

INCJ to invest in Zeptor Corporation **Silicon Valley venture develops next-generation Li-ion battery electrodes**

Tokyo, September 13, 2013—Innovation Network Corporation of Japan (“INCJ”) announced today its decision to invest in Zeptor Corporation (“Zeptor”), a Silicon Valley venture that develops next-generation lithium ion battery electrodes. The investment will provide Zeptor with a maximum of US\$7.2 million in growth capital required for future technology development.

With the recent surge in the adoption of mobile devices such as smartphones and tablet PCs, and their increasing functionality, the need to reduce the size and increase the capacity of rechargeable lithium ion batteries is growing every year. To address this need, research institutions and corporations have been studying a variety of materials, and attention has been focused on silicon in particular as a next-generation anode material that can reduce the size and increase the capacity of lithium ion batteries. However, although silicon offers the potential for significant increase in anode capacity compared with the carbon anodes that are in conventional use today, overcoming the technical challenges of high volume change and low thermal conductivity has made practical realization of silicon anodes difficult.

To overcome this problem, Zeptor’s management team, led by CEO Tatsunori Suzuki—whose background is in semiconductor manufacturing—has turned its attention to the standard coating process employed in the semiconductor industry. By combining coating technology with carbon nanotubes and other high-tech materials developed in Japan, Zeptor has overcome silicon’s shortcomings as an anode material, and successfully developed a new type of electrode.

Zeptor is pursuing research and development of lithium ion battery electrodes in consultation and cooperation with Japanese material and equipment manufacturers as well as global PC and semiconductor manufacturers, which will be the end users of the electrodes. The company is aiming to establish a fabless electrode manufacturing business by jointly developing manufacturing technology with major battery manufacturers and utilizing the existing production facilities of these manufacturers at the mass production stage. Electrodes manufactured by Zeptor are expected to be incorporated into next-generation mobile devices.

INCJ will provide Zeptor with the funding required for the establishment of its core technology, development of manufacturing technology, and mass production readiness, while also providing managerial support such as dispatching external directors, strengthening Zeptor’s business-development framework, and supporting the development of strategic partners. INCJ is providing this support so that Zeptor can overcome industry and mass production barriers while

acquiring support from major corporations, and become a model for venture materials companies commercializing state-of-the-art technology that combines Japanese cutting-edge materials with ideas born of diverse industry backgrounds.

About Zeptor Corporation

Established: July 2009
Overview: Research and development various types of battery electrodes, including lithium ion batteries, using semiconductor coating process
Location of headquarters: San Jose, CA, USA
CEO: Tatsunori Suzuki
Website: www.zeptoco.com

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 ¥650 billion in a total of 47 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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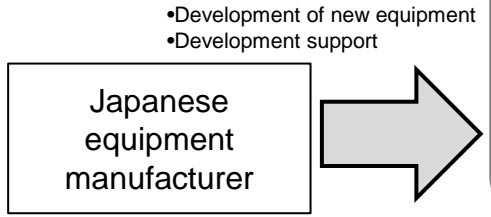
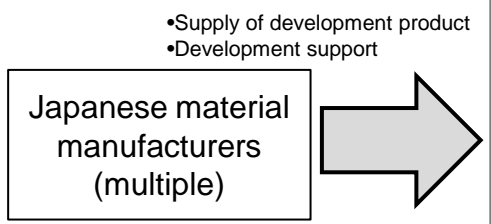
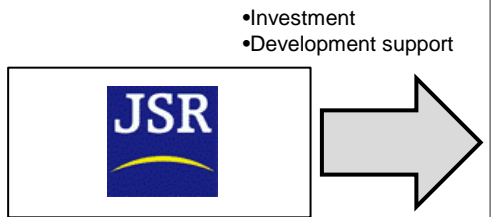
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[Appendix] INCJ to invest in Silicon Valley venture developing next-generation lithium ion battery electrodes



Target: Zeptor Corporation
 Outline: Research and development of various types of battery electrodes, including lithium ion batteries, using semiconductor coating processes
 Investment: US\$7.2 million (maximum)



Li-ion Battery

- Development of lithium Ion battery electrodes using semiconductor coating processes.
 - ✓ Application of standard coating process used in semiconductor industry to the manufacture of lithium battery electrodes
 - ✓ Next-generation electrodes combining cutting-edge materials from Japanese manufacturers

Realize innovative development that overcomes industry barriers

