

## SUMMARY OF FINANCIAL STATEMENT (Consolidated)

### Full-year Results for the Fiscal Year Ended March 31, 2013

[Japanese GAAP]

Name of listed company: **JSP Corporation**

Stock Exchange Listed: Tokyo (1st Section)

URL: <http://www.jsp.com>Code Number: **7942**

Representative: Kozo Tsukamoto, President, Representative Director

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Scheduled date of Annual General Meeting of Shareholders: June 27 2013

Scheduled date of payment of dividend: June 28, 2013

Scheduled date of filing of Annual Securities Report: June 27, 2013

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on April 30, 2013 at 15:00 (GMT +9).

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

**1. Full-year Results (April 1, 2012 to March 31, 2013) for the Fiscal Year Ended March 31, 2013**

(1) Consolidated business performance (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2013	96,038	2.8	4,575	(13.6)	4,927	(11.0)	3,324	7.2
Fiscal year ended Mar. 31, 2012	93,397	1.6	5,296	(29.9)	5,536	(29.7)	3,100	(36.5)

Note: Comprehensive income: Fiscal year ended Mar. 31, 2013: 6,808 million yen (up 253.8%)

Fiscal year ended Mar. 31, 2012: 1,924 million yen (down 29.0%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2013	111.49	-	7.0	5.3	4.8
Fiscal year ended Mar. 31, 2012	103.98	-	7.0	6.2	5.7

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31, 2013: (56) million yen

Fiscal year ended Mar. 31, 2012: 15 million yen

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	95,565	53,431	52.2	1,671.55
As of Mar. 31, 2012	89,072	47,362	50.2	1,499.89

Reference: Shareholders' equity: As of Mar. 31, 2013: 49,838 million yen As of Mar. 31, 2012: 44,721 million yen

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2013	7,522	(5,783)	(1,160)	7,015
Fiscal year ended Mar. 31, 2012	5,532	(6,138)	(3,602)	5,976

**2. Dividends**

	Annual dividends per share					Total amounts of dividends	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2012	-	15.00	-	15.00	30.00	894	28.9	2.0
Fiscal year ended Mar. 31, 2013	-	15.00	-	15.00	30.00	894	26.9	1.9
Fiscal year ending Mar. 31, 2014 (forecasts)	-	15.00	-	15.00	30.00		20.8	

**3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2014**

(April 1, 2013 to March 31, 2014)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	50,000	3.8	3,000	6.1	3,100	5.4	2,100	3.9	70.43
Full year	101,000	5.2	6,500	42.1	6,700	36.0	4,300	29.4	144.22

**\* 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) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: Yes

4) Restatements: None

(3) Number of shares outstanding (common stock)

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

As of Mar. 31, 2013: 31,413,473 shares As of Mar. 31, 2012: 31,413,473 shares

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

As of Mar. 31, 2013: 1,597,875 shares As of Mar. 31, 2012: 1,597,226 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2013: 29,815,943 shares Fiscal year ended Mar. 31, 2012: 29,816,353 shares

**Reference: Overview of Non-Consolidated Operating Performance**

**Full-year Results (April 1, 2012 to March 31, 2013) for the Fiscal Year Ended March 31, 2013**

(1) Non-consolidated business performance

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2013	55,442	1.5	984	(44.5)	2,673	(13.1)	2,046	(7.3)
Fiscal year ended Mar. 31, 2012	54,623	(2.1)	1,773	(43.9)	3,076	(34.7)	2,208	(32.0)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2013	68.63	-
Fiscal year ended Mar. 31, 2012	74.06	-

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2013	70,949	37,728	53.2	1,265.40
As of Mar. 31, 2012	69,695	36,633	52.6	1,228.65

Reference: Shareholders' equity: As of Mar. 31, 2013: 37,728 million yen As of Mar. 31, 2012: 36,633 million yen

**\* Information regarding the implementation of audit procedures**

The current financial statements are exempted from audit procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the audit procedures for these financial statements have not been completed.

**\* 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. Please refer to "1. Results of Operations, (1) Analysis of Results of Operations" on page 1 of the attached documents for assumptions for forecasts and notes of caution for usage.

## 1. Results of Operations

### (1) Analysis of Results of Operations

#### 1) Financial Results for the Current Fiscal Year Ended March 31, 2013

In the current fiscal year, the U.S. economy continued to recover at a moderate pace along with sound consumer consumption and an improvement in the housing market. In Europe, there was stagnant economic growth mainly because of tight government budgets and worsening employment and personal income. In China, economic growth declined somewhat although the growth rate remained strong. In other Asian countries, solid economic growth continued that was supported by very strong domestic demand even though these countries felt the effects of slowing economic growth of industrialized countries, mainly in Europe and the United States. In Japan, exporting industries benefited from the yen's decline that started in 2013, an improvement in the balance between supply and demand, and other favorable developments. However, the economic picture remained difficult due in part to pressure on earnings at import-dependent companies as the yen's weakness raised the purchase prices of imported goods.

In Japan's foamed plastic industry, companies had to cope with a steep upturn in the prices of styrene monomer and polystyrene because of the sharp global increase in the price of benzene. The industry had already been dealing with an increase in the cost of all types of resins as the price of crude oil rose. In addition, the steep decline in the yen's value since the start of 2013 has further contributed to the rising cost of raw materials and fuel.

Given this operating environment, we developed and started a new consolidated medium-term management plan "Deepen & Grow," guiding the whole Group in new paths to growth and developing and marketing high value-added products using exclusive technologies. We also focused on securing profits by revising prices of our products to reflect the higher cost of raw materials and fuel.

As a result, net sales in the current fiscal year were 96,038 million yen (up by 2.8% year-on-year). Operating income decreased 13.6% to 4,575 million yen, ordinary income decreased 11.0% to 4,927 million yen and net income increased 7.2% to 3,324 million yen.

Results by business segment were as follows.

Due to a reorganization of our corporate structure, prior-year comparisons are based on figures in the previous fiscal year that have been adjusted to match the new organization from the current fiscal year, and some of the businesses that was included in the former 'Other Businesses' is reclassified as corporate expenses that cannot be attributed to specific business segments.

#### Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) which are used mainly for the transportation of substrates for LCD TVs and other digital home appliances, were lower than in the previous fiscal year. Sales of advanced functional products centered on permanent anti-static properties increased but sluggish industrial activity in Japan brought down sales of general-purpose products. Sales of P-Board™ (expanded polypropylene sheet) which are mainly used for containers for the transportation of automotive parts and home appliances and Caplon™ (foamed polyethylene cushioning material) declined as a result of diminished demand due to the weakness of the home appliance market. Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) which are used in many applications for instant noodles and lunch boxes remained unchanged from one year earlier thanks to firm demand. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) decreased because sales to large electrical retailers were weak. Sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) increased due to growth in demand supported by the construction of energy-efficient houses and earthquake recovery activities. Sales of Miraplank™ (extruded board made of expanded polystyrene) which are mainly used as a cushioning material for cargo transported by trucks decreased because of a decline in distribution volume.

As a result, extrusion segment sales increased 1.6% to 35,148 million yen and operating income decreased 6.7% to 2,386 million yen.

## **Beads Business**

P-Block™/ARPRO™ (expanded polypropylene) is used in automotive parts, for instance, as a bumper core material, interior auto parts, and seat cores; it is also used as a cushioning material in returnable containers for transporting IT equipment, a cushioning material for home appliances, and as an impact protection material for artificial sports surfaces. We manufacture and sell P-Block™/ARPRO™ worldwide. In Japan, sales for automotive applications were about the same as in the previous fiscal year. First half sales were higher due in part to the significant decline in the previous fiscal year because of the large downturn in automobile sales following the Great East Japan Earthquake. The eco-car subsidy also supported first half sales. However, automotive sector sales subsequently weakened because of the end of the subsidy and declining automobile exports to China. Sales of cushioning materials for home appliances were also unchanged from the previous fiscal year as increasing demand for tablets offset the negative effect of the transfer of production to other countries by manufacturers of digital home appliances. In North America, sales increased because of continued favorable performance by the automobile market created by strong personal consumption, and a strong demand for non-automobile parts. In Brazil, sales increased because of an increase in new automobile sales in response to the impact of government policies to promote demand for automobiles. In Europe, sales decreased as demand declined because of weak automobile sales caused by government austerity measures, rising unemployment and falling personal incomes. In Asia, sales were higher primarily for beads used as a cushioning material for home appliances and as a material for automotive components. The main reasons were growing demand for smartphones and tablets and a continuation of strong sales of automobiles. Sales of Styrodia™ (expandable polystyrene beads) decreased as overall demand contracted. Demand for fishboxes decreased in the fisheries sector because of declining fish catch. In addition, demand was down for home appliance packaging materials due to Japanese home appliance manufacturers moving production facilities outside the country and downsizing their operations. Sales of Foamcore™ (a hybrid molded product used as a ceiling material for prefabricated bathroom units) increased along with demand caused by the imposition of tighter thermal insulation standards and their application to new models.

As a result, beads segment sales increased 4.9% to 55,447 million yen and operating income decreased 16.3% to 2,688 million yen.

## **Other Businesses**

Sales of general packaging materials were weak in Japan in response to the sluggishness in the home appliances market.

In China, sales decreased as lower sales for digital home appliances packaging materials.

As a result, sales in other businesses decreased 8.4% to 5,442 million yen and there was an operating income of 1 million yen (compared with operating loss of 5 million yen in the previous fiscal year).

## **2) Outlook for the Fiscal Year Ending March 31, 2014**

In the fiscal year ending on March 31, 2014, there are many positive developments concerning the Japanese economy: benefits of emergency economic measures; an earnings recovery at export-oriented companies due to the weaker yen; the full-scale emergence of earthquake reconstruction demand; rising demand for building and residential high-performance thermal insulation materials along with the upcoming imposition of next-generation thermal insulation standards; and the rush to buy consumer durables and houses prior to the consumption tax hike. JSP believes that demand will increase mainly for high-performance thermal insulation materials and site leveling materials in the building, residential and civil engineering construction sectors.

Economic growth in Europe is expected to slow because of concerns about the debt crisis. But the U.S. economy is expected to recover at a moderate pace mainly with the support of consumer spending backed by the rebound in employment. In Asia, consumer spending in China continues to increase, although only gradually. Economic growth is expected in other emerging countries too because of substantial internal demand. As a result, the outlook is for more strong economic growth throughout Asia. As the global economy recovers, demand for automotive materials will probably increase with growth occurring chiefly in North America, China and emerging countries. Furthermore, there are good prospects for a large increase in demand for packaging materials for multi-function electronic devices like smartphones and tablets, particularly in Asia.

As a result, JSP forecasts growth in sales and earnings in the fiscal year ending on March 31, 2014 with net sales up 5.2% to 101,000 million yen and operating income up 42.1% to 6,500 million yen.

Earnings forecasts for the March 2014 fiscal year are as follows.

Net sales	101,000 million yen	(up 5.2% year-on-year)
Operating income	6,500 million yen	(up 42.1% year-on-year)
Ordinary income	6,700 million yen	(up 36.0% year-on-year)
Net income	4,300 million yen	(up 29.4% year-on-year)

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) Analysis of Financial Position**

### **1) Balance sheet position**

Total assets as of March 31, 2013 were 95,565 million yen, up 6,492 million yen from March 31, 2012. Current assets increased 2,809 million yen and noncurrent assets increased 3,682 million yen.

Total liabilities were 42,133 million yen, up 423 million yen. Current liabilities increased 1,183 million yen, while noncurrent liabilities decreased 759 million yen.

As a result, net assets totaled 53,431 million yen and the shareholders' equity ratio increased 2.0 percentage points to 52.2%.

### **2) Cash Flows**

Cash flows from operating activities

Net cash provided by operating activities totaled 7,522 million yen, an increase of 1,990 million yen from one year earlier. Inflows included 4,752 million yen from income before income taxes and 4,390 million yen from depreciation and amortization. Outflows included income taxes paid of 1,416 million yen and a decrease of 524 million yen in notes and accounts payable-trade.

Cash flows from investing activities

Net cash used in investing activities totaled 5,783 million yen, a decrease of 354 million yen. This included an outflow of 6,215 million yen for the purchase of noncurrent assets and an inflow of 121 million yen from a net decrease in time deposits.

Cash flows from financing activities

Net cash used in financing activities totaled 1,160 million yen, a decrease of 2,441 million yen. This included outflows of 5,115 million yen for the repayment of long-term loans payable and for the cash dividends paid of 894 million yen, and proceeds of 4,800 million yen from long-term loans payable.

As a result, cash and cash equivalents totaled 7,015 million yen as of March 31, 2013, up 1,039 million yen from March 31, 2012.

Reference: Cash flow indicators

	Fiscal year ended Mar. 31, 2010	Fiscal year ended Mar. 31, 2011	Fiscal year ended Mar. 31, 2012	Fiscal year ended Mar. 31, 2013
Shareholders' equity ratio (%)	50.1	49.2	50.2	52.2
Shareholders' equity ratio based on market prices (%)	40.3	51.3	41.3	43.5
Cash flow to debt ratio (years)	1.9	2.9	3.7	2.7
Interest coverage ratio	36.3	32.4	24.2	35.4

Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market prices: Market capitalization / Total assets

Cash flow to debt ratio: Interest-bearing debt / Operating cash flows

Interest coverage ratio: Operating cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization is calculated by multiplying the share price at the end of the period by the number of shares issued and outstanding at the end of the period, net of treasury stock.
3. Operating cash flows are calculated using the figures for "Net cash provided by (used in) operating activities" on the consolidated statements of cash flows.
4. Interest-bearing debt includes all liabilities on the consolidated balance sheets that incur interest. Interest payments are calculated using the figures for "Interest expenses paid" in the consolidated statements of cash flows.

### (3) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of JSP Corporation. Our policy is to make stable dividend payments after taking into consideration all applicable factors, including consolidated performance in each fiscal year and the need to retain earnings for strengthening the base of future business activities.

Retained earnings are used to increase financial soundness, R&D expenditures for new products and technologies, and capital expenditures for new businesses.

As prescribed in Article 459, Paragraph 1 of the Corporation Law of Japan, the JSP Corporation Articles of Incorporation allow the Board of Directors to approve the payment of dividends from retained earnings. The basic policy is to pay an interim and year-end dividend based on resolutions of the Board of Directors.

For the fiscal year that ended on March 31, 2013 in consideration of results of operations, the operating environment, dividend stability and other items, we plan to pay a dividend of 30 yen per share. Since an interim dividend of 15 yen per share has been paid, this will result in a year-end dividend of 15 yen per share. In the fiscal year ending on March 31, 2014, we plan to pay interim and year-end dividends of 15 yen per share each, a total of 30 yen.

### (4) Business Risks

The following is a list of items that may have an effect on our results of operations, financial position, cash flows and other aspects of operations. This list is based on the judgments of management as of the end of March 2013 and is not intended to be a complete list of business and other risks.

#### 1) Volatility of prices of raw materials

Prices of raw materials and fuel used by JSP companies may vary significantly because these prices are linked to changes in the cost of crude oil and naphtha. If we are unable to increase prices of its products to offset the higher cost of raw materials and fuel, there may be a negative impact on our results of operations or the financial condition.

#### 2) Global events

JSP does business in North America, Europe, Asia and other areas of the world. As a result, political, economic and social events, changes in the regulatory climate and exchange rate fluctuations can affect demand for its products in these regions and have an impact on its business operations.

3) Natural disasters

JSP operates many plants worldwide. Although these plants have measures in place to prepare for an earthquake, a typhoon, flood or other natural disaster that is more severe than anticipated could significantly damage these plants and have a significant negative impact on its results of operations or the financial condition.

4) Protection of intellectual property

JSP holds international patents and many other types of intellectual property. Protecting this property is vital to its ability to earn profits in the future. A patent infringement or patent dispute with another company may have a negative impact on business. Consequently, we have established systems worldwide to prevent such problems.

5) Compliance and internal controls

JSP has established an effective internal control framework for compliance and other items. However, we may be unable to comply with laws and regulations at times due to revisions to laws and regulations in various countries. Consequently, there is no assurance that we will not violate a law or regulation in the future. This could result in additional expenses for compliance programs.

## 2. Corporate Group

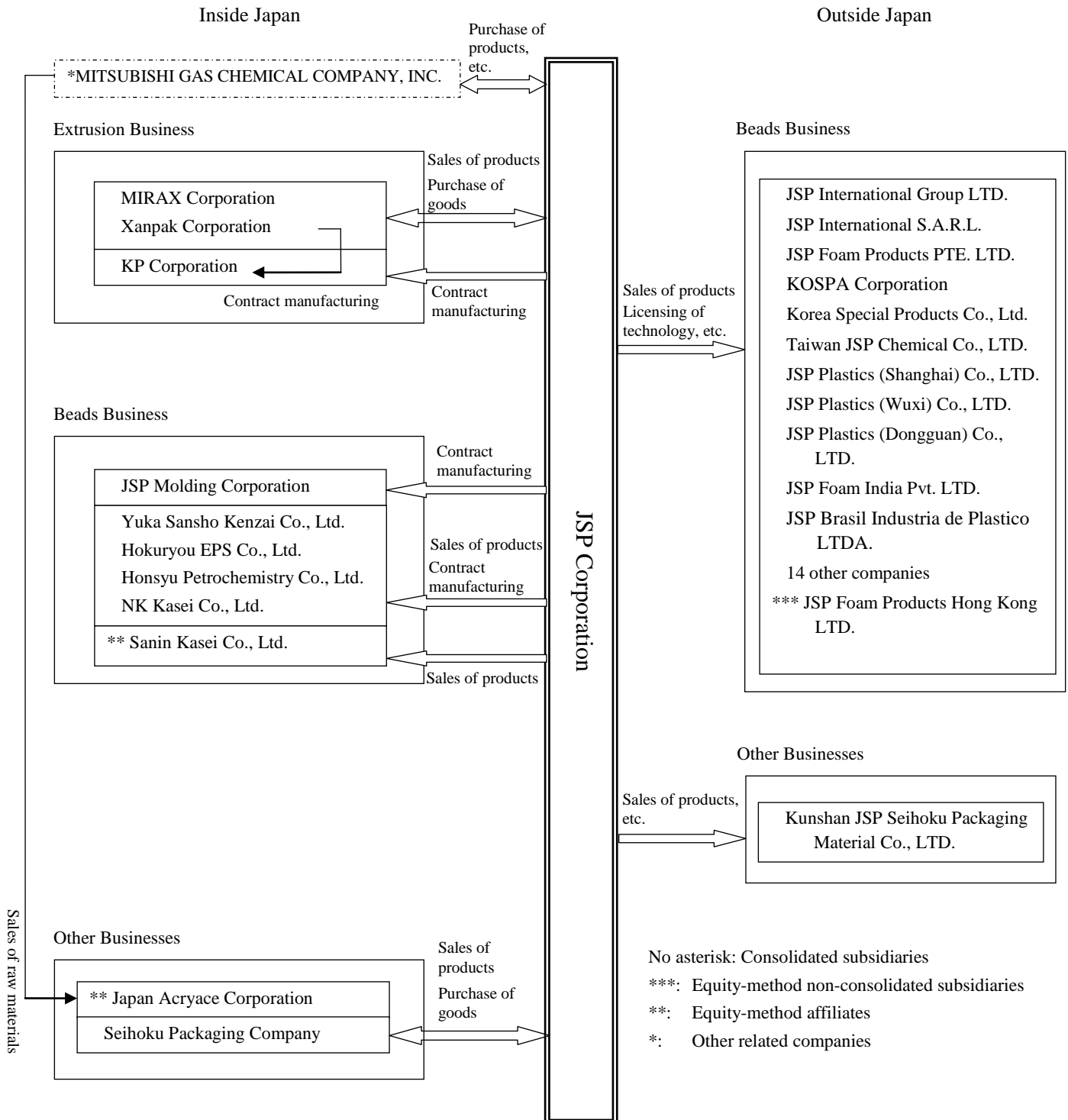
The JSP Group is made up of JSP Corporation, 10 subsidiaries in Japan, 28 subsidiaries in other countries, and six affiliates. The primary business is the manufacture and sale of plastic products, chiefly using foaming technology, that provide functional and economic benefits. We are also engaged in activities associated with this core business.

The roles of these companies within the group and relationships with business segments are shown below.

Segments	Major products/merchandise	Main group companies	
Extrusion Business	Styrene Paper™ Miraboard™ P-Board™ P-Mat™ Miramat™ Caplon™ Mirafoam™ Miraplank™ J Slit™	Manufacturing and sales companies	JSP Corporation Xanpak Corporation MIRAX Corporation
		Contract manufacturing company	KP Corporation
Beads Business	P-Block™ (ARPRO™) L-Block™ Styrodia™ Heatpor™ Clearpor™ Elemopor™ Foamcore™ Super Foam™	Manufacturing and sales companies	JSP Corporation Yuka Sansho Kenzai Co., Ltd. Hokuryou EPS Co., Ltd. Honsyu Petrochemistry Co., Ltd. NK Kasei Co., Ltd. JSP International Group LTD. JSP International S.A.R.L. JSP Foam Products PTE. LTD. KOSPA Corporation Korea Special Products Co., Ltd. Taiwan JSP Chemical Co., LTD. JSP Plastics (Shanghai) Co., LTD. JSP Plastics (Wuxi) Co., LTD. JSP Plastics (Dongguan) Co., LTD. JSP Foam Products Hong Kong LTD. JSP Foam India Pvt. LTD. JSP Brasil Industria de Plastico LTDA. Sanin Kasei Co., Ltd.
		Contract manufacturing company	JSP Molding Corporation
Other Businesses	General packaging materials and others	Manufacturing and sales companies	Japan Acryace Corporation Kunshan JSP Seihoku Packaging Material Co., LTD.
		Sales company	Seihoku Packaging Company



A flowchart of business operations is as follows.



### 3. Management Policy

#### (1) Fundamental Management Policy

The social mission of JSP is to use its core businesses of foamed synthetic resins foaming and new materials to consistently supply products that help improve social activities by conserving resources and energy. Our goal is to remain a globally competitive and profitable organization by responding accurately to continuous changes in market needs by using exclusive technologies to supply value-added products.

As an environmentally-focused company, JSP is working in many ways to lower its environmental impact in order to protect the global environment and conduct business activities in an environmentally responsible manner. This commitment includes activities to conserve resources and energy and promote recycling.

#### (2) Key Performance Indicators

JSP places priority on ROE, ROA and other indicators to evaluate results of operations. To achieve consistent growth with profitability, which is the goal of the consolidated medium-term management plan, the fundamental performance indicators are net sales for monitoring growth and the operating margin for monitoring profitability.

#### (3) Medium and Long-term Management Strategies

JSP is a globally competitive organization with a commitment to safety and the environment. Our mission is to contribute to society by manufacturing environmentally friendly products.

The central theme of the consolidated medium-term management plan is “Deepen & Grow.” To achieve sustained growth, we plan to upgrade existing technologies by brushing up this know-how. In addition, we will strengthen and expand our base of operations by creating new technologies in order to enter new business domains and adding applications to foster the development of new markets.

We have formulated a consolidated medium-term management plan “Deepen & Grow” that will end on March 31, 2015. This plan has the following goals.

- 1) Strengthen current business activities
- 2) Expand business activities outside Japan
- 3) Start new business activities

Numerical targets for the plan’s final year, which ends on March 31, 2015, are as follows.

- 1) Net sales: 110,000 million yen
- 2) Operating margin: 8%

#### (4) Important Issues

JSP is working in many ways to lower its environmental impact in order to protect the global environment and conduct business activities in an environmentally responsible manner. This commitment includes activities to conserve resources and energy and promote recycling. We believe that these activities will help us earn the public’s trust and become more competitive.

Demand in Japan is expected to decline as the population ages while the number of children decreases and the hollowing out of industrial activity continues. To achieve sustained growth, we must create as many value-added products as possible that incorporate our highly innovative technologies. Accomplishing this goal will be vital to reaching our next targets. We are determined to strengthen and enlarge our base of operations in accordance with the management strategies and basic policies of the consolidated medium-term management plan “Deepen & Grow.”

*\* 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.*