

# Why Japan SHOULD matter to US Startups and VCs

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March 2019

Gen Isayama, Co-Founder CEO



# About WiL



About WiL

# Our Vision

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Our vision is to be the bridge between startups and corporates across key innovation hubs around the globe.



We currently focus on US and Japan, and exploring opportunities in India, China, and ASEAN

# What We Do

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## Investment

**Mid/Late Stage Investments in the US**

**Multi Stage Investments in Japan**

**Investments in Emerging & Established  
Venture Capital Partners**

## Japan Entry

**Accelerate Japan Market Expansion**

Executive Introductions

Business Partnerships

Customer Adoption

Hiring & PR

## Empowerment

**Change Agent for Corporates**

Executive Bootcamp

Design Thinking Workshops

LPs-in-Residence

**Government-Backed  
Entrepreneur Program**

Foster Entrepreneurs and Intrapreneurs

# Our Partners

Utility/  
Energy



Government  
(SWF)



Telecom/  
IoT



Automotive/  
Mobility



Transportation/  
Logistics



Retail/  
Commerce



Consumer Goods/  
Food & Beverage



Consumer  
Electronics



Media/  
Entertainment



Real Estate



Banking/  
Capital Markets



Insurance



Multinational  
Conglomerate



# Portfolio

## US



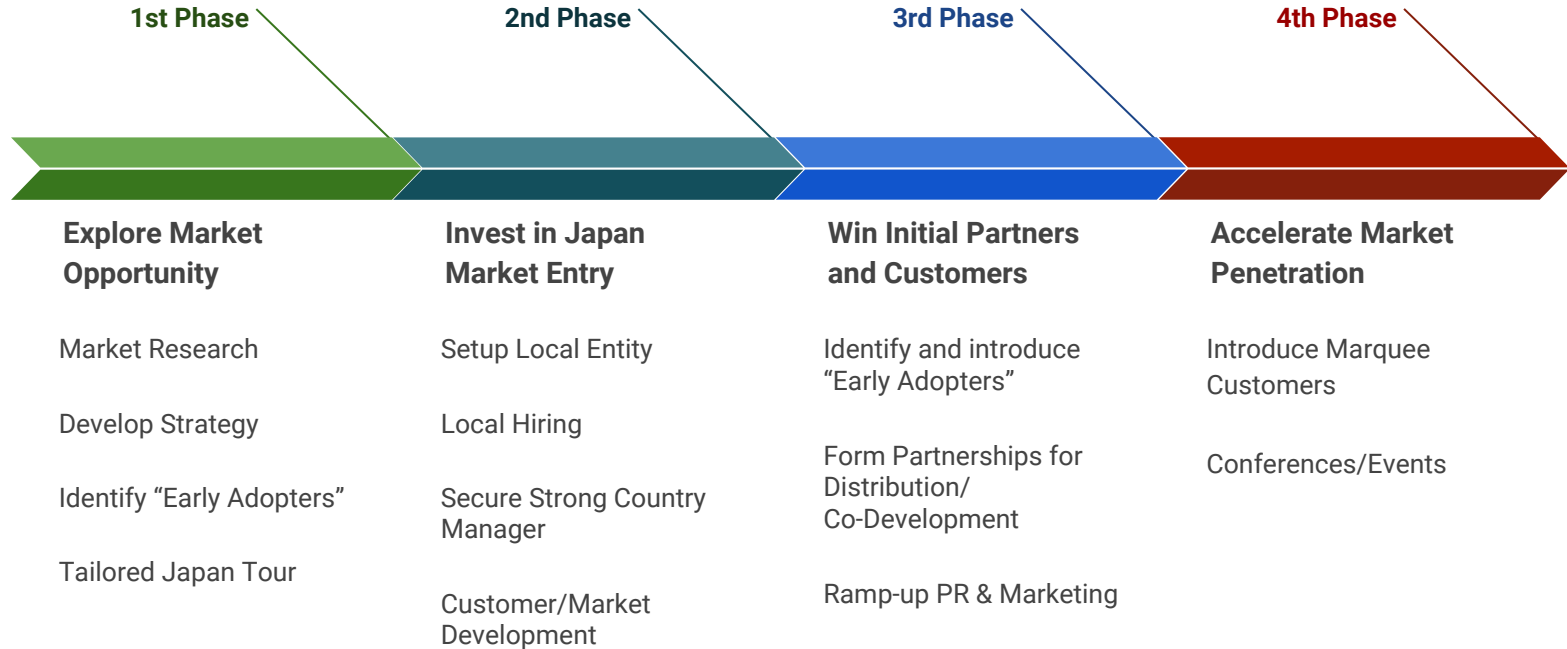
digital shadows\_



## Japan/APAC

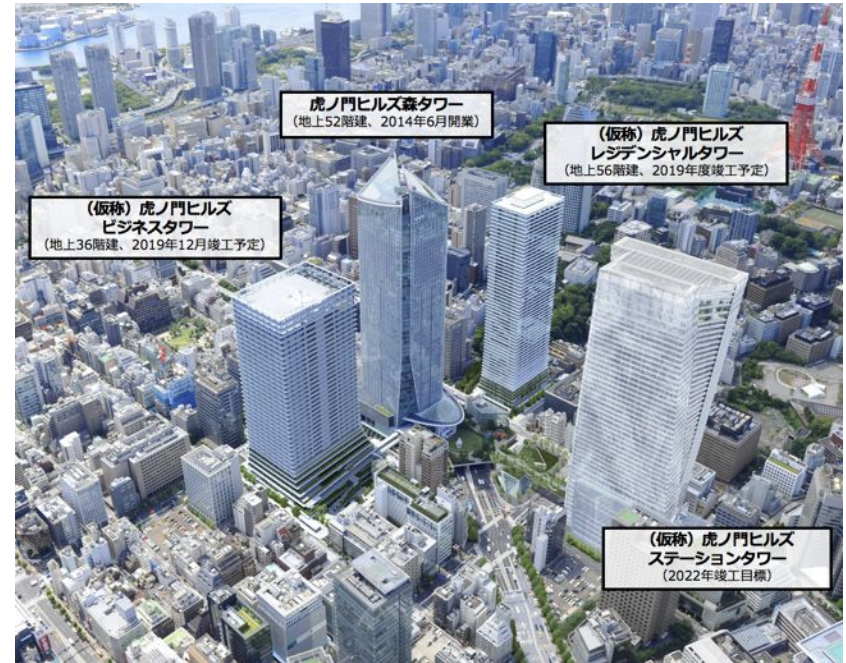
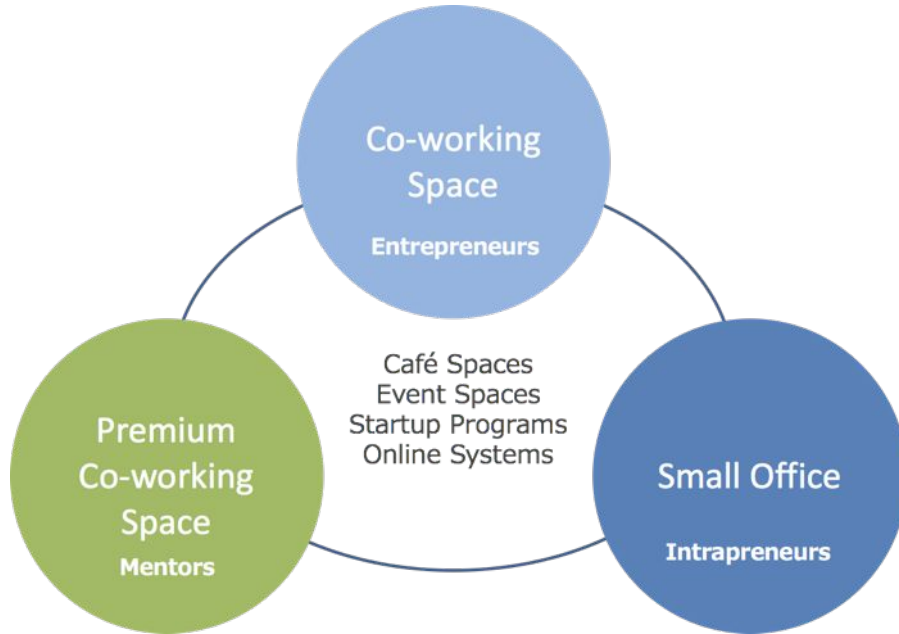


# Support to Startups



Empowerment

# Entrepreneur Community





Empowerment

# Sido Project



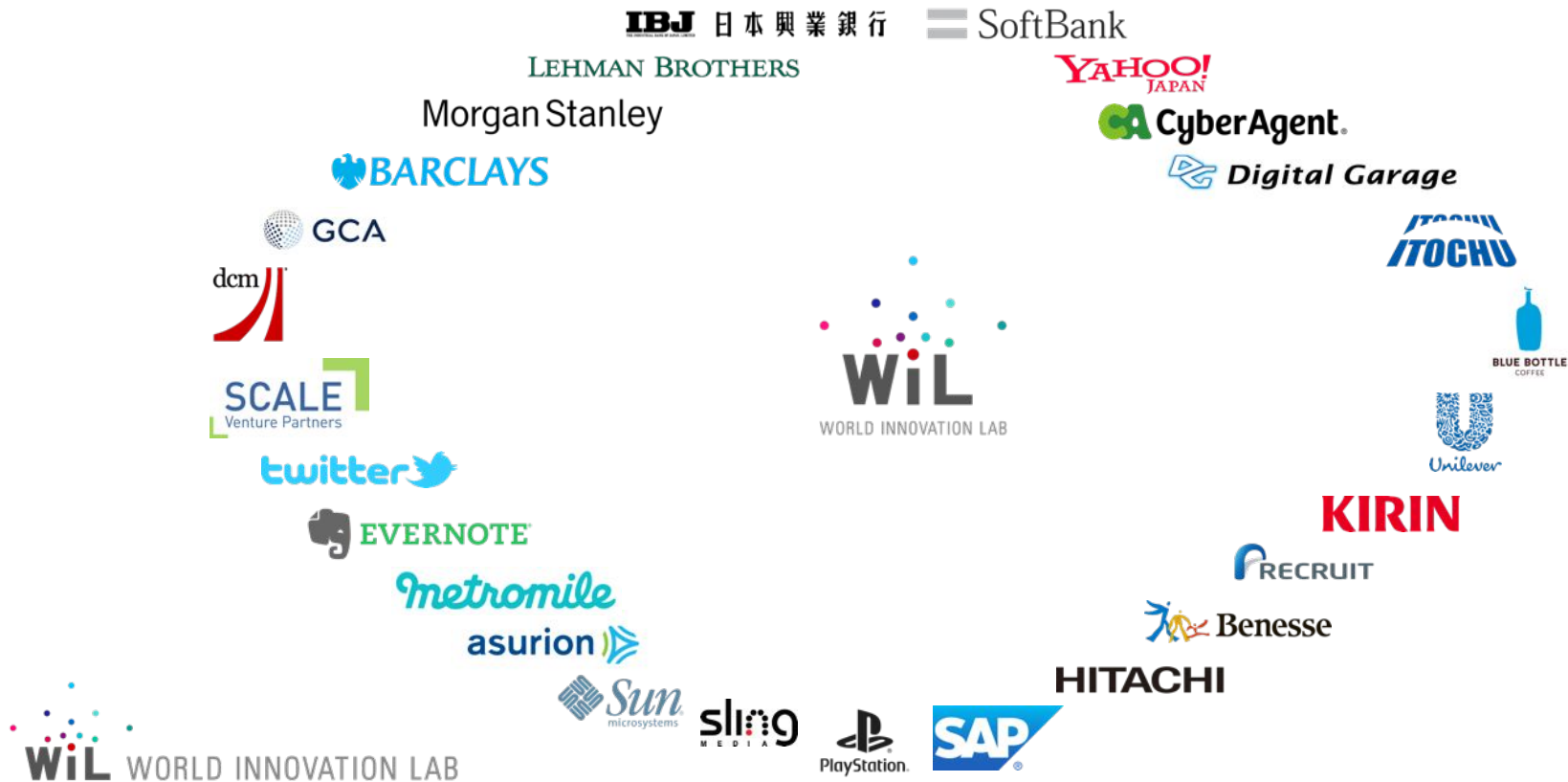
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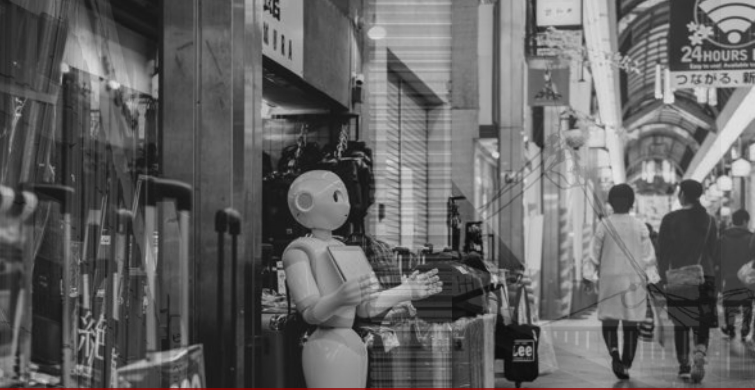
*Ministry of Economy, Trade and Industry*



Team

# Background





# Japan Opportunities Why Japan?

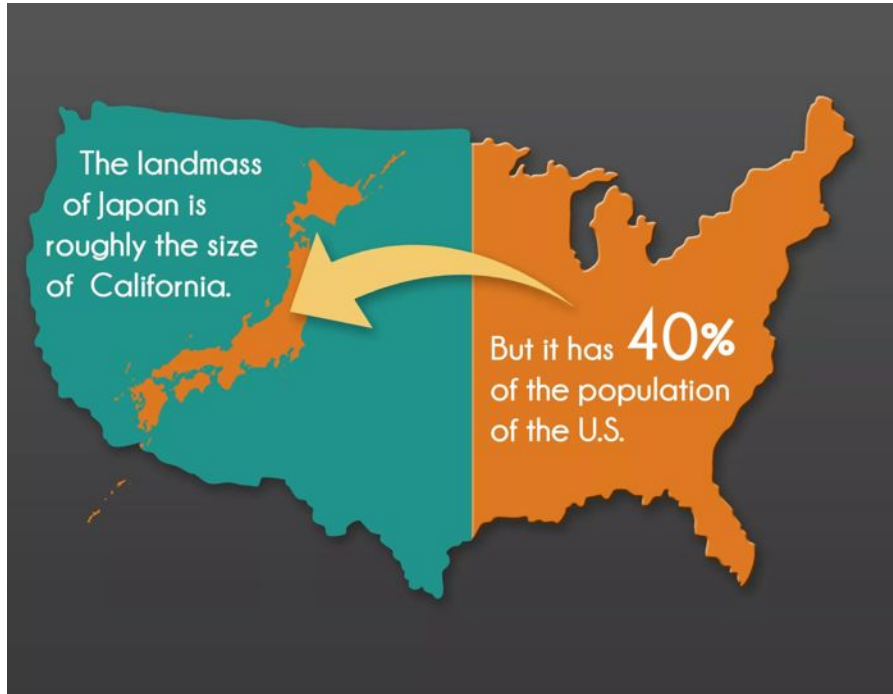


# Japan Opportunities

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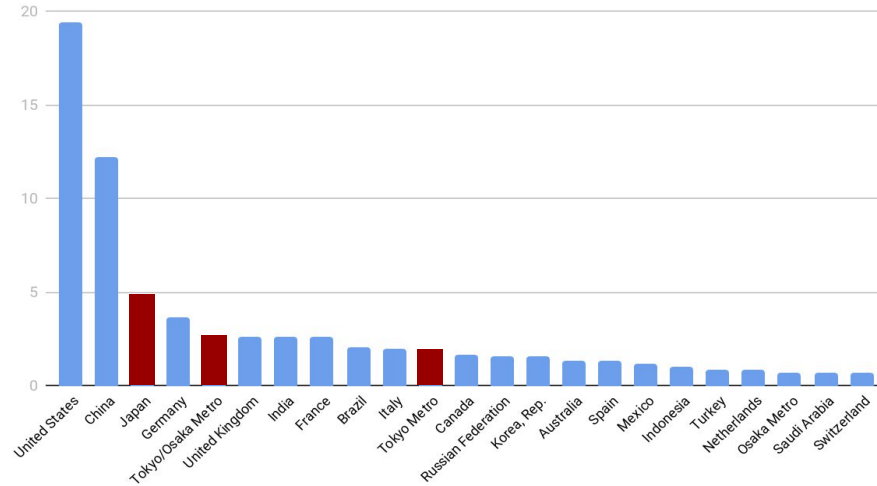
- 1) Large and Sophisticated Economy**
- 2) Source of Capital**
- 3) Active Startup Ecosystem**

# Large and Concentrated Economy

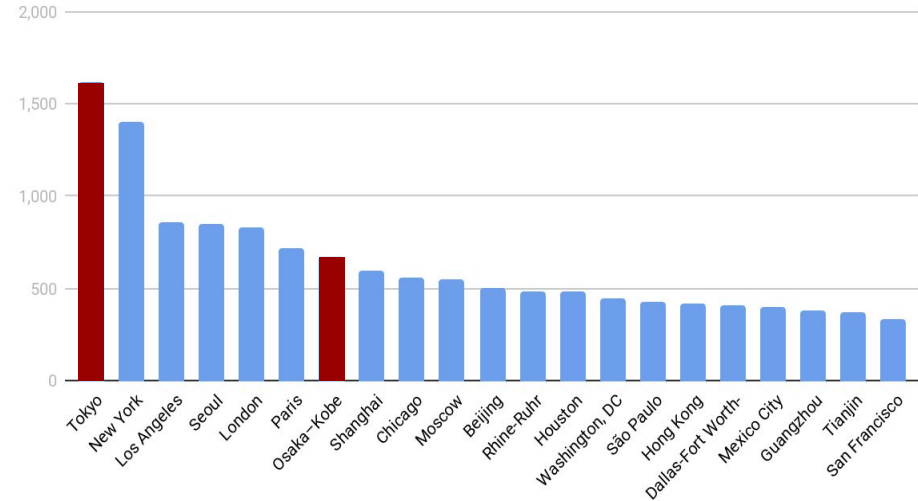


# 3rd Largest Economy Concentrated in 2 Metros

Top 20 Countries by GDP + Tokyo Metro and Osaka Metro



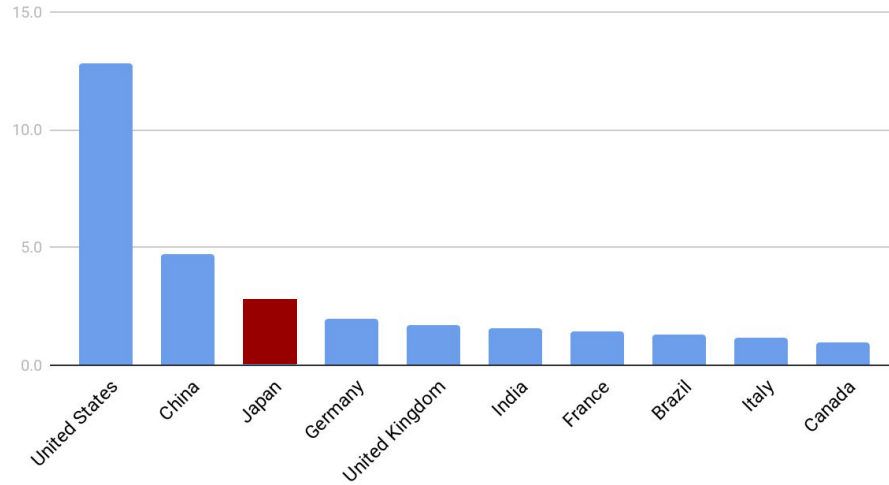
GDP (\$BN) Top 20 Cities + San Francisco



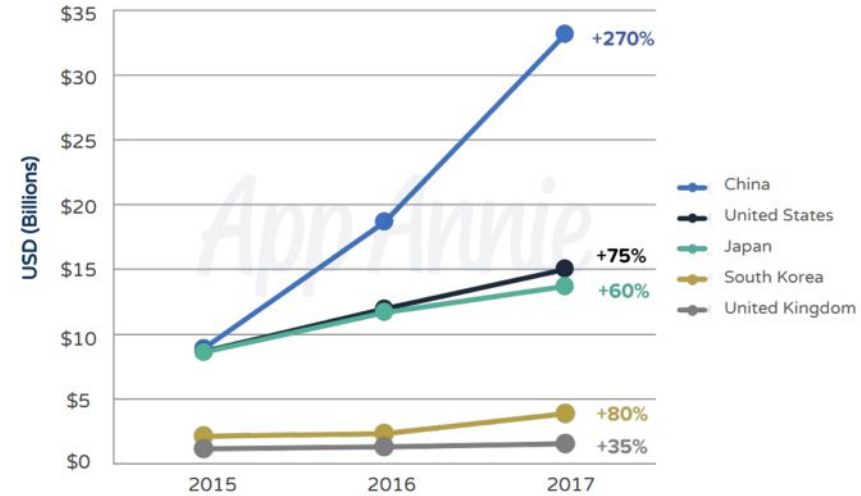
Note: Tokyo Metro includes Tokyo, Chiba, Saitama, Kanagawa, Ibaraki, Gunma, Tochigi. Osaka metro includes Osaka, Hyogo, Kyoto, Nara, and Wakayama.

# 3rd Largest Consumer Market

Top Consumer Markets (by Household final consumption expenditure)



Top Countries by App Store Gross Consumer Spend\*



\*iOS App Store, Google Play and third-party Android Stores combined; inclusive of app stores' cut of revenue

Source: App Annie (2018)

# Largest SaaS and Cloud Market in Asia

## Largest SaaS Market in Asia

Japan is expected to remain as the largest SaaS market in Asia in terms of both absolute size and growth rate



Source: Forrester

## Largest Cloud Market in Asia

Japan is expected to remain as the largest cloud market in Asia

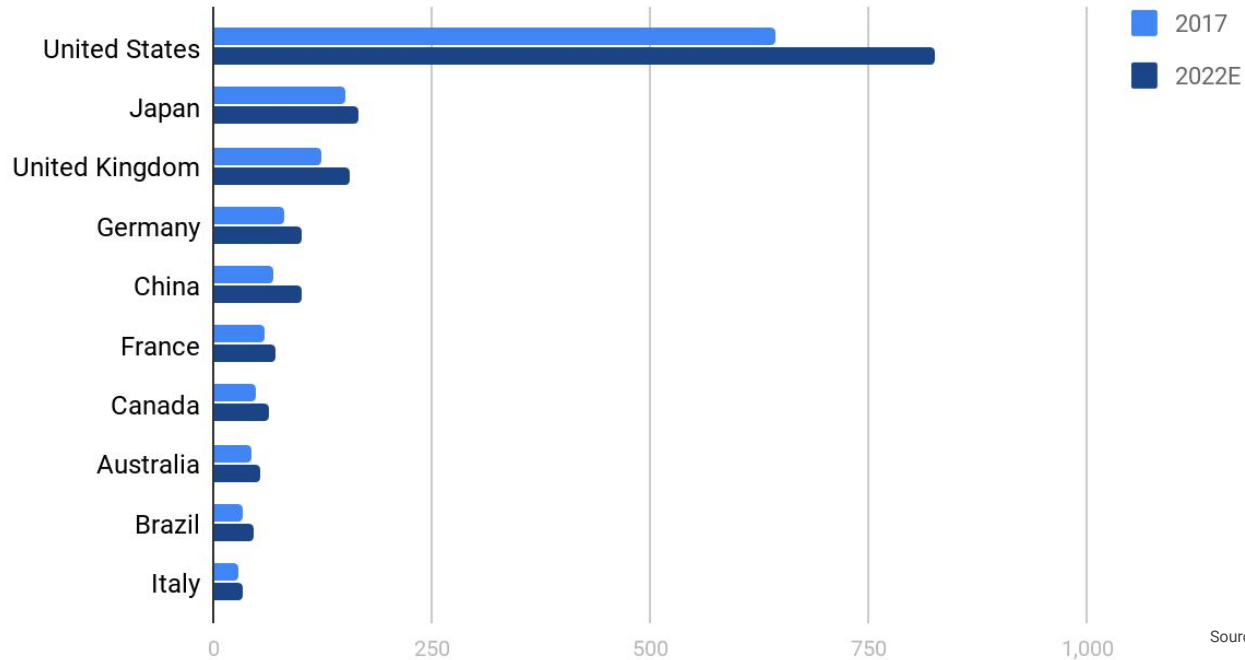


Source: Forrester



# Second Largest IT Market Globally

## Spending on IT by Technology Segment and Country (\$B)



Source: Gartner (April 2018)

Note: IT Spending = Spending on Data Center Systems, Software, and IT Services.

# Significant Contribution from Japan if Done Right



**Most Daily Active Users outside of US**  
12.5% of global DAU from Japan.



**#1 E-commerce / Strong AWS Growth**  
20.2% market share of Japanese e-commerce (vs. #2 Rakuten 20.1%).  
~7% of global net sales revenue (2017).  
Started AWS office in 2015 and currently has 300 people in Japan.



**Highly Engaged Users**  
15% of global users are in Japan.  
50.9M users in Japan; 2nd most users.  
Occupies 7.5% of Japan's mobile app time (2nd most on apps after LINE) .



**Established Strong Ecosystem**  
20% of Global CRM Revenue from Japan.  
Japan is 2nd Largest Salesforce Economy.  
Lists Japanese Government as a Customer.



**Strong Fan Base**  
20% of user base in Japan (US 35%).  
Most active and engaged users resulting in more feedback provided from Japan.



**Successful Japan Market Penetration**  
7.7% of global net sales (2017).  
50% of smartphone market share in Japan (2017).

# Source of Capital

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Government Pension  
Investment Fund AUM



**\$1.4T**

Japanese Corporates  
Cash Holdings



**\$1.8T**

Japanese Households  
Cash Holdings



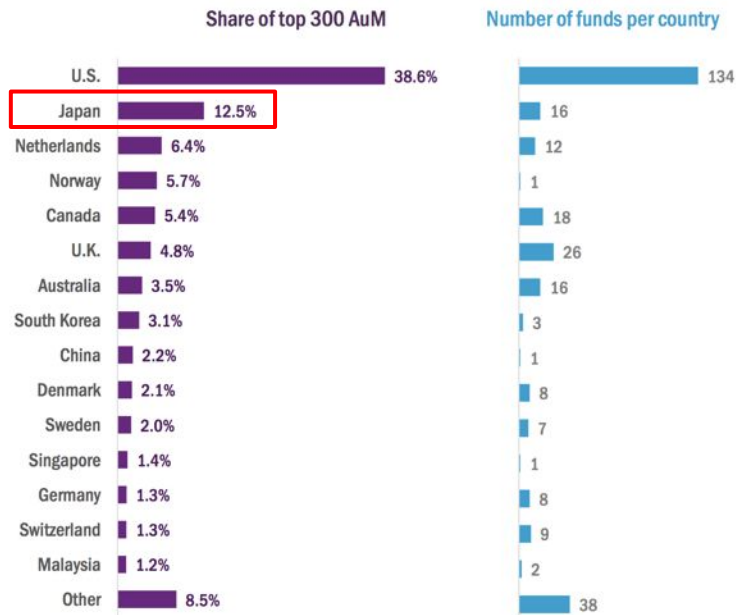
**\$8.7T**

# Source of Capital

## P&I/WTW 300 ranking (in US\$ million)

Rank	Fund	Market	Total Assets	Rank	Fund	Market	Total Assets
1.	Government Pension Investment	Japan	\$1,237,636	21.	Employees' Provident	India	\$110,348
2.	Government Pension Fund	Norway	\$893,088	22.	Boeing	U.S.	\$107,380
3.	Federal Retirement Thrift	U.S.	\$485,575	23.	New York State Teachers	U.S.	\$107,042
4.	National Pension	South Korea	\$462,161	24.	IBM	U.S.	\$101,577
5.	ABP	Netherlands	\$404,310	25.	Wisconsin Investment Board	U.S.	\$101,209
6.	National Social Security	China	\$348,662	26.	Pension Fund Association	Japan	\$100,123
7.	California Public Employees	U.S.	\$306,633	27.	North Carolina	U.S.	\$99,453
8.	Canada Pension	Canada	\$235,790 <sup>1</sup>	28.	AT&T	U.S.	\$96,262
9.	Central Provident Fund	Singapore	\$227,102	29.	General Motors	U.S.	\$96,183
10.	PFZW	Netherlands	\$196,461 <sup>1</sup>	30.	National Federation of Mutual Aid	Japan	\$94,759
11.	California State Teachers	U.S.	\$193,871	31.	Washington State Board	U.S.	\$92,348
12.	New York State Common	U.S.	\$184,461	32.	Future Fund	Australia	\$92,046
13.	Local Government Officials	Japan	\$183,161	33.	Ohio Public Employees	U.S.	\$90,508
14.	New York City Retirement	U.S.	\$171,574	34.	Alecta	Sweden	\$83,998
15.	Employees Provident Fund	Malaysia	\$165,464	35.	Labor Pension Fund	Taiwan	\$80,523
16.	Florida State Board	U.S.	\$153,942	36.	AustralianSuper	Australia	\$78,135
17.	Texas Teachers	U.S.	\$133,221	37.	California University	U.S.	\$76,988
18.	Ontario Teachers	Canada	\$130,642	38.	New Jersey	U.S.	\$75,728
19.	GEPF	South Africa	\$119,186 <sup>2</sup>	39.	General Electric	U.S.	\$74,572
20.	ATP	Denmark	\$113,160	40.	Bayerische Versorgungskammer	Germany	\$72,778

## TOTAL VALUE OF FUND ASSETS SPLIT BY FUND DOMICILE



Source: "Pensions & Investments / Willis Towers Watson 300 analysis" Sep 2017 (Data as of End of 2016)

# Active Startup Ecosystem

日本経済新聞

小中大 記事利用について 印刷

## 企業価値、22社が100億円以上 NEXTユニコーン調査

2017/11/20 0:00 | 日本経済新聞 電子版

未上場で成長を続けるスタートアップ企業の存在感が増している。日本経済新聞社が実施した「NEXTユニコーン調査」によると国内22社が企業価値(推計)で100億円を超えた。人工知能(AI)やネット関連が上位にきた。独自技術に着目する大手企業も有力スタートアップ企業の取り込みに動く。新興企業の台頭は産業構造の変化に対応し、日本経済を活性化する役割を果たしている。



写真左からメルカリの山田会長、エリーパワーの吉田社長、ラクスルの松本社長

調査は日本ベンチャーキャピタル協会の協力を得て実施した。創業おおむね20年以内で特徴的な技術や事業モデルを持つ108社から回答を得た。各社やベンチャーキャピタルへの取材を基に企業価値を推計した。

企業価値10億ドル(約1120億円)以上の未上場企業が「ユニコーン」とされ、その予備軍の有力スタートアップを含めて「NEXTユニコーン」とした。

企業価値ランキング(1~28位)

	推計企業価値(億円)	直近の増資時期
プリファード・ネットワークス(深層学習の産業応用)	2326	2017年8月
メルカリ(フリマアプリ運営)	1479	16年3月
Sansan(クラウド型名刺管理)	505	17年7月
エリーパワー(リチウムイオン電池)	404	12年5月
フリー	304	16年

## Next Unicorns (Nikkei 2017/11)

