| 2012 | Nov. | The world's first biaxially oriented PET product for plastic containers is released. |
| 2013 | Mar. | FP Corporation wins the Excellence Prize in the action category of the Watt Sense Awards. |
| | Apr. | Ishida Shoten (currently FPCO Ishida Co., Ltd.) is reorganized from a non-equity-method affiliate into a consolidated subsidiary. Naming rights obtained for the commercial facility, now known as the FPCO RIM. |
| | Jul. | The Second Kyushu Distribution Center in Kanzaki, Saga begins operations. |
| | Oct. | The First Kansai Distribution Center in Kobe, Hyogo begins operations. |
| 2014 | Nov. | Yasuhiro Komatsu, chairman & CEO, is honored with the Order of the Rising Sun, Gold and Silver Star. |
| | Jun. | Nishinon PET Bottle Recycle Co., Ltd, engaging in production of recycled resins from used PET plastic bottles, is reorganized into a consolidated subsidiary. |
| | Aug. | The Fukuyama Cross Dock Center (Fukuyama, Hiroshima) begins operations. FP Corporation's Osaka Branch wins Kinki New Office Promotion Award in the 27th Nikkei New Office Award organized by Nikkei, Inc. and New Office Promotion Association. |
| | Oct. | Miyako Himo Co., Ltd. is reorganized into a consolidated subsidiary. |
| | Nov. | The Hachioji Distribution Center (Hachioji, Tokyo) begins operations. |
| | Dec. | FPCO Comprehensive Research Institute and Human Resources Development and Training Center (Fukuyama, Hiroshima) are completed. |
| 2015 | Mar. | The Chubu Eco PET Plant begins operation as a base of integrated production covering processes from recycling of PET bottles to production of the Eco APET containers. FP Corporation's chairman and CEO Yasuhiro Komatsu is recognized as an honorary citizen of Fukuyama City. FP Corporation is selected by the Ministry of Economy, Trade and Industry under the Diversity Management Selection 100. |
| | May | FP Corporation is selected as one of the Competitive IT Strategy Companies by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. |
| | Aug. | The FPCO Comprehensive Research Institute wins a prize from the Director-General of the Chugoku Bureau of Economy, Trade and Industry in the 28th Nikkei New Office Award organized by Nikkei Inc. and the New Office Promotion Association. |
| | Sep. | Expansion of the Hachioji Distribution Center is finished. |
| | Nov. | FP Corporation wins a prize of excellence in the category of product and technology development in the Sixth Monozukuri Nippon Grand Awards organized by the Ministry of Economy, Trade and Industry. |
| | Mar. | The Chubu Eco PET Plant begins operation as a base of integrated production covering processes from recycling of PET bottles to production of the Eco APET containers. FP Corporation's chairman and CEO Yasuhiro Komatsu is recognized as an honorary citizen of Fukuyama City. |

Environment / Recycling

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| 1990 | Sep. | FP Corporation starts its recycling program. |
| | Dec. | Kasaoka Recycle Center goes into operation. |
| 1991 | Oct. | Kanto Recycle Center goes into operation. Tohoku Recycle Center goes into operation. |
| | Nov. | Eco Tray becomes the first to receive the Eco Mark certification in the industry. |
| | Mar. | Eco Tray goes on sale. |
| 1992 | Apr. | Environmental Management Department established. |
| | May | Chubu Recycle Center goes into operation. |
| | Jul. | First Autonomous Tray Recollection Movement Commences through cooperation with Tottori City. |
| | Sep. | Kyushu Recycle Center goes into operations. |
| | Oct. | School tray recovery program commences; in-house tray recovery program commences. |
| 1993 | Feb. | Fukuyama Recycle Center (Fukuyama, Hiroshima) goes into operation. |

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| 1996 | Feb. | Hokkaido Recycle Center goes into operation. |
| | Aug. | FP Logistics Corporation acquires Green Management certificate. |
| | Nov. | Numazu Recycle Center goes into operation. |
| 1998 | Apr. | Automatic color tray-sorting system installed at Kanto Recycle Center. |
| | Jul. | Recycling plants greet their 100,000th visitor. |
| 1999 | Apr. | Three main plants—namely, the Kasaoka Plant (Okayama), the Fukuyama Plant (Hiroshima), and the Fukuyama Recycle Center— receive ISO 14001 certification. |
| 2000 | May | Eco Tray registered as a trademark in category #20 (No. 4387266). |
| | Nov. | Kanto Recycling Plant I (Yachiyo-machi, Ibaraki) goes into operation. |
| 2001 | Sep. | New specialized recycling line for transparent containers installed in Fukuyama Recycling Plant. |
| 2003 | Feb. | Kanto Recycling Plant No. 1 receives ISO 14001 certification. |
| | Mar. | Eco Trays recognized as Eco Products by Okayama Prefecture. |
| | May | Eco Tray recognized as a recycling product by Saga Prefecture. |
| | Jun. | Eco Tray recognized as a recycling product by Gifu Prefecture. |
| | Nov. | Recycling plants greet their 200,000th visitor. |
| | Mar. | Eco Tray registered as a recycled product in the Recycled Product Registration System in Hiroshima Prefecture. |
| 2004 | Dec. | Tray-to-Tray registered as a trademark in categories #20 and #40 (No. 4322974). |
| | May | Eco Tray registered as a trademark in category #40 (No. 4864115). |
| 2006 | Apr. | Five-year Environmental Operation Plan commences. |
| 2007 | Oct. | Rooftop gardening compatible plant (Chubu No.2 Plant) begins operations. |
| | Dec. | New premises with solar energy generation system established within headquarters. Optical automatic material sorting system put into operation for transparent containers. |
| 2008 | Aug. | Ibaraki Sorting Plant (Yachiyo-machi, Ibaraki) begins operations. |
| | Oct. | Nishinomiya Sorting Plant (Nishinomiya, Hyogo) and Gifu Sorting Plant (Wanouchi-cho, Gifu) begin operations. |
| 2009 | Jan. | Fukuyama Sorting Plant (Fukuyama, Hiroshima) begins operations. Kanazawa Tray Recycling, Co. (Kanazawa, Ishikawa) begins operations. |
| | Mar. | Honored with the first-ever Fukuyama Environment Award in the Business Category. |
| | Aug. | Saga Sorting Plant (Kanzaki, Saga) begins operations. |
| 2010 | Mar. | The Eco Tray is certified as an environmentally friendly product by the Ibaraki Prefectural Government. |
| | Apr. | Tokai Sorting Plant (Nagaizumi-cho, Shizuoka) begins operations. |
| | Sep. | Kyushu Sorting Plant (Kanzaki-shi, Saga) begins operations. |
| | Oct. | Recycling plants greet their 300,000th visitor. Yamagata Sorting Plant begins operations. Hokkaido Sorting Plant begins operations. |
| | Dec. | The Chubu Recycling Plant and the Chubu PET Recycling Plant (Wanouchi-cho, Gifu) begin operations. |
| | Apr. | FP Corporation is recognized as an Eco-First Company by the Minister of the Environment. |
| 2011 | May | The PET mechanical plant installed in the Chubu Recycling Plant receives a letter of no objection from the US Food and Drug Administration (FDA). |
| | Oct. | The Eco Tray is recognized as a recycled product in Yamagata Prefecture. |
| | Dec. | The ECO APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association. |
| 2012 | Feb. | The Eco Tray is recognized as a recycled product in Hokkaido. |
| | Apr. | The ECO APET, recycled PET plastic containers, is released. |
| | Jun. | Bottle to Tray is registered as a trademark in categories #20 and #40 (No. 5504851). |
| | Oct. | FPCO Method Recycling is presented at the annual meetings of the International Monetary Fund (IMF) and the World Bank. Dec. The Eco APET is registered as a trademark in category #20 (No. 5543674). |
| 2013 | Oct. | The Yamagata Prefectural Government recognizes Eco APET as a recycled product. |
| 2014 | Feb. | The Okayama Prefectural Government recognizes Eco APET as an ecoproduct. |
| | Mar. | The Ibaraki Prefectural Government recognizes Eco APET as a recycled product. |
| | Aug. | Solar panels are installed in the Fukuyama Cross Dock Center. |
| 2015 | Sep. | Construction of a solar power generation system is finished at the Kansai Daiichi Distribution Center. |
| | Dec. | FP Corporation wins an Environment Minister's Award for Global Warming Prevention Activity in the category for implementing and popularizing countermeasure activities. The number of participants in plant tours reaches 400,000. |

Editorial Postscript

A member of our Environmental Management Dept., Ms. Tamada (née Fujinami), recently gave birth to her first child. Excuse us for this inside story, but we would like to take this occasion to announce this good news. The birth of a new life always brings joy to the people around it. People say that children are the most precious treasure a community can possess, and we believe that to be true. Like many other female employees, she is now on maternity leave. She wishes to come back and work in our department after her child gets a bit bigger, taking advantage of the reduced work-hour scheme. The environment for child care is one issue often discussed in Japanese society today. FP Corporation wishes to help improve the environment of working women and parents so that they can look after the treasures of our communities.

Thank you very much for reading FP Corporation Report 2016. We will review your feedback and use it to make this report even better. We would be grateful if you could kindly complete the survey form attached to this report and send it back to us. Thank you in advance for your cooperation.



June 2016
Eiji Togashi
General Manager,
Environmental Management Dept.

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Editorial Guidelines

Care was taken to clearly note the achievements resulting from each activity and FP Corporation's future directions so everyone can understand the essence of our corporation.

The Environmental Report Guidelines from the Ministry of the Environment (FY2012 edition) were used as a reference in preparing the report on CSR.

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FPCO Report 2016

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



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