Consolidated Financial Statements for the Three Months Ended June 30, 2021 [Japanese GAAP]

August 11, 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 and Chief Executive Officer
Contact: Takahiro Miyamoto, Member of the Board, Managing Executive Officer and Finance and Accounting Division Director
Phone: +81-3-3245-1803
Scheduled date of filing quarterly report: August 12, 2021
Scheduled date of commencing dividend payments: –
Preparation of supplementary explanatory materials: No
Quarterly financial results briefing: No

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

1. Consolidated Results for the Three Months Ended June 30, 2021 (April 1, 2021 – June 30, 2021)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2021	12,663	–	248	5.3	302	(16.5)	277	5.2
June 30, 2020	22,525	(6.6)	236	2.0	362	2.6	263	12.0

(Note) Comprehensive income: Three months ended June 30, 2021: ¥ (294) million [–%]
Three months ended June 30, 2020: ¥853 million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2021	11.14	–
June 30, 2020	10.57	–

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the current consolidated fiscal year. For this reason, changes in net sales from the first quarter of the previous fiscal year, before the application of said standard, are not shown.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	58,658	25,407	43.3
As of March 31, 2021	61,436	25,997	42.3

(Reference) Equity: As of June 30, 2021: ¥25,407 million
As of March 31, 2021: ¥25,997 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	–	7.00	–	7.00	14.00
Fiscal year ending March 31, 2022	–				
Fiscal year ending March 31, 2022 (Forecast)		7.00	–	7.00	14.00

(Note) Revision to the forecast for dividends announced most recently: No

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 attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second quarter (cumulative)	25,300	–	500	40.7	570	13.1	450	38.3	18.14
Full year	51,700	–	1,060	35.7	1,250	16.6	1,050	31.1	42.33

(Note) Revision to the forecast of consolidated results announced most recently: Yes

As the “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan Statement No. 29, March 31, 2020), etc. have been applied from 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.

*** Notes:**

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

(2) Application of an accounting method specific to the preparation of Quarterly Consolidated Financial Statements: No

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

(4) Total number of outstanding shares (common shares)
1) Total number of outstanding shares at the end of the period (including treasury shares):
Three months ended June 30, 2021: 25,168,000 shares
March 31, 2021: 25,168,000 shares

2) Total number of treasury shares at the end of the period:
Three months ended June 30, 2021: 364,541 shares
March 31, 2021: 159,941 shares

3) Average number of shares during the period:
Three months ended June 30, 2021: 24,947,013 shares
Three months ended June 30, 2020: 24,975,323 shares

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 “Explanation regarding information on future prospects such as forecast of consolidated results” on page 3 of this Quarterly Consolidated Financial Statements (attached materials, Japanese only).

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

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	10,833	8,110
Notes and accounts receivable - trade	32,715	–
Notes and accounts receivable - trade, and contract assets	–	32,855
Merchandise and finished goods	1,168	1,136
Other	919	991
Allowance for doubtful accounts	(82)	(78)
Total current assets	45,554	43,015
Non-current assets		
Property, plant and equipment	1,759	2,152
Intangible assets	292	269
Investments and other assets		
Investment securities	13,186	12,446
Distressed receivables	159	159
Other	643	759
Allowance for doubtful accounts	(160)	(145)
Total investments and other assets	13,829	13,220
Total non-current assets	15,882	15,642
Total assets	61,436	58,658

(Million yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,435	25,223
Short-term borrowings	5,040	3,168
Income taxes payable	288	54
Provisions	330	207
Other	711	948
Total current liabilities	31,805	29,601
Non-current liabilities		
Deferred tax liabilities	1,765	1,568
Retirement benefit liability	1,157	1,225
Other	712	854
Total non-current liabilities	3,634	3,648
Total liabilities	35,439	33,250
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,148	3,148
Retained earnings	13,562	13,665
Treasury shares	(45)	(164)
Total shareholders' equity	20,428	20,411
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,469	4,872
Deferred gains or losses on hedges	6	3
Revaluation reserve for land	134	134
Foreign currency translation adjustment	11	36
Remeasurements of defined benefit plans	(54)	(51)
Total accumulated other comprehensive income	5,568	4,995
Total net assets	25,997	25,407
Total liabilities and net assets	61,436	58,658

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

For the Three-Month Period

(Million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	22,525	12,663
Cost of sales	20,981	10,969
Gross profit	1,543	1,694
Selling, general and administrative expenses		
Freight and incidental costs	272	294
Salaries and allowances	409	469
Provision for bonuses	140	137
Provision for bonuses for directors (and other officers)	7	6
Retirement benefit expenses	23	27
Other	453	510
Total selling, general and administrative expenses	1,307	1,446
Operating profit	236	248
Non-operating income		
Interest income	0	0
Dividend income	119	129
Other	22	22
Total non-operating income	143	152
Non-operating expenses		
Interest expenses	9	9
Sales discounts	3	1
Commission for syndicated loans	–	82
Other	4	4
Total non-operating expenses	16	98
Ordinary profit	362	302
Extraordinary income		
Reversal of allowance for loss compensation	15	–
Gain on bargain purchase	–	90
Total extraordinary income	15	90
Extraordinary losses		
Provision of loss reserve for loss compensation	–	14
Total extraordinary losses	–	14
Profit before income taxes	378	377
Income taxes - current	58	50
Income taxes - deferred	55	49
Total income taxes	114	100
Profit	263	277
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	263	277

Consolidated Statements of Comprehensive Income

For the Three-Month Period

(Million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	263	277
Other comprehensive income		
Valuation difference on available-for-sale securities	618	(596)
Deferred gains or losses on hedges	(1)	(3)
Foreign currency translation adjustment	(29)	24
Remeasurements of defined benefit plans, net of tax	1	2
Total other comprehensive income	589	(572)
Comprehensive income	853	(294)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	853	(294)
Comprehensive income attributable to non-controlling interests	–	–