



Financial Results Material for 2022/12 Full Year

ACSL Ltd.
February 14, 2023

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FY22/12 Overview

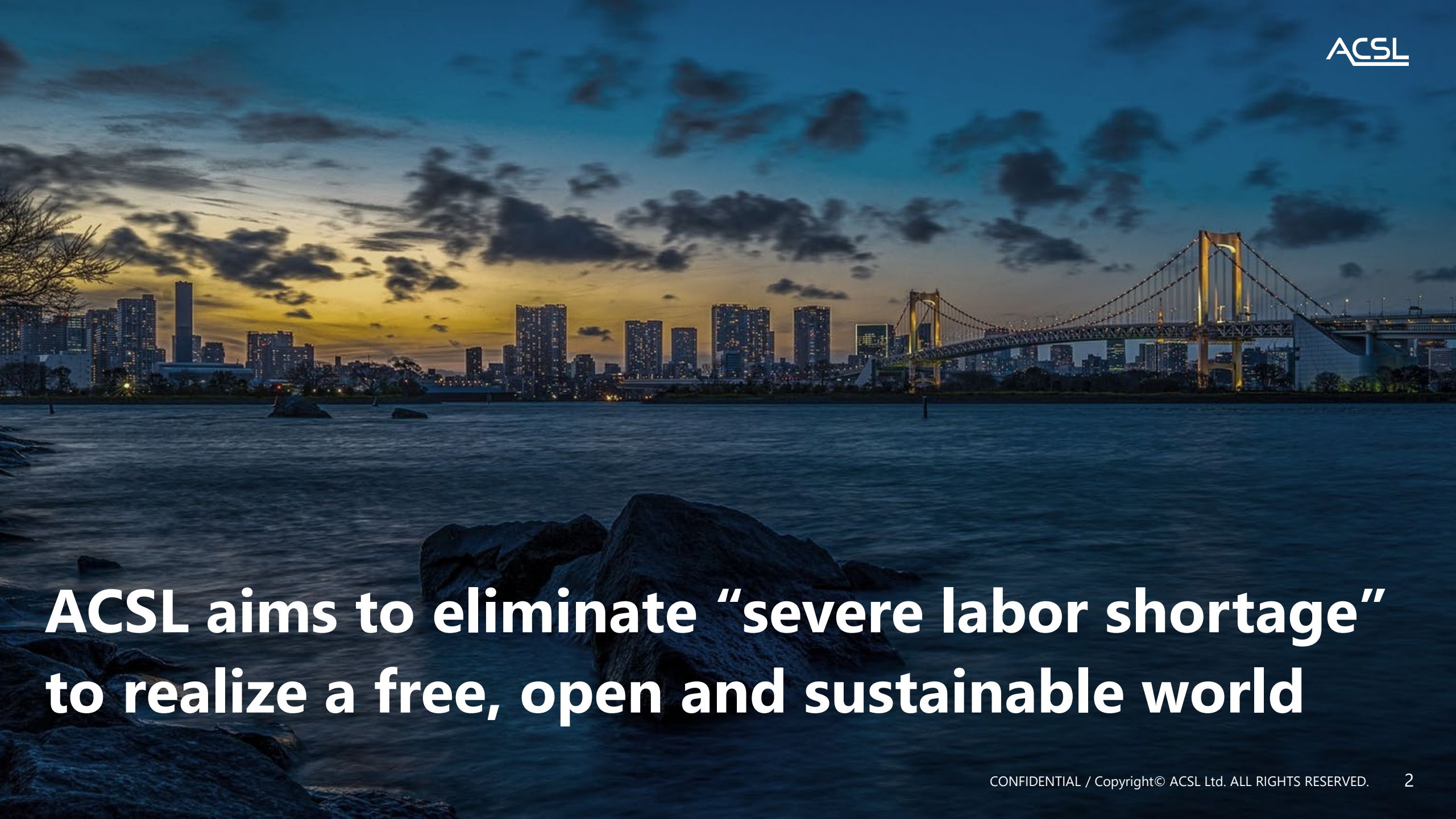


Product launch completed for Japan market and sold 663 units. **Strong awareness to economic security in overseas markets**, and **opportunities identified for ACSL** to grow via customer roadshows. Orders received of approx. **140 Mn JPY from India**.

Revenue record high with 1.63 Bn JPY. However, **lost approx. 660 Mn JPY in gross profit due to hikes in semicon prices, inventory write-downs, and foreign exchange**. Invested approx. 1.1 Bn JPY in R&D for Level 4 and overseas market. Operating profit resulted in approx. **▲2.2 Bn JPY**, record low.

Keyword for FY23 is “Steady Japan” and “Rapid growth overseas”. Countermeasures against semicon procurement completed and **outlook of gross profit expected to improve in FY23**.

- Strong tailwind for Japan market. Avian law amended on Dec 5 2022 to allow Level 4 flight. Numerous drone project awarded under Digital Rural City and De-carbonization. ACSL completed development phase of application-specific drones defined in the mid-term direction “ACSL Accelerate FY22”, and launched them with a sales of 663 units.
- Overseas market has strong awareness to economic security and environment than Japan. US and India specifically have implemented initiatives to ban import and procurement of Chinese drones. ACSL can build a strong position around economic security, enterprise support and application-specific drones, as identified through customer roadshows.
- FY22/22 net sales resulted in 64% grow of same period last year with 1,635 Mn JPY, a record high. Additional 140 Mn JPY order received from India. However, gross profit suffered with soaring semicon and electronic component prices, inventory write-downs, and foreign exchange all of which are temporary. Lost 660 Mn JPY worth gross profit. R&D expense invested into Level 4 and overseas market, with a total of 1,168 Mn JPY. As a result, operating profit resulted in **▲2,203 Mn JPY**, ordinary profit incl write-downs of investment portfolio with **▲2,593 Mn JPY**.
- Continue to target 2025 goal of 10 Bn JPY in net sales, 1 Bn JPY in operating profit. In order to accelerate growth than current speed, strategic direction of FY23 is to focus on improving gross profit and product quality for launched drones in the Japan market and target a net sales of higher than previous year with 1,635 Mn JPY or more. Targeting rapid growth in overseas market with a full-scale entry around receiving export permits and meeting local regulations for US and India, and relaunching products already launched in Japan.



**ACSL aims to eliminate “severe labor shortage”
to realize a free, open and sustainable world**

A large photograph occupies the left side of the slide. It shows a blue, rectangular sign with the ACSL logo in white, mounted on a wall. The background is a blurred office interior with glass partitions and ceiling lights. The sign is slightly angled, and the lighting is soft and modern.

MISSION

**Liberate humanity through
technology**

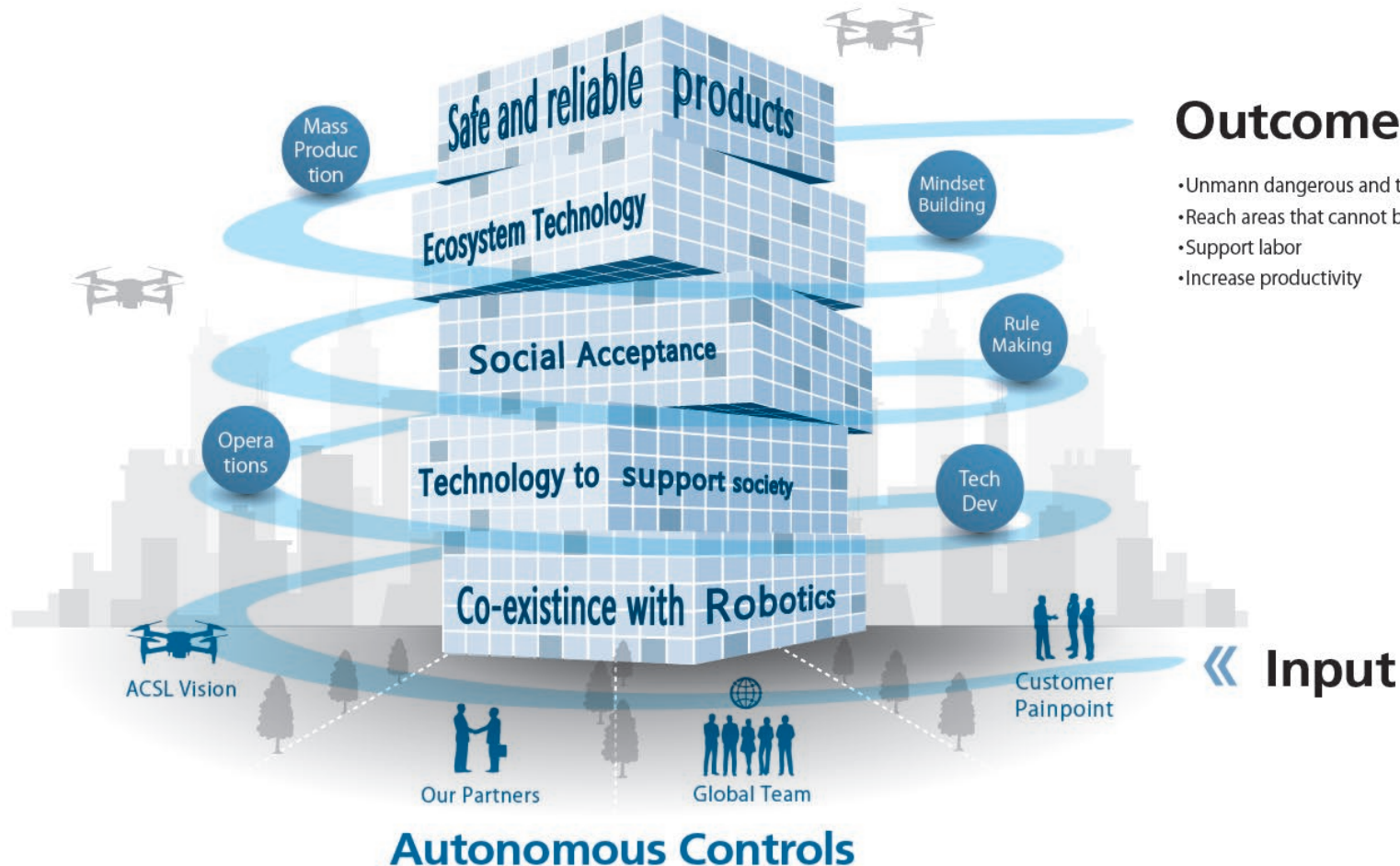
VISION

**Revolutionizing social
infrastructure by pursuing
cutting-edge robotics technology**

ACSL delivers safe and reliable drones to society through co-creation with our customers

Co-creation Approach

LIBERATE HUMANITY THROUGH TECHNOLOGY



ACSL defined the “To-be” state in 10-years. Executing management policies to realize the goal

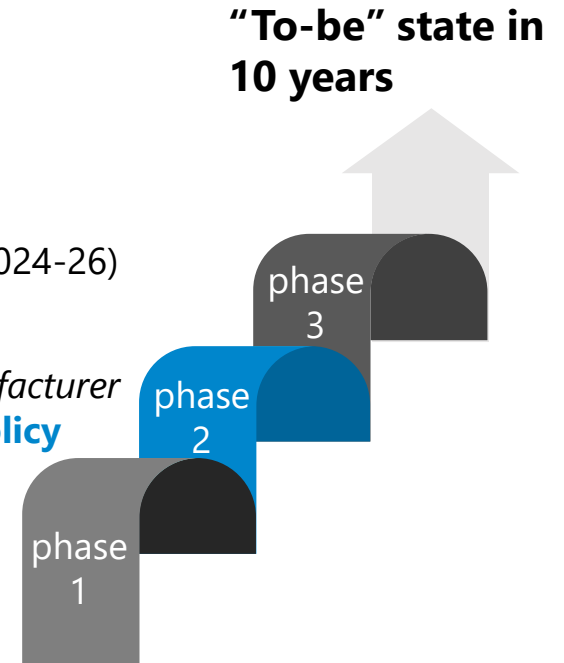
In August 2020, ACSL set forth its "Master Plan" of the “To-be” state in 10 years, and formulated a rolling mid-term management policy "ACSL Accelerate" to realize the Master Plan.

Master Plan

- 1 Global Pioneer in solving social infrastructure issues
- 2 More than 100 bn JPY sales, 10 bn JPY sales profit
- 3 Mass production manufacturer that produces 30,000 units/year
- 4 Supporting the country with de facto standards
- 5 Developing cutting-edge technologies for autonomous control
- 6 Nurturing the industry's most advanced and talented human resources
- 7 Constantly working to improve its corporate value and financial KPIs



- 3 ACSL Accelerate FY24 (planned; 2024-26)
- 2 ACSL Accelerate FY22 (2022-25)
*Shift to a sustainable global manufacturer
(Medium-term management policy
after FY22/12)*
- 1 ACSL Accelerate FY20 (2020-22)
*From Prototype Factory to Mass
Production Manufacturer*



ACSL Accelerate FY22 Business Strategy and Goals

5 pillars for growth identified in this mid-term plan to realize a sustainable business with global footprints.

ACSL Accelerate FY22

Shift to a sustainable global manufacturer



Agenda

- 1** Japan drone market and progress of ACSL Accelerate FY 22
- 2** Overseas drone market and growth opportunities for ACSL
- 3** FY22/12 Full Year Results
- 4** FY23 strategic policies to achieve medium-term goals
- 5** Appendix

Macro environment surrounding the Japan drone market is a tailwind

In addition to the increasing awareness to economic security, environment surrounding Japan drone market is favorable, supported by steady progress of Digital Rural City concept and the Aviation Law amended on schedule

01

Economic security Data security

Geopolitics increase the importance of economic security. Concerns around security and technology leaks becoming apparent as defense-related budgets increase, and demand for domestic production has emerged.

02

Revision of Aviation Law, Level 4

Beyond visual line-of-sight flight over manned areas (Level 4) is now permitted as Aviation Law amended on December 5, 2022.

03

Digital Rural City Smart City

Projects related to Digital Rural City concept being formed in various regions of Japan, accelerating regional development through implementation of drones for deliveries and disaster response.

04

Decarbonization, the clean energy

Emergence of O&M needs due to increased investment in clean energy facilities and the trend toward decarbonization through drone logistics

Regulations to allow Level 4 flight started, as Avian Law amended on schedule

Regulations to allow Level 4 flight started after Aviation Law to related to beyond visual line-of-sight flight (Level 4) was amended on December 5th 2022

June 2021	Revised Civil Aviation Law passed The Diet passed an amendment to the Civil Aviation Law to allow for Level 4 flights
June 2022	Mandatory drone registration / remote ID¹ Mandatory registration of unmanned aircraft, display of registration symbols and remote ID capabilities
July 2022	Cabinet approves December, as the enforcement date for the revision of the Civil Aviation Law.
Aug~Nov 2022	Public comments related to type certification of unmanned aircrafts MLIT conducting public comments on regulations to enable Level 4 flights
Dec 5 2022	Ministerial order to amend part of the regulations related to Civil Aviation law
~end Mar 2022	Realize Beyond-Visual Line of Sight flight over populated areas (Level 4)

Ministry of Land, Infrastructure, Transport and Tourism Unmanned Aircraft Level 4 Flight Portal Site

Below regulation started from December 5, 2022

POINT
01



Aircraft Certificate

A certification system that inspects the strength, structure, and performance of unmanned aircraft to ensure their safety

[→ 詳しくはこちら](#)

POINT
02



Unmanned aircraft operator skills certification

A certification system that certifies the skills (knowledge and abilities) required to fly an unmanned aircraft

[→ 詳しくはこちら](#)

POINT
03



Operating Rules

Various systems related to operations necessary for flying unmanned aircraft

[→ 詳しくはこちら](#)

1: A device that remotely transmits drone identification information via radio waves

Source: Ministry of Land, Infrastructure and Transport Public Comments

Public-Private Consultative Meeting for Environmental Improvement Related to Small Unmanned Aircraft (18th meeting) "New Institutional Improvements, etc. Toward the Realization of Level 4 Flights".

Numerous drone delivery projects adopted under the Digital Rural City concept and decarbonization-related projects

Potential of drone delivery being recognized and numerous drone delivery projects related to the Digital Rural City concept and carbon dioxide emission control measures have been adopted by the Japanese government



デジタル田園都市国家構想
DIGIDEN

■ Digital Rural City National Concept Basic Policy

- Basic policy approved by the Cabinet in June 2022, using digital technology to solve social issues in rural areas.

■ Accelerating rural development by drones in various areas of Japan using project funds from the Digital Rural City Initiative

- Tsuruga, Fukui Prefecture: Directly connected drone logistics in urban and depopulated areas
- Sakai, Ibaraki: New smart logistics using drones and self-driving buses
- Kamishihoro, Hokkaido: Demonstration of fertilized egg transplantation using a drone



Subsidy for carbon dioxide
emission control project

■ Subsidy for carbon dioxide emission control project

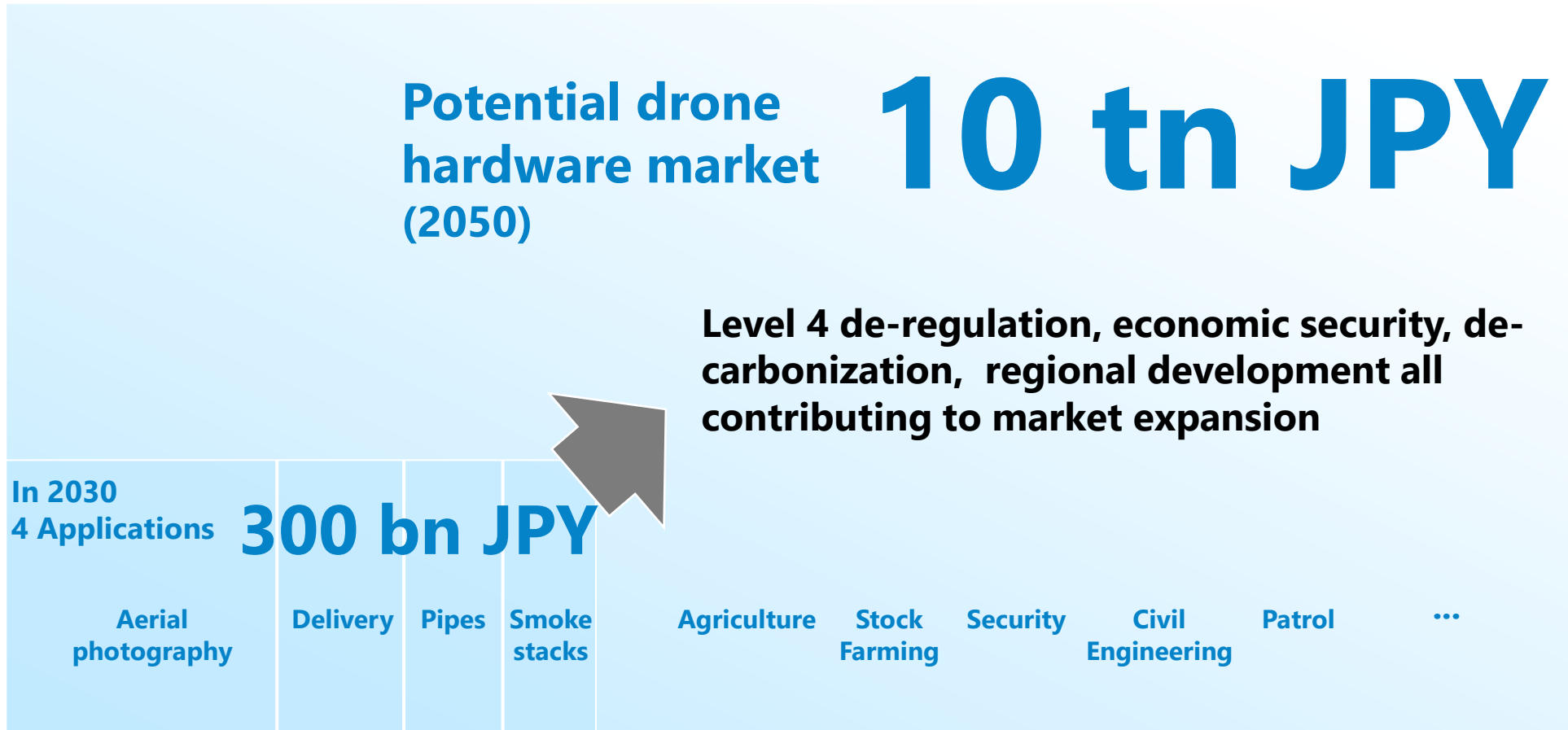
- Ministry of the Environment led a project to promote the introduction of advanced technologies to simultaneously achieve social transformation and decarbonization of logistics and transportation.

■ Subsidies to business plan development for the practical application of drone deliveries in depopulated areas

- 12 out of total 14 applications for practical use of drone deliveries in depopulated areas have been adopted as subsidized projects.

Macro environment around Japan drone market will support steady growth of the drone market

Macro environment will accelerate market creation against a potential drone hardware market of 10 trillion JPY, with 300 billion JPY market unlocked by 2030 in four major applications.



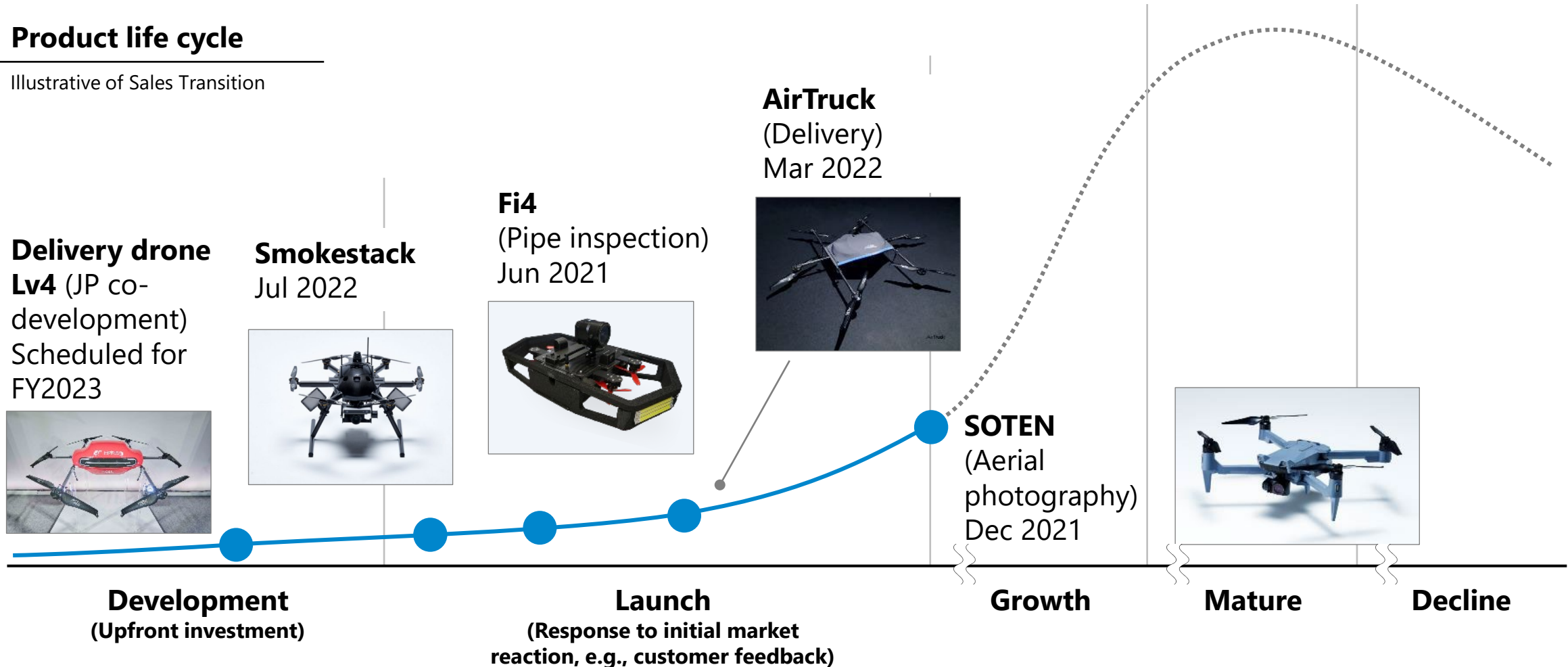
Note: Company estimate based on assumptions to number of assets, total service values, service frequency, drone unit sales on the following information
Ministry of Land, Infrastructure, Transport and Tourism, "Trends Surrounding Logistics"
Ministry of Land, Infrastructure, Transport and Tourism, "Conditions Surrounding Infrastructure Maintenance"
Cabinet Secretariat, "Estimation of the size of the private sector market for national land fortification"

ACSL has launched most application-specific drones and development investment phase is near complete

Majority of application-specific drones have left the development investment phase, and now are transitioning to a new phase to launch and response to initial market reaction (e.g., customer feedback)

Product life cycle

Illustrative of Sales Transition



Characteristics of the launched application-specific drones

Developed and launched 4 application-specific drones by the end of 2022. Total of 663 drone units sold in FY22, primarily led by SOTEN



SOTEN

(Aerial photography)

- Secure drones targeting government procurement, etc., in the context of economic security
- Four types of cameras can be hot-swapped, and the drone is wind-resistant, dustproof and waterproof



Fi4

(Pipe inspection)

- Drone capable of flying in pipes such as water and sewage pipes, co-developed with NJS
- Screening surveys can be conducted to narrow down the scope of detailed surveys



Smokestack inspection

- Autonomous flight to capture highly accurate inspection images of smokestacks, boilers, and water control tanks at factories and power plants in dark locations where it is GPS-denied



AirTruck

(Delivery)

- Delivery drone capable of flying 20 km with 5 kg payload
- KDDI SmartDrone and Aeronext form AirTruck Starter Pack to expand nationwide

“AirTruck” won the top prize at the 2022 Nikkei Superior Products and Services Awards

AirTruck, launched in Mar 2022 aims to become the de facto standard for drone delivery, and was the first drone to win the Nikkei Superior Product and Service Award

■ Nikkei Superior Product /Service Award

- The Nikkei Superior Products and Services Awards, now in their 41st year, are awarded to the 20 most outstanding new products and services launched in a given year.

■ First drone to receive the award

- ACSL is the only start-up company among the eight award-winning companies in the production goods category
- This is the first time a drone has won this award.

■ Recognized as a product that responds to social issues

- AirTruck already has 5 implemented areas and 14 trial areas, aiming to become the de facto standard for drone delivery



Delivery trial and unveiling of a new delivery drone in development conducted under the capital and business alliance with Japan Post

ACSL provided delivery drone and operational support for Japan Post’s “Trials on delivering mail by drones” in Dec 2022, and also unveiled a new Level 4 compliant delivery drone in development which it aims to be put into practical use in FY23 or later.

Unveiling of a Level 4 compliant delivery drone

On Dec 6, 2022, Japan Post and ACSL unveiled a Level 4 compliant delivery drone that aims to be put into practical use in FY23 or later.

The drone aims for flight performance that achieves a distance of 35 km, 3.5 times greater than the previous model, and a payload of 5 kg, 2.5 times greater than the previous model.



Unveiling ceremony



Dedicated delivery drone unveiled

Trials on delivering mails by drones

Delivery to residential households and nearby-delivery points in Iruka Post Office delivery zone in Kumano, Mie Prefecture, from Dec 5, 2022 to Dec 23, 2022.

Verification of a manpower-saving by introducing innovative delivery models in mountainous areas, such as delivery of mail from a drone to drop-off box.



Drone delivery



Drop-off box

Applied for Level 4 Tier-1 Type Certification and conducted numerous proof-of-concept trials to develop new applications

ACSL started procedures for conformance to Level 4 Tier-1 Type Certification, which began on Dec 5, 2022. In order to explore new marketable applications, numerous proof-of-concept trials conducted to identify customer pain points and marketability.

Level 4 Tier-1 Type Certification

- Type Certification System is a certification system that inspects the strength, structure and performance of a drone to ensure that the **design and manufacturing process conforms to safety and uniformity standards**, and to ensure safety and uniformity
- ACSL **applied for Tier-1 Type Certification for delivery drone** on Dec 5, the same day the Aviation Law was amended
- Scheduled to obtain type certification and **conduct Level 4 flights** by the end of Mar 2023.



Drone applied for type certification



Testing for certification

Proof-of-Concept trials to develop new applications

■ Wind Power Generation Inspection

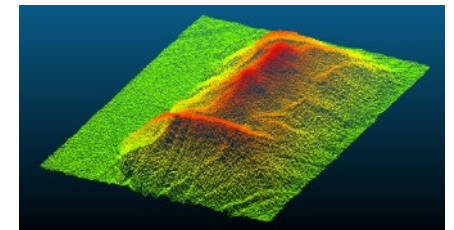
- Reduced access time and improved safety, e.g., accessing high locations
- Wind power inspections are easily configured for automatic flight with a dedicated app



Automated blade inspection for wind turbines

■ Surveying (volume calculation)

- Improved productivity in volume calculations by achieving a wide range of measurements in a short period of time



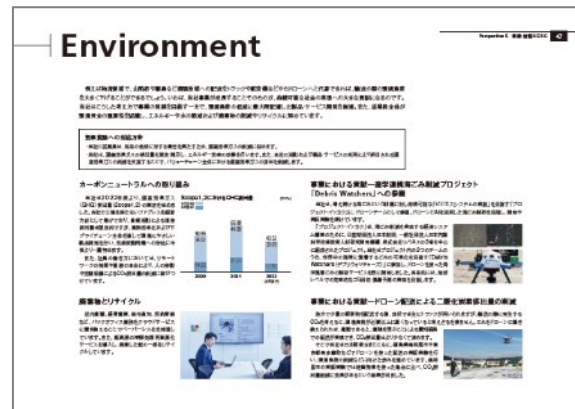
Acquire 3D point cloud and calculate sediment volume

ESG initiatives being actively promoted. ACSL published its first integrated reports in English and Japanese to strengthen stakeholder communication



Integrated reports including qualitative information are published in English and Japanese to strengthen communication of ESG-related initiatives to diverse stakeholders. In particular, the report highlights ACSL's global corporate culture and diversity.

Integrated Report 2022

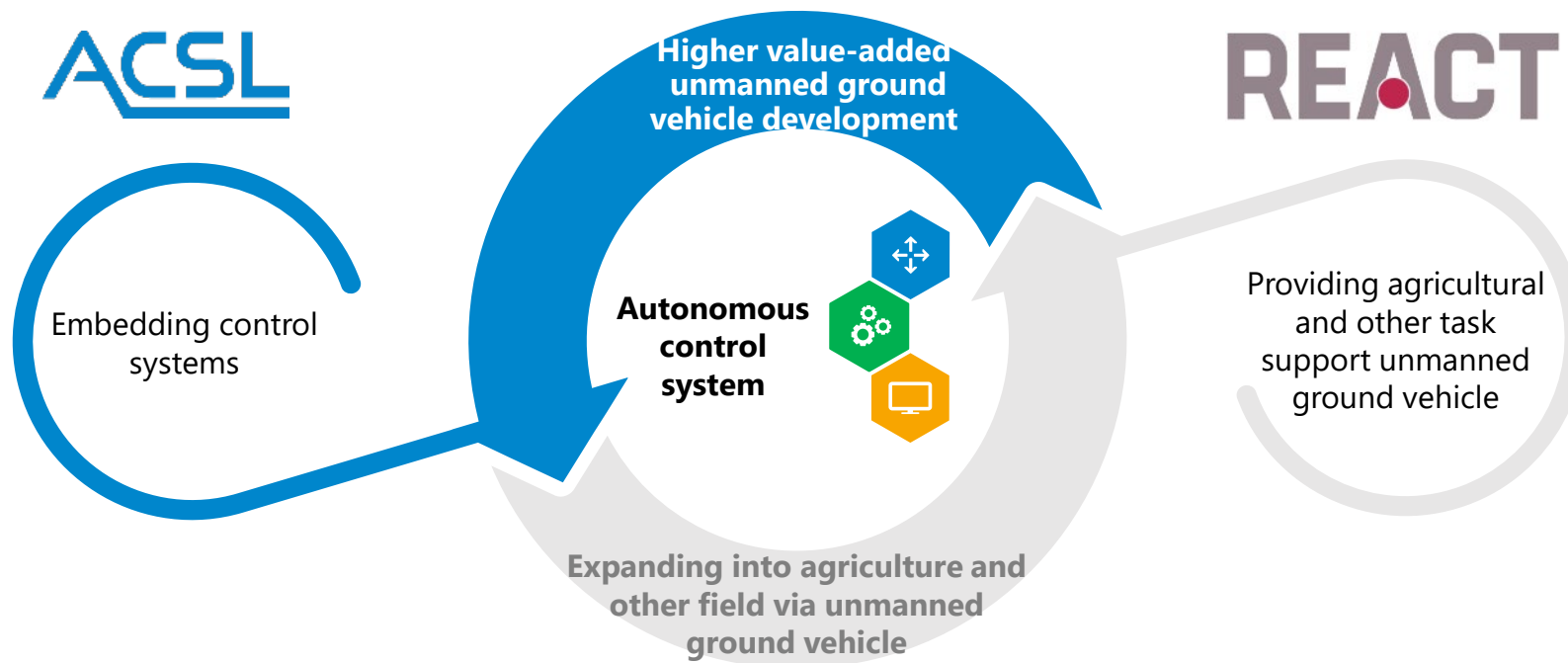


- **ACSL publishes its first integrated report** in both English and Japanese. ACSL's vision and initiatives are systematically introduced to a diverse range of stakeholders, including investors, clients, and partners.
- **The Integrated Report consists of five sections**
 - ACSL's vision and mission
 - ACSL core technologies and product lines
 - Markets, customers and our history
 - Values, corporate culture, work style, diversity
 - Business performance, financials, ESG

Invested into REACT to expand ACSL's core technology "autonomous control system" to other fields beyond drones

ACSL's core technology – autonomous control system – is effective in other robotics field. As a first step to expand beyond drones, ACSL entered into a capital and business alliance with REACT, a developer of unmanned ground vehicles

Outline of Capital and Business Alliance



Outline of REACT (formerly I-EAT)

- Started robot-related business in 2016 as a venture from Utsunomiya University
- A technology that first won the 7th Robot Awards, Minister's Prize of the Ministry of Education, Culture, Sports, Science and Technology
- Production, development and sales of agricultural support robots
- Possesses technology for autonomous mobility and human tracking



Agricultural unmanned vehicles by REACT

REACT will first advance UGV through proof-of-concept projects in the agricultural sector

Development and trial project of smart agriculture technology

- Systematization of smart agricultural technology in pear cultivation
- Mobile robot and on-board work module to reduce labor intensity and labor hours in harvest transportation, weed control, and pruning and branch collection.



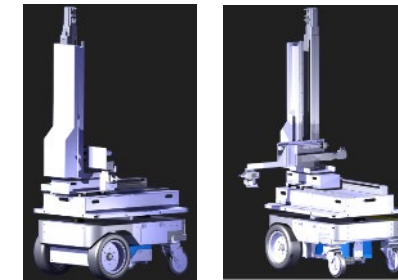
Herbicide spray



Branch collection with branch collection module

Smart agriculture trial project

- A mobile robot equipped with a strawberry harvesting actuator and a mobile robot that transports harvested strawberries work in tandem to shorten harvesting time and reduce harvest loss rate.



Strawberry harvesting and transport robot



Overall picture of the trial

Trial of mobile robot operation in an apple orchard

- Demonstration of mobile robot in actual apple orchard work to see if it can improve work efficiency, etc.



Human-following by robots



Crop haulage

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Overseas drone market is at a tipping point, and economic security is of prominent importance

Overseas drone market has grown at a faster pace than Japan's but has reached a turning point starting with recent economic security concerns, and there is a growing movement to eliminate Chinese drones in the U.S., India, and other countries.

Macro environment surrounding the overseas drone market

Economic Security and Data security

Russian-Ukrainian War and the geopolitical situation increase the importance of economic security. Policies on national security, data security, and countermeasures against technology leaks are prominent.

Environmental awareness and robotics

Utility of drones as a solution to manpower saving, decarbonization, and clean energy is on the rise.

Drone market trends in each country



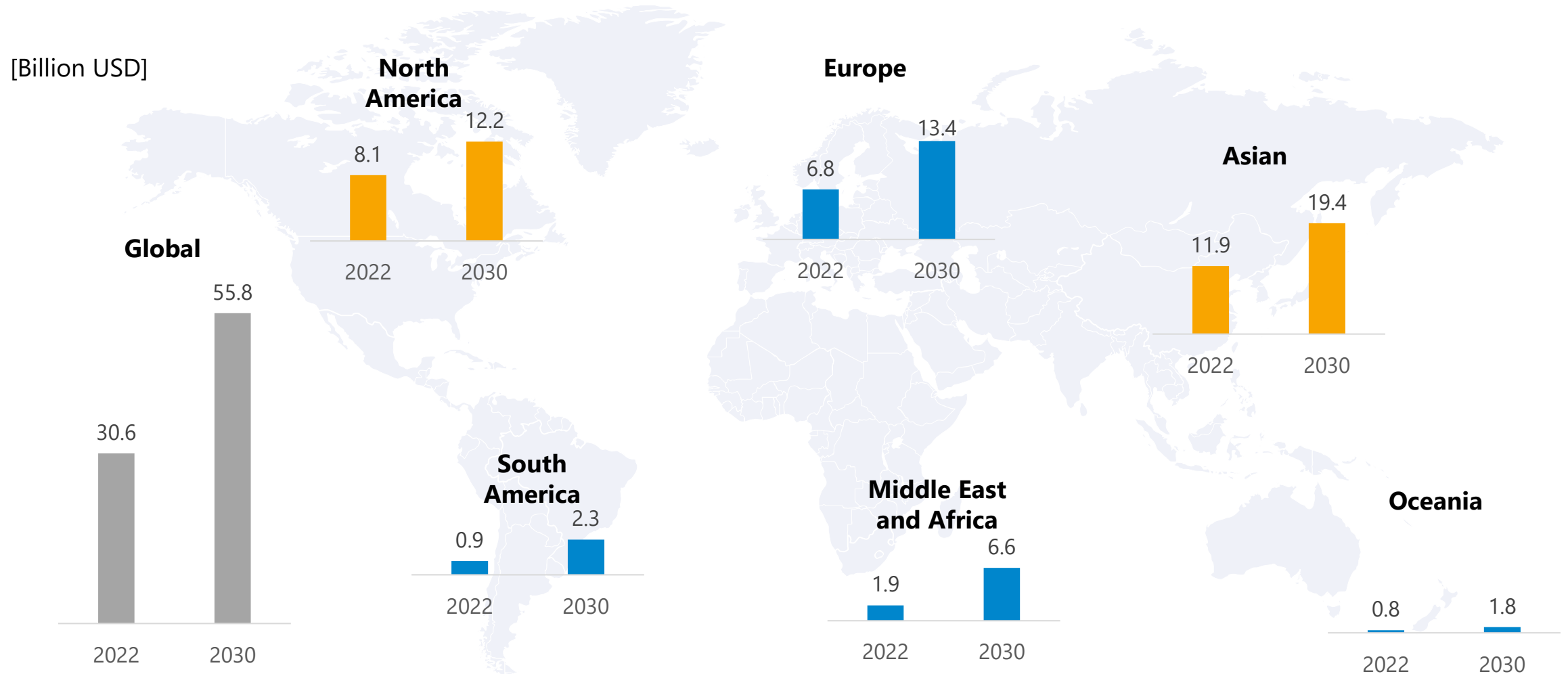
- The National Defense Authorization Act (NDAA) is in effect in the U.S. and prohibits government procurement of drones from Russia and China.
- Chinese drone manufacturer DJI was designated as a "China Military Corporation" by the Department of Defense in Oct 2022



- From Feb 2022, India has banned the import of foreign-made drones to promote Make-In-India (Drone Shakti Scheme).
- A Production Linked Incentive (PLI) of Rs. 26,058 crore has been structured over three years to promote Make-In-India. Drones also fall under this category.

Globally, North America is the second major drone market after Asia

Global drone market is estimated to be worth USD 30 Bn in 2022, with Asia, including India, as No.1 drone market, followed by North America as the No.2, indicating that the overseas drone market has great potential.



ACSL can build a unique positioning in the overseas drone market

ACSL can build a unique positioning in the overseas drone market, where the need for economic security is on the rise. Key words for the positioning are: "economic security," "enterprise support," and "application-specific".

Economic security

- Experience in developing drones compatible with economic security concerns, incl. secure support and stable procurement of parts
- SOTEN is a drone designed with economic security targeted for Japanese government procurement

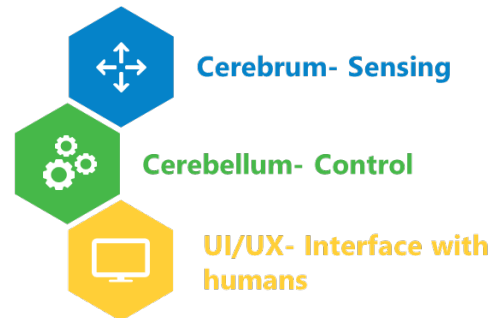


X

Enterprise support

- ACSL owns proprietary proprietary autonomous control system, which enables provision of customization for enterprise requirements
- ISO9001 and ISO27001 are available, and ACSL has experience in shipping and market supporting +600 units per year in Japan.

Autonomous control systems



X

Application-specific

- Develops application-specific drones rather than general purposes drones, which is niche but highly substitutable for business operations
- Safe and secure technical capabilities that enable the development of Level 4-compliant drones in Japan



Confirmed that there are economic security needs that ACSL can take advantage of in the US market

Confirmed extremely strong economic security needs in both government and private sectors at U.S. trade shows, and identified strong interest in purchasing ACSL drones at multiple customer site roadshows.

- **SOTEN exhibited at the Commercial UAV Expo in the U.S.** following the AUVSI XPONENTIAL 2022 in April. SOTEN was highly evaluated for its use in inspection and surveying at the world's leading commercial drone exhibition.

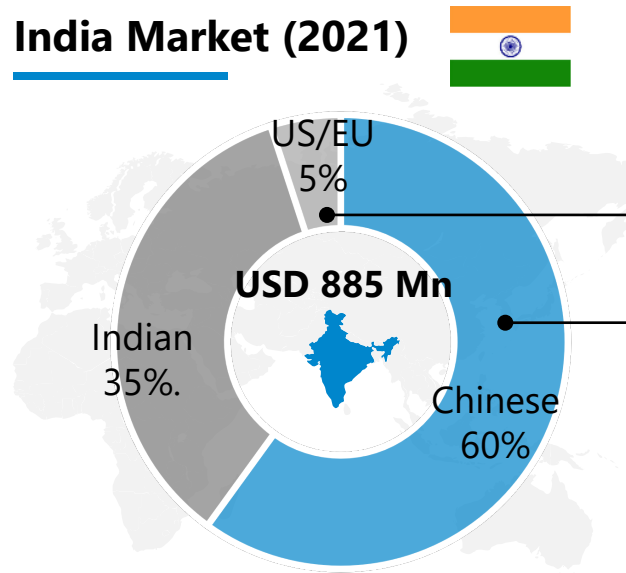
- With the **National Defense Authorization Act (NDAA) now in effect in the U.S.** and the Department of Defense designating DJI as a China Military Company, government and social infrastructure companies are eager to make the switch as soon as possible.

- **Conducted roadshows at several customers in October 2022 and January 2023** to evaluate the feasibility of practical application and confirmed their desire to purchase the product.



Received a large order of approx. 140 mn JPY in India by realizing local production

Rs. 80 million deal to provide Made-In-India drones that are also compliant with Indian government policy.



- **Import of foreign-made drones banned in India** from Feb 2022 to **promote Make-In-India** (Drone Shakti Scheme)
 - In order to sell drones in India, they must be manufactured in India and have type certification.
- **ACSL established a local joint venture, ACSL India, to promote Make-In-India compliant activities.** In addition, ACSL India promotes sales promotion activities with local service partners.
- **Recently awarded a major contract worth Rs. 80 million** to provide platform drones compliant with Make-In-India, with production to be carried out at ACSL India.



Prime Minister Modi and ACSL India Managing Director Arjun (rightmost photo) visit the ACSL India booth at the Drone Festival of India 2022.

First drone-related company in the world to join the Universal Postal Union

ACSL became the first drone-related company in the world to join the Consultative Committee of the Universal Postal Union (UPU) in Nov 2022.

■ Universal Postal Union

- A specialized agency of the United Nations with 192 member countries whose purpose is to promote communications among peoples through the effective operation of postal services and to contribute to international cooperation in the cultural, social, and economic fields.

■ Highly recognized for the continuous drone postal delivery with Japan Post since 2018 when the Aviation Law was amended

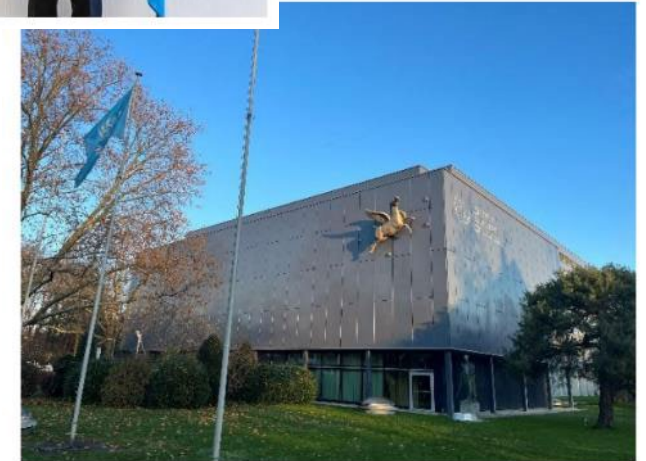
- First Level 3 flight (unassisted BVLOS flight in unmanned areas) in Japan in 2018
- In Dec 2022, a new delivery drone compliant with Level 4 announced.

■ International presence, overseas trial opportunities

- Recognized as a delivery drone manufacturer by an authority organization, which has a leverage effect on overseas business development.
- Opportunities for overseas trials with the cooperation of UPU



With Mr. Meitoki,
Secretary General of UPU



Exterior view of the UPU headquarters in
Bern, Switzerland

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Summary of FY22/12 Full Year Results and Outlook for FY23/12



Net sales was a record high. However, gross profit was a record low due to temporary factors of high semicon prices, inventory write-downs and foreign exchange. Issues around gross profit expected to improve toward FY23/12.

[Mn JPY]	FY22/12 Full Year Results	Results of same period of previous year ¹	Change	Summary	Outlook for FY23/12
Net sales	1,635	996	+639	<ul style="list-style-type: none"> Net sales continued to grow steadily, reaching a record high of 64% over the same period last year. Steady growth trajectory overseas as well with order backlogs of 80 Mn rupees from India. 	<ul style="list-style-type: none"> In line with the market growth, solid growth is expected in Japan. Overseas market pose new new growth opportunities.
Gross profit	▲124	95	▲220	<ul style="list-style-type: none"> Struggled significantly. Although a certain degree of marginal profit was secured, shortage and soaring prices of semicon and electronic components, inventory write-downs, and the effect of weak yen resulted in a temporary loss equivalent to 660 Mn JPY in gross profit (40% gross profit ratio). Toward FY23, implement a certain level of countermeasures for soaring prices of semicon and electronic components. 	<ul style="list-style-type: none"> Design change to less expensive semicon and electronic components has already been implemented for FY23/12. Price hikes are under control to a certain extent, so improvement is expected. Uncertainty in exchange rate outlook
Gross profit ratio	▲8%	10%	▲17pt		
R&D expense	1,168	920	+248	<ul style="list-style-type: none"> R&D activities for Level 4 and overseas markets were strengthened in Q4. Most of the application-specific drones have successfully launched after completing the development phase which require heavy investment. 	<ul style="list-style-type: none"> Similar themes such as Level 4 compliance and overseas expansion are expected to partially continue towards FY23/12.
Operating income	▲2,203	▲1,582	▲621	<ul style="list-style-type: none"> Impairment of all investments in WorldLink & Company and VFR. Write-downs based on accounting procedures due to delays in achieving business plan formulated at the time of investment due to COVID-19. Business collaboration is expected to continue. 	<ul style="list-style-type: none"> No write-downs anticipated at this time
Net income	▲2,593	▲1,925	▲667		

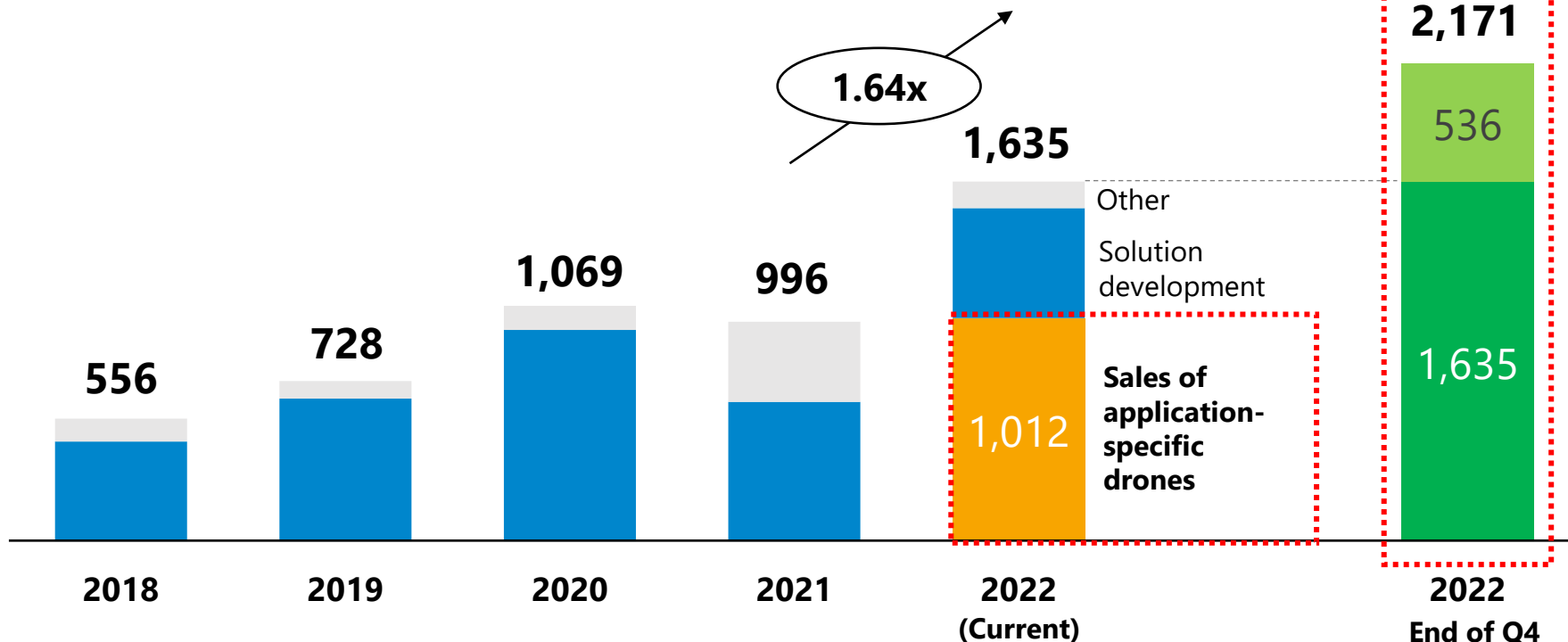
1: Due to irregular fiscal year, above is the total for 12 months from Jan~Dec of 2021.

FY22/12 Q4 sales increased 64% y/y and reached a record high. Overseas orders also received

Sales were up 64% over the same period last year, marking a record high for the full year. More than 1 billion of those sales were application-specific aircraft sales, and the company also succeeded in changing its sales mix to mass-production manufacturers.

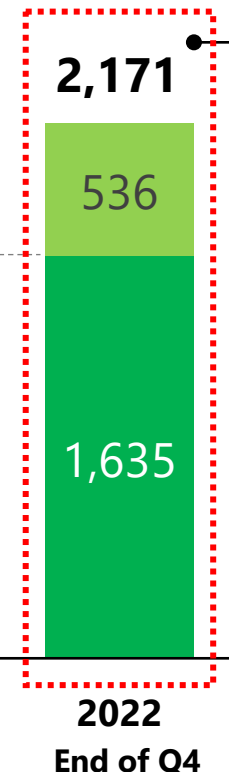
Jan~Dec Net sales¹

Mn JPY



Total of net sales and order backlog at end Dec²

Mn JPY



Record high; FY22/12 Q4 cumulative sales and order backlog combined totaled 2,171 Mn JPY

Order backlogs of 80 Mn rupees also from India (approx. 140 Mn JPY)

1: The fiscal year ended March 31, 2021, and the following fiscal year ended December 31 2021 is a 9-month irregular accounting period from 21/04~21/12. Above is the total for 12 months from Jan~Dec for each year.

2: Order backlogs is the total value of projects with a purchase order or similar documents at the end of Dec 2022

Both SOTEN and Solution Development secured a certain level of marginal profit ratio



645 units shipped and booked 930 Mn JPY for SOTEN, but was below initial target. Marginal profit ratio¹ reached 20%. Solution Development fell far short of initial target. Marginal profit ratio improved from Q2 onward, achieving 54% for full year.

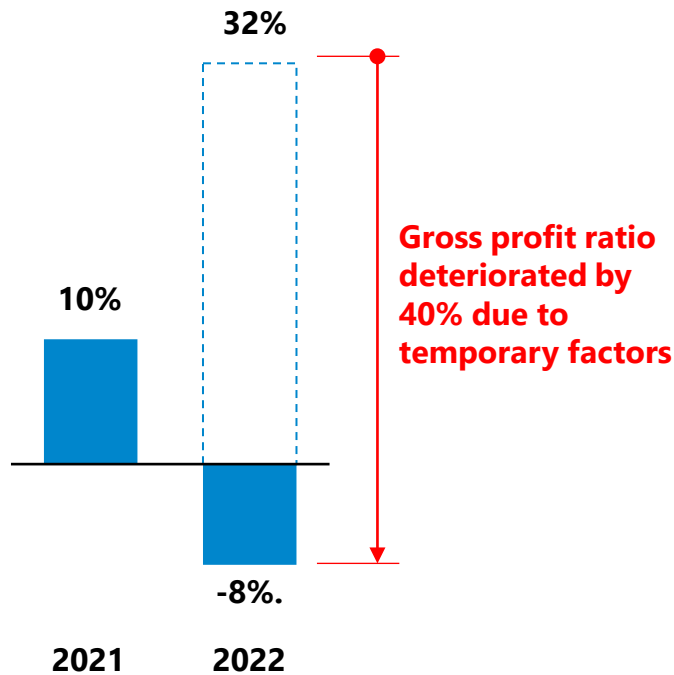
		Q1 Results	Q2 Results	Q3 Results	Q4 Results	Full Year Results	Initial target
SOTEN (Aerial photography)	Net sales (bn JPY)	5.9	0.2	0.2	3.0	9.3	10
	# of drones (units)	475	6	7	157	645	1,000
	Marginal profit ratio (%)	18	39	40	21	20	15 or more
Solution Development (Proof-of-concepts trials, sales of prototype drone)	Net sales (bn JPY)	2.9	0.3	0.3	1.4	5.0	12
	Marginal profit ratio (%)	44	74	69	64	54	60 or more

1: Marginal profit by product is defined as net sales minus variable costs; for SOTEN and drone sales, it is defined as net sales minus material costs; and for proof-of-concept trials, it is defined as profit minus direct subcontracting costs. Gross profit is defined as marginal profit minus labor and manufacturing costs.

Gross profit ratio suffered significantly due to temporary semicon price hikes, foreign exchange rates, and inventory valuation loss

FY22 gross profit ratio suffered due to shortage and price hikes in semicon and electronic component, inventory write-downs, and yen depreciation resulting in 40% gross profit ratio loss. Actions taken for FY23 to cope with component price hikes.

Jan~Dec Total
Gross profit ratio¹



Temporary factors contributing to gross profit ratio loss

Shortage and price hikes of semicon and electronic components

- Shortage and price hike of components including semicon due to COVID-19, making it difficult to procure at reasonable prices (e.g., power IC from 500 JPY to 70,000 JPY)
- Production needed to be maintained to meet existing delivery commitments to customers, such as gov procurement, and reflection to product price could not be done
- Purchased components from secondary market in bulk ahead of time to maintain production. Design changes made within reasonable limits for parts that are in short supply or have become expensive to reduce down COGS.
- Approx. 400 Mn JPY impact including the following foreign exchange impact

Foreign Exchange

- R&D projects and component procurements that are ordered in USD were procured at higher prices than when contracted due to weakening of the yen (from an assumed 110 JPY/USD to a maximum of 140 JPY/USD).
- Procurement of overseas parts from allied countries exists since those are difficult to obtain in Japan (e.g., NVIDIA GPUs, Texas Instrument power ICs)

Inventory write-downs

- Parts inventory at higher-than-planned prices to ensure continued production
- Write-down of approx. 260 Mn JPY for inventory related to SOTEN held as of Dec 2022, based on future sales prices plans.

1: FY21/12 is an irregular 9-month accounting period from 21/04 to 21/12.

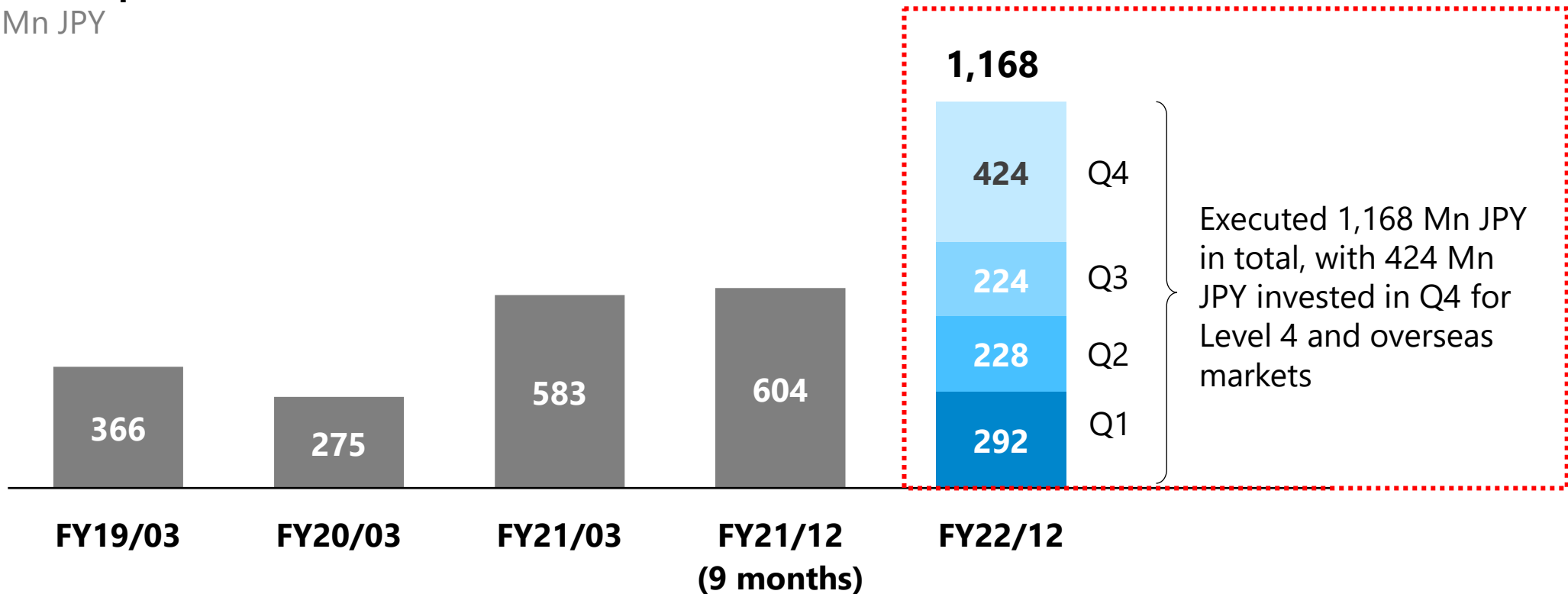
The total effect of semicon price hikes, foreign exchange rates, and inventory write-downs total ~660 Mn JPY to the gross profit results of FY22/12. Approximately 660 Mn JPY (40%) compared to net sales of 1.63 Bn JPY are temporary factors.

R&D expenses actively invested for Level 4 compliance and overseas markets

R&D for Level 4 and overseas markets were strengthened in Q4, and totaled 1.16 Bn JPY as upfront investment. Majority of the application-specific drones have completed the investment-heavy development phase and have been successfully launched.

R&D expenses (Full Year)

Mn JPY



Cumulative results of FY22/12



Record cumulative net sales of 1,635 mn JPY and net income of -2,583 Mn JPY.

(Mn JPY)	FY22/12 cumulative (Jan~Dec 2022)			Cumulative of same period of the previous year ¹ (Jan~Dec 2021)	Cumulative of FY21/12 (Apr-Dec 2021)
	Actual	YoY change to same period of previous year	YoY change to cumulative FY21/12	Actual	Actual
Net sales	1,635	+639	+1,134	996	501
Gross profit	▲124	▲220	▲125	95	0
Gross profit ratio	▲8%	▲17 pt	▲8 pt	10%	0
R & D	1,168	+248	+564	920	604
Operating income	▲2,203	▲621	▲1,014	▲1,582	▲1,188
Ordinary income	▲2,593	▲667	▲1,367	▲1,925	▲1,226

1: Figures for the third quarter of the fiscal year ending March 31, 2021 and thereafter are based on consolidated financial statements; figures for earlier quarters are based on non-consolidated financial statements.

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The background of the slide is a close-up, high-angle photograph of a grey drone. The drone's body, arms, and propellers are visible, with a red LED light glowing from the bottom of one of the arms. The lighting is soft and even, highlighting the textures of the drone's plastic and metal components.

FY23 Strategic Policy

Full-scale overseas expansion

ACSL will continue to target the end goal of ACSL Accelerate FY22 with 10 Bn JPY in net sales and 1 Bn JPY in operating income



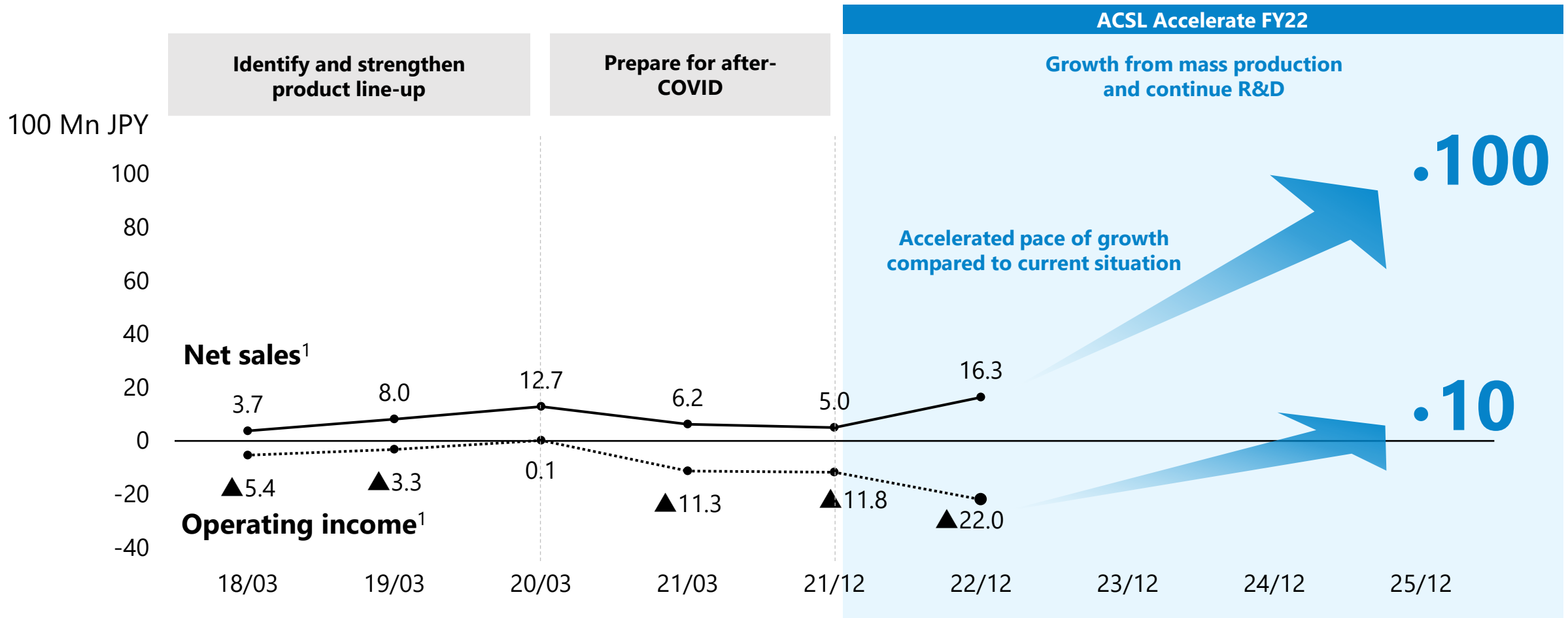
In order to achieve the goal set forth in the "Master Plan", ACSL will continue to achieve the 2025 target that was set in the ACSL Accelerate FY22 – net sales of 10 Bn JPY and operating income of 1 Bn JPY

	Current term 2022	ACSL Accelerate FY22 2025	Master plan 2030
Net sales	1.63 Bn JPY	10 Bn JPY	100 Bn JPY
Operating income	▲2.2 Bn JPY	1 Bn JPY	10 Bn JPY

Accelerated growth required to achieve the numerical targets in ACSL

Accelerate FY22

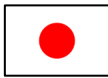
In order to reach the numerical targets for 10 Bn JPY net sales and 1 Bn JPY operating income, accelerated growth from the current pace is essential. Additional initiatives required in addition to the current strategy.



1: Actual results up to FY 22/12, FY 21/12 is irregular 9-month results

Keywords for FY23 strategic policy are “Steady Japan growth” and “Rapid overseas growth”

In FY23, ACSL will leverage its strength to meet the increasing economic security needs to achieve steady growth in Japan as well as fully expand overseas, including India and the U.S., to achieve rapid growth



Steady Japan growth



Rapid overseas growth

Strategic policy

- Quickly reflect market feedback to the four application-specific drones already launched and move products from launch to growth phase
- Focus on improving gross profit by improving procurement and avoiding semicon price hikes and parts shortages
- Focus on small-scale, effective development instead of large R&D investments

- US: Obtain export licenses and comply with local regulations for SOTEN to meet extremely strong economic security needs, and launch in the US
- India: Leveraging the advantage of being a Japanese manufacturer and enable local production to meet the Make-in-India policy, and models already launched in Japan will be re-launched in India.
- Focus on marketing and public relations to improve global presences

Performance targets

- Japan net sales equal to or greater than the net sales of 1,635 mn JPY in FY22/12

- In terms of overseas net sales, though there are high demand created due to economic security and ACSL has already received backlogs of 140 Mn JPY from India, it is difficult to make a reasonable forecast at this point due to uncertain time frame for complying with laws and regulations and obtaining export licenses in each country

Specific earnings forecasts are not disclosed as it is difficult to calculate appropriate and reasonable figures at this time due to anticipated large fluctuations in performance caused by macroeconomic environment changes such as semiconductor price hikes, component shortages, and exchange rate.

Announced fundraising of 3.56 Bn JPY on Jan 20 for "Rapid Overseas Growth" in FY23



Raised 1.73 Bn JPY at the time of issuance through the issuance of common stock and convertible bonds, and will raise additional 1.83 Bn JPY while reducing the impact of dilution through the issuance of fixed exercise price private warrants.

	Common stock	Convertible bond (Bonds with subscription right)	Private warrants
Allottee		CVI Investment, Inc.	
Amount to be procured	0.34 Billion yen	1.39 Billion yen	1.83 Billion yen ¹
Total amount to be raised	3.56 billion yen		
Number of (potential) shares	Common stock of the Company 220,500 shares	700,000 shares – 1,680,169 shares (Lower limit conversion price~ Upper limit conversion price)	Common stock of the Company 920,500 shares
vs. number of shares outstanding ²	1.8%	5.7% - 13.6%	7.4%
Pricing ³	Issue price 1,539 yen (93% of the closing price on the day preceding the resolution date)	Conversion price Initial 1,985 yen (120% of of the closing price on the day preceding the resolution date) Upper limit conversion price: 1,985 yen Lower limit conversion price: 827 yen	Exercise price 1,985 yen (120% of of the closing price on the day preceding the resolution date)
Period	-	Redemption date: February 8, 2027	February 7, 2023 - February 8, 2027
Lock-up	No fundraising involving an issuance of shares, excluding third-party allotment to strategic partners for 180 days after the closing date of this transaction		
Conditions for Revision of Exercise Price	-	The conversion price will be revised every 6 months (8 times in total) to 90% of the lowest daily VWAP during 10-consecutive trading days immediately prior to August 6 of each year from 2023 through 2026, and to February 6 of every year from 2024 through 2027	No exercise price revision will be made. (See next page)

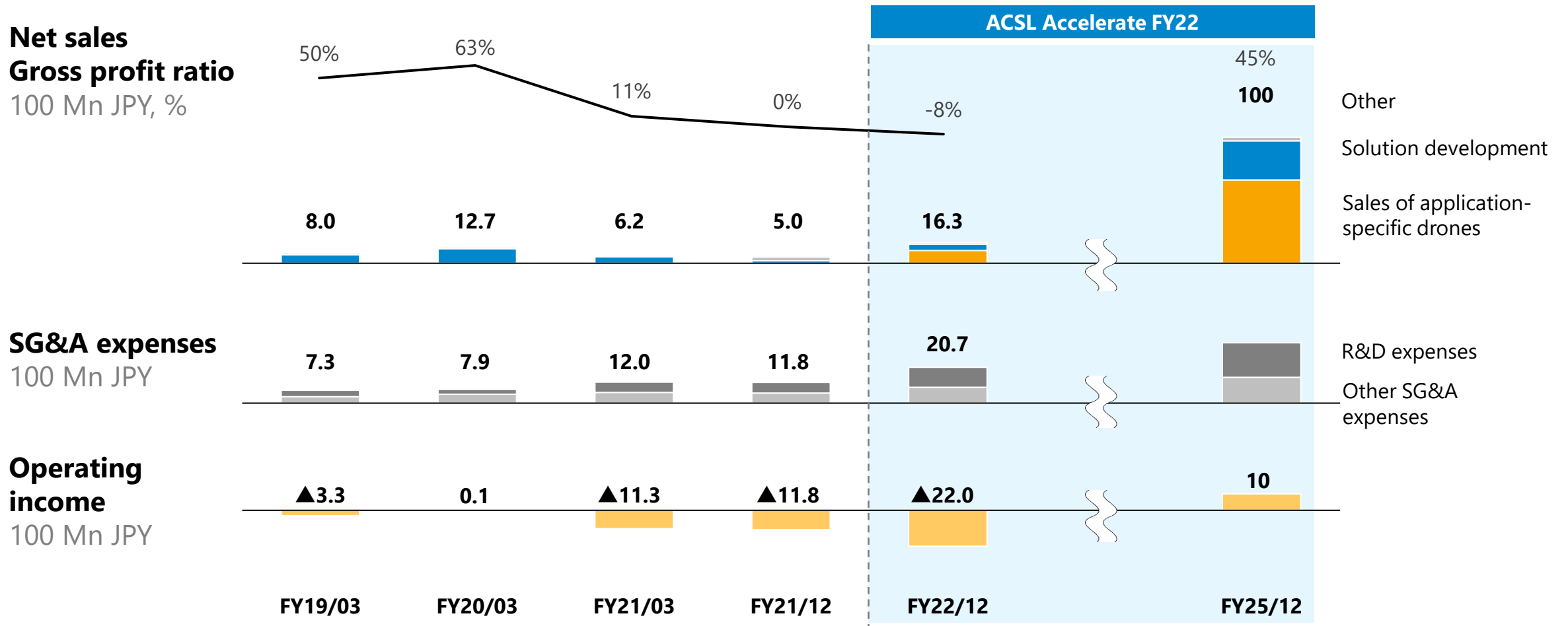
1: The sum of the initial paid-in amount and the total amount to be paid upon exercise of warrants. The amount of funds raised will decrease if the Stock Acquisition Rights are not fully exercised within the exercise period, or if the Company purchases and cancels some of the Stock Acquisition Rights
2 : As of December 31, 2022

3: Both the issue price and conversion price are rounded up to the nearest one yen.

Final sales composition and gross profit targeted for FY25

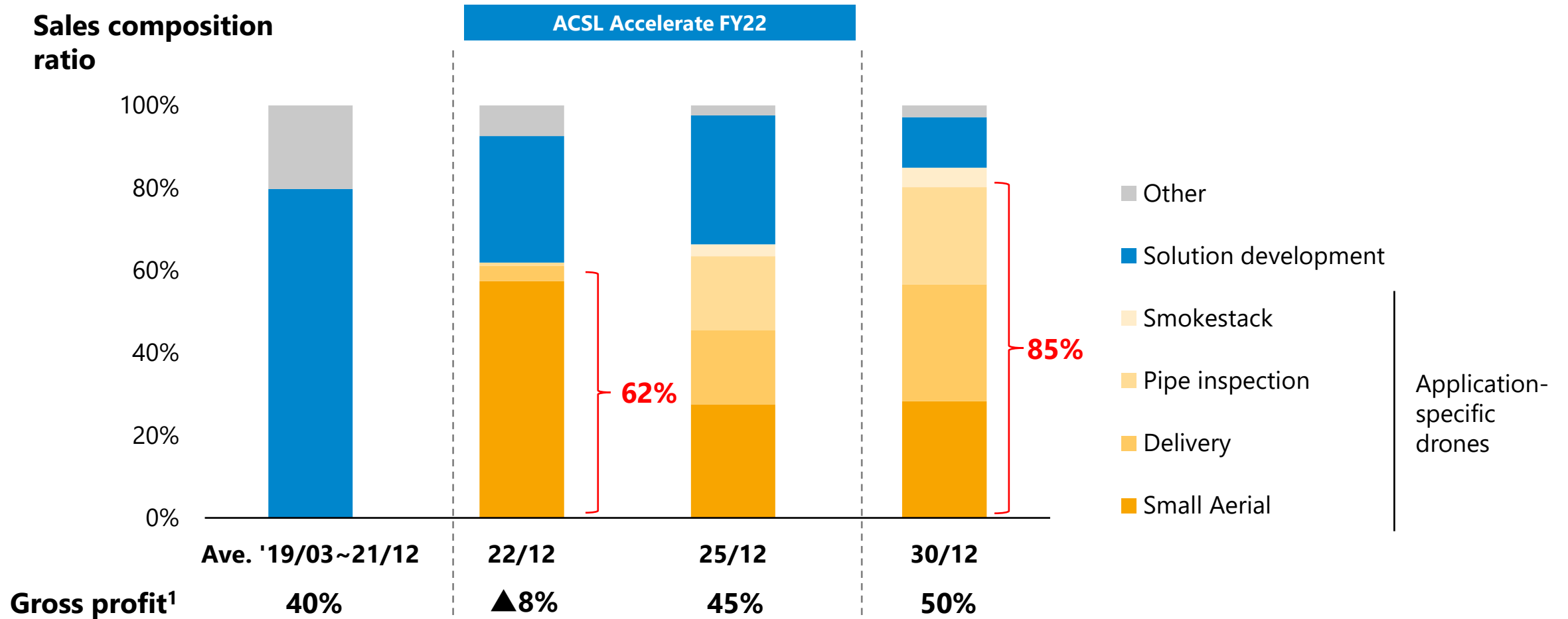


Sales are expected to increase toward FY25/12, with application-specific drones expanding to both Japan and overseas. Aim for 45% gross profit, incl. elimination of semicon price hikes and parts shortages, as well as improved foreign exchange rates.



Accelerate overseas expansion toward FY25 and change sales composition to mainly drone unit sales

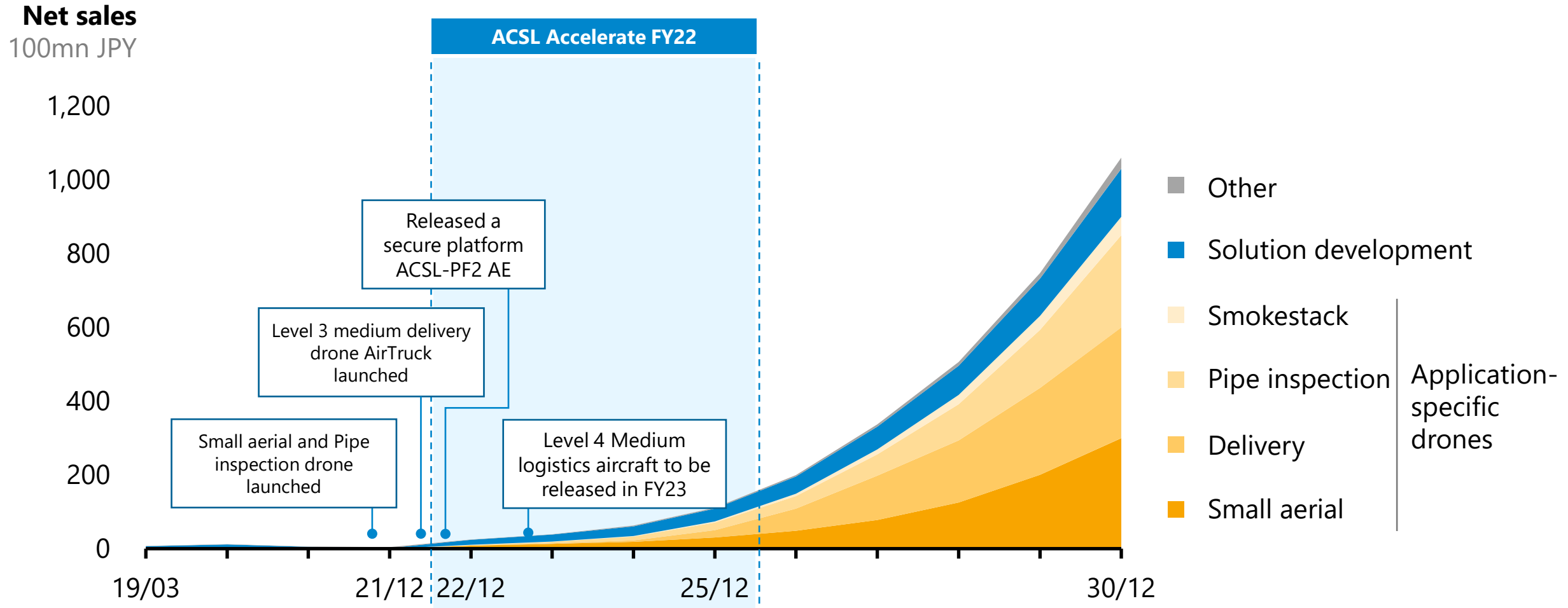
Application-specific sales increased significantly in FY22/12 to divert away from a man-power based sales to drone unit sales, targeting 85% of total sales in FY30/12. Further change to a drone unit sales-oriented business by fully ramping up overseas.



1: Actual results through FY2010/12, target figures in ACSL Accelerate for FY2015/12 and beyond

Rapid revenue growth achieved by shifting to drone sales

Early growth will be led by small aerial SOTEN and pipe inspection Fi4. Deliver will start growing from 2025



Aiming for net sales of 100 Bn JPY in 2030

In 2030, ACSL aim to achieve sales of 100 Bn JPY or more by mass-producing and socially implementing the four applications identified in the current business strategy

Drone hardware market



In 2030
4 Appli-
cations

	Market size 300 Bn JPY ¹	Market take-off	Competitive situation	Customer segmentation	Target share	
Aerial photo	120 bn JPY	Existing	Currently, many products are made in China and have been adopted	Large	25%	} More than 100 Bn JPY
Delivery	75 bn JPY	2025~	ACSL products used mainly for difficult Level 3 flights	Small	50%	
Pipes	60 bn JPY	2023~	Currently no products dedicated to pipes	Mid	50%	
Smoke stacks	45 bn JPY	2023~	No full-scale implementation of a product	Mid	25%	

1: Estimated by us based on the total number of equipment, facilities, and services for each use, frequency of use, and unit cost of aircraft.

Potential Risks and Responses

Item	Major Risks	Our Perceptions and Risk Response Measures
Macro	<ul style="list-style-type: none"> Insufficient procurement of materials relative to production plans due to semiconductor shortages and price hikes, material cost-to-sales ratio, and increased development costs Increase in prices of goods procured from overseas due to yen's depreciation against dollar's appreciation 	<ul style="list-style-type: none"> Although the overall supply of semiconductors has been recovering, the supply-demand balance for the high-power semiconductors we use remains tight, and semiconductor shortages and price hikes have been constant. Despite our efforts to secure parts and materials, inventory shortages and price hikes have caused procurement delays and revealed the risk of difficulty in procuring parts and materials at reasonable prices. As a result of design changes that took procurement stability into consideration, a certain degree of cost reduction is expected from 2023 Overseas parts procured from domestic suppliers are also likely to see an increase in costs as some of the foreign exchange effects of the second half of 2022 have been passed on to the price side.
Overseas deployment (e.g. military forces)	<ul style="list-style-type: none"> Risk of being outperformed by overseas competitors in terms of competitiveness Potential impact of laws and regulations and local business practices Necessity of upfront investment for overseas expansion 	<ul style="list-style-type: none"> SOTEN's demonstration in the U.S. market and subsequent inquiries have shown that SOTEN has sufficient competitiveness. A certain amount of man-hours may be required to comply with local laws, regulations, and business practices. In addition, depending on the location, it is necessary to consider local partner cooperation and collaboration parts. Possibility of aggressive upfront investment to acquire sales in overseas markets, including development of functions for local markets, export support, and initial customer acquisition.
Regulation	<ul style="list-style-type: none"> Delay in the implementation of Level 4 regulations due to delays in the development of the Civil Aeronautics Act, etc. 	<ul style="list-style-type: none"> On Dec 5, a ministerial ordinance partially revising the Aviation Law went into effect. Applied for Tier-1 type certification of drones as Level 4 compliant on the same day.
Performance	<ul style="list-style-type: none"> Uncertainty and seasonality of revenue recognition and cost execution Need for aggressive investment in R&D 	<ul style="list-style-type: none"> Japan sales are expected to be at least the same as the previous year, while overseas sales will be announced once a reasonable estimate is made. Seasonality will continue to be affected by customers' budget cycles, but sales of SOTEN and other products may fluctuate depending on supply. Flexible investment policy in R&D and other areas for product development, overseas expansion, and other high-potential initiatives

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FAQs (Performance) 1/2



Item	Question	Answer
Macro	Will the expected global expansion of military and defense demand have an impact on the Company?	We recognize that the market for attack drones for military use is different from that for industrial drones, and there is no direct impact on the Company. It is our policy not to develop or provide technology for drones used for offensive purposes. On the other hand, it is expected that drones used for defense purposes such as reconnaissance and patrol will either be produced domestically or procured from allied countries.
Macro	Did the semiconductor shortage have an impact on FY22/12 results and what is the outlook for the future?	Supply and demand for semiconductors that support the high output we use remains tight, and semiconductor shortages and prices continue to soar. Specifically, the high procurement prices of SOTEN's components continued for 2022, with prices for some semiconductors rising from a few dollars to several hundred dollars. Although the impact was absorbed to a certain extent through sales price revisions and other measures, gross profit was negatively affected by about 650 mn JPY. As a result of design changes that took procurement stability into consideration, a certain degree of cost reduction is expected from 2023, and a recovery in marginal profit is anticipated.
Performance	What was the outlook for sales for FY22/12 and the outlook for FY23/12?	Sales of SOTEN, an application-specific drone, began in FY22/12 and amounted to 960 mn JPY, with overall sales of 1.63 bn JPY, a record high. SOTEN continues to receive inquiries from government agencies and large companies in Japan, and we expect its adoption to continue to grow. We expect domestic sales for the current fiscal year to be at least the same level as in FY 2022/12. Overseas sales are not disclosed at this time because the timing of business development has not been finalized.
Performance	What is the outlook for profit performance in the current fiscal year?	By responding to the impact of semiconductors, the marginal profit ratio is expected to improve, and gross profit is expected to recover from last year. ACSL will continue to invest aggressively in the development of new products, such as next-generation delivery drone, and will also invest flexibly in overseas expansion in response to market opportunities. At this time, the company is not disclosing a consolidated earnings forecast for the full year.

FAQs (Performance) 2/2



Item	Question	Answer
Performance	What are specifics of the upfront investment for overseas expansion and Level 4 compliance?	When expanding overseas, initial investment is required to customize the drone to meet local regulations and to comply with export regulations. In addition, investments are also required to establish a sales structure. For Level 4 compliance, investment is required for the development, evaluation, and manufacturing process of drones.
Application-specific	Progress on application-specifics other than SOTEN?	While pipe inspections has been slower to deploy than expected, the delivery drone (AirTruck) has been adopted by a number of Digital Rural City Initiative-related projects across the country.
Overseas	What is your overseas sales plan?	We have received 80 million rupees backlog from India, which is expected to be for the sale of general-purpose drones. ACSL is promoting further sales expansion and is receiving many inquiries. In the U.S., ACSL is currently considering full-scale entry into the market by such means as conducting roadshows for prospective local customers.
Financial affairs	Based on the most recent financing, the future financial policy?	At the end of Dec, the company had 1.35 bn JPY in cash, and in February, it conducted a third-party allotment totaling 3.56 bn JPY with CVI Investment as the allottee. The company expects to raise a certain amount at the time of issuance, while reducing the impact of dilution by fixing the number of shares to be issued upon exercise of stock acquisition rights. Funds will be used for drone development to realize ACSL Accelerate, overseas business expansion, and software development

Item	Question	Answer
Competitive environment	Chinese drone manufacturers have a high market share, but how to compete against them?	We recognize that although Chinese manufacturers have a large share of the consumer market, there is no clear dominant player in the industrial drone market. In addition, we have three competitive advantages over Chinese manufacturers: (1) technological standards for industrial drones (autonomous control technology, application-specific drones tailored to each use case, and drone certification), (2) understanding customer operations and building a support system to meet local customer requirements, and (3) providing secure and reliable drone to exclude security concerns.
Competitive environment	The possibility of emergence of competitors as drone manufacturers?	Companies that possess autonomous control system technology at the source code level, especially those that have commercialized the advanced model-based control technology that we employ, are rare worldwide. The development of autonomous control systems for industrial drones requires verification in the field. We have a strong customer base, and we can enhance our competitiveness by promoting development in response to actual demand for each application through dialogue with customers and verification in actual environments.
Risk	What are the biggest perceived risks?	We recognize that major accidents involving drones, including those involving drone manufacturers other than our company, are a major risk. Stricter laws and regulations on drones due to serious accidents, deterioration of public trust in drones, and other factors are expected to delay the commercialization of drones and delay the introduction of drones by customers, slowing the speed of the ACSL's business development.
Manufacturing System	Is there a potential shortage of manufacturing capacity?	As a fabless manufacturer, we outsource production to an external partner in Japan and can handle increased manufacturing capacity.
Acquisition of human resources	Is there a risk of loss of core personnel such as research personnel?	By requiring only English as a requirement for R&D personnel, ACSL is attracting mainly foreign nationals with cutting-edge technology. The personnel evaluation system is also designed to provide incentives by preparing career tracks not only for management roles but also for expert roles for engineers.
Performance	How seasonality in sales occurs?	For delivery of drones, sales are recorded when all the drones have been delivered and inspected by the client; for trial projects, sales are recorded when the entire project is completed. For large projects, sales are often recorded from January to March, depending on the budget cycle of the client company. On the other hand, sales are usually small from April to June. However, the recent supply side has had an impact on drone sales, and the concentration of sales in the January-March period tends to be less than in the past.

Company outline



Company outline

Corporate Name	ACSL Ltd.
Representative	Satoshi Washiya (President and Representative Director)
Established	November 2013
Location	3-6-4 Rinkai-cho, Edogawa-ku, Tokyo Hulic Kasai Rinkai Bldg. 2F
No. of Employee	72 (as of Dec2022)
Description of Business	Manufacture and sale of commercial drones and provision of solution services for unmanned and IoT applications using autonomous control technology.

At a glance¹

Ratio of engineers
Approx **59**%

of foreigners
Approx. **19**

ISO
2
ISO9001 (Quality Management)
ISO27001 (Security)
(SOTEN is at the same standard as ISO 15408 (Security))

Client
196
companies

1: Percentage of engineers and number of foreign employees are as of December 31, 2022. The number of customers is the total number of customers from FY19/03 to FY22/12.

Management Team (as of September 30, 2022)



President

Satoshi Washiya



M.S. in Architecture from Waseda University. Served both domestic and multinational companies in corporate wide transformation projects at the Tokyo and Stockholm office of McKinsey & Company. Joined ACSL in July 2016.

CFO

Kensuke Hayakawa



M.S. in Management of Technology from Tokyo institute of technology. Implemented operational improvement/transformation of portfolio companies at KKR Capstone. Joined ACSL as CFO in March 2017.

CTO

Dr. Chris Raabe



Ph.D. from University of Tokyo. Embedded software engineer at Boeing. Assistant professor at Department of Aeronautics and Astronautics, University of Tokyo. Joined ACSL as CTO in April 2017.

External Director

Masanori Sugiyama

External Director

Tadaharu Shimazu

Audit & Supervisory

Akira Ninomiya

Audit & Supervisory

Hideki Shimada

Audit & Supervisory

Takeshi Ohnogi

Our business constitutes demonstration and sales of platform drones and promoting development, mass production, and sales of application-specific drones.



Solution development

Sales of evaluation and platform drones for technology verification, as well as proof-of-concept trials and custom development based on customer requests











Sales of application-specific drones

Development, mass production, and sales of application-specific drones using the knowledge gained from demonstration tests

Industrial drones need to have a capability and characteristics sufficient to be adopted to specific operations, making general-purpose drones difficult to introduce to industrial operations.

Major drone markets and key models

Drones we deploy

	Personal use (B to C)	Industrial applications (B to B)		
	Aerial photography	Inspection	Delivery	Disaster prevention
<p>General Purpose drones Can be used for general purpose applications</p>	<p>Mainly inexpensive foreign (mainly Chinese) general-purpose drones</p>	<p> PF2 Other companies: Mostly foreign (mainly Chinese) general-purpose drones with GPS support</p>	<p> PF2 Other companies: Mostly large delivery drones such as foreign-made VTOL drones</p>	<p> PF2 Other companies: Mostly foreign-made (mainly Chinese) general-purpose drones</p>
<p>Application-specific drones Flight performance and characteristics optimized for each application</p>	<p>No application-specific drones for personal use</p>	<p> Aerial Photography</p> <p> Smokestack Inspection</p> <p> Pipe Inspection Other companies: Limited drones for each inspection application.</p>	<p> Medium Delivery Other companies: Very limited drones with Level 3 or higher safety performance</p>	<p> Aerial Photography Other companies: Drones with flight performance and safety features that can withstand disaster prevention applications are limited.</p>

Balance Sheet



mn JPY	FY22/12		FY21/12	FY21/03
	Actual	YoY change to same period previous year	Actual	Actual
Current assets	3,572	▲14%	4,177	3,257
Cash	1,356	▲51%	2,759	1,891
Fixed assets	1,403	▲9%	1,537	751
Current liabilities	2,003	+598%.	287	432
Fixed liabilities	34	+295%.	8	3
Total liabilities	2,037	+589%.	295	436
Net assets	2,938	▲46%.	5,419	3,572
Total assets	4,976	▲13%	5,715	4,008

KPI Results



Indicator		FY19/03	FY20/03	FY21/03	FY21/12 (9 months)	FY22/12	FY22/12 Financial Forecast (as of Jan. 2022)		
		Actual	Actual	Actual	Actual	Actual	Forecast	Difference	
Sales of application-specific drones									
Small aerial photography drone (Low ASP)	Units	-	-	-	-	645	1,000~	While the value base is generally in line with the plan, the volume is facing supply issues due to soaring semicon prices.	
	Amount (100mn JPY)					9.3			
Other application-specific drone (High ASP)	Units					18			100~
	Amount (100mn JPY)					0.7			
Solution development¹									
PoC and Development	Projects	81	112	82	41	71	-	SOTEN, AirTruck, and other drone sales expansion led to accelerated resource investment in application-specific sales, resulting in lower orders for solution development than originally planned.	
	Amount (100mn JPY)	2.9	8.6	3.7	1.2	3.9	7		
Sales of Platform/ Evaluation drone ¹	Units	106	101	46	18	27	-		
	Amount (100mn JPY)	3.8	3.0	1.4	0.6	1.0	5		
Number of shipments ¹		136	128	71	25	42	~150		

1: The number of Sales of Platform/Evaluation drones represents drone sold in the platform sales (former STEP 3 and 4), and the number of shipments represents the total number of drones shipped including the demonstration experiments (former STEP 1 and 2)

Quarterly Sales Trends



Fiscal Year ¹		FY19/03				FY20/03				FY21/03				FY21/12			FY22/12			
Quarterly Results		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q
Demonstration experiment² • Proof of Concept • Custom development	Sales mn JPY	25	59	75	133	27	65	102	671	1	22	22	323	14	42	67	252	16	25	103
	Num. of projects	6	16	22	37	14	22	21	55	2	11	15	54	6	14	21	34	2	12	23
Sales of platform drone³ • Sales of standard and general-purpose drone • Drone modified for customers based on the standard drone	Sales mn JPY	10	67	80	225	24	48	19	212	4	10	13	116	15	34	17	42	17	7	37
	Num. of units	8	20	31	47	6	12	9	74	1	3	5	37	6	6	6	8	4	2	13
Other⁴ • Sales of parts • Fuselage repair service • Some national projects	Sales (of which national projects) mn JPY	68 (65)	14	12	33	9	29 (18)	9	59	30 (21)	8	10	55	237 (219)	55 (50)	15	64	20	11	24

1: FY21/03 fiscal period is from April to March of the following year; FY21/12 is an irregular fiscal period from April to December; FY22/12 fiscal period is from January to December.

2: Solution development (STEP 1 and 2) changed to demonstration testing from FY21/03 1Q.

3: Drone sales (STEP3, 4) changed to platform drone sales from FY21/03 1Q.

4: National projects generally record subsidies received as non-operating income. On the other hand, some projects whose main purpose is to conduct commissioned experiments are recorded as revenues.

Major financial items by quarter



Fiscal Year ¹	FY19/03				FY20/03				FY21/03				FY21/12			FY22/12			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q
Quarterly Results	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	1Q	2Q	3Q	4Q
Net sales mn JPY	104	141	168	392	60	143	130	943	36	42	46	495	267	133	100	952	78	130	473
Gross profit mn JPY	13	83	101	204	8	69	75	655	▲ 6	▲ 6	▲ 13	94	17	5	▲22	133	▲30	▲23	▲204
Gross profit ratio	13%	59%	60%	52%	14%	48%	58%	70%	▲19%	▲16%	▲28%	19%	7%	4%	▲23%	14%	▲39%	▲18%	▲43%
SG&A expense mn JPY	157	172	244	159	205	171	201	213	230	173	314	488	325	348	515	535	442	431	670
Of which R&D expenses mn JPY	85	94	127	58	66	54	76	78	60	77	129	315	153	165	285	292	228	224	424
R&D Expenses ratio to sales	82%	67%	76%	15%	109%	38%	59%	8%	167%	183%	278%	64%	57%	124%	285%	31%	290%	172%	90%

1: Figures are based on consolidated financial statements from 3Q FY2009/3 onward, and figures for earlier quarters are based on non-consolidated financial statements.
FY21/12 is an irregular accounting period from Apr. to Dec. FY22/12 is an irregular accounting period from Jan. to Dec.

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