



JSP Corporation
Engineered Plastic Foams

New Medium-term Management Plan

— “Deepen & Grow 2017” —

May 18, 2015

JSP Corporation

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The New Medium-term Plan

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◆ Vision “Deepen & Grow”

◆ Fundamental Policy

Promotion of differentiation strategy

- Reinforce distinctive strengths in current businesses in terms of raw materials, technologies and markets
- Differentiate JSP by clearly establishing areas of superiority that no competitor can match

Promotion of growth strategy

- Expand unique JSP superiority involving raw materials, technologies and markets

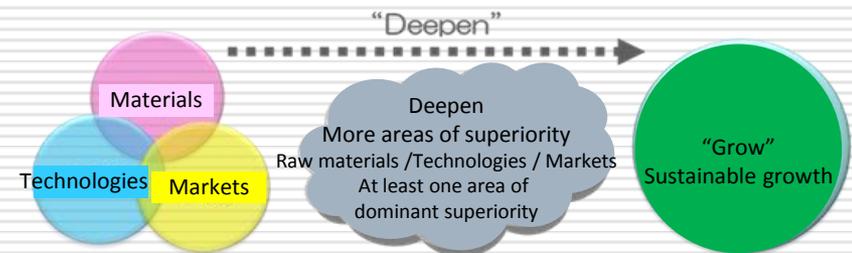
◆ Priorities

- New products: Target sales of 10,000 million yen
 - Launch new products by focusing on the most promising themes
- Japan: Move faster to shift to highly profitable operations
 - Developing new products and new grades
 - Identifying new needs effectively and quickly
 - Focusing resources on growing sectors
- Global: Build a more stable and powerful infrastructure
 - Enlarging the network and upgrading capabilities of ARPRO®/P-BLOCK™
 - Establishing a second core product in addition to ARPRO®/P-BLOCK™

“Deepen”: Differentiation

Strengthen current businesses and create more areas of superiority

“Grow”: Business growth and earnings growth
Use differentiation for growth



Clearly establish superiority that only JSP can offer

Numerical Targets

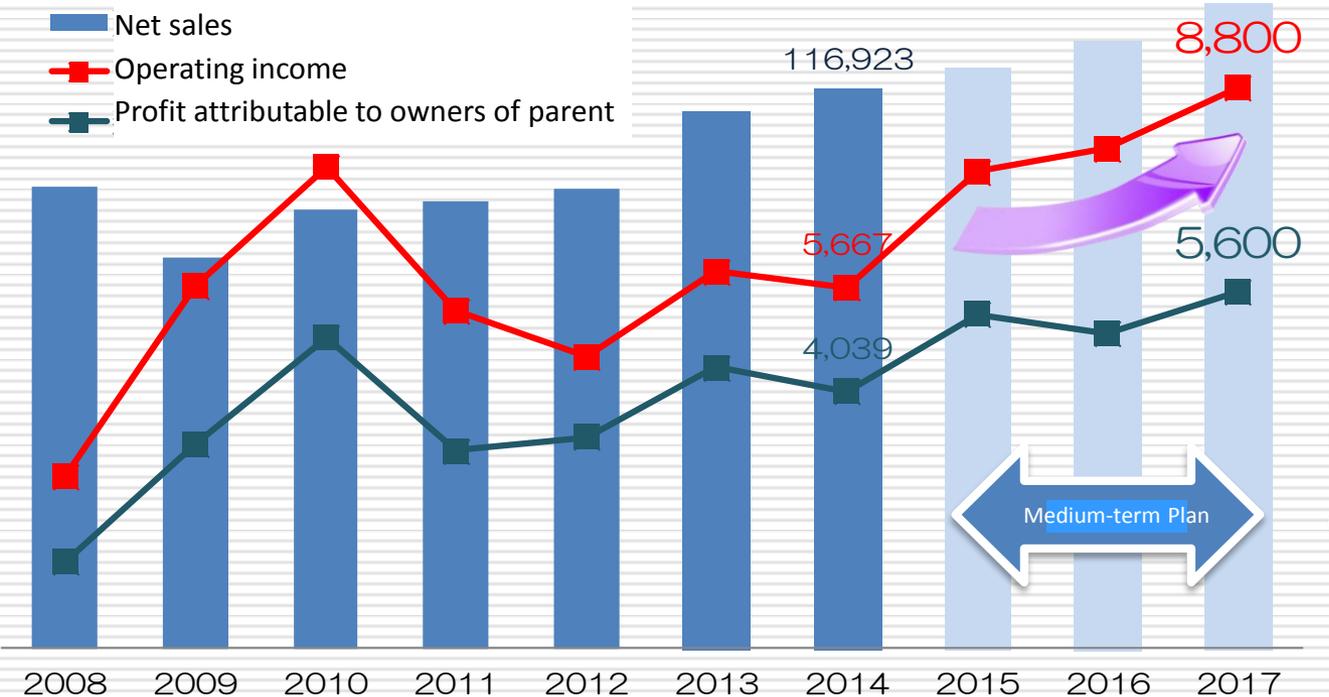
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(Million yen)

Numerical targets for FY3/18

- Net sales: 135,000 (incl. 10,000 from new products)
- Operating margin: at least 6.5%



Incl. global sales
Approx. 53,000

(Reference)
ROE: Approx. 8%
Equity ratio: Approx. 59%

(Assumptions)
Exchange rates:
JPY110/USD, JPY140/EUR
Crude oil: USD105/BL

Business Segment Plans

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● Goals for new product sales of 10,000 million yen (Million yen)

	FY3/15 Results		FY3/18 Plan		Vs. FY3/15	
	Net sales	Operating income	Net sales	Operating Income	Net sales	Operating income
Extrusion Business	39,915	1,348	44,405	2,259	111%	168%
Bead Business	70,340	4,854	83,776	7,354	119%	152%
Other	6,667	59	6,819	89	102%	151%
Sub-total	116,923	6,262	135,000	9,702	115%	155%
Adjustment	-	(595)	-	(902)	-	-
Total	116,923	5,667	135,000	8,800	115%	155%

Business Segment Goals

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Extrusion Business

- MIRAMAT ACE™ is an expanded polyethylene sheet with permanent anti-static properties and is used to protect surfaces of LCD panels and in other applications. The goals are to establish a global supply infrastructure and increase sales of ultra-thin products.
- MIRAFOAM™ is an extruded board made of expanded polystyrene and is used for thermal insulation in houses and buildings, and as a civil engineering material. The goal is to establish production and sales capabilities to meet expected growth in demand resulting from Japan's mandatory energy conservation standard in 2020 and the 2020 Tokyo Olympics.
- Increase sales of CORE LIGHT (low-ratio expanded products) to reduce expenses associated with Japan's Container and Packaging Recycling Act.
- Increase sales of wood grain expanded polystyrene sheets that require no printed film.

Bead Business

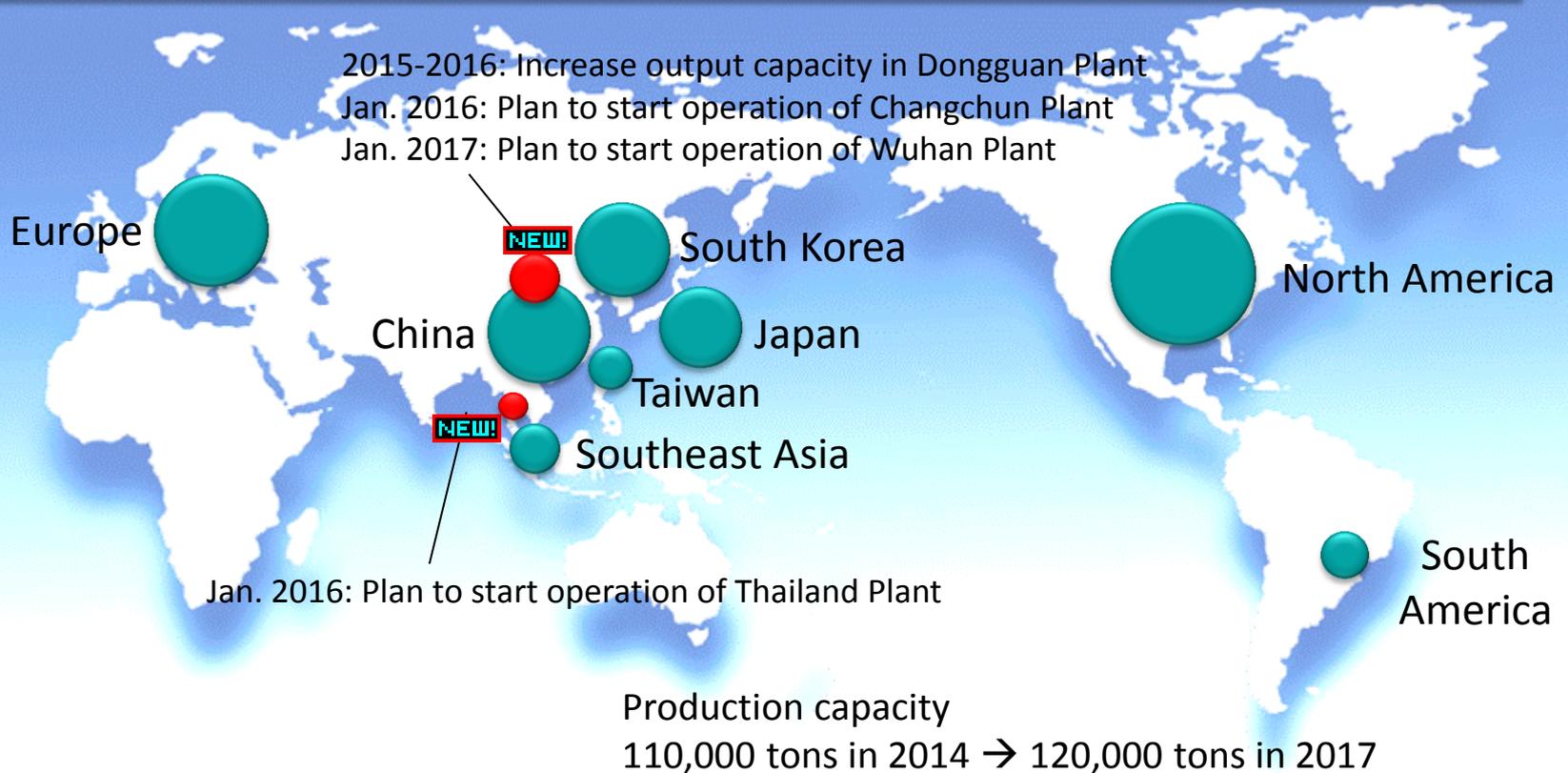
- ARPRO®/P-BLOCK™ is an expanded polypropylene used in automotive parts, as a cushioning material for home appliances and as a ground base material. The goal is to build a more stable and powerful foundation by adding more locations, upgrading capabilities and creating a second core product in this category.
- STYRODIA® is expanded polystyrene beads used in the fisheries, agriculture, construction, civil engineering and home appliance sectors. The goal is to maintain steady earnings by increasing sales of high-performance grades of these beads. Two examples are CLEARPOR®, used for evaporative pattern casting, and HEATPOR®, a material for hot water heater insulation and automotive parts.
- Start full-scale sales activities for the electron beam cross-linked expanded polyethylene sheets, which are used in medical tape, automotive parts and other applications.

Global Expansion of ARPRO®/P-BLOCK™

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The leading share of the global market for expanded polypropylene ARPRO®/P-BLOCK™



Total capital expenditures:
Approx. 20,000 million yen (for three years)

Depreciation: Approx. 15,000 million yen (for three years)

- Increase production bases worldwide
(China, Thailand, etc.)
- Launch new products and new grades of products
- Make current equipment more efficient and use state-of-the-art equipment

New Plants

Operations started at the
Kanuma MIRAFOAM™ Plant

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Operations started at the Kanuma MIRAFOAM™ Plant in January 2015

The Council for the Promotion of Housing and Living Styles toward a Low-Carbon Society has been jointly established by the Japanese Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of the Environment and is engaged in creating policies to make it compulsory for all newly built housing and architectural structures to comply with energy-saving standards by 2020.



Objectives

- Centralize manufacturing, secondary processing, storage and shipping activities, which had been spread across several locations in the Kanuma area
- Make JSP more competitive by creating an infrastructure for the efficient supply of products
- Establish a framework for the production of functional, value-added products

Outline of the new plant

- (1) Location: Kanuma City, Tochigi, Japan
- (2) Business activities: Production and secondary processing of MIRAFOAM™
- (3) Total capital expenditures: Approx. 3 billion yen



New Plants

New plant at the Jackson Plant
Electron beam cross-linked expanded polyethylene sheets

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Launched electron beam cross-linked expanded polyethylene sheet business in North America Productions started in January 2015

Features a more uniform and finer cellular structure and surface



Outline of the new plant

- (1) Location: Jackson City, Michigan, USA
- (2) Business activities: Production of electron beam cross-linked expanded polyethylene sheets
- (3) Total capital expenditures: Approx. 1 billion yen



Medical tapes



Auto door shields



Mirror gaskets



Mounting sheets for flexo printing



Laminate flooring

Construction of New Plants

Wuhan Plant

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



New plant will raise annual output capacity in China to 24,000 tons

Objective

- 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. (provisional name)
- (2) Location: Wuhan Economic & Technological Development Zone, China
- (3) Business activities: Manufacturing and sales of expanded polypropylene beads
- (4) Total capital expenditures : Approx. 1.2 billion yen
- (5) Implement of production: January 2017 (tentative)
- (6) Annual production capacity: 3,000 tons

Construction of New Plants

Changchun Plant

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



Objectives:

- 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 (provisional name)
- (2) Location: Changchun Economic & Technological Development Zone, China
- (3) Business activities: Manufacturing and sales of expanded polypropylene beads
- (4) Total capital expenditures: Approx. 100 million yen
- (5) Start of production: January 2016 (tentative)
- (6) Annual production capacity: 1,200 tons

New Products

MIRAFOAM™ Λ

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MIRAFOAM™ Λ, a high-performance, next-generation insulation material

JSP has high expectations for growth in demand for this material as the 2020 enactment in Japan of mandatory revised energy conservation standards for new buildings approaches.

超高性能な断熱性
熱伝導率0.022W/m·K(23℃)を実現。
吸水性が低く安定した性能を発揮します。

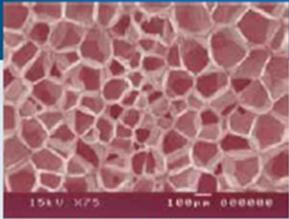
高断熱のメカニズム

気泡膜の新技术による
輻射熱の抑制・ガスバリア性UP

+

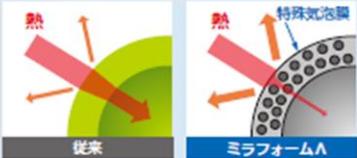
気泡形状による
熱伝導の抑制効果

超高断熱化の実現



15kV X75 100µm 000000

ミラフォームΛ(ラムダ)の気泡写真



熱 従来

熱 特殊気泡膜

ミラフォームΛ

熱が気泡膜を透過するイメージ

環境・健康・安全対策
ノンフロン・ノンホルムアルデヒド・4VOC基準に適合。

優れた機械物性
ミラフォーム同様 曲げ強度(靱性)に高い性能を発揮。

▶規格

厚さ (mm)	25・30・40・50・55
幅 (mm)	910
長さ (mm)	1820
表面状態・色	カットボード・シルバー



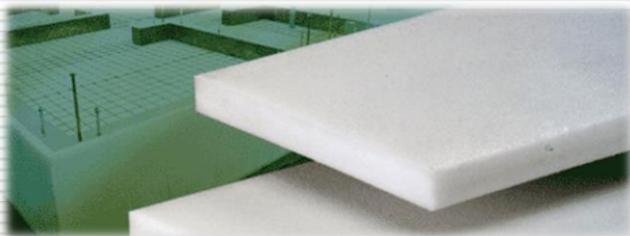
- High-performance thermal insulation
Thermal conductivity is 0.022W/m K
Stable characteristics due to minimal moisture absorption
- For the environment, good health and safety
Same properties as ordinary MIRAFOAM™
(CFC-free, formaldehyde-free, 4 VOC standard compliance)
- Outstanding mechanical properties
Highly resistant to bending

New Products

MIRAPOLICA™ FOAM

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MIRAPOLICA™ FOAM is made by foaming polycarbonate using an innovative JSP technology
The only foamed plastic thermal insulation material that resists termites without the use of an insecticide



Features

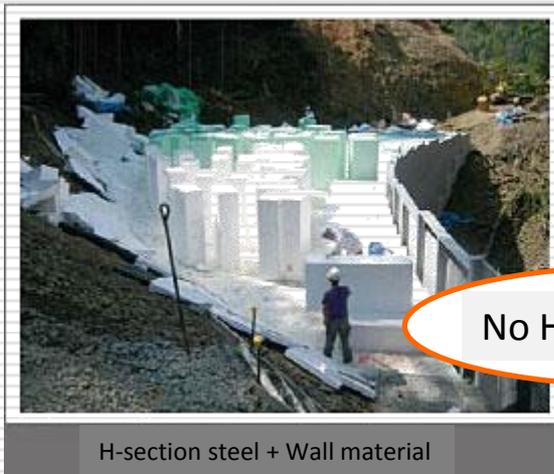
- Highly resistant to insects
- Extremely safe to use
- Long-term stability
- Easy to install
- Shock resistant (high rigidity)
- Outstanding resistance to heat
- Extinguishes fires on its own

Potential new applications by combining
MIRAPOLICA with other materials

- Core material for blades of small wind turbines
- Replacement for steel frames

Wall Block is a lightweight slope stabilizing product consisting of EPS blocks with a concrete slope protection wall

Conventional method



Wall Block method



No H-section steel

Wall Block is a technology that can be compared with NETIS designs

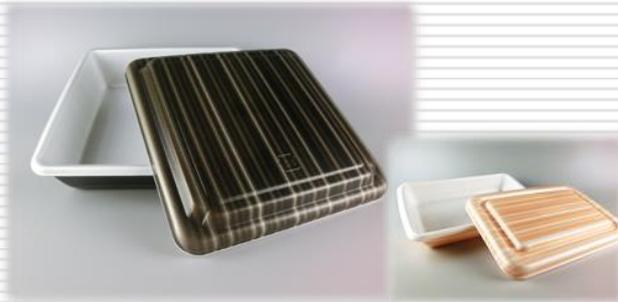
- **Light:** About one-fourth the weight of conventional concrete panels
- **Economical:** Cuts construction cost by up to about 30% compared with the conventional H-section steel + wall material method
- **Faster:** Construction time is about 15% shorter than with the H-section steel + wall material method
- **Reliable:** Recognized as a technology comparable with the NETIS QS-040024V design

New Products

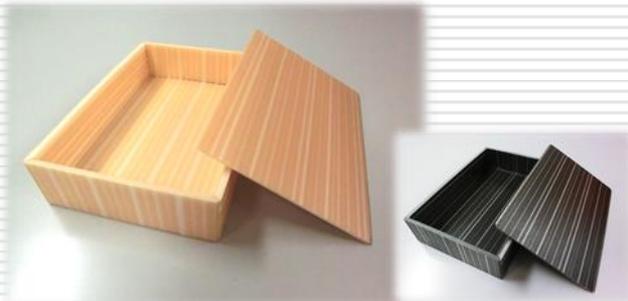
Wood-grain STYRENPAPER™ and
MIRABOARD™

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Foamed polystyrene sheets and boards with wood grain pattern that requires no film



Wood grain polystyrene paper

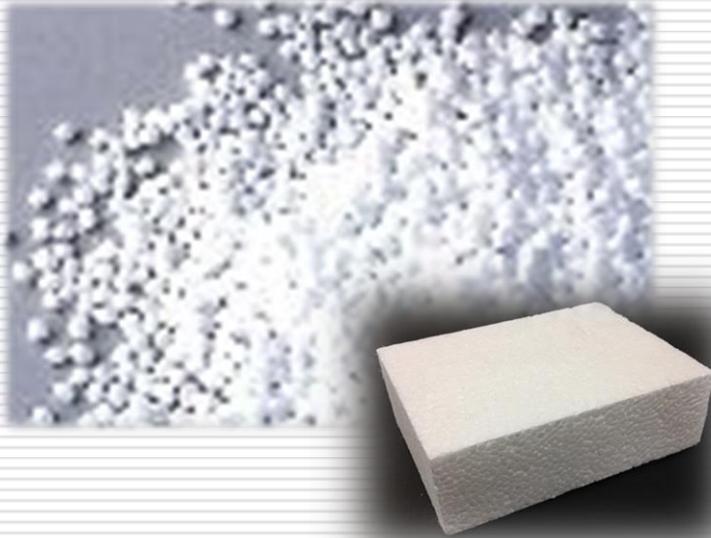


Wood grain MIRABOARD™

Features

- Needs no printed film
Exclusive JSP technology allows the application of a wood grain pattern without using a film coating
- Environmentally friendly
No release of organic solvents because there is no printed film
- Easy to shape and process
Vacuum formation can be used just as with other materials and strength is the same as with conventional materials

Environmentally friendly LACTIF® foamed beads are made from plant materials



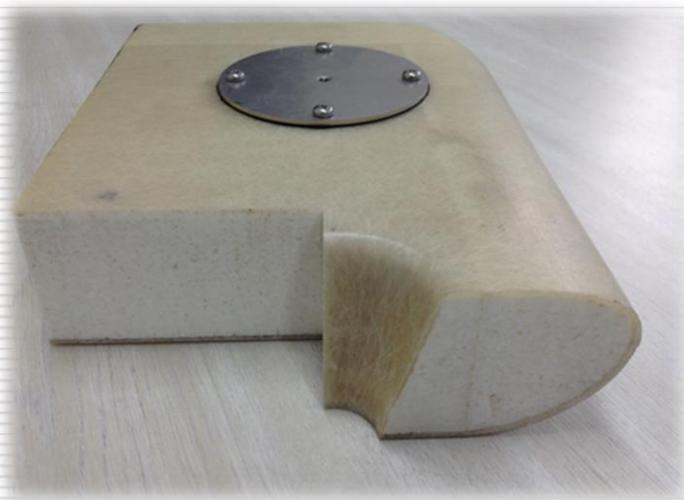
Features

- Ingredients are derived from plant materials
- A hard foamed substance
- Minimal shrinking when formed
- Can be recycled
- Breaks down by hydrolysis a high-temperature, high-humidity environment
- Excellent adhesion with fiber reinforced plastics (glass fiber + unsaturated polyester)

Applications under development

- Lightweight components for solar cells and other renewable energy products
- Lightweight components for ships, automobiles and other modes of transportation

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



Lightweight components for solar power systems that combine LACTIF® (plant-based polylactic acid foamed beads) and polyester resin

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

JSP's finely foamed reflective sheets have an extremely high reflection ratio of almost 100%



What is the reflective sheet?

Developed by using exclusive JSP technologies, this sheet is made of a polystyrene-based multilayer extruded material foamed using an inorganic foaming gas. The sheet has an oriented ultra-fine foam structure.

Features

- Extremely high reflection ratio (almost 100%)
- Can be shaped using vacuum formation
- Cost competitive due to use of an exclusive production technology

Reflection panels for lightning equipment, etc.

New Applications

Cushioning material used
in tsunami life boat

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A new application of ARPRO®/P-BLOCK™, which has outstanding energy-absorption properties



Tsunami life boat

ARPRO®/P-BLOCK™ is used as
a cushioning material

This prototype life boat is about 8 meters long and has a height and width of about 3 meters. The hull is made of reinforced plastic and is wrapped in P-Block™/ARPRO™, a foamed resin material that absorbs energy.

There are 25 seats with safety belts and storage space under the floor holds a one-week supply of food and water.

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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.

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