

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2020 (Based on Japanese GAAP)

May 22, 2020

Company name: EBARA JITSUGYO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6328 URL <https://www.ejk.co.jp/>  
 Representative: President and COO Toru Abe  
 Inquiries: Managing Executive Officer, Head of Planning & Strategy Office Shuji Ohno TEL 03-5565-2885  
 Scheduled date to file Quarterly Securities Report: May 22, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2020 (from January 1, 2020 to March 31, 2020)

(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, 2020	11,544	1.8	2,036	11.5	2,068	11.8	1,400	9.3
Three months ended March 31, 2019	11,337	4.3	1,827	0.8	1,850	1.9	1,280	1.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2020	214.50	–
Three months ended March 31, 2019	194.28	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2020	31,310	14,677	46.9
As of December 31, 2019	28,065	14,945	53.3

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, 2019	–	30.00	–	30.00	60.00
Year ending December 31, 2020	–				
Year ending December 31, 2020 (Forecast)		30.00	–	30.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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
Full year	29,500	3.8	2,150	6.2	2,270	4.6	1,600	5.8	242.71

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2020  
(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, 2020	6,715,000 shares	As of December 31, 2019	6,715,000 shares
----------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of March 31, 2020	430,397 shares	As of December 31, 2019	122,867 shares
----------------------	----------------	-------------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2020	6,527,075 shares	Three months ended March 31, 2019	6,592,133 shares
-----------------------------------	------------------	-----------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	6,408	8,178
Notes and accounts receivable - trade	10,167	13,478
Merchandise and finished goods	541	445
Work in process	195	186
Costs on construction contracts in progress	647	178
Raw materials and supplies	210	231
Other	150	112
Allowance for doubtful accounts	(1)	(1)
Total current assets	18,321	22,811
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,172	3,189
Accumulated depreciation	(1,767)	(1,789)
Buildings and structures, net	1,405	1,399
Machinery, equipment and vehicles	191	192
Accumulated depreciation	(110)	(117)
Machinery, equipment and vehicles, net	80	75
Tools, furniture and fixtures	631	634
Accumulated depreciation	(543)	(551)
Tools, furniture and fixtures, net	87	82
Land	1,360	1,360
Other	3	3
Accumulated depreciation	(3)	(3)
Other, net	–	–
Total property, plant and equipment	2,934	2,918
Intangible assets	154	146
Investments and other assets		
Investment securities	5,087	3,868
Insurance funds	727	721
Investment property, net	679	675
Deferred tax assets	14	22
Other	253	251
Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	6,655	5,434
Total non-current assets	9,744	8,498
Total assets	28,065	31,310

(Millions of yen)

	As of December 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	8,397	11,543
Short-term borrowings	1,090	1,090
Income taxes payable	381	759
Accrued consumption taxes	136	357
Advances received	1,056	1,254
Provision for bonuses	–	205
Provision for loss on construction contracts	112	112
Other	570	401
<b>Total current liabilities</b>	<b>11,746</b>	<b>15,724</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	977	504
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	153	161
Other	83	83
<b>Total non-current liabilities</b>	<b>1,374</b>	<b>908</b>
<b>Total liabilities</b>	<b>13,120</b>	<b>16,632</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,001	1,001
Capital surplus	831	831
Retained earnings	10,996	12,198
Treasury shares	(291)	(861)
<b>Total shareholders' equity</b>	<b>12,538</b>	<b>13,169</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,451	1,548
Remeasurements of defined benefit plans	(44)	(39)
<b>Total accumulated other comprehensive income</b>	<b>2,407</b>	<b>1,508</b>
<b>Total net assets</b>	<b>14,945</b>	<b>14,677</b>
<b>Total liabilities and net assets</b>	<b>28,065</b>	<b>31,310</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Net sales	11,337	11,544
Cost of sales	8,207	8,100
Gross profit	3,129	3,443
Selling, general and administrative expenses	1,302	1,406
Operating profit	1,827	2,036
Non-operating income		
Interest income	1	0
Dividend income	9	9
Rental income from investment property	24	25
Insurance claim income	0	10
Other	0	0
Total non-operating income	36	46
Non-operating expenses		
Interest expenses	1	1
Rental expenses on real estate	9	10
Loss on cancellation of insurance policies	1	–
Other	0	3
Total non-operating expenses	12	15
Ordinary profit	1,850	2,068
Extraordinary losses		
Loss on valuation of investment securities	–	25
Total extraordinary losses	–	25
Profit before income taxes	1,850	2,042
Income taxes - current	641	727
Income taxes - deferred	(71)	(84)
Total income taxes	570	642
Profit	1,280	1,400
Profit attributable to owners of parent	1,280	1,400

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended March 31, 2019	Three months ended March 31, 2020
Profit	1,280	1,400
Other comprehensive income		
Valuation difference on available-for-sale securities	367	(903)
Remeasurements of defined benefit plans, net of tax	4	4
Total other comprehensive income	371	(899)
Comprehensive income	1,652	500
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,652	500
Comprehensive income attributable to non-controlling interests	—	—