



# Year Ended December 31, 2022 Supplementary Materials for Financial Results

February 10, 2023

EBARA JITSUGYO CO., LTD.



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# FY2022 Summary

## Market condition

- Demand for renewal of waterworks and sewage facilities, as well as demand for disaster prevention and mitigation, remains strong
- Private capital investment is recovering
- Delays in construction progress and product shipments due to shortages in the supply of materials and equipment
- Demand for "infectious diseases control equipment," which drove performance in the previous fiscal year, has settled down

## Financial Highlights for FY2022

- Net sales were 30.2 billion yen and operating profit was 2.7 billion yen, and both sales and profit decreased
- Delays in recording orders and sales due to shortages in the supply of materials and equipment
- Significant increase in the orders backlog due to delay in recording sales

## FY2023 Business Plan

- Expect both sales and profit to increase, with net sales of 35.0 billion yen and operating profit of 3.5 billion yen
- Net sales will increase due to progress of high-level orders backlog
- Will maintain profit margin by absorbing price increases in raw materials and other costs through price pass-throughs and cost-reduction efforts

## Shareholder Returns

- Maintained dividend amount despite the decrease in profit, prioritizing stable dividends (payout ratio: 48%)
- Repurchased and canceled treasury shares as part of shareholder returns



# **FY2022 Financial Results Overview**

# FY2022 Results Highlights

Net Sales

**30.2** bn yen (- 6.9%)

Orders received

**34.6** bn yen (- 1.1%)

Operating Profit

**2.7** bn yen (- 30.8%)

Orders backlog

**29.2** bn yen (+ 15.8%)

Profit

**2.1** bn yen (- 31.4%)

\* Figures in parentheses are year-on-year changes

(Unit: mn yen)	Dec. 2020		Dec. 2021		Dec. 2022		Year-on-Year	
		Ratio (%)		Ratio (%)		Ratio (%)	Change (%)	Change
Net Sales	30,250	100.0	32,485	100.0	<b>30,229</b>	100.0	- 6.9	- 2,256
Gross Profit	9,010	29.8	10,489	32.3	<b>9,282</b>	30.7	- 11.5	- 1,207
SG&A expenses	5,795	19.2	6,507	20.0	<b>6,525</b>	21.6	+ 0.3	+ 18
Operating Profit	3,214	10.6	3,982	12.3	<b>2,756</b>	9.1	- 30.8	- 1,226
Ordinary Profit	3,363	11.1	4,110	12.7	<b>2,929</b>	9.7	- 28.7	- 1,181
Profit	2,342	7.7	3,159	9.7	<b>2,169</b>	7.2	- 31.4	- 990
Orders received	34,000	-	35,014	-	<b>34,643</b>	-	- 1.1	- 371
Orders backlog	22,727	-	25,256	-	<b>29,250</b>	-	+ 15.8	+ 3,994

# FY2022 Financial Summary

## Market condition

- Demand for "infectious diseases control equipment," which drove performance in FY2021, has settled down (a major factor behind the decrease in sales and profit compared to the previous year).
- Demand for renewal of waterworks and sewage facilities and disaster prevention/mitigation remained strong. In addition, private capital investment, which had fallen due to the COVID-19 pandemic, is recovering.
- Shortages in the supply of materials and equipment caused delays in construction progress and product shipments, and local governments placed orders behind schedule.
- Costs of materials and equipment increased due to supply chain disruption.

## Net Sales

Year-on-Year

- **2.25** bn yen (- 6.9%)

- Sales of infectious diseases control equipment declined sharply as demand from COVID-19 hospitals has settled down
- Net sales decreased due to delays in construction progress and product shipments caused by shortages in the supply of materials and equipment as well as raw materials

## Gross Profit

Year-on-Year

- **1.2** bn yen (- 11.5%)

- Decrease in gross profit due to significant decrease in net sales of infectious diseases control equipment
- Decline in gross profit margin due to higher raw material prices in Engineering business

## Operating Profit

Year-on-Year

- **1.22** bn yen (- 30.8%)

- Operating profit also declined due to a decrease in gross profit

## Orders received

Year-on-Year

- **0.37** bn yen (- 1.1%)

- Solid demand in Manufacturing and Trading businesses, and orders received increased
- Engineering business declined due to delay in timing of orders from local governments

## Orders backlog

Year-on-Year

+ **3.99** bn yen (+ 15.8%)

- Shortages in the supply of materials and equipment as well as raw materials caused delays in construction progress and product shipments, resulting in an increase in the orders backlog
- In the private market, some of the orders are being received ahead of schedule in anticipation of longer delivery times

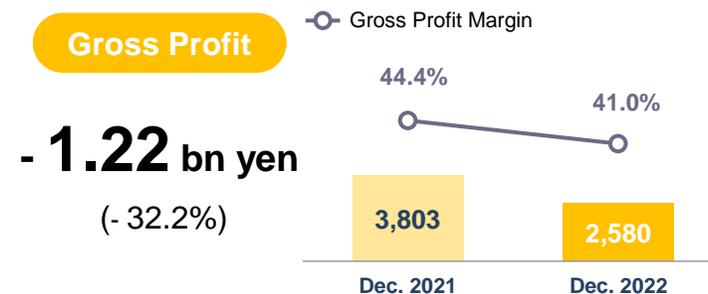
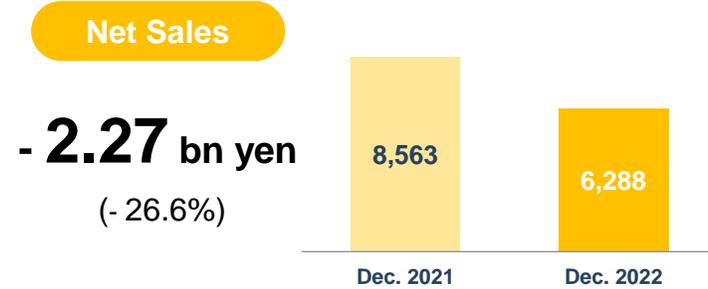
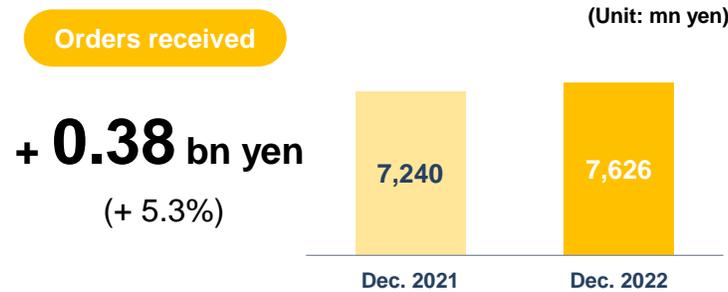
# FY2022 Results Trends by Segment

		(Unit: mn yen)	Dec. 2020	Dec. 2021	Dec. 2022	Year-on-Year	
						Change (%)	Change
 <b>Manufacturing (environment-related)</b>	<b>Orders received</b>	8,972	7,240	<b>7,626</b>	+5.3	+386	
	<b>Net Sales</b>	7,456	8,563	<b>6,288</b>	- 26.6	- 2,275	
	<b>Gross Profit</b>	3,011	3,803	<b>2,580</b>	- 32.2	- 1,223	
 <b>Engineering (water-treatment-related)</b>	<b>Orders received</b>	15,748	17,435	<b>16,349</b>	- 6.2	- 1,086	
	<b>Net Sales</b>	13,155	14,683	<b>14,408</b>	- 1.9	- 274	
	<b>Gross Profit</b>	3,752	4,403	<b>4,234</b>	- 3.8	- 168	
 <b>Trading (fluid machinery-related)</b>	<b>Orders received</b>	9,278	10,338	<b>10,667</b>	+3.2	+329	
	<b>Net Sales</b>	9,639	9,238	<b>9,532</b>	+3.2	+294	
	<b>Gross Profit</b>	2,246	2,281	<b>2,467</b>	+8.1	+185	

# Results by Segment (Year-on-Year)



## Manufacturing (environment-related)



### Orders received

Field	Change factors	Change (Unit: mn yen)
Measuring	Steady demand for ozone monitors for semiconductor manufacturing facilities and increased demand for ozone monitors for water purification plants	+191
Energy-saving/creating	Increased orders for storage batteries at the end of the period	+381
Deodorizing	Stable demand trend for deodorizer replacements	+67
Water treatment plants	Increased orders for fisheries plant equipment	+118
Medical	Demand for infectious diseases control equipment for COVID-19 hospitals has settled down	-370

### Net Sales

Field	Change factors	Change (Unit: mn yen)
Measuring	Production and shipments of ozone monitors were delayed and decreased due to a shortage of parts supply	-164
Energy-saving/creating	Although progress is behind schedule, sales of storage batteries increased	+47
Deodorizing	Contribution from bio-deodorizing and bio-desulfurization equipment projects	+229
Water treatment plants	Increase in sales of fisheries plant equipment offset the reactionary decline in sales of sewerage plant facilities	+27
Medical	Demand for infectious diseases control equipment for COVID-19 hospitals has settled down	-2,413

### Gross Profit

- Decrease in gross profit due to lower net sales in the medical segment, and overall gross profit margin of the segment also declined

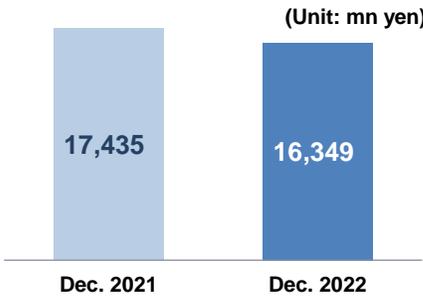
# Results by Segment (Year-on-Year)



## Engineering (water-treatment-related)

Orders received

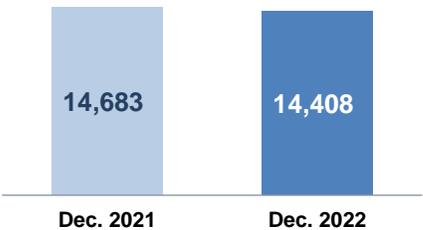
**- 1.08 bn yen**  
(- 6.2%)



- Although demand remained strong, there were delays in the timing of orders placed by local governments due to the lack of supply of materials and equipment

Net Sales

**- 0.27 bn yen**  
(- 1.9%)



- Delays in construction progress due to prolonged delivery of materials and equipment

Gross Profit

**- 0.16 bn yen**  
(- 3.8%)



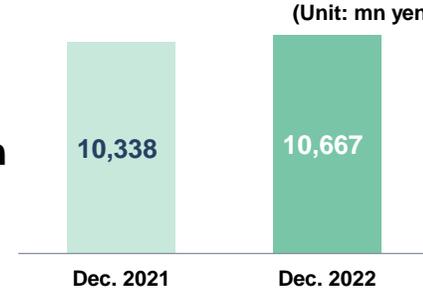
- Decline in gross profit margin due to higher raw material prices



## Trading (fluid machinery-related)

Orders received

**+ 0.32 bn yen**  
(+3.2%)



- Private capital investment is recovering
- Some of the orders received ahead of schedule in anticipation of longer delivery times

Net Sales

**+ 0.29 bn yen**  
(+3.2%)



- Although sales exceeded the same period in the previous year, there were delays in the recording of sales in some cases due to delays in deliveries of equipment

Gross Profit

**+ 0.18 bn yen**  
(+8.1%)



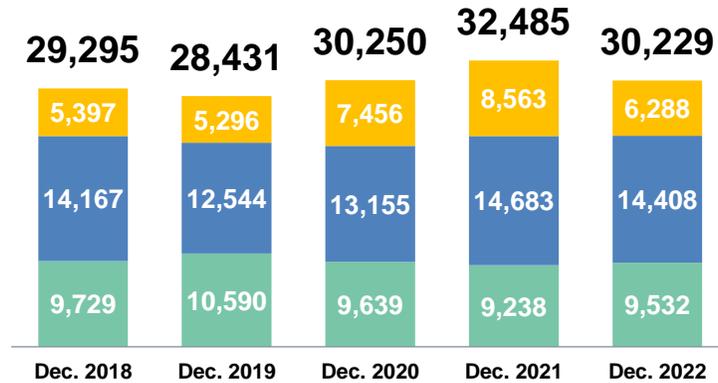
- Increase in gross profit margin through selective order acceptance, improved operating efficiency, etc.

# Trends in Net Sales, Gross Profit, Orders Received, and Orders Backlog

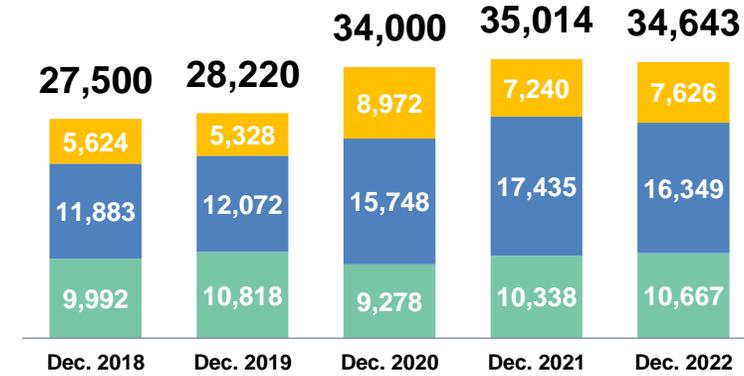
■ Manufacturing 
 ■ Engineering 
 ■ Trading

(Unit: mn yen)

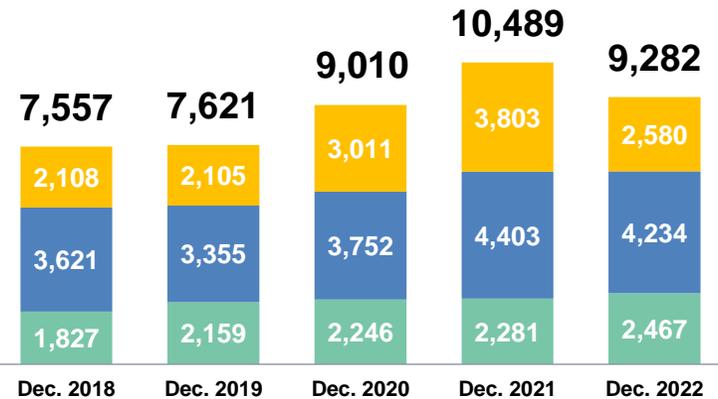
### Trend in Net Sales



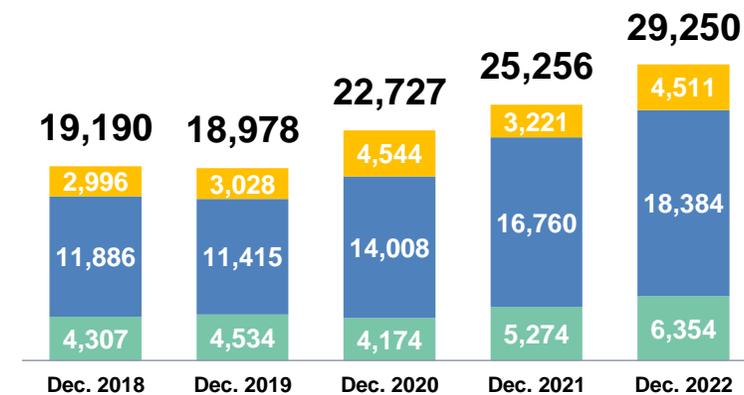
### Trend in Orders received



### Trend in Gross Profit



### Trend in Orders backlog





# **FY2023 Business Plan**

# FY2023 Business Plan

Increase sales and profits

- Anticipate an increase in sales due to progress and shipments of orders received in the previous period and earlier. (The orders backlog at the beginning of the period is expected to increase by 4.0 billion yen from the previous period.)
- Plan to increase orders by steadily capturing demand in the energy-saving and energy-creating sectors and the fisheries sector, and from local governments for equipment renewal.
- Profit margin is expected to remain unchanged from the previous year, as price increases in raw materials and other costs will be absorbed by price pass-throughs and cost-reduction efforts.
- Plan to increase SG&A expenses due to higher employee benefits on considering inflation and increased R&D-related costs targeting business growth.

(Unit: mn yen)	Dec. 2021 Results		Dec. 2022 Results		Dec. 2023 Plan		Year-on-Year	
		Ratio (%)		Ratio (%)		Ratio (%)	Change (%)	Change
<b>Net Sales</b>	32,485	100.0	30,229	100.0	<b>35,000</b>	100.0	+ 15.8	+ 4,771
<b>Gross Profit</b>	10,489	32.3	9,282	30.7	<b>10,500</b>	30.0	+ 13.1	+ 1,218
<b>SG&amp;A expenses</b>	6,507	20.0	6,525	21.6	<b>7,000</b>	20.0	+ 7.3	+ 475
<b>Operating Profit</b>	3,982	12.3	2,756	9.1	<b>3,500</b>	10.0	+ 27.0	+ 744
<b>Ordinary Profit</b>	4,110	12.7	2,929	9.7	<b>3,650</b>	10.4	+ 24.6	+ 721
<b>Profit</b>	3,159	9.7	2,169	7.2	<b>2,600</b>	7.4	+ 19.9	+ 431
<b>Orders received</b>	35,014	-	34,643	-	<b>36,000</b>	-	+ 3.9	+ 1,357
<b>Orders backlog</b>	25,256	-	29,250	-	<b>30,250</b>	-	+ 3.4	+ 1,000
<b>Dividend per share</b>	85 yen	-	85 yen	-	<b>85 yen</b>	-	-	-

\*Figures for dividend per share have been adjusted retroactively for the 1:2 stock split effective July 1, 2021.

\*Dec. 2022 Dividend will be proposed to the Annual General Meeting of Shareholders to be held in March 2023

# Business Plan Assumptions (by segment)



## Manufacturing (environment-related) Plan

### Orders received · Net Sales

- Shipment and sales booking of ordered products delayed due to shortage of parts supply
- Full-scale development of storage battery business, which had been delayed due to supply chain disruptions
- Growth in the fisheries business centered on land-based aquaculture facilities

### Gross Profit

- Profit amount is expected to increase in line with the higher net sales
- Absorb impact of raw material price hikes by price pass-throughs and cost-reduction efforts



## Engineering (water-treatment-related) Plan

### Orders received

- Demand for waterworks and sewerage renewal projects and disaster prevention and mitigation remains strong

### Net Sales

- Sales increase due to progress and shipments of projects ordered in the previous period and earlier

### Gross Profit

- Plan to secure profit margin at the same level as the previous year and increase profit



## Trading (fluid machinery-related) Plan

### Orders received

- Private capital investment is recovering

### Net Sales

- Sales increase due to progress and shipments of projects ordered in the previous fiscal year and earlier

### Gross Profit

- Profit margin is expected to decline due to higher procurement prices, although some of the cost will be passed on to selling prices

Manufacturing (mn yen)	Dec. 2022	Dec. 2023 Plan	Year-on-Year		
			Ratio (%)	Change (%)	Change
<b>Orders received</b>	7,626	8,000	-	+ 4.9	+ 374
<b>Net Sales</b>	6,288	7,900	100.0	+ 25.6	+ 1,612
<b>Gross Profit</b>	2,580	3,320	42.0	+ 28.7	+ 740

Engineering (mn yen)	Dec. 2022	Dec. 2023 Plan	Year-on-Year		
			Ratio (%)	Change (%)	Change
<b>Orders received</b>	16,349	17,000	-	+ 4.0	+ 651
<b>Net Sales</b>	14,408	15,600	100.0	+ 8.3	+ 1,192
<b>Gross Profit</b>	4,234	4,600	29.5	+ 8.6	+ 366

Trading (mn yen)	Dec. 2022	Dec. 2023 Plan	Year-on-Year		
			Ratio (%)	Change (%)	Change
<b>Orders received</b>	10,667	11,000	-	+ 3.1	+ 333
<b>Net Sales</b>	9,532	11,500	100.0	+ 20.6	+ 1,968
<b>Gross Profit</b>	2,467	2,580	22.4	+ 4.6	+ 113



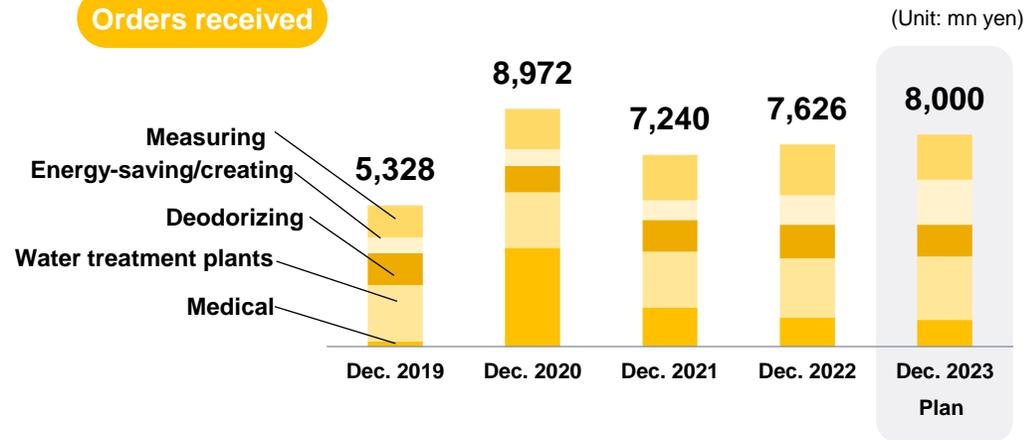
# Trends and Strategies by Segment Manufacturing (environment-related)

## Advance niche strategies and expansion of business domains to be the core of growth

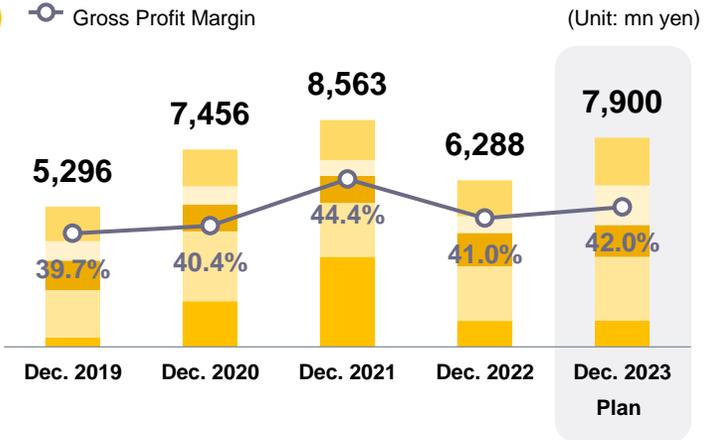
### Market condition

- Uncertainty about future demand in the semiconductor industry
- Increase in demand for fisheries plant equipment, especially for land-based aquaculture facilities
- Increase in demand for storage batteries in anticipation of a decarbonized society
- Increase in demand for new products that contribute to a society that coexists with infectious diseases

### Orders received



### Net Sales



### Our strategy

#### 1. Launch new products

- Full-scale entry into the ZEB market with certification of storage batteries
- Launch of infectious diseases control equipment in response to coexisting with COVID-19

#### 2. Brush-up existing product lines

- Further improve profitability of proven products
- Strengthen competitiveness in a way that meets the needs of "advanced processing," "energy saving," "AI/IoT," "environmental load reduction," and "safety and security."

#### 3. Strengthen maintenance service

- Cultivate maintenance services that are resilient to the external environment as a revenue base



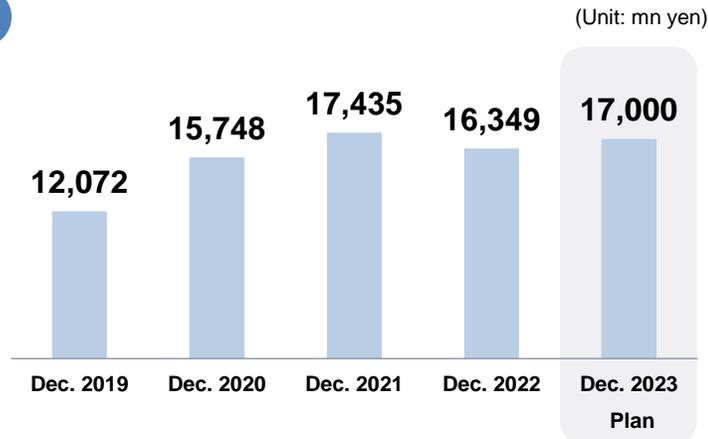
# Trends and Strategies by Segment Engineering (water-treatment-related)

## Develop business domains based on both the customer and product axes

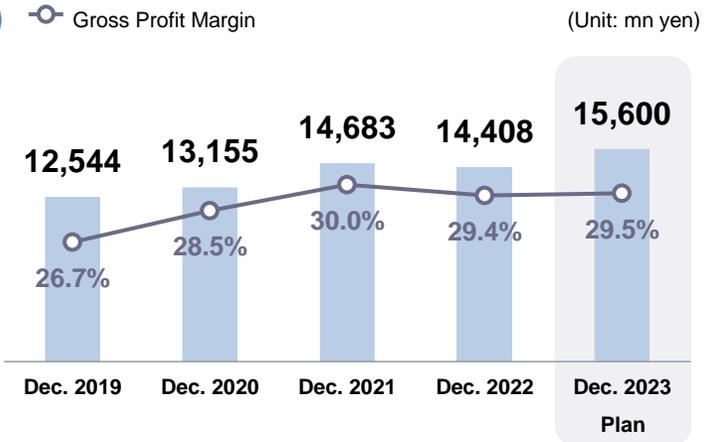
### Market condition

- Increase in demand for renewal of waterworks and sewage facilities
- Growing demand for disaster prevention and mitigation due to frequent natural disasters
- Stagnation of construction projects due to lack of supply of materials and equipment, etc.
- Rising prices of resources and raw materials

### Orders received



### Net Sales



### Our strategy

#### 1. Selective order acceptance, improvement of estimating techniques, and thorough cost awareness

- Strengthen cooperation with subcontractors to improve construction capabilities and price competitiveness

#### 2. Strengthen sales activities in new entry areas

- Expand into new areas, mainly in Hokkaido and Hokuriku

#### 3. Respond to demand for disaster prevention and mitigation

- Provide technologies and products to meet the demand for disaster prevention and mitigation based on the Fundamental Plan for National Resilience



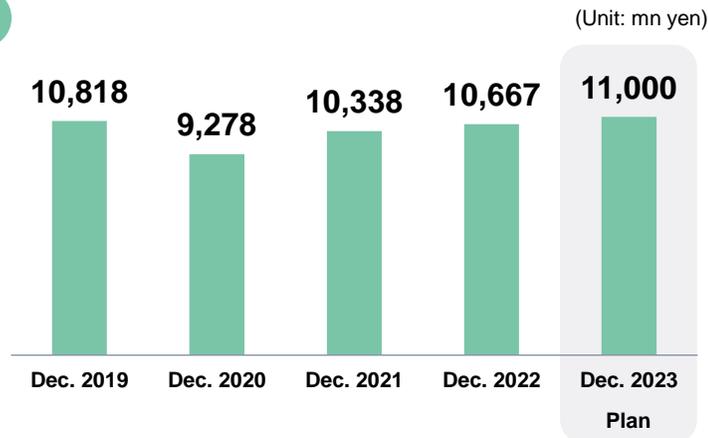
# Trends and Strategies by Segment Trading (fluid machinery-related)

Steadily reinforce the revenue base that has been a foundation since the foundation

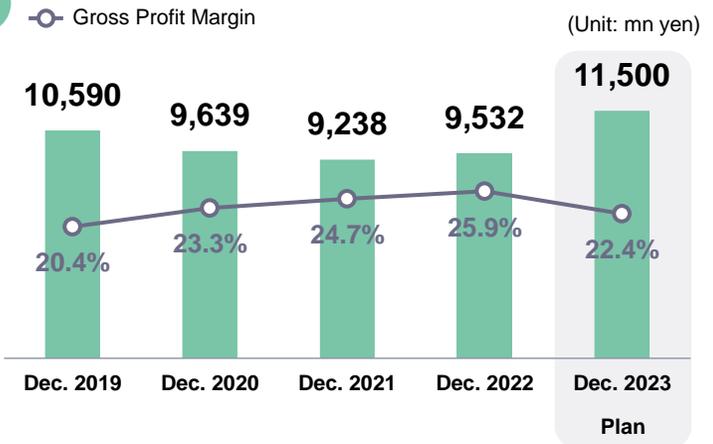
## Market condition

- Private capital investment is recovering
- Price pass-throughs are possible despite the impact of equipment price hikes

## Orders received



## Net Sales



## Our strategy

### 1. Strengthen collaboration with general contractors, subcontractors, and manufacturers

- Strengthen sales activities from the design stage and improve cost competitiveness

### 2. Reach out to a diverse customer base

- Reinforce precise responses and proposal-based sales
- Acquire new customers by leveraging our extensive delivery record

# Demand Trends for Infectious Diseases Control Equipment

## Trends

- Demand for negative pressure equipment for general hospitals has settled down
- Scope of subsidies for infectious diseases control equipment has been reduced
- Government policy to move the classification of COVID-19 infections from equivalent to category 2 to category 5 has been determined
- Parts supply shortages continue, but the negative impact is being minimized
- Demand for infectious diseases control equipment remains high compared to that before the COVID-19 pandemic, but both orders and sales are down from the previous year and the two previous years when there was special demand

Medical (mn yen)	Dec. 2021	Dec. 2022	Dec. 2023 Plan	Year-on-Year	
				Change (%)	Change
<b>Orders received</b>	1,476	1,106	1,000	- 9.6	- 106
<b>Net Sales</b>	3,402	989	1,000	+ 1.1	+ 11

- Launch of new equipment addressing the transition to category 5 COVID-19 infections and post-pandemic.
- Expand maintenance and service business by leveraging accumulated delivery volume
- Enter the disaster medical field
- Maintain a stable supply of products by optimizing procurement management

## Simple negative pressure equipment ACE-2000

### ACE series

- Triple structure of pre-filter, UV lamp, and enzyme HEPA filter reduces the risk of airborne infection in the installation space
- Slimmed down by approximately 40% in volume from the conventional ACE-5000, making it more applicable to small spaces such as examination rooms and small hospital rooms
- Retrofittable, existing rooms can be easily converted to a negative pressure environment



《ACE-2000》

## Indoor ozone sanitation equipment EFD-1000

### New launch

- Two functions: air purification and ozone gas fumigation
- Air purification with HEPA filter + normal temperature catalyst during daytime (when manned)
- Capable of sterilizing an entire room by ozone gas fumigation at night (when unoccupied)
- Suitable size for small- to medium-size clinics



《EFD-1000》



## **Shareholder Returns**

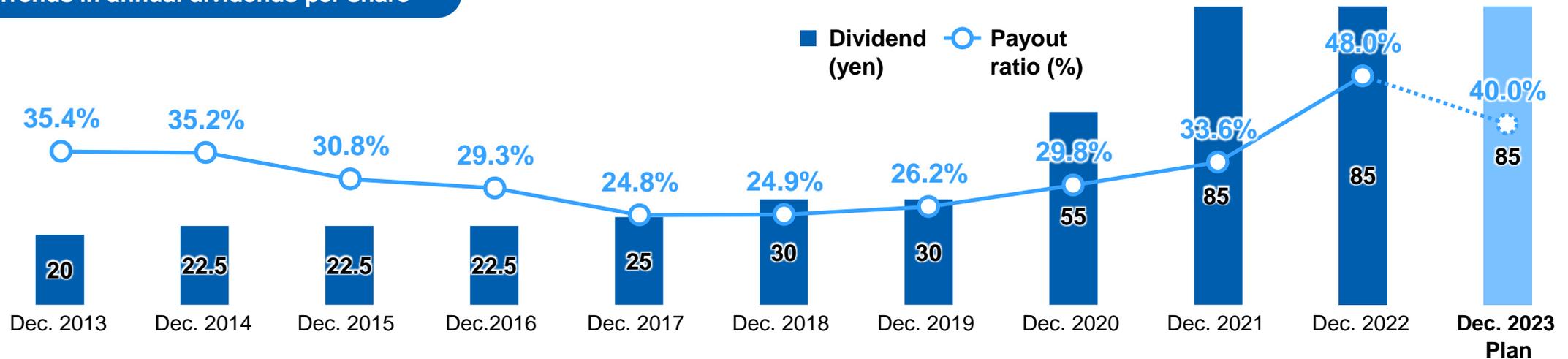
# Dividends

## Basic policy

Maintain stable and continuous profit distribution with a target payout ratio of **35%**

Maintain dividend by prioritizing stability, despite lower profit in FY2022

## Trends in annual dividends per share



		Dec. 2020 Result	Dec. 2021 Result	Dec. 2022 Plan	Dec. 2023 Forecast
Dividends	Annual	55.0 yen	85.0 yen	85.0 yen	85.0 yen
	Interim	15.0 yen	37.5yen	42.5yen	42.5yen
	Year-end	40.0 yen	47.5yen	42.5yen	42.5yen
Payout ratio		29.8%	33.6%	48.0%	40.0%

\*Dec. 2022 Dividend will be proposed to the Annual General Meeting of Shareholders to be held in March 2023

\*Figures for dividend per share have been adjusted retroactively for the 1:2 stock split effective July 1, 2021

## Acquisition of treasury shares

270 mn yen

570 mn yen

1,000 mn yen

\*320 mn yen

\*680 mn yen

\*Resolved to repurchase treasury shares with a repurchase period from November 2022 to October 2023 and a maximum repurchase price of 1,000 million yen. 680 million yen, which is the maximum acquisition price of 1,000 million yen minus the total acquisition price of 320 million yen for FY2022, is stated as the planned acquisition price for FY2023

# Treasury Shares

## Basic policy

As one way of returning profits to shareholders, flexibly implement share buybacks, taking into account capital needs and stock price levels

## Acquisition of treasury shares

### (1) Description of the resolution adopted by the Board of Directors in November 2022

Total acquisition cost	1,000 million yen (maximum)
Total number of shares to be acquired	500,000 shares (maximum) Percentage of total number of shares issued (excluding treasury shares) 4.1%
Acquisition period	November 2022 to October 2023

### (2) Treasury shares acquired up to the end of December 2022 based on the above resolution

Total acquisition cost	320 million yen
Total number of shares acquired	143,300 shares

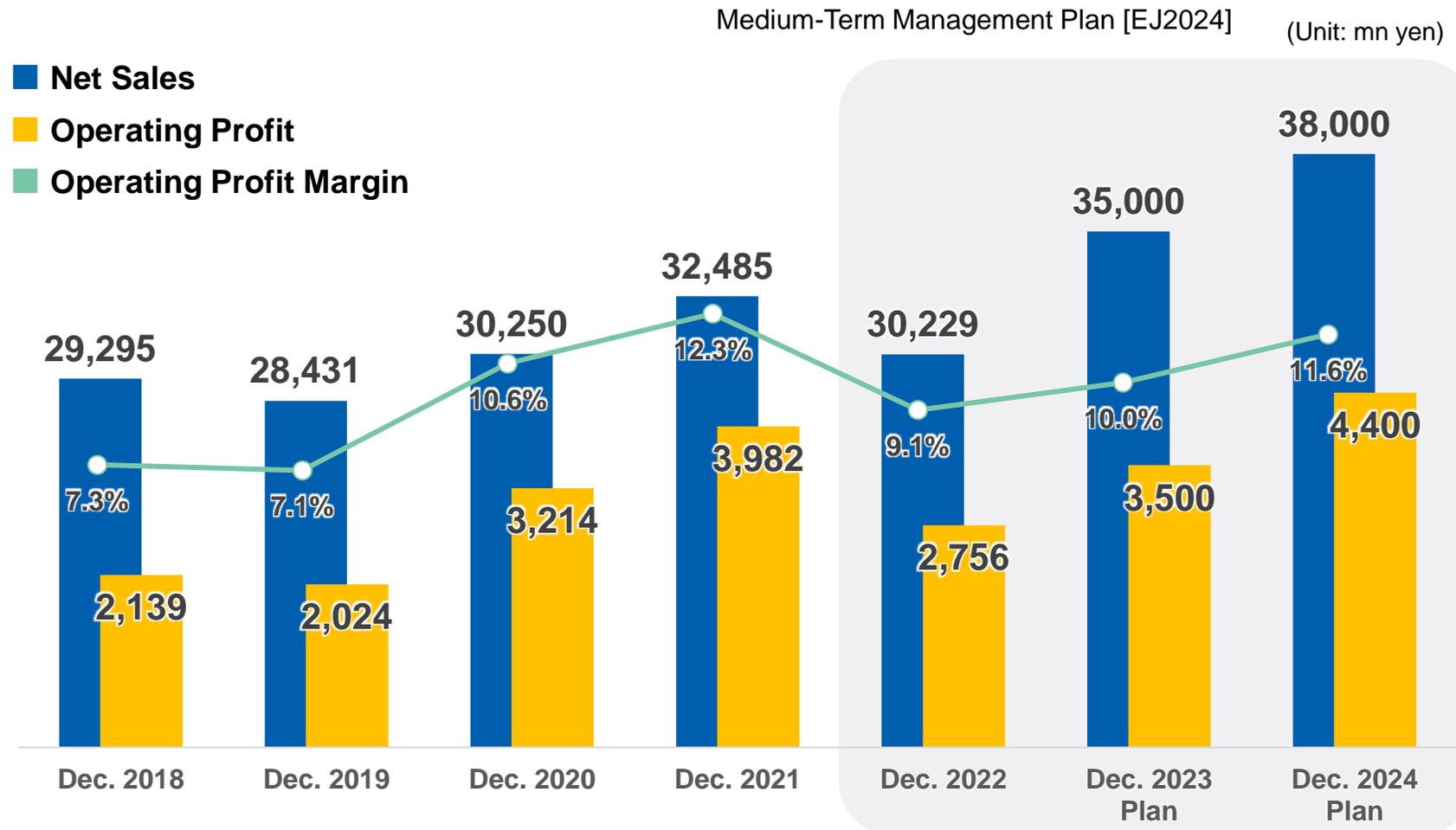
## Cancellation of treasury shares

Number of shares cancelled	500,000 shares Percentage of total number of shares issued and outstanding before cancellation 3.7%
Date of cancellation	November 30, 2022

# Progress of Medium-Term Management Plan [EJ2024]

## Status of Net Sales and Operating Profit

Aim to achieve operating profit of 4.4 billion yen in the final year of the medium-term management plan by increasing sales and profit in FY2023, against the backdrop of the high orders backlog, although the first year of the medium-term management plan started below plan due to the market condition.



## Management Indicators and Numerical Targets

Management  
strategy

**Aiming for dramatic growth through expansion of Manufacturing (environment-related)**

Management  
indicators

- Gross Profit Composition Ratio of Manufacturing (environment-related): **50%** or more
- Gross Profit margin: **30%** or more
- Operating Profit margin: **10%** or more
- ROE: **13%** or more
- R&D Investment: **2.5** billion yen or more
- Growth Investment: **2.5** billion yen or more

(Unit: mn yen)	Dec. 2021 Result	Dec. 2022 Result	Dec. 2023 Result Forecast	Dec. 2024 Plan
Net Sales	32,485	30,229	35,000	<b>38,000</b>
Gross Profit	10,489	9,282	10,500	<b>11,400</b>
Gross Profit Margin (%)	32.3	30.7	30.0	<b>30.0</b>
Operating Profit	3,982	2,756	3,500	<b>4,400</b>
Operating Profit Margin (%)	12.3	9.1	10.0	<b>11.6</b>
ROE (%)	17.6	11.6	13.8	<b>13.3</b>

## Progress and Results of Initiatives in FY2022

Although the results fell short of the initial plan due to the market condition, we steadily achieved results in accordance with the basic policy.

### Basic policy

Creation of new businesses/  
Acceleration of new product development

Expansion of business domains

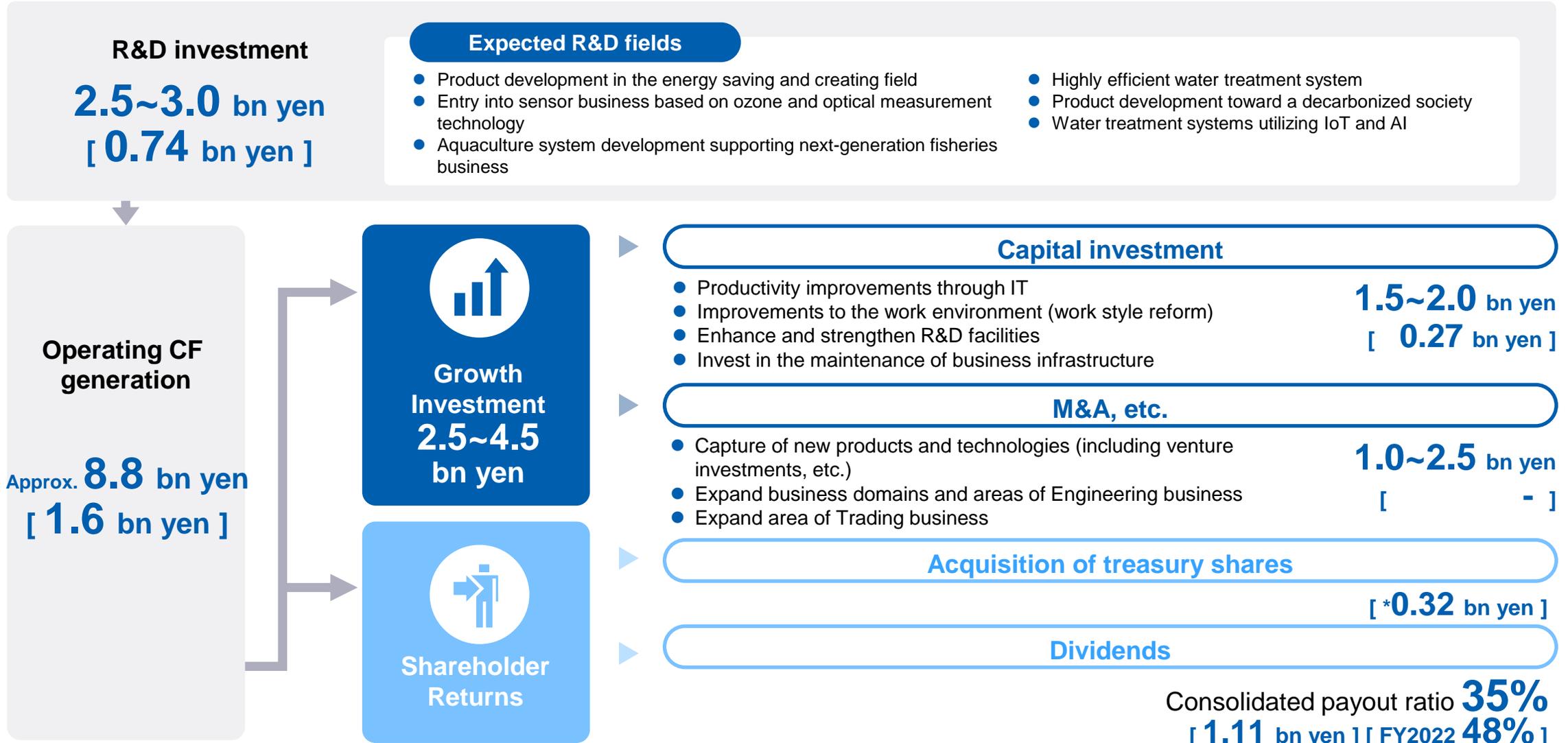
Establishment of stable revenue base

### Progress and results of initiatives

- Respond to increase in **demand from the semiconductor industry**
  - Explore unmet needs in the storage battery market and **expand the product lineup**
  - Launch new products for **a society coexisting with infectious diseases**
  - Develop **new products related to disaster prevention** (manhole pump start-up support system in the event of a disaster power outage)
  - Develop and launch fisheries plant equipment that contributes to advanced **land-based aquaculture systems**
- 
- Acquire orders in response to **demand for disaster prevention and disaster mitigation** based on the Fundamental Plan for National Resilience
  - In the Engineering business, enhance the product lineup from the **increase in OEM products**
- 
- Improve profitability of existing businesses through **cost reductions**
  - Maintain **maintenance net sales** of own products as planned

# Investment Strategy (2022 – 2024)

[ Results for FY2022 ]



\*The Board of Directors approved a resolution to repurchase its own shares with a repurchase period from November 2022 to October 2023 and a maximum repurchase price of 1.0 billion yen, and the repurchase is currently ongoing.



## **Reference Materials**

# Corporate Philosophy and Management Concept of EBARA JITSUGYO

## Corporate Philosophy

### Striving to provide a wholesome human environment for mankind and society

Restoring the beauty of our global environment is a crucial issue facing humankind in the 21st century.

Ebara Jitsugyo has a long track record as an expert in environmental protection technologies, even from before environmental problems became a social concern. We are dedicated to being a leader in the environmental sector, which has unlimited growth potential.

## Management Concept

**Corporate value through profit growth = Increase shareholder value**



# Our business

## The three business segments



### Manufacturing (environment-related)

The development, manufacture, and sales of environment-related products and facilities

- Highest-focus business with our own products
- Highly profitable, aiming for 50% in gross profit



### Engineering (water-treatment-related)

The design, construction, and maintenance of waterworks and sewerage

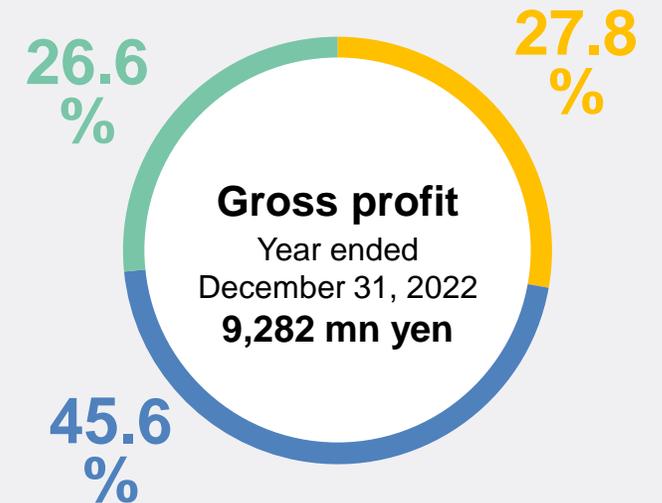
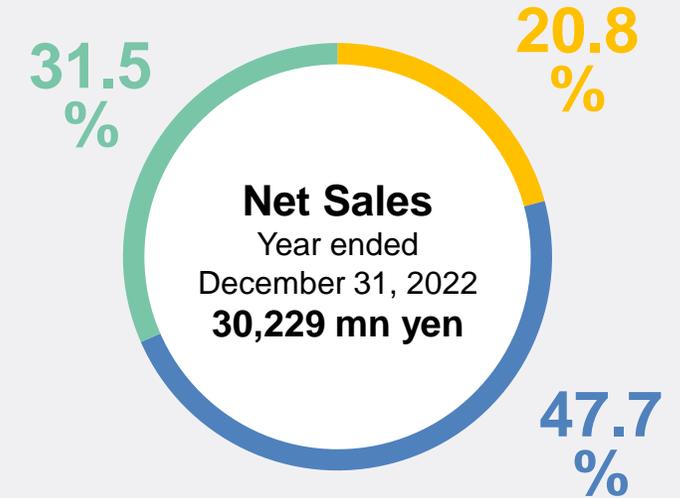
- Steady demand for renewals and repairs, and steady disaster-prevention needs
- Business domains are being explored and expanded



### Trading (fluid machinery-related)

Sales of pumps, blowers, air conditioners etc., mostly Ebara products, as an agent

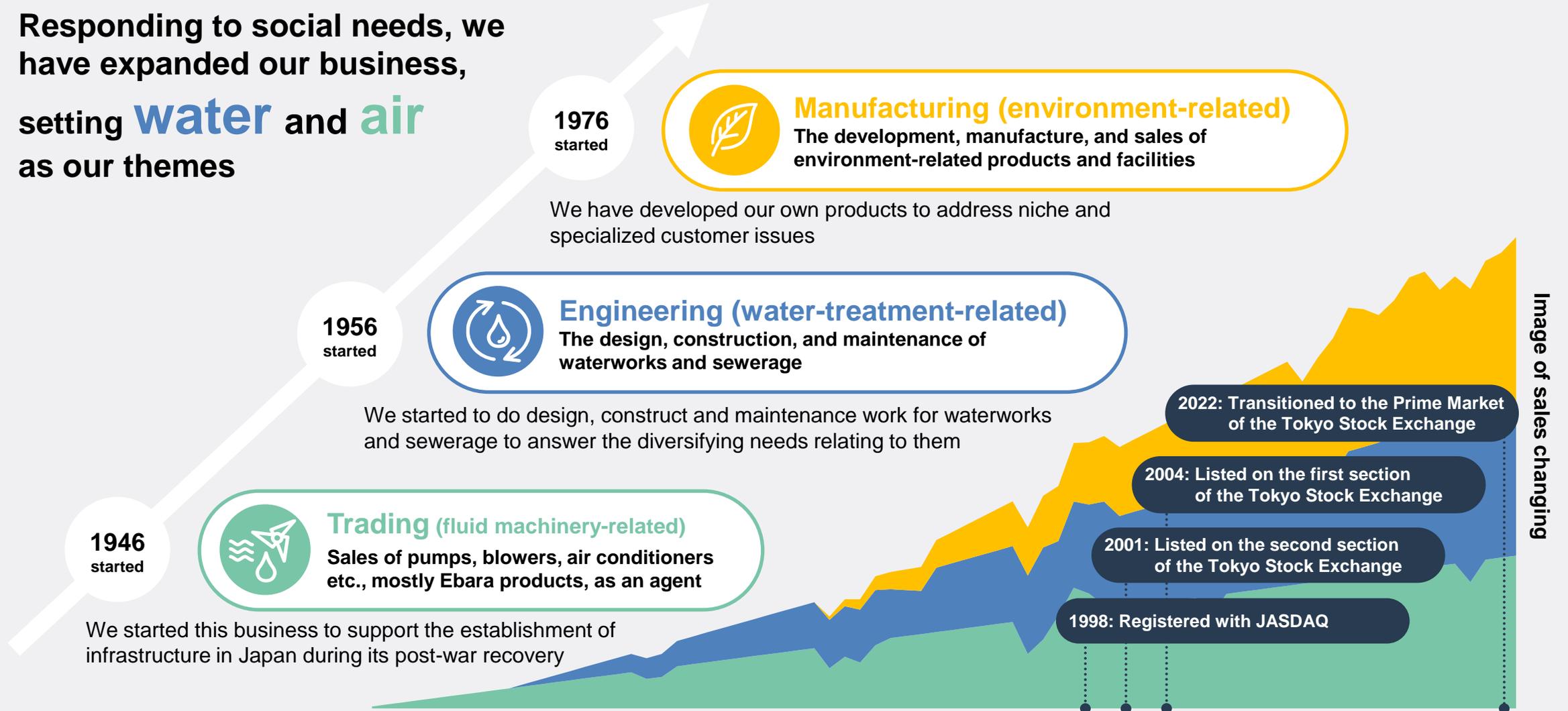
- Focuses on sales of pumps, a major product, as well as new products
- Caters to redevelopment projects



Note: "Ebara products" implies various products of Ebara Corporation (Ebara Group).  
There is no capital relationship between Ebara Corporation (Ebara Group) and Ebara Jitsugyo.

# History

Responding to social needs, we have expanded our business, setting **water** and **air** as our themes





# Business overview by segment: Manufacturing (environment-related)



## Manufacturing (environment-related)

The development, manufacture, and sales of environment-related products and facilities

Proportion of consolidated net sales

20.8 %

Net Sales  
Year ended  
December 31, 2022  
6,288  
mn yen

Proportion of consolidated gross profit

27.8 %

Gross profit  
Year ended  
December 31, 2022  
2,580  
mn yen

Social needs:  
**Needs for specialized water and air products**



Concept

Supply niche and specialized water and air products to the market

We supply our original and competitive products that are highly profitable

### Diverse customer attributes and products

Measuring

High-precision ozone gas analyzer



Ozone gas/water analyzer for semiconductors



Energy-saving/creating

Home batteries



Energy-saving blowers



Deodorizing

Humus deodorizers



Bio desulfurization equipment



Water treatment Plants

Efficient sand filtration equipment



land-based aquaculture systems



Medical

Simple negative pressure equipment



Indoor ozone sanitization equipment





# Business overview by segment: Manufacturing (environment-related)

Field	Business	Main customers	Product examples	
<b>Measuring</b>	<ul style="list-style-type: none"> <li>• Manufacture and sales of measuring equipment used mainly for water treatment</li> <li>• Manufacture and sales of measuring equipment for semiconductors</li> </ul>	<ul style="list-style-type: none"> <li>• Public facilities (advanced waterworks and sewerage facilities)</li> <li>• Private sector plants (including semiconductors, LCD, and food)</li> </ul>	<b>High-precision ozone gas analyzer</b> 	<b>Ozone gas/water analyzer for semi-conductors</b> 
<b>Energy-saving/creating</b>	<ul style="list-style-type: none"> <li>• Development, design, construction and sales of ZEB/ZEH-related products</li> <li>• Manufacture and sales of blowers, especially energy-saving blowers</li> </ul>	<ul style="list-style-type: none"> <li>• Private companies (air conditioner manufacturers, office buildings, etc.)</li> <li>• Private sector plants (including food, drinks, paper, and chemicals)</li> </ul>	<b>Home batteries</b> 	<b>Energy-saving blowers</b> 
<b>Deodorizing</b>	<ul style="list-style-type: none"> <li>• Manufacture and sales of deodorizers and deodorizing equipment, especially industrial deodorizers</li> <li>• Design, construction and sales of bio-deodorizing and desulfurization equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Public facilities (sewerage, and sewerage for agricultural communities)</li> <li>• Private sector plants (including for food and drinks)</li> <li>• Shopping centers (grease and sludge trapping systems)</li> </ul>	<b>Humus deodorizers</b> 	<b>Bio desulfurization equipment</b> 
<b>Water treatment plants</b>	<ul style="list-style-type: none"> <li>• Design and construction of industrial waterworks and wastewater facilities</li> <li>• Engineering for aquacultures, fish farms and waterscape facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Private sector plants (including food, drinks, paper, and chemicals)</li> <li>• Public facilities (including fisheries research institutes)</li> </ul>	<b>Efficient sand filtration equipment</b> 	<b>land-based aquaculture systems</b> 
<b>Medical</b>	<ul style="list-style-type: none"> <li>• Development and sales of medical equipment including for preventing infectious diseases and for emergency disaster measures</li> <li>• Others</li> </ul>	<ul style="list-style-type: none"> <li>• Medical institutions, municipalities, central government, and others</li> <li>• Private sector companies, plants, etc.</li> </ul>	<b>Simple negative pressure equipment</b> 	<b>Indoor ozone sanitization equipment</b> 

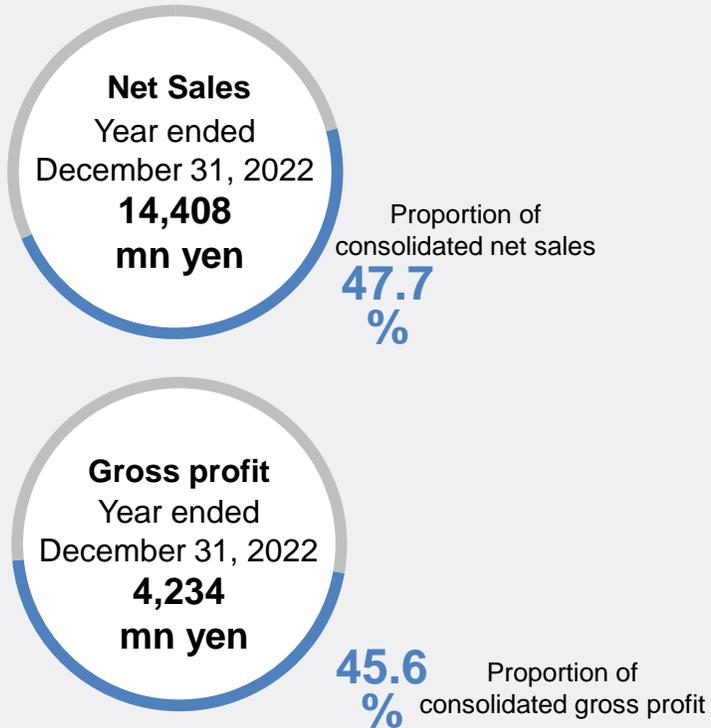


# Business overview by segment: Engineering (water-treatment-related)



## Engineering (water-treatment-related)

The design, construction, and maintenance of waterworks and sewerage



### Waterworks



We handle design, construction and maintenance work for all equipment and devices to take in water from rivers, lakes and groundwater, from various water treatment equipment through to equipment to supply water to homes and business sites.

### Sewerage



We handle design, construction, and maintenance work for all types of facilities, equipment and devices including for interim pumping stations that collect contaminated water and send it to sewerage stations, various sewerage stations, and water treatment stations that send clean, treated water back to rivers etc.

### Rainwater draining facilities



These facilities are rolled out nationwide to protect the lives of people in areas prone to serious damages from river flooding due to torrential rain from typhoons. We handle the design, construction, and maintenance of rainwater draining pumps and electricity systems for target facilities.

### Manhole pump facilities



These facilities are being used nationwide as a new armor for small-scale contaminated-water-transferring pumping stations, which are essential to spread the use of sewerage systems. The facilities are compact, with a tank to collect contaminated water (manhole) set with an underwater pump and employed in places with insufficient space for other facilities.

### Cloud monitoring system E-Qias Cloud



We offer a system to remotely monitor waterworks and sewerage stations.



# Business overview by segment: Trading (fluid machinery-related)



## Trading (fluid machinery-related)

Sales of pumps, blowers, air conditioners etc., mostly Ebara products, as an agent

Proportion of consolidated net sales

31.5 %



Pumps/ blowers/air conditioning, cooling and heating/energy/other

We sell industrial machines such as pumps, blowers, air conditioners, coolers and heaters, for buildings including shopping centers and factories



The manufacture and installation of steel scaffolding for construction sites and plant facility stands (steel structures)



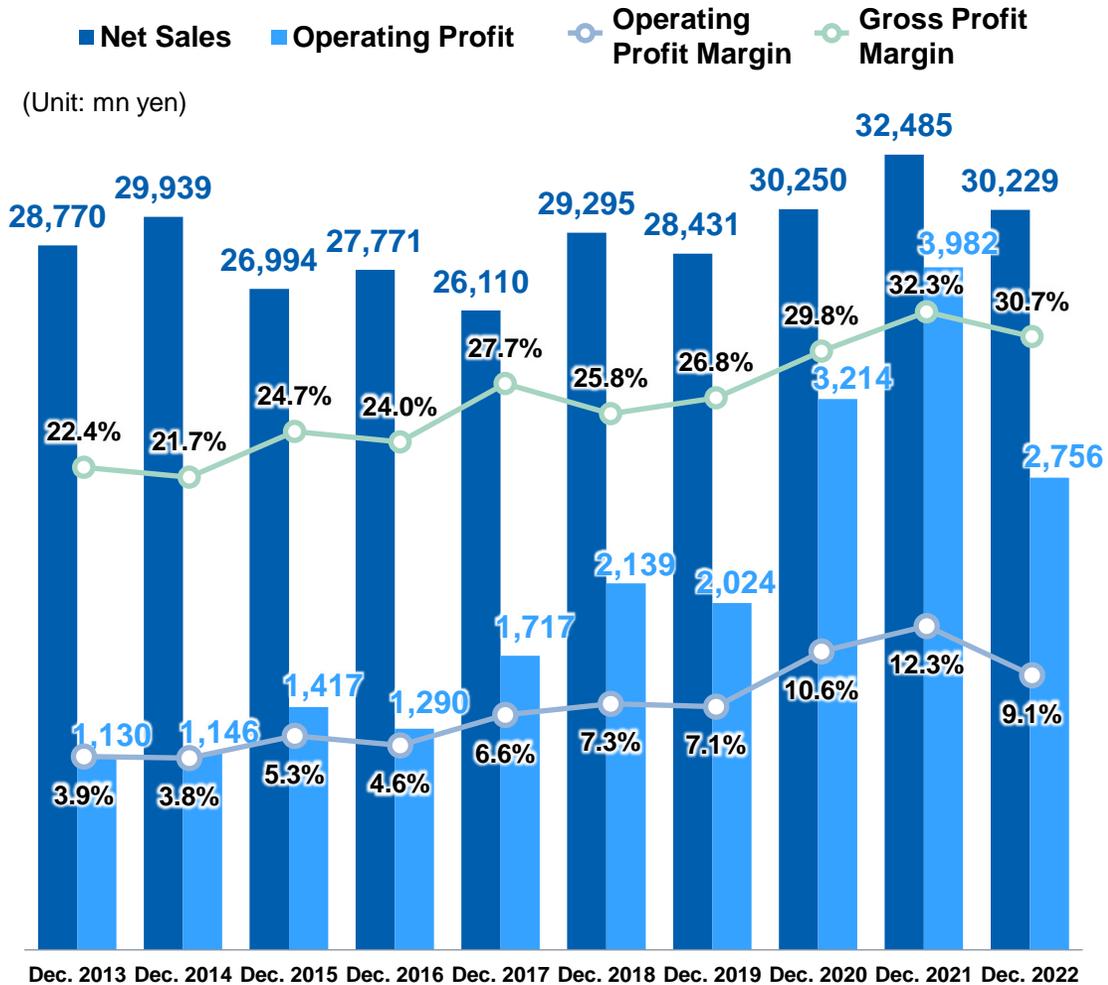
Proportion of consolidated gross profit

26.6 %

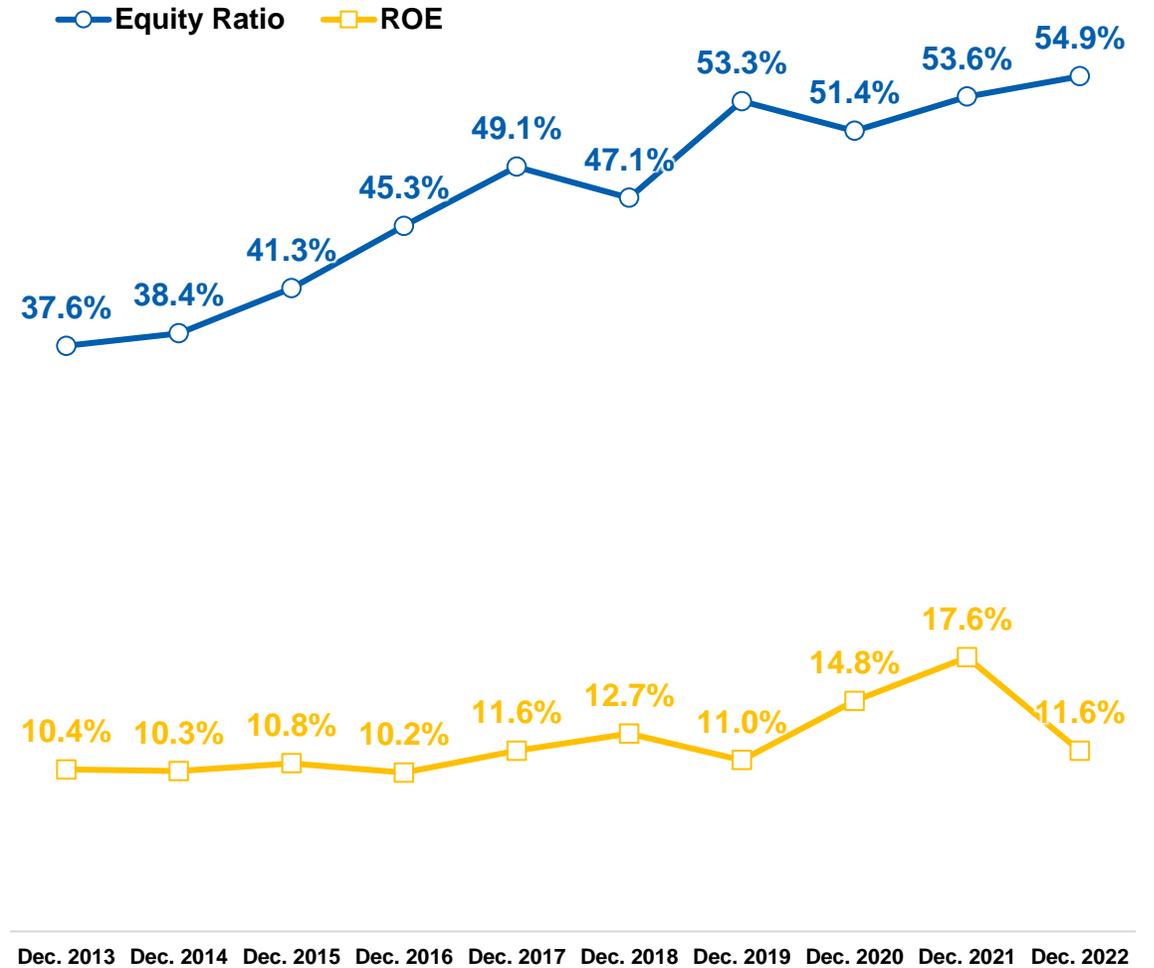


# Results Trends (past 10 years)

## Trends in Net Sales and Operating Profit



## Trends in ROE and Equity Ratio



# Performance (annual)

		Dec 2019		Dec 2020		Dec 2021		Dec 2022		Dec 2023	
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Corrected plan	YoY
		(Unit: m n yen)									
Orders received	Measuring	1,212	+3.1%	1,519	+25.3%	1,717	+13.0%	1,908	+11.1%	1,700	-10.9%
	Energy-saving/creating	600	+2.9%	642	+7.0%	739	+15.1%	1,120	+51.6%	1,700	+51.8%
	Deodorizing	1,189	-13.3%	987	-17.0%	1,197	+21.3%	1,264	+5.6%	1,200	-5.1%
	Water-treatment plants	2,138	-3.8%	2,094	-2.1%	2,110	+0.8%	2,228	+5.6%	2,400	+7.7%
	Medical	189	-30.0%	3,729	+1873.0%	1,476	-60.4%	1,106	-25.1%	1,000	-9.6%
	Manufacturing (environment-related)	5,328	-5.3%	8,972	+68.4%	7,240	-19.3%	7,626	+5.3%	8,000	+4.9%
	Engineering (water-treatment-related)	12,072	+1.6%	15,748	+30.5%	17,435	+10.7%	16,349	-6.2%	17,000	+4.0%
	Trading (fluid machinery-related)	10,818	+8.3%	9,278	-14.2%	10,338	+11.4%	10,667	+3.2%	11,000	+3.1%
	<b>Total</b>	<b>28,220</b>	<b>+2.6%</b>	<b>34,000</b>	<b>+20.5%</b>	<b>35,014</b>	<b>+3.0%</b>	<b>34,643</b>	<b>-1.1%</b>	<b>36,000</b>	<b>+3.9%</b>
Net Sales	Measuring	1,304	-6.2%	1,388	+6.4%	1,514	+9.1%	1,350	-10.8%	1,800	+33.3%
	Energy-saving/creating	734	+28.3%	689	-6.1%	590	-14.4%	637	+8.0%	1,500	+135.5%
	Deodorizing	1,118	-29.6%	1,016	-9.1%	1,023	+0.7%	1,252	+22.4%	1,200	-4.2%
	Water-treatment plants	1,784	+22.7%	2,629	+47.4%	2,033	-22.7%	2,060	+1.3%	2,400	+16.5%
	Medical	356	-9.4%	1,733	+386.8%	3,402	+96.3%	989	-70.9%	1,000	+1.1%
	Manufacturing (environment-related)	5,296	-1.9%	7,456	+40.8%	8,563	+14.9%	6,288	-26.6%	7,900	+25.6%
	Engineering (water-treatment-related)	12,544	-11.5%	13,155	+4.9%	14,683	+11.6%	14,408	-1.9%	15,600	+8.3%
	Trading (fluid machinery-related)	10,590	+8.8%	9,639	-9.0%	9,238	-4.2%	9,532	+3.2%	11,500	+20.6%
	<b>Total</b>	<b>28,431</b>	<b>-2.9%</b>	<b>30,250</b>	<b>+6.4%</b>	<b>32,485</b>	<b>+7.4%</b>	<b>30,229</b>	<b>-6.9%</b>	<b>35,000</b>	<b>+15.8%</b>
Gross profit	Manufacturing (environment-related)	2,105	-0.1%	3,011	+43.0%	3,803	+26.3%	2,580	-32.2%	3,320	+28.7%
	Engineering (water-treatment-related)	3,355	-7.3%	3,752	+11.8%	4,403	+17.4%	4,234	-3.8%	4,600	+8.6%
	Trading (fluid machinery-related)	2,159	+18.2%	2,246	+4.0%	2,281	+1.6%	2,467	+8.1%	2,580	+4.6%
	<b>Total</b>	<b>7,621</b>	<b>+0.8%</b>	<b>9,010</b>	<b>+18.2%</b>	<b>10,489</b>	<b>+16.4%</b>	<b>9,282</b>	<b>-11.5%</b>	<b>10,500</b>	<b>+13.1%</b>
Selling, general and administrative expenses	5,596	+3.3%	5,795	+3.6%	6,507	+12.3%	6,525	+0.3%	7,000	+7.3%	
<b>Operating profit</b>	<b>2,024</b>	<b>-5.4%</b>	<b>3,214</b>	<b>+58.8%</b>	<b>3,982</b>	<b>+23.9%</b>	<b>2,756</b>	<b>-30.8%</b>	<b>3,500</b>	<b>+27.0%</b>	
Non-operating profit	210		209		230		241		200		
Non-operating expenses	65		61		102		68		50		
<b>Ordinary profit</b>	<b>2,169</b>	<b>-3.7%</b>	<b>3,363</b>	<b>+55.0%</b>	<b>4,110</b>	<b>+22.2%</b>	<b>2,929</b>	<b>-28.7%</b>	<b>3,650</b>	<b>+24.6%</b>	
Extraordinary income	-		3		338		140		-		
Extraordinary losses	-		27		57		21		-		
<b>Profit before income taxes</b>	<b>2,169</b>	<b>-3.7%</b>	<b>3,339</b>	<b>+53.9%</b>	<b>4,392</b>	<b>+31.5%</b>	<b>3,048</b>	<b>-30.6%</b>	<b>3,650</b>	<b>+19.8%</b>	
<b>Profit</b>	<b>1,512</b>	<b>-5.5%</b>	<b>2,342</b>	<b>+54.9%</b>	<b>3,159</b>	<b>+34.9%</b>	<b>2,169</b>	<b>-31.4%</b>	<b>2,600</b>	<b>+19.9%</b>	



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