

INCJ revokes decision to support INCJ Search Co., Ltd.
A special purpose company aiming to commercialize voice search technology

Tokyo, December 21, 2017 – Innovation Network Corporation of Japan (INCJ) announced today that it has revoked its decision to invest in INCJ Search Co., Ltd. (INCJ Search), a special purpose company (SPC) aiming to commercialize voice search technology. The revocation is in response to INCJ Search's decision at its extraordinary meeting of shareholders to dissolve the company and discontinue business activities specified in the Law on Special Measures for Industrial Revitalization (Act 2013, No.98), and is pursuant to Article 100, Paragraph 1, Item 1.

Target Company

INCJ Search Co., Ltd.

Established: February 2012
Representative: Takashi Sekine, CEO (INCJ Director)
Location: Chiyoda-ku, Tokyo
Business Outline: Commercialize of voice search technology
Industry: IT, Business Service, Contents
Commercialization: Early Stage

Investment Overview

Authorized Investment: JPY60 million maximum (JPY60 million invested)

Date of Announcement: January 23, 2012

https://www.incj.co.jp/english/news/upload/docs/e_20120123-1.pdf

Investment Structure:

<https://www.incj.co.jp/english/performance/upload/docs/Video%20website%20voice%20search%20technology%20incubation.pdf>

Background

The SPC was established in February 2012 through an investment by INCJ with the objective of the SPC was to support the commercialization of voice search technology. It was based on research and development conducted by the National Institute of Advanced Industrial

Science and Technology (AIST) and a venture company based on AIST technology transfer. This voice search technology enables search functionality for online multimedia content such as that on video and audio without conversion to text.

The SPC aimed to develop a prototype of a new voice search engine in cooperation with businesses that manage live video streaming websites, because there was the potential to be used for advertisement distribution on video-based websites. The verification stage towards commercialization continued for around one year, during which there were discussions with over 20 companies to become business partners. However, it was not possible to progress towards the stage of business collaboration. Therefore INCJ Search's activities were temporarily suspended and a decision was made to re-start activities when an option for a business partnership arose.

Between 2015 and 2017, they have opportunities to collaborate with some companies, however evaluation results indicated that commercialization was difficult. As a result, a decision was made to dissolve the company.

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company 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 JPY2 trillion (approx. US\$20 billion).

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

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