



August 9, 2023  
ACSL Ltd.

## **Notice Concerning MOU with Conket2, Inc. for Strategic Partnership in the U.S. Market**

ACSL Ltd. (ACSL) hereby announces that on August 8, 2023, ACSL, Inc., our U.S. subsidiary, entered a Memorandum of Understanding (MOU) with Conket2, Inc., DBA C2 Group (C2 Group), for a strategic partnership to provide sales, support, repair, and service assistance for ACSL products in the U.S. market.

### 1. Reason and details of the MOU

In the face of escalating geopolitical risks and unstable international conditions, the global drone market is experiencing a surge of interest in economic security and robust security measures. ACSL stands at the forefront of this trend, manufacturing domestically produced drones that offer guaranteed security; our offerings go beyond mere production. ACSL also specializes in both hardware and software technologies for industrial drones and is at the cutting edge of developing drones tailored to specific applications. This innovative approach aligns us perfectly with the industry's desire for "enterprise-ready" and "application-specific" solutions. With our finger on the market's pulse, ACSL anticipates a growing demand for secure drones in overseas markets, positioning us as a key player in this rapidly evolving industry.

When ACSL introduced its small aerial photography drone, SOTEN, to the U.S. market, it quickly caught the attention of infrastructure companies. Exhibited at a local trade show, SOTEN impressed industry experts with its capabilities in inspection and surveying. The response extended beyond mere appreciation; ACSL received positive feedback and confirmed purchase requests during several customer road shows. To deepen its commitment to this vital market, ACSL established a U.S. subsidiary, ACSL Inc., in California in January 2023. This strategic move has enabled close collaboration with potential U.S. customers. As a result, the company has expanded its presence and continued to enhance the SOTEN drone, fine-tuning its features and functionality to better serve the evolving needs of the industry. In July 2023, the Company accelerated its efforts in the U.S. market by signing a memorandum of understanding with General Pacific, Inc. for a strategic distributor partnership to provide sales, support, repair, and service assistance for the Company's products in the U.S. market.

Founded in 2016, C2 Group is an engineering and program management company that has rapidly expanded through its commitment to delivering comprehensive, cost-effective, and cutting-edge solutions to its clients. When it comes to utilizing drones, C2 Group is an industry

leader with an in-house team of drone pilots, utility infrastructure inspectors, and subject-matter experts. C2 Group's proficiency in providing drone-based solutions is not only a reflection of our innovation but also a testament to its pursuit of excellence in meeting the dynamic needs of its clients.

In response to the recent trend of emphasizing economic security in the drone market, the MOU with C2 Group regarding a strategic partnership to provide sales, support, repair, and service assistance for our products in the U.S. market has been signed. The two companies will cooperate in sales promotion and market development and aim to sell 50 drones by the end of 2024, mainly to infrastructure companies and inspection businesses.

## 2. Overview of C2 Group

(1) Name	Conket2, Inc. DBA C2 Group	
(2) Headquarter	8340 Juniper Creek Lane, San Diego, CA, the U.S.	
(3) Position and name of representative	President Omneya Salem	
(4) Business	Engineering and program management company with experience in providing drone-based solutions, resource integration, and project feasibility assessment	
(5) Established date	September 12, 2016	
(6) Shareholder	Omneya Salem, Luis A. Alarcon	
(7) Relationship between the listed company and the said company	Capital ties	None
	Personnel relations	None
	Business relations	None
	Related party status	None

(Notice) Due to confidentiality obligations under the MOU, "Share capital" and "Financial position and operating results for the past three years" will not be disclosed.

## 3. Outlook

ACSL has decided to postpone the disclosure of earnings forecasts for the fiscal year ending December 31, 2023 although net sales in Japan are expected to be at least at the same level as the previous fiscal year, the company has determined that it is difficult at this point in time to appropriately and reasonably calculate figures for net sales overseas.

As for the impact of the above MOU on ACSL's business performance, we believe that it will contribute to our sales, as we aim to sell to 50 drones by 2024. However, the actual number of drones to be sold has not yet been determined, and the impact on our business performance is undetermined. ACSL is currently examining other factors and will promptly disclose the



earnings forecast it becomes possible to do.

*Attention*

*This document is an unofficial translation of the timely disclosure on August 9, 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.*