



INCJ, Ltd.

Komatsu Ltd.

Sumitomo Mitsui Banking Corporation

Sumitomo Mitsui Finance and Leasing Co., Ltd.

Sumitomo Mitsui Card Co., Ltd.

INCJ, Komatsu, SMBC Group jointly establish financial platform company to support SMEs in the construction industry

The new company will:

- Provide financial functions utilizing IoT digital data from construction sites
- Initially offer settlement services and then expand into insurance and lease
- Support the productivity revolution sought by the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT) through its i-Construction initiative by strengthening the financial structures of SMEs in the construction industry

Tokyo, August 30, 2019 — INCJ, Ltd. (“INCJ”), Komatsu Ltd. (“Komatsu”), Sumitomo Mitsui Banking Corporation (“SMBC”), Sumitomo Mitsui Finance and Leasing Co., Ltd. (“SMFL”), and Sumitomo Mitsui Card Co., Ltd. (“SMCC”) today announced that they have jointly established a new company, LAND DATA BANK, Ltd. (“LDB”). LDB will operate a platform business model with financial functions to help SMEs in the construction industry improve productivity. The five companies have invested a total of JPY 400 million and plan to make the follow-on investment in the future according to business progresses.

Construction investment in Japan has been increasing in recent years, and SMEs with capital of less than JPY 100 million now account for 99.6%* of operators in this sector. As a result, a multi-tiered structure has grown whereby primary contractors, which are responsible for project management and supervision, outsource direct construction to a subcontractor, which in turn passes it along to a sub-subcontractor and so forth down the line. Furthermore, with the industry facing serious labor shortages as construction workers age and adoption of ICT remains slow, the issues of how SMEs can improve productivity and the financial structures to support these improvements are becoming increasingly urgent.

*Source: MLIT’s 2018 construction investments outlook, and the Ministry of Finance’s corporate business statistics

Since 2016, MLIT has been promoting an initiative called i-Construction to apply ICT to

construction production processes and improve productivity in order to address these issues.

The newly established company, LDB, will offer SMEs a platform of financial functions which make use of digital data, such as on-site construction information, progress status, and orders for materials. The platform lightens the administrative burden on work-performing subcontractors, facilitates cash management and strengthens financial structures, which in turn improves the environment for investing in and procuring advanced ICT-intensive construction equipment to raise productivity.

LDB plans to provide settlement services as the first phase of its platform business. Specifically, LDB will serve as an intermediary between construction firms and materials and equipment suppliers, paying for the materials, etc. through SMCC's credit services and thereby improving the cash flow situation of both parties. The service simplifies administrative tasks associated with invoicing and collection, and reduces the burden on suppliers in terms of risk assessment related to credit reviews and management and debt collection. The process is handled through a dedicated app.

Komatsu is already promoting its SMARTCONSTRUCTION business using an open platform called LANDLOG. This platform enables unified management of all construction tasks, ranging from data collection to problem solutions, by organically connecting all construction processes and hardware, such as research, survey, design, construction, and inspection. Through collaboration with LANDLOG and SMBC Group, LDB will have access to large quantities of data collected on LANDLOG, including historical transaction data, which it can analyze to quantify financial risks, and in so doing, promote the further advancement of financial services.

For the first fiscal year following its launch, LDB will develop new platforms and test its settlement services. From next year, the company will aim for full-scale deployment and monetization. Looking further ahead, the company plans to expand services beyond settlement into insurance and lease.

INCJ made the decision to invest in LDB on the basis that in addition to facilitating cash management of SMEs, which account for a large majority of companies in the construction industry, and improving their financial structure, the new company would also contribute to MLIT's i-Construction initiative.

Komatsu's objective is to accelerate the digital transformation of construction worksite operations by making possible the provision of financial services tailored to this development. By so doing,

Komatsu is working to achieve safe, highly productive, smart and clean construction workplace of the future. Through this investment in LDB, Komatsu aims to solve customers' problems and further enhance services in an effort to achieve the construction worksites of the future.

SMBC believes that through this partnership with other shareholders that are driving advanced initiatives and by unifying the digitalization of the construction industry and the provision of financial services it can contribute to addressing challenges and improving productivity in the construction industry.

SMFL made its decision to invest in anticipation of the popularization of i-Construction and in recognition that LDB's initiative to provide a platform for processing settlement data and the use of data in all construction production processes will lead to the development of new models for financial services such as subscription.

SMCC made the decision to invest in recognition that, in addition to facilitating cash management by SMEs, LDB's efforts will promote the adoption of cashless transactions between corporations and contribute to the work-style reforms promoted by the government.

About LAND DATA BANK, Ltd.

Established: July 26, 2019

Headquarters: Chiyoda Ward, Tokyo

Investors: INCJ, Ltd. 70%, Komatsu Ltd. 15%, Sumitomo Mitsui Banking Corporation 5%,
Sumitomo Mitsui Finance and Leasing Co., Ltd 5%, Sumitomo Mitsui Card Co., Ltd. 5%

Business Outline: Design, development, application, and commercialization of financial analysis
platforms using data from construction industries

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

About INCJ, Ltd.

Established: September 2018

Headquarters: Chiyoda Ward, Tokyo

President: Mikihide Katsumata

Business Outline: Supports projects that combine technologies and expertise across industries and realize open innovation

URL: <https://www.incj.co.jp/english/>

About Komatsu Ltd.

Established: May 1921

Headquarters: Minato Ward, Tokyo

President and CEO: Hiroyuki Ogawa

Business Outline: Business development in construction, mining, and utility equipment, forestry equipment, and industrial machinery, etc.

URL: <https://home.komatsu/en/>

About Sumitomo Mitsui Banking Corporation

Established: April 2001

Headquarters: Chiyoda Ward, Tokyo

President and CEO: Makoto Takashima

Business Outline: Banking

URL: <https://www.smbc.co.jp/global/>

About Sumitomo Mitsui Finance and Leasing Co., Ltd.

Established: January 1948

Headquarters: Chiyoda Ward, Tokyo

President: Masaki Tachibana

Business Outline: General leasing business

URL: <https://www.smfl.co.jp/english/>

About Sumitomo Mitsui Card Co., Ltd.

Established: December 26, 1967

Headquarters: Minatu Ward, Tokyo

President: Yukihiro Onishi

Business Outline: Credit card, debit card, pre-paid card and other settlement business, loans, securities, gift cards, and related business

URL: <https://www.smbc-card.com/index.jsp>

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Overview of Investment Decision

Target: LAND DATA BANK, Ltd.

Established: July 2019

Headquarters: Chiyoda Ward, Tokyo

Business Outline: Design, development, application, and commercialization of financial analysis platforms using data from the construction industry

Overview of Investment

Authorized investment: JPY 980 million (maximum)

Amount invested: JPY 280 million (at time of company establishment)

Shareholding ratio of each company: INCJ, Ltd. 70%, Komatsu Ltd. 15%, Sumitomo Mitsui Banking Corporation 5%, Sumitomo Mitsui Finance and Leasing Co., Ltd 5%, Sumitomo Mitsui Card Co., Ltd. 5%

(all investments made at the time of the company's establishment)

Significance of investment

Supporting Social Needs

LDB will contribute to improvements in productivity within the construction industry which are expected for supporting safety and development.

- The construction industry is facing serious labor shortages, and improving productivity is an urgent issue due to the important role construction firms play, more so now than ever before, with regards to disaster prevention/mitigation measures and the maintenance, management, and renewal of deteriorating infrastructure.
- The provision of a financial platform to facilitate cash management of SMEs, which make up 99.6% of construction firms, will contribute to improve both productivity and competitiveness within construction and related industries.

Growth Potential

Expected added value:

- Investments made in the construction industry are approx. JPY 57 trillion per year. It is the second largest market in Japan after the automotive industry, and working capital needed by SMEs is approx. JPY 10 trillion.
- The construction industry is one area where ICT adoption has been slow, but it is

expected to increase rapidly to implement the productivity improvements of initiatives such as the Japanese government's proactive backing of i-Construction.

- There is strong need for facilitating payments related to various materials and equipment orders in the construction industry. LDB's financial platform will be the only one in this field.

Innovation

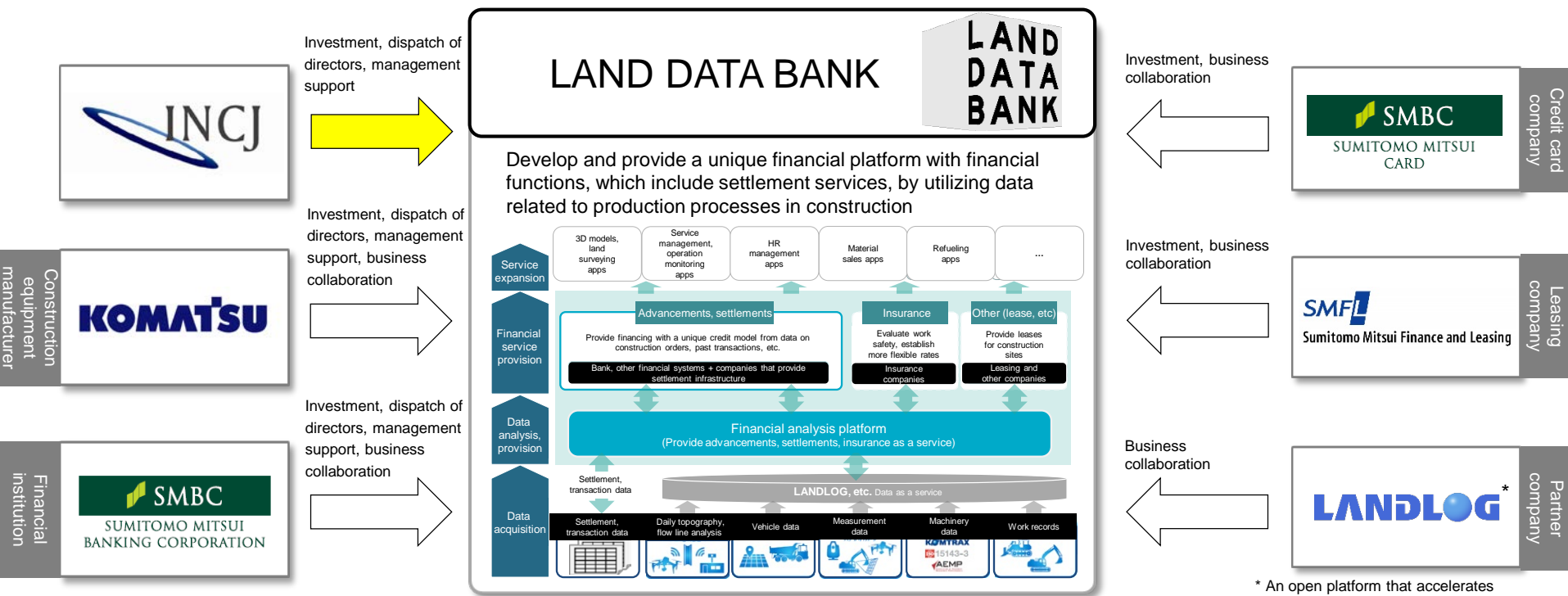
LDB's platform computes the status of construction based on IoT data of production processes, quantifies the financial risk, and uses that figure to set up secured credit lines and provide payment services. Unlike conventional lending, factoring, or other transactions, LDB's platform enables financing involved in orders for equipment and machinery by the primary contractor with the highest requested funds, and it is expected to optimize the cash conversion cycle and improve the state of financial affairs for SMEs.

Target: LAND DATA BANK, Ltd.

Outline: Design, development, application, and commercialization of financial analysis platforms using data from construction industry

Authorized investment: JPY 980 million (maximum)

Announcement date of investment: August 30, 2019



* An open platform that accelerates innovation in construction production processes using IoT

- Provide financial functions based on IoT digital data from construction sites
- Initially offer settlement services and then expand into insurance and lease
- Support the productivity revolution sought by the Ministry of Land, Infrastructure, Transport and Tourism of Japan through its i-Construction initiative by strengthening the financial structures in the construction industry