

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Second Quarter Results for the Fiscal Year Ending March 31, 2014

[Japanese GAAP]

Name of listed company: JSP Corporation

Stock Exchange Listed: Tokyo (1st Section)

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

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Scheduled date of filing of Quarterly Report:

November 8, 2013

Scheduled date of payment of dividend:

December 4, 2013

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, 2013 at 15:00 (GMT +9).

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

1. Second Quarter Results (April 1, 2013 to September 30, 2013) for the Fiscal Year Ending March 31, 2014

(1) Consolidated business performance

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2013	54,465	13.1	2,798	(1.1)	3,095	5.2	2,278	12.8
Six months ended Sep. 30, 2012	48,167	4.8	2,828	2.4	2,941	5.0	2,020	7.7

Note: Comprehensive income: Six months ended Sep. 30, 2013: 5,384 million yen (up 140.5%)

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

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2013	76.42	-
Six months ended Sep. 30, 2012	67.78	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2013	102,285	58,443	53.2	1,825.12
As of Mar. 31, 2013	95,565	53,431	52.2	1,671.55

Reference: Shareholders' equity: As of Sep. 30, 2013: 54,416 million yen As of Mar. 31, 2013: 49,838 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, 2013	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2014	-	15.00			
Fiscal year ending Mar. 31, 2014 (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, 2014

(April 1, 2013 to March 31, 2014)

(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	109,500	14.0	6,300	37.7	6,400	29.9	4,200	26.3	140.87

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

*** 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: None

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

3) Changes in accounting-based estimates: None

4) 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, 2013:	31,413,473 shares	As of Mar. 31, 2013:	31,413,473 shares
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2) Number of treasury stock shares at the end of the period

As of Sep. 30, 2013:	1,598,409 shares	As of Mar. 31, 2013:	1,597,875 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2013:	29,815,271 shares	Six months ended Sep. 30, 2012:	29,816,151 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 "Explanation of Consolidated Forecast and Other Forward-looking Statements" 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) Explanation of Results of Operations

In the first half of the current fiscal year, the Japanese economy recovered at a moderate pace. Consumer spending was solid and corporate capital expenditures rebounded along with a decline in the yen's value and a stock market rally. In the global economy, there were positive signs regarding jobs and the housing market in the United States. Economic growth remained strong in Asia but the European economy was still lackluster.

The business environment which we operate remained challenging. The main reasons are big increases in the cost of resins and fuel because of the soaring world crude oil prices and increases in the cost of electricity and cargo transportation.

To overcome these challenges, we made substantial investments in growing market sectors in order to sustain growth and earn profits in the coming years, while we further reduced costs. We also concentrated on selling high value-added products that incorporate exclusive technologies.

As a result, net sales in the first half of the current fiscal year were 54,465 million yen (up by 13.1% year-on-year) due to higher yen conversions of overseas sales because of the yen's weakness and to revisions of our product prices. Operating income decreased 1.1% to 2,798 million yen, ordinary income increased 5.2% to 3,095 million yen and net income increased 12.8% to 2,278 million yen.

In the first quarter under review, we acquired additional shares of an equity-method affiliate Japan Acryace Corporation, and made this company a consolidated subsidiary.

Results by business segment were as follows.

Extrusion Business

Sales of Miramat™ (expanded polyethylene sheet used as an industrial packaging material) which is used mainly for the transportation of substrates for LCD TVs and other digital home appliances decreased due to lower demand for large digital TVs now that the penetration rate of these TVs is no longer increasing. Sales of Caplon™ (foamed polyethylene cushioning material) remained unchanged from the same period of the previous fiscal year. A decline in demand associated with home appliances was offset by a new application involving the packaging of parts. Sales of P-Board™ (expanded polypropylene sheet), which is used mainly for transportation containers for automotive parts and home appliances increased because of progress with creating new applications for this material such as transportation of glass substrates used for making smartphones and tablets. Sales of Miraplank™ (extruded board made of expanded polyethylene) which is mainly used as a cushioning material for cargo transported by trucks and returnable containers for parts, remained unchanged from the same period of the previous fiscal year due to a slump in distribution volume. Sales of Styrene Paper™ (expanded polystyrene sheet used in food packaging) which is used in many applications for instant noodles and lunch boxes increased thanks to strong demand along with measures to increase sales of new products and target new applications. Sales of Miraboard™ (expanded polystyrene sheet used in advertising displays and folding boxes) decreased. Sales of Mirafoam™ (extruded board made of expanded polystyrene that is used as a home insulation material and is a key material for construction and civil engineering materials) increased. Sales were benefited from an increase in housing starts because of Japan's economic recovery, higher demand for products with outstanding insulation properties in conjunction with stricter thermal insulation standards resulting from a planned revision to law in Japan, and demand associated with earthquake reconstruction activities. Japan Acryace Corporation became a consolidated subsidiary from the first quarter under review.

As a result, extrusion segment sales increased 9.4% to 18,798 million yen and operating income decreased 21.0% to 898 million yen.

Bead Business

P-Block™/ARPRO™ (expanded polypropylene) is used in automotive parts, for instance, as a bumper core material, 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 for automotive applications decreased due to the end of the eco-car subsidies and a decline in the use of cushioning materials as mini-vehicles increased as a percentage of Japan's automobile production. Sales of cushioning materials for home appliances declined due to the effect of the transfer of production to other countries by manufacturers of home appliances. In North America and Brazil, sales increased because of continued favorable performance by the automobile market. In Europe, sales increased due to the effect of weaker yen while sales volume remained unchanged from the same period of the previous fiscal year. In Asia, sales increased because of a continuation of strong growth in sales of automobiles and home appliances. Sales of Styrodia™ (expandable polystyrene beads) increased. Demand increased in the construction and civil engineering sectors but declined in the fisheries and agriculture sectors and home appliances and other sectors. A revision in prices of our products to reflect the higher cost of raw materials since the autumn of 2012 also contributed to the increase in sales. Sales of Foamcore™ (a hybrid molded product used as a ceiling material for prefabricated bathroom units) increased along with strong demand of new models.

As a result, bead segment sales increased 17.5% to 33,034 million yen and operating income increased 14.6% to 2,179 million yen.

Other

Sales of general packaging materials decreased in response to the sluggishness in the home appliances market in Japan. In China, sales decreased as demand was sluggish in part because of the end of subsidies for the purchases of energy-efficient home appliances.

As a result, sales in other segment decreased 8.4% to 2,632 million yen and there was an operating loss of 17 million yen (compared with operating income of 29 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets as of September 30, 2013 were 102,285 million yen, up 6,720 million yen from March 31, 2013. Current assets increased 3,986 million yen, while noncurrent assets increased 2,733 million yen.

Total liabilities were 43,841 million yen, up 1,708 million yen. Current liabilities decreased 303 million yen, while noncurrent liabilities increased 2,011 million yen.

As a result, net assets totaled 58,443 million yen, and the shareholders' equity ratio was 53.2%.

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

Net cash provided by operating activities totaled 2,362 million yen, a decrease of 991 million yen from the same period of the previous fiscal year. Inflows included 3,118 million yen from income before income taxes and 2,290 million yen from depreciation and amortization. Outflows included a decrease of 1,542 million yen in notes and accounts payable-trade, an increase of 862 million yen in notes and accounts receivable-trade, and income taxes paid of 549 million yen.

Net cash used in investing activities totaled 3,531 million yen, an increase of 471 million yen. This included outflows of 3,649 million yen for the purchase of noncurrent assets.

Net cash provided by financing activities totaled 1,074 million yen, a decrease of 705 million yen. This included inflows of 4,400 million yen in proceeds from long-term loans payable and 579 million yen from a net increase in short-term loans payable, and outflows of 3,269 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 7,402 million yen as of September 30, 2013, up 387 million yen from March 31, 2013.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

We have made the following revisions to the full-year consolidated forecast. There are two primary reasons. First is the increase in yen conversions of foreign currency-denominated sales because of revisions to the initially expected exchange rates. Second is the negative effect on earnings from the delay in revising selling prices to reflect the higher cost of raw materials and fuel, electricity, and cargo transportation.

Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2014

(April 1, 2013 to March 31, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	101,000	6,500	6,700	4,300	144.22
Revised forecasts (B)	109,500	6,300	6,400	4,200	140.87
Change (B-A)	8,500	(200)	(300)	(100)	-
Change (%)	8.4	(3.1)	(4.5)	(2.3)	-
(Reference) Results for the previous fiscal year ended March 31, 2013	96,038	4,575	4,927	3,324	111.49

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

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.*