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 Six Months Ended June 30, 2025 [Japanese GAAP]

August 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 file semi-annual securities report: August 14, 2025
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 Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	975	(52.4)	(754)	-	(45)	-	(271)	-
June 30, 2024	2,050	290.6	(1,026)	-	(963)	-	(1,010)	-

(Note) Comprehensive income: Six months ended June 30, 2025: ¥ (280) million [-%]
Six months ended June 30, 2024: ¥ (1,000) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	(17.78)	-
June 30, 2024	(68.62)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	4,470	546	9.8
December 31, 2024	4,563	194	2.0

(Reference) Equity: As of June 30, 2025: ¥ 435 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			
Fiscal year ending December 31, 2025	-	0.00			
Fiscal year ending December 31, 2025 (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, 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	3,150	18.6	(2,370)	-	(1,400)	-	(1,800)	-	(115.42)

(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 semi-annual 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):

June 30, 2025: 15,686,750 shares
December 31, 2024: 14,930,675 shares

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

June 30, 2025: 179 shares
December 31, 2024: 157 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2025: 15,288,130 shares
Six months ended June 30, 2024: 14,724,992 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward looking statements contained in this summary are based on the information currently available to the Company and certain assumptions considered reasonable by the Company. Therefore, they are not guaranteed to be achieved by the Company. As a result, the forecasts of operating results may differ significantly from the actual operating results due to various factors.

Semi-annual Consolidated Financial Statements and Primary Notes

Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	1,243,580	1,816,485
Accounts receivable - trade	491,497	124,723
Merchandise and finished goods	397,627	22,342
Work in process	227,278	341,623
Raw materials	1,164,564	1,233,879
Other	353,234	329,839
Total current assets	3,877,782	3,868,894
Non-current assets		
Property, plant and equipment	3,724	6,051
Intangible assets	111,643	70,267
Investments and other assets		
Investment securities	197,577	183,733
Other	372,530	483,833
Allowance for doubtful accounts	-	(141,800)
Total investments and other assets	570,107	525,767
Total non-current assets	685,476	602,086
Total assets	4,563,259	4,470,980
Liabilities		
Current liabilities		
Accounts payable - trade	191,630	132,882
Short-term borrowings	1,320,097	415,756
Other	617,963	262,536
Total current liabilities	2,129,691	811,175
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	798,962	1,673,687
Long-term borrowings	1,440,000	1,440,000
Total non-current liabilities	2,238,962	3,113,687
Total liabilities	4,368,654	3,924,863
Net assets		
Shareholders' equity		
Share capital	149,981	322,637
Capital surplus	2,391,778	1,140,329
Retained earnings	(2,464,236)	(1,031,985)
Treasury shares	(414)	(440)
Total shareholders' equity	77,108	430,540
Accumulated other comprehensive income		
Foreign currency translation adjustment	14,519	5,452
Total accumulated other comprehensive income	14,519	5,452
Share acquisition rights	102,594	109,841
Non-controlling interests	382	282
Total net assets	194,605	546,117
Total liabilities and net assets	4,563,259	4,470,980

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	2,050,144	975,874
Cost of sales	1,949,642	891,865
Gross profit	100,502	84,009
Selling, general and administrative expenses	1,126,823	838,209
Operating loss	(1,026,321)	(754,200)
Non-operating income		
Interest income	134	1,111
Share of profit of entities accounted for using equity method	54,501	-
Subsidy income	24,793	815,176
Other	2,713	35,354
Total non-operating income	82,142	851,642
Non-operating expenses		
Interest expenses	10,174	13,846
Interest expenses on bonds	-	14,054
Share of loss of entities accounted for using equity method	-	4,421
Bond issuance costs	-	70,937
Foreign exchange losses	7,230	37,560
Other	1,696	1,822
Total non-operating expenses	19,101	142,643
Ordinary loss	(963,279)	(45,201)
Extraordinary income		
Gain on sale of non-current assets	-	127
Gain on reversal of share acquisition rights	5,194	-
Total extraordinary income	5,194	127
Extraordinary losses		
Expenses related to voluntary retirement	62,573	-
Fraud related losses	-	225,697
Total extraordinary losses	62,573	225,697
Loss before income taxes	(1,020,658)	(270,772)
Income taxes - current	1,145	1,145
Income taxes - deferred	(11,302)	-
Total income taxes	(10,157)	1,145
Loss	(1,010,501)	(271,917)
Loss attributable to non-controlling interests	(142)	(100)
Loss attributable to owners of parent	(1,010,358)	(271,816)

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Loss	(1,010,501)	(271,917)
Other comprehensive income		
Foreign currency translation adjustment	139	354
Share of other comprehensive income of entities accounted for using equity method	9,804	(9,421)
Total other comprehensive income	9,943	(9,066)
Comprehensive income	(1,000,557)	(280,984)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,000,415)	(280,883)
Comprehensive income attributable to non-controlling interests	(142)	(100)

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Loss before income taxes	(1,020,658)	(270,772)
Depreciation	69,137	42,013
Bond issuance costs	-	70,937
Increase (decrease) in allowance for doubtful accounts	-	141,800
Loss on valuation of inventories	58,689	3,365
Interest income	(134)	(1,111)
Interest expenses	10,174	13,846
Interest expenses on bonds	-	14,054
Fraud related losses	-	225,697
Decrease (increase) in trade receivables	(1,187,621)	366,773
Decrease (increase) in inventories	538,587	188,259
Decrease (increase) in advance payments to suppliers	(71,247)	(107,269)
Increase (decrease) in trade payables	643,271	(58,747)
Increase (decrease) in accounts payable - other	57,759	(460,640)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	(42,881)	91,478
Other, net	(269,707)	(18,167)
Subtotal	(1,214,631)	241,520
Interest and dividends received	14	1,193
Interest paid	(12,249)	(16,352)
Fraud related losses paid	-	(166,219)
Income taxes paid	(5,184)	(2,505)
Net cash provided by (used in) operating activities	(1,232,051)	57,636
Cash flows from investing activities		
Purchase of property, plant and equipment	(18,025)	(6,424)
Purchase of intangible assets	(52,250)	-
Purchase of investment securities	(1,489)	-
Other, net	-	127
Net cash provided by (used in) investing activities	(71,765)	(6,296)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	110,047	(904,341)
Proceeds from long-term borrowings	1,440,000	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	19,627	-
Proceeds from issuance of convertible bonds	-	1,429,062
Proceeds from share issuance to non-controlling shareholders	247	-
Other, net	(121)	(1,743)
Net cash provided by (used in) financing activities	1,569,799	522,977
Effect of exchange rate change on cash and cash equivalents	4,824	(1,411)
Net increase (decrease) in cash and cash equivalents	270,808	572,905
Cash and cash equivalents at beginning of period	1,499,555	1,243,580
Cash and cash equivalents at end of period	1,770,363	1,816,485