

INCJ sells holding in hey, Inc.

Tokyo, September 1, 2020 — INCJ, Ltd. (“INCJ”) announced that it has sold its entire holding in hey, Inc. to Bain Capital, LP.

About hey, Inc.

Established: March 2012 (company name changed from Coiney Inc. in February 2018)

Headquarters: Shibuya, Tokyo

Representative: Yusuke Sato, CEO

Business outline: Planning, developing, managing online business

URL: <https://hey.jp/>

About Bain Capital, LP

Established January 1984

Headquarters: Boston, Massachusetts

Representative: John Connaughton

Business outline: Managing alternative investment funds

URL: <https://www.baincapital.com/>

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in “Value Up” initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

Appendix

Target: hey, Inc.

Established: March 2012 (company name changed from Coiney Inc. in February 2018)

Headquarters: Shibuya, Tokyo

Representative: Yusuke Sato

Business outline: Planning, developing, managing online business

Overview of investment

Authorized investment: JPY 800 million (maximum) / JPY 200 million (maximum)

Amount invested: JPY 800 million/ JPY 200 million (total 1 billion yen)

Announcement dates: October 2013 / February 2017

- Press releases:

INCJ to invest in Coiney, Inc., which is developing a smartphone-based payment business

<https://www.incj.co.jp/newsroom/upload/docs/1418030297.01.pdf> (Japanese only)

INCJ to make additional investment in Coiney, Inc.

<https://www.incj.co.jp/english/newsroom/upload/docs/14bf7c0e6c12a07cff616d5ce09bbec3dd9ade6f.pdf>

1. Background of investment

Coiney was established in 2012 as a venture company providing its smartphone payment service 'Coiney' through a portable payment terminal. With Japan lagging behind other countries in payment infrastructure, INCJ invested JPY 800 million in Coiney in October 2013 after determining that the company's service of being easily portable and enabling businesses to reduce initial introductory and running costs would lower hurdles for introducing a credit card payment method to SMEs and sole proprietors.

In February 2017, INCJ made a follow-on investment of JPY 200 million in growth funding for Coiney's new business progress.

2. Business progress

To further the company's growth, Coiney merged operations with STORES.jp, Inc. ("STORES.jp") in February 2018, which enabled its customers to easily launch an online store via PC and smartphone, and then established itself as hey, Inc. In addition to the positive outcomes from Coiney and STORES.jp cross-selling services, hey, Inc. has demonstrated progressive synergetic effects through its ability to provide high-value-added services by managing integrated client data from online and store shop payments. INCJ has provided early stage support through to the full launch of the Coiney service, which in effect led to opportunities with private business operators as well as contributions to hey, Inc.'s fundraising activities. Beyond its financial support, INCJ has also provided the company with hands-on support in various areas including marketing and governance.

3. Reason for exit

Until now, hey, Inc. has developed services that promote business digitalization. To further enhance customer convenience, hey, Inc. is considering a business merger with Coubic Inc., which develops peripheral businesses, and aims to further grow as a company. Under these circumstances, Bain Capital recently announced its ambitions to support hey, Inc. with growth funds to expand the company's operations and to participate in management, which includes the acquisition of shares from existing shareholders.

Based on this, INCJ determined that a large-scale investment by Bain Capital was advisable to support hey, Inc. in actualizing its vision and achieving rapid growth in the future. Thus, INCJ has decided to sell its entire holding in hey, Inc. to Bain Capital.

4. Comment from Minister of Economy, Trade and Industry

None

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