

First Half Results for the Fiscal Year Ending March 31, 2023 (1H FY3/23)

A Global Company for A Global Society

November 11, 2022

JSP Corporation



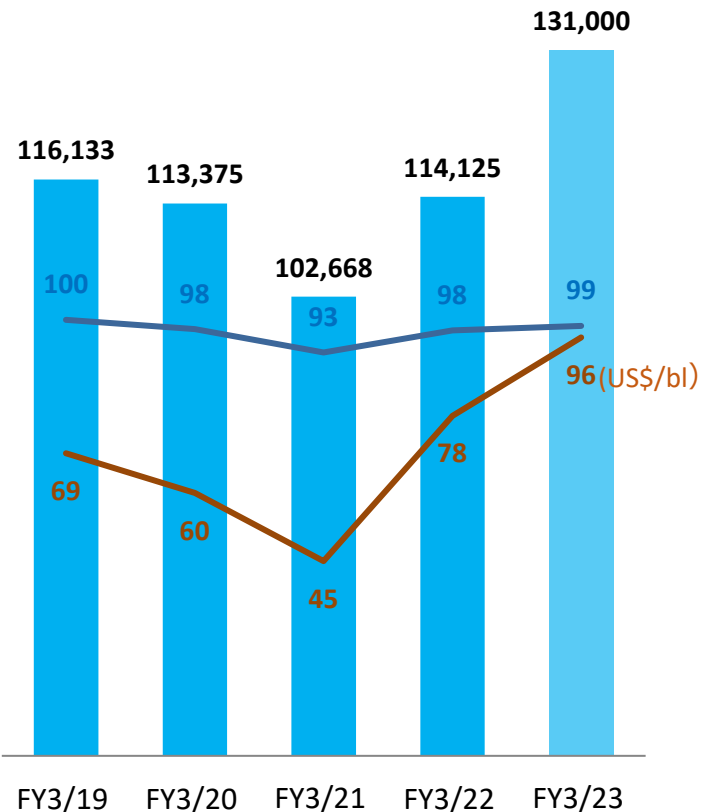
- 1. 1H FY3/23 Summary of Business Operations and FY3/23 Outlook (Overall)**
2. 1H FY3/23 Summary of Business Operations and FY3/23 Outlook (Business Segment)
3. 1H FY3/23 Supplementary Financial Information
4. New Products and Applications

Financial Highlights

Growth

Net Sales / Sales Volume

(Million yen)

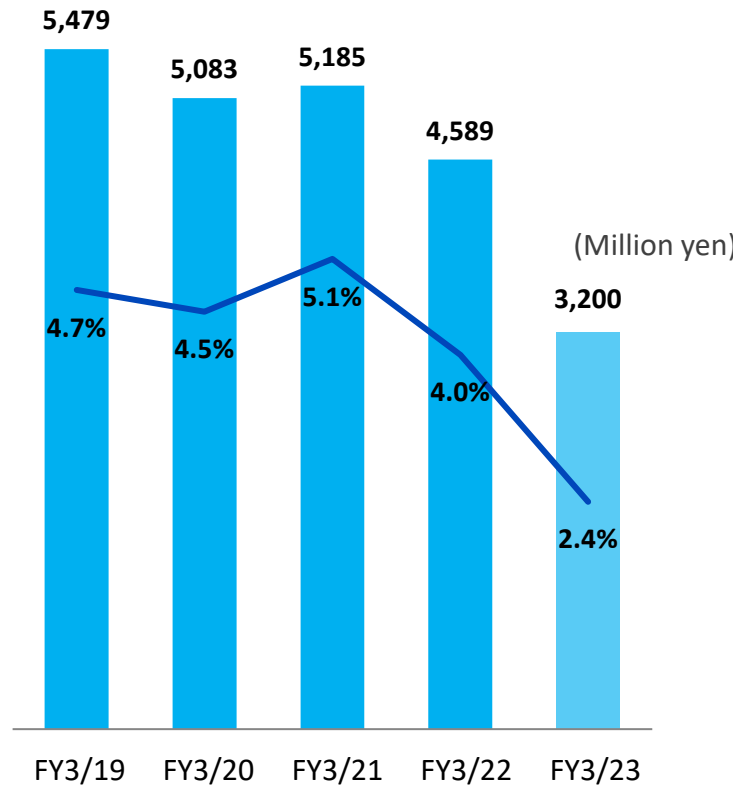


Numbers in blue are sales as a pct. of FY3/19 sales

Margin

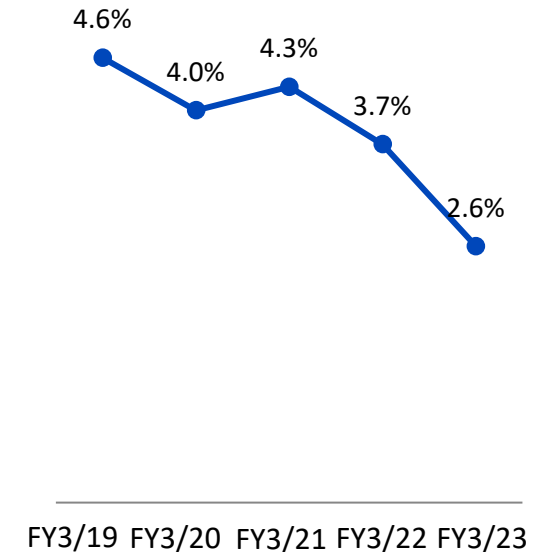
Operating Profit / Operating Margin

(Million yen)



Return

Ordinary Profit to Total Assets



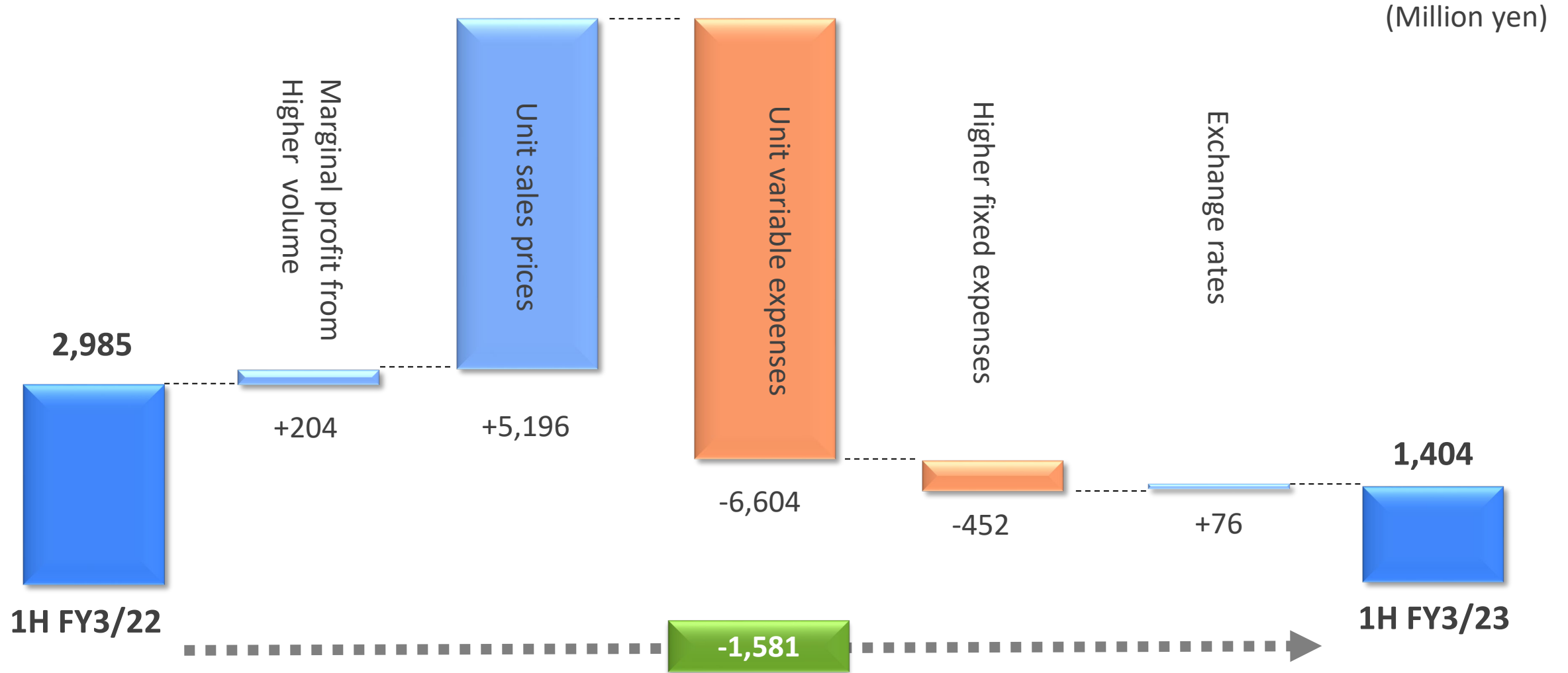
Summary of Business Operations (1H FY3/23 Results)

Item (Million yen)	1H FY3/22 Results	1H FY3/23 Forecast (Announced Apr. 28, 2022)	1H FY3/23 Results	YoY Comparison	vs. Forecast
Net sales	55,673	63,500	64,252	+15.4%	+1.2%
Operating profit	2,985	1,900	1,404	-53.0%	-26.1%
Ordinary profit	3,081	2,000	1,860	-39.6%	-7.0%
Profit attributable to owners of parent	2,280	1,400	1,378	-39.5%	-1.6%

	1H FY3/22	1H FY3/23
Dubai crude oil (US\$/bl)	69.2	102.4
Forex (JPY/USD)	108.5	129.5
Forex (JPY/EUR)	130.5	136.6

- Global economy: Economic recovery slowed due to another wave of infections caused by a new coronavirus variant, shortages of semiconductors and other components, soaring resource and energy prices mainly as a result of the situation in Ukraine, and other reasons.
- Japanese economy: Consumer spending and other key factors are picking up, but the outlook for the economy remains unclear due to the impact of rapid price increases and delays in the supply chain.
- Net sales: Up 15.4% mainly due to revisions of product prices.
- Operating profit: Down 53.0% mainly due to delays in product price revisions to reflect an increase in the cost of raw materials.

Components of Change in Operating Profit (1H Comparison)



Difference in profit is calculated using the exchange rate used in FY3/22.

Summary of Business Operations (FY3/23 Outlook)

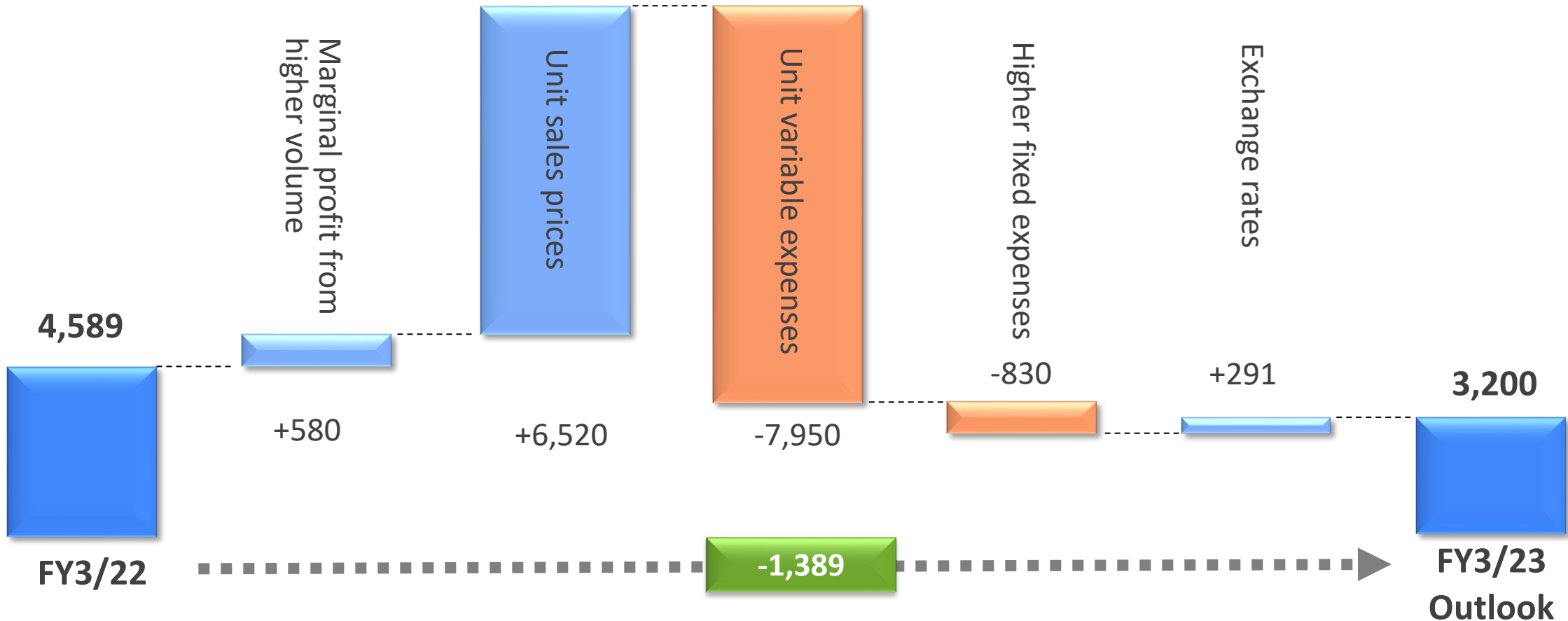
Item (Million yen)	FY3/22 Results	FY3/23 Initial Forecast (Announced Apr. 28, 2022)	FY3/23 Outlook	YoY Comparison	vs. Initial Forecast
Net sales	114,125	128,000	131,000	+14.8%	+2.3%
Operating profit	4,589	4,300	3,200	-30.3%	-25.6%
Ordinary profit	4,868	4,500	3,700	-24.0%	-17.8%
Profit attributable to owners of parent	2,893	3,100	2,700	-6.7%	-12.9%

	FY3/22	FY3/23 Initial Forecast (Apr. 28, 2022)	1H FY3/23	2H FY3/23 Forecast	FY3/23 Outlook
Dubai crude oil (US\$/bl)	78.1	110	102.4	90	96
Forex (JPY/USD)	110.4	120	124.5	142	133
Forex (JPY/EUR)	130.4	130	135.2	145	140

- Global economy outlook for 2H FY3/23: There are concerns about an economic downturn because of the high cost of resources and energy due to the Ukraine crisis, fluctuations of the financial and capital markets, and other events. Cost of raw materials is expected to remain high.
- In Japan, the increasingly uncertain outlook because of the combination of a decline of the economy and rising prices is making consumers cautious about spending and having other negative effects.
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Estimated year-end dividend ¥25)

Components of Change in Operating Profit (Full Year YoY Comparison)

(Million yen)

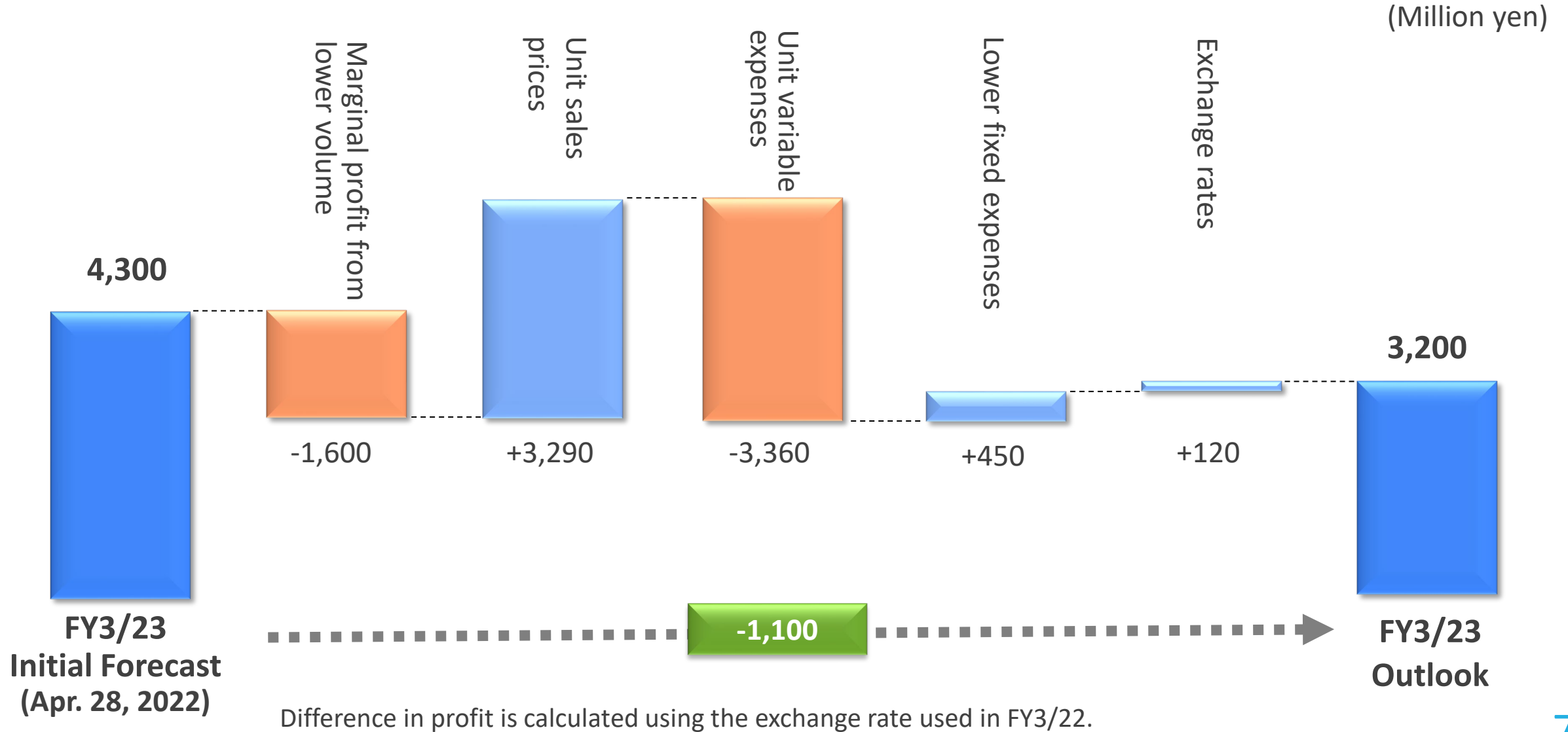


Difference in profit is calculated using the exchange rate used in FY3/22.

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1H FY3/23 Summary of Business Operations and FY3/23 Outlook

Components of Change in Operating Profit (FY3/23 Initial Forecast vs. FY3/23 Outlook)



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Extrusion Business (1H FY3/23 Results)

Item (Million yen)	1H FY3/22 Results	1H FY3/23 Results	YoY Comparison
Net sales	18,829	20,857	+10.8%
Operating profit	1,470	1,061	-27.7%

Increase in sales because of higher sales volume and price revisions
 Lower earnings because of the impact of higher cost of raw materials

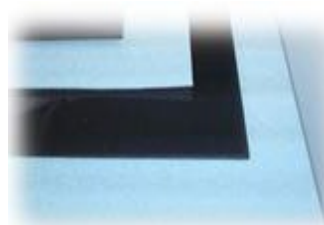
Food packaging materials and food containers



**STYRENEPAPER
MIRABOARD**

- Sales increased due to higher sales of food trays and revisions of prices for JSP products.
- Sales increased due to higher sales of materials used for advertising displays and product price revisions.

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- Sales of value-added products and general-purpose products were about the same as one year earlier.
- Sales were higher than the previous fiscal year mainly due to product price revisions.

Home and building insulation materials and civil engineering materials



MIRAFOAM

- Sales of materials in the building and home construction sectors were unchanged from one year earlier.
- Sales of materials for civil engineering increased.
- Sales increased mainly due to revisions of prices for JSP products.

Extrusion Business (FY3/23 Outlook)

Item (Million yen)	FY3/22	FY3/23			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	39,076	20,857	21,143	42,000	+7.5%
Operating profit	2,782	1,061	1,039	2,100	-24.5%

No change in sales volume is expected but higher sales due to product price revisions
Lower earnings due to the high cost of raw materials

Food packaging materials and food containers



STYRENPAPER



MIRABOARD

- Sales of STYRENPAPER, foamed polystyrene sheet used in food packaging, and other materials for household products are expected to be unchanged from one year earlier.

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- For industrial packaging products, flat panel display packaging material sales are expected to decrease from one year earlier because of the negative effects of global inflation on consumer sentiment and the end of special demand due to telework and other factors.

Home insulation materials and civil engineering materials



MIRAFOAM



J-WALLBLOCK

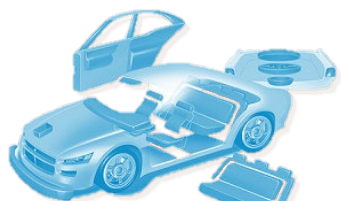
- Sales of construction and civil engineering materials are expected to increase from one year earlier.
- Sales of residential thermal insulation materials are slow.
- Anticipate strong sales in the civil engineering sector

Bead Business (1H FY3/23 Results)

Item (Million yen)	1H FY3/22 Results	1H FY3/23 Results	YoY Comparison
Net sales	33,806	40,220	+19.0%
Operating profit	1,952	758	-61.2%

Sales increased due to stronger sales in non-automotive applications and product price revisions
Earnings decreased due to the higher cost of raw materials

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



**ARPRO/P-BLOCK
ELEMPOR NEO**



- Monetary sales and sales volumes increased mainly due to higher demand in non-automotive sectors, despite the impact of another wave of the pandemic and the Ukraine crisis.
- In Japan, the sales volume in the automobile sector increased and the sales volume in non-automotive sectors was about the same as one year earlier. In North America, the sales volume in the automobile sector decreased but increased in non-automotive sectors. In China, the sales volume in the packaging materials sector increased but decreased in the automobile sector mainly due to the impact of lockdowns.

Expandable polystyrene, hybrid molded products



**STYRODIA
HEATPOR
CLEARPOR
FOAMCORE**

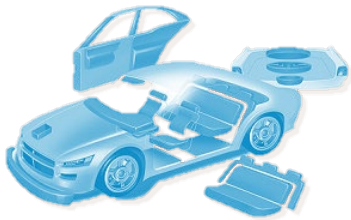
- The sales volume of STYRODIA decreased because of lower demand for these products in the fisheries sector.
- Monetary sales increased mainly due to price revisions.
- Sales of FOAMCORE increased mainly due to a recovery in demand.

Bead Business (FY3/23 Outlook)

Item (Million yen)	FY3/22	FY3/23			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	68,513	40,220	42,780	83,000	+21.1%
Operating profit	2,620	758	1,242	2,000	-23.7%

Higher sales due to the recovery of sales volume and the revision of product prices
 Lower earnings because of higher cost of raw materials

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



ARPRO/P-BLOCK



ELEMPOR NEO

- Forecast higher sales because of strong sales primarily in market sectors other than automobiles
- Earnings expected to decline because of a smaller spread caused by the high cost of raw materials and utilities

Expandable polystyrene, hybrid molded products



STYRODIA



CLEARPOR



HEATPOR

- For beads, mainly STYRODIA foamed polypropylene bead products, we expect that sales will be less than in our previous forecast because of weak demand in the fisheries sector and in other markets.
- Forecast sales growth due to product price revisions and an improvement in profit margins

Other (1H FY3/23 Results and FY3/23 Outlook)

Item (Million yen)	1H FY3/22 Results	1H FY3/23 Results	YoY Comparison
Net sales	3,037	3,173	+4.5%
Operating profit	62	84	+35.5%

Higher sales and earnings as demand improved in Japan and China

- Sales 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.

Item (Million yen)	FY3/22	FY3/23			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	6,536	3,173	2,827	6,000	-8.2%
Operating profit	212	84	66	150	-29.2%

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Results of Operations

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
1H FY3/23	64,252 (15.4%)	1,404 (-53.0%)	1,860 (-39.6%)	1,378 (-39.5%)
1H FY3/22	55,673 (15.8%)	2,985 (132.5%)	3,081 (142.8%)	2,280 (151.0%)

Comprehensive income: 1H FY3/23: ¥7,897 million 1H FY3/22: ¥4,608 million

	Net income per share (Yen)	Operating profit to net sales
1H FY3/23	46.26	2.2%
1H FY3/22	76.49	5.4%

Major yen exchange rates (January-June)

Currencies	US\$	€	RMB
1H FY3/23	124.52	135.17	19.13
1H FY3/22	108.47	130.48	16.75
YoY Comparison	114.8%	103.6%	114.2%

Non-operating Income/Expenses Extraordinary Income/Loss

Non-operating Income/Expenses

Account (Million yen)	1H FY3/22	1H FY3/23
Interest income	71	93
Foreign exchange gains	3	111
Other	150	370
Total non-operating income	224	574
Interest expenses	54	54
Operation preparation expenses	35	-
Loss on disaster	-	39
Other	39	25
Total non-operating expenses	128	118

Extraordinary Income/Loss

Account (Million yen)	1H FY3/22	1H FY3/23
Gain on sales of non-current assets	17	8
Collection of money transfer scam at subsidiary	-	110
Total extraordinary income	17	118
Loss on sales of non-current assets	34	0
Loss on retirement of non-current assets	34	149
Impairment loss	-	108
Loss on fire	129	-
Total extraordinary losses	199	259

Financial Position

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Sep. 30, 2022	145,496	97,383	63.8%	3,112.03
As of Mar. 31, 2022	134,527	90,231	63.9%	2,884.93

Shareholders' equity: As of Sep. 30, 2022: ¥92,764 million
 As of Mar. 31, 2022: ¥85,995 million

Major yen exchange rates

Currencies	US\$	€	RMB
As of Jun. 30, 2022	136.69	142.75	20.38
As of Dec. 31, 2021	115.01	130.55	18.06
YoY Comparison	118.9%	109.3%	112.8%

Balance Sheet

Account (Million yen)		As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Assets	Current assets	68,503	74,883	6,379
	Non-current assets	66,024	70,613	4,589
Total assets		134,527	145,496	10,969
Liabilities	Current liabilities	33,098	35,890	2,792
	Non-current liabilities	11,197	12,222	1,024
	Total liabilities	44,295	48,113	3,817
Net assets	Shareholders' equity	85,726	86,360	633
	Accumulated other comprehensive income	268	6,404	6,135
	Non-controlling interests	4,236	4,619	382
	Total net assets	90,231	97,383	7,152
Total liabilities and net assets		134,527	145,496	10,969

Net Assets

Account (Million yen)		As of Mar. 31, 2022	As of Sep. 30, 2022	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,405	13,405	-
	Retained earnings	63,580	64,214	633
	Treasury shares	(1,388)	(1,388)	-
	Total	85,726	86,360	633
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	346	367	21
	Foreign currency translation adjustment	(810)	5,313	6,124
	Remeasurements of defined benefit plans	732	722	(9)
	Total	268	6,404	6,135
Non-controlling interests		4,236	4,619	382
Total net assets		90,231	97,383	7,152

Cash Flows, Capital Expenditures, Depreciation, R&D Expenses

Cash Flows

(Million yen)	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents
1H FY3/23	1,776	(3,183)	1,412	11,846
1H FY3/22	2,634	(2,800)	(1,570)	11,032

Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
1H FY3/23	*4,714	3,492	1,109
1H FY3/22	2,654	3,273	1,073

Note: Capital expenditures are on a cash basis.

* To replace the factory of a subsidiary in South Korea that was destroyed by fire in March 2021, land and a building have been purchased nearby.

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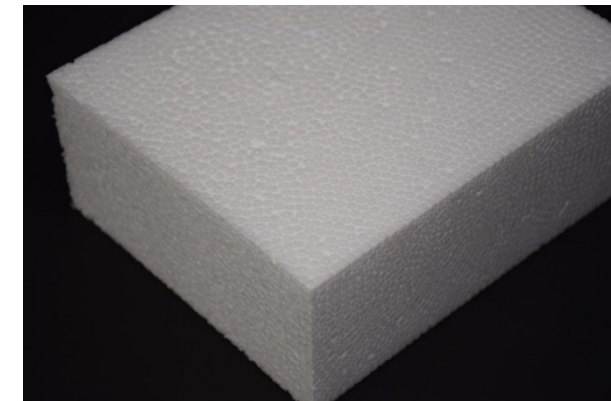
ARPRO/P-BLOCK LC

A new value-added grade of ARPRO/P-BLOCK that reduces GHG emissions
Already selected for use in automobile bumper cores

These low-carbon (LC) beads use exclusive JSP technologies to use energy efficiently during molding processes.

Using this new value-added grade of ARPRO/P-BLOCK therefore enables companies to lower GHG emissions.

The patented technology behind this innovative material is backed by many years of experience with developing new technologies. Already used by Japanese automakers as a bumper core, this material is attracting much attention as a JSP product that contributes to sustainability.



More Applications for ARPRO/P-BLOCK

Rear seats of the Nissan Ariya

ARPRO/P-BLOCK is used as a rear seat core material by Toyota, Mazda and other automakers. Recently, Nissan started using this material in its rear seats for the first time in Japan.

Use of ARPRO/P-BLOCK is expected to continue to grow as more automakers worldwide select this material.



Locations of ARPRO/P-BLOCK in an automobile

MIRABLOCK-Bio

This new material incorporates a biomass raw material
Customers are now switching to Bio from MIRABLOCK-E

Features

- By weight, plant-derived materials are at least 25% of MIRABLOCK-Bio
- Complies with the inspection standard of the Japan BioPlastics Association
- Decrease of 13%* in life cycle GHG emissions
- The same physical properties as those of MIRABLOCK-E

*Compared with JSP MIRABLOCK-E use under the same conditions



P-Pearl F

A highly functional sheet for food containers for applications extending from freezers to microwave ranges

Features

- An expanded sheet based on polypropylene that uses a smaller volume of resin
- Very easy to recycle
- Resistant to heat and oil; can be used in microwave ovens
- Incorporates biomass materials



Structure

Solid (not expanded)	Polypropylene (surfaces contacting food)
Expanded polypropylene 3 times + Biomass materials	

ARGILIX

ARGILIX used by a Japanese cushion company

ARGILIX was selected as a material for a new cushion for outdoor and other use that can be taken anywhere with ease. Sales of the cushion started in July 2022.

After working with Tatsuno Cork Industry, a Japanese cushion manufacturer, for about one year on the development of a new product, sales of an outdoor cushion made of ARGILIX started in July 2022.

Made of elastomer foamed beads, ARGILIX the cushion retains its form and is highly durable. This product can be used many times without losing its shape and has the correct level of softness for comfort for many hours.



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

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