



For the Fiscal Year Ended March 2016

SOFT99 corporation

Financial Results Briefing

June 1, 2016

- This presentation and our responses during the subsequent question and answer session includes forecasts, expectations, assessments, plans and strategies concerning the future.
- The description and statements based on these future projections include demand fluctuation of products, economic trends, weather and other risks and uncertainties.
- All the description and statements based on the future projections mentioned in this presentation and our responses during the subsequent question and answer session are based on information available on the date of this presentation, and we assume no obligation to update such description and statements.
- In addition, such description and statements do not constitute a guarantee of future results and actual results may substantively differ from our current expectations. These differences could be caused by many factors.

I: Outline of Corporate Group

Corporate Profile

SOFT99 corporation

Establishment	October 28, 1954
Capital	¥2,310,056,000
Representative	President and CEO Hideaki Tanaka
No. of Employees	196 (as of March 31, 2016)
Principal business	Manufacturing and sale of chemical products for car care and home care

History of our principal products

1969
"HANNERI WAX"



1978
"BODY PAINT"



1987
"TINET"



1993
"GLACO ROLL ON"



1995
"ATELIER 99"










1999
"FUKUPIKA WET"



2006
"SHAMPOO FOR GLASSES"



Subsidiaries and Affiliates

Company name	Location	Stated capital or contribution	Percentage of our ownership of voting rights	Relationship
AION Co., Ltd. 	Chuo-ku, Osaka	¥482 mil.	100.0%	Financial assistance and real estate leasing Interlocking directors
ASMO Co., Ltd. 	Chuo-ku, Osaka	¥80 mil.	100.0%	Financial assistance and real estate leasing Interlocking directors
Shanghai SOFT99 Chemical Co., Ltd. 	Shanghai, People's Republic of China	US\$5,650 k	100.0%	Interlocking directors
SOFT99 autoservice Co., Ltd. 	Chuo-ku, Osaka	¥50 mil.	100.0%	Financial assistance and real estate leasing Interlocking directors
KURASHIKIKAKU Co., Ltd. 	Koto-ku, Tokyo	¥50 mil.	100.0%	Interlocking directors and real estate leasing
Arize Inc. 	Chuo-ku, Osaka	¥50 mil.	100.0%	Financial assistance and real estate leasing Interlocking directors
Orange Japan Inc. 	Koto-ku, Tokyo	¥30 mil.	100.0%	Financial assistance and real estate leasing Interlocking directors

Outline of Operating Segments



Fine Chemicals	Car care products (general/pro use)	SOFT99 corporation
	Home care products	
	Foreign operations	Shanghai SOFT99 Chemical Co., Ltd.
	Planning, development and sale of TPMS	Orange Japan Inc.
Porous Materials	Industrial materials division	AION Co., Ltd.
	Consumables division	
Services	Auto service business	SOFT99 autoservice Co., Ltd.
	Driving school business	ASMO Co., Ltd.
	Planning and sale of household products	KURASHIKIKAKU Co., Ltd.
Real-Estate Related	Real-estate leasing business	SOFT99 corporation
	Bathhouse business	
	Support for preventative long-term care	Arize Inc.

II: Outline of Consolidated Results

Consolidated Results (Profit and loss: Year-on-year comparison)

- Both net sales and profit increased owing to expansion in all segments.
- Net income before income taxes increased by 58.2% year-on-year due to reporting of gain on sale of investment securities as extraordinary income.

(In millions of yen)

	March 2015	March 2016	Year-on-year changes	Year-on-year % changes
Net sales	21,343	22,052	+709	+3.3%
Gross profit	7,377	7,977	+600	+8.1%
Gross profit margin	(34.6%)	(36.2%)	(+1.6P)	-
Selling, general and administrative expenses	5,627	5,726	+99	+1.8%
Operating profit	1,750	2,250	+500	+28.6%
Operating profit margin	(8.2%)	(10.2%)	(+2.0P)	-
Ordinary profit	1,943	2,439	+496	+25.5%
Net income before income taxes	1,690	2,674	+984	+58.2%
Net income	943	1,774	+831	+88.2%

Condensed Consolidated Cash Flow

(Year-on-year comparison)



(In millions of yen)

	March 2015	March 2016
Cash flows from operating activities	2,097	2,330
Cash flows from investing activities	(442)	(35)
Cash flows from financing activities	(429)	(308)
Effect of exchange rate changes on cash and cash equivalents	3	(0)
Net increase (decrease) in cash and cash equivalents	1,228	1,985
Cash and cash equivalents at the beginning of the year	10,835	12,063
Cash and cash equivalents at the end of the year	12,063	14,049
Depreciation expense	736	692
Capital expenditures (*)	333	444

(*) Expenditure for purchase of property, plant and equipment

Condensed Consolidated Balance Sheet

(Year-on-year comparison)



(In millions of yen)

	March 31, 2015	March 31, 2016	Year-on- year changes		March 31, 2015	March 31, 2016	Year-on- year changes
Current Assets	19,331	20,909	+1,578	Current Liabilities	2,905	3,209	+304
Cash and deposits	12,494	14,493	+1,999	Accounts payable	996	1,002	+6
Accounts receivable	3,165	3,452	+287	Income taxes payable	339	628	+289
Marketable securities	899	200	-699	Payables and accrued expenses	1,006	1,083	+77
Inventories	2,253	2,248	-5	Others	562	495	-67
Others	518	514	-4	Non-current Liabilities	3,523	3,642	+119
Non-current Assets	28,736	28,507	-229	Total Liabilities	6,428	6,851	+423
Property, plant and equipment	21,917	21,723	-194	Net Assets	41,639	42,565	+926
Intangible assets	132	154	+22	Shareholders' equity	41,006	42,358	+1,352
Investments and other assets	6,685	6,628	-57	Accumulated other comprehensive income	633	206	-427
Assets	48,068	49,417	+1,349	Liabilities and Net Assets	48,068	49,417	+1,349

Consolidated highlight financial indicators

(Year-on-year comparison)



(In millions of yen)

	March 2015	March 2016	Year-on-year changes
Total assets	48,068	49,417	+1,349
Net assets	41,639	42,565	+926
Equity ratio (%)	86.6%	86.1%	-0.5P
ROA (Ordinary profit/Total assets)	4.1%	4.9%	+0.8P
ROE (Net profit/Net assets)	2.3%	4.2%	+1.9P
Net income per share (yen)	43.45	81.60	+38.15
Dividends per share (yen)	17.00	18.00	+1.00
Dividend payout ratio	39.1%	22.3%	-16.8P

Fine Chemicals (Profit and loss: Year-on-year comparison)

- Both net sales and profit increased owing to expansion in domestic sales, which offset decrease in overseas sales due to adverse economic conditions.

(In millions of yen)

	March 2015	March 2016	Year-on-year changes	Year-on-year % changes
Net sales	10,346	10,690	+344	+3.3%
(General use: Car-exterior care)	(2,010)	(2,019)	(+9)	(+0.5%)
(General use: Glass care)	(3,159)	(3,354)	(+195)	(+6.2%)
(General use: Repair products)	(2,188)	(2,212)	(+24)	(+1.1%)
(Professional use)	(1,202)	(1,317)	(+114)	(+9.6%)
(Home care products, etc.)	(552)	(570)	(+18)	(+3.3%)
(Foreign operations)	(1,082)	(947)	(-134)	(-12.4%)
(TPMS)	(-)	(146)	(+146)	-
(Others) Note: Includes sales of resin containers	(150)	(121)	(-29)	(-19.6%)
Gross profit	4,743	5,059	+315	+6.7%
Gross profit margin (%)	45.8%	47.3%	+1.5P	-
Operating profit	931	1,225	+294	+31.6%
Operating profit margin (%)	9.0%	11.5%	+2.5P	-
Segment assets	11,626	12,048	+422	+3.6%
Segment ROA (Operating profit/Segment assets)	8.0%	10.2%	+2.2P	-

Porous Materials (Profit and loss: Year-on-year comparison)

- Net sales in the industrial materials field increased owing to recovery of the long-stagnant semiconductor market and proposals of high-quality products.
- Net sales in the consumables field also increased owing to successful utilization of sales channels for fine chemicals.

(In millions of yen)

	March 2015	March 2016	Year-on-year changes	Year-on-year % changes
Net sales	4,640	4,909	+269	+ 5.8%
(Industrial materials)	(3,373)	(3,546)	(+173)	(+5.1%)
(Domestic)	(1,702)	(1,763)	(+61)	(+3.6%)
(Overseas)	(1,671)	(1,783)	(+112)	(+6.7%)
(Consumables)	(1,266)	(1,364)	(+98)	(+7.7%)
(Domestic)	(491)	(615)	(+124)	(+25.3%)
(Overseas)	(775)	(749)	(-26)	(-3.4%)
Gross profit	1,376	1,561	+185	+13.4%
Gross profit margin (%)	29.7%	31.8%	+2.1P	-
Operating profit	509	649	+140	+27.6%
Operating profit margin (%)	11.0%	13.2%	+2.3P	-
Segment assets	6,600	6,571	-29	-0.4%
Segment ROA (Operating profit/Segment assets)	7.7%	9.9%	+2.2P	-

Services (Profit and loss: Year-on-year comparison)

- In the automobile repair and sheet metal business, net sales increased owing to the introduction of new services in addition to maintaining the existing businesses.
- Net sales in the driving school business increased through the operation focusing on more profitable training business for large-size vehicles.
- Net sales in the business of planning and sale of household products also increased owing to big hit numbers for our merchandise and good sales on the web.

(In millions of yen)

	March 2015	March 2016	Year-on-year changes	Year-on-year % changes
Net sales	4,896	4,983	+87	+1.8%
(Auto service)	(2,348)	(2,359)	(+11)	(+0.5%)
(Driving school)	(849)	(857)	(+8)	(+1.0%)
(Planning and sale of household products)	(1,697)	(1,766)	(+68)	(+4.0%)
Gross profit	994	1,059	+64	+6.5%
Gross profit margin (%)	20.3%	21.3%	+0.9P	-
Operating profit	76	102	+26	+34.0%
Operating profit margin (%)	1.6%	2.1%	+0.5P	-
Segment assets	3,983	3,916	-67	-1.7%
Segment ROA (Operating profit/Segment assets)	1.9%	2.6%	+0.7P	-

Real-Estate Related

(Profit and loss: Year-on-year comparison)



- Net sales in real-estate leasing business increased owing to improved utilization of real estate held.
- In the bathhouse business, net sales and the number of customers decreased due to equipment failure in certain stores.

(In millions of yen)

	March 2015	March 2016	Year-on-year changes	Year-on-year % changes
Net sales	1,460	1,468	+8	+0.6%
(Real-estate leasing)	(335)	(370)	(+34)	(+10.4%)
(Bathhouse business)	(1,121)	(1,074)	(-46)	(-4.2%)
(Support for preventive long-term care)	(3)	(23)	(+20)	(-)
Gross profit	261	296	+34	+13.2%
Gross profit margin (%)	17.9%	20.2%	+2.3P	-
Operating profit	221	260	+38	+17.6%
Operating profit margin (%)	15.2%	17.7%	+2.5P	-
Segment assets	9,628	9,449	-179	-1.9%
Segment ROA (Operating profit/Segment assets)	2.3%	2.8%	+0.5P	-

Segment Information

(Comparison of net sales and operating profit by segment)



(In millions of yen)

Net sales	March 2015	(Composition ratio)	March 2016	(Composition ratio)	Year-on-year changes of composition ratio
Fine chemicals	10,346	(48.5%)	10,690	(48.5%)	+0.0P
Porous materials	4,640	(21.7%)	4,909	(22.3%)	+0.6P
Service and real-estate related	6,356	(29.8%)	6,452	(29.2%)	-0.6P
Total	21,343	(100.0%)	22,052	(100.0%)	-

Operating profit	March 2015	(Composition ratio)	March 2016	(Composition ratio)	Year-on-year changes of composition ratio
Fine chemicals	931	(53.1%)	1,225	(54.4%)	+1.3P
Porous materials	509	(29.1%)	649	(28.8%)	-0.3P
Service and real-estate related	298	(17.1%)	363	(16.1%)	-1.0P
(*) Total	1,750	(100.0%)	2,250	(100.0%)	-

(*) Total amounts include adjustments.

III: Corporate objectives, results and issues

Outline of Medium-term Management Plan

■ Medium-term management plan “SOFT99 Drive” (from April 1, 2014 to March 31, 2017)

Management principle: Lifestyle-creating company

Management vision: Discover future “necessity”

“Necessity” refers to products and services that are not just passing trends but are near the customers at all times as long-term favorites.

“Discover” indicates that such products and services are not high-tech products but those supported by customers in their daily lives.

Basic management policies

1

Provide new high-value products and services for mature markets

2

Enter proactively into growing markets and seek to expand businesses

3

Promote accumulation of new technology and service know-how as well as creation of new usage in order to discover future “necessity”

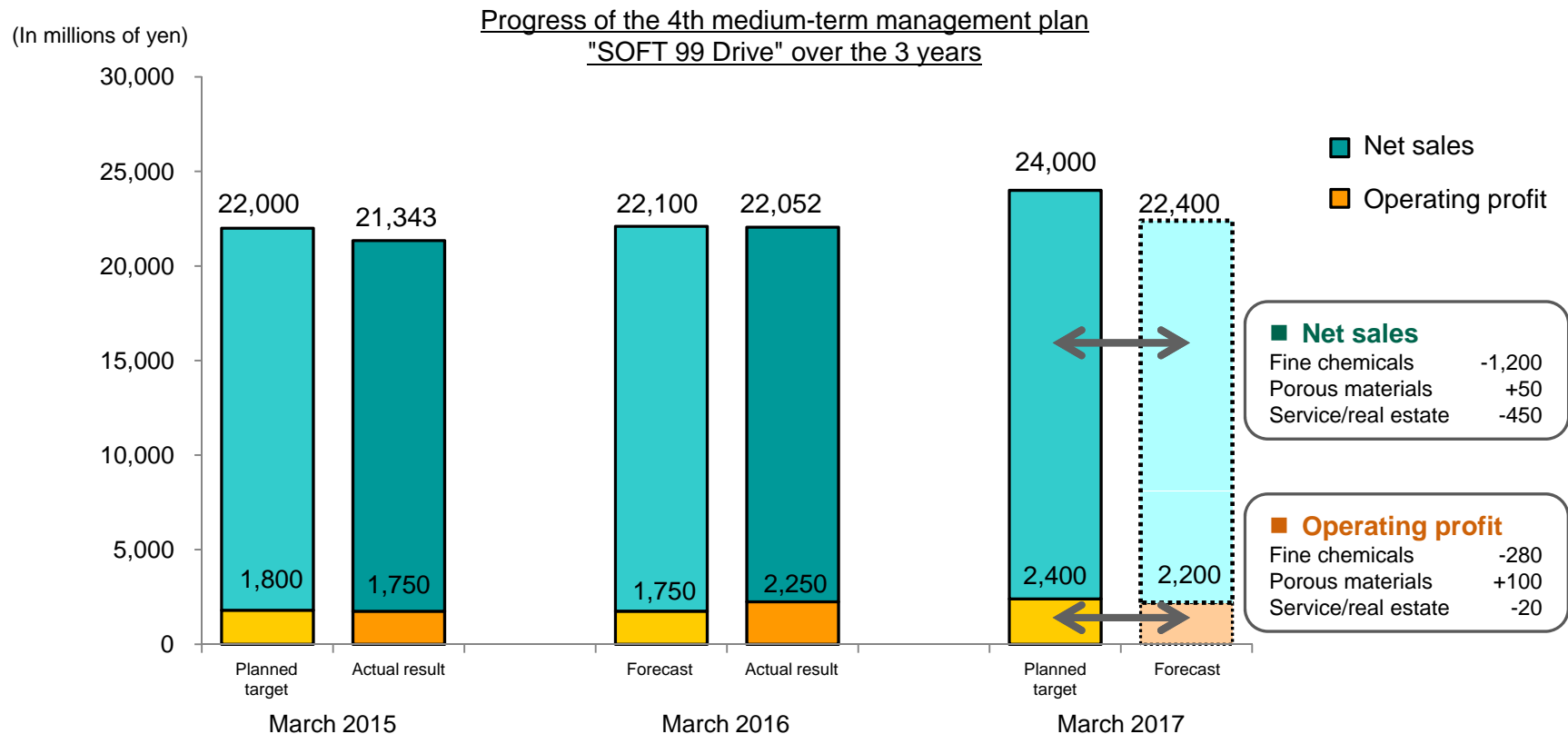
4

Seek to become a corporate group that responds to society's needs and receives due recognition

Progress of Medium-term Management Plan

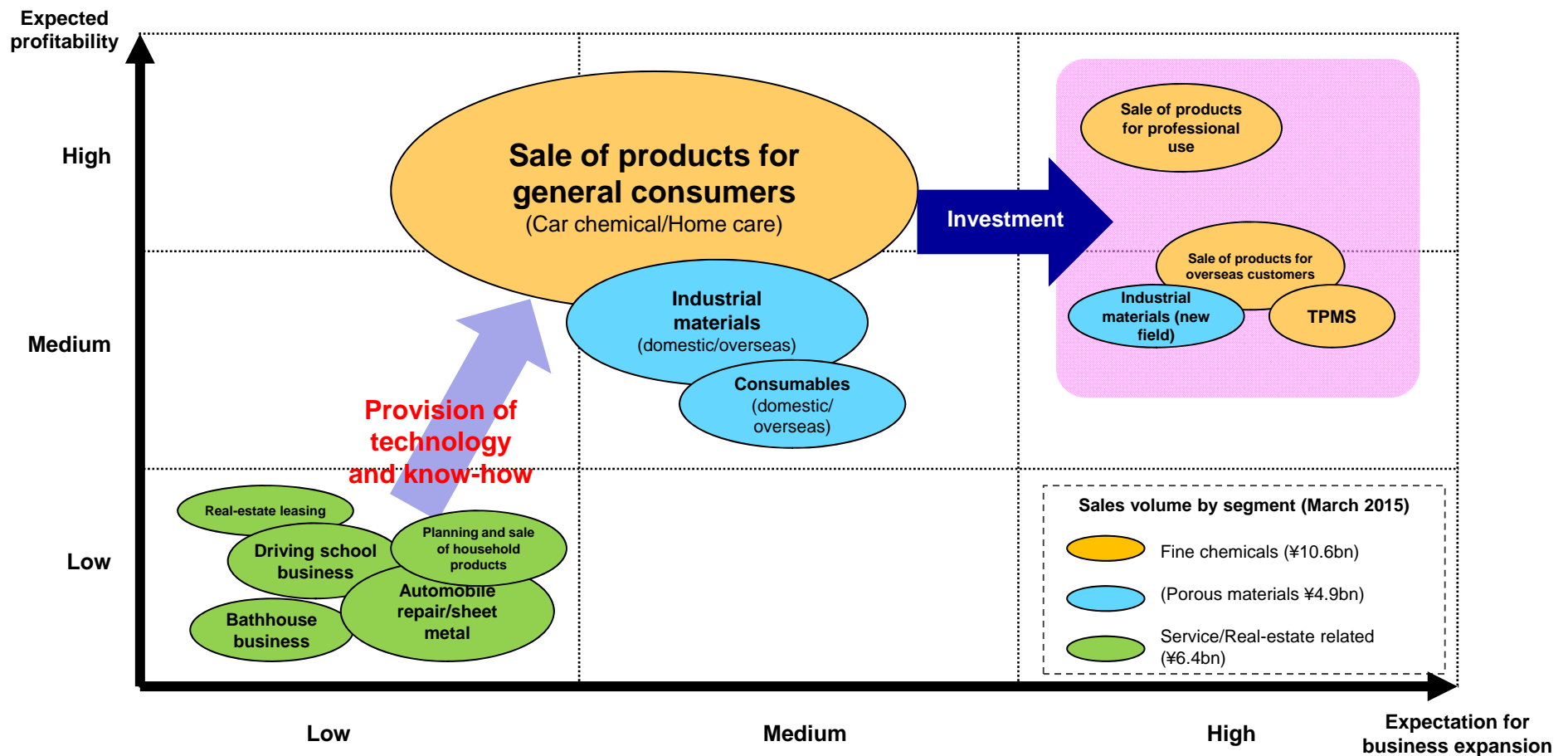
Actual results Net sales were below the planned target for two consecutive years. Operating profit achieved the target in the fiscal year ended March 2016.

Earnings forecast for final year Both net sales and operating profit were below the target in the original plan.



Medium-term Management Plan Important issues

- Focusing on fields that have potential for expansion of fine chemicals and porous materials is the primary issue.



Results of Medium-term Management Plan (Fine Chemicals 1/6)



Achievements in Fine Chemicals

Mature market

- ① Increased sales volume of glass-care products through continued introduction of new water-repellent agent and expansion of stores selling wiper products
- ② Positive results from sales efforts to create consumer needs
- ③ Increased sales volume of car coating agent for professional use
- ④ Increased sales volume of care products for glasses through expansion of related products

Growing market

- ⑤ Provision of products that meet local needs in overseas areas

Results of Medium-term Management Plan (Fine Chemicals 2/6)



- ① Increased sales volume of glass-care products through continued introduction of new water-repellent agent and expansion of stores selling wiper products

Mature market

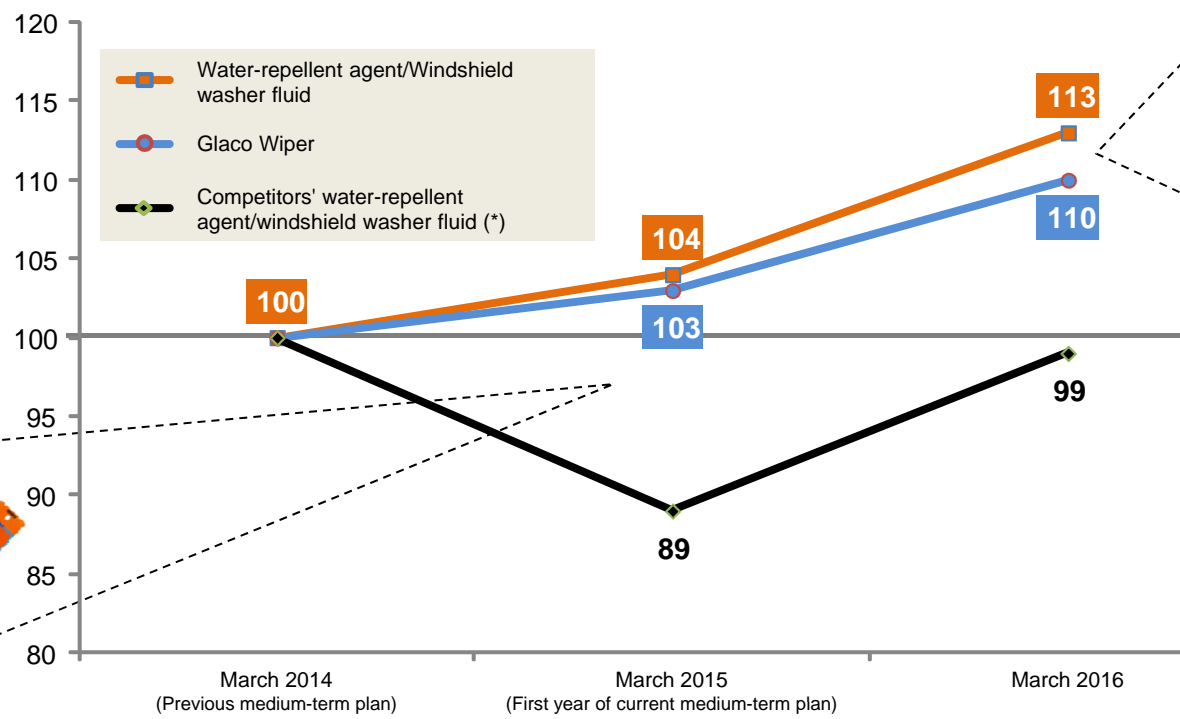
Changes in sales volume

(Presented as indices assuming the results for March 2014 as 100)

Glaco Roll On Instant Dry launched



Glaco Wiper Super Water-Repellent Glaco Power Blade launched

Launch of Glaco Blade, which can be used for plastics



Running nationwide campaign using Glaco wagon



(*) Source: INTAGE SRI research for glass-care market (glass water-repellent agent and Windshield washer fluid) - Sales total and market share between April 2013 and March 2016

Results of Medium-term Management Plan (Fine Chemicals 3/6)



② Positive results from sales efforts to create consumer needs

Mature market



LIGHT ONE
Headlight Refreshener
(Launched in October 2007)

- ❑ Created consumer need to clean yellowed headlights
- ❑ Made the stores more attractive by displaying actual car bumpers



(From fiscal year ended March 2014 to fiscal year ended March 2016)

Delivery quantity increased by 20%

Results of Medium-term Management Plan (Fine Chemicals 4/6)

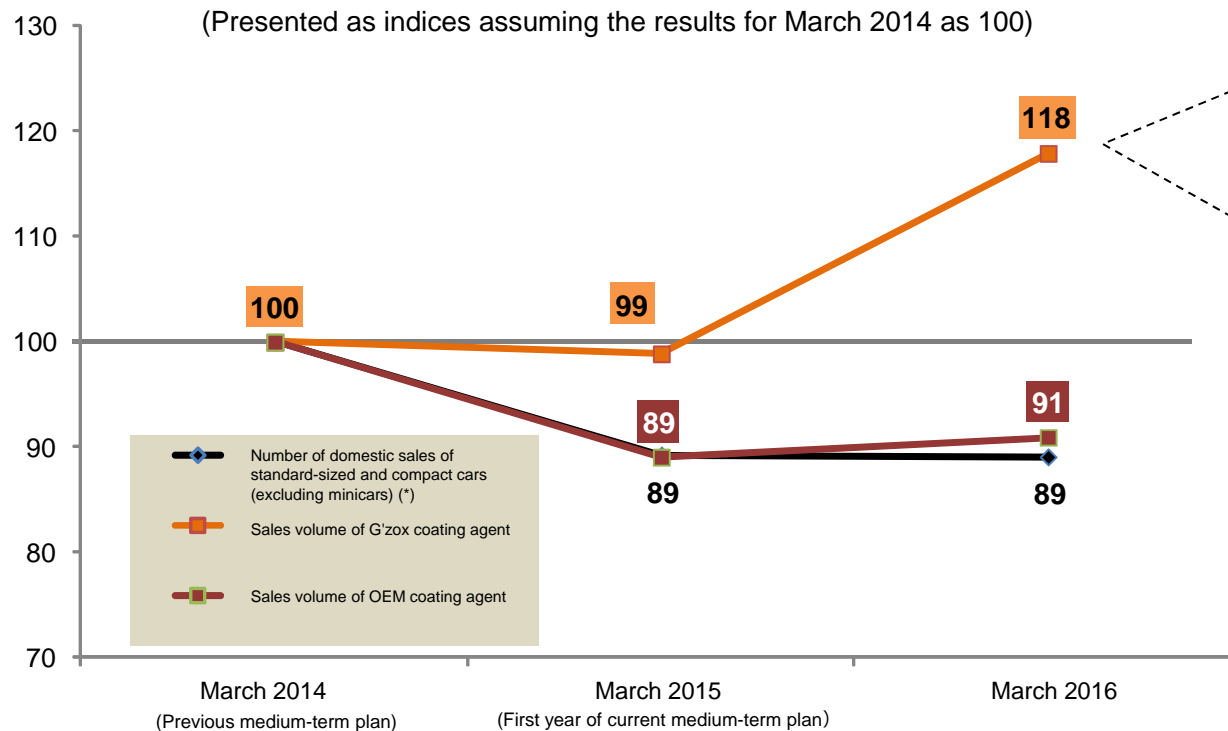


③ Increased sales volume of car coating agent for professional use

Mature market

Changes in sales volume of coating products for professional use

(Presented as indices assuming the results for March 2014 as 100)



Expansion of sales of product lines under the in-house brand "G'zox"



(*) Source: Website of Japan Automobile Dealers Association

Results of Medium-term Management Plan (Fine Chemicals 5/6)

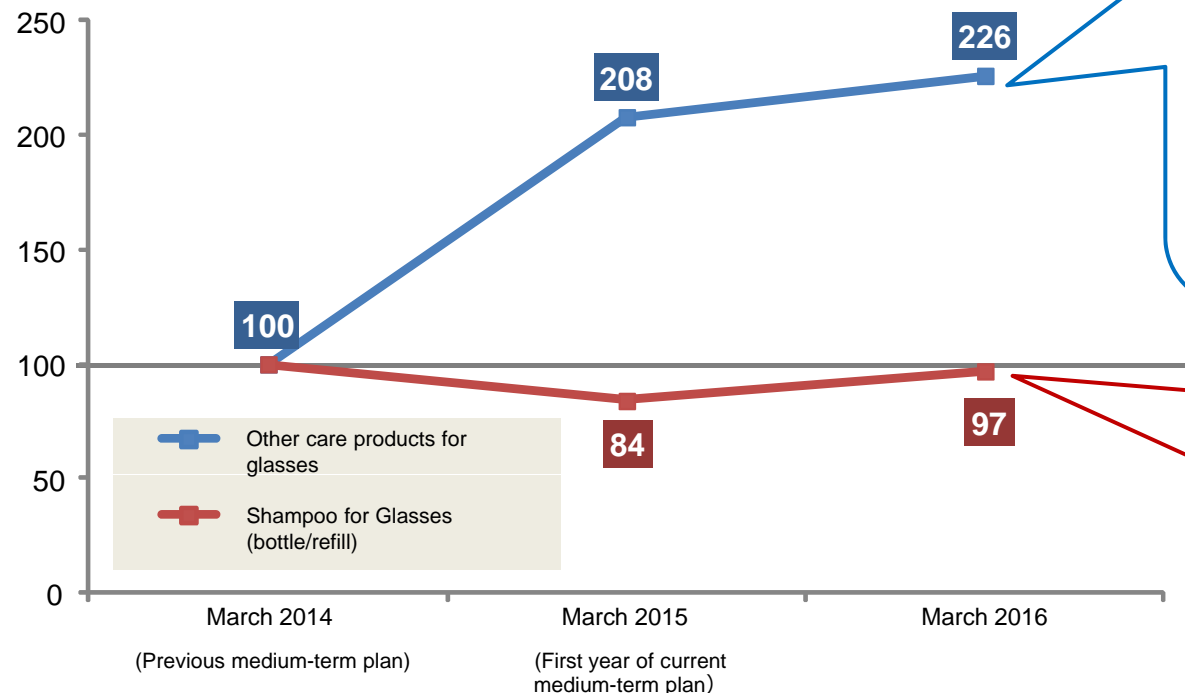


- ④ Increased sales volume of care products for glasses through expansion of related products

Mature market

Changes in delivery quantity of products related to care products for glasses

(Presented as indices assuming the results for March 2014 as 100)



Launch of shampoo-related products enhanced related purchase activities and revitalized the market for care products for glasses.

Flagship product "Shampoo for Glasses"

Results of Medium-term Management Plan (Fine Chemicals 6/6)



⑤ Provision of products that meet local needs in overseas areas

Growing market

■ **Russia**
Shift towards high-value products

■ **Asian countries**
(China, South Korea, Thailand)
Launch of products packaged in local language



■ **UK**
"Fusso Coat 12 Months Wax" selected as one of the top 3 in 2015 Best Wax by the UK car magazine "Auto Express"



■ **Germany, Poland, Ukraine and Brazil**
Opening of new stores
Built with G'ZOX design



Current issues (Fine chemicals)

Issues for Fine Chemicals

Mature market

Measures: Expand market share by launching major new products in the car-exterior care portfolio

Result: New product did not grow enough to lead the market.

(Failed to appropriately respond to changes in/diversification of consumer preferences)



Strengthen primary product lineup through further launch of new car-exterior care products

Growing market

Measures: Strengthen sales to the existing destinations and enter proactively into emerging foreign countries

Result: Sales to Russia and Southeast Asia, which are main destinations, did not meet the planned target.

(Market downturn in Russia due to weak Ruble; economic stagnation in Indonesia and Malaysia due to low price of crude oil)



Accelerate expansion of new sales destination and product offerings exclusive to each area in order to maintain and increase stable sales volume

Results of Medium-term Management Plan (Porous Materials 1/4)



Results for Porous Materials

Mature market

- ① Delivery quantity of products to be used for semiconductors increased as a result of proposals of products with high precision and high cleanliness in advance of customer needs
- ② Stores selling consumables for home and car use expanded through cooperation with the fine chemicals segment

Growing market

- ③ Commenced NDC (New Demand Creation) activities as a company-wide effort, aiming to create new usage

Results of Medium-term Management Plan (Porous Materials 2/4)

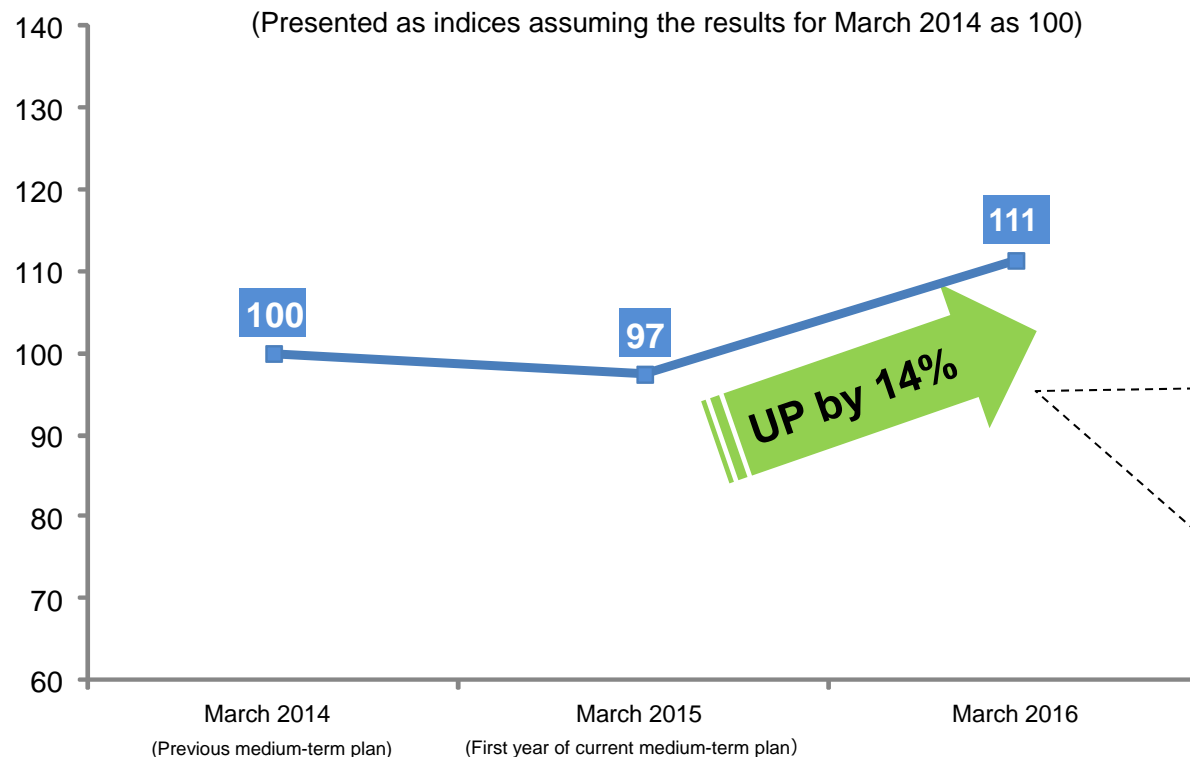


- ① Delivery quantity of products to be used for semiconductors increased as a result of proposals of products with high precision and high cleanliness in advance of customer needs

Mature market

Changes in sales volume of products for semiconductor use

(Presented as indices assuming the results for March 2014 as 100)



Proposal activities commenced from fiscal year ended March 2016 (second year of current medium-term plan)



Results of Medium-term Management Plan (Porous Materials 3/4)



- ② Stores selling consumables for home and car use expanded through cooperation with the fine chemicals segment

Mature market

■ Home care products (Home centers and retail shops)



■ Car care products (car care specialty stores)



Current issues (Porous materials)

Issues for Porous Materials

Mature market

Measures: Maintain market share in polishing materials for HDD
Result: Market as a whole slowed down worse than expected while sales level of our products was maintained.
(Share of SSD in storage media market increased rapidly)



Expedite exploitation of next core business field in high-tech industry while maintaining our share in HDD market

Growing market

Measures: Expand sales of consumables to new overseas markets (India, Middle East and Central and South America)
Result: Exploitation of overseas markets did not turn out as planned
(Economic conditions in Middle East and Central and South America deteriorated)



Switch to approach utilizing new products for existing areas

Medium-term Management Plan Policies for Final Fiscal Year



Fine Chemicals

Mature market

- ✓ Expand market share by launching major new products in the car-exterior care portfolio

Growing market

- ✓ Respond to market changes with flexible measures including increased focus on sales of products that meet the needs of overseas markets and exploitation of channel to new destinations



Strengthen development framework in order to properly understand consumer needs



Porous Materials

Mature market

- ✓ Maintain market share for products for high-tech industries through pursuit of higher quality

Growing market

- ✓ Exploit next core business field in high-tech industry
- ✓ Expand sales through creation of new usage of products for existing areas



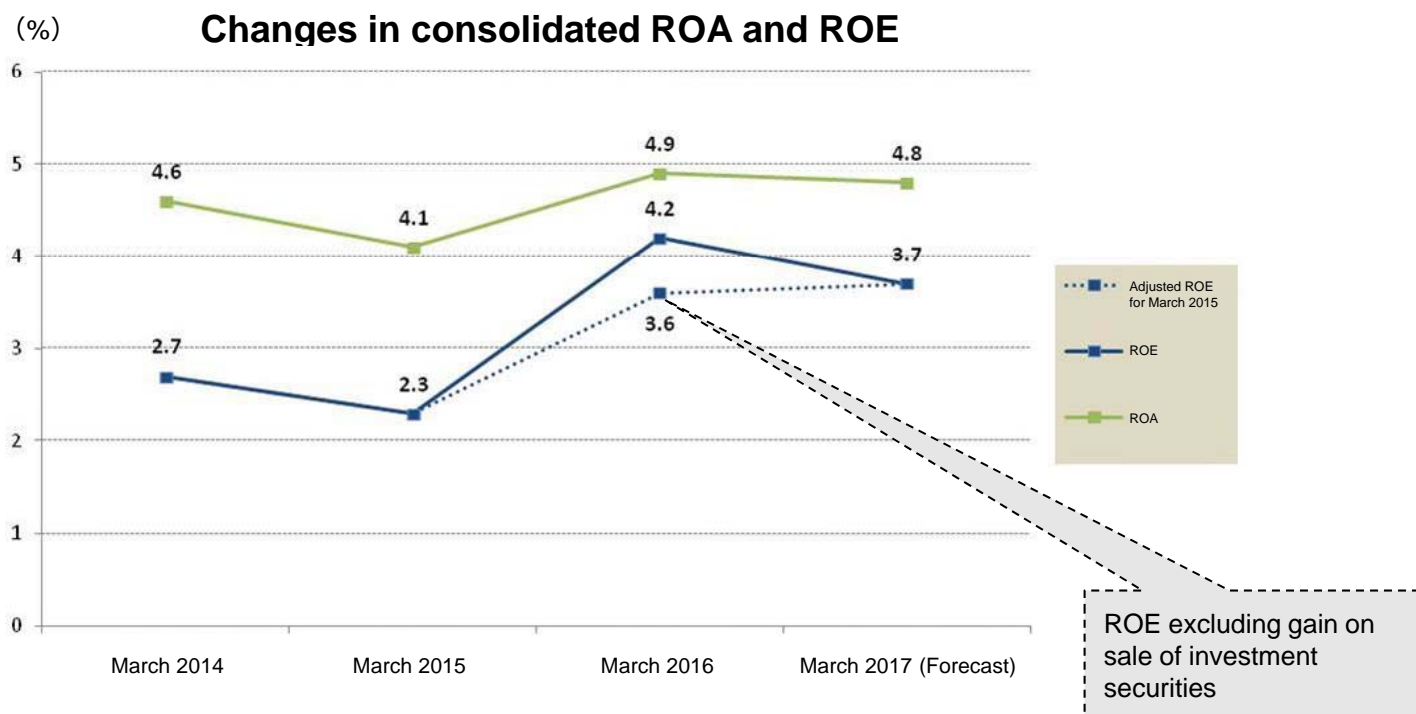
Focus on efforts to create new usage in terms of both marketing and development

Medium-term Management Plan

Other Issues



- Improvement of management efficiency
 - 1. Management benchmarking on a consolidated basis



2. Utilization of surplus funds

- ✓ Investment in new businesses
- ✓ Ongoing research for business expansion through M&A

Policy on return to shareholders

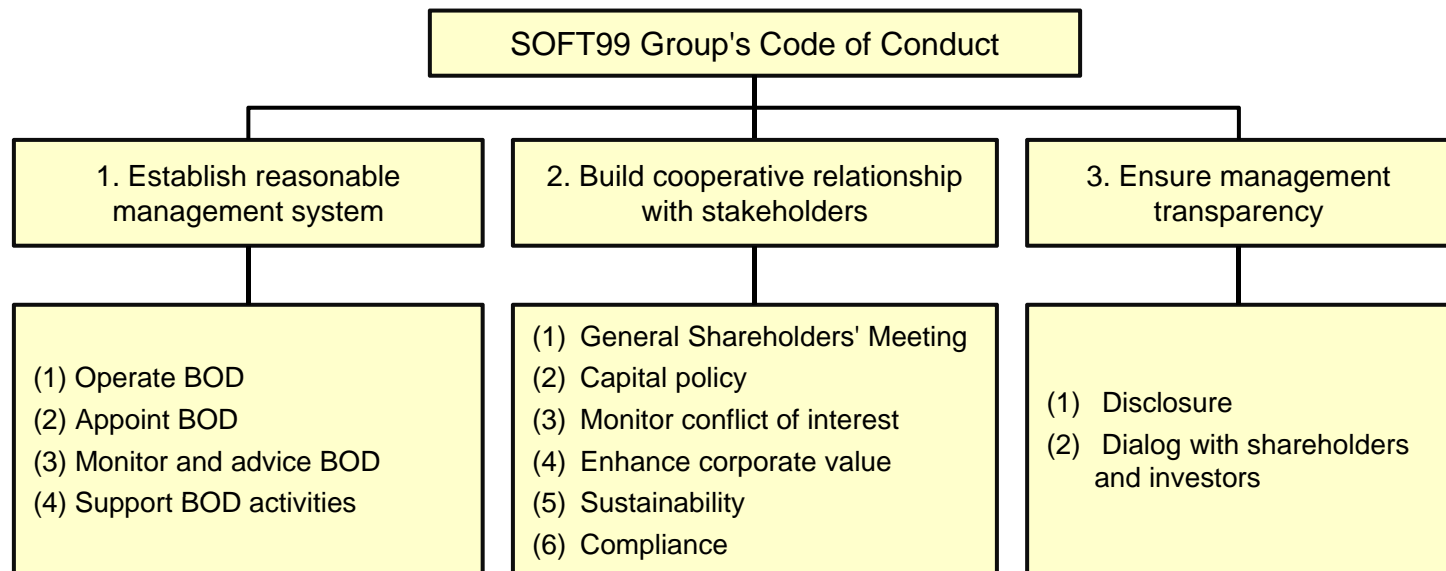
- Our basic policy is to build a cooperative relationship with stakeholders and to continue stable dividend payment.
- The target dividend payout ratio is more than 25% of consolidated net income and target total return ratio is 30% with flexible treasury stock acquisition.
 - ✓ Acquired 108,500 treasury shares for a total cost of 88,789,400 yen between November 6, 2015 and December 25, 2015.
 - ✓ Conducting acquisition of treasury shares since February 9, 2016 (Until September 30, 2016 with a maximum of 100,000 shares and 100 million yen)
- Retained profits are planned to be used for investments to expand future business and strengthen management structure.

	March 2016 (Actual)	March 2017 (Forecast)	Changes
Net income attributable shareholders of parent company (million yen)	1,774	1,580	-194
Net income per share (yen)	81.60	72.64	-8.96
Annual dividend per share (yen)	18.00	19.00	+1.00
Annual dividend (million yen) <small>Note: Calculated based on the list of shareholders as of end of March 2016</small>	395	414	+19
Dividend payout ratio (%) <small>On a consolidated basis. Calculated as annual dividend divided by net income</small>	22.3	26.2	+3.9
Ratio of dividends to net assets (%)	0.9	0.9	+0.0

Corporate Governance

■ SOFT99 Corporate Governance Policy

- Strengthen governance based on “SOFT99 Group's Code of Conduct,” which provides for principles of action in conducting business activities
- Set three themes for corporate governance code stipulated by Financial Services Agency and Tokyo Stock Exchange
 1. Establish reasonable management system
 - operation of board of directors (“BOD”) based on fiduciary responsibility
 2. Build cooperative relationship with stakeholders
 - development of appropriate cooperative relationship with each stakeholder
 3. Ensure management transparency
 - appropriate IR activities based on accountability



Thank you very much for your
attention.