

Consolidated Balance Sheets

Nippon Soda Co., Ltd. and subsidiaries

As of March 31	Millions of Yen		Thousands of U.S. Dollars
ASSETS	2007	2008	2008
Current assets			
Cash and deposits with banks	¥ 8,904	¥ 9,348	\$ 93,486
Notes and accounts receivable - trade	51,302	49,669	496,699
Inventories	24,535	23,871	238,717
Deferred tax assets	2,096	2,344	23,441
Other	2,108	2,561	25,618
Allowance for doubtful accounts	(78)	(47)	(479)
Total current assets	88,867	87,748	877,484
Fixed assets			
Tangible fixed assets			
Buildings and structures	17,782	16,937	169,373
Machinery, equipment and vehicles	14,370	14,172	141,724
Tools, furniture and fixtures	1,721	1,569	15,695
Land	15,043	14,722	147,229
Construction in progress	1,058	215	2,157
Total tangible fixed assets	49,975	47,618	476,180
Intangible fixed assets			
Trade right	2,607	1,303	13,038
Other	1,411	1,129	11,298
Total intangible fixed assets	4,018	2,433	24,336
Investments and other assets			
Investment securities	26,404	24,738	247,388
Long-term prepaid expenses	546	499	4,990
Deferred tax assets	3,595	1,796	17,960
Other	2,773	3,458	34,585
Allowance for doubtful accounts	(66)	(60)	(602)
Total investments and other assets	33,253	30,432	304,321
Total fixed assets	87,248	80,483	804,838
Total assets	¥ 176,116	¥ 168,232	\$ 1,682,323

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

As of March 31	Millions of Yen		Thousands of U.S. Dollars
LIABILITIES	2007	2008	2008
Current liabilities			
Notes and accounts payable - trade	¥ 28,998	¥ 27,444	\$ 274,440
Short-term borrowings	43,360	39,979	399,792
Corporation and inhabitants taxes payable	577	516	5,161
Accrued bonuses	2,524	2,521	25,216
Allowance for restructuring	793	—	—
Other	5,325	5,910	59,102
Total current liabilities	81,580	76,371	763,713
Long-term liabilities			
Long-term borrowings	18,390	14,191	141,910
Deferred tax liabilities	413	452	4,525
Reserve for retirement benefits	2,620	2,249	22,491
Reserve for retirement benefits for directors and corporate auditors	561	470	4,703
Other	2,164	2,079	20,798
Total long-term liabilities	24,149	19,442	194,429
Total liabilities	105,730	95,814	958,142
NET ASSETS			
Shareholders' equity			
Capital stock	29,166	29,166	291,666
Capital surplus	26,094	26,094	260,941
Retained earnings	6,809	11,203	112,034
Treasury stock	(557)	(573)	(5,737)
Total shareholders' equity	61,512	65,890	658,906
Valuation and translation adjustments			
Difference on revaluation of other marketable securities	3,336	1,655	16,558
Deferred hedge gains and losses	6	(12)	(123)
Translation adjustments	857	209	2,092
Total translation adjustments	4,201	1,852	18,528
Minority interest	4,671	4,674	46,746
Total net assets	70,385	72,418	724,180
Total liabilities and net assets	¥ 176,116	¥ 168,232	\$ 1,682,323

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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
	2007	2008	2008
Net sales	¥ 145,300	¥ 157,561	\$ 1,575,611
Cost of sales	110,612	121,536	1,215,364
Gross profit	34,687	36,024	360,247
Selling, general and administrative expenses	25,740	26,200	262,007
Operating income	8,947	9,823	98,239
Nonoperating income	2,509	3,320	33,202
Interest income	67	74	747
Dividends received	260	315	3,154
Rent income	523	519	5,190
Insurance money received	549	—	—
Income from investments accounted for by equity method	356	1,371	13,716
Other	752	1,039	10,393
Nonoperating expenses	2,995	2,366	23,663
Interest expenses	875	948	9,482
Cost - lease	426	357	3,571
Loss on disposal of the inventories	673	—	—
Other	1,019	1,059	10,592
Ordinary income	8,462	10,777	107,777
Special income	307	116	1,165
Gain on sales of subsidiaries and affiliates' stock	—	76	760
Reversal of allowance for doubtful account	—	40	406
Gain on sales of fixed assets	274	—	—
Gain on sales of investment securities	31	—	—
Other	1	0	0
Special loss	2,928	1,552	15,521
Impairment loss	296	640	6,403
Loss on disposal of fixed assets	537	483	4,833
Loss on valuation of investment securities	—	363	3,635
Structure improvement expenses	948	—	—
Loss on litigation	684	—	—
Provision for reserve for retirement benefits for directors and corporate auditors	222	—	—
Other	238	64	649
Income before income taxes and minority interests	5,841	9,342	93,421
Corporation, inhabitants and enterprise taxes	1,147	1,171	11,715
Deferred income taxes and other	957	2,802	28,021
Minority interest in net income	309	213	2,133
Net income	¥ 3,426	¥ 5,155	\$ 51,551

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Consolidated Statements of Changes in Net Assets

For the year ended March 31, 2008	Millions of Yen									
	Shareholders' equity					Valuation and translation adjustments				
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains and losses	Translation adjustments	Total valuation and translation adjustments	Minority Interest
Balance as of March 31, 2007	¥ 29,166	¥ 26,094	¥ 6,809	¥ (557)	¥ 61,512	¥ 3,336	¥ 6	¥ 857	¥ 4,201	¥ 4,671
Changes during the current year										
Dividends paid			(760)		(760)					(760)
Net income			5,155		5,155					5,155
Acquisition of treasury stock				(16)	(16)					(16)
Net changes in items other than shareholders equity						(1,681)	(19)	(648)	(2,348)	2
Total changes during the current year	—	—	4,394	(16)	4,378	(1,681)	(19)	(648)	(2,348)	2
Balance at March 31, 2008	¥ 29,166	¥ 26,094	¥ 11,203	¥ (573)	¥ 65,890	¥ 1,655	¥ (12)	¥ 209	¥ 1,852	¥ 4,674

For the year ended March 31, 2008	Thousands of U.S. Dollars									
	Shareholders' equity					Valuation and translation adjustments				
	Capital Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains and losses	Translation adjustments	Total valuation and translation adjustments	Minority Interest
Balance as of March 31, 2007	\$ 291,666	\$ 260,941	\$ 68,092	\$ (5,575)	\$ 615,125	\$ 33,369	\$ 69	\$ 8,572	\$ 42,011	\$ 46,718
Changes during the current year										
Dividends paid			(7,609)		(7,609)					(7,609)
Net income			51,556		51,556					51,556
Acquisition of treasury stock				(161)	(161)					(161)
Net changes in items other than shareholders equity						(16,810)	(192)	(6,480)	(23,483)	27
Total changes during the current year	—	—	43,826	(161)	43,665	(16,810)	(192)	(6,480)	(23,483)	27
Balance at March 31, 2008	\$ 291,666	\$ 260,941	\$ 111,919	\$ (5,737)	\$ 658,791	\$ 16,558	\$ (123)	\$ 2,092	\$ 18,528	\$ 46,746

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Consolidated Statements of Cash Flows

For the years ended March 31

Millions of Yen

Thousands of
U.S. Dollars

	2007	2008	2008
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 5,841	¥ 9,342	\$ 93,421
Depreciation	5,334	6,021	60,217
Impairment loss	296	640	6,403
Amortization of goodwill	1,301	1,300	13,006
Gain/loss on investments accounted for by equity method	(356)	(1,371)	(13,716)
Exchange gain/loss	(27)	153	1,534
Decrease in reserve for retirement benefits	(1,376)	(371)	(3,717)
Increase/decrease in accrued bonuses	139	(3)	(30)
Increase/decrease in allowance for doubtful accounts	46	(37)	(373)
Increase/decrease in allowance for restructuring	(1,535)	(793)	(7,933)
Interest and dividends income	(327)	(390)	(3,901)
Interest expenses	875	948	9,482
Gain on sales of investment securities	(32)	—	—
Gain/loss on sales of fixed assets	(273)	—	—
Loss on disposal of fixed assets	569	506	5,060
Loss on litigation	684	—	—
Increase/decrease in notes and accounts receivable - trade	(5,952)	1,645	16,457
Decrease in inventories	1,066	699	6,999
Increase/decrease in account payables - purchases	5,472	(1,593)	(15,939)
Other	535	567	5,673
Subtotal	12,280	17,264	172,643
Interests and dividend received	400	635	6,352
Interest paid	(866)	(952)	(9,528)
Payments of income taxes, etc.	(1,358)	(1,208)	(12,087)
Payments of loss on lawsuit	(828)	—	—
Cash flows from operating activities	9,627	15,737	157,379
Cash flows from investing activities			
Purchases of tangible fixed assets	(4,527)	(4,673)	(46,738)
Proceeds from sales of tangible fixed assets	516	230	2,300
Purchases of intangible fixed assets	(286)	(155)	(1,552)
Purchases of investment securities	(1,661)	(1,241)	(12,419)
Proceeds from sales of investment securities	9	20	207
Proceeds from sales of investments in stock of affiliated companies	47	105	1,050
Payments for loans receivable	(342)	(390)	(3,900)
Proceeds from loans receivable	869	236	2,363
Other	(462)	(843)	(8,430)
Cash flows from investing activities	(5,836)	(6,712)	(67,122)
Cash flows from financing activities			
Net decrease in short-term borrowings	(5,780)	(2,830)	(28,300)
Proceeds from long-term borrowings	8,555	5,200	52,000
Repayment of long-term borrowings	(11,162)	(9,950)	(99,506)
Dividends paid	(4)	(757)	(7,573)
Dividends paid to minority interest	(77)	(73)	(736)
Other	(14)	(16)	(161)
Cash flows from financing activities	(8,484)	(8,427)	(84,277)
Translation differences on cash and cash equivalents	127	(153)	(1,535)
Increase/decrease in cash and cash equivalents	(4,566)	444	4,443
Cash and cash equivalents at beginning of period	13,354	8,882	88,820
Increase in cash and cash equivalents due to newly consolidated subsidiaries	93	—	—
Cash and cash equivalents at end of period	¥ 8,882	¥ 9,326	\$ 93,264

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