



JIC makes LP investment in Headline Asia V, L.P.

- Creating global unicorns from Japan with support from global VC firms
- Promoting open innovation between startups in Asia and Japanese companies
- Promoting the creation of new businesses toward Society 5.0

Tokyo, May 16, 2024 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of USD27 million in Headline Asia V, L.P. (“Headline Asia V”), a VC fund managed by global VC firm IVP Advisory Co. (“IVP”). Headline Asia V invests in the Asian region with a focus on Japan. The fund supports startups in Japan by leveraging the global network of the Headline Group, a global VC firm that operates fund series in four regions (North America, South America, Europe, and Asia).

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 Headline Asia V

(1) JIC investment criteria

JIC’s investment criteria* identifies “Driving the creation of new businesses for Society 5.0” and “Creating unicorn startups” as two of its focus areas. Specifically, JIC believes that it is necessary to provide long-term, large-scale risk capital for social implementation of technologies related to the Fourth Industrial Revolution, such as AI, IoT, and robotics, as well as business fields that can be globally competitive, such as biotechnology, drug discovery, healthcare, mobility, space, materials, and electronic devices, while supporting the creation of unicorn startups with a competitive edge seeking sustainable growth on a global level.

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

(2) Current status of investment market

Against the backdrop of the declining birthrate and aging population, the size of the Japanese domestic market is shrinking relative to the global market, and while expanding into the global market is important for many startups, they will have to deal with a variety of challenges, including different regulations, business practices, cultures, and languages in each country or region. For this reason, it is desirable that promising startups seeking to grow into global unicorns receive early stage support from globally active VCs with experience and knowledge regarding development of products, services, and business models for overseas markets,

adoption of capital policies that align with global standards, organizational structures, and investment contract terms and conditions, among others.

In the Asian region, there are also areas where digitalization is taking place at a faster pace than in developed countries due to the absence of mature existing industries; these include the elimination of inefficient multi-structured transactions in commercial distribution and supply chains through digital technology, and the emergence of digital platforms centered on mega-ventures. Japanese companies are expected to seize these opportunities, utilizing the advanced digital technologies and business models of Asian startups in sectors where they can be internationally competitive to create new businesses for Society 5.0. To this end, it is important for Japanese companies to build partnerships with promising digital startups and promote open innovation.

(3) About Headline Asia V

Headline Asia V is strengthening its global ties with the Headline Group, a global VC firm that operates fund series in four regions (North America, South America, Europe, and Asia) and is building a platform capable of providing ongoing support to startups. JIC anticipates that the LP investment in Headline Asia V will provide risk capital to startups in Japan that are looking to expand overseas from an early stage.

Headline Asia V's strategy is to generate returns by connecting the ecosystems of Japan and other countries, and Headline Asia has a track record of forming business alliances between its overseas portfolio companies and Japanese companies. Through its LP investment in Headline Asia V, JIC plans to maintain and strengthen open innovation by pursuing business alliances and other partnerships between investee startups in Asia and Japanese companies.

In addition, Headline Asia V has a policy of investing in startups that can resolve social issues and create new industries through the use of innovative technology in the areas of Fintech, Entertainment & Media, eCommerce & Logistics, and AI. JIC expects the LP investment in Headline Asia V to provide risk capital for startups in AI and other fields, and to promote the creation of new businesses and new industries toward the realization of Society 5.0.

Overview of Headline Asia V

Name:	Headline Asia V, L.P.
Established:	2023
Duration:	10 years (with a possible extension of 2 years)
GP:	Headline Asia V (GP), Ltd.

Overview of management company

Name:	IVP Advisory Co. Ltd.
Established:	2008
Address:	Tokyo, Taipei
Representative:	Akio Tanaka, Joseph Huang

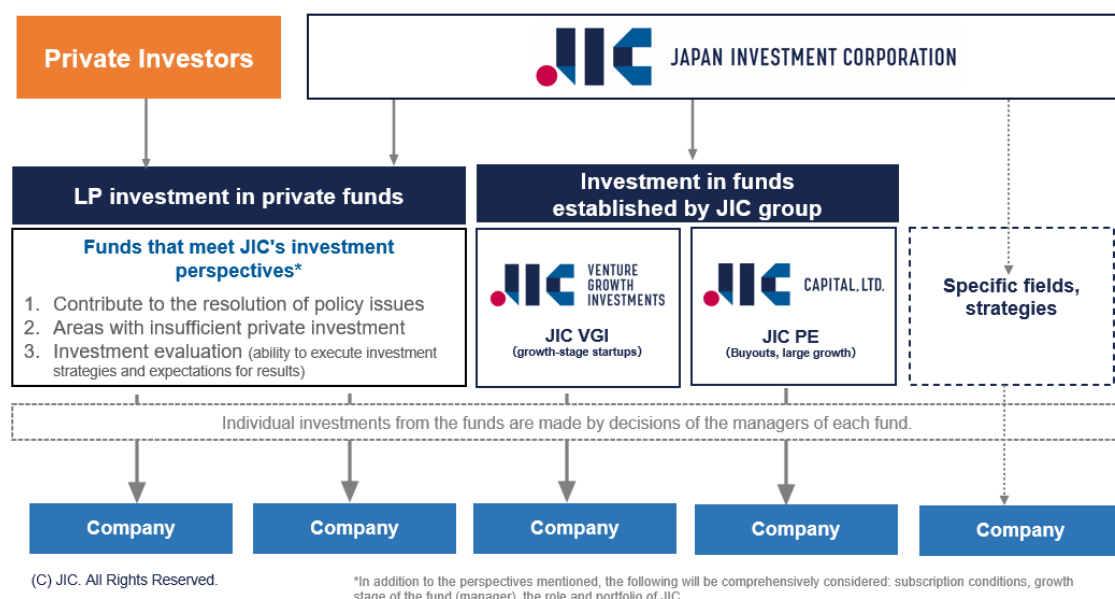
(For reference)

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/>

Press Contacts

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