

INCJ to make additional investment in Embrace Co., Ltd. **Company develops a communication platform for medical and nursing care**

- INCJ will make an additional investment of up to JPY300 million.
- Through its fundraising, Embrace has strengthened system and product development as well as human resources to accelerate its MCS business
- Embrace's business addresses social issues such as the ageing society and increasing social security costs

Tokyo, March 7, 2018 – Innovation Network Corporation of Japan (INCJ) announced today its decision to make an additional investment in Embrace Co., Ltd. (Embrace), which develops Medical Care Station (MCS), a communication platform for medical and nursing care. Due to Embrace's business progress, INCJ decided to make an additional investment of JPY300 million through a third-party allocation of shares. In addition to investment by existing shareholders SMBC Venture Capital Co., Ltd., KDDI Corporation and NISSAY CAPITAL Co., Ltd have also invested in Embrace.

In 2013, Embrace developed MCS, a communication platform for medical and nursing care professionals that facilitates the Community-based Integrated Care¹. Embrace provides this platform to the Japan Medical Association as well as medical insurance and nursing care facilities. With Japan facing rising social issues such as the ageing society and increasing social security costs, it is necessary to shift from a hospital-centered medical care system towards home-based medical and nursing care.

For home-based medical and nursing care, it is important to share the patient's symptoms and medical situation to a number of stakeholders, including doctors, caregivers, pharmacists and relatives. However, sharing patient information in real-time is difficult as doctors and long-term caregivers visit patients at home on different days or times. Embrace's MCS platform enables information-sharing and close collaboration among various stakeholders, facilitating accurate decision-making for patient care.

INCJ decided to invest JPY400 million in Embrace in April 2016, motivated in part by the company's social significance, particularly with regard to the ageing society and social security costs (the total amount has been invested). Embrace's MCS platform has been adopted at more than 200 (approximately 23%) Japan Medical Association locations nationwide (as of September 2017), with this figure increasing. Embrace has made progress to its business plan, strengthening partnerships in the healthcare industry through initiatives such as joint research and development with Chugai Pharmaceutical Co., Ltd. on a drug

¹ the Community-based Integrated Care: The Ministry of Health, Labour and Welfare's objective to create a support system by 2025 providing housing, medical care, nursing care, protection and living support for the elderly to continue living their lives in a familiar area to the end.

adherence support application and the launch of an ulcer care application with Alcare Co., Ltd. that works in conjunction with MCS. Embrace has also been active in online medical care, based on future medical needs. Going forward, Embrace will conduct joint development for various services using MCS with KDDI Corporation's Series C investment and business alliance.

In consideration of these achievements, INCJ decided to make an additional investment of up to JPY300 million. Through this funding, Embrace will strengthen system and product development and human resources with the objective of further accelerating its business.

About Embrace Co., Ltd.

Established: September 2003
Business Outline: A social platform for medical and nursing care
Headquarters: Minato-ku, Tokyo
President: Manabu Ito
URL <http://www.embrace.co.jp/>

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 additional investment decision

Target: Embrace Co., Ltd.

Established : September 2003

Representative : Manabu Ito

Headquarters : Minato-ku, Tokyo

Business Outline: A social platform for medical and nursing care

Overview of investment

Authorized Investment : JPY300 million maximum

Amount Invested : JPY300 million

Announcement Date : March 2018

Co-investors (Series C) : SMBC Venture Capital Co., Ltd., KDDI Corporation, NISSAY CAPITAL Co., Ltd.

Investment Outline to date: Series B:

- Authorized Investment: JPY400 million maximum
 - Amount Invested: JPY400 million
 - Announcement Date: April 2016
- <https://www.incj.co.jp/news/assets/1461731950.01.pdf>

Investment Structure Outline: See Appendix

Significance of investment

Supporting social needs:

- Embrace's business addresses social issues such as the ageing society and increasing social security costs.
- Embrace's platform facilitates communication between medical and nursing care workers for the Community-based Integrated Care.

Growth potential:

- As the ageing society becomes increasingly a reality, the market scale is significant, as the number of home medical patients increases and there is a need for a communication platform that shares information amongst patient stakeholders.
- In addition to existing and new venture capitals, funding is expected to be procured from private businesses including in the form of joint business developments.

Innovation:

- Embrace creates a new framework that uses social networks to meet the needs of the Community-

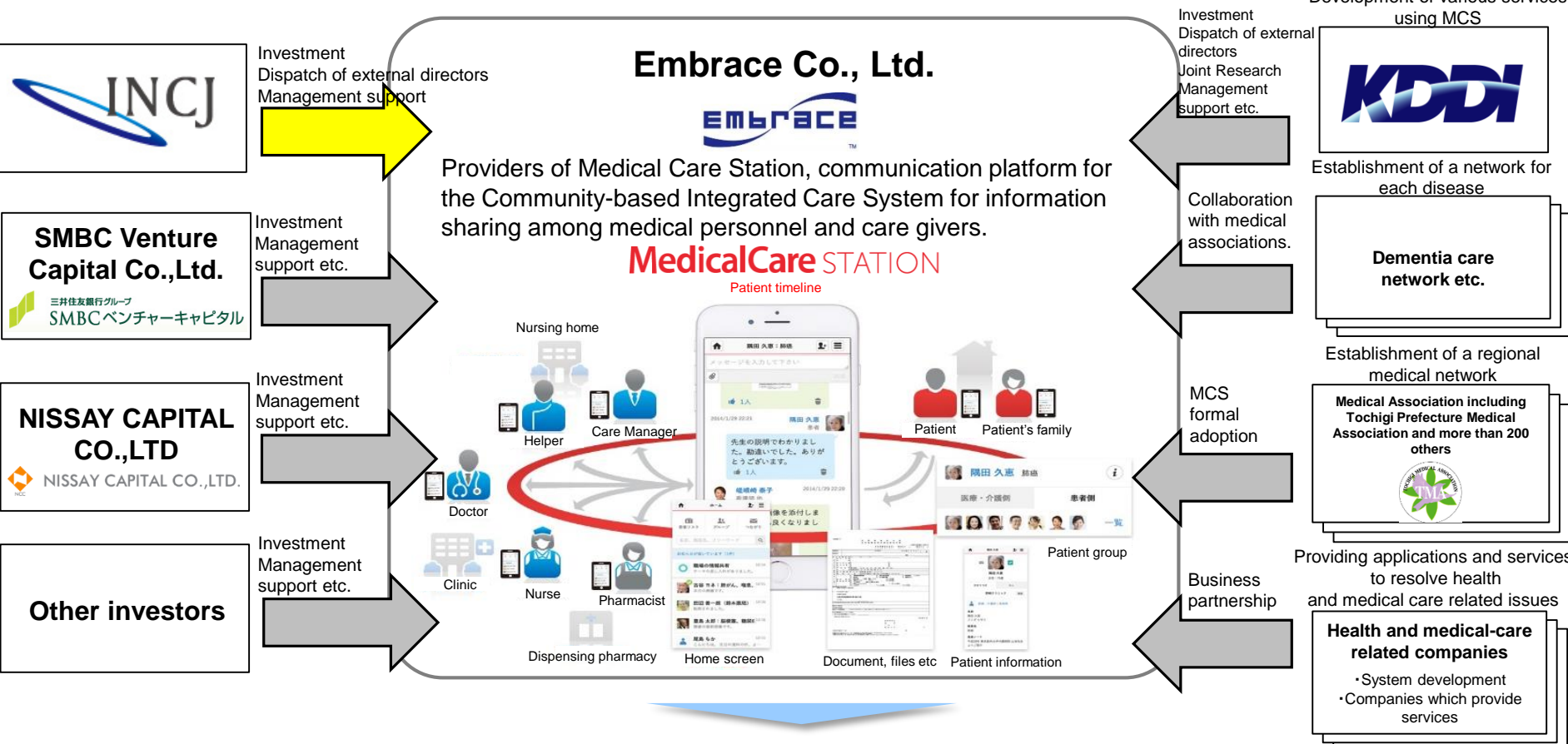
based Integrated Care.

- Through new business collaborations, Embrace is creating a new economic zone in the area of the Community-based Integrated Care.

Appendix

INCJ to make additional investment in Embrace Co., Ltd., Company develops communication platforms for medical and nursing care

- Target: Embrace Co., Ltd.
- Investment: 400 million yen (maximum) / 300 million yen (maximum)
- Business Outline: A communication platform for medical and nursing care
- Date of announcement: April 27, 2016 / March 7, 2018



- Facilitate communication among medical personnel including doctors, pharmacists, care workers and patient's family, and create a new system to address the need for the Community-based Integrated Care by providing the "Medical Care Station" platform.
- Contribute to addressing social issues, such as the ageing society and increasing social security costs, by providing a comprehensive, high quality communication platform for medical and nursing care in collaboration with medical associations, medical and healthcare companies, and in conjunction with advanced technologies such as IoT and AI.