

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2018 (Based on Japanese GAAP)

November 1, 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: November 9, 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 nine months ended September 30, 2018 (from January 1, 2018 to September 30, 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	%
Nine months ended September 30, 2018	21,696	11.8	1,820	31.5	1,900	29.1	1,335	22.4
Nine months ended September 30, 2017	19,409	(4.1)	1,383	59.6	1,471	54.3	1,090	62.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2018	200.73		–	
Nine months ended September 30, 2017	162.64		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2018	26,133	13,430	51.4
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	–	25.00	–		
Year ending December 31, 2018 (Forecast)				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
Full year	30,000	14.9	1,880	9.5	2,000	8.2	1,470	8.6	222.99

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 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 September 30, 2018	6,715,000 shares	As of December 31, 2017	6,715,000 shares
--------------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2018	122,867 shares	As of December 31, 2017	7,741 shares
--------------------------	----------------	-------------------------	--------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2018	6,654,108 shares	Nine months ended September 30, 2017	6,707,303 shares
--------------------------------------	------------------	--------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2017	As of September 30, 2018
Assets		
Current assets		
Cash and deposits	3,930	6,609
Notes and accounts receivable - trade	9,573	7,722
Securities	100	96
Merchandise and finished goods	739	827
Work in process	201	224
Costs on uncompleted construction contracts	673	449
Raw materials and supplies	210	235
Deferred tax assets	63	107
Other	644	209
Allowance for doubtful accounts	(1)	(1)
Total current assets	16,135	16,480
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,011	3,180
Accumulated depreciation	(1,588)	(1,659)
Buildings and structures, net	1,422	1,521
Machinery, equipment and vehicles	125	138
Accumulated depreciation	(79)	(93)
Machinery, equipment and vehicles, net	46	45
Tools, furniture and fixtures	569	597
Accumulated depreciation	(459)	(488)
Tools, furniture and fixtures, net	109	108
Land	1,420	1,420
Other	72	6
Accumulated depreciation	(5)	(6)
Other, net	66	0
Total property, plant and equipment	3,066	3,096
Intangible assets	37	72
Investments and other assets		
Investment securities	4,827	4,772
Insurance funds	1,145	943
Real estate for investment, net	634	629
Deferred tax assets	4	4
Other	248	240
Allowance for doubtful accounts	(108)	(107)
Total investments and other assets	6,752	6,483
Total non-current assets	9,855	9,652
Total assets	25,990	26,133

(Millions of yen)

	As of December 31, 2017	As of September 30, 2018
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,040	7,988
Short-term loans payable	1,090	1,090
Income taxes payable	397	369
Accrued consumption taxes	15	185
Advances received	1,619	1,042
Provision for bonuses	–	198
Provision for loss on construction contracts	2	–
Other	619	420
Total current liabilities	11,784	11,293
Non-current liabilities		
Deferred tax liabilities	1,058	1,033
Provision for directors' retirement benefits	187	158
Net defined benefit liability	120	145
Other	70	71
Total non-current liabilities	1,436	1,408
Total liabilities	13,221	12,702
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	8,661	9,647
Treasury shares	(12)	(291)
Total shareholders' equity	10,481	11,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,396	2,332
Remeasurements of defined benefit plans	(108)	(90)
Total accumulated other comprehensive income	2,288	2,241
Total net assets	12,769	13,430
Total liabilities and net assets	25,990	26,133

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Net sales	19,409	21,696
Cost of sales	13,983	15,882
Gross profit	5,426	5,814
Selling, general and administrative expenses	4,042	3,994
Operating profit	1,383	1,820
Non-operating income		
Interest income	2	1
Dividend income	37	49
Rent of real estate for investment	67	70
Insurance income	0	12
Other	26	23
Total non-operating income	132	156
Non-operating expenses		
Interest expenses	5	6
Rent expenses on real estates	28	30
Loss on insurance cancellation	-	34
Other	11	4
Total non-operating expenses	45	75
Ordinary profit	1,471	1,900
Profit before income taxes	1,471	1,900
Income taxes - current	457	613
Income taxes - deferred	(76)	(48)
Total income taxes	380	564
Profit	1,090	1,335
Profit attributable to owners of parent	1,090	1,335

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended September 30, 2017	Nine months ended September 30, 2018
Profit	1,090	1,335
Other comprehensive income		
Valuation difference on available-for-sale securities	774	(64)
Remeasurements of defined benefit plans, net of tax	18	17
Total other comprehensive income	793	(47)
Comprehensive income	1,884	1,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,884	1,288
Comprehensive income attributable to non-controlling interests	—	—