

INCJ to invest in industrial robot venture company SQUSE Inc.

Tokyo, February 12, 2014—Innovation Network Corporation of Japan (“INCJ”) announced today its decision to invest in SQUSE Inc. (“SQUSE”) by third-party share allotment. The investment will provide SQUSE with a maximum of ¥500 million in funding required to accelerate domestic and international business expansion.

SQUSE is a venture company engaged in factory automation support and the development and manufacture of industrial robots. Founded by Mikio Shimizu in 1997, the company has built up a certain number of track records and technological expertise in the development of assembly and control software and other areas. In recent years, the company has also successfully developed innovative industrial robots suitable for working in collaboration with humans and a five-fingered robotic hand that can handle pliant and delicate materials, such as food items, in the same way as humans. The company is currently working closely with food and automobile manufacturers to automate manufacturing processes that are still dependent on human hands.

Industries such as automobile manufacturing were early adopters of automation, but even within these industries there remain processes for which it has been difficult to introduce robots due to technical challenges in ensuring safe operation in proximity to humans and uncertainty about their cost effectiveness. Furthermore, as the food manufacturing industry faces staffing and hygiene challenges in Japan and workforce management issues and rising labor costs overseas, the need for automation in the manufacturing process is increasing year by year. In this environment, SQUSE robots offer advantages due to their low cost and ability to work in collaboration with humans, contributing to the automation of delicate operations—such as pick and place maneuvers—which still depend on human hands.

In addition to providing necessary funding, INCJ will appoint external directors and provide SQUSE with managerial support such as the establishment of operational systems and consultation on future business.

Through this investment in a startup, INCJ aims to create through open innovation, a robotics and mechatronics company that consistently responds to the direct needs of Japan’s manufacturing operations. INCJ is not only providing pump-priming funding but is also contributing to stimulating Japan’s robotics and mechatronics industry and the manufacturing industry as a whole.

About SQUSE Inc.

Established: April 2002

Overview: Systems integration (SI) business, manufacture and sale of industrial robotics

Location of Headquarters: 106 Ninodan-cho, Shinden, Kisshoin, Minami-ku, Kyoto, Japan

President and CEO: Mikio Shimizu

Website: www.squse.co.jp

About Innovation Network Corporation of Japan (INCJ)

INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. INCJ has the capacity to invest up to ¥2 trillion (approx US\$20 billion).

To date, INCJ has invested approximately ¥700 billion in a total of 57 projects and is currently focused on a broad range of areas from green energy, electronics, IT and biotechnology to infrastructure-related sectors such as water supply. INCJ maintains a hands-on approach to investment, engaging in the business development of cutting-edge core technologies through intellectual property funds, expansion of venture companies and aggressive overseas development through initiatives such as restructuring and mergers of tech businesses and acquisitions of foreign companies.

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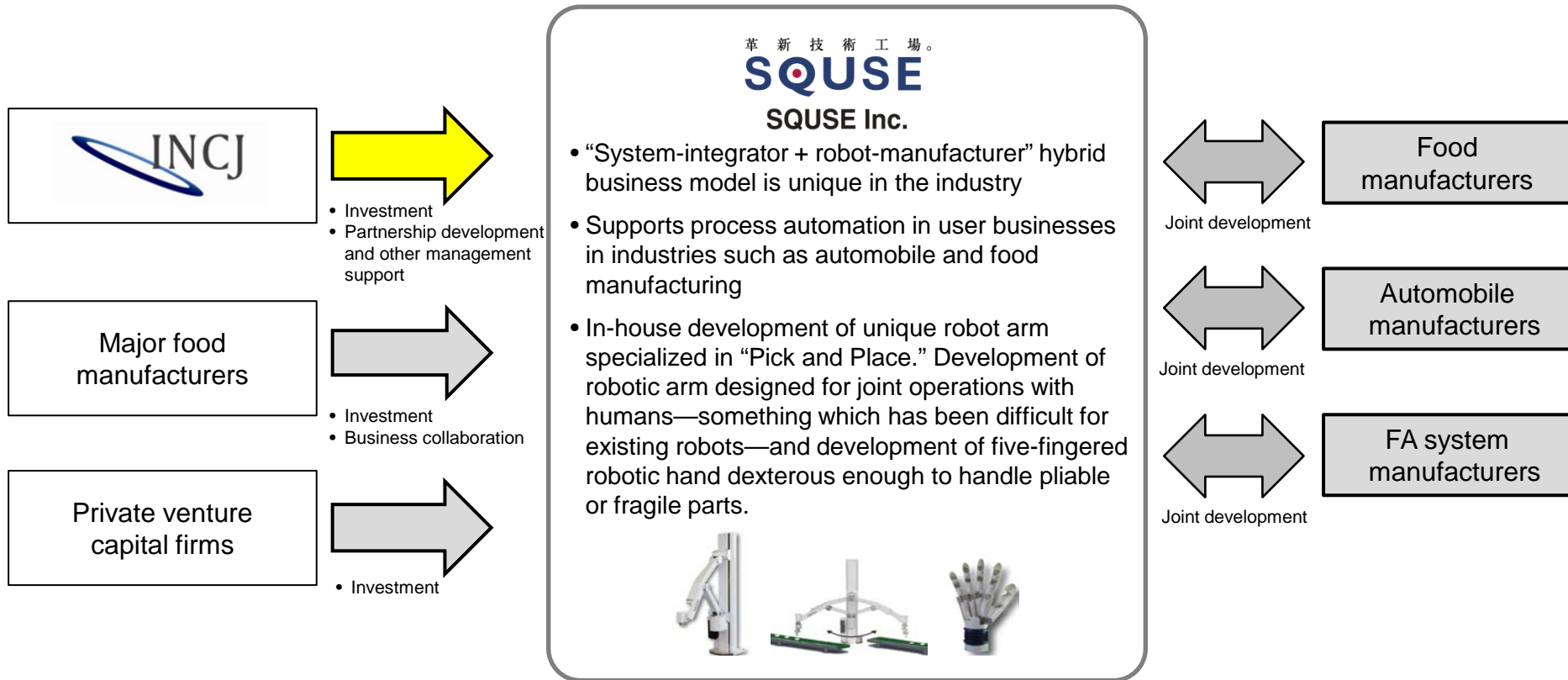
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[Appendix]

INCJ to invest in industrial robot startup SQUSE Co., Ltd.



Target: SQUSE Inc.
Overview: Development, manufacture, and sales of industrial robots meeting new automation needs in food manufacturing and other industries.
Investment: ¥500 million (maximum)



Through this investment, INCJ is aiming to establish a “system-integrator + robot-manufacturer” hybrid business model and support low-cost automation in food manufacturing and other industries that are facing growing challenges in staffing, sanitation, and other areas.