

INCJ to make additional investment in Spectronix Corporation

Tokyo, January 6, 2017 – Innovation Network Corporation of Japan (INCJ) announced today its decision to make an additional investment in Spectronix Corporation, a company that develops, manufactures and sells equipment used in laser optics. INCJ will make an additional investment of up to 250 million JPY to provide the necessary funding to promote new business development.

Existing investors Daiwa Corporate Investment Co., Ltd. and Mitsubishi UFJ Capital Co., Ltd. will also invest in Spectronix along with new investors, Innovative Venture Fund Investment Limited Partnership¹, KSP Inc. and Kyogin Shining Future Support Fund Investment Limited Partnership.²

Spectronix was established in 2004 as a venture company that develops short pulsed laser oscillators for micro-processing. In addition to offering electronic equipment that is sophisticated, compact and with low power consumption, Spectronix handles micro-processing of hard, difficult to form materials and is seeing increased demand in areas including glass, glass fiber and carbon fiber, which are difficult to micro-process using conventional equipment. Spectronix' laser oscillators for micro-processing feature short wavelengths and short pulses. Since shorter wavelengths allow for a more focused beam, the minimum dimensions that can be processed are also smaller. Additionally, the shorter the pulse the less heat is transferred to the material, which therefore can be non-thermally processed with almost no deterioration of the material, providing a clean surface finish.

Following INCJ's initial investment in Spectronix in February 2015, Spectronix planned to improve the quality of its existing products and expand product lineup and has steadily develop its business by building a domestic customer base, acquiring large customers and collaborating with equipment manufacturers. Spectronix has the world's highest output deep UV (266nm) picosecond pulsed laser oscillator, which was awarded the "Japan Society for the Promotion of Machine Industry Chairman's Award", at the Annual Prize for Promoting Machine Industry Awards, as well as the "Encouragement Award" at the Laser

¹ The Innovative Venture Fund LLP is jointly managed by NEC Capital Solutions Limited and SMBC Venture Capital Co., Ltd. and funded by NEC Group, SMBC Group and the Organization for Small & Medium Enterprises and Regional Innovation.

² It was established by The Bank of Kyoto Group.

Society of Japan Industry Awards 8th Annual Award Ceremony. Spectronix is a world leader with widespread acknowledgement of its advanced technological capabilities.

This additional investment will provide the necessary funding for the business to shift from the stage of building a business foundation towards furthering growth by continuous improvement and advancement of existing products, strengthening production management systems and expanding and strengthening domestic sales networks and maintenance systems.

In addition to providing Spectronix with growth capital, INCJ has also provided management support through the dispatch of directors, promotion of R&D, strengthening domestic sales base and future overseas expansion. Through these efforts, INCJ hopes to foster Japanese venture companies with global competitiveness in order to contribute towards revitalizing the entire industry and creating new businesses.

Reference

INCJ issued the following news release on March 9 2015:

“INCJ to invest in laser manufacturing company Spectronix Corporation”

<http://www.incj.co.jp/PDF/1460015945.en.pdf>

About Spectronix Corporation

Established	April 2004
Business Outline	- Development, manufacture and sale of laser optics applied equipment - Laser application business - Development and design for laser optics applied equipment
Headquarters	Ibaraki, Osaka
Representative	George Okada
URL	http://www.spectronix.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 2 trillion JPY (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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Appendix Spectronix

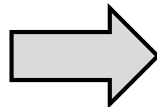
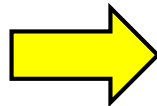


Target : Spectronix Corporation

Outline : Development, manufacture and sale of laser and optics

Authorized investment : JPY 500 million (maximum) / JPY 250 million (maximum)

Date of announcement : March 9, 2015 / January 6, 2017



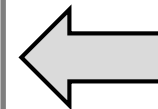
Investment;
management
support;

◆ Development, manufacture and sale of laser equipment

◆ Providing laser processing solutions (Select, deploy, and adjust laser and optics for material processing)

- ✓ Maintains approximately the same level of micro processing quality of major U.S.- and European-made lasers, while achieving 2-25 times faster processing speed depending on the material.
- ✓ Highly competitive pricing and low running cost by using generic components with low degradation.
- ✓ World's most effective high-power deep ultraviolet picosecond* pulsed laser
- ✓ Provide laser micro processing solutions including advanced optical design technology and control technology accumulated since company foundation.

Joint development;
Sales;



- Develop globally competitive Japanese business in the laser industry, and contribute to the revitalization of Japanese manufacturing and overall industry.
- Create new business and strengthen the competitiveness of Japanese companies through providing low-cost lasers for medium or small sized processing companies.