

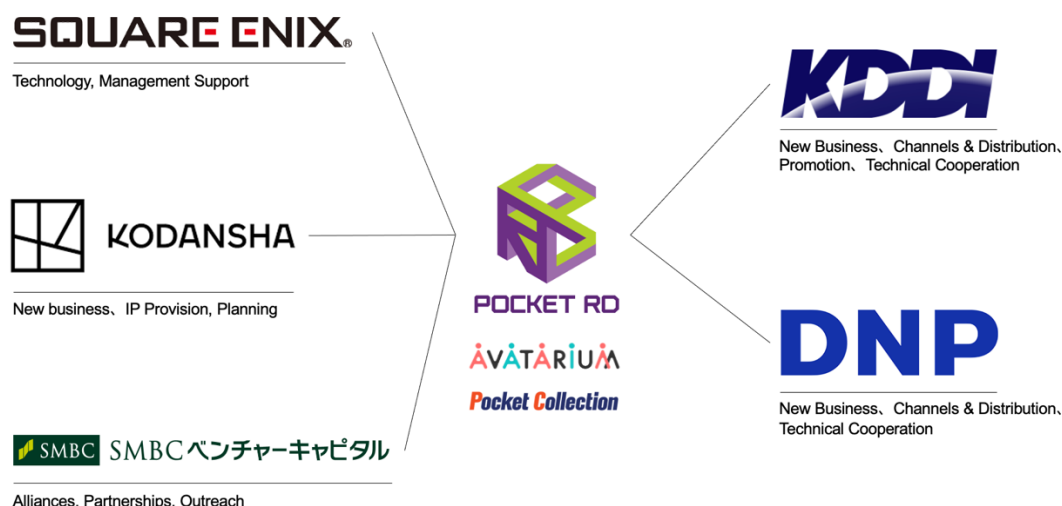
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**Pocket RD, a developer of 3D Avatar and Blockchain XR technology, forms business and capital alliance with Square Enix, KDDI Corporation, Kodansha Ltd, and Dai Nippon Printing Co, Ltd. With the inclusion of SMBC Venture Capital, Pocket RD secures 450 million yen (\$4 million) in third party (Seed B) funding**

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Pocket RD (Headquarters: Shibuya-Ku, Tokyo, CEO: Atsuya Momikura) - an XR technology company which strives to provide solutions that offer new and more expressive tools for human communication – is pleased to announce it has secured 450 million yen (\$4 million) in third party (Seed B) funding from Square Enix, KDDI Corporation, Kodansha Ltd, Dai Nippon Printing Co, Ltd.

"KDDI Open Innovation Fund III" (operator: Global Brain Corporation) will act as lead investor with additional backing from Kodansha Co., Ltd. (Bunkyo-ku, Tokyo, President and CEO, Yoshinobu Noma), Dai Nippon Printing Co., Ltd. (DNP, Headquarters: Tokyo, President: Yoshinari Kitajima), and SMBC Venture Capital Co., Ltd. (President: Akira Ochiai) operated by the "SMBC Venture Capital No. 6 Investment Business Limited Liability Union".



The objective behind this investment round is to strengthen the development of "AVATARIUM", a fully automated production and editing platform for personal avatars, and "Pocket Collection", a blockchain supported NFT marketplace for 3D CG assets and to provide growth through business alliances with KDDI Corporation, Kodansha Ltd, and Dai Nippon Printing Co, Ltd.

AVATARIUM has already launched its first partnership operation with KDDI, by integrating original avatars into KDDI's "Virtual Shibuya" platform. As part of KDDI's "Virtual Shibuya au 5G Halloween Festa 2021 - Fun for Good" event, AVATARIUM scanners have been placed in two locations: GINZA 456 powered by KDDI and au Style Shibuya Modi. Customers were able to create their own avatars - customized in "deformé" style or dressed up as their favorite animation character – and attend KDDI's "Virtual Halloween" event as an original avatar. Moving forward, we will continue to grow synergies between KDDI's au Metaverse and Pocket RD's avatar technology and blockchain 3D

asset marketplace (Pocket Collection). The two companies will actively collaborate to link real and virtual experiences in “Virtual City” environments and enable customers to create and integrate their own original avatars.

In addition, Kodansha and Dai Nippon Printing are actively reviewing a range of partnership opportunities to integrate Pocket RD technology and know-how and introduce to a wider market, and to nurture new business opportunities. Please stay tuned!

### **【Comments from Investor-Alliance Partners】**

#### **■ Hirofumi Kawai, Manager of Image Studio, SQUARE ENIX CO., LTD.**

“With face-to-face communication decreasing due to the coronavirus and the growing importance of the metaverse, service technologies such as AVATARIUM - developed by Pocket RD - have the potential to become the new de-facto standard for communication. Our four new alliance partners make a strong team and possess the resources and networks to expand the capabilities of Pocket RD. Moving forward, we will harness the knowledge and experience we have accumulated to date in the development of 3D CG and avatar tools to expand more advanced solutions to a wide range of customers. As a collaborative platform, we look forward to growing Pocket RD as a launchpad for high-quality content, rich in innovation and creativity, bringing the best entertainment to a people around the world.”

#### **■ Kazuhiko Chuman, General Manager Business Incubation Development Department Business Exploration & Development Division, KDDI**

“Within KDDI’s city-connected metaverse, Pocket RD’s AVATARIUM and Pocket Collection are indispensable tools that can connect the real and virtual worlds. To make the metaverse space more familiar and accessible, it is critical that we increase options to project oneself through avatars.

AVATARIUM not only makes it easy for anyone to create an avatar based on themselves, but also enables one to customize their avatar’s appearance for a variety of environments. To create a customer experience that enables customization of different avatars according to TPO (Time, Place, Occasion) was critical in our decision to collaborate with Pocket RD. We see this investment as an opportunity for KDDI to support the business growth of Pocket RD while expanding collaboration with our city-connected metaverse.”

#### **■ Ryoichi Suzuki, Director Fourth Division, Creators’ Lab, Kodansha Ltd.**

“Everyone can easily possess their own avatar and interact happily in virtual space. Thanks to Pocket RD’s pioneering and reliable technology and our collaboration with the other investors, we have the opportunity to leverage our IP and content to fly into the new era of entertainment. Drawing from our global message, “Inspire Impossible Stories,” we will of course consider new experiences for our manga (comics) and book IP, as well as picture books and pictorial books. In the virtual space, real dinosaurs can appear and interact with your avatar. Children can play in a virtual picture book world. As part of the new digital native generation, parents and children will adopt new tools for education including the creation of original XR content.

For individual creators of all genres such as novelists, manga authors, picture book authors and illustrators, and game creators, we will do our utmost to ensure that Pocket RD provides a completely new platform for creation and activity.”

■ **Takuji Hayashi, Manager of Investment Planning Section, Marketing Division,**

“To realize a world where anyone and everyone takes XR for granted, Pocket RD – based on deep experience – is thoroughly committed to introducing services that are fun and easy to use for customers and clients, while offering creators a 3D platform that facilitates creation.

By combining Pocket RD’s completely automated 3D avatar generation and 3D CG data management system, distribution platform, and know-how with inputs from DNP’s “XR Communication Business” which utilizes DNP’s “high-definition expression technology,” “big data information processing know-how” and DNP’s “Imaging Communication Business” which utilizes DNP photo print technology, we would like to provide society and consumers with experiences that fuse the real and virtual world.”

■ **About Pocket RD**



Pocket RD was created with a mission to offer people around the world more expressive ways to communicate through 3D technology. We believe it is critical to pioneer improvement in 3D technology in line with the development of 5G and 6G networks in order to enhance and offer new tools for content creation and communication. Games, sports, fitness, healthcare, fashion, film, advertising – the range of industries requiring 3D assets is ever expanding. Through greater understanding and application of 3D tools, groundbreaking businesses will be born.

As one step towards shaping our unknown future, we will concentrate our efforts on the best 3D technologies using input from around the globe. We will strive to make the impossible possible and pioneer the newest and most innovative technologies with the goal of creating a future with even more expressive tools for communication.

[https://pocket-rd.com/index\\_en.html](https://pocket-rd.com/index_en.html)

## ■About “AVATARIUM:” automated personal AVATAR production and customization system: “The Me I Want To Be”

one ID = N AVATAR. The importance of AVATAR integration into digital spaces such as metaverses and games is rapidly increasing. Your “real” AVATAR speaks for you and embodies your personality and general vibe. Your AVATAR offers you the channel for entry from the real world to the digital world. From scanning to customization, adapted to output formats and purpose, "AVATARIUM" automatically generates AVATARS and offers seamless export to external environments and platforms. AVATARIUM supports export in all standard file formats including OBJ、FBX、PLY、glTF、VRM. We also have experience providing specific and tailored avatar solutions depending on the metaverse needs and we strive to continue adding new functionalities according to industry needs.



In addition to our full body scanner, we offer two smart phone applications which generate avatars from a single photo.

Our full-body scanner is the smallest in the world (\*based on internal survey) and can be supplied as “Model C” (cloud processing model) and model S (stand-alone model).

The cloud processing model operates independently (no staff needed). Scan can be reserved remotely via smartphone.



Your avatar can be saved in the cloud. In addition to downloading, it is also possible to seamlessly export to affiliated Metaverse partners.



Fully automated 3D data generation system. Complete in-house development from conception to design (domestic patents have been obtained, international patents pending).

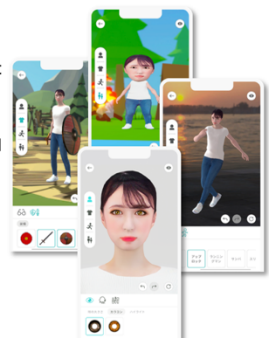
Considering seamless avatar export and utilization, propriety AI processes including modeling, mapping, rigging, morphing, etc have been integrated.

Selling or licensing of stand-alone software to be considered.



Inspired by the editorial tools used in print sticker machines, we have integrated a variety of customization features: makeup, colored contact lenses, dress-up items, and original accessories and items. Original dance data also possible. Clips and recordings also easily shared via SNS.

By year-end, we will integrate premium paid accessories including your favorite fashion items and more dance motions.

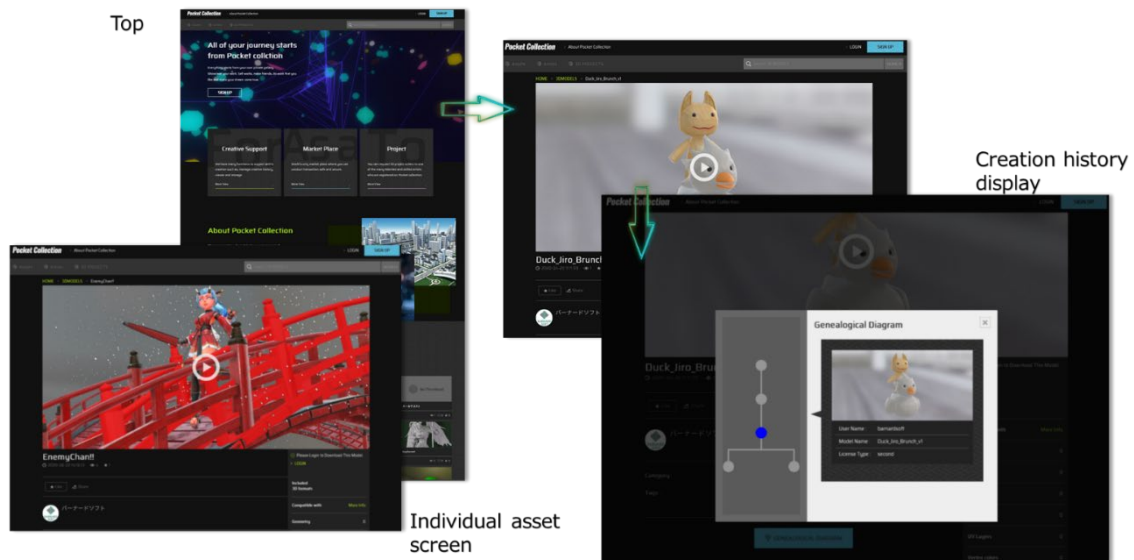


<https://avatarium.jp/>

## ■About Pocket Collection: "NFT 3D CG Asset Marketplace Utilizing Blockchain Technology"

"Pocket Collection" – an NFT 3D CG Asset Marketplace Utilizing Blockchain Technology – is a service that enables mass storage, secondary creation, secondary distribution, and sale of 3D digital creations, assets, and artwork.

"Pocket Collection" applies proprietary digital rights protection that ensures creators and secondary creators are protected and properly compensated. "Pocket Collection" also offers tools enabling creators to share their works with secondary creators to enable additional modifications and customization further enhancing the works value.



Pocket Collection is positioned to become a central platform for creation and asset management for the creative community. Our platform offers large scale storage, enabling users to post and store entire portfolios. Users can integrate group production activities, take advantage of the project management function, and freely purchase and sell within the marketplace platform.

### block chain

The sequence and stages of creation of 3D models is recorded in the blockchain. When a secondary or modified 3D model is purchased, the revenue share is distributed equitably to all rights holders involved in the creation.

Storage is designed with creators' ease of use in mind. The price is lower than competitive services. By applying our blockchain rights management function, you can manage and archive your own works, share, and collaborate with others.

### Storage

### EC

Existing marketplaces charge high transaction fees (20~30%). By lowering the transaction fee, Pocket Collection aims to revitalize the market.

Direct communication/collaboration function for creators. You can place orders and commission works with registered Pocket Collection creators. Closed environments also enabled to protect confidentiality and dedicated projects.

### talent pool

Pocket Collection can also be used as an ASP for issuance of legal tender NFT. We are actively welcoming new partners.

<https://pocket-collection.com/>