



## **JIC makes LP investment in MPI-3 Investment Limited Partnership**

- Supporting innovative medical device development startups from Japan
- Strengthening the international competitiveness of Japan's medical device industry
- Developing a domestic medical device ecosystem

**Tokyo, April 19, 2024** – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY3 billion in MPI-3 Investment Limited Partnership (“MPI-3”), which is managed by MedVenture Capital Management, Inc. (“MedVenture”), a venture capital firm specializing in medical devices.

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 MPI-3**

#### **(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**

To create discontinuous innovation for the realization of Society 5.0, it is critically important to support startups in life science fields such as biotechnology, drug discovery, and medical devices, which require a long-term and large-scale supply of risk capital from the research and development stage through to market launch. The global medical device market is expected to expand, and the United States, which leads this sector, benefits from an established ecosystem for nurturing startups. Under the US circular business model, startups are responsible for medical device development and clinical trials, and when valid clinical data is obtained, the business is sold to a medical device-related company, and the exiting entrepreneurs either set up another business or invest in and support startups in the same field. In Japan, on the other hand, the number of startups focusing on medical device development is extremely small, open innovation in this field is not sufficiently widespread, and

private capital for investment in startups developing medical devices continues to be inadequate. As a result, although promising new ideas capable of addressing clinical needs do exist in Japan, they have not been commercialized, impacting the competitiveness of Japan's medical device industry.

### **(3) About MPI-3**

MedVenture's mission is to create Japan-based startups developing cutting-edge medical devices for use in Japan and overseas, with the aim of building a medical device ecosystem in Japan similar to that in the US, especially in Silicon Valley. MedVenture plans to incubate based on the needs of the medical field and then exit through M&A to medical device-related companies. In addition, MedVenture seeks to contribute to the development of the medical device ecosystem in Japan by promoting open innovation through activities such as providing domestic medical device-related companies with M&A opportunities related to overseas startups, keeping them informed about the latest industry trends, and engaging in educational and awareness-raising activities that include producing human resources for medical device-related industries and fostering the entrepreneurial mindset of domestic medical device-related companies.

Through the LP investment in MPI-3, JIC expects to expand the supply of risk capital to the medical device sector, where private investment capital is inadequate, and to accelerate the creation of Japanese startups developing innovative medical devices. In addition, JIC anticipates that M&A and business alliances among MPI-3 portfolio startups will lead to the development of Japan's medical device ecosystem and strengthen the international competitiveness of the Japanese medical device industry. Finally, by supporting governance and system development, JIC hopes to promote the sustainable growth of MedVenture, a rare VC specializing in medical device investment, leading to further development of the medical device ecosystem in Japan.

#### Overview of MPI-3

|              |   |
|--------------|---|
| Name:        | MPI-3 Investment Limited Partnership            |
| Established: | 2024  |
| Duration:    | 10 years (with a possible extension of 2 years) |
| GP:          | MedVenture3 Limited Liability Partnership       |

#### Overview of management company

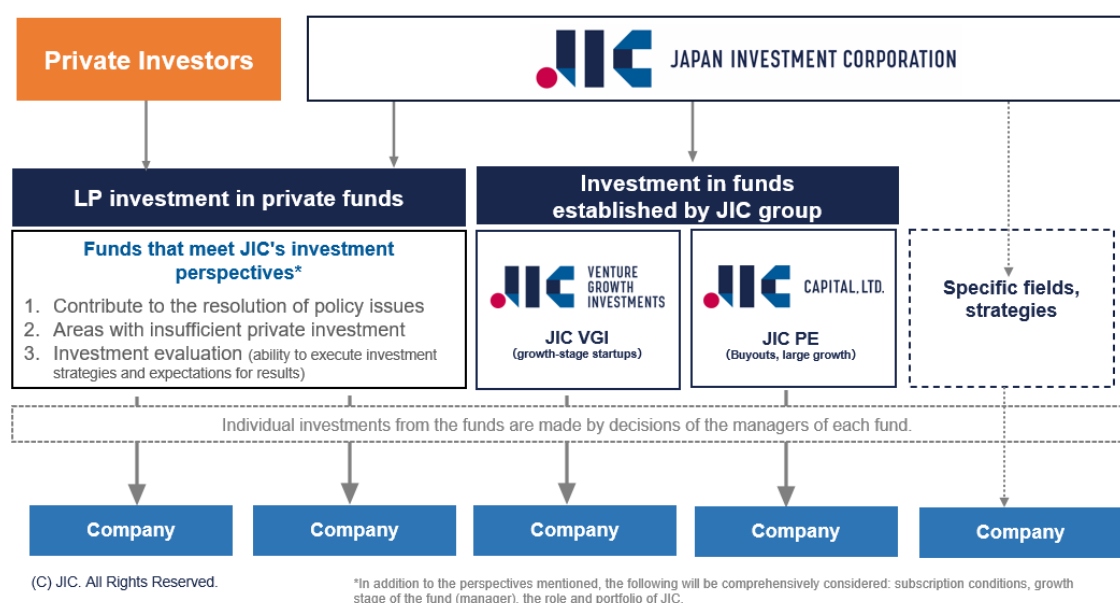
|                 |                                     |
|-----------------|-------------------------------------|
| Name:           | MedVenture Capital Management, Inc. |
| Established:    | 2023                                |
| Address:        | Chuo-ku, Tokyo                      |
| Representative: | Hajime Oshita                       |

(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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