



FP Corporation Report 2022



FP Corporation

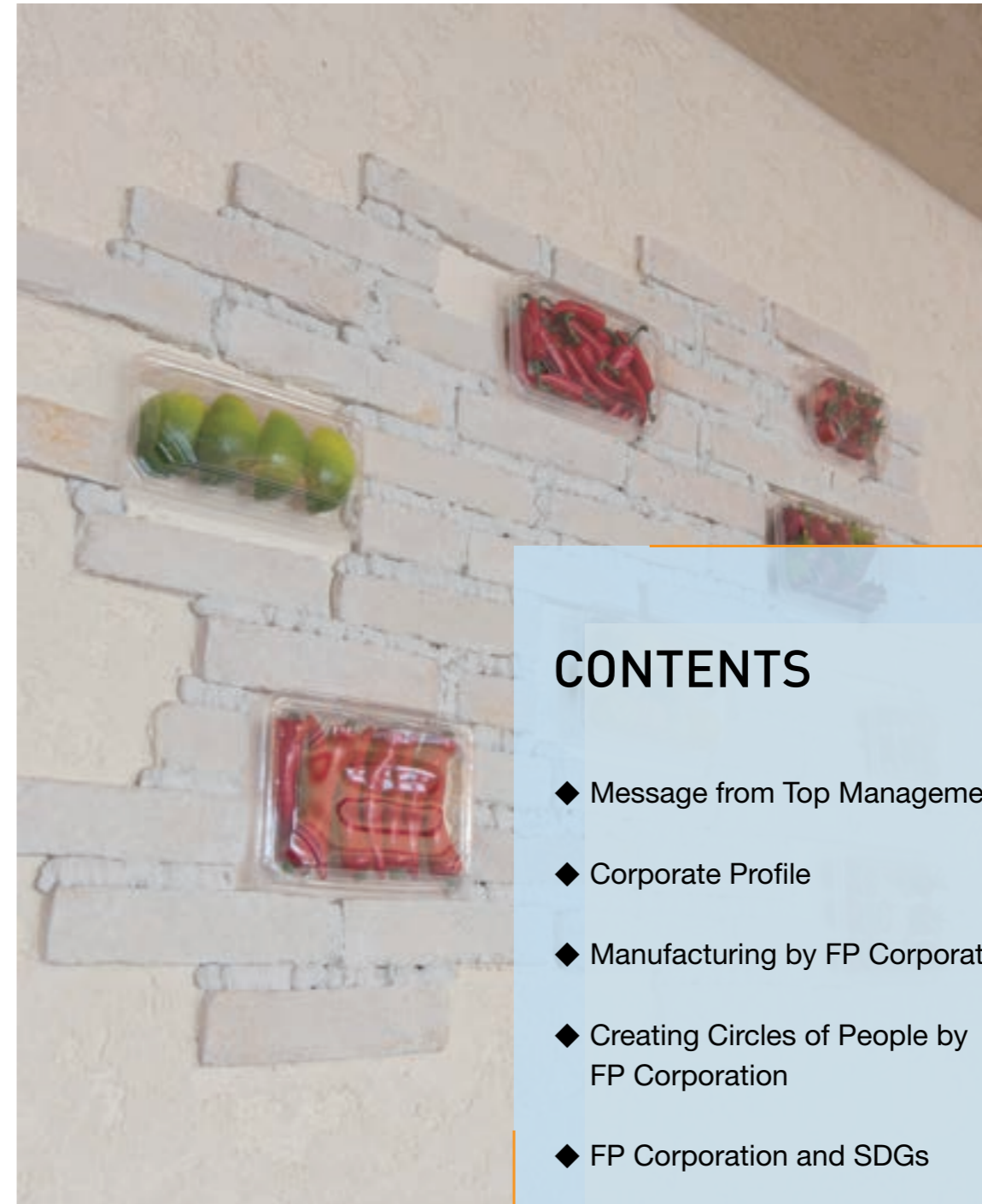


At FP Corporation, we adhere to a hands-on approach and customer-first concept in the food tray and container manufacturing and sales businesses.

With the aim of continuing to produce truly useful products in line with people's needs and the values of society, we have committed to act upon the principles of taking a hands-on approach and putting the customer first. We will continue to practice the three basic pillars of a manufacturer, that is, creating superior, environmentally friendly products, providing them at competitive prices, and delivering them to our clients when they need them. By continuing to consider what is important and what is required where food trays and containers are used at our customers, and when they are manufactured, stored, transported and delivered by FP Corporation and distributors, we continue our persistent efforts to progress.

FP Corporation promotes the recycling of above-ground resources with your cooperation.

FP Corporation works together with consumers, supermarkets, and packaging material wholesalers to promote the recycling of above-ground resources. We work to ensure that our initiatives evolve, with the goal of playing a prominent role in the creation of a sustainable society and a rich food culture.



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While our core business at FP Corporation is the manufacturing and sales of food trays and containers, our value creation has continued to expand in diverse directions.



Morimasa Sato
Chairman, Representative Director
and Group Representative

FP CORPORATION'S VALUE CREATION

FP Corporation's value creation consists of two creative activities. One is manufacturing for delivering high value-added products. The other is creating circles of people, which is aimed at building a sustainable society.

The creative measures that we devise in manufacturing high value-added food trays and containers have been passed down and have continued to evolve since our founding. The food trays and containers manufactured by FP Corporation not only provide convenience in various ways and add to the joy of having meals in daily dietary life; they also help protect the global environment, for instance by reducing food loss.

Our activities to create circles of people, which are aimed at building a sustainable society, started with an initiative to build a social system for recycling used food trays and containers. Our efforts to build co-operative relationships with people in different positions led to the development of a circle of people that is capable of creating new value that had not previously existed.

I hope that this report will give you a clear picture of FP Corporation, which continues to create value through these two creative activities.

Company Profile

Name: FP Corporation
 Established: July 1962
 Representative: Morimasa Sato, Chairman, Representative Director and Group Representative
 Kazuyuki Yasuda, President, Representative Director
 Capital: 13.15 billion yen
 Number of employees: 962 (FP Corporation Group: 4,792)
 Business outline: Manufacturing and marketing of plastic food containers made of polystyrene and other compound resins; marketing of related packaging materials
 Fukuyama Headquarters: 1-13-15 Akebono-cho, Fukuyama-shi, Hiroshima-ken, 721-8607 Japan Tel.: +81-84-953-1145 Fax: +81-84-953-4911
 Tokyo Headquarters: Shinjuku Oak Tower 36F, 6-8-1 Nishi Shinjuku, Shinjuku-ku, Tokyo, 163-6036 Japan 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.

Group Companies

Manufacturing

FPCO Hokkaido Co.
 FPCO Yamagata, Ltd.
 FPCO Ibaraki Co.
 FPCO Yachiyo Co.
 FPCO Shimodate, Ltd.
 FPCO Chikusei Co.
 FPCO Toyama Co.
 FPCO Chubu Co.
 FPCO Hyogo Co.
 FPCO Kasaoka Co.
 FPCO Fukuyama Co.
 FPCO Kannabe, Ltd.
 FPCO Kyushu Co.
 FPCO Tosu Co.

FPCO Ducks Co.
 FPCO Ai Pack Co.
 FPCO ALRight Co. Ltd.
 FPCO Gravure Co., Ltd.
 Nishinohon PET-Bottle Recycle Co., Ltd.

Logistics

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

Sales, Others

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

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

★ Headquarters

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

● Sales Offices

- Sapporo Sales Office (Sapporo-shi, Hokkaido)
- Sendai Sales Office (Sendai-shi, Miyagi)
- Shizuoka Sales Office (Shizuoka-shi, Shizuoka)
- Niigata Sales Office (Niigata-shi, Niigata)
- 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)

★ Branches

- Osaka Branch (Osaka-shi, Osaka)

● Production Plants

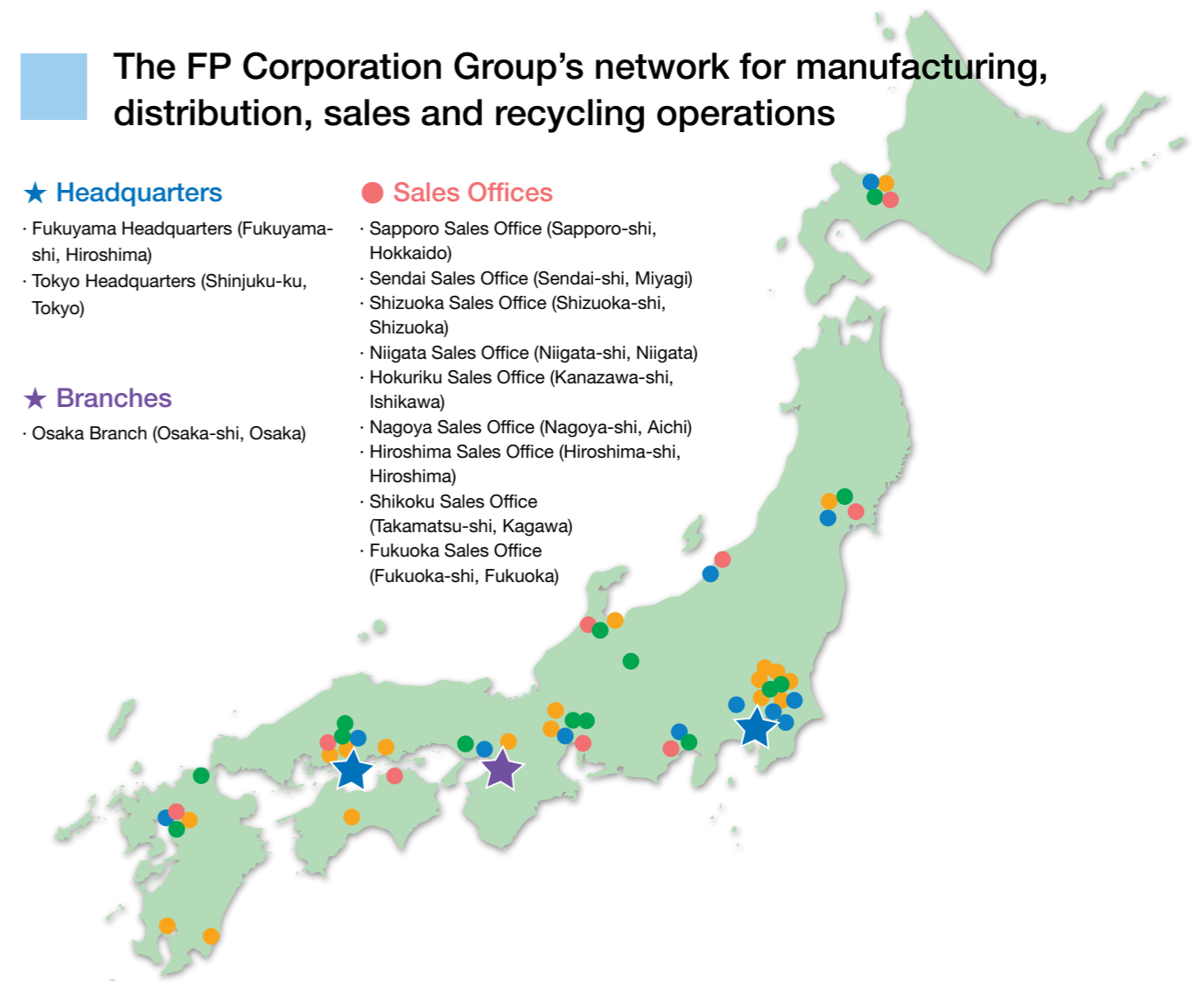
- Hokkaido Plant (Ishikari-shi, Hokkaido)
- Yamagata Plant (Sagae-shi, Yamagata)
- Kanto Plant (Yachiyo-machi, Ibaraki)
- Kanto Yachiyo Plant (Yachiyo-machi, Ibaraki)
- Kanto Eco PET Plant (Yachiyo-machi, Ibaraki)
- Kanto Shimodate Plant (Chikusei-shi, Ibaraki)
- Chikusei Plant (Chikusei-shi, Ibaraki)
- Kanto Tsukuba Plant (Shimotsuma-shi, Ibaraki)
- Toyama Plant (Imizu-shi, Toyama)
- 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)

● Recycling plants/ Sorting and volume reduction centers

- Kanto Recycling Plant (Yachiyo-machi, Ibaraki)
- Chubu Recycling Plant (Wanouchi-cho, Gifu)
- Fukuyama Recycling Plant (Fukuyama-shi, Hiroshima)
- 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)
- Nishinohon PET-Bottle Recycle Co., Ltd. (Kitakyushu-shi, Fukuoka)

● Distribution centers/ Picking centers

- Hokkaido Distribution Center (Ishikari-shi, Hokkaido)
- Tohoku Distribution Center (Sagae-shi, Yamagata)
- Kanto Hub Center (Yachiyo-machi, Ibaraki)
- Hachioji Distribution Center (Hachioji-shi, Tokyo)
- Tokai Distribution Center (Nagaizumi-cho, Shizuoka)
- Chubu Hub Center (Wanouchi-cho, Gifu)
- Kansai Distribution Center (Kobe-shi, Hyogo)
- Fukuyama Hub Center (Fukuyama-shi, Hiroshima)
- Kyushu Distribution Center (Yoshinogari-cho, Saga)
- Hokkaido Picking Center (Ishikari-shi, Hokkaido)
- Tohoku Picking Center (Ohira-mura, Miyagi)
- Kanto Picking Center (Yachiyo-machi, Ibaraki)
- Ibaraki Picking Center (Yachiyo-machi, Ibaraki)
- Hachioji Picking Center (Hachioji-shi, Tokyo)
- Niigata Picking Center (Nagaoka-shi, Niigata)
- Chubu Picking Center (Wanouchi-cho, Gifu)
- Kansai Picking Center (Kobe-shi, Hyogo)
- Fukuyama Picking Center (Fukuyama-shi, Hiroshima)
- Kyushu Picking Center (Yoshinogari-cho, Saga)



Main Products Manufactured and Sold by FP Corporation

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



Fresh fish: Boosting the attractive qualities of fresh seafood



Sushi: Delivering deliciousness to consumers without losing freshness



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



Meat: Hygienic and emphasizing the taste and color of meat



Deli: User-friendly with microwavable and other features



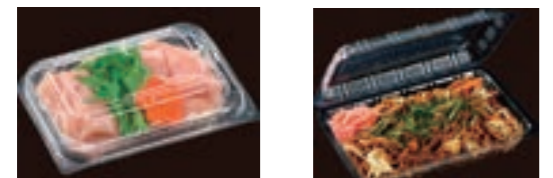
Transparent Containers: Freshness and deliciousness is visible through transparent containers



Events: Ideal for joyful events where people gather



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



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



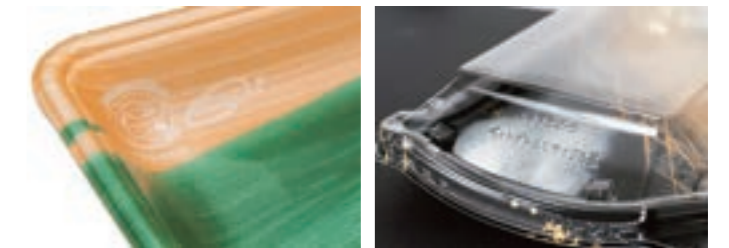
Delivery: Containers that are appropriate for the delivery of diverse types of food



Major features of FP Corporation's products

Environmental Considerations

- Products with reduced use of plastics
Trays made of highly foamed material (left). We have succeeded in reducing the weight of this product by 66% without changing its appearance. In addition, in March 2022 we launched a product (right), which features 17% lighter weight than previous products while retaining the same level of strength. This was enabled by increasing the component ratio of a material named i-talc.
- Recycled products
Eco Tray, Eco APET, and Eco OPET are recycled from used trays, containers, and PET bottles. These products reduce CO₂ emissions by 30% compared to a case where no recycled material is used throughout the lifecycle, from manufacturing to disposal.



Microwavable

This container has the heat resistance necessary for microwave heating (110°C). It also boasts excellent heat insulation and retention. Even when the food inside is hot, there is no need to worry about burning your hands when holding the container.



Highly oil resistant

This transparent container features high heat resistance and also superior oil resistance. It does not become brittle and is not damaged when it comes into contact with MCT oils. Prepared food can be microwaved in this container.



Leak-proof and easy to open and close

The seal of this container is good enough to retain the water inside it when it is tilted. It makes an audible click when the lid is closed. It also features a structure that enables the lid to be easy to open while it does not easily fall off.



Contents do not shift

The bottoms of these containers are shaped to help store operators to arrange food items. They prevent the contents from moving when sales staff display goods and when consumers take them home after purchase.



Major production, logistics, and recycling facilities in Kanto, Chubu, and Fukuyama

FP Corporation has manufacturing, logistics, sales, and recycling networks all over Japan. To improve business efficiency, we have established bases where three facilities for production, logistics, and recycling are consolidated. For FP Corporation, which operates logistics on its own and engages in recycling as well, pathways and pipelines connecting buildings are highly important facilities for enabling a seamless connection between processes.



■ Kanto

- Kanto No.1, No.2, and No.3 Plants
- Kanto Yachiyo Plant
- Kanto Hub Center
- East Japan Hub Center
- Kanto Picking Center
- Kanto Eco PET Plant
- Kanto Recycling Plant
- Kanto Sorting Plant



■ Chubu

- Chubu Eco PET Plant
- Chubu Hub Center
- Chubu Picking Center
- Chubu Recycling Plant
- Gifu Sorting Plant

(Chubu Plant is located just several kilometers away from these facilities.)



■ Fukuyama

- Fukuyama Plant
- Fukuyama Hub Center
- Fukuyama Picking Center
- Fukuyama Recycling Plant
- Fukuyama Sorting Plant

The FPCO Comprehensive Research Institute, a facility that supports our overall operations including R&D, training, and conferences

The FPCO Comprehensive Research Institute, which was built in front of Fukuyama Headquarters, is a complex facility for R&D and human resource development. It has offices of the Research & Development Department and Basic Technology Research Laboratory. In addition, the entire 4th floor functions as a facility for human resource development, with a total of 12 small and large training rooms and discussion rooms. The building also has ample facilities for product research and development, including testing rooms, an experiment room, and a sampling room, with state-of-the-art equipment.



A new facility in Kansai



At present, we are building a new core facility in the Kansai area in Ono-shi, Hyogo Prefecture. The site area of this facility, which is scheduled to start operating in January 2023, is approximately 48,000m². Kansai Plant and Kansai Hub Center will be established in parallel, and about 200 people are expected to work there. When this new facility is constructed, we will have completed a network that represents 70% of Japan's total population within a 150 km radius of each of our business facilities.

FPCO Fair, an annual event for showing all that we do at FP Corporation

The FPCO Fair, which we hold at Tokyo Big Sight in March every year, is a major event for showing all that we do at FP Corporation. Supermarkets, convenience stores, deli shops, and other food retailers, as well as packaging wholesalers, other business partners, and other people who are interested in FP Corporation come to attend this event from all over Japan. Each year, this event is visited by far more than 10,000 people in total over the three-day period.

We hold FPCO Fair because we want to provide visitors with deep insights into FP Corporation by giving comprehensive presentations using the overall exhibition hall, rather than running booths at trade shows hosted by third parties that are themed on food or containers. Many employees spend around six months preparing for this three-day event.

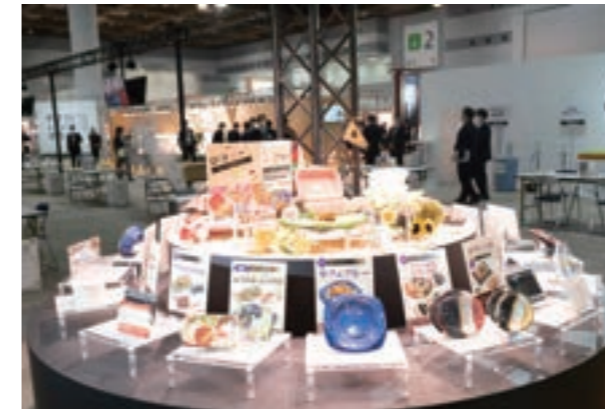
While the event is aimed mainly at exhibiting food trays and containers, the exhibited contents also include our logistics and recycling operations, so that visitors can understand all that we do at FPCO Corporation.



The greatest feature of this trade fair since its beginning is the mock-ups of spaces for selling food that are set up at the venue. The exhibited content is full of ideas for using FP Corporation's containers effectively.



Each year, we set themes from the viewpoints of people involved in food sales, whom we invite to the event. We show what measures need to be taken on sales floors by exhibiting solutions using food trays and containers from FP Corporation.



We also use this event as an opportunity to introduce our new products at the start of a new fiscal year. While we constantly make minor changes to our products, we use FPCO Fair to introduce the best new products with superior functionality and convenience and other highly recommended items.



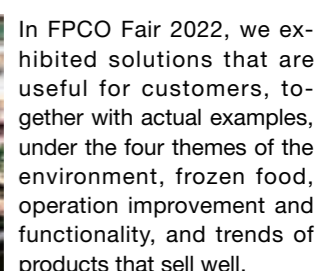
In addition to products, we also introduce our own logistics, recycling operations, and inclusion activities, among other initiatives. Because FP Corporation's value chain involves all of these operations intertwined each other, exhibition at the FPCO Fair is essential.



This is a section for introducing Team X, a collaborative measure taken by FP Corporation and other companies. So many products produce new value as a result of these collaborations.



In FPCO Fair 2022, we exhibited solutions that are useful for customers, together with actual examples, under the four themes of the environment, frozen food, operation improvement and functionality, and trends of products that sell well.



Two forms of value creation by FP Corporation

The history of FP Corporation, which will celebrate its 60th anniversary in 2022, is also a history of manufacturing food trays and containers that have new value. Over the past 60 years, we have been creating added-value in a range of aspects by evolving containers, products whose mere existence were already appreciated for their convenience when buying food

And in 1990, we started recycling used trays as an initiative to tackle environmental problems. The circle of these activities, which we call FPCO Method Recycling, has now expanded to broader society. The open-mindedness with which we collaborate with our many stakeholders has spread to various other activities. Thus, FP Corporation has continued creating circles of people as another form of value creation.

Manufacturing

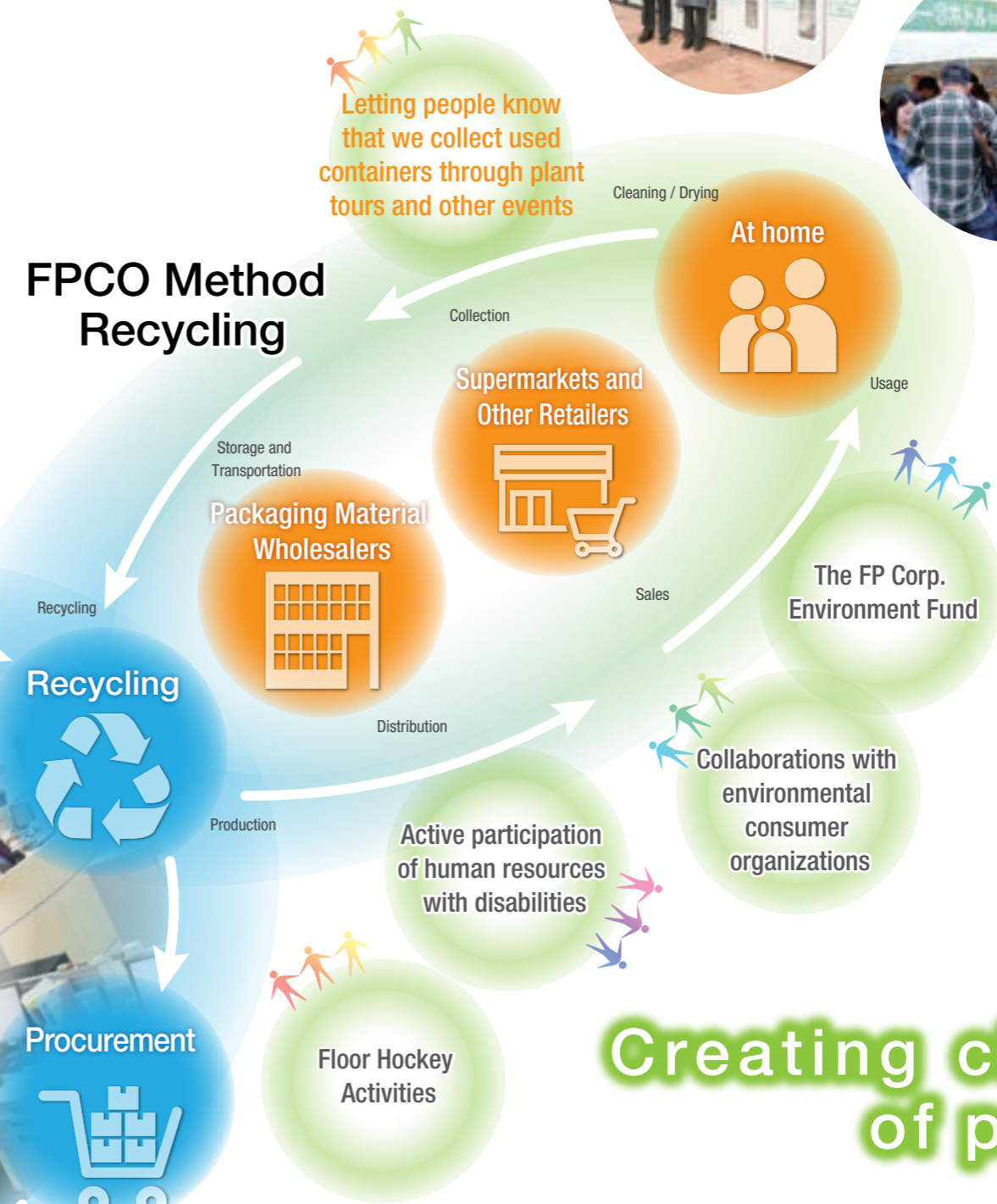
of food containers and trays

We help consumers enjoy meals and a comfortable dietary life by manufacturing food trays and containers with countless useful and convenient features, including good hygiene, convenience for storage, microwavability, heat retention effect, and easy portability. At the core of our manufacturing at FP Corporation is the value chain consisting of seven departments that are organically linked to each other.

We have continued to implement the process from material procurement to manufacturing, transportation, sales, collection, and manufacturing again, as one large circle.



FPCO Method Recycling



Creating circles of people

in society

Creating a circle of people was essential for building a society-wide network for recycling food trays and containers. We approach people in different positions, deepen mutual understanding by communicating with them, and then achieve shared goals. We have continued to engage in activities of collaborating with other people to create new value further from our initiative as the precursor to the initiatives on SDGs.



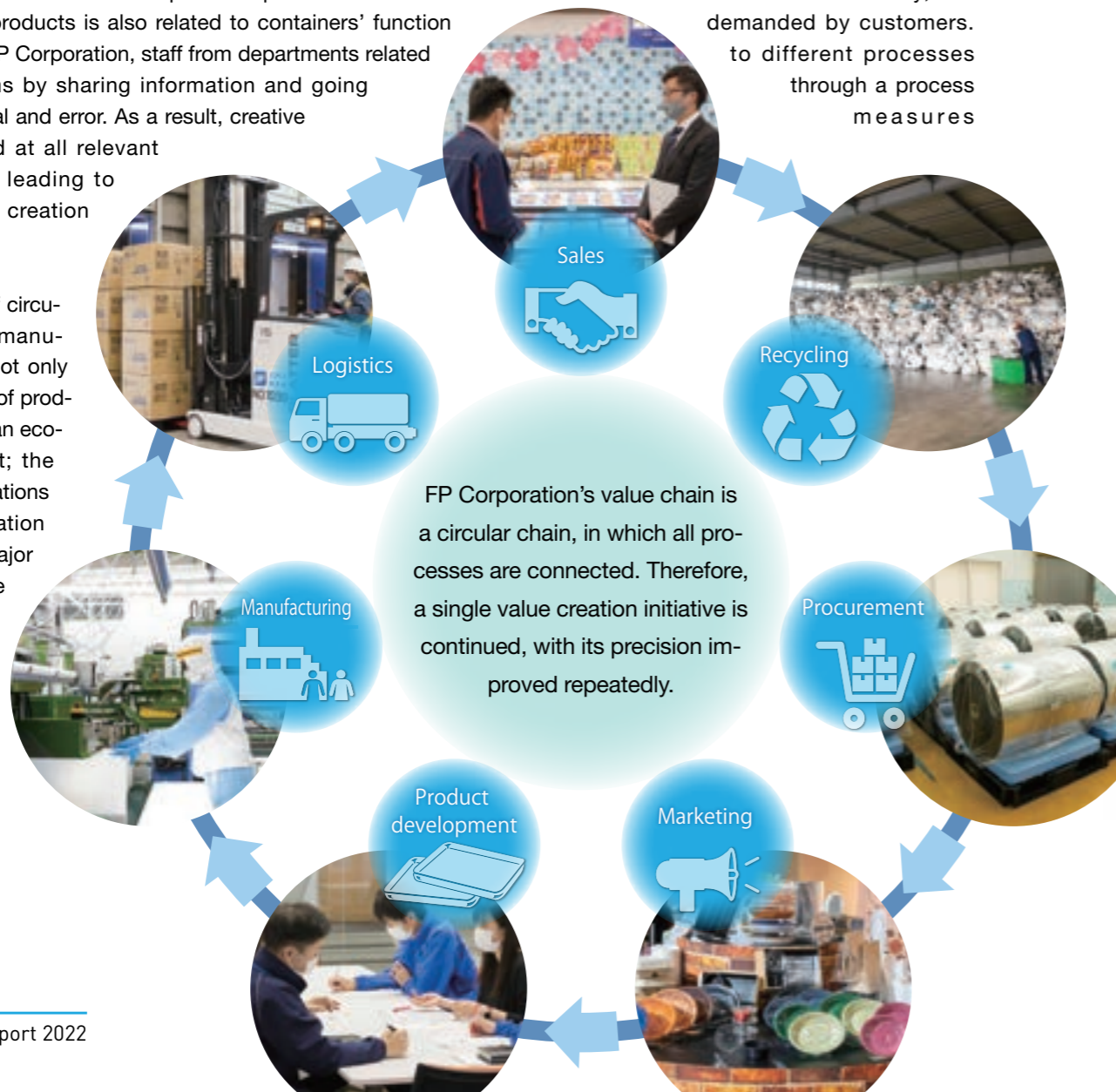
FP Corporation's manufacturing, which gives products high added value

The feature of FP Corporation's manufacturing lies in the fact that it is circulation-based manufacturing. Enabling this are our independent logistics operations and recycling operations. After the products we produce and sell are used in households and other places, we collect them using our own logistics system and recycle them into product materials at our recycling plants. This makes our manufacturing a circular process, in which we follow the same steps repeatedly, instead of a one-way process.

FP Corporation's value chain, creating synergies in value creation

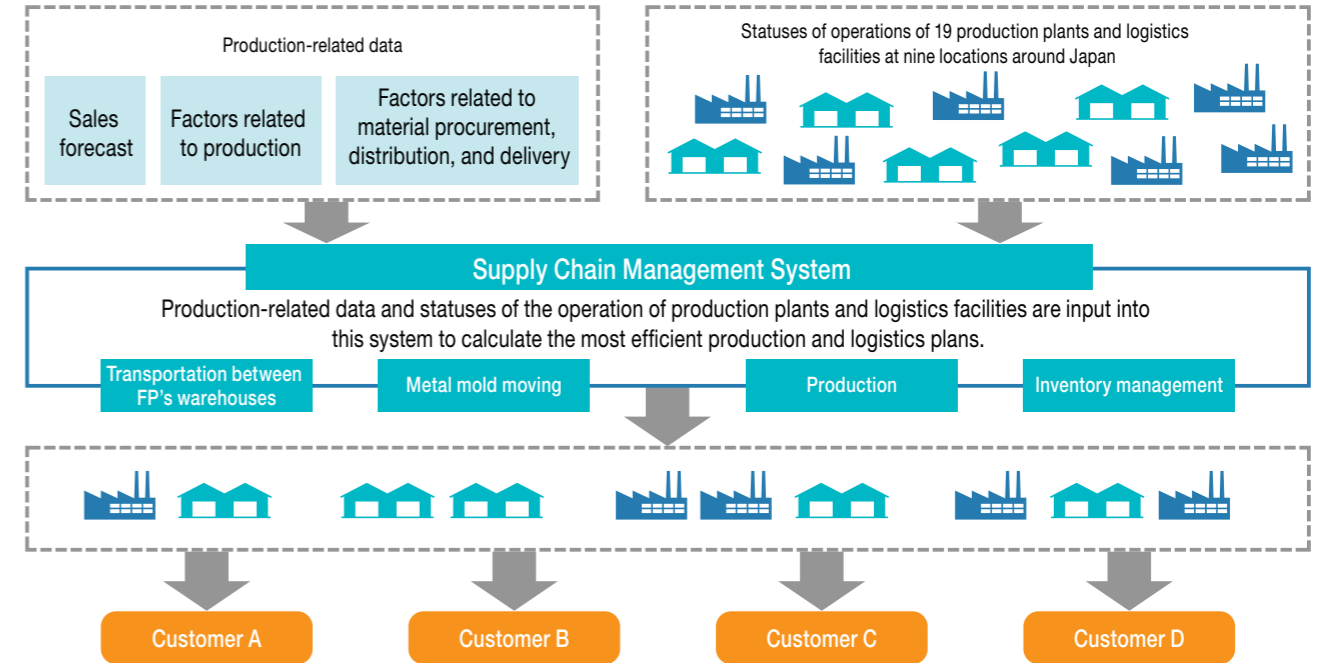
One benefit of circulation-based manufacturing is the synergies in value creation it generates. FP Corporation's value chain consists of the following seven processes, and improvements (value creation) made in one process are in most cases related to other processes. For example, if we decide to change the size of cases to transport products efficiently, it is related to the shape of the products to be stacked in the cases. Naturally, the shape of the products is also related to containers' function demanded by customers. Therefore, at FP Corporation, staff from departments related to different processes solve problems by sharing information and going through a process measures to different processes through a process.

The features of circulation-based manufacturing are not only the circulation of products, which is an ecological benefit; the business operations by FP Corporation also have a major feature in the sense of value creation.



Control tower in the value chain Supply Chain Management System

In FP Corporation's value chain, related departments are intertwined in a complex network, and engage in manufacturing with efficiency and a high degree of creativity. The core of this value chain is our actively functioning supply chain management (SCM) system. It is a business-planning management system unique to FP Corporation, which has recycling operations for used products that utilize its own logistics. With this system, we understand and control all processes related to products. By listening to the opinions of people on site at each process, we develop the best and most efficient plans under various conditions.

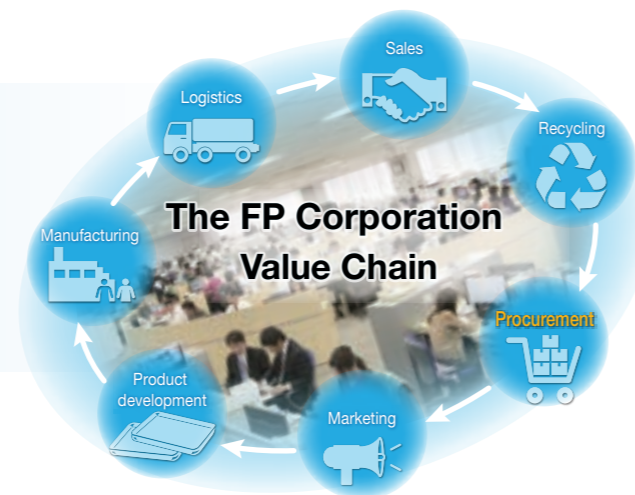


For example, for products and goods we deliver to customers, we make calculations to determine at which plant they should be produced, which warehouse's inventory should be used, and which distribution center they should be sent from, to create the most efficient production and logistics plans. Production-related data involve predictions, so they are not perfect. However, we are introducing measures to improve the precision of AI further, based on past results.



Please refer to pages 31 and 32 for a roundtable talk featuring members from related departments, who powerfully drive manufacturing at FP Corporation.

PROCUREMENT



At FP Corporation, we procure nearly half of all materials for manufacturing products by recycling used products on our own, procuring the remainder from external suppliers. Instead of just purchasing materials, we aim to build constructive relationships with our suppliers, which will lead to value creation for both us and them.

Ensuring safety and social conformity

We must ensure that materials are procured in socially conforming manners, and of course demonstrate high quality and safety. For virgin materials in particular, we work under our CSR Procurement Policy to clarify whether suppliers are selected in fair, transparent manners and whether each supplier complies with laws and regulations, among other points.

FP Corporation's CSR Procurement Policy

1. Quality Standard

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

2. Fair Trade

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

3. Compliance with Laws and Regulations

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

4. Consideration of Social Issues

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

5. Environmental Considerations

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

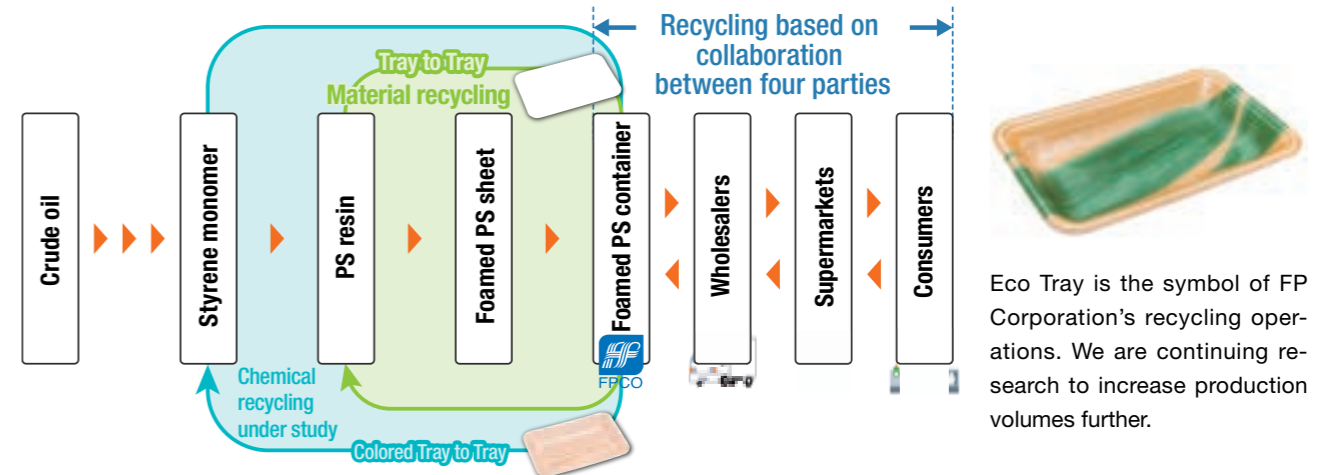
6. Cooperating with Suppliers

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

Sustainability in procurement

Studying ways to achieve chemical recycling

Eco Tray, an environmentally friendly product that we currently manufacture and sell at FP Corporation, is made from a material called pellets (PS resin in the figure below), which are recycled from used products. This is called "material recycling." In order to expand input-material-range and reduce CO₂ emissions further, we may be able to introduce "chemical recycling." In chemical recycling, polystyrene is recycled back to styrene monomer, a building block of polystyrene. The recycled styrene monomer is then used to make polystyrene for us to manufacture new containers. We have been studying this method and will continue, aiming for early realization.



Eco Tray is the symbol of FP Corporation's recycling operations. We are continuing research to increase production volumes further.

Development of new materials and research into pulp and other non-fossil raw materials

The procurement department engages in activities to procure new materials that cater to diverse market and customer needs, in addition to recycled and virgin materials. At present, the department also collaborates with the Sales Division, Manufacturing Division, and the FPCO Comprehensive Research Institute in developing new materials with a barrier function, a function for easy peeling, cold and heat resistance, and other functions. Procuring these materials enables us to manufacture products with even higher added value. We are also studying the use of non-fossil materials that use paper, pulp, and biomass materials. This fiscal year, we launched new paper tray products. The paper used as their material is FSC-certified paper. Moreover, the products are highly functional, with water and oil resistance.

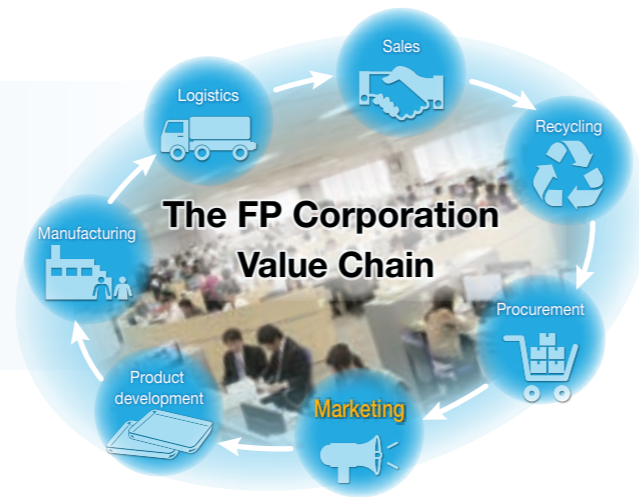


* FSC certification is an international certification program aimed at ensuring forest management that is appropriate from the viewpoint of environmental protection, socially profitable, and economically sustainable.

Initiatives taken through collaboration with overseas companies

The Global Trading Division, which is in charge of procurement, is also responsible for overseas expansion. It procures materials from overseas companies and undertakes sales expansion activities overseas. Specific examples include a study of importing paper products with overseas manufacturers and joint research also with overseas manufacturers into pulp molding machines. In addition, regarding the acquisition of Malaysia's largest food container manufacturer, which we had been considering, we signed a share purchase agreement in May 2022. The acquisition procedure is scheduled to be completed in the early autumn this year. When the company has become a new member of the FPCO Group, we will produce a number of synergies. It is expected that the FP Corporation's advanced technological capabilities will enable the manufacturing of highly competitive products, leading to the expansion in the Asian market.

Marketing



Marketing activities start from customer needs and the demands generated in society. We identify the things that are needed and demanded, and then collect and organize information to suggest solutions in the form of products and services. This is what we do in our marketing activities at FP Corporation.

Responding to changes in social trends and dietary life

One of the tasks of departments involved in marketing is to identify needs for products and services in the broader community. And this starts from being out in the field. Changes in society related to food appear in places where food is sold. We therefore remain sensitive to information about changes taking place at supermarkets and wholesalers and problems being generated there, so that we can be the first to gather this information. For example, a person from a supermarket that is our customer told us that “Ten years’ worth of evolution took place in just a couple of years.” We listened more deeply to the person and promptly delivered the information we had obtained to departments responsible for other related processes in the value chain. At FPCO Fair 2022, we suggested colorful containers for delivery as well as containers for soybean dishes that were created in response to the demands of health-oriented consumers. These products also reflect social trends found in the field. Marketing activities like these will play an increasingly important role.



White, beige, gray, and similar colors have traditionally been the standard colors of paper containers for takeout food. Our colorful containers were designed based on the idea that the “Eating experience should be more enjoyable.” They have proven popular with customers.



Team X, collaboration with other companies to create value

Team X is a style of sales activities featuring collaboration with other companies. At FP Corporation, we have named this co-creation-based sales style “Team X.” We create attractive products by combining the use of FP Corporation’s products with the features of products from other companies such as ingredient manufacturers. These collaborations are not limited to the use of FP Corporation’s products. We also collaborate in other aspects, such as in finding solutions to problems in backyard operations, which are becoming increasingly complicated as a means to tackle labor shortages and develop products with higher added value. In recent years, we have also been making suggestions based on collaborations with machine manufacturers and based on operation-oriented ideas. At FPCO Fair 2022, we introduced Team X featuring collaboration with kitchen equipment manufacturers.



Marketing as logistics support for sales activities

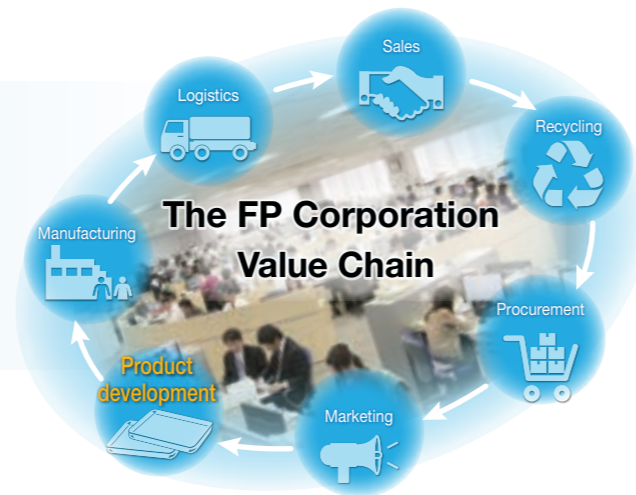
Another major task of the marketing department is to support sales staff in their sales activities. The marketing team supports sales in diverse ways, such as preparing for the annual FPCO Fair, holding area-specific study sessions for each sales office, and creating documents to support planning and proposal activities via Ure-Navi, a sales promotion website. One unique activity of FP Corporation’s marketing department is to share value creation information. Information about daily initiatives and examples of uses of containers, which is provided by customers, is provided to many other customers as information about ways to create different types of value. The information is shared widely via sales staff, producing synergies which activate the sales activities of both customers and FP Corporation.



A suggested selling space mocked up using trays and containers at an in-house kitchen studio



Product development



Making food trays and containers is similar to craftwork. While eliminating waste and pursuing functional beauty, we always focus on the fundamental reason of why we are making this container.

Developing products by converting customer needs into added value

We started by responding to needs that existed several decades ago. For instance, “Can’t we microwave packed lunches and prepared food in the containers?” Now we have developed containers that would have simply been unimaginable back then, in pursuit of good taste. One example is a container in which soup, noodles, and ingredients are in separate layers while being microwaved, and mix with each other immediately before serving. Customer needs have continued to expand and grow more diverse, and product development at FP Corporation has kept evolving in pace with this. We create something tangible in response to needs. This value creation is taking place in the product development process in our value chain.



Product development

- In response to feedback from other processes in the value chain, including sales (such as customer needs, design issues, requests related to operations, findings, and ideas), the Product Development Planning Department converts fragmented ideas and abstract images into forms, such as drawings and models.
- The department examines various needs that have been made real, one by one, and creates design drawings.
- The process from the creation of a design drawing to the completion of a new container takes anywhere from two months to half a year. We develop around 2,000 new products every year.



Various findings, ideas, and proposals that were discovered or that were the focus at each work-site

- Demand related to material property or the convenience of manufacturing
- Findings in the manufacturing process

Manufacturing

- Request for adjustment reflecting the case size
- Stack-related information

Logistics

- Request for the development of a product based on a new concept
- Suggestions on new functions

Marketing

- Information about issues collected from customers
- Request to consider a new idea

Sales

The range of technologies that FP Corporation has developed for trays and containers

We have developed a range of technologies based on the many years of experience and accumulated expertise of FP Corporation, which has continued to improve the functionality of food trays and containers. The following are some examples of our technologies, which continue to evolve.

1 Securely Closed Lids

A snapping sound lets operators know that the lid has closed properly. The lid is also easy to open. The lid is locked so firmly that a weight that is 1.5 times heavier than the content can be hung from it.



2 Stack & Connect design

We focused on convenience in container transportation in food delivery, demand for which increased with the COVID-19 pandemic. It is convenient for transporting multiple containers for two or three servings. The containers are connected to each other firmly so that they are unlikely to collapse, for instance during transportation by motorcycle. In addition, container lids that snap to both inside and outside containers reduce the possibility of leaks, making the containers appropriate for food with soup such as ramen noodles.



3 Safety Edge

An extremely thin edge of a container may cause an injury to a finger or other part of the body. To prevent this, we process the edge with extremely small waves. This causes friction to lower the possibility of slippage when the finger or hand touches the edge. This ensures safety in handling the containers in supermarkets and at home.

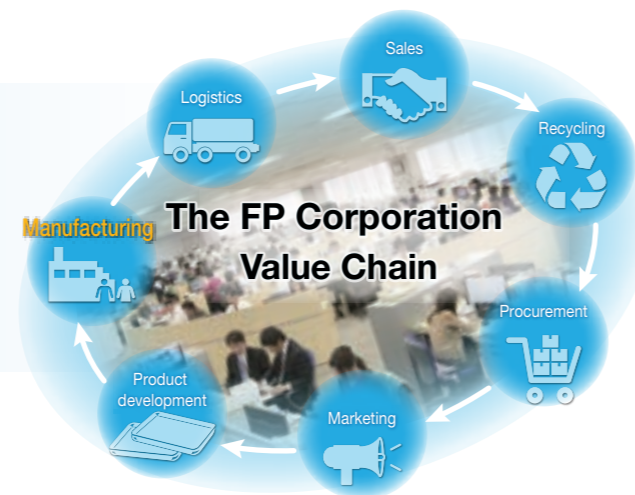


4 Reduction of plastic usage

At FP Corporation, we have been striving for many years to reduce the use of plastics without changing the strength and appearance of our products. Methods include increasing the foaming rate, developing a new material, and devising creative measures for the design. Reducing plastic use produces numerous benefits, such as alleviating the environmental impact and making products lighter. It is an initiative for responding to prevailing needs, so we have continued to take this initiative.



Manufacturing



We have maintained a stable supply of products, which is the most important task of the manufacturing division, in pursuit of our principles: creating superior, environmentally friendly products, providing them at competitive prices and delivering them to our clients when they need them.

Planned production and stable supply enabled by the cooperation with the SCM system

Demand for containers for takeout and delivered food increased rapidly over the last two years. However, we must not allow rapid rises in demand to cause delays in delivering products to customers. It is the supply chain management (SCM) system that enables us to ensure planned production and stable supply under any circumstances. Plans developed by the SCM system are implemented with maximum efficiency by harnessing the experience and creative measures of the on-site staff of each plant. Discrepancies found in the implementation of each plan are fed back to the SCM system to improve the precision of the next production plan. We repeat this cycle. For FP Corporation, zero stockout is one of the highest-priority tasks.



Developing human resources for manufacturing

The Manufacturing Division has been executing the Monozukuri Project for more than 20 years. This project is aimed at improving work efficiency and developing human resources at manufacturing sites. While products are manufactured by machines, it is people who control the timing of their operations, power output, and others. Needless to say, it is important to develop human resources to maintain and continue to improve the skill level of nearly 2,000 staff members working at more than 30 large- and small-scale manufacturing sites across Japan. In the Monozukuri Project, we not only operate a range of programs at manufacturing sites; we also share information with people from other plants by holding report sessions, presentation meetings, and other events. We are also planning to operate a production plant dedicated to the training. Thus, FP Corporation continues to make advances in human development.



Developing production facilities serving a trade area

Kansai Plant and Kansai Hub Center, which are under construction in Ono-shi, Hyogo Prefecture, are scheduled to begin operating in January 2023. When these facilities are completed, products will be supplied to the Kansai trade area from within the local Kansai region instead of Fukuyama, and many benefits will be created. The greatest benefit is the increase in the capacity for ensuring a stable supply of products in the Kansai area. In addition, manufacturing and delivery from within the same area where delivery destinations are located will reduce the risk to stable supply even in an emergency, such as a natural disaster of the kind that is occurring more frequently in recent years. With the completion of the manufacturing and logistics facilities serving the huge trade area of Kansai, FP Corporation will continue to aim for and achieve zero stockout.



Further expansion of robots

We address labor shortages reflecting changes in the social structure. At the same time, we have continued to robotize our plants to improve work efficiency. At present, robots do most of the series of tasks including cutting products, aligning them, putting them into plastic bags, putting them in cases, weighing and transporting cases, and stacking cases on pallets. The robotization of the mounting of roll materials is underway. We also plan to consider which work can be robotized for further automation and then introduce robots.

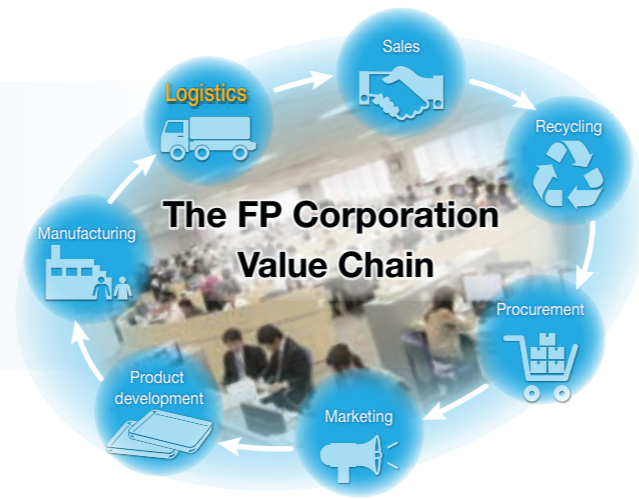


Active participation of human resources with disabilities

It was in 1986 that FP Corporation began to use human resources with disabilities for product manufacturing. In manufacturing, these employees are in charge of manufacturing foamed trays, transparent containers, as well as the wood-like box-type containers shown in the photo. Due to the wide lineup of products that we offer as a manufacturer of food trays and containers, human resources with disabilities are essential for the assembly of high value-added products, including products we manufacture in small lots and those which need to be manufactured by hand.



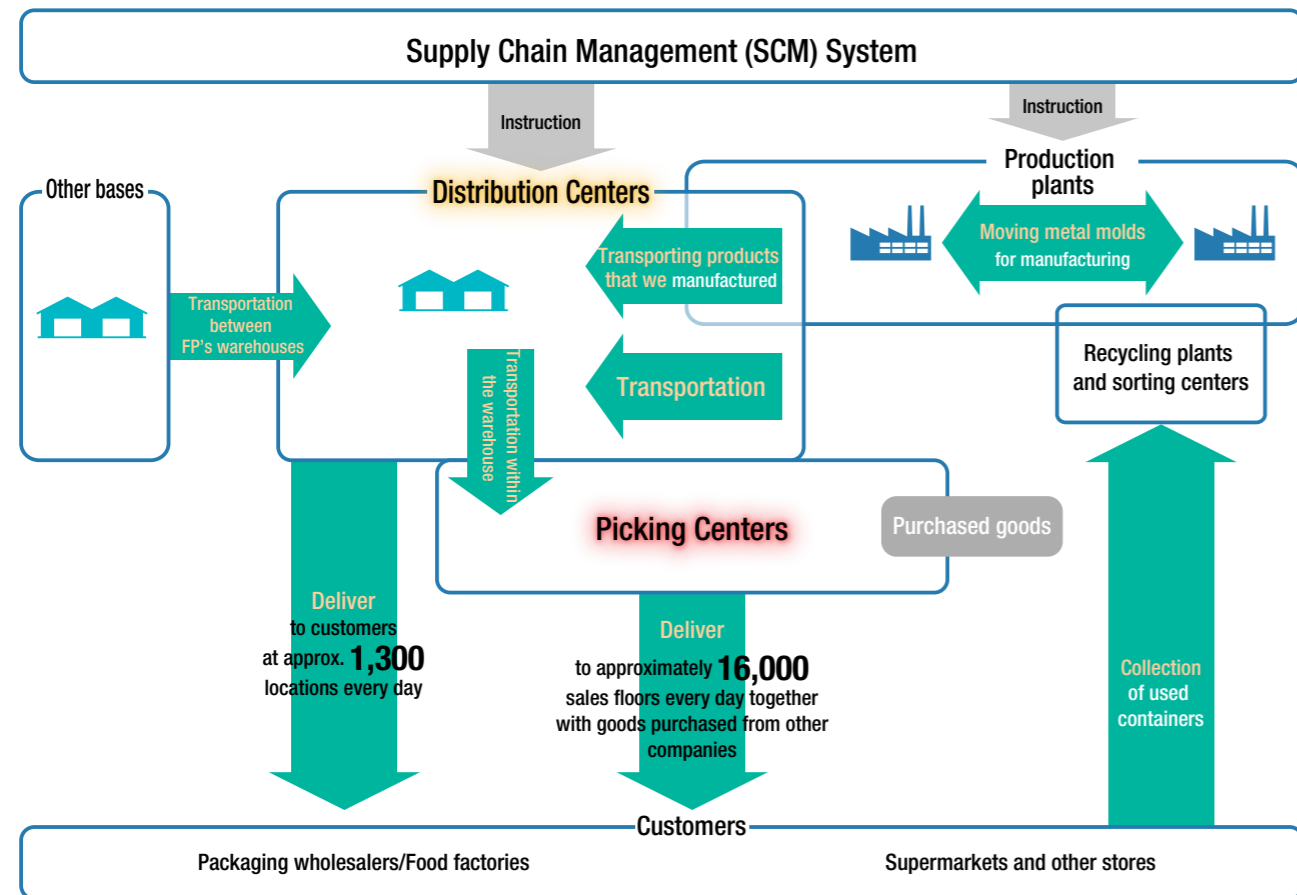
Logistics



The greatest feature of FP Corporation's logistics is that it is an operation which we carry on our own. We manufacture products and transport them with our own methods. This high level of flexibility produces various benefits and contributes greatly to value creation.

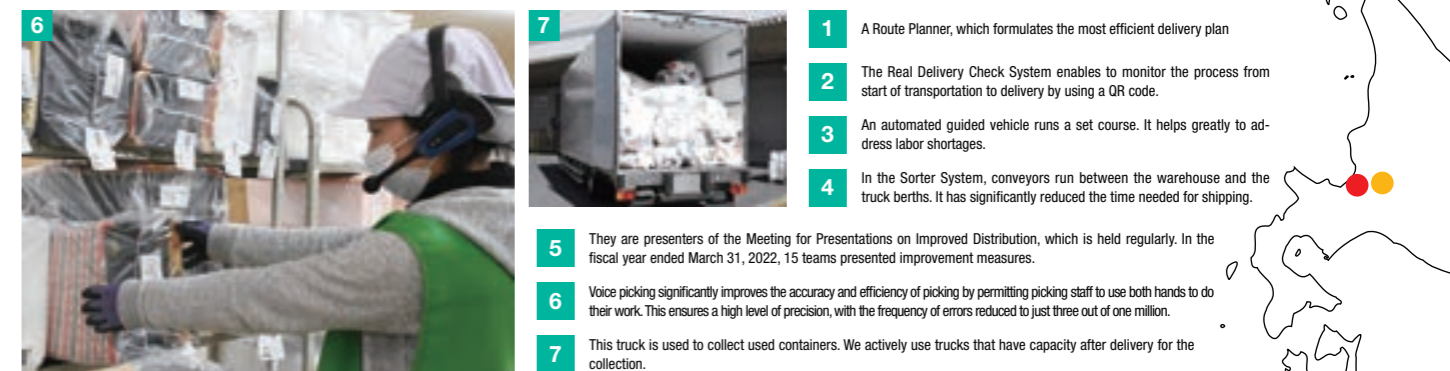
Our own logistics operations that enable FP Corporation's value chain

In FP Corporation's value chain, which is implemented based on plans developed by the SCM system, the Logistics Division is in charge of operations related to transportation of products, goods, and various other items. Aspects of the operations include delivery management, inventory management, acceptance and delivery operations in warehouses, and picking as a wholesale function. We can incorporate these logistics activities into our plans because we operate our own logistics system. We respond flexibly to the complex movements of goods, from manufacturing to delivery and further to the collection of used containers and their return to manufacturing plants, with the acceptance of orders from customers as the starting point.



Providing logistics as a service

The Logistics Division takes a number of measures to continue "delivering products to our clients when they need them," which is one of the promises we make to our customers. The purposes of the measures include improving the efficiency and reliability of tasks and increasing their speed. They are based on our idea that logistics is a service. If we think it is important to provide a high level of satisfaction to customers instead of just transporting goods, we will naturally find what measures to take. We continue to improve our operations, aiming to provide services that make customer happy.



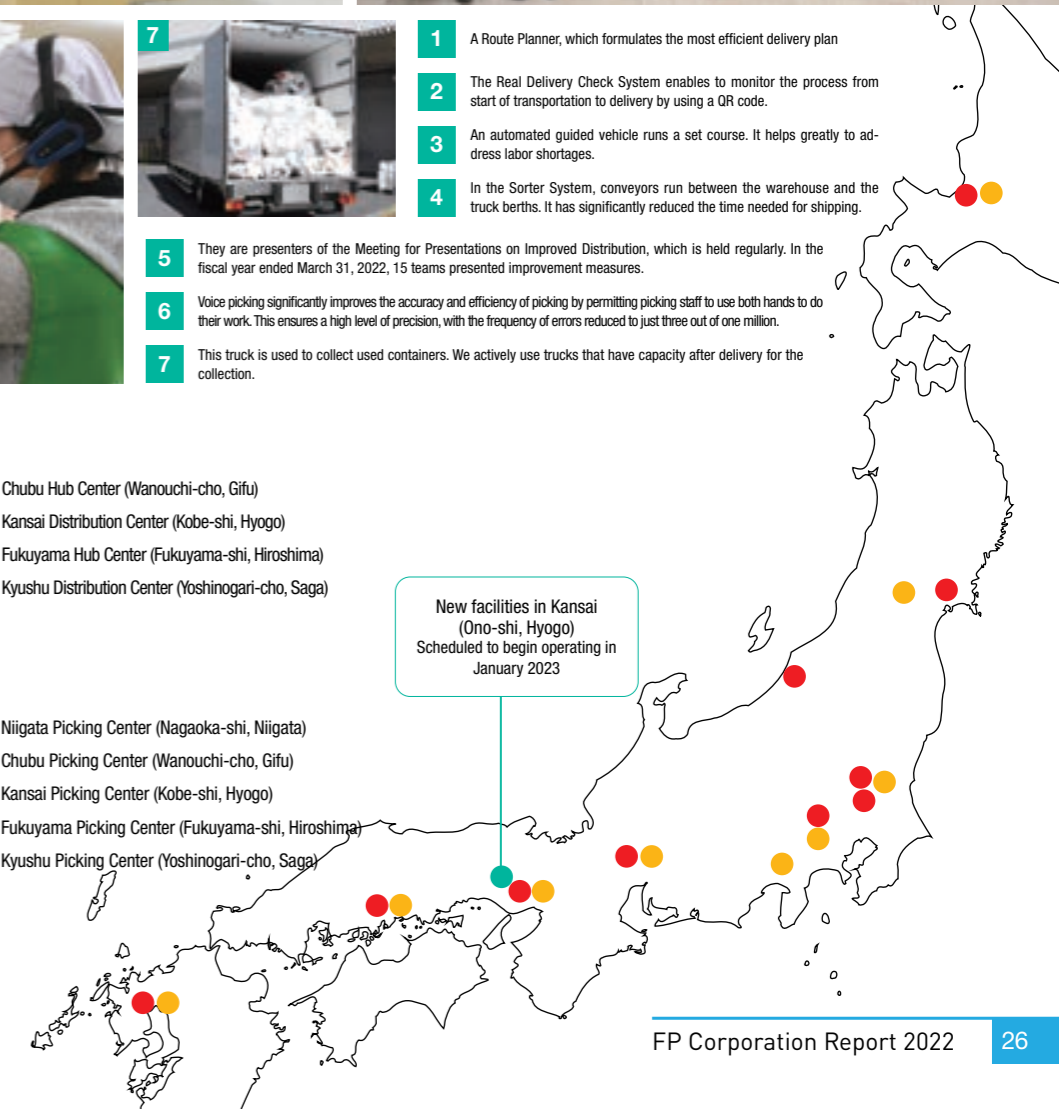
■ Distribution Centers

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

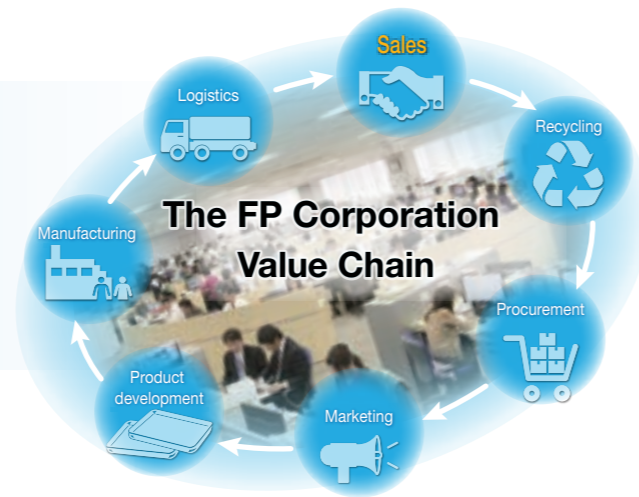
■ Picking Centers

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

New facilities in Kansai (Ono-shi, Hyogo) Scheduled to begin operating in January 2023



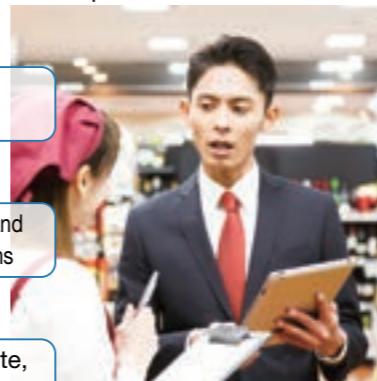
Sales



FP Corporation's products have many functions with added value. All of these functions are created from the needs of users of our containers. At FP Corporation, we sell the great value that each container has.

Proposal-oriented sales activities for finding hidden customer needs

It is because we keep looking for hidden needs (causes), which produce added value (effects), that we have continued to sell high value-added food containers. We visit sales floors again and again and never miss information about customers' problems. We take their latent desires seriously and respond to their needs and make proposals by responding sensitively to social trends. We give top priority to this style of sales activities. We also propose the use of the functions of FP Corporation's trays and containers for improving convenience and deepening commitment to environmental protection, among other purposes. These proposal-oriented sales activities are our motto and pride at FP Corporation.



Use of e-commerce site and social media for sales activities



The COVID-19 pandemic led to a significant increase in the number of restaurants starting to offer takeout and delivery services. We are enhancing the lineup of PACK MARKET, an e-commerce site where people running restaurants can purchase products with a simple click. We also provide a smartphone app and have added functions, including one which permits users to receive latest information as push notifications. We also provide information via Instagram, YouTube, LINE, and other social media platforms. We plan to develop these activities further.

Official FP Corporation channels



Instagram



LINE

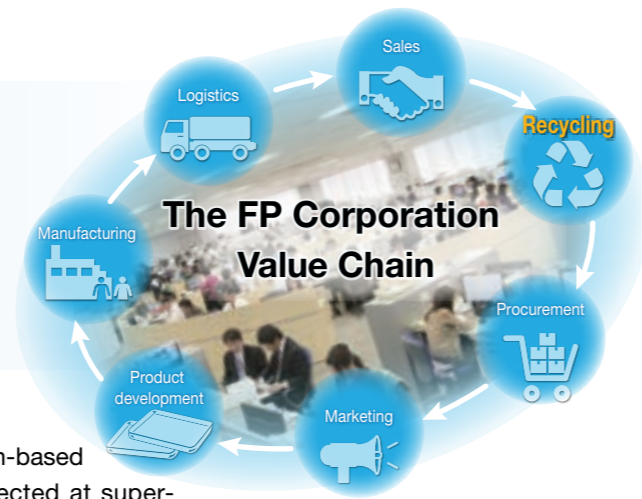


YouTube

- 1 An example of a selling space design that we suggested to customers after a series of sales activities
- 2 They are participants to a session of the sales team for presentations on business improvement activities. Business improvements lead to a higher level of sales activities.
- 3 FPCO Fair is also a valuable opportunity to deepen our communication with customers.
- 4 This photo shows the in-stores space of a supermarket in Kanazawa-shi, which is visited by sales staff from FP Corporation. All answers lie in selling spaces.
- 5 Our containers also drive improvements in efficiency in the work space of a supermarket.



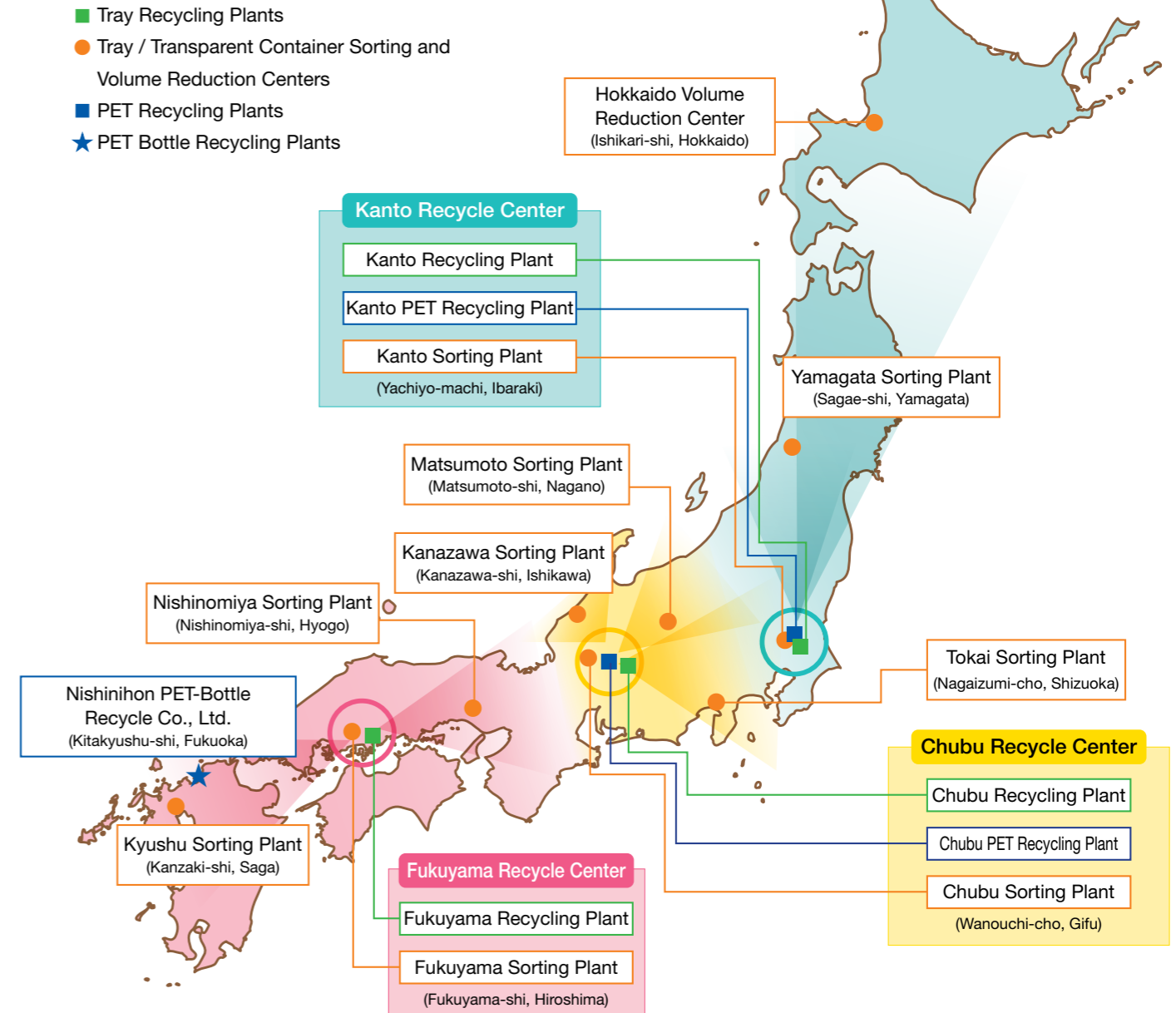
Recycling



The recycling process, which turns our value chain into a circulation-based one, is operated all over Japan. Used trays and containers collected at super-markets and other locations are first transported to a sorting center or a volume reduction center, where they are screened for non-conforming items, sorted by color and material, and put through other preparations. They are later transferred to a recycling plant, where they are recycled into raw materials called pellets and flakes, and moved to production lines within the same premises. The large-scale facilities in Kanto, Chubu, and Fukuyama, which we introduced in the first “Overview” section of this report, also include recycling centers. Four of the seven processes in the value chain, recycling, procurement, manufacturing, and logistics, are operated efficiently at these facilities. We also plan to complete a sorting center at the new facilities in Ono-shi, Hyogo Prefecture, aiming for the further expansion of our recycling operations.



Manufacturing by FP Corporation



AI and robot introduced to the sorting line for transparent containers

In February 2022, we introduced a device combining AI and a robot to the line for transparent containers at the Fukuyama Sorting Plant. The device determines whether each used transparent container which passes along the belt conveyor is a conforming or non-conforming item (on the monitor screen at the bottom left of the photo). The robot arm sorts these used containers. This device is expected to improve productivity and enable us to respond to demand for container recycling, which is expected to continue to grow in the future.



ものづくり
座談会

FP Corporation's manufacturing, which gives products high added value

Roundtable Talk on Manufacturing

It may be difficult to have a specific picture with just the one word, "manufacturing," because we manufacture thousands of different products on a nationwide scale. In fact, multiple departments are involved in FP Corporation's manufacturing, and the processes are entwined in a complex web. We created an opportunity for people involved in manufacturing to provide easy-to-understand explanations of FP Corporation's manufacturing from their perspective, allowing for the participants to chat with one another.



Takayuki Hirabe
Sub-Manager, Kasaoka Plant II, FPCO Kasaoka Co.



Hirofumi Imagawa
Chief Manager, SCM System Section II, SCM System Department



Kazushi Yanagita
Chief Manager, Design Section, Research & Development Department



Takashi Asano
Integrated Plant Manager, Manufacturing Division

Yanagita: When a new product is manufactured for the first time, people from the Research & Development Department or the Quality Control Department witnesses the process. When a product is manufactured for the second and subsequent times, we receive information about what the manufacturing process was like from plants where the product has already been manufactured. For example, we ask them which process did not go well.

Hirabe: To achieve zero stockout, flexible responses at the work sites of manufacturing plants are of course important. There are also cases where a person in charge of a process at a plant suggests a manufacturing method to the SCM system so as to stick to the manufacturing schedule.

Hirabe: Having said that, manufacturing is not without its troubles. Troubles at a plant do not result in delays in delivery, but we often call the Research & Development Department to make improvements. The main reason for a failure to manufacture products smoothly lies in the selection of material or in the mold. We make improvements in response by working together with the Research & Development Department. After all, manufacturing has some aspects that are going to be unknown until you try them.

Imagawa: AI is working effectively in the comparative verification of actual shipping and plans. It checks how precise each manufacturing plan was. By having AI improve the precision of manufacturing plans, we can also continue to achieve zero stockout. Zero stockout is our top priority and also something in which we take pride.

Asano: This is not a trouble, but at present our greatest challenge is securing human resources. I mean instantaneous labor shortages. We will have a new base in Kansai. There are also cases where a staff member had close contact with someone with COVID-19. I also hear that many new employees will join us, so I will do my best in training them. After all, human development remains the most important aspect at manufacturing sites.

Yanagita: In product development, our duty is to provide the SCM system with all related information, including plans on what materials to use, what to prepare, and what manufacturing method to apply towards the launch of each product on the market. In this sense, product development is the first process in the value chain for creating tangible goods.

Asano: For the SCM system, about 30 staff members are hard at work, aren't they? We also have AI.

Imagawa: Liaison and coordination are hard because we have as many as 19 large-scale manufacturing plants across Japan.

Imagawa: When a plan has been set, the SCM system gives each manufacturing plant the schedule two weeks ahead using software called Scheduler, thus serving as the control tower for FP Corporation's manufacturing. Because orders for manufacturing are placed based on data accumulated in the SCM system over many years, people at the manufacturing site rarely need to make requests for changes, etc.

Asano: Still, a manufacturing plant calls the SCM system and asks for adjustment when there are multiple short-notice requests for shipping or during an extremely busy season, for example. We keep in close contact with each other.

Hirabe: Basically, an order for manufacturing is issued two weeks before delivery. However, we are sometimes asked to complete manufacturing in five days, for example.

Imagawa: Speaking from the standpoint of the SCM system, efficiency improvement is important in manufacturing. The key is how to continue manufacturing economically while ensuring a stable supply. We are working hard to improve the precision of sales forecasts using AI. We are very happy when it has gone well.

Asano: As long as products are manufactured efficiently, no one has to work too hard, we do not have excess inventory in our warehouses, and everyone is happy.



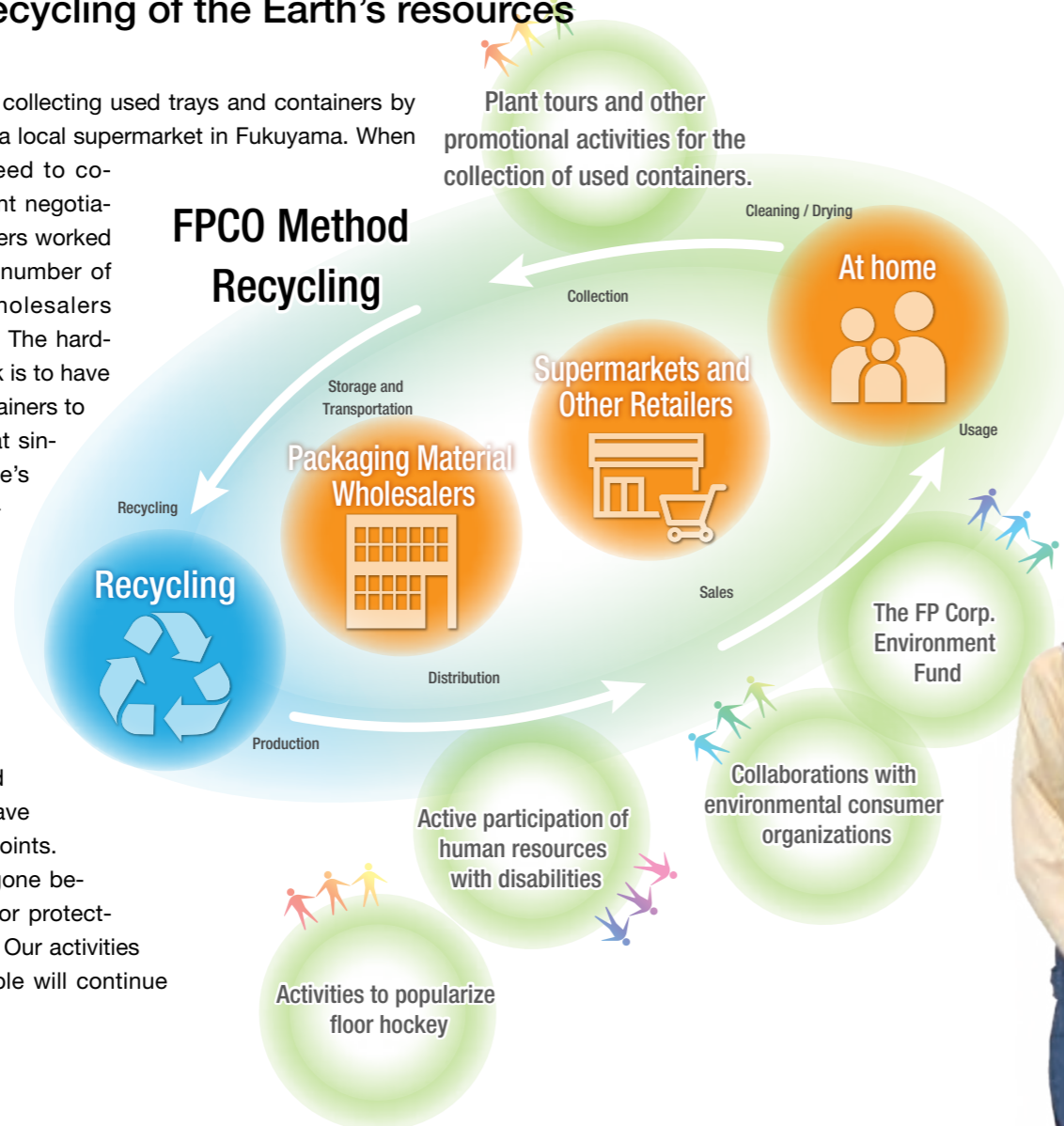
“Creating circles of people” by FP Corporation aims at building a sustainable society

Since we started our eco-friendly activities of collecting used trays and containers in 1990, opportunities for us to engage with external stakeholders have been increasing. Such opportunities led FP Corporation to start creating circles of people in society.



Circle of recycling of the Earth's resources

We started our activities of collecting used trays and containers by seeking the cooperation of a local supermarket in Fukuyama. When the first supermarket agreed to cooperate with us after patient negotiations, our sales staff members worked together in increasing the number of stores and packaging wholesalers who were working with us. The hardest and most important task is to have consumers bring used containers to stores. Under the belief that sincere thoughts move people's hearts, we promoted understanding of recycling, for instance by opening recycling plants and sorting centers and inviting many people on tours around the facilities. The circle of recycling has expanded nationwide, and we now have around 10,000 collection points. Today, our activities have gone beyond recycling into those for protecting the global environment. Our activities for creating circles of people will continue developing.



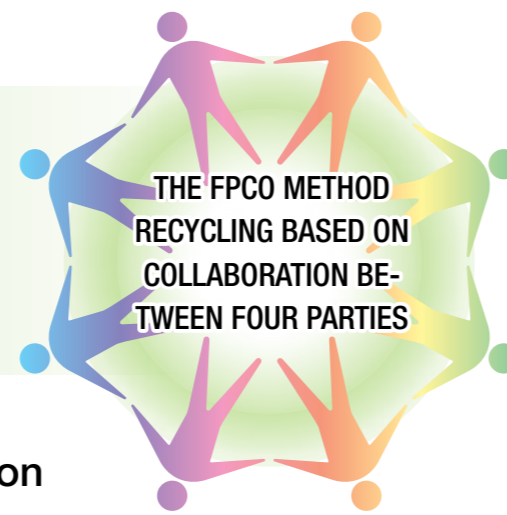
Production of Shokuhin Tray-no Himitsu (secrets of food trays), an educational manga

We produced Shokuhin Tray-no Himitsu (secrets of food trays), an educational manga as Vol. 182 of Gakken Manga-de Yoku Wakaru Series (a series of easy-to-understand educational manga books published by Gakken). We produced this manga with a desire to help elementary school children properly understand FP Corporation's initiatives and thoughts about the environment. The book was published in May 2022. In the production process, we asked elementary school children, who are our employees' families, to read the manuscript and give us their opinions, in an effort to make the book easy for children to understand. This book will be donated to approximately 25,000 elementary schools and public libraries all over Japan. It is expected that circles of people from FP Corporation will expand further, leading to the sustainable development of society.



See pages 41 and 42 for a round table talk of staff members, who make steady efforts every day for the creation of circles of people by FP Corporation.

“Creating circles of people” by FP Corporation aims at building a sustainable society



Recycling System Based on Collaboration among Four Parties

Used trays and containers collected at stores are recycled and used again at stores.



This recycling system with the expression, “based on collaboration between four parties,” is impossible without the literal collaboration of four parties. This is why it was more important than anything to make consistent efforts to create a circle of people by gaining an understanding of our three collaborators and sharing the objective with them.



① Consumers

Used for shopping and storing food, food trays and containers are essential for dietary life today. To continue providing convenience, we engage in PR activities to seek the cooperation of consumers.

③ Packaging Material Wholesalers

We ask them to transport used containers collected at supermarkets to FP Corporation’s recycling plants. They work in cooperation with FP Corporation’s own logistics operations, such as using empty trucks after delivery.

② Supermarkets and Other Retailers

We set up collection boxes inside and outside stores. They also help us gather collected used containers in spaces behind selling spaces. They also take proactive measures, such as PR activities inside the stores to increase the collection rate.

④ FP Corporation

Used containers that are carried in are recycled back to raw materials for new products (Eco Tray, Eco APET, and Eco OPET). We fulfill our mission to continue providing convenience to both food retailers and consumers economically, without an environmental impact.

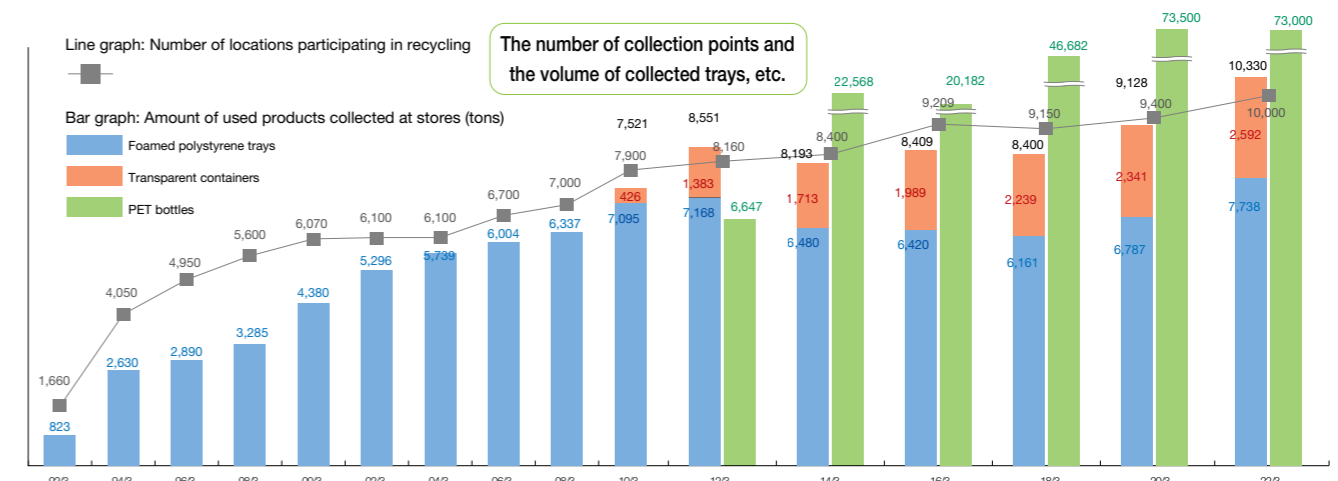
Growth and development of the recycling operations

The greatest challenge in having the FPCO Method Recycling grow and develop is to increase the amount of used trays and containers that we collect. One way to do this is to increase the amount of containers that are used at home and then collected by us. The second method is to increase the number of collection points. In both cases, supermarkets and other food retailers, where consumers buy food, play a prominent role. Some stores name the collection points Recycle Station, for example, as a creative measure to raise environmental awareness.

With supermarkets, we go a step further: Together with some of them we undertake in-store PR activities. We set up a booth at one corner of the store, where we hold small classes and exhibits to give visitors the chance to learn about recycling.



In addition, one thing that FP Corporation suggests to supermarkets is to create an Eco Selling Space. This space is aimed at telling consumers in an easy-to-understand manner that if they bring trays and containers used for the food they purchased to the supermarket, those trays and containers will be recycled and used again on the same sales floors. Thus, spaces for selling food are positioned as Eco Selling Spaces, where consumers can participate in some of our activities to protect the environment, thus providing the momentum to collect used trays and containers. We also emphasize that used PET bottles are recycled into transparent containers. As the graph below shows, the number of collection points and the volume of collected trays, etc. have been increasing steadily.



“Creating circles of people” by FP Corporation aims at building a sustainable society



Working together with Consumers and People from Environmental Organizations

At FP Corporation, we began to be committed to holding dialogues with people from various consumer groups and environmental organizations immediately after we started our recycling operations. We aim to expand the circle of recycling together with as many people as possible, receiving from them numerous valuable opinions and requests.



Door to creating circles of people that we open with plant tours and classes we give by visiting schools

Tours of recycling plants and sorting centers

The door to FP Corporation, which engages in environmental protection activities through recycling, is open to anybody. As of March 2022, around 490,000 people had visited FP Corporation’s recycling plants for tours. They mainly include people from consumer groups, as well as those from schools, local governments, logistics industry, and the media. Tours of our plants are also organized by supermarkets for their customers.



Online plant tours

In the fiscal year ended March 31, 2022, we held a Summer Holiday Family Plant Tour online due to the restrictions on plant tours during the COVID-19 pandemic and in response to requests we regularly receive from people living in remote locations. We were able to provide an experience similar to physical plant tours, for instance communicating with them using the chat function. We will continue to look for new forms of plant tours in consideration of social situation and other factors.



Classes we give by visiting schools

FP Corporation’s employees visit elementary schools and other schools to give students classes on recycling and the environment. This initiative allows us to communicate directly with children and students, for whom it is difficult to create opportunities to come to our recycling plants. It is also highly evaluated by teachers as a meaningful program.



The FP Corp. Environment Fund in its third year



Our activities under the FP Corp. Environment Fund, which was established in 2020, are now in their third year. Another feature of this Fund is that we inform our employees of the subsidies and encourage them to participate in each activity. We collaborate with local communities by working on site with members of subsidized organizations and engaging in activities from their perspective.

Organizations subsidized in the fiscal year ending March 31, 2023 (third year) and details of the activities

Name	Location	Activities
Shonan Cleanaid Forum, a specified non-profit corporation	Kanagawa Prefecture	Project to clean up beaches in Kanagawa with a unified voice
Chausu, a specified non-profit corporation	Gunma Prefecture	Activities to preserve and protect the environment of the Watarase River
Miyajima Network, a specified non-profit corporation	Hiroshima Prefecture	Maintaining the marine environment and protecting the ecosystem of Miyajima Island and the surrounding area
Biwako Trust, a specified non-profit corporation	Shiga Prefecture	Promoting microplastics surveys in Lake Biwa and the environmental education of children
Koga Satoyama-wo Mamoru Kai, a specified non-profit corporation	Ibaraki Prefecture	Activities for protecting and improving satoyama (woodlands near villages) areas and activities to allow children and other members of the public to experience satoyama.
Setonaikai Ujishima Club	Hiroshima Prefecture	Annual activities to clean up Ujishima Island
Arakawa Clean Aid Forum, a specified non-profit corporation	Tokyo	On-site training of multiple stakeholders on river and marine debris problems
Kahokugata Kosho Kenkyujo, a specified non-profit corporation	Ishikawa Prefecture	Activities to pick up trash, surveys to identify the places where waste is generated, and awareness raising activities, which are aimed at achieving zero waste in Kahokugata
SoELa, a non-profit organization	Kanagawa Prefecture	A project to give environmental education to children with local editions of My Earth, a card game themed on the global environment
Yokkaichi University Energy Environmental Education Research Group, a general incorporated association	Mie Prefecture	Activities to develop the next generation through education for sustainable development (ESD), and the creation of educational materials on SDGs with videos on local environmental issues and environmental protection activities
Miyagi Environmental Life Out-reach Network (MELON), a public interest incorporated foundation	Miyagi Prefecture	SDGs education project: Creating new experiences for people to learn about disaster control, climate change, and the environment, and enabling them to learn about those issues, to foster the human resources who will build a sustainable society
Food Bank Saga, a specified non-profit corporation	Saga Prefecture	Practical dietary education and agricultural project that connect people via food and agriculture
Kanagawa Kainan Kyujo-tai, a specified non-profit corporation	Kanagawa Prefecture	“Urgent: Collect plastics before they turn into microplastics,” an activity to reduce marine waste
Tosu Shimin Network, a specified non-profit corporation	Saga Prefecture	A project to promote forestry education for the next generation and consumers for protecting the rich green environment

Activities in the first and second years



“Creating circles of people” by FP Corporation aims at building a sustainable society



Helping business partners with the employment of human resources with disabilities

At FP Corporation, we help our business partners employ people with disabilities based on our knowledge of human resources with disabilities. This initiative has created employment for 751 people with disabilities at 50 facilities as of January 2022. The people employed constitute a workforce that is essential in each workplace.

Active participation of human resources with disabilities

We started to employ human resources with disabilities in 1986. In the 36 years since then, the employment of human resources with disabilities is not limited to FPCO Ducks Co. and FPCO Ai Pack Co., where such human resources are the main workforce, but is expanding across the FPCO Group.

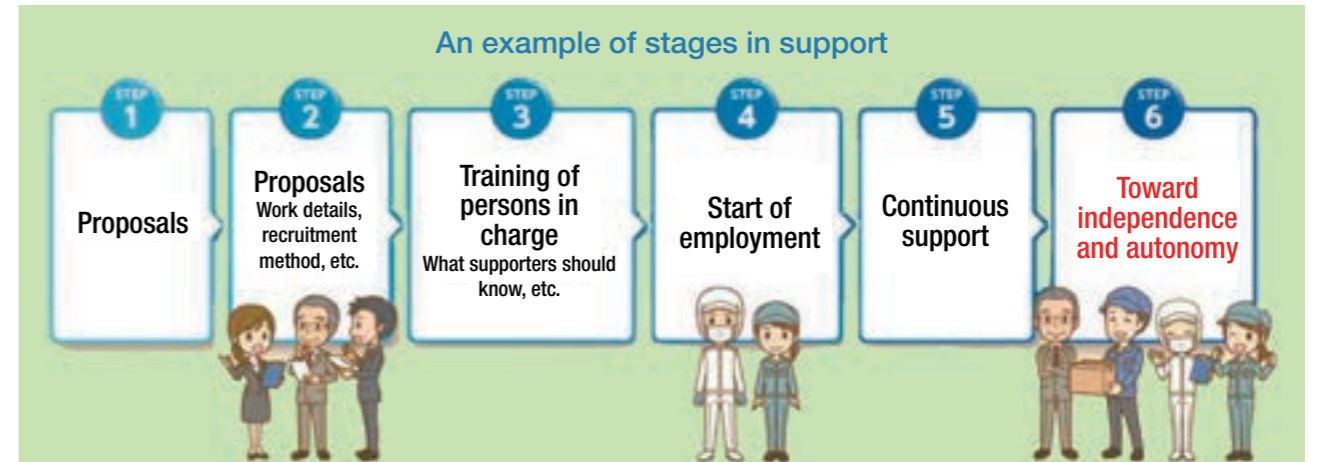
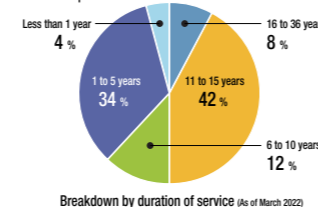
- 1986**
 - Begun employing human resources with disabilities in the manufacturing of foam trays
 - ▶ January 1986: Ducks Co. Established (currently FPCO Ducks Co. Chiba Plant)
 - We started to employ human resources with disabilities at FP Corporation using our connection with Ahiru-no Kai, a group of parents of children with intellectual disabilities who seek to create a society that makes it easier for people with intellectual disabilities to work and live.
- 1995**
 - Expanded to manufacture of transparent containers
 - ▶ April 1995: Ducks Shikoku Co. established (currently FPCO Ducks Co. Kochi Plant)
 - ▶ April 2006: Ducks Saga Co., established (currently FPCO Ducks Co. Saga Plant)
- 2006**
 - Began Japan's first profit-making business offering Type A Support for Continuous Employment with the manufacturing of box containers.
 - ▶ October 2006: Hiroshima Ai Pack Co. established (merged into FPCO Ai Pack Co. in 2009)
 - ▶ March 2007: FPCO Ai Pack Co. established (Seven plants opened across Japan during 2007 to 2009)
- 2008**
 - Expanded to sorting of trays collected for recycling
 - ▶ 2008 to 2010: Six sorting centers opened nationwide as FPCO Ai Pack Co. business sites
 - ▶ August 2009: Ibaraki Pigeon Recycle K.K. established (currently Ibaraki Sorting Plant of FPCO Ducks Co.)
- 2017**
 - Reorganized into nationwide special subsidiary companies
 - ▶ January 2017: FPCO Ducks Co. established (merger of four special subsidiary companies)
- 2019**
 - Expansion of places for active participation
 - ▶ August 2019: Transferred from FPCO Ai Pack Co. to FPCO Ducks Co.
- 2021**
 - ▶ April 2021: Transferred from FPCO Ducks Co. to FPCO Hokkaido Plant Co.
 - ▶ September 2021: Transferred from FPCO Ai Pack Co. to Kyushu Picking Center
 - ▶ October 2021: Transferred from FPCO Ai Pack Co. to FPCO Ducks Co.



FP Corporation Group, as of March 31, 2022

Number of employees with disabilities	365
Details	Physical disabilities 36 (including 15 with severe disabilities)
Intellectual disabilities	322 (including 244 with severe disabilities ⁽¹⁾)
Mental disabilities	7
Adjusted number of employees with disabilities ⁽²⁾	621.5
Disability employment rate	12.6%

(1) Including disabilities classified as severe under employment rules
 (2) Each person with a severe disability is counted as 2 and each part-time worker with disabilities as 0.5.



Examples of employment that was realized as a result of our support



Floor hockey activities

Floor hockey is a universal sport that can be enjoyed by anyone, irrespective of the presence or absence of disabilities, age, gender, and other attributes. It is a highly attractive sport that permits players to experience and feel barrier-free minds. At FP Corporation, 600 employees (approx. 200 employees with disabilities and approx. 400 without disabilities) engage in floor hockey activities in nine areas across Japan. Further, to give this sport wide appeal, we also support the national competition and West Japan competition through sponsorship, operating staff, umpires, and more, thus driving barrier-free minds.



Roundtable Talk on Creation of Circles of People



“Creating circles of people” by FP Corporation that supports environmental protection and social welfare

Circles of people are created naturally through day-to-day activities. Human relationships do not always go as you intend or desire. We asked four persons, who are making strenuous efforts working at recycling sites and workplaces for human resources with disabilities, to talk about their passion in creating circles of people and in their daily lives that gives them joy.



Keiko Fukumitsu
Environment Management Department



Yumiko Utsumi
Environment Management Department



Junko Sonoda
Fukuyama Sorting Plant, FPCO Ai Pack Co.



Yukio Shinohara
Fukuyama Plant, FPCO Ducks Co.

Fukumitsu: Several times a year, we send information about recycling plant tours and give classes by visiting schools to elementary schools around Kanto, Chubu, and Fukuyama, where our recycling plants are located. All the children who come to a plant tour look with a great deal of interest at the large number of used trays and other goods that have been collected.

Utsumi: People from local governments, Diet members, and local assembly members also come to our plants. More than a few are highly impressed with the scale of our recycling operations and tell us enthusiastically, “We will expand recycling activities!” Their strong expressions of support impress me.

Shinohara: The recycling plant tours include the sorting plants, where employees with disabilities work. There is also a tour of a sorting plant only. Most participants on plant tours are impressed that the “hand movements of the sorters are so quick.”

Fukumitsu: The majority of those who come to recycling plant tours are elementary school children. I once received used trays collected by them with a bow. It was like a presentation ceremony and made us happy. They worked hard to collect the used trays. So they wanted to present us with them as something valuable. We welcomed the children’s passion.

Utsumi: Every year, we run a stall at the Rose Festival. Some local people in Fukuyama believe that FP Corporation is a “recycling company.”

Fukumitsu: There are cases where a class we gave at a school served as a catalyst that led students to start collecting used trays voluntarily. That made us very happy. At one school, students asked their principal for permission to start collection activities and even sort non-conforming items, white ones, and colored ones on their own. We are surprised at the determination of children!

Shinohara: To help one of our clients employ people with disabilities, we accepted a trainee for around one week. Even after the training, they visit and consult us, and we talk about various topics. I also heard that the person recommends that other companies to employ people with disabilities. I feel that the circle of people has been expanding steadily.

Sonoda: There was a case where an employee with disabilities of FPCO Ai Pack Co. (support for continuous employment) improved their capabilities and was re-employed in a position at an ordinary company. Which gave me great joy. We hope that they will start working in new environments and demonstrate their capabilities.

Sonoda: Each year, students from a local special school of Fukuyama come for a three-day work experience program. This year again, a student from the school joined our company. I hope that working here will help him to lead a fulfilling life.

Sonoda: I myself had no opportunity to deal with people with disabilities until I began to work here. People around me would say, “It’s hard, isn’t it?” Having started working with them, however, all of them accepted me, and I don’t feel that there is anything particularly different about the workplace. I want many people to get to know this kind of workplace.

Utsumi: When it was difficult to organize a plant tour due to the state of emergency or similar constraint, we switched to on-site classes, organized online plant tours, and came up with other creative measures. After all, environmental education must be provided on an ongoing basis.



The ESG initiatives implemented by FP Corporation are also closely linked with the SDGs advocated by the United Nations. At FP Corporation, we are committed to remaining cognizant of the fact that continually promoting our business also means participating in social activities and helping to create a society that is comfortable and fulfilling to live in.



	Vision	Material Issues faced by the FPCO Group (Materialities)	Initiatives	Related SDGs
<p>Manufacturing</p> <p>As a manufacturer of food trays and containers</p>	Building a sustainable society	<ul style="list-style-type: none"> ☉ Reduce CO₂ emissions 	<ul style="list-style-type: none"> ○ Introduction of Solar Power Generating Facilities ○ Expanding eco-friendly products using recycled raw materials 	
		<ul style="list-style-type: none"> ☉ Solving the issue of plastic waste 	<ul style="list-style-type: none"> ○ Collecting used products through recycling boxes ○ Activities through the Environment Fund 	
	Creating safe, secure, rich dietary lives	<ul style="list-style-type: none"> ☉ Product development to provide new value 	<ul style="list-style-type: none"> ○ Value creation proposals ○ Research and development of new materials ○ Reducing plastic usage in products ○ Reducing food loss 	
<p>Creating circles of people</p> <p>As a member of society</p>	Establishing the infrastructure to reliably deliver products when needed	<ul style="list-style-type: none"> ☉ Stable supply of products 	<ul style="list-style-type: none"> ○ Supply chain management (SCM) ○ Building a nationwide production and logistics network ○ Disaster preparedness (installation of emergency power generating equipment, fuel stockpiles and breakwater infrastructure) 	
	Strengthen the management base	<ul style="list-style-type: none"> ☉ Improving employee well-being ☉ Promoting inclusion ☉ Corporate Governance 	<ul style="list-style-type: none"> ○ Promoting decent work (fulfilling work that is safe and healthy) ○ Diversity-oriented management including the employment of people with disabilities ○ Human resource management (enhancement of personnel systems and various training programs) ○ Promotion of DX in general business activities 	
	Coexistence with local communities	<ul style="list-style-type: none"> ☉ Community Engagement 	<ul style="list-style-type: none"> ○ Conducting recycling plant tours and on-site classes ○ Environmental activities conducted together with local communities through the Environment Fund ○ Donating containers for children's cafeterias 	

Building a sustainable society

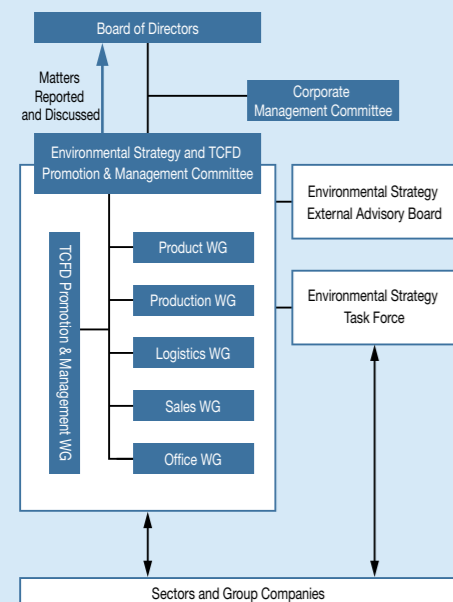
Tackling climate change

In March 2022, FP Corporation expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Moving forward, based on our understanding that growing demand for reducing CO₂ emissions throughout the entire supply chain will be an important business challenge, and with the framework of the TCFD recommendations, we will make Group-wide efforts to (1) assume risk scenarios related to climate change and operate a resilient governance system, under which nothing is affected even in the face of major environmental changes, and (2) identify customer needs promptly and use them as opportunities for the sustainable development of our business.

1 Governance: Structure of Board of Directors Oversight and Roles of Managers

Through the following processes, the FPCO Group assesses and manages climate-related risks and opportunities and has built a structure for Board of Directors oversight with regard to climate-related policies, strategies and initiatives (FP Corporation Eco Action 2.0).

- 1) The Environmental Strategy and TCFD Promotion & Management Committee discusses Groupwide environmental strategies and TCFD promotion and drafts related policies and strategies. In the operation of the Environmental Strategy and TCFD Promotion & Management Committee, the Environment Management Department, a dedicated environmental organization under the jurisdiction of the President, acts as the administrative office.
- 2) Under the Groupwide environmental strategy, working groups (WGs) in each of the product, production, logistics, sales and office sectors set their own targets and implement efforts aimed at solving social issues.
- 3) Once a quarter, each WG reports on the progress of their efforts to the Environmental Strategy and TCFD Promotion & Management Committee.
- 4) Environmental Strategy and TCFD Promotion & Management Committee reports on the progress of policies, strategies and initiatives to the Board of Directors each year.
- 5) The Board of Directors conducts monitoring in light of various perspectives and knowledge in response to reports from the Environmental Strategy and TCFD Promotion & Management Committee.



(Role of each organization)

Organization	Role	Members
Board of Directors	Monitoring the FP Corporation Eco Action 2.0, an environmental management system	Directors
Corporate Management Committee	Discussing environment-related corporate strategies and business operation, checking the conformity of various business strategies with the policy, and reporting the results	Directors, operating officers, and presidents of Group companies
Environmental Strategy and TCFD Promotion & Management Committee	Discussing Groupwide environmental strategies and TCFD promotion, and drafting related policies and strategies	Chairperson: President Vice-chairpersons: Director and supervisor of Corporate Planning Office, and director and supervisor of Environment Management Department Members: Executive general managers of divisions
TCFD Promotion & Management WG	Discussing policies on TCFD promotion strategies of individual WGs	Director and supervisor of Corporate Planning Office, and director and supervisor of Environment Management Department Corporate Planning Office and Environment Management Department
Product WG	Calculating the environmental impact of each product by using LCA	Executive general manager of Manufacturing Division, and Research & Development Department
Production WG	Reducing the environmental impact of manufacturing plants	Executive general manager of Manufacturing Division, and Production Management Department
Logistics WG	Reducing the environmental impact of all logistics activities	Presidents of FP Logistics Corporation and I-LOGIC Co. Ltd., and administrative divisions
Sales WG	Expanding sales of eco-friendly products and promoting recycling	Executive general manager of Sales Division, and Sales Planning Department
Office WG	Improving energy efficiency by building infrastructures for the overall Group	Executive general manager of General Affairs and Personnel Division, and General Affairs and Personnel Division
Environmental Strategy External Advisory Board	Giving advice on environmental strategies from an external point of view	Outside directors, external experts, etc.
Environmental Strategy Task Force	Set up temporarily to solve highly urgent environmental problems or to develop an environmental project	Executive general managers of related divisions, and related departments

2 Strategy: Risks and opportunities

(Summary of transition risks and related opportunities) Short term: Within 1 year, Medium term: In 1 to 5 years, Long term: In 5 or more years

Category	Item	Time of occurrence of risks	Expected impact on business	
			Risks	Opportunities
Policies/Regulations	Carbon pricing, carbon emission targets and policies in each country	Medium term	<ul style="list-style-type: none"> Raw material, manufacturing, and logistics costs increase due to introduction of a carbon tax. Conversion to renewable energy is demanded for achieving CO₂ reduction targets, resulting in an increase in related costs, including the costs of purchasing equipment and green power. 	<ul style="list-style-type: none"> Demand for eco-friendly products, which help reduce CO₂, may increase, leading to an expansion of sales opportunities.
	Regulations on plastic	Long term	<ul style="list-style-type: none"> Increase in expenses resulting from the imposition of a tax on containers and packaging that uses virgin plastics, use of alternative materials, and other changes. 	<ul style="list-style-type: none"> Opportunities to sell eco-friendly products using recycled materials and products featuring the reduced use of plastics are likely to increase.
Industries/Markets	Increase or decrease of important products/product prices	Medium term	<ul style="list-style-type: none"> Increase in the cost of raw materials for products, resulting from an increase in fossil fuel prices. Generation of cost resulting from conversion from fossil-derived raw materials to alternative raw materials. 	<ul style="list-style-type: none"> Opportunities to sell eco-friendly products using recycled materials and products featuring the reduced use of plastics are likely to increase.
	Changes in the behaviors of customers and consumers	Medium term	<ul style="list-style-type: none"> It is likely that more sustainable products will have a competitive advantage and existing products will be boycotted, resulting in a decline in sales. 	<ul style="list-style-type: none"> Growing momentum toward decarbonization in the overall supply chain may increase sales opportunities of eco-friendly products, which contribute to reducing CO₂ emissions through the entire lifecycle.
Technologies	Widespread adoption of renewable energy and energy-saving technologies	Long term	<ul style="list-style-type: none"> Progress in the transition to renewable energy results in the generation of additional costs for introducing renewable energy equipment. 	<ul style="list-style-type: none"> If the government introduces a measure to subsidize technologies contributing to energy conservation and renewable energy, the cost of capital investment and R&D can be reduced.
Reputation	Change in reputation among customers and investors	Medium term	<ul style="list-style-type: none"> Increase in costs of environmental management as well as disclosure and engagement costs. 	<ul style="list-style-type: none"> Implementation of environmental initiatives will lead to a reduction in fund procurement costs due to green finance with lower interest rates. Increase in ESG investment.

(Summary of opportunities related to physical risks)

Category	Item	Time of occurrence of risks	Expected impact on business	
			Risks	Opportunities
Chronic	Changes in precipitation and weather patterns	Medium term	<ul style="list-style-type: none"> Generation of supply chain disruptions resulting from an increase in precipitation and high wind and a loss of sales opportunities resulting from a delay in, or suspension of, production 	<ul style="list-style-type: none"> BCP initiatives are likely to lead to a high evaluation by customers.
	Rise in average temperature	Medium term	<ul style="list-style-type: none"> Price of electricity rises due to an increase in power demand in the summer, resulting in an increase in manufacturing costs. 	<ul style="list-style-type: none"> BCP initiatives are likely to lead to a high evaluation by customers.
Acute	Increasingly extreme weather	Short term	<ul style="list-style-type: none"> Generation of lost sales opportunities resulting from supply chain disruptions or delays or the suspension of production It is likely that a decline in the asset value of facilities will result in an increase in insurance costs. 	<ul style="list-style-type: none"> BCP initiatives are likely to lead to a high evaluation by customers.

3 Risk management: Processes of identifying and assessing risks

The FPCO Group's aim is to continue to play a role in ensuring food safety and security in society by reliably delivering the most environmentally friendly products of the highest quality, at the most competitive prices, whenever they are needed. To accomplish this, the FPCO Group has defined material issues (materiality) in terms of the key risks and opportunities to the sustainability of its business model, and pursues a number of related initiatives. Material issues are prepared by the Environmental Strategy and TCFD Promotion & Management Committee, and are finalized after being approved by the Board of Directors. Reduction of CO₂ emissions has been identified as a climate-related material issue.

(Company-wide risk management)

To manage company-wide risks including climate-related risks, we hold (monthly) meetings of the Corporate Management Committee and (weekly) information exchange sessions, in which directors, operating officers, and representatives of Group companies participate. We have thus established a system for preventing generation of risks and managing risks. Regarding climate-related measures, working groups (WGs) set up under the product, manufacturing, logistics, sales, and office divisions/teams, respectively, have independently set various targets and take steps to reduce CO₂ emissions. The Environmental Strategy and TCFD Promotion & Management Committee receives reports on the progress and results of these initiatives and makes evaluations.

(Conducting Risk Surveys)

The FPCO Group periodically conducts risk surveys of each business site including plants and distribution centers with the aim of minimizing damage due to natural disasters such as major earthquakes, typhoons and torrential rain, and preventing fire and industrial accidents. The risk surveys involve dedicated outside consultants directly visiting business sites and assessing the level of danger of various accidents in order to identify risks, and conduct risks analysis and assessment. After discussion with business sites based on the details of these risk surveys, we take measures to avoid or mitigate the risks and verify the effects as a part of risk management system activities.

④ Metrics and Targets: Indexes used to assess risks and opportunities

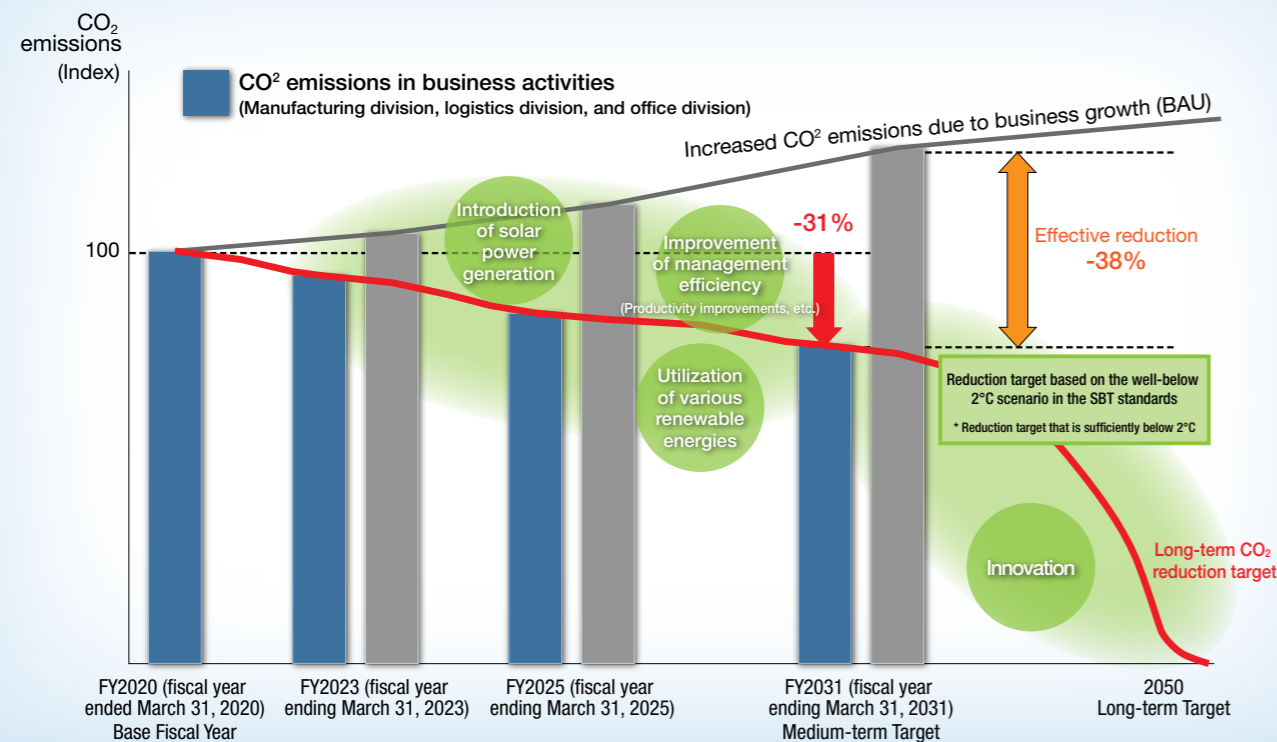
At the FPCO Group, we have been striving to reduce the environmental impact with stakeholders throughout the entire product lifecycle. In the face of recent climate change caused by global warming, a social issue, we have set new medium- and long-term decarbonization targets for realizing a decarbonized society, as the responsibilities and roles that we should fulfill at the FPCO Group.

As new target values, we aim to reduce annual CO₂ emissions (Scope 1 and 2) by 31% by the fiscal year ending March 31, 2031 compared with the FY2020 result and achieve zero effective CO₂ emissions (Scope 1 and 2) by FY2051.

FPCO Group Medium and Long-term Environmental Targets

- I. By the fiscal year ending March 31, 2031, we will reduce annual CO₂ emissions from all business activities (Scope 1 + 2) by 31% compared to the fiscal year ended March 31, 2020.
- II. We will increase the reduction of annual CO₂ emissions from the use of Eco Products (Eco Trays, Eco APET, and Eco OPET) to 272,000 tons by the fiscal year ending March 31, 2031. (Up 170% compared to FY2021)
- III. We aim to achieve net zero CO₂ (Scope 1 + 2) emissions from all business activities by FY2051.

Greenhouse Gas (Scope 1 and 2) Reduction Roadmap



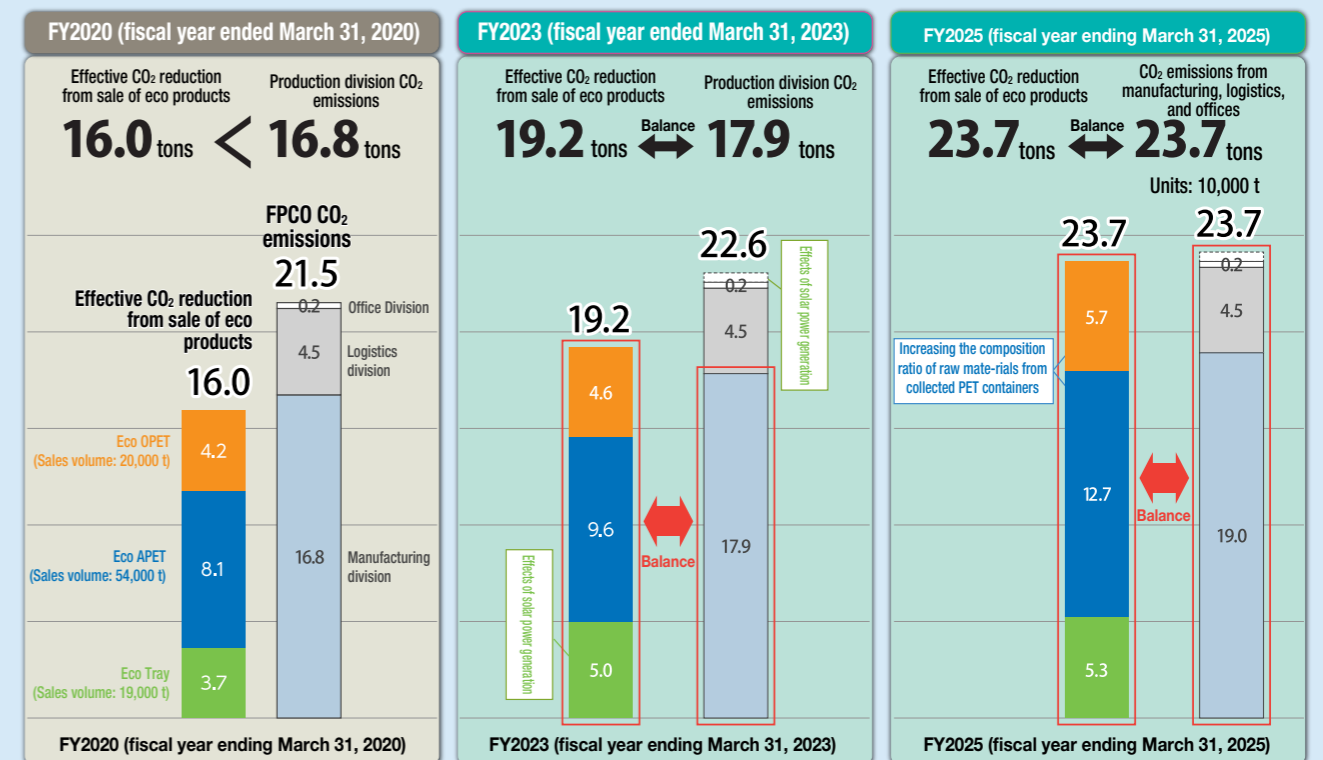
* Scope 1 emissions are direct greenhouse gas emissions by the business operator itself. Scope 2 emissions are indirect emissions from the use of electricity, heat, and steam, which are supplied from other companies.

● Reduce CO₂ emissions

We aim to procure 100% of power from renewable energy sources for our recycling plants in Kanto, Chubu, and Kansai.



Carbon Offset Declaration Through Recycling. Recycling operations at FP Corporation have resulted in a reduction in the use of virgin materials, which has also reduced CO₂ emissions accordingly. In the fiscal year ended March 31, 2022, we achieved a reduction of approx. 170,000 tons of CO₂.



● Solving the issue of plastic waste

There is heightened worldwide interest in the issue of plastic waste. At FP Corporation, we have pursued our unique measures to prevent the leakage of resin pellets. We have recently joined an activity to make declarations aimed at solving the issue of plastic flotsam through an industry group. We will pursue activities in coordination with the group. Further, our recycling operations at FP Corporation contribute greatly to reducing the outflow of plastic waste by collecting used containers.

CO ₂ reduction in FY2022: Approx. 170,000 tons						
Fiscal year ended March 2022 (FY2022)	Foamed Trays		Transparent containers		PET bottles	
	Weight	Number of containers	Weight	Number of containers	Weight	Number of containers
	7,738t	1,934.50 million	2,592t	259.20 million	73,000t	2,990.0 million
Cumulative (1990 to March 2022)	167,167t	41,791.75 million	23,918t	2,391.8 million	458,789t	17,717.32 million bottles

* CALCULATED ON THE ASSUMPTION THAT A FOAMED TRAY WEIGHS 4 g, A TRANSPARENT CONTAINER 10g, AND A PET BOTTLE 25g (AFTER THE REVISION IN 2016 FROM 30g).

Creating safe, secure, rich dietary lives

● Value creation proposals

At FP Corporation, we manufacture and sell food containers with high added value. We provide this added value to consumers, supermarkets, other food retailers, packaging wholesalers, and for the benefit of society and the global environment. At FP Corporation, we continue operations to enable people to enjoy safe, secure, rich dietary life.



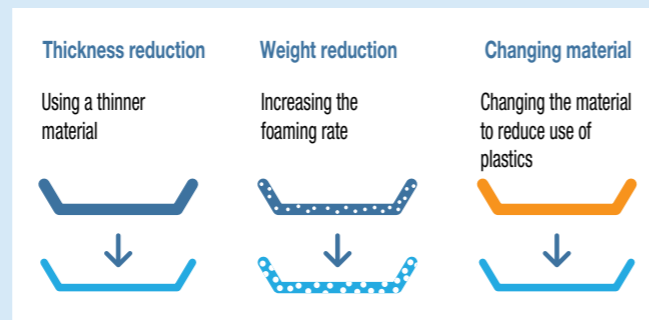
● Research and development of new materials

We have been developing new materials that excel in cold resistance, and that are strong, lightweight, and environmentally friendly with a reduced use of plastic materials. This fiscal year, we launched a series of products made from a material that we named i-talc. They have the advantage that frozen products can be microwaved in them, so we expect that demand for this series will increase in the future.



● Reducing plastic usage in products

To reduce the use of raw materials in manufacturing products, we take initiatives such as reducing thickness and weight in addition to reviewing the manufacturing process. We have set a medium-term target of reducing weight per product by 1.5% from the level in the fiscal year ended March 31, 2021, by the fiscal year ending March 31, 2031. We have also continued striving to increase the ratio of products using recycled raw materials.



● Reducing food loss

Food containers have many functions for reducing food loss, including a function to retain freshness, smaller-size packages, individual packages, and functions for reducing damage during transportation. Fuwarito, a packaging material for fruit (on the right in the photo), is introduced on the website of the Ministry of Agriculture, Forestry and Fisheries of Japan as an example of high-performance containers and packages. FP Corporation will continue to develop products designed to reduce food losses.



Establishing the infrastructure to reliably deliver products when needed

● Scheduled manufacturing and delivery under a supply chain management system

Scheduled manufacturing and delivery of products under our supply chain management (SCM) system, which has been introduced repeatedly in this report, is our intangible measure for stable supply. Centered on the SCM system as the brain, our manufacturing, logistics, and recycling facilities across the country, which are our tangible assets, are operating to ensure a stable supply from FP Corporation.

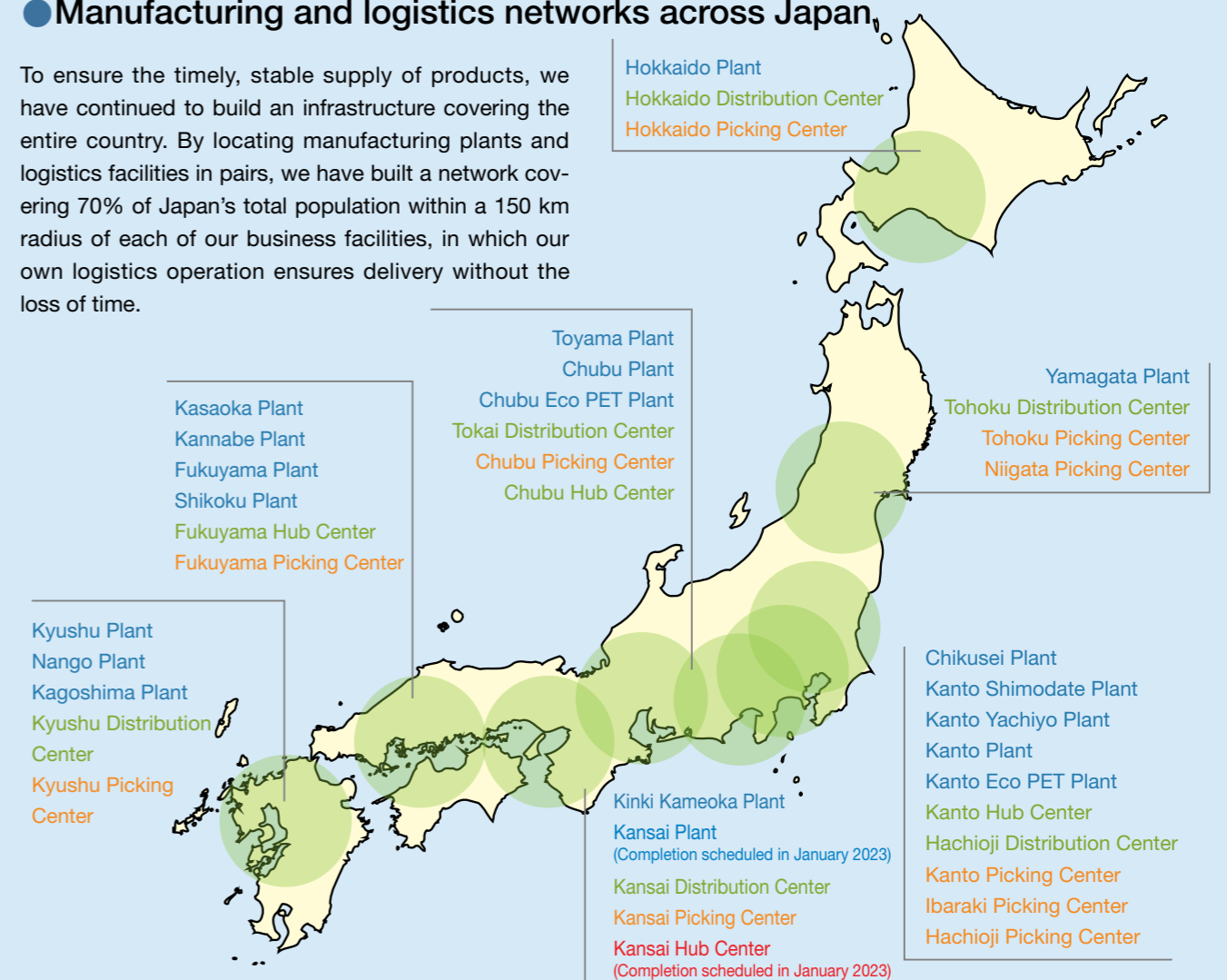
● Measures for responding to disasters and other emergencies

Our measures include installation of emergency power generators, measures against bad weather, disaster drills, installation of priority telephone links for disasters at each business site, and the introduction of an employee safety confirmation system. We also conduct risk surveys of each business site on a regular basis.



● Manufacturing and logistics networks across Japan

To ensure the timely, stable supply of products, we have continued to build an infrastructure covering the entire country. By locating manufacturing plants and logistics facilities in pairs, we have built a network covering 70% of Japan's total population within a 150 km radius of each of our business facilities, in which our own logistics operation ensures delivery without the loss of time.



Strengthen the management base

● Improving employee well-being

We have developed and operate a range of programs, including enhanced maternity and childcare leave, Pico House dormitories for single employees (with the fifth dormitory being under construction), training in Hawaii that is provided to employees who have served the company for ten years or longer, the provision of subsidies for various recreational activities, health counseling and instructions given by a nurse, and discounts for the use of various recreational facilities. We were recognized in the Certified Health and Productivity Management Organization Recognition Program (large enterprise category) in March 2022.



● Promoting inclusion

We employ human resources with disabilities on a continuing basis and engage in floor hockey activities aiming for barrier-free minds, with which disabilities are not regarded as a barrier. We promote inclusion with these and other activities. In February 2021, we were selected as a company promoting Tokubetsu Shien Gakko Shushoku Support-tai Hiroshima (a project to help special school students to find employment, which is implemented by the Hiroshima Prefectural Board of Education).



● Corporate governance and human resources management

We run a number of programs by improving our organizations with the aim of being a good company where employees can work comfortably. In the fiscal year ended March 31, 2022, we started a new program which permits employees to extend their retirement age with an upper limit of 65 and an evaluation system which emphasizes dialogue. Thus, we are building workplace environment where all employees can fulfill their potential.

High transparency in business operation with the choice of being a company with an Audit and Supervisory Committee	
Compliance training	Skills development training
Promotion of the active participation of women	Support for work-life balance
A program that permits employees to extend their retirement age with an upper limit of 65	

● Promotion of DX in business

We are proactive in driving digital transformation (DX), including the expansion of the smartphone edition of PACK MARKET that we introduced in the Sales part of the Value Chain pages, as well as the Real Delivery Check System that we introduced in the Logistics part. In the contemporary era when society is becoming digitalized, we plan to create further value by taking advantage of DX.



Coexistence with local communities

● Provision of containers to children's cafeterias

Since 2020, we have been providing containers for packed lunches and masks to children's cafeterias all over Japan. We also implement a wide range of measures for harmonious co-existence with local communities, including the acceptance of students under an internship program and of teachers for teacher training, in addition to accepting tours of our recycling plants and sorting plants and giving classes by visiting schools, described above.



● Collaboration with local communities via the FP Corp. Environment Fund

All organizations subsidized by the FP Corp. Environment Fund implement activities mainly in their local areas. They engage in community-based activities to embody their desires to improve the environment where they live. FP Corporation's employees also participate proactively in such activities. In the fiscal year ended March 31, 2022, approx. 140 employees and their families took part in these activities as volunteers.



● Participation in various activities in local communities

We are proactive in participating in events held in areas where our business sites are located. As a member of the community, we engage in volunteer activities as well as initiatives to promote awareness of environmental protection. In addition, we acquired the naming rights for the Fukuyama-shi gymnasium in March 2020. This gymnasium is loved by local citizens as FPCO Arena Fukuyama.



SUMMARY OF HUMAN RESOURCES DATA

Statistics on Employees (as of the end of March 2022)	Male	Female	Total
Number of employees	647	315	962
Average Age	44.1	34.8	41.0
Under 30	112	127	239
30 - 39	128	85	213
40 - 49	169	82	251
50 - 59	187	16	203
60 and older	51	5	56
Continuous Years of Employment	15.6	10.8	14.0
Number of Employees (Consolidated)	3,655	1,137	4,792
Number of Foreign Employees	0	1	1

Number of Resignations	Early	Voluntary	Company-mandated	Transfers	Others	Total
FY2022	0	19	0	0	1	20

New Graduate Employee Retention Status	Male	Female	Total
Number of Graduate Employees Hired in April 2019	24	21	45
Number Remaining in April 2022	22	21	43

Percentage of Female Employees in Managerial Positions	Female	Male	Percentage of Female Employees
	36	376	8.7

Employment of Persons with Disabilities	FY2019	FY2020	FY2021	FY2022
Actual Number (persons)	359	358	362	365
Disability Employment Rate (%)	13.6	13.3	12.7	12.6

Work-life Balance	FY2019	FY2020	FY2021	FY2022
Percentage of Paid Leave Taken (%)	51.7	53.6	49.3	56.1
Average Monthly Hours of Overtime Worked Per Person	10	9.8	8.0	7.8
Number of Employees Taking Maternity Leave (persons)	25	25	12	15
Number of Employees Taking Childcare Leave (persons)	16	28	15	15
Percentage of Employees Returning from Childcare Leave (%)	100.0	92.3	96.0	95.2

SUMMARY OF ENVIRONMENTAL DATA

Manufacturing Division FY2022 Data

INPUT	Energy	Electricity	394,974,297 kwh
		Energy from Fossil Fuels	86,226,586 MJ
	Water Resources	Water Supply	543,375 m ³
		Groundwater	192,558 m ³
		Industrial Water	88,717 m ³
	Raw Materials (Resins, etc.)		213,474 t
	Secondary Materials	Cardboard	40,423 t
		Packaging Plastic	3,597 t
	Others:	Lubricating Oil	8,895 L
		Thinners	70,050 L
Paper		2,452,500 sheets	

OUTPUT	Products	Product Manufacturing Weight	213,760 t
		Number of Truck Shipments	168,060 vehicles
	Waste		27,395 t
	Environmental Pollutants	Soot and Dust	73 Kg
		NOx	5,338 Kg
		SOx	0 Kg
		BOD	4,220 Kg
		COD	7,218 Kg
SS	4,968 Kg		

Logistics Division FY2022 Data

INPUT		
Energy	Electricity	19,622,717 kwh
	Energy from Fossil Fuels	2,640,510 MJ
Water Resources	Water Supply	22,898 m ³
Others:	Paper	9,201,807 sheets

OUTPUT		
Waste		507 t

Office Division FY2022 Data

INPUT		
Energy	Electricity	3,628,453 kwh
Water Resources	Water Supply	6,254 m ³
Others:	Paper	4,378,000 sheets

OUTPUT		
Waste		388 t

FINANCIAL SUMMARY

Term		56th Term	57th Term	58th Term	59th Term	60th Term
Year and Month of Financial Results		March 2018	March 2019	March 2020	March 2021	March 2022
Net sales	(Million yen)	173,580	181,171	186,349	187,509	195,700
Ordinary profit	(Million yen)	13,548	14,861	16,274	19,381	16,703
Profit attributable to owners of parent	(Million yen)	9,178	9,901	10,777	12,211	11,206
Comprehensive income	(Million yen)	9,806	9,332	10,461	13,021	11,118
Net assets	(Million yen)	106,219	112,198	119,301	124,980	132,455
Total assets	(Million yen)	244,147	249,332	242,497	247,234	262,695
Net assets per share	(Yen)	1,280.09	1,351.67	1,436.07	1,520.06	1,610.11
Net income per share	(Yen)	111.01	119.75	130.36	147.80	136.96
Diluted net income per share	(Yen)	-	-	-	-	-
Equity ratio	(%)	43.4	44.8	49.0	50.3	50.2
Return on equity	(%)	8.9	9.1	9.4	10.0	8.8
Stock price to earnings ratio	(Times)	31.4	27.3	27.5	30.5	21.3
Cash flows from operating activities	(Million yen)	13,974	25,510	27,770	31,814	23,148
Cash flows from investing activities	(Million yen)	-23,656	-17,109	-10,989	-19,131	-22,866
Cash flows from financing activities	(Million yen)	-7,197	-4,908	-15,643	-15,086	1,578
Cash and cash equivalents at end of period	(Million yen)	15,659	19,151	20,288	17,884	19,745

*1 The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. has been adopted since the beginning of the fiscal year ended March 31, 2022, and the accounting standard, etc. is applied retroactively to major management indicators, etc. for the fiscal year ended March 31, 2021.
 2. Diluted net income per share is not listed due to the absence of dilutive shares.
 3. On October 1, 2020, the Company implemented a two-for-one common stock split. In connection with the stock split, the company calculated net income per share and net assets per share, assuming the concerned stock split was performed at the beginning of the 56th term.

Timeline

- 1962 Fukuyama Pearl Paper Manufacturing Corporation established. Fukuyama Headquarters established in Komiya-cho (now Kasumi-cho), Fukuyama, Hiroshima Prefecture. Foamed PS thermoforming launched.
- 1972 The Fukuyama Distribution Center (Fukuyama, Hiroshima) established and distribution centers subsequently set up in various regions.
- 1976 First Pearl Fair (currently FPCO Fair) exhibition held, featuring the company's products.
- 1979 FP Logistics Corporation established to reinforce delivery system.
- 1981 Manufacturing and selling of colored food containers commences in response to the trend of fashionable food receptacles.
- 1983 Tokyo Branch (Nerima-ku, Tokyo) established.
- 1985 Osaka Branch (Osaka-shi, Osaka) established. The Kanto Plant (Yachiyo-machi, Ibaraki) begins operations and manufacturing plants subsequently set up in various regions.
- 1989 CI introduced. Corporate name changed to FP Corporation. Listed on the Hiroshima Stock Exchange.
- 1991 Listed on the Second Section of the Osaka Stock Exchange.
- 1997 Yasuhiro Komatsu, the then President and CEO, awarded Medal with Blue Ribbon.
- 2000 Construction finishes on the headquarters and plant of Special Subsidiary Company Ducks Shikoku Co. (Nankoku, Kochi), and special subsidiary company business sites subsequently set up in various regions. Listed on the Second Section of the Tokyo Stock Exchange.
- 2001 Fukuyama / Tokyo double head office system starts, with Tokyo Branch upgraded to Tokyo Headquarters.
- 2003 East Japan Hub Center (Yachiyo-machi, Ibaraki) completed.
- 2005 Listed on the First Section of the Tokyo and Osaka Stock Exchanges.
- 2006 Hiroshima Ai Pack Co. (currently FPCO Ai Pack Co.) established as a subsidiary with Type A Support for Continuous Employment, and Ai Pack business sites subsequently set up in various regions.
- 2012 The world's first biaxially oriented PET product for plastic containers released.
- 2013 Yasuhiro Komatsu, the then Chairman & CEO, honored with the Order of the Rising Sun, Gold and Silver Star.
- 2014 The Fukuyama Cross Dock Center (Fukuyama-shi, Hiroshima) begins operations. FPCO Comprehensive Research Institute and Human Resources Development and Training Center (Fukuyama, Hiroshima) completed.
- 2015 FP Corporation selected by the Ministry of Economy, Trade and Industry under the Diversity Management Selection 100. FP Corporation selected as one of the Competitive IT Strategy Companies by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. FP Corporation wins a prize of excellence in the category of product and technology development in the Sixth Monozukuri Nippon Grand Awards organized by the Ministry of Economy, Trade and Industry.
- 2016 FP Corporation's the then Chairman and CEO Yasuhiro Komatsu recognized as an honorary citizen of Fukuyama City.
- 2017 FP Corporation's founder Yasuhiro Komatsu passes away.
- 2018 Construction finishes on the headquarters of FPCO ALRight Co., Ltd. Construction finishes on the new Hiroshima Sales Office building FP Corporation certified as a Sports Yell Company for 2018 (Japan Sports Agency)
- 2019 FP Corporation wins an award in the first Japan Times ESG Awards.
- 2020 The Fukuyama-shi gymnasium, for which FP Corporation acquired the naming rights, opens as FPCO Arena Fukuyama.
- 2021 Construction finishes on Chubu Hub Center.
- 2022 FP Corporation transferred to Tokyo Stock Exchange Prime Market (stock code: 7947).



Environmental initiatives, achievements, etc. of FP Corporation

- 1980 Problems with the disposal of trays occur and FP Corporation is among the first companies to begin the collection of used trays.
- 1990 FP Corporation starts its recycling program.
- 1991 Eco Tray becomes the first in the industry to receive Eco Mark certification.
- 1993 Receives the Chairman's Award in the Clean Japan Center sponsored Award Program for Companies Contributing to the Reuse of Resources.
- 2007 Receives the Award for Excellence in the Product Division of the First Container and Packaging 3R Promotion Minister of the Environment Awards.
- 2011 FP Corporation wins the Gold prize at the Eco Mark Award 2010. FP Corporation recognized as an Eco-First Company by the Minister of the Environment. The Eco APET, recycled PET plastic containers, receive Eco Mark certification from the Japan Environment Association.
- 2015 Honored by the Minister of the Environment Award for Global Warming Prevention Activity (Category of countermeasure activity implementation and dissemination).
- 2016 The Chubu Eco PET Plant begins operation as a base of integrated production covering processes from recycling of PET bottles to production of the Eco APET containers.
- 2017 The Kanto Eco PET Plant begins operations.
- 2018 Participates as an exhibitor in G20 Innovation Exhibition.
- 2019 Participates in the Clean Ocean Material Alliance as an Executive Committee member.
- 2020 The FP Corp. Environment Fund established.
- 2021 Announces the Declaration of Carbon Offsetting.
- 2022 Introduces solar power generation to Kanto Yachiyo area. Kanto Recycling Plant begins to procure 100% of power from renewable energy sources. Announces FP Corporation Eco Action (FPEA) 2.0, FP Corporation's medium- to long-term targets. Announces support for the TCFD Recommendations.



The interior of Chubu Eco PET Plant, which has just begun operating



Solar panels installed on the roof of facilities in Kanto Yachiyo area

ESG Indexes

FP Corporation has been a constituent of indexes of companies with distinguished performance regarding the environment, society, and governance (ESG). (As of May 2022)



The FTSE4Good Index Series is announced based on ESG evaluation of approx. 3,000 major companies in the world. It is a series of stock indexes designed to promote investment in companies which fulfill global ESG (the environment, society, and governance) standards.

FP Corporation is one of **1,045** companies in the world.*

Selected for 3 Consecutive Years

* Number of constituents of FTSE4Good Developed Index



This index is designed to measure the performance of Japanese companies that demonstrate strong ESG practices. The index is constructed to be industry neutral compared with the Japanese equity market. The index is constructed using rules drawn from existing international standards including the UN's Sustainable Development Goals (SDGs).

FP Corporation is one of **229** companies in Japan.

Selected for 3 Consecutive Years



Indexes developed by FT Russel of the London Stock Exchange Group, which reflect the performance of companies taking excellent Environmental, Social and Governance (ESG) measures.

FP Corporation is one of **493** companies in Japan.

2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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

Awards and certifications from national and local governments and various organizations



Sports Yell Company Certification



FP Corporation was recognized in the 2022 Certified Health and Productivity Management Organization Recognition Program (large enterprise category) as a company which considers the health of employees and others from a management perspective and strategically implements initiatives which lead to the maintenance and promotion of good health.



The FPCO Group responded to CDP Climate Change 2021, a survey on companies' response to climate change conducted by CDP, an NPO of the United Kingdom.



FP Corporation was included in the Diversity Management Selection 100 list for FY2015 (Ministry of Economy, Trade and Industry). FP Corporation was highly regarded because it has human resources with disabilities who play active roles in the container manufacturing and recycling operations and contribute to the value of the entire company.



The photo shows a vehicle for collecting PET bottles, which promotes the appeal of FP Corporation's "Bottle to Tray." It is likely that few people know that used PET bottles are recycled into food containers. We designed this garbage truck partly to let the public know that "FP Corporation is also taking this initiative."

The picture painted at the rear part of the vehicle shows the mascots we use for illustrations themed on the environment. However, they appear only in limited places, such as recycling plants. This is not the reason, but we have decided to create the company's mascot character when we celebrate our 60th anniversary in 2022. All employees will vote to select some candidates. I think that we can introduce the new character to you soon. We will be happy if you remember "Bottle to Tray" when you see FP Corporation's new mascot character somewhere.

Thank you very much for reading FP Corporation Report 2022. 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 2022

Eiji Togashi

General Manager, Environmental Management Dept.



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Editorial Guidelines

Care was taken to clearly note the achievements resulting from each activity and FP Corporation's future directions so everyone can understand the essence of our corporation.

The Environmental Report Guidelines from the Ministry of the Environment (FY2018 edition) were used as a reference in preparing the report on FP Corporation Report.

Time period covered: April 1, 2021 – March 31, 2022

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@fpc-net.co.jp Website: https://www.fpc.co.jp/en/



FPCO Report 2022



FP Corporation

Fukuyama Headquarters: 1-13-15 Akebono-cho, Fukuyama, Hiroshima, 721-8607 Japan

TEL: +81-84-953-1145

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

TEL: +81-3-5320-0717

Osaka Branch: Dai Building Main Tower 22F, 3-6-32 Nakanoshima, Kita-ku, Osaka, Osaka, 530-0005 Japan

TEL: +81-6-6441-2468

Sales Offices: Sapporo, Sendai, Niigata, Shizuoka, Hokuriku, Nagoya, Hiroshima, Shikoku, Fukuoka