

Consolidated Financial Results for the Nine Months Ended October 31, 2020 [Japanese GAAP]



December 9, 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

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Scheduled date of filing quarterly securities report: December 10, 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 Nine Months Ended October 31, 2020 (February 1, 2020 to October 31, 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	%
Nine months ended October 31, 2020	4,775	(6.4)	(2,541)	-	(2,457)	-	(2,504)	-
October 31, 2019	5,099	2.4	(1,076)	-	(1,029)	-	(1,130)	-

(Note) Comprehensive income: Nine months ended October 31, 2020: ¥(2,798) million [-%]

Nine months ended October 31, 2019: ¥(1,290) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended October 31, 2020	(64.35)	-
October 31, 2019	(29.17)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of October 31, 2020	29,327	27,454	93.5
As of January 31, 2020	32,783	30,224	92.1

(Reference) Equity: As of October 31, 2020: ¥27,408 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	-	0.00	-		
Fiscal year ending January 31, 2021 (Forecast)				-	-

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

Cash dividend amounts have yet to be determined for the fiscal year ending January 31, 2021.

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	
Full year	-	-	-	-	-	-	-	-	-	

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

Consolidated financial results forecasts for the fiscal year ending January 31, 2021 have yet to be determined.

The Company will promptly release such forecasts as soon as it becomes possible to reasonably estimate financial results.

* 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):

October 31, 2020: 39,481,700 shares

January 31, 2020: 39,375,600 shares

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

October 31, 2020: 508,480 shares

January 31, 2020: 583,546 shares

3) Average number of shares during the period:

Nine months ended October 31, 2020: 38,924,084 shares

Nine months ended October 31, 2019: 38,760,625 shares

* The number of treasury shares includes the number of the Company's shares held by the Employee Stock Ownership Plan (nine months ended October 31, 2020: 507,200 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 October 31, 2020
Assets		
Current assets		
Cash and deposits	19,282,203	17,553,579
Notes and accounts receivable - trade	4,184,518	1,631,712
Securities	116,511	88,965
Merchandise and finished goods	20,747	63,005
Work in process	38,220	215,875
Other	741,629	1,001,548
Allowance for doubtful accounts	(76,434)	(93,061)
Total current assets	24,307,397	20,461,626
Non-current assets		
Property, plant and equipment		
Buildings and structures	407,767	423,190
Accumulated depreciation	(173,661)	(197,054)
Buildings and structures, net	234,105	226,135
Tools, furniture and fixtures	840,749	864,877
Accumulated depreciation	(700,204)	(721,331)
Tools, furniture and fixtures, net	140,544	143,545
Leased assets	49,184	47,323
Accumulated depreciation	(14,060)	(23,285)
Leased assets, net	35,123	24,037
Right of use assets	104,616	116,615
Accumulated depreciation	(35,217)	(65,935)
Right of use assets, net	69,398	50,680
Total property, plant and equipment	479,172	444,399
Intangible assets		
Software	5,312,171	5,860,955
Goodwill	1,159,667	988,334
Other	439,808	351,614
Total intangible assets	6,911,647	7,200,904
Investments and other assets		
Investment securities	442,174	455,705
Deferred tax assets	336,991	342,906
Other	327,235	438,562
Allowance for doubtful accounts	(21,126)	(16,495)
Total investments and other assets	1,085,274	1,220,678
Total non-current assets	8,476,095	8,865,982
Total assets	32,783,492	29,327,608

(Thousand yen)

	As of January 31, 2020	As of October 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	404,519	233,667
Income taxes payable	143,237	23,946
Provision for bonuses	154,430	129,609
Provision for loss on order received	1,481	-
Provision for share-based remuneration	45,418	24,711
Asset retirement obligations	-	14,517
Other	1,155,523	917,786
Total current liabilities	1,904,610	1,344,240
Non-current liabilities		
Deferred tax liabilities	19,906	13,835
Retirement benefit liability	176,245	184,803
Asset retirement obligations	140,382	123,219
Long-term accounts payable - other	205,734	109,423
Other	112,321	97,998
Total non-current liabilities	654,591	529,280
Total liabilities	2,559,201	1,873,520
Net assets		
Shareholders' equity		
Share capital	29,424,334	29,472,663
Capital surplus	37,620	87,742
Retained earnings	3,520,152	897,213
Treasury shares	(345,955)	(302,513)
Total shareholders' equity	32,636,151	30,155,105
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,301	22,225
Foreign currency translation adjustment	(2,483,315)	(2,768,392)
Total accumulated other comprehensive income	(2,451,013)	(2,746,166)
Share acquisition rights	35,222	39,312
Non-controlling interests	3,930	5,836
Total net assets	30,224,291	27,454,088
Total liabilities and net assets	32,783,492	29,327,608

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2019	For the nine months ended October 31, 2020
Net sales	5,099,143	4,775,276
Cost of sales	3,363,173	4,451,237
Gross profit	1,735,970	324,039
Selling, general and administrative expenses	2,812,437	2,865,900
Operating loss	(1,076,467)	(2,541,861)
Non-operating income		
Interest income	16,866	8,050
Share of profit of entities accounted for using equity method	5,645	45,698
Refunded consumption taxes	2,778	4,568
Fair value adjustment of contingent consideration	48,120	90,363
Other	3,240	899
Total non-operating income	76,651	149,579
Non-operating expenses		
Interest expenses	7,476	2,442
Loss on investments in investment partnerships	6,549	687
Foreign exchange losses	15,849	60,743
Other	87	1,247
Total non-operating expenses	29,962	65,120
Ordinary loss	(1,029,778)	(2,457,401)
Extraordinary income		
Gain on sales of non-current assets	–	133
Gain on reversal of share acquisition rights	11,528	–
Total extraordinary income	11,528	133
Extraordinary losses		
Extra retirement payments	23,314	–
Total extraordinary losses	23,314	–
Loss before income taxes	(1,041,563)	(2,457,268)
Income taxes - current	77,246	54,199
Income taxes - deferred	11,448	(8,103)
Total income taxes	88,694	46,096
Loss	(1,130,258)	(2,503,364)
Profit attributable to non-controlling interests	364	1,450
Loss attributable to owners of parent	(1,130,623)	(2,504,815)

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended October 31

(Thousand yen)

	For the nine months ended October 31, 2019	For the nine months Ended October 31, 2020
Loss	(1,130,258)	(2,503,364)
Other comprehensive income		
Valuation difference on available-for-sale securities	86,298	(10,076)
Foreign currency translation adjustment	(246,756)	(285,162)
Total other comprehensive income	(160,458)	(295,238)
Comprehensive income	(1,290,716)	(2,798,603)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,290,982)	(2,799,968)
Comprehensive income attributable to non-controlling interests	266	1,364