

Non-consolidated Financial Results for the Year Ended March 31, 2021 [Japanese GAAP]

May 13, 2021

Company name: QD Laser, Inc.

Stock exchange listing: Tokyo

Code number: 6613

URL: <https://www.qdlaser.com/>

Representative: Mitsuru Sugawara

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Scheduled date of Annual General Meeting of Shareholders: June 25, 2021

Scheduled date of commencing dividend payments: —

Scheduled date of filing annual securities report: June 25, 2021

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

President and Chief Executive Officer

Chief Financial Officer

(Amounts of less than one million yen are rounded down)

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 01, 2020 to March 31, 2021)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2021	895	18.4	(654)	—	(707)	—	(879)	—
March 31, 2020	756	(21.3)	(1,207)	—	(1,225)	—	(1,240)	—

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2021	(32.94)	—	(31.8)	(18.6)	(73.1)
March 31, 2020	(72.24)	—	(64.2)	(41.4)	(159.6)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2021: ¥ — million
Fiscal year ended March 31, 2020: ¥ — million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	4,675	3,808	81.5	110.13
March 31, 2020	2,919	1,729	59.2	68.82

(Reference) Equity: As of March 31, 2021: ¥ 3,808 million
As of March 31, 2020: ¥ 1,729 million

(3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2021	(822)	(44)	2,643	3,224
March 31, 2020	(1,208)	(204)	1,161	1,464

2. Dividends

	Annual dividends					Total dividends	Payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2020	—	0.00	—	0.00	0.00	—	—	—
March 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending								
March 31, 2022	—	0.00	—	0.00	0.00		—	
(Forecast)								

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 01, 2021 to March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,260	40.8	(533)	—	(505)	—	(508)	—	(14.71)

* Notes:

(1) 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

(2) Total number of issued shares (common shares)

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

March 31, 2021:	34,584,180 shares
March 31, 2020:	25,132,380 shares

2) Total number of treasury shares at the end of the period:

March 31, 2021:	80 shares
March 31, 2020:	— shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2021:	26,707,673 shares
Fiscal Year ended March 31, 2020:	25,132,380 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	1,464,175	3,224,311
Accounts receivable - trade	197,615	225,970
Merchandise and finished goods	280,129	261,265
Work in process	84,110	161,047
Raw materials and supplies	237,568	382,802
Accounts receivable - other	133,029	82,688
Prepaid expenses	7,296	11,627
Other	200	97
Total current assets	2,404,125	4,349,812
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	215,759	192,569
Machinery and equipment, net	125,400	60,076
Tools, furniture and fixtures, net	120,354	5,433
Leased assets, net	6,274	4,221
Construction in progress	-	26,400
Total property, plant and equipment	467,790	288,701
Intangible assets		
Software	14,712	5,268
Leased assets	4,282	2,964
Trademark right	2,979	2,573
Total intangible assets	21,975	10,806
Investments and other assets		
Shares of subsidiaries and associates	3,372	3,372
Guarantee deposits	22,061	22,415
Other	40	40
Total investments and other assets	25,473	25,827
Total non-current assets	515,238	325,335
Total assets	2,919,364	4,675,147

(Thousand yen)

	As of March 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Accounts payable - trade	195,038	218,308
Short-term borrowings	100,000	-
Current portion of long-term borrowings	174,644	257,964
Lease obligations	3,625	3,744
Accounts payable - other	205,123	133,381
Accrued expenses	5,288	4,898
Income taxes payable	3,110	4,415
Provision for bonuses	58,988	51,238
Deposits received	4,084	3,245
Other	832	13,559
Total current liabilities	750,735	690,754
Non-current liabilities		
Long-term borrowings	365,356	107,392
Lease obligations	8,100	4,355
Asset retirement obligations	59,620	59,338
Deferred tax liabilities	5,852	4,675
Total non-current liabilities	438,929	175,762
Total liabilities	1,189,664	866,517
Net assets		
Shareholders' equity		
Share capital	763,310	2,242,753
Capital surplus		
Legal capital surplus	3,247,082	4,726,525
Total capital surplus	3,247,082	4,726,525
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(2,280,692)	(3,160,522)
Total retained earnings	(2,280,692)	(3,160,522)
Treasury shares	-	(126)
Total shareholders' equity	1,729,699	3,808,629
Total net assets	1,729,699	3,808,629
Total liabilities and net assets	2,919,364	4,675,147

Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Net sales	756,633	895,620
Cost of sales		
Beginning finished goods inventory	223,477	280,129
Cost of products manufactured	608,437	575,873
Total	831,914	856,002
Ending finished goods inventory	280,129	261,265
Total cost of sales	551,786	594,736
Gross profit	204,847	300,883
Selling, general and administrative expenses	1,412,087	955,708
Operating loss	(1,207,239)	(654,825)
Non-operating income		
Interest income	935	253
Subsidy income	8,903	10,494
Other	1,060	468
Total non-operating income	10,899	11,217
Non-operating expenses		
Interest expenses	3,416	5,254
Share issuance costs	4,356	-
Going public expenses	6,986	32,405
Foreign exchange losses	9,018	14,893
Other	5,621	11,606
Total non-operating expenses	29,399	64,161
Ordinary loss	(1,225,739)	(707,769)
Extraordinary losses		
Impairment losses	11,130	168,817
Total extraordinary losses	11,130	168,817
Loss before income taxes	(1,236,869)	(876,587)
Income taxes - current	3,892	4,419
Income taxes - deferred	(594)	(1,177)
Total income taxes	3,297	3,242
Loss	(1,240,167)	(879,829)

Non-consolidated Statements of Changes in Net Assets
For the fiscal year ended March 31,2020

(Thousand yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	343,852	2,827,623	2,827,623	(1,040,521)	(1,040,521)	-	2,130,953	2,130,953
Changes during period								
Issuance of new shares	419,458	419,458	419,458	(3)	(3)		838,913	838,913
Loss				(1,240,167)	(1,240,167)		(1,240,167)	(1,240,167)
Purchase of treasury shares								
Total changes during period	419,458	419,458	419,458	(1,240,170)	(1,240,170)	-	(401,253)	(401,253)
Balance at end of period	763,310	3,247,082	3,247,082	(2,280,692)	(2,280,692)	-	1,729,699	1,729,699

For the fiscal year ended March 31,2021

(Thousand yen)

	Shareholders' equity							Total net assets
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
				Retained earnings brought forward				
Balance at beginning of period	763,310	3,247,082	3,247,082	(2,280,692)	(2,280,692)	-	1,729,699	1,729,699
Changes during period								
Issuance of new shares	1,479,442	1,479,442	1,479,442	-	-		2,958,884	2,958,884
Loss				(879,829)	(879,829)		(879,829)	(879,829)
Purchase of treasury shares						(126)	(126)	(126)
Total changes during period	1,479,442	1,479,442	1,479,442	(879,829)	(879,829)	(126)	2,078,930	2,078,930
Balance at end of period	2,242,753	4,726,525	4,726,525	(3,160,522)	(3,160,522)	(126)	3,808,629	3,808,629

Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31,2020	For the fiscal year ended March 31,2021
Cash flows from operating activities		
Loss before income taxes	(1,236,869)	(876,587)
Depreciation	119,439	71,763
Impairment losses	11,130	168,817
Increase (decrease) in provision for bonuses	6,178	(7,749)
Interest and dividend income	(935)	(253)
Interest expenses	3,416	5,254
Foreign exchange losses (gains)	6,791	15,990
Share issuance costs	4,356	-
Going public expenses	6,986	32,405
Subsidy income	(8,903)	(10,494)
Loss on tax purpose reduction entry of non-current assets	-	3,346
Loss (gain) on sale of property, plant and equipment	(269)	-
Asset retirement obligations interest expenses	179	107
Decrease (increase) in trade receivables	110,270	(28,354)
Decrease (increase) in inventories	(163,195)	(212,397)
Increase (decrease) in trade payables	31,493	23,270
Decrease (increase) in other current assets	(37,173)	46,113
Increase (decrease) in other liabilities	(63,649)	(62,243)
Other, net	2,805	5,650
Subtotal	(1,207,948)	(825,361)
Interest and dividends received	935	253
Interest paid	(3,347)	(5,254)
Income taxes paid	(6,905)	(3,114)
Subsidies received	8,903	10,494
Net cash provided by (used in) operating activities	(1,208,362)	(822,982)
Cash flows from investing activities		
Purchase of property, plant and equipment	(199,888)	(43,970)
Proceeds from sale of property, plant and equipment	270	-
Purchase of intangible assets	(4,157)	-
Other, net	(953)	(353)
Net cash provided by (used in) investing activities	(204,730)	(44,324)
Cash flows from financing activities		
Proceeds from short-term borrowings	100,000	-
Proceeds from long-term borrowings	540,000	-
Repayments of short-term borrowings	-	(100,000)
Repayments of long-term borrowings	-	(174,644)
Proceeds from issuance of shares	532,625	2,926,353
Repayments of lease obligations	(6,475)	(3,625)
Other, net	(4,774)	(4,650)
Net cash provided by (used in) financing activities	1,161,374	2,643,434
Effect of exchange rate change on cash and cash equivalents	(6,791)	(15,990)
Net increase (decrease) in cash and cash equivalents	(258,509)	1,760,136
Cash and cash equivalents at beginning of period	1,722,684	1,464,175
Cash and cash equivalents at end of period	1,464,175	3,224,311