



JIC makes LP investment in KUSABI No.1 Investment Limited Partnership

- Providing risk capital for startups in the pre-seed/seed stage to create unicorns
- Promoting the creation of new businesses for Society 5.0
- Promoting risk capital procurement from institutional investors

Tokyo, December 15, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY2.6 billion yen in KUSABI No.1 Investment Limited Partnership (“KSB1”) managed by Wedge 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 for 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 KSB1

(1) JIC investment criteria

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

In recent years, the supply of risk capital for pre-seed/seed stage startups in the domestic market has been limited. Accelerating the creation of unicorns in Japan requires both active support of entrepreneurs who are trying to create new businesses and increasing the number of promising startups that have the potential to become unicorns. In Japan, research and development that leads to discontinuous innovation toward the realization of Society 5.0 is inadequate – a situation that has been attributed to insufficient collaboration with external organizations and institutions, such as start-ups, and the need for long-term, large-scale funding.

(3) About KSB1

KSB1 is the first fund managed by Wedge. Its purpose is to create 1 trillion yen companies through vertically integrated support from the pre-seed/seed stage, including sourcing through a unique acceleration program.

KSB1 views companies that seek to resolve industrial issues through the application of innovative technology as promising investment targets, and intends to invest in startups that effectively integrate the cyber and physical domains through digital technology.

JIC believes that its LP investment in KSB1 will strengthen investment activities in pre-seed/seed stage startups, allow the startup ecosystem to accelerate the creation of unicorns from Japan, and contribute to the creation of new businesses for Society 5.0.

In addition, JIC will support KSB1 in developing its ability to respond to the needs of institutional investors in order to increase the supply of risk capital raised from institutional investors.

Overview of KSB1

Name:	KUSABI No.1 Investment Limited Partnership
Established:	2021
Duration:	10 years (with a possible extension of 2 years)
GP:	KUSABI Limited Liability Partnership

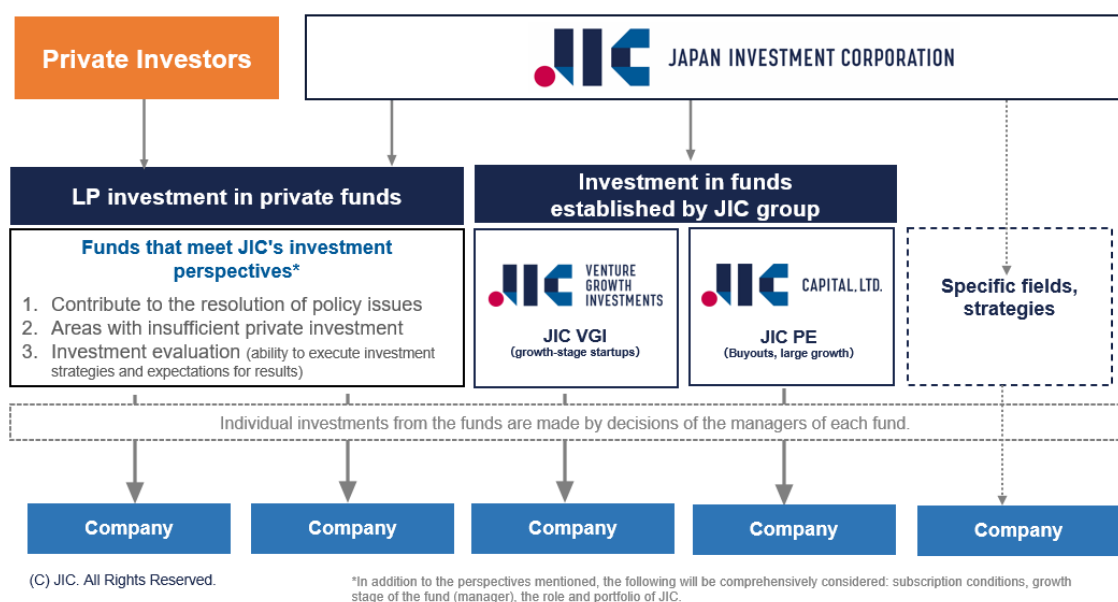
Overview of management company

Name:	Wedge Inc.
Established:	2020
Address:	Chuo-ku, Tokyo
Representative:	Kenko Nagai, Junya Yoshida, Yuki Watanabe

(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/>

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