July 30, 2015

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
First Quarter Results for the Fiscal Year Ending March 31, 2016

[Japanese GAAP]

Name of listed company: JSP Corporation Stock Exchange Listed: Tokyo (1st Section)

URL: http://www.jsp.com Code Number: **7942**

Representative: Kozo Tsukamoto, President, Representative Director

Contact person: Yasushi Komori, General Manager, Accounting Department, Finance & Accounting Division

Phone: +81-3-6212-6306

Scheduled date of filing of Quarterly Report: August 7, 2015

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on July 30, 2015 at 15:00 (GMT +9).

(All amounts are rounded down to the nearest million yen)

1. First Quarter Results (April 1, 2015 to June 30, 2015) for the Fiscal Year Ending March 31, 2016

(1) Consolidated business performance (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2015	27,804	(2.0)	1,649	78.3	1,613	57.2	1,271	67.9
Three months ended Jun. 30, 2014	28,377	8.9	925	(12.1)	1,026	(18.2)	757	(18.6)

Note: Comprehensive income: Three months ended Jun. 30, 2015: (19) million yen (n.a.)
Three months ended Jun. 30, 2014: (60) million yen (n.a.)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2015	42.65	-
Three months ended Jun. 30, 2014	25.41	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2015	114,261	69,884	56.8	2,175.29
As of Mar. 31, 2015	116,717	70,352	56.0	2,190.61

Reference: Shareholders' equity: As of Jun. 30, 2015: 64,850 million yen As of Mar. 31, 2015: 65,307 million yen

2. Dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2016	-				
Fiscal year ending Mar. 31, 2016 (forecasts)		15.00	-	15.00	30.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2016
(April 1, 2015 to March 31, 2016) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	58,700	0.7	3,400	27.2	3,400	15.8	2,650	22.8	88.89
Full year	119,000	1.8	7,000	23.5	7,100	17.5	4,800	18.8	161.01

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Matters Related to Summary Information (Notes)" on page 3 of the attached documents for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting-based estimates: Yes

4) Restatements: None

Note: Please refer to "Matters Related to Summary Information (Notes)" on page 3 of the attached documents for further information.

(4) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period including treasury shares

As of Jun. 30, 2015:	31,413,473 shares	As of Mar. 31, 2015:	31,413,473 shares

2) Number of treasury shares at the end of the period

As of Jun. 30, 2015:	1,601,270 shares	As of Mar. 31, 2015:	1,600,900 shares

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2015:	29,812,378 shares	Three months ended Jun. 30, 2014:	29,814,107 shares

* Information regarding the implementation of quarterly review procedures

The current quarterly financial summary is exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures for these quarterly consolidated financial statements have not been completed.

* Cautionary statement with respect to forward-looking statements

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 of the attached documents for assumptions for forecasts and notes of caution for usage.

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year, the Japanese economy was supported by the yen's depreciation and rising stock prices and there was a slow rebound in consumer spending as the effects of the consumption tax hike declined. Corporate earnings rebounded at exporting companies and a few other sectors that benefited from the weaker yen and lower cost of crude oil. However, there is still no broad-based economic recovery in Japan.

In the United States, economic growth slowed somewhat as the strong dollar brought down exports and there was a brief negative impact from the cold wave. In Brazil, the economy became weaker as internal demand remained lackluster amid rising prices caused by higher taxes, utility rate hikes and a big drop in the real's value. In Europe, the economy continues to recover at a moderate pace along with a recovery in consumer spending and growing exports. In Asia, economies remain healthy overall despite sources of concern that include China's slowing economic growth rate and declines in exports from countries such as Taiwan and South Korea.

In Japan's foamed plastic industry, companies benefited from the drop in the cost of raw materials and fuel. But the cost of electricity and transportation remains high. Furthermore, the number of housing starts is down, automobile production is decreasing and there is still no recovery in demand for large home appliances and other consumer durables. As a result, the operating environment was challenging.

Our global sales increased because of strong demand. In Japan, declining demand and the impact of product price revisions caused sales to decrease. Operating income was higher. One reason was a lower cost of manufacturing products as prices of raw materials and fuel decreased and a change in the depreciation method used for operations in Japan brought down depreciation expenses. Measures to hold product prices steady and a focus on products with substantial added value associated with our exclusive technologies further supported earnings. For global operations, the growth in sales volume and translations of sales using the weaker yen exchange rates contributed to higher earnings. A foreign exchange loss was mainly responsible for the increase in non-operating expenses, but extraordinary income increased because of a 119 million yen subsidy for projects promoting business sites in Japan.

As a result, net sales in the first quarter were 27,804 million yen (fell by 2.0% year-on-year). Operating income increased 78.3% to 1,649 million yen, ordinary income increased 57.2% to 1,613 million yen and profit attributable to owners of parent increased 67.9% to 1,271 million yen.

Results by business segment were as follows.

Extrusion Business

Sales of MIRAMAT® (expanded polyethylene sheet used as an industrial packaging material) which is used mainly for the transportation of substrates for LCD TVs and other digital home appliances decreased partly due to a slow recovery in demand for large appliances and other consumer durables. Sales of CAPLON™ (air-bubble polyethylene cushioning material) increased due to new applications used in packaging materials for automotive parts. Sales of P-BOARD™ (expanded polypropylene sheet) which is used mainly for transportation containers for automotive parts and home appliances decreased in response to the sluggishness in these markets in Japan. Sales of STYRENPAPER™ (expanded polystyrene sheet used in food packaging) which is used in many applications for instant noodles, lunch boxes, and trays used by large retailers decreased due to a slow recovery in demand and a decline in product prices. Sales of MIRABOARD™ (expanded polystyrene board used in advertising displays and folding boxes) remained unchanged from the same period of the previous fiscal year. Sales of MIRAFOAM™ (extruded board made of expanded polystyrene and is a key material for construction and civil engineering materials) decreased. In the building construction sector, a system of granting energy efficiency bonus points for new or remodeled houses contributed to sales but first quarter sales were down because of the recovery in housing starts has not yet started. In the civil engineering sector, sales decreased due to the end of most demand associated with earthquake recovery projects and a shift in government spending to projects involving disaster prevention and preparedness and the inspection and maintenance of facilities.

Overall, sales in this segment were lower mainly because of the slow recovery in demand and reductions in prices of segment products to reflect the lower cost of raw materials. Although sales were down, there was a big increase in earnings that resulted mostly from a focus on selling value-added products and measures to cut the cost of manufacturing.

As a result, extrusion segment sales decreased 7.6% to 9,046 million yen and operating income increased 133.6% to 496 million yen.

Bead Business

ARPRO®/P-BLOCK™ (expanded polypropylene), now being manufactured and sold worldwide, is used in automotive parts such as bumper cores, interior auto parts and seat cores, and as an insulation and cushioning material for housing facilities, a cushioning and packaging material in returnable containers for transporting IT equipment, a cushioning and packaging material for home appliances, and an impact protection material for artificial sports surfaces. Sales of ARPRO®/P-BLOCK™ were strong, on expanded uses in new automotive parts and higher demand for home appliance packing and cushioning. In Japan, demand for insulating materials in equipment used in houses expanded. However, overall sales declined because of lower demand for beads used by automobile and IT home appliance manufacturers, as well as the decline in product prices. In North America, higher demand for automotive parts and the dollar’s strength resulted in a big increase in sales. In South America, sales decreased as economic weakness in Brazil reduced automobile sales volume and the real’s depreciation lowered yen translations of sales. In Europe, sales decreased as the euro’s depreciation offset the positive effect of higher demand for automotive parts backed by economic recovery. In China and other Asian countries, sales growth was attributable to demand for beads associated with automobiles and home appliances and to the yen’s decline. Demand for STYRODIA® (expandable polystyrene beads) was firm in the agriculture, construction and civil engineering sectors but soft in the fisheries and home appliance sectors. Although sales volume was the same as one year earlier, monetary sales of STYRODIA® decreased because of product price reductions.

Sales of FOAMCORE™ (a hybrid molded product used as a ceiling material for prefabricated bathroom units) decreased because housing starts remained sluggish.

Product price reductions to reflect the lower cost of raw materials negatively impacted the performance of this segment. But there were benefits from the higher global sales volume, higher yen translations of global sales due to the yen’s weakness, and a decline in the cost of manufacturing. As a result, bead segment sales increased 2.1% to 17,364 million yen and operating income increased 59.7% to 1,381 million yen.

Other

In general packaging materials, sales in Japan increased due to the growth in demand for packaging materials used in automobiles, LCD products, optical products and general industrial parts because of a recovery in output in Japan by manufacturers backed by the weaker yen. In China, sales decreased sharply following the cancellation of a packaging material order for LCD TVs.

As a result, sales in the other segment decreased 11.9% to 1,393 million yen and there was an operating loss of 10 million yen compared with an operating loss of 11 million yen in the same period of the previous fiscal year.

(2) Explanation of Financial Position

Total assets as of June 30, 2015 were 114,261 million yen, down 2,456 million yen from March 31, 2015. Current assets and non-current assets decreased 2,053 million yen and 402 million yen, respectively.

Total liabilities were 44,377 million yen, down 1,988 million yen. Current liabilities and non-current liabilities decreased 947 million yen and 1,040 million yen, respectively.

As a result, net assets totaled 69,884 million yen and the shareholders’ equity ratio was 56.8%.

A summary of cash flows and major components are as follows.

Net cash provided by operating activities totaled 2,803 million yen, compared with net cash used of 373 million yen in the same period of the previous fiscal year. Inflows included 1,732 million yen from income before income taxes and 1,136 million yen from depreciation. Outflows included a decrease of 406 million yen in notes and accounts payable-trade, income taxes paid of 256 million yen and an increase of 98 million yen in notes and accounts receivable-trade.

Net cash used in investing activities totaled 1,064 million yen, a decrease of 237 million yen from the same period of the previous fiscal year. This included an outflow of 1,596 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 2,018 million yen, compared with net cash provided of 961 million yen in the same period of the previous fiscal year. Outflows included 1,292 million yen for the repayment of long-term loans payable and the cash dividends paid of 447 million yen.

As a result, cash and cash equivalents totaled 8,331 million yen as of June 30, 2015, down 562 million yen from March 31, 2015.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

We maintain the previously announced consolidated earnings forecasts for the first half and full year of the fiscal year ending March 31, 2016, as we presented at the beginning of this report.

This earnings forecast is based on information available at the present time; actual results may vary from these figures due to a variety of factors.

2. Matters Related to Summary Information (Notes)

(1) Changes in Principal Subsidiaries during the Period

No reportable information.

(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements

Calculation of tax expense

The tax expense was calculated mainly by first estimating the effective tax rate after the application of tax effect accounting with respect to income before income taxes for the current fiscal year, and multiplying that rate by the quarterly income before income taxes.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements

Changes in accounting policies

Application of the accounting standards for business combinations

JSP has applied the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) from the first quarter of the current fiscal year. Under these accounting standards, the Company has revised the method to record gains or losses arising from a change in the Company’s equity in subsidiaries in cases where control is retained to that recognizing such gains or losses as capital surplus and the acquisition costs in connection with business combinations as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company will revise the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the quarterly consolidated financial statements that includes the acquisition date. In addition, the presentation of net income has been revised and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first quarter of the previous fiscal year and the previous fiscal year have been revised.

JSP has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The effect of this change on the quarterly consolidated financial statements for the first quarter of the current fiscal year is insignificant.

Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

JSP has adopted the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (Practical Issues Task Force (PITF) No. 18, March 26, 2015) from the first quarter of the current fiscal year. In accordance with the transitional accounting treatments set forth in this PITF, goodwill that are subject to be amortized at subsidiaries in the United States are amortized over ten years by the straight-line method. This change was based on the revision of Topic 350 “Intangibles—Goodwill and Other” of the Accounting Standards Codification of the Financial Accounting Standards Board (FASB) in January 2014.

The effect of this change on operating income, ordinary income and income before income taxes for the first quarter of the current fiscal year is insignificant.

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Change in depreciation method of property, plant and equipment

JSP and its consolidated subsidiaries in Japan have changed the straight-line method for the depreciation of property, plant and equipment in the first quarter of the current fiscal year. In prior years, these companies have used primarily the former declining-balance method and declining-balance method. Currently, for buildings (excluding facilities attached to buildings) owned by JSP and its consolidated subsidiaries in Japan, the former straight-line method is used for properties purchased between April 1, 1998 and March 31, 2007 and the straight-line method is used for properties purchased on or after April 1, 2007 as well as at consolidated subsidiaries in other countries.

JSP examined the depreciation method of its business equipment as part of the process of preparing the medium-term management plan that has started in the current fiscal year. This examination resulted in the conclusion that the straight-line method will better enable the income statement to reflect how equipment is actually used. This revision reflects the minimal risk that our production equipment will become technologically obsolete and the outlook for the consistent use of this equipment.

The result was an increase of 116 million yen in operating income and an increase of 118 million yen each in ordinary income and income before income taxes in the first quarter of the current fiscal year.

* *This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including the attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*