



JIC makes LP investment in Spiral Capital Japan Fund III

- Driving the creation of new businesses in the field of deep tech for Society 5.0
- Promoting open innovation transcending the boundaries of traditional industries and organizations
- Promoting risk capital procurement from institutional investors

Tokyo, April 26, 2024 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY3 billion in Spiral Capital Japan Fund III (“SCJ3”), which is managed by Spiral Capital (“Spiral Capital”) and invests primarily in early-stage deep tech, fintech, healthcare, smart infrastructure, AI, and other sectors.

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 SCJ3

(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

Regarding R&D and innovation in Japan, it has been pointed out that a high percentage of companies focus on incremental innovation, and that R&D in pursuit of discontinuous innovation is limited. From the perspective of creating discontinuous innovation for the realization of Society 5.0, support for startups working on deep tech is extremely important given its potentially significant contribution to resolving social issues and its need for long-term, large-scale supply of risk capital from the research and development stage through to commercialization.

Furthermore, domestic R&D and innovation tends to be self-focused, with insufficient collaboration with external organizations/institutions, including startups. To respond quickly to rapid changes in industrial structure and international competition, and to create businesses that contribute to resolving social issues, domestic companies and others will be expected to break away from their self-focused approach and engage in open innovation.

(3) About SCJ3

As part of its ongoing efforts to foster Japanese unicorns, Spiral Capital has a policy of investing in deep tech; it plans to allocate approximately 30% of its investment in SCJ3 to this domain. JIC expects that the LP investment in SCJ3 will provide risk capital to deep-tech startups and promote the creation of new businesses and industries in this area toward the realization of Society 5.0.

Through SCJ3, Spiral Capital plans to support partnerships between its portfolio companies and domestic companies, utilizing its extensive network and database of large companies. JIC expects that the LP investment in SCJ3 will promote open innovation and the creation of new businesses through collaboration between domestic companies and portfolio company startups.

In addition, JIC intends to promote fundraising from institutional investors by providing SCJ3 with risk capital as well as support for the development of its structure.

Overview of SCJ3

Name:	Spiral Capital Japan Fund III
Established:	2024
Duration:	10 years (with a possible extension of 2 years)
GP:	Spiral Capital LLP

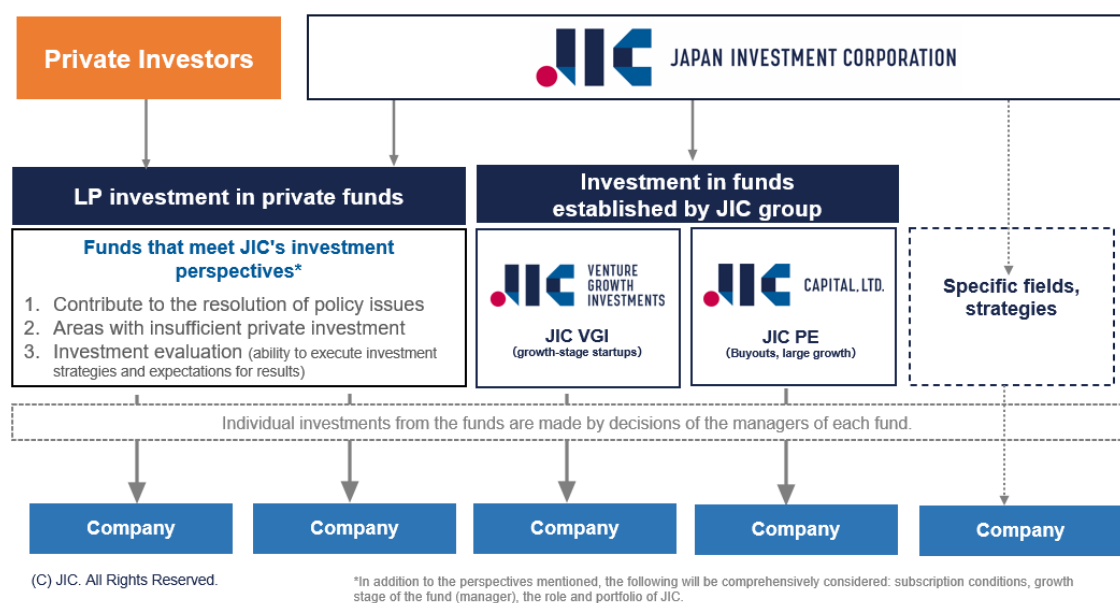
Overview of management company

Name:	Spiral Capital
Established:	2017
Address:	Minato-ku, Tokyo
Representative:	Tomokazu Okuno

(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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