

**SUMMARY OF FINANCIAL STATEMENT (Consolidated)**  
**Second Quarter Results for the Fiscal Year Ending March 31, 2013**

[Japanese GAAP]

**Name of listed company: JSP Corporation**

Stock Exchange Listed: Tokyo (1st Section)

URL: <http://www.jsp.com>Code Number: **7942**

Representative: Kozo Tsukamoto, President, Representative Director

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Scheduled date of filing of Quarterly Report:

November 8, 2012

Scheduled date of payment of dividend:

December 4, 2012

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 30, 2012 at 15:00 (GMT +9).*

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

**1. Second Quarter Results (April 1, 2012 to September 30, 2012) for the Fiscal Year Ending March 31, 2013****(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, 2012	48,167	4.8	2,828	2.4	2,941	5.0	2,020	7.7
Six months ended Sep. 30, 2011	45,971	0.5	2,762	(27.3)	2,801	(25.7)	1,875	(33.0)

Note: Comprehensive income: Six months ended Sep. 30, 2012: 2,238 million yen (down 16.0%)

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

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2012	67.78	-
Six months ended Sep. 30, 2011	62.91	-

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2012	93,325	49,403	49.6	1,552.80
As of Mar. 31, 2012	89,072	47,362	50.2	1,499.89

Reference: Shareholders' equity: As of Sep. 30, 2012: 46,297 million yen As of Mar. 31, 2012: 44,721 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, 2012	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2013	-	15.00			
Fiscal year ending Mar. 31, 2013 (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, 2013****(April 1, 2012 to March 31, 2013)**

(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	97,000	3.9	6,000	13.3	6,100	10.2	4,000	29.0	134.16

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

**\* Notes**

(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 (Notes)" on page 3 of the attached documents for further information.

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

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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

3) Changes in accounting-based estimates: Yes

4) Restatements: None

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

(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, 2012:	31,413,473 shares	As of Mar. 31, 2012:	31,413,473 shares
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2) Number of treasury stock shares at the end of the period

As of Sep. 30, 2012:	1,597,639 shares	As of Mar. 31, 2012:	1,597,226 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2012:	29,816,151 shares	Six months ended Sep. 30, 2011:	29,816,364 shares
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\* Information regarding the implementation of quarterly review procedures

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

\* 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 of the attached documents for assumptions for forecasts and notes of caution for usage.

## 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 U.S. enjoyed a gentle pace of recovery but the deepening European debt crisis were among the factors which resulted in the global economy remaining sluggish. Moreover, the pace of growth in Asia and particularly in China slowed down. In Japan, some movement towards recovery in the economy was seen as a result of the impact of demand related to recovery from the Great East Japan Earthquake but persistently high oil prices, continued record-high yen strength and deflationary concerns resulted in the overall outlook remaining unclear.

Given this operating environment, we developed and started a new medium-term management plan “Deepen & Grow” in the current fiscal year, in line with our basic policies: “strengthen current business activities,” “expand business activities outside Japan,” and “start new business activities,” guiding the whole Group in new paths to growth and developing and marketing high value-added products using exclusive technologies.

As a result, net sales in the first half of the current fiscal year were 48,167 million yen (up by 4.8% year-on-year). Operating income increased 2.4% to 2,828 million yen, ordinary income increased 5.0% to 2,941 million yen and net income increased 7.7% to 2,020 million yen.

Results by business segment were as follows.

Due to a reorganization of our corporate structure, prior-year comparisons are based on figures in the previous fiscal year that have been adjusted to match the new organization from the first quarter of the current fiscal year, and some of the businesses that was included in the former ‘Other Businesses’ is reclassified as corporate expenses that cannot be attributed to specific business segments.

#### Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) which are used mainly for the transportation of substrates for LCD TVs and other digital home appliances increased thanks to firm demand centered on functional products with permanently antistatic properties. Sales of P-Board™ (expanded polypropylene sheet) which are mainly used for containers for the transportation of automotive parts and home appliances declined mainly due to weakness in the digital home appliances market. For Caplon™ (foamed polyethylene cushioning material used as an industrial packaging material), sales fell as a result of diminished demand and harsher competition because of the weakness in the economy. Styrene Paper™ (expanded polystyrene sheet used in food packaging) is used in many applications in the instant noodle and lunch box sectors. Sales decreased in reaction to the very strong growth recorded in the same period in the previous fiscal year due to higher demand in the aftermath of the earthquake. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) were unchanged from the same period one year earlier because, although sales to large electrical retailers were weak, demand for industrial use poster applications was firm. Sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material) increased due to strong demand for construction and housing materials in western Japan in addition to demand related to earthquake recovery and reconstruction activities in eastern Japan. 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) were sluggish as a decline in distribution volume due to the weakness of the home appliance market.

As a result, extrusion segment sales increased 0.3% to 17,177 million yen and operating income decreased 13.8% to 1,138 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, demand for smartphone packaging materials was strong but overall sales of cushioning materials for home appliances remained unchanged from the same period one year earlier due to the weakness in the general economy. Automotive applications enjoyed a steady increase in demand in response to the eco-car subsidies and sales increased as a result. In North America, sales increased because of strong demand for general-use cushioning materials, for impact protection materials for artificial sports surfaces, for returnable containers for non-automobile industrial-use parts and a strong performance by the automobile market. In Brazil, sales increased because of a sharp increase in new automobile sales in response to the impact of government policies to promote demand for automobiles. In Europe, demand was somewhat slower in reaction to the deepening debt crisis but a widening in the range of new applications for automotive parts resulted in sales volumes expanding. On the other hand, sales declined in value terms because of the impact of euro weakness on the amounts translated into yen. Sales increased in Asia due to firm demand for automobile-related products and rising demand for smartphone and tablet terminal packaging materials. Although the construction materials and civil engineering sectors were firm, overall sales of Styrodia™ (expandable polystyrene beads) declined because there has not been a full recovery in demand for fish boxes, the primary application for these beads, as a result of delays to post-earthquake recovery and reconstruction and declining fish catches, and also because overall demand in the home appliances packaging market in Japan diminished as a result of the business shrinking due to Japanese home appliances manufacturers moving production facilities overseas in response to the strength of the yen. Sales of Foamcore™ (a hybrid molded product used as a ceiling material for prefabricated bathroom units) increased along with demand caused by the imposition of tighter thermal insulation standards and their application to new models. Sales of Super Foam™, a material for automotive air conditioning ducts, decreased because of the fall in the production volume of automobiles that use this material.

As a result, beads segment sales increased 8.4% to 28,115 million yen and operating income increased 16.2% to 1,901 million yen.

## **Other Businesses**

Sales of general packaging materials were weak in Japan in response to the sluggishness in the home appliances market but, since demand for IT home appliances increased in China, overall sales in this segment remained unchanged from the same period one year earlier.

As a result, sales in other businesses decreased 0.5% to 2,874 million yen and there was an operating income of 29 million yen (compared to operating loss of 1 million yen a year earlier).

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

Total assets as of September 30, 2012 were 93,325 million yen, up 4,253 million yen from March 31, 2012. Current assets increased 3,398 million yen, while noncurrent assets increased 854 million yen.

Total liabilities were 43,922 million yen, up 2,213 million yen. Current liabilities increased 1,878 million yen, while noncurrent liabilities increased 334 million yen.

As a result, net assets totaled 49,403 million yen, and the shareholders' equity ratio was 49.6%.

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

Net cash provided by operating activities totaled 3,353 million yen, an increase of 1,757 million yen from a year earlier. Inflows included 2,876 million yen from income before income taxes, and 2,082 million yen from depreciation and amortization. Outflows included a decrease of 779 million yen in notes and accounts payable-trade and an increase of 598 million yen in notes and accounts receivable-trade.

Net cash used in investing activities totaled 3,059 million yen, an increase of 569 million yen. This included outflows of 3,006 million yen for the purchase of noncurrent assets and 262 million yen for a net increase in time deposits.

Net cash provided by financing activities totaled 1,779 million yen, (compared with the outflow of 3,056 million yen.) This included inflows of 4,000 million yen in proceeds from long-term loans payable, 985 million yen from a net increase in short-term loans payable and outflows of 2,620 million yen for the repayment of long-term loans payable and for the cash dividends paid of 447 million yen.

As a result, cash and cash equivalents totaled 8,139 million yen as of September 30, 2012, up 2,163 million yen from March 31, 2012.

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

We maintain the previously announced consolidated earnings forecasts for the fiscal year ending March 31, 2013, 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 (Notes)**

### **(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 tax expense

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 for 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 Restatements**

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Following tax law revisions, from the first quarter of the current fiscal year, the Company and consolidated subsidiaries in Japan have changed their method of depreciation of property, plant and equipment acquired on or after April 1, 2012 in line with methods prescribed in the revised Corporation Tax Act.

The effect of this change on operating income, ordinary income and income before income taxes in the first half of the current fiscal year is insignificant.

*\* 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.*