

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 4, 2020

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: August 7, 2020  
 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 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	%
Three months ended June 30, 2020	31,284	(5.4)	2,295	133.6	2,170	75.3	2,107	108.2
Three months ended June 30, 2019	33,083	2.3	982	(40.6)	1,238	(49.3)	1,012	(45.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	71.36		–	
Three months ended June 30, 2019	33.54		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	210,777	142,760	66.3
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	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	40.00	–	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
Six months ending September 30, 2020	63,000	(6.8)	2,700	33.0	1,900	(22.6)	–	–	–
Full year	138,000	(4.7)	6,700	(17.6)	6,600	(36.0)	–	–	–

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2020	31,127,307 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 June 30, 2020	1,877,365 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)

Three months ended June 30, 2020	29,532,294 shares	Three months ended June 30, 2019	30,176,138 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	17,229	16,209
Notes and accounts receivable - trade	41,063	37,198
Electronically recorded monetary claims - operating	2,514	2,305
Inventories	30,644	33,576
Other	4,865	5,357
Allowance for doubtful accounts	(200)	(202)
Total current assets	96,117	94,445
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	18,347	18,249
Machinery, equipment and vehicles, net	18,055	17,519
Tools, furniture and fixtures, net	1,882	1,865
Land	14,909	14,908
Construction in progress	6,037	7,574
Other, net	1,277	1,523
Total property, plant and equipment	60,509	61,639
Intangible assets		
Goodwill	13	210
Other	4,868	4,687
Total intangible assets	4,881	4,897
Investments and other assets		
Investment securities	35,436	36,114
Retirement benefit asset	7,816	7,934
Deferred tax assets	3,455	3,358
Other	2,338	2,388
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	49,046	49,795
Total non-current assets	114,438	116,332
Total assets	210,556	210,777

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	15,129	14,519
Electronically recorded obligations - operating	2,383	3,045
Short-term borrowings	14,420	18,117
Income taxes payable	993	383
Provision for bonuses	2,953	2,571
Other	6,392	4,896
Total current liabilities	42,272	43,533
Non-current liabilities		
Long-term borrowings	13,514	13,365
Deferred tax liabilities	3,200	3,823
Retirement benefit liability	2,634	2,576
Provision for environmental measures	543	543
Other	3,951	4,175
Total non-current liabilities	23,843	24,484
Total liabilities	66,116	68,017
<b>Net assets</b>		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	29,359	29,359
Retained earnings	85,111	85,723
Treasury shares	(3,184)	(4,876)
Total shareholders' equity	140,453	139,373
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,959	7,303
Deferred gains or losses on hedges	(163)	(119)
Foreign currency translation adjustment	(3,491)	(6,436)
Remeasurements of defined benefit plans	(465)	(436)
Total accumulated other comprehensive income	838	312
Non-controlling interests	3,147	3,074
Total net assets	144,440	142,760
Total liabilities and net assets	210,556	210,777

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	33,083	31,284
Cost of sales	24,898	22,595
Gross profit	8,185	8,689
Selling, general and administrative expenses	7,202	6,394
Operating profit	982	2,295
Non-operating income		
Interest income	3	1
Dividend income	246	230
Share of profit of entities accounted for using equity method	226	–
Other	164	133
Total non-operating income	641	366
Non-operating expenses		
Interest expenses	55	58
Share of loss of entities accounted for using equity method	–	90
Foreign exchange losses	158	166
Other	171	175
Total non-operating expenses	385	490
Ordinary profit	1,238	2,170
Extraordinary income		
Gain on sales of non-current assets	–	6
Total extraordinary income	–	6
Extraordinary losses		
Loss on abandonment of non-current assets	8	9
One-hundredth anniversary commemorative expenses	–	30
Other	10	2
Total extraordinary losses	19	41
Profit before income taxes	1,218	2,135
Income taxes - current	303	355
Income taxes - deferred	(143)	(389)
Total income taxes	159	(34)
Profit	1,058	2,169
Profit attributable to non-controlling interests	46	62
Profit attributable to owners of parent	1,012	2,107

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,058	2,169
Other comprehensive income		
Valuation difference on available-for-sale securities	(504)	2,397
Deferred gains or losses on hedges	(6)	(33)
Foreign currency translation adjustment	(324)	(36)
Remeasurements of defined benefit plans, net of tax	66	29
Share of other comprehensive income of entities accounted for using equity method	(159)	(2,819)
Total other comprehensive income	(928)	(463)
Comprehensive income	129	1,706
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	138	1,580
Comprehensive income attributable to non-controlling interests	(9)	125