



JSP Corporation
Engineered Plastic Foams

Information Meeting

Results of Operations for the Fiscal Year
Ended March 31, 2015 (FY3/15)

May 18, 2015

JSP Corporation

Executives at the Presentation

JSP Corporation
Engineered Plastic Foams

President, Representative Director

Kozo Tsukamoto

General Manager, Extrusion Business Division

Hideo Ono

General Manager, Bead Business Division

Hiroshi Usui

General Manager, Research & Development Division

Yasuo Oikawa

General Manager, Finance & Accounting Division

Takanori Suzuki

General Manager, General & Personnel Affairs Division

Yoshinari Saito

General Manager, Corporate Planning Division

Tadashi Kondo

- 1. FY3/15 Summary of Business Operations**
2. FY3/16 Outlook
3. FY3/15 Supplementary Financial Information

Summary of Business Operations

FY3/15

JSP Corporation
Engineered Plastic Foams

(Million yen)

Item	FY3/14 Results	FY3/15 Forecast (Announced Oct. 30, 2014)	FY3/15 Results	YoY Comparison	vs. Forecast
Net sales	112,128	115,500	116,923	104%	101%
Operating income	5,909	6,000	5,667	96%	94%
Ordinary income	6,509	6,200	6,044	93%	97%
Net income	4,404	4,200	4,039	92%	96%

- Forex: JPY106.5/USD JPY140.3/EUR (FY3/14: JPY98/USD JPY130.6/EUR)
- Japan: Recovery in demand was limited due to the higher cost of raw materials, fuel and transportation, and drop in demand following the consumption tax hike
- North America: Economic growth was temporarily negative due to the cold wave, but continued to grow
- South America: Personal consumption was weak due in part to a high-level inflation
- Europe: Gradual economic recovery continued
- China, Asia: Economic growth rate slowed but the automobile and home appliances sectors continued to show a strong growth

Extrusion Business

FY3/15

JSP Corporation
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(Million yen)

Item	FY3/14 Results	FY3/15 Results	YoY Comparison
Net sales	39,614	39,915	101%
Operating income	1,926	1,348	70%

**Lower earnings: 1. Delay in product price revisions associated with rising cost of raw materials and fuel;
2. Decline in demand for houses and consumer durables**

- Sales of MIRAMAT® (an industrial packaging material) decreased due to lower demand for consumer durables
- Sales of P-BOARD™ (an industrial packaging material) decreased due to the sluggishness in the automobile and home appliances markets
- Sales of STYRENPAPER™ (a food packaging material) increased backed by a strong demand and higher sales of new grades
- Sales of MIRABOARD™ (used in advertising displays and folding boxes) decreased due to the diversification of advertising channels, such as the growing use of digital media
- Sales of MIRAFOAM™ (a home insulation material) decreased due to a decline in construction starts of houses and condominiums. But in the civil engineering sector, sales increased due to demand associated with earthquake reconstruction and the higher demand from the public sector.

Bead Business

FY3/15

JSP Corporation
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(Million yen)			
Item	FY3/14 Results	FY3/15 Results	YoY Comparison
Net sales	67,034	70,340	105%
Operating income	4,545	4,854	107%

EPP sales and profits were higher due to expanded uses in auto parts and the weaker yen; EPS earnings were improved

- ARPRO®/P-BLOCK™, a packaging material for automotive parts and home appliances
 - Japan: Sales decreased by the effect of the consumption tax hike and earnings declined due to a higher cost of raw materials and fuel
 - North America: Local-currency sales decreased because of record cold wave, but sales increased after translating into yen
 - 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
 - China, Asia: Overall sales increased because of the strong growth in the automobiles and home appliances sectors and an expansion of new demand
- STYRODIA®, used for fish boxes and as a cushioning material for home appliances and a home insulation materials
 - Demand was weak in the fisheries and agriculture sectors due to unfavorable weather. But earnings were improved because of the strong sales of functional grades and cost cutting.

Other

FY3/15

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(Million yen)

Item	FY3/14 Results	FY3/15 Results	YoY Comparison
Net sales	5,479	6,667	122%
Operating income	(32)	59	-

Demand for packaging materials in Japan was firm because of the weaker yen;
In China, demand increased for packaging materials for LCD TVs

- General packaging materials in Japan
Demand was firm for packaging materials because of the weaker yen. Sales increased due to higher sales of molded sheets used for automotive parts and smartphones in China and higher demand associated with recovery in output in Japan by manufacturers
- General packaging materials in China
Sales increased following a decision to adopt new packaging materials for LCD TVs

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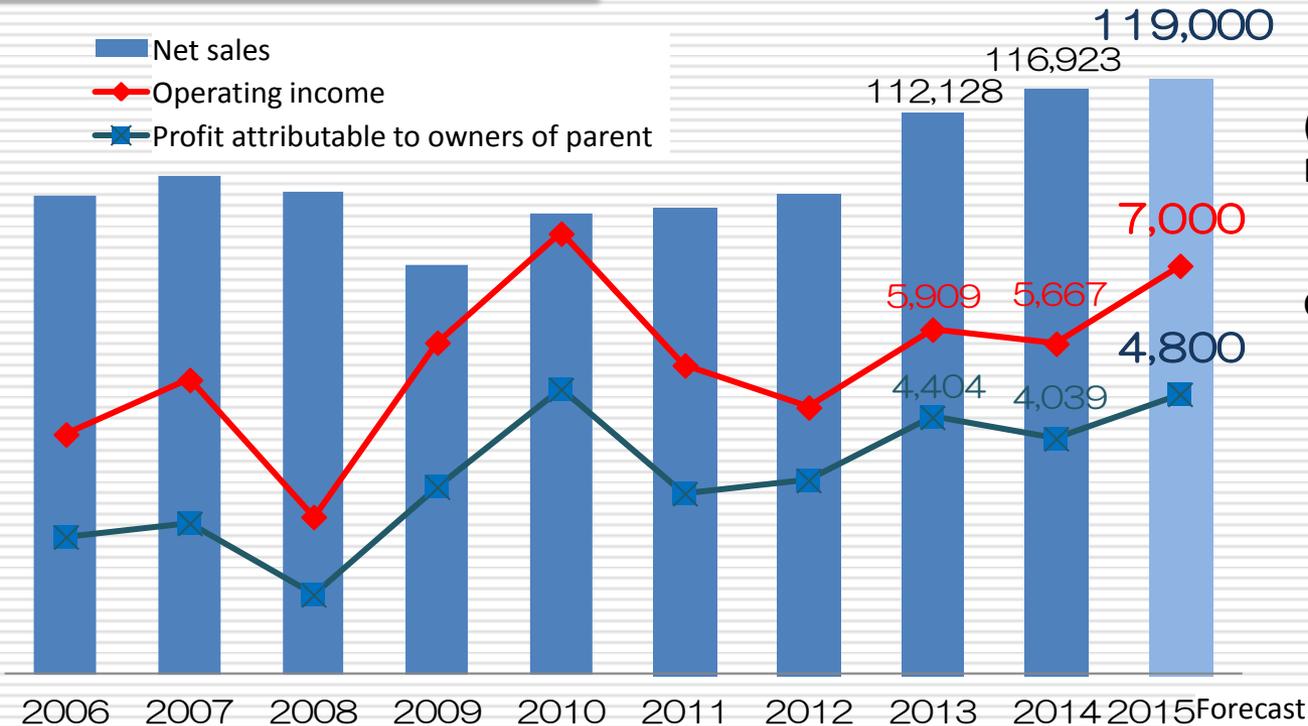
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(Million yen)

FY3/16 Outlook

● Net sales: 119,000
● Operating income: 7,000

- Capital expenditures: Approx. 8,500
(Increase production capacity: 3,100, maintenance: 5,400)
- Depreciation expenses: Approx. 4,550
(Change in the depreciation method: a decrease of approx. 660)



(Assumptions)

Exchange rates:

JPY120/USD,

JPY130/EUR

Crude oil: USD60/BL

Business Segment Plans

FY3/16 Outlook

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(Million yen)

	FY3/15 Results		FY3/16 Outlook		Vs. FY3/15	
	Net sales	Operating income	Net sales	Operating Income	Net sales	Operating income
Extrusion Business	39,915	1,348	39,402	1,967	99%	146%
Bead Business	70,340	4,854	73,775	5,871	105%	121%
Other	6,667	59	5,823	32	87%	54%
Sub-total	116,923	6,262	119,000	7,870	102%	126%
Adjustment	-	(595)	-	(870)	-	-
Total	116,923	5,667	119,000	7,000	102%	124%

Extrusion Business

FY3/16 Outlook

JSP Corporation
Engineered Plastic Foams

(Million yen)

Item	FY3/15 Results	FY3/16 Forecast	YoY Comparison
Net sales	39,915	39,402	99%
Operating income	1,348	1,967	146%

Diminishing effect of the consumption tax hike → Higher demand for high-performance thermal insulation materials for buildings and houses, and digital home appliances



Improve earnings of the differentiation product
STYRENE PAPER™



Create new demand for permanent anti-static properties
MIRAMAT ACE™



Focus on increasing sales of

- MIRAFOAM™ Λ
- Wall Block

No change in sales volume

- CORE LIGHT (low-ratio expanded products) to reduce expenses associated with Japan's Container and Packaging Recycling Act
- Wood grain expanded polystyrene sheets that require no printed film

Sales volume up 6% YoY

- Increase sales of differentiation products in the growing markets such as smartphones and tablets
- Increase in sales volume by developing new market

Sales volume up 14% YoY

- Double the sales of high-performance thermal insulation materials
- Higher public-works expenditures to prepare for the Tokyo Olympics
- Increasing sales of Wall Block

Bead Business

FY3/16 Outlook

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(Million yen)

Item	FY3/15 Results	FY3/16 Forecast	YoY Comparison
Net sales	70,340	73,775	105%
Operating income	4,854	5,871	121%

**Higher sales and profits of ARPRO®/P-BLOCK™ by adding more locations and higher demand;
Maintain steady earnings from STYRODIA®**



Higher sales and profits of ARPRO®/P-BLOCK™ by the expansion of global locations, new application for auto parts

Sales volume up 7% YoY

- Higher demand in the automobile and home appliances sectors in China
- Increase use of materials in auto parts (sheets, etc.)
- Create new demand by developing new products and new applications



Maintain stable earnings from STYRODIA® by increasing sales of high-performance grades and strengthening cooperation with other divisions

No change in sales volume

- Increasing sales of high-performance grades CLEARPOR® HEATPOR®
- Strengthening cooperation with other divisions for production and sales activities

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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
FY3/15	116,923 (4.3%)	5,667 (-4.1%)	6,044 (-7.1%)	4,039 (-8.3%)
FY3/14	112,128 (16.8%)	5,909 (29.2%)	6,509 (32.1%)	4,404 (32.5%)

Comprehensive income: FY3/15: 8,658 million yen FY3/14: 10,462 million yen

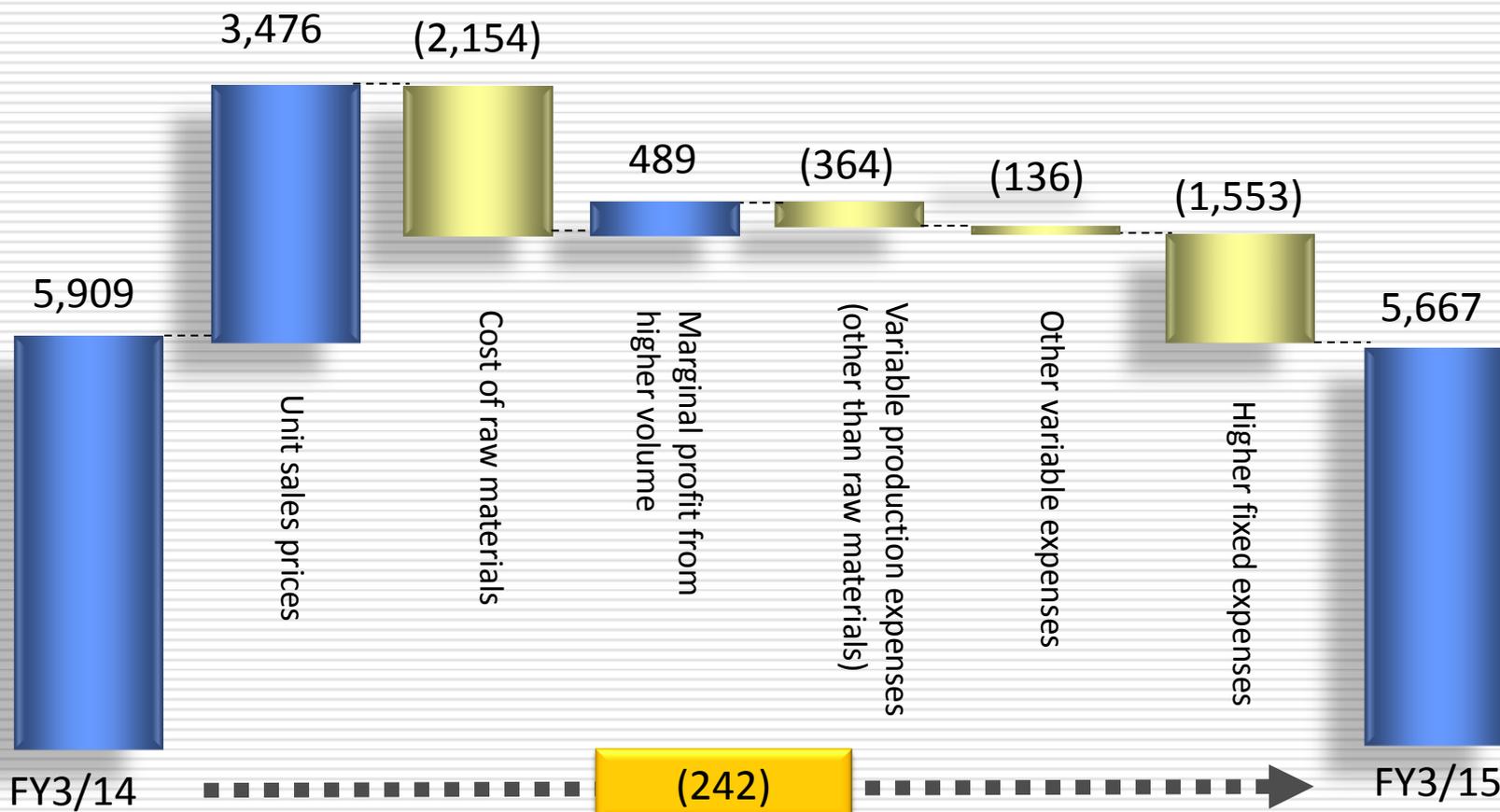
	Net income per share (Yen)	Return on equity	Ordinary income to total assets	Operating income to net sales
FY3/15	135.50	6.5%	5.4%	4.8%
FY3/14	147.73	8.2%	6.4%	5.3%

Components of Change in Operating Income

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(Million yen)



Non-operating Income/Expenses Extraordinary Income/Loss

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(Million yen)

Non-operating Income/Expenses

Account	FY3/14	FY3/15
Interest income	209	240
Foreign exchange gains	250	13
Other	477	404
Total non-operating income	937	658
Interest expenses	219	191
Other	116	89
Total non-operating expenses	336	280

Extraordinary Income/Loss

Account	FY3/14	FY3/15
Gain on sales of non-current assets	55	9
Gain on sales of investment securities	66	30
Total extraordinary income	122	40
Loss on retirement of non-current assets	60	38
Loss on sales of non-current assets	34	1
Loss on valuation of investment securities	-	40
Other	-	3
Total extraordinary losses	95	84

Financial Position

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JSP Corporation
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(Million yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2015	116,717	70,352	56.0%	2,190.61
As of Mar. 31, 2014	108,420	62,375	53.4%	1,940.48

Reference: Shareholders' equity: As of Mar. 31, 2015: 65,307 million yen As of Mar. 31, 2014: 57,853 million yen

Balance Sheet

Supplementary Information

JSP Corporation
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(Million yen)

	Account	As of Mar. 31, 2014	As of Mar. 31, 2015	Change
Assets	Current assets	59,255	64,106	4,851
	Non-current assets	49,164	52,611	3,446
	Total assets	108,420	116,717	8,297
Liabilities	Current liabilities	32,404	33,460	1,055
	Non-current liabilities	13,639	12,905	(734)
Net assets	Shareholders' equity	58,780	62,409	3,628
	Accumulated other comprehensive income	(926)	2,898	3,825
	Minority interests	4,522	5,044	522
	Total liabilities and net assets	108,420	116,717	8,297

Net Assets

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				(Million yen)
Account	As of Mar. 31, 2014	As of Mar. 31, 2015	Change	
Capital stock	10,128	10,128	-	
Capital surplus	13,405	13,405	-	
Retained earnings	36,621	40,253	3,631	
Treasury shares	(1,374)	(1,378)	(3)	
Total shareholders' equity	58,780	62,409	3,628	
Valuation difference on available-for-sale securities	179	269	90	
Foreign currency translation adjustment	(596)	2,348	2,944	
Remeasurements of defined benefit plans	(509)	281	790	
Accumulated other comprehensive income	(926)	2,898	3,825	
Minority interests	4,522	5,044	522	
Total net assets	62,375	70,352	7,976	

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
FY3/15	8,289	(8,029)	1,156	8,893
FY3/14	7,200	(8,430)	190	6,972

Capital Expenditures, Depreciation Expenses, R&D Expenses

(Million yen)

	Capital expenditures	Depreciation expenses	R&D expenses
FY3/15	7,575	5,327	2,023
FY3/14	8,735	4,865	2,015

(Capital expenditures are on a cash basis)

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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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Investor Relations Department