



## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Yen in millions	Yen in millions	%
2nd Quarter of the Year Ending March 2023	80,634	36,677	43.2
Year Ended March 2022	74,602	35,753	45.5

Reference: Shareholders' Equity

Second Quarter of the Year Ending March 2023: ¥34,831 million  
Year Ended March 2022 ¥33,977 million

## 2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year Ended March 2022	—	17.00	—	13.00	30.00
Year Ending March 2023	—	10.00			
Year Ending March 2023 (Estimate)			—	10.00	20.00

Note: Changes from the latest forecasts released: None

## 3. Forecast for the Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentage figures denote change from the same period in the previous year)

	Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent		Net income per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
Full Year	56,000	8.9	2,000	(37.6)	2,000	(39.5)	1,700	(25.5)	49.30

Note: Changes from the latest forecasts released: None

**\* Notes**

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

NEW : 0 Excluded : 1 (LEC Home Products Co.,Ltd)

(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

(i) Changes in accounting policies due to revisions of accounting standards and other regulations: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury stock)

2nd Quarter of the Year Ending March 2023	38,165,340 shares
Year Ended March 2022	38,165,340 shares

(ii) Number of treasury stock at the end of the period

2nd Quarter of the Year Ending March 2023	3,501,447 shares
Year Ended March 2022	3,686,447 shares

(iii) Average number of issued shares during the period (cumulative from the beginning of the fiscal year)

2nd Quarter of the Year Ending March 2023	34,515,286 shares
2nd Quarter of the Year Ended March 2022	34,297,523 shares

\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Explanation of the appropriate use of business forecasts and other remarks

Business forecasts contained in this report are based on information available to the Company and on a certain assumption the Company considers reasonable on the date of this report's announcement, and it does not constitute the Company's intention to promise the accomplishment of the forecasts. Due to unforeseen circumstances, however, actual results may differ significantly from such forecasts due to various risks and uncertainties. For more information regarding assumptions made when formulating earnings projections and matters to note when using these projections, please see "1. Qualitative Information on Quarterly Financial Performance (3) Explanation of Consolidated Earnings Forecasts and Other Projections" on page three of the accompanying materials.

In addition, the Company has introduced ESOP, and the Company shares owned by ESOP are included in treasury stock.

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## 1. Qualitative Information on Quarterly Financial Performance

### (1) Explanation of Operating Results

During 2Q of the fiscal year ending March 31, 2023, although there was a sudden spread of the COVID-19 caused by the omicron variant in the summer, the Japanese economy continued to recover as the government lifted its restrictions on movement. On the other hand, future prospects remain uncertain due to factors such as supply chain disruptions caused by the lockdown in China, increases in raw material costs due to higher resource prices caused by Russia's military invasion of Ukraine, and fluctuations in the financial and capital markets amid tightening monetary policy amid global inflationary pressure.

In the Household Products Business, the Lec Group belonging to, there are signs of a slight recovery in employment and income conditions. On the other hand, the business environment remained severe due to growing concerns about inflation caused by the sharp depreciation of the yen in the foreign exchange market and the rise in various costs raw materials and sea freight.

In this environment, the LEC Group focused on new product development and expanded its business by holding a new product presentation. We have made concerted efforts to reduce costs and products renewal to cope with rising procurement costs due to the depreciation of the yen and soaring raw material prices, as well as rising transportation costs.

As a result of the above, net sales for 2Q of the fiscal year ending March 31, 2023 amounted to 26,819 million yen, (up 3.6% year on year), due to growth in sales of new products. Operating income was 1,385 million yen (down 43.2% year on year) due to the depreciation of the yen and increases in various costs including raw materials and import expenses, and ordinary income was 1,298 million yen (down 48.4% year on year). Net income attributable to owners of parent was 1,290 million yen (down 14.8% year on year) due to subsidy income.

Results by product category are as follows.

(Millions of yen)

Product Category	Previous period	Current period	Year-over-year
	Jun.1, 2021 - Sep.30, 2021	Jun.1, 2022 - Sep.30, 2022	
Household products	11,207	11,342	1.2%
Cleaning·Sanitary consumables	9,619	10,383	7.9%
Others	5,054	5,093	0.8%
Total	25,881	26,819	3.6%

Notes: Representative products of each product category are as follows

Household products···Plastic products, Chemical synthetic products, Metal products, Textile products, etc.

Cleaning·Sanitary consumables···Paper·Water·Urethane cleaning consumables, Nonwoven fabric sanitary consumables, Detergents, etc.

Others···Anti-insect, Anti-virus products, Cosmetics, Home appliances, Food, etc.

### (2) Explanation of Financial Position

#### (1) Assets, Liabilities and Net Assets

As of September 30, 2022, total assets to 6,032 million yen from the end of the previous fiscal year to 80,634 million yen.

Current assets increased 5,760 million yen to 47,411 million yen. This was mainly due to an increase 3,668 million yen in cash and deposits, 1,300 million yen in securities, and 699 million yen in notes and accounts receivable - trade.

Non-current assets increased 325 million yen to 33,223 million yen. This was mainly due to an increase 399 million yen increase in property, plant and equipment.

Liabilities increased 5,190 million yen to 43,957 million yen.

Current liabilities increased 1,640 million yen from the end of the previous fiscal year to 13,710 million yen. This was mainly due to an increase 1,000 million yen in short-term borrowings, and 762 million yen increase in current portion of long-term loans payable.

Non-current liabilities increased 3,468 million yen from the end of the previous fiscal year to 30,256 million yen mainly due to an increase 2,425 million yen in long-term borrowings and other (increase in lease obligations, etc.) 1,060 million yen.

Net assets increased 923 million yen from the end of the previous fiscal year to 36,677 million yen. This was mainly due to an increase 832 million yen in retained earnings.

(2) Cash Flows

As of September 30, 2022, cash and cash equivalents (below, “cash”) to 5,668 million yen from the end of the previous fiscal year to 17,151 million yen.

The status of each cash flow and their factors are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to 3,136 million yen (net cash provided by operating activities amounted to 1,782 million yen in the same period of the previous year). The major factors were an increase in profit before income taxes 2,190 million yen, depreciation of 2,170 million yen and decrease due to an increase in accounts receivable 656 million yen.

Cash flows from investing activities

Net cash used in investing activities was 1,348 million yen ( Net cash used in investing activities was 4,915 million yen in the same period of the previous year). The major factors were an increase 1,999 million yen of net decrease in time deposits, a decrease 1,812 million yen of payments for purchase of securities and investment securities, 1,528 million yen of payments for purchase of property, plant and equipment.

Cash flows from financing activities

Net cash provided by financing activities amounted to 3,671 million yen (Net cash provided by financing activities amounted to 1,556 million yen in the same period of the previous year). The major factors were an increase in net increase in long-term borrowings of 3,188 million yen, in net increase in short-term borrowings of 1,000 million yen and a decrease in cash dividend paid of 458 million yen.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

The Company has made no changes to its full-year earnings forecast for the financial year ending March 31, 2023, which was announced on August 05, 2022.

**2. Quarterly Consolidated Financial Statements and Primary Notes****(1) Quarterly Consolidated Balance Sheet**

	(Millions of yen)	
	FY3/22	2Q of FY3/23
	(As of Mar. 31, 2022)	(As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits	21,210	24,879
Notes and accounts receivable - trade	8,055	8,755
Securities	-	1,300
Merchandise and finished goods	7,582	7,949
Work in process	592	588
Raw materials and supplies	2,299	2,467
Other	2,004	1,485
Allowance for doubtful accounts	(40)	(14)
Total current assets	41,704	47,411
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,416	8,240
Machinery, equipment and vehicles, net	8,912	8,100
Other, net	8,350	9,737
Total property, plant and equipment	25,679	26,078
Intangible assets		
Goodwill	265	191
Other	688	632
Total intangible assets	953	823
Investments and other assets		
Investment securities	4,188	4,726
Other	2,081	1,597
Allowance for doubtful accounts	(6)	(1)
Total investments and other assets	6,264	6,321
Total non-current assets	32,897	33,223
Total assets	74,602	80,634

	(Millions of yen)	
	FY3/22	2Q of FY3/23
	(As of Mar. 31, 2022)	(As of Sep. 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	2,477	2,506
Short-term borrowings	200	1,200
Current portion of long-term borrowings	6,376	7,139
Income taxes payable	362	254
Provision for bonuses	387	384
Provision for disaster losses	35	35
Other	2,221	2,181
Total current liabilities	12,060	13,701
Non-current liabilities		
Long-term borrowings	25,204	27,629
Reserve for stock benefits	274	274
Retirement benefit liability	386	368
Asset retirement obligations	27	27
Other	895	1,955
Total non-current liabilities	26,788	30,256
Total liabilities	38,848	43,957
Net assets		
Shareholders' equity		
Share capital	5,491	5,491
Capital surplus	7,232	7,233
Retained earnings	21,445	22,277
Treasury shares	(2,240)	(2,108)
Total shareholders' equity	31,929	32,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale Securities	1,077	1,119
Deferred gains or losses on hedges	222	-
Foreign currency translation adjustment	784	849
Remeasurements of defined benefit plans	(35)	(33)
Total accumulated other comprehensive income	2,048	1,936
Subscription rights to shares	206	206
Non-controlling interests	1,570	1,639
Total net assets	35,753	36,677
Total liabilities and net assets	74,602	80,634



**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**

## Quarterly Consolidated Statements of Income

For the Six-month Period

(Millions of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Sales	25,881	26,819
Cost of sales	16,819	18,782
Gross profit	9,061	8,037
Selling, general and administrative expenses	6,620	6,651
Operating income	2,440	1,385
Non-operating income		
Interest income	5	5
Dividend income	31	42
Foreign exchange gains	27	-
Business Commissioning Fee	33	-
Reversal of allowance for doubtful accounts	-	29
Other	61	39
Total non-operating income	158	117
Non-operating expenses		
Interest expenses	44	60
Share of loss of entities accounted for using equity method	18	37
Foreign exchange losses	-	102
Other	17	4
Total non-operating expenses	81	204
Ordinary income	2,518	1,298
Extraordinary income		
Subsidy income	-	564
Gain on reversal of foreign currency translation adjustment	-	249
Total extraordinary income	-	813
Extraordinary losses		
Loss on retirement of non-current assets	4	2
Total extraordinary losses	4	2
Net income before income taxes	2,513	2,109
Income taxes-current	879	186
Income taxes – deferred	45	561
Total income taxes	924	747
Net income	1,588	1,362
Net income attributable to non-controlling interests	74	71
Net income attributable to owners of parent	1,514	1,290

Quarterly Consolidated Statement of Comprehensive Income  
For the Six-month Period

(Millions of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Net income	1,588	1,362
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	148	42
Deferred gains or losses on hedges	(82)	(223)
Foreign currency translation adjustment	211	65
Remeasurements of defined benefit plans, net of tax	4	2
Total other comprehensive income	281	(113)
<b>Comprehensive income</b>	<b>1,870</b>	<b>1,249</b>
(Breakdown)		
Comprehensive income attributable to owners of parent	1,797	1,179
Comprehensive income attributable to non-controlling interests	73	69

**(3) Quarterly Consolidated Statements of Cash Flows**

(Millions of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from operating activities		
Profit before income taxes	2,513	2,109
Depreciation	1,261	2,107
Amortization of goodwill	74	74
Share-based compensation expenses	108	77
Increase (decrease) in allowance for doubtful accounts	19	(30)
Increase (decrease) in allowance for employees' bonuses	50	(2)
Increase (decrease) retirement benefit liabilities	(14)	(18)
Increase (decrease) in allowance for stock benefit	(1)	-
Interest and dividend income	(37)	(48)
Interest expenses	44	60
Losses (gain) on foreign exchange	(37)	(50)
Gain on reversal of foreign currency translation adjustment	-	(249)
Subsidy income	-	(564)
Decrease (increase) in trade receivables	(1,028)	(656)
Decrease (increase) in inventories	(226)	(368)
Decrease (increase) in other current assets	115	(11)
Increase (decrease) in trade payables	(350)	(58)
Increase (decrease) in other current assets	367	153
Other	51	69
Subtotal	2,909	2,592
Interest and dividends received	49	54
Interest paid	(41)	(61)
Income taxes paid	(1,133)	(285)
Receipt of enterprise invitation subsidies	-	241
Subsidy received	-	564
Other	0	31
Net cash provided by (used in) operating activities	1,782	3,136
Cash flows from investing activities		
Payments into time deposits	(4,212)	(4,212)
Proceeds from withdrawal of time deposits	5,212	6,212
Purchase of property, plant and equipment	(5,581)	(1,528)
Purchase of intangible assets	(173)	(21)
Purchase of securities and investment securities	(110)	(1,812)
Other	(50)	14
Net cash provided by (used in) investing activities	(4,915)	(1,348)

(Millions of yen)

	First six months of FY3/22 (Apr. 1, 2021 – Sep. 30, 2021)	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,400	2,400
Repayments of short-term borrowings	(400)	(1,400)
Proceeds from long-term borrowings	1,200	5,750
Repayments of long-term borrowings	(7)	(2,561)
Repayments of finance lease obligations	(38)	(58)
Dividends paid	(597)	(458)
Other	0	-
Net cash provided by (used in) financing activities	1,556	3,671
Effect of exchange rate change on cash and cash equivalents	195	207
Net increase (decrease) in cash and cash equivalents	(1,381)	5,668
Cash and cash equivalents at beginning of period	13,921	11,483
Cash and cash equivalents at end of period	12,539	17,151

**(4) Notes to Quarterly Financial Statements**

**(Notes to going concern assumptions)**

None to be reported.

**(Notes in the event of significant changes in shareholders' equity)**

None to be reported.