

INCJ sells its shares in LE System Co., Ltd.

Tokyo, January 19, 2024 — INCJ, Ltd. ("INCJ") announced that it has transferred its entire shareholding in LE System Co., Ltd. ("LE System") to the company's management.

About LE SYSTEM Co., Ltd.

Established:	January 2011
Headquarters:	Kurume City, Fukuoka Prefecture
Representative:	Junichi Sato, Representative Director
Business outline:	Renewable energy related business / redox flow battery business

Overview of investment

Announcement date:	November 14, 2017 / August 24, 2020
Authorized investment:	JPY800 million (maximum) / JPY800 million (maximum)
Amount invested:	JPY800 million / JPY800 million
Press release:	INCJ to invest in LE System Co., Ltd., Kurume-based Venture company https://www.incj.co.jp/english/newsroom/upload/docs/INCJ_LE_20171114.pdf INCJ to make follow-on investment in LE System https://www.incj.co.jp/english/newsroom/upload/docs/7a3e62e16b8ac0983d7965e7c52d8302195ac929.pdf

1. Background of investment

LE System has developed a technology to recover vanadium, a rare metal, from industrial waste generated at thermal power plants and other facilities to produce vanadium electrolyte for redox flow batteries at low cost. In principle, redox flow batteries can be recharged and discharged an unlimited number of cycles, and since they do not degrade, stable, long-term operation is possible. Redox flow batteries also have excellent scalability and safety features, and are expected to be in demand as storage batteries for renewable energy. INCJ decided to invest jointly with QB Capital and others with the intention of promoting the introduction of renewable energy through the widespread use of redox flow batteries.

2. Business progress

LE Systems holds several patents on vanadium recovery and electrolyte production, maintaining their superiority in safety and durability. Amid growing interest in Green Transformation (GX), a mass production plant was constructed in Namie, Fukushima Prefecture in 2021; this facility is one of the largest electrolyte manufacturing plants in Japan dedicated to vanadium redox flow batteries.

3. Reason for exit

Six years have passed since its initial investment, and INCJ has decided to transfer all of its shares to the management of LE System, considering that the endorsement from RS Technologies, Inc. (“RST”) on the social significance of LE System’s business and the company’s business status. In December 2023, LE System’s business was transferred to and continued by a subsidiary of RST through a corporate spin-off.

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/>

Press Contacts

Japan Investment Corporation

Corporate Planning, Communications Group:

Okumura (070-3960-3640), Nonomiya (080-1339-5207)

Tokyo Toranomon Global Square 9F,

1-3-1 Toranomon, Minato-ku, Tokyo 105-0001