Consolidated Financial Statements for the Fiscal Year Ended March 31, 2021 [Japanese GAAP]

May 10, 2021

Company name: **SODA NIKKA CO., LTD.**
Stock exchange listing: Tokyo Stock Exchange
Code number: 8158
URL: https://www.sodanikka.co.jp/
Representative: Takahiko Nagasu, President
Contact: Takahiro Miyamoto, Member of the Board and Finance and Accounting Division Director
Phone: +81-3-3245-1803
Scheduled date of annual general meeting of shareholders: June 22, 2021
Scheduled date of commencing dividend payments: June 23, 2021
Scheduled date of filing securities report: June 23, 2021
Preparation of supplementary explanatory materials: No
Financial results briefing: Yes (for institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	94,586	(5.2)	781	(24.2)	1,072	(17.4)	800	(4.7)
March 31, 2020	99,749	(4.4)	1,030	(25.1)	1,298	(22.9)	840	(24.8)

(Note) Comprehensive income: Year ended March 31, 2021: ¥2,940 million [–%]
Year ended March 31, 2020: ¥(253) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2021	32.04	–	3.2	1.8	0.8
March 31, 2020	33.67	–	3.5	2.1	1.0

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	61,436	25,997	42.3	1,039.55
As of March 31, 2020	58,467	23,389	40.0	936.51

(Reference) Equity: As of March 31, 2021: ¥25,997 million
As of March 31, 2020: ¥23,389 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2021	1,264	(399)	(351)	10,684
March 31, 2020	1,657	(230)	(383)	10,171

2. Cash Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	–	7.00	–	7.00	14.00	349	41.6	1.5
March 31, 2021	–	7.00	–	7.00	14.00	349	43.7	1.4
Fiscal year ending March 31, 2022 (Forecast)	–	7.00	–	7.00	14.00		38.5	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (cumulative)	25,300	–	460	29.4	510	1.2	320	(1.7)	12.80
Full year	51,500	–	1,010	29.3	1,190	11.0	910	13.6	36.39

As the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020), etc. will be applied from the beginning of the fiscal year ending March 31, 2022, changes in the actual results for net sales from the fiscal year ended March 31, 2021, before the application of said standard, are not shown. For full year changes after the application of said standard, please see “Overview of Operating Results, etc.; (4) Future Outlook” on page 5 of this Consolidated Financial Statements (attached materials, Japanese only).

*** Notes:**

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

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

(3) Total number of outstanding shares (common shares)
1) Total number of outstanding shares at the end of the period (including treasury stocks):
March 31, 2021: 25,168,000 shares
March 31, 2020: 25,168,000 shares

2) Total number of treasury stocks at the end of the period:
March 31, 2021: 159,941 shares
March 31, 2020: 192,677 shares

3) Average number of shares during the period:
Year ended March 31, 2021: 24,998,193 shares
Year ended March 31, 2020: 24,964,886 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2021	92,143	(5.5)	777	(25.9)	1,059	(20.0)	809	18.4
March 31, 2020	97,476	(4.4)	1,050	(23.3)	1,324	(20.8)	683	(36.1)

	Basic earnings per share	Diluted earnings per share
Year ended	Yen	Yen
March 31, 2021	32.38	–
March 31, 2020	27.38	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	60,841	25,819	42.4	1,032.45
As of March 31, 2020	57,902	23,162	40.0	927.43

(Reference) Equity: As of March 31, 2021: ¥25,819 million
As of March 31, 2020: ¥23,162 million

* These financial results are outside the scope of audit by certified public accountants or audit corporations.

* Explanation of the proper use of performance forecast and other notes

The above forecasts are estimated based on the information currently available, and actual results may differ from these forecasts due to a wide range of factors. For assumptions that form the basis of the performance forecast and cautionary notes, etc. on the use of performance forecast, please see “Overview of Operating Results, etc.; (4) Future Outlook” on page 5 of this Consolidated Financial Statements (attached materials, Japanese only).

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	10,323	10,833
Notes and accounts receivable - trade	33,497	32,715
Merchandise and finished goods	1,204	1,168
Other	1,041	919
Allowance for doubtful accounts	(25)	(82)
Total current assets	46,041	45,554
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,133	2,155
Accumulated depreciation	(1,725)	(1,748)
Buildings and structures, net	408	407
Vehicles	26	27
Accumulated depreciation	(20)	(23)
Vehicles, net	5	4
Land	1,087	1,135
Other	1,076	1,105
Accumulated depreciation	(933)	(892)
Other, net	143	212
Total property, plant and equipment	1,644	1,759
Intangible assets	371	292
Investments and other assets		
Investment securities	9,752	13,186
Other	664	803
Allowance for doubtful accounts	(7)	(160)
Total investments and other assets	10,409	13,829
Total non-current assets	12,425	15,882
Total assets	58,467	61,436

(Million yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,921	25,435
Short-term borrowings	5,040	5,040
Income taxes payable	248	288
Provision for bonuses	290	290
Provision for bonuses for directors (and other officers)	30	24
Provision for loss compensation	41	16
Other	816	711
Total current liabilities	32,388	31,805
Non-current liabilities		
Deferred tax liabilities	923	1,765
Deferred tax liabilities for land revaluation	194	187
Retirement benefit liability	1,059	1,157
Long-term guarantee deposits	505	515
Other	6	9
Total non-current liabilities	2,688	3,634
Total liabilities	35,077	35,439
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,140	3,148
Retained earnings	13,098	13,562
Treasury shares	(54)	(45)
Total shareholders' equity	19,947	20,428
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,291	5,469
Deferred gains or losses on hedges	1	6
Revaluation reserve for land	148	134
Foreign currency translation adjustment	18	11
Remeasurements of defined benefit plans	(16)	(54)
Total accumulated other comprehensive income	3,442	5,568
Total net assets	23,389	25,997
Total liabilities and net assets	58,467	61,436

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Net sales	99,749	94,586
Cost of sales	93,089	88,136
Gross profit	6,660	6,449
Selling, general and administrative expenses		
Freight and incidental costs	1,142	1,119
Salaries and allowances	1,784	1,937
Provision for bonuses	289	287
Provision for bonuses for directors (and other officers)	30	24
Retirement benefit expenses	105	108
Rent expenses	439	448
Other	1,837	1,742
Total selling, general and administrative expenses	5,629	5,668
Operating profit	1,030	781
Non-operating income		
Interest income	2	2
Dividend income	296	290
Other	44	54
Total non-operating income	344	348
Non-operating expenses		
Interest expenses	38	37
Sales discounts	11	11
Other	28	7
Total non-operating expenses	77	56
Ordinary profit	1,298	1,072
Extraordinary income		
Gain on sale of investment securities	67	189
Total extraordinary income	67	189
Extraordinary losses		
Loss on valuation of membership	15	–
Provision of loss reserve for loss compensation	42	–
Impairment losses	–	20
Loss on sale and retirement of non-current assets	–	16
Loss on valuation of investment securities	–	9
Total extraordinary losses	57	47
Profit before income taxes	1,307	1,214
Income taxes - current	503	496
Income taxes - deferred	(36)	(83)
Total income taxes	467	413
Profit	840	800
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	840	800

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Profit	840	800
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,126)	2,178
Deferred gains or losses on hedges	2	4
Foreign currency translation adjustment	(8)	(6)
Remeasurements of defined benefit plans, net of tax	38	(37)
Total other comprehensive income	(1,093)	2,139
Comprehensive income	(253)	2,940
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(253)	2,940
Comprehensive income attributable to non-controlling interests	–	–

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,762	3,130	12,607	(64)	19,435
Changes during period					
Dividends of surplus			(349)		(349)
Profit attributable to owners of parent			840		840
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		10		9	20
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	10	491	9	511
Balance at end of period	3,762	3,140	13,098	(54)	19,947

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,417	(0)	148	27	(55)	4,536	23,971
Changes during period							
Dividends of surplus							(349)
Profit attributable to owners of parent							840
Purchase of treasury shares							(0)
Disposal of treasury shares							20
Reversal of revaluation reserve for land							–
Net changes in items other than shareholders' equity	(1,126)	2	–	(8)	38	(1,093)	(1,093)
Total changes during period	(1,126)	2	–	(8)	38	(1,093)	(582)
Balance at end of period	3,291	1	148	18	(16)	3,442	23,389

Fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,762	3,140	13,098	(54)	19,947
Changes during period					
Dividends of surplus			(349)		(349)
Profit attributable to owners of parent			800		800
Purchase of treasury shares					–
Disposal of treasury shares		7		9	17
Reversal of revaluation reserve for land			13		13
Net changes in items other than shareholders' equity					
Total changes during period	–	7	464	9	481
Balance at end of period	3,762	3,148	13,562	(45)	20,428

	Accumulated other comprehensive income						Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,291	1	148	18	(16)	3,442	23,389
Changes during period							
Dividends of surplus							(349)
Profit attributable to owners of parent							800
Purchase of treasury shares							–
Disposal of treasury shares							17
Reversal of revaluation reserve for land							13
Net changes in items other than shareholders' equity	2,178	4	(13)	(6)	(37)	2,125	2,125
Total changes during period	2,178	4	(13)	(6)	(37)	2,125	2,607
Balance at end of period	5,469	6	134	11	(54)	5,568	25,997

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2020	For the fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,307	1,214
Depreciation	184	196
Loss (gain) on valuation of investment securities	–	9
Loss on valuation of membership	15	–
Impairment losses	–	20
Provision for loss on compensation	42	(25)
Increase (decrease) in allowance for doubtful accounts	(17)	209
Increase (decrease) in retirement benefit liability	43	43
Interest and dividend income	(299)	(293)
Interest expenses	38	37
Loss (gain) on sale and retirement of non-current assets	–	16
Loss (gain) on sale of investment securities	(67)	(189)
Decrease (increase) in trade receivables	4,517	624
Decrease (increase) in inventories	(73)	33
Increase (decrease) in trade payables	(3,587)	(482)
Other, net	(171)	45
Subtotal	1,933	1,462
Interest and dividends received	300	294
Interest paid	(36)	(38)
Income taxes paid	(539)	(454)
Net cash provided by (used in) operating activities	1,657	1,264
Cash flows from investing activities		
Payments into time deposits	(7)	(155)
Proceeds from withdrawal of time deposits	–	158
Purchase of property, plant and equipment	(65)	(255)
Purchase of intangible assets	(230)	(9)
Purchase of investment securities	(17)	(396)
Proceeds from sale of investment securities	79	252
Other, net	10	6
Net cash provided by (used in) investing activities	(230)	(399)
Cash flows from financing activities		
Repayments of short-term borrowings	(30)	–
Dividends paid	(349)	(349)
Other, net	(2)	(1)
Net cash provided by (used in) financing activities	(383)	(351)
Effect of exchange rate change on cash and cash equivalents	(8)	(0)
Net increase (decrease) in cash and cash equivalents	1,035	512
Cash and cash equivalents at beginning of period	9,136	10,171
Cash and cash equivalents at end of period	10,171	10,684