



JSP Corporation  
Engineered Plastic Foams

---

# Information Meeting

Results of Operations for the Fiscal Year  
Ended March 31, 2016 (FY3/16)

JSP Corporation

- 1. FY3/16 Summary of Business Operations**
2. FY3/17 Outlook
3. FY3/16 Supplementary Financial Information
4. New Plants, Pipeline Products, New Grades

# Summary of Business Operations

FY3/16

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/15 Results	FY3/16 Forecast (Announced Oct. 30, 2014)	FY3/16 Results	YoY Comparison	vs. Forecast
Net sales	116,923	115,500	114,904	98%	99%
Operating income	5,667	8,000	9,278	164%	116%
Ordinary income	6,044	8,000	9,101	151%	114%
Profit attributable to owners of parent	4,039	5,200	5,914	146%	114%

- Forex: JPY121.0/USD JPY133.7/EUR (FY3/15: JPY106.5/USD JPY140.3/EUR)
- Dubai crude oil: USD45.6/BL (FY3/15: USD83.6/BL)
- Japan: Sales down: product price revisions and decline in demand due to slow pace of the economic recovery  
Operating income up: Recovery in the spread between the cost of raw materials and product selling prices, depreciation down ¥797 million due to change in depreciation method
- Global: Sales up: Higher USA&Europe and China sales; global sales volume increased too  
Operating income up: Higher sales volume, larger spread, weaker yen (higher yen conversions of foreign-currency sales)

Record-high earnings



# Extrusion Business

FY3/16

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/15 Results	FY3/16 Results	YoY Comparison
Net sales	39,915	38,289	96%
Operating income	1,348	2,755	204%

Sales fell due to the delay in economic recovery, but earnings improved as the spread returned and depreciation lowered.

- Depreciation declined by ¥487 million due to the revision to the depreciation method.
- Sales of MIRAMAT<sup>®</sup> (an industrial packaging material) increased due to brisk sales of high value-added products
- Sales of CAPLON<sup>™</sup> (an industrial packaging material) increased due to new applications such as packaging materials for automotive parts
- Sales of P-BOARD<sup>™</sup> (an industrial packaging material) decreased in response to the sluggishness in the home appliance market
- Sales of STYREN PAPER<sup>™</sup> (a food packaging material) declined due to lower tray sales and the effect of product price revisions
- Sales of MIRABOARD<sup>™</sup> (used in advertising displays and folding boxes) increased because of growth in sales of value-added products
- Sales of MIRAFOAM<sup>™</sup> (construction and civil engineering materials) decreased due a decline in construction starts of houses and condominiums, and fewer public works projects in the civil engineering sector.

# Bead Business

FY3/16

JSP Corporation  
Engineered Plastic Foams

Item	(Million yen)		
	FY3/15 Results	FY3/16 Results	YoY Comparison
Net sales	70,340	70,865	101%
Operating income	4,854	7,436	153%

Sales declined in Japan due to lower demand and product price revisions. However, segment sales and earnings increased in USA&Europe and China due to strong sales and the weaker yen.

- Depreciation declined by ¥292 million due to the revision to the depreciation method
- ARPRO®/P-BLOCK™, a cushioning material for automotive parts and home appliances, and an impact protection material for sports grounds
  - Japan: Sales declined due to lower demand automobile and IT home appliance manufacturers as well as the revision in product prices
  - North America: Demand for automotive parts increased and sales of sports ground impact protection materials and stonework base materials increased
  - South America: Sales decreased as economic weakness reduced automobile sales volume and the negative effect of real's depreciation
  - Europe: Sales decreased as product price revisions and the euro's depreciation offset the higher sales volume driven by the strong demand for automotive parts
  - China/Asia: Sales increased in China and Singapore, but decreased in South Korea and Taiwan
- STYRODIA®, used for fish boxes and as a cushioning material for home appliances and a home insulation material  
Demand improved in the fisheries and agriculture sectors but was weak in the home appliance, construction and civil engineering sectors. Sales declined due to the effect of product price revisions.
- Sales of FOAMCORE™ (a hybrid molded product) increased as a new float application was added

# Other

FY3/16

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/15 Results	FY3/16 Results	YoY Comparison
Net sales	6,667	5,749	86%
Operating income	59	17	30%

Sales increased in Japan due to recovery in output in Japanese manufacturers backed by the weaker yen.  
Sales decreased in China.

- Depreciation declined by ¥3 million due to the revision to the depreciation method
- General packaging materials in Japan  
Sales increased due to the growth in demand for packaging materials used in automobiles, LCD products, optical products and general industrial parts because of a recovery in output in Japan by manufacturers backed by the weaker yen
- General packaging materials in China  
Sales decreased following the cancellation of a packaging material order for LCD TVs

# Contents

JSP Corporation  
Engineered Plastic Foams

1. FY3/16 Summary of Business Operations
- 2. FY3/17 Outlook**
3. FY3/16 Supplementary Financial Information
4. New Plants, Pipeline Products, New Grades

# FY3/17 Outlook

## FY3/17 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/16 Results	FY3/17 Forecast	YoY Comparison
Net sales	114,904	113,000	98%
Operating income	9,278	9,000	97%
Ordinary income	9,101	9,100	100%
Profit attributable to owners of parent	5,914	6,200	105%

- Exchange rates: JPY110/USD, JPY125/EUR (FY3/16: JPY121.0/USD, JPY133.7/EUR)
- Dubai crude oil: USD40/BL (FY3/16: USD45.6/BL)
- Japan: Higher sales resulting from use of exclusive technologies to differentiate products  
Higher sales of high-performance thermal insulation materials and LCD panel transport cushioning materials
- Global: Expect double-digit growth in sales volume  
New application for auto parts in USA&Europe and China, higher sales due to completions of new factories in China and Thailand
- Dividend: Annual dividend (forecast) ¥40 per share

# Results of Operations and Outlook

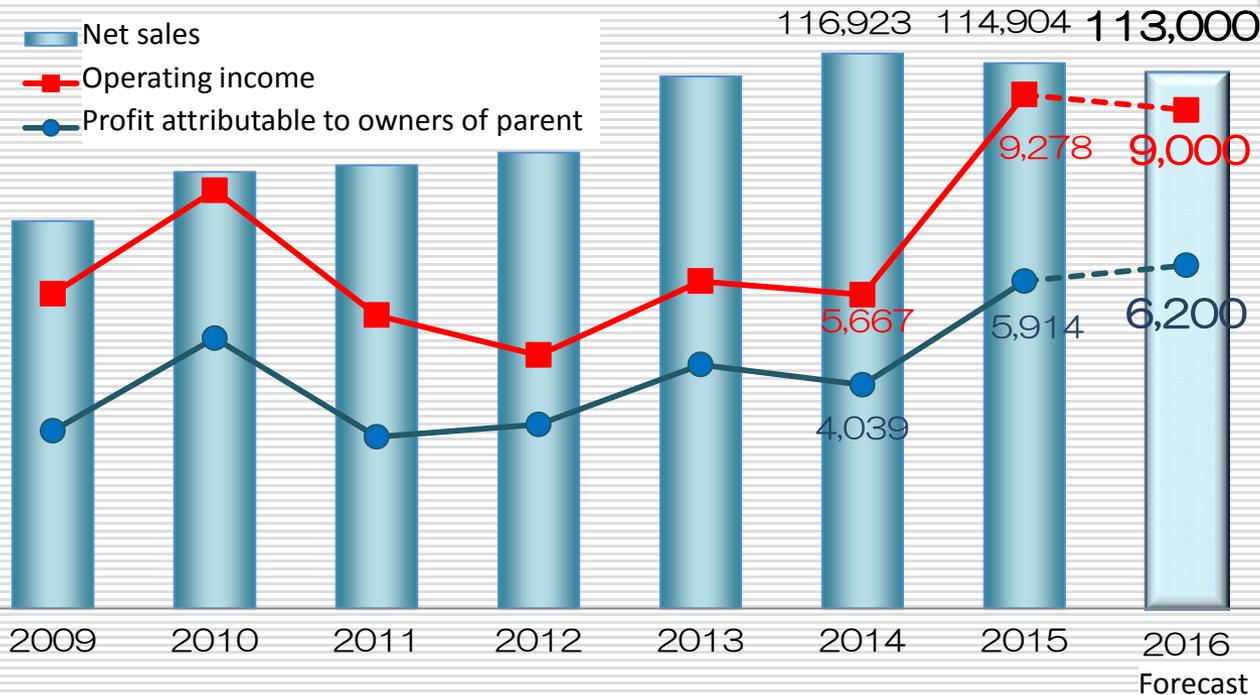
FY3/17 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

● Net sales	113,000	Down 1.7%
● Operating income	9,000	Down 3.0%
● Ordinary income	9,100	Down 0.0%
● Profit	6,200	Up 4.8%

Sales volume: up 5.5%  
Net sales: down 1.7%  
(stronger yen / product price revisions)



- Japan: Lower sales, lower profits  
Higher sales volume, product price revisions
- Global: Lower sales, higher profits  
Double-digit volume growth, stronger yen

### Assumptions

\*FY3/16 rates in parentheses

Exchange rates:

JPY110/USD, (JPY121.0/USD)

JPY125/EUR (JPY133.7/EUR)

Dubai crude oil:

USD40/BL (USD45.6/BL)

# Extrusion Business

FY3/17 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/16 Results	FY3/17 Forecast	YoY Comparison
Net sales	38,289	37,904	99%
Operating income	2,755	2,514	91%

Differentiation using exclusive technologies: high-performance thermal insulation materials and LCD panel transport cushioning materials



MIRAFOAM™ Λ  
Wall Block

Sales volume up 7% YoY

- Increasing sales of high-performance thermal insulation materials
- Higher public-works expenditures to prepare for the Tokyo Olympics



Permanent anti-static properties  
MIRAMAT ACE™

Sales volume up 3% YoY

- Increasing sales of cushioning materials for transporting LCD panels and targeting opportunities in global markets



STYRENE PAPER™

No change in sales volume

- Increasing sales of heat-resistant food containers
- Increasing sales of wood grain expanded polystyrene sheets that require no printed film

# Bead Business

FY3/17 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	FY3/16 Results	FY3/17 Forecast	YoY Comparison
Net sales	70,865	69,016	97%
Operating income	7,436	7,391	99%

**ARPRO®/P-BLOCK™ adding more locations and new application for auto parts; STYRODIA® increasing functional products**



ARPRO®/P-BLOCK™  
Expansion of global locations  
New application for auto parts

Sales volume up 11% YoY (the stronger yen reduced sales)

- Growth of more than 10% in demand in Europe and China
- Increase use of materials in auto parts (sheets, etc.)
- Create new demand by developing new products and new applications



STYRODIA®  
Increasing sales of high-performance grades  
Strengthening cooperation with other divisions

Sales volume up 3% YoY

- Increasing sales of high-performance grades CLEARPOR®, HEATPOR®
- Strengthening cooperation with other divisions for production and sales activities

# Business Segment Plans

FY3/17 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

	FY3/16 Results		FY3/17 Outlook		Vs. FY3/16	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Extrusion Business	38,289	2,755	37,904	2,514	99%	91%
Bead Business	70,865	7,436	69,016	7,391	97%	99%
Other	5,749	17	6,080	76	106%	447%
Sub-total	114,904	10,210	113,000	9,981	98%	98%
Adjustment	-	(931)	-	(981)	-	-
Total	114,904	9,278	113,000	9,000	98%	97%

- Capital expenditures:    Approx. ¥8,400 million  
                                  (Increase production capacity: ¥3,000 million, maintenance: ¥5,400 million)
- Depreciation:            Approx. ¥5,120 million

# Contents

JSP Corporation  
Engineered Plastic Foams

1. FY3/16 Summary of Business Operations
2. FY3/17 Outlook
- 3. FY3/16 Supplementary Financial Information**
4. New Plants, Pipeline Products, New Grades

# Results of Operation

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

(Million yen, percentages in parentheses represent year-on-year changes)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
FY3/16	114,904 (-1.7%)	9,278 (63.7%)	9,101 (50.6%)	5,914 (46.4%)
FY3/15	116,923 (4.3%)	5,667 (-4.1%)	6,044 (-7.1%)	4,039 (-8.3%)

Comprehensive income: FY3/16: ¥3,280 million FY3/15: ¥8,658 million

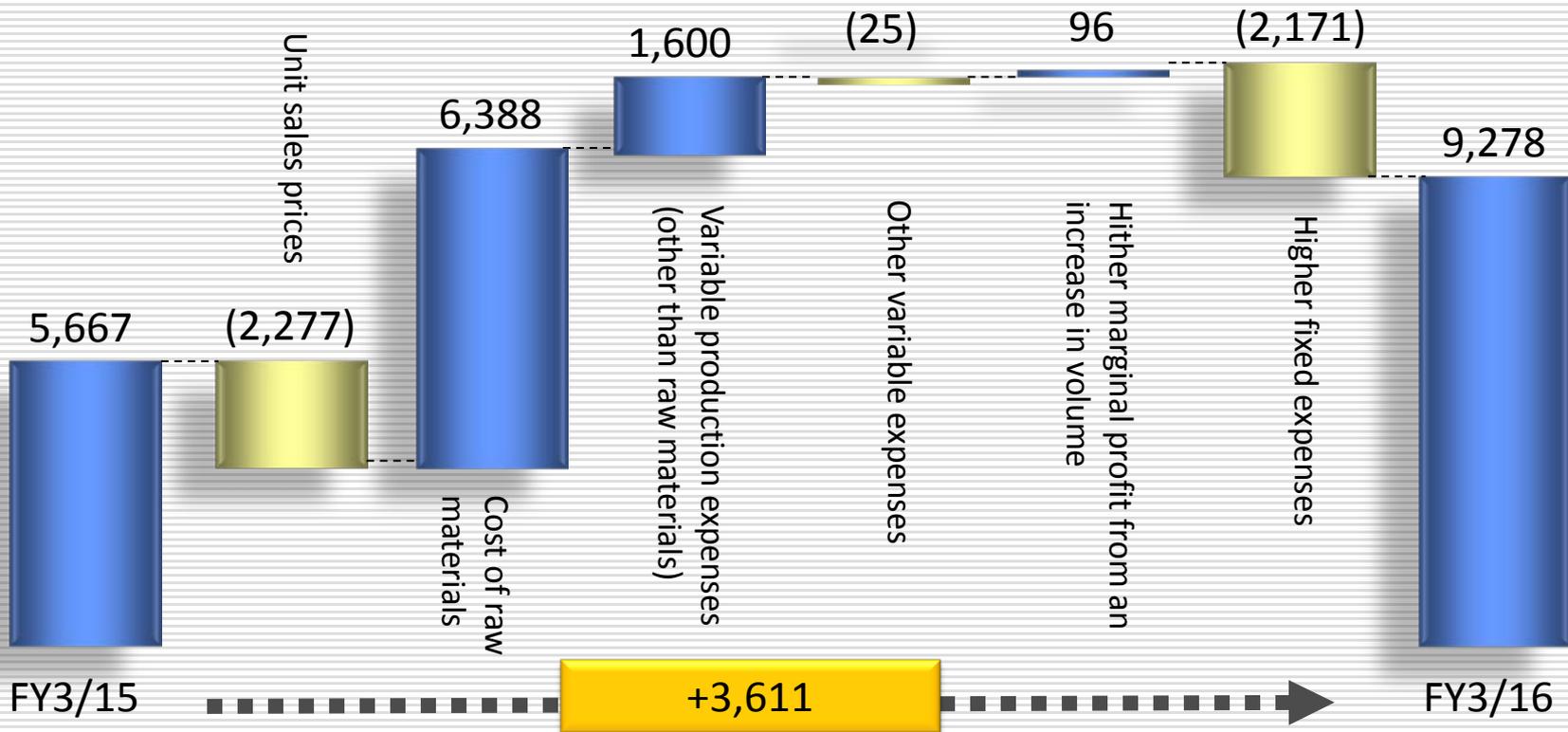
	Net income per share (Yen)	Return on equity	Ordinary income to total assets	Operating income to net sales
FY3/16	198.40	8.9%	7.9%	8.1%
FY3/15	135.50	6.5%	5.4%	4.8%

# Components of Change in Operating Income

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

(Million yen)



# Non-operating Income/Expenses Extraordinary Income/Loss

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

## Non-operating Income/Expenses

Account	FY3/15	FY3/16
Interest income	240	245
Foreign exchange gains	13	-
Other	404	416
<b>Total non-operating income</b>	<b>658</b>	<b>661</b>
Interest expenses	191	155
Foreign exchange losses	-	493
Other	89	190
<b>Total non-operating expenses</b>	<b>280</b>	<b>839</b>

## Extraordinary Income/Loss

Account	FY3/15	FY3/16
Gain on sales of non-current assets	9	14
Gain on sales of investment securities	30	-
Subsidy income	-	301
<b>Total extraordinary income</b>	<b>40</b>	<b>315</b>
Loss on sales of non-current assets	1	8
Loss on retirement of non-current assets	38	94
Impairment loss	-	21
Loss on valuation of investment securities	40	-
Business structure improvement expenses	-	541
Office transfer expenses	3	-
<b>Total extraordinary losses</b>	<b>84</b>	<b>664</b>

(Million yen)

# Financial Position

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

(Million yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2016	115,136	72,497	59.0%	2,277.32
As of Mar. 31, 2015	116,717	70,352	56.0%	2,190.61

Reference: Shareholders' equity: As of Mar. 31, 2016: ¥67,890 million As of Mar. 31, 2015: ¥65,307 million

# Balance Sheet

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Category	Account	As of Mar. 31, 2015	As of Mar. 31, 2016	Change
Assets	Current assets	64,106	62,672	(1,434)
	Non-current assets	52,611	52,464	(147)
	Total assets	116,717	115,136	(1,581)
Liabilities	Current liabilities	33,460	31,894	(1,566)
	Non-current liabilities	12,905	10,744	(2,160)
Net assets	Shareholders' equity	62,409	67,420	5,011
	Total accumulated other comprehensive income	2,898	469	(2,428)
	Non-controlling interests	5,044	4,607	(437)
	Total liabilities and net assets	116,717	115,136	(1,581)

# Net Assets

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Account	As of Mar. 31, 2015	As of Mar. 31, 2016	Change
Capital stock	10,128	10,128	-
Capital surplus	13,405	13,405	-
Retained earnings	40,253	45,267	5,014
Treasury shares	(1,378)	(1,380)	(2)
Total shareholders' equity	62,409	67,420	5,011
Valuation difference on available-for-sale securities	269	252	(16)
Foreign currency translation adjustment	2,348	68	(2,279)
Remeasurements of defined benefit plans	281	148	(132)
Total accumulated other comprehensive income	2,898	469	(2,428)
Non-controlling interests	5,044	4,607	(437)
Total net assets	70,352	72,497	2,145

# Cash Flows

## Capital expenditures, depreciation, R&D expenses

FY3/16 Supplementary  
Financial Information

JSP Corporation  
Engineered Plastic Foams

### Cash Flows

(Million yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents
FY3/16	13,849	(6,001)	(5,907)	10,295
FY3/15	8,289	(8,029)	1,156	8,893

### Capital Expenditures, Depreciation, R&D Expenses

(Million yen)

	Capital expenditures	Depreciation	R&D expenses
FY3/16	6,341	4,903	2,034
FY3/15	7,575	5,327	2,023

(Capital expenditures are on a cash basis.)

# Contents

JSP Corporation  
Engineered Plastic Foams

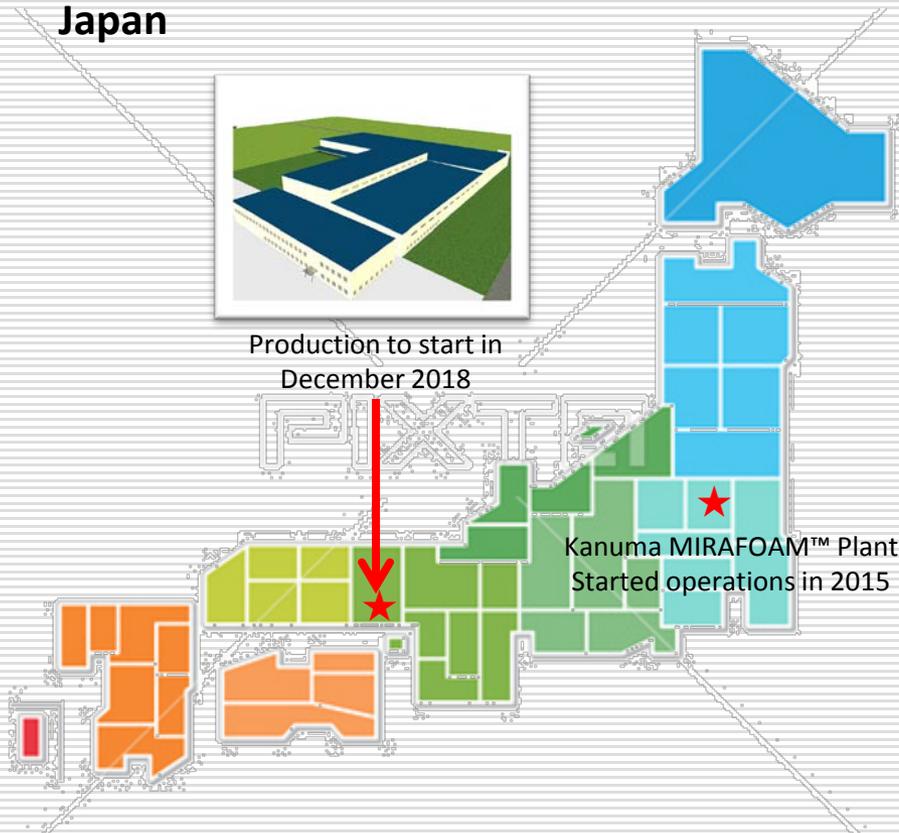
1. FY3/16 Summary of Business Operations
2. FY3/17 Outlook
3. FY3/16 Supplementary Financial Information
- 4. New Plants, Pipeline Products, New Grades**

# Construction of New Plant (1)

MIRAFOAM™ Plant in the  
Central and Western Japan

JSP Corporation  
Engineered Plastic Foams

## New MIRAFOAM™ (expanded polystyrene extruded board) plant for central and western Japan



### [Background]

- Upcoming 2020 requirement to comply with Japan's energy conservation standards
- Need to establish supply infrastructures for eastern and western Japan
- Need for production of MIRAFOAM™ for use as a high-performance thermal insulation material
- New plant will improve MIRAFOAM™'s performance and production efficiency

### [Outline of the new plant]

- |                           |   |
|---------------------------|---|
| (1) Location:             | Tatsuno City, Hyogo, Japan<br>(adjacent to the current plant) |
| (2) Activities:           | Production and secondary processing of MIRAFOAM™              |
| (3) Capital expenditures: | Approx. ¥4.0 billion  |
| (4) Site area:            | 36,500 m <sup>2</sup>   |
| (5) Construction area:    | 22,400 m <sup>2</sup>   |
| (6) Start of production:  | December 2018 (tentative)                                     |

# Construction of New Plant (2)

Wuhan Plant

JSP Corporation

Engineered Plastic Foams

## New plant in Wuhan (China) to produce expanded polypropylene beads (ARPRO®/P-BLOCK™)

Raising annual output capacity in China to 24,000 tons



### [Background]

- Number of affluent consumers is increasing in inland China as well as in coastal regions
- Automobile production volume is climbing
- Greater need for lighter vehicles due to serious pollution problem

### [Outline of the new company]

- (1) Company name: JSP Plastics (Wuhan) Co., Ltd.
- (2) Location: Wuhan Economic & Technological Development Zone, China
- (3) Activities: Manufacturing and sales of expanded polypropylene beads
- (4) Capital expenditures: Approx. ¥1.2 billion
- (5) Site area: 21,000 m<sup>2</sup>
- (6) Construction area: 7,920 m<sup>2</sup>
- (7) Start of production: January 2017 (tentative)
- (8) Annual production capacity: 3,000 tons

# Construction of New Plant (3)

Changchun Plant

JSP Corporation  
Engineered Plastic Foams

## New plant in Changchun (China) to produce expanded polypropylene beads (ARPRO®/P-BLOCK™)



[Background]

- Establish a supply base to serve northern and northeastern China
- Increase market share by using a production and sales system with close ties to customers

[Outline of the new plant]

- (1) Company name: JSP Plastics (Wuxi) Co., Ltd.  
Changchun Branch
- (2) Location: Changchun Economic & Technological Development Zone, China
- (3) Activities: Manufacturing and sales of expanded polypropylene beads
- (4) Capital expenditures: Approx. ¥100 million
- (5) Start of production: June 2016 (tentative)
- (6) Annual production capacity: 1,200 tons

# Start of Operations at New Plant

Thailand Plant

JSP Corporation

Engineered Plastic Foams

## New plant in Thailand to manufacture expanded polypropylene beads (ARPRO®/P-BLOCK™)



### [Background]

- Demand is growing for high-expansion-rate products
- Plant will provide a reliable supply of these beads and strengthen sales activities and technical support

### [Outline of the new company]

- (1) Company name: JSP Foam Products (Thailand) Co., Ltd.
- (2) Location: Asia Industrial Estate, Thailand (approx. 30km east of Bangkok)
- (3) Activities: Manufacturing and sales of expanded polypropylene beads, technical support
- (4) Capital expenditures: Approx. ¥600 million
- (5) Site area: 13,600 m<sup>2</sup>
- (6) Construction area: 3,500 m<sup>2</sup>
- (7) Start of production: March 2016
- (8) Annual production capacity: 1,800 tons

# Higher Output Capacity

Czech Plant

JSP Corporation  
Engineered Plastic Foams

## ARPRO®/P-BLOCK™ (expanded polypropylene beads) plant in the Czech Republic



Raising annual output capacity in Europe to 26,000 tons

Doubling output of the Czech Plant

[Background]

- Steady growth in automobile production
- More auto part applications (rear seat cushions and others)
- HVAC applications are another opportunity
- Product differentiation strategy
- Differentiation strategy for sales and technical support

HVAC: Heating, Ventilation, and Air Conditioning

# New Application

Car Trunk  
Rear Sheet Cushion

JSP Corporation  
Engineered Plastic Foams

**ARPRO®/P-BLOCK® is used in Toyota's new Prius**



- Used to make the spare tire compartment and tool box of the new Prius
- Toyota plans to use this material in the rear seat, too.

# Pipeline Product (1)

integxion

JSP Corporation  
Engineered Plastic Foams

Higher output starting in North America in October 2016 of integxion, an electron beam cross-linked expanded polyethylene sheet; plan to make operations profitable by selling high-performance products



Medical tapes



Auto door shields



Laminate flooring



Mounting sheets  
for flexo printing



Mirror gaskets

## [Features]

- A more uniform and finer cellular structure and an attractive appearance
- Outstanding elasticity and cushioning
- Outstanding water resistance and thermal insulation due to closed-cell foaming
- Floats because of its light weight
- Resistant to oils and chemicals

# Pipeline Product (2)

xealogic

JSP Corporation  
Engineered Plastic Foams

**xealogic is a high-performance expanded polyethylene sheet that uses multilayering technology**



Currently examining potential markets

## [Features]

- A high-performance foamed sheet made by using multilayering technology
- Outstanding resistance to oils and chemicals

## [Applications]

- ◎ Bottle cap packing materials
- ◎ Packing materials for containers

# Pipeline Product (3)

Composite foamed material (ACTech)

JSP Corporation  
Engineered Plastic Foams

**A composite material that combines a foamed material with resin, metal and inorganic compounds**



Applications under development

[What is ACTech?]

A lineup of composite material products made possible by exclusive JSP technologies. ACTech combines JSP's innovative foamed materials with resins (including thermosetting resin), metals and inorganic compounds.

[Features]

- The superior light weight and thermal insulation possible only with foamed materials
- The strength and rigidity of a composite material
- A composite material with unprecedented properties

# Pipeline Product (4)

Flexible foamed  
materials

JSP Corporation  
Engineered Plastic Foams

**New foamed materials with flexibility, shock resistance, resilience, durability and other useful properties**

Developing a foamed material that meets the demands of a shoe manufacturer



## [Features]

- Flexible
- Shock resistance
- Resilience
- Durability

## [Applications]

- Sports shoes
- Sports protectors
- Automobile parts
- Floor materials and many other potential uses

# New Grade

ELEMPOR™ NEO

JSP Corporation  
Engineered Plastic Foams

**ELEMPOR™ NEO is a polyethylene/polystyrene copolymer bead that was developed using polymer alloy and foaming agent impregnation technology**



## [Features]

### ● **Flexible and resistant to shocks**

Use of expanded polystyrene and high-impact expanded polystyrene results in a material that is soft and easy to bend while also absorbing shocks, making it ideal for protecting heavy objects

### ● **Easy to shape**

Expanded polystyrene molding equipment can be used for preliminary foaming and molding

### ● **Resistant to oils**

## [Applications]

- ⊙ Cushioning material and returnable containers for mechanical and electronic parts
- ⊙ Cushioning material for TVs and other audio-visual products and for home appliances
- ⊙ Automobile bumper core material, level-raising material, shock-absorbing material

---

# JSP Corporation

## Engineered Plastic Foams

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.

Inquiries: Tel +81(3)-6212-6306  
Investor Relations Department