

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2019 (Based on Japanese GAAP)

November 1, 2019

Company name: EBARA JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <https://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: TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: November 6, 2019
 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 nine months ended September 30, 2019 (from January 1, 2019 to September 30, 2019)

(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	%
Nine months ended September 30, 2019	21,556	(0.6)	1,652	(9.2)	1,755	(7.7)	1,239	(7.2)
Nine months ended September 30, 2018	21,696	11.8	1,820	31.5	1,900	29.1	1,335	22.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2019	187.98	–
Nine months ended September 30, 2018	200.73	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	25,610	13,883	54.2
As of December 31, 2018	26,584	12,520	47.1

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, 2018	–	25.00	–	35.00	60.00
Year ending December 31, 2019	–	30.00	–	–	–
Year ending December 31, 2019 (Forecast)	–	–	–	30.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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	29,000	(1.0)	2,180	1.9	2,310	2.6	1,650	3.1	250.30

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2019
(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 September 30, 2019	6,715,000 shares	As of December 31, 2018	6,715,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	122,867 shares	As of December 31, 2018	122,867 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2019	6,592,133 shares	Nine months ended September 30, 2018	6,654,108 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	6,170	7,495
Notes and accounts receivable - trade	10,486	7,865
Merchandise and finished goods	779	524
Work in process	217	222
Costs on uncompleted construction contracts	592	479
Raw materials and supplies	212	233
Other	96	145
Allowance for doubtful accounts	(1)	(1)
Total current assets	18,553	16,964
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,170	3,170
Accumulated depreciation	(1,675)	(1,744)
Buildings and structures, net	1,494	1,425
Machinery, equipment and vehicles	147	182
Accumulated depreciation	(94)	(103)
Machinery, equipment and vehicles, net	53	78
Tools, furniture and fixtures	612	623
Accumulated depreciation	(500)	(530)
Tools, furniture and fixtures, net	111	93
Land	1,360	1,360
Other	3	3
Accumulated depreciation	(3)	(3)
Other, net	0	–
Total property, plant and equipment	3,020	2,958
Intangible assets	78	160
Investments and other assets		
Investment securities	3,160	3,965
Insurance funds	933	721
Real estate for investment, net	692	683
Deferred tax assets	12	20
Other	240	243
Allowance for doubtful accounts	(107)	(107)
Total investments and other assets	4,931	5,526
Total non-current assets	8,031	8,645
Total assets	26,584	25,610

(Millions of yen)

	As of December 31, 2018	As of September 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,454	7,366
Short-term loans payable	1,090	1,090
Income taxes payable	443	266
Accrued consumption taxes	152	141
Advances received	1,391	1,139
Provision for bonuses	–	203
Provision for loss on construction contracts	115	112
Other	628	415
Total current liabilities	13,276	10,735
Non-current liabilities		
Deferred tax liabilities	417	598
Provision for directors' retirement benefits	158	158
Net defined benefit liability	139	158
Other	72	74
Total non-current liabilities	787	990
Total liabilities	14,064	11,726
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	9,912	10,723
Treasury shares	(291)	(291)
Total shareholders' equity	11,454	12,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,138	1,678
Remeasurements of defined benefit plans	(72)	(58)
Total accumulated other comprehensive income	1,066	1,619
Total net assets	12,520	13,883
Total liabilities and net assets	26,584	25,610

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Net sales	21,696	21,556
Cost of sales	15,882	15,789
Gross profit	5,814	5,767
Selling, general and administrative expenses	3,994	4,115
Operating profit	1,820	1,652
Non-operating income		
Interest income	1	2
Dividend income	49	54
Rent of real estate for investment	70	74
Insurance income	12	–
Other	23	21
Total non-operating income	156	153
Non-operating expenses		
Interest expenses	6	6
Rent expenses on real estates	30	29
Loss on insurance cancellation	34	9
Other	4	5
Total non-operating expenses	75	50
Ordinary profit	1,900	1,755
Profit before income taxes	1,900	1,755
Income taxes - current	613	586
Income taxes - deferred	(48)	(70)
Total income taxes	564	515
Profit	1,335	1,239
Profit attributable to owners of parent	1,335	1,239

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2018	Nine months ended September 30, 2019
Profit	1,335	1,239
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	539
Remeasurements of defined benefit plans, net of tax	17	13
Total other comprehensive income	(47)	552
Comprehensive income	1,288	1,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,288	1,791
Comprehensive income attributable to non-controlling interests	—	—