

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2020 (Based on Japanese GAAP)

August 4, 2020

Company name: EBARA JITSUGYO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <https://www.ejk.co.jp/>
 Representative: President and COO Toru Abe
 Inquiries: Managing Executive Officer, Head of Planning & Strategy Office Shuji Ohno TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: August 12, 2020
 Scheduled date to commence dividend payments: September 7, 2020
 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, 2020 (from January 1, 2020 to June 30, 2020)

(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, 2020	16,087	2.8	1,982	27.8	2,062	26.5	1,428	24.5
Six months ended June 30, 2019	15,652	(2.7)	1,551	(11.3)	1,631	(9.4)	1,147	(9.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2020	223.02	—
Six months ended June 30, 2019	174.11	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	30,117	15,422	51.2
As of December 31, 2019	28,065	14,945	53.3

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, 2019	—	30.00	—	30.00	60.00
Year ending December 31, 2020	—	30.00			
Year ending December 31, 2020 (Forecast)			—	30.00	60.00

3. Forecast of consolidated financial results for the year ending December 31, 2020 (from January 1, 2020 to December 31, 2020)

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	29,500	3.8	2,150	6.2	2,270	4.6	1,600	5.8	242.71

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2020
 (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, 2020	6,715,000 shares	As of December 31, 2019	6,715,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	430,442 shares	As of December 31, 2019	122,867 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2020	6,405,832 shares	Six months ended June 30, 2019	6,592,133 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	6,408	11,955
Notes and accounts receivable - trade	10,167	7,266
Merchandise and finished goods	541	534
Work in process	195	218
Costs on construction contracts in progress	647	212
Raw materials and supplies	210	263
Other	150	176
Allowance for doubtful accounts	(1)	(1)
Total current assets	18,321	20,625
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,172	3,203
Accumulated depreciation	(1,767)	(1,811)
Buildings and structures, net	1,405	1,392
Machinery, equipment and vehicles	191	194
Accumulated depreciation	(110)	(124)
Machinery, equipment and vehicles, net	80	69
Tools, furniture and fixtures	631	636
Accumulated depreciation	(543)	(557)
Tools, furniture and fixtures, net	87	78
Land	1,360	1,360
Other	3	3
Accumulated depreciation	(3)	(3)
Other, net	–	–
Total property, plant and equipment	2,934	2,900
Intangible assets	154	140
Investments and other assets		
Investment securities	5,087	4,900
Insurance funds	727	726
Investment property, net	679	673
Deferred tax assets	14	17
Other	253	239
Allowance for doubtful accounts	(106)	(106)
Total investments and other assets	6,655	6,449
Total non-current assets	9,744	9,491
Total assets	28,065	30,117

(Millions of yen)

	As of December 31, 2019	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,397	9,134
Short-term borrowings	1,090	1,090
Income taxes payable	381	657
Accrued consumption taxes	136	248
Advances received	1,056	1,687
Provision for loss on construction contracts	112	124
Other	570	459
Total current liabilities	11,746	13,402
Non-current liabilities		
Deferred tax liabilities	977	882
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	153	169
Other	83	81
Total non-current liabilities	1,374	1,292
Total liabilities	13,120	14,694
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	831	831
Retained earnings	10,996	12,227
Treasury shares	(291)	(861)
Total shareholders' equity	12,538	13,198
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,451	2,259
Remeasurements of defined benefit plans	(44)	(35)
Total accumulated other comprehensive income	2,407	2,224
Total net assets	14,945	15,422
Total liabilities and net assets	28,065	30,117

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, 2019	Six months ended June 30, 2020
Net sales	15,652	16,087
Cost of sales	11,395	11,285
Gross profit	4,256	4,802
Selling, general and administrative expenses	2,705	2,819
Operating profit	1,551	1,982
Non-operating income		
Interest income	1	0
Dividend income	44	46
Rental income from investment property	48	50
Other	18	12
Total non-operating income	113	110
Non-operating expenses		
Interest expenses	4	3
Rental expenses on real estate	18	19
Loss on cancellation of insurance policies	9	0
Other	0	5
Total non-operating expenses	33	29
Ordinary profit	1,631	2,062
Extraordinary losses		
Loss on valuation of investment securities	–	28
Total extraordinary losses	–	28
Profit before income taxes	1,631	2,034
Income taxes - current	487	622
Income taxes - deferred	(4)	(16)
Total income taxes	483	605
Profit	1,147	1,428
Profit attributable to owners of parent	1,147	1,428

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020
Profit	1,147	1,428
Other comprehensive income		
Valuation difference on available-for-sale securities	463	(191)
Remeasurements of defined benefit plans, net of tax	8	8
Total other comprehensive income	471	(183)
Comprehensive income	1,619	1,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,619	1,245
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2019	Six months ended June 30, 2020
Cash flows from operating activities		
Profit before income taxes	1,631	2,034
Depreciation	88	99
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	–	12
Increase (decrease) in retirement benefit liability	29	27
Interest and dividend income	(45)	(47)
Interest expenses	4	3
Loss (gain) on cancellation of insurance policies	(6)	0
Decrease (increase) in trade receivables	3,614	2,901
Loss (gain) on valuation of investment securities	–	28
Decrease (increase) in inventories	292	366
Increase (decrease) in trade payables	631	737
Increase (decrease) in advances received	(362)	630
Decrease/increase in consumption taxes receivable/payable	55	112
Other, net	(70)	(131)
Subtotal	5,860	6,774
Interest and dividends received	45	47
Interest paid	(4)	(3)
Income taxes paid	(417)	(357)
Net cash provided by (used in) operating activities	5,484	6,461
Cash flows from investing activities		
Net decrease (increase) in forced deposits	(132)	1,175
Purchase of property, plant and equipment	(61)	(29)
Purchase of intangible assets	(46)	(2)
Purchase of investment securities	(18)	(118)
Proceeds from sales and redemption of investment securities	0	0
Proceeds from cancellation of insurance funds	30	10
Other, net	(9)	(6)
Net cash provided by (used in) investing activities	(237)	1,029
Cash flows from financing activities		
Dividends paid	(230)	(197)
Purchase of treasury shares	–	(570)
Other, net	(0)	–
Net cash provided by (used in) financing activities	(231)	(768)
Net increase (decrease) in cash and cash equivalents	5,015	6,722
Cash and cash equivalents at beginning of period	6,165	5,227
Cash and cash equivalents at end of period	11,180	11,949