

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 1, 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, Stakeholder Relations Group Shusaku Kiyota TEL 03-3245-6053  
 Scheduled date to file Quarterly Securities Report: August 5, 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	30,484	(9.2)	1,273	(33.9)	2,625	(56.7)	3,055	(41.1)
Three months ended June 30, 2015	33,576	4.0	1,926	16.7	6,063	114.2	5,183	144.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	19.64		–	
Three months ended June 30, 2015	34.10		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	208,164	129,648	61.2
As of March 31, 2016	220,587	131,489	58.5

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, 2016	–	5.00	–	7.00	12.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	6.00	–	6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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, 2016	62,000	(9.6)	1,200	(63.8)	4,500	(57.9)	4,600	(50.6)	29.56
Full year	140,000	(1.9)	5,200	(29.9)	10,800	(43.0)	9,300	(35.0)	59.77

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016  
(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, 2016	155,636,535 shares	As of March 31, 2016	155,636,535 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	31,158 shares	As of March 31, 2016	30,307 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, 2016	155,605,696 shares	Three months ended June 30, 2015	152,004,159 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	14,517	36,827
Notes and accounts receivable - trade	42,790	38,442
Inventories	27,913	29,488
Deferred tax assets	2,001	1,624
Other	2,974	3,782
Allowance for doubtful accounts	(214)	(213)
Total current assets	89,982	109,951
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,079	16,715
Machinery, equipment and vehicles, net	18,076	17,737
Tools, furniture and fixtures, net	1,626	1,576
Land	15,341	15,339
Leased assets, net	286	270
Construction in progress	1,144	1,068
Total property, plant and equipment	53,553	52,707
Intangible assets		
Goodwill	939	880
Other	1,140	1,050
Total intangible assets	2,079	1,930
Investments and other assets		
Investment securities	63,096	31,485
Net defined benefit asset	7,030	7,185
Deferred tax assets	2,319	2,283
Other	2,623	2,709
Allowance for doubtful accounts	(98)	(88)
Total investments and other assets	74,971	43,575
Total non-current assets	130,605	98,213
Total assets	220,587	208,164

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,670	14,414
Electronically recorded obligations - operating	3,376	2,267
Short-term loans payable	35,712	31,777
Income taxes payable	905	426
Provision for bonuses	3,449	2,543
Other	5,897	6,044
Total current liabilities	64,011	57,473
Non-current liabilities		
Long-term loans payable	14,019	12,371
Deferred tax liabilities	5,251	2,929
Net defined benefit liability	2,564	2,566
Other	3,250	3,175
Total non-current liabilities	25,086	21,043
Total liabilities	89,097	78,516
<b>Net assets</b>		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	64,806	66,772
Treasury shares	(20)	(21)
Total shareholders' equity	123,311	125,277
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,605	3,421
Deferred gains or losses on hedges	(166)	53
Foreign currency translation adjustment	1,525	(1,255)
Remeasurements of defined benefit plans	(291)	(165)
Total accumulated other comprehensive income	5,672	2,054
Non-controlling interests	2,505	2,316
Total net assets	131,489	129,648
Total liabilities and net assets	220,587	208,164

**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, 2015	Three months ended June 30, 2016
Net sales	33,576	30,484
Cost of sales	24,843	22,451
Gross profit	8,733	8,032
Selling, general and administrative expenses	6,806	6,759
Operating income	1,926	1,273
Non-operating income		
Interest income	1	0
Dividend income	247	249
Share of profit of entities accounted for using equity method	3,363	1,475
Other	965	347
Total non-operating income	4,577	2,074
Non-operating expenses		
Interest expenses	130	110
Foreign exchange losses	–	438
Loss on valuation of derivatives	172	–
Other	137	172
Total non-operating expenses	440	721
Ordinary income	6,063	2,625
Extraordinary income		
Gain on change in equity	–	907
Gain on sales of non-current assets	10	–
Other	1	–
Total extraordinary income	11	907
Extraordinary losses		
Loss on abandonment of non-current assets	19	21
Total extraordinary losses	19	21
Profit before income taxes	6,056	3,512
Income taxes - current	307	1,969
Income taxes - deferred	508	(1,493)
Total income taxes	815	476
Profit	5,240	3,036
Profit (loss) attributable to non-controlling interests	56	(19)
Profit attributable to owners of parent	5,183	3,055

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit	5,240	3,036
Other comprehensive income		
Valuation difference on available-for-sale securities	873	(1,204)
Deferred gains or losses on hedges	(81)	177
Foreign currency translation adjustment	(44)	(682)
Remeasurements of defined benefit plans, net of tax	27	34
Share of other comprehensive income of entities accounted for using equity method	(812)	(2,076)
Total other comprehensive income	(36)	(3,751)
Comprehensive income	5,203	(715)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,106	(562)
Comprehensive income attributable to non-controlling interests	96	(152)