

Consolidated Balance Sheets

Nippon Soda Co., Ltd. and subsidiaries

As of March 31	Millions of Yen		Thousands of
	2008	2009	U.S. Dollars
ASSETS			2009
Current assets			
Cash and deposits with banks	¥ 9,348	¥ 17,543	\$ 179,010
Notes and accounts receivable - trade	49,669	40,807	416,398
Inventories	23,871	24,565	250,663
Deferred tax assets	2,344	1,648	16,816
Other	2,561	2,601	26,541
Allowance for doubtful accounts	(47)	(247)	(2,520)
Total current assets	87,748	86,917	886,908
Fixed assets			
Tangible fixed assets			
Buildings and structures	16,937	16,530	168,673
Machinery, equipment and vehicles	14,172	13,611	138,888
Tools, furniture and fixtures	1,569	1,529	15,602
Land	14,722	14,766	150,673
Lease assets	—	862	8,796
Construction in progress	215	204	2,082
Total tangible fixed assets	47,618	47,503	484,724
Intangible fixed assets			
Trade right	1,303	—	—
Other	1,129	1,281	13,071
Total intangible fixed assets	2,433	1,281	13,071
Investments and other assets			
Investment securities	24,738	26,473	270,133
Long-term prepaid expenses	499	575	5,867
Deferred tax assets	1,796	1,527	15,582
Other	3,458	3,973	40,541
Allowance for doubtful accounts	(60)	(72)	(735)
Total investments and other assets	30,432	32,476	331,388
Total fixed assets	80,483	81,262	829,204
Total assets	¥ 168,232	¥ 168,180	\$ 1,716,122

The financial statements are a translation of Japanese annual security report's financial statement.

As of March 31	Millions of Yen		Thousands of
	2008	2009	U.S. Dollars
LIABILITIES			2009
Current liabilities			
Notes and accounts payable - trade	¥ 27,444	¥ 21,109	\$ 215,398
Short-term borrowings	39,979	40,111	409,296
Lease obligations	—	449	4,582
Corporation and inhabitants taxes payable	516	750	7,653
Accrued bonuses	2,521	2,325	23,724
Other	5,910	5,399	55,092
Total current liabilities	76,371	70,144	715,755
Long-term liabilities			
Long-term borrowings	14,191	15,796	161,184
Lease obligations	—	946	9,653
Deferred tax liabilities	452	609	6,214
Reserve for retirement benefits	2,249	2,700	27,551
Reserve for retirement benefits for directors and corporate auditors	470	516	5,265
Other	2,079	2,124	21,673
Total long-term liabilities	19,442	22,693	231,561
Total liabilities	95,814	92,838	947,327
NET ASSETS			
Shareholders' equity			
Capital stock	29,166	29,166	297,612
Capital surplus	26,094	26,094	266,265
Retained earnings	11,203	17,042	173,898
Treasury stock	(573)	(586)	(5,980)
Total shareholders' equity	65,890	71,716	731,796
Valuation and translation adjustments			
Difference on revaluation of other marketable securities	1,655	615	6,276
Deferred hedge gains and losses	(12)	(121)	(1,235)
Translation adjustments	209	(1,489)	(15,194)
Total valuation and translation adjustments	1,852	(995)	(10,153)
Minority interest	4,674	4,619	47,133
Total net assets	72,418	75,341	768,786
Total liabilities and net assets	¥ 168,232	¥ 168,180	\$ 1,716,122

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Consolidated Statements of Income

Nippon Soda Co., Ltd. and subsidiaries

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Net sales	¥ 157,561	¥ 151,021	\$ 1,541,031
Cost of sales	121,536	118,796	1,212,204
Gross profit	36,024	32,225	328,827
Selling, general and administrative expenses	26,200	26,442	269,816
Operating income	9,823	5,782	59,000
Nonoperating income	3,320	8,380	85,510
Interest income	74	43	439
Dividends received	315	453	4,622
Rent income	519	532	5,429
Income from investments accounted for by equity method	1,371	6,420	65,510
Other	1,039	929	9,480
Nonoperating expenses	2,366	2,168	22,122
Interest expenses	948	908	9,265
Salaries for seconded staff	409	464	4,735
Cost—lease	357	352	3,592
Other	651	443	4,520
Ordinary income	10,777	11,995	122,398
Special income	116	521	5,316
Compensation income	—	492	5,020
Gain on sales of subsidiaries and affiliates' stock	76	—	—
Reversal of allowance for doubtful account	40	—	—
Other	0	29	296
Special loss	1,552	2,347	23,949
Impairment loss	640	843	8,602
Loss on valuation of investment securities	363	593	6,051
Structure improvement expenses	—	383	3,908
Loss on disposal of fixed assets	483	355	3,622
Other	64	171	1,745
Income before income taxes and minority interests	9,342	10,169	103,765
Corporation, inhabitants and enterprise taxes	1,171	1,469	14,990
Deferred income taxes and other	2,802	1,936	19,755
Minority interest in net income	213	11	112
Net income	¥ 5,155	¥ 6,751	\$ 68,888

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Consolidated Statements of Changes in Net Assets

For the years ended March 31	Millions of Yen		Thousands of U.S. Dollars
	2008	2009	2009
Shareholders' equity			
Capital stock			
Balance at the end of previous year	¥ 29,166	¥ 29,166	\$ 297,612
Changes of the current year	—	—	—
Total changes of items during the current year	—	—	—
Balance at the end of current year	29,166	29,166	297,612
Capital surplus			
Balance at the end of previous year	26,094	26,094	266,265
Changes of items during the current year	—	—	—
Total changes of items during the current year	—	—	—
Balance at the end of current year	26,094	26,094	266,265
Retained earnings			
Balance at the end of previous year	6,809	11,203	114,316
Changes of items during the current year			
Dividends from surplus	(760)	(912)	(9,306)
Net income	5,155	6,751	68,888
Total changes of items during the current year	4,394	5,838	59,571
Balance at the end of current year	11,203	17,042	173,898
Treasury stock			
Balance at the end of previous year	(557)	(573)	(5,847)
Changes of items during the current year			
Acquisition of treasury stock	(16)	(12)	(122)
Total changes of items during the current year	(16)	(12)	(122)
Balance at the end of current year	(573)	(586)	(5,980)
Total shareholders' equity			
Balance at the end of previous year	61,512	65,890	672,347
Changes of items during the current year			
Dividends from surplus	(760)	(912)	(9,306)
Net income	5,155	6,751	68,888
Acquisition of treasury stock	(16)	(12)	(122)
Total changes of items during the current year	4,378	5,825	59,439
Balance at the end of current year	65,890	71,716	731,796
Valuation and translation adjustments			
Valuations difference on other securities			
Balance at the end of previous year	3,336	1,655	16,888
Changes of items during the current year			
Net changes of items other than shareholders' equity	(1,681)	(1,040)	(10,612)
Total changes of items during the current year	(1,681)	(1,040)	(10,612)
Balance at the end of current year	1,655	615	6,276
Deferred hedges gains and losses			
Balance at the end of previous year	6	(12)	(122)
Changes of items during the current year			
Net changes of items other than shareholders' equity	(19)	(108)	(1,102)
Total changes of items during the current year	(19)	(108)	(1,102)
Balance at the end of current year	(12)	(121)	(1,235)
Translation adjustments			
Balance at the end of previous year	857	209	2,133
Changes of items during the current year			
Net changes of items other than shareholders' equity	(648)	(1,698)	(17,327)
Total changes of items during the current year	(648)	(1,698)	(17,327)
Balance at the end of current year	209	(1,489)	(15,194)
Total valuation and translation adjustments			
Balance at the end of previous year	4,201	1,852	18,898
Changes of items during the current year			
Net changes of items other than shareholders' equity	(2,348)	(2,847)	(29,051)
Total changes of items during the current year	(2,348)	(2,847)	(29,051)
Balance at the end of current year	1,852	(995)	(10,153)
Minority interest			
Balance at the end of previous year	4,671	4,674	47,694
Changes of items during the current year			
Net changes of items other than shareholders' equity	2	(54)	(551)
Total changes of items during the current year	2	(54)	(551)
Balance at the end of current year	4,674	4,619	47,133
Total net assets			
Balance at the end of previous year	70,385	72,418	738,959
Changes of items during the current year			
Dividends from surplus	(760)	(912)	(9,306)
Net income	5,155	6,751	68,888
Acquisition of treasury stock	(16)	(12)	(122)
Net changes of items other than shareholders' equity	(2,345)	(2,902)	(29,612)
Total changes of items during the current year	2,032	2,923	29,827
Balance at the end of current year	¥ 72,418	¥ 75,341	\$ 768,786

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Consolidated Statements of Cash Flows

For the years ended March 31

Millions of Yen

Thousands of
U.S. Dollars

	2008	2009	2009
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 9,342	¥ 10,169	\$ 103,765
Depreciation	6,021	6,242	63,694
Impairment loss	640	843	8,602
Amortization of trade right	1,300	1,552	15,837
Loss (gain) on investments accounted for by equity method	(1,371)	(6,420)	(65,510)
Exchange loss (gain)	153	—	—
Increase (decrease) in reserve for retirement benefits	(371)	451	4,602
Increase (decrease) in accrued bonuses	(3)	(195)	(1,990)
Increase (decrease) in allowance for doubtful accounts	(37)	214	2,184
Increase (decrease) in allowance for restructuring	(793)	—	—
Interest and dividends income	(390)	(497)	(5,071)
Interest expenses	948	908	9,265
Loss (gain) on valuation of investment securities	—	593	6,051
Loss on disposal of fixed assets	506	385	3,929
Decrease in notes and accounts receivable—trade	1,645	8,013	81,765
Decrease (increase) in inventories	699	(884)	(9,020)
Increase (decrease) in account payables—purchases	(1,593)	(5,308)	(54,163)
Other	567	(477)	(4,867)
Subtotal	17,264	15,591	159,092
Interests and dividend received	635	1,172	11,959
Interest paid	(952)	(892)	(9,102)
Payments of income taxes, etc.	(1,208)	(1,286)	(13,122)
Cash flows from operating activities	15,737	14,584	148,816
Cash flows from investing activities			
Purchases of tangible fixed assets	(4,673)	(5,873)	(59,929)
Proceeds from sales of tangible fixed assets	230	2	20
Purchases of intangible fixed assets	(155)	(156)	(1,592)
Purchases of investment securities	(1,241)	(97)	(990)
Proceeds from sales of investment securities	20	93	949
Proceeds from sales of investments in stock of affiliated companies	105	—	—
Payments for loans receivable	(390)	(143)	(1,459)
Proceeds from loans receivable	236	70	714
Other	(843)	(222)	(2,265)
Cash flows from investing activities	(6,712)	(6,327)	(64,561)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(2,830)	740	7,551
Proceeds from long-term borrowings	5,200	10,800	110,204
Repayment of long-term borrowings	(9,950)	(9,803)	(100,031)
Dividends paid	(757)	(912)	(9,306)
Dividends paid to minority interest	(73)	(87)	(888)
Repayment of lease obligations	—	(609)	(6,214)
Other	(16)	(12)	(122)
Cash flows from financing activities	(8,427)	114	1,163
Translation differences on cash and cash equivalents	(153)	(177)	(1,806)
Increase (decrease) in cash and cash equivalents	444	8,194	83,612
Cash and cash equivalents at beginning of period	8,882	9,326	95,163
Cash and cash equivalents at end of period	¥ 9,326	¥ 17,521	\$ 178,786

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