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Consolidated Financial Results for the Three Months Ended March 31, 2024 [Under Japanese GAAP]

May 15, 2024

Company name: ACSL Ltd.
Stock exchange listing: Tokyo
Code number: 6232
URL: https://www.acsl.co.jp/
Representative: Satoshi Washiya Representative Director and CEO
Contact: Kensuke Hayakawa Board Director and CFO
Phone: +81-3(6456)0931
Scheduled date of filing quarterly securities report: May 15, 2024
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Th ree Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	288	(32.8)	(594)	-	(589)	-	(656)	-
March 31, 2023	429	(54.9)	(356)	-	(422)	-	(425)	-

(Note) Comprehensive income: Three months ended March 31, 2024: ¥ (653) million [-%]
Three months ended March 31, 2023: ¥ (422) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2024	(45.06)	-
March 31, 2023	(33.79)	-

(Note) 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	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	6,378	1,628	23.9
December 31, 2023	5,094	2,264	42.2

(Reference) Equity: As of March 31, 2024: ¥ 1,524 million
As of December 31, 2023: ¥ 2,147 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024(January 1, 2024 to December 31, 2024)

(% indicates changes from the previous corresponding period.)

	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
Full year	3,340	272.6	(3,060)	-	(1,860)	-	(1,935)	-	(130.58)

(Note) 1. Revision to the financial results forecast announced most recently: No

2. As the Company manages its operations on an annual basis, earnings forecasts for the first six months are omitted.

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 2024 (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2024: 14,595,366 shares

December 31, 2023: 14,514,261 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 130 shares

December 31, 2023: 130 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2024: 14,577,895 shares

Three months ended March 31, 2023: 12,587,581 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,499,555	2,274,326
Accounts receivable - trade	139,282	184,549
Merchandise	491,762	968,419
Work in process	572,699	529,634
Raw materials	1,175,419	1,101,449
Other	324,582	375,761
Total current assets	4,203,302	5,434,141
Non-current assets		
Property, plant and equipment	68,181	66,331
Intangible assets	208,989	191,284
Investments and other assets		
Investment securities	241,987	252,722
Other	372,391	434,395
Total investments and other assets	614,379	687,118
Total non-current assets	891,549	944,734
Total assets	5,094,851	6,378,875
Liabilities		
Current liabilities		
Accounts payable - trade	317,574	651,222
Short-term borrowings	895,000	881,404
Other	390,647	541,639
Total current liabilities	1,603,222	2,074,265
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,215,812	1,215,812
Long-term borrowings	-	1,440,000
Deferred tax liabilities	11,302	19,883
Total non-current liabilities	1,227,114	2,675,695
Total liabilities	2,830,337	4,749,961
Net assets		
Shareholders' equity		
Share capital	971,479	10,000
Capital surplus	6,304,928	2,251,797
Retained earnings	(5,137,336)	(749,756)
Treasury shares	(382)	(382)
Total shareholders' equity	2,138,689	1,511,658
Accumulated other comprehensive income		
Foreign currency translation adjustment	9,210	12,722
Total accumulated other comprehensive income	9,210	12,722
Share acquisition rights	115,585	103,576
Non-controlling interests	1,028	956
Total net assets	2,264,514	1,628,913
Total liabilities and net assets	5,094,851	6,378,875

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Net sales	429,763	288,767
Cost of sales	367,403	252,342
Gross profit	62,360	36,425
Selling, general and administrative expenses	419,351	631,130
Operating loss	(356,991)	(594,704)
Non-operating income		
Interest income	86	105
Share of profit of entities accounted for using equity method	4,046	5,849
Foreign exchange gains	5,700	-
Subsidy income	76,502	24,793
Other	1,391	2,286
Total non-operating income	87,726	33,035
Non-operating expenses		
Interest expenses	2,427	4,142
Bond issuance costs	119,087	-
Foreign exchange losses	-	23,705
Other	31,660	454
Total non-operating expenses	153,174	28,302
Ordinary loss	(422,439)	(589,972)
Extraordinary income		
Gain on reversal of share acquisition rights	-	5,194
Total extraordinary income	-	5,194
Extraordinary losses		
Expenses related to voluntary retirement	-	62,573
Total extraordinary losses	-	62,573
Loss before income taxes	(422,439)	(647,350)
Income taxes - current	1,272	1,057
Income taxes - deferred	1,717	8,581
Total income taxes	2,990	9,638
Loss	(425,430)	(656,989)
Loss attributable to non-controlling interests	(68)	(72)
Loss attributable to owners of parent	(425,361)	(656,916)

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended March 31, 2023	For the three months ended March 31, 2024
Loss	(425,430)	(656,989)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,260	-
Foreign currency translation adjustment	-	106
Share of other comprehensive income of entities accounted for using equity method	1,066	3,405
Total other comprehensive income	3,326	3,512
Comprehensive income	(422,103)	(653,477)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(422,039)	(653,404)
Comprehensive income attributable to non-controlling interests	(64)	(72)