

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 2024

Company name: EPCO Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2311 URL <http://www.epco.co.jp/>
 Representative: President and Group CEO Yoshiyuki Iwasaki
 Inquiries: Chief Financial Officer Shinichiro Yoshihara TEL +81-3-6853-9165
 Scheduled date to file Quarterly Securities Report: May 14, 2024
 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 March 31, 2024 (from January 1, 2024 to March 31, 2024)

(1) Consolidated financial 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 March 31, 2024	1,354	15.0	69	491.4	42	108.6	18	(66.5)
Three months ended March 31, 2023	1,177	(0.1)	11	(48.8)	20	(45.7)	55	64.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2024	2.09		–	
Three months ended March 31, 2023	6.23		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2024	5,827	4,498	77.2
As of December 31, 2023	5,602	4,677	83.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2023	–	14.00	–	18.00	32.00
Year ending December 31, 2024	–				
Year ending December 31, 2024 (Forecast)		14.00	–	18.00	32.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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 June 30, 2024	2,685	11.7	84	55.8	93	18.6	147	(17.4)	16.46
Full year	5,660	11.9	273	68.8	411	(3.3)	485	(22.6)	54.31

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2024:
 (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: 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 March 31, 2024	9,316,000 shares	As of December 31, 2023	9,316,000 shares
----------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2024	379,926 shares	As of December 31, 2023	379,926 shares
----------------------	----------------	-------------------------	----------------

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

Three months ended March 31, 2024	8,936,074 shares	Three months ended March 31, 2023	8,923,726 shares
-----------------------------------	------------------	-----------------------------------	------------------

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,502,405	2,419,753
Notes and accounts receivable - trade	658,494	721,560
Work in process	203,040	195,883
Other	145,639	143,022
Allowance for doubtful accounts	(509)	(508)
Total current assets	2,509,069	3,479,711
Non-current assets		
Property, plant and equipment	522,593	507,636
Intangible assets	53,255	46,105
Investments and other assets		
Investment securities	596,800	428,800
Shares of subsidiaries and associates	671,283	691,591
Investments in capital of subsidiaries and associates	471,080	453,058
Deferred tax assets	25,020	26,319
Other	753,368	194,191
Total investments and other assets	2,517,552	1,793,960
Total non-current assets	3,093,401	2,347,702
Total assets	5,602,471	5,827,413
Liabilities		
Current liabilities		
Accounts payable - trade	122,814	81,377
Short-term borrowings	-	500,000
Income taxes payable	119,464	20,423
Provision for bonuses	20,603	59,447
Other	407,177	457,268
Total current liabilities	670,059	1,118,516
Non-current liabilities		
Retirement benefit liability	42,622	40,424
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	136,484	98,025
Other	64,016	60,815
Total non-current liabilities	254,483	210,626
Total liabilities	924,542	1,329,142
Net assets		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	122,909	122,909
Retained earnings	3,981,038	3,838,827
Treasury shares	(190,768)	(190,768)
Total shareholders' equity	4,000,411	3,858,200
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320,397	210,277
Foreign currency translation adjustment	357,120	429,793
Total accumulated other comprehensive income	677,517	640,070
Total net assets	4,677,929	4,498,270
Total liabilities and net assets	5,602,471	5,827,413

Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
Quarterly consolidated statements of income

	(Thousands of yen)	
	Three months ended March 31, 2023	Three months ended March 31, 2024
Net sales	1,177,321	1,354,012
Cost of sales	888,662	952,268
Gross profit	288,658	401,744
Selling, general and administrative expenses	276,906	332,241
Operating profit	11,752	69,502
Non-operating income		
Interest income	1,749	1,177
Share of profit of entities accounted for using equity method	6,071	–
Subsidy income	791	400
Other	451	720
Total non-operating income	9,064	2,297
Non-operating expenses		
Interest expenses	–	205
Share of loss of entities accounted for using equity method	–	28,360
Foreign exchange losses	315	467
Total non-operating expenses	315	29,033
Ordinary profit	20,500	42,766
Extraordinary income		
Gain on sale of non-current assets	–	149
Gain on sale of investments in capital of subsidiaries and associates	62,726	–
Total extraordinary income	62,726	149
Extraordinary losses		
Loss on sale and retirement of non-current assets	116	348
Total extraordinary losses	116	348
Profit before income taxes	83,111	42,567
Income taxes - current	17,062	5,808
Income taxes - deferred	10,449	18,121
Total income taxes	27,512	23,929
Profit	55,599	18,638
Profit attributable to owners of parent	55,599	18,638

Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended March 31, 2023	Three months ended March 31, 2024
Profit	55,599	18,638
Other comprehensive income		
Valuation difference on available-for-sale securities	199,160	(110,120)
Foreign currency translation adjustment	(14,953)	52,954
Share of other comprehensive income of entities accounted for using equity method	22,063	19,718
Total other comprehensive income	206,270	(37,447)
Comprehensive income	261,869	(18,808)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	261,869	(18,808)
Comprehensive income attributable to non-controlling interests	–	–