Consolidated Financial Statements for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 7, 2024

Company name: **SODA NIKKA CO., LTD.**
Stock exchange listing: Tokyo Stock Exchange
Code number: 8158
URL: https://www.sodanikka.co.jp/
Representative: Ryuji Mezaki, President and Chief Executive Officer
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Scheduled date of filing semi-annual securities report: November 13, 2024
Scheduled date of commencing dividend payments: December 10, 2024
Preparation of supplementary material on financial results: None
Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated Results for the Six Months Ended September 30, 2024 (April 1, 2024 – September 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2024	31,749	0.7	1,124	9.3	1,309	4.2	1,324	52.9
September 30, 2023	31,527	5.0	1,037	24.4	1,256	15.1	866	8.7

(Note) Comprehensive income: Six months ended September 30, 2024: ¥393 million [(81.1)%]
Six months ended September 30, 2023: ¥2,079 million [296.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	58.30	–
September 30, 2023	37.79	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2024	73,872	29,423	39.8
As of March 31, 2024	79,497	29,457	37.1

(Reference) Equity: As of September 30, 2024: ¥29,423 million
As of March 31, 2024: ¥29,457 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, 2024	–	15.00	–	21.00	36.00
Fiscal year ending March 31, 2025	–	17.00			
Fiscal year ending March 31, 2025 (Forecast)			–	17.00	34.00

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

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% 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	63,800	(0.5)	1,850	(16.4)	2,200	(15.9)	2,000	8.1	87.83

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

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – companies (Company name)
Excluded: – companies (Company name)

(2) Application of an accounting method specific to the preparation of Semi-annual Consolidated Financial Statements: None

(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):
September 30, 2024: 22,968,000 shares
March 31, 2024: 22,968,000 shares

2) Total number of treasury shares at the end of the period:
September 30, 2024: 197,880 shares
March 31, 2024: 249,628 shares

3) Average number of shares during the period:
Six months ended September 30, 2024: 22,727,411 shares
Six months ended September 30, 2023: 22,934,978 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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 Semi-annual Consolidated Financial Statements (attached materials, Japanese only).

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	9,699	8,257
Notes and accounts receivable - trade, and contract assets	46,381	42,194
Merchandise and finished goods	1,303	1,376
Other	246	453
Allowance for doubtful accounts	(80)	(67)
Total current assets	57,550	52,214
Non-current assets		
Property, plant and equipment	5,363	6,542
Intangible assets	63	177
Investments and other assets		
Investment securities	15,776	14,181
Distressed receivables	0	30
Other	743	727
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	16,519	14,938
Total non-current assets	21,947	21,658
Total assets	79,497	73,872

(Million yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable – trade	37,084	32,938
Short-term borrowings	6,170	5,168
Income taxes payable	484	657
Contract liabilities	7	308
Provisions	496	417
Other	1,074	682
Total current liabilities	45,316	40,173
Non-current liabilities		
Deferred tax liabilities	2,694	2,250
Retirement benefit liability	1,044	1,060
Other	984	965
Total non-current liabilities	4,723	4,276
Total liabilities	50,039	44,449
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,116	3,116
Retained earnings	14,885	15,723
Treasury shares	(255)	(202)
Total shareholders' equity	21,508	22,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,552	6,550
Deferred gains or losses on hedges	(2)	(1)
Revaluation reserve for land	196	201
Foreign currency translation adjustment	126	197
Remeasurements of defined benefit plans	76	75
Total accumulated other comprehensive income	7,949	7,023
Total net assets	29,457	29,423
Total liabilities and net assets	79,497	73,872

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	31,527	31,749
Cost of sales	27,232	27,332
Gross profit	4,294	4,416
Selling, general and administrative expenses		
Freight and incidental costs	575	578
Salaries and allowances	1,033	1,039
Provision for bonuses	333	320
Provision for bonuses for directors (and other officers)	13	18
Provision for share awards for directors (and other officers)	12	44
Retirement benefit expenses	50	49
Other	1,236	1,233
Total selling, general and administrative expenses	3,257	3,282
Operating profit	1,037	1,134
Non-operating income		
Interest income	2	3
Dividend income	211	227
Other	38	19
Total non-operating income	251	250
Non-operating expenses		
Interest expenses	15	22
Foreign exchange losses	—	30
Commission for syndicated loans	7	7
Other	9	14
Total non-operating expenses	32	74
Ordinary profit	1,256	1,309
Extraordinary income		
Gain on sale of investment securities	14	650
Total extraordinary income	14	650
Profit before income taxes	1,270	1,950
Income taxes - current	410	642
Income taxes - deferred	(5)	(7)
Total income taxes	404	634
Profit	866	1,324
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	866	1,324

Consolidated Statements of Comprehensive Income

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	866	1,324
Other comprehensive income		
Valuation difference on available-for-sale securities	1,166	(1,002)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	41	71
Remeasurements of defined benefit plans, net of tax	3	(0)
Total other comprehensive income	1,212	(931)
Comprehensive income	2,079	393
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,079	393
Comprehensive income attributable to non-controlling interests	–	–

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,270	1,959
Depreciation	124	118
Increase (decrease) in allowance for doubtful accounts	12	(12)
Increase (decrease) in retirement benefit liability	(0)	14
Interest and dividend income	(213)	(230)
Interest expenses	15	22
Commission for syndicate loan	7	7
Loss (gain) on sale and retirement of non-current assets	8	7
Decrease (increase) in trade receivables	(3,567)	4,192
Decrease (increase) in inventories	31	(58)
Decrease (increase) in distressed receivables	5	(30)
Increase (decrease) in trade payables	5,563	(4,145)
Loss (gain) on sale of investment securities	(14)	(650)
Increase (decrease) in provision for bonuses for directors (and other officers)	(13)	(18)
Increase (decrease) in provision for share awards for directors (and other officers)	12	44
Other, net	20	(125)
Subtotal	3,264	1,094
Interest and dividends received	212	226
Interest paid	(14)	(27)
Income taxes paid	(490)	(485)
Net cash provided by (used in) operating activities	2,971	809
Cash flows from investing activities		
Payments into time deposits	(94)	(13)
Proceeds from withdrawal of time deposits	90	14
Purchase of property, plant and equipment	(1,538)	(1,480)
Purchase of intangible assets	(18)	(120)
Purchase of investment securities	(16)	(16)
Proceeds from sale of investment securities	93	825
Other, net	19	16
Net cash provided by (used in) investing activities	(1,463)	(774)
Cash flows from financing activities		
Proceeds from short-term borrowings	500	25,500
Repayments of short-term borrowings	(109)	(26,504)
Purchase of treasury shares	(248)	(0)
Dividends paid	(618)	(480)
Commission for syndicate loan paid	(3)	(7)
Other, net	(17)	(16)
Net cash provided by (used in) financing activities	(497)	(1,509)
Effect of exchange rate change on cash and cash equivalents	48	33
Net increase (decrease) in cash and cash equivalents	1,057	(1,441)
Cash and cash equivalents at beginning of period	8,267	9,554
Cash and cash equivalents at end of period	9,325	8,113