

February 22, 2023

ACSL Ltd.

## ACSL、Established a subsidiary in California to enter the U.S. market

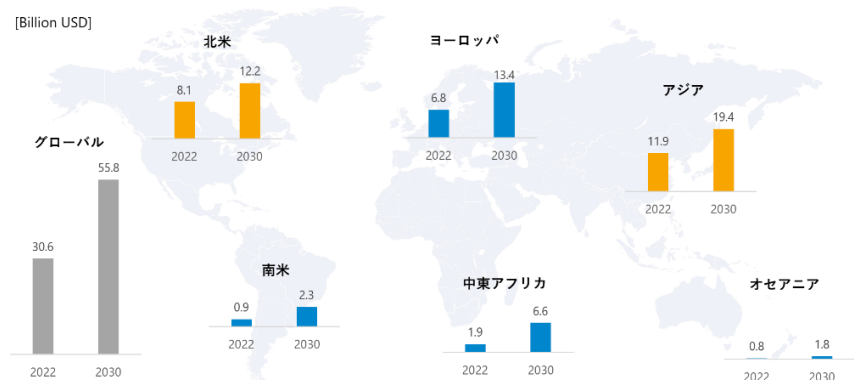
- ACSL establishes a subsidiary, ACSL, Inc. in California for full-scale entry into the U.S. market
- ACSL's drones have the advantage of meeting the needs of an accelerating economic security policy in global market.
- Cynthia Huang, who held key positions at Auterion and DJI, has been named President of ACSL, Inc.

ACSL Ltd. (Edogawa Ward, Tokyo; Satoshi Washiya, President, hereafter ACSL) is pleased to announce that it has established a subsidiary, ACSL, Inc. in California to make a full-scale entry into the U.S. market to grow into a "sustainable global manufacturer" as stated in the mid-term management policy "ACSL Accelerate FY22".

### ■Background

ACSL is aiming for sales of 10 billion yen and operating income of 1 billion yen by 2025, as defined in ACSL Accelerate FY22, to realize the "Master Plan," which is the vision of what we should be aiming for in 10 years, and we believe that accelerated growth from the current pace of growth is essential. Therefore, on the strength of ACSL's ability to meet economic security needs, ACSL aim to achieve rapid growth in FY2023, while enjoying stable growth in the Japanese market, by fully entering overseas markets, including India and the United States.

The global drone market is estimated to be worth USD 30 Bn in FY2022, of which North America is the second largest, after Asia, at USD 8.1 Bn. It is also projected to grow to 12.2 BnUSD by 2030, which is considered to have great potential.



Overseas drone market  
Compiled by ACSL from DRONE Industry Insights

Overseas, policies related to economic security and environmental considerations are more accelerated than in Japan. In the drone market, the National Defense Authorization Act (NDAA) has been enacted in the United States, prohibiting government procurement of drones from Russia and China. In addition, Chinese drone manufacturer DJI has been designated a "China Military Affiliate" by the U.S. Department

of Defense in October 2022. In this context, we believe that ACSL can formulate a positioning based on the keywords "economic security," "enterprise," and "application-specific."

At an exhibition in the U.S., SOTEN was highly evaluated for its potential use in inspection and surveying, and roadshows were held at several customer sites in October 2022 and January 2023, with evaluations that SOTEN can be applied in practice, as well as confirming purchase requests.



September 2022 at the Commercial UAV Expo in the U.S.



Roadshow at customer site

Against this background, ACSL decided to make a full-scale entry into the U.S. market and established a U.S. subsidiary, ACSL, Inc.

## ■ Structure

In order to promote business development in the U.S., it is important to develop products that meet local customer needs and regulations, develop business for potential customers, and build a support system after the drones sold, etc. Members with deep knowledge of drone technology and business, and who can communicate closely with local customers, are needed.

ACSL, Inc. is pleased to announce the appointment of Cynthia Huang as President of ACSL, Inc. Cynthia most recently led business development and strategic partnerships at Auterion, a leading U.S. drone software development company. Prior to joining Auterion, Cynthia was Director of Business Development at Chinese drone manufacturer DJI, where she led the company's North American enterprise market strategy and made significant contributions to the North American drone market.

Chris Raabe, PhD, who has overseen technology development and overseas market development at ACSL, has been appointed to the Board of Directors and will be responsible for the execution of operations in the U.S. market.

### ■President Cynthia Huang Comment

In recent years, the US market has seen a rapid acceleration of enterprise drone adoption and demand. Yet the companies most in need of drones for their operations, those operating in critical infrastructure, have experienced widespread frustration over the lack of drone options that align both geopolitically and technologically.

This has created a significant opportunity, one that ACSL is uniquely suited to win given our country of origin and our advanced drone technology.

We are excited to bring ACSL's product offerings to the US and to meet the growing industry demands.

### ■Outline of Subsidiary

Name	ACSL, Inc.
Location	710 Lakeway Drive, Suite 200, Sunnyvale, CA 94085
Representative	President Cynthia Huang
Business Description	Sales of ACSL's industrial drones in the U.S. market, etc.
Shareholder	ACSL Ltd. 100%

Specific plans for the U.S. business plan are being formulated and will be disclosed as soon as it becomes possible to disclose the earnings forecast, based on progress made.

### ACSL Ltd.

ACSL develops, manufactures, and commercializes industrial drones in order to realize labor-saving unmanned operations in industrial applications. ACSL's core technology is in its proprietary autonomous control technology and industrial drones equipped with image processing and AI edge computing technology. ACSL drones are already used in a variety of applications such as infrastructure inspection, postal delivery and logistics, and disaster prevention.

For more information visit <https://www.acsl.co.jp/en/>