

## **INCJ to invest in Silicon Valley software development venture, Wireless Glue Networks**

*Joint investment with TokoElectric and US venture capital firm*

**Tokyo, February 21, 2013** – Innovation Network Corporation of Japan (“INCJ”) announced today its decision to invest in Silicon Valley software development venture, Wireless Glue Networks Inc. (“WGN”) through third-party allotment, together with TokoElectric Co., Ltd. (“TokoElectric”), and US venture capital firm, Clean Pacific Ventures Management LLC. The three organizations will invest a total of \$4.5 million in growth capital necessary for WGN’s future product development. Concurrently with this capital increase, Hosiden Corporation (“Hosiden”) will convert existing convertible WGN bonds into shares.

Recent growth in renewable energy, sharp rises in the cost of resources, and pressures to contain capital spending have stimulated efforts throughout the world for the development of so-called smart grids to optimize infrastructure through the fusion of existing electrical systems with information and communications technology. In Japan, such development efforts have accelerated in the wake of the March 2011 disaster.

There is an increasing call for wider adoption of demand response (DR) technology to manage consumer-side peak demand, and energy management systems (EMS) to reduce costs, particularly with respect to helping power companies curtail capital spending.

However, there is a wide range of different standards and communication systems being used around the world to control ventilation and lighting in factories, commercial buildings, condominiums, and homes, and standardization bodies have begun to consider adopting a unified standard, similar to the existing IEEE802/IETF internet standard.

Silicon Valley-based venture business WGN develops multi-protocol support middleware that allows these diverse communication systems and standards to communicate and cross-connect with each other. Through joint projects with a number of power companies in the US—which is a leading nation in smart grid development—WGN is amassing specialist knowledge and technology and is building a wide network with companies at the forefront of the industry.

Furthermore, while various companies in the industry are developing products that are compatible with specialist devices, WGN’s middleware can be incorporated into any device, which means that WGN has the potential to expand the market by reducing the cost of terminal devices through joint development with multiple equipment manufacturers, and also

to develop applications outside the energy sector..

As a group company of Tokyo Electric Group, Toko Electric contributes to stable supply and efficient use of energy through extensive experience and advanced technologies in construction and development of power distribution equipment, smart meters and other equipment. Through joint development with WGN, TokoElectric is aiming to develop gateway devices which achieve high-level energy management enabling connections between various power devices compatible with DR, targeting users such as factories, commercial buildings and condominiums. TokoElectric is also aiming to expand sales overseas, primarily in North America.

Hosiden is engaged in product development in the field of smart grids, taking advantage of in-house technologies amassed as a general manufacturer of electrical components. In cooperation with WGN, Hosiden is developing compact displays which can show electricity and gas consumption in homes, while expanding its business overseas.

INCJ will provide WGN with funding necessary for development while appointing outside directors, facilitating strategic alliances and technology development with Japanese companies, and providing marketing and other support.

Through this investment, INCJ aims to **1.** create new industries by supporting overseas business expansion of Japanese companies through non-discriminative engagement with domestic and foreign markets, technology and capital. **2.** Promote the global development of Japanese companies leveraging the technology and know-how of promising overseas venture businesses

**About Wireless Glue Networks Inc.**

Established: October 2006

Outline: Development and sales of hardware and software

Location of Headquarters: 100 Lafayette Circle, Suite 203, Lafayette, CA, USA

Representative: Peter McCabe, CEO

[www.wirelessglue.com/](http://www.wirelessglue.com/)

**About TokoElectric Co.**

Established: September 1928

Outline: Production and sales of power distribution equipment, system control equipment, measuring instruments and other equipment

Location of Headquarters: Yurakucho Denki Bldg., 1-7-1 Yurachu-cho Chiyoda-ku Tokyo

Representative: Hiroaki Takatsu, President & CEO

[www.tokodenki.co.jp](http://www.tokodenki.co.jp)

### **About Clean Pacific Ventures Management LLC**

Established: 2006

Outline: Based in San Francisco, Clean Pacific Ventures Management is an independent venture capital company which primarily invests in early-stage clean technology companies.

Location of Headquarters: Two Transamerica Center

505 Sansome Street, San Francisco, CA, USA

Representative: Sean Schickedanz, Chief Investment Officer

[www.cleanpacific.com](http://www.cleanpacific.com)

### **About Hosiden Corporation**

Established: September 1950

Outline: Manufacturing and selling of electronic and information & communications equipment

Location of Headquarters: 4-33, Kitakyuhoji 1-Chome, Yao-City, Osaka

[www.hosiden.co.jp](http://www.hosiden.co.jp)

### **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 those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to ¥2.0 trillion (approx US\$12 billion).

To date, INCJ has invested approximately ¥600 billion in a total of 34 projects and is currently focused on a broad range of areas from green energy, electronics, IT and biotechnology to infrastructure-related sectors such as water supply. INCJ maintains a hands-on approach to investment, engaging in the business development of cutting-edge core technologies through intellectual property funds, expansion of venture companies and aggressive overseas development through initiatives such as restructuring and mergers of tech businesses and acquisitions of foreign companies.

[www.incj.co.jp](http://www.incj.co.jp)

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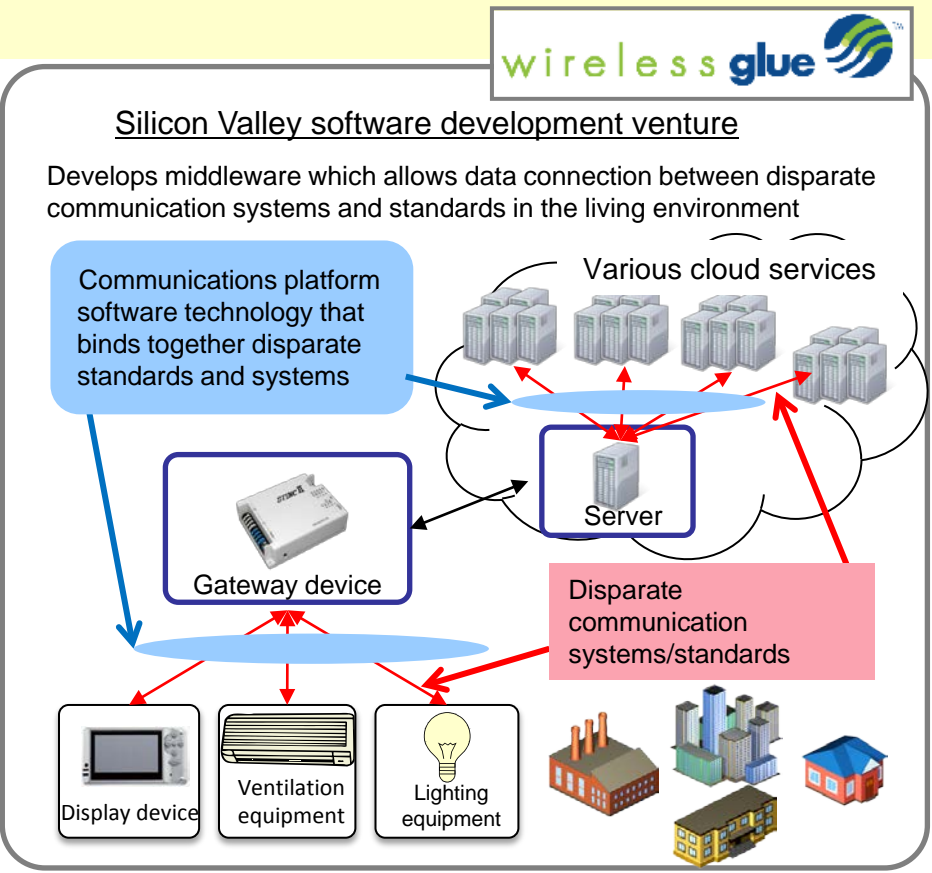
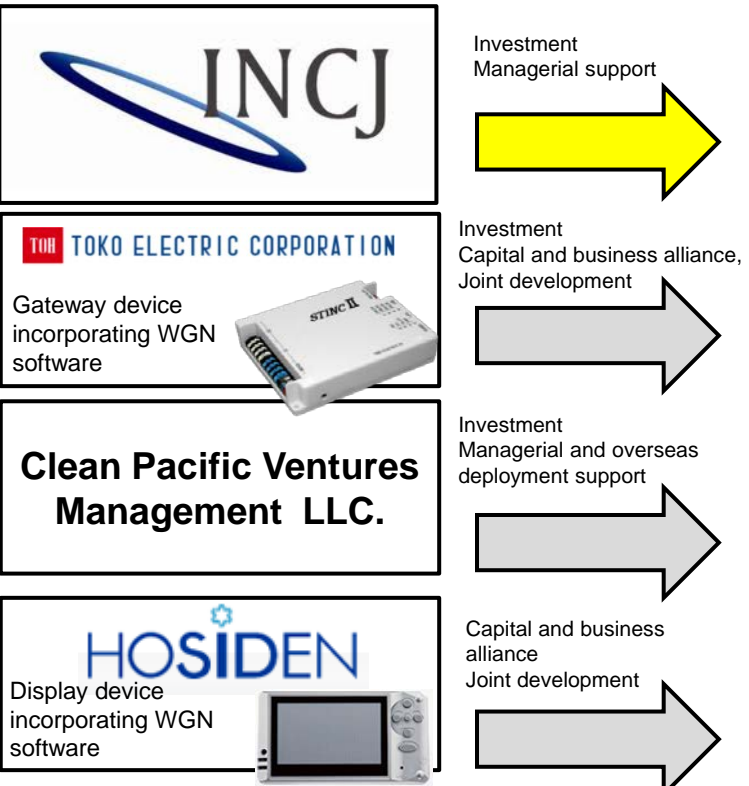
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[Appendix]



**INCJ to jointly invest in Silicon Valley software development venture, Wireless Glue Networks Inc., with TokoElectric and US venture capital firm**

Target: Wireless Glue Networks Inc.  
 Outline: Development and sales of middleware which allows data connection between disparate communication systems and standards  
 Investment: US\$4.5 million



**Significance of investment**

Stimulate new industries by supporting the overseas business expansion of Japanese companies through “non-discriminative engagement” with domestic and foreign markets, technology and capital.  
 Promote the global development of Japanese companies, leveraging the technology and know-how of overseas venture businesses