

Consolidated Financial Statements for the Six Months Ended September 30, 2023 [Japanese GAAP]



November 7, 2023

Company name: **SODA NIKKA CO., LTD.**

Stock exchange listing: Tokyo Stock Exchange

Code number: 8158

URL: <https://www.sodanikka.co.jp/>

Representative: Ryuji Mezaki, President and Chief Executive Officer

Contact: Osamu Iwabuchi, Executive Officer and Finance and Accounting Division Director

Phone: +81-3-3245-1803

Scheduled date of filing quarterly report: November 13, 2023

Scheduled date of commencing dividend payments: December 12, 2023

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, 2023 (April 1, 2023 – September 30, 2023)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2023	31,527	5.0	1,037	24.4	1,256	15.1	866	8.7
September 30, 2022	30,027	13.4	833	47.9	1,092	66.6	797	54.5

(Note) Comprehensive income: Six months ended September 30, 2023: ¥2,079 million [296.2%]

Six months ended September 30, 2022: ¥524 million [(39.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	37.79	–
September 30, 2022	35.14	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2023	76,415	27,647	36.2
As of March 31, 2023	69,292	26,437	38.2

(Reference) Equity: As of September 30, 2023: ¥27,647 million

As of March 31, 2023: ¥26,437 million

2. Cash Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	13.00	–	27.00	40.00
Fiscal year ending March 31, 2024	–	15.00			
Fiscal year ending March 31, 2024 (Forecast)			–	15.00	30.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	63,700	1.5	1,920	10.3	2,310	8.4	1,700	12.8	74.83

(Note) Revision to the forecast of consolidated results announced most recently: Yes

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(changes in specified subsidiaries resulting in changes in scope of consolidation)
- (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: None
 - 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, 2023: 22,968,000 shares
March 31, 2023: 22,968,000 shares
 - 2) Total number of treasury shares at the end of the period:
September 30, 2023: 249,628 shares
March 31, 2023: 9,556 shares
 - 3) Average number of shares during the period:
Six months ended September 30, 2023: 22,934,978 shares
Six months ended September 30, 2022: 22,680,702 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	8,405	9,466
Notes and accounts receivable - trade, and contract assets	41,996	45,576
Merchandise and finished goods	1,512	1,489
Other	774	701
Allowance for doubtful accounts	(114)	(132)
Total current assets	52,573	57,102
Non-current assets		
Property, plant and equipment	3,235	4,292
Intangible assets	123	89
Investments and other assets		
Investment securities	12,604	14,203
Distressed receivables	5	0
Other	756	727
Allowance for doubtful accounts	(6)	(1)
Total investments and other assets	13,360	14,929
Total non-current assets	16,719	19,312
Total assets	69,292	76,415

(Million yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	32,085	37,655
Short-term borrowings	4,757	5,155
Income taxes payable	519	425
Contract liabilities	166	131
Provisions	437	416
Other	995	631
Total current liabilities	38,961	44,414
Non-current liabilities		
Deferred tax liabilities	1,683	2,165
Retirement benefit liability	1,192	1,181
Other	1,018	1,005
Total non-current liabilities	3,893	4,352
Total liabilities	42,855	48,767
Net assets		
Shareholders' equity		
Share capital	3,762	3,762
Capital surplus	3,116	3,116
Retained earnings	13,999	14,246
Treasury shares	(6)	(255)
Total shareholders' equity	20,871	20,869
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,279	6,446
Deferred gains or losses on hedges	(3)	(2)
Revaluation reserve for land	196	196
Foreign currency translation adjustment	96	137
Remeasurements of defined benefit plans	(2)	0
Total accumulated other comprehensive income	5,566	6,778
Total net assets	26,437	27,647
Total liabilities and net assets	69,292	76,415

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income
For the Six-Month Period

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	30,027	31,527
Cost of sales	26,082	27,232
Gross profit	3,944	4,294
Selling, general and administrative expenses		
Freight and incidental costs	637	575
Salaries and allowances	984	1,033
Provision for bonuses	307	333
Provision for bonuses for directors (and other officers)	16	13
Provision for share awards for directors (and other officers)	–	12
Retirement benefit expenses	62	50
Other	1,103	1,236
Total selling, general and administrative expenses	3,111	3,257
Operating profit	833	1,037
Non-operating income		
Interest income	1	2
Dividend income	209	211
Other	67	38
Total non-operating income	278	251
Non-operating expenses		
Interest expenses	11	15
Commission for syndicated loans	6	7
Other	2	9
Total non-operating expenses	20	32
Ordinary profit	1,092	1,256
Extraordinary income		
Gain on sale of non-current assets	19	–
Gain on sale of investment securities	40	14
Total extraordinary income	60	14
Profit before income taxes	1,152	1,270
Income taxes - current	370	410
Income taxes - deferred	(15)	(5)
Total income taxes	355	404
Profit	797	866
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	797	866

Consolidated Statements of Comprehensive Income
For the Six-Month Period

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	797	866
Other comprehensive income		
Valuation difference on available-for-sale securities	(341)	1,166
Deferred gains or losses on hedges	(3)	1
Foreign currency translation adjustment	67	41
Remeasurements of defined benefit plans, net of tax	4	3
Total other comprehensive income	(272)	1,212
Comprehensive income	524	2,079
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	524	2,079
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,152	1,270
Depreciation	101	124
Increase (decrease) in allowance for doubtful accounts	0	12
Increase (decrease) in retirement benefit liability	38	(0)
Interest and dividend income	(210)	(213)
Interest expenses	11	15
Commission for syndicate loan	6	7
Loss (gain) on sale and retirement of non-current assets	(19)	8
Decrease (increase) in trade receivables	(3,173)	(3,567)
Decrease (increase) in inventories	(510)	31
Decrease (increase) in distressed receivables	6	5
Increase (decrease) in trade payables	2,531	5,563
Loss (gain) on sale of investment securities	(40)	(14)
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	(13)
Increase (decrease) in provision for share awards for directors (and other officers)	–	12
Other, net	(62)	20
Subtotal	(175)	3,264
Interest and dividends received	210	212
Interest paid	(9)	(14)
Income taxes paid	(306)	(490)
Net cash provided by (used in) operating activities	(281)	2,971
Cash flows from investing activities		
Payments into time deposits	(83)	(94)
Proceeds from withdrawal of time deposits	93	90
Purchase of property, plant and equipment	(650)	(1,538)
Purchase of intangible assets	(11)	(18)
Purchase of investment securities	(16)	(16)
Proceeds from sale of investment securities	63	93
Other, net	20	19
Net cash provided by (used in) investing activities	(583)	(1,463)
Cash flows from financing activities		
Proceeds from short-term borrowings	517	500
Repayments of short-term borrowings	(113)	(109)
Purchase of treasury shares	–	(248)
Dividends paid	(361)	(618)
Commission for syndicate loan paid	(3)	(3)
Other, net	38	(17)
Net cash provided by (used in) financing activities	78	(497)
Effect of exchange rate change on cash and cash equivalents	47	48
Net increase (decrease) in cash and cash equivalents	(739)	1,057
Cash and cash equivalents at beginning of period	7,352	8,267
Cash and cash equivalents at end of period	6,612	9,325