



January 31, 2018

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2018

[Japanese GAAP]

Name of listed company: **JSP Corporation** Stock Exchange Listed: Tokyo (1st Section)
 URL: <http://www.jsp.com> Code Number: **7942**
 Representative: Yukio Sakai, President, Representative Director
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 Scheduled date of filing of Quarterly Report: February 9, 2018
 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, 2018 at 15:00 (GMT +9).

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

1. Third Quarter Results (April 1, 2017 to December 31, 2017) for the Fiscal Year Ending March 31, 2018

(1) Consolidated business performance (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2017	86,434	5.5	7,867	0.1	7,968	(2.2)	5,811	(7.0)
Nine months ended Dec. 31, 2016	81,952	(6.4)	7,857	5.8	8,144	12.3	6,251	20.0

Note: Comprehensive income: Nine months ended Dec. 31, 2017: 6,811 million yen (-%)
 Nine months ended Dec. 31, 2016: 407 million yen (down 85.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2017	194.94	-
Nine months ended Dec. 31, 2016	209.72	-

Note: The percentage of year-on-year changes of comprehensive income for nine months ended December 31, 2017 is not shown because it exceeded 1,000%.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2017	123,821	81,948	62.6	2,599.29
As of Mar. 31, 2017	113,151	76,778	64.1	2,433.10

Reference: Shareholders' equity: As of Dec. 31, 2017: 77,485 million yen As of Mar. 31, 2017: 72,532 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, 2017	-	20.00	-	30.00	50.00
Fiscal year ending Mar. 31, 2018	-	25.00	-		
Fiscal year ending Mar. 31, 2018 (forecasts)				25.00	50.00

Note: Revisions to the most recently announced dividend forecast: None

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2018

(April 1, 2017 to March 31, 2018) (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	116,500	6.8	9,500	(1.2)	9,700	(3.3)	6,700	(8.2)	224.75

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

(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 shares

As of Dec. 31, 2017:	31,413,473 shares	As of Mar. 31, 2017:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2017:	1,603,360 shares	As of Mar. 31, 2017:	1,602,780 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2017:	29,810,511 shares	Nine months ended Dec. 31, 2016:	29,811,358 shares
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* The current quarterly financial report is not subject to quarterly review procedures.

* 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 “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) 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, automobile sales in the United States decreased but capital expenditures were strong. In Mexico, the economy posted solid growth despite concerns about the worsening relationship with the United States. In Brazil, the economy is starting to show signs of recovery as the value of the Real (BRL) stabilizes, inflation declines and exports recover. In Europe, economies continued to expand with the support of strong automobile sales, internal demand and exports. In Asia, economies continued to recover slowly in all regions. Most significant is the continuation of steady economic growth in China. In Japan, although there are indications of a recovery in consumer spending, there are also areas of weakness in the economy due to the rising cost of raw materials and fuel and cargo transportation as well as other concerns.

In Japan's foamed plastic industry, market conditions were challenging in some sectors. Although there was a recovery in the IT, automobile and other sectors, public-works investments and housing starts were sluggish. Weak demand for fisheries and agricultural products and the rising cost of raw materials and fuel also had a negative effect on market conditions.

Sales in the first nine months were higher than in the same period of the previous fiscal year due to the growth in sales volume, a higher percentage of sales from value-added products, and product price revisions in association with the higher cost of raw materials. There was a small increase in operating profit despite of the rising cost of raw materials and fuel and cargo transportation in Japan.

As a result, net sales in the first nine months were 86,434 million yen, up 5.5% from the same period of the previous fiscal year. Operating profit increased 0.1% to 7,867 million yen, ordinary profit decreased 2.2% to 7,968 million yen and profit attributable to owners of parent decreased 7.0% to 5,811 million yen.

Results by business segment were as follows.

Extrusion Business

Sales of industrial packaging products increased primarily because of strong sales of value-added products. MIRAMAT[®] (expanded polyethylene sheet used as an industrial packaging material), which is used for the transportation of substrates for flat panel displays and other home appliances, accounts for most sales in this category. Sales of STYRENPAPER[™] (expanded polystyrene sheet used in food packaging) benefited from product price revisions due to the higher cost of raw materials and higher sales of this material used for microwave-compatible containers. However, total sales of this material were down because of a downturn in sales to food tray manufacturers. Sales of MIRABOARD[™] (expanded polystyrene board used in advertising displays and folding boxes) increased mainly because of the emergence of new applications for this material. Sales of MIRAFOAM[™] (extruded board made of expanded polystyrene), which is used in construction and civil engineering applications, increased primarily due to higher sales of high-performance thermal insulation products in the building construction market.

Overall, segment sales increased primarily because of a higher percentage of sales from value-added products and revisions to prices of products. Although earnings recovered in the third quarter, operating profit was lower because of the higher cost of raw materials in the first half.

As a result, extrusion segment sales increased 3.1% to 29,680 million yen and operating profit decreased 10.1% to 2,263 million yen.

Bead Business

ARPRO[®]/P-BLOCK[™] (expanded polypropylene), which is manufactured and sold worldwide, is used in automotive parts such as bumper cores, interior auto parts and seat cores, and 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

athletic fields. Sales of ARPRO®/P-BLOCK™ were strong because of the use of this material in more types of automotive parts and growth in sales for applications in new market sectors. In Japan, sales increased due to recovery in demand for this material used in automotive and functional materials. In North America, monetary sales increased as demand for this material used in automotive parts increased. In South America, a recovery in automobile production in Brazil and progress with creating new sources of demand resulted in higher sales. In Europe, sales increased due to the strong demand for automotive parts. In Asia, sales increased because of strong sales in all the regions of China, Southeast Asia, Taiwan and South Korea. Sales of expandable bead products, chiefly STYRODIA®, increased despite a decline in demand for beads used to make fisheries and agricultural products. Product price revisions to reflect the rising cost of raw materials and higher sales of functional products were the main reasons for the sales growth. Sales of FOAMCORE™ (a hybrid molded product), which is used mainly as a material for prefabricated bathroom unit ceilings and marine floats, increased because of higher sales to manufacturers of these floats.

Segment sales increased due to growth in sales volume and product price revisions. Earnings also increased due to the growth in sales volume.

As a result, bead segment sales increased 7.5% to 52,502 million yen and operating profit increased 4.2% to 6,176 million yen.

Other

In general packaging materials, although demand for automobile-related products increased, sales in Japan was unchanged from the same period of the previous fiscal year. In China, a delay in the start of operations at a new source of demand caused sales to decrease.

As a result, sales in the other segment decreased 1.3% to 4,251 million yen and operating profit decreased 20.0% to 99 million yen.

(2) Explanation of Financial Position

Total assets as of December 31, 2017 were 123,821 million yen, up 10,669 million yen from March 31, 2017. Current assets increased 7,267 million yen to 67,476 million yen mainly due to a 2,317 million yen increase in notes and accounts receivable-trade. Non-current assets increased 3,401 million yen to 56,344 million yen mainly due to a 1,179 million yen increase in buildings and structures, net.

Total liabilities as of December 31, 2017 were 41,872 million yen, up 5,499 million yen from March 31, 2017. Current liabilities increased 4,968 million yen to 34,635 million yen mainly due to a 2,924 million yen increase in short-term loans payable. Non-current liabilities increased 531 million yen to 7,236 million yen mainly due to a 452 million yen increase in net defined benefit liability.

As a result, net assets totaled 81,948 million yen and the shareholders' equity ratio decreased 1.5 percentage points to 62.6%.

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

Net cash provided by operating activities totaled 7,241 million yen, an increase of 224 million yen from the same period of the previous fiscal year. Inflows included 7,917 million yen from profit before income taxes, 3,812 million yen from depreciation and 2,182 million yen from notes and accounts payable-trade. Outflows included an increase of 3,266 million yen in notes and accounts receivable-trade and income taxes paid of 2,126 million yen.

Net cash used in investing activities totaled 6,432 million yen, an increase of 2,171 million yen from the same period of the previous fiscal year. This included an outflow of 6,488 million yen for the purchase of non-current assets.

Net cash provided by financing activities totaled 1,146 million yen, compared with net cash used of 3,843 million yen in the same period of the previous fiscal year. Inflows included 3,322 million yen in proceeds from long-term

loans payable and 2,916 million yen from a net increase in short-term loans payable, and outflows included 3,207 million yen for the repayment of long-term loans payable and cash dividends paid of 1,639 million yen.

As a result, cash and cash equivalents totaled 10,004 million yen as of December 31, 2017, up 2,038 million yen from March 31, 2017.

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

We maintain the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2018, which was disclosed in the Second Quarter Results for the Fiscal Year Ending March 31, 2018 dated October 27, 2017.

** 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.*