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Non-Consolidated Financial Results for the Six Months Ended September 30, 2020 [Japanese GAAP]

November 11, 2020

Company name: Autonomous Control Systems Laboratory Ltd.
 Stock exchange listing: Tokyo Stock Exchange Mothers
 Code number: 6232 URL: <https://www.acsl.co.jp/>
 Representative: Hiroaki Ohta, President and CEO
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Scheduled date of filing of quarterly securities report: November 12, 2020

Scheduled date of commencing dividend payments: None

Availability of supplementary briefing material on quarterly financial results: Available

Financial results briefing session: Scheduled (for institutional investors and analysts)

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

1. Financial Results for the Six Months Ended September 30, 2020 (April 1, 2020 to September 30, 2020)

(1) Operating Results

(Percentage changes are in comparison with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2020	78	(61.4)	(417)	—	(360)	—	(396)	—
September 30, 2019	204	(17.0)	(299)	—	(82)	—	(84)	—

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended September 30, 2020	(36.83)	—	—	—
September 30, 2019	(8.16)	—	—	—

(Note) Diluted earnings per share for the six months ended September 30, 2020 and six months ended September 30, 2019 are not presented because net losses were posted for the periods.

(2) Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of September 30, 2020	4,767	4,658	4,658	—	97.6	—
March 31, 2020	5,268	5,034	5,034	—	95.5	—

(Reference) Shareholders' equity: As of September 30, 2020: 4,652 million yen
 As of March 31, 2020: 5,033 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal Year ended March 31, 2020	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal Year ending March 31, 2021	—	0.00			
Fiscal Year ending March 31, 2021 (Forecast)			—	0.00	0.00

(Note) Revisions to the forecast of the cash dividends since the latest announcement: None

3. Earnings Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentage changes are on a year-on-year basis.)

	Net sales		Operating income		Ordinary income		Net income		Basic earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Full-year	1,400	9.5	(250)	—	(200)	—	(230)	—	(21.23)	(21.23)
	~1,700	~32.9	~0	~(100.0)	~50	~(78.4)	~50	~(79.1)	~4.62	~4.62

(Note) Revisions to the forecast of the non-consolidated results since the latest announcement: None

Notes:

(1) Application of special accounting treatments to the quarterly non-consolidated financial statements: None

(2) Changes in accounting policies and estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Total number of issued shares (common stock)

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

September 30, 2020 : 10,894,665 shares

March 31, 2020 : 10,742,790 shares

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

September 30, 2020 : 69 shares

March 31, 2020 : 69 shares

3) Average number of issued shares during the period

Six Months Ended September 30, 2020: 10,771,466 shares

Six Months Ended September 30, 2019: 10,293,595 shares

* The summary of quarterly financial statements are outside the scope of review by certified public accountants and auditing firms.

***Statement for an appropriate usage of the forecasts of operating results and other special notes**

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

2. Quarterly Non-Consolidated Financial Statements

(1) Quarterly Non-Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2020	As of September 30, 2020
Assets		
Current assets		
Cash and deposits	3,775,617	3,173,538
Accounts receivable–trade	815,474	56,558
Work in process	34,207	142,638
Raw materials	124,945	176,883
Other	68,562	146,447
Total current assets	4,818,807	3,696,067
Non-current assets		
Property, plant and equipment	27,212	38,265
Intangible assets	35,054	67,877
Investments and other assets	387,061	964,830
Total non-current assets	449,328	1,070,973
Total assets	5,268,135	4,767,040
Liabilities		
Current liabilities		
Accounts payable–trade	24,767	27,734
Income taxes payable	50,505	18,247
Advances received	8,800	8,800
Provision for bonuses	21,900	—
Other	127,946	54,029
Total current liabilities	233,918	108,810
Total liabilities	233,918	108,810
Net assets		
Shareholders' equity		
Share capital	3,008,168	3,021,287
Capital surplus	2,986,168	2,999,287
Retained earnings	(964,798)	(1,361,537)
Treasury shares	(236)	(236)
Total shareholders' equity	5,029,301	4,658,801
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,353	(6,438)
Total valuation and translation adjustments	4,353	(6,438)
Share acquisition rights	562	5,867
Total net assets	5,034,217	4,658,230
Total liabilities and net assets	5,268,135	4,767,040

(2) Quarterly Non-Consolidated Statements of Income

(Three months ended June 30, 2020)

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	204,419	78,864
Cost of sales	126,977	92,420
Gross profit (loss)	77,442	(13,556)
Selling, general and administrative expenses	377,150	404,212
Operating profit(loss)	(299,708)	(417,768)
Non-operating income		
Interest income	142	44
Subsidy income	221,089	63,759
Other	95	36
Total non-operating income	221,327	63,840
Non-operating expenses		
Office relocation expenses	3,623	5,708
Other	166	1,332
Total non-operating expenses	3,790	7,041
Ordinary profit(loss)	(82,170)	(360,970)
Profit(loss) before income taxes	(82,170)	(360,970)
Income taxes—current	1,855	2,645
Refunded corporation taxes	—	(3,798)
Income taxes—deferred	—	36,921
Total income taxes	1,855	35,768
Profit(loss)	(84,025)	(396,738)

(3) Quarterly Non-Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	(82,170)	(360,970)
Depreciation	7,960	17,448
Office relocation expenses	3,623	5,708
Increase (decrease) in allowance for doubtful accounts	(4,502)	—
Increase (decrease) in provision for bonuses	7,500	(21,900)
Interest income	(142)	(44)
Decrease (increase) in notes and accounts receivable—trade	152,639	758,916
(Increase) decrease in inventories	(64,535)	(160,369)
Increase (decrease) in notes and accounts payable-trade	(5,658)	2,967
Increase (decrease) in accounts payable	(3,589)	(29,734)
Decrease/increase in consumption taxes receivable/payable	(27,024)	(101,071)
Increase (decrease) in advances received	(103,842)	—
Others	(7,448)	(23,248)
Subtotal	(127,193)	87,701
Interest and dividend received	140	44
Refunded corporation taxes	—	3,798
Income taxes paid	(3,710)	(28,499)
Payments of office relocation expenses	(3,623)	(5,708)
Cash flows from operating activities	(134,386)	57,336
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,468)	(17,776)
Purchase of intangible assets	—	(44,497)
Purchase of investment securities	(305,176)	(635,958)
Payments of leasehold deposits	47	13,904
Cash flows from investing activities	(316,597)	(684,327)
Cash flows from financing activities		
Proceeds from issuance of shares resulting from exercise of share acquisition rights	49,144	25,461
Others	(117)	—
Cash flows from financing activities	49,027	25,461
Effect of exchange rate change on cash and cash equivalents	—	(549)
Net increase (decrease) in cash and cash equivalents	(401,956)	(602,079)
Cash and cash equivalents at beginning of period	4,465,591	3,775,617
Cash and cash equivalents at end of period	4,063,634	3,173,538