

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2023 (Based on Japanese GAAP)

August 3, 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: August 9, 2023
 Scheduled date to commence dividend payments: September 4, 2023
 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, 2023 (from January 1, 2023 to June 30, 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	%
Six months ended June 30, 2023	20,599	22.1	2,690	21.1	2,754	19.3	1,908	12.0
Six months ended June 30, 2022	16,864	(11.3)	2,222	(32.1)	2,309	(30.7)	1,703	(33.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2023	159.67	—
Six months ended June 30, 2022	139.20	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	40,055	19,761	49.3
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	Yen	Yen	Yen	Yen
Year ended December 31, 2022	—	42.50	—	42.50	85.00
Year ending December 31, 2023	—	42.50			
Year ending December 31, 2023 (Forecast)			—	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 six months ended June 30, 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 June 30, 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 June 30, 2023	1,012,202 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)

Six months ended June 30, 2023	11,952,221 shares	Six months ended June 30, 2022	12,241,157 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	11,296	15,722
Notes and accounts receivable - trade, and contract assets	10,631	11,829
Merchandise and finished goods	1,159	1,033
Work in process	331	358
Costs on construction contracts in progress	173	88
Raw materials and supplies	481	524
Other	359	472
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,432	30,028
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,704	3,730
Accumulated depreciation	(2,020)	(2,074)
Buildings and structures, net	1,684	1,656
Machinery, equipment and vehicles	206	207
Accumulated depreciation	(160)	(167)
Machinery, equipment and vehicles, net	46	39
Tools, furniture and fixtures	691	718
Accumulated depreciation	(599)	(613)
Tools, furniture and fixtures, net	91	104
Land	1,356	1,356
Construction in progress	2	–
Other	7	12
Accumulated depreciation	(1)	(2)
Other, net	6	10
Total property, plant and equipment	3,187	3,167
Intangible assets	86	111
Investments and other assets		
Investment securities	4,494	5,403
Insurance funds	410	419
Investment property, net	636	643
Deferred tax assets	117	96
Other	268	288
Allowance for doubtful accounts	(105)	(104)
Total investments and other assets	5,822	6,747
Total non-current assets	9,096	10,026
Total assets	33,528	40,055

(Millions of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,809	13,021
Short-term borrowings	1,010	1,010
Current portion of long-term borrowings	80	80
Income taxes payable	329	900
Accrued consumption taxes	21	223
Contract liabilities	1,661	2,509
Provision for loss on construction contracts	22	15
Other	714	840
Total current liabilities	13,647	18,600
Non-current liabilities		
Long-term borrowings	91	47
Deferred tax liabilities	868	1,090
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	241	255
Other	122	141
Total non-current liabilities	1,483	1,693
Total liabilities	15,131	20,293
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	831	844
Retained earnings	15,700	17,091
Treasury shares	(1,378)	(1,985)
Total shareholders' equity	16,154	16,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,228	2,790
Remeasurements of defined benefit plans	14	19
Total accumulated other comprehensive income	2,242	2,809
Total net assets	18,396	19,761
Total liabilities and net assets	33,528	40,055

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, 2022	Six months ended June 30, 2023
Net sales	16,864	20,599
Cost of sales	11,426	14,455
Gross profit	5,438	6,143
Selling, general and administrative expenses	3,215	3,453
Operating profit	2,222	2,690
Non-operating income		
Interest income	0	0
Dividend income	61	62
Rental income from investment property	50	48
Other	9	15
Total non-operating income	122	126
Non-operating expenses		
Interest expenses	2	2
Rental expenses on real estate	19	26
Commission expenses	2	24
Foreign exchange losses	8	7
Other	1	1
Total non-operating expenses	35	62
Ordinary profit	2,309	2,754
Extraordinary income		
Gain on sale of investment securities	140	–
Total extraordinary income	140	–
Extraordinary losses		
Loss on disposal of non-current assets	10	0
Loss on investments in silent partnerships	9	–
Other	0	–
Total extraordinary losses	21	0
Profit before income taxes	2,428	2,754
Income taxes - current	761	853
Income taxes - deferred	(36)	(8)
Total income taxes	724	845
Profit	1,703	1,908
Profit attributable to owners of parent	1,703	1,908

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Profit	1,703	1,908
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,526)	562
Remeasurements of defined benefit plans, net of tax	4	4
Total other comprehensive income	(1,521)	567
Comprehensive income	181	2,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	181	2,475
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,428	2,754
Depreciation	111	114
Share-based payment expenses	17	19
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	(61)	(6)
Increase (decrease) in retirement benefit liability	22	21
Interest and dividend income	(61)	(62)
Interest expenses	2	2
Loss (gain) on sale of investment securities	(140)	–
Loss (gain) on disposal of non-current assets	10	0
Loss (gain) on investments in silent partnerships	9	–
Decrease (increase) in trade receivables and contract assets	2,794	(1,198)
Decrease (increase) in inventories	286	141
Increase (decrease) in trade payables	266	3,212
Increase (decrease) in contract liabilities	814	848
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(122)	201
Other, net	216	29
Subtotal	6,595	6,078
Interest and dividends received	62	62
Interest paid	(2)	(2)
Income taxes paid	(818)	(326)
Income taxes refund	2	–
Net cash provided by (used in) operating activities	5,839	5,811
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(190)	(63)
Purchase of property, plant and equipment	(136)	(38)
Purchase of intangible assets	(2)	(38)
Purchase of investment securities	(5)	(199)
Proceeds from sale and redemption of investment securities	330	100
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	(26)	(48)
Net cash provided by (used in) investing activities	74	(288)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(80)	–
Repayments of long-term borrowings	(43)	(44)
Dividends paid	(582)	(516)
Repayments of lease liabilities	(0)	(3)
Purchase of treasury shares	–	(627)
Proceeds from disposal of treasury shares	42	31
Net cash provided by (used in) financing activities	(664)	(1,160)
Net increase (decrease) in cash and cash equivalents	5,249	4,362
Cash and cash equivalents at beginning of period	10,955	10,965
Cash and cash equivalents at end of period	16,205	15,327