

Concerning Kyudenko's Capital and Business Alliance with SkymatiX, Inc.

Kyudenko is pleased to announce that it has entered into a capital and business alliance with SkymatiX, Inc. (head office: Chuo-ku, Tokyo; Chief Executive Officer: Zentaro Watanabe), which plans, develops, and sells industrial-use remote sensing services.



1. SkymatiX

SkymatiX is a technology startup that develops and provides industrial-use remote sensing services. Its flagship product, Kumiki, is a cloud-based drone survey service that processes and analyzes geospatial and time-series data obtained from remote sensing devices like satellites and drones. As a 100% Japanese service that brings an overwhelming level of efficiency to surveying work and site surveys by automatically generating topographical data such as three-dimensional cloud data from drone imagery, Kumiki is already being used at more than 40,000 sites across about 20 industrial sectors. Utilization of the service in various fields such as construction, forestry, and disaster prevention as well as in response to natural disasters is growing, and the startup is expected to continue to grow in the future.

Name	SkymatiX, Inc.
Established	October 18, 2016
Head Office	6th floor, Daiwa Nihombashi Hongokucho Building, 4-2-16 Nihombashi-hongokucho, Chuo-ku, Tokyo
Representative	Zentaro Watanabe Chief Executive Officer
Businesses	Planning, development, and sale of industrial-use remote sensing services
URL	https://skymatix.co.jp/

2. Purpose of the capital and business alliance

Through the capital and business alliance, the two companies will pursue additional growth by combining their strengths not as vendor and user, but rather as members of an ongoing and robust business partnership.

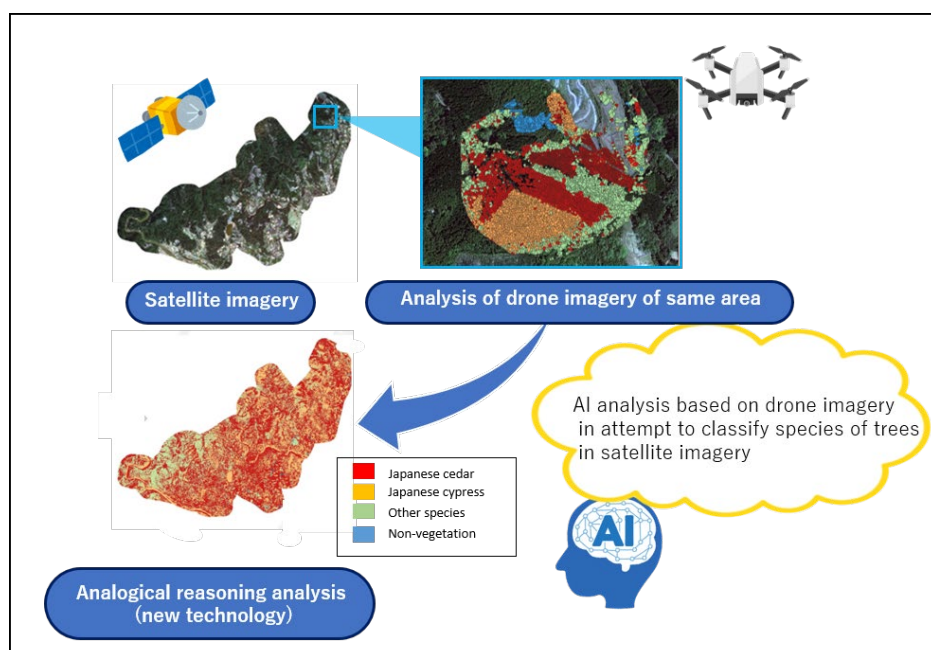
- (1) By combining SkymatiX's drone survey system and software development capabilities with Kyudenko's digital transformation (DX) initiatives in the construction, renewable energy, and forestry industries, the partners will work to resolve societal issues and create new business opportunities.
- (2) The two companies will enter into a distributor agreement geared to facilitate the development and customization of new products that leverage their respective strengths while expanding the domestic market share of the Kumiki drone survey system and rolling it out overseas.

As part of the agreement, Kyudenko will acquire shares of SkymatiX stock.

3. Initiatives with SkymatiX

Kyudenko's Technology Development Department and SkymatiX are currently involved in a joint R&D project entitled "Analysis of Forest Resources through Analogical Reasoning Analysis of Drone and Satellite Imagery." The project seeks to analyze the forestland timber reserves that serve as energy resources at wood biomass power plants operated by the Group.

Biomass power plants use unutilized materials from forestland as fuel, and the assessment of forestland reserves in order to secure such materials in a planned and systematic manner is a key management priority for the Group. To date, this process has involved visual inspections by workers and drone surveys, but many areas have been difficult to assess due to their large size and lack of road access. This R&D project will make it possible to conduct a broad analysis of forestland resources by applying analogical reasoning to determine information such as tree species, tree counts, and trunk volume, which could not be determined based on the satellite imagery used to date, by using AI data based on imagery obtained from drones.



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