

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2018 (Based on Japanese GAAP)

April 27, 2018

Company name: EBARA JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <https://www.ejk.co.jp/>
 Representative: Chairman & President HISASHI SUZUKI
 Senior Corporate Officer, Head of Corporate Planning & Strategy Office SHUJI OHNO TEL 03-5565-2885
 Inquiries: TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: May 8, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended March 31, 2018 (from January 1, 2018 to March 31, 2018)

(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	%
Three months ended March 31, 2018	10,869	3.3	1,813	2.5	1,815	2.0	1,265	1.4
Three months ended March 31, 2017	10,518	(14.2)	1,768	(3.4)	1,779	(3.8)	1,247	0.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2018	188.65		–	
Three months ended March 31, 2017	186.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2018	30,209	13,585	45.0
As of December 31, 2017	25,990	12,769	49.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2017	–	22.50	–	27.50	50.00
Year ending December 31, 2018	–	–	–	–	–
Year ending December 31, 2018 (Forecast)	–	25.00	–	25.00	50.00

3. Forecast of consolidated financial results for the year ending December 31, 2018 (from January 1, 2018 to December 31, 2018)

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
Six months ending June 30, 2018	16,800	16.7	1,460	4.3	1,520	3.5	1,100	4.8	164.00
Full year	30,000	14.9	1,880	9.5	2,000	8.2	1,470	8.6	219.17

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 2018
(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: No
- 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 March 31, 2018	6,715,000 shares	As of December 31, 2017	6,715,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2018	7,827 shares	As of December 31, 2017	7,741 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2018	6,707,232 shares	Three months ended March 31, 2017	6,707,308 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	3,930	5,858
Notes and accounts receivable - trade	9,573	12,876
Securities	100	96
Merchandise and finished goods	739	819
Work in process	201	205
Costs on uncompleted construction contracts	673	394
Raw materials and supplies	210	232
Deferred tax assets	63	123
Other	644	216
Allowance for doubtful accounts	(1)	(1)
Total current assets	16,135	20,822
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,011	3,014
Accumulated depreciation	(1,588)	(1,610)
Buildings and structures, net	1,422	1,403
Machinery, equipment and vehicles	125	134
Accumulated depreciation	(79)	(84)
Machinery, equipment and vehicles, net	46	50
Tools, furniture and fixtures	569	576
Accumulated depreciation	(459)	(469)
Tools, furniture and fixtures, net	109	106
Land	1,420	1,420
Other	72	119
Accumulated depreciation	(5)	(5)
Other, net	66	113
Total property, plant and equipment	3,066	3,094
Intangible assets	37	47
Investments and other assets		
Investment securities	4,827	4,452
Insurance funds	1,145	1,018
Real estate for investment, net	634	633
Deferred tax assets	4	4
Other	248	243
Allowance for doubtful accounts	(108)	(107)
Total investments and other assets	6,752	6,244
Total non-current assets	9,855	9,386
Total assets	25,990	30,209

(Millions of yen)

	As of December 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,040	11,248
Short-term loans payable	1,090	1,090
Income taxes payable	397	640
Accrued consumption taxes	15	245
Advances received	1,619	1,297
Provision for bonuses	–	194
Provision for loss on construction contracts	2	3
Other	619	598
Total current liabilities	11,784	15,317
Non-current liabilities		
Deferred tax liabilities	1,058	942
Provision for directors' retirement benefits	187	158
Net defined benefit liability	120	128
Other	70	76
Total non-current liabilities	1,436	1,306
Total liabilities	13,221	16,624
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	8,661	9,742
Treasury shares	(12)	(12)
Total shareholders' equity	10,481	11,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,396	2,125
Remeasurements of defined benefit plans	(108)	(102)
Total accumulated other comprehensive income	2,288	2,022
Total net assets	12,769	13,585
Total liabilities and net assets	25,990	30,209

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended March 31, 2017	Three months ended March 31, 2018
Net sales	10,518	10,869
Cost of sales	7,397	7,731
Gross profit	3,121	3,138
Selling, general and administrative expenses	1,353	1,325
Operating profit	1,768	1,813
Non-operating income		
Interest income	0	0
Dividend income	0	6
Rent of real estate for investment	21	23
Other	4	1
Total non-operating income	27	31
Non-operating expenses		
Interest expenses	1	1
Rent expenses on real estates	9	9
Loss on insurance cancellation	–	15
Other	5	1
Total non-operating expenses	16	28
Ordinary profit	1,779	1,815
Profit before income taxes	1,779	1,815
Income taxes - current	617	609
Income taxes - deferred	(85)	(58)
Total income taxes	532	550
Profit	1,247	1,265
Profit attributable to owners of parent	1,247	1,265

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended March 31, 2017	Three months ended March 31, 2018
Profit	1,247	1,265
Other comprehensive income		
Valuation difference on available-for-sale securities	269	(271)
Remeasurements of defined benefit plans, net of tax	6	5
Total other comprehensive income	276	(265)
Comprehensive income	1,523	999
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,523	999
Comprehensive income attributable to non-controlling interests	—	—