



January 29, 2021

**SUMMARY OF FINANCIAL STATEMENTS (Consolidated)**  
**Third Quarter Results for the Fiscal Year Ending March 31, 2021**

**[Japanese GAAP]**

Name of listed company: **JSP Corporation**

Stock Exchange Listed: Tokyo (1st Section)

URL: <https://www.jsp.com>

Code Number: **7942**

Representative: Yukio Sakai, President, Representative Director

Contact person: Yasushi Komori,

Executive Officer, General Manager, Accounting Department, Finance & Accounting Division

Phone: +81-3-6212-6306

Scheduled date of filing of Quarterly Report:

February 5, 2021

Scheduled date of payment of dividend:

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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 29, 2021 at 15:00 (GMT +9).

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

**1. Third Quarter Results (April 1, 2020 to December 31, 2020) for the Fiscal Year Ending March 31, 2021**

**(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, 2020	76,145	(11.0)	4,038	(6.3)	4,152	(4.9)	3,058	(7.5)
Nine months ended Dec. 31, 2019	85,561	(2.9)	4,308	(11.2)	4,367	(14.0)	3,307	(15.6)

Note: Comprehensive income: Nine months ended Dec. 31, 2020: 1,758 million yen (up 75.9%)  
 Nine months ended Dec. 31, 2019: 999 million yen (down 63.7%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2020	102.62	-
Nine months ended Dec. 31, 2019	110.95	-

**(2) Consolidated financial position**

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2020	128,691	84,917	63.6	2,746.59
As of Mar. 31, 2020	128,445	84,646	63.4	2,729.87

Reference: Shareholders' equity: As of Dec. 31, 2020: 81,872 million yen As of Mar. 31, 2020: 81,375 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, 2020	-	25.00	-	25.00	50.00
Fiscal year ending Mar. 31, 2021	-	25.00	-	-	-
Fiscal year ending Mar. 31, 2021 (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, 2021**

**(April 1, 2020 to March 31, 2021)**

(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	101,300	(10.7)	4,600	(9.5)	4,700	(9.8)	1,200	(67.0)	40.26

Note: Revisions to the most recently announced consolidated forecast: Yes

Please refer to the press release "Notice of revisions to the full-year consolidated forecasts for the fiscal year ending March 31, 2021" announced today (January 29, 2021, [Japanese version only](#)).

**\* 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, 2020:	31,413,473 shares	As of Mar. 31, 2020:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2020:	1,604,688 shares	As of Mar. 31, 2020:	1,604,292 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2020:	29,809,064 shares	Nine months ended Dec. 31, 2019:	29,809,198 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or an auditing firm.

\* 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 “Notice of revisions to the full-year consolidated forecasts for the fiscal year ending March 31, 2021” announced today (January 29, 2021, [Japanese version only](#)) 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 global economy plummeted due to the worldwide spread of the COVID-19 pandemic. Production and personal consumption showed signs of recovery as restrictions on economic and social activities were lifted. However, the economic outlook is uncertain because of worries about the effects of another wave of infections. The Japanese economy also slowed rapidly due to global economic restrictions and the declaration of a State of Emergency by the Japanese government. After the State of Emergency ended, exports and production began to recover but personal consumption is still sluggish.

In Japan's foamed products industry, demand increased in the food packaging and a few other sectors as more people stayed home for safety. However, the business environment was extremely challenging in the fisheries, industrial and construction sectors, as demand fell due to restrictions on economic activities.

Although the performance of JSP has been recovering, sales and operating profit in the first nine months of the current fiscal year were lower than one year earlier because of the downturn in demand caused by restrictions on global economic activity.

Net sales in the first nine months were 76,145 million yen, down 11.0% from the same period of the previous fiscal year. Operating profit decreased 6.3% to 4,038 million yen, ordinary profit decreased 4.9% to 4,152 million yen and profit attributable to owners of parent decreased 7.5% to 3,058 million yen.

There was a loss caused by the outflow of funds at a consolidated subsidiary in Europe due to fraudulent instructions submitted by a malicious third party. JSP expects to post an extraordinary loss in the fourth quarter of the current fiscal year due to this loss.

Results by business segment were as follows.

#### Extrusion Business

Sales of STYRENPAPER™ (expanded polystyrene sheet used in food packaging) and other materials for household products decreased chiefly due to lower sales of MIRABOARD™, a material used for advertising displays despite higher sales volume of materials used for food trays.

Sales were lower for industrial packaging products, including MIRAMAT® (expanded polyethylene sheet), which is used for industrial packaging materials and flat panel displays. The main reasons were lower sales in Japan and weak sales of general-purpose products despite higher sales of value-added products in China and South Korea.

Sales of MIRAFOAM™ (extruded board made of expanded polystyrene) and other construction and civil engineering materials were about the same as in the same period of the previous fiscal year. Materials used for civil engineering applications were strong but sales for fabrication in the building construction market were lower as demand was impacted by the decline in housing starts in Japan.

Although sales in certain sectors benefiting from the COVID-19 pandemic were higher, overall, segment sales decreased due to a downturn in overall demand. Earnings increased mainly because of reduction of fixed expenses by rationalization of production systems.

As a result, sales in extrusion business decreased 4.4% to 28,579 million yen and operating profit increased 21.6% to 2,192 million yen.

#### Bead Business

ARPRO®/P-BLOCK™ (expanded polypropylene), which is manufactured and sold worldwide, is used in a diverse array of applications. Major uses are automotive parts such as bumper cores and seat cores, cushioning and packaging materials for returnable containers for components of all types, cushioning and packaging materials, insulation and cushioning materials for housing facilities, and impact protection materials for athletic fields. Sales volume and sales amount of ARPRO®/P-BLOCK™ and other high-performance products declined because of the blockade of cities due to the spread of the COVID-19 pandemic and the closure of plants at automobile manufacturers. Following the gradual resumption of economic and social activities, sales began to recover as automobile manufacturers restarted production and applications increased in many market sectors. In Japan, sales to the automobile sector were sluggish. There were strong sales of Paver Base (paving stone base material) in North America and of cushioning and packaging

materials in Taiwan. In Europe and China, sales in the automobile sector and other categories have started to recover rapidly.

Sales of expandable polystyrene bead products, chiefly STYRODIA®, decreased due to lower demand in the fisheries and agricultural sectors.

Sales of FOAMCORE™ (a hybrid molded product), which is used as a material for prefabricated bathroom unit ceilings and marine floats, decreased mainly due to lower demand.

Overall segment sales declined because of reduced demand in the automobile and other sectors due to restrictions on economic activity. Earnings were lower due to declines in sales volumes and restrictions on production activities.

As a result, sales in bead business decreased 14.4% to 43,865 million yen and operating profit decreased 21.0% to 2,547 million yen.

### **Other**

Sales of general packaging materials decreased in Japan as sales in the automotive parts transportation and other market sectors decreased. In China, sluggish demand for packaging materials for many types of components resulted in lower sales.

As a result, sales in the other segment decreased 15.9% to 3,701 million yen and operating profit decreased 41.5% to 50 million yen.

## **(2) Financial Position**

Total assets as of December 31, 2020 were 128,691 million yen, up 246 million yen from March 31, 2020. Current assets increased 1,923 million yen to 62,498 million yen mainly due to increases in cash and deposits of 1,929 million yen and notes and accounts receivable-trade of 1,963 million yen while there were decreases in merchandise and finished goods of 1,225 million yen and raw materials and supplies of 978 million yen. Non-current assets decreased 1,676 million yen to 66,193 million yen mainly due to decreases in machinery, equipment and vehicles, net of 814 million yen and other, net under property, plant and equipment of 699 million yen resulting from a decrease in construction in progress.

Total liabilities as of December 31, 2020 were 43,774 million yen, down 24 million yen from March 31, 2020. Current liabilities increased 68 million yen to 31,680 million yen mainly due to increases in notes and accounts payable-trade of 294 million yen and electronically recorded obligations-operating of 339 million yen while there was a decrease in provision for bonuses of 641 million yen. Non-current liabilities decreased 92 million yen to 12,094 million yen mainly due to a decrease in long-term borrowings of 292 million yen.

As a result, net assets totaled 84,917 million yen and the shareholders' equity ratio increased 0.2 percentage points to 63.6%.

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

Net cash provided by operating activities totaled 8,957 million yen, an increase of 1,096 million yen from the same period of the previous fiscal year. Inflows included 4,091 million yen from profit before income taxes, 4,903 million yen from depreciation and a decrease of 2,168 million yen in inventories. Outflows included an increase of 2,770 million yen in trade receivables and income taxes paid of 1,030 million yen.

Net cash used in investing activities totaled 4,168 million yen, a decrease of 5,253 million yen from the same period of the previous fiscal year. This included an outflow of 4,594 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 1,775 million yen, an increase of 1,285 million yen from the same period of the previous fiscal year. Inflows included proceeds from long-term borrowings of 2,900 million yen. Outflows included 2,967 million yen for the repayment of long-term borrowings and cash dividends paid of 1,490 million yen.

As a result, cash and cash equivalents totaled 10,246 million yen as of December 31, 2020, up 2,662 million yen from March 31, 2020.

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

We have revised the consolidated forecast for the fiscal year ending March 31, 2021, which was announced on December 14, 2020. Please refer to the press release “Notice of revisions to the full-year consolidated forecasts for the fiscal year ending March 31, 2021” announced today (January 29, 2021, [Japanese version only](#)).

*\* 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.*