

Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

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
 Managing Executive Officer, Head of
 Inquiries: Planning & Strategy Office Shuji Ohno TEL 03-5565-2885
 Scheduled date of ordinary general meeting of shareholders: March 26, 2024
 Scheduled date to file Securities Report: March 26, 2024
 Scheduled date to commence dividend payments: March 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(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, 2023	36,280	20.0	4,025	46.0	4,164	42.1	3,141	44.8
Year ended December 31, 2022	30,229	(6.9)	2,756	(30.8)	2,929	(28.7)	2,169	(31.3)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2023	263.12	–	15.9	11.0	11.1
Year ended December 31, 2022	177.15	–	11.6	8.5	9.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	41,917	21,028	50.2	1,761.94
As of December 31, 2022	33,528	18,396	54.9	1,515.25

(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, 2023	4,712	(143)	(1,680)	13,854
Year ended December 31, 2022	1,615	9	(1,614)	10,965

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend 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, 2022	–	42.50	–	42.50	85.00	1,043	48.0	5.5
Year ended December 31, 2023	–	42.50	–	42.50	85.00	1,017	32.3	5.2
Year ending December 31, 2024 (Forecast)	–	47.50	–	47.50	95.00		36.0	

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	38,000	4.7	4,050	0.6	4,200	0.9	3,150	0.3	263.86

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 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 December 31, 2023	995,144 shares	As of December 31, 2022	788,816 shares
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Average number of shares during the period

Year ended December 31, 2023	11,938,084 shares	Year ended December 31, 2022	12,245,033 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	11,296	14,497
Notes and accounts receivable - trade, and contract assets	10,631	14,273
Merchandise and finished goods	1,159	1,285
Work in process	331	371
Costs on construction contracts in progress	173	130
Raw materials and supplies	481	536
Other	359	270
Allowance for doubtful accounts	(1)	(1)
Total current assets	24,432	31,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,704	3,801
Accumulated depreciation	(2,020)	(2,130)
Buildings and structures, net	1,684	1,671
Machinery, equipment and vehicles	206	215
Accumulated depreciation	(160)	(175)
Machinery, equipment and vehicles, net	46	40
Tools, furniture and fixtures	691	767
Accumulated depreciation	(599)	(648)
Tools, furniture and fixtures, net	91	119
Land	1,356	1,356
Construction in progress	2	3
Other	7	34
Accumulated depreciation	(1)	(4)
Other, net	6	29
Total property, plant and equipment	3,187	3,220
Intangible assets	86	95
Investments and other assets		
Investment securities	4,494	5,889
Insurance funds	410	429
Investment property, net	636	646
Deferred tax assets	117	58
Other	268	318
Allowance for doubtful accounts	(105)	(104)
Total investments and other assets	5,822	7,237
Total non-current assets	9,096	10,553
Total assets	33,528	41,917

(Millions of yen)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,809	12,588
Short-term borrowings	1,010	1,010
Current portion of long-term borrowings	80	80
Income taxes payable	329	838
Accrued consumption taxes	21	275
Contract liabilities	1,661	3,132
Provision for loss on construction contracts	22	25
Other	714	1,049
Total current liabilities	13,647	19,000
Non-current liabilities		
Long-term borrowings	91	–
Deferred tax liabilities	868	1,247
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	241	260
Other	122	222
Total non-current liabilities	1,483	1,889
Total liabilities	15,131	20,889
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	831	844
Retained earnings	15,700	17,814
Treasury shares	(1,378)	(1,943)
Total shareholders' equity	16,154	17,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,228	3,294
Remeasurements of defined benefit plans	14	17
Total accumulated other comprehensive income	2,242	3,311
Total net assets	18,396	21,028
Total liabilities and net assets	33,528	41,917

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Net sales		
Net sales of finished goods and construction sales	24,455	27,697
Net sales of goods	5,773	8,583
Total net sales	30,229	36,280
Cost of sales		
Cost of finished goods sold and construction sales	16,657	18,741
Cost of goods sold	4,289	6,396
Total cost of sales	20,947	25,138
Gross profit		
Gross profit-finished goods and construction sales	7,798	8,956
Gross profit - merchandise	1,483	2,186
Total gross profit	9,282	11,142
Selling, general and administrative expenses	6,525	7,117
Operating profit	2,756	4,025
Non-operating income		
Interest income	0	0
Dividend income	114	120
Rental income from investment property	100	97
Other	25	23
Total non-operating income	241	241
Non-operating expenses		
Interest expenses	5	5
Rental expenses on real estate	40	55
Foreign exchange losses	14	16
Loss on cancellation of insurance policies	1	–
Commission expenses	4	25
Other	3	0
Total non-operating expenses	68	103
Ordinary profit	2,929	4,164
Extraordinary income		
Gain on sale of investment securities	140	201
Total extraordinary income	140	201
Extraordinary losses		
Loss on disposal of non-current assets	11	0
Loss on investments in silent partnerships	9	–
Other	0	–
Total extraordinary losses	21	0
Profit before income taxes	3,048	4,365
Income taxes - current	945	1,257
Income taxes - deferred	(66)	(33)
Total income taxes	879	1,224
Profit	2,169	3,141
Profit attributable to owners of parent	2,169	3,141

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Profit	2,169	3,141
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,716)	1,065
Remeasurements of defined benefit plans, net of tax	(0)	2
Total other comprehensive income	(1,717)	1,068
Comprehensive income	451	4,209
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	451	4,209
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended December 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,001	1,032	15,133	(1,974)	15,192
Cumulative effects of changes in accounting policies			95		95
Restated balance	1,001	1,032	15,228	(1,974)	15,287
Changes during period					
Dividends of surplus			(1,110)		(1,110)
Profit attributable to owners of parent			2,169		2,169
Purchase of treasury shares				(326)	(326)
Disposal of treasury shares		13		120	134
Cancellation of treasury shares		(801)		801	–
Transfer from retained earnings to capital surplus		586	(586)		–
Net changes in items other than shareholders' equity					
Total changes during period	–	(201)	472	595	866
Balance at end of period	1,001	831	15,700	(1,378)	16,154

	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	3,944	15	3,959	19,152
Cumulative effects of changes in accounting policies				95
Restated balance	3,944	15	3,959	19,247
Changes during period				
Dividends of surplus				(1,110)
Profit attributable to owners of parent				2,169
Purchase of treasury shares				(326)
Disposal of treasury shares				134
Cancellation of treasury shares				–
Transfer from retained earnings to capital surplus				–
Net changes in items other than shareholders' equity	(1,716)	(0)	(1,717)	(1,717)
Total changes during period	(1,716)	(0)	(1,717)	(850)
Balance at end of period	2,228	14	2,242	18,396

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

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	3,048	4,365
Depreciation	231	250
Share-based payment expenses	37	39
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	(56)	3
Increase (decrease) in retirement benefit liability	57	23
Interest and dividend income	(115)	(120)
Interest expenses	5	5
Loss (gain) on cancellation of insurance policies	1	(2)
Loss (gain) on sale of investment securities	(140)	(201)
Loss (gain) on disposal of non-current assets	11	0
Loss (gain) on investments in silent partnerships	9	–
Decrease (increase) in trade receivables and contract assets	(184)	(3,641)
Decrease (increase) in inventories	(122)	(177)
Increase (decrease) in trade payables	(19)	2,779
Increase (decrease) in contract liabilities	291	1,471
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(312)	253
Other, net	241	372
Subtotal	2,983	5,419
Interest and dividends received	116	121
Proceeds from insurance income	17	3
Interest paid	(5)	(5)
Income taxes paid	(1,496)	(826)
Net cash provided by (used in) operating activities	1,615	4,712
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(186)	(312)
Purchase of property, plant and equipment	(242)	(119)
Purchase of intangible assets	(2)	(52)
Purchase of investment securities	(5)	(199)
Proceeds from sale and redemption of investment securities	332	541
Proceeds from cancellation of insurance funds	53	40
Proceeds from collection of loans receivable	0	0
Purchase of investment property	(20)	(1)
Proceeds from sale of investment property	49	–
Proceeds from withdrawal of investments in silent partnerships	3	–
Other, net	27	(40)
Net cash provided by (used in) investing activities	9	(143)

(Millions of yen)

	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(80)	–
Repayments of long-term borrowings	(85)	(91)
Repayments of lease liabilities	(1)	(9)
Dividends paid	(1,113)	(1,026)
Purchase of treasury shares	(399)	(627)
Proceeds from disposal of treasury shares	64	74
Net cash provided by (used in) financing activities	(1,614)	(1,680)
Net increase (decrease) in cash and cash equivalents	9	2,888
Cash and cash equivalents at beginning of period	10,955	10,965
Cash and cash equivalents at end of period	10,965	13,854