



JIC makes LP investment in Abies Ventures Fund II Investment Limited Partnership

- Driving the creation of new businesses in the Deep Tech field for Society 5.0
- Supporting the global expansion of domestic startups to create unicorn startups
- Expanding fundraising from institutional investors

Tokyo, August 22, 2024 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment of JPY1.5 billion in Abies Ventures Fund II Investment Limited Partnership (“AVF II”), which is managed by Abies Ventures, Inc. (“Abies”), a venture capital firm that invests in deep-tech startups.

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 AVF II

(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 investment 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, as well as for the creation of unicorns—defined as privately held companies with an enterprise value of USD1 billion or more—that can grow their business sustainably with competitive global economic strength.

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

(2) Current status of investment market

To realize Society 5.0, it is critically important to support startups working on deep tech, a technology that has the potential to have a significant impact on solving social issues by leveraging discontinuous innovation based on physical technology that also makes use of digital technology and which requires a long-term and large-scale supply of capital from the research and development stage through to market launch. Due to 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 are required to deal with a variety of challenges including different regulations, business practices,

cultures and languages in each country or region, and it is desirable to receive support from a VC with a wealth of knowledge.

(3) About AVF II

Abies has accumulated expertise and know-how by identifying investment sectors in the four deep tech areas of 1) robotics/mobility, 2) advanced information processing/communication technology, 3) new materials/environmental technology, and 4) space. Abies plans to focus on deep tech investments in the same areas for AVF II. Through the investment in AVF II, JIC expects to contribute to the creation of new businesses and new industries for Society 5.0 by expanding the supply of risk capital in the deep tech sector where private capital is inadequate, and accelerating the implementation of deep tech in society.

Abies' strength lies in its ability to support the overseas business development of its investees and their fundraising from overseas investors by leveraging its global network of key members. JIC expects that its LP investment in AVF II will promote the global expansion of domestic deep-tech startups to create unicorn startups.

JIC also expects to expand fundraising from institutional investors and stimulate inflow of medium- to long-term risk capital for the deep tech sector by providing funding and management support for the fund managed by Abies which has competitive knowledge and a robust network in the deep tech field.

Overview of AVF II

Name:	Abies Ventures Fund II Investment Limited Partnership
Established:	2024
Duration:	10 years (with a possible extension of 2 years)
GP:	Abies Ventures GP II LLP

Overview of Abies

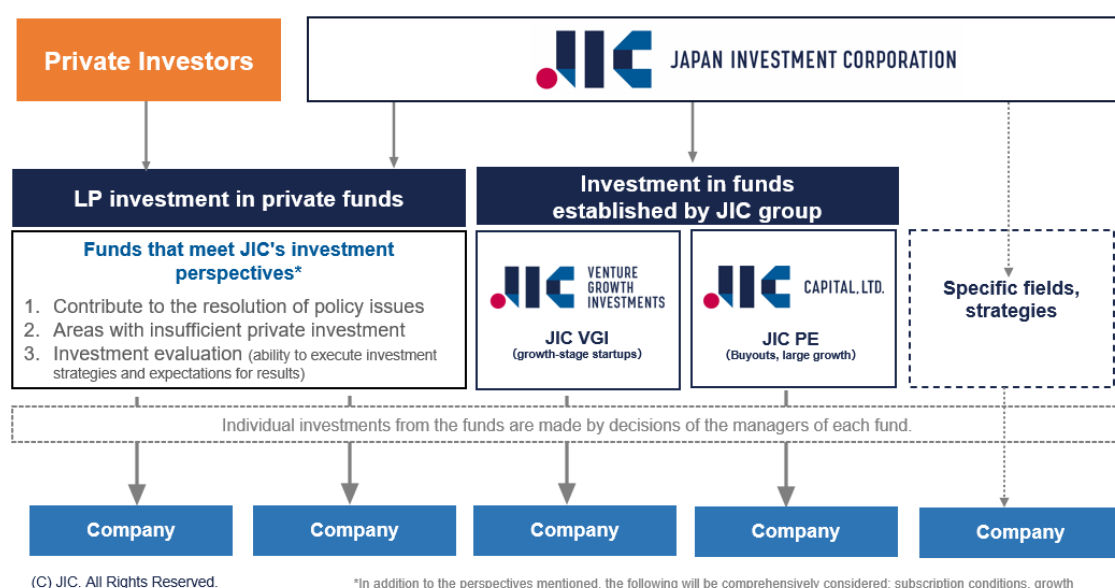
Name:	Abies Ventures, Inc.
Established:	2017
Address:	Tokyo
Representative:	Fuyuki Yamaguchi

(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.



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*In addition to the perspectives mentioned, the following will be comprehensively considered: subscription conditions, growth stage of the fund (manager), the role and portfolio of JIC.

(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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