



JIC makes LP investment in KII3, LPS

- Utilizing promising technology seeds in academia
- Driving the creation of new businesses in deep tech for Society 5.0
- Promoting risk capital procurement from institutional investors

Tokyo, October 31, 2023 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY3 billion in KII3, LPS (“KII3”) managed by Keio Innovation Initiative, Inc. (“KII”).

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 KII3

(1) JIC investment criteria

JIC’s investment criteria* identifies “Driving the creation of new businesses for Society 5.0” as one of its focus areas. The social implementation of Fourth Industrial Revolution technologies— such as AI, IoT and robotics, as well as biotechnology, drug discovery, healthcare, mobility, space, materials, electronic devices and other areas that might become internationally competitive—need a long-term and large-scale supply of risk capital.

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

(2) Current status of investment market

In supporting startups engaged in deep tech, it is necessary to support the creation of startups originating from academia that aim to commercialize the results of scientific research and innovative technology development at universities and other institutions. Although this has been driving the establishment of funds supporting industry-academia collaboration, the supply of risk capital to startups from academia in Japan remains limited.

(3) About KII3

KII is Keio University’s venture capital, and since launching its first fund it has consistently supported deep tech startups from academia in the medical/health arena, including healthcare and drug discovery, and in digital technology, including AI, robotics, space, and clean tech. KII

has one of the strongest track records in Japan for deep tech. KII3 also has a policy of focusing on supporting deep tech startups from academia, mainly in the seed/early stages. KII3 plans to make impact investments by establishing an investment and monitoring system for startups aimed at addressing social issue.

JIC expects that the LP investment in KII3 will lead to enhanced follow-on investment that will promote further growth, not only through the discovery and commercialization of promising technology seeds originating from academia in collaboration with universities and research institutions, but also by meeting the demand for funds for business expansion, including mass production and overseas expansion. It is also expected to provide growth opportunities for domestic deep tech startups that utilize technology seeds originating from academia, which tend to lack private investment funds, and lead to the creation of new businesses in deep tech for Society 5.0. JIC will support KII3 in developing its ability to respond to the needs of institutional investors to increase the supply of risk capital raised from these investors as well as offer risk capital.

Overview of KII3

Name:	KII3, LPS
Established:	2023
Duration:	10 years (with a possible extension of 2 years)
GP:	Keio Innovation Initiative3, LLP

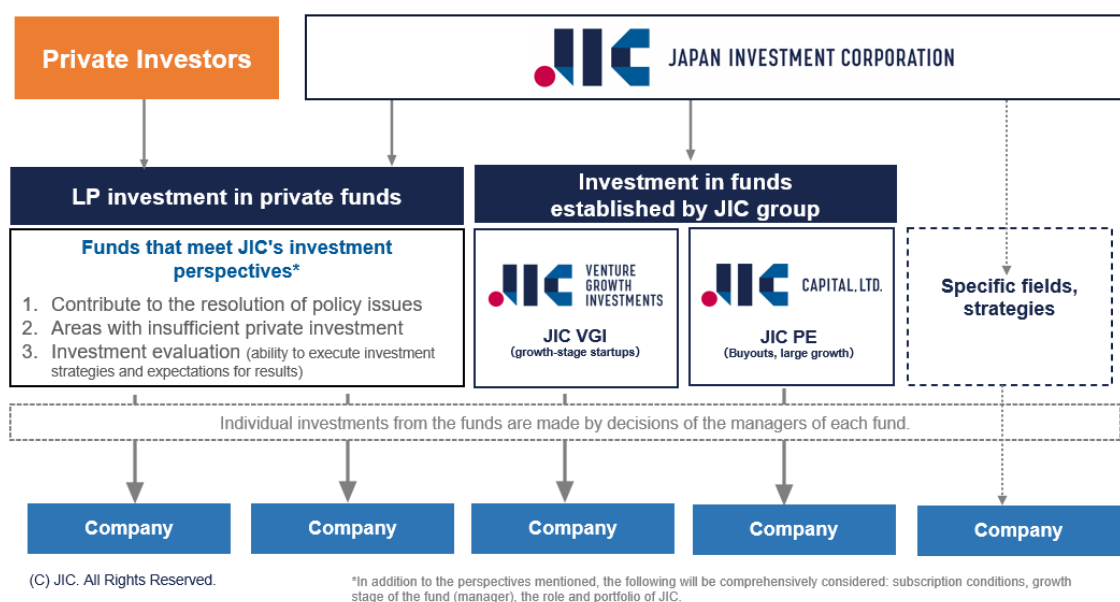
Overview of management company

Name:	Keio Innovation Initiative, Inc.
Established:	2015
Address:	Minato-ku, Tokyo
Representative:	Kotaro Yamagishi

(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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