

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2023 (Based on Japanese GAAP)

August 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 of ordinary general meeting of shareholders: September 26, 2023
 Scheduled date to file Securities Report: September 26, 2023
 Scheduled date to commence dividend payments: September 6, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2023 (from July 1, 2022 to June 30, 2023)

(1) Consolidated operating results

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	%
Year ended June 30, 2023	16,949	27.8	1,397	7.5	1,286	9.6	824	(7.7)
Year ended June 30, 2022	13,258	0.9	1,299	(49.7)	1,174	(51.0)	893	(46.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2023	38.36	–	4.6	2.8	8.2
Year ended June 30, 2022	41.46	–	5.2	2.5	9.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2023	45,718	18,190	39.8	846.57
As of June 30, 2022	47,241	17,539	37.1	816.26

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2023	3,673	(1,542)	(2,292)	4,008
Year ended June 30, 2022	2,775	(4,245)	708	4,169

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2022	–	0.00	–	8.00	8.00	173	19.3	1.0
Year ended June 30, 2023	–	0.00	–	8.00	8.00	173	20.9	1.0
Year ending June 30, 2024 (Forecast)	–	0.00	–	8.00	8.00		20.9	

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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, 2023	9,000	5.7	1,000	1.5	800	(20.6)	560	(19.0)	26.06
Full year	18,000	6.2	2,000	43.2	1,600	24.3	1,120	35.9	52.12

4. Notes

(1) Changes in significant subsidiaries during the year ended June 30, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	21,635,439 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 June 30, 2023	148,500 shares	As of June 30, 2022	148,500 shares
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Average number of shares during the period

Year ended June 30, 2023	21,487,164 shares	Year ended June 30, 2022	21,546,838 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,534	4,370
Accounts receivable - trade	1,304	1,706
Supplies	1,244	1,065
Consumption taxes refund receivable	89	79
Deferred income tax - non current	657	0
Other	200	374
Total current assets	8,031	7,598
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,114	13,661
Accumulated depreciation	(1,847)	(2,351)
Buildings and structures, net	7,266	11,309
Machinery, equipment and vehicles	20,745	28,548
Accumulated depreciation	(6,688)	(8,022)
Machinery, equipment and vehicles, net	14,056	20,525
Tools, furniture and fixtures	269	308
Accumulated depreciation	(188)	(221)
Tools, furniture and fixtures, net	80	87
Land	3,334	3,865
Leased assets	652	329
Accumulated depreciation	(629)	(323)
Leased assets, net	23	5
Trees	846	1,109
Construction in progress	12,999	16
Total property, plant and equipment	38,607	36,919
Intangible assets		
Right to use electricity supply facilities	305	901
Other	12	9
Total intangible assets	317	911
Investments and other assets		
Deferred tax assets	69	91
Other	215	197
Total investments and other assets	284	289
Total non-current assets	39,210	38,120
Total assets	47,241	45,718

(Millions of yen)

	As of June 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,543	1,287
Current portion of long-term borrowings	2,343	2,186
Accounts payable - other	680	380
Current portion of long-term accounts payable-other	0	-
Lease liabilities	24	7
Income taxes payable	109	358
Provision for bonuses	44	43
Provision for maintenance	418	560
Other	204	212
Total current liabilities	5,368	5,036
Non-current liabilities		
Long-term borrowings	24,099	22,168
Lease liabilities	7	-
Provision for share awards	29	59
Deferred tax liabilities	197	263
Total non-current liabilities	24,334	22,491
Total liabilities	29,702	27,528
Net assets		
Shareholders' equity		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	14,058	14,709
Treasury shares	(104)	(104)
Total shareholders' equity	17,539	18,190
Total net assets	17,539	18,190
Total liabilities and net assets	47,241	45,718

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Net sales	13,258	16,949
Cost of sales	10,920	14,658
Gross profit	2,337	2,290
Selling, general and administrative expenses	1,038	893
Operating profit	1,299	1,397
Non-operating income		
Interest income	0	18
Gain on sale of scraps	4	4
Gain on sale of non-current assets	1	7
Subsidy income	44	32
Subsidy income	6	6
Penalty income	–	160
Interest on tax refund	0	1
Other	6	16
Total non-operating income	63	247
Non-operating expenses		
Interest expenses	168	283
Commission expenses	6	6
Loss on retirement of non-current assets	0	39
Other	14	29
Total non-operating expenses	188	357
Ordinary profit	1,174	1,286
Extraordinary income		
Subsidy income	228	–
Total extraordinary income	228	–
Extraordinary losses		
Head office relocation expenses	65	–
Other	0	–
Total extraordinary losses	66	–
Profit before income taxes	1,336	1,286
Income taxes - current	334	418
Income taxes - deferred	109	43
Total income taxes	443	462
Profit	893	824
Profit attributable to owners of parent	893	824

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Profit	893	824
Comprehensive income	893	824
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	893	824
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended June 30, 2022

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,292	1,292	13,339	–	16,924	–	16,924
Changes during period							
Dividends of surplus			(173)		(173)		(173)
Profit attributable to owners of parent			893		893		893
Purchase of treasury shares				(105)	(105)		(105)
Cancellation of treasury shares			(0)	0	0		0
Net changes in items other than shareholders' equity					–		–
Total changes during period	–	–	719	(104)	614	–	614
Balance at end of period	2,292	1,292	14,058	(104)	17,539	–	17,539

Fiscal year ended June 30, 2023

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of period	2,292	1,292	14,058	(104)	17,539	–	17,539
Changes during period							
Dividends of surplus			(173)		(173)		(173)
Profit attributable to owners of parent			824		824		824
Purchase of treasury shares				(0)	(0)		(0)
Cancellation of treasury shares			(0)	0	0		0
Net changes in items other than shareholders' equity					–		–
Total changes during period	–	–	650	–	650	–	650
Balance at end of period	2,292	1,292	14,709	(104)	18,190	–	18,190

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,336	1,286
Depreciation	1,669	2,250
Increase (decrease) in provision for share awards	29	30
Loss (gain) on sale of non-current assets	(1)	(7)
Loss on retirement of non-current assets	0	39
Subsidy income	(228)	–
Penalty income	–	(160)
Provision for maintenance	14	142
Interest and dividend income	(0)	(18)
Interest expenses	168	283
Commission expenses	6	6
Decrease (increase) in trade receivables	(33)	(401)
Decrease (increase) in inventories	(369)	178
Decrease (increase) in other assets	106	681
Increase (decrease) in trade payables	542	(256)
Decrease (increase) in consumption taxes refund receivable	(57)	9
Increase (decrease) in accrued consumption taxes	(22)	10
Increase (decrease) in other liabilities	69	34
Subtotal	3,229	4,110
Interest and dividends received	0	18
Interest paid	(166)	(282)
Income taxes paid	(519)	(336)
Income taxes refund	3	2
Subsidies received	228	–
Penalty received	–	160
Net cash provided by (used in) operating activities	2,775	3,673
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,130)	(1,532)
Proceeds from sale of property, plant and equipment	4	10
Purchase of intangible assets	(7)	(0)
Long-term loan advances	(60)	(20)
Subsidies received	101	–
Payments of guarantee deposits	(262)	(3)
Proceeds from refund of guarantee deposits	110	3
Other, net	(0)	(0)
Net cash provided by (used in) investing activities	(4,245)	(1,542)

(Millions of yen)

	Fiscal year ended June 30, 2022	Fiscal year ended June 30, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(200)	–
Proceeds from long-term borrowings	3,500	300
Repayments of long-term borrowings	(2,189)	(2,388)
Repayments of installment payables	(40)	–
Repayments of lease liabilities	(58)	(24)
Purchase of treasury shares	(105)	(0)
Dividends paid	(172)	(173)
Decrease (increase) in collateral money payable for loan transactions	(19)	(0)
Other, net	(6)	(6)
Net cash provided by (used in) financing activities	708	(2,292)
Net increase (decrease) in cash and cash equivalents	(761)	(161)
Cash and cash equivalents at beginning of period	4,931	4,169
Cash and cash equivalents at end of period	4,169	4,008