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Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

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 Administration Division

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Scheduled date of filing quarterly securities report: February 13, 2024

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, 2023 (April 1, 2023 to December 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	37,221	13.2	3,543	106.6	3,972	92.6	3,066	187.8
December 31, 2022	32,881	14.8	1,715	(30.4)	2,062	(27.3)	1,065	(50.0)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 5,565 million [76.1%]

Nine months ended December 31, 2022: ¥ 3,160 million [(8.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	207.50	-
December 31, 2022	72.11	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	62,336	36,620	58.7
March 31, 2023	57,343	31,535	55.0

(Reference) Equity: As of December 31, 2023: ¥ 36,620 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	-	17.50	-		
Fiscal year ending March 31, 2024 (Forecast)				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
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: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2023: 14,776,321 shares

March 31, 2023: 14,776,321 shares

2) Number of treasury shares at the end of the period:

December 31, 2023: 152 shares

March 31, 2023: 152 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 14,776,169 shares

Nine months ended December 31, 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	12,050	15,195
Notes and accounts receivable - trade	8,386	9,714
Merchandise and finished goods	11,358	11,685
Work in process	272	299
Raw materials and supplies	1,236	1,218
Other	1,945	1,838
Allowance for doubtful accounts	(109)	(268)
Total current assets	35,140	39,683
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,508	9,817
Accumulated depreciation	(4,943)	(5,294)
Buildings and structures, net	4,564	4,522
Machinery, equipment and vehicles	3,444	3,615
Accumulated depreciation	(2,994)	(3,214)
Machinery, equipment and vehicles, net	449	401
Rental assets	15,023	15,682
Accumulated depreciation	(7,877)	(8,366)
Rental assets, net	7,146	7,315
Land	3,453	3,449
Leased assets	534	463
Accumulated depreciation	(398)	(333)
Leased assets, net	136	129
Construction in progress	319	377
Other	3,754	3,957
Accumulated depreciation	(3,191)	(3,344)
Other, net	563	613
Total property, plant and equipment	16,634	16,810
Intangible assets		
Software	406	450
Goodwill	2,368	2,498
Other	97	103
Total intangible assets	2,871	3,051
Investments and other assets		
Investment securities	72	93
Retirement benefit asset	20	59
Deferred tax assets	945	962
Other	1,733	1,761
Allowance for doubtful accounts	(75)	(85)
Total investments and other assets	2,696	2,791
Total non-current assets	22,202	22,653
Total assets	57,343	62,336

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,282	4,883
Short-term borrowings	2,850	3,150
Current portion of long-term borrowings	4,794	4,436
Lease liabilities	66	51
Income taxes payable	207	440
Provision for bonuses	572	423
Provision for bonuses for directors (and other officers)	120	148
Provision for product warranties	655	713
Other	2,415	2,966
Total current liabilities	15,965	17,215
Non-current liabilities		
Long-term borrowings	8,239	7,002
Lease liabilities	73	83
Deferred tax liabilities	332	310
Provision for retirement benefits for directors (and other officers)	119	106
Retirement benefit liability	251	323
Other	826	673
Total non-current liabilities	9,842	8,500
Total liabilities	25,807	25,715
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	18,405	20,990
Treasury shares	(0)	(0)
Total shareholders' equity	29,077	31,663
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	27
Deferred gains or losses on hedges	(67)	(77)
Foreign currency translation adjustment	2,625	5,099
Remeasurements of defined benefit plans	(114)	(92)
Total accumulated other comprehensive income	2,457	4,957
Non-controlling interests	0	0
Total net assets	31,535	36,620
Total liabilities and net assets	57,343	62,336

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	32,881	37,221
Cost of sales	21,558	22,762
Gross profit	11,323	14,459
Selling, general and administrative expenses	9,608	10,915
Operating profit	1,715	3,543
Non-operating income		
Interest and dividend income	55	195
Income of rent	106	123
Foreign exchange gains	921	-
Gain on valuation of derivatives	-	329
Other	58	30
Total non-operating income	1,142	678
Non-operating expenses		
Interest expenses	73	69
Rental costs	56	52
Foreign exchange losses	-	92
Loss on valuation of derivatives	632	-
Other	33	35
Total non-operating expenses	795	250
Ordinary profit	2,062	3,972
Extraordinary income		
Gain on sale of non-current assets	2	1
Total extraordinary income	2	1
Extraordinary losses		
Retirement benefits for directors (and other officers)	338	-
Loss on sale of non-current assets	0	0
Total extraordinary losses	338	0
Profit before income taxes	1,725	3,973
Income taxes - current	476	970
Income taxes - deferred	183	(62)
Total income taxes	660	907
Profit	1,065	3,066
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	1,065	3,066

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

(Millions of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	1,065	3,066
Other comprehensive income		
Valuation difference on available-for-sale securities	2	13
Deferred gains or losses on hedges	(313)	(9)
Foreign currency translation adjustment	2,392	2,473
Remeasurements of defined benefit plans, net of tax	14	22
Total other comprehensive income	2,095	2,499
Comprehensive income	3,160	5,565
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,160	5,565
Comprehensive income attributable to non-controlling interests	0	0