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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

February 10, 2023

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

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Scheduled date of filing quarterly securities report: February 13, 2023

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 Nine Months Ended December 31, 2022 (April 01, 2022 to December 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	%
Nine months ended December 31, 2022	16,878	6.2	(555)	-	(737)	-	(724)	-
December 31, 2021	15,896	1.2	381	93.9	303	34.4	119	113.1

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 83 million [(82.8)%]
 Nine months ended December 31, 2021: ¥ 484 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	(114.96)	-
December 31, 2021	18.90	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	33,726	10,706	31.7
March 31, 2022	33,970	10,705	31.5

(Reference) Equity: As of December 31, 2022: ¥ 10,706 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)				13.00	13.00

(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	25,000	4.6	200	(73.4)	0	(100.0)	(95)	-	(15.07)

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2022: 6,353,454 shares

March 31, 2022: 6,353,454 shares

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

December 31, 2022: 48,561 shares

March 31, 2022: 48,118 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 6,305,199 shares

Nine months ended December 31, 2021: 6,305,575 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 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	6,660	3,772
Notes and accounts receivable - trade	3,867	4,145
Electronically recorded monetary claims - operating	2,010	768
Merchandise and finished goods	1,864	3,912
Work in process	2,941	3,831
Raw materials and supplies	1,659	2,038
Other	698	711
Allowance for doubtful accounts	(6)	(7)
Total current assets	19,696	19,171
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,599	2,608
Machinery, equipment and vehicles, net	2,849	2,711
Land	7,392	7,392
Other, net	1,039	1,336
Total property, plant and equipment	13,880	14,048
Intangible assets		
Other	121	107
Total intangible assets	121	107
Investments and other assets		
Other	256	368
Allowance for doubtful accounts	(12)	(15)
Total investments and other assets	244	353
Total non-current assets	14,247	14,508
Deferred assets	26	46
Total assets	33,970	33,726

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,409	2,130
Electronically recorded obligations - operating	1,519	1,979
Short-term borrowings	8,390	6,885
Income taxes payable	86	42
Provision for bonuses	450	235
Reserves for losses on liquidation of subsidiaries and affiliates	25	15
Other	1,946	2,926
Total current liabilities	14,827	14,216
Non-current liabilities		
Bonds payable	840	1,840
Long-term borrowings	1,985	1,672
Provision for retirement benefits for directors (and other officers)	15	-
Retirement benefit liability	3,244	2,934
Asset retirement obligations	40	40
Other	2,311	2,316
Total non-current liabilities	8,437	8,804
Total liabilities	23,264	23,020
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,839	2,032
Treasury shares	(70)	(70)
Total shareholders' equity	7,409	6,602
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	1,176
Remeasurements of defined benefit plans	(848)	(741)
Total accumulated other comprehensive income	3,295	4,103
Total net assets	10,705	10,706
Total liabilities and net assets	33,970	33,726

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	15,896	16,878
Cost of sales	13,338	14,848
Gross profit	2,558	2,029
Selling, general and administrative expenses	2,176	2,584
Operating profit (loss)	381	(555)
Non-operating income		
Interest income	18	26
Dividend income	0	0
Claim income	7	6
Foreign exchange gains	24	-
Other	28	46
Total non-operating income	79	80
Non-operating expenses		
Interest expenses	141	123
Foreign exchange losses	-	112
Other	15	27
Total non-operating expenses	156	262
Ordinary profit (loss)	303	(737)
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	-	3
Gain on transition of retirement benefit plan	-	144
Total extraordinary income	0	148
Extraordinary losses		
Loss on abandonment of non-current assets	32	1
Provision of reserves for losses on liquidation of subsidiaries and affiliates	31	4
Loss on valuation of investments in capital	1	-
Total extraordinary losses	64	5
Profit (loss) before income taxes	239	(593)
Income taxes - current	79	164
Income taxes - deferred	41	(33)
Total income taxes	120	131
Profit (loss)	119	(724)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	119	(724)

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit (loss)	119	(724)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	245	700
Remeasurements of defined benefit plans, net of tax	119	107
Total other comprehensive income	365	808
Comprehensive income	484	83
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	484	83
Comprehensive income attributable to non-controlling interests	-	-