

Translation

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

August 3, 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: August 7, 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 three months ended June 30, 2015 (from April 1, 2015 to June 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	%
Three months ended June 30, 2015	33,576	4.0	1,926	16.7	6,063	114.2	5,183	144.1
Three months ended June 30, 2014	32,289	3.8	1,650	(12.3)	2,831	(5.1)	2,123	7.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	34.10		–	
Three months ended June 30, 2014	13.97		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2015	223,939	130,784	55.6
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	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	5.00	–	5.00	10.00

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
Six months ending September 30, 2015	70,000	4.4	3,000	17.7	10,200	101.8	9,200	143.8	60.52
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 three months ended June 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 June 30, 2015	154,317,630 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 June 30, 2015	2,314,183 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)

Three months ended June 30, 2015	152,004,159 shares	Three months ended June 30, 2014	152,026,881 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	14,875	12,467
Notes and accounts receivable - trade	44,049	41,994
Inventories	28,400	31,530
Deferred tax assets	1,834	1,437
Other	3,105	4,193
Allowance for doubtful accounts	(36)	(7)
Total current assets	92,229	91,617
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,177	16,864
Machinery, equipment and vehicles, net	17,946	17,137
Tools, furniture and fixtures, net	1,590	1,550
Land	15,370	15,361
Leased assets, net	353	312
Construction in progress	1,143	1,643
Total property, plant and equipment	53,581	52,869
Intangible assets		
Goodwill	1,173	1,115
Other	1,322	1,221
Total intangible assets	2,496	2,337
Investments and other assets		
Investment securities	59,556	63,396
Net defined benefit asset	7,486	7,750
Deferred tax assets	3,065	2,973
Other	2,936	3,059
Allowance for doubtful accounts	(66)	(64)
Total investments and other assets	72,977	77,115
Total non-current assets	129,055	132,322
Total assets	221,285	223,939

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,355	20,737
Short-term loans payable	31,706	35,155
Income taxes payable	1,433	391
Provision for bonuses	3,350	2,561
Other	7,997	6,578
Total current liabilities	65,842	65,424
Non-current liabilities		
Long-term loans payable	17,292	16,434
Deferred tax liabilities	4,835	5,412
Net defined benefit liability	2,837	2,684
Other	3,296	3,199
Total non-current liabilities	28,261	27,731
Total liabilities	94,104	93,155
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	26,095
Retained earnings	52,790	56,454
Treasury shares	(659)	(660)
Total shareholders' equity	107,393	111,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,043	7,887
Deferred gains or losses on hedges	34	(221)
Foreign currency translation adjustment	5,663	4,976
Remeasurements of defined benefit plans	689	711
Total accumulated other comprehensive income	13,430	13,353
Non-controlling interests	6,356	6,374
Total net assets	127,181	130,784
Total liabilities and net assets	221,285	223,939

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, 2014	Three months ended June 30, 2015
Net sales	32,289	33,576
Cost of sales	24,056	24,843
Gross profit	8,233	8,733
Selling, general and administrative expenses	6,582	6,806
Operating income	1,650	1,926
Non-operating income		
Interest income	1	1
Dividend income	197	247
Share of profit of entities accounted for using equity method	1,136	3,363
Other	382	965
Total non-operating income	1,717	4,577
Non-operating expenses		
Interest expenses	148	130
Foreign exchange losses	245	–
Loss on valuation of derivatives	–	172
Other	142	137
Total non-operating expenses	536	440
Ordinary income	2,831	6,063
Extraordinary income		
Gain on sales of property, plant and equipment	–	10
Other	4	1
Total extraordinary income	4	11
Extraordinary losses		
Loss on abandonment of non-current assets	16	19
Other	2	–
Total extraordinary losses	18	19
Income before income taxes and minority interests	2,816	6,056
Income taxes - current	214	307
Income taxes - deferred	474	508
Total income taxes	688	815
Profit	2,128	5,240
Profit attributable to non-controlling interests	4	56
Profit attributable to owners of parent	2,123	5,183

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit	2,128	5,240
Other comprehensive income		
Valuation difference on available-for-sale securities	661	873
Deferred gains or losses on hedges	(10)	(81)
Foreign currency translation adjustment	38	(44)
Remeasurements of defined benefit plans, net of tax	75	27
Share of other comprehensive income of entities accounted for using equity method	(236)	(812)
Total other comprehensive income	528	(36)
Comprehensive income	2,657	5,203
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,589	5,106
Comprehensive income attributable to non-controlling interests	67	96