

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 2, 2019

Company name: Nippon Soda Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4041 URL <https://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 9, 2019  
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	33,083	2.3	982	(40.6)	1,238	(49.3)	1,012	(45.9)
Three months ended June 30, 2018	32,332	9.1	1,655	7.3	2,444	0.7	1,870	31.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	33.54		–	
Three months ended June 30, 2018	61.96		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	212,089	144,089	66.5
As of March 31, 2019	216,212	144,916	65.6

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, 2019	–	6.00	–	30.00	–
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	30.00	–	40.00	70.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	71,000	7.1	1,700	(8.6)	2,400	(29.2)	1,500	(39.4)	49.71
Full year	153,000	5.0	7,000	(11.5)	8,300	(6.6)	5,800	0.0	192.20

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
 (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, 2019	31,127,307 shares	As of March 31, 2019	31,127,307 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	951,192 shares	As of March 31, 2019	951,112 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	30,176,138 shares	Three months ended June 30, 2018	30,181,393 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	16,565	16,126
Notes and accounts receivable - trade	47,860	41,101
Electronically recorded monetary claims - operating	2,795	3,352
Inventories	27,372	31,070
Other	4,500	4,255
Allowance for doubtful accounts	(199)	(195)
Total current assets	98,895	95,711
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,082	17,782
Machinery, equipment and vehicles, net	20,264	19,416
Tools, furniture and fixtures, net	1,776	1,679
Land	15,111	15,110
Construction in progress	3,247	3,771
Other, net	9	731
Total property, plant and equipment	58,491	58,491
Intangible assets		
Goodwill	249	189
Other	5,527	5,323
Total intangible assets	5,776	5,513
Investments and other assets		
Investment securities	39,307	38,628
Retirement benefit asset	8,767	8,891
Deferred tax assets	2,700	2,652
Other	2,272	2,199
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	53,048	52,372
Total non-current assets	117,316	116,377
Total assets	216,212	212,089

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	20,933	19,198
Electronically recorded obligations - operating	2,717	3,036
Short-term borrowings	15,501	15,986
Income taxes payable	1,258	311
Provision for bonuses	2,900	2,567
Other	6,806	5,564
Total current liabilities	50,118	46,664
Non-current liabilities		
Long-term borrowings	10,604	10,442
Deferred tax liabilities	4,364	3,986
Retirement benefit liability	2,468	2,478
Provision for environmental measures	724	716
Other	3,014	3,710
Total non-current liabilities	21,177	21,334
Total liabilities	71,295	67,999
<b>Net assets</b>		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	80,166	80,271
Treasury shares	(2,250)	(2,251)
Total shareholders' equity	136,441	136,546
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,220	6,711
Deferred gains or losses on hedges	(163)	(161)
Foreign currency translation adjustment	(2,100)	(2,534)
Remeasurements of defined benefit plans	373	440
Total accumulated other comprehensive income	5,328	4,455
Non-controlling interests	3,146	3,087
Total net assets	144,916	144,089
Total liabilities and net assets	216,212	212,089

**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, 2018	Three months ended June 30, 2019
Net sales	32,332	33,083
Cost of sales	23,943	24,898
Gross profit	8,389	8,185
Selling, general and administrative expenses	6,734	7,202
Operating profit	1,655	982
Non-operating income		
Interest income	2	3
Dividend income	230	246
Share of profit of entities accounted for using equity method	482	226
Other	332	164
Total non-operating income	1,048	641
Non-operating expenses		
Interest expenses	65	55
Foreign exchange losses	–	158
Other	193	171
Total non-operating expenses	259	385
Ordinary profit	2,444	1,238
Extraordinary income		
Gain on sales of non-current assets	7	–
Total extraordinary income	7	–
Extraordinary losses		
Loss on abandonment of non-current assets	3	8
Loss on valuation of golf club membership	7	–
Loss on valuation of investment securities	–	10
Other	0	–
Total extraordinary losses	10	19
Profit before income taxes	2,440	1,218
Income taxes - current	358	303
Income taxes - deferred	124	(143)
Total income taxes	482	159
Profit	1,957	1,058
Profit attributable to non-controlling interests	87	46
Profit attributable to owners of parent	1,870	1,012

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,957	1,058
Other comprehensive income		
Valuation difference on available-for-sale securities	466	(504)
Deferred gains or losses on hedges	(32)	(6)
Foreign currency translation adjustment	(217)	(324)
Remeasurements of defined benefit plans, net of tax	47	66
Share of other comprehensive income of entities accounted for using equity method	(491)	(159)
Total other comprehensive income	(228)	(928)
Comprehensive income	1,729	129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,647	138
Comprehensive income attributable to non-controlling interests	82	(9)