

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2015

[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: February 13, 2015

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 February 4, 2015 at 16:00 (GMT +9).

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

1. Third Quarter Results (April 1, 2014 to December 31, 2014) for the Fiscal Year Ending March 31, 2015

(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, 2014	88,241	5.4	4,402	(10.5)	4,751	(11.5)	3,504	(11.7)
Nine months ended Dec. 31, 2013	83,705	14.3	4,921	10.3	5,368	15.1	3,968	21.1

Note: Comprehensive income: Nine months ended Dec. 31, 2014: 4,539 million yen (down 39.1%)

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

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2014	117.55	-
Nine months ended Dec. 31, 2013	133.09	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2014	116,627	66,474	52.8	2,064.94
As of Mar. 31, 2014	108,420	62,375	53.4	1,940.48

Reference: Shareholders' equity: As of Dec. 31, 2014: 61,562 million yen As of Mar. 31, 2014: 57,853 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, 2014	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2015	-	15.00	-		
Fiscal year ending Mar. 31, 2015 (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, 2015

(April 1, 2014 to March 31, 2015)

(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	115,500	3.0	6,000	1.5	6,200	(4.8)	4,200	(4.6)	140.88

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: None

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 shares

As of Dec. 31, 2014:	31,413,473 shares	As of Mar. 31, 2014:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2014:	1,600,181 shares	As of Mar. 31, 2014:	1,599,366 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2014:	29,813,835 shares	Nine months ended Dec. 31, 2013:	29,815,158 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 nine months of the current fiscal year, there were differences in the performance of companies in Japan depending on industries and the size of companies. Earnings improved at companies in export-oriented industries as the yen weakened. But the higher cost of raw materials and other imported products brought down earnings at companies in industries that rely on internal demand and at small and midsize companies. Consumer spending has not started a full-scale recovery because prices are rising faster than wages, due in part to the effect of the consumption tax hike.

In the United States, economic growth was temporarily negative due to the cold wave. But the economy is continuing to grow along with strong consumer spending and the recovery in automobile sales volume and the housing market. In Europe, a gradual recovery continued. In Asia, the economic growth rate remained high despite slowing growth in China and a temporary slowdown in Thailand.

In Japan's foamed plastic industry, market conditions remained challenging due to higher cost of raw materials and fuel, electricity, transportation, lower demand from a reactionary falloff in the wake of the consumption tax hike as well as a decline in demand due to unfavorable weather.

Although the price of crude oil has plummeted in the third quarter, there has been only a small decrease in the cost of raw materials and fuel in Japan because of the yen's depreciation and a delay in the timing of price revisions. Consumer spending is sluggish as well because Japan's economic recovery did not start as soon as expected. The result was lower demand in all categories of foamed plastic products.

As a result, net sales in the first nine months of the current fiscal year were 88,241 million yen (up by 5.4% year-on-year) due to the effect of price revisions and higher yen conversions of foreign-currency denominated sales because of the weak yen. Operating income decreased 10.5% to 4,402 million yen, ordinary income decreased 11.5% to 4,751 million yen and net income decreased 11.7% to 3,504 million yen.

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 the post-tax hike falloff that reduced demand for large appliances and other consumer durables. Sales of CAPLON[™] (air-bubble polyethylene cushioning material) increased due to new applications for packaging materials for automotive parts. Sales of P-BOARD[™] (expanded polypropylene sheet) which is used mainly for transportation containers for automotive parts and home appliances decreased in response to the sluggishness in the automobile and home appliances market in Japan. Sales of STYRENPAPER[™] (expanded polystyrene sheet used in food packaging) supported by strong demand, remained strong. Sales of MIRABOARD[™] (expanded polystyrene board used in advertising displays and folding boxes) decreased due to the decline in demand at large home appliance stores. As for MIRAFOAM[™] (extruded board made of expanded polystyrene and is a key material for construction and civil engineering materials), sales were down in the construction sector because of a decline in construction starts of houses and condominiums following the April 2014 consumption tax hike. However, sales were higher in the civil engineering sector as demand increased nationwide, including demand associated with reconstruction activity following the Great East Japan Earthquake of March 2011.

As a result, extrusion segment sales increased 3.8% to 30,642 million yen and operating income decreased 24.9% to 1,221 million yen partly because of a decline in demand due to the slow economic recovery.

Bead Business

ARPRO®/P-BLOCK™ (expanded polypropylene), now being manufactured and sold worldwide, is used in automotive parts, as an insulation and cushioning material for housing facilities, a cushioning and packaging material in returnable containers for transporting IT equipment, a cushioning and packaging material for home appliances, and an impact protection material for artificial sports surfaces. Sales were strong, on expanded uses in new automotive parts and higher demand for home appliance packing and cushioning. In Japan, there were new applications for mini-vehicle parts and growing demand for beads as an insulating material in equipment used in houses. However, sales were about the same as one year earlier because of lower demand for beads used by automobile and IT product manufacturers as they reduced inventories following the April 2014 consumption tax hike. In North America, sales were impacted in the first quarter as the automobile sales volume temporarily declined by the record cold wave. But sales were higher mainly because of increasing demand for automotive parts as the economy recovered. In South America, sales decreased as slowing economic growth brought down automobile sales volume. In Europe, sales increased as the economic recovery raised demand for automotive parts. In China and other Asian countries, sales increased because of a continuation of strong growth in sales of automobiles and home appliances as well as an expansion of new demand. Demand for STYRODIA® (expandable polystyrene beads) was weak in the fisheries and agriculture sectors, the primary markets for this material, due to unfavorable weather. But sales were about the same as in the same period of the previous fiscal year because of strong demand in the construction and civil engineering sectors and the home appliance sector. Sales of FOAMCORE™ (a hybrid molded product used as a ceiling material for prefabricated bathroom units) decreased because of the downturn in housing starts.

As a result, bead segment sales increased 5.0% to 52,639 million yen and operating income decreased 3.0% to 3,602 million yen partly because of the slow recovery of earnings in Japan.

Other

In general packaging materials, demand in Japan decreased due to the post-tax hike falloff. However, sales increased in part because of sales of packaging materials for use as a bed core material and other new applications. In China, sales increased following a decision to adopt new packaging materials for LCD TVs.

As a result, sales in other segment increased 23.1% to 4,960 million yen and there was an operating income of 21 million yen (compared with operating loss of 24 million yen in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets as of December 31, 2014 were 116,627 million yen, up 8,207 million yen from March 31, 2014. Current assets increased 6,542 million yen and non-current assets increased 1,665 million yen.

Total liabilities were 50,153 million yen, up 4,108 million yen. Current liabilities increased 5,071 million yen, while non-current liabilities decreased 963 million yen.

As a result, net assets totaled 66,474 million yen and the shareholders' equity ratio was 52.8%.

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

Net cash provided by operating activities totaled 3,312 million yen, a decrease of 734 million yen from the same period of the previous fiscal year. Inflows included 4,777 million yen from income before income taxes, 3,900 million yen from depreciation and an increase of 855 million yen in notes and accounts payable-trade. Outflows included an increase of 4,708 million yen in notes and accounts receivable-trade, and income taxes paid of 1,913 million yen.

Net cash used in investing activities totaled 5,123 million yen, a decrease of 193 million yen from the same period of the previous fiscal year. This included an outflow of 5,095 million yen for the purchase of non-current assets.

Net cash provided by financing activities totaled 2,642 million yen, an increase of 507 million yen from the same period of the previous fiscal year. Inflows included 4,000 million yen in proceeds from long-term loans payable, 3,577 million yen from a net increase in short-term loans payable, and outflows included 3,826 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 7,793 million yen as of December 31, 2014, up 820 million yen from March 31, 2014.

(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, 2015, 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

Application of the accounting standard for retirement benefits

The Company has applied the “Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan (ASBJ) Statement No. 26, May 17, 2012) and the “Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)” from the first quarter of the current fiscal year, for provisions set in the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits. Accordingly, the Company reviewed the methods for calculating retirement benefit obligations and service costs, and revised the method of attributing estimated retirement benefit obligations to periods from the straight-line basis to the benefit formula basis, and revised the method of determining the discount rate from the method using the approximate number of years of the expected average length of remaining service period of employees to the method using a single weighted average discount rate reflecting the estimated period and amount of benefit payment.

For the application of this accounting standard, etc. in accordance with the transitional accounting treatments set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits, the adjustments associated with the change in calculation methods of retirement benefit obligations and service costs are recorded in retained earnings at the beginning of the first nine months of the current fiscal year.

The result was a decrease of 741 million yen in net defined benefit liability, and an increase of 486 million yen in retained earnings at the beginning of the first nine months of the current fiscal year. The effect of this change on operating income, ordinary income and income before income taxes 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.*