

Consolidated Financial Results for the Three Months Ended April 30, 2020 [Japanese GAAP]



June 11, 2020

Company name: ACCESS CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 4813

URL: <https://www.access-company.com>

Representative: Kiyoyasu Oishi, Representative Director, President & CEO

Contact: Yoshiyuki Morita, Executive Officer, VP of Corporate Administration Unit

Phone: +81-3-6853-9088

Scheduled date of filing quarterly securities report: June 12, 2020

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Not available

Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended April 30, 2020 (February 1, 2020 to April 30, 2020)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
April 30, 2020	1,332	(16.0)	(1,081)	-	(1,089)	-	(1,110)	-
April 30, 2019	1,585	(2.1)	(506)	-	(519)	-	(543)	-

(Note) Comprehensive income: Three months ended April 30, 2020: ¥(1,299) million [-%]

Three months ended April 30, 2019: ¥(543) million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
April 30, 2020	(28.58)		-	
April 30, 2019	(14.04)		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of April 30, 2020	31,075		28,853		92.7	
As of January 31, 2020	32,783		30,224		92.1	

(Reference) Equity: As of April 30, 2020: ¥28,810 million

As of January 31, 2020: ¥30,185 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 January 31, 2020	-	0.00	-	3.00	3.00
Fiscal year ending January 31, 2021	-				
Fiscal year ending January 31, 2021 (Forecast)		-	-	3.00	3.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending January 31, 2021 (February 1, 2020 to January 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd quarter (cumulative)	4,567	27.4	(1,098)	-	(1,114)	-	(1,174)	-	(30.27)
Full year	13,000	38.0	580	49.5	530	23.1	360	(27.0)	9.28

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly added: - (Name) - Excluded: - (Name) -

(2) Accounting policies adopted specifically for the preparation of quarterly consolidated financial statements: No

(3) 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

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

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

April 30, 2020: 39,375,600 shares

January 31, 2020: 39,375,600 shares

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

April 30, 2020: 509,580 shares

January 31, 2020: 583,546 shares

3) Average number of shares during the period:

Three months ended April 30, 2020: 38,848,258 shares

Three months ended April 30, 2019: 38,709,554 shares

* The number of treasury shares includes the number of the Company's shares held by the Employee Stock Ownership Plan (three months ended April 30, 2020: 508,300 shares, fiscal year ended January 31, 2020: 582,300 shares).

* These quarterly financial results are outside the scope of quarterly review by certified public accountants or audit firms

* Explanation of the proper use of financial results forecast and other notes

Financial results forecasts stated herein are determined based on information available to the Company and the Group as of the disclosure date of this document and contain various inherent risks and uncertainties. Please be advised that actual results may differ significantly from the financial results forecasts stated herein due to various factors including the economic conditions surrounding the Company and the Group's business, market trends, and exchange rates.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of January 31, 2020	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	19,282,203	19,181,606
Notes and accounts receivable - trade	4,184,518	2,242,491
Securities	116,511	111,037
Merchandise and finished goods	20,747	20,301
Work in process	38,220	139,417
Other	741,629	949,539
Allowance for doubtful accounts	(76,434)	(71,228)
Total current assets	24,307,397	22,573,164
Non-current assets		
Property, plant and equipment		
Buildings and structures	407,767	406,403
Accumulated depreciation	(173,661)	(177,413)
Buildings and structures, net	234,105	228,990
Tools, furniture and fixtures	840,749	844,338
Accumulated depreciation	(700,204)	(703,509)
Tools, furniture and fixtures, net	140,544	140,829
Leased assets	49,184	46,100
Accumulated depreciation	(14,060)	(18,346)
Leased assets, net	35,123	27,753
Right of use assets	104,616	101,456
Accumulated depreciation	(35,217)	(42,932)
Right of use assets, net	69,398	58,524
Total property, plant and equipment	479,172	456,098
Intangible assets		
Software	5,312,171	5,467,327
Goodwill	1,159,667	1,048,899
Other	439,808	382,373
Total intangible assets	6,911,647	6,898,600
Investments and other assets		
Investment securities	442,174	461,138
Deferred tax assets	336,991	340,149
Other	327,235	366,983
Allowance for doubtful accounts	(21,126)	(20,862)
Total investments and other assets	1,085,274	1,147,409
Total non-current assets	8,476,095	8,502,107
Total assets	32,783,492	31,075,272

(Thousand yen)

	As of January 31, 2020	As of April 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	404,519	362,352
Income taxes payable	143,237	26,999
Provision for bonuses	154,430	121,852
Provision for loss on order received	1,481	1,882
Provision for share-based remuneration	45,418	25,326
Other	1,155,523	1,029,058
Total current liabilities	1,904,610	1,567,472
Non-current liabilities		
Deferred tax liabilities	19,906	17,709
Retirement benefit liability	176,245	192,981
Asset retirement obligations	140,382	140,501
Long-term accounts payable - other	205,734	196,351
Other	112,321	106,265
Total non-current liabilities	654,591	653,809
Total liabilities	2,559,201	2,221,282
Net assets		
Shareholders' equity		
Share capital	29,424,334	29,424,334
Capital surplus	37,620	37,620
Retained earnings	3,520,152	2,291,844
Treasury shares	(345,955)	(303,150)
Total shareholders' equity	32,636,151	31,450,648
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,301	26,610
Foreign currency translation adjustment	(2,483,315)	(2,667,058)
Total accumulated other comprehensive income	(2,451,013)	(2,640,447)
Share acquisition rights	35,222	39,312
Non-controlling interests	3,930	4,476
Total net assets	30,224,291	28,853,990
Total liabilities and net assets	32,783,492	31,075,272

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2019	For the three months ended April 30, 2020
Net sales	1,585,846	1,332,438
Cost of sales	1,115,140	1,406,351
Gross profit (loss)	470,705	(73,912)
Selling, general and administrative expenses	977,353	1,007,699
Operating loss	(506,647)	(1,081,612)
Non-operating income		
Interest income	5,185	3,536
Share of profit of entities accounted for using equity method	–	13,370
Foreign exchange gains	7,904	–
Refunded consumption taxes	–	2,001
Fair value adjustment of contingent consideration	–	9,815
Other	1,176	368
Total non-operating income	14,267	29,092
Non-operating expenses		
Interest expenses	2,222	1,026
Share of loss of entities accounted for using equity method	5,325	–
Loss on investments in investment partnerships	14,180	95
Foreign exchange losses	–	26,143
Fair value adjustment of contingent consideration	5,536	10,034
Other	26	32
Total non-operating expenses	27,292	37,332
Ordinary loss	(519,673)	(1,089,853)
Extraordinary income		
Gain on reversal of share acquisition rights	11,528	–
Total extraordinary income	11,528	–
Loss before income taxes	(508,144)	(1,089,853)
Income taxes - current	37,526	22,190
Income taxes - deferred	(2,516)	(2,450)
Total income taxes	35,010	19,740
Loss	(543,154)	(1,109,593)
Profit attributable to non-controlling interests	176	590
Loss attributable to owners of parent	(543,330)	(1,110,184)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended April 30

(Thousand yen)

	For the three months ended April 30, 2019	For the three months ended April 30, 2020
Loss	(543,154)	(1,109,593)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,825	(5,691)
Foreign currency translation adjustment	(4,481)	(183,787)
Total other comprehensive income	(656)	(189,479)
Comprehensive income	(543,810)	(1,299,073)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(543,999)	(1,299,618)
Comprehensive income attributable to non-controlling interests	188	545