

News Release

Innovation Network Corporation of Japan
Tsuneishi Partners Co., Ltd.
Future Venture Capital Co., Ltd. / The Ehime Bank, Ltd.

INCJ to jointly invest in NanoMist Technologies Co., Ltd.

Tokyo, July 23, 2015—Innovation Network Corporation of Japan (“INCJ”), Tsuneishi Partners Co., Ltd. (“Tsuneishi Partners”), and Future Venture Capital Co., Ltd. (“FVC”) announced today a joint investment of up to ¥550 million in NanoMist Technologies Co., Ltd. (“NanoMist Technologies”), a company engaged in the development, manufacture, and sales of ultrasonic atomization separator systems.

The breakdown of the joint investment is as follows:

- INCJ: ¥500 million (maximum)
- TVC1 Limited Partnership for Investment (unlimited liability partners: Tsuneishi Partners): ¥20 million (additional investment)
- Ehime venture fund 2013 Limited Partnership for Investment (unlimited liability partners: FVC; limited liability partners: Ehime Bank, Ltd.): ¥30 million

NanoMist Technologies was established in 2002 with the aim of commercializing ultrasonic atomization separator technology, which is derived from alcohol enrichment technology used in sake brewing. The company’s basic technology separates and recovers the multiple constituents of liquid compounds from industrial effluent, food processing, and other sources. Compared to existing technologies such as distillation, reverse osmosis membrane method, and centrifugation, the advantages of this technology include lower energy costs achieved by eliminating heat and pressure.

Demand is expected in a wide range of fields where separation and recovery processes are needed, including industrial-effluent treatment, food processing, and seawater desalination.

Since its establishment, NanoMist Technologies has been pursuing R&D and market development in a broad range of fields, with a focus on recycling and treatment of industrial effluent in the manufacturing industry, and the company continues to develop and acquire intellectual property in technology related to separation through ultrasonic atomization.

In 2014, however, NanoMist Technologies began joint R&D with Tsuneishi Shipbuilding amid an increasing need for the development of new systems for treating exhaust gas from ships in

response to tightening global regulation of exhaust gas in the shipping industry, and in recognition of the potential applications in systems that meet global environmental standards.

This joint investment was undertaken to finance the business promotion of NanoMist Technologies' ultrasonic atomization separator technology, the development of systems for treating exhaust gas from ships, the acquisition of intellectual property, and other expenses.

R&D in the shipbuilding industry is currently focused on complying with the International Maritime Organization's new NOx tier III regulations for shipbuilding (a reduction of 80% compared to Tier I standards), which come into force in January 2016. By adopting NanoMist Technologies' ultrasonic atomization separator technology in Exhaust Gas Recirculation systems, which reduce NOx emissions by lowering the combustion temperature of a ship's engine, shipbuilders are aiming to significantly lower costs compared with existing technology, and secure load capacity by saving space.

Through this investment, INCJ is supporting the commercialization of ultrasonic atomization separator technology as a unique platform technology originating in Japan. Tsuneishi Partners is cooperating with a broad range of Tsuneishi Group's business segments and is supporting this technology from R&D to manufacturing. Furthermore, FVC is cooperating with investor The Ehime Bank, Ltd. and is promoting hands-on support by a local Shikoku fund.

About NanoMist Technologies Co., Ltd.

Established: October 2002
Headquarters: 19 Yanaginomoto, Ikenotani, Oasa-cho, Naruto-city, Tokushima, Japan
Representative Director: Kazuo Matsuura
Business outline: With ultrasonic atomization separator technology as its core technology, NanoMist Technologies is engaged in R&D, design, and sales related to alcohol and food enrichment, separation equipment, fragrance extraction separation, alcohol separation, chemical purification equipment manufacturing, and environment-related treatment systems (wastewater treatment, deodorization).
URL: <http://www.nanomisttechnologies.com/>

About Innovative Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private partnership 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 ¥2 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.

About Tsuneishi Partners Co., Ltd.

Established: May 2011
Headquarters: 1083, Tsuneishi, Numakuma-cho, Fukuyama city, Hiroshima, Japan
Representative Director: Takuma Ashida
Business outline: Management and operation of limited partnerships for investment: selection of investment target, development and recovery of investment funds / management of partnership assets.
Project grant management: Administrative duties including grant application, fund management, commissioning research and executing capital investment
Patent administration related to joint research with universities: Patent filings, rights protection
URL: <http://www.tsuneishi-partners.jp/> (Japanese)

About Ehime Venture Fund 2013 Limited Partnership for Investment

Established: August 2013
Period of operation: 10 years
Size: ¥500 million
Investors: Unlimited partners: Future Venture Capital Co., Ltd.
Limited partners: Ehime Bank, Ltd.
Business outline: Established in August 2013 as a successor to Ehime Venture Fund 2004, which was set up jointly by Future Venture Capital Co., Ltd. (Kyoto City) and The Ehime Bank, Ltd. (Matsuyama City) in September 2004. The fund invests in companies, primarily in Ehime Prefecture, with significant growth potential, seeking to raise their corporate value through a hands-on approach with the goal of a public listing. In this way, the fund is seeking to contribute to the development of the region's economy. Looking ahead, the fund will remain committed to investment and consultation activities for portfolio companies.
URL: www.himegin.co.jp/info/venturefund.html (Japanese)

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INCJ to jointly invest in NanoMist Technologies Co., Ltd.

Target: NanoMist Technologies Co., Ltd.
Business outline: Development, manufacture, and sales of ultrasonic atomization separator systems
Investment: ¥500 million (maximum)




- Investment
- Dispatch of external directors
- Management support



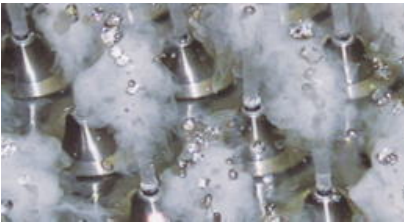
- Investment
- Dispatch of external directors
- Management support

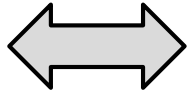


- Investment
- Management support



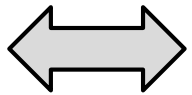
- Development, manufacture, and sales of ultrasonic atomization separator systems.
- Ultrasonic atomization technology separates and recovers the multiple constituents from liquid compounds in industrial effluent, food processing, and other sources.
- Advantages are lower energy costs achieved by eliminating heat and pressure.





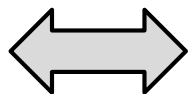
Joint development

TSUNEISHI SHIPBUILDING, others
(Treatment of exhaust gas from ships)



Joint development

Manufacturing industry
(Treatment of industrial effluent, recycling)



Joint development

Other fields
(Food processing, seawater desalination, etc.)

- Creates efficiencies and eliminate costs in areas such as food processing and seawater desalination and in the recycling of industrial effluent in the manufacturing industry.
- Supports the commercialization of a unique platform technology originating in Japan.
- Clears global environmental regulations for gas emissions and contributes to Japanese shipbuilding and shipping industries.