December 23, 2025
ACSL Ltd.

Notice of Mid-Term Plan “ACSL Accelerate FY26”

ACSL Ltd. (ACSL) is pleased to announce that it has developed a new mid-term plan, "ACSL Accelerate FY26," covering the period from fiscal year ending December 31, 2026 to fiscal year ending December 31, 2028.

With a mission of "Liberate Humanity through Technology" and a vision of “Become a partner for those that build safety and security around the world,” ACSL has been delivering domestically produced industrial drones, leveraging proprietary control technologies as our core strength. In addition to developing products that address the growing demands of economic security, we have established a business foundation based on mass production and stable supply. This enables us to meet the requirements for reliability in real-world operations and to accelerate the social implementation of drones.

In recent years, the drone market has undergone significant transformation, driven by changes in the social environment centered on defense, security, and economic security. Amid rising geopolitical risks, drones are increasingly recognized in Japan and abroad as critical technologies that support national security and essential infrastructure. Regulations and utilization are advancing simultaneously in procurement and operations. Furthermore, growing needs for unmanned solutions due to labor shortages, along with progress in applications such as disaster assessment, logistics, and infrastructure inspection, have positioned drones not merely as tools for efficiency but as indispensable assets from the perspective of defense and economic security. The market is now at a turning point.

ACSL updates its mid-term plan, “ACSL Accelerate,” on a rolling basis to reflect business progress and environmental changes. The newly formulated “ACSL Accelerate FY26” clearly defines our long-term direction, goals, and milestones, based on progress under the previous plan, “ACSL Accelerate FY22,” and recent shifts in the business environment. Through this policy, we aim to strengthen our framework for creating customer value and enhancing corporate value in collaboration with all stakeholders, both inside and outside the company.

An overview of this mid-term plan is provided in the attached document.

Attention

This document is an unofficial translation of the timely disclosure on December 23, 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.

Medium term Management Plan “ACSL Accelerate FY26”

ACSL Ltd.（TYO：6232）
2025 December 23rd

Positioning of the Medium-Term Management Plan

The Third Phase of Growth Toward Realizing our 10-Year “Master Plan”

ACSL Accelerate FY20

From a Prototype Factory to a Mass Production Manufacturer

→

ACSL Accelerate FY22

Shift to a Sustainable Global Manufacturer

→

ACSL Accelerate FY26 (FY26-FY28)

Toward Becoming a Trusted Partner for Those that Build Safety and Security Around the World

In August 2020, ACSL defined a master plan that sets the “To-Be” state in 10 years.
To realize this vision, ACSL has defined a rolling medium-term management plan called “ACSL Accelerate,” which adapts to rapid changes in the business environment.

1. Company Overview

2. Review of ACSL Accelerate FY22

3. ACSL Accelerate FY26

4. Appendix

ACSL is a global drone manufacturer from Japan

Company Overview

ACSL Ltd.

Established：2013 November

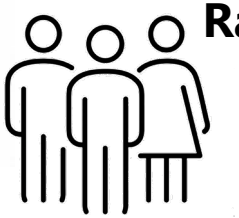
Headquarters: Tokyo, Japan

Business:
Manufacturing and sales of industrial drones

Employee Composition (as of September 2025)

Ratio of engineers

Approx. 62%



Ratio of non-Japanese

Approx. 23%

Management

Representative Director, Co-CEO: Kensuke Hayakawa
Representative Director, Co-CEO: Shoji Terayama
ACSL, Inc. CEO, : Cynthia Huan
Global CTO: Chris Raabe

Group Companies

ACSL, Inc. (U.S. subsidiary)
ACSL India Private Ltd. (India JV)
ACSL No.1 Limited Liability Partnership (CVC)

ACSL has expanded its customers and markets

2013

ACSL founded by Kenzo Nonami, Professor Emeritus of Chiba University

2018

Listed on the Tokyo Stock Exchange
World's first listed drone-only manufacturer

2022

Launched mass production and sales of the secure small aerial drone "SOTEN"

2023

Japan's first Level 4 compliant UAV Obtained Type Certification from MLIT

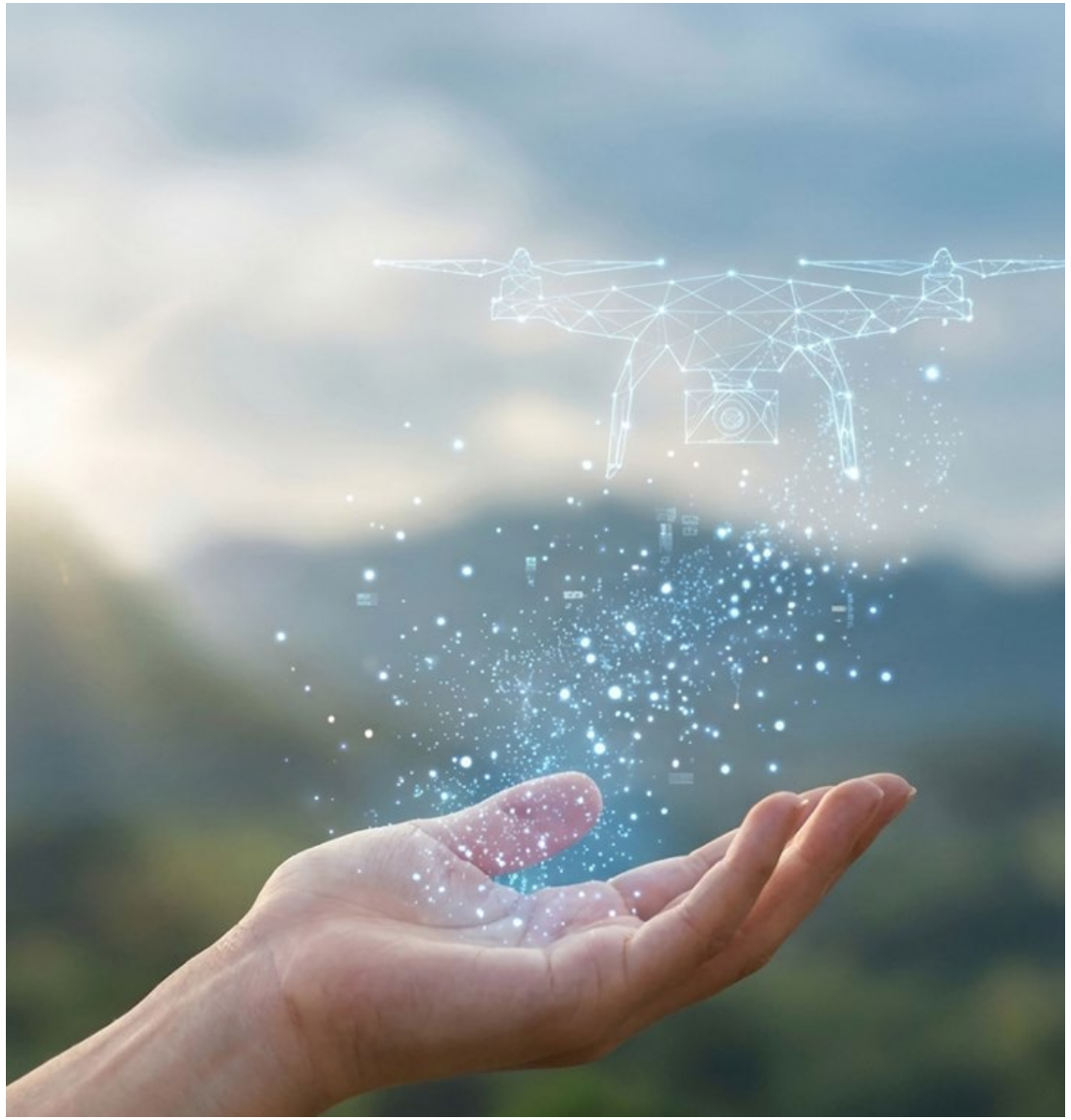
2023

Established U.S. subsidiary.
Began full-scale expansion into the U.S. market

2024

First delivery of "SOTEN" to Japan's Ministry of Defense

Fundamental Principles Highlighted by ACSL



Mission

Liberate Humanity Through Technology

Vision

Become a partner for those that build safety and security around the world

Value

Customer centric

Putting customer needs first, pursuing customer value, and continue to improve customer satisfaction

Collaborate

Proactively co-create with internal and external partners to deliver the best solutions to our customers

Challenge

Continue to change without fear of failure to create unforeseen value

Complete

Get matters done as your own, with quality and speed

Three social issues ACSL aims to address

①Declining workforce

- Fewer workers willing to perform tough, dirty, and dangerous tasks
- Robotics, including drones, are being adopted to improve efficiency and enable unmanned operations

②Defense and Security

- As economic security gains importance, the U.S. is advancing national-level regulations on China drones
- In Japan, awareness related to economic security in drone are steadily progressing

③Natural disasters

- Climate change is increasing the frequency and severity of earthquakes etc.
- In disasters such as the Noto earthquake and regional heavy rains, drones proved effective in damage assessment and logistics

ACSL's Business Domains

Demonstration/ Customization → **Mass Production / Deployment** → Service Provision

Business Regions

Primarily operating in
Japan and North America

Business Focus

Industrial drones for
aerial imaging, inspection, and delivery

Aerial photo/ Inspection

Delivery

Agriculture

Hardware + Software

ACSL's Competitive Advantages

A leading Japanese manufacturer of small unmanned aircraft addressing economic security needs

Positioning in the Small[1] UAV Market

	Made in Japan	Overseas-made
Outdoor /Small		Company A Company B Company C ⋮
Outdoor /Medium & Larger	Company D ⋮	Company E ⋮

1: Less than 4kg as weight

Industry-Leading Technical Capabilities

R&D

① Proprietary control technologies (FC and Vision)

② Reliable aircraft compliant with economic security requirements

Manufacturing

① Mass-production capability for small drones

Operation

① The only company to obtain a Type Certification (Level 4)

A Strong Customer Base and Sales Network

① A broad customer base and deployment track record across defense, public, and private sectors

② A distributor network of over 15 partners in Japan and over 20 in the US

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ACSL Accelerate FY22 Business Strategy

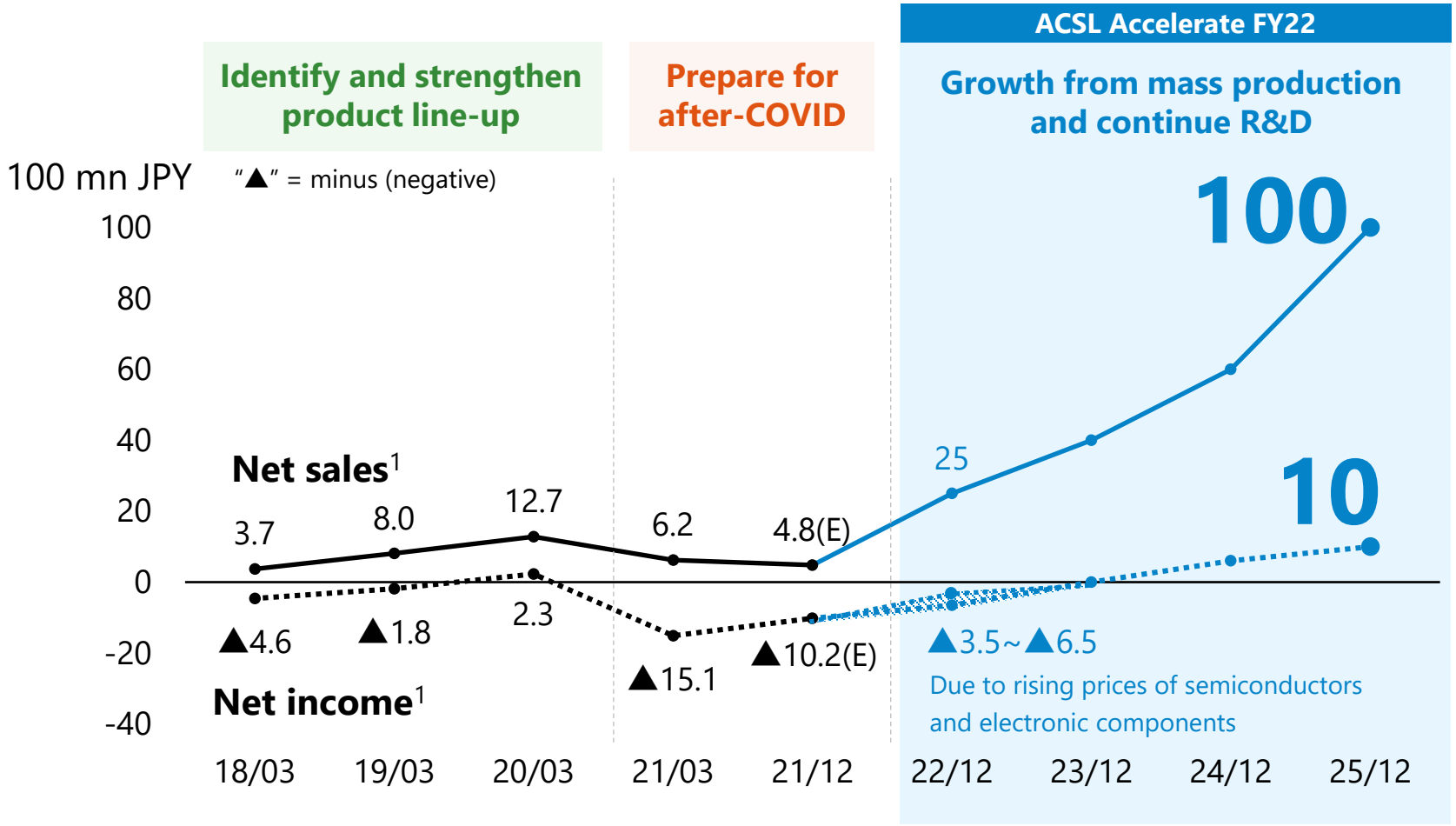
In addition to developing mass production drones, ACSL will accelerate entering to India, as well as strengthen ESG initiatives, and seek for adaptation of our core technologies to other fields

ACSL Accelerate FY22

Shift to a sustainable global manufacturer

ACSL Accelerate FY22 financial target

At the end of the mid-term plan, ACSL aims to achieve sales of 10 bn JPY
and net income of 1 bn JPY in 2025



Financial Policies for ACSL Accelerate FY22

- Establishing a profitable structure in-line with 2030
- No large-scale capital investments to production facilities
- Continue strategic upfront investment in R&D
- Secure cash for investment in overseas expansion, M&A and growth projects

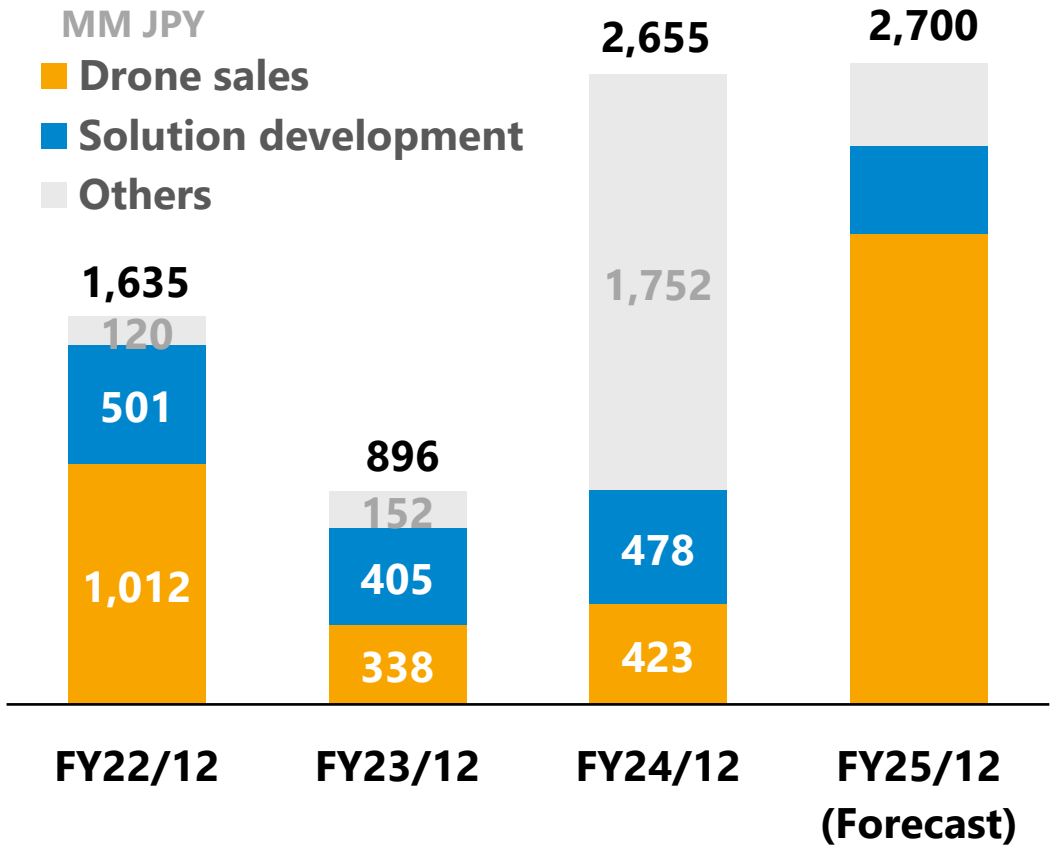
1: Actual results up to FY 21/03, forecast for FY 21/12 announced on November 2021 and it is irregular 9-month results

Review of “ACSL Accelerate FY22”: Financials

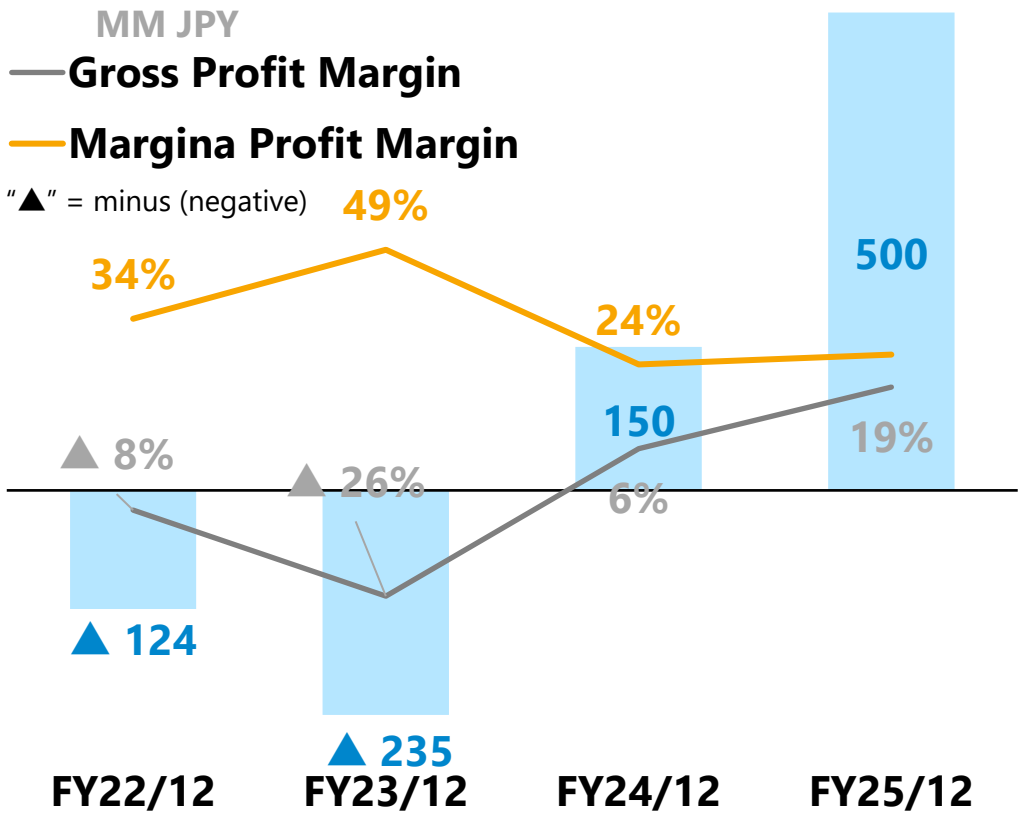
Although targets were not fully achieved, sales nearly doubled and gross profit turned positive

Improvement in marginal profit margin was a key driver toward profitability

Sales Trends



Gross Profit Trends



Review of ACSL Accelerate FY22: Business Strategy

While some initiatives deviated from initial assumptions, the medium-term growth direction was clarified

Development and commercialization of four application-specific drones

Results

- Progress in mass production and deployment of SOTEN (inspection), and start of PF4 mass production
- Some application-specific models did not reach mass production due to development and regulatory constraints

Key Implications

- Application-specific drones face challenges in scalability and volume production
- Accelerate deployment of SOTEN and PF4 into defense, inspection, logistics, and public sectors
- Accelerate development of next-generation platforms following SOTEN and PF4

Development of new applications drones and compliance with security

Full-scale launch to the Indian market

Results

- Initial sales were constrained due to JV setup and changes in export regulations

Key Implications

- Shift focus to North America; replacement of foreign-made drones is structurally irreversible

Exploring adaptation of autonomous control systems to other fields

Results

- Investments and early development efforts made, but progress was limited by technical gaps

Key Implications

- Continue deploying autonomous control systems to other drones; expansion to other fields remains on hold

1. Company Overview

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3. ACSL Accelerate FY26

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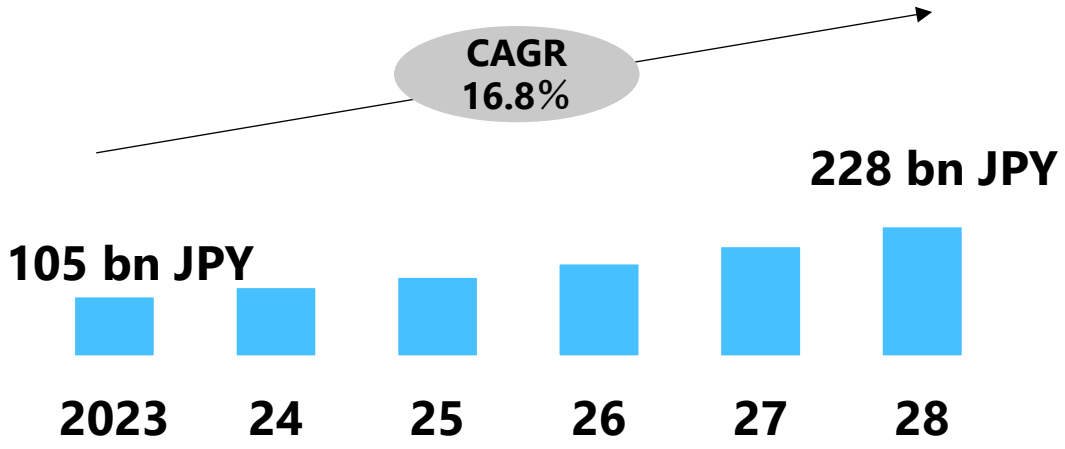
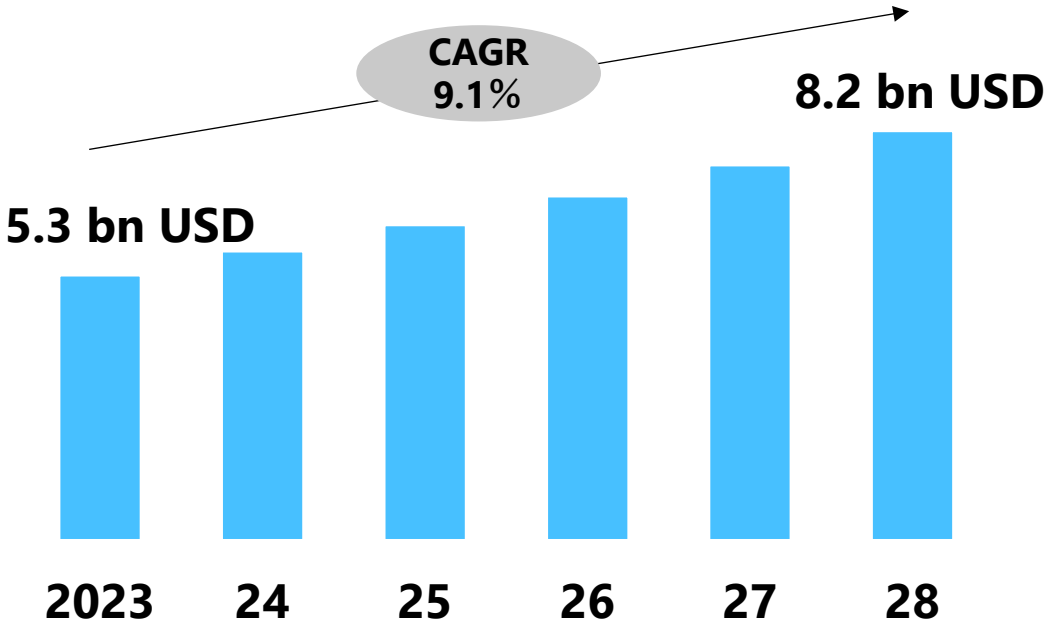
Drone hardware market size

The drone hardware industry is growing swiftly and is projected to surpass 1 trillion JPY by 2028, encompassing both Japan and the U.S.

Japan drone hardware market[1]



US drone hardware market[2]



1: Impress Research Institute “Drone Business Report 2024”
2: Grand View Research 「U.S. Commercial Drone Market Size & Share Report, 2030」

External Changes Surrounding the Drone Industry

**Trends cited in the previous medium-term plan, including decarbonization and clean energy, digital rural cities and smart cities,
and aviation law revisions such as Level 4 regulations, continue**

Advancement of Economic Security

Geopolitical risks are driving demand for domestically produced and highly reliable drones, particularly in defense applications

Opportunity: New and expanding markets for domestically produced, highly reliable drones, mainly in defense

Risk： Increased uncertainty in component procurement due to supply chain disruption and instability

Rapid Advancement of Drone Technologies

- AI Autonomy and Distributed Drone Control
- 5G/6G, Satellite Connectivity, Next-Gen Power
- Counter-Drone Capabilities

Opportunity: Enhanced Customer Value and Expansion into New Use Cases

Risk： Rising Development Complexity and Limits of In-House Development

Positioning of the Medium-Term Management Plan

The Third Phase of Growth Toward Realizing our 10-Year "Master Plan"

ACSL Accelerate FY20

From a Prototype Factory to a Mass Production Manufacturer

→

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Shift to a Sustainable Global Manufacturer

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ACSL Accelerate FY26 (FY26-FY28)

Toward Becoming a Trusted Partner for Those that Build Safety and Security Around the World

In August 2020, ACSL defined a master plan that sets the "To-Be" state in 10 years.
To realize this vision, ACSL has defined a rolling medium-term management plan called "ACSL Accelerate," which adapts to rapid changes in the business environment.

Core Policy and Six Strategic Initiatives

As a trusted global manufacturer supporting safety and security, we unite internal and external strengths to develop, scale, and deliver technologies that exceed customer expectations and create value for all stakeholders.

1

Drone evolution with advanced technologies

Next-generation AI-based autonomous control

2

Building a resilient supply chain

Procurement network with multiple sites and economic security

3

Full-scale expansion of U.S. business

Stronger sales network and business base in the U.S.

4

Contribution to defense and security

Establish a trusted position in defense sectors in Japan and overseas

5

Domestic Infrastructure Maintenance

Replacement with Domestic Drones in Infrastructure Maintenance

6

Strengthening a financial base

Financial structure for growth and sustainability

1. Drone evolution with advanced technologies

The evolution of drone through cutting-edge technology is the key to contributing to society and driving growth. For small aerial photography drone, we plan to develop and mass-produce two new models. For logistics drone, we aim to enhance the functionality and reduce the cost of the PF4

	ACSL Accelerate FY22	ACSL Accelerate FY26	
Small aerial photo	**SOTEN (2022)**	**Next-generation small drone (Mid-to-late 2026)**	**Next-next-generation small drone (early 2028)**
			
	• Domestically developed small aerial photography drone • Flight in non-GPS environments • Security measures	• Compact and lightweight aerial photography drone*1 • Extended Flight Time • High environmental resistance	• AI-powered autonomous control • Mesh network compatible • Third-party aerial flight
Delivery	**PF4(2025)**		
			
	• Superior aerodynamic performance and extended flight duration • Environmental resistance (wind resistance and rainproofing) • High-precision positioning via CLAS*2	**Based on market conditions and customer needs, functional enhancements, cost reductions, and new aircraft development will be considered**	

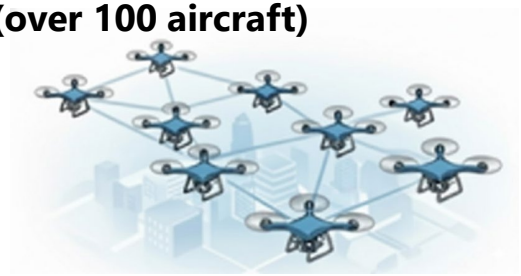
＊1： Compared to SOTEN
＊2： Centimeter-level positioning augmentation service provided by Michibiki (Quasi-Zenith Satellite System)

ACSL's Technologies and Applications (to FY30)

① 【Smart】
Autonomous Flight Plan Re-routing

② 【Smart】
Robust Indoor Flight Integrating Visual Odometry/SLAM/GPS/IMU

③ 【Smart】
Super-large fleet operation (over 100 aircraft)



Implementing Safety and Security

Secure/Safety

Smart

Advanced technology for enhanced mission execution

"Liberate Humanity though Technology"

Simple

Technical user support

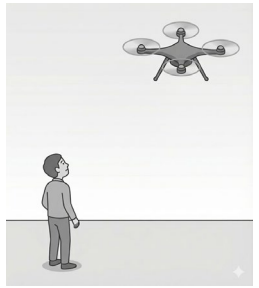
Basic Performance Improvements

- Sensor Performance (Camera)
- Transmission distance (Communication device)
- Flight time (Battery)
- Extensibility (SDK/API)

④ 【Secure/Safety】
Anti-Drone Measures (Enhanced Information Security)

⑤ 【Secure/Safety】
Manned aircraft, unmanned aircraft, autonomous obstacle avoidance

⑥ 【Secure/Safety】
Third-party overflight



⑦ 【Simple】
Fully automatic charging and aircraft inspection

⑧ 【Simple】
Flight plan formulation using natural language

⑨ 【Simple】
Unifying Usability Through Third-Party Deployment of ACSL FC/GCS

FC Technology | **Vision Technology** + **AI**

2. Building a resilient supply chain

Establish systems to ensure both production flexibility and procurement reliability in environments with heightened supply chain risks

Macro environment and risks

Geopolitical tensions
- Tightened export/import controls
- Changes in tariff policies

Supply chain depending on specific countries

Disruption in parts supply

Extended lead times and increased costs

Security concerns

Future Direction

① Cooperation/Competition with Other Manufacturers
- Cooperation = Standardization and Commonization of Parts
- Competition = Differentiation in Parts

② Strengthening Relationships with Parts Manufacturers
- Reducing reliance on specific countries for certain parts
- Promoting domestic production

③ Establishment of a parallel production system
- Production System Capable of Addressing Diverse Customer Needs

3. Full-scale expansion of U.S. business

Establish a foundation for the next growth driver in the expanding U.S. market driven by economic security

FY25 Sales：Approx. 0.9 bn JPY (Forecast) → **FY28 Sales target：2.5 bn JPY (+1.6 bn JPY)**

U.S. market environment

Market size

- **A large and growing market with advancing drone adoption**

Structural changes

- **Regulations on Chinese-made drones from December 2025**
- **Users urgently seeking alternatives to Chinese drones**

Competitive landscape

- **Few compliant models available**
- **Adoption of U.S. and European products remains limited**

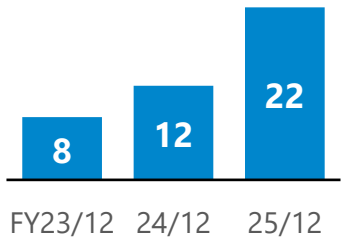
ACSL in the U.S.

- **Launched "SOTEN", developing features and cameras tailored to the U.S. market**
- **Strength in NDAA compliance and competitive pricing**
- **MOUs with key players, a nationwide dealer network, strong industry relationships**

MOU signing

GEN PAC General Pacific, Inc. / C2 GROUP / Ameren / FIRMATEK / valmont / CYBERHAWK / AMERICAN TOWER

# of dealers



Future Direction

① **Focus on priority segments**
- Power infrastructure inspection
- Public safety

② **Strengthen local partnership**
- Collaboration with drone service providers and manufacturers
- Deeper engagement with industry associations

③ **Development for U.S. market**
- FY25: IR camera
- Next: port integration

4. Contribution to defense and security

Leveraging strengths as a Japan-origin drone manufacturer and proven track record in defense to drive growth

FY25 Sales：Approx. 0.9 bn JPY (Forecast) [1] → **FY28 Sales target： 1.5 bn JPY (+0.6 bn JPY)**

Market opportunity

Increase in defense budgets

- **Defense-related budget growth: JPY 4.7 tn (2014) to JPY 8.7 tn (2025)**
- **Acceleration of the 2% of GDP defense spending target (from FY2027 to FY2025)**

Acceleration of dual-use adoption

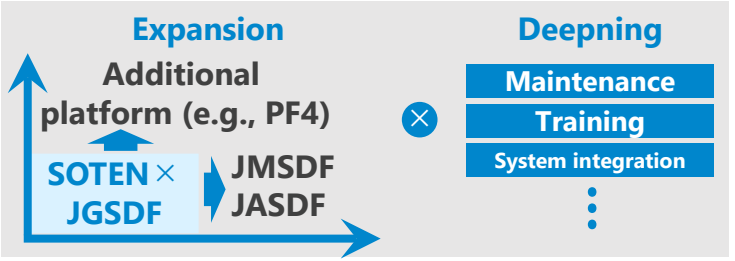
- **Expanded government support for domestic UAV production (U.S., Korea, Taiwan, India, etc.)**

ACSL at Defense sector

- **Orders received for SOTEN : JPY 0.37 bn delivered in 2024, JPY 0.52 bn scheduled for 2025**
- **First drone manufacturer to join the Japan Defense Industry Association**
- **Selected by the Japan Air Self-Defense Force as an aerial photography drone**
- **Disaster Response Cooperation Agreement with the Japan Ground Self-Defense Force Eastern Army**

Future Direction

① **Expanded Use Cases Driven by Mass-Produced Platforms**



Leverage model

② **Partner-Led Solution Development and Deployment**

- **Land, Sea, and Air Hardware Integration**
- **Application Software Integration**

1: Excluding 0.37 bn JPY (already delivered in 2024)

5. Expansion of Social Infrastructure Maintenance and Management

Establish a position as a domestic drone manufacturer in the field of social infrastructure maintenance and management

FY25 Sales ： approx. 0.4 bn JPY (Forecast) → **FY28 Sales target ：1 bn JPY (+approx. 0.6 bn JPY)**

Market Opportunity

Logistics and Inspection Common

- **Accelerated Use of Drones in Disaster Situations following the Noto Peninsula Earthquake**
  (Supply transport, aerial photography)

Inspection

- **Expanding the Use of Drones in infrastructure management**
  - **MLIT Water Management and Land Conservation Review Committee, etc.**
  - **Increased demand for inspections following the opening of drone flight paths over power transmission lines**
    FY2024: 150 km
    FY2027: approx. 10,000 km
    FY2028: approx. 30,000 km

ACSL in infrastructure maintenance and management

Logistics

- **Operational Performance in the Field during the Noto Peninsula Earthquake (medicine delivery to evacuation centers, damage assessment)**
- **Mass production of the PF4 multi-purpose aircraft, primarily for logistics, has commenced**

Inspection

- **Commencement of SOTEN use for Drone Flight Routes Over Power Lines**
- **Started PF4 Validation for Erosion Control and River Infrastructure Inspection**

Future Direction

Logistics

① **Strong Partnerships with Drone Operators**

② **Multi-Use Demand Creation and Validation for Emergency and Peacetime Use**

Inspection

① **Strengthening collaboration with related businesses, including organic system integration**
  ① **Facility Owner/Operator**
  ② **Facility inspection service providers (including infrastructure inspection service providers using drones)**
  ③ **Facility Inspection App Provider**

6. Strengthening a financial base

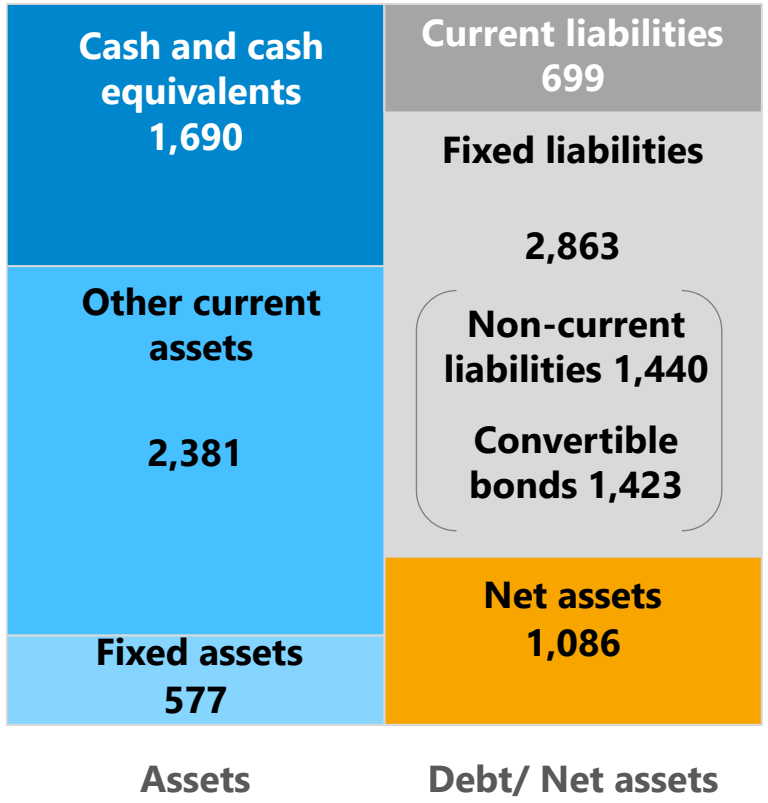
Secure sufficient cash to cover cash outflows until profitability

Generate cash inflows from operations and achieve sustainable growth investment

Balance Sheet

Cash position sufficient to cover cash outflows until profitability

MM JPY
(As of Sep. '25)



Financial Policy

Generate operating cash inflows and drive growth through ongoing investment

Capital Allocation Policy

- **Maintain a certain level of capital investment for growth**
  - **① Next-generation drone development**
  - **② Expansion of overseas business**
  - **③ M&A and strategic alliances**
- **Efficient working capital management aligned with operations**

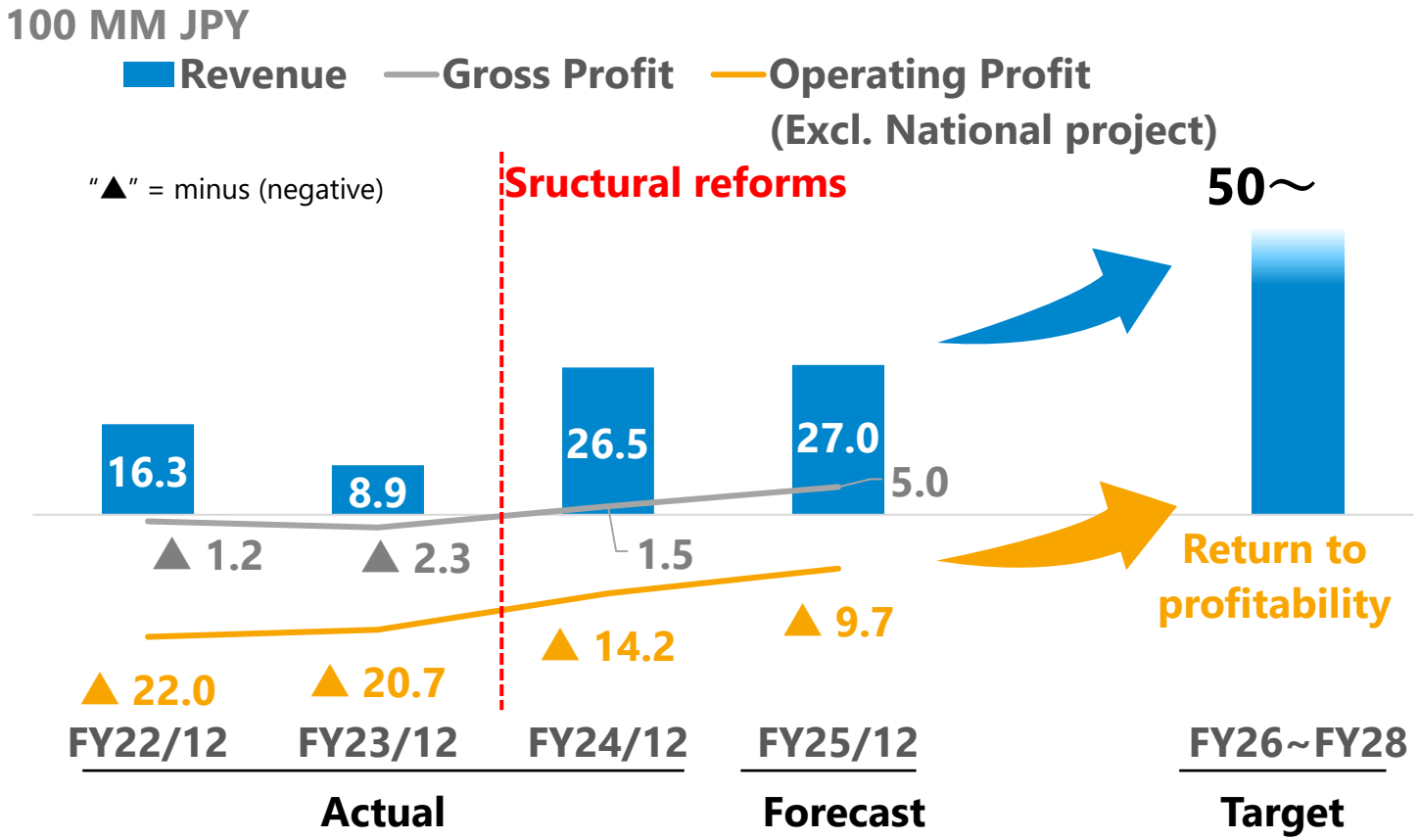
Financing policy

- **Accelerate growth investment using grants and subsidies**
- **Use multiple financing options depending on funding needs**

Target Goals of ACSL Accelerate FY26

Achieve profitability within the next three years through both revenue growth and margin improvement

Revenue and Profit Trend[1]



Mid- to Long-Term Growth Targets

Revenue

- **Average annual revenue growth of 20% or more**
  - **Domestic : growth in the defense sector**
  - **Overseas: capturing U.S. demand to replace China drones**

Profit

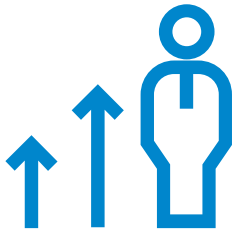
- **Improvement in marginal profit margin (targeting gross margin of 40%+ in the mid to long term)**
  - **Next-generation drone**
  - **Expansion of solutions in the defense sector**
  - **Continuous cost improvement**
- **Achieving positive operating profit**

1: Operating profit for FY24/12 and FY25/12 exclude national project expenses of 860 mn JPY and 1.4 bn JPY, respectively. Including national project expenses, FY24/12 and FY25/12 are 2.29 bn JPY loss and 2.37 bn JPY loss, respectively

Advancing human capital, society, and governance

We aim to maximize human capital, contribute to society, and strengthen governance to achieve sustainable growth

Human Capital



A growth organization powered by diversity

- An environment where diverse talent, including 25% non-Japanese staff, can thrive
- Flexible work styles to attract talent and support long-term growth

Society

Supporting safety and securit through technology

- Supporting public safety through disaster response experience
- Promoting drones for infrastructure, logistics, and disaster response

Governance

Enhancing transparency and independence

- Oversight by two internal and three independent directors (Audit and supervisory committee)
- Compensation and nomination committees ensure independence

1. Company Overview

2. Review of ACSL Accelerate FY22

3. ACSL Accelerate FY26

4. Appendix

Selected for a large-scale national project related to technology development

Selected for K-Program (Phase 2). In addition to up to 2.6 bn JPY from SBIR, expected to receive 2.9 bn JPY in subsidies under K-Program

	Overview of ACSL Practices	Implementation Period and Amount
NEDO K Program (Economic security important technology development program)	■ **Study for hardware development of small drones with autonomous and decentralized control functions** ■ **Surveys of advanced technologies in Japan and abroad; determine the direction of competitive drone development**	■ Phase 1 ■ May 2024 - Mar. 2025 ■ Project scale: Within 100 mn JPY
	■ **Development of an initial drone model designed for missions during normal times and emergencies (such as large-scale disasters)** ■ The results are not limited to public use but also **extend to civilian applications**	**Phase 2** ■ FY2025 – FY2027 ■ Project scale: **2.9 bn JPY**
経済産業省 Ministry of Economy, Trade and Industry SBIR (Small Business Innovation Research program)	■ **Development of a new high-performance compact aerial photography drone** that takes economic security and security into consideration ■ Respond to the demand for small aerial photography drones **in Japan and overseas**	■ Dec. 2023 - Dec. 2025 (planned) ■ Project scale: **Up to 2.6 bn JPY**
国立研究開発法人 科学技術振興機構 K Program (Economic security important technology development program)	■ Research and development of control technology and system construction that can **realize autonomous group flight[1] in harsh environments** ■ Development of technology for **multiple drones to estimate and understand their own spatial position and share**	■ Apr. 2024 – Mar. 2028 ■ Project scale: **Up to 1 bn JPY in total[2]**

1: Multiple drones flying simultaneously and in collaboration
2: The actual amount will be determined following discussions with the Japan Science and Technology Agency (JST) and program officers scheduled for the future

Disclaimer

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