



October 31, 2024

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Second Quarter Results for the Fiscal Year Ending March 31, 2025

[Japanese GAAP]

Name of listed company: **JSP Corporation**

Stock Exchange Listed: Tokyo Stock Exchange

URL: <https://www.co-jsp.co.jp/english/>

Code Number: **7942**

Representative: Tomohiko Okubo, President, Representative Director

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Scheduled date of filing of Interim Report:

November 7, 2024

Scheduled date of payment of dividend:

December 3, 2024

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for analysts)

Note: The original disclosure in Japanese was released on October 31, 2024 at 15:00 (GMT +9).

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

1. Second Quarter Results (April 1, 2024 to September 30, 2024) for the Fiscal Year Ending March 31, 2025

(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	%
Six months ended Sep. 30, 2024	71,388	7.5	3,204	(1.3)	3,544	(2.0)	2,576	(7.8)
Six months ended Sep. 30, 2023	66,432	3.4	3,247	131.3	3,617	94.4	2,795	102.8

Note: Comprehensive income: Six months ended Sep. 30, 2024: 8,652 million yen (up 11.7%)
Six months ended Sep. 30, 2023: 7,748 million yen (down 1.9%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2024	98.33	-
Six months ended Sep. 30, 2023	93.80	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2024	157,466	107,672	65.1	3,911.94
As of Mar. 31, 2024	151,605	100,069	62.8	3,635.60

Reference: Shareholders' equity: As of Sep. 30, 2024: 102,522 million yen As of Mar. 31, 2024: 95,281 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, 2024	-	25.00	-	40.00	65.00
Fiscal year ending Mar. 31, 2025	-	40.00	-	-	-
Fiscal year ending Mar. 31, 2025 (forecasts)	-	-	-	40.00	80.00

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

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(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	146,000	8.1	7,000	(7.5)	7,400	(9.0)	5,300	(17.1)	202.23

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods in the preparation of interim consolidated financial statements: Yes

(Note) Please refer to “2. Interim Consolidated Financial Statements and Main Notes, (4) Notes regarding the Interim Consolidated Financial Statements (Notes regarding the Accounting Methods Specific to the Preparation of the Interim Consolidated Financial Statements)” on page 9 of the attached documents for details (Japanese only).

(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 Sep. 30, 2024:	31,413,473 shares	As of Mar. 31, 2024:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2024:	5,205,849 shares	As of Mar. 31, 2024:	5,205,680 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2024:	26,207,733 shares	Six months ended Sep. 30, 2023:	29,808,104 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 JSP. 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 Regarding Consolidated Financial Forecasts and Other Forward-looking Information” 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

During the first half of the current fiscal year, the global economy remained uncertain due to the prolonged war in Ukraine, growing tensions regarding the escalation of conflict in the Middle East, the impact of monetary policies in Europe and the United States, and the influence of the Chinese economy. There was a modest upturn of the Japanese economy backed primarily by an improvement in the employment and income environment and advances in the normalization of social and economic activities, although there were concerns regarding inflation, fluctuations in financial and capital markets and risk of downturn in overseas economies.

The foamed plastics industry in Japan faced severe business conditions due to the impact of price hikes including soaring raw material prices, a stalled recovery in demand for the fisheries and agriculture sectors, and suspension of production and shipments by some manufacturers in the automotive sector.

Under these circumstances, JSP has started a new medium-term business plan, “Change for Growth 2026,” with the three basic concepts of “making the entire JSP Group more profitable”, “contributing to society by supplying foamed plastic products” and “strengthening the management base,” and is working to further enhance its corporate value by improving capital profitability and growth potential and by implementing sustainability management through environmental responsive products and the recycling of plastics.

Sales were higher than the same period of the previous fiscal year mainly because of the revisions of prices of our products. The operating profit decreased from the same period of the previous fiscal year due to factors including the lower sales volume of value-added products.

Net sales in the first half were 71,388 million yen, up 7.5% from the same period of the previous fiscal year. Operating profit decreased 1.3% to 3,204 million yen, ordinary profit decreased 2.0% to 3,544 million yen and profit attributable to owners of parent decreased 7.8% to 2,576 million yen.

Results by business segment were as follows.

Please note that the subsidiaries that were previously classified in the “Other” segment have been merged with the Extrusion Business due to the change in business management classification from the first quarter of the current fiscal year. The segment information for the first quarter of the previous year is based on the figures that were reclassified according to the new segmentation.

Extrusion Business

Sales of materials for household products, mainly STYRENPAPER, a foamed polystyrene sheet used in food packaging, increased. This was mainly the result of higher sales volume for STYRENPAPER in the food tray category, although the sales volume for MIRABOARD, a material used for advertising displays, remained at the same level.

Sales of industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays, were lower than the same period of the previous fiscal year. Sales volume of value-added products, general-purpose products and general packaging materials decreased.

Sales of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials decreased because the sales volume of materials used for civil engineering applications decreased, although the sales volume of materials for fabrication in the building construction and housing markets increased from the same period of the previous fiscal year.

Total sales in this segment increased due to the progress in product price revisions, while total sales volume remained at the same level as the same period of the previous fiscal year. Earnings decreased due to the lower sales volume of value-added products.

As a result, sales in the Extrusion Business increased 1.0% to 23,934 million yen and operating profit decreased 22.5% to 805 million yen.

Bead Business

Sales volume of high-performance products, mainly ARPRO, an expanded polypropylene product manufactured and sold worldwide, remained at the same level due to lower demands in the automotive sectors despite of strong demand

the non-automotive sectors. Sales increased due to product price revisions and other factors.

In Japan, sales volume in the non-automotive sector increased, while sales volume in the automotive sector decreased because of decline in demand. In North America, sales volume remained at the same level due to strong demand of returnable containers, despite a decrease of sales volume in the automotive sector. In South America, sales volume in the automotive sector increased. In Europe, sales volume decreased due to the lower demand in the HVAC applications. In China and in Taiwan, sales volume in the packaging materials sector increased. In Southeast Asia, sales volume in the packaging materials sector decreased.

Sales of expandable polystyrene bead products, chiefly STYRODIA, decreased mainly due to lower sales volume because of decline in demand for these products in the fisheries and agriculture sectors.

Total sales in this segment increased because of product price revisions, while sale volume remained at the same level as the same period of the previous fiscal year. Earnings increased due to higher sales and cost reductions, despite the higher cost of labor.

As a result, sales in the Bead Business increased 11.0% to 47,454 million yen and operating profit increased 6.5% to 2,960 million yen.

(2) Financial Position

Total assets as of September 30, 2024 were 157,466 million yen, up 5,860 million yen from March 31, 2024.

Current assets increased 1,552 million yen to 79,708 million yen mainly due to increases in notes and accounts receivable-trade of 1,996 million yen and in raw materials and supplies of 1,204 million yen, offsetting a decrease in cash and cash deposits of 1,673 million yen. Non-current assets increased 4,307 million yen to 77,757 million yen, mainly due to a net increase of 1,759 million yen in machinery, equipment and vehicles.

Total liabilities as of September 30, 2024 were 49,793 million yen, down 1,742 million yen from March 31, 2024. Current liabilities decreased 2,386 million yen to 33,379 million yen mainly due to a decrease of 1,139 million yen in electronically recorded obligations. Non-current liabilities increased 643 million yen to 16,414 million yen.

As a result, net assets totaled 107,672 million yen and the shareholders' equity ratio increased 2.3 percentage points to 65.1%.

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

Net cash provided by operating activities totaled 2,904 million yen, a decrease of 2,300 million yen from the same period of the previous fiscal year. Inflows included 3,541 million yen from profit before income taxes and 3,902 million yen from depreciation. Outflows included a decrease of 2,300 million yen in trade payables and income taxes paid of 706 million yen.

Net cash used in investing activities totaled 4,619 million yen, an increase of 1,218 million yen from the same period of the previous fiscal year. Outflows included 4,011 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 1,488 million yen, a decrease of 2,018 million yen from the same period of the previous fiscal year. Inflows included proceeds from long-term borrowings of 3,000 million yen. Outflows included 3,001 million yen for the repayment of long-term borrowings and cash dividends paid of 1,048 million yen.

As a result, cash and cash equivalents totaled 12,375 million yen as of September 30, 2024, down 2,277 million yen from March 31, 2024.

(3) Explanation Regarding Consolidated Financial Forecasts and Other Forward-looking Information

Regarding the consolidated financial forecasts for the year ending March 31, 2025, there are no changes from the consolidated financial forecasts for the full year which was released in the "Summary of Financial Statements (Consolidated), First Quarter Results for the Fiscal Year Ending March 31, 2025" on July 31, 2024.

** 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.*