

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**Third Quarter Results for the Fiscal Year Ending March 31, 2010**  
**(Nine Months Ended December 31, 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

Contact person: Hitoshi Yamamoto, Director, Executive Officer, Finance and Accounting Department

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Scheduled date of filing of Quarterly Report: February 12, 2010

Scheduled date of payment of dividend: -

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

**1. Third Quarter Results (April 1, 2009 to December 31, 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	%
Nine months ended Dec. 31, 2009	60,977	(22.2)	4,481	50.7	4,415	48.7	2,909	37.9
Nine months ended Dec. 31, 2008	78,369	-	2,973	-	2,969	-	2,109	-

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2009	93.68	-
Nine months ended Dec. 31, 2008	67.39	67.38

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2009	88,808	45,215	47.9	1,371.31
As of Mar. 31, 2009	84,316	42,001	47.1	1,278.38

(Reference) Shareholders' equity: Dec. 31, 2009: 42,581 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)	-	-	-	12.00	19.00

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

Year-end dividend forecast of 12.00 yen includes a commemorative dividend of 5.00 yen.

**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	79,000	(18.2)	5,200	92.5	5,000	80.0	3,150	130.5	101.44

(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 outstanding at the end of the period including treasury stock

As of Dec. 31, 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 Dec. 31, 2009:	361,690 shares	As of Mar. 31, 2009:	360,990 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2009:	31,052,153 shares	Nine months ended Dec. 31, 2008:	31,301,590 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 nine months of the fiscal year, Japan's economy has been slowly recovering from the steep downturn that began in October 2008. However, consumer spending remains weak, other than for home appliances and some other categories. In Europe and North America, economies have started growing again, but private-sector demand is still lackluster. In major Asian countries, the economic recovery is gaining momentum, particularly in China.

In the foamed plastic industry, demand in Japan was weak in all market sectors, although there is a gradual upturn in demand for home appliance packaging materials and automotive materials.

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.

For the first nine months, consolidated net sales decreased 22.2% year on year to 60,977 million yen. The decrease was attributable mainly to a decline in the volume of products sold and price reductions.

Earnings benefited from several factors. One is a recovery in demand for packaging and automotive materials. Declining prices for raw materials and further progress in cutting costs in response to the challenging operating environment also supported earnings. As a result, operating income increased 50.7% to 4,481 million yen, ordinary income increased 48.7% to 4,415 million yen and net income increased 37.9% to 2,909 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. 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, segment sales decreased 9.4% to 19,015 million yen but operating income increased 74.4% to 2,142 million yen partly because of the cost-reduction activities.

#### Beads Business

There was a sharp decline in the sales volume of P-Block™/ARPRO™ (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™/ARPRO™ material is also used in many other applications, including as a cushioning material in returnable containers for transporting 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 29.7% to 32,906 million yen but the benefits of cost-cutting measures resulted in a 15.3% increase in operating income to 3,282 million yen.

## Boards Business

There was a decrease in the sales volume of Mirafoam™ (an extruded board made of 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 7.1% to 5,670 million yen but the benefits of cost-cutting measures resulted in a 66.1% increase in operating income to 717 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 a decrease in sales of general packaging materials.

Segment sales decreased 24.5% to 3,385 million yen and there was an operating loss of 171 million yen compared with a 150 million yen loss one year earlier.

The liquidation of subsidiary Japan Repromachine Industries Co., Ltd. is expected to be completed by the end of February 2010.

Results by geographic segment were as follows.

### Japan

In the first half of the fiscal year, demand for packaging materials, construction materials and automotive materials decreased in Japan because of the global economic downturn. However, there has been a slow recovery in demand for home appliance packaging materials and automotive materials because of Japanese government's economic stimulus measures such as the eco-car tax reduction and Eco-Point Program. In response to these market conditions, we concentrated on sales of products with considerable added value, such as products with permanent antistatic properties and outstanding thermal insulating properties, and on measures to cut costs.

Sales decreased 14.8% year on year to 46,401 million yen but operating income increased 120.7% to 4,752 million yen.

### North America

In this region, demand for shock-absorbing parts used in automobiles recovered very slowly despite a gradual upturn starting in the middle of 2009 in new automobile registrations following the sharp drop that began in October 2008. In addition, the economic downturn brought down sales of impact protection underlayment for artificial sports surfaces as the number of sports facilities constructed declined.

Sales were down 35.6% to 5,045 million yen and there was an operating loss of 68 million yen compared with operating income of 308 million yen one year earlier.

### Europe

Economic growth rates have been improving somewhat in France, Germany and other euro zone countries and automobile production volume started recovering in the second half of 2009. The yen's appreciation relative to the euro compared with one year earlier brought down yen conversions of sales in Europe.

Sales fell 44.6% to 4,656 million yen and operating income was up 8.7% to 360 million yen.

## Asia

Although economies in Asia continue to recover, primarily in China, because of strong exports of IT products, demand for packaging materials and shock-absorbing parts used in automobiles has not yet rebounded to the point of covering the drop that occurred in the first half of 2009. In addition, yen conversions of sales in Asia were reduced by the yen's strength relative to other Asian currencies.

Sales fell 36.4% to 4,874 million yen and operating income was down 42.1% to 908 million yen.

Taken together, overseas sales fell 38.7% to 14,692 million yen. This accounted for 24.1% of JSP's entire sales, down 6.5 points from a year earlier.

## 2. Qualitative Information Regarding Consolidated Financial Position

### Financial position

Total assets as of December 31, 2009 were 88,808 million yen, up 4,491 million yen from March 31, 2009. Current assets increased 5,131 million yen due to an increase in notes and accounts receivable-trade and other factors, while noncurrent assets decreased 639 million yen.

Total liabilities were 43,592 million yen, up 1,277 million yen. Current liabilities increased 3,693 million yen due to an increase in notes and accounts payable-trade and other factors, while noncurrent liabilities declined 2,415 million yen due to the repayment of long-term loans payable and other factors.

As a result, net assets totaled 45,215 million yen, and the shareholders' equity ratio was 47.9%.

### Cash flows

Net cash provided by operating activities amounted to 7,207 million yen, an increase of 3,327 million yen from a year earlier. Inflows included 4,241 million yen from income before income taxes, 3,435 million yen from depreciation and amortization, and 2,935 million yen from an increase in notes and accounts payable-trade. Outflows included 5,405 million yen from an increase in notes and accounts receivable-trade, and 505 million yen in income tax payments.

Net cash used in investing activities, mainly capital expenditures, totaled 2,735 million yen, down 256 million yen.

Net cash used in financing activities totaled 3,317 million yen (compared with the inflow of 315 million yen in the same period of the previous fiscal year). This included an outflow of 3,626 million yen for the repayment of long-term loans payable, and an inflow of 700 million yen from long-term loans payable.

After the subtraction of 48 million yen for exchange rate changes, cash and cash equivalents totaled 7,661 million yen, an increase of 1,106 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 January 12, 2010 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 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 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.*