

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 9, 2023

Company name: ENOMOTO Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 6928 URL <https://www.enomoto.co.jp/>  
 Representative: President Nobuyuki Takeuchi  
 Inquiries: Operating Officer of Administration Group Tsutomu Takei TEL 0554-62-5111  
 Scheduled date of ordinary general meeting of shareholders: June 28, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 Scheduled date to commence dividend payments: June 29, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (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	%
Year ended March 31, 2023	29,265	7.4	1,561	(22.4)	1,805	(12.1)	1,269	(17.9)
Year ended March 31, 2022	27,250	18.5	2,012	28.7	2,054	31.5	1,545	3.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	190.02	189.46	6.5	5.6	5.3
Year ended March 31, 2022	230.49	229.81	8.7	7.4	7.4

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	34,039	20,594	60.5	3,081.37
As of March 31, 2022	30,174	18,628	61.7	2,790.50

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2023	1,810	(2,998)	535	4,041
Year ended March 31, 2022	3,331	(2,965)	386	4,365

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	20.00	–	30.00	50.00	340	21.7	1.9
Year ended March 31, 2023	–	30.00	–	30.00	60.00	408	31.6	2.0
Year ending March 31, 2024 (Forecast)	–	35.00	–	35.00	70.00		37.4	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	29,000	(0.9)	1,700	8.9	1,700	(5.9)	1,250	(1.5)	187.16

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	6,865,360 shares	As of March 31, 2022	6,865,360 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	186,610 shares	As of March 31, 2022	194,975 shares
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Average number of shares during the period

Year ended March 31, 2023	6,678,205 shares	Year ended March 31, 2022	6,705,022 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,365,375	4,041,219
Electronically recorded monetary claims - operating	1,439,680	1,392,774
Accounts receivable - trade	6,350,522	7,224,441
Merchandise and finished goods	899,087	1,739,539
Work in process	1,686,447	1,590,892
Raw materials and supplies	1,781,201	2,390,297
Accounts receivable - other	363,263	515,409
Other	124,610	159,976
Allowance for doubtful accounts	(4,126)	(3,512)
<b>Total current assets</b>	<b>17,006,061</b>	<b>19,051,037</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	10,502,688	10,695,758
Accumulated depreciation	(6,032,168)	(6,036,942)
Buildings and structures, net	4,470,519	4,658,816
Machinery, equipment and vehicles	13,904,131	15,823,829
Accumulated depreciation	(10,052,150)	(11,092,816)
Machinery, equipment and vehicles, net	3,851,980	4,731,013
Tools, furniture and fixtures	3,947,099	4,100,324
Accumulated depreciation	(3,541,365)	(3,557,090)
Tools, furniture and fixtures, net	405,733	543,234
Land	2,641,781	2,850,782
Construction in progress	491,376	717,307
<b>Total property, plant and equipment</b>	<b>11,861,392</b>	<b>13,501,153</b>
<b>Intangible assets</b>	<b>374,636</b>	<b>588,946</b>
<b>Investments and other assets</b>		
Investment securities	521,418	519,973
Retirement benefit asset	166,273	160,658
Deferred tax assets	57,440	17,363
Other	214,868	228,244
Allowance for doubtful accounts	(28,050)	(28,050)
<b>Total investments and other assets</b>	<b>931,951</b>	<b>898,190</b>
<b>Total non-current assets</b>	<b>13,167,980</b>	<b>14,988,290</b>
<b>Total assets</b>	<b>30,174,042</b>	<b>34,039,328</b>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	6,309,786	6,933,832
Short-term borrowings	667,996	1,197,996
Income taxes payable	134,545	16,680
Provision for bonuses for directors (and other officers)	50,000	–
Provision for bonuses	387,500	340,000
Asset retirement obligations	75,000	–
Other	1,489,842	1,687,634
<b>Total current liabilities</b>	<b>9,114,669</b>	<b>10,176,143</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,482,014	1,934,018
Deferred tax liabilities	88,376	240,336
Retirement benefit liability	268,363	254,450
Provision for retirement benefits for directors (and other officers)	67,792	67,792
Provision for share awards for directors (and other officers)	128,728	144,590
Deferred tax liabilities for land revaluation	269,710	269,710
Other	125,601	357,461
<b>Total non-current liabilities</b>	<b>2,430,585</b>	<b>3,268,359</b>
<b>Total liabilities</b>	<b>11,545,254</b>	<b>13,444,503</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	4,749,333	4,749,333
Capital surplus	5,082,571	5,082,571
Retained earnings	8,641,636	9,502,195
Treasury shares	(255,181)	(244,093)
<b>Total shareholders' equity</b>	<b>18,218,358</b>	<b>19,090,006</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	32,159	30,183
Revaluation reserve for land	(397,291)	(397,291)
Foreign currency translation adjustment	749,510	1,783,533
Remeasurements of defined benefit plans	10,941	73,283
<b>Total accumulated other comprehensive income</b>	<b>395,319</b>	<b>1,489,709</b>
Share acquisition rights	15,109	15,109
<b>Total net assets</b>	<b>18,628,787</b>	<b>20,594,825</b>
<b>Total liabilities and net assets</b>	<b>30,174,042</b>	<b>34,039,328</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	27,250,846	29,265,406
Cost of sales	22,788,570	25,165,332
Gross profit	4,462,275	4,100,074
Selling, general and administrative expenses	2,449,668	2,538,893
Operating profit	2,012,607	1,561,181
Non-operating income		
Interest income	12,587	13,522
Dividend income	1,677	2,964
Rental income	38,892	30,480
Subsidy income	8,929	157,156
Insurance claim income	27,234	–
Foreign exchange gains	34,981	37,270
Other	28,204	48,986
Total non-operating income	152,508	290,380
Non-operating expenses		
Interest expenses	12,760	25,436
Loss on sale of receivables	760	15
Taxes and dues	6,373	5,957
Depreciation	86,158	7,785
Other	4,723	6,706
Total non-operating expenses	110,776	45,901
Ordinary profit	2,054,339	1,805,660
Extraordinary income		
Gain on sale of non-current assets	51,808	10,030
Total extraordinary income	51,808	10,030
Extraordinary losses		
Loss on sale of non-current assets	8,651	7,241
Loss on retirement of non-current assets	13,835	59,894
Impairment losses	500	500
Loss on valuation of investment securities	–	1,086
Tax examination settlement for foreign subsidiaries	–	82,379
Total extraordinary losses	22,987	151,102
Profit before income taxes	2,083,160	1,664,588
Income taxes - current	377,745	191,975
Income taxes - deferred	159,971	203,611
Total income taxes	537,717	395,587
Profit	1,545,442	1,269,001
Profit attributable to owners of parent	1,545,442	1,269,001

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	1,545,442	1,269,001
Other comprehensive income		
Valuation difference on available-for-sale securities	2,789	(1,975)
Foreign currency translation adjustment	845,806	1,034,022
Remeasurements of defined benefit plans, net of tax	10,889	62,342
Total other comprehensive income	859,485	1,094,390
Comprehensive income	2,404,927	2,363,391
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,404,927	2,363,391
Comprehensive income attributable to non-controlling interests	—	—

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,749,333	5,082,571	7,508,326	(148,233)	17,191,997
Changes during period					
Dividends of surplus			(408,447)		(408,447)
Profit attributable to owners of parent			1,545,442		1,545,442
Purchase of treasury shares				(113,408)	(113,408)
Disposal of treasury shares for ESOP				6,459	6,459
Reversal of revaluation reserve for land			(3,684)		(3,684)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,133,310	(106,948)	1,026,361
Balance at end of period	4,749,333	5,082,571	8,641,636	(255,181)	18,218,358

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	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	29,369	(400,976)	(96,295)	51	(467,850)	15,109	16,739,255
Changes during period							
Dividends of surplus							(408,447)
Profit attributable to owners of parent							1,545,442
Purchase of treasury shares							(113,408)
Disposal of treasury shares for ESOP							6,459
Reversal of revaluation reserve for land							(3,684)
Net changes in items other than shareholders' equity	2,789	3,684	845,806	10,889	863,170	–	863,170
Total changes during period	2,789	3,684	845,806	10,889	863,170	–	1,889,531
Balance at end of period	32,159	(397,291)	749,510	10,941	395,319	15,109	18,628,787

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,749,333	5,082,571	8,641,636	(255,181)	18,218,358
Changes during period					
Dividends of surplus			(408,443)		(408,443)
Profit attributable to owners of parent			1,269,001		1,269,001
Purchase of treasury shares				(417)	(417)
Disposal of treasury shares for ESOP				11,506	11,506
Reversal of revaluation reserve for land					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	860,558	11,088	871,647
Balance at end of period	4,749,333	5,082,571	9,502,195	(244,093)	19,090,006

	Accumulated other comprehensive income					Share acquisition rights	Total net assets
	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	32,159	(397,291)	749,510	10,941	395,319	15,109	18,628,787
Changes during period							
Dividends of surplus							(408,443)
Profit attributable to owners of parent							1,269,001
Purchase of treasury shares							(417)
Disposal of treasury shares for ESOP							11,506
Reversal of revaluation reserve for land							
Net changes in items other than shareholders' equity	(1,975)		1,034,022	62,342	1,094,390		1,094,390
Total changes during period	(1,975)	-	1,034,022	62,342	1,094,390	-	1,966,037
Balance at end of period	30,183	(397,291)	1,783,533	73,283	1,489,709	15,109	20,594,825



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,083,160	1,664,588
Depreciation	1,664,427	1,717,528
Increase (decrease) in retirement benefit liability	(12,144)	(54,986)
Decrease (increase) in retirement benefit asset	28,697	77,661
Increase (decrease) in provision for share awards for directors (and other officers)	59,685	27,294
Increase (decrease) in provision for bonuses	6,500	(47,500)
Increase (decrease) in provision for bonuses for directors (and other officers)	10,000	(50,000)
Increase (decrease) in allowance for doubtful accounts	(155)	(614)
Interest and dividend income	(14,265)	(16,487)
Insurance claim income	(27,234)	–
Interest expenses	12,760	25,436
Subsidy income	(8,929)	(157,156)
Gain on sales of property, plant and equipment	(51,808)	(10,030)
Loss on sales of noncurrent assets	8,651	7,241
Loss on retirement of property, plant and equipment	13,835	59,894
Impairment losses	500	500
Loss (gain) on valuation of investment securities	–	1,086
Decrease (increase) in trade receivables	(276,658)	(313,860)
Decrease (increase) in inventories	(859,989)	(1,057,026)
Decrease (increase) in other current assets	(212,111)	13,394
Increase (decrease) in trade payables	1,127,239	209,634
Increase (decrease) in other current liabilities	175,645	55,110
Other, net	(18,086)	(13,987)
Subtotal	3,709,720	2,137,723
Interest and dividends received	14,265	16,487
Proceeds from insurance income	27,234	–
Subsidies received	8,929	57,156
Interest paid	(13,103)	(25,927)
Income taxes paid	(415,444)	(375,297)
Net cash provided by (used in) operating activities	3,331,601	1,810,142
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,840,641)	(2,808,241)
Proceeds from sale of property, plant and equipment	83,156	12,557
Payments for retirement of property, plant and equipment	–	(64,549)
Purchase of intangible assets	(210,693)	(35,260)
Payments for asset retirement obligations	–	(66,447)
Purchase of investment securities	(1,359)	(2,464)
Decrease (increase) in investments and other assets	(10,724)	(10,724)
Other, net	15,158	(23,693)
Net cash provided by (used in) investing activities	(2,965,103)	(2,998,823)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	48,674	350,000
Proceeds from long-term borrowings	1,000,000	900,000
Repayments of long-term borrowings	(99,996)	(267,996)
Repayments of finance lease liabilities	(40,228)	(37,351)
Purchase of treasury shares	(113,408)	(417)
Dividends paid	(408,447)	(408,443)
Net cash provided by (used in) financing activities	386,594	535,792
Effect of exchange rate change on cash and cash equivalents	287,556	328,732
Net increase (decrease) in cash and cash equivalents	1,040,648	(324,156)
Cash and cash equivalents at beginning of period	3,324,727	4,365,375
Cash and cash equivalents at end of period	4,365,375	4,041,219