January 29, 2016

SUMMARY OF FINANCIAL STATEMENT (Consolidated)
Third Quarter Results for the Fiscal Year Ending March 31, 2016

[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 9, 2016
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 29, 2016 at 15:00 (GMT +9).

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

1. Third Quarter Results (April 1, 2015 to December 31, 2015) for the Fiscal Year Ending March 31, 2016

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2015	87,545	(0.8)	7,428	68.7	7,250	52.6	5,209	48.6
Nine months ended Dec. 31, 2014	88,241	5.4	4,402	(10.5)	4,751	(11.5)	3,504	(11.7)

Note: Comprehensive income: Nine months ended Dec. 31, 2015: 2,875 million yen (down 36.7%)
Nine months ended Dec. 31, 2014: 4,539 million yen (down 39.1%)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	174.74	-
Nine months ended Dec. 31, 2014	117.55	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	117,720	72,331	57.4	2,266.67
As of Mar. 31, 2015	116,717	70,352	56.0	2,190.61

Reference: Shareholders' equity: As of Dec. 31, 2015: 67,572 million yen As of Mar. 31, 2015: 65,307 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, 2015	-	15.00	-	15.00	30.00
Fiscal year ending Mar. 31, 2016	-	15.00	-		
Fiscal year ending Mar. 31, 2016 (forecasts)				25.00	40.00

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

Please refer to the press release "Revision to Dividend Forecast" announced today (January 29, 2016) for further information.

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	115,500	(1.2)	8,000	41.2	8,000	32.3	5,200	28.7	174.43

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: Yes

3) Changes in accounting-based estimates: Yes

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, 2015:	31,413,473 shares	As of Mar. 31, 2015:	31,413,473 shares

2) Number of treasury shares at the end of the period

As of Dec. 31, 2015:	1,601,972 shares	As of Mar. 31, 2015:	1,600,900 shares

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	29,812,010 shares	Nine months ended Dec. 31, 2014:	29,813,835 shares

* 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, corporate earnings in Japan recovered because of the weaker yen and low price of crude oil. There was also an improvement in employment. However, Japan's economic recovery was mixed and remained sluggish because of unseasonable weather, slow recovery in demand for housing and consumer durables, and the effects of slowing economic growth in China.

In North America, economic growth continued despite the effects of declining exports caused by the dollar's strength and of a brief negative impact of cold wave. Economic growth was supported by strong consumer spending for automobiles, housing and other items. In Brazil, the economic downturn continued because of the rising prices caused by the sharp decline of the real and the prolonged sluggish internal demand. In Europe, the economy continued to recover with the support of exports to other regions of the world as the euro weakened and of robust internal demand backed mainly by the consumer spending. In Asia, economies continued to expand overall despite the negative effects of decreasing exports within Asia as economic growth in China slows.

In Japan's foamed plastic industry, companies benefited from the drop in the cost of raw materials and fuel. But automobile production is decreasing and there is still no recovery in demand for housing and consumer durables. There was still no full-scale rebound in demand.

Our sales were lower in Japan due to declining demand caused by the slow pace of the economic recovery and to the effects of product price revisions. Global sales increased mainly because of strong demand in Europe, the United States and China. Earnings in Japan improved. One reason was a recovery in the spread between raw material prices and selling prices to almost a suitable level. Earnings also benefited from lower depreciation expenses resulting from a change in the depreciation method. There was a big increase in operating income. Sales were strong in Europe, the United States and China and conversions of global sales using the weaker yen further contributed to earnings growth. Non-operating expenses increased mainly because of a foreign exchange loss. Extraordinary income increased due to the receipt of a 301 million yen subsidy associated with the construction of a factory. The extraordinary loss increased because of business restructuring expenses of 411 million yen at a subsidiary in Germany that plans to close an aging molding factory in March 2017.

As a result, net sales in the first nine months were 87,545 million yen, down 0.8% from the same period of the previous fiscal year. Operating income increased 68.7% to 7,428 million yen, ordinary income increased 52.6% to 7,250 million yen and profit attributable to owners of parent increased 48.6% to 5,209 million yen.

Results by business segment were as follows.

Extrusion Business

Sales volume and monetary 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, remained unchanged from the same period of the previous fiscal year while there was a slow recovery in demand for large appliances and other consumer durables. Sales of CAPLON™ (air-bubble polyethylene cushioning material) increased due to new applications such as packaging materials for merchandise delivered to stores and 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 home appliance market in Japan. STYRENPAPER™ (expanded polystyrene sheet used in food packaging) is used for instant noodle containers, lunch boxes, trays used by large retailers and many other applications. Although demand recovered for instant noodle containers, sales of this material declined due to lower sales volume and the effect of product price revisions. Sales of MIRABOARD™ (expanded polystyrene board used in advertising displays and folding boxes) remained unchanged from the same period of the previous fiscal year. Sales of MIRAFOAM™ (extruded board made of expanded polystyrene that is a key material for construction and civil engineering materials) were also about the same as the same period of the previous fiscal year. In the building construction sector, the recovery in housing starts has not started as soon as expected. But there was a strong sales of high-performance thermal insulation products that use exclusive JSP technologies and products/parts pre-cut for fabrication. In the civil engineering sector, sales decreased due to fewer public works projects.

Overall, sales in this segment decreased because of sluggish demand caused by the delay in the start of Japan's economic recovery and product price revisions to reflect the lower cost of raw materials. There was a big increase in earnings. The spread between the cost of raw materials and product selling prices recovered and a revision to the depreciation method caused depreciation expenses to decline.

As a result, extrusion segment sales decreased 4.9% to 29,154 million yen and operating income increased 86.7% to 2,280 million yen.

Bead Business

ARPRO®/P-BLOCK™ (expanded polypropylene), now being 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 sports grounds. Sales of ARPRO®/P-BLOCK™ were strong, on expanded uses in new automotive parts and higher demand for home appliance packing and cushioning. In Japan, demand for insulating materials in equipment used in houses expanded. However, overall sales declined because of lower demand for beads used by automobile and IT home appliance manufacturers, as well as the revision in product prices. In North America, sales were much higher. There was an increase in demand for automotive parts and strong sales of impact protection materials for sports grounds and stonework base materials. Sales also benefited from the U.S. dollar's strength. In South America, sales decreased as economic weakness in Brazil reduced automobile sales volume and the real's depreciation lowered yen translations of sales. In Europe, sales decreased as product price revisions and the euro's depreciation offset the positive effect of higher demand for automotive parts backed by the economic recovery. In Asia, demand was down in South Korea and Taiwan. However, sales increased as new sources of demand were located in the automotive and home appliance markets of China and other countries in Southeast Asia. The weaker yen also contributed to sales growth. Demand for STYRODIA® (expandable polystyrene beads) improved in the fisheries and agriculture sectors but was weak in the home appliance, construction and civil engineering sectors. Although sales volume was the same as the same period of the previous fiscal year, monetary sales of STYRODIA® decreased because of product price revisions. Sales of FOAMCORE™ (a hybrid molded product) increased as new float application was added for a ceiling material for prefabricated bathroom units.

Although there were negative effects of lower demand and product price revisions in Japan, sales in this segment rose as demand increased in Europe, the United States and China and the weaker yen boosted yen translations of global sales. Moreover, segment earnings increased sharply due to contributions from the strong global earnings and an improvement in earnings in Japan including a reduction in depreciation expenses because the depreciation method was changed.

As a result, bead segment sales increased 2.7% to 54,045 million yen and operating income increased 61.4% to 5,812 million yen.

Other

In general packaging materials, sales in Japan increased due to the growth in demand for packaging materials used in automobiles, LCD products, optical products and general industrial parts because of a recovery in output in Japan by manufacturers backed by the weaker yen. In China, sales decreased sharply following the cancellation of a packaging material order for LCD TVs. But earnings improved from the first half of the fiscal year as production and sales started on a full scale for a solid sheet used for molding trays for precision components.

As a result, sales in the other segment decreased 12.4% to 4,345 million yen and operating income decreased 30.2% to 15 million yen.

(2) Explanation of Financial Position

Total assets as of December 31, 2015 were 117,720 million yen, up 1,002 million yen from March 31, 2015. Current assets increased 1,527 million yen and non-current assets decreased 525 million yen.

Total liabilities were 45,388 million yen, down 977 million yen. Current liabilities increased 284 million yen and non-current liabilities decreased 1,261 million yen.

As a result, net assets totaled 72,331 million yen and the shareholders' equity ratio was 57.4%.

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

Net cash provided by operating activities totaled 9,112 million yen, an increase of 5,800 million yen from the same period of the previous fiscal year. Inflows included 7,121 million yen from income before income taxes, 3,534 million yen from depreciation and an increase of 1,513 million yen in notes and accounts payable-trade. Outflows included an increase of 4,634 million yen in notes and accounts receivable-trade and income taxes paid of 983 million yen.

Net cash used in investing activities totaled 4,647 million yen, a decrease of 476 million yen from the same period of the previous fiscal year. This included an outflow of 5,038 million yen for the purchase of non-current assets.

Net cash used in financing activities totaled 3,896 million yen, compared with net cash provided of 2,642 million yen in the same period of the previous fiscal year. Inflows included 2,100 million yen in proceeds from long-term loans payable, and outflows included 4,293 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 9,084 million yen as of December 31, 2015, up 191 million yen from March 31, 2015.

(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, 2016, 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

Changes in accounting policies

Application of the accounting standards for business combinations

JSP has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) from the first quarter of the current fiscal year. Under these accounting standards, the Company has revised the method to record gains or losses arising from a change in the Company's equity in subsidiaries in cases where control is retained to that recognizing such gains or losses as capital surplus and the acquisition costs in connection with business combinations as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company will revise the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the quarterly consolidated financial statements that includes the acquisition date. In addition, the presentation of net income has been revised and the minority interest's item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year have been revised.

JSP has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The effect of this change on the quarterly consolidated financial statements for the first nine months of the current fiscal year is insignificant.

Application of practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

JSP has adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Practical Issues Task Force (PITF) No. 18, March 26, 2015) from the first quarter of the current fiscal year. In accordance with the transitional accounting treatments set forth in this PITF, goodwill that are subject to be amortized at subsidiaries in the United States are amortized over ten years by the straight-line method. This change was based on the revision of Topic 350 "Intangibles—Goodwill and Other" of the Accounting Standards Codification of the Financial Accounting Standards Board (FASB) in January 2014.

The effect of this change on operating income, ordinary income and income before income taxes for the first nine months of the current fiscal year is insignificant.

Changes in accounting policies that are difficult to distinguish from changes in accounting-based estimates

Change in depreciation method of property, plant and equipment

JSP and its consolidated subsidiaries in Japan have changed the method for the depreciation of property, plant and equipment to the straight-line method in the first quarter of the current fiscal year. In prior years, these companies have used primarily the former declining-balance method and declining-balance method. Currently, for buildings (excluding facilities attached to buildings) owned by JSP and its consolidated subsidiaries in Japan, the former straight-line method is used for properties purchased between April 1, 1998 and March 31, 2007 and the straight-line method is used for properties purchased on or after April 1, 2007 as well as at consolidated subsidiaries in other countries.

JSP examined the depreciation method of its business equipment as part of the process of preparing the medium-term management plan that has started in the current fiscal year. This examination resulted in the conclusion that the straight-line method will better enable the income statement to reflect how equipment is actually used. This revision reflects the minimal risk that our production equipment will become technologically obsolete and the outlook for the consistent use of this equipment.

The result was an increase of 540 million yen in operating income and an increase of 546 million yen each in ordinary income and income before income taxes in the first nine months of the current fiscal year.

** 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.*