



January 13, 2023
ACSL Ltd.

**Notice of Record Extraordinary Loss (Impairment of Investment Securities)
and Amendment to Consolidated Earnings Forecast of Financial Results
for Fiscal Year Ending December 31, 2022**

ACSL Ltd. (ACSL) hereby announces recording of extraordinary loss (impairment of investment securities) for the fourth quarter of the fiscal year ended December 31, 2022 (from October 1, 2022 to December 31, 2022) and has revised consolidated earnings forecast of financial results for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022), which was announced on November 11, 2022.

1. Record Extraordinary Loss (Impairment of Investment Securities)

ACSL recorded an extraordinary loss of 408,865 thousand yen as loss on valuation of investment securities of VFR Inc. and WorldLink&Company Co.,Ltd. due to impairment of the investment securities. As a result of the evaluation made in accordance with accounting standards, the excess earning capacity at present was judged to decreased because the discrepancy between the business plan at the time of investment and the actual results has increased.

ACSL will continue to collaborate with VFR Inc. as a drone hardware development and manufacturing partner and collaborate with WorldLink&Company Co.,Ltd. as a solution partner to accelerate social implementation of industrial drones by providing domestically produced secure industrial drones and a variety of solutions tailored to customer needs.

2. Amendment to Consolidated Earnings Forecast of Financial Results for the Fiscal Year Ending December 31, 2022 (January 1, 2022 to December 31, 2022)

	Sales	Operating Income	Ordinary Income	Profit Attribute to Owners of Parent	Profit per Share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previously announced forecast (A)	1,650	△2,200	△2,150	△2,150	△174.01
Amended forecast (B)	1,650	△2,200	△2,150	△2,558	△207.11
Amount of change (B – A)	—	—	—	△408	—
Rate of change (%)	—	—	—	—	—
(Reference) Results for Year ending December 31, 2021	501	△1,188	△1,213	△1,225	△103.94

(Note) The fiscal year ending December 31, 2021, which is the transitional period for the change in the Company's fiscal year-end, will be a nine-month period from April 1, 2021 to December 31, 2021.

3. Reasons for Amendment to Consolidated Earnings Forecast

As described in 1. above, ACSL has recorded an extraordinary loss (impairment of investment securities) of 408,865 thousand yen for investment securities (other securities) held by us, and as a result, has revised its consolidated earnings forecasts for profit attribute to owners of parent and profit per share for the current period.

Attention

This document is an unofficial translation of the timely disclosure on January 13, 2023 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.