Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]

May 14, 2025

Company name: ACSL Ltd.
Listing: Tokyo Stock Exchange
Securities code: 6232
URL: https://www.acsl.co.jp/
Representative: Kensuke Hayakawa Representative Director, Co-CEO
Inquiries: Kazumasa Otani Executive Officer, Corporate Management Unit
Telephone: +81-3(6456)0931
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 Three Months Ended March 31, 2025 (January 1, 2025 to March 31, 2025)

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

	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, 2025	700	142.4	(239)	-	(16)	-	(16)	-
March 31, 2024	288	(32.8)	(594)	-	(589)	-	(656)	-

(Note) Comprehensive income: Three months ended March 31, 2025: ¥ (24) million [-%]
Three months ended March 31, 2024: ¥ (653) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	(1.12)	-
March 31, 2024	(45.06)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
March 31, 2025	5,421	602	8.9
December 31, 2024	4,563	194	2.0

(Reference) Equity: As of March 31, 2025: ¥ 483 million
As of December 31, 2024: ¥ 91 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, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		0.00	-	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, 2025(January 1, 2025 to December 31, 2025)

(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	5,110	273.8	(1,390)	-	180	-	30	-	1.96

(Note) Revision to the financial results forecast announced most recently: None

* 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: Yes

(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: Yes
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):

March 31, 2025: 15,434,725 shares
December 31, 2024: 14,930,675 shares

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

March 31, 2025: 157 shares
December 31, 2024: 157 shares

3) Average number of shares outstanding during the period:

Three months ended March 31, 2025: 14,981,359 shares
Three months ended March 31, 2024: 14,577,895 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	1,243,580	2,024,852
Accounts receivable - trade	491,497	665,862
Merchandise and finished goods	397,627	15,866
Work in process	227,278	343,832
Raw materials	1,164,564	1,135,485
Advance payments to suppliers	110,947	184,860
Other	242,287	415,156
Total current assets	3,877,782	4,785,916
Non-current assets		
Property, plant and equipment	3,724	4,073
Intangible assets	111,643	86,353
Investments and other assets		
Investment securities	197,577	191,234
Other	372,530	353,541
Total investments and other assets	570,107	544,775
Total non-current assets	685,476	635,203
Total assets	4,563,259	5,421,120
Liabilities		
Current liabilities		
Accounts payable - trade	191,630	12,057
Short-term borrowings	1,320,097	1,049,468
Accounts payable - other	548,652	150,070
Income taxes payable	186	176
Contract liabilities	10,784	155,920
Other	58,340	129,167
Total current liabilities	2,129,691	1,496,861
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	798,962	1,882,112
Long-term borrowings	1,440,000	1,440,000
Total non-current liabilities	2,238,962	3,322,112
Total liabilities	4,368,654	4,818,973
Net assets		
Shareholders' equity		
Share capital	149,981	218,425
Capital surplus	2,391,778	1,036,116
Retained earnings	(2,464,236)	(776,958)
Treasury shares	(414)	(414)
Total shareholders' equity	77,108	477,168
Accumulated other comprehensive income		
Foreign currency translation adjustment	14,519	6,729
Total accumulated other comprehensive income	14,519	6,729
Share acquisition rights	102,594	117,937
Non-controlling interests	382	311
Total net assets	194,605	602,146
Total liabilities and net assets	4,563,259	5,421,120

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, 2024	For the three months ended March 31, 2025
Net sales	288,767	700,018
Cost of sales	252,342	624,071
Gross profit	36,425	75,946
Selling, general and administrative expenses	631,130	315,510
Operating loss	(594,704)	(239,563)
Non-operating income		
Interest income	105	905
Share of profit of entities accounted for using equity method	5,849	-
Subsidy income	24,793	293,439
Other	2,286	35,103
Total non-operating income	33,035	329,448
Non-operating expenses		
Interest expenses	4,142	7,289
Interest expenses on bonds	-	6,575
Share of loss of entities accounted for using equity method	-	425
Bond issuance costs	-	70,937
Foreign exchange losses	23,705	20,692
Other	454	252
Total non-operating expenses	28,302	106,173
Ordinary loss	(589,972)	(16,288)
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	(647,350)	(16,288)
Income taxes	9,638	572
Loss	(656,989)	(16,861)
Loss attributable to non-controlling interests	(72)	(71)
Loss attributable to owners of parent	(656,916)	(16,789)

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

(Thousands of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Loss	(656,989)	(16,861)
Other comprehensive income		
Foreign currency translation adjustment	106	(1,872)
Share of other comprehensive income of entities accounted for using equity method	3,405	(5,916)
Total other comprehensive income	3,512	(7,789)
Comprehensive income	(653,477)	(24,650)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(653,404)	(24,579)
Comprehensive income attributable to non-controlling interests	(72)	(71)