

## **INCJ revokes decision to support Zeptor Corporation**

**Tokyo, July 26, 2019**— INCJ, Ltd. (“INCJ”) announced today it has revoked its decision to support Zeptor Corporation (“Zeptor”), a developer of next-generation lithium-ion battery electrodes. The revocation is in response to Zeptor’s decision to dissolve the company and no longer conduct specific business activities as stipulated in the former Industrial Competitiveness Enhancement Act (Act No. 98 of 2013)\*.

\*INCJ, Ltd., since being newly established on separation from the former Innovation Network Corporation of Japan, has continued to operate under the same framework of the former Industrial Competitiveness Enhancement Act with the conditions of the company split approved by the Ministry of Economy, Trade, and Industry (METI) .

### **About Zeptor Corporation**

Established: July 2009

Headquarters: San Jose, CA, USA

CEO: Tatsunori Suzuki

Business outline: Research and development of various types of battery electrodes, including lithium-ion rechargeable batteries, using semiconductor coating processes

URL: <https://www.zeptoco.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: <https://www.incj.co.jp/english/>

## Appendix

### **Target: Zeptor Corporation**

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Headquarters: San Jose, CA, USA

CEO: Tatsunori Suzuki

Business outline: Research and development of various types of battery electrodes, including lithium-ion rechargeable batteries, using semiconductor coating processes

### **Overview of investment**

Authorized investment: USD 7.2 million (maximum)

Amount invested: USD 7.2 million

Co-investors: JSR Corporation

Announcement date: September 2013

Press release:

INCJ to invest in Zeptor Corporation: Silicon Valley venture develops next-generation Li-ion battery electrodes

<https://www.incj.co.jp/english/newsroom/upload/docs/7b5f2f5c95cc7207d74e797aacd2ac5bb7e8c970.pdf>

### **1. Background to the investment**

Established in 2009, Zeptor is a Silicon Valley venture with the aim of researching and developing lithium-ion battery electrodes. Carbon materials are conventionally used for lithium-ion battery anodes, but silicon is considered promising as a next-generation anode material to greatly reduce the size and increase the capacity of lithium-ion batteries. However, using silicon materials has required problems to be resolved with respect to expansion, heat generation, and other factors. Zeptor developed an innovative anode manufacturing method to overcome these challenges by combining coating technology with carbon nanotubes and other high-tech materials. In September 2013, INCJ invested the maximum investment of USD 7.2 million in Zeptor with expectations that Zeptor technologies would improve various specifications and expand the use of lithium-ion batteries.

### **2. Business progress**

The use of silicon material for anodes had been considered challenging to put into practical use, but joint development with raw material manufacturers and battery cell manufacturers has led to the shipment of silicon-based samples.

Although Zeptor continued efforts to launch an electrode business, financial contributions and cooperation from several companies after INCJs investment led Zeptor to diverge from its initial commercialization plans.

### **3. Reason for exit**

Zeptor has sought to develop practical applications of silicon metal anodes for silicon-based 3D current collectors, and although Zeptor's products leveraged the superiority of silicon material in energy density and charge efficiency, the developments did not lead to commercialization. Zeptor has determined that continuing its business would be challenging and has therefore decided to dissolve the company. As a result, INCJ has revoked its support for Zeptor.

<Press Contacts>

Japan Investment Corporation  
Communications Office: Irie, Sakai  
Tel. (03) 5218-7202