

JIC Press Conference

December 20, 2023

Japan Investment Corporation

JIC

- Japan Investment Corporation is an investment company established in September 2018 under the Industrial Competitiveness Enhancement Act. Its primary aim is to contribute to the realization of policy objectives by strengthening industrial competitiveness through open innovation and expanding private sector investment.
- JIC provides risk capital for strategic areas through LP investments in funds under JIC's umbrella and in private funds.

JIC Group



INCJ, Ltd. (Established: September 2018)

Established via company split from Innovation Network Corporation of Japan. Transcending industrial and organizational barriers, INCJ, Ltd. engages in investment activities aimed at fostering and creating next-generation national wealth industries through open innovation.



JIC Venture Growth Investments Co., Ltd. (Established: July 2020)

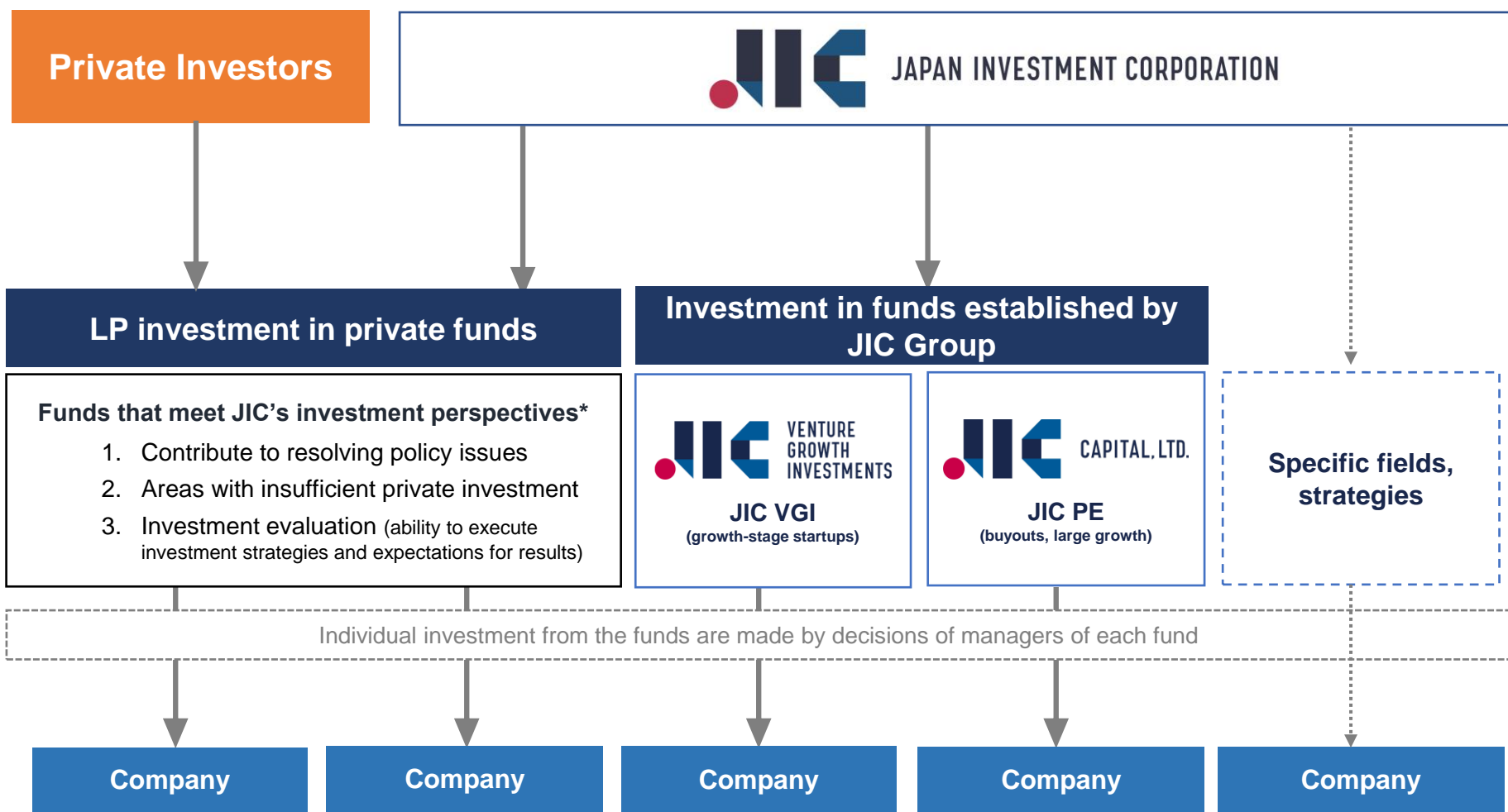
JIC Venture Growth Investments Co., Ltd. helps to improve Japan's international competitiveness by promoting innovation that helps resolve social and industrial issues in Japan.



JIC Capital, Ltd. (Established: September 2020)

JIC Capital, Ltd. provides risk capital for the creation of new industries to realize Society 5.0, the promotion of business restructuring to strengthen international competitiveness, and the construction of next-generation social infrastructure and digital transformation (DX).

- In principle, JIC invests in funds, while JIC VGI and JIC Capital, which are under JIC umbrella, invest in companies.



*In addition to the perspectives mentioned, comprehensive consideration will also be given to the subscription conditions, growth stage of the fund (manager), and JIC's role and portfolio.

Status of JIC Fund Investment Commitments (as of December 20, 2023)

- A management structure was initiated in December 2019, and subsequent to intensive system development and organizational restructuring, investment activity is now in full swing. JIC's investment commitments to private funds and funds managed by its subsidiaries, JIC VGI and JIC Capital, are as follows:



Private VC · PE Fund



Funds: 34
Total commitments: JPY168.9 billion

VG1: JPY120 billion (Sep. 2020)
VG2: JPY200 billion (Jan. 2023)
Opportunity Fund:
JPY40 billion (Sep.2023)

PEF1: JPY200 billion (11/2020)
PFEJ1*: JPY900 billion
(The amount of commitment changed:
Oct. 2022)

*The amount of co-investment fund has been increased in response to the number of large-scale deals which has been in increasing trend after the fund was established in 2020, and because JIC could be active when the policy-relevant deal is included.

Strategy	Region	No. of Funds	Pledged Amount
VC	Domestic	23	JPY79.3 billion
	Overseas	9 (*)	JPY55.6 billion
PE	Domestic	2	JPY34.0 billion

* Invests in foreign startups, considering policy objectives from the following perspectives:

- (converted using the exchange rate for Nov. 30, 2023)
- ✓ Promote open innovation among domestic companies
- ✓ Leverage overseas ecosystems to commercialize Japanese drug discovery seeds
- ✓ Strengthen collaboration between domestic VCs/startups and overseas VCs

VC, Startup

- In light of the government's five-year startup development plan, JIC will continue to offer intensive support for **Deep Tech, Life Science, Pre-Seed/Seed, Growth, and Go Global**.
 - ① **JIC VGI** has made investments in **64 projects** (as of Dec. 20, 2023). Consideration of investment has been ongoing in its second fund of JPY200 billion strengthening support for **Deep Tech/Life Science** in addition to the **Growth** and Opportunity Fund (OPF) of JPY40 billion with the strategy of **direct secondaries** and **growth funding for listed startups**. On Dec.15, 2023, OPF announced its first investment in a listed startup. One of the JIC VGI portfolio companies was listed today (Dec. 20, 2023), totaling four listed to date.
 - ② Be flexible in considering measures for **introducing and developing functions and players in the Japanese market that can create and foster startups on a global level**. This includes strengthening collaboration between overseas VCs and domestic VCs/startups through LP investments in overseas (ex. NEA, Vertex) in addition to support for growth of GPs through LP investments in domestic VCs.

PE

- To meet the needs of **creating new industries and transforming industrial structures in response to technological innovation and market changes (DX, GX, etc.)**, JIC will contribute to strengthening industrial competitiveness, **mainly through PE investments by JIC Capital in the Buyout / Large Growth investments**.
- JIC Capital has announced the following investments:
 - ① To strengthen competitiveness of manufacturer of automotive lithium-ion battery materials through business integration
 - ② To strengthen competitiveness of system supplier for CASE through growth investment
 - ③ To strengthen international competitiveness of semiconductor materials industry through privatization
 - ④ To strengthen competitiveness of advanced semiconductor packaging industry through privatizationIn addition to **executing** these four projects, JIC Capital will also **discuss on new projects**.

Full-Scale Promotion of DE&I

✓ Positioning DE&I as an important management strategy for the JIC Group

- Promoting the execution for realizing DE&I by explicitly positioning promotion of DE&I in the Code of Conduct, and added DE&I related item to the evaluation criteria for all executives and employees

✓ Establishing a group-wide structure to promote DE &I



DE&I Promotion Committee (Chair: JIC President & CEO)

- Discuss/decide initiatives, provide guidance for group-wide implementation, review progress

DE&I Promotion Team (Group Employees)

- Plan DE&I promotion initiatives
- Gather feedback from employees

Group Employees

- Implement initiatives to promote DE&I
- Encourage stakeholders in the industry

✓ Promoting DE&I organization management within the JIC Group

- Initiate DE&I-related institutional reforms, etc., within the Group
- Conduct DE&I-related training for executives and employees

Full-Scale Promotion of DE&I (cont'd)

- ✓ **Developing awareness and promoting communication regarding DE&I initiatives**
 - Continue to communicate messages about DE&I through posting related articles on JIC website and referring to the topic in the twice-yearly press conferences
- ✓ **Leveraging JIC network to share information and encourage industry-wide change**
 - Involvement in organizations and external activities (AVCJ*, Private Equity & Venture Forum, etc.)
- ✓ **Encouraging VCs through the support**
 - Find out how foreign institutional investors evaluate VCs that promote DE&I
 - Request JIC-invested VCs to take into account DE&I perspectives in the hiring of capitalists and other members and to provide status updates of their DE&I initiatives
 - Consider VCs who actively promote DE&I as candidates for JIC investment

* AVCJ: Asian Venture Capital Journal

About JIC Group

- Given that the government has indicated **an intention to extend the operational period to 2050**, JIC will also **consider the organization and activities of the JIC Group as a whole** from a medium- to long-term perspective. JIC's **ESG initiatives (PRI* signatory)**, **DE&I promotion**, and other activities are laying the foundation for medium- to long-term activities.

* PRI (Principles for Responsible Investment) : United Nations-supported investment principles for institutional investors that include incorporating environmental, social, and governance perspectives into investments.