

**Translation**

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**Summary of Consolidated Financial Results  
for the Three Months Ended March 31, 2018  
(Based on Japanese GAAP)**

May 11, 2018

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, 2018  
 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, 2018 (from January 1, 2018 to March 31, 2018)

(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, 2018	875	7.9	97	(23.9)	64	(49.3)	26	(68.9)
Three months ended March 31, 2017	811	5.9	128	–	126	706.9	86	156.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2018	3.02	–
Three months ended March 31, 2017	9.71	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2018	3,282	2,851	86.8
As of December 31, 2017	3,532	2,996	84.8

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, 2017	–	25.00	–	30.00	55.00
Year ending December 31, 2018	–				
Year ending December 31, 2018 (Forecast)		12.50	–	15.00	27.50

3. Forecast of consolidated financial results for the year ending December 31, 2018 (from January 1, 2018 to December 31, 2018)

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, 2018	1,722	4.4	226	(13.6)	189	(25.9)	110	(36.1)	12.41
Full year	3,575	4.0	557	0.4	570	11.5	381	8.6	42.86

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2018: 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, 2018	9,316,000 shares	As of December 31, 2017	9,316,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	403,962 shares	As of December 31, 2017	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, 2018	8,912,038 shares	Three months ended March 31, 2017	8,912,038 shares
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**Quarterly consolidated financial statements**  
**Quarterly consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	2,065,596	1,826,899
Notes and accounts receivable - trade	503,523	509,107
Work in process	44,200	46,636
Deferred tax assets	28,415	9,016
Other	74,633	96,328
Allowance for doubtful accounts	(4,254)	(4,196)
Total current assets	2,712,113	2,483,791
Non-current assets		
Property, plant and equipment	132,091	141,795
Intangible assets	206,021	212,327
Investments and other assets		
Shares of subsidiaries and associates	198,479	163,008
Investments in capital of subsidiaries and associates	148,116	146,778
Other	136,017	134,454
Total investments and other assets	482,613	444,241
Total non-current assets	820,727	798,364
Total assets	3,532,841	3,282,155
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	6,763	7,383
Income taxes payable	147,481	21,945
Provision for bonuses	17,983	23,795
Provision for shareholder benefit program	13,460	6,674
Other	328,177	351,136
Total current liabilities	513,866	410,935
Non-current liabilities		
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	4,072	2,217
Other	6,970	5,993
Total non-current liabilities	22,402	19,571
Total liabilities	536,268	430,507
<b>Net assets</b>		
Shareholders' equity		
Capital stock	87,232	87,232
Capital surplus	118,032	118,032
Retained earnings	2,790,859	2,684,128
Treasury shares	(202,753)	(202,753)
Total shareholders' equity	2,793,370	2,686,639
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(2,674)	(3,009)
Foreign currency translation adjustment	204,748	166,907
Total accumulated other comprehensive income	202,073	163,897
Share acquisition rights	1,128	1,111
Total net assets	2,996,572	2,851,648
Total liabilities and net assets	3,532,841	3,282,155

**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, 2017	Three months ended March 31, 2018
Net sales	811,230	875,417
Cost of sales	496,367	579,335
Gross profit	314,863	296,082
Selling, general and administrative expenses	186,390	198,264
Operating profit	128,473	97,817
Non-operating income		
Interest income	1,049	1,200
Other	1,202	430
Total non-operating income	2,251	1,630
Non-operating expenses		
Share of loss of entities accounted for using equity method	2,616	33,627
Foreign exchange losses	1,863	1,793
Other	60	-
Total non-operating expenses	4,539	35,420
Ordinary profit	126,184	64,027
Extraordinary income		
Gain on reversal of share acquisition rights	77	17
Gain on change in equity	2,785	-
Total extraordinary income	2,862	17
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	97
Total extraordinary losses	-	97
Profit before income taxes	129,047	63,947
Income taxes - current	36,878	19,275
Income taxes - deferred	5,589	17,722
Total income taxes	42,468	36,997
Profit	86,579	26,950
Profit attributable to owners of parent	86,579	26,950

**Quarterly consolidated statements of comprehensive income**

	(Thousands of yen)	
	Three months ended March 31, 2017	Three months ended March 31, 2018
Profit	86,579	26,950
Other comprehensive income		
Deferred gains or losses on hedges	1,273	(334)
Foreign currency translation adjustment	(30,607)	(40,508)
Share of other comprehensive income of entities accounted for using equity method	(120)	2,667
Total other comprehensive income	(29,454)	(38,175)
Comprehensive income	57,125	(11,225)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	57,125	(11,225)
Comprehensive income attributable to non-controlling interests	-	-