

Results of Operations for the Fiscal Year Ended March 31, 2023 (FY3/23)

A Global Company for A Global Society

JSP Corporation



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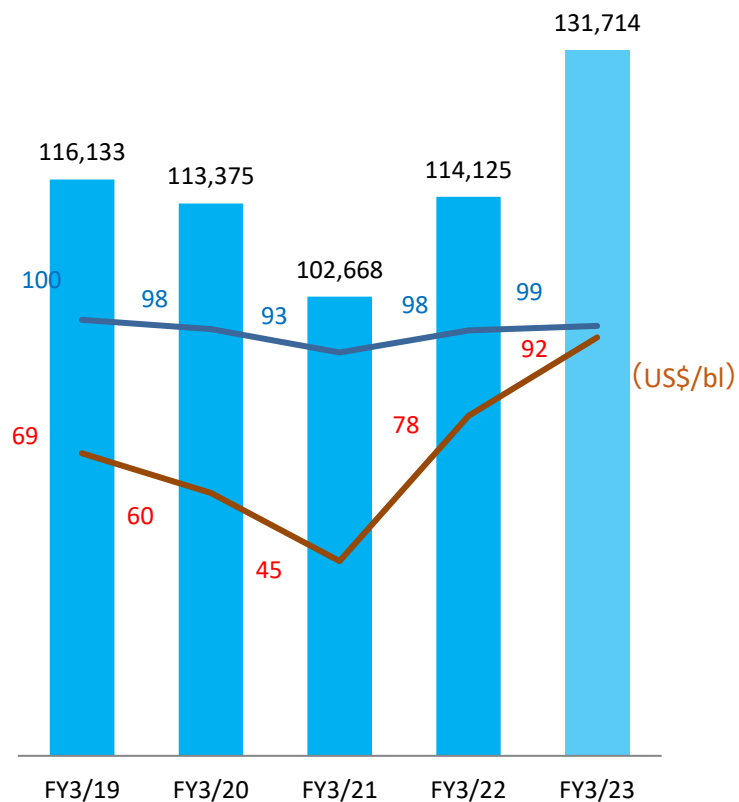
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Financial Highlights

Growth

Net Sales / Sales Volume

(Million yen)

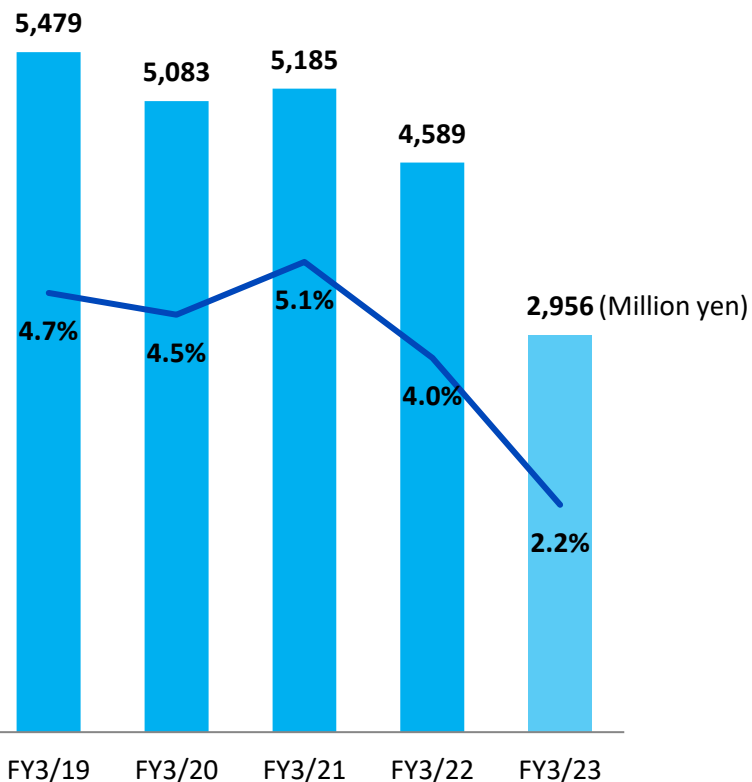


Sales Volume FY3/19=100

Dubai crude oil

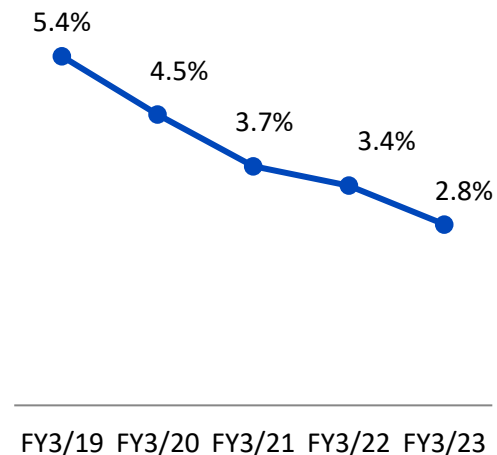
Margin

Operating Profit / Operating Margin



Return

Return on equity



Summary of Business Operations

Item (Million yen)	FY3/22 Results	FY3/23 Forecast <small>(Announced Jan. 31, 2023)</small>	FY3/23 Results	YoY Comparison	vs. Forecast
Net sales	114,125	131,000	131,714	+15.4%	+0.5%
Operating profit	4,589	3,200	2,956	-35.6%	-7.6%
Ordinary profit	4,868	3,700	3,363	-30.9%	-9.1%
Profit attributable to owners of parent	2,893	2,700	2,531	-12.5%	-6.3%

	FY3/22	FY3/23
Dubai crude oil (US\$/bl)	78.1	92.5
Forex (JPY/USD)	110.4	132.1
Forex (JPY/EUR)	130.4	138.5

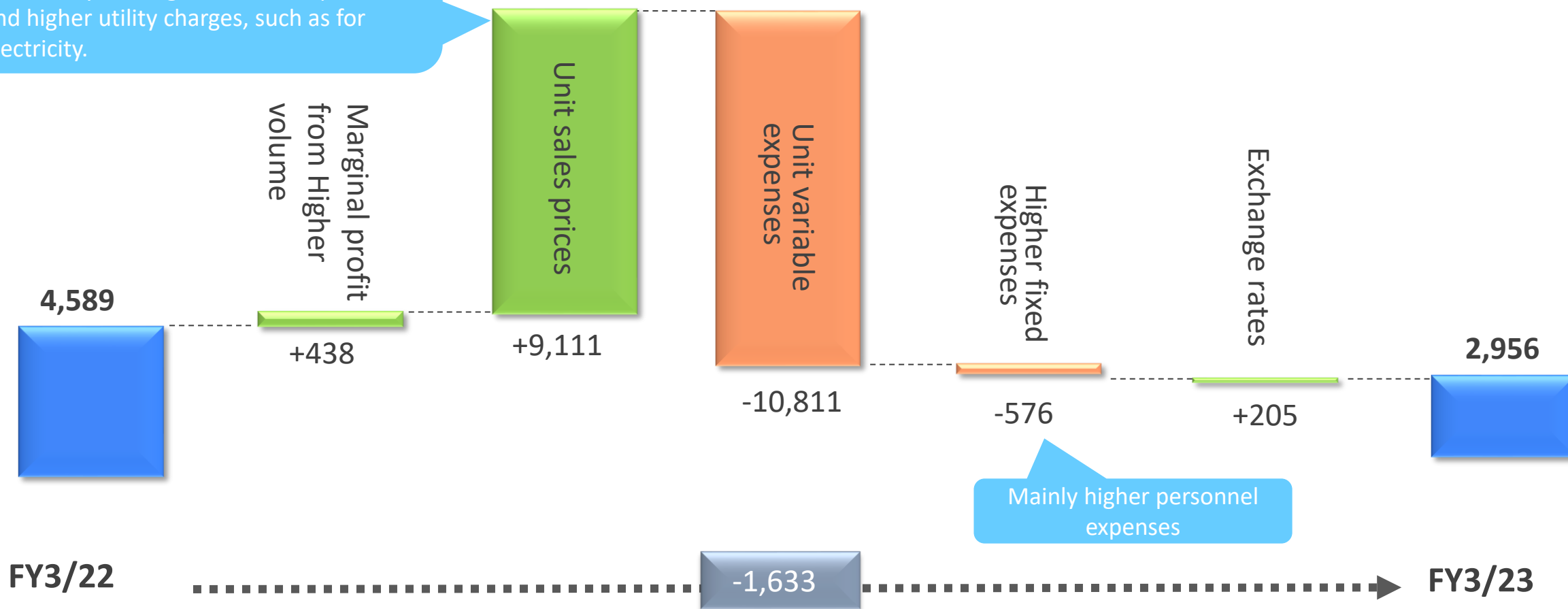
- Global economy: Economic recovery slowed due to the spread of the pandemic, shortages of semiconductors, inflation such as soaring resource and energy prices mainly as a result of the prolonged situation in Ukraine.
- Japanese economy: Although consumer spending and capital expenditures are recovering, the outlook for the economy is uncertain due to inflation linked to rising prices of resources and to restrictions on the supplies of many items.
- Net sales: Up 15.4% mainly due to revisions of product prices and recovery of sales volume.
- Operating profit: Down 35.6% due to higher utility and personnel costs despite progress in product price revisions in response to rising raw material prices.

1 FY3/23 Summary of Business Operations

Components of Change in Operating Profit

The difference between the unit selling price and the unit variable cost was affected by soaring raw material prices and higher utility charges, such as for electricity.

(Million yen)



Mainly higher personnel expenses

Balance Sheet

Account (Million yen)		As of Mar. 31, 2022	As of Mar. 31, 2023	Change
Assets	Current assets	68,503	73,822	+5,319
	Non-current assets	66,024	70,706	+4,682
Total assets		134,527	144,528	+10,001
Liabilities	Current liabilities	33,098	36,443	+3,345
	Non-current liabilities	11,197	11,961	+763
	Total liabilities	44,295	48,404	+4,109
Net assets	Shareholders' equity	85,726	86,766	+1,040
	Accumulated other comprehensive income	268	4,944	+4,676
	Non-controlling interests	4,236	4,412	+175
	Total net assets	90,231	96,123	+5,892
Total liabilities and net assets		134,527	144,528	+10,001

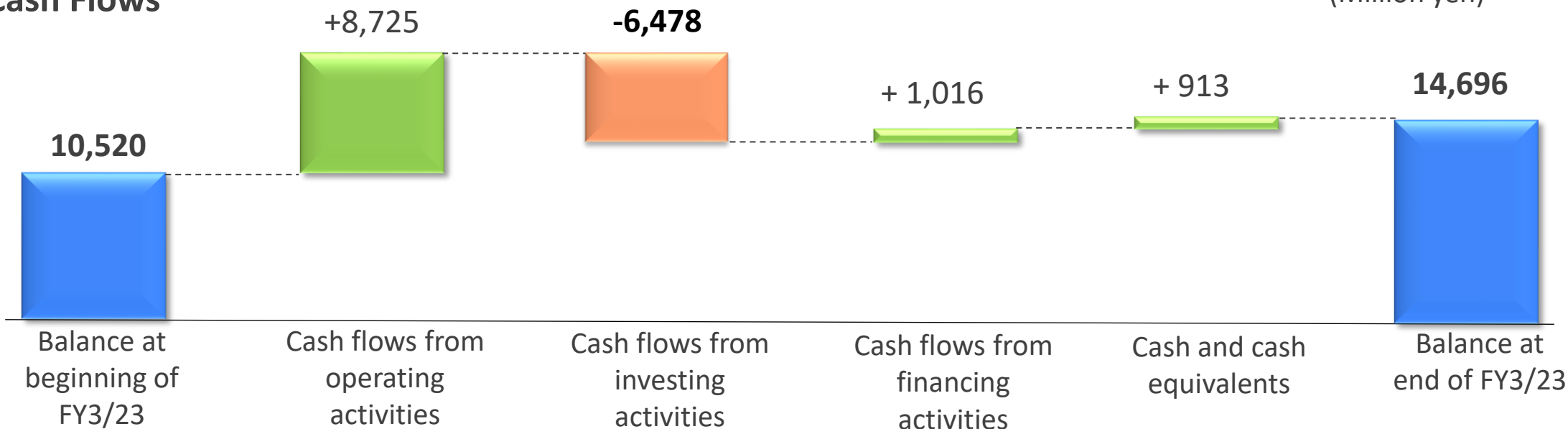
Net Assets

Account (Million yen)		As of Mar. 31, 2022	As of Mar. 31, 2023	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,405	13,405	-
	Retained earnings	63,580	64,621	+1,040
	Treasury shares	(1,388)	(1,388)	(0)
	Total	85,726	86,766	+1,040
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	346	408	+61
	Foreign currency translation adjustment	(810)	3,864	+4,674
	Remeasurements of defined benefit plans	732	672	(59)
	Total	268	4,944	4,676
Non-controlling interests		4,236	4,412	+175
Total net assets		90,231	96,123	+5,892

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

Cash Flows

(Million yen)



Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
FY3/23	8,200	7,137	2,277
FY3/22	5,658	6,832	2,183

Note: Capital expenditures are on a cash basis.

Extrusion Business

Item (Million yen)	FY3/22 Results	FY3/23 Results	YoY Comparison
Net sales	39,076	42,443	+8.6%
Operating profit	2,782	1,767	-36.5%

Increase in sales because of product price revisions
 Lower operating profit because of delays in product price revisions and an increase in the cost of utilities

Food packaging materials and food containers



STYRENEPAPER

MIRABOARD

- Higher sales volume of food trays
- Higher sales volume of MIRABOARD
- Sales increased due to revisions of prices

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- Lower sales volume of value-added industrial packaging products due to stock adjustment at customers
- Sales decreased due to lower sales volume of general-purpose products

Home and building insulation materials and civil engineering materials



MIRAFOAM

J-WALLBLOCK

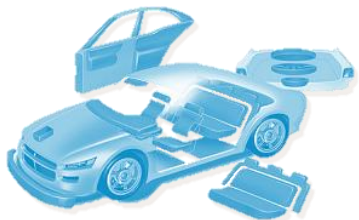
- Sales volume of materials in the building and home construction sectors were unchanged from one year earlier
- Sales volume of materials for civil engineering were unchanged from one year earlier
- Sales increased mainly due to revisions of prices

Bead Business

Item (Million yen)	FY3/22 Results	FY3/23 Results	YoY Comparison
Net sales	68,513	82,761	+20.8%
Operating profit	2,620	2,038	-22.2%

Sales increased due to higher sales volume in non-automotive applications and product price revisions
 Operating profit decreased due to the higher cost of utilities

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



**ARPRO/P-BLOCK
ELEMPOR NEO**



- Sales volume and sales of ARPRO/P-BLOCK slightly increased
- Japan: The sales volume was about the same as one year earlier because of the delay in the recovery of demand in the automobile industry
- North America: Higher sales volume in the automobile sector and other market sectors
- Europe: Sales volume was about the same as one year earlier as higher volumes in other sectors offset the lower volume in the automotive sector

Expandable polystyrene, hybrid molded products



**STYRODIA
HEATPOR
CLEARPOR
FOAMCORE**

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

Item (Million yen)	FY3/22 Results	FY3/23 Results	YoY Comparison
Net sales	6,536	6,508	-0.4%
Operating profit	212	166	-21.5%

Sales increased due to sales volume in the automotive parts transportation and other market sectors recovered in Japan
Sales decreased due to lower demand in China

General packaging materials in Japan



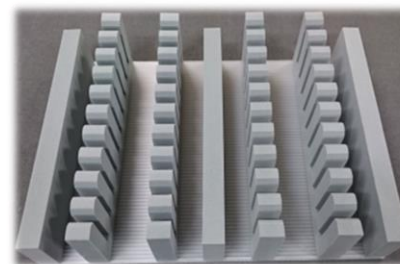
Trays for auto parts



Cushioning materials for digital home appliances

- Sales increased in Japan as sales volume 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

- Weak demand for packaging materials for many types of components resulted in lower sales

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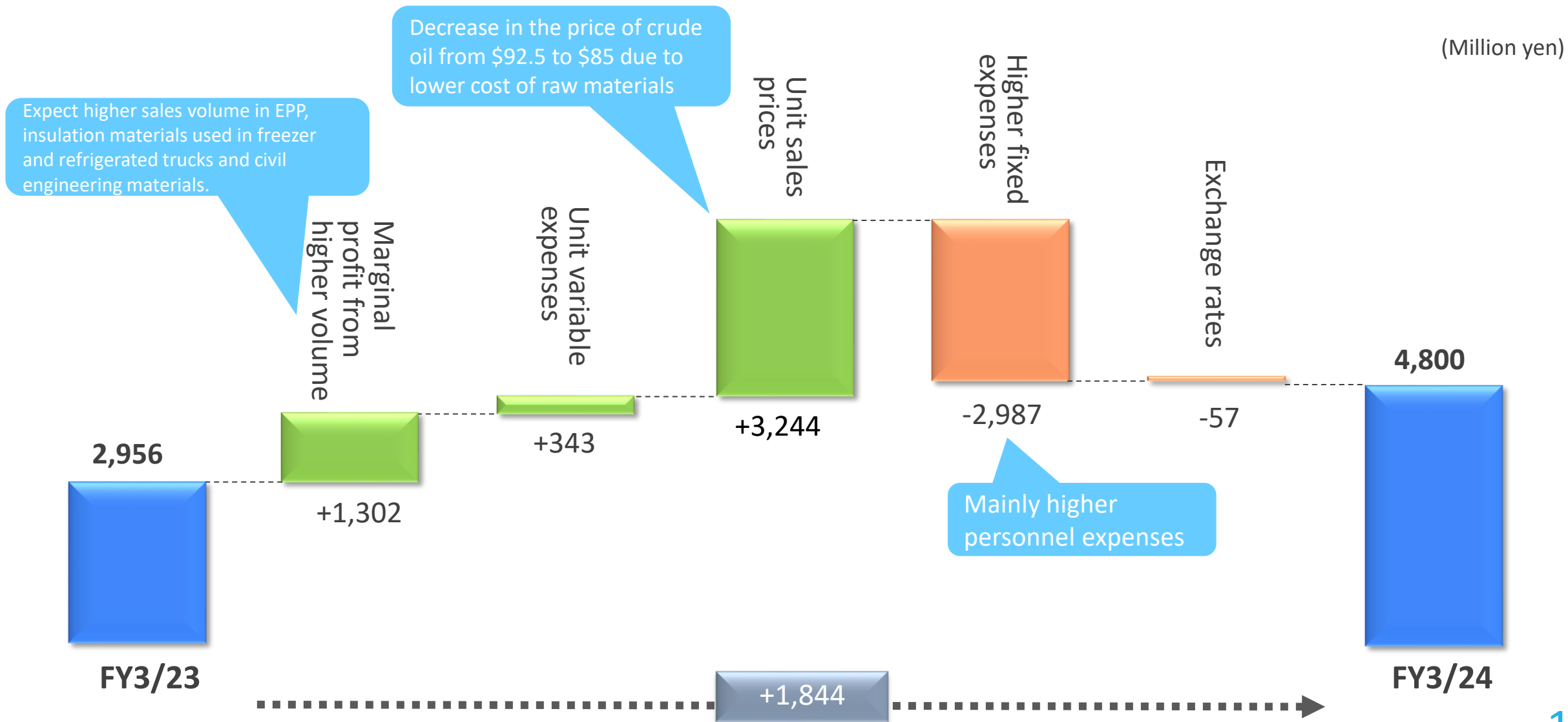
Summary of Business Operations

Item (Million yen)	FY3/23 Results	FY3/24 Outlook	YoY Comparison
Net sales	131,714	135,000	+2.5%
Operating profit	2,956	4,800	+62.4%
Ordinary profit	3,363	5,000	+48.7%
Profit attributable to owners of parent	2,531	3,400	+34.3%

	FY3/23	FY3/24 Outlook
Dubai crude oil (US\$/bl)	92.5	85
Forex (JPY/USD)	132.1	130
Forex (JPY/EUR)	138.5	143

- Global economy in FY2023: Economy is expected to continue to recover as the impact of the pandemic ends, although there will be substantial risk associated with the situation in Ukraine. Although the volatility of energy prices is declining and there are signs of a downturn in inflation, the supply of labor is tight.
- Outlook for the Japanese economy: Price hikes are likely to continue and people are expected remain cautious about consumption amid economic uncertainty.
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Estimated year-end dividend ¥25)

Components of Change in Operating Profit



Extrusion Business

Item (Million yen)	FY3/23 Results	FY3/24 Outlook	YoY Comparison
Net sales	42,443	43,700	+3.0%
Operating profit	1,767	1,800	+1.9%

Increase in sales due to higher sales volume and operating profit is expected to be the same as one year earlier due to higher fixed expenses

Food packaging materials and food containers



STYRENEPAPER



MIRABOARD

- Forecast higher sales volume of STYRENEPAPER (expanded polystyrene sheet used in food packaging) for household products because of the launch of environmentally responsible products

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- Sales volume of industrial materials are likely to be strong as the demand for items for use in flat panel displays will recover from the second half of the fiscal year

Home insulation materials and civil engineering materials



MIRAFOAM



J-WALLBLOCK

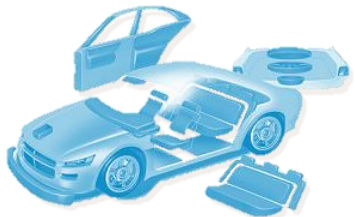
- Sales of home insulation materials are likely to be affected as consumer sentiment declines in the midst of surging construction material prices
- Sales of insulation materials for freezer and refrigerated trucks are expected to be higher than the previous fiscal year
- Anticipate strong sales in the civil engineering sector

Bead Business

Item (Million yen)	FY3/23 Results	FY3/24 Outlook	YoY Comparison
Net sales	82,761	85,000	+2.7%
Operating profit	2,038	4,000	+96.2%

Higher sales and operating profit due to the recovery of sales volume and the revision of product prices

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



ARPRO/P-BLOCK
ELEMPOR NEO



- Forecast higher sales volume due to increased automobile production as a result of the resolution of shortages in the supply of semiconductor and other components, and the recovery from the pandemic
- Expect an increase in profit on the back of higher sales volume and enhanced profitability

Expandable polystyrene, hybrid molded products



STYRODIA
HEATPOR
CLEARPOR
FOAMCORE

- Sales volume in the expandable polystyrene bead products, chiefly STYRODIA, will be affected by the decline in demand for products used in the fishing industry
- Profit margins are likely to increase as sales rise driven by product price revisions

2 FY3/24 Outlook

Other

Item (Million yen)	FY3/23 Results	FY3/24 Outlook	YoY Comparison
Net sales	6,508	6,300	-3.2%
Operating profit	166	100	-40.1%

Sales are the same as one year earlier in Japan and in China

Medium-term Business Plan and Progress Report on the Four Drivers of Growth

Medium-term business plan, “Change for Growth” (FY3/22 to FY3/24)

Basic concepts

- (1) Broaden the value we provide for both economic value to our customers and for adding social issues
- (2) Fortify the management base

Business transformation strategy

- (1) Shift to a highly cyclical business model
- (2) Make the organization more dynamic and efficient

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

	Automotive parts*1	Thermal insulation materials for buildings and houses*2	Flat panel display cushioning materials	New business domains
FY3/24 Goals	+23%	+12%	+20%	Net sales: ¥3.0 billion
FY3/23 Results	+6.1%	-6.5%	+16%	Net sales: ¥0.6 billion
FY3/24 Outlook	+11%	+1%	+20%	Net sales: ¥0.6 billion

*1. Sales volume of the expanded polypropylene (EPP) business *2. Sales volume of the construction and civil engineering business
 Figures in the columns of automotive parts, thermal insulation materials for buildings and houses, and FPD surface cushioning materials are changes in volumes compared with FY3/20.

Numerical targets	Million yen
Net sales	120,000
Operating profit	7,700
Operating margin (%)	6.4%
FY3/24 Outlook	Million yen
Net sales	135,000
Operating profit	4,800
Operating margin (%)	3.6%

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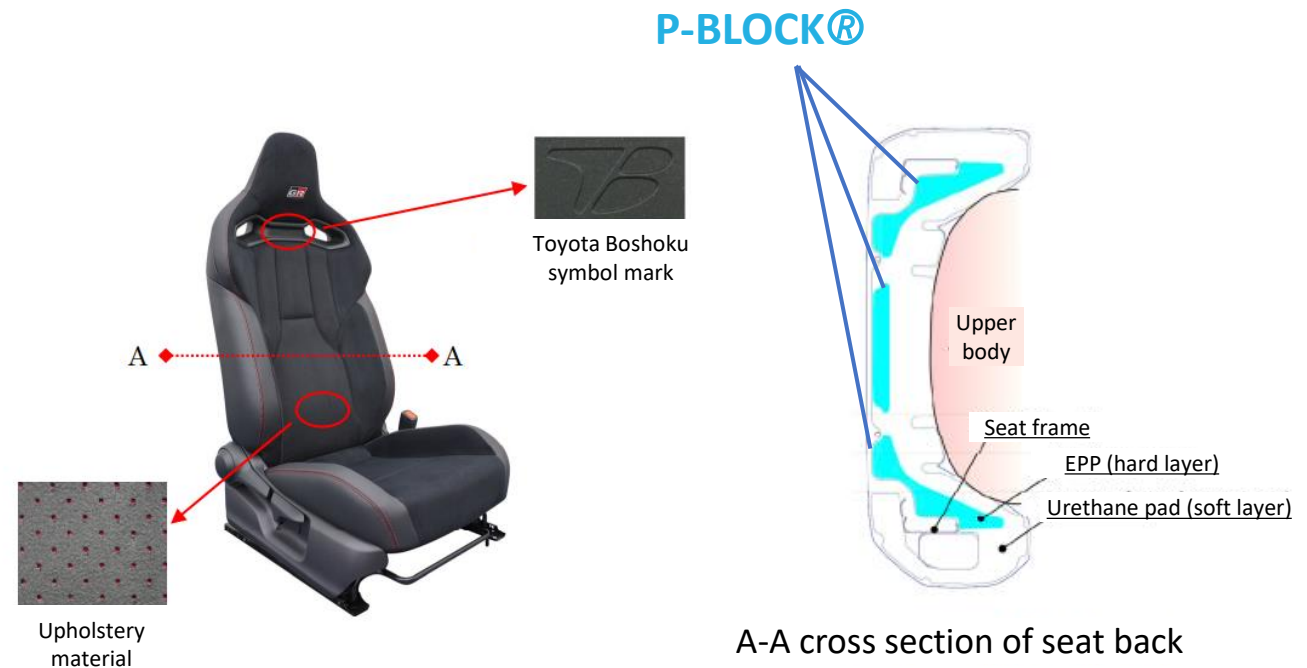
Expand the Range of Applications of ARPRO/P-BLOCK in the Automobile Industry (1)

Increase applications, including new applications, in the Japanese automobile industry

1. Used as a rear seat material in **the 5th generation Prius** introduced at the end of last year
2. ARPRO/P-BLOCK is used in the **front seat** cushion and seat back of the Corolla sports car.

*The photograph on the right shows the **front seat of a Corolla sports car** using ARPRO/P-BLOCK and the structure of the seat.

Please refer to Toyota Boshoku Corporation's HP for details.



[Seats for sports cars developed by Toyota Boshoku are used in the GR Corolla Morizo edition. Details are available at \[toyota-boshoku.com\]\(http://toyota-boshoku.com\) \(news releases\).](#)

Expand the Range of Applications of ARPRO/P-BLOCK in the Automobile Industry (2)

More Chinese automobile manufacturers are selecting ARPRO/P-BLOCK for their EVs

Automaker	Model name	Application area
TESLA	MODEL-Y	Rear seat core
ZEEKR	01	Rear seat core
LIXIANG (理想)	L9 (X01)	Rear seat core, back side
LIXIANG (理想)	L8 (X02)	Rear seat core, back side
XPENG (小鹏)	P7	Rear seat core
JIDU (吉利+百度)	MARS-1	Rear seat core



3 New Products and Applications

More companies are selecting MIRAMAT ACE, which is one of our growth engines

Increasing deliveries to existing customers and continuing to sign up new customers

The range of FPD applications is expected to expand further from PCs, smartphones and TVs to automobiles and medical devices.

MIRAMAT ACE will continue to maintain its performance superiority. Transition from existing surface protection materials is expected to accelerate in the coming years.



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Results of Operations

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY3/23	131,714	2,956	3,363	2,531
FY3/22	114,125	4,589	4,868	2,893

Comprehensive income: FY3/23: ¥7,565 million FY3/22: ¥6,029 million

	Net income per share (Yen)	Operating profit to net sales
FY3/23	84.91	2.2%
FY3/22	97.06	4.0%

Major yen exchange rates (January-December)

Currencies	US\$	€	RMB
FY3/23	132.09	138.53	19.49
FY3/22	110.38	130.36	17.12

Non-operating Income/Expenses Extraordinary Income/Loss

Non-operating Income/Expenses

Account (Million yen)	FY3/22	FY3/23
Interest income	142	312
Dividend income	22	31
Rental income	76	79
Foreign exchange gains	-	73
Other	322	350
Total non-operating income	565	847
Interest expenses	111	139
Foreign exchange losses	27	-
Loss on valuation of derivatives	-	124
Other	147	177
Total non-operating expenses	286	440

Extraordinary Income/Loss

Account (Million yen)	FY3/22	FY3/23
Gain on sales of non-current assets	34	20
Gain on sales of investment securities	-	95
Insurance claim income	70	151
Collection of money transfer scam at subsidiary	19	215
Total extraordinary income	124	482
Loss on sales of non-current assets	53	1
Loss on retirement of non-current assets	137	207
Impairment loss	522	115
Loss on fire	128	-
Total extraordinary losses	842	324

Financial Position

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2023	144,528	96,123	63.5%	3,076.73
As of Mar. 31, 2022	134,527	90,231	63.9%	2,884.93

Reference: Shareholders' equity: As of Mar. 31, 2023: ¥91,711 million
 As of Mar. 31, 2022: ¥85,995 million

Major yen exchange rates

Currencies	US\$	€	RMB
As of Dec. 31, 2022	132.74	141.50	19.03
As of Dec. 31, 2021	115.01	130.55	18.06

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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