

Translation

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## Summary of Consolidated Financial Results for the Year Ended December 31, 2021 (Based on Japanese GAAP)

February 10, 2022

Company name: EBARA JITSUGYO CO.,LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 6328 URL <https://www.ejk.co.jp/>  
 Representative: President and COO Toshinori Yoshida  
 Inquiries: Managing Executive Officer, Head of Planning & Strategy Office Shuji Ohno TEL 03-5565-2885  
 Scheduled date of ordinary general meeting of shareholders: March 24, 2022  
 Scheduled date to file Securities Report: March 24, 2022  
 Scheduled date to commence dividend payments: March 25, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated operating 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, 2021	32,485	7.4	3,982	23.9	4,110	22.2	3,159	34.9
Year ended December 31, 2020	30,250	6.4	3,214	58.8	3,363	55.0	2,342	54.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2021	253.05	–	17.6	12.0	12.3
Year ended December 31, 2020	184.60	–	14.8	11.1	10.6

(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, 2021	35,725	19,152	53.6	1,566.10
As of December 31, 2020	32,509	16,703	51.4	1,328.99

(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, 2021	3,147	108	(1,681)	10,955
Year ended December 31, 2020	4,073	1,037	(957)	9,381

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, 2020	–	30.00	–	80.00	110.00	691	29.8	4.5
Year ended December 31, 2021	–	75.00	–	47.50	–	1,062	33.6	5.9
Year ending December 31, 2022 (Forecast)	–	42.50	–	42.50	85.00		37.1	

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	35,000	7.7	3,800	(4.6)	3,950	(3.9)	2,800	(11.4)	228.95

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): 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, 2021	13,430,000 shares	As of December 31, 2020	13,430,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	1,200,454 shares	As of December 31, 2020	861,048 shares
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Average number of shares during the period

Year ended December 31, 2021	12,486,436 shares	Year ended December 31, 2020	12,689,704 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,386	11,100
Notes and accounts receivable - trade	10,804	10,447
Merchandise and finished goods	660	863
Work in process	224	281
Costs on construction contracts in progress	576	489
Raw materials and supplies	435	389
Other	210	352
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>22,296</b>	<b>23,921</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	3,194	3,634
Accumulated depreciation	(1,847)	(1,938)
Buildings and structures, net	1,346	1,696
Machinery, equipment and vehicles	194	196
Accumulated depreciation	(137)	(147)
Machinery, equipment and vehicles, net	56	49
Tools, furniture and fixtures	658	670
Accumulated depreciation	(573)	(581)
Tools, furniture and fixtures, net	84	89
Land	1,356	1,356
Construction in progress	13	–
<b>Total property, plant and equipment</b>	<b>2,857</b>	<b>3,191</b>
Intangible assets	131	120
<b>Investments and other assets</b>		
Investment securities	5,715	7,166
Insurance funds	687	408
Investment property, net	666	683
Deferred tax assets	13	66
Other	247	272
Allowance for doubtful accounts	(106)	(105)
<b>Total investments and other assets</b>	<b>7,224</b>	<b>8,491</b>
<b>Total non-current assets</b>	<b>10,213</b>	<b>11,804</b>
<b>Total assets</b>	<b>32,509</b>	<b>35,725</b>

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	9,946	9,829
Short-term borrowings	1,090	1,090
Current portion of long-term borrowings	—	80
Income taxes payable	788	818
Accrued consumption taxes	261	334
Advances received	1,411	1,369
Provision for loss on construction contracts	152	78
Other	628	746
<b>Total current liabilities</b>	<b>14,278</b>	<b>14,346</b>
<b>Non-current liabilities</b>		
Long-term borrowings	—	176
Deferred tax liabilities	1,086	1,598
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	195	182
Other	86	110
<b>Total non-current liabilities</b>	<b>1,527</b>	<b>2,227</b>
<b>Total liabilities</b>	<b>15,805</b>	<b>16,573</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,001	1,001
Capital surplus	831	1,032
Retained earnings	12,952	15,133
Treasury shares	(862)	(1,974)
<b>Total shareholders' equity</b>	<b>13,923</b>	<b>15,192</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,811	3,944
Remeasurements of defined benefit plans	(31)	15
<b>Total accumulated other comprehensive income</b>	<b>2,780</b>	<b>3,959</b>
<b>Total net assets</b>	<b>16,703</b>	<b>19,152</b>
<b>Total liabilities and net assets</b>	<b>32,509</b>	<b>35,725</b>

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

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales		
Net sales of finished goods and construction sales	24,747	27,351
Net sales of goods	5,503	5,134
Total net sales	30,250	32,485
Cost of sales		
Cost of finished goods sold and construction sales	16,963	18,094
Cost of goods sold	4,276	3,901
Total cost of sales	21,240	21,995
Gross profit		
Gross profit-finished goods and construction sales	7,783	9,256
Gross profit - merchandise	1,227	1,232
Total gross profit	9,010	10,489
Selling, general and administrative expenses	5,795	6,507
Operating profit	3,214	3,982
Non-operating income		
Interest income	1	2
Dividend income	90	103
Rental income from investment property	95	101
Other	22	23
Total non-operating income	209	230
Non-operating expenses		
Interest expenses	6	6
Rental expenses on real estate	40	43
Foreign exchange losses	9	6
Loss on cancellation of insurance policies	3	21
Commission expenses	0	19
Other	0	5
Total non-operating expenses	61	102
Ordinary profit	3,363	4,110
Extraordinary income		
Gain on sale of non-current assets	2	–
Gain on sale of investment securities	–	338
Other	0	0
Total extraordinary income	3	338
Extraordinary losses		
Impairment losses	–	30
Loss on sale of investment securities	–	26
Loss on valuation of investment securities	27	–
Other	–	0
Total extraordinary losses	27	57
Profit before income taxes	3,339	4,392
Income taxes - current	1,050	1,294
Income taxes - deferred	(53)	(62)
Total income taxes	997	1,232
Profit	2,342	3,159
Profit attributable to owners of parent	2,342	3,159

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Profit	2,342	3,159
Other comprehensive income		
Valuation difference on available-for-sale securities	360	1,132
Remeasurements of defined benefit plans, net of tax	13	46
Total other comprehensive income	373	1,179
Comprehensive income	2,715	4,338
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,715	4,338
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended December 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	831	10,996	(291)	12,538
Changes during period					
Dividends of surplus			(386)		(386)
Profit attributable to owners of parent			2,342		2,342
Purchase of treasury shares				(571)	(571)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,956	(571)	1,385
Balance at end of period	1,001	831	12,952	(862)	13,923

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,451	(44)	2,407	14,945
Changes during period				
Dividends of surplus				(386)
Profit attributable to owners of parent				2,342
Purchase of treasury shares				(571)
Net changes in items other than shareholders' equity	360	13	373	373
Total changes during period	360	13	373	1,758
Balance at end of period	2,811	(31)	2,780	16,703

Fiscal year ended December 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	831	12,952	(862)	13,923
Changes during period					
Dividends of surplus			(979)		(979)
Profit attributable to owners of parent			3,159		3,159
Purchase of treasury shares				(1,287)	(1,287)
Disposal of treasury shares		201		175	377
Net changes in items other than shareholders' equity					
Total changes during period	–	201	2,180	(1,112)	1,269
Balance at end of period	1,001	1,032	15,133	(1,974)	15,192

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,811	(31)	2,780	16,703
Changes during period				
Dividends of surplus				(979)
Profit attributable to owners of parent				3,159
Purchase of treasury shares				(1,287)
Disposal of treasury shares				377
Net changes in items other than shareholders' equity	1,132	46	1,179	1,179
Total changes during period	1,132	46	1,179	2,448
Balance at end of period	3,944	15	3,959	19,152

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	3,339	4,392
Depreciation	205	207
Impairment losses	–	30
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	39	(73)
Increase (decrease) in retirement benefit liability	60	53
Interest and dividend income	(91)	(105)
Interest expenses	6	6
Insurance claim income	(10)	–
Loss (gain) on cancellation of insurance policies	3	17
Loss (gain) on sale of property, plant and equipment	(2)	–
Loss (gain) on sale of investment securities	–	(323)
Loss (gain) on valuation of investment securities	27	–
Decrease (increase) in trade receivables	(636)	357
Decrease (increase) in inventories	(300)	(127)
Increase (decrease) in trade payables	1,548	(117)
Increase (decrease) in advances received	354	(42)
Decrease/increase in consumption taxes receivable/payable	124	72
Other, net	(28)	43
Subtotal	4,638	4,390
Interest and dividends received	91	104
Proceeds from insurance income	10	–
Interest paid	(6)	(6)
Income taxes paid	(660)	(1,341)
Net cash provided by (used in) operating activities	4,073	3,147
Cash flows from investing activities		
Net decrease (increase) in forced deposits	1,175	(136)
Purchase of property, plant and equipment	(83)	(446)
Purchase of intangible assets	(7)	(30)
Purchase of investment securities	(138)	(132)
Proceeds from sale and redemption of investment securities	0	626
Proceeds from cancellation of insurance funds	55	298
Proceeds from collection of loans receivable	30	10
Other, net	5	(80)
Net cash provided by (used in) investing activities	1,037	108
Cash flows from financing activities		
Proceeds from long-term borrowings	–	300
Repayments of long-term borrowings	–	(43)
Dividends paid	(386)	(978)
Purchase of treasury shares	(571)	(1,011)
Proceeds from disposal of treasury shares	–	51
Net cash provided by (used in) financing activities	(957)	(1,681)
Net increase (decrease) in cash and cash equivalents	4,153	1,574
Cash and cash equivalents at beginning of period	5,227	9,381
Cash and cash equivalents at end of period	9,381	10,955