

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

August 4, 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 to file Quarterly Securities Report: August 8, 2014
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial results (cumulative)

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	%
Three months ended June 30, 2014	32,289	3.8	1,650	(12.3)	2,831	(5.1)	2,123	7.4
Three months ended June 30, 2013	31,121	12.6	1,882	26.7	2,982	22.9	1,976	16.3

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended June 30, 2014	13.97		–	
Three months ended June 30, 2013	13.00		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2014	199,023		108,406		51.5	
As of March 31, 2014	204,297		108,224		50.0	

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, 2014	–	0.00	–	8.00	8.00
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	0.00	–	8.00	8.00

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 three months ended June 30, 2014
 (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 June 30, 2014	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 June 30, 2014	2,291,709 shares	As of March 31, 2014	2,289,384 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, 2014	152,026,881 shares	Three months ended June 30, 2013	152,104,523 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	12,424	12,159
Notes and accounts receivable - trade	43,886	38,751
Inventories	27,464	30,183
Deferred tax assets	1,995	1,727
Other	3,119	3,544
Allowance for doubtful accounts	(30)	(26)
Total current assets	88,859	86,339
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,985	16,840
Machinery, equipment and vehicles, net	17,175	16,941
Tools, furniture and fixtures, net	1,644	1,590
Land	15,413	15,411
Leased assets, net	405	370
Construction in progress	3,008	3,218
Total property, plant and equipment	54,631	54,373
Intangible assets		
Goodwill	1,407	1,349
Other	1,421	1,287
Total intangible assets	2,828	2,636
Investments and other assets		
Investment securities	47,050	46,262
Net defined benefit asset	5,304	3,901
Deferred tax assets	3,163	3,024
Other	2,514	2,541
Allowance for doubtful accounts	(56)	(56)
Total investments and other assets	57,976	55,673
Total non-current assets	115,437	112,683
Total assets	204,297	199,023

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,757	19,283
Short-term loans payable	32,259	35,561
Income taxes payable	1,914	196
Provision for bonuses	3,728	2,503
Other	8,058	6,768
Total current liabilities	68,718	64,313
Non-current liabilities		
Long-term loans payable	17,701	16,874
Deferred tax liabilities	3,023	2,873
Net defined benefit liability	2,883	2,956
Other	3,745	3,598
Total non-current liabilities	27,353	26,302
Total liabilities	96,072	90,616
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	26,095
Retained earnings	44,174	43,968
Treasury shares	(644)	(645)
Total shareholders' equity	98,792	98,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,919	3,562
Deferred gains or losses on hedges	(112)	(70)
Foreign currency translation adjustment	2,067	1,772
Remeasurements of defined benefit plans	(1,441)	(1,365)
Total accumulated other comprehensive income	3,433	3,898
Minority interests	5,999	5,922
Total net assets	108,224	108,406
Total liabilities and net assets	204,297	199,023

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, 2013	Three months ended June 30, 2014
Net sales	31,121	32,289
Cost of sales	22,750	24,056
Gross profit	8,371	8,233
Selling, general and administrative expenses	6,489	6,582
Operating income	1,882	1,650
Non-operating income		
Interest income	3	1
Dividend income	165	197
Share of profit of entities accounted for using equity method	657	1,136
Other	497	382
Total non-operating income	1,324	1,717
Non-operating expenses		
Interest expenses	148	148
Foreign exchange losses	-	245
Other	75	142
Total non-operating expenses	223	536
Ordinary income	2,982	2,831
Extraordinary income		
Gain on sales of investment securities	-	4
Total extraordinary income	-	4
Extraordinary losses		
Loss on abandonment of non-current assets	12	16
Other	-	2
Total extraordinary losses	12	18
Income before income taxes and minority interests	2,970	2,816
Income taxes - current	565	214
Income taxes - deferred	411	474
Total income taxes	976	688
Income before minority interests	1,993	2,128
Minority interests in income	16	4
Net income	1,976	2,123

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	1,993	2,128
Other comprehensive income		
Valuation difference on available-for-sale securities	432	661
Deferred gains or losses on hedges	(0)	(10)
Foreign currency translation adjustment	214	38
Remeasurements of defined benefit plans, net of tax	-	75
Share of other comprehensive income of entities accounted for using equity method	1,491	(236)
Total other comprehensive income	2,137	528
Comprehensive income	4,130	2,657
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,081	2,589
Comprehensive income attributable to minority interests	49	67