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November 11, 2021

**Consolidated Financial Results
for the Six Months Ended September 30, 2021
(Under Japanese GAAP)**

Company name: ACSL Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 6232
 URL: <https://www.acsl.co.jp/>
 Representative: Satoshi Washiya, Representative Director, President and COO
 Inquiries: Kensuke Hayakawa, Board Director and CFO
 Telephone: +81-3-6456-0931
 Scheduled date to file quarterly securities report: November 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	400	–	(650)	–	(691)	–	(693)	–
September 30, 2020	–	–	–	–	–	–	–	–

Note: Comprehensive income For the six months ended September 30, 2021: ¥(689) million [–%]
 For the six months ended September 30, 2020: ¥– million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	(60.15)	–
September 30, 2020	–	–

Notes: 1. The results for the six months ended September 30, 2020 and the percentages compared to the prior year are not presented as the Company began preparing consolidated financial statements in the third quarter ended December 31, 2020.
 2. 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	Equity-to-asset ratio
As of September 30, 2021	Millions of yen 6,104	Millions of yen 5,932	% 96.6
March 31, 2021	4,008	3,572	88.6

Reference: Equity
 As of September 30, 2021: ¥5,894 million
 As of March 31, 2021: ¥3,552 million

2. Cash dividends

	Annual dividends per share					Total
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end		
Fiscal year ended March 31, 2021	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00	Yen 0.00
Fiscal year ending December 31, 2021	–	0.00	–	–	–	–
Fiscal year ending December 31, 2021 (Forecast)	–	–	–	–	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending December 31, 2021 (from April 1, 2021 to December 31, 2021)

(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	%
Fiscal year ending December 31, 2021	480	–	(980)	–	(1,020)	–	(1,020)	–

Notes: 1. Revisions to the earnings forecasts most recently announced: Yes

- Concerning the revisions to the consolidated earnings forecasts, please refer to the "Notice of Amendment to Consolidated Earnings Forecast" announced today.
- Effective from the fiscal year ending December 31, 2021, the Company has changed its fiscal year closing date from March 31 to December 31. As a result, the fiscal year ending December 31, 2021, which is a transitional fiscal year, will be the nine-month period from April 1, 2021 to December 31, 2021. The above consolidated earnings forecasts show forecast figures for the nine-month period, and accordingly the year-on-year changes are not presented.

* **Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2021	12,318,600 shares
As of March 31, 2021	10,899,675 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2021	95 shares
As of March 31, 2021	95 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	11,529,601 shares
Six months ended September 30, 2020	10,771,466 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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.

Quarterly consolidated financial statements

(1) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	1,891,731	4,015,198
Accounts receivable - trade	349,502	50,420
Work in process	196,215	50,389
Raw materials	488,013	531,234
Other	332,254	327,133
Total current assets	3,257,717	4,974,376
Non-current assets		
Intangible assets	75,325	108,290
Investment securities	646,888	966,777
Other	28,998	54,853
Total investments and other assets	675,887	1,021,631
Total non-current assets	751,212	1,129,921
Total assets	4,008,930	6,104,298
Liabilities		
Current liabilities		
Accounts payable - trade	139,650	2,671
Contract liabilities	32,210	21,980
Other	261,081	142,505
Total current liabilities	432,941	167,156
Non-current liabilities		
Deferred tax liabilities	3,346	5,052
Total non-current liabilities	3,346	5,052
Total liabilities	436,287	172,209
Net assets		
Shareholders' equity		
Share capital	3,021,823	4,537,758
Capital surplus	2,999,823	4,515,758
Retained earnings	(2,476,509)	(3,170,014)
Treasury shares	(311)	(311)
Total shareholders' equity	3,544,826	5,883,191
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,583	11,434
Total accumulated other comprehensive income	7,583	11,434
Share acquisition rights	17,289	33,643
Non-controlling interests	2,943	3,819
Total net assets	3,572,642	5,932,089
Total liabilities and net assets	4,008,930	6,104,298

(2) Consolidated statement of income and consolidated statement of comprehensive income

Consolidated statement of income (cumulative)

(Thousands of yen)

Six months ended
September 30, 2021

Net sales	400,673
Cost of sales	377,568
Gross profit	23,105
Selling, general and administrative expenses	674,005
Operating loss	(650,900)
Non-operating income	
Interest income	74
Subsidy income	26,717
Other	1,390
Total non-operating income	28,182
Non-operating expenses	
Share issuance costs	67,084
Other	1,294
Total non-operating expenses	68,378
Ordinary loss	(691,096)
Loss before income taxes	(691,096)
Income taxes - current	2,545
Total income taxes	2,545
Loss	(693,641)
Loss attributable to non-controlling interests	(136)
Loss attributable to owners of parent	(693,504)

Consolidated statement of comprehensive income (cumulative)

(Thousands of yen)

Six months ended
September 30, 2021

Loss	(693,641)
Other comprehensive income	
Valuation difference on available-for-sale securities	3,864
Total other comprehensive income	3,864
Comprehensive income	(689,777)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(689,653)
Comprehensive income attributable to non-controlling interests	(123)

(3) Consolidated statement of cash flows

(Thousands of yen)

Six months ended September 30, 2021	
Cash flows from operating activities	
Loss before income taxes	(691,096)
Depreciation	35
Interest income	(74)
Decrease (increase) in trade receivables	299,082
Decrease (increase) in inventories	102,605
Decrease (increase) in advance payments to suppliers	(101,480)
Increase (decrease) in trade payables	(136,978)
Increase (decrease) in accounts payable - other	(187,751)
Decrease/increase in consumption taxes receivable/payable	131,539
Increase (decrease) in advances received	(10,230)
Other, net	81,359
Subtotal	(512,990)
Interest and dividends received	16
Income taxes refund	11,371
Net cash provided by (used in) operating activities	(501,602)
Cash flows from investing activities	
Payments of leasehold and guarantee deposits	(26,430)
Purchase of investment securities	(314,319)
Net cash provided by (used in) investing activities	(340,749)
Cash flows from financing activities	
Proceeds from issuance of shares	2,932,873
Proceeds from issuance of shares resulting from exercise of share acquisition rights	31,821
Proceeds from share issuance to non-controlling shareholders	1,000
Net cash provided by (used in) financing activities	2,965,695
Effect of exchange rate change on cash and cash equivalents	123
Net increase (decrease) in cash and cash equivalents	2,123,466
Cash and cash equivalents at beginning of period	1,891,731
Cash and cash equivalents at end of period	4,015,198