

Venture Enterprise Center, Japan (VEC) reports the results of our quarterly survey on venture capital (VC) investments by Japanese VC firms for the third quarter of 2023 (July to September 2023).

**The total amount of VC investments in domestic companies  
 in the third quarter of 2023**

**¥50.8billion**

**Up ¥4.5 billion q/q  
 Down ¥0.5 billion y/y**

**See Fig.3  
 in the Page 3**

\* 111 firms that responded to the survey between October 12th and November 16th 2023 are aggregated.

\* [Period covered by the survey]: Current quarter: Q3 2023 (July to September 2023)  
 Same quarter of last year: Q3 2022 (July to September 2022)

\* Unless otherwise noted, the 2nd place of decimal point below is rounded off.  
 Due to the rounding, the total may not be consistent with the sum of breakdown.

\* For the survey results of both by Stage and by Industry, the total may not be consistent with the sum of breakdown, since not all the answers provided the details.

**Figure 1: VC Investments: Q3 2022 and Q3 2023 Comparison**

109 firms that provided both figures of domestic and overseas are aggregated. ("0" is considered a valid response)

		Q3 2022				Q3 2023			
		Domestic	Overseas	Total	Number of VC firms that answered the amount "0"	Domestic	Overseas	Total	Number of VC firms that answered the amount "0"
VC (excluding CVC)	Amount (¥Bil)	47.6	15.8	63.4	26	46.3	17.9	64.2	23
	y/y % change					-2.6%	13.2%		
	Deal count	358	65	423		299	69	368	
	y/y % change				-16.5%	6.2%			
	Per deal (¥Mil)	132.8	243.5	149.9	154.9	259.7	174.5		
CVC	Amount (¥Bil)	2.4	0.4	2.8	9	4.5	0.8	5.2	7
	y/y % change					84.3%	113.9%		
	Deal count	24	3	27		29	6	35	
	y/y % change				20.8%	100.0%			
	Per deal (¥Mil)	100.8	120.0	103.0	153.8	128.3	149.4		
VC+CVC Total	Amount (¥Bil)	50.0	16.2	66.2	35	50.8	18.7	69.5	30
	y/y % change					1.6%	15.4%		
	Deal count	382	68	450		328	75	403	
	y/y % change				-14.1%	10.3%			
	Per deal (¥Mil)	130.8	238.1	147.0	154.8	249.2	172.4		

Note: Figures for Q3 2022 in Figure 1 are provided from VC firms which responded to the latest survey (Q3 2023), so that the figures presented in the above Figure 1 may not be consistent with the figures of Q3 2022 in Figure 3 and Figure 12, which are calculated based on investment amount and number of deals of Q3 2022 survey.

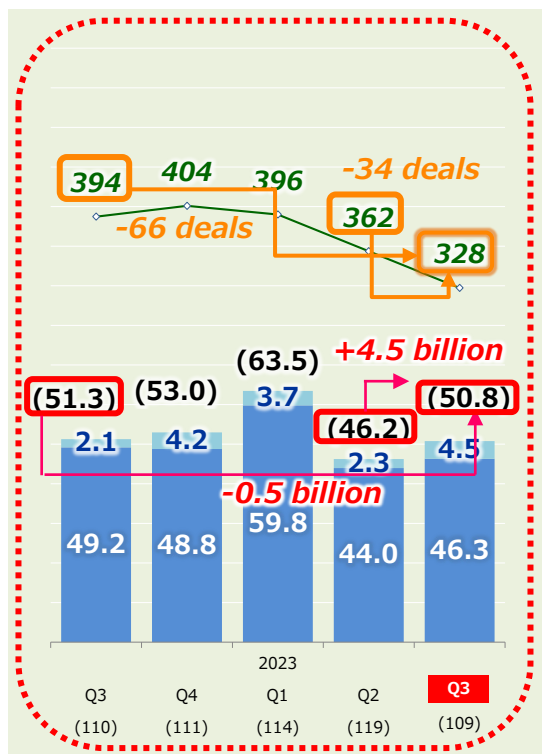
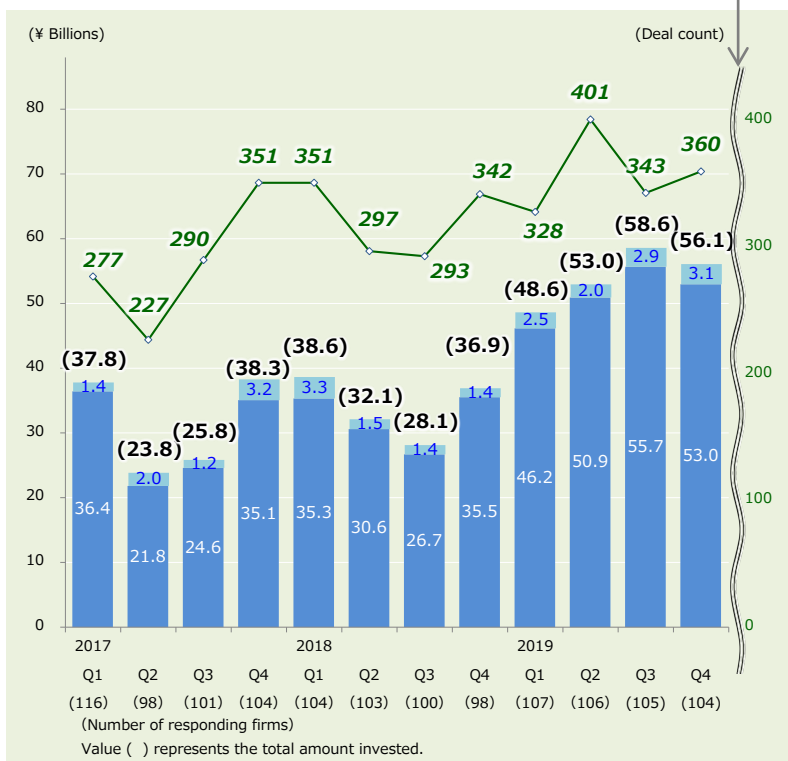
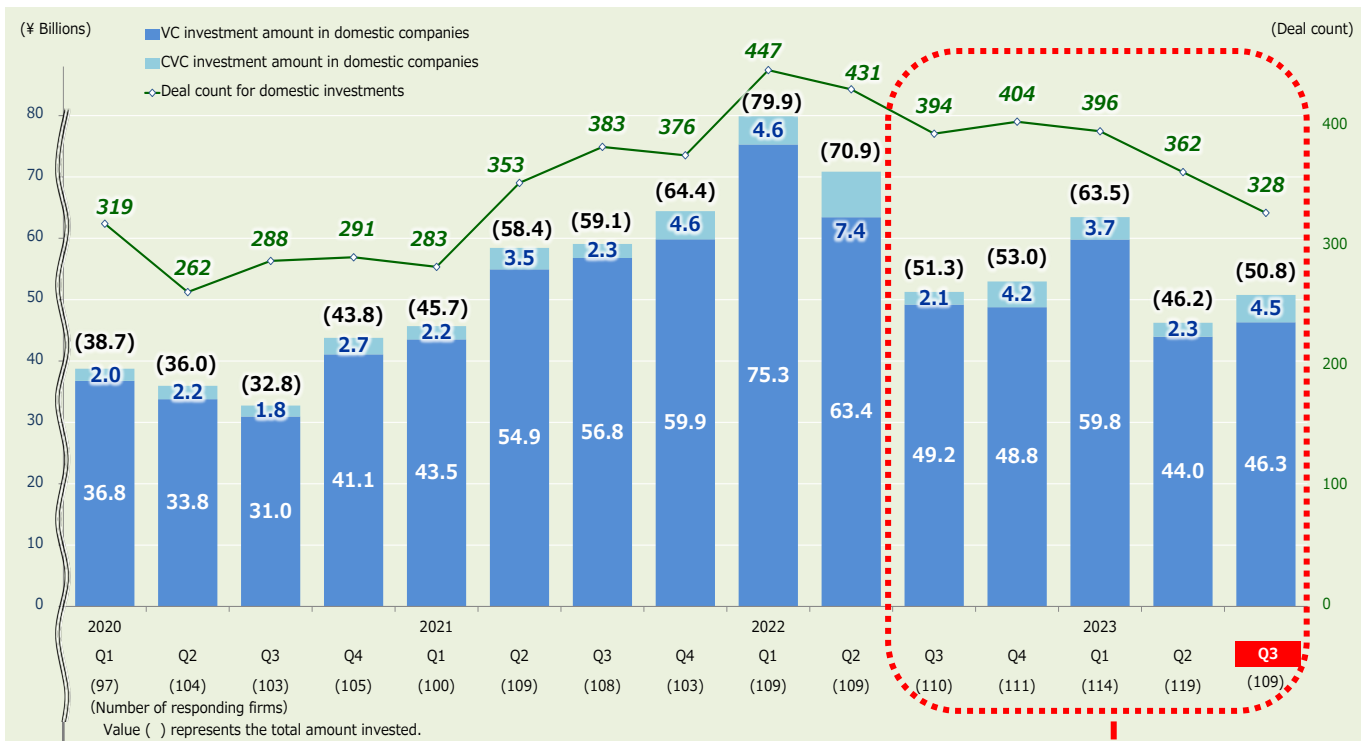
**Figure 2: Comparison of VC Investments in 2019-2023 between Calendar Year and Fiscal Year Basis**

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023		
CY 2019	<b>¥276.3billion, 1,683deals</b> ■ Domestic ¥216.2billion, 1,432deals ■ Overseas ¥60.1billion, 251deals																				
CY 2020					<b>¥219.1billion, 1,421deals</b> ■ Domestic ¥151.2billion, 1,160deals ■ Overseas ¥67.9billion, 261deals																
CY 2021									<b>¥294.8billion, 1,683deals</b> ■ Domestic ¥227.7billion, 1,395deals ■ Overseas ¥67.2billion, 288deals												
CY 2022													<b>¥340.3billion, 1,994deals</b> ■ Domestic ¥255.0billion, 1,676deals ■ Overseas ¥85.3billion, 318deals								
CY 2023																		<b>¥213.5billion, 1,297deals</b> ■ Domestic ¥160.5billion, 1,086deals ■ Overseas ¥53.1billion, 211deals			
FY 2019	<b>¥272.8billion, 1,691deals</b> ■ Domestic ¥206.3billion, 1,423deals ■ Overseas ¥66.4billion, 268deals																				
FY 2020					<b>¥221.5billion, 1,371deals</b> ■ Domestic ¥158.2billion, 1,124deals ■ Overseas ¥63.3billion, 247deals																
FY 2021									<b>¥332.7billion, 1,870deals</b> ■ Domestic ¥261.8billion, 1,559deals ■ Overseas ¥70.8billion, 311deals												
FY 2022													<b>¥322.1billion, 1,931deals</b> ■ Domestic ¥238.6billion, 1,625deals ■ Overseas ¥83.5billion, 306deals								
FY 2023																		<b>¥135.1billion, 835deals</b> ■ Domestic ¥97.0billion, 690deals ■ Overseas ¥38.1billion, 145deals			

Note : Above figures may not be consistent with those of our annual survey results, since figures above are calculated based on a simple aggregation of figures of quarterly reports.

# 1. Data on VC Investments in Domestic Companies

Figure 3: Quarterly Trend of VC and CVC Investments in Domestic Companies



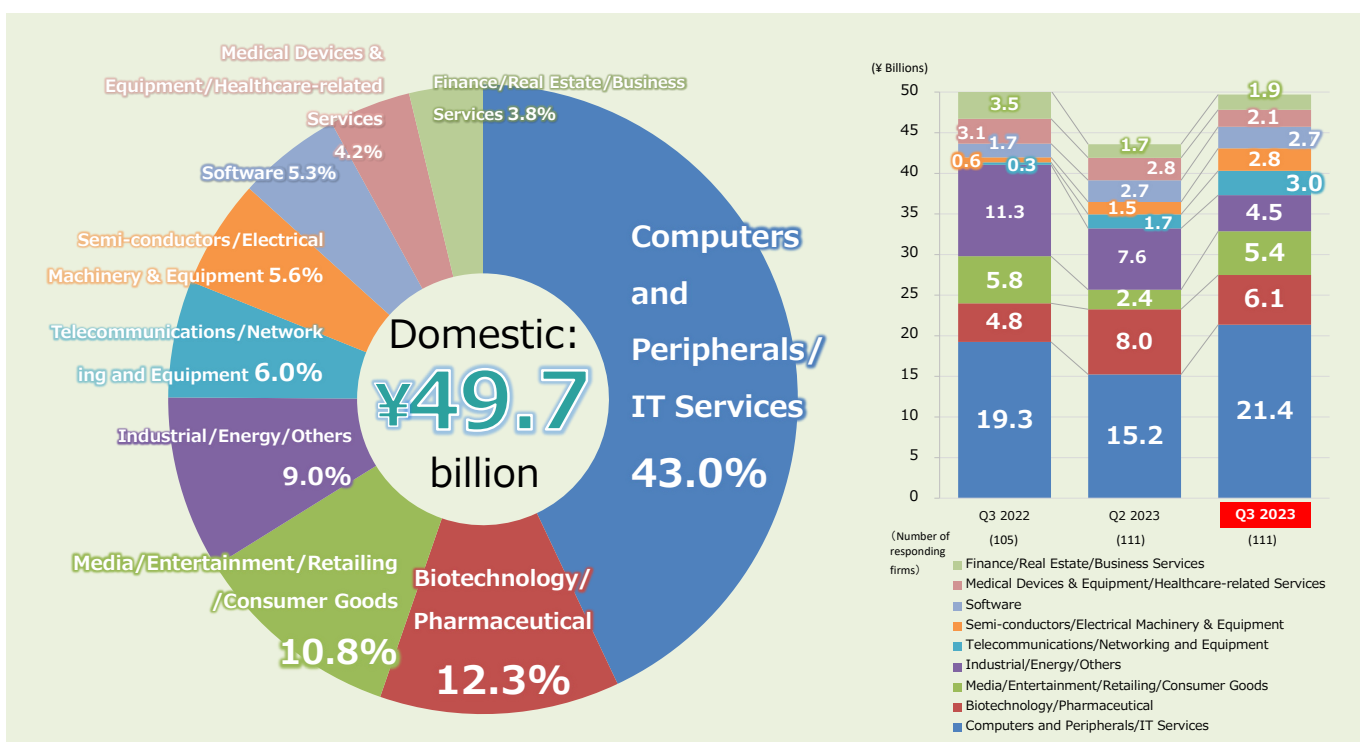
## 2. VC Investments by Industry

Figure 4: Investment Amount by Industry in Q3 2023: Domestic and Overseas

111 firms that provided figures for Q3 2023 are included in the calculation. ("0" is considered a valid response)

Industry (9 classifications plus 1)	Domestic		Overseas		Total	
	Amount(¥Mil)	Percentage	Amount(¥Mil)	Percentage	Amount(¥Mil)	Percentage
1. Telecommunications/Networking and Equipment	2,984.8	6.0%	323.2	1.7%	3,308.0	4.8%
2. Computers and Peripherals/IT Services	21,357.0	43.0%	9,026.8	48.3%	30,383.8	44.4%
3. Software	2,653.2	5.3%	454.4	2.4%	3,107.7	4.5%
4. Semi-conductors/Electrical Machinery & Equipment	2,775.0	5.6%	0.4	0.0%	2,775.3	4.1%
5. Biotechnology/Pharmaceutical	6,127.2	12.3%	1,983.2	10.6%	8,110.4	11.9%
6. Medical Devices & Equipment/Healthcare-related Services	2,089.1	4.2%	1,754.0	9.4%	3,843.1	5.6%
7. Industrial/Energy/Others	4,451.9	9.0%	1,074.8	5.8%	5,526.7	8.1%
8. Media/Entertainment/Retailing/Consumer Goods	5,389.3	10.8%	3,171.1	17.0%	8,560.4	12.5%
9. Finance/Real Estate/Business Services	1,877.5	3.8%	897.5	4.8%	2,775.0	4.1%
Decarbonization-related (among the above)	220.4	0.4%	571.1	3.1%	791.6	1.2%
<b>Total</b>	<b>49,705.1</b>	<b>100.0%</b>	<b>18,685.5</b>	<b>100.0%</b>	<b>68,390.6</b>	<b>100.0%</b>

Figure 5: Domestic Investment Amount by Industry in Q3 2023  
(Percentage of JPY value invested)



### Figure 6: Domestic Investment Amount by Industry: Comparison between Q2 2023 and Q3 2023

Q2 2023: 117 firms that provided both figures of industrial breakdown and the total are included in the calculation. ("0" is considered a valid response)

Q3 2023: 111 firms that provided both figures of industrial breakdown and the total are included in the calculation. ("0" is considered a valid response)

Industry (4 classifications plus 1)	Industry (9 classifications plus 1)	Q2 2023		Q3 2023	
		Amount(¥Mil)	Percentage	Amount(¥Mil)	Percentage
1. IT-related <b>59.9%</b>	Telecommunications/Networking and Equipment	1,723.1	4.0%	2,984.8	6.0%
	Computers and Peripherals/IT Services	15,241.5	35.0%	21,357.0	43.0%
	Software	2,674.7	6.1%	2,653.2	5.3%
	Semi-conductors/Electrical Machinery & Equipment	1,541.4	3.5%	2,775.0	5.6%
2. Biotech/Medical Services/ Health Care <b>16.5%</b>	Biotechnology/Pharmaceutical	8,030.9	18.4%	6,127.2	12.3%
	Medical Devices & Equipment/Healthcare-related Services	2,770.8	6.4%	2,089.1	4.2%
3. Industrial/Energy/Other Industries <b>9.0%</b>	Industrial/Energy/Others	7,562.1	17.3%	4,451.9	9.0%
4. Products/Services <b>14.6%</b>	Media/Entertainment/Retailing/Consumer Goods	2,387.6	5.5%	5,389.3	10.8%
	Finance/Real Estate/Business Services	1,658.9	3.8%	1,877.5	3.8%
Decarbonization-related (Among the above)		700.0	1.6%	220.4	0.4%
<b>Total</b>		<b>43,591.1</b>	<b>100.0%</b>	<b>49,705.1</b>	<b>100.0%</b>

**+ ¥6,114.0 Mil.**

### Figure 7: Domestic Investment Deal Count by Industry: Comparison between Q2 2023 and Q3 2023

Q2 2023: 117 firms that provided both figures of industrial breakdown and the total are included in the calculation. ("0" is considered a valid response)

Q3 2023: 111 firms that provided both figures of industrial breakdown and the total are included in the calculation. ("0" is considered a valid response)

Industry (4 classifications plus 1)	Industry (9 classifications plus 1)	Q2 2023		Q3 2023	
		Deal count	Percentage	Deal count	Percentage
1. IT-related <b>42.2%</b>	Telecommunications/Networking and Equipment	21	6.2%	-13 deals 8	2.6%
	Computers and Peripherals/IT Services	104	30.5%	-10 deals 94	30.7%
	Software	22	6.5%	16	5.2%
	Semi-conductors/Electrical Machinery & Equipment	12	3.5%	11	3.6%
2. Biotech/Medical Services/ Health Care <b>21.6%</b>	Biotechnology/Pharmaceutical	50	14.7%	-10 deals 40	13.1%
	Medical Devices & Equipment/Healthcare-related Services	25	7.3%	26	8.5%
3. Industrial/Energy/Other Industries <b>18.0%</b>	Industrial/Energy/Others	43	12.6%	+12 deals 55	18.0%
4. Products/Services <b>18.3%</b>	Media/Entertainment/Retailing/Consumer Goods	39	11.4%	39	12.7%
	Finance/Real Estate/Business Services	25	7.3%	17	5.6%
Decarbonization-related (Among the above)		6	1.8%	3	1.0%
<b>Total</b>		<b>341</b>	<b>100.0%</b>	<b>306</b>	<b>100.0%</b>

**-35 deals**

### 3. VC Investments by Stage (Domestic)

Figure 8: Investment Amount by Stage

Q3 2022 : 104 firms that provided figures are included in the calculation. ("0" is considered a valid response)  
 Q2 2023 : 115 firms that provided figures are included in the calculation. ("0" is considered a valid response)  
 Q3 2023 : 109 firms that provided figures are included in the calculation. ("0" is considered a valid response)

(¥ Millions)

Stage	Q3 2022		Q2 2023		Q3 2023		y/y	q/q
	Amount	%	Amount	%	Amount	%		
Seed	8,499.8	22.7%	5,782.4	19.4%	7,787.5	17.9%	-4.8 points	-1.5 points
Early	13,681.7	36.5%	12,581.9	42.2%	17,707.6	40.6%	+4.2 points	-1.6 points
Expansion	10,444.4	27.8%	8,319.5	27.9%	8,111.4	18.6%	-9.2 points	-9.3 points
Later	4,899.0	13.1%	3,125.4	10.5%	9,982.6	22.9%	+9.8 points	+12.4 points
Total	37,524.9	100.0%	29,809.1	100.0%	43,589.1	100.0%		

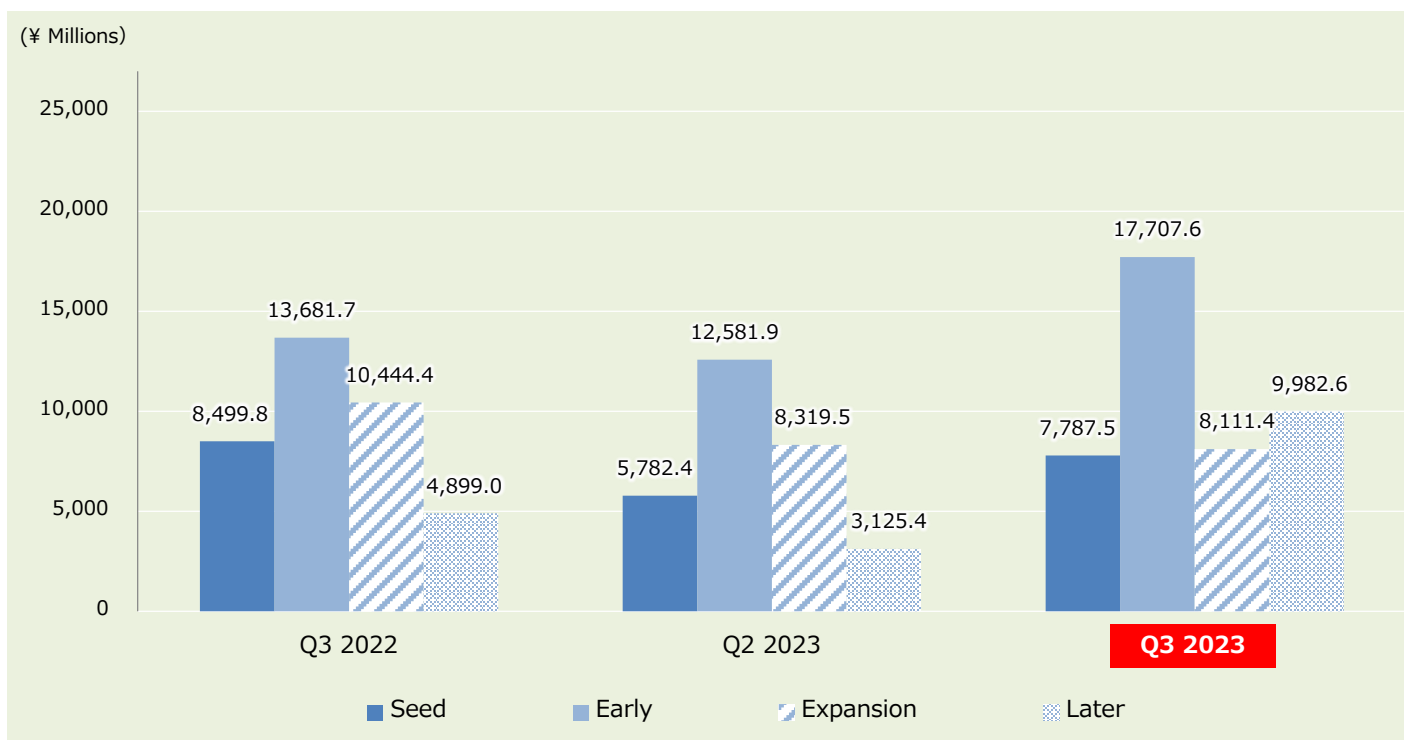
Figure 9: Investment Deal Count by Stage

Q3 2022 : 104 firms that provided figures are included in the calculation. ("0" is considered a valid response)  
 Q2 2023 : 115 firms that provided figures are included in the calculation. ("0" is considered a valid response)  
 Q3 2023 : 109 firms that provided figures are included in the calculation. ("0" is considered a valid response)

(Deal count)

Stage	Q3 2022		Q2 2023		Q3 2023	
	Count	%	Count	%	Count	%
Seed	90	27.3%	71	24.3%	59	21.1%
Early	150	45.5%	121	41.4%	148	53.0%
Expansion	57	17.3%	74	25.3%	44	15.8%
Later	33	10.0%	26	8.9%	28	10.0%
Total	330	100.0%	292	100.0%	279	100.0%

**Figure 10: Investment Amount Comparison by Stage**



## 4. Investment Amount by Industry and Stage (Domestic)

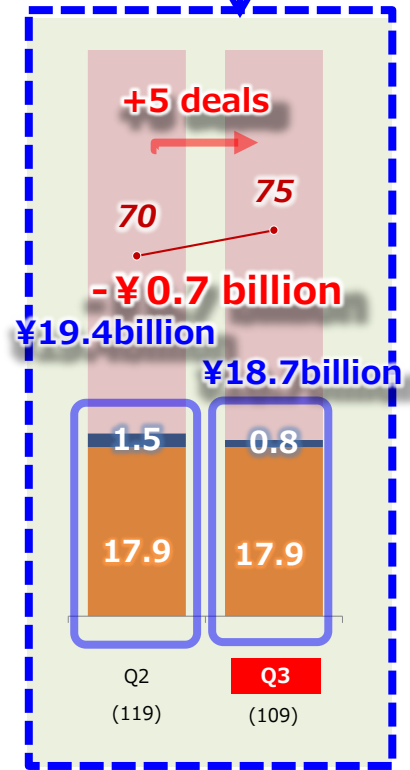
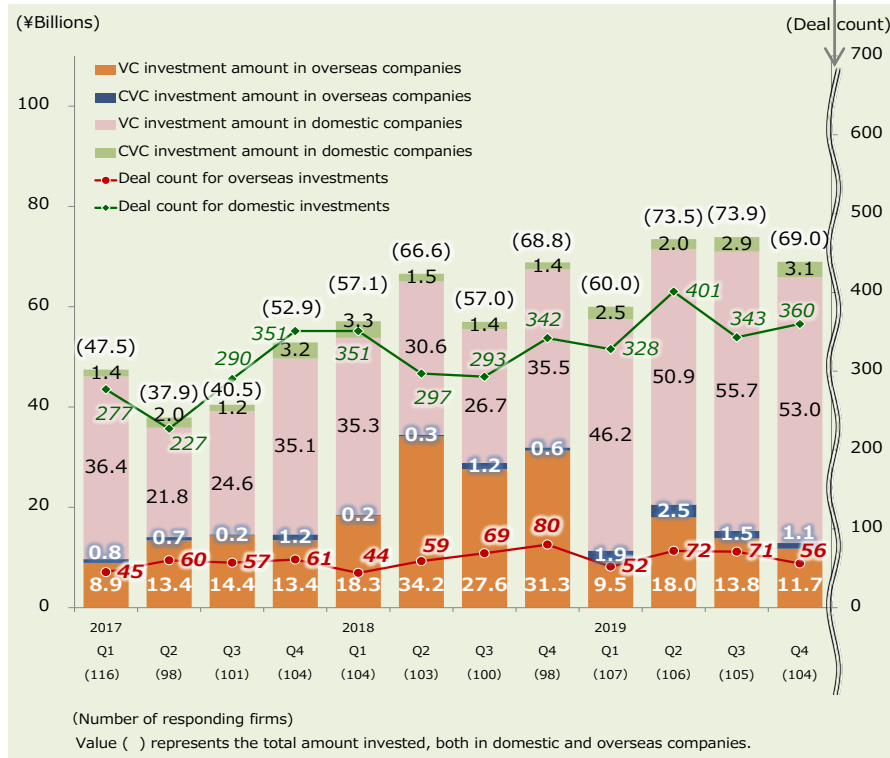
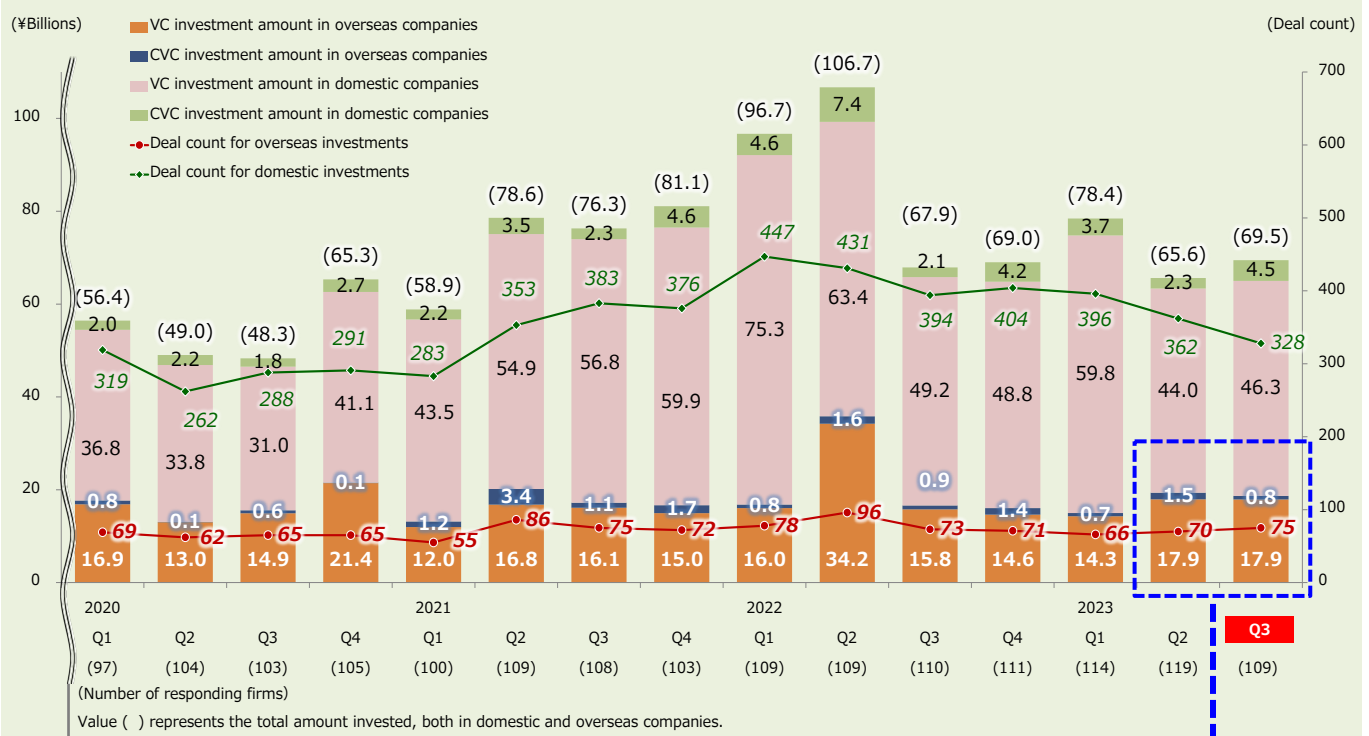
**Figure 11: Investment Amount by Industry and Stage**

(¥ Millions) Q3 2023 : 109 firms that provided figures are included in the calculation. ("0" is considered a valid response)

	Seed	Early	Expansion	Later	Total
Telecommunications/Networking and Equipment	0.0	139.9	0.0	2,844.9	2,984.8
Computers and Peripherals/IT Services	3,660.4	8,747.3	3,123.4	3,842.7	19,373.8
Software	0.0	843.5	360.0	1,449.8	2,653.2
Semi-conductors/Electrical Machinery & Equipment	2,010.0	499.1	265.8	0.0	2,775.0
Biotechnology/Pharmaceutical	1,361.0	1,975.9	623.4	225.7	4,186.0
Medical Devices & Equipment/Healthcare-related Services	210.1	1,629.5	249.5	0.0	2,089.1
Industrial/Energy/Others	497.8	1,610.4	1,617.8	237.3	3,963.2
Media/Entertainment/Retailing/Consumer Goods	27.0	1,252.2	1,211.5	350.0	2,840.7
Finance/Real Estate/Business Services	21.2	164.0	660.1	582.3	1,427.6
<b>Total</b>	<b>7,787.5</b>	<b>17,707.6</b>	<b>8,111.4</b>	<b>9,982.6</b>	<b>43,589.1</b>

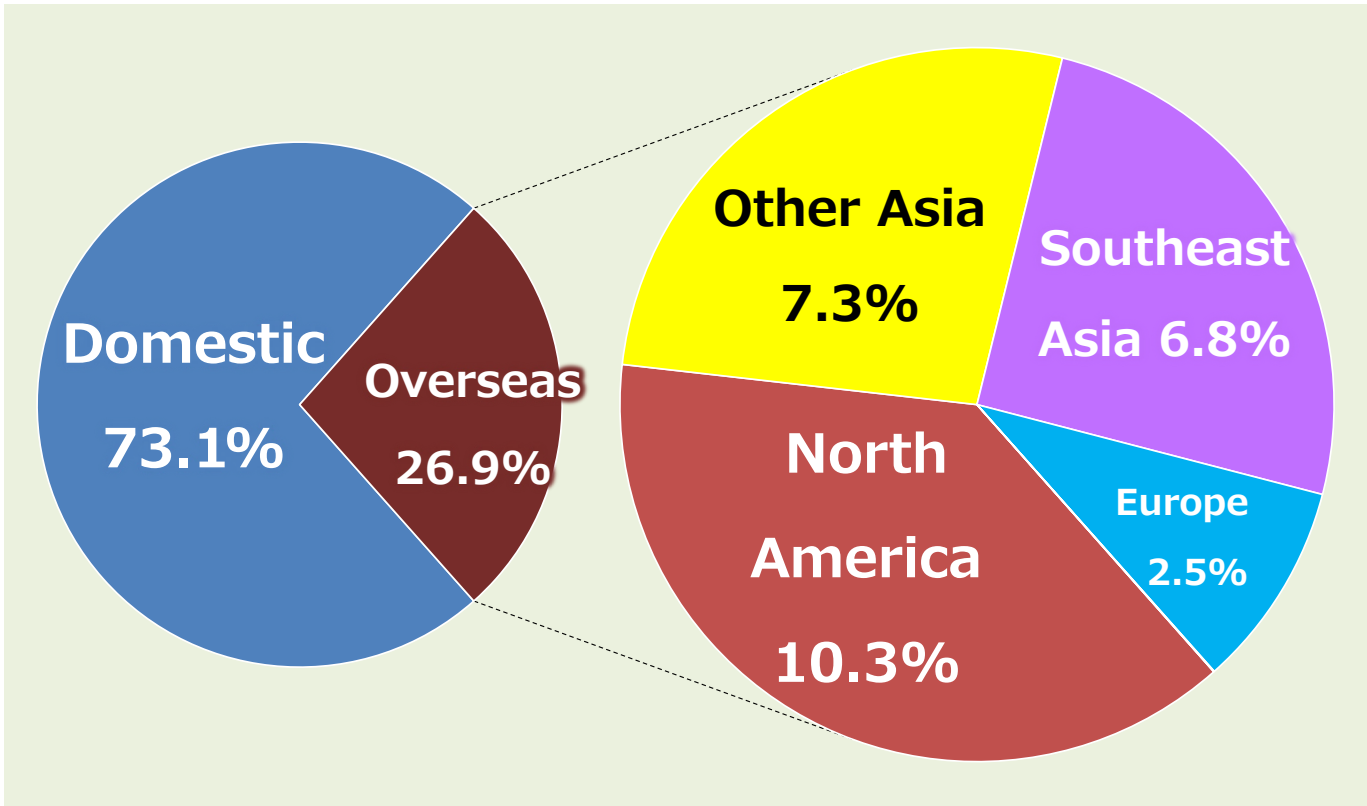
# 5. Data on VC Investments in Overseas Companies

Figure 12: Quarterly Trend of VC and CVC Investments





**Figure 13: Investment Amount by Region in Q3 2023**  
: Domestic and Overseas (Percentage of JPY value invested)



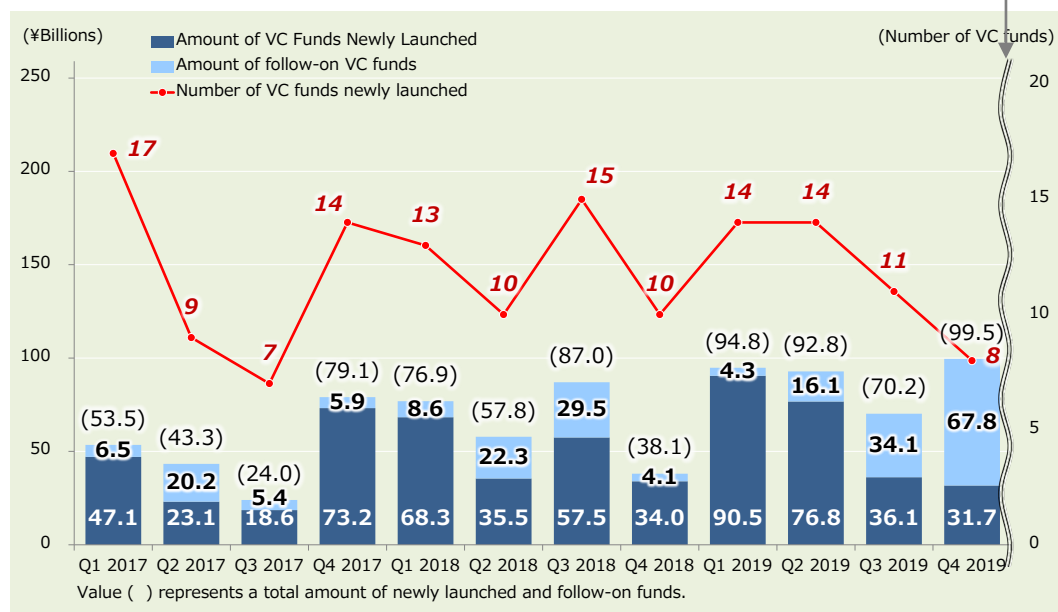
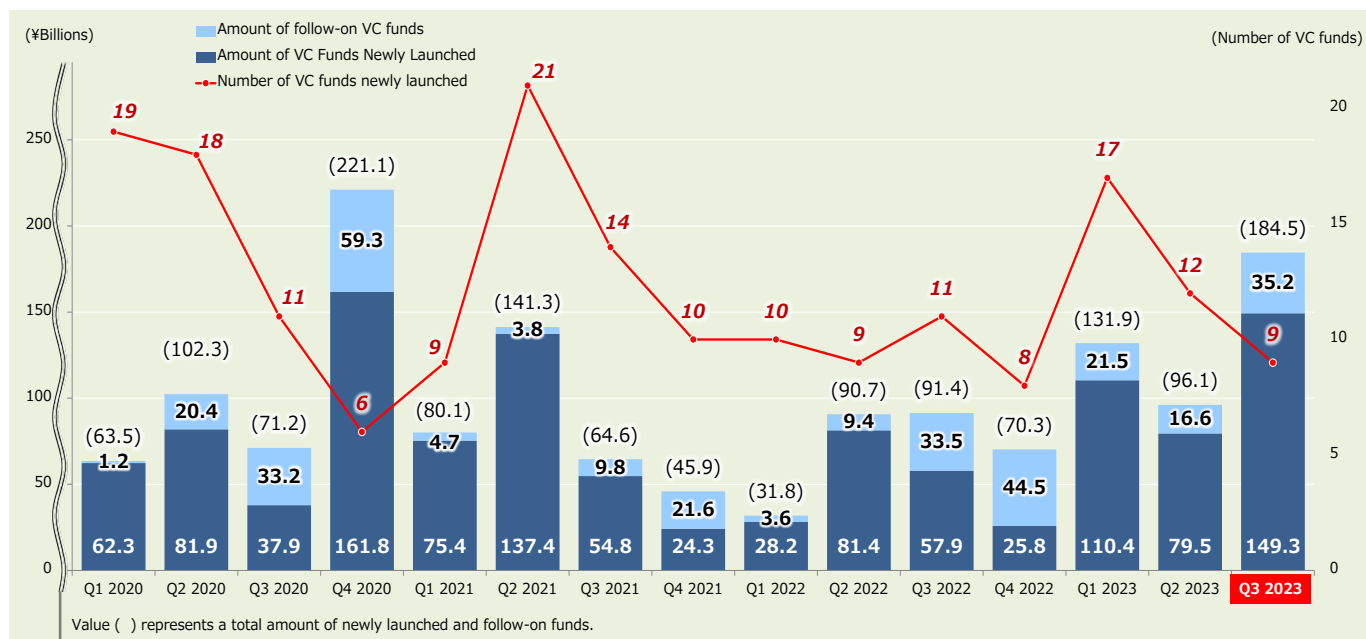
# 6. New VC Funds Launched in Q3 2023

**Figure 14: New VC Funds Launched and Follow-on Funds in Q3 2023**  
(Limited to the investment fund to startups)

15 firms that provided both figures of amount and number of deals for domestic and overseas are included in the calculation.  
("0" is considered a valid response)

Q3 2023							
VC funds newly launched						Follow-on	
Number of funds launched		Amount (¥Bil)		Per fund (¥Bil)		Amount (¥Bil)	
9	For overseas investments among the left	149.3	For overseas investments among the left	16.6	For overseas investments among the left	35.2	For overseas investments among the left
	1		8.1		8.1		12.1

**Figure 15: Total Fund Value and Number of New Funds Launched**

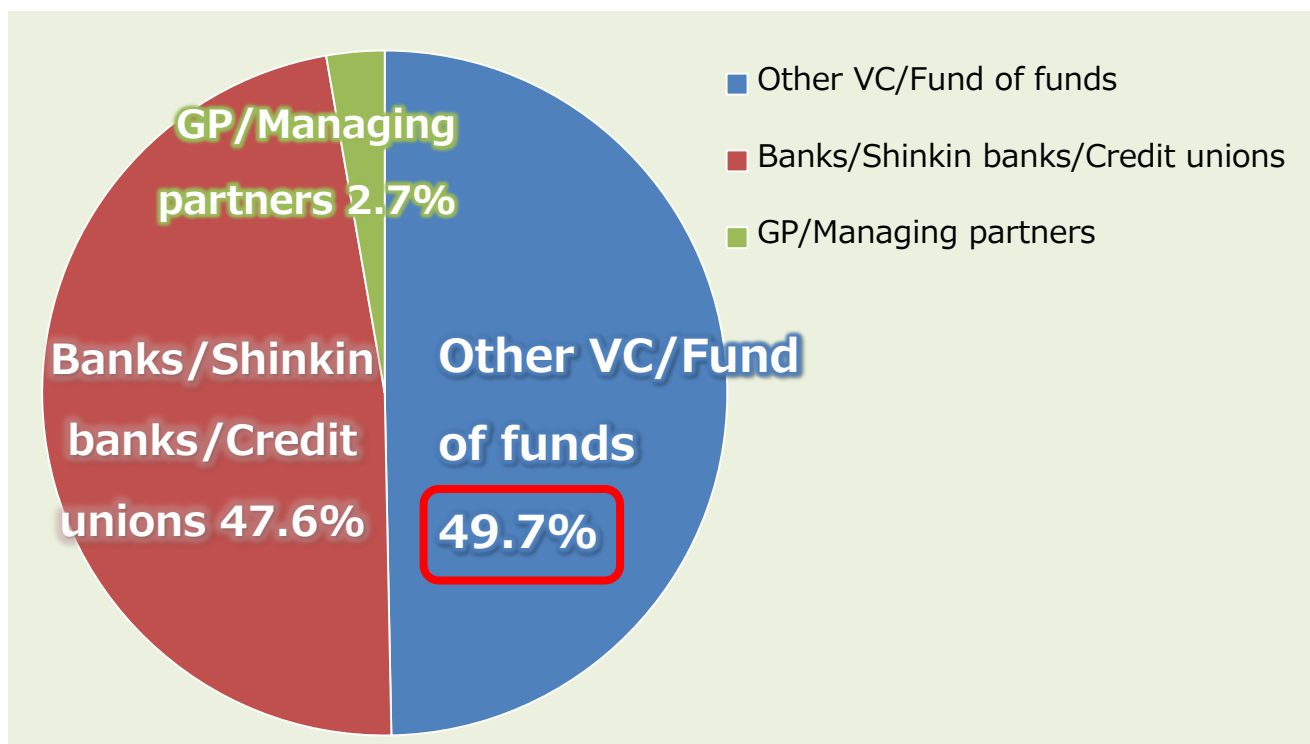


**Figure 16: Breakdown of Investment Amount by Investor Type for New Funds Launched in Q3 2023**

Note 1 : 4 firms that provided both figures of investment amount and number of investors are included in the calculation.

Investor type	Number of Investors		Amount (¥Mil)		Per investor (¥Mil)	Investment from the non-group companies	
		Percentage		Percentage		Number of Investors	Amount (¥Mil)
GP/Managing partners	5	45.5%	2,260.0	2.7%	452.0	-	-
Domestic total	6	54.5%	80,250.0	97.3%	13,375.0	0	0.0
Family/Individual relatives	0	0.0%	0.0	0.0%	-	0	0.0
Other VC/Fund of funds	2	18.2%	41,000.0	49.7%	20,500.0	0	0.0
Corporations	0	0.0%	0.0	0.0%	-	0	0.0
Banks/Shinkin banks/Credit unions	4	36.4%	39,250.0	47.6%	9,812.5	0	0.0
Insurance companies	0	0.0%	0.0	0.0%	-	0	0.0
Brokerage firms	0	0.0%	0.0	0.0%	-	0	0.0
Pension funds	0	0.0%	0.0	0.0%	-	0	0.0
Government/Local public bodies (non-pension)	0	0.0%	0.0	0.0%	-	0	0.0
Academic Institutes	0	0.0%	0.0	0.0%	-	0	0.0
Other domestic	0	0.0%	0.0	0.0%	-	0	0.0
Overseas total	0	0.0%	0.0	0.0%	-	0	0.0
Total	11	100.0%	82,510.0	100.0%	-	0	0.0

**Figure 17 :Percentage of Amount Invested in New Funds by Investor Type (Domestic and Overseas)**



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# The Result of Survey on Venture Capital Investment Trends in FY2023 (Final Report)

**[VEC YEARBOOK 2023] Japanese ver. was published on December 5<sup>th</sup>, 2023.**

The PDF ver. is available to purchase on BASE, Kobo and Kindle.

The hardcopy ver. is available to purchase on Amazon(<https://www.amazon.co.jp/dp/4908965161/>), Rakuten(<https://books.rakuten.co.jp/rk/255ba97c3c0735ddb0aadaa41a1a7f4/>), or in bookstores.



**[VEC YEARBOOK 2023 DATA] (English ver.)**

to be published around February-March 2024

Venture Enterprise Center, Japan (VEC) annually publishes the results of the investment trend survey as " VEC YEARBOOK (Annual Report on Japanese Startup Businesses) ".

In the VEC YEARBOOK , we explain the data on venture investments in detail. We are also presenting the latest issues.

VEC YEARBOOK has been quoted in various reports of the government and literatures of academic circles and mentioned by the media as our nation's only research to understand the venture capital investment trends in Japan.

Back numbers of VEC YEARBOOK are also available.

\*For details, see the VEC's website.

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