

April 4th
2024

Latest Quarterly Trend

The Fourth quarter of 2023

(October to December 2023)

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

VC Investments in domestic companies in 2023 (calendar year)

* simple addition of quarterly reports

¥212.1billion

Down 16.8 %

from the previous year

See Fig.2

in the Page 2

* 113 firms that responded to the survey between January 15th and February 16th 2024 are aggregated.

* [Period covered by the survey]: Current quarter: Q4 2023 (October to December 2023)
 Same quarter of last year: Q4 2022 (October to December 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: Q4 2022 and Q4 2023 Comparison

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

		Q4 2022				Q4 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)	46.3	14.7	61.0	24	46.0	19.9	65.8	24
	y/y % change					-0.7%	35.5%		
	Deal count	339	63	402		359	69	428	
	y/y % change				5.9%	9.5%			
	Per deal (¥Mil)	136.5	232.7	151.6		128.1	288.0	153.8	
CVC	Amount (¥Bil)	5.4	1.3	6.8	9	5.7	0.7	6.3	7
	y/y % change					4.6%	-51.1%		
	Deal count	58	5	63		32	5	37	
	y/y % change				-44.8%	0.0%			
	Per deal (¥Mil)	93.6	266.0	107.3		177.5	130.0	171.1	
VC+CVC Total	Amount (¥Bil)	51.7	16.0	67.7	33	51.7	20.5	72.2	31
	y/y % change					-0.1%	28.3%		
	Deal count	397	68	465		391	74	465	
	y/y % change				-1.5%	8.8%			
	Per deal (¥Mil)	130.3	235.1	145.6		132.1	277.3	155.2	

Note: Figures for Q4 2022 in Figure 1 are provided from VC firms which responded to the latest survey (Q4 2023), so that the figures presented in the above Figure 1 may not be consistent with the figures of Q4 2022 in Figure 3 and Figure 12, which are calculated based on investment amount and number of deals of Q4 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	Q4 2023		
CY 2019	¥276.3billion, 1,683deals ■ Domestic ¥216.2billion, 1,432deals ■ Overseas ¥60.1billion, 251deals																					
CY 2020					¥219.1billion, 1,421deals ■ Domestic ¥151.2billion, 1,160deals ■ Overseas ¥67.9billion, 261deals																	
CY 2021									¥294.8billion, 1,683deals ■ Domestic ¥227.7billion, 1,395deals ■ Overseas ¥67.2billion, 288deals													
CY 2022													¥340.3billion, 1,994deals ■ Domestic ¥255.0billion, 1,676deals ■ Overseas ¥85.3billion, 318deals									
CY 2023																				¥285.7billion, 1,762deals ■ Domestic ¥212.1billion, 1,477deals ■ Overseas ¥73.6billion, 285deals		
FY 2019	¥272.8billion, 1,691deals ■ Domestic ¥206.3billion, 1,423deals ■ Overseas ¥66.4billion, 268deals																					
FY 2020					¥221.5billion, 1,371deals ■ Domestic ¥158.2billion, 1,124deals ■ Overseas ¥63.3billion, 247deals																	
FY 2021									¥332.7billion, 1,870deals ■ Domestic ¥261.8billion, 1,559deals ■ Overseas ¥70.8billion, 311deals													
FY 2022													¥322.1billion, 1,931deals ■ Domestic ¥238.6billion, 1,625deals ■ Overseas ¥83.5billion, 306deals									
FY 2023																					¥207.2billion, 1,300deals ■ Domestic ¥148.7billion, 1,081deals ■ Overseas ¥58.6billion, 219deals	

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.

2. VC Investments by Industry

Figure 4: Investment Amount by Industry in Q4 2023: Domestic and Overseas

112 firms that provided figures for Q4 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	350.0	0.7%	72.0	0.4%	422.0	0.6%
2. Computers and Peripherals/IT Services	14,175.7	28.3%	9,426.5	46.0%	23,602.2	33.4%
3. Software	3,265.5	6.5%	1,123.8	5.5%	4,389.3	6.2%
4. Semi-conductors/Electrical Machinery & Equipment	2,509.1	5.0%	239.3	1.2%	2,748.4	3.9%
5. Biotechnology/Pharmaceutical	6,937.7	13.8%	3,023.0	14.7%	9,960.7	14.1%
6. Medical Devices & Equipment/Healthcare-related Services	2,361.0	4.7%	520.8	2.5%	2,881.8	4.1%
7. Industrial/Energy/Others	12,389.1	24.7%	2,260.0	11.0%	14,649.1	20.7%
8. Media/Entertainment/Retailing/Consumer Goods	4,293.2	8.6%	1,591.2	7.8%	5,884.4	8.3%
9. Finance/Real Estate/Business Services	3,898.0	7.8%	2,239.0	10.9%	6,137.0	8.7%
Decarbonization-related (among the above)	743.1	1.5%	131.4	0.6%	874.5	1.2%
Total	50,179.2	100.0%	20,495.6	100.0%	70,674.8	100.0%

Figure 5: Domestic Investment Amount by Industry in Q4 2023
(Percentage of JPY value invested)

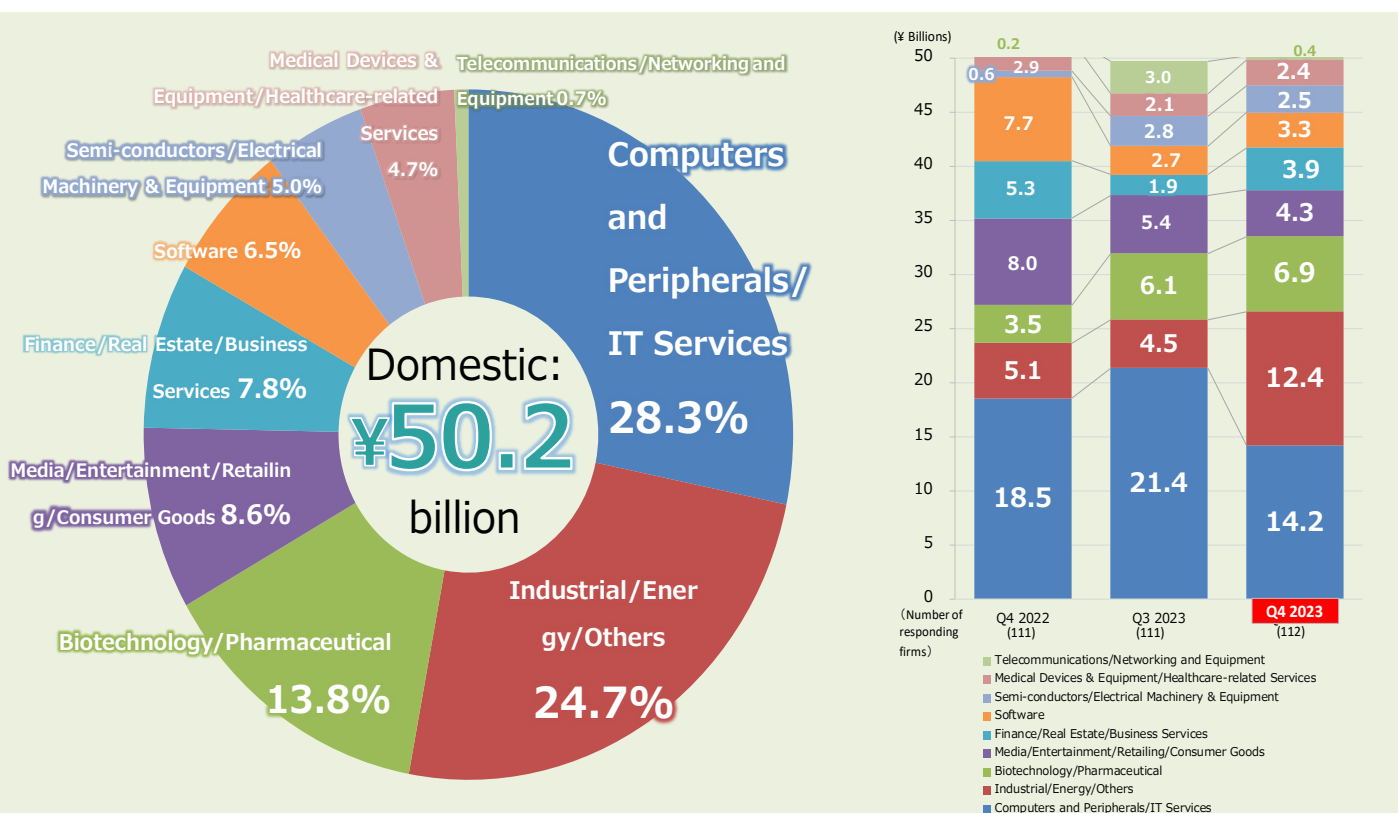


Figure 6: Domestic Investment Amount by Industry: Comparison between Q3 2023 and Q4 2023

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)

Q4 2023: 112 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)	Q3 2023		Q4 2023	
		Amount(¥Mil)	Percentage	Amount(¥Mil)	Percentage
1. IT-related 40.5%	Telecommunications/Networking and Equipment	2,984.8	6.0%	350.0	0.7%
	Computers and Peripherals/IT Services	21,357.0	43.0%	14,175.7	28.3%
	Software	2,653.2	5.3%	3,265.5	6.5%
	Semi-conductors/Electrical Machinery & Equipment	2,775.0	5.6%	2,509.1	5.0%
2. Biotech/Medical Services/ Health Care 18.5%	Biotechnology/Pharmaceutical	6,127.2	12.3%	6,937.7	13.8%
	Medical Devices & Equipment/Healthcare-related Services	2,089.1	4.2%	2,361.0	4.7%
3. Industrial/Energy/Other Industries 24.7%	Industrial/Energy/Others	4,451.9	9.0%	12,389.1	24.7%
4. Products/Services 16.3%	Media/Entertainment/Retailing/Consumer Goods	5,389.3	10.8%	4,293.2	8.6%
	Finance/Real Estate/Business Services	1,877.5	3.8%	3,898.0	7.8%
Decarbonization-related (Among the above)		220.4	0.4%	743.1	1.5%
Total		49,705.1	100.0%	50,179.2	100.0%

+ ¥474.1 Mil.

Figure 7: Domestic Investment Deal Count by Industry: Comparison between Q3 2023 and Q4 2023

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)

Q4 2023: 112 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)	Q3 2023		Q4 2023	
		Deal count	Percentage	Deal count	Percentage
1. IT-related 38.5%	Telecommunications/Networking and Equipment	8	2.6%	2	0.5%
	Computers and Peripherals/IT Services	94	30.7%	96	26.0%
	Software	16	5.2%	35	9.5%
	Semi-conductors/Electrical Machinery & Equipment	11	3.6%	9	2.4%
2. Biotech/Medical Services/ Health Care 22.2%	Biotechnology/Pharmaceutical	40	13.1%	54	14.6%
	Medical Devices & Equipment/Healthcare-related Services	26	8.5%	28	7.6%
3. Industrial/Energy/Other Industries 15.2%	Industrial/Energy/Others	55	18.0%	56	15.2%
4. Products/Services 24.1%	Media/Entertainment/Retailing/Consumer Goods	39	12.7%	54	14.6%
	Finance/Real Estate/Business Services	17	5.6%	35	9.5%
Decarbonization-related (Among the above)		3	1.0%	29	7.9%
Total		306	100.0%	369	100.0%

+63 deals

3. VC Investments by Stage (Domestic)

Figure 8: Investment Amount by Stage

Q4 2022 : 106 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)

Q4 2023 : 110 firms that provided figures are included in the calculation. ("0" is considered a valid response)

(¥ Millions)

Stage	Q4 2022		Q3 2023		Q4 2023		y/y	q/q
	Amount	%	Amount	%	Amount	%		
Seed	10,229.8	29.1%	7,787.5	17.9%	5,042.7	11.2%	-17.9 points	-6.7 points
Early	13,467.9	38.4%	17,707.6	40.6%	17,772.9	39.5%	+1.2 points	-1.1 points
Expansion	8,168.3	23.3%	8,111.4	18.6%	10,338.9	23.0%	-0.3 points	+4.4 points
Later	3,247.7	9.2%	9,982.6	22.9%	11,832.4	26.3%	+17.1 points	+3.4 points
Total	35,113.8	100.0%	43,589.1	100.0%	44,986.9	100.0%		

Figure 9: Investment Deal Count by Stage

Q4 2022 : 106 firms that provided figures are included in the calculation. ("0" is considered a valid response)

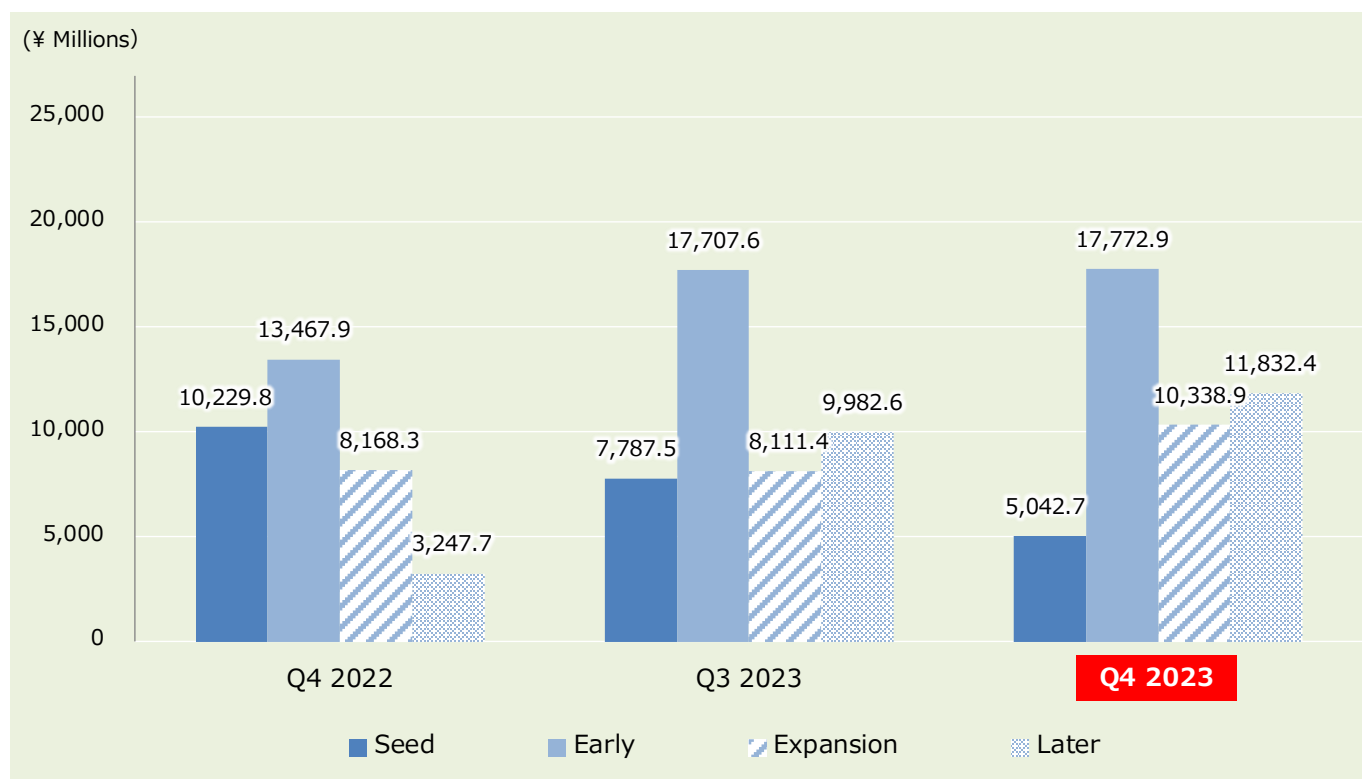
Q3 2023 : 109 firms that provided figures are included in the calculation. ("0" is considered a valid response)

Q4 2023 : 110 firms that provided figures are included in the calculation. ("0" is considered a valid response)

(Deal count)

Stage	Q4 2022		Q3 2023		Q4 2023	
	Count	%	Count	%	Count	%
Seed	82	24.2%	59	21.1%	65	19.3%
Early	161	47.5%	148	53.0%	166	49.3%
Expansion	71	20.9%	44	15.8%	67	19.9%
Later	25	7.4%	28	10.0%	39	11.6%
Total	339	100.0%	279	100.0%	337	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) Q4 2023 : 110 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	0.0	350.0	0.0	350.0
Computers and Peripherals/IT Services	1,410.5	4,680.5	3,834.8	1,614.0	11,539.8
Software	672.7	1,713.9	380.0	498.9	3,265.5
Semi-conductors/Electrical Machinery & Equipment	20.0	1,980.0	509.1	0.0	2,509.1
Biotechnology/Pharmaceutical	1,634.4	3,006.6	1,439.6	57.0	6,137.5
Medical Devices & Equipment/Healthcare-related Services	150.0	1,197.2	984.1	29.6	2,361.0
Industrial/Energy/Others	791.3	2,322.2	1,718.9	7,250.8	12,083.2
Media/Entertainment/Retailing/Consumer Goods	233.9	1,901.5	518.1	745.8	3,399.2
Finance/Real Estate/Business Services	130.0	971.1	604.4	1,636.2	3,341.7
Total	5,042.7	17,772.9	10,338.9	11,832.4	44,986.9

5. Data on VC Investments in Overseas Companies

Figure 12: Quarterly Trend of VC and CVC Investments

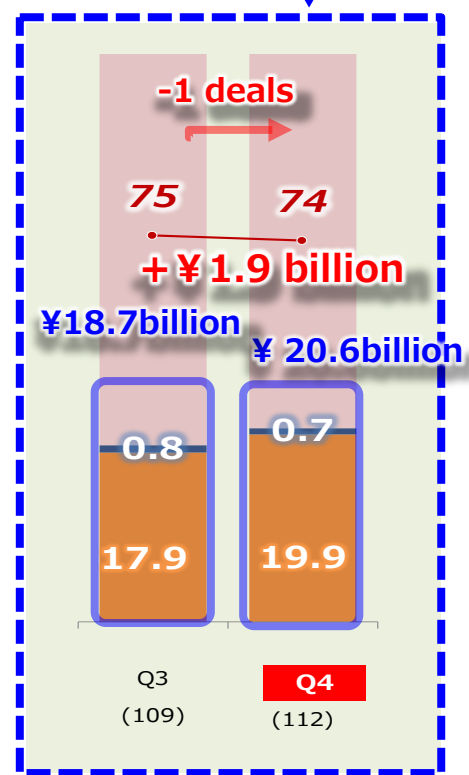
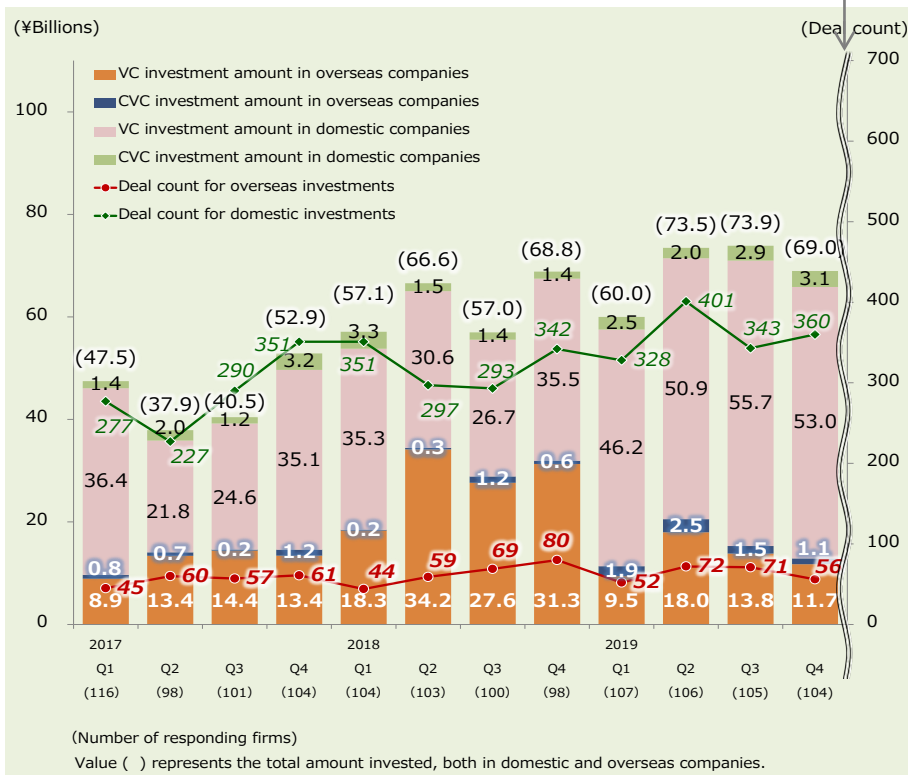
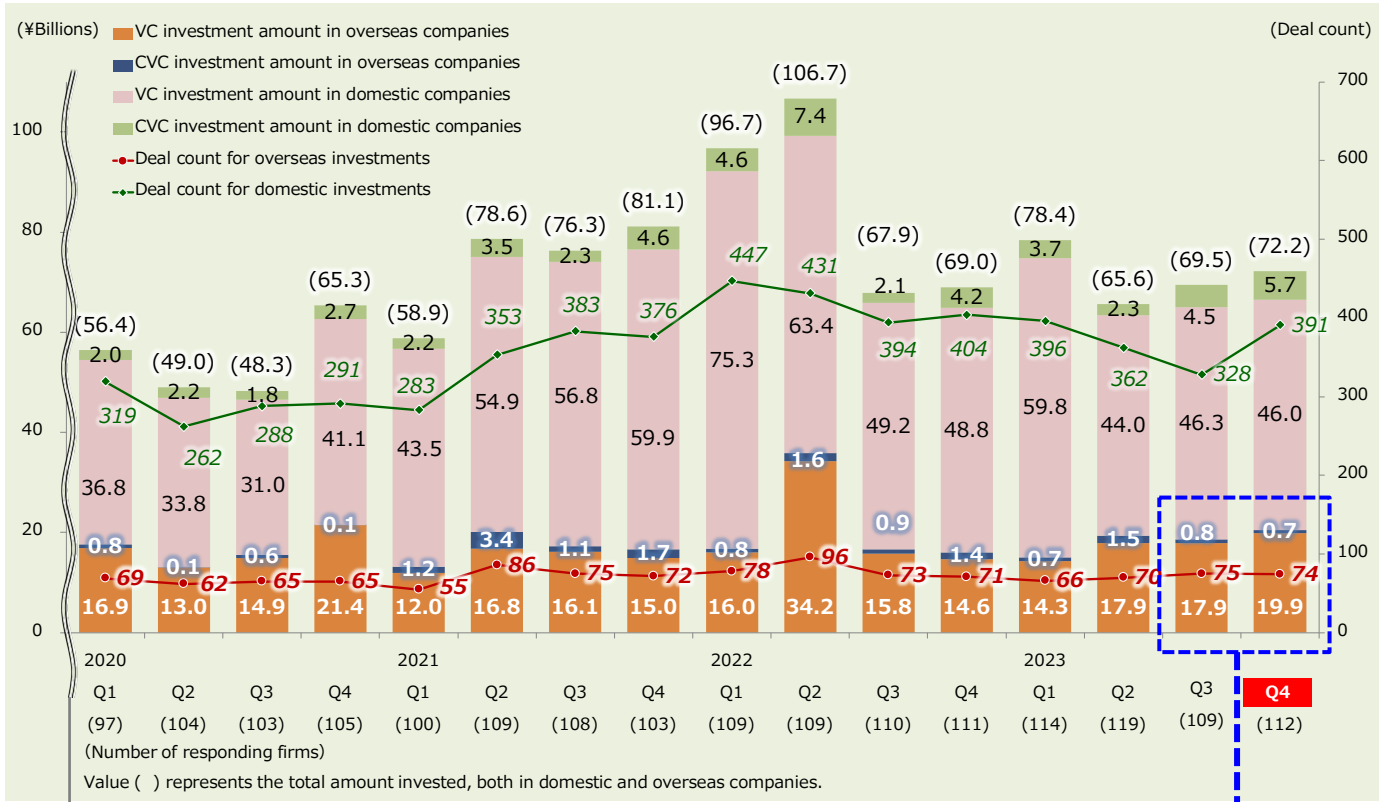
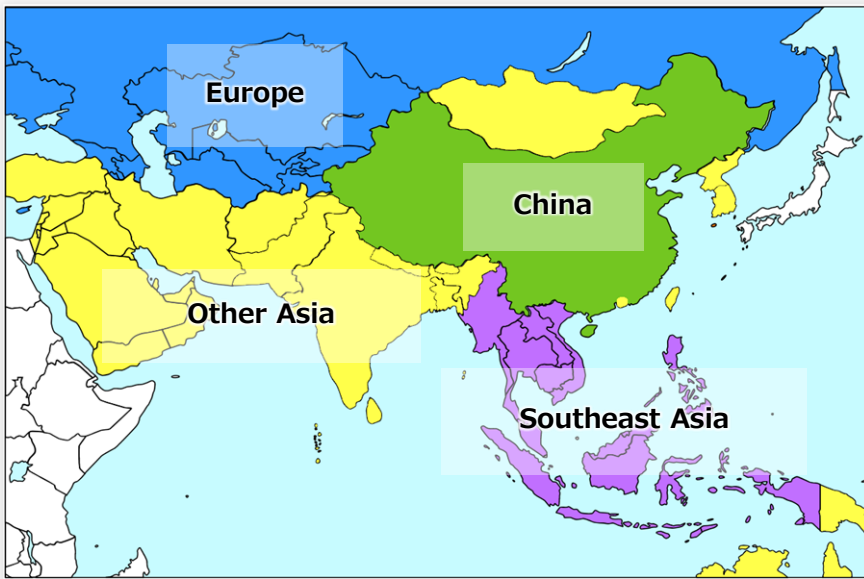
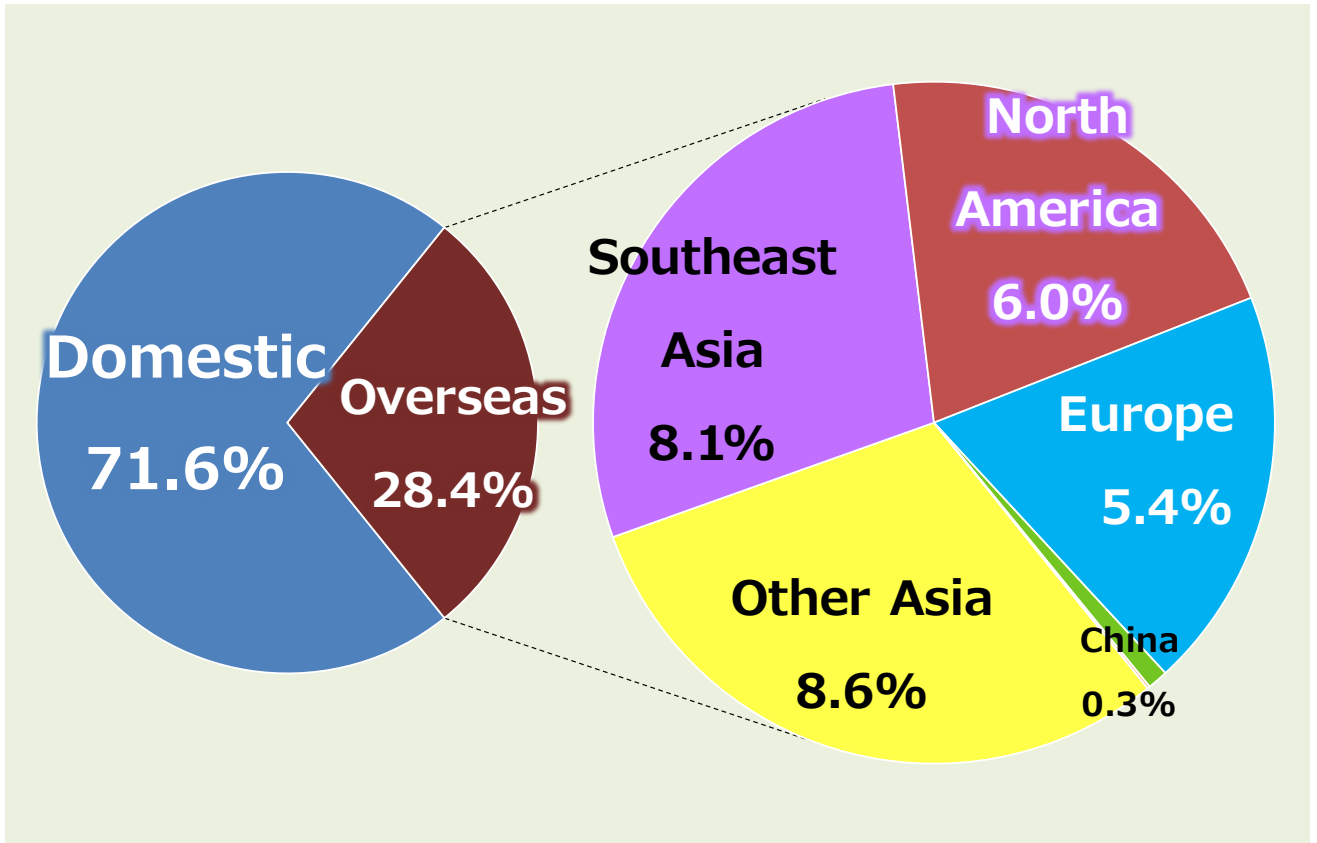


Figure 13: Investment Amount by Region in Q4 2023
: Domestic and Overseas (Percentage of JPY value invested)



6. New VC Funds Launched in Q4 2023

Figure 14: New VC Funds Launched and Follow-on Funds in Q4 2023
(Limited to the investment fund to startups)

19 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)

Q4 2023							
VC funds newly launched						Follow-on	
Number of funds launched		Amount (¥Bil)		Per fund (¥Bil)		Amount (¥Bil)	
13	For overseas investments among the left	64.4	For overseas investments among the left	5.0	For overseas investments among the left	14.8	For overseas investments among the left
	2		4.1		2.1		0.1

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

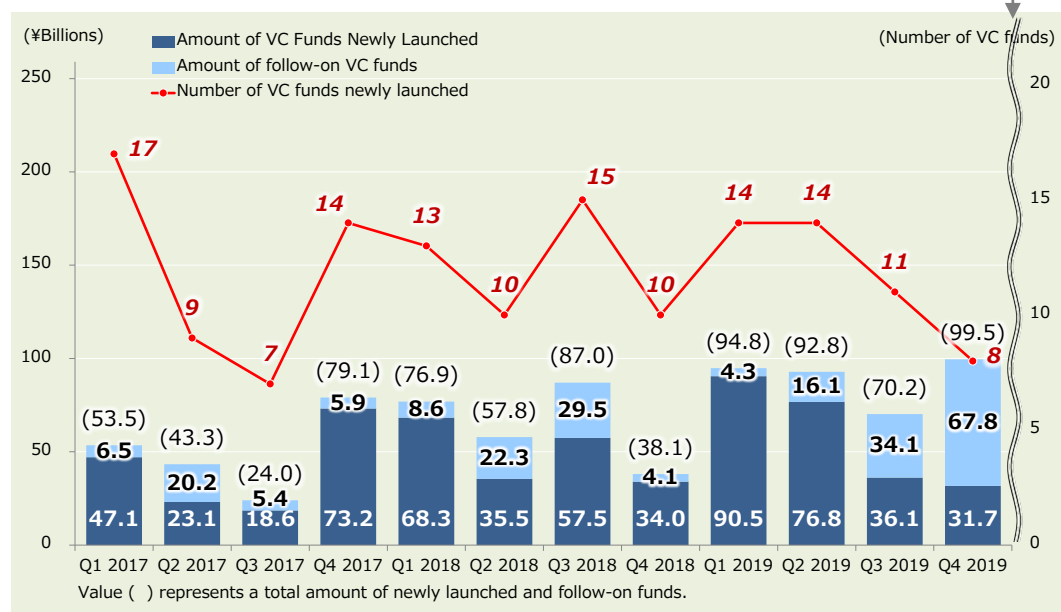
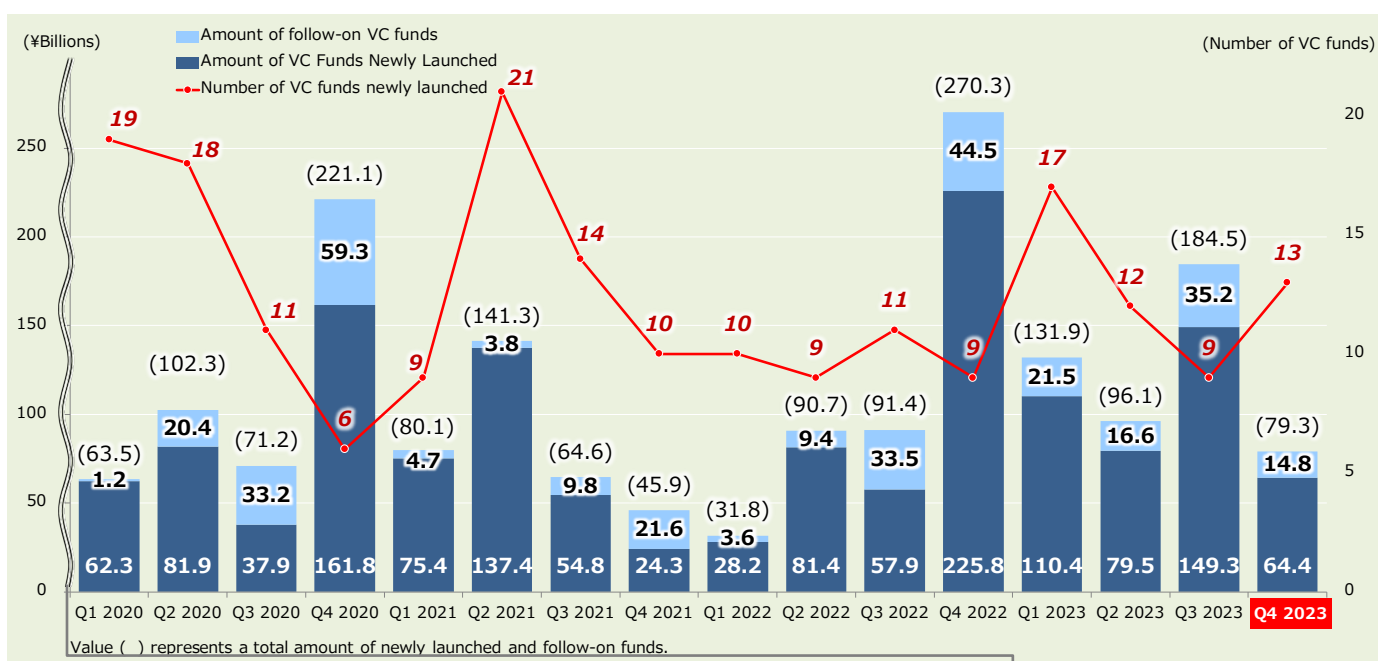
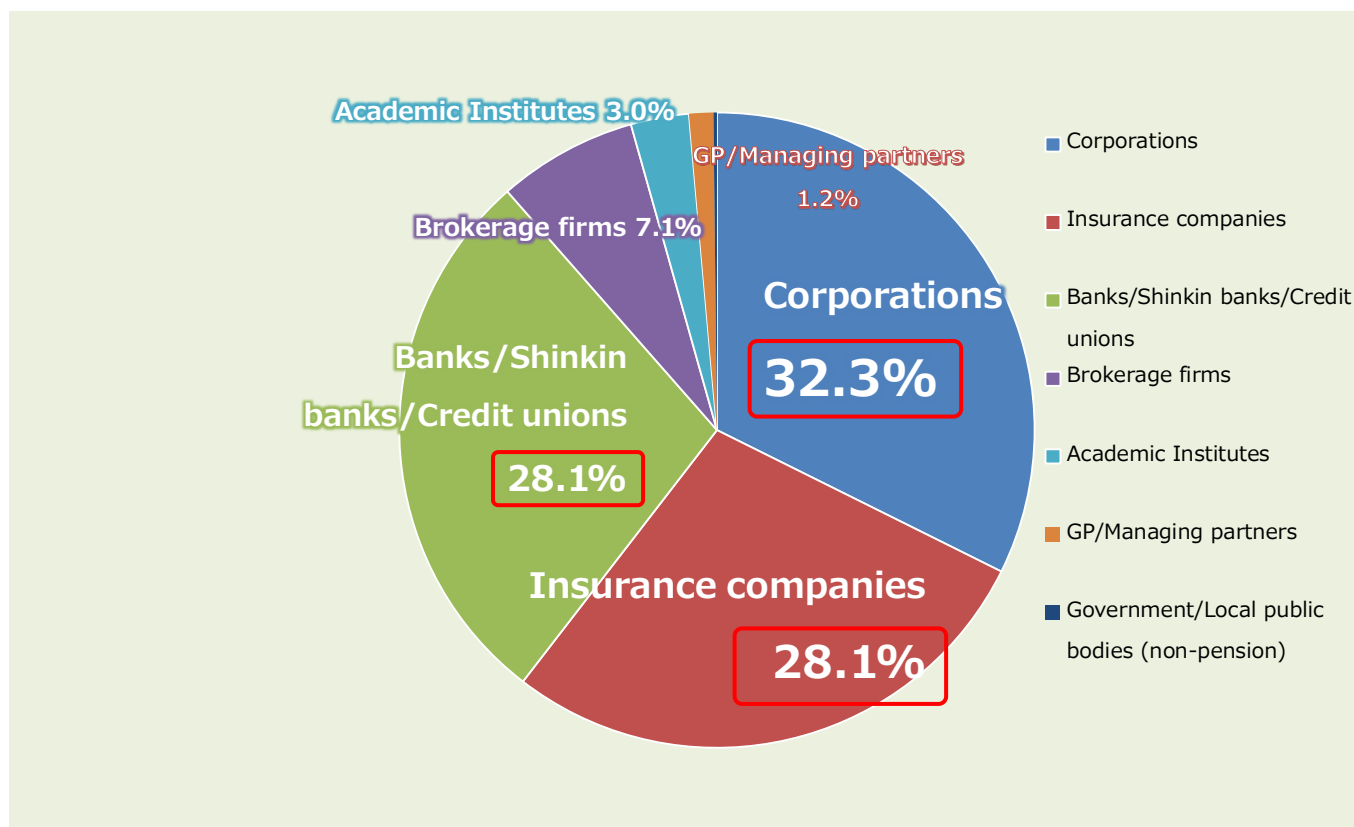


Figure 16: Breakdown of Investment Amount by Investor Type for New Funds Launched in Q4 2023

Note 1 : 7 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	9	19.1%	416.0	1.2%	46.2	-	-
Domestic total	38	80.9%	33,375.0	98.8%	878.3	15	20,000.0
Family/Individual relatives	0	0.0%	0.0	0.0%	-	0	0.0
Other VC/Fund of funds	0	0.0%	0.0	0.0%	-	0	0.0
Corporations	17	36.2%	10,930.0	32.3%	642.9	5	5,500.0
Banks/Shinkin banks/Credit unions	14	29.8%	9,485.0	28.1%	677.5	7	4,600.0
Insurance companies	2	4.3%	9,500.0	28.1%	4,750.0	2	9,500.0
Brokerage firms	3	6.4%	2,400.0	7.1%	800.0	1	400.0
Pension funds	0	0.0%	0.0	0.0%	-	0	0.0
Government/Local public bodies (non-pension)	1	2.1%	60.0	0.2%	60.0	0	0.0
Academic Institutes	1	2.1%	1,000.0	3.0%	1,000.0	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	47	100.0%	33,791.0	100.0%	-	15	20,000.0

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 5th, 2023.

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[VEC YEARBOOK 2023 DATA] (English ver.)

Published on February 5th, 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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