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Summary of Consolidated Financial Results for the Six Months Ended September 30 2021 (Based on Japanese GAAP)

Novembert 12, 2021

Company name: Enbio Holdings, Inc
Listing: Tokyo
Stock code: 6092 URL: https://www.enbio-holdings.com
Representative: President & Chief Operating Officer Minoru Nishimura
Inquiries: Accounting Director Takaharu Hasegawa TEL:03-5297-7155
Scheduled date to file Quarterly Securities Report: November 12, 2021
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: No
Holding of quarterly financial results briefing: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1 to September 30, 2021)

(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	%
Six months ended September 30, 2021	4,301	18.8	702	71.2	674	76.1	375	42.3
Six months ended September 30, 2020	3,621	(15.5)	410	(34.5)	382	(26.2)	263	(49.6)

(Note) Comprehensive income: Six months ended September 30, 2021 : 352 millions of yen 13.1%
Six months ended September 30, 2020 : 311 millions of yen (39.9%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	56.62	56.58
Six months ended September 30, 2020	40.15	39.73

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	15,863	5,614	35.2	840.34
As of March 31, 2021	15,698	5,317	33.7	795.22

(Reference) Equity: As of September 30, 2021: 5,586 millions of yen
As of March 31, 2021 : 5,286 millions of yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	-	0.00	-	0.00	0.00
Year ending March 31, 2022	-				
Year ending March 31 2022 (Forecast)		0.00	-	0.00	0.00

(Note) Revisions to the forecast of cash dividends most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1 2021 to March 31, 2022)

	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	8,550	25.0	749	21.3	645	8.9	361	18.8	54.44

(Note) Revisions to the financial results forecast most recently announced: No

4. Notes

(1) Changes in significant subsidiaries during the Six months ended September 30, 2021
(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: Yes

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 issue shares at the end of the period (including treasury shares)

As of September 30, 2021	6,671,700 shares	As of March 31, 2021	6,648,700 shares

Number of treasury shares at the end of the period

As of September 30, 2021	24,309 shares	As of March 31, 2021	1,109 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2021	6,632,248 shares	As of September 30, 2020	6,571,381 shares

Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,015,310	3,139,580
Notes and accounts receivable - trade	978,524	-
Notes and accounts receivable - trade, and contract assets	-	743,586
Inventories	3,119,353	2,261,730
Other	533,042	593,930
Allowance for doubtful accounts	(30,538)	(23,926)
Total current assets	6,615,693	6,714,901
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	440,667	482,201
Machinery, equipment and vehicles, net	3,891,678	3,868,242
Land	2,852,880	2,952,182
Construction in progress	143,119	96,778
Other, net	3,877	6,969
Total property, plant and equipment	7,332,223	7,406,374
Intangible assets		
Goodwill	126,098	122,094
Other	454,186	440,368
Total intangible assets	580,285	562,463
Investments and other assets	1,167,814	1,179,027
Total non-current assets	9,080,322	9,147,866
Deferred assets	2,564	1,025
Total assets	15,698,580	15,863,793
Liabilities		
Current liabilities		
Accounts payable - trade	542,705	654,984
Accounts payable - other, and accrued expenses	52,487	75,502
Short-term borrowings	955,300	667,000
Current portion of long-term borrowings	1,050,209	1,596,590
Income taxes payable	20,995	177,348
Provision for loss on construction contracts	-	2,762
Other	406,317	346,142
Total current liabilities	3,028,014	3,520 330
Non-current liabilities		
Bonds payable	71,500	54,000
Long-term borrowings	6,959,732	6,347,124
Asset retirement obligations	89,957	99,367
Derivatives liabilities	182,905	187, 791
Other	49,290	40,241
Total non-current liabilities	7,353,385	6,728,524
Total liabilities	10,381,400	10,248 855

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,794,509	1,796,809
Capital surplus	1,873,093	1,876,049
Retained earnings	1,743,576	2,074,749
Treasury shares	(96)	(15,396)
Total shareholders' equity	5,411,081	5,732,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46,728	(7,929)
Deferred gains or losses on hedges	(135,181)	(139,543)
Foreign currency translation adjustment	(36,329)	1,362
Total accumulated other comprehensive income	(124,781)	(146,110)
Share acquisition rights	304	-
Non-controlling interests	30,575	28,836
Total net assets	5,317,179	5,614,937
Total liabilities and net assets	15,698,580	15,863,793

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	3,621,354	4,301,517
Cost of sales	2,583,528	3,009,814
Gross profit	1,037,825	1,291,703
Selling, general and administrative expenses	627,319	588,823
Operating profit	410,505	702,880
Non-operating income		
Interest and dividend income	8,287	35,949
Reversal of allowance for doubtful accounts	-	6,612
Rental income from buildings	2,503	2,503
Insurance claim income	56,478	582
Other	10,326	16,787
Total non-operating income	77,595	62,435
Non-operating expenses		
Interest expenses	62,083	63,981
Commission expenses	27,851	24,929
Other	15,374	2,352
Total non-operating expenses	105,309	91,263
Ordinary profit	382,792	674,052
Extraordinary income		
Gain on sale of non-current assets	11,899	-
Gain on reversal of share acquisition rights	-	304
Total extraordinary income	11,899	304
Extraordinary losses		
Impairment losses	-	91,498
Loss on retirement of non-current assets	-	1,532
Total extraordinary losses	-	93,031
Profit before income taxes	394,692	581,325
Income taxes - current	76,611	201,835
Income taxes - deferred	29,993	6,204
Total income taxes	106,604	208,040
Profit	288,087	373,285
Profit (loss) attributable to non-controlling interests	24,236	(2,254)
Profit attributable to owners of parent	263,850	375,540

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

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	288,087	373,285
Other comprehensive income		
Valuation difference on available-for-sale securities	27,344	(54,658)
Deferred gains or losses on hedges	(750)	(3,846)
Foreign currency translation adjustment	(3,004)	37,691
Total other comprehensive income	23,590	(20,812)
Comprehensive income	311,677	352,472
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	287,441	335,898
Comprehensive income attributable to non-controlling interests	24,236	(3,425)

Consolidated statements of cash flows (For the six months)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit (loss) before income taxes	394,692	581,325
Depreciation	179,382	165,510
Impairment losses	-	91,498
Amortization of goodwill	4,004	4,004
Increase (decrease) in allowance for doubtful accounts	151	(6,612)
Increase (decrease) in provision for loss on construction contracts	(104,721)	(1,860)
Interest and dividend income	(8,287)	(35,949)
Interest expenses	62,083	63,981
Foreign exchange losses (gains)	6,801	(9,579)
Loss (gain) on sale of non-current assets	(11,899)	-
Loss on retirement of non-current assets	-	1,532
Decrease (increase) in trade receivables	481,985	225,997
Decrease (increase) in inventories	473,937	851,334
Increase (decrease) in trade payables	(122,671)	191,155
Other, net	(213,418)	(183,341)
Subtotal	1,142,039	1,938,996
Interest and dividends received	8,287	33,878
Interest paid	(62,312)	(73,210)
Income taxes refund (paid)	(306,746)	(17,512)
Net cash provided by (used in) operating activities	781,268	1,882,152
Cash flows from investing activities		
Payments into time deposits	(1)	(0)
Purchase of securities	(826)	(865)
Purchase of property, plant and equipment	(1,579,173)	(303,837)
Proceeds from sale of property, plant and equipment	11,900	3,500
Purchase of intangible assets	-	(510)
Purchase of shares of subsidiaries and associates	-	(8,500)
Purchase of long-term prepaid expenses	-	(1,238)
Loan advances	-	(2,102)
Payments for investments in capital	-	(58,736)
Other, net	(494)	(785)
Net cash provided by (used in) investing activities	(1,568,596)	(373,077)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(426,000)	(288,300)
Proceeds from long-term borrowings	1,941,450	555,000
Repayments of long-term borrowings	(926,389)	(621,226)
Redemption of bonds	(27,500)	(17,500)
Proceeds from exercise of employee share options	1,700	4,600
Purchase of treasury shares	(30)	(43,848)
Net cash provided by (used in) financing activities	563,230	(411,275)
Effect of exchange rate change on cash and cash equivalents	(9,970)	26,469
Net increase (decrease) in cash and cash equivalents	(234,068)	1,124,269
Cash and cash equivalents at beginning of period	2,951,027	1,985,292
Cash and cash equivalents at end of period	2,716,959	3,109,561