



April 28, 2022

SUMMARY OF FINANCIAL STATEMENTS (Consolidated)
Full-year Results for the Fiscal Year Ended March 31, 2022

[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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 General Manager, Accounting Department, Finance & Accounting Division
 Phone: +81-3-6212-6306
 Scheduled date of Annual General Meeting of Shareholders: June 29, 2022
 Scheduled date of payment of dividend: June 10, 2022
 Scheduled date of filing of Annual Securities Report: June 29, 2022
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on April 28, 2022 at 15:00 (GMT +9).

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

1. Full-year Results (April 1, 2021 to March 31, 2022) for the Fiscal Year Ended March 31, 2022

(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	%
Fiscal year ended Mar. 31, 2022	114,125	11.2	4,589	(11.5)	4,868	(11.8)	2,893	(4.1)
Fiscal year ended Mar. 31, 2021	102,668	(9.4)	5,185	2.0	5,519	5.9	3,017	(17.1)

Note: Comprehensive income: Fiscal year ended Mar. 31, 2022: 6,029 million yen (up 132.4%)
 Fiscal year ended Mar. 31, 2021: 2,594 million yen (up 23.7%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2022	97.06	-	3.4	3.7	4.0
Fiscal year ended Mar. 31, 2021	101.22	-	3.7	4.3	5.1

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31, 2022: 10 million yen
 Fiscal year ended Mar. 31, 2021: 9 million yen

Note: JSP has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) from the beginning of the fiscal year ended March 31, 2022.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	134,527	90,231	63.9	2,884.93
As of Mar. 31, 2021	129,053	85,561	63.9	2,767.26

Reference: Shareholders' equity: As of Mar. 31, 2022: 85,995 million yen As of Mar. 31, 2021: 82,488 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2022	5,972	(5,888)	(2,565)	10,520
Fiscal year ended Mar. 31, 2021	12,211	(5,174)	(2,266)	12,278

2. Dividends

	Annual dividends per share					Total amounts of dividends	Payout ratio (consolidated)	Dividend on net assets (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2021	-	25.00	-	25.00	50.00	1,490	49.4	1.8
Fiscal year ended Mar. 31, 2022	-	25.00	-	25.00	50.00	1,490	51.5	1.8
Fiscal year ending Mar. 31, 2023 (forecasts)	-	25.00	-	25.00	50.00		48.1	

3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2023

(April 1, 2022 to March 31, 2023)

(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
First half	63,500	14.1	1,900	(36.4)	2,000	(35.1)	1,400	(38.6)	46.97
Full year	128,000	12.2	4,300	(6.3)	4,500	(7.6)	3,100	7.1	104.00

* 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) 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: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(3) Number of shares outstanding (common stock)

1) Number of shares outstanding at the end of the period including treasury shares

As of Mar. 31, 2022: 31,413,473 shares As of Mar. 31, 2021: 31,413,473 shares

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

As of Mar. 31, 2022: 1,605,071 shares As of Mar. 31, 2021: 1,604,702 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2022: 29,808,575 shares Fiscal year ended Mar. 31, 2021: 29,808,992 shares

Reference: Overview of Non-consolidated Operating Performance

Full-year Results (April 1, 2021 to March 31, 2022) for the Fiscal Year Ended March 31, 2022

(1) Non-consolidated business performance

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2022	57,153	5.3	1,185	(27.3)	2,744	2.1	2,063	(2.8)
Fiscal year ended Mar. 31, 2021	54,257	(7.1)	1,631	(8.2)	2,688	(17.5)	2,122	(0.7)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2022	69.22	-
Fiscal year ended Mar. 31, 2021	71.21	-

Note: JSP has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ended March 31, 2022.

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	88,812	53,581	60.3	1,797.52
As of Mar. 31, 2021	87,550	53,184	60.7	1,784.18

Reference: Shareholders' equity: As of Mar. 31, 2022: 53,581 million yen As of Mar. 31, 2021: 53,184 million yen

* The current financial report is not subject to audits 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. Overview of Results of Operations, (4) Outlook" on page 3 of the attached documents for assumptions for forecasts and notes of caution for usage.

1. Overview of Results of Operations

JSP has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year ended March 31, 2022.

(1) Results of Operations

The global economy recovered during the fiscal year mainly due to stronger consumer spending as restrictions on economic activity were gradually lifted. However, the pace of the recovery was slow because of another wave of infections caused by a new coronavirus variant, shortages of semiconductors and other components, the higher cost of raw materials, and other reasons. In Japan, although restrictions on economic activity imposed by states of emergency came to an end and delays caused by supply chain problems declined, the outlook for the economy remained unclear due to the Ukraine crisis, uncertainty about when the pandemic will end and other concerns.

In Japan’s foamed plastics industry, demand associated with spending by people staying home for safety remained firm and there was a slow recovery in overall demand, which had been declining. Despite these positive trends, market conditions were extremely difficult because the cost of raw materials continued to rise.

This fiscal year is the first year of the medium-term business plan, “Change for Growth.” The plan has two basic strategies. First is to broaden the value we provide for both economic value and social value to our customers and for addressing social issues. Second is to fortify the management base. The overall objective of the plan is more growth of corporate value.

Net sales in the fiscal year were higher than one year earlier mainly because of an increase in sales of products with substantial added value and revisions of prices for JSP products. The operating profit decreased from one year earlier because of a big increase in the cost of raw materials. There was an extraordinary loss mainly because of an impairment loss at consolidated subsidiaries in Japan and a fire at a consolidated subsidiary in South Korea.

Net sales in the fiscal year were 114,125 million yen, up 11.2% from the previous fiscal year. Operating profit decreased 11.5% to 4,589 million yen, ordinary profit decreased 11.8% to 4,868 million yen and profit attributable to owners of parent decreased 4.1% to 2,893 million yen.

Results by business segment were as follows.

Extrusion Business

Sales of STYRENPAPER (foamed polystyrene sheet used in food packaging) and other materials for household products increased due in part to price revisions. The sales volume of MIRABOARD, a material used for advertising displays, increased. There were lower sales of materials used for food trays following a temporary rapid growth in sales one year earlier, although demand remains strong as people stay at home.

Sales were higher than the previous fiscal year for industrial packaging products, including MIRAMAT (foamed polyethylene sheet), which is used for industrial packaging materials and flat panel displays. The main reasons were higher sales of general-purpose products, in addition to a significant increase in sales of value-added products.

Sales of MIRAFOAM (extruded board made of foamed polystyrene) and other construction and civil engineering materials decreased. Sales of materials for fabrication in the building construction and housing markets were about the same as one year earlier but sales of materials used for civil engineering applications were lower.

Overall segment sales increased due to higher sales of products with substantial added value and product price revisions. Earnings increased mainly because higher sales and other positive factors outweighed a sharp increase in the cost of raw materials.

As a result, sales in extrusion business increased 3.9% to 39,076 million yen and operating profit increased 8.0% to 2,782 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 of ARPRO/P-

BLOCK and other high-performance products were affected by restrictions on economic activity in response to another wave of new coronavirus variant and shortages of semiconductors and other components. But monetary sales and sales volume were higher than one year earlier because of the gradual recovery in the demand for JSP high-performance products and the increasing number of new automotive component applications. In Japan, sales in the automobile sector increased. In North America, sales are slowly increasing as operations are affected by the lower output of automakers. In South America, sales increased in the automobile sector. In Europe, there were strong sales in the automobile sector and other market sectors. In Asia, sales in the packaging materials sector increased in China and Taiwan.

The sales volume of expandable polystyrene bead products, chiefly STYRODIA, decreased because of lower demand for these products in the fisheries and agriculture sectors. Although sales increased, mainly due to price revisions, further action is being taken to respond to the continuing increase in the cost of raw materials.

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

Overall segment sales increased because of a recovery in demand in the automobile and other sectors. Earnings decreased as the benefits of price revisions were offset by the higher cost of raw materials.

As a result, sales in bead business increased 14.4% to 68,513 million yen and operating profit decreased 26.2% to 2,620 million yen.

Other

Sales of general packaging materials increased in Japan as sales in the automotive parts transportation and other market sectors recovered. In China, strong demand for packaging materials for many types of components resulted in higher sales.

As a result, sales in the other segment increased 26.2% to 6,536 million yen and operating profit increased 119.9% to 212 million yen.

(2) Financial Position

Total assets as of March 31, 2022 were 134,527 million yen, up 5,473 million yen from March 31, 2021.

Current assets increased 6,046 million yen to 68,503 million yen mainly due to increases in notes and accounts receivable-trade of 1,726 million yen, merchandise and finished goods of 1,677 million yen and raw materials and supplies of 1,236 million yen.

Non-current assets decreased 573 million yen to 66,024 million yen.

Total liabilities as of March 31, 2022 were 44,295 million yen, up 803 million yen from March 31, 2021.

Current liabilities increased 1,822 million yen to 33,098 million yen mainly due to an increase in notes and accounts payable-trade of 1,756 million yen.

Non-current liabilities decreased 1,018 million yen to 11,197 million yen mainly due to a decrease in long-term borrowings of 810 million yen.

As a result, net assets totaled 90,231 million yen and the shareholders' equity ratio was 63.9%, the same as at the end of the previous financial year.

(3) Cash Flows

Cash flows from operating activities

Net cash provided by operating activities totaled 5,972 million yen, a decrease of 6,239 million yen from the previous fiscal year. Inflows included 4,149 million yen from profit before income taxes, 6,832 million yen from depreciation and an increase of 1,377 million yen in trade payables. Outflows included increases in trade receivables of 1,620 million yen and inventories of 2,640 million yen, and income taxes paid of 1,691 million yen.

Cash flows from investing activities

Net cash used in investing activities totaled 5,888 million yen, an increase of 713 million yen from the previous fiscal year. This included an outflow of 5,658 million yen for the purchase of non-current assets.

Cash flows from financing activities

Net cash used in financing activities totaled 2,565 million yen, an increase of 299 million yen from the previous fiscal year. Inflows included proceeds from long-term borrowings of 3,800 million yen. Outflows included 4,356 million yen for the repayment of long-term borrowings, which was mainly allocated from operating cash flows, and cash dividends paid of 1,490 million yen.

As a result, cash and cash equivalents totaled 10,520 million yen as of March 31, 2022, down 1,757 million yen from March 31, 2021.

(4) Outlook

The outlook for the global economy for the fiscal year ending March 2023 is becoming increasingly uncertain. One reason is the rising cost of raw materials as geopolitical risk continues to climb. Other reasons are the absence of any signs of an end to global supply chain disruptions and lockdowns in China in response to an upturn in COVID-19 cases. However, the global economy is expected to recover as countries end pandemic-related restrictions while continuing to implement safety measures.

In this difficult business climate, we plan to revise prices of products to reflect the higher cost of raw materials, utilities and logistics. In addition, we will continue to address sustainability management issues.

Based on these assumptions and forecasts, our outlook for business segment performance is as follows.

Extrusion Business

We forecast higher sales of STYRENPAPER (expanded polystyrene sheet used in food packaging) and other materials for household products because of increasing demand for these materials following the launch of environmentally responsible products.

For MIRAMAT (expanded polyethylene sheet), a material used for industrial packaging and flat panel displays, and other industrial packaging products, we expect that demand for protective packaging materials for flat panel displays will remain strong.

We forecast higher sales of MIRAFOAM (extruded board made of expanded polystyrene) and other construction and civil engineering materials based on the outlook for increasing demand for energy efficient houses and buildings. Sales may be negatively affected by a decline in purchases of residences caused by the rising cost of building materials.

Overall, we expect sales in this business to increase because of higher sales and revisions of prices of JSP products. We forecast lower earnings because of the impact of higher cost of raw materials.

Bead Business

We forecast higher sales of ARPRO/P-BLOCK (expanded polypropylene), which we manufacture and sell around the world, based on the expectation for a recovery in demand following the pandemic downturn to offset the negative effect on production at automobile manufacturers due to continuing shortages of semiconductors and other components.

We forecast higher sales in the expandable polystyrene bead products, chiefly STYRODIA, based on the outlook for a higher demand for bean bag cushions and other functional bead products.

Overall, we expect an increase in sales due to the recovery of sales of ARPRO/P-BLOCK and the revision of product prices to offset higher prices of raw material. Earnings are expected to increase due to higher sales and revisions of product prices.

Other

We forecast lower sales in the general packaging materials and packaging materials for automotive parts in Japan and China.

Sales and earnings forecasts for the fiscal year ending March 31, 2023 are as follows.

i. Forecast for consolidated business performance in the fiscal year ending March 31, 2023

(Percentages represent year-on-year changes)

Full year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
	128,000	12.2	4,300	(6.3)	4,500	(7.6)	3,100	7.1

Assumptions

Exchange rates: JPY120/USD, JPY130/EUR, JPY19.0/CNY

Dubai crude oil: USD110/BL

ii. Segment information summary

(Million yen)

	Fiscal year ended March 31, 2022 (Results)		Fiscal year ending March 31, 2023 (Forecast)	
	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	39,076	2,782	41,500	2,100
Bead Business	68,513	2,620	80,500	3,200
Other	6,536	212	6,000	100
Subtotal	114,125	5,615	128,000	5,400
Adjustments	-	(1,026)	-	(1,100)
Total	114,125	4,589	128,000	4,300

iii. Capital expenditures

The forecast for capital expenditures is 7,800 million yen. This includes investments for reconstruction of a factory as related assets were destroyed by a fire at a consolidated subsidiary in South Korea in March 2021. Substantial investments will be made to promote automation, labor efficiency and energy conservation for an effective rationalization of production systems. The forecast for depreciation expenses increases 200 million yen from one year earlier to 7,000 million yen.

Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available. Actual results may differ significantly from these forecasts for a number of factors.

(5) Profit Allocation Policy and Dividends for the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of JSP. Our policy is to make stable dividend payments after taking into consideration all applicable factors, including consolidated performance in each fiscal year and the need to retain earnings for strengthening the base of future business activities.

Retained earnings are used to increase financial soundness, R&D expenditures for new products and technologies, and capital expenditures for new businesses.

As prescribed in Article 459, Paragraph 1 of the Companies Act of Japan, the JSP Articles of Incorporation allow the Board of Directors to approve the payment of dividends from retained earnings. The basic policy is to pay an interim and year-end dividend based on resolutions of the Board of Directors.

For the fiscal year that ended on March 31, 2022 in consideration of results of operations, the operating environment, dividend stability and other items, we plan to pay a dividend of 50 yen per share. Since an interim dividend of 25 yen per share has been paid, this will result in a year-end dividend of 25 yen per share. In the fiscal year ending on March 31, 2023, we plan to pay an interim and year-end dividend of 25 yen per share each, a total of 50 yen.

2. Basic Approach for the Selection of Accounting Standards

We will continue to prepare consolidated financial statements using Generally Accepted Accounting Principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors worldwide.

** 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.*