



## **JIC makes LP Investment in Sozo Ventures III, L.P.**

- Providing opportunities for alliances between Japanese companies and North American startups
- Promoting open innovation and creating new businesses for the realization of Society 5.0 through these alliances
- Fostering North American fund managers with strategies to form alliances with Japanese companies

**Tokyo, December 24, 2021** – Japan Investment Corporation ("JIC") has announced its decision to make an LP investment in Sozo Ventures III, L.P. ("Sozo Ventures III"), which promotes open innovation between North American startups and Japanese companies.

JIC aims to stimulate 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 the 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 invests in strategic areas from the policy perspective through LP investments in funds under JIC's umbrella and private funds.

### **About LP investment in Sozo Ventures III**

JIC makes LP investments in private funds based on its investment strategies, and has signed an LP investment agreement committing to invest USD50 million in Sozo Ventures III.

#### **1. Background**

JIC's investment criteria\* state that in order to respond to rapid changes in industrial structure and international competitive conditions, it is important to innovate industrial activities through the incorporation of management resources from outside and their effective utilization. In addition to supporting strategic investments by companies aiming for growth from an international perspective, it has positioned the creation of a virtuous cycle of risk capital as an important policy issue, and will invest heavily in the "creation of new businesses for Society 5.0," which will contribute to strengthening Japan's competitiveness.

\* <https://www.j-ic.co.jp/jp/investment/criteria/>

Silicon Valley in the United States has established one of the world's leading venture ecosystems and has produced many unicorn companies, many of which have grown from the early stage with the support of top-tier VCs. An effective way for Japanese companies to promote open innovation and create new businesses for the realization of Society 5.0 is to form business alliances with North American startups, in which such VCs invest.

## 2. About Sozo Ventures III

Sozo Ventures III is a US-based fund established with Sozo Ventures LLC ("Sozo") as the managing company. Sozo is recognized as a highly regarded VC in North America from the perspective of supporting international expansion, with deep connections to startups, venture ecosystems, and academia in the US and abroad. Its mission is to create meaningful impact on a global scale, and even before its first fund was established, it supported the Japanese expansion of a US-based social network service and helped it expand its business through business partnerships with Japanese companies. Since its first fund in 2012, it has continued the strategy of investing in startups that are the portfolio companies of North American VCs and providing business alliance opportunities to Japanese companies, and has achieved a good track record of investment.

The investment in Sozo Ventures III is JIC's first LP investment in an overseas-focused fund, and JIC expects to promote open innovation through business alliances and other partnerships between Japanese operating companies and North American startups, and through this, promote the creation of new businesses on a global scale. In addition, by supporting Sozo's strategy, JIC expects to help Sozo grow and improve its presence, as well as develop and increase the number of fund managers in North America whose strategy is to provide opportunities for collaboration with Japanese companies and support their entry into the Japanese market.

JIC also anticipates that Sozo will play a central role in promoting open innovation in Japan by conducting surveys and research on the venture ecosystem and creating educational content in collaboration with universities and other organizations in Japan and abroad.

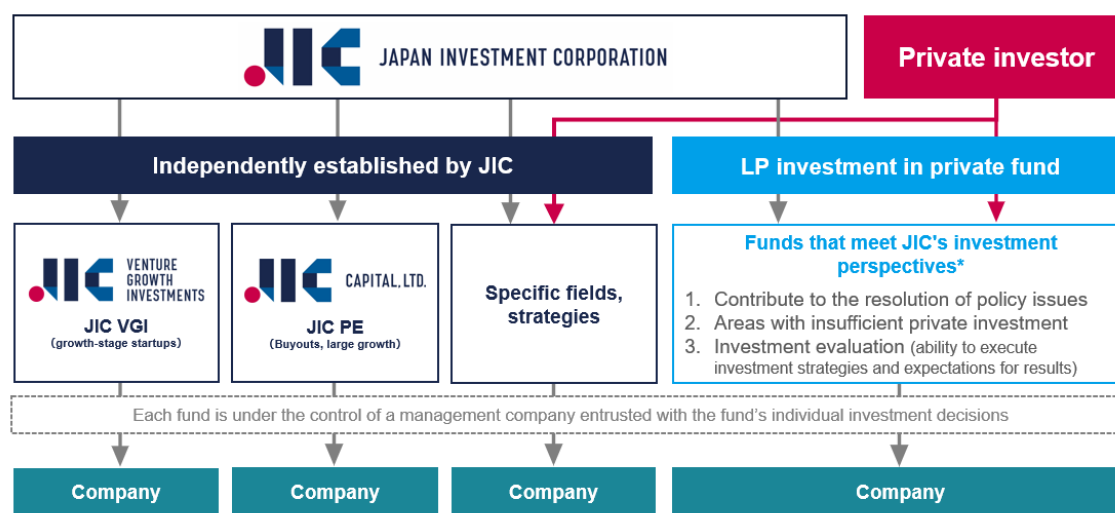
### Overview of Sozo Ventures III L.P. (Sozo Ventures III)

Name:	Sozo Ventures III, L.P.
Establishment:	April 2021
Duration:	10 years
GP:	Sozo Ventures GP III, L.L.C

### Overview of management company

Name:	Sozo Ventures L.L.C.
Establishment:	2012
Location:	California, USA
Founder:	Koichiro Nakamura, Phil Wickham

(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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