

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 5, 2016

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: February 12, 2016
 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, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	99,965	(2.6)	4,414	11.3	14,727	56.4	13,194	86.2
Nine months ended December 31, 2014	102,663	5.4	3,967	(5.2)	9,417	29.4	7,084	46.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	85.78		–	
Nine months ended December 31, 2014	46.60		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	229,970	135,612	57.8
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 nine months ended December 31, 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 December 31, 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 December 31, 2015	21,546 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)

Nine months ended December 31, 2015	153,814,409 shares	Nine months ended December 31, 2014	152,023,270 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	14,875	16,256
Notes and accounts receivable - trade	44,049	37,887
Inventories	28,400	33,396
Deferred tax assets	1,834	1,599
Other	3,105	4,203
Allowance for doubtful accounts	(36)	(7)
Total current assets	92,229	93,335
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,177	16,940
Machinery, equipment and vehicles, net	17,946	18,193
Tools, furniture and fixtures, net	1,590	1,610
Land	15,370	15,345
Leased assets, net	353	301
Construction in progress	1,143	1,451
Total property, plant and equipment	53,581	53,843
Intangible assets		
Goodwill	1,173	997
Other	1,322	1,099
Total intangible assets	2,496	2,097
Investments and other assets		
Investment securities	59,556	66,750
Net defined benefit asset	7,486	8,327
Deferred tax assets	3,065	2,368
Other	2,936	3,316
Allowance for doubtful accounts	(66)	(68)
Total investments and other assets	72,977	80,693
Total non-current assets	129,055	136,634
Total assets	221,285	229,970

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,355	22,511
Short-term loans payable	31,706	37,297
Income taxes payable	1,433	238
Provision for bonuses	3,350	906
Other	7,997	6,656
Total current liabilities	65,842	67,611
Non-current liabilities		
Long-term loans payable	17,292	15,803
Deferred tax liabilities	4,835	5,125
Net defined benefit liability	2,837	2,613
Other	3,296	3,204
Total non-current liabilities	28,261	26,746
Total liabilities	94,104	94,358
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	26,095	29,359
Retained earnings	52,790	63,687
Treasury shares	(659)	(15)
Total shareholders' equity	107,393	122,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,043	7,059
Deferred gains or losses on hedges	34	(56)
Foreign currency translation adjustment	5,663	3,046
Remeasurements of defined benefit plans	689	762
Total accumulated other comprehensive income	13,430	10,811
Non-controlling interests	6,356	2,602
Total net assets	127,181	135,612
Total liabilities and net assets	221,285	229,970

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, 2014	Nine months ended December 31, 2015
Net sales	102,663	99,965
Cost of sales	78,494	75,228
Gross profit	24,169	24,736
Selling, general and administrative expenses	20,201	20,321
Operating income	3,967	4,414
Non-operating income		
Interest income	4	3
Dividend income	454	509
Share of profit of entities accounted for using equity method	3,987	9,647
Other	2,016	1,084
Total non-operating income	6,462	11,245
Non-operating expenses		
Interest expenses	424	378
Other	587	553
Total non-operating expenses	1,012	932
Ordinary income	9,417	14,727
Extraordinary income		
Gain on sales of investment securities	4	509
Gain on sales of non-current assets	23	31
Other	-	27
Total extraordinary income	28	569
Extraordinary losses		
Loss on abandonment of non-current assets	157	137
Other	3	49
Total extraordinary losses	160	187
Income before income taxes and minority interests	9,284	15,109
Income taxes - current	741	665
Income taxes - deferred	1,246	1,087
Total income taxes	1,987	1,753
Profit	7,297	13,356
Profit attributable to non-controlling interests	212	161
Profit attributable to owners of parent	7,084	13,194

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	7,297	13,356
Other comprehensive income		
Valuation difference on available-for-sale securities	2,727	(10)
Deferred gains or losses on hedges	(131)	94
Foreign currency translation adjustment	560	(305)
Remeasurements of defined benefit plans, net of tax	227	81
Share of other comprehensive income of entities accounted for using equity method	3,618	(2,566)
Total other comprehensive income	7,001	(2,705)
Comprehensive income	14,299	10,650
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,861	10,575
Comprehensive income attributable to non-controlling interests	437	75