



## Japan Investment Corporation signs up to PRI

- JIC signing up to PRI
- Concurrently establishing "Policy on Environmental, Social and Governance (ESG) Initiatives"
- Contributing to the promotion of ESG investment in the domestic market

**Tokyo, October 3, 2023** – Japan Investment Corporation (“JIC”) signs the PRI (Principles for Responsible Investment) (PRI). JIC will continue to contribute to the promotion of ESG investment in the domestic market by incorporating ESG perspectives into its investment process.

### (1) Purpose of PRI signing

PRI is an action guideline announced by the United Nations in 2006, and an international network of signatory organizations that put them into practice, with the aim of incorporating Environment, Social and Governance issues into institutional investors' investment decision-making processes and investment policy decisions to improve long-term investment results for their beneficiaries. By signing the PRI, JIC will expand the network of signatory institutions and deepen its understanding of knowledge, expertise, and international precedents related to ESG investment. In addition, through annual reporting to the PRI, JIC will regularly evaluate its ESG-related efforts and promote the integration of ESG perspectives into its investment process.

JIC aims to serve as a platform for investment knowledge to contribute to the growth and development of the ecosystem of risk capital in Japan, and as part of this effort, through signing the PRI, JIC will contribute to the promotion of ESG investment in the private equity industry in Japan, including funds and prospective funds in which JIC invests.

### (2) ESG policy for JIC initiatives

Along with signing the PRI, JIC has developed an Environmental, Social and Governance (ESG) Policy, which JIC will use to guide its investment decisions.

### Environmental, Social and Governance (ESG) Policy

1. Japan Investment Corporation (“JIC”) operates based on the mission of stimulating a virtuous cycle of risk capital to support next-generation industries in Japan through promoting open innovation as a means for supporting growth and offering investments to enhance the international competitiveness of businesses, which stimulates private sector investments while fostering investment professionals. JIC has formulated an Environmental, Social, and Governance (ESG) Policy (“ESG Policy”), which is important for realizing sustainable value creation in investments based on its philosophy. As a policy-based investment institution that contributes to the enhancement of Japan's industrial competitiveness, JIC will promote investment activities based on its ESG Policy to contribute to sustainable value creation at investee companies, as well as sustainable value creation for the economy and society as a whole.

2. As a policy-based investment institution established under the Industrial Competitiveness Enhancement Act, JIC invests in accordance with the investment criteria established by the Minister of Economy, Trade and Industry (JIC Investment Criteria). The investment criteria stipulates that the JIC's investments shall take into consideration the impact on society as a whole in light of international trends in ESG investment. JIC's ESG policy is based on the provisions of the investment criteria.
3. In accordance with the ESG Policy, JIC, as an LP investor in fund investments, will work to demonstrate indirect stewardship of portfolio funds and, over the medium to long term, portfolio companies in which it invests, through direct and ongoing engagement with portfolio fund managers ("GP"), thereby enhancing the corporate value and growth of portfolio companies and achieving sustainable value creation.
4. Based on the ESG policy, JIC considers investment targets, investment decisions and portfolio management and assesses risks and opportunities related to the company and its stakeholders for each element of ESG. Examples include consideration of environmental issues such as environmental pollution and climate change, social issues such as ensuring occupational health and safety and respect for diversity, equity and inclusion, and governance issues such as eliminating anti-social forces and prohibiting money laundering.
5. In principle, JIC will apply its ESG policy to all investment assets on which it makes investment decisions.
6. JIC aims to serve as a platform for investment knowledge in order to contribute to the growth and development of the risk capital ecosystem in Japan. JIC will contribute to the promotion of ESG investment in the private equity industry in Japan, including portfolio and potential portfolio funds, by conducting its operations in accordance with the Principles for Responsible Investment (PRI).
7. To contribute to the development of ESG investment, JIC will be actively involved in related initiatives and will work to enhance the sophistication of its ESG-related activities.
8. At JIC, the President and CEO ("CEO") is responsible for the overall promotion of ESG investment and reports to the Board of Directors matters relating to the formulation of ESG policies, implementation based on these policies, and the status of initiatives. A Managing Director for ESG, appointed by the CEO, will assist the CEO in promoting ESG investments.
9. JIC will work to increase employees' motivation and understanding of ESG investment by providing regular training on the meaning of ESG investment initiatives and by highlighting key case studies.
10. In accordance with the ESG policy, JIC will incorporate ESG perspectives in fund investment activities as follows
  - ① Due diligence  
JIC incorporates an ESG perspective into its due diligence and conducts interviews regarding the ESG policies and management systems of GPs, in addition to financial information on candidate funds, their GPs, and the companies in which the GPs have invested.
  - ② Monitoring  
In monitoring investee funds, JIC, upon receiving regular reports from investee funds on the status of their activities, shall, in addition to receiving reports on ESG-related

initiatives, communicate closely with GPs in the event of incidents involving ESG-related matters, confirm the facts, and take appropriate actions according to the risks.

11. JIC will report to the Board of Directors on the status of its initiatives based on the ESG policy and will disclose such information to the extent possible.
12. JIC's ESG policy will be reviewed as necessary in light of domestic and international circumstances surrounding ESG issues, changes in social perceptions, and other factors.

### **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 (070-3960-3640), Nonomiya (080-1339-5207)

Tokyo Toranomom Global Square 9F,

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