

INCJ to invest in GRA AgriPlatform
Service to provide comprehensive farming support to new farmers
Consistent support for strawberry farming from equipment installation
to cultivation and sales

Tokyo, March 16, 2015—Innovation Network Corporation of Japan (“INCJ”), NEC Corporation (“NEC”), JA Mitsui Leasing, Ltd. (“JAML”), and Agricultural Production Corporation GRA Inc. (“GRA”) announced today their decision to invest in GRA AgriPlatform Inc. (“GRAA”) by third-party share allocation. The investment will provide GRAA with a maximum of ¥520 million in capital needed to provide comprehensive farming support to new farmers, from planning and installation of strawberry-farming equipment to cultivation and produce sales.

By bringing together GRA’s cutting-edge agricultural expertise, NEC’s information communication technology, including cloud and big-data analysis, and capital support from INCJ, GRAA is aiming to create new industries and employment, primarily in areas affected by the Great East Japan Earthquake. Furthermore, by leveraging the finance capability accumulated by JAML in the agricultural sector and supporting and promoting participation by new farmers, GRAA will contribute to the development of leaders in Japan’s agriculture industry and to solving the problem of a shortage of successors to family farms.

GRAA was established in Yamamoto-cho in March 2014 as a subsidiary of GRA, which itself was founded in January 2012. Strawberry farming was a key industry in Yamamoto-cho, Miyagi Prefecture, prior to the 2011 disaster and GRAA’s missions are to establish the region’s strawberries as a national brand and develop Japan’s Tohoku region as a world-class integrated center of horticulture.

The Migaki-Ichigo brand established by GRA is already popular in department stores and high-end supermarkets, where the strawberries are marketed as “edible gems.” Furthermore, through the introduction of cutting-edge cultivation techniques that utilize ICT, GRA is aiming to formulate an original business model and create a new business-growth model. Through these efforts, it is the company’s vision is to contribute to disaster recovery in the Tohoku region and in 10 years to create 100 companies employing 10,000 people.

Through this investment from INCJ, NEC, and JAML, GRAA will implement the following initiatives to drive this project by GRA further forward:

1. Standardize the equipment installed by GRA necessary for cultivating strawberries based on the latest elevated hydroponic cultivation equipment, which controls the temperature, irrigation, volume of mineral nutrients, and other aspects of the greenhouse environment.
2. By supporting new farmers in installing the equipment described in 1. above, GRA will enable new farmers to begin strawberry cultivation in a short time and with minimal investment. Furthermore, in addition to providing advance training, following the start of cultivation, the company will provide remote monitoring and guidance related to farming and pest control from experts using a variety of environmental data acquired from sensors positioned in the farming area and through video conferencing systems. GRA will also offer sales support, including purchasing the farmers' produce at prices based on quality standards, and help farmers achieve a stable income. Through these initiatives, the company is providing support for new farmers.
3. Create high added value through brand control by multi-product development and select optimal products that suit the tastes of the sales area.
4. Through ICT control of the horticultural facility environment, under the leadership and knowledge of experienced and skilled professionals we will make it possible to ensure a stable supply of high-quality strawberries unaffected by weather. Moreover, these farming techniques and this expertise will be shared through horizontal networking.

Looking ahead, GRAA and NEC are planning joint development of automatic control systems; farm information and work planning management systems; and production volume prediction and control systems that function based on analysis of planting plans and accumulated environmental data.

Furthermore, by producing a large number of new farmers, GRAA is aiming to establish a successful example of industrial revival, and forecasts 100 contracts with new farmers within the next five years.

In accordance with the Industrial Competitiveness Enhancement Act, INCJ invests in businesses that are creating new added value. In order to create industries that will contribute to Japan's future national wealth through open innovation, INCJ is pursuing a variety of activities through industrial, academic, and government-sector collaboration. By providing support for start-up companies that are aiming to formulate original and unique business models and contributing to the creation of innovative business-growth models, INCJ will continue to play a part in the revitalization of regional areas.

To realize a safe, secure, efficient, and fair society where people can live prosperously, NEC is promoting its Social Solutions Business globally and is addressing a range of social issues as a 'company that creates social value.' The Social Solutions Business offers advanced social infrastructure based on ICT. Through this investment in GRAA, NEC is creating a new business model and further accelerating the development of agricultural ICT solutions, while contributing to the recovery of disaster-hit areas, and aiming to provide related solutions internationally.

Leveraging the unique characteristics of JA Group and Mitsui Group, and through this investment in and collaboration with GRAA, JAML is contributing to the formulation of GRAA's original business model and the creation of a new business-growth model while developing its knowledge, expertise and network in the agriculture sector, and expanding optimal solutions that leverage its expertise in meeting the needs of diverse customers.

【GRA's strawberry growing facility】



【A Migaki-Ichigo】



About GRA AgriPlatform

Address: 48, Sakurazutsumi, Yamadera, Yamamoto-cho, Watari-gun, Miyagi, Japan

Representative Director and CEO: Hiroki Iwasa

Business outline: Development, production, sales, promotion, and maintenance of strawberry-farming support package

About Agricultural Production Corporation GRA Inc.

GRA began activities as a voluntary organization in April 2011, following the Great East Japan Earthquake. It was established as an agricultural production corporation in January the following year and began cultivating strawberries using advanced agricultural techniques that combine IT with the skills of expert farmers. In December 2012, GRA established the Migaki-Ichigo strawberry brand which retails for up to ¥1,000 (approx. US\$8) per strawberry. This was followed by “sixth-order industry”^{*} initiatives including Migaki-Ichigo Mousseux (sparkling wine) and Migaki-Ichigo Canette (canned sparkline wine).

GRA is also focused on overseas expansion. In June 2012, together with JICA and NEC, the company constructed a strawberry house in the Indian state of Maharashtra and achieved its first harvest in the following March.

^{*}Sixth-order industry refers to initiatives in which functions in the primary, secondary, and tertiary industries are considered in an integrated way, resulting in the creation of new value.

Address: 48, Sakurazutsumi, Yamadera, Yamamoto-cho, Watari-gun, Miyagi, Japan

Representative Director and CEO: Hiroki Iwasa

Business outline: Agricultural produce, development of production regions, R&D of agricultural technology, agricultural exchange projects, analysis, development of cultivation management systems

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to ¥2 trillion (approx US\$20 billion).

INCJ's management team is drawn from the private sector with diverse experience in investment, technologies and management. Through an internal Industry Innovation Committee, INCJ assesses investment opportunities that contribute to industrial innovation in Japan in line with criteria set by the government.

Press contacts:

Innovation Network Corporation of Japan

Corporate Planning

Omori, Ichihara, Hata

21st Floor, Marunouchi Eiraku Building

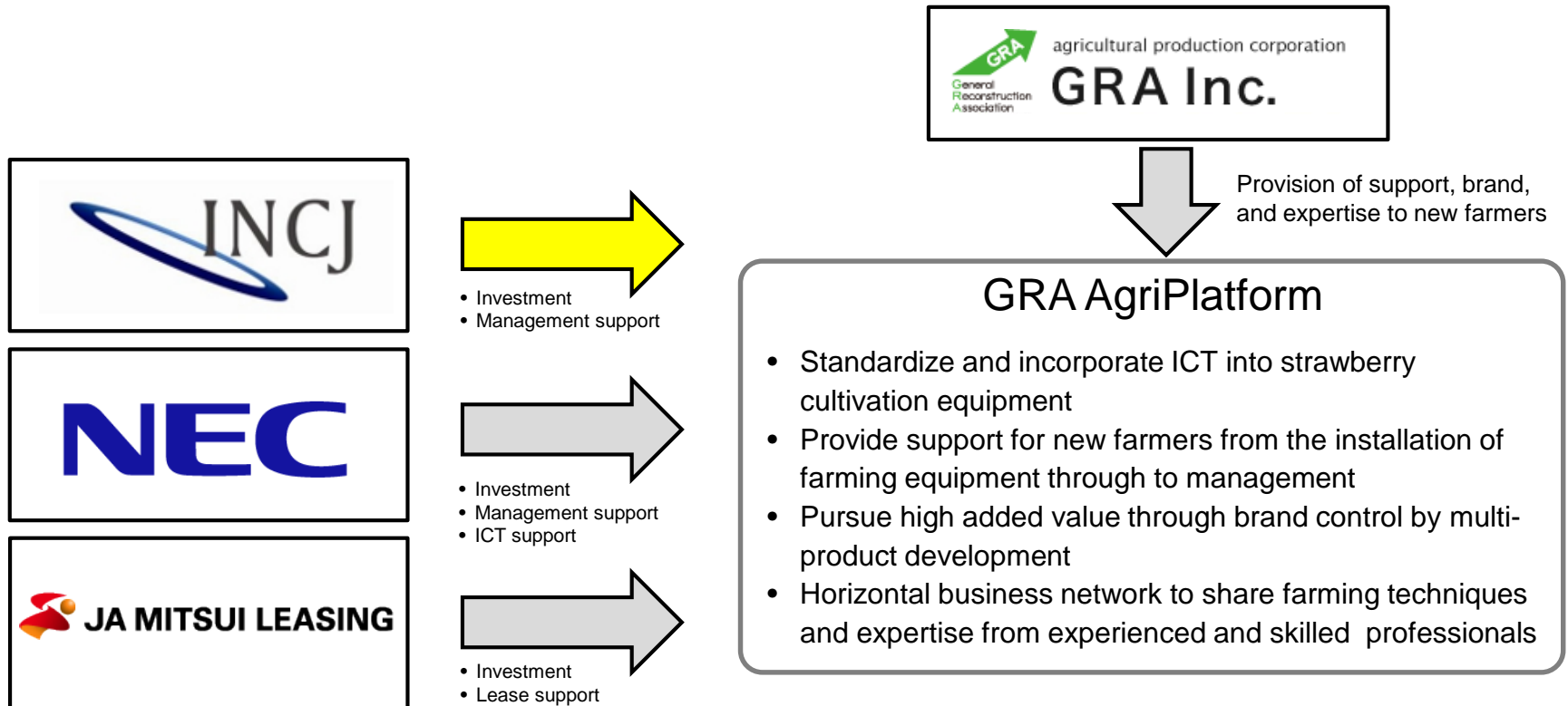
1-4-1 Marunouchi, Chiyoda-ku, Tokyo

E-mail: info127@incj.co.jp

[Appendix] INCJ to invest in GRA AgriPlatform

Service to provide comprehensive farming support to new farmers

Target: GRA AgriPlatform Inc.
Outline: Development, production, sales, promotion, and maintenance of strawberry-farming support package
Authorized Investment: ¥350 million (maximum)



- By integrating ICT with agricultural management, it is possible to lower the barriers to entry and develop professional farmers
- Create an innovative business model in the agriculture sector by cultivating professional farmers by sharing the farming techniques and expertise of experienced professionals
- Contribute to the creation of innovative business growth by providing support to agriculture ventures that aim to formulate original business models
- Contribute to industrial revival in Tohoku region