



Three Months Ended March 31, 2024 Supplementary Materials for Financial Results

May 8, 2024

EBARA JITSUGYO CO., LTD.



Executive Summary

Market Condition

- Demand for renewal and development of water infrastructure facilities, as well as for disaster prevention and mitigation, remains strong
- Private capital investment remains strong
- Price pass-through of higher material and equipment prices progresses
- Demand related to infectious disease control decreased

Financial Highlights for Q1

- Net sales (13.7 bn yen), operating profit (2.8 bn yen), orders received (10.0 bn yen), and orders backlog (27.7 bn yen) all exceeded the same period in the previous year
- Orders received in the Engineering business increased significantly

FY2024 Business Plan



No change in business plan

- Expect both net sales (38.0 bn yen) and operating profit (4.05 bn yen) to renew respective highs for the second consecutive year

Q1 Results Highlights

Market Condition

- Demand for renewal and development of water infrastructure facilities, as well as for disaster prevention and mitigation, remains strong
- Private capital investment remains strong
- Price pass-through of higher material and equipment prices progresses
- Demand related to infectious disease control decreased

Net Sales

13.76 bn yen

(0.37 bn yen↑/ 2.8%↑)

- Increased in the Engineering business
- Same as equivalent period in the previous year in the Trading business
- In the Manufacturing business, infectious disease control equipment particularly decreased

Orders Received

10.06 bn yen

(3.00 bn yen↑/ 42.5%↑)

- Increased in all segments
- Increased significantly in the Engineering business, as multiple large-scale orders were won

*All comparisons are year-on-year

Gross Profit

4.64 bn yen

(0.46 bn yen↑/ 11.0%↑)

- Gross profit also increased in line with an increase in net sales
- Price pass-through of higher material and equipment prices progresses

Orders Backlog

27.72 bn yen

(4.79 bn yen↑/ 20.9%↑)

- Orders backlog increased in line with an increase in orders received

Operating Profit

2.84 bn yen

(0.36 bn yen↑/ 14.8%↑)

- Operating profit increased in line with an increase in gross profit
- SG&A expenses, mainly in labor costs and advertising costs, increased

Ordinary Profit

2.89 bn yen

(0.40 bn yen↑/ 16.3%↑)

Profit




2.00 bn yen

(0.28 bn yen↑/ 16.4%↑)

Q1 Performance

(Unit: mn yen)	FY2022 Q1		FY2023 Q1		FY2024 Q1		Year-on-Year	
		Ratio (%)		Ratio (%)		Ratio (%)	Change (%)	Change
Net Sales	11,754	100.0	13,390	100.0	13,762	100.0	+ 2.8	+ 372
Gross Profit	3,948	33.6	4,188	31.3	4,649	33.8	+ 11.0	+ 461
SG&A Expenses	1,613	13.7	1,710	12.8	1,803	13.1	+ 5.4	+ 93
Operating Profit	2,334	19.9	2,478	18.5	2,846	20.7	+ 14.8	+ 368
Ordinary Profit	2,372	20.2	2,492	18.6	2,899	21.1	+ 16.3	+ 407
Profit	1,733	14.8	1,723	12.9	2,005	14.6	+ 16.4	+ 282
Orders Received	6,799	-	7,063	-	10,065	-	+ 42.5	+ 3,002
Orders Backlog	19,881	-	22,924	-	27,723	-	+ 20.9	+ 4,799

Q1 Results Trends by Segment

		FY2022 Q1	FY2023 Q1	FY2024 Q1	Year-on-Year	
					Change (%)	Change
 Manufacturing	(Unit: mn yen)					
	Orders Received	1,745	1,807	1,996	+ 10.5	+ 189
	Net Sales	2,034	2,568	2,160	- 15.9	- 408
	Gross Profit	893	1,122	902	- 19.6	- 220
 Engineering	Orders Received	2,079	2,795	5,150	+ 84.3	+ 2,355
	Net Sales	6,949	6,991	7,724	+ 10.5	+ 733
	Gross Profit	2,294	2,140	2,732	+ 27.7	+ 592
 Trading	Orders Received	2,975	2,461	2,917	+ 18.5	+ 456
	Net Sales	2,770	3,830	3,877	+ 1.2	+ 47
	Gross Profit	761	925	1,014	+ 9.6	+ 89

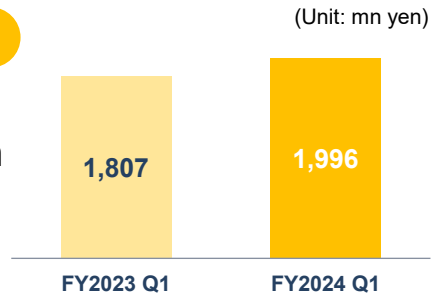
Q1 Results by Segment (Year-on-Year)



Manufacturing

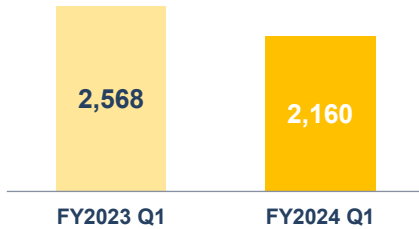
Orders Received

+0.18 bn yen
(+10.5%)



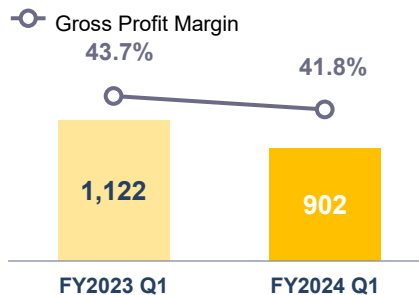
Net Sales

-0.40 bn yen
(-15.9%)



Gross Profit

-0.22 bn yen
(-19.6%)



Orders Received

Field	Change factors	Change
Measuring	Decreased due to stagnant capital investment in the semiconductor sector	-106
Energy-saving/creating	Orders for storage batteries for temporary site office increased	+130
Deodorizing	Increased thanks to large-scale deodorizing orders	+242
Water treatment plants	Orders in plant drainage facilities and land-based aquaculture facilities increased	+107
Medical	Demand for infectious disease control equipment decreased	-185

Net Sales

Field	Change factors	Change
Measuring	Remained the same as equivalent period in the previous year supported by orders backlog	-3
Energy-saving/creating	Sales in storage batteries decreased	-26
Deodorizing	There was a stable demand trend for deodorizer replacements	+0
Water treatment plants	Sales in waterscape facilities for parks, etc. decreased	-54
Medical	Demand for infectious disease control equipment decreased	-326

Gross profit

- Gross profit decreased in line with a decrease in net sales
- Gross profit margin decreased due to decrease in the medical field

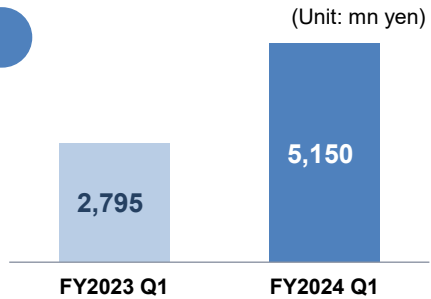
Q1 Results by Segment (Year-on-Year)



Engineering

Orders Received

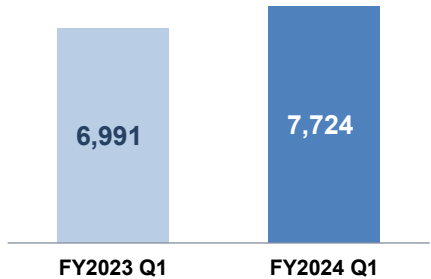
+2.35 bn yen
(+84.3%)



- Demand for renewal and development of water infrastructure facilities, as well as for disaster prevention and mitigation, remains strong
- Multiple large-scale orders were won

Net Sales

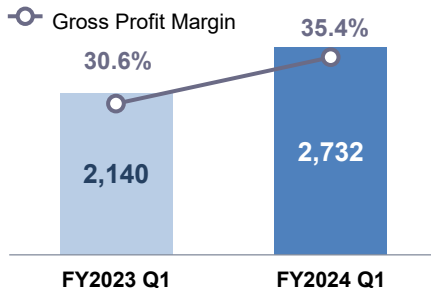
+0.73 bn yen
(+10.5%)



- High orders backlog at the beginning of the period contributed to sales

Gross Profit

+0.59 bn yen
(+27.7%)



- Gross profit increased in line with an increase in net sales
- Increase due to the application of the price adjustment clause* is recorded in Q1

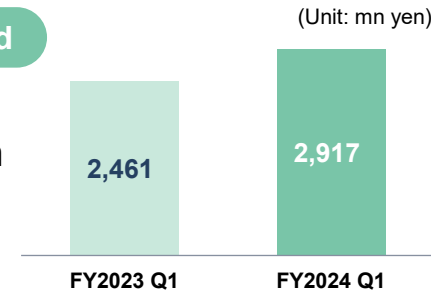
*Clause concerning changes in the contract price of public works based on fluctuations in prices, etc.



Trading

Orders Received

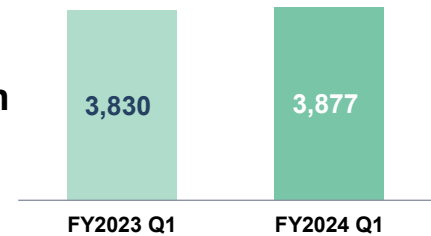
+0.45 bn yen
(+18.5%)



- Increased mainly around capital investment in plants

Net Sales

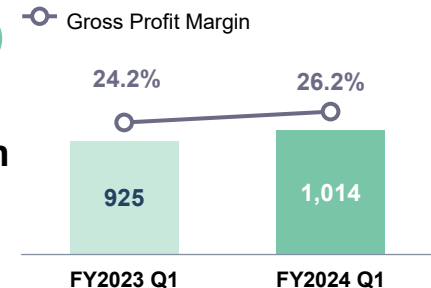
+0.04 bn yen
(+1.2%)



- Net sales same as equivalent period in the previous year

Gross Profit

+0.08 bn yen
(+9.6%)



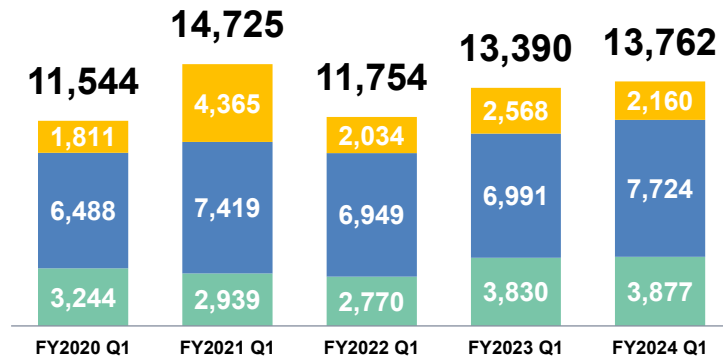
- Increased due to elimination of the impact of large-scale low-margin projects in the previous year

Trends in Net Sales, Gross Profit, Orders Received, and Orders Backlog

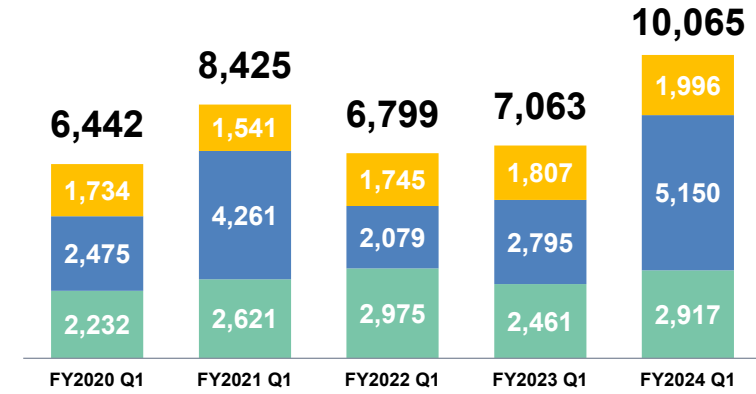
■ Manufacturing
 ■ Engineering
 ■ Trading

(Unit: mn yen)

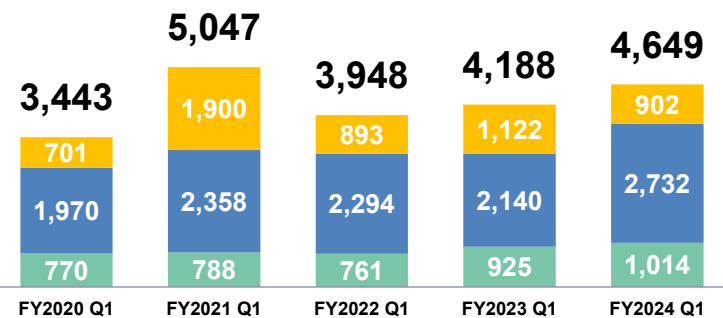
Trend in Net Sales



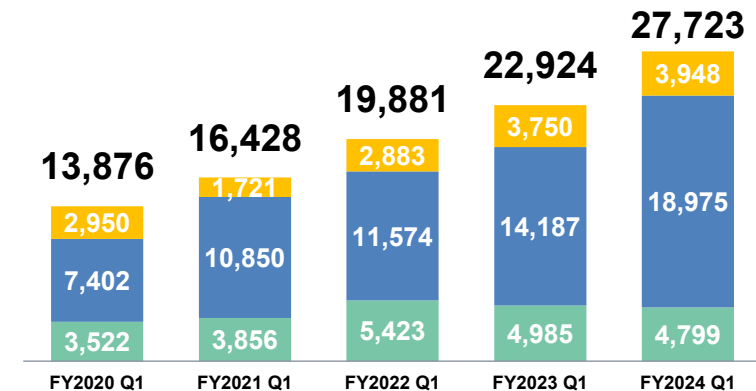
Trend in Orders Received



Trend in Gross Profit



Trend in Orders Backlog



FY2024 Business Plan

No change in business plan

- As the current market conditions in both public and private sectors remain strong, net sales are expected to increase on the back of the highest-level orders backlog at the beginning of the period (up 2.1 bn yen from the previous period)
- Aim to improve gross profit margin with price pass-throughs and cost-reduction efforts to cope with higher material and equipment prices due to price increases
- Plan to increase SG&A expenses in response to rising higher R&D costs stemming from active development investment and labor costs due to prices trending upward

(Unit: mn yen)	FY2022 Results		FY2023 Results		FY2024 Plan		Year-on-Year	
		Ratio (%)		Ratio (%)		Ratio (%)	Change (%)	Change
Net Sales	30,229	100.0	36,280	100.0	38,000	100.0	+ 4.7	+ 1,720
Gross Profit	9,282	30.7	11,142	30.7	11,850	31.2	+ 6.4	+ 708
SG&A Expenses	6,525	21.6	7,117	19.6	7,800	20.5	+ 9.6	+ 683
Operating Profit	2,756	9.1	4,025	11.1	4,050	10.7	+ 0.6	+ 25
Ordinary Profit	2,929	9.7	4,164	11.5	4,200	11.1	+ 0.9	+ 36
Profit	2,169	7.2	3,141	8.7	3,150	8.3	+ 0.3	+ 9
Orders Received	34,643	-	38,452	-	38,500	-	+ 0.1	+ 48
Orders Backlog	29,250	-	31,421	-	31,921	-	+1.6	+ 500

Performance (Q1)

		FY2020 Q1		FY2021 Q1		FY2022 Q1		FY2023 Q1		FY2024 Q1		
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Result	YoY	
		(Unit: mn yen)										
Orders received	Measuring	313	-23.3%	274	-12.5%	514	+87.6%	353	-31.3%	247	-30.0%	
	Energy-saving/creating	170	+54.5%	117	-31.2%	90	-23.1%	216	+140.0%	346	+60.2%	
	Deodorizing	124	+8.8%	234	+88.7%	250	+6.8%	243	-2.8%	485	+99.6%	
	Water treatment plants	779	+144.2%	269	-65.5%	407	+51.3%	743	+82.6%	850	+14.4%	
	Medical	348	+610.2%	648	+86.2%	484	-25.3%	252	-47.9%	67	-73.4%	
	Manufacturing	1,734	+73.5%	1,541	-11.1%	1,745	+13.2%	1,807	+3.6%	1,996	+10.5%	
	Engineering	2,475	+78.3%	4,261	+72.1%	2,079	-51.2%	2,795	+34.4%	5,150	+84.3%	
	Trading	2,232	+0.6%	2,621	+17.5%	2,975	+13.5%	2,461	-17.3%	2,917	+18.5%	
	Total	6,442	+39.8%	8,425	+30.8%	6,799	-19.3%	7,063	+3.9%	10,065	+42.5%	
Net sales	Measuring	294	-12.0%	441	+50.0%	455	+3.2%	451	-0.9%	448	-0.7%	
	Energy-saving/creating	230	+5.0%	109	-52.6%	124	+13.8%	268	+116.1%	242	-9.7%	
	Deodorizing	454	-21.3%	555	+22.2%	508	-8.5%	582	+14.6%	582	+0.0%	
	Water treatment plants	715	+29.8%	962	+34.5%	540	-43.9%	878	+62.6%	824	-6.2%	
	Medical	117	+105.3%	2,298	+1864.1%	407	-82.3%	389	-4.4%	63	-83.8%	
	Manufacturing	1,811	+4.2%	4,365	+141.0%	2,034	-53.4%	2,568	+26.2%	2,160	-15.9%	
	Engineering	6,488	+3.1%	7,419	+14.4%	6,949	-6.3%	6,991	+0.6%	7,724	+10.5%	
	Trading	3,244	-1.9%	2,939	-9.4%	2,770	-5.7%	3,830	+38.2%	3,877	+1.2%	
	Total	11,544	+1.8%	14,725	+27.6%	11,754	-20.2%	13,390	+13.9%	13,762	+2.8%	
Gross profit	Manufacturing	701	+4.5%	1,900	+171.0%	893	-53.0%	1,122	+25.6%	902	-19.6%	
	Engineering	1,970	+14.0%	2,358	+19.7%	2,294	-2.7%	2,140	-6.7%	2,732	+27.7%	
	Trading	770	+5.5%	788	+2.3%	761	-3.4%	925	+21.6%	1,014	+9.6%	
	Total	3,443	+10.0%	5,047	+46.6%	3,948	-21.8%	4,188	+6.1%	4,649	+11.0%	
Selling, general and administrative expenses		1,406	+8.0%	1,503	+6.9%	1,613	+7.3%	1,710	+6.0%	1,803	+5.4%	
Operating profit		2,036	+11.5%	3,544	+74.0%	2,334	-34.1%	2,478	+6.2%	2,846	+14.8%	
Non-operating profit		46		53		55		51		69		
Non-operating expenses		15		21		18		38		16		
Ordinary profit		2,068	+11.8%	3,576	+72.9%	2,372	-33.7%	2,492	+5.0%	2,899	+16.3%	
Extraordinary income		-		338		140		-		-		
Extraordinary losses		25		26		11		-		-		
Profit before income taxes		2,042	+10.4%	3,887	+90.4%	2,501	-35.7%	2,492	-0.4%	2,899	+16.3%	
Profit		1,400	+9.3%	2,707	+93.4%	1,733	-36.0%	1,723	-0.6%	2,005	+16.4%	

Performance (annual)

		FY2020		FY2021		FY2022		FY2023		FY2024	
		Result	YoY	Result	YoY	Result	YoY	Result	YoY	Plan	YoY
		(Unit: mn yen)									
Orders received	Measuring	1,519	+25.3%	1,717	+13.0%	1,908	+11.1%	1,682	-11.8%	1,600	-4.9%
	Energy-saving/creating	642	+7.0%	739	+15.1%	1,120	+51.6%	1,018	-9.1%	1,600	+57.2%
	Deodorizing	987	-17.0%	1,197	+21.3%	1,264	+5.6%	1,622	+28.3%	1,400	-13.7%
	Water treatment plants	2,094	-2.1%	2,110	+0.8%	2,228	+5.6%	2,328	+4.5%	2,400	+3.1%
	Medical	3,729	+1873.0%	1,476	-60.4%	1,106	-25.1%	605	-45.3%	500	-17.4%
	Manufacturing	8,972	+68.4%	7,240	-19.3%	7,626	+5.3%	7,255	-4.9%	7,500	+3.4%
	Engineering	15,748	+30.4%	17,435	+10.7%	16,349	-6.2%	20,835	+27.4%	20,000	-4.0%
	Trading	9,278	-14.2%	10,338	+11.4%	10,667	+3.2%	10,360	-2.9%	11,000	+6.2%
	Total	34,000	+20.5%	35,014	+3.0%	34,643	-1.1%	38,452	+11.0%	38,500	+0.1%
Net sales	Measuring	1,388	+6.4%	1,514	+9.1%	1,350	-10.8%	1,792	+32.7%	1,700	-5.1%
	Energy-saving/creating	689	-6.1%	590	-14.4%	637	+8.0%	1,503	+135.9%	1,700	+13.1%
	Deodorizing	1,016	-9.1%	1,023	+0.7%	1,252	+22.4%	1,403	+12.1%	1,200	-14.5%
	Water treatment plants	2,629	+47.4%	2,033	-22.7%	2,060	+1.3%	2,251	+9.3%	2,400	+6.6%
	Medical	1,733	+386.8%	3,402	+96.3%	989	-70.9%	705	-28.7%	500	-29.1%
	Manufacturing	7,456	+40.8%	8,563	+14.9%	6,288	-26.6%	7,654	+21.7%	7,500	-2.0%
	Engineering	13,155	+4.9%	14,683	+11.6%	14,408	-1.9%	17,671	+22.6%	19,500	+10.4%
	Trading	9,639	-9.0%	9,238	-4.2%	9,532	+3.2%	10,954	+14.9%	11,000	+0.4%
	Total	30,250	+6.4%	32,485	+7.4%	30,229	-6.9%	36,280	+20.0%	38,000	+4.7%
Gross profit	Manufacturing	3,011	+43.0%	3,803	+26.3%	2,580	-32.2%	3,260	+26.4%	3,250	-0.3%
	Engineering	3,752	+11.8%	4,403	+17.4%	4,234	-3.8%	5,201	+22.8%	5,900	+13.4%
	Trading	2,246	+4.0%	2,281	+1.6%	2,467	+8.1%	2,680	+8.6%	2,700	+0.7%
	Total	9,010	+18.2%	10,489	+16.4%	9,282	-11.5%	11,142	+20.0%	11,850	+6.4%
Selling, general and administrative expenses		5,795	+3.6%	6,507	+12.3%	6,525	+0.3%	7,117	+9.1%	7,800	+9.6%
Operating profit		3,214	+58.8%	3,982	+23.9%	2,756	-30.8%	4,025	+46.0%	4,050	+0.6%
Non-operating profit		209		230		241		241		200	
Non-operating expenses		61		102		68		103		50	
Ordinary profit		3,363	+55.0%	4,110	+22.2%	2,929	-28.7%	4,164	+42.1%	4,200	+0.9%
Extraordinary income		3		338		140		201		200	
Extraordinary losses		27		57		21		0		-	
Profit before income taxes		3,339	+53.9%	4,392	+31.5%	3,048	-30.6%	4,365	+43.2%	4,400	+0.8%
Profit		2,342	+54.9%	3,159	+34.9%	2,169	+31.3%	3,141	+44.8%	3,150	+0.3%



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