

INCJ to invest in Floadia Corporation Company develops embedded non-volatile memory

Tokyo, June 17, 2015—Innovation Network Corporation of Japan (“INCJ”) announced today a decision to invest in Floadia Corporation (“Floadia”), a company that develops embedded non-volatile memory* (eNVM). The investment will provide Floadia with a maximum of ¥600 million in capital required for future business expansion. A portion of the investment has already been made. Floadia has also received investment from Mitsubishi UFJ Capital Co., Ltd. and Daiwa Corporate Investment Co., Ltd..

Established in 2011, Floadia is a spin-out of experienced engineers who were developing embedded memory at Renesas Electronics Corporation. The company licenses its intellectual property (IP), including manufacturing process and circuit designs, necessary for the embedded memory production. Floadia’s development team comprises not only circuit designers but also engineers with expertise in the manufacturing process. One of the company’s strengths is its ability to develop optimal memory IP according to customer’s specifications and manufacturing process.

As battery-powered devices such as smartphones and tablet rapidly become more feature-rich and sophisticated, the memory, one of a key component is required to reduce its cost, power consumption and geometry. The demand for eNVM is increasing due to its wide range of applications including program and data storage, performance tuning (trimming), and storage of encryption keys. Floadia has developed the technology to embed NVM within other operational circuit while minimizing additional manufacturing process and hence enables IC and microcontroller manufacturer to reduce cost and geometry dramatically. Furthermore, as Floadia’s eNVM uses FN tunneling** for data writing, power consumption per memory cell can be reduced by 100,000 to 1,000,000 times.

The Internet of Things (IoT) is expected to become more pervasive and as a key component of IoT products, memory is indispensable. Floadia’s low-cost, low-power-consumption memory can facilitate the mass deployment of IoT devices such as beacons and various sensors. It can also enhance the profitability of IoT business and contribute to the major expansion of the IoT market. Manufacturing costs have risen for semiconductor foundries and fabless companies as the miniaturization of silicon process design rule advances further. The installation of Floadia’s versatile and user-friendly memory allows these companies to reduce not only costs, but also the time to reach mass production.

INCJ will provide Floadia with the necessary funding for future business expansion. It also provides the managerial support such as appointing the outside board member, strengthening the company's business development framework, and supporting collaborations with strategic partners. Through these initiatives, INCJ is promoting the expansion of eNVM and supporting Floadia's contribution to the development of the semiconductor and smartphone/IoT markets.

*Non-volatile memory is the general term for semiconductor memory which can hold saved data even in the absence of a power supply. Floadia licenses non-volatile memory as an IP block.

**FN tunneling is a method of creating non-volatile memory that involves passing a high voltage between the floating gate and the substrate so that electrons move to the floating gate (tunneling effect)

About Floadia Corporation

Established: April 2011
Business outline: Design and development of embedded non-volatile memory
Headquarters: 1-30-9 Ogawa-Higashi, Kodaira-City, Tokyo, Japan
Representative Director, President: Kousuke Okuyama

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.

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[Appendix] INCJ to invest in Floadia Corporation

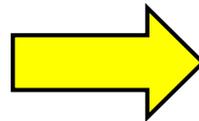
Company develops embedded non-volatile memory



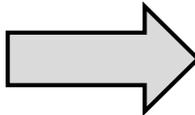
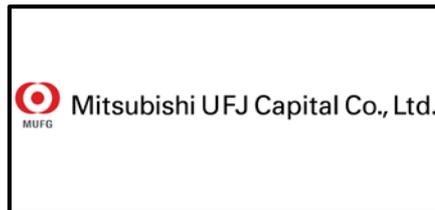
Target: Floadia Corporation

Outline: Development of embedded non-volatile memory (eNVM)

Authorized Investment: ¥600 million (maximum)



- Investment
- Management support including partner development



- Investment
- Management support



- Investment
- Management support

Floadia Corporation

Embedded flash memory circuit (developed by Floadia)

- Development of eNVM, which allows memory to be embedded in the same chip as a micro-processor.
- Competitive edge comes from low power consumption and space-saving features and reduction of development cost and time.

- With the miniaturization of semiconductors, manufacturing costs have risen for semiconductor manufacturers and fabless companies. The installation of Floadia's highly versatile and user-friendly memory contributes to the reduction of these costs and shortens development time.
- With this investment, INCJ aims to promote the spread of eNVM and develop the semiconductor and smartphone/Internet of Things markets.