



JIC makes LP Investment in IA Partners I

- Promote business restructuring that transcends industry and organizational boundaries in business fields that can be internationally competitive
 - Create private buyout funds that focus on carve-out and roll-up strategies* for manufacturing and other industries, as well as investment opportunities in line with these strategies.
 - Promote risk capital procurement from domestic and foreign institutional investors
- *Carve out businesses from multiple companies and integrate management resources to increase corporate value and reorganize industries through synergies

Tokyo, April 5, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in IA Partners I Investment Limited Partnership (“IAP I”) to invest primarily in carve-out and roll-up deals.

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 of 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.

About LP investment in IAP I

JIC makes LP investments in private funds based on its investment strategies, and has signed an LP investment agreement committing to invest JPY10 billion in IAP I.

1. Background

JIC’s investment criteria* place special emphasis on promoting bold business restructuring that transcends industry and organizational boundaries in business sectors that can be internationally competitive in order to respond to rapid changes in industrial structures and international competitive conditions.

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

For this purpose, large investments based on a carve-out / roll-up strategy by a large buyout fund would be effective. However, there are currently few private buyout funds in Japan that focus mainly on such a strategy.

2. IA Partners I Investment Limited Partnership (“IAP I”)

IAP I is an investment fund established by IA Partners, Inc. (IAP) as its management company. JIC expects to make investments that contribute to business restructuring across

industrial and organizational boundaries in areas that JIC has identified as business fields in which it can be internationally competitive. JIC expects IAP to grow into a private buyout fund capable of making large-scale investments that facilitate business restructuring that transcends industry and organizational boundaries through its LP investment in IAP I.

In addition, given the current lack of private buyout funds that focus on carve-out and roll-up strategies for manufacturing and other industries, JIC expects that the widespread recognition of this investment will lead to an increase in the number of private buyout funds with similar strategies and the creation of investment opportunities in line with these strategies.

Furthermore, to ensure that IAP is able to implement its investment strategy, JIC will help IAP increase its risk capital procurement from domestic and foreign institutional investors through its support for fund management as JIC expects to serve for stimulating private sector risk capital.

Overview of IA Partners I Investment Limited Partnership (“IAP I”)

Name : IA Partners I Investment Limited Partnership
Established : March 2022
Duration : 10 years
GP : IA Partners Limited Partnership

Overview of management company

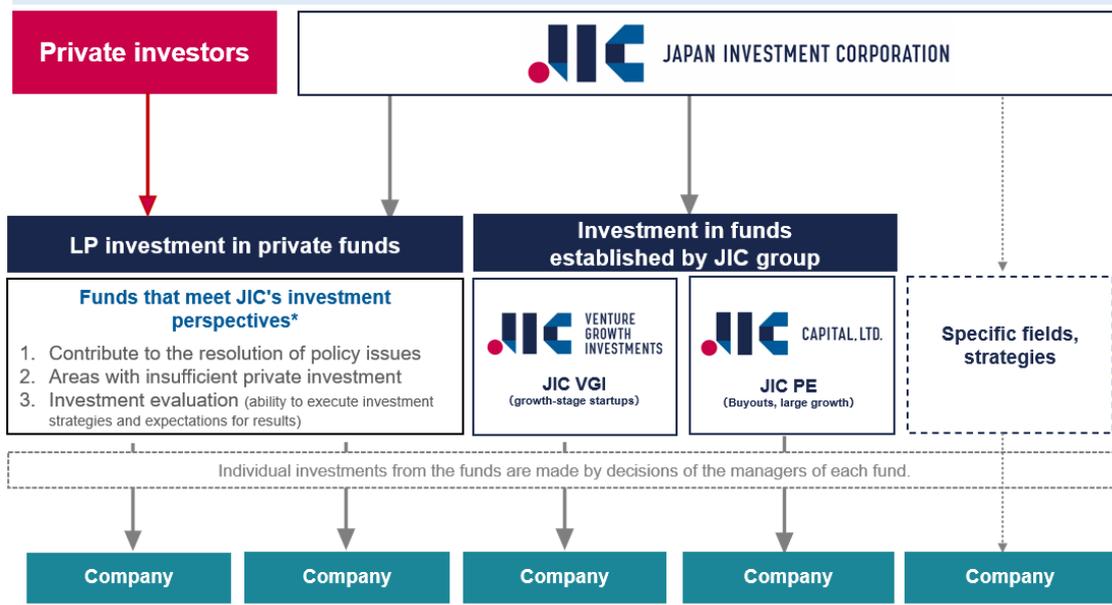
Name : IA Partners Inc.
Established : 2021
Location : Minato-ku, Tokyo
President & CEO : Hiroshi Murakami

(For reference)
JIC's fund investment strategy

JIC's Investment Strategy



• JIC provides risk capital through fund investments to promote open innovation for accelerating growth and enhancing international competitiveness of businesses, based on JIC's corporate philosophy in consideration with its role for complementing the private sector finance.



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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/>

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