

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2020 (Based on Japanese GAAP)

February 10, 2021

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 03-5299-8521
 Scheduled date to file Quarterly Securities Report: February 10, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2020 (from July 1, 2020 to December 31, 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	%
Six months ended December 31, 2020	6,691	23.1	1,499	14.1	1,429	14.9	995	38.6
Six months ended December 31, 2019	5,436	(1.6)	1,314	(6.7)	1,243	0.6	718	(24.6)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2020	46.01	–
Six months ended December 31, 2019	33.19	33.15

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	43,269	16,247	37.5
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	–	0.00			
Year ending June 30, 2021 (Forecast)			–	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
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 six months ended December 31, 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 December 31, 2020	21,638,199 shares	As of June 30, 2020	21,638,199 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	1,120 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)

Six months ended December 31, 2020	21,637,760 shares	Six months ended December 31, 2019	21,632,840 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of June 30, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	4,248	5,748
Notes and accounts receivable - trade	1,298	1,283
Supplies	708	808
Consumption taxes receivable	851	5
Other	418	505
Total current assets	7,524	8,351
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,180	8,354
Accumulated depreciation	(1,279)	(1,422)
Buildings and structures, net	6,900	6,931
Machinery, equipment and vehicles	20,404	20,630
Accumulated depreciation	(5,334)	(5,883)
Machinery, equipment and vehicles, net	15,070	14,747
Tools, furniture and fixtures	217	217
Accumulated depreciation	(126)	(137)
Tools, furniture and fixtures, net	91	79
Land	3,127	3,195
Leased assets	985	985
Accumulated depreciation	(818)	(872)
Leased assets, net	166	113
Trees	539	730
Construction in progress	5,777	8,611
Total property, plant and equipment	31,673	34,408
Intangible assets		
Right to use electricity supply facilities	354	342
Other	6	6
Total intangible assets	361	348
Investments and other assets		
Deferred tax assets	196	77
Other	92	83
Total investments and other assets	288	160
Total non-current assets	32,322	34,918
Total assets	39,847	43,269

(Millions of yen)

	As of June 30, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	948	904
Short-term borrowings	200	400
Current portion of long-term borrowings	1,526	1,680
Accounts payable - other	293	1,074
Current portion of long-term accounts payable-other	153	125
Lease obligations	103	77
Income taxes payable	197	340
Provision for bonuses	38	41
Provision for maintenance	447	377
Other	149	186
Total current liabilities	4,057	5,208
Non-current liabilities		
Long-term borrowings	20,188	21,655
Long-term accounts payable - other	66	24
Lease obligations	90	59
Deferred tax liabilities	9	74
Total non-current liabilities	20,355	21,813
Total liabilities	24,412	27,022
Net assets		
Shareholders' equity		
Share capital	2,292	2,292
Capital surplus	1,292	1,292
Retained earnings	11,840	12,662
Treasury shares	—	(0)
Total shareholders' equity	15,425	16,247
Share acquisition rights	8	—
Total net assets	15,434	16,247
Total liabilities and net assets	39,847	43,269

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended December 31, 2019	Six months ended December 31, 2020
Net sales	5,436	6,691
Cost of sales	3,788	4,803
Gross profit	1,647	1,887
Selling, general and administrative expenses	332	388
Operating profit	1,314	1,499
Non-operating income		
Interest income	0	0
Gain on sales of scraps	2	1
Insurance claim income	0	—
Gain on sales of non-current assets	0	—
Subsidy income	—	3
Other	4	7
Total non-operating income	8	12
Non-operating expenses		
Interest expenses	68	74
Commission expenses	3	3
Loss on retirement of non-current assets	4	2
Other	3	2
Total non-operating expenses	79	82
Ordinary profit	1,243	1,429
Extraordinary income		
Gain on reversal of share acquisition rights	—	8
Total extraordinary income	—	8
Profit before income taxes	1,243	1,438
Income taxes - current	165	259
Income taxes - deferred	359	183
Total income taxes	525	442
Profit	718	995
Profit attributable to owners of parent	718	995

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2019	Six months ended December 31, 2020
Profit	718	995
Other comprehensive income		
Deferred gains or losses on hedges	—	—
Total other comprehensive income	—	—
Comprehensive income	718	995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	718	995