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 Nine Months Ended December 31, 2022 [Japanese GAAP]

January 31, 2023

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: February 14, 2023
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	32,881	14.8	1,715	(30.4)	2,062	(27.3)	1,065	(50.0)
December 31, 2021	28,637	16.4	2,463	142.6	2,836	162.9	2,132	224.4

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥ 3,160 million [(8.6)%]
Nine months ended December 31, 2021: ¥ 3,459 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	72.11	-
December 31, 2021	144.33	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2022	57,426	30,960	53.9
March 31, 2022	55,595	28,243	50.8

(Reference) Equity: As of December 31, 2022: ¥ 30,960 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 nine months ended December 31, 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):
December 31, 2022: 14,776,321 shares
March 31, 2022: 14,776,321 shares

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

3) Average number of shares during the period:
Nine months ended December 31, 2022: 14,776,169 shares
Nine months ended December 31, 2021: 14,776,211 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.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	10,787	10,439
Notes and accounts receivable - trade	7,527	8,303
Merchandise and finished goods	12,039	12,053
Work in process	174	292
Raw materials and supplies	1,043	1,325
Other	1,883	2,413
Allowance for doubtful accounts	(87)	(100)
Total current assets	33,368	34,726
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,329	9,662
Accumulated depreciation	(4,555)	(4,947)
Buildings and structures, net	4,773	4,714
Machinery, equipment and vehicles	3,308	3,479
Accumulated depreciation	(2,788)	(2,982)
Machinery, equipment and vehicles, net	519	496
Rental assets	14,579	14,941
Accumulated depreciation	(8,162)	(8,215)
Rental assets, net	6,417	6,725
Land	3,468	3,480
Leased assets	1,135	1,138
Accumulated depreciation	(944)	(994)
Leased assets, net	190	144
Construction in progress	514	644
Other	3,505	3,803
Accumulated depreciation	(2,984)	(3,220)
Other, net	521	582
Total property, plant and equipment	16,405	16,789
Intangible assets		
Software	362	401
Goodwill	2,465	2,582
Other	94	106
Total intangible assets	2,922	3,091
Investments and other assets		
Investment securities	68	71
Retirement benefit asset	66	102
Deferred tax assets	974	1,009
Other	1,915	1,711
Allowance for doubtful accounts	(125)	(75)
Total investments and other assets	2,899	2,818
Total non-current assets	22,227	22,699
Total assets	55,595	57,426

(Million yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,058	3,793
Short-term borrowings	2,500	4,050
Current portion of long-term borrowings	4,764	4,524
Lease liabilities	149	80
Income taxes payable	552	251
Provision for bonuses	597	290
Provision for bonuses for directors (and other officers)	193	115
Provision for product warranties	634	704
Other	2,170	2,721
Total current liabilities	16,621	16,532
Non-current liabilities		
Long-term borrowings	8,503	7,509
Lease liabilities	97	75
Deferred tax liabilities	734	877
Provision for retirement benefits for directors (and other officers)	453	115
Retirement benefit liability	227	255
Other	714	1,098
Total non-current liabilities	10,731	9,932
Total liabilities	27,352	26,465
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	15,886	16,508
Treasury shares	(0)	(0)
Total shareholders' equity	26,558	27,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	12
Deferred gains or losses on hedges	113	(200)
Foreign currency translation adjustment	1,628	4,020
Remeasurements of defined benefit plans	(67)	(53)
Total accumulated other comprehensive income	1,684	3,779
Non-controlling interests	0	0
Total net assets	28,243	30,960
Total liabilities and net assets	55,595	57,426

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	28,637	32,881
Cost of sales	17,389	21,558
Gross profit	11,248	11,323
Selling, general and administrative expenses	8,784	9,608
Operating profit	2,463	1,715
Non-operating income		
Interest and dividend income	48	55
Rental income	103	106
Foreign exchange gains	358	921
Other	19	58
Total non-operating income	530	1,142
Non-operating expenses		
Interest expenses	87	73
Rental costs	53	56
Loss on valuation of derivatives	-	632
Other	17	33
Total non-operating expenses	158	795
Ordinary profit	2,836	2,062
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	3	-
Total extraordinary income	4	2
Extraordinary losses		
Retirement benefits for directors (and other officers)	-	338
Other	-	0
Total extraordinary losses	-	338
Profit before income taxes	2,840	1,725
Income taxes - current	610	476
Income taxes - deferred	96	183
Total income taxes	707	660
Profit	2,132	1,065
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,132	1,065

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

(Million yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Profit	2,132	1,065
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	2
Deferred gains or losses on hedges	(106)	(313)
Foreign currency translation adjustment	1,425	2,392
Remeasurements of defined benefit plans, net of tax	13	14
Total other comprehensive income	1,326	2,095
Comprehensive income	3,459	3,160
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,459	3,160
Comprehensive income attributable to non-controlling interests	(0)	0