

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 10, 2022

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 11, 2022  
 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, 2022 (from January 1, 2022 to September 30, 2022)

(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, 2022	3,588	3.4	70	(80.2)	173	(45.6)	228	30.4
Nine months ended September 30, 2021	3,471	10.0	357	21.0	319	(3.4)	175	(18.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2022	25.60	–
Nine months ended September 30, 2021	19.64	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	5,008	4,347	86.8
As of December 31, 2021	6,377	5,050	79.2

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 December 31, 2021	–	12.50	–	19.50	32.00
Year ending December 31, 2022	–	14.00	–		
Year ending December 31, 2022 (Forecast)				18.00	32.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 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	4,848	3.2	125	(71.4)	204	(44.9)	276	(57.9)	31.07

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022: 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 September 30, 2022	9,316,000 shares	As of December 31, 2021	9,316,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	392,274 shares	As of December 31, 2021	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, 2022	8,918,481 shares	Nine months ended September 30, 2021	8,911,926 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,147,833	1,437,371
Notes and accounts receivable - trade	652,903	631,200
Work in process	102,675	105,499
Other	160,474	390,667
Allowance for doubtful accounts	(2,460)	(1,229)
Total current assets	3,061,427	2,563,509
Non-current assets		
Property, plant and equipment	474,655	457,897
Intangible assets	149,374	121,986
Investments and other assets		
Investment securities	2,012,320	785,440
Shares of subsidiaries and associates	216,488	449,903
Investments in capital of subsidiaries and associates	232,166	286,952
Deferred tax assets	26,393	27,296
Other	204,305	315,630
Total investments and other assets	2,691,673	1,865,222
Total non-current assets	3,315,703	2,445,106
Total assets	6,377,131	5,008,616
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	56,447	64,657
Income taxes payable	271,500	5,840
Provision for bonuses	27,419	66,595
Other	311,033	246,181
Total current liabilities	666,400	383,275
Non-current liabilities		
Retirement benefit liability	34,452	37,019
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	614,266	229,137
Other	14	0
Total non-current liabilities	660,093	277,517
Total liabilities	1,326,494	660,793
<b>Net assets</b>		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	118,032	120,107
Retained earnings	3,579,709	3,509,275
Treasury shares	(202,894)	(196,969)
Total shareholders' equity	3,582,080	3,519,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,242,994	440,113
Deferred gains or losses on hedges	(717)	6,742
Foreign currency translation adjustment	226,279	381,321
Total accumulated other comprehensive income	1,468,556	828,177
Total net assets	5,050,636	4,347,823
Total liabilities and net assets	6,377,131	5,008,616

**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, 2021	Nine months ended September 30, 2022
Net sales	3,471,460	3,588,446
Cost of sales	2,357,604	2,658,244
Gross profit	1,113,856	930,201
Selling, general and administrative expenses	756,777	859,483
Operating profit	357,078	70,718
Non-operating income		
Interest income	584	3,554
Share of profit of entities accounted for using equity method	–	61,384
Foreign exchange gains	4,304	30,530
Subsidy income	2,225	6,073
Other	864	1,566
Total non-operating income	7,979	103,108
Non-operating expenses		
Share of loss of entities accounted for using equity method	45,467	–
Total non-operating expenses	45,467	–
Ordinary profit	319,590	173,826
Extraordinary income		
Gain on sale of non-current assets	–	4
Gain on sale of investment securities	–	119,157
Total extraordinary income	–	119,161
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,446	367
Total extraordinary losses	2,446	367
Profit before income taxes	317,144	292,620
Income taxes - current	136,369	32,293
Income taxes - deferred	5,744	32,046
Total income taxes	142,114	64,340
Profit	175,029	228,279
Profit attributable to owners of parent	175,029	228,279

**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	175,029	228,279
Other comprehensive income		
Valuation difference on available-for-sale securities	587,962	(802,880)
Deferred gains or losses on hedges	3,154	7,459
Foreign currency translation adjustment	52,706	147,749
Share of other comprehensive income of entities accounted for using equity method	10,391	7,292
Total other comprehensive income	654,215	(640,379)
Comprehensive income	829,245	(412,099)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	829,245	(412,099)
Comprehensive income attributable to non-controlling interests	—	—