

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2014  
(Based on Japanese GAAP)**

May 13, 2014

Company name: Nippon Soda Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4041 URL <http://www.nippon-soda.co.jp/>  
 Representative: President Yutaka Kinebuchi  
 Inquiries: Manager, General Affairs & Legal Group Keichi Aoki TEL 03-3245-6053  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2014  
 Scheduled date to file Securities Report: June 27, 2014  
 Scheduled date to commence dividend payments: June 30, 2014  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2014	140,649	10.2	6,399	56.3	9,740	17.1	5,833	10.0
Year ended March 31, 2013	127,581	5.3	4,094	(13.0)	8,317	(11.2)	5,303	(24.7)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2014	38.36	–	5.9	4.9	4.5
Year ended March 31, 2013	34.87	–	5.9	4.5	3.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2014	204,297	108,224	50.0	672.41
As of March 31, 2013	193,344	100,246	48.9	621.16

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2014	11,260	(11,805)	(1,888)	12,402
Year ended March 31, 2013	9,836	(10,783)	203	14,346

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2013	–	0.00	–	6.00	6.00	912	17.2	1.0
Year ended March 31, 2014	–	0.00	–	8.00	8.00	1,216	20.9	1.2
Year ending March 31, 2015 (Forecast)	–	0.00	–	8.00	8.00		18.2	

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	67,000	7.4	2,300	(16.7)	3,800	(10.9)	2,600	(8.6)	17.10
Full year	146,000	3.8	6,900	7.8	9,300	(4.5)	6,700	14.9	44.06

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2014

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2014	154,317,630 shares	As of March 31, 2013	154,317,630 shares
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Number of treasury shares at the end of the period

As of March 31, 2014	2,289,384 shares	As of March 31, 2013	2,212,093 shares
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Average number of shares during the period

Year ended March 31, 2014	152,081,314 shares	Year ended March 31, 2013	152,107,998 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	14,368	12,424
Notes and accounts receivable - trade	40,768	43,886
Inventories	24,399	27,464
Deferred tax assets	1,766	1,995
Other	3,264	3,119
Allowance for doubtful accounts	(69)	(30)
Total current assets	84,498	88,859
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,416	55,387
Accumulated depreciation	(36,853)	(38,402)
Buildings and structures, net	16,562	16,985
Machinery, equipment and vehicles	97,825	101,346
Accumulated depreciation	(80,517)	(84,170)
Machinery, equipment and vehicles, net	17,308	17,175
Tools, furniture and fixtures	10,007	10,269
Accumulated depreciation	(8,310)	(8,625)
Tools, furniture and fixtures, net	1,696	1,644
Land	15,300	15,413
Leased assets	1,047	986
Accumulated depreciation	(557)	(581)
Leased assets, net	489	405
Construction in progress	1,367	3,008
Total property, plant and equipment	52,725	54,631
Intangible assets		
Goodwill	1,642	1,407
Other	1,632	1,421
Total intangible assets	3,274	2,828
Investments and other assets		
Investment securities	41,051	47,050
Prepaid pension cost	6,958	-
Net defined benefit asset	-	5,304
Deferred tax assets	2,709	3,163
Other	2,205	2,514
Allowance for doubtful accounts	(79)	(56)
Total investments and other assets	52,845	57,976
Total non-current assets	108,845	115,437
Total assets	193,344	204,297

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	22,961	22,757
Short-term loans payable	32,110	32,259
Lease obligations	486	408
Income taxes payable	521	1,914
Provision for bonuses	2,880	3,728
Other	6,806	7,650
Total current liabilities	65,767	68,718
Non-current liabilities		
Long-term loans payable	17,721	17,701
Lease obligations	665	326
Deferred tax liabilities	2,808	3,023
Provision for retirement benefits	2,734	-
Net defined benefit liability	-	2,883
Other	3,400	3,419
Total non-current liabilities	27,330	27,353
Total liabilities	93,098	96,072
<b>Net assets</b>		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,094	26,095
Retained earnings	39,253	44,174
Treasury shares	(595)	(644)
Total shareholders' equity	93,919	98,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,737	2,919
Deferred gains or losses on hedges	(32)	(112)
Foreign currency translation adjustment	(926)	2,067
Remeasurements of defined benefit plans	(216)	(1,441)
Total accumulated other comprehensive income	562	3,433
Minority interests	5,763	5,999
Total net assets	100,246	108,224
Total liabilities and net assets	193,344	204,297

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	127,581	140,649
Cost of sales	96,900	105,323
Gross profit	30,681	35,325
Selling, general and administrative expenses	26,586	28,926
Operating income	4,094	6,399
Non-operating income		
Interest income	42	11
Dividend income	332	380
Share of profit of entities accounted for using equity method	4,246	2,705
Other	1,336	1,602
Total non-operating income	5,957	4,699
Non-operating expenses		
Interest expenses	611	595
Transfer salary	178	218
Other	944	544
Total non-operating expenses	1,734	1,358
Ordinary income	8,317	9,740
Extraordinary income		
Gain on sales of investment securities	58	-
Gain on sales of non-current assets	17	-
Total extraordinary income	75	-
Extraordinary losses		
Impairment loss	758	1,318
Loss on abandonment of non-current assets	162	206
Other	126	18
Total extraordinary losses	1,046	1,543
Income before income taxes and minority interests	7,346	8,196
Income taxes - current	1,052	2,527
Income taxes - deferred	851	(385)
Total income taxes	1,904	2,141
Income before minority interests	5,441	6,054
Minority interests in income	137	221
Net income	5,303	5,833

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	5,441	6,054
Other comprehensive income		
Valuation difference on available-for-sale securities	919	1,237
Deferred gains or losses on hedges	15	(25)
Foreign currency translation adjustment	808	903
Share of other comprehensive income of entities accounted for using equity method	2,386	2,262
Total other comprehensive income	4,129	4,378
Comprehensive income	9,571	10,432
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,262	10,018
Comprehensive income attributable to minority interests	308	414

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	29,166	26,094	34,862	(593)	89,530
Changes of items during period					
Dividends of surplus			(912)		(912)
Net income			5,303		5,303
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	4,391	(1)	4,389
Balance at end of current period	29,166	26,094	39,253	(595)	93,919

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	851	(46)	(4,000)	(201)	(3,396)	5,538	91,671
Changes of items during period							
Dividends of surplus							(912)
Net income							5,303
Purchase of treasury shares							(1)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	885	13	3,074	(14)	3,958	225	4,184
Total changes of items during period	885	13	3,074	(14)	3,958	225	8,574
Balance at end of current period	1,737	(32)	(926)	(216)	562	5,763	100,246

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	29,166	26,094	39,253	(595)	93,919
Changes of items during period					
Dividends of surplus			(912)		(912)
Net income			5,833		5,833
Purchase of treasury shares				(49)	(49)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	-	0	4,920	(49)	4,872
Balance at end of current period	29,166	26,095	44,174	(644)	98,792

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,737	(32)	(926)	(216)	562	5,763	100,246
Changes of items during period							
Dividends of surplus							(912)
Net income							5,833
Purchase of treasury shares							(49)
Disposal of treasury shares							0
Net changes of items other than shareholders' equity	1,181	(80)	2,993	(1,224)	2,870	235	3,106
Total changes of items during period	1,181	(80)	2,993	(1,224)	2,870	235	7,978
Balance at end of current period	2,919	(112)	2,067	(1,441)	3,433	5,999	108,224



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	7,346	8,196
Depreciation	5,761	6,480
Impairment loss	758	1,318
Amortization of goodwill	345	234
Share of (profit) loss of entities accounted for using equity method	(4,246)	(2,705)
Increase (decrease) in provision for retirement benefits	(132)	-
Increase (decrease) in provision for bonuses	101	845
Increase (decrease) in allowance for doubtful accounts	7	(73)
Increase (decrease) in net defined benefit liability	-	(339)
Increase (decrease) in net defined benefit asset	-	(219)
Interest and dividend income	(374)	(391)
Interest expenses	611	595
Loss on abandonment of non-current assets	168	208
Loss (gain) on valuation of investment securities	65	14
Decrease (increase) in notes and accounts receivable - trade	(8)	(2,365)
Decrease (increase) in inventories	(1,410)	(2,572)
Increase (decrease) in notes and accounts payable - trade	2,517	(1,468)
Other, net	(3,209)	725
Subtotal	8,300	8,483
Interest and dividend income received	3,041	4,527
Interest expenses paid	(606)	(604)
Income taxes paid	(899)	(1,145)
Net cash provided by (used in) operating activities	9,836	11,260
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,827)	(8,154)
Proceeds from sales of property, plant and equipment	39	10
Purchase of intangible assets	(622)	(341)
Purchase of investment securities	(1,049)	(3,461)
Proceeds from sales of investment securities	97	15
Purchase of shares of subsidiaries	(743)	(29)
Payments of loans receivable	(93)	(107)
Collection of loans receivable	131	406
Other, net	284	(143)
Net cash provided by (used in) investing activities	(10,783)	(11,805)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,787)	108
Proceeds from long-term loans payable	12,742	7,104
Repayments of long-term loans payable	(7,084)	(7,633)
Cash dividends paid	(909)	(909)
Cash dividends paid to minority shareholders	(70)	(68)
Repayments of lease obligations	(684)	(441)
Other, net	(1)	(48)
Net cash provided by (used in) financing activities	203	(1,888)
Effect of exchange rate change on cash and cash equivalents	655	489
Net increase (decrease) in cash and cash equivalents	(88)	(1,944)
Cash and cash equivalents at beginning of period	14,434	14,346
Cash and cash equivalents at end of period	14,346	12,402