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Non-Consolidated Financial Results for the Year Ended March 31, 2020 [Japanese GAAP]

May 12, 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

Contact: Kensuke Hayakawa, CFO and CAO

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Scheduled date of the general annual meeting of shareholders: June 25, 2020

Scheduled date of commencing dividend payments: None

Scheduled date of filing annual securities report: June 25, 2020

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 Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Operating Results

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

Fiscal Year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2020	1,278	58.4	15	—	231	—	239	—
March 31, 2019	807	118.1	(330)	—	(176)	—	(183)	—

Fiscal Year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income to total assets	Operating income to sales
	Yen	Yen	%	%	%
March 31, 2020	23.00	21.06	6.8	6.1	1.2
March 31, 2019	(19.42)	—	(5.5)	(4.9)	(40.9)

(Reference) Gain (loss) on equity-method investments: For the year ended March 31, 2020: —

For the year ended March 31, 2019: —

(Note)

1) Diluted earnings per share for the year ended March 31, 2019 are not presented because net losses were posted for the periods.

2) The Company conducted a common stock split according to a ratio 1:15 effective on September 1, 2018. Basic earnings (loss) per share and diluted earnings per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

3) Based on the Articles of Incorporation, in response to the execution of rights to claim for acquisition of shares by Class A preferred shareholders and Class B preferred shareholders, the Company acquired all of the Class A preferred shares and Class B preferred shares as treasury shares on August 20, 2018, and, as their considerations, issued a common share for each Class A preferred share to the relevant Class A preferred shareholders and a common share for each Class B preferred share to the relevant Class B preferred shareholders. In addition, the Company cancelled the Class A preferred shares and Class B preferred shares it acquired as of August 21, 2018.

As of September 1, 2018, the Company has abolished the provisions of the Articles of Incorporation to issue class shares.

(2) Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2020	5,268	5,034	95.5	468.56
March 31, 2019	4,926	4,701	95.4	457.93

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

As of March 31, 2019: 4,700 million yen

(3) Cash Flows

Fiscal Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Million yen	Million yen	Million yen	Million yen
March 31, 2020	(407)	(369)	87	3,775
March 31, 2019	(176)	(58)	2,631	4,465

2. Dividends

Fiscal Year ended	Annual dividends					Total dividends consolidated	Dividends payout ratio	Dividends to net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
March 31, 2019	—	0.00	—	0.00	0.00	—	—	—
March 31, 2020	—	0.00	—	0.00	0.00	—	—	—
March 31, 2021 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

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

For the fiscal year ending March 2021, we expect net sales to be higher than in the same period of the previous year, and operating income, ordinary income, and net income to be positive. However, due to the highly novel nature of our business and the difficulty in reasonably forecasting trends in customer demand because of the spread of COVID-19, we have decided not to disclose the specific amount forecast at this time.

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: None

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

3) Changes in accounting estimates: Yes

4) Retrospective restatement: None

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

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

March 31, 2020 : 10,742,790 shares

March 31, 2019 : 10,264,605 shares

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

March 31, 2020 : 69 shares

March 31, 2019 : — shares

3) Average number of issued shares during the period

Fiscal Year ended March 31, 2020 : 10,428,180 shares

Fiscal Year ended March 31, 2019 : 9,438,422 shares

(Note) The Company conducted a common stock split according to a ratio 1:15 effective on September 1, 2018. Total number of issued shares at the end of the period (including treasury shares) and average number of issued shares during the period are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

* The summary of 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. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	4,465,591	3,775,617
Accounts receivable—trade	256,183	815,474
Work in process	10,006	34,207
Raw materials	94,179	124,945
Advance payments	25,134	38,139
Prepaid expenses	8,649	18,475
Other	5,817	11,947
Allowance for doubtful accounts	(7,557)	—
Total current assets	4,858,006	4,818,807
Non-current assets		
Property, plant and equipment		
Buildings (net)	5,651	7,318
Tools, furniture and fixtures (net)	12,748	19,894
Construction in progress	5,388	—
Total property, plant and equipment	23,789	27,212
Intangible assets		
Patent right	1,677	298
Software	12,193	12,756
Software in progress	—	22,000
Total intangible assets	13,871	35,054
Investments and other assets		
Investment securities	—	311,451
Deferred tax assets	—	35,000
Other	31,290	40,609
Total investments and other assets	31,290	387,061
Total non-current assets	68,951	449,328
Total assets	4,926,958	5,268,135

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable–trade	17,731	24,767
Accounts payable	42,120	67,039
Accrued expenses	7,095	8,676
Income taxes payable	27,910	50,505
Accrued consumption taxes	19,783	48,150
Advances received	103,842	8,800
Deposits received	6,642	4,079
Provision for bonuses	—	21,900
Total current liabilities	225,126	233,918
Total liabilities	225,126	233,918
Net assets		
Shareholders' equity		
Share capital	2,963,559	3,008,168
Capital surplus		
Legal capital surplus	2,941,559	2,986,168
Total capital surpluses	2,941,559	2,986,168
Retained earnings		
Other retained earnings		
Retained earnings brought forward	(1,204,599)	(964,798)
Total retained earnings	(1,204,599)	(964,798)
Treasury shares	—	(236)
Total shareholders' equity	4,700,519	5,029,301
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	—	4,353
Total valuation and translation adjustments	—	4,353
Share acquisition rights	1,312	562
Total net assets	4,701,831	5,034,217
Total liabilities and net assets	4,926,958	5,268,135

(2) Non-Consolidated Statements of Income

(Thousands of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Net sales	807,348	1,278,723
Cost of sales	404,034	469,947
Gross profit	403,313	808,776
Selling, general and administrative expenses	733,710	792,830
Operating profit(loss)	(330,396)	15,945
Non-operating income		
Interest income	23	317
Subsidy income	192,326	221,089
Other	1,423	229
Total non-operating income	193,772	221,636
Non-operating expenses		
Interest expenses	484	—
Office relocation expenses	2,521	4,715
Share issuance costs	17,932	358
Listing Expenses	14,548	—
Other	4,866	1,080
Total non-operating expenses	40,353	6,154
Ordinary profit(loss)	(176,977)	231,427
Extraordinary losses		
Loss on retirement of non-current assets	2,647	—
Total extraordinary losses	2,647	—
Profit(loss) before income taxes	(179,625)	231,427
Income taxes—current	3,710	28,547
Income taxes—deferred	—	(36,921)
Total income taxes	3,710	(8,373)
Profit(loss)	(183,335)	239,801

(3) Statement of changes in equity

Fiscal Year Ended March 31, 2019

(Thousands of yen)

Balance at the beginning of the period	Shareholders' equity						Share acquisition rights	Total net assets
	Share capital	Capital surplus		Retained earnings		Total shareholders' equity		
		Legal capital surplus	Total capital surpluses	Other retained earnings	Total retained earnings			
Balance at the beginning of the period	1,532,006	1,510,006	1,510,006	(1,021,264)	(1,021,264)	2,020,748	2,250	2,022,998
Changes during the period								
Issuance of new shares	1,407,600	1,407,600	1,407,600			2,815,200		2,815,200
Issuance of new shares – exercise of share acquisition rights	23,953	23,953	23,953			47,906	(937)	46,968
Profit (loss)				(183,335)	(183,335)	(183,335)		(183,335)
Net changes in items other than shareholders' equity								
Total changes during the period	1,431,553	1,431,553	1,431,553	(183,335)	(183,335)	2,679,770	(937)	2,678,833
Balance at the end of the period	2,963,559	2,941,559	2,941,559	(1,204,599)	(1,204,599)	4,700,519	1,312	4,701,831

Fiscal Year Ended March 31, 2020

(Thousands of yen)

Balance at the beginning of the period	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury share	Total shareholders' equity
		Legal capital surplus	Total capital surpluses	Other retained earnings	Legal capital surplus		
Balance at the beginning of the period	2,963,559	2,941,559	2,941,559	(1,204,599)	(1,204,599)	—	4,700,519
Changes during the period							
Issuance of new shares – exercise of share acquisition rights	44,608	44,608	44,608				89,217
Profit (loss)				239,801	239,801		239,801
Purchase of treasury shares						(236)	(236)
Net changes in items other than shareholders' equity							
Total changes during the period	44,608	44,608	44,608	239,801	239,801	(236)	328,781
Balance at the end of the period	3,008,168	2,986,168	2,986,168	(964,798)	(964,798)	(236)	5,029,301

	Valuation and translation adjustments		Share acquisition rights	Total Share equity
	Unrealized gain/loss on available for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of the period	—	—	1,312	4,701,831
Changes during the period				
Issuance of new shares – exercise of share acquisition rights			(750)	88,467
Profit (loss)				239,801
Purchase of treasury shares				(236)
Net changes in items other than shareholders' equity	4,353	4,353		4,353
Total changes during the period	4,353	4,353	(750)	332,385
Balance at the end of the period	4,353	4,353	562	5,034,217

(4) Statement of cash flows

(Thousands of yen)

	For the year ended March 31, 2019	For the year ended March 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	(179,625)	231,427
Depreciation	21,481	27,141
Office relocation expenses	2,521	4,715
Share issuance costs	17,932	358
Listing Expenses	14,548	—
Increase (decrease) in allowance for doubtful accounts	5,472	(7,557)
Increase (decrease) in provision for bonuses	—	21,900
Interest income	(23)	(317)
Interest expenses	484	—
Loss on retirement of non-current assets	2,647	—
Decrease (increase) in notes and accounts receivable trade	(185,574)	(559,290)
(Increase) decrease in inventories	18,526	(54,966)
Increase (decrease) in notes and accounts payable-trade	2,927	7,035
Increase (decrease) in accounts payable	18,299	24,918
Increase (decrease) in advances received	60,324	(95,042)
Decrease/increase in consumption taxes receivable/payable	28,587	28,367
Others	(1,068)	(28,566)
Subtotal	(172,537)	(399,876)
Interest and dividend received	23	316
Income taxes paid	(1,905)	(3,710)
Payments of office relocation expenses	(2,521)	(4,715)
Cash flows from operating activities	(176,941)	(407,985)
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,081)	(16,901)
Purchase of intangible assets	(10,757)	(34,846)
Purchase of investment securities	—	(305,176)
Payments of leasehold deposits	(18,464)	(13,000)
Others	240	64
Cash flows from investing activities	(58,063)	(369,860)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	(198,000)	—
Proceeds from issuance of common stock	2,797,472	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	46,762	88,108
Purchase of listing	(14,548)	—
Others	—	(236)
Cash flows from financing activities	2,631,687	87,872
Net increase (decrease) in cash and cash equivalents	2,396,682	(689,973)
Cash and cash equivalents at beginning of period	2,068,909	4,465,591
Cash and cash equivalents at end of period	4,465,591	3,775,617