

Translation

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

May 11, 2023

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: May 12, 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 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	%
Three months ended March 31, 2023	1,177	(0.1)	11	(48.8)	20	(45.7)	55	64.1
Three months ended March 31, 2022	1,179	1.7	22	(77.5)	37	(63.9)	33	(40.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	6.23		–	
Three months ended March 31, 2022	3.80		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	5,444	4,492	82.5
As of December 31, 2022	5,077	4,391	86.5

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, 2022	–	14.00	–	18.00	32.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		14.00	–	18.00	32.00

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	2,386	0.3	46	7.3	109	29.3	155	(2.5)	17.39
Full year	4,918	2.1	125	91.1	289	33.4	306	(14.8)	34.33

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): Yes
- (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: No
- 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	9,316,000 shares	As of December 31, 2022	9,316,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	392,274 shares	As of December 31, 2022	392,274 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	8,923,726 shares	Three months ended March 31, 2022	8,911,926 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,406,615	1,504,445
Notes and accounts receivable - trade	626,688	613,712
Work in process	137,553	116,527
Other	238,283	239,863
Allowance for doubtful accounts	(914)	(921)
Total current assets	2,408,225	2,473,627
Non-current assets		
Property, plant and equipment	616,674	571,206
Intangible assets	108,062	87,088
Investments and other assets		
Investment securities	775,360	1,079,200
Shares of subsidiaries and associates	482,950	516,343
Investments in capital of subsidiaries and associates	270,840	363,806
Deferred tax assets	27,009	23,912
Other	388,699	329,648
Total investments and other assets	1,944,859	2,312,909
Total non-current assets	2,669,596	2,971,204
Total assets	5,077,822	5,444,832
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	94,081	77,538
Short-term borrowings	—	38,840
Income taxes payable	4,975	4,071
Provision for bonuses	32,648	53,939
Other	291,654	328,173
Total current liabilities	423,360	502,563
Non-current liabilities		
Retirement benefit liability	37,932	38,844
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	213,711	325,744
Other	—	73,619
Total non-current liabilities	263,003	449,567
Total liabilities	686,363	952,131
<b>Net assets</b>		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	120,107	120,107
Retained earnings	3,640,242	3,535,214
Treasury shares	(196,969)	(196,969)
Total shareholders' equity	3,650,613	3,545,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	434,817	633,977
Foreign currency translation adjustment	306,027	313,137
Total accumulated other comprehensive income	740,844	947,115
Total net assets	4,391,458	4,492,701
Total liabilities and net assets	5,077,822	5,444,832

**Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income**  
**Quarterly consolidated statements of income**

	(Thousands of yen)	
	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	1,179,039	1,177,321
Cost of sales	873,983	888,662
Gross profit	305,055	288,658
Selling, general and administrative expenses	282,101	276,906
Operating profit	22,954	11,752
Non-operating income		
Interest income	208	1,749
Share of profit of entities accounted for using equity method	8,423	6,071
Foreign exchange gains	3,993	–
Subsidy income	1,748	791
Other	437	451
Total non-operating income	14,811	9,064
Non-operating expenses		
Foreign exchange losses	–	315
Total non-operating expenses	–	315
Ordinary profit	37,765	20,500
Extraordinary income		
Gain on sale of investments in capital of subsidiaries and associates	–	62,726
Gain on sale of non-current assets	4	–
Total extraordinary income	4	62,726
Extraordinary losses		
Loss on sale and retirement of non-current assets	–	116
Total extraordinary losses	–	116
Profit before income taxes	37,770	83,111
Income taxes - current	9,775	17,062
Income taxes - deferred	(5,887)	10,449
Total income taxes	3,887	27,512
Profit	33,882	55,599
Profit attributable to owners of parent	33,882	55,599

**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	33,882	55,599
Other comprehensive income		
Valuation difference on available-for-sale securities	(782,167)	199,160
Deferred gains or losses on hedges	13,592	–
Foreign currency translation adjustment	44,858	(14,953)
Share of other comprehensive income of entities accounted for using equity method	10,096	22,063
Total other comprehensive income	(713,619)	206,270
Comprehensive income	(679,737)	261,869
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(679,737)	261,869
Comprehensive income attributable to non-controlling interests	–	–