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Consolidated Financial Results for the Year Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

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 Annual General Meeting of Shareholders: June 29, 2022

Scheduled date of commencing dividend payments: June 30, 2022

Scheduled date of filing annual securities report: June 29, 2022

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(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	%
Fiscal year ended March 31, 2022	23,904	8.1	751	62.2	638	50.5	370	47.9
March 31, 2021	22,120	(18.4)	463	(78.2)	424	(75.6)	250	(81.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2022: ¥ 774 million [190.9%]
Fiscal year ended March 31, 2021: ¥ 266 million [(78.9)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2022	58.73	-	3.6	1.9	3.1
March 31, 2021	39.71	-	2.5	1.2	2.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2022: ¥ - million
Fiscal year ended March 31, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	33,970	10,705	31.5	1,697.85
March 31, 2021	32,996	10,007	30.3	1,587.07

(Reference) Equity: As of March 31, 2022: ¥ 10,705 million
As of March 31, 2021: ¥ 10,007 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2022	2,250	(518)	(337)	6,599
March 31, 2021	884	(1,353)	(313)	4,940

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended March 31, 2021	-	0.00	-	5.00	5.00	31	12.6	0.3
March 31, 2022	-	0.00	-	13.00	13.00	81	22.1	0.8
Fiscal year ending March 31, 2023(Forecast)	-	0.00	-	26.00	26.00		21.9	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 01, 2022 to March 31, 2023)

(% 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	30,000	25.5	1,250	66.3	1,000	56.6	750	102.5	118.94

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

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

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

March 31, 2022: 6,353,454 shares

March 31, 2021: 6,353,454 shares

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

March 31, 2022: 48,118 shares

March 31, 2021: 47,848 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2022: 6,305,526 shares

Fiscal Year ended March 31, 2021: 6,305,917 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (April 01, 2021 to March 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2022	20,834	9.6	(56)	-	(130)	-	(373)	-
March 31, 2021	19,012	(21.9)	5	(99.7)	(59)	-	(181)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2022	(59.27)	-
March 31, 2021	(28.79)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2022	31,199	9,581	30.7	1,519.51
March 31, 2021	31,358	10,031	32.0	1,590.86

(Reference) Equity: As of March 31, 2022: ¥ 9,581 million
As of March 31, 2021: ¥ 10,031 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Million yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	5,060	6,660
Notes and accounts receivable - trade	4,548	3,867
Electronically recorded monetary claims - operating	2,874	2,010
Merchandise and finished goods	2,056	1,864
Work in process	2,901	2,941
Raw materials and supplies	1,320	1,659
Other	198	698
Allowance for doubtful accounts	(108)	(6)
Total current assets	18,853	19,696
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,611	2,599
Machinery, equipment and vehicles, net	2,938	2,849
Land	7,392	7,392
Leased assets, net	24	373
Construction in progress	219	109
Other, net	523	556
Total property, plant and equipment	13,711	13,880
Intangible assets		
Leased assets	61	48
Other	74	73
Total intangible assets	135	121
Investments and other assets		
Investment securities	13	14
Deferred tax assets	98	76
Other	185	166
Allowance for doubtful accounts	(2)	(12)
Total investments and other assets	295	244
Total non-current assets	14,143	14,247
Deferred assets	-	26
Total assets	32,996	33,970

(Million yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,842	2,409
Electronically recorded obligations - operating	928	1,519
Current portion of bonds payable	-	240
Short-term borrowings	5,980	8,390
Lease liabilities	20	59
Income taxes payable	16	86
Provision for bonuses	453	450
Asset retirement obligations	3	-
Accounts payable - other	1,069	622
Reserves for losses on liquidation of subsidiaries and affiliates	-	25
Other	1,725	1,025
Total current liabilities	12,040	14,827
Non-current liabilities		
Bonds payable	-	840
Long-term borrowings	5,700	1,985
Lease liabilities	64	399
Deferred tax liabilities	215	265
Deferred tax liabilities for land revaluation	1,563	1,563
Provision for retirement benefits for directors (and other officers)	15	15
Retirement benefit liability	3,281	3,244
Asset retirement obligations	40	40
Other	68	83
Total non-current liabilities	10,948	8,437
Total liabilities	22,988	23,264
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,545	2,839
Treasury shares	(70)	(70)
Total shareholders' equity	7,115	7,409
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	475
Remeasurements of defined benefit plans	(872)	(848)
Total accumulated other comprehensive income	2,891	3,295
Total net assets	10,007	10,705
Total liabilities and net assets	32,996	33,970

Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Net sales	22,120	23,904
Cost of sales	19,153	20,015
Gross profit	2,967	3,888
Selling, general and administrative expenses	2,504	3,137
Operating profit	463	751
Non-operating income		
Interest income	21	32
Dividend income	0	0
Rental income	8	7
Claim income	16	9
Surrender value of insurance policies	-	11
Gain on sale of scraps	4	9
Foreign exchange gains	9	-
Subsidies for employment adjustment	83	-
Subsidy income	29	-
Other	39	26
Total non-operating income	212	97
Non-operating expenses		
Interest expenses	229	180
Interest on bonds	-	1
Foreign exchange losses	-	0
Other	22	28
Total non-operating expenses	251	210
Ordinary profit	424	638
Extraordinary income		
Gain on sale of non-current assets	2	2
Total extraordinary income	2	2
Extraordinary losses		
Loss on abandonment of non-current assets	1	32
Impairment losses	2	12
Provision of reserves for losses on liquidation of subsidiaries and affiliates	-	25
Loss on valuation of investments in capital	16	1
Other	0	-
Total extraordinary losses	20	71
Profit before income taxes	405	569
Income taxes - current	104	122
Income taxes - deferred	51	77
Total income taxes	155	199
Profit	250	370
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	250	370

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Profit	250	370
Other comprehensive income		
Valuation difference on available-for-sale securities	1	0
Foreign currency translation adjustment	(176)	379
Remeasurements of defined benefit plans, net of tax	190	24
Total other comprehensive income	15	404
Comprehensive income	266	774
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	266	774
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31,2021

(Million yen)

	Shareholders' equity				Accumulated other comprehensive income					Total net assets
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,640	2,357	(69)	6,929	0	3,666	272	(1,063)	2,875	9,804
Changes during period										
Dividends of surplus		(63)		(63)						(63)
Profit attributable to owners of parent		250		250						250
Purchase of treasury shares			(0)	(0)						(0)
Net changes in items other than shareholders' equity					1	-	(176)	190	15	15
Total changes during period	-	187	(0)	186	1	-	(176)	190	15	202
Balance at end of period	4,640	2,545	(70)	7,115	1	3,666	96	(872)	2,891	10,007

For the fiscal year ended March 31,2022

(Million yen)

	Shareholders' equity				Accumulated other comprehensive income					Total net assets
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	4,640	2,545	(70)	7,115	1	3,666	96	(872)	2,891	10,007
Cumulative effects of changes in accounting policies		(44)		(44)						(44)
Restated balance	4,640	2,500	(70)	7,071	1	3,666	96	(872)	2,891	9,962
Changes during period										
Dividends of surplus		(31)		(31)						(31)
Profit attributable to owners of parent		370		370						370
Purchase of treasury shares			(0)	(0)						(0)
Net changes in items other than shareholders' equity					0	-	379	24	404	404
Total changes during period	-	338	(0)	338	0	-	379	24	404	743
Balance at end of period	4,640	2,839	(70)	7,409	2	3,666	475	(848)	3,295	10,705

Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31,2021	For the fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	405	569
Depreciation	1,090	1,129
Impairment losses	2	12
Increase (decrease) in retirement benefit liability	(37)	(12)
Increase (decrease) in provision for bonuses	(27)	(3)
Increase (decrease) in allowance for doubtful accounts	106	(99)
Interest and dividend income	(21)	(32)
Interest expenses on borrowings and bonds	229	181
Foreign exchange losses (gains)	(46)	(61)
Loss on abandonment of property, plant and equipment	1	32
Decrease (increase) in trade receivables	(1,704)	1,609
Decrease (increase) in inventories	3,370	(340)
Increase (decrease) in trade payables	(1,189)	1,005
Increase (decrease) in advances received	(221)	(379)
Decrease (increase) in consumption taxes refund receivable	(0)	(450)
Increase (decrease) in accrued consumption taxes	188	(342)
Increase (decrease) in accounts payable - other	(793)	(341)
Other, net	(292)	16
Subtotal	1,061	2,494
Interest and dividends received	21	32
Interest paid	(233)	(176)
Income taxes refund (paid)	35	(99)
Net cash provided by (used in) operating activities	884	2,250
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	29	71
Purchase of property, plant and equipment	(1,233)	(570)
Purchase of intangible assets	(14)	(22)
Payments for asset retirement obligations	(75)	(3)
Loan advances to subsidiaries and associates	(61)	-
Other, net	1	6
Net cash provided by (used in) investing activities	(1,353)	(518)
Cash flows from financing activities		
Proceeds from short-term borrowings	900	900
Repayments of short-term borrowings	(1,100)	(1,000)
Proceeds from long-term borrowings	2,000	550
Repayments of long-term borrowings	(2,000)	(1,755)
Proceeds from issuance of bonds	-	1,168
Redemption of bonds	-	(114)
Purchase of treasury shares	(0)	(0)
Dividends paid	(63)	(31)
Other, net	(50)	(54)
Net cash provided by (used in) financing activities	(313)	(337)
Effect of exchange rate change on cash and cash equivalents	(37)	265
Net increase (decrease) in cash and cash equivalents	(821)	1,659
Cash and cash equivalents at beginning of period	5,761	4,940
Cash and cash equivalents at end of period	4,940	6,599