

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 5, 2019

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,Stakeholder Relations Group Satoshi Takeuchi TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: February 8, 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 nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(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	%
Nine months ended December 31, 2018	101,062	2.7	1,936	(40.7)	3,906	(27.0)	2,875	(16.5)
Nine months ended December 31, 2017	98,361	10.5	3,262	32.7	5,348	(14.0)	3,442	(42.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	95.29	–
Nine months ended December 31, 2017	114.06	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	211,313	141,989	65.8
As of March 31, 2018	219,457	144,801	64.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	6.00	–	6.00	12.00
Year ending March 31, 2019	–	6.00	–		
Year ending March 31, 2019 (Forecast)				30.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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
Full year	145,000	2.7	6,000	(6.1)	9,000	(2.2)	6,400	0.3	212.06

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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 December 31, 2018	31,127,307 shares	As of March 31, 2018	31,127,307 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2018	950,654 shares	As of March 31, 2018	945,767 shares
-------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	30,180,222 shares	Nine months ended December 31, 2017	30,182,420 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	27,612	18,498
Notes and accounts receivable - trade	44,067	37,063
Electronically recorded monetary claims - operating	2,416	2,319
Inventories	27,623	30,516
Other	3,088	4,286
Allowance for doubtful accounts	(217)	(212)
Total current assets	104,590	92,473
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,858	17,389
Machinery, equipment and vehicles, net	20,715	20,305
Tools, furniture and fixtures, net	1,700	1,640
Land	15,266	15,113
Construction in progress	1,887	3,378
Other, net	16	12
Total property, plant and equipment	56,445	57,839
Intangible assets		
Goodwill	469	293
Other	924	5,659
Total intangible assets	1,393	5,952
Investments and other assets		
Investment securities	43,054	40,664
Net defined benefit asset	8,519	8,999
Deferred tax assets	2,901	2,929
Other	2,550	2,453
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	57,026	55,047
Total non-current assets	114,866	118,839
Total assets	219,457	211,313

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	19,032	20,241
Electronically recorded obligations - operating	2,788	3,548
Short-term loans payable	19,073	16,559
Income taxes payable	1,031	191
Provision for bonuses	2,766	900
Other	6,223	6,641
Total current liabilities	50,915	48,082
Non-current liabilities		
Long-term loans payable	12,846	11,076
Deferred tax liabilities	4,638	3,938
Net defined benefit liability	2,515	2,535
Provision for environmental measures	883	777
Other	2,855	2,912
Total non-current liabilities	23,739	21,240
Total liabilities	74,655	69,323
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	76,179	77,239
Treasury shares	(2,235)	(2,249)
Total shareholders' equity	132,469	133,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,614	6,912
Deferred gains or losses on hedges	7	(97)
Foreign currency translation adjustment	249	(1,937)
Remeasurements of defined benefit plans	470	604
Total accumulated other comprehensive income	9,340	5,481
Non-controlling interests	2,991	2,992
Total net assets	144,801	141,989
Total liabilities and net assets	219,457	211,313

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	98,361	101,062
Cost of sales	73,732	78,524
Gross profit	24,629	22,538
Selling, general and administrative expenses	21,367	20,602
Operating profit	3,262	1,936
Non-operating income		
Interest income	10	18
Dividend income	697	606
Share of profit of entities accounted for using equity method	1,334	1,225
Other	832	698
Total non-operating income	2,874	2,549
Non-operating expenses		
Interest expenses	264	192
Other	523	386
Total non-operating expenses	788	578
Ordinary profit	5,348	3,906
Extraordinary income		
Gain on sales of investment securities	33	-
Gain on sales of non-current assets	27	7
Total extraordinary income	61	7
Extraordinary losses		
Loss on abandonment of non-current assets	348	141
Loss on valuation of investments in capital of subsidiaries and associates	-	85
Other	4	30
Total extraordinary losses	352	257
Profit before income taxes	5,057	3,656
Income taxes - current	840	669
Income taxes - deferred	589	6
Total income taxes	1,430	676
Profit	3,627	2,980
Profit attributable to non-controlling interests	184	104
Profit attributable to owners of parent	3,442	2,875

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	3,627	2,980
Other comprehensive income		
Valuation difference on available-for-sale securities	3,556	(1,739)
Deferred gains or losses on hedges	198	(149)
Foreign currency translation adjustment	690	(150)
Remeasurements of defined benefit plans, net of tax	134	142
Share of other comprehensive income of entities accounted for using equity method	(54)	(2,004)
Total other comprehensive income	4,525	(3,900)
Comprehensive income	8,152	(920)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,807	(983)
Comprehensive income attributable to non-controlling interests	344	62