



JIC makes LP investment in MIYAKO Kyoto University Innovation II L.P.

- Promoting the supply of risk capital to deep tech venture businesses from academia
- Supporting the development and social implementation of highly specialized technologies for Society 5.0
- Contributing to the use of promising but untapped technologies and to the development of an ecosystem of technology-related startups in local areas

Tokyo, May 7 2021 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in MIYAKO Kyoto University Innovation II L.P. (“Miyako No.2”), a fund which provides risk capital to deep tech venture businesses (“VBs”) from academia.

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 Miyako No. 2

JIC makes LP investments to private funds based on its investment strategies. JIC has signed an LP investment agreement committing to invest JPY4.1 billion in Miyako No. 2.

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/>

As these business fields often require research and development of highly specialized technologies, deep tech VBs from academia including universities are expected to play an important role in technology development and social implementation.

Although funds that support industry-academia collaboration have been established in recent years, the supply of risk capital to academic-originated deep tech VB remains limited compared to other countries.

2. About MIYAKO Kyoto University Innovation II L.P. (Miyako No. 2)

Miyako No. 2 is a fund established in October 2019 with MIYAKO CAPITAL CO. LTD (Miyako Capital) and others as general partners (GP). Since its first fund, Miyako Capital has focused on investing in deep tech VBs from academia as an accredited private fund by National University Corporation, Kyoto University (Kyoto University). In addition, Miyako Capital has a team of investment specialists, with abundant experiences of global investment and growth support, which can actively support the overseas expansion of invested VBs.

Miyako Capital has also enhanced cooperation with Kyoto University and other universities in regions outside the Tokyo metropolitan area, and has a track record of being actively involved in discovering untapped technology seeds in local areas. It is anticipated that Miyako No.2 will continue to invest in deep tech VBs originating from local academia by utilizing relations with universities and academia.

In JIC's investment criteria, "Leveraging promising untapped regional technologies" is listed as one of its investment focus areas. Through this LP investment, JIC anticipates that it will promote risk capital supply to deep tech VBs from academia and contribute to the development of an ecosystem for technology-oriented startups in local areas. Moreover, JIC will provide advices to Miyako Capital on fund management from an LP investor viewpoint so that Miyako Capital can increase the amount of funds entrusted from institutional investors in the future.

Overview of Miyako No.2

Name: MIYAKO Kyoto University Innovation II L.P.

Date of establishment: October 25, 2019

Duration: 10 years

Managers: MIYAKO CAPITAL CO. LTD and affiliated associations

Overview of management company

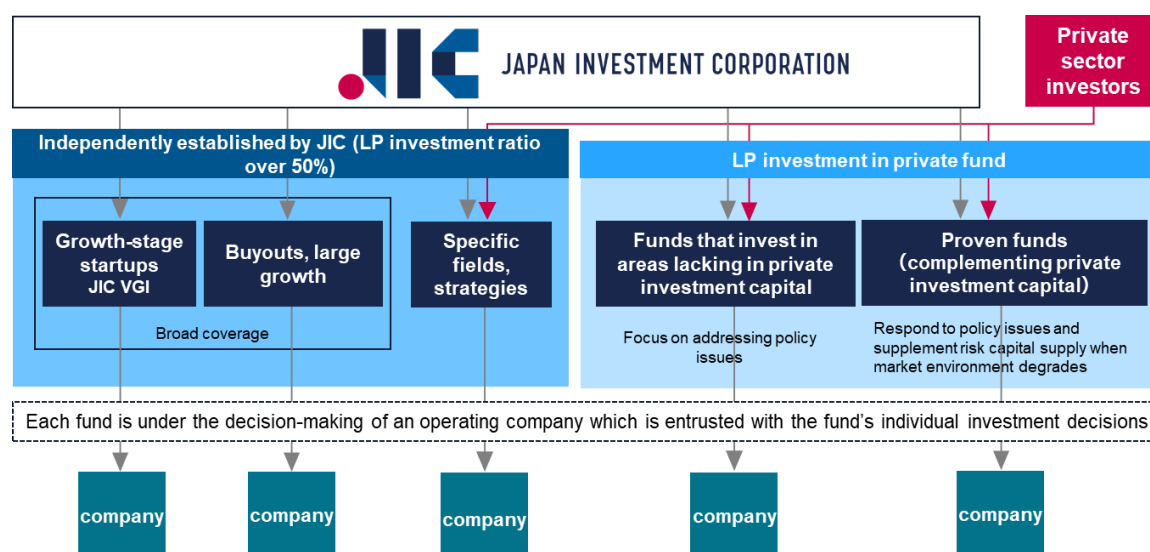
Name: MIYAKO CAPITAL CO. LTD

Date of establishment: September 26, 2013

Address: Sakyo-ku, Kyoto

Representative Directors: Satoshi Yamaguchi, Hiroaki Okahashi, Tsunesaburo, Sugaya

(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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