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 Year Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: QD Laser, Inc.
Listing: Tokyo Stock Exchange
Securities code: 6613
URL: https://www.qdlaser.com/
Representative: Osamu Nagao President and Chief Executive Officer
Inquiries: Keizo Takemasa Executive Officer General Manager of Corporate Planning Office
Telephone: +81-44-333-3338

Scheduled date of annual general meeting of shareholders: June 24, 2025
Scheduled date to commence dividend payments: -
Scheduled date to file annual securities report: June 20, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

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

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	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, 2025	1,308	4.9	(445)	-	(443)	-	(445)	-
March 31, 2024	1,247	7.6	(604)	-	(600)	-	(642)	-

	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, 2025	(10.68)	-	(8.2)	(7.6)	(34.1)
March 31, 2024	(15.44)	-	(12.7)	(10.9)	(48.4)

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ - million
Fiscal year ended March 31, 2024: ¥ - 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, 2025	5,505	5,219	94.8	124.98
March 31, 2024	6,146	5,667	92.1	135.60

(Reference) Equity: As of March 31, 2025: ¥ 5,219 million
As of March 31, 2024: ¥ 5,661 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, 2025	(506)	(568)	(9)	3,754
March 31, 2024	(443)	(138)	1,835	4,836

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, 2024	-	0.00	-	0.00	0.00	-	-	-
March 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2026 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	1,387	6.0	(445)	-	(435)	-	(445)	-	(10.67)

* Notes:

(1) 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

(2) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2025: 41,761,392 shares
March 31, 2024: 41,751,303 shares

2) Number of treasury shares at the end of the period:
March 31, 2025: 401 shares
March 31, 2024: 226 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended March 31, 2025: 41,757,683 shares
Fiscal Year ended March 31, 2024: 41,629,512 shares

* Financial results reports are exempt from audit 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.

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	4,836,530	3,754,424
Accounts receivable - trade	331,683	315,198
Merchandise and finished goods	173,320	157,139
Work in process	86,804	93,792
Raw materials and supplies	224,901	207,051
Accounts receivable - other	107,357	40,097
Prepaid expenses	13,895	16,392
Short-term loans receivable	12,000	-
Other	4,563	26,443
Allowance for doubtful accounts	(29,040)	(55,660)
Total current assets	5,762,017	4,554,880
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings, net	140,095	82,313
Machinery and equipment, net	112,962	175,113
Tools, furniture and fixtures, net	11,658	9,076
Construction in progress	87,475	16,638
Total property, plant and equipment	352,190	283,141
Intangible assets	4,954	4,779
Investments and other assets		
Shares of subsidiaries and associates	4,735	4,735
Long-term loans receivable	-	378,617
Long-term prepaid expenses	0	220,059
Guarantee deposits	22,415	59,615
Other	40	40
Total investments and other assets	27,190	663,066
Total non-current assets	384,335	950,987
Total assets	6,146,353	5,505,868

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	142,863	129,968
Current portion of long-term borrowings	7,984	-
Accounts payable - other	224,220	40,998
Accrued expenses	8,868	5,085
Income taxes payable	4,107	3,800
Deposits received	8,021	5,004
Provision for bonuses	43,483	49,745
Provision for performance-linked incentive compensation	2,275	1,200
Other	2,734	20,293
Total current liabilities	444,557	256,096
Non-current liabilities		
Long-term borrowings	667	-
Provision for performance-linked incentive compensation	1,621	-
Deferred tax liabilities	3,449	1,871
Asset retirement obligations	28,266	28,635
Total non-current liabilities	34,004	30,506
Total liabilities	478,561	286,602
Net assets		
Shareholders' equity		
Share capital	53,579	55,482
Capital surplus		
Legal capital surplus	6,250,560	6,252,463
Total capital surplus	6,250,560	6,252,463
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(642,627)	(1,088,396)
Total retained earnings	(642,627)	(1,088,396)
Treasury shares	(210)	(284)
Total shareholders' equity	5,661,302	5,219,265
Share award rights	6,488	-
Total net assets	5,667,791	5,219,265
Total liabilities and net assets	6,146,353	5,505,868

Non-consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	1,247,485	1,308,870
Cost of sales		
Beginning finished goods inventory	225,739	173,320
Cost of products manufactured	880,871	866,116
Total	1,106,611	1,039,437
Transfer to other account	4,887	17,283
Ending finished goods inventory	173,320	157,139
Total cost of sales	928,403	865,014
Gross profit	319,081	443,855
Selling, general and administrative expenses	923,096	889,545
Operating loss	(604,014)	(445,689)
Non-operating income		
Interest income	209	5,720
Foreign exchange gains	10,048	4,525
Subsidy income	198	-
Subsidy income	22,192	-
Other	295	412
Total non-operating income	32,944	10,657
Non-operating expenses		
Interest expenses	263	92
Share issuance costs	13,615	692
Financing expenses	3,043	7,200
Loss on retirement of non-current assets	12,762	145
Other	216	384
Total non-operating expenses	29,902	8,514
Ordinary loss	(600,972)	(443,547)
Extraordinary losses		
Impairment losses	37,709	-
Total extraordinary losses	37,709	-
Loss before income taxes	(638,682)	(443,547)
Income taxes - current	4,107	3,800
Income taxes - deferred	(162)	(1,578)
Total income taxes	3,945	2,221
Loss	(642,627)	(445,768)

Non-consolidated Statements of Changes in Equity

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

For the fiscal year ended March 31, 2025

(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	Total retained earnings					
					Retained earnings brought forward						
Balance at beginning of period	53,579	6,250,560	-	6,250,560	(642,627)	(642,627)	(210)	5,661,302	6,488	-	5,667,791
Changes during period											
Issuance of new shares	1,902	1,902		1,902				3,805			3,805
Capital reduction								-			-
Transfer from capital reserve to other capital surplus								-			-
Deficit disposition								-			-
Loss					(445,768)	(445,768)		(445,768)			(445,768)
Purchase of treasury shares							(73)	(73)			(73)
Net changes in items other than shareholders' equity									(6,488)		(6,488)
Total changes during period	1,902	1,902	-	1,902	(445,768)	(445,768)	(73)	(442,036)	(6,488)	-	(448,525)
Balance at end of period	55,482	6,252,463	-	6,252,463	(1,088,396)	(1,088,396)	(284)	5,219,265	-	-	5,219,265

Non-consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(638,682)	(443,547)
Depreciation	95,269	98,792
Impairment losses	37,709	-
Share-based payment expenses	9,348	(2,683)
Increase (decrease) in provision for bonuses	(2,811)	6,262
Increase (decrease) in provision for performance-linked incentive compensation	3,896	(2,696)
Increase (decrease) in allowance for doubtful accounts	29,040	26,620
Interest and dividend income	(209)	(5,720)
Interest expenses	263	92
Foreign exchange losses (gains)	(1,374)	(2,835)
Share issuance costs	13,615	692
Subsidy income	(22,192)	-
Subsidy income	(198)	-
Loss on retirement of non-current assets	12,762	145
Asset retirement obligations interest expenses	251	369
Gain on reversal of asset retirement obligations	(2,327)	-
Decrease (increase) in trade receivables	48,393	16,485
Decrease (increase) in inventories	58,717	27,043
Decrease (increase) in long-term prepaid expenses	-	(220,059)
Increase (decrease) in trade payables	(61,970)	(12,894)
Decrease (increase) in other current assets	(37,158)	42,881
Increase (decrease) in other current liabilities	(4,732)	(33,719)
Other, net	787	(287)
Subtotal	(461,601)	(505,057)
Interest and dividends received	209	2,434
Interest paid	(235)	(92)
Income taxes paid	(4,210)	(4,107)
Subsidies received	22,192	-
Subsidies received	198	-
Net cash provided by (used in) operating activities	(443,446)	(506,823)
Cash flows from investing activities		
Purchase of property, plant and equipment	(131,090)	(167,320)
Purchase of intangible assets	(2,991)	(896)
Payments for retirement of property, plant and equipment	(12,410)	(145)
Payments for asset retirement obligations	(1,826)	-
Short-term loan advances	(59,900)	-
Proceeds from collection of short-term loans receivable	71,870	12,000
Long-term loan advances	-	(375,331)
Payments of leasehold and guarantee deposits	-	(37,200)
Other, net	(1,785)	288
Net cash provided by (used in) investing activities	(138,133)	(568,605)
Cash flows from financing activities		
Repayments of long-term borrowings	(7,337)	(8,651)
Proceeds from issuance of shares	1,843,539	-
Repayments of lease liabilities	(488)	-
Other, net	(11)	(861)
Net cash provided by (used in) financing activities	1,835,702	(9,512)

Effect of exchange rate change on cash and cash equivalents	1,374	2,835
Net increase (decrease) in cash and cash equivalents	1,255,495	(1,082,105)
Cash and cash equivalents at beginning of period	3,581,034	4,836,530
Cash and cash equivalents at end of period	4,836,530	3,754,424