

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**First Quarter Results for the Fiscal Year Ending March 31, 2011**  
**(Three Months Ended June 30, 2010)**

[Japanese GAAP]

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: Yasushi Komori, General Manager, Accounting Department Finance &amp; Accounting Division

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Scheduled date of filing of Quarterly Report:

August 11, 2010

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

None

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

**1. First Quarter Results (April 1, 2010 to June 30, 2010) for the Fiscal Year Ending March 31, 2011**

(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	%
Three months ended Jun. 30, 2010	22,086	23.4	1,580	249.6	1,497	213.9	1,222	238.0
Three months ended Jun. 30, 2009	17,901	(29.6)	452	(36.0)	477	(30.3)	361	(13.0)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2010	39.37	-
Three months ended Jun. 30, 2009	11.65	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2010	85,440	47,020	51.7	1,421.44
As of Mar. 31, 2010	86,197	45,912	50.1	1,391.92

(Reference) Shareholders' equity: Jun. 30, 2010: 44,137 million yen Mar. 31, 2010: 43,221 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, 2010	-	7.00	-	12.00	19.00
Fiscal year ending Mar. 31, 2011	-	-	-	-	-
Fiscal year ending Mar. 31, 2011 (forecasts)	-	7.00	-	7.00	14.00

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

Year-end dividend of 12.00 yen, which is applicable to the March 2010 fiscal year, includes a commemorative dividend of 5.00 yen.

**3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2011**

(April 1, 2010 to March 31, 2011)

(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
First half	45,000	15.9	3,100	43.2	3,000	45.6	2,200	53.3	70.85
Full year	90,000	10.3	6,000	5.5	6,100	10.1	4,000	24.6	128.82

(Note) Revision of consolidated forecast during the period: Yes

Please refer to the press release "Revision of Business Forecasts" announced on July 29, 2010 for further information.

**4. Others** (Please refer to “Other Information” on page 3 of the attached documents for further information)

(1) Changes in principal subsidiaries during the period: None

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

(3) Changes in according principles, processes, presentation methods, etc.

1) Changes owing to revisions in accounting standards: Yes

2) Changes other than 1) above: None

Note: Changes in accounting principles, processes, presentation methods, etc. for presenting quarterly consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements”

(4) Number of shares outstanding (common stock)

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

As of Jun. 30, 2010:	31,413,473 shares	As of Mar. 31, 2010:	31,413,473 shares
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2) Number of treasury stock at the end of the period

As of Jun. 30, 2010:	362,251 shares	As of Mar. 31, 2010:	362,145 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2010:	31,051,252 shares	Three months ended Jun. 30, 2009:	31,052,312 shares
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\*Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, we have not completed the review process for these consolidated statements.

\* 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 “Qualitative Information Regarding Consolidated Forecast” on page 2 for precondition and assumption as the basis of the above forecasts.

## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Qualitative Information Regarding Consolidated Results of Operations

In the first quarter of the fiscal year, there were growing hopes for a gradual recovery of the Japanese economy, fuelled by increased exports to emerging markets focusing on Asia, and government efforts to stimulate the domestic economy. Simultaneously, however, new concerns surfaced over a credit crunch triggered by fiscal problems in Europe. As a result, the outlook remained blurred.

To remain profitable in this environment, the JSP Group concentrated on sales of high value-added products made of foamed plastics. In addition, we cut manufacturing and other costs across the entire group.

As a consequence, the first quarter of the fiscal year brought consolidated net sales of 22,086 million yen (up 23.4% YoY). Also, operating income increased 249.6% to 1,580 million yen, ordinary income increased 213.9% to 1,497 million yen, and net income increased 238.0% to 1,222 million yen. These gains reflected two factors. First, demand for packaging materials for digital consumer electronics remained firm. This was due in part to the Japanese government's Eco-Point Program to promote sales of home appliances, as an economic countermeasure. Second, we made further progress in cutting costs, to cope with the challenging business environment.

Results by business segment were as follows.

#### Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) increased, as demand for mainstay products with permanently antistatic properties stayed firm, propelled by cushioning materials for the transport of glass substrates. With Styrene Paper™ (expanded polystyrene sheet used in food packaging), demand from the principal users remained resilient. Also, sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) increased, helped by the recovery in corporate results. Similarly, sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) were buoyed by an increase in demand resulting from subsidies for environmental-friendly housing. Also, the economic recovery boosted sales of Miraplank™ (extruded board made of expanded polyethylene used as a cushioning material for cargo in trucks and in returnable containers for transporting consumer electronics and autoparts).

As a result, segment sales were 8,356 million yen and operating income was 622 million yen.

#### Beads Business

P-Block™/ARPRO™ (expanded polypropylene) is used in automotive parts, for instance, as a bumper core material, in interior auto parts, and (recently) seat cores; it is also used as a cushioning material in returnable containers for transporting IT equipment, a cushioning material for consumer electronics, and as an impact protection material for artificial sports surfaces. We manufacture and sell P-Block™/ARPRO™ worldwide. In the first quarter of last fiscal year, demand was stifled by global economic weakness; compared with this period, the first quarter of this fiscal year brought gains in sales and profits, driven by brisk demand from China and other parts of Asia, and recovery in demand for home appliance packaging materials and automotive materials in North America and Europe. Meanwhile, with Styrodia™ (expandable polystyrene beads used in packaging fish and other products, and in construction and engineering materials), there was no full-fledged recovery in demand, but sales increased.

As a result, segment sales were 11,983 million yen and operating income was 992 million yen.

#### Other Businesses

With Foamcore™ (a ceiling material for prefabricated bathroom units) and Super Foam™ (a hybrid molded product used in automobile air-conditioning ducts), sales were essentially unchanged from the year-earlier period, in both volume and value terms. Sales of general packaging materials increased.

Segment sales were 1,746 million yen and there was an operating loss of 10 million yen.

## **(2) Qualitative Information Regarding Consolidated Financial Position**

### Financial position

Total assets as of June 30, 2010 were 85,440 million yen, down 757 million yen from March 31, 2010. Current assets decreased 262 million yen due to decreases in cash and deposits, while noncurrent assets decreased 495 million yen.

Total liabilities were 38,419 million yen, down 1,866 million yen. Current liabilities decreased 718 million yen, while noncurrent liabilities declined 1,147 million yen.

As a result, net assets totaled 47,020 million yen, and the shareholders' equity ratio was 51.7%.

### Cash Flows

Cash and cash equivalents totaled 7,280 million yen, a decrease of 1,788 million yen compared with the end of the previous fiscal year.

Net cash provided by operating activities totaled 546 million yen, a decrease of 2,297 million yen from a year earlier. Inflows included 1,807 million yen from income before income taxes, 1,119 million yen from depreciation and amortization, and 422 million yen from an increase in notes and accounts payable-trade. Outflows included 1,487 million yen in income tax payments, and 1,171 million yen for an increase in notes and accounts receivable-trade.

Net cash used in investing activities, mainly capital expenditures, totaled 732 million yen, down 221 million yen.

Net cash used in financing activities totaled 1,599 million yen, an increase of 623 million yen. This included inflow of 334 million yen from a net increase in short-term loans payable, and outflows of 1,267 million yen for the repayment of long-term loans payable, and 372 million yen for cash dividends paid.

## **(3) Qualitative Information Regarding Consolidated Forecast**

Please refer to the press release "Revision of Business Forecasts" for the fiscal year ending March 31, 2011, announced on July 29, 2010 for further information.

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.

## 2. Other Information

### (1) Overview of Changes in Consolidated Subsidiaries

No reportable information.

### (2) Overview of Application of Simplified Accounting Methods and Special Accounting Methods

#### 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 first 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 first quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the previous fiscal year. 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) Overview of Changes in Accounting Principles, Processes, Presentation Methods, etc.

#### Accounting standard for asset retirement obligations

Beginning with the first quarter of the current fiscal year, "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21, March 31, 2008) have been applied. There is no effect on operating income, ordinary income, and income before income taxes.

*\* 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.*