

April 27, 2021

Autonomous Control Systems Laboratory Ltd.

## Notice regarding Establishment of Joint Venture with NJS

Autonomous Control Systems Laboratory Ltd. (ACSL) hereby announces that at the meeting of Board of Directors held on April 27, 2021, ACSL decided to establish FINDi, joint venture company with NJS, for mass production and sales of enclosed environment inspection drones, one of its application-specific drones, in accordance with the medium-term management direction "ACSL Accelerate FY20" disclosed on August 14, 2020.

### 1. Background and purpose of the establishment

ACSL has been developing "Made-in-Japan" industrial drones, which have been adopted in various fields such as delivery, infrastructure inspection, and disasters. ACSL has developed its proprietary flight controller which enables autonomous control of drones, and has been promoting the social implementation of secure and safety drones.

In its mid-term management direction, "ACSL Accelerate FY20," ACSL has been developing several application-specific drones.

The infrastructure in Japan was developed during the rapid economic growth, and is now facing the serious issue of aging resulting in burden of inspection work. To solve this social issue, ACSL and NJS have been developing efficient inspection solutions using drones. For the enclosed environment inspection drone for sewage pipes, etc., ACSL and NJS are developing not only a production system but also a service system including support in preparation for mass production and product launch in the latter half of 2021. ACSL and NJS have decided to establish a joint venture company to conduct inspections and research with the purpose of promoting full-scale commercialization of this technology and creating new services for infrastructure management.

The main objectives of the joint venture company are as follows

- (1) Development and sales of technologies for infrastructure inspection and research.
- (2) Providing inspection services using robotics technology such as drones.
- (3) Training of analysis and evaluation engineers.

### 2. Overview of the JV

(1) Name	FINDi
(2) Headquarter	1-1-1, Shibaura, Minato-ku, Tokyo 105-0023, JAPAN

(3) Position and name of representative	President & Chief Executive Officer Yusuke Inagaki	
(4) Business	Inspection, investigation, analysis, and evaluation of infrastructure facilities Development, sales, leasing, and maintenance of inspection equipment for infrastructure facilities Development, sales, and maintenance for infrastructure management	
(5) Share capital	300 million yen	
(6) Established Date	Scheduled in May 2021	
(7) Financial period	December	
(8) Net assets	300 million yen	
(9) Total assets	300 million yen	
(10) Shareholder	NJS	90.0%
	ACSL	10.0%

### 3. Overview of NJS

(1) Name	NJS Co., Ltd.		
(2) Headquarter	September 3, 1951		
(3) Position and name of representative	President & Chief Executive Officer Masaaki Murakami		
(4) Business	Consulting, software development, business operation support, and outsourcing related to water supply, sewage, and other infrastructure		
(5) Share capital	520 million yen		
(6) Established Date	September 3, 1951		
(7) Relationship between the listed company and the said company	Capital ties	None	
	Personnel relations	None	
	Business relations	ACSL and NJS have business in demonstration, etc. using drones.	
(8) Operating results and financial position of the said company for the past three years			
Fiscal year	Fiscal year ended December 2018	Fiscal year ended December 2019	Fiscal year ended December 2020
Net assets (million yen)	18,120	19,320	20,157
Total assets (million yen)	25,235	25,544	25,667
Net assets per share (yen)	1,858.94	2,026.16	2,112.60
Net sales (million yen)	18,265	17,341	18,951
Operating income (million yen)	2,887	2,256	2,469
Ordinary income (million yen)	2,893	2,311	2,507

Net income (million yen)	1,927	1,677	1,703
Net income per share (yen)	197.74	174.88	178.67
Dividend per share (yen)	45	50	55

#### 4. Outlook

The influence of the establishment of the JV to the business performance is limited at this stage, however, ACSL believes that it will contribute to improving ACSL's performance and corporate value in the medium term. Further disclosure will continue if such need arrives.

#### *Attention*

*This document is an unofficial translation of the timely disclosure on April 26, 2021 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.*