



## **JIC makes LP investment in MIYAKO Kyoto University Innovation III L.P.**

- Supplying risk capital to deep tech startups from academia
- Utilizing promising technologies lying dormant in local areas
- Attracting more funding from institutional investors

**Tokyo, August 4, 2023** – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY2 billion in MIYAKO Kyoto University Innovation III L.P. (“Miyako III”), which is managed by MIYAKO CAPITAL CO. LTD (“Miyako”), a company that supports startups originating from academia.

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 Miyako III**

#### **(1) JIC investment criteria**

JIC investment criteria\* identifies “Driving the creation of new businesses for Society 5.0” and “Utilizing promising technologies lying dormant in local areas” as key focus areas. Specifically, JIC believes that it is necessary to provide long-term, large-scale risk capital for social implementation of technologies related to the Fourth Industrial Revolution, such as AI, IoT, and robotics, as well as business fields that can be globally competitive, such as biotechnology, drug discovery, healthcare, mobility, space, materials, and electronic devices. There is also a need to provide risk capital to meet the funding needs of startups from regional academia, etc., that have technologies that can be expected to generate high profits through commercialization but which have not been given sufficient opportunities to grow as businesses.

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

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

When supporting startups working on deep tech, it is necessary to support the creation of academia-based startups that seek to commercialize the results of scientific research and innovative technology development being conducted at universities. However, the supply of risk capital for academia-based startups in Japan remains limited despite the establishment in recent years of funds that support industry-academia collaboration.

#### **(3) About Miyako III**

Miyako is a collaboration fund with Kyoto University, and has a strong track record of supporting deep tech startups in the fields of life sciences and medicine, IT and electronics, and the environment and energy. Miyako III will maintain this investment strategy. It will focus on supporting seed- and early-stage startups, with a particular focus on technologies developed by academia.

Miyako is strengthening its ties with universities in Japan and overseas, including Kyoto University, and is actively working to uncover technological seeds that are lying dormant in local areas. Miyako III also plans to invest in promising university startups, including those from local universities, by utilizing the collaborative relationships that Miyako maintains with universities and research institutions.

Through its LP investment in Miyako III, JIC aims to provide risk capital to startups originating in academia and to act as a catalyst for private investment funds. JIC anticipates that by providing risk capital to technology startups in the Kyoto region and beyond, it can contribute to the development and growth of the local startup ecosystem.

In addition, JIC expects to expand funding from institutional investors by providing support to Miyako, such as by establishing an operation system in respond to the needs of institutional investors.

#### Overview of Miyako III

Name:	MIYAKO Kyoto University Innovation III L.P.
Established:	2023
Duration:	10 years (with a possible extension of 3 years)
GP:	MIYAKO CM3 Limited Liability Partnership

#### Overview of management company

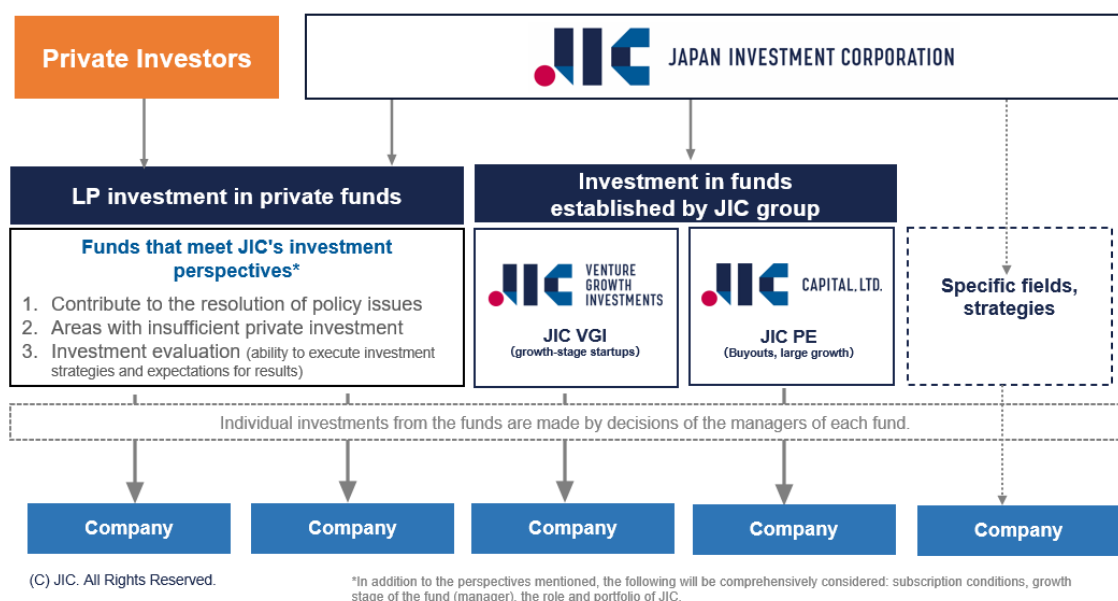
Name:	MIYAKO CAPITAL CO. LTD
Established:	2013
Address:	Kyoto City, Kyoto Prefecture
Representative:	President and Representative Director Hiroaki Okahashi

(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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