

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 5, 2024

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 to file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2023	19,190	(15.4)	240	(84.1)	279	(83.0)	117	(90.3)
Nine months ended December 31, 2022	22,690	9.6	1,514	(7.4)	1,644	(3.5)	1,211	(0.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	17.57		17.52	
Nine months ended December 31, 2022	181.46		180.92	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	33,206	21,426	64.5
As of March 31, 2023	34,039	20,594	60.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	30.00	–	30.00	60.00
Year ending March 31, 2024	–	35.00	–		
Year ending March 31, 2024 (Forecast)				35.00	70.00

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	25,000	(14.6)	300	(80.8)	350	(80.6)	150	(88.2)	22.46

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

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

As of December 31, 2023	186,690 shares	As of March 31, 2023	186,610 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	6,678,677 shares	Nine months ended December 31, 2022	6,678,010 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	4,041,219	4,810,807
Notes and accounts receivable - trade, and contract assets	8,617,216	6,899,933
Merchandise and finished goods	1,739,539	1,437,731
Work in process	1,590,892	1,844,606
Raw materials and supplies	2,390,297	1,993,026
Accounts receivable - other	515,409	288,968
Other	159,976	763,530
Allowance for doubtful accounts	(3,512)	(3,818)
Total current assets	19,051,037	18,034,787
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,695,758	11,209,979
Accumulated depreciation and impairment	(6,036,942)	(6,429,635)
Buildings and structures, net	4,658,816	4,780,343
Machinery, equipment and vehicles	15,823,829	16,503,190
Accumulated depreciation and impairment	(11,092,816)	(11,390,815)
Machinery, equipment and vehicles, net	4,731,013	5,112,374
Tools, furniture and fixtures	4,100,324	3,984,069
Accumulated depreciation and impairment	(3,557,090)	(3,534,225)
Tools, furniture and fixtures, net	543,234	449,843
Land	2,850,782	2,875,567
Construction in progress	717,307	442,147
Total property, plant and equipment	13,501,153	13,660,276
Intangible assets	588,946	613,166
Investments and other assets		
Investment securities	519,973	514,532
Retirement benefit asset	160,658	146,639
Deferred tax assets	17,363	21,641
Other	228,244	243,242
Allowance for doubtful accounts	(28,050)	(28,050)
Total investments and other assets	898,190	898,006
Total non-current assets	14,988,290	15,171,449
Total assets	34,039,328	33,206,237

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,933,832	5,463,358
Short-term borrowings	1,197,996	1,397,017
Income taxes payable	16,680	59,957
Provision for bonuses	340,000	162,000
Other	1,687,634	1,769,775
Total current liabilities	10,176,143	8,852,108
Non-current liabilities		
Long-term borrowings	1,934,018	1,623,000
Deferred tax liabilities	240,336	140,339
Retirement benefit liability	254,450	285,581
Provision for retirement benefits for directors (and other officers)	67,792	67,792
Provision for share awards for directors (and other officers)	144,590	165,253
Deferred tax liabilities for land revaluation	269,710	269,710
Other	357,461	376,329
Total non-current liabilities	3,268,359	2,928,007
Total liabilities	13,444,503	11,780,115
Net assets		
Shareholders' equity		
Share capital	4,749,333	4,749,333
Capital surplus	5,082,571	5,082,571
Retained earnings	9,502,195	9,177,065
Treasury shares	(244,093)	(244,234)
Total shareholders' equity	19,090,006	18,764,734
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,183	24,612
Revaluation reserve for land	(397,291)	(397,291)
Foreign currency translation adjustment	1,783,533	2,938,983
Remeasurements of defined benefit plans	73,283	79,973
Total accumulated other comprehensive income	1,489,709	2,646,277
Share acquisition rights	15,109	15,109
Total net assets	20,594,825	21,426,121
Total liabilities and net assets	34,039,328	33,206,237

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	22,690,932	19,190,350
Cost of sales	19,286,503	17,094,677
Gross profit	3,404,429	2,095,672
Selling, general and administrative expenses	1,889,928	1,854,782
Operating profit	1,514,501	240,889
Non-operating income		
Interest income	4,072	34,727
Dividend income	2,964	3,009
Rental income	22,867	23,217
Subsidy income	35,456	7,963
Foreign exchange gains	57,761	-
Other	34,415	28,438
Total non-operating income	157,538	97,357
Non-operating expenses		
Interest expenses	17,074	24,161
Loss on sale of receivables	15	-
Foreign exchange losses	-	12,089
Taxes and dues	4,483	4,632
Depreciation	5,839	5,113
Commission expenses	-	12,514
Other	476	591
Total non-operating expenses	27,889	59,103
Ordinary profit	1,644,150	279,144
Extraordinary income		
Gain on sale of non-current assets	9,094	10,285
National subsidies	-	81,605
Total extraordinary income	9,094	91,890
Extraordinary losses		
Loss on sale of non-current assets	6,326	4,923
Loss on retirement of non-current assets	7,003	85,488
Impairment losses	-	13,183
Loss on tax purpose reduction entry of non-current assets	-	81,605
Loss on valuation of investment securities	1,058	-
Total extraordinary losses	14,388	185,200
Profit before income taxes	1,638,856	185,834
Income taxes - current	229,834	165,890
Income taxes - deferred	197,208	(97,388)
Total income taxes	427,042	68,502
Profit	1,211,814	117,332
Profit attributable to owners of parent	1,211,814	117,332

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,211,814	117,332
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,753)	(5,571)
Foreign currency translation adjustment	2,122,037	1,155,449
Remeasurements of defined benefit plans, net of tax	(9,620)	6,689
Total other comprehensive income	2,107,663	1,156,567
Comprehensive income	3,319,477	1,273,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,319,477	1,273,900
Comprehensive income attributable to non-controlling interests	—	—