November 13, 2024
ACSL Ltd.

Notice of Amendment to Consolidated Earnings Forecast of Financial Results for Fiscal Year Ending December 31, 2024

ACSL Ltd. (ACSL) hereby announces that it has revised consolidated earnings forecast of financial results for the fiscal year ending December 31, 2024 (January 1, 2024 to December 31, 2024), which was announced on March 7, 2024 based on recent trends in its business performance as follows.

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

	Sales	Operating Profit	Ordinary Profit	Profit Attribute to Owners of Parent	Profit per Share
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Yen
Previously Announced Forecast (A)	3,340	△3,060	△1,860	△1,935	△132.62
Amended Forecast (B)	2,900	△2,430	△2,030	△2,060	△138.94
Amount of Change (B - A)	△440	630	△170	△125	—
Rate of Change (%)	△13.2	—	△9.1	△6.5	—
(Reference) Results for Year Ending December 31, 2023	896	△2,071	△2,102	△2,543	△197.05

2. Reasons for Amendment to Consolidated Earnings Forecast

Sales in Japan have been favorable, including a large order from the Defense Equipment Agency (announced on March 12, 2024), and sales in the U.S. market have also been favorable, including a large order from Almo Corporation (announced on October 30, 2024). On the other hand, sales to the U.S. market are expected to fall short of the previously announced forecast due to a delay in the timing of sales booking resulting from a delay of the acceptance due to export procedures and other reasons.

In terms of operating profit, ACSL has been promoting “select and focus” and “optimize resource” (announced on February 14, 2024) by business transformation with the aim of improving operating income. With regard to R&D expenses of the "Performance Improvement and Social Implementation of Small Aerial Photography Drones to Meet Government Needs" project (the Project) related to "(Small Business
Innovation Research program" under the second supplementary budget of the Ministry of Economy, Trade and Industry (METI) for fiscal year 2022, although the Project is progressing as planned, due to the delay in the timing of expense recognition following the delay of the acceptance of R&D expenses, the amount of R&D expenses is expected to be less than the previous forecast, and as a result, operating profit is expected to be higher than the previous forecast.

Ordinary profit is expected to be lower than the previous forecast mainly due to the above-mentioned delay in the recording of grant income resulting from the fact that the amount of R&D expenses related to the Project is lower than the previous forecast, and foreign exchange losses on foreign currency denominated receivables resulting from fluctuations in foreign exchange rates.

Profit attribute to owners of parent and profit per share are expected to be lower than the previous forecasts, mainly due to the above-mentioned changes in sales, operating income, and ordinary income from the previous forecasts.

(Attention) The amendment to consolidated earnings forecasts is based on information available as of the date of publication of this document and are not intended as a promise by ACSL to achieve them. Actual results may differ materially due to a variety of factors in the future.

Attention

This document is an unofficial translation of the timely disclosure on November 13, 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.