



A Global Supplier for Global Society

First Half Results for the Fiscal Year
Ending March 31, 2020 (1H FY3/20)

Information Meeting

Deliver with
WOW!

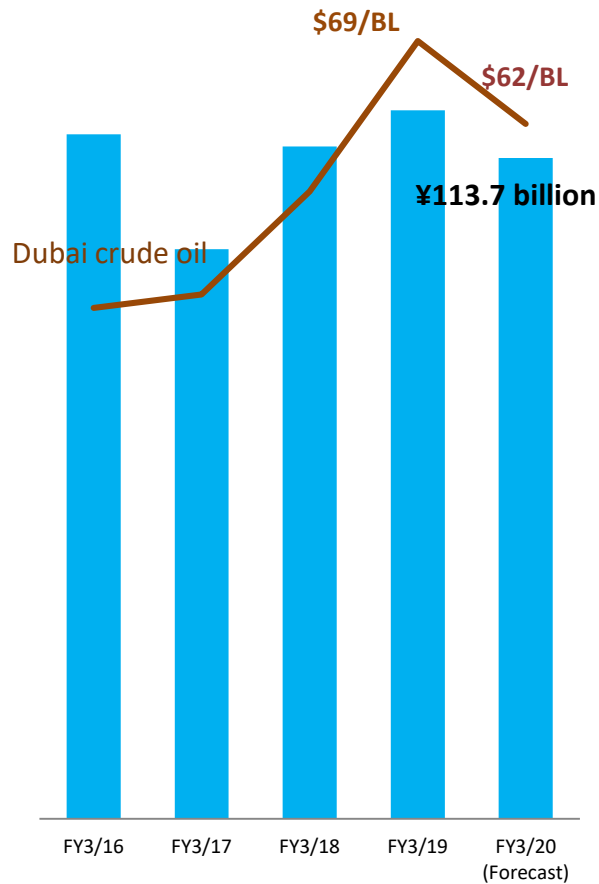
- 1. 1H FY3/20 Summary of Business Operations**
2. FY3/20 Outlook
3. 1H FY3/20 Supplementary Financial Information
4. Pipeline Products

3 Financial Highlights

JSP Corporation
A Global Supplier for Global Society

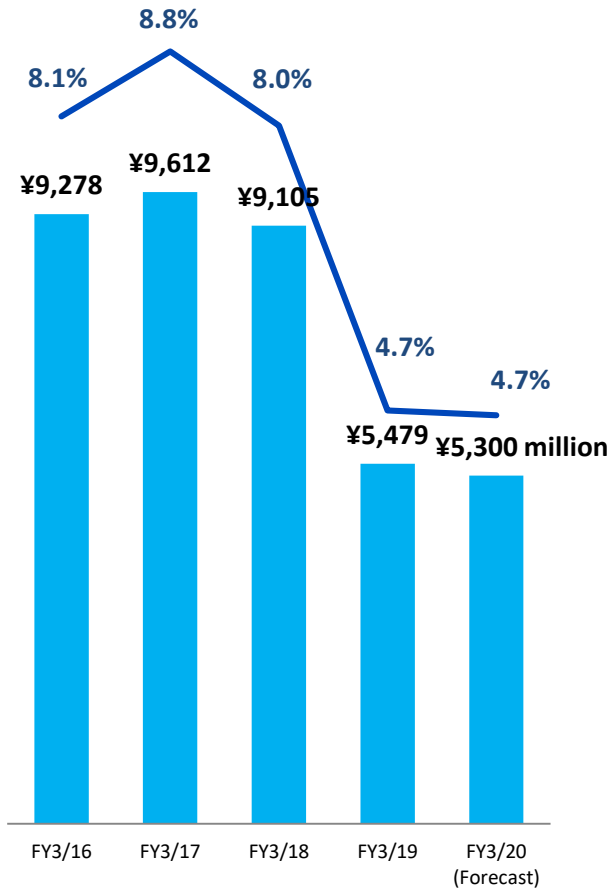
Growth

Net Sales



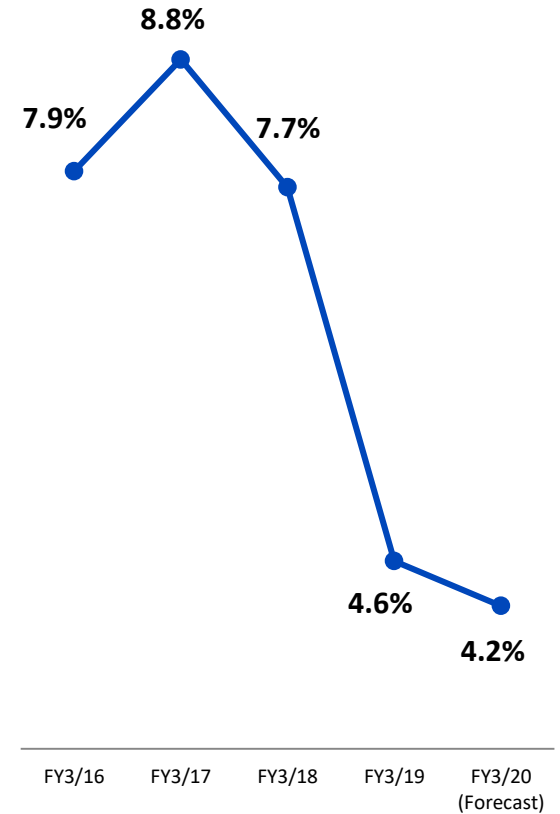
Margin

Operating Profit / Operating Margin



Return

Ordinary Profit to Total Assets



Summary of Business Operations

1H FY3/20
JSP Corporation

A Global Supplier for Global Society

Item (Million yen)	1H FY3/19 Results	1H FY3/20 Forecast (Announced Jul. 30, 2019)	1H FY3/20 Results	YoY Comparison	vs. Forecast
Net sales	57,450	59,000	56,308	-2.0%	-4.6%
Operating profit	2,801	3,500	2,474	-11.7%	-29.3%
Ordinary profit	2,999	3,600	2,474	-17.5%	-31.3%
Profit attributable to owners of parent	2,350	2,760	1,917	-18.4%	-30.5%

● Forex: 1H FY3/20: JPY110.0/USD JPY124.1/EUR (1H FY3/19: JPY108.5/USD JPY130.7/EUR)

● Dubai crude oil: 1H FY3/20: USD64.2/BL (1H FY3/19: USD73.0/BL)

● Economic climate: US –Economy was supported by low unemployment and consumer spending, but manufacturing output and capital expenditures weakened; Europe–Employment statistics continued to improve, but economic growth slowed due to weak exports and other reasons; Asia–Economic growth was sluggish due to the impact of the US-China trade war; Japan–Economy recovered moderately due to the continuation of an upturn in consumer spending as the employment picture improved. But there was a sense of stagnation as a result of the slowdown in external demand

Net sales: Down 2.0% mainly due to sluggish demand in some sectors

Operating profit: Down 11.7% caused by sluggish demand and an increase in fixed expenses associated with the construction of a production system for new sources of demand

5 Extrusion Business

1H FY3/20

JSP Corporation

A Global Supplier for Global Society

Item (Million yen)	1H FY3/19 Results	1H FY3/20 Results	YoY Comparison
Net sales	20,054	19,448	-3.0%
Operating profit	1,150	1,022	-11.2%

Sales decreased because of lower sales in some sectors and earnings decreased because of higher fixed expenses for value-added products

Food packaging materials and food containers



STYRENPAPER™
MIRABOARD™

- Lower sales of materials used for food trays and advertising displays

Industrial packaging materials



MIRAMAT®
CAPLON™
P-BOARD™

- Strong sales of value-added products
- Sales decreased due to lower sales of general-purpose products

Home and building insulation materials and civil engineering materials



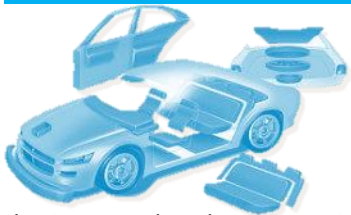
MIRAFOAM™

- Strong sales of high-performance thermal insulation products and parts pre-cut for fabrication in the building construction market
- Lower sales of materials used for civil engineering applications
- Sales were roughly unchanged from a year earlier

Item (Million yen)	1H FY3/19 Results	1H FY3/20 Results	YoY Comparison
Net sales	34,286	33,987	-0.9%
Operating profit	2,028	1,945	-4.1%

Sales decreased because of lower demand in some sectors and earnings decreased mainly due to higher fixed expenses for making products for new sources of demand

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 a diverse array of applications
- Japan: Sales of materials used in automotive parts remained strong
- North America: Weak sales of materials used in automotive parts, flat cushioning materials, cushioning and packaging materials for returnable containers and other products
- South America: Sales increased as sales in new agriculture sectors were steady
- Europe: Sales were unchanged from one year earlier due to slowing economic growth
- Asia: Sales increased despite the negative impact of the US-China trade war

Expandable polystyrene, hybrid molded products



STYRODIA®
HEATPOR®
CLEARPOR®
FOAMCORE™

- Sales of STYRODIA® decreased due to lower demand in the fisheries and agricultural sectors
- Sales of FOAMCORE™ increased due to higher demand

Item (Million yen)	1H FY3/19 Results	1H FY3/20 Results	YoY Comparison
Net sales	3,109	2,872	-7.6%
Operating profit	64	46	-26.9%

Sales and earnings decreased because of lower sales in Japan

General packaging materials in Japan

- Sales in Japan decreased mainly due to lower sales in the automotive parts sectors



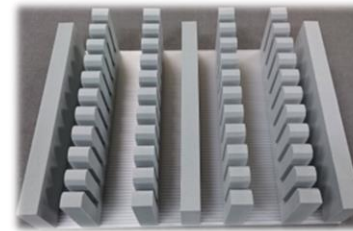
Trays for auto parts



Cushioning materials for digital home appliances

General packaging materials in China

- Sales in China increased due to receipt of packaging material orders for many types of components



Material for transporting auto parts



Cushioning materials for optical parts

1. 1H FY3/20 Summary of Business Operations
- 2. FY3/20 Outlook**
3. 1H FY3/20 Supplementary Financial Information
4. Pipeline Products

Summary of Business Operations

FY3/20 Outlook
JSP Corporation

A Global Supplier for Global Society

Item (Million yen)	FY3/19	FY3/20			YoY Comparison
	Results	1H Results	2H Forecast	Outlook (Initial)	
Net sales	116,133	56,308	57,392	113,700	-2.1%
Operating profit	5,479	2,474	2,826	5,300	-3.3%
Ordinary profit	5,835	2,474	2,926	5,400	-7.5%
Profit attributable to owners of parent	4,309	1,917	2,283	4,200	-2.5%

- Exchange rates: JPY108.9/USD (1H: JPY110.0/USD, 2H: JPY107.9/USD)
JPY121.3/EUR (1H: JPY124.1/EUR, 2H: JPY118.5/EUR)
- Dubai crude oil: USD62.0/BL (1H: USD64.0/BL, 2H: USD60.0/BL)
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Estimated year-end dividend ¥25)

10 Segment Information

FY3/20 Outlook
JSP Corporation
 A Global Supplier for Global Society

Item (Million yen)	Segment	FY3/20 Initial forecast (Jul. 30, 2019)	FY3/20 Outlook (Oct. 29, 2019)	Difference
Net sales	Extrusion Business	42,560	40,330	-2,230
	Bead Business	70,590	67,510	-3,080
	Other	6,250	5,860	-390
	Total	119,400	113,700	-5,700
Operating profit	Extrusion Business	2,783	2,431	-352
	Bead Business	5,270	3,852	-1,418
	Other	199	110	-89
	Corporate and eliminations	(1,052)	(1,093)	-41
	Total	7,200	5,300	-1,900

Item (Million yen)	FY3/19	FY3/20			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	41,388	19,448	20,882	40,330	-2.6%
Operating profit	2,468	1,022	1,409	2,431	-1.5%

Focusing on sales of value-added products and promotion of product differentiation

Food packaging materials and food containers



Heat-resistant polystyrene paper



MIRABOARD™

- Offsetting decline in demand by increasing sales of heat-resistant food containers and functional containers

Industrial packaging materials



MIRAMAT®
CAPLON™
P-BOARD™

- Increasing sales of cushioning materials for transportation of LCD TV substrates
- Continue to step up global sales activities
- Use differentiation products to target new markets

Home insulation materials and civil engineering materials



MIRAFOAM™



J Wall Block

- Meet the increasing need for high-performance thermal insulation materials
- Increasing sales of J Wall Block
- Upgrade high-performance thermal insulation technology

Item (Million yen)	FY3/19	FY3/20			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	68,449	33,987	33,523	67,510	-1.4%
Operating profit	3,782	1,945	1,907	3,852	+1.9%

More new applications for EPP and increasing sales of EPS functional materials

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



ARPRO®/P-BLOCK™

- Forecast higher sales volume in FY3/20 because of the use of this material in more types of automotive parts
- In North America, forecast a decrease in sales because of lower automobile production and the General Motors strike



ELEMPOR™NEO

Expandable polystyrene, hybrid molded products



STYRODIA®



CLEARPOR®



HEATPOR®

- Remaining profitable as higher pct. of functional products offsets decline in demand
- Maintain the spread

● JSP's strategy for growth

The growth strategy has two components. First is continuing to improve efficiency by focusing resources on strategic activities. In particular, resources will be channeled to the four growth engines, which include the enlargement of business domains. Second is aiming for stable and sustained growth with the proper balance between offensive and defensive activities.

The Four Growth Engines



● Automotive parts

Volume-based growth
vs. FY3/18

+27%

Increase in demand for seat cores as automakers reduce vehicle weight

+5%



● Thermal insulation materials for buildings and houses

Volume-based growth
vs. FY3/18

+18%

Increase in demand for MIRAFOAM™ (high-performance thermal insulation) due to mandatory energy-saving requirements in Japan starting in 2020

+8%



● Flat panel display cushioning materials

Volume-based growth
vs. FY3/18

+15%

Larger TV screens
LCD panels
Organic EL panels

+13%



● New business domains

New business sales
(FY3/21 plan)

¥3.0 billion

Establish capability for M&A deals with a tight focus on themes with the greatest potential
(expected to be completed in FY3/20)

Development of Styro-Cemen

1. 1H FY3/20 Summary of Business Operations
2. FY3/20 Outlook
- 3. 1H FY3/20 Supplementary Financial Information**
4. Pipeline Products

15 Results of Operations

1H FY3/20 Supplementary
Financial Information
JSP Corporation
A Global Supplier for Global Society

(Percentages represent year-on-year changes)

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
1H FY3/20	56,308 (-2.0%)	2,474 (-11.7%)	2,474 (-17.5%)	1,917 (-18.4%)
1H FY3/19	57,450 (+1.1%)	2,801 (-43.7%)	2,999 (-39.5%)	2,350 (-34.6%)

Comprehensive income: 1H FY3/20: ¥548 million 1H FY3/19: ¥195 million

(Million yen)	Net income per share (Yen)	Operating profit to net sales
1H FY3/20	64.32	4.4%
1H FY3/19	78.86	4.9%

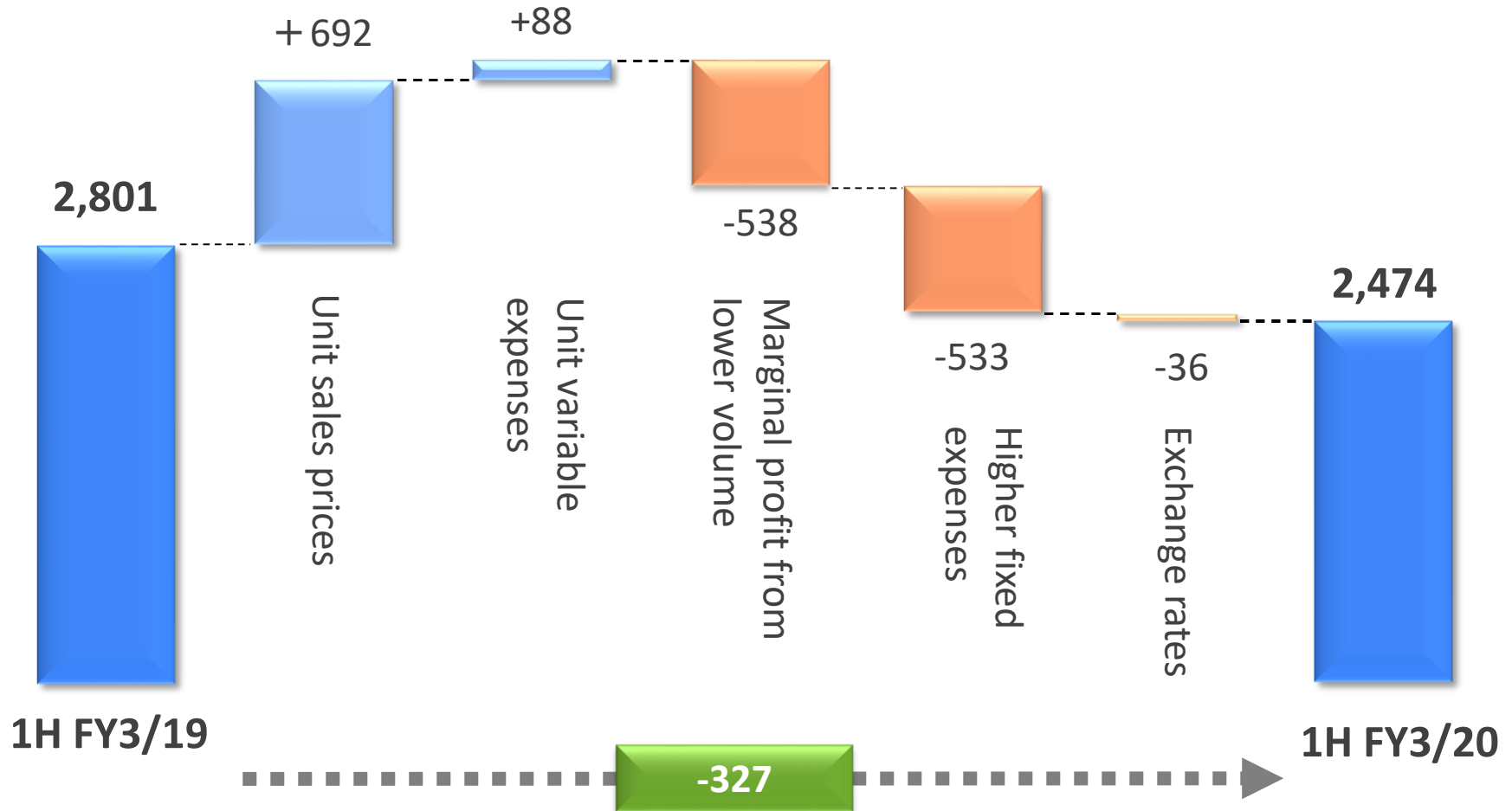
Major yen exchange rates (January-June)

Currencies	USD	EUR	RMB
1H of 2019	110.0	124.1	16.2
1H of 2018	108.5	130.7	17.0
YoY Comparison	101.3%	95.0%	95.3%

Components of Change in Operating Profit

1H FY3/20 Supplementary
Financial Information
JSP Corporation
A Global Supplier for Global Society

(Million yen)



Difference in profit is calculated using the exchange rate of the results in FY3/19.

Non-operating Income/Expenses Extraordinary Income/Loss

1H FY3/20 Supplementary
Financial Information
JSP Corporation
A Global Supplier for Global Society

Non-operating Income/Expenses

Account (Million yen)	1H FY3/19	1H FY3/20
Interest income	104	114
Other	228	128
Total non-operating income	333	242
Interest expenses	75	99
Foreign exchange losses	7	86
Equity in losses of affiliates	7	0
Other	45	56
Total non-operating expenses	135	242

Extraordinary Income/Loss

Account (Million yen)	1H FY3/19	1H FY3/20
Gain on sales of non-current assets	12	10
Total extraordinary income	12	10
Loss on sales of non-current assets	0	3
Loss on retirement of non-current assets	34	16
Total extraordinary losses	35	19

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Sep. 30, 2019	127,738	83,944	62.9%	2,694.20
As of Mar. 31, 2019	129,229	84,141	62.1%	2,691.76

Reference: Shareholders' equity: As of Sep. 30, 2019: ¥80,311 million
As of Mar. 31, 2019: ¥80,239 million

Major yen exchange rates

Currencies	USD	EUR	RMB
As of Jun. 30, 2019	107.8	122.5	15.7
As of Dec. 31, 2018	111.0	126.9	16.1
YoY Comparison	97.1%	96.5%	97.1%

Balance Sheet

1H FY3/20 Supplementary
Financial Information
JSP Corporation
A Global Supplier for Global Society

Account (Million yen)		As of Mar. 31, 2019	As of Sep. 30, 2019	Change
Assets	Current assets	66,830	61,190	(5,639)
	Non-current assets	62,399	66,547	4,147
Total assets		129,229	127,738	(1,491)
Liabilities	Current liabilities	34,344	32,091	(2,253)
	Non-current liabilities	10,744	11,702	958
	Total liabilities	45,088	43,793	(1,294)
Net assets	Shareholders' equity	81,553	82,725	1,171
	Total accumulated other comprehensive income	(1,313)	(2,413)	(1,099)
	Non-controlling interests	3,901	3,632	(269)
	Total net assets	84,141	83,944	(197)
Total liabilities and net assets		129,229	127,738	(1,491)

Account (Million yen)		As of Mar. 31, 2019	As of Sep. 30, 2019	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,441	13,441	-
	Retained earnings	59,370	60,542	1,172
	Treasury shares	(1,386)	(1,387)	(221)
	Total	81,553	82,725	1,171
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	233	331	98
	Foreign currency translation adjustment	(2,505)	(3,701)	(1,195)
	Remeasurements of defined benefit plans	958	956	(2)
	Total	(1,313)	(2,413)	(1,099)
Non-controlling interests		3,901	3,632	(269)
Total net assets		84,141	83,944	(197)

Cash Flows

Capital expenditures, Depreciation, R&D expenses

1H FY3/20 Supplementary
Financial Information
JSP Corporation
A Global Supplier for Global Society

Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
1H FY3/20	4,520	(6,599)	287	7,065
1H FY3/19	3,286	(5,297)	943	9,358

Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
1H FY3/20	6,482	3,136	1,153
1H FY3/19	5,717	2,715	1,052

Note: Capital expenditures are on a cash basis.

1. 1H FY3/20 Summary of Business Operations
2. FY3/20 Outlook
3. 1H FY3/20 Supplementary Financial Information
- 4. Pipeline Products**

Styro-Cemen – A light and inflammable panel for building



Features

- A light material that is inflammable and has outstanding heat barrier function thermal insulation
 - Lower building weight can improve earthquake resistance and make construction more labor efficient
 - Lighter weight cuts the cost of construction by speeding up construction processes and requiring fewer workers
 - Thermal insulation properties can reduce a building's energy consumption
- Combines expanded polystyrene and an inorganic material
 - Can be used in multi-story wood-frame buildings
 - Plan to commercialize this material as quickly as possible

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