
INCJ to invest in Japanese global IT venture developing network virtualization solutions

Tokyo, April 3, 2013 –Innovation Network Corporation of Japan (“INCJ”) announced today its decision to invest in Mido Holdings (“Midokura”), a venture which originated in Japan and develops network virtualization solutions. The investment will provide Midokura with a maximum of ¥1,200 million in growth capital required for future product and business development.

A new inflection point has been reached in the computer and network infrastructure industry. With the rapid increase in network traffic which has accompanied full-scale adoption of smartphones and cloud computing, there is a growing need among data center operators and internet companies to expand network functions and for flexible and rapid changes to network configuration.

Since 2012, as a result of this trend, the market for Software Defined Networking (SDN), which allows the virtualization* of networks in the computer and network infrastructure industry, has attracted a great deal of attention from related businesses and technology media in Japan and globally. Full-scale development of the market is expected to ensue.

Midokura is a Japanese global IT venture specialized in the development of network virtualization technology. It was established in Tokyo in January 2010 by Tatsuya Kato, who has considerable experience in senior management positions at a number of listed IT companies, and Dan Mihai Dumitriu, a former a top engineer at Amazon.com and fellow of the École Polytechnique Fédérale de Lausanne in Switzerland.

MidoNet, a network virtualization solution developed by Midokura, features a distributed architecture that is unparalleled in the SDN market. It is highly regarded for the flexibility it offers in network construction and modification, and for its cost benefits in terms both of CAPEX and OPEX in network management. It is attracting strong interest from Japanese and international cloud service operators, carriers and network operators, and internet companies.

Currently, Midokura is expanding development activities not only in Japan but also in North America and Europe, in order to hire experienced engineers, project staff and other talent from Japanese and international companies such as Google, Amazon, Cisco Systems, Sony,

NTT, and NEC, and to construct an optimal development system in worldwide.

With the aim of promoting the growth of a Japanese global IT venture, INCJ will provide the funding required to enhance Midokura's development system and strengthen its sales and support structure, while also providing managerial support such as dispatch of external directors and establishment of a framework of cooperation with Japanese and foreign companies.

*Decoupling control from hardware and transferring it to a software application

About Mido Holdings Ltd.

Established: January, 2010

Outline: Development of network virtualization solutions

Locations: Lausanne, Switzerland; Tokyo, Japan; San Francisco, U.S.A.; Barcelona, Spain

Representatives: Chairman, Tatsuya Kato; CEO/CTO, Dan Mihai Dumitriu

Number of employees: 26 from six countries (as of April, 1 2013)

Web site: www.midokura.jp

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 ¥600 billion in a total of 38 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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