

# Translation

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

November 9, 2020

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: November 10, 2020  
 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 nine months ended September 30, 2020 (from January 1, 2020 to September 30, 2020)

#### (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	%
Nine months ended September 30, 2020	3,154	3.6	295	(31.0)	330	(22.1)	213	(23.9)
Nine months ended September 30, 2019	3,046	8.9	427	5.9	424	35.0	280	53.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2020	23.98	–
Nine months ended September 30, 2019	31.52	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2020	3,562	3,098	87.0
As of December 31, 2019	3,619	3,168	87.5

### 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, 2019	–	12.50	–	17.50	30.00
Year ending December 31, 2020	–	12.50	–		
Year ending December 31, 2020 (Forecast)				15.00	27.50

### 3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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	4,337	4.5	377	(32.7)	452	(24.3)	457	6.8	51.30

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2020: 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 September 30, 2020	9,316,000 shares	As of December 31, 2019	9,316,000 shares
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##### Number of treasury shares at the end of the period

As of September 30, 2020	404,074 shares	As of December 31, 2019	404,045 shares
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##### Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2020	8,911,945 shares	Nine months ended September 30, 2019	8,912,013 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

	(Thousands of yen)	
	As of December 31, 2019	As of September 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	1,497,694	1,086,875
Notes and accounts receivable - trade	635,627	628,225
Work in process	63,605	128,768
Other	88,192	98,684
Allowance for doubtful accounts	(1,289)	(1,326)
Total current assets	2,283,830	1,941,227
Non-current assets		
Property, plant and equipment	349,195	591,871
Intangible assets	252,904	268,442
Investments and other assets		
Shares of subsidiaries and associates	317,055	326,828
Investments in capital of subsidiaries and associates	163,120	180,898
Deferred tax assets	36,429	32,489
Other	216,763	220,582
Total investments and other assets	733,368	760,799
Total non-current assets	1,335,468	1,621,113
Total assets	3,619,299	3,562,340
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,727	45,668
Income taxes payable	82,287	27,029
Provision for bonuses	21,018	56,186
Provision for shareholder benefit program	35,464	7,065
Other	292,711	285,207
Total current liabilities	438,209	421,157
Non-current liabilities		
Retirement benefit liability	—	30,654
Long-term accounts payable - other	11,360	11,360
Other	1,111	248
Total non-current liabilities	12,471	42,262
Total liabilities	450,680	463,420
<b>Net assets</b>		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	118,032	118,032
Retained earnings	3,018,243	2,964,618
Treasury shares	(202,855)	(202,894)
Total shareholders' equity	3,020,652	2,966,988
Accumulated other comprehensive income		
Foreign currency translation adjustment	147,965	131,931
Total accumulated other comprehensive income	147,965	131,931
Total net assets	3,168,618	3,098,920
Total liabilities and net assets	3,619,299	3,562,340

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

	(Thousands of yen)	
	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Net sales	3,046,169	3,154,903
Cost of sales	1,782,346	2,091,257
Gross profit	1,263,822	1,063,645
Selling, general and administrative expenses	835,900	768,463
Operating profit	427,922	295,182
Non-operating income		
Interest income	1,402	680
Share of profit of entities accounted for using equity method	—	28,621
Commission income	1,446	—
Other	1,356	11,410
Total non-operating income	4,205	40,712
Non-operating expenses		
Share of loss of entities accounted for using equity method	5,489	—
Foreign exchange losses	1,864	5,114
Other	255	34
Total non-operating expenses	7,609	5,149
Ordinary profit	424,518	330,745
Extraordinary income		
Gain on reversal of share acquisition rights	1,106	—
Total extraordinary income	1,106	—
Extraordinary losses		
Loss on sales and retirement of non-current assets	21,725	1,236
Total extraordinary losses	21,725	1,236
Profit before income taxes	403,899	329,509
Income taxes - current	102,933	95,802
Income taxes - deferred	20,044	19,972
Total income taxes	122,977	115,775
Profit	280,921	213,733
Profit attributable to owners of parent	280,921	213,733

# Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Nine months ended September 30, 2019	Nine months ended September 30, 2020
Profit	280,921	213,733
Other comprehensive income		
Deferred gains or losses on hedges	1,147	—
Foreign currency translation adjustment	(36,237)	(17,634)
Share of other comprehensive income of entities accounted for using equity method	(7,498)	1,600
Total other comprehensive income	(42,587)	(16,034)
Comprehensive income	238,334	197,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	238,334	197,699
Comprehensive income attributable to non-controlling interests	—	—