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November 13, 2023

## Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: ACSL Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 6232  
 URL: <https://www.acsl.co.jp/>  
 Representative: Satoshi Washiya, Representative Director and CEO  
 Inquiries: Kensuke Hayakawa, Board Director and CFO  
 Telephone: +81-3-6456-0931  
 Scheduled date to file quarterly securities report: November 14, 2023  
 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 nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

#### (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	%
Nine months ended								
September 30, 2023	657	(43.4)	(1,398)	–	(1,444)	–	(1,458)	–
September 30, 2022	1,161	–	(1,329)	–	(1,256)	–	(1,277)	–

Note: Comprehensive income For the Nine months ended September 30, 2023: ¥(1,403) million [–%]  
 For the Nine months ended September 30, 2022: ¥(1,195) million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2023	(114.45)	–
September 30, 2022	(103.49)	–

Notes: 1. Effective from the fiscal year ended December 31, 2021, the Company has changed its fiscal year closing date from March 31 to December 31. As a result, the Company did not prepare quarterly consolidated financial statements for the nine months ended December 31, 2021. Accordingly, year-on-year changes for the Nine months ended September 30, 2022 are not presented.

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	%
September 30, 2023	4,471	1,962	41.4
December 31, 2022	4,976	2,938	57.1

Reference: Equity

As of September 30, 2023: ¥1,850 million

As of December 31, 2022: ¥2,843 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, 2022	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2023	–	0.00			
Fiscal year ending December 31, 2023 (Forecast)			–	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, 2023 (from January 1, 2023 to December 31, 2023)

In the highly novel drone market, the Company has so far been continuously disclosing its full-year earnings forecasts with its medium-term management policy as the target.

In the drone market, as new market opportunities are expected to be created overseas due to trends in economic security, the Company plans to build a sales structure that meets demand and make flexible development investments going forward. The Company expects the total domestic and overseas sales to be at least at the same level as the previous fiscal year. However, the Company has determined that it is difficult at this point in time to appropriately and reasonably calculate figures for net sales overseas, and has therefore decided to postpone the disclosure of earnings forecasts for the fiscal year ending December 31, 2023 at this time.

The Company will disclose the earnings forecasts as soon as it becomes possible, based on progress going forward.

**\* 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 September 30, 2023	12,813,865 shares
As of December 31, 2022	12,380,835 shares

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

As of September 30, 2023	130 shares
As of December 31, 2022	130 shares

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

Nine months ended September 30, 2023	12,739,178 shares
Nine months ended September 30, 2022	12,347,002 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, 2022	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,356,252	693,921
Accounts receivable - trade	390,544	68,675
Work in process	304,436	552,366
Raw materials	894,659	1,397,891
Other	627,032	274,292
Total current assets	3,572,926	2,987,145
Non-current assets		
Property, plant and equipment	57,834	60,358
Intangible assets	216,198	197,457
Investments and other assets		
Investment securities	775,885	842,234
Other	353,831	384,099
Total investments and other assets	1,129,716	1,226,334
Total non-current assets	1,403,749	1,484,150
Total assets	4,976,675	4,471,295
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	591,368	28,939
Short-term borrowings	1,000,000	790,000
Other	412,166	236,263
Total current liabilities	2,003,534	1,055,202
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	—	1,389,500
Deferred tax liabilities	34,358	64,277
Total non-current liabilities	34,358	1,453,777
Total liabilities	2,037,893	2,508,979
<b>Net assets</b>		
Shareholders' equity		
Share capital	17,497	222,606
Capital surplus	5,350,947	5,556,056
Retained earnings	△2,594,146	△4,052,172
Treasury shares	△382	△382
Total shareholders' equity	2,773,917	1,726,108
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	66,386	111,039
Foreign currency translation adjustment	2,990	13,059
Total accumulated other comprehensive income	69,377	124,098
Share acquisition rights	91,977	108,712
Non-controlling interests	3,510	3,397
Total net assets	2,938,782	1,962,316
Total liabilities and net assets	4,976,675	4,471,295

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

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	1,161,650	657,289
Cost of sales	1,081,640	715,143
Gross profit (loss)	80,009	△57,854
Selling, general and administrative expenses	1,409,025	1,340,519
Operating loss	△1,329,015	△1,398,374
Non-operating income		
Interest income	658	1,256
Foreign exchange gains	47,272	34,288
Subsidy income	22,968	76,902
Other	3,188	5,921
Total non-operating income	74,087	118,367
Non-operating expenses		
Interest expenses	443	7,606
Share of loss of entities accounted for using equity method	1,328	4,934
Bond issuance costs	—	119,087
Other	144	32,609
Total non-operating expenses	1,917	164,238
Ordinary loss	△1,256,845	△1,444,245
Loss before income taxes	△1,256,845	△1,444,245
Income taxes - current	3,817	3,817
Income taxes - deferred	17,295	10,170
Total income taxes	21,113	13,987
Loss	△1,277,958	△1,458,233
Loss attributable to non-controlling interests	△213	△206
Loss attributable to owners of parent	△1,277,745	△1,458,026

## Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Loss	△1,277,958	△1,458,233
Other comprehensive income		
Valuation difference on available-for-sale securities	73,293	44,746
Foreign currency translation adjustment	—	3,278
Share of other comprehensive income of entities accounted for using equity method	8,707	6,790
Total other comprehensive income	82,000	54,815
Comprehensive income	△1,195,958	△1,403,418
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△1,195,898	△1,403,304
Comprehensive income attributable to non-controlling interests	△59	△113