

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**Second 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

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Scheduled date of filing of Quarterly Report:

November 8, 2011

Scheduled date of payment of dividend:

December 5, 2011

Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

Yes (for analysts)

Note: The original disclosure in Japanese was released on October 31, 2011 at 15:00 (GMT +9).

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

**1. Second Quarter Results (April 1, 2011 to September 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	%
Six months ended Sep. 30, 2011	45,971	0.5	2,762	(27.3)	2,801	(25.7)	1,875	(33.0)
Six months ended Sep. 30, 2010	45,764	17.9	3,797	75.4	3,770	83.0	2,798	95.0

Note: Comprehensive income: Six months ended Sep. 30, 2011: 2,663 million yen (up 100.3%)

Six months ended Sep. 30, 2010: 1,329 million yen (n.a.)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2011	62.91	-
Six months ended Sep. 30, 2010	91.06	-

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2011	87,980	48,697	52.0
As of Mar. 31, 2011	89,152	46,481	49.2

Reference: Shareholders' equity: Sep. 30, 2011: 45,778 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	-	15.00			
Fiscal year ending Mar. 31, 2012 (forecasts)			-	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
Full year	93,000	1.1	5,700	(24.5)	5,800	(26.3)	3,400	(30.4)	114.03

Note: Revisions to the most recently announced consolidated forecast: Yes

#### 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 Sep. 30, 2011:	31,413,473 shares	As of Mar. 31, 2011:	31,413,473 shares
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2) Number of treasury stock shares at the end of the period

As of Sep. 30, 2011:	1,597,129 shares	As of Mar. 31, 2011:	1,597,012 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2011:	29,816,364 shares	Six months ended Sep. 30, 2010:	30,727,507 shares
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Note 1: 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.

Note 2: 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 3 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 current fiscal year, the pace of the moderate recovery of the European and U.S. economies slowed as financial instability caused by the debt problem in Europe began to affect the real economy. The growing economies of Asian countries and emerging countries also began to lose momentum. The result was overall weakness for the global economy. In Japan, more than six months have gone by since the severe economic blow from the Great East Japan Earthquake. During this period, there has been a slow recovery in manufacturing as companies restored their supply chains. Nevertheless, the Japanese economy faces enormous challenges, including the need for specific earthquake reconstruction initiatives and measures to deal with the shortage of electricity. In addition, there are concerns about a decline in corporate earnings due to the unprecedented strength of the yen over an extended period. As a result, the outlook for the Japanese economy is still unclear.

JSP incurred earthquake damage that included damage to some production facilities. There were also limitations on some production activities from planned electric power stoppages, restrictions on the use of electricity and other measures. We responded by focusing all our resources on maintaining a stable supply of products. JSP worked hard on quickly restoring operations. We also established an operating framework that matched the status of each business site.

As a result, sales in the first half of the current fiscal year were 45,971 million yen (up by 0.5% year-on-year). Due to higher raw material and fuel prices that increased costs, operating income declined by 27.3% to 2,762 million yen, ordinary income by 25.7% to 2,801 million yen and net income by 33.0% to 1,875 million yen.

Results by reportable segment were as follows.

Due to a reorganization that took place on April 1, 2011, prior-year comparisons are based on figures in the previous fiscal year that have been adjusted to match the new organization.

#### 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. Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) decreased because of erratic demand resulting from the impact of the earthquake and other factors. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) were weak for a while after the earthquake as companies cut back on advertising activities. But first half sales were about the same as one year earlier because of a subsequent recovery in demand. Sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) increased because of solid demand for use in energy-efficient houses and demand associated with earthquake reconstruction activities. Sales of 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) decreased as distribution volume declined following the earthquake.

As a result, extrusion segment sales increased 0.1% to 17,133 million yen and operating income increased 1.5% to 1,320 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 home appliances, and as an impact protection material for artificial sports surfaces. We manufacture and sell P-Block™/ARPRO™ worldwide. In Japan, sales were lower because of the prolonged downturn in automobile production volume following the earthquake. In Asia, though, sales were higher in China primarily because of growth in demand for packaging materials for home appliances and for automotive materials. In Europe, sales increased mainly because of consistently solid demand for materials used in automobiles. Sales of “Styrodia” expandable polystyrene beads for fish packaging decreased as there has still been no recovery from the steep drop in demand for fish boxes after the earthquake in areas that were damaged by this disaster. Starting in the current

fiscal year, Foamcore™ (a hybrid molded product, a ceiling material for prefabricated bathroom units) is included in the beads business. Sales of this material increased along with demand for housing fixtures. The decline in automobile production volume brought down sales of Super Foam™ for automotive air conditioning ducts.

As a result, beads segment sales increased 1.6% to 25,947 million yen and operating income fell 35.9% to 1,636 million yen.

### **Other Businesses**

Lower demand in Japan reduced sales of general packaging materials. Up to the previous fiscal year, Foamcore™ and Super Foam™ 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 declined by 6.8% to 2,890 million yen and an operating loss of 105 million yen (compared to operating loss of 6 million yen in the same period a year earlier).

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

Total assets as of September 30, 2011 were 87,980 million yen, down 1,171 million yen from March 31, 2011. Current assets decreased 1,359 million yen, while noncurrent assets increased 188 million yen.

Total liabilities were 39,282 million yen, down 3,387 million yen. Current liabilities decreased 4,183 million yen, while noncurrent liabilities increased 795 million yen.

As a result, net assets totaled 48,697 million yen, and the shareholders' equity ratio was 52.0%.

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

Cash and cash equivalents totaled 6,603 million yen as of September 30, 2011, down 3,883 million yen from March 31, 2011.

Net cash provided by operating activities totaled 1,596 million yen, a decrease of 390 million yen from a year earlier. Inflows included 2,581 million yen from income before income taxes and 2,263 million yen from depreciation and amortization. Outflows included 936 million yen from an increase in inventories, 997 million yen in income taxes paid, and a 498 million yen decrease in notes and accounts payable-trade.

Net cash used in investing activities totaled 2,490 million yen, an increase of 745 million yen. This included outflows of 2,052 million yen for purchase of noncurrent assets and 791 million yen for a net increase in time deposits.

Net cash used in financing activities totaled 3,056 million yen, an increase of 576 million yen. This included inflow of 3,103 million yen proceeds from long-term loans payable, and outflows of 3,052 million yen from a net decrease in short-term loans payable and 2,518 million yen for the repayment of long-term loans payable.

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

JSP's consolidated performance in the first half of the fiscal year fell short of the previous forecast because of the effects of the Great East Japan Earthquake. We believe that our performance will slowly improve starting in the third quarter as demand grows in Japan and the automobile industry recovers along with progress with earthquake recovery activities. However, we expect fiscal year performance to fall below the previous forecast because the second half recovery will probably be insufficient to offset the downturn in the first half. Based on this outlook, the consolidated forecast for the fiscal year ending in March 2012 has been revised.

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

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

(April 1, 2011 to March 31, 2012)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	93,000	6,300	6,400	4,100	137.51
Revised forecasts (B)	93,000	5,700	5,800	3,400	114.03
Change (B-A)	-	(600)	(600)	(700)	-
Change (%)	-	(9.5)	(9.4)	(17.1)	-
(Reference) Results for the previous fiscal year ended March 31, 2011	91,971	7,552	7,874	4,881	161.25

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 summary report is solely a translation of "Kessan Tanshin" (in Japanese, including the 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.*