

Consolidated Financial Statements for the Six Months Ended September 30, 2021 [Japanese GAAP]



November 4, 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

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Scheduled date of filing quarterly report: November 11, 2021

Scheduled date of commencing dividend payments: December 1, 2021

Preparation of supplementary explanatory materials: No

Quarterly 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, 2021 (April 1, 2021 – September 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	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2021	26,480	—	563	58.6	655	30.1	515	58.5
September 30, 2020	44,978	(8.9)	355	(33.0)	503	(25.4)	325	(26.0)

(Note) Comprehensive income: Six months ended September 30, 2021: ¥861million [(20.1)%]

Six months ended September 30, 2020: ¥1,079 million [—%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	20.96	—
September 30, 2020	13.02	—

(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 second 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 September 30, 2021	60,447	25,925	42.8
As of March 31, 2021	61,436	25,997	42.3

(Reference) Equity: As of September 30, 2021: ¥25,925 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
Fiscal year ended March 31, 2021	Yen —	Yen 7.00	Yen —	Yen 7.00	Yen 14.00
Fiscal year ending March 31, 2022	—	8.00			
Fiscal year ending March 31, 2022 (Forecast)			—	8.00	16.00

(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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	51,700	—	1,060	35.7	1,250	16.6	1,050	31.1	44.36

(Note) Revision to the forecast of consolidated results announced most recently: No

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):

September 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:

September 30, 2021: 1,499,663 shares

March 31, 2021: 159,941 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 24,607,798 shares

Six months ended September 30, 2020: 24,988,382 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 September 30, 2021
Assets		
Current assets		
Cash and deposits	10,833	8,646
Notes and accounts receivable - trade	32,715	—
Notes and accounts receivable - trade, and contract assets	—	33,379
Merchandise and finished goods	1,168	1,104
Other	919	456
Allowance for doubtful accounts	(82)	(80)
Total current assets	45,554	43,506
Non-current assets		
Property, plant and equipment	1,759	2,185
Intangible assets	292	245
Investments and other assets		
Investment securities	13,186	13,760
Distressed receivables	159	12
Other	643	750
Allowance for doubtful accounts	(160)	(14)
Total investments and other assets	13,829	14,509
Total non-current assets	15,882	16,940
Total assets	61,436	60,447

(Million yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,435	26,060
Short-term borrowings	5,040	3,191
Income taxes payable	288	188
Provisions	330	327
Other	711	730
Total current liabilities	31,805	30,498
Non-current liabilities		
Long-term borrowings	—	80
Deferred tax liabilities	1,765	1,946
Retirement benefit liability	1,157	1,236
Other	712	759
Total non-current liabilities	3,634	4,023
Total liabilities	35,439	34,521
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,148	3,151
Retained earnings	13,562	13,903
Treasury shares	(45)	(805)
Total shareholders' equity	20,428	20,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,469	5,784
Deferred gains or losses on hedges	6	0
Revaluation reserve for land	134	134
Foreign currency translation adjustment	11	43
Remeasurements of defined benefit plans	(54)	(48)
Total accumulated other comprehensive income	5,568	5,914
Total net assets	25,997	25,925
Total liabilities and net assets	61,436	60,447

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

For the Six-Month Period

(Million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	44,978	26,480
Cost of sales	41,905	22,975
Gross profit	3,073	3,505
Selling, general and administrative expenses		
Freight and incidental costs	524	642
Salaries and allowances	835	945
Provision for bonuses	286	283
Provision for bonuses for directors (and other officers)	15	12
Retirement benefit expenses	47	52
Other	1,009	1,006
Total selling, general and administrative expenses	2,718	2,942
Operating profit	355	563
Non-operating income		
Interest income	1	1
Dividend income	149	163
Other	32	36
Total non-operating income	183	201
Non-operating expenses		
Interest expenses	19	15
Sales discounts	5	—
Commission for syndicated loans	—	85
Other	10	9
Total non-operating expenses	35	109
Ordinary profit	503	655
Extraordinary income		
Gain on bargain purchase	—	90
Total extraordinary income	—	90
Extraordinary losses		
Loss on sale and retirement of non-current assets	16	—
Provision of loss reserve for loss compensation	—	14
Total extraordinary losses	16	14
Profit before income taxes	487	730
Income taxes - current	164	175
Income taxes - deferred	(2)	39
Total income taxes	162	215
Profit	325	515
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	325	515

Quarterly Consolidated Statements of Comprehensive Income
For the Six-Month Period

(Million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	325	515
Other comprehensive income		
Valuation difference on available-for-sale securities	765	315
Deferred gains or losses on hedges	(1)	(6)
Foreign currency translation adjustment	(13)	31
Remeasurements of defined benefit plans, net of tax	3	5
Total other comprehensive income	753	345
Comprehensive income	1,079	861
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,079	861
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	487	730
Depreciation	92	107
Increase (decrease) in allowance for doubtful accounts	(12)	(149)
Increase (decrease) in retirement benefit liability	25	30
Interest and dividend income	(151)	(164)
Interest expenses	19	15
Commission for syndicate loan	–	85
Loss (gain) on sale and retirement of non-current assets	16	1
Decrease (increase) in trade receivables	3,494	(188)
Decrease (increase) in inventories	(23)	128
Decrease (increase) in distressed receivables	–	146
Increase (decrease) in trade payables	(2,572)	91
Gain on bargain purchase	–	(90)
Other, net	(3)	281
Subtotal	1,371	1,024
Interest and dividends received	151	166
Interest paid	(20)	(23)
Income taxes paid	(229)	(278)
Net cash provided by (used in) operating activities	1,274	890
Cash flows from investing activities		
Payments into time deposits	(33)	(84)
Proceeds from withdrawal of time deposits	30	119
Purchase of property, plant and equipment	(45)	(62)
Purchase of intangible assets	(7)	(16)
Purchase of investment securities	(140)	(14)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(7)
Other, net	(4)	18
Net cash provided by (used in) investing activities	(202)	(46)
Cash flows from financing activities		
Proceeds from short-term borrowings	22	150
Repayments of short-term borrowings	–	(2,128)
Purchase of treasury shares	–	(777)
Dividends paid	(174)	(175)
Commission for syndicate loan paid	–	(81)
Other, net	(0)	(10)
Net cash provided by (used in) financing activities	(153)	(3,022)
Effect of exchange rate change on cash and cash equivalents	(8)	13
Net increase (decrease) in cash and cash equivalents	910	(2,165)
Cash and cash equivalents at beginning of period	10,171	10,684
Cash and cash equivalents at end of period	11,081	8,519