



November 13, 2023

Company Name : ACSL Ltd.  
Representative : Satoshi Washiya  
Representative Director, CEO  
(TSE Growth, Stock Code: 6232)  
Contact : Kensuke Hayakawa  
Board Director, CFO  
(tel. 03-6456-0931)

### **Notice of Issuance of New Shares through an International Offering**

ACSL Ltd. (ACSL, the “Company”) announces that the Company resolved at a Board of Directors meeting held today on matters regarding the issuance of new shares through an international offering (the “International Offering”) as follows.

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| (1) Class and Number of Shares to be Offered              | 3,000,000 shares of common stock of the Company   |
| (2) Method of Determination of Amount to be Paid in       | The amount to be paid in shall be determined on a certain date between November 27, 2023 and November 28, 2023 (the “Pricing Date”) through a process equivalent to the book-building process provided under Article 25 of the Regulations concerning Underwriting of Securities etc. of Japan Securities Dealers Association.  |
| (3) Amount of capital and capital reserve to be increased | The amount of stated capital to be increased shall be half of the maximum amount of stated capital increase, as calculated in accordance with Article 14, Paragraph 1 of Rules on Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount additional paid-in capital to be increased will be the amount obtained by subtracting the relevant amount of stated capital to be increased from the relevant maximum amount of stated capital increase.  |
| (4) Method of Offering                                    | The International Offering will be made in overseas markets, mainly in Europe and Asia (excluding the United States and Canada) by the underwriter and the underwriter shall subscribe for all shares.<br>The issue price (offer price) shall be determined on the Pricing Date, taking into consideration the level of demand and other factors, in accordance with the same book-building method as prescribed in Article 25 of the Rules Concerning Underwriting, etc. of Securities adopted by the Japan Securities Dealers Association, with the provisional term being the price obtained by multiplying the closing price for ordinary transactions of the common stock of the Company on the Tokyo Stock Exchange, Inc. on the Pricing Date by 0.90 ~ 1.00 (if there is no closing price on that day, the closing price on the most recent day prior to that day) (any fraction less than one (1) yen resulting from such calculation shall be rounded down). |
| (5) Consideration for Underwriter                         | The Company shall not pay any underwriting commissions to the underwriter, although the aggregate amount obtained by subtracting the amount to be paid in (the amount to be paid from the underwriter to the Company) from the issue price (offer price)  |

Note: This press release does not constitute an offer of any securities for sale.

This press release has been prepared for the sole purpose of publicly announcing that the Company has resolved matters relating to the issuance of its new shares of common stock, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. If any public offering of such securities is made in the United States, it will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and its management, as well as financial statements of the Company, and the Company does not intend to make a public offering of such securities in the United States.

The offering of our company’s new shares referred to in this document will be made only outside of Japan to non-residents of Japan, and therefore, no registration statement or notice will be filed under the Financial Instruments and Exchange Act and no prospectus will be prepared for this offering.

- shall constitute proceeds to the underwriter.
- (6) Payment date November 29, 2023 (Wed)
  - (7) Delivery date November 30, 2023 (Thu)
  - (8) Subscription unit 100 shares
  - (9) The issue price (offer price), amount to be paid in, amount of stated capital and capital reserve to be increased, and any other matters necessary for the issuance of new shares through the International Offering shall be determined at the discretion of the Representative Director, CEO of the Company.

<Reference>

(1) Use of Proceeds

- (i) Business investments for R&D expenses and mass production of application-specific drones and platform drones

The Company is aiming for mass production and social implementation of four application-specific drones: Aerial photography (SOTEN), Pipe inspections, Smokestack inspections and Delivery, and the Company intends to use the funds raised for business investments related to the development, evaluation and mass production of those application-specific drones, such as the establishment of a mass production system, including the securing of human resources, and the procurement of components. As for Aerial photography, the Company aims to develop new high-performance, safe and reliable drones taking into consideration economic security and data security. In addition to the application-specific drones, the Company plans to use the funds for the development and evaluation of its platform drones for the secure support, Level 4 compliance and search for new applications. In the event that the Company decides to mass-produce the above-mentioned application-specific drones or a new application-specific drone, the Company will use the funds for its the mass-production design, manufacturing process design and procurement system setup for solidifying mass-production, and procurement of parts and materials, etc. The Company has been procuring and appropriating funds for development and business investment in application-specific and platform drones, but has determined that further fund procurement is necessary for development related to Level 4 compliance and for the transition from the development phase of application-specific drones to the mass production phase.

- (ii) Working capital including R&D expenses for overseas business expansion

The Company is now targeting expansion into U.S. market, and for the purpose the Company plans to use the funds for the development of customization of drones to sell locally in the U.S. market, including dealing with requests for functions from local potential customers, local radio wave systems and connecting to local management systems, and developing functions necessary from an export control standpoint. The Company also plans to use the funds for the establishment of commercial team and structure, including selection of local partners, establishment of sales structure including inventory management, and development of customer support system. In the India market, in addition to the development of drones above, the Company plans to use the funds for working capital, including R&D expenses and procurement of parts and materials for implementation of projects related to drones and robotics with local partner companies. The Company has been procuring and appropriating funds for its overseas operations to date, but since the establishment of its U.S. base in January 2023, the Company is convinced that its business opportunities overseas are expanding significantly, and the Company has been more proactive in its expansion. The Company has determined that this fundraising is necessary to further accelerate its growth.

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(2) Other

On February 6, 2023, the Company issued new shares, the Series 1 Unsecured Convertible Bonds (the “CBs”) and the 2023 Series 1 Stock Acquisition Rights (the “Stock Acquisition Rights”) to CVI Investments, Inc. (“CVI”) by way of third-party allotments.

Of these, 40 of the CBs (convertible into 1,210,365 shares of common stock of the Company) and 9,205 of the Stock Acquisition Rights (exercisable into 920,500 shares of common stock of the Company) remain not converted or exercised to date and may be converted or exercised during the period up to, and including, February 8, 2027, the end of the exercise period of the CBs and the Stock Acquisition Rights. The timing and quantity of the CBs and the Stock Acquisition Rights to be converted or exercised is subject to the discretion of CVI.

The current conversion price of the CBs is JPY1,148 and the exercise price of the Stock Acquisition Rights is JPY1,985, but the conversion price and the exercise price may be adjusted due to the issue of new shares through the International Offering in accordance with the respective terms and conditions of the CBs and the Stock Acquisition Rights. In such cases, each of the conversion price of the CBs and the exercise price of the Stock Acquisition Rights will be adjusted to the amount to be paid in per share for the International Offering, respectively. For the CBs, if the conversion price after such adjustment falls below JPY827, the conversion price after such adjustment will be JPY827. If the conversion price of the CBs and the exercise price of the Stock Acquisition Rights are expected to be adjusted as a result of the determination of the amount to be paid in per share for the International Offering, this will be announced promptly.

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