

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**Second Quarter Results for the Fiscal Year Ending March 31, 2011**  
**(Six Months Ended September 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:

November 10, 2010

Scheduled date of payment of dividend:

December 1, 2010

Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

Yes (for analysts)

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

**1. Second Quarter Results (April 1, 2010 to September 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	%
Six months ended Sep. 30, 2010	45,764	17.9	3,797	75.4	3,770	83.0	2,798	95.0
Six months ended Sep. 30, 2009	38,822	(26.1)	2,164	23.3	2,060	17.2	1,434	5.2

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2010	91.06	-
Six months ended Sep. 30, 2009	46.20	-

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2010	84,141	45,710	51.2	1,444.38
As of Mar. 31, 2010	86,197	45,912	50.1	1,391.92

(Reference) Shareholders' equity: Sep. 30, 2010: 43,067 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	-	15.00			
Fiscal year ending Mar. 31, 2011 (forecasts)			-	15.00	30.00

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

Please refer to the press release "Announcement for dividends of surplus and revision of dividend forecast" announced on October 28, 2010.

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
Full year	90,000	10.3	6,700	17.9	6,700	20.9	4,300	34.0	144.21

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

The Company has revised forecast for the current fiscal year as press-released on July 29, 2010 in "Revision of Business Forecasts."

Please refer to "Qualitative Information Regarding Consolidated Forecast" on page 2 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 accounting 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 Sep. 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 Sep. 30, 2010:	1,596,503 shares	As of Mar. 31, 2010:	362,145 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2010:	30,727,507 shares	Six months ended Sep. 30, 2009:	31,052,256 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 half of the fiscal year, Japan's economy showed signs of a slow recovery. The recovery is backed by growth in exports and manufacturing as economies of emerging countries expanded and by a rebound in consumer spending due to government economic stimulus programs. However, the economic outlook remains uncertain because of the yen's strength, falling stock prices and deflation as well as low personal income.

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 half of the fiscal year brought consolidated net sales of 45,764 million yen (up 17.9% YoY). First half performance benefited from Japanese government programs to stimulate the economy, including the Eco-Point Program for home appliances and eco-car subsidies. The result was a continuation in solid demand for packaging materials and functional materials. In addition, there was more progress in cutting costs to cope with the challenging business environment. As a result, first half operating income increased 75.4% to 3,797 million yen, ordinary income increased 83.0% to 3,770 million yen and net income increased 95.0% to 2,798 million yen.

Results by business segment were as follows.

#### Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) increased. There was strong demand of its mainstay products that work as a functional product with permanently antistatic properties. Due to the unusually hot summer in Japan, there was also demand for use as packaging to keep shipments cold. Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) were sluggish because of weak demand at the primary users of this material. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) were about the same as one year earlier. Sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) increased as demand remained healthy due in part to demand resulting from Japanese government subsidies for environmental-friendly housing. Also, the demand 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 17,119 million yen and operating income was 1,301 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 half of last fiscal year, demand was stifled by global economic weakness; compared with this period, the first half 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. Sales of Styrodia™ (expandable polystyrene beads) were about the same as one year earlier. Higher demand for packaging air conditioners, refrigerators and other home appliances due to a hot summer in Japan offset the negative effect of poor catches on some categories of fish packaging.

As a result, segment sales were 25,011 million yen and operating income was 2,589 million yen.

#### Other Businesses

The sales volume of Foamcore™ (a ceiling material for prefabricated bathroom units) increased from one year earlier because of recovering demand. Sales volume and monetary sales of Super Foam™ (a hybrid molded product used in automobile air-conditioning ducts) decreased along with a decline in demand. Sales of general packaging materials increased.

As a result, segment sales were 3,632 million yen and there was an operating loss of 43 million yen.

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

## Financial position

Total assets as of September 30, 2010 were 84,141 million yen, down 2,056 million yen from March 31, 2010. Current assets decreased 307 million yen, while noncurrent assets decreased 1,749 million yen.

Total liabilities were 38,431 million yen, down 1,854 million yen. Current liabilities decreased 677 million yen, while noncurrent liabilities declined 1,177 million yen.

As a result, net assets totaled 45,710 million yen, and the shareholders' equity ratio was 51.2%.

## Cash Flows

Cash and cash equivalents totaled 6,488 million yen at the end of the second quarter.

Net cash provided by operating activities totaled 1,986 million yen, a decrease of 3,068 million yen from a year earlier. Inflows included 4,057 million yen from income before income taxes, 2,248 million yen from depreciation and amortization, and 419 million yen from an increase in notes and accounts payable-trade. Outflows included 1,847 million yen in income tax payments, and 2,551 million yen for an increase in notes and accounts receivable-trade.

Net cash used in investing activities totaled 1,744 million yen, a decrease of 333 million yen. This included inflow of 395 million yen proceeds from sales of investment securities, and outflows of 1,748 million yen for purchase of noncurrent assets, 300 million yen for purchase of stocks of subsidiaries and affiliates.

Net cash used in financing activities totaled 2,479 million yen, a decrease of 141 million yen. This included inflow of 1,300 million yen proceeds from long-term loans payable, 498 million yen from a net increase in short-term loans payable, and outflows of 2,443 million yen for the repayment of long-term loans payable, and 1,159 million yen for purchase of treasury stock.

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

In the first half of the fiscal year, there was a steady recovery in automobile sales volume in Europe, North America and Asia along with higher sales of LCD TVs and other digital consumer electronics in China and other Asian countries. Due to the resulting increase in sales of P-Block™/ARPRO™ (expanded polypropylene), the consolidated forecast for the fiscal year ending on March 31, 2011 has been revised because earnings are expected to surpass the previous forecast that was announced on July 29, 2010.

The differences between the previous and revised forecasts are shown below.

Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2011  
(April 1, 2010 to March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	90,000	6,000	6,100	4,000	128.82
Revised forecasts (B)	90,000	6,700	6,700	4,300	144.21
Change (B-A)	-	700	600	300	-
Change (%)	-	11.7	9.8	7.5	-
(Reference) Results for the previous fiscal year ended March 31, 2010	81,597	5,685	5,540	3,209	103.35

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 second 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

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.

Income taxes-deferred 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.*