

March 29, 2022

DRONE FUND

DRONE FUND Raises ¥10.5 billion - Japan's First VC to Specialize in Drone and Air Mobility Accelerates its Movement Toward the Formation of a Global Industrial Ecosystem -

DRONE FUND (HQ: Tokyo, Representatives: Kotaro Chiba and Soki Ohmae) has officially closed its third fund (Official name; DRONE FUND III Investment Limited Partnership) after having raised a total of ¥10.5 billion.

The fund aims to create a global industrial ecosystem and solve critical social issues by investing in and supporting startups in drone and air mobility related fields.



■Feature 1: Japan's First Fund Specializing in Drones and Air Mobility

In June 2017, DRONE FUND was launched as Japan's first fund dedicated to drone startups. ACSL, one of the investees of the first fund (procurement amount: 1.6 billion yen), was listed on the TSE Mothers in December 2018 as the world's first drone company listed on the Tokyo Stock Exchange.

The second fund (procurement amount: 5.2 billion yen), established in May 2019, has been investing and supporting startups related to flying cars, marine robots, and unmanned aerial vehicles. Currently, momentum is building in Japan for the implementation of flying cars, even more so leading up to the Osaka-Kansai Expo in 2025. Japan is also committed the 'Digital Rural-City Nation Concept,' which was proposed by Prime Minister Kishida's Cabinet to "promote regional revitalization through digitalization and achieve bottom-up growth from the regions to the nation as a whole." Additionally, underwater drones and drones operating in small enclosed spaces are quickly becoming important for the development (and improvement) of marine and land infrastructure respectively.

The third fund (procurement amount: 10.5 billion yen) will aim to accelerate the implementation of these and other new technologies such as drones and air mobility by creating an industrial ecosystem of aircraft, services, and related technologies.

■Feature 2: Formation of an Industrial Ecosystem in Collaboration with our LPs

DRONE FUND III has raised a total of 10.519 billion yen from 20 companies and individual investors.

In order to build a new industry, it is necessary to comprehensively develop technology, new business strategies, institutional design, and human resources. We hope to move forward with the mass production of drones and the implementation of drone related services by collaborating with companies that represent the Japanese industrial sector.

■Feature 3: Solving Social Issues by Supporting Startups








Today, our society faces serious issues, such as demographic shifts, climate changes, aging infrastructure, large-scale natural disasters, and new infectious outbreaks. To solve these issues, we need to restructure social systems and implement new technologies.

Startups have the potential to transform our society by demonstrating new values, and DRONE FUND aims to help realize the SDGs (Sustainable Development Goals) by providing support to startups from an ESG investment perspective.



■ Our Portfolio

DRONE FUND III has already invested in 9 companies, bringing the total number of companies in which DRONE FUND III has invested with DRONE FUND I and DRONE FUND II to 54.

 Eight Knot Eight Knot, Inc. (Japan) Autonomous navigation systems and small electric autonomous vessels.	 RoboticSkies Robotic Skies, Inc. (US) Maintenance and repair network certified by the U.S. Federal Aviation Administration.	 fulldepth FullDepth, Inc. (Japan) Development and manufacturing of industrial underwater drones.
VFR Inc. VFR, Inc. (Japan) Support service for development, mass production and sales of drones and related modules.	 APTECH AP TECH, Inc. (Japan) Service development and consulting utilizing unique data minimization technology for LPWA.	CuboRex CuboRex, Inc. (Japan) Manufacturing and of crawler unit and ssolution development.
 sunflower labs Sunflower Labs, Inc. (US) Security and inspection drones, drone ports, and service platforms.	 MATTERNET Matternet, Inc. (US) Providing drone delivery networks in suburban areas.	WINGCOPTER  Wingcopter GmbH (Germany) eVTOLs for medium to long distance delivery.

<DRONE FUND GP Kotaro Chiba's Comment>



We are very pleased to announce the final close of the third fund under a new structure with two new companies operating under the jurisdiction of the Ministry of Economy, Trade and Industry, as well as other leading Japanese companies as LPs in 2022, when the transition to level 4 (BVLOS in urban areas) will be achieved.

DRONE FUND, which started activities in 2017, will celebrate its 5th anniversary in June 2022. While there was some skepticism towards a dedicated drone and air mobility fund at its inception, we have now established ourselves as the world's leading venture capital firm in the drone and air mobility industry. As a result, we have been blessed with a large number of friends, investors, LPs, government agencies, municipalities, and educational institutions; all of whom are working to realize a society based on the premise of drone and air mobility. We will continue to actively invest in promising drone companies as well as in peripheral technologies that support a society based on drone and air mobility. We look forward to your continued support of the DRONE FUND family.

<DRONE FUND GP Soki Ohmae's Comment>



The drone and air mobility industry has finally entered the phase of social implementation. Through the procurement of our third fund, we at DRONE FUND have received many requests from people who want to make use of drones. As a result, we have raised more than 10 billion yen, which was our target for the third fund, and we have received a lot of encouraging support to help create the industry together.

The world as a whole has been going through a period of great challenges in the past few years, and the global situation is becoming more and more unstable, but for the sake of world peace and prosperity, we will continue to provide strong support to startups for the realization of a drone and air mobility-based society.

【DRONE FUND III Overview】

- Official name : DRONE FUND III Investment Limited Partnership
- Managing company : DRONE FUND Inc.
- Representative : Kotaro Chiba, Soki Ohmae
- Headquarters : Tokyo, Japan
- Established : May, 2020
- Business : Investment in drone and air mobility-related startups
- Website : <http://dronefund.vc>

【Information】

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