

PRESS RELEASE

September 13, 2024 ACSL Ltd.

ACSL exhibits at the "Commercial UAV Expo 2024" in Las Vegas, U.S.

- From September 3 to 5, 2024, ACSL and its U.S. subsidiary ACSL, Inc. exhibited SOTEN, the new NDAA^{*1} compliant smart controller "TENSO", and the IR (infrared) camera at the Commercial UAV Expo 2024 held in Las Vegas, U.S., and received high interests from local companies.
- In the U.S., there is an accelerating drive to eliminate products made in China, increasing the demand for alternative products. Recognition of ACSL and SOTEN has grown dramatically compared to last year at the same exhibition.

ACSL Ltd. (Head Office: Edogawa-ku, Tokyo; CEO: Satoshi Washiya; hereinafter "ACSL") and its U.S. subsidiary ACSL, Inc. announce that we exhibited at Commercial UAV Expo 2024, held in September 2024 in Vegas, USA.

■U.S. drone market

In the US, the NDAA (National Defense Authorization Act)^{*1} legally prohibits major government agencies from procuring Russian or Chinese drones, and Chinese drone manufacturer DJI has been designated by the US Department of Defense as a "China Military Affiliate" since October 2022. In this market environment, moves to eliminate China-made products are accelerating in the U.S., and NDAA-compliant drones are becoming increasingly significant.

Announces the release of the high-resolution infrared camera and the smart controller "TENSO", both NDAA compliant

At this year's show, we presented our NDAA-compliant IR (infrared) camera and the smart controller "TENSO". The IR camera (<u>Press release</u>) has a 640 x 512 pixel Boson sensor and uses a stable 3-axis gimbal. Like all other cameras so far, it is one-touch interchangeable. It is expected to be utilized in nighttime security applications as it can capture detailed images in dark environments.

The smart controller "TENSO" has been developed responding quickly to the needs of our clients for product updates. It is designed for usability, high performance, and dustproof and waterproof performance.

ACSL's achievements at the exhibition and future goals

Below are some of the noteworthy points from this year's exhibition, which we participated in following last year.

- · Recognition of us and SOTEN has increased dramatically compared to last year
- SOTEN continues to be highly rated as a candidate to replace Chinese-made drones

• There were many requests from prospective distributors interested in evaluating SOTEN

The huge U.S. market for facility inspection drones is a very attractive market, and we expect a dramatic increase in sales volume in the second half of 2024 and into the next fiscal year. As a Japanese drone developing and manufacturing company, ACSL will continue to develop and provide customer-first products that meet the needs of inspection sites, thereby achieving steady results in the U.S. market, where there is considerable potential for drones.

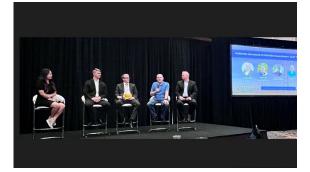
Exhibition site



Smart Controller "TENSO"



SOTEN with the infrared camera



ACSL, Inc. CEO Cynthia moderated a 90-minute session on energy and utilities, featuring key utility officials. (Ameren, Firmatek, Southern California Edison, Florida Power & Light, and Southern Company)



ACSL booth

Commercial UAV Expo

Commercial UAV Expo, presented by Commercial UAV News, is the leading international trade show and conference focusing on the integration and operation of commercial UAS in select vertical markets. In 2023, 206 exhibitors and 3,449 drone professionals participated in the show^{*2}.

*2: About | Commercial UAV Expo (expouav.com)

^{*1:} The National Defense Authorization Act (NDAA) is a law concerning the defense budget that is introduced annually in the U.S. Congress. It governs U.S. defense policy and establishes rules that prevent the U.S. from hiring companies that could be immediately converted to a particular country's military or weapons industry.

ACSL and ACSL, Inc. (U.S. Subsidiary) https://www.acsl.co.jp/

ACSL is developing domestically produced industrial drones to reduce manpower and unmanned operations of existing operations in the industrial field. In particular, ACSL provides cutting-edge autonomous control technology with image processing and AI edge computing technology, and industrial drones equipped with the same technology. ACSL drones have already been adopted in various fields such as infrastructure inspection, postal and logistics services, and disaster mitigation and prevention. In January 2023, the U.S. subsidiary ACSL, Inc. was established in California. In order to meet the steadily growing demand and interest from the U.S. market, we are currently continuing to expand our dealer network throughout the U.S. In 2023, we began selling 50 drones; in 2024 including the second half of the year, we have 9 distributors and expect to sell several hundred units, and in 2025, we anticipate a more significant increase in sales.

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