

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2011
(Nine Months Ended December 31, 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

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Scheduled date of filing of Quarterly Report:

February 9, 2011

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results:

None

Holding of quarterly financial results meeting:

None

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

1. Third Quarter Results (April 1, 2010 to December 31, 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	%
Nine months ended Dec. 31, 2010	70,196	15.1	6,251	39.5	6,278	42.2	4,538	56.0
Nine months ended Dec. 31, 2009	60,977	(22.2)	4,481	50.7	4,415	48.7	2,909	37.9

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2010	149.19	-
Nine months ended Dec. 31, 2009	93.68	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2010	88,880	46,883	49.6	1,479.46
As of Mar. 31, 2010	86,197	45,912	50.1	1,391.92

(Reference) Shareholders' equity: Dec. 31, 2010: 44,112 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: 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
Full year	91,000	11.5	7,500	31.9	7,600	37.2	5,100	58.9	171.04

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

Please refer to "Revision of Business Forecasts" as press-released on January 31, 2011.

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 Dec. 31, 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 Dec. 31, 2010:	1,596,555 shares	As of Mar. 31, 2010:	362,145 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2010:	30,422,890 shares	Nine months ended Dec. 31, 2009:	31,052,153 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 nine months of the fiscal year, the outlook for Japan's economy remained uncertain as there were still signs of both strength and weakness. On the positive side, economic growth in emerging countries is creating hopes for higher manufacturing output in and exports from Japan. On the other hand, the yen continues to appreciate. Furthermore, although consumer spending is climbing because of government economic stimulus measures, there are concerns about a downturn in demand due as these measures are terminated in stages.

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 result, consolidated net sales in the first nine months of the fiscal year increased 15.1% from one year earlier to 70,196 million yen. Sales of packaging materials and building materials continued to climb as the Eco-Point Program for home appliances prompted consumers to move up purchases and government subsidies for environmentally friendly housing increased demand for homes in Japan. Furthermore, there was more progress in cutting costs to cope with the challenging business environment. Operating income increased 39.5% to 6,251 million yen, ordinary income increased 42.2% to 6,278 million yen and net income increased 56.0% to 4,538 million yen.

Results by business segment were as follows.

Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) increased as demand remained strong for its mainstay product, which is a functional product with permanently antistatic properties. This product is used primarily as a cushioning material for the transport of glass substrates. Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) were steady even though there is still not full-scale recovery in demand because of difficult market conditions. 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 because of strong demand resulting from Japanese government subsidies for environmentally friendly housing and from other factors. Also, 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) were about the same as one year earlier.

As a result, segment sales were 27,127 million yen and operating income was 2,483 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 nine months of last fiscal year, demand was stifled by global economic weakness; compared with this period, the first nine months of this fiscal year brought gains in sales, driven by brisk demand from China and other parts of Asia, and recovery in demand for automotive materials in North America and Europe. Sales of Styrodia™ (expandable polystyrene beads) were about the same as one year earlier. Higher demand for beads used for thermal insulation was offset by soft demand for beads used in fish and vegetable cartons.

As a result, segment sales were 37,502 million yen and operating income was 3,919 million yen.

Other Businesses

The sales volume of Foamcore™ (a ceiling material for prefabricated bathroom units) increased from one year earlier in monetary and volume terms because of a technological improvement and recovering demand. There were declines in monetary sales and the sales volume of Super Foam™ (a hybrid molded product used in automobile air-conditioning ducts) as the recovery in demand remained lackluster.

As a result, segment sales were 5,566 million yen and there was an operating loss of 77 million yen.

(2) Qualitative Information Regarding Consolidated Financial Position

Financial position

Total assets as of December 31, 2010 were 88,880 million yen, up 2,683 million yen from March 31, 2010. Current assets increased 4,822 million yen, while noncurrent assets decreased 2,139 million yen.

Total liabilities were 41,997 million yen, up 1,711 million yen. Current liabilities increased 3,696 million yen, while noncurrent liabilities declined 1,984 million yen.

As a result, net assets totaled 46,883 million yen, and the shareholders' equity ratio was 49.6%.

Cash Flows

Net cash provided by operating activities totaled 4,374 million yen, a decrease of 2,833 million yen from a year earlier. Inflows included 6,517 million yen from income before income taxes, 3,444 million yen from depreciation and amortization, and 3,273 million yen from an increase in notes and accounts payable-trade. Outflows included 6,263 million yen for an increase in notes and accounts receivable-trade and 2,888 million yen in income tax payments.

Net cash used in investing activities totaled 2,532 million yen, a decrease of 203 million yen. This included inflow of 395 million yen proceeds from sales of investment securities, and outflows of 2,371 million yen for purchase of noncurrent assets, 346 million yen for net increase in time deposits.

Net cash used in financing activities totaled 2,470 million yen, a decrease of 846 million yen. This included inflow of 1,500 million yen proceeds from long-term loans payable, 1,879 million yen from a net increase in short-term loans payable, and outflows of 3,560 million yen for the repayment of long-term loans payable.

As a result, cash and cash equivalents totaled 7,885 million yen at the end of the third quarter, down 1,183 million yen from March 31, 2010.

(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 January 31, 2011 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 third 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 third quarter of the current fiscal year, a valuation was determined by using a reasonable method based on actual inventories at the end of the second quarter. 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.

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.*