

October 1, 2012

INCJ and its portfolio company, Nihon Inter Electronics, to jointly invest in US GaN power semiconductor venture, Transphorm

TOKYO, October 1, 2012 – Innovation Network Corporation of Japan (“INCJ”) today announced its decision to take a US\$25million equity stake in Transphorm, Inc. (“Transphorm”). At the same time, Nihon Inter Electronics Corporation (“Nihon Inter Electronics”), an INCJ portfolio company, will also invest in Transphorm.

Transphorm is a leader in Gallium nitride (“GaN”) technology, one of the next generation of power semiconductors. The US-based company was founded by University of California, Santa Barbara professor, Umesh Mishra and GaN industry veteran, Dr. Primit Parikh. It has received funding from a number of leading American venture capital firms since the early stages of its founding and growth expectations for the venture are high.

GaN power semiconductors offer promise as next generation power devices due to their ability to greatly reduce power loss, their energy efficiency and low environmental impact. Efforts towards commercialization are underway. Transphorm leads competitors in achieving the commercialization of power conversion products using GaN, and is seeking to expand sales of these products.

Through this investment INCJ, as a Nihon Inter Electronics shareholder will support the capital and business alliance between Nihon Inter Electronics and Transphorm, and will promote the integration of Transphorm’s state-of-the-art GaN device technology and expertise and Nihon Inter Electronics’ performance, reliability and proven results in product design, development, and sales, mass production technology and quality assurance support.

With this investment INCJ is expecting to generate open innovation in the growing power device market.

About Transphorm

Transphorm was established in February, 2007 on America’s West Coast. It is a leader in the development, manufacture and sales of GaN power semiconductors. CEO and co-founder Professor Umesh Mishra, a world authority on GaN and a serial entrepreneur is also the founder of Gan LED development company Nitres Inc., which he sold to Cree in 1996. President and co-founder, Dr. Primit Parikh is also a leading GaN expert. Recently, Transphorm developed a 600 volt transistor which reduces energy loss by up to 50% compared to conventional silicon-based power conversion designs.

On September 12, 2012 it became the industry's first 600V HEMT device to receive JEDEC qualification. (See note 1)

URL : <http://www.transphormusa.com/>

(Note 1) The Joint Electron Device Engineering Council (JEDEC) develops standards for semiconductor technology as part of Electronic Industries Alliance, a US electronic industry organization

About Nihon Inter Electronics

Nihon Inter Electronics is strong in power devices centered on diodes. It is listed on the second section of the Tokyo Stock Exchange and is principally engaged in the manufacture and sales of consumer-focused discrete products and industrial-use module products. Since subscribing to a capital increase of ¥3.5 billion in December, 2010, INCJ has continued to provide managerial support as Nihon Inter Electronics' largest shareholder.

About Innovation Network Corporation of Japan (INCJ)

The INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. The INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. The INCJ has the capacity to invest up to ¥2 trillion (approx US\$25 billion).

To date, the INCJ has invested approximately ¥400 billion in a total of 29 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. The 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.

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[Appendix]

Decision to invest in US GaN semiconductor venture, Transphorm, Inc. together with Nihon Inter Electronics Corporation



Target: Transphorm, Inc.

Outline: Development, manufacture and sales of GaN power semiconductors

Investment: US\$25 million

