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Non-consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: QD Laser, Inc.
Stock exchange listing: Tokyo
Code number: 6613
URL: https://www.qdlaser.com/
Representative: Mitsuru Sugawara President and Chief Executive Officer
Contact: Shinji Konoya Chief Financial Officer
Phone: +81-44-333-3338

Scheduled date of Annual General Meeting of Shareholders: June 28, 2024
Scheduled date of commencing dividend payments: -
Scheduled date of filing annual securities report: June 28, 2024
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	1,247	7.6	(604)	-	(600)	-	(642)	-
March 31, 2023	1,159	5.3	(556)	-	(546)	-	(550)	-

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	(15.44)	-	(12.7)	(10.9)	(48.4)
March 31, 2023	(15.16)	-	(13.8)	(12.2)	(48.0)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
Fiscal year ended March 31, 2023: ¥ - million

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	6,146	5,667	92.1	135.60
March 31, 2023	4,918	4,439	90.1	115.04

(Reference) Equity: As of March 31, 2024: ¥ 5,661 million
As of March 31, 2023: ¥ 4,432 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	(443)	(138)	1,835	4,836
March 31, 2023	(515)	(22)	1,298	3,581

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	Millions of yen	%	%
March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

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

(% indicates changes from the previous corresponding period.)

	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	1,245	(0.2)	(589)	-	(592)	-	(596)	-	(14.29)

* 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, 2024: 41,751,303 shares
March 31, 2023: 38,525,780 shares

2) Number of treasury shares at the end of the period:
March 31, 2024: 226 shares
March 31, 2023: 206 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended March 31, 2024: 41,629,512 shares
Fiscal Year ended March 31, 2023: 36,296,904 shares

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,581,034	4,836,530
Accounts receivable - trade	380,077	331,683
Merchandise and finished goods	225,739	173,320
Work in process	78,578	86,804
Raw materials and supplies	239,426	224,901
Accounts receivable - other	78,756	107,357
Prepaid expenses	9,372	13,895
Short-term loans receivable	23,970	12,000
Other	557	4,563
Allowance for doubtful accounts	-	(29,040)
Total current assets	4,617,513	5,762,017
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	145,499	140,095
Machinery and equipment, net	45,342	112,962
Tools, furniture and fixtures, net	51,913	11,658
Leased assets, net	113	-
Construction in progress	24,029	87,475
Total property, plant and equipment	266,897	352,190
Intangible assets		
Patent right	2,475	2,062
Trademark right	1,760	0
Software	2,231	2,891
Leased assets	329	-
Total intangible assets	6,796	4,954
Investments and other assets		
Shares of subsidiaries and associates	4,735	4,735
Guarantee deposits	22,415	22,415
Other	40	40
Total investments and other assets	27,190	27,190
Total non-current assets	300,885	384,335
Total assets	4,918,398	6,146,353

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	204,834	142,863
Current portion of long-term borrowings	8,004	7,984
Lease liabilities	488	-
Accounts payable - other	134,534	224,220
Accrued expenses	4,495	8,868
Income taxes payable	31,605	4,107
Deposits received	3,369	8,021
Provision for bonuses	44,877	43,483
Provision for performance-linked incentive compensation	1,417	2,275
Other	2,747	2,734
Total current liabilities	436,373	444,557
Non-current liabilities		
Long-term borrowings	7,984	667
Provision for performance-linked incentive compensation	-	1,621
Deferred tax liabilities	3,611	3,449
Asset retirement obligations	30,622	28,266
Total non-current liabilities	42,217	34,004
Total liabilities	478,591	478,561
Net assets		
Shareholders' equity		
Share capital	3,270,235	53,579
Capital surplus		
Legal capital surplus	5,754,007	6,250,560
Total capital surplus	5,754,007	6,250,560
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(4,591,869)	(642,627)
Total retained earnings	(4,591,869)	(642,627)
Treasury shares	(198)	(210)
Total shareholders' equity	4,432,174	5,661,302
Share award rights	-	6,488
Share acquisition rights	7,632	-
Total net assets	4,439,807	5,667,791
Total liabilities and net assets	4,918,398	6,146,353

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net sales	1,159,479	1,247,485
Cost of sales		
Beginning finished goods inventory	281,550	225,739
Cost of products manufactured	761,595	880,871
Total	1,043,145	1,106,611
Transfer to other account	8,169	4,887
Ending finished goods inventory	225,739	173,320
Total cost of sales	809,236	928,403
Gross profit	350,243	319,081
Selling, general and administrative expenses	907,014	923,096
Operating loss	(556,770)	(604,014)
Non-operating income		
Interest income	290	209
Foreign exchange gains	9,952	10,048
Subsidy income	10,334	198
Subsidy income	9,059	22,192
Other	775	295
Total non-operating income	30,412	32,944
Non-operating expenses		
Interest expenses	648	263
Share issuance costs	16,833	13,615
Financing expenses	3,000	3,043
Loss on retirement of non-current assets	0	12,762
Other	43	216
Total non-operating expenses	20,525	29,902
Ordinary loss	(546,884)	(600,972)
Extraordinary losses		
Impairment losses	-	37,709
Total extraordinary losses	-	37,709
Loss before income taxes	(546,884)	(638,682)
Income taxes - current	4,210	4,107
Income taxes - deferred	(714)	(162)
Total income taxes	3,495	3,945
Loss	(550,379)	(642,627)

Non-consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity								Share award rights	Share acquisition rights	Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity			
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	2,564,185	5,047,956	-	5,047,956	(4,041,490)	(4,041,490)	(129)	3,570,522	-	12,971	3,583,494
Changes during period											
Issuance of new shares	706,050	706,050		706,050				1,412,101			1,412,101
Capital reduction								-			-
Transfer from capital reserve to other capital surplus								-			-
Deficit disposition								-			-
Loss					(550,379)	(550,379)		(550,379)			(550,379)
Purchase of treasury shares							(69)	(69)			(69)
Net changes in items other than shareholders' equity										(5,338)	(5,338)
Total changes during period	706,050	706,050	-	706,050	(550,379)	(550,379)	(69)	861,651	-	(5,338)	856,313
Balance at end of period	3,270,235	5,754,007	-	5,754,007	(4,591,869)	(4,591,869)	(198)	4,432,174	-	7,632	4,439,807

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity								Share award rights	Share acquisition rights	Total net assets
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity			
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings: Retained earnings brought forward	Total retained earnings					
Balance at beginning of period	3,270,235	5,754,007	-	5,754,007	(4,591,869)	(4,591,869)	(198)	4,432,174	-	7,632	4,439,807
Changes during period											
Issuance of new shares	935,883	935,883		935,883				1,871,767			1,871,767
Capital reduction	(4,152,539)		4,152,539	4,152,539				-			-
Transfer from capital reserve to other capital surplus		(439,330)	439,330	-				-			-
Deficit disposition			(4,591,869)	(4,591,869)	4,591,869	4,591,869		-			-
Loss					(642,627)	(642,627)		(642,627)			(642,627)
Purchase of treasury shares							(11)	(11)			(11)
Net changes in items other than shareholders' equity									6,488	(7,632)	(1,143)

Total changes during period	(3,216,655)	496,553	-	496,553	3,949,242	3,949,242	(11)	1,229,128	6,488	(7,632)	1,227,984
Balance at end of period	53,579	6,250,560	-	6,250,560	(642,627)	(642,627)	(210)	5,661,302	6,488	-	5,667,791

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Cash flows from operating activities		
Loss before income taxes	(546,884)	(638,682)
Depreciation	68,164	95,269
Impairment losses	-	37,709
Share-based payment expenses	-	9,348
Increase (decrease) in provision for bonuses	1,135	(2,811)
Increase (decrease) in provision for performance-linked incentive compensation	-	3,896
Increase (decrease) in allowance for doubtful accounts	-	29,040
Interest and dividend income	(290)	(209)
Interest expenses	648	263
Foreign exchange losses (gains)	440	(1,374)
Share issuance costs	16,833	13,615
Subsidy income	(9,059)	(22,192)
Subsidy income	(10,334)	(198)
Loss on retirement of non-current assets	0	12,762
Asset retirement obligations interest expenses	192	251
Gain on reversal of asset retirement obligations	-	(2,327)
Decrease (increase) in trade receivables	(97,563)	48,393
Decrease (increase) in inventories	(32,173)	58,717
Increase (decrease) in trade payables	61,358	(61,970)
Decrease (increase) in other current assets	6,578	(37,158)
Increase (decrease) in other current liabilities	14,542	(4,732)
Other, net	2	787
Subtotal	(526,406)	(461,601)
Interest and dividends received	290	209
Interest paid	(632)	(235)
Income taxes paid	(4,210)	(4,210)
Subsidies received	9,059	22,192
Subsidies received	6,584	198
Net cash provided by (used in) operating activities	(515,315)	(443,446)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,040)	(131,090)
Purchase of intangible assets	(1,620)	(2,991)
Payments for retirement of property, plant and equipment	-	(12,410)
Payments for asset retirement obligations	-	(1,826)
Purchase of shares of subsidiaries and associates	(1,363)	-
Short-term loan advances	(54,910)	(59,900)
Proceeds from collection of short-term loans receivable	49,940	71,870
Other, net	-	(1,785)
Net cash provided by (used in) investing activities	(22,994)	(138,133)
Cash flows from financing activities		
Repayments of long-term borrowings	(91,404)	(7,337)
Proceeds from issuance of shares	1,380,876	1,843,539
Repayments of lease liabilities	(3,867)	(488)
Proceeds from issuance of share acquisition rights	13,199	-
Other, net	(71)	(11)
Net cash provided by (used in) financing activities	1,298,732	1,835,702

Effect of exchange rate change on cash and cash equivalents	(440)	1,374
Net increase (decrease) in cash and cash equivalents	759,982	1,255,495
Cash and cash equivalents at beginning of period	2,821,052	3,581,034
Cash and cash equivalents at end of period	3,581,034	4,836,530