

Translation

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Summary of Consolidated Financial Results for the Six Months Ended June 30, 2021 (Based on Japanese GAAP)

August 4, 2021

Company name: EBARA JITSUGYO CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 6328 URL <https://www.ejk.co.jp/>
 Representative: President and COO Toshinori Yoshida
 Inquiries: Managing Executive Officer, Head of Planning & Strategy Office Shuji Ohno TEL 03-5565-2885
 Scheduled date to file Quarterly Securities Report: August 6, 2021
 Scheduled date to commence dividend payments: September 6, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30, 2021 (from January 1, 2021 to June 30, 2021)

(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, 2021	19,013	18.2	3,271	65.1	3,334	61.7	2,555	78.9
Six months ended June 30, 2020	16,087	2.8	1,982	27.8	2,062	26.5	1,428	24.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2021	203.23		-	
Six months ended June 30, 2020	111.44		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	36,349	18,775	51.7
As of December 31, 2020	32,509	16,703	51.4

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, 2020	-	30.00	-	80.00	110.00
Year ending December 31, 2021	-	75.00	-	-	-
Year ending December 31, 2021 (Forecast)	-	-	-	37.50	-

3. Forecast of consolidated financial results for the year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

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	33,000	9.1	3,400	5.8	3,600	7.0	2,500	6.7	198.90

4. Notes

- (1) Changes in significant subsidiaries during the six months ended June 30, 2021
 (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, 2021	13,430,000 shares	As of December 31, 2020	13,430,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	840,838 shares	As of December 31, 2020	861,048 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, 2021	12,573,681 shares	Six months ended June 30, 2020	12,819,531 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	9,386	15,893
Notes and accounts receivable - trade	10,804	8,504
Merchandise and finished goods	660	654
Work in process	224	368
Costs on construction contracts in progress	576	198
Raw materials and supplies	435	338
Other	210	454
Allowance for doubtful accounts	(1)	(1)
Total current assets	22,296	26,409
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,194	3,196
Accumulated depreciation	(1,847)	(1,889)
Buildings and structures, net	1,346	1,306
Machinery, equipment and vehicles	194	192
Accumulated depreciation	(137)	(143)
Machinery, equipment and vehicles, net	56	48
Tools, furniture and fixtures	658	651
Accumulated depreciation	(573)	(579)
Tools, furniture and fixtures, net	84	71
Land	1,356	1,356
Construction in progress	13	274
Total property, plant and equipment	2,857	3,058
Intangible assets	131	135
Investments and other assets		
Investment securities	5,715	5,456
Insurance funds	687	398
Investment property, net	666	707
Deferred tax assets	13	35
Other	247	255
Allowance for doubtful accounts	(106)	(105)
Total investments and other assets	7,224	6,747
Total non-current assets	10,213	9,940
Total assets	32,509	36,349

(Millions of yen)

	As of December 31, 2020	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,946	10,229
Short-term borrowings	1,090	1,165
Income taxes payable	788	1,170
Accrued consumption taxes	261	391
Advances received	1,411	2,127
Provision for loss on construction contracts	152	122
Other	628	623
Total current liabilities	14,278	15,830
Non-current liabilities		
Deferred tax liabilities	1,086	1,067
Provision for retirement benefits for directors (and other officers)	158	158
Retirement benefit liability	195	210
Other	86	307
Total non-current liabilities	1,527	1,743
Total liabilities	15,805	17,574
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	831	1,032
Retained earnings	12,952	15,008
Treasury shares	(862)	(1,013)
Total shareholders' equity	13,923	16,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,811	2,769
Remeasurements of defined benefit plans	(31)	(23)
Total accumulated other comprehensive income	2,780	2,746
Total net assets	16,703	18,775
Total liabilities and net assets	32,509	36,349

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, 2020	Six months ended June 30, 2021
Net sales	16,087	19,013
Cost of sales	11,285	12,549
Gross profit	4,802	6,463
Selling, general and administrative expenses	2,819	3,191
Operating profit	1,982	3,271
Non-operating income		
Interest income	0	0
Dividend income	46	54
Rental income from investment property	50	46
Other	12	17
Total non-operating income	110	119
Non-operating expenses		
Interest expenses	3	3
Rental expenses on real estate	19	19
Loss on cancellation of insurance policies	0	21
Other	5	12
Total non-operating expenses	29	57
Ordinary profit	2,062	3,334
Extraordinary income		
Gain on sales of investment securities	–	338
Gain on sales of memberships	–	0
Total extraordinary income	–	338
Extraordinary losses		
Loss on sales of investment securities	–	26
Loss on valuation of investment securities	28	–
Loss on disposal of non-current assets	–	0
Loss on sales of membership	–	0
Total extraordinary losses	28	26
Profit before income taxes	2,034	3,646
Income taxes - current	622	1,118
Income taxes - deferred	(16)	(27)
Total income taxes	605	1,091
Profit	1,428	2,555
Profit attributable to owners of parent	1,428	2,555

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Profit	1,428	2,555
Other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(42)
Remeasurements of defined benefit plans, net of tax	8	7
Total other comprehensive income	(183)	(34)
Comprehensive income	1,245	2,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,245	2,520
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of cash flows

(Millions of yen)

	Six months ended June 30, 2020	Six months ended June 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,034	3,646
Depreciation	99	97
Increase (decrease) in allowance for doubtful accounts	(0)	(0)
Increase (decrease) in provision for loss on construction contracts	12	(29)
Increase (decrease) in retirement benefit liability	27	27
Interest and dividend income	(47)	(55)
Interest expenses	3	3
Loss (gain) on cancellation of insurance policies	0	18
Decrease (increase) in trade receivables	2,901	2,300
Loss (gain) on sales of investment securities	–	(323)
Loss (gain) on valuation of investment securities	28	–
Decrease (increase) in inventories	366	337
Increase (decrease) in trade payables	737	283
Increase (decrease) in advances received	630	716
Decrease/increase in consumption taxes receivable/payable	112	129
Other, net	(131)	80
Subtotal	6,774	7,231
Interest and dividends received	47	55
Interest paid	(3)	(4)
Income taxes paid	(357)	(747)
Net cash provided by (used in) operating activities	6,461	6,534
Cash flows from investing activities		
Net decrease (increase) in forced deposits	1,175	(279)
Purchase of property, plant and equipment	(29)	(324)
Purchase of intangible assets	(2)	(22)
Purchase of investment securities	(118)	(115)
Proceeds from sales and redemption of investment securities	0	636
Proceeds from cancellation of insurance funds	10	–
Other, net	(6)	(4)
Net cash provided by (used in) investing activities	1,029	(110)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	300
Repayments of long-term borrowings	–	(2)
Dividends paid	(197)	(502)
Purchase of treasury shares	(570)	(0)
Proceeds from disposal of treasury shares	–	12
Net cash provided by (used in) financing activities	(768)	(193)
Net increase (decrease) in cash and cash equivalents	6,722	6,230
Cash and cash equivalents at beginning of period	5,227	9,381
Cash and cash equivalents at end of period	11,949	15,612