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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 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 Administration Division

Phone: +81-6-6267-7095

Scheduled date of filing quarterly securities report: November 14, 2023

Scheduled date of commencing dividend payments: December 1, 2023

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, 2023 (April 1, 2023 to September 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	23,907	12.8	2,018	73.1	2,370	38.9	1,804	87.5
September 30, 2022	21,187	11.8	1,166	(28.9)	1,706	(8.3)	962	(29.9)

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 4,035 million [50.6%]
Six months ended September 30, 2022: ¥ 2,680 million [17.7%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	122.15		-	
September 30, 2022	65.16		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2023	62,160		35,349		56.9	
March 31, 2023	57,343		31,535		55.0	

(Reference) Equity: As of September 30, 2023: ¥ 35,349 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 six months ended September 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):

September 30, 2023: 14,776,321 shares

March 31, 2023: 14,776,321 shares

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

September 30, 2023: 152 shares

March 31, 2023: 152 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 14,776,169 shares

Six months ended September 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.

(Where to obtain this supplemental explanation materials)

The Company plans to hold a briefing for analysts and institutional investors on Wednesday, November 15, 2023.

Supplemental materials will be posted on the Company's website promptly after the briefing.

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	12,050	15,042
Notes and accounts receivable - trade	8,386	9,169
Merchandise and finished goods	11,358	12,008
Work in process	272	253
Raw materials and supplies	1,236	1,183
Other	1,945	1,954
Allowance for doubtful accounts	(109)	(184)
Total current assets	35,140	39,427
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,508	9,749
Accumulated depreciation	(4,943)	(5,182)
Buildings and structures, net	4,564	4,566
Machinery, equipment and vehicles	3,444	3,572
Accumulated depreciation	(2,994)	(3,153)
Machinery, equipment and vehicles, net	449	419
Rental assets	15,023	15,215
Accumulated depreciation	(7,877)	(8,127)
Rental assets, net	7,146	7,087
Land	3,453	3,452
Leased assets	534	456
Accumulated depreciation	(398)	(330)
Leased assets, net	136	126
Construction in progress	319	582
Other	3,754	3,942
Accumulated depreciation	(3,191)	(3,335)
Other, net	563	607
Total property, plant and equipment	16,634	16,841
Intangible assets		
Software	406	416
Goodwill	2,368	2,547
Other	97	113
Total intangible assets	2,871	3,078
Investments and other assets		
Investment securities	72	94
Retirement benefit asset	20	45
Deferred tax assets	945	978
Other	1,733	1,820
Allowance for doubtful accounts	(75)	(126)
Total investments and other assets	2,696	2,812
Total non-current assets	22,202	22,733
Total assets	57,343	62,160

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,282	5,240
Short-term borrowings	2,850	3,750
Current portion of long-term borrowings	4,794	4,589
Lease liabilities	66	53
Income taxes payable	207	416
Provision for bonuses	572	421
Provision for bonuses for directors (and other officers)	120	82
Provision for product warranties	655	762
Other	2,415	2,538
Total current liabilities	15,965	17,855
Non-current liabilities		
Long-term borrowings	8,239	7,462
Lease liabilities	73	75
Deferred tax liabilities	332	356
Provision for retirement benefits for directors (and other officers)	119	103
Retirement benefit liability	251	287
Other	826	670
Total non-current liabilities	9,842	8,955
Total liabilities	25,807	26,810
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	18,405	19,988
Treasury shares	(0)	(0)
Total shareholders' equity	29,077	30,660
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14	28
Deferred gains or losses on hedges	(67)	(45)
Foreign currency translation adjustment	2,625	4,805
Remeasurements of defined benefit plans	(114)	(99)
Total accumulated other comprehensive income	2,457	4,688
Non-controlling interests	0	0
Total net assets	31,535	35,349
Total liabilities and net assets	57,343	62,160

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	21,187	23,907
Cost of sales	13,723	14,637
Gross profit	7,463	9,269
Selling, general and administrative expenses	6,297	7,251
Operating profit	1,166	2,018
Non-operating income		
Interest and dividend income	32	115
Income of rent	70	81
Foreign exchange gains	533	-
Gain on valuation of derivatives	-	391
Other	38	18
Total non-operating income	675	607
Non-operating expenses		
Interest expenses	49	47
Rental costs	37	33
Foreign exchange losses	-	166
Loss on valuation of derivatives	30	-
Other	18	6
Total non-operating expenses	135	255
Ordinary profit	1,706	2,370
Extraordinary income		
Gain on sale of non-current assets	1	0
Total extraordinary income	1	0
Extraordinary losses		
Retirement benefits for directors (and other officers)	338	-
Other	0	0
Total extraordinary losses	338	0
Profit before income taxes	1,369	2,370
Income taxes - current	280	611
Income taxes - deferred	126	(45)
Total income taxes	406	566
Profit	962	1,804
Profit (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	962	1,804

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	962	1,804
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	14
Deferred gains or losses on hedges	(15)	22
Foreign currency translation adjustment	1,724	2,179
Remeasurements of defined benefit plans, net of tax	9	14
Total other comprehensive income	1,717	2,231
Comprehensive income	2,680	4,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,680	4,035
Comprehensive income attributable to non-controlling interests	0	0

Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,369	2,370
Depreciation	1,459	1,464
Amortization of goodwill	100	106
Increase (decrease) in allowance for doubtful accounts	(53)	113
Increase (decrease) in provision for bonuses	(328)	(166)
Increase (decrease) in provision for bonuses for directors (and other officers)	(76)	(47)
Increase (decrease) in provision for product warranties	136	106
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(341)	(15)
Increase (decrease) in retirement benefit liability	8	22
Decrease (increase) in retirement benefit asset	(23)	(25)
Interest and dividend income	(32)	(115)
Interest expenses	49	47
Loss (gain) on sale of non-current assets	(1)	(0)
Decrease (increase) in trade receivables	(118)	(330)
Decrease (increase) in inventories	886	78
Increase (decrease) in trade payables	(1,605)	667
Increase (decrease) in accounts payable - other	(190)	212
Other, net	554	(264)
Subtotal	1,792	4,223
Interest and dividends received	32	115
Interest paid	(49)	(48)
Income taxes paid	(491)	(468)
Net cash provided by (used in) operating activities	1,283	3,822
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,332)	(1,442)
Proceeds from sale of property, plant and equipment	3	2
Purchase of intangible assets	(71)	(89)
Payments into time deposits	(189)	(204)
Proceeds from withdrawal of time deposits	189	209
Other, net	241	66
Net cash provided by (used in) investing activities	(1,159)	(1,459)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(50)	900
Proceeds from long-term borrowings	1,700	1,500
Repayments of long-term borrowings	(2,442)	(2,482)
Dividends paid	(221)	(221)
Other, net	(83)	(14)
Net cash provided by (used in) financing activities	(1,097)	(318)
Effect of exchange rate change on cash and cash equivalents	999	942
Net increase (decrease) in cash and cash equivalents	25	2,987
Cash and cash equivalents at beginning of period	10,602	11,847
Cash and cash equivalents at end of period	10,628	14,834