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Consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: ENSHU Limited

Listing: Tokyo

Securities code: 6218

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

Representative: Atsushi Suzuki

,President and Representative Director, Chief Executive Officer

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Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	11,159	(5.5)	(476)	-	(611)	-	(626)	-
September 30, 2023	11,806	8.1	247	-	228	-	90	-

(Note) Comprehensive income: Six months ended September 30, 2024: ¥ (163) million [-%]
Six months ended September 30, 2023: ¥ 473 million [106.4%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(99.39)	-
September 30, 2023	14.40	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	31,626	11,562	36.6
March 31, 2024	33,202	11,808	35.6

(Reference) Equity: As of September 30, 2024: ¥ 11,562 million
As of March 31, 2024: ¥ 11,808 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, 2024	-	0.00	-	13.00	13.00
Fiscal year ending March 31, 2025	-	0.00	-	-	-
Fiscal year ending March 31, 2025(Forecast)	-	-	-	10.00	10.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	22,800	(5.4)	100	(81.5)	(170)	-	(300)	-	(47.59)

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

* Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (4) Number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
 - September 30, 2024: 6,353,454 shares
 - March 31, 2024: 6,353,454 shares
 - 2) Number of treasury shares at the end of the period:
 - September 30, 2024: 49,225 shares
 - March 31, 2024: 49,210 shares
 - 3) Average number of shares outstanding during the period:
 - Six months ended September 30, 2024: 6,304,237 shares
 - Six months ended September 30, 2023: 6,304,656 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

Semi-annual Consolidated Financial Statements
Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,399	3,454
Notes and accounts receivable - trade	3,348	2,970
Electronically recorded monetary claims - operating	1,502	1,281
Merchandise and finished goods	2,590	2,859
Work in process	3,738	2,744
Raw materials and supplies	2,362	2,297
Other	208	400
Allowance for doubtful accounts	(7)	(8)
Total current assets	18,142	15,998
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,608	2,629
Machinery, equipment and vehicles, net	3,495	4,087
Land	7,392	7,392
Other, net	1,249	1,194
Total property, plant and equipment	14,745	15,303
Intangible assets		
Other	76	60
Total intangible assets	76	60
Investments and other assets		
Other	179	213
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	177	211
Total non-current assets	14,999	15,575
Deferred assets	60	51
Total assets	33,202	31,626

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,344	1,360
Electronically recorded obligations - operating	1,747	1,133
Short-term borrowings	4,835	4,390
Income taxes payable	81	61
Provision for bonuses	436	441
Reserves for losses on liquidation of subsidiaries and affiliates	10	9
Other	2,495	2,540
Total current liabilities	10,951	9,937
Non-current liabilities		
Bonds payable	2,040	1,640
Long-term borrowings	3,765	3,810
Retirement benefit liability	2,392	2,417
Asset retirement obligations	40	40
Other	2,204	2,217
Total non-current liabilities	10,441	10,125
Total liabilities	21,393	20,063
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,789	2,080
Treasury shares	(71)	(71)
Total shareholders' equity	7,359	6,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	3
Revaluation reserve for land	3,666	3,666
Foreign currency translation adjustment	1,106	1,532
Remeasurements of defined benefit plans	(327)	(290)
Total accumulated other comprehensive income	4,449	4,912
Total net assets	11,808	11,562
Total liabilities and net assets	33,202	31,626

Semi-annual Consolidated Statements of Income and Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	11,806	11,159
Cost of sales	9,825	9,965
Gross profit	1,980	1,194
Selling, general and administrative expenses	1,732	1,671
Operating profit (loss)	247	(476)
Non-operating income		
Interest income	18	10
Dividend income	0	0
Claim income	2	6
Foreign exchange gains	28	-
Other	16	17
Total non-operating income	67	34
Non-operating expenses		
Interest expenses	67	82
Foreign exchange losses	-	64
Other	18	23
Total non-operating expenses	86	169
Ordinary profit (loss)	228	(611)
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	15	-
Total extraordinary income	16	0
Extraordinary losses		
Loss on abandonment of non-current assets	0	0
Total extraordinary losses	0	0
Profit (loss) before income taxes	243	(611)
Income taxes - current	125	37
Income taxes - deferred	27	(22)
Total income taxes	152	15
Profit (loss)	90	(626)
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	90	(626)

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Profit (loss)	90	(626)
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	347	426
Remeasurements of defined benefit plans, net of tax	34	36
Total other comprehensive income	383	463
Comprehensive income	473	(163)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	473	(163)
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	243	(611)
Depreciation	631	611
Amortization of bond issuance costs	5	8
Increase (decrease) in retirement benefit liability	(72)	59
Increase (decrease) in provision for bonuses	1	5
Increase (decrease) in allowance for doubtful accounts	(9)	(0)
Interest and dividend income	(18)	(11)
Interest expenses on borrowings and bonds	70	88
Foreign exchange losses (gains)	20	(20)
Loss on abandonment of property, plant and equipment	0	0
Decrease (increase) in trade receivables	2,119	620
Decrease (increase) in inventories	(628)	544
Increase (decrease) in trade payables	(1,250)	(697)
Decrease (increase) in consumption taxes refund receivable	211	1
Increase (decrease) in accrued consumption taxes	(0)	30
Increase (decrease) in contract liabilities	(482)	62
Increase (decrease) in accounts payable - other	6	(220)
Other, net	(50)	(75)
Subtotal	798	394
Interest and dividends received	18	11
Interest paid	(69)	(88)
Income taxes refund (paid)	(69)	(58)
Net cash provided by (used in) operating activities	676	258
Cash flows from investing activities		
Purchase of property, plant and equipment	(366)	(421)
Purchase of intangible assets	(9)	(1)
Payments into time deposits	(25)	(54)
Proceeds from withdrawal of time deposits	-	61
Other, net	17	0
Net cash provided by (used in) investing activities	(384)	(416)
Cash flows from financing activities		
Proceeds from short-term borrowings	400	400
Repayments of short-term borrowings	(2,967)	(600)
Proceeds from long-term borrowings	600	400
Repayments of long-term borrowings	(602)	(600)
Proceeds from issuance of bonds	1,367	-
Redemption of bonds	(260)	(400)
Purchase of treasury shares	(0)	(0)
Dividends paid	(81)	(81)
Other, net	(55)	(56)
Net cash provided by (used in) financing activities	(1,599)	(938)
Effect of exchange rate change on cash and cash equivalents	190	141
Net increase (decrease) in cash and cash equivalents	(1,116)	(954)
Cash and cash equivalents at beginning of period	4,493	4,218
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	108	-
Cash and cash equivalents at end of period	3,484	3,263