

# Too Many Tiny IPOs Leave Tokyo 25 Years Behind Silicon Valley

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Shinichi Fuki, president and chief executive officer of JAFCO Co., Ltd., poses for a photograph in Tokyo, Japan, on Monday, Sept. 12, 2016. Photographer: Akio Kon/Bloomberg

Trace the roots of most modern Japanese tech companies back far enough and there's a good chance you'll stumble across a little-known venture capital firm called Jafco Co.

Since its inception in 1973, Japan's oldest and largest VC has quietly backed almost 4,000 companies, including giants like SoftBank Group Corp., Muji stores operator Ryohin Keikaku Co. and Street Fighter games producer Capcom Co. Almost [a thousand](#) of its investments have gone public and today command a market value of about \$530 billion. Jafco is Japan's version of Sequoia Capital, the legendary Silicon Valley firm that was also founded in the early 1970s and helped launch Apple Inc., Oracle Corp. and Google Inc.

But Jafco, which oversees about 430 billion yen (\$4.3 billion), is now overhauling its strategy. The firm's investments haven't come close to the kind of global success companies in the U.S. and China have had, part of Japan's underwhelming track record of fostering world-beating startups. Jafco Chief Executive Officer Shinichi Fuki thinks the problem is that his country's entrepreneurs give up too quickly on their ambitions and go public too soon. He is starting to make fewer, bigger bets on startups that will stay private longer and use the time to plot global domination, like Uber Technologies Inc. and Xiaomi Corp.

“Compared to Silicon Valley, I’d say we’re about a quarter century behind,” Fuki said in an interview at his office overlooking Tokyo’s Otemachi financial district. “Startups need to aim globally from the get-go. It’s not enough to settle for an IPO of a few billion yen. We need them to aim for IPOs that are 50 or 100 billion yen.”

Jafco has been both a contributor to and victim of Japan’s mediocre startup scene. The firm’s annual return since inception is about 2.6 percent, according to Bloomberg calculations based on company documents. That’s slightly off the Nikkei 225 index’s 2.7 percent during the same period and is light years behind the roughly 18 percent U.S. venture funds have delivered on average over the past three decades, according to Cambridge Associates.

Fuki, who took the helm in January 2010, says it’s not for a lack of effort. Over the decades, his fund has doled out billions to thousands of companies in industries ranging from satellites to mobile gaming. The relatively poor returns, he says, are a result of an ecosystem that allows founders to cash out early before expanding globally, which ultimately lowers the reward backers get for finding young companies with bright ideas. Only 31 percent of Japan’s IPOs raised more than \$30 million in 2014, compared with 92 percent in the U.S. and 67 percent in Hong Kong, according to the Securities Analysts Association of Japan.

In an effort to break the cycle, Jafco has begun channeling money into fewer startups and giving them larger chunks at earlier stages. The average initial investment size in its latest fund launched in 2013 was 280 million yen, more than double the 130 million yen from its 2005 fund. Early-stage investments made up 83 percent of deals in the 2013 fund, compared with 44 percent for the 2005 fund.

The goal, Fuki says, is to encourage Japanese founders to mimic the likes of Airbnb Inc. and [Spotify AB](#) in scaling up to a global level before aiming for profitability. In the later stages, he says Jafco is ready to follow-up with even bigger checks of several billion yen to allow young companies to take their time and stay private.

One of the startups testing that thesis is [Riverfield Inc.](#), a Tokyo-based maker of robots that aid surgeons. It has raised about 1.3 billion yen from investors including Jafco to develop more products and push into overseas markets. CEO Daisuke Haraguchi said his company has no plans to go public despite successfully launching its first product last year. A revenue stream is often more than enough to get approval from the Tokyo Stock Exchange to list.

“If you IPO too early when the company’s value isn’t ripe, you’re not going to receive the amount you want or achieve the value you imagine your company has,” Haraguchi said in a phone interview. He has plans to raise money again, but will likely “filter out” funds that only offer small amounts.

The relative ease of filing an IPO in Japan dates back to 2000. Swept up in the tech bubble frenzy, the TSE introduced a program that significantly lowered hurdles for small companies to go public. It succeeded in making fund-raising easier for entrepreneurs, but that often came at a cost to their global ambitions, which were pared by the overhead of running a public company and the investor pressure for quarterly profit.

Beyond just delaying IPOs, Fuki’s willingness to play the long game has galvanized startups that are years away from generating revenue. Take [Astroscale Pte](#), a three-year old firm that wants to clear space junk while offering protection services for satellite owners. It raised \$35 million this year from investors including Jafco and next year plans to launch the world’s first satellite for mapping the more than 20,000 pieces of space debris orbiting Earth.

“Shareholders aren’t just a source of money, but should be your partner and give advice through your growing pains,” CEO Nobu Okada said in a phone interview from his company’s headquarters in Singapore. “When someone gives you a bigger chunk, there’s more commitment on their side too.”

Jafco's strategic shift echoes the worldwide trend for venture capitalists to be more patient with entrepreneurs. Low interest rates since the financial crisis have forced traditional investors to seek yield through less conventional routes, including venture investing. The abundance of capital has bought more time for young companies to seek aggressive growth over profits, resulting in the birth of global tech superstars like Uber and Airbnb.

Uber provides a sign of how far Japan has to go. The San Francisco-based company has raised more than \$10 billion since its inception in 2009 to fund its expansion around the world, more than all Japanese startups combined during the same period. Despite a valuation of about \$68 billion, Uber CEO Travis Kalanick has said he plans to stay private as long as possible.

Whether Jafco can foster such hits and boost its lagging performance remains to be seen. Concentrating bets increases risk and without other VCs stepping up their investments, startups may continue to seek early IPO exits instead of pursuing big dreams. Venture funding in Japan last year amounted to about \$1 billion, compared to \$75 billion in North America, according to the Japan Venture Capital Association and KPMG.

Still, Fuki is hopeful. While Japan found little success as U.S. software devoured the world, its historical strength in hardware manufacturing should give it a better chance in the coming era of connected devices, according to Fuki. More importantly, he says the country's mindset has changed and entrepreneurs are now celebrated. He says more and more talented professionals are quitting corporate jobs to try their hand at being founders.

"We're seeing ones that have real grit start to appear in greater numbers," said Fuki. "That's not everything, but it's making me think very, very optimistically about things."

<http://finance.yahoo.com/news/why-japans-top-venture-firm-220004958.html>

## 日本为何落后硅谷 25 年？Jafco 公司 CEO：创投企业 IPO 太早

36Kr

投资人说

aiko • 2016-09-28 14:19

日本的创业生态环境决定了它不会出现 Uber 这样的全球性企业。



回溯日本当前领先的一些科技企业发展的历程，你可能会由此发现一家名不见经传的风投公司 Jafco Co。

Jafco Co 创立于 1973 年，是日本历史最悠久、规模最大的投资机构，已经投资了近 4000 家公司，其中包括软银、无印良品母公司 Ryohin Keikaku Co. 和《街头霸王》游戏生产商 Capcom Co.。Jafco Co 投资过的公司中，大约有 1000 家企业已经上市，市值约为 5300 亿美元。Jafco 可以说是日本版的红杉资本，红杉资本是硅谷传奇性的投资公司，也是创立于 20 世纪 70 年代初期，曾投资过众多著名科技公司,包括 Google、苹果公司、Youtube 和甲骨文等。

## Jafoo Co 策略转变—降低投资企业数量，提高投资金额

目前，Jafoo Co 正在调整投资战略，因为公司之前的投资对象都没有发展到像美国和中国的一些大型科技初创企业那样成功。Jafoo 的 CEO Shinichi Fuki 认为之所以会出现这种情况是因为日本企业家过早地放弃了他们的雄心抱负，让企业过早的上市。所以，现在他开始降低投资企业数量，提高投资金额，让这些初创企业能够保持较长时间的私营状态，充分进行国际市场的扩张，就像 Uber 和小米那样。

在彭博社的采访中，Fuki 提到：“与硅谷相比，日本落后了大约 25 年。日本初创企业需要从一开始就瞄准全球规模的发展战略，不能仅仅满足于几十亿日元的 IPO，而要将 IPO 目标设定在 500 亿或 1000 亿日元。”

对于日本初创企业的平庸表现，Jafoo 既是助力者，也是受害者。根据 Jafoo 公司文件，彭博社推测其年收益率大约为 2.6%，稍低于同期 2.7% 的日经 225 平均指数，远低于美国投资基金过去 30 年里平均 18% 的收益率数值。

Fuki 表示，在过去十几年里，公司向几千个企业投入数十亿美元，覆盖行业领域从卫星跨越至移动游戏。投资回报率相对较低是由于整个初创投资生态系统的原因，在日本的创投生态系统中，公司还没实现全球扩张之前，创始人就可以提前变现退出，企业发展受限，最终会导致投资人回报率降低。据日本证券分析师专业协会数据，2014 年，日本上市企业中，融资额过 3000 万美元的公司占 31%，在美国这个数值是 92%，香港为 67%。

为了打破这一恶性循环，Jafoo 已经开始实行降低投资企业数量，并在企业发展前期增加投资额的策略，平均初始投资金额从 2005 年的 1.3 亿日元提高至 2013 年的 2.8 亿日元，翻了一番。2005 年，Jafoo 早期阶段投资额占总投资额的 44%，而到 2013 年，这一数值提高至 83%。

Fuki 表示公司采取这一策略就是要鼓励日本的初创企业能够像 Airbnb 和 Spotify 企业一样，先进行全球业务扩张，再谋求盈利。并且，后续融资阶段，Jafoo 会进行几十亿日元的高额投资，让初创企业放缓上市脚步。

### 新策略应用案例

机器人技术研发商 Riverfield Inc 就是 Jafoo 投资新策略下支持的企业之一，Riverfield Inc 创立于 2014 年，截止到目前为止，已获得 13 亿日元融资，用于开发新产品，拓展海外市场。Riverfield

的 CEO Daisuke Haraguchi 表示虽然公司去年成功推出了首款产品，并且收入流已经足够获得东京证券交易所批准上市资格，但公司并没有上市计划。他说道：“如果在公司价值还不成熟的时候就提前上市，那 IPO 融资额以及企业估值都会低于期待值。”

在日本，IPO 申请条件相对宽松，因为在 2000 年的科技泡沫环境下，东京证券交易所降低了企业上市的条件限制，减少了小企业上市的障碍。这样一种政策引导之下，初创企业融资难度降低，代价就是全球扩张的野心也随之削减，因为上市之后的企业运行成本增加，投资者施加的季度利润指标压力增大。

除了延缓 IPO 之外，Fuki 这种长久的发展眼光也激励到了那些长期未实现盈利的企业来采取相关改善措施，其中包括 Astroscale Pte（清除太空垃圾并为卫星所有者提供保护服务）。今年，Astroscale Pte 获得了 3500 万美元融资，投资者包括 Jafco，公司计划明年推出首颗卫星，用于侦查围绕地球轨道的 2 万多空间碎片。Astroscale Pte 的 CEO Nobu Okada 说道：“对于企业来说，不应该仅仅将股东当作是来钱的地方，更应该把他们当作合作伙伴，能够提出建议帮助企业克服发展阶段面临的一些难题。”

## 与世界趋势同步，向榜样看齐

Jafco 投资策略的转变与当下世界投资趋势相吻合：风投机构对企业表现出越来越多的耐心。自金融危机以来，利率降低，传统投资者不得不开始寻求非传统途径来维持收益率，这些非传统途径就包括风险投资。而资金充裕之后，初创企业就不会急于寻求利润，而会先专注于企业实现积极地增长，这样就很有利于促进 Uber 和 Airbnb 这样的国际科技企业的出现。

Uber 自 2009 年创立以来，融资额超过 100 亿美元，用于进行全球范围的市场扩张。Uber 的融资额比同期日本的所有初创企业融资额总和还要多。虽然公司估值已经超过 680 亿美元，Uber 的 CEO Travis Kalanick 表示，他想要公司尽可能长久的保持私有化。Uber 是日本初创企业的一个好榜样，日本企业可以学习 Uber 的发展策略，时刻提醒自己该设定怎样的目标，实现怎样的抱负。

通过改变投资策略，Jafco 能否缩小日本初创企业与美国、中国的落后差距，能否促成科技巨星企业的出现还有待验证。这种集中式投资风险性较大，如果没有其他风投机构来一同加紧投资步伐，日本初创企业还是免不了进入只求早日 IPO，不求宏图远略的怪圈。据日本风险投资协会和会计审计公司毕马威数据，去年日本风投总额达 10 亿美元，而北美风投总额达 750 亿美元。

虽然目前现状堪忧，**Jafco** 还是有希望能够改变日本初创企业这一恶性循环。**Fuki** 指出，虽然美国在软件方面已经独揽大权，但日本的硬件生产实力在未来的物联网时代将为日本初创企业提供有利发展机遇。此外，日本人的心态也已经发生了转变，越来越多的专业人才辞去企业工作，投身于创始人队伍，企业家人才辈出，这也是让 **Fuki** 对日本初创企业发展保持乐观态度的原因之一。

<http://36kr.com/p/5053725.html>