

## Consolidated Financial Results for the Six Months Ended September 30, 2010

Company name: FP Corporation  
 Stock exchange listing: Tokyo Stock Exchange, Osaka Securities Exchange  
 Stock code: 7947 URL: <http://www.fpco.co.jp/>  
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 9, 2010  
 Scheduled date for commencement of dividend payments: November 26, 2010  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2010 (April 1, 2010 – September 30, 2010)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
As of September 30, 2010	66,151	5.0	6,621	13.3	6,829	13.6	4,003	15.0
September 30, 2009	63,002	-2.2	5,844	56.9	6,010	53.3	3,480	49.7

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
As of September 30, 2010	191.95	–
September 30, 2009	166.65	–

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2010	148,210	62,318	42.0	2,989.22
March 31, 2010	137,720	59,808	43.4	2,860.36

(Reference) Shareholders' equity: As of September 30, 2010: 62,294 million yen  
 As of March 31, 2010: 59,736 million yen

### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2010	–	50.00	–	52.00	102.00
Year ending March 31, 2011	–	58.00			
Year ending March 31, 2011 (forecast)			–	52.00	110.00

(Note) Revisions to dividend forecasts made during the current term: None

### 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2011 (April 1, 2010 – March 31, 2011)

(For the fiscal year, percentages show year-on-year changes, and for the first six-month cumulative period, percentages show changes over the corresponding period last year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2011	143,000	14.5	13,700	15.2	14,000	14.6	8,240	15.8	395.39

(Note) Revisions to consolidated financial forecasts made during the current term: None

4. Others (For details, please refer to "Other Information" on page 3 of the accompanying materials.)

(1) Changes of important subsidiaries during the period: None

Companies added to the scope: -- companies (name: )  
Companies removed from the scope: -- companies (name: )

(Note) Any changes in specific subsidiaries accompanied by a change in the scope of consolidation during the quarter under review

(2) Application of concise accounts procedures and particular accounts procedures: Yes

(Note) Adoption of simplified accounting methods or accounting methods unique to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, and the method of presentation, etc.

(i) Changes caused by revision of accounting standards: Yes

(ii) Changes other than (i): None

(Note) Any changes in accounting principles, procedures, or representation method of the accounting methods for the preparation of quarterly consolidated financial statements included in "Changes in Basic Important Matters for the Preparation of Quarterly Consolidated Financial Statements"

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

(i) Number of shares outstanding at end of period (including treasury stock)

As of September 30, 2010: 22,142,106 shares

As of March 31, 2010: 22,142,106 shares

(ii) Number of treasury stock at end of period:

As of September 30, 2010: 1,302,490 shares

As of March 31, 2010: 1,257,985 shares

(iii) Average number of shares outstanding during the term (consolidated cumulative period)

Six months ended September 30, 2010: 20,858,770 shares

Six months ended September 30, 2009: 20,883,747 shares

#### Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

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

Descriptions regarding the future, such as the forecast of financial results herein, are calculated based on the information which is available to the Company as of the date hereof. Please note that actual results may be different due to various factors such as subsequent changes in business environment. For assumptions underlying the forecasts and notes to the forecasts, refer to "(3) Qualitative Information Relating to Consolidated Financial Forecasts" of "1. Qualitative Information on Consolidated Operating Results, etc. for the First Half" on page 3 of the accompanying materials.

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## 1. Qualitative Information on Consolidated Operating Results, etc. for the First Half

### (1) Qualitative information relating to consolidated results of operations

During the first six months of the current fiscal year ended September 30, 2010, the Japanese economy continued to face challenging conditions, marked by severe income and employment environments. Nonetheless, there was a continued moderate recovery in corporate earnings and business sentiment.

The volumes of products sold rose significantly, to 107.3% of the previous year, despite sluggish consumption, primarily reflecting expanded volumes of general-purpose and lightweight products sold, and the launch of new products. Sales for manufactured goods increased to 105.0% of the previous year, notwithstanding the impact of product price cuts made during the first three months of the current fiscal year.

Meanwhile, sales of commodities rose to 105.0% of the same period of the previous year, reflecting initiatives adopted to increase the volume of goods handled by acquiring on April 1, 2010 the operations of Yuka Shoji Company Ltd. which has superior capabilities in procuring expendables and packaging materials.

Net sales were 66,151 million yen, a record level for a six-month period, and up 3,149 million yen (105.0% of the previous year) from the previous fiscal year.

Income meanwhile climbed 3.2 billion yen for the term under review, attributable to factors such as expanded volumes of products sold, the robust application of new products, advanced weight reduction, changes of materials for products, and reduced numbers of product items, as well as steady progress achieved in our Group-wide cost cutting initiatives in areas such as production and logistics. Moreover, despite a year-on-year increase of 1.1 billion yen in raw material costs, an impact of 900 million yen on income from cuts in product prices carried out in the previous fiscal year (albeit influencing results for six months only), and an increase in other expenses, ordinary income reached 6,829 million yen, an increase of 819 million yen year on year (113.6% of the same period of the previous fiscal year). Net income stood at 4,003 million yen, a record for a six-month period and an increase of 523 million yen year on year (115.0% of the same period of the previous fiscal year).

Meanwhile, Tokai Sorting Center commenced operations in April 2010, and Shin-Fukuyama Picking Center started operations in June. Moreover, the Company sought to strengthen product development by including AL Right Inc., a film manufacturer, in its consolidated subsidiaries on June 1, 2010.

### (2) Qualitative information relating to consolidated financial conditions

#### 1) State of assets, liabilities and net assets

Assets for the Group totaled 148,210 million yen at the end of the first six months under review, up 10,490 million yen from the end of the previous fiscal year. Key factors in this increase were a rise in cash and deposits of 3,615 million yen, an increase in trade notes and accounts receivable of 3,499 million yen, a climb in merchandise and finished goods of 686 million yen, and an increase in total tangible fixed assets of 4,419 million yen, offsetting a fall in other current assets of 1,642 million yen.

Consolidated liabilities amounted to 85,892 million yen, up 7,980 million yen from the end of the previous fiscal year. The increase resulted primarily from an increase in accounts payable-trade of 3,227 million yen, a rise in short-term borrowings payable and long-term borrowings payable of 7,521 million yen in total, offsetting a decline in income taxes payable of 1,083 million yen, and a fall in other current liabilities of 1,699 million yen.

Consolidated net assets reached 62,318 million yen, up 2,510 million yen from the end of the previous fiscal year. This change mainly reflected a rise in retained earnings of 2,917 million yen, a fall in valuation difference on available-for-sale securities of 257 million yen, a decline in net assets, due to a net increase of 101 million yen in treasury stock.

#### 2) State of cash flows

Cash and cash equivalents (hereinafter “funds”) totaled 14,718 million yen at the end of the first six months under review, up 3,615 million yen from the end of the previous fiscal year.

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

(Cash flows from operating activities)

Cash provided by operating activities came to 5,793 million yen (compared with a cash inflow of 5,817 million yen in the first half of the previous fiscal year).

Key factors included net income before income taxes and other adjustments of 6,746 million yen, depreciation and amortization of 4,276 million yen, and a rise in accounts payable of 2,001 million yen, offsetting an increase in trade receivables of 2,024 million yen and income taxes paid of 3,374 million yen.

(Cash flows from investing activities)

Cash used for investing activities reached 4,516 million yen (compared with a cash outflow of 5,627 million yen in the first half of the previous fiscal year). Key factors included 5,411 million yen used for the acquisition of fixed assets, such as picking centers and production facilities at plants.

(Cash flows from financing activities)

Cash provided by financing activities was 2,343 million yen (compared with a cash outflow of 4,843 million yen in the first half of the previous fiscal year). Key factors included a net decrease in borrowings payable of 5,290 million yen, repayments of lease obligations of 1,560 million yen, and cash dividends paid of 1,084 million yen.

### (3) Qualitative information relating to consolidated financial forecasts

The business outlook is likely to remain uncertain, with continuing economic sluggishness and volatile raw material price trends. The Company has left the revised consolidated financial forecasts for the fiscal year ending March 2011 announced on August 9, 2010 unchanged.

The Company expects to include Interpak Co., Ltd., a wholesaler of packaging materials that mainly operates in the Kanto region, and Dia Foods Co., Ltd., a manufacturer of containers for agricultural products such as packages for eggs, in its consolidated subsidiaries on October 1, 2010 and December 1, 2010, respectively. The Company also expects to complete the renewal of Chubu recycling plant and the development of the network of sorting plants at nine locations nationwide in November 2010. Through these initiatives, a new recycling network will begin operating. In addition, in November 2010, a mechanical recycling plant for PET will begin operating on the site of Chubu recycling plant.

## 2. Other Information

### (1) Changes of important subsidiaries during the period

Not applicable

### (2) Application of concise accounts procedures and particular accounts procedures

#### 1. Concise account procedures

The Group adopts the method of estimating net sales values and writing them down only for inventory assets whose profitability has obviously declined.

#### 2. Particular accounts procedures in the preparation of the quarterly consolidated financial statements

Not applicable

### (3) Changes in accounting principles, procedures, presentation methods, etc.

(Application of the Accounting Standards for Asset Retirement Obligations)

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the first quarter of this fiscal year.

The impact from the above application on operating income, ordinary income and income before income taxes is limited.

(Application of the Accounting Standard for Business Combinations and other standards)

The Accounting Standard for Business Combinations (ASBJ Statement No. 21 on December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on December 26, 2008), Partial Amendments to

Accounting Standard for Research and Development Costs (ASBJ Statement No. 23 on December 26, 2008), Accounting Standard for Business Divestitures (ASBJ Statement No. 7 on December 26, 2008), Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 on December 26, 2008), and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 on December 26, 2008) were applied from the first quarter of this fiscal year.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	End of first half period of current fiscal year (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
<b>Assets</b>		
Current assets		
Cash and deposits	14,718	11,102
Notes and accounts receivable-trade	30,849	27,350
Real estate for sale	12	12
Merchandise and finished goods	11,348	10,661
Work in process	69	31
Raw materials and supplies	1,263	1,097
Other	4,297	5,940
Allowance for doubtful accounts	-67	-90
Total current assets	62,493	56,106
Noncurrent assets		
Tangible fixed assets		
Buildings and structures, net	31,879	29,154
Machinery, equipment and vehicles, net	6,374	5,350
Lands	24,808	23,962
Lease assets, net	10,424	10,737
Other, net	5,047	4,911
Total tangible fixed assets	78,535	74,116
Intangible fixed assets	1,856	1,350
Investments and other assets	5,325	6,147
Total noncurrent assets	85,717	81,614
Total assets	148,210	137,720
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	16,750	13,523
Short-term borrowing payable	17,334	12,995
Commercial paper	10,000	10,000
Income taxes payable	2,426	3,509
Provision for bonuses	1,476	1,414
Provision for directors' bonuses	47	86
Other	8,316	10,016
Total current liabilities	56,352	51,545
Noncurrent liabilities		
Long-term borrowing payable	18,562	15,380
Provision for retirement benefits	1,613	1,511
Provision for directors' retirement benefits	1,005	954
Other	8,357	8,520
Total noncurrent liabilities	29,539	26,366
Total liabilities	85,892	77,911

(Million yen)

	End of first half period of current fiscal year (As of September 30, 2010)	End of previous fiscal year (As of March 31, 2010)
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,497	15,497
Retained earnings	37,344	34,426
Treasury stock	-4,006	-3,905
Total shareholders' equity	61,985	59,169
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	308	566
Total valuation and translation adjustments	308	566
Minority interests	24	72
Total net assets	62,318	59,808
Total liabilities and net assets	148,210	137,720



(2) Quarterly Consolidated Statement of Income  
(First half period)

(Million yen)

	First half period of previous fiscal year (April 1, 2009 - September 30, 2009)	First half period of current fiscal year (April 1, 2010 - September 30, 2010)
Net sales	63,002	66,151
Cost of sales	43,504	45,935
Gross profit	19,497	20,216
Selling, general and administrative expenses	13,653	13,595
Operating income	5,844	6,621
Non-operating income		
Interest income	28	10
Dividends income	43	49
Subsidy income	230	253
Amortization of negative goodwill	52	17
Other	169	207
Total non-operating income	524	538
Non-operating expenses		
Interest expenses	325	247
Interest on commercial papers	0	7
Other	31	75
Total non-operating expenses	358	330
Ordinary income	6,010	6,829
Extraordinary income		
Gain on sales of noncurrent assets	0	1
Reversal of allowance for doubtful accounts	-	54
Reversal of provision for bonuses	35	32
Insurance income	11	21
Other	0	14
Total extraordinary income	48	125
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	109	152
Impairment loss	52	-
Settlement package	-	56
Other	4	-
Total extraordinary loss	166	208
Income before income taxes	5,891	6,746
Income taxes-current	2,904	2,337
Income taxes-deferred	-499	404
Total income taxes	2,405	2,741
Income before minority interests	-	4,004
Minority interests in income	6	1
Net income	3,480	4,003

## (3) Quarterly Consolidated Statement of Cash Flows

(Million yen)

	First half period of previous fiscal year (April 1, 2009 - September 30, 2009)	First half period of current fiscal year (April 1, 2010 - September 30, 2010)
Cash flows from operating activities		
Net income before taxes and other adjustments	5,891	6,746
Depreciation and amortization	4,075	4,276
Impairment loss	52	-
Increase (decrease) in provision for bonuses	216	-35
Increase (decrease) in provision for directors' bonuses	-35	-39
Increase (decrease) in allowance for doubtful accounts	20	-63
Increase (decrease) in provision for directors' retirement benefits	211	51
Increase (decrease) in provision for retirement benefits	60	80
Loss (gain) on sales and retirement of noncurrent assets	108	151
Interest and dividends income	-72	-59
Interest expenses	326	255
Settlement package	-	56
Decrease (increase) in trade receivables	-3,174	-2,024
Decrease (increase) in inventory assets	757	18
Decrease (increase) in accounts receivable-other	-301	-145
Increase (decrease) in accounts payable	406	2,001
Other	206	-1,864
Subtotal	8,751	9,404
Interest and dividends income received	72	59
Interest expenses paid	-320	-262
Income taxes paid	-2,694	-3,374
Settlement package paid	-	-56
Other	8	21
Net cash provided by (used in) operating activities	5,817	5,793
Cash flows from investing activities		
Purchase of tangible fixed assets	-5,180	-5,411
Purchase of intangible fixed assets	-351	-138
Proceeds from sales of investment securities	-	22
Proceeds from redemption of investment securities	-	500
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	-115
Payments of long-term loans receivable	-394	-52
Collection of long-term loans receivable	495	467
Other	-196	211
Net cash provided by (used in) investing activities	-5,627	-4,516

	(Million yen)	
	First half period of previous fiscal year (April 1, 2009 - September 30, 2009)	First half period of current fiscal year (April 1, 2010 - September 30, 2010)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing payable	-6,000	-200
Increase (decrease) in commercial papers	5,000	-
Proceeds from long-term borrowing payable	5,000	13,000
Repayment of long-term borrowing payable	-6,250	-7,509
Proceeds from sales of treasury stock	26	-
Purchase of treasury stock	-1	-2
Repayments of lease obligations	-1,716	-1,560
Cash dividends paid	-898	-1,084
Cash dividends paid to minority shareholders	-3	-
Other	-	-300
Net cash provided by (used in) financing activities	-4,843	2,343
Effect of exchange rate change on cash and cash equivalents	-	-4
Amount of increase (decrease) in cash and cash equivalents	-4,654	3,615
Balance of cash and cash equivalents at beginning of period	16,108	11,102
Balance of cash and cash equivalents at end of period	11,454	14,718

(4) Note to going concern assumption

Not applicable

(5) Notes on any significant change in the value of shareholders' equity

Not applicable