

CONSOLIDATED FINANCIAL RESULTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
[IFRS]

May 14, 2024

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Scheduled date for submission of quarterly report: May 14, 2024

Scheduled date for dividend payment: —

Preparing supplementary material on financial results: Yes

Holding financial results presentation meeting
 (for institutional investors and analysts): Yes

(Monetary amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Three Months Ended March 31, 2024

(1) Consolidated Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit	
Three Months Ended March 31, 2024	193,822	5.3%	19,299	26.4%	20,877	37.5%	15,410	74.0%
Three Months Ended March 31, 2023	184,071	20.5%	15,264	7.7%	15,183	(2.5)%	8,855	(20.2)%

	Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share (Yen)	Basic Earnings per Share, Diluted (Yen)
Three Months Ended March 31, 2024	14,698	81.5%	27,085	144.3%	159.20	158.97
Three Months Ended March 31, 2023	8,098	(21.0)%	11,085	(35.3)%	87.95	87.78

(2) Consolidated Financial Position

Millions of yen

	Total Assets	Total Equity	Total Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
As of March 31, 2024	953,442	434,086	423,919	44.5
As of December 31, 2023	913,900	421,572	409,875	44.8

2. Dividends

	Dividends per Share (Yen)				
	End of 1 st Quarter	End of 2 nd Quarter	End of 3 rd Quarter	Year-End	Annual
Fiscal Year Ended December 31, 2023	—	97.50	—	131.50	229.00
Fiscal Year Ending December 31, 2024	—				
Fiscal Year Ending December 31, 2024 (Forecast)		115.00	—	23.00	—

Note: Revisions to forecast of dividends in this quarter: None

The Company plans to conduct a 5-for-1 stock split of shares of common stock, effective July 1, 2024. The year-end dividend per share for the fiscal year ending December 31, 2024 (forecast) reflects the effect of this stock split, and the total annual dividend is shown as “-”. If the stock split is not taken into account, the year-end dividend for the fiscal year ending December 31, 2024 (forecast) will be 115.00 yen per share, and the annual dividend will be 230.00 yen per share.

3. Forecast of Financial Results for the Fiscal Year Ending December 31, 2024

% represents percentage change from the previous fiscal year

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%	
Six Months Ending June 30, 2024	400,000	9.9%	40,000	18.5%	39,100	14.7%	26,500	28.7%	287.01
Fiscal Year Ending December 31, 2024	827,000	8.9%	87,000	1.1%	85,100	0.4%	60,800	0.9%	131.70

Note: Revisions to forecast of financial results in this quarter: Yes

The forecast of financial results for the six months ending June 30, 2024, previously announced on February 14, 2024 has been revised. For further details, please refer to “Explanation of Forecast of Consolidated Financial Results” on page 10.

The Company plans to conduct a 5-for-1 stock split of shares of common stock, effective July 1, 2024. The basic earnings per share for the fiscal year ending December 31, 2024 (forecast), takes into account the effect of this stock split. If the stock split is not taken into account, the basic earnings per share for the fiscal year ending December 31, 2024 (forecast) will be 658.50 yen.

4. Other Information

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): None

Included: — (—)

Excluded: — (—)

- (2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies other than (i) above: None

(iii) Changes in accounting estimates: None

- (3) Number of shares outstanding (Common Shares)

(i) Number of common shares (Including treasury shares)	As of March 31, 2024	92,365,382	As of December 31, 2023	92,349,082
(ii) Number of treasury shares	As of March 31, 2024	26,929	As of December 31, 2023	26,531
(iii) Average number of common shares	Three Months Ended March 31, 2024	92,331,725	Three Months Ended March 31, 2023	92,080,265

This quarterly financial result is exempt from quarterly review by certified public accountants or accounting firms.

Explanation of the Appropriate Use of Performance Forecast and Other Related Matters

1. The forecast of performance and other forward-looking statements contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the Group's performance. Actual performance may differ substantially from these forecasts owing to a wide range of factors. For further information on the assumptions made in the preparation of the forecast of performance, please refer to "Explanation of Forecast of Consolidated Financial Results" on page 10. Readers are cautioned not to place undue reliance on these forward-looking statements which are valid only as of the date thereof.
2. This report has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated report and the Japanese original, the original shall prevail. Also, the Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

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1. Qualitative Information Regarding Consolidated Financial Results

(1) Explanation of Financial Results

Millions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Change	Change Ratio (%)
Orders Received	197,909	191,602	(6,307)	(3.2)
Revenue	184,071	193,822	9,751	5.3
Operating Profit	15,264	19,299	4,035	26.4
Operating Profit on Revenue Ratio (%)	8.3	10.0	—	—
Profit Attributable to Owners of Parent	8,098	14,698	6,599	81.5
Basic Earnings per Share (Yen)	87.95	159.20	71.24	81.0

During the three months ended March 31, 2024, the Japanese economy continued to recover moderately in terms of personal consumption and corporate capital investment. Meanwhile, in the global economy, continued inflation and restrained corporate investment accompanying monetary tightening policies pushed down the economy. Concerns about an economic downturn particularly in China, Europe and the United States, the tightening of semiconductor export control regulations due to conflicts between the United States and China, the prolonged situation in Ukraine and the tension in the Middle East, such as other geopolitical risks are continuing and the uncertainty remains.

Under these circumstances, we formulated E-Plan2025, a three-year medium-term management plan starting in 2023. Under the theme of "creating value from the customer's perspective," we have shifted to a face-to-face market structure to further strengthen competitiveness in each of our businesses, and we are moving forward with various measures to achieve our management indicators.

Orders received for the three months ended March 31, 2024 increased from the same period of the previous fiscal year in the Precision Machinery Business, as the full-scale recovery of the semiconductor market took time but bottomed out. On the other hand, in the Environmental and Energy Business, orders fell year on year due to a decrease in the timing of large-scale orders, and overall orders decreased slightly year on year. Revenue increased due to steady growth in Energy, Building Service & Industrial, and Environmental Business, despite a decline in revenue from Infrastructure Business due to delays in the period. Operating income increased, supported by sales growth, improved profitability, and favorable foreign exchange rates. Revenues and operating income reached record highs for the first quarter of the current fiscal year.




As a result, consolidated orders received for the Three Months Ended March 31, 2024 amounted to ¥191,602 million (a decrease of 3.2% year-on-year), revenue amounted to ¥193,822 million (an increase of 5.3% year-on-year), operating profit amounted to ¥19,299 million (an increase of 26.4% year-on-year), and profit attributable to owners of parent amounted to ¥14,698 million (an increase of 81.5% year-on-year).



Operating Results by Business Segment is as follows.

Millions of yen




Segment	Orders Received			Revenue			Segment Profit		
	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Change Ratio (%)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Change Ratio (%)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024	Change Ratio (%)
Building Service & Industrial	52,269	58,167	11.3	53,086	56,584	6.6	3,991	4,392	10.0
Energy	62,378	54,541	(12.6)	35,972	43,591	21.2	1,109	3,654	229.5
Infrastructure	15,658	18,942	21.0	20,369	17,203	(15.5)	4,835	3,542	(26.7)
Environmental	33,300	5,278	(84.1)	17,896	20,839	16.4	1,831	3,079	68.1
Precision Machinery	34,031	54,398	59.9	56,438	55,317	(2.0)	3,491	5,451	56.1
Reportable Segment Total	197,638	191,329	(3.2)	183,764	193,535	5.3	15,258	20,120	31.9
Others	270	272	0.7	307	286	(6.6)	(246)	(885)	—
Adjustment	—	—	—	—	—	—	252	65	(74.0)
Total	197,909	191,602	(3.2)	184,071	193,822	5.3	15,264	19,299	26.4

Outline of Business Environment and Situation by Business Segment

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Building Service & Industrial	<p>(Overseas)</p> <ul style="list-style-type: none"> • The market in North America is stagnant due to high interest rates, high construction costs, and a shortage of labor. • In Europe, investment has been restrained by inflation and rising interest rates, and the housing market in particular has been sluggish. • In China, the construction market is sluggish due to restraints on real estate investment for commercial and residential use. On the other hand, industrial and public-sector markets have been firm due to government investment. <p>(Japan)</p> <ul style="list-style-type: none"> • In the construction equipment market, the number of construction starts has slowed down due to the high price of materials, etc. Demand in the service market continues to be on an upward trend. • In the industrial market, major changes are anticipated in the medium to long term, such as the consideration of capital investment with an eye to decarbonization and the conversion of the business structure, but they are currently trending steadily. 	<p>(Overseas)</p> <ul style="list-style-type: none"> • Orders received increased year on year due to steady orders in China and North and South America.  <p>(Japan)</p> <ul style="list-style-type: none"> • Orders received increased year on year due to steady growth from the effects of measures such as the introduction of low-environmental-impact products.
Energy	<ul style="list-style-type: none"> • In the new product market, demand in the petrochemical market has been firm, mainly in the Middle East. Demand for LNG market has been stabilizing. China's electricity market continues to be active. • The service market has been firm recently, although there are signs that demand for maintenance, repairs, etc. has run its course and returns to normal levels. 	<ul style="list-style-type: none"> • Orders received for products decline year on year.  • Orders received in the service sector increase year on year.
infrastructure	<p>(Overseas)</p> <ul style="list-style-type: none"> • In the water infrastructure market, demand for pumps is falling and competition is fierce in China due to the impact of the domestic economic slowdown. In Southeast Asia and North America, however, demand is firm due to economic growth and progress in the development of aging facilities. <p>(Japan)</p> <ul style="list-style-type: none"> • Investment in the renewal and repair of social infrastructure has been firm. • The public sector construction market has been moving in line with the usual year. Demand for after-sales of existing facilities continues to be firm. 	<p>(Overseas)</p> <ul style="list-style-type: none"> • Orders received for water infrastructure increased year on year. <p>(Japan)</p> <ul style="list-style-type: none"> • Orders received for the public sector increased year on year due to ongoing measures, such as comprehensive evaluation projects and an increase in orders for after-sales services. 

Segment	Business Environment	Business Situation and the Trend of Orders Received (Note 1)
Environmental (Note 2)	<ul style="list-style-type: none"> • Demand for new construction of waste treatment facilities for the public sector is trending as usual. • Orders for O&M at existing facilities are trending as usual. • Construction demand for woody biomass power generation facilities for the private sector and industrial waste treatment facilities such as waste plastics continues at a certain level. 	(Japan) <ul style="list-style-type: none"> • Orders in EPC are lower than in the same period of the previous fiscal year, when there were large-scale orders. 
Precision Machinery	<ul style="list-style-type: none"> • Demand for semiconductors has bottomed out and customers' product inventories have been normalizing. Some customers have seen a gradual recovery in factory utilization rates, but they have not yet resumed full-scale investment to increase production. 	<ul style="list-style-type: none"> • Demand for Chinese applications remained firm, and orders for logic foundries also increased year on year, which was in an adjustment phase. 

Note 1: Arrows indicate a year-on-year increase/decrease in orders received:

 in the case of +5% or more increase  in the case of -5% or greater decrease  in the case of movement within the -5% and +5% range

Note 2: EPC (Engineering, Procurement, Construction) The engineering, procurement, construction of plants
 O&M (Operation & Maintenance) The operation and maintenance of plants

(2) Explanation of Financial Position

(i) Assets

Total assets as of March 31, 2024 were ¥953,442 million, ¥39,542 million higher than as of December 31, 2023. Principal changes in asset items included a decrease of ¥20,836 million in contract assets, a decrease of ¥5,507 million in other current assets, an increase of ¥28,181 million in trade and other receivables, an increase of ¥17,151 million in cash and cash equivalents, and increase of ¥6,519 million in property, plant and equipment.

(ii) Liabilities

Total liabilities as of March 31, 2024 were ¥519,356 million, ¥27,028 million higher than as of December 31, 2023. Principal changes in liability items included a decrease of ¥15,288 million in trade and other payables, an increase of ¥19,493 million in bonds, borrowings and lease liabilities, and an increase of ¥19,458 million in contract liabilities.

(iii) Equity

Equity as of March 31, 2024 amounted to ¥434,086 million, ¥12,514 million higher than as of December 31, 2023. Principal changes in equity items included dividends paid of ¥12,140 million, profit attributable to owners of parent of ¥14,698 million, and an increase of ¥11,236 million in exchange differences on translation of foreign operations. Total equity attributable to owners of parent amounted to ¥423,919 million, and the ratio of equity attributable to owners of the parent was 44.5%.

(3) Explanation of Forecast of Consolidated Financial Results

Regarding the forecast for the six months ending June 30, 2024, reflecting the results after the previous announcement on February 14, 2024 mainly due to an increase in orders received in the Energy Business and a decrease in orders received in the Precision Machinery Business. The revised forecast is as follows. In addition, the revised forecast by business segment is as follows.

Assumptions regarding foreign currency exchange rates have not been revised since the previous announcement and are as follows: US \$1= ¥140, EUR1= ¥150, RMB1=¥19.5

Actual performance may differ from the forecast owing to factors such as changing market environment.

Forecast for the Six months Ending June 30, 2024

	Orders Received	Revenue	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent
Previous Forecast : A	384.5	402.5	38.5	37.4	25.3
Revised Forecast : B	395.0	400.0	40.0	39.1	26.5
Change (B-A)	10.5	(2.5)	1.5	1.7	1.2
(Reference) Fiscal Year Ended December 31, 2023	367.6	363.8	33.7	34.0	20.5

Forecast for the Fiscal Year Ending December 31, 2024

	Orders Received	Revenue	Operating Profit	Profit before Tax	Profit Attributable to Owners of Parent
Fiscal Year Ending December 31, 2024	834.0	827.0	87.0	85.1	60.8
(Reference) Fiscal Year Ended December 31, 2023	820.5	759.3	86.0	84.7	60.2

Forecast for the fiscal year ending December 31, 2024, remains unchanged from the previous announcement (February 14, 2024).

Forecast for the Six months Ending June 30, 2024 by Business Segment

Billions of yen

Segment		Building Service & Industrial	Energy	Infrastructure	Environmental	Precision Machinery	Others	Total
Previous Forecast : A	Orders Received	117.0	84.0	25.0	24.0	134.0	0.5	384.5
	Revenue	113.0	96.5	30.5	38.5	123.5	0.5	402.5
	Operating Profit	6.5	9.0	4.0	3.5	16.0	(0.5)	38.5
Revised Forecast : B	Orders Received	117.0	100.0	27.5	30.0	120.0	0.5	395.0
	Revenue	113.0	96.5	28.0	38.5	123.5	0.5	400.0
	Operating Profit	7.5	9.0	3.5	3.5	17.0	(0.5)	40.0
Change (B-A)	Orders Received	—	16.0	2.5	6.0	(14.0)	—	10.5
	Revenue	—	—	(2.5)	—	—	—	(2.5)
	Operating Profit	1.0	—	(0.5)	—	1.0	—	1.5

Forecast for the Fiscal Year Ending December 31, 2024 by Business Segment

Billions of yen

Segment		Building Service & Industrial	Energy	Infrastructure	Environmental	Precision Machinery	Others	Total
Fiscal Year Ending December 31, 2024	Orders Received	230.0	200.0	55.0	68.0	280.0	1.0	834.0
	Revenue	230.0	200.0	51.0	80.0	265.0	1.0	827.0
	Operating Profit	16.5	20.0	4.0	6.0	41.5	(1.0)	87.0

Forecast for the fiscal year ending December 31, 2024, remains unchanged from the previous announcement (February 14, 2024).

2. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	148,059	165,211
Trade and other receivables	163,363	191,545
Contract assets	99,901	79,064
Inventories	200,616	208,267
Income taxes receivable	1,277	3,107
Other financial assets	4,357	3,084
Other current assets	30,747	25,240
Total current assets	648,323	675,521
Non-current assets		
Property, plant and equipment	175,882	182,401
Goodwill and intangible assets	50,381	53,828
Investments accounted for using the equity method	7,192	8,100
Deferred tax assets	17,656	18,943
Other financial assets	6,015	6,139
Other non-current assets	8,447	8,506
Total non-current assets	265,576	277,921
Total assets	913,900	953,442

	Millions of yen	
	As of December 31, 2023	As of March 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	172,368	157,079
Contract liabilities	92,918	112,377
Bonds, borrowings and lease liabilities	31,953	50,864
Income taxes payable	8,150	8,578
Provisions	12,132	10,958
Other financial liabilities	760	1,695
Other current liabilities	43,682	45,404
Total current liabilities	361,966	386,958
Non-current liabilities		
Bonds, borrowings and lease liabilities	113,296	113,878
Retirement benefit liability	7,967	8,764
Provisions	2,588	2,636
Deferred tax liabilities	2,954	3,407
Other financial liabilities	492	559
Other non-current liabilities	3,062	3,152
Total non-current liabilities	130,361	132,398
Total liabilities	492,327	519,356
Equity		
Share capital	80,489	80,506
Capital surplus	76,593	76,772
Retained earnings	224,267	226,829
Treasury shares	(306)	(309)
Other components of equity	28,830	40,120
Total equity attributable to owners of parent	409,875	423,919
Non-controlling interests	11,697	10,167
Total equity	421,572	434,086
Total liabilities and equity	913,900	953,442

(2) Condensed Consolidated Statement of Income and Condensed Consolidated Statement of Comprehensive Income

Condensed Consolidated Statement of Income

For the Three Months Ended March 31, 2023 and 2024

	Millions of yen	
	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Revenue	184,071	193,822
Cost of sales	130,891	133,179
Gross profit	53,179	60,643
Selling, general and administrative expenses	38,220	42,089
Other income	538	1,605
Other expenses	232	860
Operating profit	15,264	19,299
Finance income	211	1,539
Finance costs	1,351	888
Share of profit (loss) of investments accounted for using the equity method	1,059	926
Profit before tax	15,183	20,877
Income tax expense	6,328	5,467
Profit	8,855	15,410
Profit (loss) attributable to		
Owners of parent	8,098	14,698
Non-controlling interests	756	711
Earnings per share		
Basic earnings per share(Yen)	87.95	159.20
Basic earnings per share, diluted(Yen)	87.78	158.97

Condensed Consolidated Statement of Comprehensive Income

For the Three Months Ended March 31, 2023 and 2024

Millions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Profit	8,855	15,410
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in financial assets measured at fair value through other comprehensive income	64	81
Share of other comprehensive income of investments accounted for using the equity method	48	(25)
Total of items that will not be reclassified to profit or loss	112	56
Items that may be reclassified to profit or loss		
Cash flow hedges	10	0
Exchange differences on translation of foreign operations	2,106	11,619
Total of items that may be reclassified to profit or loss	2,116	11,619
Total other comprehensive income, net of tax	2,229	11,675
Total comprehensive income	11,085	27,085
Comprehensive income attributable to		
Owners of parent	10,262	25,992
Non-controlling interests	822	1,093

(3) Condensed Consolidated Statement of Changes in Equity
For the Three Months Ended March 31, 2023

Millions of yen

	Equity attributable to owners of parent								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				
					Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans	
As of January 1, 2023	79,804	76,806	184,995	(294)	18,314	362	(21)	—	
Changes during the period									
Comprehensive income									
Profit	—	—	8,098	—	—	—	—	—	
Other comprehensive income	—	—	—	—	2,041	112	10	—	
Total comprehensive income	—	—	8,098	—	2,041	112	10	—	
Transactions with owners									
Dividends	—	—	(9,942)	—	—	—	—	—	
Purchase of treasury shares	—	—	—	(2)	—	—	—	—	
Disposal of treasury shares	—	—	—	—	—	—	—	—	
Share-based payment transactions	48	226	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	0	—	—	(0)	—	—	
Total transactions with owners	48	226	(9,942)	(2)	—	(0)	—	—	
As of March 31, 2023	79,852	77,033	183,151	(296)	20,355	475	(11)	—	

Millions of yen

	Equity attributable to owners of parent		Total equity attributable to owners of parent	Total non-controlling interests	Total equity
	Equity attributable to owners of parent	Total other components of equity			
As of January 1, 2023		18,655	359,966	9,758	369,725
Changes during the period					
Comprehensive income					
Profit		—	8,098	756	8,855
Other comprehensive income		2,164	2,164	65	2,229
Total comprehensive income		2,164	10,262	822	11,085
Transactions with owners					
Dividends		—	(9,942)	(1,282)	(11,224)
Purchase of treasury shares		—	(2)	—	(2)
Disposal of treasury shares		—	—	—	—
Share-based payment transactions		—	275	—	275
Transfer from other components of equity to retained earnings		(0)	—	—	—
Total transactions with owners		(0)	(9,669)	(1,282)	(10,951)
As of March 31, 2023		20,819	360,560	9,298	369,859

For the Three Months Ended March 31, 2024

Millions of yen

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			
					Exchange differences on translation of foreign operations	Net change in financial assets measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans
As of January 1, 2024	80,489	76,593	224,267	(306)	28,243	592	(5)	—
Changes during the period								
Comprehensive income								
Profit	—	—	14,698	—	—	—	—	—
Other comprehensive income	—	—	—	—	11,236	56	0	—
Total comprehensive income	—	—	14,698	—	11,236	56	0	—
Transactions with owners								
Dividends	—	—	(12,140)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(2)	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—	—	—
Share-based payment transactions	16	178	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	3	—	—	(3)	—	—
Total transactions with owners	16	178	(12,136)	(2)	—	(3)	—	—
As of March 31, 2024	80,506	76,772	226,829	(309)	39,480	645	(5)	—

Millions of yen

	Equity attributable to owners of parent		Total equity attributable to owners of parent	Total non-controlling interests	Total equity
		Total other components of equity			
As of January 1, 2024		28,830	409,875	11,697	421,572
Changes during the period					
Comprehensive income					
Profit		—	14,698	711	15,410
Other comprehensive income		11,293	11,293	382	11,675
Total comprehensive income		11,293	25,992	1,093	27,085
Transactions with owners					
Dividends		—	(12,140)	(2,623)	(14,764)
Purchase of treasury shares		—	(2)	—	(2)
Disposal of treasury shares		—	—	—	—
Share-based payment transactions		—	195	—	195
Transfer from other components of equity to retained earnings		(3)	—	—	—
Total transactions with owners		(3)	(11,947)	(2,623)	(14,571)
As of March 31, 2024		40,120	423,919	10,167	434,086

(4) Condensed Consolidated Statement of Cash Flows

Millions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Cash flows from operating activities		
Profit before tax	15,183	20,877
Depreciation and amortization	6,406	7,378
Impairment loss	6	14
Interest and dividend income	(210)	(394)
Interest expenses	789	875
Foreign exchange loss (gain)	(162)	1,018
Share of loss (profit) of investments accounted for using the equity method	(1,059)	(926)
Loss (gain) on sales of fixed assets	(117)	(1,117)
Decrease (increase) in trade and other receivables	(20,083)	(23,340)
Decrease (increase) in contract assets	22,961	23,861
Decrease (increase) in inventories	(5,745)	(3,227)
Increase (decrease) in trade and other payables	(19,944)	(20,992)
Increase (decrease) in contract liabilities	5,115	16,365
Increase (decrease) in provisions	(761)	(1,307)
Increase / decrease in retirement benefit assets and liabilities	30	492
Decrease/increase in consumption taxes receivable/payable	9,935	8,719
Other	5,817	(758)
Subtotal	18,163	27,539
Interest received	209	382
Dividend received	5	4
Interest paid	(656)	(467)
Income taxes paid	(5,501)	(7,853)
Net cash provided by operating activities	12,220	19,606
Cash flows from investing activities		
Payments into time deposits	(2,475)	(1,317)
Proceeds from withdrawal of time deposits	2,128	2,505
Proceeds from sales and redemption of investment securities	—	16
Purchase of property, plant and equipment, and intangible assets	(8,096)	(10,080)
Proceeds from sale of property, plant and equipment	157	1,738
Other	(64)	370
Net cash used in investing activities	(8,350)	(6,768)

Millions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	38,090	17,875
Proceeds from long-term borrowings	81	—
Repayments of long-term borrowings	(612)	(361)
Repayments of lease liabilities	(1,194)	(1,361)
Proceeds from issuance of common shares	0	0
Purchase of treasury shares	(2)	(2)
Dividends paid	(9,942)	(12,140)
Dividends paid to non-controlling interests	(1,282)	(2,623)
Net cash used in financing activities	25,138	1,385
Effect of exchange rate changes on cash and cash equivalents	579	3,311
Hyperinflation adjustment	(3)	(383)
Net increase (decrease) in cash and cash equivalents	29,583	17,151
Cash and cash equivalents at beginning of period	116,137	148,059
Cash and cash equivalents at end of period	145,721	165,211

(5) Notes to Condensed Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Segment Information)

Three Months Ended March 31, 2023

Millions of yen

	Reportable Segments						Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Building Service & Industrial	Energy	Infrastructure e	Environmen tal	Precision Machinery	Total				
Revenue										
Customers	53,086	35,972	20,369	17,896	56,438	183,764	307	184,071	—	184,071
Intersegment and Transfers	187	31	272	14	0	505	177	683	(683)	—
Total	53,274	36,003	20,642	17,911	56,438	184,270	484	184,754	(683)	184,071
Segment Profit (Loss)	3,991	1,109	4,835	1,831	3,491	15,258	(246)	15,011	252	15,264
Finance Income										211
Finance Costs										1,351
Share of Profit (Loss) of Investments Accounted for Using the Equity Method										1,059
Profit before Tax										15,183

Note 1: The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

Note 2: The “Adjustment” item for segment profit (loss) shows eliminations of intersegment transactions.

Note 3: Segment profit (loss) has been adjusted with operating profit in the condensed consolidated statement of income.

Three Months Ended March 31, 2024

Millions of yen

	Reportable Segments						Others (Note 1)	Total	Adjustment (Note 2)	Consolidated (Note 3)
	Building Service & Industrial	Energy	Infrastructure e	Environmen tal	Precision Machinery	Total				
Revenue										
Customers	56,584	43,591	17,203	20,839	55,317	193,535	286	193,822	—	193,822
Intersegment and Transfers	350	59	16	22	0	448	225	674	(674)	—
Total	56,934	43,650	17,219	20,862	55,317	193,984	512	194,497	(674)	193,822
Segment Profit (Loss)	4,392	3,654	3,542	3,079	5,451	20,120	(885)	19,234	65	19,299
Finance Income										1,539
Finance Costs										888
Share of Profit (Loss) of Investments Accounted for Using the Equity Method										926
Profit before tax										20,877

Note 1: The “Others” item in the table above is the business segment for operations that are not included among reportable segments. It contains business support services and other activities.

Note 2: The “Adjustment” item for segment profit (loss) shows eliminations of intersegment transactions.

Note 3: Segment profit (loss) has been adjusted with operating profit in the condensed consolidated statement of income.

(Contingency)

Progress of Dispute Regarding Fire Accident at Bulky Waste Treatment Facility at the Gifu City Eastern Clean Center

On October 23, 2015, a fire broke out at the bulky waste treatment facility at the Gifu City Eastern Clean Center, which is located in the Akutami section of Gifu City in Gifu Prefecture, when Ebara Environmental Plant Co., Ltd. (“EEP”), the Company’s consolidated subsidiary, was making repairs on the facility. EEP is responsible for the operation and management of a waste incinerating facility that is located adjacent to the bulky waste treatment facility where the fire occurred.

Regarding this incident, while the Company had been discussing with Gifu City the compensation for related damages, a lawsuit against EEP was filed by Gifu City at the Gifu District Court on January 31, 2019 claiming compensation for damages of ¥4,362 million and late charges for such compensation. Afterwards, Gifu City amended its amount of the compensation claim for damages to ¥4,474 million and late charges for such compensation on July 22, 2019 (received on July 25, 2019).

On July 17, 2020, the amount of the compensation claim for damages was amended to ¥4,582 million and late charges for such compensation (received on July 20, 2020), and on August 10, 2021, the compensation claim for damages was amended to ¥4,692 million and late charges for such compensation (received on August 25, 2021).

On May 31, 2023, the Gifu District Court rendered a judgment ordering EEP to pay ¥748 million and late charges at the rate of 5% per annum from October 23, 2015 until the payment has been made, and judgment rejecting Gifu City's remaining claims.

On June 12, 2023, EEP filed an appeal to the Nagoya High Court against the part of the judgment that allowed the claim of Gifu City and the part that did not allow the claim of EEP.

At this time, it is not possible to make a reasonable estimate of the effect of this incident on the Group’s consolidated financial results.

3. Others

(1) Segment Information

(i) Actual Results and Forecast of Orders Received, Revenue, Operating Profit, and Backlog of Orders Received by Business Segment

Billions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024			Six months Ending June 30, 2024	Fiscal Year Ending December 31, 2024
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Building Service & Industrial	52.2	58.1	5.8	11.3	117.0	230.0
Energy	62.3	54.5	(7.8)	(12.6)	100.0	200.0
Infrastructure	15.6	18.9	3.2	21.0	27.5	55.0
Environmental	33.3	5.2	(28.0)	(84.1)	30.0	68.0
Precision Machinery	34.0	54.3	20.3	59.9	120.0	280.0
Others	0.2	0.2	0.0	0.7	0.5	1.0
Total	197.9	191.6	(6.3)	(3.2)	395.0	834.0
Revenue						
Building Service & Industrial	53.0	56.5	3.4	6.6	113.0	230.0
Energy	35.9	43.5	7.6	21.2	96.5	200.0
Infrastructure	20.3	17.2	(3.1)	(15.5)	28.0	51.0
Environmental	17.8	20.8	2.9	16.4	38.5	80.0
Precision Machinery	56.4	55.3	(1.1)	(2.0)	123.5	265.0
Others	0.3	0.2	(0.0)	(6.6)	0.5	1.0
Total	184.0	193.8	9.7	5.3	400.0	827.0
Operating Profit						
Building Service & Industrial	3.9	4.3	0.4	10.0	7.5	16.5
Energy	1.1	3.6	2.5	229.5	9.0	20.0
Infrastructure	4.8	3.5	(1.2)	(26.7)	3.5	4.0
Environmental	1.8	3.0	1.2	68.1	3.5	6.0
Precision Machinery	3.4	5.4	1.9	56.1	17.0	41.5
Others & Adjustment	0.0	(0.8)	(0.8)	—	(0.5)	(1.0)
Total	15.2	19.2	4.0	26.4	40.0	87.0
Backlog of Orders Received						
Building Service & Industrial	61.7	65.0	3.3	5.4	64.6	60.6
Energy	173.6	232.9	59.3	34.2	213.6	210.1
Infrastructure	51.3	69.6	18.2	35.5	66.9	71.4
Environmental	332.9	332.1	(0.7)	(0.2)	338.4	334.9
Precision Machinery	207.5	209.4	1.8	0.9	201.9	220.4
Others	0.0	0.0	(0.0)	(40.3)	0.0	0.0
Total	827.2	909.1	81.9	9.9	885.7	897.7

(ii) Actual Results and Forecast of Orders Received and Revenue in the Precision Machinery Business Segment

Billions of yen

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2024			Six months Ending June 30, 2024	Fiscal Year Ending December 31, 2024
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Components	24.1	22.4	(1.6)	(7.0)	45.0	101.0
CMP Systems	9.0	28.6	19.5	215.7	69.0	169.0
Others	0.7	3.3	2.5	318.0	6.0	10.0
Total of PM	34.0	54.3	20.3	59.9	120.0	280.0
Revenue						
Components	23.8	24.8	0.9	4.1	45.0	101.0
CMP Systems	31.7	29.5	(2.1)	(6.7)	76.0	154.0
Others	0.8	0.8	0.0	3.8	2.5	10.0
Total of PM	56.4	55.3	(1.1)	(2.0)	123.5	265.0

(2) Area Information

(i) Geographical Segment Compiled on the basis of the geographical location of the Company reporting the revenue

Billions of yen

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2024		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	97.0	52.7	97.6	50.4	0.6
North America	32.6	17.7	37.4	19.3	4.8
Asia (except Japan)	39.3	21.4	41.4	21.4	2.1
Others	15.1	8.2	17.2	8.9	2.1
Total	184.0	100.0	193.8	100.0	9.7
Operating Profit					
Japan	7.2		8.4		1.2
North America	1.9		4.1		2.1
Asia (except Japan)	4.1		4.9		0.7
Others	1.7		1.9		0.2
Adjustment	0.1		(0.1)		(0.2)
Total	15.2		19.2		4.0

(ii) Regional Segment Compiled on the basis of the geographical location where the goods are sold

Billions of yen

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2024		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	73.0	39.7	79.8	41.2	6.7
China	26.7	14.5	34.4	17.8	7.6
Other Asia	33.6	18.3	22.7	11.7	(10.8)
North America	23.4	12.7	24.8	12.8	1.3
Europe	12.9	7.0	11.8	6.1	(1.0)
Middle East	8.3	4.6	13.0	6.7	4.6
Others	5.8	3.2	7.0	3.6	1.2
Total	184.0	100.0	193.8	100.0	9.7