

The logo for JSP Corporation, featuring the letters "JSP" in a bold, blue, sans-serif font. Below the letters is a stylized blue graphic consisting of a horizontal line that tapers at both ends, resembling a bridge or a stylized wave.

**JSP**

Results of Operations for the Fiscal Year  
Ended March 31, 2019 (FY3/19)

# Information Meeting

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JSP Corporation

*Deliver with*  
**Wow!**

1. FY3/19 Summary of Business Operations
2. FY3/20 Outlook
3. FY3/19 Supplementary Financial Information
4. New Plant, New Product and Recent Activities

# 4 Financial Highlights

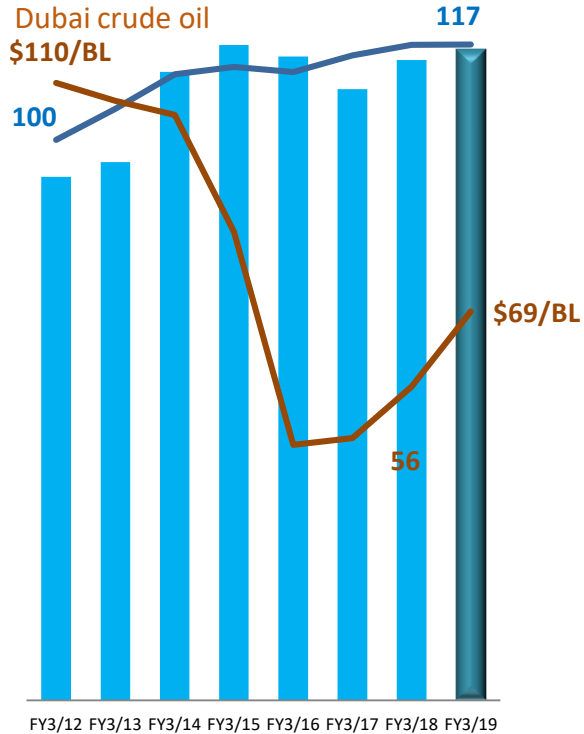
FY3/19

JSP Corporation  
A Global Supplier for a Global Society

## Growth

Net sales /Sales Volume

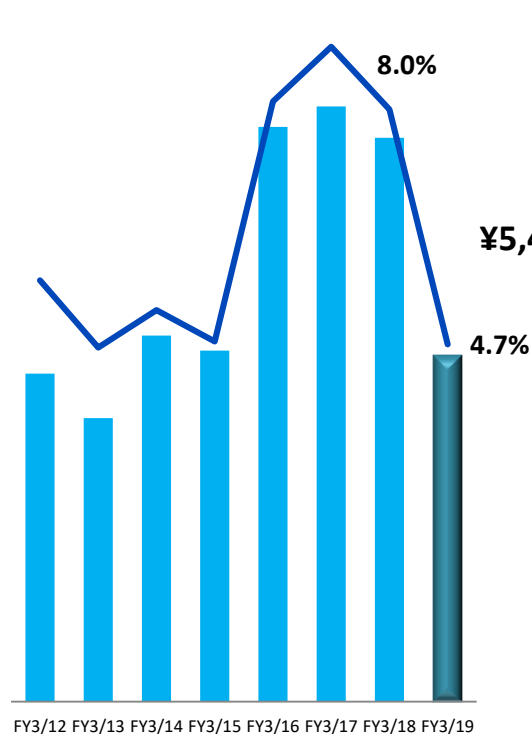
¥116,133 million



Sales Volume FY3/12=100

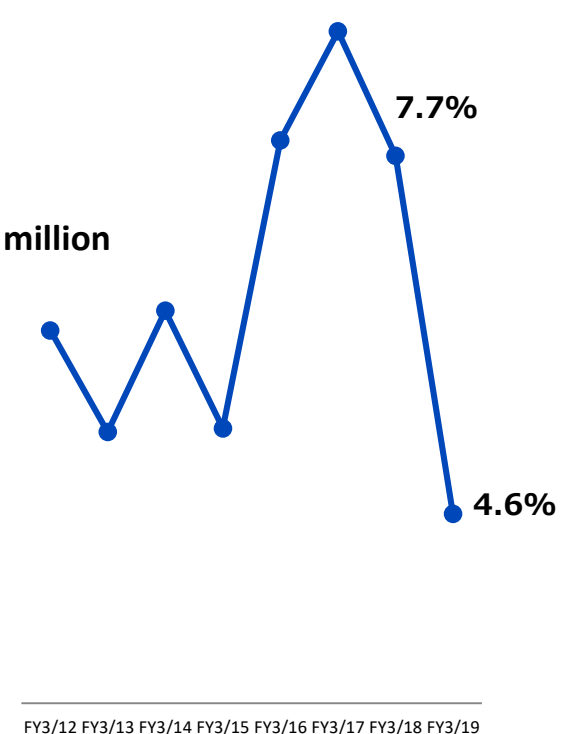
## Margin

Operating Profit / Operating Margin



## Return

Ordinary Profit to Total Assets



Item (Million yen)	FY3/18 Results	FY3/19 Forecast <small>(Announced Jan.31, 2019)</small>	FY3/19 Results	YoY Comparison	vs. Forecast
Net sales	114,284	118,100	<b>116,133</b>	+1.6%	-1.7%
Operating profit	9,105	7,500	<b>5,479</b>	-39.8%	-26.9%
Ordinary profit	9,217	7,700	<b>5,835</b>	-36.7%	-24.2%
Profit attributable to owners of parent	6,853	5,500	<b>4,309</b>	-37.1%	-21.7%

● Forex: JPY110.4/USD JPY130.0/EUR JPY16.6/CNY (FY3/18: JPY112.0/USD JPY127.2/EUR JPY16.6/CNY)

● Dubai crude oil: USD69.4/BL (FY3/18: USD56.0/BL)

● Economic climate: US/Solid growth due to growth in capital expenditures and consumer spending, Mexico/Healthy economy, Brazil/Recovery in economy, Europe/Slow economic recovery, Asia/Growth rate decreased due to negative impact from trade friction, Japan/Economic growth has come to a stop because of natural disasters, the higher cost of raw materials, fuel and cargo transportation, and weakening external demand

● Consolidated results of operations

Net sales: Up 1.6%, the result of higher sales in Japan due to growth of value-added product sales and price revisions and flat global sales

Operating profit: Down 39.8%, the result of slow pace of price revisions in Japan to reflect the higher cost of raw materials, fuel and cargo transportation and, in other countries, of the higher cost of raw materials, intense competition in Asia and the increase in investments

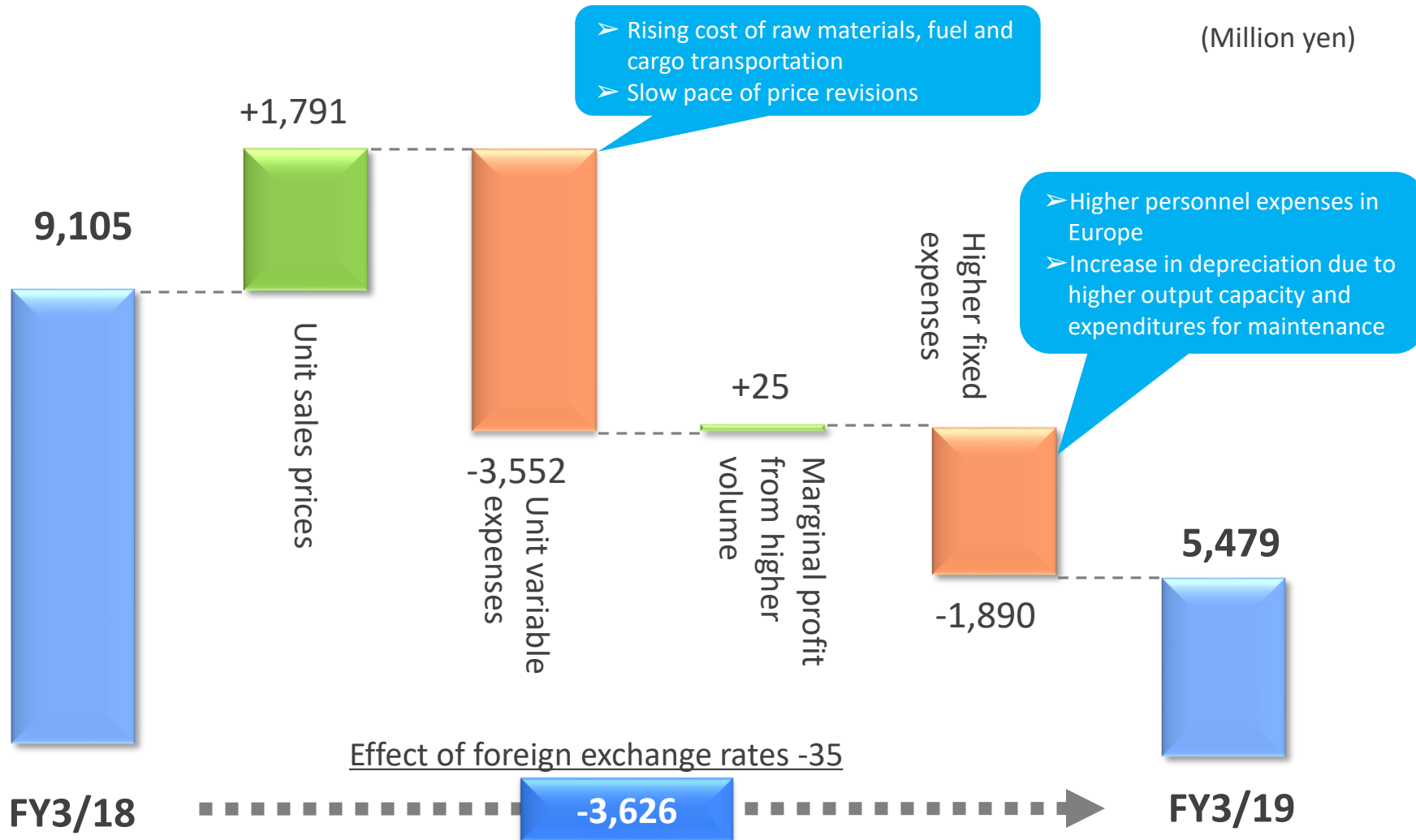
# Components of Change in Operating Profit

FY3/19

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(Million yen)



# 7 Extrusion Business

FY3/19

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Item (Million yen)	FY3/18 Results	FY3/19 Results	YoY Comparison
Net sales	40,245	<b>41,388</b>	+2.8%
Operating profit	2,692	<b>2,468</b>	-8.3%

Higher sales of value-added products raise sales, rising cost of raw materials and cargo transportation lowers earnings

Food packaging materials and food containers



**STYRENPAPER™**  
**MIRABOARD™**

- Lower sales of materials used for food trays and advertising displays
- Higher sales mainly due to revisions to prices of products

Industrial packaging materials



**MIRAMAT®**  
**CAPLON™**  
**P-BOARD™**

- Higher sales of substrates for flat panel displays and industrial packaging products for home appliances because of an expansion of demand for value-added products

Home and building insulation materials and civil engineering materials



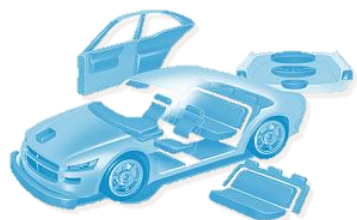
**MIRAFOAM™**

- Higher sales because of strong sales of high-performance thermal insulation products and parts pre-cut for fabrication in the building construction market

Item (Million yen)	FY3/18 Results	FY3/19 Results	YoY Comparison
Net sales	68,261	68,449	+0.3%
Operating profit	7,154	3,782	-47.1%

Earnings lower due to a delay in product price revisions in Japan during the first half and the slow pace of improvements in the profit structure of global businesses

A cushioning material for automotive parts and home appliances, and an impact protection material for athletic fields



ARPRO®/P-BLOCK™  
ELEMPOR™ NEO



- Sales increased as these materials were used in more auto parts and many new applications
- Japan: Sales were affected by flooding, earthquakes and other natural disasters in the first half
- North America: Price of polypropylene was higher
- Europe: Sluggish economic growth in the fourth quarter
- Asia: Downturn in sales in South Korea; higher first half sales in China

Expanded polystyrene, hybrid molded products



STYRODIA®  
HEATPOR®  
CLEARPOR®  
FOAMCORE™

- Strong sales of STYRODIA® in the home appliance and functional beads sectors; sales increased due to revisions of product prices
- FOAMCORE™ sales down as demand declined



Item (Million yen)	FY3/18 Results	FY3/19 Results	YoY Comparison
Net sales	5,777	6,295	+9.0%
Operating profit	138	156	+13.0%

Sales increased in Japan with the support of firm sales, the receipt of packaging material orders for all types of components resulted in higher sales in China

### General packaging materials in Japan

- Demand for automotive packaging materials increased



Trays for auto parts



Cushioning materials for optical parts

### General packaging materials in China

- Sales increased due to new demand



Cushioning materials for IT home appliances



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Item (Million yen)	FY3/19 Results	FY3/20 Outlook	YoY Comparison
Net sales	116,133	<b>119,400</b>	+2.8%
Operating profit	5,479	<b>7,200</b>	+31.4%
Ordinary profit	5,835	<b>7,400</b>	+26.8%
Profit attributable to owners of parent	4,309	<b>5,430</b>	+26.0%

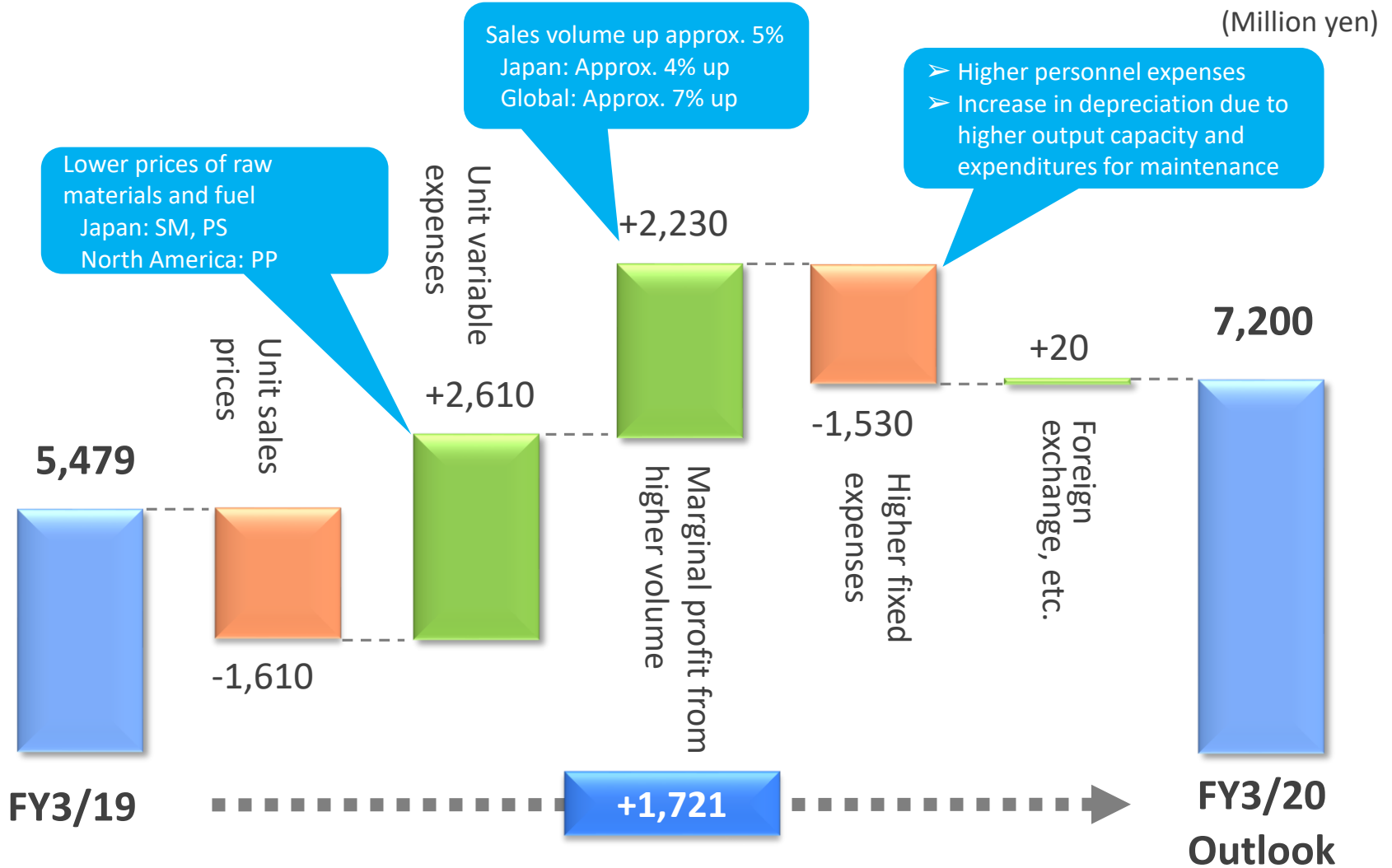
- Exchange rates: JPY110/USD JPY125/EUR JPY16.0/CNY (FY3/19: JPY110.4/USD JPY130.0/EUR JPY16.6/CNY)
- Dubai crude oil: USD65/BL (FY3/19: USD69.4/BL)
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Year-end dividend ¥25)
- Reasons for forecasting higher earnings:
  1. Outlook for growth in sales volume
  2. In Japan, expect lower prices of styrene monomer and polystyrene to improve the profit margins of some products
  3. In other countries, forecast higher earnings as prices decline because the supply of polypropylene in the U.S. is no longer tight

# Components of Change in Operating Profit

FY3/20 Outlook

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# 9-year Financial Summary

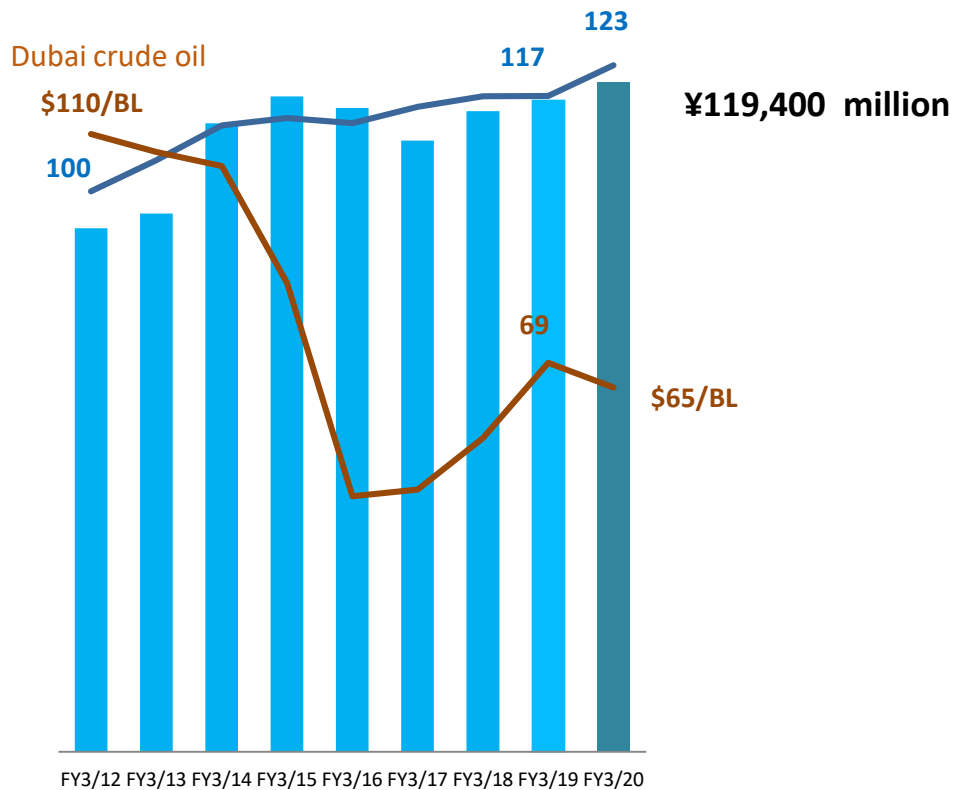
FY3/20 Outlook

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## Growth

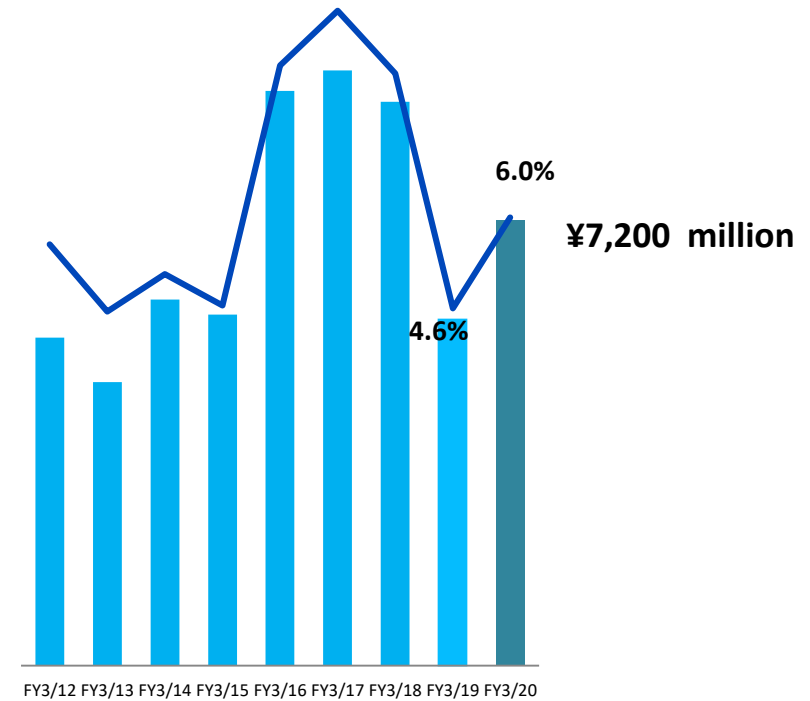
Net Sales / Sales Volume



Sales Volume FY3/12=100

## Margin

Operating Profit / Operating Margin



Item (Million yen)	FY3/19 Results	FY3/20 Outlook	YoY Comparison
Net sales	41,388	42,560	+2.8%
Operating profit	2,468	2,783	+12.8%

Priorities are making current products more competitive and increasing sales of value-added products

#### Food packaging materials and food containers



**Heat-resistant polystyrene paper**

- Increase sales of heat-resistant food containers and other products in growing market sectors
- Increasing sales to end users



**MIRABOARD™**

#### Industrial packaging materials



**MIRAMAT®  
CAPLON™  
P-BOARD™**

- Use differentiated products to target new markets and work on new applications
- Meet global demand created by increasing display resolution and quality

#### Home and building insulation materials and civil engineering materials



**MIRAFOAM™**



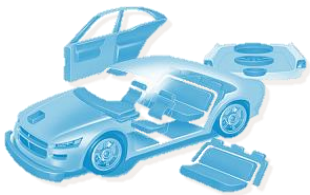
**J Wall Block**

- Establish an efficient production and supply infrastructure
- Create products for new markets and applications
- Use the features of J Wall Block to increase sales for the expanded polystyrol construction method

Item (Million yen)	FY3/19 Results	FY3/20 Outlook	YoY Comparison
Net sales	68,449	70,590	+3.1%
Operating profit	3,782	5,270	+39.3%

For EPP, target new markets and applications and quickly launch new products;  
for EPS, increase sales of functional products

A cushioning material for automotive parts  
and home appliances, and sports shoes



**ARPRO®/P-BLOCK™**



**ELEMPOR™NEO**



**ARGILIX**

- North America: Increase use of materials in sheets and other auto parts
- China: Increase sales for new uses, such as returnable containers for transporting IT products and automotive parts

Expandable polystyrene, hybrid molded product

**STYRODIA®**  
**HEATPOR®**  
**CLEARPOR®**



- Increase sales of functional grades and strengthen global activities
- Increase sales by entering the market for modified grades

# Business Segment Outlook, Capital Expenditures, Depreciation

## FY3/20 Outlook

### JSP Corporation

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Segment (Million yen)	FY3/19 Results		FY3/20 Outlook		YoY Comparison	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	41,388	2,468	<b>42,560</b>	<b>2,783</b>	+1,172	+315
Bead Business	68,449	3,782	<b>70,590</b>	<b>5,270</b>	+2,141	+1,488
Other	6,295	156	<b>6,250</b>	<b>199</b>	(45)	+43
Adjustments	-	(928)	-	<b>(1,052)</b>	-	(124)
Total	116,133	5,479	<b>119,400</b>	<b>7,200</b>	+3,267	+1,721

- Capital expenditures: ¥12.8 billion  
(¥4.0 billion to increase output and become more competitive and ¥8.8 billion for maintenance projects)
- Depreciation: ¥6.15 billion  
(vs. FY3/19: up ¥549 million)



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# 18 Results of Operations

FY3/19 Supplementary  
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(Percentages represent year-on-year changes)

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
<b>FY3/19</b>	<b>116,133</b> <b>(+1.6%)</b>	<b>5,479</b> <b>(-39.8%)</b>	<b>5,835</b> <b>(-36.7%)</b>	<b>4,309</b> <b>(-37.1%)</b>
<b>FY3/18</b>	114,284 (+4.8%)	9,105 (-5.3%)	9,217 (-8.1%)	6,853 (-6.1%)

Comprehensive income: FY3/19: ¥1,711 million FY3/18: ¥9,171 million

	Net income per share (Yen)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
<b>FY3/19</b>	<b>144.57</b>	<b>5.4%</b>	<b>4.6%</b>	<b>4.7%</b>
<b>FY3/18</b>	229.91	9.0%	7.7%	8.0%

# Non-operating Income/Expenses Extraordinary Income/Loss

FY3/19 Supplementary  
Financial Information

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## Non-operating Income/Expenses

Account (Million yen)	FY3/18	FY3/19
Interest income	183	<b>209</b>
Other	394	<b>486</b>
<b>Total non-operating income</b>	<b>577</b>	<b>695</b>
Interest expenses	119	<b>148</b>
Foreign exchange losses	200	<b>95</b>
Other	146	<b>95</b>
<b>Total non-operating expenses</b>	<b>466</b>	<b>340</b>

## Extraordinary Income/Loss

Account (Million yen)	FY3/18	FY3/19
Gain on sales of non- current assets	403	<b>29</b>
Gain on sales of investment securities	-	<b>411</b>
<b>Total extraordinary income</b>	<b>403</b>	<b>440</b>
Loss on sales of non- current assets	13	<b>6</b>
Loss on retirement of non-current assets	119	<b>143</b>
Loss on valuation of investment securities	-	<b>78</b>
<b>Total extraordinary losses</b>	<b>132</b>	<b>228</b>

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2019	129,229	84,141	62.1%	2,691.76
As of Mar. 31, 2018	125,270	84,105	63.5%	2,667.72

Reference: Shareholders' equity: As of Mar. 31, 2019: ¥80,239 million As of Mar. 31, 2018: ¥79,524 million

(Million yen)	Cash and deposits	Short-term loans payable*	Long-term loans payable	Total loans payable
As of Mar. 31, 2019	14,842	11,419	7,969	19,389
As of Mar. 31, 2018	16,963	10,311	5,712	16,024

\*Including current portion of long-term loans payable

# Balance Sheet

FY3/19 Supplementary  
Financial Information

JSP Corporation

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Account (Million yen)		As of Mar. 31, 2018	As of Mar. 31, 2019	Change
Assets	Current assets	67,157	<b>66,830</b>	(326)
	Non-current assets	58,113	<b>62,399</b>	4,286
Total assets		125,270	<b>129,229</b>	3,959
Liabilities	Current liabilities	33,145	<b>34,344</b>	1,198
	Non-current liabilities	8,019	<b>10,744</b>	2,724
	Total liabilities	41,164	<b>45,088</b>	3,923
Net assets	Shareholders' equity	78,700	<b>81,553</b>	2,853
	Total accumulated other comprehensive income	824	<b>(1,313)</b>	(2,138)
	Non-controlling interests	4,581	<b>3,901</b>	(679)
	Total net assets	84,105	<b>84,141</b>	35
Total liabilities and net assets		125,270	<b>129,229</b>	3,959

Account (Million yen)		As of Mar. 31, 2018	As of Mar. 31, 2019	Change
Shareholders' equity	Capital stock	10,128	<b>10,128</b>	-
	Capital surplus	13,405	<b>13,441</b>	35
	Retained earnings	56,551	<b>59,370</b>	2,819
	Treasury shares	(1,385)	<b>(1,386)</b>	(1)
	Total	78,700	<b>81,553</b>	2,853
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	244	<b>233</b>	(11)
	Foreign currency translation adjustment	(483)	<b>(2,505)</b>	(2,022)
	Remeasurements of defined benefit plans	1,062	<b>958</b>	(104)
	Total	824	<b>(1,313)</b>	(2,138)
Non-controlling interests		4,581	<b>3,901</b>	(679)
Total net assets		84,105	<b>84,141</b>	35

## Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
<b>FY3/19</b>	<b>7,391</b>	<b>(10,368)</b>	<b>1,708</b>	<b>9,082</b>
FY3/18	10,849	(7,661)	(506)	10,807

## Capital Expenditures, Depreciation, R&amp;D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
<b>FY3/19</b>	<b>10,896</b>	<b>5,601</b>	<b>2,155</b>
FY3/18	8,153	5,072	2,123

Note: Capital expenditures are on a cash basis.

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# Completed the New Building at the Kansai Plant

Kansai Plant

JSP Corporation

A Global Supplier for a Global Society

Gives JSP a sound infrastructure for meeting the growing demand for MIRAFOAM™



## Background

- Increasing demand for high-performance thermal insulation due to more widespread requirements to meet new energy-efficiency standards, including those for Net Zero Energy Buildings/Houses
- Constructed a new plant building to strengthen the ability to supply MIRAFOAM™ to customers in western Japan
- Started production for the first time in western Japan of high-performance MIRAFOAM™ Λ
- A big increase in production capacity for pre-cut sheets used for placing thermal insulation between sleeper joists

## Profile of the Kansai Plant

(1) Location	Tatsuno, Hyogo prefecture
(2) Products	MIRAFOAM™, STYRENPAPER™, MIRAMAT®
(3) Building	A 2-story facility, 24,997m <sup>2</sup>

## MIRAFOAM™ Tatami A cushioning material for tatami floors



### Major features

- Easy to walk on; degree of hardness prevents foot fatigue
- Cushions falls
- Outstanding thermal insulation helps keep feet warm
- Cushioned tatami mats are eligible for Japan's Next-generation Home Point Program starting in June 2019
- Nursing care insurance can be used to pay for these tatami mats (up to 90%)

**ミラフォーム畳**  
**衝撃緩和型畳 (畳床)** ふわり<sup>TM</sup>

The "Fuwari" cushioned tatami mat

JSP is participating in the Plastics Smart campaign of the  
Ministry of the Environment



Sustainable Development Goals (SDGs)



- The JSP Group is committed to meeting demands for conserving energy and resources and other activities to protect global energy resources. We are conducting R&D activities with the goal supplying products that earn the trust of users.
- The JSP Group is using the following activities to deal with environmental issues involving plastic products.

## Major activities

- Recycling waste plastics as various materials
- Thermal recycling of waste plastics
- Use of raw materials from recycled sources to produce plastics
- Supply of pre-cut thermal insulation sheets to reduce waste plastics
- Measures to prevent the loss of plastic beads due to scattering

### Cautionary statement with respect to forecasts

Forecasts are based on all the information currently available, and the actual results may differ due to various factors.

# JSP Corporation

Inquiries: Tel +81(3)-6212-6306  
Investor Relations Department