

Japanese Corporate Innovation in Europe

2022 Report (v2.0)

With the support of:



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JETRO: Supporting Innovation Collaboration

Naritaka Nakaishi

Director-General, JETRO London
December 2022

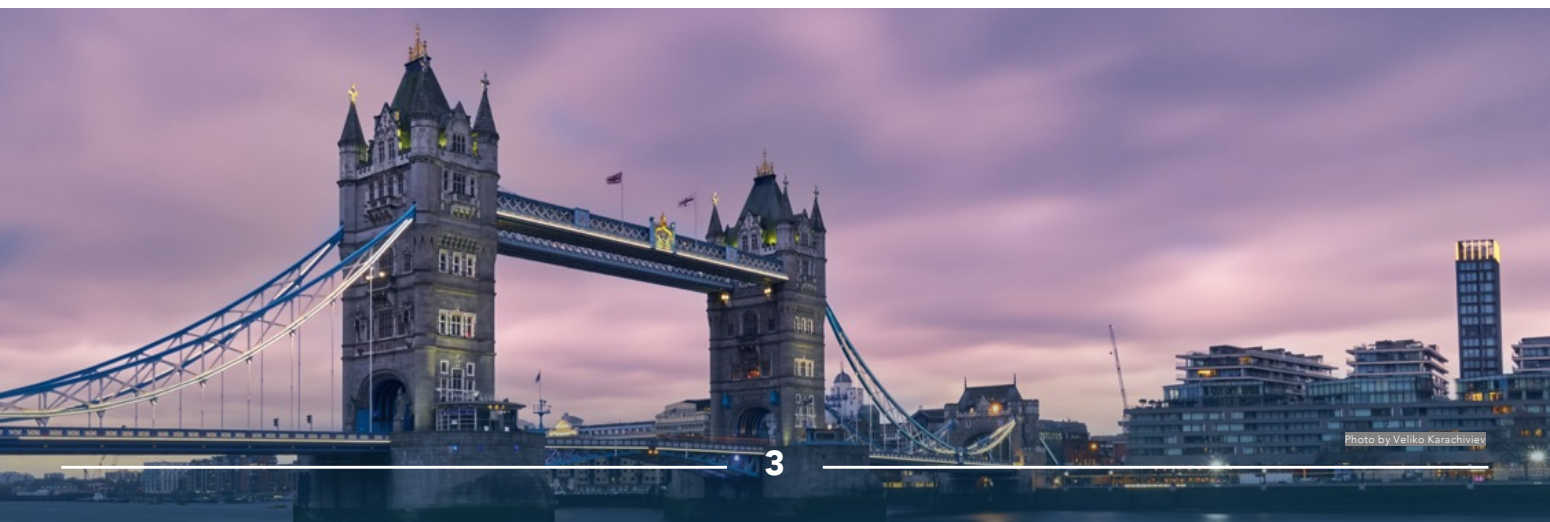
We are delighted to present this updated version of the report with the latest innovation activities of Japanese companies in the European market.

Releasing our previous report in October 2021 for the first time, we showed that Japanese companies are taking a strong interest in sectors such as healthcare and sustainability across Europe. The report was well received by European start-ups and support-organizations. The latest version has extended last year's directory. Now, we have listed over 50 distinguished Japanese companies that are seeking new technologies and collaborations with start-ups.

In the wake of 2022, the world is becoming increasingly uncertain and unpredictable. Under such circumstances, the cooperation between Europe and Japan has been expanding and deepening. This report will help provide you clear paths to the Japanese market, which is highly sophisticated, tech-savvy and trusted. Furthermore, through partnership with Japanese companies, you can find a gateway to Asia-Pacific markets.

JETRO has held business matching opportunities around Europe to generate open innovation opportunities between Japanese companies and European start-ups. We have 15 offices in Europe. Whenever you find any company that interests you in this report, please feel free to contact the nearest office in your region.

Naritaka Nakaishi
Director-General, JETRO London



About JETRO

JETRO, or the Japan External Trade Organization, is a government-related organization that works to promote mutual trade and investment between Japan and the rest of the world.

Originally established in 1958 to promote Japanese exports abroad, JETRO's core focus in the 21st century has shifted toward promoting foreign direct investment into Japan and helping small to medium size Japanese firms maximise their global export potential.

As one of its core activities, JETRO has also launched a team called "JETRO Global Connection", which accelerates open innovation between Japanese corporates and foreign start-ups.

In order to address social problems within Japan, JETRO aims to help foster collaboration between Japanese corporates and foreign startups who have developed cutting-edge technologies and disruptive business strategies.

This report underlines the work that JETRO is conducting in this area, and aims to promote innovative partnerships between European startup companies and Japanese corporations.

Our Locations in Europe

As of 2022, JETRO has 15 office locations throughout Europe, and a further 61 offices worldwide – across North America, South America, Africa, Oceania, the Middle East, and Asia.

Our London office was founded in 1959, and covers the other important European markets of Norway, Sweden, Finland, Iceland, and the Republic of Ireland with a local liaison. It also acts as headquarters for JETRO offices in Europe.

Vienna, **Austria**

Brussels, **Belgium**

Prague, **Czech Republic**

Paris, **France**

Berlin, **Germany**

Dusseldorf, **Germany**

Munich, **Germany**

Budapest, **Hungary**

Milan, **Italy**

Amsterdam, **Netherlands**

Warsaw, **Poland**

Bucharest, **Romania**

Madrid, **Spain**

Geneva, **Switzerland**

London, **United Kingdom**



Examples of JETRO support initiatives for European startups

Invest Japan Programme

If your company is looking to set up a representative, branch, subsidiary office, R&D or manufacturing facility in Japan, we can advise and assist you from the stages of market research, to the point of setting up.

First, please get in touch with us through an enquiry and we can set up an initial consultation to see how we can support your business – either virtually, or directly at our offices in London

1: Market entry information



- Market analysis
- Business info
- Regulatory info

2: Consultation with industry experts



- In-house experts
- External network

3: Introduction to strategic partners



- Japanese companies
- VC and CVCs
- Local government incentive schemes

4: Trade & networking events support



- JETRO events
- Partner events

5: Business advisory & support services



- In-house corporation tax, HR advisory
- Temporary office space

J-Bridge

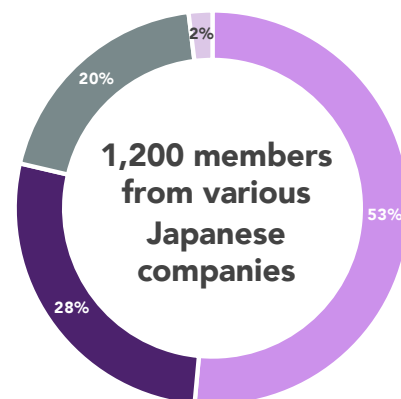
J-Bridge is a business platform which promotes cross-border open innovation between Japanese and overseas companies. JETRO facilitates collaborations for digital and green transformation ventures, ranging from business alliances (including technical cooperation, joint R&D, M&A, etc.) to capital alliance (including investment, setting up a JV, etc.).

Company introduction: JETRO will create a Japanese business summary of overseas companies and publicise it to registered "J-Bridge Members", who can then request meetings with these companies.

Invitation to events: Overseas companies will receive information about various JETRO online/offline events on the theme of open innovation, including seminars and opportunities to pitch.

One-on-one business meetings: JETRO can proactively help match overseas companies with J-Bridge members if they have specific requests.

Who are J-Bridge Members/Partners?



- Large companies
- SMEs
- Overseas branches
- Others

Japan in Figures

Population

125.5 million

11th in the world, 2022*

GDP

\$4.9 trillion USD

3rd in the world, 2021**

Fortune 500

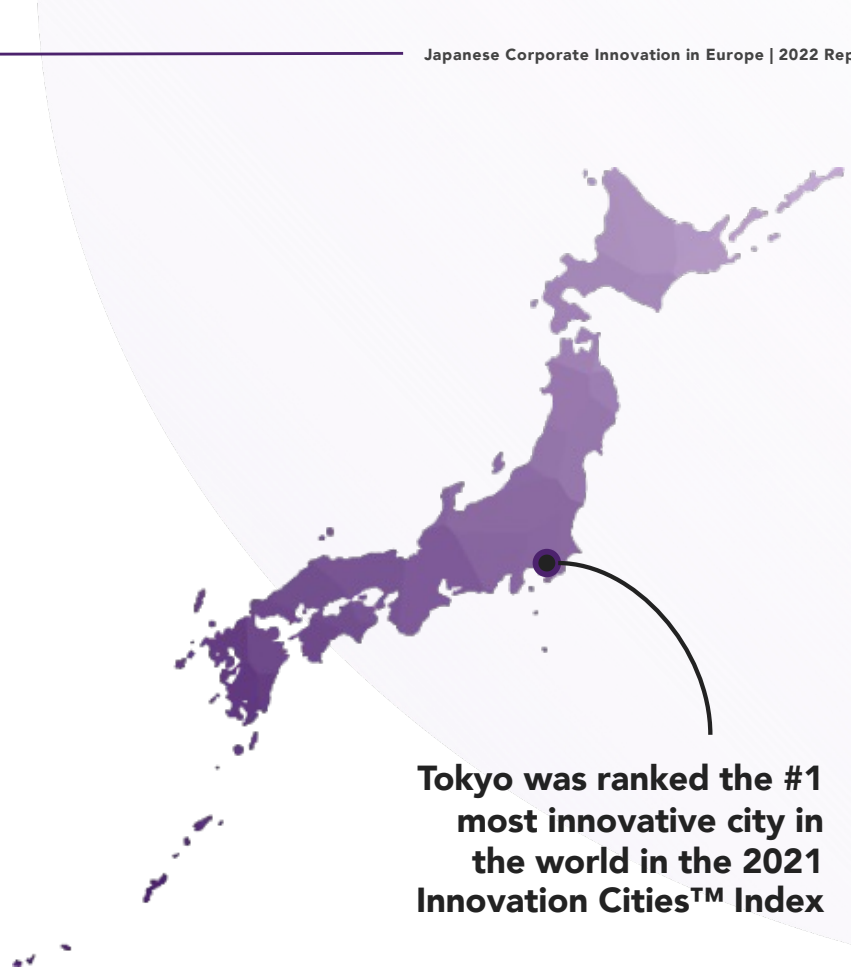
47 companies

3rd in the world, 2022†

EU Exports to Japan

€62.4bn / €28.7bn

Trade in Goods/Services, 2021‡



Tokyo was ranked the #1 most innovative city in the world in the 2021 Innovation Cities™ Index

* Statistical Handbook of Japan 2022

** World Bank † Fortune Global 500 2022 ‡ Eurostat

Japan and Europe – a strong trading relationship

The Japan-EU Economic Partnership Agreement which came into effect in early 2019 was a landmark trade deal cementing the strong relationship between Japan and Europe. In 2021 Japan was the seventh largest partner for EU export goods (2.9%) and the eighth largest partner for EU import goods (3.0%) and EU exports to Japan totalled 62.4bn EUR.

The Japan-EU Summit held most years since 1991 also offers opportunities for the two regions to collaborate on joint initiatives such as the Japan-EU Green Alliance in 2021. More recently, the Japan-EU Digital Partnership was launched at the 28th Japan-EU Summit in May 2022. The partnership, the first of its kind for the EU, aims to strengthen cooperation within human-centric digital transformation, focusing on topics such as digital education, global standards development, and facilitating digital innovation among SMEs.

Japan has formed a similar digital partnership with the UK, home to the largest digital and tech startup ecosystem in Europe. The partnership launched in December 2022 and will foster collaboration across areas such as AI, data innovation, internet governance and cyber resilience.

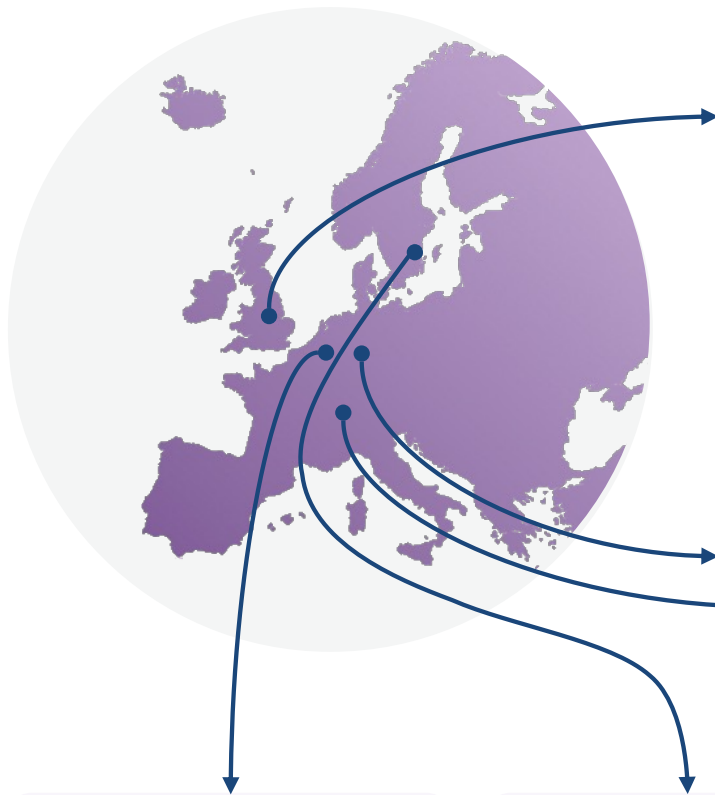
The upcoming G7 summit, to be hosted in Hiroshima in May 2023, will also offer a chance for further strengthening of cooperation and partnerships between Japan and European G7 members (alongside the wider EU Commission which will also be in attendance).

Did you know? Japanese corporations are very active within the European startup ecosystem with over 25 Japanese corporate LPs at Europe-based venture capital firms, in addition to 44 direct investments in 2022

Where are Japanese Innovators in Europe?

According to JETRO's 2021 survey into Japanese companies in Europe ([link](#)), there are now as many as 1,454 Japanese companies with presence in the European market. The majority of these businesses are located in Europe's largest economies – with 31.6% of businesses in Germany, 14.9% in the UK, 10.3% in the Netherlands and 9.3% located in France.

Whilst many of these offices represent sales offices and manufacturing bases, as part of this report we have interviewed over 50 large Japanese corporations that have also set up 'innovation-focused' offices in the European market. From these conversations, it is clear that whilst Europe's leading economies still make for the most popular office locations, Japanese companies are also keen to set up innovation offices in hubs that have a strong innovation ecosystem related to the corporation's areas of interest. And despite almost half of Japanese companies surveyed by JETRO in 2021 saying they had experienced a "negative impact" due to Brexit, this has had no impact on companies deciding to set up offices in the country – with four more companies interviewed for this report claiming to have an 'innovation office' in the UK than last year.



United Kingdom 23 innovation offices

The UK consistently scores highly for ease of business – and according to the OECD has the least barriers to entrepreneurship in the world. Thanks to its strong finance and IT industries and language accessibility, a significant number of Japanese companies – such as NTT DATA UK and Shimizu Corporation – have chosen the UK as the base for their European innovation activities.

Germany 16 innovation offices

Germany is the second most popular location for Japanese corporate innovation activity – with many companies seeking to take advantage of Germany's vibrant manufacturing, industrial and automotive ecosystems. Germany is also Europe's number one country for research – investing a whopping 105 billion Euros into R&D in 2018 alone.

Benelux 9 innovation offices

Benelux sits in the geographical heart of Europe – and is in close proximity to many of Europe's major industrial hubs. The region is considered a leader in biotechnology and sustainability, thanks in part to being closely located to EU's headquarters, in Brussels.

Nordics 4 innovation offices

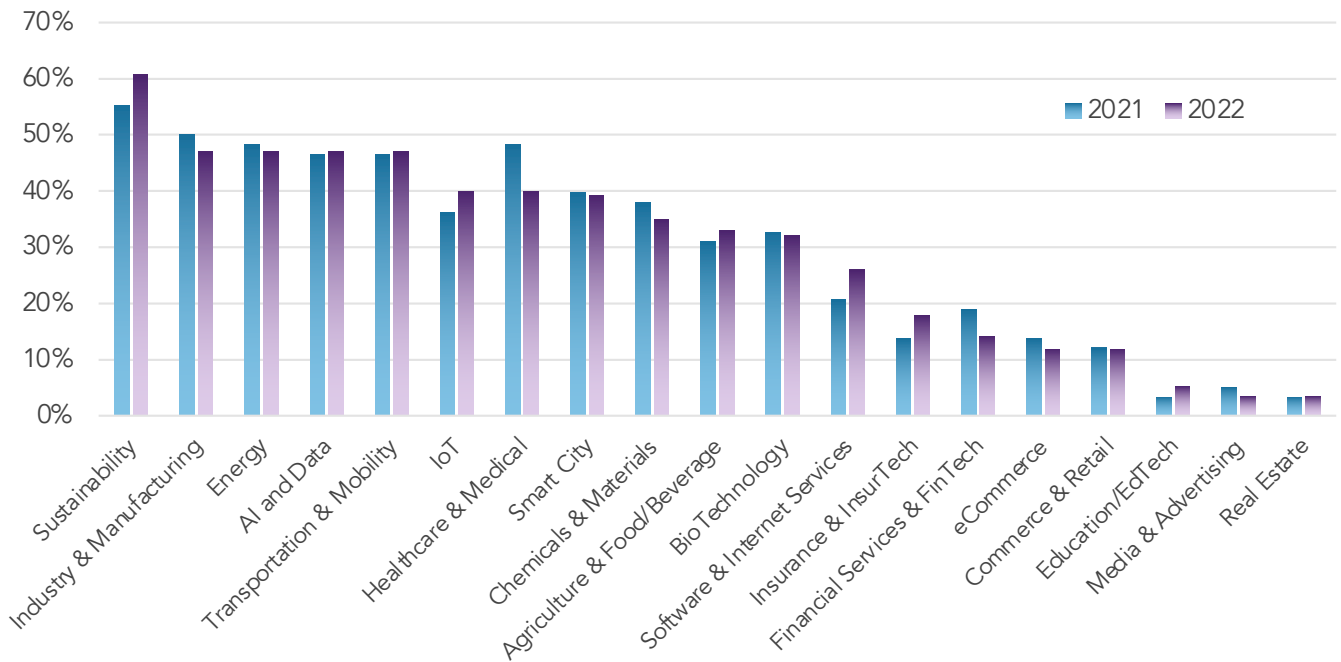
The Nordics represent one of Europe's most important tech and innovation hubs. In our directory, several companies have decided to set up innovation offices in Sweden and Estonia – including major firms such as Marubeni Corporation and Sony network Communications Europe.

Switzerland 3 innovation offices

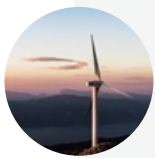
Switzerland is one of the world's most productive health and pharmaceutical hubs – making it a natural home for the innovation hubs of Japanese companies such as Idemitsu Kosan Co., Ltd., Yokogawa Innovation Switzerland GmbH, & Nabtesco Technology Ventures AG.

Focus Areas of Japanese Companies in This Report

During our interviews with the 50+ companies that we spoke to in the creation of this report, we asked them to list up all of their areas of interest, in relation to their corporate innovation activity. Of the ~20 comprehensive areas provided, the responses we collected are listed up as follows:

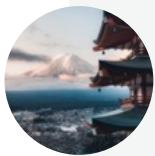


What is immediately clear from the responses is the high level of interest in Japan’s strongest industry sectors – for example in areas such as manufacturing and automotive. However, following on from a strong showing in 2021, sustainability continues to lead the way a strong cross-industry trend as the category of most interest. Almost two thirds of Japanese innovation offices are interested in sustainability in some way – a jump of almost 10% compared to last year – truly highlighting the importance of the issue to major corporates in Japan.



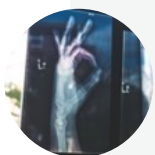
Sustainability & Energy

Japan has joined the ranks of countries targeting carbon neutrality by 2050 – a move that has ignited corporate activity in the space across all sectors. Japan’s approach is based on three key principles – 1) promoting innovation and technology, 2) promoting green finance, and 3) supporting greater international cooperation to hit targets



Industry, Manufacturing and Mobility

Japan’s strength in manufacturing and automotive industries has made it a global pioneer in the development of smart city initiatives, thanks to expertise in sensors, connectivity, and more. These industries continue to be the powerhouse of the Japanese economy – although now with greater focus on new areas like digitalisation



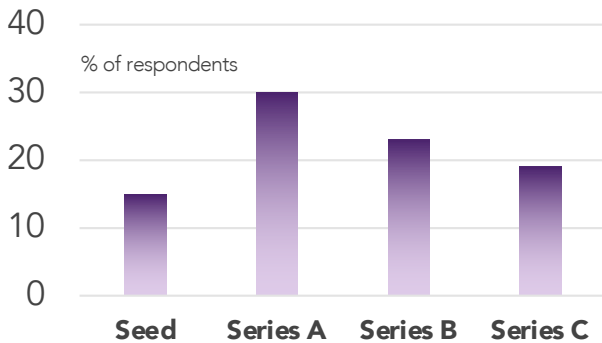
AI & Data

Artificial Intelligence continues to receive widespread interest from Japanese companies across the board. In areas like healthcare, for example – where Japan represents the world’s #3 medical device market – companies increasingly seek to obtain new value by adding AI and digital services to previously traditional offerings

Insights from our directory

When interviewing companies for this report, we also asked them a range of questions to understand what type of innovation and company profile they are most interested in in the European market. Here are a few of the results:

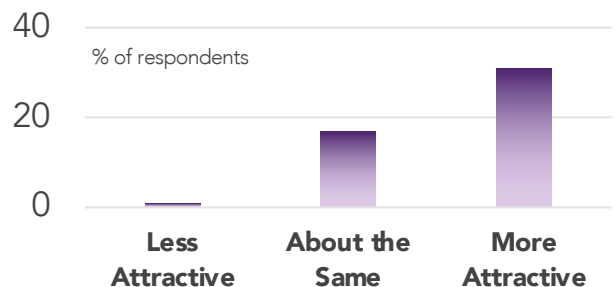
When collaborating with European startups, which 'investment stage' of startup does your company prefer to invest in or collaborate with?



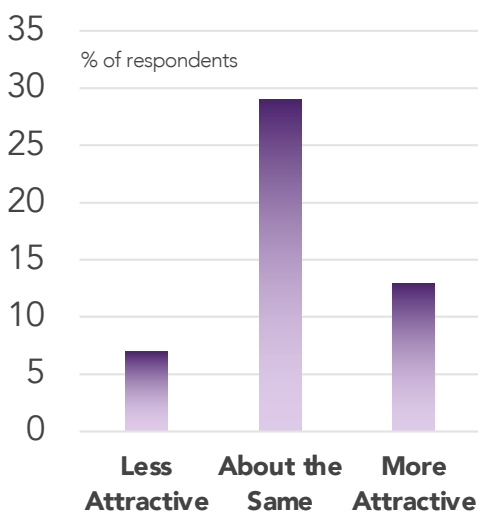
Japanese corporates are most interested in companies at a Series A funding stage – which represents a nice balance between having a 'proven' technology, and being early-stage enough for the Japanese companies to have a meaningful result from the relationship.

In terms of innovation, do you think Europe is a more attractive or less attractive market for Japanese companies, compared to three years ago?

The majority of respondents feel that Europe is more attractive than three years ago. This response is supported by the influx of Japanese innovation-focused offices into the region, as companies look increasingly to tap into the European innovation ecosystem.



How do you consider Europe as an innovation destination, in comparison to North America?



Although a more balanced picture, Europe was more attractive to several responders. Reasons given included:

- European startups are more friendly and willing to create ecosystems together
- Stronger in renewable energy, especially in the Nordics
- Companies are less cash/investment oriented
- Because the EU has often been a rule changer, especially in the environmental area



Presidio Ventures Venture Capital

Kunihito Kawase
Managing Director
November 2022

Tell us more about Presidio Ventures, your activities in Europe, and what you're looking for

Presidio Ventures is the venture investment arm of the Japanese business group Sumitomo Corporation. Our CVC started from the US, China, Japan and Israel – and in October 2021 we also decided to also set up an operation in Europe. We're mainly focused on deep tech here in Europe – primarily on digital-based technologies.

What spurred the decision to open up the European office?

From a business point of view, we're constantly creating disruptive, scalable new businesses for the future. And we're less focused on finding solutions to current pain points. So in this sense, it makes sense to start engagement with startups at an early stage. There are so many great entrepreneurs coming from Europe – it's a great "field" of opportunities for us to really grow some investments from the seed stage upwards.

Why should European companies work with Japanese companies?

I think by nature, the Japanese are quite honest, and once we understand value and see a mutual understanding and benefit, it's possible to expect a successful long-term relationship. Especially for industrial-based digital solutions, Japanese manufacturing industries are still huge on a global level, and represent great potential partners for European technology providers.

From our perspective specifically, we're not like a CVC in a specific industry that sits under a pharmaceutical company or automotive company or anything like that. We've got a much broader focus and can stay quite flexible, and adjust to the needs of each startup company, which we think is really valuable.

What would be your advice to European startups to make themselves more appealing to companies like yours?

For me, any great entrepreneur is really interesting. However, even though Europe is really quite close to Japan in terms of cultural connections – even for major economies like the UK, ordinary Japanese people mostly have only a surface level of understanding about culture and business. Of course, everyone in Japan knows of famous universities like Oxford and Cambridge – but I think it's important to carefully explain in a bit more detail exactly how your company has grown, and where it has come from. Some contextual things that are obvious to people in the UK might be less obvious when speaking to a Japanese person, for example.

If we can get a better understanding of this context, it can be much easier to grasp a company's uniqueness and differences. Perhaps startup companies from the US are a little better at doing this compared to European companies, so this is something that could be useful to work on.

Partnership Focus: Europe & Japan Success Stories



Mitsui O.S.K x Bombara

Following 18 months of close collaboration, Mitsui O.S.K. Lines, Ltd. (MOL) has invested in Bombara in January 2022 to further commercialise the startup's membrane-style wave energy converter, mWave™. The investment aims to support Bombara's technology, and help explore potential wave power projects in Japan and the surrounding area, as well as opportunities in Europe.

Through this collaboration, MOL will contribute to the development of Bombara's technology through its invaluable expertise in marine operations, local industry supply chain knowledge and by providing support in project development in Japan and across the region.

University of Tokyo Edge Capital Partners x Oxford Quantum Circuits

In July 2022, UK-based company Oxford Quantum Circuits (OQC) announced the first close of its Series A at about £38 million – the largest-ever Series A in quantum computing companies founded in the UK.

The investment round was led by University of Tokyo Edge Capital Partners (UTEK), Japan's largest deeptech VC fund. OQC's patented 3D architecture, the Coaxmon, makes it uniquely positioned in the superconducting quantum computing space, where Japan has been pioneering research and development. UTEK will support OQC's expansion into Asia-Pacific through collaborations with University of Tokyo, and partnerships with Japan's leading corporations.



Partnership Focus: Europe & Japan Success Stories



Dai-ichi Life x YuLife

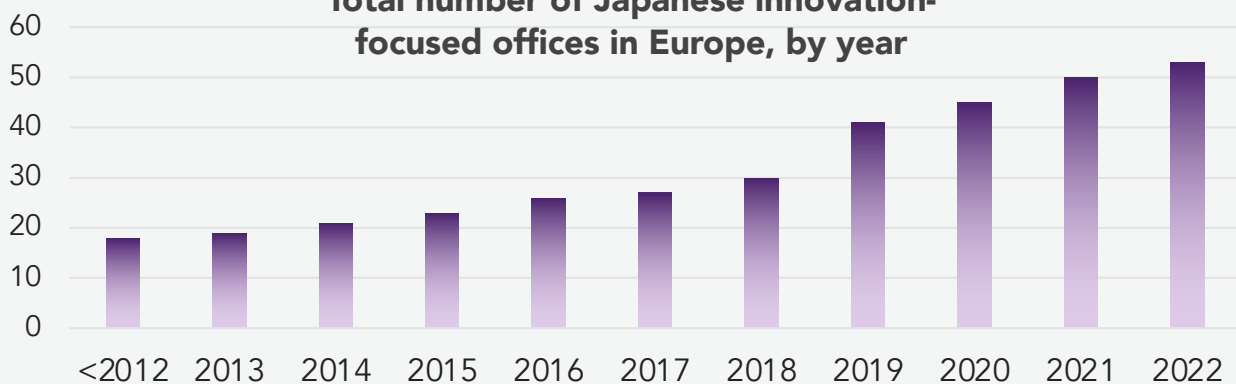
Japanese life insurance giant Dai-ichi Life has invested £75m GBP into YuLife – a fast growing UK-based InsurTech company, providing group insurance business, with a strong focus on digital technology, and employee well-being.

The investment into YuLife comes as Dai-ichi makes effort to “explore” innovative new business models in the life insurance space – and says it plans to utilise YuLife’s advanced business model and know-how to enhance its understanding of the group insurance business together with the health and medical field. The partnership aims to deliver value to group companies in Japan as well as overseas.

Spotlight: Japan’s growing innovation presence in Europe

There has been a huge acceleration in the growth of the number of Japanese corporations with an innovation-focused office in the European market, with a three-fold increase in the last decade alone. 2019 was a stand-out year, with 11 companies setting up offices in the UK, Germany, Belgium, Estonia and the Netherlands. And despite the COVID-19 pandemic’s impact on international travel, the creation of new offices has continued to accelerate – with three companies in our directory founded as recently as 2022.

Total number of Japanese innovation-focused offices in Europe, by year





Innovator Interview

Venture Lab EMEA, NGK SPARK PLUG

Daniel Hinz

General Manager & Head of Venture Lab EMEA
December 2022

Please can you tell us about your team's activities in Europe?

Venture Lab is the new business creation team of NGK SPARK PLUG, CO., LTD. We are a global team of more than 300 members, tasked with establishing new revenue streams of 1 billion EUR by 2030 in the areas of mobility (charging technologies), utility (air handling, low energy consumption air conditioning, aquaculture), and health (home health, women's health, wound healing, and respiratory care). Our mission is to positively impact the lives of many people and improve the quality of life of everyone.

Our teams are based in Tokyo, Berlin, and San Jose and build ventures on our own. In addition to corporate venture building, we also invest our 100 million USD fund in start-ups worldwide.

What makes Europe an attractive place for this activity as one of your venture lab locations?

Berlin is a key location for us, and the team of around 20 mostly newly hired entrepreneurs, designers, engineers, software developers, etc. have a disproportionately big impact on the success of our ideas and venture building. In addition, we aim to collaborate with the best start-ups worldwide and the region of Europe and the Middle East has a lot of opportunities, and highly motivated talents at start-ups, universities, and partner companies. It's that ecosystem that we leverage.

Europe is also very diverse because we have lots of different cultures, societies, and economic models in the market that we have to take into consideration. Even within our team, we have 12 different nationalities with very different experiences and backgrounds – it's that mixture that creates the truly new and unusual ideas that we need to find the next "big thing".

This international approach is really interesting – do you think it's quite unique for a Japanese company?

We certainly have a bit more freedom to operate on a day-to-day operational side, which helps with the efficiency of our daily business. And once it comes to bigger decisions and approval processes, then it returns to a more traditional corporate – and especially also Japanese – way of working. I think the combination of the two sides is what makes our activity very strong. It's actually quite a new approach for NGK SPARK PLUG, CO.,LTD. too. Until recently, everything was controlled from Japan – all the IP, R&D centers, etc. But a decision was made to move the head of our innovation division to Silicon Valley, and now the global medical head is in Silicon Valley too, and things have evolved positively from there.

It's a really interesting approach and we're fortunate to benefit from this shift in approach within our team. It's also unique – at a global level, not even limiting things to Japan – that we're placing so many resources into investment and venture building. A lot of testing, learning, and growing is involved, and corporates often avoid this as there's always failure involved. This is usually a very big stretch for big companies – especially in Japan – but we've already seen it working well for us so far.

What kind of benefit do you think there is for European startups to work with Japanese corporates, and with NGK SPARK PLUG, CO., LTD. more specifically?

I think the biggest attraction for start-ups to work with corporates is really that the “startup world” and the “corporate world” don’t exist anymore – the two worlds merged years ago. Companies that were in their seed phase or Series A phase a few years ago are now proper, professional companies with corporate processes – and I think everyone now understands how working together, in general, can be very helpful. For example, getting cultural guidance from big companies or making use of capabilities in manufacturing, engineering, distribution channels, and funding can be hugely beneficial to start-ups to help them scale and grow. So now, I think most start-ups and corporates understand that this is a win-win situation, with the corporate side also able to benefit from startups’ ability to work fast outside of a more bureaucratic corporate environment.

From NGK SPARK PLUG’s perspective, we’re not a household name like other brands, so a lot of start-ups won’t have heard of us, and we have to take some time to explain who we are and how we can benefit startups. In the end, I think the number one reason companies are attracted to us is access to the Asian market. We’re talking to a lot of European companies and US companies – and they know that the Japanese market is impossible to enter unless you have a partnership with a Japanese company. To give one concrete example, we met a company developing ceramics for engines and hydrogen storage, and they need a partner to help them scale the technology. It won’t work unless the technology is incredibly high precision and very accurate – so they need someone who can help deliver this high precision. We have a lot of expertise in this area that we can add value to.

How do you think European startups can make themselves more attractive to companies like yours?

Japan has a huge domestic market, and companies already have a lot of customers there, so companies tend to focus efforts there first before looking internationally. So what can be helpful from the perspective of European start-ups is if they have a way to attract the attention of the main management in Japan – for example, to help get investment. One way of doing this can be by really targeting Japan as a ‘go-to market’ for expansion. This is very rarely done by most start-ups in Europe at the moment, and if there’s a clear desire and plan to target the Japanese market and Japanese customers it can be very helpful. In addition to that, we find it can also help if companies can demonstrate clear ideas of how to utilize some of our assets (use of our sales channels, ceramics, oxygen concentrators, and production facilities).

Some of our business divisions can have concerns about working with external companies and might push back when it comes to things like safety concerns because working with start-ups isn’t something they’ve traditionally been used to doing. This is something we’re also trying to improve on our side too – to improve how we communicate our internal processes to start-ups so that they can understand how we work, and in turn, create more effective proposals.

What final recommendations do you have for any readers?

Our company is extremely mission-driven and while it’s not easy to get decisions in place sometimes, once something is decided, the company stays with that decision. A few years back we decided to work on sustainability and have since entered working on new ways to produce food, energy-efficient air conditioning, materials for solid-state batteries, solutions that provide healthcare for all, etc. these are ventures that take time and perseverance but truly improve the quality of life of everyone. We also make headway in supporting women to enter more leadership positions and have an ever-increasing share of women on our teams.

I’d finish by saying that the Japanese market is very specific. I’ve never seen a market so driven by culture. Of course, there are some similar patterns in China or other parts of East Asia – but Japan is still unique in comparison. With this in mind, it is important to know as a startup that your product will fulfil a certain ‘cultural’ aspect in Japan, as otherwise, you might fail. You have to have a lot of knowledge about Japanese culture, and the specifics of the market, to make it work. So to this end, I think it can be very helpful to have a partner of some kind to help with that initial approach. So we welcome the initiatives by organizations like JETRO to help European companies with this side of things.

Spotlight: Japanese investment into Europe – 2022

Japanese investors were active across Europe in 2022, with 44 investments identified – spanning a range of sectors, funding amounts, and startup stages. The UK was a notable hub for Japanese investment in 2022, with 13 London-based companies and 3 Cambridge-based companies received funding from Japanese corporations. In the past year, Japanese investors were most inclined to invest in earlier stage startups – with Series A the most common round in 2022, followed by Seed funding. Investment is distributed across a range of sectors but green tech, life sciences/medicine, and digital platforms featured prominently.

Source: Crunchbase data

Company	Location	Raised	Series	Investor	Description
H2 Green Steel	Stockholm, Sweden	\$3.8bn	Series B	Hitachi Energy, Kobe Steel	Green steel
Scandit	Zurich, Switzerland	\$273m	Series D	Sony Innovation Fund	Smart barcodes
Carbon Clean Solutions	London, UK	\$212m	Series C	Marubeni	CO2 separation technology
YuLife	London, UK	\$206m	Series C	Dai-ichi Life	Life insurance
Pulmocide	London, UK	\$205m	Series C	Asahi Kasei Pharma	Inhaled medicines
Entrepreneur First	London, UK	\$180m	Series C	Softbank	Venture building
Diabeloop	Grenoble, France	\$128m	Series C	Terumo Corporation	Medical devices
Bumper	London, UK	\$102m	Series A	ITOCHU Corporation	Car dealer payment platform
Sygnum	Zurich, Switzerland	\$90m	Series B	SBI Digital Asset Holdings	Digital asset specialist
Token	London, UK	\$90m	Series C	SBI Investment	Open banking payments
Storm Therapeutics	Cambridge, UK	\$69m	Series B	Taiho Ventures, UTokyo Innovation Platform	Novel cancer therapeutics
Wingcopter	Weierstadt, Germany	\$66m	Series A	ITOCHU Corporation	Unmanned eVTOL aircraft
The Mobility House	Munchen, Germany	\$51m	Series C	Mitsui & Co	Vehicle batteries for the grid
Oxford Quantum Circuits	Oxford, UK	\$45m	Series A	UTEC - The University of Tokyo Edge Capital Partners	Quantum computing
Flyability	Lausanne, Switzerland	\$42m	Series C	SBI Investment	Drones
Solsten	Berlin, Germany	\$39m	Series B	Dentsu Ventures	Digital experience optimisation
Biofidelity	Cambridge, UK	\$36m	Series A	SBI Investment	Molecular diagnostics
Addionics	London, UK	\$34m	Series A	JX Nippon Mining and Metals Corporation	Next-generation batteries
SLAMcore	London, UK	\$27m	Series A	Global Brain, Presidio Ventures, Toyota Ventures, Yamato Holdings	Spatial intelligence
Fotokite	Zurich, Switzerland	\$26m	Series B	Sony Innovation Fund	Drones
Morrow Optics	Ghent, Belgium	\$26m	Angel	Tokai Optical	Advanced eyewear
SettleMint	Leuven, Belgium	\$25m	Series A	Fujitsu Ventures	Blockchain for web3
Peckwater Brands	London, UK	\$22m	Series A	SBI Investment	Franchise development
FloodFlash	London, UK	\$18m	Series A	Global Brain, MS&AD Ventures, Sony Financial Ventures	Parametric insurance
Circularise	The Hague, The Netherlands	\$13m	Series A	Asahi Kasei	Circular supply chains
LIV	Prague, Czech Republic	\$12m	Series A	Sony Innovation Fund	VR experiences
Wyden	Zurich, Switzerland	\$12m	Series B	SBI Investment	Digital asset trading
BitDegree	Vilnius, Lithuania	\$1.5m	Seed	Mistletoe	Crypto educator
ROSI	Grenoble, France	\$11m	Series A	ITOCHU Corporation	Photovoltaic recycling
ClimateTrade	Valencia, Spain	\$10m	Seed	Omron Ventures	Carbon offsetting
Ejara	Bordeaux, France	\$10m	Series A	EMURGO	Crypto and savings
Beebs	Creteil, France	\$9.4m	Series A	Mercari	Customer to customer marketplace
uFraction8	Falkirk, UK	\$3.5m	Seed	Leave a Nest	Filtration systems
CollectID	Zurich, Switzerland	\$3.5m	Seed	SBI Group	Phygital marketing
Chatterbox	London, UK	\$2.2m	Pre-Seed	Softbank	Language learning
Everimpact	Paris, France	\$2.2m	Seed	Rainmaking	Carbon tracking systems
Murasaki	s-hertogenbosch, The Netherlands	\$1.6m	Seed	Incubate Fund	GameFi economy
waylay	Gent, Belgium	\$1.3m	Series A	Yokogawa Electric Corp	IoT orchestration and automation
OME Health	London, UK	\$1.3m	Seed	Asics	Preventative health
Strove	London, UK	\$0.6m	Seed	Lifetime Ventures	Wellbeing platform
Seso Global	Cambridge, UK	\$0.6m	Seed	EMURGO	Real estate management
BeTRITON	Valmiera, Latvia	\$0.3m	Pre-Seed	Mistletoe	Electric RV
8sense	Rosenheim, Germany	\$0.1m	Seed	Hitachi	Virtual coaching
Leo Drive	Istanbul, Turkey		Seed	Tier IV	Autonomous vehicle software



Corporate Innovator Spotlight: ENEOS Europe Ltd

Takuya Niitsuma

New Business Development, General Manager
December 2022

About ENEOS

ENEOS is an energy and materials company that hopes to establish sustainable cities by realising convenience improvements for local residents, regional revitalisation, resilience enhancement, and a decarbonised society, all with energy as the core of our pursuit.

In Europe, we have been pursuing these goals via investments into innovative startups in areas such as “Urban Development and Mobility” and “Low-carbon, Recycling-oriented Society”.

As one example of this – we recently participated in Oxford-based Oxbotica’s \$140m Series C round ([link](#)), to help the company deploy its operating system for Universal Autonomy™ around the world.

The funding will drive Oxbotica’s geographical expansion in North America, EMEA and APAC, and accelerate the deployment of its ground-breaking autonomy operating system in areas such as agriculture, airports, energy, goods delivery, mining and shared passenger transportation.

*Image: Applied EV's Blanc
Robot driven by Oxbotica*



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“Europe is a key market for ENEOS to develop new business outside of our core oil and gas business and to achieve our decarbonisation strategy, as it is leading the way in sustainability - such as cleantech, circular economy, mobility. We’re very excited to try and build new relationships with innovative partners as we pursue our commitment to creating a sustainable world, and enhancing people’s life via value creation through green innovations.”

”

Takuya Niitsuma





Innovator Interview

Sony Innovation Fund

Antonio Avitabile

Managing Director Europe, Sony Venture Corporation
December 2022

Please tell us more about the Sony Innovation Fund, and your activities in Europe

The Sony Innovation Fund is the venture capital arm of Sony, and I'm in charge of running our activities in the EMEA region. Our activities started in 2016, and we're investing into startup companies in Europe – via both an early stage fund and a growth fund. We're somewhat of a generalist investor given the highly diversified business portfolio that Sony has – it's really very wide, and encompasses everything from deep tech to entertainment, gaming, fintech and more. Typically, we use our early stage fund to get our foot in the door at a company, and then we use the growth stage fund to follow on or to double down with the companies that are performing well.

I'm also personally involved in the M&A activity for Sony Semiconductor Solutions, so I help to execute on anything that is strategic from that perspective. We've established design centres across Europe, and have acquired companies in Switzerland, Belgium, and Israel for example.

For our portfolio companies, we promote them to relevant parts of the Sony Group and beyond for partnerships, and approximately 40% of Sony Innovation Funds' portfolio companies have been involved in joint initiatives with Sony. We really try to bridge the gap between cultures in Europe, Israel, Japan and so on. Every deal has its own history with unique people – but there are some common traits and patterns, and we've learned a lot through the SIF investment experience on how to address the differences when bridging the gap between a small startup and a big Japanese company like Sony.

What sort of common issues do you run into when bridging this gap between Japan and Europe?

I think there are two elements here – national cultural differences, and corporate cultural differences. Firstly, for example, you have some countries like Israel where people like to speak very directly, which is very different from how things are done in Japan. And secondly, you have the differences between a big corporate culture and small startup culture. So it's kind of a double, let's say, chasm that you need to bridge.

In the case of Japan, in my experience, we actually see much stronger cultural affinity with some countries like Germany or Canada. It can be much harder to build partnerships with companies from Southern Europe or Israel because the culture can be so different.

However, when you do make a successful partnership across these cultural divides, it generates a really augmented return, because it means you've been able to combine some very different perspectives, which is really quite powerful. Japan is very strong in scaling up to mass production, whereas Israel is really strong in creative out-of-the-box thinking. Combining those two is tough, but rewarding when done right.

How are you able to overcome these kinds of differences to achieve success?

It takes a lot of slow dedication and patience, and a willingness to believe that this is going to work out. And you have to keep investing, which is not necessarily easy.

Is this kind of different perspective something you actively seek when investing?

Yes, we value diversity and different perspectives – and not only when it comes to corporate development activities and investments. I truly believe that for innovation in general, it comes from combining different perspectives. Europe encompasses this by definition, I think – it's a group of something like 30 different countries, each totally different from one another. And that's one of the biggest strengths of Europe in my view, and it's why we've been very active here.

And although Europe doesn't necessarily have the top markets for things like mobile any more, for me one of Europe's key strength is the breadth of engineering talent throughout the continent combined with the great diversity in cultures. There's an ability to look at the same problem in so many different ways, and that's really a key source of innovation for us.

What do you think is the value for a European startup to work with a Japanese investor as opposed to one, for example, from the US?

It depends, but for me I think the key benefit for startups to work with Japanese companies is the kind of long-term backing they give you. Because of the cultural differences it can take some time and convincing to build the trust and the relationship in the initial stages – but once the trust is there, they will back you well, and for a long time.

From my experience, there's no such thing as a startup that's always successful. There will always be good times and downturns, and in those bad times you want to have the support of your partners.

This long-term philosophy is part of Japanese culture, which I think is really valuable for founders, and a key important aspect that companies like Sony are able to bring to the table. Just to give one example – a few years ago we struggled to get into deals in fintech, as there was so much competition and often US companies would come in and take the whole round. But now, with the economic downturn, our story and ethos puts us in a good position and we now have access to some really good deals.

What would be your advice to European startups to appeal to Japanese companies like Sony?

I think in a lot of cases, it's very important to be able to navigate your way within corporate Japan – or how I might say the 'Japanese corporate understanding'. Who are the movers and shakers, and the people at the company that actually make decisions and make things happen?

In big corporates like Sony there aren't that many people who actually have this kind of responsibility, so identifying the right people to speak to is important and can be challenging. And this is even more important for a startup, because a startup's time is money – if you speak with the wrong people you can waste a lot of time and effort. So working with someone who knows how to navigate corporate Japan can be really helpful for this.

From Sony's perspective, we're a very engineering driven company too. So even if you have direct dialogue with the CEO, if you don't have the respect of the engineers or can't convince them that your innovation is generally a strong technology, then it's going to be difficult to move forwards.

It's a much more consensus-driven culture, so in addition to speaking with the right people you also need to have a bottom-up approach to convince the wider organisation. This includes making sure that your business model is sound, in order to prove to the relevant people that you have a commercially viable solution. Convincing all of these different people is not easy! But as I said before, if it works out it's going to be a great, strong, long-term relationship.

Corporate Innovator Spotlight: Toyota Motor Europe NV/SA



Ahmet Dogan

R&D, Head of EU Projects - Innovation & Technical Management



Karen Peeters

People & Innovation, Head of Business Innovation

About Toyota Motor Europe's Innovation Activities:

TME has been active in developing its partnerships mainly in AD, Safety, connectivity and electrification.

Examples include:

- Participation in the [Pass-By Noise \(PBNv2\)](#) consortium – to develop next-generation cars that are quieter and yet safe, for EU's Horizon 2020
- Participation in the [L3Pilot project](#) – for large-scale piloting of Level-3 automated driving, and
- Partnership with [DIFFER \(Dutch Institute for Fundamental Energy Research\)](#) - to investigate hydrogen production from humid air

With a focus on contributing to realisation of a sustainable society, Toyota Motor Europe's cross-functional taskforce has also been recruiting and developing startups developing innovative sustainability solutions for Mobility for All, Carbon Neutrality and Circular Economy through the Toyota Startup Accelerator ([Edition 1](#), [Edition 2](#)).



Above: Hydrogen partnership with DIFFER



Above: Automated driving test for L3Pilot

Below: the Toyota Startup Accelerator, 2022



Japanese Companies in This Report: Innovation Outposts

In order to understand Japan’s corporate push towards innovation in Europe in more detail, we have interviewed over 50 Japanese companies with an innovation-focused presence in the European market. These innovation ‘outposts’ typically take four different forms, each with a different focus, depth, and time in market.



The first, and most common, approach is the ‘**Innovation Hub**’ – a relatively lean operation housing a small team of up to 10 people. These offices usually represent a corporate’s first foray into a new market and are often tasked with roles such as technology scouting or new trend analysis.



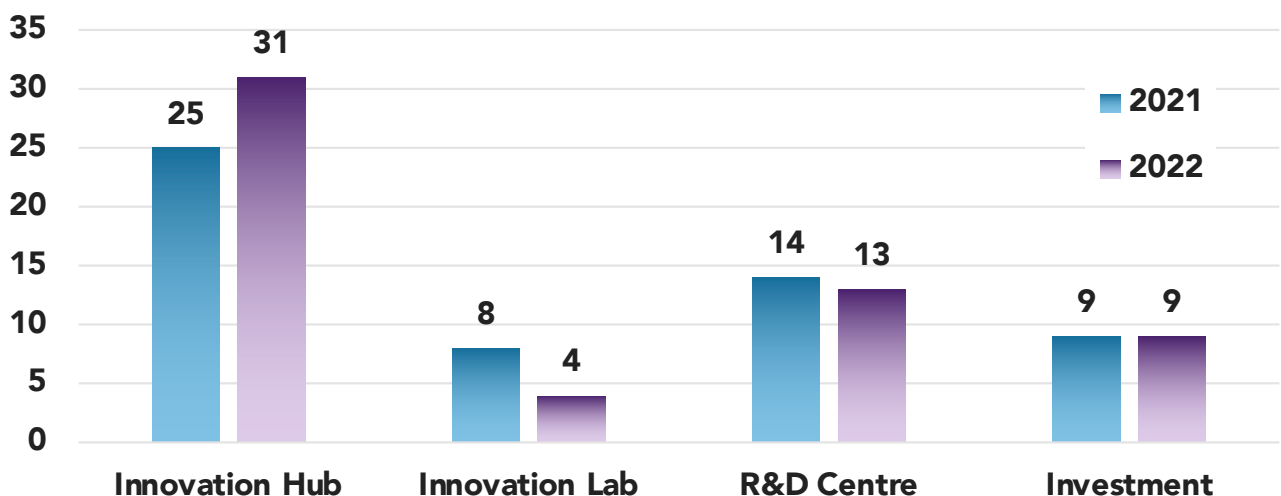
The second category is what we refer to as an ‘**Innovation Lab**’ – typically a slightly larger and more established presence than an Innovation Hub, usually with a medium-sized team of 10-30 people. These Innovation Labs often have a more direct role in running innovation-related activities, such as Proof of Concept trials, or local incubator or startup accelerator projects, directly here in Europe. Although this category is comparatively smaller, we’re seeing an increase in companies looking to scale up their operations in Europe to this level in recent years.



Next up, we have the ‘**R&D Centre**’ – usually a highly-established presence, with a focus on research and development. R&D Centres often have closer ties with universities or large European industry partners, and much larger teams.



Finally, we have offices with an ‘**Investment**’, or ‘**CVC**’ (Corporate Venture Capital) focus, which is a different kind of innovation focus to the above three categories. As Japanese corporates seek to ramp up their investment activities into European startups, having a close on-the-ground presence, near to startups of interest, is invaluable to investors to help them make the best investment decisions.



Based on our interviews, the breakdown of types of ‘innovation offices’ set up by Japanese corporates can be seen as above. The number of Innovation Hubs has grown significantly since 2021, as many companies start up innovation activities in Europe for the first time. Several companies have also reclassified themselves down from an Innovation Lab or R&D centre this year – perhaps indicating a focus on more lean, agile innovation with smaller and more flexible teams in Europe.



JETRO (Japan External Trade Organisation) London

Investment team

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About Intralink

Intralink is an international business development and innovation consultancy with a deep specialism in East Asia. We enable western companies to expand in Asia, and Asian companies to collaborate with western innovators. Founded in 1990, we have offices in Shanghai, Beijing, Tokyo, Seoul, Taipei, Oxford, London, Boston, Silicon Valley, LA, Paris, Poznan and Tel Aviv.