



JIC establishes JIC Capital, Ltd.

- Creates new industries to realize Society 5.0 and promotes business consolidation to enhance international competitiveness
- Supplies risk capital to establish next-generation social infrastructure for promoting digital transformation
- Nurtures the development of investment professionals to deliver JIC PE's mission

Tokyo, September 9, 2020 – Japan Investment Corporation (“JIC”) has announced its decision to establish JIC Private Equity (“JIC PE”), an authorized fund under JIC’s umbrella, and today has filed an application to register JIC PE’s fund management company JIC Capital, Ltd.

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 international competitiveness of businesses. JIC approaches these challenges by stimulating private sector investments in open innovation together with JIC’s own investment while fostering the development of investment professionals.

JIC establishes funds under its umbrella and through these funds invests in sectors that meet policy objectives. JIC PE is an authorized fund that will focus on “investments in emerging sectors” that lead to the creation of new industries, and “investments in maturing sectors” for large-scale business consolidation. It will promptly begin investment activities once registration is complete.

Overview of JIC PE:

1. Background of JIC PE’s establishment

While there are numerous private equity funds that focus on Japanese companies, the supply of risk capital towards enhancing industrial competitiveness in Japan remains limited from the medium-to long-term and industry policy perspective. In this context, investments in both “emerging sectors” that lead to the creation of new industries, and “maturing sectors” for large-scale business consolidation are essential across all industries.

However, investments in “emerging sectors” in Japan face high psychological barriers, which stem from the need to secure large amounts of capital and to enter a different industry. Investments in “maturing sectors” face risk and financing related hurdles that are associated with large-scale acquisitions. In order to resolve these structural issues, a supply of large-scale, medium- to long-term risk capital that complements investments from private companies and financial institutions is indispensable.

Risk capital is also needed to promote digital transformation (DX), to realize a sustainable society, and to capture overseas markets, responding to challenges common across industries, such as changes in the competitive market environment and social issues.

2. JIC PE's mission

JIC PE aims to achieve both a financial return and policy objectives of creating new businesses and new industries to realize Society 5.0, enhancing the international competitiveness of Japanese industries, and structural reform of industries through the supply of large-scale, long-term, neutral capital. In addition, JIC PE will strive to nurture the development of a new generation of investment professionals to manage these activities.

3. Outline of JIC PE

1) Fund size

JIC will make a JPY 200 billion LP investment in the fund established as JIC PE (JIC PEF1 Limited Partnership ("PEF1")).

In addition, JIC PEFJ1 Limited Partnership ("PEFJ1") will be established for joint investments with JIC, as engaging in large-scale industry reorganization to strengthen international competitiveness is expected to result in larger deal sizes. JIC commits to a JPY 200 billion LP investment into PEFJ1.

2) Overview of PEF1

- General Partner (GP):
JIC Capital, Ltd. (JIC Capital)

- Limited Partners (LP):
Japan Investment Corporation (JIC)
PEF1 Officers and Employees Investment Limited Partnership ("PEF1 OEILP")

*JIC Private Equity (JIC PE) is a collective term for JIC Capital, PEF1, PEFJ1, and PEF1 OEILP.

3) Term and investment period

In principle, the fund's term is 10 years, and the investment period is 5 years from its establishment.

4) Investment strategy

Aim to make investments that have social impact, such as creating new businesses and industries to realize Society 5.0 and consolidating and strengthening the international competitiveness of Japanese industries.

1. Buyout investment

Seek to reform industrial structures and strengthen international competitiveness through integration and consolidation of domestic and overseas companies.

2. Growth investment

Strive to create Japanese global leaders and enhance international competitiveness by investing in high-growth companies in Japan and overseas.

3. Investment in next-generation social infrastructure

Make investments to build new social infrastructure such as communications and renewable energy, where risk capital is insufficient.

4. JIC PE's management structure

PEF1 is operated by the GP, JIC Capital.

- Company name: JIC Capital, Ltd.
- Shareholder: JIC 100%
- Established: September 9, 2020 (assuming completion of registration)
- Business outline:
 - Management of PEF1 (buyout investments, growth investments, etc.)
 - Monitoring portfolio companies (value-add through PMI activities, promoting alliance between companies, etc.)
 - Nurture investment professionals, including management of portfolio companies

- Representative Director, President, and CEO Shogo Ikeuchi
- Member of the Board Toshiyuki Kumura (JIC Member of the Board)
- Member of the Board Takuya Fukumoto (JIC Member of the Board)
- Member of the Board Shinichiro Suzuki

Profile: Shogo Ikeuchi

Graduated from Kyoto University Graduate School of Engineering
1988: Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
2005: (as above) Corporate Executive Officer in charge of Corporate Planning and Corporate Strategy
2012: (as above) Board Director and Corporate Executive Officer
2013: (as above) Board Director and Managing Corporate Executive Officer
2016: (as above) Board Director and Senior Executive Officer
2020: (as above) Advisor (current position)

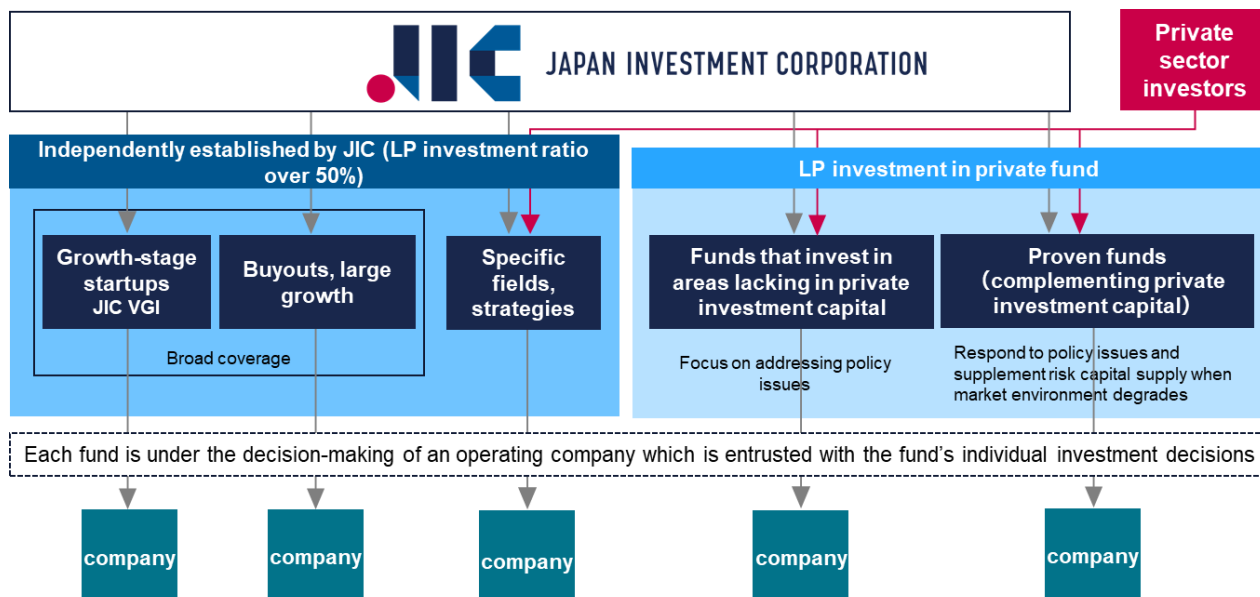
Other positions and memberships:

Outside Director, Sony Financial Holdings Inc.
Outside Director, AnyMind Group
Member, Cabinet Office Structural Reform Evaluation Report Task Force
Member, Ministry of Economy, Trade and Industry HR Management Study Group for Strengthening Management Competitiveness, etc.

JIC was established with the aim of creating a virtuous cycle of risk capital to support next-generation industries by providing funding to help companies grow through open innovation while creating industries and strengthening competitiveness. JIC put in place a new management structure in December 2019, and in July 2020 established JIC Venture Growth Investments (JIC VGI) to invest in ventures and growth areas. Now, with the establishment

of JIC PE targeting large-scale growth and buyout investments, these two funds established under JIC's initiatives will begin full-scale operations.

(Reference) JIC's investment strategy



About Japan Investment Corporation (JIC)

Japan Investment Corporation (“JIC”) was established on September 25, 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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