

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 2023

Company name: ELAN Corporation
 Stock exchange listing: Tokyo
 Stock code: 6099 URL <https://www.kkelan.com/>
 Representative: COO Minezaki Tomohiro
 Inquiries: Executive Officer, IR Office Manager Hideo Hara TEL 0263-41-0760
 Scheduled date to file Quarterly Securities Report: May 11, 2023
 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(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 March 31, 2023	9,857	12.1	992	8.6	997	8.6	695	11.0
Three months ended March 31, 2022	8,792	16.9	913	24.0	917	24.1	626	23.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	11.50		–	
Three months ended March 31, 2022	10.36		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	15,530	8,999	58.0	148.86
As of December 31, 2022	16,072	8,989	55.9	148.69

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, 2022	–	0.00	–	11.00	11.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	12.00	12.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 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 June 30, 2023	20,300	15.3	1,730	1.0	1,740	0.8	1,200	1.9	19.85
Full year	43,700	20.5	3,600	6.2	3,620	6.1	2,500	20.0	41.35

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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 March 31, 2023	60,600,000 shares	As of December 31, 2022	60,600,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	138,769 shares	As of December 31, 2022	138,769 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	60,461,231 shares	Three months ended March 31, 2022	60,459,031 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,036,023	5,596,466
Accounts receivable - trade, and contract assets	4,246,702	4,419,153
Merchandise	1,242,037	1,012,793
Supplies	89,609	188,257
Accounts receivable - other	2,858,068	2,530,698
Other	82,090	72,911
Allowance for doubtful accounts	(478,813)	(498,156)
Total current assets	14,075,718	13,322,123
Non-current assets		
Property, plant and equipment	561,475	550,457
Intangible assets	92,472	97,177
Investments and other assets		
Other	1,396,091	1,609,820
Allowance for doubtful accounts	(53,608)	(49,349)
Total investments and other assets	1,342,483	1,560,470
Total non-current assets	1,996,431	2,208,106
Total assets	16,072,150	15,530,229
Liabilities		
Current liabilities		
Accounts payable - trade	5,567,979	5,359,500
Income taxes payable	594,575	275,976
Provision for bonuses	–	28,315
Other	849,335	790,260
Total current liabilities	7,011,890	6,454,054
Non-current liabilities		
Provision for share awards	20,358	22,653
Provision for share awards for directors (and other officers)	49,757	53,448
Other	434	108
Total non-current liabilities	70,551	76,210
Total liabilities	7,082,441	6,530,264
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	8,111,868	8,140,810
Treasury shares	(194,096)	(194,096)
Total shareholders' equity	9,034,764	9,063,706
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(45,055)	(63,740)
Total accumulated other comprehensive income	(45,055)	(63,740)
Total net assets	8,989,708	8,999,965
Total liabilities and net assets	16,072,150	15,530,229

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	8,792,812	9,857,145
Cost of sales	6,522,516	7,467,198
Gross profit	2,270,295	2,389,946
Selling, general and administrative expenses	1,356,332	1,397,450
Operating profit	913,963	992,496
Non-operating income		
Gain on sale of non-current assets	154	–
Subsidy income	–	4,948
Late charges income	2,700	3,357
Consulting fee income	1,050	1,050
Other	1,147	2,354
Total non-operating income	5,052	11,711
Non-operating expenses		
Loss on retirement of non-current assets	–	2,069
Loss on investments in investment partnerships	1,033	4,803
Total non-operating expenses	1,033	6,872
Ordinary profit	917,981	997,334
Profit before income taxes	917,981	997,334
Income taxes - current	229,861	271,634
Income taxes - deferred	61,479	30,168
Total income taxes	291,341	301,803
Profit	626,640	695,531
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	626,640	695,531

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	626,640	695,531
Other comprehensive income		
Valuation difference on available-for-sale securities	1,043	(18,685)
Total other comprehensive income	1,043	(18,685)
Comprehensive income	627,683	676,846
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	627,683	676,846
Comprehensive income attributable to non-controlling interests	—	—