



JIC makes LP Investment in QB II Investment Limited Partnership

- Actively supporting the development of promising untapped regional technologies
- Providing risk capital to support new business creation in order to achieve Society 5.0
- Strengthening venture ecosystems surrounding local university startups

Tokyo, April 15, 2022 – Japan Investment Corporation (“JIC”) has announced its decision to make an LP investment in QB II Investment Limited Partnership (“QB II Fund”), which is jointly managed by QB Capital, LLC and NCB Venture Capital Co., Ltd. and is actively working to discover and support the development of untapped technology seeds in regional areas.

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 QB II Fund

JIC makes LP investments in private funds based on its investment strategies, and has signed an LP investment agreement committing to invest JPY 2.5 billion in QB II Fund.

1. Background

JIC's investment criteria* states that to respond to rapid changes in industrial structure and international competitive conditions, it is important to innovate industrial activities through the incorporation of management resources from outside and supporting their effective utilization. In addition to supporting strategic investments by companies aiming for growth from an international perspective, it has positioned the creation of a virtuous cycle of risk capital as an important policy issue.

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

The JIC investment criteria also identifies the "leveraging promising untapped regional technologies" as one of its priority investment areas. Specifically, local university-launched startups are developing technologies that can be expected to generate significant profits when commercialized but have not yet had sufficient opportunities to grow as a business, lacking the necessary supply of risk capital to meet their capital needs.

Furthermore, JIC has identified the promotion of new businesses to achieve Society 5.0 as a priority area for investment. In particular, it has identified 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 and where a long-term and large-scale supply of risk capital is needed.

2. About QB II Fund

QB II Fund is a venture fund, established and jointly managed by QB Capital, LLC (“QB Capital”) and NCB Venture Capital Co., Ltd., and actively engaged in discovering untapped technology seeds in regional areas and providing investment and hands-on support from seed and early stages.

QB Capital has a strong track record of discovering dormant technology seeds in regional areas by building relationships and strengthening ties with local universities primarily in Kyushu, such as Kyushu University. The fund also has significant experience in providing hands-on support to academia real-tech startups in rapidly changing industries that have high growth potential, particularly in Kyushu, such as the development of next-generation OLED light-emitting materials and meat substitutes (plant meat).

QB II Fund will continue to actively invest in university-launched startups in Kyushu and other regional areas in Japan in order to foster innovation.

JIC expects that the LP investment in QB II Fund will promote the supply of risk capital to university-based and R&D startups in Kyushu and other regions, as well as to sectors that will contribute to the creation of new businesses to achieve Society 5.0. Furthermore, by successfully launching local university startups through investment from the fund, JIC aims to attract interest and investment from a wider range of investors, thereby strengthening venture ecosystems surrounding startups from local universities in the Kyushu region and beyond.

Overview of QB II Fund

Name : QB II Investment Limited Partnership
Established : April 2021
Duration : 10 years
GP : QB II Partners Limited Partnership / NCB Venture Capital Co., Ltd.

Overview of management company

Name : QB Capital, LLC
Established : April 2015
Located : Fukuoka-shi, Fukuoka
Representative : Sakamoto Tsuyoshi, Hondo Takashi

Name : NCB Venture Capital Co., Ltd.
Established : May 2020
Located : Fukuoka-shi, Fukuoka
Representative : Inoue Issei

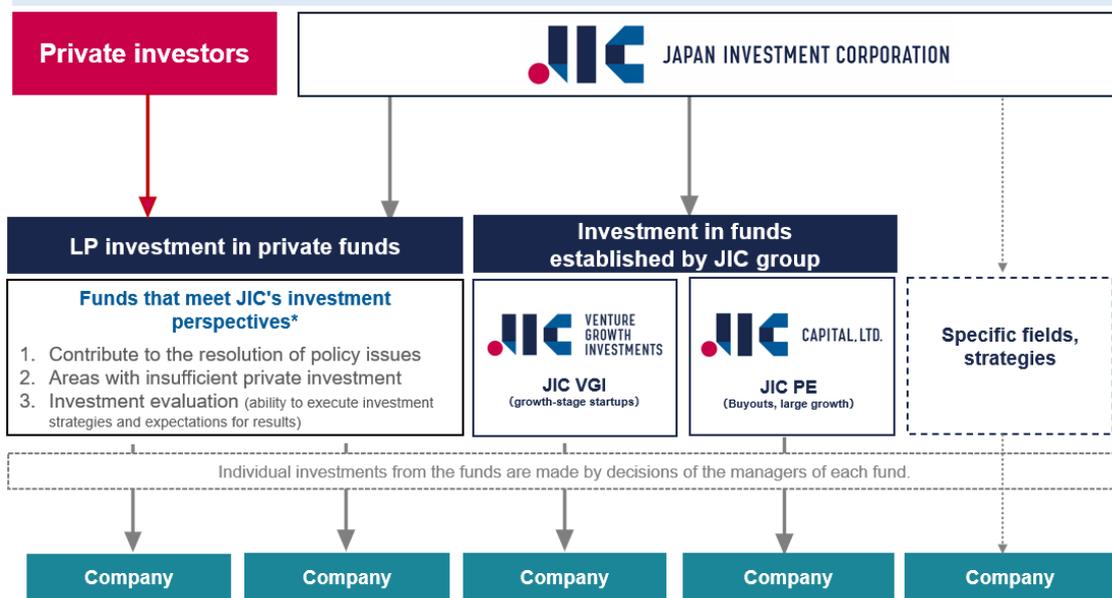
(For reference)

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

- 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.
- Create diverse investment teams, professionals, and strategies to support a virtuous cycle of risk capital
 - 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.
 - 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.
 - 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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