



January 31, 2024

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2024

[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

Contact person: Yasushi Komori, Director, Executive Officer,

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Scheduled date of filing of Quarterly Report:

February 8, 2024

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 31, 2024 at 15:00 (GMT +9).

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

1. Third Quarter Results (April 1, 2023 to December 31, 2023) for the Fiscal Year Ending March 31, 2024

(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, 2023	102,437	3.4	6,426	177.5	6,855	148.1	5,386	155.3
Nine months ended Dec. 31, 2022	99,080	16.4	2,315	(46.1)	2,763	(38.6)	2,109	(35.9)

Note: Comprehensive income: Nine months ended Dec. 31, 2023: 11,427 million yen (up 20.1%)
 Nine months ended Dec. 31, 2022: 9,518 million yen (up 73.8%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2023	181.52	-
Nine months ended Dec. 31, 2022	70.78	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2023	153,425	100,080	62.2	3,638.42
As of Mar. 31, 2023	144,528	96,123	63.5	3,076.73

Reference: Shareholders' equity: As of Dec. 31, 2023: 95,355 million yen As of Mar. 31, 2023: 91,711 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, 2023	-	25.00	-	25.00	50.00
Fiscal year ending Mar. 31, 2024	-	25.00	-	-	-
Fiscal year ending Mar. 31, 2024 (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, 2024

(April 1, 2023 to March 31, 2024)

(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	136,000	3.3	7,500	153.7	8,000	137.9	6,100	141.0	211.70

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

Please refer to the press release "Notice of Revisions to Consolidated Forecast for the Fiscal Year Ending March 31, 2024" announced today (January 31, 2024, 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, 2023:	31,413,473 shares	As of Mar. 31, 2023:	31,413,473 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2023:	5,205,590 shares	As of Mar. 31, 2023:	1,605,300 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2023:	29,677,147 shares	Nine months ended Dec. 31, 2022:	29,808,318 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 "Notice of Revisions to Consolidated Forecast for the Fiscal Year Ending March 31, 2024" announced today (January 31, 2024, 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 influence of the COVID-19 pandemic on economic activity has been gradually alleviating. However, the global economy has been slowing down due to the prolonged Ukraine conflict, escalating prices and monetary tightening to reduce inflation. There was a modest upturn of the Japanese economy backed primarily by an increase in personal consumption, among other factors. This improvement was the result of the relaxation of pandemic restrictions following the shift of the disease to category 5 under the Infectious Disease Control Law. Nevertheless, the economic outlook remains uncertain due to inflation, the negative effect of overseas demand on production and exports, and fluctuations in financial and capital markets.

The recovery of demand of the foamed plastics industry in Japan for the fisheries and agriculture sectors has lost momentum because of inflation. Demand for the automobile sector has continued to recover because shortages of semiconductors and other parts have largely ended.

JSP is working to further increase its corporate value by implementing reform strategies aimed at expanding the value we provide for both economic value and social value to our customers and for addressing social issues and fortifying the management base. These goals are the basic concepts underlying the medium-term business plan, “Change for Growth.” We are also placing priority on becoming more profitable, growing faster and implementing sustainability management by promoting environmental conservation and the recycling of plastics.

Sales were higher than one year earlier mainly because of higher overseas sales volume and revisions of prices of JSP products. The operating profit increased from one year earlier because of higher sales and cost reductions.

Net sales in the first nine months were 102,437 million yen, up 3.4% from the same period of the previous fiscal year. Operating profit increased 177.5% to 6,426 million yen, ordinary profit increased 148.1% to 6,855 million yen and profit attributable to owners of parent increased 155.3% to 5,386 million yen.

Results by business segment were as follows.

Extrusion Business

Sales of materials for household products, mainly STYRENPAPER, a foamed polystyrene sheet used in food packaging, decreased. This was mainly the result of lower sales volume for STYRENPAPER in the food tray category and for MIRABOARD, a material used for advertising displays.

Sales were lower than one year earlier for industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays. Sales volume of value-added products are recovering but the recovery of demand is slower than anticipated. Sales of general-purpose products also decreased.

Sales of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials increased because of product price revisions and the higher sales volume of value-added products. The sales volume of materials for fabrication in the building construction and housing markets increased from one year earlier, although the sales volume of materials used for civil engineering applications was unchanged.

Total sales in this segment were unchanged from one year earlier despite a lower total sales volume due to product price revisions and other factors. Earnings increased despite the higher cost of utilities due to the higher sales volume of value-added products and cost reductions.

As a result, extrusion business sales increased 0.7% to 32,219 million yen and operating profit increased 21.9% to 1,947 million yen.

Bead Business

Sales of high-performance products, mainly ARPRO/P-BLOCK, an expanded polypropylene product manufactured and sold worldwide, increased because of higher sales volume mainly due to strong performance of the non-automotive sector.

In Japan, sales volume was about the same as one year earlier, the result of an increase in the automotive sector and lower sales volume of FOAMCORE, a hybrid molding product, and other products. In North America, sales volume of returnable containers and other products increased, although there was a decline in the automotive sector. In South

America, the sales volume in the automotive sector increased. In Europe, the sales volume in the HVAC and other sectors was higher, although the sales volume declined in the automotive sector. In China, the sales volume is recovering in the automotive sector but was lower than the same period of the previous fiscal year when the sales volume in the packaging materials sector was strong. In Taiwan, the sales volume in the packaging materials sector decreased. In Southeast Asia, sales volume was about the same as one year earlier despite a decline in the packaging materials sector.

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 higher sales volume of high-performance products and product price revisions, although the total sales volume was down. Earnings increased despite the higher cost of utilities and personnel expenses due to higher sales and cost reductions.

As a result, sales in the bead business increased 6.1% to 65,873 million yen and operating profit increased 297.7% to 5,275 million yen.

Other

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

As a result, sales in the other segment decreased 12.8% to 4,345 million yen and operating profit decreased 65.7% to 52 million yen.

(2) Financial Position

Total assets as of December 31, 2023 were 153,425 million yen, up 8,897 million yen from March 31, 2023. Current assets increased 6,086 million yen to 79,909 million yen mainly due to increases in notes and accounts receivable-trade of 3,605 million yen and electronically recorded monetary claims-operating of 2,310 million yen. Non-current assets increased 2,810 million yen to 73,516 million yen due to an increase in machinery, equipment and vehicles, net of 2,086 million yen.

Total liabilities as of December 31, 2023 were 53,345 million yen, up 4,940 million yen from March 31, 2023. Current liabilities increased 5,058 million yen to 41,502 million yen mainly due to increases in notes and accounts payable-trade of 1,954 million yen and short-term borrowings of 2,497 million yen. Non-current liabilities decreased 117 million yen to 11,843 million yen.

As a result, net assets totaled 100,080 million yen and the shareholders' equity ratio decreased 1.3 percentage points to 62.2%.

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

Net cash provided by operating activities totaled 9,894 million yen, an increase of 5,702 million yen from the same period of the previous fiscal year. Inflows included 6,895 million yen from profit before income taxes, 5,550 million yen from depreciation and an 1,859 million yen increase in trade payables. Outflows included an increase in trade receivables of 4,271 million yen and income taxes paid of 762 million yen.

Net cash used in investing activities totaled 5,380 million yen, an increase of 325 million yen from the same period of the previous fiscal year. Outflows included 4,508 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 6,762 million yen, compared with net cash provided of 802 million yen in the same period of the previous fiscal year. Inflows included a net increase of 2,360 million yen in short-term borrowings and proceeds from long-term borrowings of 2,500 million yen. Outflows included 3,620 million yen for the repayment of long-term borrowings, purchase of treasury shares of 6,041 million yen and cash dividends paid of 1,490 million yen.

As a result, cash and cash equivalents totaled 13,855 million yen as of December 31, 2023, down 841 million yen from March 31, 2023.

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

We have revised the consolidated forecast for the fiscal year ending March 31, 2024, which was announced on October 31, 2023. Please refer to the press release “Notice on the revision of the consolidated financial forecasts for the fiscal year ending 31 March 2024” announced today.

** 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.*