PRESS RELEASE

January 28, 2025

ACSL Ltd.

U.S. subsidiary ACSL, Inc. Signed a Memorandum of Understanding (MOU) for Strategic Partnership with Hensel Phelps Construction Co.,

- ACSL, Inc. has signed a Memorandum of Understanding (MOU) with Hensel Phelps for a strategic partnership to further accelerate sales and market development in the U.S. market.
- ACSL, Inc. and Hensel Phelps, who is a construction company based in the U.S. delivering comprehensive construction solutions for large-scale projects across various sectors, will collaborate on further adoption and use of drone technology in construction industries

ACSL Ltd. (ACSL) hereby announces that ACSL, Inc., our U.S. subsidiary, has signed a Memorandum of Understanding (MOU) with Colorado-based Hensel Phelps Construction Co., (Hensel Phelps), on January 27, 2025, local time, for a strategic partnership to promote the implementation and utilization of drones in construction industries in the U.S. market.

■Reason and details of the MOU

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) prohibits 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".

Against this background, ACSL established a U.S. subsidiary, ACSL, Inc. in California in January 2023 to meet the growing demand for secure, versatile, and high-performance small aerial drones. In January 2024, ACSL, Inc. began full-scale sales in the U.S. and in October 2024, we received an order for 500 SOTEN drones from our distributor, Exertis Almo[*1].

Hensel Phelps with whom ACSL, Inc. signed MOU is a construction company since 1937, delivering comprehensive construction solutions for large-scale projects across various sectors, such as airport facilities projects and government facilities projects. ACSL, Inc., and Hensel Phelps will collaborate on enhancing drone usage. For example, ACSL, Inc., will obtain feedback and industry expertise from Hensel Phelps for its key product development and Hensel Phelps will test ACSL products for a variety of construction use cases.

ACSL, Inc. and Hensel Phelps recognize each other’s strengths and expertise in their respective industries and the benefits of a strategic partnership in leveraging those respective strengths and expertise in facilitating the further adoption and use of drone technology in construction industries.

■About Hensel Phelps

Name：Hensel Phelps Construction Co.,

Location：420 Sixth Avenue, Greeley, CO 80631

Representative：Chairman & Chief Executive Officer Michael J. Choutka

Business：Planning, building, and managing large-scale construction projects

Established Date：June 1937

■About ACSL, Inc.

Name：ACSL, Inc.

Location：710 Lakeway Drive, Suite 200, Sunnyvale, CA 94085

Representative：President Cynthia Huang

Business: Sales of ACSL's industrial drones in the U.S. market, etc.

Shareholder：ACSL Ltd. 100％

Website：https://acsl-usa.com/

※1 Notice Concerning Distribution Agreement with Almo Corporation in the U.S. market and Large Project Orders

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/ .

Attention

This document is an unofficial translation of the timely disclosure on January 28, 2025 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.