MERGERMARKET

PROPRIETARY

Nanolux plans Series A funding round in 2018, CEO says

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Nanolux, a privately held Ibaraki, Japan-based developer of near infrared-based color night vision modules, is planning a Series A fund raise early next year, CEO Motoshi Sobue said.

It would be receptive to investor approaches from this October, he added. It aims to close the round by March 2018.

Nanolux plans to raise around JPY 200m-JPY 300m (USD 1.79m-USD 2.69m) through new share issuance, but the fund raise amount is not set in stone, he said.

Proceeds would be used for mass production and further development of its image sensors, Sobue said.

An ideal investor would be Japanese and overseas electronic device makers or companies that would be using its image sensor technologies. There could be such candidates in the US or Taiwan, for instance, the CEO said.

It could also invite venture capital firms that have an extensive network and can present business and technological opportunities, he added.

Meanwhile, Nanolux plans on a larger Series B round by March 2019, which would be its final fund raise before its planned exit in June 2021, he said.

At this stage, it has not been decided if the company would go public or be sold to a larger strategic that would support its growth. It would firm up its exit strategy by around next year, he added.

Three management members, including Sobue, jointly hold a controlling stake in the company, he said. Taipei-based computer hardware and electronics maker **ASUSTek Computer** [TPE:2357] and Ibaraki-based **Tsukuba Bank Group** [TYO:8338] also have shares in Nanolux.

Last month, Nanolux raised a total of USD 1.2m from ASUStek Computer and Tsukuba Bank Group.

Its near infrared-based color night vision technology, was jointly developed with Japan's National Institute of Advanced Industrial Science and Technology (AIST). It extracts and separates RGB color data from infrared rays, a technology rooted in the identification of the correlation and reflectivity between visible light (which has a wavelength 400nm-700nm) and near infrared rays (which has a wavelength 750nm-1.4mm).

Nanolux has two patents for the technology in Japan, the US, South Korea, and China, Sobue said.

Sobue noted that its technology has an advantage over other night vision technologies in the market, such as algorithm-based image technologies that rely on pre-programmed rules to emulate color, risking loss of accuracy. Other high-sensitivity cameras also have higher image noise and slower frame rates due to their sensitive nature.

Currently, the company's technology is applied in the infrared LED flash method that is mostly used in conventional CCTVs due to its simple structure and customizable properties, the prism method used in devices that require higher quality imaging, and the color filter method that is suitable for mass production and is used in automotives, CCTVs, and mobile devices due to its versatility. Nanolux's modules can be installed without any substantial structural changes to the original devices or equipment, ensuring low implementation costs, he said.

It plans mass production of its miniaturized image sensor modules to start in October. The modules are scheduled to be implemented in ASUS mobile devices from next year, Sobue said.

Its technology can also be applied in various other sectors, such as infrastructure, automotive, security, and consumer, and it is currently in talks with players in these industries for new business opportunities, Sobue said. It would continue to be receptive to new business partnership opportunities.

Founded in 2010, Nanolux officially started operating as a business from 2015. It has six employees now, and would increase this to around 15 after its Series A, Sobue said.

by Tack Kang in Tokyo

Grade: Confirmed

TARGET

Nanolux Co,. Ltd.

VENDORS

Asustek Computer Inc

Countries

Japan
Taiwan
USA

Sectors

Tsukuba Bank Ltd

Computer: Hardware
Computer: Semiconductors

Sub-Sectors

Electronic components
Optical scanning equipment
Semiconductors

Topics

Companies for sale
Cross Border
Family Owned/Closely Held
Growth Capital Raise
Joint Ventures/Partnerships
Private equity related

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