

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 4, 2017

Company name: Nippon Soda Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4041 URL <http://www.nippon-soda.co.jp/>
 Representative: President Akira Ishii
 Inquiries: Manager, Stakeholder Relations Group Satoshi Takeuchi TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: August 10, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	29,641	(2.8)	1,542	21.2	2,427	(7.5)	1,420	(53.5)
Three months ended June 30, 2016	30,484	(9.2)	1,273	(33.9)	2,625	(56.7)	3,055	(41.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	9.41		–	
Three months ended June 30, 2016	19.64		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	212,959	139,863	64.4
As of March 31, 2017	217,302	138,069	62.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	6.00	–	6.00	12.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	6.00	–	6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	133,000	3.4	5,600	4.4	7,900	(20.3)	5,500	(37.4)	36.45

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2017	155,636,535 shares	As of March 31, 2017	155,636,535 shares
---------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of June 30, 2017	4,725,328 shares	As of March 31, 2017	4,724,709 shares
---------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2017	150,911,589 shares	Three months ended June 30, 2016	155,605,696 shares
----------------------------------	--------------------	----------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	33,171	27,405
Notes and accounts receivable - trade	38,153	35,197
Electronically recorded monetary claims - operating	2,018	1,938
Inventories	28,484	31,266
Deferred tax assets	1,996	1,964
Other	3,509	3,678
Allowance for doubtful accounts	(196)	(190)
Total current assets	107,137	101,260
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,694	16,481
Machinery, equipment and vehicles, net	18,284	18,841
Tools, furniture and fixtures, net	1,610	1,574
Land	15,338	15,337
Leased assets, net	238	226
Construction in progress	2,515	1,454
Total property, plant and equipment	54,682	53,915
Intangible assets		
Goodwill	704	645
Other	877	864
Total intangible assets	1,582	1,509
Investments and other assets		
Investment securities	41,186	43,560
Net defined benefit asset	7,597	7,713
Deferred tax assets	2,469	2,191
Other	2,673	2,832
Allowance for doubtful accounts	(26)	(25)
Total investments and other assets	53,900	56,273
Total non-current assets	110,165	111,699
Total assets	217,302	212,959

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,445	14,053
Electronically recorded obligations - operating	1,917	1,809
Short-term loans payable	31,634	30,339
Income taxes payable	1,468	263
Provision for bonuses	3,017	2,547
Other	6,847	5,698
Total current liabilities	60,330	54,711
Non-current liabilities		
Long-term loans payable	7,569	6,404
Deferred tax liabilities	4,797	5,523
Net defined benefit liability	2,563	2,537
Provision for environmental measures	1,119	1,086
Other	2,852	2,831
Total non-current liabilities	18,902	18,383
Total liabilities	79,232	73,095
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	71,592	72,105
Treasury shares	(2,232)	(2,232)
Total shareholders' equity	127,886	128,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,083	8,295
Deferred gains or losses on hedges	(139)	(163)
Foreign currency translation adjustment	616	584
Remeasurements of defined benefit plans	(75)	(33)
Total accumulated other comprehensive income	7,483	8,682
Non-controlling interests	2,698	2,781
Total net assets	138,069	139,863
Total liabilities and net assets	217,302	212,959

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Net sales	30,484	29,641
Cost of sales	22,451	21,163
Gross profit	8,032	8,477
Selling, general and administrative expenses	6,759	6,935
Operating profit	1,273	1,542
Non-operating income		
Interest income	0	1
Dividend income	249	254
Share of profit of entities accounted for using equity method	1,475	574
Other	347	365
Total non-operating income	2,074	1,196
Non-operating expenses		
Interest expenses	110	89
Foreign exchange losses	438	-
Other	172	221
Total non-operating expenses	721	310
Ordinary profit	2,625	2,427
Extraordinary income		
Gain on sales of non-current assets	-	0
Gain on change in equity	907	-
Total extraordinary income	907	0
Extraordinary losses		
Loss on abandonment of non-current assets	21	154
Other	-	3
Total extraordinary losses	21	158
Profit before income taxes	3,512	2,269
Income taxes - current	1,969	281
Income taxes - deferred	(1,493)	468
Total income taxes	476	750
Profit	3,036	1,519
Profit (loss) attributable to non-controlling interests	(19)	98
Profit attributable to owners of parent	3,055	1,420

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit	3,036	1,519
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,204)	1,243
Deferred gains or losses on hedges	177	5
Foreign currency translation adjustment	(682)	(31)
Remeasurements of defined benefit plans, net of tax	34	44
Share of other comprehensive income of entities accounted for using equity method	(2,076)	(63)
Total other comprehensive income	(3,751)	1,199
Comprehensive income	(715)	2,718
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(562)	2,619
Comprehensive income attributable to non-controlling interests	(152)	99