



JIC makes LP investment in Genesis Venture Investment Fund Limited Partnership No.3

- Promoting the creation of new businesses in collaboration with startups in SEA
- Supporting pre-seed/seed stage startups with the aim of creating “unicorn startups”
- Stimulating the expansion of risk capital supply and the creation of industry ecosystems

Tokyo, January 31, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in Genesis Venture Investment Fund Limited Partnership No.3 (“GV-3”), which supports the growth and development of startups in Japan and Southeast Asia.

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, based on its investment policy, through LP investments in funds under JIC’s umbrella and private funds.

About LP investment in GV-3

JIC makes LP investments in private funds based on its investment strategies, and has signed an LP investment agreement committing to invest up to USD55 million in GV-3.

1. Background

JIC's investment criteria^{*1} state that 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 supporting 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.

Southeast Asia is currently experiencing rapid digitalization, with digital technologies eliminating inefficient multi-stage transactions in commercial distribution and supply chains, and digital platforms led by mega-ventures emerging. Furthermore, due to the relative lack of mature industries, there are areas where digitalization is occurring more rapidly than in many developed countries.

¹ * <https://www.j-ic.co.jp/jp/investment/criteria/>

It is expected that to seize these opportunities, Japanese companies will seize this opportunity to create new businesses for Society 5.0 by utilizing cutting-edge digital technologies and business models of Southeast Asian startups. Therefore, it is becoming increasingly important for Japanese companies to establish partnerships with promising startups from the early growth stages and to promote open innovation.

In addition, according to JIC's investment criteria, JIC will focus its investments on the "creating unicorn startups" that aim to achieve competitive and sustainable growth in the global economy. In recent years, the supply of risk capital to startups in the pre-seed/seed phase has been decreasing in both amount and number. In order to accelerate the creation of unicorn startups from Japan, we must actively support entrepreneurs who take on the challenge of creating new businesses and increase the number of promising startups that have the potential to grow into unicorn startups in the future.

2. About Genesia Venture Fund No. 3 (GV-3)

GV-3 is a fund established with Genesia Ventures, Inc. ("GV") as the managing company. As an independent VC firm in Japan, GV has been actively investing in pre-seed/seed stage startups. GV is also one of the few funds that support alliances between Japanese companies and local startups, such as entering the local startup ecosystem in Southeast Asia, and has already established a number of business and capital alliances.

Through the LP investment in GV-3, JIC expects that efforts will be strengthened to support partnerships between Japanese companies and startups in Southeast Asia and plans to promote the creation of new businesses formed through enhanced collaboration. In addition to these investment activities in Southeast Asia, JIC expects to promote digitalization in Japanese industries and solve industry-specific issues by supporting promising domestic startups that provide services using digital technology to solve problems.

Furthermore, JIC expects that the LP investment in GV-3 will further encourage investment activities in pre-seed/seed stage startups and support the start-up ecosystem to accelerate the creation of unicorn startups in Japan.

Overview of Genesia Venture Investment Fund Limited Partnership No. 3 (GV-3)

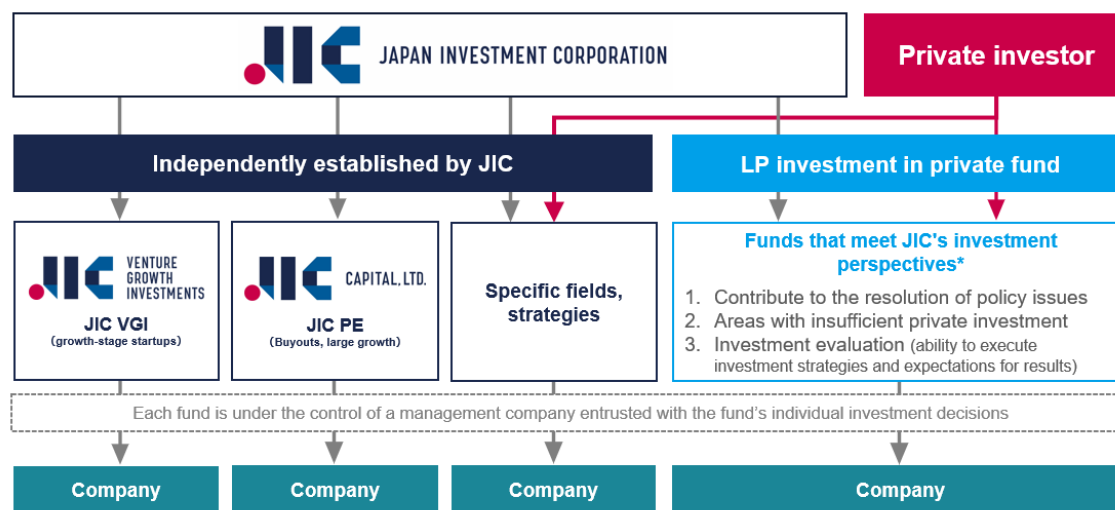
Name:	Genesia Venture Investment Fund Limited Partnership No. 3
Establishment:	January 2022
Duration:	10 years
GP:	GV-3 Partners Limited Liability Partnership

Overview of management company

Name:	Genesia Ventures, Inc.
Established:	31 August, 2016
Location:	Minato, Tokyo
Representative Director / General Partner:	Tajima Soichi

(For reference)

JIC's fund investment strategy



(For 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 under the Industrial Competitiveness Enhancement Act. JIC's investment focus areas are driving the creation of new businesses for Society 5.0, creating "unicorn startups", leveraging promising untapped regional technologies and promoting business consolidation across industries and organizations. JIC provides risk capital to these areas through funds independently

established by JIC and LP investment in private funds to promote open innovation and contribute to strengthening the competitiveness of Japanese industries and expanding the investment ecosystem.

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

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