

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 4, 2022

Company name: Nippon Soda Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4041 URL <https://www.nippon-soda.co.jp/>
 Representative: President Eiji Aga
 Inquiries: Manager,General Affairs Dept. Nobuki Minabe TEL 03-3245-6053
 Scheduled date to file Quarterly Securities Report: February 10, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	100,603	8.1	6,437	31.2	8,579	55.9	5,692	165.8
Nine months ended December 31, 2020	93,049	(10.1)	4,904	59.9	5,504	35.0	2,141	(24.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	203.80		–	
Nine months ended December 31, 2020	73.85		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	235,549	150,585	62.4
As of March 31, 2021	227,975	149,203	63.9

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, 2021	–	40.00	–	70.00	110.00
Year ending March 31, 2022	–	55.00	–		
Year ending March 31, 2022 (Forecast)				75.00	130.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	149,000	6.9	11,000	10.2	14,000	9.9	9,000	22.3	322.42

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: Yes
- 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, 2021	28,811,707 shares	As of March 31, 2021	29,391,807 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	949,646 shares	As of March 31, 2021	1,169,846 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, 2021	27,929,440 shares	Nine months ended December 31, 2020	28,997,790 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	19,286	21,135
Notes and accounts receivable - trade	42,946	–
Notes and accounts receivable - trade, and contract assets	–	34,655
Electronically recorded monetary claims - operating	2,310	3,891
Inventories	32,116	39,171
Other	3,895	5,236
Allowance for doubtful accounts	(204)	(8)
Total current assets	100,351	104,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,046	21,170
Machinery, equipment and vehicles, net	17,966	21,444
Tools, furniture and fixtures, net	2,042	1,954
Land	14,930	14,935
Construction in progress	8,310	5,902
Other, net	1,425	1,292
Total property, plant and equipment	63,722	66,699
Intangible assets		
Goodwill	187	165
Other	5,333	5,010
Total intangible assets	5,521	5,176
Investments and other assets		
Investment securities	41,695	42,839
Retirement benefit asset	10,979	11,353
Deferred tax assets	3,339	3,226
Other	2,367	2,172
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	58,381	59,590
Total non-current assets	127,624	131,466
Total assets	227,975	235,549

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,764	19,640
Electronically recorded obligations - operating	1,942	2,888
Short-term borrowings	16,172	19,831
Income taxes payable	2,226	509
Provision for bonuses	3,925	964
Other	5,531	8,265
Total current liabilities	44,562	52,099
Non-current liabilities		
Long-term borrowings	21,535	19,571
Deferred tax liabilities	5,117	6,505
Retirement benefit liability	2,465	2,316
Provision for environmental measures	1,003	453
Other	4,087	4,017
Total non-current liabilities	34,209	32,864
Total liabilities	78,772	84,963
Net assets		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	25,141	25,141
Retained earnings	89,364	89,407
Treasury shares	(3,338)	(2,829)
Total shareholders' equity	140,334	140,886
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,825	10,193
Deferred gains or losses on hedges	89	(110)
Foreign currency translation adjustment	(6,075)	(5,385)
Remeasurements of defined benefit plans	1,594	1,403
Total accumulated other comprehensive income	5,434	6,100
Non-controlling interests	3,434	3,597
Total net assets	149,203	150,585
Total liabilities and net assets	227,975	235,549

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, 2020	Nine months ended December 31, 2021
Net sales	93,049	100,603
Cost of sales	68,318	73,595
Gross profit	24,730	27,008
Selling, general and administrative expenses	19,825	20,570
Operating profit	4,904	6,437
Non-operating income		
Interest income	3	2
Dividend income	623	692
Share of profit of entities accounted for using equity method	228	1,189
Foreign exchange gains	–	364
Other	652	526
Total non-operating income	1,508	2,775
Non-operating expenses		
Interest expenses	184	211
Foreign exchange losses	303	–
Other	419	421
Total non-operating expenses	908	633
Ordinary profit	5,504	8,579
Extraordinary income		
Gain on sale of non-current assets	18	0
Gain on sale of investment securities	4	31
Total extraordinary income	23	32
Extraordinary losses		
Loss on abandonment of non-current assets	137	138
Impairment losses	1,742	39
Loss on sale of investment securities	145	57
Provision for environmental measures	633	–
One-hundredth anniversary commemorative expenses	99	–
Loss compensation	431	–
Other	167	30
Total extraordinary losses	3,358	265
Profit before income taxes	2,170	8,346
Income taxes - current	861	948
Income taxes - deferred	(862)	1,562
Total income taxes	(0)	2,510
Profit	2,170	5,835
Profit attributable to non-controlling interests	28	143
Profit attributable to owners of parent	2,141	5,692

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	2,170	5,835
Other comprehensive income		
Valuation difference on available-for-sale securities	4,389	437
Deferred gains or losses on hedges	90	(148)
Foreign currency translation adjustment	418	183
Remeasurements of defined benefit plans, net of tax	87	(190)
Share of other comprehensive income of entities accounted for using equity method	(3,707)	445
Total other comprehensive income	1,278	728
Comprehensive income	3,448	6,563
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,189	6,358
Comprehensive income attributable to non-controlling interests	258	205