

INCJ sells holding in Embrace Co., Ltd.

Tokyo, April 1, 2021 — INCJ, Ltd. (“INCJ”) announced that it has sold its entire holding in Embrace Co., Ltd. (“Embrace”) to Suzuken Co., Ltd. (“Suzuken”).

About Embrace Co., Ltd.

Established: November 2001

Headquarters: Minato-ku, Tokyo

Representative: Shinobu Ito

Business outline: Social platform for medical and nursing care

URL: <https://www.embrace.co.jp/>

About Suzuken Co., Ltd.

Established: 1946 (founded in 1932)

Headquarters: Nagoya, Aichi

Representative: Hiromi Miyata

Business outline: Marketing of ethical pharmaceuticals, diagnostic reagents, medical equipment and supplies, and medical foods. Development and manufacturing of medical equipment.

URL: <https://www.suzuken.co.jp/en/>

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: Embrace Co., Ltd.

Established: November 2001

Headquarters: Minato-ku, Tokyo

Representative: Shinobu Ito

Business outline: Social platform for medical and nursing care

URL: <https://www.embrace.co.jp/>

Overview of investment

Announcement dates: April 27, 2016 / March 7, 2018

Authorized investment: JPY400 million (maximum) / JPY300 million (maximum)

Amount invested: JPY400 million / JPY300 million, JPY700 million in total

- Press releases:

INCJ to invest in Embrace Co., Ltd. Company develops communication platforms for an integrated community care system

<https://www.incj.co.jp/english/newsroom/upload/docs/3dab8594ba3b5855bb3a2dd10b5b7a4a28919263.pdf>

INCJ to make additional investment in Embrace Co., Ltd. Company develops a communication platform for medical and nursing care

https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Embrace_20180307.pdf

1. Background of investment

In 2013, Embrace developed Medical Care Station (“MCS”), a platform that facilitates communication among medical and nursing care professionals, which is essential for the Community-based Integrated Care¹ objective. MCS is provided free of charge to medical and nursing care facilities and has contributed to cooperation and alleviation of burdens among medical and nursing care workers.

INCJ decided to invest JPY400 million in April 2016 in Embrace’s MCS business due to its social significance in helping to resolve social issues such as Japan’s aging society and increasing social security costs, as well as its innovation to build a new framework towards realizing Community-based Integrated Care. With Embrace’s business progression, INCJ made a follow-on investment of JPY300 million in March 2018 to accelerate the company’s MCS business through strengthening system and product development and recruitment of human resources.

¹ Community-based Integrated Care: The Ministry of Health, Labour and Welfare’s objective to establish a support structure by 2025, which comprehensively ensures the provision of health care, nursing care, prevention, housing, and livelihood support. By this, the elderly could live the rest of

their lives in their own ways in environments familiar to them.

2. Business progress

The number of MCS users has increased from 30,000 in April 2016 (when INCJ made its initial investment) to over 130,000 users (as of January 2021), and MCS has grown to become a de facto standard for communication platforms of Community-based Integrated Care. In addition, Embrace promotes expanding the use of MCS by providing medical treatment support applications linked to MCS to pharmaceutical companies.

INCJ dispatched an outside director to provide hands-on support for both capital and business management from an early phase. INCJ also supported the progress of Embrace's MCS business as a lead investor by stimulating investment from private VCs and businesses.

3. Reason for exit

Embrace has contributed to reducing the burden on local healthcare providers and to improving the quality of medical care by expanding MCS functions and its user base. Embrace and its largest shareholder INCJ considered ways to further the use of MCS to better respond to the needs of local healthcare workers, patients, and their family members. At this time, Suzuken, who signed a capital and business agreement with Embrace in February 2020 and has long since held a high appreciation for MCS functions and its user base, approached INCJ and proposed acquiring its shares in Embrace.

Suzuken has a network of 117,000 hospitals, clinics and other medical institutions and insurance pharmacies nationwide through its businesses, including wholesale of prescription drugs and medical equipment. Suzuken aims to build a medical information platform that connects its own management resources to partner companies and local communities with the goal of resolving issues faced by local medical care providers and pharmaceutical manufacturers, and it anticipates that MCS will contribute to realizing this platform and act as a link between medical institutions, patients, and family members.

INCJ has determined that Embrace's business would benefit from being under the umbrella of Suzuken to further develop the company's MCS business, and has thus sold all of its shares in Embrace to Suzuken.

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