



Results of Operations

for the Fiscal Year Ended March 31, 2020 (FY3/20)

JSP Corporation

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Management Policy

JSP Corporation
A Global Supplier for Global Society

Deliver with
Wow!

1. FY3/20 Summary of Business Operations
2. FY3/21 Outlook
3. FY3/20 Supplementary Financial Information
4. The Impact of the Spread of the COVID-19 Pandemic

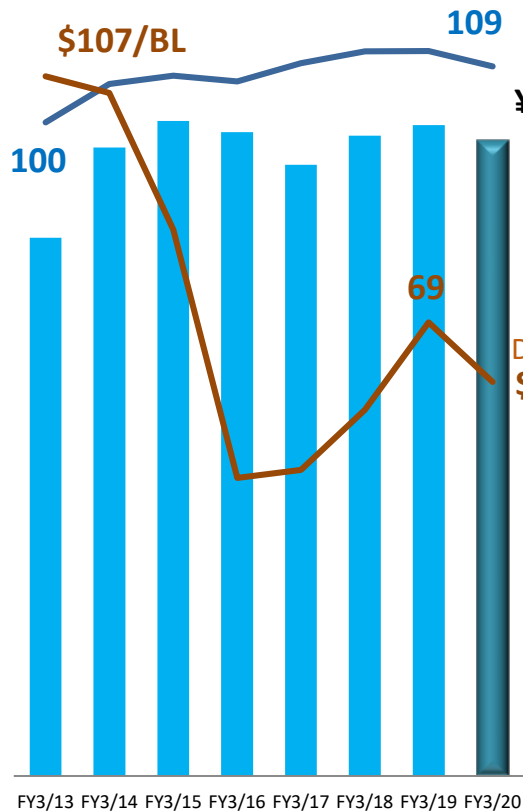
3 Financial Highlights

FY3/20

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Growth

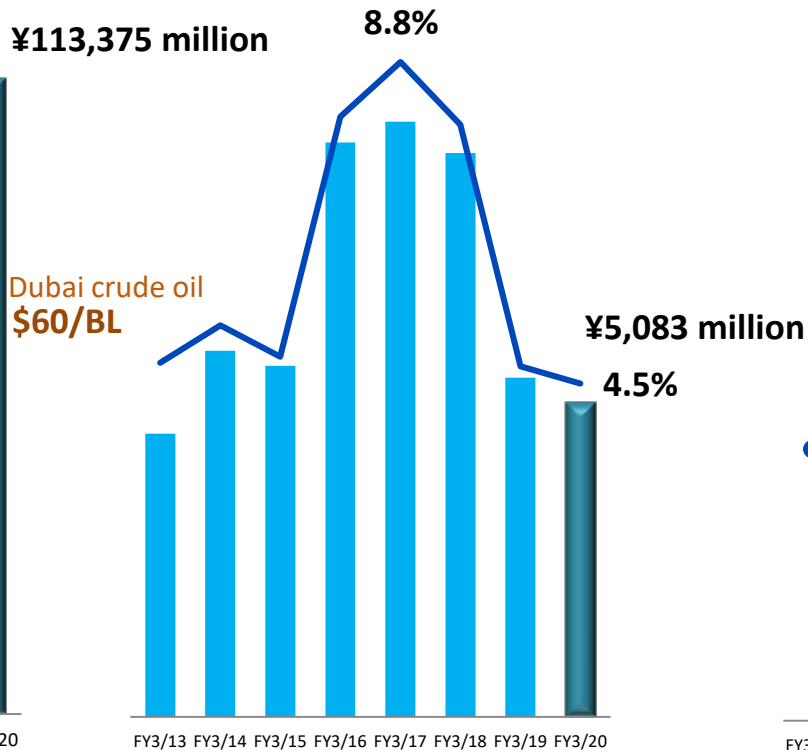
Net sales /Sales Volume



Sales Volume FY3/13=100

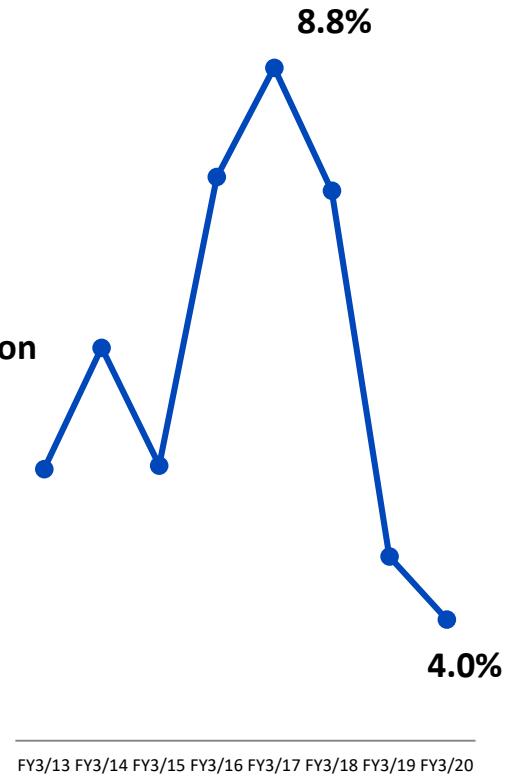
Margin

Operating Profit / Operating Margin



Return

Ordinary Profit to Total Assets



Item (Million yen)	FY3/19 Results	FY3/20 Forecast <small>(Announced Jan.31, 2020)</small>	FY3/20 Results	YoY Comparison	vs. Forecast
Net sales	116,133	112,200	113,375	-2.4%	+1.0%
Operating profit	5,479	4,800	5,083	-7.2%	+5.9%
Ordinary profit	5,835	5,000	5,210	-10.7%	+4.2%
Profit attributable to owners of parent	4,309	3,800	3,638	-15.6%	-4.3%

- Forex: JPY109.2/USD JPY122.2/EUR JPY15.8/CNY (FY3/19: JPY110.4/USD JPY130.0/EUR JPY16.6/CNY)
- Dubai crude oil: USD60.3/BL (FY3/19: USD69.4/BL)
- Economic climate: US—Decline in automobile production caused by the US-China trade war and a strike at a major automaker; Europe—Employment statistics continued to improve, but economic growth slowed due to sluggish manufacturing activity and other reasons; Asia—Economic growth was sluggish due to the impact of the US-China trade war and other factors; Japan—Upturn in consumer spending as the employment picture improved, but there was a slowdown in external demand
- Consolidated results of operations
 Net sales: Challenging conditions in the automobile and other markets as well as lackluster demand in some sectors
 Operating profit: Sluggish demand and an increase in fixed expenses associated with the construction of a production system for new sources of demand

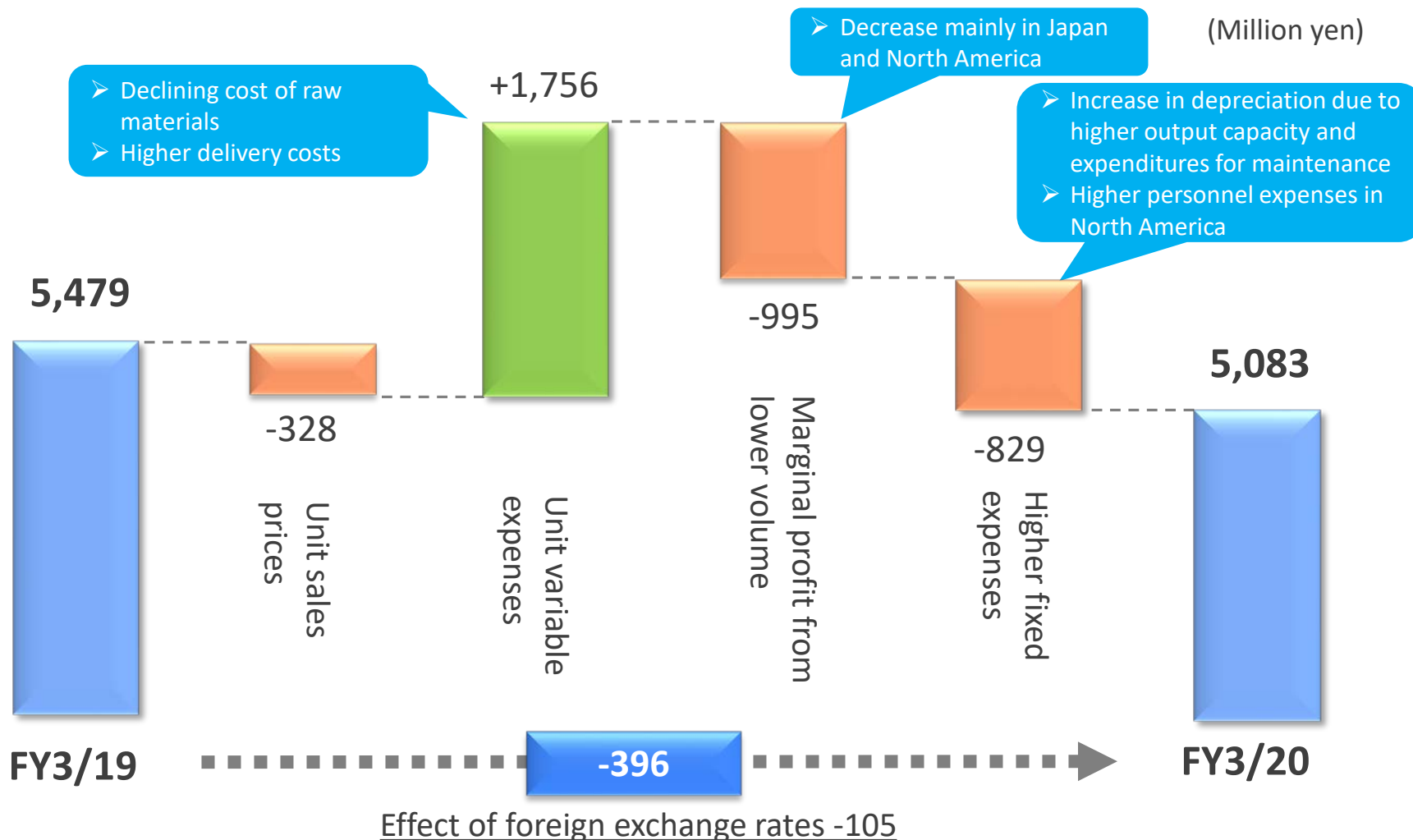
Components of Change in Operating Profit

FY3/20

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(Million yen)



6 Extrusion Business

FY3/20

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Item (Million yen)	FY3/19 Results	FY3/20 Results	YoY Comparison
Net sales	41,388	39,795	-3.8%
Operating profit	2,468	2,293	-7.1%

Sales decreased as the impact of a market downturn and lower sales, and earnings decreased due to higher fixed expenses

Food packaging materials and food containers



STYRENPAPER™
MIRABOARD™

- Sales decreased due to lower sales of materials used for food trays and advertising displays

Industrial packaging materials



MIRAMAT®
CAPLON™
P-BOARD™

- Lower sales of general-purpose products
- Sales decreased mainly due to lower sales of value-added products in China and South Korea

Home and building insulation materials and civil engineering materials



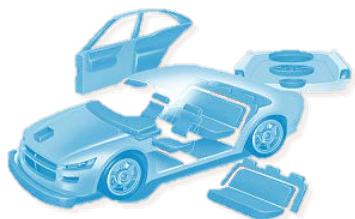
MIRAFOAM™

- Higher sales because of strong sales of parts pre-cut for fabrication in the building construction market and materials used for civil engineering applications

Item (Million yen)	FY3/19 Results	FY3/20 Results	YoY Comparison
Net sales	68,449	67,771	-1.0%
Operating profit	3,782	3,783	+0.0%

Sales decreased mainly due to product price revisions, and earnings unchanged as cost cutting offset increase in fixed expenses

A cushioning material for automotive parts and home appliances, and an impact protection material for athletic fields



**ARPRO®/P-BLOCK™
ELEMPOR™ NEO**



- Sales volume were unchanged from one year earlier
- Japan: Sales of materials used in automotive parts remained strong
- North America: Affected by a strike at a major automaker, sales were sluggish
- USA & Europe: Sales were unchanged from one year earlier due to slowing economic growth
- Asia: Increasingly diverse array of applications boosted sales

Expandable polystyrene, hybrid molded products



**STYRODIA®
HEATPOR®
CLEARPOR®
FOAMCORE™**

- Sales of STYRODIA® functional products were up but total sales decreased due to lower demand from the agricultural and fisheries sectors
- Sales of FOAMCORE™ increased due to higher demand

Item (Million yen)	FY3/19 Results	FY3/20 Results	YoY Comparison
Net sales	6,295	5,808	-7.7%
Operating profit	156	103	-34.2%

Sales decreased in Japan, the receipt of packaging material orders for all types of components resulted in higher sales in China

General packaging materials in Japan

- Lower sales in the automotive parts transportation and other sectors



Trays for auto parts



Cushioning materials for optical parts

General packaging materials in China

- Sales increased due to new demand



Cushioning materials for IT home appliances

1. FY3/20 Summary of Business Operations
- 2. FY3/21 Outlook**
3. FY3/20 Supplementary Financial Information
4. The Impact of the Spread of the COVID-19 Pandemic

Item (Million yen)	FY3/20 Results	FY3/21 Outlook	YoY Comparison
Net sales	113,375	105,000	-7.4%
Operating profit	5,083	3,000	-41.0%
Ordinary profit	5,210	3,200	-38.6%
Profit attributable to owners of parent	3,638	2,200	-39.5%

- Exchange rates: JPY105/USD JPY120/EUR JPY15.0/CNY (FY3/20: JPY109.2/USD JPY122.2/EUR JPY15.8/CNY)
- Dubai crude oil: 1H USD30/BL, 2H USD45/BL (FY3/20: USD60.3/BL)
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Year-end dividend ¥25)

- Assumptions:

- (1) First half will be affected by the COVID-19 pandemic but expect return to recovery track in the second half
- (2) Factory operation can be sustained, and supply of raw materials etc. will not be a problem
- (3) Sales volume is estimated based on individual business characteristics and current situation

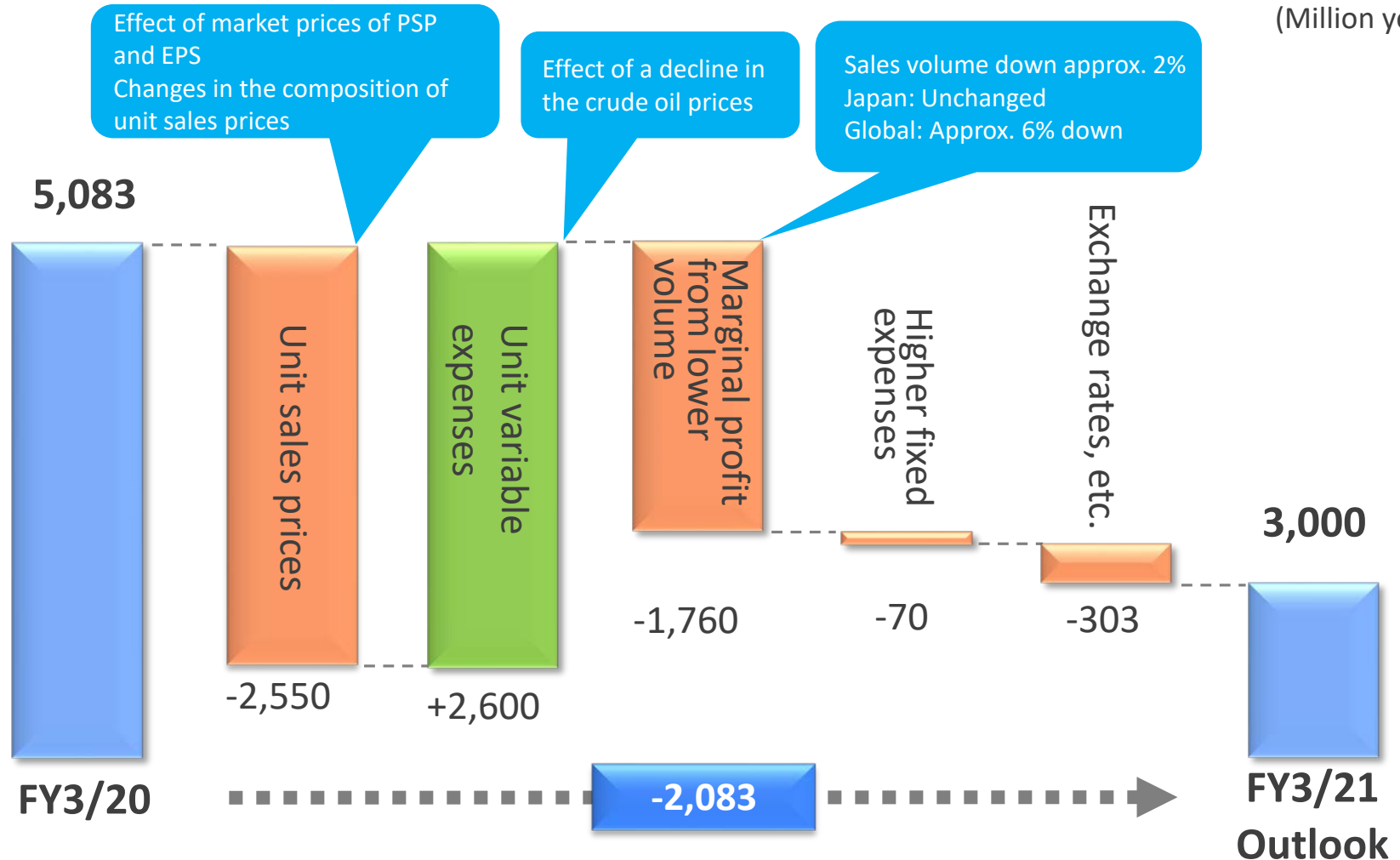
Components of Change in Operating Profit

FY3/21 Outlook

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(Million yen)



9-year Financial Summary

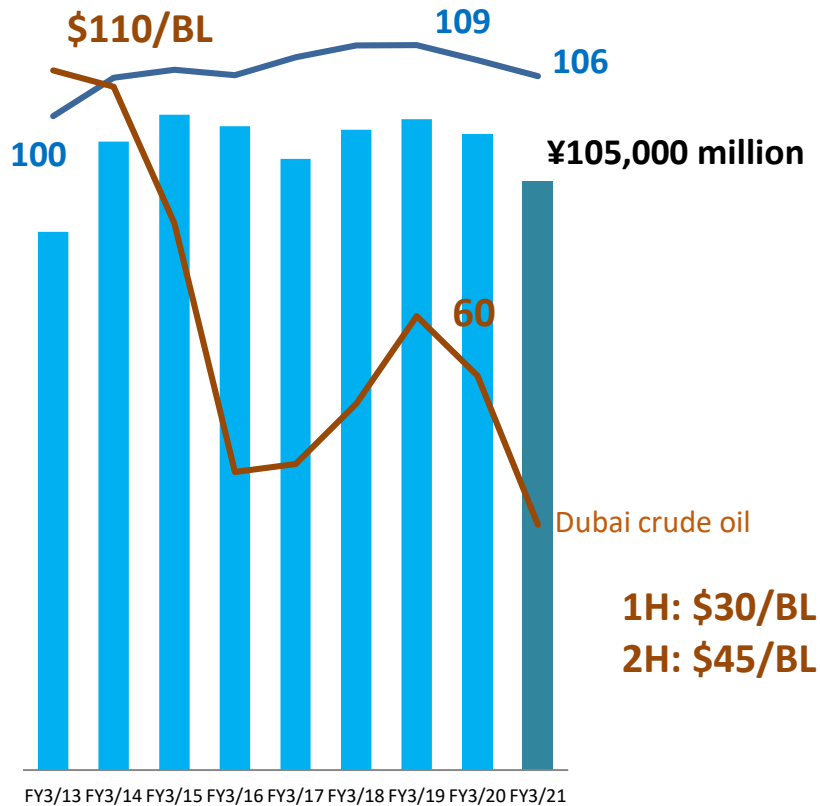
FY3/21 Outlook

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Growth

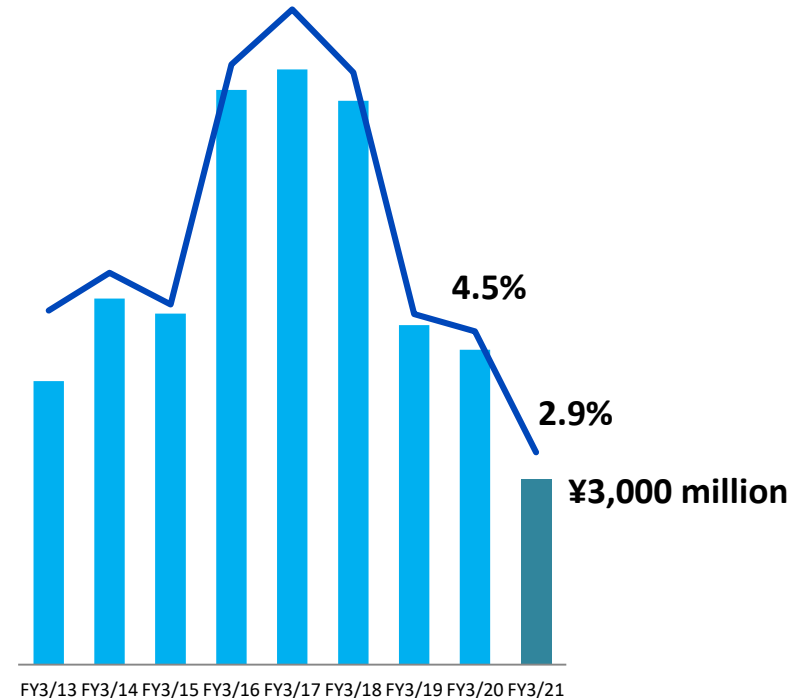
Net Sales / Sales Volume



Sales volume: FY3/13 = 100

Margin

Operating Profit / Operating Margin



Item (Million yen)	FY3/20 Results	FY3/21 Outlook	YoY Comparison
Net sales	39,795	38,300	-5.9%
Operating profit	2,293	1,600	-30.2%

Sales decreased due a market downturn and product price revisions;
decrease in sales volume significantly affected earnings

Food packaging materials and food containers



Heat-resistant polystyrene paper

- Demand increased due to shift from eating out to ready-made meals and home cooking, but demand from the convenience store sector was sluggish
- Demand for display materials declined due to cancellation of events such as exhibitions



MIRABOARD™

Industrial packaging materials



**MIRAMAT®
CAPLON™
P-BOARD™**

- Target new markets and applications through product differentiation
- The COVID-19 pandemic sharply pushed down demand

Home insulation materials and civil engineering materials



MIRAFOAM™



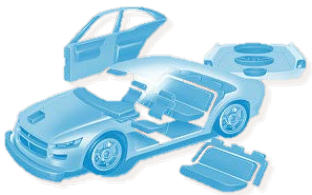
J Wall Block

- Demand for thermal insulation materials is likely to be sluggish due to construction delays caused mainly by late deliveries of housing materials, and holding back of house purchases by consumers
- Sales of civil engineering materials is expected to be strong

Item (Million yen)	FY3/20 Results	FY3/21 Outlook	YoY Comparison
Net sales	67,771	61,100	-11.1%
Operating profit	3,783	2,530	-33.1%

Decline in sales due to sluggish economic activity and product price revisions;
sharp drop in earnings due to decline in sales volume

A cushioning material for automotive parts
and home appliances, and sports shoes



ARPRO®/P-BLOCK™



ELEMPOR™NEO



ARGILIX

- China: Sales decrease sharply in 1Q, but start recovering in 2Q
- Europe: Steady growth in 1Q, but sales decrease sharply in 2Q
- Taiwan: Sales are likely to be strong due to limited effect of the COVID-19 pandemic

Expandable polystyrene, hybrid molded products

STYRODIA®
HEATPOR®
CLEARPOR®



- Sales are expected to be strong despite the decline in inbound tourist demand
- Increase sales by entering the market for modified grades

Business Segment Outlook, Capital Expenditures, Depreciation

FY3/21 Outlook

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Segment (Million yen)	FY3/20 Results		FY3/21 Outlook		YoY Comparison	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	39,795	2,293	38,300	1,600	(1,495)	(693)
Bead Business	67,771	3,783	61,100	2,530	(6,671)	(1,253)
Other	5,808	103	5,600	0	(208)	(103)
Adjustments	-	(1,096)	-	(1,130)	-	(34)
Total	113,375	5,083	105,000	3,000	(8,375)	(2,083)

- Capital expenditures: ¥7.2 billion
(¥0.5 billion to increase output and become more competitive and ¥6.7 billion for maintenance projects)
- Depreciation: ¥6.5 billion
(vs. FY3/20: up ¥73 million)

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FY3/20 Supplementary
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(Percentages represent year-on-year changes)

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
FY3/20	113,375 (-2.4%)	5,083 (-7.2%)	5,210 (-10.7%)	3,638 (-15.6%)
FY3/19	116,133 (+1.6%)	5,479 (-39.8%)	5,835 (-36.7%)	4,309 (-37.1%)

Comprehensive income: FY3/20: ¥2,097 million FY3/19: ¥1,711 million

	Net income per share (Yen)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
FY3/20	122.07	4.5%	4.0%	4.5%
FY3/19	144.57	5.4%	4.6%	4.7%

Non-operating Income/Expenses Extraordinary Income/Loss

FY3/20 Supplementary
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Non-operating Income/Expenses

Account (Million yen)	FY3/19	FY3/20
Interest income	209	212
Other	486	355
Total non-operating income	695	568
Interest expenses	148	201
Foreign exchange losses	95	134
Other	95	105
Total non-operating expenses	340	441

Extraordinary Income/Loss

Account (Million yen)	FY3/19	FY3/20
Gain on sales of non-current assets	29	13
Gain on sales of investment securities	411	32
Total extraordinary income	440	45
Loss on retirement of non-current assets	143	50
Impairment loss*	-	381
Other	84	11
Total extraordinary losses	228	444

* This loss is an impairment charge for certain non-current assets associated with the review of the plan for the North American electron beam cross-linked expanded polyethylene sheet business

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Mar. 31, 2020	128,445	84,646	63.4%	2,729.87
As of Mar. 31, 2019	129,229	84,141	62.1%	2,691.76

Reference: Shareholders' equity: As of Mar. 31, 2020: ¥81,375 million As of Mar. 31, 2019: ¥80,239 million

(Million yen)	Cash and deposits	Short-term loans payable*	Long-term loans payable	Total loans payable
As of Mar. 31, 2020	13,466	12,176	8,642	20,818
As of Mar. 31, 2019	14,842	11,419	7,969	19,389

*Including current portion of long-term loans payable

Balance Sheet

FY3/20 Supplementary
Financial Information

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Account (Million yen)		As of Mar. 31, 2019	As of Mar. 31, 2020	Change
Assets	Current assets	66,830	60,575	(6,254)
	Non-current assets	62,399	67,869	5,469
Total assets		129,229	128,445	(784)
Liabilities	Current liabilities	34,344	31,611	(2,732)
	Non-current liabilities	10,744	12,186	1,442
	Total liabilities	45,088	43,798	(1,289)
Net assets	Shareholders' equity	81,553	83,665	2,112
	Total accumulated other comprehensive income	(1,313)	(2,290)	(976)
	Non-controlling interests	3,901	3,270	(631)
	Total net assets	84,141	84,646	504
Total liabilities and net assets		129,229	128,445	(784)

Account (Million yen)		As of Mar. 31, 2019	As of Mar. 31, 2020	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,441	13,405	(35)
	Retained earnings	59,370	61,518	2,148
	Treasury shares	(1,386)	(1,387)	(0)
	Total	81,553	83,665	2,112
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	233	268	35
	Foreign currency translation adjustment	(2,505)	(3,255)	(749)
	Remeasurements of defined benefit plans	958	696	(261)
	Total	(1,313)	(2,290)	(976)
Non-controlling interests		3,901	3,270	(631)
Total net assets		84,141	84,646	504

Cash Flows

Capital expenditures, Depreciation, R&D expenses

FY3/20 Supplementary
Financial Information
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Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
FY3/20	11,484	(12,406)	(358)	7,584
FY3/19	7,391	(10,368)	1,708	9,082

Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
FY3/20	12,200	6,427	2,312
FY3/19	10,896	5,601	2,155

Note: Capital expenditures are on a cash basis.

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YoY ○: more than 95% ▲:75 to 95% ■: under 75%

Business	Major products	FY3/21 Outlook			
		1Q	2Q	3Q	4Q
Food packaging materials	STYRENPAPER™	○	○	○	○
Display materials	MIRABOARD™	■	■	○	○
Industrial packaging materials	MIRAMAT®	▲	▲	○	○
Construction materials	MIRAFOAM™	▲	▲	○	○
Civil engineering materials	J Wall Block	○	○	○	○
Advanced materials	ARPRO®/P-BLOCK™	▲	▲	○	○
EPS	STYRODIA®	○	○	○	○

YoY ○: more than 95% ▲:75 to 95% ■: under 75%

Region	Major products	FY3/21 Outlook			
		1Q	2Q	3Q	4Q
North America	ARPRO®	○	■	○	○
South America	ARPRO®	○	■	▲	▲
Europe	ARPRO®	○	■	○	○
Singapore	ARPRO®	○	■	○	○
China	ARPRO®	■	▲	○	○
South Korea	ARPRO®	■	▲	○	○
Taiwan	ARPRO®	○	○	○	▲

Cautionary statement with respect to forecasts

Forecasts are based on all the information currently available, and the actual results may differ due to various factors.

JSP Corporation

Inquiries: Tel +81(3)-6212-6306
Investor Relations Department