

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

Company name: Nippon Soda Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4041 URL <https://www.nippon-soda.co.jp/>
 Representative: President Akira Ishii
 Inquiries: Manager,General Affairs Dept. Satoshi Takeuchi TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2020	93,049	(10.1)	4,904	59.9	5,504	35.0	2,141	(24.7)
Nine months ended December 31, 2019	103,549	2.5	3,067	58.5	4,076	4.3	2,844	(1.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	73.85		–	
Nine months ended December 31, 2019	94.26		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	217,799	140,980	63.3
As of March 31, 2020	210,556	144,440	67.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2020	–	30.00	–	50.00	80.00
Year ending March 31, 2021	–	40.00	–		
Year ending March 31, 2021 (Forecast)				40.00	80.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	136,000	(6.0)	9,400	15.5	10,800	4.7	5,800	(14.2)	200.90

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2020	29,391,807 shares	As of March 31, 2020	31,127,307 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	950,031 shares	As of March 31, 2020	1,282,557 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	28,997,790 shares	Nine months ended December 31, 2019	30,176,904 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	17,229	17,917
Notes and accounts receivable - trade	41,063	34,794
Electronically recorded monetary claims - operating	2,514	1,874
Inventories	30,644	37,708
Other	4,865	4,290
Allowance for doubtful accounts	(200)	(200)
Total current assets	96,117	96,385
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,347	18,600
Machinery, equipment and vehicles, net	18,055	17,619
Tools, furniture and fixtures, net	1,882	1,971
Land	14,909	14,931
Construction in progress	6,037	9,065
Other, net	1,277	1,440
Total property, plant and equipment	60,509	63,628
Intangible assets		
Goodwill	13	194
Other	4,868	4,470
Total intangible assets	4,881	4,665
Investments and other assets		
Investment securities	35,436	39,213
Retirement benefit asset	7,816	8,179
Deferred tax assets	3,455	3,243
Other	2,338	2,602
Allowance for doubtful accounts	(1)	(118)
Total investments and other assets	49,046	53,120
Total non-current assets	114,438	121,414
Total assets	210,556	217,799

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,129	18,206
Electronically recorded obligations - operating	2,383	2,313
Short-term borrowings	14,420	16,061
Income taxes payable	993	191
Provision for bonuses	2,953	926
Other	6,392	6,543
Total current liabilities	42,272	44,241
Non-current liabilities		
Long-term borrowings	13,514	20,601
Deferred tax liabilities	3,200	4,160
Retirement benefit liability	2,634	2,611
Provision for environmental measures	543	1,130
Other	3,951	4,072
Total non-current liabilities	23,843	32,577
Total liabilities	66,116	76,819
Net assets		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	29,359	25,141
Retained earnings	85,111	84,145
Treasury shares	(3,184)	(2,567)
Total shareholders' equity	140,453	135,885
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,959	9,191
Deferred gains or losses on hedges	(163)	93
Foreign currency translation adjustment	(3,491)	(7,021)
Remeasurements of defined benefit plans	(465)	(376)
Total accumulated other comprehensive income	838	1,887
Non-controlling interests	3,147	3,207
Total net assets	144,440	140,980
Total liabilities and net assets	210,556	217,799

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	103,549	93,049
Cost of sales	79,064	68,318
Gross profit	24,485	24,730
Selling, general and administrative expenses	21,417	19,825
Operating profit	3,067	4,904
Non-operating income		
Interest income	16	3
Dividend income	626	623
Share of profit of entities accounted for using equity method	523	228
Other	533	652
Total non-operating income	1,699	1,508
Non-operating expenses		
Interest expenses	168	184
Foreign exchange losses	154	303
Other	368	419
Total non-operating expenses	690	908
Ordinary profit	4,076	5,504
Extraordinary income		
Gain on sales of non-current assets	–	18
Gain on sales of investment securities	–	4
Total extraordinary income	–	23
Extraordinary losses		
Loss on abandonment of non-current assets	178	137
Impairment loss	–	1,742
Loss on sales of investment securities	–	145
Provision for environmental measures	–	633
One-hundredth anniversary commemorative expenses	48	99
Loss compensation	–	431
Other	10	167
Total extraordinary losses	238	3,358
Profit before income taxes	3,837	2,170
Income taxes - current	871	861
Income taxes - deferred	59	(862)
Total income taxes	931	(0)
Profit	2,906	2,170
Profit attributable to non-controlling interests	61	28
Profit attributable to owners of parent	2,844	2,141

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	2,906	2,170
Other comprehensive income		
Valuation difference on available-for-sale securities	771	4,389
Deferred gains or losses on hedges	(8)	90
Foreign currency translation adjustment	(489)	418
Remeasurements of defined benefit plans, net of tax	198	87
Share of other comprehensive income of entities accounted for using equity method	(1,121)	(3,707)
Total other comprehensive income	(649)	1,278
Comprehensive income	2,256	3,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,179	3,189
Comprehensive income attributable to non-controlling interests	76	258