AMANASU TECHNO HOLDINGS CORP
Form 10-Q
August 14, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2018

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-31261

AMANASU TECHNO HOLDINGS CORRPORATION
(Exact name of registrant as specified in its charter)

Nevada	98-031508
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

224 Fifth Avenue, Suite D144
New York, NY 10022
(Address of principal executive offices)

(604) 790-8799
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer

Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 10, 2018, there were 49,956,300 shares outstanding of the registrant's common stock.

AMANASU TECHNO HOLDINGS CORPORATION
QUARTERLY REPORT ON FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2018

TABLE OF CONTENTS

AMANASU TECHNO HOLDINGS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2018	December 31, 2017
Current Assets:		
Cash	$5,003	$5,014
Total current assets	5,003	5,014
Total Assets	$5,003	$5,014
LIABILITIES & STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accrued expenses – stockholders and officers	$111,358	$99,650
Accrued expenses - other	1,000	-
Due to affiliate	47,479	33,122
Advances from stockholders and officers	309,215	292,475
Deposit on stock purchase	61,030	61,030
Total current liabilities	530,082	486,277
Stockholders' Deficit:		
Common Stock: authorized 100,000,000 shares of $.001 par value; 46,956,300 shares issued and outstanding	46,956	46,956
Additional paid in capital	1,552,891	1,552,891
Accumulated deficit	(2,124,926)	(2,081,110)
Total stockholders' deficit	(525,079)	(481,263)
Total Liabilities and Stockholders' Deficit	$5,003	$5,014

The accompanying notes are an integral part of these consolidated financial statements.

AMANASU TECHNO HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Month Ended June 30,		Six Month Ended June 30,	
	2018	2017	2018	2017
Revenue	$-	$-	$-	$-
Cost of Goods Sold	-	-	-	-
Gross Profit	-	-	-	-
General and administrative expenses	20,362	18,433	37,109	38,843
Total operating expenses	20,362	18,433	37,109	38,843
Operating loss	(20,362)	(18,433)	(37,109)	(38,843)
Other Income (Expense):				
Interest Expense	(3,443)	(3,147)	(6,707)	(6,089)
Loss before income taxes	(23,805)	(21,580)	(43,816)	(44,932)
Income taxes	-	-	-	-
Net loss	$(23,805)	$(21,580)	$(43,816)	(44,932)
Loss per share - Basic and Diluted	$-	$-	$-	$-
Weighted average number of common shares outstanding – Basic and Diluted	46,956,300	46,956,300	46,956,300	46,956,300

The accompanying notes are an integral part of these consolidated financial statements.

AMANASU TECHNO HOLDINGS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
CASH FLOWS FROM OPERATIONS		
Net loss	$(43,816)	$(44,932)
Changes in assets and liabilities:		
Accrued expenses – stockholders and officers	11,708	11,089
Accrued expenses – other	1,000	-
Total Cash Used in Operating Activities	(31,108)	(33,843)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in amounts due to affiliate	14,357	13,093
Proceeds from loans from stockholders and officers	16,740	20,850
Total Cash Provided by Financing Activities	31,097	33,943
Net Change In Cash	(11)	100
Cash balance, beginning of period	5,014	5,018
Cash balance, end of period	$5,003	$5,118

Supplemental disclosures of cash flow information:

Cash paid for interest	$-	$-
Cash paid for taxes	$-	$-

The accompanying notes are an integral part of these consolidated financial statements.

AMANASU TECHNO HOLDINGS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2018
(Unaudited)

1. BASIS OF PRESENTATION

The unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position of the Company as of June 30, 2018, the results of operations for the three and six months ended June 30, 2018 and 2017 and cash flows for the six months ended June 30, 2018 and 2017. These results are not necessarily indicative of the results to be expected for the full year or any other period. The December 31, 2017 balance sheet included herein was derived from the audited financial statements included in the Company's Annual Report on Form 10-K as of that date. Accordingly, the financial statements included herein should be reviewed in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the Securities and Exchange Commission ("SEC") on April 10, 2018.

2. GOING CONCERN UNCERTAINTY

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the consolidated financial statements, the Company had a working capital deficiency of $525,079 and an accumulated deficit of $2,124,926 at June 30, 2018, and a record of continuing losses. These factors, among others, raise substantial doubt about the ability of the Company to continue as a going concern. The consolidated financial statements do not include adjustments relating to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue in operation.

The Company's present plans, the realization of which cannot be assured, to overcome these difficulties include, but are not limited to, a continuing effort to investigate business acquisitions and joint ventures. As such, the Company may need to pursue additional sources of financing. There can be no assurances that the Company can secure additional financing.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

During the six months ended June 30, 2018, there have been no material changes in the Company's significant accounting policies to those previously disclosed in the Annual Report.

No recently issued accounting pronouncements had or are expected to have a material impact on the Company's consolidated financial statements.

4. RELATED PARTY TRANSACTIONS

The Company receives periodic advances from its principal stockholders and officers based upon the Company's cash flow needs. There is no written loan agreement between the Company and the stockholders and officers. All advances bear interest at 4.45% and no repayment terms have been established. As a result, the amount is classified as a current liability. During the six months ended June 30, 2018, the Company borrowed $16,740 from a stockholder. The balance due as of June 30, 2018 and December 31, 2017 were $309,215 and $292,475, respectively. Interest expense associated with these loans were $3,443 and $6,707 for the three and six months ended June 30, 2018 as compared to $3,147 and $6,089 for the three and six months ended June 30, 2017. Accrued interest on these loans were $70,827 and $64,120 at June 30, 2018 and December 31, 2017, respectively.

The Company has an arrangement with Lina Maki, a stockholder of the Company, for her management consulting time. The agreement is not written and no payment terms have been established. The fee is $10,000 annually. As of June 30, 2018 and December 31, 2017 amounts due to the stockholder were $35,000 and $30,000, respectively.

The Company also leases it office space from a stockholder of the Company. At June 30, 2018 and December 31, 2017, amounts due to the stockholder was $3,630. For the most part, lease payments are made by the Company’s affiliate. As such, when the lease payments are made by the Company’s affiliate or the lease payments are made by the Company on behalf of the affiliate, such amounts are shown as a reduction in or addition to the amount due from affiliate in the accompany balance sheets.

AMANASU TECHNO HOLDINGS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2018
(Unaudited)

5. INCOME TAXES

Deferred income taxes are recorded to reflect the tax consequences or benefits to future years of any temporary differences between the tax basis of assets and liabilities, and of net operating loss carryforwards. The Company has experienced losses since its inception. As a result, it has incurred no Federal income tax. The Internal Revenue Code allows net operating losses (NOL's) to carry forward and apply against future profits for a period of twenty years. The available NOL's totaled approximately $1.2 million at December 31, 2017. The NOL can be carried forward to offset taxable income, if any, in future years which expire in the years 2020 through 2037.The Company had approximately $44,000 NOL generated in the six months ended June 30, 2018 in the U.S., which can be used to offset 80 percent of future taxable income and can be carried forward indefinitely.

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based on the assessment, management has established a full valuation allowance against all of the deferred tax asset relating to NOLs for every period because it is more likely than not that all of the deferred tax asset will not be realized.

On December 22, 2017, legislation commonly known as the Tax Cuts and Jobs Act, or the Tax Act, was signed in to law. The Tax Act, among other changes, reduces the U.S. federal corporate tax rate from 35% to 21%, requires taxpayers to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously tax deferred and creates new taxes on certain foreign sourced earnings. We did not have any foreign subsidiaries, and, as such, the international aspects of the Tax Act are not applicable.

At December 31, 2017, in connection with the initial analysis of the impact of the Tax Act, we remeasured certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21%. As a result, we recorded a decrease in net deferred tax assets of approximately $160,000 with a corresponding net adjustment to deferred income tax expense. These adjustments were fully offset by a decrease in the valuation allowance. We have completed and recorded the adjustments necessary under Staff Accounting Bulletin No. 118 related to the Tax Act.

6. SUBSEQUENT EVENTS

The Company evaluated subsequent events, which are events or transactions that occurred after June 30, 2018 through the issuance of the accompanying financial statements and determined that no significant subsequent event need to be recognized or disclosed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" describe future expectations, plans, results, or strategies and are generally preceded by words such as "may," "future," "plan" or "planned," "will" or "should," "expected," "anticipates," "draft," "eventually" or "projected." You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual results may differ materially from those projected in the forward-looking statements as a result of various factors, and other risks identified in a companies' annual report on Form 10-K and other filings made by such company with the United States Securities and Exchange Commission. You should consider these factors in evaluating the forward-looking statements included herein, and not place undue reliance on such statements.

The following discussion should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as filed with the Securities and Exchange Commission (“SEC”) on April 10, 2018 (the “Annual Report”).

Company Overview

The Company was incorporated in the State of Nevada on December 1, 1997. Its operations to date have been limited to obtaining the license to various environmental and other technologies, conducting preliminary marketing efforts and seeking financing.

The Company's principal offices are at 224 Fifth Avenue, Suite D144, New York, NY 10022 Telephone: 604-790-8799. The Tokyo branch is located at Suite 905, 1-6-1 Senzoku Taito-Ku Tokyo Japan. Telephone: 03-5808-3663.

Plan of Operations

The Company is a development stage corporation. It has not commenced its planned operations of manufacturing and marketing. Its operations to date have been limited to conducting various tests on its technologies and seeking financing.

The Company will continue to develop and market two technologies, which the Company believes have great market potential.

The first technology is an automated personal waste collection and cleaning machine Haruka (formerly "Heartlet"), developed by Nanomax Corporation in Japan. The Haruka is a machine used in retirement homes, hospitals, and even in private residences. The Haruka allows the patient maximum comfort. The Haruka lowers the burden on the caretaker with an automated cleaning system. This machine is the only machine in its class to have a 90% government rebate, which the company believes makes the technology extremely competitive even in the current global economic crisis. The company obtained sales and manufacturing rights to the Haruka brand and is currently seeking manufacturing partners.

The second technology is Thoughts Routine Mechanism (“RUNE”) developed by the Company. We plan to develop this operating software to be used on electronic devices, such as smart phones, PC’s and gaming machines. We have secured technology and human resources that extend this technology to other applications outside the gaming sector. The Company has developed an alliance with Valhalla Game Studios (“VGS”) to jointly conduct game development and application development on “fate diagnosis based statistical theory, and “fate diagnosis” game service on mobile phones, smart phones, and tablets. We believe the collaboration between the Company and VGS may contribute to the future growth of the Company. Currently, Mr. Maki offers a wide range of advice as a special advisor, and this business continues to be evaluated and developed. In addition, cartoons, movies and games play a large role and influence world views and we believe that this technology be a very effective tool in this area.

The Company will also be concentrating its efforts on capital raising efforts to enter into the NASDAQ Global Market. The Company satisfies all entry requirements, except for investment capital. The Company's target is to raise $30,000,000 in the near future.

As stated above, the Company cannot predict whether or not it will be successful in its capital raising efforts and, thus, be able to satisfy its cash requirements for the next 12 months. If the Company is unsuccessful in raising additional capital, it may not be able to complete its plan of expanding operations as discussed above.

The company is expecting to gain the capital from issuing and selling the shares of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

General and administrative expenses increased $1,929 (10.5%) to $20,362 for the three months ended June 30, 2018 as compared to $18,433 for the three months ended June 30, 2017. This increase is attributed to an increase in utility and automobile expenses and professional fees offset partially by lower entertainment and rent expenses. General and administrative expenses decreased $1,734 (4.5%) to $37,109 for the six months ended June 30, 2018 as compared to $38,843 for the six months ended June 30, 2017. This decrease is attributed to a decrease in professional fees offset partially by higher utility and automobile expenses.

As a result of the above, the Company incurred a losses from operations of $20,362 and $37,109 for the three and six months ended June 30, 2018 as compared to a losses from operations of $18,433 and $38,843 for the three and six months ended June 30, 2017.

For the three and six months ended June 30, 2018, interest expense increased $296 and $618 to $3,443 and $6,707, respectively, as compared to $3,147 and $6,089 for the three and six months ended June 30, 2017, respectively, as a result of the additional advances from stockholders

As a result of the above, the Company incurred a net losses of $23,805 and $43,816 for the three and six months ended June 30, 2018 as compared to net losses of $21,580 and $44,932 for the three and six months ended June 30, 2017.

LIQUIDITY AND CAPITAL RESOURCES

The Company's minimum cash requirements for the next twelve months are estimated to be $80,000, including rent, audit fees, office expenses, interest and professional fees. The Company does not have sufficient cash on hand to support its overhead for the next twelve months and there are no material commitments for capital at this time other than as described above. The Company will need to issue and sell shares to gain capital for operations or arrange for additional stockholder or related party loans. There is no current commitment for either of these fund sources.

Our working capital deficit increased $43,816 to $525,079 at June 30, 2018 as compared to $481,263 at December 31, 2017 primarily due to an increase in advances from stockholders and officers, accrued expenses and due to affiliates.

On June 30, 2018, the Company had a cash balance of $5,003. The Company’s principal sources and uses of funds were as follows:

Cash used in operating activities. For the six months ended June 30, 2018, the Company used $31,108 in cash for operations as compared to using $33,843 in cash for operations for the six months ended June 30, 2017, primarily as a result of the increase in accrued expenses offset partially by the lower operating loss.

Cash provided by financing activities. Net cash provided by financing activities for the six months ended June 30, 2018 was $31,097 as compared to $33,943 for the six months ended June 30, 2017 primarily as a result of lower proceeds from loans from stockholders and officers.

OFF-BALANCE SHEET ARRANAGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Preparing financial statements in accordance with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period.

Our critical accounting policies are described in the Notes to the Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2017, as filed with the SEC on April 10, 2018 (the “Annual Report”). There have been no changes in our critical accounting policies. Our significant accounting policies are described in our notes to the 2017 consolidated financial statements included in our Annual Report.

RECENTLY ISSUED ACCOUNTING STANDARDS

No recently issued accounting pronouncements had or are expected to have a material impact on the Company’s consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 4. MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management designed the disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

We carried out an evaluation, under the supervision and with the participation of our management, including our CEO and CFO, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. Based upon that evaluation, the CEO and CFO concluded that the Company’s disclosure controls and procedures were ineffective.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

We are currently not involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our company or any of our subsidiaries, threatened against or affecting our company, our common stock, any of our subsidiaries or of our companies or our subsidiaries’ officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no unregistered sales of the Company’s equity securities during the quarter ended June 30, 2018 other than those previously reported in a Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There has been no default in the payment of principal, interest, sinking or purchase fund installment, or any other material default, with respect to any indebtedness of the Company.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Furnish the Exhibits required by Item 601 of Regulation S-K (229.407 of this chapter).

Exhibit 31.1	Certification by the Chief Executive Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*Certification Pursuant To Section 302 Of The Sarbanes-Oxley Act Of 2002.
Exhibit 31.2	Certification by the Chief Financial Officer of Registrant pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Rule 13a-14(a) or Rule 15d-14(a)).*
Exhibit 32.1	Certification by the Chief Executive Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
Exhibit 32.2	Certification by the Chief Financial Officer pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101 INS	XBRL Instance Document*
101 SCH	XBRL Schema Document*
101 CAL	XBRL Calculation Linkbase Document*
101 DEF	XBRL Definition Linkbase Document*
101 LAB	XBRL Labels Linkbase Document*
101 PRE	XBRL Presentation Linkbase Document*

* filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused his report to be signed on its behalf by the undersigned thereunto duly authorized.

	Amanasu Techno Holdings Corporation
Date: August 13, 2018	By: /s/ Atsushi Maki Atsushi Maki Chief Executive Officer Chief Financial Officer Chief Accounting Officer