

CONSOLIDATED FINANCIAL RESULTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
[IFRS]

February 14, 2024

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 Stock exchange listings: Tokyo
 Code number: 6361
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Scheduled date of General Meeting of Shareholders: March 27, 2024
 Scheduled date for dividend payment: March 28, 2024
 Scheduled date of submission of annual securities report: March 28, 2024

Preparing supplementary material on financial results: Yes
 Holding financial results presentation meeting: Yes (for institutional investors and analysts)
 (Monetary amounts are rounded down to the nearest million yen)

1. Consolidated Results for the Fiscal Year Ended December 31, 2023

(1) Consolidated Financial Results

(% represents percentage change from a comparable previous period)

Millions of yen

	Revenue		Operating Profit		Profit before Tax		Profit	
Fiscal Year Ended December 31, 2023	759,328	11.5%	86,025	21.9%	84,733	22.0%	63,799	21.0%
Fiscal Year Ended December 31, 2022	680,870	12.9%	70,572	15.0%	69,481	15.2%	52,705	13.5%

	Profit Attributable to Owners of Parent		Total Comprehensive Income		Basic Earnings per Share (Yen)	Basic Earnings per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2023	60,283	19.4%	72,205	5.3%	653.64	652.55
Fiscal Year Ended December 31, 2022	50,488	15.8%	68,602	22.5%	548.61	547.34

	Return on Equity Attributable to owners of Parent (%)	Profit Before Income Tax to Total Assets (%)	Operating Profit to Revenue (%)
Fiscal Year Ended December 31, 2023	15.7	9.7	11.3
Fiscal Year Ended December 31, 2022	15.0	9.0	10.4

Note: Share of profit (loss) of investments accounted for using the equity method: Fiscal year ended December 31, 2023; 1,425 million yen
 Fiscal year ended December 31, 2022; 714 million yen

(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 (%)	Total Equity Attributable to Owners of Parent per Share (Yen)
As of December 31, 2023	913,900	421,572	409,875	44.8	4,439.60
As of December 31, 2022	828,049	369,725	359,966	43.5	3,910.07

(3) Consolidated Cash Flows

Millions of yen

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Year
Fiscal Year Ended December 31, 2023	70,012	(35,625)	(4,658)	148,059
Fiscal Year Ended December 31, 2022	37,070	(38,324)	(23,749)	116,137

2. Dividends

	Dividends per Share (Yen)					Total Dividend Payment (Millions of Yen)	Payout Ratio (Consolidated) (%)	Dividend to Equity Attributable to Owners of the Parent (Consolidated) (%)
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual			
Fiscal Year Ended December 31, 2022	—	85.00	—	108.00	193.00	17,765	35.2	5.3
Fiscal Year Ended December 31, 2023	—	97.50	—	131.50	229.00	21,141	35.0	5.5
Fiscal Year Ending December 31, 2024 (Forecast)	—	115.00	—	115.00	230.00		34.9	

Note: Revisions to forecast of dividends in this quarter: Yes

The year-end dividend forecast for the year ended December 31, 2023, announced on November 14, 2023, has been revised. For details, please refer to the "Notice of Dividends (Increase)" announced today (February 14, 2024).

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		Profit Attributable to Owners of Parent		Basic Earnings per Share (Yen)
		%		%		%		%		%	
Six Months Ending June 30, 2024	402,530	10.6%	38,500	14.0%	37,424	9.8%	26,700	19.2%	25,300	22.9%	274.04
Fiscal Year Ending December 31, 2024	827,000	8.9%	87,000	1.1%	85,100	0.4%	64,000	0.3%	60,800	0.9%	658.56

4. Other Information

- (1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries involving changes in scope of consolidation): Yes

Included: 1 (EBARA (CHINA) CO., LTD.)

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 December 31, 2023	92,349,082	As of December 31, 2022	92,086,015
(ii) Number of treasury shares	As of December 31, 2023	26,531	As of December 31, 2022	24,422
(iii) Average number of common shares	Fiscal Year Ended December 31, 2023	92,226,978	Fiscal Year Ended December 31, 2022	92,029,256

(Reference Information)

1. Non-Consolidated Results for the Fiscal Year Ended December 31, 2023

(1) Financial Results

(% represents percentage change from a comparable previous fiscal year)

Millions of yen

	Net Sales		Operating Income		Ordinary Income		Net Income	
Fiscal Year Ended December 31, 2023	328,868	12.5%	25,195	4.1%	49,843	4.0%	44,771	4.8%
Fiscal Year Ended December 31, 2022	292,333	10.4%	24,202	51.6%	47,925	24.6%	42,724	19.8%

	Net Income per Share (Yen)	Net Income per Share, Diluted (Yen)
Fiscal Year Ended December 31, 2023	485.45	484.64
Fiscal Year Ended December 31, 2022	464.25	463.17

(2) Financial Position

Millions of yen

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
As of December 31, 2023	602,674	328,610	54.5	3,555.72
As of December 31, 2022	549,421	301,546	54.8	3,270.49

Note: Shareholders' Equity (Net assets excluding subscription rights to shares):

As of December 31, 2023; 328,273 million yen

As of December 31, 2022; 301,086 million yen

Note: Reasons for Difference in Non-Consolidated Financial Results from the Previous Fiscal Year

Net sales increased 12.5% from the previous fiscal year mainly due to an increase in sales in the Precision Machinery Company.

This financial result is exempt from auditing 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 forecast 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 "Forecast of Performance" on page 12. 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			
	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Change	Change Ratio (%)
Orders Received	815,218	820,598	5,379	0.7
Revenue	680,870	759,328	78,458	11.5
Operating Profit	70,572	86,025	15,452	21.9
Operating Profit on Revenue Ratio (%)	10.4	11.3	—	—
Profit Attributable to Owners of Parent	50,488	60,283	9,794	19.4
Basic Earnings per Share (Yen)	548.61	653.64	105.03	19.1

During the fiscal year ended December 31, 2023, the Japanese economy recovered moderately in terms of personal consumption and corporate capital investment, reflecting the normalization of socioeconomic activities accompanying the reclassification of COVID-19 to Class 5. On the other hand, the global economy showed signs of a slowdown in economic activity, including the prolonged situation in Ukraine, continued inflation worldwide, and restrained corporate investment in line with monetary tightening policies. Concerns about an economic downturn, particularly in China, Europe and the United States, and geopolitical risks, such as the strengthening of semiconductor export control regulations due to conflicts between the United States and China, continue, and the outlook remains uncertain.

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.

Regarding orders received for the fiscal year ended December 31, 2023, in Energy Business, we received for several large-scale projects due to brisk demand in LNG market, particularly in North America. In Asia, orders for large-scale projects in the petrochemical market increased significantly compared with the previous fiscal year. On the other hand, orders of Precision Machinery Business were sluggish, despite signs of bottoming out in some areas due to restrained capital investment by semiconductor manufacturers and adjustments to plant operations. Orders received for the entire company were higher than in the previous fiscal year due to the coverage of other businesses for the decline in Precision Machinery Business.

Revenue increased year on year in other businesses, excluding in Environment Business, and remained strong. Revenue increased due to steady growth in orders in the Building Service & Industrial, Energy, and Infrastructure Business, and improved production conditions in the Precision Machinery Business as a result of the elimination of a shortage of parts and materials, as well as progress in the elimination of the order backlog, which remained at a high level from the end of the previous fiscal year.

Operating profit increased due to higher sales, the effects of price revisions, and other factors, despite an increase in personnel costs and in fixed costs associated with business expansion.

As a result, in the Fiscal Year ended December 31, 2023, consolidated orders received amounted to ¥820,598 million (an increase of 0.7% year-on-year), revenue amounted to ¥759,328 million (an increase of 11.5% year-on-year), operating profit amounted to ¥86,025 million (an increase of 21.9% year-on-year), profit attributable to owners of parent amounted to ¥60,283 million (an increase of 19.4% year-on-year). All of them replaced the past highest records.

Operating Results by Business Segment is as follows. The reportable segments have changed from the first quarter of the current fiscal year. As for the comparison with the previous fiscal year, the figures for the same period of the previous fiscal year have been reclassified into the revised segment classification.

Operating Results by Business Segment

Millions of yen

Segment	Orders Received			Revenue			Segment Profit		
	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Change Ratio (%)	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Change Ratio (%)	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023	Change Ratio (%)
Building Service & Industrial	204,869	221,351	8.0	193,529	222,181	14.8	11,401	15,737	38.0
Energy	148,032	222,776	50.5	143,605	167,229	16.5	16,936	22,347	31.9
Infrastructure	53,586	56,658	5.7	46,258	50,178	8.5	3,924	4,604	17.3
Environmental	105,810	100,854	(4.7)	73,738	71,540	(3.0)	3,669	6,933	89.0
Precision Machinery	301,551	217,791	(27.8)	222,259	246,998	11.1	36,183	38,285	5.8
Reportable Segment Total	813,849	819,432	0.7	679,391	758,128	11.6	72,114	87,907	21.9
Others	1,368	1,165	(14.9)	1,478	1,199	(18.8)	(1,216)	(933)	—
Adjustment	—	—	—	—	—	—	(325)	(949)	—
Total	815,218	820,598	0.7	680,870	759,328	11.5	70,572	86,025	21.9

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 turned downward YoY, but demand in the service market is on an uptrend. • 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> <p>Orders received increased year on year due to steady orders in China and North and South America resulting from continued investment in China's industrial and public-sector markets and the effects of the acquisition of North American pump manufacturers in 2022. </p> <p>(Japan)</p> <ul style="list-style-type: none"> • Orders received increased from the previous fiscal 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 for projects for the petrochemical market continues, mainly in North America, Asia, and the Middle East. As in the previous fiscal year, there have been active movements in LNG market, particularly in North America and the Middle East. China's electricity market continues to be active. • In the service market as a whole, demand for maintenance, repair, and parts has been firm. 	<ul style="list-style-type: none"> • Orders received for products increase from the previous fiscal year. • Orders received in the service sector have stabilized compared to the boom in the previous fiscal year. 
Infrastructure	<p>(Overseas)</p> <ul style="list-style-type: none"> • In the water infrastructure market, demand was supported by the government's economic stimulus measures in China. Demand was also firm in Southeast Asia and North America due to economic growth and 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 at a higher level than in the previous fiscal 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 from the previous fiscal year. <p>(Japan)</p> <ul style="list-style-type: none"> • Orders received for the public sector rose from the previous fiscal 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)	<p>(Japan)</p> <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. 	<p>(Japan)</p> <ul style="list-style-type: none"> • Orders in EPC were down year on year, but largely in line with forecasts. • O&M orders exceeded the previous fiscal year due to large-scale orders at the end of the fiscal year. <p>(Overview of major orders received) </p> <ul style="list-style-type: none"> • DBO of public-sector waste treatment facilities (1 project) • Long-term comprehensive management contract and a core facility improvement project for a public waste treatment facility (1 project)
Precision Machinery	<ul style="list-style-type: none"> • Although the slump in semiconductor demand has bottomed out and the normalization of customers' product inventories has progressed, the customers have yet to resume full-scale investment to increase production. Factory utilization rates have risen at some customers, but the adjustment phase generally continues. 	<ul style="list-style-type: none"> • With the exception of some semiconductor manufacturers in China, logic foundries and memory manufacturers are all slowing investment, and orders received are lower than in the previous fiscal year. 

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: O&M(Operation & Maintenance) • • The operation and maintenance of plants

DBO (Design, Build, and Operate) • • The contract for operating and maintenance after construction for a certain period of time, in addition to the engineering, procurement, and construction for plants

(2) Explanation of Financial Position

(i) Assets

Total assets as of December 31, 2023 were ¥913,900 million, ¥85,850 million higher than as of December 31, 2022. Principal changes are an increase of ¥31,922 million in cash and cash equivalents, an increase of ¥19,278 million in inventories, an increase of ¥11,698 million in trade and other receivables, an increase of ¥10,166 million in property, plant and equipment, and an increase of ¥7,048 million in goodwill and intangible assets.

(ii) Liabilities

Total liabilities as of December 31, 2023 were ¥492,327 million, ¥34,004 million higher than as of December 31, 2022. Principal changes are included a decrease of ¥23,023 million in trade and other payables, an increase of ¥29,750 million in contract liabilities, and an increase of ¥25,915 million in bonds, borrowings and lease liabilities.

(iii) Equity

Equity as of December 31, 2023 amounted to ¥421,572 million, ¥51,846 million higher than as of December 31, 2022. Principal changes are dividends paid of ¥18,943 million, profit attributable to owners of parent of ¥60,283 million, and an increase of ¥9,929 million in exchange differences on translation of foreign operations.

Total equity attributable to owners of parent amounted to ¥409,875 million, and the ratio of equity attributable to owners of parent was 44.8%.

(3) Overview of Cash Flows

Net cash provided by operating activities amounted to a net inflow of ¥70,012 million for the fiscal year ended December 31, 2023, an inflow increase of ¥32,942 million compared to the previous year.

Net cash used in investing activities amounted to a net outflow of ¥35,625 million for the fiscal year ended December 31, 2023, an outflow decrease of ¥2,699 million compared to the previous year. This is primarily due to the acquisition of fixed assets of ¥34,467 million.

Free cash flow, the sum of cash flows from operating and investing activities, amounted to a net inflow of ¥34,387 million for the fiscal year ended December 31, 2023, an increase of ¥35,641 million in net inflow compared to the previous year.

Net cash used in financing activities amounted to a net outflow of ¥4,658 million for the fiscal year ended December 31, 2023, a decrease of ¥19,090 million in net outflow compared to the previous year. This is primarily due to a net increase of ¥22,433 million in short-term loans payable and long-term loans payable, and cash dividends paid of ¥18,943 million.

As a result, cash and cash equivalents as of December 31, 2023 amounted to ¥148,059 million, ¥31,922 million increase compared to the previous year.

(Reference) Recent trends in cash flow indicators are as follows:

	Fiscal Year Ended December 31, 2020	Fiscal Year Ended December 31, 2021	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Ratio of Equity Attributable to Owners of Parent (%)	44.9	43.4	43.5	44.8
Ratio of Equity Attributable to Owners of Parent at Market Value (%)	49.9	84.8	52.5	84.3
Years to Repay Debt (Year)	1.4	1.5	3.2	2.0
Interest Coverage Ratio (Times)	49.2	53.2	18.8	18.5

- * Ratio of Equity Attributable to Owners of Parent: $\text{Equity Attributable to Owners of Parent} / \text{Total assets}$
- * Ratio of Equity Attributable to Owners of Parent at Market Value: $\text{Stock market capitalization} / \text{Total assets}$
- * Years to Repay Debt: $\text{Interest-bearing debt} / \text{Operating cash flow}$
- * Interest Coverage Ratio: $\text{Operating cash flow} / \text{Interest expenses paid}$

Notes:

1. All indicators in the table above were computed with consolidated financial data.
2. Stock market capitalization was computed by multiplying the closing stock price at the end of the period by the number of shares outstanding (minus treasury shares) at the end of the period
3. Operating cash flow is “Net cash provided by operating activities” displayed in the Consolidated Statements of Cash Flows. Interest expenses are the amounts displayed in the item “Interest expenses paid” in the Consolidated Statements of Cash Flows.
4. Since the Company has optionally adopted IFRS from the fiscal year ended December 31, 2021, as the transition date January 1, 2020, the figures for the period in and before the fiscal year ended December 31, 2019, when the Company adopted Japanese GAAP, are not shown.

(4) Forecast of Performance

The business environment is expected to remain uncertain due to concerns such as soaring raw material prices, lacks of semiconductors, the impact on resource prices associated with the prolonged situation in Ukraine, and exchange rate fluctuations. However, our business is expected to remain firm, supported by long-term growth in demand for semiconductors and stable demand for social infrastructure.

Amid these conditions, the Group has set the objective reaching orders received of ¥834,000 million, revenues of ¥827,000 million, operating income of ¥87,000 million, profit before taxes of ¥85,100 million, and profit attributable to owners of parent of ¥60,800 million for the next fiscal year.

Assumptions regarding foreign currency exchange rates forecast are as follows: US\$1 = ¥140, EUR1 = ¥150, RMB1 = ¥19.5.

Actual performance may differ from these forecasts owing to factors such as changing market environment.

Forecast for the Fiscal Year Ending December 31, 2024

	Billions of yen	
	Six Months Ending June 30, 2024	Fiscal Year Ending December 31, 2024
Orders Received	384.5	834.0
Revenue	402.5	827.0
Operating Profit	38.5	87.0
Profit Before Tax	37.4	85.1
Profit Attributable to Owners of Parent	25.3	60.8

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

Six Months Ending June 30, 2024

	Billions of yen		
Segment	Orders Received	Revenue	Operating Profit
Building Service & Industrial	117.0	113.0	6.5
Energy	84.0	96.5	9.0
Infrastructure	25.0	30.5	4.0
Environmental Solutions	24.0	38.5	3.5
Precision Machinery	134.0	123.5	16.0
Others, Adjustment	0.5	0.5	(0.5)
Total	384.5	402.5	38.5

Fiscal Year Ending December 31, 2024

Billions of yen

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

Forecast of Business Environment by Business Segment

Segment	Business Environment
Building Service & Industrial	<p>(Overseas)</p> <ul style="list-style-type: none"> • In the U.S. and Europe, the slowdown or downward trend in capital investment is expected to continue due to the impact of construction costs and labor costs rising against the backdrop of continued inflation. • In China, the public market is expected to grow, while the market for building equipment such as commercial facilities and housing is expected to be sluggish. <p>(Japan)</p> <ul style="list-style-type: none"> • In the construction equipment market, the slump in demand for private housing due to persistently high construction costs continues, but redevelopment in metropolitan areas and capital investment in factories are expected to remain firm, and the market as a whole is expected to be on par with 2023. • The industrial market is expected to undergo structural changes in the market, especially in the chemical market, with reorganization momentum in the petrochemical field and growth investment in downstream functional chemicals. The market as a whole is expected to see continued demand from capital investment.
Energy	<ul style="list-style-type: none"> • In the new product market, the petrochemical market and other markets are expected to remain firm, mainly in North America, Asia, and the Middle East, and stable demand is also expected in LNG market. • In the service market, demand for maintenance and repair is expected to return to normal levels. • In the decarbonization-related market, the number of projects is expected to continue to increase due to the recovery, storage, and effective use of hydrogen, ammonia, and carbon dioxide. • In the electricity market, domestic and Asia and Middle Eastern regions are expected to see an increase in plans for an ammonia blending project. In China, demand for new thermal power generation and for high-efficiency renovations is expected to continue.
Infrastructure	<p>(Overseas)</p> <ul style="list-style-type: none"> • Despite the global trend of inflation and economic slowdown, demand related to water infrastructure due to population growth has been firm, mainly in Asia and Africa. In addition, flood damage is increasing year by year in various parts of the world due to global warming and extreme weather, and it is expected that a certain level of demand will continue for river drainage pumps, drainage pumping vehicles, etc. <p>(Japan)</p> <ul style="list-style-type: none"> • In the Fifth Priority Plan for Social Infrastructure Development published by the Ministry of Land, Infrastructure, Transport and Tourism, intensifying and frequent natural disasters and accelerating aging of infrastructures are being taken up as changes in the social situation, and investment for the renewal and repair of related social infrastructures is expected to remain firm.
Environmental	<ul style="list-style-type: none"> • Demand for new construction of waste treatment facilities for the public sector is expected to be generally in line with normal years. • Demand for construction of woody biomass power generation facilities for the private sector and industrial waste treatment facilities such as waste plastics is expected to continue. • Orders to the private sector are on the rise for O&M of existing facilities, but demand is expected to be about the same as usual in the short term.
Precision Machinery	<ul style="list-style-type: none"> • In the semiconductor market, although there are signs of an increase in demand in some areas, such as for generator AI, the market as a whole, including memory, is still in a correction phase. Along with this, there is also a delay in the start of full-scale recovery of the semiconductor production equipment market. In the medium to long term, however, the outlook for the marketplace is expected to remain unchanged on the background of growing demand for ICAC5(IoT, Cloud, AI, Car (electric vehicles and autonomous vehicles), 5G), and DX, GX.

(5) Basic Policy for Shareholder Return for the Fiscal Years Ended December 31, 2023 and Ending December 31, 2024

The Company regards returning a portion of its income to its shareholders as one of its most important management policies. Regarding shareholder return, the Company's policy is linking dividends to performance and aimed for a consolidated payout ratio of 35.0%. We will also flexibly consider acquisition of treasury shares.

For the fiscal year ended December 31, 2023, the Company is scheduled to pay its annual cash dividend of ¥229.00 per share (including an interim cash dividend of ¥97.50 per share).

We plan to pay an annual dividend of ¥230.00 per share (including an interim cash dividend of ¥115.00 per share) in the next fiscal year.

2. Basic Approach to Selection of Accounting Standards

The Group has optionally adopted IFRS from the three months ended March 31, 2021 for its consolidated financial statements in consideration of the need for international comparability of consolidated financial statements in the capital market.

3. Condensed Consolidated Financial Statements and Primary Notes

(1) Condensed Consolidated Statement of Financial Position

	Millions of yen	
	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	116,137	148,059
Trade and other receivables	151,665	163,363
Contract assets	100,420	99,901
Inventories	181,337	200,616
Income taxes receivable	1,137	1,277
Other financial assets	3,540	4,357
Other current assets	26,456	30,747
Total current assets	580,694	648,323
Non-current assets		
Property, plant and equipment	165,715	175,882
Goodwill and intangible assets	43,333	50,381
Investments accounted for using the equity method	7,153	7,192
Deferred tax assets	13,720	17,656
Other financial assets	6,783	6,015
Other non-current assets	10,648	8,447
Total non-current assets	247,354	265,576
Total assets	828,049	913,900

	Millions of yen	
	As of December 31, 2022	As of December 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	195,391	172,368
Contract liabilities	63,168	92,918
Bonds, borrowings and lease liabilities	46,772	31,953
Income taxes payable	6,140	8,150
Provisions	12,760	12,132
Other financial liabilities	432	760
Other current liabilities	44,411	43,682
Total current liabilities	369,078	361,966
Non-current liabilities		
Bonds, borrowings and lease liabilities	72,560	113,296
Retirement benefit liability	8,380	7,967
Provisions	2,647	2,588
Deferred tax liabilities	2,435	2,954
Other financial liabilities	144	492
Other non-current liabilities	3,076	3,062
Total non-current liabilities	89,245	130,361
Total liabilities	458,323	492,327
Equity		
Share capital	79,804	80,489
Capital surplus	76,806	76,593
Retained earnings	184,995	224,267
Treasury shares	(294)	(306)
Other components of equity	18,655	28,830
Total equity attributable to owners of parent	359,966	409,875
Non-controlling interests	9,758	11,697
Total equity	369,725	421,572
Total liabilities and equity	828,049	913,900

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

Condensed Consolidated Statement of Income

For the Fiscal Year Ended December 31, 2022 and 2023

Millions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Revenue	680,870	759,328
Cost of sales	469,694	516,618
Gross profit	211,175	242,709
Selling, general and administrative expenses	137,784	155,847
Other income	1,107	2,725
Other expenses	3,925	3,562
Operating profit	70,572	86,025
Finance income	957	1,643
Finance costs	2,762	4,361
Share of profit (loss) of investments accounted for using the equity method	714	1,425
Profit before tax	69,481	84,733
Income tax expense	16,775	20,933
Profit	52,705	63,799
Profit attributable to		
Owners of parent	50,488	60,283
Non-controlling interests	2,217	3,516
Earnings per share		
Basic earnings per share	548.61	653.64
Basic earnings per share, diluted	547.34	652.55

Condensed Consolidated Statement of Comprehensive Income

For the Fiscal Year Ended December 31, 2022 and 2023

Millions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Profit	52,705	63,799
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	1,512	(1,987)
Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	(44)	95
Share of other comprehensive income of investments accounted for using the equity method	(9)	55
Total of items that will not be reclassified to profit or loss	1,458	(1,836)
Items that may be reclassified to profit or loss		
Cash flow hedges	(59)	15
Exchange differences on translation of foreign operations	14,497	10,227
Total of items that may be reclassified to profit or loss	14,437	10,242
Total other comprehensive income, net of tax	15,896	8,405
Total comprehensive income	68,602	72,205
Comprehensive income attributable to		
Owners of parent	66,019	68,391
Non-controlling interests	2,582	3,814

(3) Condensed Consolidated Statement of Changes in Equity
For the Fiscal Year Ended December 31, 2022

Millions of yen

	Equity attributable to owners of parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity		
						Net change in fair value of financial assets designated as measured at fair value through other comprehensive income	Cash flow hedges	Remeasurements of defined benefit plans
As of January 1, 2022	79,643	76,566	171,720	(20,189)	4,179	351	38	—
Hyperinflation adjustment	—	—	(539)	—	—	—	—	—
Adjusted beginning balance	79,643	76,566	171,180	(20,189)	4,179	351	38	—
Changes during the period								
Comprehensive income								
Profit	—	—	50,488	—	—	—	—	—
Other comprehensive income	—	—	—	—	14,134	(46)	(59)	1,502
Total comprehensive income	—	—	50,488	—	14,134	(46)	(59)	1,502
Transactions with owners								
Dividends	—	—	(18,216)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(8)	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—
Cancellation of treasury shares	—	(0)	(19,902)	19,903	—	—	—	—
Share-based payment transactions	160	245	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Acquisition of non controlling interests	—	(4)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	1,445	—	—	57	—	(1,502)
Total transactions with owners	160	240	(36,674)	19,894	—	57	—	(1,502)
As of December 31, 2022	79,804	76,806	184,995	(294)	18,314	362	(21)	(0)

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, 2022	4,569	312,310	9,345	321,655
Hyperinflation adjustment	—	(539)	—	(539)
Adjusted beginning balance	4,569	311,770	9,345	321,116
Changes during the period				
Comprehensive income				
Profit	—	50,488	2,217	52,705
Other comprehensive income	15,531	15,531	365	15,896
Total comprehensive income	15,531	66,019	2,582	68,602
Transactions with owners				
Dividends	—	(18,216)	(2,167)	(20,383)
Purchase of treasury shares	—	(8)	—	(8)
Disposal of treasury shares	—	0	—	0
Cancellation of treasury shares	—	—	—	—
Share-based payment transactions	—	406	—	406
Change in scope of consolidation	—	—	0	0
Acquisition of non-controlling interests	—	(4)	(2)	(7)
Transfer from other components of equity to retained earnings	(1,445)	—	—	—
Total transactions with owners	(1,445)	(17,823)	(2,169)	(19,993)
As of December 31, 2022	18,655	359,966	9,758	369,725

For the Fiscal Year Ended December 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 fair value of financial assets designated as 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)	—
Hyperinflation adjustment	—	—	—	—	—	—	—	—
Adjusted beginning balance	79,804	76,806	184,995	(294)	18,314	362	(21)	—
Changes during the period								
Comprehensive income								
Profit	—	—	60,283	—	—	—	—	—
Other comprehensive income	—	—	—	—	9,929	198	15	(2,035)
Total comprehensive income	—	—	60,283	—	9,929	198	15	(2,035)
Transactions with owners								
Dividends	—	—	(18,943)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(11)	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—	—	—
Share-based payment transactions	685	(212)	—	—	—	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—	—
Acquisition of non controlling interests	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,067)	—	—	32	—	2,035
Total transactions with owners	685	(212)	(21,010)	(11)	—	32	—	2,035
As of December 31, 2023	80,489	76,593	224,267	(306)	28,243	592	(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, 2023		18,655	359,966	9,758	369,725
Hyperinflation adjustment		—	—	—	—
Adjusted beginning balance		18,655	359,966	9,758	369,725
Changes during the period					
Comprehensive income					
Profit		—	60,283	3,516	63,799
Other comprehensive income		8,107	8,107	297	8,405
Total comprehensive income		8,107	68,391	3,814	72,205
Transactions with owners					
Dividends		—	(18,943)	(1,875)	(20,819)
Purchase of treasury shares		—	(11)	—	(11)
Disposal of treasury shares		—	—	—	—
Cancellation of treasury shares		—	—	—	—
Share-based payment transactions		—	472	—	472
Change in scope of consolidation		—	—	—	—
Acquisition of non controlling interests		—	—	—	—
Transfer from other components of equity to retained earnings		2,067	—	—	—
Total transactions with owners		2,067	(18,482)	(1,875)	(20,358)
As of December 31, 2023		28,830	409,875	11,697	421,572

(4) Condensed Consolidated Statement of Cash Flows

Millions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Cash flows from operating activities		
Profit before tax	69,481	84,733
Depreciation and amortization	24,068	26,590
Impairment loss	1,848	2,143
Interest and dividend income	(613)	(1,310)
Interest expenses	2,326	3,923
Foreign exchange loss (gain)	1,919	1,311
Share of loss (profit) of investments accounted for using the equity method	(714)	(1,425)
Loss (gain) on sales of fixed assets	(92)	(153)
Decrease (increase) in trade and other receivables	(17,189)	(8,277)
Decrease (increase) in contract assets	(10,470)	2,890
Decrease (increase) in inventories	(54,411)	(14,600)
Increase (decrease) in trade and other payables	27,159	(28,877)
Increase (decrease) in contract liabilities	11,402	28,297
Increase (decrease) in provisions	(2,049)	(795)
Increase / decrease in retirement benefit assets and liabilities	539	32
Decrease/increase in consumption taxes receivable/payable	(5,226)	902
Other	8,121	(2,848)
Subtotal	56,098	92,536
Interest income received	592	1,261
Dividend income received	713	1,452
Interest expenses paid	(1,965)	(3,770)
Income taxes paid	(18,370)	(21,466)
Net cash provided by operating activities	37,070	70,012
Cash flows from investing activities		
Payments into time deposits	(4,934)	(7,432)
Proceeds from withdrawal of time deposits	5,165	7,011
Purchase of investment securities	(325)	(547)
Proceeds from sales and redemption of investment securities	194	112
Purchase of property, plant and equipment, and intangible assets	(24,347)	(34,467)
Proceeds from sale of property, plant and equipment	557	281
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(14,675)	—
Other	41	(583)
Net cash used in investing activities	(38,324)	(35,625)

Millions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(12,654)	(6,068)
Proceeds from long-term borrowings	11,138	41,769
Repayments of long-term borrowings	(6,513)	(13,267)
Repayments of lease liabilities	(5,321)	(6,261)
Proceeds from issuance of bonds	20,000	—
Proceeds from issuance of common shares	0	0
Redemption of bonds	(10,000)	—
Purchase of treasury shares	(8)	(11)
Dividends paid	(18,216)	(18,943)
Dividends paid to non-controlling interests	(2,167)	(1,875)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(7)	—
Other	1	—
Net cash used in financing activities	(23,749)	(4,658)
Effect of exchange rate changes on cash and cash equivalents	4,742	2,713
Hyperinflation adjustment	(89)	(520)
Net increase (decrease) in cash and cash equivalents	(20,351)	31,922
Cash and cash equivalents at beginning of period	136,488	116,137
Cash and cash equivalents at end of period	116,137	148,059

(5) Notes to Condensed Consolidated Financial Statements

(Note for the Assumption of Going Concern)

None

(Segment Information)

From the first quarter of the fiscal year ending December 31, 2023, the classification of reportable segments has been changed. One of our basic policies in E-Vision 2030, our long-term vision announced in February 2020, is to accurately grasp social issues from a market-in perspective and grow by contributing to the resolution of those issues. In the Medium-term Management Plan “E-Plan 2025” that began in the fiscal year ended December 31, 2023, we reorganized into a five-in-house company system by face-to-face market, and decided to change the business segment from the conventional product-based segment to major market-based segments. As a result, figures for the previous fiscal year have been reclassified into the new segment classification.

Fiscal Year Ended December 31, 2022

Millions of yen

	Reportable segments						Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Building Service & Industrial	Energy	Infrastructur e	Environment al	Precision Machinery	Total				
Revenue										
External customers	193,529	143,605	46,258	73,738	222,259	679,391	1,478	680,870	—	680,870
Intersegment and transfers	554	76	34	102	7	775	2,287	3,062	(3,062)	—
Total	194,083	143,681	46,293	73,841	222,267	680,167	3,765	683,933	(3,062)	680,870
Segment profit (loss)	11,401	16,936	3,924	3,669	36,183	72,114	(1,216)	70,898	(325)	70,572
Finance income										957
Finance costs										2,762
Share of profit (loss) of investments accounted for using the equity method										714
Profit before tax										69,481
Other items										
Depreciation amortization And amortization	6,112	4,470	1,380	843	7,385	20,193	3,920	24,113	(45)	24,067
Impairment loss	1,506	0	5	0	306	1,819	29	1,848	(0)	1,848
Capital expenditures	6,553	2,666	1,847	2,013	6,328	19,410	8,290	27,700	(103)	27,597
Affiliates Accounted for by Equity Method Amount invested	—	—	—	7,153	—	7,153	—	7,153	—	7,153

Notes 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.

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

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit (loss) is adjusted with operating profit in the condensed consolidated statement of income.

Fiscal Year Ended December 31, 2023

Millions of yen

	Reportable segments						Others (Note 1)	Total	Adjustment (Note 2,3)	Consolidated (Note 4)
	Building Service & Industrial	Energy	Infrastructur e	Environment al	Precision Machinery	Total				
Revenue										
External customers	222,181	167,229	50,178	71,540	246,998	758,128	1,199	759,328	—	759,328
Intersegment and transfers	1,235	424	40	97	2	1,799	826	2,625	(2,625)	—
Total	223,417	167,653	50,218	71,638	247,000	759,927	2,026	761,954	(2,625)	759,328
Segment profit (loss)	15,737	22,347	4,604	6,933	38,285	87,907	(933)	86,974	(949)	86,025
Finance income										1,643
Finance costs										4,361
Share of profit (loss) of investments accounted for using the equity method										1,425
Profit before tax										84,733
Other items										
Depreciation amortization And amortization	6,731	4,980	944	770	7,656	21,083	5,563	26,646	(56)	26,590
Impairment loss	1,440	3	2	40	12	1,498	645	2,144	(0)	2,143
Capital expenditures	9,512	6,513	564	2,748	12,233	31,572	9,344	40,916	(216)	40,699
Affiliates Accounted for by Equity Method Amount invested	—	—	—	7,192	—	7,192	—	7,192	—	7,192

Notes 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.

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

3: The adjustments of Other Items are the elimination of intersegment transactions.

4: Segment profit is adjusted with operating profit in the condensed consolidated statement of income.

(Per Share Data of Common Shares)

1. Computation of Basic earnings per Share

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023
Profit attributable to owners of parent (Millions of yen)	50,488	60,283
Weighted average number of common shares outstanding (in thousands)	92,029	92,226
Basic earnings per share (Yen)	548.61	653.64

2. Computation of Diluted earnings per Share

	As of December 31, 2022	As of December 31, 2023
Profit attributable to owners of parent (Millions of yen)	50,488	60,283
Adjustment to net income (Millions of yen)	—	—
Net income used to calculate diluted earnings per share (millions of yen)	50,488	60,283
Weighted average number of common shares outstanding (in thousands)	92,029	92,226
Adjusted number of shares related to stock options (Thousands of shares)	213	153
Weighted average number of diluted common shares outstanding (in thousands)	92,243	92,380
Diluted earnings per share (yen)	547.34	652.55

(NOTE)None were excluded from the calculation of the average number of diluted common shares outstanding during the period as anti-dilutive.

(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.

(Significant Subsequent Events)

None

(Additional Information)

Accounting estimates related to the impact of COVID-19

As described in Annual Securities Report, there was no material impact on the company's accounting estimates and judgements involving estimates at the end of fiscal year ended December 31, 2022.

4. Others

(1) Changes of Directors and Executive Officers

Please refer to the "Notice of Changes of Directors and Executive Officers" announced today.

(2) Segment Information

The reportable segments have changed from the first quarter of the current fiscal year. As for the comparison with the previous fiscal year, the figures for the same period of the previous fiscal year have been reclassified into the revised segment classification.

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

Billions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023			Six Months Ending June 30, 2024	Fiscal Year Ending December 31, 2024
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Building Service & Industrial	204.8	221.3	16.4	8.0	117.0	230.0
Energy	148.0	222.7	74.7	50.5	84.0	200.0
Infrastructure	53.5	56.6	3.0	5.7	25.0	55.0
Environmental	105.8	100.8	(4.9)	(4.7)	24.0	68.0
Precision Machinery	301.5	217.7	(83.7)	(27.8)	134.0	280.0
Others	1.3	1.1	(0.2)	(14.9)	0.5	1.0
Total	815.2	820.5	5.3	0.7	384.5	834.0
Revenue						
Building Service & Industrial	193.5	222.1	28.6	14.8	113.0	230.0
Energy	143.6	167.2	23.6	16.5	96.5	200.0
Infrastructure	46.2	50.1	3.9	8.5	30.5	51.0
Environmental	73.7	71.5	(2.1)	(3.0)	38.5	80.0
Precision Machinery	222.2	246.9	24.7	11.1	123.5	265.0
Others	1.4	1.1	(0.2)	(18.8)	0.5	1.0
Total	680.8	759.3	78.4	11.5	402.5	827.0
Operating Profit						
Building Service & Industrial	11.4	15.7	4.3	38.0	6.5	16.5
Energy	16.9	22.3	5.4	31.9	9.0	20.0
Infrastructure	3.9	4.6	0.6	17.3	4.0	4.0
Environmental	3.6	6.9	3.2	89.0	3.5	6.0
Precision Machinery	36.1	38.2	2.1	5.8	16.0	41.5
Others & Adjustment	(1.5)	(1.8)	(0.3)	22.1	(0.5)	(1.0)
Total	70.5	86.0	15.4	21.9	38.5	87.0
Backlog of Orders Received						
Building Service & Industrial	62.7	60.6	(2.0)	(3.3)	64.6	60.6
Energy	147.5	210.1	62.6	42.5	197.6	210.1
Infrastructure	59.5	67.4	7.8	13.2	61.9	71.4
Environmental	317.4	346.9	29.4	9.3	332.4	334.9
Precision Machinery	230.8	205.4	(25.3)	(11.0)	215.9	220.4
Others	0.0	0.0	(0.0)	(51.0)	0.0	0.0
Total	818.1	890.7	72.5	8.9	872.7	897.7

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

Billions of yen

	Fiscal Year Ended December 31, 2022	Fiscal Year Ended December 31, 2023			Six Months Ending June 30, 2024	Fiscal Year Ending December 31, 2024
	Actual	Actual	Change	Change Ratio (%)	Forecast	Forecast
Orders Received						
Components	116.2	89.9	(26.3)	(22.7)	45.0	101.0
CMP Systems	179.2	117.9	(61.2)	(34.2)	83.0	169.0
Others	6.0	9.8	3.8	64.0	6.0	10.0
Total of PM	301.5	217.7	(83.7)	(27.8)	134.0	280.0
Revenue						
Components	101.4	97.4	(4.0)	(4.0)	45.0	101.0
CMP Systems	115.7	144.7	29.0	25.1	76.0	154.0
Others	5.0	4.7	(0.2)	(5.2)	2.5	10.0
Total of PM	222.2	246.9	24.7	11.1	123.5	265.0

(3) Area Information

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

Billions of yen

	Fiscal Year Ended December 31, 2022		Fiscal Year Ended December 31, 2023		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	340.2	50.0	367.0	48.3	26.7
North America	120.5	17.7	138.5	18.3	18.0
Asia (except Japan)	162.4	23.9	186.7	24.6	24.3
Others	57.6	8.5	66.9	8.8	9.2
Total	680.8	100.0	759.3	100.0	78.4
Operating Profit					
Japan	35.3	50.1	40.2	46.8	4.8
North America	14.2	20.2	14.2	16.6	0.0
Asia (except Japan)	19.0	26.9	27.4	32.0	8.4
Others	7.5	10.7	8.0	9.3	0.4
Adjustment	(5.5)	(7.9)	(3.9)	(4.6)	1.6
Total	70.5	100.0	86.0	100.0	15.4

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

Billions of yen

	Fiscal Year Ended December 31, 2022		Fiscal Year Ended December 31, 2023		
	Actual	Composition (%)	Actual	Composition (%)	Change
Revenue					
Japan	253.8	37.3	271.3	35.7	17.4
China	110.3	16.2	131.8	17.4	21.5
Other Asia	137.1	20.1	139.7	18.4	2.5
North America	57.6	8.5	80.9	10.7	23.2
Europe	56.8	8.4	63.9	8.4	7.0
Middle East	35.8	5.3	39.7	5.2	3.8
Others	29.1	4.3	31.7	4.2	2.6
Total	680.8	100.0	759.3	100.0	78.4

(4) Employees

	As of December 31, 2022	As of December 31, 2023	
	Numbers	Numbers	Change
Employees			
Building Service & Industrial	7,420	7,490	70
Energy	3,229	3,259	30
Infrastructure	1,493	1,555	62
Environmental	2,727	2,755	28
Precision Machinery	3,151	3,374	223
Others & Corporate	1,075	1,196	121
Total	19,095	19,629	534
Ebara Corporation	4,287	4,688	401
Domestic Consolidated Subsidiaries	4,039	4,013	(26)
Overseas Consolidated Subsidiaries	10,769	10,928	159