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 Three Months Ended June 30, 2023 [Japanese GAAP]

July 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: Shuji Goto Officer, General Manager of Corporate Administation Division
Phone: +81-6-6267-7095

Scheduled date of filing quarterly securities report: August 10, 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 Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	11,758	16.0	862	35.3	1,001	7.1	760	116.5
June 30, 2022	10,135	9.0	637	(36.7)	935	(19.7)	351	(61.3)

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 1,701 million [14.4%]
Three months ended June 30, 2022: ¥ 1,487 million [(15.8)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	51.48	-
June 30, 2022	23.78	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	59,771	33,014	55.2
March 31, 2023	57,343	31,535	55.0

(Reference) Equity: As of June 30, 2023: ¥ 33,014 million
As of March 31, 2023: ¥ 31,535 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, 2023	-	15.00	-	15.00	30.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		17.50	-	17.50	35.00

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

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	1,500	28.6	1,500	(12.1)	1,000	3.9	67.67
Full year	48,500	6.1	4,800	55.2	4,500	23.9	3,200	8.0	216.56

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023 (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):
June 30, 2023: 14,776,321 shares
March 31, 2023: 14,776,321 shares

2) Number of treasury shares at the end of the period:
June 30, 2023: 152 shares
March 31, 2023: 152 shares

3) Average number of shares outstanding during the period:
Three months ended June 30, 2023: 14,776,169 shares
Three months ended June 30, 2022: 14,776,169 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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	12,050	13,436
Notes and accounts receivable - trade	8,386	8,643
Merchandise and finished goods	11,358	11,944
Work in process	272	287
Raw materials and supplies	1,236	1,167
Other	1,945	2,139
Allowance for doubtful accounts	(109)	(150)
Total current assets	35,140	37,467
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,508	9,637
Accumulated depreciation	(4,943)	(5,059)
Buildings and structures, net	4,564	4,578
Machinery, equipment and vehicles	3,444	3,527
Accumulated depreciation	(2,994)	(3,097)
Machinery, equipment and vehicles, net	449	430
Rental assets	15,023	15,112
Accumulated depreciation	(7,877)	(8,068)
Rental assets, net	7,146	7,043
Land	3,453	3,446
Leased assets	534	505
Accumulated depreciation	(398)	(377)
Leased assets, net	136	127
Construction in progress	319	473
Other	3,754	3,878
Accumulated depreciation	(3,191)	(3,274)
Other, net	563	603
Total property, plant and equipment	16,634	16,703
Intangible assets		
Software	406	400
Goodwill	2,368	2,409
Other	97	109
Total intangible assets	2,871	2,919
Investments and other assets		
Investment securities	72	84
Retirement benefit asset	20	33
Deferred tax assets	945	889
Other	1,733	1,751
Allowance for doubtful accounts	(75)	(75)
Total investments and other assets	2,696	2,682
Total non-current assets	22,202	22,304
Total assets	57,343	59,771

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,282	5,163
Short-term borrowings	2,850	3,750
Current portion of long-term borrowings	4,794	4,611
Lease liabilities	66	57
Income taxes payable	207	195
Provision for bonuses	572	441
Provision for bonuses for directors (and other officers)	120	38
Provision for product warranties	655	725
Other	2,415	2,581
Total current liabilities	15,965	17,565
Non-current liabilities		
Long-term borrowings	8,239	7,759
Lease liabilities	73	70
Deferred tax liabilities	332	301
Provision for retirement benefits for directors (and other officers)	119	105
Retirement benefit liability	251	276
Other	826	677
Total non-current liabilities	9,842	9,191
Total liabilities	25,807	26,756
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	18,405	18,944
Treasury shares	(0)	(0)
Total shareholders' equity	29,077	29,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	21
Deferred gains or losses on hedges	(67)	43
Foreign currency translation adjustment	2,625	3,440
Remeasurements of defined benefit plans	(114)	(106)
Total accumulated other comprehensive income	2,457	3,398
Non-controlling interests	0	0
Total net assets	31,535	33,014
Total liabilities and net assets	57,343	59,771

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	10,135	11,758
Cost of sales	6,362	7,089
Gross profit	3,773	4,669
Selling, general and administrative expenses	3,135	3,806
Operating profit	637	862
Non-operating income		
Interest and dividend income	16	47
Income of rent	34	39
Foreign exchange gains	283	-
Gain on valuation of derivatives	-	343
Other	7	17
Total non-operating income	342	448
Non-operating expenses		
Interest expenses	24	23
Rental costs	18	16
Foreign exchange losses	-	256
Other	3	12
Total non-operating expenses	45	309
Ordinary profit	935	1,001
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Retirement benefits for directors (and other officers)	338	-
Total extraordinary losses	338	-
Profit before income taxes	596	1,001
Income taxes - current	174	260
Income taxes - deferred	71	(19)
Total income taxes	245	241
Profit	351	760
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	351	760

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	351	760
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	7
Deferred gains or losses on hedges	15	111
Foreign currency translation adjustment	1,118	814
Remeasurements of defined benefit plans, net of tax	4	7
Total other comprehensive income	1,136	940
Comprehensive income	1,487	1,701
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,487	1,701
Comprehensive income attributable to non-controlling interests	0	0