FP Corporation Report 2017












FP CORPORATION

◆CORPORATE PROFILE 3

FP Corporation's Product Lineup

EXECUTIVE MESSAGE: FP Corporation's Commitments

Organization

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

Organizational Management

Main Management Benchmarks

◆Research & Development 11

EXECUTIVE MESSAGE: A Mission to Create without Interruption

High Value-Added Products Developed by FP Corporation

◆Production 15

Highly Refined Production Plan

Production System that Covers Every Corner of the Country

Introduction of Robots to Manufacturing Plants

◆Logistics 19

Network of Warehouse and Transport Operators that Covers Every Corner of the Country

Features of FP Corporation's Transport Business

Features of FP Corporation's Warehouse Business

◆Sales 23

Proposal-Based Sales Activities

Organization of FPCO Fair

The main floor of the Fukuyama Headquarters,
where the SCM Division is located in a central position.

◆Recycling 27
- Achievements of Recycling Business
- FP Corporation's Past Efforts towards Building a Recycling Society
- Recycling Process
- Recycling Plant Tour

◆Diversity 35
- FP Corporation's disability employment
- Floor Hockey Activities
- Special Feature: A Round Table by FP Corporation's Female Staff

◆Environment 41
- FP Corporation Eco Action 50
- Actions by Five Working Groups

◆Society 45
- Relationships with Consumers
- Relationships with Communities
- Relationships with Shareholders
- Third Party Comments

Financial Data 49
FP Corporation's History 52
Editorial Postscript 54

CORPORATE PROFILE

Company Profile

Corporate name:	FP CORPORATION
Established:	July 1962
Representative officer:	Morimasa Sato, President
Capital:	13.15 billion yen
Number of employees:	807 (FP Corporation Group: 4,513)
Business outline:	Manufacturing and marketing of disposable food containers made of polystyrene and other compound resins; marketing of said packaging materials
Fukuyama Headquarters:	1-13-15 Akebono-cho, Fukuyama-shi, Hiroshima-ken, Japan 721-8607 Tel.: +81-84-953-1145 Fax: +81-84-953-4911
Tokyo Headquarters:	Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan 163-6036 Tel.: +81-3-5320-0717 Fax: +81-3-5325-7811


Fukuyama Headquarters
(Fukuyama-shi, Hiroshima)


Tokyo Headquarters
(Shinjuku-ku, Tokyo)

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

FP Corporation's Product Lineup

We manufacture 12,000 different kinds of products that are matched with various lifestyles and eating habits. These products more than meet the needs of our customers, which are predominantly supermarkets and retailers.

Foamed Products

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

Meat

FP Corporation meat trays are one of our standard products. They are so versatile that they meet a variety of needs at selling spaces.

Sushi

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

Lunchboxes

These partitioned containers are designed so that a range of ingredients can easily be arranged into a well-laid-out meal. Both lightweight and strong, they help enhance the aesthetic appeal of the food they hold.

Transparent Containers

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

Fresh fish

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

Fruits and vegetables

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

Confectionery

These containers are used for Japanese confectioneries such as sweet dango dumplings, steamed manju buns and sweet azuki bean jelly, as well as for dried fruit and other snacks. Shaping the container based on the products' form means these containers help preserve the products' shape.

High Function Products

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

Microwavable containers

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

Containers with inner trays

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

Screw-top containers

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

Other

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

Paper containers

These lidded containers for packed lunches and takeout food are made from paper. They can be used for different kinds of dining situations, such as for enjoying meals in Japanese ambience.

Eggs

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

Film products

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

TOP MESSAGE

FP Corporation's Commitments

We are making daily efforts to meet our commitment to unfailingly deliver the highest-quality products at competitive prices as our clients need them.

Morimasa Sato,
President

Amid the ongoing aging of society and declining birth rate, people's eating habits are changing in line with changes in the social structure. There are more and more single- or two-person households. Home meal replacement items such as prepared food and boxed meals are being increasingly consumed. However, irrespective of the growth in consumption of such food, consumers will never give up seeking the deliciousness of freshly prepared food. FP Corporation offers products that respond to the needs of the times. FP Corporation pledges to stably produce what is wanted by consumers and to deliver it to them when they need it without fail.

Recycling

(1) Stably supplying high value-added products to customers

We acquire information and listen to wishes not only from the product development team but from sales, manufacturing and other staff to accumulate ideas and knowledge. We thus continuously develop high value-added products. The expertise and experience accumulated at individual sections are under central management. This allows us to achieve higher production and distribution efficiency and to stably offer products to customers.

(2) Meeting corporate social responsibility and operating business in parallel

We carry out advanced closed-loop recycling, in which food containers used by consumers, such as foam trays and transparent containers, are recycled back into food containers with the help of retailers, package material wholesalers, other parties involved in product distribution and local governments. In this process, the aptitude of employees with disabilities is fully utilized. Thus we offer more job opportunities to job seekers with disabilities. We continue to practice the idea of contributing to society through manufacturing.

Organization

* As of April 1, 2017

- Annual Shareholder Meeting
- Board of Directors
  - Audit and Supervisory Committee
- Chairman
- President
- Corporate Management Committee
  - Corporate Planning Department
  - Administrative Assistant Department
  - Environment Management Department
  - Judicial Affairs & Compliance Department
  - Internal Audit Department
  - General Affairs and Personnel Division
    - Personnel Department
    - General Affairs Department
    - General Affairs and Planning Department
  - Finance and Accounting Division
    - Accounting Department
    - Corporate Finance Department
  - Information and Computer System Department
  - SCM Division
    - SCM Department
    - SCM Planning Department
    - Group Company SCM Department
  - Purchasing Division
    - International Operation Department
    - Direct Material Purchasing Department
  - Product Development Planning Department
  - Sales Division 1
    - Sales Planning and Controlling Dept.
    - Sales Development Department
    - Metropolitan Sales Department
    - National Sales Department
    - Tokyo Sales Department 1
    - Tokyo Sales Department 2
    - Tokyo Sales Department 3
    - Tokyo Sales Department 4
    - Hokkaido Sales Department
    - Tohoku Sales Department
    - Chubu Sales Department
    - Sales Information and Store Sales Department
  - Sales Division 2
    - Kinki Sales Department 1
    - Kinki Sales Department 2
    - Kinki Sales Development Department
    - Chugoku & Shikoku Sales Department 1
    - Chugoku & Shikoku Sales Department 2
    - Kyushu Sales Department
  - Manufacturing Division
    - Production Control Department
    - Production Management Department
    - Intellectual Property Department
    - Quality Control Department
    - Basic Technical Engineering Department
    - Research and Development Department
      - Research and Development Department 1
      - Research and Development Department 2
    - Extruding Technical Development Department
    - Facility Management Department
    - Recycle Department
    - Thermoforming Technical Engineering Department
    - Tohoku Plant
    - Facility Administrative Department
    - Kanto Plant
    - Recycle Technology Management Department
    - Kanto Tsukuba Plant
    - Hokkaido Plant
    - Chikusei Plant
    - Yamagata Plant
    - Chubu Eco PET Plant
    - Kanto Yachiyo Plant
    - Kasaoka Plant
    - Kanto Shimodate Plant
    - Kannabe Plant
    - Chubu Plant
    - Nango Plant
    - Kinki Kameoka Plant
    - Fukuyama Plant
    - Kyushu Plant
    - Kagoshima Plant

Fukuyama Headquarters

Tokyo Headquarters

Chubu Eco PET Plant

Hachioji Distribution Center

Fukuyama Recycling Plant

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

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

★ Headquarters

Fukuyama Headquarters	(Fukuyama-shi, Hiroshima)
Tokyo Headquarters	(Shinjuku-ku, Tokyo)

■ Research Institute

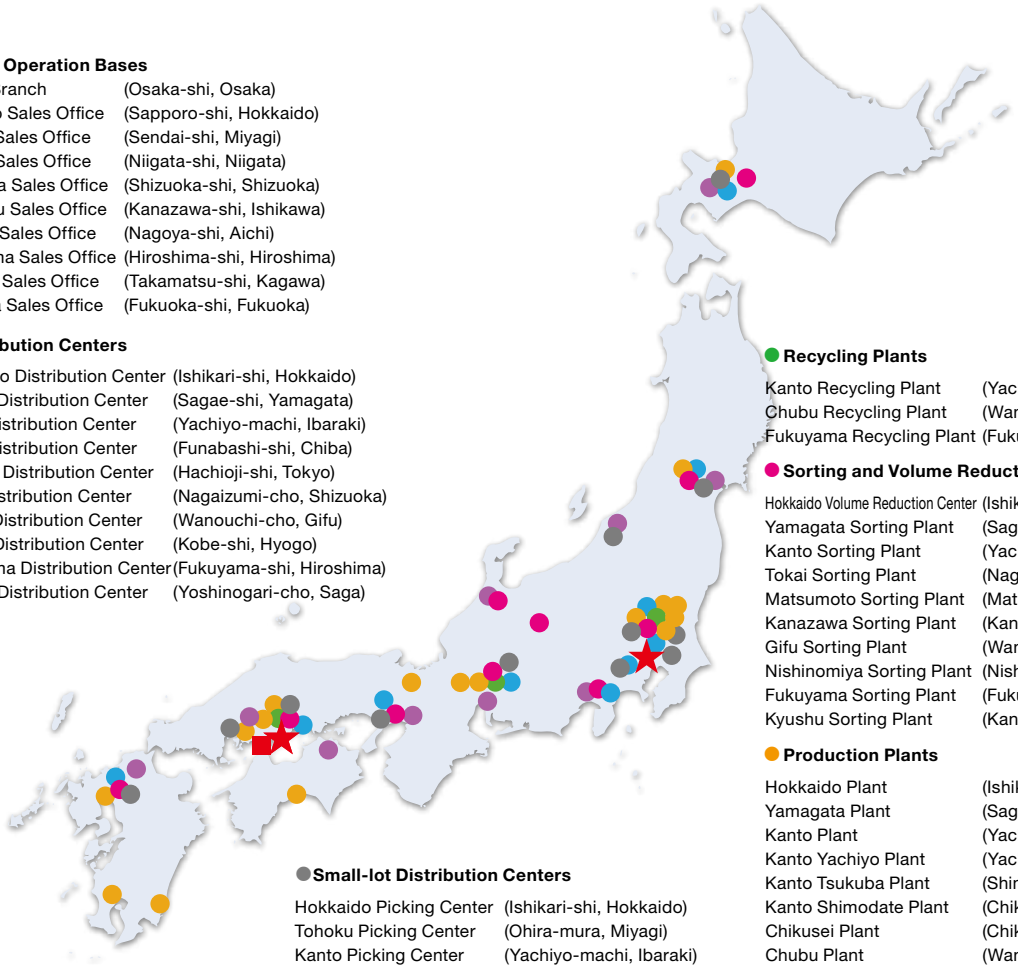
FPCO Comprehensive Research Institute (Fukuyama-shi, Hiroshima)

● Sales Operation Bases

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

● Distribution Centers

Hokkaido Distribution Center	(Ishikari-shi, Hokkaido)
Tohoku Distribution Center	(Sagae-shi, Yamagata)
Kanto Distribution Center	(Yachiyo-machi, Ibaraki)
Tokyo Distribution Center	(Funabashi-shi, Chiba)
Hachioji Distribution Center	(Hachioji-shi, Tokyo)
Tokai Distribution Center	(Nagaizumi-cho, Shizuoka)
Chubu Distribution Center	(Wanouchi-cho, Gifu)
Kansai Distribution Center	(Kobe-shi, Hyogo)
Fukuyama Distribution Center	(Fukuyama-shi, Hiroshima)
Kyushu Distribution Center	(Yoshinogari-cho, Saga)



● Recycling Plants

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

● Sorting and Volume Reduction Plants

Hokkaido Volume Reduction Center	(Ishikari-shi, Hokkaido)
Yamagata Sorting Plant	(Sagae-shi, Yamagata)
Kanto Sorting Plant	(Yachiyo-machi, Ibaraki)
Tokai Sorting Plant	(Nagaizumi-cho, Shizuoka)
Matsumoto Sorting Plant	(Matsumoto-shi, Nagano)
Kanazawa Sorting Plant	(Kanazawa-shi, Ishikawa)
Gifu Sorting Plant	(Wanouchi-cho, Gifu)
Nishinomiya Sorting Plant	(Nishinomiya-shi, Hyogo)
Fukuyama Sorting Plant	(Fukuyama-shi, Hiroshima)
Kyushu Sorting Plant	(Kanzaki-shi, Saga)

● Production Plants

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

● Small-lot Distribution Centers

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

FP Corporation Group Companies

Manufacturing

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

Logistics

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

Sales, Others

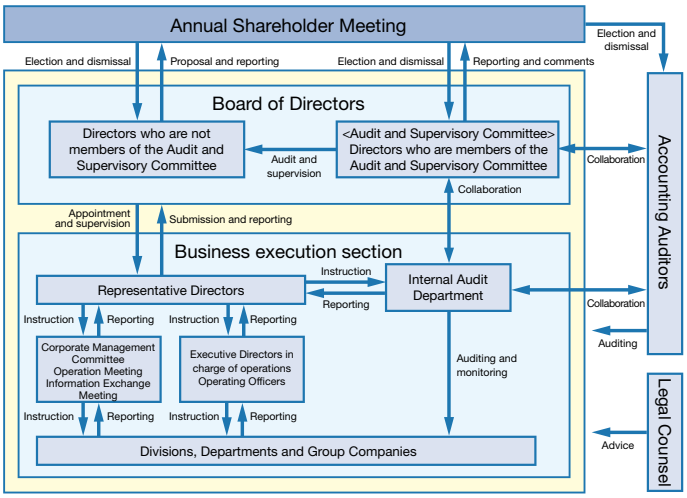
FP Trading Co., Ltd.
FP Chupa Corporation
FPCO International
Package Co., Ltd.
FPCO Dia Foods Co., Ltd.
FPCO Ishida Co., Ltd.
FPCO Miyako Himo Co., Ltd.
FPCO Ueda Co.

Organizational Management

Corporate Governance

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

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



On the occasion of the Annual Shareholder Meeting in June 2016, FP Corporation was reorganized from a company with Board of Corporate Auditors to one with an Audit and Supervisory Committee.

Compliance

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

Risk Management

FP Corporation takes measures on the assumption of many different kinds of risks, including those of natural disasters, operational risks caused by human factors, risks of mechanical failure and risks attributable to malicious third parties.

- Regular evacuation drills, firefighting drills, supply of evacuation goods and preparation of first-aid tools and other measures based on the assumption of natural disasters
- A two-meter-tall seawall constructed near the FP Corporation Group's premises at Minooki-cho in the city of Fukuyama, construction of the Fukuyama Headquarters with its offices on the second and higher floors and other measures based on the assumption of high waves and tsunamis
- Entry and exit control with security gates at complex facilities with numerous incoming and outgoing vehicles, where production and recycling plants, distribution centers and others are located on the premises
- Storage of important data, regular data backups, use of outside data centers as a measure in preparation for natural disasters, use of duplex lines, systems for preventing e-mail messages for outside addressees from being wrongly sent and other data management

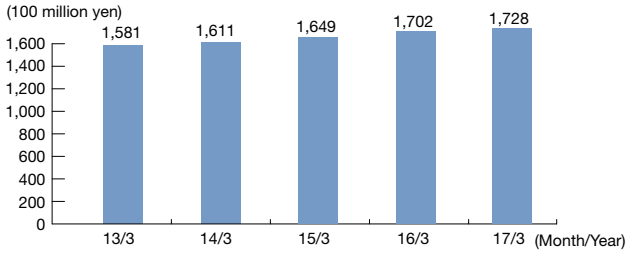
Human Resources Development

FP Corporation also offers the training mentioned below aimed for different personnel development.

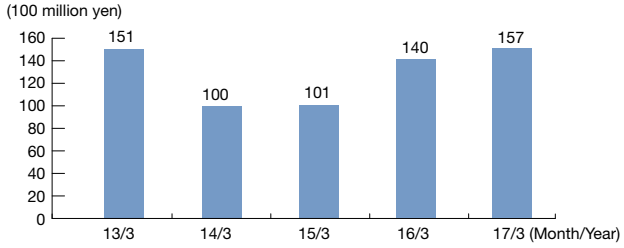
- Training for new employees
- Training for prospective personnel at managers' level
- Training for developing engineers on manufacturing sites
- Training for young employees playing central roles in the next generation
- Training for deepening mutual understanding between female managers and their superiors

Main Management Benchmarks

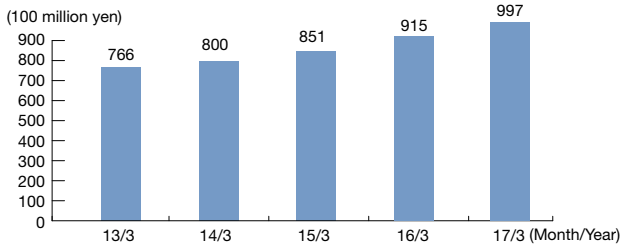
Sales (consolidated)



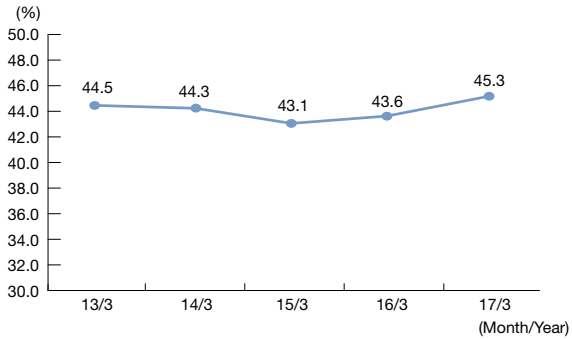
Ordinary income (consolidated)



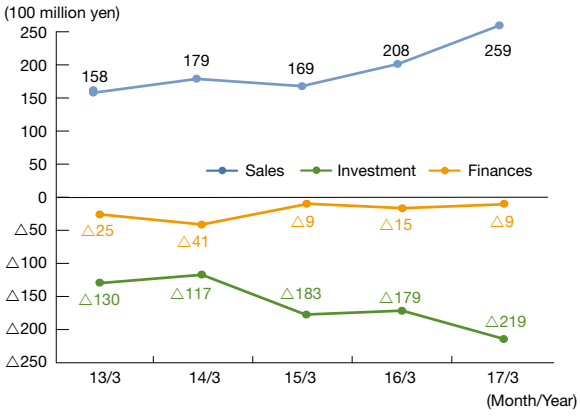
Net assets (consolidated)



Equity ratio (consolidated)



Cash flow (consolidated)



TOPICS | Competitive IT Strategy Company

FP Corporation has been chosen as one of the Competitive IT Strategy Companies jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for two consecutive years. The Competitive IT Strategy Company is a program that chooses and introduces companies attaining medium- and long-term improvement in corporate value, competitiveness and productivity as well as other managerial innovations with the use of the information technologies among those listed on the Tokyo Stock Exchange. The recent selection is in recognition of considerable improvement in productivity of the distribution business through the introduction of the voice picking system and promotion of automation of the packaging process in manufacturing plants by introducing industrial robots.

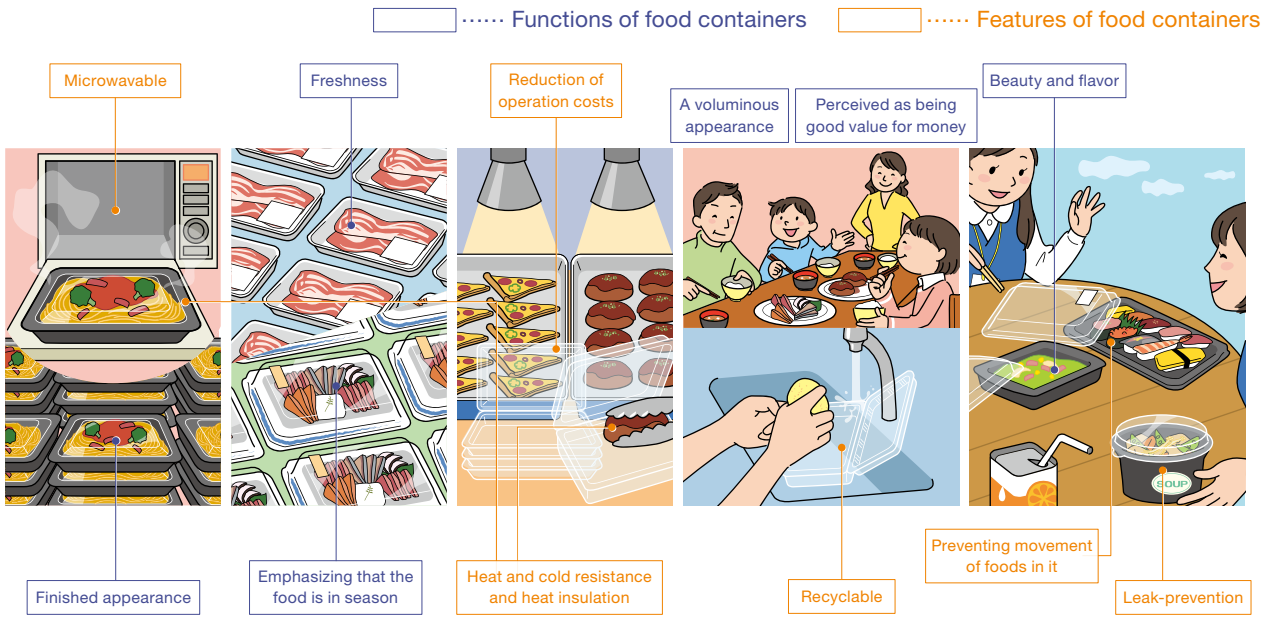
TOPICS | Company Dormitories' *Pico Houses*

Construction of Pico House No. 1 company dormitory was completed in the city of Chikusei in Ibaraki Prefecture on January 17, 2017. This dormitory consists of three buildings with three stories each, providing150 units. Each unit has an occupancy space of 30 m^2, an island-type kitchen, a 40-in television, a refrigerator and a washing machine with a dryer. The entrance is equipped with an automatic lock system to ensure security. The premises have a courtyard, which is designed to serve as a space for relaxation and communication among employees. In March, Pico House No. 2 was completed in Ampachi-gun, Gifu Prefecture.

Research & Development

Uninterrupted Development of High Value-Added Products

Characteristics of FP Corporation's Products



TOP MESSAGE

A Sense of Mission to Create without Interruption

FP Corporation's product development has long responded to needs concerned with food sales arising from changes in the social structure. It is also a self-imposed mission.

Yasuhiro Komatsu,
Founder

FP Corporation's management philosophy is based on a hands-on approach and the concept of putting customers first. In determining the direction of management and the product to be developed, it is important to closely observe what is happening in the food selling spaces in supermarkets and to have close communication with customers. In today's society, where eating lifestyles are rapidly changing, we also need to keep up with the changes. In other words, we must properly understand the circumstances in food selling spaces and take swift action in product development.

Foresight is another way of attaining speed. While observing market trends, we engage in the development of products in anticipation of future trends and needs. Our development activities are underway based on our forecast for the future growth of demand for home catering services and further mounting needs for microwavable products.

It would be too late to start thinking when new products are already wanted by customers. We need to always look ahead to serve society through the manufacturing and sales of food containers. We need to have the spirit and mission to create food selling spaces, markets and people's lifestyles. Without stopping, we will continue to create products that make everyone happy. I am proud that this is FP Corporation's product development.

Yasuhiro Komatsu, who served as Chairman and CEO, passed away on May 23, 2017.
We hereby express our deepest gratitude for your cordialities during his lifetime.

High Value-Added Products Developed by FP Corporation

The Eco Tray and the Eco APET Series

Environmentally friendly

Both the Eco Tray and the Eco APET Series clear containers are environmentally friendly products developed by FP Corporation. The collected used containers and PET plastic bottles are processed into pellets and flakes, from which new products are produced.

Eco Tray

The Eco Trays are recycled from foamed PS material collected at supermarkets. These are recycled containers that can be recycled multiple times.

Eco APET

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

OPET

The world's first material sheet

The OPET Series features strength and heat resistance enhanced by longitudinally and laterally stretching (i.e. biaxially stretching) the PET sheet to align the molecules. It is the world's first material sheet intended for food containers to attain heat resistance of up to 80°C as a result of improvements from that of conventional PET material at 60°C, while maintaining oil resistance and transparency.

New Transparent Polypropylene

High level of transparency

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

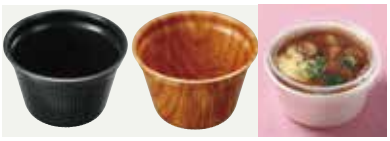
Multi FP

Withstanding both high and low temperatures

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

New Multi FP product - Doris Cup

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



Multi SD

A high level of design freedom

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

High Value-Added Products with New Functions and Design

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

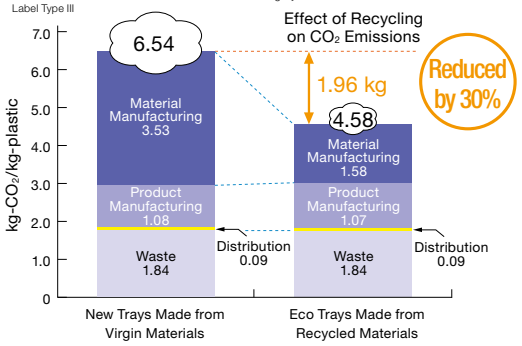
Contribution to CO_2 Reduction

Two environmentally-friendly products, the Eco Tray and the Eco APET, make significant contribution to CO_2 reduction. The Eco Tray reduces CO_2 by 30% and the Eco APET by 33% compared to products made of virgin materials.

Comparison of CO_2 emissions between virgin products and recycled products based on the Eco-Leaf Standard

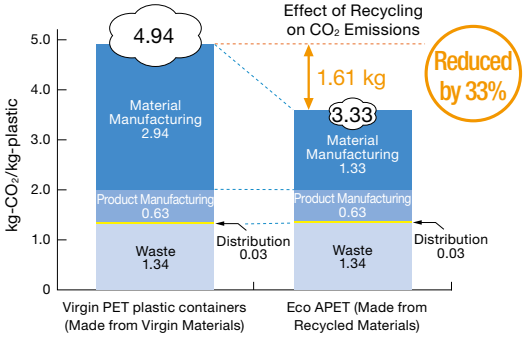
Eco Tray **FP Corporation Product Comparison**

* Calculations made in accordance with the Product Category Rules for the EcoLeaf Environmental Label Type III



Using 1 kg of Eco Trays reduces CO_2 emissions by around 1.96 kg.

Eco APET **FP Corporation Product Comparison**



Using 1 kg of the Eco APET Series products reduces CO_2 emissions by around 1.61 kg.

Amount of CO_2 reduced in FY2016

Approx. 111,000 tons

If our customers, such as supermarkets and other retailers, choose environmentally-friendly products, the amount of CO_2 emitted by society as a whole will fall significantly.

Contribution to Eating Lifestyles and Food Loss Reduction

In Response to Diversification of Lifestyles

FP Corporation's product development is based on customers' needs. In recent years, supermarkets, convenience stores and other retailers seek food containers that respond to changes in consumer lifestyles. Nowadays, diverse consumer lifestyles exist. They include singles and elderly people living alone, homemakers unable to spend a lot of time on meal preparation, people who tend to have meals at irregular times and guardians who prepare boxed meals every day. Including containers that can be microwaved for meal preparation after arriving home, those that keep food fresh and reproduce the deliciousness of food that has just been made, food containers developed by FP Corporation meet the changes in people's eating habits.

Contribution to Addressing the Food Loss Problem

The food loss problem is now raised all over the world. FP Corporation wishes to help solve this issue. We think that containers that maintain hygiene and freshness are suited for distribution and small portion containers will lead to a reduction of food loss. We also think that food loss will decrease if we help to enjoy the deliciousness of food. We are continuously endeavoring to deliver deliciousness in an aspiration to offer hot food while it is hot and fresh food while it is fresh.

Hiroyuki Muraoka
Operating Officer, Deputy Executive General Manager of the Manufacturing Division (in charge of west division), General Manager of the Research & Development Department

Manufacture of Food Containers

Highly Refined Systems to Meet the Responsibility for Supplying

FP Corporation's Supply Chain Management

Input 1
Factors related to production
From production plants

Input 2
Sales forecast
From the sales team

Input 3
Factors related to material procurement, distribution, and delivery
From distribution bases

Supply Chain Management (SCM) System

Overall calculation of a plan for most efficient form of implementation of the items below based on the three inputs mentioned above

Production | Metal mold moving | Carrying between storage locations | Inventory management

Optimization and improved efficiency in distribution, time, distance, energy, etc.

SCM-based production and supply plans

Highly Refined Production Plan

At the center of the main floor of FP Corporation's Fukuyama Headquarters, there are functions for supply chain management (SCM), which is essential to the manufacturer. In these functions, data on the constraints and capacity of production, sales forecasts by the sales team, the state of inventories concerned with distribution and transport of products between distribution bases across the country are gathered. (See figure on the left page.) On the basis of this intricately entangled data, plans for the most effective production and inventories in the entire FP Corporation Group are formulated.

Each year, FP Corporation revises and discontinues thousands of product models. It engages in private distribution operations and the recycling of used containers. Its product development is based on the plan that provides consideration for product life cycles.

Managerial and Environmental Advantages Generated by the SCM

A Hybrid between Personnel and the SCM System

The SCM Department is at the heart of FP Corporation. It is also the brain of the company. Since we systematically produce more than 10,000 different models of products, a plan with high precision is very important. First, we input the data we have gathered into the SCM system to identify an optimal solution from all combinations. Then, we practice and verify it in order to make it better at producing results. In addition, the human system follows up changes in sales data that come in every day so that we can quickly respond to unexpected orders. Collaboration between us human personnel and the SCM system paves the way for continuously improving the precision of production plans.

Contribution to Improvement of Work Environment

In the process of identifying a solution from the SCM system, processes that can be complete are automated. In the plan-do-check-act (PDCA) cycle, relevant personnel are appointed to check the optimized solution on inter-warehouse inventory plans and production plans. That helps to reduce errors and shorten the work time. As a result, it is possible to conduct activities for improving our practices. They are combined with shortened working hours to produce an environment that allows employees to raise children while pursuing their careers.

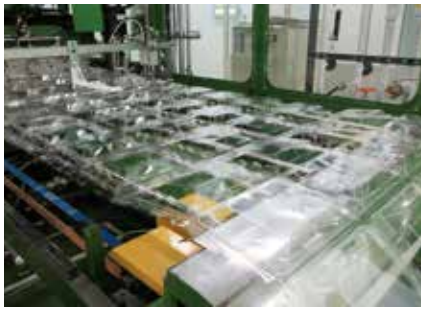
Kengo Matsui
SCM Planning Department

Streamlining to Promote Local Production for Local Consumption and to Cut CO_2

Improvement of the precision of production plans leads to removing as much waste as possible. We have our plants and distribution network in operation all over the country. Local production according to demand and efficiency delivery to destinations will optimize the distribution cost and reduce the CO_2 emissions generated from transport. We are glad that our work contributes to CO_2 reduction, and we find our work to be worthwhile.

Production System that Covers Every Corner of the Country

FP Corporation has major production facilities set up at 17 locations across the country. We are ready to produce and supply products from the suburbs of different centers of consumption. In the Tokyo area, as a major point of consumption, we run five plants located in and around Ibaraki Prefecture. They are ready to supply as many as 12,000 different varieties of products, including our original high function products and environmentally-friendly items, on a timely basis to meet our customers' needs.



Since 2010, we have been expanding plants and adding facilities to increase production capacity, especially for our original high value-added products.

Conceptual Drawing of the Kanto Eco PET Plant

In August 2017, the Kanto Eco PET Plant will begin operation at Yachiyo-machi, Yuki-gun, Ibaraki Prefecture. At the plant, recycled PET flakes, derived from collected PET bottles, are directly conveyed into the manufacturing process at the factory. At the moment, there is a cluster of production, logistics and recycling facilities for foamed PS, namely the Kanto Yachiyo Plant, the East Japan Hub Center, the Kanto Distribution Center and the Kanto Recycling Center. A large-scale plant that integrates recycling and production functions for PET will join them.

The Kanto Eco PET Plant is set to have a PET recycling capacity of 20,000 tons per year. The Chubu Eco PET Plant currently has a PET recycling capacity of 20,000 tons, which is directly conveyed to thermoforming plant next door. In total, FP Corporation will produce 40,000 tons of recycled PET destined to be directly conveyed to manufacture environmentally-friendly Eco APET products per year.

Introduction of Robots to Manufacturing Plants

In today's society with an aging population and declining birth rate, the decrease in the working population is a significant social issue. As a measure to cope with the labor shortage, FP Corporation has been introducing robots to manufacturing plants for two years. In the past, the transfer of products packed in boxes alone was automated with robots. Now, the process of putting a set of finished products into a plastic bag and the process of putting those products packed in plastic bags into cardboard cases have also been automated at four facilities. When products are transferred from the bagging process to the boxing process, an automated test is conducted using a metal detector to examine if they are contaminated with any foreign matter, aiming to ensure safety.

Another purpose of introducing robots is to increase productivity. In a bid to fully respond to requests made by customers each day, we boost and stabilize productivity, which is also an aim of automating the work. Two years have passed since its introduction, and the objective is steadily being met.

An automatic APET packaging machine (left) and a case packaging robot (right)

Increasing Production Capacity to Unfailingly Meet Demand

Response to the Aging Population and Declining Birth Rate

I have served as a manufacturing plant manager for a long time, and I realized the wave of the aging population and the declining birth rate. We no longer see as many young people join the company as in the past. The average age of workers at the plant is soaring. It is positive in the sense that workers are experienced. However, during busy seasons, it is difficult to meet demand with experience alone, and there are several busy seasons in a year. Robots are a great help when we need more staff. At the moment, robots have taken the place of 82 personnel on a yearly basis at the four plants where they were introduced. The work that was once done by human personnel is now done by robots. That allows us to assign these personnel to other tasks.

Responsibilities as a Supplier

Fortunately, FP Corporation is enjoying growth in product sales each year. Accordingly, it has increasingly greater responsibilities as a supplier. We on the shop floor must meet the orders won by the sales staff without fail. In this respect as well, automation using robots was natural. For the work done by robots, it is possible to make a reliable calculation. Production stability has improved. We will streamline operations by assigning human personnel to those duties that can only be done by humans and robots to those which can be done by robots. In so doing we aim to meet any production target in the future.

Kanshi Asano
Integrated Plant Manager, Kasaoka Plant

Logistics

Timely and Environmentally-Friendly Logistics

High Level of Flexibility Based on Private Logistical Operations

FP Corporation has been transporting its products on its own since 1979.
Its private logistical system covers the whole country and
is one of the key pillars of business run by FP Corporation.

Network of Warehouse and Transport Operators that Covers Every Corner of the Country

For the purpose of delivering nearly 12,000 varieties of products to customers in a timely manner, the flexibility to independently formulate delivery plans is required. It is greatly advantageous to have an independent distribution network. At seven of the 22 logistical bases in the country, distribution centers are annexed with small lot distribution centers to maximize the logistical operations of picking, collecting and delivering products by bags.

● Small-lot Distribution Centers

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

Kansai Picking Center

Hachioji Distribution Center

● Distribution Centers

Hokkaido Distribution Center	(Ishikari-shi, Hokkaido)	Tokai Distribution Center	(Nagaizumi-cho, Shizuoka)
Tohoku Distribution Center	(Sagae-shi, Yamagata)	Chubu Distribution Center	(Wanouchi-cho, Gifu)
Kanto Distribution Center	(Yachiyo-machi, Ibaraki)	Kansai Distribution Center	(Kobe-shi, Hyogo)
Tokyo Distribution Center	(Funabashi-shi, Chiba)	Fukuyama Distribution Center	(Fukuyama-shi, Hiroshima)
Hachioji Distribution Center	(Hachioji-shi, Tokyo)	Kyushu Distribution Center	(Yoshinogari-cho, Saga)

TOPICS | Readiness for Power Outage (Business Continuity Plan (BCP))

FP Corporation had worked for years to address power outages in the event of an emergency. In September 2016, the installation of emergency power generation systems was completed at 21 distribution bases in the country. Now, 97% of the inventory facilities are covered. All major distribution centers and picking centers are now equipped with emergency power generation systems. They ensure that power will be supplied for 72 hours in the event of an emergency. The fuel required for this purpose is stored. We vow to unfailingly deliver products to customers even in the event of an emergency such as a natural disaster or sudden accident.

Chubu Distribution Center II

Hachioji Distribution Center

Kyushu Distribution Center I

Features of FP Corporation's Transport Business

FP Corporation develops part of its distribution plans jointly with SCM production plans. The delivery of molds used in production is part of the distribution plan. We take two measures for the transport of products described below in a bid to heighten the levels of efficiency and accuracy. We deliver products on schedule to supermarkets and other customers day by day.

- Route Planner (vehicle allocation planning system)

  It is FP Corporation's original system that calculates the most efficient delivery route from data about the locations of warehouses, places and times of delivery, and quantities of products for individual destinations entered in the system.

- RD Check System (delivery status check system)

  This system allows us to check the delivery status online in a real-time basis. Visualization of the delivery status online frees drivers from spending time on work reports and helps them to concentrate on the delivery.

Features of FP Corporation's Warehouse Business

In addition to the coverage of around 12,000 varieties of its own products, FP Corporation's warehouse business is capable of putting third-party products in a single package for delivery upon the request of customers. It is based on the advantage of its independent logistical operations in the warehouse business. Management of this wide variety of products by a group company paves the way for an accurate response with a high level of flexibility.

- Voice Picking

  The work of picking products while viewing a paper list has changed into voice picking, in which the picking work is done with voice instructions and responses. It has tremendously improved work efficiency. Four years ago, 290 products were picked per hour. Now, 750 products are picked per hour. Under this system, a machine gives voice instructions on the products to be picked, and the staff listens to them through headphones to do the picking as instructed while checking with their own voices. The staff works in a state in which their eyes and hands are free. That increases their concentration and massively improves work efficiency. They exhibit a surprising work error rate at 0.7 ppm. With their high achievements boosting their motivation, the system produces synergy.

- Cross Dock Center

  At large-scale distribution centers, multiple warehouses are interlinked by conveyors to ensure that products can be loaded on trucks at one point. The automation of warehouses for this purpose is underway.

Infinite Potential of Independent Logistics

The Margin of Error in Delivery Time is +/- 15 Minutes

Shipping instructions are issued by the Route Planner, a system constructed in accordance with FP Corporation's logistical specifications. We independently procure trucks that come to be loaded with products shipped. Shipping information is transferred very smoothly. When the driver arrives at the distribution center, the products to be shipped are conveyed from the sorter. That really eliminates wasted time. In addition to this schedule management, the RD Check System produces an effect. As a result, 85% of deliveries reach customers within a range of 15 minutes from the scheduled times. The margin of error in delivery times is becoming smaller and smaller with each year.

Using Returning Trucks to Collect Used Containers

FP Corporation's recycling business is a large pillar among the Group companies. It would not be possible without independent logistical operations. If we used a route delivery service run by another operator, it would be impossible after a delivery to supermarkets to load empty vehicles with used containers and to carry them to our facilities. Our trucks only deliver the products that we deal with, which is the reason why the trucks can be used for us after a delivery. FP Corporation's recycling in collaboration with four parties depends largely on its independent logistical operations.

Hiroki Tsuchiya
FP Logistics Corporation

Helpful for Boosting Motivation in Addition to Addressing Labor Shortage

Making Full Use of Brains with Information Entering through Ears

In voice picking, instructions on products to be picked are issued by a machine in the form of a voice. It is quite natural that these instructions are appropriate and efficient. Receiving these instructions, we can easily complete the picking work. In addition, they enter our ears through headphones. We feel that they reach our brains directly. We can obtain information with our eyes closed. We do not hold anything like a list of products at hand, which allows us to really concentrate. As a result, a smaller number of staff members can accomplish more work than before. We feel that we have a higher response capability during the busy seasons. The staff size during the busy seasons is smaller than in the past. This means that we are now able to deal with part of the workload that used to be covered by the decreased portion of the staff.

A System that Boosts Motivation

We think that voice picking is a worker-friendly system. When we make a mistake, the voice will stop and we will be unable to move on. Then, we will realize our error. Half of the work is now done by the machine. We can concentrate on following the instructions. This concentration is not interrupted. In the state in which we can freely use both our eyes and hands, we feel that it is even fun to move our eyes and hands in response to the instructions entering through our ears. If this creates some positive results, namely an increase in the number of items picked, we will feel more motivated.

Shiori Miyashige **Tomoka Miyachi**
I-Logic Co., Ltd.

Sales

Consistent Proposal-Based Sales Activities from Customers' Perspective

Proposals with Strong Appeal Based on Customers' Perspective

FP Corporation strives to learn about trends in society, to be fully aware of the reality of food sales and to grasp customers' needs in a constant effort to acquire skills to make highly appealing proposals.

Proposal-Based Sales Activities

FP Corporation takes a proposal-based sales approach thoroughly inspired by the hands-on approach. Setting a target of making 100 visits to customers, including their selling spaces per month, its sales personnel propose all-inclusive solutions, including the production of selling spaces and environmental measures. Using our food containers, they make proposals for solving problems confronting food sales staff.

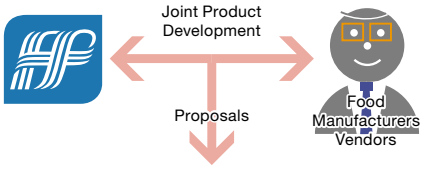
Product Workshop

This program is targeted chiefly at the supermarket personnel around the country in charge of food selling spaces. We give product presentations and proposals on selling spaces to help them understand the characteristics of the food container products developed by FP Corporation and increase sales by capitalizing on the advantages. The workshop provides explanations based on market surveys in the food sector conducted at supermarkets, analysis of sales trends, and our sales personnel's opinions. Next, there are discussions and proposals on the products and selling spaces we should aim to create under such circumstances. There is then a description of the different kinds of products offered by FP Corporation, and an explanation of methods helpful for the development of end products and the creation of selling spaces.

After that, participants are asked to move to the kitchen studio, where they view tangible examples of products and selling spaces that reflect our proposals. Equipped with kitchen studios, the Tokyo Headquarters and the Osaka Branch regularly organize workshops that propose ideas on product development and selling space production.

Co-Creation Sales Activities

FP Corporation is pushing ahead with the co-creation sales approach, according to which the production of food selling spaces and market cultivation are conducted in collaboration with food manufacturers and vendors, such as the producers of prepared food and boxed meals. Co-creation means to create together. It is to propose to supermarket and other personnel food items that are sold in collaboration between food manufacturers and a manufacturer of food containers. This approach combines the appeal of FP Corporation's products with that of food manufacturers and vendors to create and propose more appealing products for customers. For example, we work with a seasonings manufacturer to propose selling a set of cut vegetables and seasonings packaged in a microwavable container. For cut vegetables, those which are highly compatible with seasonings and have a good texture and other factors after steam cooking in FP Corporation's container will be chosen. This proposal will free supermarkets from the trouble of selecting food materials and containers and working out selling approaches. We additionally propose the production of selling spaces for dealing with these items. This sales approach offers significant advantages to customers in their sales and operations.

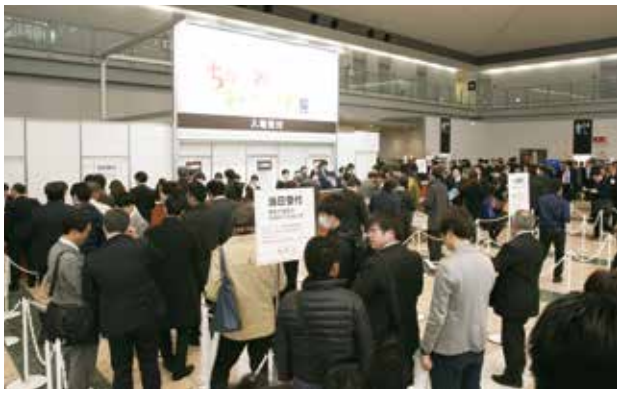


Sales Operation Bases

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

Fukuyama Headquarters	Fukuyama-shi, Hiroshima
Tokyo Headquarters	(permanently equipped with a kitchen studio): Shinjuku-ku, Tokyo
Osaka Branch	(permanently equipped with a kitchen studio): Osaka-shi, Osaka
Sales Offices:	Sapporo Sales Office (Sapporo-shi, Hokkaido), Sendai Sales Office (Sendai-shi, Miyagi), Niigata Sales Office (Niigata-shi, Niigata), Shizuoka Sales Office (Shizuoka-shi, Shizuoka), Hokuriku Sales Office (Kanazawa-shi, Ishikawa), Nagoya Sales Office (Nagoya-shi, Aichi), Hiroshima Sales Office (Hiroshima-shi, Hiroshima), Shikoku Sales Office (Takamatsu-shi, Kagawa), and Fukuoka Sales Office (Fukuoka-shi, Fukuoka)

FPCO Fair



FP Corporation holds the FPCO Fair in Tokyo every March. It is a condensed form of FP Corporation's proposal-based sales activities. For the last fiscal year, it took place at Tokyo Big Sight on March 15-17, 2017. It attracted 15,000 visitors. The number of visitors is increasing each year. Visitors mainly represent supermarkets, convenience stores, prepared food suppliers and other food vendors that usually have business relationships with FP Corporation. In the exhibition hall serving as the venue for the fair, a large number of selling spaces are simulated to add the perspective of customers in the locations where they usually work. In other words, visitors view proposals from FP Corporation for selling spaces and selling approaches. Our customers give high marks to this style of presentation, responding positively to its realism and simplicity. It is one of the reasons for the increase in visitor numbers.

Under the slogan of *Differentiation for Serving Good and Delicious Food,* the recent fair featured the display layout in the venue on the basis of two themes. One is breaking the walls, and the other is the utility and strength of containers. In particular, the zone for the first theme was very popular. Visitors seriously watched the displays of ideas that attempted to overcome several obstacles that they considered to be immovable despite their desire to change, such as packaging costs, fixed ideas, labor shortage and sectionalism. The zone for the second theme displayed around 1,800 new products in sections for different types of food, such as fresh meat, fresh fish, vegetables and fruit, sushi, hot prepared food, cold prepared food and rice.

<Many Different Measures for Practicing Proposal-Based Sales Activities>

● Ideas for sales personnel finding customers

In the recent fair, entry cards for visitors are embedded with IC chips so that their location in the venue could be grasped with the help of the GPS system. It is a method that helps FP Corporation's sales staff to find the customers that they serve in the vast crowded venue. One sales staff member serves a number of customers. This system helps to save time finding specific customers in the large space and was very effective.

● Plain displays of new products

FP Corporation announces around 1,500 different new products each year. They range from products reflecting minor changes in forms and functions to new products with completely new functions. To help customers as users understand the features of new products and introducing to them effective uses intended by FP Corporation, we pay attention to the production of easy-to-understand displays in which actual food is added to these products.

● Tastings to think from the consumers' perspective

Tastings takes place at different points in the venue of the fair. For containers characterized by the deliciousness of food that has just been made and ease of use, we think the best way of making their appeal understood is to serve the actual food in the containers so that visitors can try the taste. If supermarket personnel in charge of selling spaces try the food from the standpoint of consumers, it will help them understand the advantage of adopting FP Corporation's containers.

● Photography permitted in exhibition areas in the venue

No signs of *Photography is Prohibited* are found at the venue of the FPCO Fair. We hope that visitors return with ideas for producing selling spaces as proposed at the exhibition. For this purpose, taking photos of the products presented is a useful way of gathering information. It is recommended that visitors take photos of anything present that they feel will be helpful in working out the production of selling spaces and selling approaches before they forget

● Visitors can take home any container samples that they find interesting

Near the exit at the end of the route in the venue, there is a section where the products used in the displays are offered to visitors. Product samples are indispensable for visitors to try the ideas they have found from the displays at their stores. There is no limit to the number of samples that a visitor may take, although they are asked to refrain from taking too many. If a large amount of samples are desired, we will make an arrangement for home delivery service on the spot.

Recycling

One of FP Corporation's Core Businesses that Contribute to Building a Sustainable Society

FPCO Method Recycling

FP Corporation has been running the food container recycling process in collaboration with three other parties since 1990.

The Eco Tray
recycled foam tray

The Eco APET
recycled transparency
container

Process Flow from Product Manufacturing to Consumers

Process Flow from Collection to Recycling of Used Containers

Achievement of Recycling Business

FP Corporation collects used containers and makes them into the Eco Tray recycled trays and the Eco APET recycled transparent containers. The system under which used containers are returned to our recycling plants is based on a collaborative framework between consumers, supermarkets and other retailers, packaging material wholesalers and FP Corporation. Since 2011, FP Corporation has been engaging in an initiative to recycle PET bottles into the Eco APET.

Collecting used containers and using them as recycling materials instead of discarding them produces various effects. They include a decline in consumption of oil, which is valuable natural resource serving as materials, a reduction of waste by means of circulation of resources and a reduction of CO_2 emissions from distribution using empty vehicles after a delivery for carrying used containers. The initiative has immeasurable effects. For preventing the exhaustion of natural resources and for preserving the global environment, FP Corporation is pushing ahead with the use of terrestrial resources through the recycling business.

	Foamed Trays		Transparent Containers		PET bottles	
	Volume collected	Number of trays	Volume collected	Number of containers	Volume collected	Number of bottles
FY2016	6,215 tons	1,553.75 million	2,125 tons	212.50 million	28,291 tons	1,131.64 million
Accumulated total (1990 to March 2017)	132,482 tons	33,115.75 million	11,935 tons	1,202.50 million	123,427 tons	4,248.74 million

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

Global resources conserved by the end of Mar. 2017

Oil:

522 million liters

Equivalent to around 2.61 million oil drums

Social expenses reduced by the end of Mar. 2017

Garbage collection:

Approx. 62.7 billion yen

Equivalent to around 2.51 million collection vehicles

Amount collected by the end of Mar. 2017

Equivalent to the capacity of some 44 Tokyo Dome stadiums

Creating Job Opportunities for Workers with Disabilities

FP Corporation deploys its employees with disabilities to sort used containers in the recycling process. The process is difficult to automate in its entirety. Manual labor is essential for sorting and alignment.

In this process, our personnel with disabilities work as key players and achieve a high level of productivity. At the nine sorting centers across the country, including those of partner companies, 200 or more employees with disabilities work.

In the sorting line for foamed trays and transparent containers, employees with disabilities are a powerful asset.

FP Corporation's Past Efforts towards Building a Recycling Society

In the era of rapid economic growth, when it was common to throw away what was used, the dumping of waste became an issue in many parts of Japan. We responded swiftly to this by embarking on the recycling of trays that we produced. That was in 1990. We established our original recycling system involving four parties. Year by year, the amount of recycled used containers increases. Nowadays, used containers are collected at some 9,200 points, including supermarkets. They are sorted by material at our Volume Reduction and Sorting Centers at 10 locations across the country. Then they are recycled into trays and containers at our three Recycling Plants.

Our recycling business has developed in line with the environmental conservation policies of national and local governments. Japan's actions to address environmental issues started under the slogan of *Reduce, Reuse and Recycle,* or the *3R's* for short. After that, FP Corporation has continued to be awarded prizes and certifications with key terms such as *Eco Mark* and *Eco First*. With a view towards building a true recycling society, our recycling business will continue.

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

Eco Mark Award

Eco First Certification

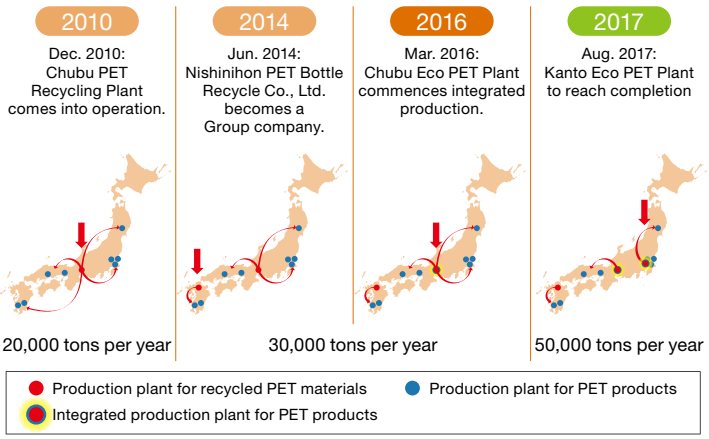
Honor by the Minister of the Environment Award for Global Warming Prevention Activity in FY2015

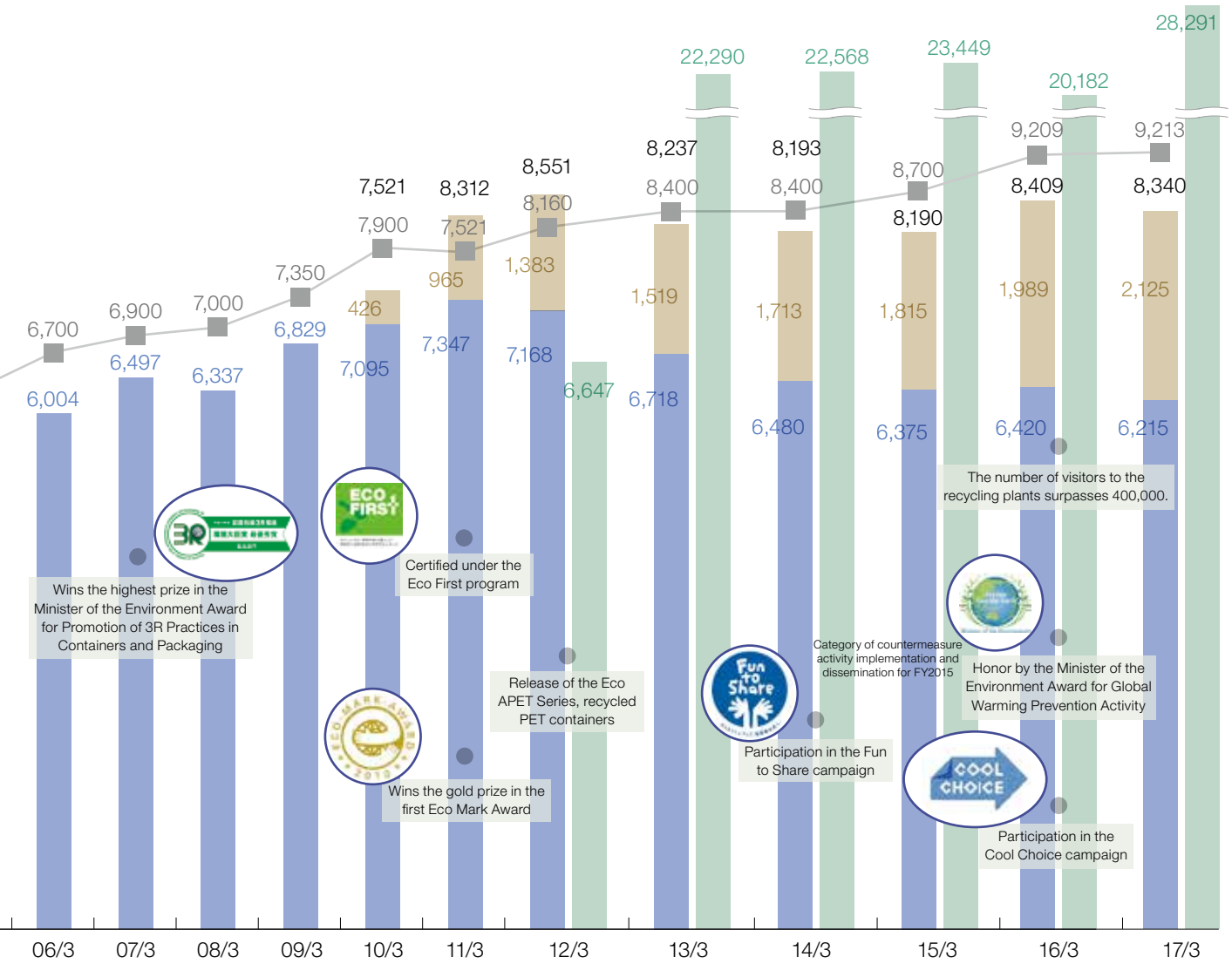
Honor by the Minister of the Environment Award for Global Warming Prevention Activity

Development as a Terrestrial Resources Manufacturer

In the course of operating the recycling business, FP Corporation has pressed ahead with the recycling of used PET containers and bottles into flakes as components for new containers . After the introduction of large-scale recycling plants and the reorganization of other companies into Group companies, we now have a PET material supply capacity of 50,000 tons per year in 2017. While it is a food container manufacturer, FP Corporation has also developed as a resources manufacturer through the recycling business.

<Trend in Supply of Recycled PET Materials>





Recycling Process

Once food containers used in households join the cycle of the recycling process, they are repeatedly recycled. It involves a smaller amount of processes than manufacturing from raw materials, and it helps reduce the consumption of valuable resources and CO_2 emissions.

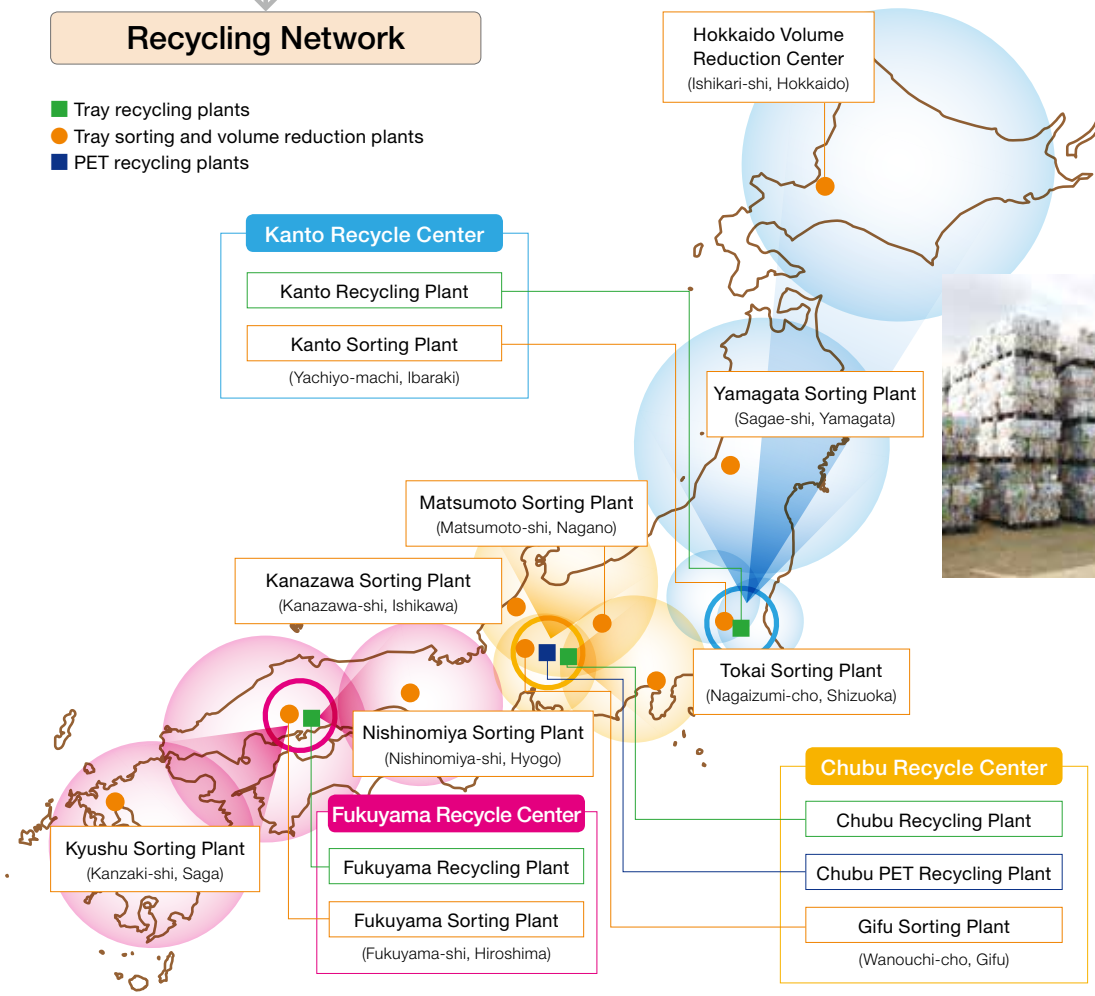
Different kinds of used containers collected at supermarkets and elsewhere are conveyed to FP Corporation's recycling centers located across the country.


At home


At supermarkets

Recycling Network

- Tray recycling plants
- Tray sorting and volume reduction plants
- PET recycling plants



Details of the Formed Tray Recycling Process

Foamed Trays

Manual sorting
Air classification and primary pulverizing
Primary washing
Pre-treatment Process
Secondary washing
Hot water circulation
Rinsing and dehydration
Secondary pulverizing
Melting and extrusion
Pellets
Eco Tray

Eco Trays are marked with the Eco Mark.

Details of the Transparent Container Recycling Process

Transparent Containers

Manual sorting
Alignment
Material identification
Washing and pulverizing

OPS
Other
PET

Eco APET

Details of the PET Bottle Recycling Process

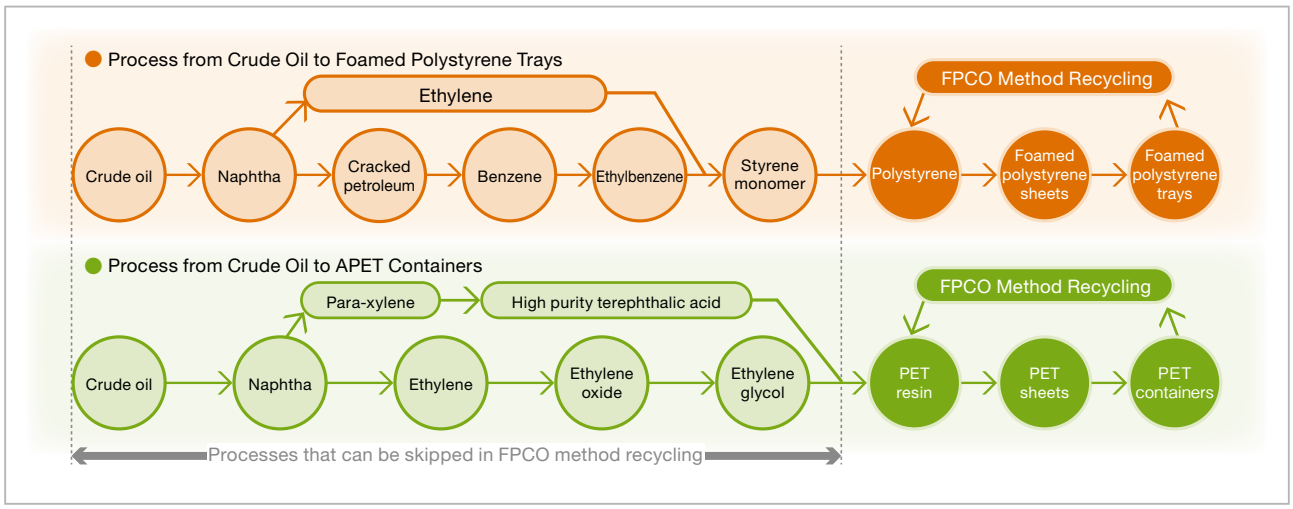
PET Bottles

Pre-treatment Process
Automated sifting
Label removal
Material sorting
Manual sorting
Pulverizing

Cleaning Process
Preparatory washing
Alkaline washing
Gravity separation and rinsing
Dehydration

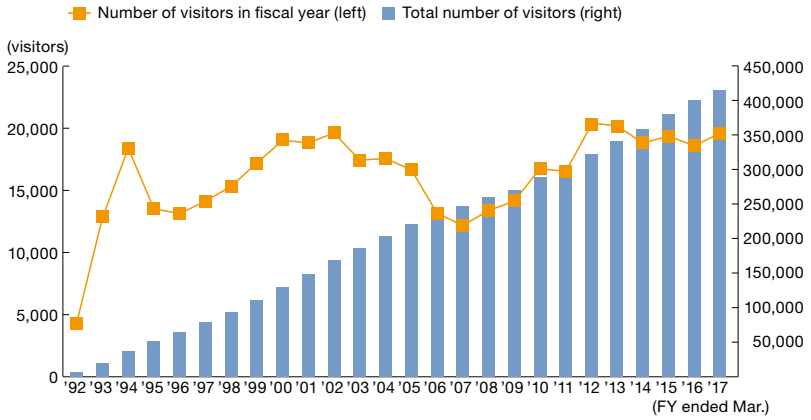
Volatile Fraction Removal Process
Heating
Vacuum reactor
Color separation
Removing metals

Production of flakes graded as suitable for food containers
Eco APET



Recycling Plant Tour

FP Corporation started offering recycling plant tours in 1992. It receives around 20,000 visitors each year. They are from different organizations, including educational institutions, consumer groups, local governments and more. We welcome you to visit our recycling plants. We guarantee that you will have great discoveries and wonderful experiences there.



● Put Used Containers in a Collection Box Close to You

Quite a few people may have wondered what happens to used containers after they are put into the collection boxes at supermarkets and other facilities. Plant tours give you an opportunity to see them being recycled into food containers and learning the value of resources into which every single container is recycled. Most of the participants in the plant tours have experienced a big shift in their environmental awareness and now they feel like collecting more containers. For details about the plant tour, see below. We are looking forward to welcoming you at the plant.

Application for Participation in Facility Tour

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

<Recycling Plant> Visitors can see how sorted containers are turning into recycled materials.

Plant Name	Address	Contact:	Maximum Visitors per Group
Kanto Recycling Plant (Kanto Sorting Plant is attached.)	4448 Oaza Hiratsuka, Yachiyomachi, Yuki-gun, Ibaraki 300-3561	Kanto Recycling Plant +81-296-48-0400	120
Chubu Recycling Plant (with the Chubu PET Recycling Plant and the Gifu Sorting Plant)	511-5 Aza Murahigashi, Nanba, Wanouchi-cho, Anpachi-gun, Gifu 503-0231	Chubu Recycling Plant +81-584-68-2041	60
Fukuyama Recycling Plant (Fukuyama Sorting Plant is attached)	127-2 Minooki-cho, Fukuyama-shi, Hiroshima 721-0956	Fukuyama Recycling Plant +81-84-957-2301	130

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

Plant Name	Address	Contact:	Maximum Visitors per Group
Yamagata Sorting Plant	162 Chuo-kogyo-danchi, Sagae-shi, Yamagata 991-0061	Yamagata Sorting Plant +81-237-85-3645	20
Tokai Sorting Plant	307-1 Hattanda, Shimonagakubo, Nagaizumi-cho, Sunto-gun, Shizuoka 411-0934	Tokai Sorting Plant +81-55-980-4571	20
Matsumoto Sorting Plant	2267 Shimadachi, Matsumoto-shi, Nagano 390-0852	Environmental Management Dept., Tokyo Headquarters +81-3-5325-7809	15
Kanazawa Sorting Plant	204-22 Kita, Fukumasu-machi, Kanazawa-shi, Ishikawa 920-0376	Environmental Management Dept., Tokyo Headquarters +81-3-5325-7809	15
Nishinomiya Sorting Plant	1-98-2, Hanshin Ryutsu Center, Yamaguchi-cho, Nishinomiyashi, Hyogo 651-1431	Nishinomiya Sorting Plant +81-78-907-1288	45
Kyushu Sorting Plant	3032-1 Osaki, Kanzaki-machi, Kanzaki-shi, Saga 842-0015	Kyushu Sorting Plant +81-952-51-1028	30

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

1. Recycling Process (10 minutes) At the plant tour room, we explain the process of recycling food containers.
2. Recycling Processes Tour (30 minutes) Visitors can watch the entire process from hauling of the containers to turning them into pellets (raw material for trays).
3. Presentation (25 minutes) This is a detailed explanation of the food container recycling business FP Corporation performs.
4. Video Presentation (15 minutes) Visitors watch a video that summarizes the content covered in the presentation.
5. Q&A Session (10 minutes) We respond to visitors' questions.

TOPICS | Chubu Eco PET Plant

On February 28, 2016, Chubu Eco PET Plant reached completion. It is an integrated production base that manufactures Eco APET products from PET bottles. Until then, there was only a recycling plant that merely recycled used PET bottles into cleaned flakes. Next to this plant, a manufacturing plant was constructed to make one of FP Corporation's dreams into a reality, which was to produce environmentally-friendly Eco APET directly from used PET bottles. With strong hopes that everyone throughout the country will take a look at these facilities, the new plant has a large-sized viewing space with the capacity for 150 visitors.

Recycling Process

From carry-in of used PET bottles to raw materials (production of flakes)

Product Manufacturing Process

From APET thermoforming through completion to inspection and packaging

Raw materials recycled from used PET bottles are transported to the production plant through the pipeline without manual work. This pneumatic transportation system has opened the way for integrated production, covering the processes from recycling to manufacturing.

Inside the building, there are four floors. The first floor has extrusion and thermoforming plants and an on-site office, the second floor has rollstock storage space, a canteen, a changing room and a sub-space, and the third floor has a logistical depository for storing finished products. There is a mezzanine between the first and second floors. It has a space for visitors mainly for tours as well as a meeting room. It has yet to accept general consumers for tours, but the viewing space is so large as to accommodate 150 visitors. There they can view the integrated production line that starts with the sheet production process in the extrusion plant and ends with the product manufacturing process in the thermoforming plant. Including the processes at the adjacent recycling plant, all the processes for the recycling of used containers implemented by FP Corporation may be viewed at one place. The cluster of Chubu facilities is, in a sense, a big showroom that demonstrates our recycling business. In FY2016, many employees in the FP Corporation Group participated in the tour. In the future, it will develop into facilities that serve as a fully-fledged showroom.

Diversity

In an Aim to Work Together

FP Corporation's management policy of championing diversity is highly regarded in many different areas.
We aim to establish a cycle in which diversity is turned into a corporate strength
and in which corporate strength is used to boost diversity.

DIVERSITY MANAGEMENT SELECTION 100 2015

FP Corporation was included in the Diversity Management Selection 100 list for FY2014, under the project organized by the Ministry of Economy, Trade and Industry. It honors those companies that make full use of diverse personnel to create innovations, increase productivity and make other achievements. FP Corporation was honored for its employees with disabilities playing key roles in container manufacturing and recycling to generate value for the whole company.

At FP Corporation, most of the female employees remain employed after marriage. Their ratio of taking childcare leave is 100%.

SUPPORTER
広げよう!ai(あい)サポート運動

The Hiroshima Prefectural Government promotes the Ai Support Campaign in a bid to build a symbiotic society for living with people with disabilities. In this campaign, FP Corporation was honored in the first award for companies under the Hiroshima Prefectural Ai Support Campaign in 2016, in recognition of its nationwide expansion of floor hockey activities and active participation of employees in the organization of tournaments.

FP Corporation's Employment of Persons with Disabilities

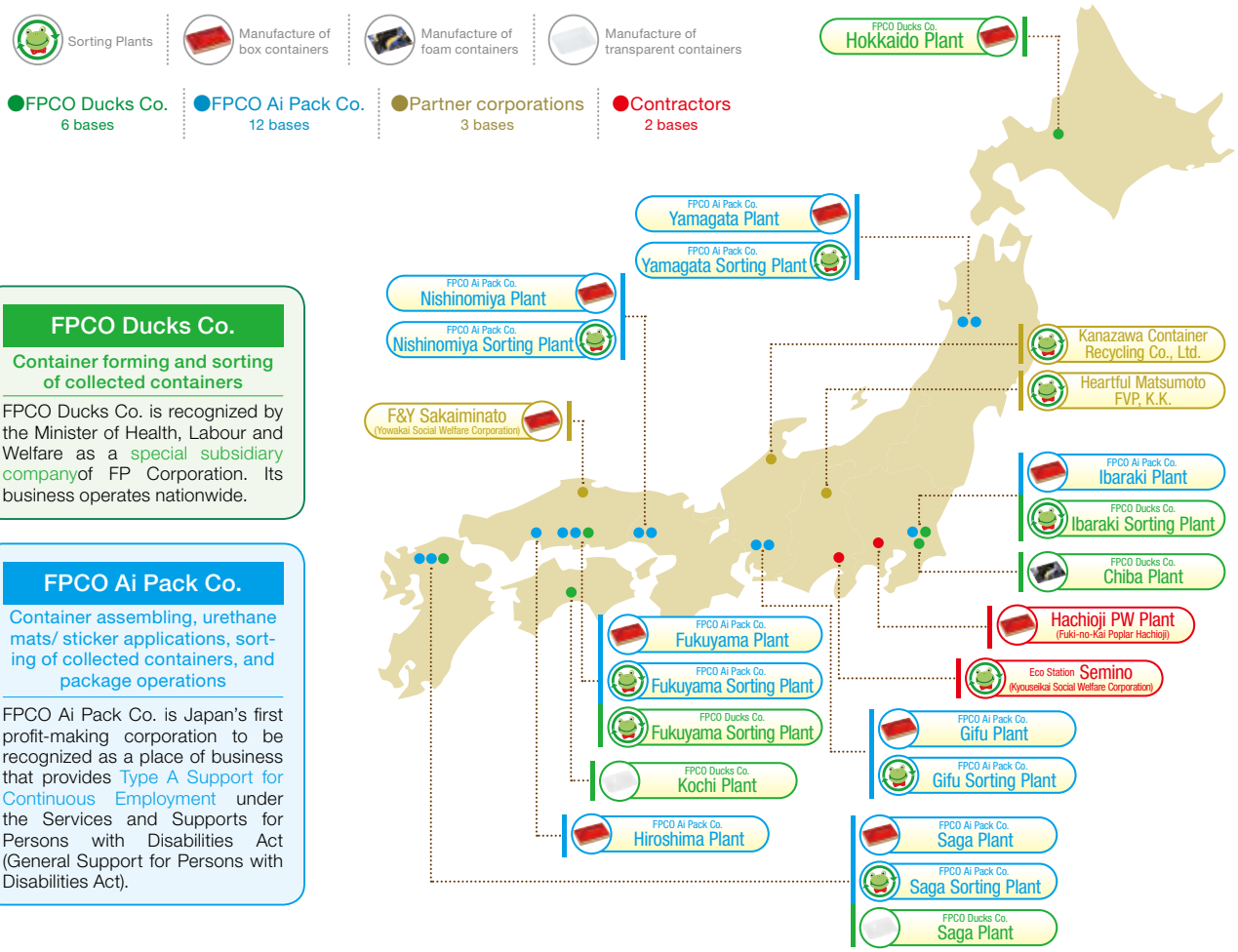
Employees with disabilities are generally assigned to two different tasks. In both tasks, they are valuable workers in our Group.

Forming, Packaging and Inspection of Containers

They deal with small-lot products and high value-added products that absolutely require manual labor. They carry out a series of processes such as forming, packaging, inspection and cardboard box packing in the process of manufacturing box containers, foam trays and transparent containers.

Sorting of Collected Trays

After the collected foam trays and transparent containers are conveyed to sorting centers in different areas, they are manually sorted to remove those that are unsuitable for recycling and to send the appropriate trays and containers to be recycled into materials. High-precision manual sorting supports the manufacturing of high quality environmentally-friendly products.



FPCO Ducks Co.

Container forming and sorting of collected containers

FPCO Ducks Co. is recognized by the Minister of Health, Labour and Welfare as a special subsidiary companyof FP Corporation. Its business operates nationwide.

FPCO Ai Pack Co.

Container assembling, urethane mats/ sticker applications, sorting of collected containers, and package operations

FPCO Ai Pack Co. is Japan's first profit-making corporation to be recognized as a place of business that provides Type A Support for Continuous Employment under the Services and Supports for Persons with Disabilities Act (General Support for Persons with Disabilities Act).

History of FP Corporation's Employment of Persons with Disabilities

1986	Jan.	Ducks Co. established.
1988		Ducks honored as a Leading Company in the Employment of Disabled Workers by the Chiba Prefecture Employment Development Association
1995	Apr.	Ducks Shikoku Co. established.
1995	Apr.	Ducks honored as a Leading Company in the Employment of Disabled Workers by the Minister of Labour
2002		Ducks Shikoku honored by the Kochi Prefectural Governor
2006	Apr.	Ducks Saga Co. established.
	Oct.	Hiroshima Ai Pack Co. established
2006		Ducks Shikoku honored as a Leading Company in the Employment of Disabled Workers
2007	Mar.	FPCO Ai Pack Co. established.
	Feb.	Hiroshima Ai Pack Co. Plant established
	May	FPCO Ai Pack Co. Fukuyama Plant established
	Aug.	FPCO Ai Pack Co. Saga Plant established
	Sep.	FPCO Ai Pack Co. Gifu Plant established
	Sep.	FPCO Ai Pack Co. Ibraki Plant established
	Oct.	FPCO Ai Pack Co. Nishinomiya Plant established
	Oct.	FPCO Ai Pack Co. Yamagata Plant established
2008	May	FPCO Heart Recycle Saga Sorting Center established
	Sep.	FPCO Heart Recycle Gifu Sorting Center established
	Sep.	FPCO Heart Recycle Fukuyama Sorting Center established
	Oct.	FPCO Heart Recycle Nishinomiya Sorting Center established
2009	Jan.	Ai Pack operations integrated (Hiroshima Ai Pack Co. merged into FPCO Ai Pack Co. Hiroshima Plant)
	Mar.	FPCO Ai Pack Co. Hokkaido Plant established
2009		FP Corporation acquires certification as a Leading Company in the Employment of Disabled Workers by the Ministry of Health, Labour and Welfare
2009	Aug.	Ibaraki Pigeon Recycle established.
2010	Oct.	FPCO Heart Recycle Yamagata Sorting Center established
	Oct.	FPCO Heart Recycle Hokkaido Sorting Center established
2014		FPCO Ai Pack Co. honored as a Leading Company in the Employment of Disabled Workers in Hiroshima Prefecture
2015	Mar.	FPCO Heart Recycle Hokkaido Sorting Center reorganized into the Hokkaido Volume Reduction Center
2015	Mar.	FP Corporation included in the Diversity Management Selection 100 list for FY2014
2015	Dec.	Hachioji PW Plant established
2017	Jan.	Special subsidiary companies integrated into FPCO Ducks Co.

Number of Employees

Employees with Disabilities	374
Details Physical disabilities	35 (including 15 with severe disabilities)
Intellectual disabilities	335 (including 258 with severe disabilities)
Mental disabilities	4
Adjusted Number of Employees with Disabilities	644
Disability employment rate:	13.95%

* As of the end of March 2017

TOPICS | Integration of Special Subsidiary Companies into FPCO Ducks Co. in January 2017

In January 2017, FP Corporation's special subsidiary companies, namely Ducks Co., Ducks Shikoku Co., Ducks Saga Co., and Ibaraki Pigeon Recycle Co., were integrated. In addition, the operations of the Hokkaido Plant of FPCO Ai Pack Co. were also added and the integrated company was renamed FPCO Ducks Co. FPCO Ducks Co. is headquartered at the Kochi Plant of ex-Ducks Shikoku Co. It has six bases and 187 employees, including 113 with disabilities, who engage in the manufacturing of food containers and sorting of collected containers. It is now a large-sized special subsidiary company that operates nationwide. After the integration, we will work to deploy personnel more effectively, develop the capacity of employees with disabilities and share know-how on productivity enhancement. Closer ties among individual bases reinvigorate workplaces and create workplaces with job satisfaction for staff members with disabilities.

* As of the end of March 2017

Floor Hockey Activities

FP Corporation embarked on its floor hockey activities in 2010. They were triggered by an encounter between the Company's president, Morimasa Sato, and Kayoko Hosokawa, who played a central role in organizing the Special Olympics World Games Nagano 2005, an event for athletes with mental disabilities similar to the Olympic Games, and who current serves as chair of the Japan Floor Hockey Federation. Sato thought that floor hockey would be an opportunity for exchange among the staff, regardless of their disabilities, in his company that hires a large number of workers with disabilities.

Subsequently, the floor hockey activities gradually spread among the staff. Today, there are 18 teams in 10 of the company's bases around the country. Nearly 650 employees take part in the activities. Among them, around 200 have disabilities. Individual clubs have regular activities in their respective regions and they participate in regional and national tournaments. Today, like other recreational activities, floor hockey is one of the voluntary activities undertaken by employees and backed by FP Corporation as part of its welfare program.

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

In addition, FP Corporation supports floor hockey by sponsoring its national and Chugoku-Shikoku regional tournaments. Many of its employees help organize these events. Therefore they provide cooperation through organization.

The Spirit of Floor Hockey Entrenched in FP Corporation

An Opportunity for Exchange with Persons with Disabilities

If I did not work for FP Corporation, I would hardly have any opportunities to talk to people with disabilities. It was my first experience to participate together towards the same goal through the sport of floor hockey. While we practiced together and supported our team through floor hockey, the barriers faded away. Nowadays, I look forward to chatting when I see people with disabilities at competitions and other places.

Ties among the Staff

The floor hockey activities have created a by-product. It forged ties among the staff. The exchange has deepened not only with employees with disabilities, but with employees in other sections that I usually have no opportunity to see and talk with. Now it is easier to communicate with them on day-to-day work.

Sachiko Nagatsuka
General Affairs and Personnel Division

Special Feature

<Voices from Female Staff in the FP Corporation Group>

We work, feeling as if we are each the queen of the castle!

FP Corporation is recognized as a childcare-friendly company by the Director-General of the Hiroshima Labour Bureau. Is its workplace really worker-friendly? Nine female staff members were asked to gather and provide their honest opinions in this discussion. They may have been too frank...

FP Corporation has a small number of female staff members in managerial positions. In the recent past, the nationwide ratio of female managers barely exceeded 8%. I think it is partly due to the thinking of female staff members. However, I don't think we should rush to increase the number of female managers.

Since I have never worked for another company, I have no idea what is standard. Here, no one quits after marriage. After childbirth, everyone takes childcare leave. I think our company is supportive about rising children.

Many male staff members at FP Corporation are kind and gentlemanly. I have never heard of any harassment against any female worker. Actually, women are more powerful at FP Corporation, aren't they?

Sometimes it is difficult to leave the workplace at a fixed time. To fulfill my responsibilities, I feel like finishing the day's work within that day. Both male and female staff have the same feeling. We cannot expect customers to change their schedules to suit our convenience.

After joining a local parenting society, I have realized that FP Corporation's female workers were in a more advantageous situation than those who were working for other companies. However, I hope that we will set higher goals to improve our company even more.

In some departments, staff face severe demands. This applies to both men and women. However, sometimes women find the same burden more distressing than the men. I would be glad if there was more consideration.

At FP Corporation, female workers can naturally have their say. In addition, their concerns are heard and taken into consideration. I wonder if this is normal.

In the sense of utilizing the strengths of women, FP Corporation is in a transitional period, possibly like other companies. The situation is better today than in the past, but it is still lacking in some areas. To make it even better, women themselves need to be active.

Sales departments have very few female employees. Women account for only about 20% of the sales staff. That business is related to food and I feel that women are more suited.

As a rule, we start working at 9:00 a.m. Under the flextime program, we can start working at any of the three times: 8:30 a.m., 9:30 a.m. and 10:00 a.m. It is helpful that working hours can be chosen according to the needs of our children.

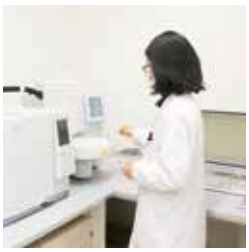
We are entitled to shorter working hours until our children start attending elementary school, that is no longer available after that. I hope that this system will be revised. Let's change for the better!

Environment

Company-wide Actions Not Confined to Recycling

Addressing Environmental Conservation with Great Awareness

Without being content with the high marks earned for its recycling operations,
FP Corporation does whatever it can for global environmental conservation in all aspects of its business.



FP Corporation Eco Action 50

We have a target of reducing, as specified below, the total CO_2 emissions from all the facilities of the FP Corporation Group subject to reporting under the amended Act on the Rational Use of Energy, i.e. plants, distribution centers and offices, and those from logistical operations within the scope of responsibility of specified cargo owners. To meet the targets, we have drawn up action guidelines entitled FP Corporation Eco Action 50 in a bid to construct a group-wide environmental value chain.

Reduce total CO_2 emissions by 20% by FY2020 (compared to FY2003)	Reduce CO_2 emission factors (by number of trays sold) by half (compared to FY2003)

In a group-wide effort to reduce the environmental impact, FP Corporation has set up five working groups. Consisting of members from different departments and companies, each working group addresses the same issue. For example, the distribution staff in the SCM Department shares distribution information with vehicle allocation personnel at FP Logistics Corporation. The sales staff proposes ideas on environmentally friendly products to the Manufacturing Working Group. They formulate and implement measures for streamlining and CO_2 reduction.

For details of the specific activities of individual working groups and the overall environmental impact, please see our website.

Product Working Group

The Product Working Group deals with materials for products, which have the greatest linkage with CO_2 emissions. The material manufacturing process is responsible for nearly half of the CO_2 emissions from a single product.

Product Life Cycle Assessment

The Product Work Group employs the life cycle assessment method to visualize the environmental impact and to calculate the value of the environmental impact. The resulting value is shared among all Working Groups and serves as a basis for measures formulated by individual Working Groups.

Development of Environmentally Friendly Materials

The process of discarding used containers accounts for the second largest portion, specifically around 30%, of the total CO_2 emissions after the product material manufacturing process. The material manufacturing process and the product discarding process cover approximately 80% of the total CO_2 emissions. If used materials are recycled into materials that can be reused in product manufacturing, CO_2 emissions will be substantially reduced.Therefore, the development of recyclable, environmentally-friendly materials is a very important task for the Product Working Group. It makes continuous efforts to modify and improve the Eco Tray recycled foam trays and the Eco APET recycled transparent containers, both of which have been manufactured for a long time.

Reduction of Material Weight and Wall Thickness

As a step towards minimizing the amount of material required to manufacture a single product, the Product Working Group is working to reduce the weight and wall thickness of its products. For foam product materials, it increases the expansion ratio and thereby raises the foam content of the material, or for non-foamed products, it adopts thinner materials to lower the weights of containers. It works to improve and develop design and manufacturing technologies to preserve product strength and functionality using the methods mentioned above.

Green Purchasing

As part of the efforts to preserve the global environment, we actively purchase safe raw materials, parts and products with a low environmental impact. We purchase materials preferentially from suppliers, making environmental considerations and ask suppliers to acquire ISO 14001 certification as a requirement.

Manufacturing Working Group

The biggest issue facing the Manufacturing Working Group is to reduce the consumption of electric power as the energy that drives the manufacturing plants. It considers measures for the reduction of power consumption from a comprehensive perspective, including a macroscopic viewpoint of management for the whole plant and a microscopic viewpoint such as the effective use of remnants from production.

Quality Management at Production Plants

We have three plants certified with the ISO 9001 international standard for quality management. They practice streamlining of internal processes by carrying out the PDCA style management in a bid to reduce the environmental impact.

Visualization of Energy to Lower Resource Consumption at Manufacturing Facilities

In order to efficiently use the necessary utilities to operate production plants, particularly electric power, the Manufacturing Working Group measures the energy burden at several fixed points and analyzes the data obtained to constantly seek ways to boost efficient energy consumption. As needed, the maintenance and replacement of equipment and machinery are implemented as needed.

Increase in Work Efficiency through the Monozukuri Project

Staff members at the production plant take the initiative in the Monozukuri Project that aims to increase productivity. Plant staff members from all over the country gather twice a year to hold a meeting in which they present their achievements in operational efficiency improvement. The ideas and measures shared among plants nationwide produce achievements that lead to waste reduction and energy conservation.

Recycling at Plants

FP Corporation also recycles the remnants generated from the manufacturing plants and the packaging materials for products and used containers to the highest degree. We have a sub-working group called the Pellet Energy Conservation Project. It focuses on the remnants generated from the product manufacturing process.

Logistics Working Group

CO_2 reduction in logistics depends on the method of efficiently transporting goods. Apart from decreasing the running distance and loading cargo efficiently, the Logistics Working Group strives to work out several approaches in collaboration with other departments.

Collaboration with SCM

FP Corporation's distribution plan is partly formulated by the supply chain management (SCM) system in tandem with the production plan. CO_2 emissions from logistical operations, including the transfer of products between warehouses and the transport of molds necessary for manufacturing, have been minimized. Management for the reduction of the environmental impact is in place.

Meetings for Presentations on Improved Distribution

Meetings for presentations on improved distribution are held on a regular basis. They are attended by representatives from distribution centers all over the country, and joined by hundreds of participants via video conferencing systems. Many different actions for the improvement of logistical practices were presented, including the revision to work procedures, reduction of overtime working hours and enhancement of the working environment. They have increased work efficiency and led to the reduction of the environmental impact.

The Route Planner and the RD Check System

Mentioned on page 21, the Route Planner and the RD Check System streamline and visualize deliveries. They eventually reduce CO_2 emissions and help to collect data to take measures for further improved efficiency.

Many Different Actions for Environmental Conservation

Solar panels with a total output capacity of 1,423 kW have been installed on the rooftop of the Cross Dock Center at the Fukuyama Distribution Center and on the rooftop of the Kansai Distribution Center. Their estimated power generation output is 1,423 MWh per year. Apart from that, many other actions are being implemented, including the 10 Eco-Driving Tips initiative for drivers, use of marine cargo transport with lower CO_2 emissions and acquisition of the Green Management certification, which verifies business operations with a limited environmental impact.

Sales Working Group

Selling FP Corporation's environmentally-friendly products, specifically the Eco Tray and the Eco APET, is the most significant environmental conservation activity conducted by the Sales Working Group. Recycling used containers without disposal results in considerable CO_2 reduction.

Vigorous Promotion of Green Products

When recommending environmentally-friendly products to personnel at supermarkets and convenience stores, the Sales Working Group provides explanations about their usage effects. It has also created a design for the Eco Tray with a remarkable symbol that indicates that the product has been recycled.

Increase in Used Container Collection Points

We still collect merely 30% of used containers. We aim to collect more. For this purpose, it is important to install as many collection boxes as possible with the help of supermarkets and other retailers. The Sales Working Group plays a central role in seeking cooperation with the collection. It also proposes displaying awareness-increasing posters to store staff daily as part of its sales activities in order to gain the attention and interest of consumers and to increase the collection rate.

Actions for Raising Awareness among Customers and Consumers

As a measure for increasing the collection rate of used containers, it is the most effective for customers and consumers to participate in FP Corporation's recycling plant tour. We jointly organize events with supermarkets, such as Supermarket XXX's Green Tour for Parents and Children. It provides participating consumers with an opportunity to see how the used containers that they bring to the supermarket are actually recycled. It is highly effective for increasing the collection rate.

Office Working Group

The Office Working Group's activities might appear to be limited to saving consumables and other office-related matters. However, they are wide-ranging and play a very important role in raising employees' awareness.

Video Conferencing System

With a large number of bases in the country, the FP Corporation Group avoids business trips for meetings that can be accomplished through video conferencing, reducing opportunities to use transportation, which will ultimately reduce CO_2.

Environmental Education for Employees

The Environment Management Department personnel act as lecturers and invite outside experts to regularly hold environment-related seminars. In addition, the in-house Intranet allows staff to view the video seminars at any time.

Introduction of Low-Emission Vehicles

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

A Cloud System for Computers

Nearly 2,000 of the computers used at the Group companies are virtual desktop cloud systems without hard disks. This slashes the power consumption of computers.

Monitoring of Green Driving

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

Paperless Operations

We make it a rule not to print any document or slip that can be distributed by e-mail and viewed online.

Society

What FP Corporation Sends and Receives

FP Corporation Always Sends Information

FP Corporation engages in so-called B2B business. Its contact with general consumers is limited. This is why we strongly hope that our ideas and activities will become familiar to them.

Relationships with Consumers

With limited opportunities to directly interact with consumers, FP Corporation gives presentations at exhibitions and various types of events held nationwide on the themes of the environment, business, diversity and others and takes part in in-store events at supermarkets.

Major Events for FP Corporation During FY2016

Date	Event Name	Location	Organizer
Apr. 9-12, 2016	Exhibition for the G7 Foreign Ministers' Meeting	Hiroshima Prefecture	Hiroshima City Government
May 14-15, 2016	Fukuyama Rose Festival 2016	Hiroshima Prefecture	Fukuyama City Government
June 4, 2016	2016 Hachioji Environment Festival	Tokyo	Hachioji City Government
June 4, 2016	FY2016 Environment Day Hiroshima Rally	Hiroshima Prefecture	Environment Day Hiroshima Rally Executive Committee
June 5, 2016	Eco Life Fair 2016	Tokyo	The Ministry of the Environment
June 18, 2016	Fukumachi Kidzeria Special	Hiroshima Prefecture	Fukuyama City Government
July 23, 2016	Higashihiroshima Environmental Fair 2016	Hiroshima Prefecture	Higashihiroshima City Government
Sep. 10, 2016	Yonago Environment Festa 2016	Tottori Prefecture	Yonago City Government
Sep. 11, 2016	Yasugi Kankyo Fair 2016	Shimane Prefecture	Yasugi City Government
Sep. 18, 2016	Eco Ennichi 2016	Osaka Prefecture	E-Being
Sep. 24, 2016	Science Festival 2016	Hiroshima Prefecture	Fukuyama City University
Oct. 9, 2016	Fukuyama Environment Festa 2016	Hiroshima Prefecture	Environmental Policy Division, Fukuyama City Government
Oct. 12-14, 2016	Eco-Technology Exhibition 2016	Fukuoka Prefecture	Kitakyushu City Government
Oct. 15-16, 2016	Nagasaki Eco-Life Festa 2016	Nagasaki Prefecture	Environmental Policy Division, Nagasaki City Government
Nov. 5, 2016	ECO Festa Koga 2016	Ibaraki Prefecture	Koga City Government
Nov. 20, 2016	Yamagata Environment Exhibition 2016	Yamagata Prefecture	Yamagata City Government
Nov. 19-20, 2016	Jibasan Fair 2016	Hiroshima Prefecture	Bingo Area Local Industry Promotion Center
Feb. 18-19, 2017	44th Ichinomiya City Consumer Life Fair	Aichi Prefecture	Ichinomiya City Government



Relationships with Communities

While our activities are most frequently conducted in the Hiroshima area where our Fukuyama Headquarters is located, we are working to have closer communications with local people at our bases across the country.

Acceptance of Interns and Other Students

FP Corporation takes part in the Hiroshima Prefecture Monozukuri Internship Project for students studying science and engineering. It also participates in the Challenge Week Fukuyama program for junior high schoolchildren as a company that accepts students and provides opportunities for them to have various vocational experiences.

Visiting Lectures

FP Corporation visits elementary schools all over the country to give lectures that provide a general overview of the environmental conservation and recycling operations conducted by FP Corporation.

Acceptance of Teachers for Training

FP Corporation accepts trainees under the program for long-term dispatch training at private companies run by the Hiroshima Prefectural Board of Education. We work together with teachers and assist them for about half a year.

FPCO RiM

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

Participation in Local Community Activities

FP Corporation takes part in nature conservation activities, local cleanup activities and other local festivals and events in the areas where its bases are located.

TOPICS | Ceremony for a Donation to the Fukuyama City Government

On the city of Fukuyama's 100th anniversary of its establishment, FP Corporation's Chairman and CEO Yasuhiro Komatsu became an honorary citizen of the city. The ceremony for his donation of one billion yen to the Fukuyama City Government took place at Fukuyama City Hall on July 12, 2016. He decided to make this donation to support the development of the young people who will play active roles in the future of the city. The contribution will be used to enrich the facilities of Fukuyama City University.

Relations with Shareholders

Appropriate Disclosure of Corporate Information

FP Corporation always discloses its corporate information in a timely, appropriate, fast and impartial manner. Securities reports, brief announcements of consolidated financial results, materials for analyst meetings on financial results, press releases and other information are made available in the Shareholder Information section of our website. Apart from Shareholder Meetings and biannual briefings on financial results, we organize individual meetings and production, distribution and recycling facility tours for institutional investors and analysts in an effort to make our performance and business better understood.

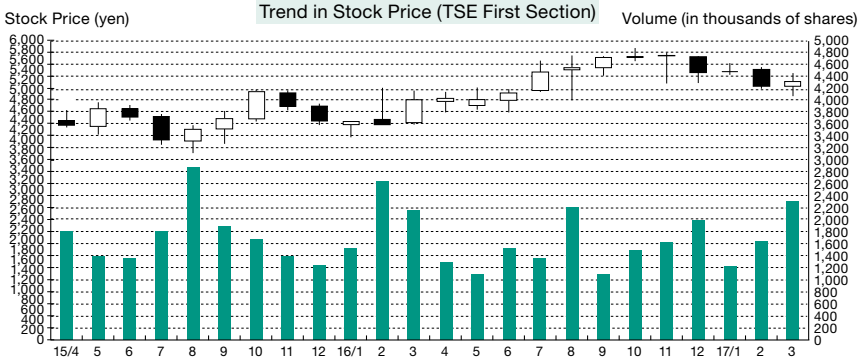
http://www.fpco.jp/en/en_ir/

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

Improving Corporate Value

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

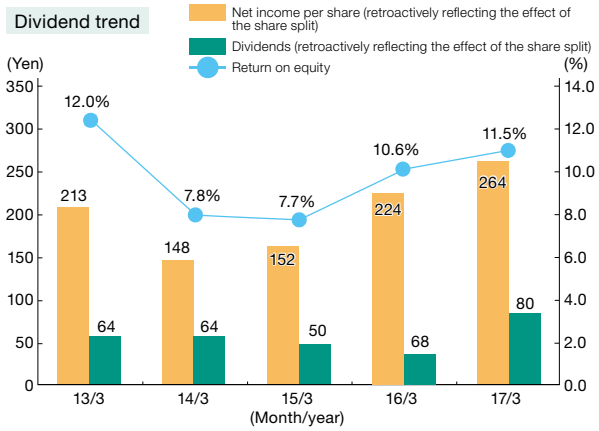
Trend in Stock Price (TSE First Section)



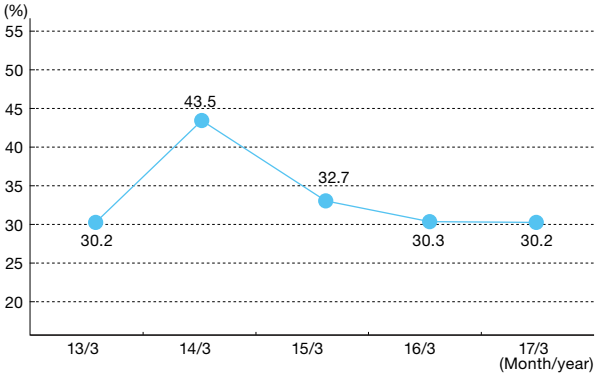
Continuously Stable Dividends

FP Corporation regards providing shareholders with an appropriate return on their investment as one of its most important goals. Our basic policy is to make continuous and stable dividend payments while increasing our profitability and improving our financial standing. Under this policy, we paid a dividend of 80 yen per year, including an interim dividend of 40 yen per share, in the fiscal year ended March 31, 2017. On April 1, 2014, FP Corporation executed a two-for-one stock split of its common shares.

Dividend trend



Payout ratio



Third Party Comments

Dr. Misuzu Asari Associate Professor, Graduate School of Global Environmental Studies, Kyoto University

Over the last six-months, I had the opportunity to visit two major bases, one in Fukuyama and the other in Chubu. One of the impressive things during my visits was the lively greetings I received everywhere. Even in the plant, even while working, the greetings were given in a way that does not affect the work and that does not seem forced. You may think it is natural but it is actually fairly difficult to be like this.

I met FP Corporation during my environment-related job hunt project (*Eco-rudo Kyodai Hataraku* Project) at Kyoto University. The greetings from the personnel were very nice and made me feel that the workers there will be able to work with love and pride in the company and with gratitude for the customers.

As a matter of course, not only the greetings but also the business operations are great, although I do not have to mention it here again. I should finish my comments with nothing but compliments and describe FP Corporation as impeccable. But it would waste this special opportunity. I wondered if I could make any other remarks.

I have been doing research on waste for about 20 years. I suppose I have observed waste and thought about how to reduce and make good use of it for a relatively long time. In the end, nothing changes without a shift in the ways goods are made and awareness and action among those who use goods. In order to trigger this, I speak from the perspective of waste. As I see it, FP Corporation looks like a treasure island. You have established a recycling system together with retailers, consumers, public authorities and other parties. You have abundant knowledge about issues on waste and are directly associated with parties to whom you discuss the issues. I strongly hope that you will take advantage of the treasure to gradually raise your voice louder.

Mr. Takeo Inoue President, E-Being (specified non-profit organization)

After graduation from the Department of Law at the Faculty of Law of Keio University, he served as manager of a retail store, a sales planner, manager of an environmental department and an environmental management representative under the ISO 14001 standard.

- President of E-Being
- A part-time lecturer in general studies on environmental auditing at the University of Shiga Prefecture and at many other educational institutions
- Presides over many different environmental associations

Environmental issues are known as particularly difficult problems, and their essential solutions have not yet been discovered. Factors behind the destruction and pollution of the global environment are so intricately entangled that any attempt to sort out these issues will bring new issues to light.

In this situation, it is significant for businesses to have a strong determination about how they want to operate.

In the past, trays were at risk of non-purchase or non-use amid mounting consumer movements. At that time, FP Corporation expressed a surprising intent to collect and recycle trays.

To support this, it independently built a large PDCA cycle for recycling and created a new social system under which the public and consumers wash trays and cooperate in the collection at stores in appreciation of this intent. This recycling system involves the four parties mentioned in the report. It can be said that FP Corporation thus created a solution to environmental issues.

The collaboration between the company and society turned the intent into a good decision. I hope that you will have more profound dialogues with society, especially with consumers, in search of seeds for further innovations. I never think it is irrelevant to expect value creation based on a new framework from FP Corporation, given that it created a large-scale tray recycling system from scratch.

Financial Data

Consolidated Balance Sheets

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	15,089	18,151
Notes and accounts receivable - trade	35,628	32,421
Merchandise and finished goods	15,686	15,857
Work in process	76	118
Raw materials and supplies	2,849	3,159
Deferred tax assets	1,649	1,687
Accounts receivable - other	2,766	2,338
Other	439	501
Allowance for doubtful accounts	△29	△28
Total current assets	74,154	74,208
Non-current assets		
Property, plant and equipment		
Buildings and structures	108,219	114,713
Accumulated depreciation	△48,267	△51,463
Buildings and structures, net	59,951	63,249
Machinery, equipment and vehicles	41,926	50,909
Accumulated depreciation	△25,990	△28,018
Machinery, equipment and vehicles, net	15,935	22,891
Lands	33,502	33,371
Leased assets	23,010	19,291
Accumulated depreciation	△12,384	△10,684
Lease assets, net	10,626	8,607
Construction in progress	2,237	3,282
Other	18,850	19,832
Accumulated depreciation	△14,344	△15,101
Other, net	4,505	4,731
Total property, plant and equipment	126,759	136,134
Intangible assets		
Goodwill	1,232	1,350
Other	1,057	979
Total intangible assets	2,290	2,330
Investments and other assets		
Investment securities	3,522	4,272
Deferred tax assets	1,212	1,362
Other	1,169	1,228
Allowance for doubtful accounts	△55	△54
Total investments and other assets	5,849	6,808
Total non-current assets	134,898	145,273
Total assets	209,053	219,481

(Million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Accounts payable – trade	18,472	18,936
Short-term borrowing payable	13,803	20,587
Commercial paper	15,000	15,000
Lease obligations	3,531	3,046
Accounts payable–other	10,182	6,865
Income taxes payable	3,220	2,758
Accrued consumption taxes	1,022	763
Provision for bonuses	1,805	1,987
Provision for directors' bonuses	71	91
Other	2,920	3,014
Total current liabilities	70,029	73,051
Non-current liabilities		
Long-term borrowing payable	35,106	35,702
Lease obligations	7,878	6,214
Deferred tax liabilities	44	45
Provision for directors' retirement benefits	1,210	1,415
Provision for executive officers' retirement benefits	14	24
Net defined benefit liability	2,993	3,094
Other	184	211
Total non-current liabilities	47,432	46,707
Total liabilities	117,462	119,759
Net assets		
Shareholders' equity		
Capital stock	13,150	13,150
Capital surplus	15,843	15,860
Retained earnings	66,453	74,304
Treasury shares	△4,942	△5,092
Total shareholders' equity	90,505	98,223
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	919	1,317
Remeasurements of defined benefit plans	△249	△178
Total accumulated other comprehensive income	669	1,138
Non-controlling interests	416	359
Total net assets	91,591	99,721
Total liabilities and net assets	209,053	219,481

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

(Million yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	170,292	172,858
Cost of sales	117,420	115,635
Gross profit	52,872	57,222
Selling, general and administrative expenses	39,624	42,046
Operating income	13,248	15,176
Non-operating income		
Interest income	3	1
Dividends income	82	95
Subsidy income	544	255
Rent income	75	73
Gain on sale of scraps	173	133
Other	304	332
Total non-operating income	1,183	892
Non-operating expenses		
Interest expenses	249	179
Other	155	146
Total non-operating expenses	404	326
Ordinary income	14,027	15,742
Extraordinary income		
Gain on sales of non-current assets	—	184
Total extraordinary income	—	184
Extraordinary losses		
Loss on sales and retirement of non-current assets	254	222
Impairment loss	—	113
Loss on valuation of golf club membership	19	—
Total extraordinary losses	273	335
Income before income taxes and non-controlling interests	13,753	15,591
Income taxes - current	4,729	4,780
Income taxes - deferred	△291	△159
Total income taxes	4,438	4,620
Net income	9,315	10,971
Profit attributable to non-controlling interests	20	17
Profit attributable to owners of parent	9,294	10,953

Consolidated Statement of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income	9,315	10,971
Other comprehensive income		
Valuation difference on available-for-sale securities	△368	397
Remeasurements of defined benefit plans, net of tax	△45	71
Total other comprehensive income	△414	469
Comprehensive income	8,900	11,440
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,880	11,423
Comprehensive income attributable to non-controlling interests	20	17

Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Income before income taxes and non-controlling interests	13,753	15,591
Depreciation	9,526	11,183
Impairment loss	—	113
Increase (decrease) in provision for bonuses	240	160
Increase (decrease) in provision for directors' bonuses	26	20
Increase (decrease) in allowance for doubtful accounts	3	△7
Increase (decrease) in provision for directors' retirement benefits	4	83
Increase (decrease) in provision for executive officers' retirement benefits	7	9
Increase (decrease) in net defined benefit liability	277	100
Loss (gain) on sales and retirement of non-current assets	244	34
Interest and dividends income	△85	△97
Interest expenses	249	179
Loss on valuation of golf club membership	19	—
Decrease (increase) in notes and accounts receivable - trade	△2,752	3,296
Decrease (increase) in inventories	3,058	△452
Decrease (increase) in accounts receivable - other	1,117	455
Increase (decrease) in notes and accounts payable - trade	△2,691	226
Increase/decrease in other assets/liabilities	363	346
Increase (decrease) in accrued consumption taxes	431	△288
Other	442	431
Subtotal	24,236	31,390
Interest and dividend income received	85	97
Interest expenses paid	△247	△180
Income taxes paid	△3,241	△5,394
Net cash provided by (used in) operating activities	20,832	25,912
Cash flows from investing activities		
Purchase of property, plant and equipment	△17,657	△22,557
Proceeds from sales of property, plant and equipment	22	745
Purchase of intangible assets	△340	△247
Purchase of investment securities	△25	△35
Proceeds from sales of investment securities	8	0
Payments of long-term loans receivable	△39	△29
Collection of long-term loans receivable	31	34
Other	77	157
Net cash provided by (used in) investing activities	△17,923	△21,932
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	400	△1,886
Proceeds from long-term loans payable	15,000	21,500
Repayment of long-term loans payable	△10,277	△13,549
Purchase of treasury shares	△0	△0
Repayments of lease obligations	△4,208	△3,829
Cash dividends paid	△2,444	△3,102
Other	—	△56
Net cash provided by (used in) financing activities	△1,530	△924
Net increase (decrease) in cash and cash equivalents	1,379	3,054
Cash and cash equivalents at beginning of period	13,710	15,089
Cash and cash equivalents at end of period	15,089	18,144

Financial Data

Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2016

(Million yen)

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

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

Fiscal year ended March 31, 2017

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	13,150	15,843	66,453	△4,942	90,505
Changes of items during period					
Dividends of surplus			△3,102		△3,102
Profit attributable to owners of parent			10,953		10,953
Purchase of treasury shares				△0	△0
Disposal of treasury shares		0		0	0
Purchase of shares of consolidated subsidiaries		16		△149	△133
Net changes of items other than shareholders' equity					
Total changes of items during period	—	16	7,851	△150	7,718
Balance at end of current period	13,150	15,860	74,304	△5,092	98,223

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	919	△249	669	416	91,591
Changes of items during period					
Dividends of surplus					△3,102
Profit attributable to owners of parent					10,953
Purchase of treasury shares					△0
Disposal of treasury shares					0
Purchase of shares of consolidated subsidiaries					△133
Net changes of items other than shareholders' equity	397	71	469	△56	412
Total changes of items during period	397	71	469	△56	8,130
Balance at end of current period	1,317	△178	1,138	359	99,721

FP Corporation's History

Company Development and Honors

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

FP Corporation's History

2011	Feb.	FP Corporation wins the Gold prize at the Eco Mark Award 2010.
		Chairman Yasuhiro Komatsu accepts the Ninth Shibusawa Eiichi Award.
	May	The I-Logic Co., Ltd. Chubu Picking Center (Wanouchi-cho, Gifu) is completed.
	Sep.	The Hiroshima Plant for FPCO Ai Pack Co. is nominated by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers (JEED) in the category of excellent workers with disabilities.
	Dec.	FP Corporation and FP Logistics Corporation are awarded by the Director-General of the Maritime Bureau of the Ministry of Land, Infrastructure, Transport and Tourism as distinguished operators under the EcoShip and Modal Shift Program.
2012	Nov.	The world's first biaxially oriented PET product for plastic containers is released.
2013	Mar.	FP Corporation wins the Excellence Prize in the action category of the Watt Sense Awards.
	Apr.	Ishida Shoten (currently FPCO Ishida Co., Ltd.) is reorganized from a nonequity- method affiliate into a consolidated subsidiary.
		Naming rights obtained for the commercial facility, now known as the FPCO RiM.
	Jul.	The Kyushu Distribution Center II in Kanzaki, Saga begins operations.
	Oct.	The Kansai Distribution Center I in Kobe, Hyogo begins operations.
	Nov.	Yasuhiro Komatsu, chairman & CEO, is honored with the Order of the Rising Sun, Gold and Silver Star.
2014	Jun.	Nishinihon PET Bottle Recycle Co., Ltd, engaging in production of recycled resins from used PET plastic bottles, is reorganized into a consolidated subsidiary.
	Aug.	The Fukuyama Cross Dock Center (Fukuyama, Hiroshima) begins operations.
		FP Corporation's Osaka Branch wins Kinki New Office Promotion Award in the 27th Nikkei New Office Award organized by Nikkei, Inc. and New Office Promotion Association.
	Oct.	Miyako Himo Co., Ltd. (currently FPCO Miyako Himo Co., Ltd.) is reorganized into a consolidated subsidiary.
	Nov.	The Hachioji Distribution Center (Hachioji, Tokyo) begins operations.
	Dec.	FPCO Comprehensive Research Institute and Human Resources Development and Training Center (Fukuyama, Hiroshima) are completed.
2015	Mar.	The Chubu Eco PET Plant begins operation as a base of integrated production covering processes from recycling of PET bottles to production of the Eco APET containers.
		FP Corporation is selected by the Ministry of Economy, Trade and Industry under the Diversity Management Selection 100.
	May	FP Corporation is selected as one of the Competitive IT Strategy Companies by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.
	Aug.	The FPCO Comprehensive Research Institute wins a prize from the Director- General of the Chugoku Bureau of Economy, Trade and Industry in the 28th Nikkei New Office Award organized by Nikkei Inc. and the New Office Promotion Association.
	Sep.	Expansion of the Hachioji Distribution Center is finished.
	Nov.	FP Corporation wins a prize of excellence in the category of product and technology development in the Sixth Monozukuri Nippon Grand Awards organized by the Ministry of Economy, Trade and Industry.
	Dec.	FP Corporation wins an Environment Minister's Award for Global Warming Prevention Activity in the category for implementing and popularizing countermeasure activities.
2016	Mar.	The Chubu Eco PET Plant begins operation as a base of integrated production covering processes from recycling of PET bottles to production of the Eco APET containers.
		FP Corporation's chairman and CEO Yasuhiro Komatsu is recognized as an honorary citizen of Fukuyama City.
	Jun.	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 for two consecutive years.
2017	Jan.	Pico House No. 1 company dormitory reaches completion.

Environment / Recycling

1990	Sep.	FP Corporation starts its recycling program.
	Dec.	Kasaoka Recycle Center goes into operation.
1991	Oct.	Kanto Recycle Center goes into operation.
		Tohoku Recycle Center goes into operation.
	Nov.	Eco Tray becomes the first to receive the Eco Mark certification in the industry.
1992	Mar.	Eco Tray goes on sale.
	Apr.	Environmental Management Department established.
	May	Chubu Recycle Center goes into operation.
	Jul.	First Autonomous Tray Recollection Movement Commences through cooperation with Tottori City.
	Sep.	Kyushu Recycle Center goes into operations.
	Oct.	School tray recovery program commences; in-house tray recovery program commences.
1993	Feb.	Fukuyama Recycle Center (Fukuyama, Hiroshima) goes into operation.
1996	Feb.	Hokkaido Recycle Center goes into operation.
	Aug.	FP Logistics Corporation acquires Green Management certificate.
	Nov.	Numazu Recycle Center goes into operation.
1998	Apr.	Automatic color tray-sorting system installed at Kanto Recycle Center.
	Jul.	Recycling plants greet their 100,000th visitor.
1999	Apr.	Three main plants—namely, the Kasaoka Plant (Okayama), the Fukuyama Plant (Hiroshima), and the Fukuyama Recycle Center— receive ISO 14001 certification.
2000	May	Eco Tray registered as a trademark in category #20 (No. 4387266).
	Nov.	Kanto Recycling Plant I (Yachiyo-machi, Ibaraki) goes into operation.
2001	Sep.	New specialized recycling line for transparent containers installed in Fukuyama Recycling Plant.
2003	Feb.	Kanto Recycling Plant No. 1 receives ISO 14001 certification.
	Mar.	Eco Trays recognized as Eco Products by Okayama Prefecture.
	May	Eco Tray recognized as a recycling product by Saga Prefecture.
	Jun.	Eco Tray recognized as a recycling product by Gifu Prefecture.
	Nov.	Recycling plants greet their 200,000th visitor.
2004	Mar.	Eco Tray registered as a recycled product in the Recycled Product Registration System in Hiroshima Prefecture.
	Dec.	Tray-to-Tray registered as a trademark in categories #20 and #40 (No. 4322974).
2005	May	Eco Tray registered as a trademark in category #40 (No. 4864115).
2006	Apr.	Five-year Environmental Operation Plan commences.
2007	Oct.	Rooftop gardening compatible plant (Chubu No.2 Plant) begins operations.
	Dec.	New premises with solar energy generation system established within Fukuyama Headquarters.
		Optical automatic material sorting system put into operation for transparent containers.
2008	Aug.	Ibaraki Sorting Plant (Yachiyo-machi, Ibaraki) begins operations.
	Oct.	Nishinomiya Sorting Plant (Nishinomiya, Hyogo) and Gifu Sorting Plant (Wanouchi-cho, Gifu) begin operations.
2009	Jan.	Fukuyama Sorting Plant (Fukuyama, Horoshima) begins operations.
		Kanazawa Tray Recycling, Co. (Kanazawa, Ishikawa) begins operations.
	Aug.	Saga Sorting Plant (Kanzaki, Saga) begins operations.
2010	Mar.	The Eco Tray is certified as an environmentally friendly product by the Ibaraki Prefectural Government.
	Apr.	Tokai Sorting Plant (Nagaizumi-cho, Shizuoka) begins operations.
	Sep.	Kyushu Sorting Plant (Kanzaki-shi, Saga) begins operations.
	Oct.	Recycling plants greet their 300,000th visitor.
		Yamagata Sorting Plant begins operations.
		Hokkaido Sorting Plant begins operations.
	Dec.	The Chubu Recycling Plant and the Chubu PET Recycling Plant (Wanouchicho, Gifu) begin operations.
2011	Apr.	FP Corporation is recognized as an Eco-First Company by the Minister of the Environment.
	May	The PET mechanical plant installed in the Chubu Recycling Plant receives a letter of no objection from the US Food and Drug Administration (FDA).
	Oct.	The Eco Tray is recognized as a recycled product in Yamagata Prefecture.
	Dec.	The Eco APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association.
2012	Feb.	The Eco Tray is recognized as a recycled product in Hokkaido.
	Apr.	The Eco APET, recycled PET plastic containers, is released.
	Jun.	Bottle to Tray is registered as a trademark in categories #20 and #40 (No. 5504851).
	Dec.	The Eco APET is registered as a trademark in category #20 (No. 5543674).
2013	Oct.	The Yamagata Prefectural Government recognizes Eco APET as a recycled product.
2014	Feb.	The Okayama Prefectural Government recognizes Eco APET as an ecoproduct.
	Mar.	The Ibaraki Prefectural Government recognizes Eco APET as a recycled product.
	Aug.	Solar panels are installed in the Fukuyama Cross Dock Center.
2015	Sep.	Construction of a solar power generation system is finished at the Kansai Distribution Center I.
	Dec.	The number of participants in plant tours reaches 400,000.

Editorial Postscript

The city of Fukuyama advertises itself as the city of roses. It is known for having one million rose trees that decorate the city every May. The Rose Festival takes place in the middle of the month as a symbol of early summer in the city. In 2017, the Rose Festival took place on May 20-21. Two days later, Chairman Yasuhiro Komatsu passed away on May 23.

As the founder of FP Corporation, he was like a father to us staff members of the FP Corporation Group. Always insightful, he was a great leader that showed the direction that the company should follow. Last year, he became an honorary citizen of Fukuyama City and he was one of its big rose blossoms. He attracted other people, inspired them and aroused courage in them. Each time we see a red rose, we remember the red tie that he always wore. Thank you very much, Mr. Komatsu. Rest in peace.

Thank you very much for reading FP Corporation Report 2017. We would be grateful if you could complete the attached survey and return it to us for the continued improvement of the report. Thank you in advance for your cooperation.

June 2017
Eiji Togashi
General Manager,
Environmental Management Dept.

FP Corporation Report 2017

Published: June 2017

Editorial Guidelines
Care was taken to clearly note the achievements resulting from each activity and FP Corporation's future directions so everyone can understand the essence of our corporation.
The Environmental Report Guidelines from the Ministry of the Environment (FY2012 edition) were used as a reference in preparing the report on CSR.
Time period covered: April 1, 2016 – March 31, 2017
Range of coverage: FP Corporation and the FP Corporation Group

Publishing Department and Contact Information **FP Corporation Environment Management Department**

Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, 163-6036, Japan

TEL: +81-3-5325-7809 FAX: +81-3-5325-7811 E-mail: Env-FP@fpco-net.co.jp Website: http://www.fpco.jp/en/

FPCO Report 2017

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

FP CORPORATION

Headquarters: 1-13-15 Akebono-cho, Fukuyama, Hiroshima, Japan 721-8607 TEL: +81-84-953-1145
Tokyo Headquarters: Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, Japan 163-6036 TEL: +81-3-5320-0717
Osaka Branch: Dai Building Main Tower 22F, 3-6-32 Nakanoshima, Kita-ku, Osaka, Osaka, Japan 530-0005 TEL: +81-6-6441-2468
Sales Offices: Sapporo, Sendai, Niigata, Shizuoka, Hokuriku, Nagoya, Hiroshima, Shikoku, Fukuoka

■ Website: **http://www.fpco.jp/en/** ■ E-mail: **EcoTray-FP@fpco-net.co.jp**

Fun to Share

VEGETABLE OIL INK