

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2020 (Based on Japanese GAAP)

November 6, 2020

Company name: EF-ON INC.
 Stock exchange listing: Tokyo
 Stock code: 9514 URL <http://www.ef-on.co.jp/>
 Representative: Director, President TOMOTADA SHIMAZAKI
 Inquiries: Executive Director HISAHITO KOIKE TEL 03-5299-8521
 Scheduled date to file Quarterly Securities Report: November 6, 2020
 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, 2020 (from July 1, 2020 to September 30, 2020)

(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, 2020	3,511	27.7	820	15.2	781	14.9	553	56.8
Three months ended September 30, 2019	2,748	(5.4)	712	(11.4)	679	(10.6)	353	(42.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2020	25.60	–
Three months ended September 30, 2019	16.34	16.31

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	40,982	15,806	38.6
As of June 30, 2020	39,847	15,434	38.7

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 June 30, 2020	–	0.00	–	8.00	8.00
Year ending June 30, 2021	–				
Year ending June 30, 2021 (Forecast)		0.00	–	8.00	8.00

3. Forecast of consolidated financial results for the year ending June 30, 2021 (from July 1, 2020 to June 30, 2021)

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, 2020	7,000	28.8	1,500	14.1	1,400	12.6	1,000	39.3	46.21
Full year	14,500	18.7	3,000	2.5	2,700	(4.5)	2,000	13.8	92.43

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2020
(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: 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 September 30, 2020	21,638,199 shares	As of June 30, 2020	61,638,199 shares
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Number of treasury shares at the end of the period

As of September 30, 2020	300 shares	As of June 30, 2020	– 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, 2020	21,638,013 shares	Three months ended September 30, 2019	21,627,002 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of June 30, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	4,248	3,586
Notes and accounts receivable - trade	1,298	1,162
Supplies	708	751
Consumption taxes receivable	851	851
Other	418	472
Total current assets	7,524	6,823
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,180	8,354
Accumulated depreciation	(1,279)	(1,350)
Buildings and structures, net	6,900	7,003
Machinery, equipment and vehicles	20,404	20,567
Accumulated depreciation	(5,334)	(5,612)
Machinery, equipment and vehicles, net	15,070	14,955
Tools, furniture and fixtures	217	217
Accumulated depreciation	(126)	(132)
Tools, furniture and fixtures, net	91	85
Land	3,127	3,138
Leased assets	985	985
Accumulated depreciation	(818)	(845)
Leased assets, net	166	139
Trees	539	592
Construction in progress	5,777	7,702
Total property, plant and equipment	31,673	33,617
Intangible assets		
Right to use electricity supply facilities	354	348
Other	6	6
Total intangible assets	361	354
Investments and other assets		
Deferred tax assets	196	98
Other	92	87
Total investments and other assets	288	186
Total non-current assets	32,322	34,158
Total assets	39,847	40,982

(Millions of yen)

	As of June 30, 2020	As of September 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	948	913
Short-term borrowings	200	700
Current portion of long-term borrowings	1,526	1,501
Accounts payable - other	293	455
Current portion of long-term accounts payable-other	153	157
Lease obligations	103	91
Income taxes payable	197	187
Provision for bonuses	38	63
Provision for maintenance	447	547
Other	149	180
Total current liabilities	4,057	4,798
Non-current liabilities		
Long-term borrowings	20,188	20,261
Long-term accounts payable - other	66	33
Lease obligations	90	73
Deferred tax liabilities	9	10
Total non-current liabilities	20,355	20,377
Total liabilities	24,412	25,176
Net assets		
Shareholders' equity		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	11,840	12,221
Treasury shares	—	(0)
Total shareholders' equity	15,425	15,806
Share acquisition rights	8	—
Total net assets	15,434	15,806
Total liabilities and net assets	39,847	40,982

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, 2019	Three months ended September 30, 2020
Net sales	2,748	3,511
Cost of sales	1,862	2,494
Gross profit	886	1,016
Selling, general and administrative expenses	174	195
Operating profit	712	820
Non-operating income		
Interest income	0	0
Insurance claim income	0	—
Other	1	1
Total non-operating income	2	1
Non-operating expenses		
Interest expenses	32	37
Commission expenses	1	1
Other	1	2
Total non-operating expenses	34	40
Ordinary profit	679	781
Extraordinary income		
Gain on reversal of share acquisition rights	—	8
Total extraordinary income	—	8
Profit before income taxes	679	789
Income taxes - current	101	138
Income taxes - deferred	224	97
Total income taxes	326	236
Profit	353	553
Profit attributable to owners of parent	353	553

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended September 30, 2019	Three months ended September 30, 2020
Profit	353	553
Other comprehensive income		
Deferred gains or losses on hedges	—	—
Total other comprehensive income	—	—
Comprehensive income	353	553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	353	553
Comprehensive income attributable to non-controlling interests	—	—