

**Notice of Difference between Consolidated Financial Results  
for the Fiscal Year Ended December 31, 2023 and  
Actual Results for the Previous Fiscal Year**

ACSL Group (ACSL) announces the following difference between its consolidated financial results for the fiscal year ended December 31, 2023 and those of the previous fiscal year.

1. Difference between consolidated financial results for the full year ending December 31, 2023 and the results of the previous year

	Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Results for the previous period (A) December 31, 2022	1,635	△2,203	△2,174	△2,591	△209.77
Results announced this time (B) December 31, 2023	896	△2,071	△2,102	△2,543	△197.05
Increase/Decrease (B-A)	△738	132	71	48	—
Percentage change (%)	△45.2	—	—	—	—

2. Reasons for differences between consolidated full-year results and actual results for the previous year

For the fiscal year ending December 31, 2023, while trends in economic security are expected to create new market opportunities overseas, significant fluctuations in ACSL's performance is expected due to its progress in establishing sales structures overseas and changes in the macro environment, such as semiconductor supply shortages. Therefore, although we expect total domestic and overseas sales to be equal to or higher than the previous fiscal year, it is difficult to calculate an appropriate and reasonable figure for overseas sales and accounting treatment for revenue recognition of the large project in India announced on August 10, 2023 were still under consideration, the consolidated earnings forecast for the fiscal year ending December 31, 2023 was not yet determined.

As for net sales, the business environment surrounding ACSL has become more challenging

than we assumed. While sales volume of SOTEN, a domestically produced high-security compact aerial photography drone that was expected to drive ACSL growth, has been sluggish in Japan, we have begun sales in the US market and have sold 50 units in the fiscal year ending December 31, 2023. Regarding the large project in India, which was expected to be included in sales for the fiscal year ending December 31, 2023, although export procedures have been completed and some products have arrived there, they will not be included in sales for the fiscal year ending December 31, 2023, as acceptance inspection at the sales destination was not completed by the end of year. As a result of the above, consolidated sales for the full year ending December 31, 2023 were lower than the previous year's results. We expect sales from large-scale projects in India in the fiscal year ending December 31, 2024.

Operating loss was lower than the previous year due to efforts to optimize various expenses throughout the Group, despite the recording of selling expenses related to overseas expansion and R&D expenses related to new aircraft development.

Ordinary loss was lower than the previous year due to a decrease in operating loss and non-operating income such as subsidy income, despite the recording of non-operating expenses such as stock issuance costs and bond issuance costs associated with fundraising.

Loss attributable to owners of parent was lower than that of the previous fiscal year due to an increase in ordinary income, despite a loss on valuation of investment securities.

#### *Attention*

*This document is an unofficial translation of the timely disclosure on February 14, 2024 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.*