

FPCO REPORT 2024

FP Corporation
Report



FPCO Group's mascot
Pico-saurus

At FP Corporation, we are striving to create comfortable dietary lives for people through our business of manufacturing and selling food trays and containers. We will continue adhering to the hands-on approach and customer-first concept, which we have consistently observed since our founding, and reliably deliver the most environmentally friendly products of the highest quality, at the most competitive prices, whenever they are needed.

MOTTO

- Motto
- 1. Responsibility
 - 2. Confidence
 - 3. Harmony
 - 4. Patience
 - 5. Health

MISSION

Mission

In accordance with the hands-on approach and customer-first concept, we will reliably deliver the most environmentally friendly products of the highest quality, at the most competitive prices, whenever they are needed.

VISION

- Vision
- As a manufacturer of food trays and containers
 - Building sustainable society
 - Creating safe, secure, rich dietary lives
 - Establishing the infrastructure to reliably deliver products when needed
 - As a member of society
 - Strengthen the management base
 - Coexistence with local communities

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Introduction

Value chain of FPCO

Materiality

Corporate Profile

FP Corporation Report 2024 Published: June 2024

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 group.
The Environmental Report Guidelines from the Ministry of the Environment (FY2018 edition),the International Integrated Reporting Framework (IIRC Framework), and the Guidance for Collaborative Value Creation 2.0 were used as references in preparing this report. / Time period covered: April 1, 2023 – March 31, 2024 / Range of coverage: FP Corporation and the FP Corporation Group

Top Message



Morimasa Sato

Chairman, Representative Director
and Group Representative

We will support **safe and secure** dietary lives by fulfilling our responsibility to ensure **stable supply** at any time.

Stable supply enhanced by the establishment of Kansai Plant and Kansai Hub Center

We wish to offer our heartfelt condolences to the families and loved ones of those who lost their lives in the 2024 Noto Peninsula Earthquake that struck on January 1, 2024. We express our sincerest sympathy to all victims.

Ensuring a stable supply is one of the most important missions of manufacturers in recent years, with major natural disasters such as earthquakes occurring frequently. At FP Corporation, we have set a mission of reliably delivering the

most environmentally friendly products of the highest quality, at the most competitive prices, whenever they are needed. We have continued to pursue this mission at all times.

Kansai Plant and Kansai Hub Center, our new large-scale facilities in the Kansai area, were completed in 2023 in Ono City, Hyogo. With a site area of 48,000 m², they constitute a complex with two functions -- that is, one of a production plant and one of a logistics center. With the establishment of these facilities, we have completed a logistic network covering around 85% of Japan's total population within a 100 km radius of each of our distribution centers across the country. Eighteen months after they began operating, Kansai Plant and Kansai Hub Center are maintaining steady manufacturing and logistics operations. Previously, products and goods for Wakayama, Nara, and Osaka were delivered from Fukuyama. We have shifted entirely to a structure under which those products and goods are shipped locally from within the Kansai area. This has also contributed to addressing the 2024 problems* in logistics.

We will continue to support safe, secure dietary lives with the stable supply of food trays and containers.

* Various problems that are occurring from January 2024, when overtime for truck drivers will be limited to 960 hours a year



Kansai Plant and Kansai Hub Center



Solar power generation equipment of our facilities in Kansai



Store-to-Store recycling (FPCO Fair 2024)

Environmental initiatives including recycling and solar power generation

In parallel with stable supply, we are pursuing a reduction of CO₂ emissions from our business activities. At FP Corporation, in 1990 we started the FPCO Method Recycling, in which we recycle used food trays in cooperation with consumers, users, and packaging wholesalers. The number of collection points has increased to around 10,680 at present, and we are driving Tray-to-Tray and Bottle-to-Transparent Container™ closed loop recycling.

Among them, we are working with supermarkets on Store-to-Store recycling. In this initiative, food trays and PET bottles used and sold at a store are collected by the store as resources, recycled into food trays and transparent containers, and used again at the store whenever possible. The store serves as the leader of eco-friendly activities in the community, thus encouraging consumers to participate in the closed loop recycling, resulting in the collection of more used food containers and PET bottles and progress in reducing CO₂ emissions, our ultimate objective.

We launched joint activities to reduce CO₂ emissions through recycling with Chugoku CGC Co., Ltd. , Kyusyu CGC Co., Ltd. and Tohoku CGC Co., Ltd. during November 2022

to March 2024 and with Every Co., Ltd. in October 2023.

In addition, we are also working on researching new recycling technologies on an ongoing basis. At present, we recycle only white trays into Eco Trays. Colored and patterned trays are recycled into materials for other plastic products. We are therefore studying a technology for recycling colored and patterned trays back into food trays, jointly with DIC Corporation. Product supply based on dissolution and separation recycling of polystyrene, which uses DIC Corporation's deinking technology, is expected to be realized by 2025. We are also studying a chemical recycling technology for recycling polystyrene back to styrene monomer. With these new technologies, we will increase the amount of recycled materials and expand our eco-friendly products.

Moreover, in March 2024, we began operating solar power generation facilities at Kansai Plant and Kansai Hub Center. As a result, three recycling plants across Japan are powered by electricity from solar energy. This will increase the CO₂ emissions reduction effect of Eco Trays compared to trays made from crude oil, from the present 30% to 37%, starting from products to be shipped on July 1, 2024.

Initiatives to enhance product value in response to customer needs

The FPCO Group is developing products that help customers find solutions to their issues, based on information and experience gained on food sales floors. The core facility for our product development is the FPCO Comprehensive Research Institute, which marked its 10th anniversary this year. Areas of focus for development include reducing the use of plastics as an environmental measure, addressing labor shortages, and responding to the growing frozen food market.

Demand for lightweight plastic containers has been growing, especially among supermarkets and convenience stores in response to the Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging. FP Corporation has responded to this demand by expanding its lineup of products with new technologies for molding low-foamed PS. Previously, it was deemed impossible



to manufacture with foamed PS sheets large containers with lids that need to be locked firmly, such as sushi containers, and containers that need to have a sharp shape. However, we have developed an innovative new technology (patent pending), which has made it possible to reduce the weight of containers by 50-60% while maintaining the same strength and sharp shape as non-foamed containers. We achieved this by combining the foaming technologies of Sekisui Kasei Co., Ltd. with FP Corporation's proprietary double-sided vacuum molding technology. We will use this technology to significantly expand the lineup of new low-foamed PS containers.

In recent years, supermarkets as well have faced an urgent task addressing labor shortages, which have become a serious problem throughout Japanese society. They are introducing machines for automating tasks that were done by humans, such as packing food, labeling, and closing lids of containers, or shifting to a system under which the tasks themselves are consolidated in a process center (PC) or central kitchen (CK). In response to this trend, at FP Corporation we have developed products whose sizes fit the size of the plastic crate and those with features that are appropriate for transportation, which are designed to prevent leaks and remain stacked while being transported, in consideration of transportation from PC or CK. We have also developed products that are strong enough to withstand lid closing by a machine.

We have also been proactive in developing materials in response to the recent expansion of the frozen food market. At FP Corporation, we offer a lineup of three types of containers and trays for frozen food. They are Multi FP, foamed polystyrene products with heat resistance and cold resistance, containers made from bi-axially oriented PET (OPET), and products made using cold-resistant PPIp-Talc material. Cold-resistant PPIp-talc features a reduction in the use of plastics of more than 25% compared to conventional cold-resistant PP products, while maintaining the same level of strength and shock resistance.

We will continue to develop environmentally friendly, high value-added products in response to customer needs by taking advantage of our proprietary technologies at FP Corporation and deliver them to customers.



RD Check System



Headquarters of APEX Corporation
(Chuo-ku, Fukuoka-shi)

Response to the 2024 problem

Addressing the so-called 2024 problems in logistics -- that is, shortage of drivers and the upper limit on their overtime work -- is an urgent task. At FP Corporation, however, a combination of initiatives has enabled us to address these problems smoothly.

One of these initiatives is the commencement of operation of Kansai Plant and Kansai Hub Center. New products that were delivered from Fukuyama City, Hiroshima to Kansai area are now shipped from One City, Hyogo. This has significantly reduced travel distance, and travel time, and hours spent at work by drivers.

The other point is that various streamlining measures, which we have been taking at logistics facilities for many years, are proving effective. Among them, the Real-time Delivery (RD) Check System, which is used to check and streamline a driver's work in detail, from receipt of goods to completion of delivery, has proved highly useful for reducing hours spent at work by drivers.

Expanding the sales force in Kyushu

In September 2023, we acquired additional shares of APEX Corporation and made it a consolidated subsidiary. APEX has sales channels from food manufacturers throughout Kyushu to major mass retailers, supermarkets, and re-distributors, among others. The company has earned high trust as a dealer of food packaging materials, and ranks second in terms of market share for containers in the Kyushu district.

Having joined the FPCO Group, APEX will increase its competitiveness by using a range of infrastructure, including FPCO's mission-critical system for managing wholesalers and logistics system, PACK MARKET, an e-commerce site for food containers and packaging materials, and merchandising by FP Trading, aiming to enter the market of products for restaurants.

Advancing digitalization and the use of IT in overall operations

FP Corporation is proactive in adopting digital and information technologies to create added value. In March 2024, we introduced a new sorting system at Nishinomiya Sorting Plant. This system indicates the materials of collected used transparent containers using different colors: green for PET, yellow for bi-axially oriented polystyrene (OPS), and red for polypropylene (PP). It thus permits workers to sort out the containers easily at a glance. This has increased the amount of containers sorted by each worker by a factor of 1.5 time.

We have also developed a business system using generative AI. The developed system summarizes the daily reports on visits to sites, which are filed by sales staff. This has made it possible to efficiently pick out frequently used keywords that emerge in what the sales staff learn at sites and in their conversations with customers. We are using it as a new method for marketing.



Theme for 2024: Advancement

In 2023, under the theme of "establishment," we developed a range of initiatives, including the completion of large-scale facilities in Kansai area and investment in a container manufacturer in Malaysia, as part of our attempts to "establish" our expertise and achievements.

This year's theme of FP Corporation is "advancement." The situation has remained unstable in both the international community and the natural environment, and the outlook for the business environment also remains uncertain. However, we are certain that we can use this change as an opportunity to contribute to increasing customer profits and value and further accelerate the development of the FPCO Group toward the future. The word "advancement" reflects our determination to make 2024 a year when we will take our initiatives forward even further.

We seek to make advancements by listening to customers' voices and having employees voice opinions and take actions voluntarily to make FP Corporation a good company.



A system for sorting used containers that was introduced to Nishinomiya Sorting Plant



Value Creation

Engaged in manufacturing, sales, and recycling of food trays and containers, the FPCO Group continues to make various value creation efforts through the value chain to which the series of its businesses are connected.

We work to ensure that our initiatives evolve, with the goal of playing a prominent role in the creation of a sustainable society and a rich food culture.

As a manufacturer of food trays and containers



Building sustainable society
Creating safe, secure, rich dietary lives
Establishing the infrastructure to reliably deliver products when needed

As a member of society



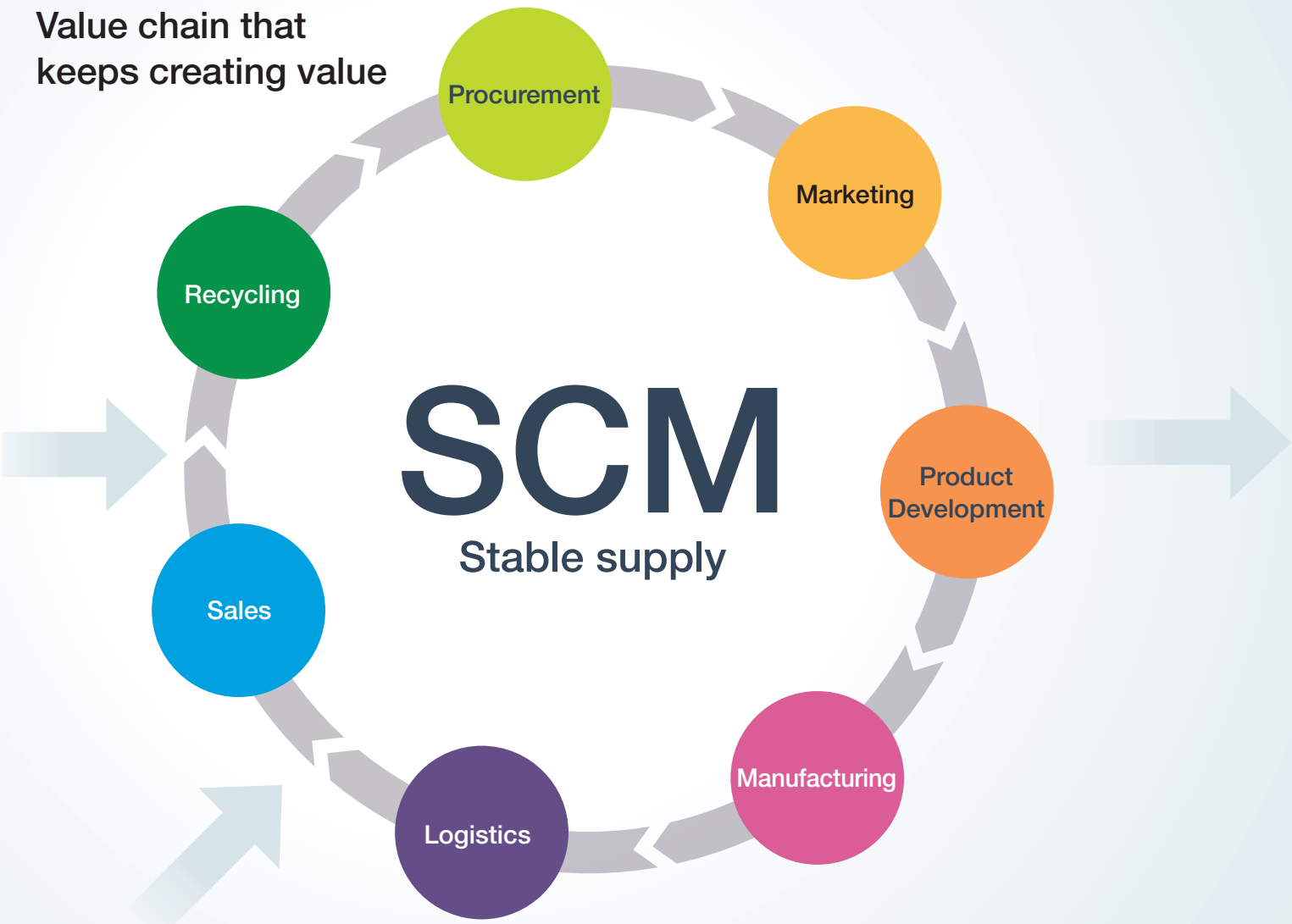
Strengthen the management base
Coexistence with local communities

Management capital

(Fiscal year ended March 31, 2024)

Financial capital		Stable financial foundation
Total assets	Equity ratio	
298.6 billion yen	48.6%	
Manufacturing capital		Nationwide production, logistics, and recycling network
Amount of capital expenditure	Production plants	
9.59 billion yen	21 plants	
Intellectual capital		A comprehensive research institute featuring state-of-the-art research equipment
Research and development expenses	Number of patents	
1.48 billion yen	124	
Human capital		Diverse human resources who play active roles in the right places
Number of employees (Consolidated)	Disability employment rate	
5,104	12.6%	
Social capital		Expansion of the FPCO Method Recycling based on collaboration between four parties
Number of used container collection points	Volume of collected plastic resources	
10,680	10,500 tons	
Natural capital		Measures to reduce the environmental impact, including the introduction of solar power generation
CO ₂ emissions	Reduction of CO ₂ emissions achieved through the sale of eco products	
Approx. 187,000 tons	Approx. 202,000 tons	

Value chain that keeps creating value



Business operations in accordance with philosophy and vision
Motto Mission Vision

Value created by the FPCO Group

Economic value

	FY ended March 2024	Targets
◎ Net sales	222.1 billion yen	→ 300.0 billion yen
◎ Ordinary profit	16.7 billion yen	→ 30.0 billion yen

Business expansion

- ◎ Products which provide added value P.12, 13, 45
- ◎ Exploration of new markets P.21
- ◎ Building a production and logistics network P.46

Environmental and social value

- ◎ Recycling of the Earth's resources P.31, 41
- ◎ Reduction of CO₂ emissions achieved through the sale of eco products P.40
- ◎ Initiatives taken through the FP Corporation Environment Fund P.43
- ◎ Active participation of human resources with disabilities P.49

Materiality initiatives P. 37, 38

Business / Main Products Manufactured and Sold

At the FPCO Group, we have built a system under which we manufacture and sell food trays and containers and deliver them reliably nationwide using our own logistics network. We are also promoting the recycling of food trays and containers.



General Purpose: Available in different sizes, colors and patterns for various applications



Sushi: Delivering deliciousness to consumers without losing freshness



Meat: Hygienic and emphasizing the taste and color of meat



Transparent Containers: Freshness and deliciousness is visible through transparent containers



Hinged lid containers: With additional functions for improving hygiene and convenience



Frozen Food: Containers and three-side sealed bags that can be used for diverse types of frozen food



Fresh Fish: Boosting the attractive qualities of fresh seafood



Bento Box: Available in different sizes, colors and patterns for various applications



Deli: User-friendly with microwavable and other features



Events: Ideal for joyful events where people gather



Delivery: Containers that are appropriate for the delivery of diverse types of food



Others: Paper containers, egg cartons, film products and more

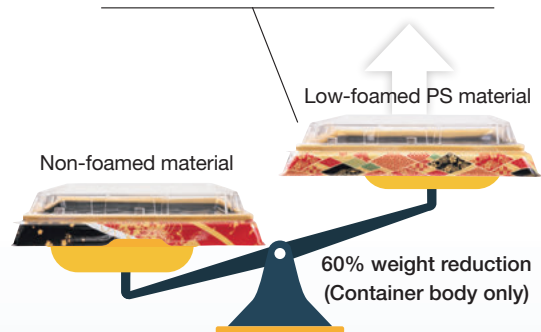


Major Features of Products

At FP Corporation, we develop and manufacture original products with high functionality and design quality and quickly deliver high-quality, high value-added products that cater to customer needs.

Low-foamed PS featuring a 60% reduction in weight

We have developed Japan's first technology for molding low-foamed PS jointly with Sekisui Kasei Co., Ltd. This has enabled a sharp shape that was impossible with conventional foamed PS sheets and achieved a 60% reduction in weight.



Cold-resistant PPiP-talc, which features plastic usage reduced by more than 25%

We have newly developed cold-resistant PPiP-talc, which features the use of 25% less plastic compared to conventional cold-resistant PP products while maintaining the same level of strength and resistance to impact as conventional products. It is used in response to the expansion of the frozen food market.



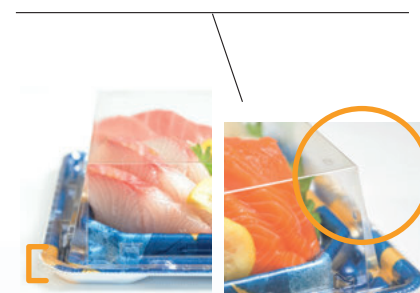
MFP, a product that does not get hot even after it is heated in a microwave

With heat resistance to temperatures up to 110 °C, Multi FP (MFP) features both heat insulation and retention. The container does not get hot even after it is heated in a microwave. Because it is a foamed material, it also features reduced plastic usage.



Molding technology that enables both a good appearance and functionality

The container is designed to be raised to emphasize the volume of the food. In addition, the angle of the lid's lateral side is made upright to the greatest extent possible, which makes the content easily viewable and enhances its presence.



Fitting technology of the lids that improves the efficiency of packing work.

Our technology ensures that the lid is firmly fixed to the container. It works, for example, even where the container has a lid snapped inside, which is likely to make the food stuck between the lid and the container, because we have improved this point by devising a creative measure for the shape of the container. This has enhanced the efficiency of packing tasks.



The food is unlikely to be stuck and packing is easy even where the lid is snapped inside.

Compatibility with machines that helps eliminate labor shortage at work sites

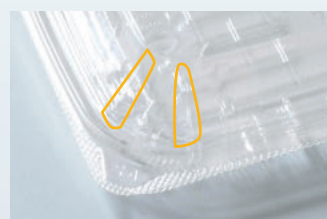
While use of machines for packing food has become common at process centers and central kitchens, our food trays and containers are also compatible with machines. The same container can either be sealed on top or use a lid.



The container can either be sealed on top or use a lid.

Material

We develop products by leveraging our original materials with features including cold and heat resistance and transparency.



A reduction in thickness achieved while maintaining strength



CO₂ emissions: -30%



MSD, which adds color to the dining table with a sharp shape

Featuring excellent glossiness and formability, MSD adds color to both the sales floor and the dining table with its massive presence, sharp shape, and shiny appearance. Featuring low stack heights, the containers do not take up a lot of space behind selling spaces.

Eco APET, an eco-friendly product with reduced weight

We also attempt to reduce the weight of eco-friendly products, which are made from recycled materials. We succeeded in reducing its weight by approximately 17% by making the container thinner than conventional products. We have also devised a creative measure for the ribs (dents) on the lid so that the container will not deform, even though it is thin.

Eco OPET, a transparent material featuring high oil resistance and cold resistance

Eco OPET is an eco-friendly product featuring high oil resistance and cold resistance. Also used for the lids of packed lunches, it makes the formation of holes unlikely even when it is microwaved. Containers made from this material are break-proof and can withstand the impact of being dropped even in a frozen state. The material is therefore used for containers for frozen food vending machines.

Technology

We continue to develop functional products that solve customer issues and cater to consumer needs.



Brightness was improved by 10% with the improvement of the ink.

A color, pattern, and design that make the food stand out

We have improved the ink for gravure printing on food trays and containers and developed a new gold color. The new color features high brightness, which improves the appearance and makes food look even more vivid.



Improving the efficiency of loading in the plastic crate compatibility with transportation

Transportation costs have been rising with the spread of process centers. In response, we are developing containers that are compatible with transportation, such as by changing the container size and by developing low lids, so as to improve the efficiency of loading in the plastic crate.



A tab shape designed to make it easier to open the lid

The shape of the lid tab designed to make it easier to open the lid

Have you ever felt that a container lid is hard to open at the table or in the kitchen? We have developed a container whose lid has a triangle tab at its corner, which is easy to pinch and makes the lid easy to open.

Top Message



Achieving further development with “human resource development” and “manufacturing” as an integral pair of initiatives working together

Kazuyuki Yasuda

President, Representative Director

In the value chain of FP Corporation, which stably supplies products with high added value, all of the processes are supervised under the supply chain management (SCM) system.

Achieving the mission by streamlining manufacturing

It was in 2003 that FP Corporation began preparing for the launch of the SCM system, which draws up the most efficient production and logistics plans and gives each department instructions for implementing the plan. Since then, I have been responsible for the SCM Division, which plays the central role in manufacturing at FP Corporation.

Recently, we have been focusing our efforts on addressing the 2024 logistics problem with our SCM system. We have used the tackling of these problems as an opportunity to rebuild the mechanism of, and our policy on, the SCM system, which we have operated for 20 years. We continue to take initiatives to make further improvements in efficiency.

In 2023, Kansai Plant and Kansai Hub Center began operating. This has reduced the travel distances and travel time of vehicles for delivery to the Kansai area to less than half and also reduced hours spent at work by drivers. In addition, we have divided three divisions -- the production, logistics, and sales divisions -- into two areas, namely the area to the east of central Japan and one to the west of

it. We will tackle the 2024 problems by reducing inventory transfer between Kanto and Fukuyama and minimizing long-distance transportation.

In addition, we are rebuilding artificial intelligence (AI) that we have introduced to improve the accuracy of our production and logistics plans. We will reduce the inventory level by improving the accuracy of AI forecasting of demand, weather, and other aspects, aiming to streamline production and logistics further.

With these initiatives, we will further streamline the value chain implemented under the SCM system, thus realizing stable supply and the customer-first concept as a part of our mission and providing new value to customers.

Supporting the value chain by developing human resources who understand others

Without question, it is people, the employees of FP Corporation, who operate this value chain. We therefore implement initiatives to encourage employees to communicate with and understand each other, as well as measures to ensure that they work energetically with good health.

At FP Corporation, we have been implementing human resource development programs, including the One-on-One Leader System, under which new employees pair with senior colleagues for coaching. We have also increased the number of annual holidays and taken other initiatives. In addition, we have launched new measures including the Waigaya Meeting, in which officers and employees talk with each other. We will use these sessions as opportunities to understand other people's standpoints and ideas and drive the creation of an atmosphere that permits us to talk frankly despite differences in seniority and generation.

We are also focusing our efforts on initiatives for health and productivity management. In FY2023, we held the walking rally, in which FPCO Group companies compete on distance walked. We also held many health seminars that were themed on healthy habits, stretching exercises, and the like. I also took part in the events, which served as good opportunities to interact with employees.

The role I have as the president is not only to effectively implement the value chain centered on the SCM system but also to talk with each employee to listen to opinions from the workplace. I will remain proactive in communicating through various initiatives in human resource development to contribute to the continued development of FP Corporation.

Value chain of FPCO

Value Chain

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- Recycling P31
- Special Feature P33



SCM Division



Pellets manufactured through recycling



Collection boxes for used products and PET bottles, which are essential for recycling operations



An automated manufacturing process ends with a visual check by a human.

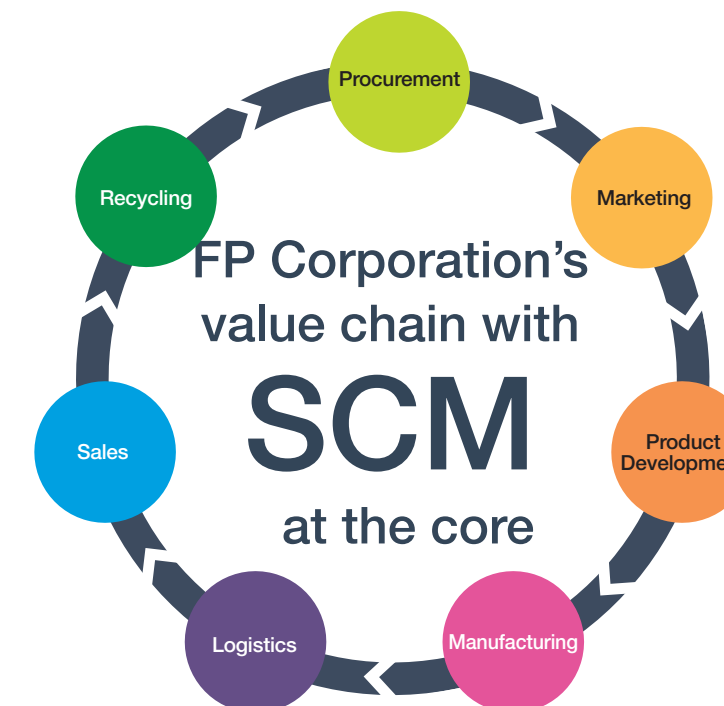


Ryokaku and Reikaku, which present food beautifully with expansive upper surfaces while using less plastics



PACK MARKET, operated by FP Trading Co., Ltd., a Group company

FPCO's Way



Value Creation

FP Corporation creates value with its value chain, which consists of seven divisions: procurement, marketing, product development, manufacturing, logistics, sales, and recycling. We ensure a stable supply of products by keeping our promise to customers to reliably deliver the most environmentally friendly products of the highest quality, at the most competitive prices, whenever they are needed.



FP Corporation's supply chain management system

Serving as the control tower for implementing this value chain more reliably and efficiently is the Supply Chain Management (SCM) system. The system draws up plans and issues instructions, including how many of which products to manufacture when and at which plant, and to which distribution center to transport them, based on sales plans and inventory quantity. It also examines and analyzes the results and plans to improve the accuracy of plans.

SCM & value chain

Procurement



SUMMARY

1/ CSR procurement

We procure **materials safely in socially conforming manners.**

2/ Environmentally friendly FP Corporation's value chain with SCM at the core

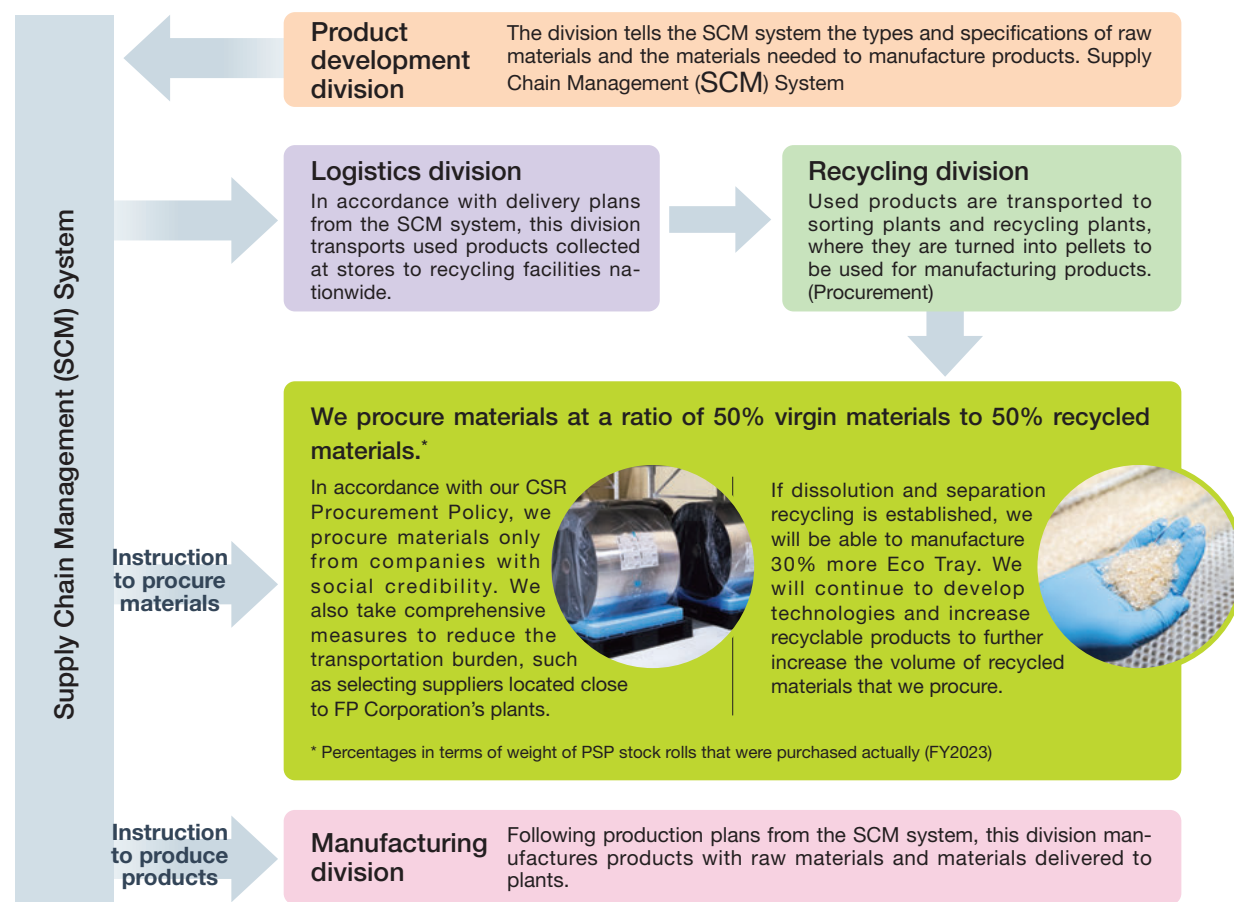
We are moving ahead with initiatives **to increase our use of recycled materials.**

3/ Stable supply

We take steps to secure raw materials and materials **consistently and reliably** for a stable product supply.

OVERVIEW

Role of the procurement process in the supply chain management (SCM) system



Managing approximately 300 suppliers under the CSR Procurement Policy

We achieve stable procurement of safe, reliable raw materials, so as to reliably deliver products needed by customers and to develop new products. We select suppliers in a fair manner in accordance with our CSR Procurement Policy and work with suppliers who comply with laws and regulations. We have built sustainable relationships with suppliers, under which we share information for addressing risks, such as the risks of natural disasters, and revise prices in a manner that is sound for both, while managing quality.

1. Quality First

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 FPCO Group's 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

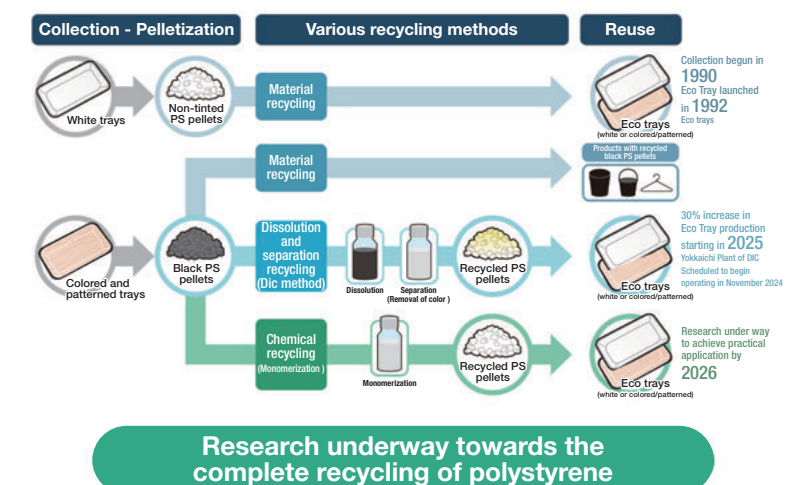
Based on the Group's Environmental Policy, we will promote initiatives to reduce our environmental impact, and endeavor to do business with and procure products and services from suppliers that contribute to controlling or alleviating environmental issues such as climate change and biodiversity.

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.

2/ Starting to procure new recycled materials in 2025

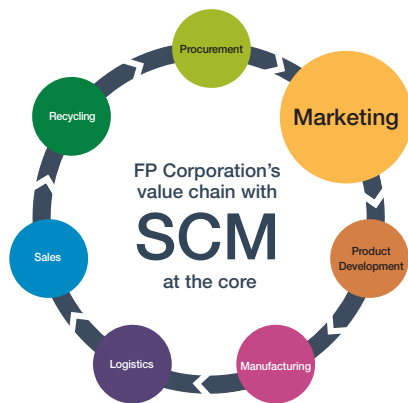
At FP Corporation, we collect used food trays, transparent containers, and PET bottles at approximately 10,000 supermarkets and other locations all over the country. Used food trays have been recycled into raw materials of Eco Tray and other plastic products through material recycling. Moreover, if dissolution and separation recycling and chemical recycling, two new technologies that we are studying at present, become established, it will also be possible to recycle colored trays into Eco Tray. We are continuing our research, aiming for the further expansion of eco-friendly products.



3/ A safety net for securing raw materials and materials, which is aimed at reliably delivering products whenever they are needed

The procurement division has a role of purchasing the necessary materials at appropriate prices to support stable supply by FP Corporation. Having signed contracts with approximately 300 companies, including suppliers of raw materials, sheets, and secondary materials, we have secured multiple procurement facilities in Japan and other countries. We check the conditions of suppliers' plants and proactively share product strategies and other information with them. In doing so, we have built a procurement network in which, whenever trouble occurs at one facility, another facility can be used in its place.

Marketing



SUMMARY

1/ Collection of a vast amount of information

We identify needs by collecting and analyzing information for reading global developments and market trends.

2/ Proposal-based programs

We plan, propose, and implement an array of communication strategies to provide a wide range of support for our sales staff.

3/ Creation of added value

We continue product development, in which we create new products and improve existing products based on the information we collect.

Value chain of FPCO
> Marketing



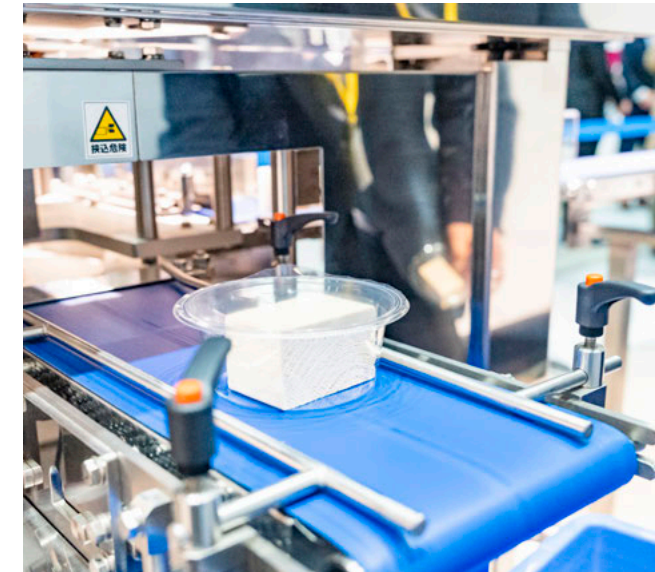
1/ Insight gained and needs discovered by sales staff on food sales floors are our sources of information.

Information collected by the sales staff of FP Corporation from food sales floors is submitted to the marketing division each day in the form of daily reports. In FY2023, we developed an in-house system that uses generative AI to summarize daily reports and pick out frequently used keywords. We use this system for marketing.



2/ Events including the FPCO Fair, which we hold each year, with a different theme every time

Once a year, we hold the FPCO Fair, in which we propose product development and the creation of sales floors with the use of FP Corporation's products and services, to people from the retail and sales industries. In FY2024, we held this event under the theme: The real labor shortage is yet to come; supporting changes in the workplace with food containers. We proposed the use of process centers and frozen food and creative measures devised for transportation, among other things.



A container compatible with the top sealer in the process center



An exhibition booth where a frozen food selling space was set up



Lineups of containers that fit the sizes of plastic crates were proposed. Ryokaku, which presents food beautifully with an expansive upper surface while using less plastic

3/ Embodying ideas that cater to needs

The marketing division and the Product Development Planning Department, which is in charge of proposing product designs, have worked together and built a system that immediately responds to global movements and trends in the development of new containers. Based on the issues faced by customers and their requests, we continue to develop new products and improve existing ones by leveraging the strengths of FP Corporation, including its wide variety of colors, patterns, designs, and lid-locking methods.



Akihiro Toma
Chief Manager
Development Section I,
Product Development
Planning Department

Recently, food prices have been soaring, and an increasing number of customers want to add value to their products. At the Product Development Planning Department, we play a role in solving such issues with design. It is because we can develop containers by working together with the marketing division that FP Corporation can respond speedily to changes in the market. We will continue to work together in our development initiatives.

Role of the marketing process in the supply chain management (SCM) system

① Collecting information:

Reviewing daily reports from all sales staff and reports on examples of ideas and measures useful for solving issues that were adopted on food sales floors

② Analysis:

Identifying on-site issues faced by customers, analyzing their causes, and making hypotheses

③ Visit to sales floor:

Visiting the sales floor with sales staff to talk with the customer in person, observe the sales floor, etc.

④ Proposals:

Providing the product development division with an idea on containers' functions or effects for solving the customer's issues

⑤ Planning:

Drawing up plans for assisting the sales of products, and thereby supporting the sales division

Providing ideas on product development

Product development division

To the manufacturing process

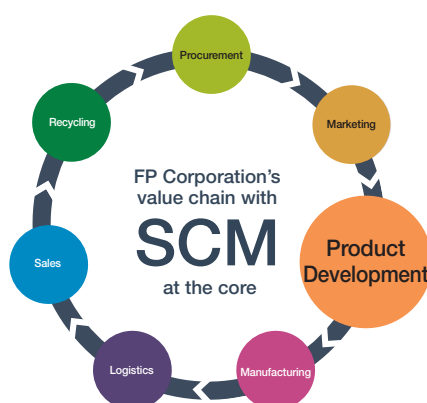
Supporting sales activities

Sales division

Supply Chain Management (SCM) System

SCM & value chain

Product Development



SUMMARY

1/ Creation of added value

We create products with various types of **added value** with **our product development capability that caters to customer needs.**

2/ Development of new materials

Original materials developed **with our unique technology seeds**



1/ Around 12,000 product items, with the development of about 1,500 new product items every year

At FP Corporation, we offer a lineup of around 12,000 product items and develop about 1,500 new product items every year. What makes this possible is our product development capability, which caters to customer needs. For example, while there is growing demand for reducing plastic usage, FP Corporation has developed products using a low-foamed PS material, which enables us to reduce weight by around 60%. This has enabled a sharp shape, something that was previously considered impossible. This is a result of our forming technology that we have cultivated to date. A reduction in thickness and retention of strength were enabled by devising creative measures for the shapes and positions of the ribs (dents) of containers.



2/ A new food container material that creates convenience and richness in dietary lives



At the Basic Technical Engineering Department of FP Corporation, 13 research workers are developing new materials. Among them, the cold-resistant PPiP-talc, a new material that we developed this fiscal year, features high cold resistance. It is highly valued by customers as a product that can cater to growing demand in the frozen food market. The world's first bi-axially oriented polypropylene sheet, which we announced in April 2024, was developed at the FPCO Comprehensive Research Institute. The watchword of the Basic Technical Engineering Department is: In front of technologies, we're all equal. In an environment where anyone in the department can exchange opinions without restrictions, irrespective of their age and experience, they are studying and developing original materials that only FP Corporation can create.

Roles of the product development process in the supply chain management (SCM) system



- 1 Turning a product image and idea into a more specific form, such as by making sketches and a 3D model
- 2 Creating an even more specific design based on rough sketches, 3D model, or similar → Review and adjustment work
- 3 Creating a design drawing and selecting materials
- 4 Creating an even more specific design based on rough sketches, 3D model, or similar → Adjustment work (if necessary)



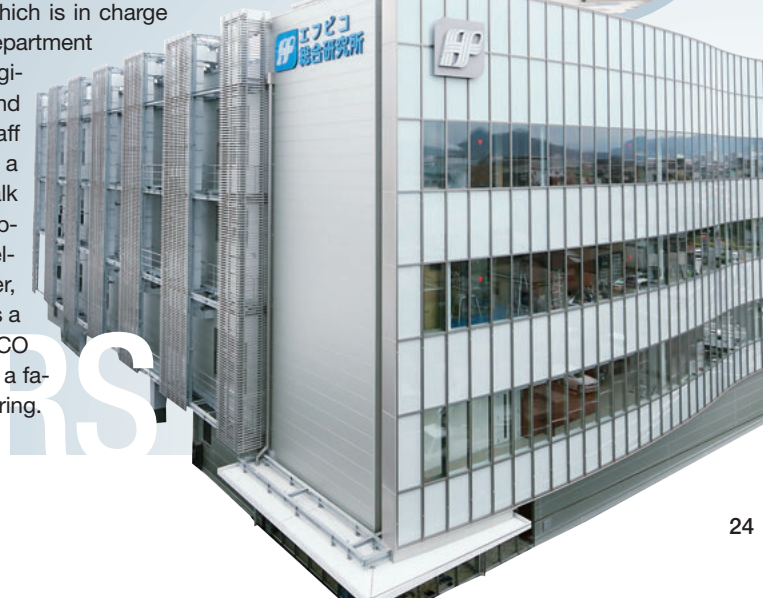
Communicating information about manufacturing of the product, including materials, manufacturing method, and metal mold

Supply Chain Management (SCM) System

10th anniversary of the FPCO Comprehensive Research Institute

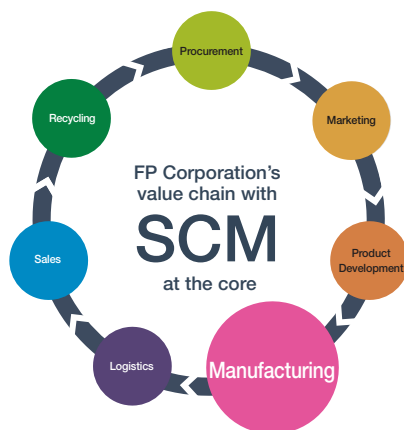
The FPCO Comprehensive Research Institute, which is located in front of the Fukuyama Headquarters, was established in December 2014 as a facility for the further development of container manufacturing and sales. This institute features divisions in charge of product development, which work together as one. They include the Product Development Department, which is in charge of designing molds, the Basic Technical Engineering Department that develops materials, as well as the Production Engineering Department, the Quality Control Department, and the Quality Assurance Department. At this institute, staff members cooperate closely in sharing information on a daily basis. For example, they are ready to gather and talk about even minor issues. This has increased the development speed, serving as the source of our ability to develop around 1,500 new product items every year. Further, the entire fourth floor of the institute's building is used as a facility for human resources development. Thus, the FPCO Comprehensive Research Institute also fulfills its role as a facility for developing the people who drive our manufacturing.

At the time of the establishment



SCM & value chain

Manufacturing



SUMMARY

1/ Stable supply

To steadily implement production plans from the SCM system, we have located **our production plants at 21 sites across the country in accordance with the size of trade area.**

2/ Measures addressing the labor shortage

We save labor at manufacturing sites with advanced automation using robots.

3/ Human resources development

We implement **human resource development programs**, which are aimed at reliably handling the automated production process.



1/ Servicing huge trade areas at four major facilities in Kanto, Chubu, Kansai, and Fukuyama

It is more than one year since the Kansai Plant was established as an addition to our existing major production facilities in Kanto, Chubu, and Fukuyama. The new plant has continued to operate steadily. With the establishment of this plant, we completed a nationwide network that enable us to respond speedily to demand in the enormous trade area in Kansai. A stable supply is still being ensured based on production plans from the SCM system.



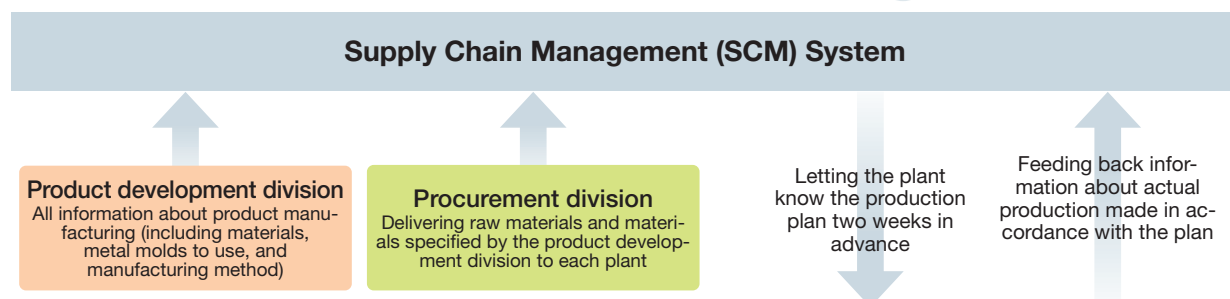
Production facility in Kanto

- Hokkaido Plant (Ishikari-shi, Hokkaido)
- Yamagata Plant (Sagae-shi, Yamagata)
- Kanto Yachiyo Plant (Yuki-gun, Ibaraki)
- Kanto Plant (Yuki-gun, Ibaraki)
- Kanto Eco PET Plant (Yuki-gun, Ibaraki)
- Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
- Chikusei Plant (Chikusei-shi, Ibaraki)
- Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki)
- FPCO Ducks Co. Chiba Plant (Narashino-shi, Chiba)
- Toyama Plant (Imizu-shi, Toyama)
- Chubu Plant (Anpachi-gun, Gifu)
- Chubu Eco PET Plant (Anpachi-gun, Gifu)
- Kinki Kameoka Plant (Kameoka-shi, Kyoto)
- Kansai Plant (Ono-shi, Hyogo)
- Kasaoka Plant (Kasaoka-shi, Okayama)
- Fukuyama Plant (Fukuyama-shi, Hiroshima)
- Kannabe Plant (Fukuyama-shi, Hiroshima)
- FPCO Ducks Co. Kochi Plant (Nangoku-shi, Kochi)
- Kyushu Plant (Kanzaki-gun, Saga)
- Nango Plant (Nichinan-shi, Miyazaki)
- Kagoshima Plant (Kagoshima-shi, Kagoshima)



OVERVIEW

Role of the manufacturing process in the supply chain management (SCM) system



1 Setting materials in the production line

2 Extrusion, molding, and cutting

3 Inspection

4 Bagging

5 Case packing and taping

6 Measurement

7 Warehousing

Most of the tasks in ① to ⑦ are automated with robots. In ② and ③, however, machines are adjusted by human workers manually to prevent manufacturing errors and to improve efficiency by having the machines operate more smoothly. This is an important task, for which we accumulate expertise and pass it down to the next generation.



Logistics division
Distribution center on the premises or in a different location

2/ Labor-saving with automation

At FP Corporation, we drive automation of our production plants. We use robots in most processes, including feeding of materials and case packing, which has enabled us to save labor in manufacturing lines.



- A An AGV is transporting molds to a specified location.
- B A stock roll is transported automatically by an AGV.
- C The roll of sheet material is advanced to the manufacturing line with two robot arms.
- D A robot is also used for bagging and case packing products following inspection.
- E Products are moved on an automated line to the area where they are loaded on pallets.

3/ Training programs including the One-on-One Leader System

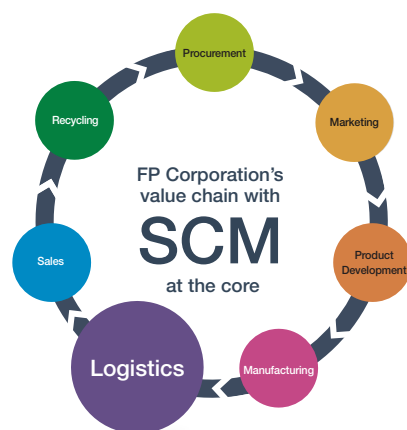
At FP Corporation production sites, the One-on-One Leader System, under which new employees pair with senior colleagues for coaching, has been adopted as it has been in offices. At each plant, we take steps for reliably handling the automated production process, including Judgment of Skills for measuring the maturity of skills and hands-on practice done through trial runs of idle machines.

The maturity of each worker's skills is indicated by the color of the band on their cap.





Logistics



SUMMARY

1/ In-house logistics

Accurate inventory control and reliable, prompt delivery enabled by the uncompromising pursuit of in-house operations

2/ Response to the 2024 problem

Instituting diverse measures for improving the working environment for drivers, with the aim of overcoming the 2024 problems in logistics

1/ In-house delivery and warehousing operations for providing customers with high-quality services



The picking center is located in the building on the left, and the distribution center is in the one on the right. A passage connects the two buildings.

FP Corporation has built its own dedicated logistics network for food packaging materials, to enable it to reliably deliver products to customers all over the country. Most of our production plants have distribution centers and picking centers on their premises, and products are moved by conveyors. Through the uncompromising pursuit of in-house operations, we accumulate expertise in delivery and warehousing operations internally. We also seek operational efficiency, thus improving productivity.

2/ Diverse measures to address the 2024 problems in logistics

We take various actions and creative measures, including the following major initiatives.

Reducing distance driven

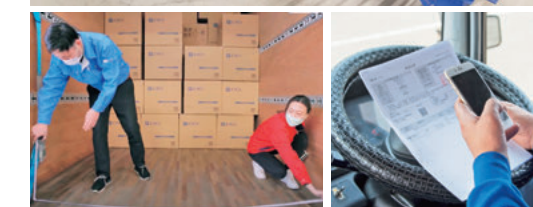
- We have built a logistics network covering 85% of the total population of Japan within a 100 km radius of each distribution center, thus avoiding long-distance transportation.
- We set the most efficient delivery route with the Route Planner, a delivery planning system.
- To transfer products between warehouses and transport molds between production plants, we have divided the area into east and west and develop plans for production and logistics that are completed within each area, with the leading role played by the SCM system.

Reduction in time spent working and driving

- We use pallet transportation, which enables us to efficiently load and unload large numbers of cases. We have also developed a dedicated pallet in a shape that prevents gaps between pallets inside a truck. This enables us to transport more cargo each time.

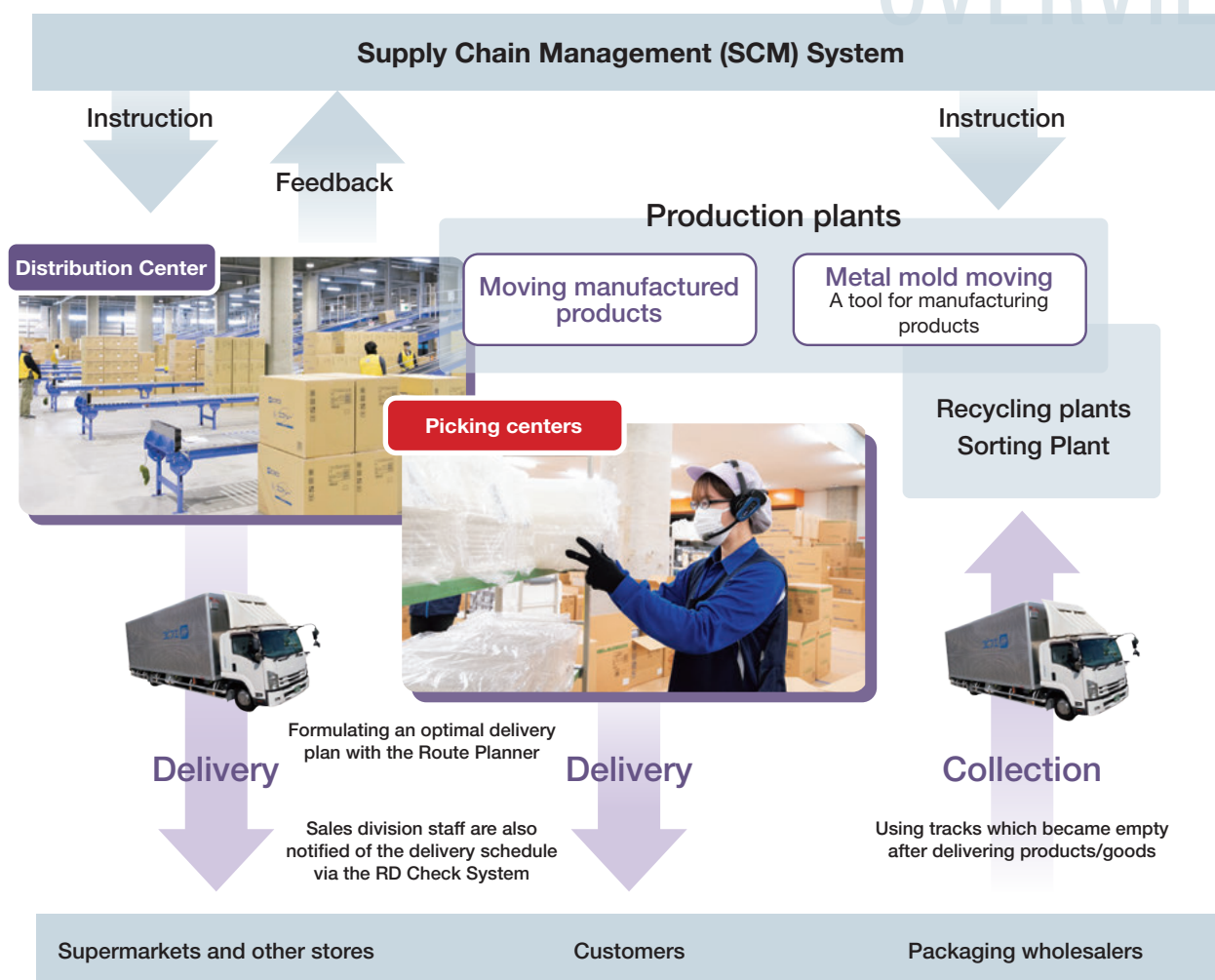
Reduction in driver waiting times

- The automatic Sorter System in the warehouse sorts and sends cases to the arrival berth in time for the driver's arrival.
- Delivery statuses are checked with the RD Check System using QR codes, improving work efficiency.



Role of the logistics process in the supply chain management (SCM) system

OVERVIEW



FP Corporation's logistics network maintains a stable supply and protects people's dietary lives



At FP Corporation, we have established distribution centers mainly in areas with large populations. We have thus built a logistics network covering 85% of the total population of Japan within a 100 km radius of each distribution center. We have been supporting the dietary lives of the Japanese people with a system that is not susceptible to disasters, under which products continue to be supplied to affected areas from alternative distribution centers in the event of a disaster. We are also tackling the 2024 problems in logistics by exploring a number of initiatives to protect drivers' working environments, and we are pursuing numerous measures. These measures have begun to produce results. We will continue to refine the logistics system as a strength of FP Corporation, through unceasing improvement activities.

SCM & value chain

Sales



SUMMARY

1/ Understand the needs

In accordance with **the hands-on approach**, we observe sales floors repeatedly **to discover customer needs**.

2/ A variety of proposal methods

We carry out diverse **proposal-based sales activities**, including the FPCO Fair, a major private trade show.

3/ Environmental action

We aim **to expand sales of our recycled (eco-friendly) products** with Store-to-Store recycling (which starts and ends at each store).

Value chain of FPCO
> Sales



1/ The hands-on approach, with which each member of the sales staff has business talks and exchanges information with 100 people every month

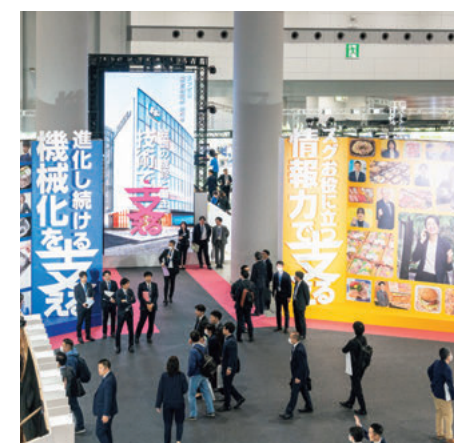
At FP Corporation, we have set a mission based on a hands-on approach and customer-first concept, with which we hold business talks and exchange information with 100 people each month. Our staff from the sales division find customer needs and propose new products in business talks with them. They also observe food sales floors several times a day to collect information. The information obtained there is consolidated in the marketing division via daily reports, which are written by sales staff across Japan. Information about the analyzed needs is fed back to the sales division. This is reflected in proposals related to products, the methods of displaying them, and sales methods that meet customer demand. This is the cycle that we implement.



2/ Aiming to become the company that customers call first by hosting the FPCO Fair, where supermarket sales floors are reproduced in a large exhibition venue, and by holding mini trade fairs close to customers' sites.

At FPCO Fair, we make a range of proposals to customers by showing them exhibits displayed by reproducing supermarket sales floors. We held the latest FPCO Fair in April 2024 under the theme of tackling the labor shortage and the title: containers that support changes on sales floors. The event attracted more than 15,000 visitors from all over Japan.

In addition, we hold mini trade fairs in major areas, making proposals based on customer issues at venues closer to them. We thus aim to be the first company to call.



FPCO Fair



Mini trade fair

3/ Eco-friendly products that are highly beneficial for customers as well

We promote recycling in collaboration with customers who support our "Store-to-Store" recycling concept. This concept involves collecting used food trays and PET bottles from the same stores where they were used or sold, recycling them into new trays and containers, and actively using them in those same stores, which are frequented by consumers on a daily basis. This is a system under which selling goods using recycled products attracts consumers to the store and helps protect the environment.

We also hold environmental events and give classes by visiting schools, together with customers, as part of our efforts to raise awareness and expand recycling further.



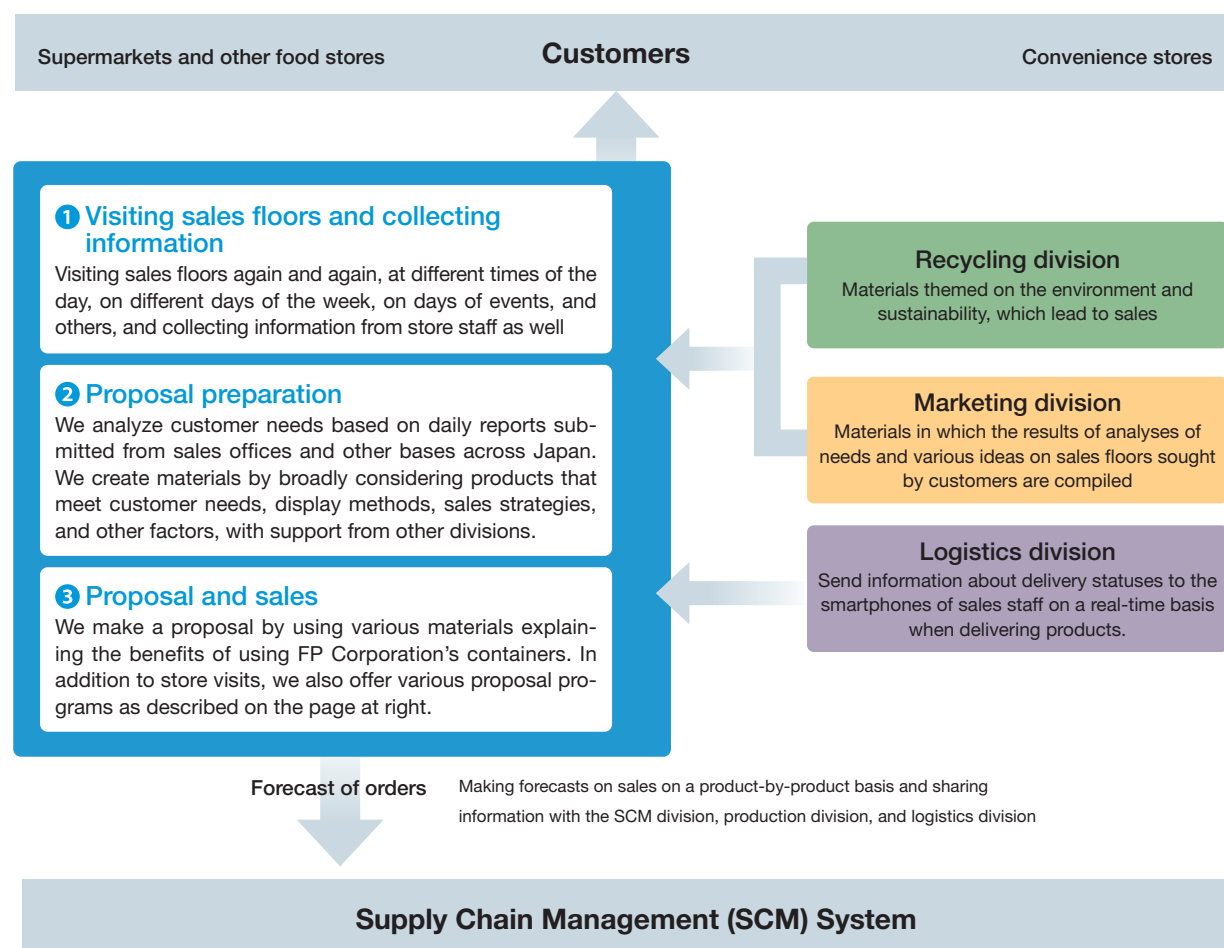
Store-to-Store Recycling



Eco Kuro, a black tray with Eco Mark

OVERVIEW

Role of the logistics process in the supply chain management (SCM) system



SCM & value chain

Recycling



SUMMARY

1/ Nationwide network

We have **built a product-recycling network** by allocating recycling-related facilities all over Japan.

2/ Establishment of recycling technologies

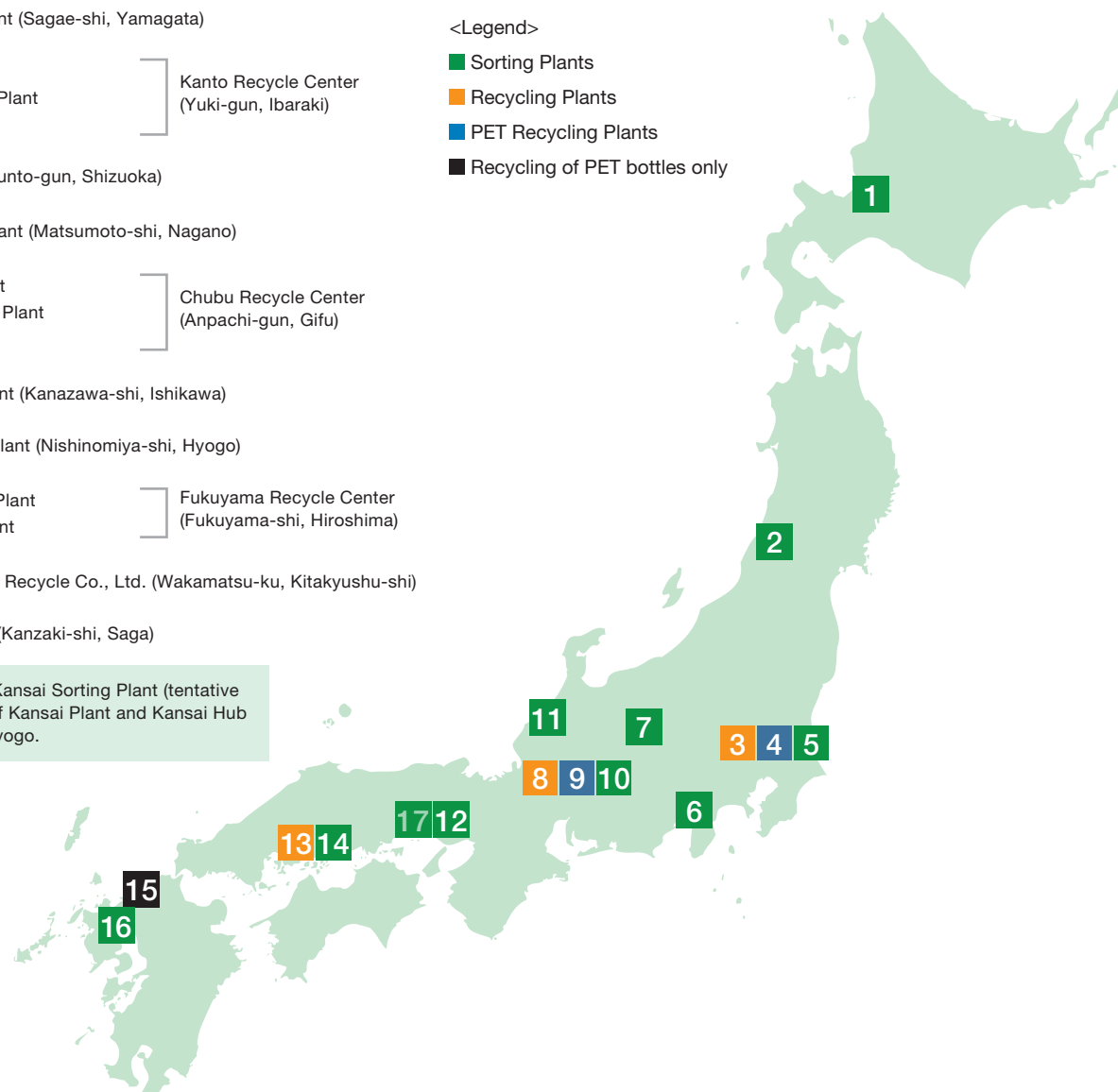
In our value chain, we have built a closed loop of recycling, in which the collected **used products are recycled for manufacturing new products.**

1/ Collecting about 40 tons of used products each day across the country

- 1 Hokkaido Sorting Center (Ishikari-shi, Hokkaido)
- 2 Yamagata Sorting Plant (Sagae-shi, Yamagata)
- 3 Kanto Recycling Plant
- 4 Kanto PET Recycling Plant
- 5 Ibaraki Sorting Plant
- 6 Tokai Sorting Plant (Sunto-gun, Shizuoka)
- 7 Matsumoto Sorting Plant (Matsumoto-shi, Nagano)
- 8 Chubu Recycling Plant
- 9 Chubu PET Recycling Plant
- 10 Gifu Sorting Plant
- 11 Kanazawa Sorting Plant (Kanazawa-shi, Ishikawa)
- 12 Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo)
- 13 Fukuyama Recycling Plant
- 14 Fukuyama Sorting Plant
- 15 Nishinohon PET-Bottle Recycle Co., Ltd. (Wakamatsu-ku, Kitakyushu-shi)
- 16 Kyushu Sorting Plant (Kanzaki-shi, Saga)
- 17 We plan to establish Kansai Sorting Plant (tentative name) in the vicinity of Kansai Plant and Kansai Hub Center in Ono City, Hyogo.

<Legend>

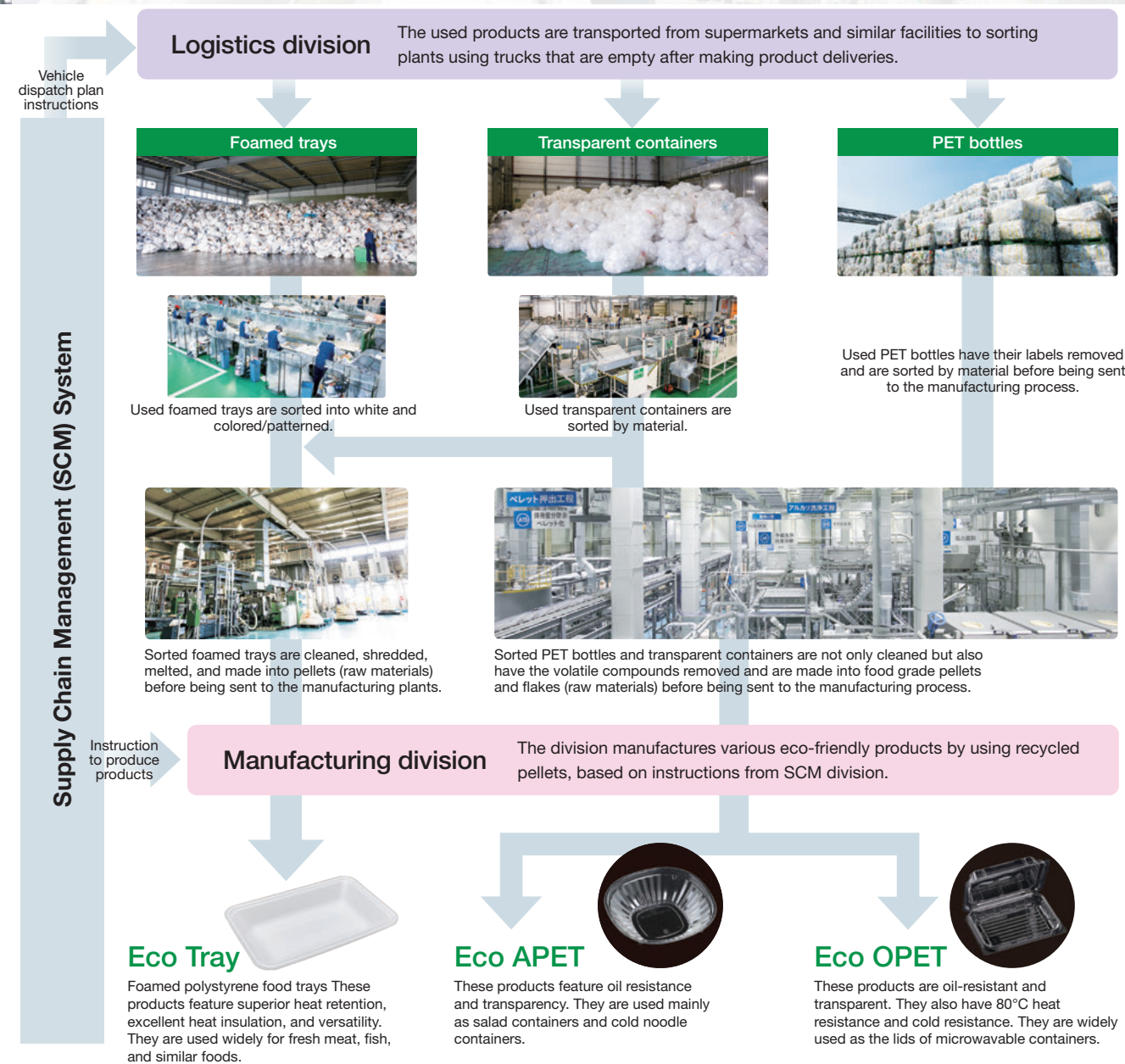
- Sorting Plants
- Recycling Plants
- PET Recycling Plants
- Recycling of PET bottles only



Value chain of FPCO
> Recycling



2/ Role of the recycling process in the supply chain management (SCM) system



A new system introduced for sorting transparent resins

In March 2024, we introduced to Nishinomiya Sorting Plant a system that enables us to sort materials by indicating them in different colors -- green for PET, yellow for bi-axially oriented polystyrene (OPS), and red for polypropylene (PP). This has enabled us to increase the amount of containers sorted by each worker by a factor of 1.5. We will introduce the system to more of our facilities and continue testing and improving them, aiming to save labor and improve efficiency.

In addition, a robot sorting system that uses artificial intelligence (AI) began operating at Fukuyama Sorting Plant in 2022. We are advancing improvement of this system to enhance its accuracy.



Nishinomiya Sorting Plant



Special
Feature

Achieving stable supply as the first large production and distribution facilities in Kansai area

Eighteen months have passed since Kansai Plant and Kansai Hub Center went into full-scale operation in Ono City, Hyogo.

With about 30% of the production and distribution capacity having been transferred from our facilities in Fukuyama, the new facilities serve as the foundation supporting stable supply to Kansai area.



In Ono City, we have constructed Pico House No. 5 as company housing for single persons, designed for employees transferred temporarily from outside Hyogo and local employees from within the prefecture. This is another measure to ensure stable supply.

[Overview of Kansai Plant and Kansai Hub Center]

Location: Hyogo Ono Sangyo Danchi (Hyogo Ono Industrial Park), Ono, Hyogo Pref.
Structure: Four story steel frame construction
Site area: Approx. 48,000 m²
Total floor area: Approx. 80,000 m²
Production items: Food containers and trays made from Foamed PS, APET, OPET, OPS, and other materials
Investment: 26,670 million yen (including land)
Storage capacity: 260,000 cases



Previously, products for the Kansai area were supplied from our facilities in Fukuyama City, Hiroshima, which is approximately 250 kilometers away from the city center of Osaka, involving a travel time of three hours and 30 minutes, and approximately 330 kilometers away from the city center of Wakayama, requiring five hours of travel. This was also a significant challenge in terms of achieving a stable supply.

To overcome this challenge, FP Corporation instituted a plan to build production and distribution facilities in the Kansai area, and subsequently opened the Kansai Plant and Kansai Hub Center in Ono City, Hyogo in January 2023. This has resulted in the completion of a network covering around 85% of Japan's total population within a 100 km radius of each

of our distribution centers across the country, improving the level of stable supply and proving

We have introduced state-of-the-art equipment to both the plant and the hub center. At Kansai Plant, we have introduced state-of-the-art equipment that automates a series of processes, from the automated transportation of molds and rolls of sheet materials using automated guided vehicles (AGVs) and the use of robot arms for advancing rolls of sheet materials to molding and product warehousing operations.

With greater automation than before, we have established a production environment for addressing the labor shortage and improving efficiency to a high level.

Kansai Hub Center is a cutting-edge distribution center, featuring

state-of-the-art equipment such as automatic sorter and shipping systems, AGVs, and automated guided forklifts (AGFs). Here, our expertise in streamlining, which was accumulated at our hub centers across Japan, is in full evidence.

Meanwhile, solar power generation equipment began operating at Kansai Plant and Kansai Hub Center in March 2024. The power generated is used as energy for Fukuyama Recycling Plant. As a result, power equivalent to the needs of our three recycling plants in Japan is generated from the renewable energy source, increasing the CO₂ reduction effect of Eco Tray to 37% (starting from products to be shipped on July 1, 2024).

Production

1st floor



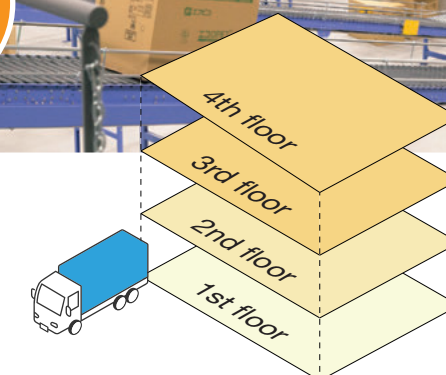
Inventory

3rd and 4th floor



Shipping

1st floor



[Kansai Hub Center]
1st floor: Sorter equipment and truck berth
3rd and 4th floors: Warehouses
[Kansai Plant]
1st floor: Production line
* The 2nd floor has meeting rooms, visitor passage, etc.



Kansai Plant × Kansai Hub Center × Osaka Sales Team

CROSS TALK

Reliably deliver products when needed
Stable supply and value creation realized through
interdivisional cooperation

Duties and establishment of facilities in Kansai

Hiratsuka I am in charge of sales in Kinki area, mainly Osaka, at Osaka Branch.

Imamura I collect information about products that are selling well and about the adoption of products from salespeople and share the information internally. Based on the information, I also summarize trends in documents, visit customers together with our sales representatives, and provide them with explanations.

Ochiba I serve as the manager of a plant where we manufacture Foamed PS products. I began to be involved in preparations for the launch of Kansai Plant in December 2022.

Taguchi I am in charge of the overall

management of logistics. My role is to link the sales team and production plants of FP Corporation with transportation companies and drivers, providing management to ensure that the products we distribute are neither damaged nor delivered to the wrong destinations. For the launch of Kansai Hub Center, I began to be involved in developing the warehouse environment, such as applying line tapes, in October 2022. We were able to get through the year-end peak season without trouble. I felt that we were able to launch the facility smoothly.

Hiratsuka We transferred products for approx. 100 customers that had been delivered from Fukuyama to the Kansai Plant and Hub Center in three phases, with almost no trouble, which was very gratifying for me as a sales person.

Taguchi Thank you. The 100 corporate customers all have their own rules for the delivery method. To transfer details about the rules from drivers in Fukuyama to new drivers in Kansai, I was present at all delivery destinations. Frankly, that was challenging. I believe, however, that it was thanks to those efforts that we were able to complete the transfer without a hitch. I felt very relieved.



Masaaki Ochiba
In charge of Kansai Plant 1



Jun Taguchi
Manager of Kansai Hub Center
(FP Logistics Corporation)



Chiharu Imamura
Sales section 2, Kinki Sales Department 2
Chief Manager



Wataru Hiratsuka
General Manager of Kinki Sales Department 2

Changes caused by the establishment of Kansai Plant and Kansai Hub Center

Hiratsuka As a salesperson, I feel relieved that it has become possible to deliver products and goods to customers in the Kinki area from Kansai Plant and Kansai Hub Center, which are located in the same area. While there had been no issues such as traffic congestion, the risks of natural disasters and other events are unavoidable. I therefore believe that customers also feel reassured.

Ochiba At the plant, we are committed to ensuring stable production and meet our deadlines. What is essential for stable production is to improve product quality. Manufacturing of products of the highest quality will reduce non-conforming items and enables us to deliver products with competitive prices to customers.

Taguchi At the logistics division, we also make sure to deliver the right products of high quality to our customers. At present, we have forklift staff from a number of facilities, who have gathered to support us. However, there are small differences in rules among the facilities. In response, we have created a manual exclusively for Kansai Hub Center, where rules have been established. We comply with that manual. For example, pallets are placed in line in accordance with the rules, which has helped reduce



breakage.

Ochiba At the production plant, around two-thirds of the approximately 150 staff members are support staff from Fukuyama and Kan-nabe. Enhancing skills is essential for improving quality. For example, the task of determining the foaming rate of a sheet material requires the skills of seeing and touching the material to make a judgment. We would like to continue training, aiming to ensure that stable production will be secured by local employees on their own in a few years.

Cooperation for stable supply

Hiratsuka We try to obtain detailed information from customers as the first step to preventing stock-out. However, if that information is stopped by sales, it will affect subsequent processes, including SCM, production, and logistics. We therefore consciously attempt to share information with the SCM system speedily.

Taguchi The logistics team interacts daily with sales staff to share extensive information, including information on delivery statuses.



Ochiba Packaged products are passed from the production process to the logistics process, and any defect occurring at this point will greatly affect stable supply. We receive feedback on packaging from the logistics team on a daily basis and make the necessary improvements.

Imamura My role is to add further value to the stable supply ensured by the salespeople, plants, and the logistics team. For example, there has been growing demand for containers with high transportation efficiency due to the 2024 problems. We share with our sales team information about containers designed based on customers' issues and requests, aiming to be the company that customers turn to call first, saying, "Let's call FP Corporation. They will be able to help us."

Hiratsuka I hope that the divisions will work together to continue ensuring stable supply and providing new value for our customers in the Kinki area.



Materiality

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Active participation of human resources with disabilities



Shukuga-oke, for which we have achieved a significant reduction in weight with Japan's first low-foamed molding technology



Cold-resistant PPIP-talc, which features high cold resistance and for which we reduced plastic usage by 25% without changing the strength and weight of conventional products

Communication with local communities

Driving inclusion through floor hockey

Materiality

At the FPCO Group, we are pursuing a number of initiatives to address our material issues (materiality), which we have defined from the viewpoint of risks and opportunities that are material for the sustainability of business models.

Vision	Materiality	Initiatives	Related SDGs
Building sustainable society	◎ Reduce CO ₂ emissions	○ Introduction of Solar Power Generating Facilities ○ Expanding eco-friendly products using recycled raw materials	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
	◎ Solving the issue of plastic waste	○ Collecting used products through recycling boxes ○ Activities through the FP Corp. Environment Fund	14 LIFE BELOW WATER 15 LIFE ON LAND
Creating safe, secure, rich dietary lives	◎ Product development to provide new value	○ Value creation proposals ○ Research and development of new materials ○ Reducing plastic usage in products ○ Reducing food loss	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Establishing the infrastructure to reliably deliver products when needed	◎ Stable Supply of Products	○ SCM Supply chain management (SCM) ○ Building a nationwide production and logistics network ○ Disaster preparedness (installation of emergency power generating equipment, fuel stockpiles and breakwater infrastructure)	8 DECENT WORK AND ECONOMIC GROWTH
Strengthen the management base	◎ Improvement of employee engagement ◎ Promoting inclusion ◎ Corporate Governance	○ Promoting decent work (fulfilling work that is safe and healthy) ○ Diversity-oriented management including the employment of people with disabilities ○ Human resource management (enhancement of personnel systems and various training programs) ○ Promotion of DX in general business activities	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Coexistence with local communities	◎ Community Engagement	○ Conducting recycling plant tours and on-site classes ○ Environmental activities conducted together with local communities through the FP Corp. Environment Fund ○ Donating containers for children's cafeterias	17 PARTNERSHIPS FOR THE GOALS

Information Disclosures Based on the TCFD Recommendations



At the FPCO Group, we have expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have built a governance system and manage the Group by assuming scenarios related to the impact of climate change on the FPCO Group.

With the framework of the TCFD recommendations, we make Group-wide efforts to (1) assume risk scenarios related to climate change and operate a resilient governance system, under which nothing is affected even in the face of major environmental changes, and (2) identify customer needs promptly and use them as opportunities for the sustainable development of our business.

► For details, please refer to our website (<https://www.fpc.jp/esg/environmenteffort/tcfd.html>).



Risk Management

To manage our company-wide risks, we hold (monthly) meetings of the Corporate Management Committee and (weekly) information exchange sessions. We have thus built a system for management. Regarding climate-related measures, working groups (WGs) set up under the product, SCM, production, logistics, sales, and office divisions, respectively, have independently set various targets and take steps to reduce CO₂ emissions. The Environmental Strategy and TCFD Promotion & Management Committee receives reports on the progress and results of these initiatives and makes evaluations.

Metrics and Targets

We will drive various initiatives under the FPCO Group Medium and Long-term Environmental Targets that we have set (next page).

External evaluation

FP Corporation is proactive in disclosing information under its governance system reflecting climate-related risks. In FY2024, FP Corporation was selected by CDP*, an international NPO, as one of the companies in the Climate Change A List 2023, the top rating for the climate change category, in recognition of its advanced initiatives to tackle climate change and highly transparent information disclosure, among others.

FP Corporation was also selected to be a Supplier Engagement Leader, the highest rating, in the Supplier Engagement Rating (SER) that evaluates how effectively companies collaborate with suppliers in tackling climate change issues.

Meanwhile, FP Corporation was selected as a constituent of the FTSE4Good Index Series, world-leading environmental, social, and governance (ESG) index, for five consecutive years. FP Corporation has also been selected as a constituent of five of six ESG indexes adopted by the Government Pension Investment Fund (GPIF), which is one of the largest institutional investors in the world and manages the public pension of Japan. They are the FTSE Blossom Japan Index, FTSE Blossom Japan Sector Relative Index, S&P/JPX Carbon Efficient Index, Morningstar Japan ex-REIT Gender Diversity Tilt Index, and MSCI Japan Empowering Women (WIN). We will continue to address social issues through our business activities while continuing with appropriate information disclosure and dialogues with stakeholders, thus contributing to building a sustainable society.

* Carbon Disclosure Project (CDP): A non-governmental organization founded in 2000, which is managed by a UK charity organization. It runs a global disclosure system for investors, companies, states, regions, and cities to manage environmental impacts.



CDP climate change information disclosure
Rated as A in 2023



Supplier Engagement Rating
FY2023 evaluation
Supplier Engagement Leader

Initiatives to Reduce CO₂ Emissions



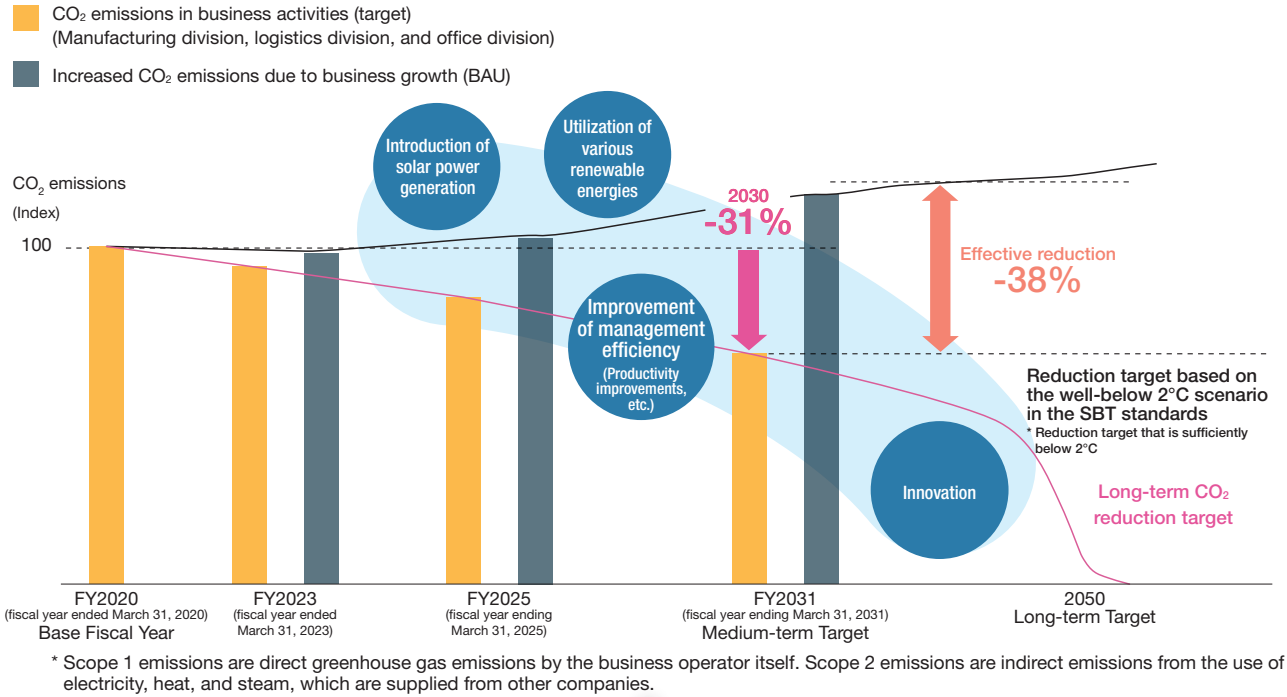
At the FPCO Group, we pursue a number of initiatives for realizing a decarbonized society based on our understanding that growing demand for reducing CO₂ emissions throughout the entire supply chain will be an important business challenge.

In the face of climate change caused by global warming, which is a global issue, we have set medium and long-term targets for realizing a decarbonized society, as the responsibilities and roles that we should fulfill at the FPCO Group. As target values, we aim to reduce annual CO₂ emissions (Scope 1 and 2*) by 31% by the fiscal year ending March 31, 2031 compared with the FY2020 result and achieve zero effective CO₂ emissions (Scope 1 and 2) by FY2051.

FPCO Group Medium and Long-term Environmental Targets

- I. By the fiscal year ending March 31, 2031, we will reduce annual CO₂ emissions from all business activities (Scope 1 + 2) by 31% compared to the fiscal year ended March 31, 2020.
- II. We will increase the reduction of CO₂ emissions from the use of Eco Products (Eco Trays, Eco APET, and Eco OPET) to 272,000 tons by the fiscal year ending March 31, 2031. (Up 170% compared to FY2020)
- III. We aim to achieve net zero CO₂ (Scope 1 + 2) emissions from all business activities by FY2051.

Greenhouse Gas (Scope 1 and 2) Reduction Roadmap



Solar power generation equipment of Kansai Plant

CO₂ emissions reduction using solar power

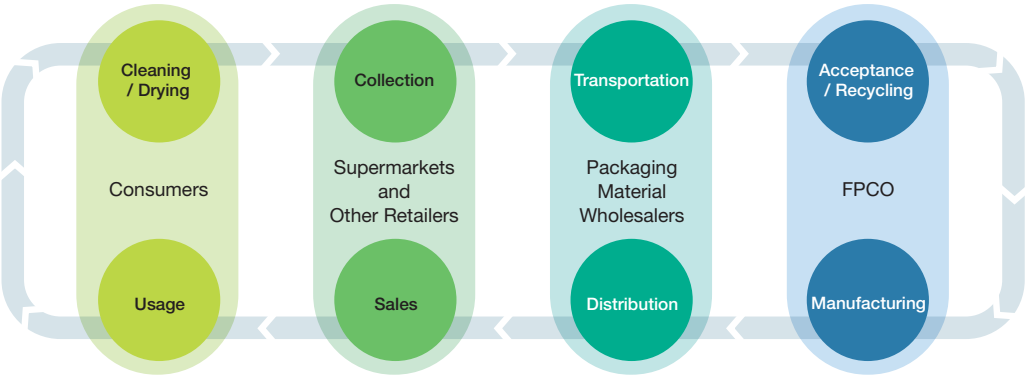
We install and operate solar power generation equipment at three manufacturing and logistics facilities in Kanto, Chubu, and Kansai areas. Because the equipment at Kansai Plant came into operation in March 2024, the CO₂ reduction effect of Eco Tray will increase to 37% on July 1.

FPCO Method Recycling

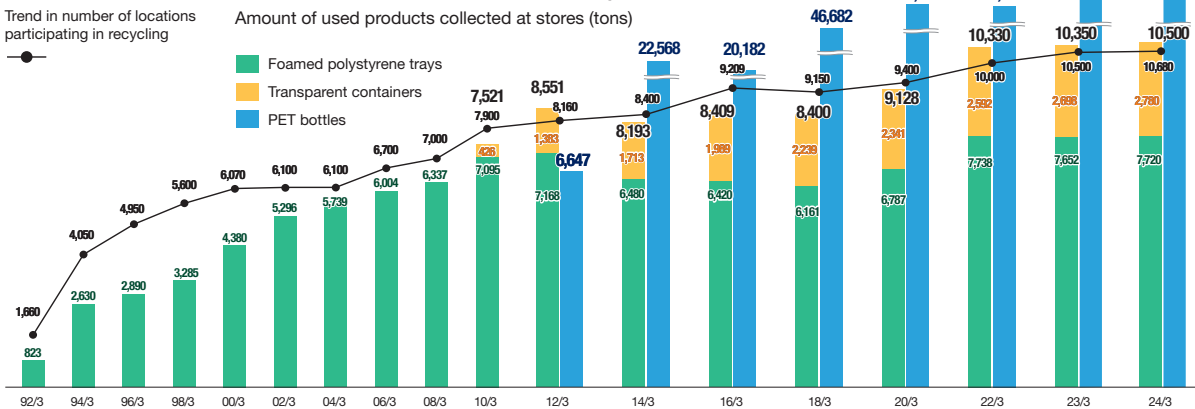


In 1990, FP Corporation started FPCO Method Recycling, in which used food trays are collected at supermarket stores, transported to recycling plants, and recycled into new products. We have been pursuing this initiative for more than 30 years.

Having started with six stores in 1990, the FPCO Method Recycling has now been expanded, with approximately 10,680 collection points. We began recycling transparent containers in 2008 and recycling used PET bottles into transparent containers in 2011. We have thus expanded the closed loop of recycling. We will take a number of measures to continue evolving and deepening the FPCO Method Recycling further.



The number of collection points and the volume of collected trays, etc.



Achievements of the FPCO Method Recycling

Achievements of recycling of used containers are clearly indicated in the form of CO₂ reduction. Using post-consumer containers as above-ground resources, instead of using petroleum (underground resources) for producing virgin materials, is highly effective for reducing CO₂. In addition to the following achievements, the FPCO Method Recycling has also produced social effects, including a decrease in waste disposal cost.

	Foamed trays		Transparent containers		PET bottles	
	Amount collected	Number of containers	Amount collected	Number of containers	Amount collected	Number of bottles
Fiscal year ended March 31, 2024 (FY2024)	7,720 t	1,930.00 million	2,780 t	277.70 million	80,000 t	3,200 million
Cumulative (1990 to March 2024)	182,539 t	45,634.75 million	29,396 t	2,939.30 million	619,789 t	24,157.32 million

* Calculated on the assumption that a foam tray weighs 4 g, and a PET bottle 25 g (after the revision in 2016 from 30 g).

CO₂ reduction in the fiscal year ended March 31, 2024 (FY2024): Approx. **202,000** tons

Materiality
> FPCO Method Recycling

Acceptance of plant tours

We accept tours at the following recycling plants and sorting plants. The plants are visited by people from local elementary schools, as well as consumer groups, the media, local government, and other entities from all over Japan. The cumulative total number of visitors exceeded 500,000 in October 2023. We will continue to use plant tours as opportunities to explain our recycling initiatives and express our gratitude for their cooperation.

Application for Participation in Plant Tour

Plant tour schedule: Mondays to Fridays (excluding national holidays) from 9:00 a.m. to 4:30 p.m. (excluding part of the facilities) Applications are also accepted at our website.

► For details, please refer to our website (<https://www.fpc.jp/esg/environmenteffort/factory.html>).



Recycling plants

Visitors can see how sorted containers are turning into recycled materials.

Plant Name	Location	Contact
Kanto Recycling Plant (Kanto PET Recycling Plant and Ibaraki Sorting Center are attached)	4448 Oaza Hiratsuka, Yachiyo-machi, Yuki-gun, Ibaraki 300-3561	Kanto Recycling Plant +81-296-48-0400
Chubu Recycling Plant (with the Chubu PET Recycling Plant and the Gifu Sorting Plant)	511-5 Aza Murahigashi, Nanba, Wanouchi-cho, Anpachi-gun, Gifu 503-0231	Chubu Recycling Plant +81-584-68-2041
Fukuyama Recycling Plant (Fukuyama Sorting Plant is attached)	127-2 Minooki-cho, Fukuyama-shi, Hiroshima 721-0956	Fukuyama Recycling Plant +81-84-957-2301

Sorting Plant

Visitors can see the process of how containers collected from supermarkets and other retailers are sorted.

Plant Name	Location	Contact
Yamagata Sorting Plant	162 Chuo-kogyo-danchi, Sagae-shi, Yamagata 991-0061	Yamagata Sorting Plant +81-237-85-3645
Tokai Sorting Plant	307-1 Hattanda, Shimonagakubo, Nagaizumi-cho, Sunto-gun, Shizuoka 411-0934	Tokai Sorting Plant +81-55-980-4571
Matsumoto Sorting Plant	2267 Shimadachi, Matsumoto-shi, Nagano 390-0852	Sustainability Promotion Department +81-3-5325-7809
Kanazawa Sorting Plant	204-22 Kita, Fukumasu-machi, Kanazawa-shi, Ishikawa 920-0376	Sustainability Promotion Department +81-3-5325-7809
Nishinomiya Sorting Plant	1-98-2, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiya-shi, Hyogo 651-1431	Nishinomiya Sorting Plant +81-78-907-1288
Kyushu Sorting Plant	3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015	Kyushu Sorting Plant +81-952-51-1028

The Recycling Plants

The Total Number of Visitors Exceeding 500,000

In October 2023, the cumulative total number of visitors to the recycling plants, whom we first welcomed in 1990, surpassed 500,000.

We welcome plant tours at six sorting plants across the country in addition to Kanto Recycling Plant, Chubu Recycling Plant, and Fukuyama Recycling Plant. The plants have been visited by many people, including students of local elementary schools, our business partners, and general consumers, as well as people from consumer groups, the media, and local government.

We held an event commemorating the number of visitors exceeding 500,000 at Fukuyama Recycling Plant on October 10 and at Kanto Recycling Plant on the following day, October 11. We took commemorative photos with 5th graders from Miyuki Elementary School of Fukuyama City and people from Uoriki Co., Ltd.



The FP Corp. Environment Fund



The FP Corp. Environment Fund, which we launched to extend financing to organizations acting to address environmental problems including climate change and the problem of marine plastic pollution from multiple angles, will enter its fifth year next fiscal year. FPCO Group employees also proactively participate in programs implemented by groups to which we extend financing, thus backing up their activities.

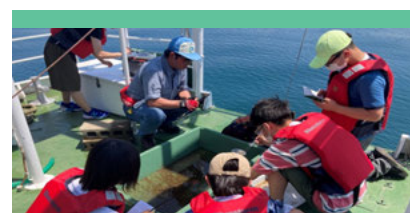
Groups as recipients of financing in the fourth round (fiscal year ended March 31, 2024) and their activities are as follows.



Environmental Education and Research



Miyagi Environmental Life Out-reach Network (MELON), a public interest incorporated foundation Miyagi Prefecture
Creating new experiences for people to learn about disaster control, climate change, and the environment to foster the human resources who will build a sustainable society



Biwako Trust, a specified non-profit corporation Shiga Prefecture
Promoting microplastics surveys in Lake Biwa and the environmental education of children



Komorebi-no Sato, a specified non-profit corporation Okayama Prefecture
Providing reconstruction assistance to areas in Western Japan that were affected by torrential rains and restoring damaged bamboo forests and village forests owned by elderly persons who were affected by the disaster



Team JIN Hiroshima Prefecture
A project to provide children with an opportunity to enjoy learning the importance of protecting the marine environment through SDGs activities



Tosu Shimin Katsudo Network, a specified non-profit corporation Saga Prefecture
A project to promote forestry education for the next generation and consumers for protecting the rich green environment



Koizumi Universal Beach Unit Miyagi Prefecture
Koizumi district trash report: Global environmental issues raised by children



Minna-de Bizen, a general incorporated association Okayama Prefecture
An operation to eliminate trash from Hinase Islands



KIRIKIRI-KOKU, a specified non-profit corporation Iwate prefecture
Environmental education for developing human resources who live with the forest of Kirikiri

“ We are creating a circle for people to think about environmental problems together and encourage each other to take actions. ”



Activities Related to Solutions to Food-related Issues and Food Assistance



Food Bank Saga, a specified non-profit corporation Saga Prefecture
Practical dietary education and agricultural project that connect people via food and agriculture



100seeds theater, a specified non-profit corporation Shiga Prefecture
Let's build a house as a place for learning about agriculture!

Materiality

> The FP Corp. Environment Fund



A video showing activities of Shonan Cleanaid Forum is available for viewing on **FPCO TV**, our YouTube channel!



Activities of Shonan Cleanaid Forum (March 22, 2024)



Arakawa Clean Aid Forum, a non-profit corporation Tokyo
A project to build a co-creation network for eliminating trash toward the Expo 2025 Osaka Kansai



Hirakata Seibutsu Shiikubu LABO, a non-profit organization Osaka Prefecture
Practicing agriculture for protecting biodiversity by using abandoned rice paddies

Environmental Conservation Activities



Shonan Cleanaid Forum, an NPO corporation Kanagawa Prefecture
Project to clean up beaches in Kanagawa with a unified voice



Chausu, a specified non-profit corporation Gunma Prefecture
Activities to preserve and protect the environment of the Watarase River



Ethicalproject, a specified non-profit corporation Saitama Prefecture
A project to promote the recycling of food waste into compost



Miyajima Network, a specified non-profit corporation Hiroshima Prefecture
Maintaining the marine environment and protecting the ecosystem of Miyajima Island and the surrounding area



Kurihara Tourism Network, a general incorporated association Miyagi Prefecture
CLEAN WETLANDS Project



Kanagawa Kainan Kyujo-tai, a specified non-profit corporation Kanagawa Prefecture
“Urgent: Collect plastics before they turn into micro-plastics,” an activity to reduce marine waste



Kahokugata Kosho Kenkyujo, a specified non-profit corporation Ishikawa Prefecture
Surveys to find identify the places where waste is generated and awareness raising activities aimed at achieving zero waste in Kahokugata



Setonaikai Ujishima Club Hiroshima Prefecture
Annual activities to clean up Ujishima Island



The Foundation for the Preservation of Green and Water Resources of Higo, a public interest incorporated foundation Kumamoto Prefecture
Project related to recharging groundwater and awareness-raising activities



Joylife Sayama, a specified non-profit corporation Saitama Prefecture
A nature experience for protecting the natural environment around the Iruma River and communicating the importance of environmental conservation

Product Development to Provide New Value

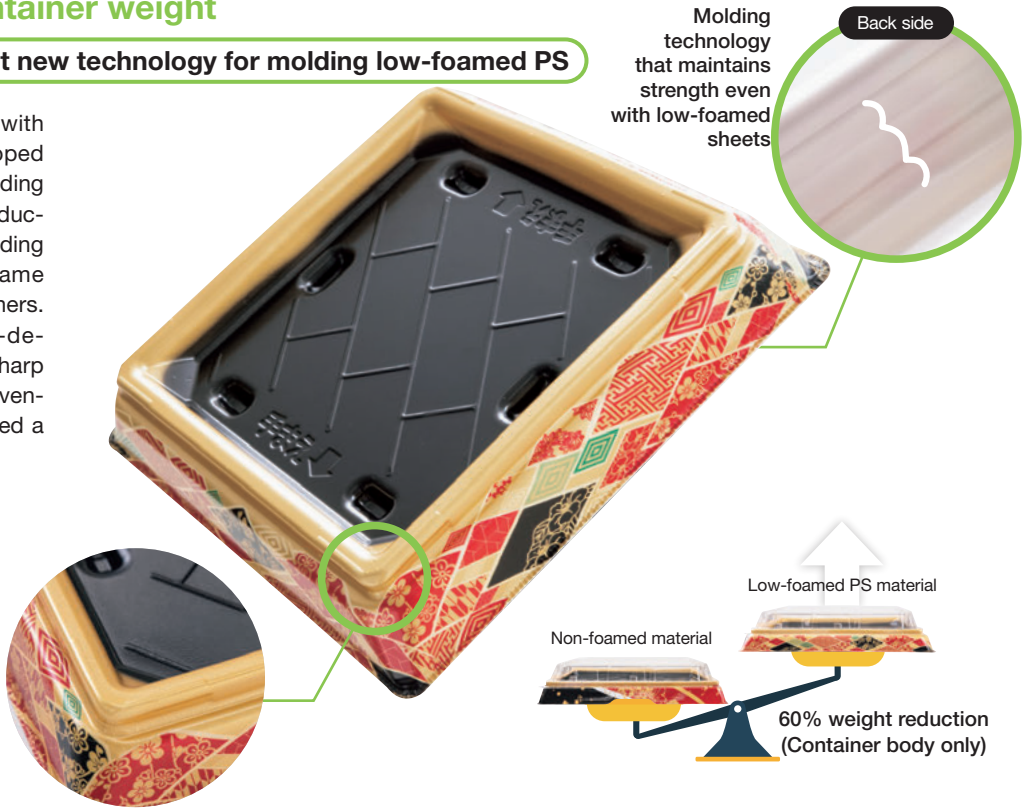


While demand for reducing use of plastics has continued to grow, FP Corporation has realized a weight reduction with Japan's first new technology for molding low-foamed PS. We are also providing customers and society with new value by developing original materials.

A 60% reduction in container weight

Development of Japan's first new technology for molding low-foamed PS

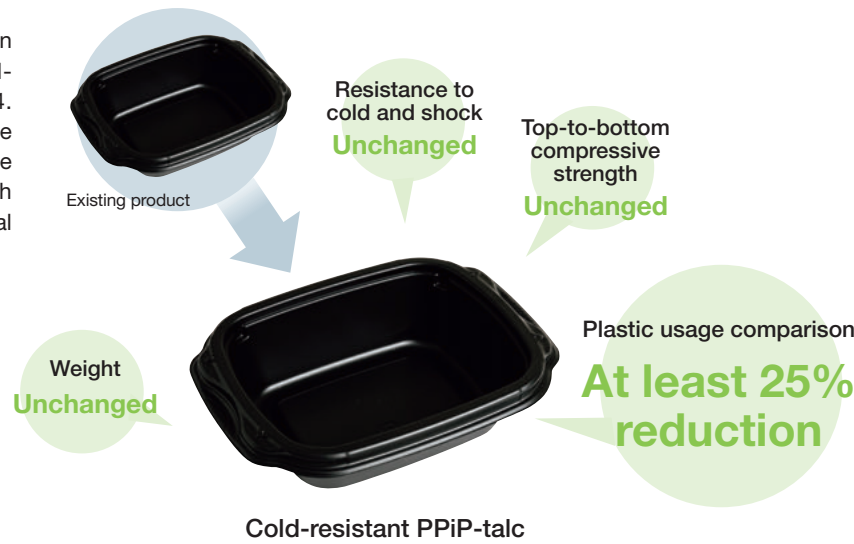
FP Corporation, working jointly with Sekisui Kasei Co., Ltd., has developed Japan's first new technology for molding low-foamed PS. We succeeded in reducing the weight of the container (excluding lid) by 60% while achieving the same sharp shape as non-foamed containers. Leveraging our proprietary mold-designing technology, we enabled a sharp shape that was impossible with conventional foamed PS sheets and achieved a reduction in weight.



A reduction of more than 25% in the use of plastics achieved while maintaining the same level of strength and resistance to shock as conventional products

New development of cold-resistant PPiP-talc

In response to the further expansion of the frozen food market, we developed cold-resistant PPiP-talc in 2024. For the new product, we reduced the use of plastics by more than 25% while maintaining the same level of strength and resistance to shock as conventional cold-resistant PP products.



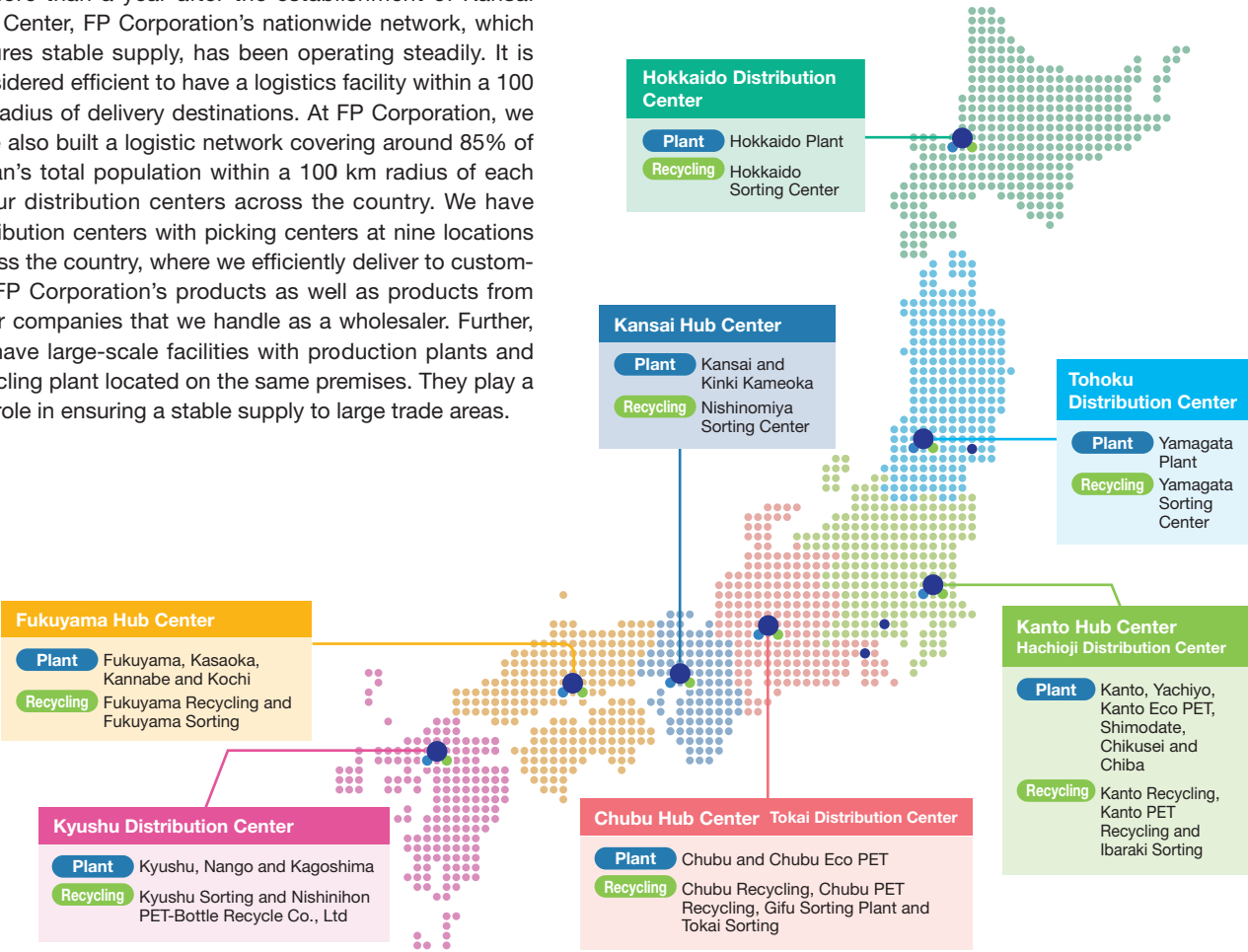
Stable Supply of Products



FP Corporation also manufactures products by using recycled materials from used containers and delivers products and other consumables to customers with our own logistics operations. We ensure a stable supply with highly accurate forecasts and thorough risk management for well-planned production, in addition to a network for supplying products and other consumables featuring well-balanced nationwide locations of recycling facilities, production plants, and logistics facilities.

Stable supply ensured by a nationwide network

More than a year after the establishment of Kansai Hub Center, FP Corporation's nationwide network, which ensures stable supply, has been operating steadily. It is considered efficient to have a logistics facility within a 100 km radius of delivery destinations. At FP Corporation, we have also built a logistic network covering around 85% of Japan's total population within a 100 km radius of each of our distribution centers across the country. We have distribution centers with picking centers at nine locations across the country, where we efficiently deliver to customers FP Corporation's products as well as products from other companies that we handle as a wholesaler. Further, we have large-scale facilities with production plants and recycling plant located on the same premises. They play a key role in ensuring a stable supply to large trade areas.



Continuous improvement of the precision of supply plan with the SCM system

Maintenance of the supply chain management (SCM) system of FP Corporation is performed with a new future demand forecast based on the latest forecast of orders obtained by sales staff on sales floors and statistical predictions reflecting orders that were actually received in the past. Moreover, precision of the system is improved based on feedback from staff from production sites, those from distribution sites, and those working on salesfloors. At the center of this close cooperation is the SCM system team, which also deals with peak demand, sudden surges in demand, and similar events.



Improvement of Employee Engagement

The FPCO Group supports international norms including the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. In accordance with the following policy, we will achieve a safe and pleasant workplace environment where human rights and individuals are respected.



FP Corporation’s view of respect for human rights

FPCO Group Human Rights Policy

- 1 Under the basic principle according to which everyone should respect the personality and human rights of one another and have the right to impartial treatment and equal opportunities without discrimination on the basis of age, nationality, race, faith, religion, gender, sexual orientation, gender identity, disabilities, social status, internal position or other aspects, we respect human rights and personality in all our business activities in accordance with the FP Corporation Group’s Action Charter and the FP Corporation Normative Rules for Compliance, behave as a good corporate citizen with high moral values and social conscience, maintain sound and normal relationships with all stakeholders and continuously increase our corporate value as a corporate group that earns trust from society.
- 2 We prohibit harassment and don’t tolerate verbal or behavioral harassment. We establish a system for the prevention of harassment and take appropriate action against harassment that occurs, in order to deter harassment and thereby ensure efficient business operations and a stress-free working environment.
- 3 We comply with laws, ordinances and other labor standards and prohibit child labor and forced labor in any location where business activities are conducted.
- 4 We will create a workplace environment that enables employees to work safely and energetically with peace of mind while maintaining good physical and mental health. At the same time, we will encourage them to balance work with their personal lives.
- 5 We observe labor laws and ordinances and pay employees the minimum wage or higher.
- 6 We regard workers’ collective rights, collective bargaining rights and other rights as elements of basic human rights that we should respect as a company, and we don’t interfere with workers’ exercise of their rights.
- 7 We will comply with the laws and regulations in each country or region where we engage in business activities. If laws or regulations of the country or region should conflict with international human rights standards, we will pursue ways of respecting the international standards within the scope of the laws and ordinances of the country or region.

Initiatives based on the Human Rights Policy

The Board of Directors of FP Corporation oversees the status of compliance and implementation of the FPCO Group Human Rights Policy and adopts a number of initiatives including the following,

Prohibit child labor and forced labor

We will comply with the laws and ordinances of each country or region in our recruitment activities. When employing a worker, we will make sure to verify their age to prevent child labor. In addition, to prevent forced labor, we will not withhold employees’ passports or other important legal documents or restrict their freedom of movement.

Equal pay for equal work

At the FPCO Group, we ensure wages are paid at or above the statutory minimum rates and apply a unified compensation structure for employees with the same qualifications in the same job level.

Provision of harassment prevention training

Harassment prevention training is provided to employees in managerial positions and rank-and-file employees of the FPCO Group, respectively. The training includes lectures given based on actual examples and judicial precedents as well as viewing of a video. Training provided to managers in particular includes lectures on the current status of bullying and harassment reported to the FPCO Group Workplace Consultation Desk and how to coach subordinates. In addition, creative measures are devised for training content, such as introducing group work to the training of certain managers. The training has been received by a total of 2,127 employees, or 1,284 employees in managerial positions and ones who have subordinates and 843 rank-and-file employees. (As of March 2024)

Materiality
> Improvement of Employee Engagement

Pico House dormitories for single employees

The FPCO Group provides Pico House dormitories for single employees, so that employees, mainly including those who need to live in the vicinity of production or logistics facilities to commute to them, can work with peace of mind. The dormitories consist of single occupancy rooms with separate bathrooms and toilets. The rooms are furnished and have home appliances, supporting the comfortable lives of employees.



Building workplace environments where employees can work energetically

At the FPCO Group, we are improving the workplace environment through a number of initiatives, with the belief that developing an environment in which each and every Group employee plays their role by fully harnessing their individual skills and qualities and can work with satisfaction, fulfillment, and vigor is linked with improved corporate value.

Major Initiatives

Systems and measures	Details
Staggered work hours	As an initiative optimizing work hours, we have introduced staggered work hours with eight different options to permit each employee to work in a way that is appropriate for the characteristics of their job.
Leave of five consecutive days (Smile Leave)	This program was introduced to enable employees to effectively use their work hours and be physically and mentally refreshed, among other purposes. (Five consecutive days of annual paid leave are taken, in principle.)
Annual paid leave in hourly increments	We have introduced this program to enable employees to take leave flexibly in circumstances, such as hospital visits, participation in children’s school events, and the provision of nursing care.
Shorter working hours for childcare	We have enhanced this program so that employees are allowed to continue working shorter hours until the end of their children’s third year of elementary school at the longest.
No-overtime days	We have introduced no-overtime days (two days a week, in principle) to enable employees to work efficiently while balancing work and their personal lives.
Teleworking	We have introduced teleworking to maintain and improve productivity by leveraging teleworking combined optimally with working in offices.
Financial support for recreational activities	We provide a certain amount of financial support for employee social events, such as company trips and year-end, new year’s, welcome and farewell parties.
Childcare leave taken by male employees	We have introduced a program under which male employees are obliged to take five consecutive days of leave before their children becomes one year old. We also encourage male employees to take statutory childcare leave.

Driving the creation of a workplace environment that facilitates childcare

In July 2023, FP Corporation introduced a male childcare leave program, under which male employees are obliged to take five consecutive days of childcare leave before their children become one year old. We also encourage male employees to take statutory childcare leave.

Voices of male employees who took the leave



Shigoto- to Ikuji-no Ry- oritsu-no Tame-ni (what to do to balance work and childcare), a handbook aimed at driving the creation of a workplace environment that facilitates childcare

We should naturally support members raising children.

Chief Manager, Sales Section 1, Tokyo Department 4
Osamu Takagi

Employees with children are often forced to take a day off suddenly because their children have a fever or other such reasons. Because we work in a team, we should naturally understand each other’s circumstances and help each other at work. I hope they can take childcare leave without a sense of guilt.

A one-month period for getting used to a new life

Leader, Development Section 1, Product Developing Planning Department
Ryo Ishibashi

Last year, I had my first child. I took one month of statutory childcare leave to get used to anew life with work and childcare. With the full understanding of people in my workplace, I completed a handover to team members and could dedicate myself to childcare.

Committed myself to childcare with the support of my workplace

Leader, Sales Section 2, Tokyo Department 3
Takahiro Suzuki

I took a week of leave when my second son was born. I did household work and took care of my oldest son, and my family of four were able to spend invaluable time together. In the workplace, other members reliably did my job for me.



Promoting Inclusion



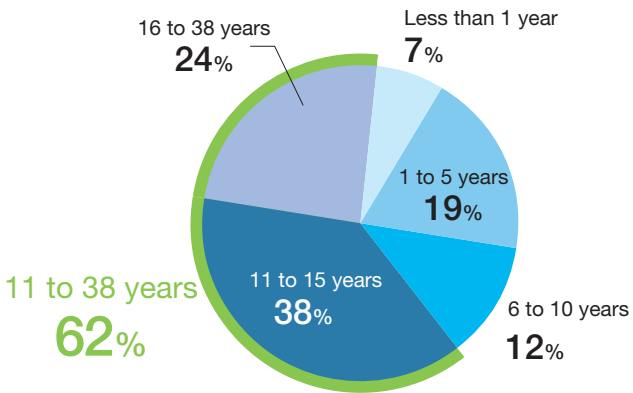
The FPCO Group is proactive in employing human resources with disabilities. We also support our business partners in their employment of people with disabilities. We engage in floor hockey activities aiming for barrier-free minds, with which disabilities are not regarded as a barrier. We promote inclusion with these and other activities.



Active participation of human resources with disabilities

From the time we started to employ human resources with disabilities in 1986, the scale and content of the employment have continued to develop greatly. The number of employees with disabilities in the overall Group is 393. The disability employment rate has grown to 12.6%, and employees with disabilities work at 20 facilities across Japan.

Breakdown by duration of service (As of March 2024)



1986
We established Ducks Co. and started to employ human resources with disabilities for the manufacturing of foamed trays by using our connection with Ahiru-no Kai, a group of parents of children with intellectual disabilities.



1995
Manufacturing of transparent containers was started at a plant in Kochi prefecture. The same operation was later started at a plant in Saga prefecture.



2006
Hiroshima Ai Pack Co.*
Began Japan's first profit-making business offering Type A Support for Continuous Employment with the manufacturing of traditional Japanese style container, Oribako series. (*Next year, this initiative developed into FPCO Ai Pack Co.)



2008
Sorting of food trays collected in the recycling operations commenced. Operations were later expanded to the sorting of transparent containers.



2017
FPCO Ducks Co.
The four special subsidiary companies were reorganized into a nationwide special subsidiary, FPCO Ducks Co.



2019
Progress was also made in transition to general employment at FPCO Group companies

As of March 2024

Number of employees with disabilities	393 people
Details	Physical disabilities 37 (including 16 with severe disabilities) Intellectual disabilities 340 people (including 255 with severe disabilities ^(*)) Mental disabilities 16 people
Adjusted number of employees with disabilities ^(*)	662 people
Disability employment rate	12.6%

(*)1 Including disabilities classified as severe under employment rules
(*)2 Each person with a severe disability is counted as 2 and each part-time worker with disabilities as 0.5, based on "Employment measures of Persons with Disabilities."

Helping business partners with the employment of human resources with disabilities

At FP Corporation, we not only proactively employ human resources with disabilities but also engage in activities to support our business partners in their employment of people with disabilities, harnessing the expertise in human resources management that we have been cultivating over 38 years. It has created employment for 760 people with disabilities at 53 facilities as of March 2024. We provide support so that human resources with disabilities will work as valuable manpower at various workplaces of our business partners.



Driving inclusion through floor hockey

The FPCO Group has been involved in floor hockey since 2010. Floor hockey is a universal sport, and we have approached the activity with the aim of instilling a barrier-free mindset, in which disabilities are not regarded as barriers, in the workplace. At present, a total of 16 universal teams in Japan, each consisting of both employees with disabilities and those without disabilities, are taking part in the activity. We also serve as the main sponsor of major floor hockey tournaments, and our employees support the tournaments as volunteers. FP Corporation will continue to expand the circle of inclusion.



Corporate Governance



At FP Corporation, we make decisions under a highly transparent governance structure. We also strive to improve our internal structure, with an aim to achieve sustainable growth and improvements in corporate value over the long term.

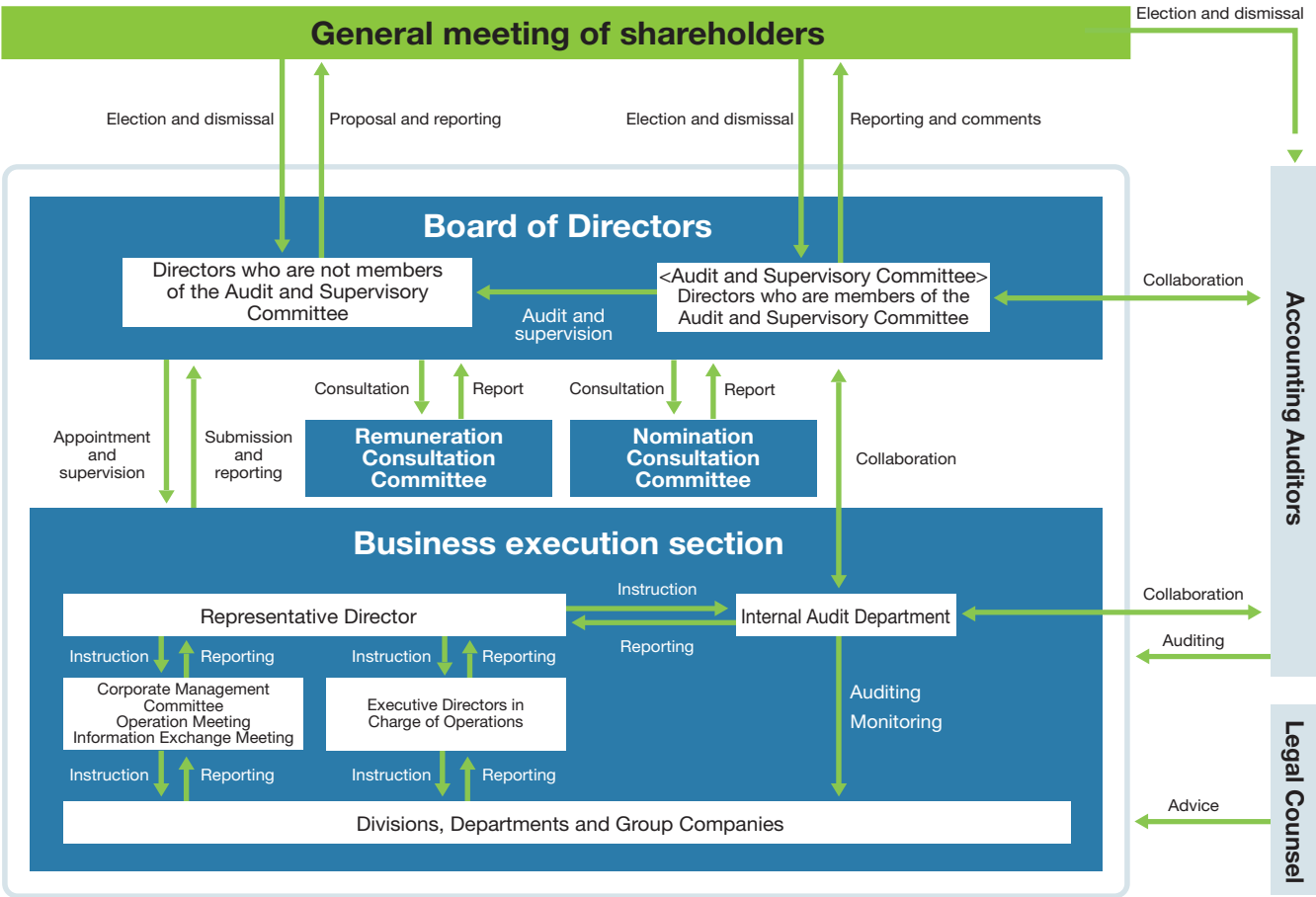
FP Corporation's basic stance on corporate governance is to ensure the transparency and fairness of decision-making, to make effective use of the management resources it possesses, such as personnel, goods, money and information. We also aim for continuous growth and a long-term increase in corporate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

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

Governance structure

We have opted to become a company with an Audit and Supervisory Committee for the purpose of improving the speed of management decision-making and strengthening functions to audit and oversee directors in their business execution. The Audit and Supervisory Committee, which is made up of independent outside directors only, 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



Compliance

To establish corporate ethics and promote legal compliance, we have established a Judicial Affairs & Compliance Department that reports directly to the president. We have established and are implementing the FPCO Group Action Charter, FPCO Normative Rules for Compliance, and the Compass for Action; and are working to foster a sound and healthy corporate culture and to ensure compliance with internal regulations through rigorous guidance and instruction.

To ensure thorough compliance within the Group, the Internal Audit Department (which reports directly to the president) conducts an internal audit once every two years. In this way, the Group has constructed an organizational structure that monitors the state of risk management and compliance in the operating divisions, and makes requests for improvement as needed. At meetings of the Board of Directors, the number of whistleblowing reports is presented along with the content of the reports, and the effectiveness of the FPCO Group Action Charter and FPCO Normative Rules for Compliance is examined every six months.

Risk Management

The Board of Directors has established Risk Management Rules, classified risks, and is appropriately managing the risks of the overall Group. Regarding business risks related to production, sales, and logistics, we hold operation meetings in which directors, executive officers and general managers participate. Regarding risk management including the management of Group companies' risks, we hold information exchange meetings in which directors, executive officers and representatives of Group companies participate. We have thus built an organizational structure for working to manage risks. Specific examples of our risk management measures are as follows.

Conducting Risk Surveys

We conduct risk surveys of each production facility and logistics facility with the aim of minimizing damage due to natural disasters and preventing fire and industrial accidents. Dedicated outside consultants directly visit and inspect our business sites to identify risks and conduct risks analysis and assessment.

Response to product safety risks

We have continued working to have our facilities certified under FSSC 22000, the international standards for food safety management systems. As of March 31, 2024, a total of 25 facilities, including recycling and logistics facilities, have been certified.

Response to natural disasters

Our risk management measures, which have been developed by assuming natural disasters, include the deployment of emergency equipment, provision of firefighting training, installation of emergency hardline telephones, and installation of emergency power generation equipment which will reliably continue to generate power for 72 hours. We have also introduced a safety confirmation system and conduct training by using the system periodically.

Responding to information and security risks

We implement entrance and exit control at offices. At large complex facilities with numerous incoming and outgoing vehicles, we implement entrance and exit control based on a license plate. As a data management method, we take regular backups, use outside data centers as a measure in preparation for emergencies, 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.

Relationships with Shareholders

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 for institutional investors, we conduct individual meetings and facility tours, and seek to build trust with shareholders and form appropriate share prices by describing our management strategy and business activities in a more straightforward manner. 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.

Health and Productivity Management



In accordance with the FPCO Group Health Declaration and Health and Productivity Management Strategy Map, we implement programs aimed at making FP Corporation a company where each employee can work with vigor.

Details of this section are available here.



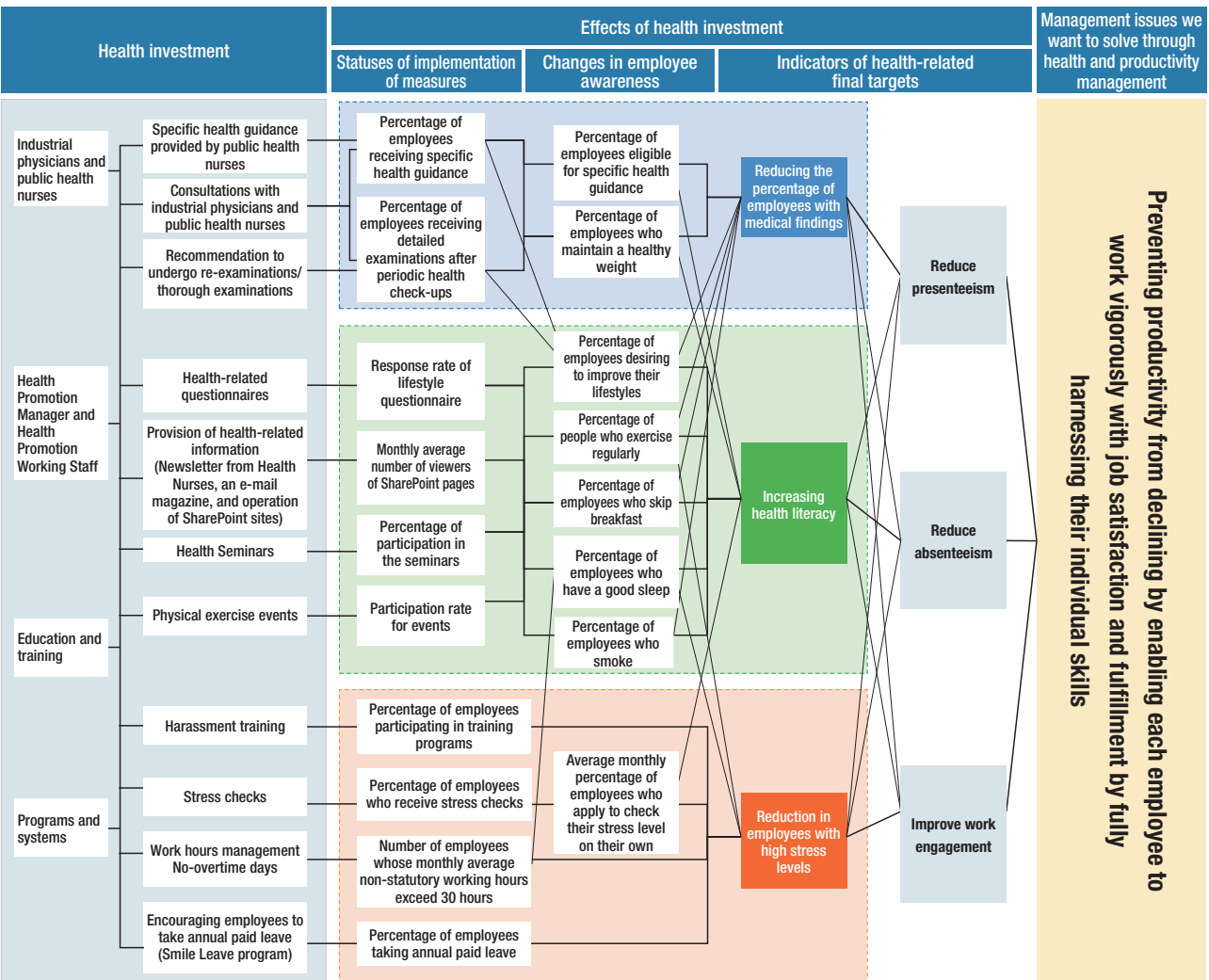
Selected under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category) for three successive years

FP Corporation was recognized for three consecutive years in the Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category) as a company which considers the health of employees and others from a management perspective and strategically implements initiatives which lead to the maintenance and promotion of good health.



FPCO Group Health and Productivity Management Strategy Map

At the FPCO Group, we have created and operate a Health and Productivity Management Strategy Map, so as to visualize the story of the health and productivity management strategy and implement the PDCA cycle effectively. We are pursuing a number of initiatives to achieve our target values, which we have set for each item.



Materiality
> Health and Productivity Management

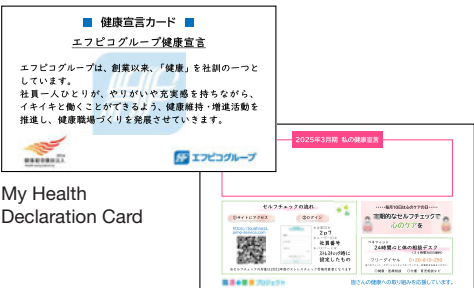
FPCO Group Health Declaration

Since its founding, the FPCO Group has positioned health as one of its guiding precepts. We promote activities to maintain and advance health and have developed healthy workplaces so that each and every employee can work vigorously with a sense of motivation and fulfillment.

Implementation of the Workplace Health Project

My Health Declaration Card

We distribute the Health Declaration Card to Group employees every year and have each one of them write their health activity targets for the year, thus encouraging them to maintain and improve their health.



My Health Declaration Card

Physical and mental health diagnosis

We are working to increase the percentage of employees who take the stress questionnaire in addition to undergoing a periodical health examinations each year, among all employees including those from business sites with fewer than 50 employees each. In the fiscal year ended March 31, 2024, the percentage of employees who underwent periodical health examinations was 100% while the figure for the stress questionnaire was 97.5%.

Support and health guidance from industrial physicians

We appoint industrial physicians at all business sites, including those with less than 50 employees, and advance safety and health activities by working together with the industrial physicians. We also have public health nurses provide specific health guidance and follow up on the results of periodic medical examinations. We have also contracted an outside organization to provide 24-hour health counseling year-round.



Health seminars

Health seminars

Health Seminars are held each year to promote the maintenance and advancement of employees' physical and mental health. In the fiscal year ended March 31, 2024, the seminars were held nine times in total under the themes of sleep, improving the intestinal environment, lifestyle, and stretching exercise, among others.

Lifestyle modification initiatives

We conduct a lifestyle survey each year to encourage lifestyle modification. In addition, we have introduced a smoking cessation week and the Pico-Veget Week (during which employees are encouraged to eat vegetables) and planned motor function tests, among others. Thus, we are encouraging employee self-care. In FY2024, we held the Inter-FPCO-Group-Company Walking Rally, in which participants competed in the number of steps using a smartphone pedometer app. The event was aimed at encouraging employees to form an exercise habit and communicate with each other. A total of 1,385 employees participated in this event.



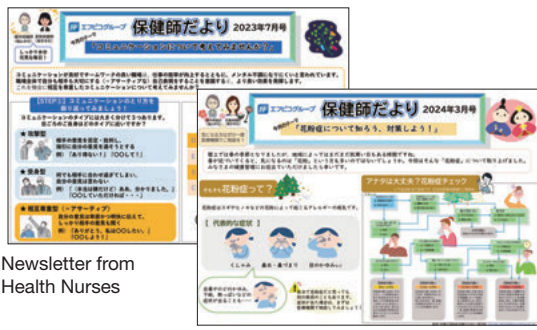
Walking rally using a smartphone pedometer app

Framework for Supporting Employees' Return to Work

We have created a manual on the content and framework for supporting and facilitating employees returning to work. Thus, we are ready to help employees taking long-term leaves of absence and returning to work.

Delivery of Health Information

We have created a dedicated site of the Workplace Health Project on our intranet, where we provide information about project programs. In addition, we use various opportunities to proactively provide health information to improve the health literacy of employees. These include the monthly Newsletter from Health Nurses, and an e-mail magazine from the Workplace Health Project.



Newsletter from Health Nurses

Human Resource Management Policy

We implement various programs, which permit all employees to enrich their lives, while improving our organizations, aiming to be a good company that is comfortable to work for and offers job satisfaction.



Details of this section are available here.



Human Resource Management Policy

The greatest asset of the FPCO Group, which continues to work and take on challenges to achieve sustainable growth, is its human resources. We will reinforce systems for human resource development to enable each one of our employees to fully demonstrate their talent and other individual qualities, throughout the process from recruitment and training to the utilization of their skills and to retirement. We will thus enable them to lead professional lives where they are fulfilled and satisfied in their jobs and continue to push forward with organizational revitalization to keep improving the value of the corporate group as a whole.

Evaluation system that values dialogue and extension of retirement age with multiple options with an upper limit of 65 years of age

We have introduced an evaluation system that attaches importance to dialogue between evaluators and the people being evaluated. Employees consider medium- to long-term initiatives and talk with their superiors to create opportunities to set targets, so that superiors support their subordinates in their autonomous personal development and their improvement activities. In addition, in evaluation settings, employees have the results of their initiatives to achieve six-month and full-year targets appeal to their superiors to discuss and agree on the evaluation with superiors. Extension of the retirement age or reemployment is also offered if employees express an interest in the dialogue. Employees are allowed to select the age at which they will retire, between 60 to 65 years of age. In addition, even employees who have chosen to retire before reaching 65 can continue working as re-hired employees (with the annual renewal of their contract) until they reach the age of 65. This applies to all employees who desire to do so. Employees are also re-hired after reaching the age of 65 with an upper limit of 70 (with the annual renewal of their contract) if both the employees and the company desire to continue their relationship.

	OFF-JT		General education		Self-development		
Employees in senior positions	Evaluator training		Harassment Prevention Training For managers		Health seminars	Qualification acquisition incentive system	Support system for attending outside schools
Managers	Training for newly appointed managers						
Mid-level employees	Leader training	Overseas training	Harassment Prevention Training For personnel other than managers				
Junior employees	Skills development training	One-on-one leadership training					
New employees	New employee training	Follow-up training					

Promoting Female Empowerment

In 2023, FP Corporation was granted the Eruboshi Certification (Stage 2 certification) as a company promoting the active participation of women in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. We have fulfilled our evaluation criteria for workstyles including work hours, the percentage of managers, and diverse career courses. In particular, the percentage of female managers is roughly two times higher than the industrial average value.

With regard to initiatives to expand the occupational domains of female employees, aid women in remaining employed, and increase the number of female managers, we have set a female career track hiring rate of at least 30% (24.0% as of April 2023), 50 or more female managers (achieved in April 2023, when the number reached 57), and five or more senior managers (achieved in April 2023, when the number reached six) in our general employers action plan. Moving forward, we will be proactive in hiring female career track employees and promoting women to higher positions, thus increasing opportunities for the active participation of women.



Eruboshi (Level 2)

Community Engagement



At FP Corporation, we aim to co-exist in harmony with people from areas where our business sites are located, as a member of each community. In FY2024, we held environmental events with supermarkets and other stakeholders. We also participated in exhibitions, gave classes by visiting organizations and educational institutions, and took other initiatives.

Major events in which we participated in FY2024

May	• Fukuyama Rose Festival (Hiroshima Prefecture)
Jun.	• Hachioji Festival (Tokyo) • Kankyo Fes Naka (environmental festival in Naka City) (Ibaraki Prefecture)
Jul.	• Eco-Technology Exhibition 2023 (Fukuoka Prefecture) • Koizumi Universal Beach Unit (Miyagi Prefecture) • Kurihara Tourism Network (Miyagi Prefecture) • Kirikiri-Koku (Iwate Prefecture) • Miyajima Network (Hiroshima Prefecture) • Setonaikai Ujishima Club (Hiroshima Prefecture)
Aug.	• Online plant tours • Eco World Festival Osaka (Osaka Prefecture) • Ishikawa Kankyo Fair (environmental fair) (Ishikawa Prefecture) • A class given by Japan Plastic Food Container Association at Nerima Sekimachi Recycle Center (Tokyo)
Sep.	• Arakawa River Clean-aid Forum (Tokyo)
Oct.	• A lecture at Prefectural University of Hiroshima (Hiroshima Prefecture) • A class given by visiting an elementary school in collaboration with a user (Tokyo) • Yamagata Environment Exhibition (Yamagata Prefecture) • Events related to the Reduce, Reuse and Recycle (3R) Promotion Month and the Food Loss Reduction Month • A lecture at Waseda University (Tokyo) • Onokoi Raku-ichi Raku-za (Hyogo Prefecture) • Saga Saiko Fes 2023 (Saga Prefecture) • Collaborative study session with users (Hokkaido) • The 17th 3R Suishin Zenkoku Taikai (national conference for promoting the 3Rs) (Akita Prefecture) • Sakishima Kodomo EXPO (children's expo) (Osaka Prefecture) • Arakawa River Clean-aid Forum (Tokyo) • Satoumi Festa 2023 (Hiroshima Prefecture) • Tsuyama Bunka-sai (cultural festival) (Yamagata Prefecture)
Nov.	• Satoumi Festa Workshop (Hiroshima Prefecture) • Eco Kentei Award 2023 (eco official essay award) (Tokyo) • Mihaishi-shi Kodomo Oshigoto Taiken Event (event for giving children hands-on experience of work) (Hiroshima Prefecture) • YOKOHAMA RePLASTIC Forum (Kanagawa Prefecture) • Jibasan Fair 2023 (Hiroshima Prefecture) • An initiative with a user (Shizuoka Prefecture)
Dec.	• Kodomo Eco Market-de Okaimono Taiken (shopping opportunities given to children at an eco-friendly product market) by Setagaya 2R Suishin Gikai (Tokyo) • EcoPro 2023 (Tokyo) • Zero Challe Hiroshima by GSHIP (Hiroshima Prefecture) • An initiative with a user (Tokyo) • Hyogo Youth eco Forum (Hyogo Prefecture)
Jan.	• A class given by visiting an elementary school in collaboration with a user (Kanagawa Prefecture) • A class given by visiting an elementary school in collaboration with a user (Kagawa Prefecture) • Hiroshima-ken GSHIP Zero Challenge (Hiroshima Prefecture) • A lecturer sent to NACS Environment Forum (Osaka Prefecture)
Feb.	• Gifu Chikyu Kankyo Juku (Gifu global environment academy) (Gifu Prefecture) • A lecture given to a section in charge of reducing waste of Yamagata City Government (Yamagata Prefecture) • Zero Challe Hiroshima by GSHIP (Hiroshima Prefecture)
Mar.	• Environmental training session (Tokyo) • Photo-shooting of beach cleaning by Shonan Cleanaid Forum (Kanagawa Prefecture) • National Kodomo Eco Club Festival (Tokyo)



Fukuyama Rose Festival (Hiroshima Prefecture)



Hachioji Festival (Tokyo)



An initiative with a user (Shizuoka Prefecture)



An initiative with a user (Tokyo)



A class given by visiting an elementary school in collaboration with a user (Kanagawa Prefecture)

Corporate Profile

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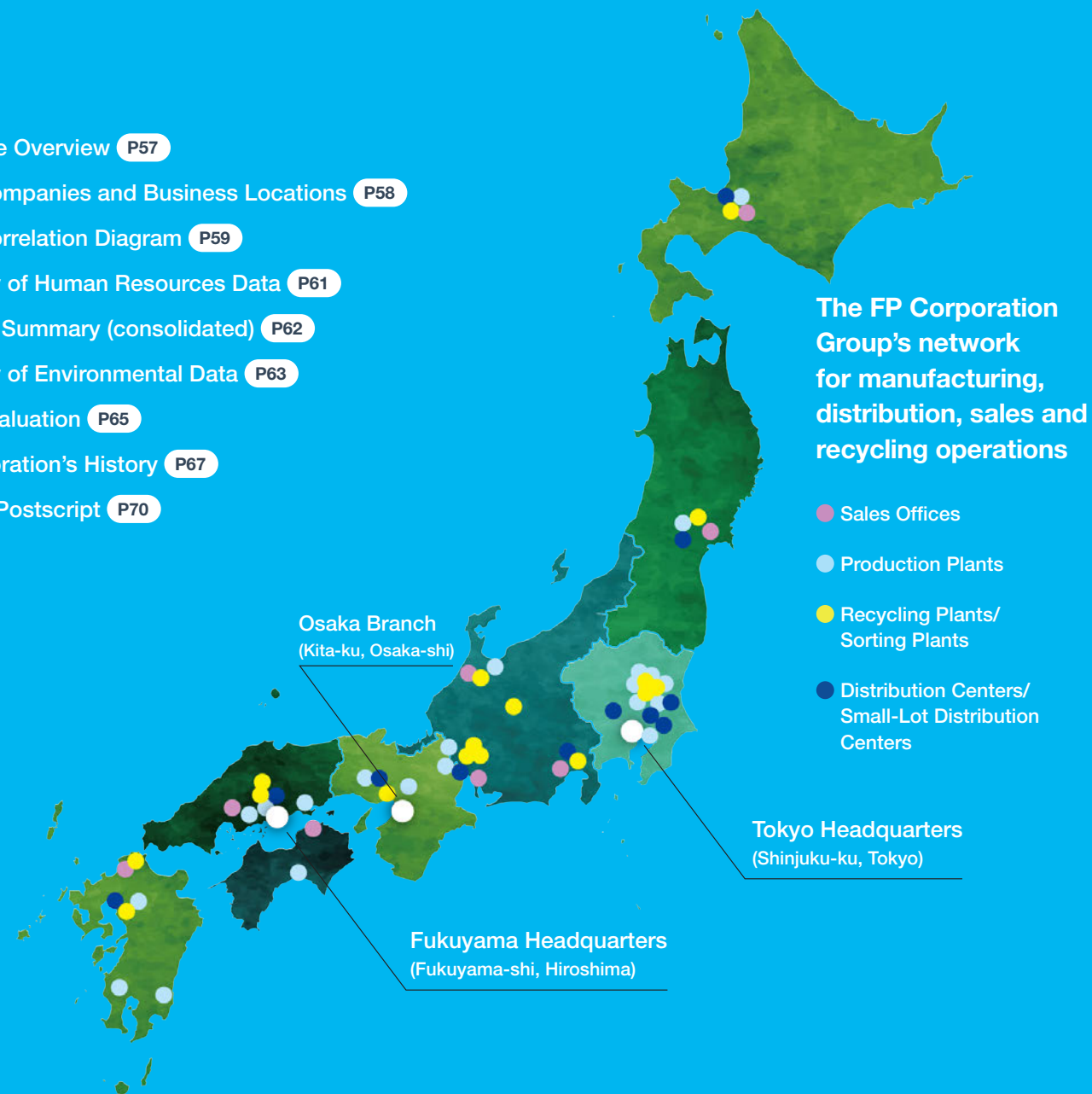
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Corporate Overview

Name:	FP CORPORATION
Established:	July 1962
Representative:	Morimasa Sato, Chairman, Representative Director and Group Representative Kazuyuki Yasuda, President, Representative Director
Capital:	13.15 billion yen
Number of employees:	984 employees (FP Corporation Group: 5,104)

Business outline: Manufacturing and marketing of disposable food containers made of polystyrene and other compound resins; marketing of related packaging materials



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.

Group Companies and Business Locations

Group Companies

Manufacturing

FPCO Hokkaido Co.
FPCO Yamagata, Ltd.
FPCO Ibaraki Co.
FPCO Yachiyo Co.
FPCO Shimodate Co.
FPCO Chikusei Co.
FPCO Toyama Co.
FPCO Chubu Co.
FPCO Hyogo Co.

FPCO Kasaoka Co.
FPCO Fukuyama Co.
FPCO Kannabe, Ltd.
FPCO Kyushu Co.
FPCO Ducks Co.
FPCO Ai Pack Co.
FPCO ALRight Co. Ltd.
FPCO Gravure Co., Ltd.
Nishinihon PET-Bottle Recycle Co., Ltd.

Logistics

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

Trading & Sales

FP Trading Co., Ltd.
FP CHUPA Corporation
FPCO Dia Foods Co., Ltd.
FPCO International Package Co.,
Ltd.
FPCO Ishida Co., Ltd.
FPCO Ueda Co.
APEX Corporation

Facilities of FP Corporation

Headquarters

Fukuyama Headquarters
(Fukuyama-shi, Hiroshima)

Tokyo Headquarters
(Shinjuku-ku, Tokyo)

Branches

Osaka Branch (Kita-ku, Osaka-shi)

Sales Offices

Sapporo Sales Office
(Chuo-ku, Sapporo-shi)

Sendai Sales Office
(Aoba-ku, Sendai-shi)

Niigata Sales Office
(Chuo-ku, Niigata-chi)

Shizuoka Sales Office
(Suruga-ku, Shizuoka-shi)

Nagoya Sales Office
(Nakamura-ku, Nagoya-shi)

Hokuriku Sales Office
(Kanazawa-shi, Ishikawa)

Hiroshima Sales Office
(Nishi-ku, Hiroshima-shi)

Shikoku Sales Office
(Takamatsu-shi, Kagawa)

Fukuoka Sales Office
(Hakata-ku, Fukuoka-shi)

Production plants

Hokkaido Plant (Ishikari-shi, Hokkaido)
Yamagata Plant (Sagae-shi, Yamagata)
Kanto Yachiyo Plant (Yuki-gun, Ibaraki)
Kanto Plant (Yuki-gun, Ibaraki)
Kanto Eco PET Plant (Yuki-gun, Ibaraki)
Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
Chikusei Plant (Chikusei-shi, Ibaraki)
Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki)
FPCO Ducks Co. Chiba Plant (Narashino-shi, Chiba)
Toyama Plant (Imizu-shi, Toyama)
Chubu Plant (Anpachi-gun, Gifu)
Chubu Eco PET Plant (Anpachi-gun, Gifu)
Kinki Kameoka Plant (Kameoka-shi, Kyoto)
Kansai Plant (Ono-shi, Hyogo)
Kasaoka Plant (Kasaoka-shi, Okayama)
Fukuyama Plant (Fukuyama-shi, Hiroshima)
Kannabe Plant (Fukuyama-shi, Hiroshima)
FPCO Ducks Co. Kochi Plant (Nankoku-shi, Kochi)
Kyushu Plant (Kanzaki-gun, Saga)
Nango Plant (Nichinan-shi, Miyazaki)
Kagoshima Plant (Kagoshima-shi, Kagoshima)

Recycling Plants/Sorting Plants

Kanto Recycling Plant (Yuki-gun, Ibaraki)
Kanto PET Recycling Plant (Yuki-gun, Ibaraki)
Chubu Recycling Plant (Anpachi-gun, Gifu)
Chubu PET Recycling Plant (Anpachi-gun, Gifu)
Fukuyama Recycling Plant (Fukuyama-shi, Hiroshima)
Hokkaido Sorting Plant (Ishikari-shi, Hokkaido)
Yamagata Sorting Plant (Sagae-shi, Yamagata)
Ibaraki Sorting Plant (Bando-shi, Ibaraki)
Matsumoto Sorting Plant (Matsumoto-shi, Nagano)
Tokai Sorting Plant (Sunto-gun, Shizuoka)
Gifu Sorting Plant (Anpachi-gun, Gifu)
Kanazawa Sorting Plant (Kanazawa-shi, Ishikawa)
Nishinomiya Sorting Plant (Nishinomiya-shi, Hyogo)
Fukuyama Sorting Plant (Fukuyama-shi, Hiroshima)
Kyushu Sorting Plant (Kanzaki-shi, Saga)
Nishinihon PET-Bottle Recycle Co., Ltd.
(Wakamatsu-ku, Kitakyushu-shi)

Research Institute

Comprehensive Research Institute
(Fukuyama-shi, Hiroshima)

Distribution Centers/ Small-Lot Distribution Centers

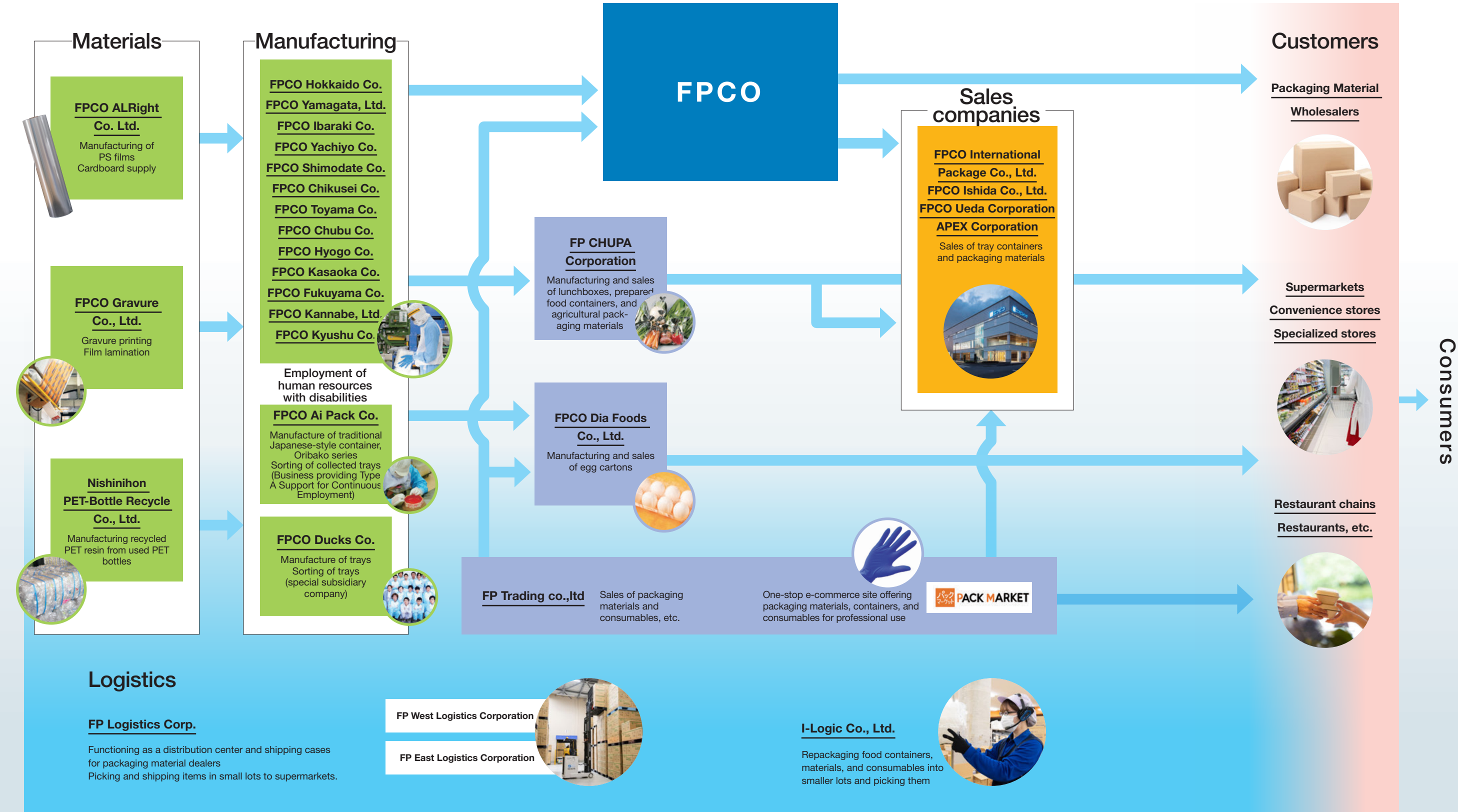
Hokkaido Distribution Center (Ishikari-shi, Hokkaido)
Tohoku Distribution Center (Sagae-shi, Yamagata)
Kanto Hub Center (Yuki-gun, Ibaraki)
Hachioji Distribution Center (Hachioji-shi, Tokyo)
Chubu Hub Center (Anpachi-gun, Gifu)
Tokai Sorting Plant (Sunto-gun, Shizuoka)

Kansai Hub Center (Ono-shi, Hyogo)
Fukuyama Hub Center (Fukuyama-shi, Hiroshima)
Kyushu Distribution Center (Kanzaki-gun, Saga)
Hokkaido Picking Center (Ishikari-shi, Hokkaido)
Tohoku Picking Center (Kurokawa-gun, Miyagi)
Kanto Picking Center (Yuki-gun, Ibaraki)
Ibaraki Picking Center (Yuki-gun, Ibaraki)

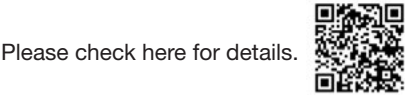
Hachioji Picking Center (Hachioji-shi, Tokyo)
Niigata Picking Center (Nagaoka-shi, Niigata)
Chubu Picking Center (Anpachi-gun, Gifu)
Kansai Picking Center (Kita-ku, Kobe-shi)
Fukuyama Picking Center (Fukuyama-shi, Hiroshima)
Kyushu Picking Center (Kanzaki-gun, Saga)

Group Correlation Diagram

The FPCO Group supports customers with its comprehensive strength and organic linkage, ranging from the production of food trays and containers to their delivery and sale, as well as sales of related materials and consumables.



Summary of Human Resources Data



The following are data related to the society-related aspects of FP Corporation.

Statistics on Employees (as of the end of March 2024)	Male		Female		Total		
Number of Employees (persons)	657		327		984		
Number of Foreign Employees (persons)	1		5		6		
Average Age (persons)	44.8		35.7		41.8		
Under 30	112		121		233		
30 - 39	130		84		214		
40 - 49	164		100		264		
50 - 59	185		17		202		
60 and older	66		5		71		
Continuous Years of Employment (years)	18.0		12.0		16.0		
Number of Employees (Consolidated) (persons)	3,808		1,296		5,104		
Number of Resignations	Early	Voluntary	Company-mandated	Transfers	Others:	Total	
FY2024 (persons)	0	30	0	0	0	30	
New Graduate Employee Retention Status	Male		Female		Total		
Number of Graduate Employees Hired in April 2021 (persons)	17		17		34		
Number Remaining in April 2024 (persons)	15		16		31		
Percentage of Female Employees in Managerial Positions	Female (persons)		Male (persons)		Percentage of Female Employees (%)		
	57		393		12.7		
Employment of Persons with Disabilities	FY2021		FY2022		FY2023		FY2024
Actual Number (persons)	362		365		365		393
Disability Employment Rate (%)	12.7		12.6		12.5		12.6
Work-life Balance	FY2021		FY2022		FY2023		FY2024
Percentage of Paid Leave Taken (%)	49.3		56.1		57.6		63.6
Average Monthly Hours of Overtime Worked Per Person (hours/month)	8.0		7.8		7.7		7.5
Number of Employees Taking Maternity Leave (persons)	12		15		14		18
Number of Employees Taking Childcare Leave (persons)	15		15		20		20
Female	14		13		18		15
Male	1		2		2		5
Percentage of Childcare Leave Taken by Female Employees (%)	100.0		100.0		100.0		100.0
Percentage of Childcare Leave Taken by Male Employees (%)	5.0		9.1		9.5		21.7
Percentage of Employees Returning from Childcare Leave (%)	96.0		95.2		100.0		95.2
Percentage of Childcare Leave, Etc. Taken by Male Employees (%)	-		-		-		82.6

* Percentage of employees taking FP Corporation's unique leave program (leave of five consecutive days for childcare) combined with those taking statutory childcare leave

Financial Summary (consolidated)

The following are business performance data of FP Corporation.

Term		58th Term	59th Term	60th Term	61st Term	62nd Term
Year and Month of Financial Results		March 2020	March 2021	March 2022	March 2023	March 2024
Net sales	(Million yen)	186,349	187,509	195,700	211,285	222,100
Ordinary profit	(Million yen)	16,274	19,381	16,703	17,328	16,780
Profit attributable to owners of parent	(Million yen)	10,777	12,211	11,206	11,529	11,724
Comprehensive income	(Million yen)	10,461	13,021	11,118	11,558	12,485
Net assets	(Million yen)	119,301	124,980	132,455	140,171	145,844
Total assets	(Million yen)	242,497	247,234	262,695	298,623	298,580
Net assets per share	(Yen)	1,436.07	1,520.06	1,610.11	1,703.56	1,795.71
Net income per share	(Yen)	130.36	147.80	136.96	140.87	143.50
Net income per share (diluted)	(Yen)	-	-	-	-	-
Equity ratio	(%)	49.0	50.3	50.2	46.7	48.6
Return on equity	(%)	9.4	10.0	8.8	8.5	8.2
Stock price to earnings ratio	(Times)	27.5	30.5	21.3	23.3	19.2
Cash flows from operating activities	(Million yen)	27,770	31,814	23,148	20,071	29,176
Cash flows from investing activities	(Million yen)	-10,989	-19,131	-22,866	-34,306	-10,711
Cash flows from financing activities	(Million yen)	-15,643	-15,086	1,578	16,745	-17,013
Cash and cash equivalents at end of period	(Million yen)	20,288	17,884	19,745	22,255	23,707

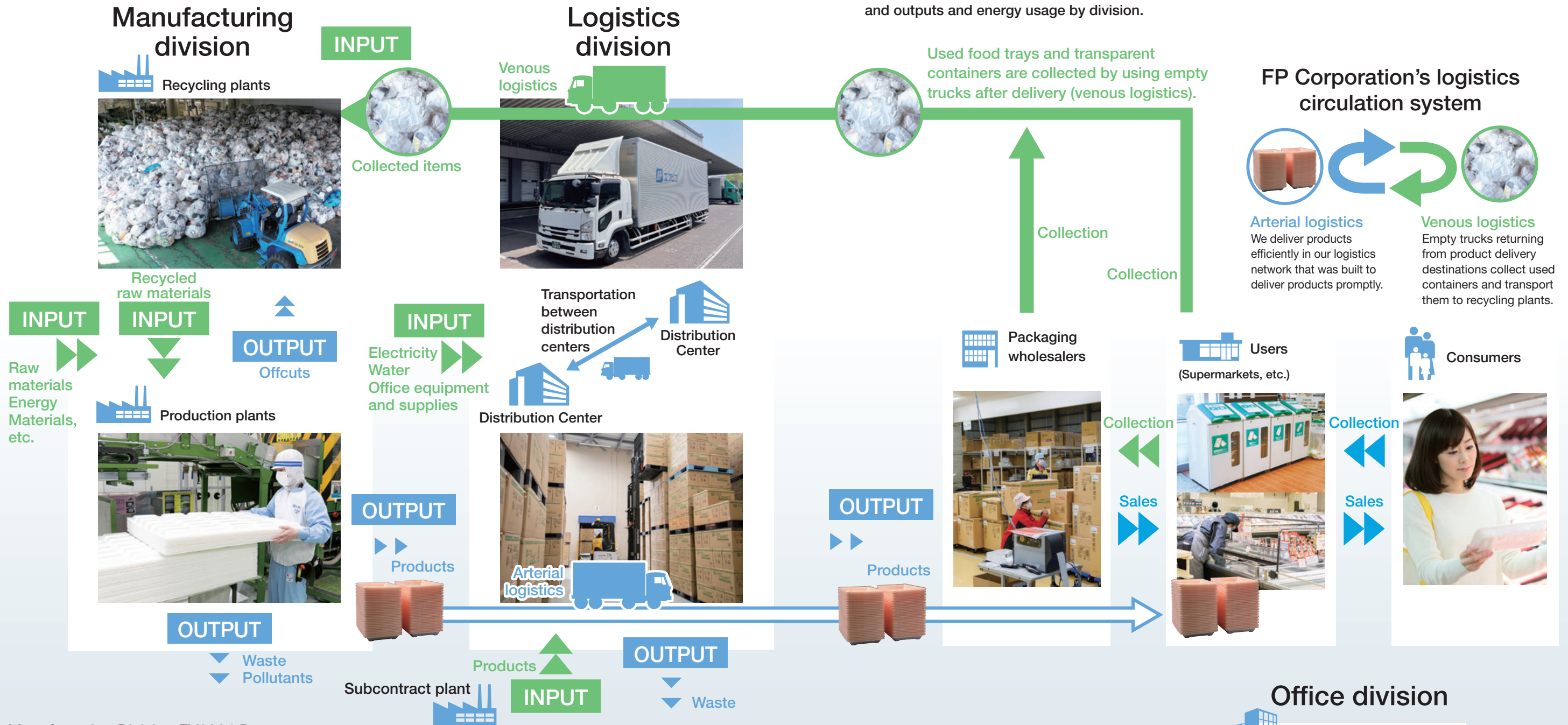
*1 The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. has been adopted since the beginning of the 60th term, and the accounting standard, etc. is applied retroactively to major management indicators, etc. for the 59th term.

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

*3 On October 1, 2020, the Company implemented a two-for-one common stock split. In connection with the stock split, the company calculated net income per share and net assets per share, assuming the concerned stock split was performed at the beginning of the 58th term.

Summary of Environmental Data

At FP Corporation, we make every effort to accurately grasp the impact our own corporate activities have on the environment, to reduce and control the impact we have on the natural environment as much as possible. The following are our CO₂ emissions and the balance of material inputs and outputs and energy usage by division.



Manufacturing Division FY2024 Data

INPUT	Energy	Electricity	404,809,378	kwh
		Energy from Fossil Fuels	96,812,980	MJ
	Water Resources	Water Supply	631,657	m³
		Groundwater	191,143	m³
		Industrial Water	82,471	zm³
	Raw materials (Resins, etc.)	210,290 t		
	Secondary Materials	Cardboard	39,396	t
		Packaging Plastic	3,498	t
	Others	Lubricating Oil	10,903	L
		Thinners	48,828	L
Paper		2,271,500	sheets	

OUTPUT	Products	Product Manufacturing Weight	207,299	t
		Number of Truck Shipments	168,039	vehicles
	Waste	29,423 t		
	Environmental Pollutants	Soot and Dust	27	Kg
		NOx	3,591	Kg
		SOx	755	Kg
		BOD	6,005	Kg
		COD	3,030	Kg
	SS	642	Ka	

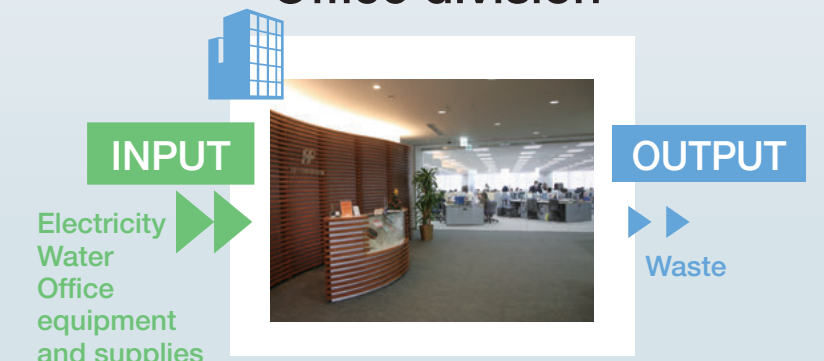
Logistics Division
FY2024 Data

INPUT		
Energy	Electricity	18,031,783 kwh
	Energy from Fossil Fuels	2,680,667 MJ
Water Resources	Water Supply	22,095 m ³
Others	Paper	9,162,880 sheets
OUTPUT		
Waste	462 t	

Office Division FY2024 Data

INPUT		
Energy	Electricity	3,660,003 kwh
Water Resources	Water Supply	5,814 m ³
Others	Paper	9,615,000 sheet
OUTPUT		
Waste		50 t

Office division



Please check here for details.



Social Evaluation

External evaluation



Wins the gold prize in the first Eco Mark Award

This is an award program established by the Japan Environment Association. The FPCO method Tray-to-Tray recycling was selected as the first winner of the gold prize, the highest award. Thirteen years after winning the prize, the FPCO Method Recycling has continued to develop.



Recognized for the active participation of our human resources with disabilities in container manufacturing and recycling sites, which contributes to the value of the overall company, we were selected as one of the winners of the New Diversity Management Selection 100 (fiscal 2014) by the Ministry of Economy, Trade and Industry.



The Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category) commends companies that consider the health of employees and other stakeholders from a management perspective and that strategically implement initiatives which lead to the maintenance and promotion of good health. FP Corporation has been recognized under this program for three consecutive years since 2022.



Eruboshi (Level 2)

In 2023, FP Corporation was granted the Eruboshi Certification (Level 2) as a company promoting the active participation of women in accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace. We have met three evaluation criteria for work-styles including work hours, the percentage of female managers, and diverse career courses. Our general employers action plan is included in the Ministry of Health, Labour and Welfare's database of companies promoting women's participation and advancement in the workplace.



CDP climate change information disclosure Rated as A in 2023



Supplier Engagement Rating FY2023 evaluation Supplier Engagement Leader



Tokyo Stock Exchange (Securities code: 7947)



Diversity & Inclusion Award

In December 2023, FP Corporation was rated as Best Workplace, the highest rating in D&I Award. It is Japan's largest award program, which evaluates companies taking diversity and inclusion (D&I) initiatives. We were recognized for our many years of efforts to promote the employment of human resources with disabilities and enhancement of initiatives including support for employees in balancing work and childcare.



FP Corporation was certified by the Japan Sports Agency as a 2024 Sports Yell Company, recognized as a company that actively encourages employees to play sports for better health. We have been certified under this program consecutively since FY2018 and was granted the Bronze certification.

ESG Indexes



FTSE4Good



FTSE Blossom Japan



FTSE Blossom Japan Sector Relative Index

FP Corporation has been selected as a constituent of the FTSE4Good Index Series, which is announced based on ESG evaluation of approx. 3,000 major companies in the world.

2023 CONSTITUENT MSCI日本株女性活躍指数 (WIN)

This index is determined by calculating gender diversity scores based on data about the employment of women disclosed pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace and selecting companies with high scores from each industry. Same as the FTSE Blossom Japan Index, it is one of the ESG indexes developed by MSCI Inc. of the United States and used by the Government Pension Investment Fund (GPIF).



S&P/JPX Carbon Efficient Index

One of the indexes used by GPIF that was designed with focuses on the state of environmental information disclosure and carbon efficiency levels

Environmental groups in which FP Corporation participates



Certified under the Eco First program

The FPCO Group was certified as an Eco First Company in 2022. Under this program, industry-leading companies pledge to the Minister of the Environment to conduct voluntary environmental efforts, including global warming countermeasures and waste control and recycling measures.



FP Corporation has been participating in the Clean Ocean Material Alliance (CLOMA), which was founded in 2019, as an Executive Committee member company since its foundation. As the vice chair of the technical subcommittee, we have been working on the development of recycling technologies and new materials, among other initiatives.



The Japan Partnership for Circular Economy (J4CE) was founded on March 2, 2021 by the Ministry of the Environment, Ministry of Economy, Trade and Industry, and Keidanren (Japan Business Federation) for the purpose of strengthening public and private partnerships, with the aim of further fostering understanding of the circular economy among a wide range of stakeholders, including domestic companies, and promoting initiatives in response to the accelerating global trend toward a circular economy. The FPCO Method Recycling is introduced in Noteworthy Cases, in which 29 highly noteworthy cases are compiled.

FP Corporation's History

General events

- 1962

Fukuyama Pearl Paper Manufacturing Corporation established. Fukuyama Headquarters established in Komiya-cho (now Kasumi-cho), Fukuyama, Hiroshima Prefecture. Foamed PS thermoforming launched.
- 1972

The Fukuyama Distribution Center (Fukuyama, Hiroshima) is established and distribution centers are subsequently set up in various regions.
- 1976

First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company's products.
- 1979

FP Logistics Corporation established to reinforce delivery system.
- 1981

Manufacturing and selling of colored food containers commences in response to the trend of fashionable food receptacles.
- 1983

Tokyo Branch (Nerima-ku, Tokyo) established.
- 1985

Osaka Branch (Osaka-shi, Osaka) established. The Kanto Plant (Yachiyo-machi, Ibaraki) begins operations and manufacturing plants subsequently set up in various regions.
- 1989

CI introduced. Corporate name changed to FP Corporation. Listed on the Hiroshima Stock Exchange.
- 1991

Listed on the Second Section of the Osaka Stock Exchange.
- 1997

Yasuhiro Komatsu, the then President and CEO, is awarded Medal with Blue Ribbon.
- 2000

Construction finishes on the headquarters and plant of Special Subsidiary Company Ducks Shikoku Co. (Nankoku, Kochi), and special subsidiary company business sites subsequently set up in various regions. Listed on the Second Section of the Tokyo Stock Exchange.
- 2001

Fukuyama / Tokyo double head office system started, with Tokyo Branch upgraded to Tokyo Headquarters.
- 2003

East Japan Hub Center (Yachiyo-machi, Ibaraki) completed.
- 2005

Listed on the First Section of the Tokyo and Osaka Stock Exchanges.
- 2006

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.
- 2012

The world's first biaxially oriented PET product for plastic containers is released.



- 2013

Yasuhiro Komatsu, the then Chairman & CEO, honored with the Order of the Rising Sun, Gold and Silver Star.
- 2014

The Fukuyama Cross Dock Center (Fukuyama-shi, Hiroshima) begins operations. FPCO Comprehensive Research Institute and Human Resources Development and Training Center (Fukuyama, Hiroshima) are completed.
- 2015

FP Corporation is selected by the Ministry of Economy, Trade and Industry under the Diversity Management Selection 100. 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. 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.
- 2016

FP Corporation's the then Chairman and CEO Yasuhiro Komatsu recognized as an honorary citizen of Fukuyama City.
- 2017

FP Corporation's founder Yasuhiro Komatsu passes away.
- 2018

Construction finishes on the headquarters of FPCO ALRight Co., Ltd. Construction finishes on the new Hiroshima Sales Office building FP Corporation is certified as a Sports Yell Company for 2018 (Japan Sports Agency)
- 2019

FP Corporation wins an award in the first Japan Times ESG Awards.
- 2020

The Fukuyama-shi gymnasium, for which FP Corporation acquired the naming rights, opens as FPCO Arena Fukuyama.
- 2021

Construction finishes on Chubu Hub Center.
- 2022

FP Corporation transferred to Tokyo Stock Exchange Prime Market (stock code: 7947). We acquired a stake in Lee Soon Seng Plastic Industries Sdn. Bhd. (LSSPI), a plastic food container manufacturer in Malaysia. Acquisition of certifications under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program (large enterprise category)
- 2023

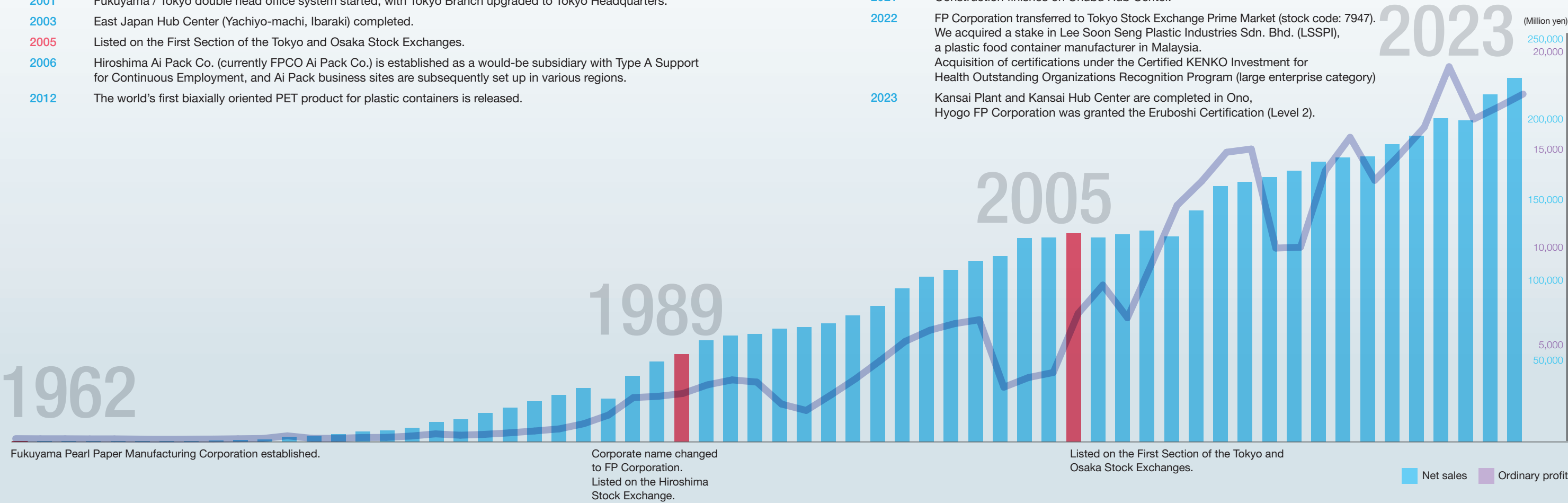
Kansai Plant and Kansai Hub Center are completed in Ono, Hyogo FP Corporation was granted the Eruboshi Certification (Level 2).



FPCO Research Center and Human Resources Development and Training Center



Kansai Plant and Kansai Hub Center



FP Corporation's History

Environmental initiatives, achievements, etc.

- 1980

Problems with the disposal of trays occur and FP Corporation is among the first companies to begin the collection of used trays.
- 1990

FP Corporation starts its recycling program.
- 1991

Eco Tray becomes the first in the industry to receive Eco Mark certification.
- 1993

Receives the Chairman's Award in the Clean Japan Center sponsored Award Program for Companies Contributing to the Reuse of Resources.
- 2007

Receives the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards.
- 2011

Receives the Gold prize at the Eco Mark Award 2010.
FP Corporation is recognized as an Eco-First Company by the Minister of the Environment.
The Eco APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association.
- 2015

Receives the Minister of the Environment Award for Global Warming Prevention Activity (Category of countermeasure activity implementation and dissemination).
- 2016

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.
- 2017

The Kanto Eco PET Plant begins operations.
- 2018

Participates as an exhibitor in G20 Innovation Exhibition.
- 2019

Participates in the Clean Ocean Material Alliance as an Executive Committee member.
- 2020

Establishes the FP Corp. Environment Fund.
- 2021

Announces the Declaration of Carbon Offsetting.
- 2022

Introduces solar power generation to Kanto Yachiyo area.
Kanto Recycling Plant begins to procure 100% of power from renewable energy sources.
Announces FP Corporation Eco Action (FPEA) 2.0, FP Corporation's medium- to long-term targets.
Announces support for the TCFD Recommendations.
Introduces solar power generation equipment in Chubu area.
- 2023

The FPCO Method Tray-to-Tray recycling exhibited at the PR exhibition in the International Media Center (IMC) that is held in conjunction with the G7 Hiroshima Summit.
Wins the encouragement prize in the Eco Unit category in the eco Kentei Award 2023 hosted by the Tokyo Chamber of Commerce and Industry.
- 2024

FP Corporation makes the CDP Climate Change A List and meets the Leadership scoring criteria in CDP Supplier Engagement Rating.
CO₂ reduction effect of Eco Tray increases to 37% due to the start of procurement of renewable energy from the rooftop solar power generation equipment of Kansai Plant and Kansai Hub Center.
Kansai Sorting Center scheduled to begin operating.



Nishinomiya Plant of FPCO Ai Pack, where traditional Japanese-style containers, the Oribako series are manufactured

Looking back on the world of professional sports in 2023, Kansai played a leading role. In professional baseball, the Hanshin Tigers claimed their first Japan championship title in 38 years, while the Orix Buffaloes won the league title for the third consecutive year. In the J1 Football League, Vissel Kobe won the league title they had long been seeking for the first time. This football team, Vissel Kobe, released a box lunch at Noevir Stadium Kobe in collaboration with a user of FP Corporation products. The Oribako series manufactured at Nishinomiya Plant (Nishinomiya City, Hyogo) of FPCO Ai Pack was used as the container for the box lunch. Having compartments, The Oribako series (container) is one of those products that are very difficult to assemble and inspect. Our human resources with disabilities are making each container carefully by hand work. We find ourselves imagining that their care was communicated to the spectators who ate the box lunch and transformed into their support for the players on the field, which helped contribute to their success.

FP Corporation began operating Kansai Plant and Kansai Hub Center in Ono City, Hyogo last year. We are now able to deliver products for Kinki area from its vicinity. We aim to reliably deliver environmentally friendly products that will be useful, convenient, and indispensable for you and make meals enjoyable, whenever they are needed. With this thinking, we will continue striving to ensure the stable supply of food trays and containers.

Thank you very much for reading FP Corporation Report 2024. We would be grateful if you could complete the survey and return it to us for the continued improvement of the report. Thank you in advance for your cooperation.



Sustainability Promotion Department
General Manager
Eiji Togashi

Read this QR code or use the sheet attached to this report to complete the questionnaire. We thank you for your cooperation.





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