

INCJ to invest in laser manufacturing company Spectronix Corporation

Providing the best laser micro processing solutions by combining high-power lasers and material processing technologies

Tokyo, March 9, 2015—Innovation Network Corporation of Japan (“INCJ”) announced today a decision to provide up to JPY 500 million in capital to support the future business development of Spectronix Corporation (“Spectronix”), a manufacturer and developer of lasers and optics for material processing. In addition, Spectronix will also receive financing from funds managed by Daiwa Corporate Investment Co., Ltd., Mitsubishi UFG Capital Co., Ltd., and Senshu Ikeda Capital Co., Ltd.

In recent years, the demand in manufacturing for micro processing has been on the rise, as electronics devices, exemplified by smart phones and tablets, become smaller, more advanced, and use less power. The use of ultrashort pulsed lasers as a contactless processing method in micro processing has been attracting attention in recent years. Ultrashort pulsed lasers are a technology used for micro processing that enables the direct vaporization of objects without dissolving the materials (non-thermal processing). The shorter the wavelength of a laser, the more focused the light is, which makes these lasers ideal for micro processing.

Mainstream U.S.- and European-made ultrashort pulsed lasers can be employed for high-quality micro processing, but their processing speed are too slow to be used on production lines. Furthermore, as components must be replaced frequently due to degradation, operation and maintenance costs are high.

Spectronix was established in 2004 as a venture company for the development of ultrashort pulsed lasers. The key feature of Spectronix's hybrid picosecond* pulsed laser is that it maintains approximately the same level of the processing quality of major U.S.- and European-made lasers, but is capable of processing speeds 2-25 times faster, depending on the material. This means it can be used to substantially improve production capabilities in manufacturing. Furthermore, the laser is built using generic components with a low rate of degradation, which makes it highly competitive in terms of pricing and has greatly reduced running costs due to a remarkable decrease in necessary consumables. On-site maintenance and the option to replace parts on site also enable businesses to increase rates of operation in manufacturing processes and thereby greatly enhance productivity.

* 1 picosecond is equal to 10^{-12} of a second

Spectronix's hybrid picosecond laser has also been chosen for the New Energy and Industrial Technology Development Organization's ("NEDO") Innovation Commercialization Venture Support Project which will lead to R&D opportunities.

In addition to supplying Spectronix with growth capital, INCJ will also provide management support to the company through the dispatch of an external director, and through assistance for business development, acceleration of R&D, and overseas expansion. Through the efforts listed above, INCJ will cultivate the development of a globally competitive Japanese business in the laser industry while contributing to the revitalization of Japanese manufacturing and the industry overall. INCJ hopes to create new business and strengthen the competitive power of Japanese companies.

About Spectronix Corporation

Established	April 2004
Business outline	Development, manufacture and sale of laser and optics; laser application business and agency operations; design and development of lasers and optics
Headquarters	5F Kunistato Bldg., 8-8 Eidai-cho, Ibaraki-shi, Osaka
President	George Okada
URL	http://www.spectronix.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 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.

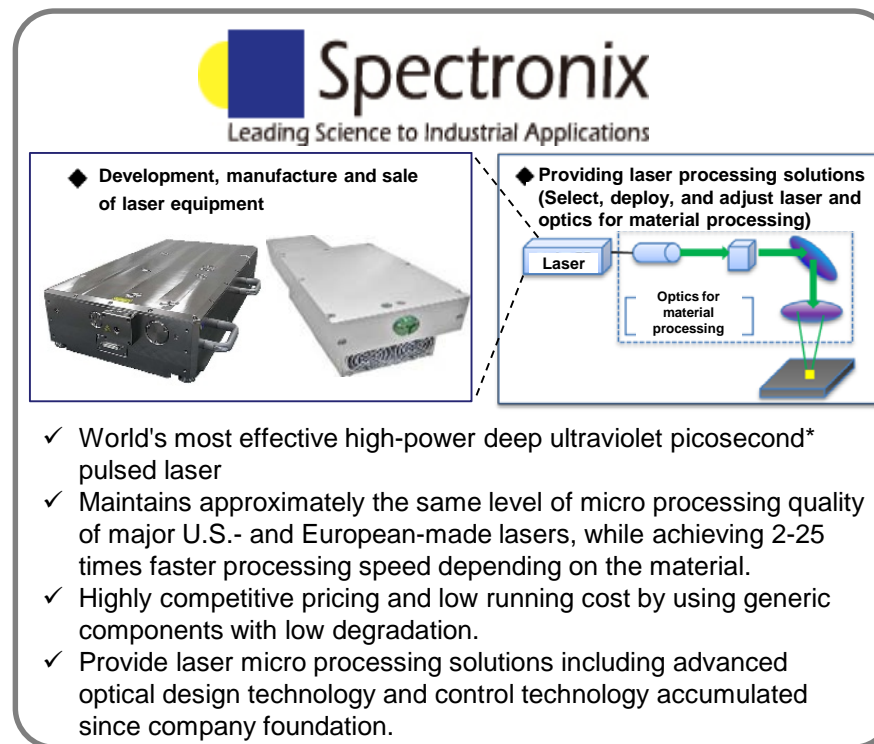
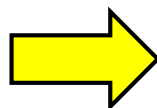
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[Appendix]
INCJ to invest in laser manufacturing company Spectronix Corporation – providing the best laser micro processing solutions by combining high-power lasers and material processing technologies

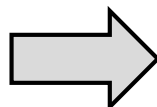
Target: Spectronix Corporation
Outline: Development, manufacture and sale of laser and optics
Authorized Investment: ¥ 500 million (maximum)



Investment;
management support;
overseas expansion support



Investment;
management support;
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- Develop globally competitive Japanese business in the laser industry, and contribute to the revitalization of Japanese manufacturing and overall industry.
- Create new business and strengthen the competitiveness of Japanese companies through prevalence of low-cost lasers.

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