

August 7, 2013

INCJ to invest in Apparel Web Co., Ltd.

TOKYO, August 7, 2013 - The Innovation Network Corporation of Japan (INCJ) today announced its decision to invest in Apparel Web Co., Ltd. (Apparel Web), an IT solutions provider to apparel companies, in the amount of up to ¥300 million through a third-party allocation of new shares. Apparel Web also plans to allocate new shares to a fund managed by Global Brain Corporation (GB), a hands-on independent venture capital.

While the Japanese apparel market is expected to gradually shrink as the Japanese population continues to decline, strong growth is expected from the South East Asian apparel market. Under these circumstances, Japanese apparel companies have started moving forward with O2O (Online to Offline*) initiatives to provide appropriate marketing to their customers, stimulating the Japanese market demand. At the same time, these companies are striving to develop their overseas businesses, in order to capture overseas market opportunities.

* O2O (Online of Offline) refers to consumer activity whereby both the internet (online) and real stores (offline) are used to gather information, before decisions and purchases are made (Ito, "The O2O (Online to Offline) market and O2O solutions." *NRI Knowledge Insight* Jan. 2013:1-2.)

Apparel Web provides individual IT solutions to a diverse range of Japanese apparel companies. As an extension and expansion of their service offerings, Apparel Web will integrate its various individual IT solutions for apparel companies, and commence their "Apparel Cloud" business to activate O2O business.

In addition, Apparel Web's subsidiary AWCG PTE. LTD. opened its first store (JRunway) in Singapore last year, to act as a stepping stone and the flagship store for Japanese apparel companies' overseas business expansion. Apparel Web plans to further support Japanese apparel companies in their efforts to expand abroad, by providing a wide range of services aside from new store development and by expanding its business across South East Asia.

Apparel Web aims to provide an integrated solution that encompasses both the Japanese and overseas markets, beyond the online and offline framework.

INCJ, in partnership with a private venture capital fund, will provide growth capital for Apparel Web, as well as dispatch external board members, and support the strengthening of business management and operational structures. The investment aims to optimize commercial activities and support overseas expansion of Japanese apparel companies.

Apparel Web Co., Ltd.

Date of Establishment	January 2000
Business	IT solution business and overseas business targeted at apparel companies
Headquarters	2-2-1, Nihonbashihoridomecho, Chuo-ku, Tokyo Sumitomo Realty & Development Ningyocho building 5F
Representative	President and CEO Kenji Chigira
URL	http://www.apparel-web.com/

Global Brain Corporation (GB)

Date of Establishment	January 14 th 1998
Business	An independent venture capital, committed to providing not only capital but also support to establish business models, sales processes, promotional activities, and appoint executives to its portfolio ventures
Headquarters	3-2-4, Kita-Aoyama, Minato-ku, Tokyo
Representative	President Yasuhiko Yurimoto
URL	http://www.globalbrains.co.jp

Innovation 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 approximately ¥2 trillion.

To date, INCJ has invested approximately ¥650 billion in a total of 42 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. INCJ maintains a hands-on approach to investment, engaging in 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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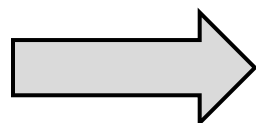
<Attachment> INCJ to invest in Apparel Web

Target: Apparel Web Co., Ltd. (Apparel Web)
 Outline: IT solution business and overseas business targeted at apparel companies
 Investment: Up to ¥300 million



Investment (¥300m)
 Management support

Private VCs
 (e.g. Global Brain)
 Business partners etc



Investment
 Management support

Investment to optimize commercial activities and to support overseas expansion of domestic apparel companies



apparel-web.com

Business

- ✓ **IT Solution Business:** Provides individual IT solutions focusing on web strategies and marketing. Apparel Web will integrate these various individual solutions (as its “Apparel Cloud” business) for apparel companies
- ✓ **Overseas Business:** Supports Japanese apparel companies in expanding business overseas. The flagship store in Singapore (JRunway) will act as a stepping stone for these apparel companies
- ✓ **Platform Business:** Runs multiple media platforms specializing in apparel, such as the industry information portal site “apparel-web.com”, textiles and sub-materials wholesale dealer site “textile net”, and application “Staff Snap”



Retail Store in Singapore (J Runway)

