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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: ENSHU Limited

Stock exchange listing: Tokyo

Code number: 6218

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

Representative: Atsushi Suzuki

,President and Representative Director, Chief Executive Officer

Contact: Hiroya Ohno

,General Manager of Corporate Management Group, Executive Officer

Phone: +81-53-447-2111

Scheduled date of Annual General Meeting of Shareholders: June 29, 2023

Scheduled date of commencing dividend payments: June 30, 2023

Scheduled date of filing annual securities report: June 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: No

(Amounts of less than one millions of yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	24,813	3.8	79	(89.4)	(39)	-	(104)	-
March 31, 2022	23,904	8.1	751	62.2	638	50.5	370	47.9

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 739 million [ (4.5)%]  
Fiscal year ended March 31, 2022: ¥ 774 million [ 190.9%]

	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, 2023	(16.60)	-	-	-	(0.9)	(0.1)	0.3
March 31, 2022	58.73	-	-	-	3.6	1.9	3.1

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million  
Fiscal year ended March 31, 2022: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2023	34,168	11,362	33.3	1,802.26
March 31, 2022	33,970	10,705	31.5	1,697.85

(Reference) Equity: As of March 31, 2023: ¥ 11,362 million  
As of March 31, 2022: ¥ 10,705 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2023	(1,312)	(845)	(254)	4,493
March 31, 2022	2,250	(518)	(337)	6,599

#### 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	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	0.00	-	13.00	13.00	81	22.1	0.8
March 31, 2023	-	0.00	-	13.00	13.00	81	-	0.7
Fiscal year ending								
March 31, 2024(Forecast)	-	0.00	-	18.00	18.00		22.7	

#### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	28,600	15.3	1,050	-	750	-	500	-	79.30

\* 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: Yes

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, 2023: 6,353,454 shares

March 31, 2022: 6,353,454 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 48,722 shares

March 31, 2022: 48,118 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 6,305,112 shares

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

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	22,307	7.1	(525)	-	403	-	443	-
March 31, 2022	20,834	9.6	(56)	-	(130)	-	(373)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	70.30	-
March 31, 2022	(59.27)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	31,245	9,942	31.8	1,577.01
March 31, 2022	31,199	9,581	30.7	1,519.51

(Reference) Equity: As of March 31, 2023: ¥ 9,942 million

As of March 31, 2022: ¥ 9,581 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,660	4,588
Notes and accounts receivable - trade	3,867	4,685
Electronically recorded monetary claims - operating	2,010	1,217
Merchandise and finished goods	1,864	3,233
Work in process	2,941	3,182
Raw materials and supplies	1,659	2,093
Other	698	448
Allowance for doubtful accounts	(6)	(7)
<b>Total current assets</b>	<b>19,696</b>	<b>19,442</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,599	2,544
Machinery, equipment and vehicles, net	2,849	2,989
Land	7,392	7,392
Leased assets, net	373	332
Construction in progress	109	241
Other, net	556	738
<b>Total property, plant and equipment</b>	<b>13,880</b>	<b>14,239</b>
Intangible assets		
Leased assets	48	34
Other	73	68
<b>Total intangible assets</b>	<b>121</b>	<b>103</b>
Investments and other assets		
Investment securities	14	115
Deferred tax assets	76	79
Other	166	158
Allowance for doubtful accounts	(12)	(11)
<b>Total investments and other assets</b>	<b>244</b>	<b>341</b>
<b>Total non-current assets</b>	<b>14,247</b>	<b>14,684</b>
Deferred assets	26	41
<b>Total assets</b>	<b>33,970</b>	<b>34,168</b>

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,409	1,732
Electronically recorded obligations - operating	1,519	2,125
Current portion of bonds payable	240	520
Short-term borrowings	8,390	7,924
Lease liabilities	59	57
Income taxes payable	86	84
Contract liabilities	565	846
Provision for bonuses	450	430
Reserves for losses on liquidation of subsidiaries and affiliates	25	13
Other	1,081	1,178
Total current liabilities	14,827	14,912
Non-current liabilities		
Bonds payable	840	1,580
Long-term borrowings	1,985	1,415
Lease liabilities	399	342
Deferred tax liabilities	265	197
Deferred tax liabilities for land revaluation	1,563	1,563
Retirement benefit liability	3,244	2,613
Provision for retirement benefits for directors (and other officers)	15	-
Asset retirement obligations	40	40
Other	83	140
Total non-current liabilities	8,437	7,893
Total liabilities	23,264	22,805
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,839	2,652
Treasury shares	(70)	(70)
Total shareholders' equity	7,409	7,222
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	901
Remeasurements of defined benefit plans	(848)	(429)
Total accumulated other comprehensive income	3,295	4,140
Total net assets	10,705	11,362
Total liabilities and net assets	33,970	34,168

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	23,904	24,813
Cost of sales	20,015	21,243
Gross profit	3,888	3,569
Selling, general and administrative expenses	3,137	3,490
Operating profit	751	79
Non-operating income		
Interest income	32	37
Dividend income	0	0
Rental income	7	7
Claim income	9	8
Surrender value of insurance policies	11	-
Gain on sale of scraps	9	13
Other	26	55
Total non-operating income	97	121
Non-operating expenses		
Interest expenses	180	168
Interest expenses on bonds	1	4
Foreign exchange losses	0	26
Other	28	40
Total non-operating expenses	210	241
Ordinary profit (loss)	638	(39)
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on sale of investment securities	-	3
Gain on transition of retirement benefit plan	-	144
Total extraordinary income	2	148
Extraordinary losses		
Loss on abandonment of non-current assets	32	1
Impairment losses	12	-
Provision of reserves for losses on liquidation of subsidiaries and affiliates	25	1
Loss on valuation of investments in capital	1	-
Total extraordinary losses	71	2
Profit before income taxes	569	106
Income taxes - current	122	270
Income taxes - deferred	77	(59)
Total income taxes	199	210
Profit (loss)	370	(104)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	370	(104)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit (loss)	370	(104)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	379	425
Remeasurements of defined benefit plans, net of tax	24	418
Total other comprehensive income	404	844
Comprehensive income	774	739
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	774	739
Comprehensive income attributable to non-controlling interests	-	-

## Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of 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 (loss) 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

For the fiscal year ended March 31, 2023

(Millions of 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	2,839	(70)	7,409	2	3,666	475	(848)	3,295	10,705
Changes during period										
Dividends of surplus		(81)		(81)						(81)
Profit (loss) attributable to owners of parent		(104)		(104)						(104)
Purchase of treasury shares			(0)	(0)						(0)
Net changes in items other than shareholders' equity					0	-	425	418	844	844
Total changes during period	-	(186)	(0)	(187)	0	-	425	418	844	657
Balance at end of period	4,640	2,652	(70)	7,222	2	3,666	901	(429)	4,140	11,362

## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	569	106
Depreciation	1,129	1,186
Impairment losses	12	-
Amortization of bond issuance costs	-	14
Increase (decrease) in retirement benefit liability	(12)	(214)
Increase (decrease) in provision for bonuses	(3)	(20)
Increase (decrease) in allowance for doubtful accounts	(99)	(0)
Interest and dividend income	(32)	(37)
Interest expenses on borrowings and bonds	181	173
Foreign exchange losses (gains)	(61)	(50)
Loss on abandonment of property, plant and equipment	32	1
Decrease (increase) in trade receivables	1,609	54
Decrease (increase) in inventories	(340)	(2,361)
Increase (decrease) in trade payables	1,005	(269)
Decrease (increase) in consumption taxes refund receivable	(450)	227
Increase (decrease) in accrued consumption taxes	(342)	(1)
Increase (decrease) in contract liability	(339)	259
Increase (decrease) in accounts payable - other	(341)	(84)
Other, net	(23)	145
Subtotal	2,494	(871)
Interest and dividends received	32	37
Interest paid	(176)	(176)
Income taxes refund (paid)	(99)	(302)
Net cash provided by (used in) operating activities	2,250	(1,312)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(570)	(700)
Purchase of shares of subsidiaries	-	(100)
Purchase of intangible assets	(22)	(22)
Payments for asset retirement obligations	(3)	-
Payments into time deposits	-	(28)
Proceeds from withdrawal of time deposits	71	-
Other, net	6	4
Net cash provided by (used in) investing activities	(518)	(845)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	900	3,585
Repayments of short-term borrowings	(1,000)	(937)
Proceeds from long-term borrowings	550	1,216
Repayments of long-term borrowings	(1,755)	(4,899)
Proceeds from issuance of bonds	1,168	1,367
Redemption of bonds	(114)	(380)
Purchase of treasury shares	(0)	(0)
Dividends paid	(31)	(81)
Other, net	(54)	(124)
Net cash provided by (used in) financing activities	(337)	(254)
Effect of exchange rate change on cash and cash equivalents	265	305
Net increase (decrease) in cash and cash equivalents	1,659	(2,106)
Cash and cash equivalents at beginning of period	4,940	6,599
Cash and cash equivalents at end of period	6,599	4,493