

Translation

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Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

February 10, 2025

Company name: EBARA JITSUGYO CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6328 URL <https://www.ejk.co.jp/>
 Representative: President and COO Takashi Ishii
 Senior Managing Executive Officer, Shuji Ohno
 Head of Planning & Strategy Office TEL +81-3-5565-2885
 Scheduled date of annual general meeting of shareholders: March 27, 2025
 Scheduled date to commence dividend payments: March 28, 2025
 Scheduled date to file annual securities report: March 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(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	%
Year ended December 31, 2024	37,503	3.4	4,251	5.6	4,443	6.7	3,157	0.5
Year ended December 31, 2023	36,280	20.0	4,025	46.0	4,164	42.1	3,141	44.8

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥3,639 million [(13.5%)]
 For the fiscal year ended December 31, 2023: ¥4,209 million [831.7%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	264.22	–	14.2	10.5	11.3
Year ended December 31, 2023	263.12	–	15.9	11.0	11.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended December 31, 2024: ¥– million
 For the fiscal year ended December 31, 2023: ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	42,996	23,461	54.6	1,967.87
As of December 31, 2023	41,917	21,028	50.2	1,761.94

Reference: Equity As of December 31, 2024: ¥23,461 million
 As of December 31, 2023: ¥21,028 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	1,968	(187)	(1,566)	14,068
Year ended December 31, 2023	4,712	(143)	(1,680)	13,854

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	–	42.50	–	42.50	85.00	1,017	32.3	5.2
Year ended December 31, 2024	–	47.50	–	47.50	95.00	1,135	36.0	5.1
Year ending December 31, 2025 (Forecast)	–	60.00	–	60.00	120.00		43.5	

Note: The annual dividends per share for the year ending December 31, 2025 (forecast) consist of an ordinary dividend of ¥100 and a commemorative dividend of ¥20 (for the 80th anniversary of the Company's founding).

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	6.7	4,500	5.8	4,650	4.7	3,300	4.5	276.10

4. Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	12,930,000 shares	As of December 31, 2023	12,930,000 shares
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(ii) Number of treasury shares at the end of the period

As of December 31, 2024	1,007,954 shares	As of December 31, 2023	995,144 shares
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(iii) Average number of shares outstanding during the period

Year ended December 31, 2024	11,952,283 shares	Year ended December 31, 2023	11,938,084 shares
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Note: Effective May 12, 2021, Ebara Jitsugyo Co., Ltd. (the "Company") introduced a Trust-type Employee Stock Ownership Plan (ESOP); therefore, the Company's stock held by the Trust is included in the number of treasury stock deducted in the calculation of the "Number of treasury shares at the end of the period" and the "Average number of shares outstanding during the period."

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	35,372	5.5	4,103	9.0	4,320	9.8	3,033	4.4
Year ended December 31, 2023	33,541	18.3	3,764	39.2	3,933	35.3	2,906	32.9

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended December 31, 2024	253.83	–
Year ended December 31, 2023	243.46	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	41,125	22,223	54.0	1,864.05
As of December 31, 2023	40,156	19,913	49.6	1,668.56

Reference: Equity As of December 31, 2024: ¥22,223 million
As of December 31, 2023: ¥19,913 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements of the Company Group contained in this document are based on information currently available and reasonable assumptions regarding economic conditions, market trends, and other factors at the time of this document's announcement and are subject to change due to various factors that may arise in the future. For information on the assumptions used to forecast financial results and precautionary statements when using the forecast of financial results, please refer to "1. Business Results and Others (4) Future Outlook" on page 4 of the accompanying document.

* Method of obtaining supplementary materials on financial results, etc.

Supplementary materials on financial results are disclosed on TDnet the same day and posted on the Company's website.

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1. Business Results and Others

(1) Business Results for the Fiscal Year under Review

During the fiscal year under review (January 1, 2024 to December 31, 2024), the Japanese economy maintained a gradual recovery trend, driven by continued capital investments by companies with steady business performance, despite a slow growth of consumer spending due to rising prices. However, the economic outlook remained uncertain, especially with economic impacts from rising interest rates in Japan and changes in policies overseas.

In this business environment, the Company Group aimed to improve its corporate value by focusing on the three core areas of disaster prevention and mitigation, storage batteries, and the fisheries business, under the following basic policy:

- Create new businesses / accelerate new product development;
- Expand business domains; and
- Establish a stable revenue base.

As a result, in the fiscal year under review, the Company recorded ¥39,833 million in orders received (up 3.6% year on year), ¥37,503 million in net sales (up 3.4% year on year), ¥4,251 million in operating profit (up 5.6% year on year), ¥4,443 million in ordinary profit (up 6.7% year on year), and ¥3,157 million in profit attributable to owners of parent (up 0.5% year on year).

The following shows segment-specific information.

Manufacturing

In the Manufacturing segment that manufactured and sold environment-related products, the Company posted ¥7,743 million in orders received, up 6.7% year on year, reflecting the acquisition of major projects for waterscape facilities, combined with replacement demand for deodorizing-related products, despite a sluggish recovery in demand for ozone monitors for semiconductor manufacturing equipment and a falloff in demand for infectious disease control equipment. Net sales fell 7.1% year on year to ¥7,111 million due to a decline in sales of infectious disease control equipment and storage batteries for industrial use, although net sales of land-based aquaculture facilities were strong. Segment profit shrank 20.5% year on year to ¥1,313 million due to the smaller net sales.

Engineering

In the Engineering segment that designed and constructed waterworks and sewerage facilities, orders received fell 1.6% year on year to ¥20,500 million in reaction to orders for large projects in the previous fiscal year, although there was stable demand for the renewal and maintenance of water infrastructure facilities as well as demand for disaster prevention and mitigation, such as for rainwater drainage facilities. Meanwhile, the Company posted net sales of ¥18,872 million, up 6.8% year on year, due to the steady progress of construction works. Segment profit rose 12.3% year on year to ¥2,450 million on the back of the increase in net sales.

Trading

In the Trading segment that mainly sold pumps, freezers, and air-conditioning equipment as a trading company, private-sector capital investment remained strong. The segment's orders received rose 11.9% year on year to ¥11,589 million. Net sales increased 5.2% year on year to ¥11,520 million, driven by the rise in orders received. Segment profit rose 31.7% year on year to ¥1,749 million on the back of an increase in the gross profit margin.

Orders received

	Fiscal year ended December 31, 2023		Fiscal year ended December 31, 2024	
	Orders received (millions of yen)	Orders backlog (millions of yen)	Orders received (millions of yen)	Orders backlog (millions of yen)
Manufacturing	7,255	4,112	7,743	4,744
Engineering	20,835	21,549	20,500	23,176
Trading	10,360	5,759	11,589	5,828
Total	38,452	31,421	39,833	33,750

Sales

	Fiscal year ended December 31, 2023		Fiscal year ended December 31, 2024	
	Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Manufacturing	7,654	21.1	7,111	19.0
Engineering	17,671	48.7	18,872	50.3
Trading	10,954	30.2	11,520	30.7
Total	36,280	100.0	37,503	100.0

(2) Financial Position for the Fiscal Year under Review

The Company Group's total assets at the end of the fiscal year under review (December 31, 2024) was ¥42,996 million, an increase of ¥1,078 million from the end of the previous fiscal year (December 31, 2023). This was mainly due to a ¥364 million increase in cash and deposits as a result of higher net sales and a ¥548 million increase in investment securities, primarily driven by the rising market value of the Company's investment securities.

Total liabilities at the end of the fiscal year under review was ¥19,535 million, a decrease of ¥1,353 million from the end of the previous fiscal year. This was mainly due to a ¥452 million increase in notes and accounts payable - trade as a result of higher net sales, despite a ¥1,805 million decrease in contract liabilities.

Total net assets at the end of the fiscal year under review was ¥23,461 million, an increase of ¥2,432 million from the end of the previous fiscal year. This was largely attributable to an increase of ¥3,157 million due to the posting of profit attributable to owners of parent and an increase of ¥482 million in valuation difference on available-for-sale securities due to the rising market value of the Company's investment securities, although there was a drop of ¥1,077 million related to dividends of surplus.

(3) Cash Flows for the Fiscal Year under Review

The Company Group's total cash and cash equivalents as of the end of the fiscal year under review (December 31, 2024) was ¥14,068 million, an increase of ¥214 million from the end of the previous fiscal year (December 31, 2023). The status of each cash flow and contributing factors are as follows.

(i) Cash flows from operating activities

Net cash gained from operating activities was ¥1,968 million (compared to ¥4,712 million gained in the previous fiscal year). In addition to the recording of ¥4,539 million in profit before income taxes, a ¥362 million decrease in accounts receivable - trade, and contract assets, a ¥452 million increase in trade payables, and a ¥1,805 million decrease in contract liabilities, along with ¥1,511 million in income taxes paid, contributed to an overall increase of ¥1,968 million in operating activities.

(ii) Cash flows from investing activities

Net cash used in investing activities was ¥187 million (compared to ¥143 million used in the previous fiscal year). This was mainly due to ¥249 million in proceeds from sale and redemption of investment securities, a ¥149 million increase in restricted deposits, and ¥163 million in purchase of property, plant and equipment.

(iii) Cash flows from financial activities

Net cash used in financial activities was ¥1,566 million (compared to ¥1,680 million used in the previous fiscal year). This expenditure mainly consisted of ¥1,076 million in dividends paid and ¥500 million in purchase of treasury shares.

Changes in the Company Group's cash flow-related indicators were as follows.

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Equity-to-asset ratio (%)	51.4	53.6	54.9	50.2	54.6
Equity-to-asset ratio based on market value (%)	78.5	85.1	79.8	84.2	108.6
Interest-bearing debt to cash flow ratio (years)	0.3	0.4	0.7	0.2	0.5
Interest coverage ratio (times)	611.8	467.0	309.0	865.4	267.3

Equity-to-asset ratio: Equity/Total assets

Equity-to-asset ratio based on market value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

(Notes) 1. Indicators are calculated based on consolidated financial figures.

2. Market capitalization is calculated using the closing price at the end of the period multiplied by the number of issued shares at the end of the period (minus treasury shares).

3. Operating cash flow refers to cash flows from operating activities as shown in the consolidated statement of cash flows. Interest-bearing debt refers to all liabilities reported on the consolidated balance sheet on which interest is payable. Interest payments refer to the interest paid as presented in the consolidated statement of cash flows.

(4) Future Outlook

Regarding the market condition in the public sector, the Company expects that demand will remain robust for renewal and maintenance of water infrastructure facilities reaching the end of their life cycle and for disaster prevention and mitigation in urban areas to prepare for intensifying disasters caused by torrential downpours. In the private sector, capital investments by companies are expected to continue, with the Japanese economy remaining on a recovery track.

Under such circumstances, the Company Group's outlook for the consolidated business results for the fiscal year ending December 31, 2025 is ¥42.0 billion in orders received (up 5.4% year on year), ¥40.0 billion in net sales (up 6.7% year on year), ¥4.5 billion in operating profit (up 5.8% year on year), ¥4.65 billion in ordinary profit (up 4.7% year on year), and ¥3.3 billion in profit attributable to owners of parent (up 4.5% year on year).

It should be noted that projects from the public sector account for a large percentage of the Company Group's orders received and net sales and that bidding schedules and the progress of work tend to be fluid for these projects in the short term. Therefore, the Company Group manages its business results annually and provides forecasts of its business results only on a full-year basis to emphasize the appropriate and effective provision of information.

2. Basic Concept Regarding Selection of Accounting Standards

Considering the comparability of consolidated financial statements across periods and between companies, the Company Group intends to prepare its consolidated financial statements according to Japanese GAAP for the time being.

With regard to the application of International Financial Reporting Standards (IFRS), the Company Group plans to appropriately take action in light of moves related to the application by other Japanese companies in the same industry.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	14,497	14,862
Notes and accounts receivable - trade, and contract assets	14,273	13,910
Merchandise and finished goods	1,285	1,426
Work in process	371	433
Costs on construction contracts in progress	130	109
Raw materials and supplies	536	599
Other	270	676
Allowance for doubtful accounts	(1)	(56)
Total current assets	31,364	31,962
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,801	3,811
Accumulated depreciation	(2,130)	(2,228)
Buildings and structures, net	1,671	1,583
Machinery, equipment and vehicles	215	212
Accumulated depreciation	(175)	(155)
Machinery, equipment and vehicles, net	40	56
Tools, furniture and fixtures	767	790
Accumulated depreciation	(648)	(669)
Tools, furniture and fixtures, net	119	120
Land	1,356	1,356
Construction in progress	3	14
Other	34	34
Accumulated depreciation	(4)	(10)
Other, net	29	23
Total property, plant and equipment	3,220	3,154
Intangible assets	95	90
Investments and other assets		
Investment securities	5,889	6,437
Insurance funds	429	482
Investment property, net	646	634
Deferred tax assets	58	29
Other	318	308
Allowance for doubtful accounts	(104)	(103)
Total investments and other assets	7,237	7,788
Total non-current assets	10,553	11,034
Total assets	41,917	42,996

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,588	13,041
Short-term borrowings	1,010	1,010
Current portion of long-term borrowings	80	–
Income taxes payable	838	696
Accrued consumption taxes	275	242
Contract liabilities	3,132	1,326
Provision for loss on construction contracts	25	49
Other	1,049	1,139
Total current liabilities	19,000	17,506
Non-current liabilities		
Deferred tax liabilities	1,247	1,535
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	260	173
Other	222	161
Total non-current liabilities	1,889	2,029
Total liabilities	20,889	19,535
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	844	896
Retained earnings	17,814	19,895
Treasury shares	(1,943)	(2,124)
Total shareholders' equity	17,717	19,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,294	3,776
Remeasurements of defined benefit plans	17	15
Total accumulated other comprehensive income	3,311	3,792
Total net assets	21,028	23,461
Total liabilities and net assets	41,917	42,996

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales		
Net sales of finished goods and construction sales	27,697	29,875
Net sales of goods	8,583	7,628
Total net sales	36,280	37,503
Cost of sales		
Cost of finished goods sold and construction sales	18,741	20,271
Cost of goods sold	6,396	5,505
Total cost of sales	25,138	25,776
Gross profit		
Gross profit-finished goods and construction sales	8,956	9,604
Gross profit - merchandise	2,186	2,123
Total gross profit	11,142	11,727
Selling, general and administrative expenses	7,117	7,475
Operating profit	4,025	4,251
Non-operating income		
Interest income	0	0
Dividend income	120	124
Rental income from investment property	97	104
Other	23	25
Total non-operating income	241	255
Non-operating expenses		
Interest expenses	5	7
Rental expenses on real estate	55	46
Foreign exchange losses	16	6
Commission expenses	25	1
Other	0	1
Total non-operating expenses	103	63
Ordinary profit	4,164	4,443
Extraordinary income		
Gain on sale of investment securities	201	116
Total extraordinary income	201	116
Extraordinary losses		
Loss on disposal of non-current assets	0	7
Loss on redemption of investment securities	–	12
Total extraordinary losses	0	20
Profit before income taxes	4,365	4,539
Income taxes - current	1,257	1,276
Income taxes - deferred	(33)	104
Total income taxes	1,224	1,381
Profit	3,141	3,157
Profit attributable to owners of parent	3,141	3,157

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	3,141	3,157
Other comprehensive income		
Valuation difference on available-for-sale securities	1,065	482
Remeasurements of defined benefit plans, net of tax	2	(1)
Total other comprehensive income	1,068	481
Comprehensive income	4,209	3,639
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,209	3,639
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated Statement of Changes in Equity
Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	831	15,700	(1,378)	16,154
Changes during period					
Dividends of surplus			(1,027)		(1,027)
Profit attributable to owners of parent			3,141		3,141
Purchase of treasury shares				(673)	(673)
Disposal of treasury shares		13		108	122
Net changes in items other than shareholders' equity					
Total changes during period	-	13	2,113	(564)	1,562
Balance at end of period	1,001	844	17,814	(1,943)	17,717

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,228	14	2,242	18,396
Changes during period				
Dividends of surplus				(1,027)
Profit attributable to owners of parent				3,141
Purchase of treasury shares				(673)
Disposal of treasury shares				122
Net changes in items other than shareholders' equity	1,065	2	1,068	1,068
Total changes during period	1,065	2	1,068	2,631
Balance at end of period	3,294	17	3,311	21,028

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	844	17,814	(1,943)	17,717
Changes during period					
Dividends of surplus			(1,077)		(1,077)
Profit attributable to owners of parent			3,157		3,157
Purchase of treasury shares				(312)	(312)
Disposal of treasury shares		51		131	182
Net changes in items other than shareholders' equity					
Total changes during period	-	51	2,080	(180)	1,951
Balance at end of period	1,001	896	19,895	(2,124)	19,668

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	3,294	17	3,311	21,028
Changes during period				
Dividends of surplus				(1,077)
Profit attributable to owners of parent				3,157
Purchase of treasury shares				(312)
Disposal of treasury shares				182
Net changes in items other than shareholders' equity	482	(1)	481	481
Total changes during period	482	(1)	481	2,432
Balance at end of period	3,776	15	3,792	23,461

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,365	4,539
Depreciation	250	261
Share-based payment expenses	39	45
Increase (decrease) in allowance for doubtful accounts	(0)	54
Increase (decrease) in provision for loss on construction contracts	3	23
Increase (decrease) in retirement benefit liability	23	(88)
Interest and dividend income	(120)	(125)
Interest expenses	5	7
Loss (gain) on cancellation of insurance policies	(2)	–
Loss (gain) on sale of investment securities	(201)	(116)
Loss (gain) on redemption of investment securities	–	12
Loss (gain) on disposal of non-current assets	0	7
Decrease (increase) in accounts receivable - trade, and contract assets	(3,641)	362
Decrease (increase) in inventories	(177)	(245)
Increase (decrease) in trade payables	2,779	452
Increase (decrease) in contract liabilities	1,471	(1,805)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	253	(32)
Other, net	372	(16)
Subtotal	5,419	3,337
Interest and dividends received	121	125
Proceeds from insurance income	3	25
Interest paid	(5)	(7)
Income taxes paid	(826)	(1,511)
Net cash provided by (used in) operating activities	4,712	1,968
Cash flows from investing activities		
Net decrease (increase) in restricted deposits	(312)	(149)
Purchase of property, plant and equipment	(119)	(163)
Purchase of intangible assets	(52)	(44)
Purchase of investment securities	(199)	–
Proceeds from sale and redemption of investment securities	541	249
Proceeds from cancellation of insurance funds	40	–
Proceeds from collection of loans receivable	0	0
Purchase of investment property	(1)	(10)
Other, net	(40)	(68)
Net cash provided by (used in) investing activities	(143)	(187)
Cash flows from financing activities		
Repayments of long-term borrowings	(91)	(80)
Repayments of lease liabilities	(9)	(12)
Dividends paid	(1,026)	(1,076)
Purchase of treasury shares	(627)	(500)
Proceeds from disposal of treasury shares	74	103
Net cash provided by (used in) financing activities	(1,680)	(1,566)
Net increase (decrease) in cash and cash equivalents	2,888	214
Cash and cash equivalents at beginning of period	10,965	13,854
Cash and cash equivalents at end of period	13,854	14,068

(5) Notes on the Consolidated Financial Statements

(Note on going concern assumption)

Not applicable.

(Segment data)

1. Overview of reporting segments

The Company Group's reporting segments are segments for which separate financial information is available among the units constituting the Company and its consolidated subsidiaries and which are subject to regular reviews by the Board of Directors for evaluating the management resource allocation method and business results.

Based primarily on the similarities in the product type, manufacturing method, sales market, and sales method, the Company Group has defined three reporting segments: Manufacturing, Engineering, and Trading. The Manufacturing segment focuses on the manufacture, sale, etc. of environment-related products; the Engineering segment deals mainly with the design and construction of waterworks and sewerage facilities; and the Trading segment sells pumps, boilers, energy-efficient air-conditioning equipment, etc. as a trading company.

Major goods, products, and construction services offered in each segment are as follows.

Reporting segment	Major items
Manufacturing	Manufacture and sale of ozone level meters, industrial deodorants/deodorizers, energy-efficient blowers, various types of equipment for water treatment, infectious disease control equipment, ZEB/ZEH-related products, etc. Planning, design, and construction of private-sector wastewater treatment facilities, fisheries facilities, waterscape facilities, etc.
Engineering	Design and construction of waterworks and sewerage facilities (water purification plants, sewage plants, various pump stations, etc.), and design, construction, and maintenance of associated machines, electrical facilities, etc.
Trading	Purchase and sale of wind and water power equipment, heating and cooling equipment, and other equipment related to air-conditioning facilities, water supply/drainage facilities, sanitary facilities, etc., and construction works related to these facilities

2. Calculation method for net sales, profit/loss, assets, liabilities, and other items of each reporting segment

The accounting method used for the reporting segments is generally the same as that used to prepare consolidated financial statements. Profit of the reporting segments is based on operating profit.

3. Net sales, profit/loss, assets, liabilities, and other items of each reporting segment and breakdown of revenue

Fiscal year ended December 31, 2023

(In millions of yen)

	Reporting segments			Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	3,511	16,886	1,363	21,761	-	21,761
Private sector	4,143	785	9,590	14,519	-	14,519
Revenue from customer contracts	7,654	17,671	10,954	36,280	-	36,280
Other revenue	-	-	-	-	-	-
Net sales to external customers	7,654	17,671	10,954	36,280	-	36,280
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	7,654	17,671	10,954	36,280	-	36,280
Segment profit	1,652	2,182	1,328	5,163	(1,137)	4,025
Segment assets	5,917	8,130	5,427	19,474	22,443	41,917
Other items						
Depreciation	69	75	14	159	91	250
Increase in property, plant and equipment and intangible assets	102	73	7	183	43	227

(Notes) 1. Details of the adjustments are described below.

(i) The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.

(ii) Of the segment assets, major corporate assets included in the adjustment item are surplus funds (cash and deposits), long-term investment funds (investment securities, insurance funds, etc.), investment property, and assets related to administrative departments at the parent company.

2. Segment profits are adjusted for operating profit posted on the consolidated financial statements.

Fiscal year ended December 31, 2024

(In millions of yen)

	Reporting segments			Total	Adjustment (Note) 1	Amount on consolidated financial statements (Note) 2
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	3,444	18,320	1,661	23,426	-	23,426
Private sector	3,666	551	9,858	14,077	-	14,077
Revenue from customer contracts	7,111	18,872	11,520	37,503	-	37,503
Other revenue	-	-	-	-	-	-
Net sales to external customers	7,111	18,872	11,520	37,503	-	37,503
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	7,111	18,872	11,520	37,503	-	37,503
Segment profit	1,313	2,450	1,749	5,514	(1,262)	4,251
Segment assets	5,788	8,714	5,006	19,509	23,487	42,996
Other items						
Depreciation	88	87	12	188	72	261
Increase in property, plant and equipment and intangible assets	92	111	5	210	11	222

(Notes) 1. Details of the adjustments are described below.

(i) The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.

(ii) Of the segment assets, major corporate assets included in the adjustment item are surplus funds (cash and deposits), long-term investment funds (investment securities, insurance funds, etc.), investment property, and assets related to administrative departments at the parent company.

2. Segment profits are adjusted for operating profit posted on the consolidated financial statements.

(Per share information)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets per share	¥1,761.94	¥1,967.87
Basic earnings per share	¥263.12	¥264.22

- (Notes)
1. Diluted earnings per share are not presented because there were no potential shares.
 2. The number of treasury shares used as the basis for calculating net assets per share and basic earnings per share includes the Company's stock held by the trust account of the Trust-type Employee Stock Ownership Plan (ESOP) (30,100 shares in the previous fiscal year and 2,200 shares in the fiscal year under review).
 3. The basis for calculating net assets per share and basic earnings per share is as follows.

		Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net assets per share			
Total net assets	(millions of yen)	21,028	23,461
Amount deducted from total net assets	(millions of yen)	-	-
Net assets at the end of the fiscal year attributable to common stock	(millions of yen)	21,028	23,461
Number of common shares at the end of the fiscal year used for calculating net assets per share	(shares)	11,934,856	11,922,046
Basic earnings per share			
Profit attributable to owners of parent	(millions of yen)	3,141	3,157
Amount not attributable to common stockholders	(millions of yen)	-	-
Profit attributable to common stock owners of parent	(millions of yen)	3,141	3,157
Average number of shares outstanding during the period	(shares)	11,938,084	11,952,283

(Significant subsequent events)

Not applicable.

(Additional information)

Trust-type Employee Stock Ownership Plan (ESOP)

In its Board of Directors meeting held on April 20, 2021, the Company resolved to dispose of its treasury stock (hereinafter, the "Treasury Stock Disposal") through private placement following the introduction of a Trust-type Employee Stock Ownership Plan (ESOP) (hereinafter, the "Plan").

The Plan is available to the Company Group employees (hereinafter, the "Eligible Employees") who are the members of the Ebara Jitsugyo Employee Stock Ownership Association (hereinafter, the "Association"). The Company has established the Employee Stock Ownership Association Trust (a trust that is created for the benefits of beneficiaries who are not the trustor) (hereinafter, the "Trust") with the Eligible Employees who satisfy certain requirements as its beneficiaries.

The Trust used the funds raised through bank borrowings to acquire at once the number of Company shares that the Association was expected to acquire over a period of approximately five years after signing a trust agreement. The Company provides a guarantee to the said borrowings obtained by the Trust.

Under the Plan, the Association will purchase Company shares from the Trust. If the Trust accumulates an amount equivalent to sales gains through the acquisition of Company shares by the Association, the said amount will be distributed to the Eligible Employees who are beneficiaries of the Trust at the expiry of the Trust. On the other hand, if the Trust is unable to fully repay its borrowings due to a fall in the Company's share price, the Company will repay the remaining debts to the lending banks. In this case, the Eligible Employees will not be held liable for the repayment of the debts. The Company transferred 60,606 shares of its treasury stock (121,212 shares after the share split) to the Trust as of May 12, 2021.

For the accounting treatment of the Treasury Stock Disposal, the Company and the Trust are deemed as one entity. As such, the Company shares held by the Trust and the assets and liabilities of the Trust are posted as part of the Company's consolidated balance sheet, consolidated statement of changes in equity, and consolidated statement of cash flows.

The number and book value of the Company shares (of treasury stock) held by the Trust were 30,100 shares and ¥74 million in the previous fiscal year and 2,200 shares and ¥5 million in the fiscal year under review.

4. Financial Statements

(1) Balance Sheet

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	13,429	13,645
Notes receivable - trade	300	106
Electronically recorded monetary claims - operating	1,699	1,754
Accounts receivable - trade	11,792	11,654
Merchandise and finished goods	971	1,426
Work in process	371	433
Costs on construction contracts in progress	78	63
Raw materials and supplies	533	597
Short-term loans receivable from subsidiaries and associates	450	–
Prepaid expenses	102	176
Other	145	490
Allowance for doubtful accounts	(1)	(56)
Total current assets	29,874	30,293
Non-current assets		
Property, plant and equipment		
Buildings	1,246	1,477
Structures	55	81
Machinery and equipment	40	56
Tools, furniture and fixtures	106	127
Land	1,351	1,351
Construction in progress	3	14
Other	29	23
Total property, plant and equipment	2,834	3,131
Intangible assets		
Leasehold interests in land	8	8
Software	39	73
Telephone subscription right	7	7
Patent right	0	0
Total intangible assets	56	89
Investments and other assets		
Investment securities	5,888	6,437
Shares of subsidiaries and associates	92	49
Insurance funds	427	480
Investment property	825	481
Long-term loans receivable	96	96
Other	159	163
Allowance for doubtful accounts	(99)	(99)
Total investments and other assets	7,391	7,610
Total non-current assets	10,282	10,832
Total assets	40,156	41,125

(Millions of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	6,884	7,716
Electronically recorded obligations - operating	5,358	4,970
Short-term borrowings	1,000	1,000
Current portion of long-term borrowings	80	-
Accounts payable - other	221	285
Accrued expenses	257	270
Income taxes payable	779	637
Accrued consumption taxes	259	228
Advances received	3,053	1,256
Provision for loss on construction contracts	17	4
Other	466	522
Total current liabilities	18,378	16,891
Non-current liabilities		
Deferred tax liabilities	1,239	1,528
Provision for retirement benefits for directors (and other officers)	146	146
Provision for retirement benefits	263	182
Long-term guarantee deposits	26	27
Other	188	126
Total non-current liabilities	1,864	2,010
Total liabilities	20,242	18,901
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus		
Legal capital surplus	831	831
Other capital surplus	13	64
Total capital surplus	844	896
Retained earnings		
Legal retained earnings	141	141
Other retained earnings		
Reserve for tax purpose reduction entry of non-current assets	154	152
General reserve	12,175	13,175
Retained earnings brought forward	4,246	5,204
Total retained earnings	16,717	18,673
Treasury shares	(1,943)	(2,124)
Total shareholders' equity	16,619	18,446
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,294	3,776
Total valuation and translation adjustments	3,294	3,776
Total net assets	19,913	22,223
Total liabilities and net assets	40,156	41,125

(2) Statement of Income

(Millions of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	33,541	35,372
Cost of sales	23,245	24,267
Gross profit	10,296	11,104
Selling, general and administrative expenses	6,531	7,000
Operating profit	3,764	4,103
Non-operating income		
Interest and dividend income	179	177
Rental income from investment property	78	71
Other	20	20
Total non-operating income	278	269
Non-operating expenses		
Interest expenses	5	7
Rental expenses on real estate	62	35
Foreign exchange losses	16	6
Commission expenses	25	1
Other	0	1
Total non-operating expenses	110	52
Ordinary profit	3,933	4,320
Extraordinary income		
Gain on sale of investment securities	201	116
Total extraordinary income	201	116
Extraordinary losses		
Loss on disposal of non-current assets	0	7
Loss on redemption of investment securities	-	12
Loss on valuation of shares of subsidiaries	157	20
Total extraordinary losses	157	40
Profit before income taxes	3,977	4,395
Income taxes - current	1,164	1,183
Income taxes - deferred	(93)	177
Total income taxes	1,070	1,361
Profit	2,906	3,033

Cost of sales statement

Classification	Note No.	Fiscal year ended December 31, 2023		Fiscal year ended December 31, 2024	
		Amount (millions of yen)	Share (%)	Amount (millions of yen)	Share (%)
Equipment and materials expenses	*2	9,443	58.2	10,598	60.6
Outsourcing expenses		5,836	36.0	5,785	33.0
Expenses		923	5.7	1,084	6.2
(of which personnel expenses)		(216)	(1.3)	(272)	(1.5)
Transfer from other accounts		25	0.1	34	0.2
Cost of construction sales		16,229	100.0	17,502	100.0
Cost of goods sold		5,743		5,338	
Cost of finished goods sold		1,271		1,425	
Total cost of sales		23,245		24,267	

(Notes)

Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
1. Cost accounting method The job order cost system based on actual costs is used for cost accounting.	1. Cost accounting method Same as the left.
*2. Details of transfer from other accounts Transfer from product (VOEF): ¥25 million	*2. Details of transfer from other accounts Transfer from product (VOEF): ¥34 million

(3) Statement of Changes in Equity
Fiscal year ended December 31, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,001	831	-	831	141	156	11,175	3,364	14,837
Changes during period									
Provision of general reserve							1,000	(1,000)	-
Dividends of surplus								(1,027)	(1,027)
Reversal of reserve for tax purpose reduction entry of non-current assets						(2)		2	-
Profit								2,906	2,906
Purchase of treasury shares									
Disposal of treasury shares			13	13					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	13	13	-	(2)	1,000	881	1,879
Balance at end of period	1,001	831	13	844	141	154	12,175	4,246	16,717

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(1,378)	15,291	2,228	17,519
Changes during period				
Provision of general reserve		-		-
Dividends of surplus		(1,027)		(1,027)
Reversal of reserve for tax purpose reduction entry of non-current assets		-		-
Profit		2,906		2,906
Purchase of treasury shares	(673)	(673)		(673)
Disposal of treasury shares	108	122		122
Net changes in items other than shareholders' equity			1,065	1,065
Total changes during period	(564)	1,328	1,065	2,393
Balance at end of period	(1,943)	16,619	3,294	19,913

Fiscal year ended December 31, 2024

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	
Balance at beginning of period	1,001	831	13	844	141	154	12,175	4,246	16,717
Changes during period									
Provision of general reserve							1,000	(1,000)	-
Dividends of surplus								(1,077)	(1,077)
Reversal of reserve for tax purpose reduction entry of non-current assets						(1)		1	-
Profit								3,033	3,033
Purchase of treasury shares									
Disposal of treasury shares			51	51					
Net changes in items other than shareholders' equity									
Total changes during period	-	-	51	51	-	(1)	1,000	958	1,956
Balance at end of period	1,001	831	64	896	141	152	13,175	5,204	18,673

	Shareholders' equity		Valuation and translation adjustments	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	
Balance at beginning of period	(1,943)	16,619	3,294	19,913
Changes during period				
Provision of general reserve		-		-
Dividends of surplus		(1,077)		(1,077)
Reversal of reserve for tax purpose reduction entry of non-current assets		-		-
Profit		3,033		3,033
Purchase of treasury shares	(312)	(312)		(312)
Disposal of treasury shares	131	182		182
Net changes in items other than shareholders' equity			482	482
Total changes during period	(180)	1,826	482	2,309
Balance at end of period	(2,124)	18,446	3,776	22,223