

Translation

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**Summary of Consolidated Financial Results
for the Six Months Ended June 30, 2017
(Based on Japanese GAAP)**

July 28, 2017

Company name: EBARA JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <http://www.ejk.co.jp/>
 Representative: Chairman & President HISASHI SUZUKI
 Senior Corporate Officer, Head of Corporate Planning & Strategy Office SHUJI OHNO TEL 03-5565-2885
 Inquiries: SHUJI OHNO TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: August 7, 2017
 Scheduled date to commence dividend payments: September 4, 2017
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for the press and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2017 (from January 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2017	14,390	(10.3)	1,400	13.4	1,468	13.0	1,049	17.0
Six months ended June 30, 2016	16,035	4.3	1,235	(7.7)	1,299	(7.8)	896	(5.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2017	156.49		-	
Six months ended June 30, 2016	134.12		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	24,351	11,862	48.7
As of December 31, 2016	23,434	10,624	45.3

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2016	-	22.50	-	22.50	45.00
Year ending December 31, 2017	-	22.50	-	-	-
Year ending December 31, 2017 (Forecast)	-	-	-	22.50	45.00

3. Forecast of consolidated financial results for the year ending December 31, 2017 (from January 1, 2017 to December 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	28,000	0.8	1,340	3.8	1,440	1.4	1,000	(2.9)	149.09

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2017
 (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 June 30, 2017	6,715,000 shares	As of December 31, 2016	6,715,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	7,692 shares	As of December 31, 2016	7,692 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2017	6,707,308 shares	Six months ended June 30, 2016	6,686,551 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	3,185	6,424
Notes and accounts receivable - trade	9,773	7,269
Merchandise and finished goods	811	714
Work in process	204	202
Costs on uncompleted construction contracts	510	273
Raw materials and supplies	176	198
Deferred tax assets	43	52
Other	374	350
Allowance for doubtful accounts	(1)	(1)
Total current assets	15,077	15,485
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,958	3,010
Accumulated depreciation	(1,513)	(1,538)
Buildings and structures, net	1,445	1,471
Machinery, equipment and vehicles	109	116
Accumulated depreciation	(64)	(70)
Machinery, equipment and vehicles, net	45	45
Tools, furniture and fixtures	519	557
Accumulated depreciation	(401)	(425)
Tools, furniture and fixtures, net	117	132
Land	1,421	1,421
Other	37	6
Accumulated depreciation	(4)	(5)
Other, net	32	1
Total property, plant and equipment	3,061	3,072
Intangible assets	35	35
Investments and other assets		
Investment securities	3,324	3,810
Insurance funds	1,145	1,163
Real estate for investment, net	652	638
Deferred tax assets	5	5
Other	240	248
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	5,258	5,758
Total non-current assets	8,356	8,866
Total assets	23,434	24,351

(Millions of yen)

	As of December 31, 2016	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,671	8,143
Short-term loans payable	1,090	1,090
Income taxes payable	135	463
Accrued consumption taxes	224	68
Advances received	1,107	1,101
Provision for loss on construction contracts	14	2
Other	634	534
Total current liabilities	11,878	11,404
Non-current liabilities		
Deferred tax liabilities	598	744
Provision for directors' retirement benefits	187	187
Net defined benefit liability	75	82
Other	69	70
Total non-current liabilities	931	1,085
Total liabilities	12,810	12,489
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	7,609	8,508
Treasury shares	(12)	(12)
Total shareholders' equity	9,430	10,329
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,311	1,637
Remeasurements of defined benefit plans	(117)	(104)
Total accumulated other comprehensive income	1,193	1,533
Total net assets	10,624	11,862
Total liabilities and net assets	23,434	24,351

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2016	Six months ended June 30, 2017
Net sales	16,035	14,390
Cost of sales	12,173	10,289
Gross profit	3,861	4,101
Selling, general and administrative expenses	2,626	2,701
Operating income	1,235	1,400
Non-operating income		
Interest income	1	1
Dividend income	28	29
Rent of real estate for investment	41	44
Insurance income	12	–
Other	16	24
Total non-operating income	100	99
Non-operating expenses		
Interest expenses	4	3
Rent expenses on real estates	19	19
Other	11	8
Total non-operating expenses	36	31
Ordinary income	1,299	1,468
Profit before income taxes	1,299	1,468
Income taxes - current	374	432
Income taxes - deferred	27	(13)
Total income taxes	402	418
Profit	896	1,049
Profit attributable to owners of parent	896	1,049

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2016	Six months ended June 30, 2017
Profit	896	1,049
Other comprehensive income		
Valuation difference on available-for-sale securities	(247)	326
Remeasurements of defined benefit plans, net of tax	10	12
Total other comprehensive income	(237)	339
Comprehensive income	659	1,388
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	659	1,388
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2016	Six months ended June 30, 2017
Cash flows from operating activities		
Profit before income taxes	1,299	1,468
Depreciation	94	103
Increase (decrease) in allowance for doubtful accounts	(10)	(0)
Increase (decrease) in provision for loss on construction contracts	30	(12)
Increase (decrease) in net defined benefit liability	(15)	24
Increase (decrease) in provision for directors' retirement benefits	(8)	–
Interest and dividend income	(30)	(30)
Insurance income	(12)	–
Interest expenses	4	3
Decrease (increase) in notes and accounts receivable - trade	2,083	2,503
Decrease (increase) in inventories	333	313
Increase (decrease) in notes and accounts payable - trade	1,082	(527)
Increase (decrease) in advances received	(98)	(5)
Decrease/increase in consumption taxes receivable/payable	(2)	(156)
Other, net	(241)	(55)
Subtotal	4,509	3,629
Interest and dividend income received	28	30
Proceeds from insurance income	12	–
Interest expenses paid	(4)	(3)
Income taxes paid	(322)	(121)
Net cash provided by (used in) operating activities	4,223	3,534
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(231)	85
Purchase of property, plant and equipment	(29)	(98)
Proceeds from sales of property, plant and equipment	5	11
Purchase of intangible assets	(2)	(5)
Purchase of investment securities	(16)	(16)
Other, net	(28)	(35)
Net cash provided by (used in) investing activities	(303)	(59)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(50)	–
Repayments of long-term loans payable	(46)	–
Cash dividends paid	(150)	(150)
Other, net	51	(0)
Net cash provided by (used in) financing activities	(195)	(151)
Net increase (decrease) in cash and cash equivalents	3,723	3,324
Cash and cash equivalents at beginning of period	2,513	2,700
Cash and cash equivalents at end of period	6,237	6,024