

# Translation

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

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 of ordinary general meeting of shareholders: March 25, 2025  
 Scheduled date to file Securities Report: March 25, 2025  
 Scheduled date to commence dividend payments: March 26, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for shareholders and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

#### (1) Consolidated financial results

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	%
Year ended December 31, 2024	5,607	10.8	334	106.8	441	3.6	327	(47.8)
Year ended December 31, 2023	5,059	5.0	161	146.0	425	96.3	626	74.4

	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	36.58	—	7.0	7.7	6.0
Year ended December 31, 2023	70.14	—	13.8	8.0	3.2

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	5,822	4,645	79.8	519.21
As of December 31, 2023	5,602	4,677	83.5	523.49

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	321	(395)	213	1,699
Year ended December 31, 2023	465	303	(325)	1,502

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	—	14.00	—	18.00	32.00	285	45.6	6.3
Year ended December 31, 2024	—	14.00	—	18.00	32.00	286	87.5	6.1
Year ending December 31, 2025 (Forecast)	—	14.00	—	18.00	32.00		62.9	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

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, 2025	2,830	1.3	57	(66.5)	41	(66.9)	52	(13.0)	5.86
Full year	6,113	9.0	298	(10.8)	462	4.9	455	39.2	50.89

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024 No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	9,316,000 shares	As of December 31, 2023	9,316,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	369,108 shares	As of December 31, 2023	379,926 shares
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Average number of shares during the period

Year ended December 31, 2024	8,943,286 shares	Year ended December 31, 2023	8,931,958 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

	(Thousands of yen)	
	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,502,405	2,174,498
Notes and accounts receivable - trade	658,494	650,439
Work in process	203,040	144,412
Prepaid expenses	81,896	83,242
Income taxes refund receivable	—	281
Other	63,742	52,966
Allowance for doubtful accounts	(509)	(365)
Total current assets	2,509,069	3,105,475
Non-current assets		
Property, plant and equipment		
Buildings and buildings and accompanying facilities	522,299	532,751
Accumulated depreciation	(216,079)	(269,762)
Buildings and buildings and accompanying facilities, net	306,220	262,988
Tools, furniture and fixtures	472,221	523,416
Accumulated depreciation	(396,749)	(428,626)
Tools, furniture and fixtures, net	75,472	94,790
Other	17,475	16,736
Accumulated depreciation	(15,573)	(14,802)
Other, net	1,901	1,933
Land	139,000	139,000
Total property, plant and equipment	522,593	498,712
Intangible assets		
Software	42,042	19,722
Other	11,212	9,480
Total intangible assets	53,255	29,203
Investments and other assets		
Investment securities	596,800	291,390
Shares of subsidiaries and associates	671,283	717,729
Investments in capital of subsidiaries and associates	471,080	564,373
Long-term loans receivable	557,076	400,000
Leasehold and guarantee deposits	191,064	190,327
Deferred tax assets	25,020	21,183
Other	5,227	3,934
Total investments and other assets	2,517,552	2,188,937
Total non-current assets	3,093,401	2,716,853
Total assets	5,602,471	5,822,328

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	122,814	99,033
Short-term borrowings	–	500,000
Accounts payable - other	199,709	204,066
Income taxes payable	119,464	15,442
Contract liabilities	58,006	26,347
Provision for bonuses	20,603	23,981
Other	149,461	179,637
Total current liabilities	670,059	1,048,510
Non-current liabilities		
Retirement benefit liability	42,622	33,567
Long-term accounts payable - other	11,360	11,360
Deferred tax liabilities	136,484	32,337
Other	64,016	51,213
Total non-current liabilities	254,483	128,478
Total liabilities	924,542	1,176,988
Net assets		
Shareholders' equity		
Share capital	87,232	87,232
Capital surplus	122,909	126,477
Retained earnings	3,981,038	4,022,043
Treasury shares	(190,768)	(185,336)
Total shareholders' equity	4,000,411	4,050,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	320,397	107,393
Foreign currency translation adjustment	357,120	487,530
Total accumulated other comprehensive income	677,517	594,923
Total net assets	4,677,929	4,645,339
Total liabilities and net assets	5,602,471	5,822,328

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

	(Thousands of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
Net sales	5,059,763	5,607,016
Cost of sales	3,738,613	3,863,138
Gross profit	1,321,149	1,743,878
Selling, general and administrative expenses	1,159,378	1,409,342
Operating profit	161,771	334,535
Non-operating income		
Interest income	11,193	13,354
Share of profit of entities accounted for using equity method	257,682	87,762
Subsidy income	8,799	12,079
Other	1,198	1,849
Total non-operating income	278,873	115,046
Non-operating expenses		
Interest expenses	1,922	2,326
Foreign exchange losses	12,826	5,797
Other	—	348
Total non-operating expenses	14,748	8,472
Ordinary profit	425,896	441,109
Extraordinary income		
Gain on sale of non-current assets	—	149
Gain on sale of investments in capital of subsidiaries and associates	70,178	—
Gain on sale of investment securities	280,971	—
Total extraordinary income	351,150	149
Extraordinary losses		
Loss on retirement of non-current assets	490	1,171
Total extraordinary losses	490	1,171
Profit before income taxes	776,556	440,087
Income taxes - current	165,126	101,332
Income taxes - deferred	(15,098)	11,645
Total income taxes	150,028	112,977
Profit	626,528	327,110
Profit attributable to owners of parent	626,528	327,110

# Consolidated statements of comprehensive income

	(Thousands of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
Profit	626,528	327,110
Other comprehensive income		
Valuation difference on available-for-sale securities	(114,420)	(213,003)
Foreign currency translation adjustment	28,893	98,910
Share of other comprehensive income of entities accounted for using equity method	22,200	31,499
Total other comprehensive income	(63,326)	(82,594)
Comprehensive income	563,201	244,516
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	563,201	244,516
Comprehensive income attributable to non-controlling interests	—	—

# Consolidated statements of changes in equity

Year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	87,232	120,107	3,640,242	(196,969)	3,650,613	434,817	306,027	740,844	4,391,458
Changes during period									
Dividends of surplus			(285,732)		(285,732)				(285,732)
Profit attributable to owners of parent			626,528		626,528				626,528
Disposal of treasury shares		2,801		6,200	9,001				9,001
Net changes in items other than shareholders' equity						(114,420)	51,093	(63,326)	(63,326)
Total changes during period	—	2,801	340,795	6,200	349,797	(114,420)	51,093	(63,326)	286,470
Balance at end of period	87,232	122,909	3,981,038	(190,768)	4,000,411	320,397	357,120	677,517	4,677,929

Year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	87,232	122,909	3,981,038	(190,768)	4,000,411	320,397	357,120	677,517	4,677,929
Changes during period									
Dividends of surplus			(286,105)		(286,105)				(286,105)
Profit attributable to owners of parent			327,110		327,110				327,110
Disposal of treasury shares		3,568		5,431	9,000				9,000
Net changes in items other than shareholders' equity						(213,003)	130,409	(82,594)	(82,594)
Total changes during period	—	3,568	41,004	5,431	50,004	(213,003)	130,409	(82,594)	(32,589)
Balance at end of period	87,232	126,477	4,022,043	(185,336)	4,050,416	107,393	487,530	594,923	4,645,339

**Consolidated statements of cash flows**

(Thousands of yen)

	Year ended December 31, 2023	Year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	776,556	440,087
Depreciation	142,170	124,633
Interest and dividend income	(11,193)	(13,354)
Subsidy income	(8,799)	(12,079)
Share of loss (profit) of entities accounted for using equity method	(257,682)	(87,762)
Interest expenses	1,922	2,326
Loss (gain) on sale of non-current assets	—	(149)
Loss on retirement of non-current assets	490	1,171
Loss (gain) on sale of investments in capital of subsidiaries and associates	(70,178)	—
Loss (gain) on sale of investment securities	(280,971)	—
Decrease (increase) in trade receivables	(31,781)	8,055
Increase (decrease) in trade payables	2,577	(23,780)
Decrease (increase) in works in process	(65,604)	58,470
Increase (decrease) in accounts payable - other	50,542	7,582
Increase (decrease) in allowance for doubtful accounts	(405)	(144)
Increase (decrease) in provision for bonuses	(1,505)	2,128
Increase (decrease) in retirement benefit liability	4,690	(9,054)
Other, net	140,553	(15,605)
Subtotal	391,381	482,526
Interest and dividends received	15,755	9,791
Interest paid	(1,922)	(2,623)
Subsidies received	8,799	12,079
Income taxes paid	(66,689)	(205,635)
Income taxes refund	118,396	25,634
Net cash provided by (used in) operating activities	465,720	321,772
Cash flows from investing activities		
Payments into time deposits	—	(454,532)
Proceeds from withdrawal of time deposits	404,074	—
Purchase of property, plant and equipment	(28,727)	(65,173)
Proceeds from sale of property, plant and equipment	—	150
Purchase of intangible assets	—	(8,969)
Purchase of investment securities	—	(19,550)
Proceeds from sale of investment securities	284,971	—
Proceeds from the sale of investments in capital of subsidiaries and associates resulting in change in scope of consolidation	18,662	—
Loan advances	(557,000)	(500,000)
Proceeds from collection of loans receivable	180,336	657,318
Payments of leasehold and guarantee deposits	(519)	(4,938)
Proceeds from refund of leasehold and guarantee deposits	1,345	340
Net cash provided by (used in) investing activities	303,143	(395,355)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	500,000
Repayments of short-term borrowings	(39,740)	—
Dividends paid	(285,600)	(286,085)
Net cash provided by (used in) financing activities	(325,340)	213,914
Effect of exchange rate change on cash and cash equivalents	33,705	56,960
Net increase (decrease) in cash and cash equivalents	477,229	197,291
Cash and cash equivalents at beginning of period	1,025,175	1,502,405
Cash and cash equivalents at end of period	1,502,405	1,699,697