

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 9, 2023

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 12, 2023
 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, 2023 (from January 1, 2023 to March 31, 2023)

(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, 2023	13,390	13.9	2,478	6.2	2,492	5.0	1,723	(0.6)
Three months ended March 31, 2022	11,754	(20.2)	2,334	(34.1)	2,372	(33.7)	1,733	(36.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	143.62		–	
Three months ended March 31, 2022	141.75		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	40,050	19,367	48.4
As of December 31, 2022	33,528	18,396	54.9

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, 2022	–	42.50	–	42.50	85.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		42.50	–	42.50	85.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	15.8	3,500	27.0	3,650	24.6	2,600	19.9	212.33

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2023
(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, 2023	12,930,000 shares	As of December 31, 2022	12,930,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	1,037,386 shares	As of December 31, 2022	788,816 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, 2023	11,999,567 shares	Three months ended March 31, 2022	12,231,557 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	11,296	10,777
Notes and accounts receivable - trade, and contract assets	10,631	17,134
Merchandise and finished goods	1,159	1,183
Work in process	331	328
Costs on construction contracts in progress	173	84
Raw materials and supplies	481	483
Other	359	422
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,432	30,413
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,704	3,704
Accumulated depreciation	(2,020)	(2,047)
Buildings and structures, net	1,684	1,657
Machinery, equipment and vehicles	206	207
Accumulated depreciation	(160)	(163)
Machinery, equipment and vehicles, net	46	43
Tools, furniture and fixtures	691	697
Accumulated depreciation	(599)	(610)
Tools, furniture and fixtures, net	91	87
Land	1,356	1,356
Construction in progress	2	2
Other	7	7
Accumulated depreciation	(1)	(1)
Other, net	6	6
Total property, plant and equipment	3,187	3,153
Intangible assets	86	105
Investments and other assets		
Investment securities	4,494	5,011
Insurance funds	410	424
Investment property, net	636	633
Deferred tax assets	117	130
Other	268	282
Allowance for doubtful accounts	(105)	(104)
Total investments and other assets	5,822	6,377
Total non-current assets	9,096	9,636
Total assets	33,528	40,050

(Millions of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,809	14,280
Short-term borrowings	1,010	1,010
Current portion of long-term borrowings	80	80
Income taxes payable	329	942
Accrued consumption taxes	21	307
Contract liabilities	1,661	1,409
Provision for bonuses	–	361
Provision for loss on construction contracts	22	10
Other	714	735
Total current liabilities	13,647	19,137
Non-current liabilities		
Long-term borrowings	91	91
Deferred tax liabilities	868	937
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	241	248
Other	122	108
Total non-current liabilities	1,483	1,545
Total liabilities	15,131	20,683
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	831	831
Retained earnings	15,700	16,901
Treasury shares	(1,378)	(2,040)
Total shareholders' equity	16,154	16,693
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,228	2,657
Remeasurements of defined benefit plans	14	16
Total accumulated other comprehensive income	2,242	2,673
Total net assets	18,396	19,367
Total liabilities and net assets	33,528	40,050

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, 2022	Three months ended March 31, 2023
Net sales	11,754	13,390
Cost of sales	7,805	9,201
Gross profit	3,948	4,188
Selling, general and administrative expenses	1,613	1,710
Operating profit	2,334	2,478
Non-operating income		
Interest income	1	0
Dividend income	21	24
Rental income from investment property	25	24
Other	6	2
Total non-operating income	55	51
Non-operating expenses		
Interest expenses	1	1
Rental expenses on real estate	10	9
Commission expenses	2	24
Other	4	2
Total non-operating expenses	18	38
Ordinary profit	2,372	2,492
Extraordinary income		
Gain on sale of investment securities	140	–
Total extraordinary income	140	–
Extraordinary losses		
Loss on disposal of non-current assets	1	–
Loss on investments in silent partnerships	9	–
Total extraordinary losses	11	–
Profit before income taxes	2,501	2,492
Income taxes - current	908	903
Income taxes - deferred	(140)	(134)
Total income taxes	767	768
Profit	1,733	1,723
Profit attributable to owners of parent	1,733	1,723

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	1,733	1,723
Other comprehensive income		
Valuation difference on available-for-sale securities	(814)	428
Remeasurements of defined benefit plans, net of tax	2	2
Total other comprehensive income	(811)	431
Comprehensive income	921	2,154
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	921	2,154
Comprehensive income attributable to non-controlling interests	–	–