

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 6, 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 to file Quarterly Securities Report: February 13, 2015
 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	102,663	5.4	3,967	(5.2)	9,417	29.4	7,084	46.1
Nine months ended December 31, 2013	97,403	12.1	4,186	170.7	7,280	57.3	4,849	39.8

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended December 31, 2014	46.60		–	
Nine months ended December 31, 2013	31.89		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2014	216,522		120,011		52.5	
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	–	0.00	–	–	–
Year ending March 31, 2015 (Forecast)	–	–	–	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
Full year	149,000	5.9	7,000	9.4	13,100	34.5	10,600	81.7	69.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2014	2,307,702 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)

Nine months ended December 31, 2014	152,023,270 shares	Nine months ended December 31, 2013	152,095,879 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	12,424	15,303
Notes and accounts receivable - trade	43,886	39,424
Inventories	27,464	32,446
Deferred tax assets	1,995	1,097
Other	3,119	3,993
Allowance for doubtful accounts	(30)	(27)
Total current assets	88,859	92,237
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,985	17,408
Machinery, equipment and vehicles, net	17,175	18,233
Tools, furniture and fixtures, net	1,644	1,632
Land	15,413	15,428
Leased assets, net	405	329
Construction in progress	3,008	2,109
Total property, plant and equipment	54,631	55,141
Intangible assets		
Goodwill	1,407	1,231
Other	1,421	1,236
Total intangible assets	2,828	2,468
Investments and other assets		
Investment securities	47,050	56,370
Net defined benefit asset	5,304	4,375
Deferred tax assets	3,163	3,111
Other	2,514	2,870
Allowance for doubtful accounts	(56)	(52)
Total investments and other assets	57,976	66,675
Total non-current assets	115,437	124,285
Total assets	204,297	216,522

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,757	24,207
Short-term loans payable	32,259	33,233
Income taxes payable	1,914	209
Provision for bonuses	3,728	896
Other	8,058	9,437
Total current liabilities	68,718	67,982
Non-current liabilities		
Long-term loans payable	17,701	17,931
Deferred tax liabilities	3,023	4,263
Net defined benefit liability	2,883	2,911
Other	3,745	3,421
Total non-current liabilities	27,353	28,528
Total liabilities	96,072	96,511
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	26,095
Retained earnings	44,174	48,930
Treasury shares	(644)	(656)
Total shareholders' equity	98,792	103,535
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,919	5,587
Deferred gains or losses on hedges	(112)	(23)
Foreign currency translation adjustment	2,067	5,887
Remeasurements of defined benefit plans	(1,441)	(1,241)
Total accumulated other comprehensive income	3,433	10,210
Minority interests	5,999	6,265
Total net assets	108,224	120,011
Total liabilities and net assets	204,297	216,522

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, 2013	Nine months ended December 31, 2014
Net sales	97,403	102,663
Cost of sales	73,290	78,494
Gross profit	24,113	24,169
Selling, general and administrative expenses	19,927	20,201
Operating income	4,186	3,967
Non-operating income		
Interest income	7	4
Dividend income	369	454
Share of profit of entities accounted for using equity method	1,919	3,987
Other	1,515	2,016
Total non-operating income	3,811	6,462
Non-operating expenses		
Interest expenses	439	424
Other	278	587
Total non-operating expenses	718	1,012
Ordinary income	7,280	9,417
Extraordinary income		
Gain on sales of non-current assets	–	23
Other	–	4
Total extraordinary income	–	28
Extraordinary losses		
Loss on abandonment of non-current assets	139	157
Other	3	3
Total extraordinary losses	143	160
Income before income taxes and minority interests	7,136	9,284
Income taxes - current	1,070	741
Income taxes - deferred	1,032	1,246
Total income taxes	2,103	1,987
Income before minority interests	5,032	7,297
Minority interests in income	182	212
Net income	4,849	7,084

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	5,032	7,297
Other comprehensive income		
Valuation difference on available-for-sale securities	1,734	2,727
Deferred gains or losses on hedges	(50)	(131)
Foreign currency translation adjustment	928	560
Remeasurements of defined benefit plans, net of tax	–	227
Share of other comprehensive income of entities accounted for using equity method	2,462	3,618
Total other comprehensive income	5,074	7,001
Comprehensive income	10,107	14,299
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,687	13,861
Comprehensive income attributable to minority interests	420	437