



JSP Corporation  
Engineered Plastic Foams

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# Information Meeting

First Half Results for the Fiscal Year  
Ending March 31, 2015 (1H FY3/15)

JSP Corporation

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1. 1H FY3/15 Summary of Business Operations
2. FY3/15 Outlook
3. 1H FY3/15 Supplementary Financial Information
4. New Plants, Pipeline Products, New Products

# Summary of Business Operations

1H FY3/15 Performance

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	1H FY3/14 Results	1H FY3/15 Forecast	1H FY3/15 Results	YoY Comparison	vs. Forecast
Net sales	54,465	57,500	58,266	107%	101%
Operating income	2,798	3,100	2,673	96%	86%
Ordinary income	3,095	3,200	2,936	95%	92%
Net income	2,278	2,300	2,157	95%	94%

- The weaker yen ¥102.2/\$ (1H 3/14 ¥95.9/\$)
- Higher cost of raw materials and fuel, electricity, transportation in Japan  
Lower demand from a reactionary falloff in the wake of the consumption tax hike
- In North America, economic growth was temporarily negative caused by the record cold wave, but subsequently recovered
- In Europe, a gradual recovery continued
- In Asia, the economic growth rate remained high despite slowing growth in China

# Extrusion Business

1H FY3/15 Performance

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	1H FY3/14 Results	1H FY3/15 Results	YoY Comparison
Net sales	18,798	20,009	106%
Operating income	898	698	78%

A decline in domestic demand caused by the higher cost of raw materials and fuel, electricity and transportation and the drop in demand after the consumption tax hike caused earnings to fall

- Industrial packaging material and display materials

Sales of MIRAMAT® decreased due to the lower demand for LCD TV glass substrates and large appliances

Sales of CAPLON™ increased due to increase applications for packaging materials for automotive parts

Sales of MIRABOARD™ remained unchanged as demand increased for displays used by companies backed by Japan's economic recovery

- Food packaging materials and food containers

Sales of STYRENPAPER™ increased supported by a strong demand

- Home insulation material and civil engineering materials

Sales of MIRAFOAM™ decreased because of a decline in construction starts of houses and condominiums. In the civil engineering sector, sales increased due to higher demand associated with reconstruction activity following the Great East Japan Earthquake of March 2011

# Bead Business

1H FY3/15 Performance

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	1H FY3/14 Results	1H FY3/15 Results	YoY Comparison
Net sales	33,034	34,953	106%
Operating income	2,179	2,289	105%

EPP sales were higher due to expanded uses in auto parts and EPS sales were unchanged

- ARPRO®/P-BLOCK™, a cushioning material for automotive parts and home appliances
  - Japan: Sales decreased due to sluggish automobile and home appliance markets while increase use of mini-vehicle parts
  - North America: Sales increased as sales initially fell because of the decline in automobile sales caused by the record cold wave but subsequently recovered
  - South America: Sales decreased as slowing economic growth brought down automobile sales volume
  - Europe: Sales increased as the economic recovery raised demand for automotive parts
  - Asia: Sales increased due to a continuation of strong growth in sales of automobiles and home appliances
- STYRODIA®, used for fish boxes and as a cushioning material for home appliances and a home insulation material
  - Demand was weak in the fisheries and agriculture sectors due to unfavorable weather. But sales were unchanged because of strong demand in the construction and home appliance sectors

(Million yen)

Item	1H FY3/14 Results	1H FY3/15 Results	YoY Comparison
Net sales	2,632	3,303	125%
Operating income	(17)	(30)	-

Contribution from sales of materials for new applications in Japan  
In China, a decision was made to adopt new packaging materials

- General packaging materials in Japan  
Sales increased because of sales expanded uses in new areas such as a bed core materials
- General packaging materials in China  
Sales increased following a decision to adopt new packaging materials for LCD TVs

1. 1H FY3/15 Summary of Business Operations
- 2. FY3/15 Outlook**
3. 1H FY3/15 Supplementary Financial Information
4. New Plants, Pipeline Products, New Products

# Summary of Business Operations

FY3/15 Outlook

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(Million yen)

Item	1H FY3/15 Results	2H FY3/15 Forecast	FY3/15 Outlook	FY3/15 Forecast (April)	YoY Comparison	vs. Forecast
Net sales	58,266	57,234	115,500	117,000	103%	99%
Operating income	2,673	3,327	6,000	7,100	102%	85%
Ordinary income	2,936	3,264	6,200	7,200	95%	86%
Net income	2,157	2,043	4,200	4,900	95%	86%

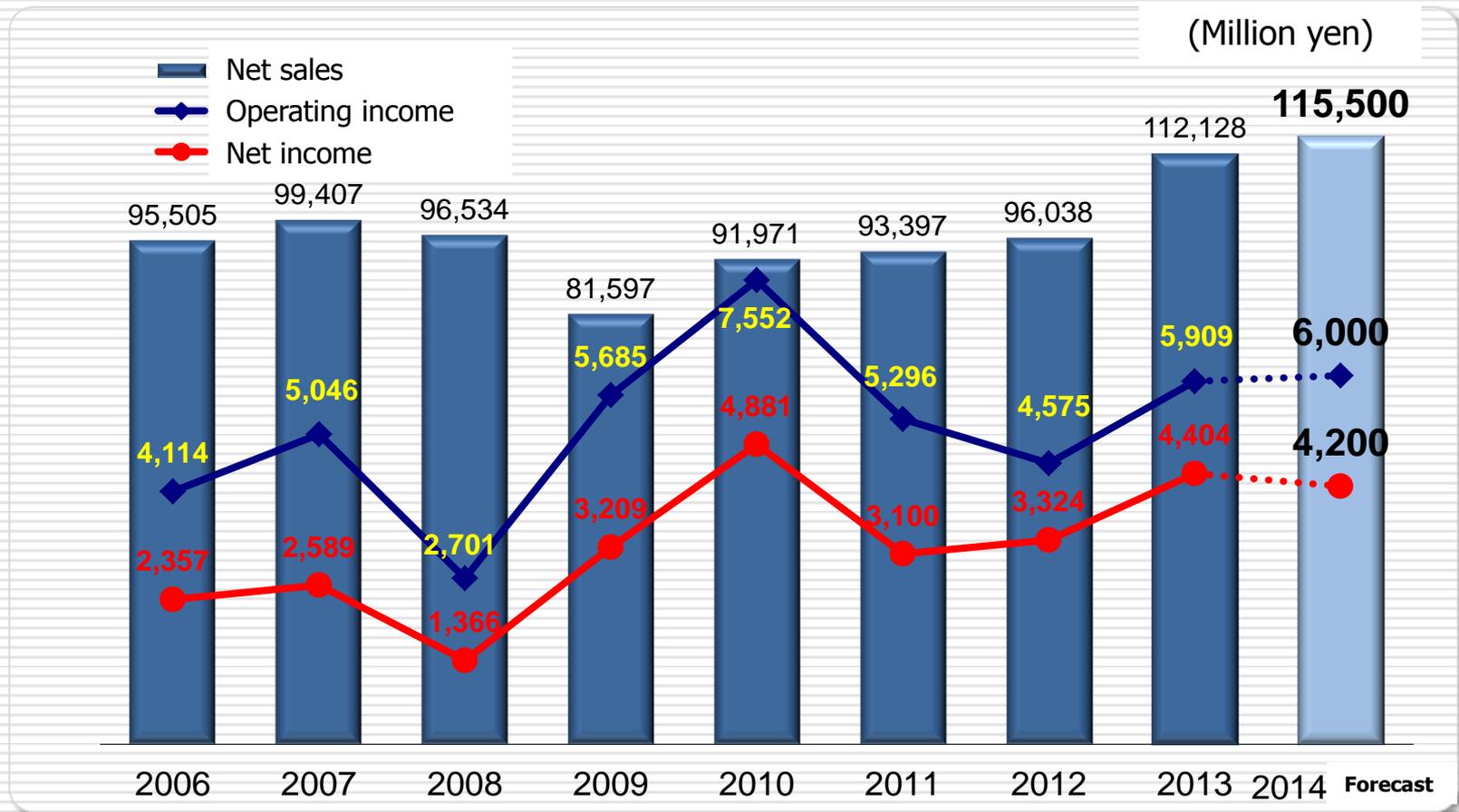
In the 2H, earnings are expected to recover as performance remains strong outside Japan and, in Japan, prices are revised and the cost of raw materials and fuel declines.

- Exchange rates            ¥104/\$ (1H ¥102.2 2H ¥106.4)
- Dubai crude oil            \$96/BL (1H \$104 2H \$88)
- Dividend per share        Interim dividend ¥15  
   Year-end dividend ¥15 (forecast) } Annual dividend ¥30 (forecast)

# Consolidated Results of Operations

FY3/15 Outlook

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# Extrusion Business

FY3/15 Outlook

JSP Corporation  
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(Million yen)

Item	1H FY3/15 Results	2H FY3/15 Forecast	FY3/15 Outlook	FY3/15 Forecast (April)	YoY Comparison	vs. Forecast
Net sales	20,009	19,672	39,681	40,285	100%	99%
Operating income	698	720	1,418	2,039	74%	70%

2H FY3/15 Priorities: Focusing on sales of higher-value added products



Food packaging materials and food containers  
**STYRENPAPER™**



Industrial packaging materials  
**MIRAMAT®**  
**CAPLON™**  
**P-BOARD™**  
**MIRABOARD™**



Home insulation materials  
civil engineering materials  
**MIRAFOAM™**

- Growth in sales of new grade products  
Core Light  
(low-ratio expanded products)  
Wood grain polystyrene paper
- Target the smartphone and tablet market  
Create technologies to make MIRAMAT™ even thinner
- Higher sales volume by targeting new applications
- Increasing sales of MIRAFOAM™ Λ, a high-performance insulation material
- Increasing sales of Wall Block

# Bead Business

FY3/15 Outlook

JSP Corporation  
Engineered Plastic Foams

(Million yen)

Item	1H FY3/15 Results	2H FY3/15 Forecast	FY3/15 Outlook	FY3/15 Forecast (April)	YoY Comparison	vs. Forecast
Net sales	34,953	34,285	69,238	68,934	103%	100%
Operating income	2,289	2,884	5,173	5,728	114%	90%

2H FY3/15 Priorities: Increase the number of auto components using beads in Japan and continue to grow outside Japan



Automotive energy absorption material and cushioning materials for home appliances  
ARPRO®/P-BLOCK™

- Speeding up global sales activities
- Materials used in more auto components



Fish boxes, cushioning materials for home appliances and home insulation materials, and civil engineering materials

STYRODIA®



- Focusing on sales of home insulation material and in the civil engineering sector

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# Results of Operation

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(Million yen, percentages in parentheses represent year-on-year changes)

	Net sales	Operating income	Ordinary income	Net income
1H FY3/15	58,266 (7.0%)	2,673 (-4.5%)	2,936 (-5.1%)	2,157 (-5.3%)
1H FY3/14	54,465 (13.1%)	2,798 (-1.1%)	3,095 (5.2%)	2,278 (12.8%)

Comprehensive income: 1H FY3/15: 1,386 million yen (+25.8%) 1H FY3/14: 5,384 million yen (+140.5%)

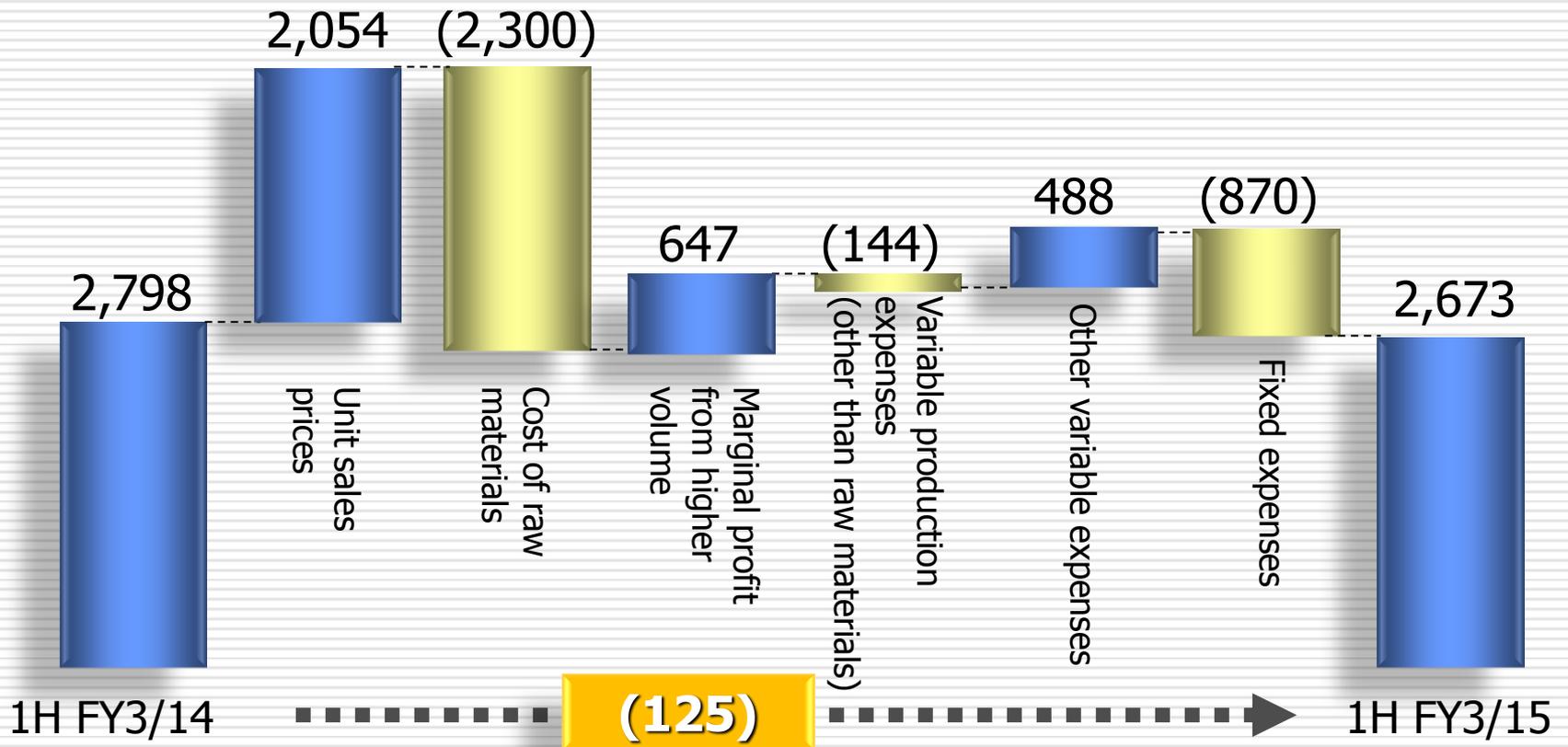
	Net income per share (Yen)	Return on equity	Ordinary income to total assets	Operating income to net sales
1H FY3/15	72.36	3.6%	2.7%	4.6%
1H FY3/14	76.42	4.2%	3.0%	5.1%

# Components of Change in Operating Income

1H FY3/15 Supplementary  
Financial Information

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(Million yen)



# Components of Change in Operating Income

1H FY3/15 Supplementary  
Financial Information

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## Non-operating Income/Expenses (Million yen)

Account	1H FY3/14	1H FY3/15
Interest income	97	110
Foreign exchange gains	122	104
Reversal of allowance for doubtful accounts	0	14
Other	242	183
<b>Total non-operating income</b>	<b>463</b>	<b>412</b>
Interest expenses	108	97
Equity in losses of affiliates	1	3
Other	55	49
<b>Total non-operating expenses</b>	<b>166</b>	<b>149</b>

## Extraordinary Income/Loss (Million yen)

Account	1H FY3/14	1H FY3/15
Gain on sales of non-current assets	34	3
Gain on sales of investment securities	12	30
<b>Total extraordinary income</b>	<b>46</b>	<b>33</b>
Loss on retirement of non-current assets	22	22
<b>Total extraordinary losses</b>	<b>22</b>	<b>22</b>

# Financial Position

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(Million yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Sep. 30, 2014	109,588	63,757	54.0%	1,983.51
As of Mar. 31, 2014	108,420	62,375	53.4%	1,940.48

Reference: Shareholders' equity: As of Sep. 30, 2014: 59,135 million yen As of Mar. 31, 2014: 57,853 million yen

# Balance Sheet

JSP Corporation  
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(Million yen)

Category	Account	As of Mar. 31, 2014	As of Sep. 30, 2014	Change
Assets	Current assets	59,255	60,099	844
	Non-current assets	49,164	49,488	323
	Total assets	108,420	109,588	1,167
Liabilities	Current liabilities	32,404	31,906	(498)
	Non-current liabilities	13,639	13,924	284
Net assets	Shareholders' equity	58,780	60,976	2,195
	Accumulated other comprehensive income	(926)	(1,840)	(913)
	Minority interests	4,522	4,621	99
	Total liabilities and net assets	108,420	109,588	1,167

# Net Assets

JSP Corporation  
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(Million yen)

Account	As of Mar. 31, 2014	As of Sep. 30, 2014	Change
Capital stock	10,128	10,128	-
Capital surplus	13,405	13,405	-
Retained earnings	36,621	38,817	2,196
Treasury shares	(1,374)	(1,375)	(0)
Total shareholders' equity	58,780	60,976	2,195
Valuation difference on available-for-sale securities	179	176	(2)
Foreign currency translation adjustment	(596)	(1,563)	(967)
Remeasurements of defined benefit plans	(509)	(453)	55
Accumulated other comprehensive income	(926)	(1,840)	(913)
Minority interests	4,522	4,621	99
Total net assets	62,375	63,757	1,381

# Cash Flows

## Capital expenditures, depreciation, R&D expenses

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### Cash Flows

(Million yen)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents
1H FY3/15	1,551	(3,998)	1,924	6,211
1H FY3/14	2,362	(3,531)	1,074	7,402

### Capital Expenditures, Depreciation, R&D Expenses

(Million yen)

	Capital expenditures	Depreciation	R&D expenses
1H FY3/15	4,002	2,523	976
1H FY3/14	3,649	2,290	974

(Capital expenditures are on a cash basis.)

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New plant in Wuhan (China) to produce expanded polypropylene beads (ARPRO®/P-BLOCK™)



New plant will raise annual output capacity in China to 24,000 tons

#### [Background]

- Number of affluent consumers is increasing in inland China as well as in coastal regions
- Automobile production volume is climbing
- Greater need for lighter vehicles due to serious pollution problem

#### [Outline of the new company]

- (1) Company name: JSP Plastics (Wuhan) Co., Ltd. (provisional name)
- (2) Location: Wuhan Economic & Technological Development Zone, China
- (3) Business activities: Manufacturing and sales of expanded polypropylene beads
- (4) Total capital expenditures: Approximately 1.2 billion yen
- (5) Site area: 21,000 m<sup>2</sup>
- (6) Construction area: 7,920 m<sup>2</sup>
- (7) Implement of production: January 2017
- (8) Annual production capacity: 3,000 tons

### New plant in Thailand to manufacture expanded polypropylene beads (ARPRO®/P-BLOCK™)



#### [Background]

- Demand is growing for high-expansion-rate products
- Plant will provide a reliable supply of these beads and strengthen sales activities and technical support

#### [Outline of the new company]

- (1) Company name: JSP Foam Products (Thailand) Co., Ltd. (provisional name)
- (2) Location: Asia Industrial Estate, Thailand (approximately 30km east of Bangkok)
- (3) Business activities: Manufacturing and sales of expanded polypropylene beads, technical support
- (4) Total capital expenditures: Approximately 600 million yen
- (5) Site area: 13,600 m<sup>2</sup>
- (6) Construction area: 3,500 m<sup>2</sup>
- (7) Start of production: January 2016
- (8) Annual production capacity: 1,800 tons

# New Plants

New plant at the Jackson Plant  
Cross-linked expanded polyethylene  
JSP Corporation  
Engineered Plastic Foams

## Launch of cross-linked expanded polyethylene sheet business in the North America

Features a more uniform and finer cellular structure and surface

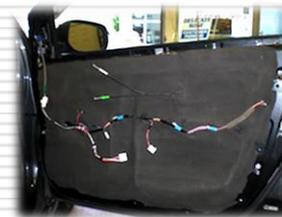


[Outline of the new plant]

- (1) Location: Jackson City, Michigan, USA
- (2) Business activities: Production of cross-linked expanded polyethylene sheets
- (3) Total capital expenditures: Approximately 1 billion yen
- (4) Construction area: 3,400 m<sup>2</sup>
- (5) Start of production: January 2015



Medical tapes



Auto door shields



Mirror gaskets

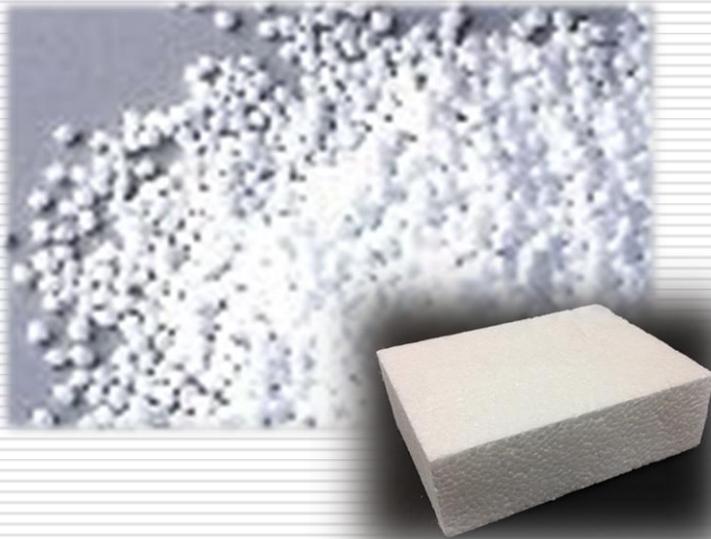


Mounting sheets for flexo printing



Laminate flooring

Environmentally friendly LACTIF® foamed beads are made from plant materials



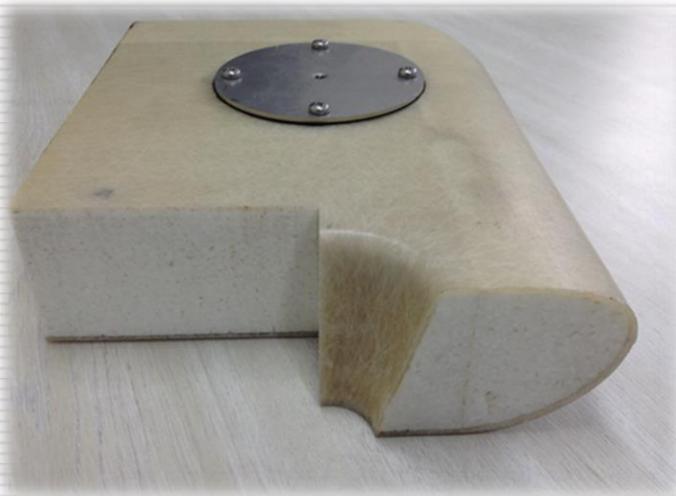
### [Features]

- Ingredients are derived from plant materials
- A hard foamed substance
- Minimal shrinking when formed
- Can be recycled
- Breaks down by hydrolysis a high-temperature, high-humidity environment
- Excellent adhesion with fiber reinforced plastics (glass fiber + unsaturated polyester)

### Applications under development

- Lightweight components for solar cells and other renewable energy products
- Lightweight components for ships, automobiles and other modes of transportation

A composite material that combines a foamed material with resin, metal and inorganic compounds



Applications under development

Lightweight components for solar power systems that combine LACTIF® (plant-based polylactic acid foamed beads) and polyester resin

[What is ACTech?]

A lineup of composite material products made possible by exclusive JSP technologies. ACTech combines JSP's innovative foamed materials with resins (including thermosetting resin), metals and inorganic compounds.

[Features]

- The superior light weight and thermal insulation possible only with foamed materials
- The strength and rigidity of a composite material
- A composite material with unprecedented properties

JSP's light reflecting sheets have an extremely high reflection ratio of almost 100%



For LCD TVs, LED reflection panels  
and other applications

[What is the reflective sheet?]

Developed by using exclusive JSP technologies, this sheet is made of a polystyrene-based multilayer extruded material foamed using an inorganic foaming gas. The sheet has an oriented ultra-fine foam structure.

[Features]

- Extremely high reflection ratio (almost 100%)
- Can be shaped using vacuum formation
- Cost competitive due to use of an exclusive production technology

# New Products

JSP Corporation  
Engineered Plastic Foams

Foamed polystyrene sheets and boards with wood grain pattern that requires no film



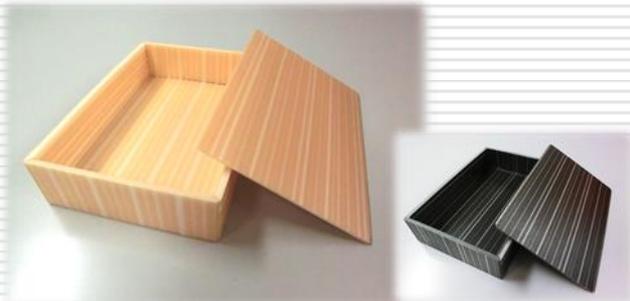
Wood grain  
polystyrene paper

- Needs no printed film

Exclusive JSP technology allows the application of a wood grain pattern without using a film coating

- Environmentally friendly

No release of organic solvents because there is no printed film



Wood grain  
MIRABOARD™

- Easy to shape and process

Vacuum formation can be used just as with other materials and strength is the same as with conventional materials

# New Products

MIRAFOAM™ Λ

JSP Corporation  
Engineered Plastic Foams

MIRAFOAM™ Λ, a high-performance, next-generation insulation material

JSP has high expectations for growth in demand for this material as the 2020 enactment in Japan of mandatory revised energy conservation standards for new buildings approaches.

**超高性能な断熱性**  
熱伝導率0.022W/m·K(23℃)を実現。  
吸水性が低く安定した性能を発揮します。

高断熱のメカニズム

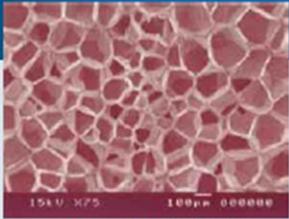
気泡膜の新技术による  
輻射熱の抑制・ガスバリア性UP

+

気泡形状による  
熱伝導の抑制効果

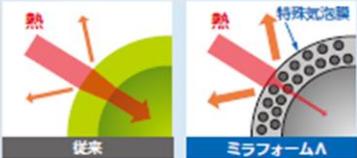
↓

**超高断熱化の実現**



15kV X75 100µm 000000

ミラフォームΛ(ラムダ)の気泡写真



熱 従来

熱 特殊気泡膜

ミラフォームΛ

熱が気泡膜を透過するイメージ

**環境・健康・安全対策**  
ノンフロン・ノンホルムアルデヒド・4VOC基準に適合。

**優れた機械物性**  
ミラフォーム同様 曲げ強度(靱性)に高い性能を発揮。

▶規格

厚さ (mm)	25・30・40・50・55
幅 (mm)	910
長さ (mm)	1820
表面状態・色	カットボード・シルバー



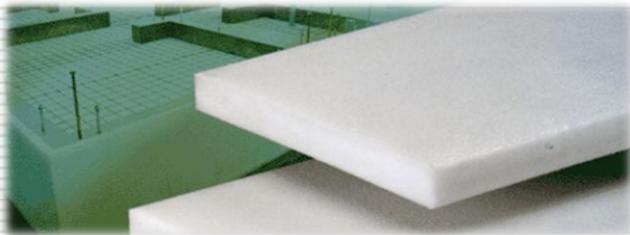
- High-performance thermal insulation  
Thermal conductivity is 0.022W/m K  
Stable characteristics due to minimal moisture absorption
- For the environment, good health and safety  
Same properties as ordinary MIRAFOAM™ (CFC-free, formaldehyde-free, 4 VOC standard compliance)
- Outstanding mechanical properties  
Highly resistant to bending

# New Products

## MIRAPOLICA™ FOAM

JSP Corporation  
Engineered Plastic Foams

MIRAPOLICA™ FOAM is made by foaming polycarbonate using an innovative JSP technology  
The only foamed plastic thermal insulation material that resists termites without the use of an insecticide



### [Features]

- Highly resistant to insects
- Extremely safe to use
- Long-term stability
- Easy to install
- Shock resistant (high rigidity)
- Outstanding resistance to heat
- Extinguishes fires on its own

Potential new applications by combining  
MIRAPOLICA with other materials

- ▶ Core material for blades of small wind turbines
- ▶ Replacement for steel frames

# JSP Corporation

## Engineered Plastic Foams

Cautionary statement with respect to forecasts

Forecasts are based on all the information currently available,  
and the actual results may differ due to various factors.

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