

**Suzutoku Holdings and INCJ to establish a platform to
restructure and consolidate the venous industry.
-Aiming to create a major Japanese player-**

INCJ to invest up to 3.23 billion yen in Suzutoku Holdings

Tokyo, October 12, 2017 – Suzutoku Holdings Co., Ltd. (Suzutoku HD) and Innovation Network Corporation of Japan (INCJ) announced today an agreement to create a platform to promote restructuring and consolidation in the venous industry (defined as industries that turn industrial and household waste into reusable resources). INCJ will invest up to 3.23 billion yen in Suzutoku HD through a third-party allocation of shares, which will fund acquisitions and subsequent expenses.

Suzutoku HD will also adopt a new corporate name—Rever Holdings Co., Ltd.—underscoring its commitment to driving change in the industry.

The arterial industry, includes the manufacturing industry and manufacturing products, whilst the venous industry includes collecting this waste and the reusing, recycling, treatment and disposal of this waste – it is referred to in a similar way to blood circulation.

Waste recycling will become increasingly important in future society and the development of the venous industry will be essential in realizing an advanced recycling-oriented society that recycles used resources and waste. Nevertheless, the industry faces many challenges in Japan, specifically:

- Market contraction and industry fragmentation, with a large number of small companies and excessive competition in Japan.
- In contrast to Europe or the US, where industry players are globalizing and growing in scale, Japanese companies lack the competitiveness to succeed on the international stage.
- Inability to collaborate with the arterial industry, making it difficult to form a resource recycling loop.

For the decentralized Japanese venous industry, scaling can help build market dominance while strengthening overseas expansion and collaboration with the arterial industry (defined as industries that create and market new products). In this way, INCJ and Suzutoku HD aim to create a major Japanese player in the venous industry, as a platform

for restructuring and consolidation and resolving the issues facing the industry.

Suzutoku HD was established 113 years ago as Suzutoku Ltd. Its primary business is resources recycling, with a focus on scrap iron. Since 2000, Suzutoku HD has been aggressively pursuing M&A in related business areas and expanding the scope of its business. With this funding, Suzutoku HD is aiming to expand its core resources recycling business and its value chain in order to evolve into a major industry player. Leveraging the Suzutoku Group's many years of resources-recycling expertise, the company also aims to achieve 100% waste recycling, and make a significant contribution to the realization of an advanced recycling-oriented society.

INCJ considers the development of the venous industry to be essential for a resource-circulating society. Together with Suzutoku HD it will promote industry consolidation and support its restructuring. INCJ also expects that a major Japanese player in the venous industry can succeed globally. Furthermore, INCJ is hopeful that the promotion of collaboration between arterial and venous industry will create new business opportunities.

About Suzutoku Holdings Co., Ltd.

Established	2007
Business Outline	Iron and non-ferrous scrap processing. Collection, transportation and intermediary processing of industrial waste
Headquarters	Chiyoda-ku, Tokyo
Representative	Takao Suzuki, Chairman and CEO Naoto Matsuoka, President and COO
URL	http://www.suzutoku-group.co.jp/

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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Rever Holdings Corporation



Target: Rever Holdings Corporation

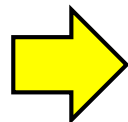
Business Outline: Material recycling business, industrial waste treatment business

Authorized Investment: 3.23 billion yen (maximum)

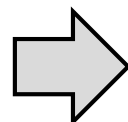
Date of Announcement: October 12, 2017



- Investment
- Management Support



- Investment



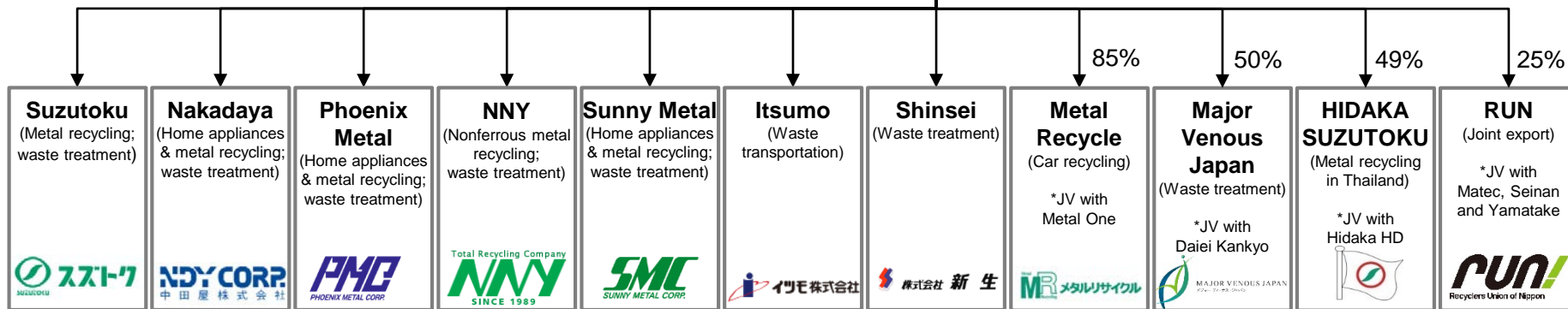


REVER
REVER HOLDINGS CORPORATION

- ✓ Japan's leading material recycling company with a history of over 110 years. Promoting industry consolidation and partnering within the Japan's venous industry aiming to create a major Japanese player
- ✓ As the Japan's venous industry, compared to overseas, is fragmented, Rever Holdings Corporation promotes industry consolidation to realize further collaboration with arterial industry businesses, one-stop processing across a wide range of items throughout the country, and overseas expansion



- ✓ Comprehensive business alliance by the following seven companies:
- Matec
 - Seinan Corporation
 - Yamatake
 - Envipro Holdings
 - Ibokin
 - Chutoku Holdings



- Create a platform company consolidating Japan's venous industry and aiming to become a major global player