News Release

INCJ sells its shares in Ridge-i Inc.

Tokyo, September 15, 2022 — INCJ, Ltd. (“INCJ”) has announced that is has completed the transfer of its entire shares in Ridge-i Inc. to VALQUA, LTD. (“VALQUA”).

About Ridge-i Inc.

Established:	July 2016
Headquarters:	Chiyoda, Tokyo
Representative:	President and Representative Director Takashi Yanagihara
Business outline:	AI consulting and solutions development
URL:	https://ridge-i.com/en/

About VALQUA, Ltd.

Established:	April 1932
Headquarters:	Shinagawa, Tokyo
Representative:	President and Representative Director Toshikazu Takisawa
Business outline:	Design, manufacturing, processing and sale of sealing and fluorocarbon resin for industrial equipment
URL:	https://www.valqua.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

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Headquarters:	Chiyoda, Tokyo
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Business outline:	AI consulting and solutions development
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Overview of investment

Announcement date:	April 4, 2019
Authorized investment:	JPY550 million (maximum)
Amount invested:	JPY400 million

- Press releases:
  INCJ to invest in Ridge-i Inc., a company using unique AI technology to provide business solutions
  https://www.incj.co.jp/english/newsroom/upload/docs/E_PressRelease_INCJ_Ridge-i_20190404.pdf

1. Background of investment

Ridge-i is a start-up company that provides consultation services using advanced technologies, including AI and deep learning, to address various challenges faced by companies. In particular, Ridge-i has been expected to facilitate the introduction of AI in areas such as manufacturing and heavy industry where the use of AI and data-driven operations and analytics had not been sufficiently deployed, and to create new value in fields such as satellite image analysis in the space industry. INCJ announced that it would invest up to JPY550 million in growth funding for Ridge-i in April 2019, and consequently invested JPY400 million.

2. Business progress

Following INCJ's investment, Ridge-i has built an extensive track record implementing practical solutions, mainly for major clients in sectors such as manufacturing, industrial facilities, and construction, where it is difficult to introduce advanced technologies such as AI and deep learning. The company is highly regarded for its technical expertise and ability to provide practical solutions, and therefore has many repeat customers. In the space industry, Ridge-i's contributions have been recognized with receipt of a Minister of Economy, Trade and Industry Award in 2020 for its AI analysis project for satellite data, including landslide disaster detection, and a Minister of the Environment Award in 2022 for its satellite analysis AI platform "GRASP EARTH", becoming the first company to receive the Space Development and Utilization Grand Prize twice in a row. The award is held once every two years, aiming to contribute to the development and utilization of Japan's space industry and to foster public awareness and understanding of the space sector.

INCJ made an early-stage investment in Ridge-i as a lead investor to stimulate funding from other investors in private sectors, and in addition to financial support, INCJ also provided hands-on support in various areas such as overall business management of a company, referring to a range of clients, building corporate governance, and IPO preparation.

3. <u>Reason for exit</u>

INCJ has supported and encourage Ridge-i to pursue collaboration with companies that can generate growth synergies for it. Indeed, Ridge-i has complementary strengths and strategic direction with VALQUA, which provides industrial sealing products and resin fluorocarbon processed products to a wide range of customers mainly in manufacturing and semiconductor markets, and therefore in December 2021 a capital and business alliance was realized through the partial transfer of shares held by INCJ to VALQUA. Since then, the collaboration has progressed steadily, aiming to create new services by combining the strengths of both companies.

With open innovation between Ridge-i and VALQUA continuing to expand, INCJ determined that selling all its shares to VALQUA would contribute to accelerating Ridge-i's sustainable growth, promoting new business creation at VALQUA, realizing the significance of INCJ's investment, and further promoting the introduction of AI into a wide range of industries in Japan.

Press Contacts

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