



JIC makes LP investment in Spiral Capital Japan Fund II

- Driving the creation of new businesses in the field of deep tech for Society 5.0
- Promoting open innovation transcending the boundaries of traditional industries and organizations
- Promoting risk capital procurement from institutional investors

Tokyo, December 9, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY3 billion yen in the Spiral Capital Japan Fund II (“SCJ2”) managed by Spiral Capital.

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 SCJ2

(1) JIC investment criteria

JIC’s investment criteria* identifies “Driving the creation of new businesses for Society 5.0” as a focus area. JIC provides support to business sectors involved in the creation of new businesses characterized by discontinuous growth with high uncertainty from a business perspective and which require a long-term, large-scale supply of risk capital.

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

(2) Current status of investment area

With regard to driving the creation of new businesses for Society 5.0, Japan faces the challenges of limited R&D in support of discontinuous innovation and a lack of collaboration among external organizations and institutions, including startups. Creating new businesses and industries for Society 5.0 requires supporting deep tech startups with the potential to have a significant impact on solving social issues based on discontinuous innovation, and these areas require long-term, large-scale funding from research and development through to social implementation. In addition, open innovation that transcends the boundaries of traditional industries and organizations is needed to respond quickly to rapid changes in industrial structures and international competitive conditions, and to create businesses that contribute to solving social issues.

(3) About SCJ2

SCJ2 is an investment fund managed by Spiral Capital, which has an extensive network with domestic companies.

Spiral Capital has a policy of investing in the fintech, healthcare, and smart infrastructure sectors as well as in the deep tech sector, with the aim of creating unicorns. Spiral Capital plans to allocate approximately 20-30% of SCJ2 investment activity to the deep tech sector.

The company has a proven track record of forming capital and business alliances between its portfolio companies and domestic companies through the use of its proprietary database and by holding matching events to promote collaboration between startups and domestic companies. JIC expects the LP investment in SCJ2 to promote open innovation. In the deep tech sector, where the company is focusing its activity, capital and business alliances between startups and domestic companies are often significant, and SCJ2 is expected to serve as a bridge between startups and domestic companies.

In addition, JIC will support Spiral Capital in developing its ability to respond to the needs of institutional investors in order to increase the supply of risk capital raised from these investors.

Overview of SCJ2

Name:	Spiral Capital Japan Fund II
Established:	2019
Duration:	10 years (with a possible extension of 3 years)
GP:	Spiral Capital LLP

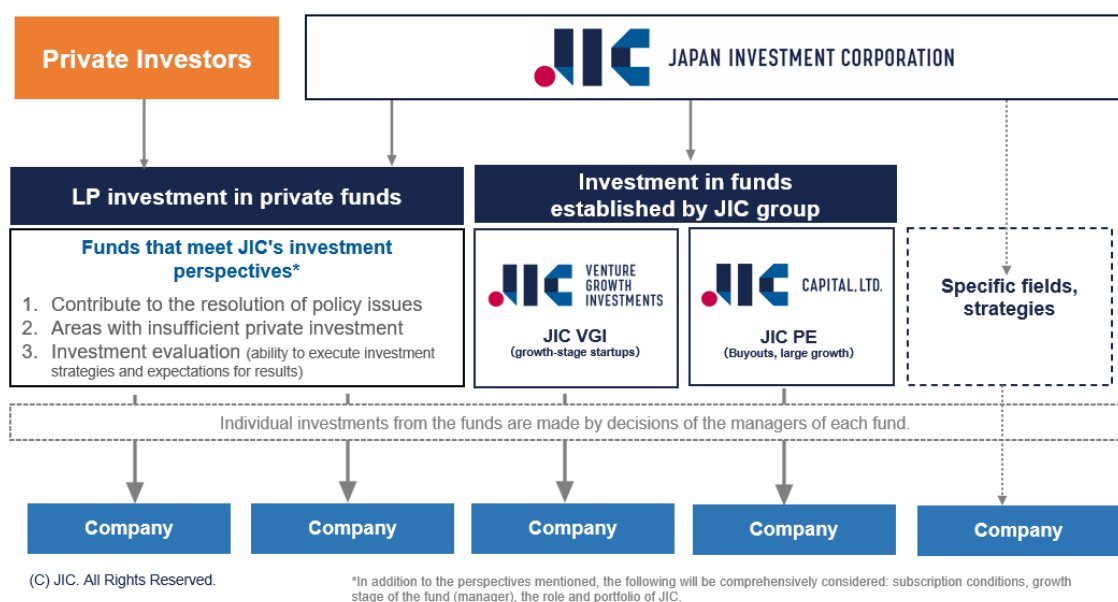
Overview of management company

Name:	Spiral Capital
Established:	2017
Address:	Minato-ku, Tokyo
Managing Partner:	Tomokazu Okuno

(For reference)
JIC's fund investment strategy

JIC's Fund Investment Strategy (overall) 株式会社産業革新投資機構

- JIC aims to provide risk capital to enhance the growth of next-generation companies and competitiveness based on its philosophy and its principle of complementing the private sector.
- JIC's investment strategy includes 1) investment in funds established under JIC's initiative and 2) LP investments in private funds.



(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/>

Press Contacts

Japan Investment Corporation

Corporate Planning, Communications Group: Okumura, Nonomiya

Tokyo Toranomom Global Square 9F,

1-3-1 Toranomom, Minato-ku, Tokyo 105-0001

Tel. (03) 5532-7086