

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 3, 2021

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: August 6, 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	31,826	1.7	2,339	1.9	2,679	23.4	1,732	(17.8)
Three months ended June 30, 2020	31,284	(5.4)	2,295	133.6	2,170	75.3	2,107	108.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	61.80		–	
Three months ended June 30, 2020	71.36		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	223,177	146,115	63.9
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	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	55.00	–	55.00	110.00

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
Six months ending September 30, 2021	62,000	0.6	2,400	(28.6)	2,800	(24.8)	2,400	13.0	85.04
Full year	143,000	2.6	9,000	(9.8)	10,500	(17.6)	7,600	3.2	269.29

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2021	29,391,807 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 June 30, 2021	1,530,920 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)

Three months ended June 30, 2021	28,030,049 shares	Three months ended June 30, 2020	29,532,294 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	19,286	16,133
Notes and accounts receivable - trade	42,946	–
Notes and accounts receivable - trade, and contract assets	–	37,001
Electronically recorded monetary claims - operating	2,310	4,305
Inventories	32,116	36,153
Other	3,895	4,043
Allowance for doubtful accounts	(204)	(206)
Total current assets	100,351	97,431
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,046	21,188
Machinery, equipment and vehicles, net	17,966	20,997
Tools, furniture and fixtures, net	2,042	2,003
Land	14,930	14,935
Construction in progress	8,310	3,179
Other, net	1,425	1,402
Total property, plant and equipment	63,722	63,706
Intangible assets		
Goodwill	187	180
Other	5,333	5,108
Total intangible assets	5,521	5,288
Investments and other assets		
Investment securities	41,695	40,036
Retirement benefit asset	10,979	11,102
Deferred tax assets	3,339	3,273
Other	2,367	2,339
Allowance for doubtful accounts	(1)	(1)
Total investments and other assets	58,381	56,750
Total non-current assets	127,624	125,745
Total assets	227,975	223,177

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	14,764	14,861
Electronically recorded obligations - operating	1,942	1,069
Short-term borrowings	16,172	18,173
Income taxes payable	2,226	417
Provision for bonuses	3,925	2,612
Other	5,531	6,475
Total current liabilities	44,562	43,610
Non-current liabilities		
Long-term borrowings	21,535	21,192
Deferred tax liabilities	5,117	4,916
Retirement benefit liability	2,465	2,474
Provision for environmental measures	1,003	788
Other	4,087	4,079
Total non-current liabilities	34,209	33,452
Total liabilities	78,772	77,062
<b>Net assets</b>		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	25,141	25,141
Retained earnings	89,364	88,721
Treasury shares	(3,338)	(4,569)
Total shareholders' equity	140,334	138,459
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,825	8,881
Deferred gains or losses on hedges	89	3
Foreign currency translation adjustment	(6,075)	(6,258)
Remeasurements of defined benefit plans	1,594	1,532
Total accumulated other comprehensive income	5,434	4,159
Non-controlling interests	3,434	3,495
Total net assets	149,203	146,115
Total liabilities and net assets	227,975	223,177

**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, 2020	Three months ended June 30, 2021
Net sales	31,284	31,826
Cost of sales	22,595	22,783
Gross profit	8,689	9,043
Selling, general and administrative expenses	6,394	6,703
Operating profit	2,295	2,339
Non-operating income		
Interest income	1	0
Dividend income	230	238
Share of profit of entities accounted for using equity method	–	44
Other	133	276
Total non-operating income	366	559
Non-operating expenses		
Interest expenses	58	71
Share of loss of entities accounted for using equity method	90	–
Foreign exchange losses	166	–
Other	175	148
Total non-operating expenses	490	220
Ordinary profit	2,170	2,679
Extraordinary income		
Gain on sale of non-current assets	6	0
Total extraordinary income	6	0
Extraordinary losses		
Loss on abandonment of non-current assets	9	7
One-hundredth anniversary commemorative expenses	30	–
Impairment losses	–	39
Other	2	6
Total extraordinary losses	41	53
Profit before income taxes	2,135	2,626
Income taxes - current	355	334
Income taxes - deferred	(389)	471
Total income taxes	(34)	805
Profit	2,169	1,820
Profit attributable to non-controlling interests	62	88
Profit attributable to owners of parent	2,107	1,732

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	2,169	1,820
Other comprehensive income		
Valuation difference on available-for-sale securities	2,397	(928)
Deferred gains or losses on hedges	(33)	(91)
Foreign currency translation adjustment	(36)	186
Remeasurements of defined benefit plans, net of tax	29	(62)
Share of other comprehensive income of entities accounted for using equity method	(2,819)	(363)
Total other comprehensive income	(463)	(1,259)
Comprehensive income	1,706	560
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,580	457
Comprehensive income attributable to non-controlling interests	125	103