

yearly Report

2024 Japanese Investment in Israel

A report by:

Harel-Hertz Investment House



Key Highlights of 2024



\$464M

**Japanese Investment
in millions**


- A 32% reduction
compared to 2023



56

**Number of Japanese
investments**

- A 16% reduction
compared to 2023



\$315M in 24/H1
\$148M in 24/H2



6%

**Japanese investments
accounted for 6% of all
Foreign investments in
Volume (\$M).**

- Compared to 13% in 2023

Executive Summary

- Japanese Investments in Israel were influenced by the course of events in Israel.
- The attack of October 7th, 2023, and the long belligerency that followed had a major impact on bilateral economic relations.
- Travel warnings combined with limited air commuting services, combined with media reports from the region, strengthened a risk sentiment which hindered and prevented investments.
- Still, active Japanese investors maintained their investment interests by keeping their share in follow-up investments. From the 56 investments completed this year only 7 were initiated by newcomers to the market, Welcome!
- 2024 was the year of the CYBER Security companies, immediate necessity encouraged Japanese companies and venture funds to invest in Israeli startups and sign collaboration agreements. We forecast continued growth in the coming year together with expanding interest in Defence technologies.
- US new leadership with its dramatic changes in policy and initiatives may pave the way to renewal of Japan-Israel's prosperous relations. It must not be a coincidence that the first two leaders to meet President Trump were Netanyahu and Ishiba respectively.
- Israel and Japan's pivotal position as USA's strategic regional partners has been emphasized and spotlighted. It is therefore reasonable to foresee the development of new areas of cooperation and new flow of fresh partnerships in the coming years.

Executive Summary

- In 2024, Japanese investments totalled \$464 million across 56 transactions, marking a 32% decrease in value and a 16% decline in the number of investments compared to 2023.
- In 2024, Japanese investment accounted for 6% of all foreign investments in volume (\$M), a 52% decrease compared to 2023, where Japanese investment accounted for 13% of all foreign investments.
- Japanese investments accounted for 12% of all investments rounds in 2024.
- When comparing H1 to H2, in 2024/H2 there is a decrease of 53% in volume (\$M) and 35% in number (#) of Japanese investments compared to 2024/H1.
- In 2024, the trend of favouring Follow-up investments over initial investments in volume (\$M) continue, with Follow-up transactions constituting 61.5% of the total \$464 million Japanese investments in 2024. However, in terms of the number of investments, there was a clear preference for First investments, accounting for 59% of all Japanese investments.

Executive Summary

- As for investment stage, 32% of Japanese investments in Volume (\$M) were invested in the Mid-Late stages (B+), While in terms of the number of investments, there was a preference for the Early stage (Seed to A), which account for 43% of all investments.
- In 2024, 38% of all Japanese investments were invested in A-rounds.
- Mitsubishi Group was the most active Japanese investor in 2024 by volume, with total investments reaching \$128 million.
- From 2001 to 2024, Mitsubishi maintained its position as the leading Japanese investor in terms of volume, with total investments amounting to \$4,321 million over this period.
- The IT sector received the highest share of Japanese investments in 2024, accounting for 29% of all investments, making it the most invested sector compared to others.
- The proportion of investments in the IT sector in 2024 (29% of total investments) was larger than the combined share of IT investments over the four-year period from 2020 to 2023, which totalled 14% of all investments. Investments in the AI sector accounted for 4% of all Japanese investments in 2024, compared to 0% in 2023.

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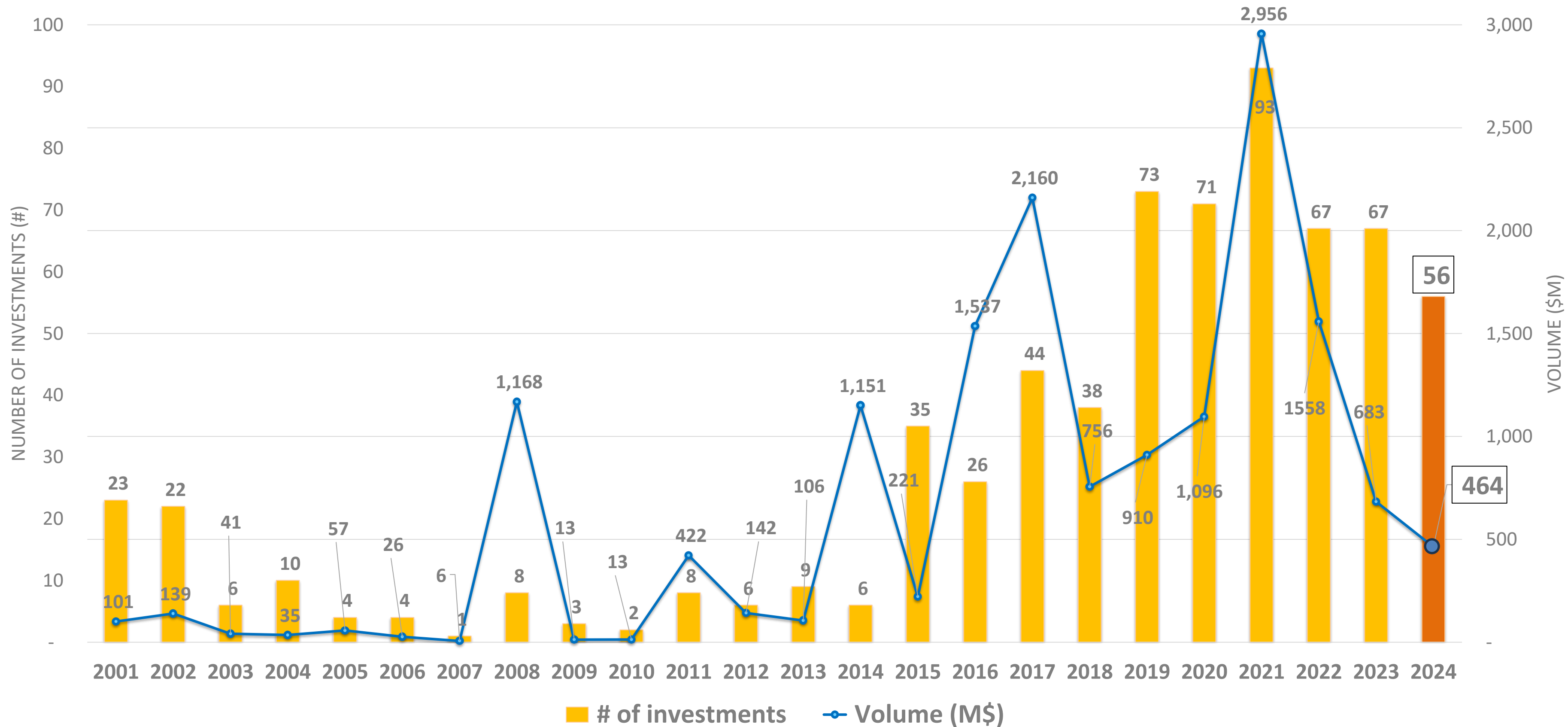
Japanese Investors & VCs
activities in Israel



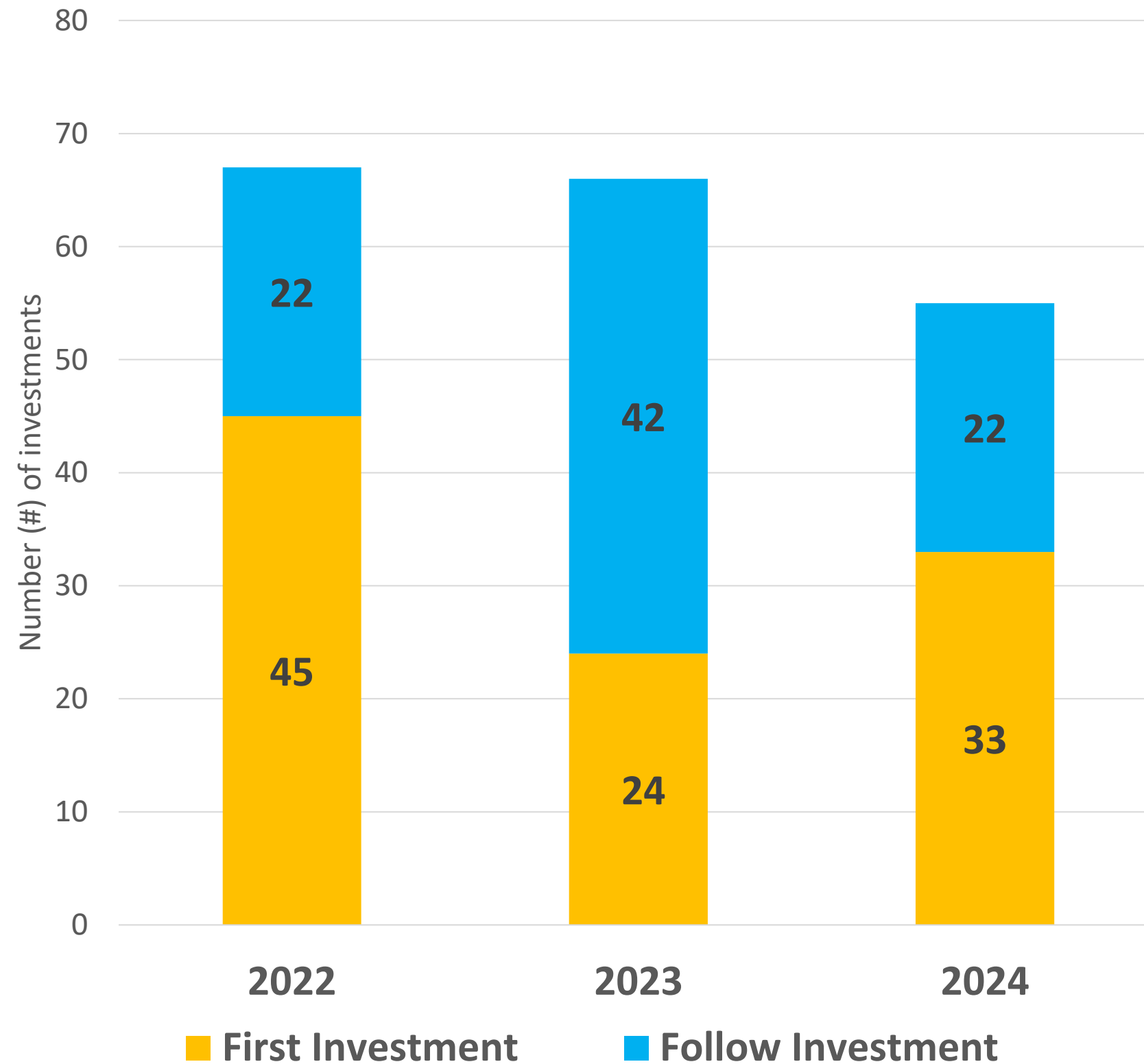
Japanese Investments

Analysis

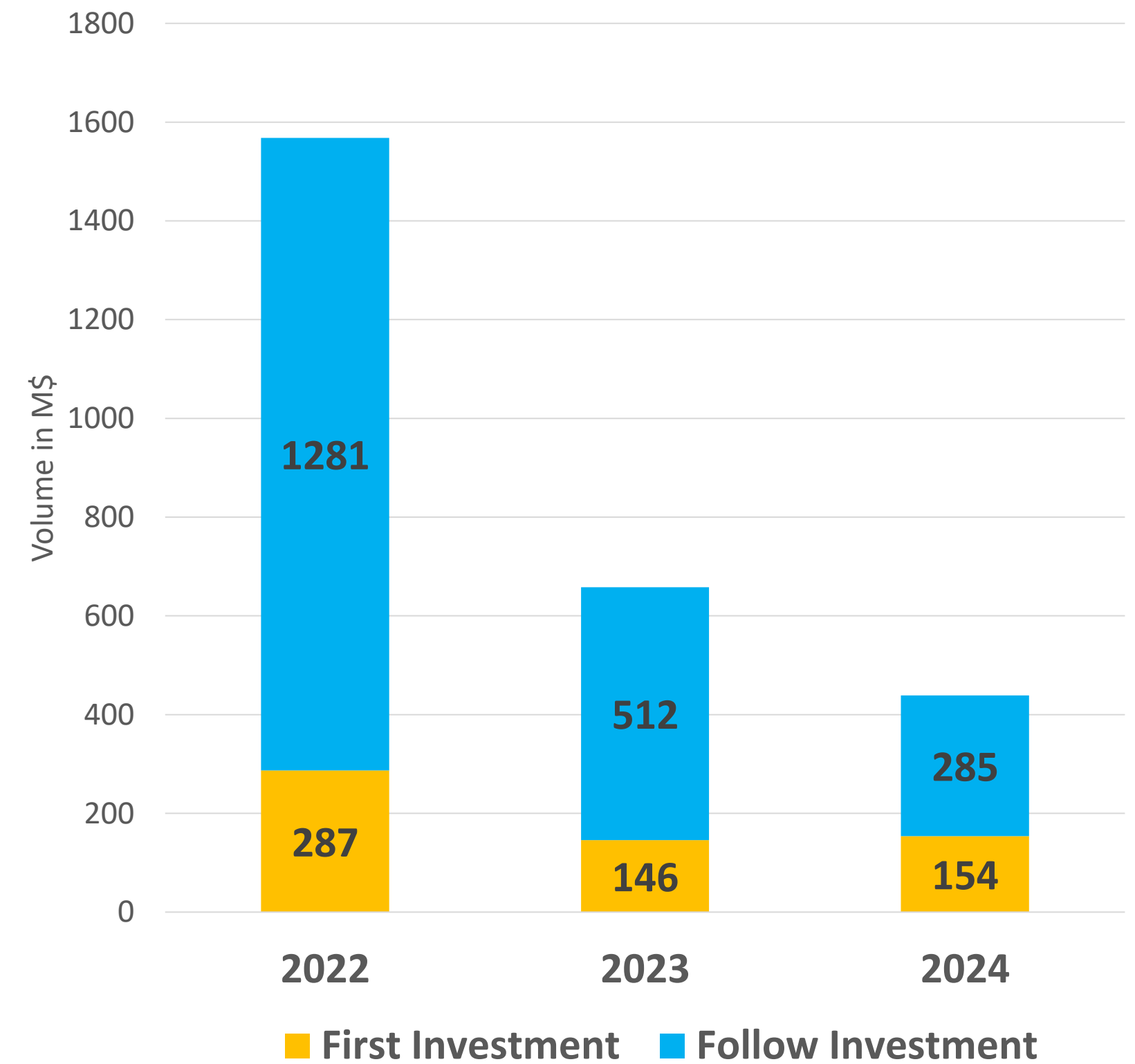
Japanese Investments And Acquisitions Of Israeli Companies



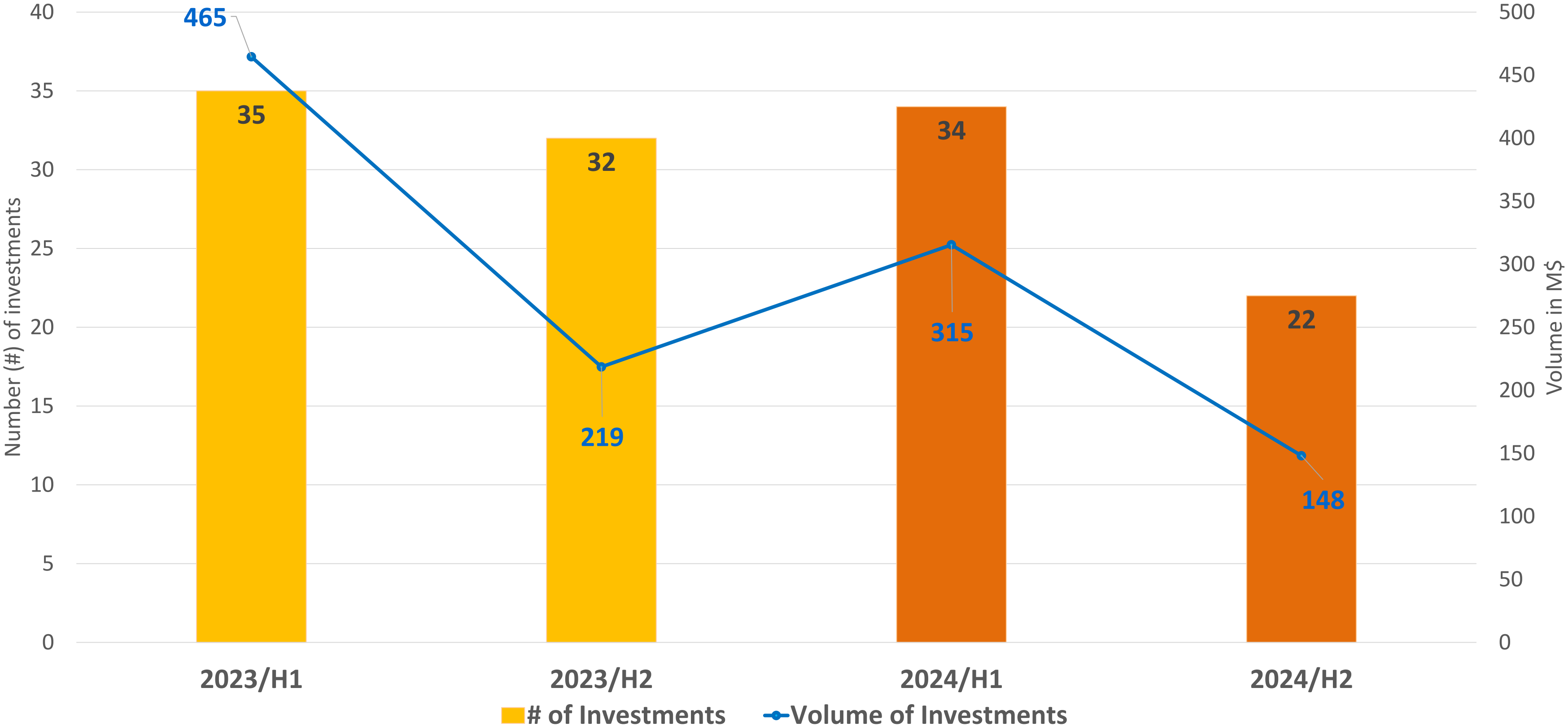
of investments in 2022 -2024 (Follow VS First Investments)



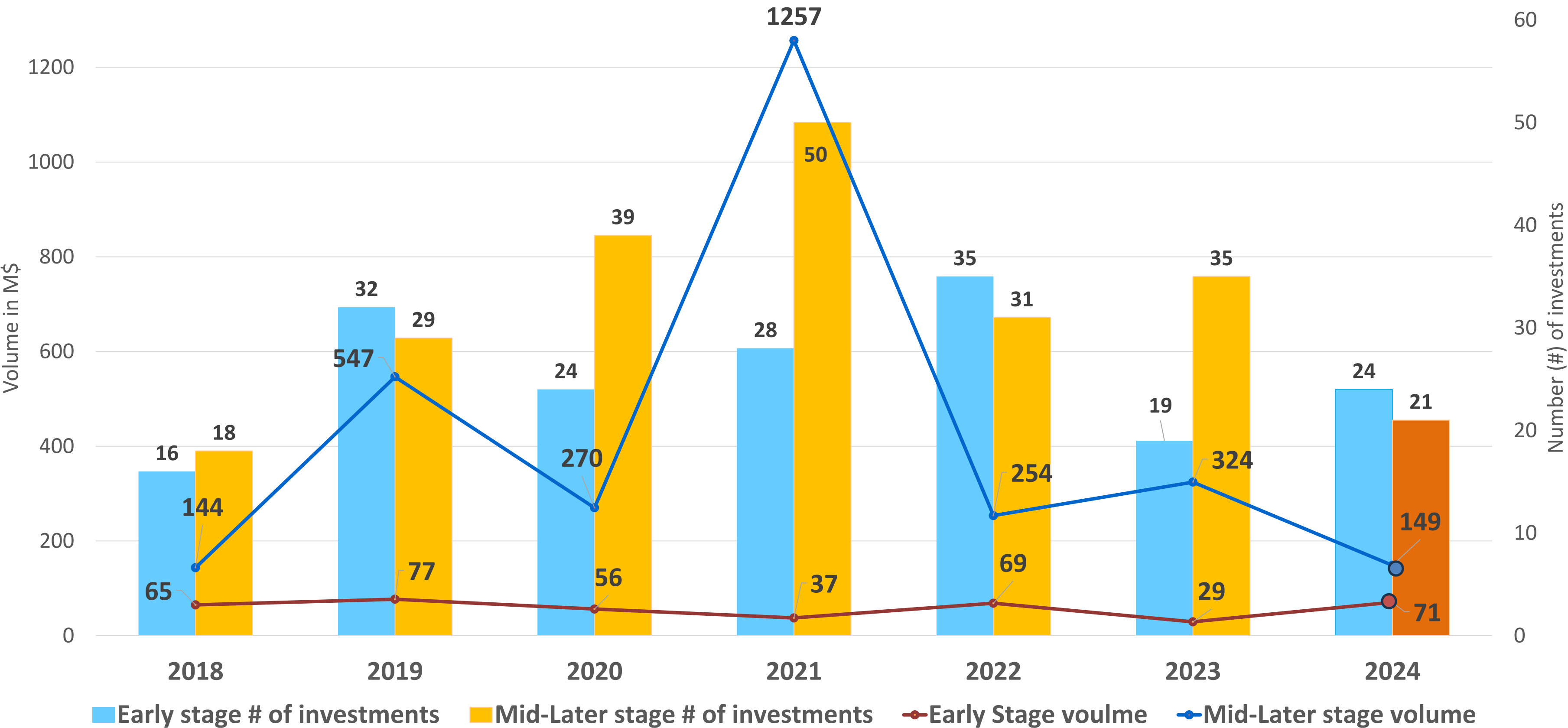
Volume of investments in 2022 - 2024 (Follow VS First Investments)



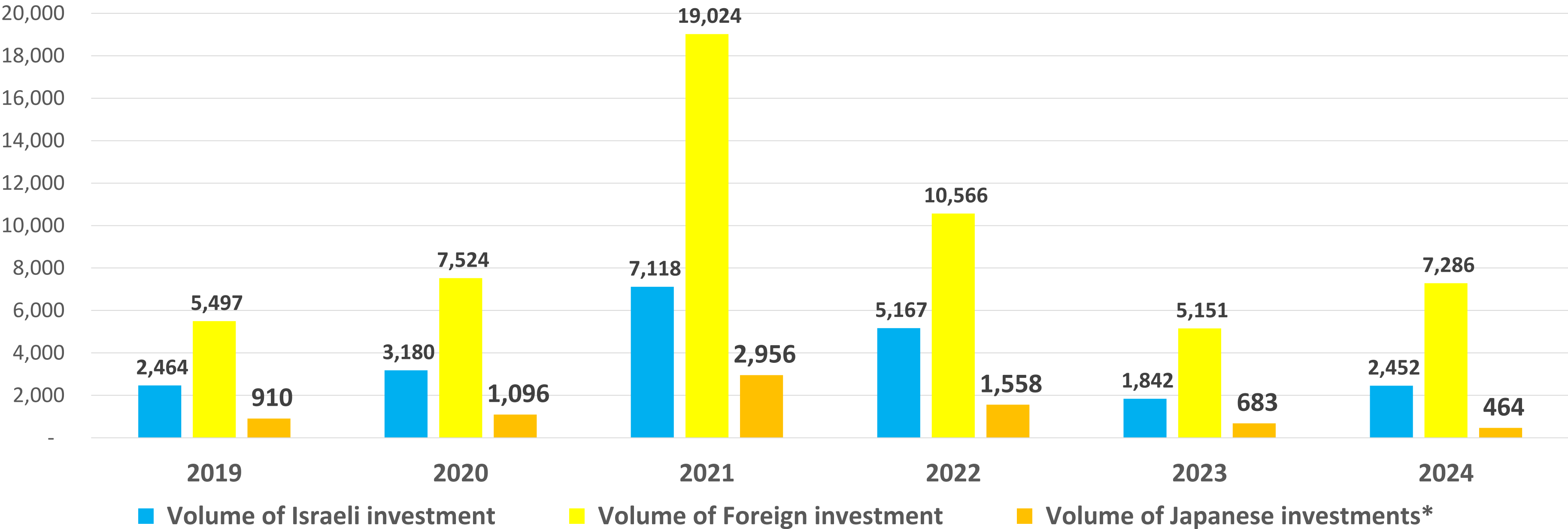
2023/H1 - 2024/H2 Japanese Investments And Acquisitions Of Israeli Companies



Japanese investments in Early stage (seed&A) vs Mid-Later stage (B+)

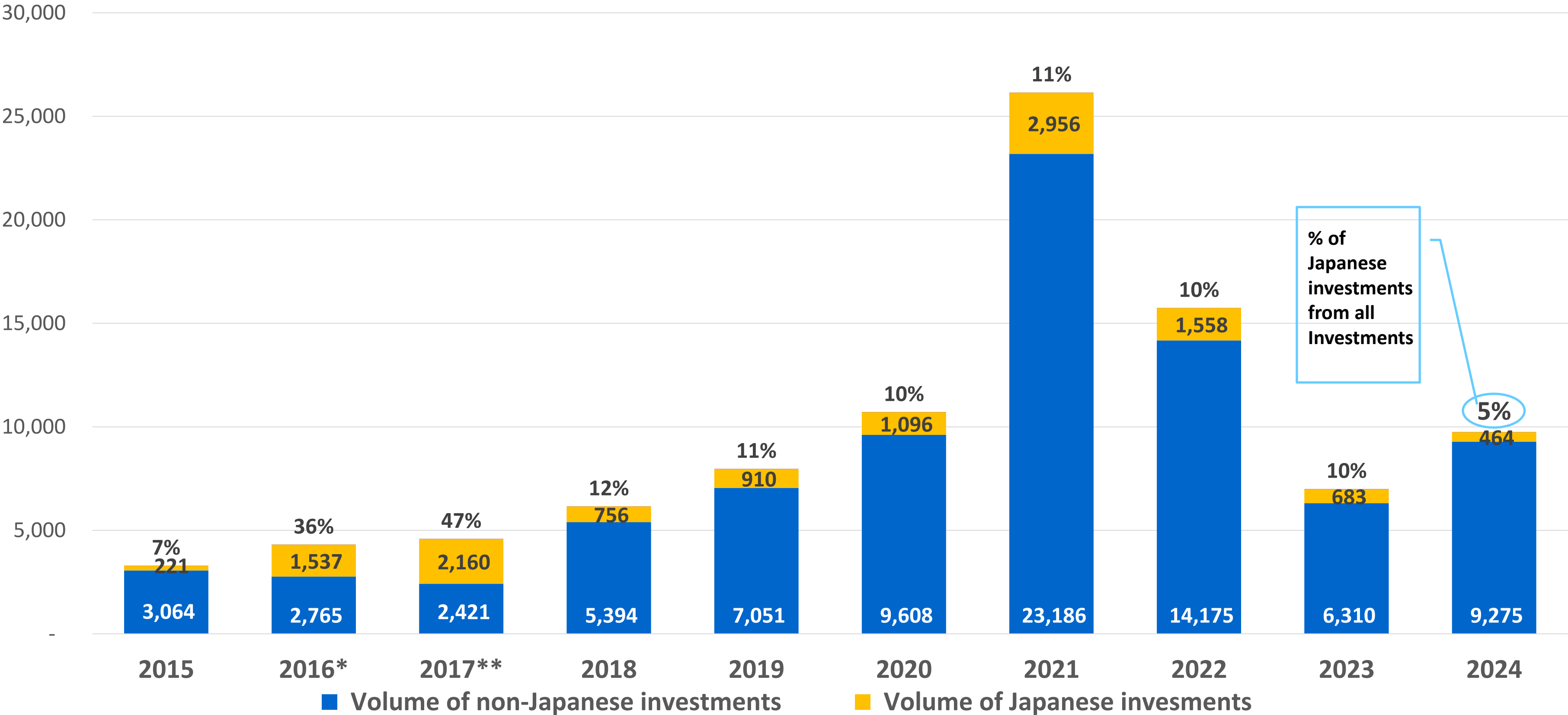


Yearly Volume of Investment in Israeli High-Tech (M\$)



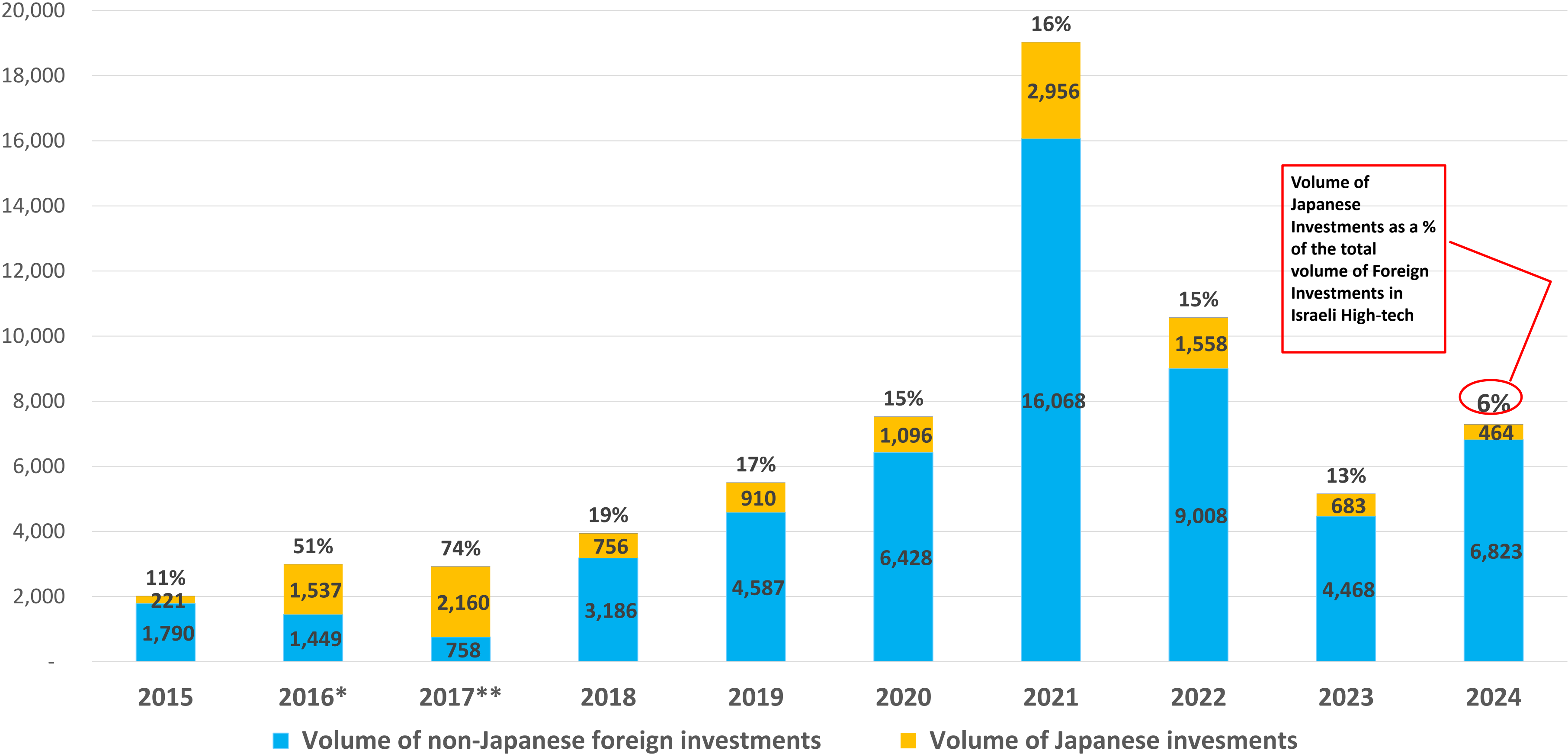
Year	2019	2020	2021	2022	2023	2024
Volume of Israeli investment	2464	3180	7118	5167	1842	2452
Volume of Foreign investment	4,587	6,428	16,068	9,008	4,468	6,823
Volume of Japanese investments*	910	1096	2956	1558	683	464
Total Investments	9980	12724	28163	17755	9015.91	11762.5

2015-2024 Yearly Volume of Overall Investments VS Japanese Investments (M\$)



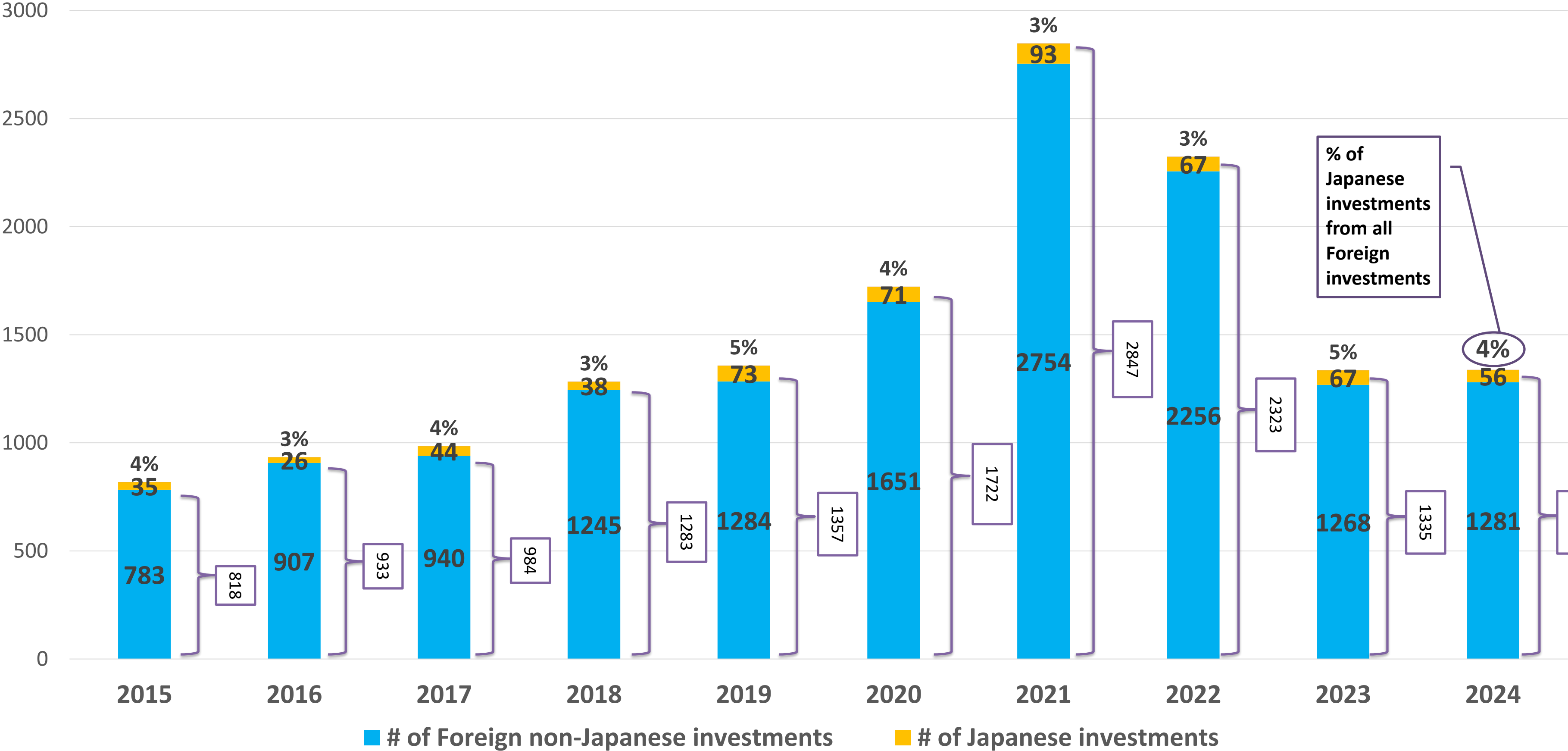
*2016: Yokohama Rubber acquired Alliance Tires for 1.2B \$
**2017: Mitsubishi acquired Neurodrem for 1.1B \$

2015-2024 Yearly Volume of Japanese Investments out of all Foreign Investments



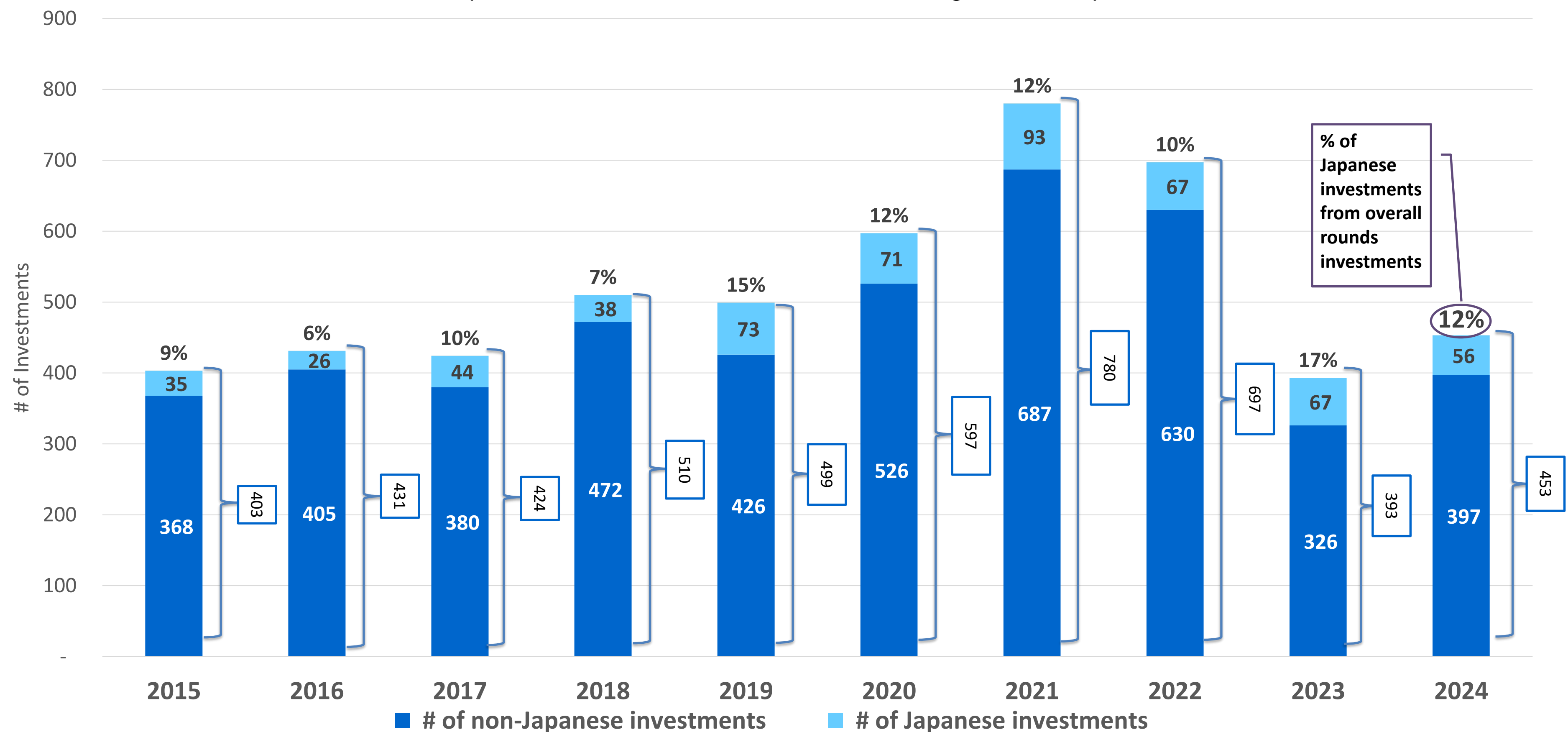
*2016: Yokohama Rubber acquired Alliance Tires for 1.2B \$
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2015-2024 Yearly number (#) of Japanese Investments out of all Foreign Investments

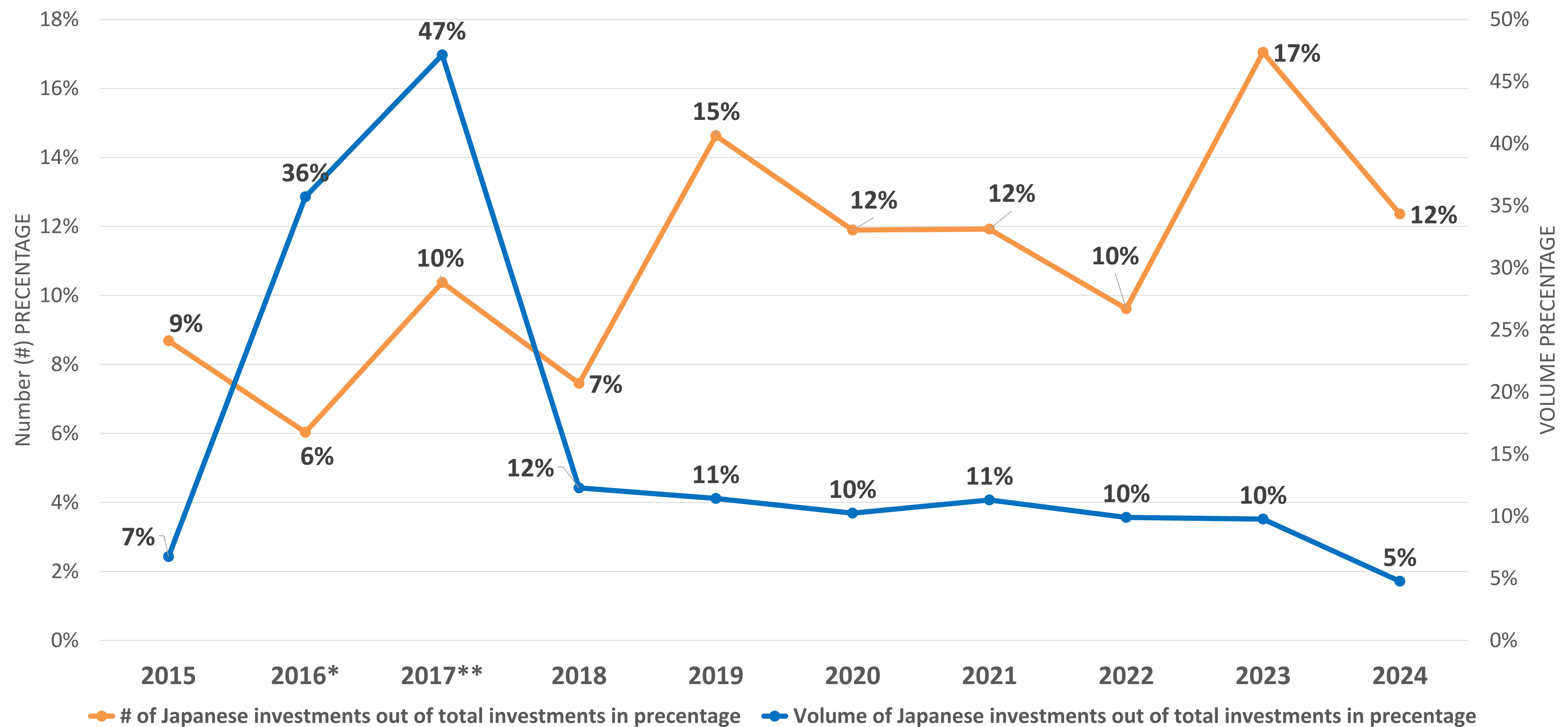


2015-2024 Number of Overall Rounds of Investments VS Japanese Investments

(Overall Rounds of investments = Israeli and all Foreign Investments)



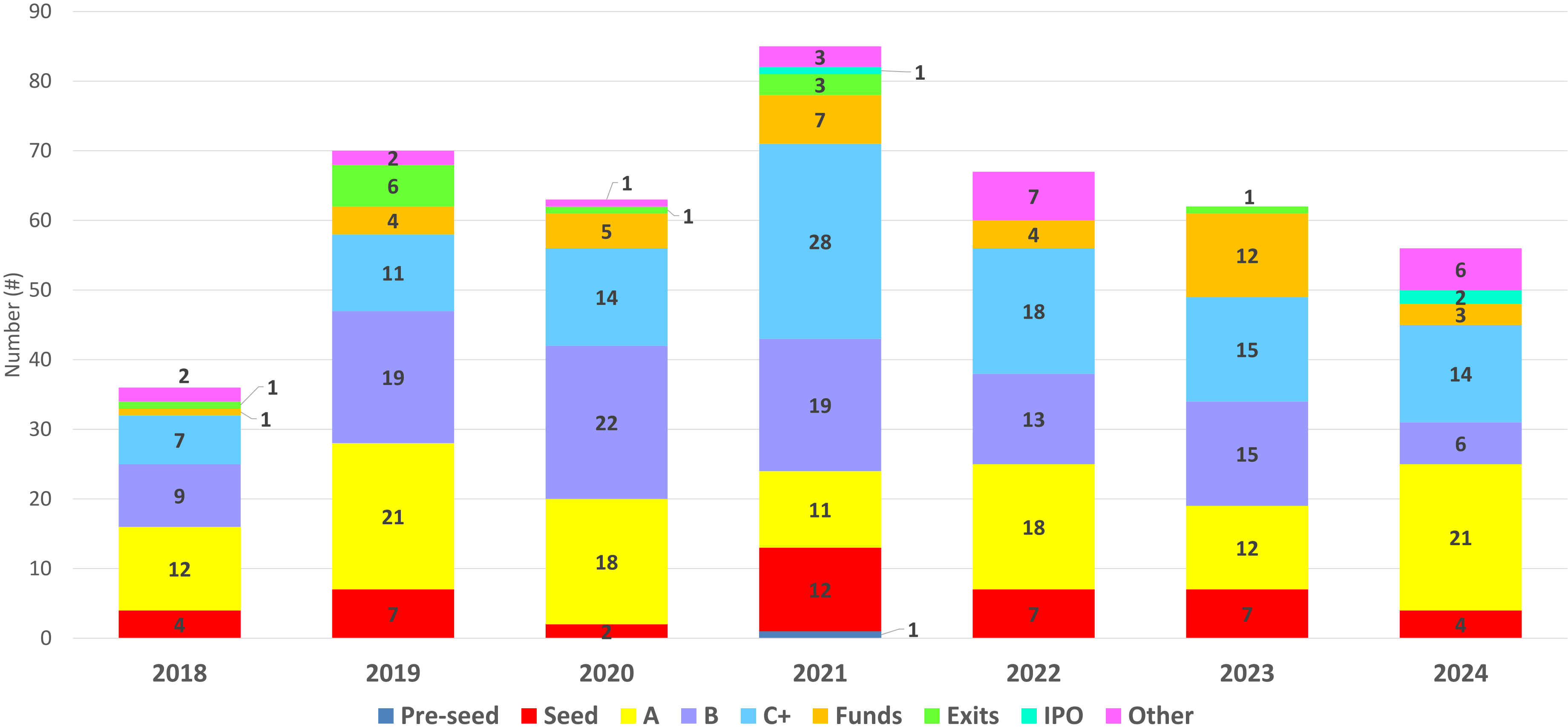
Number (#) and Volume (M\$) of Japanese Investments out of Overall Investments in Percentage



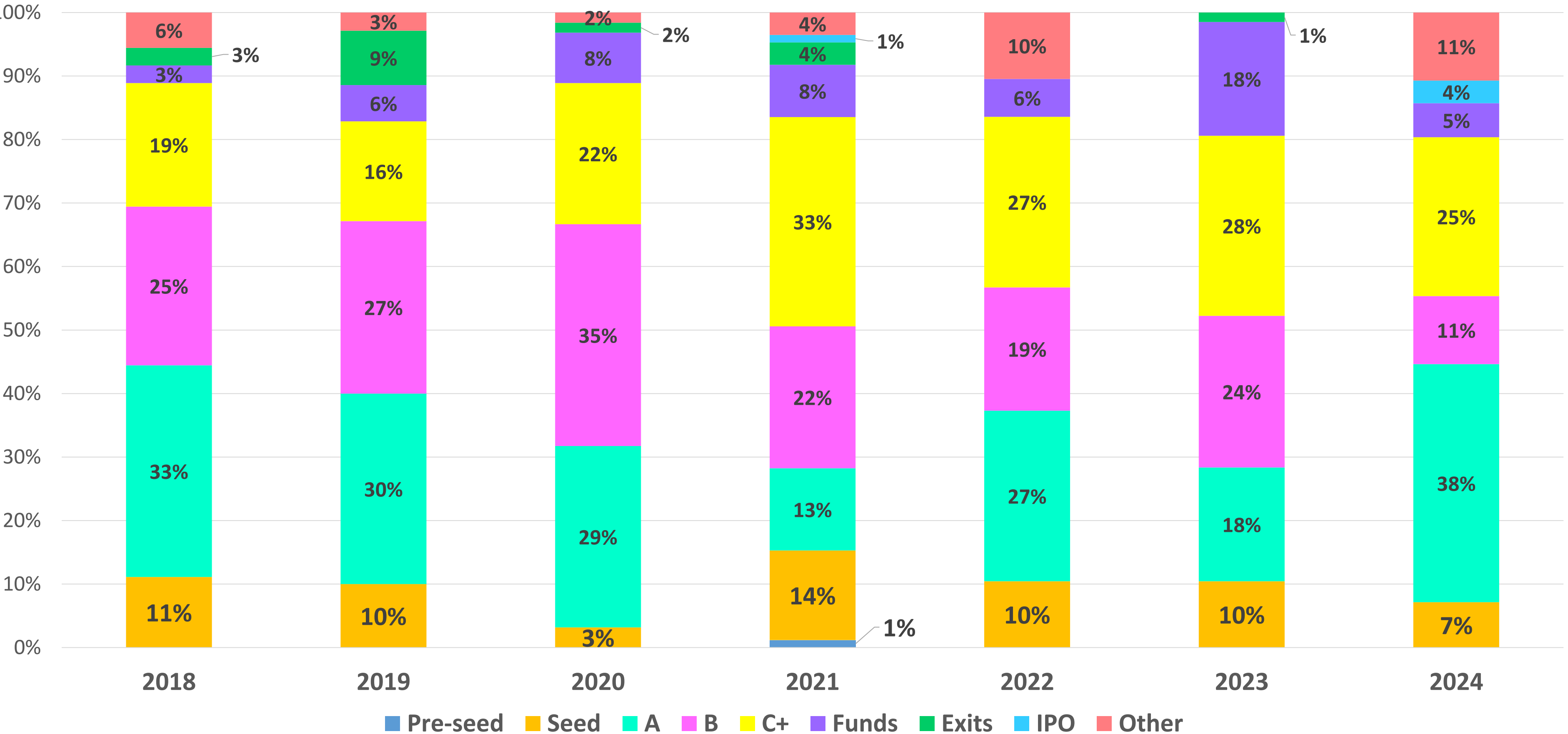
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Funding stage and Sector Analysis

Japanese Investments in Israeli High-Tech by Round



Japanese Investments in Israeli High-Tech by Round in Percentages

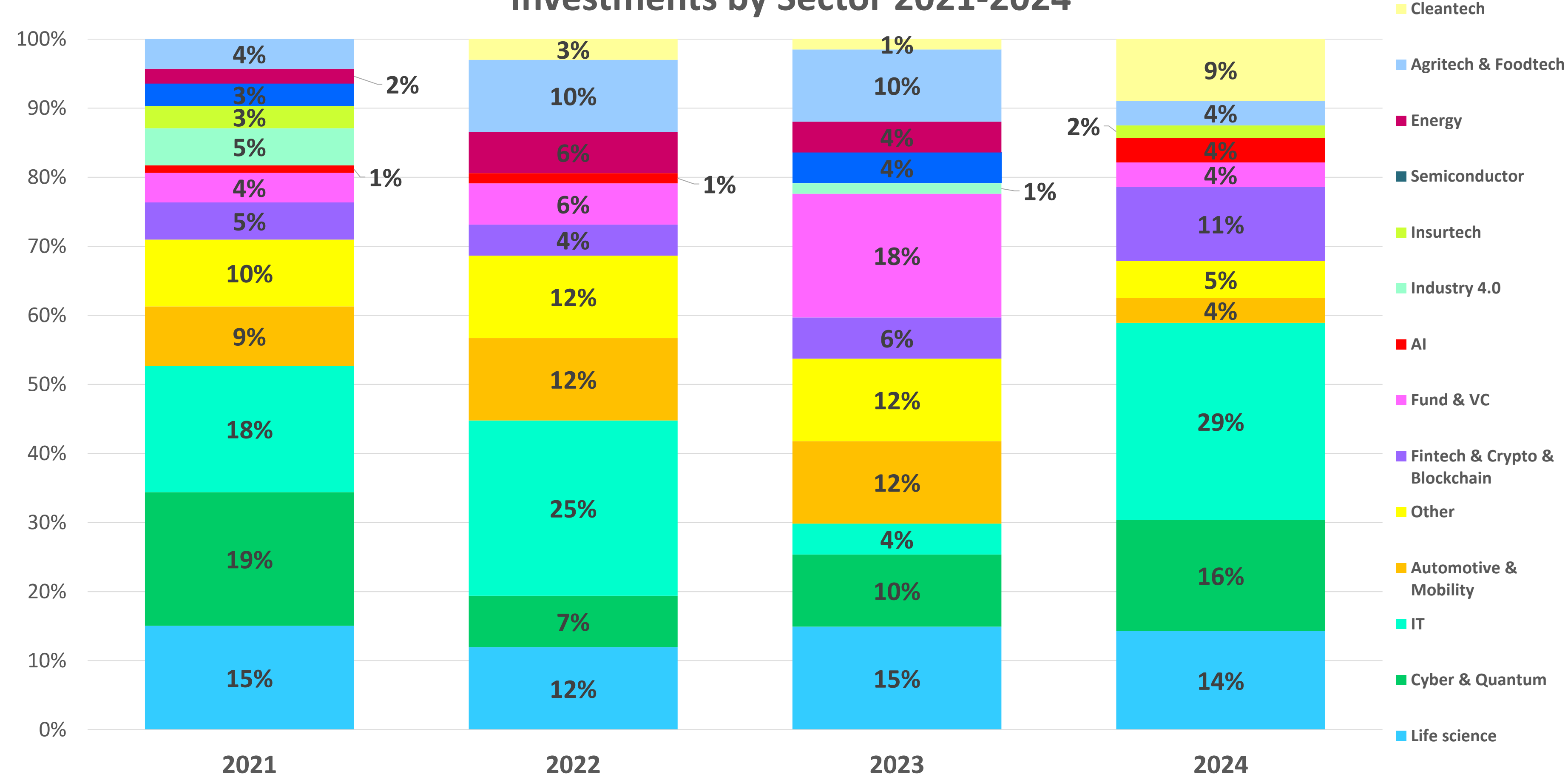


Japanese Investments in Israeli High-Tech by Round in Percentages

	2018	2019	2020	2021	2022	2023	2024
Pre-seed				1			
Seed	4	7	2	12	7	7	4
A	12	21	18	11	18	12	21
B	9	19	22	19	13	16	6
C+	7	11	14	28	18	19	14
Funds	1	4	5	7	4	12	3
Exits	1	6	1	3		1	
IPO				1			2
Other	2	2	1	3	7		6
total	36	70	63	85	67	67	56

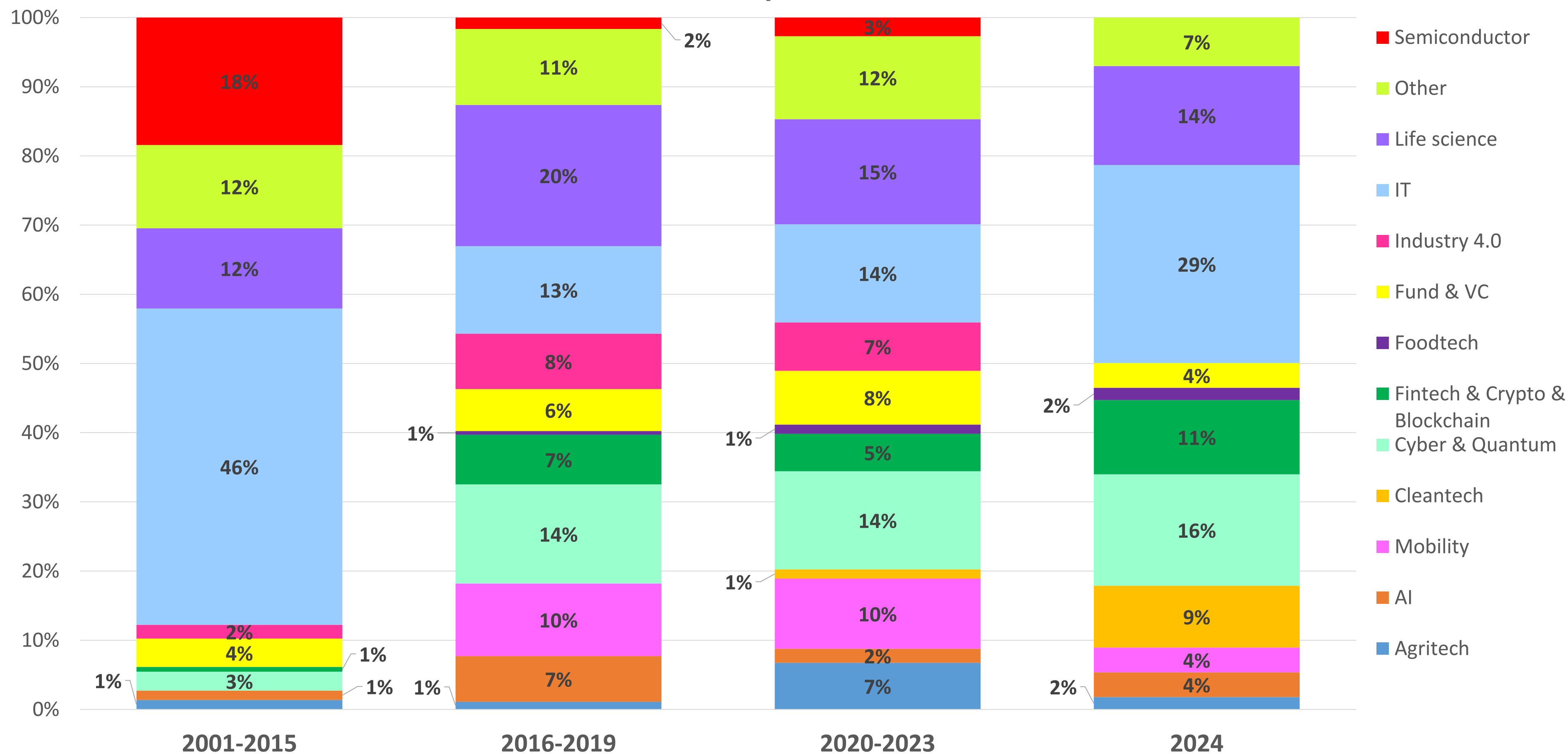
	2018	2019	2020	2021	2022	2023	2024
Pre-seed				1%			
Seed	11%	10%	3%	14%	10%	10%	7%
A	33%	30%	29%	13%	27%	18%	38%
B	25%	27%	35%	22%	19%	24%	11%
C+	19%	16%	22%	33%	27%	28%	25%
Funds	3%	6%	8%	8%	6%	18%	5%
Exits	3%	9%	2%	4%		1%	
IPO				1%			4%
Other	6%	3%	2%	4%	10%		11%

Investments by Sector 2021-2024

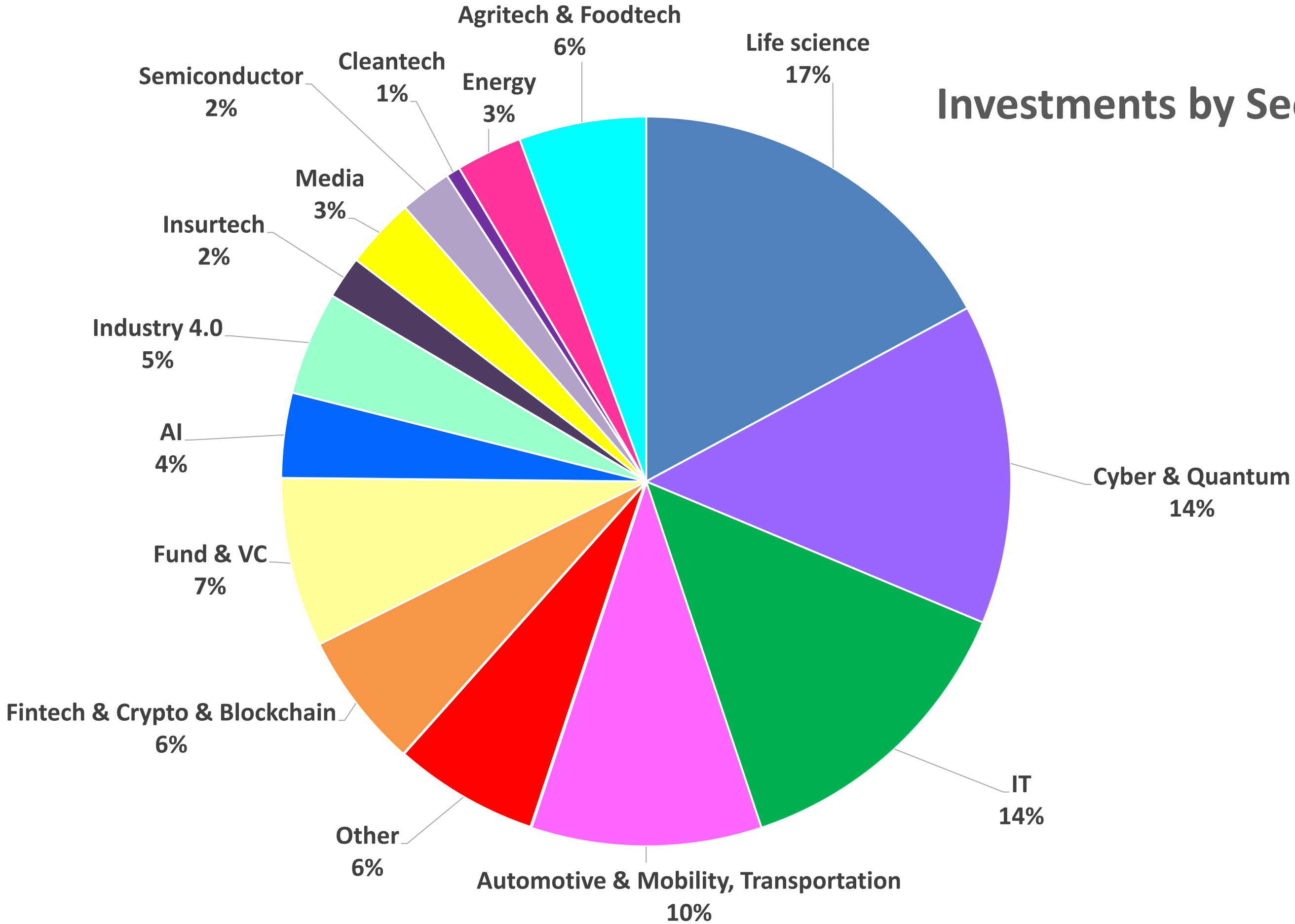


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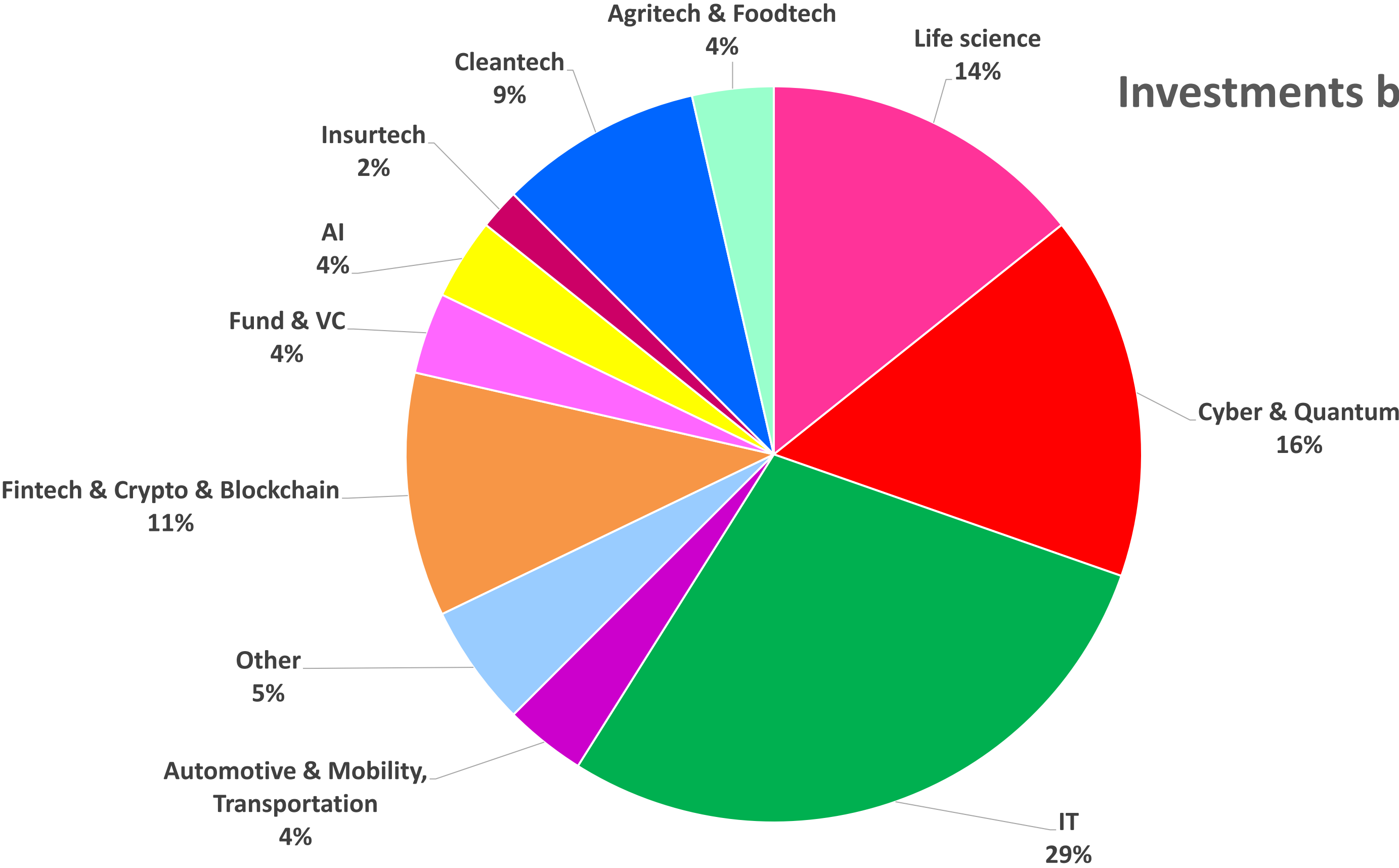
Investments by Sector 2001-2024



Investments by Sectors 2016-2023



Investments by Sectors 2024



Japanese Acquisitions of Israeli Companies

Japanese Acquisitions of Israeli Companies

Japanese Company	Israeli Acquired Company	Acquired From	Sector	Year	Volume (\$M)
TDK	Nemic-Lambda	Shareholders	AC-DC	1982	N/A
Nikken Shusha	NBT	COOR	Chemicals	1989	10
Yaskawa robotics	Eshed Robotecs	Robogroup	robotics	1997/2008	5.7
SBI Holdings	QUARK	oracle-nitto	pharma	2008/2014	120
ADM/Kaga*	Explay	Founders	IT	2009	4
SUN Corporation**	Cellbrite	Founders	IT-Security	2017	17
Toshiba	OCZ	Nasdaq	IT	2013	35
Rakuten	Wiber	Founders	IT/SNS	2014	900
Sony pictures***	Dori Media	DMG	IT/Media	2014	N/A
Dentsu Aegis	AbAgAdAbA	Founders/VC	IT/Media	2015	76
AsahiKasei-Zoll	Kyma Medical	Founders/VC	BioMed	2015	35
Sony	Altair Semi	Founders/VC	IT/Semi	2016	230

* Explay closed in 2011

** Sun corp' sold 25% of its holdings in cellbrite to IGP for \$100M in 2019

*** On June 2020 DMG executed a buy back of SPG 50% holdings in Dori Media

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Japanese Acquisitions of Israeli Companies (2)

Japanese Company	Israeli Acquired Company	Acquired From	Sector	Year	Volume (\$M)
Yokohama Rubber	Alliance Tires	KKR P/E	Autom/chemicals	2016	1200
Sony Pictures*	Interlude/EKO	Founders/VC	IT/Media	2016	50
Orix**	Ormat	Public	energy	2017	626
Mitsubishi Tanabe	Neuroderm	Founders/Public	Pharma	2017	1100
Canon	Briefcam	Founders/VC	IT	2018	70
Rigaku corp	XwinSYS	EuroControl	SEMI	2019	20
AnGes Inc	Emendo BioTherapeutics	Founders/VC ²⁸	Pharma	2020	250+50
Olympus	Meditate	Founders	Medical device	2021	300
Asahi Kasei (Zoll)	Itamar Medical	Founders	Medical device	2021	538
Renesas	CELENO	Founders	Semiconductor	2021	315
OXIDE	Raicol	Founders	Semiconductor	2023	25

* Sony Pictures acquired 50% of Interlude/EKO.

** Orix Acquired 22% of Ormat.

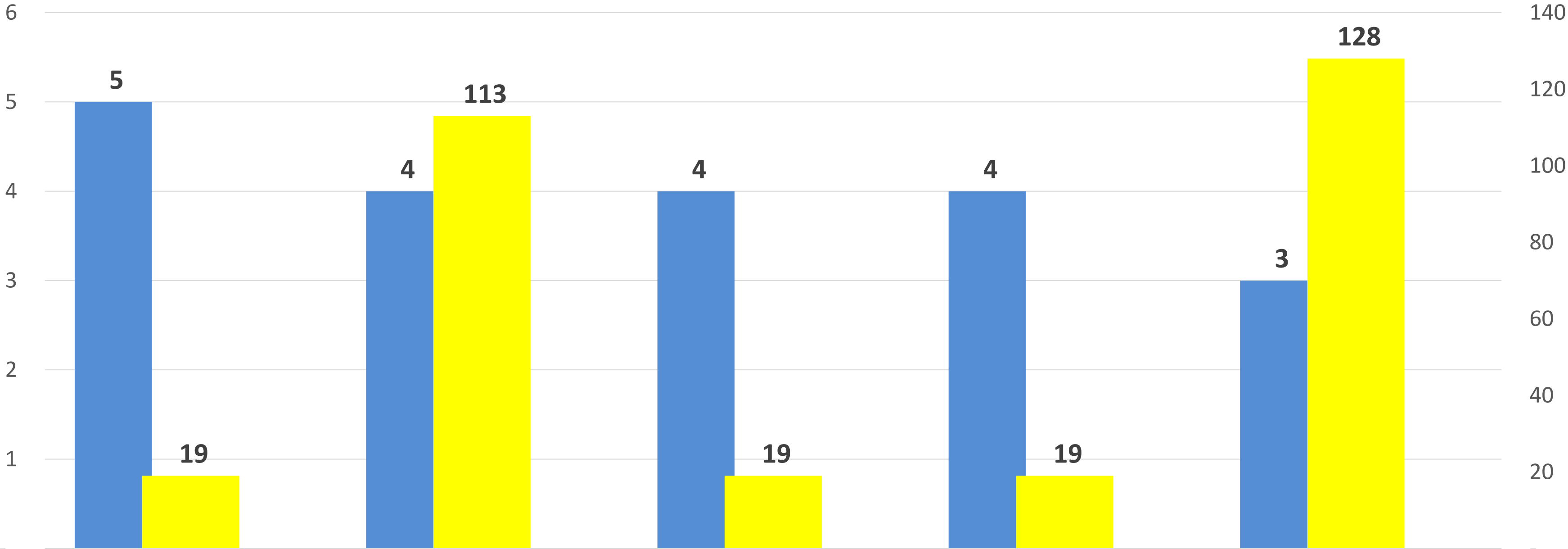


Japanese Investors & VCs activities in Israel

Top 5 Active Investors in 2024

of Investments

Volume (M\$)



Mitsui

Softbank

Chartered Group

Sumitomo

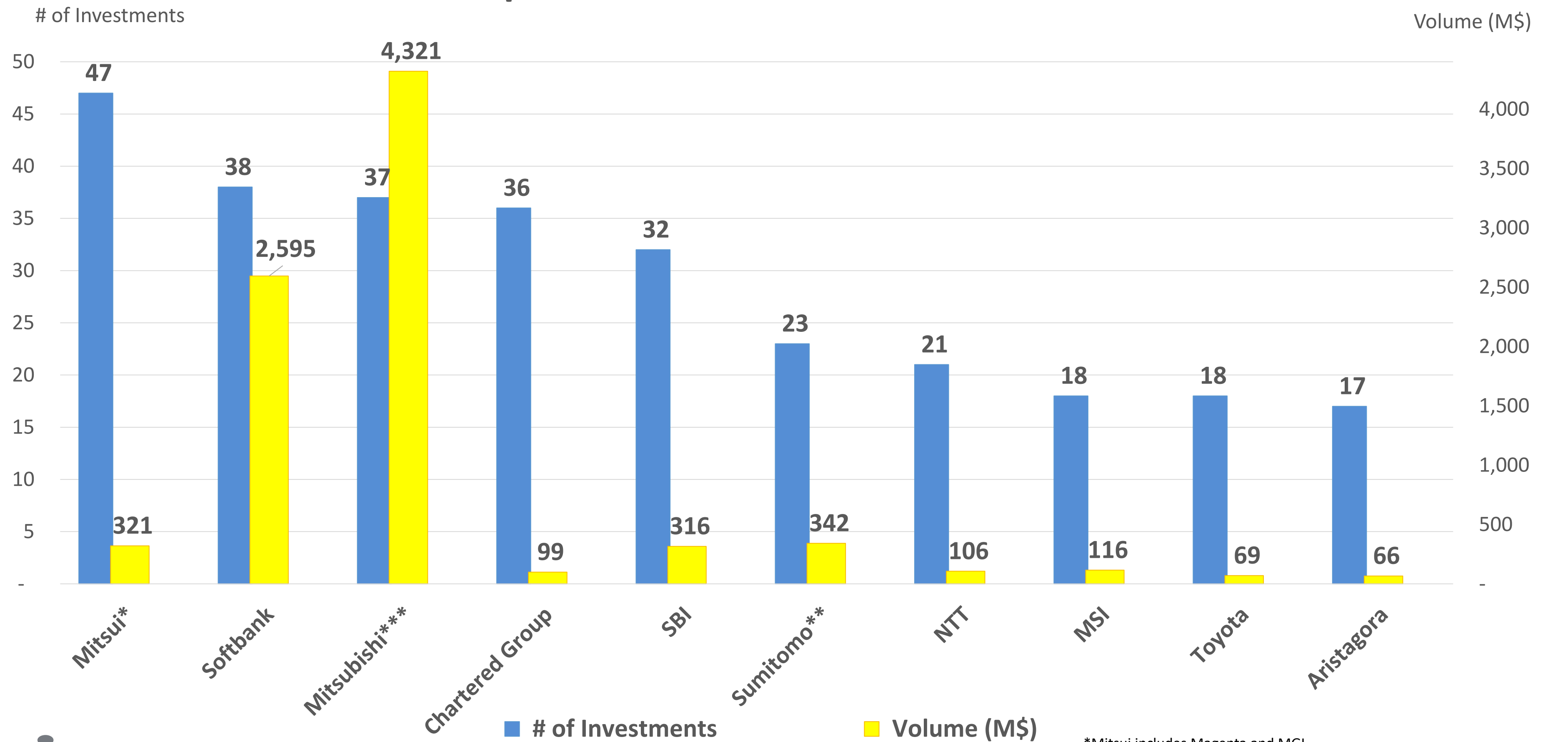
Mitsubishi

■ # of Investments ■ Volume (M\$)



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Top 10 Active Investors 2001 – 2024



*Mitsui includes Magenta and MGI.
**Sumitomo includes IN Ventures and Presidio, and Investment in the funds.
*** Mitsubishi include an investment of 1B \$ in Liquidity Capital

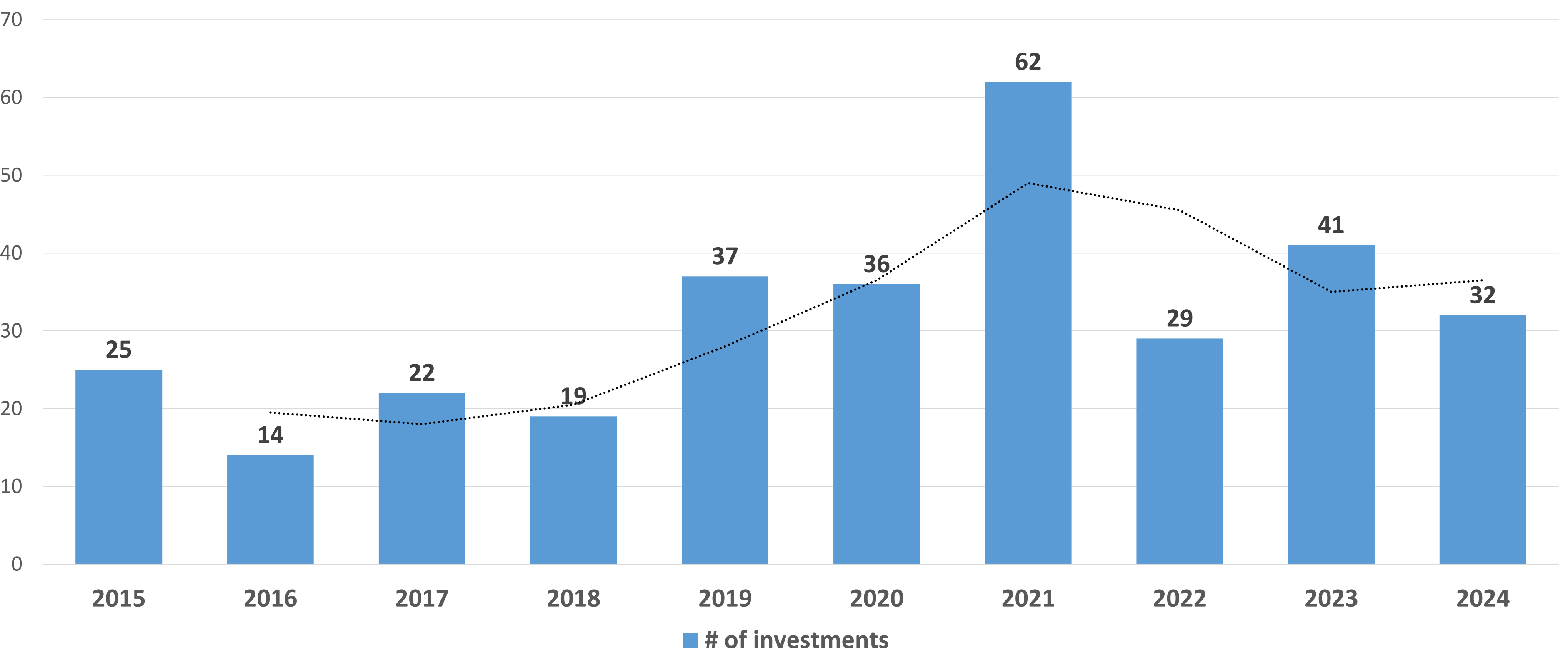
Japanese VCs Present in Israel

Parent Company\ Partnership	Japanese VC\CVC	Year Established in Israel	# of Investments	Portfolio Companies
Mitsui	MGI	2008	17	Autotalks, Cipia (eyesight), Kaltura, Silk, Valens, EarlySense, Kaiima, Claroty, eVolution, PhyTech
Takeda	Takeda Ventures Inc	2014	5	Impact-Bio, Futurx, Emendo-Bio, BiomX, Protekt
	Samurai incubators	2014	38	Actifile, CouponRoller, Dogiz, Enerjoy, Go Watermelon, StartupEast, ThemeGo, YapQ, Zerobillbank, Lemmeno, Parklife, Personafy, RighTune, The Elegant Monkeys, TrendyGURU, Waveit app, Wonder voice, Toky, Wisio, Speedup, Retube, Ondigo CRM, DiskonCloud, Gistit, Hexa, Mydimed, Porcupine, Actifile, Qprivacy, Webeyez, eLoomina, FUGU, ADKnights, NeuroBrave, TrustPeers, CorrActions, Spinframe technologies
Vertex	Corundum	2015	6	270Surgical, Cathworks, EternaBio, Theranica, Dario, LS
Sony	Sony Innovation	2016	8	Secret Double Octopus' , Trax, ANZU.IO, Identiq, Brodmann17, Anzu, Sensos
Vertex	SBI JI	2017	21	Adicet Bio, Ayala, BiomX, Biond Bio. BioSight, ChemomAb, Eloxx, ImmunoBrain, Logic Bio, Orasis, cylus, D-Fend, Trigo, Resonai, OneZero, Secret Octopus
Corundum	JOY	2017	9	EmberLabs, Empatic Technologies, Myndlyft, NYX Technologies, Reflect innovations, Sanga, Vi Technologies, Zoog.AI
Sompo Insurance	Sompo	2017	9	Nexar, Guardian, Sensifree, Intuition Robotics, Panorays, Medigate, Binah.ai
MGI – Mitsui	Magenta	2018	17	Autotalks, Valens, Workiz, Become, Hip, Brightway Vision, Veego, Findings, Lifecycle, onebeat, Sensos, Monogoto

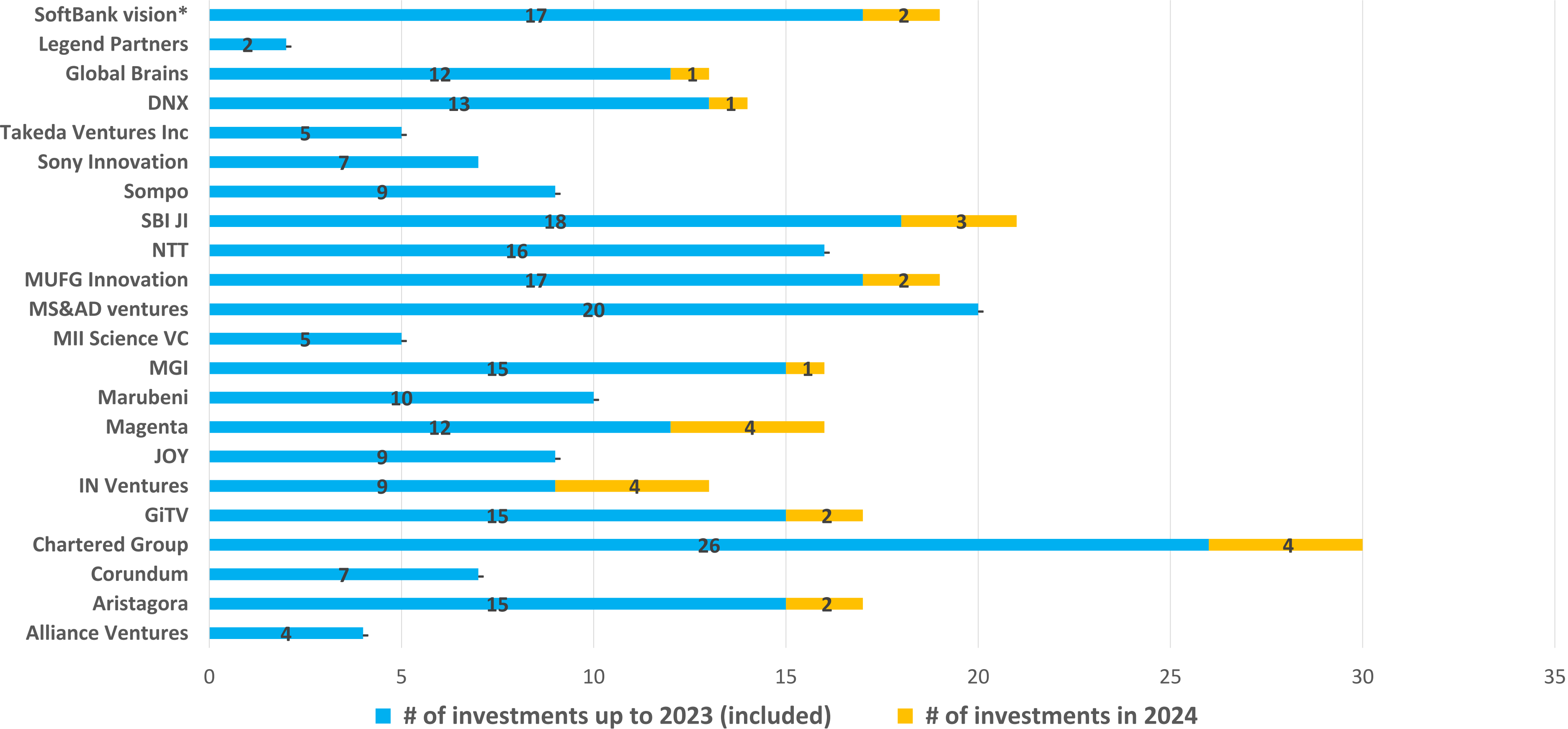
Japanese VCs Present in Israel (2)

Parent Company\ Partnership	Japanese VC\CVC	Year Established in Israel	# of Investments	Portfolio Companies
	GiTV	2018	17	Kitov, Binah.ai, Adshir, Seebo, DLR, Feelit, Cognata, Hoppo, Addionics, Found Energy
Renault - Nissan – Mitsubishi	Alliance Ventures	2018	4	Upstream, Otonomo, Maniv mobility (Fund)
Maruho	MII Science VC	2018	6	Follicle Pharma, TPCera, Seanergy, MyBiotics, Upstream-Bio
NTT	NTT VENTURES	2019	16	Interwise, Wisair, Gizmoz, Eye-Fi Inc, Riskified SundaySky, Otonomo, WSC Sports, VDOO, Wiliot, Seemplicity, Classiq, D-ID, CropX
Marubeni	Marubeni	2019	10	ComSense Technologies, Alfina Security, SFK Technologies, Given Imaging KK, ePlane, D-ID, Neurobrains, Galileo Wheels
Sumitomo	IN Venturs	2019	4	H2Pro, Anagog, OTTOPIA, Genoox, Classiq, Orropia, CropX, Wekudo, CardinalOps
Meitav – Dash	MUFG Innovation	2020	18	RedBend, ZRRO Technologies, BlueVine, fundbox, Proteantecs, Taranis, Liquidity Capital, ChargeAfter, LendBuzz, Obligo
Mitsui – Sumitomo Insurance	MS&AD ventures	2020	20	VDOO, SPROUTT, BLACKSWAN, Bambi Dynamic, Next Insurance, Vesttoo, sprout, Neura Light, InnerPlant, FinTLV, Upstream Security, BeeHero, Assured Allies, Fairmatic
	Aristagora	2020	17	TOPeration, Suridata, RFKeeper, Nimble, lynxight, CADY Solutions, NAKAI, Periapt, ReturnGo.AI, SafeShield, ReturnGo, Nimble, Chainlane

2015-2024 # of Japanese VC's Investments



Japanese VC Investment Portfolio



Methodology and editors' remarks

Research By:
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Neomi Shaftayev

- Data is collected by from public media and private sources.
- Figures published in this review are based on accumulated data from numerous sources.
- We are aware there are investments and partnerships which are non-disclosed for several reasons, we did not publish unauthorized cases.
- Non Equity transfers (Advance payments, NRE's, options and non refundable loans were excluded from our statistics).
- General **FDI** figures are based on data gathered from **IVC-LeumiTech, Startup Nation Central, Calcalist** and **IIA**.
- Stage of Finance was gathered from VC's and Companies announcements.
- Investments in companies in the USA, with no links to Israel (but the origin of the founders) were not included in this survey.
- Data of investments in previous years may be edited according to new findings and publications that were revealed in 2024.



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About Us

Founded in 1994, Harel-Hertz Investment House Ltd (HH) is Strategy and Business Development Consulting and Investment Banking Boutique, promoting business between Japan, Israel, and the world.

At HH we provide tailor-made services at top professional standards, with personalized attention to every customer, to fit the specific requirements of each business opportunity.

HH is intimately connected with leading technology companies, entrepreneurs, VCs and opinion leaders in Israel and Japan, and operates out of its offices in Herzliya and Tokyo.

HH was founded on dedication, experience, professionalism, responsibility, dependability and personal relations with its clients



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THANK YOU!

Feel free to reach out to us
if you have any questions.



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