

Translation

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

November 11, 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: November 11, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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 September 30, 2022 (from July 1, 2022 to September 30, 2022)

(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 September 30, 2022	4,148	20.2	392	(14.3)	485	15.9	342	13.4
Three months ended September 30, 2021	3,452	(1.7)	457	(44.2)	419	(46.4)	301	(45.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2022	15.93		–	
Three months ended September 30, 2021	13.96		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	47,241	17,708	37.5
As of June 30, 2022	47,241	17,539	37.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2022	–	0.00	–	8.00	8.00
Year ending June 30, 2023	–	–	–	–	–
Year ending June 30, 2023 (Forecast)	–	0.00	–	8.00	8.00

3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

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 December 31, 2022	8,000	19.4	1,200	51.3	1,050	47.0	700	44.8	32.58
Full year	17,000	28.2	2,500	92.4	2,200	87.4	1,500	67.9	69.81

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2022  
(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 September 30, 2022	21,635,819 shares	As of June 30, 2022	21,635,819 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	148,600 shares	As of June 30, 2022	148,500 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2022	21,487,280 shares	Three months ended September 30, 2021	21,636,408 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,534	4,122
Accounts receivable - trade	1,304	1,640
Supplies	1,244	1,020
Consumption taxes refund receivable	89	1,129
Deferred income tax - non current	657	3
Other	200	222
<b>Total current assets</b>	<b>8,031</b>	<b>8,138</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	9,114	13,655
Accumulated depreciation	(1,847)	(1,958)
Buildings and structures, net	7,266	11,696
Machinery, equipment and vehicles	20,745	28,451
Accumulated depreciation	(6,688)	(6,837)
Machinery, equipment and vehicles, net	14,056	21,613
Tools, furniture and fixtures	269	294
Accumulated depreciation	(188)	(195)
Tools, furniture and fixtures, net	80	99
Land	3,334	3,395
Leased assets	652	599
Accumulated depreciation	(629)	(587)
Leased assets, net	23	12
Trees	846	996
Construction in progress	12,999	42
<b>Total property, plant and equipment</b>	<b>38,607</b>	<b>37,857</b>
<b>Intangible assets</b>		
Right to use electricity supply facilities	305	946
Other	12	12
<b>Total intangible assets</b>	<b>317</b>	<b>958</b>
<b>Investments and other assets</b>		
Deferred tax assets	69	74
Other	215	212
<b>Total investments and other assets</b>	<b>284</b>	<b>287</b>
<b>Total non-current assets</b>	<b>39,210</b>	<b>39,103</b>
<b>Total assets</b>	<b>47,241</b>	<b>47,241</b>

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,543	1,630
Short-term borrowings	–	100
Current portion of long-term borrowings	2,343	2,312
Accounts payable - other	680	322
Current portion of long-term accounts payable-other	0	–
Lease liabilities	24	15
Income taxes payable	109	216
Provision for bonuses	44	79
Provision for maintenance	418	594
Other	204	231
Total current liabilities	5,368	5,502
Non-current liabilities		
Long-term borrowings	24,099	23,809
Lease liabilities	7	4
Provision for share awards	29	36
Deferred tax liabilities	197	180
Total non-current liabilities	24,334	24,031
Total liabilities	29,702	29,533
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	14,058	14,228
Treasury shares	(104)	(105)
Total shareholders' equity	17,539	17,708
Total net assets	17,539	17,708
Total liabilities and net assets	47,241	47,241

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Net sales	3,452	4,148
Cost of sales	2,741	3,533
Gross profit	710	615
Selling, general and administrative expenses	252	223
Operating profit	457	392
Non-operating income		
Interest income	0	4
Gain on sale of scraps	1	0
Gain on sale of non-current assets	0	0
Penalty income	–	160
Other	1	13
Total non-operating income	3	179
Non-operating expenses		
Interest expenses	40	67
Commission expenses	1	1
Loss on retirement of non-current assets	–	0
Other	0	16
Total non-operating expenses	42	86
Ordinary profit	419	485
Profit before income taxes	419	485
Income taxes - current	136	166
Income taxes - deferred	(19)	(22)
Total income taxes	117	143
Profit	301	342
Profit attributable to owners of parent	301	342

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

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	301	342
Comprehensive income	301	342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	301	342
Comprehensive income attributable to non-controlling interests	—	—