

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**First Quarter Results for the Fiscal Year Ending March 31, 2012**

[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: Kozo Tsukamoto, President, Representative Director

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

Phone: +81-3-6212-6306

Scheduled date of filing of Quarterly Report:

August 9, 2011

Scheduled date of payment of dividend:

-

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, 2011 to June 30, 2011) for the Fiscal Year Ending March 31, 2012**

(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, 2011	22,406	1.4	1,359	(14.0)	1,316	(12.1)	727	(40.5)
Three months ended Jun. 30, 2010	22,086	23.4	1,580	249.6	1,497	213.9	1,222	238.0

(Note) Comprehensive income: Three months ended Jun. 30, 2011: 1,777 million yen (up 20.0%)

Three months ended Jun. 30, 2010: 1,480 million yen (n.a.)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2011	24.41	-
Three months ended Jun. 30, 2010	39.37	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2011	90,350	47,811	49.7
As of Mar. 31, 2011	89,152	46,481	49.2

(Reference) Shareholders' equity: Jun. 30, 2011: 44,944 million yen Mar. 31, 2011: 43,843 million yen

**2. Dividends**

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2011	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2012	-				
Fiscal year ending Mar. 31, 2012 (forecasts)		15.00	-	15.00	30.00

(Note) Revisions to the most recently announced dividend forecast: None

**3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2012**

(April 1, 2011 to March 31, 2012)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	46,500	1.6	3,150	(17.1)	3,200	(15.1)	2,150	(23.2)	72.11
Full year	93,000	1.1	6,300	(16.6)	6,400	(18.7)	4,100	(16.0)	137.51

(Note) Revisions to the most recently announced consolidated forecast: None

#### 4. Others

(1) Changes in principal subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to "Matters Related to Summary Information (Others)" on page 3 of the attached documents for further information

(3) Changes in accounting policies and accounting-based estimates, and revised restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Revised restatements: None

(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, 2011:	31,413,473 shares	As of Mar. 31, 2011:	31,413,473 shares
----------------------	-------------------	----------------------	-------------------

2) Number of treasury stock at the end of the period

As of Jun. 30, 2011:	1,597,119 shares	As of Mar. 31, 2011:	1,597,012 shares
----------------------	------------------	----------------------	------------------

3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2011:	29,816,382 shares	Three months ended Jun. 30, 2010:	31,051,252 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

\* 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 current fiscal year recovery slowed in the U.S. and Europe, but there was growth in Asia and other emerging economies, so that the world economy overall showed a gradual recovery tone. Japan's economy, however, was hurt by a deep impact from the Great East Japan Earthquake that occurred on March 11, 2011. That impact was not limited to physical damage in the affected area. Because of supply chains disrupted in places within Japan, the Fukushima nuclear accidents that caused electric power supply problems and diffusion to such aspects as rumored damage and consumption self control, uncertainties about the economy's future continued.

In the JSP Group as well, product supply capability declined temporarily due to direct earthquake damage to some production facilities, limits on the production system from planned electric power stoppages and the like. But the Company bent all efforts to assuring stable supply by taking earnest measures for early restoration of damaged facilities and organic implementation of intra-group production alternatives. By means of these measures, the end of the first quarter saw the supply system back to its pre-disaster level.

As a result, sales in the first quarter of the current fiscal year were 22,406 million yen (up by 1.4% year-on-year). Due to higher raw material and fuel prices that increased costs, operating income declined by 14.0% to 1,359 million yen, ordinary income by 12.1% to 1,316 million yen and net income by 40.5% to 727 million yen.

Results by reportable segment were as follows.

#### Extrusion Business

Miramat™ (expanded polyethylene sheet used as an industrial packaging material) and P-Board™ (expanded polypropylene sheet) are used mainly for transport of digital home appliances, but earthquake-driven shrinkage of the home appliance market and lower distribution volume sent sales down. The Styrene Paper™ (expanded polystyrene sheet used in food packaging) is widely used for containers for instant noodles and box lunches. Post-earthquake demand rose across Japan and sales increased. Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) saw lower sales due to reduced advertising and publicity activity by such end users as retailers. Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) had higher sales due mainly to demand for recovery. Due to declines in distribution volume and other factors, sales were lower for Miraplank™ (extruded board made of expanded polyethylene used as a cushioning material for cargo in trucks and in returnable containers for transporting home appliances and automotive parts)

As a result, segment sales were 8,568 million yen and operating income was 742 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 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. Within Japan, the impact of the large falloff in auto unit production was particularly severe, and sales declined. In the U.S., Europe and Asia, on the other hand, trends in automotive materials and home electrical packaging were broadly strong, and sales rose. Sales declined for "Formcore™" and "Super Foam™" after their transfer to the Beads segment in the consolidated fiscal year under review. Sales of the "Styrodia" expandable polystyrene beads for fish packaging were also down because of earthquake damage to fisheries.

As a result, segment sales were 12,451 million yen and operating income was 736 million yen.

## **Other Businesses**

Lower demand in Japan reduced sales of general packaging materials. Up to the previous fiscal year, Foamcore™ (a ceiling material for prefabricated bathroom units) and the hybrid molded product Super Foam™ for automotive air conditioning ducts were classified under “New Business Fields (Others),” but in the term under review were manufactured and sold in the Beads segment.

As a result, segment sales were 1,386 million yen and an operating loss was 79 million yen.

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

Total assets as of June 30, 2011 were 90,350 million yen, up 1,198 million yen from March 31, 2011. Current assets increased 795 million yen, while noncurrent assets increased 403 million yen.

Total liabilities were 42,538 million yen, down 131 million yen. Current liabilities increased 253 million yen, while noncurrent liabilities declined 385 million yen.

As a result, net assets totaled 47,811 million yen, and the shareholders' equity ratio was 49.7%.

A summary of cash flows and major components are as follows.

Cash and cash equivalents totaled 9,119 million yen as of June 30, 2011, down 1,368 million yen from March 31, 2011.

Net cash provided by operating activities totaled 1,080 million yen, an increase of 533 million yen from a year earlier. Inflows included 1,122 million yen from income before income taxes, 1,097 million yen from depreciation and amortization, and a 573 million yen increase in notes and accounts payable-trade. Outflows included 1,272 million yen from an increase in inventories, and 820 million yen in income taxes paid.

Net cash used in investing activities totaled 1,203 million yen, an increase of 470 million yen. This included outflows of 1,006 million yen for purchase of noncurrent assets and 566 million yen for a net increase in time deposits.

Net cash used in financing activities totaled 1,406 million yen, a decrease of 192 million yen. This included inflow of 500 million yen proceeds from long-term loans payable and outflows of 1,313 million yen for the repayment of long-term loans payable and 447 million yen for cash dividends paid.

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

We maintain the previously announced consolidated earnings forecasts for the first-half and full-year of the fiscal year ending March 31, 2012, as we presented at the beginning of this report.

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. Matters Related to Summary Information (Others)**

### **(1) Changes in Principal Subsidiaries during the Period**

No reportable information.

### **(2) Application of Special Accounting Methods in the Preparation of Quarterly Consolidated Financial Statements**

Calculation of income taxes

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.

### **(3) Changes in Accounting Policies and Accounting-based Estimates, and Revised Restatements**

No reportable information.

*\* 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.*