

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Non-consolidated Financial Results for the Six Months Ended September 30, 2024 [Japanese GAAP]

November 14, 2024

Company name: QD Laser, Inc.

Listing: Tokyo

Securities code: 6613

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

Representative: Osamu Nagao

Inquiries: Keizo Takemasa

Telephone: +81-44-333-3338

Scheduled date to file semi-annual securities report: November 14, 2024

Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Chief Executive Officer

Executive Officer General Manager of Corporate Planning Office

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

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	559	(12.4)	(295)	-	(302)	-	(303)	-
September 30, 2023	638	33.7	(243)	-	(248)	-	(250)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(7.28)	-
September 30, 2023	(6.04)	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	5,602	5,359	95.7
March 31, 2024	6,146	5,667	92.1

(Reference) Equity: As of September 30, 2024: ¥ 5,359 million

As of March 31, 2024: ¥ 5,661 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	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)			-	0.00	0.00

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

3. Non-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		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,155	(7.4)	(605)	-	(592)	-	(596)	-	(14.29)

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Adoption of accounting treatment specific to the preparation of semi-annual non-consolidated financial statements: Yes

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

3) Changes in accounting estimates: Yes

4) Restatement: None

(3) Number of issued shares (common shares)

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

September 30, 2024: 41,761,392 shares

March 31, 2024: 41,751,303 shares

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

September 30, 2024: 356 shares

March 31, 2024: 226 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2024: 41,754,367 shares

Six months ended September 30, 2023: 41,556,098 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and forward-looking statements described herein are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended to be a promise by the Company to achieve them. As such, actual results may differ significantly from these forecasts due to a wide range of factors.

Semi-annual Non-consolidated Financial Statements
Semi-annual Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,836,530	4,111,512
Accounts receivable - trade	331,683	299,199
Merchandise and finished goods	173,320	120,882
Work in process	86,804	130,084
Raw materials and supplies	224,901	205,716
Accounts receivable - other	107,357	10,234
Prepaid expenses	13,895	21,024
Short-term loans receivable	12,000	-
Other	4,563	745
Allowance for doubtful accounts	(29,040)	(29,040)
Total current assets	5,762,017	4,870,358
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	140,095	111,204
Machinery and equipment, net	112,962	164,369
Tools, furniture and fixtures, net	11,658	10,991
Construction in progress	87,475	27,126
Total property, plant and equipment	352,190	313,691
Intangible assets	4,954	4,448
Investments and other assets		
Shares of subsidiaries and associates	4,735	4,735
Long-term loans receivable	-	222,990
Long-term prepaid expenses	0	126,943
Guarantee deposits	22,415	59,615
Other	40	40
Total investments and other assets	27,190	414,325
Total non-current assets	384,335	732,465
Total assets	6,146,353	5,602,823

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	142,863	98,006
Current portion of long-term borrowings	7,984	3,982
Accounts payable - other	224,220	45,089
Accrued expenses	8,868	8,336
Income taxes payable	4,107	1,900
Deposits received	8,021	5,398
Provision for bonuses	43,483	47,113
Provision for performance-linked incentive compensation	2,275	300
Other	2,734	2,369
Total current liabilities	444,557	212,496
Non-current liabilities		
Long-term borrowings	667	-
Provision for performance-linked incentive compensation	1,621	-
Deferred tax liabilities	3,449	2,656
Asset retirement obligations	28,266	28,449
Total non-current liabilities	34,004	31,106
Total liabilities	478,561	243,602
Net assets		
Shareholders' equity		
Share capital	53,579	53,579
Capital surplus	6,250,560	6,252,464
Retained earnings	(642,627)	(946,555)
Treasury shares	(210)	(268)
Total shareholders' equity	5,661,302	5,359,220
Share award rights	6,488	-
Total net assets	5,667,791	5,359,220
Total liabilities and net assets	6,146,353	5,602,823

Semi-annual Non-consolidated Statements of Income

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	638,195	559,360
Cost of sales	429,294	403,674
Gross profit	208,901	155,685
Selling, general and administrative expenses	452,232	451,154
Operating loss	(243,330)	(295,468)
Non-operating income		
Interest income	100	976
Foreign exchange gains	9,467	-
Other	95	106
Total non-operating income	9,663	1,082
Non-operating expenses		
Interest expenses	155	66
Foreign exchange losses	-	6,167
Share issuance costs	13,096	640
Financing expenses	1,500	1,504
Other	192	55
Total non-operating expenses	14,944	8,434
Ordinary loss	(248,611)	(302,820)
Loss before income taxes	(248,611)	(302,820)
Income taxes - current	2,105	1,900
Income taxes - deferred	84	(792)
Total income taxes	2,189	1,107
Loss	(250,801)	(303,927)

Semi-annual Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(248,611)	(302,820)
Depreciation	45,537	49,931
Share-based payment expenses	6,372	(4,584)
Increase (decrease) in provision for bonuses	(5,483)	3,629
Increase (decrease) in provision for performance-linked incentive compensation	3,629	(3,596)
Interest and dividend income	(100)	(976)
Interest expenses	155	66
Foreign exchange losses (gains)	(1,335)	31
Share issuance costs	13,096	640
Subsidy income	(95)	-
Loss on retirement of non-current assets	0	55
Asset retirement obligations interest expenses	124	183
Gain on reversal of asset retirement obligations	(3,213)	-
Decrease (increase) in trade receivables	(25,376)	32,484
Decrease (increase) in inventories	(67,664)	28,344
Decrease (increase) in long-term prepaid expenses	(156)	(126,943)
Increase (decrease) in trade payables	17,636	(44,857)
Decrease (increase) in other current assets	21,945	93,818
Increase (decrease) in other current liabilities	(6,367)	(46,883)
Subtotal	(249,909)	(321,474)
Interest and dividends received	100	502
Interest paid	(127)	(73)
Income taxes paid	(4,210)	(4,107)
Subsidies received	95	-
Net cash provided by (used in) operating activities	(254,049)	(325,154)
Cash flows from investing activities		
Purchase of property, plant and equipment	(94,358)	(146,941)
Payments for retirement of property, plant and equipment	-	(55)
Short-term loan advances	(11,970)	-
Proceeds from collection of short-term loans receivable	23,940	12,000
Long-term loan advances	-	(222,516)
Payments of leasehold and guarantee deposits	-	(37,200)
Net cash provided by (used in) investing activities	(82,388)	(394,713)
Cash flows from financing activities		
Repayments of long-term borrowings	(3,335)	(4,669)
Proceeds from issuance of shares	1,793,488	-
Repayments of lease liabilities	(488)	-
Other, net	-	(450)
Net cash provided by (used in) financing activities	1,789,664	(5,119)
Effect of exchange rate change on cash and cash equivalents	1,335	(31)
Net increase (decrease) in cash and cash equivalents	1,454,561	(725,018)
Cash and cash equivalents at beginning of period	3,581,034	4,836,530
Cash and cash equivalents at end of period	5,035,596	4,111,512