



April 28, 2023

## SUMMARY OF FINANCIAL STATEMENTS (Consolidated) Full-year Results for the Fiscal Year Ended March 31, 2023

[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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 Phone: +81-3-6212-6306  
 Scheduled date of Annual General Meeting of Shareholders: June 29, 2023  
 Scheduled date of payment of dividend: June 12, 2023  
 Scheduled date of filing of Annual Securities Report: June 29, 2023  
 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, 2023 at 15:00 (GMT +9).

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

### 1. Full-year Results (April 1, 2022 to March 31, 2023) for the Fiscal Year Ended March 31, 2023

(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, 2023	131,714	15.4	2,956	(35.6)	3,363	(30.9)	2,531	(12.5)
Fiscal year ended Mar. 31, 2022	114,125	11.2	4,589	(11.5)	4,868	(11.8)	2,893	(4.1)

Note: Comprehensive income: Fiscal year ended Mar. 31, 2023: 7,565 million yen (up 25.5%)  
 Fiscal year ended Mar. 31, 2022: 6,029 million yen (up 132.4%)

	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, 2023	84.91	-	2.8	2.4	2.2
Fiscal year ended Mar. 31, 2022	97.06	-	3.4	3.7	4.0

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31, 2023: 39 million yen  
 Fiscal year ended Mar. 31, 2022: 10 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	144,528	96,123	63.5	3,076.73
As of Mar. 31, 2022	134,527	90,231	63.9	2,884.93

Reference: Shareholders' equity: As of Mar. 31, 2023: 91,711 million yen As of Mar. 31, 2022: 85,995 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, 2023	8,725	(6,478)	1,016	14,696
Fiscal year ended Mar. 31, 2022	5,972	(5,888)	(2,565)	10,520

## 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, 2022	-	25.00	-	25.00	50.00	1,490	51.5	1.8
Fiscal year ended Mar. 31, 2023	-	25.00	-	25.00	50.00	1,490	58.9	1.7
Fiscal year ending Mar. 31, 2024 (forecasts)	-	25.00	-	25.00	50.00		43.8	

## 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
First half	67,000	4.3	2,400	70.9	2,500	34.4	1,750	26.9	58.71
Full year	135,000	2.5	4,800	62.4	5,000	48.7	3,400	34.3	114.06

**\* 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, 2023: 31,413,473 shares As of Mar. 31, 2022: 31,413,473 shares

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

As of Mar. 31, 2023: 1,605,300 shares As of Mar. 31, 2022: 1,605,071 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023: 29,808,297 shares Fiscal year ended Mar. 31, 2022: 29,808,575 shares

**Reference: Overview of Non-consolidated Operating Performance**

**Full-year Results (April 1, 2022 to March 31, 2023) for the Fiscal Year Ended March 31, 2023**

(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, 2023	63,323	10.8	537	(54.7)	1,820	(33.7)	1,461	(29.1)
Fiscal year ended Mar. 31, 2022	57,153	5.3	1,185	(27.3)	2,744	2.1	2,063	(2.8)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2023	49.05	-
Fiscal year ended Mar. 31, 2022	69.22	-

(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, 2023	91,743	53,564	58.4	1,796.98
As of Mar. 31, 2022	88,812	53,581	60.3	1,797.52

Reference: Shareholders' equity: As of Mar. 31, 2023: 53,564 million yen As of Mar. 31, 2022: 53,581 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

### (1) Results of Operations

In the current fiscal year, the global economic recovery slowed due to shortages of semiconductors and other components as a result of the spread of the pandemic, inflation such as soaring resource and energy prices mainly as a result of the prolonged situation in Ukraine, as well as fluctuations of the financial and capital markets. The process of normalization of the previously restricted economic and social activities in the Japanese economy has now begun. Although consumer spending, capital expenditures and other parts of the economy are recovering, the outlook for the economy is uncertain due to inflation linked to rising prices of resources and energy and the yen's rapid depreciation and to restrictions on the supplies of many items.

The foamed plastics industry in Japan faced serious challenges as the recovery in demand came to a standstill and raw material prices and the cost of utilities increased.

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 Change for Growth medium-term business plan. We are also placing priority on creating brand value by implementing sustainability management and on setting our products apart from those of competitors by accurately targeting customers' needs.

Sales were higher than one year earlier mainly because of revisions of prices of JSP products. The operating profit decreased from one year earlier because of delays in product price revisions to reflect the continuing increase in the cost of raw materials, and utilities and other reasons.

Net sales in the current fiscal year were 131,714 million yen, up 15.4% from the previous fiscal year. Operating profit decreased 35.6% to 2,956 million yen, ordinary profit decreased 30.9% to 3,363 million yen and profit attributable to owners of parent decreased 12.5% to 2,531 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, increased. This was mainly the result of higher sales for new applications in the food tray category and for MIRABOARD, a material used for advertising displays, and of revisions of prices of these products.

Sales were lower than the previous fiscal year for industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays. Although prices of products were revised, sales were held down by weaker demand caused mainly by a decline in the production of liquid crystal panels. The sales volume of value-added products and general-purpose products decreased.

Sales of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials increased because of product price revisions. The sales volume of materials for fabrication in the building construction and housing markets and of materials used for civil engineering applications were about the same as one year earlier.

Overall, the sales volume in this segment was about the same as one year earlier but monetary sales were higher because of product price revisions. Earnings decreased due to the lag between the rising prices of raw materials and product price revisions to reflect these higher prices and to the higher cost of utilities.

As a result, extrusion business sales increased 8.6% to 42,443 million yen and operating profit decreased 36.5% to 1,767 million yen.

#### Bead Business

The sales volume and monetary sales of high-performance products, mainly ARPRO/P-BLOCK, an expanded polypropylene product manufactured and sold worldwide, increased slowly due to the negative effects of the pandemic and Ukraine crisis. The sales volume was about the same as one year earlier in Japan because of the delay in the recovery of demand in the automobile industry. In North America, the sales volume recovered from the low level of the previous fiscal year and there was strong demand for materials used in returnable containers. In Europe, the sales volume was about the same as one year earlier as higher volumes in the HVAC and other sectors offset the lower

volume in the automotive sector caused by the shortage of parts. The sales volume increased in South America because of strong demand in the automotive sector. In China, the sales volume decreased because of the impact of the rapid upturn of the pandemic's severity on economic activity, although the sales volume in the automotive sector was firm. In Taiwan, the sales volume decreased because of lower demand involving liquid crystal panels.

The sales volume of expandable polystyrene bead products, chiefly STYRODIA, decreased because of lower demand for these products in the fisheries sector. Monetary sales increased mainly due to product price revisions.

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

Total sales in this segment increased because of higher sales of high-performance products and product price revisions. Earnings decreased due to the lag between the rising cost of raw materials and price revisions to reflect these higher expenses, the high cost of utilities, and the increase in personnel expenses.

As a result, sales in bead business increased 20.8% to 82,761 million yen and operating profit decreased 22.2% to 2,038 million yen.

### **Other**

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

As a result, sales in the other segment decreased 0.4% to 6,508 million yen and operating profit decreased 21.5% to 166 million yen.

## **(2) Financial Position**

Total assets as of March 31, 2023 were 144,528 million yen, up 10,001 million yen from March 31, 2022.

Current assets increased 5,319 million yen to 73,822 million yen mainly due to increases in cash and cash deposits of 1,848 million yen, and notes and accounts receivable-trade of 1,566 million yen.

Non-current assets increased 4,682 million yen to 70,706 million yen mainly due to increases in buildings and structures, net of 920 million yen, and machinery, equipment and vehicles, net of 978 million yen.

Total liabilities as of March 31, 2023 were 48,404 million yen, up 4,109 million yen from March 31, 2022.

Current liabilities increased 3,345 million yen to 36,443 million yen mainly due to an increase in short-term borrowings of 3,100 million yen.

Non-current liabilities increased 763 million yen to 11,961 million yen.

As a result, net assets totaled 96,123 million yen and the shareholders' equity ratio decreased 0.4 percentage points to 63.5%.

## **(3) Cash Flows**

### Cash flows from operating activities

Net cash provided by operating activities totaled 8,725 million yen, an increase of 2,752 million yen from the previous fiscal year. Inflows included 3,521 million yen from profit before income taxes and 7,137 million yen from depreciation. Outflows included an increase in trade receivables of 1,119 million yen and income taxes paid of 1,053 million yen.

### Cash flows from investing activities

Net cash used in investing activities totaled 6,478 million yen, an increase of 590 million yen from the previous fiscal year. Inflows included 1,531 million yen from a net decrease in time deposits, and outflows included 8,200 million yen for the purchase of non-current assets.

### Cash flows from financing activities

Net cash provided by financing activities totaled 1,016 million yen, compared with net cash used of 2,565 million yen in the previous fiscal year. Inflows included proceeds from a net increase in short-term borrowings of 2,913 million

yen and proceeds from long-term borrowings of 4,900 million yen. Outflows included 4,720 million yen for the repayment of long-term borrowings by using funds from operating cash flows and cash dividends paid of 1,490 million yen.

As a result, cash and cash equivalents totaled 14,696 million yen as of March 31, 2023, up 4,176 million yen from March 31, 2022.

#### **(4) Outlook**

In the fiscal year ending on March 31, 2024, the global economy is expected to continue to recover as the impact of the pandemic ends, although there will be substantial risk associated with the Ukraine crisis. The volatility of energy prices is declining and there are signs of a downturn in inflation. However, there is still strong upward pressure on prices and the supply of labor is tight in many countries and regions.

Under these circumstances, JSP aims to increase earnings by cutting expenses and revising prices of products in response to the rising cost of utilities, logistics and other items, while also working to address challenges in sustainability management. 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.

For MIRAFOAM (extruded board made of expanded polystyrene) and other construction and civil engineering materials, we forecast higher sales. Demand is increasing for energy efficient houses and buildings, but there are concerns about a decline in the desire of people to buy houses because of the high cost of building materials and other reasons. We expect a recovery in demand for insulation materials used in freezer and refrigerated trucks and an increase in demand for civil engineering materials.

Overall, we expect sales in this business to increase because of higher sales volume of JSP products. We expect earnings to be at the same level as in the fiscal year ended on March 31, 2023, partly due to an increase in fixed expenses.

#### **Bead Business**

We forecast higher sales of ARPRO/P-BLOCK (expanded polypropylene), which we manufacture and sell worldwide. Automobile production is expected to increase as shortages of semiconductor and other parts end and other market sectors are expected to recover from downturns caused by the pandemic.

We expect that sales in the expandable polystyrene bead products, chiefly STYRODIA, will be affected by the decline in demand for products used in the fishing industry caused by the downturn in fish catch.

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 improved profitability.

#### **Other**

We expect that sales in the general packaging materials and packaging materials for automotive parts in Japan and China will be about the same as in the previous fiscal year.

Sales and earnings forecasts for the fiscal year ending March 31, 2024 are as follows.

i. Forecast for consolidated business performance in the fiscal year ending March 31, 2024

(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	%
Full year	135,000	2.5	4,800	62.4	5,000	48.7	3,400	34.3

Assumptions

Exchange rates: JPY130/USD, JPY143/EUR, JPY19.0/CNY

Dubai crude oil: USD85/BL

ii. Segment information summary

(Million yen)

	Fiscal year ended March 31, 2023 (Results)		Fiscal year ending March 31, 2024 (Forecast)	
	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	42,443	1,767	43,700	1,800
Bead Business	82,761	2,038	85,000	4,000
Other	6,508	166	6,300	100
Subtotal	131,714	3,972	135,000	5,900
Adjustments	-	(1,016)	-	(1,100)
Total	131,714	2,956	135,000	4,800

iii. Capital expenditures

The forecast for capital expenditures is 7,000 million yen. 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 by 100 million yen from one year earlier to 7,200 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, 2023 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, 2024, 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.