

Results of Operations for the Fiscal Year Ended March 31, 2022 (FY3/22)

A Global Company for A Global Society

JSP Corporation

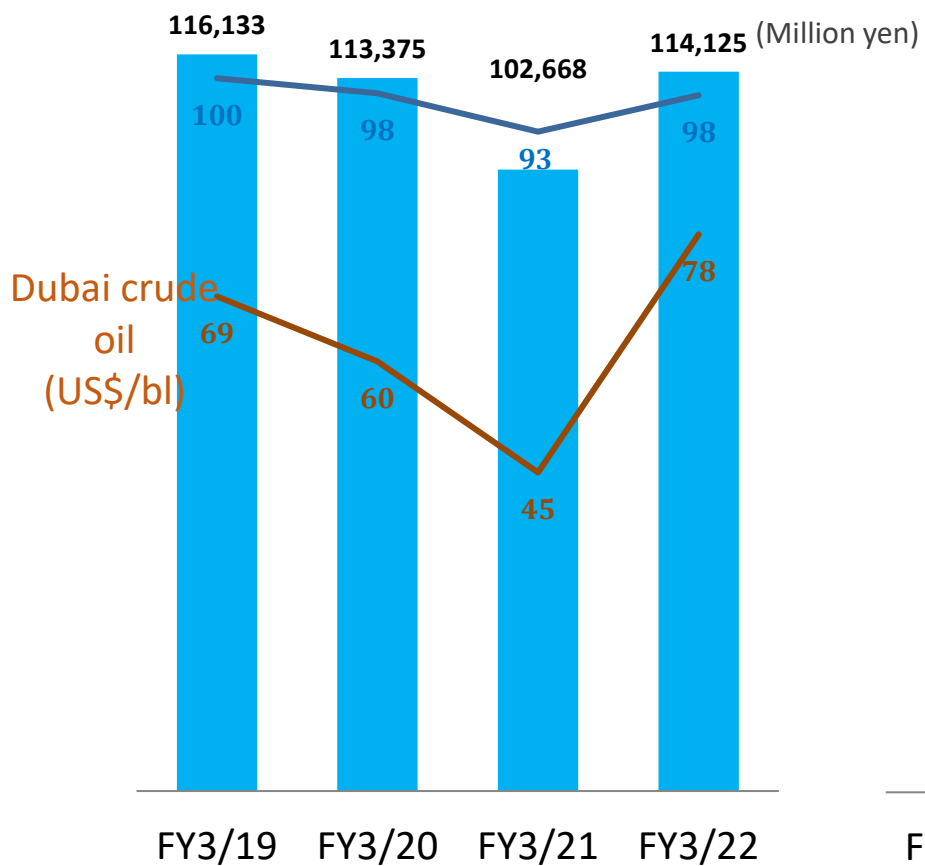


- 1. FY3/22 Summary of Business Operations**
2. FY3/22 Supplementary Financial Information
3. FY3/23 Outlook
4. Our Commitment to Sustainability Management

Financial Highlights

Growth

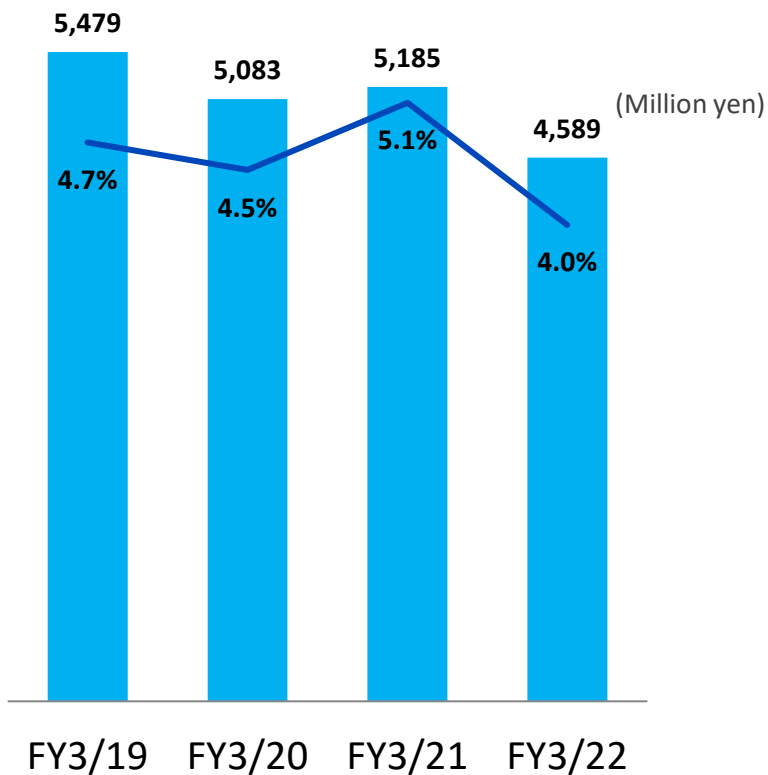
Net Sales / Sales Volume



Sales Volume FY3/19=100

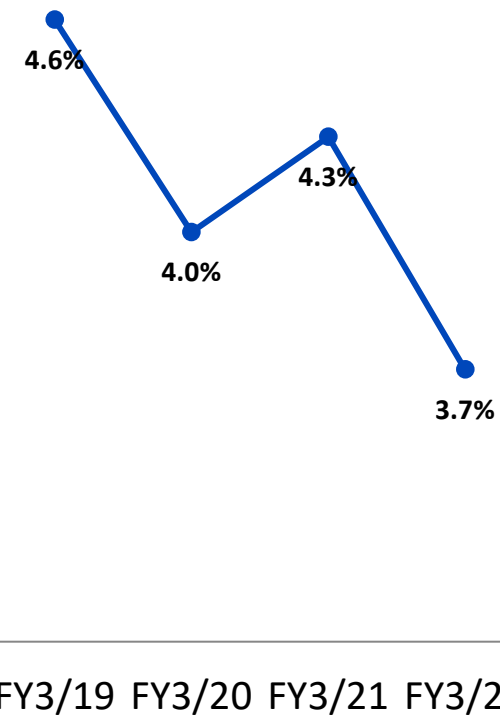
Margin

Operating Profit / Operating Margin



Return

Ordinary Profit to Total Assets



Summary of Business Operations

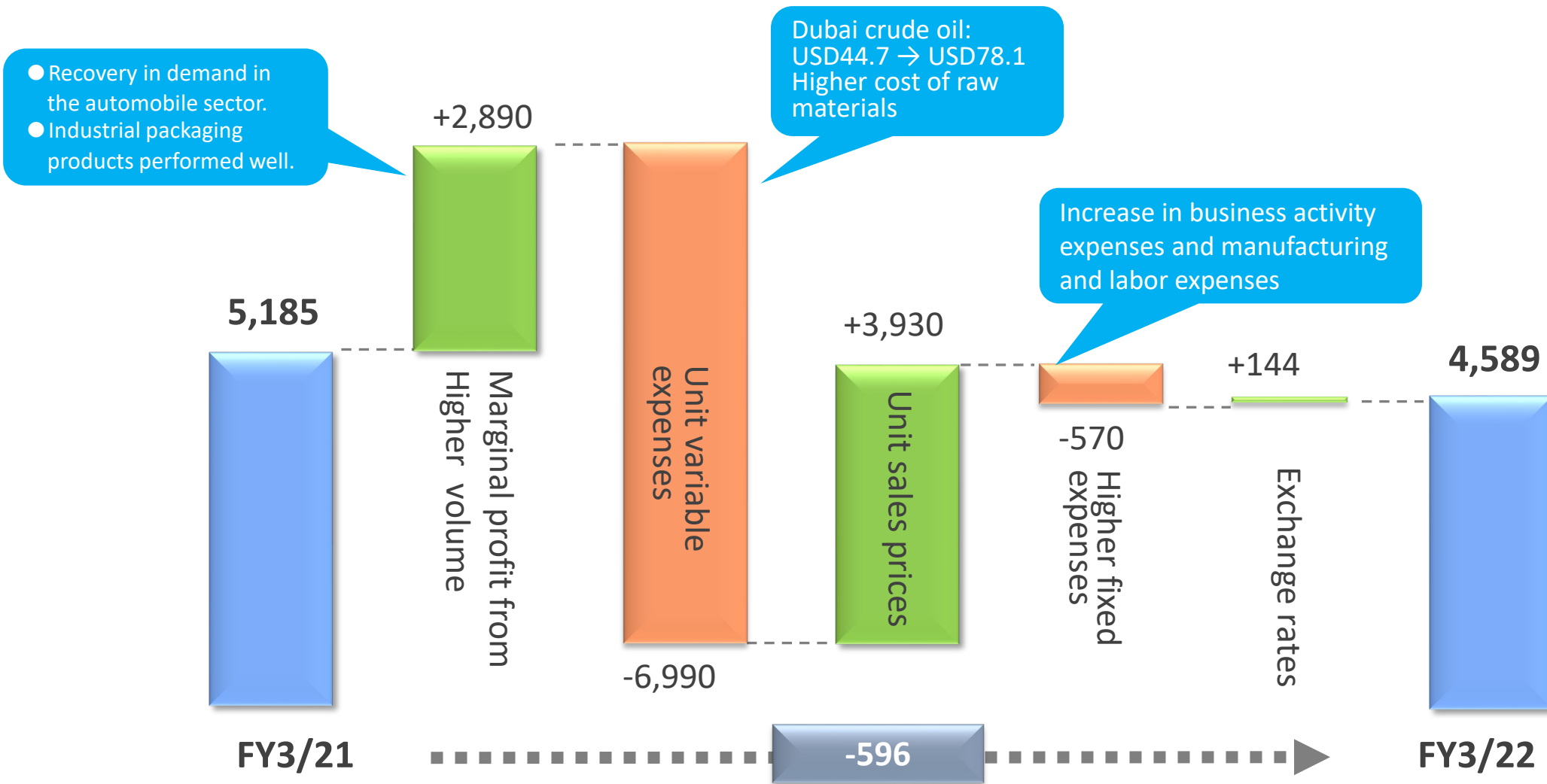
Item (Million yen)	FY3/21 Results	FY3/22 Forecast <small>(Announced Jan. 31, 2022)</small>	FY3/22 Results	YoY Comparison	vs. Forecast
Net sales	102,668	113,000	114,125	+11.2%	+1.0%
Operating profit	5,185	4,700	4,589	-11.5%	-2.4%
Ordinary profit	5,519	4,900	4,868	-11.8%	-0.7%
Profit attributable to owners of parent	3,017	3,200	2,893	-4.1%	-9.6%

	FY3/21	FY3/22
Dubai crude oil (US\$/bl)	44.7	78.1
Forex (JPY/USD)	106.4	110.4
Forex (JPY/EUR)	122.0	130.4

- Global economy: Economies recovered, mainly consumer spending, as restrictions on economic activity were reduced. Recovery was slow due to another wave of the pandemic caused by variants, shortages of semiconductors and other parts, and the high cost of raw materials.
- Foamed plastics industry in Japan: Slow recovery in demand as demand backed by the need to stay home during the pandemic continues.
- Net sales: Up 11.2% as sales of value-added products increased and product prices were revised.
- Operating profit: Down 11.5% due to the impact of rising prices of raw materials.

1 FY3/22 Summary of Business Operations

Components of Change in Operating Profit



Extrusion Business

Item (Million yen)	FY3/21 Results	FY3/22 Results	YoY Comparison
Net sales	37,595	39,076	+3.9%
Operating profit	2,576	2,782	+8.0%

Sales increased due to higher sales of value-added products and price revisions and earnings increased due to higher sales

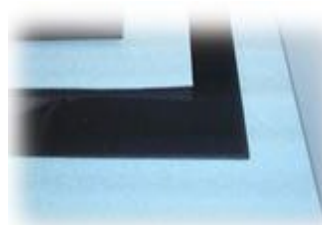
Food packaging materials and food containers



**STYRENEPAPER
MIRABOARD**

- Higher sales of MIRABOARD
- In the food tray category, sales down from one year earlier when sales temporarily surged
- Sales increased partly due to price revisions

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- A big increase in sales of value-added industrial packaging products
- Higher sales of general-purpose products

Home and building insulation materials and civil engineering materials



MIRAFOAM

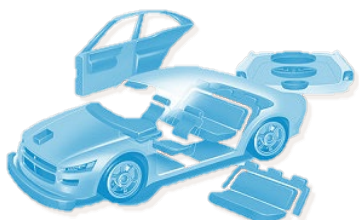
- Sales of materials in the building and home construction sectors were unchanged from one year earlier
- Lower sales of materials used for civil engineering applications

Bead Business

Item (Million yen)	FY3/21 Results	FY3/22 Results	YoY Comparison
Net sales	59,893	68,513	+14.4%
Operating profit	3,550	2,620	-26.2%

Sales increased because of recovery in demand in the automobile and other sectors
Earnings decreased due to higher cost of raw materials

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



**ARPRO/P-BLOCK
ELEMPOR NEO**



- Demand for ARPRO/P-BLOCK slowly recovered
- Japan: Sales to the automobile sector increased
- North America: Sales slowly increased as automakers reduce output
- Europe: Sales in the automobile sector and other categories increased

Expandable polystyrene, hybrid molded products



**STYRODIA
HEATPOR
CLEARPOR
FOAMCORE**

- STYRODIA sales volume down because of lower demand in the fisheries and agriculture sectors but monetary sales increased because of product price revisions
- Demand for FOAMCORE, a hybrid molded product, recovered.

Other

Item (Million yen)	FY3/21 Results	FY3/22 Results	YoY Comparison
Net sales	5,179	6,536	+26.2%
Operating profit	96	212	+119.9%

Sales of general packaging materials recovered in Japan
Demand were firm in China

General packaging materials in Japan



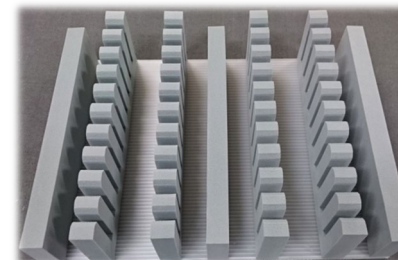
Trays for auto parts



Cushioning materials for digital home appliances

- Sales increased in Japan as sales in the automotive parts transportation and other market sectors recovered

General packaging materials in China



Material for transporting auto parts



Cushioning materials for optical parts

- Strong demand for packaging materials for many types of components resulted in higher sales in China

Progress Report on the Four Drivers of Growth



Automotive parts
*1



**Thermal insulation materials for
buildings and houses**
*2



**Flat panel display cushioning
materials**



New business domains

FY3/24 Goals (Volume-based growth vs. FY3/20)	<p style="text-align: center;">+23%</p> <p>Increasing demand linked to lighter vehicles Next-generation products to meet energy conservation and recycling requirements</p>	<p style="text-align: center;">+12%</p> <p>Increasing need for energy-efficient houses Growing demand for high-performance insulation</p>	<p style="text-align: center;">+20%</p> <p>Increasing demand involving LCD/organic EL panels, PCs and other products Planning on growth outside Japan</p>	<p style="text-align: center;">Net sales: ¥3.0 billion</p> <p>More progress with new businesses, M&A and commercializing current new business ideas with good prospects for success</p>
FY3/22 Results (Volume-based growth vs. FY3/20)	<p style="text-align: center;">+2%</p> <p>Auto output recovered but was only 87% of the 2019 level Challenges due to the pandemic and shortages of semiconductors and other parts</p>	<p style="text-align: center;">-7%</p> <p>Affected by the shortage of home appliances and other equipment caused by shortages of semiconductors and other parts</p>	<p style="text-align: center;">+33%</p> <p>Increase in demand for PCs, displays and other digital devices High volume of shipments to China</p>	<p style="text-align: center;">Net sales: ¥0.1 billion</p> <p>Started an extrusion mold business by purchasing 35% of the equity of Ghepi (Italy)</p>

*1 Sales volume of the expanded polypropylene (EPP) business

*2 Sales volume of the construction and civil engineering business

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Results of Operations

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY3/22	114,125 (11.2%)	4,589 (-11.5%)	4,868 (-11.8%)	2,893 (-4.1%)
FY3/21	102,668 (-9.4%)	5,185 (2.0%)	5,519 (5.9%)	3,017 (-17.1%)

Comprehensive income: FY3/22: ¥6,029 million FY3/21: ¥2,594 million

	Net income per share (Yen)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
FY3/22	97.06	3.4%	3.7%	4.0%
FY3/21	101.22	3.7%	4.3%	5.1%

Major yen exchange rates (January-December)

Currencies	US\$	€	RMB
FY3/22	110.38	130.36	17.12
FY3/21	106.43	121.98	15.41
YoY Comparison	103.7%	106.9%	111.1%

Non-operating Income/Expenses Extraordinary Income/Loss

Non-operating Income/Expenses

Account (Million yen)	FY3/21	FY3/22
Interest income	161	142
Subsidy income	177	77
Other	350	345
Total non-operating income	689	565
Interest expenses	144	111
Foreign exchange losses	128	27
Other	81	147
Total non-operating expenses	354	286

*1 Part of insurance payment for fire damage at the subsidiary in Korea

*2 Recovered part of the money stolen from a JSP Group company in Europe

*3 Impairment of machinery, buildings and other assets at two subsidiaries in Japan and one in North America

*4 Loss due to a fire at the subsidiary in Korea

Extraordinary Income/Loss

Account (Million yen)	FY3/21	FY3/22
Gain on sales of non-current assets	9	34
Insurance claim income	-	70^{*1}
Gain on sale and collection of money transfer scam at subsidiary	-	19^{*2}
Total extraordinary income	9	124
Loss on sales of non-current assets	6	53
Loss on retirement of non-current assets	97	137
Impairment losses	-	522^{*3}
Loss on liquidation of subsidiaries	242	-
Loss from money transfer scam at subsidiary	984	-
Loss on fire	-	128^{*4}
Total extraordinary losses	1,332	842

Financial Position

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2022	134,527	90,231	63.9%	2,884.93
As of Mar. 31, 2021	129,053	85,561	63.9%	2,767.26

Reference: Shareholders' equity: As of Mar. 31, 2022: ¥85,995 million
As of Mar. 31, 2021: ¥82,488 million

(Million yen)	Cash and deposits	Short-term borrowings*	Long-term borrowings	Total borrowings
As of Mar. 31, 2022	16,183	12,008	7,870	19,878
As of Mar. 31, 2021	17,400	11,673	8,680	20,353

Major yen exchange rates

Currencies	US\$	€	RMB
As of Mar. 31, 2022	115.01	130.55	18.06
As of Mar. 31, 2021	103.48	126.97	15.87
YoY Comparison	111.1%	102.8%	113.8%

*Including current portion of long-term borrowings

Balance Sheet

Account (Million yen)		As of Mar. 31, 2021	As of Mar. 31, 2022	Change
Assets	Current assets	62,456	68,503	6,046
	Non-current assets	66,597	66,024	(573)
Total assets		129,053	134,527	5,473
Liabilities	Current liabilities	31,275	33,098	1,822
	Non-current liabilities	12,216	11,197	(1,018)
	Total liabilities	43,492	44,295	803
Net assets	Shareholders' equity	85,191	85,726	534
	Accumulated other comprehensive income	(2,703)	268	2,971
	Non-controlling interests	3,072	4,236	1,163
	Total net assets	85,561	90,231	4,670
Total liabilities and net assets		129,053	134,527	5,473

Net Assets

Account (Million yen)		As of Mar. 31, 2021	As of Mar. 31, 2022	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,405	13,405	-
	Retained earnings	63,045	63,580	535
	Treasury shares	(1,387)	(1,388)	(0)
	Total	85,191	85,726	534
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	527	346	(181)
	Foreign currency translation adjustment	(4,182)	(810)	3,372
	Remeasurements of defined benefit plans	952	732	(219)
	Total	(2,703)	268	2,971
Non-controlling interests		3,072	4,236	1,163
Total net assets		85,561	90,231	4,670

Cash Flows, Capital Expenditures, Depreciation, R&D Expenses

Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
FY3/22	5,972	(5,888)	(2,565)	10,520
FY3/21	12,211	(5,174)	(2,266)	12,278

Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
FY3/22	5,658	6,832	2,183
FY3/21	5,668	6,608	2,246

Note: Capital expenditures are on a cash basis.

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Summary of Business Operations

Item (Million yen)	FY3/22 Results	FY3/23 Outlook	YoY Comparison
Net sales	114,125	128,000	+12.2%
Operating profit	4,589	4,300	-6.3%
Ordinary profit	4,868	4,500	-7.6%
Profit attributable to owners of parent	2,893	3,100	7.2%

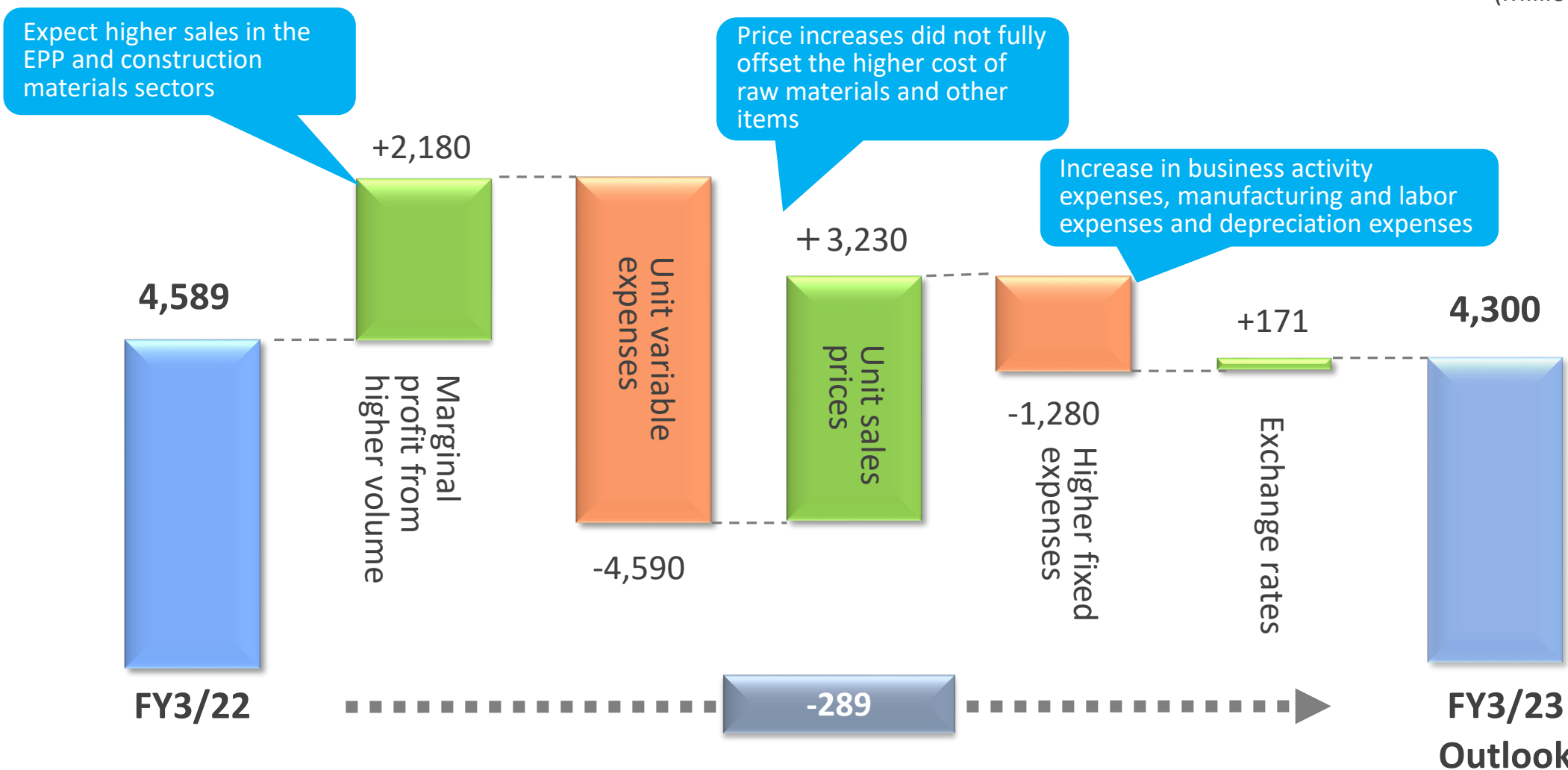
		FY3/22	FY3/23 Outlook
Dubai crude oil (US\$/bbl)	April to March	78.1	110
Forex (JPY/USD)	January to December	110.4	120
Forex (JPY/EUR)	January to December	130.4	130

● Assumptions:

- (1) Uncertain outlook concerning the end of problems caused by the high cost of raw materials due to increasing geopolitical risk and by supply chain disruptions
 - (2) Increasing uncertainty because of lockdowns in China and other events
 - (3) Economic recovery as countries worldwide reduce restrictions on various activities
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Estimated year-end dividend ¥25)

Components of Change in Operating Profit

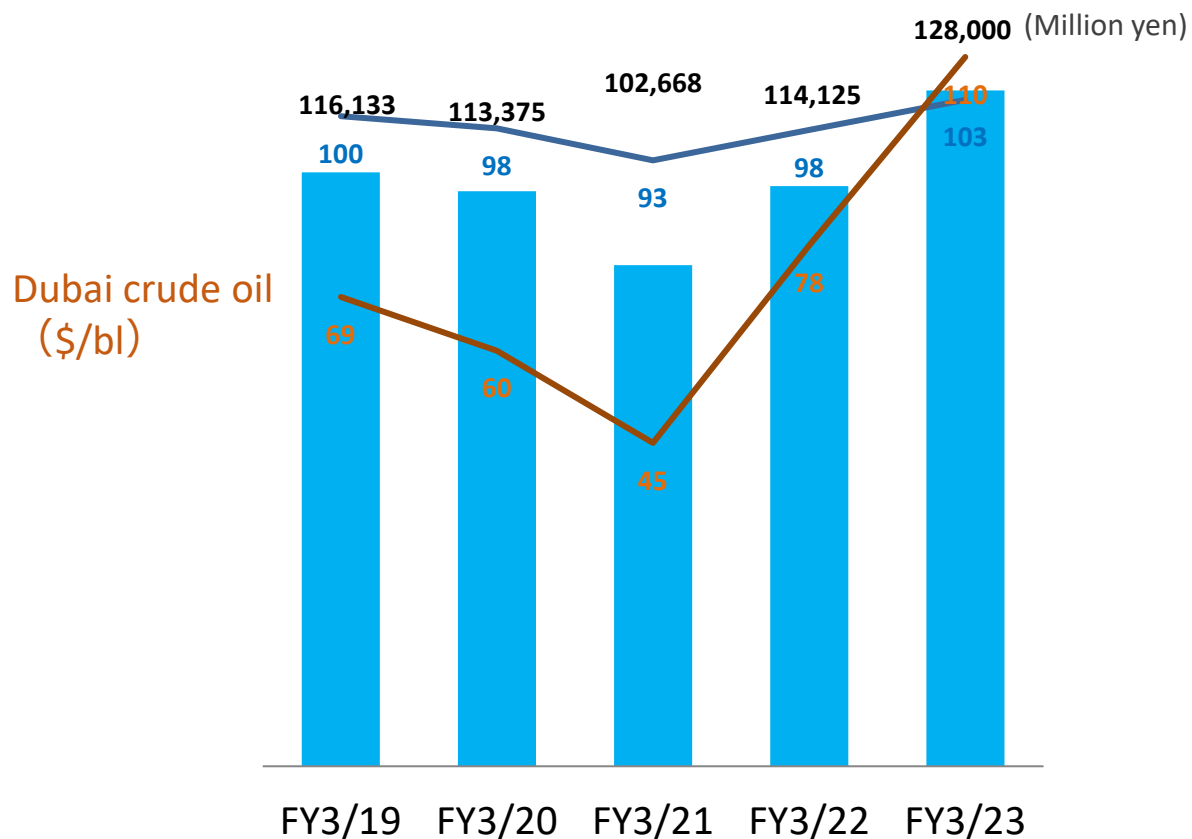
(Million yen)



5-year Financial Summary

Growth

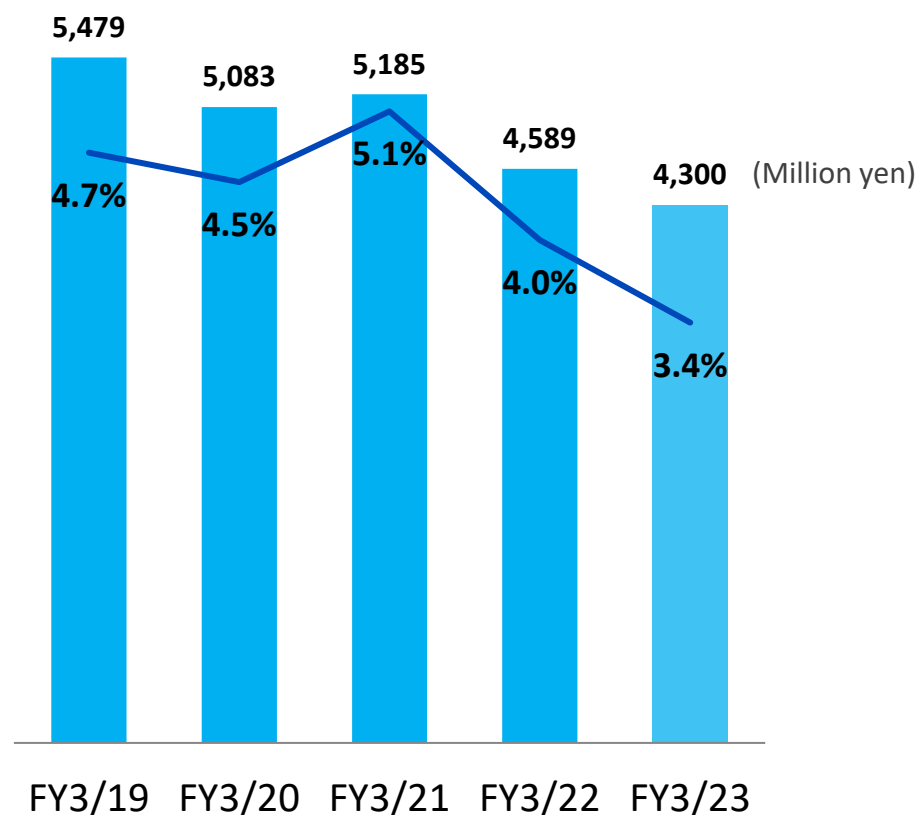
Net Sales / Sales Volume



Sales volume: FY3/19 = 100

Margin

Operating Profit / Operating Margin



Extrusion Business

Item (Million yen)	FY3/22 Results	FY3/23 Outlook	YoY Comparison
Net sales	39,076	41,500	+6.2%
Operating profit	2,782	2,100	-24.5%

Increase in sales because of higher sales volume and price revisions
 Lower earnings because of the impact of higher cost of raw materials

Food packaging materials and food containers



STYRENEPAPER



MIRABOARD

- Forecast sales growth as environmentally responsible products increase demand

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- Demand is expected to remain strong for flat panel display cushioning materials

Home insulation materials and civil engineering materials



MIRAFOAM



J-WALLBLOCK

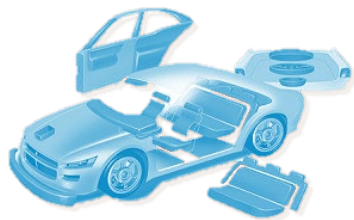
- Concerns about a downturn in consumer sentiment about buying a home caused by the high price of building materials
- Forecast an increase in demand for energy-efficient housing

Bead Business

Item (Million yen)	FY3/22 Results	FY3/23 Outlook	YoY Comparison
Net sales	68,513	80,500	+17.5%
Operating profit	2,620	3,200	+22.1%

Higher sales due to the recovery of sales and the revision of product prices
Higher earnings because of higher sales and price revisions

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



ARPRO/P-BLOCK



ELEMPOR NEO

- Shortages of semiconductors and other parts are continuing to hold down automobile output
- Forecast higher sales as economies recover from the pandemic downturn

Expandable polystyrene, hybrid molded products



STYRODIA



CLEARPOR



HEATPOR

- STYRODIA and others: Expect higher sales due to an increase in demand for functional bead products

Business Segment Outlook, Capital Expenditures, Depreciation

Segment (Million yen)	FY3/22 Results		FY3/23 Outlook		YoY Comparison	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	39,076	2,782	41,500	2,100	2,424	(682)
Bead Business	68,513	2,620	80,500	3,200	11,987	580
Other	6,536	212	6,000	100	(536)	(112)
Adjustments	-	(1,026)	-	(1,100)	-	(74)
Total	114,125	4,589	128,000	4,300	13,875	(289)

- Capital expenditures: ¥7,800 million
- Depreciation: ¥7,000 million (vs. FY3/22: up approx. ¥200 million)

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Our Commitment to Sustainability Management

Determination of materiality and TCFD compliance

- ◆ Determined materiality at the JSP Group
- ◆ Announced agreement with the Task Force on Climate-Related Financial Disclosures (TCFD) framework to enhance the disclosure of information concerning climate change

◆ Planned activities

As a company listed on the Prime Market, JSP is making preparations for the disclosure of goals for reducing greenhouse gas emissions. This is an activity involving climate change and is based on the TCFD framework.

The goal is to use sustainability management to achieve consistent growth along with the creation of social value.



Our Commitment to Sustainability Management

ARPRO/P-BLOCK transformation strategy

- ◆ Contribute to energy conservation and environmental protection through sales of products that reduce GHG emissions
- ◆ Obtained Type III Ecolabel (EPD) certification
- ◆ Promote recycling of product materials
- ◆ Promote the development of products and production technologies that contribute to reducing the environmental load over the lifetime of products

ARPRO

EPD[®]

ARPRO/P-BLOCK obtained Type III Ecolabel certification (Quantitative environmental data over the lifetime of a product). The company now discloses environmental emission data for this product.

ARPRO
REVOLUTION

Develop products using virtually 100% recycled materials.



ARPRO RE OCEAN: A thermal insulation box made from recycled marine waste.

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

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