

# Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2019 (Based on Japanese GAAP)

May 13, 2019

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: May 14, 2019  
 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 three months ended March 31, 2019 (from January 1, 2019 to March 31, 2019)

#### (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	%
Three months ended March 31, 2019	980	12.0	118	21.1	113	77.7	58	118.6
Three months ended March 31, 2018	875	7.9	97	(23.9)	64	(49.3)	26	(68.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2019	6.61	–
Three months ended March 31, 2018	3.02	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2019	3,406	2,938	86.2
As of December 31, 2018	3,736	3,001	80.3

### 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, 2018	–	12.50	–	15.00	27.50
Year ending December 31, 2019	–				
Year ending December 31, 2019 (Forecast)		12.50	–	15.00	27.50

### 3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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, 2019	1,921	6.3	201	(3.7)	142	(5.6)	73	(7.1)	8.24
Full year	4,022	3.2	571	(1.3)	538	14.9	349	20.6	39.16

#### 4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2019: 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, 2019	9,316,000 shares	As of December 31, 2018	9,316,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	403,962 shares	As of December 31, 2018	403,962 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, 2019	8,912,038 shares	Three months ended March 31, 2018	8,912,038 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

	(Thousands of yen)	
	As of December 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	1,753,041	1,353,806
Notes and accounts receivable - trade	559,145	566,029
Work in process	45,169	55,423
Other	117,599	116,643
Allowance for doubtful accounts	(1,946)	(1,955)
Total current assets	2,473,009	2,089,945
Non-current assets		
Property, plant and equipment	339,281	400,410
Intangible assets	228,382	253,210
Investments and other assets		
Shares of subsidiaries and associates	296,218	284,592
Investments in capital of subsidiaries and associates	151,212	157,924
Deferred tax assets	40,884	14,286
Other	207,189	206,348
Total investments and other assets	695,504	663,150
Total non-current assets	1,263,168	1,316,771
Total assets	3,736,177	3,406,717
Liabilities		
Current liabilities		
Accounts payable - trade	6,910	7,652
Income taxes payable	121,002	20,786
Provision for bonuses	22,519	29,527
Provision for shareholder benefit program	35,095	21,425
Other	534,644	375,248
Total current liabilities	720,172	454,640
Non-current liabilities		
Long-term accounts payable - other	11,360	11,360
Other	3,405	2,686
Total non-current liabilities	14,765	14,046
Total liabilities	734,937	468,687
Net assets		
Shareholders' equity		
Capital stock	87,232	87,232
Capital surplus	118,032	118,032
Retained earnings	2,835,189	2,760,434
Treasury shares	(202,753)	(202,753)
Total shareholders' equity	2,837,700	2,762,945
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(3,253)	1,879
Foreign currency translation adjustment	165,686	173,206
Total accumulated other comprehensive income	162,432	175,085
Share acquisition rights	1,106	—
Total net assets	3,001,239	2,938,030
Total liabilities and net assets	3,736,177	3,406,717

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

	(Thousands of yen)	
	Three months ended March 31, 2018	Three months ended March 31, 2019
Net sales	875,417	980,872
Cost of sales	579,335	569,533
Gross profit	296,082	411,338
Selling, general and administrative expenses	198,264	292,846
Operating profit	97,817	118,492
Non-operating income		
Interest income	1,200	999
Foreign exchange gains	—	931
Commission fee	327	903
Other	102	282
Total non-operating income	1,630	3,117
Non-operating expenses		
Share of loss of entities accounted for using equity method	33,627	7,820
Foreign exchange losses	1,793	—
Total non-operating expenses	35,420	7,820
Ordinary profit	64,027	113,789
Extraordinary income		
Gain on reversal of share acquisition rights	17	1,106
Total extraordinary income	17	1,106
Extraordinary losses		
Loss on sales and retirement of non-current assets	97	21,141
Total extraordinary losses	97	21,141
Profit before income taxes	63,947	93,754
Income taxes - current	19,275	10,928
Income taxes - deferred	17,722	23,900
Total income taxes	36,997	34,829
Profit	26,950	58,925
Profit attributable to owners of parent	26,950	58,925

# Quarterly consolidated statements of comprehensive income

	(Thousands of yen)	
	Three months ended March 31, 2018	Three months ended March 31, 2019
Profit	26,950	58,925
Other comprehensive income		
Deferred gains or losses on hedges	(334)	5,132
Foreign currency translation adjustment	(40,508)	4,358
Share of other comprehensive income of entities accounted for using equity method	2,667	3,161
Total other comprehensive income	(38,175)	12,652
Comprehensive income	(11,225)	71,577
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,225)	71,577
Comprehensive income attributable to non-controlling interests	—	—