

Translation

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**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2017
(Based on Japanese GAAP)**

February 6, 2018

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 Satoshi Takeuchi TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: February 9, 2018
 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, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	98,361	10.5	3,262	32.7	5,348	(14.0)	3,442	(42.3)
Nine months ended December 31, 2016	88,994	(11.0)	2,457	(44.3)	6,222	(57.7)	5,966	(54.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	22.81		–	
Nine months ended December 31, 2016	38.83		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	222,979	144,388	63.4
As of March 31, 2017	217,302	138,069	62.3

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, 2017	–	6.00	–	6.00	12.00
Year ending March 31, 2018	–	6.00	–		
Year ending March 31, 2018 (Forecast)				6.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	133,000	3.4	5,600	4.4	7,900	(20.3)	5,500	(37.4)	36.45

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017
 (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: No
- 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, 2017	155,636,535 shares	As of March 31, 2017	155,636,535 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	4,727,159 shares	As of March 31, 2017	4,724,709 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, 2017	150,912,101 shares	Nine months ended December 31, 2016	153,665,609 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	33,171	28,392
Notes and accounts receivable - trade	38,153	35,965
Electronically recorded monetary claims - operating	2,018	2,251
Inventories	28,484	32,915
Deferred tax assets	1,996	1,833
Other	3,509	4,611
Allowance for doubtful accounts	(196)	(214)
Total current assets	107,137	105,756
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,694	16,940
Machinery, equipment and vehicles, net	18,284	19,059
Tools, furniture and fixtures, net	1,610	1,520
Land	15,338	15,265
Construction in progress	2,515	3,433
Other, net	238	19
Total property, plant and equipment	54,682	56,239
Intangible assets		
Goodwill	704	528
Other	877	828
Total intangible assets	1,582	1,356
Investments and other assets		
Investment securities	41,186	46,516
Net defined benefit asset	7,597	7,950
Deferred tax assets	2,469	2,369
Other	2,673	2,814
Allowance for doubtful accounts	(26)	(24)
Total investments and other assets	53,900	59,627
Total non-current assets	110,165	117,223
Total assets	217,302	222,979

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,445	19,358
Electronically recorded obligations - operating	1,917	4,832
Short-term loans payable	31,634	25,031
Income taxes payable	1,468	337
Provision for bonuses	3,017	885
Other	6,847	5,807
Total current liabilities	60,330	56,252
Non-current liabilities		
Long-term loans payable	7,569	8,979
Deferred tax liabilities	4,797	6,780
Net defined benefit liability	2,563	2,616
Provision for environmental measures	1,119	1,084
Other	2,852	2,877
Total non-current liabilities	18,902	22,338
Total liabilities	79,232	78,591
Net assets		
Shareholders' equity		
Capital stock	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	71,592	73,220
Treasury shares	(2,232)	(2,234)
Total shareholders' equity	127,886	129,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,083	10,560
Deferred gains or losses on hedges	(139)	25
Foreign currency translation adjustment	616	1,212
Remeasurements of defined benefit plans	(75)	51
Total accumulated other comprehensive income	7,483	11,849
Non-controlling interests	2,698	3,027
Total net assets	138,069	144,388
Total liabilities and net assets	217,302	222,979

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, 2016	Nine months ended December 31, 2017
Net sales	88,994	98,361
Cost of sales	66,993	73,732
Gross profit	22,000	24,629
Selling, general and administrative expenses	19,543	21,367
Operating profit	2,457	3,262
Non-operating income		
Interest income	5	10
Dividend income	517	697
Share of profit of entities accounted for using equity method	3,530	1,334
Other	1,200	832
Total non-operating income	5,253	2,874
Non-operating expenses		
Interest expenses	299	264
Provision for environmental measures	514	-
Other	674	523
Total non-operating expenses	1,488	788
Ordinary profit	6,222	5,348
Extraordinary income		
Gain on change in equity	907	-
Gain on sales of investment securities	261	33
Gain on sales of non-current assets	-	27
Total extraordinary income	1,169	61
Extraordinary losses		
Loss on abandonment of non-current assets	112	348
Other	24	4
Total extraordinary losses	136	352
Profit before income taxes	7,255	5,057
Income taxes - current	2,245	840
Income taxes - deferred	(1,067)	589
Total income taxes	1,178	1,430
Profit	6,077	3,627
Profit attributable to non-controlling interests	110	184
Profit attributable to owners of parent	5,966	3,442

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	6,077	3,627
Other comprehensive income		
Valuation difference on available-for-sale securities	2,732	3,556
Deferred gains or losses on hedges	(174)	198
Foreign currency translation adjustment	(516)	690
Remeasurements of defined benefit plans, net of tax	104	134
Share of other comprehensive income of entities accounted for using equity method	(1,762)	(54)
Total other comprehensive income	384	4,525
Comprehensive income	6,461	8,152
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,304	7,807
Comprehensive income attributable to non-controlling interests	157	344