



Three Months Ended March 31, 2023 Supplementary Materials for Financial Results

May 9, 2023

EBARA JITSUGYO CO., LTD.



FY2023 Q1 Summary

Market condition

- Demand for storage batteries and fisheries plant equipment increased, while demand related to semiconductors slowed down
- Demand for renewal of waterworks and sewage facilities, as well as demand for disaster prevention and mitigation, remains strong
- Private capital investment is recovering
- Delivery times of materials and equipment continue to be prolonged

Financial Highlights for Q1

- Orders received, net sales, and operating profit all exceeded the same period in the previous year
- Delays in recording sales continued due to prolonged delivery times of materials and equipment
- Orders backlog remains high

FY2023 Business Plan



No change in business plan

- No change in the business plan for net sales of 35.0 billion yen and operating profit of 3.5 billion yen

Q1 Results Highlights

Market condition

- Demand for storage batteries and fisheries plant equipment increased, while demand related to semiconductors slowed down
- Demand for renewal of waterworks and sewage facilities, as well as demand for disaster prevention and mitigation, remains strong
- Private capital investment is recovering
- Delivery times of materials and equipment continue to be prolonged

Net Sales

13.39 bn yen

(1.63 bn yen↑/ 13.9%↑)

- Storage batteries and fisheries plant equipment in Manufacturing business increased
- Contribution from orders backlog at the beginning of the period in Trading business

Orders received

7.06 bn yen

(0.26 bn yen↑/ 3.9%↑)

- In Engineering business, steady demand for equipment renewal as well as for disaster prevention and mitigation
- Demand for storage batteries and fisheries plant equipment increased in Manufacturing business
- In Trading business, reactionary decline in orders received ahead of schedule in the previous period in anticipation of longer delivery times

Gross Profit

4.18 bn yen

(0.24 bn yen↑/ 6.1%↑)

- Gross profit increased in line with increase in net sales
- Decrease in gross profit margin due to impact of higher material and equipment prices, etc.

Orders backlog

22.92 bn yen

(3.04 bn yen↑/ 15.3%↑)

- Shortages in the supply of materials and equipment continue to cause delays in construction progress and product shipments, but are expected to be resolved during this period

Operating Profit

2.47 bn yen

(0.14 bn yen↑/ 6.2%↑)

- Operating profit increased in line with increase in gross profit
- SG&A expenses increased mainly in labor costs

Ordinary Profit

2.49 bn yen

(0.12 bn yen↑/ 5.0%↑)

Profit

1.72 bn yen

(0.01 bn yen↓/ 0.6%↓)

Q1 Performance

(Unit: mn yen)	Dec. 2021 Q1		Dec. 2022 Q1		Dec. 2023 Q1		Year-on-Year	
		Ratio (%)		Ratio (%)		Ratio (%)	Change (%)	Change
Net Sales	14,725	100.0	11,754	100.0	13,390	100.0	+ 13.9	+ 1,636
Gross Profit	5,047	34.3	3,948	33.6	4,188	31.3	+ 6.1	+ 240
SG&A expenses	1,503	10.2	1,613	13.7	1,710	12.8	+ 6.0	+ 97
Operating Profit	3,544	24.1	2,334	19.9	2,478	18.5	+ 6.2	+ 144
Ordinary Profit	3,576	24.3	2,372	20.2	2,492	18.6	+ 5.0	+ 120
Profit	2,707	18.4	1,733	14.8	1,723	12.9	△ 0.6	△ 10
Orders received	8,425	-	6,799	-	7,063	-	+ 3.9	+ 264
Orders backlog	16,428	-	19,881	-	22,924	-	+ 15.3	+ 3,043

Q1 Results Trends by Segment

		(Unit: mn yen)	Dec. 2021 Q1	Dec. 2022 Q1	Dec. 2023 Q1	Year-on-Year	
						Change (%)	Change
 Manufacturing (environment-related)	Orders received	1,541	1,745	1,807	+ 3.6	+ 62	
	Net Sales	4,365	2,034	2,568	+ 26.2	+ 534	
	Gross Profit	1,900	893	1,122	+ 25.6	+ 229	
 Engineering (water-treatment-related)	Orders received	4,261	2,079	2,795	+ 34.4	+ 716	
	Net Sales	7,419	6,949	6,991	+ 0.6	+ 42	
	Gross Profit	2,358	2,294	2,140	- 6.7	- 154	
 Trading (fluid machinery-related)	Orders received	2,621	2,975	2,461	- 17.3	- 514	
	Net Sales	2,939	2,770	3,830	+ 38.2	+ 1,060	
	Gross Profit	788	761	925	+ 21.6	+ 164	



Results by Segment (Year-on-Year)

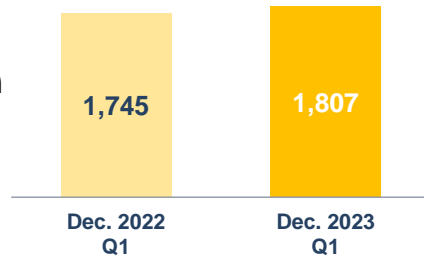


Manufacturing (environment-related)

Orders received

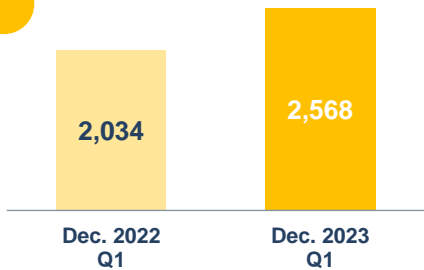
(Unit: mn yen)

+0.06 bn yen
(+3.6%)



Net Sales

+0.53 bn yen
(+26.2%)

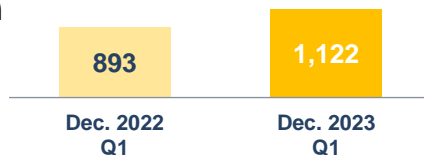


Gross Profit

Gross Profit Margin

43.9% 43.7%

+0.22 bn yen
(+25.6%)



Orders received

(Unit: mn yen)

Field	Change factors	Change
Measuring	● Demand related to semiconductors slowed down	-161
Energy-saving/creating	● Supply chain disruption resolved, response to storage battery demand is at a stage where it has started in earnest	+126
Deodorizing	● Stable demand trend for deodorizer replacements	-7
Water treatment plants	● Increase in fisheries plant equipment centered on land-based aquaculture facilities	+336
Medical	● Demand for infectious diseases control equipment decreased	-232

Net Sales

(Unit: mn yen)

Field	Change factors	Change
Measuring	● Product shipment delays due to shortage of parts supply continued	-4
Energy-saving/creating	● Storage batteries, etc. increased	+144
Deodorizing	● Increased due to large-scale deodorized project	+74
Water treatment plants	● Fisheries plant equipment, etc. increased	+338
Medical	● Infectious diseases control equipment, etc. same as equivalent period in the previous year	-18

Gross Profit

- Growth in gross profit due to increase in net sales
- Secured gross profit margin similar to the same period in the previous year through price pass-throughs, etc.

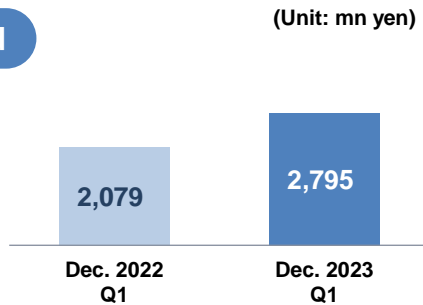
Results by Segment (Year-on-Year)



Engineering (water-treatment-related)

Orders received

+0.71 bn yen
(+34.4%)

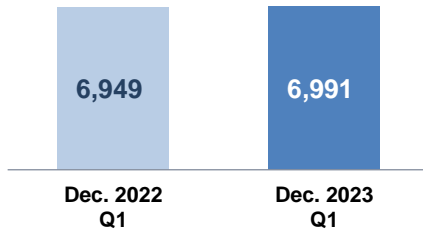


(Unit: mn yen)

- Demand for renewal of waterworks and sewage facilities, as well as demand for disaster prevention and mitigation, remains strong

Net Sales

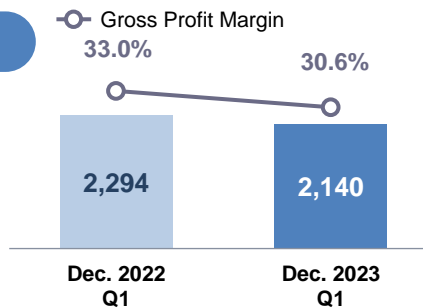
+0.04 bn yen
(+0.6%)



- Delivery times of materials and equipment continue to be prolonged, impacting construction progress

Gross Profit

-0.15 bn yen
(-6.7%)



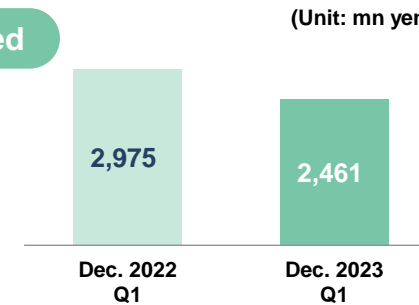
- Decrease in profit margin due to higher material and equipment prices, etc.



Trading (fluid machinery-related)

Orders received

-0.51 bn yen
(-17.3%)

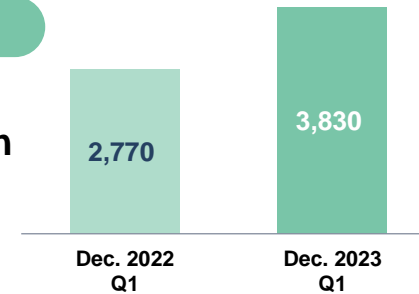


(Unit: mn yen)

- Reactionary decline in orders received ahead of schedule in the same period in the previous year in anticipation of longer delivery times

Net Sales

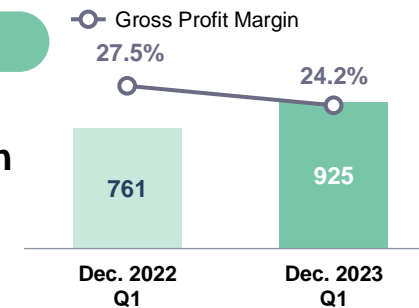
+1.06 bn yen
(+38.2%)



- High orders backlog at the beginning of the period turning seamlessly into sales

Gross Profit

+0.16 bn yen
(+21.6%)



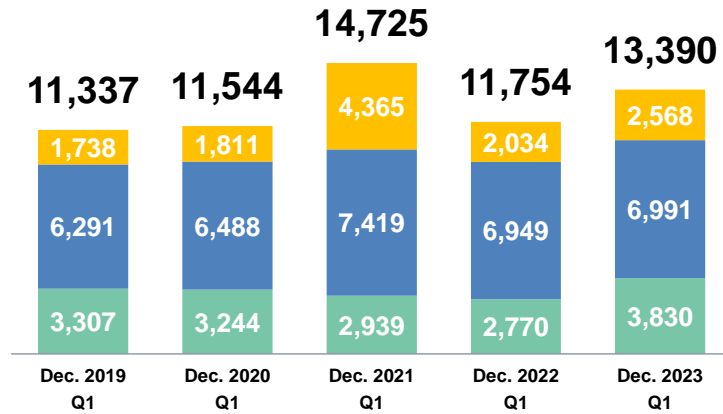
- Passing of high profit margin projects from the previous period

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

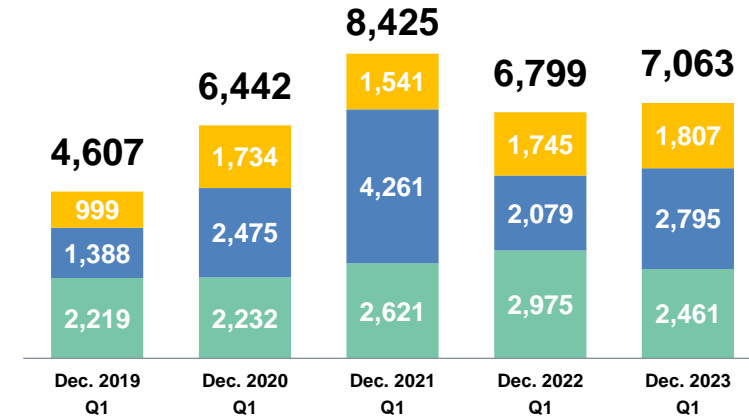
■ Manufacturing
 ■ Engineering
 ■ Trading

(Unit: mn yen)

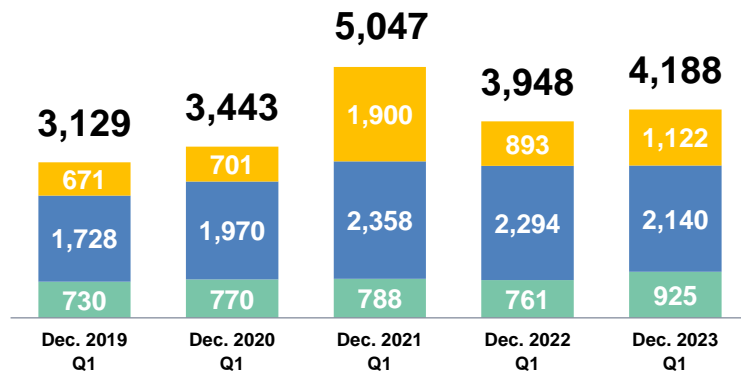
Trend in Net Sales



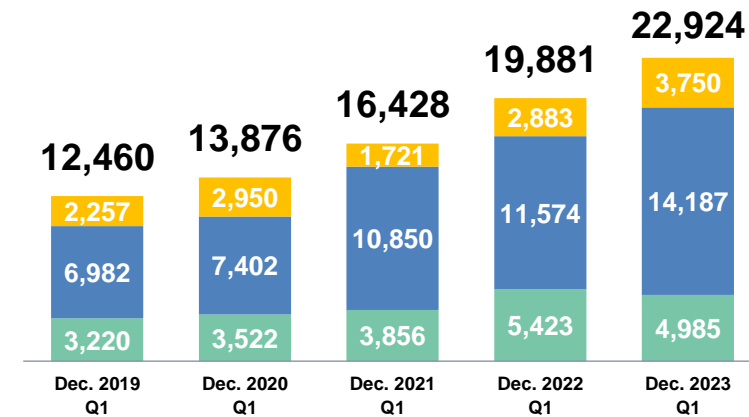
Trend in Orders received



Trend in Gross Profit



Trend in Orders backlog



Outlook for Q2 Onward

No change in business plan



Manufacturing (environment-related)

- Demand for fisheries plant equipment and storage batteries remains strong
- Demand related to semiconductors slows down
- Demand for water treatment equipment for private sector plants is recovering
- Delays in production and shipments due to shortages in the supply of raw materials are expected to be resolved during this period



Engineering (water-treatment-related)

- Waterworks and sewage facility renewal projects and disaster prevention and mitigation projects remain strong
- Delays in construction progress due to shortages in the supply of materials and equipment are expected to be resolved during this period



Trading (fluid machinery-related)

- Impact on business plan to be minimized by ordering ahead of schedule in anticipation of longer delivery times
- Steady growth with the recovery of private capital investment

FY2023 Business Plan

No change in 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
Net Sales	32,485	100.0	30,229	100.0	35,000	100.0	+ 15.8	+ 4,771
Gross Profit	10,489	32.3	9,282	30.7	10,500	30.0	+ 13.1	+ 1,218
SG&A expenses	6,507	20.0	6,525	21.6	7,000	20.0	+ 7.3	+ 475
Operating Profit	3,982	12.3	2,756	9.1	3,500	10.0	+ 27.0	+ 744
Ordinary Profit	4,110	12.7	2,929	9.7	3,650	10.4	+ 24.6	+ 721
Profit	3,159	9.7	2,169	7.2	2,600	7.4	+ 19.9	+ 431
Orders received	35,014	-	34,643	-	36,000	-	+ 3.9	+ 1,357
Orders backlog	25,256	-	29,250	-	30,250	-	+ 3.4	+ 1,000
Dividend per share	85 yen	-	85 yen	-	85 yen	-	-	-

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

Performance (Q1)

		Dec. 2019 1Q		Dec. 2020 1Q		Dec. 2021 1Q		Dec. 2022 1Q		Dec. 2023 1Q		
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY	
		(Unit: mn yen)										
Orders received	Measuring	408	+59.4%	313	-23.3%	274	-12.5%	514	+87.6%	353	-31.3%	
	Energy-saving/creating	110	+134.0%	170	+54.5%	117	-31.2%	90	-23.1%	216	+140.0%	
	Deodorizing	114	-60.1%	124	+8.8%	234	+88.7%	250	+6.8%	243	-2.8%	
	Water-treatment plants	319	-19.6%	779	+144.2%	269	-65.5%	407	+51.3%	743	+82.6%	
	Medical	49	-53.3%	348	+610.2%	648	+86.2%	484	-25.3%	252	-47.9%	
	Manufacturing (environment-related)	999	-8.4%	1,734	+73.5%	1,541	-11.1%	1,745	+13.2%	1,807	+3.6%	
	Engineering (water-treatment-related)	1,388	+4.9%	2,475	+78.3%	4,261	+72.1%	2,079	-51.2%	2,795	+34.4%	
	Trading (fluid machinery-related)	2,219	-3.4%	2,232	+0.6%	2,621	+17.5%	2,975	+13.5%	2,461	-17.3%	
Total	4,607	-2.2%	6,442	+39.8%	8,425	+30.8%	6,799	-19.3%	7,063	+3.9%		
Net Sales	Measuring	334	-30.1%	294	-12.0%	441	+50.0%	455	+3.2%	451	-0.9%	
	Energy-saving/creating	219	+67.2%	230	+5.0%	109	-52.6%	124	+13.8%	268	+116.1%	
	Deodorizing	577	+54.7%	454	-21.3%	555	+22.2%	508	-8.5%	582	+14.6%	
	Water-treatment plants	551	-18.1%	715	+29.8%	962	+34.5%	540	-43.9%	878	+62.6%	
	Medical	57	-6.6%	117	+105.3%	2,298	+1864.1%	407	-82.3%	389	-4.4%	
	Manufacturing (environment-related)	1,738	+1.3%	1,811	+4.2%	4,365	+141.0%	2,034	-53.4%	2,568	+26.2%	
	Engineering (water-treatment-related)	6,291	-2.3%	6,488	+3.1%	7,419	+14.4%	6,949	-6.3%	6,991	+0.6%	
	Trading (fluid machinery-related)	3,307	+21.8%	3,244	-1.9%	2,939	-9.4%	2,770	-5.7%	3,830	+38.2%	
Total	11,337	+4.3%	11,544	+1.8%	14,725	+27.6%	11,754	-20.2%	13,390	+13.9%		
Gross Profit	Manufacturing (environment-related)	671	-15.6%	701	+4.5%	1,900	+171.0%	893	-53.0%	1,122	+25.6%	
	Engineering (water-treatment-related)	1,728	-3.6%	1,970	+14.0%	2,358	+19.7%	2,294	-2.7%	2,140	-6.7%	
	Trading (fluid machinery-related)	730	+32.7%	770	+5.5%	788	+2.3%	761	-3.4%	925	+21.6%	
	Total	3,129	-0.3%	3,443	+10.0%	5,047	+46.6%	3,948	-21.8%	4,188	+6.1%	
Selling, general and administrative expenses	1,302	-1.7%	1,406	+8.0%	1,503	+6.9%	1,613	+7.3%	1,710	+6.0%		
Operating profit	1,827	+0.8%	2,036	+11.5%	3,544	+74.0%	2,334	-34.1%	2,478	+6.2%		
Non-operating profit	36		46		53		55		51			
Non-operating expenses	12		15		21		18		38			
Ordinary profit	1,850	+1.9%	2,068	+11.8%	3,576	+72.9%	2,372	-33.7%	2,492	+5.0%		
Extraordinary income	-		-		338		140		-			
Extraordinary losses	-		25		26		11		-			
Profit before income taxes	1,850	+1.9%	2,042	+10.4%	3,887	+90.4%	2,501	-35.7%	2,492	-0.4%		
Profit attributable to owners of parent	1,280	+1.2%	1,400	+9.3%	2,707	+93.4%	1,733	-36.0%	1,723	-0.6%		



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