

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2021 (Based on Japanese GAAP)

May 13, 2021

Company name: ELAN Corporation
 Stock exchange listing: Tokyo
 Stock code: 6099 URL <https://www.kkelan.com/>
 Representative: President Hideharu Sakurai
 Inquiries: Executive Officer, IR Office Manager Hideo Hara TEL 0263 - 41 - 0760
 Scheduled date to file Quarterly Securities Report: May 14, 2021
 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, 2021 (from January 1, 2021 to March 31, 2021)

(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 March 31, 2021	7,523	25.7	737	46.8	739	46.2	507	49.0
Three months ended March 31, 2020	5,987	17.5	502	15.9	505	16.3	340	16.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2021	8.37	–
Three months ended March 31, 2020	5.62	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	11,100	6,277	56.6	103.59
As of December 31, 2020	11,689	6,184	52.9	102.05

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, 2020	–	0.00	–	14.00	14.00
Year ending December 31, 2021	–				
Year ending December 31, 2021 (Forecast)		0.00	–	8.00	8.00

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 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 June 30, 2021	15,100	24.2	1,300	32.0	1,310	32.1	900	35.4	14.85
Full year	31,000	19.0	2,500	20.9	2,520	17.3	1,680	16.2	27.72

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2021
(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 March 31, 2021	60,600,000 shares	As of December 31, 2020	60,600,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	938 shares	As of December 31, 2020	938 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, 2021	60,599,062 shares	Three months ended March 31, 2020	60,599,120 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	4,497,677	4,010,523
Accounts receivable - trade	3,279,413	3,498,155
Merchandise	982,361	787,222
Supplies	12,992	13,061
Accounts receivable - other	1,765,497	1,628,542
Other	83,241	76,112
Allowance for doubtful accounts	(441,059)	(448,545)
Total current assets	10,180,124	9,565,071
Non-current assets		
Property, plant and equipment	316,775	315,376
Intangible assets		
Goodwill	48,856	39,085
Other	113,435	105,588
Total intangible assets	162,291	144,673
Investments and other assets		
Other	1,090,137	1,143,801
Allowance for doubtful accounts	(60,255)	(68,333)
Total investments and other assets	1,029,882	1,075,467
Total non-current assets	1,508,950	1,535,517
Total assets	11,689,074	11,100,589
Liabilities		
Current liabilities		
Accounts payable - trade	4,157,946	4,014,138
Income taxes payable	557,417	175,915
Provision for bonuses	—	20,473
Other	786,468	609,917
Total current liabilities	5,501,831	4,820,444
Non-current liabilities		
Other	3,039	2,714
Total non-current liabilities	3,039	2,714
Total liabilities	5,504,871	4,823,158
Net assets		
Shareholders' equity		
Share capital	573,496	573,496
Capital surplus	543,496	543,496
Retained earnings	5,092,828	5,176,105
Treasury shares	(320)	(320)
Total shareholders' equity	6,209,500	6,292,778
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(25,297)	(15,347)
Total accumulated other comprehensive income	(25,297)	(15,347)
Total net assets	6,184,203	6,277,430
Total liabilities and net assets	11,689,074	11,100,589

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Net sales	5,987,444	7,523,869
Cost of sales	4,417,496	5,611,135
Gross profit	1,569,948	1,912,733
Selling, general and administrative expenses	1,067,695	1,175,671
Operating profit	502,252	737,062
Non-operating income		
Gain on sales of non-current assets	66	—
Subsidy income	—	708
Late charges income	2,704	3,577
Other	1,045	585
Total non-operating income	3,816	4,871
Non-operating expenses		
Loss on retirement of non-current assets	—	1,087
Loss on sales of non-current assets	124	—
Other	—	1,367
Total non-operating expenses	124	2,454
Ordinary profit	505,944	739,479
Profit before income taxes	505,944	739,479
Income taxes - current	138,235	174,146
Income taxes - deferred	27,127	57,861
Total income taxes	165,363	232,008
Profit	340,581	507,470
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	340,581	507,470

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2020	Three months ended March 31, 2021
Profit	340,581	507,470
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,210)	9,950
Total other comprehensive income	(7,210)	9,950
Comprehensive income	333,370	517,420
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	333,370	517,420
Comprehensive income attributable to non-controlling interests	—	—