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## Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

November 14, 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 filing quarterly securities report: November 14, 2022

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, 2022 (April 01, 2022 to September 30, 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	%
Six months ended September 30, 2022	10,918	(0.1)	(349)	-	(338)	-	(480)	-
September 30, 2021	10,928	18.8	323	-	234	-	85	-

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 229 million [(44.2)%]  
Six months ended September 30, 2021: ¥ 411 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	(76.25)	-
September 30, 2021	13.53	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	33,262	10,852	32.6
March 31, 2022	33,970	10,705	31.5

(Reference) Equity: As of September 30, 2022: ¥ 10,852 million  
As of March 31, 2022: ¥ 10,705 million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	13.00	13.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	18.00	18.00

(Note) Revision to the forecast for dividends announced most recently: Yes

### 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	29,000	21.3	750	(0.2)	600	(6.1)	500	35.0	79.30

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

\* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(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, 2022: 6,353,454 shares

March 31, 2022: 6,353,454 shares

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

September 30, 2022: 48,310 shares

March 31, 2022: 48,118 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 6,305,245 shares

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

Quarterly Consolidated Financial Statements  
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,660	4,840
Notes and accounts receivable - trade	3,867	3,097
Electronically recorded monetary claims - operating	2,010	546
Merchandise and finished goods	1,864	2,935
Work in process	2,941	4,723
Raw materials and supplies	1,659	1,954
Other	698	585
Allowance for doubtful accounts	(6)	(7)
Total current assets	19,696	18,675
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,599	2,620
Machinery, equipment and vehicles, net	2,849	2,836
Land	7,392	7,392
Other, net	1,039	1,223
Total property, plant and equipment	13,880	14,073
Intangible assets		
Other	121	111
Total intangible assets	121	111
Investments and other assets		
Other	256	363
Allowance for doubtful accounts	(12)	(14)
Total investments and other assets	244	349
Total non-current assets	14,247	14,535
Deferred assets	26	51
Total assets	33,970	33,262

(Million yen)

	As of March 31,2022	As of September 30,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,409	2,200
Electronically recorded obligations - operating	1,519	2,108
Short-term borrowings	8,390	5,690
Income taxes payable	86	75
Provision for bonuses	450	450
Reserves for losses on liquidation of subsidiaries and affiliates	25	17
Other	1,946	2,519
Total current liabilities	14,827	13,061
Non-current liabilities		
Bonds payable	840	1,840
Long-term borrowings	1,985	1,930
Provision for retirement benefits for directors (and other officers)	15	-
Retirement benefit liability	3,244	3,128
Asset retirement obligations	40	40
Other	2,311	2,409
Total non-current liabilities	8,437	9,348
Total liabilities	23,264	22,409
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,839	2,276
Treasury shares	(70)	(70)
Total shareholders' equity	7,409	6,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Revaluation reserve for land	3,666	3,666
Foreign currency translation adjustment	475	1,103
Remeasurements of defined benefit plans	(848)	(765)
Total accumulated other comprehensive income	3,295	4,006
Total net assets	10,705	10,852
Total liabilities and net assets	33,970	33,262

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 30,2021	For the six months ended September 30,2022
Net sales	10,928	10,918
Cost of sales	9,256	9,551
Gross profit	1,671	1,366
Selling, general and administrative expenses	1,348	1,716
Operating profit (loss)	323	(349)
Non-operating income		
Interest income	11	18
Dividend income	0	0
Claim income	5	3
Foreign exchange gains	-	60
Other	14	32
Total non-operating income	31	115
Non-operating expenses		
Interest expenses	103	86
Foreign exchange losses	6	-
Other	10	17
Total non-operating expenses	120	104
Ordinary profit (loss)	234	(338)
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on abandonment of non-current assets	32	0
Provision of reserves for losses on liquidation of subsidiaries and affiliates	-	5
Loss on valuation of investments in capital	1	-
Total extraordinary losses	33	5
Profit (loss) before income taxes	201	(343)
Income taxes - current	65	75
Income taxes - deferred	50	61
Total income taxes	116	137
Profit (loss)	85	(480)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	85	(480)

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit (loss)	85	(480)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	246	627
Remeasurements of defined benefit plans, net of tax	79	83
Total other comprehensive income	326	710
Comprehensive income	411	229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	411	229
Comprehensive income attributable to non-controlling interests	-	-

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	201	(343)
Depreciation	561	573
Amortization of bond issuance costs	-	4
Increase (decrease) in retirement benefit liability	(22)	(36)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(15)
Increase (decrease) in allowance for doubtful accounts	(98)	1
Interest and dividend income	(11)	(19)
Interest expenses on borrowings and bonds	103	87
Foreign exchange losses (gains)	7	36
Loss on abandonment of property, plant and equipment	32	0
Decrease (increase) in trade receivables	2,428	2,304
Decrease (increase) in inventories	(333)	(2,975)
Increase (decrease) in trade payables	565	140
Decrease (increase) in consumption taxes refund receivable	(127)	183
Increase (decrease) in accrued consumption taxes	(341)	(1)
Increase (decrease) in advances received	(120)	(31)
Increase (decrease) in accounts payable - other	(150)	(3)
Other, net	(54)	8
Subtotal	2,639	(84)
Interest and dividends received	11	19
Interest paid	(99)	(87)
Income taxes refund (paid)	(62)	(87)
Net cash provided by (used in) operating activities	2,489	(240)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(330)	(253)
Proceeds from sale of property, plant and equipment	1	1
Purchase of shares of subsidiaries	-	(100)
Purchase of intangible assets	(4)	(9)
Payments into time deposits	-	(26)
Proceeds from withdrawal of time deposits	79	-
Net cash provided by (used in) investing activities	(254)	(388)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	450	450
Repayments of short-term borrowings	(4,550)	(3,050)
Proceeds from long-term borrowings	550	600
Repayments of long-term borrowings	(900)	(755)
Proceeds from issuance of bonds	1,168	1,367
Redemption of bonds	-	(120)
Purchase of treasury shares	(0)	(0)
Dividends paid	(31)	(81)
Other, net	(27)	(75)
Net cash provided by (used in) financing activities	(3,340)	(1,665)
Effect of exchange rate change on cash and cash equivalents	118	434
Net increase (decrease) in cash and cash equivalents	(988)	(1,859)
Cash and cash equivalents at beginning of period	4,940	6,599
Cash and cash equivalents at end of period	3,951	4,740