



2024/H1 Japanese Investments In Israel

A Report by Harel-Hertz Investment House



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Key Highlights of 2024/H1



\$317.4M

**Japanese Investment
in millions**

- A 31% reduction
compared to 2023/H1



33

**Number of investment
rounds Japanese
Investor have
participated in**

- Same level as 2023/H1



\$263M in follow rounds

**The volume invested in follow-up
rounds was 4.8 times greater than
the volume invested in initial
rounds**

Executive Summary

- Japanese Investments in Israel proved solid presence, in Israeli High-Tech Eco-System. In spite of dramatic/worsening geo – political environment and sharp devaluation of the Japanese Yen against the USD, (15% decline in 2024), Japanese investors kept their interest in Israeli technologies.
- While the number of investments remained stable , the amount invested fell by 33%, keeping pace with global trends.
- Half of Japanese investments were of Strategic nature while the rest involved financial VC's portfolio activities. Six new corporate investors made their initial investments here.

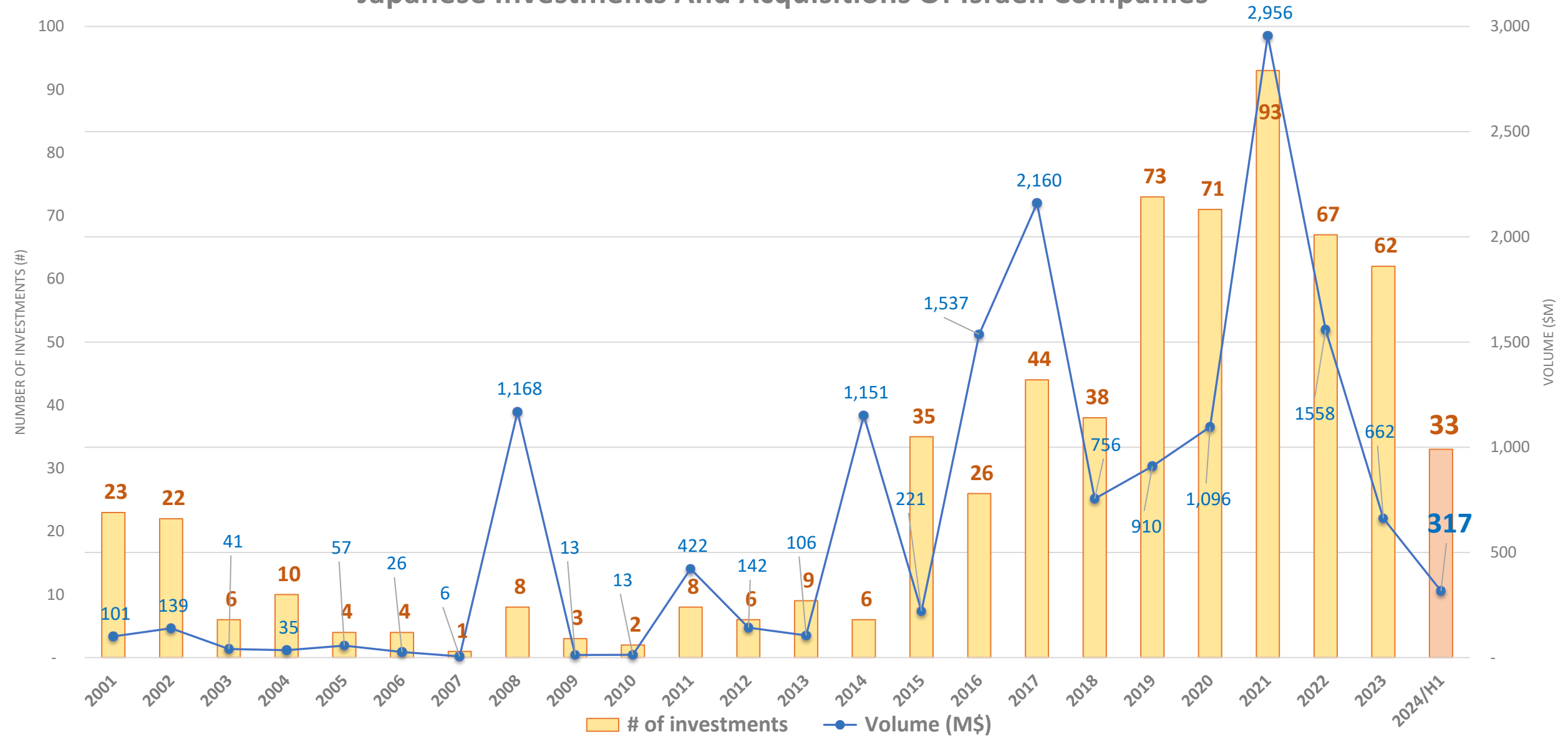
Executive Summary

- In the first half of 2024, Japanese investments totalled \$317.4 million across 33 transactions, marking a 31% decrease in value however maintain the same level in terms of the number of investments as in 2023/H1.
- Over the past four years (from 2021/H1 to 2024/H1), these investments have shown a negative compound annual growth rate (CAGR) of 13%.
- Notably, there is a prevailing trend favouring follow-up investments over initial investments in volume (\$M), with follow-up transactions constituting 83% of the total \$317.4 million Japanese investments in 2024/H1. A significant portion of these follow-up funds—48%—was allocated to early-stage investments (Seed and A-Round), marking a 18% increase compared to 2023/H1, where later-stage investments dominated (B-Round and later).

Executive Summary

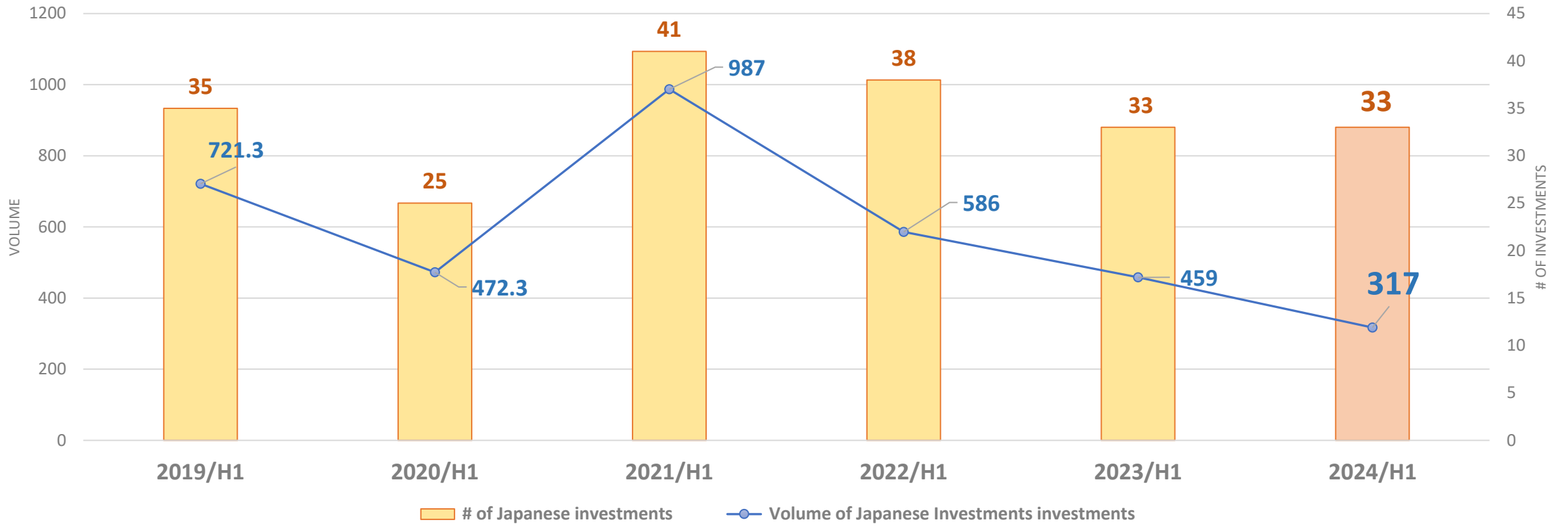
- Japanese investments represented 9% of all foreign investment volume (\$M) in 2024/H1, reflecting a 7% decline from 2023/H1, while the number of Japanese investments (#) has remained at the same level as 2023/H1.
- The IT, Cyber Security, and Fintech sectors emerged as the preferred areas for Japanese investment in 2024/H1, collectively accounting for 58% of all investments. This marks a slight shift from 2023/H1, when Fund & VC, Cyber Security, Fintech, and Automotive were the leading sectors of interest.

Japanese Investments And Acquisitions Of Israeli Companies



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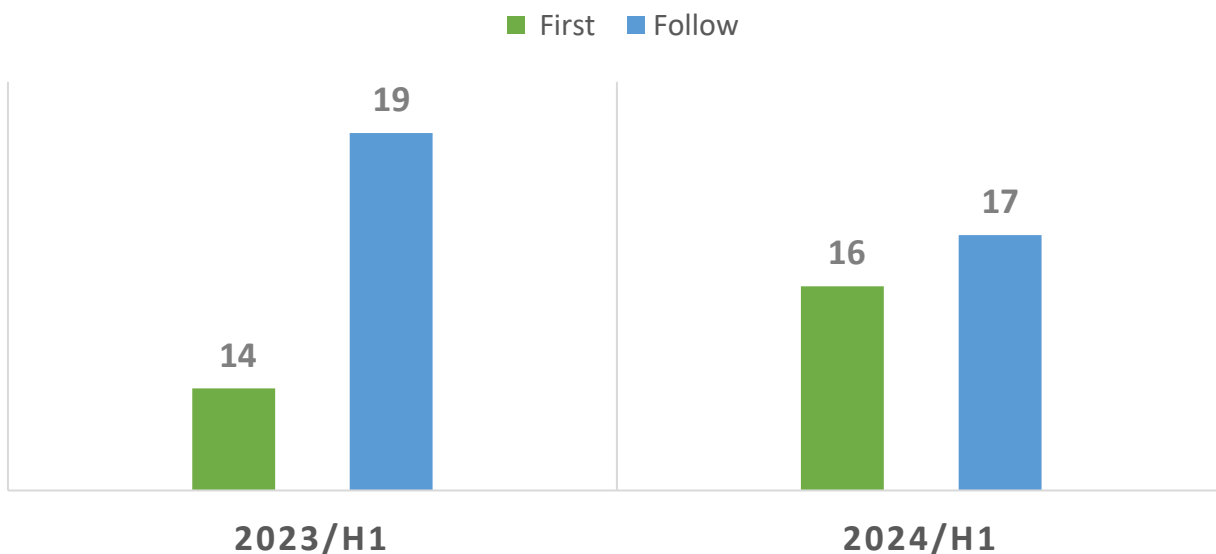
2019/H1-2024/H1 Japanese investments in Israel



Year	Volume of Japanese Investments	# of Japanese investments
2019/H1	721	35
2020/H1	472	25
2021/H1	987	41
2022/H1	586	38
2023/H1	459	33
2024/H1	317	33

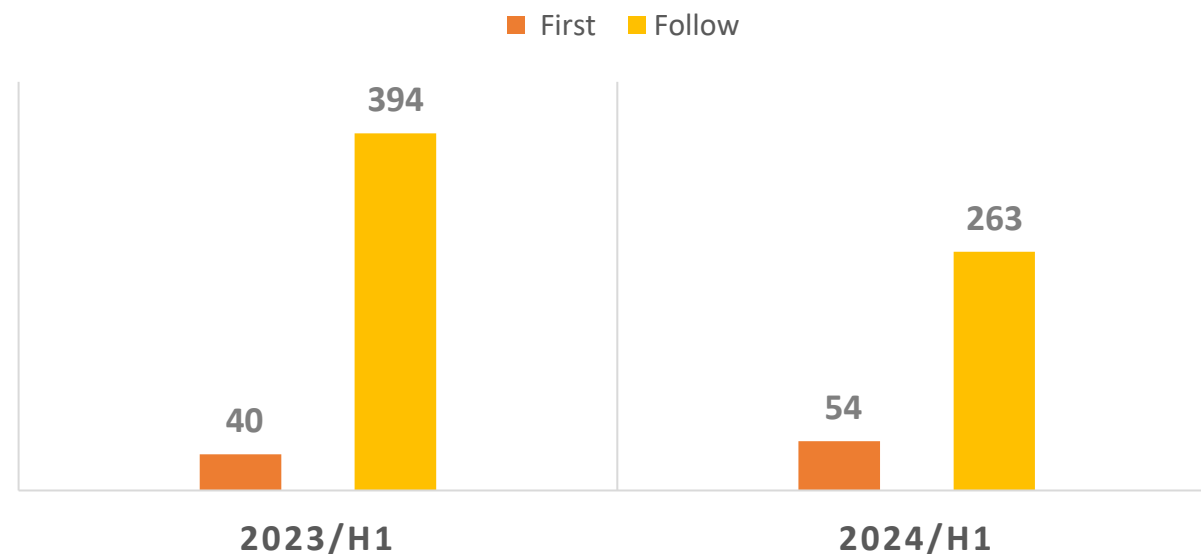
Japanese Investment: First vs. Follow comparison

OF FIRST VS. FOLLOW JAPANESE INVESTMENTS



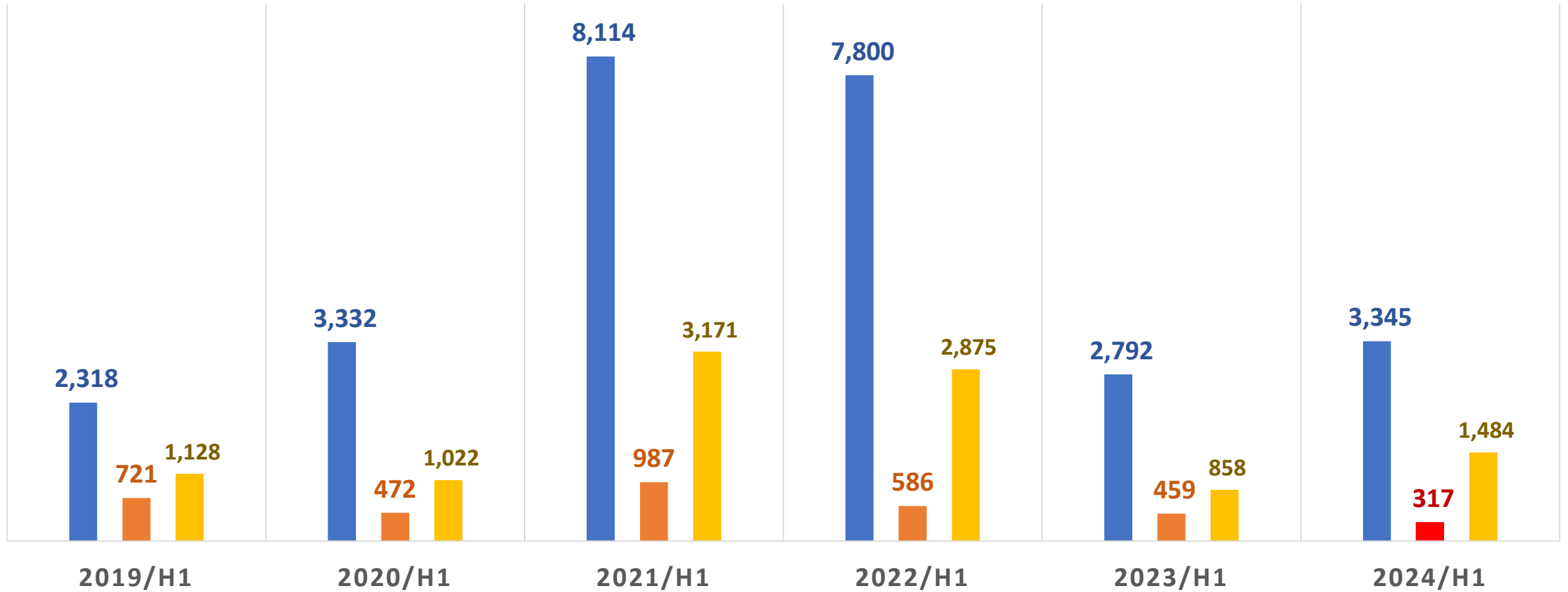
# of First vs. Follow Japanese Investments		
Year	First	Follow
2023/H1	14	19
2024/H1	16	17

VOLUME OF FIRST VS. FOLLOW JAPANESE INVESTMENTS



Volume of First vs. Follow Japanese Investments		
Year	First	Follow
2023/H1	40	394
2024/H1	54	263

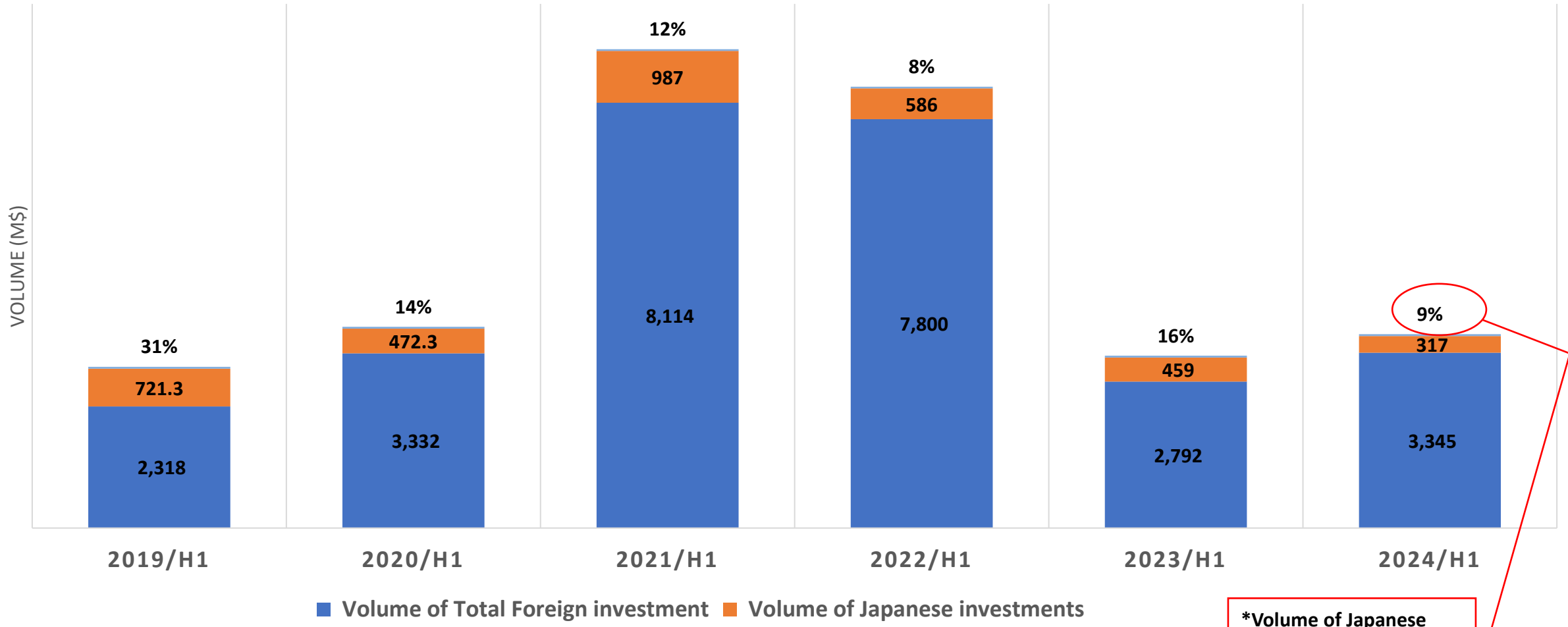
2019-2024 HALF YEARLY VOLUME OF INVESTMENT IN ISRAELI HIGH-TECH (M\$)



■ Volume of Foreign investment ■ Volume of Japanese investments* ■ Volume of Israeli investment

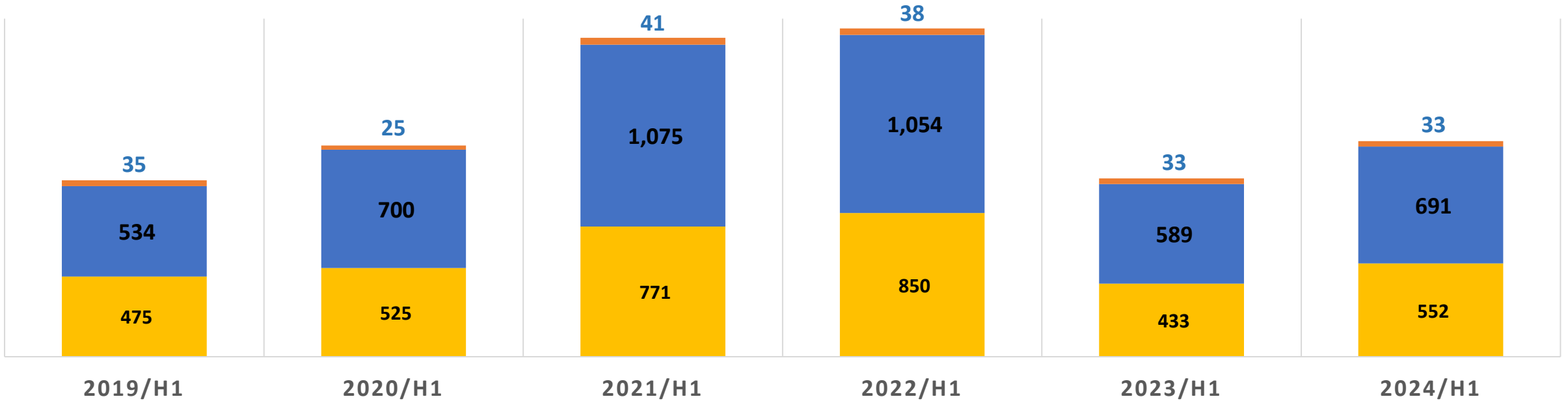
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2019-2024 HALF YEARLY % OF JAPANESE INVESTMENTS OUT OF FOREIGN INVESTMENTS (M\$)



***Volume of Japanese Investments as a % of the total volume of Foreign Investments in Israeli High-tech**

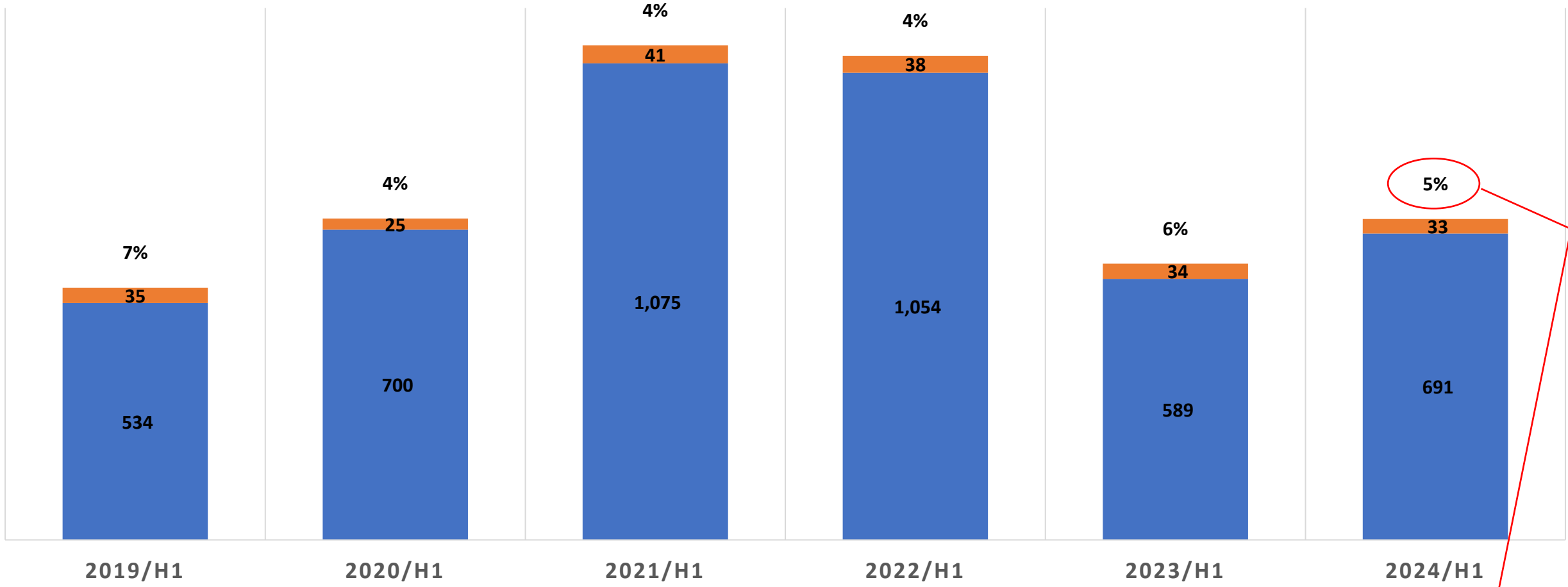
2019-2024 HALF YEARLY COMPARISON OF # OF JAPANESE INVESTMENTS, TOTAL FOREIGN INVESTMENTS, ISRAELI INVESTMENTS



■ # of Israeli investments
 ■ # of Total Foreign investments
 ■ # of Japanese investments*

Year	# of Israeli investments	# of Total Foreign investments	# of Japanese investments*
2019/H1	475	534	35
2020/H1	525	700	25
2021/H1	771	1,075	41
2022/H1	850	1,054	38
2023/H1	433	589	33
2024/H1	552	691	33

2019-2024 HALF YEARLY % OF JAPANESE INVESTMENTS OUT OF FOREIGN INVESTMENTS



■ # of Foreign investments ■ # of Japanese investments*

***Number of Japanese Investments as a % of the total number of Foreign Investments in Israeli High-tech**

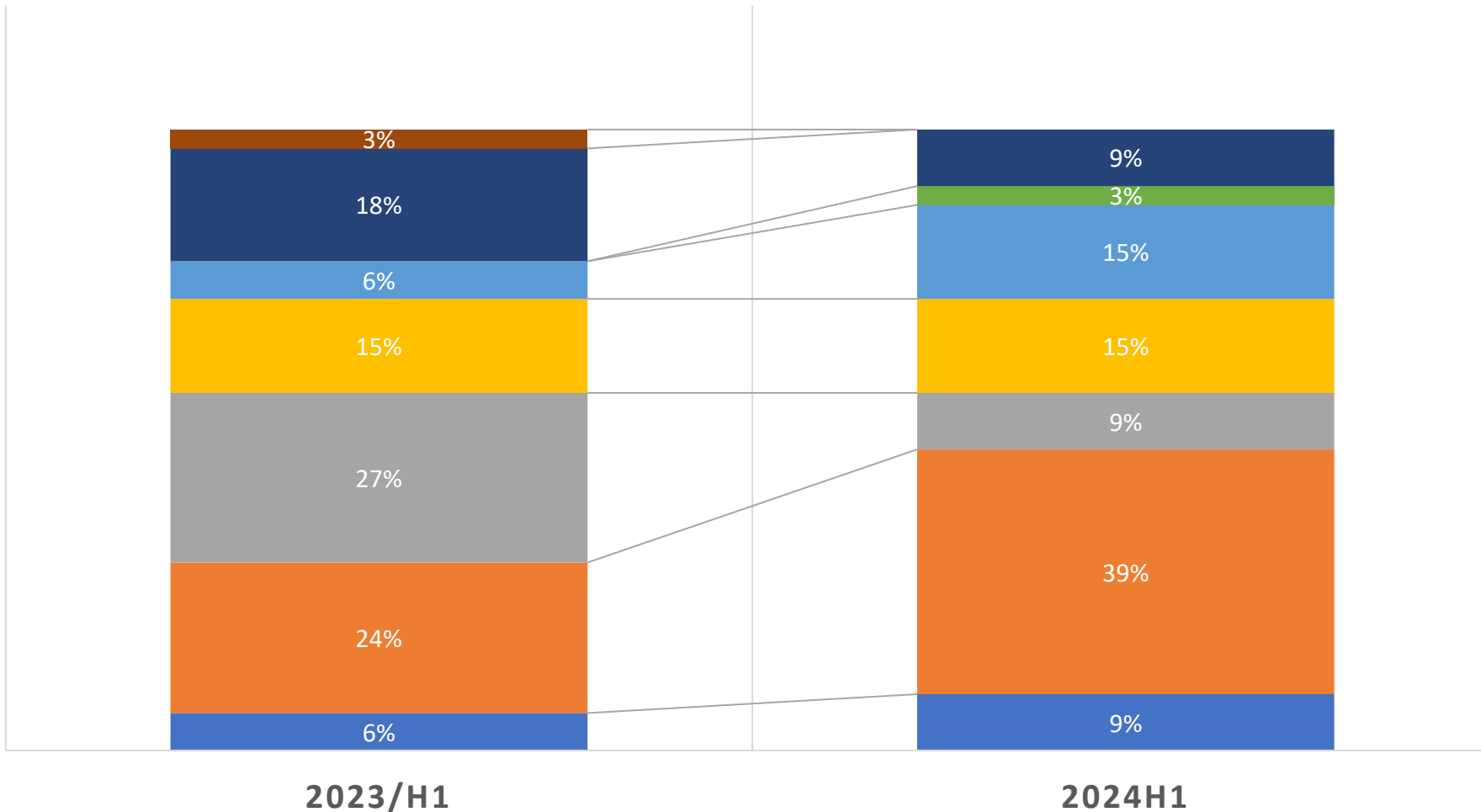
Investment by VCs vs. Corporate Investment

Investor Type	2023/H1	2024/H1
VC (Financial Investments)	16	22
Corporate (Strategic Investments)	17	11*

* 6 out of the 11 Corporate investors were new Japanese investors.

2023/H1 - 2024/H1 FUNDING STAGE COMPARISON (IN %)

■ Seed ■ A ■ B ■ C ■ C+ ■ IPO ■ Fund ■ Exit

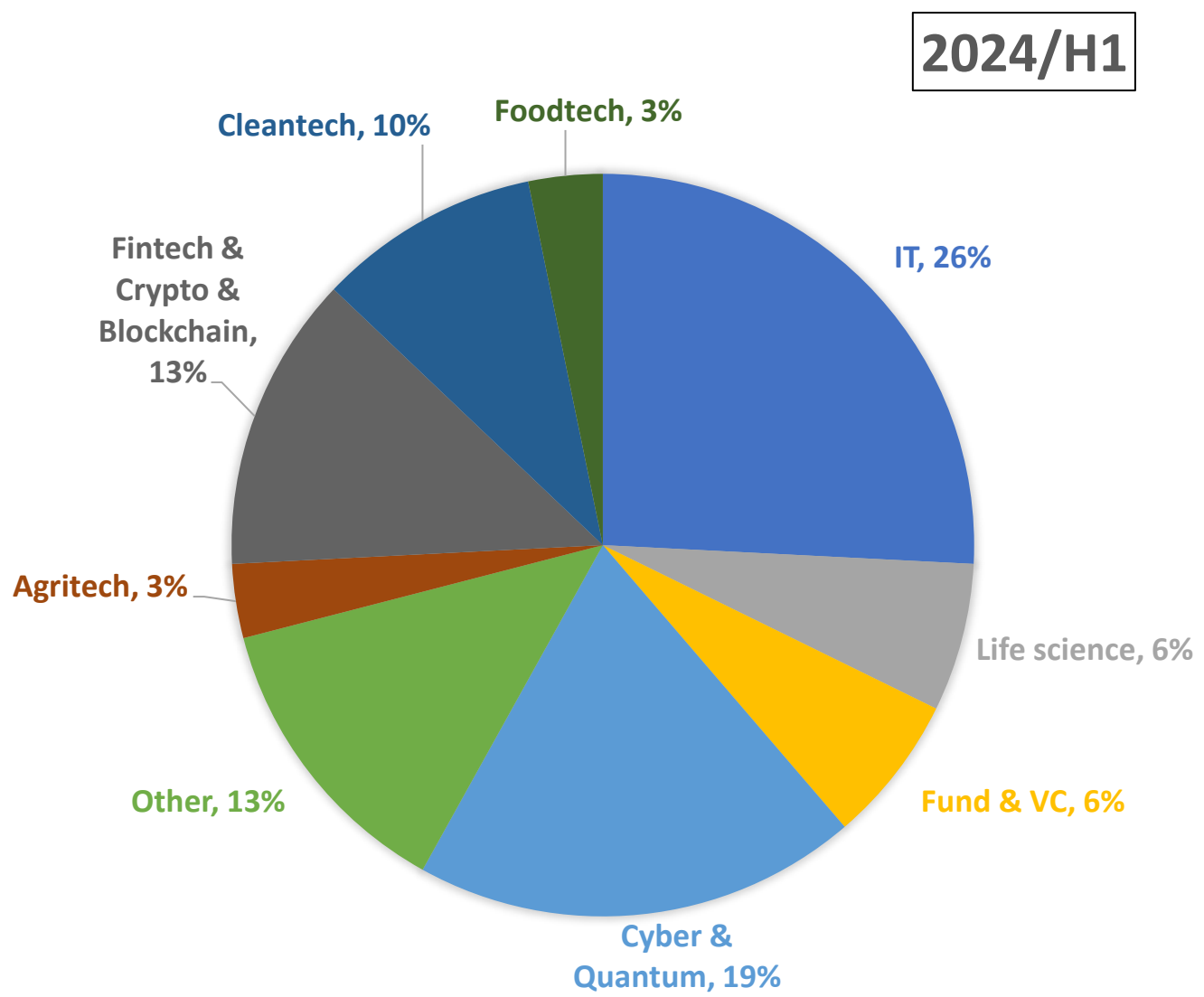
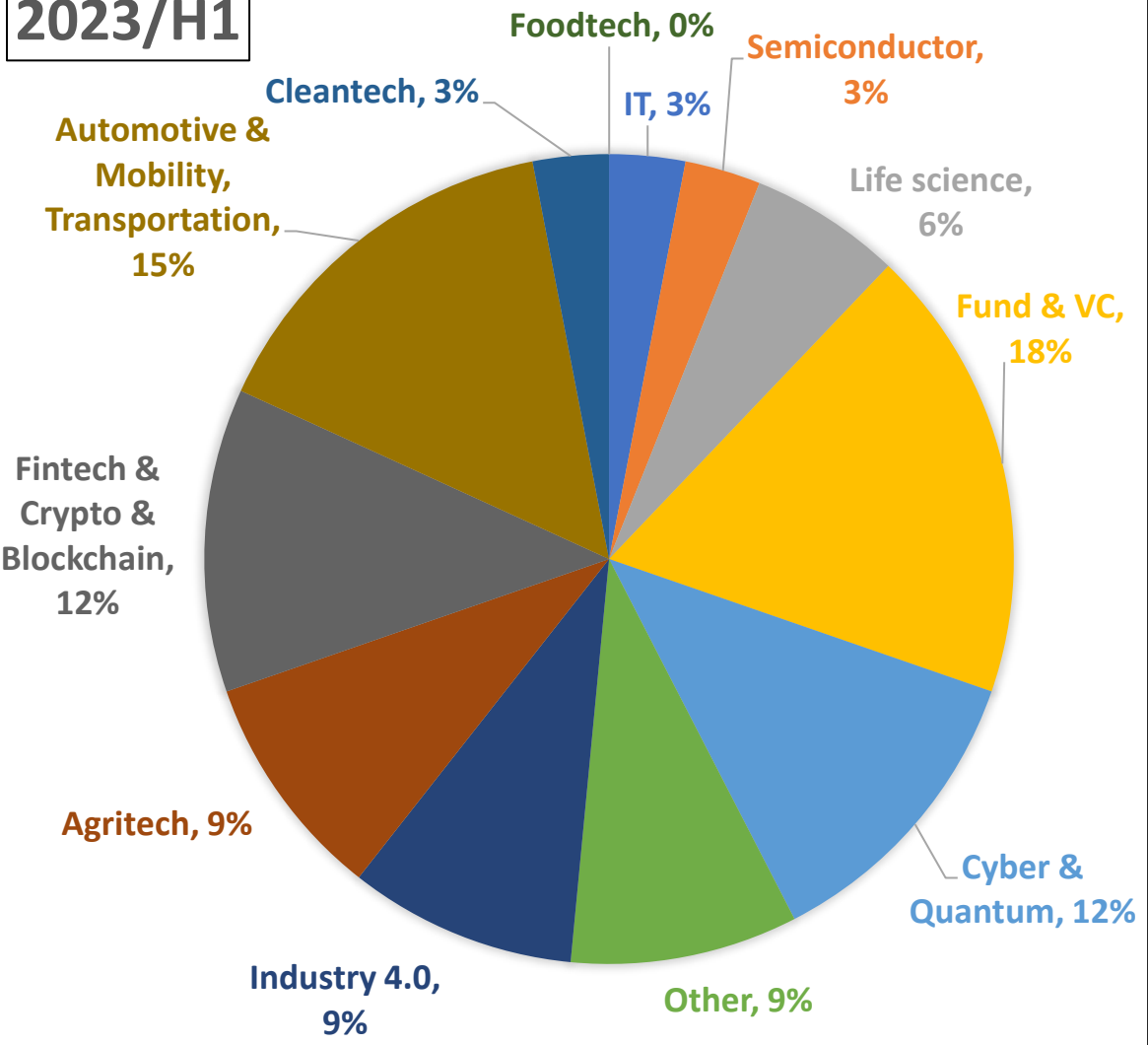


Funding stage	2023/H1	2024H1
Seed	2	3
A	8	13
B	9	3
C	5	5
C+	2	5
IPO	0	1
Fund	6	3
Exit	1	0
Total	33	33

Japanese Investments by sectors 2024/H1 vs. 2023/H1 comparison

2023/H1

2024/H1



Key Sectors Investment in 2024/H1 out of Total Japanese Investment

sector	2001-2015	2016-2019	2020-2023	2024/H1
IT	46%	13%	17%	26%
Semiconductor	18%	2%	2%	-
Life science	12%	20%	15%	6%
Fund & VC	4%	6%	5%	6%
Cyber & Quantum	3%	14%	15%	19%
Media	3%	4%	3%	-
Industry 4.0	1%	3%	3%	-
Agritech	1%	1%	6%	3%
Fintech & Crypto & Blockchain	1%	7%	5%	13%
Energy	1%	2%	3%	-
Automotive & Mobility, Transportation	-	10%	10%	-
Cleantech	-	-	1%	10%
Foodtech	-	1%	1%	3%

Japanese Investment in 2024/H1

Japanese Companies	Israeli Companies	Sector	funding stage	Follow up investments
MUFG	Liquidity Debt Fund	Fintech	Fund	Follow
KDDI	Double Octopus	Cyber	C	Follow
Sony Innovation	Double Octopus	Cyber	C	Follow
various	RedHat	Fund	Fund	First
various	Vertex6	Fund	fund	Follow
Magenta VC	Sensos	IT	A	First
InVentures	Sensos	IT	A	First
InVentures	Bria.AI	IT	A	Follow
Sanwa pharma	Neurolief	Life Science	A	First
Toshiba Digital	Claroty	Cyber	C+	First
MGI	Claroty	Cyber	C+	Follow
Sumitomo life	Empathy	insurtech	C	First
In Ventures	Wekudo Tech	IT	A	First
Financial inst	Bridgewater	Fintech	B	First
Oisix	Forsea Foods	Foodtech	A	First
GITV	Found Energy Co.	Cleantech	A	First
Chartered Group VC	Xtend Reality	HLS	B	Follow

Japanese Investment in 2024/H1 (continue)

Japanese Companies	Israeli Companies	Sector	funding stage	Follow up investments
DNX	Knostic	IT	Seed	First
Softbank vision	Karius	Life Science	c	Follow
Softbank vision	Wiz	Cyber	C+	Follow
Hitachi VC	WEKA	IT	C+	Follow
Softbank	Firefly	IT	C+	First
Chartered Group VC	momentick	Cleantech	Seed	Follow
Amuse	EggXYt	Agritech	A	First
tb Innovations	Gauzy	Cleantech	IPO	First
Chartered Group VC	Cognifiber	AI	B	Follow
Laser Digital	sandblock	crypto/ blockchain	A	First
Aristagora	Nimble	Fametechnology	A	Follow
Aristagora	Chainlane	E-Commerce	C	Follow
Terilogy	BBT.live	IT	Seed	First
Magenta VC	Undisclosed	Fintech	A	Follow
Magenta VC	Undisclosed	Fintech	A	Follow
Magenta VC	Undisclosed	Cyber	A	Follow

Appendix: 2024/H1 M&A of Israeli companies

Date	IL Company	Buyer/Acquisitor	Region of Buyer	Sector	Amount in \$M
Jan-24	C2i Genomics	Veracite	USA	Life science	95
Jan-24	Automize	Delinea	USA	Cyber	50
Jan-24	Helios	SNYK	IL	Cyber	30
Feb-24	WIB Security	5F	USA	Cyber	35
Feb-24	HiredScore	WORKDAY	USA	AI	300
Feb-24	Codefresh	Octopus	AUS	IT	45
Mar-23	Flow Security	CrowdStrike	USA	Cyber	300
Mar-24	Resident	Ashley Home	USA	Retail	1000
Mar-24	GEM Sec	WIZ	IL	Cyber	350
Mar-24	CTCI	Armis	IL	Cyber	20
Mar-24	AVALOR	Zscaler	USA	Cyber	350
Mar-24	Oxide	GitLab	USA	Cyber	35
Mar-24	Speedb	Redis	IL	IT (Data)	100
Apr-24	entitle	BeyondTrust	usa	Cyber	110
Apr-24	silk	Armis	IL	Cyber	150
Apr-24	Run:AI	NVIDIA	USA	Semiconductor (AI)	700
May-24	Deci	NVIDIA	USA	Semiconductor (AI)	300
May-24	BioCatch	Pemira	usa	Security	1200
May-24	Belkin Vision	Alcon	USA-SWISS	Life Science	350
May-24	Noname SEC	AKMAI	USA	Cyber	450
May-24	GETT	Pango	il	Mobility	175
May-24	Priority	Blackstone	USA	IT	450
May-24	Get SAT	Thales	France	Space-tech	undisclosed amount
Jun-24	WalkMe	SAP	Germany	IT	1500
Jun-24	Eureka	Tenable	USA	Cyber	50
Jun-24	Qwak	Jfrog	IL	Machine learning	230
Jul-24	Innovalve	Edwards	USA	Life Science	350
Jul-24	Sealight	Tricentis	USA	IT	150
Jul-24	Plank	Applied systems	USA	Insurtech	500

Methodology and editors' remarks

Remarks:

Elchanan Harel
Helena Goldman

- 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/H1.

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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



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Phone Number

+972-9-955-0560



Email Address

info@harel-hertz.com



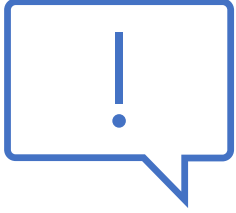
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