

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 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 to file Quarterly Securities Report: May 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2022 (from January 1, 2022 to March 31, 2022)

(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, 2022	11,754	(20.2)	2,334	(34.1)	2,372	(33.7)	1,733	(36.0)
Three months ended March 31, 2021	14,725	27.6	3,544	74.0	3,576	72.9	2,707	93.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	141.75	–
Three months ended March 31, 2021	215.44	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	38,931	19,604	50.4
As of December 31, 2021	35,725	19,152	53.6

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, 2021	–	75.00	–	47.50	–
Year ending December 31, 2022	–	–	–	–	–
Year ending December 31, 2022 (Forecast)	–	42.50	–	42.50	85.00

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 three months ended March 31, 2022
(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: Yes
- 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, 2022	13,430,000 shares	As of December 31, 2021	13,430,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	1,195,254 shares	As of December 31, 2021	1,200,454 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, 2022	12,231,557 shares	Three months ended March 31, 2021	12,568,934 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,100	12,767
Notes and accounts receivable - trade	10,447	–
Notes and accounts receivable - trade, and contract assets	–	13,881
Merchandise and finished goods	863	838
Work in process	281	270
Costs on construction contracts in progress	489	112
Raw materials and supplies	389	450
Other	352	240
Allowance for doubtful accounts	(1)	(1)
Total current assets	23,921	28,559
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,634	3,645
Accumulated depreciation	(1,938)	(1,962)
Buildings and structures, net	1,696	1,682
Machinery, equipment and vehicles	196	196
Accumulated depreciation	(147)	(152)
Machinery, equipment and vehicles, net	49	44
Tools, furniture and fixtures	670	673
Accumulated depreciation	(581)	(582)
Tools, furniture and fixtures, net	89	91
Land	1,356	1,356
Other	–	7
Accumulated depreciation	–	0
Other, net	–	7
Total property, plant and equipment	3,191	3,181
Intangible assets	120	113
Investments and other assets		
Investment securities	7,166	5,792
Insurance funds	408	408
Investment property, net	683	628
Deferred tax assets	66	86
Other	272	267
Allowance for doubtful accounts	(105)	(105)
Total investments and other assets	8,491	7,076
Total non-current assets	11,804	10,371
Total assets	35,725	38,931

(Millions of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,829	13,194
Short-term borrowings	1,090	1,010
Current portion of long-term borrowings	80	80
Income taxes payable	818	947
Accrued consumption taxes	334	408
Advances received	1,369	–
Contract liabilities	–	996
Provision for bonuses	–	301
Provision for loss on construction contracts	78	34
Other	746	547
Total current liabilities	14,346	17,521
Non-current liabilities		
Long-term borrowings	176	176
Deferred tax liabilities	1,598	1,163
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	182	189
Other	110	115
Total non-current liabilities	2,227	1,804
Total liabilities	16,573	19,326
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	1,032	1,032
Retained earnings	15,133	16,384
Treasury shares	(1,974)	(1,961)
Total shareholders' equity	15,192	16,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,944	3,130
Remeasurements of defined benefit plans	15	17
Total accumulated other comprehensive income	3,959	3,148
Total net assets	19,152	19,604
Total liabilities and net assets	35,725	38,931

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, 2021	Three months ended March 31, 2022
Net sales	14,725	11,754
Cost of sales	9,677	7,805
Gross profit	5,047	3,948
Selling, general and administrative expenses	1,503	1,613
Operating profit	3,544	2,334
Non-operating income		
Interest income	0	1
Dividend income	17	21
Rental income from investment property	22	25
Gain on sale of investment securities	11	–
Other	1	6
Total non-operating income	53	55
Non-operating expenses		
Interest expenses	1	1
Rental expenses on real estate	8	10
Commission expenses	8	2
Other	2	4
Total non-operating expenses	21	18
Ordinary profit	3,576	2,372
Extraordinary income		
Gain on sale of investment securities	338	140
Gain on sale of membership	0	–
Total extraordinary income	338	140
Extraordinary losses		
Loss on sale of investment securities	26	–
Loss on sale of membership	0	–
Loss on disposal of non-current assets	–	1
Loss on investments in silent partnerships	–	9
Total extraordinary losses	26	11
Profit before income taxes	3,887	2,501
Income taxes - current	1,284	908
Income taxes - deferred	(104)	(140)
Total income taxes	1,180	767
Profit	2,707	1,733
Profit attributable to owners of parent	2,707	1,733

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	2,707	1,733
Other comprehensive income		
Valuation difference on available-for-sale securities	117	(814)
Remeasurements of defined benefit plans, net of tax	4	2
Total other comprehensive income	122	(811)
Comprehensive income	2,829	921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,829	921
Comprehensive income attributable to non-controlling interests	—	—