

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Second Quarter Results for the Fiscal Year Ending March 31, 2010
(Six Months Ended September 30, 2009)

Name of listed company: JSP Corporation

Stock Exchange Listed: Tokyo (1st Section)

URL: <http://www.co-jsp.co.jp/>

Code Number: 7942

Representative: Rokuro Inoue, President, Representative Director

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Scheduled date of filing of Quarterly Report: November 12, 2009

Scheduled date of payment of dividend: December 1, 2009

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

1. Second Quarter Results (April 1, 2009 to September 30, 2009) for the Fiscal Year Ending March 31, 2010

(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	%
Six months ended Sep. 30, 2009	38,822	(26.1)	2,164	23.3	2,060	17.2	1,434	5.2
Six months ended Sep. 30, 2008	52,520	-	1,755	-	1,758	-	1,363	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2009	46.20	-
Six months ended Sep. 30, 2008	43.52	43.52

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2009	84,887	44,654	49.6	1,355.39
As of Mar. 31, 2009	84,316	42,001	47.1	1,278.38

(Reference) Shareholders' equity: Sep. 30, 2009: 42,087 million yen Mar. 31, 2009: 39,696 million yen

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2009	-	7.00	-	7.00	14.00
Fiscal year ending Mar. 31, 2010	-	7.00			
Fiscal year ending Mar. 31, 2010 (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, 2010

(April 1, 2009 to March 31, 2010)

(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	77,500	(19.7)	3,800	40.6	3,700	33.2	2,600	90.3	83.73

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

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 accounting 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: None

2) Changes other than 1) above: None

(4) Number of shares outstanding (common stock)

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

As of Sep. 30, 2009:	31,413,473 shares	As of Mar. 31, 2009:	31,413,473 shares
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2) Number of treasury stock at the end of the period

As of Sep. 30, 2009:	361,339 shares	As of Mar. 31, 2009:	360,990 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2009:	31,052,256 shares	Six months ended Sep. 30, 2008:	31,339,204 shares
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* 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 the Company. Actual results may differ significantly from these forecasts for a number of factors.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Results of Operations

In the first half of the fiscal year, Japan's economy showed some signs of a rebound following the steep downturn early in the year, but there was no full-scale recovery as consumer spending remained weak. Economies continued to contract in Europe and North America, too, but economic recoveries began in China and other major Asian countries. In the foamed plastic industry, demand for automotive parts, insulation materials and packaging materials declined because of the economic recession.

To remain profitable in this environment, we concentrated on sales of value-added products and cut manufacturing and other costs across the entire JSP Group.

First half consolidated sales decreased 26.1% to 38,822 million yen. The decrease was attributable mainly to a decline in the volume of products sold and price reductions associated with the lower cost of raw materials.

Earnings increased primarily because of two factors. The first is an increase in demand for packaging materials, chiefly for digital consumer electronics. This was due in part to the Japanese government's Eco-Point Program aimed at stimulating the economy by increasing sales of home appliances. The other factor was progress in cost reductions to cope with the extremely challenging operating environment. As a result, operating income increased 23.3% to 2,164 million yen, ordinary income increased 17.2% to 2,060 million yen and net income increased 5.2% to 1,434 million yen.

Results by business segment were as follows.

Sheets Business

Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) were impacted by lower demand caused by the economic downturn, higher sales of lower-priced products and advances in reducing the weight of many types of products. However, due in part to the withdrawal of a competitor from this market, the sales volume was higher. For Miramat™ (expanded polyethylene sheet used as an industrial packaging material), P-Board™ (expanded polypropylene sheet) and Caplon™ (foamed polyethylene cushioning material), sales volumes were higher than expected as the Eco-Point Program increased sales of home appliances. However, monetary sales of these products decreased. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) decreased, too.

As a result, first half segment sales decreased 11.4% to 12,137 million yen but operating income increased 87.5% to 1,206 million yen partly because of the cost-reduction activities.

Beads Business

There was a sharp decline in the sales volume of P-Block™/APPRO™ (expanded polypropylene), which we sell worldwide. The properties of this material make it well suited for automotive parts, including as a shock-absorbing bumper core material and in auto interior parts. P-Block™/APPRO™ material is also used in many other applications, including as a cushioning material in transport cases for IT equipment, a cushioning material for consumer electronics and as an impact protection material underlayment for artificial sports surfaces. Because of the global economic downturn, sales volumes of this material plunged in all regions where it is sold: Japan, North America, Europe and Asia.

For Styrodia™ (expandable polystyrene beads used in packaging fish and other products, cushioning materials for consumer electronics and in construction and engineering materials), the sales volume decreased because of lower demand.

Segment sales decreased 34.3% to 20,841 million yen and operating income decreased 12.9% to 1,652 million yen.

Boards Business

There was a decrease in the sales volume of Mirafoam™ (an extruded board made from expanded polystyrene that is used as a home insulation material) due to sharp decline in housing starts and fewer public works. There was also a decrease in the sales volume of Miraplank™, an extruded board made of expanded polyethylene, used as a cushioning material for cargo in trucks and in returnable containers for transporting autoparts.

Segment sales decreased 7.8% to 3,727 million yen but the benefits of cost-cutting measures resulted in a 74.4% increase in operating income to 442 million yen.

Other Businesses

The sales volume of Foamcore™ (a ceiling material for prefabricated bathroom units) increased despite the declining number of housing starts because of the economic recession. However, there were higher sales of this material for high-end bathroom units as before and higher sales for relatively inexpensive bathroom units sold in large volumes. Monetary sales of Super Foam™ (a hybrid molded product with superior weight, insulating, and sound insulation properties), which is used in automobile air-conditioning ducts, decreased because of weak automobile sales. Declining demand caused decreases in sales of general packaging materials and plastic recycling equipment.

Segment sales decreased 31.1% to 2,114 million yen and there was an operating loss of 131 million yen compared with a 109 million yen loss one year earlier.

As was already announced, wholly owned subsidiary Japan Repromachine Industries Co., Ltd., which manufactures and sells recycling equipment, will be liquidated by the middle of January 2010.

Results by geographical segment were as follows.

Japan

Since the beginning of 2009, there have been declines in prices of the major feedstocks polystyrene, styrene monomer, polyethylene and polypropylene. In addition, demand for packaging materials, construction materials and automotive materials decreased in Japan. In the second quarter of the fiscal year, there was a slight upturn in demand for home appliance packaging materials and automotive parts. Prices of raw materials started increasing, too. In this environment, JSP concentrated on sales of products with considerable added value, such as products with permanent antistatic properties and outstanding thermal insulating properties. We also took actions aimed at lowering expenses.

Sales decreased 17.6% to 29,818 million yen but operating income increased 186.9% to 2,796 million yen.

North America

In this region, there were signs of an economic recovery in the second quarter following the steep downturn in economic growth rates earlier in the year. One reason was government programs to encourage people to buy automobiles. Despite the positive signs, sales of shock-absorbing parts used in automobiles were weak because there was no broad-based improvement in consumer spending. Sales of impact protection underlayment for artificial sports surfaces were lower as the number of facilities constructed declined.

Sales were down 40.5% to 3,022 million yen and there was an operating loss of 273 million yen compared with operating income of 185 million yen one year earlier.

Europe

Economic growth rates began to improve somewhat in France, Germany and other euro zone countries in the fiscal year's second quarter. Manufacturing output started recovering, too. Nevertheless, the second quarter recovery was unable to offset the downturn in the first quarter. Furthermore, the yen's appreciation relative to the euro brought down yen conversions of sales in Europe.

Sales fell 50.4% to 2,943 million yen and operating income was down 67.7% to 100 million yen.

Asia

Economic growth rates slowed throughout Asia, but a recovery began in the second quarter, primarily in China. In addition, yen conversions of sales in Asia were reduced by the yen's strength relative to other Asian currencies.

Sales fell 43.1% to 3,036 million yen and operating income was down 56.8% to 525 million yen.

Taken together, overseas sales fell 45.0% to 9,020 million yen. This accounted for 23.2% of JSP's entire sales, down 8.0 points from a year earlier.

2. Qualitative Information Regarding Consolidated Financial Position

Financial position

Total assets as of September 30, 2009 were 84,887 million yen, up 570 million yen from March 31, 2009. Current assets increased 154 million yen, while noncurrent assets increased 416 million yen.

Total liabilities were 40,232 million yen, down 2,082 million yen. Current liabilities decreased 468 million yen, while noncurrent liabilities declined 1,613 million yen due to repayment of long-term loans payable and other factors.

As a result, net assets totaled 44,654 million yen, and the shareholders' equity ratio was 49.6%.

Cash flows

Net cash provided by operating activities amounted to 5,054 million yen, an increase of 3,390 million yen from a year earlier. Inflows included 1,980 million yen from income before income taxes, 2,226 million yen from depreciation and amortization, and 1,591 million yen from a decrease in inventories. Outflows included 771 million yen from an increase in notes and accounts receivable-trade, and 325 million yen in income tax payments.

Net cash used in investing activities, mainly capital expenditures, totaled 2,078 million yen, down 418 million yen.

Net cash used in financing activities totaled 2,620 million yen (compared with the inflow of 732 million yen in the same period of the previous fiscal year). This included outflows of 444 million yen from a net decrease in short-term loans payable, 2,499 million yen for the repayment of long-term loans payable, and an inflow of 700 million yen from long-term loans payable.

After the addition of 208 million yen for exchange rate changes, cash and cash equivalents totaled 7,119 million yen, an increase of 563 million yen compared with the end of the previous fiscal year.

3. Qualitative Information Regarding Consolidated Forecast

We maintain the revised forecasts for the fiscal year ending March 31, 2010, announced on October 13, 2009 in the press release "Revision of Business Forecasts."

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 second 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

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 period 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 income before income taxes during the current fiscal year, and multiplying that rate by the quarterly income before income taxes.

Deferred income taxes were included and displayed with income taxes.

Judgments about the recoverability of deferred tax assets are made based on earnings forecasts and tax planning, as in the previous fiscal year, as there have been no significant changes in the operating environment or in the occurrence of temporary differences since the end of the previous fiscal year.

- (3) Changes in accounting principles, processes, presentation methods, etc., related to the preparation of quarterly consolidated financial statements

No reportable information.

** 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.*