



July 31, 2023

**SUMMARY OF FINANCIAL STATEMENTS (Consolidated)**  
**First Quarter Results for the Fiscal Year Ending March 31, 2024**

**[Japanese GAAP]**

Name of listed company: **JSP Corporation** Stock Exchange Listed: Tokyo Stock Exchange  
 URL: <https://www.co-jsp.co.jp/english/> Code Number: **7942**  
 Representative: Tomohiko Okubo, President, Representative Director  
 Contact person: Yasushi Komori, Director, Executive Officer,  
 General Manager, Accounting Department, Finance & Accounting Division  
 Phone: +81-3-6212-6306  
 Scheduled date of filing of Quarterly Report: August 8, 2023  
 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 31, 2023 at 15:00 (GMT +9).

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

**1. First Quarter Results (April 1, 2023 to June 30, 2023) for the Fiscal Year Ending March 31, 2024**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2023	32,049	3.5	1,271	66.4	1,488	37.8	1,119	46.6
Three months ended Jun. 30, 2022	30,977	14.8	764	(51.3)	1,080	(30.7)	763	(30.3)

Note: Comprehensive income: Three months ended Jun. 30, 2023: 2,026 million yen (down 44.3%)  
 Three months ended Jun. 30, 2022: 3,639 million yen (up 27.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2023	37.56	-
Three months ended Jun. 30, 2022	25.63	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2023	141,802	97,404	65.6	3,121.36
As of Mar. 31, 2023	144,528	96,123	63.5	3,076.73

Reference: Shareholders' equity: As of Jun. 30, 2023: 93,041 million yen As of Mar. 31, 2023: 91,711 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, 2023	-	25.00	-	25.00	50.00
Fiscal year ending Mar. 31, 2024	-				
Fiscal year ending Mar. 31, 2024 (forecasts)		25.00	-	25.00	50.00

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

**3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2024**

(April 1, 2023 to March 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	67,000	4.3	3,000	113.6	3,200	72.0	2,400	74.0	80.51
Full year	135,000	2.5	5,600	89.4	5,900	75.4	4,300	69.9	144.26

Note: Revisions to the most recently announced consolidated forecast: Yes

Please refer to the press release "Notice on Revision of the Consolidated Financial Forecasts for the Second Quarter and Full Year Ending March 31, 2024" announced today (July 31, 2023).

**\* 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

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

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(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, 2023:	31,413,473 shares	As of Mar. 31, 2023:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2023:	1,605,362 shares	As of Mar. 31, 2023:	1,605,300 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2023:	29,808,163 shares	Three months ended Jun. 30, 2022:	29,808,391 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or an auditing firm.

\* 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 JSP. Actual results may differ significantly from these forecasts for a number of factors. Please refer to the press release "Notice of revisions to the first half and full-year consolidated forecasts for the fiscal year ending March 31, 2024" announced today (July 31, 2023, Japanese version only) for assumptions for forecasts and notes of caution for usage.

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first quarter of the current fiscal year, the influence of the COVID-19 pandemic on economic activity has been gradually alleviating. However, the global economy has been displaying growing indications of slowdown owing to the prolonged situation in Ukraine, escalating resource and energy prices, and the implementation of a monetary tightening policy aimed at curbing inflation. The Japanese economy exhibited a modest upturn, primarily driven by an upswing in personal consumption, among other factors. This improvement was facilitated by the relaxation of pandemic restrictions following the shift of the disease to category 5 under the Infectious Disease Control Law. Nevertheless, the economic outlook remains uncertain due to notable price hikes, sluggish growth in production and exports due to weak overseas demand, as well as fluctuations in financial and capital markets.

The foamed plastics industry in Japan faced serious challenges as the recovery in demand came to a standstill and raw material prices and the cost of utilities increased.

JSP is working to further increase its corporate value by implementing reform strategies aimed at expanding the value we provide for both economic value and social value to our customers and for addressing social issues and fortifying the management base. These goals are the basic concepts underlying the medium-term business plan, “Change for Growth”. We are also placing priority on increasing our corporate value by bolstering profitability and tackling sustainability management challenges.

Sales were higher than one year earlier mainly because of revisions of prices of JSP products. The operating profit increased from one year earlier because of higher sales and reduction in costs.

Net sales in the first quarter were 32,049 million yen, up 3.5% from the same period of the previous fiscal year. Operating profit increased 66.4% to 1,271 million yen, ordinary profit increased 37.8% to 1,488 million yen and profit attributable to owners of parent increased 46.6% to 1,119 million yen.

Results by business segment were as follows.

#### Extrusion Business

Sales of materials for household products, mainly STYRENPAPER, a foamed polystyrene sheet used in food packaging, decreased. This was mainly the result of lower sales volume for STYRENPAPER in the food tray category and for MIRABOARD, a material used for advertising displays.

Sales were lower than the previous fiscal year for industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays. The sales volume of value-added products and general-purpose products decreased.

Sales of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials increased because the sales volume of materials for fabrication in the building construction and housing markets increased, although the sales volume of materials used for civil engineering applications decreased.

Total sales in this segment decreased as the total sales volume decreased despite product price revisions. Earnings decreased because the sales volume of value-added products declined and cost of utilities increased.

As a result, extrusion business sales decreased 0.5% to 10,216 million yen and operating profit decreased 31.2% to 421 million yen.

#### Bead Business

While the sales volume of high-performance products, mainly ARPRO/P-BLOCK, an expanded polypropylene product manufactured and sold worldwide in the non-automotive sector saw robust growth, the sales volume declined due to the impact of the demand in the automotive and packaging material sectors. Monetary sales rebounded thanks to product price revisions and other contributing factors.

In Japan, sales volume of FOAMCORE, a hybrid molding product, remained steady year on year, while the automotive sector witnessed an increase in sales. In North America, sales volume of returnable containers and other products increased, but the automotive sector experienced a decline, maintaining the same level as the same period of the previous fiscal year. In South America, sales volume in the automotive sector increased. In Europe, the sales volume in the HVAC and other sectors was higher, although the sales volume declined in the automotive sector. In Asia, the

sales volume declined in China and in Taiwan where the packaging materials sector performed well in the same period of the previous fiscal year.

Sales of expandable polystyrene bead products, chiefly STYRODIA, increased mainly due to product price revisions, although the sales volume decreased because of lower demand for these products in the fisheries and agriculture sectors.

Total sales in this segment increased because of product price revisions although sales volume was down. Earnings increased due to higher sales and cost reduction, despite the higher cost of utilities and personnel expenses.

As a result, sales in bead business increased 6.5% to 20,383 million yen and operating profit increased 196.5% to 1,112 million yen.

### **Other**

Sales of general packaging materials increased in Japan as higher sales volume in the automotive parts transportation and other market sectors. In China, lower demand for packaging materials for many types of components resulted in lower sales.

As a result, sales in the other segment decreased 7.8% to 1,449 million yen and operating profit decreased 35.9% to 24 million yen.

### **(2) Financial Position**

Total assets as of June 30, 2023 were 141,802 million yen, down 2,726 million yen from March 31, 2023. Current assets decreased 2,924 million yen to 70,898 million yen mainly due to an increase in electronically recorded monetary claims-operating of 699 million yen, while there was a decrease in cash and cash deposits of 3,943 million yen. Non-current assets increased 198 million yen to 70,904 million yen.

Total liabilities as of June 30, 2023 were 44,398 million yen, down 4,006 million yen from March 31, 2023. Current liabilities decreased 2,948 million yen to 33,495 million yen mainly due to a decrease in short-term borrowings of 2,059 million yen. Non-current liabilities decreased 1,058 million yen to 10,902 million yen mainly due to a decrease in long-term borrowings of 890 million yen.

As a result, net assets totaled 97,404 million yen and the shareholders' equity ratio increased 2.1 percentage points to 65.6%.

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

Net cash provided by operating activities totaled 1,581 million yen, an increase of 1,033 million yen from the same period of the previous fiscal year. Inflows included 1,481 million yen from profit before income taxes and 1,792 million yen from depreciation. Outflows included an increase in trade receivables of 799 million yen and a decrease in trade payables of 637 million yen.

Net cash used in investing activities totaled 1,212 million yen, a decrease of 52 million yen from the same period of the previous fiscal year. Inflows included 497 million yen from a net decrease in time deposits, and outflows included 1,726 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 4,304 million yen, an increase of 3,897 million yen from the same period of the previous fiscal year. Outflows included 2,066 million yen from a net decrease in short-term borrowings, 1,215 million yen for the repayment of long-term borrowings and cash dividends paid of 745 million yen.

As a result, cash and cash equivalents totaled 11,025 million yen as of June 30, 2023, down 3,671 million yen from March 31, 2023.

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

We have revised the consolidated forecast for the fiscal year ending March 31, 2024, which was announced on April 28, 2023. Please refer to the press release "Notice on Revision of the Consolidated Financial Forecasts for the Second Quarter and Full Year Ending March 31, 2024" announced today (July 31, 2023).

*\* 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.*