

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third 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**

Representative: Kozo Tsukamoto, President, Representative Director

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

Phone: +81-3-6212-6306

Scheduled date of filing of Quarterly Report: February 6, 2014

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

Note: The original disclosure in Japanese was released on January 31, 2014 at 15:00 (GMT +9).

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

1. Third Quarter Results (April 1, 2013 to December 31, 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	%
Nine months ended Dec. 31, 2013	83,705	14.3	4,921	10.3	5,368	15.1	3,968	21.1
Nine months ended Dec. 31, 2012	73,243	3.5	4,460	(1.5)	4,662	0.4	3,276	5.0

Note: Comprehensive income: Nine months ended Dec. 31, 2013: 7,451 million yen (up 109.3%)

Nine months ended Dec. 31, 2012: 3,559 million yen (up 103.7%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2013	133.09	-
Nine months ended Dec. 31, 2012	109.88	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2013	107,918	60,060	51.7	1,871.45
As of Mar. 31, 2013	95,565	53,431	52.2	1,671.55

Reference: Shareholders' equity: As of Dec. 31, 2013: 55,796 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: 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: 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 Dec. 31, 2013:	31,413,473 shares	As of Mar. 31, 2013:	31,413,473 shares
----------------------	-------------------	----------------------	-------------------

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

As of Dec. 31, 2013:	1,598,958 shares	As of Mar. 31, 2013:	1,597,875 shares
----------------------	------------------	----------------------	------------------

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2013:	29,815,158 shares	Nine months ended Dec. 31, 2012:	29,816,045 shares
----------------------------------	-------------------	----------------------------------	-------------------

* 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 nine months of the current fiscal year, the Japanese economy recovered at a moderate pace. There was a decline in the yen and a stock market rally. Furthermore, demand in Japan was boosted by the rush to make purchases prior to the April consumption tax hike. In the global economy, there were positive signs regarding jobs and the housing market in the United States. Economic growth remained strong in Asia and the European economy started to recover due to the moderate improvement in the wake of the debt crisis.

In Japan's foamed plastic industry, market conditions were challenging in the fiscal year's first half because of the much higher cost of raw materials and fuel. In the second half, the business climate has been recovering mainly due to growing demand for insulation and cushioning materials. The primary cause is the emergence of substantial demand in Japan for consumer durables like houses, automobiles and large appliances as people make purchases before the consumption tax hike in April. We took many actions in response to the current operating environment. One was revising prices as needed. To meet rising demand, production and sales activities were expanded. We also increased output capacity in growing market sectors and concentrated on selling value-added products that incorporate exclusive technologies.

As a result, net sales in the first nine months of the current fiscal year were 83,705 million yen (up by 14.3% year-on-year) due to higher yen conversions of overseas sales because of the yen's weakness. Operating income increased 10.3% to 4,921 million yen, ordinary income increased 15.1% to 5,368 million yen and net income increased 21.1% to 3,968 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) increased. 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 increased due to an increase in distribution volume resulting from the economic rebound. 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 continued 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 as companies continued to reduce advertising expenses. 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. The main reason was higher sales of materials used to construct houses and condominiums as consumers in Japan rush to make purchases before the April consumption tax hike. Japan Acryace Corporation became a consolidated subsidiary from the first quarter under review.

As a result, extrusion segment sales increased 9.5% to 29,533 million yen and operating income decreased 20.2% to 1,626 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, an insulation and cushioning material for prefabricated bathroom units, and an impact protection material for artificial sports surfaces. We manufacture and sell P-Block™/ARPRO™ worldwide. In Japan, sales increased despite the effect of the transfer of production to other countries by manufacturers of home appliances. Sales growth was attributable to the growing use in new mini-vehicles and the increasing demand for insulation and cushioning materials for prefabricated bathroom units. In North America and Brazil, sales increased because of continued favorable performance by the automobile market. In Europe, sales increased as the European economy recovered slowly. 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 decreased in the fisheries and agriculture, and home appliance sectors, but this was more than offset by higher demand in the construction and civil engineering sectors and price revisions to reflect the higher cost of raw materials. 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 19.2% to 50,142 million yen and operating income increased 34.8% to 3,713 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 4.6% to 4,029 million yen and there was an operating loss of 24 million yen (compared with operating income of 31 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets as of December 31, 2013 were 107,918 million yen, up 12,353 million yen from March 31, 2013. Current assets increased 9,019 million yen, while noncurrent assets increased 3,334 million yen.

Total liabilities were 47,858 million yen, up 5,725 million yen. Current liabilities increased 4,592 million yen, while noncurrent liabilities increased 1,132 million yen.

As a result, net assets totaled 60,060 million yen, and the shareholders' equity ratio was 51.7%.

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

Net cash provided by operating activities totaled 4,047 million yen, a decrease of 424 million yen from the same period of the previous fiscal year. Inflows included 5,444 million yen from income before income taxes, 3,533 million yen from depreciation and amortization, and an increase of 818 million yen in notes and accounts payable-trade. Outflows included an increase of 4,714 million yen in notes and accounts receivable-trade, and income taxes paid of 1,095 million yen.

Net cash used in investing activities totaled 5,317 million yen, an increase of 1,361 million yen. This included an outflow of 5,471 million yen for the purchase of noncurrent assets.

Net cash provided by financing activities totaled 2,134 million yen, an increase of 1,821 million yen. This included inflows of 4,400 million yen in proceeds from long-term loans payable and 3,276 million yen from a net increase in short-term loans payable, and outflows of 4,439 million yen for the repayment of long-term loans payable and the cash dividends paid of 894 million yen.

As a result, cash and cash equivalents totaled 8,413 million yen as of December 31, 2013, up 1,398 million yen from March 31, 2013.

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

We maintain the previously announced consolidated earnings forecasts for the fiscal year ending March 31, 2014, 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

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.*