



August 4, 2016

Company Name: Oak Capital Corporation
Name of Representative: Hiroyasu Takei, Representative Director, Chairman and CEO
Securities Code Number: 3113 (Second Section of the Tokyo Stock Exchange)
Contact Person: Seiichi Kodama, IR and PR General Manager (Tel: 03-5412-7700)

Notification of Growth Support Investment in Pixela Corporation (TSE 2nd 6731)

We hereby announce that we have decided to provide a total of 2 B JPY in equity financing to Pixela Corporation (hereinafter “Pixela”) to allow them to implement their business strategies in markets that are expected to grow in the future, such as AI-related fields. The outline and background of the investment is as follows:

1. Smooth progress of new business operations

Using the financing they received in August of 2015, Pixela have been developing their business operations in the following three fields:

IoT-related business:

Initiation of sales of gateway and sensor devices, as well as dongles and simple home security services.

Automatic multilingual translation business:

Final stages of development of translation capabilities for multiple devices as well as for practical applications for the provision of disaster information.

AR/VR business:

Initiation of demonstration experiments for VR-based live sports broadcast systems and launch of an application allowing the users to easily experience panoramic VR.

Pixela have been efficiently leveraging their capabilities of developing one-stop multiplatform solutions to proactively expand into the above-mentioned 3 growing fields. They have been developing new products equipped with advanced technologies to expand their existing product line and have been working on orders from major telecommunication companies.

2. Creation of a business merging AI (artificial intelligence) and IoT, automatic translation and AR/VR fields

(1) 4K TV broadcast receivers with AI capabilities

Development of next-generation smart 4K TV broadcast receivers with AI (artificial intelligence) and IoT server connection capabilities.

(2) Face/facial expression recognition systems using camera images

Automatic person identification and facial expression analysis using web cameras equipped with artificial intelligence (AI) capabilities.

(3) Concierge servers with voice recognition capabilities

Development of concierge servers equipped with artificial intelligence (AI) capabilities and able to communicate with users through natural language.

(4) IoT big data analysis servers

Development of servers gathering big data of individual users and households, and returning customized recommendations.

(5) Manufacturing of set-top boxes equipped with TV tuners

Development of set-top boxes with significant value added through being equipped with IoT capabilities.

3. Breakdown of the amount invested in Pixela

Equity warrants: 2 B JPY *1 B JPY in 7th financing round and 1B JPY in 8th financing round (expected payment after exercising rights)

4. Capital contribution ratio following the investment

After the investment, Oak Capital's contribution ratio will equal 48.23%.

5. Planned investment execution date

Payment dates: August 22, 2016 (7th financing round)
September 20, 2016 (8th financing round)

6. Pixela overview (as of March 31, 2016)

- (1) Corporate name: Pixela Corporation (TSE 2nd 6731)
- (2) Representative: Hiroshi Fujioka, Representative Director and President
- (3) Address: Parks Tower 2-10-70 Namba-naka, Naniwa-ku Osaka
- (4) Established in: June 1982
- (5) Description of business: audio/video, IoT, automatic multilingual translation and AR/VR businesses
- (6) Accounting term: account settlement in September
- (7) Employees: 108
- (8) Capital: 1,696 B JPY
- (9) Issued shares: 21,678,981 shares
- (10) Shareholder structure: Hiroshi Fujioka (11.70%), Yoshikazu Tanaka (4.09%), others
- (11) URL: <http://www.pixela.co.jp/>

7. Oak Capital's growth support investments

We support the efforts of listed companies to raise funds through issuance of new securities, and provide them with resources such as operating funds and M&A funds necessary to implement their business growth strategies as well as with support and advice for their financial strategies, thus helping them to increase their corporate value and realize their growth potential.

We believe that this growth support investment will help Pixela to realize their business strategy and will contribute to improving their business results and increasing their corporate value. As a provider of fair and transparent financing, we make sure that all our financing efforts are in strict compliance with all rules established by the Financial Services Agency and the stock exchange, and that they are fully transparent to the markets and do not put other investors at an disadvantage.