



Japanese Investments In Israel 2020 Report

About Harel-Hertz Investments House

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

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

HIH 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.

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

Japanese investments in Israel

HIH is happy to continue with the tradition of presenting the yearly review of Japanese investments in Israel

Last year was overshadowed by the burst of the Covid-19 ,Corona pandemic, which threatened to depress Economies, increase isolation and minimize international engagements.

We are therefore delighted to emphasize further growth in Japanese investments and expansion of economic involvement.

With investments of \$1.1BN Japan has become an important player in the Israeli High-tech, taking a share of 11.1% of total foreign investments in this industry.

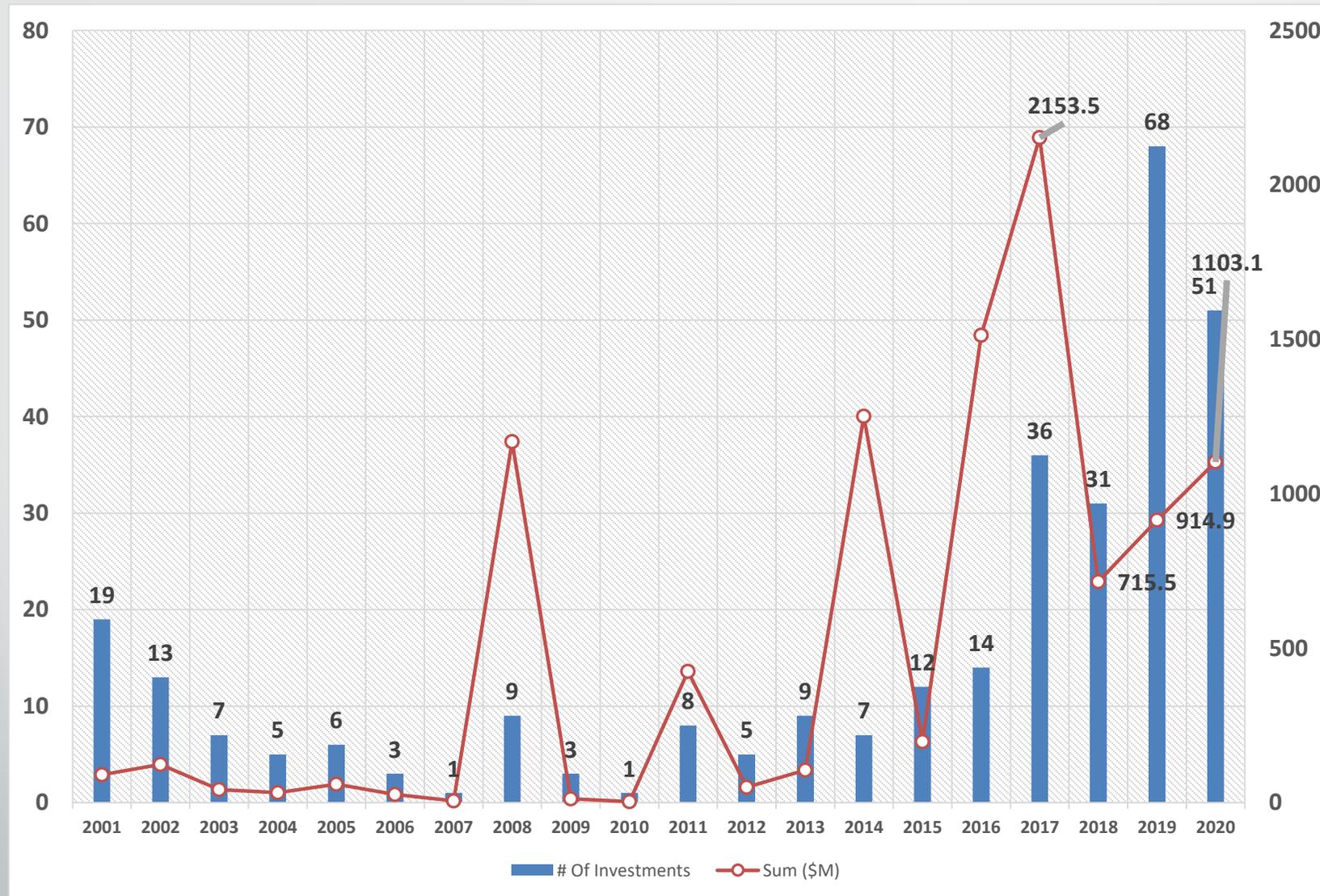
While volume of investments has grown ,the number of investment has declined to 51 from 68 in 2019.

The growth of Japanese interest in Israeli technology corresponds with the impact of the US-China conflict on the activities of the Israeli start-ups

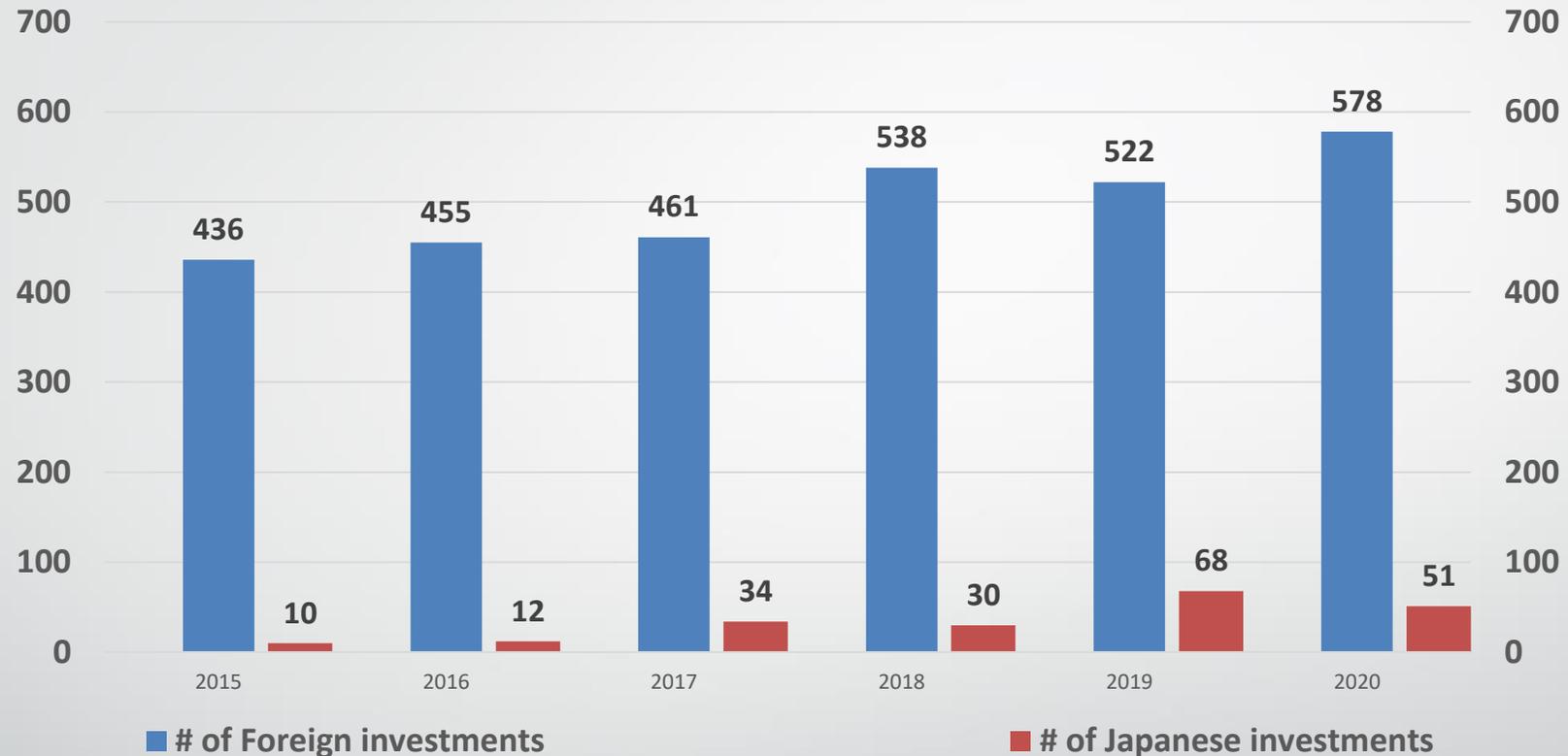
Japanese investments in Israel (cont..)

- The major changes in Japanese activities :
- Continuous growth in Japanese investments since 2016 culminating in 2020 to \$1.1BN
- Japan's role in FDI has grown dramatically from insignificant 1.8% in 2016 to impressive 11.1% this year, 2020
- 51 investments in 2020 compared to 68 in 2019 (decrease by 25%)
- 22 investments were made by first time, new investors
- Growth of involvement of Japanese VCs located in Israel: overall 15 Japanese VCs operate from local offices. This in parallel to the important increase of Japanese names with Israel fixed presence:, which has grown from modest 15 in 2015 to close to 90 offices in 2020.
- Impressive new involvement of Japanese Institutional Investors (banks and Insurance companies) in the Israeli scene. Three of the five most active in 2020 were institutional organizations.
- Shift from small seed investments to bigger A+ and B rounds.
- Japanese VCs and CVCs still do not take lead investors position ,but prefer to join Israeli or global VCs.
- Japanese acquisitions are still lagging behind US leaders.

Japanese Investments And Acquisitions Of Israeli Companies



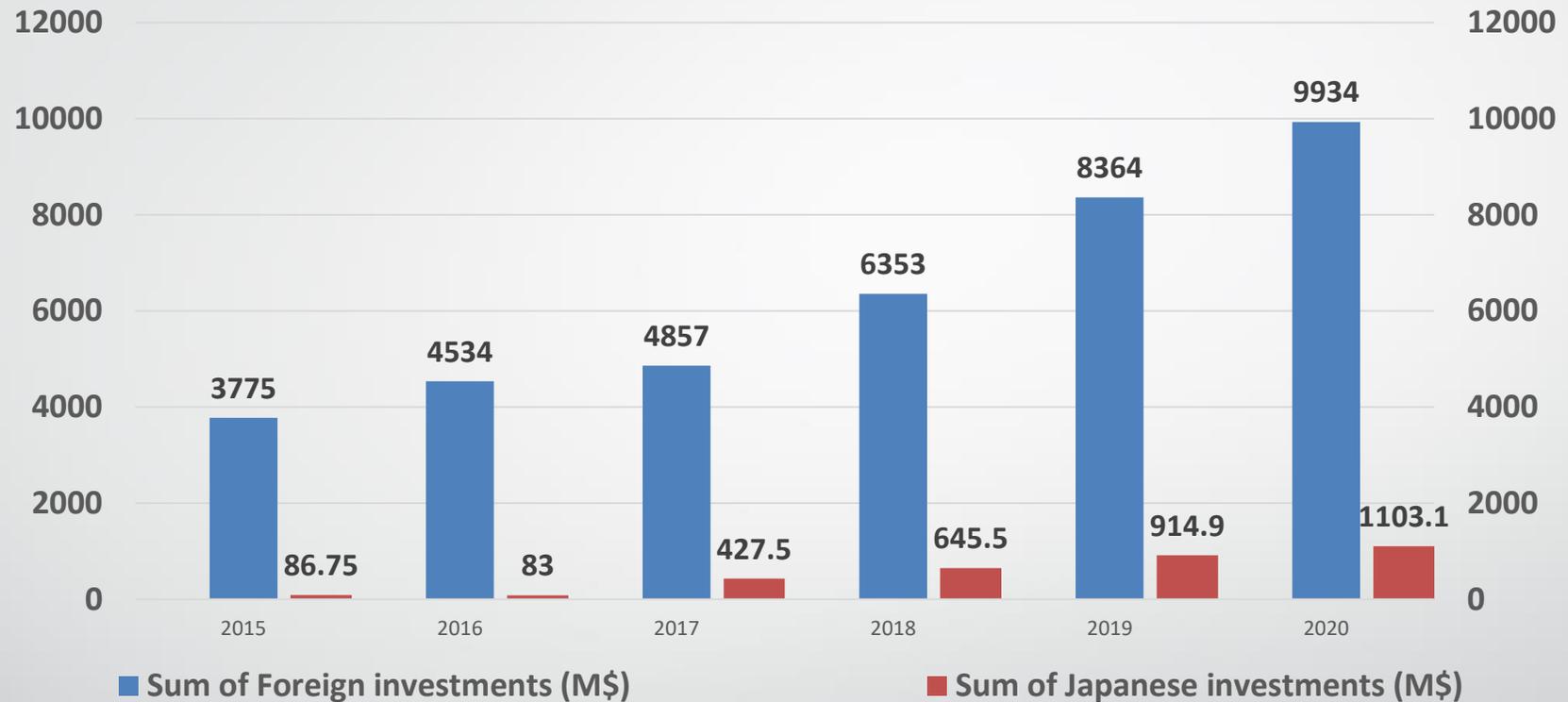
Annual # Of Foreign VS Japanese Investments In Israeli HighTech



*Source for Foreign Investments: IVC-Meitar Report

*Excluding Japanese Acquisition of Israeli HighTech Companies 2015 - 2020

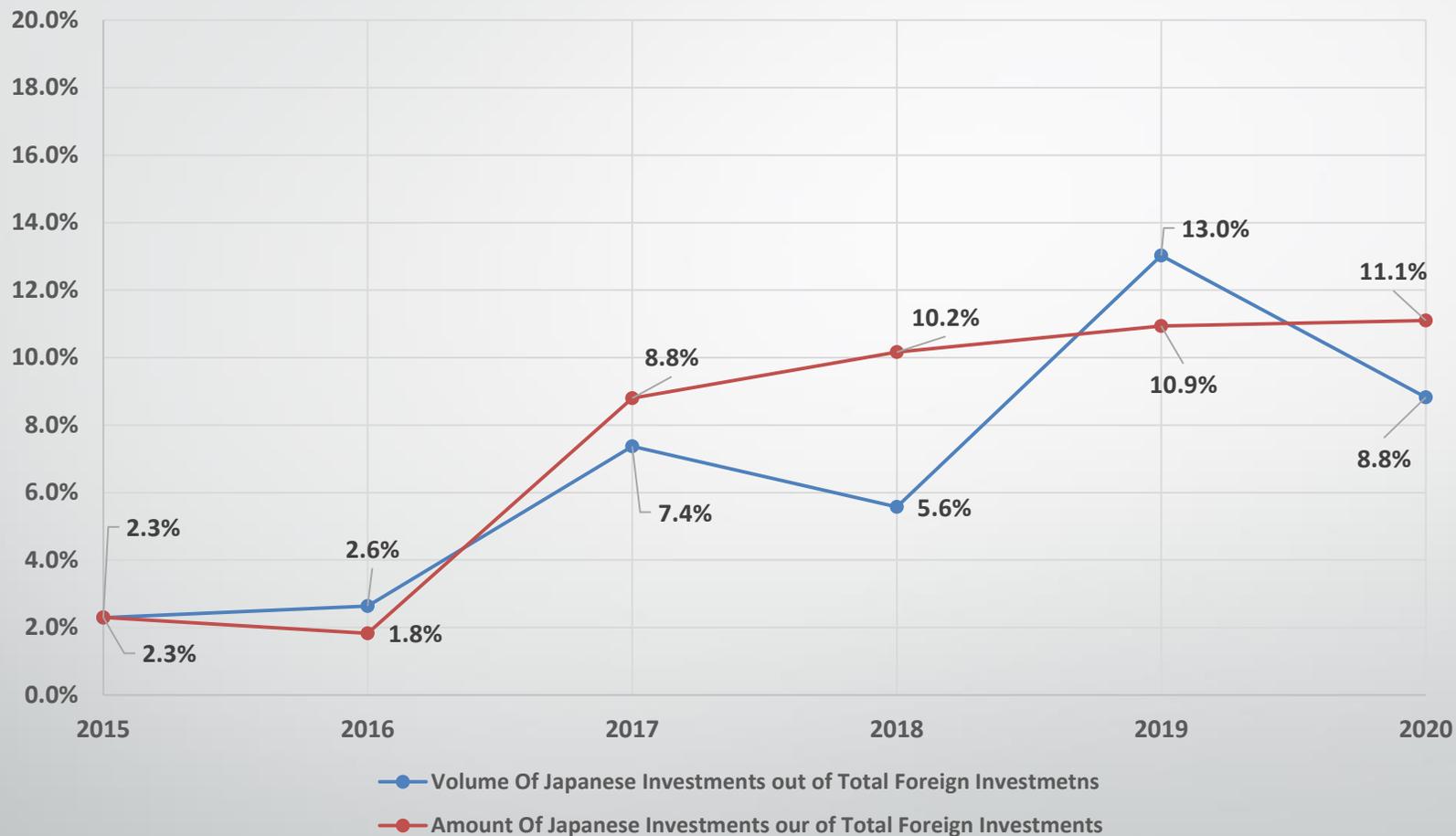
Annual (M\$) Of Foreign VS Japanese Investments In Israeli HighTech



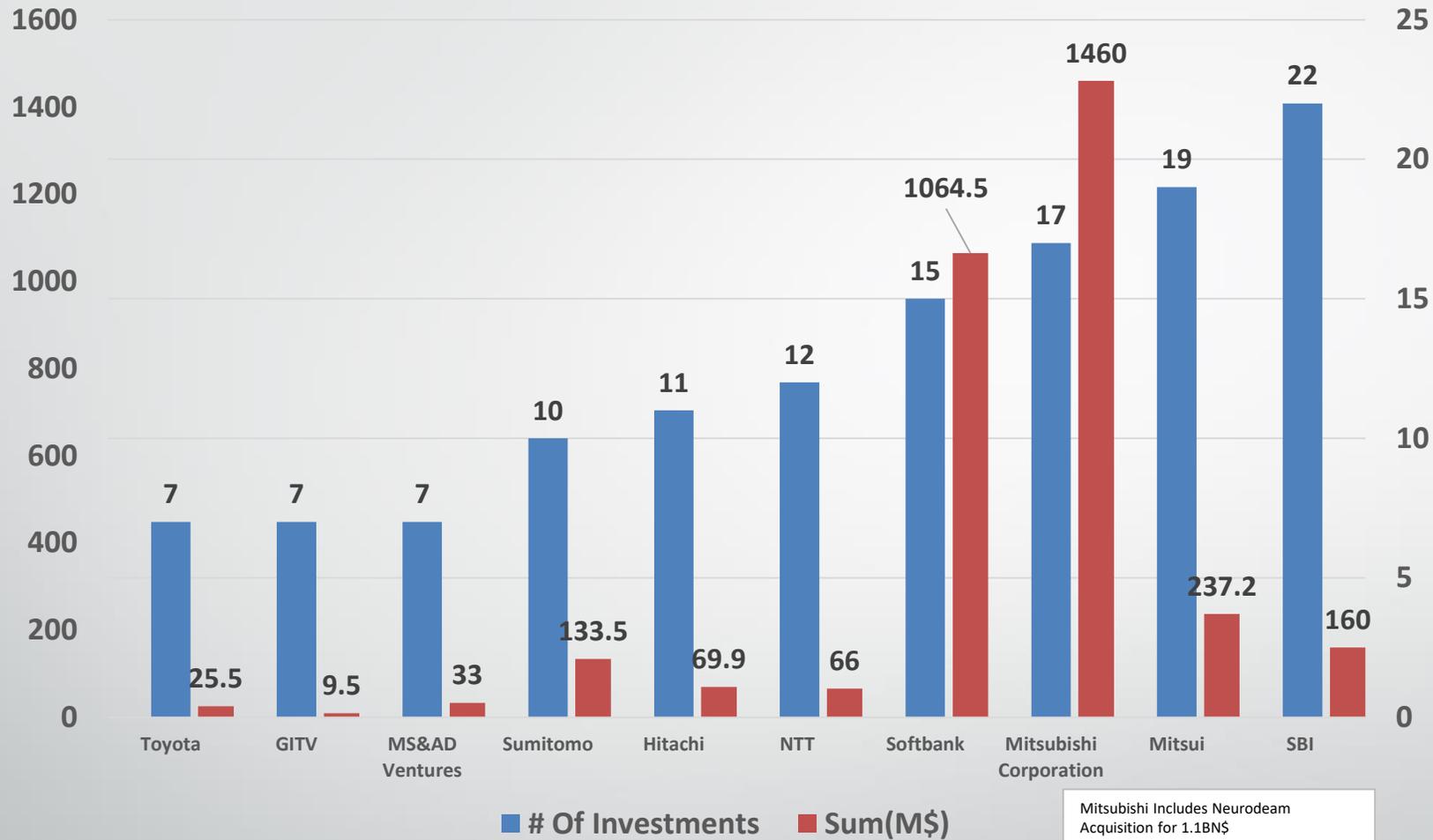
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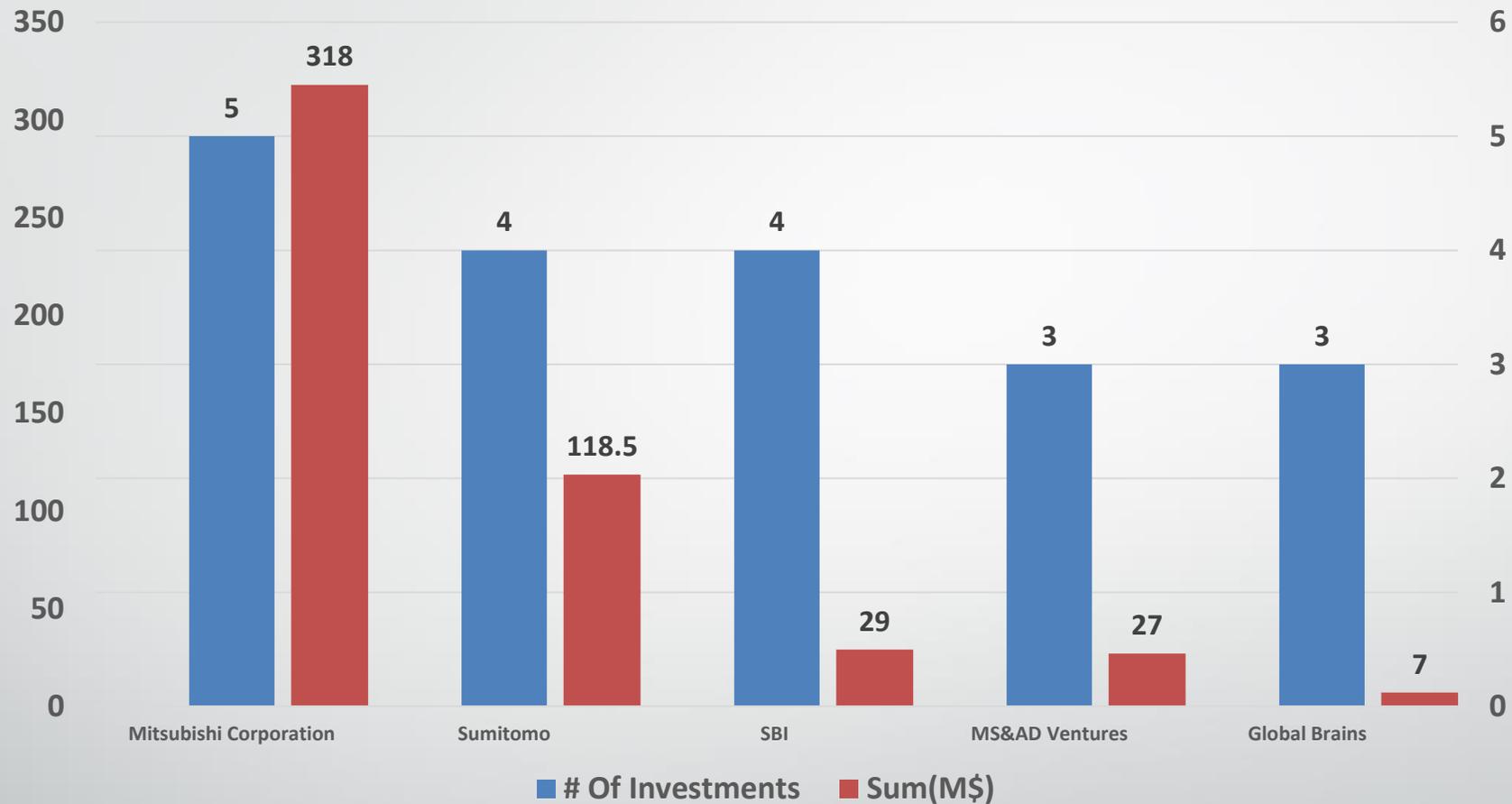
Number and Sum of Japanese Investments out of total of foreign investments in Israeli HighTech in Percentage



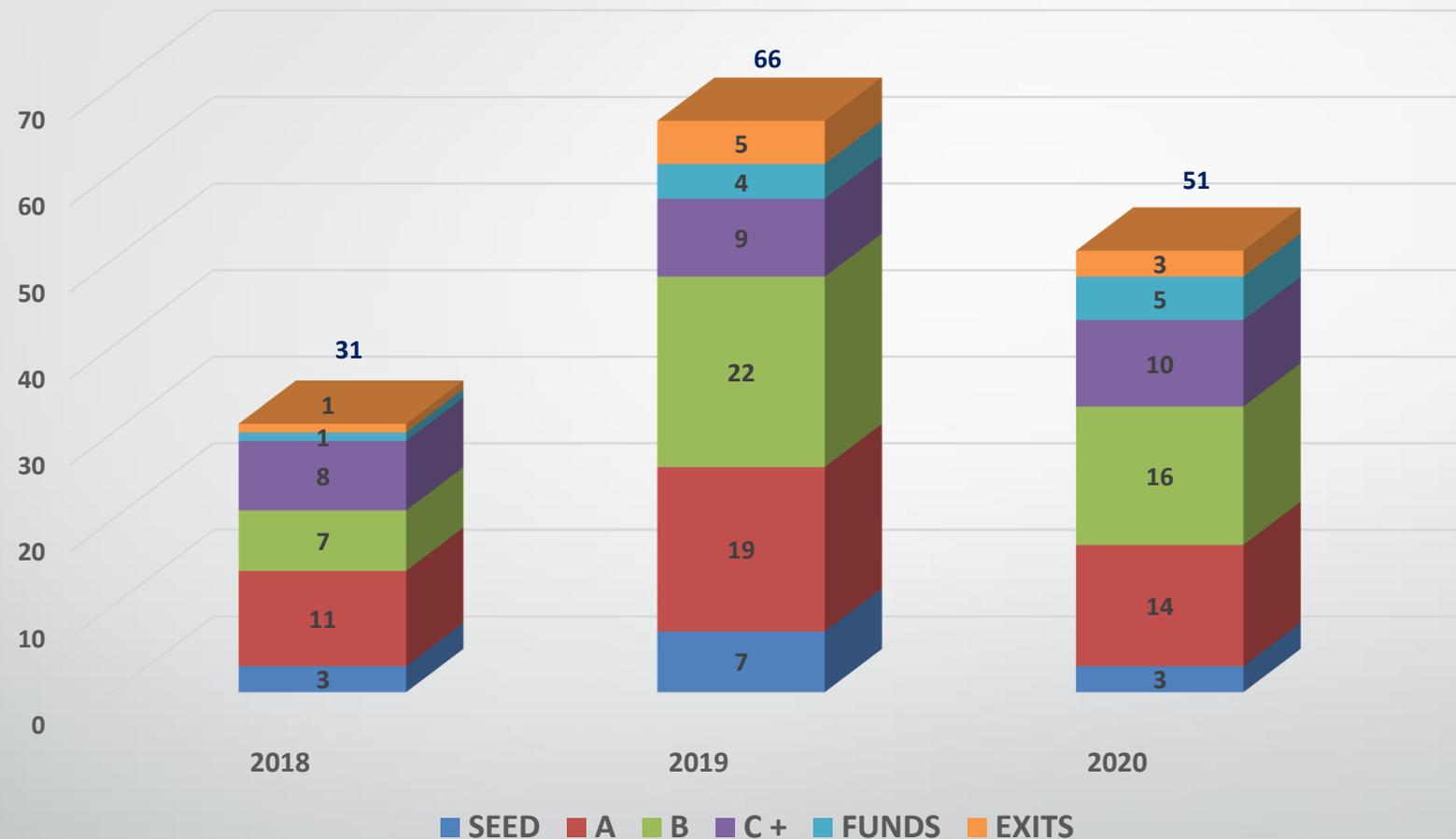
Top 10 Active Investors 2001 - 2020



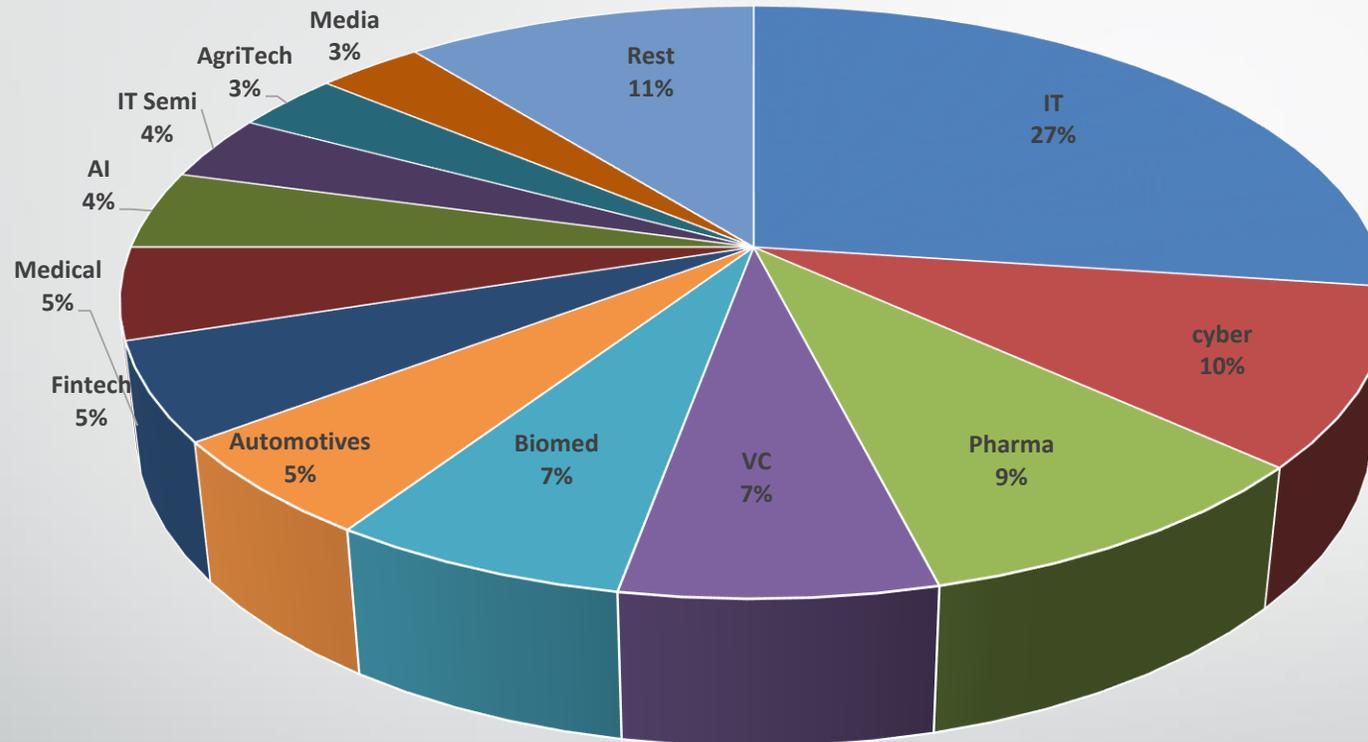
Top 5 Active Investors in 2020



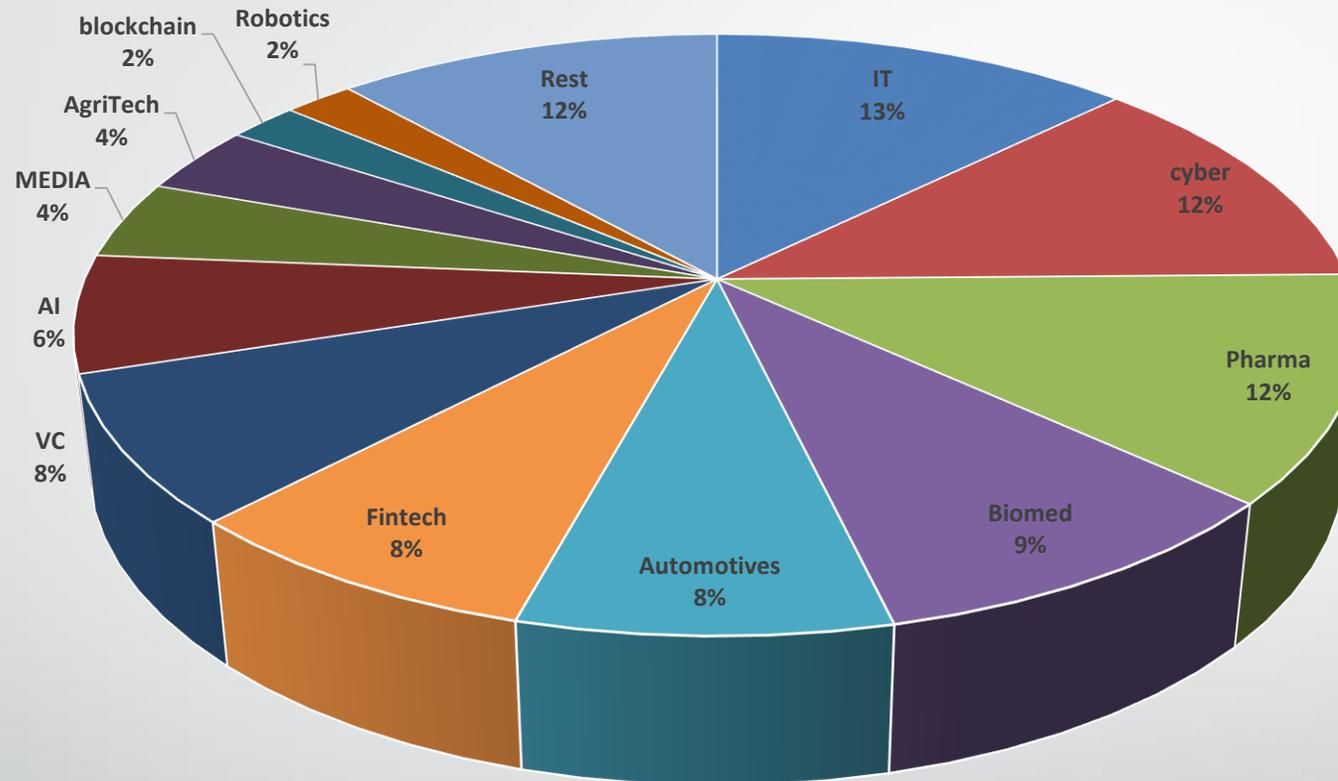
Japanese Investments in Israeli HighTech by Round



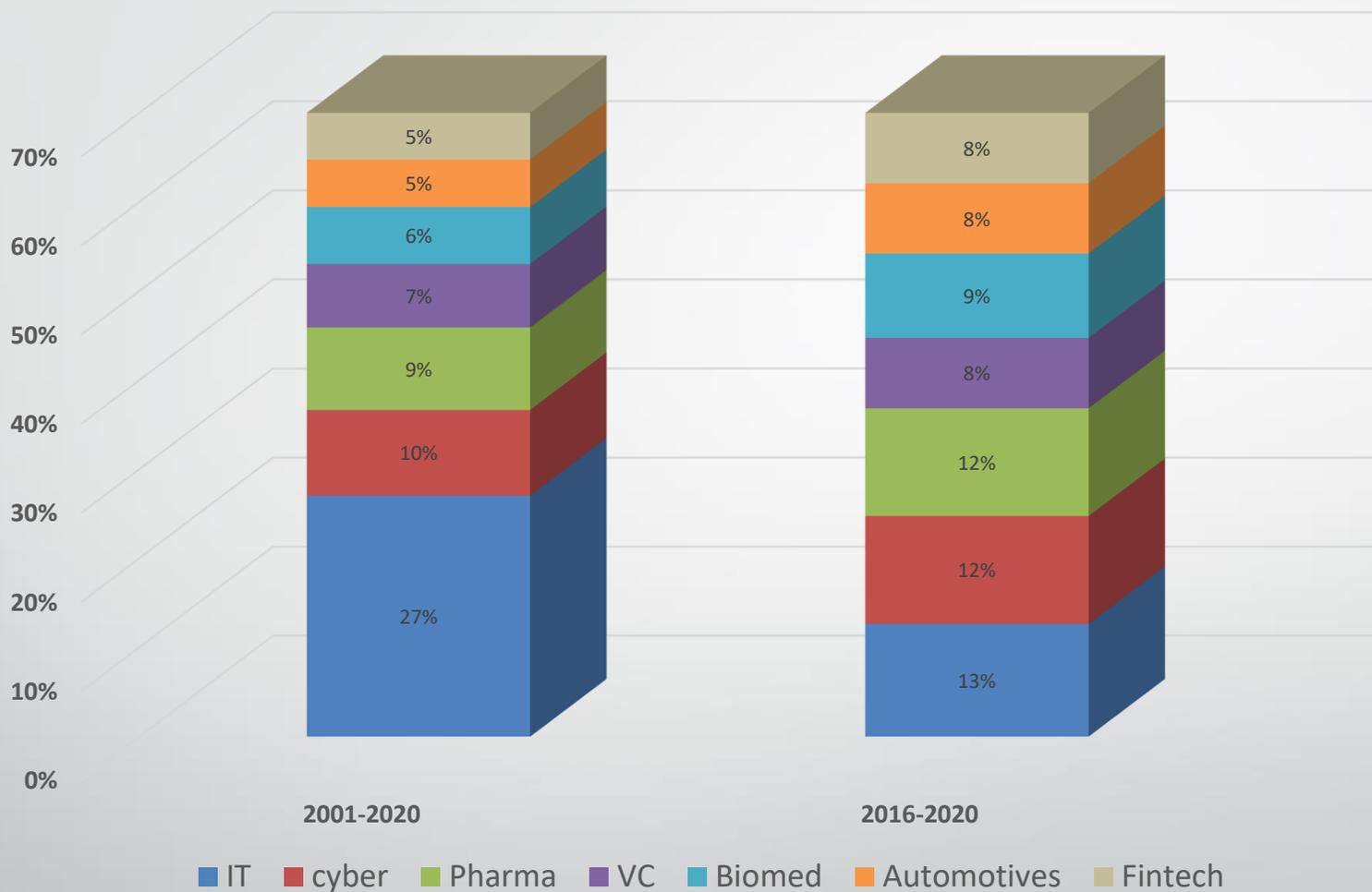
Investments By Sectors 2001-2020



Investments By Sectors 2016-2020



Top Investments by Sector & Year Change



Japanese Acquisitions of Israeli Companies

Japanese Company Acquiring	Israeli Company Acquired	Acquired From	Sector	Year	Amount (\$M)
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

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

** Explay closed in 2011

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

Japanese Acquisitions of Israeli Companies II

Japanese Company Acquiring	Israeli Company Acquired	Acquired From	Sector	Year	Amount (\$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	Pharma	2020	250+50

* Sony Pictures acquired 50% of Interlude/EKO

** Orix Acquired 22% of Ormat

Japanese VCs Present In Israel

Parent Company\ Partnership	Japanese VC\CVC	Year Established In Israel	# Of Investments	Portfolio Companies
Mitsui	MGI	2008	8	Autotalks, Cipia (eyesight), Kaltura, Silk, Valens, EarlySense, Mominis, Kaiima
Takeda	Takeda Ventures Inc	2014	5	Impact-Bio, Futurx, Emendo-Bio, BiomX, Protekt
Vertex	Corundum	2015	5	270Surgical, Cathworks, EternaBio, Theranica, Dario
Sony	Sony Innovation	2016	1	Broadmann17.
Vertex	SBI JI	2017	13	Adicet Bio, Ayala, BiomX, Biond Bio, BioSight, Chemomab, Eloxx, ImmunoBrain, Logic Bio, Orasis, cylus, D-Fend, Trigo
Corundum	JOY	2017	8	EmberLabs, Empatic Technologies, Myndlyft, NYX Technologies, Reflect innovations, Sanga, Vi Technologies, Zoog.AI
Sompo Insurance	Sompo	2017	7	Nexar, Guardian, Sensifree, Intuition Robotics, Panorays, Medigate, Binah.ai
MGI - Mitsui	Magenta	2018	6	Autotalks, Valens, Workiz, Become, Hip, Brightway Vision
	GiTV	2018	6	Kitov, Binah.ai, Adshir, Seebo, DLR, Feelit

Japanese VCs Present In Israel II

Parent Company\ Partnership	Japanese VC\CVC	Year Established In Israel	# Of Investments	Portfolio Companies
Renault - Nissan - Mitsubishi	Alliance Ventures	2018	3	Upstream, Maniv mobility, Otonomo
Maruho	MII Science VC	2018	4	Filicle Pharma, TPCera, Seanergy, MyBiotics
NTT	NTT VENTURES	2019	7	WSCSports, Riskified, otonomo, Wiliot, Red Dot, SundaySky, VDOO
Marubeni	Marubeni	2019	2	ePlane, D-ID
Sumitomo	IN Venturs	2019	2	Anagog, H2Pro
Meitav - Dash	MUFG Innovation	2020	4	FUNDBOX , BlueVine, liquidity Capital, ChargeAfter
Mitsui – Sumitomo Insurance	MS&AD vetures		5	VDOO, Blackswan, Next, Bambi Dynamic, Sproutt
	Aristagora	2020		N/A

Methodology and editors' remarks

1. Data is collected by from public media and private sources
2. Figures published in this review are based on accumulated data from numerous sources,
3. We are aware there are investments and partnerships which are non-disclosed for several reasons, we did not publish unauthorized cases
4. Non Equity transfers (Advance payments, NRE's, options and non refundable loans were excluded from our statistics
5. General **FDI** figures are based on data gathered from **IVC**
6. Acquisitions, were excluded from data presented in REVIEW, especially those which are one-time event (Mitsubishi Tanabe- Neurodrem Yokohama Tires- Alliance and Orix- Ormat)
7. Stage of Finance was gathered from VC's and Companies announcements.

General information about the review editors

Ziv Tetruck

- Ziv is responsible for IT and Semiconductors and Business Development activities at HIH.
- He Joined the team in April 2018
- Ziv served in the IDF elite technology unit 8200.
- Prior to joining HIH, Ziv worked at SanDisk
- Ziv Holds a B.A. in Economics and Asian Studies from the Hebrew University.

Elchanan Harel

- **President and Founder of Harel-Hertz Investments House**
- Elchanan Harel has been exploring Japan for over three decades both as a banker as well as a businessman and as a public official.
- He is a former Chairman of the Israel-Japan Friendship Society and Chamber of Commerce and is now its Honorary President
- graduated in from the Hebrew University of Jerusalem and got his Masters degree from Tel Aviv University.
- Elchanan Harel was bestowed in 2005 with the honorable decoration, 'The Order of The Rising Sun, Gold Rays with Neck Ribbon' by the Japanese Government

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