

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 6, 2015

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, General Affairs & Legal Group Keichi Aoki TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: November 13, 2015
 Scheduled date to commence dividend payments: December 7, 2015
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	68,575	2.3	3,311	29.9	10,687	111.4	9,313	146.8
Six months ended September 30, 2014	67,050	7.4	2,548	(7.8)	5,054	18.6	3,774	32.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	60.86		-	
Six months ended September 30, 2014	24.83		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2015	219,533	132,534	59.2
As of March 31, 2015	221,285	127,181	54.6

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, 2015	-	0.00	-	10.00	10.00
Year ending March 31, 2016	-	5.00			
Year ending March 31, 2016 (Forecast)			-	7.00	12.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	147,000	(0.7)	6,300	(13.5)	18,900	26.6	14,100	28.8	92.13

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015
(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: Yes
- 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 September 30, 2015	155,636,535 shares	As of March 31, 2015	154,317,630 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	8,986 shares	As of March 31, 2015	2,312,454 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2015	153,039,806 shares	Six months ended September 30, 2014	152,025,738 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	14,875	15,267
Notes and accounts receivable - trade	44,049	37,740
Inventories	28,400	31,588
Deferred tax assets	1,834	1,718
Other	3,105	3,458
Allowance for doubtful accounts	(36)	(7)
Total current assets	92,229	89,765
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,177	16,768
Machinery, equipment and vehicles, net	17,946	17,121
Tools, furniture and fixtures, net	1,590	1,624
Land	15,370	15,365
Leased assets, net	353	315
Construction in progress	1,143	2,419
Total property, plant and equipment	53,581	53,614
Intangible assets		
Goodwill	1,173	1,056
Other	1,322	1,167
Total intangible assets	2,496	2,223
Investments and other assets		
Investment securities	59,556	60,464
Net defined benefit asset	7,486	8,039
Deferred tax assets	3,065	2,150
Other	2,936	3,338
Allowance for doubtful accounts	(66)	(62)
Total investments and other assets	72,977	73,929
Total non-current assets	129,055	129,767
Total assets	221,285	219,533

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,355	21,704
Short-term loans payable	31,706	32,362
Income taxes payable	1,433	551
Provision for bonuses	3,350	1,753
Other	7,997	5,443
Total current liabilities	65,842	61,814
Non-current liabilities		
Long-term loans payable	17,292	14,836
Deferred tax liabilities	4,835	4,494
Net defined benefit liability	2,837	2,670
Other	3,296	3,182
Total non-current liabilities	28,261	25,184
Total liabilities	94,104	86,999
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	29,359
Retained earnings	52,790	60,584
Treasury shares	(659)	(5)
Total shareholders' equity	107,393	119,105
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,043	5,685
Deferred gains or losses on hedges	34	(101)
Foreign currency translation adjustment	5,663	4,625
Remeasurements of defined benefit plans	689	737
Total accumulated other comprehensive income	13,430	10,947
Non-controlling interests	6,356	2,481
Total net assets	127,181	132,534
Total liabilities and net assets	221,285	219,533

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net sales	67,050	68,575
Cost of sales	51,056	51,703
Gross profit	15,993	16,872
Selling, general and administrative expenses	13,445	13,561
Operating income	2,548	3,311
Non-operating income		
Interest income	2	2
Dividend income	306	345
Share of profit of entities accounted for using equity method	2,096	6,821
Other	707	960
Total non-operating income	3,113	8,130
Non-operating expenses		
Interest expenses	289	257
Loss on valuation of derivatives	–	154
Other	316	342
Total non-operating expenses	606	754
Ordinary income	5,054	10,687
Extraordinary income		
Gain on sales of investment securities	4	509
Gain on sales of non-current assets	23	15
Other	–	27
Total extraordinary income	27	552
Extraordinary losses		
Loss on abandonment of non-current assets	87	62
Other	3	10
Total extraordinary losses	90	73
Income before income taxes and minority interests	4,991	11,166
Income taxes - current	464	506
Income taxes - deferred	624	1,238
Total income taxes	1,088	1,744
Profit	3,903	9,421
Profit attributable to non-controlling interests	129	107
Profit attributable to owners of parent	3,774	9,313

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	3,903	9,421
Other comprehensive income		
Valuation difference on available-for-sale securities	1,361	(1,418)
Deferred gains or losses on hedges	(15)	84
Foreign currency translation adjustment	177	(319)
Remeasurements of defined benefit plans, net of tax	151	54
Share of other comprehensive income of entities accounted for using equity method	1,577	(1,038)
Total other comprehensive income	3,253	(2,637)
Comprehensive income	7,156	6,784
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,896	6,830
Comprehensive income attributable to non-controlling interests	260	(45)

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	4,991	11,166
Depreciation	3,138	3,093
Amortization of goodwill	117	117
Increase (decrease) in provision for bonuses	(2,008)	(1,597)
Increase (decrease) in net defined benefit asset	(514)	(553)
Increase (decrease) in net defined benefit liability	(46)	(88)
Interest and dividend income	(309)	(348)
Interest expenses	289	257
Share of (profit) loss of entities accounted for using equity method	(2,096)	(6,821)
Loss (gain) on sales of investment securities	(4)	(509)
Decrease (increase) in notes and accounts receivable - trade	8,399	6,327
Decrease (increase) in inventories	(2,727)	(3,239)
Increase (decrease) in notes and accounts payable - trade	(3,477)	300
Increase (decrease) in Advances received on uncompleted construction contracts	(190)	(1,149)
Increase (decrease) in accrued expenses	(484)	(498)
Increase (decrease) in accrued consumption taxes	79	(430)
Other, net	(347)	(708)
Subtotal	4,808	5,317
Interest and dividend income received	1,017	2,690
Interest expenses paid	(287)	(256)
Income taxes paid	(2,619)	(1,490)
Net cash provided by (used in) operating activities	2,919	6,261
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,842)	(3,422)
Purchase of intangible assets	(90)	(145)
Proceeds from redemption of investment securities	2,000	-
Proceeds from sales of investment securities	8	941
Other, net	33	(110)
Net cash provided by (used in) investing activities	(891)	(2,736)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	282	1,025
Proceeds from long-term loans payable	3,300	1,500
Repayments of long-term loans payable	(3,596)	(4,102)
Cash dividends paid	(1,211)	(1,514)
Other, net	(350)	(3)
Net cash provided by (used in) financing activities	(1,576)	(3,094)
Effect of exchange rate change on cash and cash equivalents	89	(50)
Net increase (decrease) in cash and cash equivalents	540	379
Cash and cash equivalents at beginning of period	12,402	14,853
Cash and cash equivalents at end of period	12,943	15,233