May 11, 2015

Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 <under Japanese GAAP>

Company name: FP Corporation
Stock exchange listing: Tokyo Stock Exchange
Stock code: 7947 URL: http://www.fpco.co.jp/
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Scheduled date for ordinary general meeting of shareholders: June 26, 2015
Scheduled date of commencement of dividend payment: June 8, 2015
Scheduled date for filing of securities report: June 29, 2015
Supplementary documents for financial results: Yes
Financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are truncated.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2015	164,918	2.4	9,189	(5.8)	10,106	0.5	6,329	3.1
March 31, 2014	161,121	1.9	9,760	(33.0)	10,054	(33.5)	6,137	(30.6)

(Note) Comprehensive income: Fiscal year ended March 31, 2015: 6,967 million yen [13.3%]
Fiscal year ended March 31, 2014: 6,148 million yen [(32.2)%]

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Operating margin
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2015	152.89	–	7.7	5.4	5.6
March 31, 2014	148.27	–	7.8	5.7	6.1

(Reference) Shares of (profit) loss of entities accounted for using equity method: Fiscal year ended March 2015: – million yen
Fiscal year ended March 2014: – million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2015	196,629	85,133	43.1	2,047.04
March 31, 2014	180,476	80,062	44.3	1,933.55

(Reference) Equity: As of March 31, 2015: 84,737 million yen
As of March 31, 2014: 80,040 million yen

(Note) On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. Figures for net assets per share have been calculated as though this share split was conducted on April 1, 2013.

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2015	16,912	(18,397)	(957)	13,710
March 31, 2014	17,981	(11,766)	(4,120)	16,153

2. Dividends

	Dividend per share					Total Dividend	Dividend payout ratio	Dividend on equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2014	–	64.00	–	65.00	129.00	2,670	43.5	3.4
March 31, 2015	–	24.00	–	26.00	50.00	2,069	32.7	2.5
Fiscal year ending March 31, 2016 (forecast)	–	30.00	–	32.00	62.00		30.2	

(Note) On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. For Information of Dividends as though this share split was conducted on April 1, 2013, please refer to (3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year of 1. Consolidated Financial Results on page 6.

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2016 (April 1, 2015 – March 31, 2016)

(Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First six-month cumulative period	84,000	4.5	5,900	46.6	6,400	35.0	4,050	35.4	97.84
Year ending March 31, 2016	171,000	3.7	12,900	40.4	13,500	33.6	8,500	34.3	205.34

* Notes

(1) Changes of important subsidiaries during the period (change in specific subsidiaries accompanied by a change in the scope of consolidation): No

(2) Changes in accounting policies and accounting estimates, and restatement

- (i) Changes in accounting policies accompanying amendments to accounting standards, etc.: Yes
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(Note) For details, please refer to (5) Notes to Consolidated Financial Statements –-Changes in Accounting Policies of 4. Consolidated Financial Statements on page 19.

(3) Number of shares outstanding (common stock):

- (i) Number of shares outstanding at the end of the period (including treasury shares)
  - As of March 31, 2015: 44,284,212 shares
  - As of March 31, 2014: 44,284,212 shares
- (ii) Number of treasury shares at the end of the period:
  - As of March 31, 2015: 2,889,159 shares
  - As of March 31, 2014: 2,888,624 shares
- (iii) Average number of shares outstanding during the period:
  - As of March 31, 2015: 41,395,172 shares
  - As of March 31, 2014: 41,395,735 shares

(Note) On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. Figures for the numbers of shares have been calculated as though this share split was conducted on April 1, 2013.

(Reference) Overview of non-consolidated operating results

Overview of non-consolidated operating results for the fiscal year ended March 31, 2015 (April 1, 2014 – March 31, 2015)

(1) Non-Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2015	134,024	2.1	6,997	(6.9)	7,871	2.0	5,018	1.7
March 31, 2014	131,322	4.5	7,517	(38.6)	7,717	(39.7)	4,933	(36.4)

	Net income per share (basic)	Net income per share (diluted)
Fiscal year ended	Yen	Yen
March 31, 2015	121.24	–
March 31, 2014	119.19	–

(Note) On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. Figures for net income per share have been calculated as though this share split was conducted on April 1, 2013.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2015	178,293	71,443	40.1	1,725.89
March 31, 2014	161,759	68,006	42.0	1,642.84

(Reference) Equity: As of March 31, 2015: 71,443 million yen
As of March 31, 2014: 68,006 million yen

(Note) On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. Figures for net assets per share have been calculated as though this share split was conducted on April 1, 2013.

* Indication concerning the condition of carrying-out of the audit procedure

This Summary of Consolidated Financial Statements does not require the audit procedure based on the Financial Instruments and Exchange Act. As of the time of disclosure of this Summary of Consolidated Financial Statements, the procedure to audit financial statements based on the Financial Instruments and Exchange Act was not yet completed.

*Explanations and other special notes concerning the appropriate use of business performance forecasts

1. Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the use of the forecasts, please refer to (1) Analysis of Financial Results of 1. Consolidated Financial Results on page 2.
2. The Company will hold a briefing session for financial analysts and institutional investors on May 13, 2015 (Wednesday). The presentation materials handed out at this briefing session will be posted on the Company's homepage promptly after the session.

Accompanying Materials – Contents

1. Consolidated Financial Results

(1) Analysis of Financial Results

a) Results of operations for the year under review

During the fiscal year under review, the Japanese economy traced a modest recovery path, with improvements in the level of corporate earnings and the employment environment thanks to the government's stimulus package and the BOJ's monetary policy.

However, consumer spending showed slow growth due to a reduction in real incomes stemming from rising costs for imported raw materials. attributable to a weaker yen and the consumption tax hike. As a consequence, the operating environment remained challenging.

In this environment, in terms of sales, containers with new designs and functions, especially the original products of the Company (Multi FP, Multi Solid, OPET transparent containers, and new transparent PP containers), were appreciated by customers not only for their functionality as containers but also for their superiority in terms of material functions such as oil and heat resistance, and their sales volumes rose. Sales volumes of products using recycled raw materials (Eco Tray and Eco APET) also increased. The PPSA Series (new transparent polypropylene (PP) containers) were more widely popular alongside proposals for the creation of new sales space at retailers, given their unprecedented product development that allows the containers to be heated in a microwave. In the field of transparent containers, including transparent lids and food packs, the Group was replacing conventional OPS products with new products and enhancing its OPET products and new transparent PP product lineup.

Although price competition, especially in general-purpose products, stabilized in the fiscal year under review and sales volumes began to recover, sales volumes of products manufactured by the Group in the fiscal year under review rose only 2.2% from a year ago, chiefly reflecting the effects of withdrawal from unprofitable transactions of certain general-purpose products from the third quarter of the previous fiscal year, conservative buying following the consumption tax hike, and weak consumption because of unseasonable weather. Sales of products manufactured by the Group climbed 3.2% year on year.

Sales volumes declined 2.5% year on year in the first quarter, rose 1.1% in the second quarter, increased 4.4% in the third quarter, and grew 6.2% in the fourth quarter.

In December 2014, when there was a concentration of sales, shipments increased significantly, rising 8.4% year on year. The Group was able to handle increased shipments without any delay during peak periods thanks to the distribution network that it has expanded in the past five years, including the Fukuyama Cross-Docking Center, which started to operate in August 2014, and the Hachioji Distribution Center, which began operating in November 2014.

Meanwhile, sales of products purchased from outside the Group in the fiscal year under review declined 0.1% year on year due to a Group-wide revision of commercial distribution, despite efforts to strengthen our ability to source products and to increase the volume of products handled.

As a result, net sales for the fiscal year under review rose to 164, 918 million yen, an increase of 3,797 million yen (up 2.4%) from the previous year.

In terms of income, prices of raw materials rose from the fourth quarter of the previous fiscal year, causing raw material costs to increase approximately 700 million yen year on year, while electricity costs rose around 650 million yen. Capital expenditure, an area of focus for the Company, and other expenses climbed 1,550 million yen. Meanwhile, sales of the Company's original products and new products remained brisk and the entire Group took steps to improve costs. In addition, income was affected by upward revisions to product prices in the previous fiscal year. As a result, income improved by around 2,950 million yen in total. Ordinary income for the fiscal year under review increased 52 million yen, or 0.5% year on year, to 10,106 million yen. Net income stood at 6,329 million yen (up 3.1% from a year earlier). Ordinary income before depreciation and amortization came to 21,242 million yen, up 7.5% year on year.

Operating income declined in the first, second, and third quarters 16.1%, 19.7%, and 6.8% year on year, respectively, and rose 59.8% in the fourth quarter, bottoming out in the second quarter and then recovering.

In the previous fiscal year, the Company focused on negotiating with customers regarding price revisions, but this fiscal year, the Company is seeking to increase sales and to improve profitability by increasing the speed of the development of new high value-added products and product line expansion and by raising the ratio of sales of the Company's original products. The Group made Miyakohimo Co., Ltd. a Group company, renaming it FPCO Miyakohimo Co., Ltd., on October 1, 2014. The Group is expanding sales of packaging materials (products purchased from outside the Group). On March 11, 12, and 13, 2015, the Group held the FPCO Fair 2015, which was attended by a record number of customers (14,000), mostly food retailers from regions throughout Japan, and provided customers with the latest details on merchandise and information on sales spaces nationwide and made in-depth proposals going as far as menu creation.

As for logistics facilities, the No. 2 Kyushu Distribution Center and No. 1 Kansai Distribution Center began operating in the previous fiscal year, and in August 2014, the Fukuyama Cross-Docking Center commenced shipping. The Group is thus improving efficiency in storing inventory and significantly improving its shipping standards. The Hachioji Distribution Center, a new logistics base in eastern Japan, began to ship cases in November 2014 and commenced picking up and shipping in February 2015. The second phase of construction work is progressing to expand the center. The second phase is planned to be completed in September 2015. Through capital expenditures on these logistics facilities, the Company will construct a robust and flexible nationwide logistics network and will thereby offer customers stable supply and lower costs through the entire distribution process for delivering merchandise to customers.

In production, the Company is shifting its focus from OPS transparent containers using conventional materials to transparent containers using the Company's original materials. To this end, the Company added OPET transparent sheet extrusion equipment (No. 2 machine) and product molding machines (four lines) in April 2014 and is adding new transparent PP container production lines. The Company has purchased land adjacent to Chubu PET Recycling Plant and started building a new plant. This new plant will be engaged in integrated production, producing recycled PET flakes from collected transparent PET containers and PET bottles and using these as raw materials to mold Eco APET products through sheet extrusion. It will also have sheet extrusion equipment for OPET transparent containers (No. 3 machine and No. 4 machine) and product molding machines and will function as a production base for OPET products. The Company aims to put the plant into operation in March 2016.

Additionally, in June 2014, the Company made Nishinihon PET-Bottle Recycle Co., Ltd. its consolidated subsidiary to expand the Group’s PET recycling business.

To research new materials and new products that are competitive (in terms of prices, quality, and functions), which is one of the Group’s strengths, and to expedite and enhance product development, the Company established FPCO Research Center in December 2014. In addition to increasing the Company’s research and development capabilities, the research institute is intended to function as a training facility and the Company will put more emphasis on the development of personnel.

With respect to the employment of disabled workers, part of the Group’s corporate social responsibility, as of March 31, 2015, the Group provided employment opportunities for 373 individuals (645.5 disabled workers employed), and 43 at its tie-up partners. In recognition of its efforts, the Group was selected by the Ministry of Economy, Trade and Industry as a winner of the FY2014 Diversity Management Selection 100 project.

(Explanations of terms)

Multi FP (MFP):	An formed PS (polystyrene) container with cold and heat resistance to temperatures between -40ºC and +110ºC and with superior oil and acid resistance and thermal insulation.
Multi Solid (MSD):	A non-formed PS (polystyrene) container with a heat resistance temperature of +110ºC that is able to create sharp figures by using scraps of materials from the Multi FP, while maintaining the characteristics of the Multi FP.
OPET transparent container:	A polyethylene terephthalate transparent container with a heat resistance temperature of +80ºC that is molded from bi-axially oriented PET sheets, with superior oil and acid resistance and transparency, achieving the same thermal insulation as the OPS.
New transparent PP container:	A transparent PP container with a heat resistance temperature of +110ºC, which has achieved the same transparency as OPS using standard-grade polypropylene raw material.
PPSA Series:	A snap-lock food pack made from a transparent PP container with a heat resistance temperature of +110ºC
OPS transparent container:	A conventional transparent container with a heat resistance temperature of +80ºC that is molded from the bi-axially oriented polystyrene sheets.
Eco Tray:	A recycled expanded polystyrene container for which polystyrene containers collected at supermarket shop counters and scrap pieces collected within plants are used as raw materials (sales commenced in 1992).
Eco APET:	A recycled PET transparent container for which PET transparent containers collected at supermarket shop counters, PET bottles and scrap pieces collected within plants are used as raw materials (sales commenced in 2012).
Hood pack:	A general-purpose transparent container having a hood connected to the main body, which is used, for example, at a sales space for fried foods at a supermarket.
Cross-docking center:	A center that achieves a cross-docking method of gathering all the products to be shipped in one place, and loading them in order of delivery after an all-in assortment by each delivery route, replacing the method of loading products sent to customers using individual delivery trucks making rounds of visits to warehouses.

b) Projections for the fiscal year ending March 31, 2016

The Group will make aggressive strategic investments to maximize its corporate value. It will push ahead with the development of unique materials and the Company’s original highly functional container products, the reinforcement of its nationwide logistics network, and the establishment of technologies and equipment as a manufacturer of recycled materials that aims to create a recycling-oriented society and, with these strengths, the Group will aim to maximize its corporate value. The Group, therefore, considers ordinary income before depreciation and amortization as an important management indicator.

The outlook for the fiscal year ending March 31, 2016 remains uncertain, with concerns over the impact of rising logistics costs and persistently high electricity charges as well as labor shortages in some regions due to the economic recovery tempering expectations of the effects of recovery in consumer spending brought out about by the Government’s stimulus package and increases in basic wages.

Responding to this management environment, on the sales front, in light of the outcome of FPCO Fair 2015, the Company will promote sales growth and improvement in the profit margin by increasing the sales component ratio of the Company’s original products. In general-purpose products, it will seek to drastically reduce costs and work to achieve expansion in sales volume and stable supply.

In addition, it will strive to bolster overall sales of the Group’s products, including consumable packaging materials and containers for agriculture products and eggs. Through these initiatives, the Company expects sales to increase 3.7% year on year, to 171.0 billion yen.

On the logistics front, the second phase of construction work at the Hachioji Distribution Center, which began operations as a new logistics base in eastern Japan in November 2014, is scheduled for completion in September 2015. By responding to expansion in logistics volume and rising transport costs and by constructing a robust and flexible nationwide logistics network, the Company will offer customers lower costs and stable supply through the entire distribution process for delivering merchandise to customers.

On the production front, the Company will continue to promote the shift from OPS transparent containers using conventional materials to transparent containers using the Company's original materials and, besides the production equipment for OPET transparent containers and new transparent PP containers added the previous fiscal year, it will put its new Chubu plant into operation in March 2016. This new plant will serve both as a base for integrated production covering the entire production process from the production of recycled PET flakes to the molding of Eco APET products and as a base for the production of OPET products.

In terms of profits, the Company expects ordinary income to increase 33.6% year on year, to 13,500 million yen, with net income attributable to parent rising 34.3%, to 8,500 million yen. Ordinary income before amortization and depreciation is expected to rise 10.6%, to 23,500 million yen. Although, as in the previous fiscal year, large-scale capital investments will gradually go into operation, and increased costs as a result of rising logistics costs are expected, the Company aims to achieve these targets by increasing sales volume, improving the product mix with the Company’s own original products and new products, and executing Group-wide initiatives to streamline costs and improve efficiency to absorb the rises in costs.

While making further strategic upfront investments in the next fiscal year, the Company will strive to increase sales and profit by focusing on expanding sales of original products.

(2) Analysis of Financial Situation
(i) State of assets, liabilities and net assets

Assets for the Group totaled 196,629 million yen at the end of the fiscal year under review, up 16,152 million yen from the end of the previous fiscal year.

Major factors in this increase were increases in notes and accounts receivable-trade amounting to 2,278 million yen, inventories totaling 823 million yen, property, plant and equipment amounting to 12,909 million yen, and goodwill totaling 875 million yen and decreases including decline in cash and deposits of 2,442 million yen.

Consolidated liabilities amounted to 111,496 million yen, up 11,082 million yen from the end of the previous fiscal year.

This was chiefly attributable to a rise in accounts payable-trade of 1,931 million yen, an increase in loans payable of 7,032 million yen, and a rise in accounts payable-other of 836 million yen.

Consolidated net assets reached 85,133 million yen, up 5,070 million yen from the end of the previous fiscal year.

This change mainly reflected an increase in the valuation difference on available-for-sale securities of 734 million yen and the posting of net income of 6,329 million yen and decreases including dividends from surplus of 2, 338 million yen.

(ii) State of cash flows

Cash and cash equivalent (hereinafter “cash”) totaled 13,710 million yen at the end of the fiscal year under review, down 2,442 million yen from the end of the previous fiscal year.

The status of respective cash flows and its causes are as follows.

(Cash flows from operating activities)

Cash provided by operating activities came to 16,912 million yen (a decrease of 1,068 million from the previous fiscal year). Key factors were net income before income taxes and minority interests of 9,931 million yen, depreciation of 11,135 million yen, and an increase in accounts payable of 1,420 million yen among other cash inflows, which offset cash outflows, including an increase in notes and accounts receivable-trade of 2,172 million yen, an increase in accounts receivable-other of 1,356 million yen, a rise in inventories of 590 million yen , and income taxes paid of 3,454 million yen.

(Cash flows from investing activities)

Net cash used in investing activities reached 18,397 million yen (an increase in outflow of 6,630 million yen from the previous fiscal year). The main factor was 18,203 million yen used for purchases at the Fukuyama Cross-Docking Center, the Hachioji Distribution Center, and FPCO Research Center.

(Cash flows from financing activities)

Net cash used in financing activities came to 957 million yen (a decrease in outflow of 3,163 million from the previous fiscal year). Key factors included the proceeds from long-term loans payable of 17,500 million yen, which offset a net decrease in short-term loans payable of 3,184 million yen, the repayment of long-term loans payable amounting to 8,778 million yen, cash dividends paid equaling 2,339 million yen, and repayments of 4,153 million yen in lease obligations.

(Reference) Indicators related to cash flow

	FY ended March 31, 2011	FY ended March 31, 2012	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2015
Capital adequacy ratio (%)	41.4	42.3	44.5	44.3	43.1
Capital adequacy on a market value basis (%)	58.6	65.0	73.8	75.3	91.8
Interest-bearing liabilities/cash flow (per year)	4.1	3.4	3.8	3.7	4.3
Interest coverage ratio (timers)	28.4	41.3	44.8	53.7	58.3

Capital adequacy ratio: net worth equity capital/total assets
Capital adequacy ratio on a market value basis: total market capitalization/total assets
Interest-bearing liabilities/cash flow: interest-bearing liabilities/operating cash flow
Interest coverage ratio: operating cash flow/interest payment

* Each indicator is calculated based on consolidated financial data.
* Total market capitalization is calculated based on shares outstanding, excluding treasury shares.
* Interest-bearing liabilities include all the liabilities reported on the consolidated balance sheet for which interest is paid.
* Operating cash flow and interest payment are calculated based on “cash flows from operating activities” and “interest expenses paid” recorded in the consolidated statement of cash flows.

(3) Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year

Providing shareholders with a return on their investment is one of the most important goals of the Group. While aiming to improve profitability and strengthen our financial standing, we will seek to pay consistent dividends, and maintain retained earnings as sources for the flexible strengthening of management and strategic investment in business expansion. In overall consideration of the above, we target a dividend payout ratio of 30%.

In line with these principles, we have set the dividends for the first six-month period of the fiscal year under review at 24 yen and the year-end dividend at 26 yen, for an annual dividend of 50 yen.

The annual dividend for the next fiscal year is expected to be 62 yen per share.

(Reference)
Assuming that the share split was conducted on April 1, 2013, the dividends are retrospectively restated as follows:

	Dividend per share					Total Dividend	Dividend payout ratio	Dividend on equity
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2014	–	32.00	–	32.50	64.50	2,670	43.5	3.4
March 31, 2015	–	24.00	–	26.00	50.00	2,069	32.7	2.5
Fiscal year ending March 31, 2016 (forecast)	–	30.00	–	32.00	62.00		30.2	

(4) Risks that could potentially affect the Group, including its operating results, financial position and stock price, are found below.

(i) Prices of raw materials

If the prices of raw materials such as styrene monomers and polystyrene resins that are used to make the Company's products rose suddenly and substantially, this could impact on the Group's business performance.

(ii) Natural disaster

In recent years, earthquakes, typhoons and other natural disasters have occurred frequently around the world.

The Group has plants, distribution centers and other business premises throughout Japan. The Group endeavors to ensure that, even if these bases and facilities suffered devastating damage as a result of an earthquake or other natural disaster or as a result of fire or other accident, the Group could still continue key business operations and maintain a stable supply of the high quality products required by its customers. However, if an unexpected natural disaster or accident occurred, severely affecting operations, this may prevent the Group from procuring raw materials, manufacturing products and supplying them to the market, and this may seriously affect the Group's business performance.

(iii) Product liability

When developing and manufacturing products, the Group conducts business activities in compliance with internal standards and relevant laws and regulations and with due consideration for the safety of its customers and product quality. However, the risk of damages arising as a result of an unexpected product defect could materialize. The Group takes out insurance to address this risk and makes provisions for damages. However, if a major situation that could not be covered by insurance arose, this may affect the Group's business performance.

(iv) Economic conditions and competition

The Group is working to strengthen its sales and development capabilities to make it less susceptible to economic conditions and trends in the market. However, contraction in demand due to business trends or fluctuations in the balance of supply and demand or prices as a result of competition with other manufacturers could affect the Group's business performance.

(v) Fluctuation in the fair market value of securities

The Group does not hold securities available for sale, but determines the fair market value of all securities with a fair market value. Fluctuations in their fair market value on the stock markets could affect the Group's business performance and financial position.

(vi) Bad debts

If the Group was faced with the risk of unexpected bad debts due to concerns over the creditworthiness of a customer, etc., and incurred major bad debt losses or had to make additional provision for bad debts, this may affect the Group's business performance.

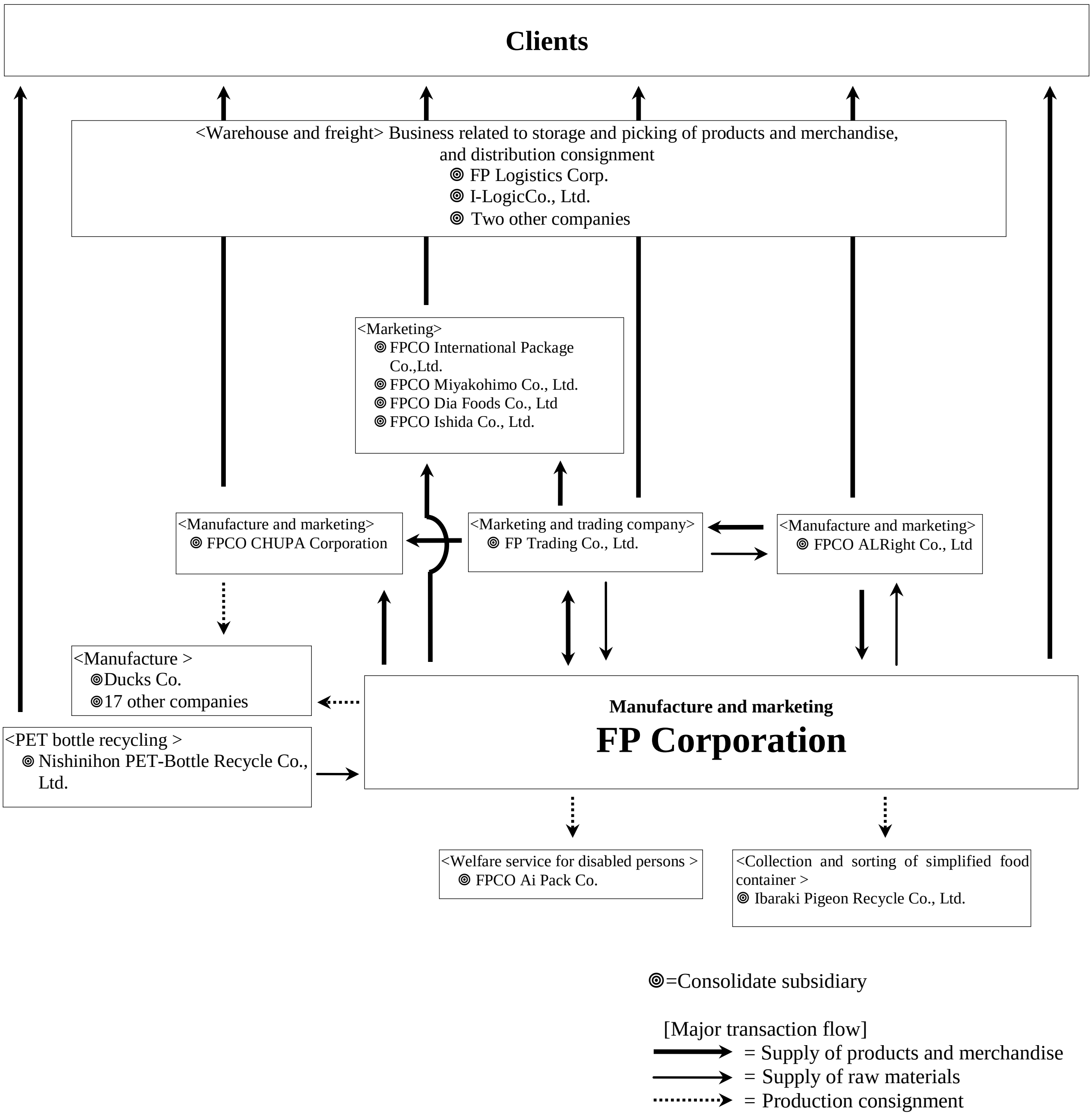
2. Business Overview and Organization

The Group consists of FP Corporation and 32 subsidiaries. The principle businesses of the Group are related to simplified food containers, namely the manufacture and marketing of trays and lunchbox containers and the marketing of related packaging materials. The business and role of each company in the Group are as follows:

Business segment	Major business and role	Major company
Businesses related to simplified food containers	Manufacture and marketing of simplified food containers made from compound resins Marketing of packaging materials and packaging machinery Business of recycling collected containers, etc. into recycled raw materials	Reporting company
	Marketing of raw materials and merchandise for the manufacture of simplified food containers made from compound resins Import and export business Operation of franchise chain system for marketing and retail of packaging materials, etc. Catalog/mail-order marketing of food containers, packaging materials, etc.	FP Trading Co., Ltd. (Note 1, 5)
	Manufacture and marketing of simplified food containers made from compound resins Marketing of packaging materials	FP CHUPA COPPORATION
	Manufacture of simplified food containers made from compound resins	Ducks Co. and 17 other companies
	Manufacture and marketing of plastic films	FPCO ALRight Co., Ltd (Note 1)
	Welfare services for disabled persons based on the Total Supports for Persons with Disabilities Act	FPCO Ai Pack Co..
	Business related to collection and sorting of simplified food containers made from compound resins	Ibaraki Pigeon Recycle, Ltd.
	Business of recycling collected PET bottles into recycled raw materials	Nishinihon PET-Bottle Recycle Co. Ltd (Note 1, 2)
	Marketing of simplified food containers made from compound resins Marketing of packaging materials	FPCO INTERNATIONAL PACKAGE Co., Ltd. FPCO Miyakohimo Co., Ltd. (Note 4) FPCO Dia Foods Co., Ltd. FPCO Ishida Co., Ltd.
	Business related to the storage and picking of products and merchandise for marketing by the reporting company and certain subsidiaries, and distribution business	FP Logistics Corp. I-LogicCo., Ltd. and 2 other companies
Business related to trading	Business related to the sale of machinery	FP Trading Co., Ltd. (Note 1)
Other business	Business related to the manufacture of cardboards	FPCO ALRight Co., Ltd (Note 1)
	Manufacture and marketing of recycled products made from collected PET bottles	Nishinihon PET-Bottle Recycle Co., Ltd. (Note 2)
	Rental business	FP Trading Co., Ltd. (Note 1, 3)

(Notes)
1. Multitasking companies are listed as major company under both “Business related to trading” and “Other business.”
2. Nishinihon PET-Bottle Recycle Co., Ltd. became a subsidiary through a share transfer on June 2, 2014.
3. Cook Labo Co., Ltd. was excluded from the scope of consolidation as a result of completion of liquidation on September 12, 2014.
4. FPCO Miyakohimo Co., Ltd. became a subsidiary through a share transfer on October 1, 2014.
5. FPCO Modern Pack Co., Ltd. was merged with FP Trading Co., Ltd. on November 1, 2014.

An organization chart of the Group's business is as follows.



3. Management Policy

(1) Management's Basic Principle

Based on the management philosophy of "Customer First," FP Corporation consistently focuses on the environment, safety, security and health. We operate our businesses to provide products, services and proposals that respond to a broad array of customer and expectations.

We have established an environmental management system to meet our obligations to the community and our responsibility to make a social contribution. We have also been promoting the FP Corporation recycling method (Tray-to-Tray) to contribute to the establishment of a recycling-oriented society.

The Group has been involved in employment support for disabled persons, and has been striving to conduct its business to maximize corporate value in cooperation with all stakeholders, including clients, customers, shareholders, employees and local communities.

(2) Targeted Management Indicators

In the pursuit of shareholder-oriented management, we will increase corporate value by soundly executing Group management policies, aiming at earnings per share of 225 yen.

(3) Medium- to Long-Term Management Strategy

The Group's medium-to-long-term management strategy is to maximize corporate value and it will invest aggressively and strategically to achieve this. Accordingly, the Group adopts ordinary income before amortization and depreciation as a key management indicator, and its goal is to maximize this. With the aim of becoming "a corporate group that creates comfortable dietary lives for customers through food containers" by making such strategic investments, the Group will pursue the following three basic objectives as a manufacturer: "reliably delivering as needed" "the highest quality products" "at the most competitive price."

To fulfill its responsibilities as a company playing a role in the dietary environment, we aim to build a solid management base by bolstering our capability to develop materials and products, as well as to sell and distribute the finished goods, improving quality, productivity and services, and reducing the total cost. We will actively expand the market through consolidation and acquisition, leveraging the foundations we have been building to date.

(i) Technological innovation and development of new products

We will accelerate the development of products that meet the needs of customers by introducing state-of-the-art production facilities and replacing equipment, and by promoting comprehensive technological innovation by making products lighter and developing new functions and materials to provide customers with high quality and value added products, as well as low-priced products that offer quality and functionality.

(ii) Aiming at becoming a proposal-based (problem solving type) company

Anticipating changes in the dietary environment, such as greater demand for quality, function and utility in the market and growing demand for eating at home or alone, we will provide customers with products that meet their needs and containers that help to provide their venues with a competitive edge.

With respect to customer efforts to protect the environment and reduce distribution costs, we will propose comprehensive solutions to the problems of retailers, utilizing the FP Corporation recycling method and FPCO distribution networks.

(iii) Enhancement of supply system

We will seek to further strengthen supply chain management (SCM), developing systems for procurement, manufacture and distribution with optimal efficiency and reducing total cost.

Taking advantage of the Group's nationwide distribution networks, we will strive to provide a distribution service that is rationalized at a higher dimension with a clean environment and to ensure zero customer claims related to delivery errors.

(iv) Environmentally friendly operation

We will execute a new Medium-Term Environmental Management Plan, FP Corporation Eco Action 50, as a more advanced plan of the Five-Year Environmental Management Plan.

Additionally, the Company, as the leading company in the industry, aims at a sustainable world by
achieving a recycling-oriented society through our business activities centering on FP Corporation recycling method such as "Tray to Tray" and "Bottle to Tray," and contributes to carbon dioxide emissions reduction by promoting our recycled products (Eco Tray, Eco APET). Furthermore, we are examining the development of industry's leading environmentally-friendly containers with environment-conscious design, and will implement various measures such as reducing and recycling waste from our business activities.

(v) Activities emphasizing social responsibility

We will continue with our positive involvement in employment support for disabled persons, and activities to win the trust of local communities.

We will facilitate communications with consumers through such opportunities as inviting them for tours through recycling plants and collection and sorting centers as well as various fairs. Based on our commitment to safety and security, we will also strive to pay attention to safety and hygiene and quality management through enhanced traceability.

(vi) Enhancement of intellectual property rights

To ensure the uniqueness of the Group and its differentiation advantage in the market, we will apply for patent, utility model right and design registration, to enhance corporate value through the acquisition of intellectual property rights.

(vii) Preparation for market expansion

By combining organization-wide resources and infrastructures that have been nurtured by FP Corporation over the years, including capabilities for development, manufacturing and recycling, resourcefulness and networks for distribution and information, we will get prepared for rapid expansion of the market.

(4) Issues Facing the Company

Despite a deteriorating management environment, as seen in price competition in general-purpose products and rising prices of raw materials and electricity charges, the Group will soundly follow through the Medium- to Long-Term Management Strategy and strive to build a firm corporate structure that is cost competitive and that ensures consistent earnings by resting on the management foundations the Group has developed and strengthened in the past.

4. Basic Approach to Selection of Accounting Standards

The Group has decided to adopt Japanese Accounting Standards for the time being. However, we plan to conform to IFRS (International Financial Reporting Standards) as appropriate upon consideration of domestic developments and the situation in other countries.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	16,153	13,710
Notes and accounts receivable - trade	30,598	32,876
Merchandise and finished goods	17,810	17,804
Work in process	78	94
Raw materials and supplies	2,957	3,770
Deferred tax assets	1,272	1,340
Accounts receivable - other	2,634	4,102
Other	527	450
Allowance for doubtful accounts	(31)	(30)
Total current assets	72,001	74,120
Non-current assets		
Property, plant and equipment		
Buildings and structures	83,589	97,595
Accumulated depreciation	(42,757)	(46,248)
Buildings and structures, net	40,831	51,347
Machinery, equipment and vehicles	29,963	35,963
Accumulated depreciation	(22,231)	(25,004)
Machinery, equipment and vehicles, net	7,731	10,959
Lands	31,945	33,256
Leased assets	23,952	25,608
Accumulated depreciation	(10,775)	(12,513)
Lease assets, net	13,177	13,095
Construction in progress	3,348	1,031
Other	19,021	19,109
Accumulated depreciation	(15,414)	(15,247)
Other, net	3,607	3,862
Total property, plant and equipment	100,641	113,551
Intangible assets		
Goodwill	730	1,605
Other	1,085	1,077
Total intangible assets	1,816	2,683
Investments and other assets		
Investment securities	3,304	4,085
Deferred tax assets	1,444	1,014
Other	1,335	1,225
Allowance for doubtful accounts	(66)	(50)
Total investments and other assets	6,017	6,274
Total non-current assets	108,475	122,509
Total assets	180,476	196,629

(Million yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Accounts payable - trade	19,231	21,163
Short-term borrowing payable	9,976	10,702
Commercial paper	15,000	15,000
Lease obligations	3,642	3,950
Accounts payable–other	5,533	6,370
Income taxes payable	1,556	1,686
Accrued consumption taxes	326	773
Provision for bonuses	1,475	1,565
Provision for directors’ bonuses	55	44
Other	2,677	2,958
Total current liabilities	59,476	64,214
Noncurrent liabilities		
Long-term borrowing payable	26,777	33,084
Lease obligations	10,359	10,059
Deferred tax liabilities	14	48
Provision for directors’ retirement benefits	1,207	1,206
Provision for executive officers’ retirement benefits	–	7
Net defined benefit liability	2,465	2,716
Other	114	159
Total non-current liabilities	40,938	47,282
Total liabilities	100,414	111,496
Net assets		
Shareholders’ equity		
Capital stock	13,150	13,150
Capital surplus	15,843	15,843
Retained earnings	55,529	59,600
Treasury shares	(4,939)	(4,941)
Total shareholders’ equity	79,583	83,653
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	553	1,288
Remeasurements of defined benefit plans	(97)	(204)
Total accumulated other comprehensive income	456	1,084
Minority interests	21	395
Total net assets	80,062	85,133
Total liabilities and net assets	180,476	196,629

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

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	161,121	164,918
Cost of sales	115,243	118,336
Gross profit	45,877	46,582
Selling, general and administrative expenses	36,117	37,393
Operating income	9,760	9,189
Non-operating income		
Interest income	6	5
Dividends income	94	74
Subsidy income	16	667
Rent income	89	90
Gain on sale of scraps	229	209
Other	364	317
Total non-operating income	800	1,365
Non-operating expenses		
Interest expenses	326	297
Other	180	151
Total non-operating expenses	507	448
Ordinary income	10,054	10,106
Extraordinary income		
Gain on sales of non-current assets	14	1
Insurance income	210	–
Gain on bargain purchase	–	39
Gain on step acquisitions	6	–
Total extraordinary income	231	40
Extraordinary losses		
Loss on sales and retirement of non-current assets	179	135
Loss on disaster	212	–
Loss on step acquisitions	–	80
Other	9	–
Total extraordinary losses	402	215
Income before income taxes and minority interests	9,883	9,931
Income taxes - current	4,210	3,526
Income taxes - deferred	(467)	64
Total income taxes	3,742	3,591
Income before minority interests	6,140	6,340
Minority interests in income	3	11
Net income	6,137	6,329
Net sales	161,121	164,918

Consolidated Statement of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	6,140	6,340
Other comprehensive income		
Valuation difference on available-for-sale securities	7	734
Remeasurements of defined benefit plans, net of tax	–	(106)
Total other comprehensive income	7	627
Comprehensive income	6,148	6,967
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,145	6,956
Comprehensive income attributable to minority interests	3	11

(3) Consolidated Statement of Changes in Equity
Fiscal year ended March 31, 2014

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,843	52,062	(4,938)	76,117
Changes of items during period					
Dividends of surplus			(2,670)		(2,670)
Net income			6,137		6,137
Purchase of treasury share				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	3,467	(0)	3,466
Balance at end of current period	13,150	15,843	55,529	(4,939)	79,583

(Million yen)

	Accumulated other comprehensive income			Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	546	–	546	18	76,682
Changes of items during period					
Dividends of surplus					(2,670)
Net income					6,137
Purchase of treasury shares					(0)
Net changes of items other than shareholders' equity	7	(97)	(89)	3	(86)
Total changes of items during period	7	(97)	(89)	3	3,380
Balance at end of current period	553	(97)	456	21	80,062

Fiscal year ended March 31, 2015

(Million yen)

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

(Million yen)

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

(4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	9,883	9,931
Depreciation	9,703	11,135
Increase (decrease) in provision for bonuses	(73)	55
Increase (decrease) in provision for directors' bonuses	(37)	(11)
Increase (decrease) in allowance for doubtful accounts	0	(25)
Increase (decrease) in provision for directors’ retirement benefits	72	(39)
Increase (decrease) in provision for executive officers' retirement benefits	–	7
Increase (decrease) in net defined benefit liability	180	260
Loss (gain) on sales and retirement of non-current assets	165	133
Interest and dividends income	(101)	(79)
Interest expenses	326	297
Insurance income	(210)	–
Loss on disaster	212	–
Decrease (increase) in notes and accounts receivable - trade	5,771	(2,172)
Decrease (increase) in inventories	(1,318)	(590)
Decrease (increase) in accounts receivable - other	(179)	(1,356)
Increase (decrease) in notes and accounts payable - trade	(1,966)	1,420
Increase/decrease in other assets/liabilities	256	622
Increase (decrease) in accrued consumption taxes	74	219
Other, net	803	731
Subtotal	23,563	20,539
Interest and dividend income received	101	80
Interest expenses paid	(335)	(289)
Proceeds from insurance income	–	164
Payments for loss on disaster	(2)	(127)
Income taxes paid	(5,345)	(3,454)
Net cash provided by (used in) operating activities	17,981	16,912
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,568)	(18,203)
Purchase of intangible assets	(485)	(405)
Purchase of investment securities	(27)	(25)
Proceeds from sales of investment securities	203	175
Payments of long-term loans receivable	(25)	(39)
Collection of long-term loans receivable	28	25
Other, net	108	75
Net cash provided by (used in) investing activities	(11,766)	(18,397)

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,800)	(3,184)
Proceeds from long-term loans payable	15,000	17,500
Repayment of long-term loans payable	(9,241)	(8,778)
Purchase of treasury shares	(0)	(1)
Repayments of lease obligations	(3,408)	(4,153)
Cash dividends paid	(2,669)	(2,339)
Net cash provided by (used in) financing activities	(4,120)	(957)
Net increase (decrease) in cash and cash equivalents	2,093	(2,442)
Cash and cash equivalents at beginning of period	14,060	16,153
Cash and cash equivalents at end of period	16,153	13,710

(5) Notes to Consolidated Financial Statements

Note to Going Concern Assumption

Not applicable

Changes of Basic Important Matters for the Preparation of Consolidated Financial Statements

Scope of consolidation

Number of consolidated subsidiaries: 32

All subsidiaries are consolidated.

Names of principal consolidated subsidiaries

The names are omitted because they are listed in 2. Business Overview and Organization.

Nishinihon PET-Bottle Recycle Co., Ltd. and FPCO Miyakohimo Co., Ltd. have been included in the Company's consolidated subsidiaries in the consolidated fiscal year under review as a result of the acquisition of shares.

Cook Labo Co., Ltd. has been excluded from the Company's consolidated subsidiaries as a result of completion of liquidation.

FPCO Modern Pack Co., Ltd. has been excluded from the Company's consolidated subsidiaries as a result of its merger with FP Trading Co., Ltd. on November 1, 2014.

Changes in Accounting Policies

(Application of the Accounting Standard for Retirement Benefits)

Starting the fiscal year under review, the Company is applying the provisions of the body text of Article 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan Statement No. 26; May 17, 2012) and the body text of Article 67 of the Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25; March 26, 2015; hereinafter the "Implementation Guidance for Retirement Benefits") and has reviewed the method for calculating retirement benefit obligations and service costs. The method of allocating expected retirement benefits to periods has been changed from a fixed-amount method to a projected benefit method. The period that is the basis for the discount rate has been changed from a number of years close to the employees' average remaining years of service to a period reflecting the estimated timing of benefit payments.

The application of the Accounting Standard for Retirement Benefits and the Implementation Guidance for Retirement Benefits is in accordance with transitional accounting stipulated in Article 37 of the Accounting Standard for Retirement Benefits, and at the beginning of the fiscal year under review, the Company made an adjustment for the amount affected by the change in the method for calculating retirement benefit obligations and service costs to retained earnings.

As a result, at the beginning of the fiscal year under review, the net defined benefit liability fell 124 million yen, and retained earnings rose 80 million yen. The effect of the change in accounting policy on earnings in the fiscal year under review is minor.

The effect of the change in accounting policy on net assets per share and net income per share in the fiscal year under review is minor

Consolidated Balance Sheet

Overdraft agreements and agreements for loan commitments

The Company has concluded overdraft agreements and agreements for loan commitments for the effective procurement of operating funds. The unexercised outstanding of loans as of the end of March 31, 2014 and 2015 under these agreements is as follows:

(Million yen)

	As of March 31, 2014	As of March 31, 2015
Total of overdraft limit and loan commitments	43,600	45,600
Exercised outstanding	3,000	1,200
Difference	40,600	44,400

Consolidated Statement of Income

1. Of selling, general and administrative expenses, the major expense items and their amounts are as follows:

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Promotion expenses	3,336	3,197
Warehousing and carrying charges	13,467	13,458
Remuneration for officers	450	496
Salaries for employees	6,056	6,249
Provision for reserve for bonuses to officers	55	36
Provision for reserve for bonuses	652	710
Retirement benefit expenses	258	258
Provision for reserve for officer's retirement	83	57
Provision for reserve for executive officer's retirement	–	7
Depreciation and amortization	2,221	2,732
Provision for allowance for doubtful accounts	17	(14)

2. Total research and development costs included in selling, general and administrative expenses as well as manufacturing costs

(Million yen)

Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
1,148	1,105

3. Insurance income is the amount of insurance payments received for damage to non-current assets and inventory assets caused by heavy snowfalls in the Kanto-Koshin region.

4. A loss on disaster is posted because of heavy snowfalls in the Kanto-Koshin region. Details are as follows:

(Million yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Restoration cost for non-current assets damaged by disaster	153	–
Loss on valuation of inventories	18	–
Other	41	–
Total	212	–

Segment information

a. Segment information

Fiscal year ended March 31, 2014 and fiscal year ended March 31, 2015

As the Group has a single segment of the simplified food container business, the description is omitted.

Per Share Information

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net assets per share	1,933.55	2,047.04
Net income per share	148.27	152.89

(Notes)

1. On April 1, 2014, the Company conducted a 2-for-1 share split of its common shares. Figures for net assets per share and net income per share have been calculated as though this share split was conducted on April 1, 2013.
2. Diluted net income per share was not presented because there was no dilution for the fiscal year.
3. The basis for estimating net income per share is as follows:

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net income (million yen)	6,137	6,329
Amount not attributable to common shareholders (million yen)	–	–
Total net income attributable to common shares (million yen)	6,137	6,329
Average number of shares outstanding during the year (thousands of shares)	41,395	41,395

Important Subsequent Events

Not applicable

Omission of Notes

As the necessity of disclosing other notes to consolidated financial statements in these consolidated financial results is considered insignificant, the disclosure is omitted.