

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended December 31, 2021 (Based on Japanese GAAP)

February 10, 2022

Company name: EF-ON INC.  
 Stock exchange listing: Tokyo  
 Stock code: 9514 URL <http://www.ef-on.co.jp/>  
 Representative: President and Representative Director TOMOTADA SHIMAZAKI  
 Inquiries: Executive Director HISAHITO KOIKE TEL 03-4500-6450  
 Scheduled date to file Quarterly Securities Report: February 10, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2021 (from July 1, 2021 to December 31, 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	%
Six months ended December 31, 2021	6,702	0.2	792	(47.1)	714	(50.0)	483	(51.4)
Six months ended December 31, 2020	6,691	23.1	1,499	14.1	1,429	14.9	995	38.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2021	22.38	–
Six months ended December 31, 2020	46.01	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	48,426	17,129	35.4
As of June 30, 2021	45,603	16,924	37.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended June 30, 2021	–	0.00	–	8.00	8.00
Year ending June 30, 2022	–	0.00			
Year ending June 30, 2022 (Forecast)			–	8.00	8.00

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 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
Full year	13,500	2.7	1,650	(36.2)	1,500	(37.4)	1,050	(37.3)	48.60

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 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 December 31, 2021	21,636,579 shares	As of June 30, 2021	21,636,579 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	149,120 shares	As of June 30, 2021	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2021	21,605,324 shares	Six months ended December 31, 2020	21,637,760 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of June 30, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	5,272	5,452
Notes and accounts receivable - trade	1,270	1,290
Supplies	874	1,049
Consumption taxes receivable	31	28
Deferred income tax - non current	508	725
Other	123	190
Total current assets	8,081	8,737
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,847	8,861
Accumulated depreciation	(1,589)	(1,691)
Buildings and structures, net	7,257	7,170
Machinery, equipment and vehicles	21,243	20,433
Accumulated depreciation	(6,483)	(6,068)
Machinery, equipment and vehicles, net	14,760	14,365
Tools, furniture and fixtures	236	247
Accumulated depreciation	(156)	(167)
Tools, furniture and fixtures, net	79	79
Land	3,229	3,252
Leased assets	772	652
Accumulated depreciation	(695)	(604)
Leased assets, net	77	48
Trees	770	794
Construction in progress	10,839	13,253
Total property, plant and equipment	37,015	38,965
Intangible assets		
Right to use electricity supply facilities	329	321
Other	8	12
Total intangible assets	338	334
Investments and other assets		
Deferred tax assets	88	94
Other	80	295
Total investments and other assets	168	389
Total non-current assets	37,521	39,689
Total assets	45,603	48,426

(Millions of yen)

	As of June 30, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,000	1,365
Short-term borrowings	200	–
Current portion of long-term borrowings	1,938	2,394
Accounts payable - other	1,145	1,114
Current portion of long-term accounts payable-other	70	2
Lease obligations	58	46
Income taxes payable	308	231
Provision for bonuses	44	46
Provision for maintenance	403	425
Other	175	224
<b>Total current liabilities</b>	<b>5,344</b>	<b>5,851</b>
<b>Non-current liabilities</b>		
Long-term borrowings	23,194	25,260
Long-term accounts payable - other	0	–
Lease obligations	32	12
Provision for share awards	–	13
Deferred tax liabilities	107	158
<b>Total non-current liabilities</b>	<b>23,334</b>	<b>25,445</b>
<b>Total liabilities</b>	<b>28,678</b>	<b>31,297</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	13,339	13,649
Treasury shares	–	(105)
<b>Total shareholders' equity</b>	<b>16,924</b>	<b>17,129</b>
<b>Total net assets</b>	<b>16,924</b>	<b>17,129</b>
<b>Total liabilities and net assets</b>	<b>45,603</b>	<b>48,426</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Net sales	6,691	6,702
Cost of sales	4,803	5,333
Gross profit	1,887	1,368
Selling, general and administrative expenses	388	575
Operating profit	1,499	792
Non-operating income		
Interest income	0	0
Gain on sale of scraps	1	2
Gain on sale of non-current assets	–	1
Subsidy income	3	–
Subsidy income	–	3
Other	7	1
Total non-operating income	12	9
Non-operating expenses		
Interest expenses	74	83
Commission expenses	3	3
Loss on retirement of non-current assets	2	0
Other	2	1
Total non-operating expenses	82	87
Ordinary profit	1,429	714
Extraordinary income		
Gain on reversal of share acquisition rights	8	–
Total extraordinary income	8	–
Extraordinary losses		
Head office relocation expenses	–	31
Other	–	0
Total extraordinary losses	–	31
Profit before income taxes	1,438	682
Income taxes - current	259	154
Income taxes - deferred	183	44
Total income taxes	442	199
Profit	995	483
Profit attributable to owners of parent	995	483

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

(Millions of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Profit	995	483
Comprehensive income	995	483
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	995	483
Comprehensive income attributable to non-controlling interests	—	—