

INCJ to make follow-on investment in Atonarp Inc.

Company develops and manufactures miniature equipment for molecular-level composition analysis

- Develops analytical equipment that enables high-accuracy, real-time molecular measurement over an extended period of time
- Aims to improve the quality of life of patients and healthcare professionals by developing equipment for simultaneous analysis of multiple components, including blood, immediately and without pain
- Strengthens international competitiveness through open innovation with companies involved in electronics, pharmaceuticals, and other sectors

Tokyo, August 22, 2019 — INCJ, Ltd. (“INCJ”) today announced a follow-on investment in Atonarp Inc. (“Atonarp”) of the maximum amount of USD 8 million in growth funding to accelerate product development. Atonarp is engaged in the development, manufacture, and sales of miniature analytical equipment. In addition to existing shareholders, the investors in this round of financing include Japan Post Investment Corporation, SBI Investment Co., Ltd., Northwestern Mutual Future Ventures and others. Atonarp has raised approx. USD 33 million in Series C funding.

Atonarp’s analytical equipment is used to measure the properties and quantity of gases or liquids during research processes such as semiconductor and energy production management and pharmaceutical and food quality control. Traditionally, analytic devices capable of conducting analysis at the molecular level have been similar in size to a multifunction office printer-copier or fridge. Moreover, they had difficulty achieving both high-precision and high-speed measurements. There has been a growing need to miniaturize analytical equipment for on-site measurements and to enable high-accuracy, real-time measurement over an extended period of time.

Established in October 2009, Atonarp aims to develop high-performance miniature analytical equipment. Attempts have previously been made to reduce the size and increase the accuracy of traditional analytical equipment through innovations in hardware, and while Atonarp has developed miniature parts for hardware, it has also used AI software algorithms, enabling it to increase analytical accuracy, miniaturize equipment to the size of a laptop, and conduct measurements in real time. In addition, Atonarp has developed analytical equipment capable of analyzing multiple substances simultaneously and identifying the substances contained within.

Currently, Atonarp is expanding its business into the measurement of liquid and solid molecules with Atonarp Optical Spectrometer (“AOS”), and quantitative measurement of gas components with Atonarp Mass Spectrometer (“AMS”). Both AOS and AMS are based on a common software algorithm and reflect the results of machine learning from large-scale component-analysis data. Atonarp is pursuing joint development of analytical equipment in its AOS business with leading companies in the healthcare market and is developing products capable of rapidly testing blood sugar levels and other analyses at home or at local clinics. AOS can take painless measurements of blood and other substances, which helps alleviate burdens on patients and healthcare professionals. Since INCJ’s initial investment, Atonarp launched AMS in the second half of 2017, and it has been adopted to production lines of global pharmaceutical companies. In the future, Atonarp plans to expand into manufacturing processes of semiconductor manufacturers. Atonarp intends to use this additional funding mainly for AOS product development, AMS product improvement and sales expansion.

Atonarp’s analytical equipment has the potential to optimize various manufacturing processes, including for semiconductors, and to increase accuracy and speed of medical diagnoses. As such, in July 2016, INCJ made an investment in Atonarp of USD 7.5 million, the maximum amount it had decided to invest. INCJ will continue to support Atonarp in its efforts to strengthen its international competitiveness and promote open innovation with businesses in healthcare, electronics, food, and various other sectors.

About Atonarp Inc.

Established: October 2009

Business Outline: Development, manufacturing, and sales of analytical equipment

Headquarters: Minato-ku, Tokyo

CEO, CTO & Founder: Sreedhar Murthy Prakash

URL: <http://www.atonarp.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, and the company has changed its name to Japan Investment Corporation (JIC) and begun new activities. INCJ, Ltd. will continue the activities of INCJ, engaging in “Value Up” activities such as overseeing

additional investments, milestone investments and exits from investments in portfolio companies until March 2025.

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

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Overview of Follow-on Investment Decision

Target: Atonarp Inc.

Established: October 2009

CEO, CTO & Founder: Sreedhar Murthy Prakash

Headquarters: Minato-ku, Tokyo

Business Outline: Development, manufacturing, and sales of analytical equipment

Overview of Investment

Authorized investment: USD 8 million (maximum)

Amount invested: USD 8 million

Announcement date: August 22, 2019

Co-investors (Series C): Innovative Venture Fund Limited Partnership, Japan Post Investment Corporation, SBI Investment Co., Ltd., Northwestern Mutual Future Ventures, others

Details of previous investments:

- Series B
 - Authorized investment: USD 7.5 million (maximum)
 - Amount invested: USD 7.5 million
 - Announcement date: July 19, 2016
 - Press Release:
<https://www.incj.co.jp/english/newsroom/upload/docs/771693a9aa465a1891fb9f3f996e363808de6d24.pdf>

Investment structure: See appendix

Significance of Investment

Supporting social needs

- Atonarp's products achieve monitoring and process control in freeze-drying of medical products and semiconductor manufacturing operations
- Atonarp aims to improve the quality of life for patients and healthcare professionals by developing equipment for simultaneous analysis of multiple compositions, including blood, immediately and without pain

Growth Potential

- Atonarp promotes open innovation with businesses in a wide variety of sectors, from healthcare to electronics, food, and other areas and contributes to strengthening their international competitiveness

- By enabling high-accuracy, real-time molecular measurements over an extended period of time, the range of application of such measurements is expected to expand and new markets could be created

Innovation

- Atonarp develops analytical equipment that enables high-accuracy, real-time molecular measurement over an extended period of time
- While improvements have been made to hardware in conventional analytical equipment, Atonarp uses innovative software algorithms to optimize analytical accuracy

Target: Atonarp Inc.

Outline: Development, manufacturing and sales of miniature analyzer

Authorized Investment: USD 7.5 million (maximum) / USD 8 million (maximum)

Announcement date of investment: July 19, 2016 / August 22, 2019



- Develops analytical equipment that enables high-accuracy, real-time molecular measurement over an extended period of time
- Aims to improve the quality of life of patients and healthcare professionals by developing equipment for simultaneous analysis of multiple components, including blood, immediately and without pain
- Strengthens international competitiveness through open innovation with companies involved in electronics, pharmaceuticals, and other sectors