



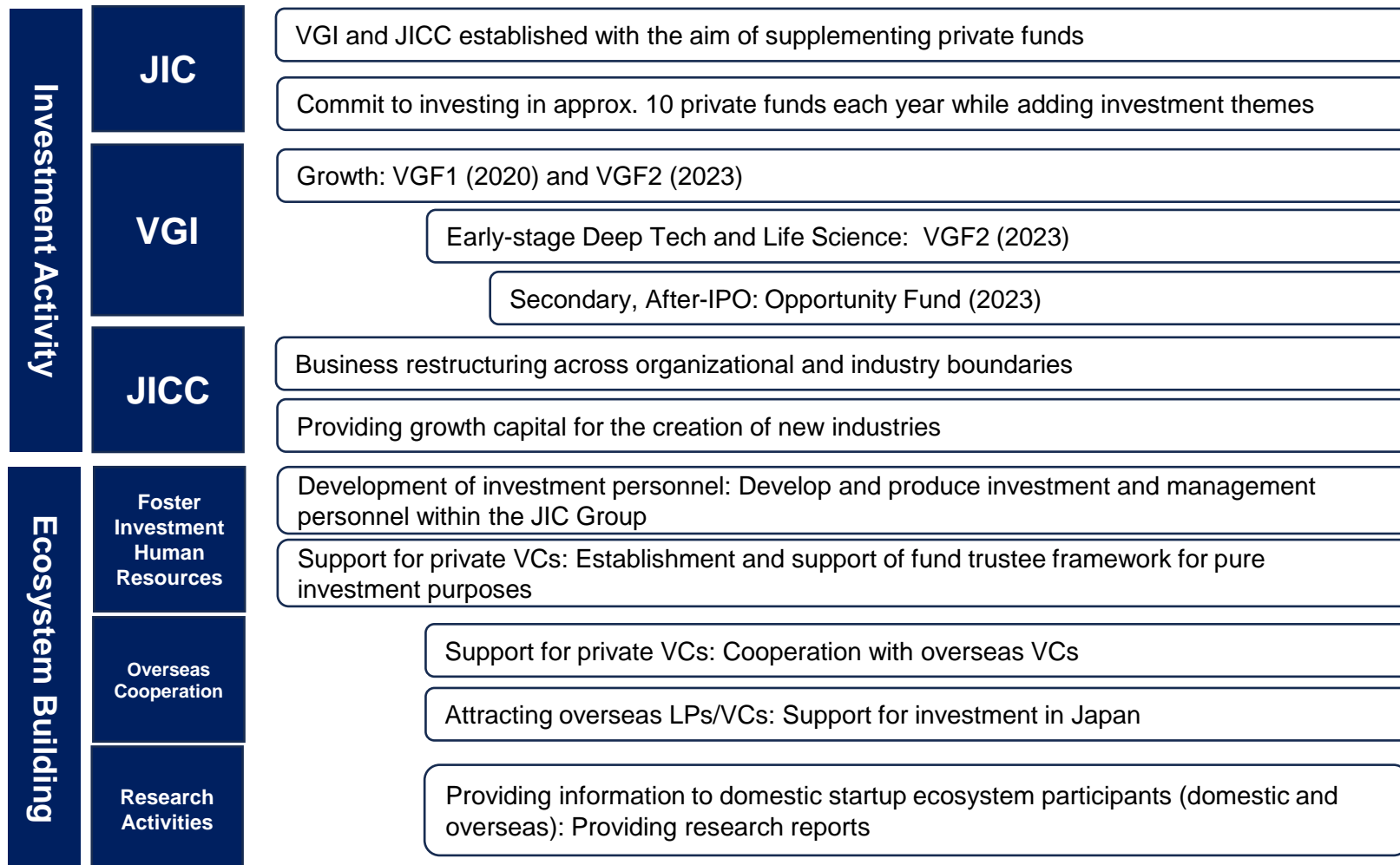
JIC Investment Activities December 2024

December 18, 2024
Japan Investment Corporation

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1. Review of Activities

- JIC invests in funds (LP investment) and executes direct investment through subsidiaries VGI and JICC
 - ⇒ Based on these activities, JIC hopes to acquire a certain level of understanding from market participants and policymakers
- JIC has added issues in line with market trends, policy trends, and expansion of its management resources



* “Innovation Network Corporation of Japan Investment Criteria” (2018, Ministry of Economy, Trade and Industry Notification No. 194)

Investment Focus Areas

Society
5.0

Driving the creation of new businesses for Society 5.0

Support the creation of new businesses where uncertain and discontinuous growth is required, and which demand a significant amount of risk capital over a long period.



Creating “unicorn startups”

Create unicorn startups seeking sustainable growth with a competitive edge in the global economy.



Leveraging promising untapped regional technologies

Address the need for funding among regional startups from academia and such with under-utilized technologies and high revenue potential.



Promoting business consolidation across industries and organizations

Support enhancement of industrial competitiveness via bold business consolidation aiming at open innovation in the sectors with potential international competitiveness.

Investment Themes

**Deep Tech
(June 2020)**

**Life Science
(June 2020)**

**Climate Tech
(Nov. 2021)**

**Open Innovation
(Sep. 2021)**

**Seed/Pre-Seed
(Oct. 2021)**

**Growth
(June 2020)**

**Secondary
(Mar. 2022)**

**Go Global
(Sep. 2022)**

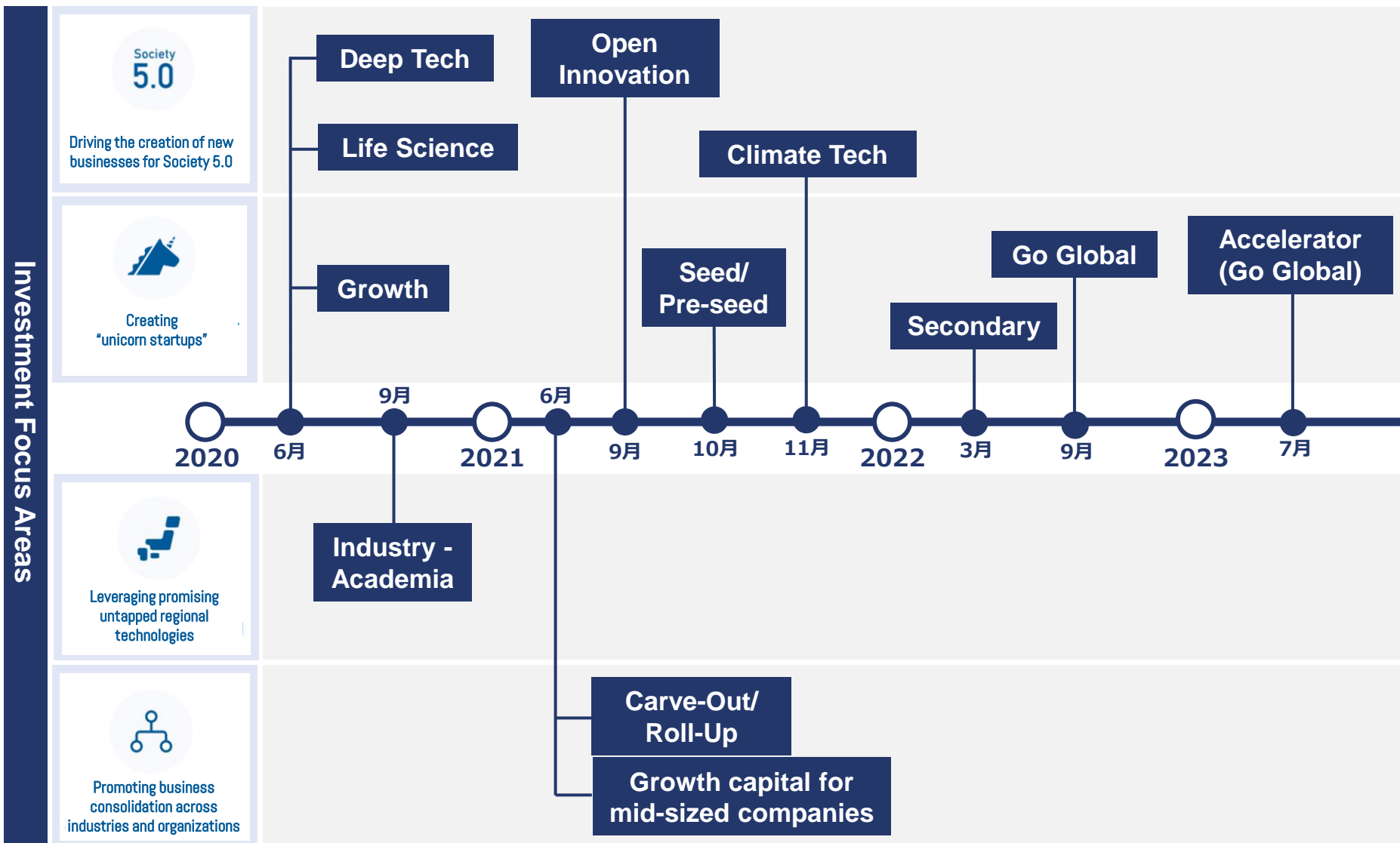
**Industry-Academia
(Sep. 2020)**

**Carve-Out/Roll-Up
(June 2021)**

- Centering on four focus areas, JIC has been conducting research on fields with policy significance but which lack private risk capital, and progressively establishing “investment themes” to be addressed.

Expansion of Investment Themes

- At JIC, we are reorganizing our investment policy with the aim of contributing to the four priority investment areas* that will help to solve policy issues, and we are gradually establishing investment themes aligned to these areas and incorporating them into our investment activities.




































Investment Portfolio Expansion Path



株式会社産業革新投資機構

- Promoting solutions to policy issues by investing in private funds aligned to investment themes. Investments in domestic VCs with a good track record have been completed, and some funds have achieved returns. Overseas projects, mainly for first issues and Go Global, have been increasing.

2020	2021	2022	2023	2024	
<div><div><p>Beyond Next Ventures</p></div><div>2nd</div><div>Theme: ①・②・④・⑦</div></div> <div><div><p>CATALYS PACIFIC</p></div><div>1st</div><div>Theme: ②・⑥</div></div> <div><div><p>anri</p></div><div>4th</div><div>Theme: ①・⑦</div></div> <div><div><p>MIYAKO CAPITAL</p></div><div>2nd</div><div>Theme: ①・④・⑦</div></div> <div><div>Investment Theme</div><div>① Deep Tech ② Life Science ③ Growth ④ Industry-Academia ⑤ Carve-Out/Roll-Up ⑥ Open Innovation ⑦ Seed/Pre-Seed ⑧ Climate Tech ⑨ Secondary ⑩ Go Global</div></div>	<div><div><p>DRONE FUND</p></div><div>3rd</div><div>Theme: ①・④・⑦</div></div> <div><div><div>1st</div><div>PE</div><div></div></div><div>Theme: ④</div></div> <div><div><p>SOZO VENTURES</p></div><div>3rd</div><div>Theme: ⑥</div></div> <div><div><p>Genesia Ventures</p></div><div>3rd</div><div>Theme: ⑥・⑦</div></div> <div><div><p>anri (GREEN)</p></div><div>1st</div><div>Theme: ①・⑦・⑧</div></div> <div><div><div>3rd</div><div></div></div><div>Theme: ③・⑥・⑩</div></div> <div><div><div>1st</div><div></div><div>IA Partners</div></div><div>PE</div><div>Theme: ⑤</div></div> <div><div><div>2nd</div><div></div></div><div>Theme: ①・④</div></div>	<div><div><p>DIMENSION</p></div><div>2nd</div><div>Theme: ①・⑥</div></div> <div><div><p>mint</p></div><div>2nd</div><div>Theme: ⑦</div></div> <div><div><p>GLOBIS CAPITAL PARTNERS</p></div><div>7th/7S</div><div>Theme: ①・③・⑩</div></div> <div><div><p>anri</p></div><div>5th</div><div>Reup</div><div>Theme: ①・⑦</div></div> <div><div><p>CATALYS PACIFIC</p></div><div>2nd</div><div>Reup</div><div>Theme: ②・⑥</div></div> <div><div><div>4th/3rd Annex</div><div></div></div><div>Theme: ①・③</div></div> <div><div><div>1st</div><div></div></div><div>Theme: ①・④・⑩</div></div>	<div><div><p>vertex VENTURES</p></div><div>5th</div><div>Overseas</div><div>Theme: ⑥・⑩</div></div> <div><div><p>MIYAKO CAPITAL</p></div><div>3rd</div><div>Reup</div><div>Theme: ①・④・⑦</div></div> <div><div><p>KEPPLE</p></div><div>1st</div><div>Theme: ⑨</div></div> <div><div><p>KII</p></div><div>3rd</div><div>Theme: ①・④</div></div> <div><div><p>AN VENTURES</p></div><div>1st</div><div>Theme: ②</div></div>	<div><div><p>DUAL BRIDGE CAPITAL</p></div><div>1st</div><div>Theme: ⑦</div></div> <div><div><p>ATOMICO</p></div><div>Growth6/Venture 6th</div><div>Theme: ③・⑩</div><div>Overseas</div></div> <div><div><p>Regrowth Capital Management</p></div><div>1st</div><div>Theme: ⑨</div></div> <div><div><p>MedVenture Partners</p></div><div>3rd</div><div>Theme: ②</div></div>	<div><div><p>Spiral Capital</p></div><div>3rd</div><div>Reup</div><div>Theme: ①・⑥</div></div> <div><div><p>Headline</p></div><div>5th (Cayman)</div><div>Theme: ⑥・⑩</div></div> <div><div><p>TRANSCOPE PLATFORM</p></div><div>BOV II (Class A)</div><div>Theme: ⑩</div><div>Overseas</div></div> <div><div><p>BEENEXT</p></div><div>2nd (Growth Series)</div><div>Theme: ⑥</div></div> <div><div><p>ABIES VENTURES</p></div><div>2nd</div><div>Theme: ①</div></div>

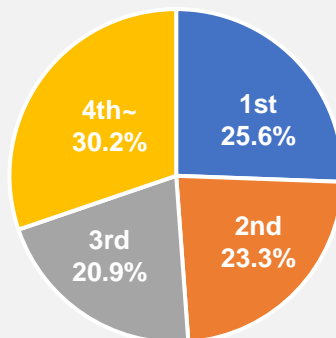
Proactive Support for Emerging Funds



株式会社産業革新投資機構

- Of the 43 private funds invested in up to end-September 2024, 30 were first to third issues; JIC proactively invests as a limited partner in emerging funds that are difficult for institutional investors to consider investing in.
- JIC has invested in 11 funds (one-quarter of our portfolio) to date, including first funds, which may struggle to get off the ground; in addition to supplying risk capital, we also provide support for the launch of funds and conduct ongoing follow-up to attract additional private funding.

Ratio of Private Investment Funds by Issue
(No. of cases)



	2020	2021	2022	2023	2024	Total
1st	1	3	3	4	-	11
2nd	2	1	4	-	3	10
3rd	-	4	1	3	1	9
4th~	1	0	8	3	1	13
Total	4	8	16	10	5	43

* Total number of private funds in which JIC invested in for first time (annual basis; as of Sept. 30, 2024)

* Annex Funds are not included in 1st to 3rd

2020

2021

2022

2023

2024

1st

CATALYS PACIFIC



2nd



3rd



JIC Fund Portfolio Status



株式会社産業革新投資機構

- Fund portfolio performance since its inception in September 2020 is as follows (as of June 30, 2024).
- VCs: Aggregated by the vintage year of each fund. Funds that commenced their investments earlier have already recorded unrealized capital gains.
- PE: As of end-June, JICC investment incorporation is still recent, so there is no impact on the NAV of individual projects; the J-Curve remains negative due to payment of management fees, etc. This has no effect on JIC's finances.

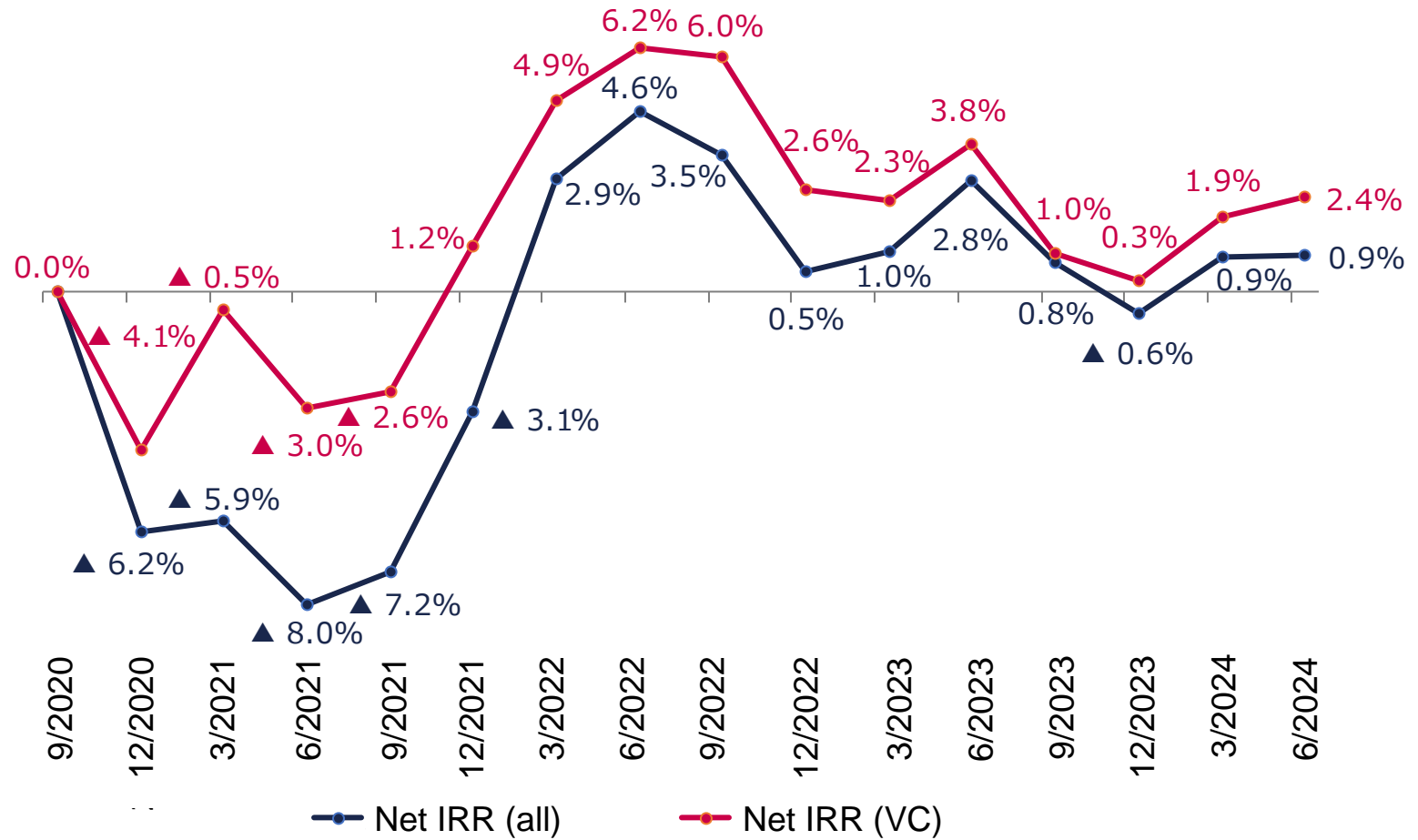
Overview of fund investments (with VC performance by vintage)

(as of June 30, 2024)

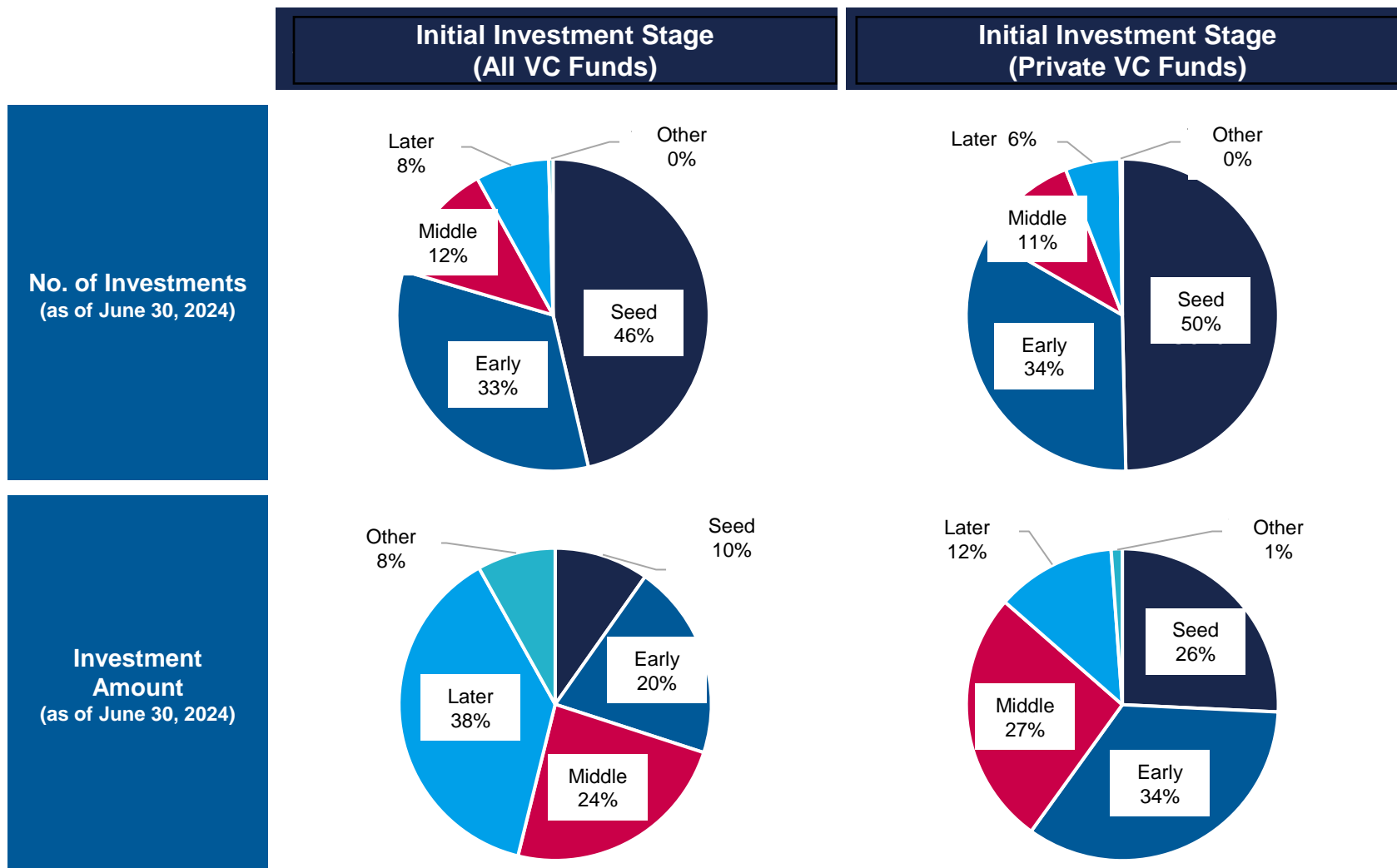
(JPY)

	Investment Decisions	Amount of Investment (Commitment)	Paid-in Amount	Progress Rate	Multiplier (vs. paid-in amount)			Net IRR
					Dividend (DPI)	NAV (RVPI)	Dividend + NAV (TVPI)	
Total	47	1,666.4B	787.0B	47.2%	0.00x	1.01x	1.01x	0.9%
VC	43	532.4B	190.2B	35.7%	0.01x	1.04x	1.05x	2.4%
(~2019)	5	17.8B	17.0B	95.7%	0.03x	1.41x	1.44x	16.5%
(2020)	3	125.0B	83.3B	66.6%	0.00x	1.02x	1.02x	0.9%
(2021)	7	45.5B	28.2B	62.0%	0.02x	1.06x	1.08x	5.8%
(2022)	15	67.7B	26.4B	39.0%	0.00x	1.00x	1.00x	▲ 0.0%
(2023)	9	263.8B	33.4B	12.6%	0.00x	0.92x	0.92x	▲ 12.0%
(2024)	4	12.6B	1.9B	15.0%	0.00x	0.96x	0.96x	▲ 6.5%
PE	4	1,134.0B	596.7B	52.6%	0.00x	0.99x	0.99x	▲ 1.7%

Net IRR trend



- By initial investment stage: investments are concentrated in first-half stages (i.e., seed and early stage)
- By investment amount: VC fund investments are concentrated in later stages (i.e., later and middle stage)



2. New Investment Themes

- ① **GX**
- ② **Engagement**

Expansion of GX investment areas

- To support achievement of GX and carbon neutrality goals, JIC has established its investment policy for the domestic Climate Tech Fund and made two limited partner investments (LP investments in ANRI GREEN and EEI).
- However, since JIC fund investment measures are currently limited to VC support, **JIC will consider investing in funds that provide growth capital to domestic and foreign startups and medium-sized companies, and in funds that invest in buyouts and infrastructure**, in order to achieve policy significance through investment in the GX domain.

- In its GX Basic Policy and Sectoral Investment Strategy, formulated last year, the government has demonstrated its long-term commitment to GX while offering a “roadmap” for 22 sectors to highlight regulatory and institutional measures.
- To achieve policy significance through GX, **it is necessary to consider investing in a variety of strategies in addition to conventional VC (Climate Tech)** in the following 22 fields.

1. Hydrogen/Ammonia

7. Automobiles

13. Bio Manufacturing

19. Carbon Recycling Fuels
(SAF, Synthetic Fuel, Synthetic Methane)

2. Storage Batteries

8. Resource Recycling

14. Renewable Energy

20. CCS

3. Steel

9. Housing/Buildings

15. Next-Gen Networks
(Grid and Balancing)

21. Food, Agriculture,
Forestry & Fisheries

4. Chemicals

10. Digital Investment
for Decarbonization

16. Next-Gen Reactors

22. Community/Life

5. Cement

11. Aerospace

17. Transportation

6. Paper/Pulp

12. Zero Emission
Vessels (Maritime)

18. Infrastructure

- Since JIC fund investment measures are currently limited to VC support, **it is necessary to expand JIC's investment strategy** to support the aforementioned 22 fields
- From the perspective of supporting strategic investment by companies aiming to improve their international competitiveness and growth potential, **it is also necessary to consider how Japan can benefit from overseas projects.**

Investment Strategies JIC Should Consider to Achieve GX

	VC (Climate Tech)	Growth Capital for Medium-Sized Companies	Buyout (Carve-Out/Roll-Up)	Infrastructure
Domestic	Domestic Climate Tech Fund (ANRI, EEI)	Pending	Pending	Pending
Overseas	Pending	Pending	Pending	Pending

- In order to achieve the policy significance through GX, **JIC will consider investing in funds that provide growth capital for medium-sized companies both in Japan and overseas, and in funds that invest in buyouts and infrastructure.**
- For overseas projects, JIC will consider investing in frameworks that can provide benefits to domestic industries/companies.

Investment Strategies JIC Should Consider to Achieve GX

VC (Climate Tech)

Growth Capital for Medium-Sized Companies

Buyout (Carve-Out/Roll-Up)

Infrastructure

New targets for consideration

Domestic

- A fund that can support technological innovation toward achieving GX carbon neutrality

- Improving international competitiveness via growth investment in medium-sized companies with businesses and elemental technologies that contribute to GX

- Support for industry reorganization in GX-related business

- Development of new infrastructure to realize a carbon-neutral society
- Promoting the introduction of GX into existing infrastructure

Overseas

- SU investment to acquire technology not available in Japan
- Connect businesses in Japan and overseas to provide domestic SU with exit opportunities

Although JIC does not currently consider providing growth funding to overseas companies independently, it does not rule out investing in overseas companies in the context of the growth of domestic companies and industry restructuring.

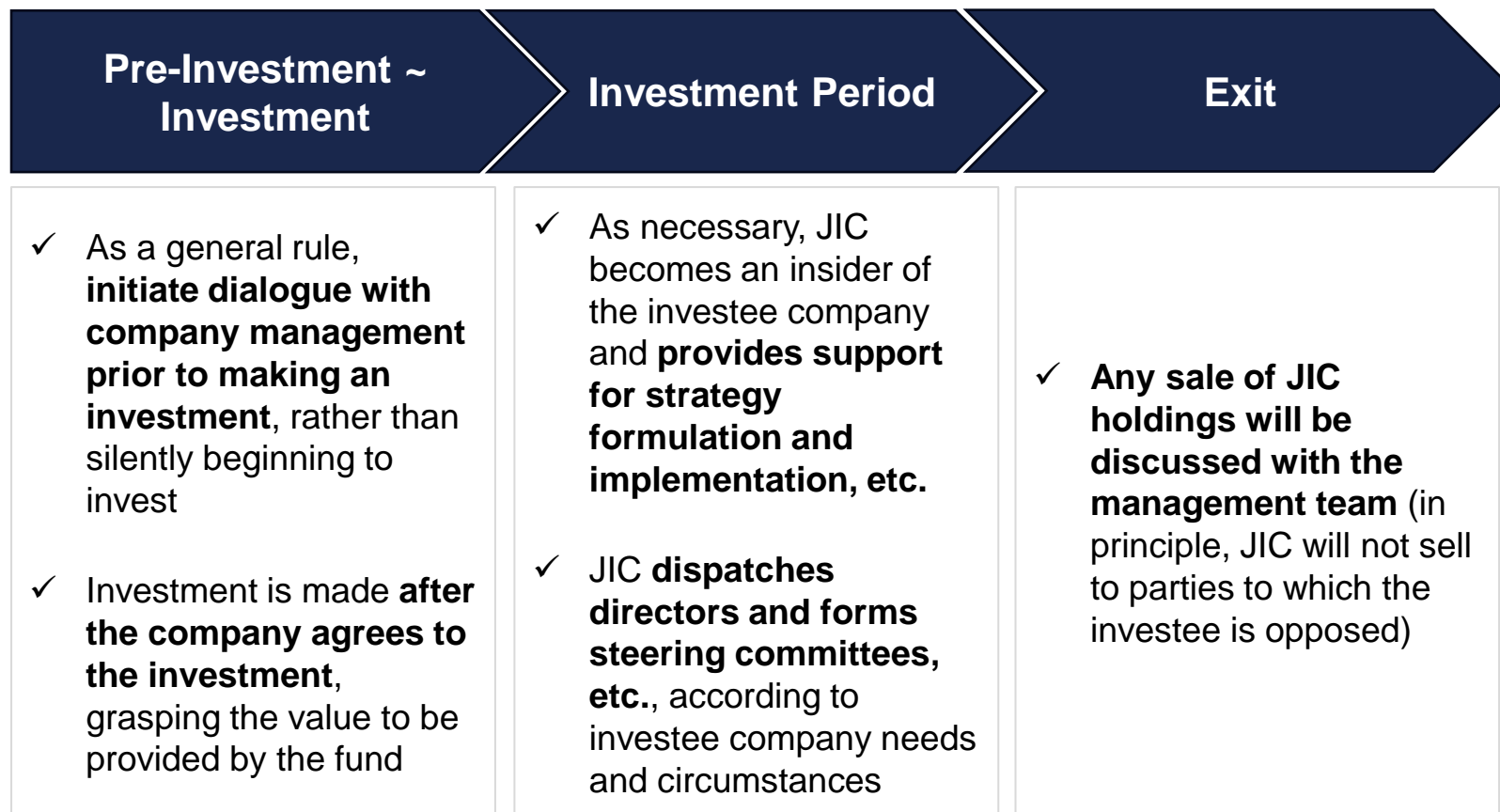
- Securing upstream interests overseas to achieve GX in Japan
- Acquiring overseas rights to support the overseas expansion of domestic industries

- An engagement fund uses a constructive and friendly approach (see next page) to provide advice and proposals that contribute to medium- to long-term improvements in corporate value and share price; defined as a fund that has publicly announced investments from domestic financial institutions, institutional investors, etc.

Engagement Funds to Be Considered as Investment Targets

General Fund Design	<ul style="list-style-type: none">• Open-ended• Investment trust (unit trust)
Investment Period (holding period)	Medium- to long-term
Investment Targets	Medium- to very large-cap listed companies
Typical Investment Strategy	<ul style="list-style-type: none">• Seek to increase share price by providing advice and proposals that will lead to increased corporate value and medium- to long-term business growth• Promote corporate reform through investment implementation, dialogue, strategy formulation, and implementation support, etc., using a constructive and friendly approach
Investor Base	<ul style="list-style-type: none">• Includes major domestic financial institutions and institutional investors who are willing to disclose that they have invested in the company, or to have their names made public

- With regard to the engagement funds that JIC considers/implements investment in, the following actions are envisaged as the constructive and friendly approach to be taken with potential and actual investee companies in each phase (from pre-investment through exit).



Significance of Investing in an Engagement Fund

- Amid the significant changes in the business environment, companies are being asked to make large-scale investments in growth, including DX and GX, as well as to carry out management reforms such as business restructuring and the creation of new businesses. In this context, by providing financial support to **enable engagement funds to exercise sufficient influence**, we become shareholders of listed companies operating in fields with the potential to be globally competitive, and **promote business restructuring and the creation of new businesses through growth investment through medium- to long-term, constructive, and friendly dialogue and support activities.**



Investment Policy for Engagement Funds

- The fund invests in listed companies in business fields that have the potential to be globally competitive, seeking to take a **medium- to long-term, constructive, and friendly approach to investment that can encourage growth investment aimed at business restructuring and the creation of new businesses.**
- During the investment review process, **JIC will conduct DD, thoroughly reviewing the fund's investment approach, engagement policy, etc.**
- Specifically, **we will consider investing in funds that meet the following conditions:**
 - **An investment strategy whose main approach is engagement with Japanese companies**
 - **The investment is made after the investee candidate has agreed to accept investment from the fund, and during the holding period, the fund collaborates with the investee to formulate and implement strategies, etc., and considers the exit destination in consultation with the investee.**
 - **The fund structure enables medium- to long-term engagement**
 - **The fund is not focused exclusively on the pursuit of short-term shareholder returns**

3. DE&I Promotion

Review of investment criteria
(Codes of Conduct / Ethics, Anti-Harassment Policy)

- As part of its DE&I efforts, JIC has decided to support the establishment of codes of conduct and ethics within GPs and related regulations (announced on December 4, 2024).

Background

- Propagation of DE&I principles requires a foundation upon which an ethical corporate culture can flourish; however, it is thought that few VCs have codes of conduct and ethics, important elements of this foundation.
- As an initiative to promote DE&I in the ecosystem, JIC will increase the number of players with high ethical standards by supporting the establishment of codes of conduct and ethics, and related regulations for the general partners of the funds in which JIC has made LP investments.

Initiatives

[Initiatives for funds being considered for LP investment by JIC in the future]

- When considering an LP investment, JIC will request the establishment of a code of conduct, code of ethics, and anti-harassment policy that include mandatory items (JIC will also suggest “recommended” items). JIC will provide support (e.g., guidance) to GPs introducing these items.
- In addition to requests made through direct communication with GPs, JIC will disclose the above mandatory/recommended items on its website in order to reach a broader range of ecosystem stakeholders, including GPs who wish to receive investment from JIC.

[Initiatives for existing investment funds]

- JIC will provide the same type of support described above to existing funds, encouraging them to establish codes of conduct and ethics, and anti-harassment policies that include mandatory items.

- The following mandatory items were chosen after reviewing examples from multiple domestic and international GPs and the ILPA
- Inclusion of the following items in norms and policies is a prerequisite for investment

Code of Conduct/Ethics

- ① Ethical Principles/Legal Compliance
- ② Duty of Loyalty and Fiduciary Obligation to Clients, Conflict of Interests, and Personal Trading Policy
- ③ Prohibition of Insider Trading
- ④ Gifts and Entertainment
- ⑤ Confidentiality
- ⑥ Whistleblowing and Procedures
- ⑦ Equal Employment Opportunity and Non-Discrimination
- ⑧ Anti-Harassment

Anti-Harassment Policy

- ① Commitment to a Safe and Respectful Work Environment
- ② Prohibition of Harassment
- ③ Scope of the Policy
- ④ Definitions and Examples of Unacceptable Behavior
- ⑤ Mechanisms for Reporting Infractions
- ⑥ Information Recommended to Be Included in Any Report Filed
- ⑦ Duties of the Company and Supervisors
- ⑧ Non-Disclosure of Confidential Information
- ⑨ Investigation Process for Allegations
- ⑩ Expectations for Actions on Substantiated Allegations

* When determining its mandatory items, JIC referred to the ILPA website and guidelines, and regulations used by existing investment funds, etc. JIC chose items that appeared in multiple sources.

- Despite not being mandatory, JIC shares the following recommendations with GPs for inclusion in their codes of conduct and ethics and anti-harassment policies.

Code of Conduct/Ethics

- ① Abuse of Position
- ② Appropriate Recordkeeping
- ③ Proper Protection and Use of Company Assets
- ④ Rules Regarding Side Jobs and Outside Directors
- ⑤ Fair Trade Rules
- ⑥ Prohibition Against Spreading False Rumors
- ⑦ Litigation and Investigations, etc.
- ⑧ Issue Reporting and Response
- ⑨ Media Inquiries and Information Disclosure

Anti-Harassment Policy

- ① Locations Subject to Anti-Harassment Policy
- ② Appropriate Recordkeeping
- ③ Contact Point for Rule-related Inquiries
- ④ Measures Taken Against Investees

* When selecting its recommended items, JIC referred to the ILPA website and guidelines, and regulations being used by existing investment funds, etc. JIC found little overlap among sources.

4. Reference Materials

- ① Proposed new investment criteria**
(Materials from July 2024 regular press conference)
- ② Market trends for 2024 first half**

① Proposed New Investment Criteria

(Materials from July 2024 regular press conference)

- Investment criteria to be followed by JIC when making investment decisions, based on Article 102, Paragraph 1 of the Industrial Competitiveness Enhancement Act, were established in June 2018 via a public notice issued by the Minister of Economy, Trade and Industry. Heretofore, all JIC investment activities have been conducted in accordance with these criteria.
- Based on the recent revision of the Industrial Competitiveness Enhancement Act and the direction of the industrial policy behind it (“New Direction of Economic and Industrial Policies”), the public notice of the Minister of Economy, Trade and Industry is being revised.
- In the new draft, the basic approach includes domestic investment for sustainable growth and addressing social issues to realize a virtuous cycle of innovation, and the composition of priority investment areas has been changed accordingly.

Focus Areas under Current Criteria

- ✓ Driving the creation of new businesses for Society 5.0
- ✓ Creating “unicorn startups”
- ✓ Leveraging promising untapped regional technologies
- ✓ Promoting business consolidation across industries and organizations



Focus Areas under Proposed New Criteria

- ✓ Creating a virtuous cycle of domestic investment and innovation
- ✓ Creating and developing startups
- ✓ Utilization of untapped regional management resources by university start-ups, medium-sized companies, others
- ✓ Promoting business restructuring in response to changes in market and business environments

* All current investment themes advocated by JIC will be retained

① Proposed New Investment Criteria

(Materials from July 2024 regular press conference)

- The proposed new investment criteria retain existing areas, reorganize the four priority investment areas, add examples of specific industrial areas, and clearly target medium-sized companies

Current	Proposed (Draft)	Points added to the draft proposal
① Driving the creation of new businesses for Society 5.0	① Creating a virtuous cycle of domestic investment and innovation	<ul style="list-style-type: none"> Background: In addition to the realization of a Society 5.0 society, the creation of new businesses and innovations to address new social issues has been added to maintain and strengthen industrial competitiveness Example: In addition to existing business areas*, the following have been added: Based on global social issues, business fields such as semiconductors, storage batteries, industrial machinery, aircraft/next-generation air mobility, medical equipment, etc., where demand is expected to increase domestically over the medium to long term, and business activities that combine these, etc.
② Creating “unicorn startups”	② Creating and developing startups	<ul style="list-style-type: none"> Additional investment themes (seed, growth, secondary, etc.) as indicated by JIC Investment that will significantly accelerate development of the startup ecosystem
③ Leveraging promising untapped regional technologies	③ Utilization of untapped regional management resources by university start-ups, medium-sized companies, others	<ul style="list-style-type: none"> Targeting local university-launched startups, medium-sized companies, and others that possess technologies with high earning and innovation potential and which are not being fully utilized due to a lack of risk capital and human resources
④ Promoting business consolidation across industries and organizations	④ Promoting business restructuring in response to changes in market and business environments	<ul style="list-style-type: none"> Targets: business sectors in (1) contributing to industrial competitiveness and medium-sized companies in (3) Provide funds to businesses that can respond to recent changes in the business environment through business restructuring and renewal, and that have high policy significance involving medium- to long-term growth investments and industry restructuring (If conducted by JICC, the applicant must have a risk/reason that is difficult for the private sector alone to handle)



Additional notes

- Proactively collaborate with private investment funds, etc., **after thoroughly complementing the private sector**
- Strive to develop domestic private funds and create an environment for sustainable growth and renewal**
- Strive to **develop new investment managers**
- JIC should **establish an appropriate structure** while developing a medium-term support policy and financial plan

- In areas to be added under the new investment criteria, JIC will study market trends, consider the role of the JIC Group, and formulate a policy for JIC initiatives prior to proceeding

② Market Trends for 2024 H1



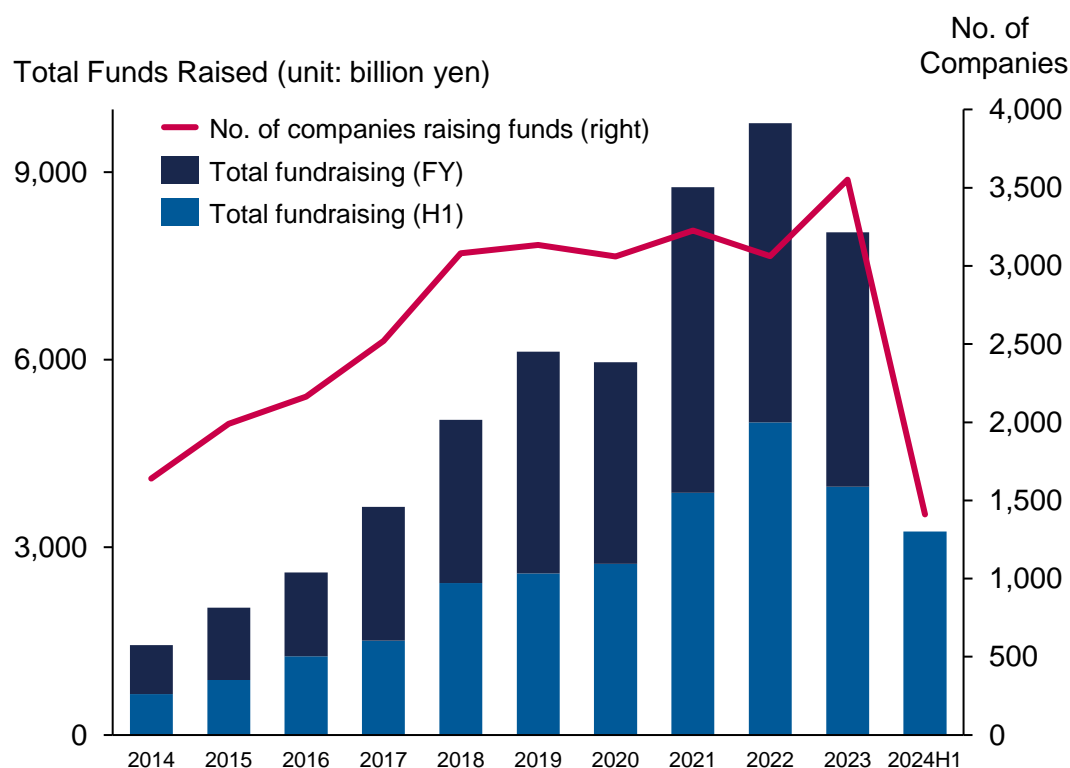
	 Japan	 US
Startup	<ul style="list-style-type: none"> The total amount of funds raised reached its peak in 2022 at 978.2 billion yen, and then fell 18% to 803.9 billion yen in 2023. The first half of 2024 was almost the same as the same previous period. As with the US, fundraising by AI-related startups is prominent. The median valuation of startups in Series D and later has increased slightly. However, this is due to a decrease in the number of cases where funding was raised at low valuations in the 2-6 billion yen range, and it is difficult to say that valuations for startups in general have improved. The number of IPOs was the same as the previous term. M&A increased relative to the previous term. There were many acquisitions by listed start-ups. 	<ul style="list-style-type: none"> The total amount of funding in 2023 was \$160B, a decrease of 53% from the peak of \$350B in 2021. The first half of 2024 also remained at a low level. Despite an environment in which it is difficult to procure funds, AI startups continue to thrive. Not only VCs, but also business investors (including major tech companies) are supporting AI startups in their fundraising efforts. Valuations of later-stage startups have risen slightly. However, the overall market is still weighed down by the slump in multiples for listed SaaS companies, and a recovery in valuations for startups in general has not taken place. Both IPO and M&A activity were slow.
Venture Capital	<ul style="list-style-type: none"> The amount of money raised by domestic VC funds that began organizing in the first half of 2024 was 232.1 billion yen. This is nearly the same level as the total at the same point of the previous year. As in the previous year, the majority of domestic VC funds that started raising capital in the first half of the year were CVCs and financial institution-affiliated VCs, with few independent VCs. 	<ul style="list-style-type: none"> In 2023, funds raised by US VCs amounted to \$82B, down 57% from the peak of \$191B in 2021. The first half of 2024 remained flat. Emerging managers are struggling to raise funds, but established VCs continue to do well. A decline in VC fund distributions caused by a poor exit environment has led LP investors to curb their commitments. Uncommitted capital in VC funds has reached \$300B, but it has decreased slightly of late due to the sluggishness of new fund recruitment, etc.

② Market Trends for 2024 H1 Japan Funding Overview

Investment results for the first half of 2024 were 325.3 billion yen.¹

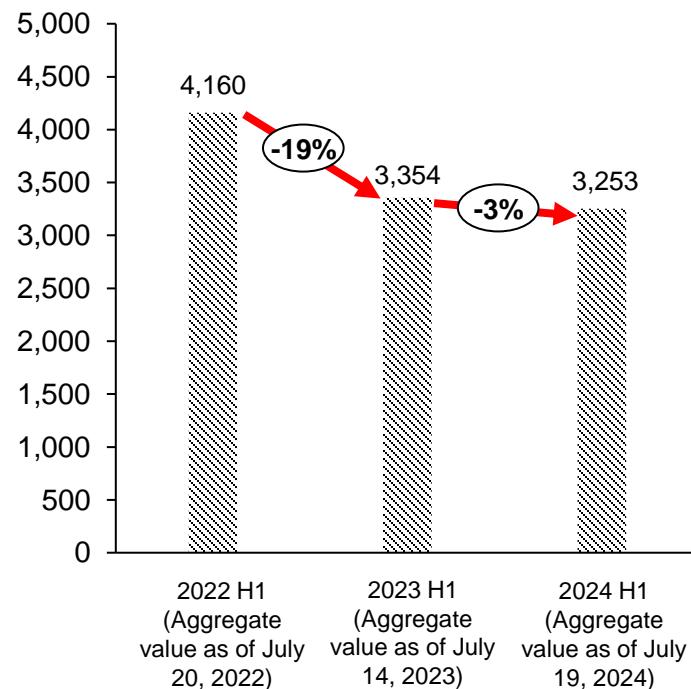
Compared to the same previous period (2023H1), this figure represents progress at almost the same level as last year.

Fundraising Trends



Versus Prior Year Interim Results

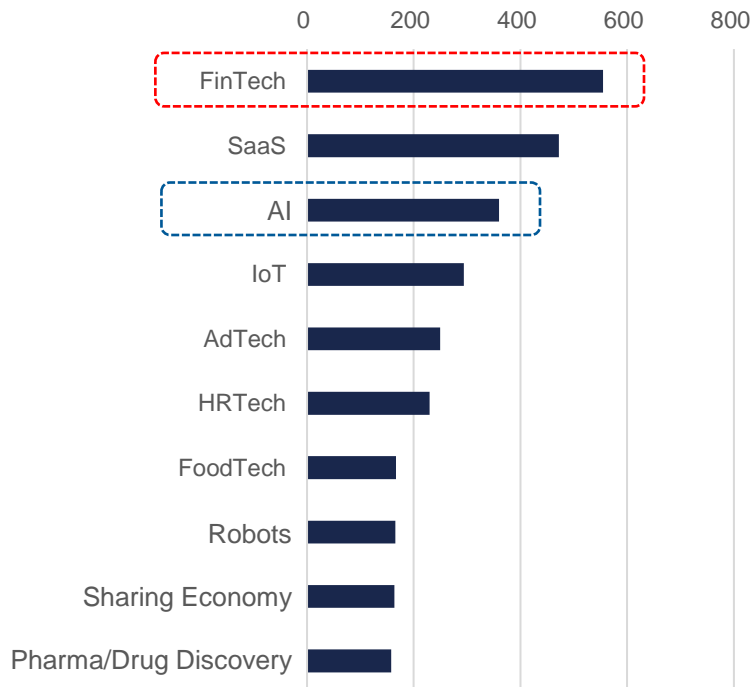
H1 Fundraising Aggregate Value (unit: billion yen)



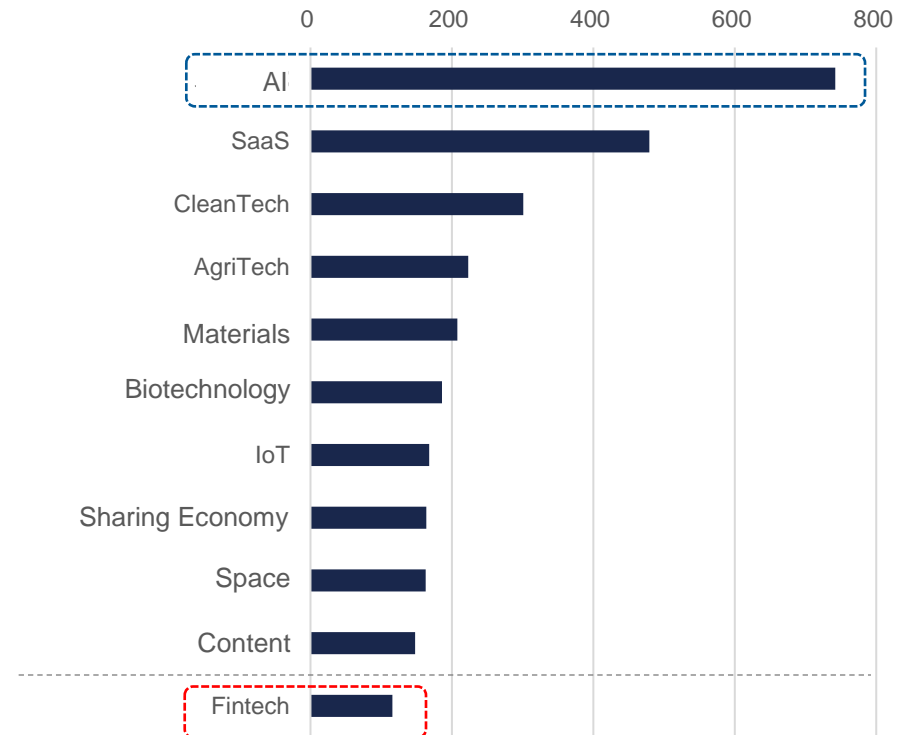
② Market Trends for 2024 H1 Japan Funding by Sector

In the first half of 2024, AI-related startups led the way in terms of funding (74.2 billion yen). The amount of funding for FinTech, the leader in fundraising during the previous boom period, slowed down significantly (57 billion yen \Rightarrow 11 billion yen).

2021 H1 (unit: billion yen)



2024 H1 (unit: billion yen)



¹ Sector totals do not match the total amount of funds raised or the total number of companies due to overlap among companies in different sectors. Shown are the top 10 sectors in each period.

Source: Compiled by JIC based on Speeda Startup Information Research

② Market Trends for 2024 H1

Japan Fundraising in 2024 H1



株式会社産業革新投資機構

Many funds are from corporate venture capital and VC/CVC-affiliated financial institutions

Top 10 VC Funds Raising Funds in 2023

★ Independent VC

Fund (Name of management company)	Fund Amount (bil. yen) ¹	Recruit ment Start
SBI Venture Fund 2023 (SBI Investment Co., Ltd.)	1,000	2023/9
JIC VGI Opportunity Fund No. 1 (JIC Venture Growth Investments Co., Ltd.)	400	2023/9
Mitsubishi UFJ Capital No. 9 (Mitsubishi UFJ Capital)	300	2023/3
SMBC-GB Growth No. 1 (Global Brain)	300	2023/7
SMBC Asia Rising (Incubate Fund Management Pte. Ltd.)	270	2023/4
NTT Investment Partners Fund No. 4 (NTT DOCOMO Ventures, Inc.)	200	2023/4
Mitsubishi UFJ Life Science No. 4 (Mitsubishi UFJ Capital)	200	2023/4
QR No. 2 (QR Investment Co., Ltd.)	200	2023/7
ALL STAR SAAS FUND THREE ★ (BEENEXT Capital Management Pte. Ltd.)	157	2023/8
Delight Ventures No. 2 (Delight Capital)	151	2023/4

Top 10 VC Funds Raising Funds in 2024 H1

Fund (Name of management company)	Fund Amount (bil. yen) ¹	Recruit ment Start
Daiwa House Group (Daiwa House Ventures)	300	2024/1
Coral Capital IV, L.P. ★ (Coral Capital)	250	2024/4
Japan Post Capital No. 1 (Japan Post Capital Co., Ltd.)	200	2024/3
DG Resona Ventures No. 1 (Resona Innovation Partners Co., Ltd.)	130	2024/3
Space Frontiers Fund II ★ (SPARX Asset Management Co., Ltd.)	110	2024/4
KX Renewable Energy No. 1 (KX Renewable Energy LLC)	100	2024/5
Nissay Capital No. 14 (Nissay Capital Co., Ltd.)	100	2024/6
Brand New Retail Initiative Fund (Innoh Associates Inc.)	100	2024/5
Canon MJ MIRAI Fund (Global Brain)	100	2024/1
Japan Post Bank Spiral Regional Innovation Fund No. 1 (Spiral Sigma LLP)	100	2024/3
Vertex Ventures Japan No. 1 ★ (Vertex Ventures Japan)	100	2024/5

¹ Includes business company and financial institution corporate venture capital (CVC). Total amount raised by year of fund establishment.

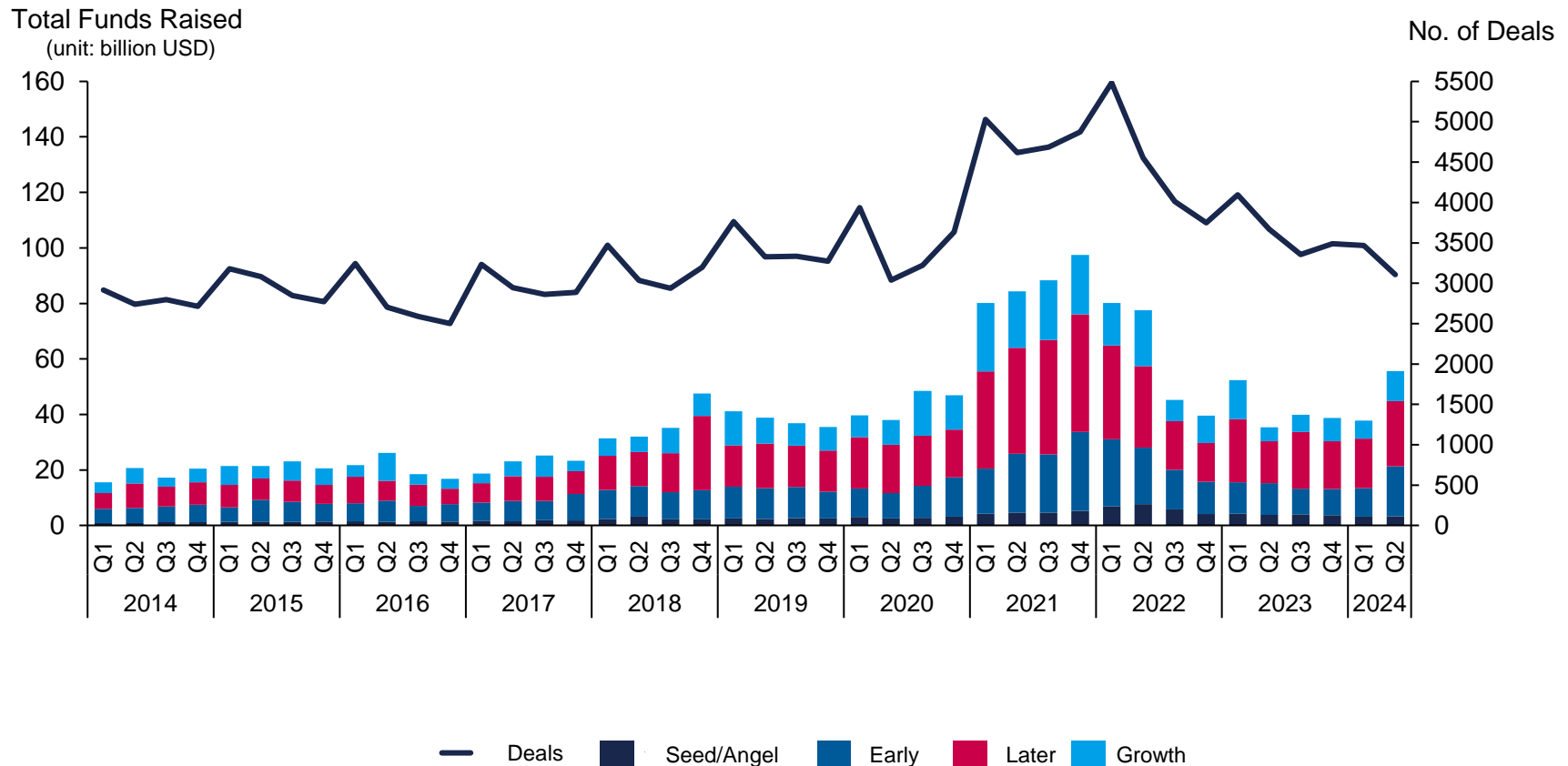
Source: Compiled by JIC from Speeder Startup Information Research (data as of August 16, 2024).

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② Market Trends for 2024 H1 US Funding Overview

Funding raised by startups peaked in 2021 Q4 and has since fallen significantly. It is currently at a low level.

However, 2024 Q2 saw a large increase compared to the previous quarter due to large-scale funding for generative AI-related startups (xAI (\$6.0 billion), etc.).



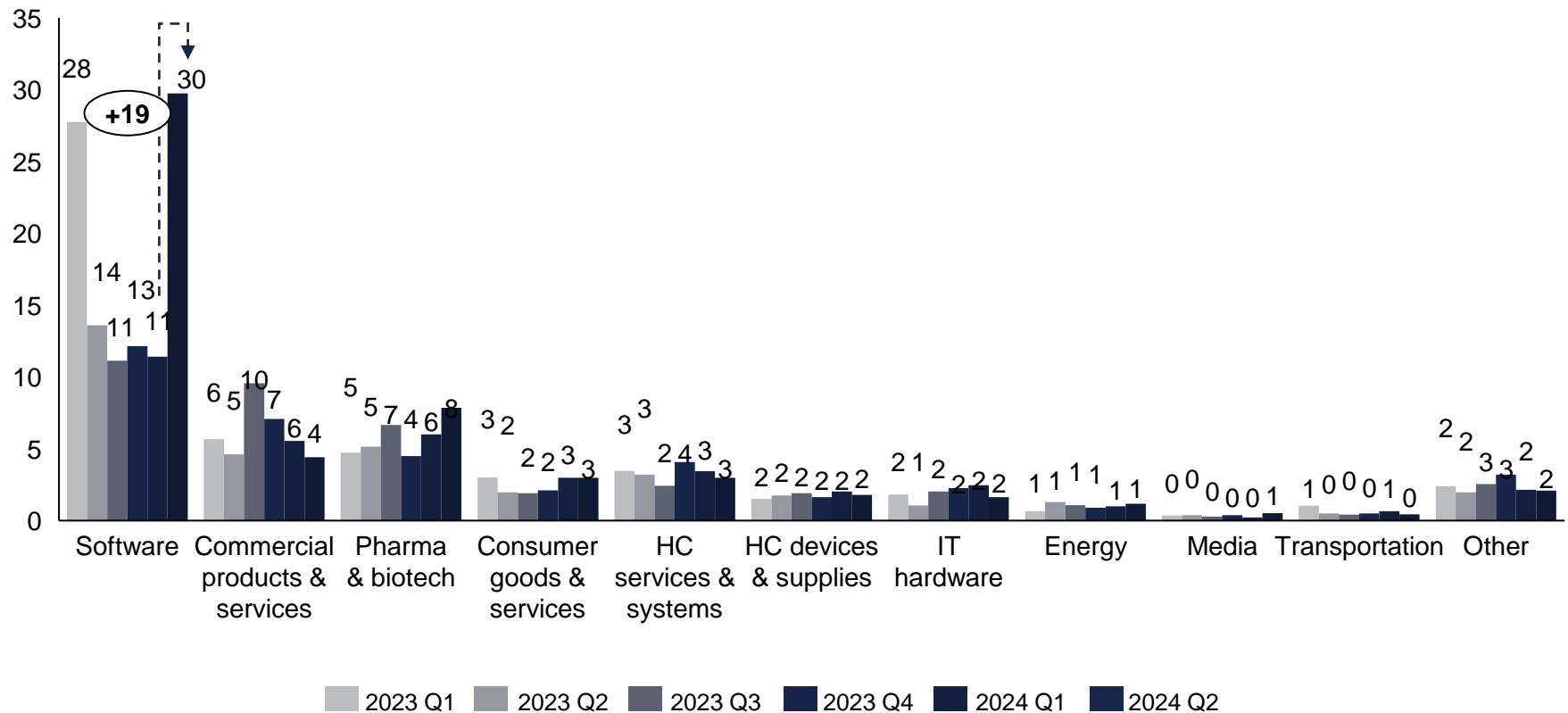
Note: In the above figure, the “Late” stage refers to Series C and Series D, and “Growth” stage refers to Series E and beyond (PitchBook definitions).

Source: Compiled by JIC from PitchBook.

② Market Trends for 2024 H1 US Funding & Sector Trends

Large-scale funding for generative AI has led to a significant increase in funding for the software sector, but funding for other sectors has remained flat.

Quarterly Trend for Sector-Specific Funding
(unit: billion USD)



Source: Compiled by JIC from PitchBook.

② Market Trends for 2024 H1

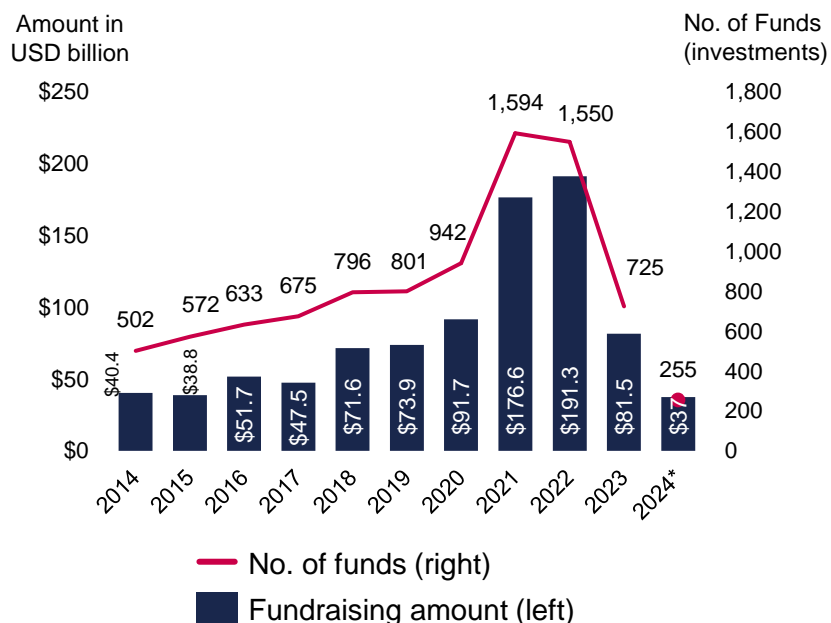
US Fundraising Overview

Fundraising in 2024 was slow. In particular, fundraising by emerging fund managers was sluggish. On the other hand, some long-established funds, such as Andreessen Horowitz, succeeded in forming large funds.

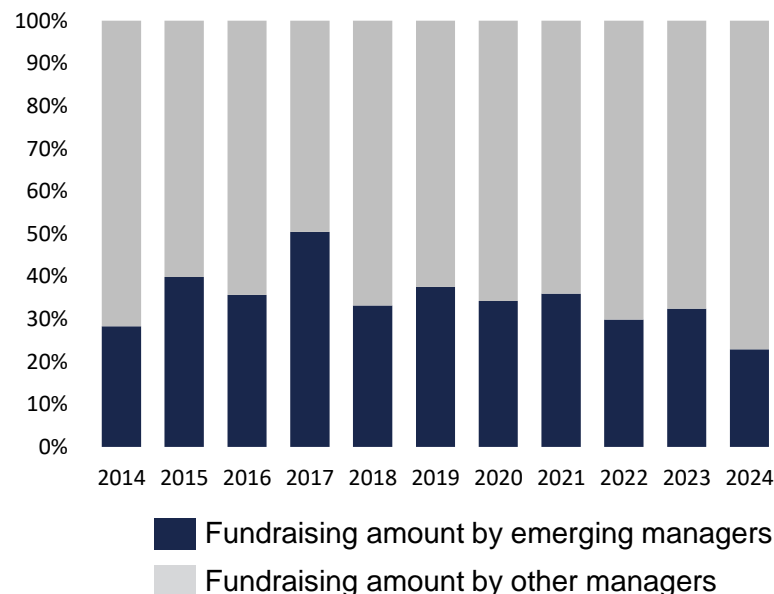
Due to the low level of investment activity in the funds, the timing of new fund solicitations by VCs has also been postponed (median fund solicitation interval: 1.5 years in 2022 → 2.5 years in 2024 Q2).

Reflecting the sluggishness of the exit market, VCs are not making progress with distribution of their old funds. As a result, LP investors are also refraining from committing to newly recruited funds.

VC Fundraising Trends by Year



Fundraising Ratio and Amount by Experience¹



* 2024 is half year

Source: Compiled by JIC from PitchBook.

¹ Based on PitchBook fund manager classification. "Emerging managers" are GPs managing fund issues 1 to 3 and "other managers" are GPs managing fund issues 4 or higher.

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