

OSAKA SODA CO., LTD.
CONSOLIDATED FINANCIAL RESULTS
For the Fiscal Year Ended March 31, 2017
(Prepared under Japan GAAP, unaudited)

Company name: OSAKA SODA CO.,LTD Stock Exchange Listing: Tokyo
Securities code: 4046 URL: <http://www.osaka-soda.co.jp>
Representative: Tamotsu Sato, Representative Director, Chief Executive Officer
For inquiry: Takuya Kajino, General Manager, Administration Division
(Telephone: +81-6-6110-1560)

Scheduled date of general shareholders meeting: June 29, 2017
Scheduled date of commencement of dividend payment: June 12, 2017
Scheduled date of filing of securities report: June 30, 2017
Supplementary materials prepared for the financial results: Yes
Annual financial results briefings: Yes

1. Consolidated Financial Results (Amounts are rounded down to the nearest million yen)

(1) Results of Operations

		Year ended			
		March 31, 2017		March 31, 2016	
			Change *		Change *
Net sales	Millions of yen	93,509	(8.4)%	102,125	0.7%
Operating income	Millions of yen	6,586	2.2%	6,443	24.6%
Ordinary income	Millions of yen	6,536	1.5%	6,439	12.0%
Net income attributable to owners of parent	Millions of yen	4,320	19.8%	3,606	4.5%
Comprehensive income	Millions of yen	5,485	262.8%	1,512	(78.0)%
Net income per share	Yen	41.01	-	34.23	-
Diluted net income per share	Yen	34.02	-	28.43	-
Return on equity	%	8.6	-	7.5	-
Return on total assets	%	6.6	-	6.5	-
Operating income ratio	%	7.0	-	6.3	-

Note: Percent changes are year-on-year comparisons

(2) Financial Condition

		As of March 31, 2017	As of March 31, 2016
		Total assets	Millions of yen
Net assets	Millions of yen	52,725	48,296
Equity *	Millions of yen	52,725	48,296
Equity ratio	%	51.9	49.8
Net assets per share (Yen)	Yen	500.50	458.43

Note: Equity = "Total net assets" minus "Subscription rights to shares"

(3)Cash Flows

		Year ended	
		March 31, 2017	March 31, 2016
Cash flows from operating activities	Millions of yen	8,490	5,031
Cash flows from investing activities	Millions of yen	(3,145)	(2,535)
Cash flows from financing activities	Millions of yen	(3,506)	(3,433)
Cash and cash equivalents at end of year	Millions of yen	20,532	19,036

2. Dividends

		Year ending March 31, 2018 (Forecast)	Year ended March 31, 2017	Year ended March 31, 2016
End of first quarter	Yen	-	-	
End of second quarter	Yen	5.50	5.00	5.00*
End of third quarter	Yen	-	-	
End of fourth quarter	Yen	5.50	6.00	5.00*
Full year	Yen	11.00	11.00	10.00
Payment of dividends	Millions of yen	-	1,158	1,053
Dividend payout ratio	%	25.2	26.8	29.2
Ratio of dividend to net assets	%	-	2.3	2.2

Note: Osaka Soda Co., Ltd., on October 1st, 2017 which is the effective date, is scheduled to execute the share consolidation of its common shares at a ratio of 1-for 5. The dividends per share forecast for year-ending March 31, 2018 is calculating based on the number of shares prior to the share consolidation. For further details on the share consolidation, refer to the notice regarding "Changes in the Number of Shares per Share Unit, Share Consolidation, and Partial Amendment to the Articles of Incorporation" announced today.

3. Earnings Forecast for the fiscal year ending March 31, 2018

		End of second quarter		Full-year	
			Change*		Change*
Net sales	Millions of yen	47,000	0.2%	100,000	6.9%
Operating income	Millions of yen	3,300	(4.6)%	7,000	6.3%
Ordinary income	Millions of yen	3,300	19.2%	7,000	7.1%
Net income	Millions of yen	2,200	19.0%	4,600	6.5%
Earnings per share	Yen	19.93	-	43.37	-

Note: Percent changes are year-on-year comparisons.

* Notes

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, accounting estimates and restatements of revisions

1) Changes in accounting policies due to revisions of accounting standards, etc.: None

2) Changes in accounting policies other than 1): None

3) Changes in accounting estimates: None

4) Restatement of revisions: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of March 31, 2017: 111,771,671 Shares

As of March 31, 2016: 111,771,671 Shares

2) Number of treasury shares at the end of period

As of March 31, 2017: 6,428,225 Shares

As of March 31, 2016: 6,419,632 Shares

3) Average number of shares outstanding in each period

Year ended March 31, 2017: 105,348,625 Shares

Year ended March 31, 2016: 105,356,370 Shares

* Status of audit procedure:

This financial results are not subject to the audit procedure in accordance with the Financial Instruments and Exchange Act. The audit procedure of consolidated financial statements has not been completed at the time of disclosure.

*Appropriate use of financial forecasts, other special notes

This material contains forward-looking statements such as earnings forecast about OSAKA SODA CO., LTD. and its group companies ("Osaka Soda Group"). These forward-looking statements are based on the current assumptions and beliefs of Osaka Soda Group in light of the information currently available to it, and contain known and unknown risks, uncertainties and other factors. Osaka Soda Group therefore wishes to caution readers that actual results could be materially different from any future results.

DISCLAIMER:

This is an English translation of the original Japanese document and is prepared for reference. Should there be any inconsistency between the translation and the Japanese original, the latter shall prevail.

4. Results of Operations and Financial Condition

(1) Results of Operations

During the fiscal year ended March 31, 2017, Japan's economy has continued to recover moderately as a trend, against the background of improvement in the employment and income situation, although the outlook remains uncertain due to the slowdown in Asia's emerging countries including China, sharp volatility in foreign currency exchange and concerns over protectionism on a global scale as a result of US presidential elections.

Under the circumstance, net sales were ¥93,509 million, a decrease of 8.4% due to unit price down by negative currency effects despite continued steady shipment of products and structural reforms to improve profitability in "Housing Facilities and Others". Operating income was ¥6,586 million, an increase of 2.2% compared to the same period of fiscal 2015. Ordinary income was ¥6,536 million, an increase of 1.5% compared to the same period of fiscal 2015. Net income attributable to owners of the parent was ¥4,320 million, an increase of 19.8% compared to the same period of fiscal 2015. All three levels of profitability posted record high for the second consecutive year.

Osaka Soda Group has built the profitable structure that cannot be easily affected by environmental changes, strengthening competitiveness by cost down in Chlor-Alkali and Epichlorohydrin, expanding high value added business centering on Functional Chemical Products such as health-care related business and synthetic resin and rubber, and implementing structural reforms to enhance competitiveness. Accordingly, the net sales decreased but the operating income increased in comparison to the same period of fiscal 2015.

Basic Chemical Products

In *Chlor-Alkali*, net sales decreased due to the effect of market conditions despite continued steady volume increase.

In *Epichlorohydrin*, net sales decreased due to a decline in domestic demand and weak market conditions despite continued steady export sales.

As a result, net sales were ¥41,783 million, a decrease of 1.9% compared to the same period of fiscal 2015.

Functional Chemical Products

In *Separation Media in Pharmaceutical Industry (Silica Gel for Liquid Chromatography)*, net sales increased due to continued steady sales to Europe and China in biomedical application as well as an increase in domestic sales for analysis and purification of active pharmaceutical ingredients.

In *Active Pharmaceutical Ingredients and their Intermediates*, net sales increased due to continued steady sales in "Antiviral Drug", "Anti-Insomnia Drug", "Agent for Anti-immune Disease", and new active pharmaceutical ingredients .

In *Diallyl Phthalate Resin*, net sales decreased due to a decline in unit price by strong yen despite volume increase reflecting an increase in domestic sales as well as sales to new customers using UV printing inks in Europe and America.

In *Allyl Ethers*, net sales decreased due to a decline in unit price by strong yen despite volume increase reflecting an increase in application for silane coupling agents.

In *Epichlorohydrin Rubber and related businesses*, net sales decreased due to a decline in unit price by strong yen despite volume increase reflecting a steady export sales to China and India.

As a result, net sales were ¥36,338 million, a decrease of 4.0% compared to the same period of fiscal 2015.

Housing Facilities and Others

Net sales were ¥15,387 million, an increase of 29.0% compared to the same period of fiscal 2015.

(2) Financial Condition

Assets

Current assets were ¥58,739 million, an increase of 2.8% since March 31, 2016. The increase was due primarily to an increase of ¥2,500 million in *short term investment securities*, a decrease of ¥1,004 million in *cash and deposits*.

Noncurrent assets were ¥42,764 million, an increase of 7.2% since March 31, 2016. The increase was due primarily to an increase of ¥1,198 million in *property, plant, and equipment*, an increase of ¥1,773 million in *investment securities*.

As a result, **Total assets** were ¥101,503 million, an increase of 4.6% since March 31, 2016.

Liabilities

Current liabilities were ¥31,390 million, an increase of 2.4% since March 31, 2016. The decrease was due primarily to an increase of ¥346 million in *notes and accounts payable-trade*.

Noncurrent liabilities were ¥17,387 million, a decrease of 3.7% since March 31, 2016. The decrease was due primarily to a decrease of ¥2,160 million in *long term loan payable*.

As a result, **Total liabilities** were ¥48,778 million, an increase of 0.1% since March 31, 2016.

Net assets

Net assets were ¥52,725 million, an increase of 9.2% since March 31, 2016.

(3) Cash flow

Cash and cash equivalents at the end of fiscal year were ¥20,532million, an increase of ¥1,496 million compared to the previous fiscal period.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥8,490 million, due primarily to ¥5,953 million in *income before income taxes* and ¥2,923 million in *depreciation*.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥3,145million, due primarily to cash outflows of ¥2,038 million in *purchase of property, plant, and equipment*.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥3,506 million, due primarily to repayment of ¥2,440 million in *repayments of long term loan payable* and *cash dividends paid* of ¥1,052 million.

(4) Outlook

With regard to the economic outlook, Japan's economy is expected to continue delivering solid growth against the background of improvement of employment and income situation. However, downside risks still dominate global economic prospects due to the possible change in the political and economic framework that are associated with nationalist pressures. There appeared to be that the nation as being more divided than united in some countries.

Osaka Soda Group regards this movement as a turning point, aims to strengthen the profitability in order to implement the business strategies aggressively. To achieve this, Osaka Soda Group focuses on launching new products, expanding global sales, and accelerating healthcare business expansion. Osaka Soda Group also needs to evolve more profitable group, developing its high value-added products and creating new products and new fields for next generation on the back of completion of new R&D building in October 2017.

Basic Chemical Products

Osaka Soda Group focuses on developing an efficient production system taking introduction of cutting-edge technology including "Internet of Things" into consideration to enhance more competitiveness in product quality and cost reduction.

In Chlor-Alkali products, Osaka Soda Group works on sales price adjustments reflecting price changes in fuel and raw materials and boosts competitiveness increasing efficiency in electrolysis.

In *Allyl Chloride* and *Epichlorohydrin* which is the raw materials of derivative products, Osaka Soda Group works improvement of production efficiency and sales expansion both within and outside the country.

Functional Chemical Products

In *Epichlorohydrin Rubber*, *Diallyl Phthalate Resin*, and *Allyl Ethers* which are our primary products, Osaka Soda Group strengthens sales organization, focusing on global business for share expansion and accelerating new products launch such as acrylic rubber and new allyl resins. Furthermore, Osaka Soda Group aims to create new fields of business such as rubber compounding and new products by research and development effort.

In *Healthcare-related business*, Osaka Soda Group positioned it as our group's third pillar of profit and invests aggressively in our management resources.

In Active Pharmaceutical Ingredients and their Intermediates, Osaka Soda Group makes efforts to expand freeze drying facility for polymerizing drug and acquires new contract manufacturing from customers utilizing specialized equipment for reduction reaction under medium pressure and for reaction at a very low temperature.

In Separation Media in Pharmaceutical Industry (Silica Gel for Liquid Chromatography), Osaka Soda Group actively develops sales activities to launch affinity gel for antibody drug purification and develop new customers in India where the economy is growing remarkably as well as China.

Housing Facilities and Others

Osaka Soda Group works to increase orders focusing on Electrolysis in which it excels in *Plant Engineering Services* and works to improve profitability continuing to change the business portfolio in *Housing Facilities* and *Daily Life related Products*.

The outlook of Osaka Soda Group for fiscal 2017 is ¥100,000 million in net sales, ¥7,000 million in operating income, ¥7,000 million in ordinary income, and ¥4,600 million in net income attributable to shareholders of the parent.

5. Accounting Standards

Our consolidated financial statements are prepared under Japanese generally accepted accounting principles in terms of comparisons to period-on-period or company-to-company. We will adopt International Financial Reporting Standards by considering the internal and external situation in an appropriate manner.

8. CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	March 31, 2016	March 31, 2017
Assets		
Current assets		
Cash and deposits	12,037	11,033
Notes and accounts receivable-trade	26,895	25,397
Electronically recorded monetary claims	835	2,497
Short term investment securities	6,999	9,499
Merchandise and finished goods	6,163	5,743
Work in process	1,107	1,411
Raw materials and supplies	1,847	1,667
Deferred tax assets	735	647
Other current assets	516	843
Less: Allowance for doubtful accounts	(1)	(3)
Total current assets	<u>57,137</u>	<u>58,739</u>
Noncurrent assets		
Buildings and structures	13,395	13,792
Accumulated depreciation	(8,674)	(9,003)
Buildings and structures - Net	<u>4,720</u>	<u>4,788</u>
Machinery, equipment, and vehicles	52,235	54,694
Accumulated depreciation	(41,136)	(43,355)
Machinery, equipment, and vehicles - Net	<u>11,098</u>	<u>11,339</u>
Land	2,298	2,298
Lease assets-PPE	5	1,071
Accumulated depreciation	(2)	(8)
Lease assets, net-PPE	<u>3</u>	<u>1,063</u>
Construction in progress	1,912	1,665
Other	3,210	3,369
Accumulated depreciation	(2,885)	(2,968)
Other - Net	<u>324</u>	<u>400</u>
Total property, plant and equipment	<u>20,357</u>	<u>21,555</u>
Intangible assets		
Goodwill	923	769
Software	229	184
Other	39	253
Total intangible assets	<u>1,192</u>	<u>1,207</u>
Investments and other assets		
Investment securities	17,154	18,927
Long-term loans receivable	61	51
Deferred tax assets	132	158
Other, net	1,570	1,431
Less: Allowance for doubtful accounts	<u>(578)</u>	<u>(568)</u>

Total investment and other assets	<u>18,339</u>	<u>20,001</u>
Total noncurrent assets	<u>39,890</u>	<u>42,764</u>
Total assets	<u>97,027</u>	<u>101,503</u>

CONSOLIDATED BALANCE SHEETS *(Continued)*

(Millions of yen)

	March 31, 2016	March 31, 2017
Liabilities		
<i>Current liabilities</i>		
Notes and accounts payable- trade	12,993	13,339
Short term loans payable	8,880	8,880
Current portion of long term loans payable	2,440	2,160
Income taxes payable	1,338	1,311
Provision for bonuses	709	712
Other current liabilities	4,307	4,987
Total current liabilities	30,669	31,930
<i>Noncurrent liabilities</i>		
Bonds with subscription rights to shares	10,000	9,999
Long term loans payable	2,960	800
Lease obligations	2	1,316
Deferred tax liabilities	1,502	1,776
Provision for directors retirement benefits	533	567
Net defined benefit liability	3,063	2,927
Total noncurrent liabilities	18,062	17,387
Total liabilities	48,731	48,778
Net assets		
<i>Shareholders' equity</i>		
Capital stock	10,882	10,882
Capital surplus	9,399	9,399
Retained earnings	24,697	27,964
Treasury stock	(1,666)	(1,670)
Total shareholders' equity	43,312	46,576
<i>Accumulated other comprehensive income</i>		
Valuation difference on available-for-sale securities	5,500	6,481
Deferred gains or losses on hedges	(82)	(13)
Foreign currency translation adjustments	45	24
Re-measurements of defined benefit plans	(479)	(342)
Total accumulated other comprehensive income	4,983	6,149
Total net assets	48,296	52,725
Total net assets and liabilities	97,027	101,503

CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

	Year Ended	
	March 31, 2016	March 31, 2017
Net sales	102,125	93,509
Cost of sales	84,357	75,335
Gross profit	17,767	18,174
Selling, general, and administrative expenses	11,324	11,587
Operating income	6,443	6,586
<i>Non-operating income</i>		
Interest income	23	22
Dividend income	313	332
Insurance income	231	23
Other	65	78
Total non-operating income	633	456
<i>Non-operating expenses</i>		
Interest expenses	92	74
Foreign exchange loss	525	415
Other	18	16
Total non-operating expenses	637	506
Ordinary income	6,439	6,536
<i>Extraordinary income</i>		
Gain on sales of noncurrent assets	0	-
Gain on sales of investment securities	18	-
Total extraordinary income	18	-
<i>Extraordinary loss</i>		
Loss on retirement of noncurrent assets	451	582
Commemorative activities expense	275	-
Total extraordinary loss	727	582
Income before income taxes	5,730	5,953
Income taxes - current	2,029	1,822
Income taxes - deferred	94	(189)
Total income taxes	2,123	1,633
Net income	3,606	4,320
Net income attributable to shareholders of the parent	3,606	4,320

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Millions of yen)

	Year ended	
	March 31, 2016	March 31, 2017
Net income	3,606	4,320
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,399)	980
Deferred gains or losses on hedges	(89)	68
Foreign currency translation adjustments	(7)	(20)
Re-measurements of defined benefit plans	(597)	136
Total other comprehensive income	(2,094)	1,165
Comprehensive income	1,512	5,485
Comprehensive income attributable to:		
Shareholders of the parent	1,512	5,485
Minority interests	—	—

STATEMENTS OF CHANGES IN NET ASSETS

(Millions of yen)

	March 31, 2016	March 31, 2017
Shareholder's Equity		
Capital Stock		
Balance at beginning of current period	10,882	10,882
Changes during the fiscal year		
Issuance of new shares	-	0
Total changes of items during the period	-	0
Balance at end of current period	10,882	10,882
Capital Surplus		
Balance at beginning of current period	9,399	9,399
Changes during the fiscal year		
Issuance of new shares	-	0
Dividends from surplus	-	(0)
Total changes of items during the period	-	0
Balance at end of current period	9,399	9,399
Retained earnings		
Balance at beginning of current period	22,038	24,697
Changes during the fiscal year		
Dividends from surplus	(948)	(1,053)
Net income attributable to shareholders of the parent	3,606	4,320
Change of scope of consolidation	0	-
Total changes of items during the period	2,658	3,266
Balance at end of current period	24,697	27,964
Treasury Stock		
Balance at beginning of current period	(1,663)	(1,666)
Changes during the fiscal year		
Purchase of treasury shares	(3)	(3)
Total changes of items during the period	(3)	(3)
Balance at end of current period	(1,666)	(1,670)
Total shareholders' equity		
Balance at beginning of current period	40,657	43,312
Changes during the fiscal year		
Issuance of new shares	-	1
Dividends from surplus	(948)	(1,053)
Net income attributable to shareholders of the parent	3,606	4,320
Purchase of treasury shares	(3)	(3)
Change of scope of consolidation	0	-
Total changes of items during the period	2,655	3,263
Balance at end of current period	43,312	46,576

STATEMENTS OF CHANGES IN NET ASSETS *(Continued)*

(Millions of yen)

	March 31, 2016	March 31, 2017
Accumulated other comprehensive income		
<i>Valuation difference on available-for-sale securities</i>		
Balance at beginning of current period	6,900	5,500
Net changes of items other than shareholders' equity	(1,399)	(980)
Total changes of items during the period	(1,399)	(980)
Balance at end of current period	5,500	6,481
<i>Deferred gains or losses on hedges</i>		
Balance at beginning of current period	7	(82)
Net changes of items other than shareholders' equity	(89)	68
Total changes of items during the period	(89)	68
Balance at end of current period	(82)	(13)
<i>Foreign currency translation adjustment</i>		
Balance at beginning of current period	22	45
Change of scope of consolidation	30	-
Net changes of items other than shareholders' equity	(7)	(20)
Total changes of items during the period	23	(20)
Balance at end of current period	45	24
<i>Re-measurements of defined benefit plans</i>		
Balance at beginning of current period	118	(479)
Net changes of items other than shareholders' equity	(597)	136
Total changes of items during the period	(597)	136
Balance at end of current period	(479)	(342)
<i>Total accumulated other comprehensive income</i>		
Balance at beginning of current period	7,047	4,983
Change of scope of consolidation	30	-
Net changes of items other than shareholders' equity	(2,094)	1,165
Total changes of items during the period	(2,063)	1,165
Balance at end of current period	4,983	6,149
Total net assets		
Balance at beginning of current period	47,704	48,296
Issuance of new shares	-	1
Dividends from surplus	(948)	(1,053)
Net income attributable to shareholders of the parent	3,606	4,320
Purchase of treasury shares	(3)	(3)
Change of scope of consolidation	31	-
Net changes of items other than shareholders' equity	(2,094)	1,165
Total changes of items during the period	591	4,428
Balance at end of current period	48,296	52,725

STATEMENTS OF CASH FLOWS

(Millions of yen)

	March 31, 2016	March 31, 2017
Cash flows from operating activities		
Income before Income Taxes	5,730	5,953
Depreciation	2,892	2,923
Amortization of goodwill	128	154
Increase (decrease) in allowance for doubtful accounts	563	(9)
Increase (decrease) in provision for bonuses	(11)	3
Increase (decrease) in net defined benefit liability	616	(135)
Increase (decrease) in provision for directors' retirement benefits	(82)	34
Interest and dividend income	(337)	(355)
Interest expenses	92	74
Foreign exchange gains	397	319
Loss on retirement of non-current assets	451	582
Insurance income	(231)	(23)
Decrease (increase) in notes and accounts receivable - trade	(136)	(101)
Decrease (increase) in inventories	(37)	297
Increase (decrease) in notes and accounts payable - trade	(2,991)	370
Increase (decrease) in accrued consumption taxes	(185)	(245)
Other, net	(625)	213
Sub total	6,234	10,056
Interest and dividend income received	337	355
Interest expenses paid	(94)	(75)
Insurance income received	231	23
Income taxes paid	(1,677)	(1,868)
Net cash provided by operating activities	5,031	8,490

STATEMENTS OF CASH FLOWS *(Continued)*

(Millions of yen)

	<u>March 31, 2016</u>	<u>March 31, 2017</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,888)	(2,038)
Purchase of intangible assets	(231)	(185)
Purchase of investment securities	(42)	(260)
Other, net	(373)	(660)
Net cash used in investing activities	<u>(2,535)</u>	<u>(3,145)</u>
Cash flows from financing activities		
Repayments of long-term loans payable	(2,480)	(2,440)
Cash dividends paid	(948)	(1,052)
Other, net	(4)	(14)
Net cash provided by financing activities	<u>(3,433)</u>	<u>(3,506)</u>
Effect of exchange rate change on cash and cash equivalents	(423)	(341)
Net increase (decrease) in cash and cash equivalents	<u>(1,360)</u>	<u>1,496</u>
Cash and cash equivalents at beginning of period	<u>20,095</u>	<u>19,036</u>
Increase in cash and cash equivalents from newly consolidated subsidiary	301	-
Cash and cash equivalents at end of period	<u>19,036</u>	<u>20,532</u>

9. Notes to the Consolidated Financial Statements

(1) Notes regarding the going concern assumption: None

(4) Segment information

Year ended March 31, 2016

(Millions of yen)

	Basic Chemical Products	Functional Chemical Products	Housing Facilities and Others	Total	Adjustments*1	Consolidated operating income *2
Net sales						
External sales	42,580	37,867	21,676	102,125	—	102,125
Intersegment sales or reclassifications	16	4	1,592	1,613	(1,613)	—
Total	42,596	37,872	23,269	103,738	(1,613)	102,125
Segment income	2,121	5,974	(676)	7,418	(975)	6,443
Segment assets	38,513	28,438	6,427	73,379	23,648	97,027
Other items						
Depreciation	1,888	884	23	2,796	96	2,892
Amortization of goodwill	-	-	-	-	128	128
Increase of current and noncurrent assets	1,635	966	39	2,640	220	2,861

Notes 1: Adjustments of segment income of ¥(975) million are corporate expenses not allocated to reportable segments. Corporate expenses are mainly expenses not attributable to a reporting segment and related to fundamental research and development as well as administrative departments.

Notes 2: Adjustments of segment assets of ¥23,648 million are corporate assets of ¥23,796 million, which are not allocated to reportable segments. Corporate assets are mainly a parent company assets, those are surplus operating funds(cash and short term securities), long term investment capital(investment securities, etc.), and related to administrative, research and development departments.

Notes 3: Adjustments of Increase of current and noncurrent assets of ¥220 million are for administrative department and research and development department investment.

Notes 4: Segment income is adjusted to operating income of consolidated statement of income.

Year ended March 31, 2017

(Millions of yen)

	Basic Chemical Products	Functional Chemical Products	Housing Facilities and Others	Total	Adjustments *1	Consolidated operating income *2
Net sales						
External sales	41,783	36,338	15,387	93,509	—	93,509
Intersegment sales or reclassifications	18	29	2,063	2,112	(2,112)	—
Total	41,802	36,368	17,450	95,621	(2,112)	93,509
Segment income	1,491	6,319	(238)	7,571	(985)	6,586
Segment assets	39,977	28,245	7,134	75,357	26,146	101,503
Other items						
Depreciation	1,817	889	24	2,731	192	2,923
Amortization of goodwill	-	-	30	30	124	154
Increase of current and noncurrent assets	1,716	1,786	200	3,703	599	4,302

Notes 1: Adjustments of segment income of ¥(985) million are corporate expenses not allocated to reportable segments. Corporate expenses are mainly expenses not attributable to a reporting segment and related to fundamental research and development as well as administrative departments.

Notes 2: Adjustments of segment assets of ¥26,146 million are corporate assets of ¥26,294 million, which are not allocated to reportable segments. Corporate assets are mainly a parent company assets, those are surplus operating funds(cash and short term securities),long term investment capital(investment securities, etc.),and related to administrative, research and development departments.

Notes 3: Adjustments of Increase of current and noncurrent assets of ¥599million are for administrative department and research and development department investment.

Notes 4: Segment income is adjusted to operating income of consolidated statement of income.

(5) Per share information

		March 31, 2016	March 31, 2017
Net assets per share	Yen	458.43	500.50
Earnings per share	Yen	34.23	41.01
Diluted earnings per share	Yen	28.43	34.02

Notes 1: The calculation of earnings per share and diluted earnings per share are as shown below.

		March 31, 2016	March 31, 2017
Earnings per share			
Net income	Millions of yen	3,606	4,320
Amount not attributable to owners of common stock	Millions of yen	—	—
Net income related to owner of common stock	Millions of yen	3,606	4,320
Weighted average number of common stock	Thousands of shares	105,356	105,348
Diluted earnings per share			
Adjustment to net income	Millions of yen	—	—
Increase of common stock	Thousands of shares	21,510	21,637
(Bonds with subscription rights to shares)	Thousands of shares	(21,510)	(21,637)
Details of shares not included in calculation of fully diluted net income per share due to non-dilutive effect		—	—

(6) Notes regarding subsequent events:

The Board of Directors of OSAKA SODA CO, LTD., on May 9, 2017, adopted a resolution to change in the number of shares per share unit, to amend part of its Articles of Incorporation, and submit a proposal for the share consolidation to the 162nd Ordinary Meeting of Shareholders to be held on June 29, 2017. For further details, refer to the notice regarding “Changes in the Number of Shares per Share Unit, Share Consolidation, and Partial Amendment to the Articles of Incorporation” announced today.