

July 25, 2011

Innovation Network Corporation of Japan and Toshiba Corporation have agreed upon a joint investment of Landis+Gyr AG, a global leader in smart meters

Innovation Network Corporation of Japan (“INCJ”) and Toshiba Corporation (“Toshiba”) has agreed upon a joint investment of Landis+Gyr AG (“L+G”), a global leader in smart meters. INCJ will acquire a 40% equity stake in L+G for US\$680mn.

L+G operates in approximately 30 countries worldwide and engages in the design, manufacturing and sale of traditional and smart meters mainly for electric utilities. Over the last few years L+G has established a No.1 market position globally in smart meters (meters with interactive communication capabilities) as the leading player with the capability to provide data communication, meter data management and other related services. Smart meters, which enable the effective control of power demand, are the core components of smart grid systems, and as such are expected to see rapid growth in future years.

INCJ, as a shareholder owning a 40% equity stake in L+G, will support the development of L+G’s business strategy and business operations through external board member representation. In addition, INCJ will aim to promote open innovation and expand the business globally through alliances with potential global business partners to assist in the expansion of the smart grid business.

Innovation Network Corporation of Japan (“INCJ”) (Chiyoda-ku, Marunouchi, Tokyo; Chief Executive Officer: Kimikazu Nomi) has decided to acquire a 40% equity stake in a Special Purpose Vehicle (“SPV”), through which Toshiba Corporation (“Toshiba”) and INCJ will manage Landis+Gyr AG (“L+G”), a developer and manufacturer of traditional and smart meters¹. The acquisition will be the largest investment in INCJ’s history, amounting to US\$680mn .

L+G operates in approximately 30 countries worldwide and engages in the design, manufacturing and sale of traditional and smart meters mainly for electric utilities. It generated US\$1,533mn of revenue in 2010. Over the last few years L+G has

established a No.1 market position globally in smart meters as the leading player in the smart grid² sector, with the capability to provide data communication, meter data management and other related services.

Smart grid/smart community businesses are essential for the realization of a low-carbon society and are expected to improve energy-efficiency and support environmental sustainability. L+G's core product, smart meters, are the key components for the effective control of power demand. Global development of the smart grid business is expected by expanding the area and the field of operation around the smart meter core.

Toshiba plans to be actively involved in businesses related to the smart community, and in conjunction with L+G, will develop total energy solutions that meet diverse hardware and software standards and deliver smart grid and smart community products and services worldwide.

INCJ, as a shareholder owning a 40% equity stake in L+G, will support the development of L+G's business strategy and business operations through external board member representation. INCJ will aim to promote open innovation through alliances with potential global business partners to assist in the expansion of the smart grid business. In addition, INCJ will aim to create new business opportunities and support global expansion in the field of smart grids, by leveraging the Japanese industry's high-tech capabilities in energy management. Smart grid is an important focus area in the proposed new growth strategy of the Japanese government.

Please see Attachment 1 for an overview of the acquisition.

Note 1: Smart meters are meters with interactive communication capabilities. Smart meters allow electric utilities to monitor electricity consumption on a real-time basis and use that information to control power demand/supply through means, such as requesting reduction of consumption. In the US, more than 10mn smart meters have been installed as of 2009. In Europe, smart meters have been installed in almost all households in Italy and Sweden, and the EU aims to install smart meters in 80% of the entire user base by 2020. It is expected that approximately 240mn units of smart meters will be installed. Although demonstration tests are being conducted in Japan, full-scale installation has not yet started.

Note 2: Smart grids (next generation grids) are power grids that can control and optimize the flow of electricity from both supply and demand sides. Smart grid enabled technology helps manage peak demands for electricity and facilitates the introduction of renewable energy. More active development of cities with low carbon, highly efficient, and environmentally friendly social infrastructure based on smart grids (smart community - extended concept of smart grids), is also expected to become more prevalent.

About Landis+Gyr Group

- Established: 1896
- Headquarter: Zug, Switzerland
- CEO: Andreas Umbach
- URL: <http://www.landisgyr.com/>

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 projects that combine technologies and diverse knowledge across industries to materialize open innovation. INCJ has the capacity to invest up to US\$10 billion.

INCJ is run by professionals with expertise in a wide range of backgrounds such as investment, technologies and business administration. Investment decisions are made by the special board (Innovation Network Committee) within INCJ in accordance with relevant laws.

INCJ has invested about US\$ 1,478 million in 16 deals so far. INCJ is actively reviewing various investment opportunities in areas of environment and energy, electronics and IT, bio-tech, and infrastructure such as water supply and railway service. (Please see Appendix 2 for the details)

For further information please contact:

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【Overview of Investment】

● Promotes open innovation through joint developments, alliances, and drives global expansion of the smart grid business through the joint investment with Toshiba Corporation in Landis+Gyr. Landis+Gyr is the leading player in smart meters, which are the key components of smart grids

【Investment Impact】

● Landis+Gyr's key products, smart meters, are the core components for efficient control of power demand. Expansion of smart grid business centering on smart meters is expected to improve energy-efficiency and contribute in driving environmental sustainability in Japan and the rest of the world

● Combination of Landis+Gyr's industry-leading smart meters with Toshiba's expertise on power generation, distribution, transmission and related technologies as well as complementary relationship of their regional coverage will promote open innovation globally in the smart grids field

【Role of INCJ】

● As a shareholder owning 40% equity stake, INCJ will support management of Landis+Gyr through the appointment of non-executive directors, etc.

● Promotes alliances (open innovation) in the smart grids/smart communities industry not only between Toshiba and Landis+Gyr, but also with other potential global business partners which have complementary relationships

