



# FP Corporation Report 2019



**FP CORPORATION**

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## FP Corporation forges links between people, society and the environment

through the manufacture and sale of food containers.

The food container manufacturing and sales businesses of FP Corporation incorporate activities to recycle terrestrial resources, pursued in cooperation with consumers, distributors and sellers, and businesses that utilize human resources with disabilities. In addition to connecting people with one another in various culinary scenarios through the use of food containers, through our business activities we aim to help create prosperity and build a sustainable society by forging links between people, society and the environment, and putting our values into practice across each of these aspects.



五、四、三、二、一  
社訓  
健 忍 和 自 責  
康 (かたじけなく) 信 任

## FP Corporation's Hands-on Approach and Customer-first Concept

in the Food Container Manufacturing and Sales Businesses

With the aim of continuing to produce truly useful products in line with people's needs and the values of society, FP Corporation has committed to act upon the principles of taking a hands-on approach and putting the customer first. By continuing to consider what is important and what is required where food containers are used, sold, manufactured, stored, transported and delivered, we continue with unflagging efforts to make progress. As a result, these efforts are directly linked to achieving our operating target, to "reliably deliver products of the highest quality at the most competitive prices whenever they are needed."



# CORPORATE PROFILE

## Company Profile

Corporate name: FP Corporation  
 Established: July 1962  
 Representative: Morimasa Sato, President  
 Capital: 13.15 billion yen  
 Number of employees: 848 (FP Corporation Group: 4,439)  
 Business outline: Manufacturing and marketing of plastic food containers made of polystyrene and other compound resins; marketing of said packaging materials

Fukuyama 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



Fukuyama Headquarters (Fukuyama-shi, Hiroshima)



Tokyo Headquarters (Shinjuku-ku, Tokyo)



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.

## FP CORPORATION GROUP COMPANIES

### Manufacturing

FPCO Hokkaido Co.	FPCO Fukuyama Co.
FPCO Yamagata, Ltd.	FPCO Kannabe, Ltd.
FPCO Sagae Co.	FPCO Saga Co.
FPCO Ibaraki Co.	FPCO Nango Co., Ltd.
FPCO Shimodate, Ltd.	FPCO Kagoshima Co.
FPCO Chikusei Co.	FPCO Ducks Co.
FPCO Chubu Co.	FPCO Ai Pack Co.
FPCO Toyama Co.	FPCO ALRight Co. Ltd.
FPCO Kasaoka Co.	FPCO Gravure Co., Ltd.
FPCO Minoshima Co.	Nishinihon PET-Bottle Recycle Co., Ltd.

### Logistics

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 Dia Foods Co., Ltd.  
 FPCO International Package Co., Ltd.  
 FPCO Ishida Co., Ltd.  
 FPCO Ueda Co.  
 FPCO Miyako Himu Co., Ltd.



Sites incorporating Eco PET plants, recycling plants, distribution centers, picking centers and so on (Left: Kanto, Right: Chubu)



## Main Products Manufactured and Sold by FP Corporation

### 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 are so versatile that they meet a variety of needs at selling spaces.



#### Sushi

These containers are standard FP Corporation products used for selling sushi, from individual- to family-sized portions. We offer a wide variety of colorful containers that make special days even more memorable.



#### 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.

### 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 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.



#### Containers with inner trays

A three-piece-container suitable for a combination item, in which the upper-layer container could be used for the main dish and the bottom container could be used for rice or noodles. Ideal for rice bowl varieties and noodle dishes.



#### Screw-top containers

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

### TRANSPARENT CONTAINERS

This product is used in a large number of applications such as the lids of food containers. 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

Lidded transparent trays are used for sashimi and other value-added products. These products offer improved presentation efficiency while preventing product deterioration.



#### Fruits and vegetables

These containers maintain the moisture content of freshly picked vegetables and other produce, allowing them to be sold as-is. 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.

### 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 a Japanese ambiance.



#### Eggs

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



#### Film products

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

# THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION



President

## Morimasa Sato

Through the manufacturing of food containers essential for food distribution, FP Corporation provides three forms of value to society in general.

The first is the extensive added value produced by food containers themselves. Food containers have the basic value of preserving the freshness of food and maintaining hygiene. With qualities such as ease of handling and support for microwave heating, food containers also provide convenience to the supermarkets selling food and the consumers purchasing it.

During peak times or disasters, the distribution of food is extremely time-critical. To put food on people's tables year-round without interruption, we have developed the infrastructure to continually supply containers and work to deliver the products customers need when they need them and in the right amount.

FP Corporation began used food container recycling in 1990 and has been developing those activities for almost three decades. When consumers place used food containers into collection boxes, they are no longer "trash" but "resources." Moving forward, FP Corporation will continue its efforts to create a sustainable recycling-oriented society.

I hope that through this report, our stakeholders gain an understanding of the three forms of value the FP Corporation Group provides and the systems in place for doing so.

## COMFORTABLE DIETARY HABITS



The Various Benefits Offered by FP Corporation Products through Daily Dietary Habits

Preserving freshness	Heat retention	Heat and cold resistance
Microwavable containers	Leak prevention	Support for individual meals

FP Corporation helps create an environment in which anyone can fully enjoy the right amount of fresh and delicious food at an appropriate temperature.

## DISTRIBUTION NETWORK



The Responsibility FP Corporation Fulfills through Daily Food Distribution that Must not Stop

Production and distribution planned to a high degree of precision	Production plants spread across Japan	Sites combining warehousing and distribution functions
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FP Corporation continually works to build infrastructure to achieve the stable supply of its products.

## REDUCED ENVIRONMENTAL IMPACT



Ongoing Environmental Activities Implemented in Conjunction with Stakeholders

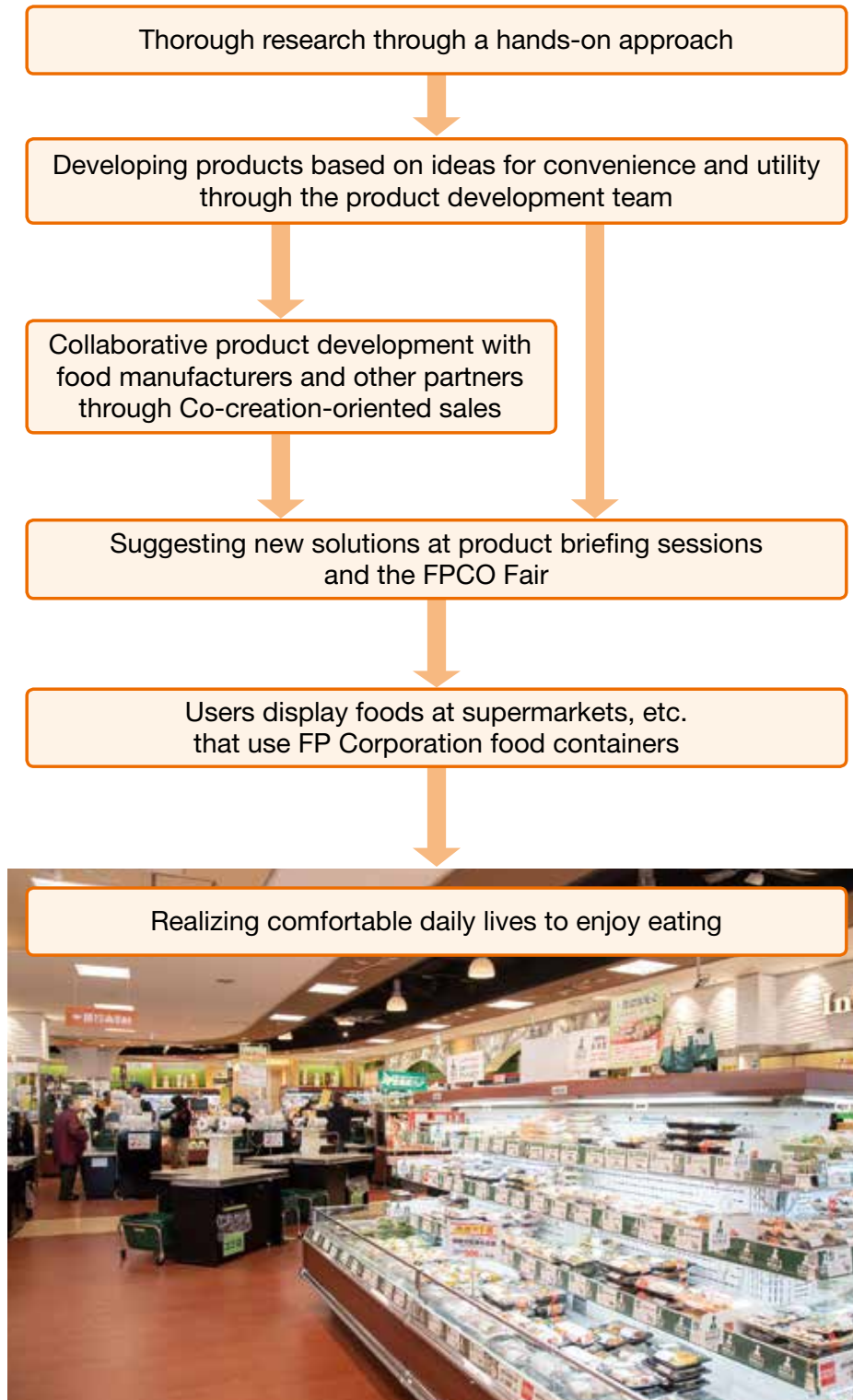
The FPCO Method Recycling Based on Collaboration between Four Parties	Environmentally friendly products
Three recycling centers in Japan	Plant tours and environmental education

By making the recycling of used food containers an economic activity, FP Corporation undertakes environmental conservation that can be continually expanded.



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

One of FP Corporation's corporate strengths lies in the ability to develop proposals. We gain an in-depth understanding of market needs, develop food containers incorporating various functions to address those needs, and make concrete suggestions for point-of-sale development. In short, we provide what the market demands and enrich dietary habits. This is the first form of value creation pursued by FP Corporation.





# COMFORTABLE DIETARY HABITS

Whether cold or warm, foods do not lose their flavor



Even when pressed for time, consumers can quickly prepare delicious meals using a microwave



Consumers can buy the right amount, whether for themselves or a large number of people

Freshness from the producing region to the dinner table can be preserved for an extended time

Foods can be delivered to tables in sanitary ways



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

### Thorough research through a hands-on approach

FP Corporation's practice of continuously focusing on understanding market needs through its hands-on approach and the concept of putting customers first is a tradition dating back to its founding. The practice of visiting the sites where foods are sold and gaining a natural understanding of what consumers want by continually observing them is not a novel approach, but how thoroughly this is done is crucial. "Repeated visits to the front lines" have become a commonly recognized approach among our sales staff. This is the process of repeatedly visiting field locations to observe, listening to feedback from the people working on the front lines, and determining what factors are causing trouble and what things are needed on the ground where the foods are sold. The steady efforts made by our sales staff serve as a starting point for FP Corporation's product development activities.



### Developing products based on ideas for convenience and utility through the product development team



The information and ideas brought back by the sales staff are communicated to the Product Development Planning Department. Here, the ideas are refined and intangible images of convenience and utility are given shape in the form of containers. For example, in response to feedback suggesting that the lids of containers for packed lunches are difficult to open, the team will look at how to change the shape of the lid in order to make it easier to open while maintaining its sealing performance. The staffs of the Product Development Planning Department consider past experiences and other factors, and communicate the ideal draft design for solving the issue to the Research and Development Department.



The Research and Development Department is a group of engineers who use CAD to design containers. Based on the draft designs, they create designs for containers that are as near as possible to the vision. Their work is wide-ranging, and could involve applying an existing innovation to another container, large projects such as a full model change, and at times performing the necessary reviews of the materials used. While it can generally take from two months to more than half a year to develop a single product, FP Corporation carries out hundreds of model changes each year.

That doesn't mean that the new products developed in this way are already in use in the field where the foods are sold. Sales personnel make pitches to customers, who will only start using a new product when they are convinced of its value. In this way, the products find their way into the field, which in turn generates new feedback which is used to develop new FP Corporation products.



- 1 The FP Corporation Comprehensive Research Institute was established in 2014 to build a center of product development. The Institute is a site dedicated to creating value that combines functionality with comfort.
- 2 The Research and Development Department holds regular meetings to give practical form to ideas.
- 3 A staff member of the Research and Development Department designing a container using CAD. A finished product is achieved after a lengthy process of trial and error.

## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

### Joint product development with other companies through co-creation sales activities

The Co-creation sales activities pursued by FP Corporation involve promoting cooperation between food manufacturers and vendors. The aim of these activities is to produce a multiplier effect through collaboration between FP Corporation, which posits the use of certain types of containers will be useful, and food manufacturers, which see convenience in certain types of containers. For example, suppose that feedback from the field suggests that consumers would be pleased if things like meat or rice were packaged together with salads. In response, FP Corporation would work with a food manufacturer offering sauces and dressings that go well with meat and rice in order to develop a container that can hold salad together with meat or rice, and in turn propose a “heartly salad” that comes in satisfying portions together with sauce to supermarkets. FP Corporation has implemented this kind of sales approach with numerous food manufacturers and vendors.



### Suggesting new solutions at product briefing sessions and the FPCO Fair

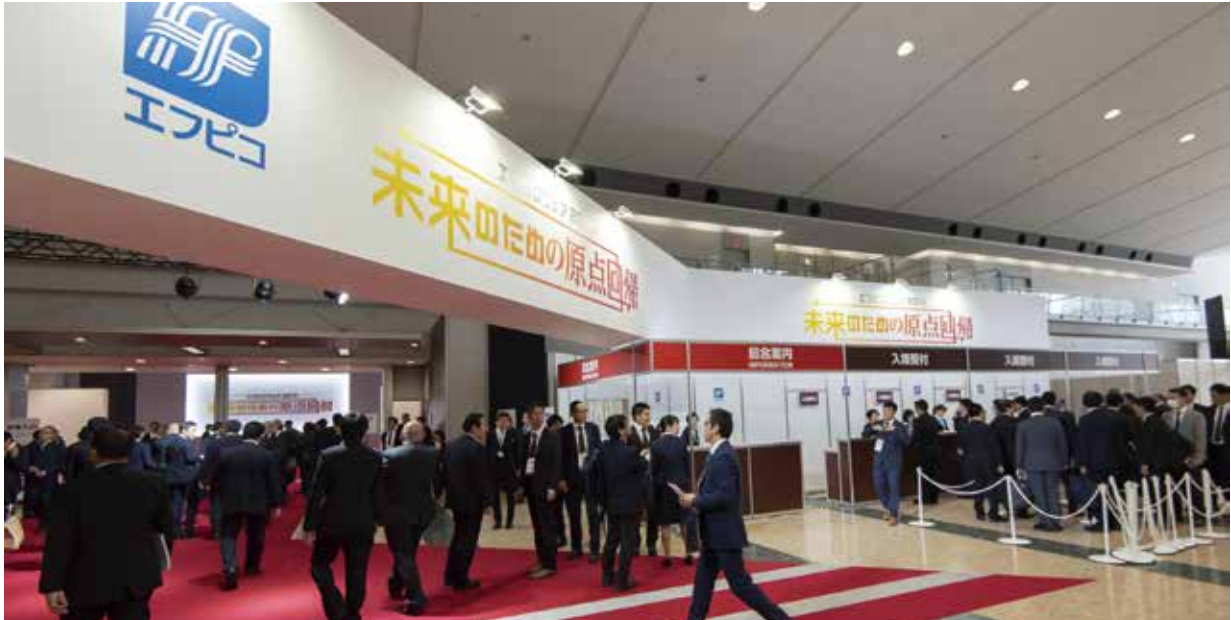
FP Corporation regularly holds product proposal sessions using in-house equipment for supermarkets. We propose products based on our analyses and use Kitchen Studios to display the proposed products with the food actually placed inside and suggest how to market the products by recreating the sales area.

Additionally, once a year we hold the FPCO Fair, a comprehensive presentation of FP Corporation’s products presented on a large scale. Held at the Tokyo Big Sight venue in March each year, the FPCO Fair welcomes nearly 15,000 visitors over three days. The main feature of the FPCO Fair is how the products are proposed by recreating a wide range of sales areas including chilled and hot prepared foods, rice, meats, fish, vegetables and fruit. The fair includes displays depicting successful examples of how FP Corporation products have boosted sales volumes and proposals of products created through Co-creation sales



- 1 Some of the larger sessions are attended by as many as 100 customers.
- 2 Kitchen Studios have been set up at three locations: the Tokyo Headquarters, Osaka Branch and Hiroshima Sales Office.
- 3 Recreating a sales area at Kitchen Studio. By actually placing foods in the containers and putting them on display, customers can experience the advantages of the products for themselves.
- 4 After looking at the products, the customers are directed to individual meetings.

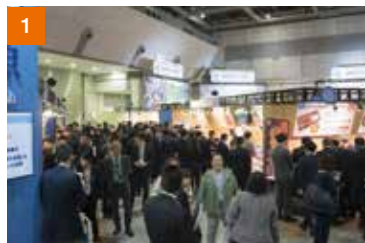




activities, each shown in an attractive and easily digestible format. The event includes everything FP Corporation has to offer, from showcases of materials from FP Corporation Group companies to distribution and environment-related displays. The event is held to attract a large number of customers from around Japan, so that they can gain a complete understanding of FP Corporation and make use of its products.



- 1 FP Corporation was delighted by the strong customer turnout at the fair held over three days from March 27, 2019.
- 2 All displays within the fair venue allow photography, allowing customers to take all the useful information back with them.
- 3 Taste testing of foods heated in a microwave using FP Corporation products are one way to help customers understand the benefits of our products.
- 4 As they leave, customers can take samples of the new products that interested them.



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

### Combinations of Delicious Foods and Delivering Deliciousness with Shorter Times

Utilizing great tastes and textures with menu combinations with

#### MFP-INOVE



By packing rice and side dishes with a lot of juices separately, each can be provided without losing individual deliciousness and texture. This created the new “simmered dish packed meal” genre that consumers demand. The containers allow various combinations of rice and side dishes, enabling an extensive range of menu options to be provided.

From raw to cooked dish with

#### MFP-RUNTO



This container facilitates the development of menus and products that involve packing raw ingredients which can be heated in a microwave while still in the container immediately before eating. This makes full use of the texture, flavor and goodness of the ingredients while giving consumers the taste of a freshly cooked meal.

### Products that deliver warm foods

#### MULTI FP

that is not hot to hold even when the contents are piping hot



This product is a lightweight foam material but combines heat resistance suitable for microwave heating (110°C) and resistance to cold. With excellent heat insulation and retention, even when the contents are heated in a microwave, the outside of the food container stays below 70°C. Even when the food inside is hot, there is no need to worry about burning your hands when holding the container.

#### MULTI SD

enabling sharp designs



This product features excellent heat resistance making it suitable for microwave heating (110°C). As this is a non-foam material offering superior formability, designs featuring sharp, complex forms can be created. Another benefit is the small amount of space taken up when the product is stacked.

Preserving a great appearance until the lid is opened at home

**WIDE UPPER SURFACE AND HIGH TRANSPARENCY**

By widening the upper surface of the lid and employing a material with high transparency, the contents can be clearly seen.

**PREVENTING CONTENTS FROM SLIDING**

We created an uneven surface across the base of the container to prevent the food from sliding during transportation.



**BETTER PRESENTATION**

Adding ribs to the lid prevents droplets from spilling out of the container when products are displayed at stores for a better look.

safely (FP-original material)

**TRANSPARENT PP**

balancing heat resistance with transparency



These transparent containers feature excellent heat and oil resistance. Even when heated in a microwave, the container is resilient against deformation. Hot prepared food can be heated as-is in a microwave without having to transfer it to a dish. The polypropylene does not become brittle and is not damaged when it comes into contact with MCT oils.

**OPET**

with greater strength and heat resistance



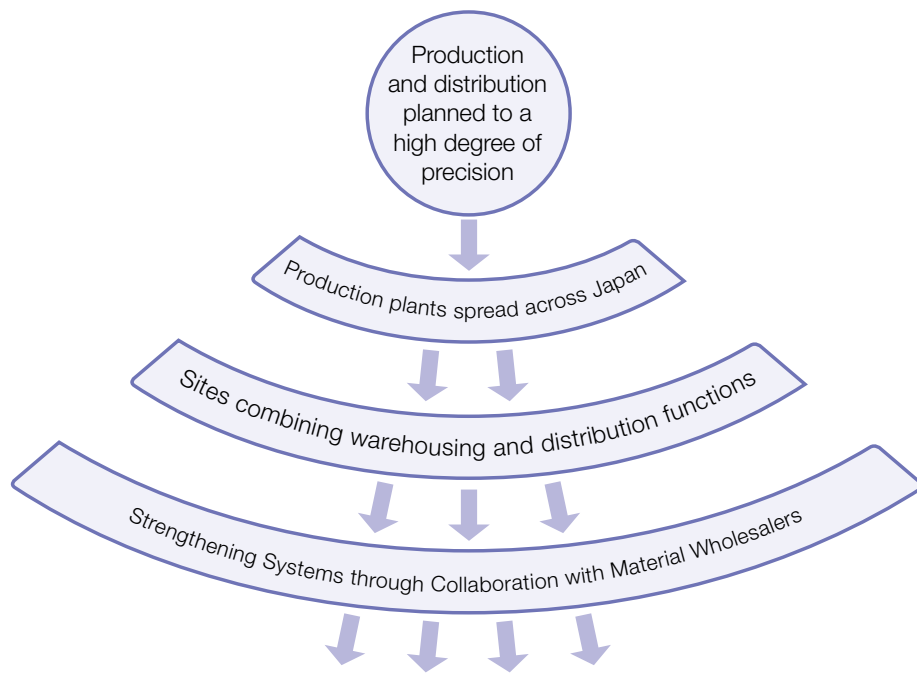
By stretching the PET material biaxially to align the molecules, the strength and heat resistance of the container is enhanced. In addition to oil resistance, the transparency is maintained and the conventional 60°C heat resistance of APET material is increased to 80°C. Thermoforming of this material sheet into food containers was developed by FP Corporation as a world-first.



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

There are no holidays when it comes to food distribution. Food must never disappear from supermarket and convenience store shelves, and FP Corporation sees the stable supply of the food containers that pack and carry those foods as a mission it has been given not only by the food distribution industry but from consumers.

For this reason, FP Corporation has established plants around the country and transports products and other goods via an in-house distribution network while performing highly accurate supply chain management. The manufacturing, shipping, sale and recycling of products take place under FP Corporation's control, ensuring that products reach customers in an efficient, speedy and reliable manner. Delivering products in a timely fashion without interruption is the second form of value creation that FP Corporation implements across its food distribution network.



The Reliable Delivery of Food Containers to Supermarkets and Convenience Stores Across Japan



# DISTRIBUTION NETWORK

Supply chain management to avoid going out of stock during busy times and having excess stock during slow periods



Responding to customer order placements in a timely fashion through a nationwide production and distribution system

Running a recycling business utilizing empty returning trucks



Building a network that makes use of robots and automation programs to deal with labor shortages



Emergency response structure to maintain warehouse functions even during a disaster

Plants arranged efficiently across Japan



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

### Production and distribution planned to a high degree of precision



FP Corporation's Supply Chain Management (SCM) System handles highly accurate planned production and manufacturing of some 10,000 kinds of products, and ensures that products are shipped in a timely fashion. SCM is the brain of FP Corporation, so to speak, and has been developed with the processing capacity of computers and the expertise and experience of many employees working in tandem.

SCM devises optimal production and distribution plans based on an enormous amount of information including sales forecast figures from sales staff, data on past results related to production, experience levels of the staff working on-site in production, and so on. This ensures a stable supply in response to urgent orders from customers, unforeseen increases in market demand and unexpected situations such as disasters.

Optimum production and distribution plans also minimize waste, and greatly contribute to reduced CO<sub>2</sub> emissions from production and distribution activities.

Minimizing CO<sub>2</sub> emissions in production

Avoiding excess production and more inventory than needed

Avoiding stock-outs during busy times and surpluses during slow times

Shipping with the most efficient routes for time and distance

Utilizing empty returning trucks to collect used containers

### Production plants spread across Japan

FP Corporation maintains 19 production plants across Japan. FP Corporation has continued to improve its facilities and equipment to implement SCM-based production plans and has developed three large-scale production sites which also incorporate recycling and distribution-related facilities in the Kanto, Chubu and Fukuyama areas.



Sheets produced at the Kanto Eco PET Plant that will be used as the material for transparent containers. Used PET bottles are transformed into food containers.



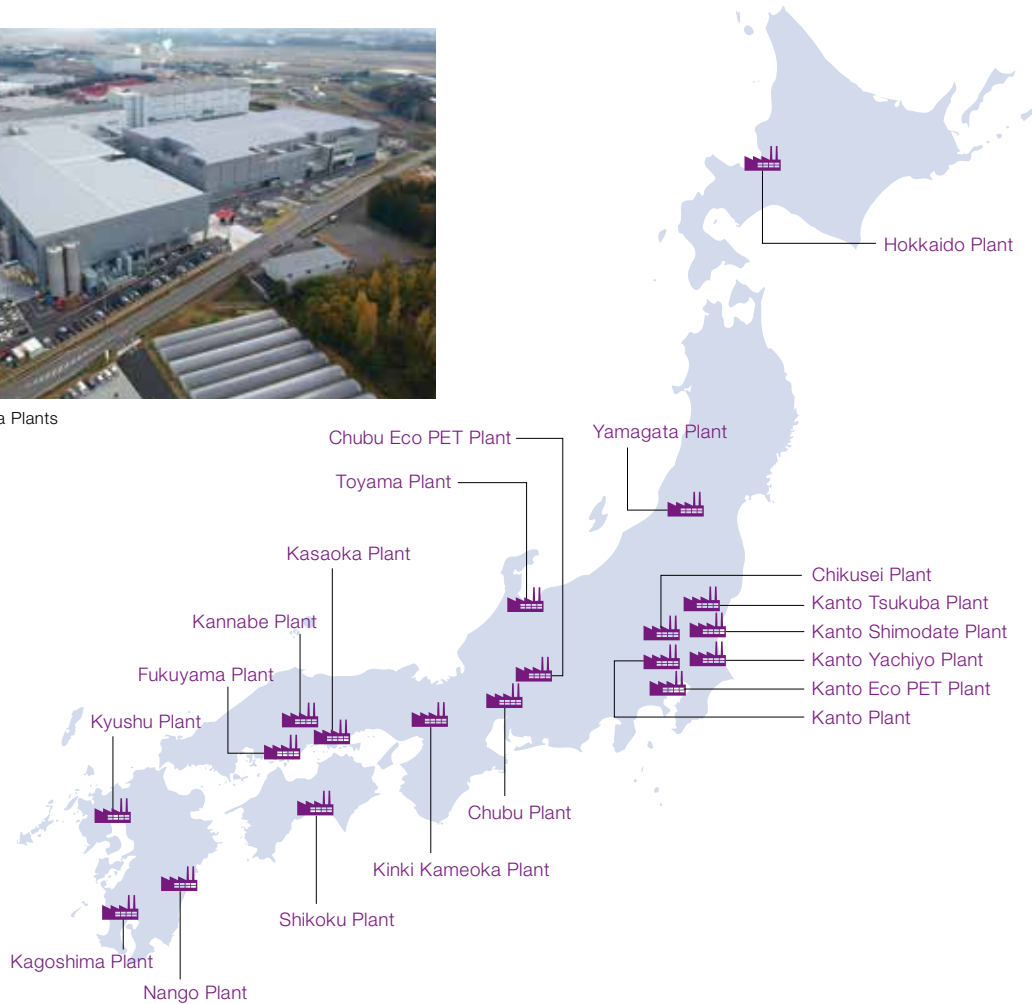
The interior of a production plant. Production is automated as much as possible, with many production lines operating simultaneously.



The finished products are visually and physically inspected by workers. This is an important process that cannot be entrusted to machines.



Kanto Yachiyo Area Plants



Each plant employs visualization to improve the efficiency of utility (mainly electric power) consumption. We perform upgrade work on facilities that require this functionality in an effort to optimize energy efficiency. We also improve the efficiency of work in non-physical terms through various programs including “Gino Juku” and “Monozukuri Project,” training programs to the skills of production staff.” In recent years, FP Corporation has also been pursuing the introduction of robots over concerns that labor shortages this will become a serious risk in the future. At 10 of our plants, 19 arm robots are now used to perform product packing work.



Automated transparent container packing machine. The machine is able to operate 24 hours a day.



The process of filling boxes with the packed containers is also automated using a robot.



At large-scale production sites, packaged products are transported to an on-premises distribution center along conveyors.



# THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

## Sites combining warehousing and distribution functions

Most of FP Corporation's distribution centers are located on the same premises or in the vicinity of production plants, producing higher efficiency in terms of time and energy.

Another feature of FP Corporation's distribution business is the operation of both warehousing and transportation operations in-house. This enables the centralized management of how much of the products we have manufactured will be stored along with when and to where they should be dispatched. It also allows us to visualize every process of delivery to customers. The distribution business is not a simple task of just delivering products to customers; it is a face-to-face service provided to customers. By managing both the warehousing and transportation businesses in-house, we can ensure the quality of service provided to customers, and being able to check that the work is being performed according to the plans we have devised in-house leads to the continual development of service improvements.



Most of our picking centers and distribution centers are located on the same premises. This is another unique quality of FP Corporation's in-house distribution and produces significant multiplier effects throughout the business.

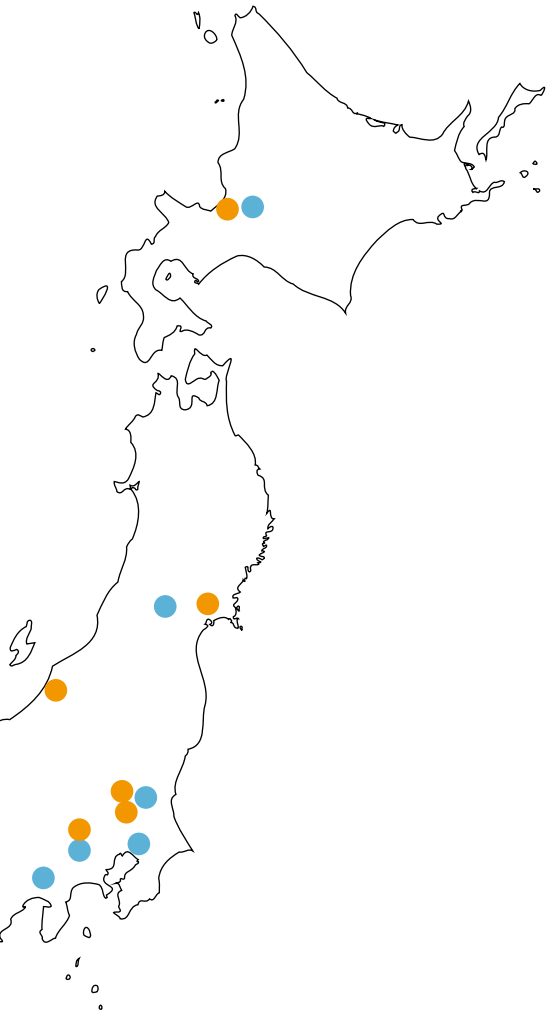


- 1 Solar panels have been installed on the roof covering the Kansai Distribution Center and Kansai Picking Center.
- 2 The distribution center in Minooki-cho in the city of Fukuyama incorporates a cross dock center.
- 3 The distribution center for the Kyushu region is located in Yoshinogari-cho, Saga Prefecture.





DISTRIBUTION NETWORK



● Picking Center (Warehousing Business)

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

- 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)



4 The Chubu Distribution and Picking Centers located in Gifu Prefecture make up an enormous facility on par with our sites in Fukuyama and Kanto.



5 Our distribution center in Hokkaido is equipped with various facilities configured to cold weather specifications.

6 Distribution center in Hachioji City equipped to accommodate the enormous commercial zone of the Kanto region.

## Various Equipment and Measures Supporting our Distribution Network

### Route Planner



Using data on the past six months of deliveries as base data, we prepare the most efficient delivery routes to achieve accurate and reliable deliveries and formulate efficient delivery vehicle dispatch plans.

### RD Check System



The driver scans a QR code to report the transportation status from start to delivery as part of a visualization system. This is returned to the system as basic data used to improve the accuracy of delivery times.

### Voice Picking



Workers are relayed instructions on the items to collect from a machine on headphones, workers can keep their eyes and hands free, allowing them to maintain high levels of concentration. As a result, this endeavor has produced outstanding results, with 0.3 mistakes per one million iterations.

### Cross Dock Center



Multiple warehouses are linked through sorters to build up stocks at a single cross dock location. This has drastically reduced the time and cost incurred for shipping.

Location Management System



Through a system that offers a high degree of freedom by not fixing case placement locations, the time and effort when shipping can be streamlined. For FP Corporation, which operates some three million cases across the entire Group, this represents an essential system.

Emergency Power Generation Facilities



Emergency power generating equipment has been installed to handle emergencies such as natural disasters. The equipment has been installed to cover 97% of FP Corporation's domestic inventory and allows power to be supplied for up to 72 hours in the event of a disaster.

Developing sites linking distribution with packaging material wholesalers

The Hiroshima Sales Office constructed in October 2018 places three FP Corporation Group companies in the same building: FPCO Ishida Co., Ltd. (Packaging material wholesaler), FP Logistics Corporation (transportation) and I-Logic Co., Ltd. (warehousing). The first floor contains the I-Logic distribution center, while the second floor contains the Hiroshima Sales Office and offices of FPCO Ishida. The third floor combines the FPCO Ishida warehouse and picking center. By developing a site that combines packaging material wholesale and distribution functions in addition to sales, timely and precise services can be provided to customers.



Atsushi Akita, Manager,  
Hiroshima Sales Section 1, Chugoku &  
Shikoku Sales Department 1

If FP Corporation is able to provide a detailed network in the form of highly mobile distribution services that complement the thick nationwide product distribution pipeline it maintains, it will be able to cater to customers' requirements in an exacting way. If wholesalers are located in only a few locations around a large commercial zone with many supermarkets, it will simply not be possible to deliver adequate levels of service. As the manufacturer, FP Corporation has focused on coordinating with packaging material wholesalers to enhance its distribution network, for no other reason than its commitment to put the customer first.



## THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

Reducing the impact on the environment by recycling the earth's resources, the third form of value FP Corporation provides to society, is an extremely unique activity based on collaboration between four parties, namely households (consumers), sales (supermarkets and other retailers), distribution (packaging material wholesalers) and production (FP Corporation). FPCO Method Recycling was started in 1990 with collection boxes placed at six supermarkets. Thanks to cooperation from many parties in the years since, there are now 9,200 collection locations. This is the result of grassroots activities translating the desire of many people to protect the global environment. FP Corporation will continue to cultivate these activities on a larger scale as part of efforts to build a sustainable society.

### THE FPCO METHOD RECYCLING BASED ON COLLABORATION BETWEEN FOUR PARTIES



# REDUCED ENVIRONMENTAL IMPACT



Recycling terrestrial resources



Reliably cutting CO<sub>2</sub> emissions by recycling used containers (into new products)



Selling recycled products as an economically sustainable activity

Effectively utilizing empty returning trucks in our in-house distribution network to collect used containers



Protecting marine and land environments by collecting resources

# THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

## The FPCO Method Recycling Based on Collaboration between Four Parties



The most crucial element to FPCO Method Recycling is the cooperation of consumers who wash and dry their used containers. Supermarkets and other retailers play a part in the cycle of product recycling by placing collection boxes, while packaging wholesalers close the loop by collecting the used containers and transporting them to FP Corporation's recycling facilities.

The used containers that reach FP Corporation's recycling plants are imbued with each cooperating party's feelings towards the environment.



REDUCED ENVIRONMENTAL IMPACT

	1992	2000	2010	2012	2018
Number of Collection Locations	1,660	6,070	7,900	8,160	9,260
Amount of Foam Trays Collected (tons)	823	4,380	7,095	7,168	6,446
Amount of Transparent Containers Collected (tons)	—	—	426	1,383	2,284
Amount of PET Bottles Collected (tons)	—	—	—	6,647	42,260

Collection



Used foam trays, transparent containers and PET bottles are collected from approximately 9,200 collection points nationwide.

Storage and Transportation



Packaging material wholesalers collect used containers after deliveries to supermarkets and other retailers. The collected containers are temporarily stored before they are transported to the recycling facilities of FP Corporation.

Packaging Material Wholesalers



FP Corporation



Recycling



The containers are taken to FP Corporation's sorting centers and recycling plants, where they undergo several processes to be recycled into new products.

Production

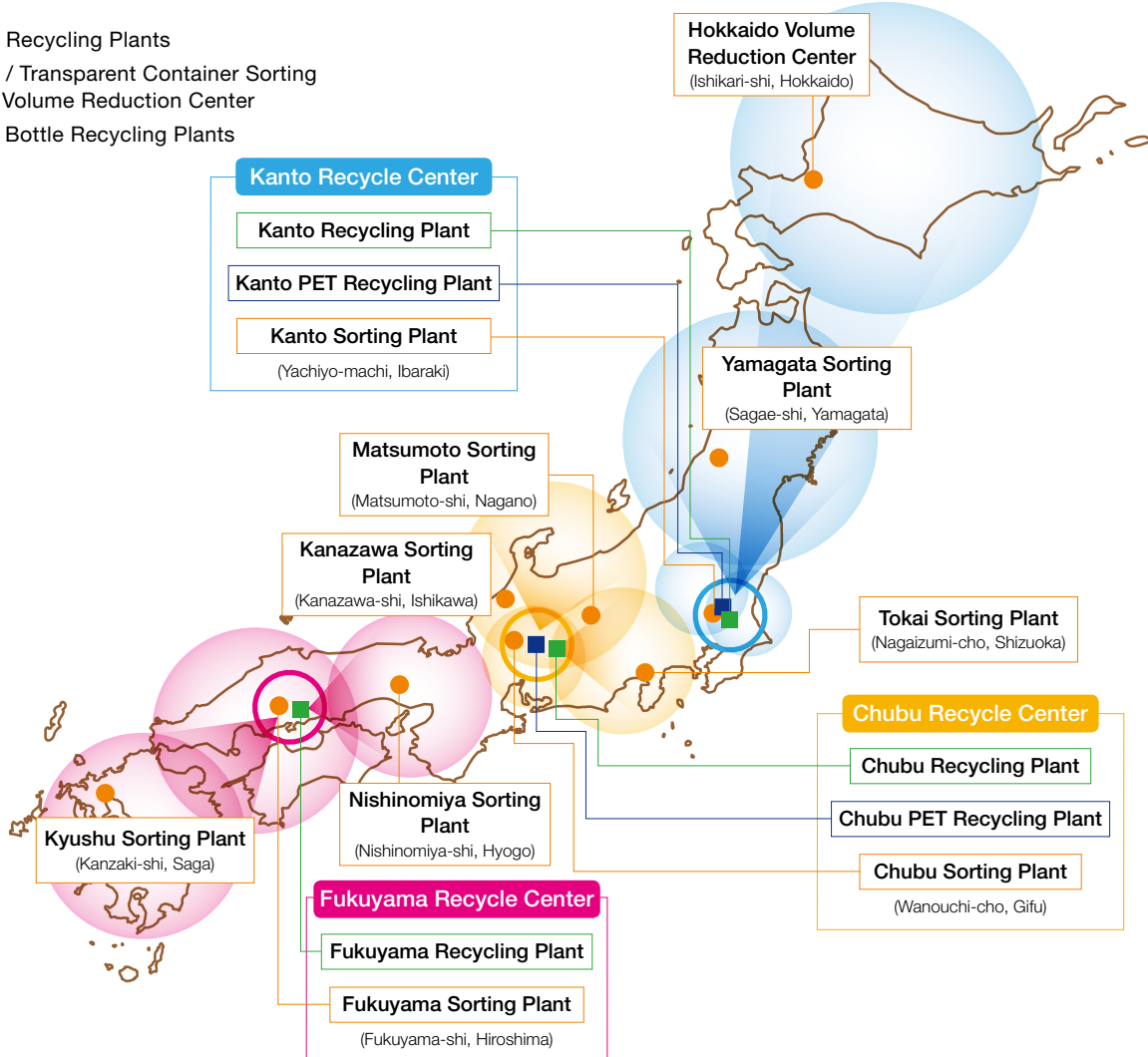


Production at 19 plants across Japan. FP Corporation manufactures many eco-friendly products using recycled materials.

# THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

## Nationwide network of recycling sites

- Tray Recycling Plants
- Tray / Transparent Container Sorting and Volume Reduction Center
- PET Bottle Recycling Plants



Used containers that have been temporarily stored at packaging material wholesalers are loaded onto empty returning tracks after they have delivered products through FP Corporation's distribution network, and are then transported to sorting centers and recycling centers arranged across Japan. Recycling plants that recycle the collected containers back into raw materials for new containers have been established in three locations, Kanto, Chubu and Fukuyama. Each day dozens of tons of containers that way several grams individually are recycled and turned into food containers.

- 1 Used foam trays that have been delivered to the Fukuyama Sorting Plant. Dozens of trucks arrive at the plant each day.
- 2 Bales of used PET bottles that will be recycled into transparent containers.
- 3 The Kanto PET Recycling Plant equipped with the latest facilities. The plant began operations in 2018.

REDUCED ENVIRONMENTAL IMPACT



Eco Tray, Eco APET and Eco OPET

Food containers that use a raw material derived from foamed polystyrene containers collected from supermarkets and other retailers. These containers are commonly used in the sale of ingredients such as meat, fish and vegetables.

Transparent containers and PET bottles collected from supermarkets and other retailers are recycled into new transparent containers. The material is used in clear clamshell containers and lids.



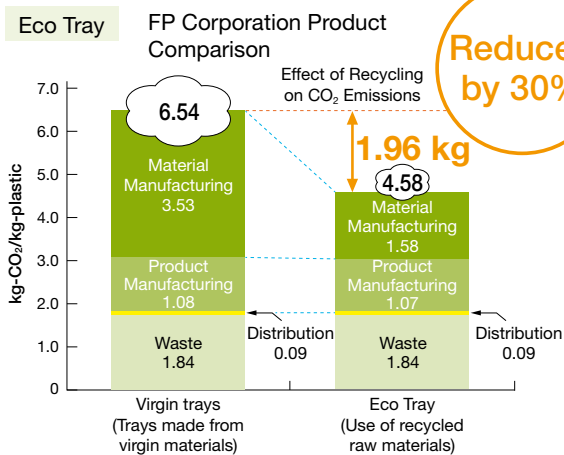
Eco Tray



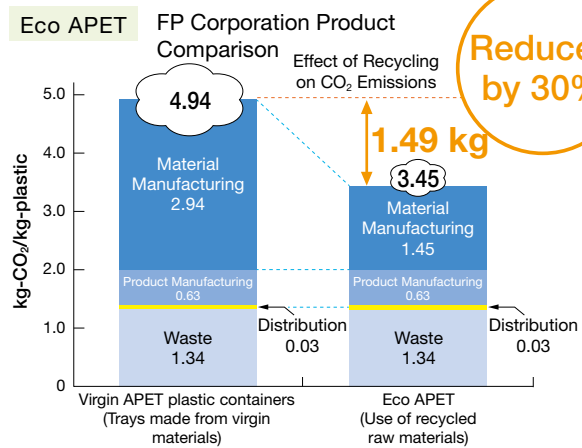
Eco APET / Eco OPET



Comparison of CO<sub>2</sub> emissions between virgin products and recycled products based on the Eco-Leaf Standard



Using 1 kg of Eco Trays reduces CO<sub>2</sub> emissions by around 1.96 kg



Using 1 kg of Eco APET Series products reduces CO<sub>2</sub> emissions by around 1.49 kg.

\* Calculations made in accordance with the Product Category Rules for the EcoLeaf

Amount of CO<sub>2</sub> reduced in FY2018



Approx. 135,000 tons

If our customers, such as supermarkets and other retailers, choose environmentally-friendly products, the amount of CO<sub>2</sub> emitted by society as a whole will fall significantly.



# THE THREE FORMS OF VALUE CREATION IMPLEMENTED BY FP CORPORATION

## PR activities aimed at expanding recycling activities



### Display of posters

Posters designed to raise awareness among consumers have been created. The posters are displayed in stores with the cooperation of supermarkets. In FY2018, the celebrity LiLiCo was brought on board to draw attention to recycling efforts.



### Cooperation with users

We work to improve collection sites at supermarkets and conduct various activities in in-store event spaces.



### Plant Tours

FP Corporation receives around 20,000 visitors each year for recycling plant tours. The tours afford visitors a close-up look at how the used containers placed in collection boxes are recycled. We look forward to seeing you!

### Application for Participation in Facility Tour

Plant Tour Schedule: Mondays to Fridays (except national holidays) from 9:00 a.m. to 4:00 p.m. (Excluding part of the facilities) Applications may also be submitted on our website.

<Recycling Plants> Visitors can see sorted containers go through the process to becoming recycled raw materials.

Plant Name	Address	Contact:	Maximum Visitors per Group
Kanto Recycling Plant (Kanto PET Recycling Plant with integrated Kanto Sorting Center)	4448 Oaza Hiratsuka, Yachiomachi, Yuki-gun, Ibaraki 300-3561	Kanto Recycling Plant +81-296-48-0400	120
Chubu Recycling Plant (Chubu PET Recycling Plant with integrated Chubu Sorting Center)	511-5 Aza Murahigashi, Nanba, Wanouchi-cho, Anpachi-gun, Gifu 503-0231	Chubu Recycling Plant +81-584-68-2041	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 Centers> Visitors can see the process of how containers collected from supermarkets and other retailers are sorted.

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	40
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
Kyushu Sorting Plant	3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015	Kyushu Sorting Plant +81-952-51-1028	50

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

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. Various questions from visitors are fielded during a 10-minute question time.

REDUCED ENVIRONMENTAL IMPACT

Employees with Disabilities Supporting FPCO Method Recycling



Before collected used containers are transported to recycling processes, they must undergo a sorting process carried out manually. These tasks, which require a high level of concentration, are conducted by employees with disabilities. In the sorting process for foam trays, it is necessary to separate white trays from colored patterns and remove non-conforming items. In the sorting process for transparent containers, the workers line up the containers for a machine to determine and separate containers by material, and remove any non-conforming items.



- 1 Sorting work being carried out on used foam trays. The trays are instantly sorted as they flow by.
- 2 Used foam tray sorting line
- 3 Work to place used transparent containers into a single line
- 4 Transparent container alignment task line

Results of the Recycling Business and External Evaluation

	Foamed Trays		Transparent Containers		PET Bottles	
	Volume collected	Number of containers	Volume collected	Number of containers	Volume collected	Number of bottles
<b>FY2018</b>	6,446 tons	1,611.50 million	2,284 tons	228.40 million	42,260 tons	1,690.40 million
<b>Cumulative</b> (1990 to March 2019)	145,089 tons	36,267.50 million	16,458 tons	1,645.80 million	212,549 tons	7,816.62 million

\* The calculation is made on the assumption that each foamed tray weighs 4 grams, each transparent container weighs 10 grams and each PET bottle weighs 25 grams. (The estimated weight for PET bottles was introduced in FY2016. Before that, one bottle was estimated to weight 30 grams).

Global resources conserved to date

Amount of Oil:  
**698.74 million liters**

Equivalent to around  
**3.49 million oil drums**

Social expenses reduced to date

Garbage collection:  
**Approx. 70.2 billion yen**

Equivalent to around  
**2.81 million collection vehicles**

Amount collected to date

Equivalent to the capacity of some  
**61.5 Tokyo Dome stadiums**

Honor by the Minister of the Environment Award for Global Warming Prevention Activity in FY2015

FP Corporation's recycling program has also been recognized by the national government and various local municipalities. FP Corporation has continued to receive accolades and certifications related to the environment including promotion of the 3Rs, Eco Mark certification and recognition as an Eco First company.

# CREATING VALUE THROUGH FP CORPORATION'S VALUE CHAIN

A recycling-oriented supply chain spanning procurement to recycling is responsible for the functional operation of FP Corporation's business activities, which put the three forms of value, namely Comfortable Dietary Habits, Distribution Network and Reduced Environmental Impact, into practice.

Moreover, it is lively communication that crosses over departmental and Group company boundaries that has developed the supply chain into a value chain that creates value.

## The Flow of Goods

The FP Corporation supply chain is a circular system based on the recycling of used containers. All processes including procurement, product development and manufacturing have been developed with the recycling of products in mind. We continually pursue business efficiency so that we can produce the maximum effects with the minimum expenditure of energy.

## Flow of Information and Ideas

The movement of information and ideas between FP Corporation Group employees is a complex one that involves the intermingling of multiple processes. For instance, product development departments may pose ideas related to distribution, or employees involved in recycling may provide information to sales staff working in the field. Creative communication to create the value produced by containers takes place on a daily basis.

### Procurement



### Recycling



### Sales





### The Flow of Goods

A cycle of manufacturing, sale and recycling continues to revolve within the FP Corporation Group.



For example, we produce Eco Tray and Eco APET eco-friendly products that have been reborn many times over as products.

### Flow of Information and Ideas

The development of new products based on the hands-on approach originates in the activities of employees sharing a common goal across departmental barriers.



For example, this was the genesis of an idea for a product allowing raw ingredients to be heated to completion in a microwave.

### Research & Development



### Manufacturing



### Logistics



# CREATING VALUE THROUGH FP CORPORATION'S VALUE CHAIN



The Supply Chain Management (SCM) Department, which essentially controls the brain of FP Corporation, is responsible for procurement work. Plastic food containers are used as products that come into direct contact with food. FP Corporation ensures the safety and hygiene of its food containers through its compliance with national laws and regulations, official standards, more stringent voluntary standards established by the industry, and its own regulations.



Product development is carried out by the Product Development Planning Department, which belongs to the Sales Division, and the Research and Development Departments, which belong to the Manufacturing Division. The development work itself is mainly conducted by the FPCO Comprehensive Research Institute, which is equipped with the latest equipment and facilities, based on ideas brought in from the Sales Division.



Production plants distributed around Japan carry out optimum production activities while fine-tuning the production plans developed by the SCM Department. Knowledge and experience of the staff working on the front lines of production are fed back into the SCM loop.



Warehousing services for distribution is handled by I-Logic Co., Ltd., while FPCO Logistics Corporation provides transportation services. It is the ingenuity and effort demonstrated in the actual storage, picking and transportation of products and goods that is responsible for accurate deliveries.



FP Corporation has 12 sales operation bases around Japan, primarily in Tokyo and Osaka. With the inclusion of Group companies, FP Corporation maintains a formidable sales team.

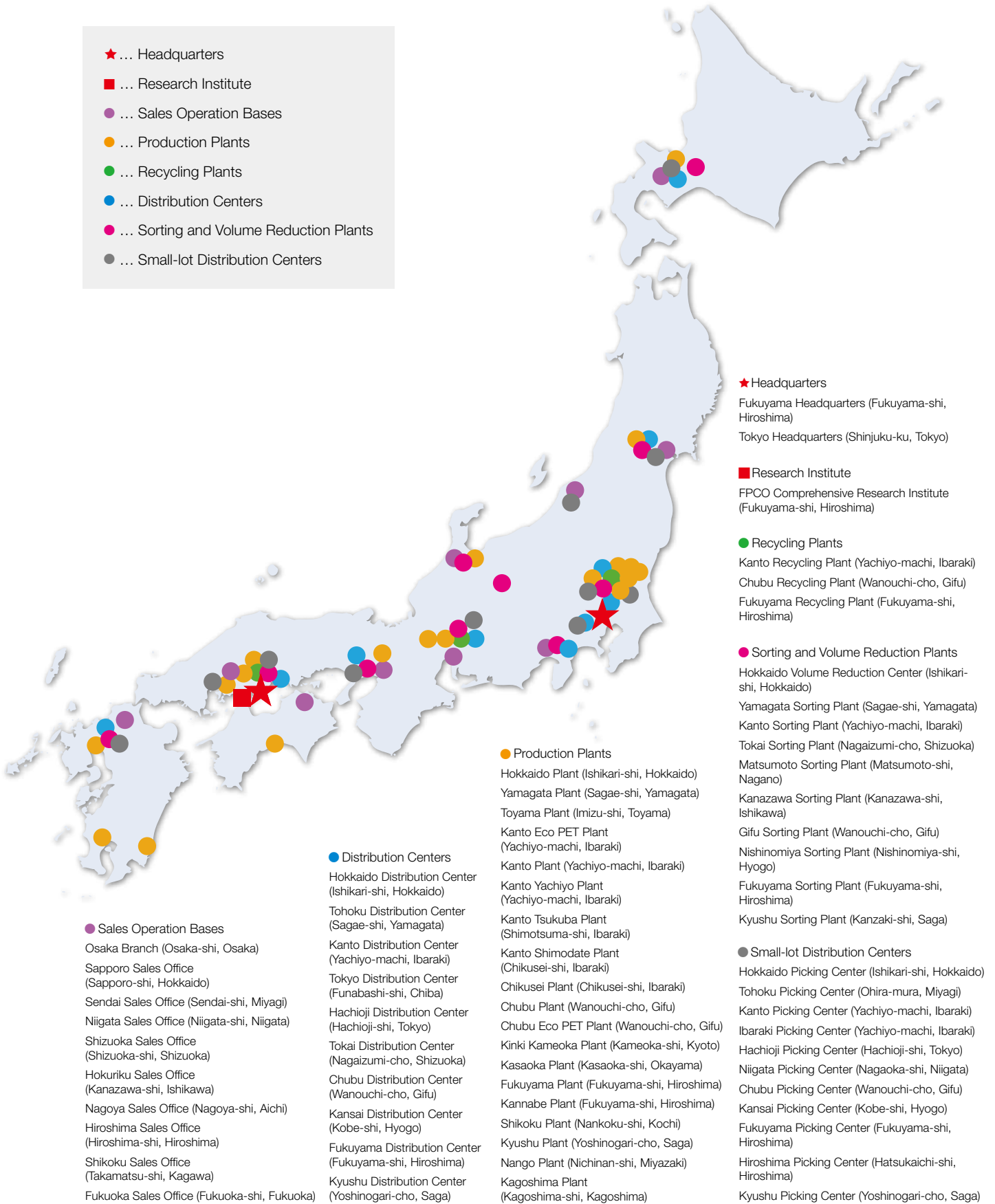


Recycling/Sorting/Compressing centers are efficiently distributed in 10 locations around Japan. Various departments coordinate with one another at the center, including the Recycle Department, Group companies that employ workers with disabilities and the Environmental Management Department that handles site tours.



Organization and Structure

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



- ★ Headquarters
  - Fukuyama Headquarters (Fukuyama-shi, Hiroshima)
  - Tokyo Headquarters (Shinjuku-ku, Tokyo)
- Research Institute
  - FPCO Comprehensive Research Institute (Fukuyama-shi, Hiroshima)
- 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)
  - Toyama Plant (Imizu-shi, Toyama)
  - Kanto Eco PET Plant (Yachiyo-machi, Ibaraki)
  - 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)
- 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)
- 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)
- 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)
  - 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)



# ESG AT FP CORPORATION

The three forms of value implemented by FP Corporation are closely linked with ESG and the SDGs advocated by the United Nations. FP Corporation is committed to remaining cognizant of the fact that continually promoting its business is synonymous with participating in social activities and helping to create a society that is comfortable and fulfilling to live in.



## What are the Sustainable Development Goals (SDGs)?

In 2015, a transitional year for the United Nations' development agenda, the UN Sustainable Development Summit was held from September 25-27 at the UN Headquarters in New York. Attended by more than 150 heads of state from UN member nations, the development agenda titled "Transforming our world: the 2030 Agenda for Sustainable Development" was adopted. The agenda set forth declarations and goal as an action plan for people, earth and prosperity. They are the successor to the Millennium Development Goals (MDGs) and comprise 17 goals and 169 targets. \* Excerpt from the United Nations Information Centre



- Dealing with climate change issues
- Reducing waste disposal and conducting recycling
- Proper management of pollutants ... and so on

FP Corporation reduces CO<sub>2</sub> emissions through FPCO Method Recycling, manufactures and sale of the Eco Tray and the Eco APET/OPET Series of eco-friendly products, and engages in manufacturing and distribution with minimal energy loss through its SCM system.



- Contributing to regional communities
- Improving work environments
- Respecting diversity ... and so on

FP Corporation employs workers with disabilities, conducts tournament support and volunteer activities for the universal sport of floor hockey, provides employment consulting for people with disabilities, and accepts people for student internships.




- Internal control
- Observing compliance requirements
- Risk management ... and so on

FP Corporation conducts management audits through an Audit and Supervisory Committee with outside directors composing a majority of its members, implements compliance training, undertakes human resource management through a wide range of programs, and conducts risk management in structural and non-structural areas.





ESG	Main Item	Key ESG Issues	Major Initiatives	Corresponding Page	Main Related SDGs
Governance	Organizational Governance	Corporate Governance	Corporate governance	37	 
			Internal control		
		Compliance	IR activities (Dialogue with shareholders and investors)	39	
			Thorough compliance and observance of the Group Action Charter	38	
Risk Management	BCP management, disaster response measures, measures to prevent accidents and hazards	38			
FP Corporation in Society	Fair Business Practices	Observing Fair Trade	Legal compliance related to trade and dissemination of internal policies regarding procurement	41	
		Supply Chain Management	Procurement of raw materials and supply chain management		
	Human Rights	Respect for Human Rights	Respect for human rights and individuals	42	
			Implementing education on harassment and other issues		
	Labor Practices	Improving job Satisfaction	Responding to revised workstyle reform schemes	42	   
			Utilizing welfare and next-generation development support schemes		
		Health and Safety of Employees	Improved initiatives to shorten working hours and encourage employees to take paid leave	43	
			Safe workplace environment development program	43	
		Human Resources Development	Acquiring, retaining and fostering the development of human resources	37	
		Diversity	Diversity and equality in working environments, declaration to promote female empowerment	42	
	Employment of persons with disabilities and stronger support systems		44		
	Consumer Issues	Product Quality and Safety	Enhanced quality control systems	38	 
			Ensuring the safety of products		
			FSSC certification	42	
Marine Plastic Litter Issues		Activity to make declarations aimed at solving the issue of marine plastic litter	50		
Reducing Food Loss	Developing materials and technologies for new container packaging	45			
Community Engagement	Regional Activities with Communities	Strengthening ties with local communities	45		
Environmental Initiative	Environment	Preventing Climate Change and Air Pollution	Reducing greenhouse gas (GHG) emissions	47 • 48	  
			Investing in energy-efficient equipment		
			Switch to hybrid and fuel-efficient vehicles		
		Resource Utilization and Waste	Thorough efforts to reduce the use of resources in business activities and the promotion of energy conservation	48	
			Strengthened waste management (zero emissions)	17	
			Energy management during transportation and modal shifts		
		Water Management	Improved optimization and efficiency gains through SCM	48	
			Managing water consumption and wastewater at production and recycling plants		
		Conserving Biodiversity	Preventing risks to the natural environment due to the impact of chemical substances, etc.	38	
Promoting the utilization of green areas inside business sites					



# Governance

## Basic Corporate Governance Policy

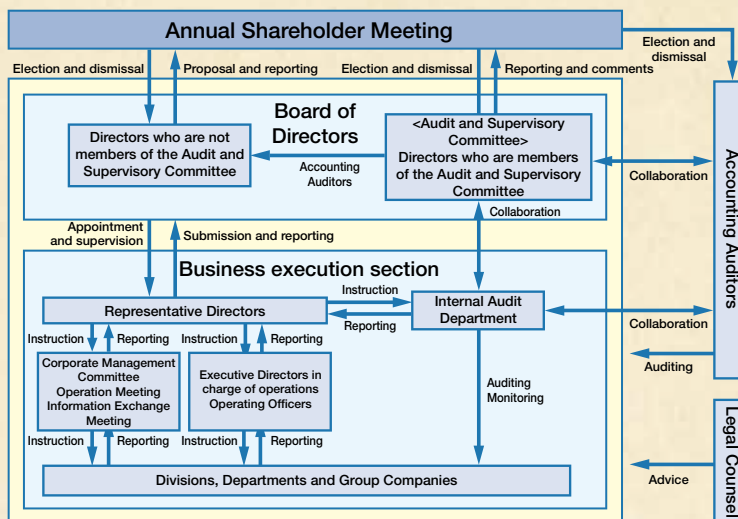
- (1) Ensure shareholders' rights and equality among them
- (2) Work together appropriately with stakeholders other than shareholders
- (3) Properly disclose information to ensure transparency
- (4) Responsibilities of the Board of Directors
- (5) Hold dialogue with shareholders

## Organizational Management

### A highly-transparent decision-making organization

FP Corporation aims to achieve continuous growth and increase corporate value over the medium and long terms, and strives to enhance corporate governance by improving the speed of management decision-making while strengthening functions to audit and oversee directors in the execution of their duties. To achieve these aims, FP Corporation has opted to become a company with an Audit and Supervisory Committee, as shown in the diagram on the right. The Audit and Supervisory Committee, which is made up of independent outside directors and outside directors, fulfills the role of supervising management and works to ensure the highly transparent management of FP Corporation.

Schematic Diagram of FP Corporation's Corporate Governance System, including an Outline of the Internal Control System



## Human Resources Management

FP Corporation offers various training programs with the aim of developing the human resources that support the organization.

**Next-generation Training:** Under the theme of “use your own head to think,” this is a training program that lasts around half a year to develop the employees who will lead FP Corporation in the next generation. The training program is designed to develop employees who can make use of their own skills to find answers and adapt to changes.

**One-on-One Leader Training Sessions:** One-on-One leaders become responsible for the education of new employees as mentors for around six months to a year. While this is training to become a mentor, it is also designed for the leaders themselves to improve their teaching skills.

**Other Training Programs:** Training designed to deepen mutual understanding between female managers and supervisors, training for managerial candidates, Accounting Department training to hone practical accounting and finance skills, environment-related training where participants learn about the creation of corporate value through non-financial activities related to ESG and the SDGs, as well as training sessions conducted in Hawaii for FP Corporation Group employees with more than ten years of service.



## Compliance

Based on our management principles, we have established the FP Corporation Action Charter to indicate how employees are expected to act, as well as the FP Corporation Normative Rules for Compliance in keeping with the spirit of the Charter. These codes of conduct reflect our policy of conduct that places the highest priority on compliance. Each code of conduct is posted to our internal network system, ensuring that employees can confirm their details whenever needed.

Additionally, the Judicial Affairs & Compliance Department plays a central role in ensuring that the code of conduct takes root through collective training and the publication of “Compliance News.” The department reports on the status of compliance observance as appropriate during information exchange sessions with directors, executive officers and the representatives of Group companies and also conducts reviews.

### FP Corporation Action Charter

**We must comply with all laws, agreements, and company regulations as dictated by FP Corporation’s management principles. With high ethical standards and a sense of decency, we will strive to:**

1. Provide useful products, information and services to society and strive to gain and satisfy the trust of consumers and customers.
2. Contribute to the development of culinary culture by developing and providing products that show consideration for safety, consumer confidence and the environment.
3. Obtain the cooperation of consumers and customers to actively implement FPCO Method recycling (i.e. Tray to Tray and Bottle to Tray), perform extended producer responsibilities, and protect the global environment.
4. Compete fairly, transparently, and freely in all our business activities.
5. Communicate in multiple ways with our shareholders and product users and actively promote the fair disclosure of company information.
6. Respect human rights and personalities and provide a safe workplace environment that facilitates working.
7. Maintain sound and normal relations with the national government, local governments, and suppliers, and do not tolerate or give in to inappropriate or illegal demands of antisocial forces or organizations that trouble or threaten civil society.
8. Actively contribute to society as a good corporate citizen.
9. Observe the laws of each country where FP Corporation business is conducted, and respect its culture and customs.
10. Evaluate all management efforts for effectiveness and increase corporate value through streamlining and greater efficiency.
11. Work together to solve problems, determine their causes and prevent them from recurring if any event in violation of this Action Charter occurs.

## Risk Management

FP Corporation takes measures to deal with many different potential risks including natural disasters, accidents caused by human or mechanical factors, and damages attributable to malicious third parties.

1. **Measures in the Event of a Disaster:** All employees are required to carry a “Disaster Handbook.” We have also made improvements to emergency equipment such as helmets and first-aid supplies, developed a safety confirmation system that is activated in the event of a disaster, and taken measures to ensure business continuity after a natural disaster including the installation of priority telephones. Additionally, we have installed emergency power generating equipment at the Fukuyama Headquarters and regional sites, and sea walls with an approximate height of two meters have been installed to provide protection from high waves and tsunamis at the FP Corporation premises at Minooki-cho, Fukuyama, which faces Seto Inland Sea. Moreover, office areas are set up on the second and higher floors as a measure against flooding at the Fukuyama Headquarters.
2. **Responding to Product Quality Risks:** See our website ([https://www.fpcoco.jp/en/en\\_esg/en\\_managementeffort.html](https://www.fpcoco.jp/en/en_esg/en_managementeffort.html)) to learn more about our quality policy.
3. **Measures to Prevent Accidents and Hazards:** We share information on safety measures across different departments with the establishment of a Safety and Health Committee, conduct regular evacuation drills at our production and recycling plants, run programs to deal with hazardous tasks such as a project to eliminate all forklift accidents, and conduct safety training initiatives such as VR-based hazard experience sessions.
4. **Information and Security Measures:** We have installed security gates that perform registration-based entrance and exit control based on number plates at large-scale complex facilities. We also make regular backups of PC data, use outside data centers as an emergency contingency, use duplex lines, employ systems to prevent e-mail messages for outside addresses being sent to the wrong recipients, and make use of dedicated contractors to dispose of PCs. We also thoroughly enforce compliance with rules for managing the handling and storage of information assets and endeavor to prevent the unauthorized use and leakage of information assets.

## Relations with Shareholders

### Constructive Dialogue and Appropriate Information Disclosure

To facilitate sustainable growth and enhanced corporate value over the medium to long terms, FP Corporation recognizes the importance of actively engaging its shareholders in constructive dialogue and reflecting the opinions and requests of shareholders in management. Apart from Shareholder Meetings and biannual briefings on financial results, we conduct individual meetings and facility tours, and seek to build trust with shareholders and form appropriate share prices by describing our medium-to-long-term management strategy and business activities in a more straightforward manner.

 [https://www.fpco.jp/en/en\\_ir/](https://www.fpco.jp/en/en_ir/)

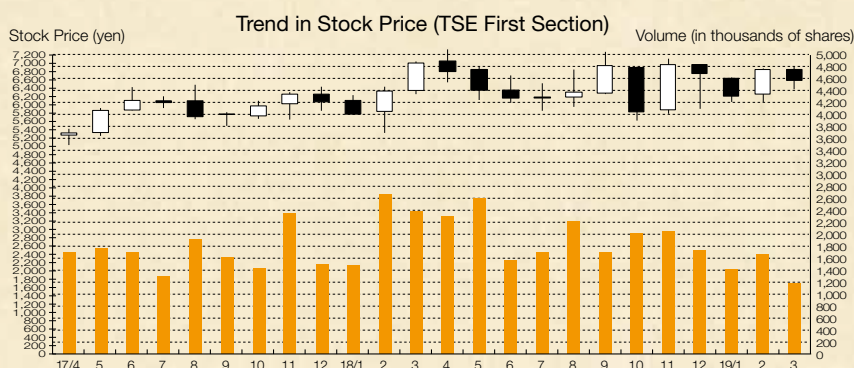
- Performance highlights
- Financial Data
- Press Releases
- Analyst Meeting (including video showing)
- Report on Shareholder Meeting
- Stock Information
- Electromagnetic Public Notice



We also make every effort to disclose corporate information in a timely, appropriate, swift and fair manner, and make securities reports, brief announcements of consolidated financial results, financial briefing materials, press releases and other materials available in the Shareholder and Investor Information section of our website.

### Improving Corporate Value

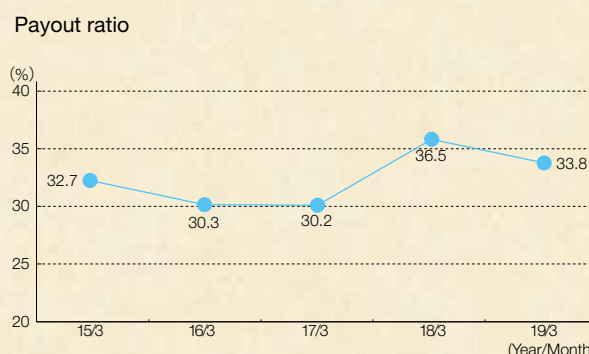
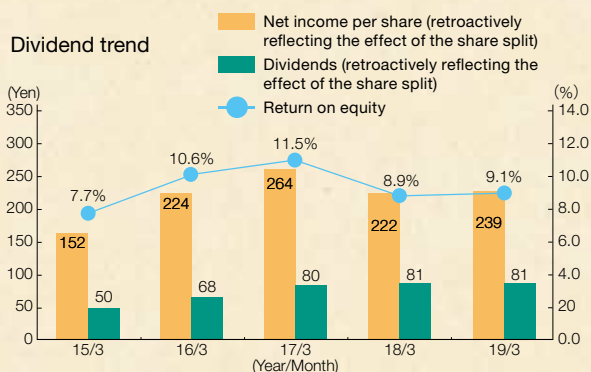
We conduct shareholder-focused management in accordance with three basic policies: creating superior products at competitive prices and delivering them to our clients when they need them. We plan to steadily carry out measures for group management to increase our corporate value and achieve our target of a net income of 330 yen per share.



\* Listed on the First section of the Tokyo Stock Exchange

### 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 81 yen per share, including an interim dividend of 41 yen per share in the fiscal year ended March 31, 2019.



**Data: Financial Summary**

Term		53rd Term	54th Term	55th Term	56th Term	57th Term
Year and Month of Financial Results		Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019
Net Sales	(million yen)	164,918	170,292	172,858	173,580	181,171
Ordinary Income	(million yen)	10,106	14,027	15,742	13,548	14,861
Profit attributable to owners of parent	(million yen)	6,329	9,294	10,953	9,178	9,901
Comprehensive income	(million yen)	6,967	8,900	11,440	9,806	9,332
Net assets	(million yen)	85,133	91,591	99,721	106,219	112,198
Total assets	(million yen)	196,629	209,053	219,481	244,147	249,332
Net assets per share	(yen)	2,047.04	2,202.56	2,403.52	2,560.18	2,703.33
Net income per share	(yen)	152.89	224.54	264.86	222.01	239.51
Diluted net income per share	(yen)	-	-	-	-	-
Equity ratio	(%)	43.1	43.6	45.3	43.4	44.8
Return on equity	(%)	7.7	10.6	11.5	8.9	9.1
Stock price to earnings ratio	(times)	28.5	21.4	19.6	31.4	27.3
Cash flows from operating activities	(million yen)	16,912	20,832	25,912	13,974	25,510
Cash flows from investing activities	(million yen)	△18,397	△17,923	△21,932	△23,656	△17,109
Cash flows from financing activities	(million yen)	△957	△1,530	△924	7,197	△4,908
Cash and cash equivalents at end of period	(million yen)	13,710	15,089	18,144	15,659	19,151
Number of Employees	(persons)	4,173	4,332	4,513	4,529	4,439

(Notes) 1. Net sales do not include consumption tax, etc.

2. Diluted net income per share is not listed due to the absence of dilutive shares.



## SOCIETY

### FP Corporation in Society

#### Supply Chain Management

##### Procurement Policy

The raw materials, goods and products used in the course of business activities are procured through a long supply chain that spans from the mining of resources to their processing, manufacturing and sale. As a business operator, FP Corporation is responsible for procuring products and services that give consideration to environmental pollution, human rights issues and other concerns in that process. In the supply chain, we verify that there are no human rights violations such as child labor or illegal employment at the production or distribution stages of anything we directly purchase, and require cooperation from our business partners in relation to this. When we develop new products or construct new plants and other facilities, we conduct a variety of assessments relating to quality and the environment and assess the impact our activities would have on people and the local community as part of consideration for human rights.

##### 1. CSR Procurement Policy

The FP Corporation Group has established a CSR Procurement Policy based on the FP Corporation Action Charter and promotes consideration for the environment and society in its procurement activities.

#### FP Corporation's CSR Procurement Policy

##### 1. Quality Standard

In providing high-quality products and services in a manner that is valuable, safe and secure for customers, our procurement activities will place the highest priority on quality and safety in keeping with the Group Quality Policy while also placing an emphasis on cost.

##### 2. Fair Trade

We will give comprehensive consideration to economic rationality, appropriate quality, strict adherence to delivery deadlines, compliance with social norms, care for social issues, environmental concerns and so on, and select suppliers in a fair and transparent fashion. Without a valid reason, we will not show favor to or unjustly disadvantage specific business partners.

##### 3. Compliance with Laws and Regulations

In the course of our procurement activities we will respect laws and social norms and not violate them under any circumstances. We will not maintain ties of any kind with antisocial forces, and will repudiate any and all unreasonable demands.

##### 4. Consideration of Social Issues

We will respect basic human rights, consider occupational health and safety, and endeavor to do business with and procure products and services from suppliers that do not engage in human rights violations such as unfair discrimination, forced labor or child labor.

##### 5. Environmental Considerations

Based on the Group's Environmental Policy, we will promote initiatives to reduce our environmental impact, and endeavor to do business with and procure products and services from suppliers that contribute to controlling or alleviating environmental issues such as climate change and biodiversity.

##### 6. Cooperating with Suppliers

In order to give consideration to social issues and the environment throughout the supply chain in the course of procurement, we will forge long-term relationships of trust with suppliers and work towards coexistence and co-prosperity. We will work with suppliers to thoroughly implement proper risk management and prevention, and pursue initiatives to avoid impacting society and company management.

## FP Corporation in Society

### 2. FPCO Group Procurement Guidelines

The FPCO Group Procurement Guidelines have been established based on the CSR Procurement Policy. Check the website to learn more ([https://www.fpc.jp/en/en\\_esg/en\\_managementeffort/en\\_risk\\_control.html](https://www.fpc.jp/en/en_esg/en_managementeffort/en_risk_control.html)).

We have also pursued the FSSC certification (management system standards for food safety management) at FP Corporation production plants, and this year the Chubu Eco PET Plant completed registration under the certification. Moving forward, we plan to progressively obtain the certification for other plants.

## Employment and Labor-related Initiatives

### Basic Policy Related to Human Rights

The FP Corporation Group respects the mutual individuality and human rights of all people. Under the basic principle that people have the right to be treated fairly and afforded equal opportunities regardless of nationality, race, beliefs, gender, disabilities, social status or position in society, we respect human rights and individuals in all business activities based on the FP Corporation Group Action Charter and FP Corporation Normative Rules for Compliance. We act with high ethical standards and a sense of decency as a good corporate citizen, maintain sound and appropriate relationships with all stakeholders, and continually enhance our corporate value as a corporate group that enjoys the trust of society.

### Improvements to Work Environments

We work to improve working environments and support daily lives from various angles so that all FP Corporation Group employees can lead enriched lives with a sense of job fulfillment.

#### Helping Employees Achieve a Healthy Work-life Balance

FP Corporation allows employees to utilize sliding start and finish times, requires employees to take paid leave of five consecutive days (Smile Leave) and institute no-overtime days. These initiatives are part of work style reform efforts designed to encourage employees to consider the distribution of working hours and work according to it to optimize their working hours.

#### Empowering Female Employees and Creating a Comfortable Working Environment

On the Positive Action Information Portal Site operated by the Ministry of Health, Labour and Welfare, FP Corporation has posted a “Declaration on the Promotion of Female Empowerment” outlining initiatives designed to expand the working fields of female employees and increase the number of female managers. Aiming for a female career track hiring rate of at least 30%, we are working towards the goal of 50 female managers by the year 2022. For working hours, FP Corporation has also established eight patterns of sliding work times based the stage of child-rearing commitments, and allows workers to request shorter working hours until their children enter elementary school.

#### Helping Employees Enjoy a Fulfilling Private Life

FP Corporation funds the costs of recreation activities in which employees gather to share their interests such as various sports, and also subsidizes events such as welcome parties.

## Health and Safety

### Establishment of a Safety and Health Committee

To prevent industrial incidents such as workplace accidents as well as to create a workplace where employees can work with peace of mind in terms of mental health, FP Corporation provides support to improve the workplace environment from diverse perspectives while keeping in mind its purpose of stopping industrial incidents from happening.

### Various Programs for Health and Safety

We run a number of programs, including those described below, so that employees can spend each day in good health and work in a safe environment.

#### Health Seminars

Health Seminars are held each year to promote the maintenance and advancement of employees' physical and mental health.

#### Safe Driving Training

Each year driver training is provided as part of training for new employees. Trainees spend a day at an outside driving school to learn how to safely operate vehicles. Additionally, safe automobile driving workshops provided by outside instructors are held at major sales operation bases with the aim of preventing traffic accidents.

#### Forklift Accident Elimination Project

Since a forklift weighs as much as around three light automobiles and can lead to serious accidents involving people's lives, FP Logistics Corporation launched the Forklift Accident Elimination Project in 2015. The project aims to have third parties perform objective checks and foster the development of the human resources engaged in forklift work in an effort to prevent accidents.

#### Hazard Experience Workshops

In 2015 FP Corporation introduced and began educating employees with Hazard Experience Workshops as a part of efforts to prevent occupational incidents. Since 2017, dedicated instructors stationed at two prefabricated houses have been assigned to conduct Hazard Experience Workshops (with seven types of hazards) across Japan.

#### VR Experience

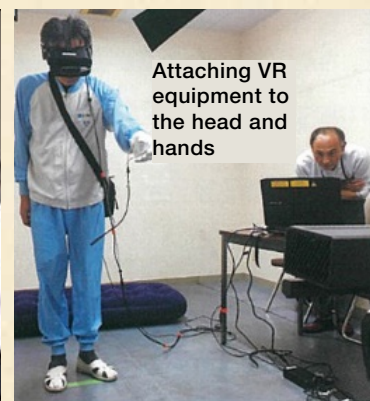
Since 2018, FP Corporation has introduced virtual reality-based hazard experience equipment. With CG images combined with the jolts and sense of touch transmitted through tactile gloves, training to enhance users' sensitivity to hazards is conducted using highly realistic simulated experiences that stimulate vision, hearing and the senses. Three scenarios are prepared: getting something stuck in a belt conveyor, getting something stuck in a roller, and falling from a high place.



Forklift Accident Elimination Project



Hazard Experience Workshops



VR hazard experience equipment



# FP Corporation in Society

## Diversity

### Employees with Disabilities Working in FP Corporation's Core Operations

In the FP Corporation Group, employees with disabilities are actively involved in the core operations of sorting used containers and manufacturing food containers. FP Corporation's history of employing persons with disabilities and providing them the same opportunity to establish themselves economically and pursue working lives dates back more than three decades. FP Corporation will continue its efforts to address new challenges moving forward.

<b>Number of Employees with Disabilities:</b>	<b>359</b>
Details	
Physical disabilities:	33 (including 16 with severe disabilities)
Intellectual disabilities:	321 (including 251 with severe disabilities)
Mental disabilities:	5
<b>Adjusted Number of Employees with Disabilities:</b>	<b>623.5</b>
<b>Disability Employment Rate:</b>	<b>13.6%</b>

\* Across consolidated FP Corporation Group, as of March 31, 2019

1986

**Begun employing human resources with disabilities in the manufacturing of foam trays**

- ▶ January 1986: Ducks Co. Established (currently FPCO Ducks Co. Chiba Plant)

1995

**Expanded to manufacture of transparent containers**

- ▶ April 1995: Ducks Shikoku Co. established (currently FPCO Ducks Co. Kochi Plant)
- ▶ April 2006: Ducks Saga Co., established (currently FPCO Ducks Co. Saga Plant)

2006

**Began Japan's first profit-making business offering Type A Support for Continuous Employment with the manufacturing of box containers.**

- ▶ October 2006: Hiroshima Ai Pack Co. established (merged into FPCO Ai Pack Co. in 2009)
- ▶ March 2007: FPCO Ai Pack Co. established. (Seven plants opened across Japan between 2007 and 2009)

2008

**Expanded to sorting of trays collected for recycling**

- ▶ 2008 to 2010: Four sorting centers opened nationwide as FPCO Ai Pack Co. business sites
- ▶ August 2009: Ibaraki Pigeon Recycle established (Currently FPCO Ducks Co. Ibaraki Sorting Plant)

2017

**Reorganized into nationwide special subsidiary companies**

- ▶ January 2017: FPCO Ducks Co. established (merger of four special subsidiary companies)



Ducks Co. dedication ceremony



Manufacture of transparent containers



Manufacture of box containers



Sorting of collected trays (foam trays)



Sorting of collected trays (transparent containers)

### Raising Awareness of Inclusion through Floor Hockey

Activities related to floor hockey, a universal sport, were started in 2010 to encourage a sense of Group unity irrespective of disabilities. Today, around 600 employees across the FP Corporation Group (about 200 of whom are employees with disabilities) are active participants in floor hockey in nine areas. FP Corporation also supports floor hockey through sponsorship of national tournaments and Chugoku-Shikoku regional tournaments. Many employees also provide operational assistance at these tournaments as volunteers.



## Relationships with Consumers

### Consumer issues

Issues such as marine plastic waste have attracted the interest of many consumers. As a corporate citizen, FP Corporation is involved with efforts to improve conditions associated with these issues.

#### Dealing with Marine Plastic Waste

Littering is a major cause of marine plastic waste. FP Corporation makes considerable efforts through a range of activities designed to raise awareness among consumers that taking food containers to collection boxes turns them into renewable resources, and has stepped up the promotion of Tray-to-Tray and Bottle-to-Tray recycling campaigns. FP Corporation has also joined activities to make declarations aimed at solving the issue of marine plastic waste through an industry group, and is pursuing activities in coordination with the group.

#### Dealing with the Issue of Food Loss

Some of the ways FP Corporation contributes to reducing food loss are through the development of new container packaging materials and innovations in package structure. The website of the Ministry of Agriculture, Forestry and Fisheries introduced the perspective of “reducing damage during transportation” as an example of high functionality in containers and packaging that developed from the original function of containers and packaging for “small portion items and maintaining their freshness.” FP Corporation will continue making contributions such as reducing food loss by creating containers with longer freshness retention periods that allow foods to be sold only in the necessary amounts.

### Community engagement

FP Corporation recognizes that engaging in exchanges with consumers is extremely important both in terms of community engagement and from the perspective of providing solutions to the above consumer issues. The active efforts made by FP Corporation include taking part in various local events, working with supermarkets to set up in-store booths, dispatching instructors to elementary schools to provide environment-themed education, and the acceptance of student internships and teacher training.



#### Participation in Events Held Around Japan in FY2018

Date	Event Name	Location	Organizer
May 19-20, 2018	Fukuyama Rose Festival 2018	Hiroshima Prefecture	Fukuyama City Government
June 2, 2018	Hachioji Environment Festival	Tokyo	Hachioji City Government
June 3, 2018	Environment Day Hiroshima Rally	Hiroshima Prefecture	Hiroshima Eco-Forum
June 2-3, 2018	Eco Life Fair 2018	Tokyo	The Ministry of the Environment
August 19, 2018	Eco World Festival	Osaka Prefecture	Osaka ATC Green Eco Plaza
September 29, 2018	Fukuyama Science Festival	Hiroshima Prefecture	Fukuyama City University
October 10-12, 2018	Eco-Technology Exhibition 2018	Fukuoka Prefecture	Kitakyushu City Government
October 14, 2018	Shinjuku Ward 3R Mottainai (Don't waste) Environment Event	Tokyo	Shinjuku-ku
October 27-28, 2018	Yamagata Environment Exhibition	Yamagata Prefecture	Yamagata Prefecture
November 3, 2018	Kodomo Eco Plaza & Osaka ATC Green Eco Plaza Exchange Session	Osaka Prefecture	Osaka ATC Green Eco Plaza
November 10-11, 2018	Nagasaki Eco Life Festival 2018	Nagasaki Prefecture	Nagasaki-shi
November 10, 2018	Itami Environmental and Recycling Fair 2018	Hyogo Prefecture	Itami City Government
November 17-18, 2018	Jibasan Fair 2018	Hiroshima Prefecture	Local Industries Promotion Center for Bingo
December 8, 2018	Recycling at Ekiya Elementary School	Hiroshima Prefecture	On-Line Co., Ltd.
February 16, 2019	Ichinomiya City Consumer Life Fair	Aichi Prefecture	Ichinomiya City Government
February 16, 2019	Tori-Eco Environmental Festival	Tottori Prefecture	Tottori Prefecture
March 3, 2019	Shinjuku Kids Festival	Tokyo	Shinjuku-ku
March 25, 2019	National Kodomo Eco Club Festival 2019	Tokyo	Japan Environment Association



## FP Corporation in Society

### ■ Data: Summary of Human Resources Data

Statistics on Employees (as of the end of March 2019)	Male	Female	Total
Number of employees	583	265	848
Average Age	43.3	34.0	40.4
Under 30	102	97	199
30 - 39	133	102	235
40 - 49	160	49	209
50 - 59	149	13	162
60 and older	39	4	43
Continuous Years of Employment	15.7	10.3	13.1
Number of Employees (Consolidated)	3,441	998	4,439
Number of Foreign Employees	0	1	1

Number of Resignations	Early	Voluntary	Company-mandated	Transfers	Other	Total
FY2018	0	12	0	0	3	15

New Graduate Employee Retention Status	Male	Female	Total
Number of Graduate Employees Hired in April 2016	18	17	35
Number Remaining in April 2019	18	16	34

Percentage of Female Employees in Managerial Positions	Female	Male	Percentage of Female Employees
	19	316	5.7

Employment of Persons with Disabilities	FY2016	FY2017	FY2018
Actual Number (persons)	374	377	359
Employment Rate (%)	13.95	13.78	13.6

Work-life Balance	FY2016	FY2017	FY2018
Percentage of Paid Leave Taken (%)	34.9	39.5	51.7
Average Monthly Hours of Overtime Worked Per Person	10.9	18.9	10.0
Number of Employees Taking Maternity Leave (persons)	15	17	25
Number of Employees Taking Childcare Leave (persons)	15	22	16
Percentage of Employees Returning from Childcare Leave (%)	100.0	86.7	100.0





# ENVIRONMENT

## Environmental Initiatives

### Environmental Policy

Based on the recognition that preserving and protecting the global environment is an issue of the highest priority, FP Corporation has made contributing to the realization of a sustainable society in harmony with the environment a basic principle and operates its business accordingly.

#### Basic Principle

Based on the recognition that preserving and protecting the global environment is an issue of the highest priority, FP Corporation operates its business according to the basic principle of contributing to the realization of a sustainable society in harmony with the environment.

#### Policy

1. From the stance of reducing CO<sub>2</sub> emissions and making effective use of natural resources, we will strive to thoroughly reduce the resources used in our business activities, products and services while actively promoting the expansion of its FPCO Method Recycling business that involves the recycling of used food containers disposed of from regular households into new food containers.
2. We will observe legal and other requirements that apply to FP Corporation, endeavor to understand the needs and expectations of our stakeholders, establish voluntary standards covering our operations and prevent pollution.
3. We will establish environmental goals that take the environmental impact of our business activities, products and services into account, formulate and promote management plans, evaluate our success through internal audits and reviews by senior management, and undertake continual improvement.
4. We will promote reductions in the amount of water resources used through the efficient use of water.
5. We will prevent environmental pollution due to chemical substances and waste, and environmental risks that lead to health hazards.

### Environmental Conservation Activities

#### Climate Change and the Use of Energy

The FP Corporation Group believes that measures to address climate change form one of the basics of management. In FP Corporation Eco Action 50 (FPEA-50), our environmental management plan, we have established five working groups, namely Products, Production, Logistics, Sales and Office. These working groups establish various goals on their own and undertake corresponding activities as part of efforts to reduce total CO<sub>2</sub> emissions across the FP Corporation Group. The working groups repeat the process of exchanging information and working together with the aim of producing significant results through a multiplier effect.



## Environmental Initiatives

Each working group under FPEA-50, namely Products, Production, Logistics, Sales and Office sets process-based targets and establishes long-term CO<sub>2</sub> reduction goals as the comprehensive results of those efforts.

### <Targets in Investment Processes>

- (1) Lighting equipment: Upgrading and installation of energy-efficient fluorescent bulbs and LED lights, etc.
- (2) Air-conditioning equipment: Upgrading of air-conditioning equipment, installation of inverter control units, etc.
- (3) Materials development: Research into resins that produce minimal CO<sub>2</sub> emissions, etc.
- (4) Production and recycling equipment: Expansion of recycling plants, introduction of high-energy efficiency lines

### <Targets in Operational Processes>

- (1) Lighting equipment: reviewing the times when lighting is switched on, turning off unnecessary lighting, review lighting intensity
- (2) Air-conditioning equipment: Operating air conditioning at reasonable temperatures, shutting down unnecessary air conditioning, cleaning air conditioners and ventilation fans, etc.
- (3) Product development: Developing lighter products, research into reduced thickness, expanded sales volume of products using recycled resins
- (4) Production equipment: Consideration of efficient production processes, expanded procurement of recycled raw materials

### The FP Corporation Group's long-term CO<sub>2</sub> reduction targets

**Reduce total CO<sub>2</sub> emissions by 20%  
by FY2020 (compared to FY2003)**

**Reduce CO<sub>2</sub> emission factors  
(by number of trays sold) by half  
(compared to FY2003)**

\* The total of CO<sub>2</sub> emissions from all FP Corporation Group sites (production plants, distribution centers, offices) subject to reporting under the amended Act on the Rational Use of Energy and those from logistical operations within the scope of responsibility of specified cargo owners.

## Resource Utilization and Waste

The FP Corporation Group recognizes the appropriate use of resources and reduced generation of waste as important environmental issues. Instead of just consuming large amount of resources used for business purposes, we believe it is necessary to make efforts to utilize resources effectively based on the 3R (Reduce, Reuse, Recycle) approach. The FP Corporation Group makes thorough efforts to reduce the use of resources in its products and services while actively expanding and promoting FPCO Method Recycling, its recycling program to collect the used food containers and PET bottles discarded by regular households and recycle them into new food containers. This endeavor has been achieved by working in coordination with various stakeholders including suppliers and the retailers of products and goods.

## Water Usage

FP Corporation recognizes the importance of preserving water resources as a basic element of social infrastructure. On the use of water, we believe it is necessary to gain an understanding of conditions in each region where our production sites are located and to make effective use of this limited resource. With this in mind, FP Corporation implements the following measures.

- Reducing the new use of water at recycling plants with the installation of water filtration equipment that allows water to be reused
- Installing recycling equipment for cooling water at production plants as standard

## Reduce-oriented Measures to Lessen Environmental Impact

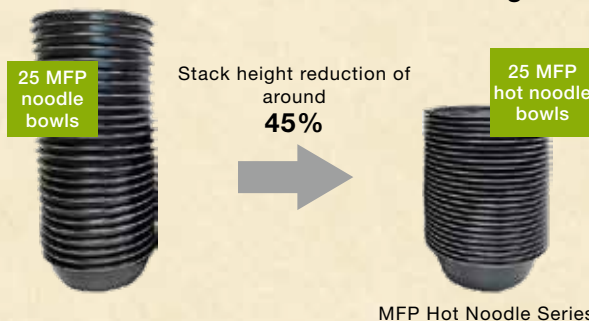
### Lighter material weights

We continue with efforts to make products lighter by changing the materials used and reducing wall thickness. In the example on the right, the weight of the product was reduced to one third, leading to lower CO<sub>2</sub> emissions. FP Corporation has set the target of reducing weight by 5% compared with FY2013 levels by the year 2020.



### Lower stack heights

This is a reduce-oriented measure that focuses on stacking heights when the products are stored and transported. By stacking a large number of products in a smaller space, we can reduce environmental impact in terms of warehousing space, packing cardboard, transportation, and so on.



## Cooperating with Customers

FP Corporation introduces its customers (supermarkets, convenience stores, prepared food manufacturers, etc.) to the environmental impact reduction activities it implements at the FPCO Fair. The active use of Eco Tray, Eco APET and Eco OPET products helps to reduce CO<sub>2</sub> emissions and in turn enhances the corporate value of customers. By having customers cooperate with FP Corporation from the collection of used food containers to the purchase of eco products, we are making significant progress in addressing environmental issues.







## Environmental Initiatives

### Initiatives to Address Resource Recycling Issues Including the Marine Plastic Waste Issue

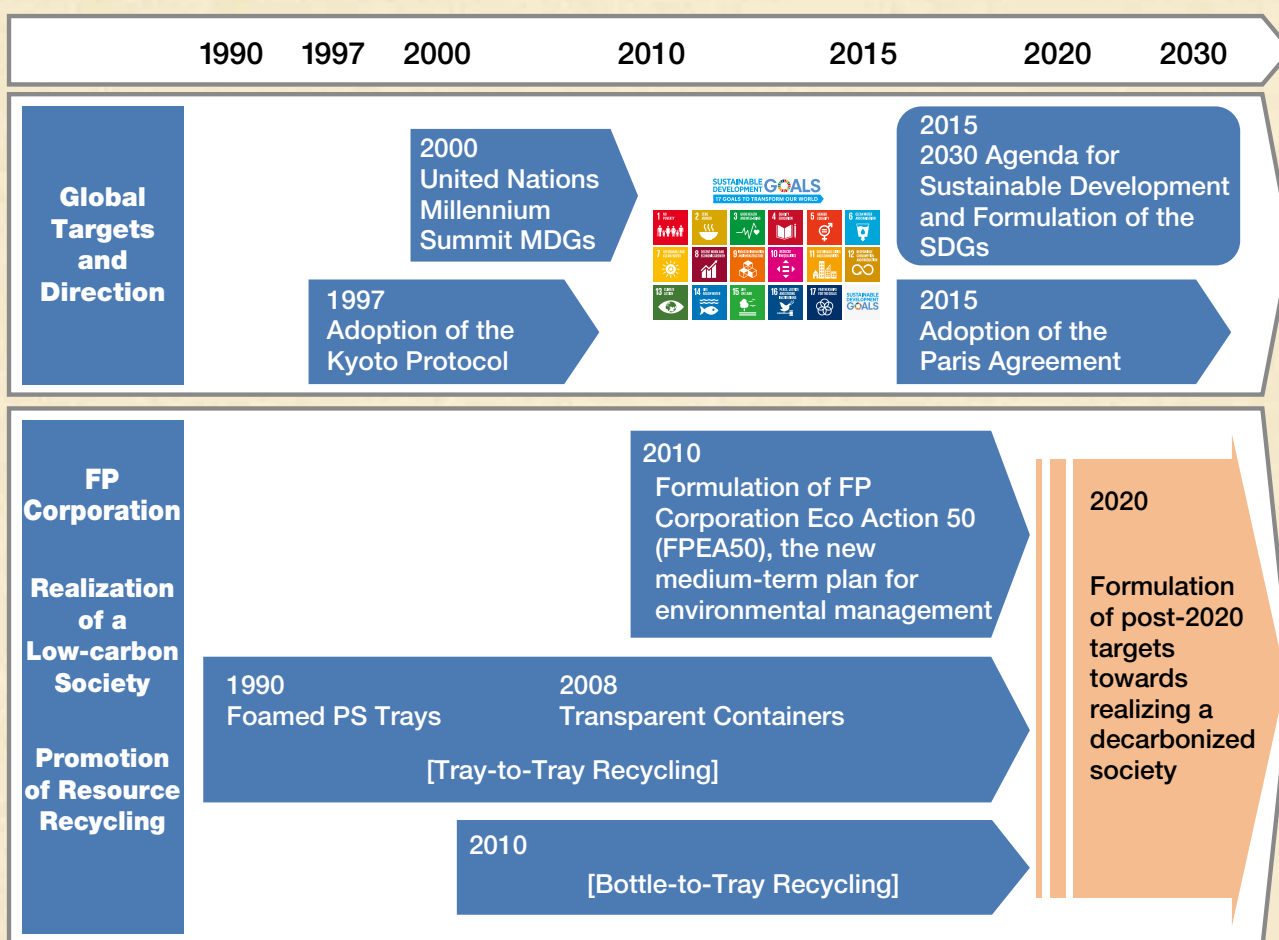
There is heightened worldwide interest in the issue of marine plastic waste. FP Corporation takes part in a range of activities designed to solve resource recycling issues, including that of marine plastic waste, through relevant government institutions and industry groups.

	Activities of Relevant Government Institutions and Groups	Participation by FP Corporation
<b>Ministry of Economy, Trade and Industry</b>	<p><b>Clean Ocean Material Alliance</b> Comprising a wide range of business operators that make up the supply chain, the Clean Ocean Material Alliance was established to accelerate innovation through coordination between government and the private sector by promoting new initiatives related to the 3Rs and encouraging the development and introduction of alternative materials to achieve more sustainable use of plastic products.</p> <p>The alliance will strive to engage in: [i] information-sharing between providers of raw materials and user companies through technological and business matching events and conveyance of information on leading case examples, [ii] ascertaining the latest technical trends through technical exchange and technical seminars with research institutes, [iii] collaboration with international organizations, overseas research institutes and other associations as well as international collaboration to convey information to developing countries and other regions, and [iv] encouraging companies in a variety of fields to collaborate in effective utilization of plastic products in general.</p>	<p>FP Corporation has been involved with the Alliance since its founding as a leading company, and currently participates as deputy chair of its technical subcommittee.</p> 
<b>The Ministry of the Environment</b>	<p><b>Plastic Resource Recycling Strategy</b> [Reduce] (1) Restrict generation of one-way plastic to a cumulative 25% by the year 2030 [Reuse / Recycle] (2) Develop reusable and recyclable designs by the year 2025 (3) Reuse and recycle 60% of container packaging by the year 2030 (4) Effectively utilize used plastics through 100% reuse and recycling, etc. by the year 2035 [Reused and Biomass Plastics] (5) Double use of recycled plastic by the year 2030 (6) Introduce approximately two million tons of biomass plastics by the year 2030</p> <p><b>Plastic Smart</b> Solving the issue of marine plastic requires a wide range of actors from consumers to local governments, NGOs and companies to tackle the issue in coordination and cooperation with one another under a single banner. To this end, a campaign known as "Plastic Smart - For Sustainable Ocean" has been launched. The campaign is designed to promote smart ways to deal with plastics such as thoroughly eliminating littering, curbing the generation of unnecessary one-way plastics and ensuring the proper sorting of plastic waste around Japan, and to disseminate information about those initiatives in Japan and around the world.</p>	<p>FP Corporation takes part in a subcommittee as an industry group.</p> <p>Information on Tray-to-Try and Bottle-to-Tray initiatives is posted on the campaign website.</p> 
<b>Ministry of Agriculture, Forestry and Fisheries</b>	<p><b>Action Declaration on the Recycling of Plastic Resources</b> As part of efforts to gain people's understanding and promote efforts to deal with the recycling of plastic resources, voluntary initiatives that contribute to the recycling of plastic resources are being widely solicited from industry groups and companies in the agriculture, forestry, fisheries and food industries. By broadly disseminating information to people using the website of the ministry, social media and various other media, the efforts aim to deepen understanding about the recycling of plastic resources on the part of each citizen, and generate momentum encouraging each person to tackle the issues for themselves.</p>	<p>Information on FPCO Method Recycling is listed as a voluntary initiative contributing to the recycling of plastic resources on the website of the Ministry of Agriculture, Forestry and Fisheries.</p>
<b>Japan Business Federation (Keidanren)</b>	<p><b>Compilation of Plastic-related Initiatives Contributing to the SDGs</b> Examples of the initiatives being pursued by member companies and groups from the perspective of better promoting the recycling of plastic resources and contributing to the issue of marine plastic waste are published by the Keidanren.</p>	<p>Information on the initiatives for "Recycle," "Reduce" and "Awareness Raising Activities" is listed on the Keidanren website.</p>

# ESG AT FP CORPORATION

## FP Corporation's Efforts to Realize a Decarbonized Society

At COP21 held in December 2015, the Paris Agreement was adopted as the framework for action on climate change in which all nations including developing nations would take part. The goal of the Paris Agreement is to keep the increase in global average temperatures to well below 2°C above pre-industrial levels and to continue efforts to limit the increase to 1.5°C. To accomplish this, it seeks to balance emissions of man-made greenhouse gases and their absorption in the latter half of this century. The issue of the global environment is a pressing one, and companies bear a large part of the responsibility for curbing the impact on the environment and developing a sustainable society.



The FP Corporation Group is expressing its strong resolve to fulfill that responsibility by developing a more in-depth version of its existing environmental management plan (FP Corporation Eco Action 50) and formulating FP Corporation Environmental Vision 2050 (provisional name), a long-term environmental vision targeting the year 2050 designed to further strengthen activities to tackle global warming from FY2021 onwards. This plan will be formulated during FY2020 and will add the more ambitious concept of “decarbonization.”



## Environmental Initiatives

### ■ Data: Summary of Environmental Data

#### Manufacturing Division FY2018 Data (Annual Production Values)

INPUT	Energy	Electricity	359,421,081 kWh
		Energy from Fossil Fuels	97,445,291 MJ
	Water Resources	Water Supply	460,196 m <sup>3</sup>
		Groundwater	146,313 m <sup>3</sup>
		Industrial Water	89,499 m <sup>3</sup>
	Raw Materials (Resins, etc.)		172,354 tons
	Secondary Materials	Cardboard	35,026 tons
		Packaging Plastic	2,984 tons
		Lubricating Oil	11,659 L
	Other	Thinners	243,320 L
Paper		2,511,000 sheets	

OUTPUT	Product	Product Manufacturing Weight	185,489 tons
		Number of Truck Shipments	154,796 vehicles
	Waste:		24,985 tons
	Environmental Pollutants	Soot and Dust	145 kg
		NOx	12,859 kg
		BOD	1,399 kg
		COD	15,522 kg
		SS	7,367 kg

#### Logistics Division FY2018 Data (Annual Production Values)

INPUT		
Energy	Electricity	18,041,604 kWh
	Energy from Fossil Fuels	2,649,559 MJ
Water Resources	Water Supply	27,253 m <sup>3</sup>
Other	Paper	8,931,913 sheets
OUTPUT		
Waste		484 tons

#### Office Division FY2018 Data (Annual Production Values)

INPUT		
Energy	Electricity	2,759,662 kWh
Water Resources	Water Supply	2,753 m <sup>3</sup>
Other	Paper	4,932,000 sheets
OUTPUT		
Waste		110 tons



## Third Party Comments



**Ms. Yuko Sakita** Journalist and Environmental Counselor

Ms. Sakita took on her current position after working as a magazine editor for a publishing firm. She is extensively involved in initiatives aimed at developing a sustainable recycling-oriented society with a focus on the fields of the environment and energy, along with NGO activities and the promotion of environmental learning. She also participates in councils including the Central Environmental Council and Advisory Committee for Natural Resources and Energy. She is a member of the Urban Planning and Sustainability Committee of the Tokyo Organising Committee of the Olympics and Paralympic Games.

One day, employees of FP Corporation who took part in the 3R talk show held for consumers were surrounded by expressions of “wow!” as they spoke passionately about Eco Trays in front of Kodomo Eco Club members who had gathered from around Japan. Even now, people are surprised when they learn for the first time about the Tray-to-Tray recycling system that has been implemented since 1990. I felt a strong desire to spread the will of FP Corporation, which has been providing plastic containers through this progressive business model for some time, throughout society, and to double the current 30% tray collection rate at stores in ten years’ time.

Amid a worldwide tide of efforts to address marine plastic waste, the Plastic Resources Recycling Strategy subcommittee of the Central Environment Council also compiled Japan’s proposed strategy in March 2019. I also took part in the subcommittee which indicated a direction forward that involved requiring consumers to pay for plastic shopping bags at store registers to reduce disposable plastic containers and packaging along with setting the targets of reducing cumulative plastic waste generation by 25% by 2030, achieving reuse and recycling rate of 60% by 2030, and raising this figure to 100% by the year 2035. Containers contribute to food safety and support individual packaging, but in light of the fact that Japan ranks second in the world in terms of the amount of waste generated per person, I call for the 3Rs to be thoroughly implemented, including options for alternative materials such as recycled resources and biomass.

It is also important to reexamine the lifestyles of consumers themselves. Through coordination with innovative business operators and their technical expertise, I hope to see FP Corporation continually surprising and leading the world towards a sustainable future in concert with “Sustainable Consumption and Production,” the 12th Sustainable Development Goals.

## FP Corporation’s History

1962	Jul.	Fukuyama Pearl Paper Manufacturing Corporation established. Fukuyama Headquarters established in Komiya-cho (now Kasumi-cho), Fukuyama, Hiroshima Prefecture. Foamed PS thermoforming launched.	2007	Apr.	Receipt of the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards.
1972	Apr.	The Fukuyama Distribution Center (Fukuyama, Hiroshima) is established and distribution centers are subsequently set up in various regions.	Feb.	FP Corporation wins the Gold prize at the Eco Mark Award 2010.	
1976	Jun.	First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company’s products.	2011	Apr.	FP Corporation is recognized as an Eco-First Company by the Minister of the Environment.
1979	Jul.	FP Logistics Corporation established to reinforce delivery system.	Dec.	The Eco APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association.	
1980	Jan.	Problems with the disposal of trays occur and FP Corporation is among the first companies to begin the collection of used trays.	2012	Nov.	The world’s first biaxially oriented PET product for plastic containers is released.
1981	Jun.	Manufacturing and selling of colored food containers commences in response to the trend of fashionable food receptacles.	2013	Nov.	Yasuhiro Komatsu, the then Chairman & CEO, is honored with the Order of the Rising Sun, Gold and Silver Star.
1983	Apr.	Tokyo Branch (Nerima-ku, Tokyo) established.	2014	Aug.	The Fukuyama Cross Dock Center (Fukuyama, Hiroshima) begins operations.
1984	May	Yasuhiro Komatsu, the then President and CEO, is elected chairman of the Polystyrene Thermoforming Industry Association (Japan).	Dec.	FPCO Comprehensive Research Institute and Human Resources Development and Training Center (Fukuyama, Hiroshima) are completed.	
1985	Feb.	Osaka Branch (Osaka-shi, Osaka) established, which was relocated to its current location (Nakanoshima, Kita-ku, Osaka) in May 2013.	Mar.	FP Corporation is selected by the Ministry of Economy, Trade and Industry under the Diversity Management Selection 100.	
	Nov.	The Kanto Plant (Yachiyo-machi, Ibaraki) begins operations and manufacturing plants are subsequently set up in various regions.	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.	
1989	Jan.	CI introduced. Corporate name changed to FP Corporation.	2015	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.
	Nov.	Company is listed on the Hiroshima Stock Exchange.	Dec.	FP Corporation wins an Environment Minister’s Award for Global Warming Prevention Activity in the category for implementing and popularizing countermeasure activities.	
1990	Sep.	FP Corporation starts its recycling program.	2016	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.
1991	Feb.	Listed on the Second Section of the Osaka Stock Exchange.		FP Corporation’s the then Chairman and CEO Yasuhiro Komatsu is recognized as an honorary citizen of Fukuyama City.	
1993	Mar.	Receipt of the Chairman’s Award in the Clean Japan Center sponsored Award Program for Companies Contributing to the Reuse of Resources.	Jan.	Construction of PicoHouse No. 1 one-room company dormitory is completed in Chikusei-shi, Ibaraki Prefecture.	
	May	Yasuhiro Komatsu, the then President and CEO, is awarded Medal with Blue Ribbon.	2017	Apr.	Construction of PicoHouse No. 2 one-room company dormitory is completed in Wanouchi-cho, Anpachi-gun, Gifu Prefecture.
2000	Jan.	Construction finishes on the headquarters and plant of Special Subsidiary Company Ducks Shikoku Co. (Nankoku, Kochi), and special subsidiary company business sites are subsequently set up in various regions.	May	FP Corporation’s founder Yasuhiro Komatsu passes away.	
	Mar.	Listed on the Second Section of the Tokyo Stock Exchange.	Oct.	The Kanto Eco PET Plant begins operations.	
2001	Nov.	Fukuyama / Tokyo double head office system started, with Tokyo Branch upgraded to Tokyo Headquarters.	Jan.	Construction finishes on the headquarters of FPCO ALRight Co., Ltd.	
2003	Jul.	East Japan Hub Center (Yachiyo-machi, Ibaraki) completed.	2018	Nov.	Construction finishes on the new Hiroshima Sales Office building
2005	Sep.	Listed on the First Section of the Tokyo and Osaka Stock Exchanges.	Dec.	FP Corporation is certified as a Sports Yell Company for 2018 (Japan Sports Agency)	
	Oct.	Hiroshima Ai Pack Co. (currently FPCO Ai Pack Co.) is established as a would-be subsidiary with Type A Support for Continuous Employment, and Ai Pack business sites are subsequently set up in various regions.			



The nature of Tomonoura, the pride of Fukuyama where FP Corporation originated, soothes the soul of the many people who visit the area. There is even a well-known story that film director Hayao Miyazaki, who stayed in the area, suddenly came upon the idea for the setting of the animated film “Ponyo on the Cliff by the Sea” from this location. The rich nature of Tomonoura may awaken a mysterious power resting in the depths of people’s hearts. The calm waters and clear-blue sky of the Seto Inland Sea are a treasure not only of Fukuyama but of Japan and the entire world.

I think everyone wants to preserve the beauty of the sea. That explains the way employees of FP Corporation think: “What can we do to encourage more and more people to place their used food containers into the collection boxes of supermarkets?” Just as the scenery of Tomonoura inspired Director Miyazaki, FP Corporation will continue steadily with its efforts to touch the hearts of customers with similar sentiments.

Thank you very much for reading FP Corporation Report 2019. We would be grateful if you could complete the attached survey and return it to us for the continued improvement of the report. Thank you in advance for your cooperation.

June 2019

**Eiji Togashi**

General Manager, Environmental Management Department

## FP Corporation Report 2019

Published: June 2019

### 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 (FY2018 edition) were used as a reference in preparing the report on FP Corporation Report.

Time period covered: Sunday, April 01, 2018 – Sunday, March 31, 2019

Range of coverage: FP Corporation and the FP Corporation Group

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# FPCO Report 2019

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



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