

Translation

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Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under Japanese GAAP)

May 8, 2025

Company name: EBARA JITSUGYO CO.,LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6328 URL: <https://www.ejk.co.jp/>
 Representative: President and COO Takashi Ishii
 Senior Managing Executive Officer, Shuji Ohno
 Head of Planning & Strategy Office TEL: +81-3-5565-2885
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

(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	%
Three months ended March 31, 2025	14,504	5.4	3,002	5.5	3,050	5.2	2,118	5.6
Three months ended March 31, 2024	13,762	2.8	2,846	14.8	2,899	16.3	2,005	16.4

Note: Comprehensive income For the three months ended March 31, 2025: ¥1,559 million [(45.1%)]
 For the three months ended March 31, 2024: ¥2,840 million [31.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2025	178.13	—
Three months ended March 31, 2024	168.04	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	47,331	24,271	51.3
As of December 31, 2024	42,996	23,461	54.6

Reference: Equity As of March 31, 2025: ¥24,271 million
 As of December 31, 2024: ¥23,461 million

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, 2024	—	47.50	—	47.50	95.00
Year ending December 31, 2025	—				
Year ending December 31, 2025 (Forecast)		60.00	—	60.00	120.00

Note: Revisions to the forecast of cash dividends most recently announced: None

Note: The annual dividends per share for the year ending December 31, 2025 (forecast) consist of an ordinary dividend of ¥100 and a commemorative dividend of ¥20 (for the 80th anniversary of the Company's founding).

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	6.7	4,500	5.8	4,650	4.7	3,300	4.5	276.10

Note: Revisions to the forecast of consolidated financial results most recently announced: None

4. Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Main Notes, (3) Notes on the Quarterly Consolidated Financial Statements (Notes on changes in accounting policies)” on page 8 of the accompanying document.

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	12,930,000 shares	As of December 31, 2024	12,930,000 shares
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(ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,052,654 shares	As of December 31, 2024	1,007,954 shares
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(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	11,893,047 shares	Three months ended March 31, 2024	11,936,496 shares
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Note: The number of the Company’s shares held by the trust account of the Trust-type Employee Stock Ownership Plan (ESOP) is included in the number of treasury shares at the end of the period and that deducted in the calculation of the average number of shares outstanding during the period (cumulative from the beginning of the fiscal year). Please also note that there are no shares of the Company’s stock held by said trust account at the end of the period under review.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements of the Company Group contained in this document are based on information currently available and reasonable assumptions regarding economic conditions, market trends, and other factors at the time of this document’s announcement and are subject to change due to various factors that may arise in the future. For information on the assumptions used to forecast financial results and precautionary statements when using the forecast of financial results, please refer to “1. Business Results and Others (3) Forecasts of Consolidated Business Results and Others” on page 3 of the accompanying document.

* Method of obtaining supplementary materials for financial results, etc.

Supplementary materials for financial results are disclosed on TDnet the same day and posted on the Company’s website.

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1. Business Results and Others

(1) Cumulative Business Results for Q1

During the first three months of the fiscal year 2025 (January 1, 2025 to March 31, 2025), a moderate recovery continued in the Japanese economy backed by steady corporate capital investments. However, the economic outlook remained uncertain due to sluggish growth in personal consumption caused by rising prices, impact of the international situation, and other factors.

In the environmental equipment and machinery industry where the Company operates, the public sector experienced stable demand for the renewal and maintenance of water infrastructure facilities and for work on disaster prevention and mitigation for rainwater drainage facilities, while the private sector saw strong capital investment.

In this business environment, the Company Group aims to improve its corporate value by focusing on the three core areas of disaster prevention and mitigation, storage batteries, and the fisheries business. Underlying these efforts is the following basic policy, based on the Company Group's "EJ2027" Medium-term Management Plan:

- Strengthening existing businesses
- Exploring new areas
- Enhancing the management base

As a result, in the first three months of the fiscal year 2025, the Company recorded ¥8,153 million in orders received (down 19.0% year on year), ¥14,504 million in net sales (up 5.4% year on year), ¥3,002 million in operating profit (up 5.5% year on year), ¥3,050 million in ordinary profit (up 5.2% year on year), and ¥2,118 million in profit attributable to owners of parent (up 5.6% year on year).

The following shows segment-specific information.

Manufacturing

In the Manufacturing segment that manufactured and sold environment-related products, the Company posted ¥1,173 million in orders received, down 41.2% year on year. This decrease was due to a backlash from orders for large projects in the water treatment plants and deodorizing domains that were recorded in the same period of the previous fiscal year, despite the partial recovery in demand for the semiconductor industry in the measuring domain. Meanwhile, net sales increased 5.4% year on year to ¥2,276 million due to an increase in demand from the public sector in the medical domain. Segment profit rose 9.5% year on year to ¥582 million on the back of the increase in net sales.

Engineering

In the Engineering segment that designed and constructed waterworks and sewerage facilities, orders received fell 23.9% year on year to ¥3,919 million in reaction to orders for large projects in the same period of the previous fiscal year, although there was stable demand for the renewal and maintenance of water infrastructure facilities as well as demand for disaster prevention and mitigation, such as for rainwater drainage facilities. Meanwhile, the Company posted net sales of ¥9,131 million, up 18.2% year on year, due to the steady progress of construction works accompanying the high level of orders backlog at the beginning of the period. Segment profit rose 10.5% year on year to ¥2,159 million on the back of the increase in net sales.

Trading

In the Trading segment that mainly sold pumps, freezers, and air-conditioning equipment as a trading company, private-sector capital investment remained strong. The segment's orders received rose 4.9% year on year to ¥3,060 million. Meanwhile, the Company posted net sales of ¥3,096 million, down 20.2% year on year, because orders backlog at the beginning of the period included many projects with long delivery times. Segment profit shrank 15.2% year on year to ¥585 million due to the smaller net sales.

The orders received by each segment during the first three months of the fiscal year 2025 were as follows.

Segment	Orders received (millions of yen)	Comparison with Q1 FY2024 (%)	Orders backlog (millions of yen)	Comparison with Q1 FY2024 (%)
Manufacturing	1,173	58.8	3,641	92.2
Engineering	3,919	76.1	17,964	94.7
Trading	3,060	104.9	5,793	120.7
Total	8,153	81.0	27,399	98.8

(2) Quarterly Financial Position

The Company Group's total assets at the end of the period under review (March 31, 2025) was ¥47,331 million, an increase of ¥4,334 million from the end of the previous fiscal year (December 31, 2024). This was mainly due to a ¥3,920 million increase in notes and accounts receivable-trade and contract assets as the Company Group's net sales tend to concentrate in March, when the fiscal year closes for local governments. It also reflected a ¥1,303 million increase in cash and deposits, while investment securities decreased ¥742 million due to the decline in the market value of the Company's investment securities and other factors.

Total liabilities at the end of the period under review was ¥23,059 million, an increase of ¥3,524 million from the end of the previous fiscal year. This mainly reflected a ¥2,798 million increase in notes and accounts payable-trade for the same reason as in total assets, a ¥420 million increase in income taxes payable, posting of ¥415 million in the provision for bonuses, and other factors.

Total net assets at the end of the period under review was ¥24,271 million, an increase of ¥810 million from the end of the previous fiscal year. This was largely attributable to an increase of ¥2,118 million due to the posting of profit attributable to owners of parent, a decrease of ¥566 million related to dividends of surplus, and a decrease of ¥558 million in valuation difference on available-for-sale securities due to the declining market value of the Company's investment securities.

(3) Forecasts of Consolidated Business Results and Others

There is no change to our forecasts of the consolidated business results for the fiscal year ending December 31, 2025 which we announced in the Summary of Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 dated February 10, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,862	16,166
Notes and accounts receivable - trade, and contract assets	13,910	17,830
Merchandise and finished goods	1,426	1,235
Work in process	433	408
Costs on construction contracts in progress	109	34
Raw materials and supplies	599	587
Other	676	602
Allowance for doubtful accounts	(56)	(56)
Total current assets	31,962	36,809
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,811	3,812
Accumulated depreciation	(2,228)	(2,257)
Buildings and structures, net	1,583	1,555
Machinery, equipment and vehicles	212	224
Accumulated depreciation	(155)	(160)
Machinery, equipment and vehicles, net	56	63
Tools, furniture and fixtures	790	782
Accumulated depreciation	(669)	(665)
Tools, furniture and fixtures, net	120	116
Land	1,356	1,547
Construction in progress	14	41
Other	34	34
Accumulated depreciation	(10)	(12)
Other, net	23	21
Total property, plant and equipment	3,154	3,345
Intangible assets	90	89
Investments and other assets		
Investment securities	6,437	5,695
Insurance funds	482	496
Investment property, net	634	631
Deferred tax assets	29	38
Other	308	329
Allowance for doubtful accounts	(103)	(103)
Total investments and other assets	7,788	7,086
Total non-current assets	11,034	10,521
Total assets	42,996	47,331

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,041	15,839
Short-term borrowings	1,010	990
Income taxes payable	696	1,116
Accrued consumption taxes	242	488
Contract liabilities	1,326	1,578
Provision for bonuses	—	415
Provision for loss on construction contracts	49	44
Other	1,139	919
Total current liabilities	17,506	21,391
Non-current liabilities		
Deferred tax liabilities	1,535	1,231
Provision for retirement benefits for directors (and other officers)	158	146
Retirement benefit liability	173	154
Other	161	136
Total non-current liabilities	2,029	1,668
Total liabilities	19,535	23,059
Net assets		
Shareholders' equity		
Share capital	1,001	1,001
Capital surplus	896	896
Retained earnings	19,895	21,446
Treasury shares	(2,124)	(2,306)
Total shareholders' equity	19,668	21,037
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,776	3,218
Remeasurements of defined benefit plans	15	15
Total accumulated other comprehensive income	3,792	3,233
Total net assets	23,461	24,271
Total liabilities and net assets	42,996	47,331

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income (cumulative)

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	13,762	14,504
Cost of sales	9,112	9,650
Gross profit	4,649	4,854
Selling, general and administrative expenses	1,803	1,852
Operating profit	2,846	3,002
Non-operating income		
Interest income	0	0
Dividend income	29	36
Rental income from investment property	25	26
Other	14	3
Total non-operating income	69	67
Non-operating expenses		
Interest expenses	1	2
Rental expenses on real estate	11	10
Foreign exchange losses	2	1
Other	0	3
Total non-operating expenses	16	18
Ordinary profit	2,899	3,050
Extraordinary income		
Gain on sale of investment securities	–	1
Total extraordinary income	–	1
Extraordinary losses		
Loss on disposal of non-current assets	–	0
Total extraordinary losses	–	0
Profit before income taxes	2,899	3,052
Income taxes - current	999	1,062
Income taxes - deferred	(106)	(128)
Total income taxes	893	933
Profit	2,005	2,118
Profit attributable to owners of parent	2,005	2,118

Consolidated Statements of Comprehensive Income (cumulative)

(Millions of yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Profit	2,005	2,118
Other comprehensive income		
Valuation difference on available-for-sale securities	835	(558)
Remeasurements of defined benefit plans, net of tax	(1)	(0)
Total other comprehensive income	834	(558)
Comprehensive income	2,840	1,559
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,840	1,559
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on the Quarterly Consolidated Financial Statements

(Notes on changes in accounting policies)

Application of the Accounting Standard for Current Income Taxes, etc.

Effective from the beginning of the quarter under review (January 1, 2025), the Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022) and others. This change in accounting policy had no impact on the consolidated financial statements for the first quarter of the fiscal year 2025.

(Notes on Segment data, etc.)

I First Three Months of the Fiscal Year 2024 (January 1, 2024 to March 31, 2024)

1. Net sales and profit/loss of each reporting segment and breakdown of revenue

(Millions of yen)

	Reporting segments			Total	Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	1,263	7,522	991	9,776	-	9,776
Private sector	897	201	2,886	3,985	-	3,985
Revenue from customer contracts	2,160	7,724	3,877	13,762	-	13,762
Other revenue	-	-	-	-	-	-
Net sales to external customers	2,160	7,724	3,877	13,762	-	13,762
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	2,160	7,724	3,877	13,762	-	13,762
Segment profit	531	1,954	691	3,177	(331)	2,846

(Notes)

1. The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.
 2. Segment profits are adjusted for operating profit posted on the quarterly consolidated statements of income.
2. Impairment loss or goodwill on non-current assets of the reporting segments
Not applicable.

II First Three Months of the Fiscal Year 2025 (January 1, 2025 to March 31, 2025)

1. Net sales and profit/loss of each reporting segment and breakdown of revenue

(Millions of yen)

	Reporting segments			Total	Adjustment (Note 1)	Amount on quarterly consolidated statements of income (Note 2)
	Manufacturing	Engineering	Trading			
Net sales						
Public sector	1,403	8,784	307	10,494	-	10,494
Private sector	873	347	2,789	4,010	-	4,010
Revenue from customer contracts	2,276	9,131	3,096	14,504	-	14,504
Other revenue	-	-	-	-	-	-
Net sales to external customers	2,276	9,131	3,096	14,504	-	14,504
Internal net sales or transfers between segments	-	-	-	-	-	-
Total	2,276	9,131	3,096	14,504	-	14,504
Segment profit	582	2,159	585	3,327	(325)	3,002

(Notes)

1. The adjustment to segment profit mainly represents general and administrative expenses that do not belong to the reporting segments.
 2. Segment profits are adjusted for operating profit posted on the quarterly consolidated statements of income.
2. Impairment loss or goodwill on non-current assets of the reporting segments
Not applicable.

(Note on significant change in shareholders' equity)

Not applicable.

(Note on going concern assumption)

Not applicable.

(Note on quarterly consolidated statement of cash flow)

The Company has not prepared a quarterly consolidated statement of cash flow for the three months ended March 31, 2025. The following shows depreciation (including amortization of intangible assets other than goodwill) for the three months ended March 31, 2025.

	Three months ended March 31, 2024	Three months ended March 31, 2025
Depreciation	¥59 million	¥57 million