

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2017 (Based on Japanese GAAP)

April 28, 2017

Company name: EBARA JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <http://www.ejk.co.jp/>
 Representative: Chairman & President HISASHI SUZUKI
 Senior Corporate Officer, Head of Corporate Planning & Strategy Office SHUJI OHNO TEL 03-5565-2885
 Inquiries: SHUJI OHNO TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: May 9, 2017
 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, 2017 (from January 1, 2017 to March 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2017	10,518	(14.2)	1,768	(3.4)	1,779	(3.8)	1,247	0.1
Three months ended March 31, 2016	12,255	10.1	1,831	6.6	1,850	5.8	1,245	8.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2017	186.00	–
Three months ended March 31, 2016	186.83	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2017	27,878	11,996	43.0
As of December 31, 2016	23,434	10,624	45.3

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, 2016	–	22.50	–	22.50	45.00
Year ending December 31, 2017	–				
Year ending December 31, 2017 (Forecast)		22.50	–	22.50	45.00

3. Forecast of consolidated financial results for the year ending December 31, 2017 (from January 1, 2017 to December 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2017	16,750	4.5	1,250	1.2	1,310	0.8	900	0.4	134.18
Full year	28,000	0.8	1,340	3.8	1,440	1.4	1,000	(2.9)	149.09

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2017
(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, 2017	6,715,000 shares	As of December 31, 2016	6,715,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	7,692 shares	As of December 31, 2016	7,692 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, 2017	6,707,308 shares	Three months ended March 31, 2016	6,667,745 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	3,185	4,409
Notes and accounts receivable - trade	9,773	12,906
Merchandise and finished goods	811	751
Work in process	204	180
Costs on uncompleted construction contracts	510	300
Raw materials and supplies	176	190
Deferred tax assets	43	127
Other	374	213
Allowance for doubtful accounts	(1)	(1)
Total current assets	15,077	19,077
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,958	3,009
Accumulated depreciation	(1,513)	(1,514)
Buildings and structures, net	1,445	1,495
Machinery, equipment and vehicles	109	108
Accumulated depreciation	(64)	(67)
Machinery, equipment and vehicles, net	45	41
Tools, furniture and fixtures	519	546
Accumulated depreciation	(401)	(415)
Tools, furniture and fixtures, net	117	131
Land	1,421	1,421
Other	37	6
Accumulated depreciation	(4)	(5)
Other, net	32	1
Total property, plant and equipment	3,061	3,090
Intangible assets	35	38
Investments and other assets		
Investment securities	3,324	3,721
Insurance funds	1,145	1,159
Real estate for investment, net	652	648
Deferred tax assets	5	5
Other	240	245
Allowance for doubtful accounts	(108)	(108)
Total investments and other assets	5,258	5,671
Total non-current assets	8,356	8,801
Total assets	23,434	27,878

(Millions of yen)

	As of December 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,671	11,638
Short-term loans payable	1,090	1,090
Income taxes payable	135	647
Accrued consumption taxes	224	183
Advances received	1,107	541
Provision for bonuses	–	183
Provision for loss on construction contracts	14	9
Other	634	534
Total current liabilities	11,878	14,828
Non-current liabilities		
Deferred tax liabilities	598	719
Provision for directors' retirement benefits	187	187
Net defined benefit liability	75	75
Other	69	70
Total non-current liabilities	931	1,053
Total liabilities	12,810	15,881
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	7,609	8,706
Treasury shares	(12)	(12)
Total shareholders' equity	9,430	10,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,311	1,581
Remeasurements of defined benefit plans	(117)	(111)
Total accumulated other comprehensive income	1,193	1,469
Total net assets	10,624	11,996
Total liabilities and net assets	23,434	27,878

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, 2016	Three months ended March 31, 2017
Net sales	12,255	10,518
Cost of sales	9,164	7,397
Gross profit	3,091	3,121
Selling, general and administrative expenses	1,260	1,353
Operating income	1,831	1,768
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance income	12	–
Rent of real estate for investment	21	21
Other	2	4
Total non-operating income	37	27
Non-operating expenses		
Interest expenses	2	1
Rent expenses on real estates	9	9
Other	6	5
Total non-operating expenses	18	16
Ordinary income	1,850	1,779
Profit before income taxes	1,850	1,779
Income taxes - current	676	617
Income taxes - deferred	(71)	(85)
Total income taxes	605	532
Profit	1,245	1,247
Profit attributable to owners of parent	1,245	1,247

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2016	Three months ended March 31, 2017
Profit	1,245	1,247
Other comprehensive income		
Valuation difference on available-for-sale securities	(244)	269
Remeasurements of defined benefit plans, net of tax	3	6
Total other comprehensive income	(241)	276
Comprehensive income	1,004	1,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,004	1,523
Comprehensive income attributable to non-controlling interests	—	—