

ACSL、CVC Investments in Aerodyne : The World's Leading Drone Solution Provider

Autonomous Control Systems Laboratory Ltd. (ACSL) established Corporate Venture Capital(CVC) in December 2020, as announced in the " Notice Regarding Establishment of Corporate Venture Capital" dated November 11, 2020.^{※1} ACSL are pleased to announce that it has decided to invest in Aerodyne Group, the second largest drone service provider in the world, together with the Realtec Global Fund managed by Real Tech Holdings and KOBASHI HOLDINS. This will be the first investment as CVC.

ACSL's medium-term management policy "ACSL Accelerate 2020"^{※2} announced in August 2020, includes the establishment of a CVC to invest and realize synergies and the expansion into ASEAN as its strategies. ACSL has decided to invest in Aerodyne to realize synergy with Aerodyne which is a drone solution provider that provides services in more than 35 countries.



According to The INSIGHT Partners, an Indian research firm, the global drone service market is expected to grow from US\$ 629.2 MN in 2018 to US\$ 24,882.2 MN by 2027. This growth is driven by industries such as infrastructure, agriculture and logistics where labor shortage and safety concerns are prominent while reducing costs and environmental impact are top agendas.

Since its establishment in 2014, Aerodyne Group has been developing an integrated drone service solution that enables faster, competitively priced, higher quality, and safer infrastructure inspection and monitoring. Aerodyne's solutions have been deployed and is currently being used by various industry leaders such as a Malaysian-based FORTUNE Global 500 oil and gas company, the largest listed power company in Southeast Asia as well as the largest port owner in the UK.

In addition to strengthening its existing businesses, Aerodyne is now entering the agricultural market. In Southeast Asia, plantation agriculture such as rice, palm, pineapple, etc. has become a major industry. Nevertheless, the farming methods are often labor-intensive, have a high environmental impact, and there

is great potential for improving efficiency. Aerodyne's Agrimor service enables data-driven precision agriculture by using drones to monitor crop health and in turn increasing productivity and harvest yield, benefiting farmers, agriculture landowners and ultimately the economy of the host country. The company is running demonstration projects with several of the largest farm landowners in Malaysia and plans to expand the service to India, Indonesia and Thailand after 2022.

In November 2020, ACSL and AERODYNE JAPAN Co., Ltd. Aerodyne's Japanese subsidiary, have started to collaborate to establish a system to conduct continuous flight tests in ASEAN in anticipation of Level 4 flights over manned zones, which will be legally established in the future.

In order to achieve flight in a Level 4 environment, it is important to have sufficient flight time, risk level assessment, and basic data to demonstrate safety and reliability. Therefore, ACSL's industrial drones, ACSL-PF2 and Mini, have been undergoing continuous flight tests in Malaysia for 1,000 hours since December.



Flight tests in Malaysia

Photographed by AERODYNE JAPAN Co., Ltd.

Through this investment, ACSL will accelerate its expansion into ASEAN market.

※1

Notice Regarding Establishment of Corporate Venture Capital

<https://ssl4.eir-parts.net/doc/6232/tdnet/1902523/00.pdf>

※2

Notice of Medium-Term Management Direction "ACSL Accelerate 2020"

<https://ssl4.eir-parts.net/doc/6232/tdnet/1875803/00.pdf>



【Autonomous Control Systems Laboratory Ltd.】

ACSL develops, manufacture, and commercialize industrial drones in order to realize labor-saving and unmanned operations in the industrial field. The core technology is in its proprietary autonomous control technology and industrial drones equipped with image processing and AI edge computing technology. Drones are already used in various fields such as infrastructure inspection, postal and logistics, and disaster prevention.

* Company Profile : <https://www.acsl.co.jp/en/company>

Attention

This document is an unofficial translation of the timely disclosure on March 22, 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