

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 Six Months Ended June 30, 2019
(Based on Japanese GAAP)**

August 1, 2019

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: August 7, 2019
 Scheduled date to commence dividend payments: September 6, 2019
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for the press and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2019 (from January 1, 2019 to June 30, 2019)

(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	%
Six months ended June 30, 2019	15,652	(2.7)	1,551	(11.3)	1,631	(9.4)	1,147	(9.2)
Six months ended June 30, 2018	16,081	11.7	1,749	24.9	1,800	22.6	1,264	20.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2019	174.11	—
Six months ended June 30, 2018	189.08	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	28,553	13,909	48.7
As of December 31, 2018	26,584	12,520	47.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2018	—	25.00	—	35.00	60.00
Year ending December 31, 2019	—	30.00	—	—	—
Year ending December 31, 2019 (Forecast)	—	—	—	30.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2019 (from January 1, 2019 to December 31, 2019)

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	29,000	(1.0)	2,180	1.9	2,310	2.6	1,650	3.1	250.30

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2019
 (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 June 30, 2019	6,715,000 shares	As of December 31, 2018	6,715,000 shares
---------------------	------------------	-------------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2019	122,867 shares	As of December 31, 2018	122,867 shares
---------------------	----------------	-------------------------	----------------

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

Six months ended June 30, 2019	6,592,133 shares	Six months ended June 30, 2018	6,685,600 shares
--------------------------------	------------------	--------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	6,170	11,318
Notes and accounts receivable - trade	10,486	6,872
Merchandise and finished goods	779	612
Work in process	217	241
Costs on uncompleted construction contracts	592	436
Raw materials and supplies	212	218
Other	96	357
Allowance for doubtful accounts	(1)	(1)
Total current assets	18,553	20,055
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,170	3,170
Accumulated depreciation	(1,675)	(1,721)
Buildings and structures, net	1,494	1,448
Machinery, equipment and vehicles	147	180
Accumulated depreciation	(94)	(97)
Machinery, equipment and vehicles, net	53	83
Tools, furniture and fixtures	612	621
Accumulated depreciation	(500)	(519)
Tools, furniture and fixtures, net	111	101
Land	1,360	1,360
Other	3	3
Accumulated depreciation	(3)	(3)
Other, net	0	–
Total property, plant and equipment	3,020	2,994
Intangible assets	78	113
Investments and other assets		
Investment securities	3,160	3,846
Insurance funds	933	716
Real estate for investment, net	692	686
Deferred tax assets	12	11
Other	240	235
Allowance for doubtful accounts	(107)	(107)
Total investments and other assets	4,931	5,390
Total non-current assets	8,031	8,497
Total assets	26,584	28,553

(Millions of yen)

	As of December 31, 2018	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,454	10,085
Short-term loans payable	1,090	1,090
Income taxes payable	443	517
Accrued consumption taxes	152	208
Advances received	1,391	1,028
Provision for loss on construction contracts	115	115
Other	628	588
Total current liabilities	13,276	13,634
Non-current liabilities		
Deferred tax liabilities	417	619
Provision for directors' retirement benefits	158	158
Net defined benefit liability	139	156
Other	72	74
Total non-current liabilities	787	1,009
Total liabilities	14,064	14,643
Net assets		
Shareholders' equity		
Capital stock	1,001	1,001
Capital surplus	831	831
Retained earnings	9,912	10,829
Treasury shares	(291)	(291)
Total shareholders' equity	11,454	12,371
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,138	1,601
Remeasurements of defined benefit plans	(72)	(63)
Total accumulated other comprehensive income	1,066	1,538
Total net assets	12,520	13,909
Total liabilities and net assets	26,584	28,553

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019
Net sales	16,081	15,652
Cost of sales	11,655	11,395
Gross profit	4,425	4,256
Selling, general and administrative expenses	2,676	2,705
Operating profit	1,749	1,551
Non-operating income		
Interest income	0	1
Dividend income	32	44
Rent of real estate for investment	47	48
Other	14	18
Total non-operating income	94	113
Non-operating expenses		
Interest expenses	4	4
Rent expenses on real estates	19	18
Loss on insurance cancellation	15	9
Other	3	0
Total non-operating expenses	43	33
Ordinary profit	1,800	1,631
Profit before income taxes	1,800	1,631
Income taxes - current	525	487
Income taxes - deferred	10	(4)
Total income taxes	536	483
Profit	1,264	1,147
Profit attributable to owners of parent	1,264	1,147

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019
Profit	1,264	1,147
Other comprehensive income		
Valuation difference on available-for-sale securities	(341)	463
Remeasurements of defined benefit plans, net of tax	11	8
Total other comprehensive income	(329)	471
Comprehensive income	934	1,619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	934	1,619
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2018	Six months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	1,800	1,631
Depreciation	89	88
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	(0)	–
Increase (decrease) in net defined benefit liability	33	29
Increase (decrease) in provision for directors' retirement benefits	(28)	–
Interest and dividend income	(33)	(45)
Interest expenses	4	4
Loss (gain) on cancellation of insurance contract	15	(6)
Decrease (increase) in notes and accounts receivable - trade	1,317	3,614
Decrease (increase) in inventories	164	292
Increase (decrease) in notes and accounts payable - trade	1,800	631
Increase (decrease) in advances received	(207)	(362)
Decrease/increase in consumption taxes receivable/payable	212	55
Other, net	574	(70)
Subtotal	5,740	5,860
Interest and dividend income received	32	45
Interest expenses paid	(4)	(4)
Income taxes paid	(358)	(417)
Net cash provided by (used in) operating activities	5,409	5,484
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(134)	(132)
Purchase of property, plant and equipment	(143)	(61)
Purchase of intangible assets	(22)	(46)
Purchase of investment securities	(121)	(18)
Proceeds from sales and redemption of investment securities	100	0
Proceeds from cancellation of insurance funds	122	30
Other, net	(18)	(9)
Net cash provided by (used in) investing activities	(215)	(237)
Cash flows from financing activities		
Cash dividends paid	(184)	(230)
Purchase of treasury shares	(278)	–
Other, net	(0)	(0)
Net cash provided by (used in) financing activities	(463)	(231)
Net increase (decrease) in cash and cash equivalents	4,730	5,015
Cash and cash equivalents at beginning of period	3,760	6,165
Cash and cash equivalents at end of period	8,491	11,180