

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2022 (from July 1, 2022 to December 31, 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	%
Six months ended December 31, 2022	8,515	27.0	985	24.2	1,007	41.0	691	42.9
Six months ended December 31, 2021	6,702	0.2	792	(47.1)	714	(50.0)	483	(51.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2022	32.16		–	
Six months ended December 31, 2021	22.38		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	48,012	18,057	37.6
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	–	0.00			
Year ending June 30, 2023 (Forecast)			–	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
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 six months ended December 31, 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 December 31, 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 December 31, 2022	148,640 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)

Six months ended December 31, 2022	21,487,249 shares	Six months ended December 31, 2021	21,605,324 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,534	5,317
Accounts receivable - trade	1,304	1,735
Supplies	1,244	918
Consumption taxes refund receivable	89	1,111
Deferred income tax - non current	657	3
Other	200	241
Total current assets	8,031	9,327
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,114	13,655
Accumulated depreciation	(1,847)	(2,081)
Buildings and structures, net	7,266	11,573
Machinery, equipment and vehicles	20,745	28,455
Accumulated depreciation	(6,688)	(7,248)
Machinery, equipment and vehicles, net	14,056	21,207
Tools, furniture and fixtures	269	302
Accumulated depreciation	(188)	(202)
Tools, furniture and fixtures, net	80	100
Land	3,334	3,498
Leased assets	652	402
Accumulated depreciation	(629)	(392)
Leased assets, net	23	9
Trees	846	1,035
Construction in progress	12,999	42
Total property, plant and equipment	38,607	37,467
Intangible assets		
Right to use electricity supply facilities	305	931
Other	12	11
Total intangible assets	317	943
Investments and other assets		
Deferred tax assets	69	67
Other	215	206
Total investments and other assets	284	273
Total non-current assets	39,210	38,684
Total assets	47,241	48,012

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	1,543	1,724
Short-term borrowings	–	700
Current portion of long-term borrowings	2,343	2,308
Accounts payable - other	680	483
Current portion of long-term accounts payable-other	0	–
Lease liabilities	24	9
Income taxes payable	109	381
Provision for bonuses	44	43
Provision for maintenance	418	497
Other	204	275
<b>Total current liabilities</b>	<b>5,368</b>	<b>6,424</b>
<b>Non-current liabilities</b>		
Long-term borrowings	24,099	23,252
Lease liabilities	7	2
Provision for share awards	29	44
Deferred tax liabilities	197	231
<b>Total non-current liabilities</b>	<b>24,334</b>	<b>23,530</b>
<b>Total liabilities</b>	<b>29,702</b>	<b>29,954</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	14,058	14,576
Treasury shares	(104)	(105)
<b>Total shareholders' equity</b>	<b>17,539</b>	<b>18,057</b>
<b>Total net assets</b>	<b>17,539</b>	<b>18,057</b>
<b>Total liabilities and net assets</b>	<b>47,241</b>	<b>48,012</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, 2021	Six months ended December 31, 2022
Net sales	6,702	8,515
Cost of sales	5,333	7,078
Gross profit	1,368	1,437
Selling, general and administrative expenses	575	452
Operating profit	792	985
Non-operating income		
Interest income	0	9
Gain on sale of scraps	2	1
Gain on sale of non-current assets	1	0
Subsidy income	3	2
Penalty income	–	160
Other	1	14
Total non-operating income	9	189
Non-operating expenses		
Interest expenses	83	141
Commission expenses	3	3
Loss on retirement of non-current assets	0	0
Other	1	21
Total non-operating expenses	87	166
Ordinary profit	714	1,007
Extraordinary losses		
Head office relocation expenses	31	–
Other	0	–
Total extraordinary losses	31	–
Profit before income taxes	682	1,007
Income taxes - current	154	281
Income taxes - deferred	44	35
Total income taxes	199	316
Profit	483	691
Profit attributable to owners of parent	483	691

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

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	483	691
Comprehensive income	483	691
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	483	691
Comprehensive income attributable to non-controlling interests	—	—