Consolidated Financial Statements for the Nine Months Ended December 31, 2021 [Japanese GAAP]

February 8, 2022

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: February 10, 2022
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 Nine Months Ended December 31, 2021 (April 1, 2021 – December 31, 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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	40,925	–	1,025	81.3	1,251	55.8	1,047	100.5
December 31, 2020	69,979	(7.0)	565	(36.0)	803	(29.3)	522	(27.3)

(Note) Comprehensive income: Nine months ended December 31, 2021: ¥935million [(53.0)%]
Nine months ended December 31, 2020: ¥1,991 million [77.8%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	44.90	–
December 31, 2020	20.91	–

(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 fiscal year ending March 31, 2022. For this reason, changes in net sales from the third 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 December 31, 2021	65,173	25,531	39.2
As of March 31, 2021	61,436	25,997	42.3

(Reference) Equity: As of December 31, 2021: ¥25,531 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	–	8.00	–		
Fiscal year ending March 31, 2022 (Forecast)				16.00	24.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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
Full year	53,000	–	1,260	61.3	1,530	42.7	1,300	62.3	55.83

(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 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.

*** 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):
December 31, 2021: 23,968,000 shares
March 31, 2021: 25,168,000 shares

2) Total number of treasury shares at the end of the period:
December 31, 2021: 684,463 shares
March 31, 2021: 159,941 shares

3) Average number of shares during the period:
Nine months ended December 31, 2021: 23,327,631 shares
Nine months ended December 31, 2020: 24,994,965 shares

* These quarterly financial results are outside the scope of quarterly review 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 “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).

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	10,833	9,213
Notes and accounts receivable - trade	32,715	–
Notes and accounts receivable - trade, and contract assets	–	38,293
Merchandise and finished goods	1,168	1,173
Other	919	748
Allowance for doubtful accounts	(82)	(79)
Total current assets	45,554	49,349
Non-current assets		
Property, plant and equipment	1,759	2,197
Intangible assets	292	222
Investments and other assets		
Investment securities	13,186	12,668
Distressed receivables	159	12
Other	643	736
Allowance for doubtful accounts	(160)	(14)
Total investments and other assets	13,829	13,403
Total non-current assets	15,882	15,823
Total assets	61,436	65,173

(Million yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,435	31,434
Short-term borrowings	5,040	3,201
Income taxes payable	288	98
Provisions	330	193
Other	711	813
Total current liabilities	31,805	35,740
Non-current liabilities		
Long-term borrowings	–	135
Deferred tax liabilities	1,765	1,793
Retirement benefit liability	1,157	1,247
Other	712	724
Total non-current liabilities	3,634	3,901
Total liabilities	35,439	39,642
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,148	3,116
Retained earnings	13,562	13,636
Treasury shares	(45)	(440)
Total shareholders' equity	20,428	20,074
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,469	5,317
Deferred gains or losses on hedges	6	1
Revaluation reserve for land	134	134
Foreign currency translation adjustment	11	48
Remeasurements of defined benefit plans	(54)	(45)
Total accumulated other comprehensive income	5,568	5,456
Total net assets	25,997	25,531
Total liabilities and net assets	61,436	65,173

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Nine-Month Period

(Million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	69,979	40,925
Cost of sales	65,185	35,456
Gross profit	4,794	5,468
Selling, general and administrative expenses		
Freight and incidental costs	813	978
Salaries and allowances	1,484	1,650
Provision for bonuses	155	163
Provision for bonuses for directors (and other officers)	22	18
Retirement benefit expenses	70	79
Other	1,682	1,553
Total selling, general and administrative expenses	4,229	4,443
Operating profit	565	1,025
Non-operating income		
Interest income	1	1
Dividend income	258	294
Other	34	57
Total non-operating income	294	353
Non-operating expenses		
Interest expenses	28	21
Sales discounts	8	–
Commission for syndicated loans	–	87
Other	19	18
Total non-operating expenses	56	127
Ordinary profit	803	1,251
Extraordinary income		
Gain on bargain purchase	–	90
Gain on sale of investment securities	–	183
Total extraordinary income	–	273
Extraordinary losses		
Loss on sale and retirement of non-current assets	16	–
Provision of loss reserve for loss compensation	–	14
Loss on valuation of investment securities	–	25
Total extraordinary losses	16	40
Profit before income taxes	786	1,484
Income taxes - current	279	343
Income taxes - deferred	(15)	94
Total income taxes	264	437
Profit	522	1,047
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	522	1,047

Quarterly Consolidated Statements of Comprehensive Income

For the Nine-Month Period

(Million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	522	1,047
Other comprehensive income		
Valuation difference on available-for-sale securities	1,482	(152)
Deferred gains or losses on hedges	(3)	(5)
Foreign currency translation adjustment	(15)	37
Remeasurements of defined benefit plans, net of tax	5	8
Total other comprehensive income	1,468	(111)
Comprehensive income	1,991	935
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,991	935
Comprehensive income attributable to non-controlling interests	–	–