



2022

ANNUAL REPORT

 ENOMOTO Co., Ltd.

Contents

Management Strategy

President's Message	01
Officer Matrix	03
Our Ways	05
1 st STEP of Vision 2030	06
Medium-Term Environmental Plan (Initiatives for SDGs)	07
GHG emission reduction plan	08

Financial Review

Summary of Selected Financial Data (consolidated)	09
Highlights	10
Business Composition by Segment	11
Consolidated Financial Statements	13

Corporate Information

Company History	17
Corporate Data	18



I would like to express my sincere gratitude to you, our shareholders, for your continued support. I would also like to express my sincere condolences to those who have passed away due to the novel coronavirus disease (COVID-19), and I pray for a quick recovery of those who contracted the disease.

Management Philosophy

The ENOMOTO Group has been contributing to Japanese manufacturing since its founding in 1962, underpinned by its Management Philosophy of “recognizing that people are at the heart of business management, ENOMOTO is committed to healthy manufacturing as its contribution to the development of an affluent society.” Achievements in this regard have involved developing numerous new technologies related to press processing, establishing die technologies encompassing a wide range of processes such as blanking, bending, drawing and resin molding, and coming up with ultrafine composite machining technologies for metal and plastic geared to addressing fast-evolving market needs for miniaturization, higher performance and more functions.

Our products in particular include lead frames for opto-electronic devices typified by light-emitting diodes (LEDs) which constitute an energy-saving product that helps combat global warming, components for micro pitch connectors installed in smartphones and other IT devices and various types of semiconductor lead frames essential for facilitating the spread of self-driving vehicles and IoT. We take pride in these products, which are key technological elements poised to help bring about advances in society going forward. Also, we believe that supplying these products to major manufacturers worldwide will enable the Group to continue playing an indispensable role with respect to helping in bringing about a prosperous society in the future.

2021 Economic Condition

In the previous fiscal year, Japan's economy was under the strong influence of COVID-19, and was repeatedly shaken by the infection situation and related policies in Japan and overseas. After the state of emergency was lifted at the end of September, consumer activity recovered sharply, and business sentiment showed signs of improvement but has recently leveled off due to the impact of the rapid increase in the number of infected people due to new mutant strains. In the electronic components industry to which the Group belongs, demand exceeded the actual level in some areas in the first half of the year, as companies moved forward to place orders as a countermeasure against the global supply shortage of semiconductors and resources. And products that were particularly affected by seasonal factors peaked out earlier than usual.

Under these circumstances, we have systematically promoted the reduction of manufacturing costs by further improving quality and automating and streamlining the manufacturing process, in an effort to improve sales and profitability.

2021 Our Financial Performance

In the fiscal year ended 31 March 2021, the Company consequently generated net sales of 27,250 million yen (up 18.4% YoY), operating profit of 2,012 million yen (up 28.7% YoY), ordinary profit of 2,054 million yen (up 31.5% YoY), and profit attributable to owners of parent of 1,545 million yen (up 3.7% YoY) due to the additional recording of deferred tax assets.

We will continue to work as one to improve our business performance and strengthen our management base, and we look forward to your continued support.

**Inside
Directors**



Nobuyuki Takeuchi **Homare Shiratori** **Nobuo Sakurai** **Mitsuhiro Kushima**

	Nobuyuki Takeuchi	Homare Shiratori	Nobuo Sakurai	Mitsuhiro Kushima
Roles and Responsibilities	Representative director President / Chief Executive Officer	Representative director Senior Managing Director / Chief Operating Officer	Director Chief Officer of Headquarters Production	Director Chief Officer of Sustainable management
Gender	● Male	● Male	● Male	● Male

Independent Officer

	Nobuyuki Takeuchi	Homare Shiratori	Nobuo Sakurai	Mitsuhiro Kushima
Management Strategy	★	★		★
Technology and Quality Control	★	★	★	
Marketing and Sales	★	★	★	
Global Business	★	★		
Human Resource Development		★		
Environment and Society			★	★
Finance and Accounting				★
Legal and Governance	★			★

**Outside
Directors**



Tadashi Kato **Sachiko Yamaki** **Michiyo Ujiie** **Hiroshi Muto**

	Tadashi Kato	Sachiko Yamaki	Michiyo Ujiie	Hiroshi Muto
Roles and Responsibilities	Director Audit and Supervisory Committee Member	Director Audit and Supervisory Committee Member	Director Audit and Supervisory Committee Member	Director Audit and Supervisory Committee Member
Gender	● Male	○ Female	○ Female	● Male

Independent Officer

	Tadashi Kato	Sachiko Yamaki	Michiyo Ujiie	Hiroshi Muto
Management Strategy	★			★
Technology and Quality Control				
Marketing and Sales				★
Global Business				★
Human Resource Development		★	★	★
Environment and Society		★	★	
Finance and Accounting	★		★	
Legal and Governance	★	★		

Motto

心技一体
SHINGI ITTAI

Shingi ittai : Heart and technique are both essential for our manufacturing and we can't make good products with either of them. Since our start in small lab, we have cherished the spirit of craft workers and their technique.

Management Philosophy

People are at the heart of business.
Through sound manufacturing, we contribute to the realization of prosperous society.

Vision 2030

Creating the Future with Precision Die Technology

Finer and faster with leading-edge technology,
We aim to be your best partner for living and business.

Target

We continue to speedily provide high-quality products to the cutting-edge market with the evolution of die technology.

We create innovation by building a work environment that takes on challenges without fear of failure.

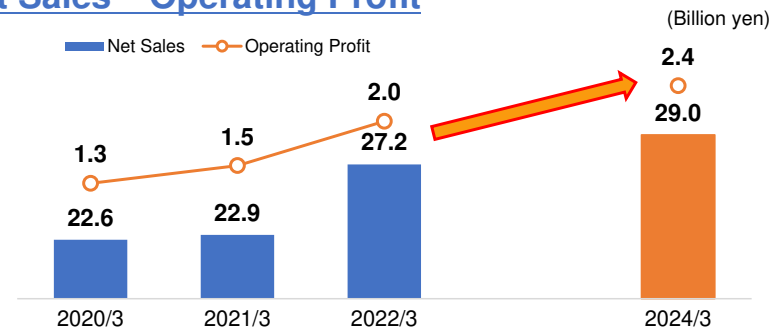
We contribute to the realization of carbon-free society by putting fuel cell parts to practical use.



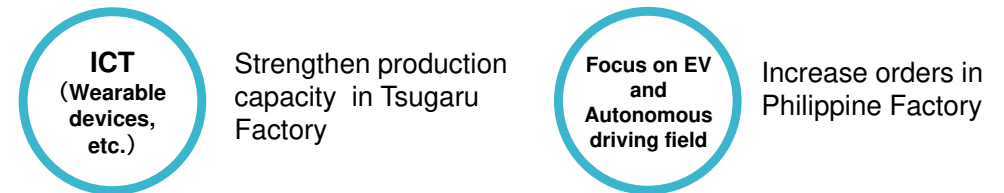
Our Goals For 1st STEP (Apr 2021 ~ Mar 2024)



Net Sales · Operating Profit

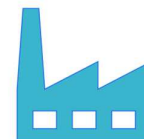


How We Achieve Our Goals: Investment in Growing Fields



How We Increase Our Marginal Profit

Automation of manufacturing process



Digitalization of die making



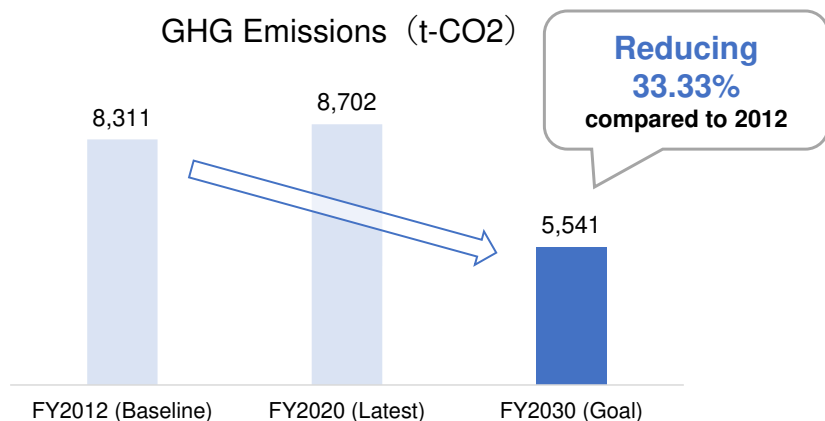
Strengthening factories overseas





Stepping up the target towards carbon neutrality
- From basic unit to total volume -

POINT 1
Reducing GHG (Greenhouse Gas) Emissions in Production Processes
 – Use of renewable energy and energy saving measures



POINT 2
Reduction of GHG emissions throughout the value chain

POINT 3
Technological development that contributes to reducing GHG emissions throughout society
 – Realization of a hydrogen society
 (Development and commercialization of fuel cell components)
 – Contribution to popularization of EV and energy saving
 (Sales expansion of lead frames for power semiconductors)

POINT 4
Reduction of waste, water and plastic usage

Target for 2030

Total GHG Emissions 5,541 t-CO₂
GHG Emission Reduction 2,770 t-CO₂

Action Plan

1

Use of Renewable Energy

- Installation of solar power generation equipment at the Tsugaru Factory (scheduled for completion in January 2023), etc.
- Purchasing carbon-free electricity

GHG Emission Reduction 1,400 t-CO₂
 Compared to FY2012 **16.85% down**

Amount of electricity purchase reduction from fossil fuels **3,400,000 kwh**

2

Energy Saving Measures

Compressor

Air Conditioner

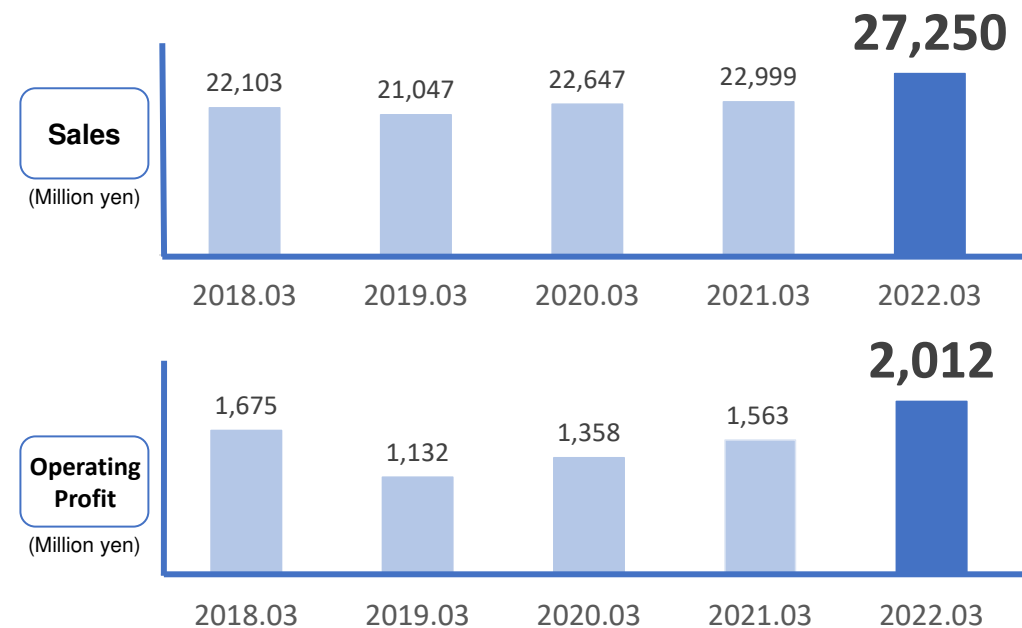
Lighting

Others, Equipment

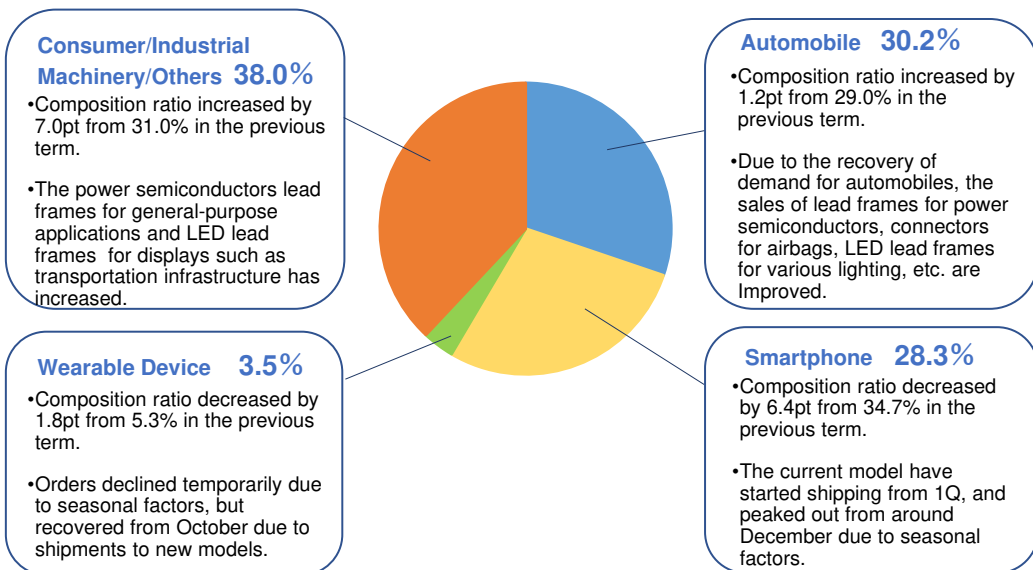
GHG Emission Reduction 1,370 t-CO₂
 Compared to FY2012 **16.48% down**

Electricity usage reduction **3,161,713 kwh**

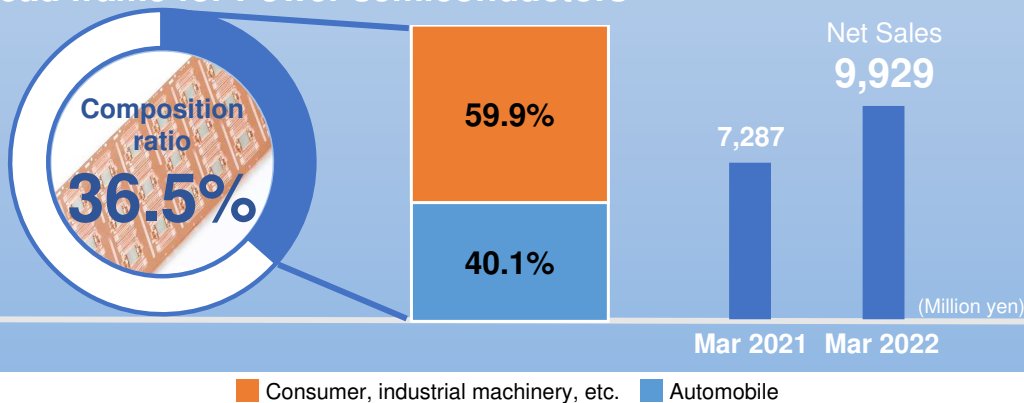
	52nd term Fiscal year ended 31 Mar 2018	53rd term Fiscal year ended 31 Mar 2019	54th term Fiscal year ended 31 Mar 2020	55th term Fiscal year ended 31 Mar 2021	56th term Fiscal year ended 31 Mar 2022
Net sales (Million yen)	22,103	21,047	22,647	22,999	27,250
Ordinary Profit (Million yen)	1,601	1,260	1,394	1,561	2,054
Profit (loss) attributable to owners of parent (Million yen)	1,246	912	912	1,489	1,545
Comprehensive income (Million yen)	1,205	624	778	1,362	2,404
Net assets (Million yen)	14,761	15,069	15,610	16,739	18,628
Total assets (Million yen)	23,479	23,497	24,211	25,577	30,174
Net assets per share (Yen)	2,169.16	2,240.94	2,321.46	2,487.46	2,790.49
Basic earnings (loss) per share (Yen)	199.29	134.37	135.86	221.66	230.49
Diluted earnings per share (Yen)	198.32	133.98	135.46	221.01	229.80
Equity-to-asset ratio (%)	62.7	64.0	64.4	65.3	61.6
Rate of return on equity (%)	9.1	6.1	5.9	9.2	8.7
Price-earnings ratio (Times)	8.0	6.3	6.0	9.3	6.9
Net cash provided by (used in) operating activities (Million yen)	2,012	592	2,357	2,506	3,331
Net cash provided by (used in) investing activities (Million yen)	(1,557)	(1,238)	(1,501)	(2,402)	(2,965)
Net cash provided by (used in) financing activities (Million yen)	1,175	(536)	(333)	(113)	386
Cash and cash equivalents (Million yen)	4,085	2,858	3,346	3,324	4,365
Number of employees [Average number of temporary employees] (Number of persons)	1,126 [586]	1,253 [637]	1,243 [457]	1,240 [468]	1,272 [544]



Sales composition ratio of mass-produced products by application



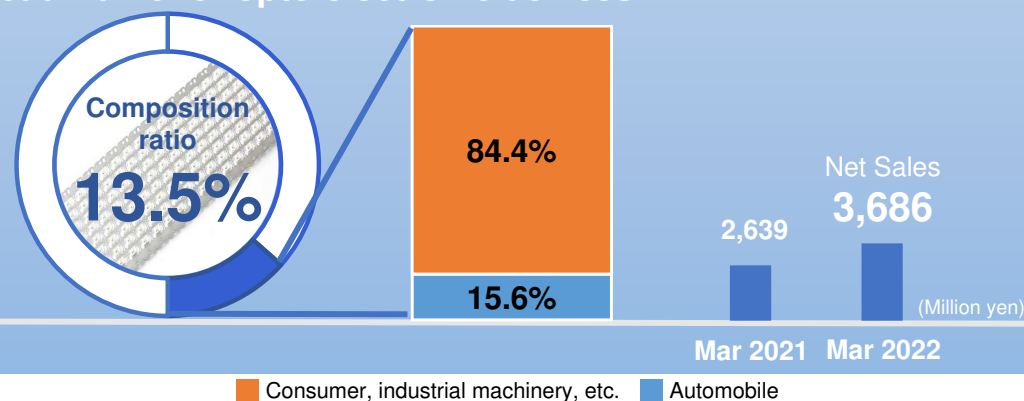
Lead frame for Power semiconductors



Lead frame for Power semiconductors

Net Sales 9,929 million yen (Increased 36.3% - YoY)
 This item group is mainly for automobiles and consumer equipment. The demand for this group have begun to recover from the latter half of the previous consolidated fiscal year. The demand for power semiconductors is still strong because of the progress of EV, the development and spread of ADAS technology, DX/GX and social innovations in other fields.

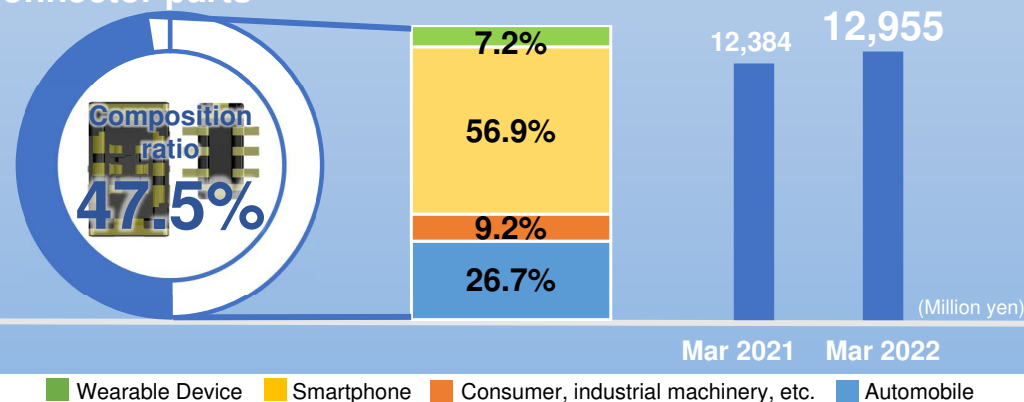
Lead frame for opto-electronic devices



Lead frame for opto-electronic devices

Net Sales 3,686 million yen (Increased 39.7% - YoY)
 This item group is mainly for LED. The demand is increased because of overseas transportation infrastructure and outdoor displays for advertising purposes.

Connector parts



Connector parts

Net Sales 12,955 million yen (Increased 4.6% - YoY)
 This item group is mainly for automobiles and mobile terminals. The demand for smartphones peaked out, while sales for wearable terminals recovered. The demand for automobiles parts also remained firm.

Others : Net Sales 679 million yen (Decreasing 2.5% - YoY) This item group is mainly for relay parts.

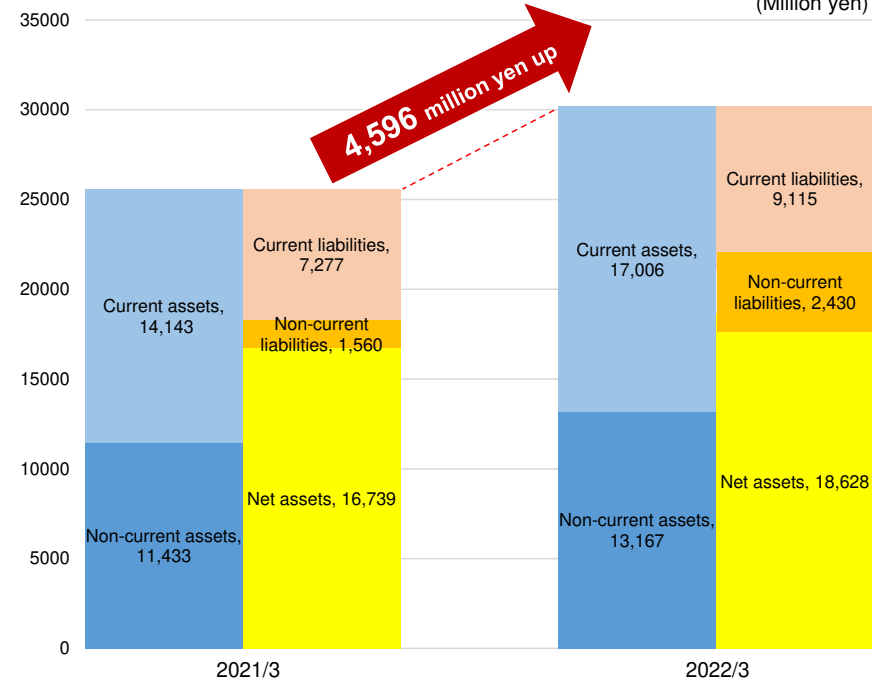
Consolidated Balance Sheets(summary)

(Million yen)

	As of 31 Mar 2021	As of 31 Mar 2022
Assets		
Current assets	14,143	17,006
Non-current assets	11,433	13,167
Property, plant, and equipment	10,222	11,861
Intangible assets	189	374
Investments and other assets	1,021	931
Total assets	25,577	30,174
Liabilities		
Current liabilities	7,277	9,114
Non-current liabilities	1,560	2,430
Total liabilities	8,838	11,545
Net assets		
Shareholder's equity	17,191	18,218
Share capital	4,749	4,749
Capital surplus	5,082	5,082
Retained earnings	7,508	8,641
Treasury shares	(148)	(255)
Accumulated other comprehensive income	(467)	395
Share acquisition rights	15	15
Total net assets	16,739	18,628
Total liabilities and net assets	25,577	30,174

Status of Balance Sheets

(Million yen)



Current assets

In the fiscal year ended 31 March 2022, the amount of Current assets was 17,006 million yen due to an increase in Cash and Inventories. (2,863 million yen more than the previous fiscal year.)

Non-current assets

The amount of Non-current assets was 13,167 million yen due to an increase in Buildings and Structures related to the expansion of Tsugaru factory. (1,734 million yen more than the previous fiscal year.)

Total liabilities

The amount of Total liabilities was 11,545 million yen due to an increase in Trade payables and Long-term borrowings related to the expansion of Tsugaru factory. (2,707 million yen more than the previous fiscal year.)

Net assets

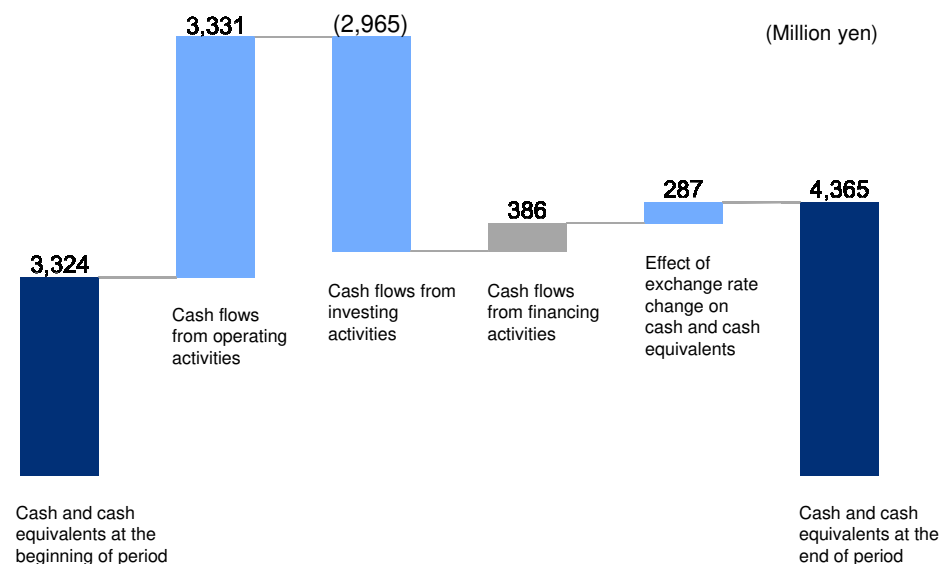
Net assets was 18,628 million yen due to an increase in Retained earnings. As a result, The capital adequacy ratio was 61.7%.

Consolidated Statements of Income(summary)

(Million yen)

	As of 31 Mar 2021	As of 31 Mar 2022
Net sales	22,999	27,250
Cost of sales	19,183	22,788
Gross profit	3,815	4,462
Selling, general and administrative expenses	2,252	2,449
Operating profit	1,563	2,012
Non-operating income	117	152
Non-operating expenses	118	110
Ordinary profit	1,561	2,054
Extraordinary income	13	51
Extraordinary losses	117	22
Profit before income taxes	1,457	2,083
Income taxes - current	276	377
Income taxes - deferred	(308)	159
Total income taxes	(31)	537
Profit	1,489	1,545
Profit attributable to owners of parent	1,489	1,545

Consolidated Statement of Cash Flows(summary)



The status of Cash Flows

Cash and cash equivalents (hereinafter referred to as “Cash”) was 4,365 million yen at the end of the fiscal year ended 31 March 2022. (1,040 million yen more than the previous fiscal year.)

Due to the increase in operating income, operating cash flow increased by 825 million yen from the previous fiscal year.

Investment cash flow was -2.96 billion yen due to expenditures associated with the expansion of the Tsugaru factory, but free cash flow remained positive at 360 million yen.

Date	Event
April 1967	Enomoto Manufacturing Co., Ltd. is established in Sagamiko-machi, Tsukui-gun, Kanagawa Prefecture (currently Midori-ku, Sagami City, Kanagawa Prefecture) for the purpose of manufacturing precision molds and processing press parts using those molds for electronic components.
December 1969	The Uenohara Factory is established in Uenohara-machi, Kitatsuru-gun, Yamanashi Prefecture (currently Uenohara City, Yamanashi Prefecture) to expand the business.
March 1973	The headquarters is relocated from Sagamiko-machi, Tsukui-gun, Kanagawa Prefecture to Uenohara-machi, Kitatsuru-gun, Yamanashi Prefecture.
April 1987	The Enzan Factory is established in Enzan City, Yamanashi Prefecture (currently Kosu City, Yamanashi Prefecture) with the aim of expanding the sales of LED lead frames and increasing the efficiency of mold component processing.
July 1990	The company changes its name from Enomoto Manufacturing Co., Ltd. to Enomoto Co., Ltd.
November 1990	Registers over-the-counter with the Japan Securities Dealers Association.
June 1991	Tsugaru Enomoto Co., Ltd. is established in Goshogawara City, Aomori Prefecture.
March 1995	The Iwate Factory is established in Otsuchi-cho, Kamihei-gun, Iwate Prefecture.
August 1995	The Uenohara Factory is relocated to the grounds of Uenohara Industrial Park.
October 1995	Enomoto Philippine Manufacturing Inc. is established in the Republic of the Philippines. (Currently a consolidated subsidiary)
August 1997	Iwate Enomoto Co., Ltd. is established and the Iwate Factory's business is transferred.
November 2000	Enomoto Hong Kong Co., Ltd. is established in the Hong Kong Special Administrative Region of the People's Republic of China. (Currently a consolidated subsidiary)
January 2001	Zhongshan Enomoto Co., Ltd. is established in Zhongshan, Guangdong Province, People's Republic of China. (Currently a consolidated subsidiary)
April 2003	The headquarters address is changed to 8154-19 Uenohara, Uenohara-machi (currently 8154-19 Uenohara, Uenohara City, Yamanashi Prefecture).
April 2004	Acquires the subsidiaries, Tsugaru Enomoto Co., Ltd. and Iwate Enomoto Co., Ltd., and establishes the Tsugaru Factory and the Iwate Factory.
December 2004	Cancels registration as an over-the-counter company with the Japan Securities Dealers Association and lists its shares on the JASDAQ Securities Exchange (currently the JASDAQ Market of the Osaka Securities Exchange).
July 2013	The company is listed in the Tokyo Stock Exchange JASDAQ (Standard) following the merger of the Tokyo Stock Exchange and the Osaka Securities Exchange.
December 2015	Constructs Cavite Factory No. 2 for Enomoto Philippine Manufacturing Inc., located in the Province of Cavite in the Philippines, to increase production capacity.
December 2017	Changes the market listing from the Tokyo Stock Exchange JASDAQ (Standard) to the Second Section of the Tokyo Stock Exchange.
November 2018	The company is listed in the First Section of the Tokyo Stock Exchange.
April 2022	The company is listed in the Prime Market of the Tokyo Stock Exchange

Trade name	ENOMOTO Co., Ltd.
Establishment	April 1967 (Founded July 1962)
Securities code	6928 (Tokyo Stock Exchange)
Headquarters location	8154-19, Uenohara, Uenohara City, Yamanashi, Japan
Capital	JPY 4,749 million
Business description	<ol style="list-style-type: none"> 1. Manufacture of various semiconductor components and electronic components 2. Development, design, and manufacture of various precision molds, automatic mechanical equipment, etc.
Telephone number	+81-554-62-5111
Consolidated subsidiaries	ENOMOTO PHILIPPINE MANUFACTURING INC. ENOMOTO HONG KONG Co., Ltd. ZHONG SHAN ENOMOTO Co., Ltd.