January 29, 2009

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2009
(Nine Months Ended December 31, 2008)

Name of listed company: JSP Corporation Stock Exchange Listed: Tokyo (1st Section)
URL: http://www.co-jsp.co.jp/ Code Number: **7942**
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(All amounts are rounded down to the nearest million yen)

1. Third Quarter Results (April 1, 2008 to December 31, 2008) for the Fiscal Year Ending March 31, 2009

(1) Consolidated Business Performance (Percentages represent changes from the previous comparable period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Third quarter ended Dec. 31, 2008	78,369	-	2,973	-	2,969	-	2,109	-
Third quarter ended Dec. 31, 2007	75,591	3.5	4,392	28.8	4,226	19.0	2,277	11.4

	Net income per share	Fully diluted net income per share
	Yen	Yen
Third quarter ended Dec. 31, 2008	67.39	67.38
Third quarter ended Dec. 31, 2007	72.78	72.64

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Third quarter ended Dec. 31, 2008	97,717	46,143	44.4	1,397.32
Fiscal year ended Mar. 31, 2008	94,993	48,057	47.0	1,425.83

(Reference) Shareholders' equity: Dec. 31, 2008: 43,390 million yen Mar. 31, 2008: 44,645 million yen

2. Dividends

	Dividends per share				
(Record date)	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2008	-	6.00	-	8.00	14.00
Fiscal year ending Mar. 31, 2009	-	7.00	-	-	-
Fiscal year ending Mar. 31, 2009 (forecasts)	-	-	-	7.00	14.00

(Note) Revision of dividend forecast during the period: None

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

(Percentages represent changes from the previous comparable period)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	103,000	3.6	3,500	(30.6)	3,500	(26.1)	2,000	(22.8)	64.41

(Note) Revision of consolidated forecast during the period: Yes

4. Others

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 6 for further information.

(3) Changes in according principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements (significant changes pertaining to the preparation of quarterly consolidated financial statements)

1) Changes owing to revisions in accounting standards: Yes

2) Changes other than 1. above: None

Note: Please refer to "Qualitative Information and Financial Statements, 4. Others" on page 7 for further information.

(4) Number of shares outstanding (common stock)

1) Number of shares issued at the end of the period including treasury stock

Third quarter ended Dec. 31, 2008:	31,413,473 shares	Fiscal year ended Mar. 31, 2008:	31,372,473 shares

2) Number of treasury stock at the end of the period

Third quarter ended Dec. 31, 2008:	360,892 shares	Fiscal year ended Mar. 31, 2008:	60,514 shares

3) Average number of shares outstanding during the period

Third quarter ended Dec. 31, 2008:	31,301,590 shares	Third quarter ended Dec. 31, 2007:	31,289,497 shares

<u>* Cautionary statement with respect to forward-looking statements</u>

1. Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors.
2. Effective from the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12: Accounting Standards Board of Japan, March 14, 2007) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14: Accounting Standards Board of Japan, March 14, 2007). In addition, the quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

The economic environment in Japan was extremely challenging during the first nine months of the fiscal year. Corporate earnings declined and the employment environment deteriorated as a result of the global financial crisis and the economic downturn that was set off by the subprime mortgage crisis that originated in the US. Prices for raw materials such as polystyrene rose sharply during the first six months of the fiscal year as naphtha prices soared. Although this rise in prices came to an end in the third quarter, the economic climate for the foamed plastic industry became even more challenging due to an abrupt economic downturn.

Under these circumstances the JSP Group endeavored to meet the profit targets spelled out for the final year of our “REMAKE21” medium-term management plan by continuing to focus efforts on adjusting product price and working companywide to lower costs.

Consequently, net sales for the first nine months of the fiscal year rose 3.7% from a year earlier to 78,369 million yen. Due to rising raw material and fuel costs, operating income declined 32.3% from a year earlier to 2,973 million yen, ordinary income declined 29.7% to 2,969 million yen, and net income declined 7.4% to 2,109 million yen.

At the end of the preceding fiscal year JSP Corporation (“JSP”) acquired a 100% interest in Nikka Kaseihin Co., Ltd. and on April 1, 2008 the name of this company was changed to NK Kasei Co., Ltd. and it became a consolidated subsidiary. Additionally, JSP sold its entire stake in the equity-method French affiliate Sealed Air Packaging S.A.S. during the second quarter.

Results by business segment were as follows.

Sheets Business

Unit sales of Miramat™ (expanded polyethylene sheet used as industrial-use packaging material) and P-Board™ (expanded polypropylene sheet) shrank somewhat due to an abrupt decline in demand. Nevertheless, the overall value of sales in this segment increased, thanks to sales of products with permanent antistatic properties that are used in transporting digital consumer electronics. Although the sharp rise in raw material and fuel costs was finally curtailed, unit sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) and Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) declined due to the slump in consumer spending. By working to lower costs in the sheets business, JSP was able to increase profits in this segment.

During the nine months under review, segment sales rose 0.3% from a year earlier to 20,994 million yen and operating income grew 29.0% to 1,228 million yen.

Beads Business

In addition to being used as shock-absorbing bumper core material and in auto interior parts, P-Block™/ARPRO™ (expanded polypropylene) is also used in transport cases for IT equipment, as cushioning material for consumer electronics, and as impact protection underlayment for artificial sports surfaces. It is manufactured and sold in Japan, North America, Europe, and Asia. Amid a global economic downturn, demand for its use as a cushioning material for consumer electronics and in other packaging applications fell sharply. In automobiles, this material is used not only as a shock-absorbing material in bumper cores, but also as a floor-spacer material with sound-absorbing qualities. Sales steadily grew through the second quarter of the fiscal year, but began to decline in the third quarter.

Sales of Styrodia™ (expandable polystyrene beads used in packaging fish and other products and in construction and engineering materials) were affected by lower fish catches and a decline in housing starts, but grew nevertheless thanks to a business acquisition. NK Kasei Co., Ltd., a company that molds and markets expandable polystyrene, has been treated as a consolidated subsidiary since April 1, 2008.

During the nine months under review, segment sales rose 8.4% to 46,784 million yen and operating income fell 34.5% to 2,847 million yen.

Boards Business

Mirafoam™, a home insulation material that is an extruded board made from expanded polystyrene, is the core product in the board segment. Although the market turmoil caused by the implementation of revised Building Standard Law finally quieted down, housing starts have been slow to recover, resulting in sluggish sales. However, JSP has worked to develop products with more added value and to reduce costs. Sales of Miraplank™, an extruded board made from expanded polyethylene used in cases for transporting consumer electronics and autoparts, were weak.

During the nine months under review, segment sales declined 0.4% to 6,104 million yen and operating income grew 10.2% to 431 million yen.

Other Businesses

Sales of Super Foam™ (hybrid molded product with superior weight, insulating, and sound insulation properties), which is used in automobile air-conditioning ducts, continued to grow through the second quarter but began to decline in the third quarter. Sales of Foamcore™, a ceiling material for prefabricated bathroom units, fell because of sluggish housing starts. Sales of general packaging materials also fell amid shrinking demand in digital consumer electronics area. Sales of plastic recycling equipment remained weak.

Sales in this segment fell 16.4% to 4,486 million yen, and the segment posted an operating loss of 150 million yen (compared to the year-earlier profit of 15 million yen).

Results by geographical segment were as follows.

Japan

Costs for our main feedstocks—polystyrene, styrene monomer, polyethylene, and polypropylene—remained high, as did costs for fuels such as fuel oil, indirect materials like packaging, and transportation. The business climate became even more challenging because of the sudden weakness in consumer spending and the decline in housing starts that accompanied the economic downturn.

In this environment, JSP endeavored to ensure profitability by focusing sales efforts on high-value added products such as Miramat Ace™ (expanded polyethylene sheet with permanent antistatic properties) and P-Block™ (expanded polypropylene used as a shock-absorbing parts in automobiles and as a cushioning material for consumer electronics). Sales of Styrodia™ (expandable polystyrene beads used in packaging fish and other products and in construction and engineering materials) grew after JSP acquired certain business rights and began treating NK Kasei Co., Ltd. as a consolidated subsidiary.

Sales increased 7.6% from a year earlier to 54,459 million yen and operating income grew 1.1% to 2,153 million yen.

North America

Business in North America continued to suffer from the financial market turmoil that was triggered by the subprime mortgage crisis and from soaring prices for crude oil and other primary products. Sales of automotive parts like bumper core and seat core were ahead of targets, but sales of expanded beads, impact protection underlayment for artificial sports surfaces, and protective packaging materials were weak. Rising raw material and fuel costs also had a substantial effect on earnings. Additionally, amounts translated into yen became smaller, and this also caused profits to shrink.

As a result, sales declined 10.5% to 7,836 million yen and operating income fell 59.0% to 308 million yen.

Europe

In Europe, sales of beads used in automotive parts such as bumper core and interior parts were roughly in line with targets, but sales of expanded beads used in various molded products were weak. As in North America, prices for raw materials and fuel rose far more quickly than product prices.

As a result, sales rose 4.4% to 8,406 million yen but operating income fell 49.3% to 331 million yen.

Asia

In Asia, sales declined in Singapore but demand gradually strengthened in new markets including India. Sales were weaker in both Taiwan (mainly cushioned cases for LCD displays) and Korea (mainly materials for autoparts). On the other hand, sales in China were firm. As in other regions, higher prices for raw materials and fuel had an impact. Additionally, amounts translated into yen became smaller, and this also caused profits to shrink.

As a result, sales declined 6.3% to 7,666 million yen and operating income fell 26.8% to 1,567 million yen.

Taken together, overseas sales fell 4.2% to 23,978 million yen. This accounted for 30.6% of JSP's entire sales, down 2.5 points from a year earlier.

*Year-on-year comparisons (year-earlier figures) are provided solely for reference.

2. Qualitative Information Regarding Consolidated Financial Position

Financial position

Total assets as of December 31, 2008 were 97,717 million yen, up 2,723 million yen from March 31, 2008. Current assets increased 4,602 million yen, while noncurrent assets declined 1,878 million yen.

Total liabilities were 51,573 million yen, up 4,637 million yen. Current liabilities increased 5,308 million yen owing to factors such as an increase in short-term loans payable. In noncurrent liabilities, bonds payable and long-term loans payable declined 1,343 million yen, while negative goodwill increased 672 million yen.

Total net assets were 46,143 million yen, down 1,914 million yen. Retained earnings increased thanks to net income of 2,109 million yen, but net assets declined nevertheless owing to the substantial impact of valuation and translation adjustments of minus 2,224 million yen. The shareholders' equity ratio declined 2.6 points to 44.4%.

Cash flows

Net cash provided by operating activities amounted to 3,880 million yen, a decline of 577 million yen from a year earlier. Inflows included 2,899 million yen from net income before income taxes, 3,816 million yen from depreciation and amortization and 1,748 million yen from an increase in notes and accounts payable-trade. Outflows included 827 million yen in income tax payments, 4,144 million yen from an increase in notes and accounts receivable-trade and 971 million yen from an increase in inventories.

Net cash used in investing activities, mainly capital expenditures, totaled 2,991 million yen, down 1,467 million yen.

Net cash provided by financing activities totaled 315 million yen (compared with the outflow of 2,641 million yen in the same period of the previous fiscal year). This included inflows of 3,478 million yen from a net increase in short-term loans payable and 2,700 million yen from a long-term loans payable and outflows of 3,492 million yen for the repayment of long-term loans payable, 1,500 million yen for a decrease in commercial papers, and 470 million yen for cash dividends paid.

Cash and cash equivalents increased 1,379 million yen from nine months earlier to 6,779 million yen as of December 31, 2008. Effect of exchange rate change on cash and cash equivalents decreased 412 million yen, while there was an increase of 587 million yen associated with a newly consolidated subsidiary.

3. Qualitative Information Regarding Consolidated Forecast

Our earnings forecast for the fiscal year ending March 31, 2009 is presented at the beginning of this report.

During the nine-month period under review, profits declined due to the effects of a stronger yen and a decline in demand that was caused by the global economic downturn. Although the price of oil is expected to settle down in the fourth quarter, we expect demand to continue to slump and the yen to remain strong, and therefore we have revised the earnings forecast that we released on October 30, 2008.

This earnings forecast is based on information available at the present time; actual results may vary from these figures due to a variety of factors.

4. Others

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation)

No reportable information.

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

1) Method for estimating the uncollectible amount of general receivables

The uncollectible amount of general receivables was estimated using the historical write-off ratio at the end of the previous fiscal year as the ratio at the end of the third quarter of the current fiscal year was found not to be significantly different from the ratio at the end of the previous fiscal year.

2) Valuation of inventories

For inventories at the end of the third quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the second quarter. No physical inventory count was performed.

Inventory write-down is based on the current net sales value of items on which profit margins have declined significantly.

3) Calculation of depreciation expense for noncurrent assets

For assets subject to the declining balance method, depreciation for the first nine months of the current fiscal year was calculated pro rata based on the amount for the full-year.

4) Calculation of deferrals and accruals

Deferrals and accruals are reported in the estimated amounts based on a reasonable calculation method.

5) Calculation of income taxes, deferred tax assets and deferred tax liabilities

The tax expense was calculated mainly by first estimating the effective tax rate after the application of tax effect accounting with respect to net income before income taxes during the fiscal year, and multiplying that rate by the quarterly income before income taxes.

Deferred income taxes were included and displayed with income taxes.

The recoverability of deferred tax assets are made based on earnings forecasts and tax planning, in addition to the effect of significant changes, as in the previous fiscal year, as there have been significant changes in the occurrence of temporary differences since the end of the previous fiscal year.

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Effective from the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (ASBJ Statement No. 12: Accounting Standards Board of Japan, March 14, 2007) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14: Accounting Standards Board of Japan, March 14, 2007). In addition, the quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

2) Effective from the first quarter of the current fiscal year, the Company has adopted "Accounting Standards for Measurement of Inventories" (ASBJ Statement No. 9: Accounting Standards Board of Japan, July 5, 2006). The measurement method has been changed from the cost method to the cost method (the carrying value on the balance sheet is written down to reflect the effect of lower profit margins).

The effect of this change was to decrease gross profit and operating income by 155 million yen each. In addition, this change has no significant effect on ordinary income and net income before income taxes.

3) Effective from the first quarter of the current fiscal year, the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (PITF No. 18: Accounting Standards Board of Japan, May 17, 2006) and has made the necessary adjustments to the consolidated financial statements.

The effect of this change was to decrease operating income, ordinary income and net income before income taxes by 44 million yen, respectively.

4) The Company has adopted the following accounting standards ahead of schedule, beginning with consolidated financial statements for the first quarter of the current fiscal year: "Accounting Standards for Lease Transactions" (ASBJ Statement No. 13: originally issued on June 17, 1993 and revised on March 30, 2007 by the Accounting Standards Board of Japan); and "Guidance on Accounting Standards for Lease Transactions" (ASBJ Guidance No. 16: originally issued on January 18, 1994 and revised on March 30, 2007 by the Accounting Standards Board of Japan). Finance leases where there is no transfer of ownership will be booked as lease assets, as the Company has changed from an accounting method that is based on the method used for ordinary lease transactions, to an accounting method that is based on the method used for ordinary purchases and sales transactions.

Furthermore, the depreciation of lease assets use a method where the lease period is considered the useful life of the asset, and residual value is set at zero.

For finance lease transactions where there is no transfer of ownership beginning prior to the fiscal year when these standards are first applied, the Company continues to use an accounting method that is based on the method used for ordinary lease transactions.

** This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including 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.*