Note:This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 31, 2022

Company name: ENDO Lighting Corporation
Stock exchange listing: Tokyo
Code number: 6932
URL: https://www.endo-lighting.co.jp
Representative: Kunihiko Endo
Representative Director and President
Contact: Masashi Sugisaka
Director, General Manager of Sales Divison and
General Manager of Corporate Administration Division
Phone: 06-6267-7095

Scheduled date of filing quarterly securities report: November 14, 2022
Scheduled date of commencing dividend payments: December 01, 2022
Availability of supplementary briefing material on quarterly financial results: Yes
Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2022 (April 01, 2022 to September 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	21,187	11.8	1,166	(28.9)	1,706	(8.3)	962	(29.9)
September 30, 2021	18,952	21.8	1,640	273.0	1,860	209.7	1,374	281.7

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 2,680 million [17.7%]
Six months ended September 30, 2021: ¥ 2,276 million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	65.16	-
September 30, 2021	93.01	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
September 30, 2022	55,645	30,702	55.2
March 31, 2022	55,595	28,243	50.8

(Reference) Equity: As of September 30, 2022: ¥ 30,702 million
As of March 31, 2022: ¥ 28,243 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	7.50	-	15.00	22.50
Fiscal year ending March 31, 2023	-	15.00			
Fiscal year ending March 31, 2023 (Forecast)			-	15.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	43,000	5.8	2,500	(34.7)	2,700	(36.5)	1,900	(42.9)	128.59

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
September 30, 2022: 14,776,321 shares
March 31, 2022: 14,776,321 shares

2) Total number of treasury shares at the end of the period:
September 30, 2022: 152 shares
March 31, 2022: 152 shares

3) Average number of shares during the period:
Six months ended September 30, 2022: 14,776,169 shares
Six months ended September 30, 2021: 14,776,226 shares

* This financial report is not subject to audits by certified public accountants or auditing corporations.

* Explanation on proper use of financial results forecasts, and other special matters
(Cautionary note concerning forward-looking statements)
The forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual results may differ substantially due to various factors.

(Where to obtain this supplemental explanation materials)
The Company plans to hold a briefing for analysts and institutional investors on Thursday, November 17,2022.
Supplemental materials will be posted on the Company's website promptly after the briefing.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	10,787	10,819
Notes and accounts receivable - trade	7,527	7,854
Merchandise and finished goods	12,039	11,636
Work in process	174	82
Raw materials and supplies	1,043	1,112
Other	1,883	1,824
Allowance for doubtful accounts	(87)	(97)
Total current assets	33,368	33,232
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,329	9,648
Accumulated depreciation	(4,555)	(4,862)
Buildings and structures, net	4,773	4,786
Machinery, equipment and vehicles	3,308	3,470
Accumulated depreciation	(2,788)	(2,949)
Machinery, equipment and vehicles, net	519	521
Rental assets	14,579	14,973
Accumulated depreciation	(8,162)	(8,349)
Rental assets, net	6,417	6,623
Land	3,468	3,478
Leased assets	1,135	1,148
Accumulated depreciation	(944)	(999)
Leased assets, net	190	148
Construction in progress	514	501
Other	3,505	3,716
Accumulated depreciation	(2,984)	(3,173)
Other, net	521	542
Total property, plant and equipment	16,405	16,601
Intangible assets		
Software	362	398
Goodwill	2,465	2,508
Other	94	102
Total intangible assets	2,922	3,010
Investments and other assets		
Investment securities	68	64
Retirement benefit asset	66	89
Deferred tax assets	974	1,010
Other	1,915	1,712
Allowance for doubtful accounts	(125)	(75)
Total investments and other assets	2,899	2,801
Total non-current assets	22,227	22,413
Total assets	55,595	55,645

(Million yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,058	3,657
Short-term borrowings	2,500	2,450
Current portion of long-term borrowings	4,764	4,674
Lease liabilities	149	101
Income taxes payable	552	340
Provision for bonuses	597	279
Provision for bonuses for directors (and other officers)	193	124
Provision for product warranties	634	771
Other	2,170	2,581
Total current liabilities	16,621	14,980
Non-current liabilities		
Long-term borrowings	8,503	7,851
Lease liabilities	97	71
Deferred tax liabilities	734	881
Provision for retirement benefits for directors (and other officers)	453	112
Retirement benefit liability	227	258
Other	714	787
Total non-current liabilities	10,731	9,963
Total liabilities	27,352	24,943
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	15,886	16,627
Treasury shares	(0)	(0)
Total shareholders' equity	26,558	27,299
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	8
Deferred gains or losses on hedges	113	98
Foreign currency translation adjustment	1,628	3,353
Remeasurements of defined benefit plans	(67)	(58)
Total accumulated other comprehensive income	1,684	3,402
Non-controlling interests	0	0
Total net assets	28,243	30,702
Total liabilities and net assets	55,595	55,645

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Net sales	18,952	21,187
Cost of sales	11,579	13,723
Gross profit	7,373	7,463
Selling, general and administrative expenses	5,732	6,297
Operating profit	1,640	1,166
Non-operating income		
Interest and dividend income	36	32
Rental income	68	70
Foreign exchange gains	215	533
Other	10	38
Total non-operating income	332	675
Non-operating expenses		
Interest expenses	59	49
Rental costs	35	37
Loss on valuation of derivatives	-	30
Other	16	18
Total non-operating expenses	112	135
Ordinary profit	1,860	1,706
Extraordinary income		
Gain on sale of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Retirement benefits for directors (and other officers)	-	338
Other	-	0
Total extraordinary losses	-	338
Profit before income taxes	1,860	1,369
Income taxes - current	408	280
Income taxes - deferred	77	126
Total income taxes	486	406
Profit	1,374	962
Profit (loss) attributable to non-controlling interests	(0)	0
Profit attributable to owners of parent	1,374	962

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

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,374	962
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(1)
Deferred gains or losses on hedges	(87)	(15)
Foreign currency translation adjustment	977	1,724
Remeasurements of defined benefit plans, net of tax	9	9
Total other comprehensive income	902	1,717
Comprehensive income	2,276	2,680
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,277	2,680
Comprehensive income attributable to non-controlling interests	(0)	0

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	1,860	1,369
Depreciation	1,528	1,459
Amortization of goodwill	94	100
Increase (decrease) in allowance for doubtful accounts	(28)	(53)
Increase (decrease) in provision for bonuses	(2)	(328)
Increase (decrease) in provision for product warranties	(104)	136
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1	(341)
Increase (decrease) in retirement benefit liability	24	8
Decrease (increase) in retirement benefit asset	(25)	(23)
Interest and dividend income	(36)	(32)
Interest expenses	59	49
Loss (gain) on sale of non-current assets	(0)	(1)
Decrease (increase) in trade receivables	363	(118)
Decrease (increase) in inventories	(380)	886
Increase (decrease) in trade payables	183	(1,605)
Increase (decrease) in accounts payable - other	(393)	(190)
Other, net	(349)	477
Subtotal	2,795	1,792
Interest and dividends received	36	32
Interest paid	(60)	(49)
Income taxes paid	(472)	(491)
Net cash provided by (used in) operating activities	2,299	1,283
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,476)	(1,332)
Proceeds from sale of property, plant and equipment	25	3
Purchase of intangible assets	(69)	(71)
Other, net	152	241
Net cash provided by (used in) investing activities	(1,368)	(1,159)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,100	(50)
Proceeds from long-term borrowings	1,000	1,700
Repayments of long-term borrowings	(2,692)	(2,442)
Dividends paid	(110)	(221)
Other, net	(77)	(83)
Net cash provided by (used in) financing activities	(781)	(1,097)
Effect of exchange rate change on cash and cash equivalents	444	999
Net increase (decrease) in cash and cash equivalents	594	25
Cash and cash equivalents at beginning of period	9,885	10,602
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	73	-
Cash and cash equivalents at end of period	10,553	10,628