

January 14, 2021
Sumitomo Corporation
Daihatsu Motor Co., Ltd.
Sumitomo Mitsui Finance and Leasing Co., Ltd
Nileworks Inc.

Underwriting of Capital Increase by Nileworks through Third-Party
Allotment

Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Masayuki Hyodo), Daihatsu Motor Co., Ltd. (Head Office: Ikeda City, Osaka Prefecture; President: Soichiro Okudaira; hereinafter “Daihatsu”), and Sumitomo Mitsui Finance and Leasing Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; President: Masaki Tachibana; hereinafter “SMFL”) have underwritten a third-party allotment of shares of Nileworks Inc. (Head Office: Shibuya-ku, Tokyo; President: Yukio Nagata; hereinafter “Nileworks”), which designs, manufactures, and sells agricultural drones. Sumitomo Corporation had already underwritten a third-party allotment of shares in 2017 and 2019, and Daihatsu and SMFL are underwriting a third-party allotment of shares for the first time.

Sumitomo Corporation, Daihatsu, and SMFL will be supporting Nileworks together with other existing shareholders in various ways by providing the knowledge and technologies the respective companies have.

In Japan, against problems such as the aging of agricultural workers and the shortage of successors, labor saving with drones, robots, and ICT and more efficient quality control are needed in agricultural work. In 2030, the domestic market for cutting-edge agricultural technologies (Agritech) is expected to grow to 700 billion yen, and the market for agricultural drones is expected to grow to over 100 billion yen.

Under the banner of "Precision Agriculture from the Sky," Nileworks is developing fully automatic agricultural drones and promoting digitization in agriculture such as growth analysis using a camera-equipped drone. Nileworks aims to reduce the hard work and man-hours in farmwork and create a system that allows agricultural workers to produce safer and tastier crops at low cost in order to bring Japanese agriculture to the world's most advanced level.

Sumitomo Corporation will make use of its business management know-how gathered from a wide range of industries worldwide to promote the further growth of Nileworks. For Daihatsu, its mini trucks are used by farmers, thus Daihatsu will support Nileworks in terms of both hardware and software, and provide solutions useful to farmers by making use of the knowledge and technologies it has cultivated in manufacturing cars helpful to the lives of users. SMFL will help Nileworks bring agricultural drones into widespread use by providing leasing and financing plans suitable for farms.

■ Reference



Photo of collective weed control with drones in Tome City, Miyagi Prefecture. Nileworks flew agricultural drones over a total area of about 2,000 hectares in 2020 to verify the sharing model.

■ Nileworks Inc. Profile

Established: January 2015

Location: 3-1-7 Nishihara, Shibuya-ku, Tokyo

President: Yukio Nagata, President and CEO

Business description: Agricultural drones: design, development, manufacturing, and sales

Research and development: growth analysis technologies and cultivation technologies

Agricultural cloud services: development and sales

URL: <https://www.nileworks.co.jp/>