



JIC makes LP investment in Apricot Venture Fund 2 Investment Limited Partnership

- Supporting pre-seed/seed stage startups with the aim of creating unicorn startups
- Driving the creation of new businesses for Society 5.0
- Expanding funding from institutional investors

Tokyo, June 10, 2022 –Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in Apricot Venture Fund 2 Investment Limited Partnership (“AVF2”), a fund managed by MINT Inc.

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 AVF2

JIC makes LP investments in private funds based on its investment strategies, and has signed an LP investment agreement committing to invest up to JPY2 billion in AVF2.

1. Background

In JIC’s investment criteria*, “Creating unicorn startups” and “Driving the creation of new businesses for Society 5.0” are listed as its investment focus areas.

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

With regard to creating unicorn startups, while the supply of risk capital to pre-seed/seed stage startups is limited in the Japanese market, it is important to actively support entrepreneurs who are trying to create new businesses and increase the number of promising startups that have the potential to grow into unicorn companies.

In driving the creation of new businesses for Society 5.0, it is necessary to provide long-term, large-scale risk capital in business areas that can be internationally competitive, such as social implementation of technologies related to the Fourth Industrial Revolution, including AI, IoT, and robotics. Examples of this are technologies such as AI and blockchain being utilized in the physical domain, where the fusion of cyber and physical domains using digital technology is expected to create new businesses and new industries for Society 5.0.

2. About AVF2

AVF2 is a venture capital fund, established with MINT Inc. as its manager, that is actively investing in pre-seed/seed stage startups.

MINT Inc. has been investing in companies engaged in businesses that utilize AI, blockchain, and other digital technologies in the physical domain, and the company plans to continue to invest in this area through AVF2.

JIC expects that the LP investment in AVF2 will further strengthen investment activities in pre-seed/seed-stage startups and support the startup ecosystem to accelerate the creation of unicorn startups originating from Japan, as well as promote the supply of risk capital to areas that contribute to the creation of new businesses for Society 5.0.

In addition, JIC will provide support for fund management to ensure that AVF2 is fully able to implement its investment strategy, and also expects this investment to act as a catalyst for further private-sector risk capital by helping to increase the supply of risk capital raised from domestic and foreign institutional investors.

Overview of AVF2

Name: Apricot Venture Fund 2 Investment Limited Partnership
Established: May 2021
Duration: 10 years (Extension of up to 2 years possible)
GP: Apricot Venture Fund 2 Limited Liability Partnership

Overview of management company

Name: MINT Inc.
Established: January 2018
Location: Shibuya-ku, Tokyo
Representative Director: Tomoki Shirakawa

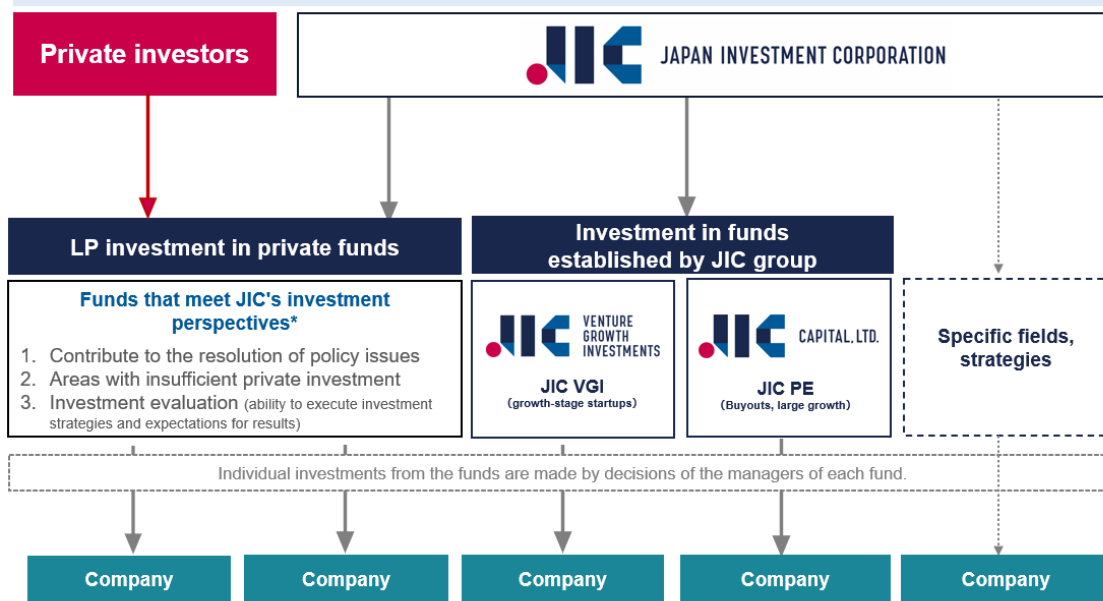
(For reference)

JIC's fund investment strategy

JIC's Investment Strategy



- JIC provides risk capital through fund investments to promote open innovation for accelerating growth and enhancing international competitiveness of businesses, based on JIC's corporate philosophy in consideration with its role for complementing the private sector finance.



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*In addition to the perspectives mentioned, the following will be comprehensively considered: subscription conditions, growth stage of the fund (manager), the role and portfolio of JIC.

(For reference)

Objectives of JIC's LP investments

- 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.
- Create diverse investment teams, professionals, and strategies to support a virtuous cycle of risk capital
 - 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.
 - 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.
 - 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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