

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 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, 2024 (from April 1, 2023 to March 31, 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	%
Year ended March 31, 2024	25,244	(13.7)	160	(89.7)	291	(83.8)	121	(90.4)
Year ended March 31, 2023	29,265	7.4	1,561	(22.4)	1,805	(12.1)	1,269	(17.9)

	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, 2024	18.16	18.11	0.6	0.9	0.6
Year ended March 31, 2023	190.02	189.46	6.5	5.6	5.3

(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, 2024	32,371	20,977	64.8	3,138.77
As of March 31, 2023	34,039	20,594	60.5	3,081.37

(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, 2024	3,096	(1,757)	(511)	5,032
Year ended March 31, 2023	1,810	(2,998)	535	4,041

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, 2023	–	30.00	–	30.00	60.00	408	31.6	2.0
Year ended March 31, 2024	–	35.00	–	35.00	70.00	476	385.5	2.3
Year ending March 31, 2025 (Forecast)	–	35.00	–	36.00	71.00		105.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	25,500	1.0	600	274.4	600	105.5	450	271.0	67.38

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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, 2024	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 March 31, 2024	186,750 shares	As of March 31, 2023	186,610 shares
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Average number of shares during the period

Year ended March 31, 2024	6,678,660 shares	Year ended March 31, 2023	6,678,205 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,041,219	5,032,349
Electronically recorded monetary claims - operating	1,392,774	1,374,382
Accounts receivable - trade	7,224,441	4,927,500
Merchandise and finished goods	1,739,539	1,319,598
Work in process	1,590,892	1,742,997
Raw materials and supplies	2,390,297	1,948,793
Accounts receivable - other	515,409	351,877
Other	159,976	439,524
Allowance for doubtful accounts	(3,512)	(3,407)
Total current assets	19,051,037	17,133,617
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,695,758	11,080,788
Accumulated depreciation	(6,036,942)	(6,446,602)
Buildings and structures, net	4,658,816	4,634,185
Machinery, equipment and vehicles	15,823,829	16,203,612
Accumulated depreciation	(11,092,816)	(11,226,474)
Machinery, equipment and vehicles, net	4,731,013	4,977,138
Tools, furniture and fixtures	4,100,324	4,150,674
Accumulated depreciation	(3,557,090)	(3,470,409)
Tools, furniture and fixtures, net	543,234	680,264
Land	2,850,782	2,875,567
Construction in progress	717,307	409,323
Total property, plant and equipment	13,501,153	13,576,479
Intangible assets	588,946	574,038
Investments and other assets		
Investment securities	519,973	511,598
Retirement benefit asset	160,658	340,919
Deferred tax assets	17,363	19,192
Other	228,244	243,535
Allowance for doubtful accounts	(28,050)	(28,050)
Total investments and other assets	898,190	1,087,197
Total non-current assets	14,988,290	15,237,715
Total assets	34,039,328	32,371,333

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,933,832	5,198,950
Short-term borrowings	1,197,996	1,572,018
Income taxes payable	16,680	72,693
Provision for bonuses	340,000	330,000
Other	1,687,634	1,355,522
Total current liabilities	10,176,143	8,529,184
Non-current liabilities		
Long-term borrowings	1,934,018	1,536,000
Deferred tax liabilities	240,336	150,597
Retirement benefit liability	254,450	309,035
Provision for retirement benefits for directors (and other officers)	67,792	67,792
Provision for share awards for directors (and other officers)	144,590	172,101
Deferred tax liabilities for land revaluation	269,710	269,710
Other	357,461	359,173
Total non-current liabilities	3,268,359	2,864,410
Total liabilities	13,444,503	11,393,595
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	9,181,017
Treasury shares	(244,093)	(244,331)
Total shareholders' equity	19,090,006	18,768,590
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	30,183	22,556
Revaluation reserve for land	(397,291)	(397,291)
Foreign currency translation adjustment	1,783,533	2,383,975
Remeasurements of defined benefit plans	73,283	184,797
Total accumulated other comprehensive income	1,489,709	2,194,037
Share acquisition rights	15,109	15,109
Total net assets	20,594,825	20,977,737
Total liabilities and net assets	34,039,328	32,371,333

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	29,265,406	25,244,080
Cost of sales	25,165,332	22,589,549
Gross profit	4,100,074	2,654,530
Selling, general and administrative expenses	2,538,893	2,494,256
Operating profit	1,561,181	160,273
Non-operating income		
Interest income	13,522	56,027
Dividend income	2,964	3,009
Rental income	30,480	30,930
Subsidy income	157,156	35,275
Foreign exchange gains	37,270	17,119
Other	48,986	47,129
Total non-operating income	290,380	189,491
Non-operating expenses		
Interest expenses	25,436	32,199
Loss on sale of receivables	15	–
Taxes and dues	5,957	5,288
Depreciation	7,785	6,740
Commission expenses	–	12,661
Other	6,706	928
Total non-operating expenses	45,901	57,818
Ordinary profit	1,805,660	291,946
Extraordinary income		
Gain on sale of non-current assets	10,030	12,728
National subsidies	–	96,086
Total extraordinary income	10,030	108,814
Extraordinary losses		
Loss on sale of non-current assets	7,241	5,516
Loss on retirement of non-current assets	59,894	89,651
Impairment losses	500	13,183
Loss on valuation of investment securities	1,086	–
Tax examination settlement for foreign subsidiaries	82,379	–
Loss on tax purpose reduction entry of non-current assets	–	96,086
Total extraordinary losses	151,102	204,437
Profit before income taxes	1,664,588	196,323
Income taxes - current	191,975	219,598
Income taxes - deferred	203,611	(144,560)
Total income taxes	395,587	75,038
Profit	1,269,001	121,284
Profit attributable to owners of parent	1,269,001	121,284

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,269,001	121,284
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,975)	(7,627)
Foreign currency translation adjustment	1,034,022	600,442
Remeasurements of defined benefit plans, net of tax	62,342	111,513
Total other comprehensive income	1,094,390	704,327
Comprehensive income	2,363,391	825,612
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,363,391	825,612
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

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
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
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

Fiscal year ended March 31, 2024

(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	9,502,195	(244,093)	19,090,006
Changes during period					
Dividends of surplus			(442,461)		(442,461)
Profit attributable to owners of parent			121,284		121,284
Purchase of treasury shares				(238)	(238)
Disposal of treasury shares for ESOP					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	(321,177)	(238)	(321,415)
Balance at end of period	4,749,333	5,082,571	9,181,017	(244,331)	18,768,590

	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	30,183	(397,291)	1,783,533	73,283	1,489,709	15,109	20,594,825
Changes during period							
Dividends of surplus							(442,461)
Profit attributable to owners of parent							121,284
Purchase of treasury shares							(238)
Disposal of treasury shares for ESOP							-
Net changes in items other than shareholders' equity	(7,627)	-	600,442	111,513	704,327	-	704,327
Total changes during period	(7,627)	-	600,442	111,513	704,327	-	382,912
Balance at end of period	22,556	(397,291)	2,383,975	184,797	2,194,037	15,109	20,977,737

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,664,588	196,323
Depreciation	1,717,528	1,885,109
Increase (decrease) in retirement benefit liability	(54,986)	37,569
Decrease (increase) in retirement benefit asset	77,661	(7,393)
Increase (decrease) in provision for share awards for directors (and other officers)	27,294	27,510
Increase (decrease) in provision for bonuses	(47,500)	(10,000)
Increase (decrease) in provision for bonuses for directors (and other officers)	(50,000)	–
Increase (decrease) in allowance for doubtful accounts	(614)	(105)
Interest and dividend income	(16,487)	(59,036)
Interest expenses	25,436	32,199
Subsidy income	(157,156)	–
Gain on sales of property, plant and equipment	(10,030)	(12,728)
Loss on sales of noncurrent assets	7,241	5,516
Loss on retirement of property, plant and equipment	59,894	89,651
Impairment losses	500	13,183
Loss (gain) on valuation of investment securities	1,086	–
Decrease (increase) in trade receivables	(313,860)	2,610,543
Decrease (increase) in inventories	(1,057,026)	888,790
Decrease (increase) in other current assets	13,394	(265,284)
Increase (decrease) in trade payables	209,634	(1,962,285)
Increase (decrease) in other current liabilities	55,110	(298,345)
Other, net	(13,987)	2,509
Subtotal	2,137,723	3,173,728
Interest and dividends received	16,487	48,611
Subsidies received	57,156	–
Interest paid	(25,927)	(31,237)
Income taxes refund (paid)	(375,297)	(94,812)
Net cash provided by (used in) operating activities	1,810,142	3,096,289
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,808,241)	(1,955,271)
Proceeds from sale of property, plant and equipment	12,557	83,021
Payments for retirement of property, plant and equipment	(64,549)	–
Purchase of intangible assets	(35,260)	(63,947)
Payments for asset retirement obligations	(66,447)	–
Purchase of investment securities	(2,464)	(2,521)
Decrease (increase) in investments and other assets	(10,724)	(10,724)
Subsidies received	–	196,086
Other, net	(23,693)	(4,264)
Net cash provided by (used in) investing activities	(2,998,823)	(1,757,621)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	350,000	400,000
Proceeds from long-term borrowings	900,000	–
Repayments of long-term borrowings	(267,996)	(423,996)
Repayments of finance lease liabilities	(37,351)	(44,855)
Purchase of treasury shares	(417)	(238)
Dividends paid	(408,443)	(442,461)
Net cash provided by (used in) financing activities	535,792	(511,552)
Effect of exchange rate change on cash and cash equivalents	328,732	164,014
Net increase (decrease) in cash and cash equivalents	(324,156)	991,130
Cash and cash equivalents at beginning of period	4,365,375	4,041,219
Cash and cash equivalents at end of period	4,041,219	5,032,349