

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

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: November 12, 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 nine months ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

(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	%
Nine months ended September 30, 2021	3,471	10.0	357	21.0	319	(3.4)	175	(18.1)
Nine months ended September 30, 2020	3,154	3.6	295	(31.0)	330	(22.1)	213	(23.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2021	19.64		–	
Nine months ended September 30, 2020	23.98		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	6,062	4,835	79.8
As of December 31, 2020	5,401	4,273	79.1

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, 2020	–	12.50	–	17.50	30.00
Year ending December 31, 2021	–	12.50	–		
Year ending December 31, 2021 (Forecast)				17.50	30.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 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
Full year	4,771	8.9	474	7.5	522	12.3	358	(18.1)	40.26

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2021: 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 September 30, 2021	9,316,000 shares	As of December 31, 2020	9,316,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	404,074 shares	As of December 31, 2020	404,074 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2021	8,911,926 shares	Nine months ended September 30, 2020	8,911,945 shares
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Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	1,641,527	1,376,190
Notes and accounts receivable - trade	626,247	647,857
Work in process	96,839	121,237
Other	117,744	210,664
Allowance for doubtful accounts	(1,137)	(5,369)
Total current assets	2,481,221	2,350,581
Non-current assets		
Property, plant and equipment	537,926	492,896
Intangible assets	196,818	161,595
Investments and other assets		
Investment securities	1,470,000	2,367,000
Shares of subsidiaries and associates	310,713	246,015
Investments in capital of subsidiaries and associates	183,828	219,999
Deferred tax assets	21,853	27,622
Other	199,496	196,339
Total investments and other assets	2,185,892	3,056,976
Total non-current assets	2,920,637	3,711,467
Total assets	5,401,859	6,062,049
Liabilities		
Current liabilities		
Accounts payable - trade	39,696	46,128
Income taxes payable	163,996	24,968
Provision for bonuses	29,014	59,822
Provision for shareholder benefit program	1,580	–
Other	369,838	247,378
Total current liabilities	604,127	378,298
Non-current liabilities		
Retirement benefit liability	31,533	33,564
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	481,255	803,463
Other	124	16
Total non-current liabilities	524,273	848,405
Total liabilities	1,128,400	1,226,703
Net assets		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	118,032	118,032
Retained earnings	3,188,966	3,096,638
Treasury shares	(202,894)	(202,894)
Total shareholders' equity	3,191,336	3,099,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	950,441	1,538,404
Deferred gains or losses on hedges	(1,105)	2,048
Foreign currency translation adjustment	132,785	195,883
Total accumulated other comprehensive income	1,082,121	1,736,336
Total net assets	4,273,458	4,835,345
Total liabilities and net assets	5,401,859	6,062,049

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

	(Thousands of yen)	
	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	3,154,903	3,471,460
Cost of sales	2,091,257	2,357,604
Gross profit	1,063,645	1,113,856
Selling, general and administrative expenses	768,463	756,777
Operating profit	295,182	357,078
Non-operating income		
Interest income	680	584
Share of profit of entities accounted for using equity method	28,621	-
Foreign exchange gains	-	4,304
Subsidy income	-	2,225
Other	11,410	864
Total non-operating income	40,712	7,979
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	45,467
Foreign exchange losses	5,114	-
Other	34	-
Total non-operating expenses	5,149	45,467
Ordinary profit	330,745	319,590
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,236	2,446
Total extraordinary losses	1,236	2,446
Profit before income taxes	329,509	317,144
Income taxes - current	95,802	136,369
Income taxes - deferred	19,972	5,744
Total income taxes	115,775	142,114
Profit	213,733	175,029
Profit attributable to owners of parent	213,733	175,029

Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	213,733	175,029
Other comprehensive income		
Valuation difference on available-for-sale securities	–	587,962
Deferred gains or losses on hedges	–	3,154
Foreign currency translation adjustment	(17,634)	52,706
Share of other comprehensive income of entities accounted for using equity method	1,600	10,391
Total other comprehensive income	(16,034)	654,215
Comprehensive income	197,699	829,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	197,699	829,245
Comprehensive income attributable to non-controlling interests	–	–