



INCJ to establish MedVenture Partners Ltd. and invest in associated Medical device incubation fund

Aiming to model successful commercialization of Japanese medical device technology

Tokyo, November 8, 2013—Innovation Network Corporation of Japan (“INCJ”) announced today its decision to establish MedVenture Partners (“MPI”) together with Mizuho Bank, Ltd. (“Mizuho Bank”), and invest ¥6 billion in MPI-1 Investment Limited Partnership, an incubation fund operated by MedVenture Partners. Through this investment, INCJ is aiming to create a successful business model for the commercialization of Japanese medical device technology.

In Japan there is currently a severe shortage of managerial talents and operating bodies with the ability to sort out early stage development projects for commercialization based on clinical and market needs. The funds necessary for this process are also lacking. Furthermore, there are examples of withdrawal from commercialization despite having superior medical device technology seeds because the start-up company failed to grasp clinical and market needs or due to the insufficient fundraising in the early stages. A gap exists between universities and research institutes where ideas are born, and the medical device needs and business stage of medical device manufacturers. A number of key issues need to be addressed to raise the competitiveness of Japan’s medical device industry. These include: the incubation of technology seeds held by Japanese universities, SMEs and other entities in the medical device field, such as through evaluation of business feasibility, commercialization design, and early-stage development based on clinical and market needs; creation of a road map for commercialization using Japanese and overseas incubation institutes; and sale of the technology to medical device manufacturers or other companies.

Based on this, MPI will select medical device development projects and take responsibility for the management of each project selected with the intention of eventually selling the technology to a medical device manufacturer or medical device start-up company. Furthermore, MPI will employ the help of external Japanese and foreign experts in intellectual property, regulatory, prototyping, and pre-clinical testing in each project and in some cases collaborate with Japanese and overseas incubation sites such as university-affiliated organizations, private-sector companies, and research institutes.

Through this investment, INCJ will develop a road map for commercialization, aiming for close

cooperation among Japanese industry, academia, and government and to be a bridge between the technology seeds held by Japanese universities, research institutes, and SMEs in the medical device field and medical device manufacturers. In the short term, INCJ is aiming to create a successful model for the commercialization of Japanese medical device technology, while it is hoped that the investment will improve the incubation environment for medical devices in Japan in the medium term. The long-term goal of the investment is to contribute to the development of Japan's medical device industry infrastructure.

INCJ will provide MPI and the MPI-1 fund with investment while also providing managerial support by dispatching external directors. The investment will not be limited to stimulating investment in Japan's medical device industry; rather, it is hoped that the fund will contribute to the vitalization of Japan's life sciences industry and improve the business environment to better facilitate the commercialization of innovative medical device technology.

Mizuho Bank will provide risk money for medical device development through the fund and contribute to the nurturing of the medical device industry, a next-generation growth industry.

About MedVenture Partners Co., Ltd.

Established: October 2013

Location of headquarters: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

President : Hajime Oshita

About MPI-1 Investment Limited Partnership

Established: November 2013

Location: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

Total commitment: ¥6 billion (of which INCJ's commitment is up to approx. ¥4.4 billion)

About Innovation Network Corporation of Japan (INCJ)

The INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. The INCJ specifically supports those projects that combine technologies and varied expertise across industries and materialize open innovation. The INCJ has the capacity to invest up to ¥2 trillion (approx US\$25 billion).

To date, the INCJ has invested approximately ¥650 billion in a total of 52 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. The 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.

About Mizuho Bank

Mizuho Bank provides financial and strategic solutions for the increasingly diverse and sophisticated needs of clients, focusing its efforts on serving major corporations, financial institutions, individuals, public sector entities and small and medium-sized enterprises. A relationship management approach to serving clients enables Mizuho Bank, Ltd., together with group companies including Mizuho Trust & Banking, and Mizuho Securities, to develop customized solutions in areas such as corporate, structured and project finance, investment banking, transaction banking and risk management. With offices in **32** countries, Mizuho Bank, offers clients both localized service and the extensive reach of a global business network. Mizuho Bank, Ltd. is a subsidiary of the Japan-based Mizuho Financial Group, Inc. (NYSE: MFG), one of the largest financial services companies in the world, with total assets of approximately \$1.8 trillion as of March 31, 2013.