

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 12, 2015

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 26, 2015
 Scheduled date to file Securities Report: June 26, 2015
 Scheduled date to commence dividend payments: June 29, 2015
 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, 2015 (from April 1, 2014 to March 31, 2015)

(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, 2015	148,062	5.3	7,285	13.9	14,924	53.2	10,945	87.6
Year ended March 31, 2014	140,649	10.2	6,399	56.3	9,740	17.1	5,833	10.0

	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, 2015	72.00	–	9.9	7.0	4.9
Year ended March 31, 2014	38.36	–	5.9	4.9	4.5

(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, 2015	221,285	127,181	54.6	794.87
As of March 31, 2014	204,297	108,224	50.0	672.41

(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, 2015	9,588	(4,600)	(2,776)	14,853
Year ended March 31, 2014	11,260	(11,805)	(1,888)	12,402

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, 2014	–	0.00	–	8.00	8.00	1,216	20.9	1.2
Year ended March 31, 2015	–	0.00	–	10.00	10.00	1,520	13.9	1.4
Year ending March 31, 2016 (Forecast)	–	0.00	–	10.00	10.00		15.2	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	70,000	4.4	2,600	2.0	6,500	28.6	5,400	43.1	35.53
Full year	150,000	1.3	6,700	(8.0)	12,700	(14.9)	10,000	(8.6)	65.79

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(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, 2015	154,317,630 shares	As of March 31, 2014	154,317,630 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	2,312,454 shares	As of March 31, 2014	2,289,384 shares
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Average number of shares during the period

Year ended March 31, 2015	152,019,422 shares	Year ended March 31, 2014	152,081,314 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	12,424	14,875
Notes and accounts receivable - trade	43,886	44,049
Inventories	27,464	28,400
Deferred tax assets	1,995	1,834
Other	3,119	3,105
Allowance for doubtful accounts	(30)	(36)
Total current assets	88,859	92,229
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,387	56,714
Accumulated depreciation	(38,402)	(39,537)
Buildings and structures, net	16,985	17,177
Machinery, equipment and vehicles	101,346	103,923
Accumulated depreciation	(84,170)	(85,976)
Machinery, equipment and vehicles, net	17,175	17,946
Tools, furniture and fixtures	10,269	10,460
Accumulated depreciation	(8,625)	(8,870)
Tools, furniture and fixtures, net	1,644	1,590
Land	15,413	15,370
Leased assets	986	678
Accumulated depreciation	(581)	(324)
Leased assets, net	405	353
Construction in progress	3,008	1,143
Total property, plant and equipment	54,631	53,581
Intangible assets		
Goodwill	1,407	1,173
Other	1,421	1,322
Total intangible assets	2,828	2,496
Investments and other assets		
Investment securities	47,050	59,556
Net defined benefit asset	5,304	7,486
Deferred tax assets	3,163	3,065
Other	2,514	2,936
Allowance for doubtful accounts	(56)	(66)
Total investments and other assets	57,976	72,977
Total non-current assets	115,437	129,055
Total assets	204,297	221,285

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,757	21,355
Short-term loans payable	32,259	31,706
Lease obligations	408	231
Income taxes payable	1,914	1,433
Provision for bonuses	3,728	3,350
Other	7,650	7,765
Total current liabilities	68,718	65,842
Non-current liabilities		
Long-term loans payable	17,701	17,292
Lease obligations	326	113
Deferred tax liabilities	3,023	4,835
Net defined benefit liability	2,883	2,837
Other	3,419	3,182
Total non-current liabilities	27,353	28,261
Total liabilities	96,072	94,104
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	26,095
Retained earnings	44,174	52,790
Treasury shares	(644)	(659)
Total shareholders' equity	98,792	107,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,919	7,043
Deferred gains or losses on hedges	(112)	34
Foreign currency translation adjustment	2,067	5,663
Remeasurements of defined benefit plans	(1,441)	689
Total accumulated other comprehensive income	3,433	13,430
Minority interests	5,999	6,356
Total net assets	108,224	127,181
Total liabilities and net assets	204,297	221,285

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	140,649	148,062
Cost of sales	105,323	111,776
Gross profit	35,325	36,285
Selling, general and administrative expenses	28,926	29,000
Operating income	6,399	7,285
Non-operating income		
Interest income	11	7
Dividend income	380	536
Share of profit of entities accounted for using equity method	2,705	6,338
Other	1,602	2,184
Total non-operating income	4,699	9,067
Non-operating expenses		
Interest expenses	595	564
Transfer salary	218	167
Other	544	696
Total non-operating expenses	1,358	1,428
Ordinary income	9,740	14,924
Extraordinary income		
Gain on sales of non-current assets	–	47
Other	–	4
Total extraordinary income	–	51
Extraordinary losses		
Impairment loss	1,318	1,520
Loss on abandonment of non-current assets	206	345
Other	18	39
Total extraordinary losses	1,543	1,905
Income before income taxes and minority interests	8,196	13,070
Income taxes - current	2,527	2,088
Income taxes - deferred	(385)	(206)
Total income taxes	2,141	1,881
Income before minority interests	6,054	11,188
Minority interests in income	221	243
Net income	5,833	10,945

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	6,054	11,188
Other comprehensive income		
Valuation difference on available-for-sale securities	1,237	4,230
Deferred gains or losses on hedges	(25)	(98)
Foreign currency translation adjustment	903	461
Remeasurements of defined benefit plans, net of tax	–	2,256
Share of other comprehensive income of entities accounted for using equity method	2,262	3,434
Total other comprehensive income	4,378	10,284
Comprehensive income	10,432	21,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,018	20,943
Comprehensive income attributable to minority interests	414	529

Consolidated statements of changes in net assets

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

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	29,166	26,095	44,174	(644)	98,792
Cumulative effects of changes in accounting policies			(1,112)		(1,112)
Restated balance	29,166	26,095	43,061	(644)	97,679
Changes of items during period					
Dividends of surplus			(1,216)		(1,216)
Net income			10,945		10,945
Purchase of treasury shares				(14)	(14)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	9,729	(14)	9,714
Balance at end of current period	29,166	26,095	52,790	(659)	107,393

	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	2,919	(112)	2,067	(1,441)	3,433	5,999	108,224
Cumulative effects of changes in accounting policies						(43)	(1,156)
Restated balance	2,919	(112)	2,067	(1,441)	3,433	5,955	107,068
Changes of items during period							
Dividends of surplus							(1,216)
Net income							10,945
Purchase of treasury shares							(14)
Net changes of items other than shareholders' equity	4,124	146	3,596	2,130	9,997	400	10,398
Total changes of items during period	4,124	146	3,596	2,130	9,997	400	20,113
Balance at end of current period	7,043	34	5,663	689	13,430	6,356	127,181

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	8,196	13,070
Depreciation	6,480	6,436
Impairment loss	1,318	1,520
Amortization of goodwill	234	234
Share of (profit) loss of entities accounted for using equity method	(2,705)	(6,338)
Increase (decrease) in provision for bonuses	845	(376)
Increase (decrease) in allowance for doubtful accounts	(73)	15
Increase (decrease) in net defined benefit liability	(339)	(112)
Increase (decrease) in net defined benefit asset	(219)	(957)
Interest and dividend income	(391)	(543)
Interest expenses	595	564
Loss on abandonment of non-current assets	208	350
Loss (gain) on valuation of investment securities	14	–
Decrease (increase) in notes and accounts receivable - trade	(2,365)	(76)
Decrease (increase) in inventories	(2,572)	(963)
Increase (decrease) in notes and accounts payable - trade	(1,468)	(1,377)
Other, net	725	58
Subtotal	8,483	11,505
Interest and dividend income received	4,527	1,957
Interest expenses paid	(604)	(563)
Income taxes paid	(1,145)	(3,310)
Net cash provided by (used in) operating activities	11,260	9,588
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,154)	(5,851)
Proceeds from sales of property, plant and equipment	10	97
Purchase of intangible assets	(341)	(372)
Purchase of investment securities	(3,461)	(321)
Proceeds from redemption of investment securities	–	2,000
Proceeds from sales of investment securities	15	8
Purchase of shares of subsidiaries	(29)	–
Payments of loans receivable	(107)	(91)
Collection of loans receivable	406	162
Other, net	(143)	(230)
Net cash provided by (used in) investing activities	(11,805)	(4,600)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	108	(1,421)
Proceeds from long-term loans payable	7,104	8,000
Repayments of long-term loans payable	(7,633)	(7,565)
Cash dividends paid	(909)	(1,212)
Cash dividends paid to minority shareholders	(68)	(127)
Repayments of lease obligations	(441)	(433)
Other, net	(48)	(14)
Net cash provided by (used in) financing activities	(1,888)	(2,776)
Effect of exchange rate change on cash and cash equivalents	489	238
Net increase (decrease) in cash and cash equivalents	(1,944)	2,451
Cash and cash equivalents at beginning of period	14,346	12,402
Cash and cash equivalents at end of period	12,402	14,853