



November 14, 2023
ACSL Ltd.

Notice Concerning Receipt of Orders Based on Strategic Distributor Partnership with General Pacific, Inc. in the U.S. Market and Acquisition of Export License for Small Aerial Photography Drone (SOTEN)

ACSL Group has received an order in November 2, 2023 from General Pacific, Inc. for small aerial photography drones in the U.S. and has been proceeding with an application to export the drones to the U.S. based on the MOU reported in our July 13, 2023 press release titled "Notice Concerning MOU with General Pacific, Inc. for Strategic Distributor Partnership in the U.S. Market, Additional Investment in US Entity and Changes in Specified Subsidiaries". We are pleased to announce that ACSL Ltd ("ACSL") received an export license from the Ministry of Economy, Trade and Industry (METI) on November 13, 2023.

1. Details of orders received from GenPac and export licenses

GenPac is a leading distributor within the UAS and robotic industry. It partners with end users to provide the equipment and training for any missions to be implemented successfully. Beyond hardware, GenPac offers a variety of expert level training and software solutions.

In order to expand sales in the U.S. market in the future, ACSL's U.S. subsidiary ACSL, Inc. and GenPac entered into an MOU on July 13, 2023 for a strategic agency partnership and received an order for 50 units small aerial photography drones (SOTEN) as sales for the current fiscal year, and ACSL, Inc. has received an order in November 2, 2023. Based on the order, ACSL had applied to the METI for an individual export license in anticipation of sales of SOTEN in the United States. Based on the export license application, ACSL received an export license from the METI on November 13, 2023 for the export of SOTEN to the United States.

2. Background

Policies related to economic security and environmental considerations are accelerating in the global drone market. In the U.S., the National Defense Authorization Act (NDAA) has been enforced, prohibiting government procurement of Russian and Chinese drones. In addition, DJI, Chinese drone manufacturer, has been designated by the U.S. Department of Defense as a "China Military Enterprise" from October 2022. In this market environment, ACSL believes that it is possible to formulate a positioning based on the keywords "economic security", "enterprise support", and "application-specific".

In its entry into the U.S. market, ACSL small aerial photography drone (SOTEN) was highly



evaluated by infrastructure companies at a local exhibition for its use in inspection and surveying, and ACSL have also received positive feedback and confirmed purchase requests at several customer road shows.

Against this backdrop, ACSL established a U.S. subsidiary ACSL, Inc. in California in January 2023, and through close collaboration with these potential U.S. customers, ACSL has continued to improve its small aerial photography drones (SOTEN). To expand sales in the U.S. market, we have concluded MOUs with several U.S. companies, including one with ACSL, Inc. and another with GenPac regarding a strategic agency partnership.

3. Outlook

ACSL has decided to postpone the disclosure of earnings forecasts for the fiscal year ending December 31, 2023, although the company has determined that it is difficult at this point in time to appropriately and reasonably calculate figures for sales overseas. We are currently examining our business performance, including other factors, and will disclose the forecast as soon as we are able to do so.

Attention

This document is an unofficial translation of the timely disclosure on November 14, 2023 by ACSL and this is for reference purpose only. In case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.