

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended June 30, 2022 (Based on Japanese GAAP)

August 3, 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: August 9, 2022  
 Scheduled date to commence dividend payments: September 5, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2022 (from January 1, 2022 to June 30, 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	%
Six months ended June 30, 2022	16,864	(11.3)	2,222	(32.1)	2,309	(30.7)	1,703	(33.3)
Six months ended June 30, 2021	19,013	18.2	3,271	65.1	3,334	61.7	2,555	78.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2022	139.20	—
Six months ended June 30, 2021	203.23	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	35,551	18,940	53.3
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	—	42.50	—	—	—
Year ending December 31, 2022 (Forecast)	—	—	—	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 six months ended June 30, 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 June 30, 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 June 30, 2022	1,163,697 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)

Six months ended June 30, 2022	12,241,157 shares	Six months ended June 30, 2021	12,573,681 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,100	16,540
Notes and accounts receivable - trade	10,447	–
Notes and accounts receivable - trade, and contract assets	–	7,653
Merchandise and finished goods	863	883
Work in process	281	269
Costs on construction contracts in progress	489	96
Raw materials and supplies	389	487
Other	352	294
Allowance for doubtful accounts	(1)	(1)
<b>Total current assets</b>	<b>23,921</b>	<b>26,223</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	3,634	3,619
Accumulated depreciation	(1,938)	(1,966)
Buildings and structures, net	1,696	1,652
Machinery, equipment and vehicles	196	197
Accumulated depreciation	(147)	(157)
Machinery, equipment and vehicles, net	49	40
Tools, furniture and fixtures	670	690
Accumulated depreciation	(581)	(593)
Tools, furniture and fixtures, net	89	97
Land	1,356	1,356
Construction in progress	–	45
Other	–	7
Accumulated depreciation	–	0
Other, net	–	7
<b>Total property, plant and equipment</b>	<b>3,191</b>	<b>3,198</b>
Intangible assets	120	104
<b>Investments and other assets</b>		
Investment securities	7,166	4,768
Insurance funds	408	382
Investment property, net	683	624
Deferred tax assets	66	87
Other	272	268
Allowance for doubtful accounts	(105)	(105)
<b>Total investments and other assets</b>	<b>8,491</b>	<b>6,025</b>
<b>Total non-current assets</b>	<b>11,804</b>	<b>9,328</b>
<b>Total assets</b>	<b>35,725</b>	<b>35,551</b>

(Millions of yen)

	As of December 31, 2021	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	9,829	10,095
Short-term borrowings	1,090	1,010
Current portion of long-term borrowings	80	80
Income taxes payable	818	803
Accrued consumption taxes	334	211
Advances received	1,369	–
Contract liabilities	–	2,184
Provision for loss on construction contracts	78	16
Other	746	657
Total current liabilities	14,346	15,059
Non-current liabilities		
Long-term borrowings	176	133
Deferred tax liabilities	1,598	954
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	182	197
Other	110	107
Total non-current liabilities	2,227	1,552
Total liabilities	16,573	16,611
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	1,032	1,046
Retained earnings	15,133	16,354
Treasury shares	(1,974)	(1,899)
Total shareholders' equity	15,192	16,502
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,944	2,418
Remeasurements of defined benefit plans	15	19
Total accumulated other comprehensive income	3,959	2,438
Total net assets	19,152	18,940
<b>Total liabilities and net assets</b>	<b>35,725</b>	<b>35,551</b>

**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, 2021	Six months ended June 30, 2022
Net sales	19,013	16,864
Cost of sales	12,549	11,426
Gross profit	6,463	5,438
Selling, general and administrative expenses	3,191	3,215
Operating profit	3,271	2,222
Non-operating income		
Interest income	0	0
Dividend income	54	61
Rental income from investment property	46	50
Other	17	9
Total non-operating income	119	122
Non-operating expenses		
Interest expenses	3	2
Rental expenses on real estate	19	19
Loss on cancellation of insurance policies	21	1
Commission expenses	8	2
Foreign exchange losses	3	8
Other	0	0
Total non-operating expenses	57	35
Ordinary profit	3,334	2,309
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 disposal of non-current assets	0	10
Loss on investments in silent partnerships	–	9
Other	0	0
Total extraordinary losses	26	21
Profit before income taxes	3,646	2,428
Income taxes - current	1,118	761
Income taxes - deferred	(27)	(36)
Total income taxes	1,091	724
Profit	2,555	1,703
Profit attributable to owners of parent	2,555	1,703

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

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Profit	2,555	1,703
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	(1,526)
Remeasurements of defined benefit plans, net of tax	7	4
Total other comprehensive income	(34)	(1,521)
Comprehensive income	2,520	181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,520	181
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,646	2,428
Depreciation	97	111
Share-based payment expenses	9	17
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	(29)	(61)
Increase (decrease) in retirement benefit liability	27	22
Interest and dividend income	(55)	(61)
Interest expenses	3	2
Loss (gain) on cancellation of insurance policies	18	1
Loss (gain) on sale of investment securities	(323)	(140)
Loss (gain) on disposal of non-current assets	0	10
Loss (gain) on investments in silent partnerships	–	9
Decrease (increase) in trade receivables	2,300	–
Decrease (increase) in trade receivables and contract assets	–	2,794
Decrease (increase) in inventories	337	286
Increase (decrease) in trade payables	283	266
Increase (decrease) in advances received	716	–
Increase (decrease) in contract liabilities	–	814
Decrease/increase in consumption taxes receivable/payable	129	(122)
Other, net	71	215
Subtotal	7,231	6,595
Interest and dividends received	55	62
Interest paid	(4)	(2)
Income taxes paid	(747)	(818)
Income taxes refund	–	2
Net cash provided by (used in) operating activities	6,534	5,839
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(279)	(190)
Purchase of property, plant and equipment	(324)	(136)
Purchase of intangible assets	(22)	(2)
Purchase of investment securities	(115)	(5)
Proceeds from sale and redemption of investment securities	636	330
Proceeds from cancellation of insurance funds	–	53
Proceeds from sale of investment property	–	49
Proceeds from withdrawal of investments in silent partnerships	–	3
Other, net	(4)	(26)
Net cash provided by (used in) investing activities	(110)	74

(Millions of yen)

	Six months ended June 30, 2021	Six months ended June 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(80)
Proceeds from long-term borrowings	300	–
Repayments of long-term borrowings	(2)	(43)
Dividends paid	(502)	(582)
Repayments of lease obligations	–	(0)
Purchase of treasury shares	(0)	–
Proceeds from disposal of treasury shares	12	42
Net cash provided by (used in) financing activities	(193)	(664)
Net increase (decrease) in cash and cash equivalents	6,230	5,249
Cash and cash equivalents at beginning of period	9,381	10,955
Cash and cash equivalents at end of period	15,612	16,205