

INCJ sells holding in Universal Materials Incubator Co., Ltd.

Tokyo, May 25, 2022 — The Innovation Network Corporation of Japan (“INCJ”) has announced that it has completed the transfer of its entire shareholding in Universal Materials Incubator Co., Ltd. (“UMI”) to UMI.

UMI manages venture capital funds specializing in materials and chemicals, and INCJ has also made an LP investment in UMI Fund #1 Investment Limited Partnership, which is formed and managed by UMI, and will continue the LP investment to the fund.

About Universal Materials Incubator Co., Ltd.

Established : October 2015
Headquarters : Chuo-ku, Tokyo
Representative : Shosuke Kiba, Managing Partner
Business outline : Management of venture capital funds specializing in materials and chemicals
URL : <https://www.umi.co.jp/en/>

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in “Value Up” initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

Appendix

About Universal Materials Incubator Co., Ltd.

Established : October 2015
Headquarters : Chuo-ku, Tokyo
Representative : Shosuke Kiba, Managing Partner
Business outline : Management of venture capital funds specializing in materials and chemicals
URL : <https://www.umi.co.jp/en/>

Overview of investment

- Announcement date : January 4, 2016
- Authorized investment : JPY20 million (maximum)
- Amount invested : JPY16 million

- Press releases :

Universal Materials Incubator Co., Ltd.: INCJ to establish a venture capital with the aim of building a platform for new business creation in the materials and chemical industries, and make a strategic LP investment in a fund managed by the company

<https://www.incj.co.jp/newsroom/2016/20160104.html> (only Japanese)

1. Background of investment

Japan's materials and chemical industries have supported the development of other industries through innovation in their materials technologies. However, the relatively long research periods and lack of talents with specialized knowledge made it difficult to establish investment funds specializing in the materials and chemical area. As a result, promising seed technologies in universities and companies often remained unutilized.

Responding to these issues, UMI was established in October 2015 as a fund management company specializing in the materials and chemical industries, and INCJ invested in UMI, the management company and also made an LP investment in its first fund, supporting UMI since its establishment.

2. Business progress

In addition to dispatching outside directors, INCJ provided support to UMI in formulating the fund concept and investment strategy through the participation of its in-house materials and chemicals team, and UMI established its first fund in January 2016. UMI has been raising capital from a wide range of companies in the materials and chemical industry sectors, and has formed an investment team with specialized expertise, and has steadily accumulated a track record of investments. In April 2019, UMI also formed its second fund, which focuses on investments from

operating companies, thereby solidifying its position as an investment fund specializing in the materials and chemicals industries in Japan.

3. Reason for exit

Six years after the GP investment in UMI, INCJ was considering transferring its shareholding in the company, and received a proposal from UMI to purchase them as treasury stock. INCJ decided that it had fulfilled its initial role as lead investor and decided to transfer its entire shareholding in UMI to the company.

Press Contacts

Japan Investment Corporation

Corporate Planning, Communications Group: Irie, Okumura, Nonomiya

Tokyo Toranomon Global Square 9F,

1-3-1 Toranomon, Minato-ku, Tokyo 105-0001

Tel. (03) 5532-7086