

INCJ sells its shares in Eltes Co., Ltd.

Tokyo, February 8, 2017 – Innovation Network Corporation of Japan (INCJ) announced today that it has sold all its shares in Eltes Co., Ltd. (Eltes) on the Tokyo Stock Exchange Mothers Market.

1. Target Company

Eltes Co., Ltd.

Established: April 2004

Representative Director: Takahiro Sugawara

Headquarters: Chiyoda-ku, Tokyo

Business Outline: Big data analysis solution specialized for risk detection

Industry: IT, Business Services, Contents

Commercialization: Venture company stage

2. Investment Overview

Authorized Investment: JPY300 million maximum (JPY300 million invested)

Co-investors (Series C): Mynavi Corporation, Dentsu Digital Holdings, Japan Asia Investment Co., Ltd., Iwagin Jigyo Souzou Capital Co., Ltd., Jigyo Souzou Capital Co., Ltd.

Shareholding Ratio: Undisclosed

Date of Announcement: October 1, 2015

Related Press Release: November 29, 2016

<https://www.incj.co.jp/english/news/upload/docs/a061fe944b707de744cb25c492e50283df4f040d.pdf>

Investment Structure: <https://www.incj.co.jp/english/performance/upload/docs/Eltes.pdf>

3. Background to investment

Eltes was established in 2004 as a company developing a number of different IT services, and in 2007 focused on a specialized digital security service. Eltes provides a comprehensive service for corporate digital risk management, from prevention to response, by analyzing big data. INCJ's objective was to utilize Eltes' services and promote robust internet business by reducing risks created online, preventing damage to corporate value and improving trust in commercial transactions. For this reason, in October 2015, INCJ decided to invest up to JPY300 million (of which JPY300 million was invested) to provide the funding for business development. In addition, INCJ provided continued hands-on

support including the dispatch of external directors and introductions to new customers.

4. Business progress

Eltes has steadily developed its business and now provides digital security services to more than 600 companies, contributing to reduce the digital risk.

The company is building strength in new areas such as the use of AI to prevent information leakage through early detection of internal corporate risks, measures to address digital crime and the financial crimes that have emerged along with the increase of global terrorism, and analysis of information on overseas terrorism.

5. Reason for exit

In November 2016, Eltes was listed on the Tokyo Stock Exchange Mothers Market. After determining that investment objectives were achieved, with the successful development of Eltes' business, INCJ decided to sell all its shares on the Mothers Market – all shares have now been sold. After this, INCJ supports their development as needed.

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private investment company 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 JPY2 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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