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May 13, 2022

Consolidated Financial Results for the Three Months Ended March 31, 2022 (Under Japanese GAAP)

Company name: ACSL Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6232
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 Scheduled date to file quarterly securities report: May 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2022	952	–	(401)	–	(362)	–	(370)	–
June 30, 2021	267	–	(308)	–	(294)	–	(296)	–

Note: Comprehensive income For the three months ended March 31, 2022: ¥(350) million [–%]
 For the three months ended June 30, 2021: ¥(295) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2022	(30.11)	–
June 30, 2021	(27.16)	–

Notes: 1. Year-on-year changes are not presented for the three months ended June 30, 2021 as the Company began preparing consolidated financial statements in the third quarter ended December 31, 2020. Furthermore, year-on-year changes are not presented as the three months ended March 31, 2022 (from January 1, 2022 to March 31, 2022) differs from the period corresponding to the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021), which is subject to comparison, as a result of the fiscal year closing date being changed from March 31 to December 31 in the fiscal year ended December 31, 2021.

2. Diluted earnings per share is not presented because, although potential shares exist, basic loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2022	5,999	5,080	83.7
December 31, 2021	5,715	5,419	94.0

Reference: Equity
 As of March 31, 2022: ¥5,020 million
 As of December 31, 2021: ¥5,371 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2022	–				
Fiscal year ending December 31, 2022 (Forecast)		0.00	–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2022	2,500	–	(650) to (350)	–	(650) to (350)	–	(650) to (350)	–	(52.77) to (28.41)

- Notes: 1. Revisions to the earnings forecasts most recently announced: None
2. As the Company manages financial results on an annual basis, earnings forecasts for the first six months are omitted.
3. As the Company changed its fiscal year closing date from March 31 to December 31 from the fiscal year ended December 31, 2021, the fiscal year ended December 31, 2021 was a nine-month period. Accordingly, year-on-year changes are not presented.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of March 31, 2022	12,318,600 shares
As of December 31, 2021	12,318,600 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	95 shares
As of December 31, 2021	95 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2022	12,318,505 shares
Three months ended June 30, 2021	10,899,580 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	2,759,957	2,246,635
Accounts receivable - trade	69,146	944,239
Work in process	128,852	49,092
Raw materials	618,722	700,960
Other	600,679	402,555
Total current assets	4,177,359	4,343,483
Non-current assets		
Property, plant and equipment	–	30,287
Intangible assets	132,016	154,317
Investments and other assets		
Investment securities	1,061,374	1,112,061
Other	344,435	358,975
Total investments and other assets	1,405,809	1,471,036
Total non-current assets	1,537,826	1,655,641
Total assets	5,715,185	5,999,125
Liabilities		
Current liabilities		
Accounts payable - trade	37,737	530,977
Short-term borrowings	–	100,000
Other	249,320	261,039
Total current liabilities	287,058	892,016
Non-current liabilities		
Deferred tax liabilities	8,708	26,582
Total non-current liabilities	8,708	26,582
Total liabilities	295,766	918,599
Net assets		
Shareholders' equity		
Share capital	4,537,758	4,537,758
Capital surplus	4,515,758	4,515,758
Retained earnings	(3,702,378)	(4,073,287)
Treasury shares	(311)	(311)
Total shareholders' equity	5,350,826	4,979,917
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,701	37,066
Foreign currency translation adjustment	680	3,571
Total accumulated other comprehensive income	20,382	40,637
Share acquisition rights	44,443	55,242
Non-controlling interests	3,767	4,728
Total net assets	5,419,419	5,080,526
Total liabilities and net assets	5,715,185	5,999,125

(2) Consolidated statement of income and consolidated statement of comprehensive income**Consolidated statement of income (cumulative)**

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended March 31, 2022
Net sales	267,294	952,551
Cost of sales	249,527	818,622
Gross profit	17,767	133,929
Selling, general and administrative expenses	325,787	535,001
Operating loss	(308,019)	(401,072)
Non-operating income		
Interest income	4	282
Foreign exchange gains	78	15,323
Subsidy income	26,717	22,968
Other	159	197
Total non-operating income	26,959	38,771
Non-operating expenses		
Interest expenses	–	2
Share of loss of entities accounted for using equity method	–	424
Other	13,820	37
Total non-operating expenses	13,820	465
Ordinary loss	(294,880)	(362,766)
Loss before income taxes	(294,880)	(362,766)
Income taxes - current	1,272	1,272
Income taxes - deferred	–	6,945
Total income taxes	1,272	8,218
Loss	(296,152)	(370,984)
Loss attributable to non-controlling interests	(67)	(75)
Loss attributable to owners of parent	(296,085)	(370,909)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended March 31, 2022
Loss	(296,152)	(370,984)
Other comprehensive income		
Valuation difference on available-for-sale securities	298	17,401
Share of other comprehensive income of entities accounted for using equity method	–	2,890
Total other comprehensive income	298	20,292
Comprehensive income	(295,854)	(350,692)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(295,792)	(350,654)
Comprehensive income attributable to non-controlling interests	(62)	(38)