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August 9, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: Nippon Soda Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4041  
 URL: <https://www.nippon-soda.co.jp>  
 Representative: President Eiji Aga  
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 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (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, 2024	32,195	(10.3)	3,069	(36.3)	5,233	(14.7)	4,337	(8.6)
June 30, 2023	35,892	(11.2)	4,821	(17.4)	6,138	(29.4)	4,744	(18.9)

Note: Comprehensive income For the three months ended June 30, 2024: ¥6,292 million [(29.2%)]  
 For the three months ended June 30, 2023: ¥8,889 million [(7.8%)]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	157.54	—
June 30, 2023	170.17	—

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	291,859	192,364	65.4
March 31, 2024	290,492	189,474	64.7

Reference: Equity

As of June 30, 2024: ¥190,962 million

As of June 30, 2023: ¥188,048 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2024	—	120	—	120	240
Fiscal year ending					
March 31, 2025	—				
Fiscal year ending					
March 31, 2025 (Forecast)		120	—	60	—

Note: Revision to the forecast of cash dividends most recently announced: None

The Company is planning a 2-for-1 share split for every share of common stock with an effective date of October 1, 2024. The year-end dividend for the fiscal year ending March 2025 takes into account the impact of aforementioned share split, and the total annual dividend is shown as "—". If the share split is not considered, year-end dividend would be 120 yen and the total annual dividend for the fiscal year ending March 2025 would be 240 yen.

## 3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	65,000	(5.7)	4,200	(35.0)	5,100	(45.1)	4,000	(47.0)	145.27
Fiscal year ending March 31, 2025	152,000	(1.6)	12,600	(9.2)	16,700	(28.3)	12,300	(26.0)	223.36

Note: Revision to the forecast of financial results most recently announced: None

The forecasted basic earnings per share for the full year of the fiscal year ending March 2025 takes into account the impact of the share split noted in "2. Cash Dividend". If the share split is not taken into account, the basic earnings per share for the full year of the fiscal year ending March 2025 would be 446.71 yen

\* Notes

- (1) Significant changes in scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of June 30, 2024	28,393,867 shares
As of March 31, 2024	28,747,667 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	859,471 shares
As of March 31, 2024	1,213,141 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	27,534,459 shares
Three months ended June 30, 2023	27,883,451 shares

- \* Audit conducted by certified public accountants or an audit corporation: Yes(Autonomy)

- \* Proper use of earnings forecasts, and other special matters

The descriptions regarding future performance and outlook contained in this document are based on certain assumptions that our company currently possesses and deems reasonable. However, they do not constitute a promise by our company to achieve those outcomes. Actual performance may vary significantly due to various factors.

Consolidated Financial Statements

• Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	22,215	23,088
Notes and accounts receivable - trade, and contract assets	50,755	41,964
Electronically recorded monetary claims - operating	4,268	4,083
Inventories	51,729	57,412
Other	5,162	5,810
Allowance for doubtful accounts	△8	△5
<b>Total current assets</b>	<b>134,123</b>	<b>132,353</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	23,400	23,431
Machinery, equipment and vehicles, net	19,051	18,140
Tools, furniture and fixtures, net	2,522	2,416
Land	15,024	15,024
Construction in progress	3,379	5,987
Other, net	81	80
<b>Total property, plant and equipment</b>	<b>63,460</b>	<b>65,081</b>
Intangible assets		
Goodwill	100	93
Other	3,606	3,337
<b>Total intangible assets</b>	<b>3,706</b>	<b>3,430</b>
Investments and other assets		
Investment securities	70,084	71,813
Retirement benefit asset	15,233	15,446
Deferred tax assets	1,797	1,686
Other	2,087	2,048
Allowance for doubtful accounts	△1	△1
<b>Total investments and other assets</b>	<b>89,201</b>	<b>90,993</b>
<b>Total non-current assets</b>	<b>156,369</b>	<b>159,506</b>
<b>Total assets</b>	<b>290,492</b>	<b>291,859</b>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	18,658	18,552
Electronically recorded obligations - operating	3,891	3,413
Short-term borrowings	23,795	23,670
Income taxes payable	914	656
Provision for bonuses	6,151	2,693
Other	6,818	5,600
<b>Total current liabilities</b>	<b>60,228</b>	<b>54,586</b>
Non-current liabilities		
Long-term borrowings	25,118	28,837
Deferred tax liabilities	11,076	11,394
Retirement benefit liability	1,283	1,303
Provision for environmental measures	422	427
Other	2,888	2,946
<b>Total non-current liabilities</b>	<b>40,789</b>	<b>44,909</b>
<b>Total liabilities</b>	<b>101,018</b>	<b>99,495</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	29,166	29,166
Capital surplus	26,099	24,813
Retained earnings	116,174	117,202
Treasury shares	△4,497	△3,212
<b>Total shareholders' equity</b>	<b>166,942</b>	<b>167,971</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,968	15,159
Deferred gains or losses on hedges	30	35
Foreign currency translation adjustment	3,559	5,340
Remeasurements of defined benefit plans	2,547	2,455
<b>Total accumulated other comprehensive income</b>	<b>21,105</b>	<b>22,991</b>
<b>Non-controlling interests</b>	<b>1,425</b>	<b>1,402</b>
<b>Total net assets</b>	<b>189,474</b>	<b>192,364</b>
<b>Total liabilities and net assets</b>	<b>290,492</b>	<b>291,859</b>

• Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	35,892	32,195
Cost of sales	24,851	22,767
Gross profit	11,040	9,428
Selling, general and administrative expenses	6,219	6,358
Operating profit	4,821	3,069
Non-operating income		
Interest income	10	9
Dividend income	330	657
Share of profit of entities accounted for using equity method	138	873
Foreign exchange gains	855	710
Other	214	135
Total non-operating income	1,549	2,386
Non-operating expenses		
Interest expenses	59	99
Other	173	122
Total non-operating expenses	233	222
Ordinary profit	6,138	5,233
Extraordinary income		
Gain on sale of investment securities	4	962
Other	0	—
Total extraordinary income	4	962
Extraordinary losses		
Loss on abandonment of non-current assets	60	154
Impairment losses	—	25
Disaster losses	—	65
Other	—	7
Total extraordinary losses	60	252
Profit before income taxes	6,081	5,942
Income taxes - current	784	1,180
Income taxes - deferred	523	400
Total income taxes	1,308	1,581
Profit	4,773	4,360
Profit attributable to non-controlling interests	28	22
Profit attributable to owners of parent	4,744	4,337

• Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,773	4,360
Other comprehensive income		
Valuation difference on available-for-sale securities	2,251	190
Deferred gains or losses on hedges	△22	△1
Foreign currency translation adjustment	945	727
Remeasurements of defined benefit plans, net of tax	△36	△90
Share of other comprehensive income of entities accounted for using equity method	977	1,104
Total other comprehensive income	4,115	1,931
Comprehensive income	8,889	6,292
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,772	6,222
Comprehensive income attributable to non-controlling interests	116	69

**(Notes to Segment Information)**

Information Regarding Net Sales, Profit or Loss of Reportable Segments

For the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(Millions of yen)

	Reportable Segment					Total	Adjustments	Consolidated
	Chemical Materials	Agri Business	Trading & Logistics	Engineering	Eco Solutions			
Net Sales								
External sales	8,746	10,869	10,756	3,575	1,944	35,892	—	35,892
Intersegment sales or reclassifications	3,292	10	3,120	161	193	6,778	(6,778)	—
Total	12,038	10,879	13,877	3,736	2,138	42,670	(6,778)	35,892
Segment Profit or Loss	1,720	2,468	599	80	(62)	4,805	16	4,821

For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Reportable Segment					Total	Adjustments	Consolidated
	Chemical Materials	Agri Business	Trading & Logistics	Engineering	Eco Solutions			
Net Sales								
External sales	9,279	6,236	10,482	3,683	2,513	32,195	—	32,195
Intersegment sales or reclassifications	3,455	11	2,996	149	209	6,821	(6,821)	—
Total	12,734	6,248	13,479	3,832	2,722	39,017	(6,821)	32,195
Segment Profit or Loss	2,237	(540)	684	401	137	2,920	148	3,069