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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 8, 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

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Scheduled date of filing quarterly securities report: November 9, 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 Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	11,806	8.1	247	-	228	-	90	-
September 30, 2022	10,918	(0.1)	(349)	-	(338)	-	(480)	-

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 473 million [106.4%]
Six months ended September 30, 2022: ¥ 229 million [(44.2)%]

	Basic earnings per share	Diluted earnings per share
Six months ended September 30, 2023	Yen 14.40	Yen -
September 30, 2022	(76.25)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of September 30, 2023	Millions of yen 31,525	Millions of yen 11,744	% 37.3
March 31, 2023	34,168	11,362	33.3

(Reference) Equity: As of September 30, 2023: ¥ 11,744 million
As of March 31, 2023: ¥ 11,362 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen -	Yen 0.00	Yen -	Yen 13.00	Yen 13.00
Fiscal year ending March 31, 2024	-	0.00	-	13.00	13.00
Fiscal year ending March 31, 2024 (Forecast)	-	0.00	-	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, 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	25,800	4.0	650	718.2	450	-	250	-	39.65

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No

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, 2023: 6,353,454 shares

March 31, 2023: 6,353,454 shares

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

September 30, 2023: 48,880 shares

March 31, 2023: 48,722 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 6,304,656 shares

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

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,588	3,617
Notes and accounts receivable - trade	4,685	3,102
Electronically recorded monetary claims - operating	1,217	718
Merchandise and finished goods	3,233	3,016
Work in process	3,182	3,673
Raw materials and supplies	2,093	2,407
Other	448	360
Allowance for doubtful accounts	(7)	(7)
Total current assets	19,442	16,888
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,544	2,571
Machinery, equipment and vehicles, net	2,989	3,022
Land	7,392	7,392
Other, net	1,313	1,298
Total property, plant and equipment	14,239	14,285
Intangible assets		
Other	103	91
Total intangible assets	103	91
Investments and other assets		
Other	353	194
Allowance for doubtful accounts	(11)	(2)
Total investments and other assets	341	191
Total non-current assets	14,684	14,568
Deferred assets	41	68
Total assets	34,168	31,525

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,732	1,332
Electronically recorded obligations - operating	2,125	1,439
Short-term borrowings	7,924	5,445
Income taxes payable	84	98
Provision for bonuses	430	431
Reserves for losses on liquidation of subsidiaries and affiliates	13	12
Other	2,602	2,470
Total current liabilities	14,912	11,230
Non-current liabilities		
Bonds payable	1,580	2,440
Long-term borrowings	1,415	1,325
Retirement benefit liability	2,613	2,509
Asset retirement obligations	40	40
Other	2,244	2,236
Total non-current liabilities	7,893	8,551
Total liabilities	22,805	19,781
Net assets		
Shareholders' equity		
Share capital	4,640	4,640
Retained earnings	2,652	2,658
Treasury shares	(70)	(70)
Total shareholders' equity	7,222	7,228
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	3
Revaluation reserve for land	3,666	3,666
Foreign currency translation adjustment	901	1,241
Remeasurements of defined benefit plans	(429)	(395)
Total accumulated other comprehensive income	4,140	4,515
Total net assets	11,362	11,744
Total liabilities and net assets	34,168	31,525

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	10,918	11,806
Cost of sales	9,551	9,825
Gross profit	1,366	1,980
Selling, general and administrative expenses	1,716	1,732
Operating profit (loss)	(349)	247
Non-operating income		
Interest income	18	18
Dividend income	0	0
Claim income	3	2
Foreign exchange gains	60	28
Other	32	16
Total non-operating income	115	67
Non-operating expenses		
Interest expenses	86	67
Other	17	18
Total non-operating expenses	104	86
Ordinary profit (loss)	(338)	228
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	-	15
Total extraordinary income	1	16
Extraordinary losses		
Loss on abandonment of non-current assets	0	0
Provision of reserves for losses on liquidation of subsidiaries and affiliates	5	-
Total extraordinary losses	5	0
Profit (loss) before income taxes	(343)	243
Income taxes - current	75	125
Income taxes - deferred	61	27
Total income taxes	137	152
Profit (loss)	(480)	90
Profit attributable to non-controlling interests	-	-
Profit (loss) attributable to owners of parent	(480)	90

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit (loss)	(480)	90
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Foreign currency translation adjustment	627	347
Remeasurements of defined benefit plans, net of tax	83	34
Total other comprehensive income	710	383
Comprehensive income	229	473
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	229	473
Comprehensive income attributable to non-controlling interests	-	-

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(343)	243
Depreciation	573	631
Amortization of bond issuance costs	4	5
Increase (decrease) in retirement benefit liability	(36)	(72)
Increase (decrease) in provision for bonuses	-	1
Increase (decrease) in allowance for doubtful accounts	1	(9)
Interest and dividend income	(19)	(18)
Interest expenses on borrowings and bonds	87	70
Foreign exchange losses (gains)	36	20
Loss on abandonment of property, plant and equipment	0	0
Decrease (increase) in trade receivables	2,304	2,119
Decrease (increase) in inventories	(2,975)	(628)
Increase (decrease) in trade payables	140	(1,250)
Decrease (increase) in consumption taxes refund receivable	183	211
Increase (decrease) in accrued consumption taxes	(1)	(0)
Increase (decrease) in contract liability	(67)	(482)
Increase (decrease) in accounts payable - other	(3)	6
Other, net	29	(50)
Subtotal	(84)	798
Interest and dividends received	19	18
Interest paid	(87)	(69)
Income taxes refund (paid)	(87)	(69)
Net cash provided by (used in) operating activities	(240)	676
Cash flows from investing activities		
Purchase of property, plant and equipment	(253)	(366)
Purchase of shares of subsidiaries	(100)	-
Purchase of intangible assets	(9)	(9)
Payments into time deposits	(26)	(25)
Other, net	1	17
Net cash provided by (used in) investing activities	(388)	(384)
Cash flows from financing activities		
Proceeds from short-term borrowings	450	400
Repayments of short-term borrowings	(3,050)	(2,967)
Proceeds from long-term borrowings	600	600
Repayments of long-term borrowings	(755)	(602)
Proceeds from issuance of bonds	1,367	1,367
Redemption of bonds	(120)	(260)
Purchase of treasury shares	(0)	(0)
Dividends paid	(81)	(81)
Other, net	(75)	(55)
Net cash provided by (used in) financing activities	(1,665)	(1,599)
Effect of exchange rate change on cash and cash equivalents	434	190
Net increase (decrease) in cash and cash equivalents	(1,859)	(1,116)
Cash and cash equivalents at beginning of period	6,599	4,493
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	108
Cash and cash equivalents at end of period	4,740	3,484