



FACT BOOK 2019

For the fiscal year ended March 31, 2019

Securities code : 4046



OSAKA SODA CO., LTD.



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◆ Corporate Profile

As of March 31, 2019

| | |
|--------------------------------------|---|
| Company Name | OSAKA SODA CO., LTD. |
| Location | 1-12-18, Awaza, Nishi-ku, Osaka 550-0011, Japan Telephone: +81-6-6110-1560 Facsimile: +81-6-6110-1603 |
| President & COO | Kenshi Terada (as of June, 2019) |
| Website URL | http://www.osaka-soda.co.jp/en |
| Establishment | October 26, 1915 |
| Capital | ¥15,150 million |
| Stock Exchange | Listed on the First Section of the Tokyo Exchange |
| Unit amount of stocks | 100 |
| Outstanding balance of Issued stocks | 26,090,580 |
| Number of Employees | 970(Consolidated) , 610(Single Entity) |

◆ Main Products

| | |
|-------------------------------|---|
| Basic Chemical Products | Caustic Soda, Hydrochloric Acid, Liquid Chlorine, Chlorine Gas, Sodium Hypochlorite, Sodium Chlorite, Sodium Chlorate, Caustic Potash, Hydrogen Gas, Epichlorohydrin, Allyl Chloride, Paint Materials, Adhesive Materials etc. |
| Functional Chemical Products | Allyl Derivatives, Epichlorohydrin Rubber 'EPICHLOMER™', Acrylic Rubber 'RACRESTER™', Diallyl Phthalates 'DAISO DAP™', Non-phthalate allyl resin "RADPAR™", Polysulfide System Silane Coupling Agent 'CABRUS™', Silica gel for HPLC 'DAISOGEL™', HPLC column 'CAPCELL PAC™', Lens Materials, Photosensitive Resin, Color Resist, Electrodes 'NEOLORD™', Bulk Pharmaceuticals and Intermediates, Optically Active Substances, Glass Fiber, Material Recycle etc. |
| Housing Facilities and others | DAP Decorative Board, Housing Facilities, Health Food, Chemicals Plant, Transportation and storage of chemical products, Environmental preservation facilities etc. |

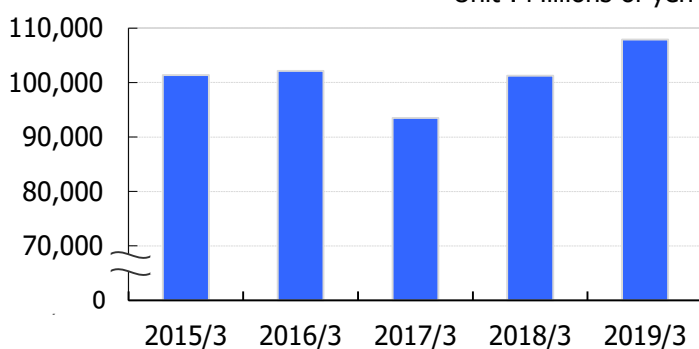
I. Consolidated statements of income

Unit : Millions of yen

| | 2010/3 | 2011/3 | 2012/3 | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|--|--------|--------|--------|--------|--------|---------|---------|--------|---------|---------|
| Net Sales | 72,404 | 80,757 | 82,489 | 83,149 | 91,621 | 101,365 | 102,125 | 93,509 | 101,231 | 107,874 |
| Cost of Sales | 60,807 | 66,595 | 68,646 | 68,879 | 76,993 | 85,642 | 84,357 | 75,335 | 81,417 | 84,783 |
| Gross Profit | 11,596 | 14,162 | 13,842 | 14,269 | 14,627 | 15,723 | 17,767 | 18,174 | 19,814 | 23,090 |
| Selling, General and Administrative Expenses | 9,408 | 9,691 | 9,760 | 9,731 | 9,876 | 10,550 | 11,324 | 11,587 | 12,495 | 13,601 |
| Operating Income | 2,188 | 4,470 | 4,082 | 4,538 | 4,751 | 5,172 | 6,443 | 6,586 | 7,318 | 9,488 |
| Non-operating Income | 334 | 416 | 358 | 610 | 681 | 794 | 633 | 456 | 500 | 804 |
| Non-operating Expenses | 337 | 267 | 194 | 123 | 191 | 220 | 637 | 506 | 333 | 239 |
| Ordinary Income | 2,185 | 4,618 | 4,246 | 5,025 | 5,241 | 5,747 | 6,439 | 6,536 | 7,485 | 10,053 |
| Extraordinary Income | 36 | 10 | 4 | 30 | 909 | 1,282 | 18 | - | 106 | 139 |
| Extraordinary Losses | 530 | 863 | 726 | 507 | 1,400 | 1,620 | 727 | 582 | 666 | 387 |
| Income before Income Taxes | 1,691 | 3,765 | 3,523 | 4,547 | 4,749 | 5,409 | 5,730 | 5,953 | 6,924 | 9,805 |
| Income Taxes (Current and Deferred) | 743 | 1,340 | 1,583 | 1,659 | 1,720 | 1,959 | 2,123 | 1,633 | 2,146 | 3,012 |
| Net Income | 947 | 2,425 | 1,940 | 2,888 | 3,029 | 3,450 | 3,606 | 4,320 | 4,778 | 6,793 |

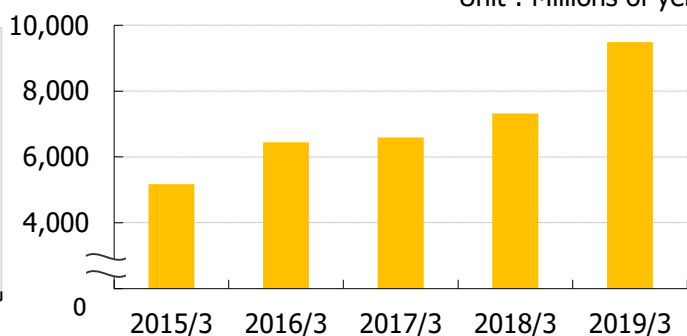
◆ Net Sales

Unit : Millions of yen



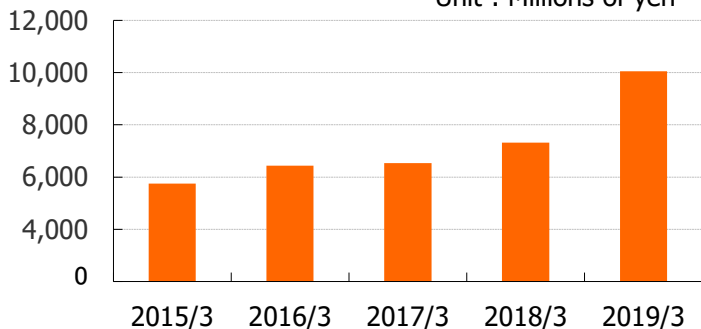
◆ Operating Income

Unit : Millions of yen



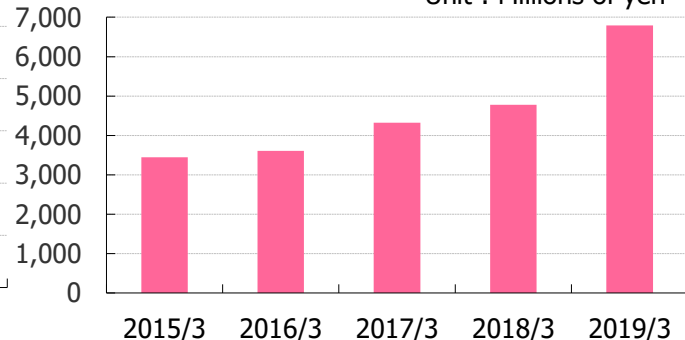
◆ Ordinary Income

Unit : Millions of yen



◆ Net Income

Unit : Millions of yen



II. Consolidated balance sheets

Unit : Millions of yen

| | 2010/3 | 2011/3 | 2012/3 | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|---|---------------|---------------|---------------|---------------|---------------|----------------|---------------|----------------|----------------|----------------|
| Current Assets | 36,679 | 37,613 | 39,505 | 41,555 | 44,932 | 58,450 | 57,137 | 58,739 | 66,060 | 68,219 |
| Fixed Assets | 30,000 | 27,600 | 28,172 | 35,248 | 39,394 | 42,443 | 39,890 | 42,764 | 48,959 | 44,442 |
| Tangible Fixed Assets | 16,847 | 15,287 | 16,006 | 20,784 | 22,889 | 20,586 | 20,357 | 21,555 | 23,595 | 21,962 |
| Intangible Fixed Assets | 764 | 606 | 398 | 1,248 | 1,278 | 1,159 | 1,192 | 1,207 | 1,599 | 1,338 |
| Investments and Other Assets | 12,388 | 11,706 | 11,767 | 13,215 | 15,226 | 20,697 | 18,339 | 20,001 | 23,764 | 21,141 |
| Total Assets | 66,680 | 65,214 | 67,677 | 76,804 | 84,326 | 100,893 | 97,027 | 101,503 | 115,020 | 112,661 |
| Current Liabilities | 21,469 | 26,371 | 29,578 | 31,753 | 30,406 | 32,258 | 30,669 | 31,390 | 33,206 | 32,197 |
| Non-Current Liabilities | 12,424 | 5,241 | 3,256 | 6,804 | 12,304 | 20,930 | 18,062 | 17,387 | 20,859 | 15,915 |
| Total Liabilities | 33,893 | 31,612 | 32,834 | 38,558 | 42,710 | 53,189 | 48,731 | 48,778 | 54,066 | 48,113 |
| Common Stock | 10,882 | 10,882 | 10,882 | 10,882 | 10,882 | 10,882 | 10,882 | 10,882 | 13,970 | 15,150 |
| Capital Surplus | 9,394 | 9,394 | 9,394 | 9,394 | 9,394 | 9,399 | 9,399 | 9,399 | 12,487 | 13,667 |
| Retained Earnings | 11,998 | 13,773 | 14,923 | 17,074 | 19,367 | 22,038 | 24,697 | 27,964 | 31,517 | 36,942 |
| Treasury Stock | -778 | -1,647 | -1,648 | -1,668 | -1,672 | -1,663 | -1,666 | -1,670 | -5,037 | -6,679 |
| Other Comprehensive Income | 1,217 | 1,128 | 1,224 | 2,526 | 3,629 | 7,047 | 4,983 | 6,149 | 8,015 | 5,467 |
| Stock Acquisition Rights | 72 | 70 | 66 | 37 | 14 | - | - | - | - | - |
| Total Net Assets | 32,786 | 33,601 | 34,843 | 38,246 | 41,615 | 47,704 | 48,296 | 52,725 | 60,953 | 64,548 |
| Total Liabilities and Net Assets | 66,680 | 65,214 | 67,677 | 76,804 | 84,326 | 100,893 | 97,027 | 101,503 | 115,020 | 112,661 |

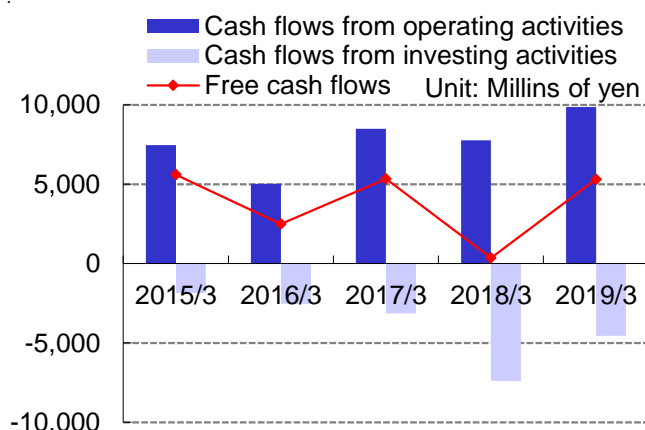
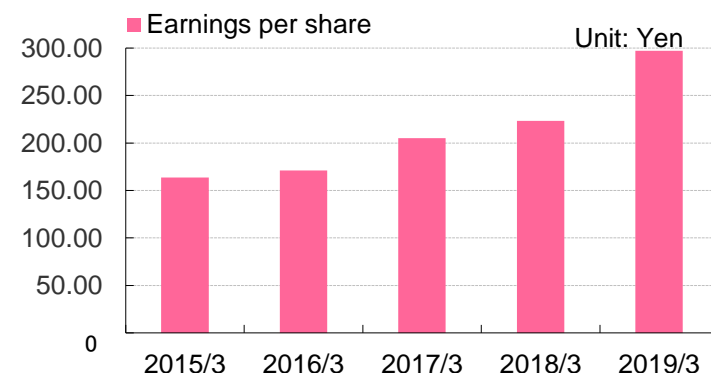
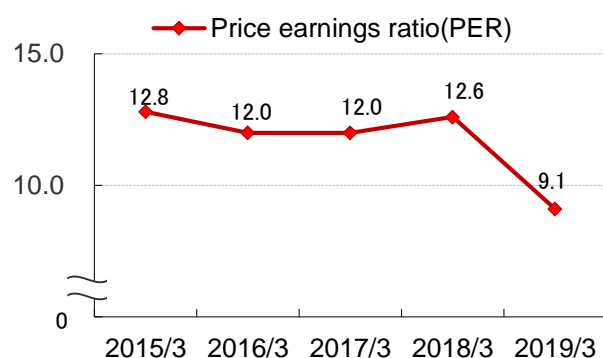
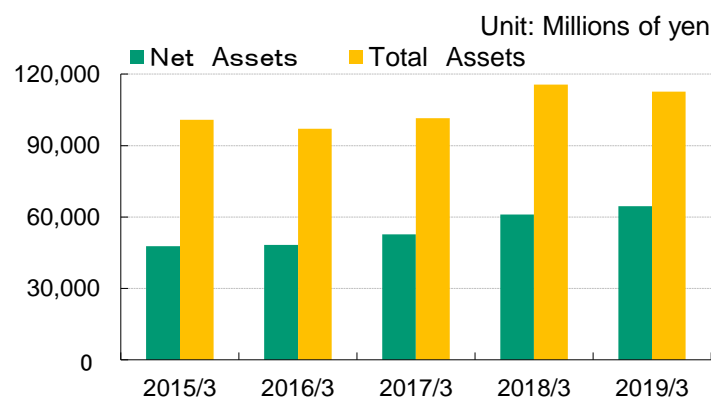
"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, February 16, 2018) is applied from the beginning of the year ended March 31, 2019. Accordingly, deferred tax assets are presented under investments and other assets, and deferred tax liabilities are presented under noncurrent liabilities. This amendment has been retrospectively applied and the amounts for the fiscal year ended March 31, 2018 have been changed.

III. Consolidated main management index

| | 2010/3 | 2011/3 | 2012/3 | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Net Assets (Millions of yen) | 32,786 | 33,601 | 34,843 | 38,246 | 41,615 | 47,704 | 48,296 | 52,725 | 60,953 | 64,548 |
| Total Assets (Millions of yen) | 66,680 | 65,214 | 67,677 | 76,804 | 84,326 | 100,893 | 97,027 | 101,503 | 115,020 | 112,661 |
| Net assets per share (yen) | 1,508.76 | 1,590.57 | 1,649.69 | 1,813.71 | 1,975.61 | 2,263.88 | 2,292.13 | 2,502.48 | 2,698.66 | 2,795.62 |
| Earnings per share (yen) | 42.96 | 112.35 | 92.07 | 137.03 | 143.82 | 163.74 | 171.16 | 205.05 | 223.24 | 297.10 |
| Fully diluted earnings per share (yen) | 37.99 | 99.10 | 89.51 | 135.09 | - | 142.03 | 142.15 | 170.11 | 178.58 | 254.24 |
| Dividend per share (yen) | 30.0 | 35.0 | 35.0 | 35.0 | 35.0 | 40.0 | 50.0 | 55.0 | 57.5 | 65.0 |
| Payout ratio (%) | 69.8 | 31.2 | 38.0 | 25.5 | 24.3 | 24.4 | 29.2 | 26.8 | 25.8 | 21.9 |
| Shareholder's equity ratio (%) | 49.1 | 51.4 | 51.4 | 49.7 | 49.3 | 47.3 | 49.8 | 51.9 | 53.0 | 57.3 |
| Return on equity (%) | 2.9 | 7.3 | 5.7 | 7.9 | 7.6 | 7.7 | 7.5 | 8.6 | 8.4 | 10.8 |
| Price earnings ratio (%) | 27.6 | 12.7 | 14.4 | 10.4 | 12.7 | 12.8 | 12.0 | 12.1 | 12.6 | 9.1 |
| Cash flows from operating activities (Millions of yen) | 7,012 | 5,370 | 3,950 | 4,711 | 5,177 | 7,460 | 5,031 | 8,490 | 7,757 | 9,854 |
| Cash flows from investing activities (Millions of yen) | -1,510 | -1,312 | -2,340 | -5,182 | -8,336 | -1,853 | -2,535 | -3,145 | -7,398 | -4,542 |
| Cash flows from financing activities (Millions of yen) | -3,363 | -4,726 | -1,385 | 430 | 5,233 | 5,954 | -3,433 | -3,506 | 3,097 | -5,003 |
| Cash and cash equivalents at the end of year (Millions of yen) | 6,522 | 5,764 | 5,881 | 5,934 | 8,197 | 20,095 | 19,036 | 20,532 | 23,993 | 24,376 |
| Number of employees | 748 | 761 | 755 | 798 | 795 | 811 | 820 | 850 | 931 | 970 |

※1 The Share Consolidation was implemented on the basis that every five issued Existing Shares be consolidated into one Consolidated Shares on Oct 1, 2017.

※2 Net assets per share, EPS, Diluted EPS, and Dividend per share are calculated assuming that the Consolidation was executed at the beginning of previous year.



IV. Segment Information

◆ Net Sales

Unit : Millions of yen

| | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|-------------------------------|--------|--------|--------|--------|--------|
| Basic Chemical Products | 44,229 | 42,580 | 41,783 | 44,513 | 48,955 |
| Functional Chemical Products | 35,816 | 37,867 | 36,338 | 40,680 | 43,005 |
| Housing Facilities and others | 21,319 | 21,676 | 15,387 | 16,038 | 15,912 |

◆ Operating Income

Unit : Millions of yen

| | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|-------------------------------|--------|--------|--------|--------|--------|
| Basic Chemical Products | 1,428 | 2,121 | 1,491 | 2,221 | 5,124 |
| Functional Chemical Products | 4,648 | 5,974 | 6,319 | 6,017 | 5,459 |
| Housing Facilities and others | 179 | -676 | -238 | 137 | 169 |

◆ Operating income ratio

Unit : %

| | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|-------------------------------|--------|--------|--------|--------|--------|
| Basic Chemical Products | 3.2 | 5.0 | 3.6 | 5.0 | 10.5 |
| Functional Chemical Products | 13.0 | 15.8 | 17.4 | 14.8 | 12.7 |
| Housing Facilities and others | 0.8 | - | - | 0.9 | 1.1 |

V. Consolidated cash flows and capital investment

Unit : Millions of yen

| | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 |
|--|--------|--------|--------|--------|--------|
| Cash and cash equivalents at the beginning of year | 8,197 | 20,095 | 19,036 | 20,532 | 23,993 |
| Operating activities | 7,460 | 5,031 | 8,490 | 7,757 | 9,854 |
| Investing activities | -1,853 | -2,535 | -3,145 | -7,398 | -4,542 |
| Free cash flows | 5,607 | 2,496 | 5,345 | 359 | 5,312 |
| Financing activities | 5,954 | -3,433 | -3,506 | 3,097 | -5,003 |
| Cash and cash equivalents at the end of year | 20,095 | 19,036 | 20,532 | 23,993 | 24,376 |

| | | | | | |
|-----------------------------------|-------|-------|-------|-------|-------|
| Depreciation | 2,811 | 2,892 | 2,923 | 3,185 | 3,605 |
| Capital expenditures | 2,015 | 2,861 | 4,302 | 5,963 | 2,434 |
| Research and development expenses | 1,469 | 1,485 | 1,685 | 1,896 | 2,289 |

