



Japanese Investments In Israel 2021 H1 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 – 2021 H1

HIH is delighted to continue with the tradition of presenting the review of Japanese investments in Israel. Since Q4 of 2019 economic activities were overshadowed by the burst of the Covid-19, Corona pandemic, which threatened to depress Economies, increase isolation and minimize international engagements. We are therefore pleased to emphasize further impressive growth in Japanese investments and expansion of economic involvement.

With investments of \$ 985M Japan has become a meaningful player in the Israeli High-tech, taking a share of 8% of total foreign investments in this industry.

Continuous growth in Japanese investments since 2016 culminating in 2020 and in H1 OF 2021 reaching almost the figures of 2020 (\$1.1BN compared to \$985M in six months)

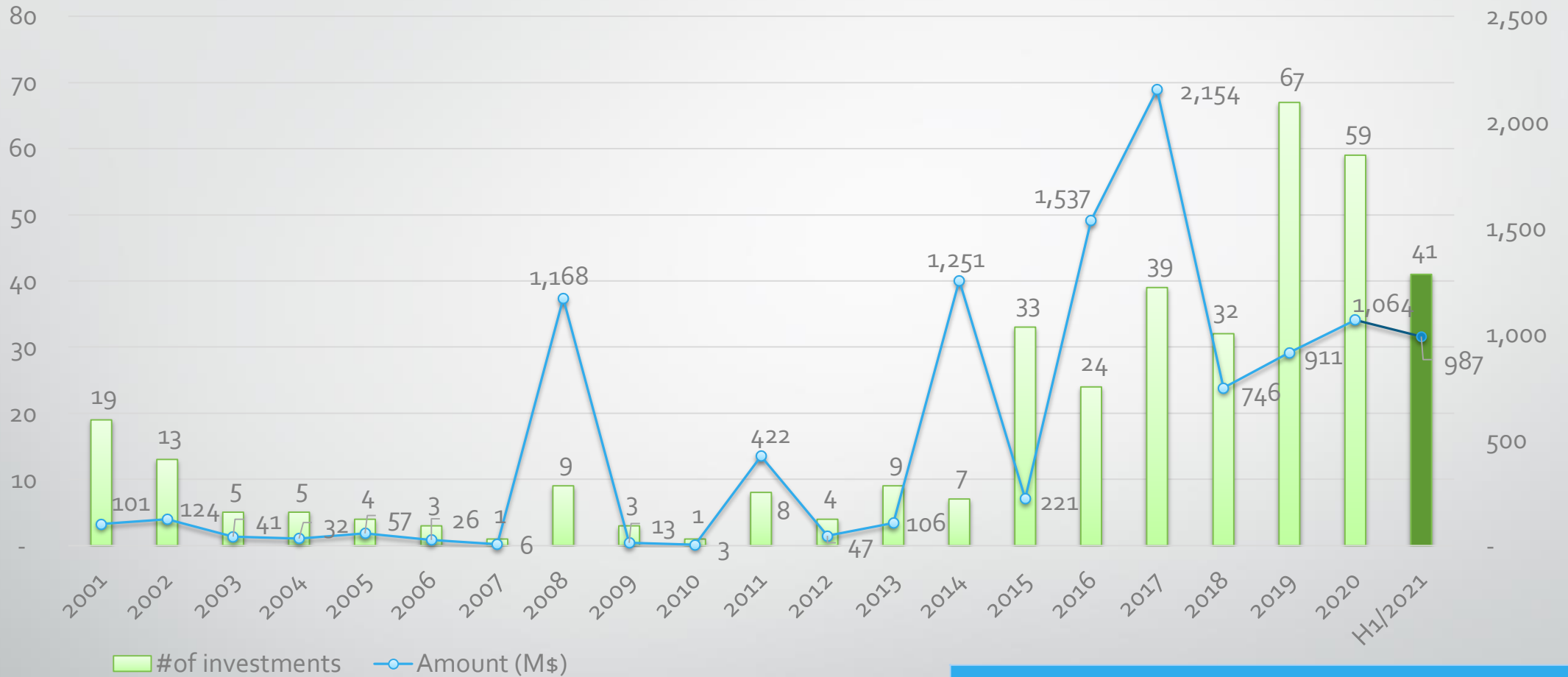
Volume of investments has more than DOUBLED compared to H1 of 2020. the number of investment rose by 64% (41 compared to 25) reaching 10% of all foreign investments.

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. In many aspects Japan has become Asia main source of investments.

Japanese investments in Israel – 2021 H1 (continued)

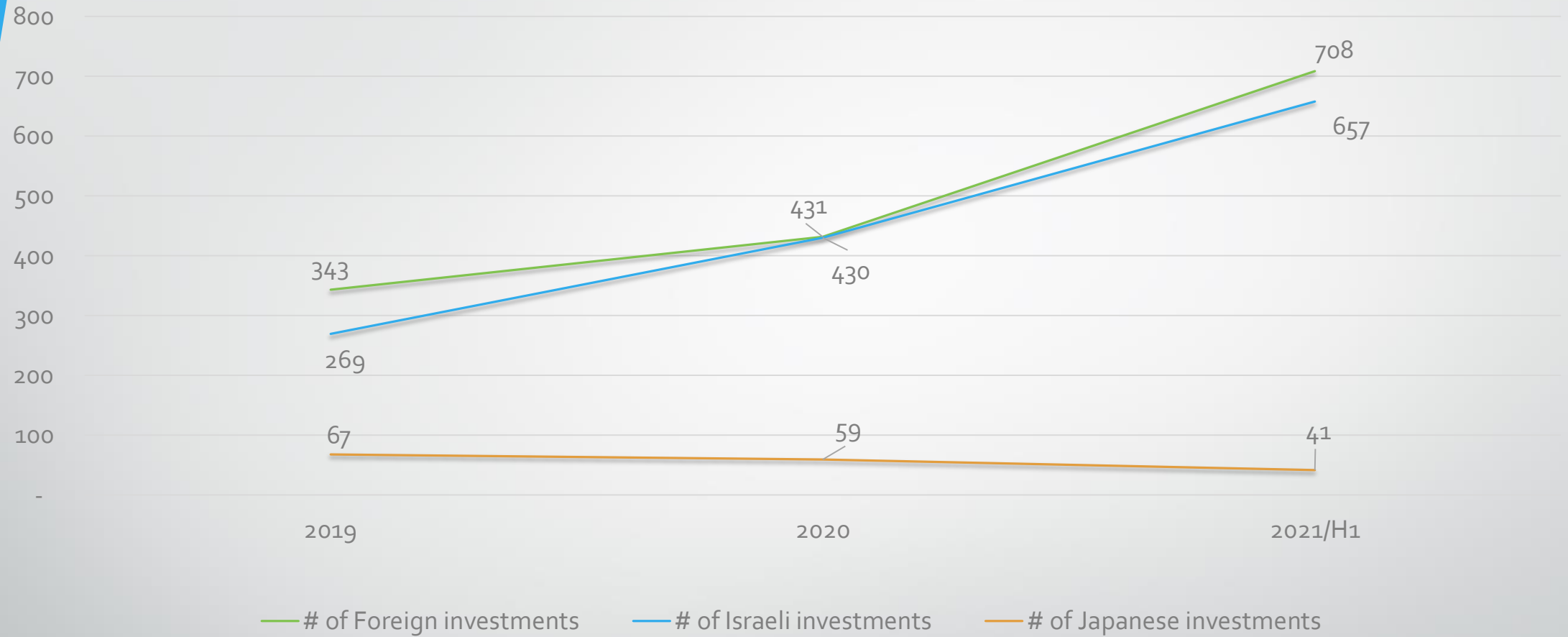
- Transformation in Japanese activities :
- Japan's role in FDI has grown dramatically from insignificant 1.8% in 2016 to impressive 11.1% this year, 2020. This year percentage fell down to %8 due the astronomic growth in foreign investment mainly in the USA.
- Number of Investment increased impressively from 25 to 41 while in the whole of last year 51 investments were booked.
- 5 investments were made by first time, new investors
- Growth of involvement of Japanese VCs located in Israel: overall 16 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 94 offices in 2021.
- In spite of Covid-19, Japanese Institutional Investors (banks and Insurance companies) expanded their activity in Israeli. – initiating new alliances and new ventures with their local counterparts and Israeli VC's.
- investments in rounds B and C, equaled to those of Seeds and A, which prove more mature nature of investments.
- Japanese VCs and CVCs still do not take lead investors position ,but prefer to join Israeli or global VCs.
- Major changes since 2015 in the sectorial preference of Japanese investors, IT dominated with 64% in 2015 and dropped to 21% today's, other industries like Automotive, LiveScience and Security took a significant slice in the cake.
- Number of Acquisitions are still limited, as Japanese target mainly Asian and US companies.

Japanese Investments And Acquisitions Of Israeli Companies



comparison	2020/H1	2021/H1
# of Japanese investment	25	41
Volume of Japanese investment	462.1	987

Annual # Of Israeli VS Foreign VS Japanese Investments In Israeli High-Tech



comparison	2020/H1	2021/H1
# of Israeli investment	414	657
# of Japanese investment	25	41
# of Foreign investment	442	708

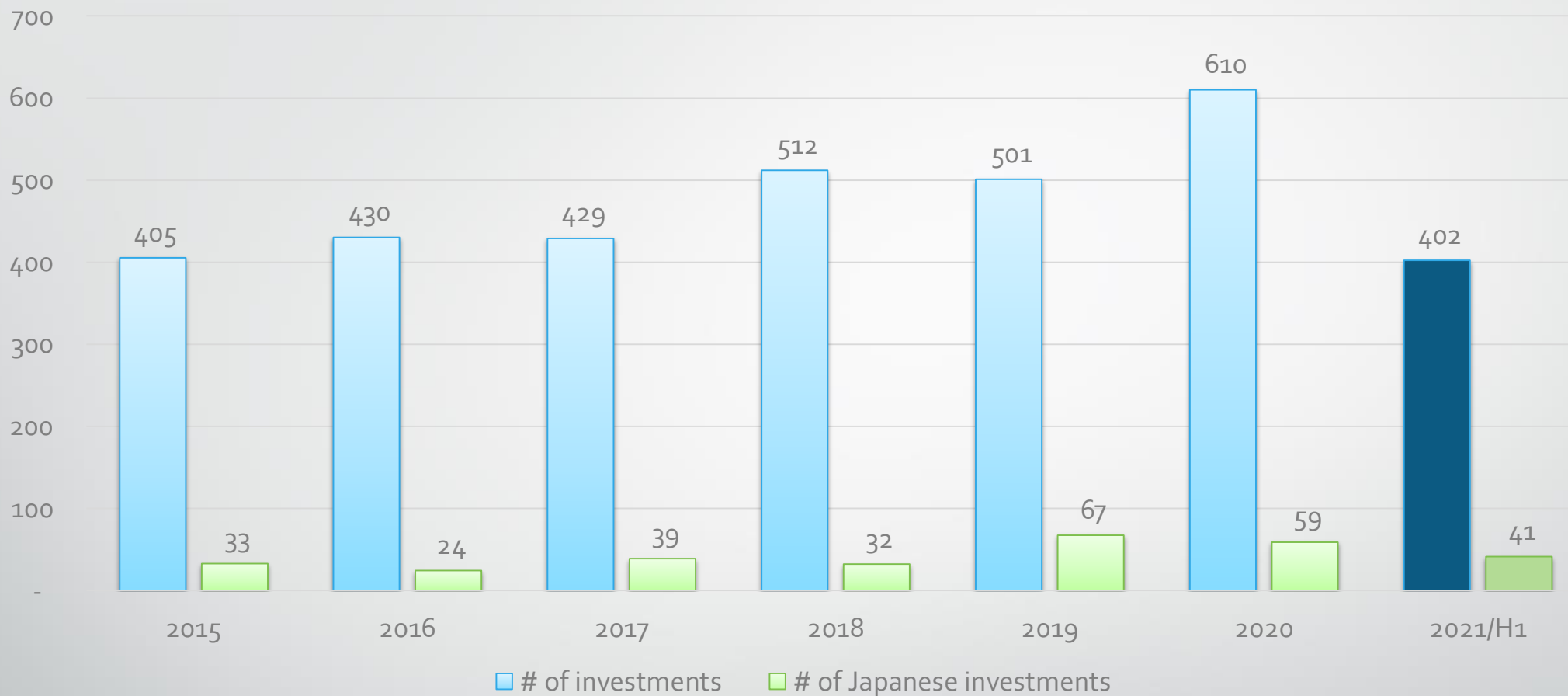
*# of Japanese investments out of foreign investments

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Annual # Of Overall Investments VS Japanese Investments In Israeli High-Tech



comparison	2020/H1	2021/H1
# of Japanese investment	25	41
# of overall investment	285	402

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



comparison	2020/H1	2021/H1
volume of Japanese investment	432.1	987
volume of overall investment	4,825	11,904

*Including the acquisition of Alliance Tyres by Yokohoma Rubber at the amount of 1,200 (M\$).

** Including the acquisition of Neurodrem by Mitsubishi Tanabe at the amount of 1,100 (M\$).



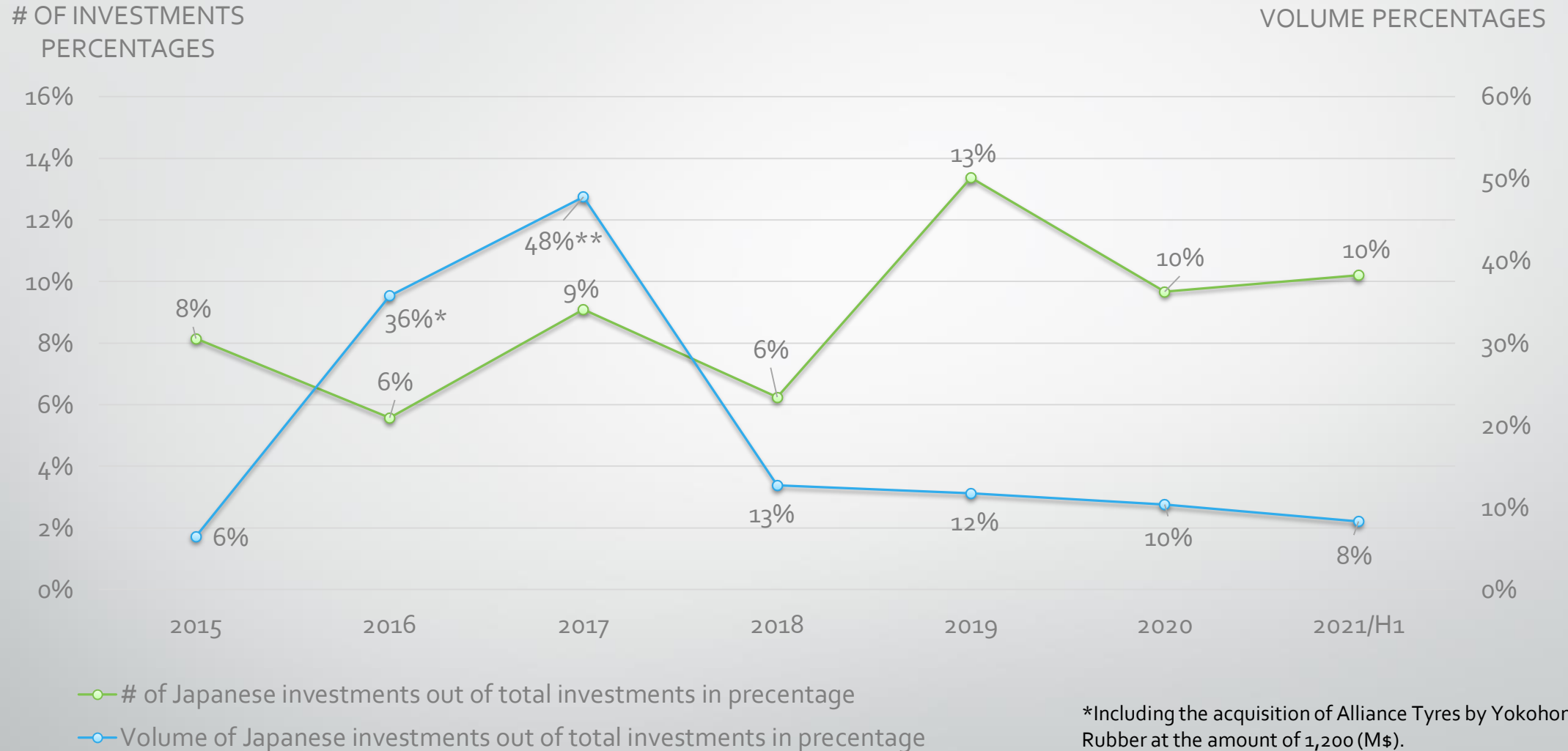
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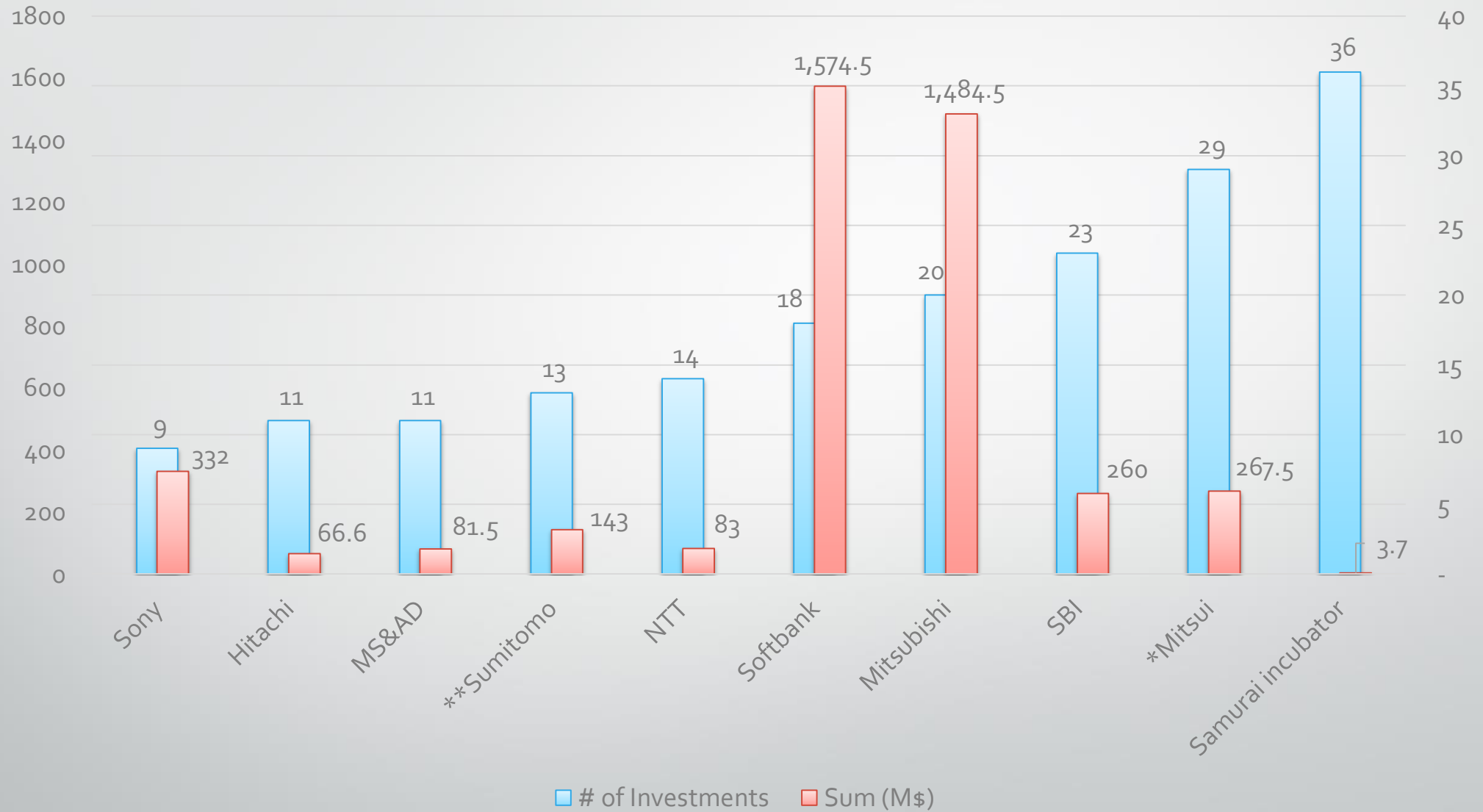
Number and volume of Japanese Investments out of total of Overall investments in Israeli HighTech in Percentage



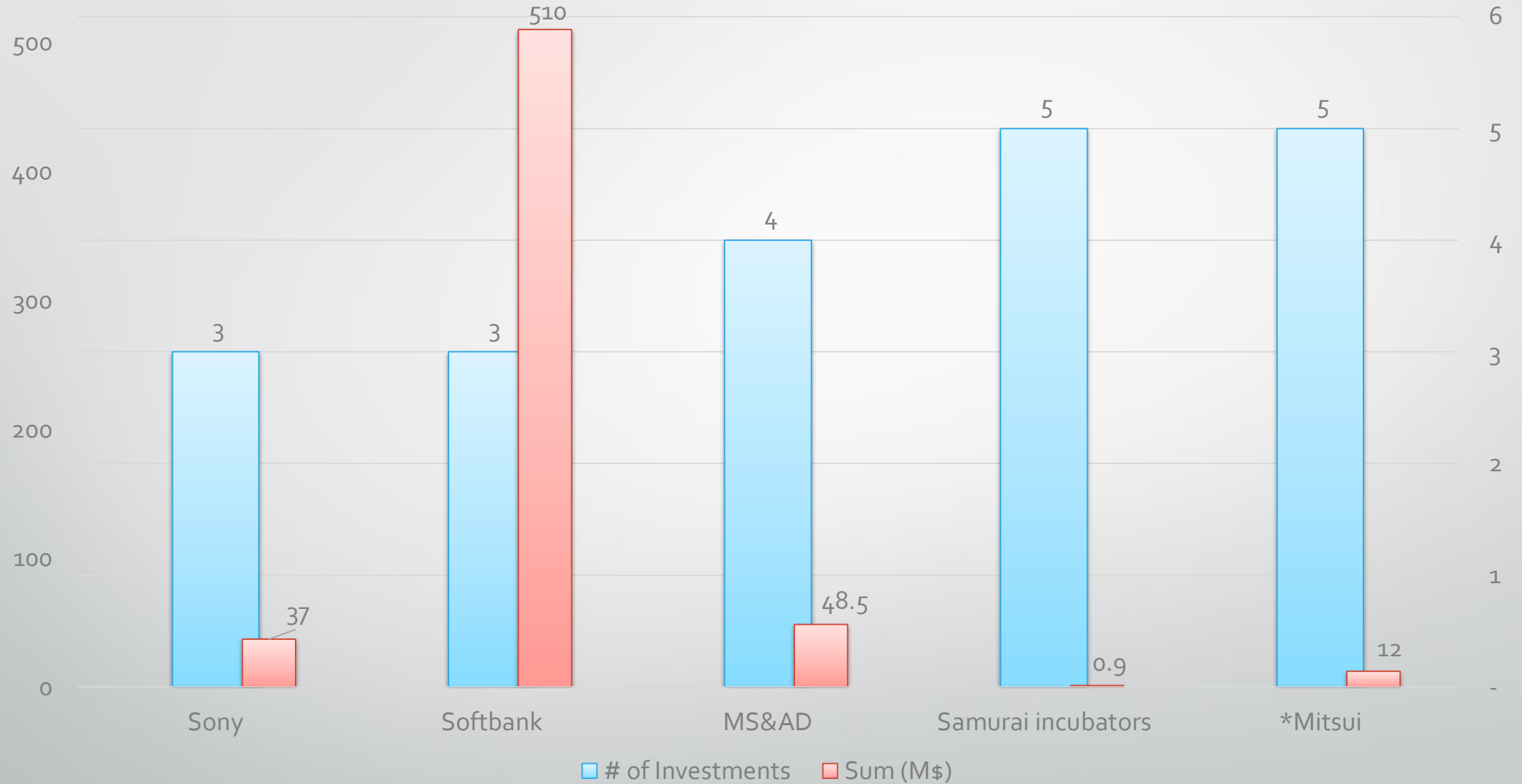
*Including the acquisition of Alliance Tyres by Yokohoma Rubber at the amount of 1,200 (M\$).

** Including the acquisition of Neurodrem by Mitsubishi Tanabe at the amount of 1,100 (M\$).

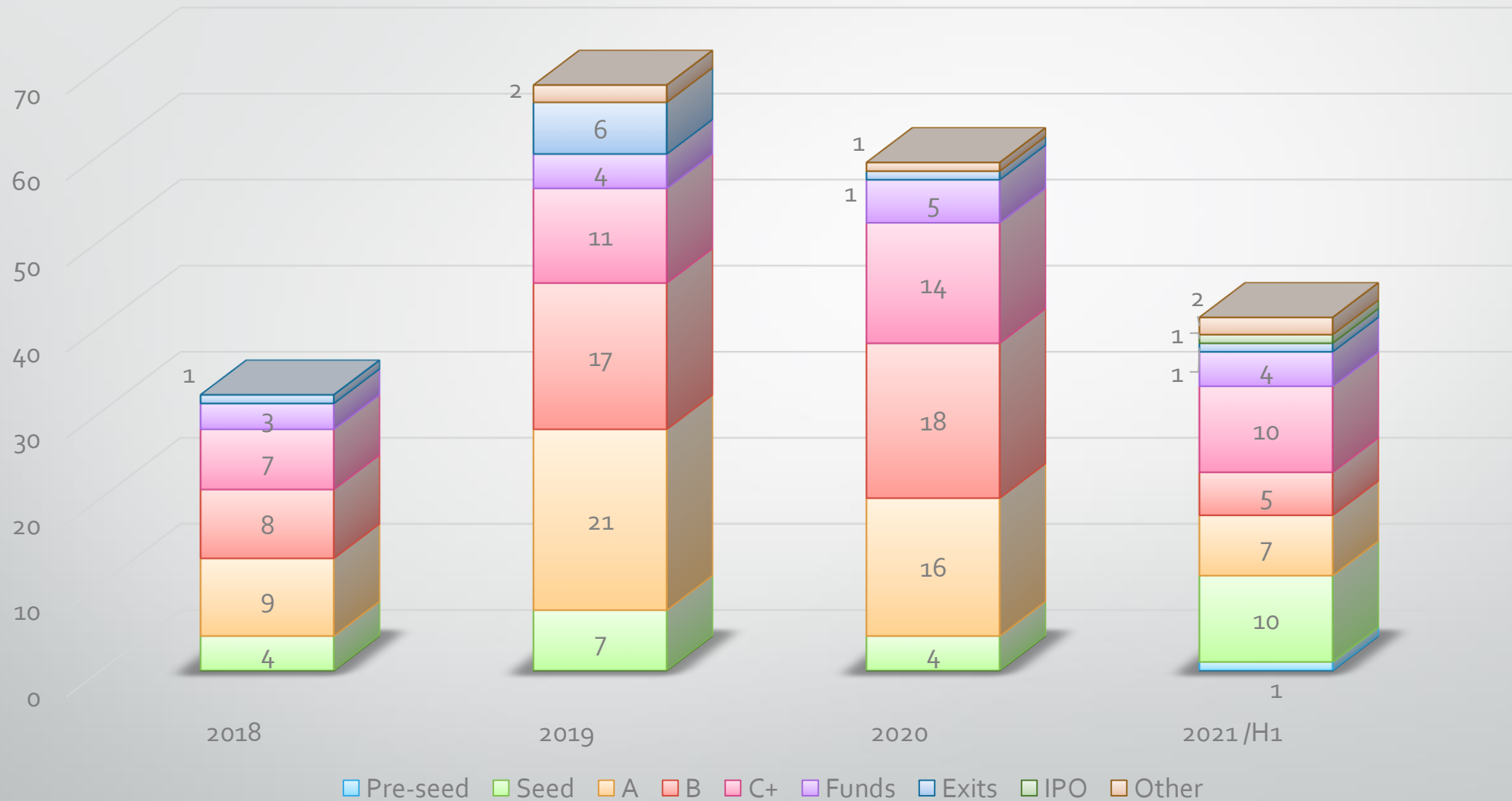
Top 10 Active Investors 2001 – 2021 (H1)



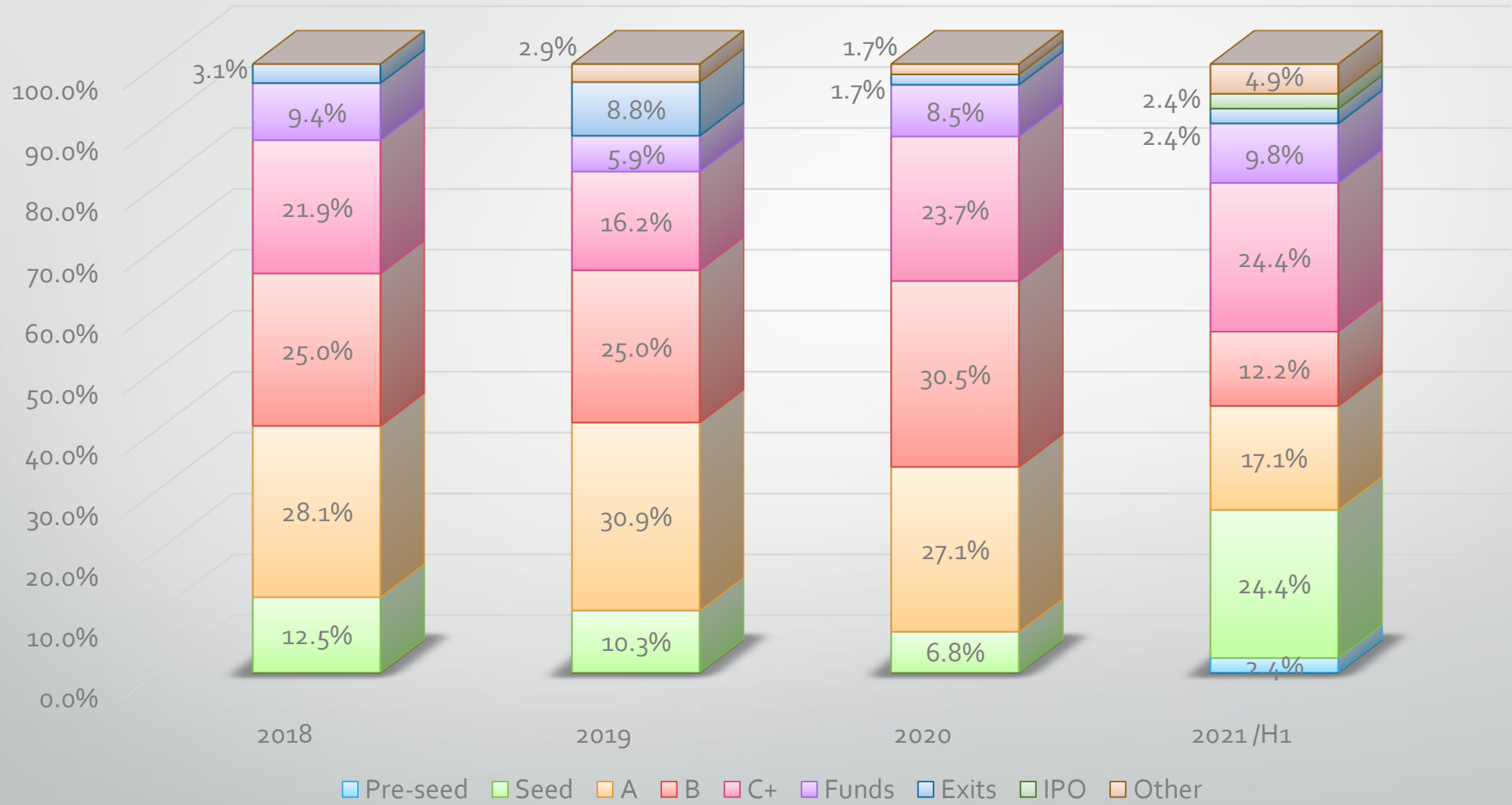
Top 5 Active Investors in 2021 (H1)



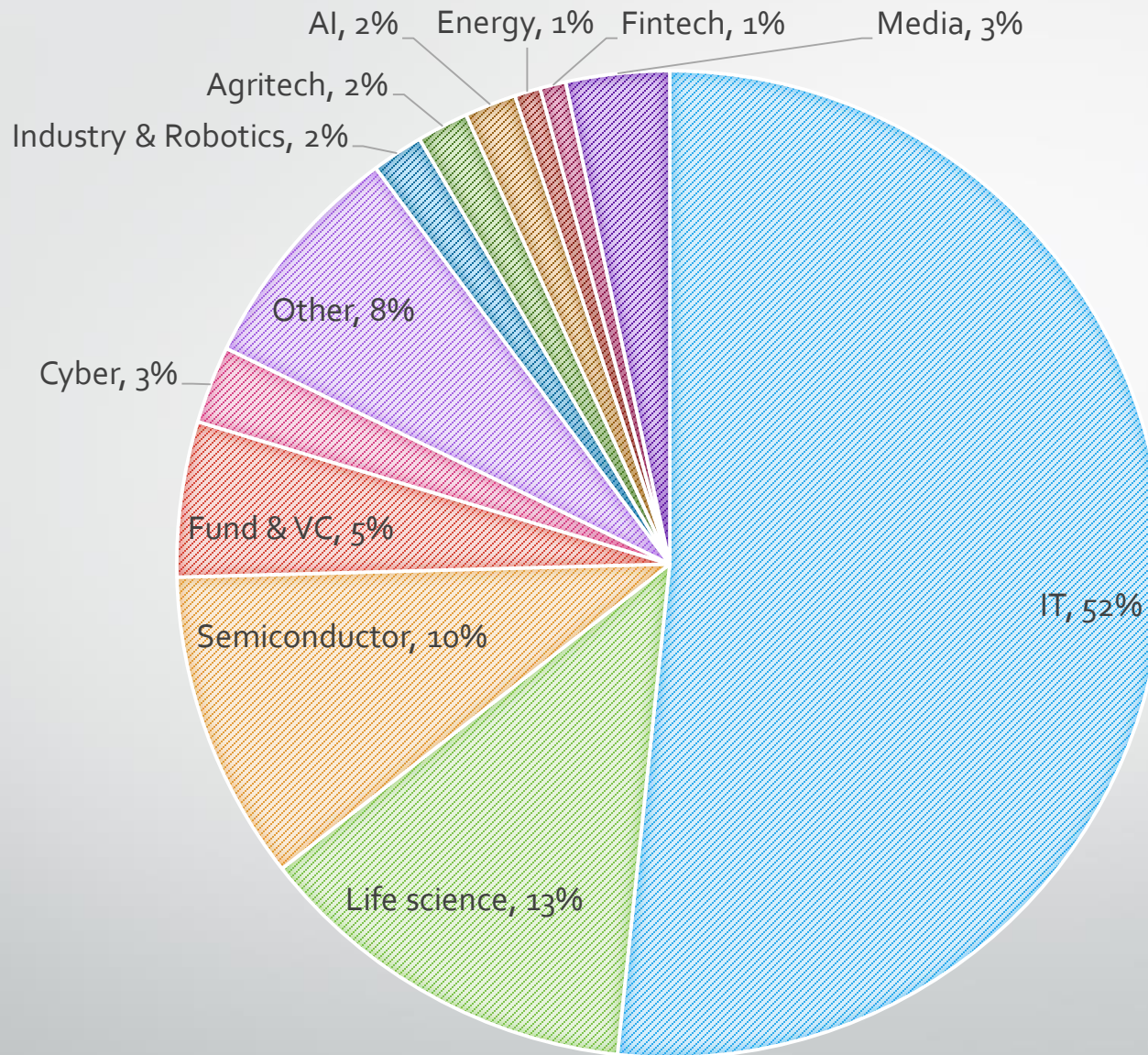
Japanese Investments in Israeli High-Tech by Round



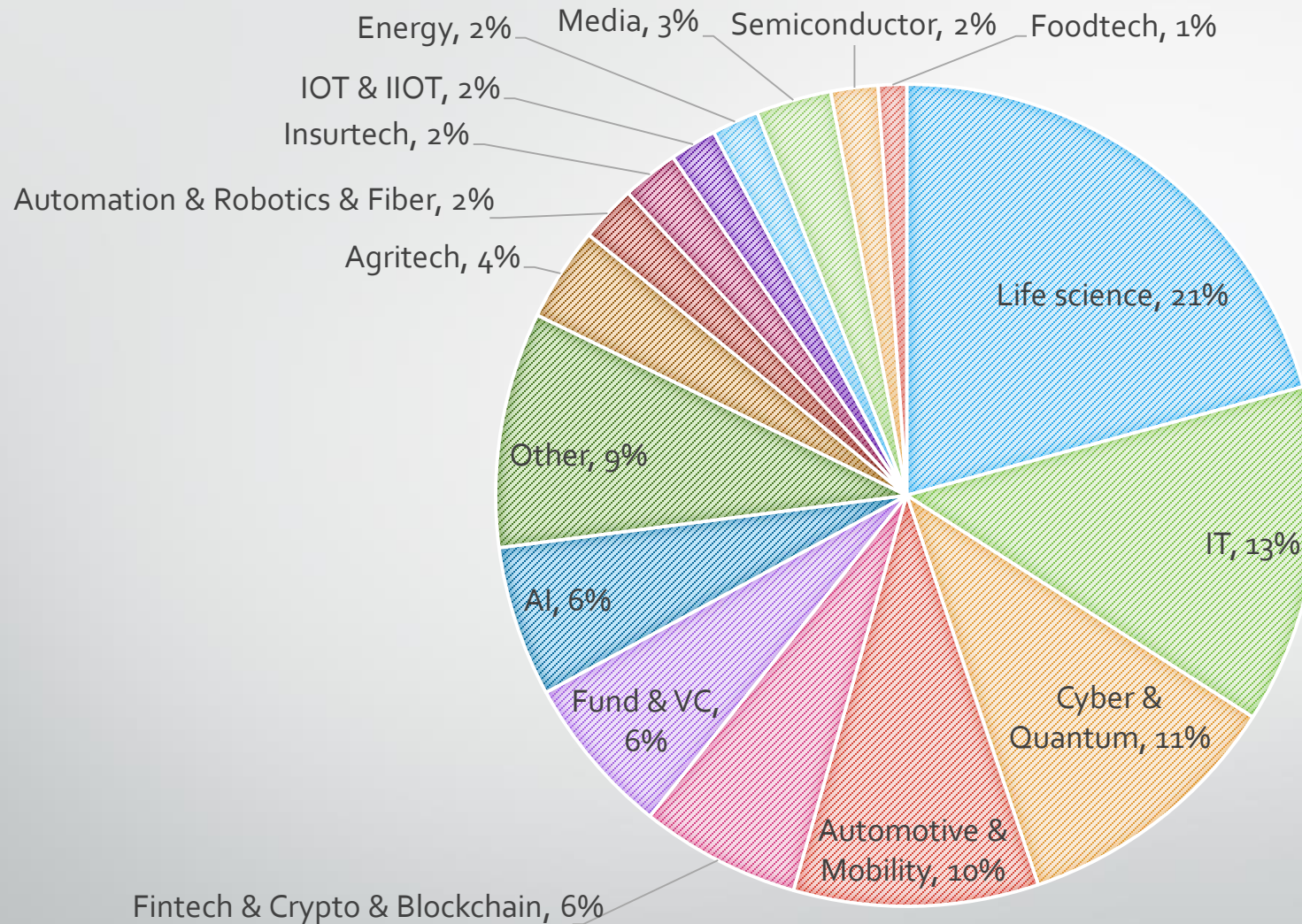
Japanese Investments in Israeli High-Tech by Round in percentages



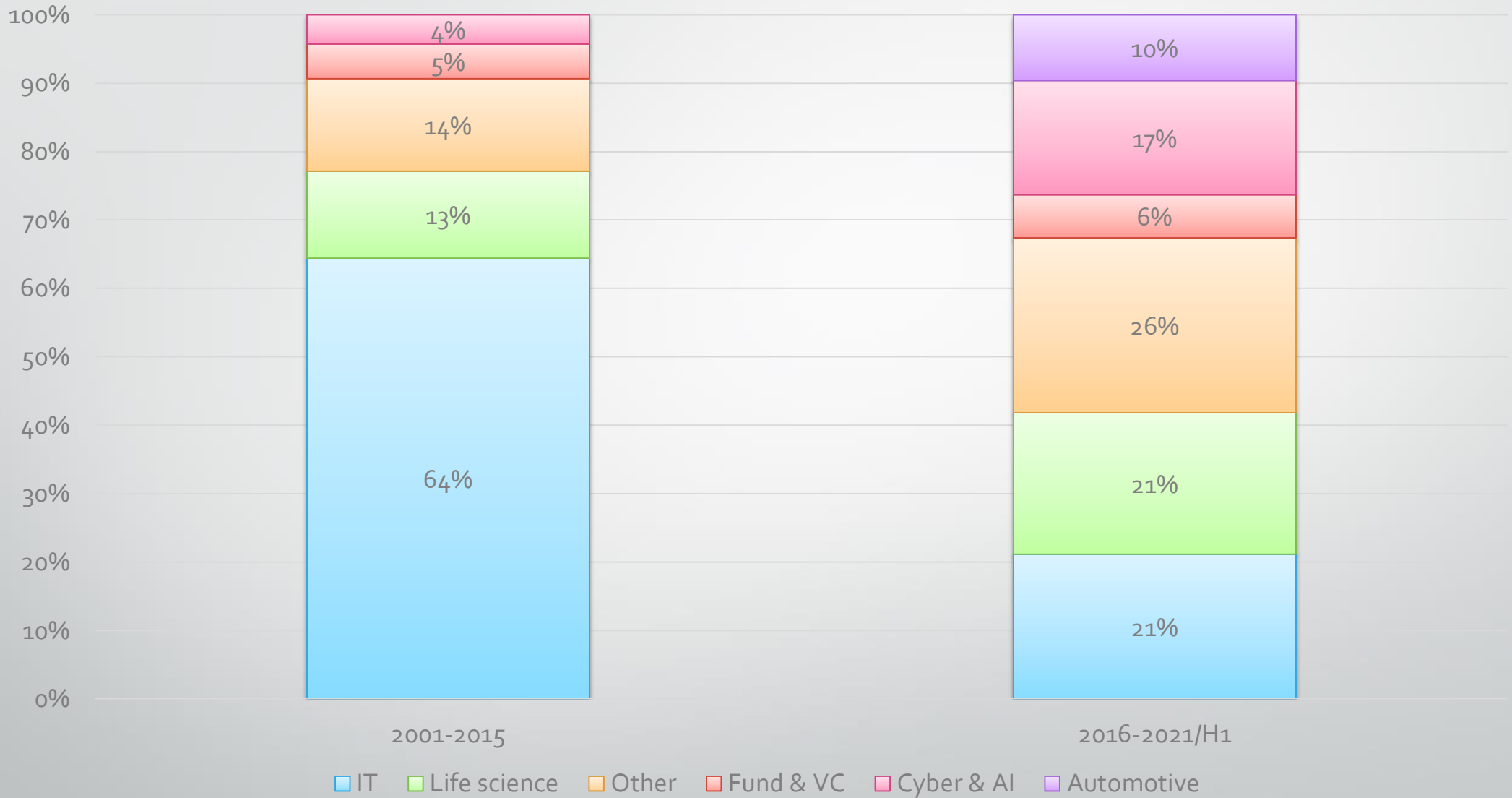
Investments By Sectors 2001-2015



Investments By Sectors 2016-2021/H1



Investments by Sector & Year Change



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Japanese Acquisitions of Israeli Companies

Japanese Company	Israeli Acquired Company	Acquired From	Sector	Year	Amount (\$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

* 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

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Japanese Acquisitions of Israeli Companies (2)

Japanese Company	Israeli Acquired Company	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
Olympus	Meditate	Founders	Medical device	2021	300

* Sony Pictures acquired 50% of Interlude/EKO

** Orix Acquired 22% of Ormat

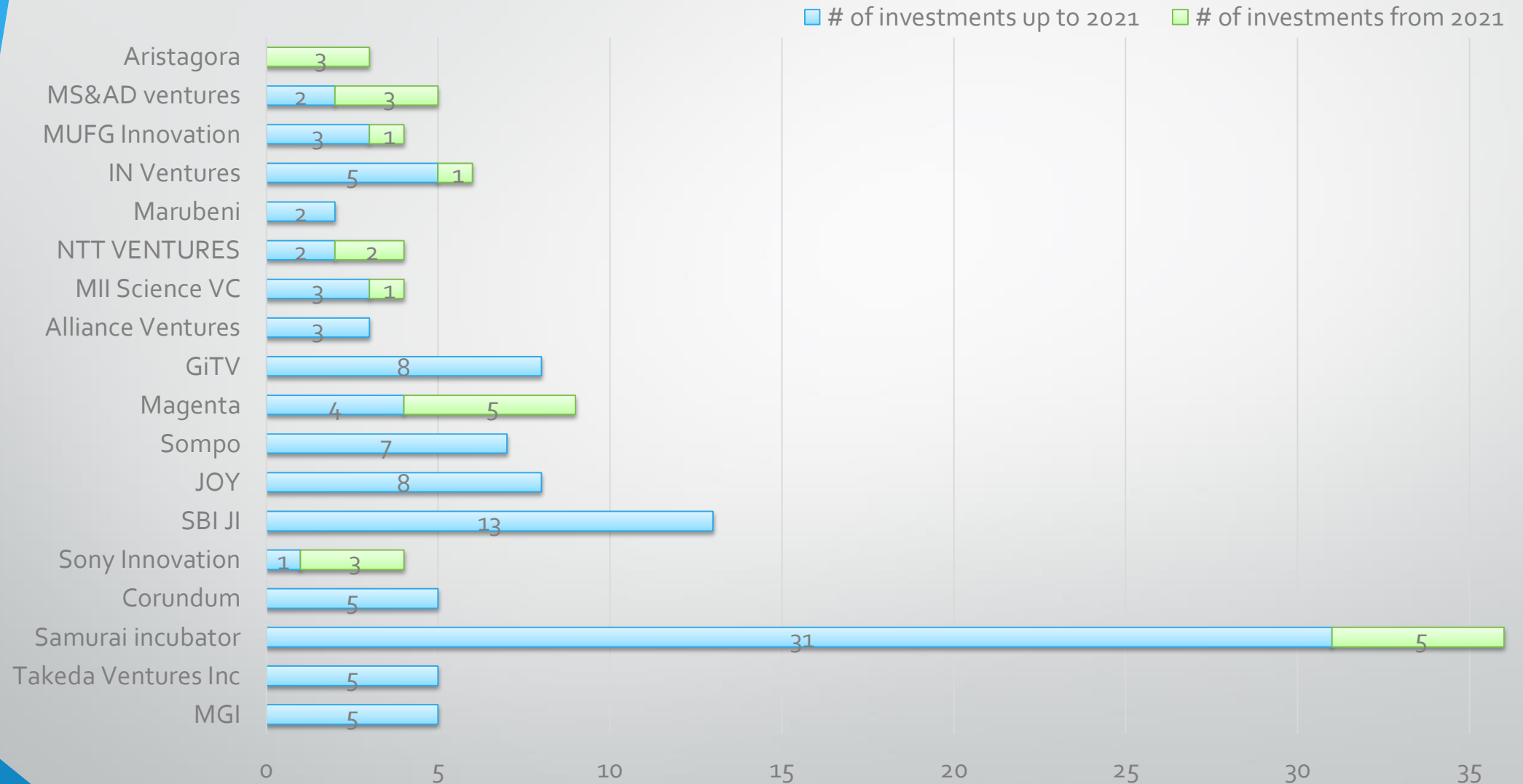
Japanese VCs Present In Israel

Parent Company\ Partnership	Japanese VC\CVC	Year Established In Israel	# Of Investments	Portfolio Companies
Mitsui	MGI	2008	10	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	36	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
Vertex	Corundum	2015	5	270Surgical, Cathworks, EternaBio, Theranica, Dario
Sony	Sony Innovation	2016	3	Broadmann17, Trax, Anzu.
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	9	Autotalks, Valens, Workiz, Become, Hip, Brightway Vision, Veego, Findings, Livecycle

Japanese VCs Present In Israel (2)

Parent Company\ Partnership	Japanese VC\CVC	Year Established In Israel	# Of Investments	Portfolio Companies
	GiTV	2018	8	Kitov, Binah.ai, Adshir, Seebo, DLR, Feelit, Cognata, Hoppo
Renault - Nissan - Mitsubishi	Alliance Ventures	2018	3	Upstream, Otonomo, Maniv mobility (Fund)
Maruho	MII Science VC	2018	4	Fillicle Pharma, TPCera, Seanergy, MyBiotics
NTT	NTT VENTURES	2019	4	WSCSports, otonomo, Wiliot, VDOO
Marubeni	Marubeni	2019	2	ePlane, D-ID
Sumitomo	IN Venturs	2019	6	Anagog, H2Pro, Classiq, Genox, GK8, Ottopia
Meitav - Dash	MUFG Innovation	2020	4	FUNDBOX , BlueVine, liquidity Capital, ChargeAfter
Mitsui – Sumitomo Insurance	MS&AD ventures	2020	6	VDOO, Blackswan, Next Insurance, Bambi Dynamic, Sproutt, InnerPlant
	Aristagora	2020	3	Lynxight, Nimble, Suridata

Japanese VC portfolio



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** and **IIA**
- 6.Acquisitions, were excluded from data presented in REVIEW, especially those which are one-time event (Mitsubishi Tanabe- Neurodrem' YokohamaTires- Alliance and Orix- Ormat) except slide no' 8.
7. Stage of Finance was gathered from VC's and Companies announcements.
8. Investments in companies in the USA, with no links to Israel (but the origin of the founders) were not included in this survey.
- 9 . Data of investments in previous years was edited according to new findings and publications

General information about the review editors

- **Helena Goldman**

- Helena is responsible for IT and Semiconductors bizdev activities. Prior to joining HIH Helena worked as a chemical laboratorian QA at Paz Oil Company. Helena holds a B.A. in Economics and East Asian Studies from Tel-Aviv University

- **Niv Vidal**

- Niv is responsible for IT and Cybersecurity bizdev activities. Prior to joining HIH Niv worked at the Ministry of Social Equality at the budgetary division. Niv holds a B.A. in Economics and East Asian Studies from Tel-Aviv 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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