

## **INCJ to invest in ClipLine, Inc.**

### **Company develops an autonomous learning system that uses video and audio clips**

- ClipLine develops the world's first cloud-based on-the-job training (OJT) system which uses video and audio clips
- Contributes to improving productivity in the services industry, which accounts for around 70% of Japan's GDP
- ClipLine will expand its target services from food services and retail to caregiving and medical care

**Tokyo, March 13, 2018** – Innovation Network Corporation of Japan (INCJ) announced today its decision to invest in ClipLine Inc. (ClipLine), a company that develops an autonomous learning system that uses video and audio clips. INCJ has decided to invest a maximum of JPY400 million in growth capital.

ClipLine was established in July 2013 as a Software as a Service (SaaS) venture company and has developed an autonomous learning system that uses video and audio clips. ClipLine already provides its cloud OJT services to various companies. Consulting is one of ClipLine's areas of expertise, leveraging its deep understanding of the services industry as well as its video shooting and editing technology, which promotes intuitive understanding. Furthermore, introducing ClipLine's autonomous learning system can contribute to significantly improving productivity. In May 2017 ClipLine obtained a patent for its "autonomous learning system using video and audio clips".

ClipLine's service can create short video clips for traditional educational methods such as paper-based manuals or face-to-face meetings. Furthermore, by creating curriculums, the training becomes easier to understand and carry out, reducing the burden for both trainers and trainees. In addition to creating short video clips, by recording and uploading the curriculum or customer service performance, managers can add feedback which creates the possibility to obtain educational effects similar to a face-to-face lesson. ClipLine's autonomous learning system is currently used by around 3,000 stores in Japan and overseas with around 50,000 users.

In Japan's service industry, particularly in labor-intensive areas such as food services and retail, it is difficult to demonstrate their services with just words or images, so they still manage and train employee face-to-face. As businesses grow in scale, a hierarchical structure typically emerges

between management at headquarters and management at the store. This adversely affects the communication of instructions and impacts service consistency.

The service industry is extremely important as it accounts for around 70% of Japan's GDP. To increase productivity and efficiency, it is crucial to address any issues in areas such as employee training and management. ClipLine's autonomous learning system, which uses video and audio clips, hopes to address increases in recruitment and education cost, training for the increasing number of foreign employees, lost time, and other issues in the services industry.

INCJ has already invested in companies such as Care Design Institute, Inc., which develops and markets a care management system utilizing AI, and Embrace Co., Ltd. a company that develops and offers a comprehensive regional care platform. As ClipLine is planning to provide its services to caregiving and medical care, INCJ hopes to see synergy in its investments in the areas of caregiving and medical care.

INCJ will provide funding for ClipLine's development costs for additional functions as well as the establishment of a sales structure. Ultimately, INCJ strives to establish a caregiving value chain through proactive support such as with the introduction of partners in the areas of caregiving and medical care.

### **About ClipLine, Inc.**

|                   |   |
|-------------------|---|
| Established:      | July 2013   |
| Headquarters:     | Minato-ku, Tokyo  |
| Representative:   | Hayato Takahashi, President   |
| Business Outline: | Management consulting, and development and management of ClipLine       |
| URL               | <a href="https://clipline.jp/service/">https://clipline.jp/service/</a> |

### **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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## Overview of new investment decision

### **Target: ClipLine, Inc.**

**Established:** July 2013

**Headquarters:** Minato-ku, Tokyo

**Representative:** Hayato Takahashi, President

**Business Outline:** Management consulting, and development and management of ClipLine

### **Overview of investment**

**Authorized Investment:** JPY400 million (maximum)

**Amount Invested:** JPY400 million

**Co-investors:** Anniversaire Holdings, Co., Ltd.

**Shareholding Ratio:** Not disclosed

**Investment Structure Outline:** See Appendix

### **Significance of investment**

#### **Supporting social needs:**

- Japan's service industry accounts for 70% of total GDP, therefore the improvement of labor productivity is an urgent issue in the context of the government's GDP target of JPY600 trillion by 2020.
- ClipLine's autonomous learning system is expected to contribute to labor productivity improvement in the labor-intensive services industry, which includes caregiving, food services, accommodation, retail and medical care.

#### **Growth potential:**

- ClipLine uses an autonomous learning system with short video clips, providing a cloud-based service at a low-cost to users in the services industry – ClipLine has already achieved results in certain sectors including food services and retail.
- ClipLine has progressed to the business commercialization stage as a result of financing from private venture capitals. Through INCJ's growth funding, ClipLine will progress towards the completion of its services, build a strong platform for each industry and encourage the improvement of the services industry.

#### **Innovation:**

- ClipLine has obtained a patent for its "autonomous learning system using video and audio clips" (Patent Number: 6140375). The system is expected to radically reform education and

management methods for large numbers of people, which had been difficult with traditional methods such as DVD's, video distribution, electronic manuals or e-learning.

**Target:** ClipLine, Inc.

**Business Outline:** Video management platform

**Authorized Investment:** JPY400 million (maximum)

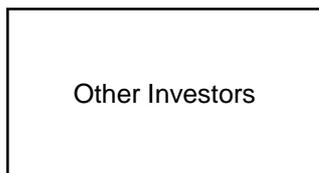
**Date of Announcement:** March 13, 2018



Investment  
Management support  
Dispatch of external directors



Investment



Investment



- ClipLine offers a management platform which uses videos, as a SaaS model, and is widely available in the services industry
- Based on expertise accumulated and actual results with customers so far, ClipLine is expanding to specialized areas including caregiving and medical care to contribute to improving productivity of the services industry overall



Product solution

Service Industry

Caregiving

Medical care

Food services

Accommodation

Retail

- By using its video management platform, ClipLine contributes to improving the productivity of the entire services industry which accounts for 70% of total GDP.
- ClipLine hopes to contribute to labor productivity improvement in the labor-intensive service industry including caregiving, medical care, food services, accommodation, and retail.