



April 30, 2024

## SUMMARY OF FINANCIAL STATEMENTS (Consolidated) Full-year Results for the Fiscal Year Ended March 31, 2024

[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 27, 2024  
 Scheduled date of payment of dividend: June 10, 2024  
 Scheduled date of filing of Annual Securities Report: June 27, 2024  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

Note: The original disclosure in Japanese was released on April 30, 2024 at 15:00 (GMT +9).

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

### 1. Full-year Results (April 1, 2023 to March 31, 2024) for the Fiscal Year Ended March 31, 2024

(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, 2024	135,051	2.5	7,563	155.9	8,127	141.7	6,391	152.5
Fiscal year ended Mar. 31, 2023	131,714	15.4	2,956	(35.6)	3,363	(30.9)	2,531	(12.5)

Note: Comprehensive income: Fiscal year ended Mar. 31, 2024: 11,602 million yen (up 53.3 %)  
 Fiscal year ended Mar. 31, 2023: 7,565 million yen (up 25.5%)

	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, 2024	221.83	-	6.8	5.5	5.6
Fiscal year ended Mar. 31, 2023	84.91	-	2.8	2.4	2.2

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended Mar. 31, 2024: 37 million yen  
 Fiscal year ended Mar. 31, 2023: 39 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, 2024	151,605	100,069	62.8	3,635.60
As of Mar. 31, 2023	144,528	96,123	63.5	3,076.73

Reference: Shareholders' equity: As of Mar. 31, 2024: 95,281 million yen As of Mar. 31, 2023: 91,711 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, 2024	15,665	(8,056)	(8,449)	14,653
Fiscal year ended Mar. 31, 2023	8,725	(6,478)	1,016	14,696

### 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			
Fiscal year ended Mar. 31, 2023	Yen -	Yen 25.00	Yen -	Yen 25.00	Yen 50.00	Million yen 1,490	% 58.9	% 1.7
Fiscal year ended Mar. 31, 2024	-	25.00	-	40.00	65.00	1,793	29.3	1.9
Fiscal year ending Mar. 31, 2025 (forecasts)	-	40.00	-	40.00	80.00		39.6	

Note: Revisions to the most recently announced dividend forecast: Yes

※For details, please refer to the "Notice on Revision of the Year-end Dividend Forecast (Dividend Increase), Change of the Basic Shareholder Return Policy and Partial Change to the Shareholder Benefit Plan" released today, April 30, 2024.

### 3. Forecast for Consolidated Business Performance in the Fiscal Year Ending March 31, 2025

(April 1, 2024 to March 31, 2025)

(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	72,000	8.4	3,300	1.6	3,500	(3.3)	2,600	(7.0)	99.21
Full year	146,000	8.1	7,000	(7.5)	7,400	(9.0)	5,300	(17.1)	202.23

#### \* 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: None

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, 2024: 31,413,473 shares As of Mar. 31, 2023: 31,413,473 shares

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

As of Mar. 31, 2024: 5,205,680 shares As of Mar. 31, 2023: 1,605,300 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 28,814,570 shares Fiscal year ended Mar. 31, 2023: 29,808,297 shares

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

##### Full-year Results (April 1, 2023 to March 31, 2024) for the Fiscal Year Ended March 31, 2024

(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, 2024	61,891	(2.3)	960	78.8	4,293	135.9	3,860	164.1
Fiscal year ended Mar. 31, 2023	63,323	10.8	537	(54.7)	1,820	(33.7)	1,461	(29.1)

	Net income per share	Fully diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	133.98	-
Fiscal year ended Mar. 31, 2023	49.05	-

(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, 2024	91,939	50,209	54.6	1,915.83
As of Mar. 31, 2023	91,743	53,564	58.4	1,796.98

Reference: Shareholders' equity: As of Mar. 31, 2024: 50,209 million yen As of Mar. 31, 2023: 53,564 million yen

\* The current quarterly financial report is not subject to quarterly review 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) Explanation of Results of Operations

In the current fiscal year, the global economy showed increasing signs of slowdown due to the prolonged war in Ukraine, growing tensions regarding the escalation of conflict in the Middle East, escalating prices and monetary tightening to reduce inflation and the sluggish growth in the Chinese economy. There was a modest upturn of the Japanese economy backed primarily by an increase in personal consumption, among other factors. This improvement was the result of the relaxation of pandemic restrictions following the shift of the disease to category 5 under the Infectious Disease Control Law. Nevertheless, the economic outlook remains uncertain due to inflation, the negative effect of overseas demand on production and exports, and fluctuations in financial and capital markets.

The recovery of demand of the foamed plastics industry in Japan for the fisheries and agriculture sectors has lost momentum because of inflation. Demand for the automobile sector has continued to recover because shortages of semiconductors and other parts have largely ended.

JSP has worked to achieve the goals of the medium-term business plan, “Change for Growth,” for which the fiscal year ended March 31, 2024 was the final year of the implementation period, and carried out the reform strategies to further increase its corporate value by improving capital profitability and growth and by managing sustainability through environmental responsive products and the recycling of plastics.

Sales were higher than one year earlier mainly because of higher overseas sales volume and revisions of prices of our products. The operating profit increased from one year earlier because of higher sales and cost reductions.

Net sales in the current fiscal year were 135,051 million yen, up 2.5% from the previous fiscal year. Operating profit increased 155.9% to 7,563 million yen, ordinary profit increased 141.7% to 8,127 million yen and profit attributable to owners of parent increased 152.5% to 6,391 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, decreased. This was mainly the result of lower sales volume for STYRENPAPER in the food tray category and for MIRABOARD, a material used for advertising displays.

Sales of industrial products, including MIRAMAT, a foamed polyethylene sheet used for industrial packaging materials and flat panel displays, were lower than one year earlier. Sales volume of value-added products are recovering but overall sales decreased. Sales of general-purpose products also decreased.

Sales of MIRAFOAM, an extruded board made of foamed polystyrene, and other construction and civil engineering materials increased because of product price revisions and the higher sales volume of value-added products, although the sales volume of materials for fabrication in the building construction and housing markets was about the same as one year earlier, and the sales volume of materials used for civil engineering applications decreased.

Total sales in this segment decreased due to a lower total sales volume despite the progress in product price revisions. Earnings increased due to the higher sales volume of value-added products and cost reductions, despite the higher cost of utilities.

As a result, sales in the Extrusion Business decreased 1.1% to 41,956 million yen and operating profit increased 17.6% to 2,078 million yen.

#### Bead Business

Sales of high-performance products, mainly ARPRO (ARPRO and P-BLOCK are unified), an expanded polypropylene product manufactured and sold worldwide, increased mainly due to stable sales volume of both the automotive sector and the non-automotive sector.

In Japan, sales volume was about the same as one year earlier because of an increase in the automotive sector and a decrease of sales volume of FOAMCORE, a hybrid molding product, and other products. In North America, sales volume increased due to strong demand of returnable containers, athletic field impact protection materials and other products. In South America, sales volume in the automotive sector increased. In Europe, sales volume increased due

to strong demand in the HVAC and other sectors. In China, sales volume is recovering in the automotive sector but was lower than the previous fiscal year when the sales volume in the packaging materials sector was strong. In Taiwan and in Southeast Asia, sales volume in the packaging materials sector decreased.

Sales of expandable polystyrene bead products, chiefly STYRODIA, decreased mainly due to lower sales volume because of decline in demand for these products in the fisheries and agriculture sectors.

Total sales in this segment increased because of higher sales volume of high-performance products and product price revisions, although the total sales volume was down. Earnings increased due to higher sales and cost reductions, despite the higher cost of utilities and labor.

As a result, sales in the Bead Business increased 5.5% to 87,294 million yen and operating profit increased 220.9% to 6,542 million yen.

## **Other**

Sales of general packaging materials decreased in Japan due to lower demand in the automotive parts transportation and other market sectors. In China, lower demand for packaging materials for many types of components resulted in lower sales.

As a result, sales in the other decreased 10.9% to 5,800 million yen and operating profit decreased 50.6% to 82 million yen.

## **(2) Financial Position**

Total assets as of March 31, 2024 were 151,605 million yen, up 7,077 million yen from March 31, 2023.

Current assets increased 4,333 million yen to 78,155 million yen mainly due to increases in cash and cash deposits of 1,295 million yen and electronically recorded monetary claims-operating of 1,637 million yen.

Non-current assets increased 2,743 million yen to 73,449 million yen due to an increase in machinery, equipment and vehicles, net of 1,054 million yen.

Total liabilities as of March 31, 2024 were 51,536 million yen, up 3,131 million yen from March 31, 2023.

Current liabilities decreased 678 million yen to 35,765 million yen mainly due to decreases in short-term borrowings of 4,378 million yen, offsetting increases in notes and accounts payable-trade of 1,035 million yen and in long-term borrowings of 1,191 million yen.

Non-current liabilities increased 3,809 million yen to 15,770 million yen mainly due to increases in long-term borrowings of 3,044 million yen.

As a result, net assets totaled 100,069 million yen and the shareholders' equity ratio decreased 0.7 percentage points to 62.8%.

## **(3) Cash Flows**

### Cash flows from operating activities

Net cash provided by operating activities totaled 15,665 million yen, an increase of 6,940 million yen from the previous fiscal year. Inflows included 8,796 million yen from profit before income taxes and 7,632 million yen from depreciation. Outflows included increases in trade receivables of 1,397 million yen and income taxes paid of 1,380 million yen.

### Cash flows from investing activities

Net cash used in investing activities totaled 8,056 million yen, an increase of 1,577 million yen from the previous fiscal year. Outflows included 6,749 million yen for the purchase of non-current assets.

### Cash flows from financing activities

Net cash used in financing activities totaled 8,449 million yen, compared with net cash provided of 1,016 million yen in the previous fiscal year. Inflows included and proceeds from long-term borrowings of 9,000 million yen to repurchase own shares. Outflows included a net decrease of 4,477 million yen in short-term borrowings, 4,842 million yen for the repayment of long-term borrowings by using funds from operating cash flows, purchase of treasury shares of 6,061 million yen and cash dividends paid of 1,490 million yen.

As a result, cash and cash equivalents totaled 14,653 million yen as of March 31, 2024, down 43 million yen from March 31, 2023.

#### (4) Outlook

In the fiscal year ending on March 31, 2025, we expect that global economic growth rate will remain about the same as in the previous year. Despite the slower growth rate than before the pandemic, the economic growth in the U.S. and the major emerging and developing countries are expected to be steady. Concerning the energy prices, oil prices are expected to remain high due to increasing geopolitical risks in the Middle East and Ukraine and growing expectations of extended voluntary production cuts by OPEC Plus. Although global inflation is expected to slow down in 2024 compared to 2023, the rising price pressures are persistent, and wages are rising and labor markets remain tight in many countries and regions.

Under these circumstances, JSP aims to increase earnings by cutting expenses and revising prices of our products in response to the rising costs, which include labor costs, costs of maintaining production facilities as well as working on environmental issues, and other fixed costs in addition to variable costs, 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

Demands for household products, industrial packaging products and insulation materials used in houses, buildings and freezer and refrigerated trucks are expected to remain firm, and demand for civil engineering materials is expected to increase. Sales is expected to increase in this business due to higher sales volume and the revision of product prices to offset higher prices of raw material. Earnings are expected to be lower than one year earlier due to an increase in raw material prices, labor costs and other fixed costs.

#### Bead Business

Sales volume of advanced materials, mainly ARPRO, is expected to increase as the demand for automotive parts is expected to remain firm and that for non-automotive parts is projected to be strong. Sales volume of expandable polystyrene bead products, chiefly STYRODIA, will be affected by the decline in demand for these products in the fisheries and agriculture sectors.

Overall, sales are expected to increase in this business due to an increase in sales volume of advanced materials and the revision of product prices to offset higher prices of raw material. Earnings are expected to be lower than one year earlier due to higher raw material prices, and increased labor and other fixed costs.

Sales and earnings forecasts for the fiscal year ending March 31, 2025 are as follows.

#### i. Forecast for consolidated business performance in the fiscal year ending March 31, 2025

(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	146,000	8.1	7,000	(7.5)	7,400	(9.0)	5,300	(17.1)

Assumptions

Exchange rates: JPY150/USD, JPY160/EUR, JPY20.0/CNY

Dubai crude oil: USD90/BL

#### ii. Segment information summary

(Million yen)

	Fiscal year ended March 31, 2024 (Results) (Note)		Fiscal year ending March 31, 2025 (Forecast) (Note)	
	Net sales	Operating profit	Net sales	Operating profit
Extrusion Business	47,756	2,161	52,000	1,900
Bead Business	87,294	6,542	94,000	6,300
Subtotal	135,051	8,703	146,000	8,200
Adjustments	-	(1,139)	-	(1,200)
Total	135,051	7,563	146,000	7,000

(Note) “Other” in the segment information has been merged with the Extrusion Business, which is considered to be highly relevant in terms of human resources and asset utilization, from the year ending 31 March 2025. The results for the fiscal year ended March 31, 2024 are approximate figures based on the segment classification after the change.

### iii. Capital expenditures

The forecast for capital expenditures is 10,000 million yen. Substantial investments will be made to increase production capacity for ARPRO including the establishment of a new plant in Ramos Arizpe, Mexico and in Pune, India, and expansion of production capacity in Cheb, Czech Republic, as well as to promote automation, labor efficiency and energy conservation for an effective rationalization of production systems. The forecast for depreciation expenses is 7,800 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, the 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, 2024 in consideration of results of operations, the operating environment, dividend stability and other items, we plan to pay a dividend of 65 yen per share. Since an interim dividend of 25 yen per share has been paid, this will result in a year-end dividend of 40 yen per share. In the fiscal year ending on March 31, 2025, we plan to pay an interim and year-end dividend of 40 yen per share each, a total of 80 yen.

※ For details of dividends for the fiscal year that ended on March 31, 2024 and on March 31, 2025, please refer to the "Notice of Revision of Dividend Forecast (Dividend Increase), Change in Shareholder Return Policy and Partial Change in Shareholder Benefit Plan" released today, April 30, 2024.

## **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.*