



## **JIC establishes JIC Venture Growth Investments (JIC VGI)**

- Establish JIC VGI, the first authorized fund under JIC's new management structure
- Supply sufficient risk capital to growth-stage startups
- Build a foundation for the establishment of a virtuous cycle of risk capital through stimulating private sector investment and promoting industrial collaboration and open innovation

**Tokyo, July 8, 2020** – Japan Investment Corporation (“JIC”) has announced its decision to establish JIC Venture Growth Investments (“JIC VGI”), an authorized fund under JIC's umbrella, and today has filed an application to register the company.

JIC aims to generate a virtuous cycle of risk capital to support next-generation industries in Japan. To achieve this vision, JIC promotes open innovation as a means of supporting growth and enhancing the international competitiveness of Japanese businesses. JIC approaches these challenges by stimulating private sector investments in open innovation together with JIC's own investment while fostering investment professionals. JIC will establish funds under its umbrella and through investments in these funds, JIC intends to invest in strategic areas from the policy perspective. JIC VGI will be the first authorized fund under JIC's new management, and it will promptly begin investment activities once registration is complete.

Overview of JIC VGI:

### **1. Background of JIC VGI's establishment**

Although Japan's venture industry has achieved significant growth in the last 10 years, the supply of risk capital in Japan remains low compared to other countries. There is also the gap of the number of startups launched each year and the number of unicorn companies between Japan and other countries, which means that the further development of both risk capital provided and startup launched are essential in Japan. At the same time, the advancing of innovation by the public and private sector working together is expected to fulfill urgent needs to address accelerating changes in the competitive environment surrounding Japanese industry, as well as the issues stemming from structural changes in industry and society.

### **2. JIC VGI's mission**

JIC VGI's mission is to strengthen Japan's international competitiveness by driving innovation and to help address the industrial and social issues facing the country. In order to achieve its mission, JIC VGI has five objectives:

- I. Strengthen industrial competitiveness through ample risk capital supply to growth-stage startups based on the industrial policy and collaboration with private businesses.
- II. Help resolve social and industrial issues through accelerating innovation which is created by discovering and supporting new technologies and new businesses driving industrial transformation.

- III. Drive open innovation beyond the boundaries of existing industrial sectors, aiming to encourage social implementation of innovation and contribute to the development of a domestic innovation ecosystem.
- IV. Focus on deal sourcing, hands-on approach and value-up activities including industrial collaboration, leveraging the networks and catalytic functions unique to a public and private industry fund, to maximize investment returns.
- V. Through the above activities, identify and develop investment talent and contribute to establishing a base for deep and diverse risk capital supply in Japan

### **3. Outline of JIC VGI**

#### **1) Size of fund**

JIC agrees to invest JPY 120 billion as an LP for the fund established as JIC VGI (JIC Venture Growth Fund No.1 Investment Limited Partnership ("VGF1")).

#### **2) Overview of VGF1**

- Unlimited liability partner (GP):  
JIC Venture Growth Investments ("VGI")
- Limited liability partners (LP):  
Japan Investment Corporation ("JIC")  
VGFI Officer and Employee Investment Limited Partnership ("VGF1 OEILP")

\*JIC Venture Growth Investments (JIC VGI) is a collective term for VGF1, VGI, and VGF1 OEILP.

#### **3) Period of operation and investment horizon**

In principle, JIC VGI will operate for 12 years, and the investment period will be five years after its establishment.

#### **4) Investment areas**

JIC VGI identifies industrial areas where the supply of risk capital for growth-stage startups is insufficient and determine its targeted areas in order to create new industries in Japan. Priority investment areas are:

1. Telecommunications
2. Finance (FinTech, security technology, etc.)
3. Transportation and retail
4. Manufacturing industries
5. Service industries
6. Education, medical, and welfare services (nursing care, childcare, etc.)
7. Healthcare (ICT healthcare (hardware/software), testing equipment, etc.)
8. Health and medical industries (drug discovery, medical equipment, etc.)
9. Education (childcare/EdTech)
10. Construction and utilities
11. Materials chemistry
12. Primary industries (agriculture, food, etc.)
13. New industries (space, quantum, deep tech, etc.)
14. Other areas that contribute to strengthening Japanese industrial competitiveness
15. Other areas that contribute to addressing social issues in Japan

#### 4. JIC VGI's management structure

VGF1 is operated by VGI, which is the GP.

- Company name: JIC Venture Growth Investments
- Shareholder: JIC 100%
- Established: July 8, 2020 (assuming completion of registration)
- Business outline:
  - Management of VGF1 (startup investment, large-enterprise joint investment, overseas investment, etc.)
  - JIC collaborative activities (linkage to policies, on-site collaboration with startups, etc.)
  - Activities for building an innovation ecosystem (cooperation with large companies, private VCs, etc.)
  - Development of investment talent (Encouraging talent mobility in portfolio companies and private companies is included.)
- President and CEO, Member of the Board Hideki Yarimizu
- CIO, Member of the Board Tomohiro Tange
- Member of the Board Toshiyuki Kumura (JIC Member of the Board)
- Member of the Board Takuya Fukumoto (JIC Member of the Board)
- Auditor Shinichi Shirayama

##### Profile: Hideki Yarimizu

1991: Graduated Waseda University (BA in law)  
1991: Joined Mitsui Life Insurance Company Ltd.  
2000: Joined PwC Consulting LLC  
2002: Joined Aozora Bank, Ltd.  
2009: Joined INCJ, Ltd.

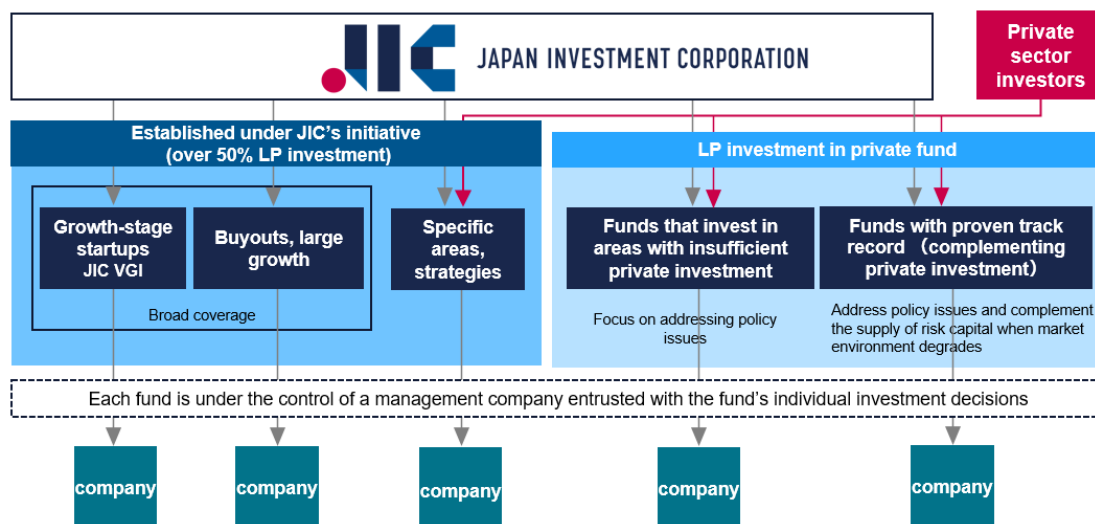
##### Profile: Tomohiro Tange

2005: Graduated University of Southern California  
2006: Joined Ernst & Young Transaction Advisory Services Co., Ltd.  
2010: Joined INCJ, Ltd.

JIC aims to generate a virtuous cycle of risk capital to support next-generation industries in Japan, as well as promotes open innovation as a means of supporting growth, creating new industries and enhancing the international competitiveness of Japanese businesses. JIC has been preparing for the establishment of a fund under its new management since last December. The foundation of JIC VGI will be the first big step for JIC. In addition to JIC VGI focusing on venture area, JIC will continue to prepare for the establishment of authorized funds to promote business consolidation and overseas investment.

(Reference) JIC's fund investment strategy

JIC invests in funds established under JIC's initiative and in private sector funds. JIC VGI is established under JIC's own initiative. JIC will continue to consider investments based on its funds' strategy and its principle of complementing the private sector.



### **About Japan Investment Corporation (JIC)**

Japan Investment Corporation ("JIC") was established in September, 2018. Amid the accelerated use of IoT, Big Data, AI, and other new information technologies globally, JIC aims to address the growing demand for risk capital for long-term, large-scale growth investments with a governance structure conducive to quick and flexible investment decision making.

URL: <https://www.j-ic.co.jp/en/>

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