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Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

July 31, 2024

Company name: ENDO Lighting Corporation

Listing: Tokyo

Securities code: 6932

URL: <https://www.endo-lighting.co.jp>

Representative: Kunihiko Endo

Inquiries: Shuji Goto

Telephone: +81-6-6267-7095

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

Representative Director and President

Officer, General Manager of Corporate Administration Division

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	11,781	0.2	597	(30.7)	540	(46.0)	123	(83.8)
June 30, 2023	11,758	16.0	862	35.3	1,001	7.1	760	116.5

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 1,484 million [(12.7) %]
Three months ended June 30, 2023: ¥ 1,701 million [14.4 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	8.33	-
June 30, 2023	51.48	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	64,151	39,720	61.9
March 31, 2024	62,753	38,567	61.5

(Reference) Equity: As of June 30, 2024: ¥ 39,719 million
As of March 31, 2024: ¥ 38,567 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, 2024	-	17.50	-	22.50	40.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		20.00	-	20.00	40.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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, 2024	24,500	2.5	1,700	(15.8)	1,800	(24.1)	1,400	(22.4)	94.75
Full year	53,000	2.5	5,300	1.8	5,500	(3.9)	4,200	(9.7)	284.24

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 14,776,321 shares

March 31, 2024: 14,776,321 shares

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

June 30, 2024: 152 shares

March 31, 2024: 152 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 14,776,169 shares

Three months ended June 30, 2023: 14,776,169 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	16,373	17,212
Notes and accounts receivable - trade	9,845	9,090
Merchandise and finished goods	10,822	11,640
Work in process	269	322
Raw materials and supplies	1,172	1,189
Other	1,704	1,955
Allowance for doubtful accounts	(262)	(279)
Total current assets	39,924	41,131
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,806	10,058
Accumulated depreciation	(5,348)	(5,538)
Buildings and structures, net	4,457	4,520
Machinery, equipment and vehicles	3,618	3,733
Accumulated depreciation	(3,221)	(3,334)
Machinery, equipment and vehicles, net	396	398
Rental assets	15,940	15,931
Accumulated depreciation	(8,436)	(8,603)
Rental assets, net	7,503	7,327
Land	3,452	3,465
Leased assets	422	436
Accumulated depreciation	(302)	(316)
Leased assets, net	119	119
Construction in progress	323	402
Other	3,997	4,108
Accumulated depreciation	(3,381)	(3,436)
Other, net	616	671
Total property, plant and equipment	16,871	16,906
Intangible assets		
Software	463	530
Goodwill	2,516	2,585
Other	153	101
Total intangible assets	3,134	3,217
Investments and other assets		
Investment securities	100	103
Retirement benefit asset	101	110
Deferred tax assets	947	965
Other	1,759	1,797
Allowance for doubtful accounts	(85)	(80)
Total investments and other assets	2,823	2,895
Total non-current assets	22,829	23,019
Total assets	62,753	64,151

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,036	5,918
Short-term borrowings	200	800
Current portion of long-term borrowings	4,464	4,484
Lease liabilities	48	46
Income taxes payable	667	131
Provision for bonuses	872	396
Provision for bonuses for directors (and other officers)	171	44
Provision for product warranties	582	521
Other	3,195	3,351
Total current liabilities	15,238	15,694
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	6,624	6,155
Lease liabilities	79	83
Deferred tax liabilities	135	349
Provision for retirement benefits for directors (and other officers)	109	110
Retirement benefit liability	303	345
Other	694	692
Total non-current liabilities	8,947	8,737
Total liabilities	24,186	24,431
Net assets		
Shareholders' equity		
Share capital	5,155	5,155
Capital surplus	5,516	5,516
Retained earnings	22,574	22,365
Treasury shares	(0)	(0)
Total shareholders' equity	33,246	33,037
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32	34
Deferred gains or losses on hedges	(20)	(41)
Foreign currency translation adjustment	5,374	6,749
Remeasurements of defined benefit plans	(66)	(59)
Total accumulated other comprehensive income	5,320	6,682
Non-controlling interests	0	0
Total net assets	38,567	39,720
Total liabilities and net assets	62,753	64,151

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, 2023	For the three months ended June 30, 2024
Net sales	11,758	11,781
Cost of sales	7,089	7,415
Gross profit	4,669	4,366
Selling, general and administrative expenses	3,806	3,768
Operating profit	862	597
Non-operating income		
Interest and dividend income	47	112
Income of rent	39	42
Gain on valuation of derivatives	343	-
Other	17	10
Total non-operating income	448	165
Non-operating expenses		
Interest expenses	23	16
Rental costs	16	18
Foreign exchange losses	256	176
Other	12	11
Total non-operating expenses	309	222
Ordinary profit	1,001	540
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	1,001	540
Income taxes - current	260	217
Income taxes - deferred	(19)	199
Total income taxes	241	417
Profit	760	123
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	760	123

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	760	123
Other comprehensive income		
Valuation difference on available-for-sale securities	7	1
Deferred gains or losses on hedges	111	(20)
Foreign currency translation adjustment	814	1,374
Remeasurements of defined benefit plans, net of tax	7	6
Total other comprehensive income	940	1,361
Comprehensive income	1,701	1,484
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,701	1,484
Comprehensive income attributable to non-controlling interests	0	0

Notes on Quarterly Consolidated Results by Segment

Summary of Segment Information

I Previous first quarter consolidated cumulative period from April 1, 2023 to June 30, 2023

1. Information of the net sales and profit or loss by Reporting Segment

(Millions of yen)

	Reporting Segment				Total
	Lighting Fixtures	Environment-related Business	Interior Furniture	Total	
Sales Revenues					
Revenues from external customers	9,207	2,323	228	11,758	11,758
Inter-segment revenues and transfers	1,300	12	—	1,313	1,313
Total	10,507	2,335	228	13,072	13,072
Segment profit or loss (△)	1,036	220	△40	1,216	1,216

2. The difference between the total amounts of profits or losses by reporting segment and the amount reported on the quarterly consolidated profit and loss statement and the main contents of said difference (Matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Total of Reporting segment	1,216
Elimination of intra-segment transactions	23
Unrealized profit adjustment	△22
Company-wide expenses (See note)	△354
Consolidated Operating profit	862

Note: Company-wide expenses mainly present administration expenses of the parent non-attributable to reporting segment.

II Current first quarter consolidated cumulative period from April 1, 2024 to June 30, 2024

1. Information of the net sales and profit or loss by Reporting Segment

(Millions of yen)

	Reporting Segment				Total
	Lighting Fixtures	Environment-related Business	Interior Furniture	Total	
Sales Revenues					
Revenues from external customers	9,539	2,007	235	11,781	11,781
Inter-segment revenues and transfers	1,040	10	—	1,051	1,051
Total	10,580	2,017	235	12,832	12,832
Segment profit or loss (△)	746	172	△11	907	907

2. The difference between the total amounts of profits or losses by reporting segment and the amount reported on the quarterly consolidated profit and loss statement and the main contents of said difference (Matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Total of Reporting segment	907
Elimination of intra-segment transactions	25
Unrealized profit adjustment	25
Company-wide expenses (See note)	△360
Consolidated Operating profit	597

Note: Company-wide expenses mainly present administration expenses of the parent non-attributable to reporting segment.