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Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

November 13, 2024

Company name: ACSL Ltd.
Listing: Tokyo
Securities code: 6232
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended September 30, 2024 (January 1, 2024 to September 30, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	2,128	223.8	(1,523)	-	(1,589)	-	(1,656)	-
September 30, 2023	657	(43.4)	(1,398)	-	(1,444)	-	(1,458)	-

(Note) Comprehensive income: Nine months ended September 30, 2024: ¥ (1,663) million [-%]
Nine months ended September 30, 2023: ¥ (1,403) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	(111.98)	-
September 30, 2023	(114.45)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	4,931	892	16.1
December 31, 2023	5,094	2,264	42.2

(Reference) Equity: As of September 30, 2024: ¥ 794 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	-	0.00	-		
Fiscal year ending December 31, 2024 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Percentages indicate year-on-year changes.)

	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	2,900	223.5	(2,430)	-	(2,030)	-	(2,060)	-	(138.94)

(Note) Revision to the financial results forecast announced most recently: Yes

* Concerning the revisions to the consolidated financial results forecasts, please refer to the "Notice of Amendment to Consolidated Earnings Forecast of Financial Results" announced today.

* Notes:

(1) Significant changes in the scope of consolidation during the period: 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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

September 30, 2024: 14,930,675 shares

December 31, 2023: 14,514,261 shares

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

September 30, 2024: 130 shares

December 31, 2023: 130 shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2024: 14,792,071 shares

Nine months ended September 30, 2023: 12,739,178 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	1,499,555	1,161,254
Accounts receivable - trade	139,282	793,974
Merchandise and finished goods	491,762	24,440
Work in process	572,699	608,463
Raw materials	1,175,419	1,106,651
Other	324,582	335,331
Total current assets	4,203,302	4,030,116
Non-current assets		
Property, plant and equipment	68,181	58,810
Intangible assets	208,989	145,661
Investments and other assets		
Investment securities	241,987	292,151
Other	372,391	405,161
Total investments and other assets	614,379	697,312
Total non-current assets	891,549	901,784
Total assets	5,094,851	4,931,900
Liabilities		
Current liabilities		
Accounts payable - trade	317,574	186,912
Short-term borrowings	895,000	1,303,816
Other	390,647	309,716
Total current liabilities	1,603,222	1,800,445
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,215,812	798,962
Long-term borrowings	-	1,440,000
Deferred tax liabilities	11,302	-
Total non-current liabilities	1,227,114	2,238,962
Total liabilities	2,830,337	4,039,408
Net assets		
Shareholders' equity		
Share capital	971,479	149,981
Capital surplus	6,304,928	2,391,778
Retained earnings	(5,137,336)	(1,749,222)
Treasury shares	(382)	(382)
Total shareholders' equity	2,138,689	792,154
Accumulated other comprehensive income		
Foreign currency translation adjustment	9,210	2,385
Total accumulated other comprehensive income	9,210	2,385
Share acquisition rights	115,585	96,887
Non-controlling interests	1,028	1,065
Total net assets	2,264,514	892,492
Total liabilities and net assets	5,094,851	4,931,900

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Net sales	657,289	2,128,393
Cost of sales	715,143	2,036,385
Gross profit (loss)	(57,854)	92,008
Selling, general and administrative expenses	1,340,519	1,615,077
Operating loss	(1,398,374)	(1,523,069)
Non-operating income		
Interest income	1,256	431
Share of profit of entities accounted for using equity method	-	52,677
Foreign exchange gains	34,288	-
Subsidy income	76,902	24,793
Other	5,921	3,454
Total non-operating income	118,367	81,357
Non-operating expenses		
Interest expenses	7,606	17,749
Share of loss of entities accounted for using equity method	4,934	-
Foreign exchange losses	-	127,978
Bond issuance costs	119,087	-
Other	32,609	1,977
Total non-operating expenses	164,238	147,706
Ordinary loss	(1,444,245)	(1,589,418)
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
Loss on redemption of Convertible Bond	-	19,298
Total extraordinary losses	-	81,872
Loss before income taxes	(1,444,245)	(1,666,095)
Income taxes - current	3,817	1,801
Income taxes - deferred	10,170	(11,302)
Total income taxes	13,987	(9,501)
Loss	(1,458,233)	(1,656,594)
Loss attributable to non-controlling interests	(206)	(210)
Loss attributable to owners of parent	(1,458,026)	(1,656,383)

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

(Thousands of yen)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2024
Loss	(1,458,233)	(1,656,594)
Other comprehensive income		
Valuation difference on available-for-sale securities	44,746	-
Foreign currency translation adjustment	3,278	(2,820)
Share of other comprehensive income of entities accounted for using equity method	6,790	(4,003)
Total other comprehensive income	54,815	(6,824)
Comprehensive income	(1,403,418)	(1,663,418)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,403,304)	(1,663,207)
Comprehensive income attributable to non-controlling interests	(113)	(210)