

INCJ to make additional investment in Mido Holdings Ltd.

Tokyo, June 8, 2016 – Innovation Network Corporation of Japan (“INCJ”) announced today its decision to make an additional investment of up to US\$10 million in Mido Holdings Ltd. (“Midokura”), a venture company which develops network virtualization¹ solutions. This investment will provide Midokura with the necessary funding to support future product development and business expansion.

Simplex Inc., a Japanese Fintech company, and Midokura board member Allen Miner will also invest in the company.

Midokura was established in January 2010 as a global IT venture originating in Japan. The company was established in anticipation of full-scale development of the market for Software Defined Networking (SDN), which allows the virtualization of computer networks.

MidoNet, an innovative network virtualization software solution developed and sold by Midokura, provides a software alternative for the advanced functions and roles of physical network equipment. Its strengths lie in its independent and decentralized control, an important technical characteristic for large-scale IT systems. MidoNet improves convenience in network management by expanding network functions and avoiding the use of expensive, high-performance network equipment.

MidoNet is publically available and is being developed as open source software. The company also markets a premium package, Midokura Enterprise MidoNet (“MEM”), which includes additional features such as support and monitoring. Midokura plans to use this capital investment to accelerate the development of MEM, strengthen its management and development team, and expand sales through strategic business collaboration with major corporations and other partners.

In April 2013, INCJ announced its decision to invest growth capital in Midokura for product and business development. With the additional investment announced today, INCJ expects that Midokura will enter a new stage of growth and became a true leader in this field as a global IT venture company originating in Japan.

¹ Decoupling control from hardware and transferring it to a software application

Reference

INCJ issued the following news release on April 3 2013:

“INCJ to invest in Japanese global IT venture developing network virtualization solutions”

<http://www.incj.co.jp/PDF/1369641204.en.pdf>

About Mido Holdings Ltd. (“Midokura”)

Established	January 2010 (Midokura Co.,Ltd.)
Business Outline	Development and sales of MidoNet network virtualization software
Locations	Lausanne, Switzerland; Minato-ku, Tokyo, Japan; San Francisco, USA; Barcelona, Spain
Directors	Dan Mihai Dumitriu (CEO), Tatsuya Kato (Chairman), Allen Miner
Number of employees:	50 (as of June 1, 2016)
Website:	http://www.midokura.jp/

About 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 ¥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.

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Target : Mido Holdings Ltd.

Outline : Development of network virtualization solutions

Authorized investment : ¥1,200 million (maximum) / US\$10 million (maximum)

Date of investment: April 3, 2013 / June 8, 2016



- Investment
- Dispatch of outside board members
- Various managerial support

•VC/CVC

Fujitsu Limited, DOCOMO Innovation Ventures,

Innovative Venture Fund (NEC¹)

•Fintech company

Simplex Inc.

•Incubators

SunBridge Global Ventures



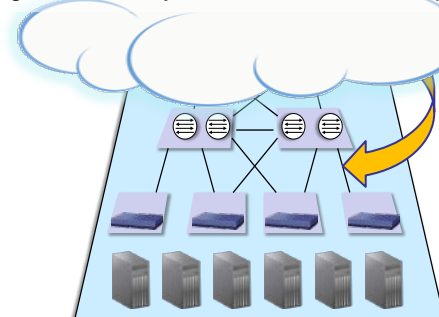
**Solutions provided
by Mido Holdings**

**Value provided
by Mido Holdings**



Software Defined Networking (SDN)

Through virtualization* of network hardware
it is no longer necessary to be concerned with physical networks



Decoupling from
physical network

- Development of network virtualization software (MidoNet)
- Benefits of implementing MidoNet:
 - Allows flexible and rapid network feature changes and logical network configuration changes
 - Reduces CAPEX and OPEX in network management

**Business partners /
Potential customers**

Cloud service
Providers

Internet service
Operators

System Integrator
Operators

Carriers,
Etc.

*Decoupling control from hardware and transferring it to a software application

※MidoNet technology is validated by domestic and international players

- Support of a rare Japanese global IT venture developing core technology in the network field
- By removing the financial constraints that are an issue in the Japanese entrepreneurial environment, we are aiming for global development and establishment of a business promotion framework that ranks alongside international competitors,