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 Year Ended March 31, 2023 [Japanese GAAP]

April 28, 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: +81-6-6267-7095
Scheduled date of Annual General Meeting of Shareholders: June 28, 2023
Scheduled date of commencing dividend payments: June 29, 2023
Scheduled date of filing annual securities report: June 28, 2023
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	45,731	12.5	3,092	(19.2)	3,630	(14.6)	2,962	(11.0)
March 31, 2022	40,644	14.8	3,827	100.6	4,249	118.0	3,330	160.7

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 3,735 million [(24.7)%]
Fiscal year ended March 31, 2022: ¥ 4,963 million [217.4%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	200.48	-	9.9	6.4	6.8
March 31, 2022	225.37	-	12.9	8.0	9.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million
Fiscal year ended March 31, 2022: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	57,343	31,535	55.0	2,134.19
March 31, 2022	55,595	28,243	50.8	1,911.39

(Reference) Equity: As of March 31, 2023: ¥ 31,535 million
As of March 31, 2022: ¥ 28,243 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	3,901	(2,789)	(461)	11,847
March 31, 2022	5,034	(3,062)	(2,131)	10,602

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	7.50	-	15.00	22.50	332	10.0	1.3
March 31, 2023	-	15.00	-	15.00	30.00	443	15.0	1.5
Fiscal year ending March 31, 2024 (Forecast)	-	17.50	-	17.50	35.00		-	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	23,000	8.6	1,300	11.5	1,300	(23.8)	900	(6.5)	60.91
Full year	48,500	6.1	4,800	55.2	4,500	23.9	3,200	8.0	216.56

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2023: 14,776,321 shares
March 31, 2022: 14,776,321 shares

2) Number of treasury shares at the end of the period:
March 31, 2023: 152 shares
March 31, 2022: 152 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended March 31, 2023: 14,776,169 shares
Fiscal Year ended March 31, 2022: 14,776,200 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	24,445	13.0	64	(90.3)	1,355	(30.1)	1,463	(7.4)
March 31, 2022	21,631	17.0	657	-	1,940	102.1	1,580	85.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	99.03	-
March 31, 2022	106.97	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	36,037	15,231	42.3	1,030.79
March 31, 2022	33,937	14,366	42.3	972.24

(Reference) Equity: As of March 31, 2023: ¥ 15,231 million
As of March 31, 2022: ¥ 14,366 million

* 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.

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	10,787	12,050
Notes receivable - trade	617	524
Accounts receivable - trade	6,909	7,862
Merchandise and finished goods	12,039	11,358
Work in process	174	272
Raw materials and supplies	1,043	1,236
Other	1,883	1,945
Allowance for doubtful accounts	(87)	(109)
Total current assets	33,368	35,140
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,329	9,508
Accumulated depreciation	(4,555)	(4,943)
Buildings and structures, net	4,773	4,564
Machinery, equipment and vehicles	3,308	3,444
Accumulated depreciation	(2,788)	(2,994)
Machinery, equipment and vehicles, net	519	449
Rental assets	14,579	15,023
Accumulated depreciation	(8,162)	(7,877)
Rental assets, net	6,417	7,146
Land	3,468	3,453
Leased assets	1,135	534
Accumulated depreciation	(944)	(398)
Leased assets, net	190	136
Construction in progress	514	319
Other	3,505	3,754
Accumulated depreciation	(2,984)	(3,191)
Other, net	521	563
Total property, plant and equipment	16,405	16,634
Intangible assets		
Software	362	406
Goodwill	2,465	2,368
Other	94	97
Total intangible assets	2,922	2,871
Investments and other assets		
Investment securities	68	72
Retirement benefit asset	66	20
Deferred tax assets	974	945
Other	1,915	1,733
Allowance for doubtful accounts	(125)	(75)
Total investments and other assets	2,899	2,696
Total non-current assets	22,227	22,202
Total assets	55,595	57,343

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,058	4,282
Short-term borrowings	2,500	2,850
Current portion of long-term borrowings	4,764	4,794
Lease liabilities	149	66
Accounts payable - other	1,066	1,302
Income taxes payable	552	207
Contract liabilities	153	129
Provision for bonuses	597	572
Provision for bonuses for directors (and other officers)	193	120
Provision for product warranties	634	655
Other	950	983
Total current liabilities	16,621	15,965
Non-current liabilities		
Long-term borrowings	8,503	8,239
Lease liabilities	97	73
Deferred tax liabilities	734	332
Provision for retirement benefits for directors (and other officers)	453	119
Retirement benefit liability	227	251
Other	714	826
Total non-current liabilities	10,731	9,842
Total liabilities	27,352	25,807
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	15,886	18,405
Treasury shares	(0)	(0)
Total shareholders' equity	26,558	29,077
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10	14
Deferred gains or losses on hedges	113	(67)
Foreign currency translation adjustment	1,628	2,625
Remeasurements of defined benefit plans	(67)	(114)
Total accumulated other comprehensive income	1,684	2,457
Non-controlling interests	0	0
Total net assets	28,243	31,535
Total liabilities and net assets	55,595	57,343

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	40,644	45,731
Cost of sales	24,736	29,739
Gross profit	15,908	15,991
Selling, general and administrative expenses	12,080	12,898
Operating profit	3,827	3,092
Non-operating income		
Interest and dividend income	73	105
Income of rent	137	145
Foreign exchange gains	377	752
Other	46	73
Total non-operating income	634	1,076
Non-operating expenses		
Interest expenses	116	98
Rental costs	71	74
Loss on valuation of derivatives	-	329
Other	24	35
Total non-operating expenses	212	538
Ordinary profit	4,249	3,630
Extraordinary income		
Gain on sale of non-current assets	0	2
Gain on sale of investment securities	32	-
Total extraordinary income	33	2
Extraordinary losses		
Retirement benefits for directors (and other officers)	-	338
Other	-	0
Total extraordinary losses	-	338
Profit before income taxes	4,283	3,294
Income taxes - current	953	647
Income taxes - deferred	(1)	(314)
Total income taxes	952	332
Profit	3,330	2,962
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	3,330	2,962

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	3,330	2,962
Other comprehensive income		
Valuation difference on available-for-sale securities	(28)	3
Deferred gains or losses on hedges	(29)	(181)
Foreign currency translation adjustment	1,708	997
Remeasurements of defined benefit plans, net of tax	(17)	(46)
Total other comprehensive income	1,632	773
Comprehensive income	4,963	3,735
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,963	3,735
Comprehensive income attributable to non-controlling interests	(0)	0

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,155	5,539	12,793	(0)	23,488
Changes during period					
Dividends of surplus			(221)		(221)
Profit attributable to owners of parent			3,330		3,330
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			(15)		(15)
Purchase of shares of consolidated subsidiaries		(22)			(22)
Net changes in items other than shareholders' equity					
Total changes during period	-	(22)	3,092	(0)	3,070
Balance at end of period	5,155	5,516	15,886	(0)	26,558

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	38	143	(83)	(50)	48	5	23,541
Changes during period							
Dividends of surplus							(221)
Profit attributable to owners of parent							3,330
Purchase of treasury shares							(0)
Change in scope of consolidation							(15)
Purchase of shares of consolidated subsidiaries							(22)
Net changes in items other than shareholders' equity	(28)	(29)	1,711	(17)	1,636	(4)	1,631
Total changes during period	(28)	(29)	1,711	(17)	1,636	(4)	4,701
Balance at end of period	10	113	1,628	(67)	1,684	0	28,243

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,155	5,516	15,886	(0)	26,558
Changes during period					
Dividends of surplus			(443)		(443)
Profit attributable to owners of parent			2,962		2,962
Purchase of treasury shares					-
Change in scope of consolidation					-
Purchase of shares of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,518	-	2,518
Balance at end of period	5,155	5,516	18,405	(0)	29,077

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10	113	1,628	(67)	1,684	0	28,243
Changes during period							
Dividends of surplus							(443)
Profit attributable to owners of parent							2,962
Purchase of treasury shares							-
Change in scope of consolidation							-
Purchase of shares of consolidated subsidiaries							-
Net changes in items other than shareholders' equity	3	(181)	997	(46)	773	0	773
Total changes during period	3	(181)	997	(46)	773	0	3,292
Balance at end of period	14	(67)	2,625	(114)	2,457	0	31,535

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,283	3,294
Depreciation	3,063	2,927
Amortization of goodwill	190	202
Increase (decrease) in allowance for doubtful accounts	(122)	(39)
Increase (decrease) in provision for bonuses	232	(32)
Increase (decrease) in provision for bonuses for directors (and other officers)	(20)	(78)
Increase (decrease) in provision for product warranties	(149)	20
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	(334)
Decrease (increase) in retirement benefit asset	0	46
Increase (decrease) in retirement benefit liability	(17)	12
Interest and dividend income	(73)	(105)
Interest expenses	116	98
Loss (gain) on sale of non-current assets	(0)	(2)
Decrease (increase) in trade receivables	(391)	(861)
Decrease (increase) in inventories	(3,278)	769
Increase (decrease) in trade payables	2,158	(946)
Increase (decrease) in accounts payable - other	(284)	(40)
Other, net	235	(100)
Subtotal	5,950	4,830
Interest and dividends received	73	105
Interest paid	(118)	(99)
Income taxes paid	(870)	(935)
Net cash provided by (used in) operating activities	5,034	3,901
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,154)	(2,893)
Proceeds from sale of property, plant and equipment	16	6
Purchase of intangible assets	(131)	(182)
Payments into time deposits	(172)	(199)
Proceeds from withdrawal of time deposits	177	192
Other, net	202	286
Net cash provided by (used in) investing activities	(3,062)	(2,789)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	700	350
Proceeds from long-term borrowings	2,800	4,770
Repayments of long-term borrowings	(5,223)	(5,004)
Dividends paid	(221)	(443)
Other, net	(185)	(133)
Net cash provided by (used in) financing activities	(2,131)	(461)
Effect of exchange rate change on cash and cash equivalents	802	594
Net increase (decrease) in cash and cash equivalents	643	1,244
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	10,602	11,847