



First Half Results for the Fiscal Year Ending March 31, 2022 (1H FY3/22)

A global company for global society

November 12, 2021

JSP Corporation





1. 1H FY3/22 Summary of Business Operations

2. 1H FY3/22 Supplementary Financial Information

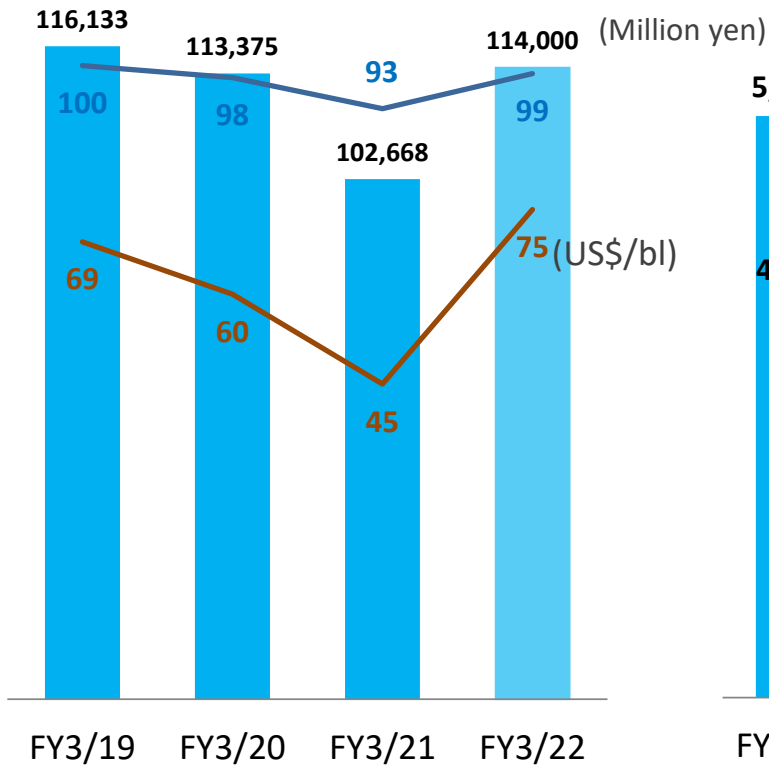
3. FY3/22 Outlook

4. Growth of ARPRO/P-BLOCK Sales

Financial Highlights

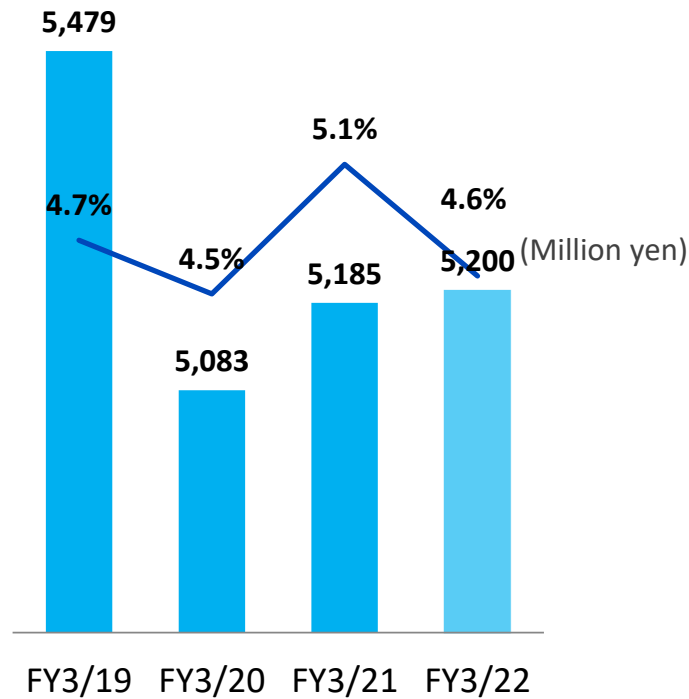
Growth

Net Sales / Sales Volume



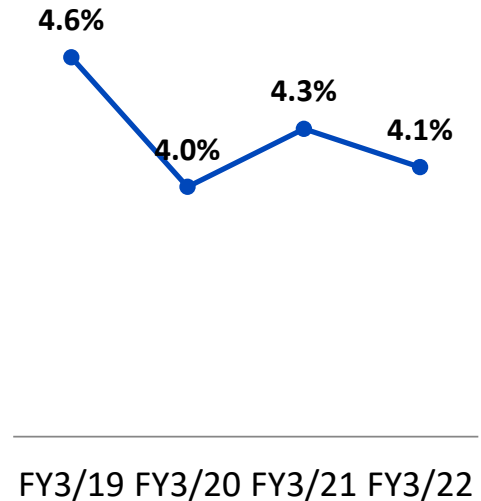
Margin

Operating Profit / Operating Margin



Return

Ordinary Profit to Total Assets





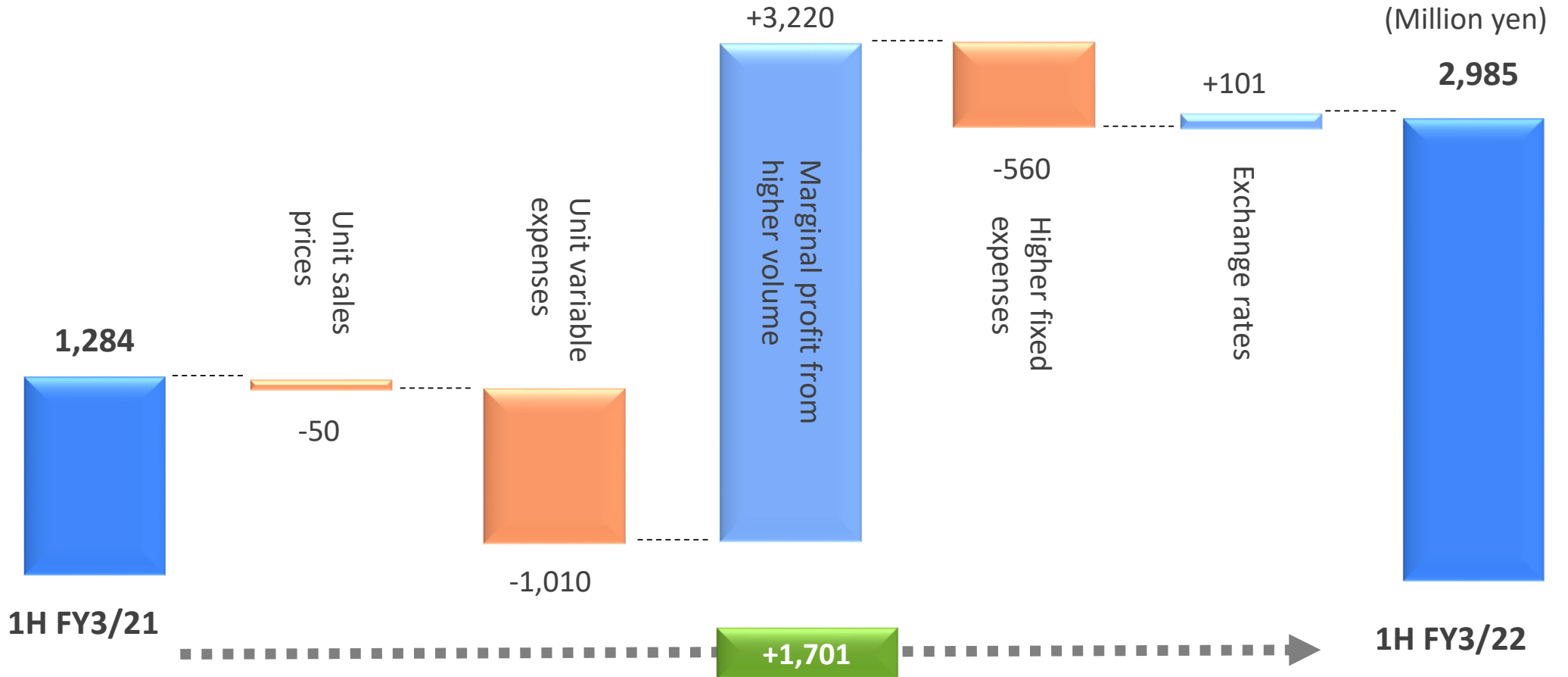
Summary of Business Operations

Item (Million yen)	1H FY3/21 Results	1H FY3/22 Forecast (Announced Jul. 30, 2021)	1H FY3/22 Results	YoY Comparison	vs. Forecast
Net sales	48,080	55,500	55,673	+15.8%	+0.3%
Operating profit	1,284	2,800	2,985	+132.5%	+6.6%
Ordinary profit	1,268	2,900	3,081	+143.0%	+6.2%
Profit attributable to owners of parent	908	1,900	2,280	+151.1%	+20.0%

	1H FY3/21	1H FY3/22
Dubai crude oil (US\$/bl)	37.1	69.2
Forex (JPY/USD)	108.2	108.5
Forex (JPY/EUR)	119.4	130.5

- Global economy: Economic activity is slowly improving with consumer spending, a major source of the recovery. Uncertain outlook due to the delta variant and to shortages of semiconductors and other components.
- Japanese economy: Upturns in manufacturing and exports as external demand recovers. Still many challenges due to more states of emergency, supply chain delays and other problems.
- Net sales: Up 15.8% as sales of value-added products increased and demand recovered slowly.
- Operating profit: Up 132.5% as higher sales and other factors offset the impact of rising prices of raw materials.

Components of Change in Operating Profit



Difference in profit is calculated using the exchange rate used in FY3/21.

Extrusion Business

Item (Million yen)	1H FY3/21 Results	1H FY3/22 Results	YoY Comparison
Net sales	18,339	18,829	+2.7%
Operating profit	1,060	1,470	+38.7%

Sales increased due to higher sales of value-added products and recovery in demand and earnings increased due to higher sales

Food packaging materials and food containers



**STYREN PAPER
MIRABOARD**

- Demand for food tray materials remained firm due to people staying home for safety, but sales down from one year earlier when sales temporarily surged
- Sales of materials used for advertising displays increased
- Lower sales

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- A big increase in sales of value-added products
- Higher sales of general-purpose products
- Sales increased

Home and building insulation materials and civil engineering materials



MIRAFOAM

- Higher sales of materials in the construction sector
- Lower sales of materials used for civil engineering applications
- Sales were unchanged from one year earlier

Bead Business

Item (Million yen)	1H FY3/21 Results	1H FY3/22 Results	YoY Comparison
Net sales	27,440	33,806	+23.2%
Operating profit	716	1,952	+172.4%

Earnings up as monetary and volume sales rose along with recovering demand for autos and other products

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



ARPRO/P-BLOCK
ELEMPOR NEO



- Negative effects of restrictions due to another wave of the pandemic and to the shortage of semiconductors and other components; but sales and sales volume up as demand recovers and autos use more new types of components.
- Slow increase in sales in North America as automakers reduce output and the cost of raw materials climbs. In Europe, solid sales and earnings in both the auto and non-automotive categories.

Expandable polystyrene, hybrid molded products



STYRODIA
HEATPOR
CLEARPOR
FOAMCORE

- Sales of STYRODIA increased due to strong demand in the fisheries and agricultural sectors. Currently revising prices because of the big impact of the higher cost of raw materials.
- Sales of FOAMCORE increased due to recovery in demand.

Item (Million yen)	1H FY3/21 Results	1H FY3/22 Results	YoY Comparison
Net sales	2,300	3,037	+32.0%
Operating profit	1	62	---

Demand improved in Japan and China

General packaging materials in Japan

- Sales in Japan improved for transporting automotive parts



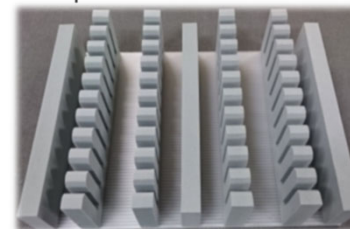
Trays for auto parts



Cushioning materials for digital home appliances

General packaging materials in China

- Strong demand for packaging materials for many types of components



Material for transporting auto parts



Cushioning materials for optical parts



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Results of Operations

(Million yen)	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
1H FY3/22	55,673 (15.8%)	2,985 (132.5%)	3,081 (142.8%)	2,280 (151.0%)
1H FY3/21	48,080 (-14.6%)	1,284 (-48.1%)	1,268 (-48.7%)	908 (-52.6%)

Comprehensive income: 1H FY3/22: ¥4,608 million 1H FY3/21: ¥(514) million

	Net income per share (Yen)	Operating profit to net sales
1H FY3/22	76.49	5.4%
1H FY3/21	30.47	2.7%

Major yen exchange rates (January-June)

Currencies	US\$	€	RMB
1H FY3/22	108.47	130.48	16.75
1H FY3/21	108.24	119.42	15.31
YoY Comparison	100.2%	109.3%	109.4%

Non-operating Income/Expenses Extraordinary Income/Loss

Non-operating Income/Expenses

Account (Million yen)	1H FY3/21	1H FY3/22
Interest income	88	71
Subsidy income	97	22
Other	109	130
Total non-operating income	295	224
Interest expenses	91	54
Foreign exchange losses	167	-
Operation preparation expenses	-	35
Other	52	38
Total non-operating expenses	311	128

Extraordinary Income/Loss

Account (Million yen)	1H FY3/21	1H FY3/22
Gain on sales of non-current assets	4	17
Total extraordinary income	4	17
Loss on sales of non-current assets	3	34
Loss on retirement of non-current assets	34	34
Loss on fire	-	129
Total extraordinary losses	38	199

Financial Position

(Million yen)	Total assets	Net assets	Shareholders' equity ratio	Net assets per share (Yen)
As of Sep. 30, 2021	132,678	89,752	64.4%	2,864.61
As of Mar. 31, 2021	129,053	85,561	63.9%	2,767.26

Reference: Shareholders' equity: As of Sep. 30, 2021: ¥85,389 million

As of Mar. 31, 2021: ¥82,488 million

Major yen exchange rates

Currencies	US\$	€	RMB
As of Jun. 30, 2021	110.60	131.61	17.10
As of Dec. 31, 2020	103.48	126.97	15.87
YoY Comparison	106.9%	103.7%	107.8%

Balance Sheet

Account (Million yen)		As of Mar. 31, 2021	As of Sep. 30, 2021	Change
Assets	Current assets	62,456	65,631	3,175
	Non-current assets	66,597	67,046	449
Total assets		129,053	132,678	3,625
Liabilities	Current liabilities	31,275	31,565	289
	Non-current liabilities	12,216	11,361	(855)
	Total liabilities	43,492	42,926	(565)
Net assets	Shareholders' equity	85,191	85,857	665
	Accumulated other comprehensive income	(2,703)	(467)	2,235
	Non-controlling interests	3,072	4,362	1,289
	Total net assets	85,561	89,752	4,190
Total liabilities and net assets		129,053	132,678	3,625

Net Assets

Account (Million yen)		As of Mar. 31, 2021	As of Sep. 30, 2021	Change
Shareholders' equity	Capital stock	10,128	10,128	-
	Capital surplus	13,405	13,405	-
	Retained earnings	63,045	63,711	666
	Treasury shares	(1,387)	(1,388)	(0)
	Total	85,191	85,857	665
Accumulated other comprehensive income	Valuation difference on available-for-sale securities	527	437	(90)
	Foreign currency translation adjustment	(4,182)	(1,842)	2,340
	Remeasurements of defined benefit plans	952	937	(14)
	Total	(2,703)	(467)	2,235
Non-controlling interests		3,072	4,362	1,289
Total net assets		85,561	89,752	4,190

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 FY3/22	2,634	(2,800)	(1,570)	11,032
1H FY3/21	6,215	(2,245)	831	11,991

Capital Expenditures, Depreciation, R&D Expenses

(Million yen)	Capital expenditures	Depreciation	R&D expenses
1H FY3/22	2,654	3,273	1,073
1H FY3/21	2,728	3,190	1,065

Note: Capital expenditures are on a cash basis.

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Summary of Business Operations

Item (Million yen)	FY3/21	FY3/22			YoY Comparison
	Results	1H Results	2H Forecast	Outlook (Initial)	
Net sales	102,668	55,673	58,327	114,000	+11.0%
Operating profit	5,185	2,985	2,215	5,200	+0.3%
Ordinary profit	5,519	3,081	2,319	5,400	-2.2%
Profit attributable to owners of parent	3,017	2,280	1,320	3,600	+19.3%

		1H	2H	Outlook
Dubai crude oil (US\$/bl)	April to March	69.2	80	75
Forex (JPY/USD)	January to December	108.5	112	110
Forex (JPY/EUR)	January to December	130.5	131	131

- Global economy outlook: Recovery is expected because of progress with vaccinations and forecast growth in demand, chiefly for industrial materials. The decline in auto output caused by shortages of semiconductors and other components will probably become a worldwide problem.
- Dividend: Annual dividend (forecast) ¥50 per share (Interim dividend ¥25, Estimated year-end dividend ¥25)

Extrusion Business

Item (Million yen)	FY3/21	FY3/22			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	37,595	18,829	20,571	39,400	+4.8%
Operating profit	2,576	1,470	1,430	2,900	+12.6%

Increase in sales and earnings because of recovery in sales volume and strong sales of value-added products

Food packaging materials and food containers



STYREN PAPER



MIRABOARD

- Sales of food packaging materials are expected to decrease from the temporary surge in sales in FY3/21
- Anticipate growth in demand for materials used for advertising displays because exhibitions and other events are restarting

Industrial packaging materials



**MIRAMAT
CAPLON
P-BOARD**

- Sales of value-added products are expected to remain strong

Home insulation materials and civil engineering materials



MIRAFOAM



J-WALL BLOCK

- Negligible impact of the sharp rise in the cost of lumber products
- Sales are expected to be unchanged from one year earlier

Bead Business

Item (Million yen)	FY3/21	FY3/22			YoY Comparison
	Results	1H Results	2H Forecast	Outlook	
Net sales	59,893	33,806	34,794	68,600	+14.5%
Operating profit	3,550	1,952	1,348	3,300	-7.0%

Higher sales due to the recovery of sales volume and the revision of product prices, and 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

- Sales are expected to be much higher than in FY3/21 in all regions as markets recover from the pandemic downturn
- Spreads are narrowing because of high prices of raw materials; forecast higher earnings than in FY3/21

Expandable polystyrene, hybrid molded products



STYRODIA



CLEARPOR



HEATPOR

- Expect an increase in sales of STYRODIA and other bead products because of revisions to selling prices
- Forecast much lower earnings due to the severe impact of the rising cost of styrene monomer

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Growth of ARPRO/P-BLOCK Sales in China (1)

Packaging material for electric car batteries

- ◆ ARPRO/P-BLOCK was selected by Contemporary Amperex Technology Co., Ltd. as the packaging material for export shipments of electric car batteries to Europe.
- ◆ This material was used in this application first by PSA and is currently also used by BMW, Volkswagen and Mercedes-Benz.



Growth of ARPRO/P-BLOCK Sales in China (2)

Packaging material for electric car batteries

- ◆ Panasonic Automotive Energy Dalian Co., Ltd. uses ARPRO/P-BLOCK for packaging batteries that were exported to Japan and sold to automakers in China.
- ◆ Sales volume of packaging material for batteries are expected to grow along with the production of electric cars.



A package with a battery inside



An expanded polypropylene (EPP) box inside an injection box

Growth of ARPRO/P-BLOCK Sales in China (3)

Components of Home Air Cleaners

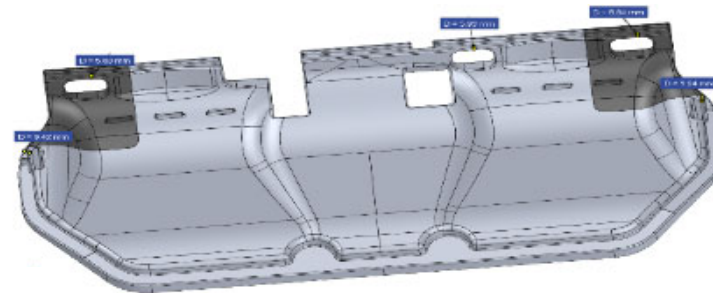
- ◆ In China, ARPRO/P-BLOCK was selected for the structural components of home air cleaners.
- ◆ Components made of this material are light and easy to assemble. Sales for this application are expected to grow.



An air cleaning system with ARPRO/P-BLOCK parts in place

A New Application for ARPRO/P-BLOCK in Europe

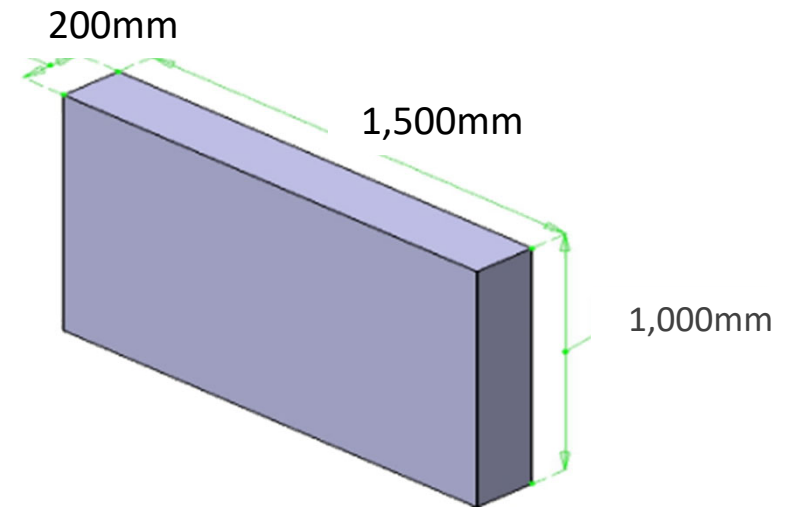
Volkswagen SUV Rear Seats



- ◆ ARPRO/P-BLOCK is used in the rear seats of Volkswagen SUVs, an automobile category with steadily growing sales worldwide.
- ◆ The Volkswagen T-Cross is a very popular compact SUV with a large sales volume.
- ◆ More automakers around the world using ARPRO/P-BLOCK to reduce the weight of rear seats.

A New Application for ARPRO/P-BLOCK in Brazil

ARPRO/P-BLOCK at a Hydroelectric Power Plant



- ◆ ARPRO/P-BLOCK is used at a hydroelectric power plant in Brazil.
- ◆ The thermal insulation characteristics make this material ideal for blocking the heat produced by the plant's generators.
- ◆ The ease of recycling ARPRO/P-BLOCK is another reason for its selection to replace another material at this power plant.

Increasing the Recycling of ARPRO/P-BLOCK (Europe, North America)

ARPRO/P-BLOCK, made using recycled materials, will be sold in North America too

- ◆ In Europe, sales of ARPRO/P-BLOCK RE, incorporating recycled materials, started in 2019.
- ◆ To expand this market, production of ARPRO/P-BLOCK RC, which also incorporates recycled materials, started in North America.
- ◆ JSP plans to expand to a global scale its lineup of products incorporating recycled materials to cope with global warming.



Dunnage trays made of recycled EPP



Ingots



Re-pelleting process

The production of ARPRO/P-BLOCK using recycled EPP



Question?

To submit a question, please use the chat function and enter “Yes.”
Organizer will choose questioners and unmute them.

Inquiries: Tel +81(3)-6212-6306
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