

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, 2018 (Based on Japanese GAAP)

August 3, 2018

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, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2018 (from April 1, 2018 to June 30, 2018)

(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, 2018	32,332	9.1	1,655	7.3	2,444	0.7	1,870	31.7
Three months ended June 30, 2017	29,641	(2.8)	1,542	21.2	2,427	(7.5)	1,420	(53.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	12.39	–
Three months ended June 30, 2017	9.41	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	217,244	145,557	65.6
As of March 31, 2018	219,457	144,801	64.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	6.00	–	6.00	12.00
Year ending March 31, 2019	–				
Year ending March 31, 2019 (Forecast)		6.00	–	30.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Six months ending September 30, 2018	67,000	5.3	2,100	(6.5)	3,200	(17.7)	2,400	(7.2)	79.52
Full year	144,000	2.0	5,000	(21.8)	7,700	(16.3)	5,600	(12.2)	185.54

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
(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, 2018	155,636,535 shares	As of March 31, 2018	155,636,535 shares
---------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of June 30, 2018	4,729,976 shares	As of March 31, 2018	4,728,833 shares
---------------------	------------------	----------------------	------------------

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

Three months ended June 30, 2018	150,906,967 shares	Three months ended June 30, 2017	150,911,589 shares
----------------------------------	--------------------	----------------------------------	--------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	27,612	23,521
Notes and accounts receivable - trade	44,067	41,526
Electronically recorded monetary claims - operating	2,416	3,195
Inventories	27,623	29,587
Other	3,088	3,484
Allowance for doubtful accounts	(217)	(210)
Total current assets	104,590	101,104
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,858	17,225
Machinery, equipment and vehicles, net	20,715	19,668
Tools, furniture and fixtures, net	1,700	1,645
Land	15,266	15,113
Construction in progress	1,887	2,266
Other, net	16	11
Total property, plant and equipment	56,445	55,930
Intangible assets		
Goodwill	469	410
Other	924	907
Total intangible assets	1,393	1,318
Investments and other assets		
Investment securities	43,054	44,700
Net defined benefit asset	8,519	8,676
Deferred tax assets	2,901	2,850
Other	2,550	2,662
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	57,026	58,889
Total non-current assets	114,866	116,139
Total assets	219,457	217,244

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,032	18,735
Electronically recorded obligations - operating	2,788	2,454
Short-term loans payable	19,073	18,350
Income taxes payable	1,031	393
Provision for bonuses	2,766	2,563
Other	6,223	5,776
Total current liabilities	50,915	48,274
Non-current liabilities		
Long-term loans payable	12,846	12,169
Deferred tax liabilities	4,638	4,966
Net defined benefit liability	2,515	2,523
Provision for environmental measures	883	884
Other	2,855	2,868
Total non-current liabilities	23,739	23,412
Total liabilities	74,655	71,686
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	76,179	77,137
Treasury shares	(2,235)	(2,236)
Total shareholders' equity	132,469	133,427
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,614	9,073
Deferred gains or losses on hedges	7	80
Foreign currency translation adjustment	249	(548)
Remeasurements of defined benefit plans	470	513
Total accumulated other comprehensive income	9,340	9,118
Non-controlling interests	2,991	3,011
Total net assets	144,801	145,557
Total liabilities and net assets	219,457	217,244

**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, 2017	Three months ended June 30, 2018
Net sales	29,641	32,332
Cost of sales	21,163	23,943
Gross profit	8,477	8,389
Selling, general and administrative expenses	6,935	6,734
Operating profit	1,542	1,655
Non-operating income		
Interest income	1	2
Dividend income	254	230
Share of profit of entities accounted for using equity method	574	482
Other	365	332
Total non-operating income	1,196	1,048
Non-operating expenses		
Interest expenses	89	65
Other	221	193
Total non-operating expenses	310	259
Ordinary profit	2,427	2,444
Extraordinary income		
Gain on sales of non-current assets	0	7
Total extraordinary income	0	7
Extraordinary losses		
Loss on abandonment of non-current assets	154	3
Loss on valuation of golf club membership	1	7
Other	1	0
Total extraordinary losses	158	10
Profit before income taxes	2,269	2,440
Income taxes - current	281	358
Income taxes - deferred	468	124
Total income taxes	750	482
Profit	1,519	1,957
Profit attributable to non-controlling interests	98	87
Profit attributable to owners of parent	1,420	1,870

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	1,519	1,957
Other comprehensive income		
Valuation difference on available-for-sale securities	1,243	466
Deferred gains or losses on hedges	5	(32)
Foreign currency translation adjustment	(31)	(217)
Remeasurements of defined benefit plans, net of tax	44	47
Share of other comprehensive income of entities accounted for using equity method	(63)	(491)
Total other comprehensive income	1,199	(228)
Comprehensive income	2,718	1,729
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,619	1,647
Comprehensive income attributable to non-controlling interests	99	82