



## JIC makes LP investment in Vertex Ventures (SG) SEA V LP

- Developing opportunities for collaboration between overseas and domestic VCs to create global startups, and utilizing knowledge of overseas VCs
- Promoting new business creation through collaboration with startups in Southeast Asia and India
- Introducing global standards and practices to the domestic market

**Tokyo, April 21, 2023** – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of USD30 million in Vertex Ventures (SG) SEA V LP (“VVSEA V”), which invests mainly in early stage startups in Southeast Asia and India.

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.

To achieve its mission, JIC invests in policy-relevant strategic business areas through LP investments in funds under JIC’s umbrella and in private funds.

### About LP investment in VVSEA V

#### (1) JIC investment criteria

JIC’s investment criteria\* identifies “Creating unicorn startups” as a focus area. A long-term, large-scale supply of risk capital is required for the creation of unicorns—defined as privately held companies with an enterprise value of USD1 billion or more—that can grow their business sustainably with competitive global economic strength.

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

#### (2) Current status of investment market

With the size of the domestic market shrinking amid a declining birthrate and aging population, it has become important to enter global markets to grow startups with the corporate value of unicorns or greater. Successful business expansion in the global market can be facilitated by receiving support from VCs who make investments globally, based on the knowledge and experience they have gained addressing regulations, business practices, and other issues that differ by country and region. Global unicorns also benefit from consistent VC support throughout the growth stages, including support for the development of multimarket business models, capital policy, global standard organizational structures, investment contract terms, and growth financing.

Digital transformation in Southeast Asia and India is progressing rapidly, and Japanese companies are expected to create new businesses for Society 5.0 by utilizing the cutting-edge digital technologies and business models of startups in the region, applying them to business

areas where they can be internationally competitive. As such, it is important for Japanese companies to promote open innovation through alliances with promising startups that will be driving digitalization in their markets.

### **(3) About VVSEA V**

Vertex Group operates six strategic investment venture funds – Southeast Asia/India, China, Israel, US, Global Growth, and Healthcare – in 14 locations worldwide. One of these funds, Vertex Ventures SEA & India ("VVSEA"), which invests in Southeast Asia and India, has a strong presence in the region, and to date has created six unicorns.

While VVSEA's strategy is to primarily invest in early-stage startups with the potential for future overseas expansion, Vertex Holdings also has a strategy that enables it to provide growth capital, and the group as a whole has a platform to support the continued growth of the startups in which it invests.

VVSEA has achieved business alliances with Japanese operating companies in approximately 30% of the projects in which it has invested to date. VVSEA V will focus on Consumer Internet, Enterprise & SME, Fintech, Digital Health, Agri Tech & Sustainability, and Mobility as its main areas of investment, and plans activities with an eye on the Japanese market, both in terms of considering potential investment targets and also supporting startups in these areas.

Vertex Group sees potential in the development of the Japanese startup ecosystem and is looking to create investment opportunities at a wide range of stages to help domestic startups become more competitive internationally. It has also established an office in Japan for the purpose of investing in Japanese startups and supporting business development in Japan for its portfolio companies.

"Go Global" is listed as one of the JIC's priority investment areas, and the organization is committed to investing in overseas VCs to strengthen ties between domestic VCs/startups and overseas VCs.

Through the LP investment in VVSEA V, JIC will also work with domestic VCs to introduce opportunities to invest in domestic startups and create other opportunities for collaboration between VVSEA and domestic VCs in order to create global unicorns. JIC also expects to promote open innovation through business alliances between VVSEA's portfolio startups in Southeast Asia and India and Japanese enterprises.

#### Overview of VVSEA V

Name:	Vertex Ventures (SG) SEA V LP
Established:	2022
Duration:	10 years (with a possible extension of 2 years)
GP:	Vertex Ventures (SG) SEA GP III Pte. Ltd.

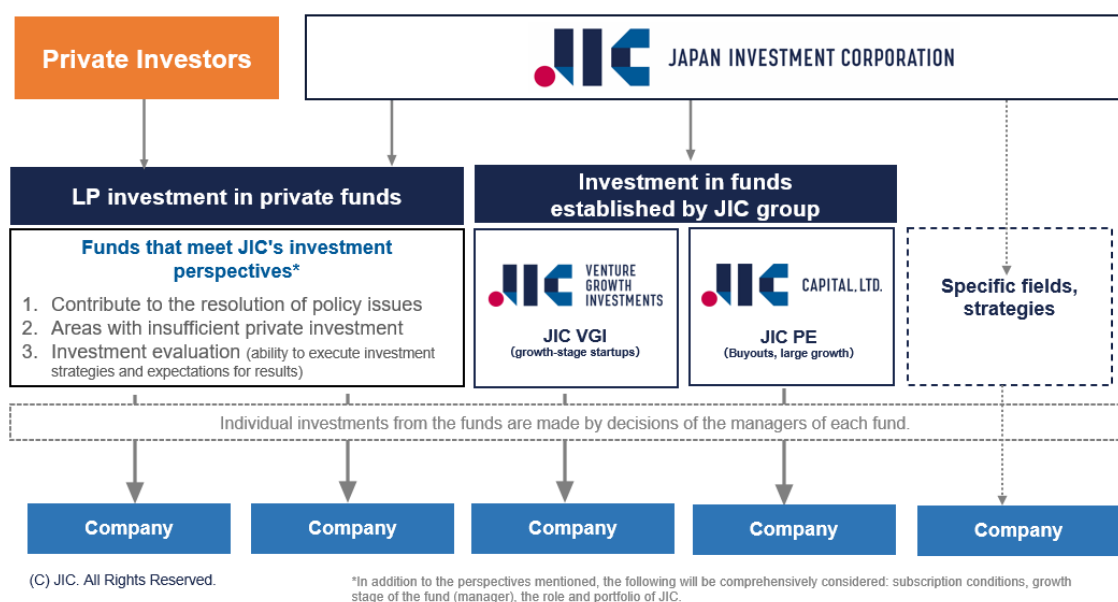
#### Overview of management company

Name:	Vertex Ventures SEA Management Pte. Ltd.
Established:	2016
Address:	Singapore
Representative:	Kee Lock Chua, Joo Hock Chua, Ben Mathias

(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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