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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 12, 2021

Company name: ENSHU Limited

Stock exchange listing: Tokyo

Code number: 6218

URL: <https://www.enshu.co.jp/>

Representative: Haruo Yamashita

, President and Representative Director, Chief Executive Officer

Contact: Hiroya Ohno

, General Manager of Corporate Management Division

Phone: 053-447-2111

Scheduled date of filing quarterly securities report: November 15, 2021

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2021	10,928	18.8	323	-	234	-	85	-
September 30, 2020	9,199	(33.2)	(105)	-	(92)	-	(222)	-

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 411 million [-%]

Six months ended September 30, 2020: ¥ (229) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2021	Yen 13.53	Yen -
September 30, 2020	(35.36)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2021	Million yen 30,013	Million yen 10,342	% 34.5
March 31, 2021	32,996	10,007	30.3

(Reference) Equity: As of September 30, 2021: ¥ 10,342 million

As of March 31, 2021: ¥ 10,007 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2021	Yen -	Yen 0.00	Yen -	Yen 5.00	Yen 5.00
Fiscal year ending March 31, 2022	-	0.00	-	-	-
Fiscal year ending March 31, 2022 (Forecast)	-	-	-	5.00	5.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,700	7.1	190	(59.0)	(20)	-	(250)	-	(39.65)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

September 30, 2021: 6,353,454 shares

March 31, 2021: 6,353,454 shares

2) Total number of treasury shares at the end of the period:

September 30, 2021: 47,903 shares

March 31, 2021: 47,848 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 6,305,592 shares

Six months ended September 30, 2020: 6,306,032 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	5,060	4,000
Notes and accounts receivable - trade	4,548	2,722
Electronically recorded monetary claims - operating	2,874	2,316
Merchandise and finished goods	2,056	2,259
Work in process	2,901	2,828
Raw materials and supplies	1,320	1,409
Other	198	351
Allowance for doubtful accounts	(108)	(5)
Total current assets	18,853	15,881
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,611	2,594
Machinery, equipment and vehicles, net	2,938	2,954
Land	7,392	7,392
Other, net	768	779
Total property, plant and equipment	13,711	13,720
Intangible assets		
Other	135	122
Total intangible assets	135	122
Investments and other assets		
Other	298	268
Allowance for doubtful accounts	(2)	(10)
Total investments and other assets	295	257
Total non-current assets	14,143	14,100
Deferred assets	-	31
Total assets	32,996	30,013

(Million yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,842	2,259
Electronically recorded obligations - operating	928	1,125
Current portion of bonds payable	-	240
Short-term borrowings	5,980	1,790
Income taxes payable	16	54
Provision for bonuses	453	453
Asset retirement obligations	3	3
Other	2,815	2,158
Total current liabilities	12,040	8,084
Non-current liabilities		
Bonds payable	-	960
Long-term borrowings	5,700	5,440
Provision for retirement benefits for directors (and other officers)	15	15
Retirement benefit liability	3,281	3,179
Asset retirement obligations	40	40
Other	1,911	1,951
Total non-current liabilities	10,948	11,586
Total liabilities	22,988	19,671
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,545	2,554
Treasury shares	(70)	(70)
Total shareholders' equity	7,115	7,124
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	2
Revaluation reserve for land	3,666	3,666
Foreign currency translation adjustment	96	342
Remeasurements of defined benefit plans	(872)	(792)
Total accumulated other comprehensive income	2,891	3,217
Total net assets	10,007	10,342
Total liabilities and net assets	32,996	30,013

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	9,199	10,928
Cost of sales	8,101	9,256
Gross profit	1,097	1,671
Selling, general and administrative expenses	1,203	1,348
Operating profit (loss)	(105)	323
Non-operating income		
Interest income	12	11
Dividend income	0	0
Claim income	11	5
Foreign exchange gains	37	-
Subsidies for employment adjustment	54	-
Other	22	14
Total non-operating income	139	31
Non-operating expenses		
Interest expenses	115	103
Foreign exchange losses	-	6
Other	11	10
Total non-operating expenses	126	120
Ordinary profit (loss)	(92)	234
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on abandonment of non-current assets	0	32
Loss on valuation of investments in capital	10	1
Total extraordinary losses	10	33
Profit (loss) before income taxes	(101)	201
Income taxes - current	73	65
Income taxes - deferred	48	50
Total income taxes	121	116
Profit (loss)	(222)	85
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(222)	85

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit (loss)	(222)	85
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(78)	246
Remeasurements of defined benefit plans, net of tax	71	79
Total other comprehensive income	(6)	326
Comprehensive income	(229)	411
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(229)	411
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit (loss) before income taxes	(101)	201
Depreciation	496	561
Increase (decrease) in retirement benefit liability	(22)	(22)
Increase (decrease) in provision for bonuses	(27)	-
Increase (decrease) in allowance for doubtful accounts	55	(98)
Interest and dividend income	(13)	(11)
Interest expenses	115	103
Foreign exchange losses (gains)	17	7
Loss on abandonment of property, plant and equipment	0	32
Decrease (increase) in trade receivables	794	2,428
Decrease (increase) in inventories	804	(333)
Increase (decrease) in trade payables	(1,609)	565
Decrease (increase) in consumption taxes refund receivable	(0)	(127)
Increase (decrease) in accrued consumption taxes	(100)	(341)
Increase (decrease) in advances received	88	(120)
Increase (decrease) in accounts payable - other	(816)	(150)
Other, net	(254)	(54)
Subtotal	(571)	2,639
Interest and dividends received	13	11
Interest paid	(119)	(99)
Income taxes refund (paid)	96	(62)
Net cash provided by (used in) operating activities	(582)	2,489
Cash flows from investing activities		
Purchase of property, plant and equipment	(689)	(330)
Proceeds from sale of property, plant and equipment	2	1
Purchase of intangible assets	(5)	(4)
Payments for asset retirement obligations	(14)	-
Proceeds from withdrawal of time deposits	81	79
Other, net	(57)	-
Net cash provided by (used in) investing activities	(683)	(254)
Cash flows from financing activities		
Proceeds from short-term borrowings	450	450
Repayments of short-term borrowings	(1,450)	(4,550)
Proceeds from long-term borrowings	2,000	550
Repayments of long-term borrowings	(1,000)	(900)
Proceeds from issuance of bonds	-	1,168
Purchase of treasury shares	(0)	(0)
Dividends paid	(63)	(31)
Other, net	(24)	(27)
Net cash provided by (used in) financing activities	(88)	(3,340)
Effect of exchange rate change on cash and cash equivalents	(53)	118
Net increase (decrease) in cash and cash equivalents	(1,408)	(988)
Cash and cash equivalents at beginning of period	5,761	4,940
Cash and cash equivalents at end of period	4,353	3,951