



JIC makes LP investment in ANRI Investment Fund Limited Partnership No. 4

- Promoting the supply of risk capital to the deep tech domain and to domains where the internet and deep tech fusion
- Contributing to the creation of new industries and new businesses by investing in areas where private sector investment is insufficient
- Helping promote diversity of the venture ecosystem in Japan

Tokyo, April 19, 2021 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in ANRI Investment Fund Limited Partnership No. 4 (“ANRI No. 4”), a venture capital which invests in the deep tech and internet domains.

JIC aims to generate a virtuous cycle of risk capital to support next-generation industries in Japan. To achieve this vision, JIC promotes open innovation as a means of supporting growth and enhancing international competitiveness of businesses. JIC approaches these challenges by stimulating private sector investments in open innovation together with JIC’s own investment while fostering investment professionals.

To achieve this mission, JIC established two authorized funds, JIC Venture Growth Investment and JIC Private Equity under JIC’s umbrella, and also make LP investments to funds managed by GPs in the private sector (private funds). Through investments in these funds, JIC intends to invest in strategic areas from the policy perspective.

About LP investment in ANRI No. 4

JIC makes LP investments to private funds based on its investment strategies. JIC has signed an LP investment agreement committing to invest JPY2.95 billion in ANRI No. 4.

1. Background

In JIC’s investment criteria*, “Driving the creation of new businesses for Society 5.0” is listed as one of its investment focus areas. Specifically, the criteria stipulates that long-term and large-scale risk capital is needed for “social implementation of technologies related to the fourth industrial revolution, such as AI, IoT, and robotics, as well as business fields with competitive potential internationally, such as biotechnology, drug discovery, healthcare, mobility, space, raw materials, and electronic devices.” *<https://www.j-ic.co.jp/en/investment/criteria/>

Among these business fields, technologies such as AI and blockchain* are used in both the internet and deep tech domains, and the further fusion of these two domains is expected to create new industries and new businesses in the future. However, the supply of risk capital to the deep tech domain and domains where the internet and deep tech fusion is limited. Particularly in the deep tech domain where capital investment tends to be upfront and requires long term for realizing returns, investment by private VCs is still limited in seed stage startups due to large uncertainties in business plans.

*Blockchain: "In a broader sense, a blockchain is a technology with a data structure which can easily detect manipulation using digital signatures and hash pointers, and where the data has high availability and integrity due to distribution across multiple nodes on a network."

Definition provided by Japan Blockchain Association

2. About ANRI Investment Fund Limited Partnership No. 4 (ANRI No. 4)

ANRI No. 4 is a fund established in September 2019 with ANRI 4 Limited Liability Partnership (comprised of ANRI Co., Ltd. (ANRI) and others) as a general partner (GP). ANRI has been investing in companies in deep tech domain using technologies such as AI and blockchain, and companies in internet domain which integrates with these deep techs. ANRI plans to allocate a certain portion of the fund to the deep tech domain.

In order to create new businesses based on innovative research and technologies, ANRI assesses management capabilities of entrepreneurs and provides support on the human resources to R&D-oriented ventures by inviting appropriate corporate managers after its investment.

In addition, in response to the lack of diversity in the venture ecosystem in Japan, such as the overwhelmingly small number of female entrepreneurs, ANRI has announced that 20% of the investment amount of ANRI No. 4 will be allocated to businesses originating from female entrepreneurs, which is expected to contribute to more diversified development of venture capitalists and entrepreneurs.

Through this LP investment in ANRI No. 4, JIC anticipates that it will promote risk capital supply to the deep tech domain and domains where the internet and deep tech fusion and as a result, create new industries and new businesses, as well as contribute to promoting diversity in the venture ecosystem in Japan. Moreover, JIC will provide advice to ANRI on fund management from an LP investor viewpoint so that ANRI can increase the amount of funds entrusted from institutional investors in the future.

Overview of ANRI No. 4

Name: ANRI Investment Fund Limited Partnership No. 4

Date of establishment: September 30, 2019

Overview of management company

Name: ANRI Co., Ltd.

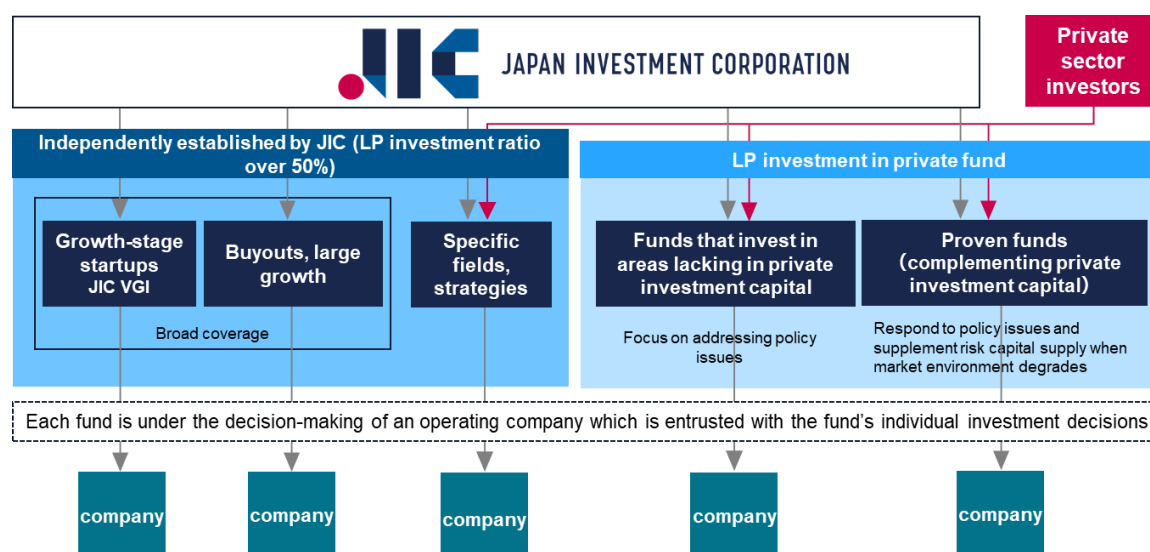
Date of establishment: 2012

Address: Shibuya-ku, Tokyo

Representative Director: Anri Samata

URL: <https://anri.vc/>

(Reference) JIC's fund investment strategy



(Reference) Objectives of JIC's LP investments

1. Stimulate the supply of risk capital to help companies grow and to enhance their competitiveness
JIC intends to provide capital to areas that are essential from the perspective of strengthening industrial competitiveness but lack private investment capital (investment strategies, sectors, stages, regions, etc.) with the aim of stimulating private investment capital in the short term and medium-long term.
2. Create diverse investment teams, professionals, and strategies to support a virtuous cycle of risk capital
 - 1) Investment teams
JIC promotes growth of the investee funds as a leader in the intermediary of risk capital provided by institutional investors (pension funds, foreign investors, etc.) towards the establishment of future funds. This will be achieved by expanding experience and track records among its fund investment team (management company) and by further improving its ability to respond to institutional investors.
 - 2) Investment professionals
With the cooperation of industry organizations such as JVCA, institutional investors, and investee managers, JIC supports the research and introduction of best practices of managers and the development of human resources serving as investment professionals.
 - 3) Investment strategy
JIC will add diversity and depth to the market by making an LP investment in funds even for those with strategies that are not common in Japan yet, in response to their fund raising, including at the time of its establishment.

About Japan Investment Corporation (JIC)

Japan Investment Corporation (“JIC”) was established on September 25, 2018. Amid the accelerated use of IoT, Big Data, AI, and other new information technologies globally, JIC aims to address the growing demand for risk capital for long-term, large-scale growth investments with a governance structure conducive to quick and flexible investment decision making.

URL: <https://www.j-ic.co.jp/en/>

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