



JIC makes LP investment in EEI Fund 5 Innovation & Impact Investment Limited Partnership

- Drive creation of new businesses that link global warming measures to growth for Society 5.0
- Invest in deep tech for decarbonization
- Build a decarbonization startup ecosystem

Tokyo, September 16, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in EEI Fund 5 Innovation & Impact Investment Limited Partnership (“EEI5”), a fund managed by Energy & Environment Investment, Inc. (“EEI”).

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.

About LP investment in EEI5

JIC makes LP investments to private funds based on its investment strategies. JIC has signed an LP investment agreement committing to invest JPY3 billion in EEI5.

1. Background

In JIC’s investment criteria*, “Driving the creation of new businesses for Society 5.0” is listed as an investment focus area. 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 globally, such as biotechnology, drug discovery, healthcare, mobility, space, raw materials, and electronic devices.”

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

With more than 120 countries and regions aiming to be carbon neutral by 2050, the Japanese government and corporations are making bold investments based on this goal, and an international trend is accelerating to address climate change issues as opportunities for growth. In Japan, the creation of groundbreaking innovations in the decarbonization area is essential to realize Society 5.0 and carbon neutrality by 2050, and this is expected to create new businesses utilizing innovative Japanese technology.

2. About EEI5

EEI5 is a fund managed by EEI, which was founded in Japan as a fund management company specializing in environmental energy.

EEI5 invests in startups with innovative business models and technologies that contribute to the realization of a sustainable society with a focus on decarbonization in the three

investment areas of Energy Transition, Mobility & Transportation, and Smart Society. EEI5 targets all stages of startups for investment, primarily investing in the seed/early stages, and will also actively pursue follow-on investments in the middle/late stages.

Through the LP investment in EEI5, JIC expects to: 1) promote the creation of new businesses that link global warming measures to growth for Society 5.0; 2) supplement the lack of private investment funds for deep tech R&D in the decarbonization area and its social implementation; and 3) encourage GPs, operating companies, and institutional investors in Japan to enter the decarbonization area by helping form a startup ecosystem in the decarbonization area as an anchor investor, thereby stimulating private investment.

Overview of EEI5

Name: EEI Fund 5 Innovation & Impact Investment Limited Partnership
Established: September 2022
Duration: 10 years (with a possible extension of 2 years)
GP: EEIGP5 Limited Liability Partnership

Overview of management company

Name: Energy & Environment Investment, Inc.
Established: March 2006
Address: Shinagawa-ku, Tokyo
President: Shuichiro Kawamura

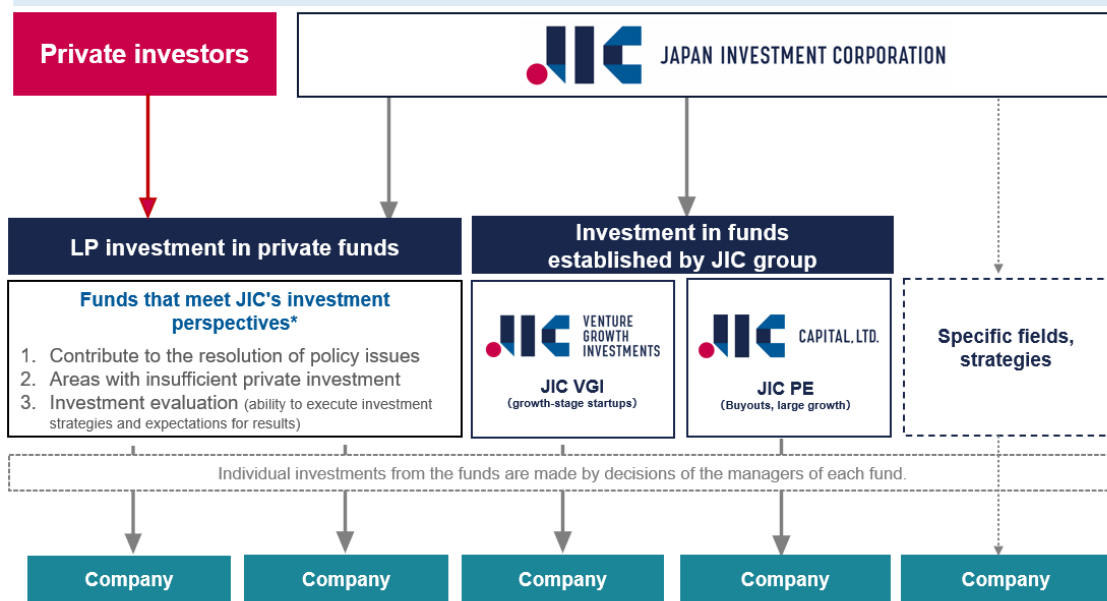
(For reference)

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/>

Press Contacts

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